

Southern Copper

August 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.



# Contents

01 Introduction

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p. 04

02 Overview of Operations

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p. 10

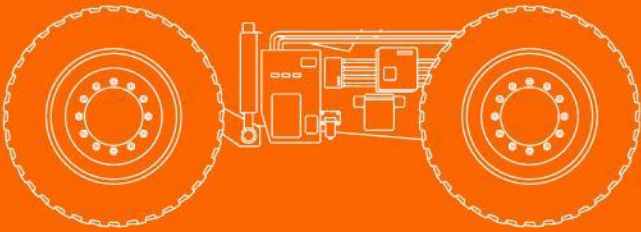
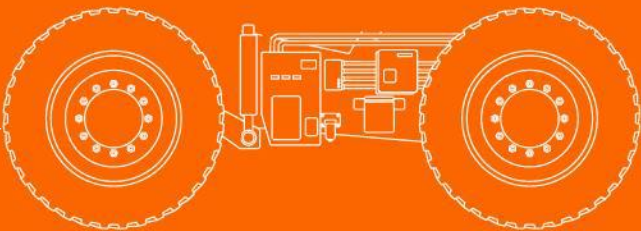
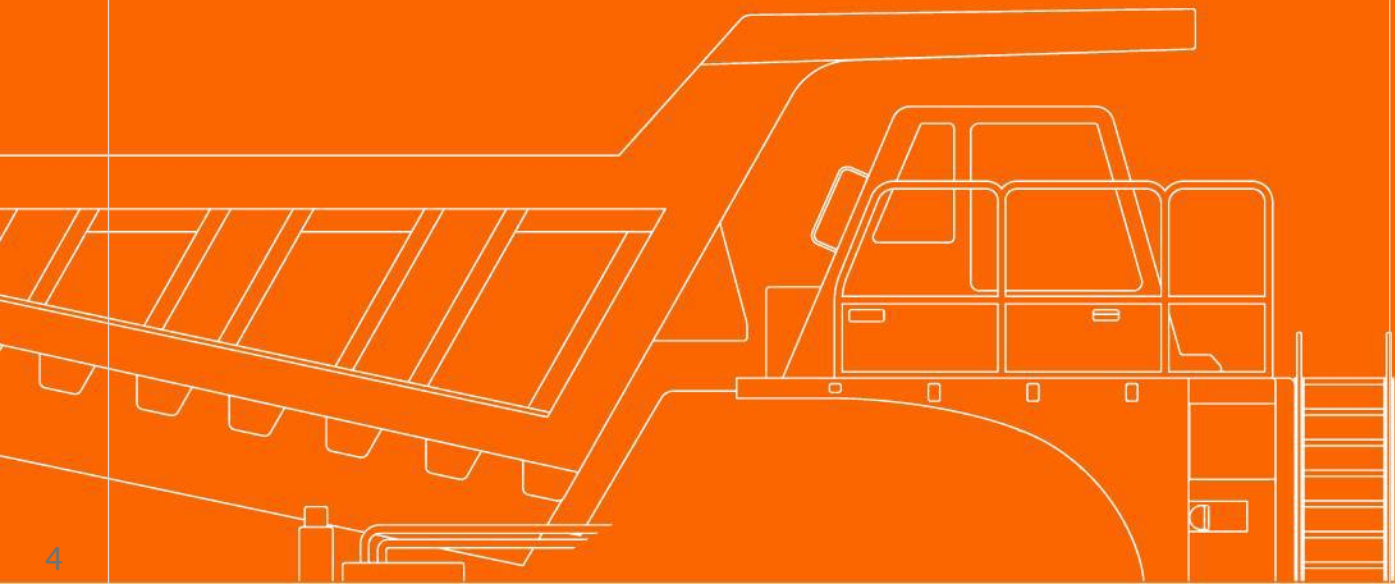
03 Financial Overview

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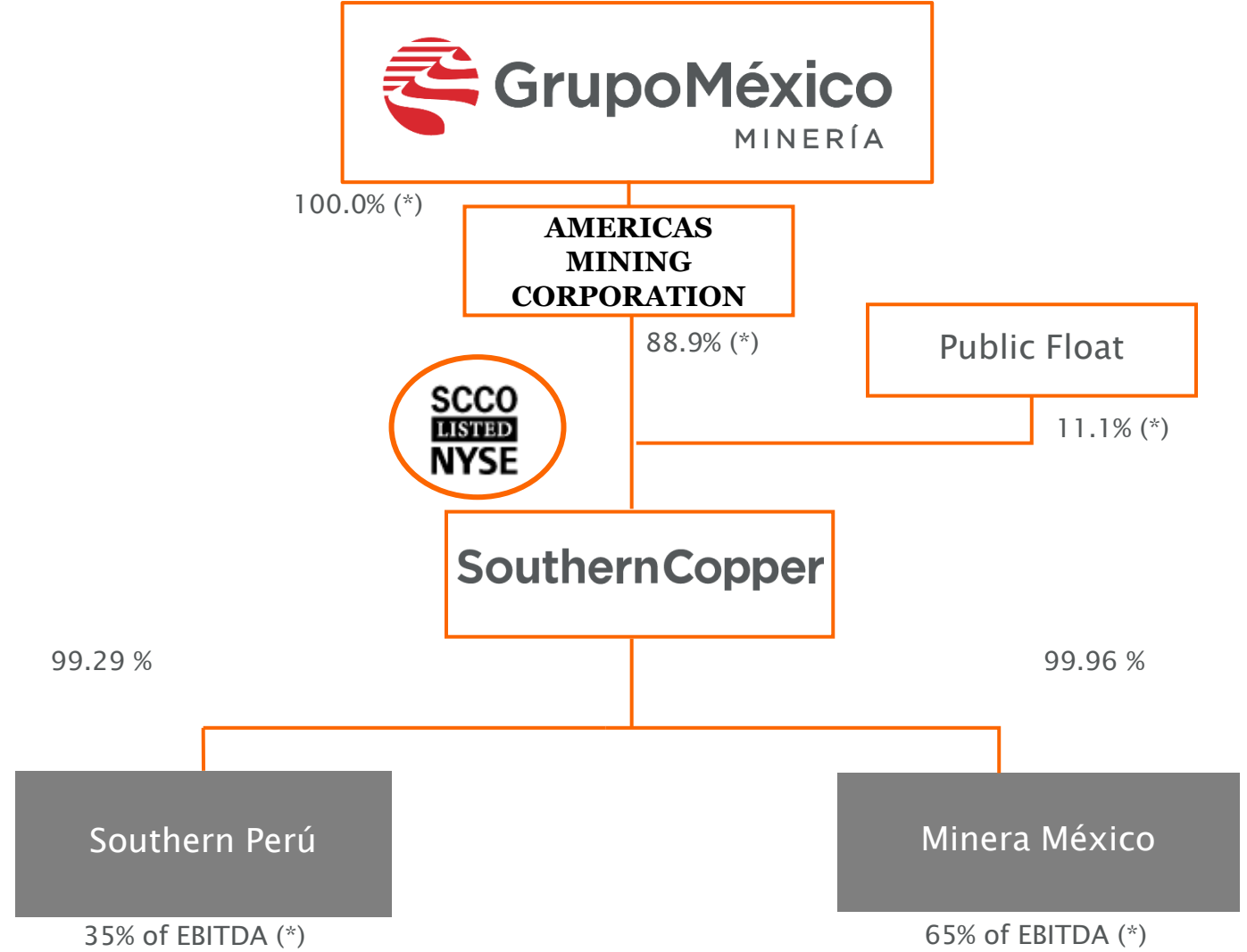
p. 16

# Introduction

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



# Corporate Structure



(\*) As of June 30, 2023

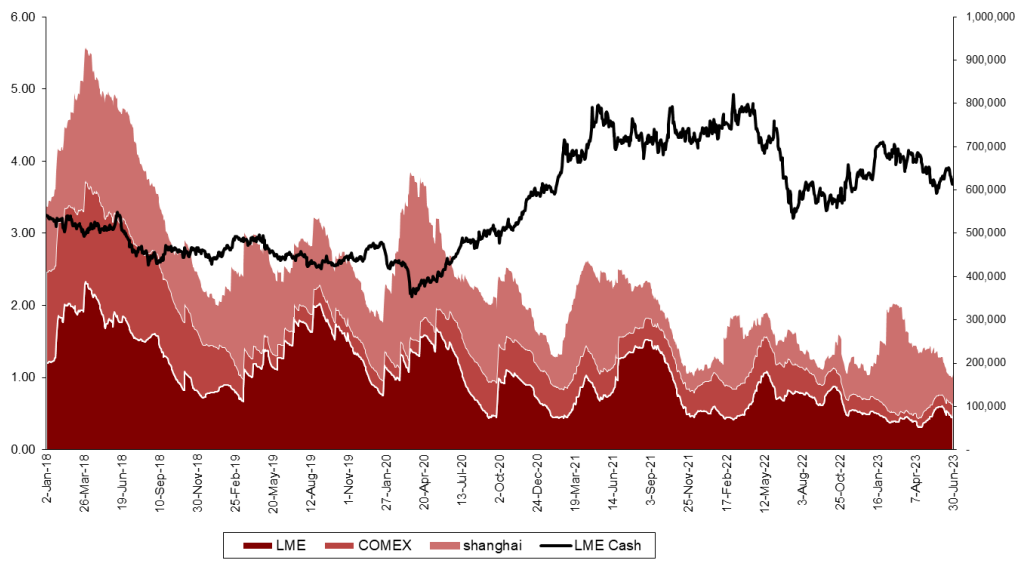


# Copper – The best Fundamental Story in Commodities

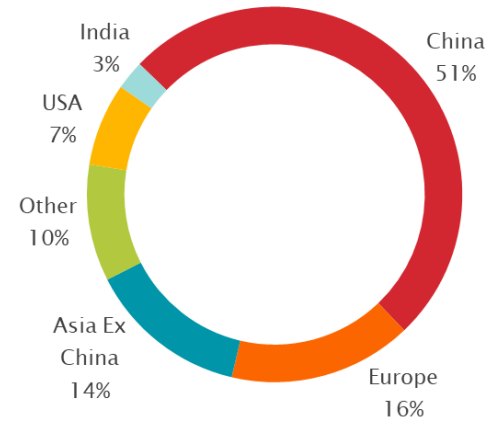
## COPPER MARKET SOLID FUNDAMENTALS

- Expecting a small market surplus for 2023. Inventories at very low level.
- Supply: Risk in production and projects coming from Chile and Peru (about 40% of world supply).
- 2023 demand estimated to grow 1%. Concern about China’s growth. Positive long-term outlook due to demand for clean energy technologies.

## LME COPPER CASH PRICE VS INVENTORIES

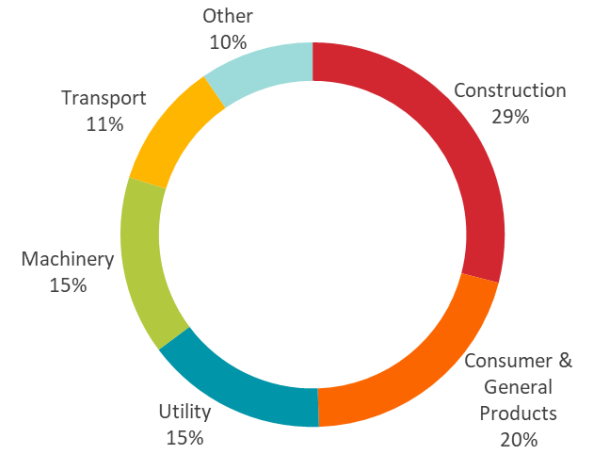


## 2022 COPPER CONSUMPTION BY REGION



Source: CRU

## 2022 COPPER CONSUMPTION BY END-USE



Source: CRU

# Southern Copper Strengths



- Highest copper reserves of any listed company.
- Excellent organic growth projects.
- Low cost, 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

- ✓ Grupo Mexico issued its 2023 Sustainable Development Report, which includes detailed information about SCC's efforts on the social, environmental and corporate governance fronts.
- ✓ SCC was recognized by the state agency "Pro Inversión" in Peru for its execution of a Drinking Water and Rural Sanitation Program, which benefitted 137 families.

## RISK MANAGEMENT AND COMMUNITY DEVELOPMENT

- ✓ SCC is progressing in the development of the Critical Risk Registry, which makes environmental and safety risk visible at all levels of the organization.
- ✓ SCC has served more than 900 women from communities close to our operations via our Wellbeing in Your Community Program, to prevent breast and uterine cancer.



## ISO CERTIFICATION AND BIODIVERSITY

- ✓ All of SCC's operating units obtained ISO 14001 certification for environmental management and ISO 45001 for occupational health and safety management.
- ✓ In 1H23, the reforested area totaled 934 hectares, 5.6 times the affected area YTD.

Sustainability



Communities



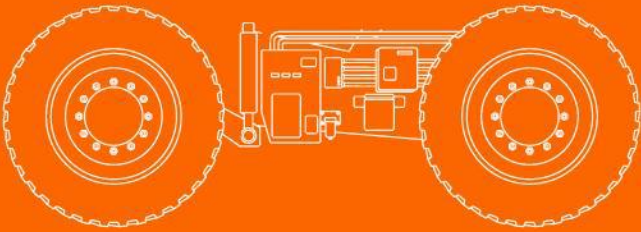
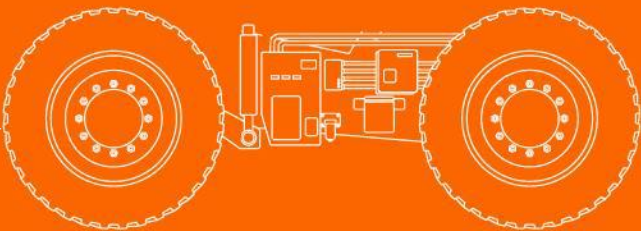
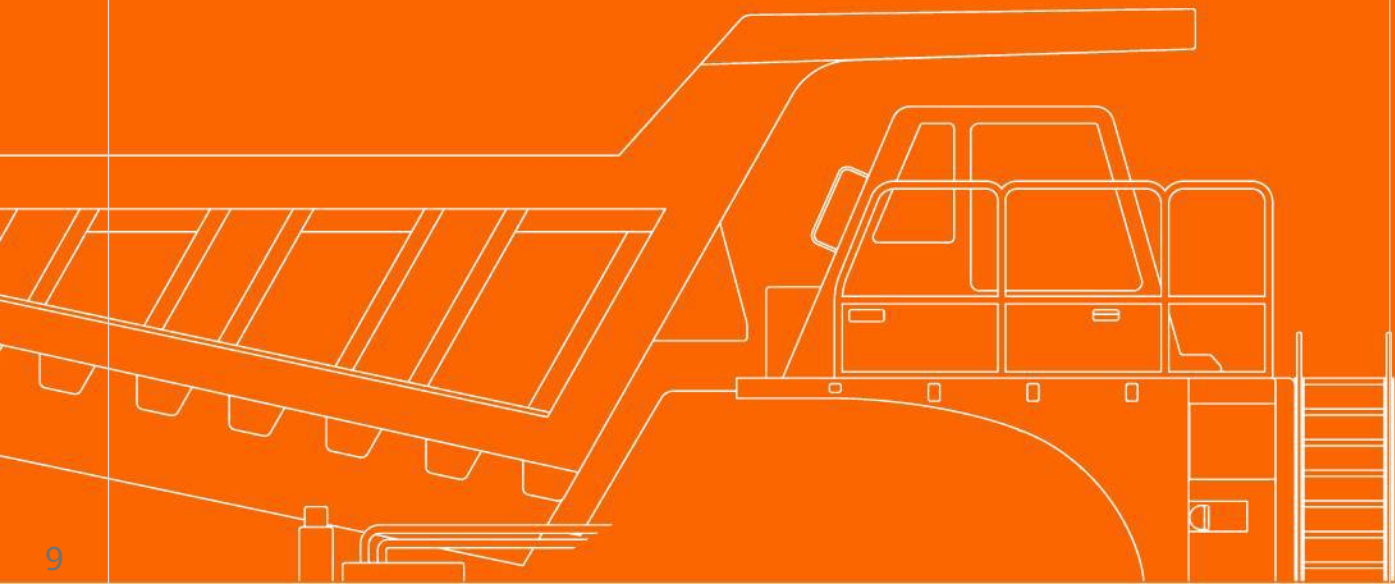
Climate Change





# 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: 932 kt  
Sales: \$10.2 B  
EBITDA: \$5.4 B  
52% of sales

### ACHIEVEMENTS



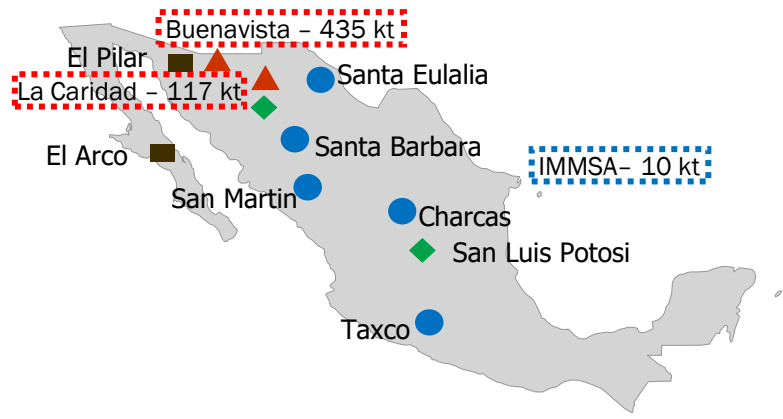
- #1 Copper Company by reserves and resources <sup>3</sup>
- #5 Copper producer <sup>4</sup>
- #10 Copper smelter <sup>4</sup>
- #7 refinery <sup>4</sup>

Source: Company Filings

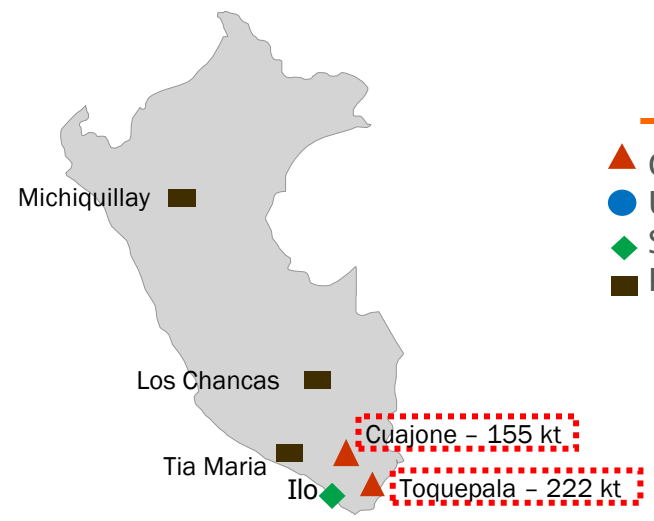
Notes:

- <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

### Mexico - 60%



### Peru - 40%

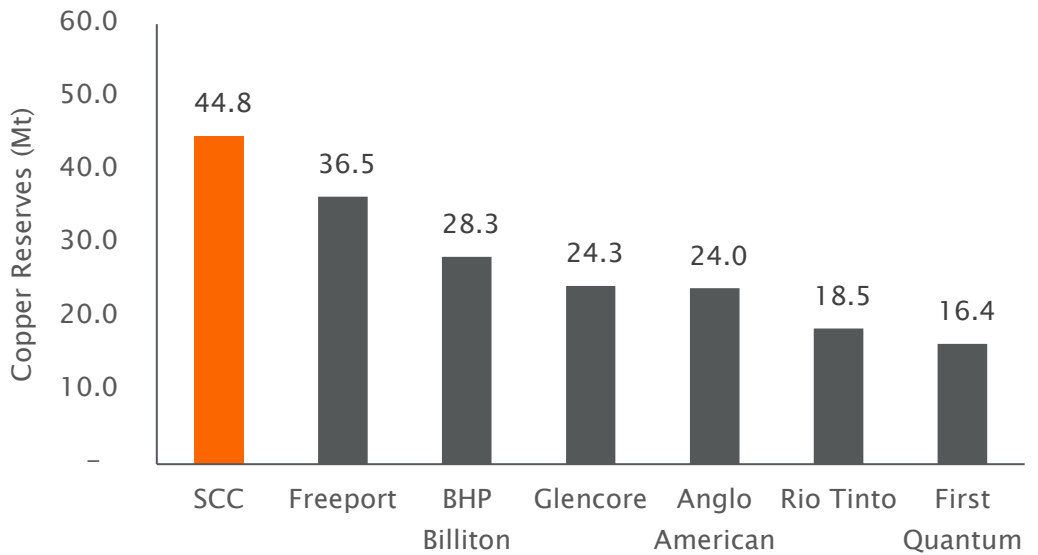


### Key

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

# Largest Copper Reserves of any Listed Company

## COPPER RESERVES AS REPORTED



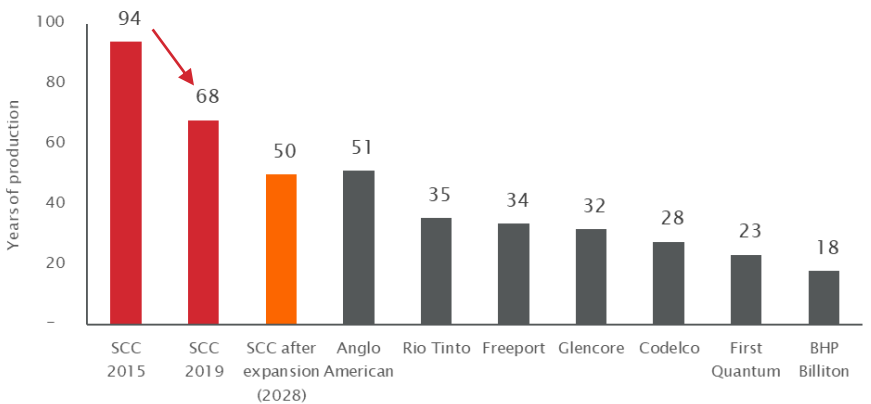
Source:  
Period:  
Cu price:

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
- Diversified geographical presence
- Four large-scale open-pit mines
- A strong pipeline of world class copper greenfield projects and several other opportunities

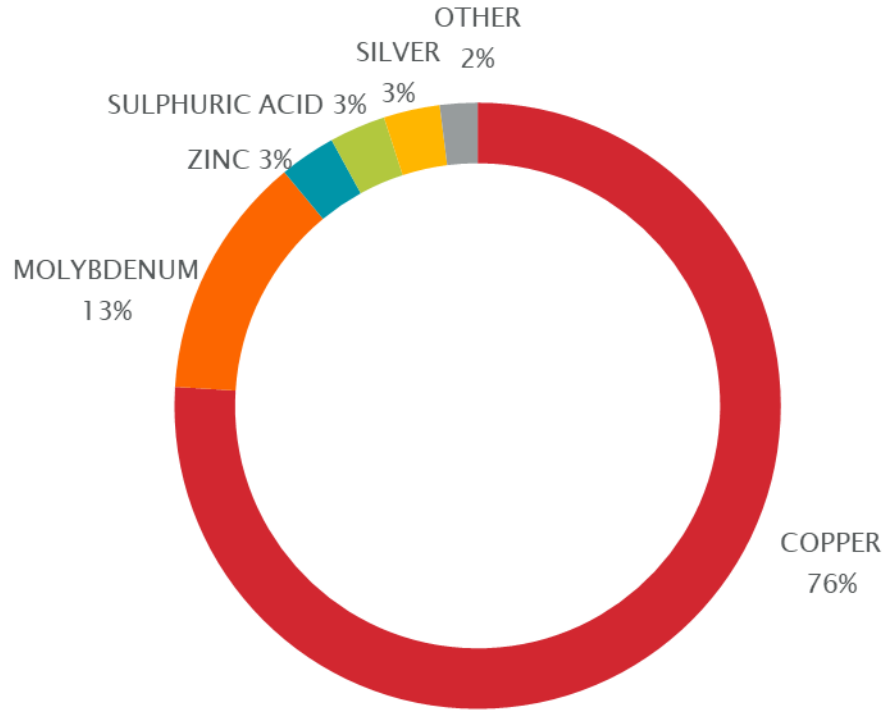
## MINE LIFE



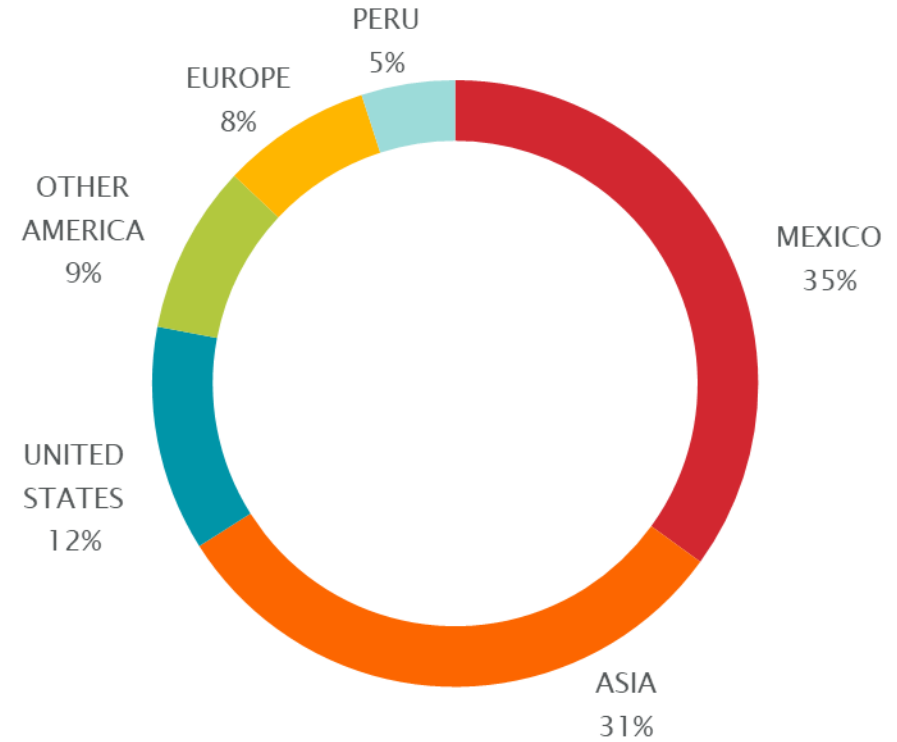


# Geographic Footprint & Product Diversification

6M23 REVENUE BY PRODUCT

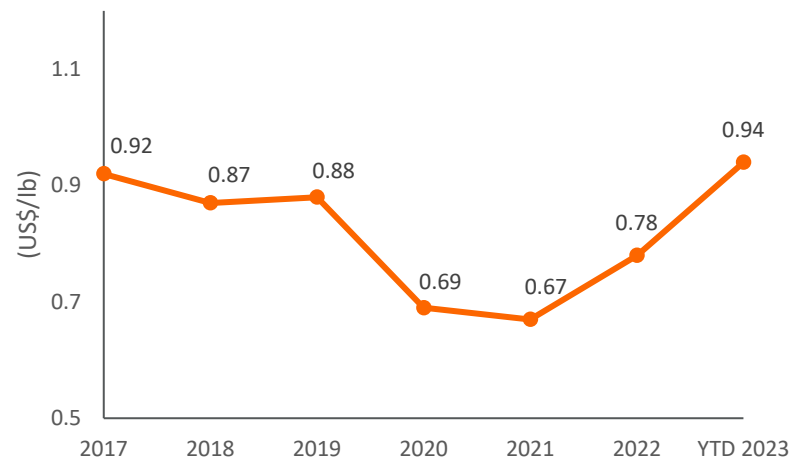


6M23 REVENUE BY MARKET

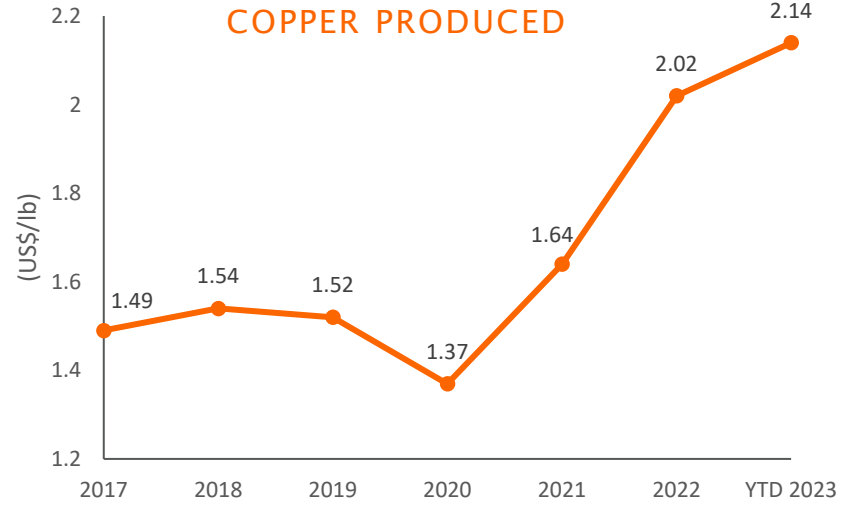


# Cost Operations

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



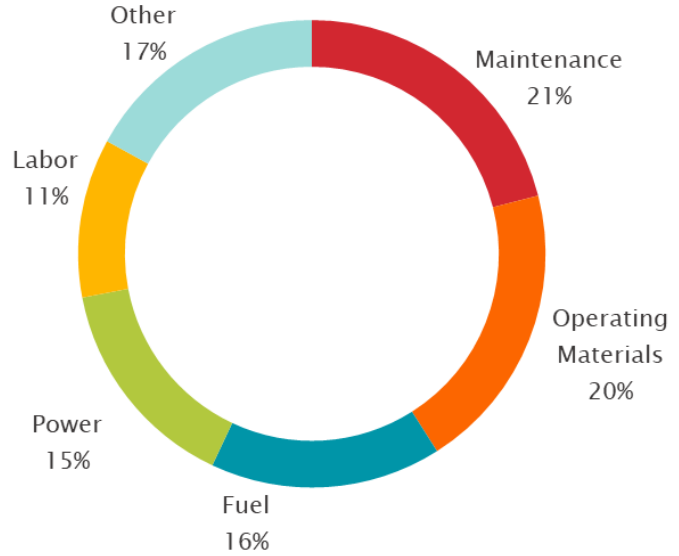
### OPERATING CASH COST PER POUND OF COPPER PRODUCED



### LOW-COST DRIVERS

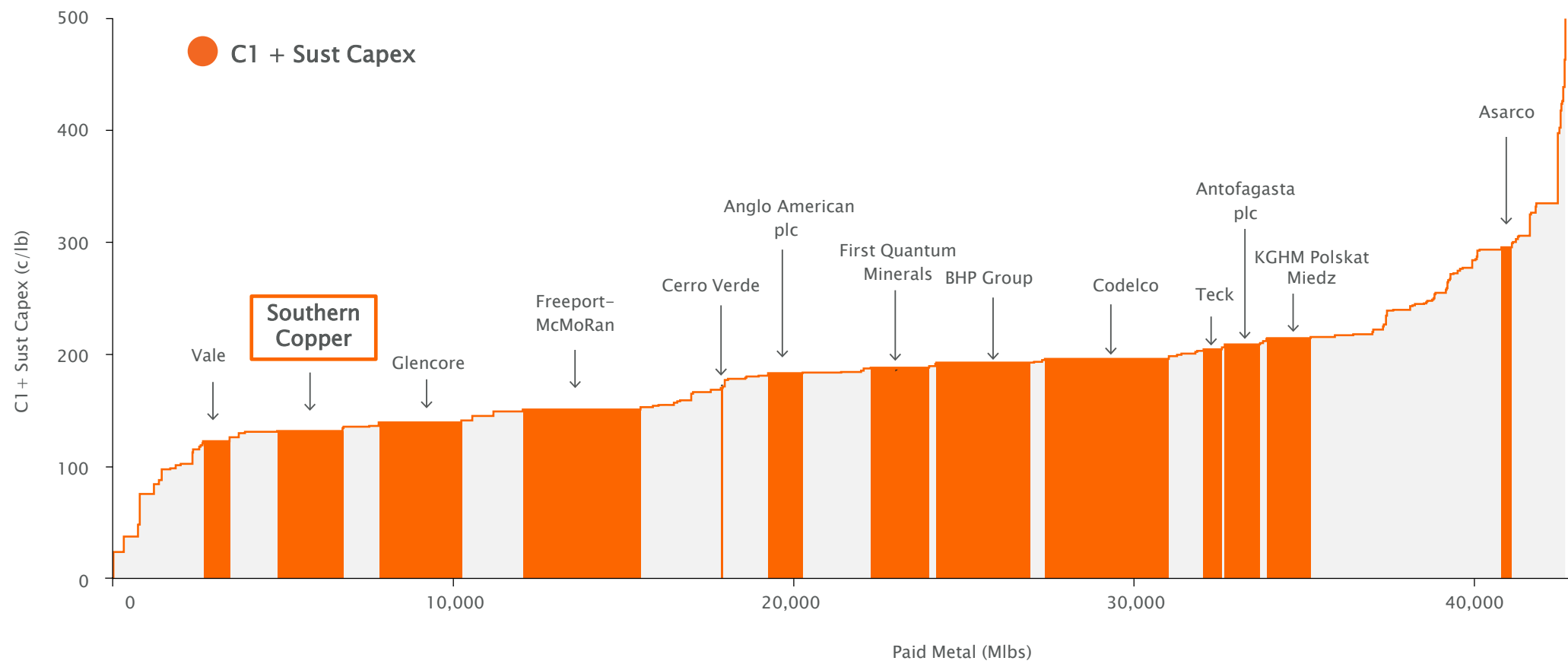
- Integrated and highly competitive cost operations.
- World class assets.
- Significant SX-EW production.
- Strong by-product credits.
- Management focus on cost efficiency and growth.

### L12M COST STRUCTURE



# Copper Mine Composite Costs Curve

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

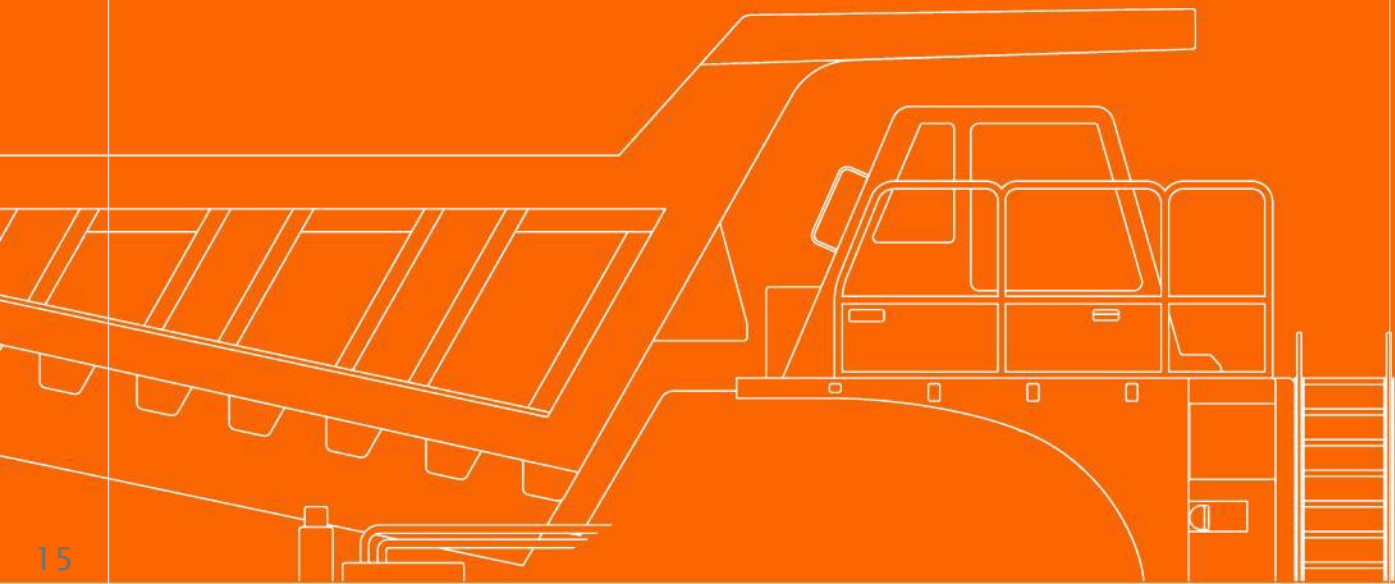
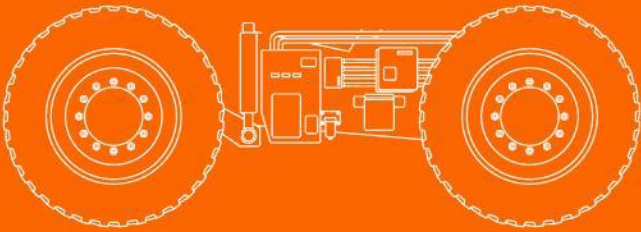
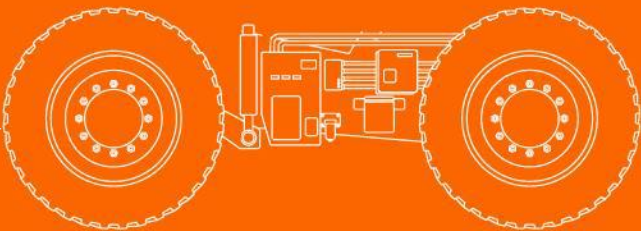


Source: Wood Mackenzie Ltd. Dataset: 2022 Q4



# Financial Overview

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



# Financial Highlights

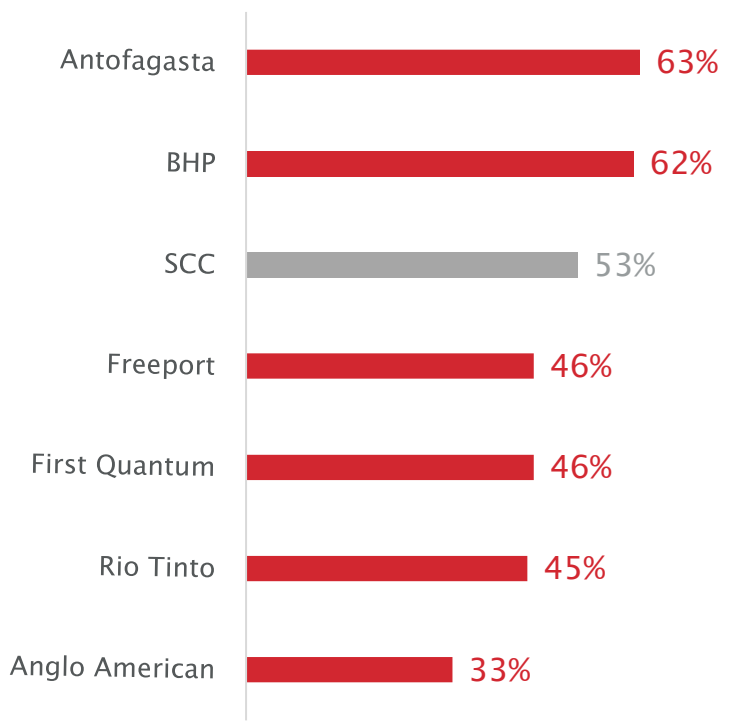
(US\$ MM)	2020	2021	2022	2023E
Copper Price (LME) US\$ per pound	2.80	4.24	4.00	4.00
<b>Income Statement:</b>				
Net Revenues	\$7,985	\$10,934	\$10,048	\$10,215
<b>EBITDA</b>	<b>3,869</b>	<b>6,853</b>	<b>5,365</b>	<b>5,358</b>
EBITDA Margin	48%	63%	53%	52%
U.S. Income Tax Reform Adjustment				
Net Income	1,570	3,397	2,638	2,787
Dividends paid per share	1.50	3.20	3.50	3.00
<b>Balance Sheet Statement:</b>				
Cash, Equivalent & Short Term				
Investments	\$2,594	\$3,489	\$2,278	\$4,846
<b>Total Assets</b>	<b>16,664</b>	<b>18,298</b>	<b>17,277</b>	<b>20,298</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	9,744
Total Shareholders Equity	7,276	8,149	8,084	10,482
<b>Cash Flow Statement:</b>				
Capital Expenditures	\$595	\$892	\$949	\$1,091
<b>Free Cash Flow <sup>1</sup></b>	<b>2,191</b>	<b>3,400</b>	<b>1,854</b>	<b>2,966</b>
Dividends paid to common Shareholders	1,160	2,474	2,706	2,319
<b>Total Debt / EBITDA</b>	<b>1.7x</b>	<b>1.0x</b>	<b>1.2x</b>	<b>1.2x</b>
<b>Net Debt / EBITDA</b>	<b>1.0x</b>	<b>0.4x</b>	<b>0.7x</b>	<b>0.3x</b>

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

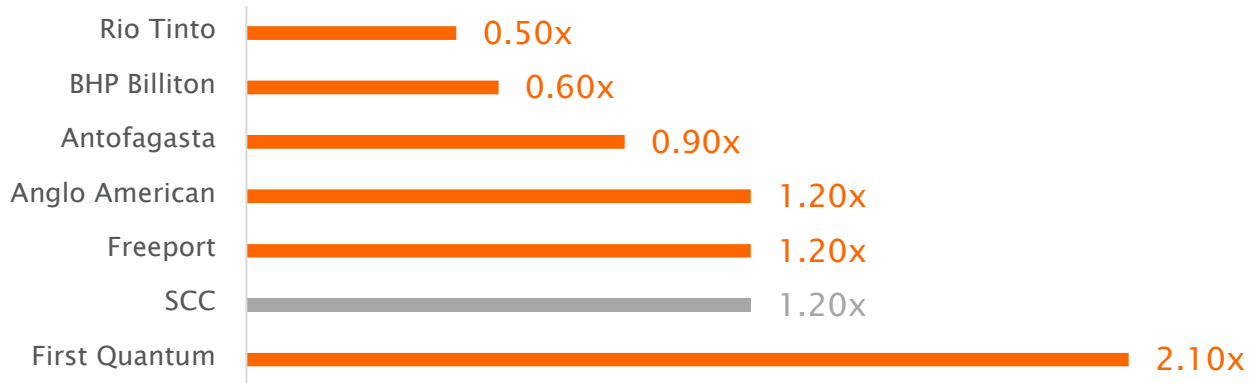
# Solid financial performance

TOP TIER MARGINS AND CONSERVATIVE LEVERAGE FOR INCREASED FINANCIAL FLEXIBILITY

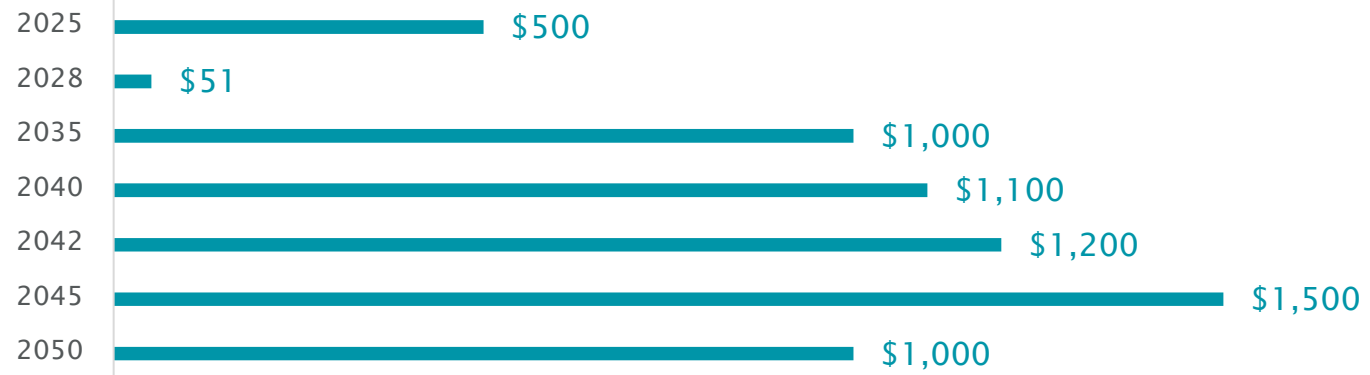
## 2022 EBITDA Margin



## 2022 Total Debt / EBITDA

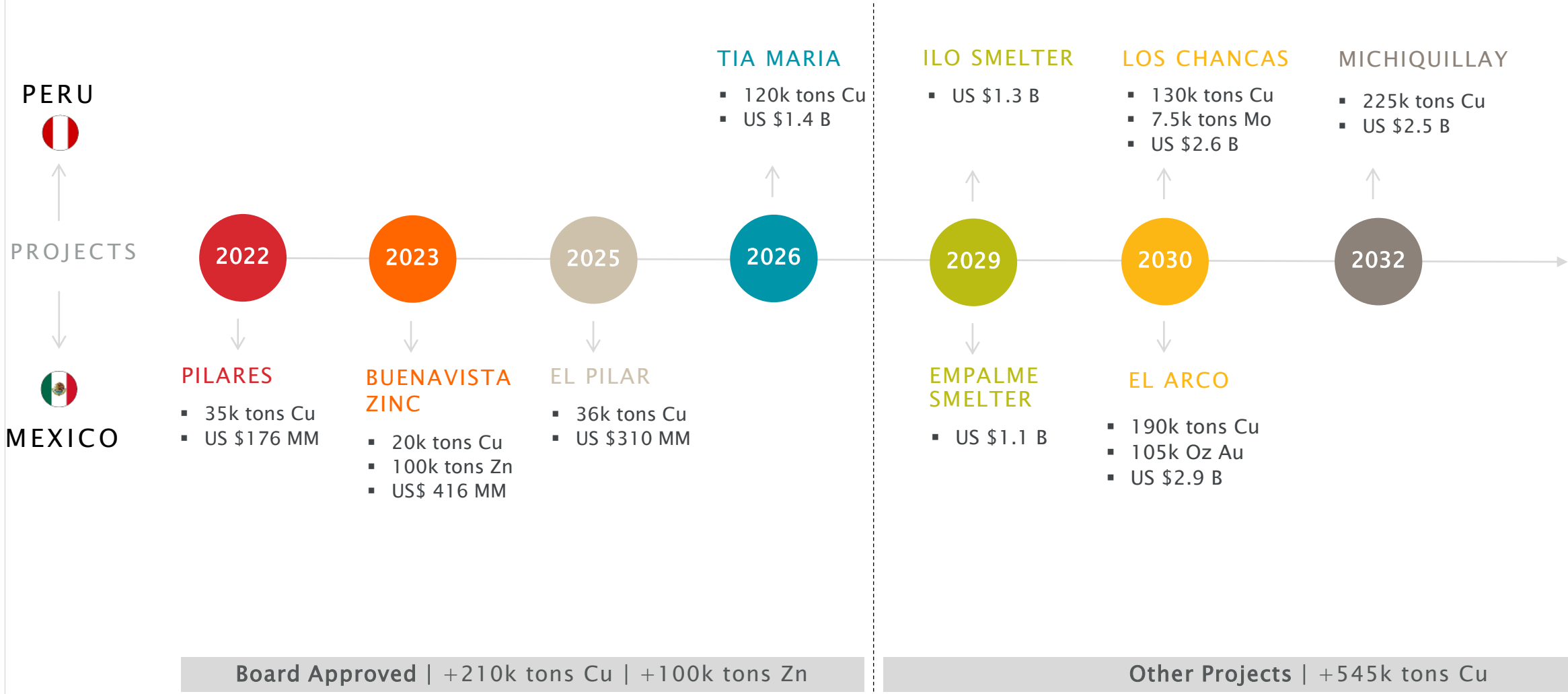


## Amortization Schedule



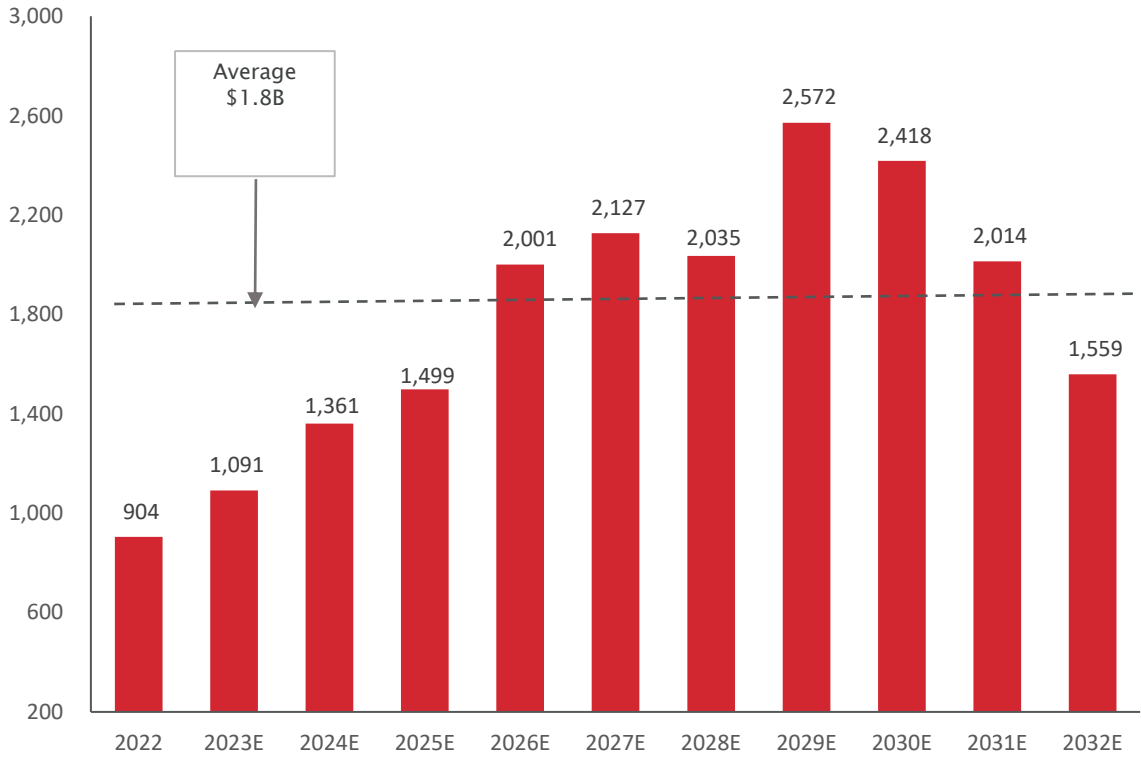


# Investment Program to Significantly Increase Production



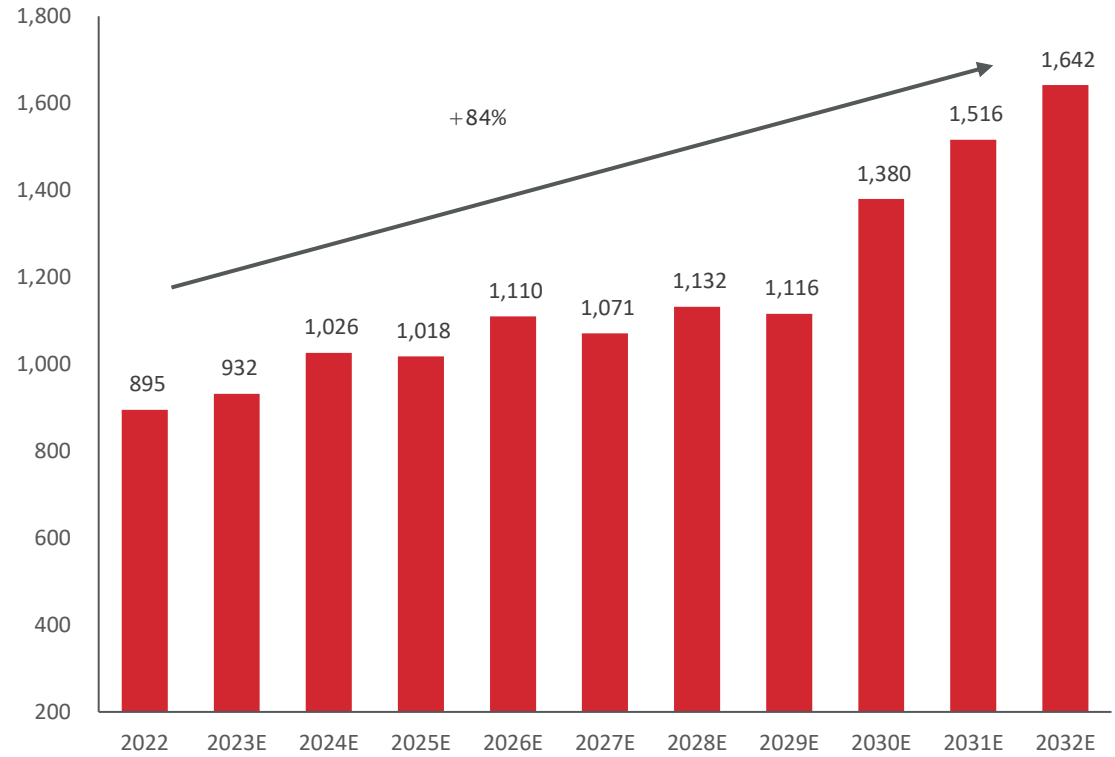
# Investment Program to Significantly Increase Production

2022-2032 CAPEX PROGRAM OVERVIEW



2022-2032 COPPER PRODUCTION FORECAST

('000 MT CU)



# SCC's Major Strengths

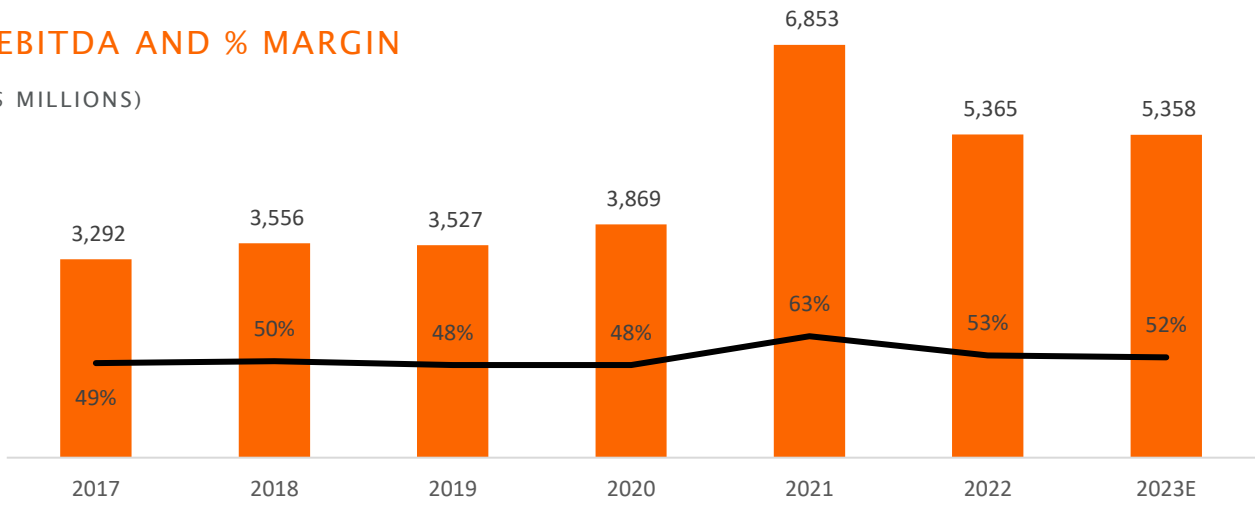


### SCC IS THE PREMIER COPPER PLAY

- 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.
- Investments focused on cost competitiveness and value generation for shareholders.
- Capacity to deliver projects through flexible capital structure and significant cash generation capability.
- Integrated and highly competitive 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