



Media Release

13 November 2020

Results for Roy Hill Holdings Pty Ltd (“Roy Hill”) for the Financial Year Ended 30 June 2020

- Operating Sales Revenue up 24% year on year to \$6.4 billion
- Profit for the year after tax is up 60% year on year to \$2.2 billion
- Roy Hill paid \$902 million in State Royalties and Corporate Income Taxes
- Net borrowings down by \$2.7 billion
- Original project loan facility fully repaid in the financial year and revolving credit facility fully repaid subsequent to year end
- Roy Hill returned \$475M to its owners through the payment of its first dividend in October 2020
- Roy Hill is the largest revenue and profit earner for its majority owner, Hancock Prospecting (HPPL)
- The Roy Hill tenements were applied for under the direction of Mrs Gina Rinehart in 1992, five months after becoming Chairman of HPPL, after the passing of Lang Hancock. The application was successful in 1993, a year after the passing of the former HPPL Chairman, Lang Hancock.

Roy Hill’s strong financial performance was achieved on the back of a 24% increase in sales to \$6.4 billion driven by higher iron ore prices throughout FY20 and higher shipped tonnes compared to the past financial year. The Wet High Intensity Magnetic Separator (WHIMS) plant, a first for the Pilbara, was completed in early 2020 and through enhanced product yield has contributed to the increased production run rate to 60 million tonnes in the first half of 2020.

Increased revenues coupled with a focus on cost control across the business has resulted in Roy Hill’s profit after tax increasing by 60% to \$2.2 billion from \$1.4 billion in FY19.

Cash flow from operations increased by 32% year on year to \$3.7 billion reflecting higher sales whilst net borrowings reduced by \$2.7 billion. During FY20, Roy Hill has fully repaid all outstanding loan under the original syndicated loan facilities, which were the largest ever secured for a Greenfields mainland mining project.

Roy Hill continues to invest in the business with around \$400 million of new capital committed during the year to ensure the business is well maintained and improved. In addition, construction has commenced of a fourth crusher plant and conveyor system, in order to allow operations access to ore deposits located further south from existing crusher sites consistent with the mine plan.

During FY20, Roy Hill has continued to create job opportunities for Australians with its workforce increasing to around 2,800 employees. Jobs are also supported through its numerous local and interstate contractors and suppliers who help to keep operations going and enable Roy Hill to

contribute to the State and National economy, critically important during and after the COVID-19 pandemic.

Over the past financial year, Roy Hill has worked very hard to ensure industry leading COVID-19 restrictions and we continue to maintain this vigilance through our swab test program in order to protect our people. During this time, Roy Hill paid \$443m in State royalties for FY20 with a further \$459m in corporate income tax payments to the end of June 2020.

Roy Hill continues to move down the industry cost curve by achieving sustainable operations at a 60 million tonnes per annum shipping run rate and driving a simplification and cost optimisation focus across our operations. This is particularly important considering the likely weakening of iron ore prices in the near future with higher production levels resuming in Brazil and the future risk of future iron ore deposits coming on stream, such as in Africa.

Roy Hill Executive Chairman said: “Roy Hill achieved another milestone on 28 October 2020 with the payment of its first dividend following repayment of all outstanding debt.

“We can all be very proud of what we have been able to achieve together. As we look forward, subject to securing government approvals, our growth plans will see us increase from 60mtpa to 70mtpa. This along with continued capital investment and innovation projects, such as our Wet High Intensity Plants and Automation Project are driving efficiencies across our mining operations, and will see us grow the 2,800 jobs we already provide and continue to generate revenue in tax and royalties for the National and State Governments”.

“Mining is an industry we can all be very proud of. It’s an industry we shine in internationally, creating many opportunities, and helping to raise living standards. Mining contributes more to our nation than any other industry and will be crucial to the country’s economic recovery. However, if Australia wants to remain internationally competitive and grow its exports and revenue, we need our government to significantly cut its onerous, investment deterring burdens of government tape and taxes. Investment is needed to expand our mines and grow our new mines of the future, so that mining can continue its immense contribution to our country.”

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About Roy Hill

Roy Hill is a world-class iron ore operation and the largest single ore mine in Australia.

Situated 344km south east of Port Hedland in Western Australia's mineral rich Pilbara region, Roy Hill is an independent iron ore operation with local majority ownership and chaired by Mrs Gina Rinehart.

With integrated mine, rail and port facilities producing 60Mtpa – Roy Hill is one of the world's major resource-based operations, which will deliver enormous benefits to the broader community for many years to come.

Roy Hill's first shipment of iron ore departed from Port Hedland on 10 December 2015 and has since loaded multiple shipments to its key markets in Japan, Korea, China and Taiwan. Roy Hill achieved many firsts, including for its largely Greenfield project, the largest mainland resource debt funding in the world, from 19 of the world's largest banks, and five Export Credit Agencies.

Roy Hill operates some of the largest equipment in the world and in addition to having the fastest ramp up to 55Mtpa in the Pilbara, has maintained a focus on safety excellence.

In December 2015, Mrs Rinehart was recognised as "Miner of the Decade" by the Sydney Mining Club. She has also been awarded "Chairman of the Year" by CEO Magazine twice and was awarded in 2020 the GJ Stokes Memorial Trophy at the Diggers and Dealers Conference for your lifetime contribution to mining.

Roy Hill has been presented with a range of accolades, including:

- 2020 CEO Magazine Australian CFO of the Year (Gerhard Veldsman)
- 2020 Platts Global Metals Awards Industry Leader Award Raw Metals
- 2020 Australia's Mining Monthly Awards Community Project of the Year
- 2019 Diggers and Dealers Digger of the Year Award
- 2018 WA Training Awards WA Employer of the Year
- 2018 Prospect Award for Community Interaction
- 2018 L&MH Mercury Awards Transport Solution of the Year: Rail
- 2017 SMART Award for Excellence in Supply Chain Management & Distribution
- 2017 Golden Gecko Certificate of Merit
- 2017 Platts Global Metals Awards Rising Star Company Award
- 2016 Australian Mining Prospect Awards Excellence in Environmental Management Award
- 2016 Engineers Australia (WA) Australian Engineering Excellence – Engineering Distinction Award
- 2016 Engineers Australia (WA) Australian Engineering Excellence Award – Resource Development
- 2016 Engineers Australia (WA) Australian Engineering Excellence Award – Project Management
- 2016 Association of Mining and Exploration Companies Environment Award
- 2016 Project Management Institute Project of the Year
- 2016 Railway Technical Society of Australasia Railway Project Award
- 2016 Golden Gecko Certificate of Merit
- 2015 Mines & Money Asian Corporate Development Award
- 2015 IJ Global Asia-Pacific Project Mining & Metals Deal of the Year
- 2015 IJ Global Asia Pacific Deal of the Year
- 2015 Golden Gecko Certificate of Merit (joint recipient)
- 2014 CEO Magazine Australian CFO of the Year Award (Garry Korte)
- 2014 FinanceAsia Magazine Project Finance Deal of the Year Award
- 2014 Project Finance International Magazine Asia Pacific Deal of the Year