HALF YEAR FINANCIAL REPORT

for the six months ended 30 June 2023

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Anglo American

27 July 2023

Anglo American Interim Results 2023

Underlying EBITDA of $5.1 billion reflects macro headwinds, ahead of production step-up in second half of year

Financial highlights for the six months ended 30 June 2023

- Underlying EBITDA* of $5.1 billion, a 41% decrease, largely due to weaker product prices
- Profit attributable to equity shareholders of $1.3 billion
- Net debt* of $8.8 billion (0.9 x annualised underlying EBITDA): investment in value-adding growth amid weaker prices
  - Targeted reduction of $0.3 billion in 2023 capital expenditure
- Quellaveco ramping up strongly and on track to produce 310–350 kt of copper in 2023
- $0.7 billion dividend for H1 2023, equal to $0.55 per share, consistent with our 40% payout policy.

Duncan Wanblad, Chief Executive of Anglo American, said: "Anglo American's portfolio quality, product and geographic diversification together with strong organic growth optionality over the next decade provide positive differentiation and position our business to capitalise on highly attractive structural supply and demand trends. Our unwavering focus is on driving consistent, competitive performance across our operations – which starts with the safety and health of our employees.

"We have made further progress on safety, with our overall injury rates decreasing markedly in the first half. However, I am sad to report that we lost one colleague in a machinery incident at our Kumba business in February. None of us will rest until we achieve and sustain zero harm at Anglo American.

"Macro headwinds – principally, weaker prices for our products and input cost inflation – certainly weighed on our first half financial performance. We are on track to deliver on our full year production guidance, which includes a significant anticipated step-up in volumes in the second half. Our focus on operational stability and cost control are our key margin levers and we also expect to deliver annual efficiencies of $0.5 billion from across our full range of business support activities.

"Underlying EBITDA of $5.1 billion at a 41% Mining EBITDA margin* reflects a 19% lower product basket price and a 1% unit cost increase, partially offset by a 10% volume increase compared with the first half of 2022. Our commitment to capital discipline and to a strong balance sheet makes us more resilient to the external environment and supports our range of options for value-adding organic growth. As we drive greater effectiveness across our organisation, so we are also ensuring capital efficiency, with an expected $0.3 billion reduction in growth capital expenditure guidance in the current year. Net debt increasing to $8.8 billion, less than 1 x annualised underlying EBITDA, reflects the growth investments we are making through the cycle in line with our belief in the strong long term fundamentals. Our $0.7 billion proposed dividend for H1 2023 of $0.55 per share is in line with our 40% payout policy.

"There is no doubt that while the nearer term macro picture presents challenges, the longer term demand outlook for future-enabling metals and minerals is ever more compelling. As most major economies accelerate their decarbonisation programmes and as the global population grows by up to 2 billion people over the next 25 years, with an associated need for higher living standards, our objective is to grow the value of our business into that demand."

Six months ended US$ million, unless otherwise stated	**30 June 2023**	30 June 2022	Change
Revenue	**15,674**	18,111	(13) %
Underlying EBITDA*	**5,114**	8,701	(41) %
Mining EBITDA margin*	**41 %**	52 %	
Attributable free cash flow*	**(466)**	1,564	(130) %
Profit attributable to equity shareholders of the Company	**1,262**	3,680	(66) %
Basic underlying earnings per share* ($)	**1.38**	3.11	(56) %
Basic earnings per share ($)	**1.04**	3.03	(66) %
Interim dividend per share ($)	**0.55**	1.24	(56) %
Group attributable ROCE*	**18 %**	36 %	

Terms with this symbol * are defined as Alternative Performance Measures (APMs). For more information, refer to page 77.

Sustainability performance

Key sustainability performance indicators[1]

Anglo American tracks its strategic progress using KPIs that are based on our seven pillars of value: safety and health, environment, socio-political, people, production, cost, and financial. In addition to the financial performance set out above and our operational performance on pages 5–32, our performance for the first four pillars is set out below:

Pillar of value	Metric	30 June 2023	30 June 2022	Target	Target achieved
Safety and health	Work-related fatal injuries	1	1	Zero	Not achieved
	Total recordable injury frequency rate per million hours	1.92	2.36	Reduction year on year	On track
	New cases of occupational disease	0	0	Reduction year on year	On track
Environment	GHG emissions – Scopes 1 & 2 (Mt CO_2e)[2]	5.2	5.0	Reduce absolute GHG emissions by 30% by 2030	On track
	Fresh water withdrawals (ML)[2]	13,700	12,500	Reduce fresh water abstraction in water scarce areas by 50% by 2030	On track on a three-year rolling average
	Level 4–5 environmental incidents	0	0	Zero	On track
Socio-political	Social Way 3.0 implementation[3]	66%	49%	Full implementation of the Social Way 3.0 by end 2022	Behind schedule
	Number of jobs supported off site[4]	137,000	115,000		
	Local procurement spend ($bn)[5]	6.5	5.7		
	Taxes and royalties ($m)[6]	2,511	3,491		
People	Women in management	33%	31%	To achieve 33% by 2023	On track
	Women in the workforce	25%	24%		
	Voluntary labour turnover	3%	2%	< 5%	On track

(1) Sustainability performance indicators for the six months ended 30 June 2023 and the prior period are not externally assured.
(2) Data for current and prior period is to 31 May 2023 and 31 May 2022, respectively. Anglo American is on track to meet its target of a 30% reduction in GHG emissions by 2030, based on the 2016 baseline, and despite the expected increase in 2023 as production volumes increase from Quellaveco, as outlined on page 24 of our Climate Change Report 2022. Fresh water withdrawal data can vary year on year due to seasonal variations in hydrological cycles, production profiles and operational requirements. The fresh water savings projects and initiatives, as detailed in our Sustainability Report 2022, are on track to achieve our 2030 water reduction targets, compared with the 2015 baseline.
(3) Current and prior period data presented is at 31 December 2022 and 2021, respectively. While sites are assessed annually against all requirements applicable to their context, for consistency during the transition period, the metric reflects performance against the Social Way foundational requirements. For further information on progress, see Socio-political commentary on page 4.
(4) Jobs supported since 2018, in line with the Sustainable Mining Plan Livelihoods stretch goal. Current period data is to 30 June 2023 and prior period data is to 31 December 2022.
(5) Local procurement spend relates to spend within the country where an operation is located. The basis of calculation reflects the Group's financial accounting consolidation; i.e. 100% of subsidiaries and a proportionate share of joint operations, based on Anglo American's shareholding. The figure for 30 June 2022 has been restated (previously $6.1 bn) due to a calculation error.
(6) Taxes and royalties include all taxes and royalties borne and taxes collected by the Group. This includes corporate income taxes, withholding taxes, mining taxes and royalties, employee taxes and social security contributions and other taxes, levies and duties directly incurred by the Group, as well as taxes incurred by other parties (e.g. customers and employees) but collected and paid by the Group on their behalf. Figures disclosed are based on cash remitted, net of entities consolidated for accounting purposes, plus a proportionate share, based on the percentage shareholding, of joint operations. Taxes borne and collected by equity accounted associates and joint ventures are not included.

Safety

At Anglo American, we are unconditional about safety and strive continuously to create a workplace where every colleague arrives home safe and well at the end of their working day. 'Always safe' is our safety vision and safety is our number one value.

Following the safety reset and calls to action completed across the Group in the second half of 2022, we have made solid progress in our safety journey, recording our best ever total recordable injury frequency rate (TRIFR) of 1.92 (30 June 2022: 2.36). While encouraged by this improvement, we were deeply saddened to lose a colleague in a machinery incident at our Kumba Iron Ore business in South Africa in February. We are also investigating a recent aviation fatality in Angola related to our exploration programme.

Across Anglo American we are continuing to implement our targeted safety strategy, investing in systems and technology, standards, and training our people. A key focus has been an increase in what we call Visible Felt Leadership (VFL). VFL involves connecting operational leaders on a one to one or small group basis around a task or activity to ensure that it is done safely. This active, practical and highly visible expression of our Values is helping to build trust with our workforce, fostering understanding and improvements in safety performance, as well as encouraging our employees and contractors to feel safe to speak up about concerns related to safety.

To deliver safe, responsible production, we know that we need to be better at how we work with our contractors and how we support their safety on our sites, ensuring they feel valued and respected as a critical contributor to everyone's safety. We have, therefore, launched a new Contractor Performance Management framework which has been designed as an end to end approach to managing our contractors. It incorporates people, processes and systems and provides the foundation for safe and stable production by creating a psychologically and physically safe, healthy, and productive work environment for employees, contractors, and suppliers.

Health

Our many years of work with employees and host communities on HIV/AIDS and TB, and over three years on Covid-19, have positioned us to extend our learnings from managing communicable diseases to non-communicable diseases. A major focus in 2022, that has continued into 2023, was to develop bespoke programmes to address the main health risks that employees face, focusing on the leading causes of preventable deaths generally arising outside of work, such as lack of exercise, smoking and poor diet. We expect these programmes will drive improvements not only in personal well-being, but also engagement and productivity.

In the first half of 2023, there were no reported new cases of occupational disease (30 June 2022: 0). In a bid to minimise the potential for workforce exposure to hazards, all businesses have identified detailed exposure reduction pathways which will continue to be implemented in the second half of the year. Reducing exposure to noise, which remains our single greatest occupational health risk, is a significant challenge. A number of our businesses require technological shifts to continue to reduce noise exposure, including further mine, processing and equipment modernisation and the use of equipment attenuation technology.

Environment

Our Sustainable Mining Plan includes commitments to be a leader in environmental stewardship. By 2030, we aim to reduce greenhouse gas (GHG) emissions (Scopes 1 and 2) by 30%; improve energy efficiency by 30%; achieve a 50% reduction in fresh water abstraction in water scarce areas; and deliver net-positive impacts in biodiversity wherever we operate.

In addition to our GHG emissions reduction aims, we also have a target to be carbon neutral across our operations by 2040, and an ambition to halve our Scope 3 emissions, also by 2040. We continue to make encouraging progress, with Scope 1 and 2 GHG emissions broadly in line with the prior period, despite the 10% increase in production volumes. In Peru, our Quellaveco copper mine was supplied with 100% renewable electricity supply from April 2023, completing the transition for all our South American operations. With our Australian operations moving to renewable supply from 2025, we are on target to be drawing approximately 60% of our global grid supply from renewables from 2025. In southern Africa, where we are developing a regional renewable energy ecosystem through our partnership with EDF Renewables, known as Envusa Energy, several off site and on site renewable energy projects are progressing through feasibility studies and are targeted for construction to start in the second half of 2023.

Methane emissions from our Steelmaking Coal operations represent the largest component of our Scope 1 emissions and we continue to explore ways to manage and abate these emissions. Our ventilation air methane abatement engineering study using regenerative thermal oxidation has now progressed to the pre-feasibility stage.

We actively participate in a number of industry methane management forums and are supporting in a practical way the UN Environmental Programme's International Methane Emissions Observatory (IMEO) measurement trials this year.

As part of the our ambition to reduce our Scope 3 emissions by 50% by 2040, we are focusing on hard-to-abate sectors such as steel – from which most of our value chain emissions derive. We are joining forces with steelmakers in Europe and Asia to research efficient feed materials – capitalising on the premium physical and chemical qualities of our minerals, including iron ore pellets and lump iron ore. These premium products are suited for use in the direct reduced iron (DRI) process, a technically proven and significantly less carbon intensive steel production method. In April, we signed an agreement with H2 Green Steel, a Swedish hydrogen and steel producer, to explore ways to use our premium iron ore as feedstock for their DRI production process at their Boden plant in Sweden.

With more than 80% of our global assets located in water scarce areas, we need to reduce our dependence on fresh water and are working on technologies to help us do that. Our combined technologies of coarse particle recovery (CPR) and hydraulic dewatered stacking (HDS) are demonstrating a new way to safely dispose of mining by-products and accelerate our progress towards ending wet tailings storage, while also increasing production and reducing energy consumption. Our El Soldado copper operation in Chile has been piloting a CPR unit since 2021, and successfully handed over the unit to the operation in January 2023. The pilot plant exceeded expectations in terms of achieving significantly lower energy and fresh water usage per unit of copper produced. Additional CPR units are being constructed and commissioned across the Group, including at Mogalakwena North (PGMs) and Quellaveco (Copper). El Soldado also completed its initial HDS testing phase in April, with the pilot project scheduled to continue until the end of the year.

Socio-political

We continue working to strengthen and broaden our social performance competencies through embedding the Social Way 3.0 (launched in 2020) across Anglo American. More than 28,500 hours have been committed to Social Way 3.0 training since 2020. This includes orientation sessions for leaders, completing Social Way Foundation Training, as well as cross-functional Social Way Foundation Training for non-social performance teams, at all sites, businesses and relevant functions.

While we did not meet our ambitious goal of implementation of the Social Way 3.0 at all sites by the end of 2022, we continued to make significant progress and recognise the very much higher standards (the highest that we are aware of across our industry) required of this third version of our social management system. The programme is critical to underpinning many of our ambitious 2030 Sustainable Mining Plan targets, demonstrating our commitment to partnering with host communities and governments.

Since the launch of our Sustainable Mining Plan, 137,000 off site jobs had been supported through socio-economic development programmes by the end of June 2023, including local procurement, enterprise and supplier development initiatives, training, mentoring and capacity development, loan funding to small businesses, agriculture programmes, and collaborative regional development initiatives.

The success of our business drives tax revenues for host communities, in addition to the significant royalty and mining tax payments made and our broader economic contribution to other stakeholders. Total taxes and royalties borne and taxes collected amounted to $2,511 million, a 28% decrease compared with the first half of 2022, reflecting lower profit before tax and revenues.

People

Tightly linked to our safety imperative and our Values, we strive to create a workplace that places people even more at its heart. We are committed to promoting an inclusive and diverse environment where every colleague is valued and respected for who they are, and has the opportunity to fulfil their potential.

We continue to make progress towards reaching our goal of 33% female representation by the end of 2023 at all management levels, across the business. We have set a similar target for 33% of our Executive Leadership Team and those reporting to them to be women by the end of 2023. In the first half of the year we were recognised for our work on reducing gender inequalities in the workplace by being included in The Times' Top 50 Employers for Gender Equality Index for the second year in a row; both Anglo American plc and our PGMs business, Anglo American Platinum, were also included in the Bloomberg Gender Equality Index in 2023. Anglo American was once again included in the Top Employer listings in both South Africa and the UK. In January 2023, Anglo American became the first mining company, and the third company in the world, to secure a global living wage accreditation from the Fair Wage Network, formally recognising our status as a committed living wage employer across the Group.

Operational and financial review of Group results for the six months ended 30 June 2023

Operational performance

Production volumes increased by 10% on a copper equivalent basis, primarily driven by the ramp-up of our new Quellaveco copper mine in Peru, strong operational performances at our iron ore assets in Brazil and South Africa, as well as higher production from our steelmaking coal underground and open cut operations in Australia. Lower grades impacted production at Los Bronces and Collahuasi (Copper Chile), as well as Mogalakwena (PGMs) and Nickel. Production was marginally lower at De Beers as the Venetia mine transitions from open pit to underground operations.

Total copper production of 387,200 tonnes increased by 42% (30 June 2022: 273,400 tonnes), primarily driven by volumes from Quellaveco (Copper Peru) which progressively ramped up to deliver 137,800 tonnes of production, and reached commercial production levels in June. Copper Chile's production of 249,400 tonnes was 9% lower (30 June 2022: 273,400 tonnes), principally driven by Los Bronces, where production decreased by 13% to 112,500 tonnes (30 June 2022: 129,700 tonnes) due to lower grades, coupled with unfavourable ore characteristics, including higher ore hardness. Planned lower grades at Collahuasi resulted in a 10% decrease in attributable production to 114,400 tonnes (30 June 2022: 127,800 tonnes).

Nickel production was in line with the prior period at 19,600 tonnes (30 June 2022: 19,600 tonnes), reflecting a strong operational performance largely offset by lower grades.

Total PGM production decreased by 7% to 1,844,300 ounces (30 June 2022: 1,987,500 ounces), principally due to lower grade at Mogalakwena and the impact of planned infrastructure closures at Amandelbult at the end of 2022.

De Beers' rough diamond production was marginally lower than the prior period at 16.5 million carats (30 June 2022: 16.9 million carats), reflecting a strong operational performance, despite the planned reduction in South Africa as the Venetia open pit transitions to underground operations.

Iron ore production increased by 12% to 30.7 Mt (30 June 2022: 27.5 Mt). Minas-Rio production increased by 22% to 12.0 Mt (30 June 2022: 9.8 Mt) due to a strong operational performance and timing of maintenance. At Kumba, production increased by 6% to 18.7 Mt (30 June 2022: 17.8 Mt), as Kolomela recovered from operating challenges in the prior year.

Steelmaking coal production increased by 42% to 6.9 Mt (30 June 2022: 4.8 Mt), reflecting the benefit of all three underground longwall operations running, with particularly high production from Moranbah, which underwent an extended longwall move during the first half of 2022, as well as increased production from the open cut operations that were impacted by unseasonal wet weather in 2022.

Manganese ore production was in line with the prior period at 1.8 Mt (30 June 2022: 1.8 Mt).

Group copper equivalent unit costs increased by 1% as inflationary pressures, particularly labour and electricity, were offset by the benefit of favourable exchange rates and production from Quellaveco which started operations in July 2022. Excluding the favourable impact of foreign exchange, unit costs increased by 7%.

Financial performance

Anglo American's profit attributable to equity shareholders decreased to $1.3 billion (30 June 2022: $3.7 billion). Underlying earnings were $1.7 billion (30 June 2022: $3.8 billion), while operating profit was $3.0 billion (30 June 2022: $6.7 billion).

Underlying EBITDA*

Group underlying EBITDA decreased by $3.6 billion to $5.1 billion (30 June 2022: $8.7 billion) due to lower commodity prices and global cost inflationary pressures, which increased our input costs. As a result, the Group Mining EBITDA margin* of 41% was lower than the prior period (30 June 2022: 52%). A reconciliation of 'Profit before net finance costs and tax', the closest equivalent IFRS measure to underlying EBITDA, is provided within note 3 to the Condensed financial statements.

Underlying EBITDA* by segment

$ million	**Six months ended 30 June 2023**	Six months ended 30 June 2022
Copper	**1,492**	1,166
Nickel	**110**	239
PGMs	**667**	2,732
De Beers	**347**	944
Iron Ore	**1,775**	2,298
Steelmaking Coal	**615**	1,399
Manganese	**138**	223
Crop Nutrients	**(20)**	(18)
Corporate and other	**(10)**	(282)
Total	**5,114**	8,701

Underlying EBITDA* reconciliation for the six months ended 30 June 2022 to six months ended 30 June 2023

The reconciliation of underlying EBITDA from $8.7 billion in 2022 to $5.1 billion in 2023 shows the major controllable factors (e.g. cost and volume), as well as those outside of management control (e.g. price, foreign exchange and inflation), that drive the Group's performance.

$ billion	
H1 2022 underlying EBITDA*	**8.7**
Price	**(4.5)**
Foreign exchange	**0.8**
Inflation	**(0.5)**
Net cost and volume	**0.6**
H1 2023 underlying EBITDA*	**5.1**

Price

Average market prices for the Group's basket of products decreased by 19% compared with the first half of 2022, reducing underlying EBITDA by $4.5 billion. The PGMs basket price decreased by 29%, primarily driven by rhodium and palladium, which decreased by 47% and 29% respectively. Alongside this, the realised price for hard coking coal (HCC) reduced by 31% and the iron ore price fell by 22%.

Foreign exchange

Favourable foreign exchange benefited underlying EBITDA by $0.8 billion, primarily reflecting the impact of the weaker South African rand.

Inflation

The Group's weighted average CPI for the first half of the year was 6.3% as inflation continued to increase in all regions, albeit slowing somewhat from the 7.2% in the first six months of 2022. The impact of CPI inflation on costs reduced underlying EBITDA by $0.5 billion (30 June 2022: $0.4 billion).

Net cost and volume

The net impact of cost and volume was a $0.6 billion increase in underlying EBITDA, largely driven by the successful ramp-up of Quellaveco. Steelmaking Coal benefited from all three underground longwall operations running as well as increased performance from the open cut operations that were impacted by unseasonal wet weather in the first half of 2022. Sales improved at Minas-Rio on the back of a strong mining and plant performance. These were partly offset by lower sales volumes at PGMs as refined production was impacted by the Polokwane smelter ramp-up, planned asset integrity work, and deferred production due to Eskom load-curtailment. Copper Chile sales were affected as lower grades and ore hardness impacted production. In addition to these volume impacts, above-CPI inflationary pressures contributed to higher costs across the Group.

Underlying earnings*

Group underlying earnings decreased to $1.7 billion (30 June 2022: $3.8 billion), driven by the lower underlying EBITDA, partly offset by a corresponding decrease in income tax expense and earnings attributable to non-controlling interests.

Reconciliation from underlying EBITDA* to underlying earnings*

$ million	**Six months ended 30 June 2023**	Six months ended 30 June 2022
Underlying EBITDA*	**5,114**	8,701
Depreciation and amortisation	**(1,265)**	(1,226)
Net finance costs and income tax expense	**(1,550)**	(2,552)
Non-controlling interests	**(629)**	(1,136)
Underlying earnings*	**1,670**	3,787

Depreciation and amortisation

Depreciation and amortisation increased by 3% to $1.3 billion (30 June 2022: $1.2 billion), reflecting the increased production alongside a higher carrying value of our Steelmaking Coal assets due to the impairment reversal recognised in 2022, and Quellaveco commencing commercial production in June 2023.

Net finance costs and income tax expense

Net finance costs, before special items and remeasurements, were in line with the prior period at $0.2 billion (30 June 2022: $0.2 billion).

The underlying effective tax rate was higher than the prior period at 37.0% (30 June 2022: 32.6%), reflecting the impact of the relative levels of profits arising in the Group's operating jurisdictions. The tax charge for the period, before special items and remeasurements, was $1.2 billion (30 June 2022: $2.2 billion), reflecting lower profit before tax.

As a result of the expected enactment of the Chile Mining Royalty Bill during the second half of 2023, the underlying effective tax rate for the year ended 31 December 2023 is expected to increase by about 1% above the previously guided range of 35–37%. The Group continues to evaluate the impact of this new regime on the longer term underlying effective tax rate guidance of 33%–37%.

Non-controlling interests

The share of underlying earnings attributable to non-controlling interests of $0.6 billion (30 June 2022: $1.1 billion) principally relates to minority shareholdings in Kumba (Iron Ore), Copper and PGMs.

Special items and remeasurements

Special items and remeasurements (after tax and non-controlling interests) are a net charge of $0.4 billion (30 June 2022: net charge of $0.1 billion), principally relating to the impairment of $0.4 billion recognised in Barro Alto (Nickel).

Full details of the special items and remeasurements recorded are included in note 9 to the Condensed financial statements.

Net debt*

$ million	2023	2022
Opening net debt* at 1 January	**(6,918)**	(3,842)
Underlying EBITDA* from subsidiaries and joint operations	4,685	8,011
Working capital movements	(701)	(1,013)
Other cash flows from operations	(53)	19
Cash flows from operations	**3,931**	7,017
Capital repayments of lease obligations	(125)	(131)
Cash tax paid	(1,096)	(1,751)
Dividends from associates, joint ventures and financial asset investments	208	238
Net interest[(1)]	(303)	(116)
Dividends paid to non-controlling interests	(362)	(1,079)
Sustaining capital expenditure	(2,024)	(1,757)
Sustaining attributable free cash flow*	**229**	2,421
Growth capital expenditure and other[(2)]	(695)	(857)
Attributable free cash flow*	**(466)**	1,564
Dividends to Anglo American plc shareholders	(905)	(2,052)
Acquisitions and disposals	197	467
Foreign exchange and fair value movements	(2)	(146)
Other net debt movements[(3)]	(704)	(844)
Total movement in net debt*	**(1,880)**	(1,011)
Closing net debt* at 30 June	**(8,798)**	(4,853)

(1) Includes cash outflows of $196 million (30 June 2022: inflows of $57 million), relating to interest payments on derivatives hedging net debt, which are included in cash flows from derivatives related to financing activities.
(2) Growth capital expenditure and other includes $59 million (30 June 2022: $39 million) of expenditure on non-current intangible assets.
(3) Includes the purchase of shares (including for employee share schemes) of $187 million; Mitsubishi's share of Quellaveco capital expenditure of $83 million; other movements in lease liabilities (excluding variable vessel leases) increasing net debt by $89 million; and contingent and deferred consideration paid in respect of acquisitions completed in previous years of $124 million. 2022 includes the purchase of shares under the 2021 buyback programme of $186 million; the purchase of shares for other purposes (including for employee share schemes) of $252 million; Mitsubishi's share of Quellaveco capital expenditure of $260 million; other movements in lease liabilities (excluding variable vessel leases) decreasing net debt by $65 million; and contingent and deferred consideration paid in respect of acquisitions completed in previous years of $157 million.

Net debt (including related derivatives) of $8.8 billion has increased by $1.9 billion since 31 December 2022, which includes a working capital cash outflow of $0.7 billion, primarily due to a reduction in payables. The Group generated sustaining attributable free cash flow of $0.2 billion, used in the funding of growth capital expenditure of $0.6 billion and dividends paid to Anglo American plc shareholders of $0.9 billion. Net debt at 30 June 2023 represented gearing (net debt to total capital) of 21% (31 December 2022: 17%).

Cash flow

Cash flows from operations

Cash flows from operations decreased to $3.9 billion (30 June 2022: $7.0 billion), reflecting a reduction in underlying EBITDA from subsidiaries and joint operations, and a working capital build of $0.7 billion (30 June 2022: build of $1.0 billion). Payables reduced by $1.0 billion, largely driven by the impact of lower prices on the valuation of the Purchase of Concentrate (POC) creditor and customer prepayment at PGMs. The inventory increase of $0.3 billion was driven by product mix and weaker demand for diamonds. This was partly offset by a reduction in receivables of $0.6 billion, driven by price and volume impacts at Copper Chile and timing impacts at Steelmaking Coal.

Capital expenditure*

$ million	Six months ended 30 June 2023	Six months ended 30 June 2022
Stay-in-business	1,242	1,010
Development and stripping	510	462
Life-extension projects	274	292
Proceeds from disposal of property, plant and equipment	(2)	(7)
Sustaining capital	2,024	1,757
Growth projects	636	818
Total capital expenditure	2,660	2,575

Capital expenditure increased to $2.7 billion (30 June 2022: $2.6 billion), due to additional sustaining capital expenditure.

Sustaining capital expenditure increased to $2.0 billion (30 June 2022: $1.8 billion) driven by additional stay-in-business expenditure for Copper Chile related to the Collahuasi desalination plant project, planned higher stay-in-business expenditure at PGMs, and Quellaveco stripping and development.

Growth capital expenditure decreased to $0.6 billion (30 June 2022: $0.8 billion) as the Quellaveco project was successfully delivered in July 2022, and reached commercial production levels in June 2023.

Total capital expenditure for 2023 is expected to be c.$6.0 billion (previously $6.0–6.5 billion).

Attributable free cash flow*

The Group's attributable free cash flow decreased to an outflow of $0.5 billion (30 June 2022: inflow of $1.6 billion) due to lower cash flows from operations of $3.9 billion (30 June 2022: $7.0 billion) and increased capital expenditure of $2.7 billion (30 June 2022: $2.6 billion). This was partially offset by decreased tax payments of $1.1 billion (30 June 2022: $1.8 billion) and a reduction in dividends paid to non-controlling interests of $0.4 billion (30 June 2022: $1.1 billion).

Shareholder returns

In line with the Group's established dividend policy to pay out 40% of underlying earnings, the Board has approved a dividend of $0.55 per share (30 June 2022: $1.24 ordinary dividend per share), equivalent to $0.7 billion (30 June 2022: $1.5 billion including special dividend).

Disposals

Cash received of $207 million in respect of disposals for the period ended 30 June 2023 principally relates to the final settlement of the deferred consideration balance relating to the sale of the Rustenburg operations (PGMs) completed in November 2016.

Balance sheet

Net assets decreased by $0.7 billion to $33.2 billion (31 December 2022: $34.0 billion), reflecting dividend payments to Company shareholders and non-controlling interests as well as foreign exchange movements, partially offset by the profit in the period.

Attributable ROCE*

Attributable ROCE decreased to 18% (30 June 2022: 36%). Annualised attributable underlying EBIT decreased to $5.9 billion (30 June 2022: $11.5 billion), reflecting the impact of lower realised prices achieved for the Group's products and higher input costs as inflation remained high in all regions. Average attributable capital employed increased to $33.1 billion (30 June 2022: $32.0 billion), primarily due to capital expenditure, largely at Quellaveco and the Collahuasi desalination project (Copper), partly offset by the reduction in capital employed following the Crop Nutrients impairment recorded at 31 December 2022.

Liquidity and funding

Group liquidity stands at $14.9 billion (31 December 2022: $16.1 billion), comprising $7.8 billion of cash and cash equivalents (31 December 2022: $8.4 billion) and $7.1 billion of undrawn committed facilities (31 December 2022: $7.7 billion).

During the first half of 2023, the Group issued $2.0 billion of bond debt. In March 2023, the Group issued €500 million 4.5% Senior Notes due 2028, and €500 million 5.0% Senior Notes due 2031 and, in May 2023, $900 million 5.5% Senior Notes due 2033.

The weighted average maturity on the Group's bonds was broadly in line with the prior year at 7.8 years (31 December 2022: 7.7 years).

The Group has an undrawn $4.7 billion revolving credit facility due to mature in March 2025.

The Group received an upgrade to BBB+ (stable outlook) in March 2023 from Fitch Ratings.

Attractive growth options

Anglo American continues to evolve its portfolio of competitive, world class assets towards those future-enabling products that are fundamental to enabling a low carbon economy and that cater to major global consumer demand trends.

Growth projects (metrics presented on a 100% basis unless otherwise indicated)

Progress and current expectations in respect of our key growth projects are as follows:

Operation	Scope	Capex $bn	Remaining capex $bn	First production
Copper				
Collahuasi	Implementation of the approved fifth ball mill continues with ramp-up expected to commence in late Q4 2023. Additional debottlenecking options remain under study and are expected to add 20–50 ktpa (44% share) in the medium term. Further expansions are in early-stage study to increase plant capacity beyond 210 ktpd, delivering over 100 ktpa of copper (44% share).	Fifth ball mill c.0.1 (44% share)	Expansion studies ongoing. Subject to permitting and approvals	2023
Crop Nutrients				
Woodsmith	New polyhalite (natural mineral fertiliser) mine being developed in North Yorkshire, UK. Expected to produce POLY4 – a premium quality, comparatively low carbon fertiliser suitable for organic use. Studies remain ongoing but the indicative design capacity is currently expected to be c.13 Mtpa.	Refer to page 26 for more information on project progress		
Iron Ore				
Sishen	Implementation of ultra high dense media separation (UHDMS) technology at Kumba's Sishen operation will enable an increase in premium product production and the beneficiation of lower grade run-of-mine (between 40% Fe and 48% Fe).	Project plan under review		
PGMs				
Mogalakwena	Evaluating various options to expand PGM production of the mine through technology development and deployment and the optimal mine plan to deliver feed to the concentrators.	Projects under review with a number of options being considered		

Life-extension projects (metrics presented on a 100% basis unless otherwise indicated)

Progress and current expectations in respect of our key life-extension projects are as follows:

Operation	Scope	Capex $bn	Remaining capex $bn	Expected first production
Diamonds				
Venetia	4 Mctpa underground replacement for the existing open pit. First production recently achieved with ramp-up over the next few years as development continues.	2.3	0.9	2023
Jwaneng	9 Mctpa replacement (100% basis) for Cuts 7 and 8. The Cut-9 expansion of Jwaneng will extend the life of the mine to 2036.	0.3 (19.2% share)	0.2 (19.2% share)	2027
Iron Ore				
Kolomela	4 Mtpa high grade iron ore replacement project. The development of a new pit, Kapstevel South, and associated infrastructure at Kolomela to help sustain output of c.12 Mtpa and extend the remaining life of mine to 2034. Approved in July 2020, with first ore expected in 2024.	0.4	0.1	2024
PGMs				
Mototolo/ Der Brochen	Project leverages the existing Mototolo infrastructure, enabling mining to extend into the adjacent and down-dip Der Brochen resource to extend the life of the asset beyond 30 years. Approved in December 2021.	0.2	0.2	2024

Technology projects[1]

The Group plans to invest c.$0.1–0.3 billion[2] per year on projects to support the FutureSmart Mining™ programme and the delivery of Anglo American's Sustainable Mining Plan targets, particularly those that relate to safety, energy, emissions and water, including the following innovative technology projects. For more information on the progress of these initiatives, refer to slide 73 of the HY2023 presentation. Furthermore, the Group plans to continue investing in digital projects as part of the FutureSmart Mining™ programme. For more information, please refer to our Integrated Annual Report 2022, page 41.

Initiative	Scope
Copper and Nickel	
Bulk ore sorting (BOS)	Deliver improved feed grade to plants through early rejection of waste, resulting in energy, water and cost savings.
Copper, PGMs, and Iron Ore	
Coarse particle recovery (CPR)	Innovative flotation process allows material to be ground to a larger particle size, rejecting coarse gangue and allowing water to release from coarser ore particles, improving energy efficiencies and water savings.
Copper and PGMs	
Hydraulic dewatered stacking (HDS)	Engineering of geotechnically stable tailings facilities that dry out in weeks, facilitating up to 85% water recovery.
Portfolio-wide	
Zero emissions haulage solution (ZEHS)	Through First Mode, developing hydrogen-powered ultra-class mining haul trucks to decarbonise our largest source of diesel consumption through renewable energy.

(1) Expenditure relating to technology projects is included within operating expenditure, or if it meets the accounting criteria for capitalisation, within Growth capital expenditure.
(2) Technology and innovation capex is estimated to be between $0.1–0.3 billion per year (previously $0.2–0.5 billion per year), including capex on the ZEHS programmes. The lower guidance reflects equity accounting of the SA Regional Renewable Energy Ecosystem joint venture, Envusa Energy.

The Board

Changes during 2023 to the composition of the Board are set out below.

As announced on 28 February 2023, Magali Anderson joined the Board as a non-executive director and member of the Board's Sustainability Committee on 1 April 2023.

Following Magali's appointment, four (40%) of the 10 directors on the Board are female and two (20%) are people of colour.

As announced on 31 May 2023, Stephen Pearce, who has served as Finance Director since April 2017, has indicated his intention to retire from the Group. As announced on 27 July 2023, John Heasley, currently CFO of The Weir Group PLC, will succeed Stephen Pearce as Finance Director.

The names of the directors at the date of this report and the skills and experience our Board members contribute to the long term sustainable success of Anglo American are set out on the Group's website:

www.angloamerican.com/about-us/leadership-team/board

Principal risks and uncertainties

Anglo American is exposed to a variety of risks and uncertainties which may have a financial, operational or reputational impact on the Group, and which may also have an impact on the achievement of social, economic and environmental objectives. The principal risks and uncertainties facing the Group relate to the following:

- Catastrophic and natural catastrophe risks
- Economic environment including product prices
- Cyber security
- Geo-political
- Community stakeholder conflict
- Power
- Safety
- Climate change
- Corruption
- Regulatory and permitting
- Water
- Pandemic
- Operational performance
- Future demand

The Group is exposed to changes in the economic environment, including tax rates and regimes, as with any other business. Details of any key risks and uncertainties specific to the period are covered in the business reviews on pages 14–28. Details of relevant tax matters are included in note 6 to the Condensed financial statements.

The principal risks and uncertainties facing the Group at the 2022 year end are set out in detail in the strategic report section of the Integrated Annual Report 2022 on the Group's website **www.angloamerican.com**

Copper

Financial and operational metrics

	Production volume	Sales volume	Price	Unit cost*	Group revenue*	Underlying EBITDA*	Mining EBITDA margin*	Underlying EBIT*	Capex*	ROCE*
	kt	kt[1]	c/lb[2]	c/lb[3]	$m[4]	$m		$m	$m	
Copper Total	**387**	**389**	**393**	**179**	**3,493**	**1,492**	**43 %**	**1,176**	**878**	**19 %**
Prior period	*273*	*265*	*401*	*150*	*2,443*	*1,166*	*47 %*	*894*	*953*	*19 %*
Copper Chile	**249**	**238**	**393**	**205**	**2,263**	**691**	**29 %**	**418**	**657**	**20 %**
Prior period	*273*	*265*	*401*	*150*	*2,443*	*1,166*	*47 %*	*894*	*577*	*42 %*
Los Bronces[5]	**113**	**103**	**n/a**	**310**	**843**	**128**	**15 %**	**24**	**340**	**n/a**
Prior period	*130*	*122*	—	*219*	*1,027*	*431*	*42 %*	*324*	*363*	—
Collahuasi[6]	**114**	**114**	**n/a**	**114**	**1,014**	**565**	**56 %**	**447**	**297**	**n/a**
Prior period	*128*	*128*	—	*85*	*1,095*	*821*	*75 %*	*697*	*145*	—
Other operations[7]	**23**	**21**	**n/a**	**n/a**	**406**	**(2)**	**17 %**	**(53)**	**20**	**n/a**
Prior period	*16*	*15*	—	—	*321*	*(86)*	*(3)%*	*(127)*	*69*	—
Copper Peru (Quellaveco)[8]	**138**	**151**	**394**	**132**	**1,230**	**801**	**65 %**	**758**	**221**	**18 %**
Prior period	—	—	—	—	—	—	—	—	*376*	—

(1) Excludes 178 kt third-party sales (30 June 2022: 216 kt).
(2) Represents realised copper price and excludes impact of third-party sales.
(3) C1 unit cost includes by-product credits.
(4) Group revenue is shown after deduction of treatment and refining charges (TC/RCs).
(5) Figures on a 100% basis (Group's share: 50.1%).
(6) 44% share of Collahuasi production, sales and financials.
(7) Other operations form part of the results of Copper Chile. Production and sales are from El Soldado mine (figures on a 100% basis, Group's share 50.1%). Financials include El Soldado and Chagres (figures on a 100% basis, Group's share 50.1%), third-party trading, projects and corporate costs. El Soldado mine C1 unit costs decreased by 1% to 301 c/lb (30 June 2022: 304 c/lb).
(8) Figures on a 100% basis (Group's share: 60%). Included in capex is the project capex which represents the Group's share after deducting direct funding from non-controlling interests. In H1 2023, the Group's share of project capex was $111 million (on a 100% basis, $185 million). In H1 2022, the Group's share was $376 million (on a 100% basis, $626 million).

Operational performance

Copper Chile

Copper production of 249,400 tonnes was 9% lower than the prior period (30 June 2022: 273,400 tonnes).

At Los Bronces, production decreased by 13% to 112,500 tonnes (30 June 2022: 129,700 tonnes) due to lower grades (0.52% vs 0.59%) and lower throughput (22.5 Mt vs 23.1 Mt) as a result of unfavourable ore characteristics, including higher ore hardness. The unfavourable ore characteristics in the current area of mining will continue to affect the operation until the next phase of the mine is accessed.

At Collahuasi, Anglo American's attributable share of copper production decreased by 10% to 114,400 tonnes (30 June 2022: 127,800 tonnes) due to planned lower grades (1.07% vs 1.14%).

Production at El Soldado increased by 42% to 22,500 tonnes (30 June 2022: 15,900 tonnes) due to planned higher grades (0.84% vs 0.54%), reflecting production from a new phase of the mine.

Chile´s central zone continues to face severe drought conditions. Management initiatives to improve water efficiency and secure alternative sources of water will continue in order to mitigate the impact on production. From 2025, more than 45% of Los Bronces' needs will be met through a desalinated water supply.

The environmental permit for the Los Bronces open pit expansion and underground development was approved on 17 April 2023. The Los Bronces mine plan is being updated to take into account the delay in the permit approval and reflect the ongoing permitting complexities in the region. The expected delay in finalising the permitting process will impact the development of the next phase of the mine, which enables access to higher grade, softer ore. Studies for the Los Bronces underground expansion are ongoing.

Copper Peru

Quellaveco produced 137,800 tonnes, reflecting the progressive ramp-up in production volumes since first production in July 2022. The plant successfully completed planned maintenance in the first quarter, and achieved throughput beyond nameplate capacity several times during the second quarter, reaching commercial production levels in June.

Following first production from the molybdenum plant in April 2023, the ramp-up is near completion.

With the mine operational, focus is now on completing the construction and commissioning of the coarse particle recovery (CPR) plant.

Markets

	Six months ended 30 June 2023	Six months ended 30 June 2022
Average market price (c/lb)	**394**	443
Average realised price (Copper Chile – c/lb)	**393**	401
Average realised price (Copper Peru – c/lb)	**394**	—

The differences between the market price and the realised prices are largely a function of provisional pricing adjustments and the timing of sales across the period. At Copper Chile, 134,500 tonnes of copper were provisionally priced at 377 c/lb at 30 June 2023 (30 June 2022: 145,900 tonnes provisionally priced at 374 c/lb). At Copper Peru, 91,700 tonnes of copper were provisionally priced at 377c/lb at 30 June 2023.

At the start of the year, the LME copper price benefited from positive macro-economic sentiment that drove markets higher, underpinned by the re-opening of China, where Covid-19 restrictions were lifted. Market optimism subsequently tapered off as global economic growth prospects were impacted by rising interest rates and a slower than expected recovery in China. Copper's underlying fundamentals, however, remain attractive, as continued global decarbonisation efforts benefit the use of copper in applications and infrastructure associated with the energy transition. Reported stocks fell to historically low levels and supply disruptions continued to be a feature of the sector.

Financial performance

Underlying EBITDA for Copper increased by 28% to $1,492 million (30 June 2022: $1,166 million), driven by Quellaveco which started production in July 2022, partly offset by a 19% increase in unit costs and a 2% decrease in realised price.

Copper Chile

Underlying EBITDA decreased by 41% to $691 million (30 June 2022: $1,166 million), driven by lower sales and higher unit costs. Unit costs increased by 37% to 205 c/lb (30 June 2022: 150 c/lb), reflecting the impact of higher inflation, lower production and a stronger Chilean peso.

Capital expenditure increased by 14% to $657 million (30 June 2022: $577 million), mainly driven by expenditure on the Collahuasi desalination project.

Copper Peru

Underlying EBITDA was $801 million, reflecting a realised price of 394 c/lb and unit costs of 132 c/lb for the six month period.

Capital expenditure was $221 million. $111 million relates to our share of project capex, the remainder primarily relates to development and stripping costs.

Operational outlook

Copper Chile

Production guidance for Chile for 2023 is 530,000–580,000 tonnes, subject to water availability.

C1 unit cost guidance for 2023 is c.205 c/lb.

Copper Peru

Production guidance for Peru for 2023 is 310,000–350,000 tonnes.

C1 unit cost guidance for 2023 is c.100 c/lb.

Nickel

Financial and operational metrics

	Production volume	Sales volume	Price	Unit cost*	Group revenue*	Underlying EBITDA*	Mining EBITDA margin*	Underlying EBIT*	Capex*	ROCE*
	t	t	$/lb[1]	c/lb[2]	$m	$m		$m	$m	
Nickel	**19,600**	**19,100**	**9.04**	**550**	**383**	**110**	**29%**	**72**	**41**	**12%**
Prior period	*19,600*	*16,800*	*11.59*	*487*	*407*	*239*	*59%*	*201*	*32*	*30%*

(1) Realised price.
(2) C1 unit cost.

Operational performance

Nickel production was in line with the prior period at 19,600 tonnes (30 June 2022: 19,600 tonnes), as lower grades were largely offset by improved operational performance.

Markets

	30 June 2023	30 June 2022
Average market price ($/lb)	**10.98**	12.52
Average realised price ($/lb)	**9.04**	11.59

Differences between the market price (which is LME-based) and our realised price (the ferronickel price) are due to the discounts (or premiums) to the LME price, which depend on market conditions, supplier products and consumer preferences.

The average LME nickel price of $10.98/lb was 12% lower (30 June 2022: $12.52/lb), mainly due to the uncertain macro-economic outlook. Global nickel consumption grew strongly year on year, particularly in China which saw record H1 volumes of nickel consumed in the stainless steel and battery sectors. Global refined nickel production also increased, particularly in Indonesia.

Financial performance

Underlying EBITDA decreased by 54% to $110 million (30 June 2022: $239 million), as higher sales volumes were offset by lower average realised prices and higher unit costs. C1 unit costs increased by 13% to 550 c/lb (30 June 2022: 487 c/lb), reflecting the impact of higher costs of production due to lower grade ore, as well as higher consumable input prices.

Capital expenditure increased by 28% to $41 million (30 June 2022: $32 million), driven by higher sustaining capital expenditure.

Within special items and remeasurements, an impairment of $361 million (before tax) was recognised at Barro Alto following revisions to the long term cost profile.

Operational outlook

Production guidance for 2023 is 38,000–40,000 tonnes.

C1 unit cost guidance for 2023 is c.560 c/lb.

Platinum Group Metals (PGMs)

Financial and operational metrics

	Production volume PGMs	Sales volume PGMs	Basket price	Unit cost*	Group revenue*	Underlying EBITDA*	Mining EBITDA margin*[5]	Underlying EBIT*	Capex*	ROCE*
	koz[1]	koz[2]	$/PGM oz[3]	$/PGM oz[4]	$m	$m		$m	$m	
PGMs	**1,844**	**1,807**	**1,885**	**993**	**3,531**	**667**	**37 %**	**505**	**449**	**20 %**
Prior period	*1,988*	*2,044*	*2,671*	*948*	*5,555*	*2,732*	*55 %*	*2,555*	*394*	*119 %*
Mogalakwena	**461**	**462**	**1,930**	**961**	**898**	**437**	**49 %**	**355**	**210**	**n/a**
Prior period	*510*	*540*	*2,543*	*821*	*1,374*	*871*	*63 %*	*796*	*210*	—
Amandelbult	**299**	**309**	**2,174**	**1,200**	**676**	**206**	**30 %**	**187**	**29**	**n/a**
Prior period	*343*	*372*	*3,016*	*1,184*	*1,122*	*603*	*54 %*	*573*	*32*	—
Other operations[6]	**438**	**414**	**1,815**	**954**	**773**	**235**	**30 %**	**186**	**210**	**n/a**
Prior period	*456*	*436*	*2,780*	*924*	*1,210*	*581*	*48 %*	*524*	*152*	—
Processing and trading[7]	**646**	**622**	**n/a**	**n/a**	**1,184**	**(211)**	**(18)%**	**(223)**	**n/a**	**n/a**
Prior period	*678*	*696*	—	—	*1,849*	*677*	*37 %*	*662*	—	—

(1) Production reflects own mined production and purchase of metal in concentrate. PGM volumes consist of 5E metals and gold.
(2) Sales volumes exclude the sale of refined metal purchased from third parties and toll material. PGM volumes consist of 5E metals and gold.
(3) Average US$ realised basket price, based on sold ounces (own mined and purchased concentrate). Excludes the impact of the sale of refined metal purchased from third parties.
(4) Total cash operating costs (includes on-mine, smelting and refining costs only) per own mined PGM ounce of production.
(5) The total PGMs mining EBITDA margin excludes the impact of the sale of refined metal purchased from third parties, purchase of concentrate and tolling.
(6) Includes Unki, Mototolo and PGMs' share of joint operations (Kroondal and Modikwa). Other operations margin includes unallocated market development, care and maintenance, and corporate costs.
(7) Purchase of concentrate from joint operations, associates and third parties for processing into refined metals, tolling and trading activities.

Operational performance

Total PGM production decreased by 7% to 1,844,300 ounces (30 June 2022: 1,987,500 ounces), principally due to lower grades at Mogalakwena and the impact of planned infrastructure closures at Amandelbult at the end of 2022.

Own mined production

PGM production from own managed mines (Mogalakwena, Amandelbult, Unki and Mototolo) and equity share of joint operations decreased by 8% to 1,198,700 ounces (30 June 2022: 1,309,400 ounces).

Mogalakwena PGM production decreased by 10% to 461,400 ounces (30 June 2022: 510,200 ounces), largely as a result of lower grades.

Amandelbult PGM production decreased by 13% to 299,400 ounces (30 June 2022: 343,300 ounces) as a result of the planned mining infrastructure closures at the end of 2022, as well as short term operational challenges at Tumela.

Production from other operations decreased by 4% to 437,900 ounces (30 June 2022: 455,900 ounces), mainly due to lower production from Kroondal as a consequence of planned ramp-down of the operation.

Purchase of concentrate

Purchase of concentrate (POC) decreased by 5% to 645,600 ounces (30 June 2022: 678,100 ounces), driven by the impact of lower production at Kroondal as well as lower third-party receipts.

Refined production and sales volumes

Refined PGM production (excluding toll-treated metal) decreased by 13% to 1,699,800 ounces (30 June 2022: 1,959,100 ounces) due to the ramp-up at Polokwane smelter in January following its rebuild, planned asset integrity work at the processing operations and the impact of Eskom load-curtailment (c.66,000 ounces of deferred production).

PGM sales volumes decreased by 12% to 1,807,300 ounces (30 June 2022: 2,044,400 ounces) in line with lower refined production.

Markets

	30 June 2023	30 June 2022
Average platinum market price ($/oz)	1,009	995
Average palladium market price ($/oz)	1,505	2,219
Average rhodium market price ($/oz)	8,957	17,167
Realised basket price ($/PGM oz)	1,885	2,671

PGM prices were mostly weaker in the first half of 2023, as a mixed macro-economic backdrop was overlaid with adverse PGM-specific factors. The average realised PGM basket price decreased by 29% in the period to $1,885 per PGM ounce (30 June 2022: $2,671 per PGM ounce).

The average rhodium market price of $8,957 per ounce was 48% lower than for the same period in 2022, driven by persistent selling pressure from the glass industry, which has freed up stock by transitioning to a lower rhodium, higher platinum mix. Palladium averaged $1,505 per ounce, 32% lower, owing to robust Russian metal flows and subdued automotive demand. In contrast, platinum increased by 1% to $1,009 per ounce. The minor PGMs, iridium and ruthenium, continued to make robust contributions to the basket price.

Financial performance

Underlying EBITDA decreased to $667 million (30 June 2022: $2,732 million), primarily driven by a lower basket price, which resulted in lower POC margins and affected the cost of POC inventory. EBITDA was further impacted by a decrease in sales volumes and higher unit costs. Unit costs increased by 5% to $993/PGM ounce (30 June 2022: $948/PGM ounce), due to lower production and higher inflation, partly offset by the weaker South African rand.

Capital expenditure increased by 14% to $449 million (30 June 2022: $394 million), driven by planned higher stay-in-business expenditure, partly offset by the weaker South African rand.

Operational outlook

PGM metal in concentrate production guidance for 2023 is 3.6–4.0 million ounces, with own mined output accounting for c.65%. Refined PGM production guidance for 2023 is 3.6–4.0 million ounces, subject to the extent of Eskom load-curtailment.

Unit cost guidance for 2023 is c.$1,000/PGM ounce.

De Beers – Diamonds

Financial and operational metrics[1]

	Production volume	Sales volume	Price	Unit cost*	Group revenue*	Underlying EBITDA*	EBITDA margin[6]	Underlying EBIT*	Capex*	ROCE*
	'000 cts	'000 cts[2]	$/ct[3]	$/ct[4]	$m[5]	$m		$m	$m	
De Beers	**16,520**	**15,303**	**163**	**63**	**2,831**	**347**	**50 %**	**190**	**302**	**5 %**
Prior period	*16,884*	*15,329*	*213*	*59*	*3,595*	*944*	*53 %*	*718*	*250*	*11 %*
Botswana	**12,728**	**n/a**	**175**	**30**	**n/a**	**274**	**n/a**	**242**	**30**	**n/a**
Prior period	*11,705*	—	*189*	*32*	—	*333*	—	*295*	*31*	—
Namibia	**1,231**	**n/a**	**550**	**223**	**n/a**	**102**	**n/a**	**84**	**20**	**n/a**
Prior period	*1,016*	—	*632*	*292*	—	*93*	—	*78*	*19*	—
South Africa	**1,205**	**n/a**	**130**	**68**	**n/a**	**54**	**n/a**	**50**	**202**	**n/a**
Prior period	*2,916*	—	*147*	*39*	—	*227*	—	*162*	*169*	—
Canada	**1,356**	**n/a**	**89**	**46**	**n/a**	**23**	**n/a**	**1**	**32**	**n/a**
Prior period	*1,247*	—	*97*	*60*	—	*2*	—	*(25)*	*19*	—
Trading	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**61**	**2 %**	**58**	**1**	**n/a**
Prior period	—	—	—	—	—	*401*	*12 %*	*398*	*1*	—
Other[7]	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**(167)**	**n/a**	**(245)**	**17**	**n/a**
Prior period	—	—	—	—	—	*(112)*	—	*(190)*	*11*	—

(1) Prepared on a consolidated accounting basis, except for production, which is stated on a 100% basis except for the Gahcho Kué joint operation in Canada, which is on an attributable 51% basis.
(2) Total sales volumes on a 100% basis were 17.3 million carats (30 June 2022: 17.3 million carats). Total sales volumes (100%) include De Beers Group's joint arrangement partners' 50% proportionate share of sales to entities outside De Beers Group from Diamond Trading Company Botswana and Namibia Diamond Trading Company.
(3) Pricing for the mining businesses is based on 100% selling value post-aggregation of goods. Realised price includes the price impact of the sale of non-equity product and, as a result, is not directly comparable to the unit cost.
(4) Unit cost is based on consolidated production and operating costs, excluding depreciation and operating special items, divided by carats recovered.
(5) Includes rough diamond sales of $2.5 billion (30 June 2022: $3.3 billion).
(6) Total De Beers EBITDA margin shows mining EBITDA margin on an equity basis, which excludes the impact of non-mining activities, third-party sales, purchases, trading downstream and corporate.
(7) Other includes Element Six, brands and consumer markets, and corporate.

Markets

The high levels of polished diamond inventory in the midstream coming into 2023, as well as the ongoing macro-economic headwinds, impacted demand for rough diamonds. The anticipated rebound in Chinese demand following the removal of Covid-19 restrictions was impacted by a large wave of infections during the first quarter of 2023, which dampened consumer confidence. Amid the slow polished sector during the first half of 2023, midstream inventories have continued to build, with profitability under strain from softening polished prices and higher financing costs.

Operational performance

Mining

Rough diamond production was marginally lower than the strong first half of 2022, at 16.5 million carats (30 June 2022: 16.9 million carats), reflecting strong operational performance in most regions, offset by the planned reduction in South Africa as the Venetia open pit transitions to underground operations.

In Botswana, production increased by 9% to 12.7 million carats (30 June 2022: 11.7 million carats), driven by the planned treatment of higher grade ore at Orapa.

Namibia production increased by 21% to 1.2 million carats (30 June 2022: 1.0 million carats), primarily driven by the contribution from the Benguela Gem vessel, which commenced production in March 2022, and the ongoing ramp-up and expansion of the mining area at the land operations.

South Africa production decreased by 59% to 1.2 million carats (30 June 2022: 2.9 million carats), due to the planned completion of the Venetia open pit in December 2022. Venetia continues to process lower grade surface stockpiles, which will result in temporary lower production levels as it transitions to underground operations, where first production was recently achieved. It will ramp-up over the next few years as development continues.

Production in Canada increased by 9% to 1.4 million carats (30 June 2022: 1.2 million carats) as the treatment of higher grade ore offset planned plant maintenance.

Financial performance

Total revenue decreased to $2.8 billion (30 June 2022: $3.6 billion), with rough diamond sales decreasing to $2.5 billion (30 June 2022: $3.3 billion) reflecting the softening in demand. Total rough diamond sales volumes of 15.3 million carats were in line with the prior period (30 June 2022: 15.3 million carats), as a result of a higher proportion of lower value rough diamonds being sold in 2023. This impacted the average realised price in the first half of the year, which decreased by 23% to $163/ct (30 June 2022: $213/ct), and reflects the more cautious approach Sightholders took to planning their 2023 allocation schedule due to the uncertain macro-economic outlook. The average rough diamond price index also decreased by 2%, reflecting the overall softening in consumer demand for diamond jewellery and build-up in rough diamond inventory in the midstream.

Underlying EBITDA decreased by 63% to $347 million (30 June 2022: $944 million), driven by the lower average realised price and higher unit costs. Unit costs increased by 7% at $63/ct (30 June 2022: $59/ct), as lower production volumes, higher inflation and input costs were partially offset by the benefits of favourable exchange rates.

Capital expenditure increased by 21% to $302 million (30 June 2022: $250 million), largely due to the Venetia underground project as well as the continued execution of life-extension projects.

De Beers and the Government of the Republic of Botswana have reached an agreement in principle on a new 10-year sales agreement for Debswana's rough diamond production (through to 2033) and the new 25-year Debswana mining licences (through to 2054). Whilst the implementation of the formal sales agreement and mining licences is being finalised, the terms of the most recent sales agreement (which expired on 30 June) will remain in place. The new arrangements between De Beers and the Government of Botswana constitute a related party transaction under the UK Listing Rules, given that both Anglo American and the Government of Botswana are shareholders in De Beers, and therefore will be subject to approval by Anglo American's shareholders in due course.

Brands and consumer markets

The underlying demand for branded diamond jewellery remains strong. Despite the ongoing macro-economic uncertainty, De Beers Jewellers delivered a solid first half performance with double digit growth in bridal and collections and continues to focus on developing the brand in China.

Operational and market outlook

Macro-economic conditions are expected to remain challenging over the near term, impacting consumer spending on diamond jewellery.

Diamond provenance continues to grow in importance for stakeholders throughout the diamond value chain. In June 2023, De Beers announced that the Tracr™ blockchain platform would open to participants across the diamond industry. Having immutable data at scale about a diamond's journey from the source is a major step forward and will underpin consumer confidence in natural diamonds and their provenance. The increased focus on diamond provenance by many retailers and global brands in key markets has the potential to reinforce continued demand for De Beers' rough diamonds in the medium and longer term.

Despite near term challenges faced by the diamond industry, our research confirms consumers' desire for natural diamonds, which is expected to remain robust in key consumer markets in the long term. The global supply of rough diamonds is expected to decline owing to limited new discoveries, which in turn is expected to support value growth potential for natural diamonds.

2023 Guidance

Production guidance for 2023 is 30–33 million carats (100% basis), subject to trading conditions.

2023 unit cost guidance is c.$75/ct.

Iron Ore

Financial and operational metrics

	Production volume	Sales volume	Price	Unit cost*	Group revenue*	Underlying EBITDA*	Mining EBITDA margin*	Underlying EBIT*	Capex*	ROCE*
	Mt[1]	Mt[1]	$/t[2]	$/t[3]	$m	$m		$m	$m	
Iron Ore Total	**30.7**	**30.3**	**105**	**36**	**3,660**	**1,775**	**48 %**	**1,554**	**382**	**30 %**
Prior period	*27.5*	*28.3*	*135*	*40*	*4,393*	*2,298*	*51 %*	*2,047*	*427*	*38 %*
Kumba Iron Ore[4]	**18.7**	**19.0**	**106**	**39**	**2,169**	**1,105**	**51 %**	**975**	**277**	**69 %**
Prior period	*17.8*	*19.6*	*135*	*43*	*2,907*	*1,570*	*54 %*	*1,403*	*355*	*99 %*
Iron Ore Brazil (Minas-Rio)	**12.0**	**11.4**	**104**	**32**	**1,491**	**670**	**44 %**	**579**	**105**	**20 %**
Prior period	*9.8*	*8.7*	*134*	*35*	*1,486*	*728*	*45 %*	*644*	*72*	*23 %*

(1) Production and sales volumes are reported as wet metric tonnes. Product is shipped with c.1.6% moisture from Kumba and c.9% moisture from Minas-Rio.
(2) Prices for Kumba Iron Ore are the average realised export basket price (FOB Saldanha) (wet basis). Prices for Minas-Rio are the average realised export basket price (FOB Brazil) (wet basis). Prices for total iron ore are a blended average.
(3) Unit costs are reported on an FOB wet basis. Unit costs for total iron ore are a blended average.
(4) Sales volumes, stock and realised price differ to Kumba's stand-alone reported results due to sales to other Group companies.

Operational performance

Kumba

Production increased by 6% to 18.7 Mt (30 June 2022: 17.8 Mt), driven by a 23% increase at Kolomela to 6.0 Mt (30 June 2022: 4.8 Mt), following the recovery from operational challenges in the comparative period. Production at Sishen was broadly flat at 12.8 Mt (30 June 2022: 12.9 Mt). During the first half of 2023, both operations were impacted by ongoing constraints at Transnet – the third-party rail and port operator. The rail constraints have led to a significant build-up of iron ore stockpiles, which necessitated lower production given the lack of available storage space. The resulting low levels of finished stock at the port impacted sales volumes, which decreased by 3% to 19.0 Mt (30 June 2022: 19.6 Mt). Total finished goods inventory increased to 7.9 Mt, with the majority of this located at the mines.

Minas-Rio

Production increased by 22% to 12.0 Mt (30 June 2022: 9.8 Mt), driven by strong mining and plant performance and timing of maintenance. This has resulted in a number of performance records being achieved in the second quarter, reflecting the operational improvement.

Markets

	30 June 2023	30 June 2022
Average market price (Platts 62% Fe CFR China – $/tonne)	**118**	140
Average market price (MB 65% Fe Concentrate CFR – $/tonne)[1]	**132**	166
Average realised price (Kumba export – $/tonne) (FOB wet basis)	**106**	135
Average realised price (Minas-Rio – $/tonne) (FOB wet basis)	**104**	134

(1) As publication of the Metal Bulletin (MB) 66 index has ceased, the reference benchmark is the MB 65 index from 2023. 2022 updated to reflect MB 65 price.

Kumba's FOB realised price of $106/wet metric tonne was 4% higher than the equivalent Platts 62% Fe FOB Saldanha market price (adjusted for moisture) of $102/wet metric tonne. The premium for the higher iron content at 63.3% and relatively high proportion (approximately 67%) of lump produced, in particular because higher quality Fe product helps steel mills reduce emissions, more than offset the impact of provisionally priced sales volumes.

Minas-Rio's pellet feed product is also higher grade (with iron content of 67% and lower impurities) than the reference product used for the Platts 62% Fe CFR China index. The MB 65 fines index, therefore, is used when referring to the Minas-Rio product. The Minas-Rio realised price of $104/wet metric tonne was 3% higher than the equivalent MB 65 FOB Brazil index (adjusted for moisture) of $101/wet metric tonne, as the premium for our high quality product more than offset the impact of provisionally priced sales volumes.

Financial performance

Underlying EBITDA for Iron Ore decreased by 23% to $1,775 million (30 June 2022: $2,298 million), driven by a 22% decrease in the realised iron ore price offsetting higher sales and lower unit costs.

Kumba

Underlying EBITDA decreased by 30% to $1,105 million (30 June 2022: $1,570 million), driven by a lower average realised price and lower sales volumes. Unit costs decreased by 9% to $39/tonne (30 June 2022: $43/tonne) due to higher production volumes at Kolomela and the benefit of a weaker South African rand.

Capital expenditure decreased by 22% to $277 million (30 June 2022: $355 million), fundamentally driven by the weaker South African rand.

Minas-Rio

Underlying EBITDA decreased by 8% to $670 million (30 June 2022: $728 million), as higher sales volumes and lower unit costs were more than offset by the lower average realised price. Unit costs decreased by 9% to $32/tonne (30 June 2022: $35/tonne), primarily reflecting the benefit of higher production volumes.

Capital expenditure was 46% higher at $105 million (30 June 2022: $72 million), reflecting the impact of timing differences.

Operational outlook

Kumba

Production guidance for 2023 is 35–37 Mt, subject to third-party rail and port performance.

2023 unit cost guidance is c.$43/tonne.

Minas-Rio

Production guidance for 2023 is 22–24 Mt.

2023 unit cost guidance is c.$33/tonne.

Steelmaking Coal

Financial and operational metrics

	Production volume	Sales volume	Price	Unit cost*	Group revenue*	Underlying EBITDA*	Mining EBITDA margin*	Underlying EBIT*	Capex*	ROCE*
	Mt[1]	Mt[2]	$/t[3]	$/t[4]	$m	$m		$m	$m	
Steelmaking Coal	**6.9**	**6.9**	**274**	**135**	**2,000**	**615**	**31 %**	**371**	**273**	**26 %**
Prior period	*4.8*	*5.2*	*397*	*160*	*2,213*	*1,399*	*63 %*	*1,246*	*265*	*92 %*

(1) Production volumes are saleable tonnes, excluding thermal coal production of 0.8 Mt (30 June 2022: 0.8 Mt). Includes production relating to processing of third-party product.
(2) Sales volumes exclude thermal coal sales of 0.8 Mt (30 June 2022: 0.7 Mt). The first half of 2023 includes 0.2 Mt (30 June 2022: 0.1Mt) of steelmaking coal mined by third parties and processed by Anglo American.
(3) Realised price is the weighted average hard coking coal and PCI export sales price achieved at managed operations.
(4) FOB cost per tonne, excluding royalties and study costs.

Operational performance

Production increased to 6.9 Mt (30 June 2022: 4.8 Mt), reflecting the benefit of all three underground longwall operations running, with particularly high production from Moranbah, which underwent an extended longwall move during the first half of 2022, as well as increased production from the open cut operations that were impacted by unseasonal wet weather in 2022.

Despite longwall moves during the first half of 2023, production was higher at both Grosvenor and Aquila, with both operations having started up during February 2022.

Markets

	30 June 2023	30 June 2022
Average benchmark price – hard coking coal ($/tonne)[1]	**294**	467
Average benchmark price – PCI ($/tonne)[1]	**261**	406
Average realised price – hard coking coal ($/tonne)[2]	**280**	407
Average realised price – PCI ($/tonne)[2]	**236**	322

(1) Represents average spot prices.
(2) Realised price is the export sales price achieved at managed operations.

Average realised prices differ from the average market prices due to differences in material grade and timing of shipments. Hard coking coal (HCC) price realisation increased to 95% of average benchmark price (30 June 2022: 87%), driven by a higher proportion of premium HCC sales and the impact of sales timing.

The average benchmark price for Australian HCC decreased to $294/tonne (30 June 2022: $467/tonne) as seaborne steelmaking coal prices declined from record highs set in March 2022, amid lower global crude steel production. HCC prices increased at the start of 2023 in response to supply impacts in Queensland, arising from flooding due to heavy rainfall and a rail outage, before declining in the second quarter on reduced seaborne demand for Australian coking coal amid a recovery in supply.

Underlying EBITDA decreased to $615 million (30 June 2022: $1,399 million), driven by a 31% decrease in the weighted average realised price for steelmaking coal. This was partially offset by increased sales volumes and a 16% decrease in unit costs to $135/tonne (30 June 2022: $160/tonne), reflecting benefits of increased production. The first half of 2022 included a $250 million receipt from the Group's self-insurance entity.

Capital expenditure increased to $273 million (30 June 2022: $265 million), with higher stay-in-business spend at Grosvenor largely offset by lower life-extension expenditure following the completion of the Aquila project in 2022.

Operational outlook

Export steelmaking coal production guidance for 2023 is 16–19 Mt.

Unit cost guidance for 2023 is c.$105/tonne.

Manganese

Financial and operational metrics

	Production volume	Sales volume	Group revenue*	Underlying EBITDA*	Mining EBITDA margin*	Underlying EBIT*	Capex*	ROCE*
	Mt	Mt	$m	$m		$m	$m	
Manganese	**1.8**	**1.8**	**346**	**138**	**40 %**	**96**	**n/a**	**95 %**
Prior period	*1.8*	*1.8*	*475*	*223*	*47 %*	*192*	*—*	*162 %*

Operational performance

Attributable manganese ore production was in line with the prior period at 1.8 Mt (30 June 2022: 1.8 Mt).

Financial performance

Manganese (Samancor)

Underlying EBITDA decreased by 38% to $138 million (30 June 2022: $223 million), driven mainly by the weaker average realised manganese ore price, partially offset by lower operating costs.

The average benchmark price for manganese ore (Metal Bulletin 44% manganese ore CIF China) decreased by 26% to $5.19/dmtu (30 June 2022: $6.99/dmtu). Supply impacts at the beginning of the year incrementally increased prices, but as supply recovered and demand outlook weakened, prices declined and ended the first half at $4.54/dmtu.

Crop Nutrients

Financial and operational metrics

	Production volume	Sales volume	Group revenue*	Underlying EBITDA*	Mining EBITDA margin*	Underlying EBIT*	Capex*	ROCE*
			$m	$m		$m	$m	
Crop Nutrients	n/a	n/a	93	(20)	n/a	(20)	307	n/a
Prior period	—	—	110	(18)	—	(18)	242	—
Woodsmith project	n/a	n/a	n/a	n/a	n/a	n/a	307	n/a
Prior period	—	—	—	—	—	n/a	242	—
Other[1]	n/a	n/a	93	(20)	n/a	(20)	n/a	n/a
Prior period	—	—	110	(18)	—	(18)	—	—

(1) Other comprises projects and corporate costs as well as the share in associate results from The Cibra Group, a fertiliser distributor based in Brazil.

Crop Nutrients

Anglo American is developing the Woodsmith project in the north east of England to access the world's largest known deposit of polyhalite, a natural mineral fertiliser product containing potassium, sulphur, magnesium and calcium – four of the six nutrients that every plant needs to grow.

The Woodsmith project is located on the North Yorkshire coast, just south of Whitby, where polyhalite ore will be extracted via 1.6 km deep mine shafts and transported to Teesside via an underground conveyor belt in a 37 km mineral transport system (MTS) tunnel, thereby minimising any environmental impact on the surface. It will be granulated at a materials handling facility to produce a comparatively low carbon fertiliser – known as POLY4 – that will then be exported from the port facility, where we have priority access, to a network of customers around the world. POLY4 will enable farmers to enhance their crop yield, increase crop quality and improve soil structure with one core product.

Progress update

Woodsmith project

Good progress continued on the core infrastructure during the first half, with capital expenditure of $0.3 billion (30 June 2022: $0.2 billion) out of an expected $0.7 billion for the year as a whole (previously $0.8 billion, reflecting the revised timing of payments for certain non-critical activities). Sinking activities at the two deep shafts are progressing well. The service shaft is now c.500 metres deep. Sinking activities, which began in January 2023 at 120 metres below the surface for the production shaft, successfully ramped up to planned sinking rates and reached a depth of c.245 metres.

Excavation of the three shallow shafts that will provide both ventilation and additional access to the MTS tunnel is now complete, having completed the first in 2022.

The MTS tunnel is also progressing to plan and has now reached c.24 km of the total 37 km length.

In parallel to the core infrastructure development, we are enhancing the project's configuration to allow a higher production capacity and more efficient, scalable mining methods over time. The required studies are under way and will ensure that additional infrastructure is optimally designed to enable optionality in the future and maximise long term value over the expected multi-decade asset life.

Market development – POLY4

The ongoing focus of the market development activities is to develop and implement detailed sales and marketing strategies for each region and to support customers with their own market development activities to further promote POLY4 to the end users of the product – farmers.

We have continued to develop our routes to market partnerships in key high-value regions, working closely with our customers and with farmers. Results from on-farm demonstrations continue to reinforce the quality and characteristics of POLY4, which include increased crop yields and improved soil health, tackling some of the greatest challenges the food industry is facing today.

POLY4 offers farmers a solution to agricultural efficiency and sustainability challenges through its naturally low chloride multi-nutrient composition, its suitability for organic use and comparatively low carbon profile, and with little waste generated in its production.

Corporate and Other

Financial metrics

	Group revenue*	Underlying EBITDA*	Underlying EBIT*	Capex*
	$m	$m	$m	$m
Segment	**254**	**(10)**	**(95)**	**28**
Prior period	*258*	*(282)*	*(360)*	*12*
Exploration	**n/a**	**(65)**	**(65)**	**—**
Prior period	—	*(64)*	*(65)*	—
Corporate activities and unallocated costs(1)	**254**	**55**	**(30)**	**28**
Prior period	*258*	*(218)*	*(295)*	*12*

(1) Revenue within Corporate activities and unallocated costs primarily relates to third-party shipping activities, as well as the Marketing business's energy solutions activities.

Financial overview

Exploration

Exploration expenditure was $65 million, in line with the prior period (30 June 2022: $64 million).

Corporate activities and unallocated costs

Underlying EBITDA was a $55 million gain (30 June 2022: $218 million loss), driven primarily by the Marketing business's energy solutions activities and the Group's self-insurance entity. The positive period-on-period variance reflects the finalisation of the Grosvenor claim in the first half of 2022 by the Group's self-insurance entity, which resulted in an expense in Corporate activities that was offset within the underlying EBITDA of Steelmaking Coal. There have been no equivalent insurance claim settlements in the current period.

Guidance summary

Production and unit costs

	Unit costs 2023F	Production volumes			
		Units	2023F	2024F	2025F
Copper[(1)]	c.166 c/lb	kt	840–930	910–1,000	840–930
Nickel[(2)]	c.560 c/lb	kt	38–40	39–41	37–39
PGMs – metal in concentrate[(3)]	c.$1,000/PGM ounce	Moz	3.6–4.0	3.6–4.0	3.5–3.9
Platinum		Moz	1.6–1.8	1.6–1.8	1.6–1.8
Palladium		Moz	1.2–1.3	1.2–1.3	1.1–1.2
Other		Moz	0.8–0.9	0.8–0.9	0.8–0.9
PGMs – refined[(4)]		Moz	3.6–4.0	3.6–4.0	3.3–3.7
Diamonds[(5)]	c.$75/ct	Mct	30–33	29–32	32–35
Iron ore[(6)]	c.$39/tonne	Mt	57–61	61–65	64–68
Steelmaking Coal[(7)]	c.$105/tonne	Mt	16–19	20–22	20–22

Note: Unit costs exclude royalties, depreciation and include direct support costs only. FX rates used for H2 2023 costs: ~18 ZAR:USD, ~1.5 AUD:USD, ~4.8 BRL:USD, ~800 CLP:USD, ~3.7 PEN:USD.

(1) Copper business only. On a contained-metal basis. Total copper is the sum of Chile and Peru. Unit cost total is a weighted average based on the mid-point of production guidance. 2023 Chile: 530–580 kt; Peru 310–350 kt. 2024 Chile: 550–600 kt; Peru: 360–400 kt. 2025 Chile: 530–580 kt; Peru 310–350 kt. Production in Chile is subject to water availability. Chile 2023 unit cost is c.205 c/lb. Peru 2023 unit cost is c.100 c/lb.

(2) Nickel operations in Brazil only. The Group also produces approximately 20 kt of nickel on an annual basis as a co-product from the PGM operations. Nickel production is impacted by declining grades. Bulk ore sorting unit benefits 2024, and 2025 is impacted by a maintenance shutdown.

(3) Unit cost is per own-mined 5E + gold PGMs metal in concentrate ounce. Production is 5E + gold PGMs produced metal in concentrate ounces. Includes own-mined production (~65%) and purchased concentrate volumes (~35%). Metal in concentrate production is impacted by lower grade and recoveries at Mogalakwena, planned infrastructure closures and lower volumes from Amandelbult. Kroondal switches to a tolling arrangement upon our exit from the operation, expected in 2024. Lower volumes in 2025 reflect the transition of the Siyanda POC agreement to tolling.

(4) 5E + gold produced refined ounces. Includes own-mined production and purchased concentrate volumes. Refined production is subject to the impact of Eskom load-curtailment. Kroondal switches to a tolling arrangement upon our exit from the operation, expected in 2024. Lower volumes in 2025 reflect the transition of the Siyanda POC agreement to tolling.

(5) Unit cost is based on De Beers' share of production. Production on a 100% basis except for the Gahcho Kué joint operation, which is on an attributable 51% basis, subject to trading conditions. Venetia continues to transition to underground operations – with first production recently achieved. Step-up in 2023 unit cost is primarily driven by change in production mix, as Venetia transitions to underground operations and delivers a lower carat profile during ramp-up.

(6) Wet basis. Total iron ore is the sum of Kumba and Minas-Rio. Unit cost total is a weighted average based on the mid-point of production guidance. 2023 Kumba: 35–37 Mt (production is impacted by high levels of on-mine inventory); Minas-Rio: 22–24 Mt. 2024 Kumba: 37–39 Mt (subject to finalisation of UHDMS plant review); Minas-Rio: 24–26 Mt. 2025 Kumba: 39–41 Mt; Minas-Rio: 25–27 Mt. Kumba production is subject to the third-party rail and port performance. Kumba 2023 unit cost is c.$43/tonne. Minas-Rio 2023 unit cost is c.$33/tonne.

(7) Steelmaking Coal FOB/tonne unit cost comprises managed operations and excludes royalties and study costs. Production excludes thermal coal by-product.

Capital expenditure[1]

	2023F	2024F	2025F
Growth	~$1.5bn (previously ~$1.8bn) *Includes ~$0.7bn Woodsmith capex (previously ~$0.8bn)*	~$0.8bn (previously ~$1.0bn)	~$0.8bn (previously ~$1.0bn)
Sustaining	~$4.5bn (previously $4.2–4.7bn) *Reflects ~$3.5bn baseline (previously $3.1–3.6bn), ~$0.6bn lifex projects (previously ~$0.7bn) and ~$0.4bn Collahuasi desalination plant[2]*	$4.5–5.0bn *Reflects $3.5–4.0bn baseline, ~$0.7bn lifex projects and ~$0.3bn Collahuasi desalination plant[2]*	$4.0–4.5bn *Reflects $3.2–3.7bn baseline, ~$0.5bn lifex projects and ~$0.3bn Collahuasi desalination plant[2]*
Total	**~$6.0bn** (previously $6.0–6.5bn)	**$5.3–5.8bn** (previously $5.5–6.0bn)	**$4.8–5.3bn** (previously $5.0–5.5bn)

Further details on Anglo American's high quality growth and life-extension projects, including details of the associated volumes benefit, are disclosed on pages 11–12.

Long term sustaining capital expenditure is expected to be $3.0–3.5 billion per annum[3], excluding life-extension projects.

Other guidance

- 2023 depreciation: $3.0–3.2 billion (previously $3.3–3.5 billion)
- 2023 underlying effective tax rate: 36–38%[4] (previously 35-37%)
- Long term underlying effective tax rate: 33–37%[4]
- Dividend payout ratio: 40% of underlying earnings
- Net debt:EBITDA: <1.5x at the bottom of the cycle

(1) Cash expenditure on property, plant and equipment including related derivatives, net of proceeds from disposal of property, plant and equipment and includes direct funding for capital expenditure from non-controlling interests. Shown excluding capitalised operating cash flows. Consequently, for Quellaveco, remaining growth capex reflects attributable share. Guidance includes unapproved projects and is, therefore, subject to progress of the project studies and unapproved Woodsmith capex of ~$1 billion per annum is excluded after 2023. Refer to the H1 2023 results presentation slides 41–44 for further detail on the breakdown of the capex guidance at project level.
(2) Attributable share of capex. Collahuasi desalination capex shown includes related infrastructure.
(3) Long term sustaining capex guidance is shown on a 2022 real basis.
(4) Underlying effective tax rate is highly dependent on a number of factors, including the mix of profits and any corporate tax reforms impacting the countries where we operate, and may vary from the guided ranges. The ~1% increase in 2023 underlying effective tax rate guidance reflects the expected deferred tax impact of the Chile mining royalty bill which is expected to be substantively enacted in H2 2023.

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Notes to editors:
Anglo American is a leading global mining company and our products are the essential ingredients in almost every aspect of modern life. Our portfolio of world-class competitive operations, with a broad range of future development options, provides many of the future-enabling metals and minerals for a cleaner, greener, more sustainable world and that meet the fast growing everyday demands of billions of consumers. With our people at the heart of our business, we use innovative practices and the latest technologies to discover new resources and to mine, process, move and market our products to our customers – safely and sustainably.

As a responsible producer of copper, nickel, platinum group metals, diamonds (through De Beers), and premium quality iron ore and steelmaking coal – with crop nutrients in development – we are committed to being carbon neutral across our operations by 2040. More broadly, our Sustainable Mining Plan commits us to a series of stretching goals to ensure we work towards a healthy environment, creating thriving communities and building trust as a corporate leader. We work together with our business partners and diverse stakeholders to unlock enduring value from precious natural resources for the benefit of the communities and countries in which we operate, for society as a whole, and for our shareholders. Anglo American is re-imagining mining to improve people's lives.

www.angloamerican.com

Webcast of presentation:
A live webcast of the results presentation, starting at 9.00am UK time on 27 July 2023, can be accessed through the Anglo American website at www.angloamerican.com

Note: Throughout this results announcement, '$' denotes United States dollars and 'cents' refers to United States cents. Tonnes are metric tons, 'Mt' denotes million tonnes and 'kt' denotes thousand tonnes, unless otherwise stated.

Group terminology
In this document, references to "Anglo American", the "Anglo American Group", the "Group", "we", "us", and "our" are to refer to either Anglo American plc and its subsidiaries and/or those who work for them generally, or where it is not necessary to refer to a particular entity, entities or persons. The use of those generic terms herein is for convenience only, and is in no way indicative of how the Anglo American Group or any entity within it is structured, managed or controlled. Anglo American subsidiaries, and their management, are responsible for their own day-to-day operations, including but not limited to securing and maintaining all relevant licences and permits, operational adaptation and implementation of Group policies, management, training and any applicable local grievance mechanisms. Anglo American produces Group-wide policies and procedures to ensure best uniform practices and standardisation across the Anglo American Group but is not responsible for the day to day implementation of such policies. Such policies and procedures constitute prescribed minimum standards only. Group operating subsidiaries are responsible for adapting those policies and procedures to reflect local conditions where appropriate, and for implementation, oversight and monitoring within their specific businesses.

Forward-looking statements and third-party information:
This document includes forward-looking statements. All statements other than statements of historical facts included in this document, including, without limitation, those regarding Anglo American's financial position, business, acquisition and divestment strategy, dividend policy, plans and objectives of management for future operations, prospects and projects (including development plans and objectives relating to Anglo American's products, production forecasts and Ore Reserve and Mineral Resource positions) and sustainability performance related (including environmental, social and governance) goals, ambitions, targets, visions, milestones and aspirations, are forward-looking statements. 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 Anglo American or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding Anglo American's present and future business strategies and the environment in which Anglo American will operate in the future. Important factors that could cause Anglo American's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, levels of actual production during any period, levels of global demand and commodity market prices, unanticipated downturns in business relationships with customers or their purchases from Anglo American, mineral resource exploration and project development capabilities and delivery, recovery rates and other operational capabilities, safety, health or environmental incidents, the effects of global pandemics and outbreaks of infectious diseases, the impact of attacks from third parties on our information systems, natural catastrophes or adverse geological conditions, climate change and extreme weather events, the outcome of litigation or regulatory proceedings, the availability of mining and processing equipment, the ability to obtain key inputs in a timely manner, the ability to produce and transport products profitably, the availability of necessary infrastructure (including transportation) services, the development, efficacy and adoption of new or competing technology, challenges in realising resource estimates or discovering new economic mineralisation, the impact of foreign currency exchange rates on market prices and operating costs, the availability of sufficient credit, liquidity and counterparty risks, the effects of inflation, terrorism, war, conflict, political or civil unrest, uncertainty, tensions and disputes and economic and financial conditions around the world, evolving societal and stakeholder requirements and expectations, shortages of skilled employees, unexpected difficulties relating to acquisitions or divestitures, competitive pressures and the actions of competitors, activities by courts, regulators and governmental authorities such as in relation to permitting or forcing closure of mines and ceasing of operations or maintenance of Anglo American's assets and changes in taxation or safety, health, environmental or other types of regulation in the countries where Anglo American operates, conflicts over land and resource ownership rights and such other risk factors identified in Anglo American's most recent Annual Report. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as of the date of this document. Anglo American expressly disclaims any obligation or undertaking (except as required by applicable law, the City Code on Takeovers and Mergers, the UK Listing Rules, the Disclosure and Transparency Rules of the Financial Conduct Authority, the Listings Requirements of the securities exchange of the JSE Limited in South Africa, the SIX Swiss Exchange, the Botswana Stock Exchange and the Namibian Stock Exchange and any other applicable regulations) to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in Anglo American's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Nothing in this document should be interpreted to mean that future earnings per share of Anglo American will necessarily match or exceed its historical published earnings per share. Certain statistical and other information about Anglo American included in this document is sourced from publicly available third-party sources. As such it has not been independently verified and presents the views of those third parties, but may not necessarily correspond to the views held by Anglo American and Anglo American expressly disclaims any responsibility for, or liability in respect of, such information.

Anglo American plc
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Registered office as above. Incorporated in England and Wales under the Companies Act 1985.
Registered Number: 3564138 Legal Entity Identifier: 549300S9XF92D1X8ME43

CONDENSED FINANCIAL STATEMENTS

for the six months ended 30 June 2023

Contents

Consolidated income statement
for the six months ended 30 June 2023

US$ million	Note	6 months ended 30.06.23 Before special items and remeasurements	Special items and remeasurements (note 9)	Total	6 months ended 30.06.22 Before special items and remeasurements	Special items and remeasurements (note 9)	Total
Revenue	3	15,706	(32)	15,674	18,197	(86)	18,111
Operating costs		(12,235)	(430)	(12,665)	(11,371)	(47)	(11,418)
Operating profit	3	3,471	(462)	3,009	6,826	(133)	6,693
Non-operating special items	9	—	(33)	(33)	—	(183)	(183)
Net income from associates and joint ventures	3 12	271	—	271	409	—	409
Profit before net finance costs and tax		3,742	(495)	3,247	7,235	(316)	6,919
Investment income		215	—	215	53	—	53
Interest expense		(405)	—	(405)	(225)	—	(225)
Other net financing (losses)/gains		(9)	(14)	(23)	9	51	60
Net finance costs	5	(199)	(14)	(213)	(163)	51	(112)
Profit before tax		3,543	(509)	3,034	7,072	(265)	6,807
Income tax expense	6	(1,245)	75	(1,170)	(2,151)	80	(2,071)
Profit for the financial period		2,298	(434)	1,864	4,921	(185)	4,736
Attributable to:							
Non-controlling interests	16	628	(26)	602	1,134	(78)	1,056
Equity shareholders of the Company		1,670	(408)	1,262	3,787	(107)	3,680
Earnings per share (US$)							
Basic	4	1.38	(0.34)	1.04	3.11	(0.08)	3.03
Diluted	4	1.37	(0.34)	1.03	3.09	(0.09)	3.00

Consolidated statement of comprehensive income
for the six months ended 30 June 2023

US$ million	6 months ended 30.06.23	6 months ended 30.06.22
Profit for the financial period	1,864	4,736
Items that will not be reclassified to the income statement (net of tax)		
Remeasurement of net retirement benefit obligation	(26)	7
Net revaluation (loss)/gain on equity investments	(13)	19
Items that have been or may subsequently be reclassified to the income statement (net of tax)		
Net exchange differences:		
Net loss (including associates and joint ventures)	(1,253)	(770)
Other comprehensive loss for the financial period (net of tax)	(1,292)	(744)
Total comprehensive income for the financial period (net of tax)	572	3,992
Attributable to:		
Non-controlling interests	342	938
Equity shareholders of the Company	230	3,054

Consolidated balance sheet
as at 30 June 2023

US$ million	Note	30.06.23	31.12.22 (restated)[1]
ASSETS			
Non-current assets			
Intangible assets		2,884	2,828
Property, plant and equipment		41,585	41,125
Environmental rehabilitation trusts	15	102	107
Investments in associates and joint ventures	12	1,113	1,056
Financial asset investments		407	390
Inventories		775	809
Trade and other receivables		598	440
Deferred tax assets		213	198
Derivative financial assets	15	138	49
Pension asset surplus and other non-current assets		453	469
Total non-current assets		48,268	47,471
Current assets			
Inventories		6,599	6,598
Trade and other receivables		3,430	4,483
Current tax assets		339	201
Derivative financial assets	15	202	204
Current financial asset investments		62	38
Cash and cash equivalents	13	7,844	8,412
Total current assets		18,476	19,936
Assets classified as held for sale	19	38	—
Total assets		66,782	67,407
LIABILITIES			
Current liabilities			
Trade and other payables		(6,045)	(7,380)
Short term borrowings	13 14	(844)	(1,420)
Provisions for liabilities and charges		(616)	(684)
Current tax liabilities		(415)	(569)
Derivative financial liabilities	15	(128)	(441)
Total current liabilities		(8,048)	(10,494)
Non-current liabilities			
Trade and other payables		(161)	(249)
Medium and long term borrowings	13 14	(15,335)	(12,945)
Royalty liability	15	(532)	(510)
Retirement benefit obligations		(508)	(510)
Deferred tax liabilities		(5,378)	(5,249)
Derivative financial liabilities	15	(884)	(888)
Provisions for liabilities and charges		(2,671)	(2,609)
Total non-current liabilities		(25,469)	(22,960)
Liabilities directly associated with assets classified as held for sale	19	(61)	—
Total liabilities		(33,578)	(33,454)
Net assets		33,204	33,953
EQUITY			
Called-up share capital		734	734
Share premium account		2,558	2,558
Own shares		(6,210)	(6,272)
Other reserves		(13,088)	(12,070)
Retained earnings		42,555	42,368
Equity attributable to equity shareholders of the Company		26,549	27,318
Non-controlling interests	16	6,655	6,635
Total equity		33,204	33,953

[1] Comparative figures are restated for the adoption of the amendment to IAS 12, see note 2.

The Condensed financial statements of Anglo American plc, registered number 03564138, were approved by the Board of directors on 26 July 2023 and signed on its behalf by:

Duncan Wanblad
Chief Executive

Stephen Pearce
Finance Director

Consolidated cash flow statement

for the six months ended 30 June 2023

US$ million	Note	6 months ended 30.06.23	6 months ended 30.06.22
Cash flows from operating activities			
Profit before tax		3,034	6,807
Net finance costs including financing special items and remeasurements	5	213	112
Net income from associates and joint ventures	12	(271)	(409)
Non-operating special items	9	33	183
Operating profit		3,009	6,693
Revenue and operating special items and remeasurements	9	462	133
Cash element of special items		(11)	(6)
Depreciation and amortisation		1,214	1,185
Share-based payment charges		129	101
Decrease in provisions and net retirement benefit obligations		(32)	(93)
Increase in inventories		(301)	(1,192)
Decrease in operating receivables		554	438
Decrease in operating payables		(954)	(259)
Other adjustments		(139)	17
Cash flows from operations		3,931	7,017
Dividends from associates and joint ventures	12	205	238
Dividends from financial asset investments		3	—
Income tax paid		(1,096)	(1,751)
Net cash inflows from operating activities		3,043	5,504
Cash flows from investing activities			
Expenditure on property, plant and equipment	11	(2,745)	(2,842)
Proceeds from disposal of property, plant and equipment	11	2	7
Investments in associates and joint ventures		(4)	(5)
Expenditure on intangible assets		(59)	(39)
Net issuance of financial asset investments		(71)	(43)
Interest received and other investment income		187	47
Net cash outflow on acquisitions		(10)	—
Net cash inflow on disposals	20	207	467
Other investing activities		(37)	(55)
Net cash used in investing activities		(2,530)	(2,463)
Cash flows from financing activities			
Interest paid		(294)	(220)
Cash flows (used in)/from derivatives related to financing activities	13	(399)	68
Dividends paid to Company shareholders		(905)	(2,052)
Dividends paid to non-controlling interests	16	(362)	(1,079)
Proceeds from issuance of bonds		1,950	1,230
Proceeds from other borrowings		531	785
Capital repayment of lease obligations		(125)	(131)
Repayments of bonds and borrowings		(1,060)	(704)
Purchase of shares by Group companies		(187)	(438)
Other financing activities		(150)	(181)
Net cash used in financing activities		(1,001)	(2,722)
Net (decrease)/increase in cash and cash equivalents		(488)	319
Cash and cash equivalents at start of period	13	8,400	9,057
Cash movements in the period		(488)	319
Effects of changes in foreign exchange rates		(74)	(173)
Cash and cash equivalents at end of period	13	7,838	9,203

Consolidated statement of changes in equity

for the six months ended 30 June 2023

US$ million	Total share capital[1]	Own shares[2]	Retained earnings	Cumulative translation adjustment reserve	Other reserves[3]	Total equity attributable to equity shareholders of the Company	Non-controlling interests	Total equity
At 1 January 2022 (restated)[4]	3,295	(6,141)	41,673	(11,696)	651	27,782	6,917	34,699
Profit for the period	—	—	3,680	—	—	3,680	1,056	4,736
Other comprehensive income/(loss)	—	—	12	(660)	22	(626)	(118)	(744)
Dividends	—	—	(2,052)	—	—	(2,052)	(942)	(2,994)
Equity settled share-based payment schemes	—	(38)	(34)	—	(98)	(170)	(6)	(176)
Shares cancelled during the period	(3)	—	—	—	3	—	—	—
Other	—	—	(31)	—	(48)	(79)	(2)	(81)
At 30 June 2022 (restated)[4]	3,292	(6,179)	43,248	(12,356)	530	28,535	6,905	35,440
Profit for the period	—	—	834	—	—	834	454	1,288
Other comprehensive loss	—	—	(195)	(303)	(71)	(569)	(107)	(676)
Dividends	—	—	(1,497)	—	—	(1,497)	(624)	(2,121)
Equity settled share-based payment schemes	—	(92)	(25)	—	99	(18)	5	(13)
Other	—	(1)	3	—	31	33	2	35
At 31 December 2022 (restated)[4]	3,292	(6,272)	42,368	(12,659)	589	27,318	6,635	33,953
Profit for the period	—	—	1,262	—	—	1,262	602	1,864
Other comprehensive loss	—	—	(22)	(996)	(14)	(1,032)	(260)	(1,292)
Dividends	—	—	(905)	—	—	(905)	(346)	(1,251)
Equity settled share-based payment schemes	—	62	(114)	—	(5)	(57)	(14)	(71)
Change in ownership interest in subsidiaries	—	—	(38)	—	—	(38)	40	2
Other	—	—	4	—	(3)	1	(2)	(1)
At 30 June 2023	**3,292**	**(6,210)**	**42,555**	**(13,655)**	**567**	**26,549**	**6,655**	**33,204**

(1) Includes share capital and share premium.
(2) Own shares comprise shares of Anglo American plc held by the Company, its subsidiaries and employee benefit trusts.
(3) Includes the share-based payment reserve, financial asset revaluation reserve, capital redemption reserve, legal reserve, cash flow hedge reserve and other reserves.
(4) Comparative figures are restated for the adoption of the amendment to IAS 12, see note 2.

Notes to the Condensed financial statements

1. Basis of preparation

Basis of preparation

This condensed consolidated interim financial report for the six months ended 30 June 2023 has been prepared in accordance with the UK-adopted International Accounting Standard IAS 34 *Interim Financial Reporting* and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority ('DTR').

The Condensed financial statements represent a 'condensed set of financial statements' as referred to in the DTR. Accordingly, they do not include all of the information required for a full annual financial report and are to be read in conjunction with the annual financial statements for the year ended 31 December 2022 which have been prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006, IFRS Interpretations Committee (IFRS IC) interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The Condensed financial statements are unaudited and do not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the year to 31 December 2022 included in this report was derived from the statutory accounts for the year ended 31 December 2022, a copy of which has been delivered to the Registrar of Companies. The auditor's report on these accounts was unqualified, did not include a reference to any matters to which the auditor drew attention by way of an emphasis of matter and did not contain a statement under sections 498 (2) or (3) of the Companies Act 2006.

Going concern

The financial position of the Group, its cash flows, liquidity position and borrowing facilities are set out in the Group Financial review for the six months ended 30 June 2023 on pages 6 to 10. The Group's net debt (including related hedges) at 30 June 2023 was $8.8 billion (31 December 2022: $6.9 billion) representing a gearing level of 21% (31 December 2022: 17%). The Group's liquidity position (defined as cash and cash equivalents and undrawn committed facilities) of $14.9 billion at 30 June 2023 remains strong. Further analysis of net debt is set out in note 13 and details of borrowings and facilities are set out in note 14.

The directors have considered the Group's cash flow forecasts for the period to the end of December 2024 under base and downside scenarios with reference to the Group's principal risks as set out on page 13 of these results. In the downside scenarios modelled (including price reductions of up to 30% against budget and operational incidents), the Group maintains sufficient liquidity throughout the period of assessment without the use of mitigating actions.

The Board is satisfied that the Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group will be able to operate within the level of its current facilities for the period of at least 12 months from the date of approval of the financial statements. For this reason the Group continues to adopt the going concern basis in preparing its financial statements.

Alternative Performance Measures

When assessing and discussing the Group's reported financial performance, financial position and cash flows, management makes reference to Alternative Performance Measures (APMs) of historical or future financial performance, financial position or cash flows that are not defined or specified under IFRS. 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. Further information on APMs is provided on page 77.

2. Changes in accounting policies, estimates and disclosures

The accounting policies applied are consistent with those adopted and disclosed in the Group financial statements for the year ended 31 December 2022 with the exception of new accounting pronouncements, which became effective on 1 January 2023 and have been adopted by the Group. The adoption of these new accounting pronouncements has not had a significant impact on the accounting policies, methods of computation or presentation applied by the Group except for the adoption of amendment to IAS 12 *Income taxes* below.

IAS 12 *Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

An amendment to IAS 12 *Income taxes* was published in May 2021 and became effective for the Group from 1 January 2023. The amendment narrowed the scope of the deferred tax recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The Group has considered the impact of this amendment, notably in relation to the accounting for deferred taxes on leases and decommissioning and environmental restoration provisions. The impact of transitioning to the revised standard was to increase net deferred tax liabilities and reduce total equity as at 1 January 2022, 30 June 2022 and 31 December 2022 by $71million ($43 million reducing Retained earnings and $28 million reducing Non-controlling interests).

The Group has not early adopted any amendment, standard or interpretation that has been issued but is not yet effective. It is expected that where applicable, these standards and amendments will be adopted on each respective effective date.

Financial performance

Profit attributable to equity shareholders for the six months ended 30 June 2023 decreased by 66% to $1,262 million (six months ended 30 June 2022: $3,680 million). Underlying earnings decreased by 56% to $1,670 million (six months ended 30 June 2022: $3,787 million).

The following disclosures provide further information about the drivers of the Group's financial performance in the period. This includes analysis of the respective contribution of the Group's reportable segments along with information about its operating cost base, net finance costs and tax. In addition, disclosure on earnings per share and the dividend is provided.

3. Financial performance by segment

Overview

The Group's operating segments are aligned to those businesses that are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Operating segments with similar economic characteristics are aggregated into reportable segments.

The Group aggregates the following operating segments into reportable segments:

- Kumba Iron Ore and Iron Ore Brazil are aggregated into Iron Ore
- Copper Chile and Copper Peru are aggregated into Copper.

Shipping revenue related to shipments of the Group's products is shown within the relevant operating segment. Revenue from other marketing and trading activities from shipping and energy solutions within the Marketing business is presented within the 'Corporate and other' segment, which also includes unallocated corporate costs and exploration costs.

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 77.

Financial performance

3. Financial performance by segment continued

Segment results

							30.06.23
US$ million	Group revenue	Underlying EBITDA	Depreciation and amortisation	Underlying EBIT	Net finance costs and income tax expense	Non-controlling interests	Underlying earnings
Copper	3,493	1,492	(316)	1,176	(530)	(143)	503
Nickel	383	110	(38)	72	(6)	—	66
Platinum Group Metals	3,531	667	(162)	505	(137)	(103)	265
De Beers	2,831	347	(157)	190	(86)	(19)	85
Iron Ore	3,660	1,775	(221)	1,554	(475)	(359)	720
Steelmaking Coal	2,000	615	(244)	371	(114)	—	257
Manganese	346	138	(42)	96	(31)	(1)	64
Crop Nutrients	93 [1]	(20)	—	(20)	1	—	(19)
Corporate and other	254	(10)	(85)	(95)	(172)	(4)	(271)
	16,591	5,114	(1,265)	3,849	(1,550) [2]	(629)	1,670
Less: associates and joint ventures	(885)	(429)	51	(378)	106	1	(271)
Subsidiaries and joint operations	15,706	4,685	(1,214)	3,471	(1,444)	(628)	1,399
Reconciliation:							
Net income from associates and joint ventures				271			271
Special items and remeasurements	(32)			(495)			(408)
Revenue	15,674						
Profit before net finance costs and tax				3,247			
Profit attributable to equity shareholders of the Company							1,262

See next page for footnotes.

Financial performance

3. Financial performance by segment continued

US$ million	Group revenue	Underlying EBITDA	Depreciation and amortisation	Underlying EBIT	Net finance costs and income tax expense	Non-controlling interests	Underlying earnings
							30.06.22
Copper	2,443	1,166	(272)	894	(388)	(112)	394
Nickel	407	239	(38)	201	(57)	—	144
Platinum Group Metals	5,555	2,732	(177)	2,555	(741)	(399)	1,415
De Beers	3,595	944	(226)	718	(135)	(92)	491
Iron Ore	4,393	2,298	(251)	2,047	(620)	(516)	911
Steelmaking Coal	2,213	1,399	(153)	1,246	(381)	—	865
Manganese	475	223	(31)	192	(96)	(2)	94
Crop Nutrients	110 [1]	(18)	—	(18)	9	—	(9)
Corporate and other	258	(282)	(78)	(360)	(143)	(15)	(518)
	19,449	8,701	(1,226)	7,475	(2,552)[2]	(1,136)	3,787
Less: associates and joint ventures	(1,252)	(690)	41	(649)	238	2	(409)
Subsidiaries and joint operations	18,197	8,011	(1,185)	6,826	(2,314)	(1,134)	3,378
Reconciliation:							
Net income from associates and joint ventures				409			409
Special items and remeasurements	(86)			(316)			(107)
Revenue	18,111						
Profit before net finance costs and tax				6,919			
Profit attributable to equity shareholders of the Company							3,680

(1) Group revenue in respect of Crop Nutrients principally relates to revenue from its associate, the Cibra Group, a fertiliser distributor based in Brazil.
(2) Comprises net finance costs of $202 million (six months ended 30 June 2022: $170 million) and income tax expense of $1,348 million (six months ended 30 June 2022: $2,382 million).

The segment results are stated after elimination of inter-segment interest and dividends and include an allocation of corporate costs.

Further information

Group revenue by product

Segments predominantly derive revenue as follows – Copper: copper; De Beers: rough and polished diamonds; Platinum Group Metals: platinum group metals and nickel; Iron Ore: iron ore; Steelmaking Coal: steelmaking coal; Nickel: nickel; Manganese: manganese ore. Revenue reported within Corporate and other revenue includes the margin from the Group's marketing and trading activities in energy solutions and shipping within the Marketing business, inclusive of shipping services provided to third parties.

Other revenue principally relates to iridium, gold, ruthenium and molybdenum. The revenue analysis below includes the Group's share of revenue in equity accounted associates and joint ventures excluding special items and remeasurements. See note 12.

Financial performance

3. Financial performance by segment continued

US$ million	Revenue from contracts with customers 30.06.23	Revenue from other sources 30.06.23	Group revenue 30.06.23	Revenue from contracts with customers 30.06.22	Revenue from other sources 30.06.22	Group revenue 30.06.22
Copper	3,180	119	3,299	2,486	(194)	2,292
Nickel	544	30	574	700	(6)	694
Platinum	816	(1)	815	903	3	906
Palladium	914	3	917	1,357	3	1,360
Rhodium	962	23	985	2,314	12	2,326
Diamonds	2,782	49	2,831	3,588	7	3,595
Iron ore	3,166	95	3,261	3,767	146	3,913
Steelmaking coal	1,529	336	1,865	1,446	576	2,022
Thermal coal[1]	124	132	256	156	82	238
Manganese ore	—	346	346	—	475	475
Shipping	525	—	525	682	—	682
Other	823	94	917	819	127	946
	15,365	1,226	16,591	18,218	1,231	19,449
Reconciliation:						
Less: Revenue from associates and joint ventures	—	(885)	(885)	—	(1,252)	(1,252)
Special items and remeasurements	—	(32)	(32)	—	(86)	(86)
Revenue	15,365	309	15,674	18,218	(107)	18,111

(1) For the six months ended 30 June 2023, thermal coal represents 2% of Group revenue and comprises sales volumes of 8.6Mt. These arise from transitional marketing support provided to Thungela Resources, purchases from other third parties included within the Marketing business' energy solutions activities, and secondary product sales from the Steelmaking Coal business.

Revenue from other sources for subsidiaries and joint operations gain of $309 million (six months ended 30 June 2022: loss of $107 million) includes net fair value gains relating to derivatives of $428 million (six months ended 30 June 2022: $189 million), net fair value losses relating to provisionally priced contracts of $87 million (six months ended 30 June 2022: $210 million) and revenue remeasurements loss of $32 million (six months ended 30 June 2022: $86 million). Derivative net gains/losses include both financial derivatives and the net margin arising on contracts for the physical sale and purchase of third-party material (third-party sales) where these contracts are accounted for as derivatives prior to settlement and are entered into to generate a trading margin.

Group revenue by destination

The Group's geographical analysis of segment revenue is allocated based on the customer's port of destination. Where the port of destination is not known, revenue is allocated based on the customer's country of domicile.

	30.06.23 US$ million	30.06.23 %	30.06.22 US$ million	30.06.22 %
China	4,465	27%	4,374	22%
India	1,270	8%	1,252	6%
Japan	2,094	13%	2,650	14%
Other Asia	2,783	17%	3,925	20%
South Africa	515	3%	726	4%
Other Africa	920	6%	1,175	6%
Brazil	368	2%	550	3%
Chile	477	3%	338	2%
Other South America	7	—	—	—
North America	549	3%	678	3%
Australia	73	—	70	—
United Kingdom[1]	1,162	7%	959	5%
Other Europe	1,908	11%	2,752	15%
	16,591	100%	19,449	100%

(1) United Kingdom is Anglo American plc's country of domicile.

Financial performance

4. Earnings per share

Overview

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 77.

US$	6 months ended 30.06.23	6 months ended 30.06.22
Earnings per share		
Basic	1.04	3.03
Diluted	1.03	3.00
Underlying earnings per share		
Basic	1.38	3.11
Diluted	1.37	3.09
Headline earnings per share		
Basic	1.35	3.02
Diluted	1.35	2.99

Further information

The calculation of basic and diluted earnings per share is based on the following data:

	Profit attributable to equity shareholders of the Company		Underlying earnings		Headline earnings	
	6 months ended 30.06.23	6 months ended 30.06.22	6 months ended 30.06.23	6 months ended 30.06.22	6 months ended 30.06.23	6 months ended 30.06.22
Earnings (US$ million)						
Basic and diluted earnings	1,262	3,680	1,670	3,787	1,643	3,667
Weighted average number of shares (million)						
Basic number of ordinary shares outstanding	1,214	1,216	1,214	1,216	1,214	1,216
Effect of dilutive potential ordinary shares	6	11	6	11	6	11
Diluted number of ordinary shares outstanding	1,220	1,227	1,220	1,227	1,220	1,227

The weighted average number of ordinary shares in issue is the weighted number of shares in issue throughout the period, and excludes shares held by employee benefit trusts and Anglo American plc shares held by Group companies. The diluted number of ordinary shares outstanding, including share options and awards, is calculated on the assumption of conversion of all potentially dilutive ordinary shares. In the six months ended 30 June 2023 there were 58,678 (six months ended 30 June 2022: 175,136) share options that were potentially dilutive but not included in the calculation of diluted earnings because they were anti-dilutive.

Financial performance

4. Earnings per share continued

Headline earnings, a Johannesburg Stock Exchange defined performance measure, is reconciled from profit attributable to equity shareholders of the Company as follows, and the reconciling items below are shown gross and net of tax and non-controlling interests:

	6 months ended 30.06.23		6 months ended 30.06.22	
US$ million	Gross	Net	Gross	Net
Profit attributable to equity shareholders of the Company		1,262		3,680
Special items and remeasurements		408		107
Underlying earnings for the financial period		1,670		3,787
Revenue remeasurements	(32)	(6)	(86)	(35)
Operating special items – restructuring	(28)	(28)	—	—
Operating remeasurements	(41)	(39)	(47)	(42)
Non-operating special items – remeasurement of deferred consideration	(20)	(19)	(176)	(118)
Financing special items and remeasurements	(14)	(14)	51	51
Tax special items and remeasurements	—	72	—	43
Other reconciling items	10	7	(16)	(19)
Headline earnings for the financial period		1,643		3,667

Other reconciling items principally relate to adjustments to former operations and disposals of property, plant and equipment (six months ended 30 June 2022: related to adjustments to former operations and disposals of property, plant and equipment).

Financial performance

5. Net finance costs

US$ million	6 months ended 30.06.23	6 months ended 30.06.22
Investment income		
Interest income from cash and cash equivalents	172	45
Interest income from associates and joint ventures	7	2
Other interest income	19	—
Net interest income on defined benefit arrangements	14	6
Dividend income from financial asset investments	3	—
Investment income	215	53
Interest expense		
Interest and other finance expense	(598)	(286)
Lease liability interest expense	(27)	(21)
Net interest cost on defined benefit arrangements	(24)	(24)
Unwinding of discount relating to provisions and other liabilities	(49)	(36)
	(698)	(367)
Less: Interest expense capitalised	293	142
Interest expense	(405)	(225)
Other net financing (losses)/gains		
Net foreign exchange losses	(55)	(81)
Other net fair value gains	46	90
Other net financing (losses)/gains before special items and remeasurements	(9)	9
Financing remeasurements	(14)	51
Other net financing (losses)/gains	(23)	60
Net finance costs	(213)	(112)

Financial performance

6. Income tax expense

Overview

			6 months ended 30.06.23
	Profit before tax US$ million	Tax charge US$ million	Effective tax rate
Calculation of effective tax rate (statutory basis)	3,034	(1,170)	38.6%
Adjusted for:			
Special items and remeasurements	509	(75)	
Associates' and joint ventures' tax and non-controlling interests	104	(103)	
Calculation of underlying effective tax rate	3,647	(1,348)	37.0%

The underlying effective tax rate was 37.0% for the six months ended 30 June 2023. This is higher than the underlying effective tax rate of 32.6% for the six months ended 30 June 2022. The underlying effective tax rate for the six months ended 30 June 2023 was mainly impacted by the relative level of profits arising in the Group's operating jurisdictions.

Although it has passed through Congress, the Mining Royalty Bill in Chile has not yet been substantively enacted. This Bill seeks to create a new mining royalty regime which includes both an 'ad valorem tax' and a 'specific mining tax'. If substantively enacted during the second half of 2023, current taxes would not start to accrue until 1 January 2024. While the Group continues to evaluate the longer term impact of these royalties, the rebasing of the Group's Chilean deferred taxes to reflect the impact of this new regime, is expected to increase the Group's underlying effective tax rate by about 1% for the year ended 31 December 2023.

In accordance with IAS 34 Interim Financial Reporting, the Group's interim tax charge has been calculated by applying on a jurisdictional basis, the forecast annual effective corporate income tax rate to the pre-tax income for the six month period and adjusting for certain discrete items which occurred in the interim period. Uncertainty and changes to tax regimes can materialise in any country in which we operate and the Group has no control over political acts, actions of regulators, or changes in local tax regimes. Global and local economic and social conditions can have a significant influence on governments' policy decisions and these have the potential to change tax and other political risks faced by the Group.

In line with our published Tax Strategy, the Group actively monitors tax developments at a national level, as well as global themes and international policy trends, on a continuous basis, and has active engagement strategies with governments, regulators and other stakeholders within the countries in which the Group operates, or plans to operate, as well as at an international level. This includes global tax reforms such as those being agreed through the OECD's Digitalisation of the Economy Project which seeks to reallocate taxing rights for large profitable groups ('Pillar 1') and implement a minimum effective tax rate of 15% on profits of large multinational groups in each country in which they operate ('Pillar 2'). In December 2022, EU Member States reached an agreement requiring implementation of Pillar 2 legislation into the local law of all Member States by the end of 2023. On 23 March 2023, HM Treasury released draft legislation for the Global Minimum Tax rules in the UK which was substantively enacted on 20 June 2023. These rules will apply to the Group from the financial year ending 31 December 2024 onwards. The Group continues to review this legislation to evaluate the potential impact, and is engaging with policymakers in efforts to ensure that guidance and any required additional legislation is aligned to the stated policy objectives and that the Group is well placed to comply.

Financial performance

6. Income tax expense continued

The Group has applied the mandatory temporary exception under IAS 12 in relation to the accounting for deferred taxes arising from the implementation of the Pillar 2 rules.

The Group assesses portfolio capital investments against political risks and avoids or minimises exposure to jurisdictions with unacceptable risk levels.

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 77.

a) Analysis of charge for the period

US$ million	**6 months ended 30.06.23**	6 months ended 30.06.22
United Kingdom corporation tax	**72**	24
South Africa tax	**265**	1,120
Other overseas tax	**485**	658
Prior year adjustments	**(11)**	(51)
Current tax	**811**	1,751
Deferred tax	**434**	400
Income tax expense before special items and remeasurements	**1,245**	2,151
Special items and remeasurements tax	**(75)**	(80)
Income tax expense	**1,170**	2,071

Current tax includes royalties which meet the definition of income tax and are in addition to royalties recorded in operating costs.

Financial performance

6. Income tax expense continued

b) Factors affecting tax charge for the period

The reconciling items between the statutory corporation tax rate and the income tax expense are:

US$ million	6 months ended 30.06.23	6 months ended 30.06.22
Profit before tax	3,034	6,807
Less: Net income from associates and joint ventures	(271)	(409)
Profit before tax (excluding associates and joint ventures)	2,763	6,398
Tax calculated at the weighted average annual statutory rate of corporation tax in the United Kingdom of 23.5% (2022: 19.0%)	649	1,216
Tax effects of:		
Items non-deductible/taxable for tax purposes	(3)	31
Temporary difference adjustments	268	26
Special items and remeasurements		
Functional currency remeasurements (note 9)	(141)	(54)
Other special items and other remeasurements	186	24
Other adjustments		
Dividend withholding taxes	16	116
Effect of differences between local and United Kingdom tax rates	202	763
Prior year adjustments to current tax	(11)	(51)
Other adjustments	4	—
Income tax expense	1,170	2,071

The special items and remeasurements reconciling charge of $45 million (six months ended 30 June 2022: credit of $30 million) relates to the net tax impact of total special items and remeasurements before tax calculated at the United Kingdom corporation tax rate less the associated tax recorded against these items and tax special items and remeasurements.

Associates' and joint ventures' tax included within Net income from associates and joint ventures for the six months ended 30 June 2023 is a charge of $103 million (six months ended 30 June 2022: $231 million). Excluding special items and remeasurements, this remains a charge of $103 million (six months ended 30 June 2022: $231 million).

7. Dividends

	6 months ended 30.06.23	6 months ended 30.06.22
Interim ordinary dividend per share (US cents)	55	124
Interim ordinary dividend (US$ million)	670	1,513

As at the dividend record date, there are forecasted to be 1,218,714,354 (six months ended 30 June 2022: 1,220,234,298) dividend bearing shares in issue.

Significant items

8. Significant accounting matters

The critical judgements and sources of estimation uncertainty affecting the results for the six months ended 30 June 2023 relate to the assessment of impairment and impairment reversal indicators, the estimation of cash flow projections for impairment testing and Quellaveco ramp up and commercial production. Further information about these matters is provided below and in the Group's Integrated Annual Report for the year ended 31 December 2022:

Impairment

Barro Alto

Barro Alto operations have been previously impaired by $1.4 billion. Changes in the long-term cost profile were identified as an indicator of impairment and the carrying value of the cash generating unit has been assessed at 30 June 2023. This resulted in an impairment of $0.4 billion ($0.4 billion after tax) to bring the carrying value into line with the recoverable amount of $0.6 billion, calculated using a discount rate of 8.3%. The impairment was allocated to property, plant and equipment.

The latest valuation is inherently sensitive to changes in economic and operational assumptions. The model uses forecast nickel prices that fall within the analyst range throughout the model. The long-term price from 2033 in the model falls within the top quartile of the analyst price range of $8.85/lb to $10.01/lb. The model uses a forecast for the average Brazilian real to US dollar real exchange rate which falls within the analyst range of 4.4 BRL/$ to 5.6 BRL/$. Sensitivities have been considered to assess the impact of changes in key assumptions, principally price and foreign exchange forecasts. If the future nickel prices were reduced by 10% throughout the valuation model with all other valuation assumptions remaining the same, this would result in an incremental impairment of $0.4 billion. A 10% appreciation of the Brazilian real compared to the valuation assumptions would result in an incremental impairment of $0.2 billion.

Commercial production

Commercial production is the term used for the point at which a mining operation is available for use and capable of operating in the manner intended by management. This generally means that the operation can produce its intended output at stable and sustainable levels. The determination of when a mine reaches commercial production can be complex and judgemental. The Group assesses a number of factors when making this judgement. Typically, a mine reaches commercial production when mine assets are consistently operating at 80% of nameplate production capacity.

The Group's Quellaveco copper project is most affected by this judgement in the current period. The Quellaveco project achieved commercial production on 1 June 2023, after which borrowing costs were recognised within finance costs in the Consolidated income statement and assets considered ready for use were reclassified from Capital Work in Progress to appropriate asset classes and subsequently depreciated.

Significant items

9. Special items and remeasurements

Overview

US$ million	Before tax	Tax	Non-controlling interests	Net 6 months ended 30.06.23	Net 6 months ended 30.06.22
Revenue remeasurements	(32)	(2)	28	(6)	(35)
Impairments	(361)	—	—	(361)	—
Restructuring costs	(28)	—	—	(28)	—
Operating remeasurements	(41)	3	(1)	(39)	(42)
Operating special items and remeasurements	(430)	3	(1)	(428)	(42)
Adjustments relating to business combinations	(3)	—	—	(3)	(22)
Adjustments relating to former operations	(30)	(4)	5	(29)	(102)
Non-operating special items	(33)	(4)	5	(32)	(124)
Financing special items and remeasurements	(14)	—	—	(14)	51
Tax special items and remeasurements	—	78	(6)	72	43
Total	(509)	75	26	(408)	(107)

Special items and remeasurements

Special items are those items of financial performance that, due to their size and nature, the Group believes should be separately disclosed on the face of the income statement. Remeasurements are items that are excluded from underlying earnings in order to reverse timing differences in the recognition of gains and losses in the income statement in relation to transactions that, whilst economically linked, are subject to different accounting measurement or recognition criteria. Refer to note 8 of the Group's 2022 Integrated Annual Report for further details on the classification of special items.

Special items and remeasurements, along with related tax and non-controlling interests, are excluded from underlying earnings, which is an Alternative Performance Measure (APM). For more information on the APMs used by the Group, including definitions, please refer to page 77.

Revenue remeasurements

The loss of $32 million ($6 million after tax and non-controlling interests) (six months ended 30 June 2022: $35 million) relates to remeasurements on derivatives presented in revenue from other sources. For further details see note 3.

Operating special items

Impairments

An impairment of $361 million ($361 million after tax) recognised for the six months ended 30 June 2023 relates to Barro Alto (Nickel).

Further information on significant accounting matters relating to impairment is provided in note 8.

2022
There were no impairments for the six months ended 30 June 2022.

Restructuring costs

Restructuring costs associated with an ongoing organisational change programme of $28 million have been recognised for the six months ended 30 June 2023.

2022
There were no restructuring costs recognised for the six months ended 30 June 2022.

Significant items

9. Special items and remeasurements continued

Operating remeasurements

Operating remeasurements reflect a loss of $41 million ($39 million after tax and non-controlling interests) (six months ended 30 June 2022: $42 million) which principally relates to a $42 million (six months ended 30 June 2022: $43 million) depreciation and amortisation charge arising due to the fair value uplift on the Group's pre-existing 45% shareholding in De Beers, which was required on acquisition of a controlling stake in 2012.

Non-operating special items

Adjustments relating to business combinations

The $3 million loss during the six months ended 30 June 2023 (six months ended 30 June 2022: $22 million) related to adjustments in respect of business combinations in prior years.

Adjustments relating to former operations

The net loss of $30 million ($29 million after tax and non-controlling interests) (six months ended 30 June 2022: $102 million) principally related to deferred consideration adjustments in respect of the Group's interests in Rustenburg and Union (Platinum Group Metals). The Rustenburg consideration was received in full in March 2023.

Financing special items and remeasurements

Financing special items and remeasurements principally comprise a net fair value loss of $14 million (six months ended 30 June 2022: gain of $51 million) in respect of fair value adjustments in relation to cross currency and interest rate swap derivatives and the related bonds.

Tax associated with special items and remeasurements

Tax associated with special items and remeasurements includes a tax remeasurement credit of $141 million (six months ended 30 June 2022: $54 million) principally arising on Brazilian deferred tax, a tax on special items and remeasurement charge of $3 million (six months ended 30 June 2022: credit of $37 million) and tax special items charge of $63 million (six months ended 30 June 2022: $11 million).

Of the total tax credit of $75 million (six months ended 30 June 2022: $80 million), there is a net current tax charge of $16 million (six months ended 30 June 2022: credit of $6 million) and a net deferred tax credit of $91 million (six months ended 30 June 2022: $74 million).

Capital base

We have a value-focused approach to capital allocation with clear prioritisation: maintain asset integrity; pay dividends to our shareholders while ensuring a strong balance sheet. Discretionary capital is then allocated based on a balanced approach.

Value-disciplined capital allocation throughout the cycle is critical to protecting and enhancing our shareholders' capital, given the long term and capital intensive nature of our business.

The Group uses attributable return on capital employed (ROCE) to monitor how efficiently assets are generating profit on invested capital for the equity shareholders of the Company. Attributable ROCE is an Alternative Performance Measure (APM). For more information on the APMs used by the Group, including definitions, please refer to page 77.

	Attributable ROCE %	
	6 months ended 30.06.23	6 months ended 30.06.22
Copper	**19**	19
Nickel	**12**	30
Platinum Group Metals	**20**	119
De Beers	**5**	11
Iron Ore	**30**	38
Steelmaking Coal	**26**	92
Manganese	**95**	162
Crop Nutrients	**n/a**	n/a
Corporate and other	**n/a**	n/a
	18	36

Attributable ROCE decreased to 18% in the six months ended 30 June 2023 (six months ended 30 June 2022: 36%). Average attributable capital employed increased to $33.1 billion (six months ended 30 June 2022: $32.0 billion[1]), primarily due to capital expenditure, largely at Quellaveco and the Collahuasi desalination project (Copper), partly offset by the reduction in capital employed following the Crop Nutrients impairment recorded at 31 December 2022.

(1) Comparative figures are restated for the adoption of the amendment to IAS 12, see note 2.

10. Capital by segment

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 77.

Capital employed by segment

Capital employed is the principal measure of segment assets and liabilities reported to the Executive Leadership Team. Capital employed is defined as net assets excluding net debt, variable vessel lease contracts that are priced with reference to a freight index, the debit valuation adjustment attributable to derivatives hedging net debt and financial asset investments.

Capital base

10. Capital by segment continued

US$ million	Capital employed 6 months ended 30.06.23	Capital employed Year ended 31.12.22 (restated)
Copper [1]	14,270	13,661
Nickel	1,034	1,393
Platinum Group Metals	4,505	4,753
De Beers	8,374	8,218
Iron Ore	8,450	8,488
Steelmaking Coal	2,978	2,837
Manganese	191	210
Crop Nutrients	896	489
Corporate and other	1,119	492
Capital employed	41,817	40,541
Reconciliation to the Consolidated balance sheet:		
Net debt	(8,798)	(6,918)
Variable vessel leases excluded from net debt (see note 13)	(295)	(127)
Debit valuation adjustment attributable to derivatives hedging net debt	11	29
Financial asset investments	469	428
Net assets	33,204	33,953

[1] Comparative figures are restated for the adoption of the amendment to IAS 12, see note 2.

Capital base

11. Capital expenditure

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 77.

Capital expenditure by segment

US$ million	6 months ended 30.06.23	6 months ended 30.06.22
Copper	878	953
Nickel	41	32
Platinum Group Metals	449	394
De Beers	302	250
Iron Ore	382	427
Steelmaking Coal	273	265
Crop Nutrients	307	242
Corporate and other	28	12
Capital expenditure	2,660	2,575
Reconciliation to Consolidated cash flow statement:		
Proceeds from disposal of property, plant and equipment	2	7
Direct funding for capital expenditure received from non-controlling interests	83	260
Expenditure on property, plant and equipment	2,745	2,842

Direct funding for capital expenditure from non-controlling interests related to the Quellaveco project was fully drawn in April 2023. Mitsubishi has continued to provide direct funding for its 40% share of capital expenditure relating to the coarse particle recovery project via draw-downs against a committed shareholder facility which are recorded as borrowings on the Group's Consolidated balance sheet.

Capital expenditure by category

US$ million	6 months ended 30.06.23	6 months ended 30.06.22
Growth projects	636	818
Life-extension projects	274	292
Stay-in-business	1,242	1,010
Development and stripping	510	462
Proceeds from disposal of property, plant and equipment	(2)	(7)
	2,660	2,575

Growth projects and life-extension projects capital expenditure includes the cash flows from derivatives related to capital expenditure and is net of direct funding for capital expenditure received from non-controlling interests.

Capital base

12. Investments in associates and joint ventures

Overview

Investments in associates and joint ventures represent businesses the Group does not control, but instead exercises significant influence or joint control. These include (within the respective businesses) the associate Jellinbah (steelmaking coal production in the Steelmaking Coal segment) and the joint ventures Ferroport (port operations in the Iron Ore segment) and Samancor (manganese mining in the Manganese segment). The Group's other investments in associates and joint ventures arise primarily in the Platinum Group Metals segment and Crop Nutrients segment.

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 77.

Income statement

The Group's share of the results of the associates and joint ventures is as follows:

US$ million	6 months ended 30.06.23	6 months ended 30.06.22
Group revenue	885	1,252
Operating costs (before special items and remeasurements)	(507)	(603)
Associates' and joint ventures' underlying EBIT	378	649
Net finance costs	(3)	(7)
Income tax expense	(103)	(231)
Non-controlling interests	(1)	(2)
Net income from associates and joint ventures	271	409

Further information

The Group's share of the results of the associates and joint ventures is as follows:

					30.06.23
US$ million	Group Revenue	Underlying EBITDA	Underlying EBIT	Share of net income	Dividends received
Samancor	346	138	96	64	77
Jellinbah	347	194	188	131	100
Ferroport	52	42	38	26	26
Other	140	55	56	50	2
	885	429	378	271	205

					30.06.22
US$ million	Group Revenue	Underlying EBITDA	Underlying EBIT	Share of net income	Dividends received
Samancor	475	223	192	96	96
Jellinbah	612	420	413	284	130
Ferroport	48	35	33	22	12
Other	117	12	11	7	—
	1,252	690	649	409	238

Net debt and financial risk management

Net debt increased from $6.9 billion to $8.8 billion during the period, which includes working capital cash outflows of $0.7 billion. Gearing has increased from 17% at 31 December 2022 to 21% at 30 June 2023.

US$ million	30.06.23	31.12.22 (restated)[1]
Net assets	33,204	33,953
Net debt including related derivatives (note 13)	8,798	6,918
Variable vessel leases	295	127
Total capital	42,297	40,998
Gearing	21%	17%

[1] Comparative figures are restated for the adoption of the amendment to IAS 12, see note 2.

Net debt is calculated as total borrowings excluding variable vessel lease contracts that are priced with reference to a freight index, less cash and cash equivalents (including derivatives that provide an economic hedge of net debt but excluding the impact of the debit valuation adjustment on these derivatives). Total capital is calculated as 'Net assets' (as shown in the Consolidated balance sheet) excluding net debt and variable vessel leases.

13. Net debt

Overview

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 77.

Movement in net debt

US$ million	Short term borrowings	Medium and long term borrowings	Total financing activity liabilities	Removal of variable vessel leases	Cash and cash equivalents	Derivatives hedging net debt	Net debt including derivatives
At 1 January 2022	(1,226)	(11,621)	(12,847)	74	9,057	(126)	(3,842)
Cash flow	828	(1,788)	(960)	(45)	319	39	(647)
Interest accrued on borrowings	(203)	(51)	(254)	—	—	—	(254)
Reclassifications	(883)	883	—	—	—	—	—
Movement in fair value	2	584	586	—	—	(773)	(187)
Other movements	(63)	(13)	(76)	55	—	—	(21)
Currency movements	65	206	271	—	(173)	—	98
At 30 June 2022	(1,480)	(11,800)	(13,280)	84	9,203	(860)	(4,853)
Cash flow	446	(1,202)	(756)	(41)	(739)	64	(1,472)
Interest accrued on borrowings	(227)	(79)	(306)	1	—	—	(305)
Reclassifications	(57)	57	—	—	—	—	—
Movement in fair value	6	302	308	—	—	(296)	12
Other movements	(78)	(130)	(208)	83	—	—	(125)
Currency movements	(18)	(93)	(111)	—	(64)	—	(175)
At 31 December 2022	(1,408)	(12,945)	(14,353)	127	8,400	(1,092)	(6,918)
Cash flow	1,048	(2,050)	(1,002)	(39)	(488)	403	(1,126)
Interest accrued on borrowings	(267)	(104)	(371)	4	—	—	(367)
Reclassifications	(141)	141	—	—	—	—	—
Movement in fair value	(1)	20	19	—	—	(69)	(50)
Other movements	(88)	(304)	(392)	203	—	—	(189)
Currency movements	19	(93)	(74)	—	(74)	—	(148)
At 30 June 2023	(838)	(15,335)	(16,173)	295	7,838	(758)	(8,798)

Other movements within financing activity liabilities include $362 million relating to leases entered into in the six months ended 30 June 2023 (six months ended 30 June 2022: $56 million).

Net debt and financial risk management

13. Net debt continued

Further information

Reconciliation to the Consolidated balance sheet

US$ million	Cash and cash equivalents			Short term borrowings			Medium and long term borrowings		
	30.06.23	30.06.22	31.12.22	30.06.23	30.06.22	31.12.22	30.06.23	30.06.22	31.12.22
Balance sheet	7,844	9,210	8,412	(844)	(1,487)	(1,420)	(15,335)	(11,800)	(12,945)
Bank overdrafts	(6)	(7)	(12)	6	7	12	—	—	—
Net cash/(debt) classifications	7,838	9,203	8,400	(838)	(1,480)	(1,408)	(15,335)	(11,800)	(12,945)

Other

Debit valuation adjustments of $11 million (30 June 2022: $35 million) (31 December 2022: $29 million) reduce the valuation of derivative liabilities hedging net debt reflecting the impact of the Group's own credit risk. These adjustments are excluded from the Group's definition of net debt.

Cash and cash equivalents includes $399 million which is restricted (31 December 2022: $513 million). This primarily relates to cash which is held in joint operations where the timing of dividends is jointly controlled by the joint operators.

Net debt and financial risk management

14. Borrowings

Overview

The Group borrows mostly in the capital markets through bonds issued in the US markets and under the Euro Medium Term Note (EMTN) programme. The Group uses interest rate and cross currency swaps to ensure that the majority of the Group's borrowings are exposed to floating rate US dollar interest rates.

As part of its routine financing activities, in March 2023, the Group issued €500 million 4.5% Senior Notes due September 2028 and €500 million 5% Senior Notes due March 2031, and in May 2023, $900 million 5.5% Senior Notes due 2033.

At 31 December 2022, the following bonds were retained as fixed rate exposure: $193 million 5.375% due April 2025, $99 million 5% due May 2027, $500 million 3.95% due September 2050, and $750 million 4.75% due March 2052. During the six months ended 30 June 2023, the Group converted the following bonds to floating rates of interest for the next ten years by entering into interest rate swaps for a notional amount totalling $1.25 billion: $500 million 3.95% due September 2050 and $750 million 4.75% due March 2052.

Further information

			30.06.23			31.12.22
US$ million	Short term borrowings	Medium and long term borrowings	Total borrowings	Short term borrowings	Medium and long term borrowings	Total borrowings
Secured						
Bank loans and overdrafts	34	83	117	38	96	134
Leases	241	893	1,134	184	676	860
	275	976	1,251	222	772	994
Unsecured						
Bank loans and overdrafts	405	518	923	253	509	762
Bank sustainability linked loans	—	66	66	—	40	40
Bonds	—	11,330	11,330	800	9,301	10,101
Mitsubishi facility	—	2,445	2,445	—	2,323	2,323
Interest payable and other loans	164	—	164	145	—	145
	569	14,359	14,928	1,198	12,173	13,371
Total borrowings	844	15,335	16,179	1,420	12,945	14,365

Undrawn committed borrowing facilities

The Group had the following undrawn committed borrowing facilities at the period end:

US$ million	30.06.23	31.12.22
Expiry date		
Within one year	165	414
Greater than one year, less than two years	5,732	1,082
Greater than two years, less than three years	660	5,632
Greater than three years, less than four years	542	—
Greater than four years, less than five years	4	587
	7,103	7,715

The Group has an undrawn $4.7 billion revolving credit facility due to mature in March 2025.

Net debt and financial risk management

15. Financial instruments

Financial instruments overview

For financial assets and liabilities which are traded on an active market, such as listed investments or listed debt instruments, fair value is determined by reference to market value. For non-traded financial assets and liabilities, fair value is calculated using discounted cash flows, considered to be reasonable and consistent with those that would be used by a market participant, and based on observable market data where available (for example forward exchange rate, interest rate or commodity price curve), unless carrying value is considered to approximate fair value.

Where discounted cash flow models based on management's assumptions are used, the resulting fair value measurements are considered to be at level 3 in the fair value hierarchy, as defined in IFRS 13 *Fair Value Measurement*, as they depend to a significant extent on unobservable valuation inputs.

All derivatives that have been designated into hedge relationships have been separately disclosed.

						30.06.23
US$ million	**At fair value through profit and loss**	**Financial assets at amortised cost**	**At fair value through other comprehensive income**	**Designated into hedges**	**Financial liabilities at amortised cost**	**Total**
Financial assets						
Trade and other receivables	**1,406**	**1,074**	**—**	**—**	**—**	**2,480**
Derivative financial assets	**303**	**—**	**—**	**37**	**—**	**340**
Cash and cash equivalents	**5,627**	**2,217**	**—**	**—**	**—**	**7,844**
Financial asset investments	**75**	**249**	**145**	**—**	**—**	**469**
Environmental rehabilitation trusts[1]	**83**	**19**	**—**	**—**	**—**	**102**
	7,494	**3,559**	**145**	**37**	**—**	**11,235**
Financial liabilities						
Trade and other payables	**(512)**	**—**	**—**	**—**	**(4,435)**	**(4,947)**
Derivative financial liabilities	**(234)**	**—**	**—**	**(778)**	**—**	**(1,012)**
Royalty liability	**—**	**—**	**—**	**(80)**	**(452)**	**(532)**
Borrowings	**—**	**—**	**—**	**(11,164)**	**(5,015)**	**(16,179)**
	(746)	**—**	**—**	**(12,022)**	**(9,902)**	**(22,670)**
Net financial assets/(liabilities)	**6,748**	**3,559**	**145**	**(11,985)**	**(9,902)**	**(11,435)**

						31.12.22
US$ million	At fair value through profit and loss	Financial assets at amortised cost	At fair value through other comprehensive income	Designated into hedges	Financial liabilities at amortised cost	Total
Financial assets						
Trade and other receivables	2,106	1,114	—	—	—	3,220
Derivative financial assets	241	—	—	12	—	253
Cash and cash equivalents	6,447	1,965	—	—	—	8,412
Financial asset investments	35	226	167	—	—	428
Environmental rehabilitation trusts[1]	100	7	—	—	—	107
	8,929	3,312	167	12	—	12,420
Financial liabilities						
Trade and other payables	(735)	—	—	—	(5,271)	(6,006)
Derivative financial liabilities	(592)	—	—	(737)	—	(1,329)
Royalty liability	—	—	—	(80)	(430)	(510)
Borrowings	—	—	—	(8,681)	(5,684)	(14,365)
	(1,327)	—	—	(9,498)	(11,385)	(22,210)
Net financial assets/(liabilities)	7,602	3,312	167	(9,486)	(11,385)	(9,790)

(1) These funds are not available for the general purposes of the Group. All income from these assets is reinvested to meet specific environmental obligations.

Net debt and financial risk management

15. Financial instruments continued

Trade and other receivables exclude prepayments and tax receivables. Trade and other payables exclude tax, social security, contract liabilities and deferred income.

When the Group acquired the Woodsmith project, the Hancock royalty liability and related embedded derivative were recognised. The royalty liability does not form part of borrowings on the basis that obligations to make cash payments against this liability only arise when the Woodsmith project generates revenues, and that otherwise the Group is not currently contractually liable to make any payments under this arrangement (other than in the event of Anglo American Crop Nutrients Limited's insolvency). Refer to note 22 of the Group's 2022 Integrated Annual Report for further information about the Hancock royalty liability.

Fair value hierarchy

An analysis of financial assets and liabilities carried at fair value is set out below:

	30.06.23				31.12.22			
US$ million	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
At fair value through profit and loss								
Provisionally priced trade receivables	—	1,336	—	1,336	—	1,799	—	1,799
Other receivables	—	—	70	70	—	—	307	307
Financial asset investments	—	72	3	75	—	31	4	35
Derivatives hedging net debt	—	100	—	100	—	49	—	49
Other derivatives	—	203	—	203	—	192	—	192
Cash and cash equivalents	5,627	—	—	5,627	6,447	—	—	6,447
Environmental rehabilitation trusts[1]	—	83	—	83	—	100	—	100
Designated into hedges								
Derivatives hedging net debt	—	37	—	37	—	12	—	12
At fair value through other comprehensive income								
Financial asset investments	61	—	84	145	60	—	107	167
	5,688	1,831	157	7,676	6,507	2,183	418	9,108
Financial liabilities								
At fair value through profit and loss								
Provisionally priced trade payables	—	(303)	—	(303)	—	(368)	—	(368)
Other payables	—	—	(209)	(209)	—	—	(367)	(367)
Derivatives hedging net debt	—	(117)	—	(117)	—	(416)	—	(416)
Other derivatives	—	(128)	—	(128)	—	(205)	—	(205)
Designated into hedges								
Derivatives hedging net debt	—	(778)	—	(778)	—	(737)	—	(737)
Royalty liabilities	—	—	(80)	(80)	—	—	(80)	(80)
Debit valuation adjustment to derivative liabilities	—	11	—	11	—	29	—	29
	—	(1,315)	(289)	(1,604)	—	(1,697)	(447)	(2,144)
Net assets/(liabilities) carried at fair value	5,688	516	(132)	6,072	6,507	486	(29)	6,964

[1] These funds are not available for the general purposes of the Group. All income from these assets is reinvested to meet specific environmental obligations.

Fair value hierarchy	Valuation technique
Level 1	Valued using unadjusted quoted prices in active markets for identical financial instruments. This category includes cash and cash equivalents held in money market funds, listed equity shares and quoted futures.
Level 2	Instruments in this category are valued using valuation techniques where all of the inputs that have a significant effect on the valuation are directly or indirectly based on observable market data. This category includes provisionally priced trade receivables and payables and over-the-counter derivatives.
Level 3	Instruments in this category have been valued using a valuation technique where at least one input (which could have a significant effect on the instrument's valuation) is not based on observable market data. Where inputs can be observed from market data without undue cost and effort, the observed input is used. Otherwise, management determines a reasonable estimate for the input. This category includes contingent consideration, receivables relating to disposals, unlisted equity investments and the embedded derivative relating to the Royalty liability.

Net debt and financial risk management

15. Financial instruments continued

The movements in the fair value of the level 3 financial assets and liabilities are shown as follows:

US$ million	Assets	Liabilities
At 1 January 2023	418	(447)
Net (loss)/profit recorded in the income statement	(6)	23
Net profit recorded in the statement of comprehensive income	8	—
Additions	4	—
Settlement and disposals	(243)	118
Currency movements	(24)	17
At 30 June 2023	157	(289)

Further information

Borrowings designated in fair value hedges represent listed debt which is held at amortised cost, adjusted for the fair value of the hedged interest rate risk. The fair value of these borrowings is $11,139 million (31 December 2022: $8,846 million), which is measured using quoted indicative broker prices and consequently categorised as level 2 in the fair value hierarchy. The carrying value of the remaining borrowings at amortised cost includes bonds which are not designated into hedge relationships, bank borrowings and lease liabilities. The carrying value of these bonds is $385 million (31 December 2022: $1,608 million) and the fair value is $392 million (31 December 2022: $1,381 million). The carrying value of the remaining borrowings at amortised cost are considered to approximate the fair value.

Equity

Equity represents the capital of the Group attributable to Company shareholders and non-controlling interests, and includes share capital, share premium and reserves.

Total equity has decreased from $34.0 billion to $33.2 billion in the period, driven by dividends to Company shareholders and non-controlling interests offset by the profit for the period.

16. Non-controlling interests

Overview

Non-controlling interests that are material to the Group relate to the following subsidiaries:

- Anglo American Sur S.A. (Anglo American Sur), which is a company incorporated in Chile. Its principal operations are the Los Bronces and El Soldado copper mines and the Chagres smelter, which are located in Chile. Non-controlling interests hold a 49.9% (31 December 2022: 49.9%) interest in Anglo American Sur.
- Anglo American Quellaveco S.A. (Anglo American Quellaveco), which is a company incorporated in Peru. Its principal operation is the Quellaveco copper mine, which is located in Peru. Non-controlling interests hold a 40.0% (31 December 2022: 40.0%) interest in Anglo American Quellaveco.
- Anglo American Platinum Limited (Anglo American Platinum), which is a company incorporated in South Africa and listed on the Johannesburg Stock Exchange (JSE). Its principal mining operations are the Mogalakwena and Amandelbult platinum group metals mines which are located in South Africa. Non-controlling interests hold an effective 20.9% (31 December 2022: 20.8%) interest in the operations of Anglo American Platinum, which represents the whole of the Platinum Group Metals reportable segment.
- De Beers plc (De Beers), which is a company incorporated in Jersey. It is the world's leading diamond company with operations across all key parts of the diamond value chain. Non-controlling interests hold a 15.0% (31 December 2022: 15.0%) interest in De Beers, which represents the whole of the Diamonds reportable segment.
- Kumba Iron Ore Limited (Kumba Iron Ore), which is a company incorporated in South Africa and listed on the JSE. Its principal mining operations are the Sishen and Kolomela iron ore mines which are located in South Africa. Non-controlling interests hold an effective 46.6% (31 December 2022: 46.6%) interest in the operations of Kumba Iron Ore, comprising the 30.1% (31 December 2022: 30.0%) interest held by other shareholders in Kumba Iron Ore and the 23.7% (31 December 2022: 23.7%) of Kumba Iron Ore's principal operating subsidiary, Sishen Iron Ore Company Proprietary Limited, that is held by shareholders outside the Group.

Equity

16. Non-controlling interests continued

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 77.

US$ million	Anglo American Sur	Quellaveco	Anglo American Platinum	De Beers	Kumba Iron Ore	Other	Total
							30.06.23
Underlying earnings attributable to non-controlling interests	**(21)**	**164**	**103**	**17**	**354**	**11**	**628**
(Loss)/profit attributable to non-controlling interests	**(21)**	**171**	**98**	**17**	**326**	**11**	**602**
Dividends paid to non-controlling interests	**—**	**—**	**(105)**	**(42)**	**(178)**	**(37)**	**(362)**
Equity attributable to non-controlling interests	**1,609**	**1,159**	**1,099**	**1,308**	**1,455**	**25**	**6,655**

US$ million	Anglo American Sur	Quellaveco	Anglo American Platinum	De Beers	Kumba Iron Ore	Other	Total
							30.06.22
Underlying earnings attributable to non-controlling interests	116	(4)	399	90	510	23	1,134
Profit/(loss) attributable to non-controlling interests	116	(3)	368	89	462	24	1,056
Dividends paid to non-controlling interests	(166)	—	(475)	(4)	(400)	(34)	(1,079)

US$ million	Anglo American Sur	Quellaveco	Anglo American Platinum	De Beers	Kumba Iron Ore	Other	Total (restated)[1]
							31.12.22
Equity attributable to non-controlling interests	1,630	988	1,202	1,378	1,434	3	6,635

[1] Comparative figures are restated for the adoption of the amendment to IAS 12, see note 2.

Unrecognised items and uncertain events

17. Events occurring after the period end

With the exception of the declaration of the 2023 interim dividend, there have been no further reportable events since 30 June 2023.

18. Contingent assets and liabilities

Overview

The assessment of risk and estimation of future outflows in respect of contingent liabilities is inherently uncertain and hence a material outflow may arise in future periods in relation to these matters.

Contingent assets

Steelmaking Coal
In 2014, the Steelmaking Coal business was granted an arbitration award of $107 million against MMTC Limited in respect of a contractual dispute. The award has since been challenged in the Indian courts, during which time interest has continued to accrue. On 17 December 2020, the Indian Supreme Court found in favour of the Steelmaking Coal business. The award, inclusive of interest, is currently valued at approximately $140 million. The precise timing and value of receipt remains uncertain and hence no receivable has been recognised on the Consolidated balance sheet as at 30 June 2023.

Contingent liabilities

Global Industry Standard on Tailings Management (GISTM)
The Group continues to work towards conformance with the GISTM as a member of the International Council for Mining and Metals (ICMM).

In the year ended 31 December 2022, the Group recognised an additional $128 million within rehabilitation and decommissioning provisions for the estimated costs of conformance with the GISTM for tailings storage facilities ('TSFs') where technical studies and surveys were at an advanced stage and reliable cost estimates were available.

Ongoing studies and analysis are required to estimate the value of any additional incremental costs to achieve conformance. Reliable cost estimates for all Managed TSFs with the highest priority rankings according to GISTM are expected to be finalised by the end of 2023. Additional costs that are not yet estimated and not recognised are not expected to be material, but are subject to completion of rigorous site characterisation and risk analysis. Although the Group targets conformance with Anglo American equivalent standards for non-managed operations, there is no constructive obligation in respect of GISTM where the partner is not an ICMM member, unless a public commitment has been made by that partner.

The implementation of GISTM is the next stage in the evolution of the Group Technical Standard, which is already aligned to current industry best practice.

Unrecognised items and uncertain events

18. Contingent assets and liabilities continued

Anglo American South Africa Proprietary Limited (AASA)
In October 2020, an application was initiated against Anglo American South Africa Proprietary Limited (AASA). The application seeks the certification of class action litigation to be brought on behalf of community members residing in the Kabwe area in Zambia in relation to alleged lead-related health impacts.

AASA is opposing the class certification application, and is defending itself against the allegations made. Extensive pleadings have been filed by both parties. In addition, both Amnesty International and the UN have been granted leave to intervene in the certification proceedings. The certification hearing was held late in January 2023, and judgment was reserved. The judgment is expected to be received in the coming weeks. We maintain that this litigation is subject to significant uncertainty, and it is not currently possible to make a reasonable estimate of the outcome, quantum or timing of any potential future determination and therefore no provision is recognised.

De Beers
Guarantees provided in respect of environmental restoration and decommissioning obligations involve judgements in terms of the outcome of future events. In one of the territories in which De Beers operates, conditions exist, or are proposed, with respect to backfilling pits on closure. An amendment application has been lodged to remove the existing backfilling condition and no provision has been raised on the basis that it is not probable that this condition will be enforced. Should the amendment application not be successful, the estimated cost of backfilling is $215 million.

Group structure

19. Assets and liabilities held for sale

The Group has agreed to dispose of its 50% interest in Kroondal and Marikana (Platinum Group Metals) to Sibanye, the other joint operation partner. On 2 June 2023, regulatory approval was received from the Department of Mineral Resources and Energy in South Africa, but the transaction completion remains conditional on delivery of 1.35 million 4E ounces of metal in concentrate by Kroondal and Marikana (on a 100% basis). The delivery of the 1.35 million ounces is expected to take place within the next 12 months. Transaction completion is considered to be highly probable and Kroondal and Marikana therefore met the criteria to be classified as held for sale. As at 30 June 2023, assets of $38 million and associated liabilities of $61 million were classified as held for sale.

2022

There were no assets or liabilities classified as held for sale as at 31 December 2022.

20. Disposals

Cash received of $207 million in respect of disposals for the period ended 30 June 2023 principally relates to the final settlement of the deferred consideration balance relating to the sale of the Rustenburg operations (Platinum Group Metals) completed in November 2016.

2022

Cash received of $467 million in respect of disposals for the six months ended 30 June 2022 principally related to the settlement of deferred consideration balances relating to the sale of the Rustenburg operations (Platinum Group Metals) completed in November 2016, the sale of the Group's remaining 8.0% shareholding in Thungela Resources Limited and the Group's disposal of the Cerrejón associate.

Responsibility statement

We confirm that to the best of our knowledge:

(a) the Condensed financial statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted in the United Kingdom (IAS 34), and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and its subsidiaries included in the consolidation as a whole as required by DTR 4.2.4R;

(b) the Half year financial report includes a fair review of the information required by DTR 4.2.7R (being an indication of important events that have occurred during the first six months of the financial year, and their impact on the Half year financial report, and a description of the principal risks and uncertainties for the remaining six months of the financial year); and

(c) the Half year financial report includes a fair review of the information required by DTR 4.2.8R (being disclosure of related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or the performance of the Group during that period and any changes in the related party transactions described in the last annual report that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year).

By order of the Board

Duncan Wanblad	**Stephen Pearce**
Chief Executive	Finance Director

Independent review report to Anglo American plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Anglo American plc's condensed consolidated interim financial statements (the "interim financial statements") in the half year financial report of Anglo American plc for the 6 month period ended 30 June 2023 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the consolidated balance sheet as at 30 June 2023;
- the consolidated income statement and consolidated statement of comprehensive income for the period then ended;
- the consolidated cash flow statement for the period then ended;
- the consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the half year financial report of Anglo American plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the half year financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The half year financial report, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the half year financial report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the half year financial report, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the half year financial report based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
26 July 2023

Summary by operation

The disclosures in this section include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 77.

Marketing activities are allocated to the underlying operation to which they relate.

30.06.23

US$ million (unless otherwise stated)	Sales volume	Realised price	Unit cost	Group revenue[1]	Underlying EBITDA	Underlying EBIT	Underlying earnings	Capital expenditure
	kt	c/lb	c/lb					
Copper	389 [2]	393 [3]	179 [4]	3,493	1,492	1,176	503	878
Copper Chile	238 [2]	393 [3]	205	2,263	691	418	n/a	657
Los Bronces[5]	103	n/a	310 [4]	843	128	24	n/a	340
Collahuasi[6]	114	n/a	114 [4]	1,014	565	447	283	297
Other Operations[7]	21	n/a	n/a	406	(2)	(53)	n/a	20
Copper Peru (Quellaveco)[8]	151	394	132 [4]	1,230	801	758	262	221
	kt	$/lb	c/lb					
Nickel	19	9.04	550 [9]	383	110	72	66	41
	koz	$/PGM oz	$/PGM oz					
Platinum Group Metals	1,807 [10]	1,885 [11]	993 [12]	3,531	667	505	265	449
Mogalakwena	462 [10]	1,930 [11]	961 [12]	898	437	355	n/a	210
Amandelbult	309 [10]	2,174 [11]	1,200 [12]	676	206	187	n/a	29
Processing and trading[13]	622 [10]	n/a	n/a	1,184	(211)	(223)	n/a	n/a
Other[14]	414	1,815	954	773	235	186	n/a	210
	'000 cts	$/ct	$/ct					
De Beers	15,303 [15]	163 [16]	63 [17]	2,831 [18]	347	190	85	302
Mining								
Botswana	n/a	175 [16]	30 [17]	n/a	274	242	n/a	30
Namibia	n/a	550 [16]	223 [17]	n/a	102	84	n/a	20
South Africa	n/a	130 [16]	68 [17]	n/a	54	50	n/a	202
Canada	n/a	89 [16]	46 [17]	n/a	23	1	n/a	32
Trading	n/a	n/a	n/a	n/a	61	58	n/a	1
Other[19]	n/a	n/a	n/a	n/a	(167)	(245)	n/a	17
	Mt	$/t	$/t					
Iron Ore	30.3 [20]	105 [21]	36 [22]	3,660	1,775	1,554	720	382
Kumba Iron Ore[23]	19.0 [20]	106 [21]	39 [22]	2,169	1,105	975	346	277
Iron Ore Brazil (Minas-Rio)	11.4 [20]	104 [21]	32 [22]	1,491	670	579	374	105
	Mt	$/t	$/t					
Steelmaking Coal	6.9 [24]	274 [25]	135 [26]	2,000	615	371	257	273
	Mt	$/t	$/t					
Manganese (Samancor)	1.8	n/a	n/a	346	138	96	64	—
Crop Nutrients	n/a	n/a	n/a	93	(20)	(20)	(19)	307
Woodsmith	n/a	n/a	n/a	n/a	n/a	n/a	n/a	307
Other[27]	n/a	n/a	n/a	93	(20)	(20)	(19)	—
Corporate and other[28]	n/a	n/a	n/a	254	(10)	(95)	(271)	28
Exploration	n/a	n/a	n/a	n/a	(65)	(65)	(61)	—
Corporate activities and unallocated costs	n/a	n/a	n/a	254	55	(30)	(210)	28
	n/a	n/a	n/a	16,591	5,114	3,849	1,670	2,660

See page 76 for footnotes.

								30.06.22
US$ million (unless otherwise stated)	Sales volume	Realised price	Unit cost	Group revenue[1]	Underlying EBITDA	Underlying EBIT	Underlying earnings	Capital expenditure
	kt	c/lb	c/lb					
Copper	265 [2]	401 [3]	150 [4]	2,443	1,166	894	394	953
Copper Chile	265 [2]	401 [3]	150	2,443	1,166	894	n/a	577
Los Bronces[5]	122	n/a	219 [4]	1,027	431	324	n/a	363
Collahuasi[6]	128	n/a	85 [4]	1,095	821	697	465	145
Other Operations[7]	15	n/a	n/a	321	(86)	(127)	n/a	69
Copper Peru (Quellaveco)[8]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	376
	kt	$/lb	c/lb					
Nickel	17	11.59	487 [9]	407	239	201	144	32
	koz	$/PGM oz	$/PGM oz					
Platinum Group Metals	2,044 [10]	2,671 [11]	948 [12]	5,555	2,732	2,555	1,415	394
Mogalakwena	540 [10]	2,543 [11]	821 [12]	1,374	871	796	n/a	210
Amandelbult	372 [10]	3,016 [11]	1,184 [12]	1,122	603	573	n/a	32
Processing and trading[13]	696 [10]	n/a	n/a	1,849	677	662	n/a	n/a
Other[14]	436	2,780	924	1,210	581	524	n/a	152
	'000 cts	$/ct	$/ct					
De Beers	15,329 [15]	213 [16]	59 [17]	3,595 [18]	944	718	491	250
Mining								
Botswana	n/a	189 [16]	32 [17]	n/a	333	295	n/a	31
Namibia	n/a	632 [16]	292 [17]	n/a	93	78	n/a	19
South Africa	n/a	147 [16]	39 [17]	n/a	227	162	n/a	169
Canada	n/a	97 [16]	60 [17]	n/a	2	(25)	n/a	19
Trading	n/a	n/a	n/a	n/a	401	398	n/a	1
Other[19]	n/a	n/a	n/a	n/a	(112)	(190)	n/a	11
	Mt	$/t	$/t					
Iron Ore	28.3 [20]	135 [21]	40 [22]	4,393	2,298	2,047	911	427
Kumba Iron Ore[23]	19.6 [20]	135 [21]	43 [22]	2,907	1,570	1,403	519	355
Iron Ore Brazil (Minas-Rio)	8.7 [20]	134 [21]	35 [22]	1,486	728	644	392	72
	Mt	$/t	$/t					
Steelmaking Coal	5.2 [24]	397 [25]	160 [26]	2,213	1,399	1,246	865	265
	Mt	$/t	$/t					
Manganese (Samancor)	1.8	n/a	n/a	475	223	192	94	—
Crop Nutrients	n/a	n/a	n/a	110	(18)	(18)	(9)	242
Woodsmith	n/a	n/a	n/a	n/a	n/a	n/a	n/a	242
Other[27]	n/a	n/a	n/a	110	(18)	(18)	(9)	—
Corporate and other[28]	n/a	n/a	n/a	258	(282)	(360)	(518)	12
Exploration	n/a	n/a	n/a	n/a	(64)	(65)	(77)	—
Corporate activities and unallocated costs	n/a	n/a	n/a	258	(218)	(295)	(441)	12
	n/a	n/a	n/a	19,449	8,701	7,475	3,787	2,575

See page 76 for footnotes.

US$ million (unless otherwise stated)	Sales volume	Realised price	Unit cost	Group revenue[1]	Underlying EBITDA	Underlying EBIT	Underlying earnings	31.12.22 Capital expenditure
	kt	c/lb	c/lb					
Copper	641 [2]	385 [3]	154 [4]	5,599	2,182	1,595	760	2,031
Copper Chile	563 [2]	386 [3]	157	4,991	1,952	1,387	n/a	1,217
Los Bronces[5]	268	n/a	214 [4]	2,185	533	306	n/a	725
Collahuasi[6]	256	n/a	87 [4]	2,180	1,512	1,259	865	419
Other Operations[7]	39	n/a	n/a	626	(93)	(178)	n/a	73
Copper Peru (Quellaveco)[8]	78	379	136 [4]	608	230	208	87	814
	kt	$/lb	c/lb					
Nickel	39	10.26	513 [9]	858	381	317	259	79
	koz	$/PGM oz	$/PGM oz					
Platinum Group Metals	3,861 [10]	2,551 [11]	937 [12]	10,096	4,417	4,052	2,266	1,017
Mogalakwena	1,010 [10]	2,451 [11]	826 [12]	2,466	1,548	1,380	n/a	394
Amandelbult	700 [10]	2,883 [11]	1,127 [12]	2,010	1,036	982	n/a	74
Processing and trading[13]	1,309 [10]	n/a	n/a	3,350	800	768	n/a	n/a
Other[14]	842	2,615	928	2,270	1,033	922	n/a	549
	'000 cts	$/ct	$/ct					
De Beers	30,355 [15]	197 [16]	59 [17]	6,622 [18]	1,417	994	552	593
Mining								
Botswana	n/a	193 [16]	32 [17]	n/a	614	537	n/a	70
Namibia	n/a	599 [16]	293 [17]	n/a	181	149	n/a	34
South Africa	n/a	134 [16]	42 [17]	n/a	413	315	n/a	378
Canada	n/a	100 [16]	50 [17]	n/a	(10)	(68)	n/a	48
Trading	n/a	n/a	n/a	n/a	589	582	n/a	4
Other[19]	n/a	n/a	n/a	n/a	(370)	(521)	n/a	59
	Mt	$/t	$/t					
Iron Ore	58.0 [20]	111 [21]	38 [22]	7,534	3,455	2,962	1,337	834
Kumba Iron Ore[23]	36.7 [20]	113 [21]	40 [22]	4,580	2,211	1,894	653	674
Iron Ore Brazil (Minas-Rio)	21.3 [20]	108 [21]	35 [22]	2,954	1,244	1,068	684	160
	Mt	$/t	$/t					
Steelmaking Coal	14.7 [24]	304 [25]	107 [26]	5,034	2,749	2,369	1,640	648
	Mt	$/t	$/t					
Manganese (Samancor)	3.6	n/a	n/a	840	378	312	148	—
Crop Nutrients	n/a	n/a	n/a	254	(44)	(45)	(51)	522
Woodsmith	n/a	n/a	n/a	n/a	n/a	n/a	n/a	522
Other[27]	n/a	n/a	n/a	254	(44)	(45)	(51)	—
Corporate and other[28]	n/a	n/a	n/a	554	(440)	(593)	(875)	14
Exploration	n/a	n/a	n/a	n/a	(155)	(162)	(148)	2
Corporate activities and unallocated costs	n/a	n/a	n/a	554	(285)	(431)	(727)	12
	n/a	n/a	n/a	37,391	14,495	11,963	6,036	5,738

See page 76 for footnotes.

(1) Group revenue is shown after deduction of treatment and refining charges (TC/RCs).
(2) Excludes 178 kt third-party sales (six months ended 30 June 2022: 216 kt; year ended 31 December 2022: 422 kt).
(3) Represents realised copper price and excludes impact of third-party sales.
(4) C1 unit cost includes by-product credits.
(5) Figures on a 100% basis (Group's share: 50.1%).
(6) 44% share of Collahuasi sales and financials.
(7) Other operations form part of the results of Copper Chile. Sales are from El Soldado mine (figures on a 100% basis, Group's share 50.1%). Financials include El Soldado and Chagres (figures on a 100% basis, Group's share 50.1%), third-party trading, projects and corporate costs. El Soldado mine C1 unit costs decreased by 1% to 301 c/lb (30 June 2022: 304 c/lb; 31 December 2022: 206 c/lb).
(8) Figures on a 100% basis (Group's share: 60%). Included in capex is the project capex which represents the Group's share after deducting direct funding from non-controlling interests. In H1 2023, the Group's share of project capex was $111 million (on a 100% basis, $185 million). In H1 2022, the Group's share was $376 million (on a 100% basis, $626 million). For the year ended 31 December 2022, capex on 100% basis was $1,055 million, of which the Group's share was $633 million.
(9) C1 unit cost.
(10) Sales volumes exclude the sale of refined metal purchased from third parties and toll material. PGM volumes consist of 5E metals and gold.
(11) Average US$ realised basket price, based on sold ounces (own mined and purchased concentrate). Excludes the impact of the sale of refined metal purchased from third parties.
(12) Total cash operating costs (includes on-mine, smelting and refining costs only) per own mined PGM ounce of production.
(13) Purchase of concentrate from joint operations, associates and third parties for processing into refined metals, tolling and trading activities.
(14) Includes Unki, Mototolo and PGMs' share of joint operations (Kroondal and Modikwa).
(15) Total sales volumes on a 100% basis were 17.3 million carats (six months ended 30 June 2022: 17.3 million carats; year ended 31 December 2022: 33.7 million carats). Total sales volumes (100%) include De Beers Group's joint arrangement partners' 50% proportionate share of sales to entities outside De Beers Group from Diamond Trading Company Botswana and Namibia Diamond Trading Company.
(16) Pricing for the mining businesses is based on 100% selling value post-aggregation of goods. Realised price includes the price impact of the sale of non-equity product and, as a result, is not directly comparable to the unit cost.
(17) Unit cost is based on consolidated production and operating costs, excluding depreciation and operating special items, divided by carats recovered.
(18) Includes rough diamond sales of $2.5 billion (six months ended 30 June 2022: $3.3 billion; year ended 31 December 2022: $6.0 billion).
(19) Other includes Element Six, brands and consumer markets, and corporate.
(20) Sales volumes are reported as wet metric tonnes. Product is shipped with c.1.6% moisture from Kumba and c.9% moisture from Minas-Rio.
(21) Prices for Kumba Iron Ore are the average realised export basket price (FOB Saldanha) (wet basis). Prices for Minas-Rio are the average realised export basket price (FOB Brazil) (wet basis). Prices for total iron ore are a blended average.
(22) Unit costs are reported on an FOB wet basis. Unit costs for total iron ore are a blended average.
(23) Sales volumes and realised price differ to Kumba's stand-alone reported results due to sales to other Group companies.
(24) Sales volumes exclude thermal coal sales of 0.8 Mt (six months ended 30 June 2022: 0.7 Mt; year ended 31 December 2022: 1.7 Mt). The first half of 2023 includes 0.2 Mt (six months ended 30 June 2022: 0.1Mt; year ended 31 December 2022: 0.3 Mt) of steelmaking coal mined by third parties and processed by Anglo American.
(25) Realised price is the weighted average hard coking coal and PCI export sales price achieved at managed operations.
(26) FOB cost per tonne, excluding royalties and study costs.
(27) Other comprises projects and corporate costs as well as the share in associate results from The Cibra Group, a fertiliser distributor based in Brazil.
(28) Revenue within Corporate activities and unallocated costs primarily relates to third-party shipping activities, as well as the Marketing business's energy solutions activities.

Alternative performance measures

Introduction

When assessing and discussing the Group's reported financial performance, financial position and cash flows, management makes reference to Alternative Performance Measures (APMs) of historical or future financial performance, financial position or cash flows that are not defined or specified under International Financial Reporting Standards (IFRS).

The APMs used by the Group fall into two categories:

- Financial APMs: These financial measures are usually derived from the financial statements, prepared in accordance with IFRS. Certain financial measures cannot be directly derived from the financial statements as they contain additional information, such as financial information from earlier periods or profit estimates or projections. The accounting policies applied when calculating APMs are, where relevant and unless otherwise stated, substantially the same as those disclosed in the Group's Consolidated financial statements for the year ended 31 December 2022.
- Non-financial APMs: These measures incorporate certain non-financial information that management believes is useful when assessing the performance of the Group.

APMs are not uniformly defined by all companies, including those in the Group's industry. Accordingly, the APMs used by the Group may not be comparable with similarly titled measures and disclosures made by other companies.

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. Measures used by the Group exclude the impact of certain items, which impact the financial performance and cash flows, in order to aid comparability of financial information reported. The adjustments performed to defined IFRS measures and rationale for adjustment are detailed on pages 77 to 78.

Financial APMs

Group APM	Closest equivalent IFRS measure	Adjustments to reconcile to primary statements	Rationale for adjustments
Income statement			
Group revenue	Revenue	– Revenue from associates and joint ventures – Revenue special items and remeasurements	– Exclude the impact of certain items due to their size and nature to aid comparability – Exclude the effect of different basis of consolidation to aid comparability
Underlying EBIT	Profit/(loss) before net finance income/(costs) and tax	– Revenue, operating and non-operating special items and remeasurements – Underlying EBIT from associates and joint ventures	– Exclude the impact of certain items due to their size and nature to aid comparability – Exclude the effect of different basis of consolidation to aid comparability
Underlying EBITDA	Profit/(loss) before net finance income/(costs) and tax	– Revenue, operating and non-operating special items and remeasurements – Depreciation and amortisation – Underlying EBITDA from associates and joint ventures	– Exclude the impact of certain items due to their size and nature to aid comparability – Exclude the effect of different basis of consolidation to aid comparability
Underlying earnings	Profit/(loss) for the financial year attributable to equity shareholders of the Company	– Special items and remeasurements	– Exclude the impact of certain items due to their size and nature to aid comparability
Underlying effective tax rate	Income tax expense	– Tax related to special items and remeasurements – The Group's share of associates' and joint ventures' profit before tax, before special items and remeasurements, and tax expense, before special items and remeasurements	– Exclude the impact of certain items due to their size and nature to aid comparability – Exclude the effect of different basis of consolidation to aid comparability

Group APM	Closest equivalent IFRS measure	Adjustments to reconcile to primary statements	Rationale for adjustments
Basic underlying earnings per share	Earnings per share	– Special items and remeasurements	– Exclude the impact of certain items due to their size and nature to aid comparability
Mining EBITDA margin	Operating profit margin, defined by IFRS	– Revenue from associates and joint ventures – Revenue, operating and non-operating special items and remeasurements – Underlying EBIT from associates and joint ventures – Adjustment to Debswana to reflect as a 50/50 joint operation – Exclusion of third-party sales, purchases and trading activity	– Exclude non-mining revenue and EBITDA to show a margin for mining operations only which provides a relevant comparison to peers
Balance sheet			
Net debt	Borrowings less cash and related hedges	– Debit valuation adjustment – Borrowings are adjusted to exclude vessel lease contracts that are priced with reference to a freight index – Borrowings do not include the royalty liability on the basis that obligations to make cash payments against this liability only arise when the Woodsmith project generates revenues, and that otherwise the Group is not currently contractually liable to make any payments under this arrangement (other than in the event of the Anglo American Crop Nutrients Limited's insolvency)	– Exclude the impact of accounting adjustments from the net debt obligation of the Group – Exclude the volatility arising from vessel lease contracts that are priced with reference to a freight index. These liabilities are required to be remeasured at each reporting date to the latest spot freight rate, which means that the carrying value of the lease liability is not necessarily consistent with the average lease payments which are expected to be made over the lease term
Attributable ROCE	No direct equivalent	– Non-controlling interests' share of capital employed and underlying EBIT – Average of opening and closing attributable capital employed	– Exclude the effect of different basis of consolidation to aid comparability
Cash flow			
Capital expenditure (capex)	Expenditure on property, plant and equipment	– Cash flows from derivatives related to capital expenditure – Proceeds from disposal of property, plant and equipment – Direct funding for capital expenditure from non-controlling interests	– To reflect the net attributable cost of capital expenditure taking into account economic hedges
Attributable free cash flow	Cash flows from operations	– Capital expenditure – Cash tax paid – Dividends from associates, joint ventures and financial asset investments – Net interest paid – Dividends to non-controlling interests – Capital repayment of lease obligations – Expenditure on non-current intangible assets (excluding goodwill)	– To measure the amount of cash available to finance returns to shareholders or growth after servicing debt, providing a return to minority shareholders and meeting existing capex commitments
Sustaining attributable free cash flow	Cash flows from operations	– Cash tax paid – Dividends from associates, joint ventures and financial asset investments – Net interest paid – Dividends to non-controlling interests – Capital repayment of lease obligations – Sustaining capital expenditure – Capitalised operating cash flows relating to life-extension projects	– To measure the amount of cash available to finance returns to shareholders or growth after servicing debt, providing a return to minority shareholders and meeting the capex commitments needed to sustain the current production base of existing assets. It is calculated as attributable free cash flow prior to growth capex and expenditure on non-current intangible assets (excluding goodwill)

Mining EBITDA margin

The mining EBITDA margin is derived from the Group's underlying EBITDA as a percentage of Group revenue, adjusted to exclude certain items to better reflect the performance of the Group's mining business. The mining EBITDA margin reflects Debswana accounting treatment as a 50/50 joint operation, excludes third-party sales, purchases and trading and excludes Platinum Group Metals' purchase of concentrate.

US$ million (unless otherwise stated)	6 months ended 30.06.23	6 months ended 30.06.22
Underlying EBITDA	5,114	8,701
Group revenue	16,591	19,449
EBITDA margin	**31%**	45%
Adjustments for:		
Debswana adjustment to reflect as a 50/50 joint operation	3%	4%
Exclude third-party purchases, trading activity and processing[1]	7%	3%
Mining EBITDA margin	**41%**	52%

[1] Third-party purchases, trading activity and processing consists of Platinum Group Metals' purchase of concentrate, third-party sales and purchases and the impact of third-party trading activity.

Attributable return on capital employed (ROCE)

Attributable ROCE is calculated as attributable underlying EBIT divided by average attributable capital employed. Since the APM has no direct equivalent under IFRS it is not reconciled to an IFRS measure within the Condensed financial statements. The table on the next page sets out the calculation of attributable ROCE. A reconciliation to 'Profit/(loss) before net finance income/(costs) and tax', the closest equivalent IFRS measure to underlying EBIT, is provided within note 3 to the Condensed financial statements. A reconciliation to 'Net assets', the closest equivalent IFRS measure to capital employed, is provided within note 10 to the Condensed financial statements.

	Attributable ROCE %	
	30.06.23	30.06.22
Copper	19	19
Nickel	12	30
Platinum Group Metals	20	119
De Beers	5	11
Iron Ore	30	38
Steelmaking Coal	26	92
Manganese	95	162
Crop Nutrients	n/a	n/a
Corporate and other	n/a	n/a
	18	36

US$ million	Underlying EBIT	Annualised underlying EBIT	Less: Non-controlling interests' share of underlying EBIT	Attributable underlying EBIT	Opening attributable capital employed	Closing capital employed	Less: Non-controlling interests' share of closing capital employed	Closing attributable capital employed	Average attributable capital employed
									30.06.23
Copper	1,176	2,353	(630)	1,723	8,909	14,270	(5,030)	9,240	9,075
Nickel	72	143	—	143	1,393	1,034	—	1,034	1,214
Platinum Group Metals	505	1,010	(249)	761	3,915	4,505	(815)	3,690	3,803
De Beers[1]	190	471	(83)	388	7,089	8,374	(1,158)	7,216	7,153
Iron Ore	1,554	3,109	(967)	2,142	7,245	8,450	(1,189)	7,261	7,253
Steelmaking Coal	371	743	—	743	2,837	2,978	—	2,978	2,908
Manganese	96	191	(1)	190	210	191	—	191	201
Crop Nutrients	(20)	(40)	—	(40)	489	896	—	896	693
Corporate and other	(95)	(190)	20	(170)	492	1,119	(6)	1,113	803
	3,849	7,790	(1,910)	5,880	32,579	41,817	(8,198)	33,619	33,103

US$ million	Underlying EBIT	Annualised underlying EBIT	Less: Non-controlling interests' share of underlying EBIT	Attributable underlying EBIT	Opening attributable capital employed (restated)	Closing capital employed (restated)	Less: Non-controlling interests' share of closing capital employed (restated)	Closing attributable capital employed (restated)	Average attributable capital employed (restated)
									30.06.22
Copper[2]	894	1,787	(353)	1,434	7,307	12,261	(4,347)	7,914	7,611
Nickel	201	402	—	402	1,285	1,368	—	1,368	1,327
Platinum Group Metals	2,555	5,110	(1,112)	3,998	3,411	3,987	(673)	3,314	3,363
De Beers[1]	718	971	(171)	800	7,256	8,385	(1,166)	7,219	7,238
Iron Ore	2,047	4,094	(1,351)	2,743	7,169	8,456	(1,260)	7,196	7,183
Steelmaking Coal	1,246	2,492	—	2,492	2,712	2,728	—	2,728	2,720
Manganese	192	384	(4)	380	238	232	—	232	235
Crop Nutrients	(18)	(36)	—	(36)	1,563	1,816	—	1,816	1,690
Corporate and other	(360)	(720)	5	(715)	406	762	—	762	585
	7,475	14,484	(2,986)	11,498	31,347	39,995	(7,446)	32,549	31,952

(1) For half year reporting attributable underlying EBIT is annualised apart from the calculation of De Beers' attributable ROCE, where it is based on the prior 12 months, rather than the annualised half year performance, owing to the seasonality of sales and underlying EBIT profile of De Beers.
(2) Comparative figures are restated for the adoption of the amendment to IAS 12, see note 2.

Attributable free cash flow

Attributable free cash flow is calculated as 'Cash flows from operations' plus dividends received from associates, joint ventures and financial asset investments, less capital expenditure, less expenditure on non-current intangible assets (excluding goodwill), less tax cash payments excluding tax payments relating to disposals, less net interest paid including interest on derivatives hedging net debt, less dividends paid to non-controlling interests.

A reconciliation of 'Cash flows from operations', the closest equivalent IFRS measure, is provided on page 8.

Sustaining attributable free cashflow

Sustaining attributable free cash flow is used to measure the amount of cash available to finance returns to shareholders or growth after servicing debt, providing a return to minority shareholders and meeting the capex commitments needed to sustain the current production base of existing assets. Sustaining attributable free cash flow is also used as an incentive measure in executives' remuneration. It is calculated as attributable free cash flow prior to growth capex and expenditure on non-current intangible assets (excluding goodwill). A reconciliation of 'Cash flows from operations', the closest equivalent IFRS measure, is provided on page 8. Growth capital expenditure in 2022 and H1 2023 principally related to Quellaveco and the Collahuasi desalination project (Copper).

Exchange rates and commodity prices

US$ exchange rates	30.06.23	30.06.22	31.12.22
Period end spot rates			
South African rand	18.85	16.38	16.94
Brazilian real	4.82	5.24	5.28
Sterling	0.79	0.82	0.83
Australian dollar	1.50	1.45	1.47
Euro	0.92	0.96	0.93
Chilean peso	801	925	859
Botswana pula	13.52	12.42	12.76
Peruvian sol	3.63	3.79	3.82
Average rates for the period			
South African rand	18.22	15.40	16.37
Brazilian real	5.07	5.07	5.16
Sterling	0.81	0.77	0.81
Australian dollar	1.48	1.39	1.44
Euro	0.93	0.91	0.95
Chilean peso	806	827	874
Botswana pula	13.19	11.78	12.34
Peruvian sol	3.76	3.78	3.83

Commodity prices		30.06.23	30.06.22	31.12.22
Period end spot prices				
Copper(1)	US cents/lb	372	374	380
Nickel(1)	US$/lb	9.13	10.48	13.80
Platinum(2)	US$/oz	897	915	1,065
Palladium(2)	US$/oz	1,254	1,981	1,788
Rhodium(3)	US$/oz	4,300	14,000	12,250
Iron ore (62% Fe CFR)(4)	US$/tonne	112	120	117
Iron ore (65% Fe Concentrate CFR)(5)	US$/tonne	125	137	132
Hard coking coal (FOB Australia)(4)	US$/tonne	233	302	295
PCI (FOB Australia)(4)	US$/tonne	189	276	285
Manganese ore (44% CIF China)(5)	US$/dmtu	4.54	7.27	5.13
Average market prices for the period				
Copper(1)	US cents/lb	394	443	400
Nickel(1)	US$/lb	10.98	12.52	11.61
Platinum(2)	US$/oz	1,009	995	961
Palladium(2)	US$/oz	1,505	2,219	2,111
Rhodium(3)	US$/oz	8,957	17,167	15,465
Iron ore (62% Fe CFR)(4)	US$/tonne	118	140	120
Iron ore (65% Fe Concentrate CFR)(5)	US$/tonne	132	166	139
Hard coking coal (FOB Australia)(4)	US$/tonne	294	467	364
PCI (FOB Australia)(4)	US$/tonne	261	406	331
Manganese ore (44% CIF China)(5)	US$/dmtu	5.19	6.99	6.06

(1) Source: London Metal Exchange (LME).
(2) Source: London Platinum and Palladium Market (LPPM).
(3) Source: Johnson Matthey.
(4) Source: Platts.
(5) Source: Metal Bulletin.

ANGLO AMERICAN plc

(Incorporated in England and Wales – Registered number 03564138)
(the Company)

Notice of Dividend

(Dividend No. 43)

Notice is hereby given that an interim dividend on the Company's ordinary share capital in respect of the year to 31 December 2023 will be paid as follows:

Amount (United States currency) (note 1)	55 cents per ordinary share
Amount (South African currency) (note 2)	969.60050 cents per ordinary share
Last day to effect removal of shares between the United Kingdom (UK) and South African (SA) registers	Monday, 14 August 2023
Last day to trade on the JSE Limited (JSE) to qualify for dividend	Tuesday, 15 August 2023
Ex-dividend on the JSE from the commencement of trading (note 3)	Wednesday, 16 August 2023
Ex-dividend on the London Stock Exchange from the commencement of trading	Thursday, 17 August 2023
Record date (applicable to both the UK principal register and SA branch register)	Friday, 18 August 2023
Movement of shares between the UK and SA registers permissible from	Monday, 21 August 2023
Last day for receipt of Dividend Reinvestment Plan (DRIP) mandate forms by Central Securities Depository Participants (CSDPs) (notes 4, 5 and 6)	Monday, 4 September 2023
Last day for receipt of US$:£/€ currency elections by the UK Registrars (note 1)	Monday, 4 September 2023
Last day for receipt of DRIP mandate forms by the UK Registrars (notes 4, 5 and 6)	Monday, 4 September 2023
Last day for receipt of DRIP mandate forms by the South African Transfer Secretaries (notes 4, 5 and 6)	Wednesday, 6 September 2023
Currency conversion US$:£/€ rates announced on (note 7)	Friday, 8 September 2023
Payment date of dividend	Tuesday, 26 September 2023

Notes

1. Shareholders on the UK register of members with an address in the UK will be paid in Sterling and those with an address in a country in the European Union which has adopted the Euro will be paid in Euros. Such shareholders may, however, elect to be paid their dividends in US dollars provided the UK Registrars receive such election by Monday, 4 September 2023. Shareholders with an address elsewhere will be paid in US dollars except those registered on the South African branch register who will be paid in South African rand.
2. Dividend Tax will be withheld from the amount of the gross dividend of 969.60050 Rand cents per ordinary share paid to South African shareholders at the rate of 20% unless a shareholder qualifies for exemption. After the Dividend Tax has been withheld, the net dividend will be 775.68040 Rand cents per ordinary share. Anglo American plc had a total of 1,337,577,913 ordinary shares in issue as at Wednesday, 26 July 2023. In South Africa the dividend will be distributed by Anglo American South Africa Proprietary Limited, a South African company with tax registration number 9030010608, or one of its South African subsidiaries, in accordance with the Company's dividend access share arrangements. The dividend in South African rand is based on an exchange rate of US$17.6291 taken on Wednesday, 26 July 2023, being the currency conversion date.
3. Dematerialisation and rematerialisation of registered share certificates in South Africa will not be effected by CSDPs during the period from the JSE ex-dividend date to the record date (both days inclusive).
4. Those shareholders who already participate in the DRIP need not complete a DRIP mandate form for each dividend as such forms provide an ongoing authority to participate in the DRIP until cancelled in writing. Shareholders who wish to participate in the DRIP should obtain a mandate form from the UK Registrars, the South African Transfer Secretaries or, in the case of those who hold their shares through the STRATE system, their CSDP.
5. In terms of the DRIP, and subject to the purchase of shares in the open market, share certificates/CREST notifications are expected to be mailed and CSDP investor accounts credited/updated on or around Tuesday, 10 October 2023. CREST accounts will be credited on Friday, 29 September 2023.
6. Copies of the terms and conditions of the DRIP are available from the UK Registrars or the South African Transfer Secretaries.
7. The US$:£/€ conversion rates will be determined by the actual rates achieved by Anglo American buying forward contracts for those currencies, during the two days preceding the announcement of the conversion rates, for delivery on the dividend payment date.

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South African Transfer Secretaries
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Rosebank, 2196, South Africa
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