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NEWS RELEASE
Baar, 21 February 2024

Preliminary Results 2023

Highlights

Glencore's Chief Executive Officer, Gary Nagle, commented:

"Against the backdrop of a rebalancing and normalisation of international energy trade flows, our Marketing and Industrial segments posted a lower, albeit healthy, earnings performance in 2023, delivering Group Adjusted EBITDA of $17.1 billion, cash generated by operating activities of $15.1 billion and Net income attributable to equity holders of $4.3 billion.

"Aided by healthy operational cash generation, after funding $5.6 billion of net capex and $10.1 billion of shareholder returns, the 2023 year-end Net debt outturn was contained to $4.9 billion vs $0.1 billion in 2022. With a Net debt/Adjusted EBITDA of 0.29x, we continue to enjoy significant financial headroom and strength.

"For 2024, basis 2023 cash flows, we are recommending to shareholders a $0.13 per share (c.$1.6 billion) base cash distribution, comprising $1 billion from Marketing cash flows and 25% ($0.6 billion) of Industrial attributable cash flows.

This distribution, along our shareholder return journey, must be contextualised by the significant announcement in November 2023 that we had entered into a binding agreement with Teck Resources Limited (Teck) to acquire a 77% effective interest in its steelmaking coal business, Elk Valley Resources (EVR) for $6.93 billion in cash. These are world-class assets, expected to meaningfully complement our existing thermal and steelmaking coal production in Australia, Colombia, and South Africa. EVR also supports the transition as an input into steel production needed for certain renewable energy infrastructure. The transaction is subject to mandatory regulatory approvals and, while closing could occur earlier, it is expected no later than Q3 2024. The acquisition of EVR unlocks the potential, subject to shareholder approval, for a value accretive demerger of our combined coal and carbon steel materials business and, in support thereof, we advised that Glencore could demerge the combined company, only once Glencore had sufficiently delevered towards a revised $5 billion Net debt cap, expected to occur within 24 months from close.

Over the past few years, our capital structure and credit profile has been managed around a $10 billion Net debt cap, with sustainable deleveraging (after base distribution) below the cap periodically returned to shareholders via special distributions and buybacks. Under this framework, we announced $20.3 billion of shareholder returns since 2020, comprising $10 billion of base distributions and $10.3 billion of "top-up" returns. Following the EVR announcement, we are now managing the balance sheet around a revised $5 billion Net Debt cap, alongside our continued commitment to minimum strong BBB/Baa ratings.

Although there are no "top-up" returns at this point, the business is expected to be highly cash generative at current spot commodity prices (spot illustrative annualised free cash flow generation of c.$5.2 billion from Adjusted EBITDA of c.$15.0 billion), which augers well for top-up returns to recommence in the future.

"As the world moves towards a low-carbon economy, we remain focused on supporting the energy needs of today whilst investing in our transition commodities portfolio. During 2023, we acquired a 30% equity stake in Alunorte alongside a 45% equity stake in Mineracao Rio do Norte S.A., securing low carbon and cost alumina units for our Marketing business. In copper, we acquired the remaining 56.25% interest in the MARA brownfield copper project in Argentina that we did not already own, as well as the balance of Polymet shares (c.18%). Polymet formed a 50:50 JV with Teck, establishing the New Range Copper Nickel venture in Minnesota. These additions, along with a near doubling of El Pachon's resource, added more than 5 billion tonnes of resource to our copper resource inventory in 2023.

"While we continue to remain focused on operating safely, responsibly and ethically and creating sustainable long-term value for all our stakeholders, the strength of our diversified business model, across industrial and marketing, focusing on metals and energy, has again in 2023 proved itself adept in a range of market conditions."

US$ million	**2023**	2022	Change %
Key statement of income and cash flows highlights[1]:			
Revenue	217,829	255,984	(15)
Adjusted EBITDA◊	17,102	34,060	(50)
Adjusted EBIT◊	10,392	26,657	(61)
Net income for the year attributable to equity holders	4,280	17,320	(75)
Earnings per share (Basic) (US$)	0.34	1.33	(74)
Funds from operations (FFO)[2]◊	9,452	28,938	(67)
Distributions to equity holders and purchase of own shares	10,130	7,539	34

1 Refer to basis of presentation on page 7.
2 Significantly impacted in 2023, having absorbed the lag effect of settlement in H1 2023 of $2.7 billion of 2022 final income tax payments in Australia and Colombia.
◊ Adjusted measures referred to as Alternative performance measures (APMs) which are not defined or specified under the requirements of International Financial Reporting Standards; refer to APMs section on page 122 for definitions and reconciliations and to note 2 of the financial statements for reconciliation of Adjusted EBIT/EBITDA.

US$ million	**31.12.2023**	31.12.2022	Change %
Key financial position highlights:			
Total assets	123,869	132,583	(7)
Total equity	38,237	45,219	(15)
Net funding◊	31,062	27,500	13
Net debt◊	4,917	75	n.m.
Ratios:			
Net debt to Adjusted EBITDA◊	0.29	0.00	n.m.

◊ Adjusted measures referred to as Alternative performance measures (APMs) which are not defined or specified under the requirements of International Financial Reporting Standards; refer to APMs section on page 122 for definitions and reconciliations and to note 2 of the financial statements for reconciliation of Adjusted EBIT/EBITDA.

STRONG FINANCIAL PERFORMANCE

- $17.1 billion Adjusted EBITDA, down 50% year-on-year (y/y), primarily reflecting the rebalancing and normalisation of international energy trade flows, with coal and LNG, and to a lesser extent, oil prices materially declining
- Net income, pre-significant items (see page 9): $6.7 billion, down 65%
- Post significant items, Net income attributable to equity holders was $4.3 billion, down 75%. Significant items, mainly comprising impairments, reflect lower cobalt price assumptions impacting Mutanda and macro assumption revisions at several zinc assets
- Net cash purchase and sale of PP&E: $5.6 billion, up 22%
- Proposed $0.13/share base distribution ($1.6 billion), in respect of 2023 cash flows

INDUSTRIAL ASSET RESULTS

- Industrial Assets Adjusted EBITDA $13.2 billion, down 52%, primarily reflecting lower coal earnings with the significant reduction in energy prices in 2023
- Metals $5.4 billion, down 41%, reflecting lower realised cobalt, nickel and zinc prices, and reduced volumes; Energy $8.5 billion, down 55%, mainly due to significantly lower coal prices
- Unit cash costs: Cu 163¢/lb (+83¢ y/y), with c.50c/lb of reduced by-product credits (cobalt being the largest contributor) and a 10c/lb non-cash inventory adjustment; Zn 49¢/lb (-11¢ y/y); Ni 871¢/lb (+240¢ y/y), including 24c/lb of Koniambo expensed capex; coal $70.5/t (-$12.1/t) at a $70.2/t margin. 2024 unit cash costs projected to be lower across all of Cu, Zn, Ni, and coal

MARKETING RESULTS

- Marketing Adjusted EBIT $3.5 billion, down 46% y/y
- Energy Adjusted EBIT: $1.7 billion (-67%), in a return to a more stable market environment, following the extreme market volatility levels, dislocations and complexities exhibited during 2022
- Metals Adjusted EBIT: $1.7 billion (+5%), reflecting broadly consistent physical marketing conditions for many of our most important commodities
- Viterra EBITDA was $2.1 billion (2022: $2.0 billion), while Glencore's equity accounted share of Viterra declined to $321 million ($494 million in 2022).

ROBUST BALANCE SHEET

- Net debt to Adjusted EBITDA of 0.29x
- Available committed liquidity of $12.9 billion; executed additional $3 billion 1 year committed liquidity facility in February 2024. Bond maturities capped at c.$3 billion in any given year

CLIMATE AMBITION

- Extensive engagement with shareholders during the year on a range of climate matters, including seeking investors' views on anticipated changes in our updated Climate Action Transition Plan that will be put to shareholders at the 2024 AGM.
- There was broad support for our climate strategy, recognising the importance of maintaining a strategy that remains resilient to the risks and opportunities of the evolving energy transition, and encouragement to continue making progress towards our ambition of achieving net zero industrial emissions by 2050, subject to a supportive policy environment.
- The principal areas of shareholder interest included a comparison of our targets and ambition to various relevant IEA scenarios, understanding progress on industrial emissions reduction between our short-term 2026 target and medium-term 2035 target and integration of the recently announced EVR acquisition into the climate strategy.
- We will, among other actions, maintain our commitment to reducing our total industrial emissions footprint and report on progress against our targets and ambition, update our assessment of the resilience of our portfolio and expand analysis of our targets and ambition against a range of climate policy scenarios.
- We intend to publish our updated Climate Action Transition Plan in March 2024 and report on progress against our industrial emission reduction targets and ambition in our 2023 Annual Report.

To view the full report please click here: https://www.glencore.com/.rest/api/v1/documents/static/7e55cef8-54b5-47c5-8a48-171d685e319d/GLEN-2023-Preliminary-Results.pdf

For further information please contact:

Investors

Martin Fewings	t: +41 41 709 2880	m: +41 79 737 5642	martin.fewings@glencore.com

Media

Charles Watenphul	t: +41 41 709 2462	m: +41 79 904 3320	charles.watenphul@glencore.com

www.glencore.com

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This announcement contains inside information.

Notes for Editors

Glencore is one of the world's largest global diversified natural resource companies and a major producer and marketer of more than 60 commodities that advance everyday life. Through a network of assets, customers and suppliers that spans the globe, we produce, process, recycle, source, market and distribute the commodities that support decarbonisation while meeting the energy needs of today.

With around 140,000 employees and contractors and a strong footprint in over 35 countries in both established and emerging regions for natural resources, our marketing and industrial activities are supported by a global network of more than 40 offices.

Glencore's customers are industrial consumers, such as those in the automotive, steel, power generation, battery manufacturing and oil sectors. We also provide financing, logistics and other services to producers and consumers of commodities.

Glencore is proud to be a member of the Voluntary Principles on Security and Human Rights and the International Council on Mining and Metals. We are an active participant in the Extractive Industries Transparency Initiative.

We recognise our responsibility to contribute to the global effort to achieve the goals of the Paris Agreement by decarbonising our own operational footprint. We believe that we should take a holistic approach and have considered our commitment through the lens of our global industrial emissions. Against a 2019 baseline, we are committed to reducing our Scope 1, 2 and 3 industrial emissions by 15% by the end of 2026, 50% by the end of 2035 and we have an ambition to achieve net zero industrial emissions by the end of 2050. For more detail see our 2022 Climate Report on the publication page of our website at glencore.com/publications.

Important notice

This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any securities.

Cautionary statement regarding forward-looking information

Certain descriptions in this document are oriented towards future events and therefore contains statements that are, or may be deemed to be, "forward-looking statements" which are prospective in nature. Such statements may include, without limitation, statements in respect of trends in commodity prices and currency exchange rates; demand for commodities; reserves and resources and production forecasts; expectations, plans, strategies and objectives of management; expectations regarding financial performance, results of operations and cash flows, climate scenarios; sustainability performance (including, without limitation, environmental, social and governance) related goals, ambitions, targets, intentions, visions, milestones and aspirations; approval of certain projects and consummation of certain transactions (including, without limitation, acquisitions and disposals, in particular the proposed acquisition of a majority stake of EVR from Teck Resources Limited and potential subsequent demerger of the combined coal and carbon steel materials business); closures or divestments of certain assets, operations or facilities (including, without limitation, associated costs); capital costs and scheduling; operating costs and supply of materials and skilled employees; financings; anticipated productive lives of projects, mines and facilities; provisions and contingent liabilities; and tax, legal and regulatory developments.

These forward-looking statements may be identified by the use of forward-looking terminology, or the negative thereof including, without limitation, "outlook", "guidance", "trend", "plans", "expects", "continues", "assumes", "is subject to", "budget", "scheduled", "estimates", "aims", "forecasts", "risks", "intends", "positioned", "predicts", "projects", "anticipates", "believes", or variations of such words or comparable terminology and phrases or statements that certain actions, events or results "may", "could", "should", "shall", "would", "might" or "will" be taken, occur or be achieved. The information in this document provides an insight into how we currently intend to direct the management of our businesses and assets and to deploy our capital to help us implement our strategy. The matters disclosed in this document are a 'point in time' disclosure only. Forward-looking statements are not based on historical facts, but rather on current predictions, expectations, beliefs, opinions, plans, objectives, goals, intentions and projections about future events, results of operations, prospects, financial conditions and discussions of strategy, and reflect judgments, assumptions, estimates and other information available as at the date of this document or the date of the corresponding planning or scenario analysis process.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to differ materially from any future event, results, performance, achievements or other outcomes expressed or implied by such forward-looking statements. Important factors that could impact these uncertainties include (without limitation) those disclosed in the risk management section of our latest Annual Report and Half-Year Report (which can each be found on our website). These risks and uncertainties may materially affect the timing and feasibility of particular developments. Other factors which impact risks and uncertainties include, without limitation: the ability to produce and transport products profitably; demand for our products and commodity prices; development, efficacy and adoption of new or competing technologies; changing or divergent preferences of our stakeholders; changes to the assumptions regarding the recoverable value of our tangible and intangible assets; changes in environmental scenarios and related regulations, including, without limitation, transition risks and the evolution and development of the global transition to a low carbon economy; recovery rates and other operational capabilities; timing, quantum and nature of certain acquisitions and divestments; health, safety, environmental or social performance incidents; labor shortages or workforce disruptions; natural catastrophes or adverse geological conditions, including, without limitation, the physical risks associated with climate change; effects of global pandemics and outbreaks of infectious disease; the outcome of litigation or enforcement or regulatory proceedings; the effect of foreign currency exchange rates on market prices and operating costs; actions by governmental authorities, such as changes in taxation or regulation or changes in the decarbonisation policies and plans of other countries; changes in economic and financial market conditions generally or in various counties or regions; political or geopolitical uncertainty; and wars, political or civil unrest, acts of terrorism, cyber attacks or sabotage.

Readers, including, without limitation, investors and prospective investors, should review and consider these risks and uncertainties (as well as the other risks identified in this document) when considering the information contained in this document. Readers should also note that the high degree of uncertainty around the nature, timing and magnitude of climate-related risks, and the uncertainty as to how the energy transition will evolve, makes it difficult to determine all potential risks and opportunities and disclose these and any potential impacts with precision. Neither Glencore nor any of its affiliates, associates, employees, directors, officers or advisers, provides any representation, warranty, assurance or guarantee as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness of any forward-looking information contained in this document or that the events, results, performance, achievements or other outcomes expressed or implied in any forward-looking statements in this document will actually occur. Glencore cautions readers against reliance on any forward-looking statements contained in this document, particularly in light of the long-term time horizon which this document discusses in certain instances and the inherent uncertainty in possible policy, market and technological developments in the future.

No statement in this document is intended as any kind of forecast (including, without limitation, a profit forecast or a profit estimate), guarantee or prediction of future events or performance and past performance cannot be relied on as a guide to future performance.

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Cautionary statement regarding climate strategy

Glencore operates in a dynamic and uncertain market and external environment. Plans and strategies can and must adapt in response to dynamic market conditions, changing preference of our stakeholders, joint venture decisions, changing weather and climate patterns, new opportunities that might arise or other changing circumstances. Investors should not assume that our climate strategy will not evolve and be updated as time passes. Additionally, a number of aspects of our strategy involve developments or workstreams that are complex and may be delayed, more costly than anticipated or unsuccessful for many reasons, including, without limitation, reasons that are outside of Glencore's control. Our strategy will also necessarily be impacted by changes in our business, such as the proposed acquisition of EVR and potential demerger of the combined coal and carbon steel materials business.

There are inherent limitations to scenario analysis and it is difficult to predict which, if any, of the scenarios might eventuate. Scenario analysis relies on assumptions that may or may not be, or prove to be, correct and that may or may not eventuate and scenarios may also be impacted by additional factors to the assumptions disclosed. Given these limitations we treat these scenarios as one of several inputs that we consider in our climate strategy.

Due to the inherent uncertainty and limitations in measuring greenhouse gas (GHG) emissions and operational energy consumption under the calculation methodologies used in the preparation of such data, all CO_2e emissions and operational energy consumption data or volume references (including, without limitation, ratios and/or percentages) in this document are estimates. GHG emissions calculation and reporting methodologies may change or be progressively refined over time resulting in the need to restate previously reported data. There may also be differences in the manner that third parties calculate or report such data compared to Glencore, which means that third-party data may not be comparable to Glencore's data. For information on how we calculate our emissions and operational energy consumption data, see our latest Basis of Reporting, Climate Report and Extended ESG Data, which is available on our website.

Sources

Certain statistical and other information included in this document is sourced from publicly available third-party sources. This information has not been independently verified and presents the view of those third parties, and may not necessarily correspond to the views held by Glencore and Glencore expressly disclaims any responsibility for, or liability in respect of, and makes no representation or guarantee in relation to, such information (including, without limitation, as to its accuracy, completeness or whether it is current). Glencore cautions readers against reliance on any of the industry, market or other third-party data or information contained in this document.

Information preparation

In preparing this document, Glencore has made certain estimates and assumptions that may affect the information presented. Certain information is derived from management accounts, is unaudited and based on information Glencore has available to it at the time. Figures throughout this document are subject to rounding adjustments. The information presented is subject to change at any time without notice and we do not intend to update this information except as required.

This document contains alternative performance measures which reflect how Glencore's management assesses the performance of the Group, including results that exclude certain items included in our reported results. Further details and information needed to reconcile such information to our reported results can be found in the section of this report entitled "Alternative Performance Measures". For further information on how we calculate certain non-financial metrics such as fatalities at our industrial operations, please refer to our latest Basis of Reporting, which is available on our website.

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Other information

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