



Fortescue™

# FY24 Half Year Results

22 FEBRUARY 2024

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# Forward Looking Statements Disclaimer



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# Safety and unique culture



**1.8 TRIFR**

Total Recordable Injury  
Frequency Rate, Metals

**23%**

Female employment rate

**14%**

First Nations employment rate  
across Pilbara operations

# H1 FY24 production highlights



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**94.6Mt**

Total iron ore shipments

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**US\$17.77/wmt**

C1 cost

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**US\$108/dmt**

Average revenue

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**89%**

Average revenue realisation

# H1 FY24 financial highlights



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**US\$9.5bn**

Revenue

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**US\$5.9bn**

Underlying EBITDA

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**US\$3.3bn**

Net profit after tax

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**62%**

Underlying EBITDA margin

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**US\$73/dmt**

Metals Underlying EBITDA  
per tonne

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**US\$1.08**

Earnings per share (A\$1.66)



# H1 FY24 financial highlights



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**US\$4.2bn**

Net operating cash flow

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**US\$2.7bn**

Free cash flow

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**US\$4.7bn**

Cash on hand

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**US\$5.3bn**

Gross debt

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**US\$0.6bn**

Net debt

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**22%**

Gross gearing

# Shareholder returns



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**A\$1.08** per share

Fully franked interim dividend

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**65%** of NPAT

Dividend payout ratio

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**A\$3.3bn**

Value of interim dividend

# FY24 guidance



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**192 - 197Mt**

Iron ore shipments

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**US\$2.8 - US\$3.2bn**

Metals capital expenditure

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**US\$18.00 - US\$19.00/wmt**

C1 cost for Pilbara hematite

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**US\$800m**

Energy net operating expenditure

**US\$500m**

Energy capital expenditure and investments



# Pilbara operations and energy infrastructure



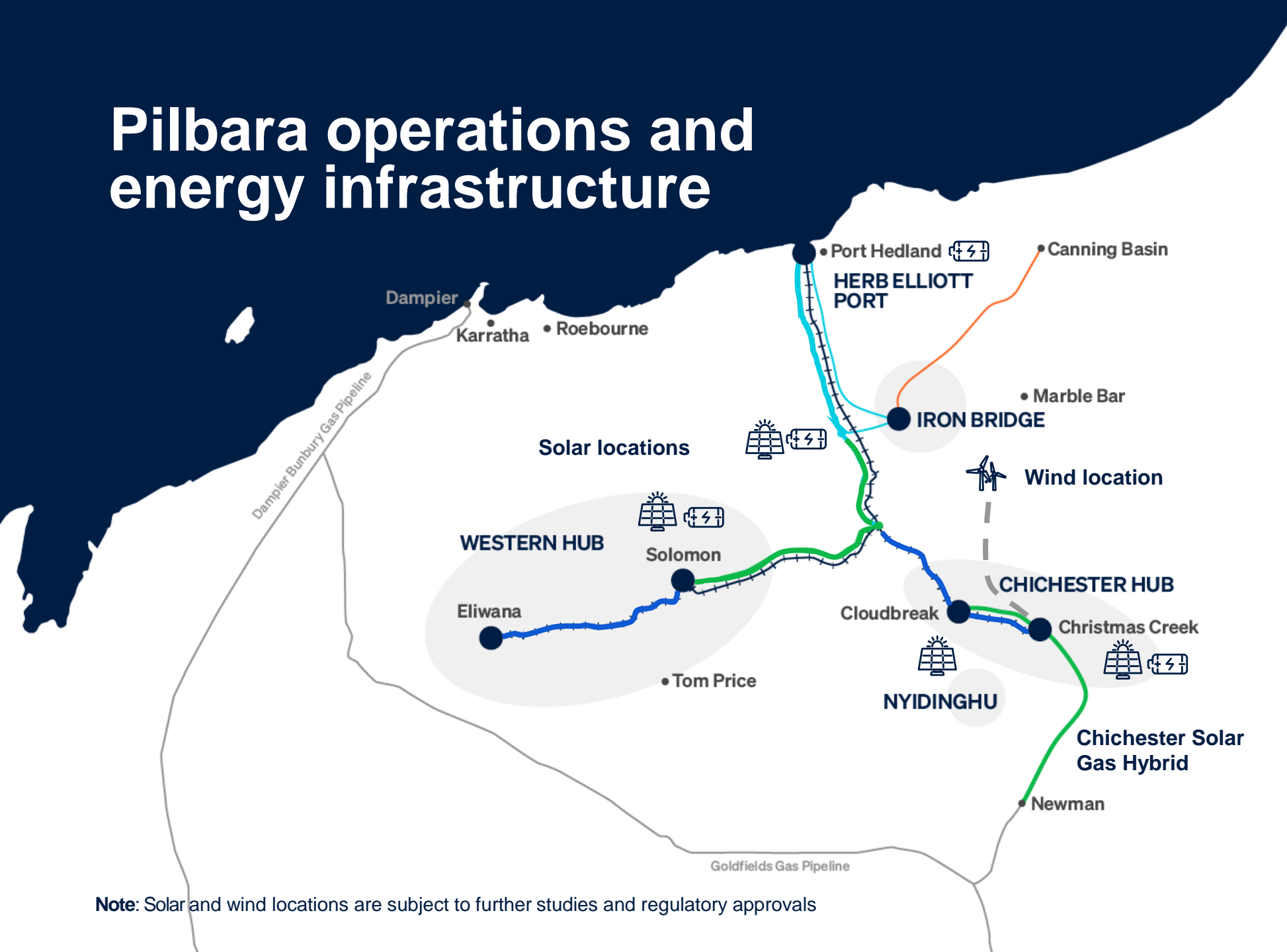
## Pilbara Western Australia

### Anticipated infrastructure

- > 1GW
- ~ 1GW
- ~ 4GWh storage
- > 750 km

### Transmission lines

- Operational
- Commissioned
- Under development
- Future development



**Note:** Solar and wind locations are subject to further studies and regulatory approvals



# Rail and shipping



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## 2bn tonnes shipped

Since operations commenced

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## December shipments

Record month

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## Rail capacity uplift

Through supply chain improvements

# Unlocking value at Iron Bridge



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## Unique process flow

Four international and national patents

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## High grade product

Supports lowering steelmaking emissions

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## Portfolio improvement

Product and market diversification

# Minerals exploration



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## Pilbara

Mindy South, Wyloo North and White Knight

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## Australia

WA, NSW, SA and QLD

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## International

Argentina, Chile, Brazil, Peru and Kazakhstan

# Belinga Iron Ore Project, Gabon



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## Exploration

Major exploration drilling campaign underway

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## Studies advancing

For a potential large-scale development

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## First shipment

Achieved in December 2023

# Delivering opportunities in Gabon



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## Local employment

Over 400 Gabonese employed

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## Engaging communities

More than 200 community engagements

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## Supporting the economy

US\$40m local contract spend in Gabon since January 2023

# Thriving communities



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**>A\$4.9bn**

Contracts awarded to First Nations businesses<sup>1</sup>

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**1,369 First Nations**

Australians employed, 14% of operational workforce

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**>1,400**

First Nations Australians employed through Vocational Training Employment Centre since 2006

<sup>1</sup>Through Fortescue's Billion Opportunities program, since 2011.

# Eliminating emissions



The Green Pioneer in Dubai for COP28



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## Real Zero by 2030

Scope 1 and 2 terrestrial emissions target across Australian iron ore operations

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## Net Zero Scope 3

Emissions target by 2040

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## No voluntary offsets

To be purchased for Scope 1 and 2 emissions



# Eliminating emissions now



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## 2-3GW

of renewable energy generation and battery storage to be deployed

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## 4% emissions reduction

achieved in H1 FY24, relative to forecast

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## Pilbara Energy Connect

320km of transmission lines installed



# Fortescue Energy



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## Green Energy

Green energy production

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## Fortescue WAE

Technology development

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## Fortescue Hydrogen Systems

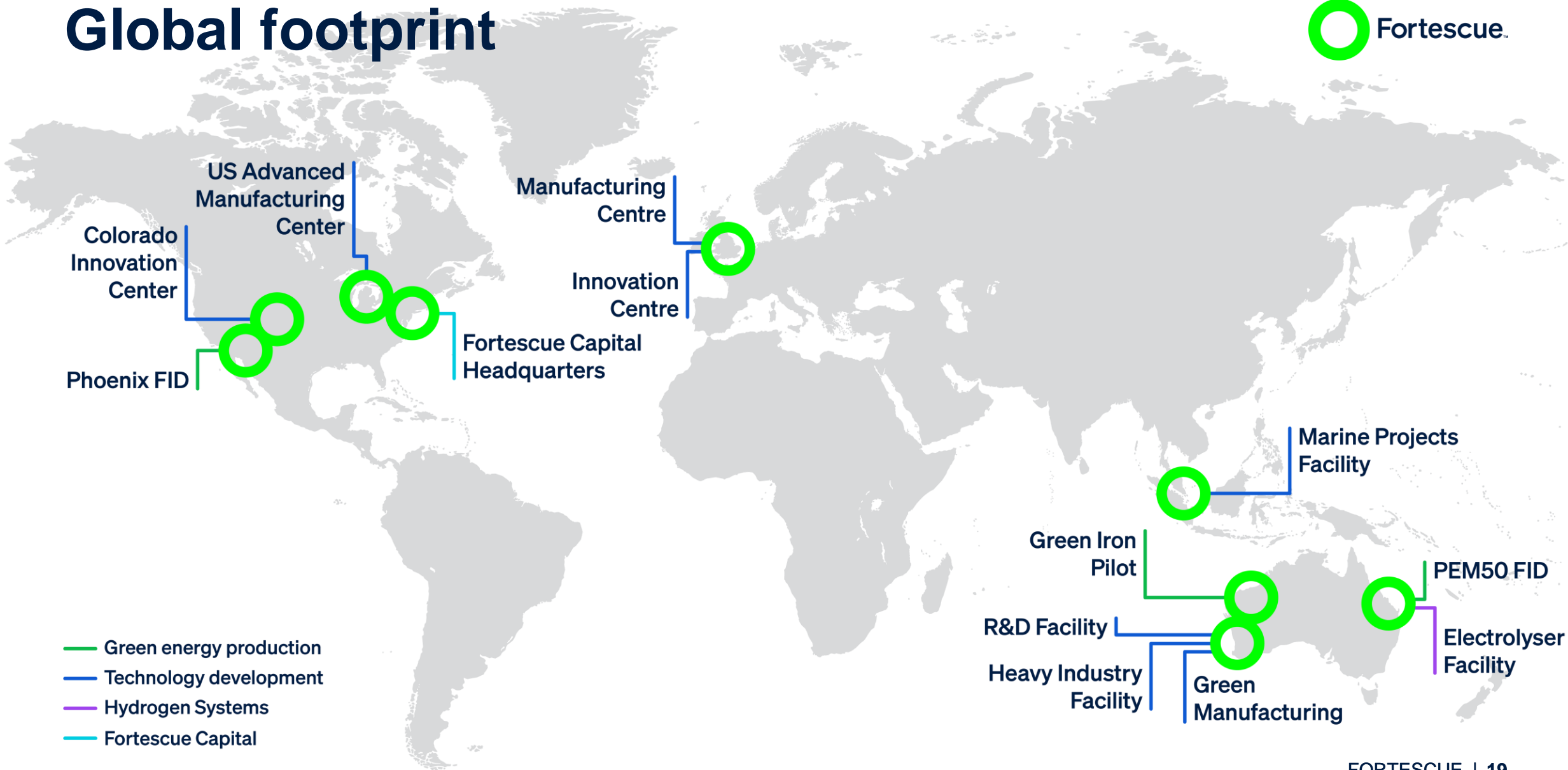
Electrolysers and hydrogen production systems

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## Fortescue Capital

Green energy investment platform

# Global footprint



- Green energy production
- Technology development
- Hydrogen Systems
- Fortescue Capital

# Phoenix Hydrogen Hub, USA



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## Approved project

Investment of approximately US\$550 million

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## Phase 1

80MW electrolyser and liquefaction facility

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## 11,000tpa

Liquified green hydrogen production targeted to start in 2026

Image is artist impression.

# Gladstone PEM50 Project, Australia



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## Approved project

Total investment of up to US\$150 million

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## Electrolyser plant

Stage 1 construction of 30MW to start in 2024

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## 8,000tpa

Remaining 20MW capacity to be installed in 2028

Image is artist impression.

# Green Iron Trial, Australia



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## Trial Commercial Plant

Green iron facility at Christmas Creek

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## Green pit to product

Utilising existing green hydrogen infrastructure

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## >1,500tpa

Technology to support magnetite and hematite ores

# Fortescue WAE



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## Develop technology

Battery and electric powertrains, zero emissions products for heavy industry

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## Expand manufacturing

Technical innovation and manufacturing centres

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## Design and build

Gen 3 Formula E battery

# Hydrogen Systems



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## PEM technology

In-house designed proton exchange membrane electrolyser stack

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## 2GW capacity

Automated assembly line to be operational in FY24

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## Electrolyser

Manufacturing Facility





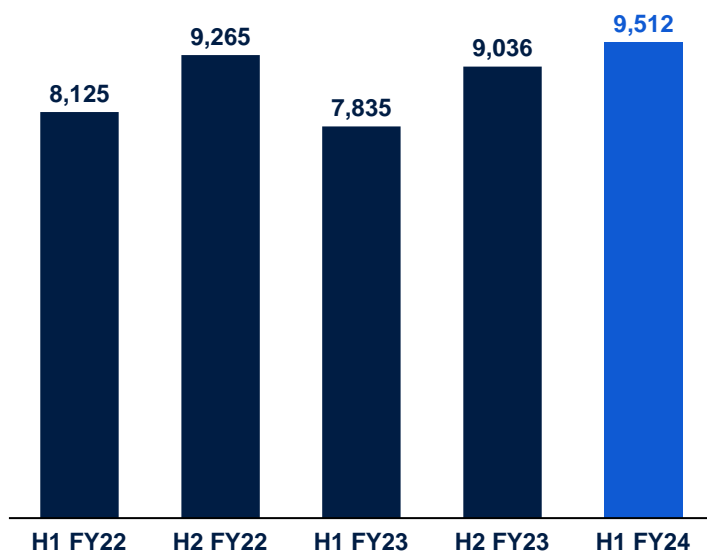
# FY24 Half Year Results

# Earnings

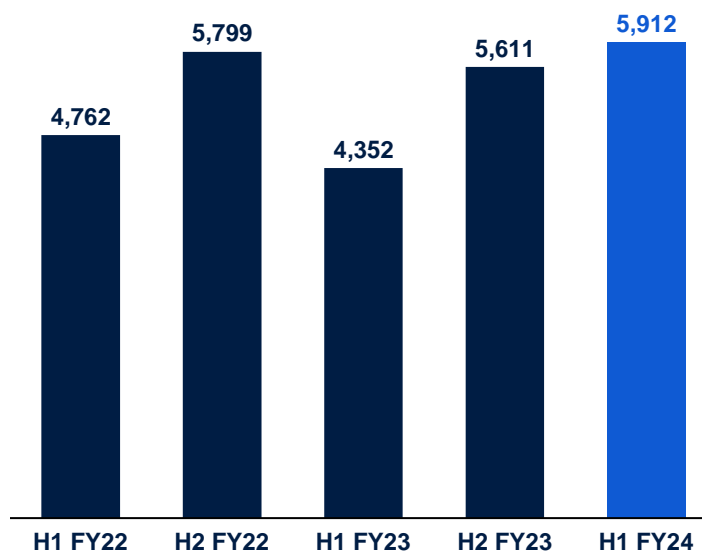
## Half year earnings profile



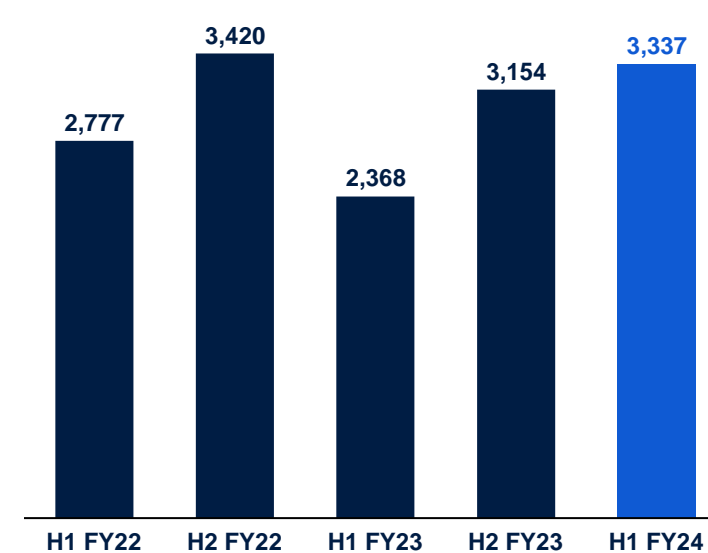
Revenue (US\$m)



Underlying EBITDA (US\$m)



Underlying NPAT<sup>1</sup> (US\$m)



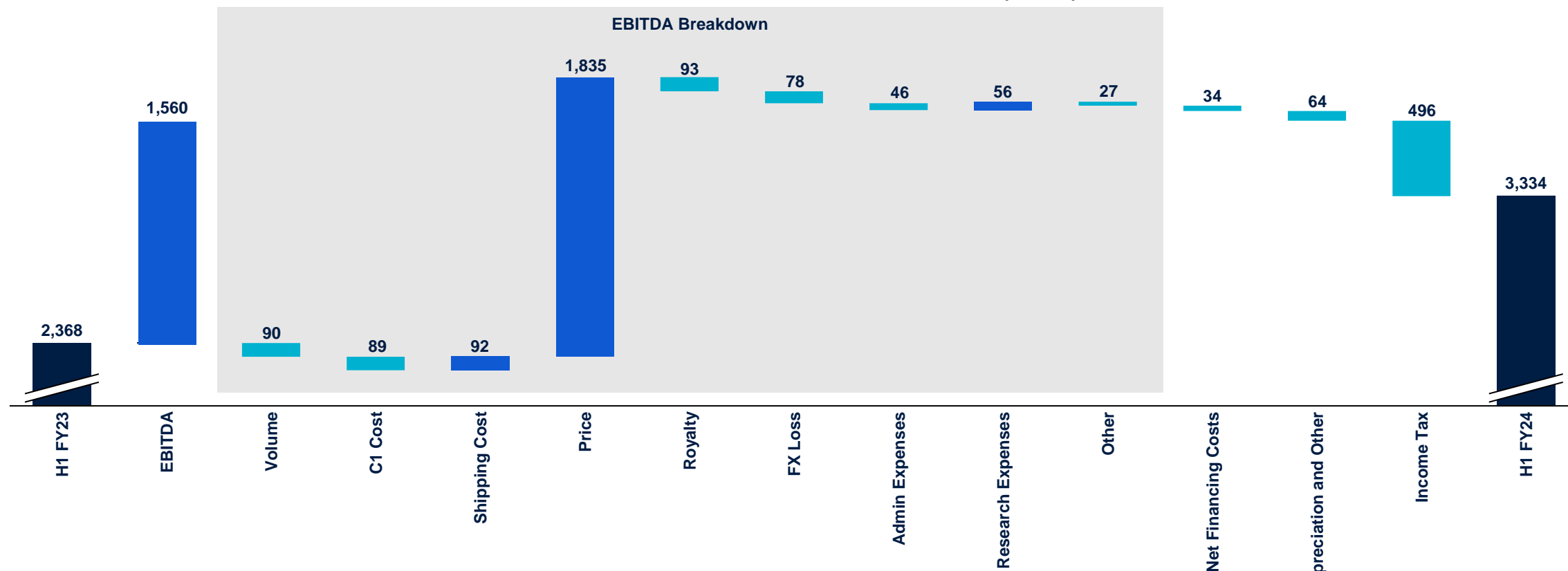
<sup>1</sup> Attributable Underlying NPAT.

# Earnings reconciliation

Favorable price movements and disciplined cost performance



H1 FY23 NPAT to H1 FY24 NPAT Reconciliation (US\$m)

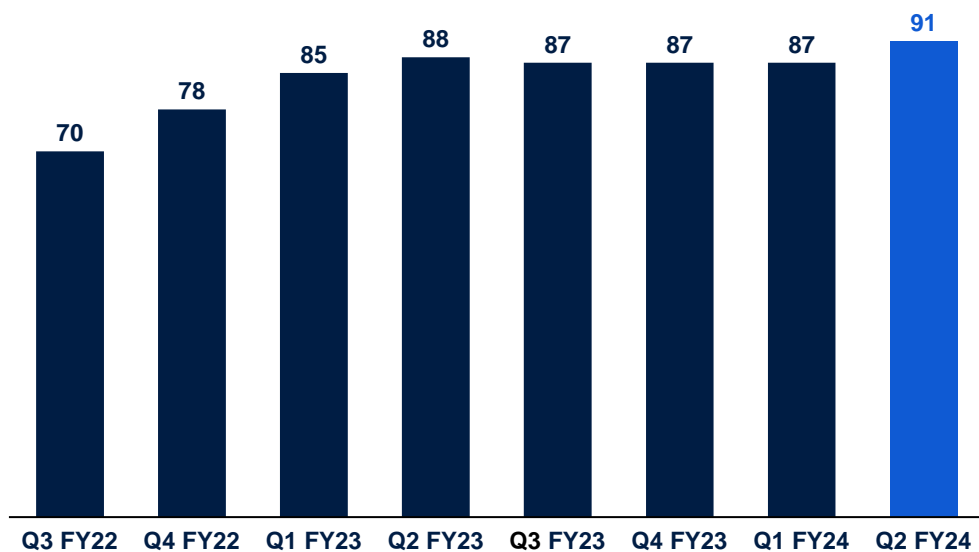


# Price realisations

H1 FY24 average revenue of <sup>US</sup>\$108/dmt



Average price realisation of the Platts 62% CFR Index (%)



Platts 62% CFR Index (US\$/dmt)

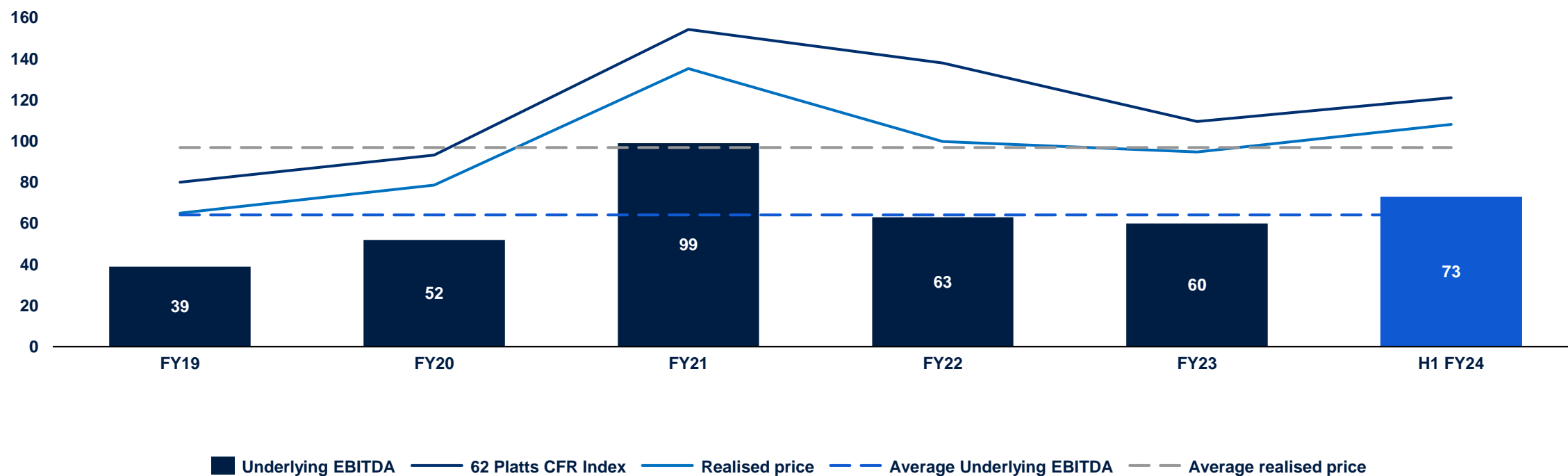


# Prices and margins

## Strong margins through cycle



Prices and Metals Underlying EBITDA margin (US\$/dmt)

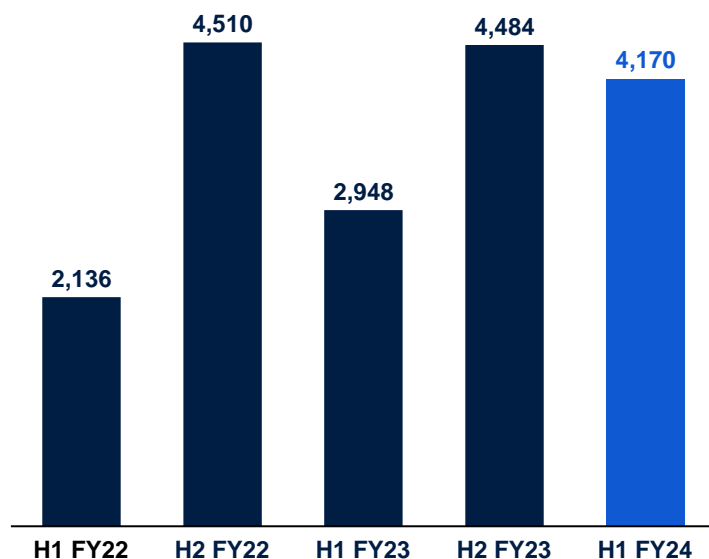


# Cash generation

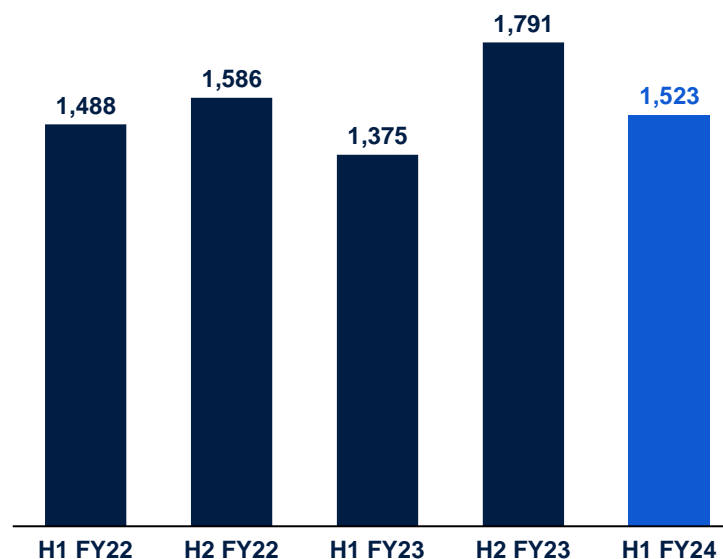
## Operating cash flows support growth



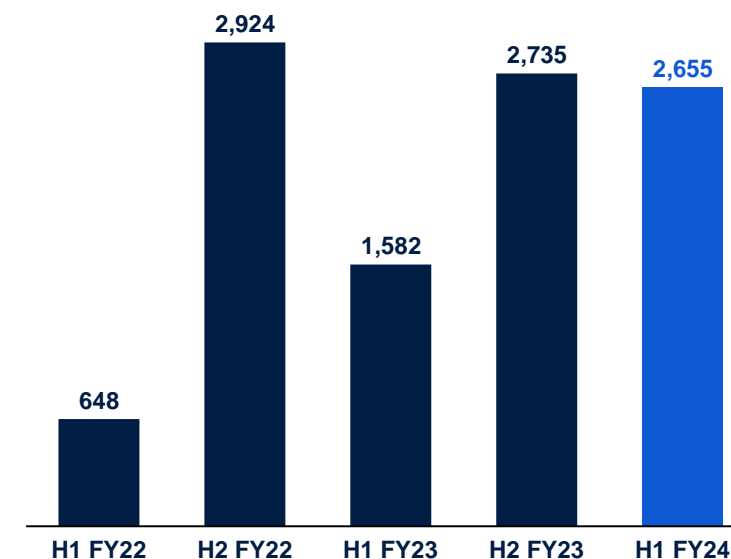
Net cash flow from operating activities (US\$m)



Capital expenditure (US\$m)



Free cash flow (US\$m)<sup>1</sup>



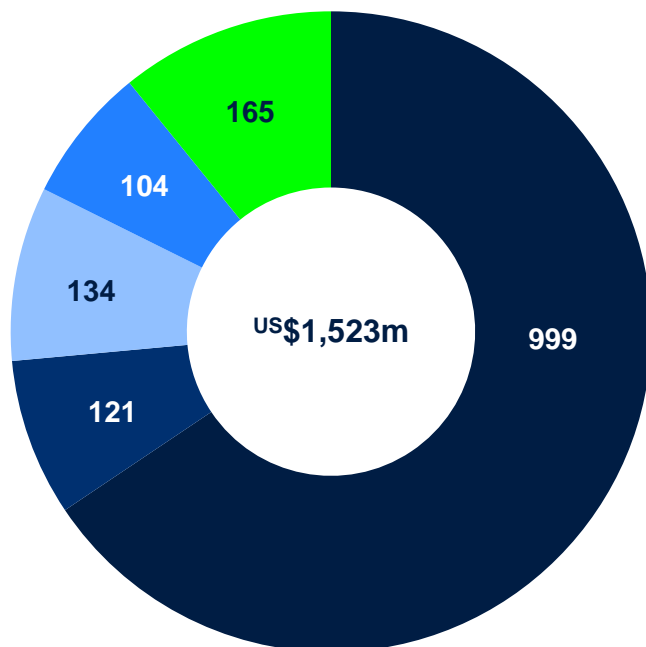
<sup>1</sup> Free cash flow is calculated as net cash flow from operating activities less net cash flow from investing activities.

# Capital expenditure

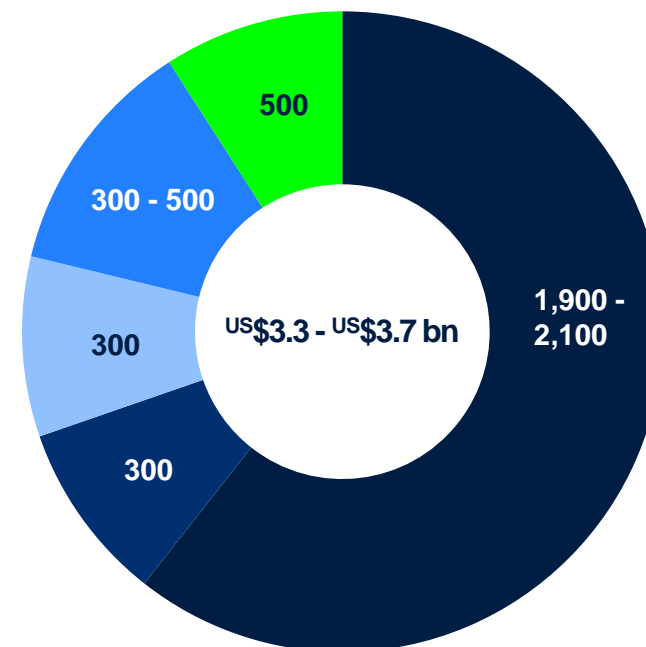
## Disciplined capital investment



H1 FY24 capital expenditure (US\$m)



FY24 capital expenditure guidance (US\$m)



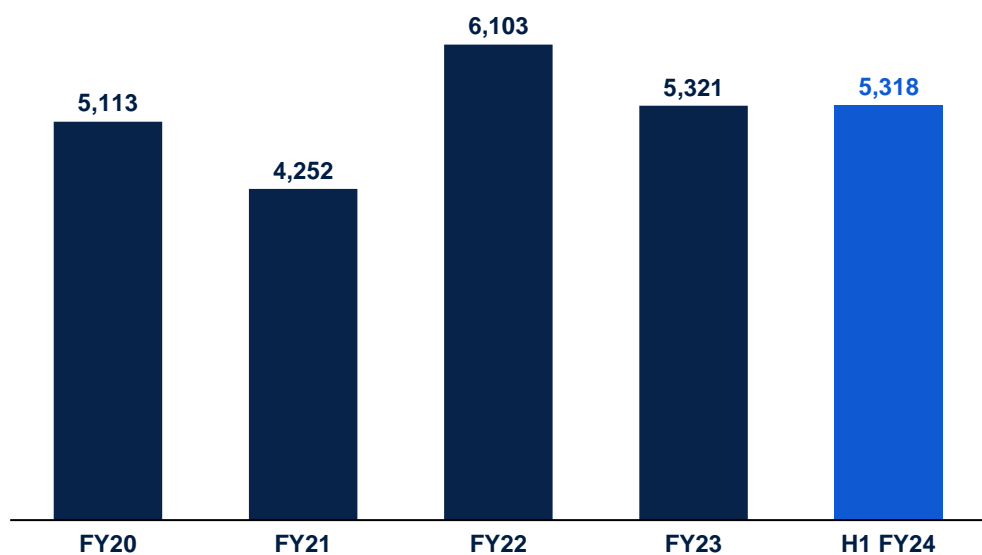
■ Sustaining and hub development 
 ■ Exploration and studies 
 ■ Iron ore projects 
 ■ Decarbonisation 
 ■ Fortescue Energy

# Strong balance sheet

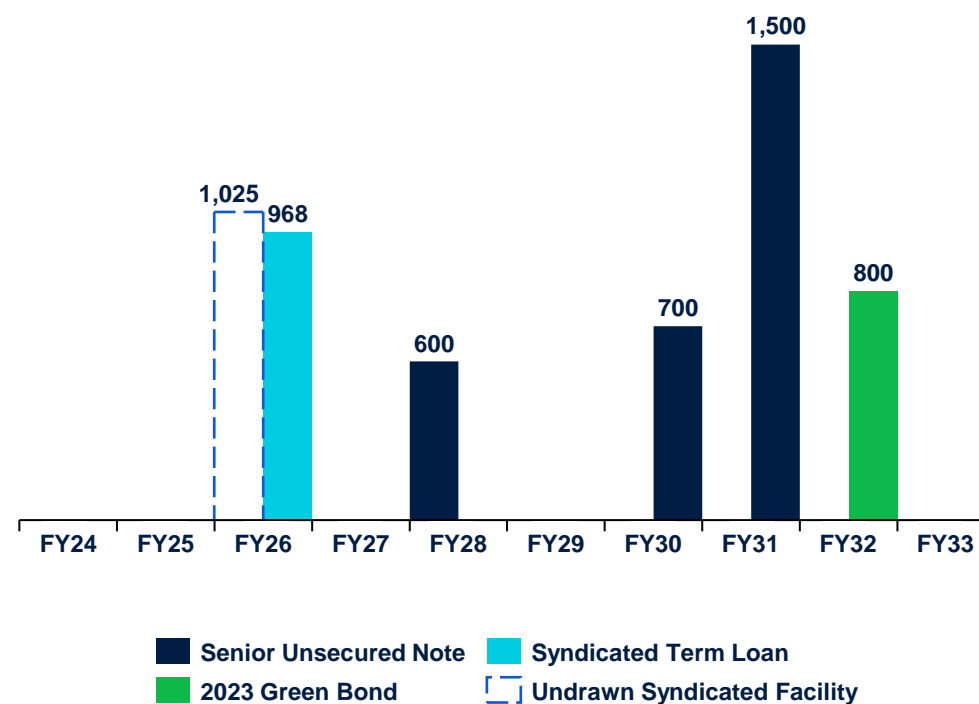
## With long dated debt maturity profile



Gross debt (US\$m)



Debt maturity profile excluding leases (US\$m)



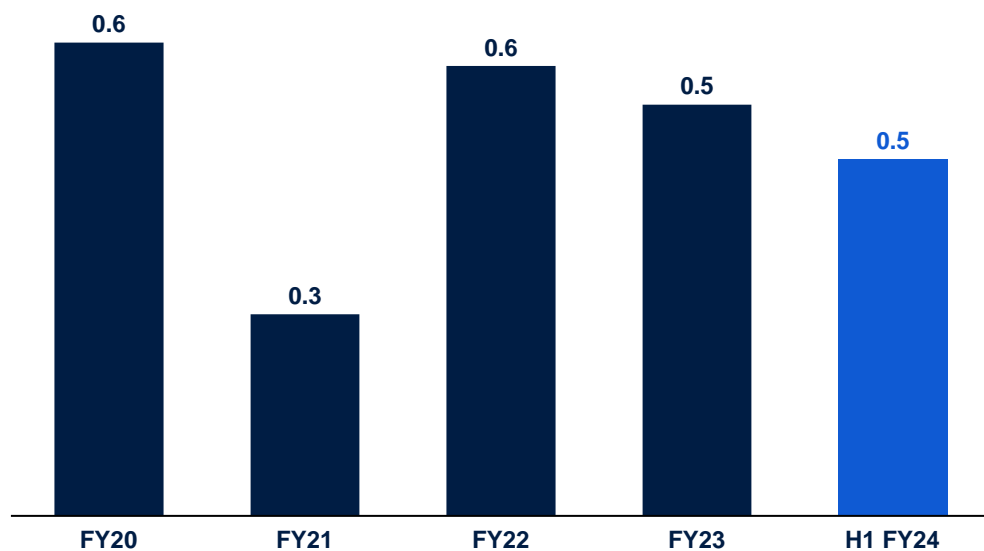


# Credit metrics

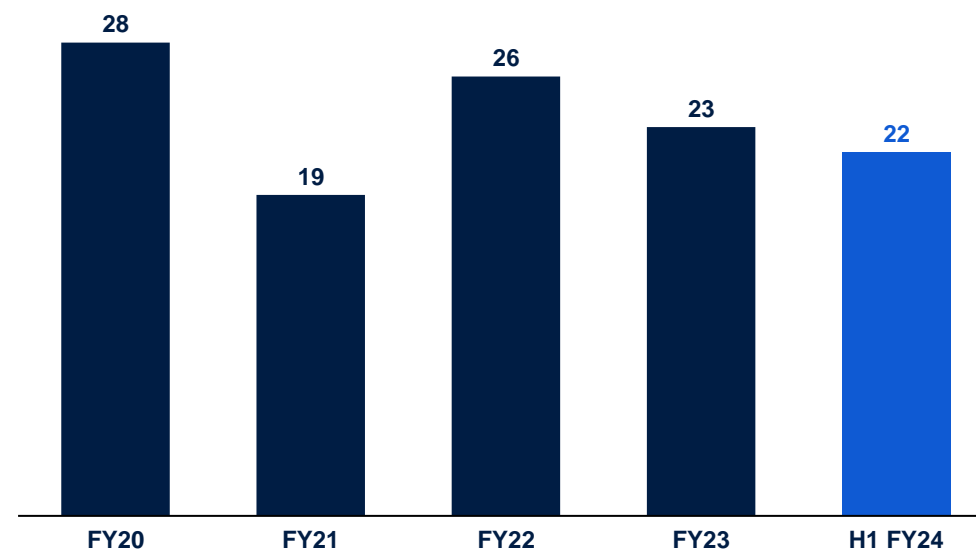
Strong credit metrics through the cycle



Gross debt to EBITDA (x)



Gross gearing (%)

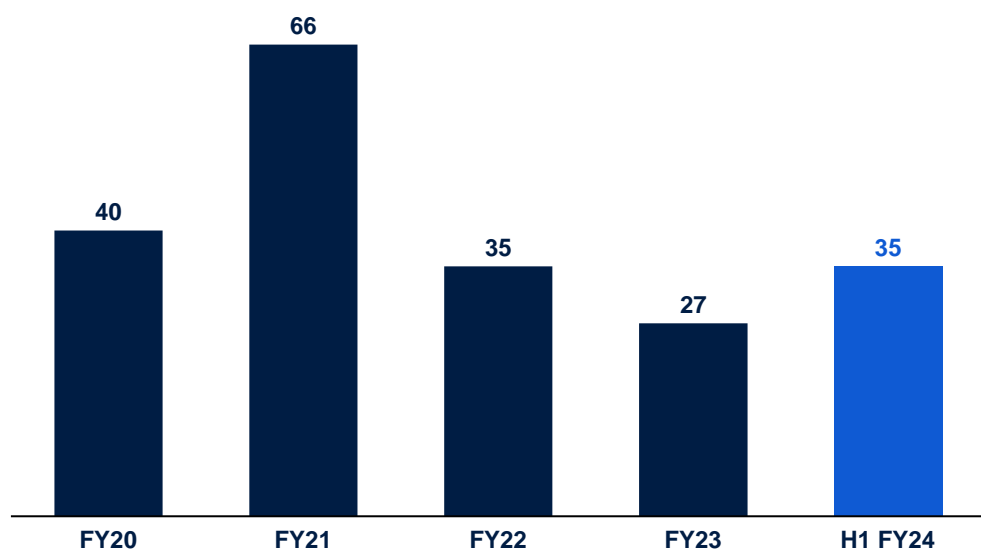


# Return on capital

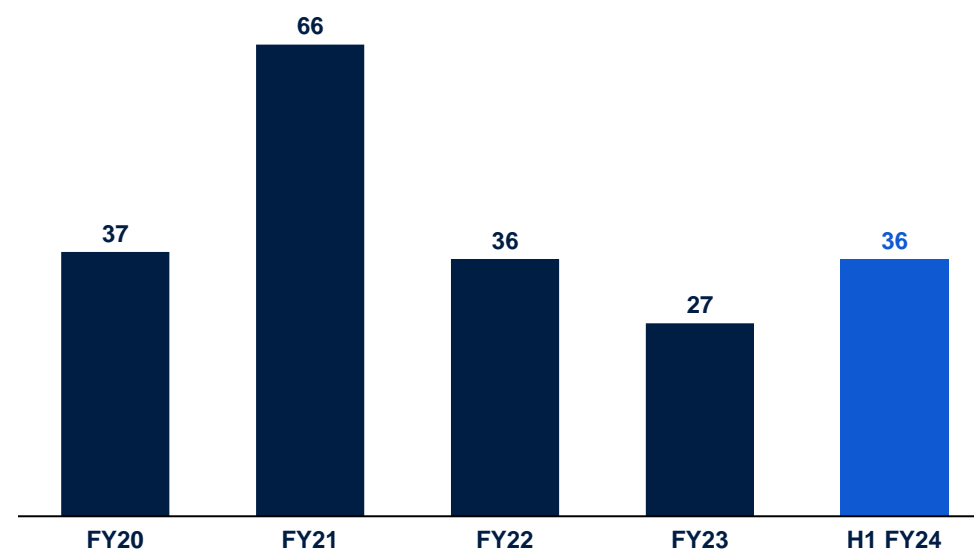
## Capital efficiency driving strong returns



Return on equity (%)



Return on capital employed <sup>1</sup> (%)



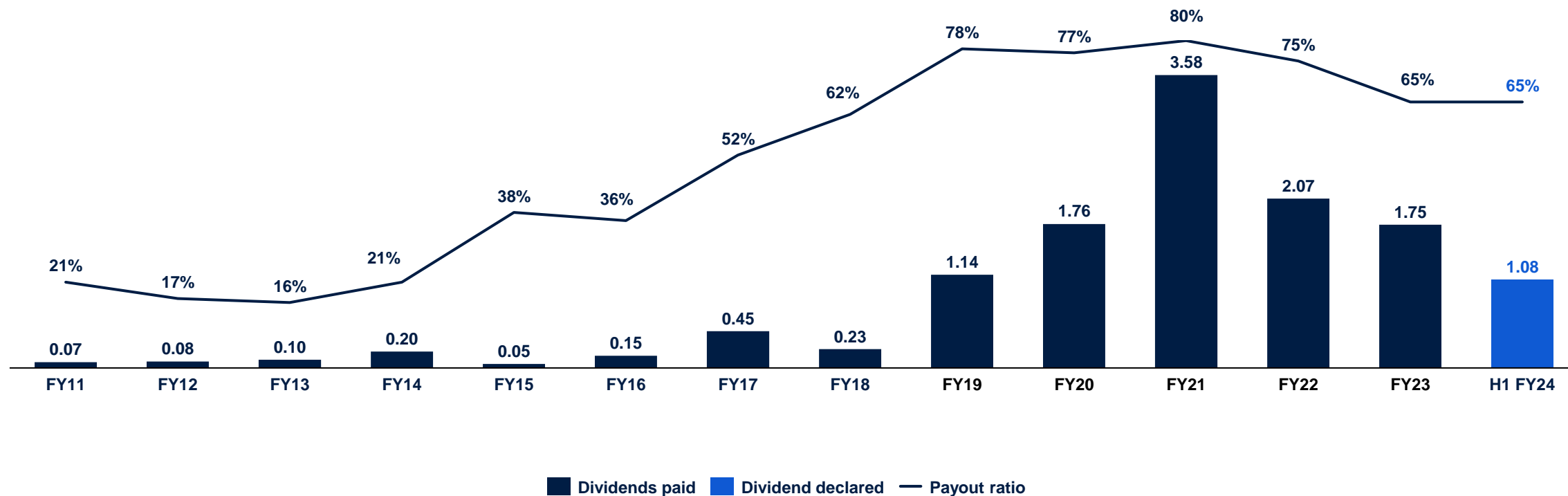
<sup>1</sup> ROCE is calculated as earnings before interest and tax divided by average capital (total assets minus current liabilities).

# Delivering returns to our shareholders



Dividend policy to pay out 50-80% of Underlying NPAT

Dividends (A\$/share) and payout ratio



**We are  
Fortescue**



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**Safety**

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**Integrity**

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**Family**

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**Enthusiasm**

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**Empowerment**

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**Courage and  
determination**

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**Frugality**

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**Generating  
ideas**

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**Stretch targets**

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**Humility**