



Announcement of new Rio Tinto CEO – Simon Trott

Tuesday, 15 July 2025

Introduction

Tom Gallop (Rio Tinto Investor Relations): It's great to have everyone on the line today at short notice. I'm joined here by Dominic Barton, our Chair of the Board. Just a reminder that this call is for Analysts and Investors only. If you don't belong to one of these two groups, please kindly disconnect now.

Please note this call is being recorded and it is 30 minutes in total. There will be a short time for Q&A at the end for analysts and we'll limit it to one question per person in this time.

Many thanks, and with that, I'll hand over to our Chair, Dominic Barton.

Dominic Barton (Chair, Rio Tinto): Thank you very much. I hope everyone can hear me. I just wanted to make a few comments and then continue to open it up for any questions. I'm actually calling in from Singapore.

The team from London is having a challenge getting in because I was hoping to have Simon be able to say something, but I think he's just able to listen.

But again, really appreciate everyone joining. We are so excited to announce Simon Trott as our new CEO today. He's designated but will be the CEO in action on the 25th of August, so there's time for him, but also with Jakob in the transition, but, obviously, they know each other well.

I just wanted to really focus on two things. One is why Simon? And then maybe talk a little bit about the process that we have used. Maybe just to say again, we've had a lot of internal candidates to select from, and we also looked externally in this process. With Simon, we think we've got an outstanding leader to take us into the next era for Rio Tinto.

I've talked about this before, but I think the focus we have is clear in terms of the strategy. What Jakob had laid out in the December Capital Markets Day last year, in terms of our focus, the four areas, the iron ore, copper, aluminium and the lithium growth is kind of our area of focus.

We want to diversify a little more away from iron ore, but those are the core areas. And it's a growth approach that we have over the next 10 years with a lot of, I think, clear projects in the pipe to be able to deliver that.

The focus that we're most keen on right now with that strategy being said is around accelerating the operational performance and driving cost and financial discipline. We think there's a lot of value for shareholders that could be unlocked in that.

We also think, again, we have a lot of opportunities in the portfolio, the growth options, and we need to focus and deliver on the best of them. And we think Simon is the right leader to be able to take us through that.

As you know, he brings a deep understanding of mining and a track record of delivering operational excellence and creating value across the business. I'd say he's got a unique combination of depth of understanding of the business across the board, but also an innovation mindset. He challenges orthodoxies. And I think we saw that on many dimensions in his leadership in the iron ore business.

As you know, he came into role at a time of significant challenge on practically every front operationally, a lot of challenges with many different locations that weren't necessarily benchmarking themselves against each other and operating in an integrated manner.

We had effectively lost our licence to operate blowing up the Juukan Gorge. We'd lost our licence with many of the government stakeholders in the areas. And we also didn't have a big growth of options in, actually iron ore, as we looked out going forward, beyond 2030 in any significant way.

And what Simon has done systematically is address all of those issues on the operations side, on re-establishing relationships with Traditional Owners, and then unlocking Rhodes Ridge, ramping up Gudai-Darri to full capacity within one year of completing the commissioning. It's now running well over nameplate, delivering the Western Range mine, which we, a couple of weeks ago, just announced, again, on time and on budget.

Many of the sort of innovations that we're now taking across the system have come from there. It's not to say there weren't innovations in other parts of the business too, but Simon just has that combination of a deep understanding of the business with the kind of innovation and pushing for performance.

So we're very excited by this and the next stages. So, I think I probably should shut up there and let you guys, if there's any questions as we go through it, happy to answer any of that or try to now. Obviously, there'll be times for us to connect up, including with Simon, which I look forward to.

Alain Gabriel (Morgan Stanley): Thank you for the opportunity. Dominic the question I have, the first question is on the press release this morning and just your comments as well. There's a big focus on cost discipline and operational excellence. Where do you think are these big opportunities across your portfolio to deliver cost or operational improvements? And what would you or can you do differently there, or what Simon can do or would do differently there on these two dimensions? Thank you.

Dominic Barton: Well, thanks for the question. We think it's actually across the organization. It's not just focused in one particular area. We think it's on the operating performance side, there are opportunities. We've seen some, as I said, significant shifts and opportunities from the iron ore side. We're seeing that also on the aluminium side and we think there's more we can do as it relates to the copper piece.

So, number one, I think it's a broad range of things. I think the second part of it is our organization, which is quite complex and I think it's okay to have a complex organization with a complex set of businesses, but I think there's a lot of room to simplify what we do.

It was very interesting in all of the discussions we had with the different, particularly, the internal candidates. There was quite a strong common view that there's opportunities on that front in just simplifying the way we operate and work in having four key businesses or pillars, if you will, how to deal with the matrix, the functions, the regions and so forth.

We're operating in 35 countries. There's a lot of things that we must do to be able to operate effectively and have our licence to operate, but we think there's lots of opportunity to simplify that and improve how we do it.

Improving our decision speed, and certainly, costs related to that, but it's effectiveness as well as efficiency. I don't know if that gets at your question or not.

Lyndon Fagan (JPMorgan): Thanks for the opportunity and good afternoon Dominic. The press has quoted I guess the Board as saying the next CEO should be open to transformative merger and acquisition deals. I'm just wondering, Dominic, if you can comment on that aspect.

It's been all over the press. Is this a priority for you, specifically? And I guess if it is, how do you expect to see the business reshape? Thanks.

Dominic Barton: I think there's been a lot of different views in the media of what we're doing. I just want to underscore a couple of things. One is, we think there's a lot of opportunity in what we have in front of us in terms of the growth program that's being laid out, and on the operational performance, and the simplification and cost side. We think there's a lot we can actually do that's right in front of us that's directly within our control. That doesn't mean we shouldn't have eyes wide open in terms of what's happening in the rest of the industry and where it is.

But, for example, some of the media coverage was, if we picked X, that means we're going for it on M&A and if we pick Y, that doesn't mean -- that's just complete, honestly, nonsense on all of the four internal candidates. So I wouldn't be reading anything into that, other than that we say that there's a lot of opportunity in front of us that we think we can improve shareholder value, which I think we're keen to go after.

But again, that doesn't mean we shouldn't be eyes wide open in looking at opportunities, but we know that the bar is very high. If we're ever to consider something like that, the bar is very, very high, so that's kind of how we're looking at this.

Glyn Lawcock (Barrenjoey): Afternoon Dominic. Just maybe an extension to Lyndon's question a little bit then. So you've, obviously, been very aggressive in the lithium space with Arcadium and then the deals in Chile with Codelco, etcetera. Do you feel you've now got sufficient? And when you talk about diversifying away from iron ore, I think with your comments earlier, where does that lead to you think as a company? Thanks.

Dominic Barton: Thanks, Glyn. I think -- by the way, we're very excited about iron ore too. I don't want to say we're going to pick that. We think there's still going to remain a lot of opportunity there. It's just that we think a diversification to the non-iron ore and that, obviously, is the copper and aluminium and lithium. We think we're in the beginnings of that, but we think we've got a good portfolio there.

I think the Arcadium acquisition, and then some of the recent announcements related to Codelco and other areas in the Argentina-Chile area, we're excited about. I think the connection there is we need to just prioritize that. I think we always want to be careful with our capital allocation and our balance sheet in terms of how we grow the different aspects. So, we think that again, there's significant opportunity on lithium, but let's go step-by-step in terms of how we do it. And that'll be up to, obviously, Simon and the team and how they think about it. But we just want to keep the bar high on value creation as we go -- as we walk through that.

I don't know if I'm getting it, to your question Glyn, but I think it's -- we've got a lot of opportunities. We just need to make sure that the bar is high on the value and we prioritize them as we go through it. I think we've got lots of opportunities. We just need to be thoughtful on capital for the long term in our balance sheet.

Richard Hatch (Berenberg): Thanks very much for the call. I just guess it feels like cost and volume has been a theme which has been a focus for previous management. So, what are the

differences you're going to do under a new CEO? And is the company going to come out with some cost and value targets over the next set of results or two?

Dominic Barton: I think what's different is just that, in the last four to five years, I think the foundation has been built. What Jakob's done in the four core objectives, which we on the Board think were excellent, including the one around Best Operator. I still think that Jakob would say the same, we've got still a distance to go on that front. And we, I think the focus is, I think some of that's driven by organization simplification to be able to get at that.

I think rigorously applying some of the things that we've learned from the SPS program across the entire company is going to be an important area of focus, and I think this is something that Simon believes in as well, is something and wants to drive.

So I think that there are a number of things that will be the enablers, if you will, that he will want to use to help drive that. So I think it's kind of like, it's upshifting it, if you will, from where we've been today, and we actually see where those opportunities are.

Rob Stein (Macquarie): It would be nice to hear from Simon regarding his focus on strategy, but maybe Dom, you can attest to the messages he was trying to strike home in, obviously, the process. Is he looking to bed down current operations and keep the status quo? Obviously, you've got a large lithium division to integrate and to grow, or can we expect something a little bit different, in terms of how the company goes forward?

Dominic Barton: I would say that I think that Simon has a pretty clear view. Each of the people talked about what they wanted to focus on, what they thought the opportunities were, and I think he sees a lot of opportunity, again, on the operational performance, the simplification of things.

If you think about our organization model, it's one that hasn't been fundamentally shifted for a number of years. And I think when you're doing cultural change and so forth, you want to be careful with how many things you change at once, but I think there's some views about how to make that. It's not about just efficiency, it's effectiveness, how we could move more quickly and how we operate better together. I think he's got some very clear views and ideas on that that he kind of wants to push forward.

And I think it's just also in the area of digital, for example, what we might be able to do more of as a company on that front. There's been some very interesting initiatives underway. I think the notion is how to scale some of those.

So, it's, as I said, it's not kind of just doing the same thing harder or working harder on the same things. It's doing things differently, and I think he's got a pretty clear view of where the opportunities might be. And, obviously, he'll want to flesh that out and put it into a program, but it's early days, as you said. He'll take the role on August 25th, but we're quite excited by the ideas he has.

Lachlan Shaw (UBS): Good afternoon, Dominic. Thanks for your time. Just a quick one on the push on simplification. How do you think about that in terms of the portfolio and the assets? Is the current composition of the portfolio roughly where it needs to be or should we be anticipating perhaps some streamlining of that portfolio on a go-forward basis? Thank you.

Dominic Barton: Thanks for that, the question. I think that, again, there's an opportunity to think about simplification. I was thinking more, particularly, about the organization model of how we operate, but I think again, when we think about the capital allocation and where we see value and so forth, I think this is a chance to look at that. That will be up to Simon as he goes through it and sees it.

But I think, again, the notion of let's simplify what we do, let's be clear about where the market sees value and not. What we also see is future long-term value and so forth in that. So I think that we're looking at Simon's approach.

I think we should also hear from him as to how he wants to push that. But the simplification is primarily on the organization side.

Ian Rossouw (Barclays): Good morning. Thank you. Just a follow-up question on the portfolio diversification, when looking at M&A opportunities. Are there any commodities that would be out of bounds for Rios? Just wondering whether you would consider going back into steelmaking coal or thermal coal. Thank you.

Dominic Barton: I think we feel good about the focus we have. It's those for the energy transition. So, we like the four areas that we've picked, right? If you will, obviously, iron ore is critical for that and the energy transition, copper, aluminium, lithium. That's the focus of what we want to try and build out. And, again, but do it in a disciplined step-by-step way.

Grant Sporre (Bloomberg Intelligence): Good morning. Thanks for the opportunity to ask a question. My question is really, you've talked a lot about simplification, particularly, it seems to be you're alluding to the organizational structure. How will you and the Board gauge whether, perhaps you don't cut too far into some of the aspects which probably makes Rio unique? Coming from Rio, arguably has a bit more processing compared to some of the other mining companies. And that does add, in my opinion, a degree of complexity versus some of its peers, and with that you've probably built out an organizational structure to support that.

So while I understand you wanting to look at the overheads attached with that sort of organizational structure, there is a risk that you cut too far into the fabric of the organization that has been built up. So how will you, particularly the Board, gauge what the happy medium is going forward?

Dominic Barton: Thank you, Grant. I think first I would just say that, as you said, we don't want to do simplification in a sense for it and just make it -- how do I put it, sort of simplify but not think about the performance of the organization. I just get that we're excited by the processing businesses that we have. And I would agree with you that I think that can add complexity to it.

What I think we want to get at is where is it that we're doing business with ourselves, if you will, in that? And I think that's where there's opportunities in terms of the functions, for example, but we'll have to see that. We would want to be, I think as a Board, very careful about simplifying and that resulting in a strategic shift. I think the strategy has to drive the simplification.

And I think the other element is we also need to learn from previous exercises. In the past we've done what I've called the lawn mower approach, where it just reduces everything by 20%. That tends not to be sustainable if the grass grows back again. So it's getting at the root causes of where costs,

and I would also say, it's, again, about effectiveness as well as efficiency, where what's challenging around how we operate and where we work.

So, we would -- there would be lots of debate. If someone were coming back and said we're just going to simplify by just making it all look the same, I think that wouldn't fit the strategy, because there may be four commodities, but they are different in terms of how value is created in each of them. That's part of the strategy process that we've gone through. It's like how far down the value chain do you go in the different aspects of this, especially with all the changes going on. So that's driven by the strategy side.

I think a lot of the complexity -- I think the sense from the team -- is how can we try and improve that and then look at what other options we might have strategically.

Operator: Thank you. There are no further questions. I will hand the call back for closing remarks.

Dominic Barton: Thank you. I know we're at time. Just a thank you, and look, I feel badly at just giving like 30-second answers to really good deep questions. So I'm hoping we can follow up together, and obviously, with Simon live on the line. I think Simon is listening to all of this too that we hear, with the comments, but that we get a chance to engage on that. So look forward to doing that with you guys over the next little while. But thank you so much for dialling in on this and for your questions.

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