

To: **Company Announcements Office**
From: **Maria Sanz Perez**
Date: **14 August 2020**
Subject: **FY20 Full Year Results – Presentation**

Please find attached, for release to the market, a presentation to be given at the Company's Full Year Results briefing this morning.

The webcast of this presentation, commencing at 9.30am this morning, is accessible on the Company's website and will be available for replaying at the end of the briefing.

Yours sincerely



Maria Sanz Perez
Company Secretary

Authorised by the Newcrest Board Executive Committee

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NEWCREST

FY20 Full Year Results

Sandeep Biswas

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Disclaimer

Forward Looking Statements

This presentation includes forward looking statements. Forward looking statements can generally be identified by the use of words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, “outlook” and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs. Newcrest continues to distinguish between outlook and guidance. Guidance statements relate to the current financial year. Outlook statements relate to years subsequent to the current financial year.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause Newcrest’s actual results, performance and achievements to differ materially from statements in this presentation. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which Newcrest operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

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Non-IFRS Financial Information

Newcrest’s results are reported under International Financial Reporting Standards (IFRS). This presentation includes non-IFRS information under ASIC Regulatory Guide 230: ‘Disclosing non-IFRS financial information’ published by ASIC and also ‘non-GAAP financial measures’ within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934, as amended, and are not recognised under AAS and IFRS. Such information includes All-In Sustaining Cost (determined in accordance with the updated World Gold Council Guidance Note on Non-GAAP Metrics which was released in November 2018), Leverage (net debt divided by EBITDA for the preceding 12 months), EBITDA (earnings before interest, tax, depreciation and amortisation and significant items), Net Debt (total borrowings less cash and cash equivalents), Gearing Ratio (total debt divided by total debt and equity), AISC Margin (realised gold price less AISC per ounce sold (where expressed as US\$), or realised gold price less AISC per ounce sold divided by realised gold price (where expressed as a %), Interest Coverage Ratio (EBITDA/Interest payable for the relevant period), Free cash flow (cash flow from operating activities less cash flow related to investing activities), EBITDA margin (EBITDA expressed as a percentage of revenue) and EBIT margin (EBIT expressed as a percentage of revenue). These measures are used internally by Newcrest management to assess the performance of the business and make decisions on the allocation of resources and are included in this Presentation to provide greater understanding of the underlying performance of Newcrest’s operations. The non-IFRS information has not been subject to audit or review by Newcrest’s external auditor and should be used in addition to IFRS information. Such non-IFRS financial information/non-GAAP financial measures do not have a standardised meaning prescribed by AAS or IFRS. Therefore, the non-IFRS financial information may not be comparable to similarly titled measures presented by other entities and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Although Newcrest believes these non-IFRS financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS financial information/non-GAAP financial measures included in this presentation. Certain figures, amounts, percentages, estimates, calculations of value and fractions provided in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

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Ore Reserves and Mineral Resources Reporting Requirements

As an Australian company with securities listed on the Australian Securities Exchange (ASX), Newcrest is subject to Australian disclosure requirements and standards, including the requirements of the Corporations Act and the ASX. Investors should note that it is a requirement of the ASX listing rules that the reporting of ore reserves and mineral resources in Australia comply with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the “JORC Code”) and that Newcrest’s ore reserve and mineral resource estimates comply with the JORC Code.

Competent Person’s Statement

The information in this presentation that relates to Mineral Resources or Ore Reserves (other than Red Chris and Havieron) has been extracted from the release titled “Annual Mineral Resources and Ore Reserves Statement – 31 December 2019” dated 13 February 2020 (the original release). Newcrest confirms that it is not aware of any new information or data that materially affects the information included in the original release and, in the case of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the original release continue to apply and have not materially changed. Newcrest confirms that the form and context in which the competent person’s findings are presented have not been materially modified from the original release.

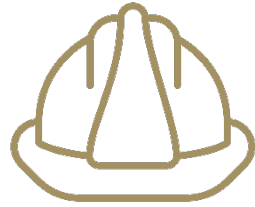
The information in this presentation that relates to Exploration Results at Red Chris and Havieron has been extracted from the release titled “Quarterly Exploration Report” dated 23 July 2020. Newcrest confirms that it is not aware of any new information or data that materially affects the information included in the Quarterly Exploration Report. Newcrest confirms that the form and context in which the competent person’s findings are presented have not been materially modified from the Quarterly Exploration Report.



Newcrest Mining Limited



Safety and
Sustainability



FY20 Key
Achievements



Operational
results



Financials



Our growth
story

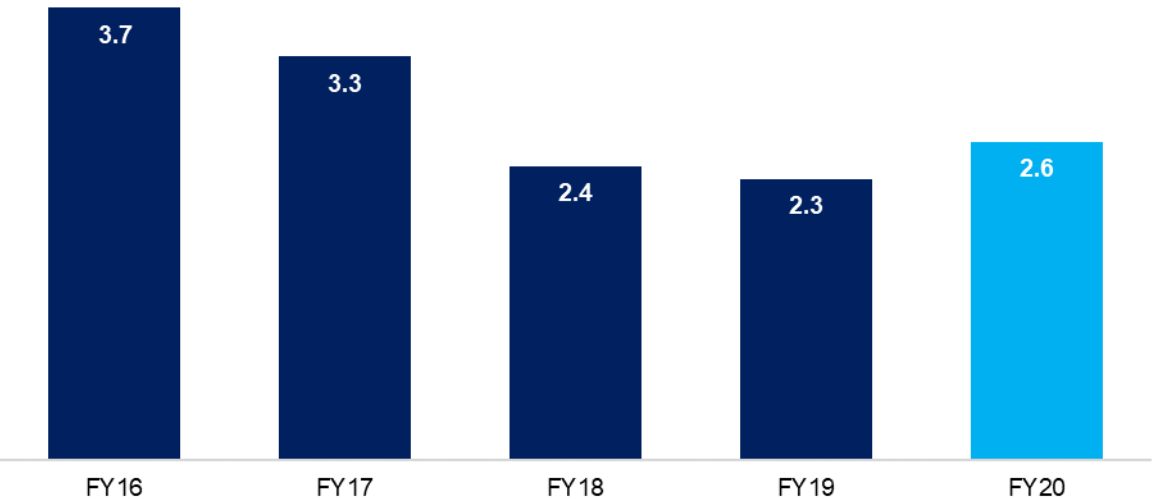


Summary



Continued Focus on Safety

Total Recordable Injury Frequency Rate¹ (per million hours worked)



Safety Transformation

Red Chris injury rates are much higher than the Newcrest average which is driving the higher FY20 TRIFR.

Excluding Red Chris, Newcrest's FY20 TRIFR was 2.0

Zero Fatalities

Nearly 5 years fatality free

FY20 TRIFR & improvements at most operations



Quarter on quarter, Red Chris is realising improvements in TRIFR

¹ TRIFR – Total Recordable Injury Frequency Rate (per million hours worked)
² Prior to the acquisition of Red Chris, Newcrest estimated Red Chris' underlying TRIFR to be 17.0. The 25% improvement is based on 17.0 and the actual TRIFR outcome for FY20 of 12.7. The outcome for FY20 represents the period from 15 August 2019 to 30 June 2020

Safety and
Sustainability



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Summary

FY20 Key Achievements

Safety

- Zero Fatalities and 13% reduction in TRIFR (excluding Red Chris)
- COVID-19 impacts successfully managed in the period

Growth

- Continue to deliver against our growth pillar
- ~\$1.7 billion invested in growth activities
- Exciting pipeline of growth projects including Havieron and Red Chris

Strong Financial Performance

- Produced 2.2moz gold and 138kt copper at an AISC of \$862/oz
- Statutory profit of \$647 million up 15%
- Underlying profit of \$750 million up 34%
- Generated free cash flow before M&A activity of \$670 million¹

Strengthened Balance Sheet

- Successful equity raising to fund growth
- Refinanced existing corporate bonds at lower coupon rates and smoothed and extended maturity profile

Increased Shareholder Returns

- Full year dividends of US25 cents per share², an increase of 14%

1. Excludes the payment for the acquisition of Red Chris (70% ownership) of \$769 million, the acquisition of Fruta del Norte finance facilities of \$460 million, further investments in Lundin Gold of \$79 million, net proceeds from divestment of Gosowong of \$20 million and payment of \$3 million for an interest in Antipa Minerals Ltd

2. Final dividend of US17.5 cents per share + interim dividend of US7.5 cents per share

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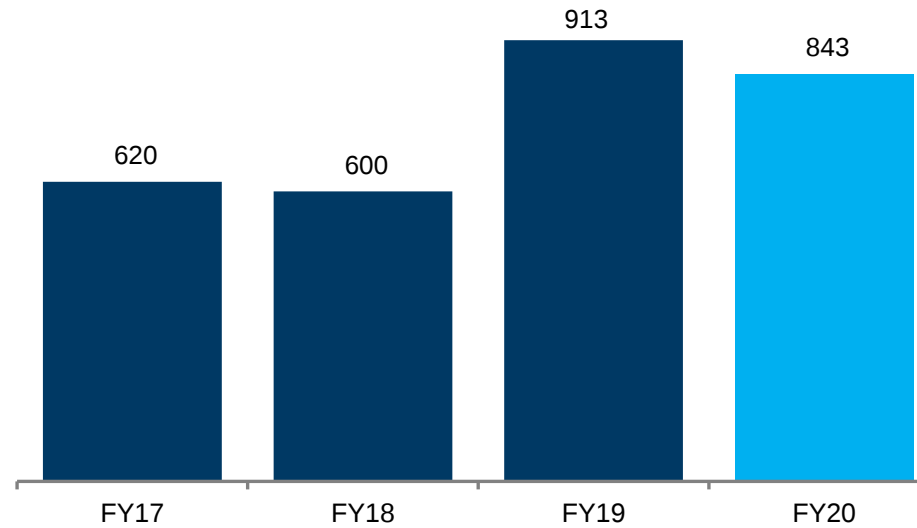


World class asset

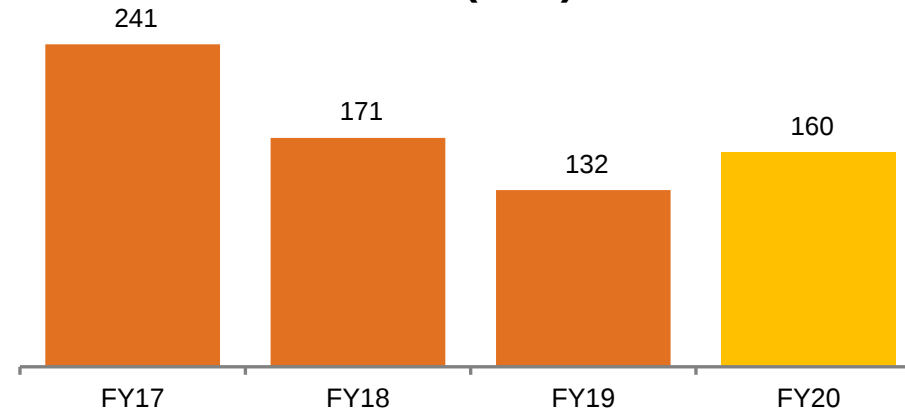
- Grade decline on prior period in line with expectations
- Achieved record mined and milled tonnes in the period
- Strong free cash flow generation
- Water concerns alleviated
- Cadia Expansion and Moly plant projects progressed

Cadia

Gold Production (koz)



AISC (\$/oz)

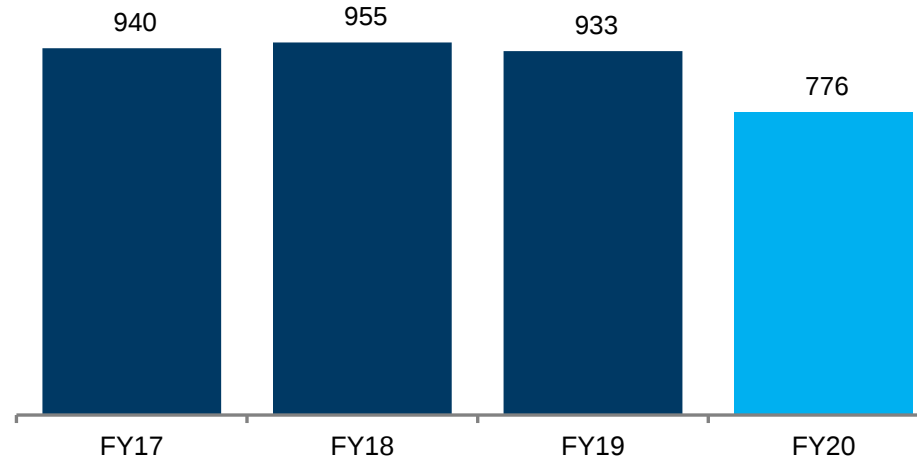


Challenging year

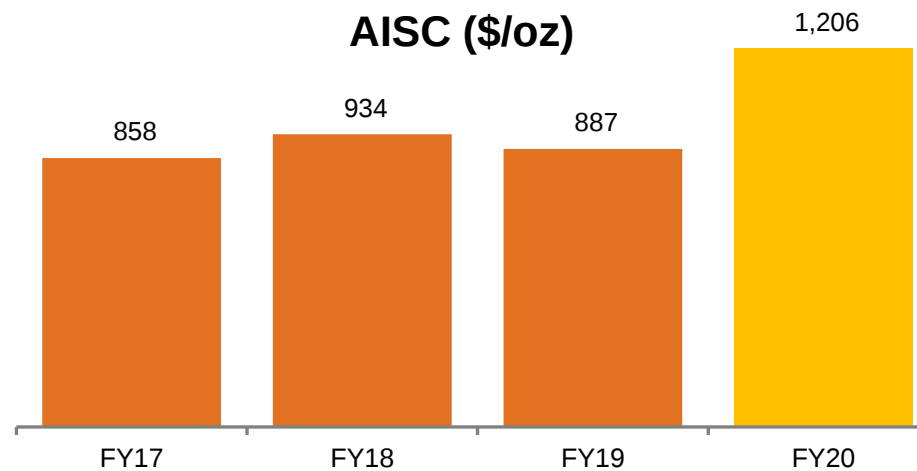
- Lower grade and recoveries in the period
- Higher proportion of stockpiled ore feed processed
- Autoclave maintenance and clay in feed material impacted recovery rates
- Improvement plan underway
- Higher stripping rates and processing of stockpiled Argillic feed to continue into FY21-22

Lihir

Gold Production (koz)



AISC (\$/oz)





Lihir Pit Optimisation Study focus areas

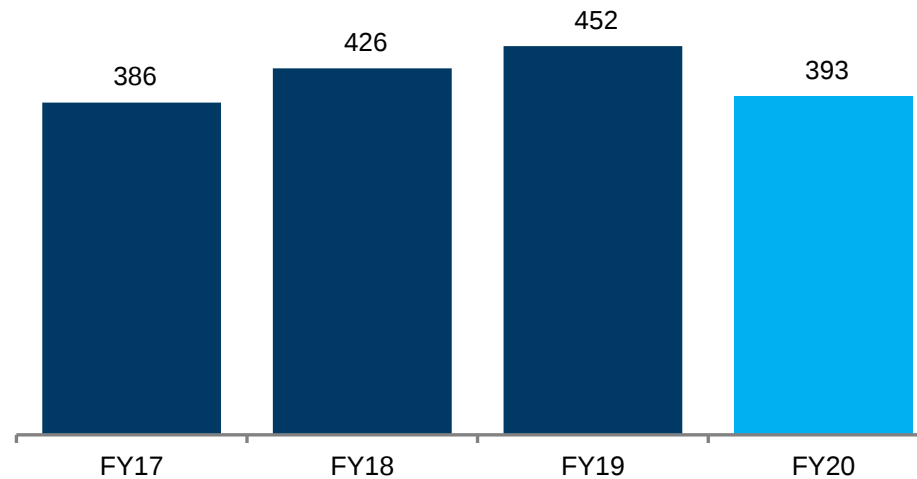
- Improve ore presentation to processing plant
- Minimise impact of clay on materials handling system & autoclaves
- Optimising integration of seepage barrier project into mine schedule
- Increasing access to ore to offset higher expected cost of seepage barrier

Solid performance

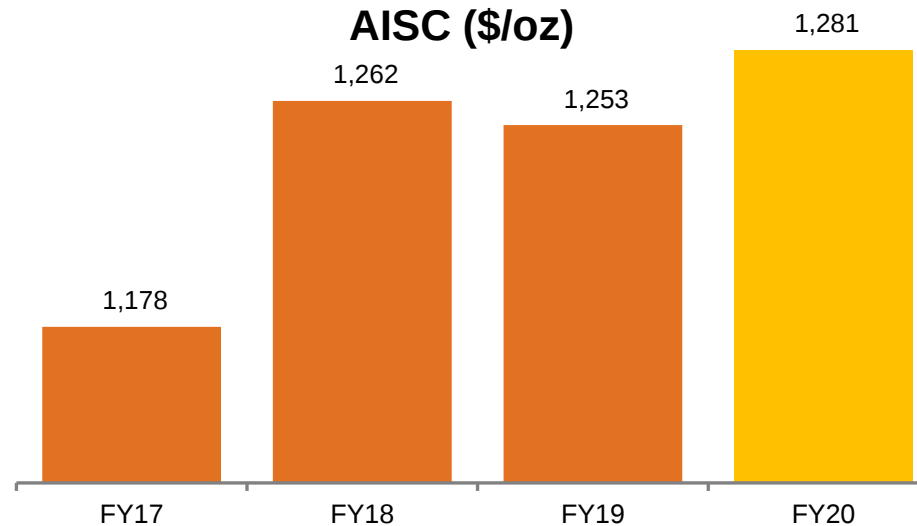
- Lower milled volumes as planned
- Free cash flow improved by \$43 million
- \$82 million impact to revenue from gold hedges
- Latent infrastructure value to be realised with Havieron development

Telfer

Gold Production (koz)



AISC (\$/oz)

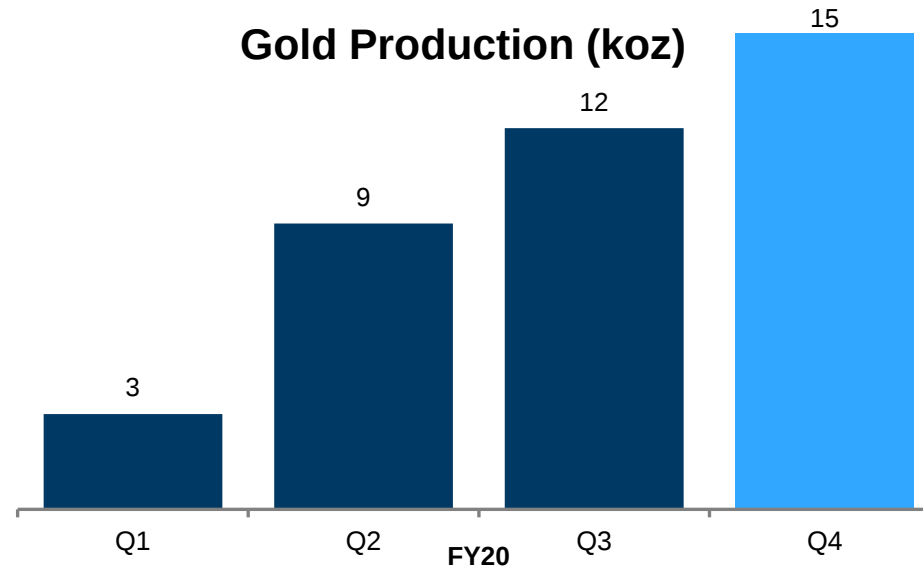


Stabilising performance

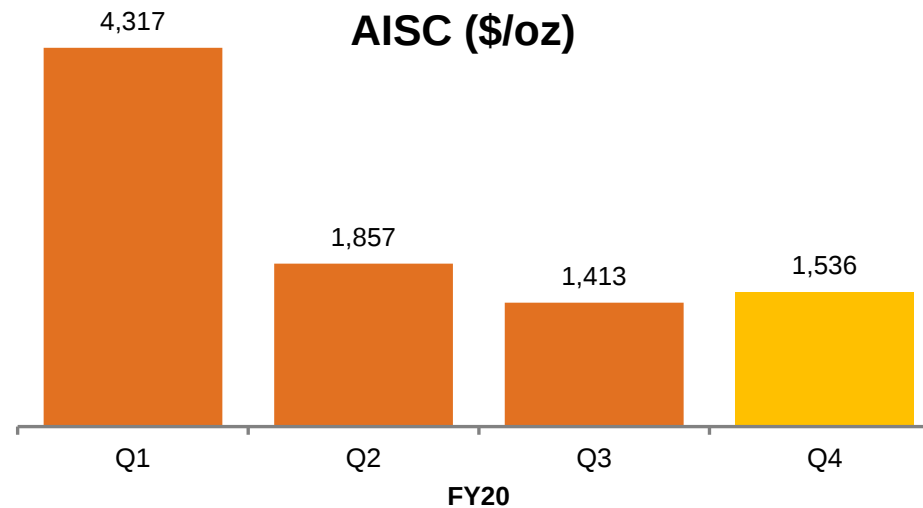
- Improved safety performance
- Investing in the future
- Exciting drill results

Red Chris

Gold Production (koz)



AISC (\$/oz)



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Summary

Investing in growth from a position of strength

Strong financial performance

- Underlying profit of \$750m
- Statutory profit of \$647m
- Free cash flow before M&A activity of \$670m¹

Robust balance sheet

- Refinanced existing debt
- Successful equity raising
- Well within financial policy metrics

Investing in the future

- \$1.3bn to acquire Red Chris and increase exposure to Fruta del Norte
- \$273m on major capital projects
- \$113m on exploration

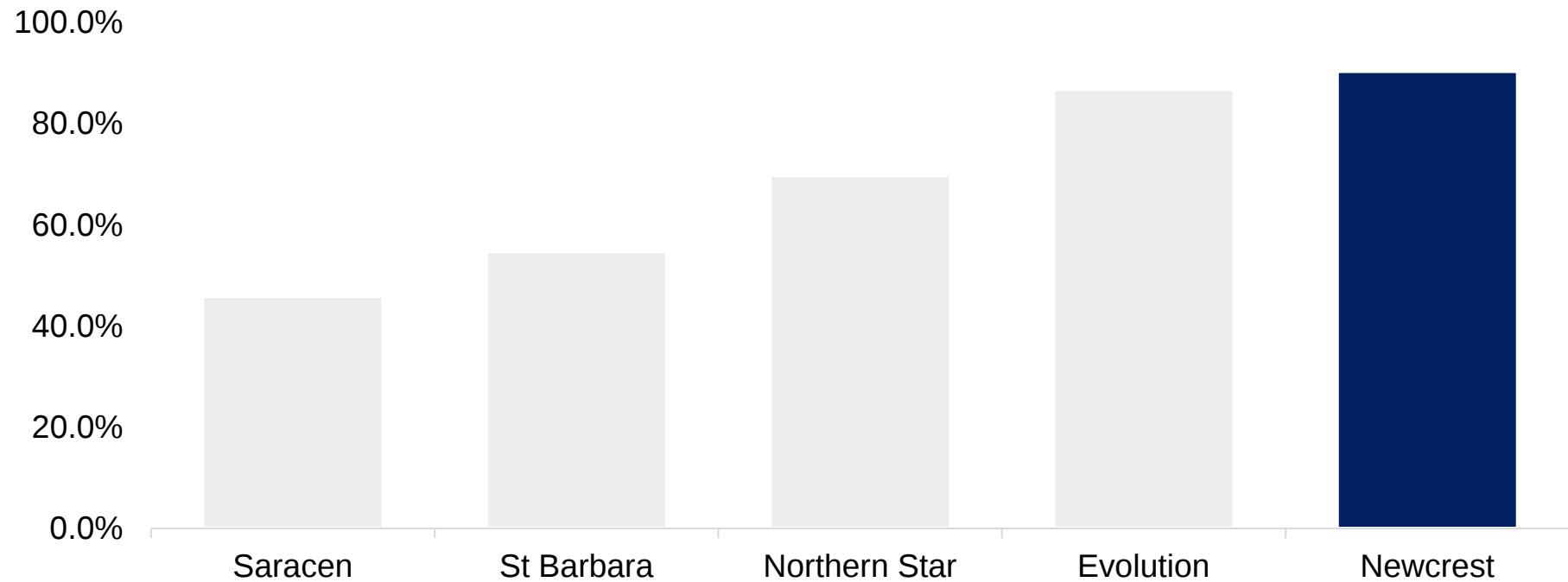
Increased shareholder returns

- Full year dividends of 25 cents per share, fully franked
- 14% increase on FY19
- Final dividend 21% higher YOY

1. Excludes the payment for the acquisition of Red Chris (70% ownership) of \$769 million, the acquisition of Fruta del Norte finance facilities of \$460 million, further investments in Lundin Gold of \$79 million, net proceeds from divestment of Gosowong of \$20 million and payment of \$3 million for an interest in Antipa Minerals Ltd

Newcrest has a high level of exposure to a rising gold price

Proportion of FY20 gold production exposed to gold price

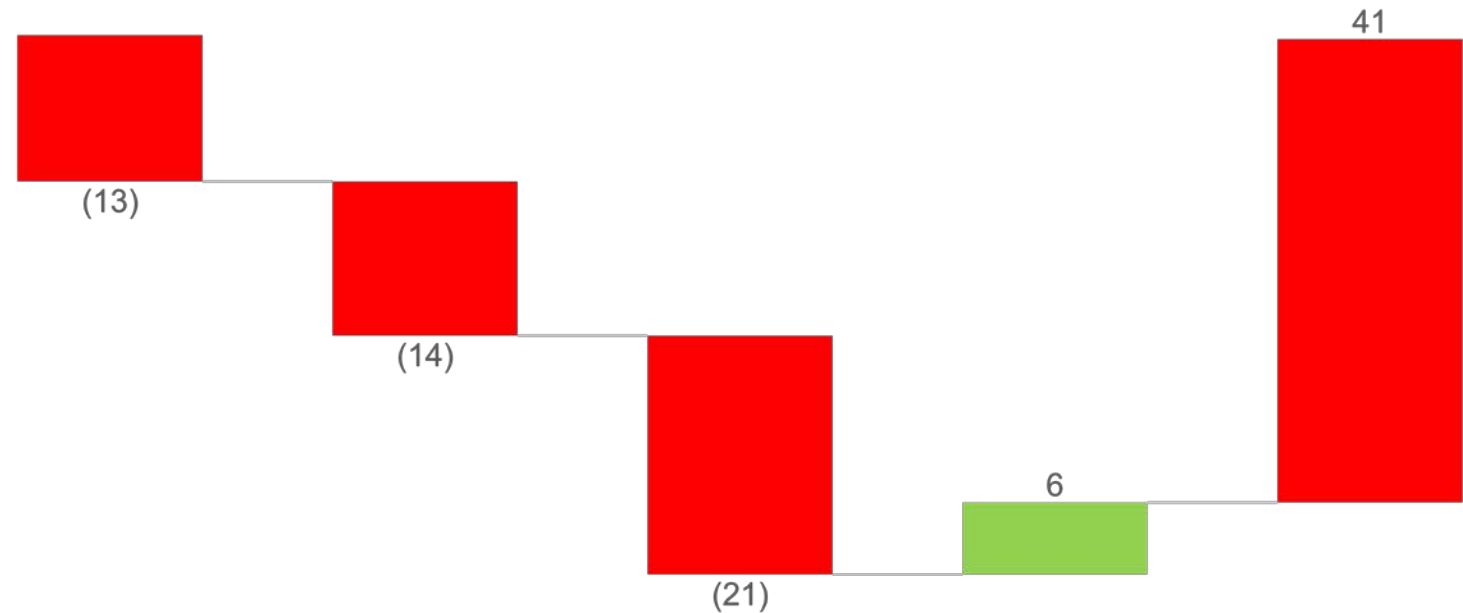


- In the period, Newcrest's gold ounces had the greatest exposure to the appreciation of the gold price, compared to some other Australian producers
- Newcrest's hedged gold volumes are declining over coming years:
 - o 217koz in FY21;
 - o 205koz in FY22; and
 - o 138koz in FY23

1. The proportion of ounces exposed to the gold price has been determined by dividing total gold ounces delivered into the hedge book by total gold sales for the financial year
2. Data for Northern Star was sourced from their June Quarterly Activities Report dated 23 July 2020. For Evolution, data was sourced from their FY20 Quarterly Reports dated 23 July 2020, 23 April 2020, 29 January 2020 and 15 October 2019. Data for Saracen was sourced from their FY20 Quarterly Reports dated 21 July 2020, 28 April 2020, 28 January 2020 and 22 October 2019. For St Barbara data was sourced from their June Quarterly Report dated 29 July 2020 and their FY19 Annual Report dated 13 September 2019

Estimated cash flow impact of COVID-19 in FY20

Estimated cash flow impact of COVID-19 (\$m)



Labour Costs

Other Costs

Inventory &
Asset Purchases

FIFO Savings

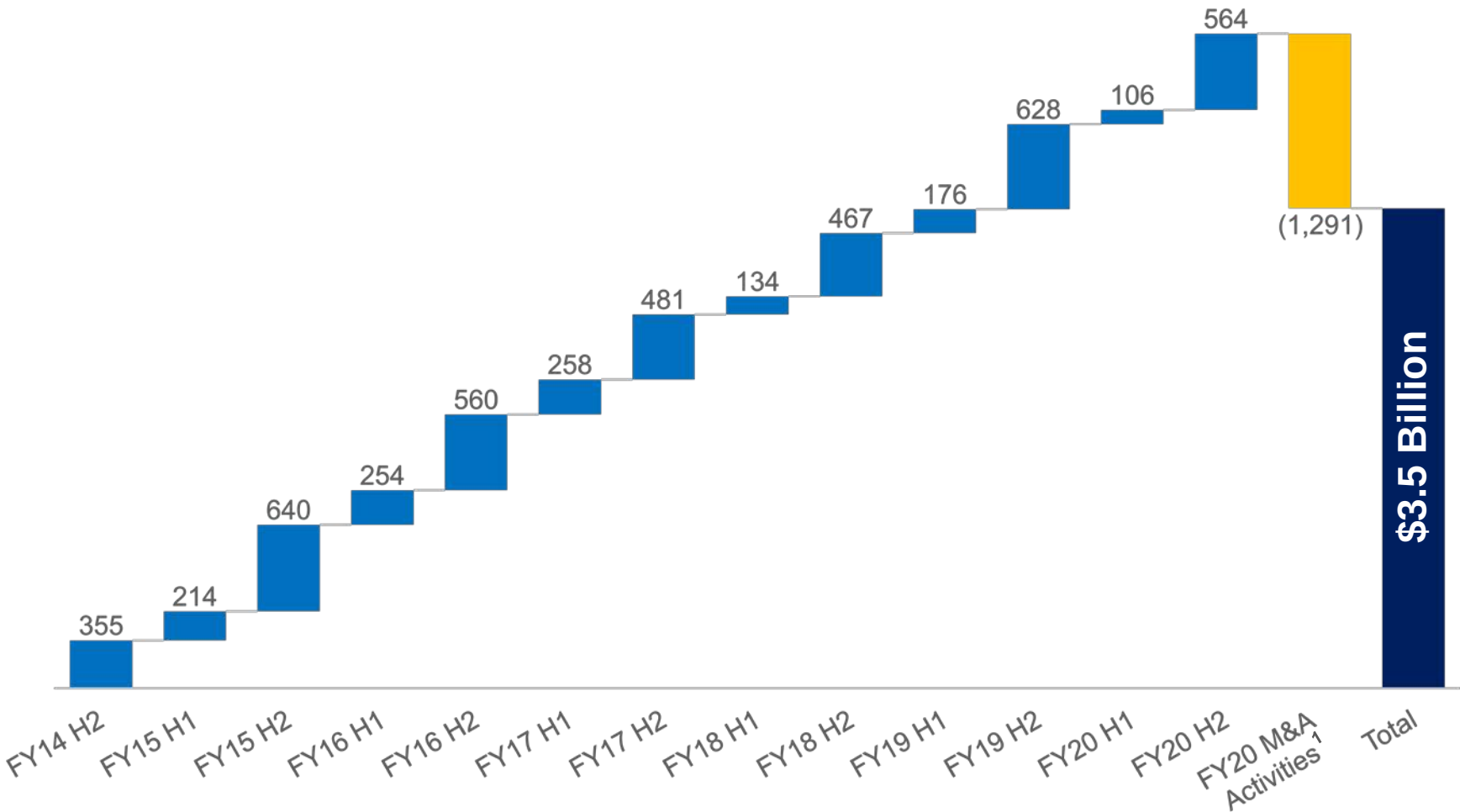
Total FCF Impact

1. Labour costs includes pandemic leave, costs associated with roster changes, additional coverage, overtime and allowances
2. Other costs includes medical related expenditure, additional shutdown costs, additional contractor costs and accommodation costs
3. Inventory & Asset purchases represents increases in working capital to mitigate the risk of supply chain disruptions as well as the purchase of additional buses at Lihir to enable social distancing
4. FIFO related costs are due to a reduction in FIFO flights

- Managing COVID-19 had an estimated cost impact of ~\$20m (pre-tax) in FY20, excluding productivity impacts
- The cost impact in FY21 is expected to be ~\$30-40m (pre-tax), assuming no operational interruptions

Invested ~\$1.3bn
in M&A activities
in FY20

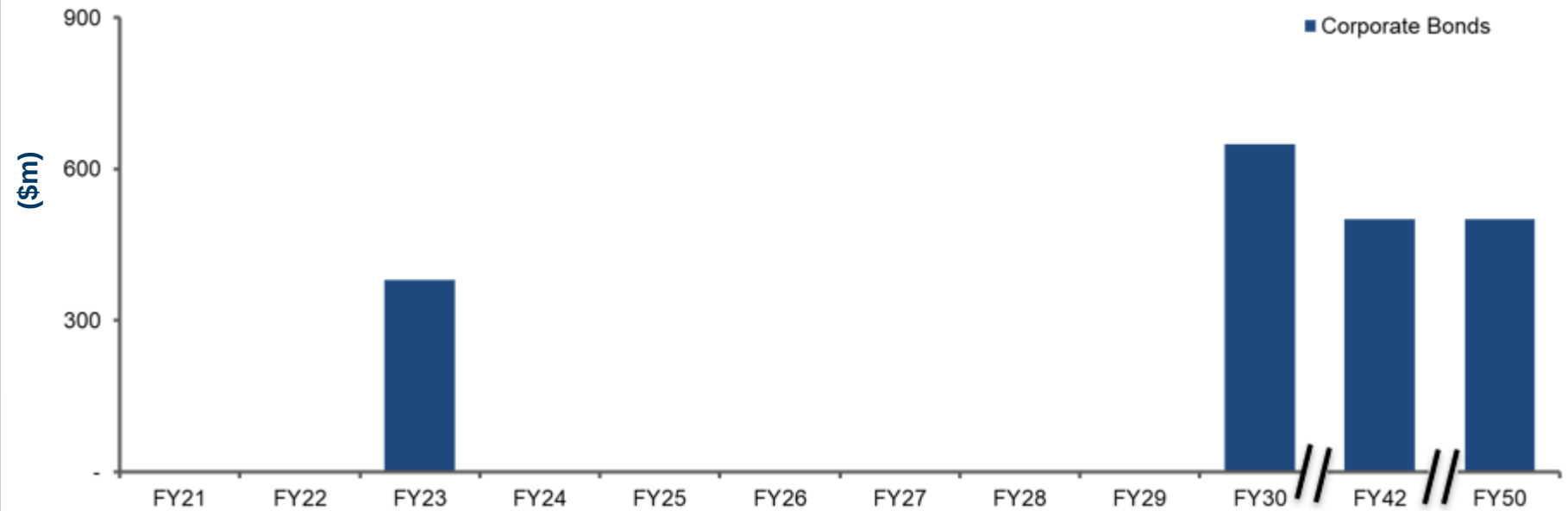
Cumulative free cash flow (\$m)



1. Cash investment in M&A activity in FY20 comprises the payment for the acquisition of Red Chris (70% ownership) of \$769 million, the acquisition of Fruta del Norte finance facilities of \$460 million, further investments in Lundin Gold of \$79 million, net proceeds from divestment of Gosowong of \$20 million and payment of \$3 million for an interest in Antipa Minerals Ltd

Debt structure optimised

Maturity profile as at 30 June 2020¹



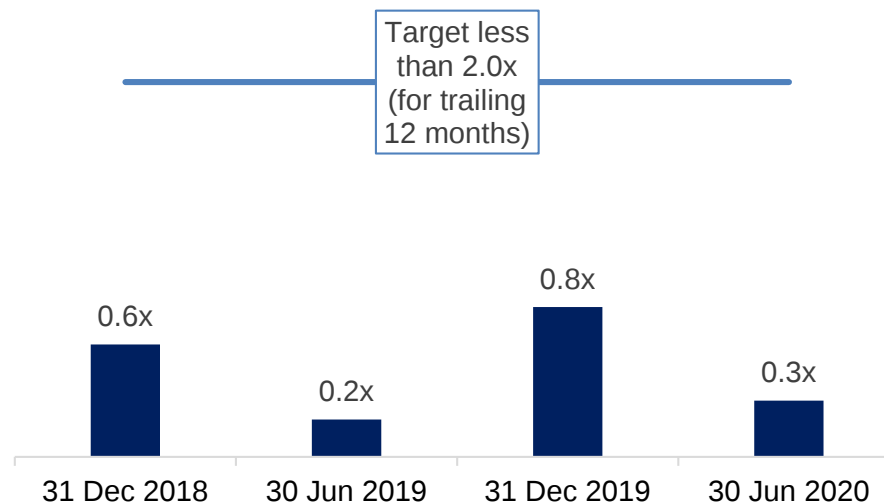
- Refinanced debt at lower coupon rates and smoothed and extended the debt maturity profile
- Weighted average maturity profile now ~16 years (previously ~7 years)
- Secured long term debt funding at coupons much lower than existing corporate bonds

¹ On 13 May 2020, Newcrest issued US\$1.15 billion of senior unsecured notes, comprising 10-year bonds totalling US\$650 million (maturing in 2030) and 30-year bonds totalling US\$500 million (maturing in 2050). The proceeds from the new bonds were used to repay all of the Company's notes due in 2021 and to repay all but US\$380 million of the notes due in 2022

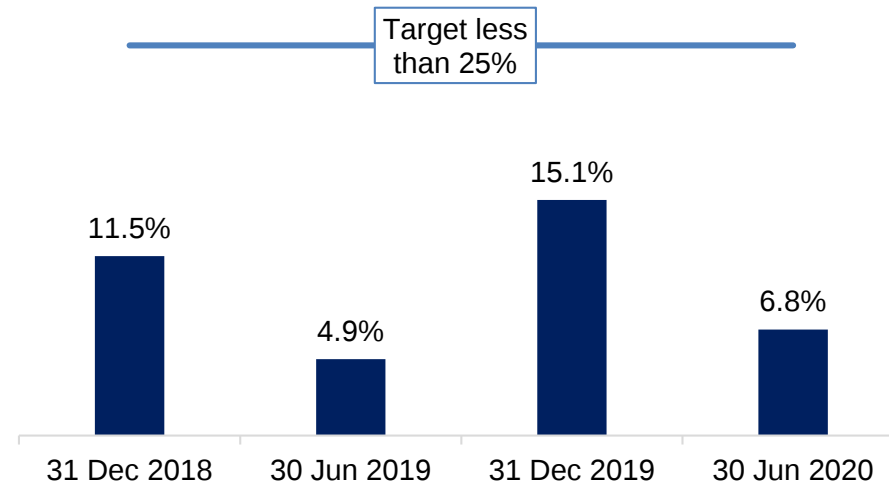
Strong financial position

- Continue to be comfortably within our financial policy targets

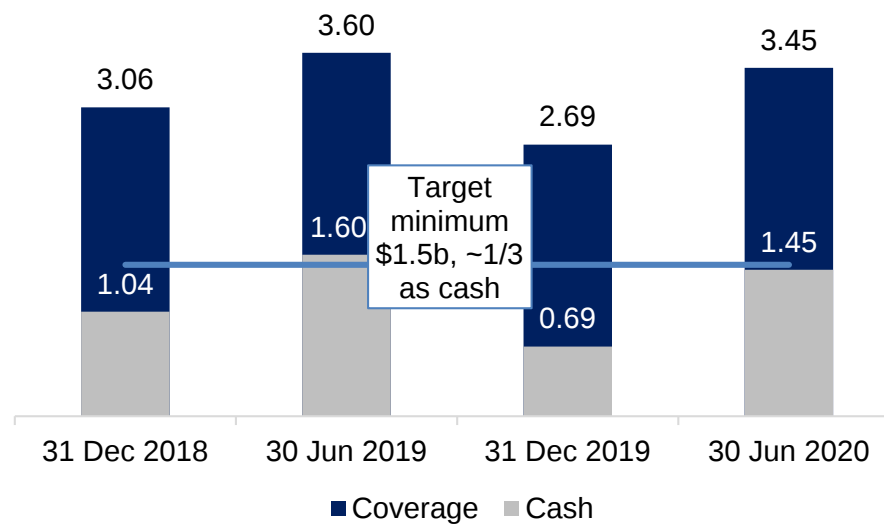
Leverage Ratio (Net Debt / EBITDA)



Gearing Ratio



Coverage (\$bn)

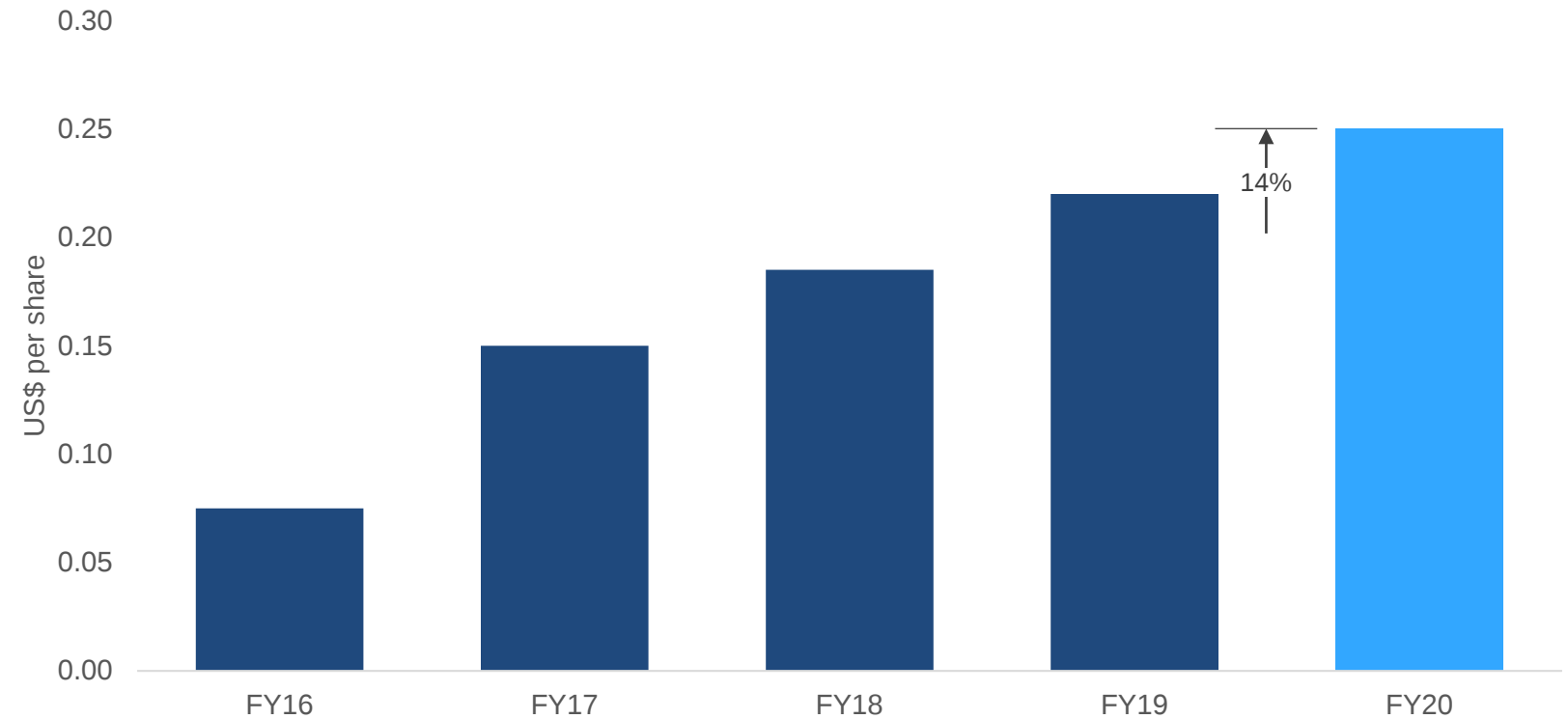


Investment Grade Credit Rating



Increasing returns to shareholders

Increasing Dividends¹ (US\$/share)



- Fifth consecutive year of dividend increases
- Targeting a total dividend payment of at least 10-30% of free cash flow
- With the dividend being no less than US15 cents per share on a full year basis
- Final fully franked dividend of US17.5 cents is 21% higher year on year

¹ Dividends declared/determined in respect of each financial year

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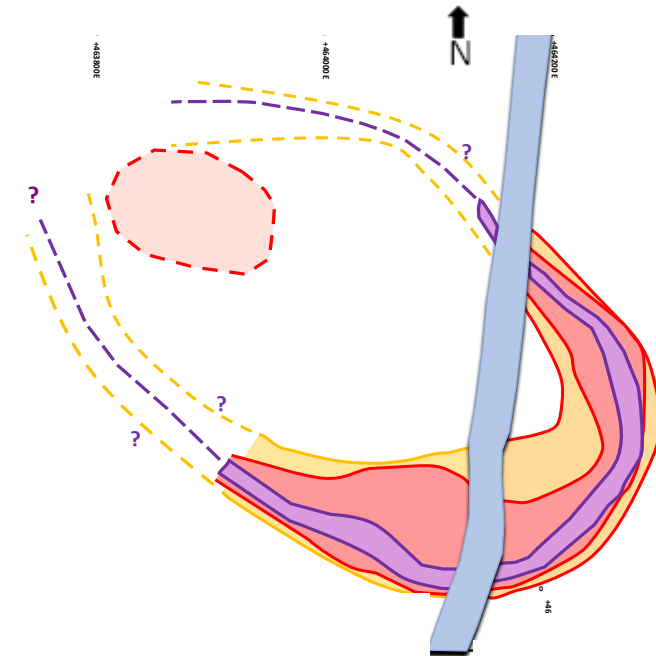
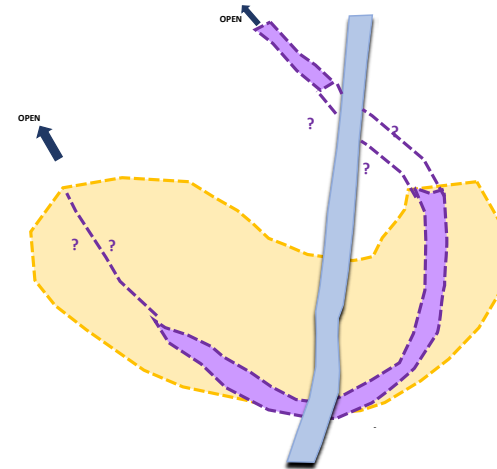
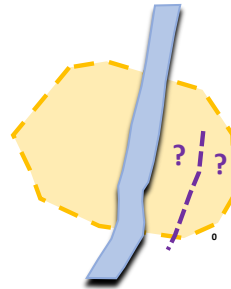
Growing Havieron

- Havieron continued to grow over FY20
- Expecting to commence decline by the end of CY20 or early 2021

Jun-19

Dec-19

Jun-20



LEGEND

Geology

 Crescent Sulphide Zone

 Post Mineral Dyke

 Breccia Zone 0.5g/t Au Leapfrog Shell

 Breccia Zone 1.0g/t Au Leapfrog Shell

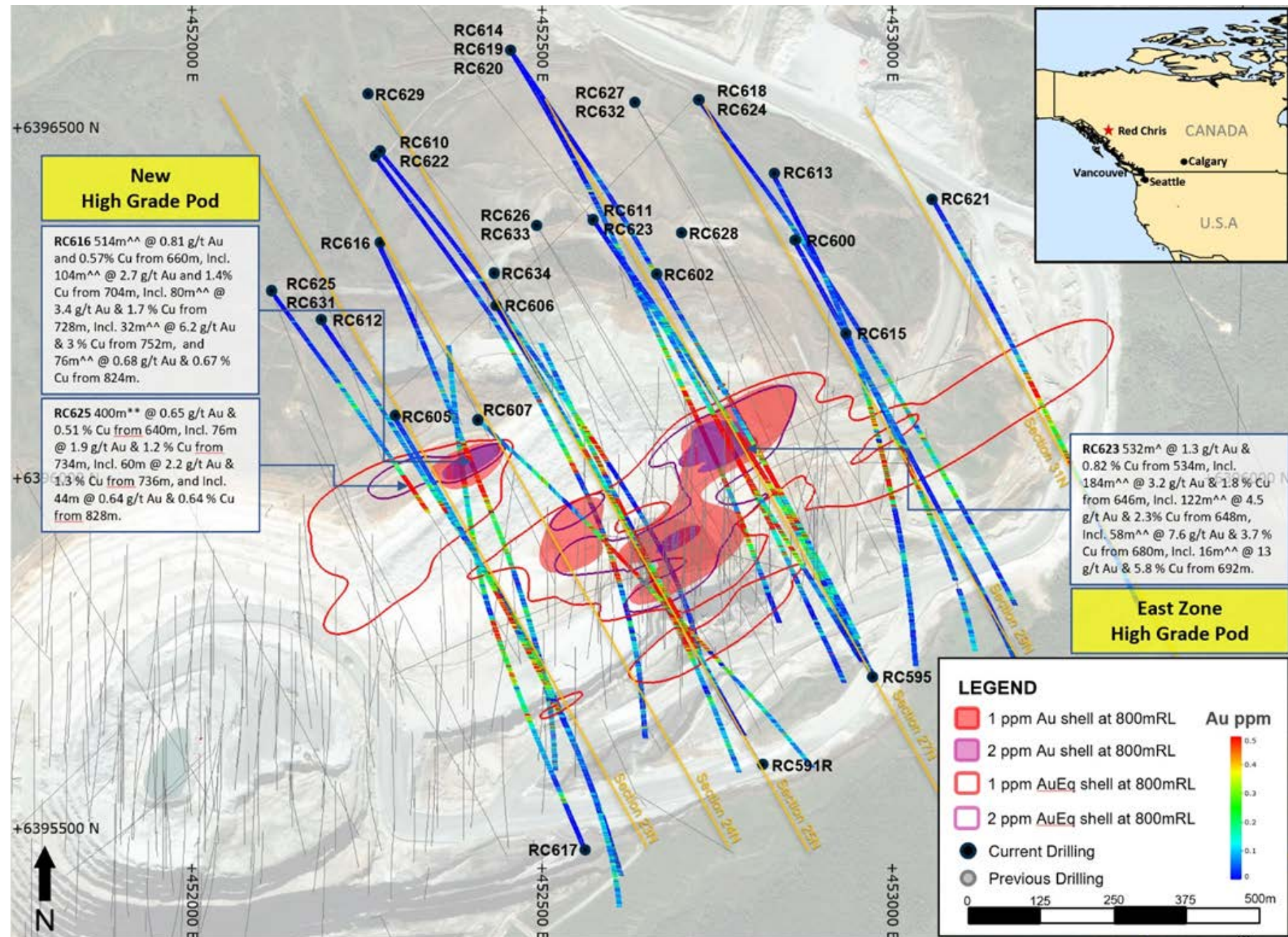
The Havieron diagrams included in this slide have been extracted from the Newcrest release titled "Quarterly Exploration Report" dated 23 July 2020 and other prior exploration releases. This release includes the exploration results for all material drill-holes.

Red Chris

- Two high grade pods intersected in FY20

The information in this slide that relates to exploration results at Red Chris has been extracted from the Newcrest release titled "Quarterly Exploration Report" dated 23 July 2020 and other prior exploration releases.

1g/t Au, 2 g/t Au, 1 g/t AuEq and 2 g/t AuEq shell projections generated from a Leapfrog model and sliced at 800mRL. Gold Equivalent (AuEq) grade calculated using a copper conversion factor of 1.79 (gold grade (ppm) + (copper grade (%) x 1.79), using US\$1,300/oz Au, US\$3.40/lb Cu and 100% recovery.



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Summary



What makes Newcrest different



Long
reserve life



Low cost
production



Do what
we say



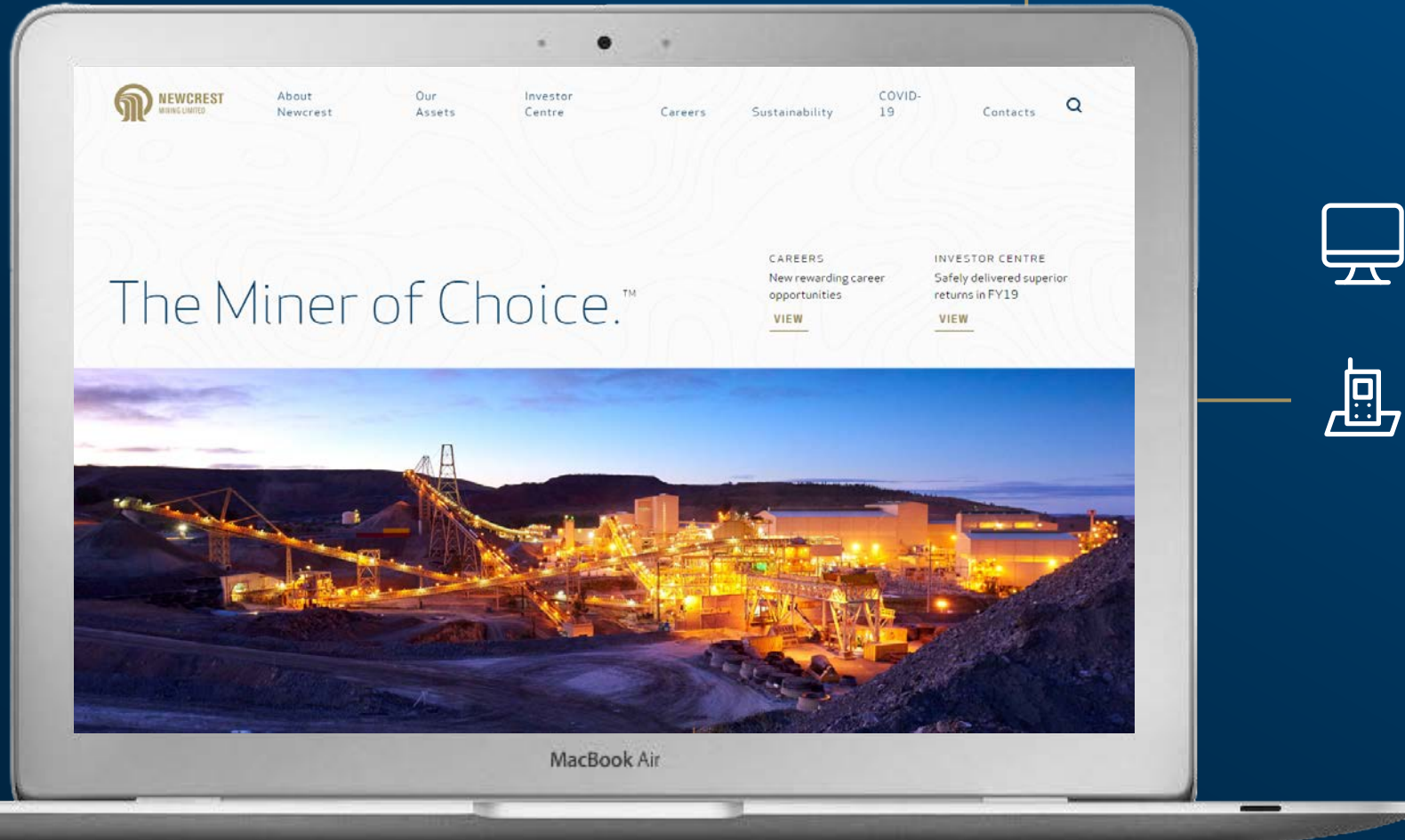
Organic growth options
(at Cadia, Lihir, Wafi-Golpu,
Havieron & Red Chris)



Strong exploration
& technical
capabilities



Financially robust



Find out more:
www.newcrest.com



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