

Southern Copper

March 2023

# COMPANY PRESENTATION



# Safe Harbor Statement

The material in this presentation contains certain statements that are neither reported financial results nor other historical information. These estimates are forward-looking statements within the meaning of the safe-harbor provisions of the securities laws.

These forward-looking estimates are subject to risk and uncertainties that could cause actual results to differ materially from the expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond Southern Copper's (SCC) ability to control or estimate precisely, such as future market conditions, commodity prices, the behavior of other market participants and the actions of governmental regulators. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation.

SCC does not undertake any obligation to publicly release any revision to these forward-looking estimates to reflect events or circumstances after the date of this presentation.



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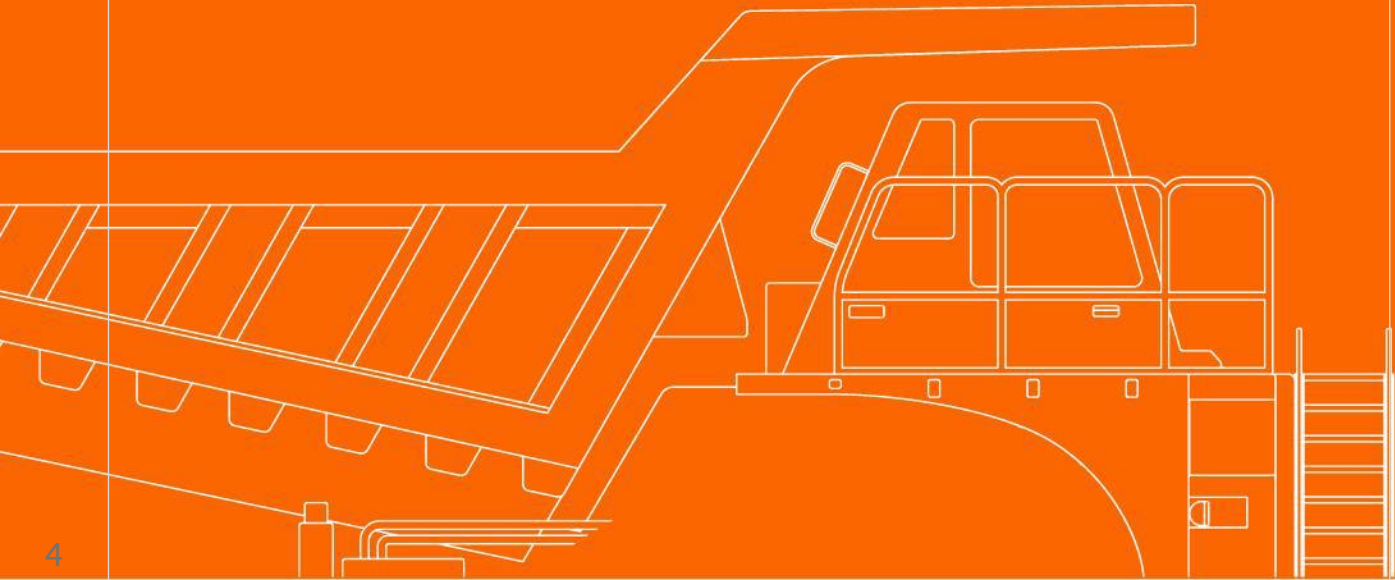
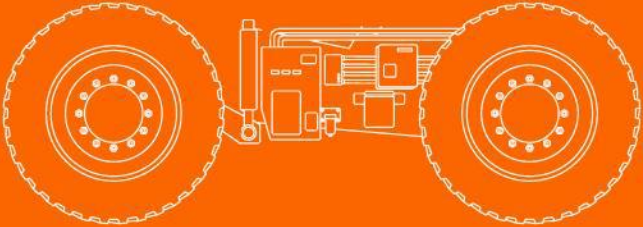
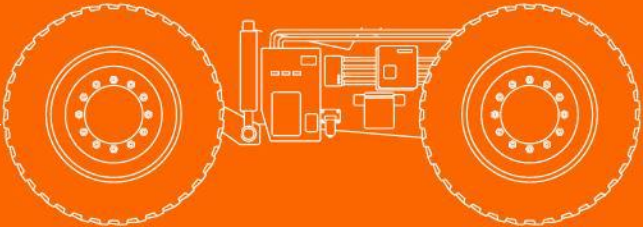
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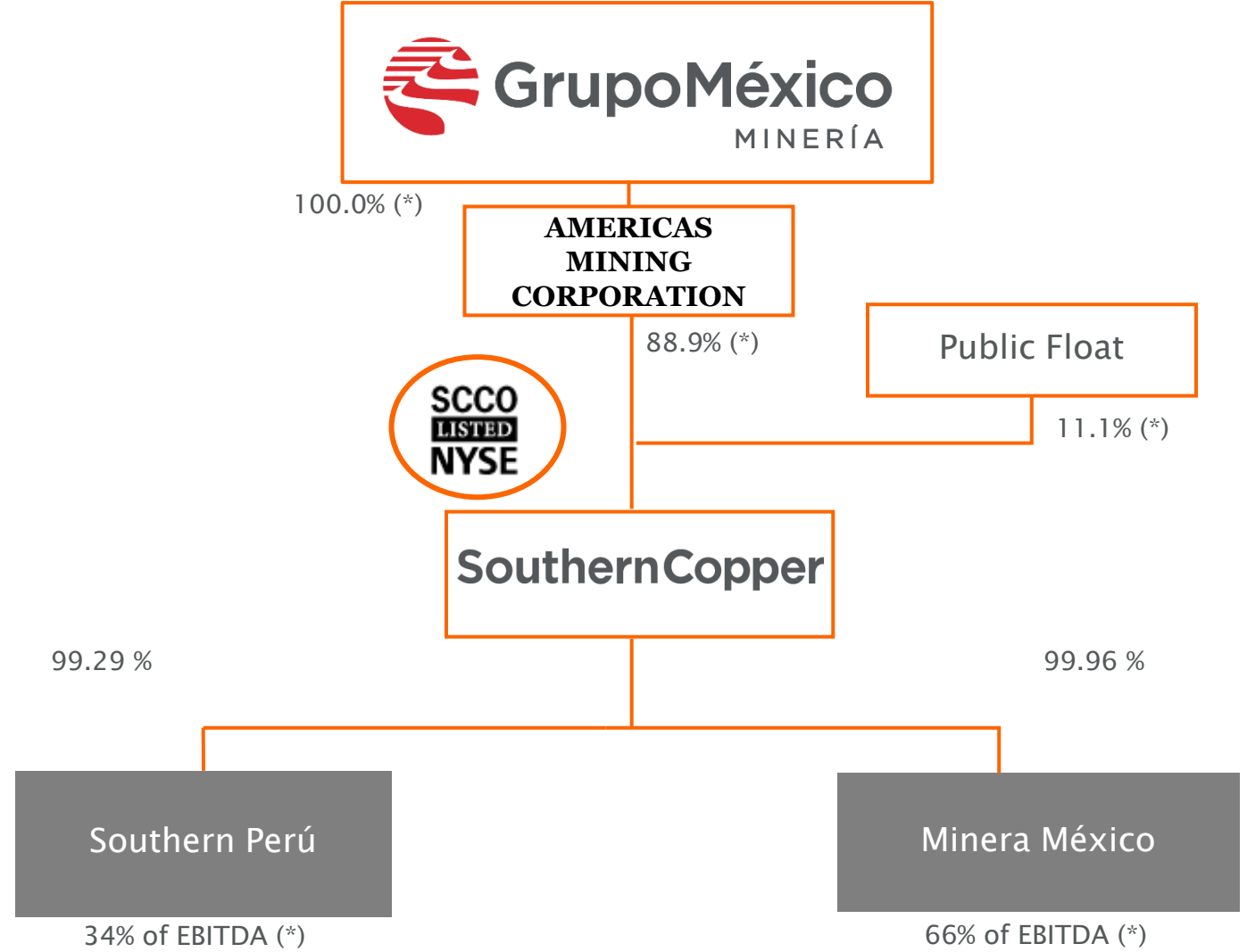
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# Introduction

- Corporate Structure
- Copper Fundamentals
- SCC's Strengths
- ESG



# Corporate Structure



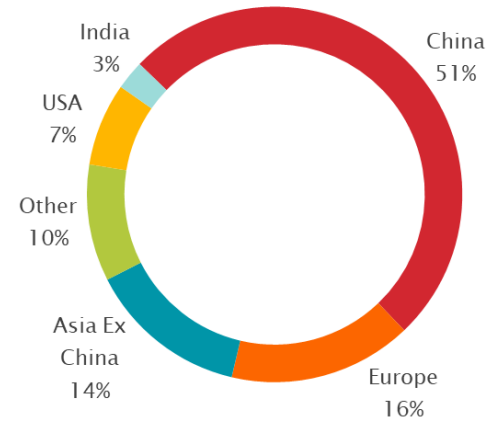
(\*) As of December 31, 2022

# Copper – The best Fundamental Story in Commodities

## COPPER MARKET SOLID FUNDAMENTALS

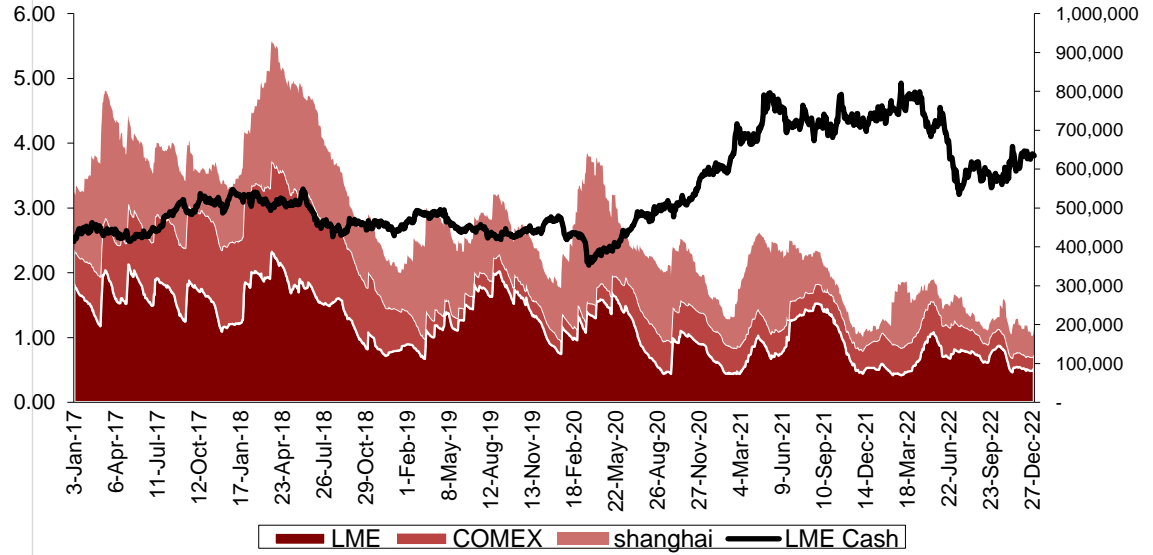
- Expecting a balanced market for 2023 or a small surplus. Inventories at very low level (about 3.5 days of consumption).
- Supply: Risk in production coming from Chile and Peru (about 40% of world supply).
- 2023 demand estimated to grow 2–3%. Positive long-term outlook due to China’s opening and demand for clean energy technologies.

## COPPER CONSUMPTION BY REGION

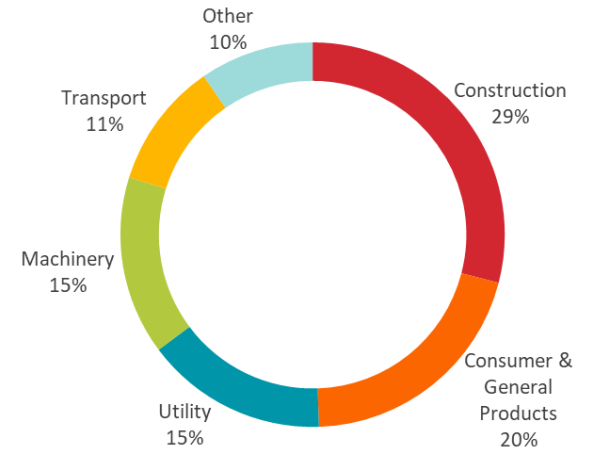


Source: CRU

## LME COPPER CASH PRICE VS INVENTORIES



## COPPER CONSUMPTION BY END-USE



Source: CRU

# Southern Copper Strengths



- Highest copper reserves of any listed company.
- Excellent organic growth projects.
- Low cost, fully integrated operations.
- Experienced management team.
- Strong financial performance / investment grade since 2005.
- Outstanding dividend history.
- Good long-term copper & by-product fundamentals.

# ESG at the Core of our Strategy



## STRONG ESG COMMITMENT

- ✓ Sustainability Development Committee, chaired by an independent director.
- ✓ Working with ICA towards a Global Copper Decarbonization Roadmap, aligned with the Paris Agreement.
- ✓ S&P Global increased SCC's rating by 13% YOY: Top 8% of best performers in the mining sector and 50% above the average rating.
- ✓ Reaffirms SCC's listing on the DJSI for MILA for the fourth consecutive year.

## OCCUPATIONAL SAFETY AND VOLUNTEER DAY

- ✓ Rescue squads of the Charcas and Santa Barbara units were awarded first place by Mexican institutions.
- ✓ Volunteer day attended by 8,000 volunteers in 13 states of Mexico and 5 regions of Peru that benefitted more than 40 institutions.



## COPPER MARK CERTIFICATION

- ✓ La Caridad open-pit mine and Sonora metallurgical complex received Copper Mark certification.
- ✓ SCC's copper is produced responsibly; aligned with Sustainable Development Goals of the UN.
- ✓ La Caridad received Molybdenum Mark certification.
- ✓ The goal is to ensure that copper production in all our units (Mexico and Peru) meet Copper Mark criteria.



Sustainability



Communities



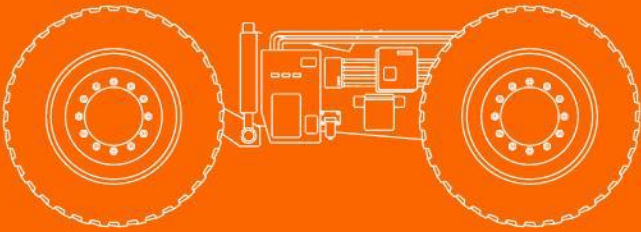
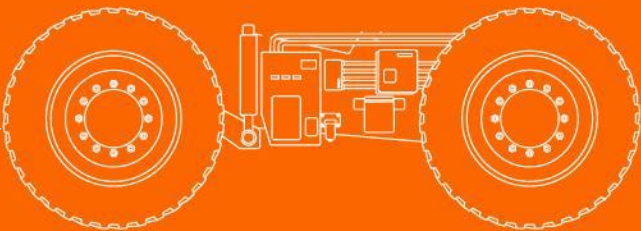
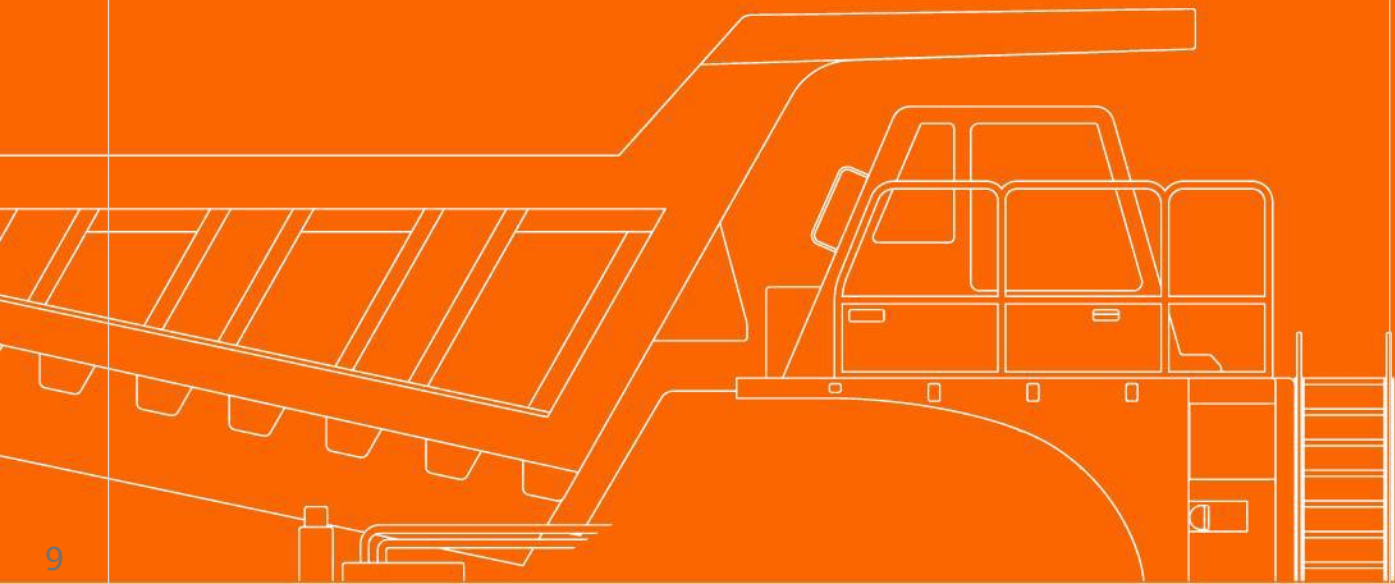
Climate Change





# Overview of Operations

- Company Overview
- Copper Reserves
- Geographic Footprint & Product Diversification
- Low Cost Operations
- Copper Production Cash Cost



# Company Overview

44.8 mmt | COPPER RESERVES <sup>1</sup>

71.9 mmt | COPPER RESOURCES <sup>2</sup>

CASH COST >>> %  
2021: \$0.67 / lb  
2022: \$0.78 / lb

### 2023 ESTIMATES

@\$4.00 x lb of Cu

Copper production: 926 kt  
Sales: \$10.7 B  
EBITDA: \$5.8 B  
54% of sales

### ACHIEVEMENTS

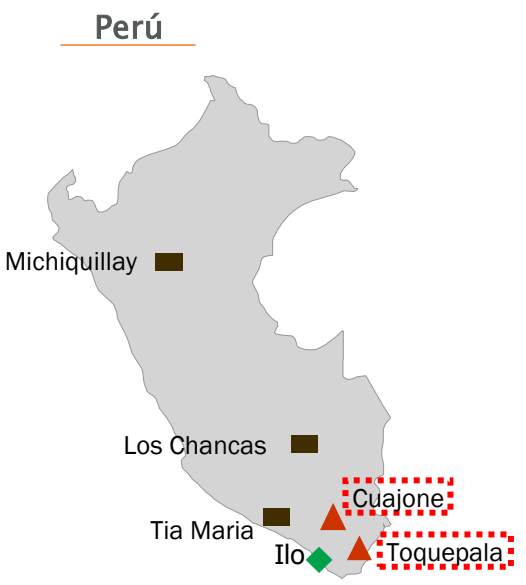
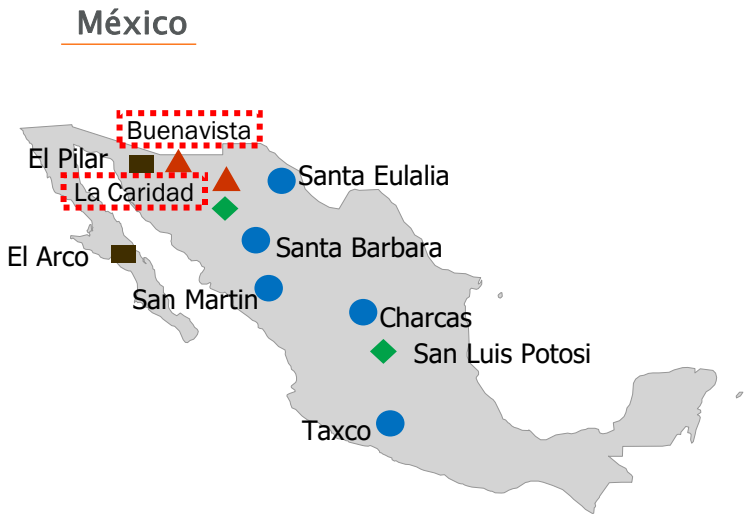


- #1 Copper Company by reserves and resources <sup>3</sup>
- #5 Copper producer <sup>4</sup>
- #10 Copper smelter <sup>4</sup>
- #7 refinery <sup>4</sup>

Source: Company Filings

Notes:

- <sup>1</sup> Copper contained in reserves based on US\$3.30 per pound of copper as of December 31, 2022
- <sup>2</sup> Resources exclusive of reserves. Copper contained in resources based on \$3.80 per pound of copper as of December 31, 2022
- <sup>3</sup> Based on available companies reports
- <sup>4</sup> Wood Mackenzie Limited

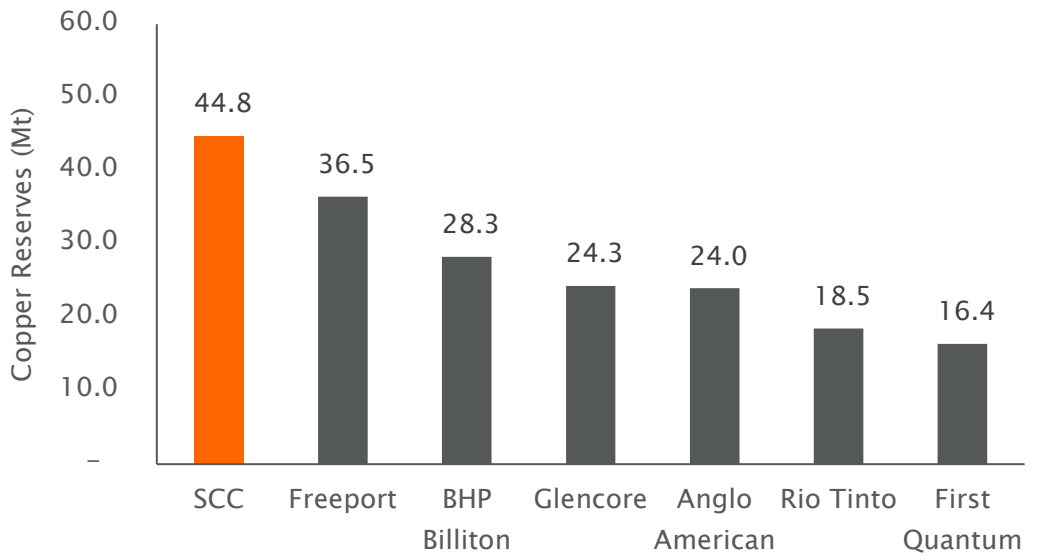


### Key

- ▲ Copper open pit mines
- Underground mines
- ◆ Smelters and Refineries
- Projects

# Largest Copper Reserves of any Listed Company

## COPPER RESERVES AS REPORTED



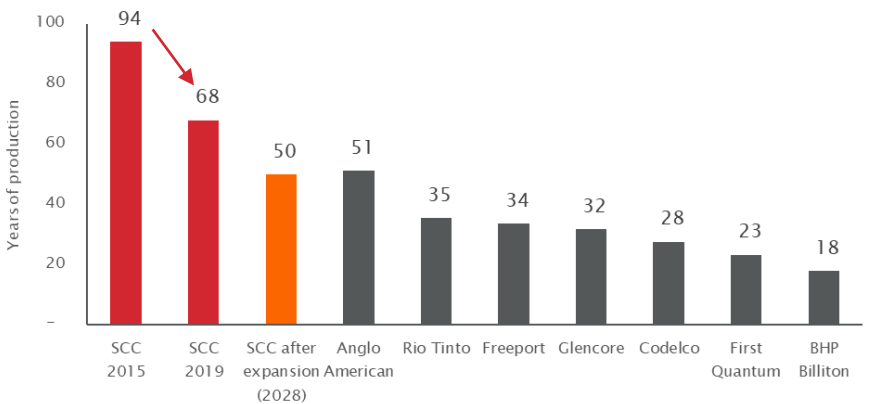
Source:  
Period:  
Cu price:

10K	10K	20F	Reserves Rep.	Annual Rep.	Annual Rep.	Annual Rep.
Dec 31, 2022	Dec 31, 2022	Jun 30, 2022	Dec 31, 2022	Dec 31, 2022	Dec 31, 2022	Dec 31, 2022
\$3.30	\$3.00	N/A	N/A	N/A	N/A	\$3.00

## SCC HIGHLIGHTS

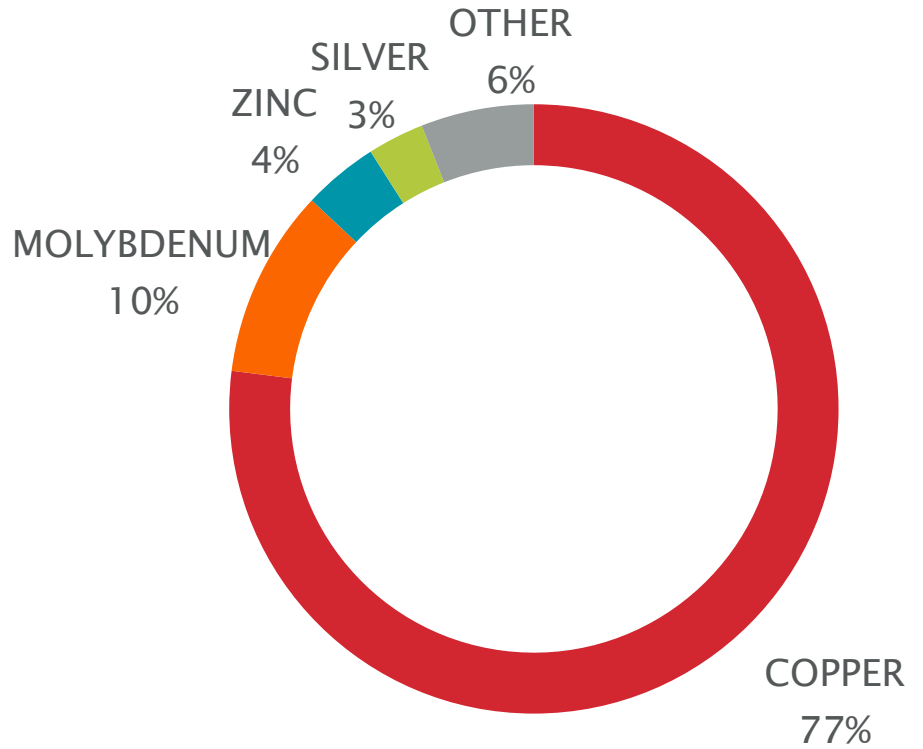
- #1 mine life among copper producers
- #5 world's largest producer of mined copper
- Highly diversified geographical presence
- Four large-scale open-pit mines
- A strong pipeline of world class copper greenfield projects and several other opportunities

## MINE LIFE

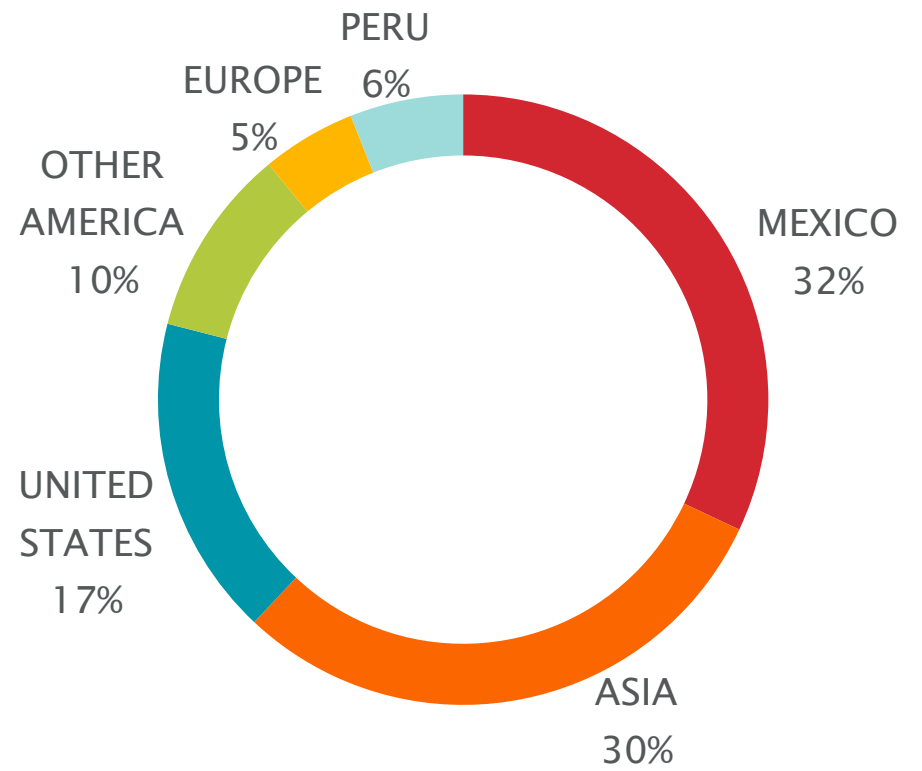


# Geographic Footprint & Product Diversification

2022 REVENUE BY PRODUCT

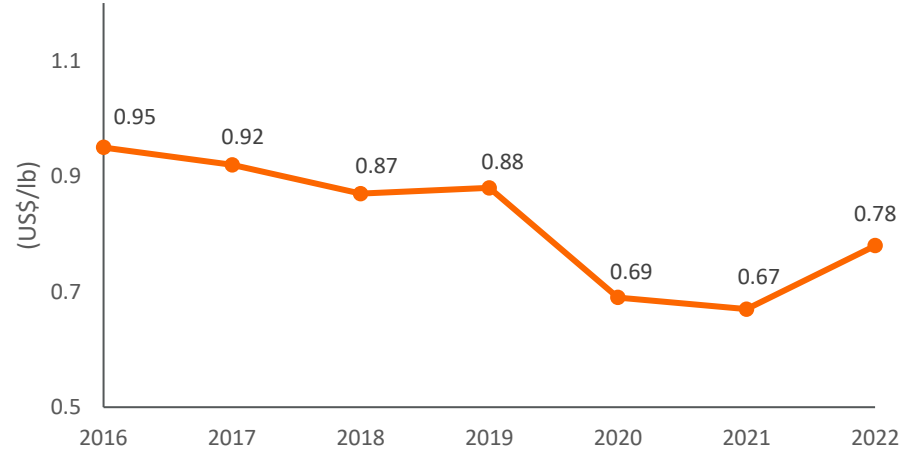


2022 REVENUE BY MARKET



# Low-Cost Operations

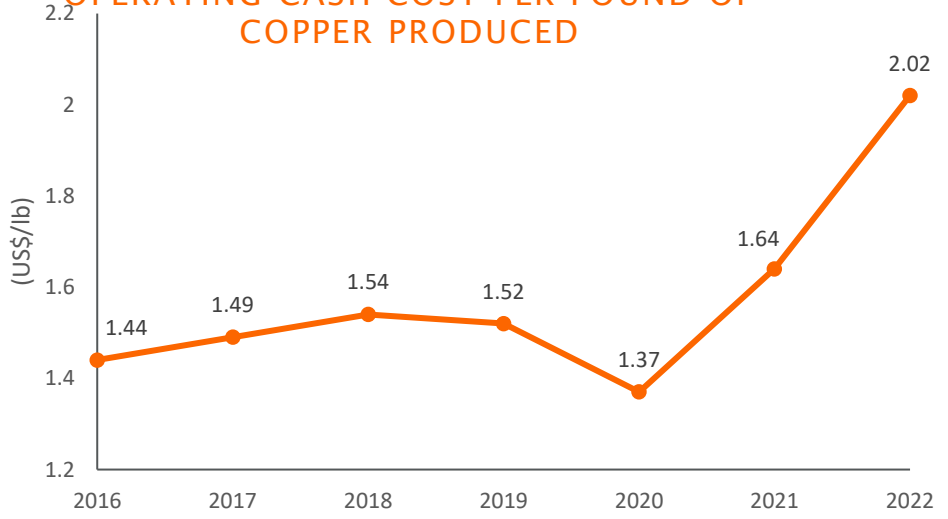
### CASH COST PER POUND OF COPPER PRODUCED NET OF BY-PRODUCTS



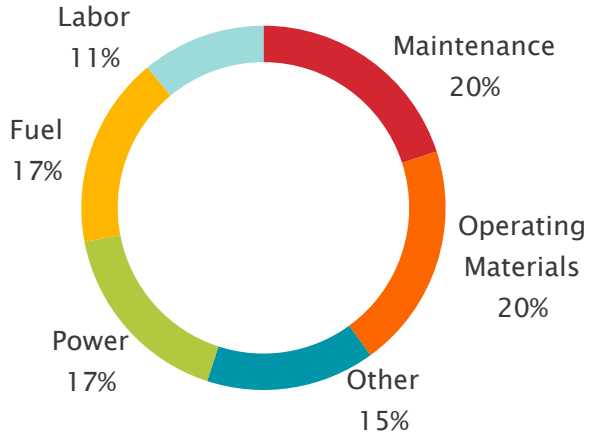
### LOW-COST DRIVERS

- Fully integrated low-cost operations.
- World class assets.
- Significant SX-EW production.
- Strong by-product credits.
- Management focus on cost efficiency and growth.

### OPERATING CASH COST PER POUND OF COPPER PRODUCED

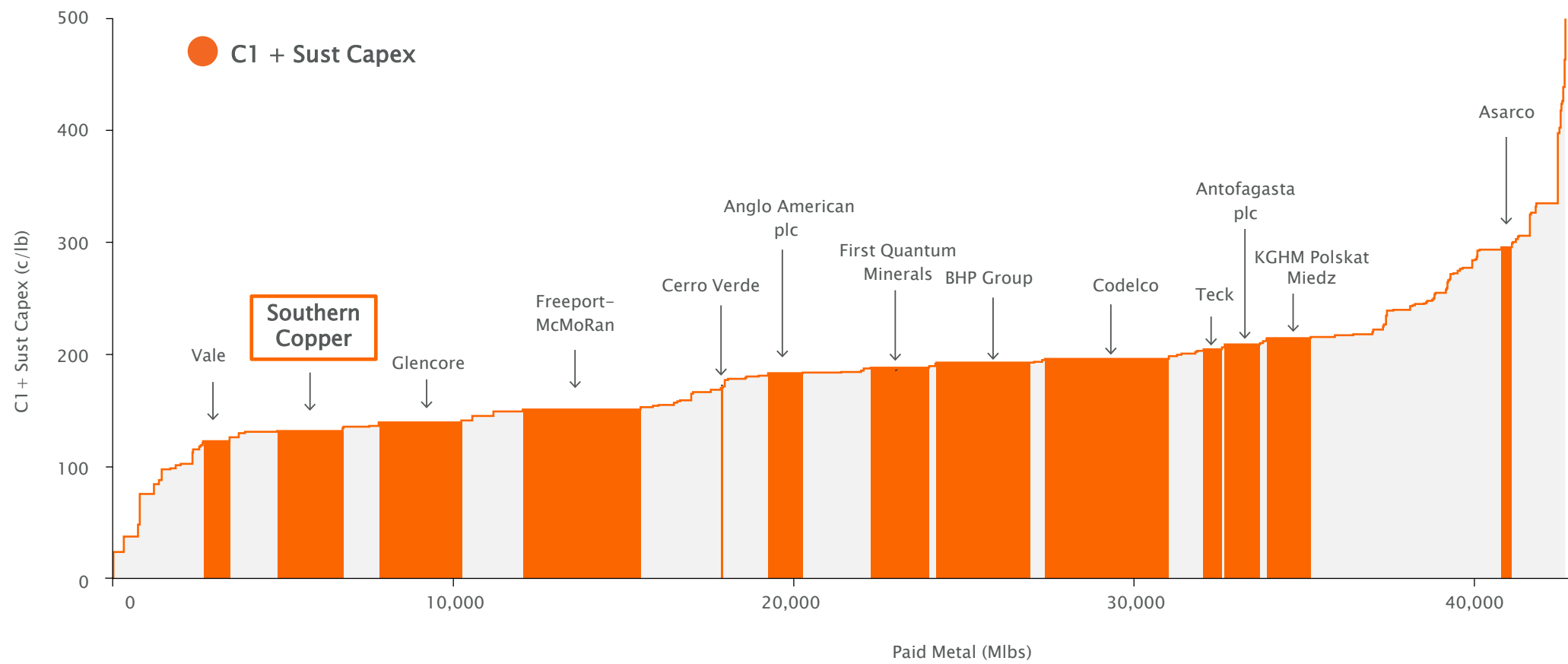


### L12M COST STRUCTURE



# Copper Mine Composite Costs Curve

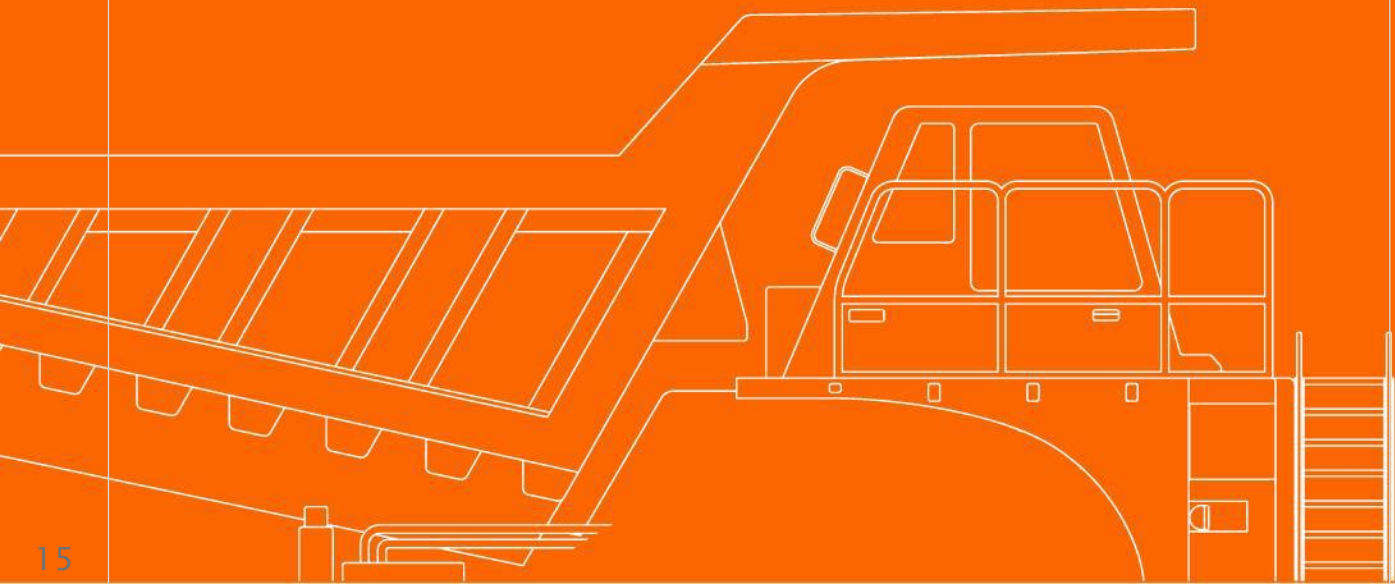
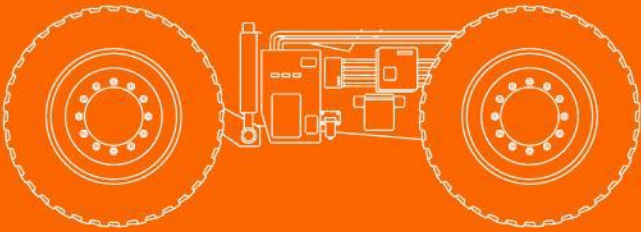
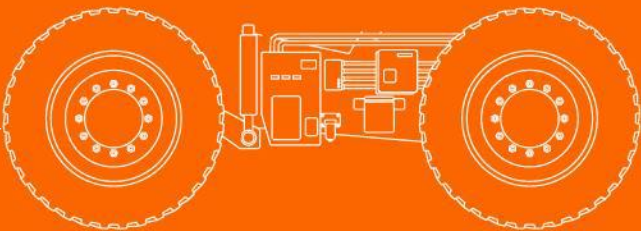
2022 COPPER MINE, COMPOSITE, C1 + SUST CAPEX  
GROUPED BY COMPANY AND RANKED BY C1 + SUST CAPEX



Source: Wood Mackenzie Ltd. Dataset: 2022 Q4

# Financial Overview

Financial Highlights  
Solid Financial Performance  
Investment Program  
SCC's Major Strengths



# Financial Highlights

(US\$ MM)	2020	2021	2022	2023E
Copper Price (LME) US\$ per pound	2.80	4.24	4.00	4.00
<b>Income Statement:</b>				
Net Revenues	\$7,985	\$10,934	\$10,048	\$10,657
<b>EBITDA</b>	<b>3,869</b>	<b>6,853</b>	<b>5,365</b>	<b>5,752</b>
EBITDA Margin	48%	63%	53%	54%
U.S. Income Tax Reform Adjustment				
Net Income	1,570	3,397	2,638	3,043
Dividends paid per share	1.50	3.20	3.50	1.00
<b>Balance Sheet Statement:</b>				
Cash, Equivalent & Short Term				
Investments	\$2,594	\$3,489	\$2,278	\$5,378
<b>Total Assets</b>	<b>16,664</b>	<b>18,298</b>	<b>17,277</b>	<b>20,922</b>
<b>Total Debt</b>	<b>6,544</b>	<b>6,548</b>	<b>6,251</b>	<b>6,251</b>
Total Liabilities	9,388	10,090	9,131	9,723
Total Shareholders Equity	7,276	8,149	8,084	11,127
<b>Cash Flow Statement:</b>				
Capital Expenditures	\$595	\$892	\$949	\$1,104
<b>Free Cash Flow <sup>1</sup></b>	<b>2,191</b>	<b>3,400</b>	<b>1,854</b>	<b>2,336</b>
Dividends paid to common Shareholders	1,160	2,474	2,706	773
<b>Total Debt / EBITDA</b>	<b>1.7x</b>	<b>1.0x</b>	<b>1.2x</b>	<b>1.1x</b>
<b>Net Debt / EBITDA</b>	<b>1.0x</b>	<b>0.4x</b>	<b>0.7x</b>	<b>0.2x</b>

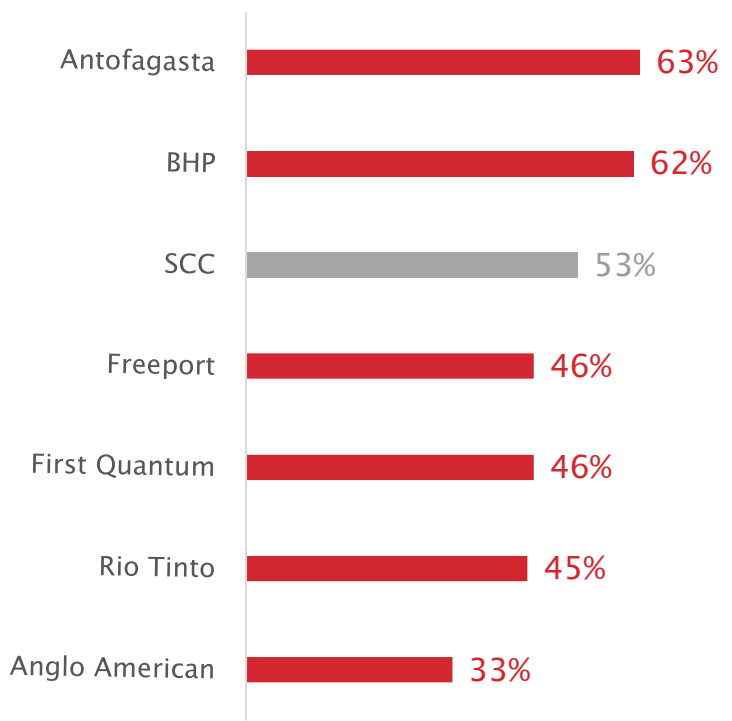
<sup>1</sup>Free Cash Flow defined as net cash from operating activities less capital expenditures.



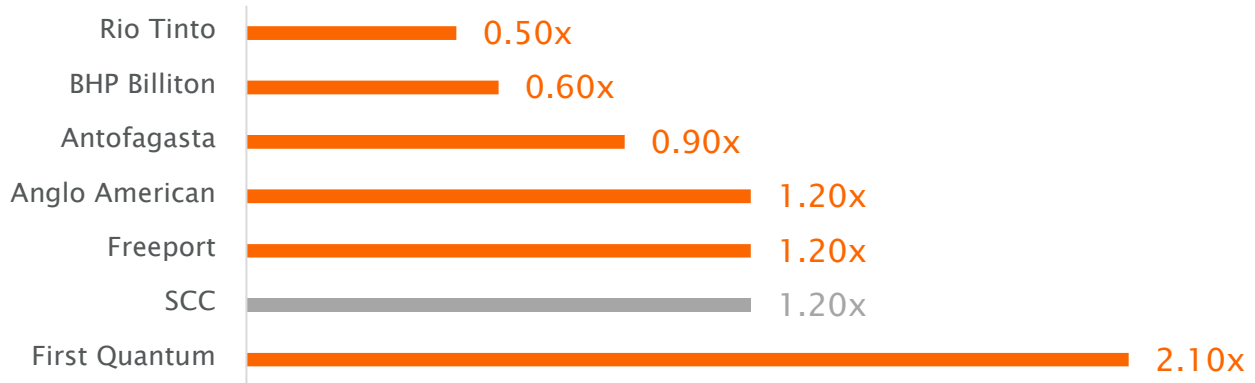
# Solid financial performance

TOP TIER MARGINS AND CONSERVATIVE LEVERAGE FOR INCREASED FINANCIAL FLEXIBILITY

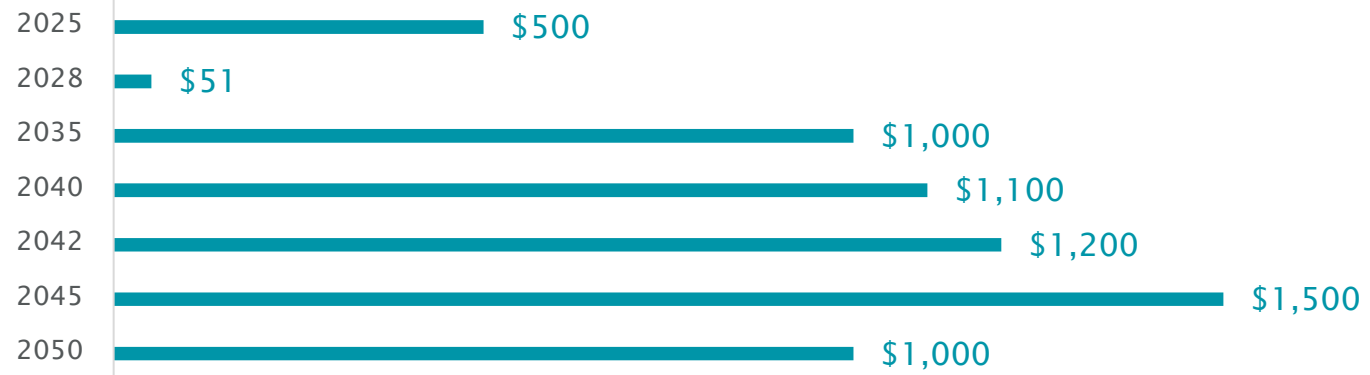
## 2022 EBITDA Margin



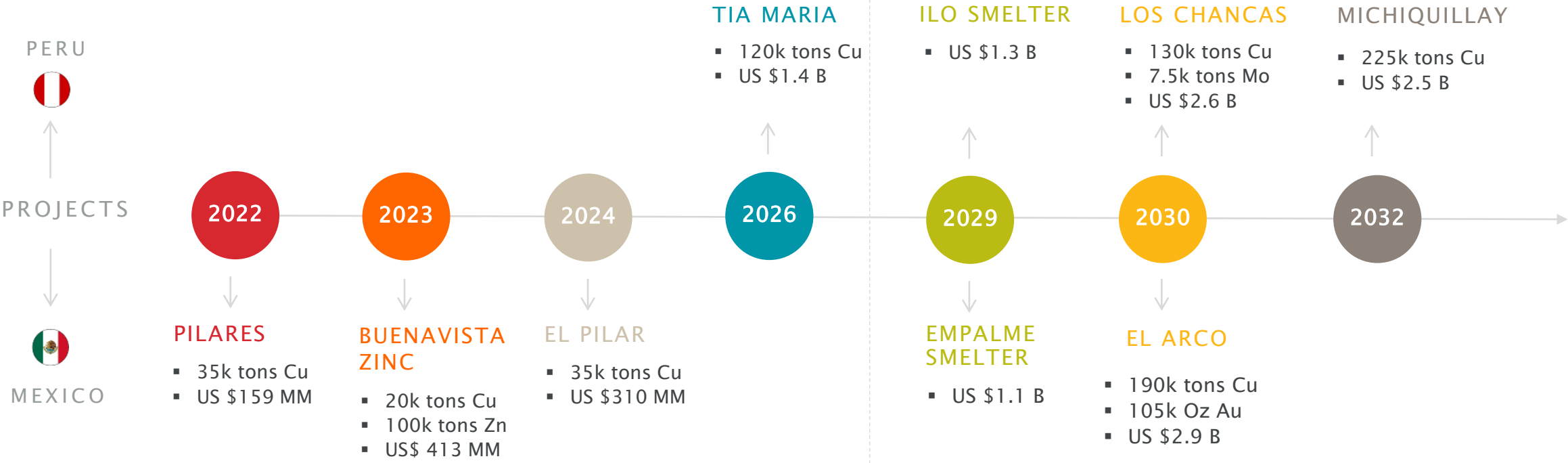
## 2022 Total Debt / EBITDA



## Amortization Schedule



# Investment Program to Significantly Increase Production

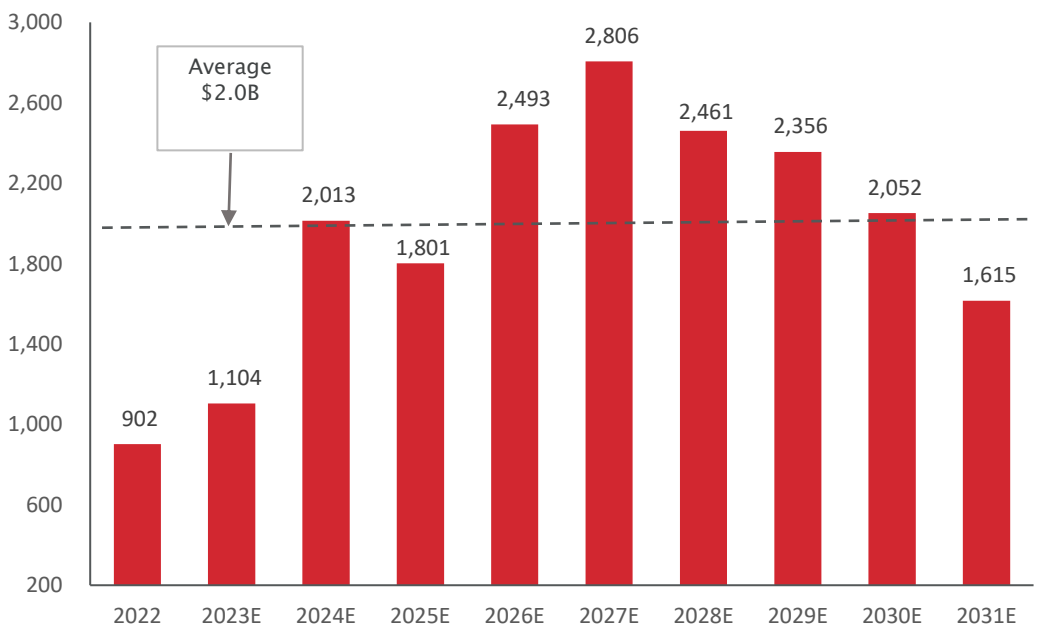


Board Approved | +210k tons Cu | +100k tons Zn

Other Projects | +545k tons Cu

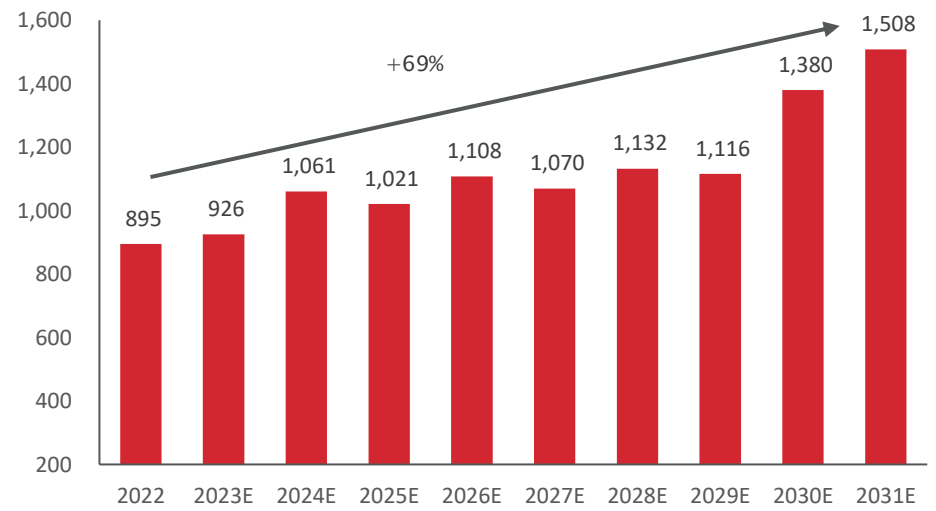
# Investment Program to Significantly Increase Production

### 2022-2031 CAPEX PROGRAM OVERVIEW



### 2022-2031 COPPER PRODUCTION FORECAST

('000 MT CU)



# SCC's Major Strengths

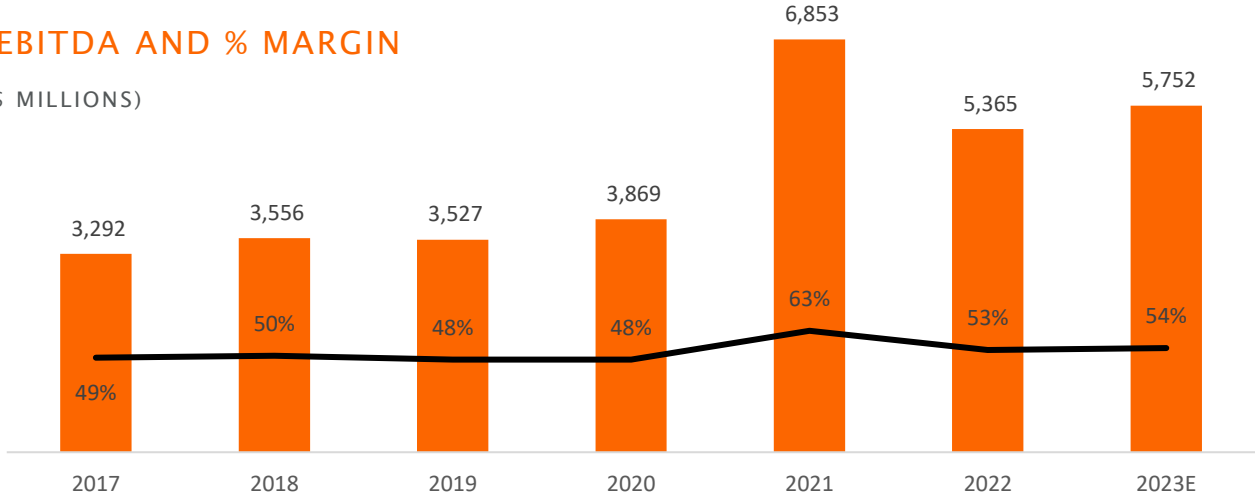


## SCC IS THE PREMIER COPPER PLAY

- World class assets in investment grade countries.
- #1 in reserves of any listed company with various organic growth prospects.
  - Copper production heading towards 1.6M Tons by 2032.
- Capacity to deliver projects through flexible capital structure and significant cash generation capability. Investments focused on cost competitiveness.
- Fully integrated low cost operations. Cash cost of \$0.78 per pound in 2022.
- Outstanding dividend history.
- Experienced management team with proven track record.

## SCC EBITDA AND % MARGIN

(IN US\$ MILLIONS)



Cu price	2017	2018	2019	2020	2021	2022	2023E
	\$2.80	\$2.96	\$2.72	\$2.80	\$4.24	\$4.00	\$4.00