

Investor Relations Department Q2 2022 Release

Dear Stakeholders,

We are pleased to announce the release of the results of the KGHM Group for the 1st half and 2nd quarter of 2022.

Download the full financial report here:

- [ESPI report](#)

You can also download the full report from our Results Center:

<https://kghm.com/en/investors/results-center>

There you will find links to the financial statements, results presentation and other pertinent information to better understand our results. The result presentation will be available to download prior to the Management Board's webcast.

The webcast will be on Thursday, 18th August 2022 at 12:00 CET.

Link to the webcast: <http://infostrefa.tv/kghm>

We invite you to upload your questions for the Management Board of KGHM prior to and during the webcast to the email address: ir@kghm.com

Please also find attached an Excel spreadsheet with our quarterly results for your convenience.

Should you have any questions, please feel free to [contact us](#).

Best wishes,

KGHM Investor Relations Team

Consolidated quarterly results

Stable execution of planned production volumes in the main segments in Q2 2022 with lower planned production by Sierra Gorda due to lower grade and recovery, against sharply-lower copper prices partially offset by a more favourable USD/PLN exchange rate.

Consolidated revenues for Q2 2022 amounted to PLN 8 933 mn (+15%), the increase mainly due to a more favourable USD/PLN exchange rate and, given the drop in copper prices, a lower negative adjustment of revenues due to derivatives and consequently higher revenues.

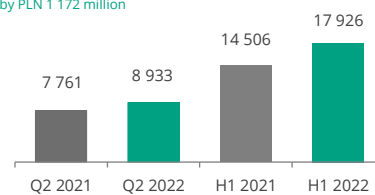
Consolidated adjusted EBITDA in Q2 2022 amounted to PLN 2 176 mn and was lower vs Q2 2021 by -PLN 529 mn (-20%), of which KGHM Polska Miedź S.A. was higher by +PLN 33 mn and Sierra Gorda lower by -PLN 502 mn.

Net profit of the KGHM Group in Q2 2022 amounted to PLN 2 280 mn and was lower by -PLN 77 mn (-3%) compared to Q2 2021, mainly due to lower metals prices despite a more favourable USD/PLN exchange rate.

Group revenues [mn PLN]

+15% 

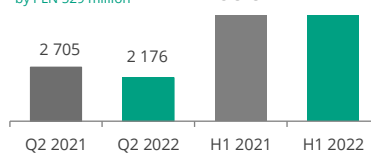
Higher revenues (Q2/Q2)
by PLN 1 172 million



Group EBITDA [mn PLN]

-20% 

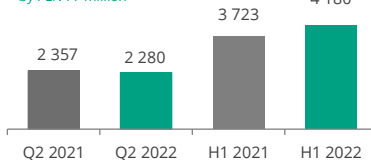
Lower adj. EBITDA (Q2/Q2)
by PLN 529 million



Group net result [mn PLN]

-3% 

Lower net result (Q2/Q2)
by PLN 77 million



Investor calendar

18-08-2022	Results conference
19-08-2022	On-line chat with CFO
16-11-2022	Report for Q3 2022
17-11-2022	Results conference

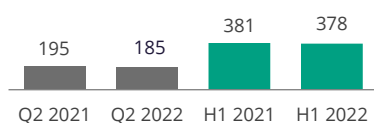
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Consolidated production results

Payable copper production [kt]

-5% 

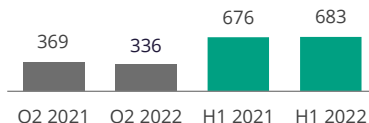
Lower production (Q2/Q2)
by 10 kt



Payable silver production [t]

-9% 

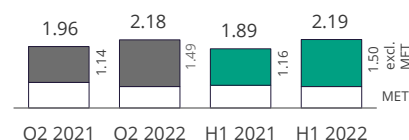
Lower production (Q2/Q2)
by 33 t



C1 cash cost [USD/lb]

+11% 

Higher C1 (Q2/Q2)



Payable copper production by the KGHM Group in Q2 2022 amounted to 185 kt and was 5% lower compared to the same period of 2021. Silver production during this period was lower by 9% (336 vs 369 tonnes in Q2 2021).

C1 cost for the Group in Q2 2022 amounted to 2.18 USD/lb and was 11% higher than in the corresponding period of 2021. The increase in this cost was mainly due to higher expenses by nature in KGHM Polska Miedź S.A. and a lower valuation of by-products. C1 cost for KGHM INTERNATIONAL LTD. meanwhile was 21% lower in Q2 2022 and amounted to 1.77 USD/lb.

[in mn PLN]	2nd quarter of 2022	2nd quarter of 2021	Change [mn PLN]	Change [%]
Revenues	8 933	7 761	+1 172	+15%
Cost of goods sold*	7 703	6 397	+1 306	+20%
Net result on sales	1 230	1 364	-134	-10%
Adjusted EBITDA	2 176	2 705	-529	-20%
Profit for the period	2 280	2 357	-77	-3%

[in mn PLN]	1st half of 2022	1st half of 2021	Change [mn PLN]	Change [%]
Revenues	17 926	14 506	+3 420	+24%
Cost of goods sold*	14 895	11 700	+3 195	+27%
Net result on sales	3 031	2 806	+225	+8%
Adjusted EBITDA	5 309	5 313	-4	b/z
Profit for the period	4 180	3 723	+457	+12%

* Cost of sales, selling costs and administrative expenses

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