



ANTOFAGASTA PLC



# Delivering Performance and Growth



**Half Year 2024  
Financial Results**

20 August 2024

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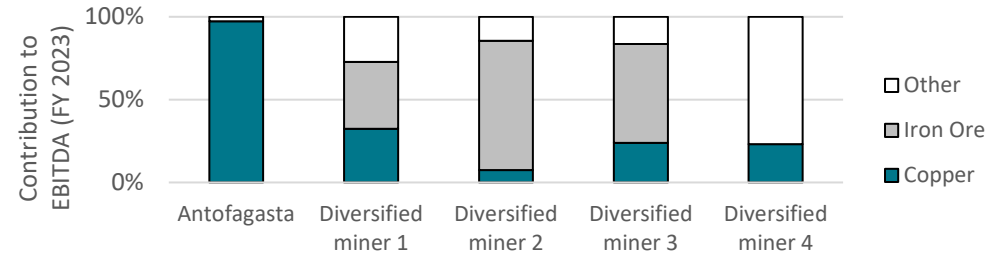
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Past performance cannot be relied on as a guide to future performance.

# Antofagasta: Investment case

*Developing mining for a better future*

## PURE-PLAY EXPOSURE TO COPPER GROWTH<sup>1</sup>



**Copper: The Key Metal in the Energy Transition**

## SIGNIFICANT AND FUNDED GROWTH PIPELINE

# +35%

Investments underway to deliver 35% growth in copper production to 900kt, within a well-planned programme, supported by prudent long-term capital allocation

## CHILE: INVESTMENT GRADE CREDIT RATING<sup>2</sup>

# A

Operations based in stable and higher quality credit rating country compared to other mining jurisdictions

## RESILIENT FINANCIAL PERFORMANCE

# 0.46x

Net debt / EBITDA

Lower financial leverage relative to peers

# 35%

35% of underlying EPS as interim dividend; in-line with policy

*We are committed to operating responsibly, upholding high standards of sustainability and prioritising environmental and social responsibility*

Sources:

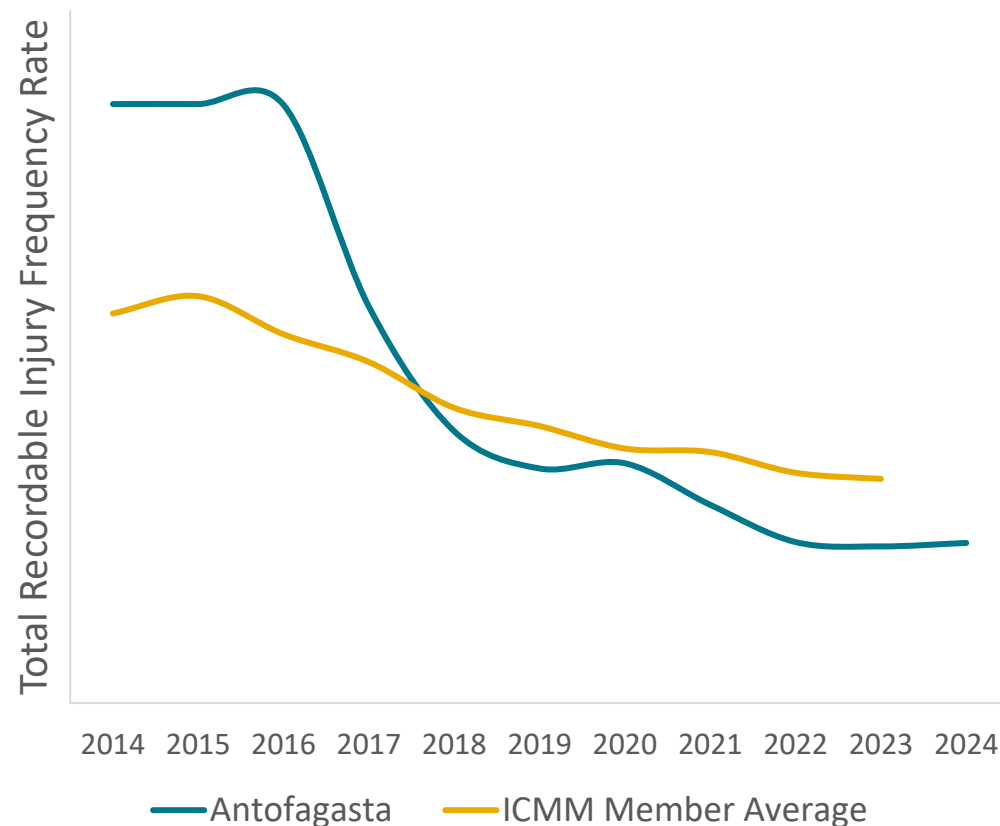
- 1 Visible Alpha
- 2 Standard & Poor's Rating



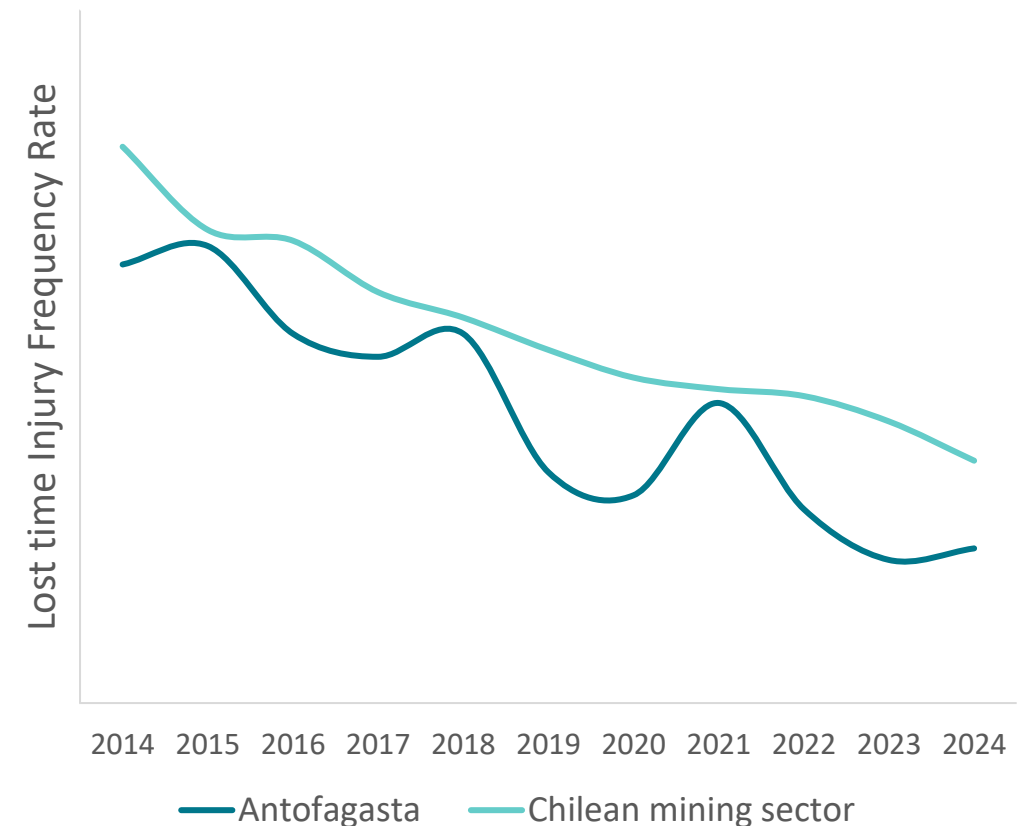
# Safety: Building a safety-first culture

*Delivering 10 years of progress and moving ahead of peers*

## BENCHMARKING PERFORMANCE: ICMM AVERAGE TOTAL RECORDABLE INJURY FREQUENCY RATE



## BENCHMARKING PERFORMANCE: CHILEAN MINING INDUSTRY LOST TIME INJURY FREQUENCY RATE



Notes: Most recent ICMM data as at date of publication. 2024 data points reflect H1 2024 performance, where available.

Sources: ICMM and Servicio Nacional de Geología y Minería (SERNAGEOMIN).

# H1 2024 – Resilient financial performance

*Strong balance sheet, cash flow generation and EBITDA margins*



## Production and costs

- Higher ore throughput across all four mines
- Copper production: 284.7kt
- Net cash cost: \$1.94/lb



## Strong financial performance

- Revenue \$3.0Bn (+2%)
- EBITDA \$1.4Bn (+5%)
- EBITDA margin 47.2% (+1pp)
- Interim dividend: 7.9c/sh.



## Guidance 2024

- 670-710kt (lower end)
- Cash costs before by-products: \$2.40/lb
- Net cash costs \$1.70/lb



## Disciplined growth commenced

- Centinela Second Concentrator Project (+170ktpa CuEq)
- Los Pelambres growth enabling projects<sup>1</sup>

<sup>1</sup> Projects comprising of: (1) Desalination Plant Expansion to 800 litres per second, and (2) Concentrate pipeline and El Mauro enclosures.





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# Financial review

Mauricio Ortiz | Chief Financial Officer

*Image: Initial construction work at the Centinela Second Concentrator Project*



# Financial highlights H1 2024

Revenue and margin growth; continuing to deliver shareholder returns

## REVENUE

**+2%**

(H1 2024: \$2,955m)

## UNDERLYING EARNINGS PER SHARE<sup>1</sup>

**22.4 cents**

(H1 2023: 33.5 cents)

## EBITDA

**+5%**

(H1 2024: \$1,394m)

## NET DEBT / EBITDA

**0.46x**

(As at Dec-2023: 0.38x)

## EBITDA MARGIN

**47.2%**

(H1 2023: 46.1%)

## INTERIM DIVIDEND

**7.9 cents**

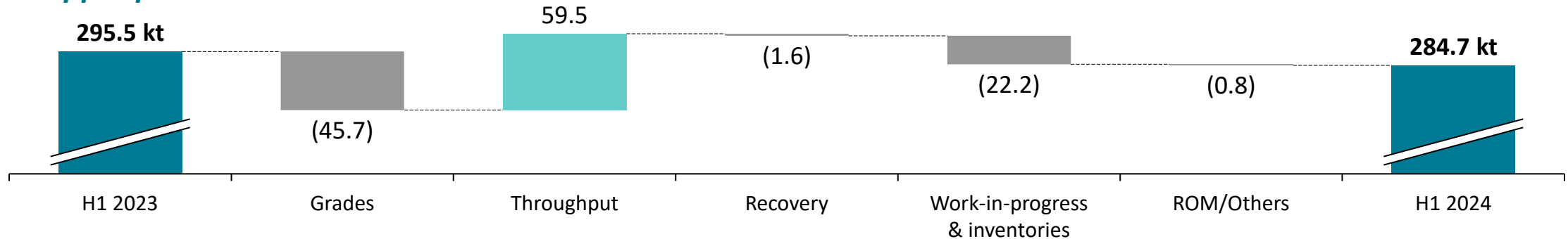
(Equivalent to 35% of earnings<sup>1</sup>, in line with policy.)

<sup>1</sup> Underlying earnings per share excluding exceptional items.

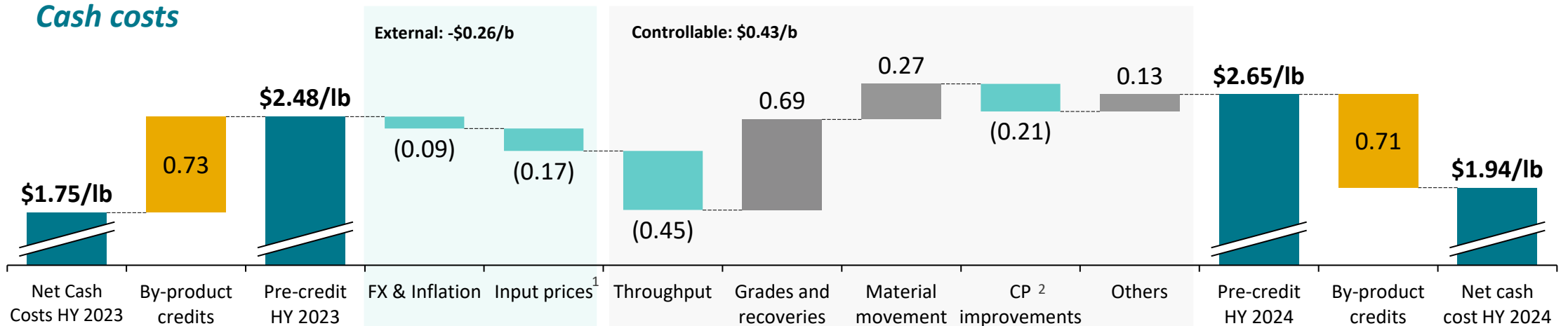
# Production and cash costs

Key drivers and variances YoY

## Copper production



## Cash costs



<sup>1</sup> Inputs: fuel, sulphuric acid, explosives and mill balls

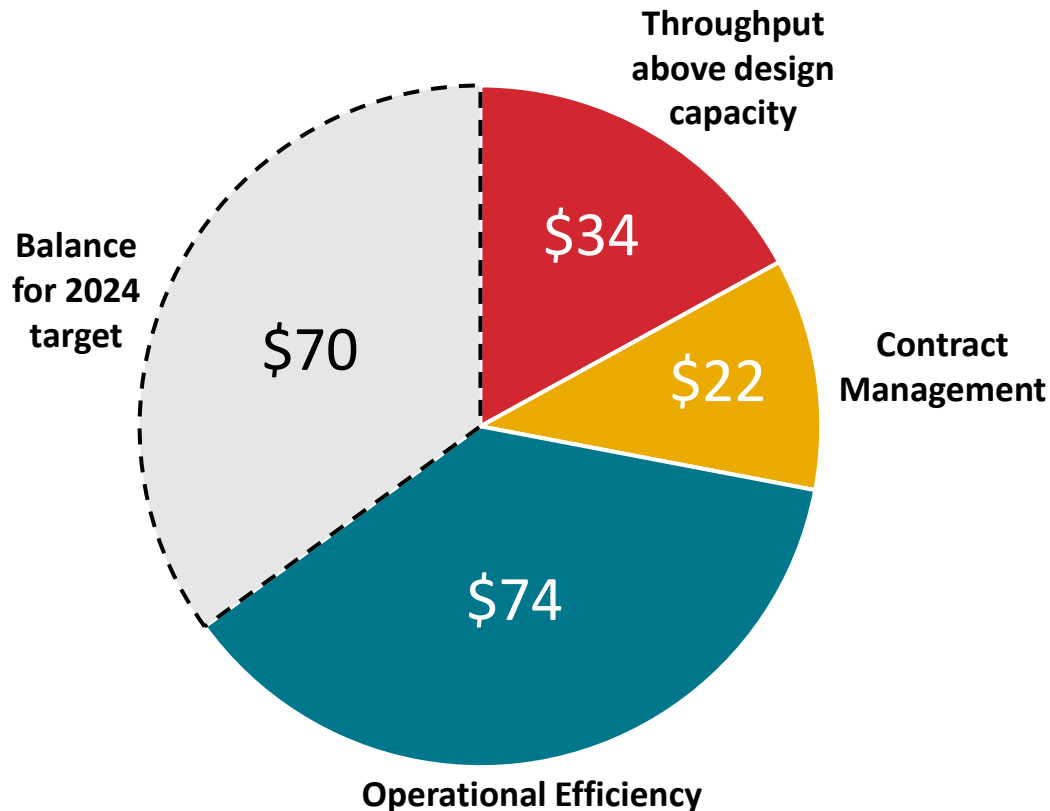
<sup>2</sup> Competitiveness Programme



# Competitiveness Programme

*Securing the present to enable the future*

**65% PROGRESS ON THE 2024 TARGET OF \$200 MILLION**



*Achieving **\$130 million**<sup>1</sup> in operational and costs improvements in H1, equivalent to a unit cash cost of **20.7 c/lb***

- Increased throughput: process optimisation (run time) based on operational excellence practices and standardised maintenance works.
- Contracts negotiation strategy (productivity).
- Different initiatives focused on optimisation of fuel consumption, consumables and replacement parts.

<sup>1</sup> Includes 100% of Zaldivar

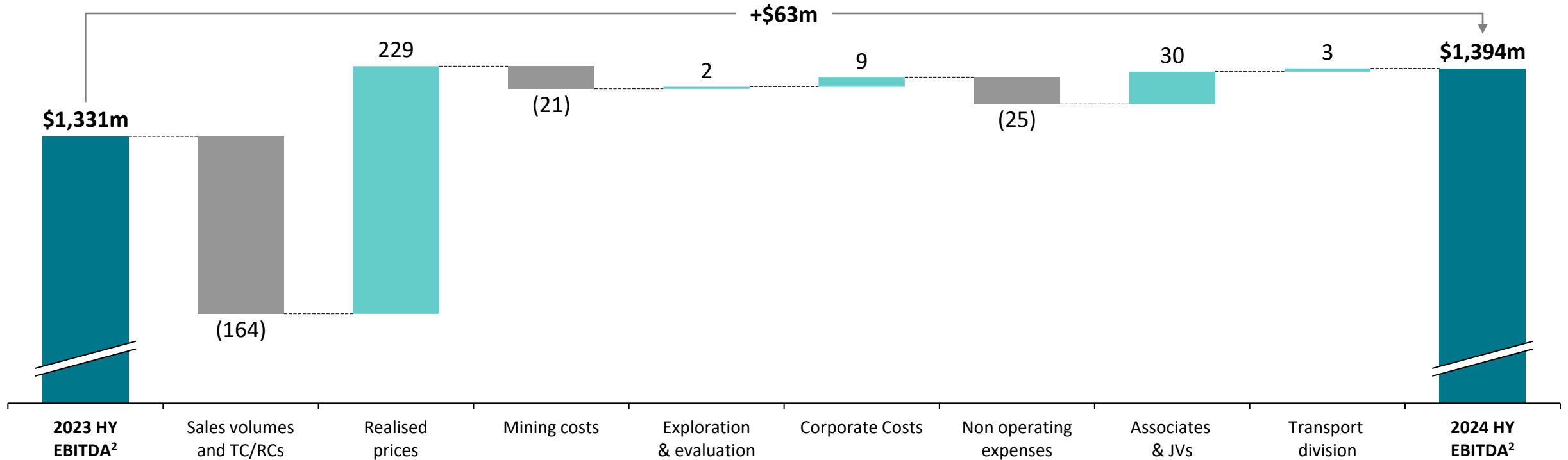
# EBITDA and margin

Maintaining strong EBITDA margins

46.1%<sup>1</sup>

47.2%<sup>1</sup>

\$ million



<sup>1</sup> Calculated as EBITDA/Revenue. If Associates and JVs revenue is included the EBITDA margin was 44.5% in H1 2024 and 43.2% in H1 2023

<sup>2</sup> Results of continuing operations only. Includes EBITDA from Associates and JVs

# Balance sheet

Supporting a balance of growth investment and shareholder distributions

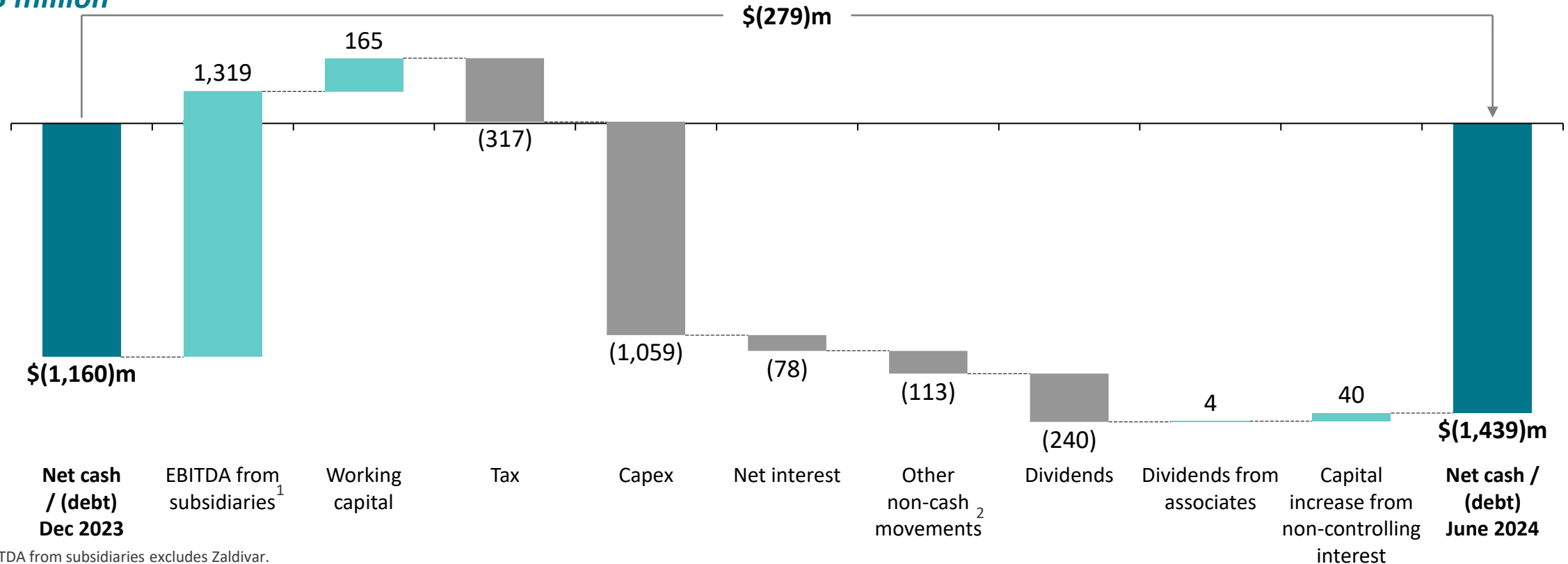
Net debt/EBITDA ratio (Dec 2023)

Net debt/EBITDA ratio (Jun 2024)

0.38x

0.46x

\$ million



<sup>1</sup> EBITDA from subsidiaries excludes Zaldivar.

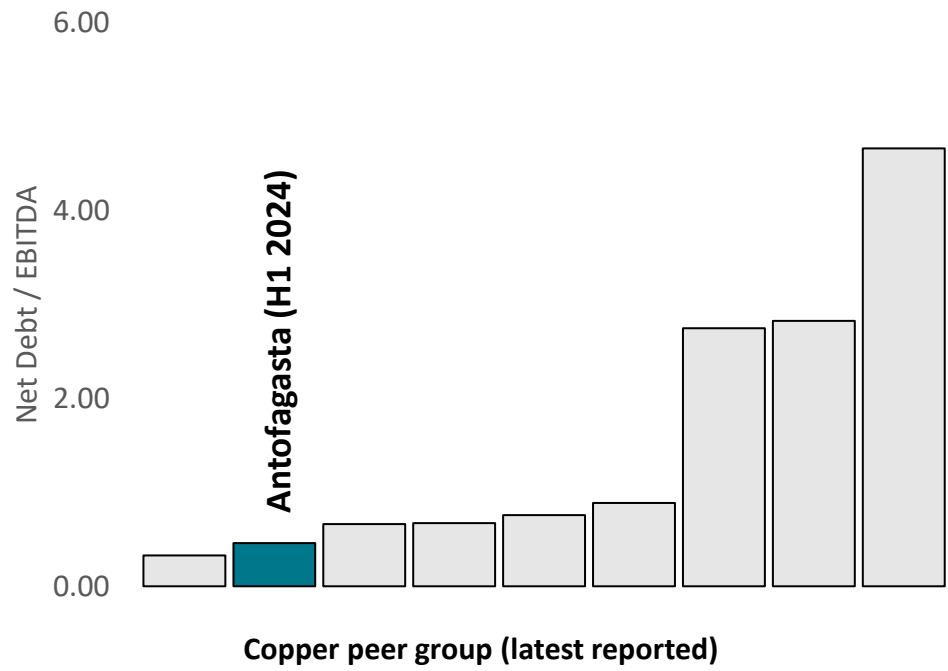
<sup>2</sup> Other non-cash movements mainly correspond to new leases by \$109 million (IFRS 16)



# Well-positioned for delivery

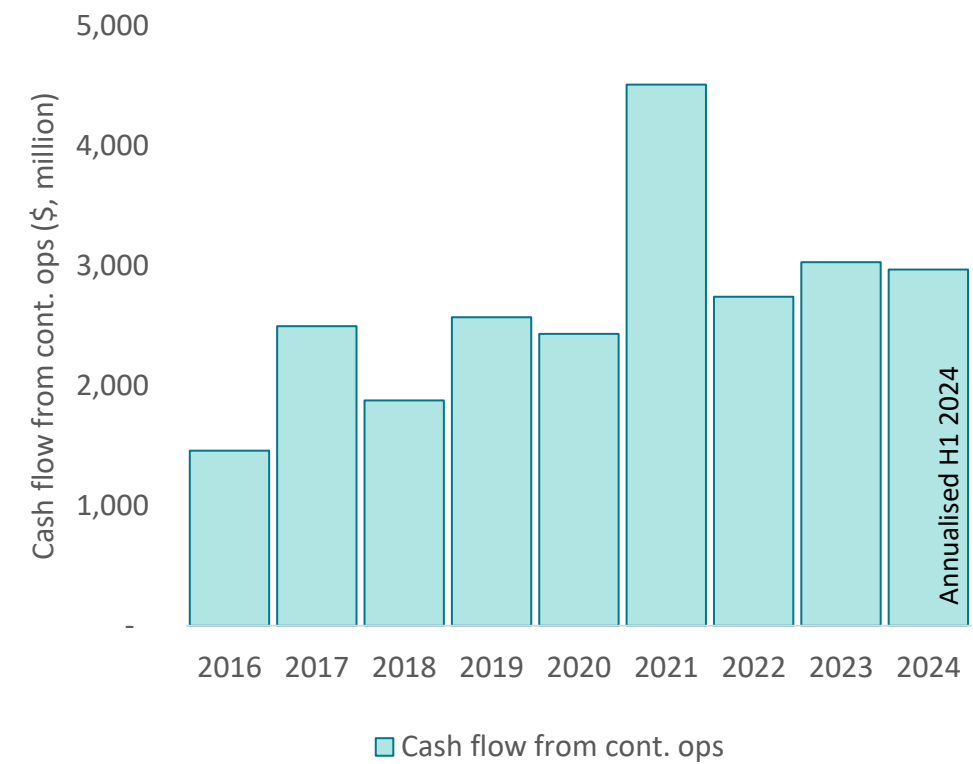
*Strong balance sheet and consistent cashflow underpins growth investments*

## STRONG LOW LEVERAGE WITHIN COPPER PEER GROUP



Source: Visible Alpha (VA) and Antofagasta reporting. Peer group reflects mining companies listed in VA peer group 'Materials – Copper' with a current enterprise value in excess of \$5 billion.

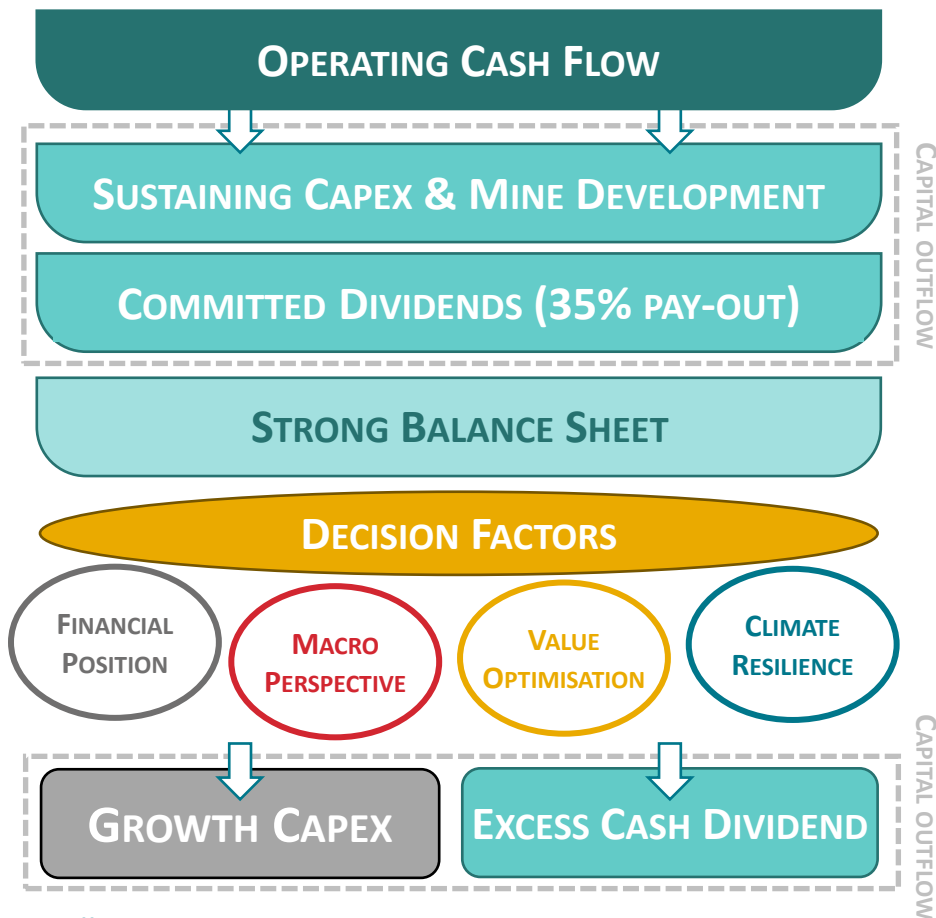
## CONSISTENT STABLE CASH FLOW FACILITATES INVESTMENT



# A focus on growth and returns

*Allocating capital in a disciplined and consistent manner*

## CONSISTENT APPROACH TO CAPITAL ALLOCATION



**“CREATING SUSTAINABLE VALUE AND SHAREHOLDER RETURNS OVER THE LONG TERM”**

## COMMITMENT TO SHAREHOLDER RETURNS

Interim Dividend

# 35%

of underlying EPS, consistently following the dividend policy upheld in recent years.

**2024 interim dividend per share of 7.9 cents**



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# CESFAM VALLE ALTO



## Responsible Operations

Alejandra Vial | Vice President of Sustainability



# Sustainability highlights H1 2024

*Producing copper responsibly*

## HEALTH AND SAFETY

# 0.67

Lost time injury frequency rate in line  
(2023: 0.63)

## PEOPLE

# 24.5%

Female representation in our workforce  
(2023: 23.6%)

## COMMUNITIES

# 155

Initiatives have been completed under the Somos Choapa Programme

## EMISSIONS<sup>1</sup>

# 50%

Scope 1 and 2 emissions reduction target by 2035 published Q1 2024, alongside Scope 3 target

## WATER

# 64%

of the water used in the mining process during H1 2024 was sourced from seawater (2023: 60%)

## ZALDÍVAR LICENCING

DIA

# Approved

Approval in H1 2024 to align existing mining and water permits to 2025.

EIA

# Pending

Application submitted to extend mine life to 2051. Process continues.

<sup>1</sup> Scope 1 and 2 emissions on a combined basis, using a baseline year of 2020. Scope 3 emissions target on a projected basis.

# Communities

Partnering to foster development and transparent engagement

## LOCAL COMMUNITY PROJECTS



Image: Opening of the Ancestral Recipe book programme.

- Somos Choapa Programme: 155 initiatives, including neighborhood strengthening and heritage recovery.
- Higher education scholarships were awarded to 31 youths from indigenous communities in the Salar de Atacama.
- The "Ancestral Recipe" book, seeks to preserve traditions and family histories from Peine, which will be featured in an upcoming film.

## SUPPLIERS FOR A BETTER FUTURE PROGRAMME



Image: Award ceremony "Development programme for regional SMEs" in partnership with Universidad Católica del Norte.

- Programme promoting collaboration with local suppliers, to boost productivity and sustainability standards.
- Collaboration agreement with 20 key suppliers to promote gender diversity, competitiveness and productivity.
- Initiatives include: carbon pricing in key contracts, diversity targets for suppliers and the provision of training.
- Key for delivering the Company's Scope 3 target, since over 50% of this category of emissions are from Category 1.



# Emissions reduction targets

*50% emissions target in parallel with planned production increase*

## Projects initiated during 2024

✓ FIRST STEPS PILOTING TROLLEY ASSIST TECHNOLOGY AT LOS PELAMBRES

✓ PRE-FEASIBILITY OF PIT ELECTRIFICATION AT LOS PELAMBRES

✓ FCAB: FIRST 100% ELECTRIC TRUCK TRANSPORTING CARGO IN NORTHERN CHILE

## SCOPE 1 AND 2 TARGET:

# 50%

REDUCTION BY 2035 (ABSOLUTE BASIS)<sup>1</sup>

## SCOPE 3 TARGET:

# 10%

REDUCTION BY 2030 (PROJECTED BASIS)

1. Scope 1 and 2 emissions on a combined basis, with a baseline year of 2020.





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# Growth and Strategy

Iván Arriagada | Chief Executive Officer

*Image: Inspecting plans at the site of the Centinela Second Concentrator*



# Copper: Positive market fundamentals

*Growth linked to energy transition driving positive medium-term outlook*

MINED COPPER SUPPLY 2023<sup>1</sup>

22Mt

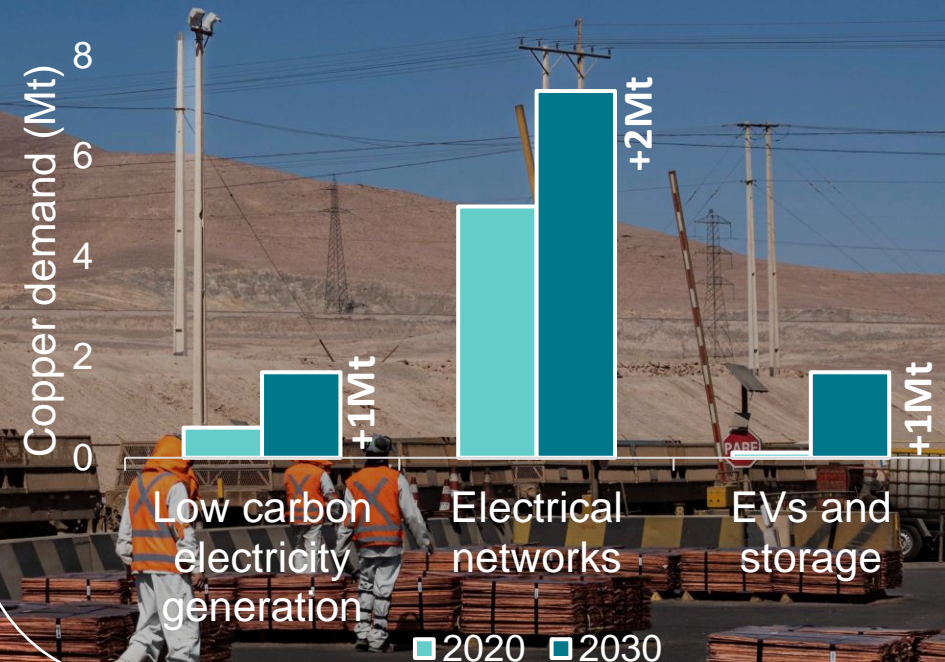
ESTIMATED STRUCTURAL DEFICIT (2034)<sup>2</sup>

4.75Mt

Sources:

- 1 US Geological Survey
- 2 Wood Mackenzie
- 3 IEA

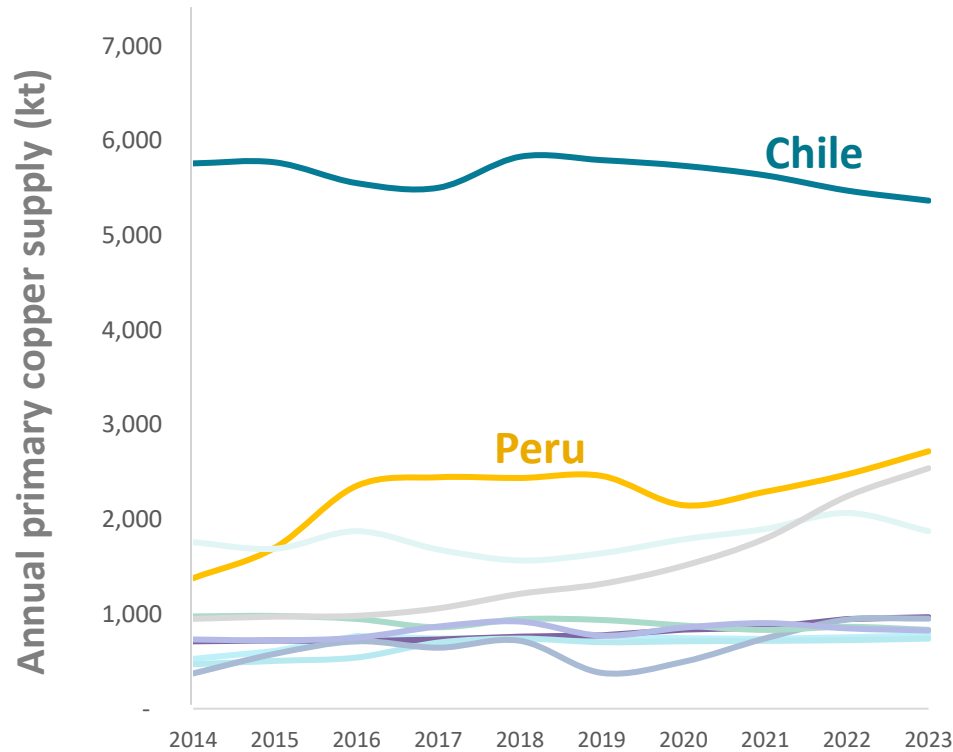
## KEY DEMAND GROWTH AREAS: RENEWABLES, ELECTRIFICATION AND ELECTRIC VEHICLES<sup>3</sup>



# Chile: the world's leading supplier of copper

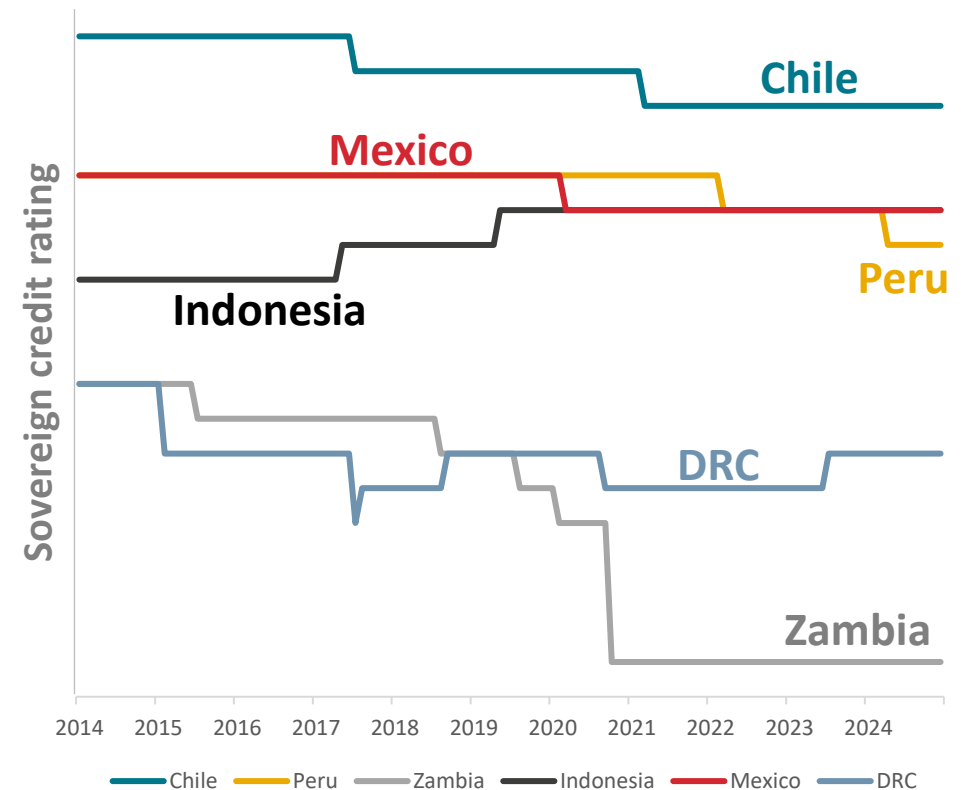
*Long-standing expertise as a top copper producer*

## ESTABLISHED #1 GLOBAL COPPER PRODUCER (24%)



Source: US Geological Survey

## STABLE INVESTMENT GRADE JURISDICTION



Source: S&P Ratings



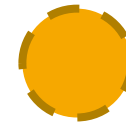
# Organic growth pipeline to 900kt

*Investments underway to deliver strategic goal*

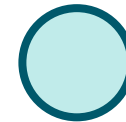
Scale of impact on production profile (indicative):



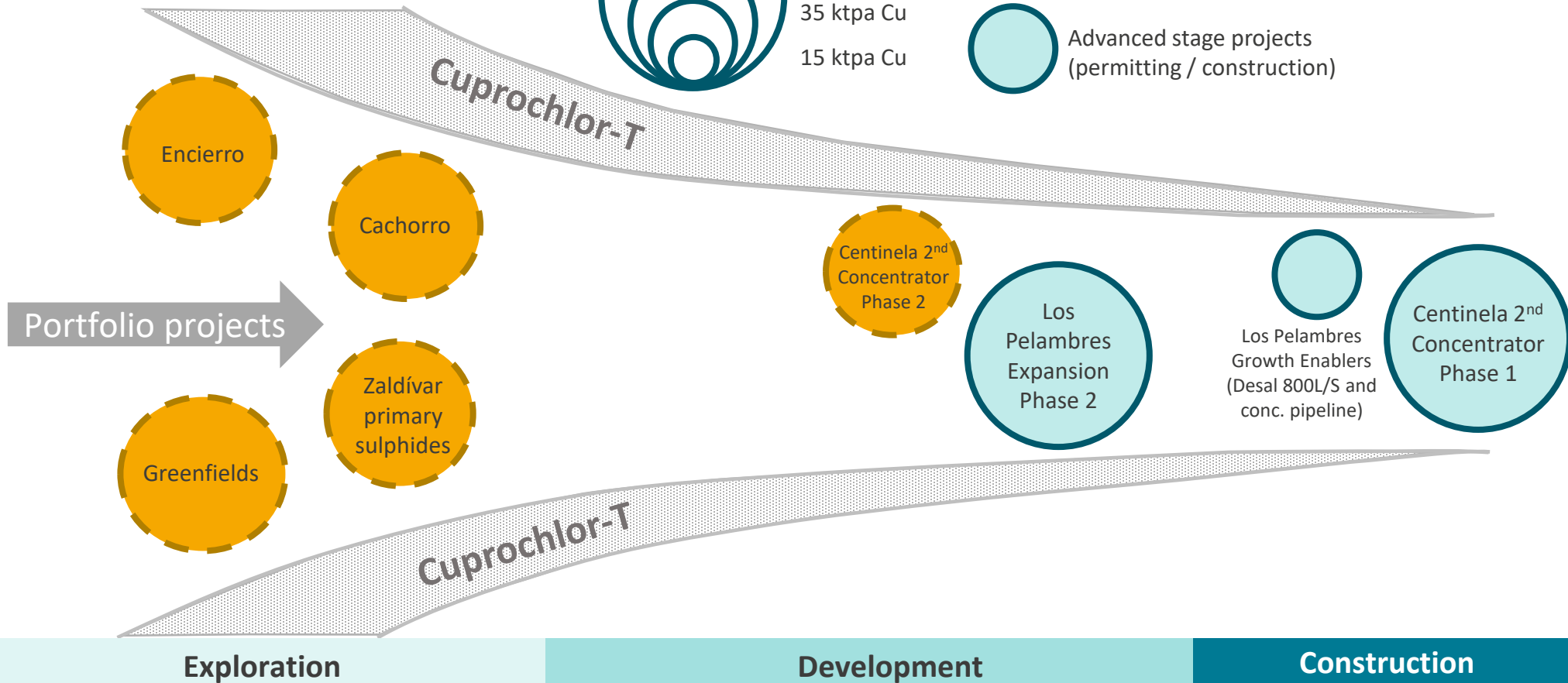
- 120+ ktpa Cu
- 50 ktpa Cu
- 35 ktpa Cu
- 15 ktpa Cu



Development stage projects



Advanced stage projects (permitting / construction)



# Centinela Second Concentrator: Work underway

*Key growth project to add 170ktpa CuEq production from 2027*



*Image: View across accommodation camps, which will house near 6,000 workers at the peak of construction of the Second Concentrator Project in 2025-2026.*



*Image: View of site of new concentrator, with concrete foundations being laid and work to further prepare the site.*



# Los Pelambres: Next phase underway

*Key enabling projects for next phase of growth*

## DESALINATION PLANT EXPANSION



*Image: Sites (circled) for ultrafiltration, reverse osmosis and pumps relating to the expansion of the existing desalination plant to 800 litres / second.*

## NEW CONCENTRATE PIPELINE



*Image: Piping received at the Company's port at Los Vilos, in advance of construction work on the concentrate pipeline.*

# Los Pelambres: Development Options

*Ensuring operation continuity beyond 2035*

- Project to extend Los Pelambres' mine life until 2051, to continue contributing to the development of the province, the region, and the country.
- Operate primarily with seawater to help address the effects of climate change in the province of Choapa.

## Project components:

- Pit extension
- Expansion of the El Mauro tailings dam
- Option to increase throughput up to 205ktpd annual average
- Option to increase desalination plant capacity up to an additional 800 l/s (nominal capacity), to account for additional evaporation and processing requirements following expansion

Estimated investment approx. \$2Bn from early 2030s



Image: Mining operations at Los Pelambres.

*Environmental Impact Assessment to be submitted in Q4 2024*





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# Delivering Performance and Growth



**Half Year 2024  
Financial Results**

20 August 2024





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# Appendix



# At a glance

## Group

- 65% owned by Luksic Group, 35% free float
- Market cap: \$18.0 billion (14 August 2024)
- FTSE 100 Index constituent

## Mining division<sup>1</sup>

- Top 10 copper producer
- High quality assets with significant potential for production growth
- Copper production: 660,600 t
- Gold production: 209,100 oz
- Molybdenum production: 11,000 t
- Net cash costs: \$1.61/lb
- All operations in Chile

## Transport division<sup>1</sup>

- Provides rail and road cargo services in Chile's Antofagasta Region
- Total tonnage transported: 7.1 Mt

### Antucoya

- 70% owned
- Copper production<sup>1</sup>: 77,800 t
- Remaining mine life<sup>2</sup>: 20 years
- Reserves<sup>3</sup>: 727 Mt @ 0.31% Cu

### Centinela

- 70% owned
- Copper production<sup>1</sup>: 242,000 t
- Remaining mine life<sup>2</sup>: 36 years
- Reserves<sup>3</sup>: 1.9 Bt @ 0.40% Cu

### Zaldívar

- 50% owned, operator
- Copper production<sup>1</sup>: 40,500 t (50%)
- Remaining mine life<sup>2</sup>: 12 years
- Reserves<sup>3</sup>: 353 Mt @ 0.42% Cu

### Los Pelambres

- 60% owned
- Copper production<sup>1</sup>: 300,300 t
- Remaining mine life<sup>2</sup>: 11 years
- Reserves<sup>3</sup>: 845 Mt @ 0.58% Cu, 0.02% Mo and 0.05g/t Au



Chile contains 30% of world's copper resources

<sup>1</sup> Production shown for FY 2023

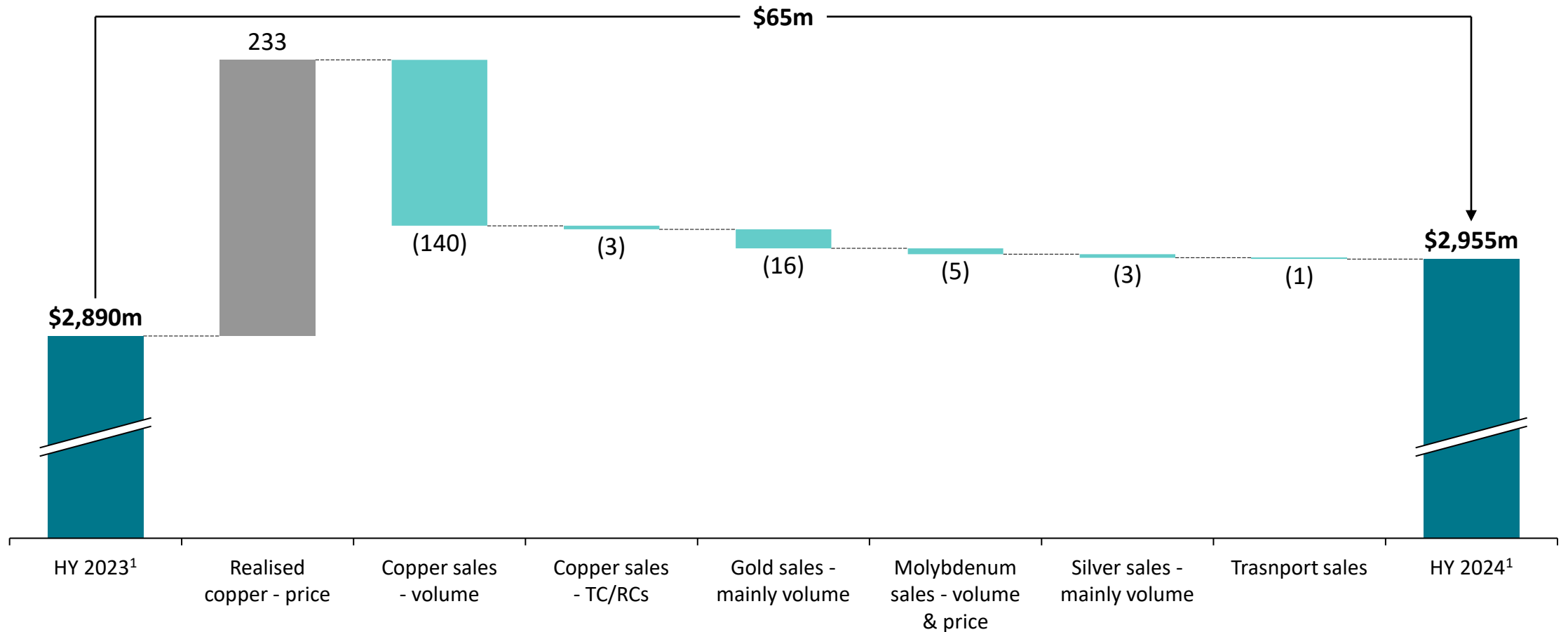
<sup>2</sup> From 31 December 2023

<sup>3</sup> As of 31 December 2023 on 100% basis



# Revenues

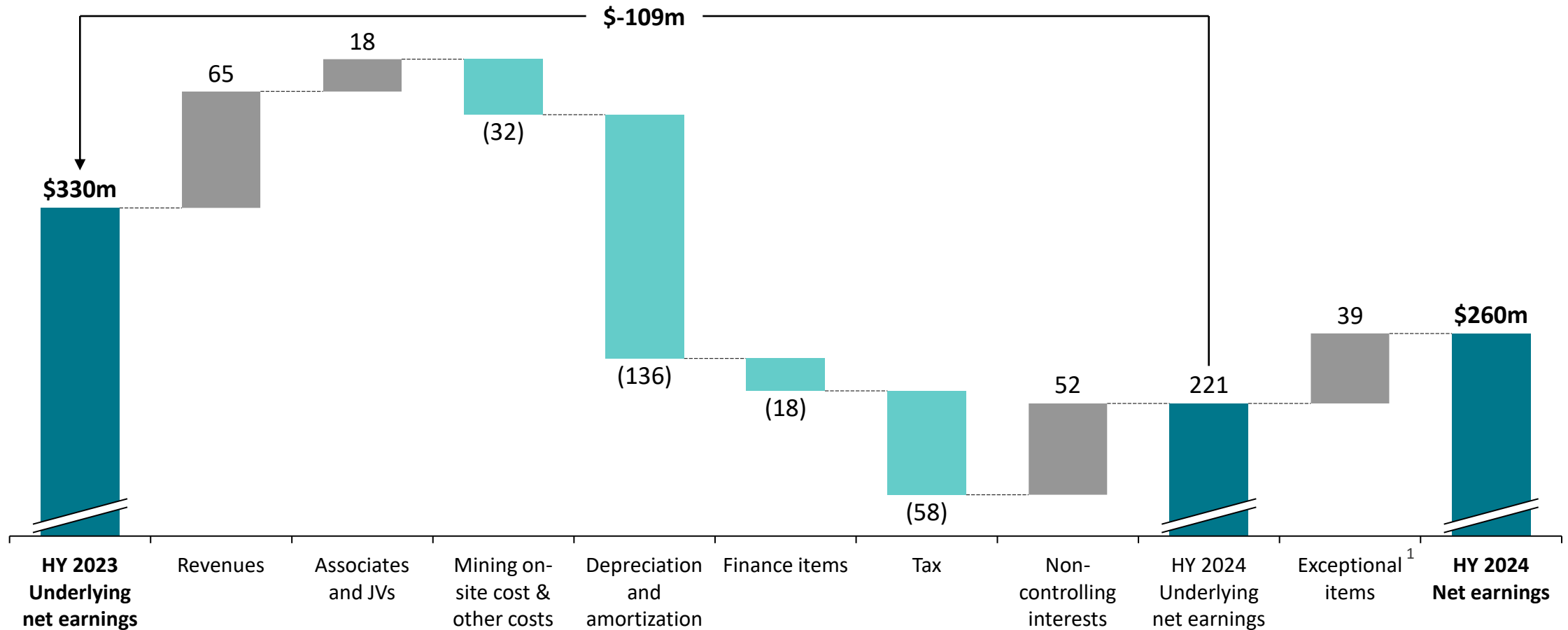
\$ million



<sup>1</sup> Excludes Zaldívar and JVs

# Net earnings

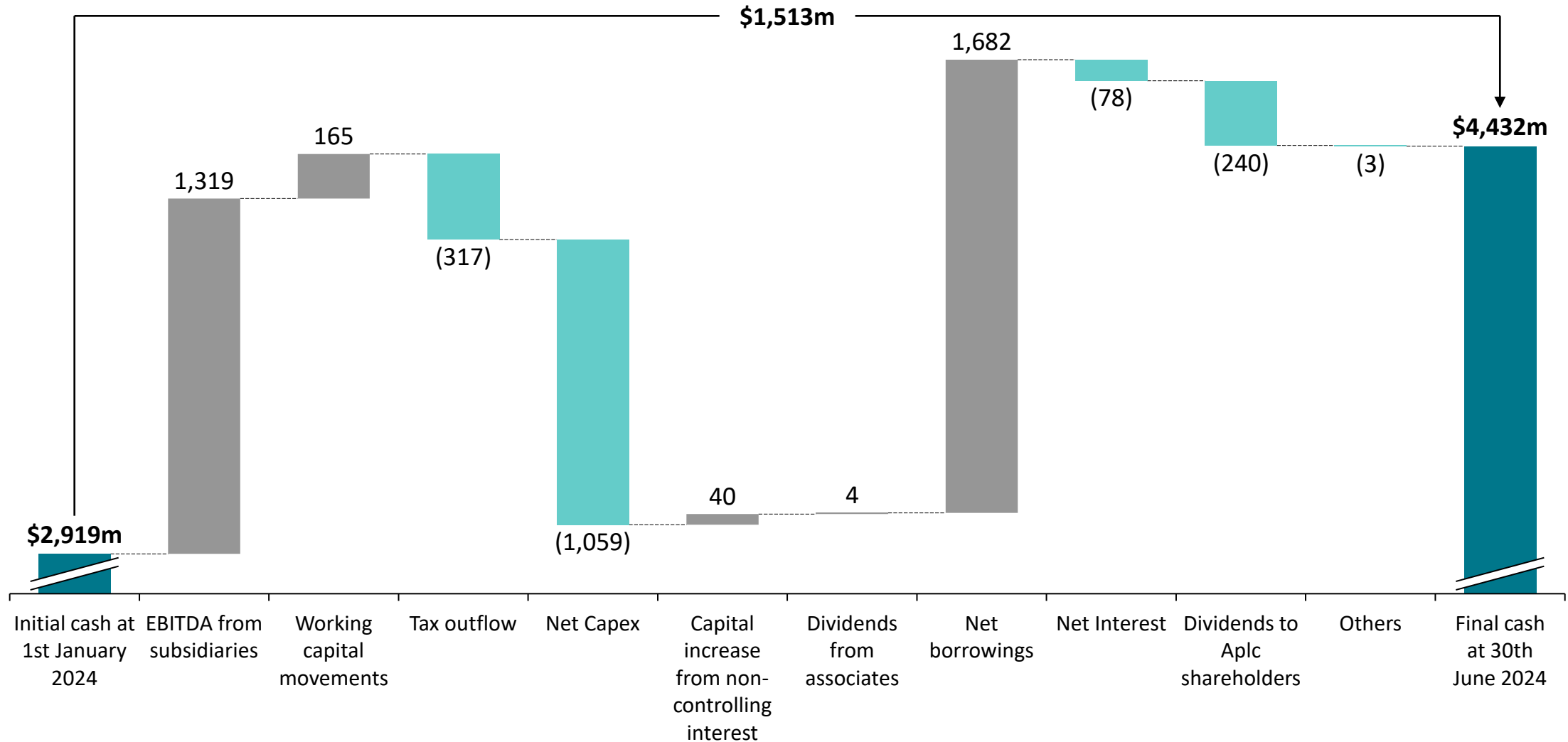
\$ million



<sup>1</sup> Net fair value gain in respect of 12% direct equity investment in Buenaventura from Jan – Mar 2024.

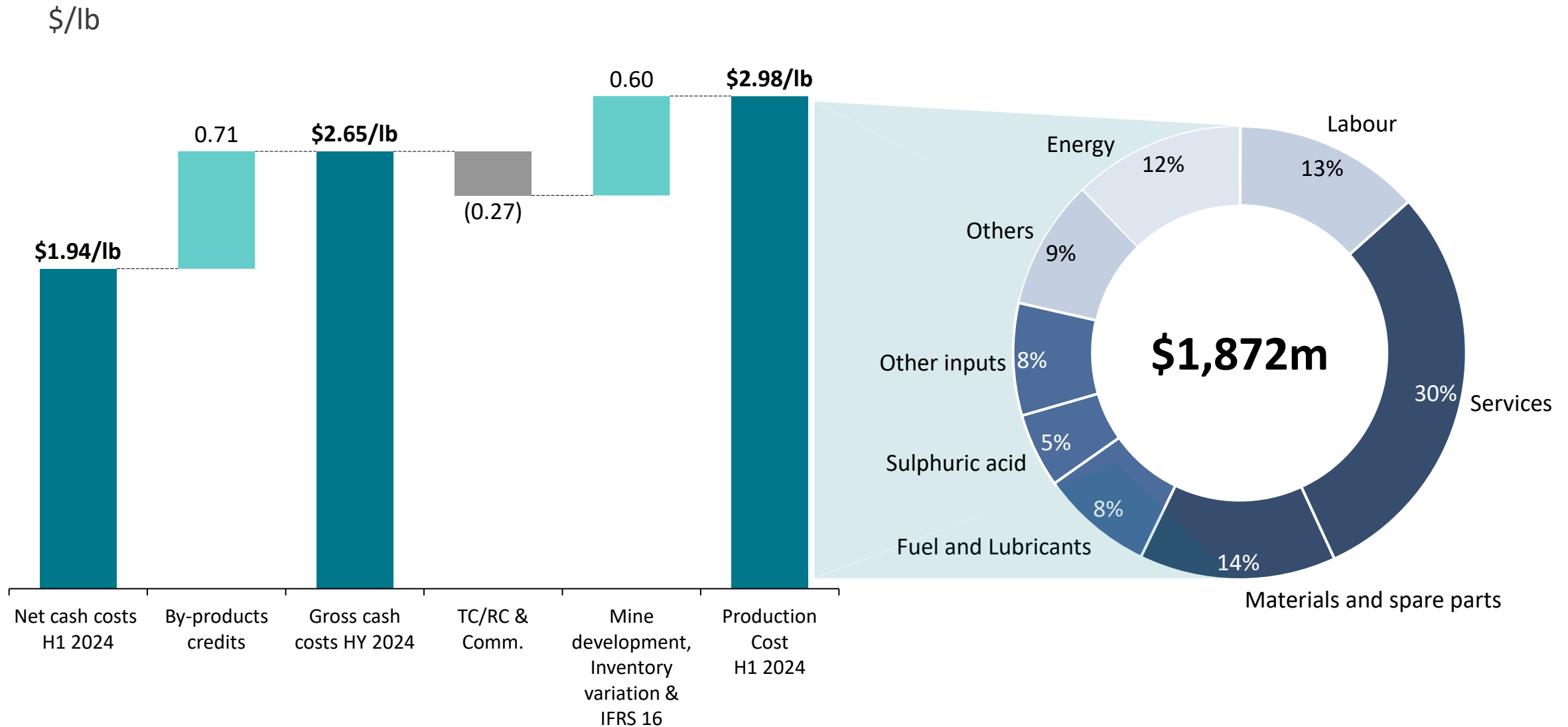
# Cash flow

\$ million





# 2024 HY production cost breakdown



# Production and metals prices

## Group production

	2020	2021	2022	2023	HY 2024	2024E <sup>1</sup>
<b>Copper ('000 tonnes)</b>						
Los Pelambres	359.6	324.7	275.0	300.3	132.5	335-350
Centinela Concentrates	153.5	185.4	149.3	162.7	43.6	225-240
Centinela Cathodes	93.3	88.8	98.2	79.3	49.4	
Antucoya	79.3	78.6	79.2	77.8	40.3	75-80
Zaldívar <sup>3</sup>	48.2	44.0	44.5	40.5	18.9	35-40
<b>Group total</b>	<b>733.9</b>	<b>721.5</b>	<b>646.2</b>	<b>660.6</b>	<b>284.7</b>	<b>670-710<sup>2</sup></b>

	2020	2021	2022	2023	HY 2024	2024E <sup>1</sup>
<b>Gold ('000 ounces)</b>						
Los Pelambres	60.3	53.2	43.1	43.3	18.9	45-55
Centinela	143.7	199.0	133.7	165.8	48.0	150-160
<b>Group total</b>	<b>204.1</b>	<b>252.2</b>	<b>176.8</b>	<b>209.1</b>	<b>66.9</b>	<b>195-215</b>

	2020	2021	2022	2023	HY 2024	2024E <sup>1</sup>
<b>Molybdenum ('000 tonnes)</b>						
Los Pelambres	10.9	9.2	7.2	8.1	4.2	8.5-9.5
Centinela	1.7	1.3	2.4	2.9	1.0	2.5-3.0
<b>Group total</b>	<b>12.6</b>	<b>10.5</b>	<b>9.7</b>	<b>11.0</b>	<b>5.2</b>	<b>11.0-12.5</b>

1 Guidance January 2023, except Group copper production, which was revised in July 2023

2 The Company advised in July 2024 that it expects to be at the lower end of guidance range for FY 2024.

3 Attributable share

## Metal prices

	2020	2021	2022	2023	HY 2024
<b>Copper (\$/lb)</b>					
Realised	2.98	4.37	3.84	3.89	4.40
Market	2.80	4.23	4.00	3.85	4.13

	2020	2021	2022	2023	HY 2024
<b>Gold (\$/oz)</b>					
Realised	1,797	1,788	1,801	1,990	2,314
Market	1,770	1,799	1,800	1,942	2,205

	2020	2021	2022	2023	HY 2024
<b>Molybdenum (\$/lb)</b>					
Realised	8.8	17.4	20.8	22.0	22.8
Market	8.7	15.9	18.7	24.2	20.9

# Unit cash costs

## Group cash costs

	2020	2021	2022	2023	HY 2024	2024E <sup>1</sup>
<b>Group cash costs (\$/lb)</b>						
Los Pelambres	1.27	1.59	1.84	1.92	2.16	2.05
Centinela	1.85	1.87	2.44	2.57	3.31	2.30
Antucoya	1.82	2.04	2.50	2.63	2.58	2.50
Zaldívar <sup>3</sup>	1.80	2.39	2.39	2.95	2.97	2.95
<b>Cash costs before by-products credits (\$/lb)</b>	<b>1.56</b>	<b>1.79</b>	<b>2.19</b>	<b>2.31</b>	<b>2.65</b>	<b>2.40<sup>2</sup></b>
By-products credits (\$/lb)	(0.42)	(0.59)	(0.58)	(0.70)	(0.71)	(0.70)
<b>Net cash costs (\$/lb)</b>	<b>1.14</b>	<b>1.20</b>	<b>1.61</b>	<b>1.61</b>	<b>1.94</b>	<b>1.70<sup>2</sup></b>

	2020	2021	2022	2023	HY 2024	2024E <sup>1</sup>
<b>Los Pelambres cash costs (\$/lb)</b>						
Cash costs before by-products credits (\$/lb)	1.27	1.59	1.84	1.92	2.16	2.05
By-products credits (\$/lb)	(0.46)	(0.70)	(0.73)	(0.78)	(0.95)	(0.70)
<b>Net cash costs (\$/lb)</b>	<b>0.81</b>	<b>0.89</b>	<b>1.10</b>	<b>1.14</b>	<b>1.21</b>	<b>1.35</b>

	2020	2021	2022	2023	HY 2024	2024E <sup>1</sup>
<b>Centinela cash costs (\$/lb)</b>						
Cash costs before by-products credits (\$/lb)	1.85	1.87	2.44	2.57	3.31	2.30
By-products credits (\$/lb)	(0.58)	(0.74)	(0.69)	(0.94)	0.83	(0.85)
<b>Net cash costs (\$/lb)</b>	<b>1.27</b>	<b>1.13</b>	<b>1.75</b>	<b>1.63</b>	<b>2.48</b>	<b>1.45</b>

1 Guidance January 2024, except Group cash costs before by-products credits, which was revised in July 2024.

2 Revised July 2024

3 Attributable share





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