

**THUNGELA RESOURCES LIMITED**

(Incorporated in the Republic of South Africa)

Registration number: 2021/303811/06

JSE Share Code: TGA

LSE Share Code: TGA

ISIN: ZAE000296554

Tax number: 9111917259

('Thungela' or the 'Company' and, together with its affiliates, the 'Group')

**2024 Annual results, final ordinary cash dividend declaration and announcement of a share buyback****Thungela reports strong 2024 results reflecting operational excellence and disciplined execution of strategic priorities**

- Operated a fatality-free business for 25 consecutive months
- Export saleable production increased year-on-year in South Africa and Australia, and exceeded full year guidance
- Adjusted operating free cash flow\* of R3.6 billion for the year and net cash\* of R8.7 billion at 31 December 2024, after capital expenditure of R3.4 billion
- Declaration of a final cash dividend of R11 per share, taking full year dividend to R13 per share. Share buyback announced of up to R300 million
- Elders construction completed and production ramp-up progressing as planned. Zibulo North Shaft progressing on schedule and in line with budget

<b>Key performance metrics<sup>1</sup></b> <b>(Rand million unless otherwise stated)</b>	<b>31 December 2024</b>	<b>31 December 2023</b>	<b>% change</b>
Export saleable production - South Africa (kt)	13,595	12,214	11
Export saleable production - Ensham Business (on a 100% basis) (kt)	4,068	1,012	302
Revenue	35,554	30,634	16
Profit for the reporting period	3,544	4,970	(29)
Earnings per share (cents/share)	2,676	3,766	(29)
Headline earnings per share (cents/share)	2,559	3,497	(27)
Dividend per share (cents/share)	1,300	2,000	(35)
<b>Alternative performance measures*</b>			
Adjusted EBITDA	6,255	8,454	(26)
Adjusted EBITDA margin (%)	18	28	(10pp)
Adjusted operating free cash flow	3,589	6,806	(47)
Net cash	8,671	10,176	(15)
Capital expenditure	(3,396)	(3,288)	3
FOB cost per export tonne excluding royalties - South Africa (Rand/tonne)	1,130	1,084	4
FOB cost per export tonne excluding royalties - Ensham Business (Rand/tonne)	1,433	1,544	(7)

<sup>1</sup> The Group results in 2023, include the results of the Ensham Business for four months from the acquisition date of 31 August 2023 to 31 December 2023.

## MESSAGE FROM JULY NDLOVU, CHIEF EXECUTIVE OFFICER

Our 2024 results demonstrate continued operational excellence and underscore the disciplined execution of our strategic priorities. Full-year export saleable production exceeded guidance in both South Africa and Australia. Notably, South African production grew for the first time in three years due to increased productivity and improved rail performance. The higher production and a focus on cost efficiencies resulted in a free-on-board (FOB) cost per export tonne\* below guidance. Our two key life extension projects, Elders and Zibulo North Shaft, remain on schedule and on budget. Safety remains our first value and we are unconditional about protecting the lives of our people. We are proud to report that we have been operating a fatality-free business for 25 consecutive months.

Our increased focus on accountability and our safety culture is delivering meaningful safety improvements. The Group total recordable case frequency rate (TRCFR) was 1.93, compared to 2.80 in 2023. South Africa achieved a historic low TRCFR of 1.07, compared to 1.40 in the prior year. In Australia, the TRCFR improved significantly to 13.21, compared to 22.63 in the full year 2023, reflecting a strong focus on improving conditions, leadership visibility and critical controls.

Group revenue increased by 16% year-on-year to R35.6 billion, as Ensham was included for the full 12 months in 2024, in comparison to the four months following acquisition in the prior year (September to December 2023). The Group generated adjusted EBITDA\* of R6.3 billion and net profit of R3.5 billion, with the Ensham Business contributing R676 million to net profit in 2024. The margin contribution from our operation in Australia and the marketing business in Dubai showcase the benefits of our geographic diversification strategy. The Group ended the year with net cash\* of R8.7 billion.

While the impact of a softer price environment across the Richards Bay and Newcastle Benchmark coal prices continues to impact our financial results, it is encouraging to note the improvement in the performance of Transnet Freight Rail (TFR) post the annual maintenance shutdown period, which was completed in July 2024. TFR achieved a run rate of 51.9Mtpa for 2024, an 8.4% increase in performance from 2023 for the industry, with an average annualised run rate of 56.2Mt in the second half of the year, from an annualised run rate of 47.3Mt in the first half of the year.

In South Africa, export saleable production of 13.6Mt ended above the guidance range of 11.5Mt to 12.5Mt, and increased by 11% year-on-year, from 12.2Mt in 2023. The higher production output in 2024 was particularly notable given that three underground mining sections were removed in 2023 in response to the rail constraints. In line with the improved rail performance, our South African operations ramped up production without adding additional capacity or material cost to the business. FOB cost per export tonne excluding royalties\* of R1,130 was below the low end of the guidance range of R1,170, mainly due to higher production volumes.

In Australia, Ensham recorded strong export saleable production of 4.1Mt (on a 100% basis), an increase of 52% from the annualised run rate of 2.7Mt at the date of acquisition. The improvement is mainly attributable to productivity projects and the reconfiguration of the mine to include a fault development crew dedicated to traversing geological faults, while the remaining sections mine in productive areas.

FOB cost per export tonne excluding royalties\* of R1,433 was below the low end of the guidance range of R1,590, mainly driven by higher production and cost initiatives implemented during the year.

## **Global thermal coal market landscape**

The softer thermal coal price environment continued throughout the year. Milder winter conditions in the Northern Hemisphere led to subdued demand in Europe, where coal and gas stock levels remained elevated, impacting the South African coal market. The market for high calorific value product from Australia was shaped by high stock levels brought upon by sluggish seaborne demand in the main Asian coal markets, such as China, India, Japan and South Korea.

We remain confident in the long-term fundamentals of the role of coal in the energy mix in support of global energy demand. The International Energy Agency confirmed in its '*World Energy Outlook 2024*' report published in October 2024, that the outlook for coal demand remains firm. There is strong energy demand from emerging markets, with countries such as China and India continuing to invest in new coal-fired power stations to meet the energy needs required to sustain economic growth, as well as demand that is maintained due to delays in projected closure dates for existing coal-fired power stations. Seaborne traded thermal coal demand is expected to remain close to one billion tonnes in 2025. It is important to note that the higher coal demand in these regions more than offsets the decline in the use of coal in developed economies.

Ongoing geopolitical tensions and uncertainties continue to impact the energy markets, leading to coal and gas supply volatility. Seaborne thermal coal market supply may be impacted by in-country supply in key emerging markets, such as China and India.

## **Progress on our strategic priorities**

We have made significant progress in 2024 towards building a sustainable and long-life business across our geographies. In South Africa, our two life extension projects, Elders and Zibulo North Shaft, are key to improving our life of mine and long-term competitiveness, and remain on schedule and within budget. Total expansionary capital expenditure for these two projects since commencement is R3.6 billion. The construction phase of the Elders project is complete, and the ramp-up is progressing well, with the deployment of two production sections to date. The mine is anticipated to produce at a run rate of 4Mt of run of mine coal per annum, upon reaching steady state in early 2026. The Zibulo North Shaft project is ongoing with completion expected in 2026, which will extend the current underground operation's life to 2038. The mine is expected to produce at a run rate of up to 8Mt of run of mine coal per annum on completion of the project.

The Lephalale Coal Bed Methane (LCBM) project, situated in the Waterberg coal field in Limpopo in South Africa, is a significant methane gas resource that we are evaluating for development opportunities. A capital investment of approximately R400 million will be made in 2025 for the acquisition of a modular liquefied natural gas plant and associated site infrastructure, which will demonstrate the value in use of the gas.

The Rietvlei coal mine was established to develop a domestic-focused coal project with a direct benefit to local communities through an equity shareholding. The intention of Thungela, with an effective 34% shareholding, was to ensure the sustainability of the operation while our black economic empowerment partners developed the project, and at the appropriate time to exit our position. With the mine now fully operational and a domestic contract in place, Thungela resolved to sell its interest to the existing partners for a total cash consideration of R186 million. The transaction demonstrates economic inclusion and our partners, together with the local communities, participate in the full economic benefits of the operation.

In December 2024, we announced our intention to acquire a further 15% interest in the Ensham Mine for a total consideration of AUD48 million. We are pleased to advise that the relevant conditions precedent have been met, and the transaction was completed on 28 February 2025. On 14 March 2025, we also announced that we had entered into an agreement with Audley Capital and Mayfair to acquire their 27.5% interest in Sungela Holdings, for an upfront cash consideration of USD1.7 million, as well as contingent deferred consideration of up to USD15.5 million payable over a period of up to six years. Upon completion of this transaction, the Group will own 100% of the Ensham Business. These transactions enable us to further execute our geographic diversification strategy in Australia, enhancing the Group's production profile and earnings, as well as maximising value through Thungela Marketing International.

The resource development plan at Ensham, which was initiated post acquisition, is progressing well. This will assist us to identify the full potential of the asset and the related capital required to extract value from brownfield opportunities.

### **Shareholder returns and capital allocation**

In 2024, we completed two share buybacks for a total consideration of R601 million, or 3.2% of issued share capital. The share buybacks acknowledge the diverse preferences of our shareholder base and reflect our confidence in the Group's attractive long-term outlook and robust financial position.

The Group generated cash flows from operating activities of R5.3 billion for the year. After investing R1.7 billion in sustaining capital expenditure\*, this resulted in an adjusted operating free cash flow\* of R3.6 billion for the year. We remain committed to building a long-life competitive business with an expansionary capital spend of R1.7 billion during 2024.

Driving our ESG aspirations informs our approach to our existing business, how we plan future projects and how we evaluate potential acquisitions. In Australia, we contributed R970 million into an investment vehicle, similar to the green fund in South Africa, to secure the necessary financial surety for the Ensham rehabilitation liabilities, while we pursue acceptance into the Queensland Financial Provisioning Scheme. In South Africa, we contributed a further R204 million into the green fund in 2024. Including these investment contributions, as well as the ongoing spend on rehabilitation activities, the Group environmental liability coverage\* has increased to 54%, compared to 40% in 2023.

At 31 December 2024, the Group's net cash\* position was R8.7 billion. We continue to reserve R900 million to fund our life extension projects to completion and R400 million for the LCBM project. Given the current weak market conditions, the board considers it appropriate to maintain a cash buffer of R5.4 billion. The Group holds undrawn credit facilities of R3.2 billion.

The board reaffirms its commitment to the dividend policy, which is to distribute a minimum of 30% of adjusted operating free cash flow\* to shareholders. A final dividend of R11 per share has been declared, taking total dividend to R13 per share. The board has also approved a share buyback of up to R300 million. Total returned to shareholders, including share buybacks of R460 million, is 64% of adjusted operating free cash flow\* for 2024.

Since listing the business in 2021, the Sisonke Employee Empowerment Scheme and the Nkulo Community Partnership Trust have together received R1.7 billion, including R204 million relating to 2024, demonstrating Thungela's ability to deliver strong returns to all of our stakeholders.

## **Looking ahead**

In line with our purpose - to responsibly create value together for a shared future - we are confident that our disciplined capital allocation approach will ensure that Thungela delivers value for our people, communities and stakeholders over the long term.

In particular, our focus remains on operating a fatality-free business and delivering operational excellence by controlling the controllables. As we position the business to take advantage of the long-term fundamentals supporting coal demand globally, we remain committed to productivity improvements and to enhancing the cost competitiveness of our operations, driven by the Elders and Zibulo North Shaft projects. We are confident that executing our strategic priorities will create meaningful shareholder value.

## OPERATIONAL GUIDANCE - 2025

	South Africa	Ensham
Export saleable production (Mt) (Ensham on a 100% basis)	12.8 – 13.6	3.7 – 4.1
FOB cost per export tonne* (Rand/tonne)	1,220 – 1,300	1,650 – 1,780
FOB cost per export tonne excluding royalties* (Rand/tonne)	1,210 – 1,290	1,470 – 1,580
Capital – sustaining* (Rand million) (Ensham on a 100% basis)	1,400 – 1,700	700 – 950
Capital – expansionary (Rand million)	1,100 – 1,200	nil

Royalties are calculated using an assumed Richards Bay Benchmark coal price of USD102.00 per tonne and an assumed Newcastle Benchmark coal price of USD125.00 per tonne.

### South African operations

Export saleable production guidance for 2025 of 12.8Mt to 13.6Mt is informed by improved productivity and performance of TFR. The range is based on expected rail performance of between 54Mtpa, at the lower end of the guidance, and 58Mtpa at the upper end. The midpoint of the guidance is aligned with the improved annualised run rate observed in the second half of 2024.

Our production footprint is entering a period of transition as the Goedehoop mine and Zibulo opencast operations reach end of life in 2025. The Elders and Zibulo North Shaft projects will continue to ramp up to full production during 2026.

FOB cost per export tonne excluding royalties\* is expected to be between R1,210 and R1,290. Including royalties, the range is between R1,220 and R1,300 per tonne, based on an assumed Richards Bay Benchmark coal price of USD102 per tonne.

Sustaining capital expenditure\* is expected to range between R1,400 million and R1,700 million. Expansionary capital expenditure is expected to be between R1,100 million and R1,200 million, which includes ongoing spend primarily on the Zibulo North Shaft project, and R400 million related to the LCBM project.

### Ensham

Export saleable production guidance for 2025 is between 3.7Mt and 4.1Mt (on a 100% basis). The guidance is consistent with 2024 production as it allows for the mine to traverse known geological faults during the year. We have made good progress on improving productivity and will seek further opportunities as our South African and Australian operations continue to share best practices.

FOB cost per export tonne excluding royalties\* is expected to be between R1,470 and R1,580. Including royalties, the range is between R1,650 and R1,780 per tonne, based on an assumed Newcastle Benchmark coal price of USD125 per tonne. We have already started to review opportunities for further productivity improvement and cost savings at Ensham.

Sustaining capital expenditure\* is expected to be between R700 million and R950 million (on a 100% basis). This includes once-off capital expenditure of approximately R250 million, predominantly on land in order to secure outstanding mining licences.

## **DIVIDEND DECLARATION AND SHARE REPURCHASE**

The board has declared a final ordinary cash dividend of R11.00 per share, payable to shareholders on the Johannesburg Stock Exchange and London Stock Exchange in April 2025 and May 2025, respectively.

In addition, the board has authorised a share repurchase of up to R300 million, subject to market conditions. This will be executed in the period commencing 18 March 2025 and, unless revised or terminated earlier, ending 4 June 2025, being the last trading day prior to the Group's next annual general meeting, scheduled on Thursday, 5 June 2025, and will be subject to the applicable legal and regulatory requirements.

Further details regarding the dividend payable to shareholders of Thungela as well as the share repurchase can be found in a separate announcement dated 17 March 2025 on the Johannesburg Stock Exchange News Services (SENS) and the London Regulatory News Services (RNS).

## **FORWARD-LOOKING STATEMENTS**

This document includes forward-looking statements. All statements included in this document (other than statements of historical facts) are, or may be deemed to be, forward-looking statements, including, without limitation, those regarding Thungela's financial position, business, acquisition and divestment strategy, dividend policy, plans and objectives of management for future operations (including development plans and objectives relating to Thungela's products, production forecasts and resource and reserve positions). By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Thungela, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Thungela therefore cautions that forward-looking statements are not guarantees of future performance.

Any forward-looking statement made in this document or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause Thungela's business not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement are not known. Thungela has no duty to, and does not intend to, update or revise the forward-looking statements contained in this document after the date of this document, except as may be required by law. Any forward-looking statements included in this document have not been reviewed or reported on by the Group's independent external auditor.

Investors are cautioned not to rely on these forward-looking statements and are encouraged to read the Annual Financial Statements for the year ended 31 December 2024 (Annual Financial Statements 2024), which are available from the Thungela website via the following web link: <https://www.thungela.com/investors/financial-results>.

## ALTERNATIVE PERFORMANCE MEASURES

Throughout this Results Announcement a range of financial and non-financial measures are used to assess our performance, including a number of financial measures that are not defined or specified under International Financial Reporting Standards (IFRS Accounting Standards), which are termed 'alternative performance measures' (APMs). Management uses these measures to monitor the Group's financial performance alongside IFRS Accounting Standards measures, to improve the comparability of information between reporting periods. These APMs should be considered in addition to, and not as a substitute for, or as superior to, measures of financial performance, financial position or cash flows reported in accordance with IFRS Accounting Standards. APMs are not uniformly defined by all companies, including those in the Group's industry. Accordingly, these measures may not be comparable with similarly titled measures and disclosures by other companies. In this results announcement, APMs are denoted with an asterisk (\*).

## RESULTS ANNOUNCEMENT

This Results Announcement, including the forward-looking statements, is the responsibility of the directors of Thungela.

Shareholders are advised that this Results Announcement is only a select extract of the information contained in the Annual Financial Statements 2024 and does not contain full or complete details. Any investment decisions by investors and/or shareholders should be based on a consideration of the full Annual Financial Statements as a whole and investors and/or shareholders are encouraged to review the Annual Financial Statements 2024, which are available on the Thungela website via the following web link: <https://www.thungela.com/investors/financial-results>, and available on the JSE's cloudlink, at

<https://senspdf.jse.co.za/documents/2025/JSE/ISSE/TGAE/TGAFY2024.pdf>

A conference call and webcast relating to the details of this Results Announcement will be held at 12:00 SAST (10:00 GMT) on Monday, 17 March 2025. Details to register for the conference call and webcast are available below:

Conference call:  
<https://services.choruscall.za.com/DiamondPassRegistration/register?confirmationNumber=4371045&linkSecurityString=120f2faaf5>

Webcast: [https://78449.themediaframe.com/links/thungela250317\\_1200.html](https://78449.themediaframe.com/links/thungela250317_1200.html)

The consolidated financial statements for the year ended 31 December 2024 were audited by PricewaterhouseCoopers Inc. who have issued an unqualified audit opinion. The full independent auditor's report and Annual Financial Statements 2024 are available for viewing on the Thungela website via the following web link: <https://www.thungela.com/investors/financial-results>.

This Results Announcement has not been audited or reviewed by the Group's independent external auditor. Any reference to future financial performance included in this announcement has not been separately reported on by the Group's independent external auditor.



The Company's registered office is located at: 25 Bath Avenue, Rosebank, Johannesburg, 2196, South Africa.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the market abuse regulation (EU) no. 596/2014 as amended by the market abuse (amendment) (UK mar) regulations 2019. Upon the publication of this announcement via the regulatory information service, this inside information is now considered to be in the public domain.

On behalf of the board of directors  
Sango Ntsaluba, Chairperson  
July Ndlovu, Chief executive officer

Johannesburg (South Africa)

Date of SENS release: 17 March 2025

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