

Rio Tinto Plc AGM – address by the chief executive

**J-S Jacques, chief executive
Rio Tinto Plc AGM**

8 April 2020

**** Check against delivery****

Thank you Simon and good afternoon everyone.

There is absolutely no doubt we hold this AGM call at an uncertain and unusual time.

As the Covid-19 pandemic spreads around the world, Rio Tinto is focused on continuing to deliver products to our customers while keeping our people and communities healthy and safe.

At this point, all of our operations are running and very few of our employees have tested positive for Covid-19. But we are not complacent and remain extremely vigilant, as the situation evolves rapidly.

Since January we have been running business resilience teams to do what we can to prepare and the entire organisation is now focused on five priorities:

- Maintaining the health and safety of our people and communities
- Keeping our operations running and getting product to our customers
- Generating cash to maintain our balance sheet strength
- Maintaining our partnerships – with governments, customers, suppliers and other partners, including shareholders
- Staying resilient – as a business and as teams

We have introduced a number of new health and safety controls and measures at each of our operations and offices, in line with government instructions in each jurisdiction. We have a team of safety and health professionals, working with all of our businesses, and we are sharing best practice with peers, through the ICMM and other direct mechanisms.

We are very proud of the efforts of all of our people around the world. With travel restrictions in place we are finding new ways to connect around the world.

Over the last weeks, I have had over 40 virtual team sessions to connect with all of our operational and commercial leadership teams. Everyone is very focussed on keeping our business running, safely.

Given we have our quarterly production report to release to the market next week I am not able to comment in detail at this point, on our views of the market or on production guidance.

What I can say is this, our iron ore order books are full and the majority of our assets are continuing to operate. But there have been some inevitable impacts. Restrictions put in place in Mongolia, South Africa and Quebec to contain the spread of the virus, are impacting our operations and projects there, as we have already disclosed.

We are supportive of the actions governments around the world are taking to contain the spread of COVID-19. We are also pleased that a number of governments are taking measures to support the industry and have recognised the critical role of the mining business.

To support the global effort to contain COVID-19 at a local level, we pledged \$25 million investment in Covid-19 related community projects. This takes our total voluntary community investments to almost \$60 million in 2020. This year we will spend around \$197 million on voluntary and mandatory community contributions.

As we look ahead, our strong balance sheet and world class portfolio means we are well positioned in these times of heightened volatility and uncertainty. As we have consistently said: resilience is key. And your company is resilient.

Turning to our 2019 performance.

Our purpose is to produce the materials essential to human progress, now and in the future. To do this we are focused on two things: perform today and transform for tomorrow.

Perform is what we are doing right now, to deliver superior value to our shareholders even in a challenging environment.

Transform is about what we are doing to prepare for the future.

From a financial perspective, 2019 was another successful year for Rio Tinto and our shareholders.

A year of strong financial performance.

A year we delivered significant cash flow while maintaining balance sheet strength. A year we invested in high quality growth.

And a year we paid \$11.9 billion of cash returns to shareholders, with \$10.3 billion in dividends and \$1.6 billion in share buybacks.

You, our shareholders will receive a further \$3.7 billion in the first half of this year.

In 2019 we generated \$21 billion of EBITDA, with a strong margin of 47% resulting in an industry leading return on capital employed of 24%.

Our TSR (total shareholder return) was 41% from 1 January 2019 to 31 December 2019 for combined DLC including reinvestment of dividends.

We generated \$15.8 billion of operating cash flow that we allocated with discipline, including investing \$2.6 billion in high value growth, as part of the \$5.5 billion investment in our assets.

So, as we perform we are also transforming for the future.

Our strong exploration investment of \$600 million in 2019 shows we are also out there looking for the next world class business. We are excited about Winu, our copper opportunity in Western Australia. It is progressing well and is a great example of us building a portfolio of the future.

Indeed, at Rio Tinto we believe we have a great portfolio, well positioned for the transition to a low carbon economy.

This transition, and other demand drivers such as electrification, urbanisation, and continued industrialisation of the developing world will be materials intensive. So, we believe our long term future is bright and that we have the resilience to deal with a prolonged period of uncertainty.

The world is uncertain, but your company is resilient and well placed to continue to outperform despite the uncertainty and volatility we face.

I will now hand back to Simon who I know is going to talk about our commitment to sustainability, and climate change, which is core to our future approach.

Contacts

media.enquiries@riotinto.com
riotinto.com



Follow @RioTinto on Twitter

Media Relations, United Kingdom

Illtud Harri
M +44 7920 503 600

David Outhwaite
T +44 20 7781 1623
M +44 7787 597 493

Media Relations, Americas

Matthew Klar
T +1 514 608 4429

Media Relations, Asia

Grant Donald
T +65 6679 9290
M +65 9722 6028

Media Relations, Australia

Jonathan Rose
T +61 3 9283 3088
M +61 447 028 913

Matt Chambers
T +61 3 9283 3087
M +61 433 525 739

Jesse Riseborough
T +61 8 6211 6013
M +61 436 653 412

Investor Relations, United Kingdom

Menno Sanderse
T: +44 20 7781 1517
M: +44 7825 195 178

David Ovington
T +44 20 7781 2051
M +44 7920 010 978

Investor Relations, Australia

Natalie Worley
T +61 3 9283 3063
M +61 409 210 462

Amar Jambaa
T +61 3 9283 3627
M +61 472 865 948

Rio Tinto plc

6 St James's Square
London SW1Y 4AD
United Kingdom
T +44 20 7781 2000
Registered in England
No. 719885

Rio Tinto Limited

Level 7, 360 Collins Street
Melbourne 3000
Australia
T +61 3 9283 3333
Registered in Australia
ABN 96 004 458 404