

Slide 1: Cover slide

Hello everybody, and welcome to Rio Tinto's 2023 Results Meeting.

As usual, a couple of housekeeping items before we start proceedings. Can I please ask you to put your mobile phones to silent or turn them off, and secondly, for those here in the room today, there's no fire drill planned, if you hear a fire alarm please leave via the fire doors at the back or the front and follow the instructions of the fire marshals.

Jakob and Peter will present the key items of the results and the forward looking items for about 30 minutes, and then we'll have 45 minutes for Q&A.

Please limit yourself to one question and one follow up during that Q&A session.

Jakob, over to you.

Slide 4 Jakob Stausholm, Chief Executive

Thank you, Menno.

Good morning and good evening. Thank you for joining us.

The 23rd of January was the saddest day of my five and a half years at Rio Tinto.

On that day, a chartered plane crashed near Fort Smith in Canada.

We lost four colleagues from our Diavik mine and two airline crew members. We are completely devastated.

When I went to Diavik and Fort Smith, I saw how heart-breaking this tragedy is for their loved ones, our team and the whole community.

Our focus is on supporting everyone who has been affected, as the authorities continue to investigate what happened.

A tragedy like this puts everything into perspective.

It is a horrific reminder that nothing – absolutely nothing – is more important than safety.

Safety continues to be our top priority. Our work to evolve our culture and processes to ensure everyone, everywhere, goes home safely, every day, is never done.

Allow me a few moments of reflection. Thank you.

I also want to acknowledge and pay my respects to all Traditional Owners and First Nations people that host our operations around the world.

Slide 5 Attractive financials

Turning to our financials.

Our business is very robust. These attractive results show fundamental strength and stability.

We have a very profitable business – a 20% return on capital, despite a \$1.5 billion negative impact from lower commodity prices.

Our overall production has grown, we have achieved underlying earnings of \$11.8 billion, and we will return \$7.1 billion to our shareholders, equating to a 60% payout on the ordinary dividend.

And we have been investing with discipline to improve the health of our business for the long-term while consistently delivering through the year.

Even as we have stepped up our capital expenditure, made acquisitions and paid out a large dividend, our net debt is virtually unchanged from 2022, at \$4.2 billion.

We are resilient and we are improving our operations. Even better, there is so much more to come.

Slide 6 Delivering a stronger Rio Tinto for the long term

Our success starts with our clear understanding that we are a long-term business.

To deliver for the long-term, we are relentlessly following our purpose and four objectives: becoming best operator, achieving impeccable ESG credentials, excel in development, and deepening our social licence.

We are also investing in the health of our people, our assets, and our ore bodies.

Our culture drives performance, which is why we are developing a culture of trust, based upon our values of care, courage and curiosity.

We're making progress, enabling our people to improve performance by deepening the rollout of the safe production system.

At the same time, we're developing our portfolio to position our business for the future.

We have really stabilised and improved our iron ore business, both in terms of short-term delivery and strengthening our pipeline.

We're progressing projects in the Pilbara, including Western Range and Rhodes Ridge.

We're also achieving a balance across our portfolio, kicking copper into action with the ramp up of underground production at Oyu Tolgoi in Mongolia.

And we're evolving our aluminium business, providing our customers with recycled options through our Matalco joint venture.

We have a major challenge to repower our aluminium operations in Australia.

Today we announced the second agreement to provide some of the renewable power our Gladstone assets need.

And we're embedding co-design and co-management into our approach, working in partnership with communities and Indigenous People for mutual benefit.

For example, collaborating with the Yindjibarndi Energy Corporation to explore opportunities for renewable energy projects in the Pilbara.

Safe and empowered people, healthy assets, and a balanced portfolio, all underpinned by social licence.

This is essential for us to achieve healthy operational and financial performance, and deliver attractive returns over the long-term.

I'll now hand over to Peter to take you through the financials.

Slide 7: Peter Cunningham Chief Financial Officer

Thank you, Jakob.

Good morning and good evening everyone.

Slide 8: Resilient results

I'm really pleased to have the opportunity to present this set of results.

We've had good operational momentum with a steady improvement in our performance in the Pilbara, where we delivered iron ore shipments at the upper end of our guidance range.

We also had a strong start to underground operations at Oyu Tolgoi. And Kitimat has returned to full production.

But we do have a lot of work ahead of us – firstly, we still have some assets where we need to stabilise production – in 2023 IOC and Kennecott in particular faced challenges.

Secondly, we need to push on with the implementation of the Safe Production System, to deliver continuous productivity improvement in our operations.

In summary, there is significant value remaining to be unlocked from our existing assets.

On a net - net basis, our underlying EBITDA declined 9% to \$23.9 billion. Cash flow from operations remained strong at \$15.2 billion but we do need to bring down inventory. Free cash flow was \$7.7 billion after capital expenditure of \$7.1 billion.

Following dividends paid and funding of the Matalco transaction for just over \$700 million, we ended the year with net debt of \$4.2 billion – virtually unchanged from 2022.

Overall, we delivered a healthy return on capital employed of 20% on underlying earnings of \$11.8 billion.

This underpinned our decision to continue our eight-year record of declaring a 60% payout on the ordinary dividend, equating to \$7.1 billion.

We did have some one-off items – as I presented at the half year, we made an adjustment to the carrying value of our Gladstone alumina refineries.

In the second half, we increased the closure estimates for a number of closed assets, in particular ERA.

Slide 9: Financial strength is key in volatile markets

As ever, markets are the biggest determinant of annual volatility in our financials. 2023 was no different.

Overall the price impact was negative – although it is important to call out the stability of iron ore markets during the period.

Despite the Platts index being broadly flat, our realised iron ore price was actually 2% higher due to higher relativity of our lower grade products.

The copper market was largely stable year-on-year, with price declining 3%.

We have recently seen significant disruptions in mine supply, of around 1 million tonnes, resulting in much stronger concentrate markets.

We are also seeing the effects of the energy transition on demand coming through, particularly from the EV market.

Aluminium demand continues to increase, although at a lower rate. We saw our realised price come down by 18%, with lower LME price as well as market and product premia. The behaviour of the aluminium price reflects its increased exposure to consumer markets.

Slide 10: China's steel demand drivers are reshaping

Let me now provide some context to the iron ore price stability.

Critically, 2023 was the fourth year with Chinese steel production above 1 billion tonnes. The big driver was a significant increase in net steel exports, to 84 million tonnes, mainly to South East Asia.

China is also experiencing a fundamental change in demand.

As shown by the chart on the left, since 2019 we have seen a steady rise in its share of finished steel demand going into infrastructure, the energy sector and manufacturing, with property's share declining.

Turning now to the EBITDA movement.

Slide 11: Weaker prices offset volume gains-cost inflation gradually abating

In aggregate, commodity prices lowered EBITDA by \$1.5 billion, primarily driven by aluminium. Weaker local currencies, in Australia and Canada, offset this by around \$600 million.

The real positive in the period was a 3% rise in copper equivalent production.

The increase in Pilbara output was a big factor behind this growth and added \$600 million.

In copper we benefited from the Oyu Tolgoi underground ramp up. But there was some offset at Kennecott, due to a conveyor failure in the first half, and the planned rebuild of the smelter in the second and third quarters.

Aluminium production was 9% higher as Kitimat returned to full production. However, we are not yet seeing the extra metal volume flow into higher earnings due to the additional costs of the ramp up.

Reducing these is a key focus area for 2024.

So somewhat counterintuitively we are showing negative volume for aluminium which reflects lower Value Added Product sales of around \$100 million.

Our ongoing exploration and evaluation expenditure in 2023 was \$900 million, which compares with guidance of around \$1.0 billion.

We saw a significant step up in activities at Simandou which we continued to expense until the end of the third quarter.

Net - net E&E was around \$300 million higher than last year.

More broadly, however, other options are progressing and at the front end of the pipeline we now have the best exploration portfolio we have had for some time, having consistently invested in this area over the years.

The cost picture is covered by several bars on this chart, but let me try and summarise what we are seeing in broad terms.

Firstly, as foreseen at the half year, we did see the reversal of some market-based costs, particularly aluminium raw materials – you can see this on the first section of the chart.

Secondly, many of our costs are under contracts which renew periodically. As a consequence, the spike in inflation was only reflected in 2023, on renewal of these contracts. This process now looks to be largely complete.

Thirdly, we continue to see some cost pressures from tight labour markets, particularly the Pilbara, Quebec and Utah. Again, these are in the unit cost variance.

We have separated out the effects of the operational disruptions at Kennecott and IOC. You can see on the chart that drove up our unit costs to the tune of \$600 million.

Overall, we do believe a lot of the forces driving up costs are now starting to moderate, and we expect to see more stability in the cost base going forward.

Slide 12: Good cash generation, some impact from working capital

Our business continues to be highly cash generative.

This chart reconciles EBITDA and cash flow.

Our cash conversion ratio was 63% compared with 61% in 2022 when tax payments were substantially higher.

At the half year I did say I expected working capital to reduce in the second half but instead it stayed roughly flat.

We saw reductions in some areas such as raw materials, but the extended Kennecott smelter shut, and softness in the TiO₂ market, meant that the aggregate balance of inventory did not come down as expected.

This was compounded by the rise in the iron ore price late in the year, increasing balance sheet receivables – these were turned into cash in early 2024.

We also had lower dividends from equity accounted units, mostly related to Escondida.

Finally the major driver of provisions is closure. We have a number of active projects underway, with just under \$800 million spent in 2023.

Looking forward, we expect to spend around \$1 billion per year as we advance activities at the various sites. Spend will vary from year to year as we execute individual programs of work. And we continue to look at structural opportunities to reduce our closure exposure.

Slide 13: Resilient business on an improvement trajectory

Onto Product Group performance.

Iron ore had a strong year, its second highest on record for shipments. Gudai-Darri is at nameplate capacity and we are extracting more volumes from the Safe Production System, with a 5 million tonne uplift in 2023.

We are targeting another 5 million tonnes this year, with the combined 10 million tonne benefit

delivering significant incremental value to the business.

We expect a small increase in unit costs in 2024, reflecting ongoing tight labour markets in Western Australia, and costs associated with material movement and maintenance in our system.

We are building a much stronger Aluminium business. It was a tough year as the price dropped and margins compressed. However, Kitimat is now back to full capacity, and we are making investments in North America that will really strengthen this business for the future. These include investing in AP60 technology and in Matalco, with the latter giving us more exposure to recycled products.

As Jakob mentioned, it is really positive to see the Oyu Tolgoi mine investment start to pay off, with a ramp-up of production from the underground. And at Kennecott, our focus is to stabilise the operation, following completion of the smelter rebuild.

Lastly, it was a challenging year for Minerals from both an operational and market perspective. IOC lost one month of production in June due to wildfires, and we had some operational impacts in the third quarter.

Whilst at our Iron and Titanium Quebec operations, three furnaces remain offline in response to weak market conditions.

Slide 14: Consistent capital allocation balancing essential capex with shareholder returns and growth

Moving onto Capital allocation.

You have seen this slide showing our approach many times.

My key message today is nothing has changed.

Sustaining capital, high-returning replacement projects and decarbonisation remain our first priority, where we are forecasting around \$7 billion of spend per year, unchanged from previous guidance.

That is followed by the ordinary dividend and then compelling growth.

Slide 15: Building our portfolio for the long term

We believe that \$3 billion remains the right level for us to invest in growth.

Our largest project is expected to be our equity share of Simandou, while capex at Oyu Tolgoi underground will wind down as we complete key infrastructure investments.

We expect the remainder to be mainly invested in copper and lithium projects, some of which are yet to be sanctioned.

But, as I have said many times before, we will remain very disciplined.

Our investments in growth are highly dependent on the timing of commitments, but most importantly by our ability to generate value.

Slide 16: Simandou capital expenditure summary

Just turning now to the key financials for Simandou.

As previously guided, we saw \$900 million of spend incurred on the project in 2023, \$500 million of which is our share and \$400 million will be refunded by our Simfer JV partner, Chalco Iron Ore

Holdings.

This includes \$300 million of qualifying costs which we started to capitalise from 1 October.

In 2024 we expect our share of spend to be around \$2 billion.

I was pleased to have had the opportunity to visit the project last month and I must say that I was pretty impressed to see the progress being made.

Slide 17: Attractive dividends remain paramount

Finally, the dividend.

We have declared a 60% payout for the full year – which equates to \$7.1 billion, an attractive dividend yield of more than 6%.

We have remained very consistent with our shareholder returns policy, with a 60% payout on ordinary dividends and 71% total payout across the past eight years.

This highlights our continued discipline.

Our net debt is unchanged for the year and this financial strength means that we can accelerate our decarbonisation investment, reinvest for growth and continue to pay attractive dividends through the cycle.

With that, let me hand back to Jakob.

Slide 18 Jakob Stausholm, Chief Executive

Thank you, Peter.

Slide 19 We are delivering stable, profitable growth

Rio Tinto is opportunity-rich and well-positioned: our core markets are growing, we are at the heart of the energy transition, and new opportunities are emerging.

We're stretching our capabilities, but we're not doing more than we can execute.
This discipline allows us to pursue a stable and profitable growth pathway.

Our overall Copper Equivalent production was up by over 3% in 2023.
Based on our midpoint production guidance for 2024, we expect further 2% year-on-year growth.

It was only three years ago that we defined our four objectives - we had a lot of repair work to do then.

Now, we are going from strength to strength.
And we are just getting started.

Productivity at our Pilbara iron ore operations is really improving.
We had the second highest shipments on record and a 5 million tonne production uplift from the safe production system.

Meanwhile, we're on track to deliver 1 million tonnes of copper per annum by the end of the decade, with the ramp up of Oyu Tolgoi on track.

And decarbonisation remains at the heart of our strategy.

We are committed to reducing our Scope 1 & 2 emissions by 50% by 2030 and reaching net zero by 2050.

We are also working closely with our customers to help them beat their own targets, addressing our Scope 3.

We have said from the start this is both a huge challenge and opportunity and there is still uncertainty in the delivery.

But we have created more definition around how we'll achieve our targets and I believe we're finding an economical pathway in partnership with governments, customers and communities.

Slide 20 Decarbonisation: from strategy to action

On decarbonisation, we're moving from strategy and target setting to real action. And we're making these strides in a way that makes good business sense.

We're making progress with renewables. Most significantly, repowering our aluminium Pacific Operations – a hugely challenging but vital part of our decarbonisation pathway.

At the same time, we're using research and development to re-imagine our manufacturing processes, including a breakthrough piloting our BlueSmelting technology, which reduces emissions from processing ilmenite into titanium dioxide.

Our amazing R&D teams are also making progress in many areas, including Nuton for copper, and ELYSIS for aluminium.

Finally, we're developing our aluminium business to offer a full suite of options. The Matalco joint venture in North America provides our customers with recycled aluminium at scale, complementing our portfolio of low-carbon primary aluminium.

Slide 21 Future proofing out iron ore business

We're also making important progress to decarbonise our iron ore business.

We're working on over 50 projects to unlock the most sustainable and economic pathways for our iron ores, future-proofing our business in a way that makes good business sense.

We recently announced a partnership with BHP and BlueScope to develop Australia's first ironmaking Electric Smelting Furnace pilot plant. By sharing our capabilities and knowledge, we can accelerate our progress.

We're again leveraging our extensive R&D capabilities. We're excited about BioIron to support lower-carbon steelmaking.

Finally, we're using high-grade iron ore from Canada to help feed and accelerate low carbon steelmaking.

Slide 22 Unlocking the world's largest untapped high-grade iron ore deposit at Simandou

Simandou's high grade, low impurity formation is a rare opportunity to diversify and grow our portfolio, particularly as demand increases for grades suitable for greener steel.

At our investor day in December, we gave our estimate for our share of the capital expenditure needed to unlock this exceptional project.

And the Rio Tinto Board has this week approved the project subject to the remaining conditions being met.

This includes joint venture partner approvals and regulatory approvals from China and Guinea.

We are engaging with authorities in Guinea following the dissolution of the Government.

We have been in Guinea for 50 years and we have safely continued our operations throughout.

We expect that will continue to be the case.

We are working with our partners towards full sanction of Simandou and we are really excited about the progress.

Slide 23 Delivering a stronger Rio Tinto for the long term

We have much more work to do, but we're already well-positioned to continue delivering value for our shareholders.

At Rio Tinto, we are gradually changing the culture of our company.

It is a long journey. But in the last 3 weeks I have been to 6 assets, and I am pleased to see the culture change is really happening.

We are progressing towards a workplace where people feel included, respected, empowered, and step up and take accountability.

We are improving asset health, learning from still too many operational challenges, and improving access to ore bodies in close partnership with Traditional Owners.

And I hope those of you who joined us at our investor day got a taste of our exploration pipeline – one of the best we've ever had.

These are the foundations of our success – operational improvements with a learning mindset.

And, in parallel, developing a portfolio for the future with a focus on decarbonisation.

We are also delivering for today, with disciplined growth and attractive financials that allow us to reward our shareholders and invest in the health of our business.

Our business is robust, we are opportunity-rich, and the best is yet to come.

Thank you.