13 February 2025

South32 Limited
(Incorporated in Australia under the *Corporations Act 2001* (Cth))
(ACN 093 732 597)
ASX / LSE / JSE Share Code: S32 ADR: SOUHY
ISIN: AU000000S320
south32.net

APPENDIX 4D AND 2025 HALF YEAR FINANCIAL RESULTS AND OUTLOOK

South32 Limited (ASX, LSE, JSE: S32; ADR: SOUHY) (South32) provides the attached Appendix 4D and Financial Results and Outlook for the half year ended 31 December 2024 given to the Australian Securities Exchange under Listing Rule 4.2A.

The following reporting documents will be provided separately:

- Appendix 3A.1 – Notification of dividend
- 2025 Half Year Financial Results Presentation

South32 will hold a conference call at 8.30am Australian Western Standard Time to discuss the 2025 half year financial results material, the details of which are as follows:

Conference ID:
Please pre-register for this call at link. Following the conference call a recording will be available on the South32 website (https://www.south32.net/investors/presentations-speeches).

A video presentation by South32 Chief Executive Officer, Graham Kerr, will be made available on the South32 website (https://www.south32.net/news-media/latest-news).

About us

Our purpose is to make a difference by developing natural resources, improving people's lives now and for generations to come. We are trusted by our owners and partners to realise the potential of their resources. We produce minerals and metals critical to the world's energy transition from operations across the Americas, Australia and Southern Africa and we are discovering and responsibly developing our next generation of mines. We aspire to leave a positive legacy and build meaningful relationships with our partners and communities to create brighter futures together.

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Further information on South32 can be found at www.south32.net.

Approved for release to the market by Graham Kerr, Chief Executive Officer
JSE Sponsor: The Standard Bank of South Africa Limited
13 February 2025

APPENDIX 4D
SOUTH32 LIMITED

(ABN 84 093 732 597)

Results for announcement to the market

This page and the accompanying 59 pages comprise the half year end financial information given to the Australian Securities Exchange (ASX) under Listing Rule 4.2A. This statement includes the unaudited consolidated results of the South32 Group for the half year ended 31 December 2024 (H1 FY25) compared with the half year ended 31 December 2023 (H1 FY24).

The half year report should be read in conjunction with the Financial Report for the year ended 30 June 2024. Figures in italics indicate that an adjustment has been made since the financial information was previously reported.

US$M	H1 FY25	H1 FY24	% Change
Revenue from continuing operations[(a)]	**3,123**	*2,507*	25%
Profit/(loss) after tax attributable to members[(1)]	**360**	53	579%
Other financial measures			
Underlying revenue[(a)]	**3,850**	3,881	(1%)
Underlying earnings[(2)(a)]	**375**	40	838%

(a) On 29 August 2024, South32 sold its shareholding in Illawarra Metallurgical Coal to an entity owned by Golden Energy and Resources Pte Ltd and M Resources Pty Ltd[(3)]. As a result, Illawarra Metallurgical Coal was classified as a discontinued operation in the H1 FY25 and H1 FY24 restated results. Our Group underlying financial measures include the financial contribution from Illawarra Metallurgical Coal prior to its sale.

Net tangible assets per share

Net tangible assets per ordinary share were US$1.99 as at 31 December 2024 (US$1.94 as at 30 June 2024)[(4)].

Dividends

The Board has resolved to pay an interim dividend of US 3.4 cents per share (fully-franked) for the half year ended 31 December 2024.

The record date for determining entitlements to dividends is 7 March 2025; payment date is 3 April 2025.

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FINANCIAL RESULTS AND OUTLOOK HALF YEAR ENDED 31 DECEMBER 2024

ASX / LSE / JSE Share Code: S32; ADR: SOUHY

13 February 2025

South32 transforms portfolio, delivers earnings growth and increases shareholder returns

"We delivered a strong start to FY25, off the back of our improved operating performance and transformed portfolio.

"The sale of Illawarra Metallurgical Coal has unlocked significant value and streamlined our portfolio to be focused on minerals and metals critical to the world's energy transition. The sale has also simplified our business, lowered our sustaining capital intensity and strengthened our balance sheet, enabling us to self-fund our growth in zinc and copper.

"We invested to grow our future production during the period, as we continued construction of our large-scale, long-life Taylor zinc-lead-silver project at Hermosa in Arizona, United States, and expanded our pipeline of copper exploration options in highly prospective regions.

"We achieved strong operating results across our portfolio in H1 FY25, including increasing aluminium production by 5 per cent and copper production by 16 per cent. This enabled the Group to capitalise on improved commodity prices, with Underlying EBITDA increasing by 44 per cent to US$1 billion in H1 FY25.

"FY25 production guidance remains unchanged, except for Mozal Aluminium where we have updated production guidance as we continue to mitigate the impact of civil unrest in Mozambique. Our operating discipline and weaker producer currencies are expected to support lower operating unit costs for the majority of our guided operations in H2 FY25.

"Demonstrating our strong financial position, track record of returning excess capital to shareholders and positive outlook for the business, today we announced a fully-franked interim ordinary dividend of US$154 million (US 3.4 cents per share) and the continuation of our capital management program, with US$171 million remaining to be returned to shareholders.

"We are focused on continuing our strong operating performance into the second half, unlocking value from our growth pipeline and continuing to reward shareholders as our financial performance improves."

Graham Kerr, South32 CEO

Financial Highlights

US$M	H1 FY25	H1 FY24	% Change
Revenue from continuing operations(5)	**3,123**	*2,507*	25%
Operating profit/(loss) from continuing operations(5)	**520**	*(52)*	N/A
Profit/(loss) after tax	**359**	53	577%
Profit/(loss) after tax attributable to members(1)	**360**	53	579%
Basic earnings/(loss) per share (US cents)(6)	**8.0**	1.2	567%
Ordinary dividends per share (US cents)(7)	**3.4**	0.4	750%
Other financial measures			
Underlying revenue(8)(9)	**3,850**	3,881	(1%)
Underlying EBITDA(8)(10)	**1,018**	708	44%
Underlying EBITDA margin(8)(11)	**27.5%**	19.0%	8.5%
Underlying EBIT(8)(10)	**663**	236	181%
Underlying EBIT margin(8)(12)	**18.0%**	6.1%	11.9%
Underlying earnings(2)(8)(10)	**375**	40	838%
Basic Underlying earnings per share (US cents)(6)(8)	**8.3**	0.9	822%
ROIC(8)(13)	**9.0%**	1.3%	7.7%
Ordinary shares on issue (million)	**4,517**	4,529	(0.3%)

Safety performance

On 17 September 2024, Mr José Luis Pérez was fatally injured in an incident at Cerro Matoso where he was due to perform a scaffold maintenance task. Our deepest sympathies remain with Mr Pérez's family and colleagues to whom we are continuing to provide support. An investigation into the incident was completed in Q2 FY25 and we are engaging with the relevant authorities. Key learnings from the incident have been shared across our organisation, and improvement actions are underway.

We remain united by our belief that everyone can go home safe and well every day. We continued to implement our multi-year Safety Improvement Program during H1 FY25. This includes our investment in safety leadership through our LEAD Safely Every Day program which is being extended to frontline employees, contractors that perform high-risk work at our operations, and functional roles that support them.

Our LEAD Safely Every Day program has supported measurable improvements in our safety performance, with total recordable injury frequency (TRIF)[(14)] for H1 FY25 improving by 31% to 3.5 (FY24: 5.1), and lost time injury frequency (LTIF)[(15)] reducing to 1.3 in H1 FY25 (FY24: 1.9). Our leading indicator, significant hazard frequency[(16)], increased to 167.0 for H1 FY25 (FY24: 122.3), indicating improved hazard awareness and a positive reporting culture.

Health and safety performance

Performance metric	H1 FY25	FY24
Fatalities from health and safety incidents	**1**	0
Total lost time injury frequency (LTIF)	**1.3**	1.9
Total recordable injury frequency (TRIF)	**3.5**	5.1
Total significant hazard frequency	**167.0**	122.3

People and culture

An inclusive culture and diverse workforce supports greater collaboration, innovation and performance. Building and maintaining a workforce that represents the communities in which we operate, especially recruiting more women into operational roles, is an industry-wide challenge that we are working to address.

We track our inclusion and diversity performance against a series of measurable objectives as described in the table below.

Inclusion and diversity performance

Diversity representation (%)	FY25 measurable objective	H1 FY25	FY24
Women in our workforce	Achieve at least 23.0%	**22.7**	20.6
Women on our Board	Maintain at least 40%	**55.6**	50.0
Women in Lead Team	Maintain at least 40%	**50.0**	50.0
Women in leadership roles[(17)]	Achieve at least 24.1%	**23.4**	23.6
Local workforce diversity[(18)]	Achieve at least 4 of 5 metrics	**3**	N/A

Addressing climate change

We have set a target to halve our operational greenhouse gas (GHG) emissions (Scope 1 and 2) by 2035[(19)], against our FY21 baseline[(20)(21)], and a long-term goal[(22)] to achieve net zero GHG emissions across all scopes (Scope 1, 2 and 3) by 2050. Our approach to climate change is focused on reshaping our portfolio to commodities critical to a low-carbon future, decarbonising our operations, working with others to decarbonise the value chain, and understanding and responding to the potential physical impacts of climate change.

Our second Climate Change Action Plan, to be released in August 2025, will detail our approach and the actions we are taking to address the risks and opportunities that climate change presents for our business.

Our estimated operational GHG emissions declined by 9% to 9.5Mt CO_2-e in H1 FY25, reflecting the sale of Illawarra Metallurgical Coal in August 2024.

Greenhouse gas emissions

Million tonnes of CO_2 equivalent	H1 FY25	H1 FY24
Operational GHG emissions	**9.5**	10.4

Business performance

Aluminium value chain

Alumina

Alumina production declined by 2% in H1 FY25 to 2.5Mt, as improved plant availability at Brazil Alumina was offset by constrained bauxite supply at Worsley Alumina due to delayed approvals for new mining areas. FY25 production guidance remains unchanged at 5.1Mt.

Underlying EBITDA[23] increased by US$364M to US$543M in H1 FY25, for an operating margin of 41%, as a 53% increase in our average realised price of alumina more than offset higher caustic soda costs at Worsley Alumina.

Worsley Alumina has now received primary State[24] and Federal[25] environmental approvals for the Worsley Mine Development Project (the Project). The Project will enable access to bauxite to sustain production at Worsley Alumina, with mining of bauxite areas located near our existing operations expected to commence in Q4 FY25. We will now also commence the development of new mining areas that are expected to sustain production to at least FY36[26].

Aluminium

Aluminium production increased by 5% to 604kt in H1 FY25, as Hillside Aluminium continued to test its maximum technical capacity, and low-carbon aluminium[27] production from Brazil Aluminium and Mozal Aluminium increased by 12%.

FY25 production guidance for Hillside Aluminium (720kt[28]) and Brazil Aluminium (130kt) remains unchanged. FY25 production guidance for Mozal Aluminium has been updated to 350kt[28] (previously 360kt[28][29]), subject to further potential impacts of civil unrest in Mozambique.

Underlying EBITDA[23] increased by US$160M to US$136M in H1 FY25, for an operating margin of 8%, as a 16% increase in our average realised price of aluminium and lower smelter raw material input prices (coke and pitch), more than offset higher alumina prices.

Base metals

Copper

Sierra Gorda payable copper equivalent production[30] increased by 21% to 46.4kt in H1 FY25, due to improved ore quality in the current phase of the mine plan. FY25 production guidance remains unchanged at 84.8kt payable copper equivalent (copper 70.0kt, molybdenum 1.3kt, gold 25.0koz and silver 550koz).

Underlying EBITDA increased by US$98M to US$215M in H1 FY25, for an operating margin of 53%, due to higher average metals prices and lower labour costs.

Sierra Gorda continued to invest in studies and exploration to grow future copper production, including a feasibility study for the fourth grinding line project which has the potential to increase plant throughput by ~20% to ~58Mtpa (100% basis). The feasibility study and a final investment decision by the joint venture partners is expected in H1 FY26.

Across our broader portfolio, we invested US$18M in greenfield exploration programs in H1 FY25, as we work to discover our next generation of base metals mines.

We also expanded our pipeline of copper exploration options in highly prospective regions. We entered into a strategic alliance with Noronex Limited to explore for copper in the Kalahari copper belt, Namibia, and acquired a 19.9% interest in American Eagle Gold Corp., which holds an option to acquire a 100% interest in the Nakinilerak copper exploration prospect in British Columbia, Canada.

Zinc

Cannington payable zinc equivalent production[31] decreased by 17% to 129.9kt in H1 FY25, as the operation managed increased underground activity and complexity which is expected to continue to drive variability in quarterly performance. FY25 production guidance remains unchanged at 265.4kt payable zinc equivalent (silver 11,300koz, lead 100.0kt and zinc 50.0kt).

Underlying EBITDA decreased by US$17M to US$130M in H1 FY25, for an operating margin of 40%, as higher average realised metal prices were more than offset by additional mining costs to deliver planned underground activity.

We invested US$248M at Hermosa in H1 FY25, as we progressed construction of our large-scale, long-life Taylor zinc-lead-silver project, which is expected to deliver attractive returns over multiple decades[32] and unlock value for future growth options at Hermosa.

These options include our Clark battery-grade manganese deposit, where we progressed construction of an exploration decline which will enable access to ore for future demonstration scale production, and further underground exploration.

We also directed US$16M to capitalised exploration at Hermosa in H1 FY25 as we continued to test the potential for a continuous copper system connecting the Peake copper deposit[33] and Taylor Deeps.

Nickel

Cerro Matoso payable nickel production increased by 1% to 18.5kt in H1 FY25. FY25 production guidance remains unchanged at 35.0kt.

Underlying EBITDA increased by US$22M to US$39M in H1 FY25, for an operating margin of 16%, as the realisation of cost efficiencies, lower price-linked royalties and a weaker Colombian peso, more than offset local inflationary pressures.

In Q2 FY24, we commenced a strategic review of Cerro Matoso in response to structural changes in the nickel market that have placed pressure on both nickel prices and discounts for our ferronickel product. While the strategic review has identified improvement options that have the potential to enhance the operation's competitive position, the expected returns from these investments do not currently support the allocation of capital in accordance with our capital management framework and strategy. As a result, we have commenced a process to investigate the potential divestment of Cerro Matoso. In parallel, we will continue to target further cost efficiencies to mitigate the impact of lower planned nickel grades in accordance with the mine plan.

Manganese

Australia Manganese

Australia Manganese continued to implement its operational recovery plan following the impact of Tropical Cyclone Megan in Q3 FY24.

A substantial dewatering program continued during H1 FY25, which has enabled access to certain mining pits and a phased restart of mining activities. Production from the primary concentrator resumed in Q2 FY25 with saleable production of 639kwmt. FY25 production guidance remains unchanged at 1,000kwmt, with production expected to continue at limited rates in H2 FY25.

We also progressed the demolition of undersea structures and commenced installing pilings for the new wharf. While we have experienced some weather related delays, we are looking to mitigate these through pilings installation productivity improvements.

Subject to further potential impacts from the wet season, export sales are expected to progressively increase over Q4 FY25.

Capital expenditure was US$47M in H1 FY25 and guidance remains unchanged at US$125M in FY25 as we invest in infrastructure to deliver the operational recovery plan.

Australia Manganese has received external insurance payments of US$250M (100% basis) to date[34]. We continue to work with our insurers to assess the timing and value of further recoveries in relation to the impact of Tropical Cyclone Megan.

Underlying EBITDA was a loss of US$31M in H1 FY25 due to the impact of Tropical Cyclone Megan. Separately, we incurred idle capacity and other remediation costs of US$74M that were excluded from Underlying EBITDA as an earnings adjustment.

South Africa Manganese

South Africa Manganese production decreased by 3% to 1,082kwmt in H1 FY25, as we reduced our use of higher cost trucking and undertook a temporary shut at our Wessels mine in Q2 FY25, in response to market conditions. While FY25 production guidance remains unchanged at 2,000kwmt, we will continue to monitor and respond to market conditions.

Underlying EBITDA[23] increased by US$14M to US$28M in H1 FY25, for an operating margin of 15%, as higher average realised manganese prices, more than offset a stronger South African rand and local inflationary pressures.

Financial performance

Profit and Loss

The Group's profit after tax attributable to members[1] increased by US$307M to US$360M in H1 FY25, as we delivered strong operating results and capitalised on improved commodity prices. Underlying earnings[2] increased by US$335M to US$375M in H1 FY25. A reconciliation of profit/(loss) to Underlying earnings is set out on page 8.

Underlying EBITDA increased by US$310M (or 44%) to US$1,018M, for a Group operating margin[11] of 27.5% (H1 FY24: 19.0%). Our strong financial results were driven by higher sales volumes of aluminium and copper (+US$203M) and higher average commodity prices (+US$627M), which more than offset lower contributions from steel-making commodities following the sale of Illawarra Metallurgical Coal (-US$80M) and the impact of Tropical Cyclone Megan at Australia Manganese (-US$101M).

Underlying EBIT increased by US$427M to US$663M in H1 FY25, as Underlying depreciation and amortisation decreased by US$117M to US$355M following the sale of Illawarra Metallurgical Coal and the temporary suspension of operations at Australia Manganese.

Cash Flow

Group free cash flow from operations, excluding equity accounted investments (EAIs), improved by US$361M for an outflow of US$116M in H1 FY25, as a significant increase in profitability, and lower sustaining capital expenditure following the sale of Illawarra Metallurgical Coal, more than offset our investment in growth at Hermosa.

Separately, we received net distributions[35] of US$86M from our Sierra Gorda EAI in H1 FY25 (H1 FY24:US$18M), and provided US$63M of funding to our manganese EAI in H1 FY25 to support the operational recovery plan at Australia Manganese.

Group capital expenditure, excluding EAIs and exploration and intangibles, decreased by US$110M to US$457M as lower sustaining capital expenditure (-US$145M), more than offset an increase in growth capital expenditure at Hermosa (+US$60M). We expect to invest US$895M in Group capital expenditure, excluding EAIs and Illawarra Metallurgical Coal, in FY25.

Capital expenditure for our manganese EAI was US$72M in H1 FY25 and is expected to be US$170M in FY25 as we continue our investment in infrastructure to deliver the operational recovery plan at Australia Manganese.

Capital expenditure for our Sierra Gorda EAI was US$106M in H1 FY25 and is expected to be US$210M in FY25 as the operation continues deferred stripping activity and progresses the feasibility study for the fourth grinding line project.

We returned US$169M to shareholders in H1 FY25, with US$140M in fully-franked ordinary dividends in respect of H2 FY24, and US$29M via our on-market share buy-back.

Balance Sheet

Group net debt decreased by US$715M to US$47M in H1 FY25, as improved profitability, and the sale of Illawarra Metallurgical Coal (+US$938M[36]), more than offset our investment in growth at Hermosa (-US$248M) and returns to shareholders (-US$169M).

Our strong financial position was achieved despite a build in working capital of US$267M in H1 FY25, predominantly due to an increase in inventories and elevated trade receivables at period end due to higher commodity prices and the timing of shipments in Q2 FY25.

Dividends and Capital Management

Our unchanged capital management framework supports investment in our business and rewards shareholders as our financial performance improves. Consistent with our policy to distribute a minimum 40% of Underlying earnings as ordinary dividends, the Board has resolved to pay a fully-franked interim ordinary dividend of US 3.4 cents per share (US$154M) in respect of H1 FY25, representing 41% of Underlying earnings.

Reflecting our strong financial position and track record of returning excess capital to shareholders, we will continue returns under our US$2.5B capital management program via our on-market share buy-back in H2 FY25. Our capital management program has US$171M remaining to be returned to shareholders ahead of its extension or expiry on 12 September 2025[37].

Earnings reconciliation

The Group's profit after tax attributable to members increased by US$307M to US$360M in H1 FY25. Underlying earnings[2] increased by US$335M to US$375M in H1 FY25.

Consistent with our accounting policies, various items are excluded from the Group's profit/(loss) to derive Underlying earnings. Total adjustments to derive Underlying EBIT (US$143M), shown in the table below, include:

- Joint venture adjustments (US$22M): to reconcile the equity accounting position to a proportional consolidation basis for Sierra Gorda (+US$51M) and our manganese EAI (-US$29M). For Australia Manganese, this included adjustments for idle capacity and other remediation costs (+US$74M), and external insurance recoveries (-US$150M) in relation to the impact of Tropical Cyclone Megan;
- Net loss on the disposal of subsidiaries and joint operations (US$47M): recognition of loss on disposal of Illawarra Metallurgical Coal, which had been previously recognised as a discontinued operation in FY24;
- Net impairment loss of financial assets (US$71M): periodic revaluation of the shareholder loan receivable from Sierra Gorda. An offsetting amount is recorded in the Sierra Gorda joint venture adjustments noted above; and
- Gains on non-trading derivative instruments, contingent consideration and other investments measured at fair value through profit and loss (-US$4M): revaluation of the contingent consideration receivable[38] from the sale of Illawarra Metallurgical Coal due to higher metallurgical coal prices (-US$53M). This was largely offset by the revaluation of the contingent consideration payable[39] in relation to our acquisition of Sierra Gorda, as we expect to make a contingent payment in relation to CY25 performance (+US$50M).

Further information on these adjustments is included on page 43.

Profit/(loss) to Underlying EBITDA reconciliation[8]

US$M	H1 FY25	H1 FY24
Operating profit/(loss) from continuing operations	**520**	*(52)*
Operating profit/(loss) from a discontinued operation	**–**	*127*
Adjustments to derive Underlying EBIT:		
Joint venture adjustments[40]	**22**	118
Net (gains)/losses on the disposal of subsidiaries and joint operations	**47**	–
Exchange rate (gains)/losses on the restatement of monetary items	**7**	13
Net impairment loss/(reversal) of financial assets	**71**	48
Gains on non-trading derivative instruments, contingent consideration and other investments measured at fair value through profit and loss	**(4)**	(18)
Total adjustments to derive Underlying EBIT	**143**	161
Underlying EBIT	**663**	236
Underlying depreciation and amortisation	**355**	472
Underlying EBITDA	**1,018**	708

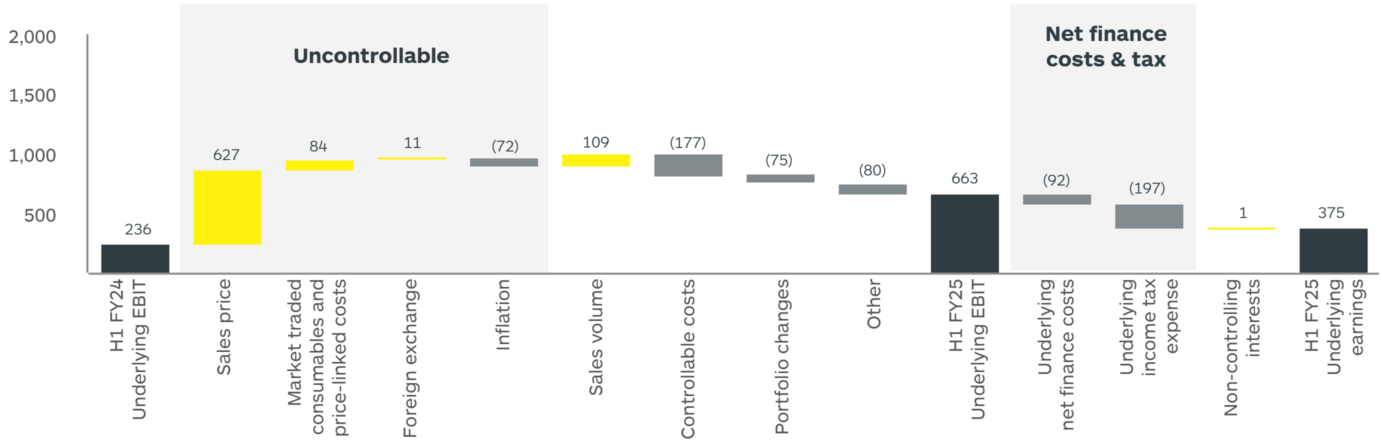
Profit/(loss) to Underlying earnings reconciliation[8]

US$M	H1 FY25	H1 FY24
Profit/(loss) after tax attributable to members	**360**	53
Total adjustments to derive Underlying EBIT	**143**	161
Total adjustments to derive Underlying net finance costs	**(152)**	(109)
Total adjustments to derive Underlying income and royalty related tax expense	**24**	(65)
Underlying earnings[2]	**375**	40

Earnings analysis

The following key factors influenced Underlying EBIT in H1 FY25, relative to H1 FY24.

Reconciliation of movements in Underlying EBIT (US$M)[(10)(41)(42)(43)]



Earnings analysis	US$M	Commentary
H1 FY24 Underlying EBIT	**236**	
Change in sales price	627	Higher average realised prices for our commodities, including: Alumina (+US$282M) Aluminium (+US$223M) Copper (+US$39M), silver (+US$36M) and zinc (+US$16M)
Net impact of price-linked costs	84	Lower aluminium smelter raw material input prices (coke and pitch) (+US$56M) Lower electricity prices at Brazil Aluminium (+US$18M) Lower price-linked royalties at Cerro Matoso (+US$16M)
Change in exchange rates	11	Weaker Brazilian real (+US$29M) and Chilean peso (+US$13M) Partially offset by a stronger South African rand (-US$28M) and Australian dollar (-US$8M)
Change in inflation	(72)	Inflation-linked indexation of our Southern African aluminium smelter electricity prices (-US$17M) General inflation across Southern Africa (-US$20M), Australia (-US$18M) and South America (-US$17M)
Change in sales volume	109	Higher volumes at Hillside Aluminium (+US$93M), Brazil Aluminium (+US$47M), Sierra Gorda (+US$44M) and Mozal Aluminium (+US$19M) Partially offset by lower volumes at Worsley Alumina (-US$61M) and Cannington (-US$40M)
Controllable costs	(177)	Drawdown of finished goods inventory at Hillside Aluminium (-US$73M) and Sierra Gorda (-US$7M), supporting higher sales volumes Inventory and volume related movements at Brazil Aluminium (-US$42M) as the smelter continues to ramp-up toward nameplate capacity Additional planned maintenance and contractor costs (-US$64M), most notably at Hillside Aluminium, Brazil Alumina and Mozal Aluminium Higher caustic consumption at Worsley Alumina (-US$21M) primarily due to lower quality bauxite in the current mining areas as a result of delayed mining approvals Partially offset by cost efficiencies at Cerro Matoso (+US$22M) and lower labour costs at Sierra Gorda (+US$17M), following the prior period's one-off workforce payment
Portfolio changes	(75)	Reduced contribution from Illawarra Metallurgical Coal following its sale in August 2024 (-US$80M) Lower costs following the divestment of our interest in Eagle Downs in August 2024 (+US$5M)
Other	(80)	Reduced contribution from Australia Manganese due to Tropical Cyclone Megan (-US$101M) Higher third party product and services EBIT (+US$10M)
H1 FY25 Underlying EBIT	**663**	

Net finance income/(costs)

The Group's Underlying net finance costs decreased by US$26M to US$92M in H1 FY25. These costs primarily comprised the unwinding of the discount applied to our closure and rehabilitation provisions (US$65M), interest on lease liabilities (US$29M) largely for our multi-fuel co-generation facility at Worsley Alumina, and interest on our US$700M of senior unsecured notes (US$16M).

Underlying net finance costs reconciliation

US$M	H1 FY25	H1 FY24
Unwind of discount applied to closure and rehabilitation provisions	**(65)**	(76)
Interest on lease liabilities	**(29)**	(28)
Interest on senior unsecured notes	**(16)**	(16)
Other	**18**	2
Underlying net finance costs	**(92)**	(118)
Add back earnings adjustment for exchange rate variations on net debt	**37**	(1)
Joint venture adjustments[(40)]	**115**	110
Total adjustments to derive Underlying net finance costs	**152**	109
Remove net finance costs from a discontinued operation	**3**	3
Net finance income/(costs)	**63**	(6)

Tax expense

The Group's Underlying income tax and royalty related taxation expense, which includes our material EAIs, increased by US$119M to US$197M in H1 FY25, for an Underlying effective tax rate (ETR)[(44)] of 33.7% (FY24: 38.8%). Our Group Underlying ETR reflects the corporate tax rates[(45)] and royalty related taxes[(46)] of the jurisdictions in which we operate and our geographical earnings mix.

The Underlying ETR for our manganese business was 0% in H1 FY25, reflecting the temporary suspension of operations at Australia Manganese due to Tropical Cyclone Megan. The Underlying ETR for our Sierra Gorda EAI was 18.9% in H1 FY25, reflecting royalty related tax[(46)], and the reversal of a prior period accrual.

Underlying income tax and royalty related taxation expense reconciliation[(8)]

US$M	H1 FY25	H1 FY24
Underlying EBIT	**663**	236
Include: Underlying net finance costs	**(92)**	(118)
Remove: Share of (profit)/loss of EAIs	**13**	11
Underlying profit/(loss) before tax	**584**	129
Income tax expense/(benefit) from continuing operations	**210**	(32)
Income tax expense/(benefit) from a discontinued operation	**11**	45
Tax effect of other adjustments to derive Underlying EBIT	**–**	4
Tax effect of other adjustments to derive Underlying net finance costs	**(11)**	1
Exchange rate variations on tax balances	**(20)**	20
Joint venture adjustments relating to income tax[(40)]	**(1)**	18
Joint venture adjustments relating to royalty related tax[(40)]	**8**	22
Total adjustments to derive Underlying income tax (expense)/benefit	**(24)**	65
Underlying income tax expense/(benefit)	**197**	78
Underlying effective tax rate	**33.7%**	60.5%

Cash flow

Group free cash flow from operations, excluding EAIs, improved by US$361M for an outflow of US$116M in H1 FY25, as a significant increase in profitability, and lower sustaining capital expenditure (-US$145M) following the sale of Illawarra Metallurgical Coal, more than offset our investment in growth at Hermosa (+US$60M).

Working capital increased by US$267M due to an increase in inventories and elevated trade receivables at period end due to higher commodity prices and the timing of shipments in Q2 FY25.

Separately, we received net distributions[35] of US$86M from our Sierra Gorda EAI in H1 FY25 (H1 FY24: US$18M), and provided US$63M of funding to our manganese EAI in H1 FY25 to support the operational recovery plan at Australia Manganese.

Free cash flow from operations excluding EAIs

US$M	H1 FY25	H1 FY24
Operating profit/(loss) from continuing and discontinued operations	**520**	75
Non-cash or non-operating items	**280**	421
Share of (profit)/loss from EAIs	**(80)**	9
Loss from sale of operations	**47**	–
Change in working capital	**(267)**	(276)
Cash generated from operations	**500**	229
Total capital expenditure, excluding EAIs, including intangibles and capitalised exploration	**(478)**	(584)
Operating cash flows generated from operations after capital expenditure	**22**	(355)
Net interest paid[47]	**(22)**	(26)
Income tax paid	**(116)**	(96)
Free cash flow from operations	**(116)**	(477)

Working capital movement

US$M	H1 FY25	Commentary
Trade and other receivables	**(10)**	Reflected elevated receivables at the end of the period due to higher commodity prices and the timing of shipments
Inventories	**(115)**	Reflected an increase in inventories in our aluminium value chain due to higher commodity prices
Trade and other payables	**(95)**	Reflected the timing of payments to suppliers
Provisions and other liabilities	**(47)**	Reflected the timing of payments and revaluation of provisions
Total working capital movement	**(267)**	

Capital expenditure

The Group's capital expenditure[48], excluding EAIs, decreased by US$106M to US$478M in H1 FY25, as lower sustaining capital expenditure following the sale of Illawarra Metallurgical Coal was partially offset by our investment in growth at Hermosa:

- Safe and reliable capital expenditure, including Illawarra Metallurgical Coal (US$57M), decreased by US$145M to US$190M;
- Improvement and life extension capital expenditure decreased by US$20M to US$19M, with activity for new mining areas at Worsley Alumina to increase in H2 FY25 following the receipt of environmental approvals;
- Growth capital expenditure increased by US$60M to US$248M at Hermosa, as we progressed construction of the Taylor zinc-lead-silver project and an exploration decline for the Clark battery-grade manganese deposit; and
- Intangibles and capitalised exploration expenditure was US$21M, as we completed multiple exploration programs across our portfolio focused on base metals.

Our share of capital expenditure for our material EAIs increased by US$15M to US$185M in H1 FY25:

- Capital expenditure for our Sierra Gorda EAI increased by US$9M to US$113M, as the operation continued its investment in deferred stripping and the feasibility study for the fourth grinding line project; and
- Capital expenditure for our manganese EAIs increased by US$6M to US$72M, as Australia Manganese invested in infrastructure to deliver the operational recovery plan.

Capital expenditure (South32 share)[43][48]

US$M	H1 FY25	H1 FY24
Safe and reliable capital expenditure	**(133)**	(155)
Improvement and life extension capital expenditure	**(19)**	(39)
Growth capital expenditure	**(248)**	(188)
Intangibles and the capitalisation of exploration expenditure	**(21)**	(17)
Discontinued operation - Illawarra Metallurgical Coal	**(57)**	(185)
Total capital expenditure (excluding EAIs)	**(478)**	(584)
EAIs capital expenditure	**(185)**	(170)
Total capital expenditure (including EAIs)	**(663)**	(754)

Balance sheet

Group net debt decreased by US$715M to US$47M in H1 FY25, as improved profitability, and the sale of Illawarra Metallurgical Coal (+US$938M[36]), more than offset our investment in growth at Hermosa (-US$248M) and returns to shareholders (-US$169M).

We continue to prioritise a strong balance sheet and investment grade credit rating through the cycle. Our current BBB+/Baa1 credit ratings were re-affirmed by S&P Global Ratings and Moody's respectively during CY24. We also retain access to significant liquidity, having successfully extended our undrawn sustainability-linked revolving credit facility of US$1.4B to December 2028.

Net debt

US$M	H1 FY25	FY24
Cash and cash equivalents	**1,600**	842
Lease liabilities	**(660)**	(710)
Other interest bearing liabilities	**(987)**	(894)
Net debt[a]	**(47)**	(762)

(a) FY24 net debt includes Illawarra Metallurgical Coal and Eagle Downs metallurgical coal which were classified as held for sale.

Dividends and capital management

Our unchanged capital management framework supports investment in our business and is designed to reward shareholders as our financial performance improves. Consistent with our policy to distribute a minimum 40% of Underlying earnings as ordinary dividends, the Board has resolved to pay a fully-franked interim ordinary dividend of US 3.4 cents per share (US$154M) in respect of H1 FY25, representing 41% of Underlying earnings.

Reflecting our strong financial position and track record of returning excess capital to shareholders, we will continue returns under our US$2.5B capital management program via our on-market share buy-back in H2 FY25. Our capital management program has US$171M remaining to be returned to shareholders ahead of its extension or expiry on 12 September 2025[37].

Dividends announced

Period	Dividend per share (US cents)	US$M	Franking	Pay-out ratio
H1 FY23	4.9	224	100%	40%
H2 FY23	3.2	145	100%	41%
H1 FY24	0.4	18	100%	45%
H2 FY24	3.1	140	100%	41%
H1 FY25	3.4	154	100%	41%

South32 shareholders registered on the South African branch register will not be able to dematerialise or rematerialise their shareholdings between 5 and 7 March 2025 (both dates inclusive), nor will transfers to/from the South African branch register be permitted between 27 February and 7 March 2025 (both dates inclusive).

Details of the currency exchange rates applicable for the dividend will be announced to the relevant stock exchanges. Further dividend information is available on our website (www.south32.net).

South32 American Depositary Receipts (ADRs) each represent five fully paid ordinary shares in South32 and ADR holders will receive dividends accordingly, subject to the terms of the Depositary Agreement.

Dividend timetable	Date
Announce currency conversion into South African rand	28 February 2025
Last day to trade cum dividend on the Johannesburg Stock Exchange (JSE)	4 March 2025
Ex-dividend date on the JSE	5 March 2025
Ex-dividend date on the ASX and London Stock Exchange (LSE)	6 March 2025
Record date (including currency election date for ASX)	7 March 2025
Payment date	3 April 2025

OUTLOOK

Production

All FY25 production guidance remains unchanged, except for Mozal Aluminium where production guidance has been updated to 350kt[28] (previously 360kt[28][29]), subject to further potential impacts of civil unrest in Mozambique.

Production guidance (South32 share)[43]

	H1 FY25	FY25e[a]	FY26e[a]	Key FY25 guidance assumptions
Worsley Alumina				Guidance unchanged
Alumina production (kt)	1,850	**3,750**	**3,750**	Additional planned calciner maintenance in Q3 FY25
Brazil Alumina (non-operated)				Guidance unchanged
Alumina production (kt)	682	**1,350**	**1,380**	Plant availability continuing to improve
Brazil Aluminium (non-operated)				Guidance unchanged
Aluminium production (kt)	64	**130**	**160**	Ramping up across all three potlines
Hillside Aluminium[28]				Guidance unchanged
Aluminium production (kt)	362	**720**	**720**	Expected to continue to test maximum technical capacity
Mozal Aluminium[28]				Guidance updated to 350kt (from 360kt[29])
Aluminium production (kt)	178	**350**	**370**	Subject to further potential impacts of civil unrest in Mozambique
Sierra Gorda (non-operated)				Guidance unchanged
Ore processed (Mt)	11.1	**21.8**	**22.0**	
Payable copper equivalent production (kt)[30]	46.4	**84.8**	**86.1**	
Payable copper production (kt)	36.7	**70.0**	**74.0**	Benefitting from the plant de-bottlenecking project and improved ore quality in the current phase of the mine plan
Payable molybdenum production (kt)	0.9	**1.3**	**1.0**	
Payable gold production (koz)	15.9	**25.0**	**20.0**	
Payable silver production (koz)	301	**550**	**600**	
Cannington				
Ore processed (kdmt)	982	**2,100**	**2,200**	Guidance unchanged
Payable zinc equivalent production (kt)[31]	129.9	**265.4**	**282.2**	Continuing to manage increased underground activity and complexity
Payable silver production (koz)	5,615	**11,300**	**12,000**	
Payable lead production (kt)	49.6	**100.0**	**110.0**	Ore processed volumes weighted to H2 FY25
Payable zinc production (kt)	22.9	**50.0**	**50.0**	
Cerro Matoso				Guidance unchanged
Ore processed (kdmt)	1,396	**2,750**	**Subject to potential divestment**	Lower planned nickel grades in accordance with the mine plan
Payable nickel production (kt)	18.5	**35.0**		
Australia Manganese				Guidance unchanged
Manganese ore production (kwmt)	639	**1,000**	**3,200**	Limited production rates in H2 FY25 as we progress the recovery plan
South Africa Manganese				Guidance unchanged
Manganese ore production (kwmt)	1,082	**2,000**	**2,000**	Continuing to monitor and respond to market conditions

(a) The denotation (e) refers to an estimate or forecast year.

Costs and capital expenditure

Operating unit costs performance and guidance

We remain focused on delivering stable operating performance and cost efficiencies to offset inflationary pressures. Our operating discipline combined with weaker producer currencies is expected to support lower Operating unit costs for the majority of our guided operations in H2 FY25.

While Operating unit cost guidance is not provided for our aluminium smelters, their cost profile will continue to be influenced by producer currencies, and the prices of raw material inputs and energy.

Operating unit cost[49]

	H1 FY24	H1 FY25	FY25 prior guidance[a]	FY25 new guidance[b]	H1 FY25 to H1 FY24 commentary FY25 new guidance to FY25 prior guidance commentary
Worsley Alumina					
(US$/t)	258	**306**	290	**305**	**H1 FY25:** higher caustic soda consumption in current mining areas, and increased gas consumption as part of the refinery's energy transition **FY25e guidance increased by 5%,** with higher caustic soda consumption more than offsetting a weaker Australian dollar
Brazil Alumina (non-operated)					
(US$/t)	325	**320**	Not provided	**Not provided**	**H1 FY25:** improved operating performance and a weaker Brazilian real, more than offset higher maintenance and bauxite costs **FY25e:** will continue to be influenced by energy and the price of raw material inputs
Brazil Aluminium (non-operated)					
(US$/t)	4,025	**3,377**	Not provided	**Not provided**	**H1 FY25:** higher volumes and lower energy prices, more than offset higher alumina prices **FY25e:** benefitting from higher volumes, while continuing to be influenced by the price of raw material inputs and energy
Hillside Aluminium					
(US$/t)	2,135	**2,351**	Not provided	**Not provided**	**H1 FY25:** higher sales volumes and lower raw material input prices (coke and pitch), more than offset by higher alumina and energy prices, and a stronger South African rand **FY25e:** will continue to be influenced by the price of raw material inputs, the South African rand and inflation-linked indexation energy costs
Mozal Aluminium					
(US$/t)	2,461	**2,425**	Not provided	**Not provided**	**H1 FY25:** higher volumes and lower raw material input prices (coke and pitch), more than offset by higher alumina and energy prices, and a stronger South African rand **FY25e:** will continue to be influenced by the price of raw material inputs, the South African rand and inflation-linked indexation energy costs

	H1 FY24	H1 FY25	FY25 prior guidance[a]	FY25 new guidance[b]	H1 FY25 to H1 FY24 commentary FY25 new guidance to FY25 prior guidance commentary
Sierra Gorda (non-operated)					
(US$/t)[c]	18.8	**17.1**	16.0	**16.0**	**H1 FY25:** improved throughput and lower labour costs, more than offset additional planned maintenance and a drawdown of finished goods inventory **FY25e guidance unchanged,** with H2 FY25 costs expected to be lower (from H1 FY25) following a drawdown of inventory in H1 FY25
Cannington					
(US$/t)[c]	150	**197**	170	**175**	**H1 FY25:** additional mining costs to deliver the planned increase in underground activity and lower ore processed **FY25e guidance increased by 3%,** with H2 FY25 costs expected to be lower (from H1 FY25) due to higher ore processed and a weaker Australian dollar
Cerro Matoso					
(US$/lb)	5.57	**5.13**	5.65	**5.35**	**H1 FY25:** cost efficiencies, lower price-linked royalties and a weaker Colombian peso **FY25e guidance lowered by 5%,** due to cost efficiencies and a weaker Colombian peso
Australia Manganese					
(US$/dmtu, FOB)	2.15	**N/A**	Not provided	**Not provided**	Subject to the operational recovery plan
South Africa Manganese					
(US$/dmtu, FOB)	2.59	**3.13**	3.00	**3.00**	**H1 FY25:** stronger South African rand and local inflationary pressures **FY25e guidance unchanged,** with H2 FY25 costs expected to be lower (from H1 FY25) as we target further cost efficiencies, and lower price-linked royalties

(a) FY25 prior Operating unit cost guidance includes royalties (where appropriate) and commodity price and foreign exchange rate forward curves or our internal expectations (refer to page 31 footnote 50).
(b) FY25 new Operating unit cost guidance includes royalties (where appropriate) and commodity price and foreign exchange rate forward curves or our internal expectations (refer to page 31 footnote 51).
(c) US dollar per tonne of ore processed. Periodic movements in finished product inventory may impact Operating unit costs.

Capital expenditure guidance (excluding exploration and intangibles)

FY25 Group capital expenditure guidance, excluding EAIs, has been revised to US$895M[b] (from US$990M), with:

- Group safe and reliable capital expenditure, excluding EAIs, revised to US$295M (from US$310M), while spend will reduce in H2 FY25 (from H1 FY25) following the sale of Illawarra Metallurgical Coal;
- Group improvement and life extension capital expenditure, excluding EAIs, revised to US$70M (from US$80M), with spend for the Worsley Mine Development Project increasing in H2 FY25 following the receipt of environmental approvals; and
- Growth capital expenditure at Hermosa revised to US$530M[52] (from US$600M) with spend re-phased to FY26 as we negotiated favourable down payment terms for long lead items for surface infrastructure and the Taylor processing plant.

Capital expenditure for our EAIs has been held largely unchanged at US$380M (from US$385M) as we invest to support copper production at Sierra Gorda and the operational recovery plan at Australia Manganese.

Capital expenditure excluding exploration and intangibles (South32 share)[43]

US$M	H1 FY25	FY25e[a][b]
Worsley Alumina	38	**90**
Brazil Alumina	22	**50**
Brazil Aluminium	6	**10**
Hillside Aluminium	19	**55**
Mozal Aluminium	12	**25**
Cannington	23	**45**
Cerro Matoso	13	**20**
Safe and reliable capital expenditure (excluding EAIs)	133	**295**
Worsley Alumina	12	**35**
Brazil Alumina	5	**7**
Other operations	2	**28**
Improvement and life extension capital expenditure (excluding EAIs)	19	**70**
Hermosa	248	**530**
Growth capital expenditure	248	**530**
Total capital expenditure (excluding EAIs)	400	**895**
Total capital expenditure (including EAIs)	578	**1,275**

Capital expenditure for EAIs excluding exploration and intangibles (South32 share)[43]

US$M	H1 FY25	FY25e[a]
Sierra Gorda	90	**185**
Australia Manganese	47	**125**
South Africa Manganese	16	**30**
Safe and reliable capital expenditure (EAIs)	153	**340**
Sierra Gorda	16	**25**
South Africa Manganese	9	**15**
Improvement and life extension capital expenditure (EAIs)	25	**40**
Total capital expenditure (EAIs)	178	**380**

(a) The denotation (e) refers to an estimate or forecast year.
(b) FY25 capital expenditure guidance was not provided for Illawarra Metallurgical Coal due to the sale process.

Capitalised exploration guidance

FY25 Group capitalised exploration, including EAIs, is unchanged at US$50M as we continue base metals exploration programs across our portfolio. This includes exploration programs at the Peake copper deposit at our Hermosa project, and the Catabela Northeast copper porphyry exploration prospect[53] at Sierra Gorda.

Capitalised exploration (South32 share)[43]

US$M	H1 FY25	FY25e[a]
Capitalised exploration (excluding EAIs)	19	**40**
EAIs capitalised exploration	7	**10**
Capitalised exploration (including EAIs)	26	**50**

(a) The denotation (e) refers to an estimate or forecast year.

Other expenditure guidance

Other expenditure items presented below are on a proportional consolidation basis including our manganese and Sierra Gorda EAIs.

	H1 FY25	FY25e[a]	Commentary
Group and unallocated expense in Underlying EBIT (excluding Hermosa, greenfield exploration and third party products and services EBIT)			
(US$M)	83	**100**	Guidance unchanged H1 FY25 reflected unfavourable inter-group inventory adjustments in our aluminium value chain (-US$38M) Normalised run-rate expected in H2 FY25
Hermosa expenses included in Underlying EBIT			
(US$M)	17	**30**	Guidance unchanged
Underlying depreciation and amortisation			
(US$M)	355	**720**	Guidance revised to US$720M (from US$810M) Lower depreciation at Australia Manganese recognised in Underlying earnings
Underlying net finance costs			
(US$M)	92	**190**	Guidance unchanged
Greenfield exploration			
(US$M)	18	**30**	Guidance unchanged

(a) The denotation (e) refers to an estimate or forecast year.

OPERATIONS ANALYSIS

A summary of the underlying performance of the Group's operations is presented below and a more detailed analysis is presented on pages 20 to 29. Unless otherwise stated: all metrics reflect South32's share; Operating unit cost is Underlying revenue less Underlying EBITDA excluding third party products and services divided by sales volumes; Operating cost is Underlying revenue less Underlying EBITDA excluding third party products and services; and Realised sales price is calculated as Underlying revenue excluding third party products and services divided by sales volume.

Operations table (South32 share)[43]

	Underlying revenue		Underlying EBIT	
US$M	H1 FY25	H1 FY24	H1 FY25	H1 FY24
Worsley Alumina	**916**	653	**280**	68
Brazil Alumina	**408**	234	**146**	(9)
Brazil Aluminium	**153**	91	**(55)**	(74)
Hillside Aluminium	**986**	758	**89**	27
Mozal Aluminium	**488**	397	**33**	(48)
Sierra Gorda	**405**	322	**128**	49
Cannington	**323**	318	**89**	109
Hermosa	**–**	–	**(17)**	(9)
Cerro Matoso	**239**	238	**27**	(14)
Australia Manganese	**–**	318	**(34)**	67
South Africa Manganese	**191**	152	**18**	3
Third party products and services[54]	**190**	*156*	**10**	–
Inter-segment / Group and unallocated	**(593)**	(382)	**(101)**	*(63)*
South32 Group (excluding Illawarra Metallurgical Coal)	**3,706**	3,255	**613**	106
Illawarra Metallurgical Coal[55]	**144**	*626*	**50**	*130*
South32 Group	**3,850**	3,881	**663**	236

WORSLEY ALUMINA

Location: **Western Australia, Australia**
South32 share: **86 per cent**

Worsley Alumina is an integrated bauxite mining and alumina refining operation in the South West of Western Australia. Alumina from Worsley Alumina is exported to our Hillside Aluminium and Mozal Aluminium smelters and other smelters around the world.

Volumes

Worsley Alumina saleable production decreased by 4% (or 84kt) to 1,850kt in H1 FY25, as we managed constrained bauxite supply due to delayed approvals for new mining areas, and completed planned calciner maintenance. FY25 production guidance remains unchanged at 3,750kt. Further planned calciner maintenance is scheduled in Q3 FY25.

Worsley Alumina has now received primary State[24] and Federal[25] environmental approvals for the Worsley Mine Development Project (the Project). The Project will enable access to bauxite to sustain production at Worsley Alumina, with mining of bauxite areas located near our existing operations expected to commence in Q4 FY25. We will now also commence the development of new mining areas that are expected to sustain production to at least FY36[26].

Operating costs

Operating unit costs increased by 19%, to US$306/t in H1 FY25, due to increased caustic soda consumption in the current bauxite mining areas (H1 FY25: 134 kg/t, H1 FY24: 110 kg/t) coupled with higher caustic soda prices (H1 FY25: US$483/t, H1 FY24: US$460/t), and higher gas consumption as the refinery transitions toward lower carbon[56] energy supply.

Our operating margin increased to 40% (H1 FY24: 25%) as a 49% increase in the average realised price of alumina more than offset higher costs. Our average realised price of alumina of US$512/t was a ~11% discount to the Platts Alumina index[57], which reflected market based prices except for legacy supply contracts with Mozal Aluminium which reference the LME aluminium price.

We have revised FY25 Operating unit cost guidance to US$305/t (previously US$290/t) with higher caustic soda consumption to more than offset a weaker Australian dollar. Exchange rate and price assumptions for FY25 Operating unit cost guidance are detailed on page 31, footnote 51.

Financial performance

Underlying EBIT increased by 312% (or US$212M), to US$280M in H1 FY25, as higher average realised alumina prices (+US$300M) more than offset lower sales volumes (-US$37M), higher caustic soda costs (-US$27M), and energy costs following the conversion of the first coal-fired boiler to natural gas in the prior period (-US$10M).

Capital expenditure

Safe and reliable capital expenditure increased by US$4M to US$38M in H1 FY25 and is expected to be US$90M in FY25 as we invest in infrastructure to access new mining areas and additional bauxite residue disposal capacity.

Improvement and life extension capital expenditure decreased by US$12M to US$12M in H1 FY25 as we converted the first coal-fired boiler to natural gas in the prior period. We expect to invest US$35M (previously US$45M) in FY25 with activity for the Project to increase in H2 FY25 following the receipt of environmental approvals.

South32 share	H1 FY25	H1 FY24
Alumina production (kt)	**1,850**	1,934
Alumina sales (kt)	**1,789**	1,898
Realised alumina sales price (US$/t)	**512**	344
Operating unit cost (US$/t)	**306**	258

South32 share (US$M)	H1 FY25	H1 FY24
Underlying revenue	**916**	653
Underlying EBITDA	**369**	164
Underlying EBIT	**280**	68
Net operating assets[a]	**1,847**	1,813
Capital expenditure	**50**	58
Safe and reliable	**38**	34
Improvement and life extension	**12**	24

(a) H1 FY24 reflects the balance as at 30 June 2024.

BRAZIL ALUMINA

Location: **Pará and Maranhão, Brazil**
South32 investment: **Bauxite - 33 per cent**
South32 share: **Alumina - 36 per cent**

Brazil Alumina includes our 33% interest in the Mineração Rio do Norte (MRN) bauxite mine and a 36% interest in the Alumar alumina refinery. Our share of bauxite produced from MRN is supplied to the Alumar refinery. The alumina produced from Alumar refinery is supplied to the co-located Alumar aluminium smelter and exported to other smelters around the world.

South32 share	H1 FY25	H1 FY24
Alumina production (kt)	**682**	640
Alumina sales (kt)	**691**	647
Realised sales price (US$/t)	**590**	362
Operating unit cost (US$/t)[(a)]	**320**	325

South32 share (US$M)	H1 FY25	H1 FY24
Underlying revenue	**408**	234
Underlying EBITDA	**174**	15
Underlying EBIT	**146**	(9)
Net operating assets[(b)]	**732**	736
Capital expenditure	**27**	51
Safe and reliable	**22**	38
Improvement and life extension	**5**	13

(a) Excludes the profit/(loss) from our equity interest in MRN.
(b) H1 FY24 reflects the balance as at 30 June 2024.

Volumes

Brazil Alumina saleable production increased by 7% (or 42kt) to 682kt in H1 FY25 as the refinery benefitted from improved plant availability. FY25 production guidance remains unchanged at 1,350kt.

Operating costs

Operating unit costs decreased by 2%, to US$320/t in H1 FY25, as the refinery's improved operating performance and a weaker Brazilian real more than offset higher planned maintenance and bauxite costs.

Our operating margin increased to 43% (H1 FY24: 6%) as our average realised price of alumina increased by 63% and costs were largely unchanged.

While Operating unit cost guidance is not provided for this non-operated facility, the refinery will continue to be influenced by energy and raw material input prices.

Financial performance

Underlying EBIT increased by US$155M, from a loss of US$9M, to US$146M in H1 FY25, as higher sales volumes (+US$16M) and average realised alumina prices (+US$158M), more than offset additional maintenance costs (-US$13M) and higher bauxite costs from MRN linked to alumina and aluminium prices on a trailing basis (-US$5M).

Our share of the loss from our equity interest in MRN was US$13M in H1 FY25 (H1 FY24: loss of US$9M).

Capital expenditure

Capital expenditure decreased by US$24M to US$27M in H1 FY25 following the refinery's investment in plant de-bottlenecking in the prior period. We expect to invest US$57M (previously US$63M) in FY25 as we continue our investment in additional bauxite residue disposal capacity.

The partners of MRN continue to progress a feasibility study for the West Zone project, which has the potential to extend the life of the bauxite mine by more than 20 years[(58)]. A preliminary environmental license for the West Zone project was received in Q1 FY25. In Q2 FY25, the partners made a final investment decision to construct a transmission line to connect the MRN bauxite mine to the Brazilian power grid. The transmission line will enable MRN to reduce operating costs by replacing its diesel-powered generation with cost efficient renewable energy sources. Our share of capital expenditure for the transmission line is expected to be ~US$70M (33% share) over FY25 to FY27.

BRAZIL ALUMINIUM

Location: **Maranhão, Brazil**
South32 share: **40 per cent**

The Brazil Aluminium smelter was restarted during FY22 after being on care and maintenance since 2015.

Brazil Aluminium produces aluminium for domestic and export markets, with alumina supplied by the co-located Alumar refinery. Our share of Brazil Aluminium production is powered by 100% renewable power.

South32 share	H1 FY25	H1 FY24
Aluminium production (kt)	**64**	50
Aluminium sales (kt)	**61**	40
Realised sales price (US$/t)	**2,508**	2,275
Operating unit cost (US$/t)	**3,377**	4,025

South32 share (US$M)	H1 FY25	H1 FY24
Underlying revenue	**153**	91
Underlying EBITDA	**(53)**	(70)
Underlying EBIT	**(55)**	(74)
Net operating assets[(a)]	**74**	68
Capital expenditure	**6**	4
Safe and reliable	**6**	4
Improvement and life extension	**–**	–

(a) H1 FY24 reflects the balance as at 30 June 2024.

Volumes

Brazil Aluminium saleable production increased by 28% (or 14kt) to 64kt in H1 FY25 as the smelter continued to ramp-up all three potlines. FY25 production guidance remains unchanged at 130kt.

Operating costs

Operating unit costs decreased by 16%, to US$3,377/t in H1 FY25, as the smelter continued to ramp-up and benefitted from lower renewable energy prices, more than offsetting higher alumina prices.

While Operating unit cost guidance is not provided for this non-operated facility, Operating unit costs are expected to continue to moderate with planned production growth of 25% in FY25 and 23% in FY26 as the smelter ramps-up toward nameplate capacity.

Financial performance

Underlying EBIT improved by US$19M, to a loss of US$55M in H1 FY25, as higher sales volumes (+US$47M) and average realised aluminium prices (+US$15M), a weaker Brazilian real (+US$18M) and lower energy prices (+US$18M), more than offset higher alumina prices (-US$31M), and inventory and volume related movements (-US$42M) as the smelter continued to ramp-up.

Capital expenditure

Capital expenditure was US$6M in H1 FY25 and is expected to be US$10M (previously US$12M) in FY25.

HILLSIDE ALUMINIUM

Location: **KwaZulu-Natal, South Africa**
South32 share: **100 per cent**

Hillside Aluminium is located in Richards Bay, South Africa, and is the largest aluminium smelter in the southern hemisphere. The smelter produces high-quality, primary aluminium for domestic and export markets.

Volumes

Hillside Aluminium saleable production increased by 1% (or 3kt) to 362kt in H1 FY25 as the smelter continued to test its maximum technical capacity, despite the impact of load-shedding. FY25 production guidance remains unchanged at 720kt[28].

Operating costs

Operating unit costs increased by 10%, to US$2,351/t in H1 FY25, as the smelter's strong operating performance and lower raw material input prices (coke and pitch), was more than offset by higher alumina prices, a stronger South African rand and inflation-linked indexation of energy costs.

Our operating margin increased to 12% (H1 FY24: 8%) as a 16% increase in the average realised price of aluminium more than offset higher costs.

While Operating unit cost guidance is not provided, the cost profile of the smelter will continue to be heavily influenced by the price of smelter raw material inputs, including alumina supplied by our Worsley Alumina refinery, and other external factors including the South African rand and inflation-linked indexation energy costs.

Financial performance

Underlying EBIT increased by 230% (or US$62M), to US$89M in H1 FY25, as higher sales volumes (+US$93M) and average realised aluminium prices (+US$135M), and lower smelter raw material input prices (coke and pitch) (+US$35M), more than offset higher alumina prices (-US$81M), a stronger South African rand (-US$18M) and a drawdown in inventory to support a 12% increase in sales volumes (-US$65M).

95 pots were relined at a cost of US$305k per pot in H1 FY25 (H1 FY24: 52 pots at US$350k per pot), with ~140 pots scheduled to be relined in FY25. The smelter is deploying AP3XLE energy efficiency technology in its pot relining activity to further enhance the smelter's energy efficiency and reduce GHG emissions. At the end of H1 FY25, ~50% of the pots had been relined using AP3XLE technology.

The smelter's energy costs increased by US$6M in H1 FY25, as energy efficiency benefits delivered by AP3XLE technology (+US$6M) were more than offset by the inflation-linked indexation of energy costs (-US$12M).

Capital expenditure

Capital expenditure decreased by US$6M to US$19M in H1 FY25. We expect to invest US$55M (previously US$65M) in FY25 as we invest in fleet replacements and progress work to replace the smelter's pot tending assemblies. Capital expenditure is expected to be elevated over FY25 and FY26 as we continue work to replace the pot tending assemblies.

South32 share	H1 FY25	H1 FY24
Aluminium production (kt)	**362**	359
Aluminium sales (kt)	**367**	327
Realised sales price (US$/t)	**2,687**	2,318
Operating unit cost (US$/t)	**2,351**	2,135

South32 share (US$M)	H1 FY25	H1 FY24
Underlying revenue	**986**	758
Underlying EBITDA	**123**	60
Underlying EBIT	**89**	27
Net operating assets[a]	**889**	805
Capital expenditure	**19**	25
Safe and reliable	**19**	24
Improvement and life extension	**–**	1

(a) H1 FY24 reflects the balance as at 30 June 2024.

MOZAL ALUMINIUM

Location: **Maputo, Mozambique**
South32 share: **63.7 per cent**

Mozal Aluminium is located near Maputo, Mozambique, and is a significant industrial employer in the country.
The smelter produces high-quality, primary aluminium for domestic and export markets.

Volumes

Mozal Aluminium saleable production increased by 7% (or 12kt) to 178kt in H1 FY25 as the smelter approached nameplate capacity following completion of its operational recovery plan, despite the impact of load-shedding.

In December 2024, following the impacts of civil unrest in Mozambique, we took the decision to reduce amperage to the smelter to preserve raw materials and maintain operational stability[59]. In recent weeks, we have re-built alumina stocks at the smelter as we successfully implemented contingency plans and road blockages eased. As a result, we have updated FY25 production guidance to 350kt[28] (previously 360kt[28][29]), subject to further potential impacts of civil unrest in Mozambique.

FY26 production guidance has been reinstated at 370kt[28], subject to the extension of the current power supply agreement for Mozal Aluminium, which expires in March 2026.

We continue to work with Eskom and the Government of the Republic of Mozambique to extend the smelter's hydro-electric power supply beyond March 2026, as there are currently no viable alternative suppliers of renewable energy at the required scale. We remain focused on finalising a new energy supply agreement during CY25 to enable the smelter to continue to operate and maintain its substantial contribution to the economy of Mozambique.

Operating costs

Operating unit costs decreased by 1%, to US$2,425/t in H1 FY25, as the smelter completed the operational recovery plan and benefitted from lower raw material input prices (coke and pitch), more than offsetting higher alumina prices, a stronger South African rand and inflation-linked indexation of energy costs.

Our operating margin increased to 14% (H1 FY24: -4%) as our average realised price of aluminium increased by 18% and costs were largely unchanged.

While Operating unit cost guidance is not provided, the cost profile of the smelter will continue to be heavily influenced by the price of smelter raw material inputs, including alumina supplied by our Worsley Alumina refinery, and other external factors including the South African rand and inflation-linked indexation of energy costs.

Financial performance

Underlying EBIT increased by US$81M, from a loss of US$48M, to US$33M in H1 FY25, as higher sales volumes (+US$19M) and average realised aluminium prices (+US$72M), and lower smelter raw material input prices (coke and pitch) (+US$18M), more than offset higher alumina prices (-US$16M), a stronger South African rand (-US$6M) and inflation-linked indexation energy costs (-US$5M).

86[60] pots were relined at a cost of US$368k per pot in H1 FY25 (H1 FY24: 50[60] pots at US$367k per pot), with ~150[60] pots scheduled to be relined in FY25. The smelter completed the roll-out of the AP3XLE energy efficiency technology in its pot relining program in the prior period.

Capital expenditure

Safe and reliable capital expenditure was US$12M in H1 FY25 and is expected to be US$25M in FY25.

South32 share	H1 FY25	H1 FY24
Aluminium production (kt)	**178**	166
Aluminium sales (kt)	**174**	167
Realised sales price (US$/t)	**2,805**	2,377
Operating unit cost (US$/t)	**2,425**	2,461

South32 share (US$M)	H1 FY25	H1 FY24
Underlying revenue	**488**	397
Underlying EBITDA	**66**	(14)
Underlying EBIT	**33**	(48)
Net operating assets[a]	**500**	498
Capital expenditure	**12**	11
Safe and reliable	**12**	11
Improvement and life extension	**–**	–

(a) H1 FY24 reflects the balance as at 30 June 2024.

SIERRA GORDA

Location: **Antofagasta, Chile**
South32 share: **45 per cent**

Sierra Gorda is a large scale, open-pit mine in the prolific Antofagasta copper mining region, that produces copper, molybdenum, gold and silver.

Volumes

Sierra Gorda payable copper equivalent production[30] increased by 21% (or 8.0kt) to 46.4kt in H1 FY25, with higher planned copper grades and a significant increase in molybdenum recoveries due to improved ore quality. FY25 production guidance remains unchanged at 84.8kt payable copper equivalent (copper 70.0kt, molybdenum 1.3kt, gold 25.0koz and silver 550koz).

Operating costs

Operating unit costs decreased by 9%, to US$17.1/t ore processed in H1 FY25, as improved plant throughput delivered by the de-bottlenecking project, and lower labour costs following a one-off workforce payment in the prior period, more than offset additional planned maintenance, and a drawdown of finished goods inventory.

Our operating margin increased to 53% (H1 FY24: 36%) as we realised higher average metal prices and costs decreased.

FY25 Operating unit cost guidance is unchanged at US$16.0/t ore processed, with H2 FY25 costs expected to be lower (from H1 FY25) following a drawdown of finished goods inventory in H1 FY25. Exchange rate and price assumptions for FY25 Operating unit cost guidance are detailed on page 31, footnote 51.

Financial performance

Underlying EBIT increased by 161% (or US$79M), to US$128M in H1 FY25, as higher sales volumes (+US$44M) and average realised metal prices (+US$39M), a weaker Chilean peso (+US$13M) and lower labour costs (+US$17M), more than offset additional planned maintenance (-US$15M) and a drawdown of finished goods inventory (-US$7M).

Depreciation and amortisation increased by US$19M to US$87M in H1 FY25 in line with recent capital investments.

Capital expenditure

Safe and reliable capital expenditure was US$90M in H1 FY25 and is expected to be US$185M in FY25 as the operation continues deferred stripping activity and invests in additional tailings infrastructure.

Improvement and life extension capital expenditure was US$16M in H1 FY25 and is expected to be US$25M in FY25, as the operation continues additional engineering studies and a feasibility study for the fourth grinding line project. The project has the potential to increase processing capacity by ~20% to ~58Mtpa (100% basis). Completion of the feasibility study and a final investment decision by the joint venture partners is expected in H1 FY26.

South32 share	H1 FY25	H1 FY24
Ore mined (Mt)	**12.6**	11.9
Ore processed (Mt)	**11.1**	10.9
Ore grade processed (%, Cu)	**0.42**	0.37
Payable copper equivalent production (kt)[30]	**46.4**	38.4
Payable copper production (kt)	**36.7**	31.6
Payable molybdenum production (kt)	**0.9**	0.5
Payable gold production (koz)	**15.9**	13.4
Payable silver production (koz)	**301**	295
Payable copper sales (kt)	**37.9**	32.5
Payable molybdenum sales (kt)	**0.7**	0.7
Payable gold sales (koz)	**16.2**	13.8
Payable silver sales (koz)	**317**	300
Realised copper sales price (US$/lb)	**3.83**	3.56
Realised molybdenum sales price (US$/lb)	**21.68**	20.82
Realised gold sales price (US$/oz)	**2,593**	1,957
Realised silver sales price (US$/oz)	**31.5**	23.3
Operating unit cost (US$/t ore processed)[61]	**17.1**	18.8

South32 share (US$M)	H1 FY25	H1 FY24
Underlying revenue	**405**	322
Underlying EBITDA	**215**	117
Underlying EBIT	**128**	49
Net operating assets[(a)]	**1,708**	1,664
Capital expenditure	**106**	98
Safe and reliable	**90**	83
Improvement and life extension	**16**	15
Exploration expenditure	**7**	6
Exploration expensed	**–**	–

(a) H1 FY24 reflects the balance as at 30 June 2024.

CANNINGTON

Location: **Queensland, Australia**
South32 share: **100 per cent**

Cannington is an underground mine located in north-west Queensland, Australia, that produces high-grade lead and zinc concentrates with a high silver content.

Volumes

Cannington payable zinc equivalent production[31] decreased by 17% to 129.9kt in H1 FY25, as the operation managed increased underground activity and complexity which is expected to continue to drive variability in quarterly performance. Production improved by 56% in Q2 FY25 as silver and lead grades increased in accordance with the mine plan.

FY25 production guidance remains unchanged at 265.4kt payable zinc equivalent (silver 11,300koz, lead 100.0kt, zinc 50.0kt)

Operating costs

Operating unit costs increased by 31%, to US$197/t in H1 FY25, due to additional mining costs to deliver the planned increase in underground activity, and lower ore processed in the period.

Our operating margin decreased to 40% (H1 FY24: 46%) as higher average metal prices were more than offset by additional mining costs.

FY25 Operating unit costs have been revised to US$175/t ore processed (previously US$170/t) with H2 FY25 costs expected to be lower (from H1 FY25) due to higher ore processed and a weaker Australian dollar. Exchange rate and price assumptions for FY25 Operating unit cost guidance are detailed on page 31, footnote 51.

Financial performance

Underlying EBIT decreased by 18% (or US$20M), to US$89M in H1 FY25, as higher average metal prices (+US$45M) were more than offset by lower sales volumes (-US$40M) and additional mining costs to deliver a planned increase in underground activity (-US$10M).

Capital expenditure

Capital expenditure was US$23M in H1 FY25 and is expected to be US$45M in FY25 as we invest in underground development.

South32 share	H1 FY25	H1 FY24
Ore mined (kwmt)	**999**	1,150
Ore processed (kdmt)	**982**	1,139
Ore grade processed (g/t, Ag)	**206**	211
Ore grade processed (%, Pb)	**5.9**	6.0
Ore grade processed (%, Zn)	**3.2**	3.4
Payable zinc equivalent production (kt)[31]	**129.9**	156.3
Payable silver production (koz)	**5,615**	6,704
Payable lead production (kt)	**49.6**	58.8
Payable zinc production (kt)	**22.9**	29.0
Payable silver sales (koz)	**5,469**	6,529
Payable lead sales (kt)	**54.3**	56.6
Payable zinc sales (kt)	**23.0**	28.3
Realised silver sales price (US$/oz)	**29.4**	22.5
Realised lead sales price (US$/t)	**1,823**	1,979
Realised zinc sales price (US$/t)	**2,739**	2,085
Operating unit cost (US$/t ore processed)[61]	**197**	150

South32 share (US$M)	H1 FY25	H1 FY24
Underlying revenue	**323**	318
Underlying EBITDA	**130**	147
Underlying EBIT	**89**	109
Net operating assets[a]	**112**	150
Capital expenditure	**23**	23
Safe and reliable	**23**	23
Improvement and life extension	**–**	–
Exploration expenditure	**3**	5
Exploration expensed	**1**	3

(a) H1 FY24 reflects the balance as at 30 June 2024.

CERRO MATOSO

Location: **Córdoba, Colombia**
South32 share: **99.9 per cent**

Cerro Matoso is an integrated nickel laterite mine and smelter located in northern Colombia that produces ferronickel used to make stainless steel.

In Q2 FY24, we commenced a strategic review of Cerro Matoso in response to structural changes in the nickel market that have placed pressure on both nickel prices and discounts for our ferronickel product. While the strategic review has identified improvement options that have the potential to enhance the operation's competitive position, the expected returns from these investments do not currently support the allocation of capital in accordance with our capital management framework and strategy. As a result, we have commenced a process to investigate the potential divestment of Cerro Matoso. In parallel, we will continue to target further cost efficiencies to mitigate the impact of lower planned nickel grades in accordance with the mine plan.

Volumes

Cerro Matoso payable nickel production increased by 1% (or 0.2kt) to 18.5kt in H1 FY25. FY25 production guidance remains unchanged at 35.0kt.

Operating costs

Operating unit costs decreased by 8%, to US$5.13/lb in H1 FY25, due to cost efficiencies, lower price-linked royalties and a weaker Colombian peso.

Our operating margin increased to 16% (H1 FY24: 7%) as our average realised price of nickel increased by 2% and costs declined.

FY25 Operating unit costs have been revised to US$5.35/lb (previously US$5.65/lb) reflecting the realisation of cost efficiencies and a weaker Colombian peso. Exchange rate and price assumptions for FY25 Operating unit cost guidance are detailed on page 31, footnote 51.

Financial performance

Underlying EBIT increased by US$41M, from a loss of US$14M, to US$27M in H1 FY25, as cost efficiencies (+US$22M), lower price-linked royalties (+US$16M), and a weaker Colombian peso (+US$5M) more than offset local inflationary pressures (-US$6M).

Capital expenditure

Capital expenditure was US$13M in H1 FY25 and is expected to be US$20M in FY25.

South32 share	H1 FY25	H1 FY24
Ore mined (kwmt)	**2,648**	2,183
Ore processed (kdmt)	**1,396**	1,317
Ore grade processed (%, Ni)	**1.48**	1.55
Payable nickel production (kt)	**18.5**	18.3
Payable nickel sales (kt)	**17.7**	18.0
Realised nickel sales price (US$/lb)[62]	**6.12**	6.00
Operating unit cost (US$/lb)	**5.13**	5.57

South32 share (US$M)	H1 FY25	H1 FY24
Underlying revenue	**239**	238
Underlying EBITDA	**39**	17
Underlying EBIT	**27**	(14)
Net operating assets[a]	**97**	91
Capital expenditure	**13**	21
Safe and reliable	**13**	21
Improvement and life extension	**–**	–
Exploration expenditure	**1**	1
Exploration expensed	**1**	1

(a) H1 FY24 reflects the balance as at 30 June 2024.

AUSTRALIA MANGANESE

Location: **Northern Territory, Australia**
South32 share: **60 per cent**

Australia Manganese consists of Groote Eylandt Mining Company (GEMCO) in the Northern Territory, Australia. GEMCO is an open-cut mining operation that produces high-grade manganese ore.

South32 share	H1 FY25	H1 FY24
Manganese ore production (kwmt)	**639**	1,679
Manganese ore sales (kwmt)	**–**	1,864
Realised external manganese ore sales price (US$/dmtu, FOB)[63][64]	**–**	3.79
Ore operating unit cost (US$/dmtu, FOB)[64][65]	**–**	2.15

South32 share (US$M)	H1 FY25	H1 FY24
Underlying revenue	**–**	318
Underlying EBITDA	**(31)**	125
Underlying EBIT	**(34)**	67
Net operating assets[a]	**248**	166
Capital expenditure	**47**	40
Safe and reliable	**47**	24
Improvement and life extension	**–**	16
Exploration expenditure	**3**	–
Exploration expensed	**3**	–

(a) H1 FY24 reflects the balance as at 30 June 2024.

Volumes

Australia Manganese continued to implement its operational recovery plan following the impact of Tropical Cyclone Megan in Q3 FY24.

We continued a substantial dewatering program which has enabled access to certain mining pits and a phased restart of mining activities. We resumed production from the primary concentrator in Q2 FY25 with saleable production of 639kwmt.

FY25 production guidance remains unchanged at 1,000kwmt, with production expected to continue at limited rates in H2 FY25 as we progress the operational recovery plan and complete further dewatering.

We also progressed the demolition of undersea structures and commenced installing pilings for the new wharf. While we have experienced some weather related delays, we are looking to mitigate these through pilings installation productivity improvements.

Subject to further potential impacts from the wet season, export sales are expected to progressively increase over Q4 FY25.

Australia Manganese has received external insurance payments of US$250M (100% basis) to date[34]. We continue to work with our insurers to assess the timing and value of further recoveries in relation to the impact of Tropical Cyclone Megan.

Financial performance

Underlying EBIT was a loss of US$34M in H1 FY25 due to the impact of Tropical Cyclone Megan.

Separately, idle capacity and other remediation costs (US$74M) and insurance recoveries (US$150M) were excluded from Underlying EBIT as earnings adjustments. Our share of costs are expected to be included in Underlying earnings from Q4 FY25, while insurance recoveries will continue to be classified as a significant item in accordance with our accounting policies.

Depreciation and amortisation recognised in Underlying earnings decreased by U$55M to US$3M in H1 FY25, with US$39M capitalised to inventory and US$11M recognised as earnings adjustments. Underlying depreciation and amortisation is expected to increase in FY26 as we increase sales volumes and drawdown inventory.

Capital expenditure

Capital expenditure was US$47M in H1 FY25 and guidance remains unchanged at US$125M in FY25 as we invest in infrastructure to deliver the operational recovery plan.

SOUTH AFRICA MANGANESE

Location: **Northern Cape and Gauteng, South Africa**
South32 share: **Ore - 54.6 per cent, Alloy - 60 per cent**

South Africa Manganese consists of two manganese mines in the Kalahari Basin, and the Metalloys manganese alloy smelter which was placed on care and maintenance in FY20.

In Q4 FY24, South Africa Manganese entered into a binding agreement to divest the Metalloys manganese alloy smelter[66]. South African competition approval of the transaction was received in Q2 FY25. The transaction is expected to complete in Q4 FY25, subject to the satisfaction of the remaining conditions.

Volumes

South Africa Manganese saleable production decreased by 3% (or 29kwmt) to 1,082kwmt in H1 FY25, as we reduced our use of higher cost trucking and undertook a temporary shut at our Wessels mine in Q2 FY25, in response to market conditions.

FY25 production guidance remains unchanged at 2,000kwmt, subject to market conditions.

Operating costs

Operating unit costs increased by 21%, to US$3.13/dmtu in H1 FY25, due to a stronger South African rand and local inflationary pressures.

Our operating margin increased to 15% (H1 FY24: 11%) as a 27% increase in the average realised price of manganese more than offset higher costs.

FY25 Operating unit cost guidance is unchanged at US$3.00/dmtu, with H2 FY25 costs expected to be lower (from H1 FY25) as we target further cost efficiencies, and lower price-linked royalties. Exchange rate and price assumptions for FY25 Operating unit cost guidance are detailed on page 31, footnote 51.

Financial performance

Ore Underlying EBIT increased by US$13M, to US$19M in H1 FY25, as higher average realised manganese prices (+US$35M) more than offset a stronger South African rand (-US$5M), additional planned maintenance (-US$4M), local inflationary pressures (-US$5M), and an unfavourable inventory movement (-US$15M).

Capital expenditure

Safe and reliable capital expenditure was US$16M in H1 FY25 and is expected to be US$30M (previously US$35M) in FY25 as we invested in rail infrastructure to improve safety and efficiencies, and new mobile fleet.

Improvement and life extension capital expenditure was US$9M in H1 FY25 and is expected to be US$15M in FY25.

South32 share	H1 FY25	H1 FY24
Manganese ore production (kwmt)	**1,082**	1,111
Manganese ore sales (kwmt)	**1,088**	1,082
Realised external manganese ore sales price (US$/dmtu, FOB)[63][67]	**3.85**	3.03
Ore operating unit cost (US$/dmtu, FOB)[65][67]	**3.13**	2.59

South32 share (US$M)	H1 FY25	H1 FY24
Underlying revenue	**191**	152
Manganese ore	**191**	152
Manganese alloy	**–**	–
Underlying EBITDA	**28**	14
Manganese ore	**29**	17
Manganese alloy	**(1)**	(3)
Underlying EBIT	**18**	3
Manganese ore	**19**	6
Manganese alloy	**(1)**	(3)
Net operating assets/(liabilities)[a]	**191**	200
Manganese ore	**254**	271
Manganese alloy	**(63)**	(71)
Capital expenditure	**25**	26
Safe and reliable	**16**	20
Improvement and life extension	**9**	6
Exploration expenditure	**–**	–
Exploration expensed	**–**	–

(a) H1 FY24 reflects the balance as at 30 June 2024.

NOTES

(1) Members are equity holders of South32 Limited. Amounts reported as attributable to members are stated net of amounts attributable to non-controlling interests.

(2) Refers to Underlying earnings attributable to members.

(3) Refer to market release "Completion of Illawarra Metallurgical Coal Sale" dated 29 August 2024.

(4) Net tangible assets as at 31 December 2024 includes all right-of-use assets and lease liabilities, in accordance with AASB 16 Leases.

(5) On 29 August 2024, South32 sold its shareholding in Illawarra Metallurgical Coal to an entity owned by Golden Energy and Resources Pte Ltd and M Resources Pty Ltd. As a result, Illawarra Metallurgical Coal was classified as a discontinued operation in the H1 FY25 and H1 FY24 restated results.

(6) Basic earnings per share is calculated as Profit/(loss) after tax attributable to members divided by the weighted average number of shares for the period. Basic Underlying earnings per share is calculated as Underlying earnings attributable to members divided by the weighted average number of shares for the period. The weighted average number of shares for the H1 FY25 is 4,515 million (H1 FY24: 4,523 million).

(7) H1 FY25 ordinary dividends per share is calculated as H1 FY25 ordinary dividend announced (US$154M) divided by the number of shares on issue at 31 December 2024 (4,517 million).

(8) H1 FY24 and H1 FY25 includes discontinued operation Illawarra Metallurgical Coal.

(9) Underlying revenue includes revenue from third party products and services.

(10) The underlying information reflects the Group's interest in material equity accounted joint ventures and is presented on a proportional consolidation basis. Underlying EBIT is profit/(loss) before net finance income/(costs), tax and any earnings adjustments, including impairments. Underlying EBITDA is Underlying EBIT before Underlying depreciation and amortisation. Underlying earnings attributable to members is Profit/(loss) after tax attributable to members and earnings adjustment items. Underlying earnings attributable to members is the key measure that South32 uses to assess the performance of the South32 Group, make decisions on the allocation of resources and assess senior management's performance. In addition, the performance of each of the South32 operations and operational management is assessed based on Underlying EBIT. In order to calculate Underlying earnings attributable to members, Underlying EBIT and Underlying EBITDA, the following items are adjusted as applicable each period, irrespective of materiality:

- Exchange rate (gains)/losses on restatement of monetary items;
- Impairment losses/(reversals);
- Net (gains)/losses on disposal and consolidation of interests in operations;
- (Gains)/losses on non-trading derivative instruments, contingent consideration and other investments measured at fair value through profit or loss;
- Major corporate restructures;
- Joint venture adjustments;
- Exchange rate variations on net cash/(debt);
- Tax effect of earnings adjustments; and
- Exchange rate variations on tax balances

In addition, items that do not reflect the underlying operations of South32, and are individually, or in combination with other related earnings adjustments, significant to the financial statements, are excluded to determine Underlying earnings. When applicable, significant items are detailed in the Financial Information.

(11) Comprises Underlying EBITDA excluding third party products and services EBITDA, divided by Underlying revenue excluding third party products and services revenue. Also referred to as operating margin.

(12) Comprises Underlying EBIT excluding third party products and services EBIT, divided by Underlying revenue excluding third party products and services revenue.

(13) Return on invested capital (ROIC) is a key measure that South32 uses to assess performance. ROIC is calculated as Underlying EBIT less the discount on rehabilitation provisions included in Underlying net finance costs, tax effected by the Group's Underlying effective tax rate (ETR) including our material equity accounted investments on a proportional consolidation basis, divided by the sum of fixed assets (excluding any rehabilitation assets, the impact of any impairments or impairment reversals, and unproductive capital) and inventories.

(14) Total Recordable Injury Frequency (TRIF): (The sum of recordable injuries x 1,000,000) ÷ exposure hours, for employees and contractors. This is stated in units of per million hours worked for employees and contractors. We adopt the United States Government Occupational Safety and Health Administration (OSHA) guidelines for the recording and reporting of occupational injuries and illnesses.

(15) Lost Time Injury Frequency (LTIF): (The sum of Lost Time injuries x 1,000,000) ÷ exposure hours, for employees and contractors. This is stated in units of per million hours worked for employees and contractors. We adopt the United States Government Occupational Safety and Health Administration (OSHA) guidelines for the recording and reporting of occupational injuries and illnesses.

(16) Significant hazard frequency: (The sum of significant hazards x 1,000,000) ÷ exposure hours. This is stated in units of per million hours worked for employees and contractors. A significant hazard is something that has the potential to cause harm, ill health or injury, or damage to property, plant or the environment.

(17) A "Leader" is defined as an employee occupying a Leadership Role, where a Leadership Role is a position in the organisational structure flagged as the head of an organisational unit.

(18) Local workforce diversity is a metric consisting of five equally weighted sub-performance metrics measuring local workforce diversity across the regions in which we operate. This includes Black People in the total workforce in South Africa, Black People in Management Roles in South Africa, workforce in Mozambique, neighbouring community employees hired into "Unionised Positions" in Colombia, and Aboriginal and Torres Strait Islander (ATSI) Peoples representation in the Australian workforce.

(19) Target is defined as an intended outcome in relation to which we have identified one or more pathways for delivery of that outcome, subject to certain assumptions or conditions. Our target is to halve our operational greenhouse gas (GHG) emissions by 2035 compared to our FY21 baseline. Further details about the assumptions and conditions on which our target are based, and our plans to achieve them, are provided in our 2022 Climate Change Action Plan, available at www.south32.net. Our operational decarbonisation pathway consists of three steps: efficiency initiatives in the near term, transition to lower-carbon energy in the medium-term, and technology solutions in the longer-term. As Hillside Aluminium and Worsley Alumina utilise energy sources that are dependent on fossil fuels, including energy coal, their decarbonisation is largely tied to a transition to lower-carbon energy. We continue to work closely with governments and other stakeholders to transition to lower-carbon energy alternatives at these operations and have established a framework to integrate just transition planning into our decarbonisation planning and decision making to support a fair and equitable transition for our people, communities and other stakeholders.

(20) This is a medium-term target as defined in the Climate Action 100+ Net Zero Company Benchmark Disclosure Framework Assessment Methodology V2.0 – 2023.

(21) FY21 baseline adjusted to exclude GHG emissions from divested operations, including South Africa Energy Coal, TEMCO, Illawarra Metallurgical Coal and Eagle Downs.

(22) Goal is defined as an aspiration to deliver an outcome for which we have not identified a pathway for delivery, but for which efforts will be pursued towards achieving that outcome, subject to certain assumptions or conditions.

(23) Excludes third party products and services EBITDA.

(24) Refer to market release "Worsley Mine Development Project Receives State Approval" dated 20 December 2024.

(25) Refer to market release "Worsley Mine Development Project Receives Federal Approval" dated 12 February 2025.

(26) Subject to receipt of any necessary secondary approvals. The information in this announcement that refers to Production Target and forecast financial information for Worsley Alumina is based on Proved (84%) and Probable (16%) Ore Reserves disclosed in South32 Annual report released on 29 August 2024 and is available to view on www.south32.net. The Ore Reserve estimate underpinning the Production Target has been prepared by a Competent Person and reported in accordance with the JORC Code.

(27) Refers to aluminium produced in a process that results in less than 4t CO2-e Scope 1 and Scope 2 greenhouse gas (GHG) emissions per tonne of aluminium.

(28) Production guidance for Hillside Aluminium and Mozal Aluminium does not assume any load-shedding impact on production.

(29) FY25 production guidance was set at 360kt prior to being withdrawn in December 2024. Refer to market release "Mozal Aluminium Update" dated 10 December 2024.

(30) Payable copper equivalent production (kt) was calculated by aggregating revenues from copper, molybdenum, gold and silver, and dividing the total Revenue by the price of copper. FY24 realised prices for copper (US$3.86/lb), molybdenum (US$20.60/lb), gold (US$2,129/oz) and silver (US$24.8/oz) have been used for FY24, H1 FY25, FY25e and FY26e.

(31) Payable zinc equivalent (kt) was calculated by aggregating revenues from payable silver, lead and zinc, and dividing the total Revenue by the price of zinc. FY24 realised prices for zinc (US$2,230/t), lead (US$2,002/t) and silver (US$24.8/oz) have been used for FY24, H1 FY25, FY25e and FY26e.

(32) Refer to market release "Final Investment Approval to Develop Hermosa's Taylor Deposit" dated 15 February 2024.

(33) Exploration Results: The information in this announcement that relates to the Exploration Results for the Peake deposit is extracted from the market release "Final Investment Approval to Develop Hermosa's Taylor Deposit" dated 15 February 2024, and updated for the Peake deposit in the market release "2024 Full Year Results Presentation" dated 29 August 2024. The information was prepared by D Bertuch, Competent Person in accordance with the requirements of the JORC Code. South32 confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. South32 confirms that the form and context in which the Competent Person's findings are presented have not been materially changed from the original market announcements.

(34) Reflects insurance payments of US$215M and US$35M received in H1 FY25 and Q3 FY25, respectively.

(35) Net distributions from our material equity accounted investments (manganese and Sierra Gorda) includes dividends, capital contributions and net repayments/drawdowns of shareholder loans, which should not be considered as an indication of or alternative to an IFRS measure of profitability, financial performance or liquidity.

(36) Upfront cash proceeds (US$964M) less transaction costs and cash disposed as part of the sale. A final adjustment to the purchase price is now expected to be determined in H2 FY25. The total Transaction consideration includes deferred cash consideration of US$250M, payable in March 2030, and contingent price-linked cash consideration of up to US$350M.

(37) Since inception of our capital management program, US$1.8B has been allocated to our on-market share buy-back (806M shares at an average price of A$3.06 per share) and US$525M returned in the form of special dividends.

(38) Applicable for five years from the date of completion of the sale of Illawarra Metallurgical Coal, with no annual cap. The first two years will be calculated and paid on the second anniversary of completion and annually thereafter. The contingent price-linked consideration will be calculated as 50% of incremental metallurgical coal revenue from equity production, net of royalties, based on the following metallurgical coal price thresholds: Year 1: US$200/t, Year 2: US$200/t, Year 3: US$190/t, Year 4: US$180/t, Year 5: US$180/t.

(39) Contingent price-linked consideration of up to US$500M, payable at threshold copper production rates and prices in the years 2022 to 2025. Specifically, 50% of incremental revenue realised above the following copper price threshold, only where payable copper production exceeds the agreed threshold: CY25: US$3.80/lb and 158kt Cu.

(40) The underlying information reflects the Group's interest in material equity accounted joint ventures and is presented on a proportional consolidation basis, which is the measure used by the Group's management to assess their performance. The joint venture adjustments reconcile the proportional consolidation to the equity accounting position included in the Group's consolidated financial statements.

(41) Sales price variance reflects the revenue impact of changes in commodity prices, based on the current period's sales volume. Price-linked costs variance reflects the change in royalties together with the change in input costs driven by changes in commodity prices or market traded consumables. Foreign exchange reflects the impact of exchange rate movements on local currency denominated costs and sales. Sales volume variance reflects the revenue impact of sales volume changes, based on the comparative period's sales prices. Controllable costs variance represents the impact from changes in the Group's controllable local currency cost base, including the variable cost impact of production volume changes on expenditure, and period-on-period movements in inventories. The controllable cost variance excludes earnings adjustments including significant items.

(42) Underlying net finance costs and Underlying income tax expense are actual H1 FY25 results, not half-on-half variances.

(43) South32's ownership shares of operations are presented as follows: Worsley Alumina (86% share), Brazil Alumina (36% share), Brazil Aluminium (40% share), Hillside Aluminium (100%), Mozal Aluminium (63.7% share), Sierra Gorda (45% share), Cannington (100%), Hermosa (100%), Cerro Matoso (99.9% share), Australia Manganese (60% share), South Africa Manganese ore (54.6% share) and South Africa Manganese alloy (60% share). Prior to the divestment of Illawarra Metallurgical Coal on 29 August 2024, South32's ownership was 100%.

(44) Underlying ETR is Underlying income tax expense, including royalty related tax, divided by Underlying profit subject to tax.

(45) The corporate tax rates of the geographies where the Group operates include: Australia 30%, South Africa 27%, Colombia 35%, Mozambique 0%, Brazil 34% and Chile 27%.

(46) Australia Manganese is subject to a royalty related tax equal to 20% of adjusted EBIT. Sierra Gorda is subject to a royalty related tax based on the amount of copper sold and the mining operating margin, the rate is between 5% and 14% for annual sales over 50kt of refined copper. These royalties are included in Underlying tax expense.

(47) Net interest paid excludes amounts reported as distributions from material equity accounted investments.

(48) Total capital expenditure comprises capital expenditure, capitalised exploration and the purchase of intangibles. Capital expenditure comprises safe and reliable capital expenditure, improvement and life extension capital expenditure (including decarbonisation), and growth capital expenditure.

(49) Operating unit cost is Underlying revenue less Underlying EBITDA, excluding third party products and services, divided by sales volumes. Operating cost is Underlying revenue less Underlying EBITDA excluding third party products and services. Additional manganese disclosures are included in footnotes 64 and 67.

(50) FY25 prior Operating unit cost guidance includes royalties (where appropriate) and the influence of exchange rates, and includes various assumptions for FY25, including: an alumina price of US$480/t; a manganese ore price of US$7.80/dmtu for 44% manganese product; a nickel price of US$7.50/lb; a silver price of US$27.8/oz; a lead price of US$2,070/t (gross of treatment and refining charges); a zinc price of US$2,750/t (gross of treatment and refining charges); a copper price of US$4.40/lb (gross of treatment and refining charges); a molybdenum price of US$17.50/lb (gross of treatment and refining charges); a gold price of US$2,300/oz; an AUD:USD exchange rate of 0.65; a USD:ZAR exchange rate of 18.50; a USD:COP exchange rate of 4,100; USD:CLP exchange rate of 900; and a reference price for caustic soda; which reflect forward markets as at August 2024 or our internal expectations.

(51) FY25 new Operating unit cost guidance includes royalties (where appropriate) and the influence of exchange rates, and includes various assumptions for FY25, including: an alumina price of US$520/t; a manganese ore price of US$5.10/dmtu for 44% manganese product; a nickel price of US$7.10/lb; a silver price of US$30.5/oz; a lead price of US$2,070/t (gross of treatment and refining charges); a zinc price of US$3,000/t (gross of treatment and refining charges); a copper price of US$4.30/lb (gross of treatment and refining charges); a molybdenum price of US$20.50/lb (gross of treatment and refining charges); a gold price of US$2,550/oz; an AUD:USD exchange rate of 0.64; a USD:ZAR exchange rate of 18.50; a USD:COP exchange rate of 4,200; USD:CLP exchange rate of 950; and a reference price for caustic soda; which reflect forward markets as at February 2025 or our internal expectations.

(52) Hermosa growth capital expenditure guidance excludes lease payments of ~US$25M for self generated power assets directly attributable to construction of infrastructure at the Taylor deposit. These self generated power costs were included in our capital cost estimate provided in market release "Final Investment Approval to Develop Hermosa's Taylor Deposit" dated 15 February 2024.

(53) Exploration Results: The information in this announcement that relates to the Exploration Results for Catabela Northeast prospect is extracted from the market release "Sierra Gorda Site Tour" dated 21 November 2024. The information was prepared by Miroslaw Wozga and Omar Enrique Cortes Castro, Competent Persons in accordance with the requirements of the JORC Code. South32 confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. South32 confirms that the form and context in which the Competent Person's findings are presented have not been materially changed from the original market announcement.

(54) H1 FY25 Third party products and services sold comprises US$87M for aluminium, US$6M for alumina, US$26M for freight services, US$52M for raw materials and US$19M for manganese. Underlying EBIT on third party products and services comprises US$2M for aluminium, US$10M for alumina, US$(2)M for freight services, nil for raw materials and nil for manganese. H1 FY24 Third party products and services sold comprises US$42M for aluminium, US$3M for alumina, US$43M for freight services, US$53M for raw materials and US$15M for manganese. Underlying EBIT on third party products and services comprises nil for aluminium, US$2M for alumina, US$(2)M for freight services, nil for raw materials and nil for manganese.

(55) Illawarra Metallurgical Coal's H1 FY25 and restated H1 FY24 underlying results include third party products and services. H1 FY25 Third party products and services sold was US$28M and Underlying EBIT was nil. H1 FY24 Third party products and services sold was US$106M and Underlying EBIT was US$14M.

(56) Refers to lower levels of GHG emissions when compared to the current state. Where used in relation to South32's products or portfolio, it refers to enhancement of existing methods, practices and technologies to substantially lower the level of embodied GHG emissions as compared to the current state.

(57) The sales volume weighted average of the Platts Alumina index (FOB) on the basis of a one-month lag to published pricing (Month minus one or "M-1") was US$577/t in H1 FY25.

(58) The information in this announcement that refers to Production Target and forecast financial information for MRN is based on Proved (8%) and Probable (1%) Ore Reserves and Measured (91%) Mineral Resources. The Mineral Resources and Ore Reserves underpinning the Production Target have been prepared by Competent Persons in accordance with the requirement of the JORC Code and is available to view in South32's 2024 Annual Report (www.south32.net) published on 29 August 2024. South32 confirms that all material assumptions underpinning the Production Target and forecast financial information derived from the Production Target continues to apply and have not materially changed.

(59) Refer to market release "Mozal Aluminium Update" dated 19 December 2024.

(60) Presented on a 100% basis.

(61) Sierra Gorda and Cannington Operating unit cost is Underlying revenue less Underlying EBITDA divided by ore processed. Periodic movements in finished product inventory may impact Operating unit costs.

(62) Cerro Matoso realised nickel sales price is inclusive of by-products.

(63) Volumes and prices do not include any third party trading that may be undertaken independently of equity production. Realised ore prices are calculated as external sales Underlying revenue less freight and marketing costs, divided by external sales volume.

(64) No ore sales in H1 FY25. Manganese Australia H1 FY24 average manganese content of external ore sales was 42.5% on a dry basis. 97% of H1 FY24 external manganese ore sales were completed on a CIF basis. H1 FY24 realised FOB ore prices and Operating unit costs have been adjusted for freight and marketing costs of US$30M, consistent with our FOB cost guidance.

(65) FOB Ore Operating unit cost is Underlying revenue less Underlying EBITDA, freight and marketing costs, divided by ore sales volume.

(66) Refer to media release "Agreement to divest Metalloys manganese alloy smelter" dated 13 June 2024.

(67) Manganese South Africa H1 FY25 average manganese content of external ore sales was 39.0% on a dry basis (H1 FY24: 38.7%). 89% of H1 FY25 external manganese ore sales (H1 FY24: 90%) were completed on a CIF basis. H1 FY25 realised FOB ore prices and Operating unit costs have been adjusted for freight and marketing costs of US$30M (H1 FY24: US$28M), consistent with our FOB cost guidance.

Figures in Italics indicate that an adjustment has been made since the figures were previously reported. The denotation (e) refers to an estimate or forecast year.
The following abbreviations may be used throughout this report: US$ million (US$M); US$ billion (US$B); financial year (FY); calendar year (CY); grams per tonne (g/t); tonnes (t); thousand tonnes (kt); thousand tonnes per annum (ktpa); million tonnes (Mt); million tonnes per annum (Mtpa); ounces (oz); thousand ounces (koz); million ounces (Moz); thousand wet metric tonnes (kwmt); million wet metric tonnes (Mwmt); thousand dry metric tonnes (kdmt); dry metric tonne unit (dmtu); pound (lb); megawatt (MW); Australian Securities Exchange (ASX); London Stock Exchange (LSE); Johannesburg Stock Exchange (JSE); equity accounted investment (EAI); and American Depositary Receipts (ADR).

SOUTH32 FINANCIAL INFORMATION

For the half year ended 31 December 2024

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Consolidated income statement

for the half year ended 31 December 2024

US$M	Note	H1 FY25	H1 FY24 Restated[1]
Continuing operations			
Revenue:			
Group production		**2,920**	2,307
Third party products and services		**203**	200
	3	**3,123**	2,507
Other income		**62**	54
Expenses excluding finance costs		**(2,745)**	(2,606)
Share of profit/(loss) of equity accounted investments	8	**80**	(7)
Operating profit/(loss) from continuing operations		**520**	(52)
Comprising:			
Group production		**510**	(52)
Third party products and services		**10**	–
Operating profit/(loss) from continuing operations		**520**	(52)
Finance income		**132**	115
Finance costs		**(69)**	(121)
Net finance income/(costs)	6	**63**	(6)
Profit/(loss) before tax from continuing operations		**583**	(58)
Income tax (expense)/benefit		**(210)**	32
Profit/(loss) for the period from continuing operations		**373**	(26)
Discontinued operation			
Profit/(loss) after tax from a discontinued operation	9	**(14)**	79
Profit/(loss) for the period		**359**	53
Attributable to:			
Equity holders of South32 Limited		**360**	53
Non-controlling interests		**(1)**	–
Profit/(loss) for the period from continuing operations attributable to equity holders of South32 Limited:			
Basic earnings/(loss) per share (cents)	5	**8.3**	(0.6)
Diluted earnings/(loss) per share (cents)	5	**8.3**	(0.6)
Profit/(loss) for the period attributable to equity holders of South32 Limited:			
Basic earnings/(loss) per share (cents)	5	**8.0**	1.2
Diluted earnings/(loss) per share (cents)	5	**8.0**	1.2

(1) Refer to note 9 Disposal of subsidiaries and joint operations.

The accompanying notes form part of the half year consolidated financial statements.

Consolidated statement of comprehensive income

for the half year ended 31 December 2024

US$M	H1 FY25	H1 FY24
Profit/(loss) for the period	**359**	53
Other comprehensive income		
Items that may be reclassified to the Consolidated income statement:		
Translation of foreign operations	**(2)**	–
Share of other comprehensive income/(loss) of equity accounted investments	**2**	–
Total items that may be reclassified to the Consolidated income statement	**–**	–
Items that will not be reclassified to the Consolidated income statement:		
Investments in equity instruments designated as fair value through other comprehensive income (FVOCI):		
Net fair value gains/(losses)	**19**	(19)
Income tax (expense)/benefit	**(6)**	(1)
Total items that will not be reclassified to the Consolidated income statement	**13**	(20)
Total other comprehensive income/(loss)	**13**	(20)
Total comprehensive income/(loss)	**372**	33
Attributable to:		
Equity holders of South32 Limited	**374**	33
Non-controlling interests	**(2)**	–

The accompanying notes form part of the half year consolidated financial statements.

Consolidated balance sheet

as at 31 December 2024

US$M	Note	H1 FY25	FY24
ASSETS			
Current assets			
Cash and cash equivalents		**1,600**	842
Trade and other receivables		**714**	634
Other financial assets	7	**13**	1
Inventories		**1,043**	985
Current tax assets		**64**	69
Other assets		**45**	43
Assets held for sale		**–**	1,825
Total current assets		**3,479**	4,399
Non-current assets			
Trade and other receivables		**2,166**	2,083
Other financial assets	7	**286**	89
Inventories		**63**	63
Property, plant and equipment		**6,661**	6,503
Intangible assets		**220**	221
Equity accounted investments		**544**	396
Deferred tax assets		**430**	481
Other assets		**6**	10
Total non-current assets		**10,376**	9,846
Total assets		**13,855**	14,245
LIABILITIES			
Current liabilities			
Trade and other payables		**723**	805
Interest bearing liabilities		**314**	223
Current tax payables		**46**	15
Provisions		**142**	179
Deferred income		**4**	49
Liabilities directly associated with assets held for sale		**–**	573
Total current liabilities		**1,229**	1,844
Non-current liabilities			
Trade and other payables		**–**	1
Interest bearing liabilities		**1,333**	1,343
Other financial liabilities	7	**68**	17
Deferred tax liabilities		**170**	165
Provisions		**1,877**	1,904
Total non-current liabilities		**3,448**	3,430
Total liabilities		**4,677**	5,274
Net assets		**9,178**	8,971
EQUITY			
Share capital		**13,187**	13,216
Treasury shares		**(21)**	(43)
Reserves		**(3,583)**	(3,575)
Accumulated losses		**(418)**	(638)
Total equity attributable to equity holders of South32 Limited		**9,165**	8,960
Non-controlling interests		**13**	11
Total equity		**9,178**	8,971

The accompanying notes form part of the half year consolidated financial statements.

Consolidated cash flow statement

for the half year ended 31 December 2024

US$M	Note	H1 FY25	H1 FY24 Restated[1]
Operating activities			
Profit/(loss) before tax from continuing operations		**583**	(58)
Profit/(loss) before tax from a discontinued operation	9	**(3)**	124
Adjustments for:			
Significant items[2]		**(50)**	48
Depreciation and amortisation expense		**255**	335
Net impairment loss/(reversal) of financial assets	3	**71**	48
Employee share awards expense		**10**	12
Net finance (income)/costs		**(60)**	9
Share of (profit)/loss of equity accounted investments		**(80)**	9
Net (gains)/losses on disposal of subsidiaries and joint operations	9	**47**	–
Other non-cash or non-operating items		**(6)**	(22)
Changes in assets and liabilities:			
Trade and other receivables		**(10)**	(88)
Inventories		**(115)**	(84)
Trade and other payables		**(95)**	(84)
Provisions and other liabilities		**(47)**	(20)
Cash generated from operations		**500**	229
Interest received		**119**	49
Interest paid		**(55)**	(57)
Income tax paid		**(116)**	(96)
Dividends received		**2**	2
Dividends received from equity accounted investments		**–**	76
Net cash flows from operating activities		**450**	203
Investing activities			
Purchase of property, plant and equipment		**(457)**	(563)
Exploration expenditure		**(39)**	(47)
Exploration expenditure expensed and included in operating cash flows		**20**	26
Purchase of intangible assets		**(2)**	–
Proceeds from sale of intangible assets		**–**	18
Investment in financial assets		**(21)**	(84)
Proceeds from financial assets		**29**	42
Payments for the acquisition of subsidiaries and joint operations, net of their cash		**(4)**	(3)
Proceeds from the disposal of subsidiaries and joint operations, net of their cash	9	**954**	–
Investments in equity accounted investments		**(63)**	–
Net cash flows from investing activities		**417**	(611)
Financing activities			
Proceeds from interest bearing liabilities		**121**	149
Repayment of interest bearing liabilities		**(59)**	(110)
Purchase of shares by Employee Share Ownership Plan (ESOP) Trusts		**(5)**	(8)
Share buy-back		**(29)**	(35)
Dividends paid	4	**(140)**	(145)
Contributions from non-controlling interests		**4**	–
Net cash flows from financing activities		**(108)**	(149)
Net increase/(decrease) in cash and cash equivalents		**759**	(557)
Cash and cash equivalents, net of overdrafts, at the beginning of the period		**842**	1,258
Effect of foreign exchange rate changes on cash and cash equivalents		**(1)**	1
Cash and cash equivalents, net of overdrafts, at the end of the period		**1,600**	702

(1) Refer to note 9 Disposal of subsidiaries and joint operations.
(2) Includes cash flows from significant items recognised in prior periods.

The accompanying notes form part of the half year consolidated financial statements.

Consolidated statement of changes in equity

for the half year ended 31 December 2024

	Attributable to equity holders of South32 Limited								
US$M	Share capital	Treasury shares	Financial assets reserve[1]	Employee share awards reserve[2]	Other reserves[3]	Accumulated losses	Total	Non-controlling interests[4]	Total equity
Balance as at 1 July 2024	**13,216**	**(43)**	**(43)**	**58**	**(3,590)**	**(638)**	**8,960**	**11**	**8,971**
Profit/(loss) for the period	**–**	**–**	**–**	**–**	**–**	**360**	**360**	**(1)**	**359**
Other comprehensive income/(loss)	**–**	**–**	**13**	**–**	**1**	**–**	**14**	**(1)**	**13**
Total comprehensive income/(loss)	**–**	**–**	**13**	**–**	**1**	**360**	**374**	**(2)**	**372**
Transactions with owners:									
Dividends	**–**	**–**	**–**	**–**	**–**	**(140)**	**(140)**	**–**	**(140)**
Shares bought back and cancelled	**(29)**	**–**	**–**	**–**	**–**	**–**	**(29)**	**–**	**(29)**
Employee share entitlements for unvested awards, net of tax	**–**	**–**	**–**	**7**	**–**	**–**	**7**	**–**	**7**
Employee share awards vested and lapsed, net of tax	**–**	**27**	**–**	**(29)**	**–**	**–**	**(2)**	**–**	**(2)**
Purchase of shares by ESOP Trusts	**–**	**(5)**	**–**	**–**	**–**	**–**	**(5)**	**–**	**(5)**
Equity issued to holders of non-controlling interest	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**4**	**4**
Balance as at 31 December 2024	**13,187**	**(21)**	**(30)**	**36**	**(3,589)**	**(418)**	**9,165**	**13**	**9,178**
Balance as at 1 July 2023	13,251	(51)	(14)	52	(3,591)	(271)	9,376	(1)	9,375
Profit/(loss) for the period	–	–	–	–	–	53	53	–	53
Other comprehensive income/(loss)	–	–	(20)	–	–	–	(20)	–	(20)
Total comprehensive income/(loss)	–	–	(20)	–	–	53	33	–	33
Transactions with owners:									
Dividends	–	–	–	–	–	(145)	(145)	–	(145)
Shares bought back and cancelled	(35)	–	–	–	–	–	(35)	–	(35)
Employee share entitlements for unvested awards, net of tax	–	–	–	14	–	–	14	–	14
Employee share awards vested and lapsed, net of tax	–	19	–	(20)	–	(7)	(8)	–	(8)
Purchase of shares by ESOP Trusts	–	(8)	–	–	–	–	(8)	–	(8)
Balance as at 31 December 2023	13,216	(40)	(34)	46	(3,591)	(370)	9,227	(1)	9,226

(1) Represents the fair value movement of investments in equity instruments designated as FVOCI.
(2) Represents the accrued employee entitlements to share awards that have not yet vested.
(3) Primarily consists of the common control transaction reserve of US$3,569 million, which reflects the difference between consideration paid and the carrying value of assets and liabilities acquired, as well as the gains/losses on disposal of entities as part of the demerger of the Group in 2015.
(4) Primarily relates to the minority shareholder (49.9 per cent) of Minera Sud Argentina S.A. (MSA), which holds the Chita Valley copper porphyry exploration project in Argentina. The Group acquired a 50.1 per cent interest in MSA in April 2024.

The accompanying notes form part of the half year consolidated financial statements.

Notes to financial statements – Basis of preparation

The consolidated financial statements of South32 Limited (referred to as the Company) and its subsidiaries and joint arrangements (collectively, the Group) for the half year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Directors on 13 February 2025.

1. Reporting entity

South32 Limited is a for-profit company limited by shares incorporated in Australia. South32 Limited has a primary listing on the Australian Securities Exchange (ASX), a secondary listing on the Johannesburg Stock Exchange (JSE), is admitted to listing in the equity shares (international commercial companies secondary listing) category of the Official List of the UK Financial Conduct Authority and its ordinary shares are traded on the London Stock Exchange (LSE).

The nature of the operations and principal activities of the Group are described in note 3 Segment information.

2. Basis of preparation

The half year consolidated financial statements are general purpose condensed financial statements which:

- Have been prepared in accordance with AASB 134 *Interim Financial Reporting*, IAS 34 *Interim Financial Reporting* and the *Corporations Act 2001*;
- Have been prepared on a historical cost basis, except for post-retirement assets and obligations, derivative financial instruments and certain other financial assets and liabilities which are required to be measured at fair value;
- Are presented in US dollars, which is the functional currency of the majority of the Group's operations, and all values are rounded to the nearest million dollars (US$M or US$ million) unless otherwise stated, in accordance with *ASIC Corporations Instrument 2016/191*; and
- Have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the consolidated financial statements for the year ended 30 June 2024.

The preparation of the half year consolidated financial statements has required management to apply accounting policies and methodologies that are based on complex and subjective estimates, assumptions and judgements. Management based its estimates and judgements on historical experience and assumptions it believes to be reasonable and realistic based on the current environment. Actual results may differ from those reported in these statements due to the uncertainties that characterise the assumptions and conditions on which the estimates are based. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 June 2024, with the following update to the key assumptions applied by management in respect of the Mozal Aluminium cash generating unit's recoverable amount.

Mozal Aluminium

The Group has been closely monitoring the potential risks and impacts of the ongoing political situation and related civil unrest in Mozambique following Mozambique's general election in October 2024. The Group has implemented contingency plans and Mozal Aluminium has continued to operate and export aluminium to customers.

Since December 2024, the transport of raw materials to the Mozal Aluminium smelter has experienced periods of disruption and as a result, the Group reduced amperage to the potlines to preserve raw materials and maintain operational stability. Whilst the Group continues to monitor and respond to the evolving situation, no material financial impacts have been observed at the operation as a result of the civil unrest, and no indicators were observed that the Mozal Aluminium cash generating unit's carrying value may not be recoverable.

Separately, and consistent with the key estimates, assumptions and judgements disclosed in the Group's consolidated financial statements for the year ended 30 June 2024, the Group continues to make the reasonable assumption that an agreement to extend the supply of power from Hidroeléctrica de Cahora Bassa to Mozal Aluminium beyond March 2026 can be achieved. While negotiations are ongoing, the progress of negotiations have been impacted by the civil unrest. The extension and pricing of the existing power agreement remains uncertain and failure to extend the supply of power, consistent with the Group's current assumptions, would have a material impact on the recoverable amount of Mozal Aluminium.

For a full understanding of the financial performance and financial position of the Group, it is recommended that the half year consolidated financial statements be read in conjunction with the consolidated financial statements for the year ended 30 June 2024.

3. Segment information

(a) Description of segments

The operating segments (also referred to as operations) are organised and managed separately according to their location and the nature of products produced.

The Lead Team (the chief operating decision makers) and the Board of Directors monitor the segment results regularly for the purpose of making decisions about resource allocation and assessing performance.

The principal activities of each operating segment are summarised as follows:

Operating segment	Principal activities
Worsley Alumina	Integrated bauxite mine and alumina refinery in Australia
Brazil Alumina	Integrated bauxite mine and alumina refinery in Brazil
Brazil Aluminium	Aluminium smelter in Brazil
Hillside Aluminium	Aluminium smelter in South Africa
Mozal Aluminium	Aluminium smelter in Mozambique
Sierra Gorda	Copper mine in Chile
Cannington	Silver, lead and zinc mine in Australia
Hermosa	Base metals exploration and development project in the United States
Cerro Matoso	Integrated laterite ferronickel mine and smelting complex in Colombia
Illawarra Metallurgical Coal(1)	Metallurgical coal mines in Australia
Australia Manganese	Manganese ore mine in Australia
South Africa Manganese	Manganese ore mines in South Africa

(1) On 29 August 2024, the Group completed the sale of Illawarra Metallurgical Coal. Refer to note 9 Disposal of subsidiaries and joint operations.

All operations are operated by the Group except Brazil Alumina, Brazil Aluminium and Sierra Gorda.

(b) Segment results

The underlying information presented in the Group's segment results include non-IFRS financial measures and differs from the statutory financial information as it reflects the Group's interest in material equity accounted joint ventures on a proportional consolidation basis.

The Group's material equity accounted joint ventures are Australia Manganese and South Africa Manganese, inclusive of an allocation of Manganese Marketing, and Sierra Gorda. Refer to note 8 Equity accounted investments.

Segment performance is measured by Underlying revenue, Underlying EBIT and Underlying EBITDA. Underlying revenue is revenue, adjusted to reflect material equity accounted joint ventures on a proportional consolidation basis. Underlying EBIT is profit/(loss) before net finance income/(costs), income tax (expense)/benefit, and other earnings adjustment items, all adjusted to reflect material equity accounted joint ventures on a proportional consolidation basis. Underlying EBITDA is Underlying EBIT before depreciation and amortisation, adjusted to reflect material equity accounted joint ventures on a proportional consolidation basis.

Reconciliations of the underlying information to the statutory information included in the Group's consolidated financial statements are set out in note 3(b)(i) Underlying results reconciliation, including joint venture adjustments which reconcile the proportional consolidation of the material equity accounted joint ventures back to their statutory equity accounting positions.

The Group separately discloses sales of group production from sales of third party products and services because of the significant difference in profit margin earned on these sales.

It is the Group's policy that inter-segment transactions are made on an arm's length basis.

Group and unallocated items/eliminations represent group centre functions and consolidation adjustments.

Group financing and income taxes are primarily managed on a Group basis and are not allocated to operating segments.

Total assets and liabilities for each continuing operating segment represent operating assets and liabilities which predominantly exclude the carrying amount of non-material equity accounted investments, cash, interest bearing liabilities, tax balances and certain other financial assets and liabilities.

3. **Segment information** continued

(b) **Segment results** continued

H1 FY25 US$M	Continuing operations													Discontinued operation	
	Worsley Alumina	Brazil Alumina	Brazil Aluminium	Hillside Aluminium	Mozal Aluminium	Sierra Gorda[1]	Cannington	Hermosa	Cerro Matoso	Australia Manganese[1]	South Africa Manganese[1]	Group and unallocated items/ eliminations	Group underlying results from continuing operations	Illawarra Metallurgical Coal[2]	Group underlying results[1]
Revenue from customers	915	405	153	985	487	419	332	–	239	–	203	(403)	3,735	145	3,880
Other revenue[3]	1	3	–	1	1	(14)	(9)	–	–	–	(12)	–	(29)	(1)	(30)
Total underlying revenue	916	408	153	986	488	405	323	–	239	–	191	(403)	3,706	144	3,850
Comprising:															
Group production	451	280	153	986	488	405	323	–	239	–	191	–	3,516	116	3,632
Third party products and services[4]	–	–	–	–	–	–	–	–	–	–	–	190	190	28	218
Inter-segment revenue	465	128	–	–	–	–	–	–	–	–	–	(593)	–	–	–
Total underlying revenue	916	408	153	986	488	405	323	–	239	–	191	(403)	3,706	144	3,850
Underlying EBITDA	369	174	(53)	123	66	215	130	(15)	39	(31)	28	(77)	968	50	1,018
Underlying depreciation and amortisation	(89)	(28)	(2)	(34)	(33)	(87)	(41)	(2)	(12)	(3)	(10)	(14)	(355)	–	(355)
Underlying EBIT	280	146	(55)	89	33	128	89	(17)	27	(34)	18	(91)	613	50	663
Comprising:															
Group production	280	159	(55)	89	33	128	90	(17)	28	(31)	18	(83)	639	50	689
Exploration expensed	–	–	–	–	–	–	(1)	–	(1)	(3)	–	(18)	(23)	–	(23)
Third party products and services[4]	–	–	–	–	–	–	–	–	–	–	–	10	10	–	10
Share of profit/(loss) of equity accounted investments	–	(13)	–	–	–	–	–	–	–	–	–	–	(13)	–	(13)
Underlying EBIT	280	146	(55)	89	33	128	89	(17)	27	(34)	18	(91)	613	50	663
Underlying net finance costs													(90)	(2)	(92)
Underlying income tax expense													(175)	(14)	(189)
Underlying royalty related tax expense													(8)	–	(8)
Underlying earnings													340	34	374
Total adjustments to profit/(loss)[5]													33	(48)	(15)
Profit/(loss) for the period													373	(14)	359
Underlying exploration expenditure	–	–	–	–	–	7	3	16	1	3	–	18	48	1	49
Underlying capital expenditure[6]	50	27	6	19	12	106	23	248	13	47	25	2	578	57	635
Underlying equity accounted investments	–	8	–	–	–	–	–	–	–	–	–	–	8	–	8
Total underlying assets[7]	2,969	878	134	1,195	684	1,939	514	1,859	337	721	375	3,326	14,931	–	14,931
Total underlying liabilities[7]	1,122	146	60	306	184	231	402	147	240	473	184	2,258	5,753	–	5,753

(1) The segment information reflects the Group's interest in material equity accounted joint ventures and is presented on a proportional consolidation basis, which is the measure used by the Group's management to assess their performance. The Group's underlying results includes the proportional elimination of revenue and corresponding expenses relating to freight services provided by the Group to material joint ventures of US$32 million and third party product revenue of US$19 million included in Group and unallocated items/eliminations. Refer to note 3(b)(i) Underlying results reconciliation for the joint venture adjustments that reconcile the underlying proportional consolidation to the statutory financial information.
(2) The Illawarra Metallurgical Coal operating segment has been classified as a discontinued operation. Refer to note 9 Disposal of subsidiaries and joint operations.
(3) Underlying other revenue relates to fair value movements on provisionally priced contracts.
(4) Underlying revenue on third party products and services sold from continuing operations comprises US$87 million for aluminium, US$6 million for alumina, US$19 million for manganese, US$26 million for freight services and US$52 million for raw materials. Underlying EBIT on third party products and services sold from continuing operations comprises US$2 million aluminium, US$10 million for alumina and (US$2) million for freight services.
(5) Represents the total of all adjustments made to operating profit/(loss), net finance income/(costs) and income tax (expense)/benefit. Refer to note 3(b)(i) Underlying results reconciliation for further details.
(6) Underlying capital expenditure excludes the purchase of intangibles and capitalised exploration expenditure.
(7) Total underlying assets and liabilities for each continuing operating segment represent operating assets and liabilities which predominantly exclude the carrying amount of non-material equity accounted investments, cash, interest bearing liabilities, tax balances and certain other financial assets and liabilities.

3. **Segment information** continued

(b) **Segment results** continued

H1 FY24 Restated[(1)] US$M	Continuing operations: Worsley Alumina	Brazil Alumina	Brazil Aluminium	Hillside Aluminium	Mozal Aluminium	Sierra Gorda[(2)]	Cannington	Hermosa	Cerro Matoso	Australia Manganese[(2)]	South Africa Manganese[(2)]	Group and unallocated items/ eliminations	Group underlying results from continuing operations	Discontinued operation: Illawarra Metallurgical Coal[(1)]	Group underlying results[(2)]
Revenue from customers	653	234	91	757	397	319	313	–	238	328	158	(224)	3,264	628	3,892
Other revenue[(3)]	–	–	–	1	–	3	5	–	–	(10)	(6)	(2)	(9)	(2)	(11)
Total underlying revenue	653	234	91	758	397	322	318	–	238	318	152	(226)	3,255	626	3,881
Comprising:															
Group production	318	187	91	758	397	322	318	–	238	318	152	–	3,099	520	3,619
Third party products and services[(4)]	–	–	–	–	–	–	–	–	–	–	–	156	156	106	262
Inter-segment revenue	335	47	–	–	–	–	–	–	–	–	–	(382)	–	–	–
Total underlying revenue	653	234	91	758	397	322	318	–	238	318	152	(226)	3,255	626	3,881
Underlying EBITDA	164	15	(70)	60	(14)	117	147	(7)	17	125	14	(50)	518	190	708
Underlying depreciation and amortisation	(96)	(24)	(4)	(33)	(34)	(68)	(38)	(2)	(31)	(58)	(11)	(13)	(412)	(60)	(472)
Underlying EBIT	68	(9)	(74)	27	(48)	49	109	(9)	(14)	67	3	(63)	106	130	236
Comprising:															
Group production	68	–	(74)	27	(48)	49	112	(9)	(13)	67	3	(44)	138	121	259
Exploration expensed	–	–	–	–	–	–	(3)	–	(1)	–	–	(19)	(23)	(3)	(26)
Third party products and services[(4)]	–	–	–	–	–	–	–	–	–	–	–	–	–	14	14
Share of profit/(loss) of equity accounted investments	–	(9)	–	–	–	–	–	–	–	–	–	–	(9)	(2)	(11)
Underlying EBIT	68	(9)	(74)	27	(48)	49	109	(9)	(14)	67	3	(63)	106	130	236
Underlying net finance costs													(115)	(3)	(118)
Underlying income tax expense													(17)	(39)	(56)
Underlying royalty related tax expense													(22)	–	(22)
Underlying earnings													(48)	88	40
Total adjustments to profit/(loss)[(5)]													22	(9)	13
Profit/(loss) for the period													(26)	79	53
Underlying exploration expenditure	–	–	–	–	–	6	5	14	1	–	–	20	46	7	53
Underlying capital expenditure[(6)]	58	51	4	25	11	98	23	188	21	40	26	1	546	181	727
Underlying equity accounted investments[(7)]	–	20	–	–	–	–	–	–	–	–	–	–	20	6	26
Total underlying assets[(7)]	3,009	898	119	1,100	663	1,878	569	1,571	334	596	390	2,325	13,452	1,794	15,246
Total underlying liabilities[(7)]	1,196	162	51	295	165	214	419	136	243	430	190	2,216	5,717	558	6,275

(1) The Illawarra Metallurgical Coal operating segment has been reclassified as a discontinued operation. Refer to note 9 Disposal of subsidiaries and joint operations.
(2) The segment information reflects the Group's interest in material equity accounted joint ventures and is presented on a proportional consolidation basis, which is the measure used by the Group's management to assess their performance. The Group's underlying results includes the proportional elimination of revenue and corresponding expenses relating to freight services provided by the Group to material joint ventures of US$59 million and third party product revenue of US$15 million included in Group and unallocated items/eliminations. Refer to note 3(b)(i) Underlying results reconciliation for the joint venture adjustments that reconcile the underlying proportional consolidation to the statutory financial information.
(3) Underlying other revenue relates to fair value movements on provisionally priced contracts.
(4) Underlying revenue on third party products and services sold from continuing operations comprises US$42 million for aluminium, US$3 million for alumina, US$15 million for manganese, US$43 million for freight services and US$53 million for raw materials. Underlying EBIT on third party products and services sold from continuing operations comprises US$2 million for alumina and US$(2) million for freight services.
(5) Represents the total of all adjustments made to operating profit/(loss), net finance income/(costs) and income tax (expense)/benefit. Refer to note 3(b)(i) Underlying results reconciliation for further details.
(6) Underlying capital expenditure excludes the purchase of intangibles and capitalised exploration expenditure.
(7) Underlying equity accounted investments, total underlying assets and total underlying liabilities for each operating segment are as at 30 June 2024. Total underlying assets and liabilities for each operating segment represent operating assets and liabilities which predominantly exclude the carrying amount of non-material equity accounted investments, cash, interest bearing liabilities, tax balances and certain other financial assets and liabilities.

3. Segment information continued

(b) Segment results continued

(i) Underlying results reconciliation

The following tables reconcile the underlying segment information to the statutory information included in the Group's half year consolidated financial statements:

H1 FY25 US$M	Continuing operations	Discontinued operation[1]	Total
Underlying EBIT	**613**	**50**	**663**
Joint venture adjustments[2][3]	(22)	–	(22)
Exchange rate gains/(losses) on restatement of monetary items[4]	(4)	(3)	(7)
Net impairment (loss)/reversal of financial assets[4][5]	(71)	–	(71)
Net gains/(losses) on the disposal of subsidiaries and joint operations[1]	–	(47)	(47)
Gains/(losses) on non-trading derivative instruments, contingent consideration and other investments measured at fair value through profit or loss (FVTPL)[4][6]	4	–	4
Operating profit/(loss)	**520**	**–**	**520**
Underlying net finance costs	**(90)**	**(2)**	**(92)**
Joint venture adjustments[2][3]	115	–	115
Exchange rate variations on net debt	38	(1)	37
Net finance income/(costs)	**63**	**(3)**	**60**
Underlying income tax expense	**(175)**	**(14)**	**(189)**
Underlying royalty related tax expense	**(8)**	**–**	**(8)**
Joint venture adjustments relating to income tax expense[2][3]	(1)	–	(1)
Joint venture adjustments relating to royalty related tax expense[2][3]	8	–	8
Tax effect of other adjustments to derive Underlying EBIT	(1)	1	–
Tax effect of other adjustments to derive Underlying net finance costs	(11)	–	(11)
Exchange rate variations on tax balances	(22)	2	(20)
Income tax (expense)/benefit	**(210)**	**(11)**	**(221)**
Underlying earnings	**340**	**34**	**374**
Total adjustments to profit/(loss)	33	(48)	(15)
Profit/(loss) for the period	**373**	**(14)**	**359**
Underlying earnings attributable to:			
Equity holders of South32 Limited	341	34	375
Non-controlling interests	(1)	–	(1)

(1) Refer to note 9 Disposal of subsidiaries and joint operations.
(2) The segment information reflects the Group's interest in material equity accounted joint ventures and is presented on a proportional consolidation basis, which is the measure used by the Group's management to assess their performance. Joint venture adjustments reconcile the proportional consolidation to the statutory equity accounting positions, recognised in share of profit/(loss) of equity accounted investments in the Consolidated income statement.
(3) The net impact of all joint venture adjustments to the Group's profit/(loss) for the period amounts to US$100 million of which US$53 million relates to the Sierra Gorda segment and US$47 million relates to the Australia Manganese segment. The Sierra Gorda joint venture adjustments include a revaluation gain of US$71 million (US$52 million post-tax) relating to the shareholder loan payable that was eliminated from the Group's Underlying earnings upon proportional consolidation. The Australia Manganese joint venture adjustments include a significant item of US$76 million (US$48 million post-tax) as outlined in note 3(b)(ii) Significant items.
(4) Recognised in expenses excluding finance costs in the Consolidated income statement.
(5) Refer to note 3(b)(iii) Impairment of financial assets.
(6) Includes a gain of US$53 million on the revaluation of the contingent consideration receivable from the divestment of Illawarra Metallurgical Coal and a loss of US$50 million on the revaluation of the contingent consideration payable for the acquisition of Sierra Gorda.

3. **Segment information** continued

(b) **Segment results** continued

(i) Underlying results reconciliation continued

H1 FY24 Restated[1] US$M	Continuing operations	Discontinued operation[1]	Total
Underlying EBIT	106	130	236
Joint venture adjustments[2][3]	(118)	–	(118)
Exchange rate gains/(losses) on restatement of monetary items[4]	(10)	(3)	(13)
Net impairment (loss)/reversal of financial assets[4][5]	(48)	–	(48)
Gains/(losses) on non-trading derivative instruments, contingent consideration and other investments measured at FVTPL[4]	18	–	18
Operating profit/(loss)	(52)	127	75
Underlying net finance costs	(115)	(3)	(118)
Joint venture adjustments[2][3]	110	–	110
Exchange rate variations on net debt	(1)	–	(1)
Net finance income/(costs)	(6)	(3)	(9)
Underlying income tax expense	(17)	(39)	(56)
Underlying royalty related tax expense	(22)	–	(22)
Joint venture adjustments relating to income tax expense[2][3]	18	–	18
Joint venture adjustments relating to royalty related tax expense[2][3]	22	–	22
Tax effect of other adjustments to derive Underlying EBIT	3	1	4
Tax effect of other adjustments to derive Underlying net finance costs	1	–	1
Exchange rate variations on tax balances	27	(7)	20
Income tax (expense)/benefit	32	(45)	(13)
Underlying earnings	(48)	88	40
Total adjustments to profit/(loss)	22	(9)	13
Profit/(loss) for the period	(26)	79	53
Underlying earnings attributable to:			
Equity holders of South32 Limited	(48)	88	40
Non-controlling interests	–	–	–

(1) The Illawarra Metallurgical Coal operating segment has been reclassified as a discontinued operation. Refer to note 9 Disposal of subsidiaries and joint operations.
(2) The segment information reflects the Group's interest in material equity accounted joint ventures and is presented on a proportional consolidation basis, which is the measure used by the Group's management to assess their performance. Joint venture adjustments reconcile the proportional consolidation to the statutory equity accounting positions, recognised in share of profit/(loss) of equity accounted investments in the Consolidated income statement.
(3) The net impact of all joint venture adjustments to the Group's profit/(loss) for the year amounts to US$32 million of which US$39 million relates to the Sierra Gorda segment and (US$7) million relates to the South Africa Manganese segment. The Sierra Gorda joint venture adjustments include a revaluation gain of US$48 million (US$35 million post-tax) relating to the shareholder loan payable that was eliminated from the Group's Underlying earnings upon proportional consolidation.
(4) Recognised in expenses excluding finance costs in the Consolidated income statement.
(5) Refer to note 3(b)(iii) Impairment of financial assets.

3. **Segment information** continued

(b) **Segment results** continued

(i) Underlying results reconciliation continued

H1 FY25 US$M	Group underlying results	Joint venture adjustments	Discontinued operation adjustments[1]	Group statutory results
Total revenue	**3,850**	**(583)**	**(144)**	**3,123**
Depreciation and amortisation	**355**	**(100)**	**–**	**255**
Share of profit/(loss) of equity accounted investments	**(13)**	**93**	**–**	**80**
Exploration expenditure[2]	**49**	**(10)**	**–**	**39**
Capital expenditure[2]	**635**	**(178)**	**–**	**457**
Equity accounted investments	**8**	**536**	**–**	**544**
Total assets	**14,931**	**(1,076)**	**–**	**13,855**
Total liabilities	**5,753**	**(1,076)**	**–**	**4,677**

(1) Refer to note 9 Disposal of subsidiaries and joint operations.
(2) The Group statutory results include the cash flows from discontinued operations, consistent with the Consolidated cash flow statement.

H1 FY24 Restated[1] US$M	Group underlying results	Joint venture adjustments	Discontinued operation adjustments[1]	Group statutory results
Total revenue	3,881	(748)	(626)	2,507
Depreciation and amortisation	472	(137)	(60)	275
Share of profit/(loss) of equity accounted investments	(11)	2	2	(7)
Exploration expenditure[2]	53	(6)	–	47
Capital expenditure[2]	727	(164)	–	563
Equity accounted investments[3]	26	376	(6)	396
Total assets[3]	15,246	(1,001)	–	14,245
Total liabilities[3]	6,275	(1,001)	–	5,274

(1) The Illawarra Metallurgical Coal operating segment has been reclassified as a discontinued operation. Refer to note 9 Disposal of subsidiaries and joint operations.
(2) The Group statutory results include the cash flows from discontinued operations, consistent with the Consolidated cash flow statement.
(3) Equity accounted investments, total assets and total liabilities are as at 30 June 2024.

(ii) Significant items

Significant items are those items, not separately identified in note 3(b)(i) Underlying results reconciliation, whose nature and amount are considered significant to the Group's consolidated financial statements.

The only significant item recognised within the Group's consolidated financial statements for the half year ended 31 December 2024 relates to the Tropical Cyclone Megan impacts at the Groote Eylandt Mining Company Pty Ltd (GEMCO) operation within the Australia Manganese equity accounted investment, which is presented on a proportional consolidation basis in the Group's segment results. The significant item adjustment is included in the joint venture adjustments in the Underlying results reconciliation.

Tropical Cyclone Megan impacts

In March 2024, Tropical Cyclone Megan severely impacted operations at GEMCO. The weather system resulted in widespread flooding and significant damage to infrastructure, including the wharf, port and a critical bridge, resulting in the temporary suspension of operations. Amounts incurred directly or indirectly as a result of Tropical Cyclone Megan, including insurance income, do not reflect the performance of the underlying operation and have been classified as significant items.

Australia Manganese recorded a significant item as a result of Tropical Cyclone Megan of US$76 million (US$48 million post-tax) which was recognised in the Group's share of profit/(loss) of equity accounted investments in the Consolidated income statement. The net gain of US$48 million included insurance income, partially offset by expenses related to idle capacity charges, repairs and clean-up costs. The net gain of US$48 million was included in the joint venture adjustments in the Underlying results reconciliation.

The Group expects to incur further costs and considers it probable to recover further amounts through insurance, which will also be classified as significant items. No contingent asset has been disclosed for any further anticipated insurance recoveries as a reliable estimate cannot be made at present.

There were no significant items within the Group's consolidated financial statements for the half year ended 31 December 2023.

3. Segment information continued

(b) Segment results continued

(iii) Impairment of financial assets

The Group recognised the following net impairment of financial assets:

US$M	H1 FY25	H1 FY24
Trade and other receivables	**71**	48
Net impairment of financial assets[1]	**71**	48

(1) Relates to the purchased credit impaired receivable from Sierra Gorda.

Shareholder loan receivable from Sierra Gorda

The loan has a contractual interest rate of 8 per cent and the repayment of the loan by Sierra Gorda is dependent on its financial performance. At 31 December 2024, the Group updated its estimated timing of the loan repayments and as a result recognised an impairment of US$71 million (H1 FY24: impairment of US$48 million) which is included in expenses excluding finance costs in the Consolidated income statement. The net present value of the expected future cash flows of the loan were informed by, and are sensitive to, the Group's copper price assumption, with a range of US$4.37/lb - US$4.51/lb used, in real terms, and a production profile and costs based on management's planning processes. An effective interest rate of 9 per cent, as determined on the date of acquisition, was applied to discount the future loan repayments.

4. Dividends

US$M	H1 FY25	H1 FY24
Prior year final dividend[1]	**140**	145
Total dividends declared and paid during the period	**140**	145

(1) On 29 August 2024, the Directors resolved to pay a fully franked final dividend of US 3.1 cents per share (US$140 million) in respect of the 2024 financial year. The dividend was paid on 17 October 2024.

5. Earnings per share

Basic earnings/(loss) per share amounts are calculated based on profit or loss attributable to equity holders of South32 Limited and the weighted average number of shares outstanding during the period.

Diluted earnings/(loss) per share amounts are calculated based on profit or loss attributable to equity holders of South32 Limited and the weighted average number of shares outstanding after adjustment for the effects of all dilutive potential shares.

The following reflects the profit or loss and share data used in the basic and diluted earnings/(loss) per share computations:

Profit/(loss) attributable to equity holders US$M	H1 FY25	H1 FY24 Restated[1]
Continuing operations	**374**	(26)
Discontinued operation[1]	**(14)**	79
Profit/(loss) attributable to equity holders of South32 Limited (basic)	**360**	53
Profit/(loss) attributable to equity holders of South32 Limited (diluted)	**360**	53

(1) Refer to note 9 Disposal of subsidiaries and joint operations.

Weighted average number of shares Million	H1 FY25	H1 FY24 Restated[1]
Basic earnings/(loss) per share denominator[2]	**4,515**	4,523
Shares contingently issuable under employee share ownership plans	**13**	–
Diluted earnings/(loss) per share denominator[1]	**4,528**	4,523

(1) The diluted earnings/(loss) per share calculation for H1 FY24 has been restated to exclude 14,096,221 shares contingently issuable under ESOP plans, subject to service and performance conditions, which are considered anti-dilutive due to the numerator being restated to reflect a loss from continuing operations, refer to note 9 Disposal of subsidiaries and joint operations.
(2) The basic earnings/(loss) per share denominator is the aggregate of the weighted average number of shares after deduction of the weighted average number of treasury shares outstanding and shares permanently cancelled through the on-market share buy-back program.

Earnings/(loss) per share US cents	H1 FY25	H1 FY24 Restated[1]
Continuing operations		
Basic earnings/(loss) per share	**8.3**	(0.6)
Diluted earnings/(loss) per share	**8.3**	(0.6)
Attributable to ordinary equity holders of South32 Limited		
Basic earnings/(loss) per share	**8.0**	1.2
Diluted earnings/(loss) per share	**8.0**	1.2

(1) Refer to note 9 Disposal of subsidiaries and joint operations.

6. Net finance income/(costs)

US$M	H1 FY25	H1 FY24 Restated(1)
Finance income		
Interest on loans to equity accounted investments	**91**	90
Other interest income	**41**	25
Total finance income	**132**	115
Finance costs		
Interest on borrowings	**(29)**	(35)
Interest on lease liabilities	**(27)**	(26)
Discounting on provisions and other liabilities	**(49)**	(58)
Net interest expense on post-retirement employee benefits	**(2)**	(1)
Exchange rate variations on net debt	**38**	(1)
Total finance costs	**(69)**	(121)
Net finance income/(costs)	**63**	(6)

(1) Refer to note 9 Disposal of subsidiaries and joint operations.

7. Financial assets and financial liabilities

The following table presents the financial assets and liabilities by class at their carrying amounts:

H1 FY25 US$M	Held at FVTPL	Designated as FVOCI	Amortised cost	Total
Financial assets				
Cash and cash equivalents	**–**	**–**	**1,600**	**1,600**
Trade and other receivables(1)(2)	**86**	**–**	**550**	**636**
Other financial assets:				
Derivative contracts	**2**	**–**	**–**	**2**
Investments in equity instruments designated as FVOCI	**–**	**11**	**–**	**11**
Total current financial assets	**88**	**11**	**2,150**	**2,249**
Trade and other receivables(1)(2)	**–**	**–**	**2,043**	**2,043**
Other financial assets:				
Investments in equity instruments designated as FVOCI	**–**	**118**	**–**	**118**
Contingent consideration receivable	**168**	**–**	**–**	**168**
Total non-current financial assets	**168**	**118**	**2,043**	**2,329**
Total financial assets	**256**	**129**	**4,193**	**4,578**
Financial liabilities				
Trade and other payables(3)	**6**	**–**	**706**	**712**
Interest bearing liabilities	**–**	**–**	**314**	**314**
Total current financial liabilities	**6**	**–**	**1,020**	**1,026**
Interest bearing liabilities	**–**	**–**	**1,333**	**1,333**
Other financial liabilities:				
Contingent consideration payable	**68**	**–**	**–**	**68**
Total non-current financial liabilities	**68**	**–**	**1,333**	**1,401**
Total financial liabilities	**74**	**–**	**2,353**	**2,427**

(1) Includes current loans to equity accounted investments of US$50 million and non-current loans to equity accounted investments of US$1,848 million.
(2) Excludes current input taxes of US$78 million and non-current input and other taxes of US$123 million included in other receivables.
(3) Excludes current input taxes of US$11 million included in other payables.

7. **Financial assets and financial liabilities** continued

FY24 US$M	Held at FVTPL	Designated as FVOCI	Amortised cost	Total
Financial assets				
Cash and cash equivalents	–	–	842	842
Trade and other receivables[(1)(2)]	120	–	403	523
Other financial assets:				
Derivative contracts	1	–	–	1
Total current financial assets	121	–	1,245	1,366
Trade and other receivables[(1)(2)]	–	–	1,951	1,951
Other financial assets:				
Investments in equity instruments designated as FVOCI	–	89	–	89
Total non-current financial assets	–	89	1,951	2,040
Total financial assets	121	89	3,196	3,406
Financial liabilities				
Trade and other payables[(3)]	3	–	782	785
Interest bearing liabilities	–	–	223	223
Total current financial liabilities	3	–	1,005	1,008
Interest bearing liabilities	–	–	1,343	1,343
Other financial liabilities:				
Contingent consideration payable	17	–	–	17
Total non-current financial liabilities[(3)]	17	–	1,343	1,360
Total financial liabilities	20	–	2,348	2,368

(1) Includes current loans to equity accounted investments of US$73 million and non-current loans to equity accounted investments of US$1,933 million.
(2) Excludes current input taxes of US$111 million and non-current input and other taxes of US$132 million included in other receivables.
(3) Excludes current input taxes of US$20 million and non-current input and other taxes of US$1 million included in other payables.

(i) Fair value measurement

The carrying values of the Group's financial assets and liabilities measured at amortised cost are equal to or approximate their respective fair values, except for senior unsecured notes with a carrying value of US$692 million (FY24: US$692 million), which have a fair value of US$643 million (FY24: US$636 million), and lease liabilities with a carrying value of US$660 million (FY24: US$672 million), for which a fair value has not been determined. The fair value of the Group's senior unsecured notes is estimated based on quoted market prices at the reporting date and are classified as Level 1 on the fair value hierarchy as shown below.

For financial assets and liabilities measured at fair value, the Group uses quoted marked prices in active markets for identical assets where available. Where no price information is available from a quoted market source, alternative market mechanisms or recent comparable transactions, the fair value is estimated based on the Group's views on relevant future prices, net of valuation allowances to accommodate liquidity, modelling, credit and other risks implicit in such estimates.

The following table shows the Group's financial assets and liabilities carried at fair value with reference to the nature of valuation inputs used:

Level 1 Valuation is based on unadjusted quoted prices in active markets for identical financial assets and liabilities.

Level 2 Valuation is based on inputs (other than quoted prices included in Level 1) that are observable for the financial asset or liability, either directly (i.e. as unquoted prices) or indirectly (i.e. derived from prices).

Level 3 Valuation includes inputs that are not based on observable market data.

7. **Financial assets and financial liabilities** continued

(i) Fair value measurement continued

H1 FY25 US$M	Level 1	Level 2	Level 3	Total
Financial assets and liabilities				
Trade and other receivables	**–**	**86**	**–**	**86**
Trade and other payables	**–**	**(6)**	**–**	**(6)**
Derivative contract assets	**2**	**–**	**–**	**2**
Investments in equity instruments designated as FVOCI	**119**	**–**	**10**	**129**
Contingent consideration receivable	**–**	**–**	**168**	**168**
Contingent consideration payable	**–**	**–**	**(68)**	**(68)**
Total	**121**	**80**	**110**	**311**

FY24 US$M	Level 1	Level 2	Level 3	Total
Financial assets and liabilities				
Trade and other receivables	–	120	–	120
Trade and other payables	–	(3)	–	(3)
Derivative contract assets	1	–	–	1
Investments in equity instruments designated as FVOCI	80	–	9	89
Contingent consideration payable	–	–	(17)	(17)
Total	81	117	(8)	190

The following table shows the movements in the Group's Level 3 financial assets and liabilities:

US$M	H1 FY25	H1 FY24
At the beginning of the period	**(8)**	(20)
Addition of financial assets	**115**	–
Net unrealised gains/(losses) recognised in the Consolidated income statement(1)	**3**	19
At the end of the period(2)	**110**	(1)

(1) Recognised in expenses excluding finance costs in the Consolidated income statement.
(2) The fair value of the Level 3 financial assets and liabilities are determined using appropriate valuation models, including discounted cash flow modelling, with inputs such as forecast commodity prices and production volumes. The only Level 3 input which is considered significant to the fair value measurement of these financial assets and liabilities is the forecast metallurgical coal prices used in the determination of the contingent consideration receivable from the divestment of Illawarra Metallurgical Coal. The effect of using reasonably possible alternative metallurgical coal prices in the fair value calculation, based on changing this assumption favourably or unfavourably by 10 per cent while holding all other variables constant, is an increase of US$72 million, or a decrease of US$166 million respectively, to the Group's profit/(loss) after tax in the Consolidated income statement.

8. Equity accounted investments

The Group's material interests in equity accounted investments are as follows:

			Ownership interest %	
Material joint ventures	Country of incorporation	Principal activity	H1 FY25	FY24
Australia Manganese[(1)(2)]	Australia	Manganese ore mine	**60**	60
South Africa Manganese[(1)(3)]	South Africa	Manganese ore mines	**60**	60
Manganese Marketing[(1)(4)]	Singapore	Sales, marketing and distribution	**60**	60
Sierra Gorda[(1)(5)]	Chile	Copper mine	**45**	45

(1) Joint control is contractually achieved as joint venture parties unanimously consent on decisions over the joint venture's relevant activities.
(2) Australia Manganese consists of an investment in GEMCO.
(3) The Group holds a 60 per cent interest in Samancor Holdings (Pty) Ltd (Samancor). Samancor indirectly owns 74 per cent of Hotazel Manganese Mines (Pty) Ltd (HMM), which gives the Group its indirect legal ownership interest of 44.4 per cent. The remaining 26 per cent of HMM is owned by B-BBEE entities, of which 17 per cent of the interests were acquired using vendor finance, with the loans repayable via distributions attributable to these parties, pro rata to their share in HMM. Until these loans are repaid, the Group's interest in HMM is accounted for at 54.6 per cent.
(4) Manganese Marketing consists of an investment in Samancor Marketing Pte Ltd.
(5) Sierra Gorda consists of an investment in Sierra Gorda Sociedad Contractual Minera.

Share of profit/(loss) of equity accounted investments US$M	H1 FY25	H1 FY24 Restated[(1)]
Australia Manganese	**7**	7
South Africa Manganese	**7**	(12)
Manganese Marketing	**(1)**	4
Sierra Gorda	**80**	3
Individually immaterial	**(13)**	(9)
Total	**80**	(7)

(1) Refer to note 9 Disposal of subsidiaries and joint operations.

9. Disposal of subsidiaries and joint operations

Non-current assets and disposal groups (inclusive of directly associated liabilities) are reclassified to current assets held for sale if their carrying amount is highly probable to be recovered through sale rather than through continuing use, and are available for immediate sale in their present condition.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is classified as held for sale. When an operation is classified as discontinued, the comparative financial results are restated as if the operation had been discontinued from the start of the comparative period.

Illawarra Metallurgical Coal

In February 2024, the Group announced its decision to enter into a binding agreement for the sale of its shareholding in Illawarra Metallurgical Coal to an entity owned by Golden Energy and Resources Pte Ltd (GEAR) and M Resources Pty Ltd (M Resources). The sale completed on 29 August 2024 and resulted in a loss on disposal of US$47 million. The sale consideration included an upfront and deferred cash consideration of US$1,300 million and contingent price-linked consideration of up to US$350 million. The consideration is subject to customary working capital, net debt and capital expenditure adjustments that is expected to be finalised during H2 FY25.

Illawarra Metallurgical Coal was classified as held for sale and presented separately on the Group's FY24 Consolidated balance sheet. The disposal group represents the entire Illawarra Metallurgical Coal segment, which comprises Illawarra Coal Holdings Pty Ltd and its subsidiaries, a 16.7 per cent interest in the Port Kembla Coal Terminal, and certain associated external contractual arrangements held by South32 Marketing Pte Ltd which were novated to Illawarra Metallurgical Coal prior to completion. As a separate major component of the Group, Illawarra Metallurgical Coal has also been presented as a discontinued operation in the Group's Consolidated income statement.

9. Disposal of subsidiaries and joint operations continued

The results of the discontinued operation are as follows:

US$M	H1 FY25	H1 FY24
Revenue:		
Group production	**116**	520
Third party products and services	**28**	106
	144	626
Other income	**–**	7
Expenses excluding finance costs	**(97)**	(504)
Profit/(loss) on disposal of the discontinued operation	**(47)**	–
Share of profit/(loss) of equity accounted investments	**–**	(2)
Operating profit/(loss) from a discontinued operation	**–**	127
Finance income	**–**	1
Finance costs	**(3)**	(4)
Net finance income/(costs)	**(3)**	(3)
Profit/(loss) before tax from a discontinued operation	**(3)**	124
Income tax (expense)/benefit	**(11)**	(45)
Profit/(loss) for the period from a discontinued operation	**(14)**	79
Total comprehensive income/(loss) from a discontinued operation attributable to the equity holders of South32 Limited	**(14)**	79
Basic earnings/(loss) per share (cents)	**(0.3)**	1.8
Diluted earnings/(loss) per share (cents)	**(0.3)**	1.8

The cash flows from the discontinued operation are as follows:

US$M	H1 FY25	H1 FY24
Net cash flows from operating activities	**86**	179
Net cash flows from investment activities	**880**	(185)
Net cash flows from financing activities	**(1)**	(2)

The effect of disposal on the results and financial position of the Group is as follows:

US$M	H1 FY25
Consideration	
Upfront consideration, net of transaction costs	**1,010**
Deferred consideration[1]	**170**
Contingent price-linked consideration[2]	**115**
Total consideration	**1,295**
Net assets disposed of	
Cash and cash equivalents	**17**
Trade and other receivables	**94**
Inventories	**166**
Property, plant and equipment	**1,577**
Equity accounted investments	**6**
Other assets	**10**
Trade and other payables	**(199)**
Interest bearing liabilities	**(31)**
Provisions	**(278)**
Deferred tax liabilities	**(20)**
Total net assets disposed of	**1,342**
Net gain/(loss) on disposal	**(47)**
Consideration received, net of transaction costs, satisfied in cash	**955**
Cash and cash equivalents disposed of	**(17)**
Net cash inflow	**938**

(1) Present value of the US$250 million deferred consideration payable in March 2030, recognised in trade and other receivables on the Consolidated balance sheet.
(2) Fair value of the contingent price-linked consideration, recognised in other financial assets on the Consolidated balance sheet. The contingent consideration is payable at 50 per cent of incremental metallurgical coal revenue above certain price thresholds, capped at US$350 million over a five year period.

9. Disposal of subsidiaries and joint operations continued

Eagle Downs Metallurgical Coal

In February 2024, the Group announced its decision to enter into a binding agreement to sell its 50 per cent interest in Eagle Downs Metallurgical Coal to a subsidiary of Stanmore Resources Limited. The sale completed on 12 August 2024 and did not result in a gain or loss on disposal. The sale consideration included upfront consideration of US$15 million, adjusted for customary working capital and net debt, a contingent payment of US$20 million subject to the project reaching metallurgical coal production of 100,000 tonnes, and a price-linked royalty of up to US$100 million.

Eagle Downs Metallurgical Coal was classified as held for sale and presented separately on the Group's FY24 Consolidated balance sheet. Eagle Downs Metallurgical Coal is not considered a separate major component of the Group and therefore was not classified as a discontinued operation, with its results remaining within continuing operations in the Group's Consolidated income statement.

The effect of disposal on the results and financial position of the Group is as follows:

US$M	H1 FY25
Consideration	
Upfront consideration, net of transaction costs	**16**
Total consideration	**16**
Net assets disposed of	
Property, plant and equipment	**31**
Interest bearing liabilities	**(8)**
Provisions	**(7)**
Total net assets disposed of	**16**
Net gain/(loss) on disposal	**–**
Consideration received, net of transaction costs, satisfied in cash	**16**
Net cash inflow	**16**

10. Subsequent events

Capital management

On 13 February 2025, the Directors resolved to pay a fully-franked interim dividend of US 3.4 cents per share (US$154 million) in respect of the 2025 financial half year. The dividend will be paid on 3 April 2025. The dividend has not been provided for in the half year consolidated financial statements and will be recognised in the second half of the 2025 financial year.

No other matters or circumstances have arisen since the end of the period that have significantly affected, or may significantly affect, the operations, results of operations or state of affairs of the Group in subsequent accounting periods.

Directors' declaration

In accordance with a resolution of the Directors of the Company, we state that:

In the opinion of the Directors:

(a) The consolidated financial statements and notes that are set out on pages 34 to 52 for the half year ended 31 December 2024 are in accordance with the Corporations Act, including:

  (i) Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half year ended on that date; and

  (ii) Complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001.

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.

Karen Wood
Chair

Graham Kerr
Chief Executive Officer and Managing Director

Dated 13 February 2025

Directors' report

The Directors of the Group present the consolidated financial statements for the half year ended 31 December 2024 and the auditor's review report thereon.

Directors

The Directors of the Company, both during and since the end of the period, are:

Ms Karen Wood

Mr Graham Kerr

Mr Frank Cooper AO

Dr Xiaoling Liu

Mr Carlos Mesquita

Dr Ntombifuthi (Futhi) Mtoba

Ms Jane Nelson

Mr Wayne Osborn

Mr Keith Rumble (retired 24 October 2024)

Ms Sharon Warburton

Mr Stephen Pearce (appointed 1 February 2025)

Ms Mandlesilo (Mandla) Msimang (appointed 1 February 2025)

The company secretary of the Company, both during and since the end of the period, is Claire Tolcon.

Review and results of operations

A review of the operations of the consolidated entity during the period and of the results of those operations is contained on pages 3 to 31.

Strategic risks and uncertainties

Due to the international scope of the Group's operations and the industries in which it is engaged, there are a number of risk factors and uncertainties which could have an effect on the Group's results and operations over the next six months.

The following information outlines the most significant strategic exposures identified across the Group. The risks are not listed in any particular order:

- Keeping our people safe and well
- Portfolio reshaping
- Climate change and environment
- Maintaining, realising or enhancing the value of our Mineral Resources and Ore Reserves
- Major external events or natural catastrophes
- Maintaining competitiveness through technology and innovation
- Predictable operational performance
- Delivering our project portfolio
- Supply chain security
- Shaping our culture and managing diverse talent
- Evolving societal expectations
- Political risks, actions by government and/or authorities
- Global economic uncertainty and liquidity

Further information on these risks and how they are managed can be found on pages 29 to 38 of the Annual Report for the year ended 30 June 2024, a copy of which is available on the Group's website at www.south32.net.

Events subsequent to the balance sheet date

Refer to note 10 Subsequent events to the consolidated financial statements on page 52.

No other matters or circumstances have arisen since the end of the period that have significantly affected, or may significantly affect, the operations, results of operations or state of affairs of the Group in subsequent accounting periods.

UK responsibility statements

The Directors state that to the best of their knowledge the Financial Results and Outlook on pages 3 to 31 is compliant with DTR 4.2.7R and DTR 4.2.8R of the Disclosure Guidance and Transparency Rules in the United Kingdom, namely:

(a) Includes an indication of important events that have occurred during the first six months of the financial year, and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

(b) Disclosure has been made for 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 performance of the enterprise 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 enterprise in the first six months of the current financial year.

Lead Auditor’s Independence Declaration

A copy of the lead auditor’s independence declaration as required under Section 307C of the Corporations Act is set out on page 56.

Rounding of amounts

The Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191 applies to the Group and amounts in the half year consolidated financial statements and this Directors’ Report have been rounded in accordance with this instrument to the nearest million US dollars, unless stated otherwise.

This Directors’ Report is made in accordance with a resolution of the Board.

Karen Wood
Chair

Graham Kerr
Chief Executive Officer and Managing Director

Dated 13 February 2025

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of South32 Limited

I declare that, to the best of my knowledge and belief, in relation to the review of South32 Limited for the half year ended 31 December 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Jane Bailey

Jane Bailey

Partner

Perth

13 February 2025

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KPMG

Independent Auditor's Review Report

To the shareholders of South32 Limited

Conclusion

We have reviewed the accompanying ***Half-year Consolidated Financial Statements*** of South32 Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Consolidated Financial Statements of South32 Limited does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the ***Group's*** financial position as at 31 December 2024 and of its performance for the Half-year ended on that date; and
- Complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Half-year Consolidated Financial Statements*** comprises:

- Consolidated balance sheet as at 31 December 2024;
- Consolidated income statement, Consolidated statement of comprehensive income, Consolidated statement of changes in equity and Consolidated cash flow statement for the Half-year ended on that date;
- Notes 1 to 10 comprising a summary of material accounting policies and other explanatory information; and
- The Directors' Declaration.

The ***Group*** comprises South32 Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* and ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

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Responsibilities of the Directors for the Half-year Consolidated Financial Statements

The Directors of the Company are responsible for:

- The preparation of the Half-year Consolidated Financial Statements that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- Such internal control as the Directors determine is necessary to enable the preparation of the Half-year Consolidated Financial Statements that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Consolidated Financial Statements

Our responsibility is to express a conclusion on the Half-year Consolidated Financial Statements based on our review. ASRE 2410 and ISRE 2410 require us to conclude whether we have become aware of any matter that makes us believe that the Half-year Consolidated Financial Statements does not comply with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the Half-Year ended on that date, and complying with A*ustralian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of Half-year Consolidated Financial Statements 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 Australian Auditing Standards 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.

KPMG

KPMG

Jane Bailey

Jane Bailey

Partner

Perth

13 February 2025

Forward-looking statements

This release contains forward-looking statements, including statements about trends in commodity prices and currency exchange rates; demand for commodities; production forecasts; plans, strategies and objectives of management; capital costs and scheduling; operating costs; anticipated productive lives of projects, mines and operations; and provisions and contingent liabilities. These forward-looking statements reflect expectations at the date of this release, however they are not guarantees or predictions of future performance. They involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this release. Readers are cautioned not to put undue reliance on forward-looking statements. Except as required by applicable laws or regulations, the South32 Group does not undertake to publicly update or review any forward-looking statements, whether as a result of new information or future events. Past performance cannot be relied on as a guide to future performance. South32 cautions against reliance on any forward looking statements or guidance.

Non-IFRS financial information

This release includes certain non-IFRS financial measures, including Underlying earnings, Underlying EBIT and Underlying EBITDA, Underlying revenue, Underlying net finance costs, Underlying depreciation and amortisation, Underlying operating costs, Underlying income tax expense, Underlying royalty related tax expense, Basic Underlying earnings per share, Underlying effective tax rate, Underlying EBIT margin, Underlying EBITDA margin, Underlying return on capital, Free cash flow, net debt, net operating assets and ROIC. These measures are used internally by management to assess the performance of our business, make decisions on the allocation of our resources and assess operational management. Non-IFRS measures have not been subject to audit or review and should not be considered as an indication of or alternative to an IFRS measure of profitability, financial performance or liquidity.

No offer of securities

Nothing in this release should be read or understood as an offer or recommendation to buy or sell South32 securities, or be treated or relied upon as a recommendation or advice by South32.

No financial or investment advice – South Africa

South32 does not provide any financial or investment 'advice' as that term is defined in the South African Financial Advisory and Intermediary Services Act, 37 of 2002, and we strongly recommend that you seek professional advice.

FURTHER INFORMATION

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Further information on South32 can be found at *www.south32.net*.

South32 Limited (ABN 84 093 732 597)
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ISIN: AU000000S320

Approved for release by Graham Kerr, Chief Executive Officer
JSE Sponsor: The Standard Bank of South Africa Limited
13 February 2025