

# Anglo American PLC

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## Anglo American slashes production guidance due to coronavirus

Anglo American PLC (LON:AAL) still plans to pay a dividend next month even though the mining giant cut production guidance as its diamond, iron ore, copper, platinum and coal mines are operating with around 50% of the normal workforce due to coronavirus measures.

The mining giant, which last month bought Sirius Minerals and its Woodsmith potash mine in Yorkshire, revealed first-quarter production numbers that were weaker than expected and slashed guidance.

First-quarter production of diamonds was down 1%, down 9% for copper, down 7% for platinum and palladium, down 7-8% for thermal and metallurgical coal, and of iron ore from the Kumba mine was down 1%. Production of iron ore at Minas-Rio was up 31% after changes last year, while nickel was up 11%.

Subject to no further escalation of coronavirus measures, production guidance for the full year for diamonds was cut to 25-27mln carats from the previous target of 32-34mln carats; platinum and palladium targets were cut to 1.5-1.7mln oz and 1.0-1.2mln oz respectively from 2.0-2.2mln oz and 1.4moz.

Iron ore from Kumba is now forecast to produce 37-39mln tonnes, down from 41.5-42.5mln; thermal coal expectations are for roughly 22mln tonnes, down from 26mln tonnes.

Guidance for copper was unchanged, as for iron ore from Minas-Rio, metallurgical coal and nickel

Anglo, which said it has US\$14.5bn of liquidity, including more than US\$6bn of cash, is looking to cut US\$0.5bn of operating costs and roughly US\$1bn of capital expenditure guidance this year.

On top of this, assuming current spot rates, there would be a benefit of US\$1.5bn to underlying profits is expected from currency moves and lower oil prices.

The final dividend of US\$0.47 per share for 2019 will be paid as planned on 7 May, subject to shareholder approval at the annual meeting, with no mention of its US\$1bn share buyback.

Shares in Anglo rose almost 1% to 1,367.6p in early trade on Thursday, where they are still down 38% in the year to date.

**Price:** 1821.4

**Market Cap:** £24.79 billion

### 1 Year Share Price Graph



### Share Information

**Code:** AAL

**Listing:** LSE

52 week	High	Low
	2266	1018.2

**Sector:** Mining

**Website:** [www.angloamerican.co.uk](http://www.angloamerican.co.uk)

### Company Synopsis:

Anglo American is one of the world's largest diversified mining groups with portfolio of mining assets and natural resources includes precious, base metals and bulk commodities in Africa, Europe, South and North America, Australia and Asia.

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