



FY23 Full Year Results

AUGUST 2023

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WE ARE FORTESCUE

2003 - 2023

20 YEAR
ANNIVERSARY

THE POWER OF NOW

Forward Looking Statements Disclaimer



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Additional Information

This presentation should be read in conjunction with the Annual Report at 30 June 2023 together with any announcements made by Fortescue in accordance with Fortescue's continuous disclosure obligations applying to it as a company listed on the Australian Securities Exchange. Any references to reserve and resources estimations should be read in conjunction with Fortescue's Ore Reserves and Mineral Resources statements included in the FY23 Annual Report released to the Australian Securities Exchange on 28 August 2023. Fortescue confirms in the subsequent public report that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of estimates of mineral resources or ore reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. All amounts within this presentation are stated in United States Dollars consistent with the functional currency of Fortescue, unless otherwise stated. Tables contained within this presentation may contain immaterial rounding differences.

**We are the number 1 integrated
green technology, energy and
metals company**

FY23 highlights



TRIFR of 1.8

Commitment to prioritising safety in everything that we do

192.0mt

Record iron ore shipments

US\$5.5bn

Third highest underlying earnings in Fortescue's history

US\$17.54/wmt

Operational excellence with industry leading C1 costs

US\$1.0bn net debt

Robust balance sheet to support growth

65% payout ratio

In line with dividend policy

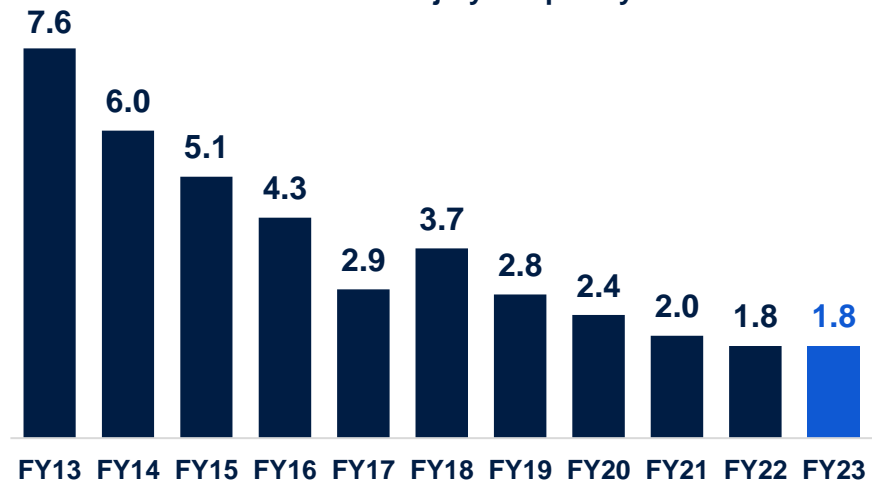
Safety



1.8 TRIFR

Total Recordable
Injury Frequency
Rate at 30 June 2023

Total Recordable Injury Frequency Rate





FY23 iron ore production highlights



192.0mt

Record annual shipments

US\$17.54/wmt

Industry leading C1 cost

US\$95/dmt

Average revenue

86%

Average revenue realisation

FY23 financial highlights



US\$16.9bn

Revenue

US\$10.0bn

Underlying EBITDA

US\$4.8bn

Net profit after tax

59%

Underlying EBITDA margin

US\$60/dmt*

Underlying EBITDA per tonne

US\$5.5bn

Underlying net profit after tax

*Excludes Fortescue Future Industries expenditure.

FY23 financial highlights



US\$7.4bn

Net operating cash flow

US\$4.3bn

Free cash flow

US\$5.3bn

Gross debt

US\$4.3bn

Cash on hand



Shareholder returns



A\$1.00 per share

Fully franked final dividend

A\$1.75 per share

FY23 total dividends
65% payout ratio

A\$5.4bn

Value of FY23 dividends

FY24 guidance



192 - 197_{mt}

Iron ore shipments

US\$2.8 - US\$3.2bn

Fortescue Metals capital expenditure

US\$18.00 - US\$19.00/wmt

C1 cost for Pilbara hematite

US\$800m

Fortescue Energy net operating expenditure

US\$400m

Fortescue Energy capital expenditure



Pilbara Operations



Pilbara Western Australia

- Iron ore operations
- Chichester Solar Gas
- Pilbara Energy Connect
- Rail operations
- Concentrate and return water pipeline
- Raw water pipeline
- ☀ Chichester solar project
- ☀ Pilbara Energy Connect solar farm





Iron Bridge



67%

High grade magnetite concentrate

22mtpa

Annual production capacity

US\$45/wmt

Life of mine attributable C1 cost

Minerals exploration



Pilbara

Programs at Nyidinghu, Mindy South and Western Hub

Australia

Target copper and lithium
Drilling underway in SA, QLD and WA

International

Targeting critical minerals - copper, lithium and rare earths

Belinga Iron Ore Project, Gabon



Exploration

Exploration drilling campaign underway

Studies advancing

for a potential large-scale development

Mining Convention

Signed in February 2023

Early stage development

Mining commenced

Delivering opportunities in Gabon



Local employment

Approximately 300 Gabonese employed

Engaging communities

More than 160 community engagements

Supporting the economy

US\$10m local contract spend in Gabon since January 2023

Building sustainable communities



1.8 TRIFR

22% reduction in injury risk profile from FY22

A\$26.3bn

Total global economic contribution in FY23

A\$102m

Social investment in FY23

Diversity, Inclusion and Equity



Fortescue Family Diversity Plan

A safe and inclusive workplace for all

Workplace Integrity Review

Initiatives implemented to enhance safety

30% female employment

in senior leadership roles

Human rights, Heritage and Culture



Respecting human rights

Committed to respecting and promoting

Native Title Partners

Seven Native Title Agreements with Native Title groups in the Pilbara

Co-management

Establishing a collaborative approach to decision making

Thriving communities going global



>A\$4.6bn

in contracts awarded to First Nations businesses since 2011*

1,289 First Nations

people employed representing 16% of our operational workforce

>1,400

First Nations people employed through Fortescue's Vocational Training Employment Centre since 2006

*Through Fortescue's Billion Opportunities program.



Safeguarding natural systems



Zero

significant environment incidents in FY23

Protecting

biodiversity and water resources

Building circularity

Designing out waste and keeping products in use

Eliminating emissions



Real Zero by 2030

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

Net Zero Scope 3

emissions targeted by 2040

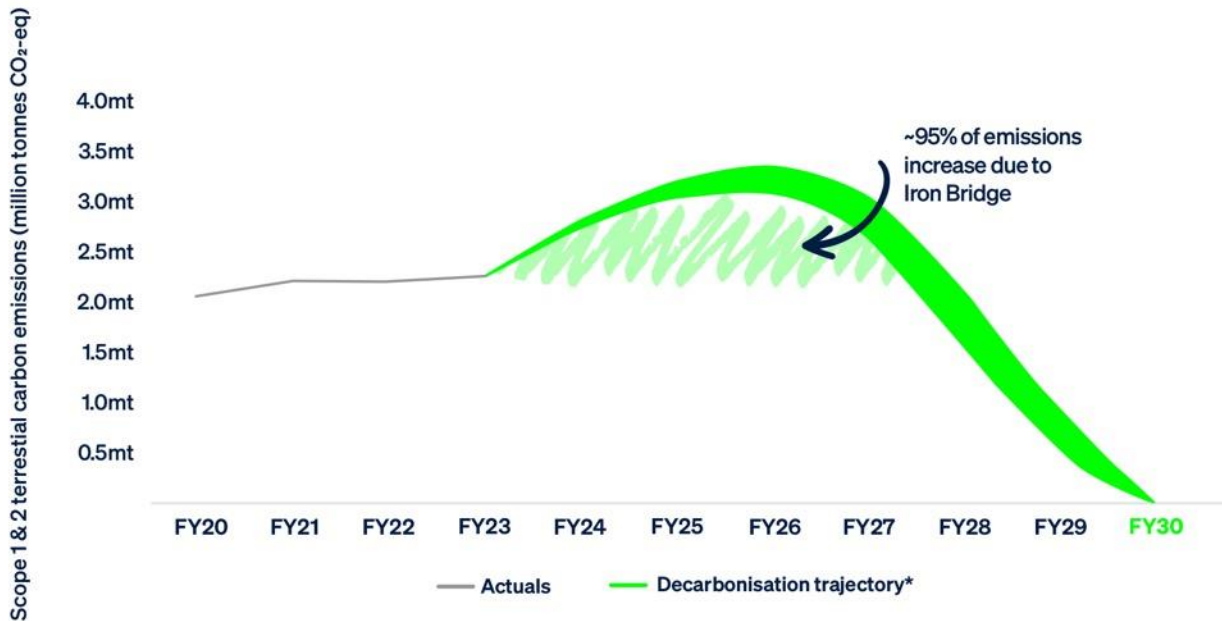
Decarbonisation plan

Costed plan to eliminate fossil fuels

Real Zero by 2030



Fortescue's projected emissions pathway to Real Zero for Australian iron ore operations (Scope 1 and 2 terrestrial emissions)



Emission pathway

Emissions projected to fall after FY26

No voluntary offsets

to be purchased from FY24 for Scope 1 and 2 emissions

Reducing exposure

to regulatory, reputational and supply chain risk

*Our emissions are forecast to fall within the shaded range based on our current decarbonisation plan and modelling. It is subject to various factors beyond our control, including those set out in this report and our FY23 Annual Report.

Fortescue Energy



Fortescue Future Industries

Green energy production

Fortescue WAE

Battery and fleet technology development and manufacturing

Fortescue Hydrogen Systems

Electrolyser and hydrogen production systems development and manufacturing

Integrated energy division



Global footprint

of green electron and molecule projects

Advanced GH₂ pipeline

Target of five projects to Final Investment
Decision in 2023

Technology developer

Investing across the hydrogen value chain

Gibson Island, Australia



New and existing infrastructure

Upgrade of existing ammonia facility, with JV partner

Green hydrogen and ammonia

550MW of installed electrolysis, ammonia synthesis plant, storage and export facility

385,000tpa

Green ammonia for domestic and export markets

Phoenix Hydrogen Hub, USA



Advanced project

Final stages of permitting underway

Phase 1

80MW electrolyser and liquefaction facility

12,000tpa

Liquified green hydrogen production for the domestic mobility sector

Project subject to Final Investment Decision; image is an artist impression.

Fortescue Hydrogen Systems



Gladstone

Electrolyser facility construction works complete

PEM technology

Manual assembly of in-house Proton Exchange Membrane (PEM) stacks

Automated assembly line

2GW capacity to be installed in FY24

Fortescue WAE



Battery and electric powertrains

Expansion of UK production operations

Banbury facility

Targeting zero emissions products for heavy industry

Kidlington facility

Prototype testing facility

Formula E

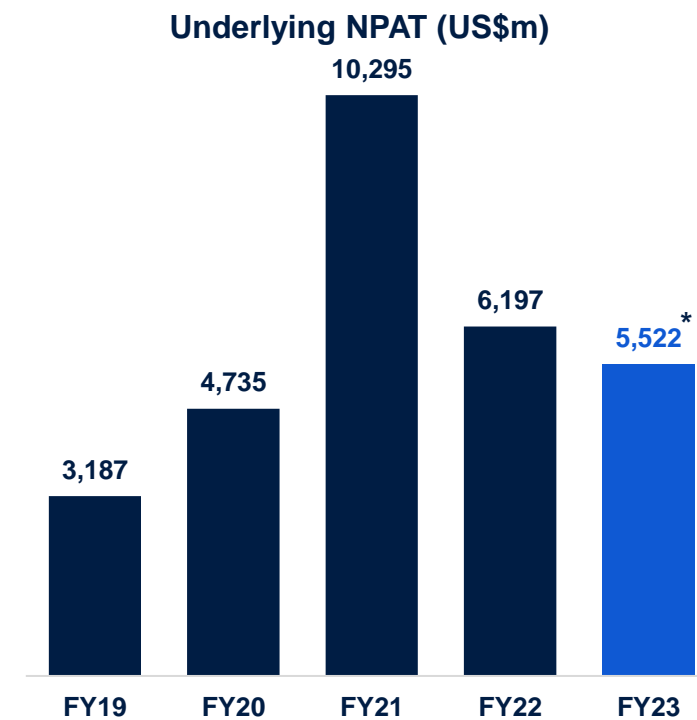
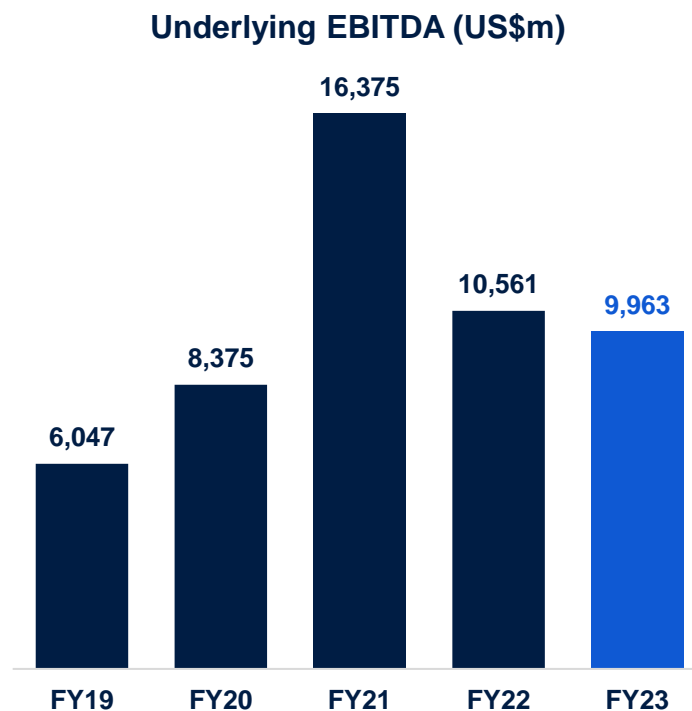
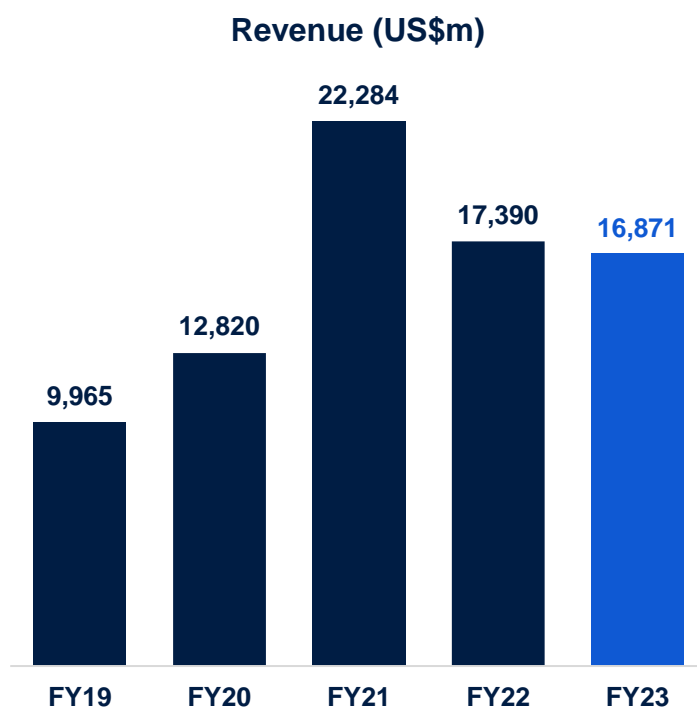
Designing and manufacturing Gen 3 Formula E battery



FY23 Results

Earnings

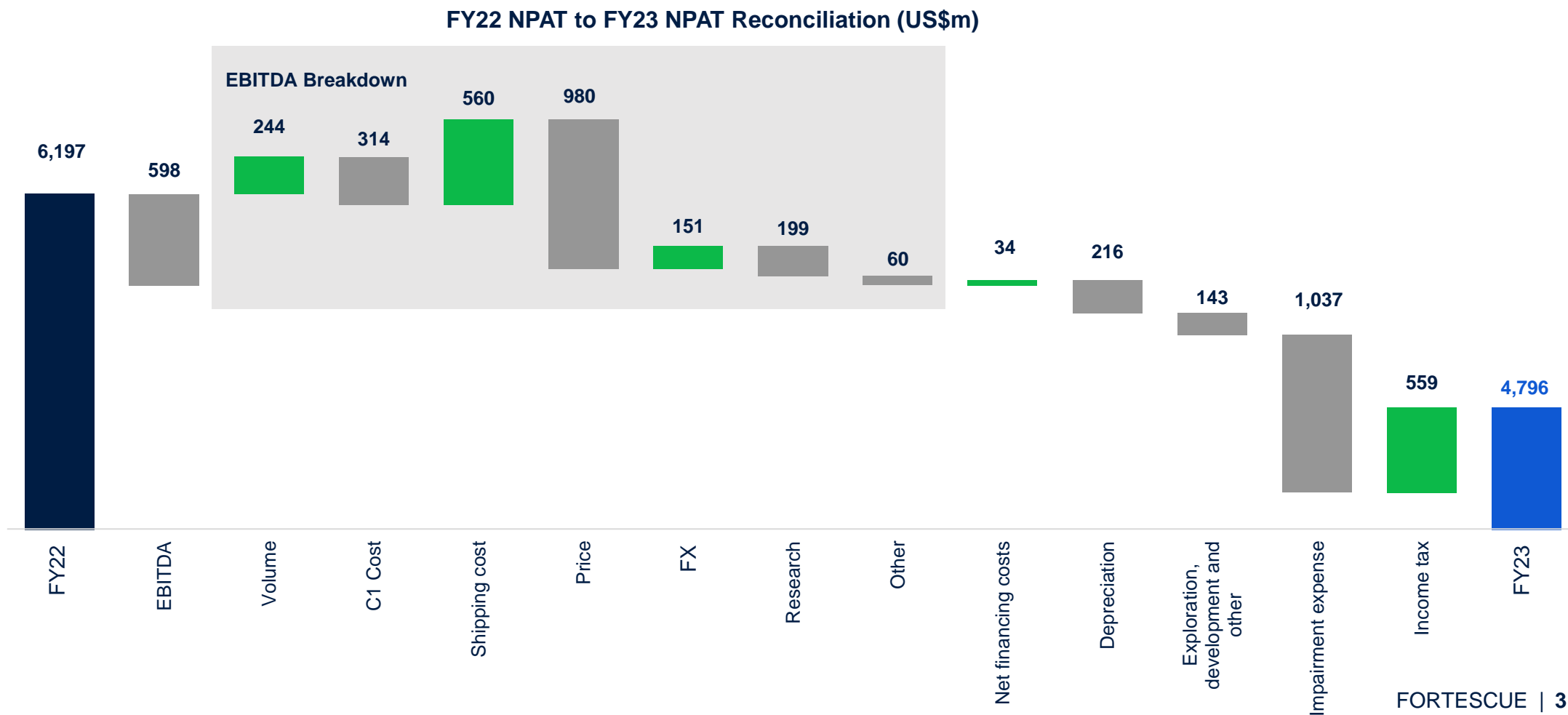
Full year earnings profile



*FY23 Statutory NPAT of US\$4.8 billion.

Earnings reconciliation

Volume growth and disciplined cost control

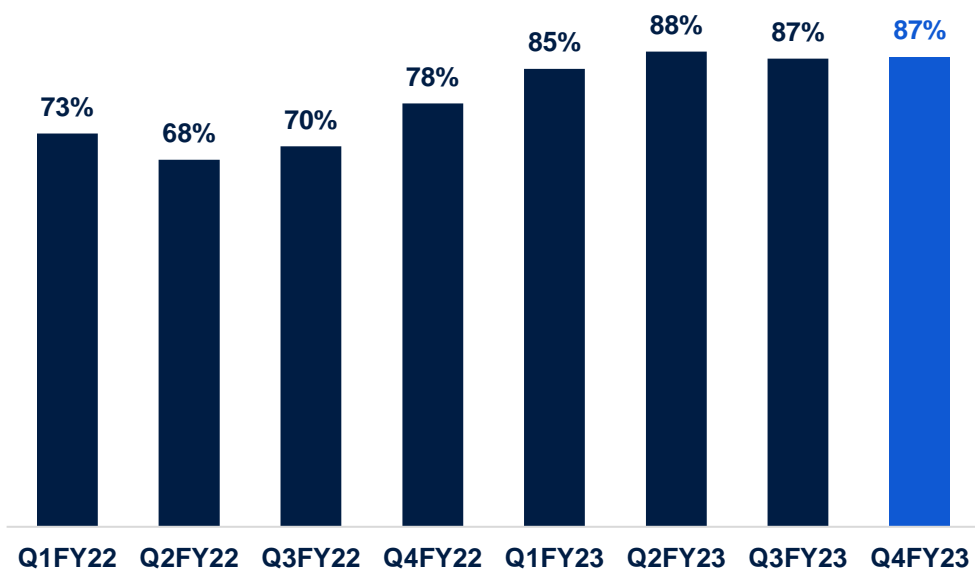


Price realisations

FY23 average revenue of ^{US}\$95/dmt



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

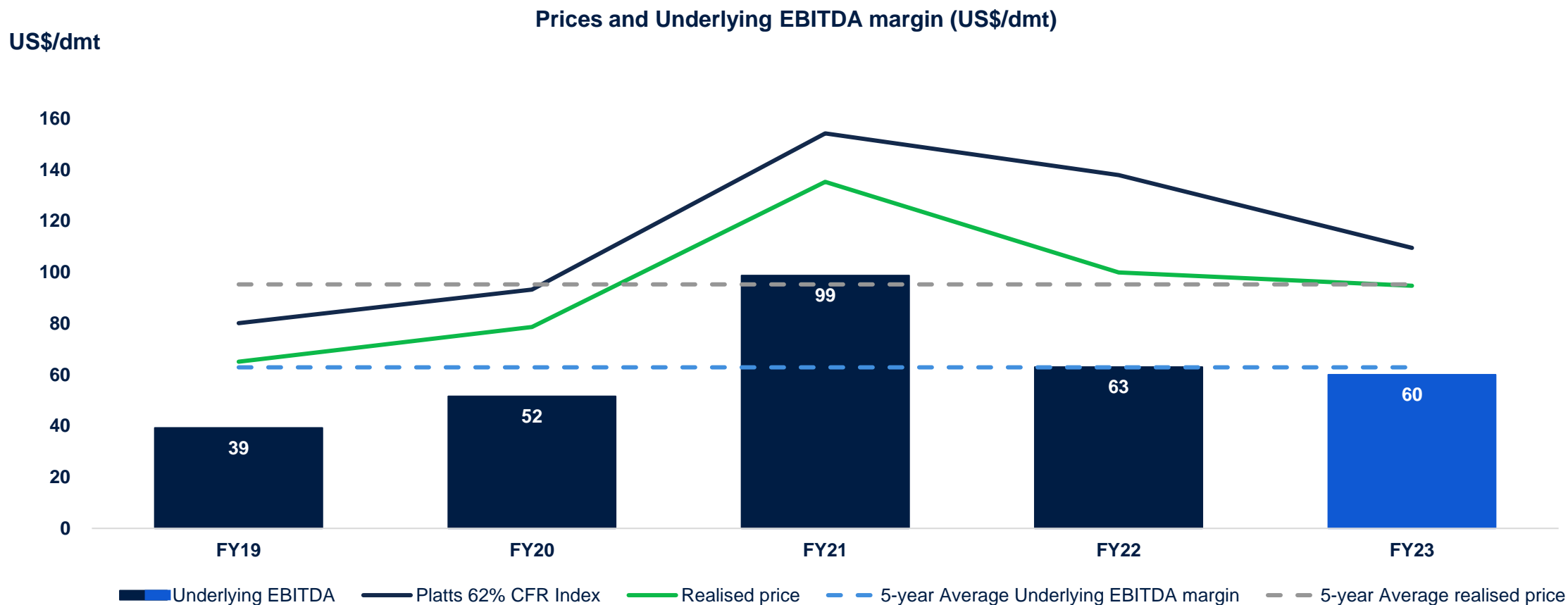


Platts 62% CFR Index (US\$/dmt)



Prices and margins

Strong historical margins



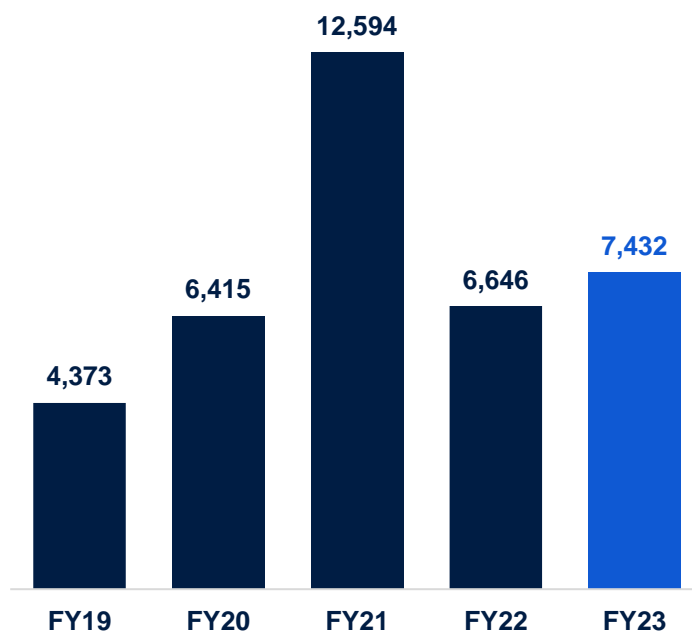
FY21 - FY23 excludes Fortescue Future Industries expenditure.

Cash generation

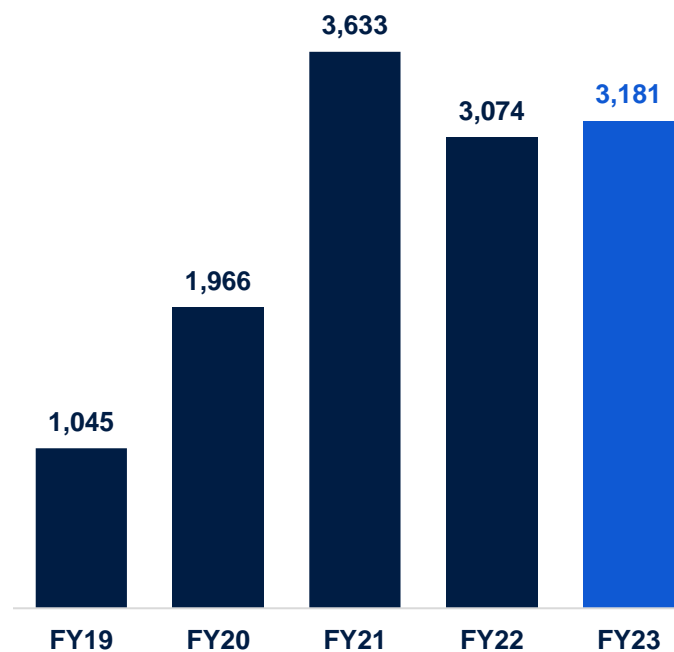


Strong operating performance and disciplined capital investment

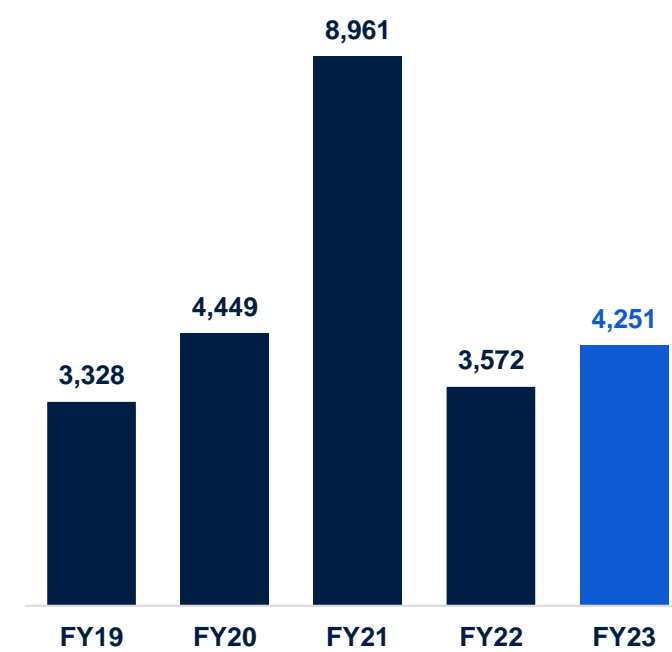
Net cash flow from operations (US\$m)



Capital expenditure (US\$m)



Free cash flow (US\$m)

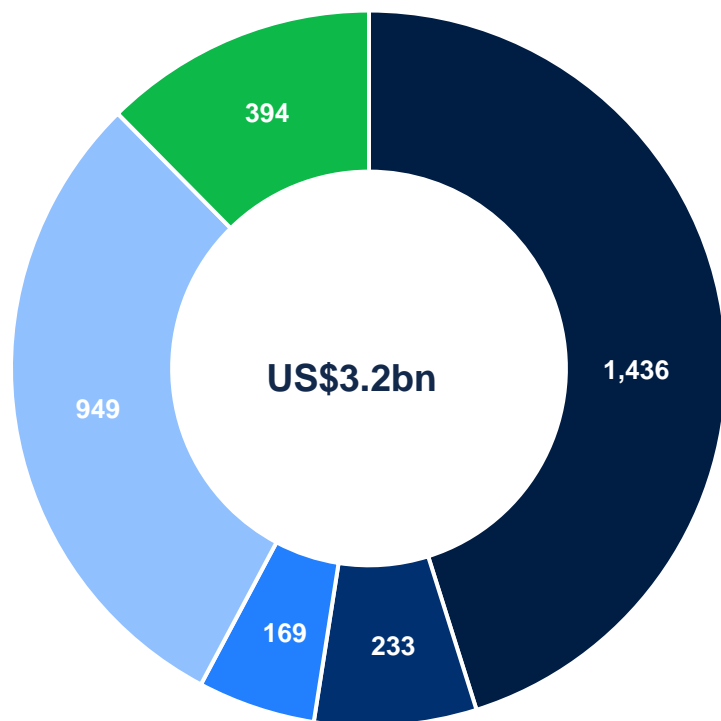


Capital expenditure

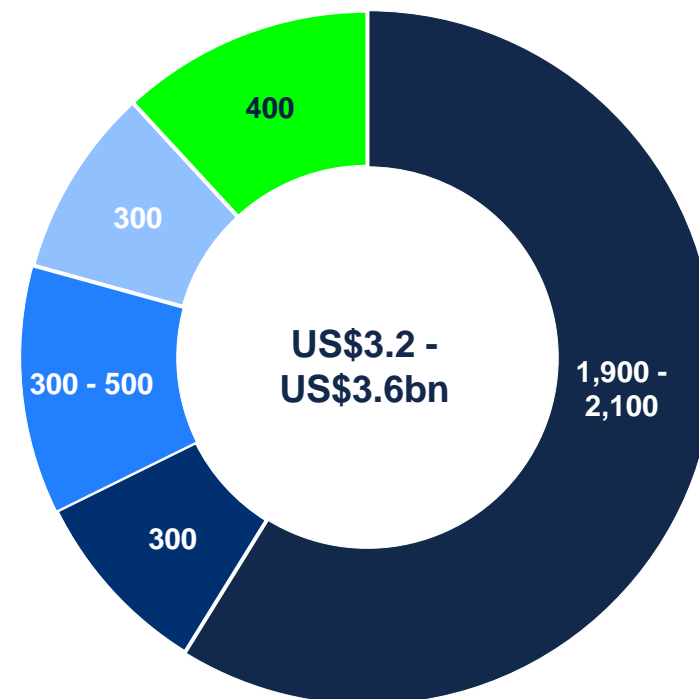
Investing across Metals and Energy



FY23 Capital expenditure and investments (US\$m)



FY24 Capital expenditure and investments guidance (US\$m)



- Sustaining and Hub Development
- Exploration and Studies

- Decarbonisation
- Iron Ore Projects

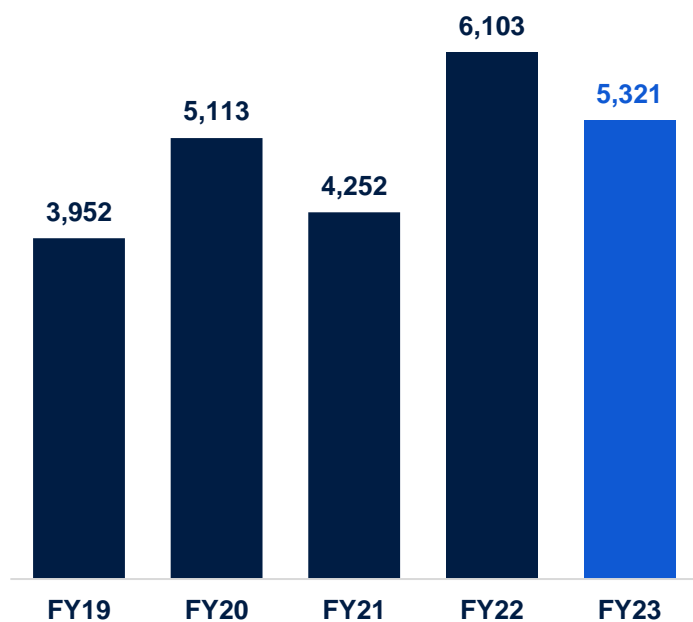
- FFI
- Fortescue Energy

Strong balance sheet

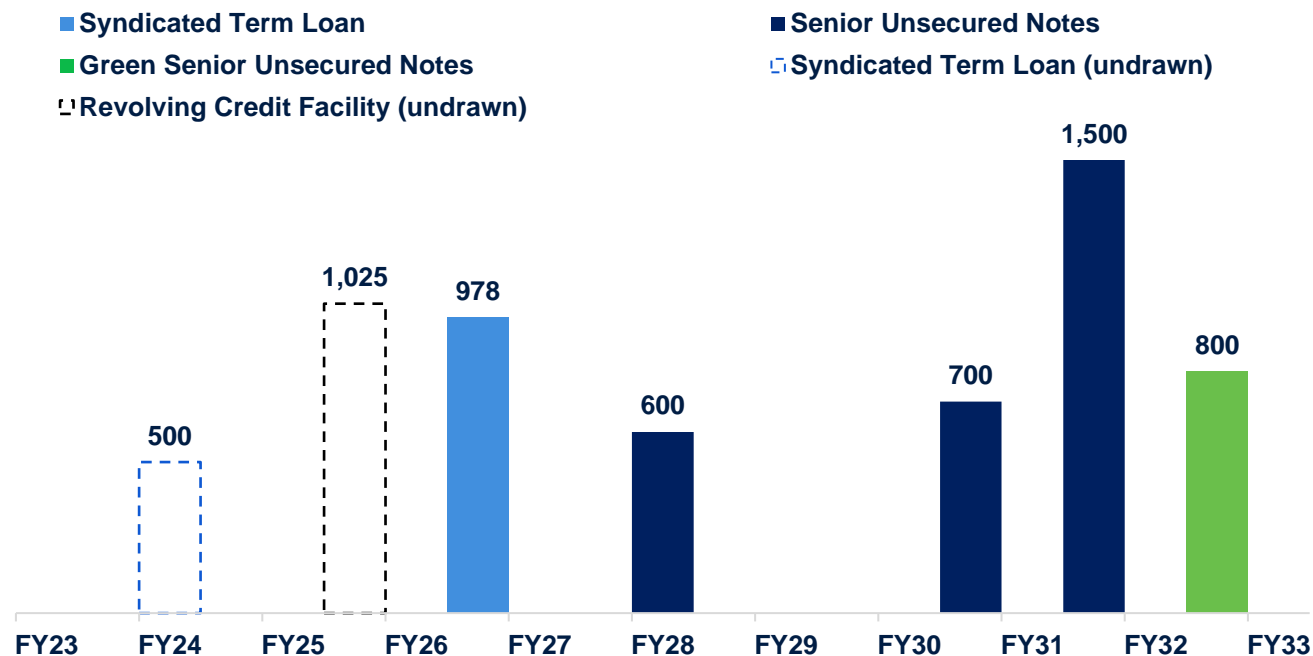
With a balanced debt maturity profile



Gross debt (US\$m)



Debt maturity profile excluding leases (US\$m)

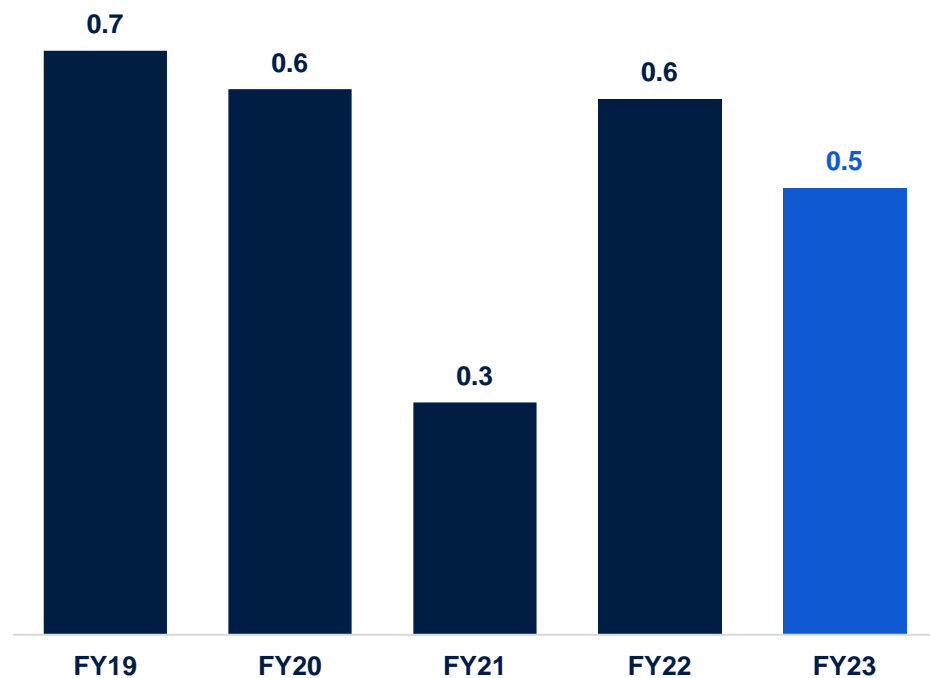


Credit metrics

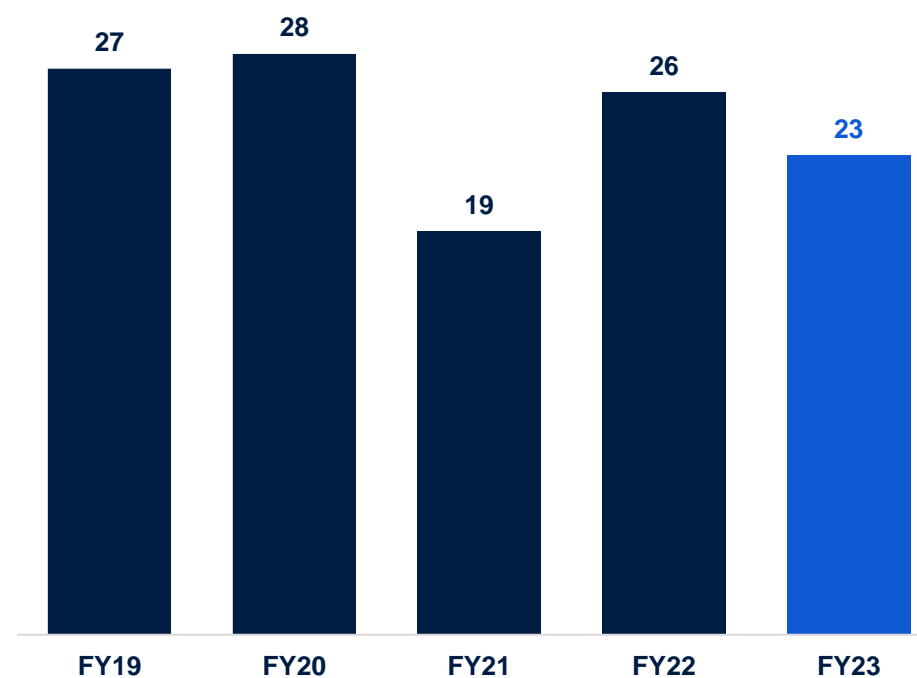
Targeting minimum BB+ / Ba1 credit ratings



Gross debt to EBITDA (x)



Gross gearing (%)

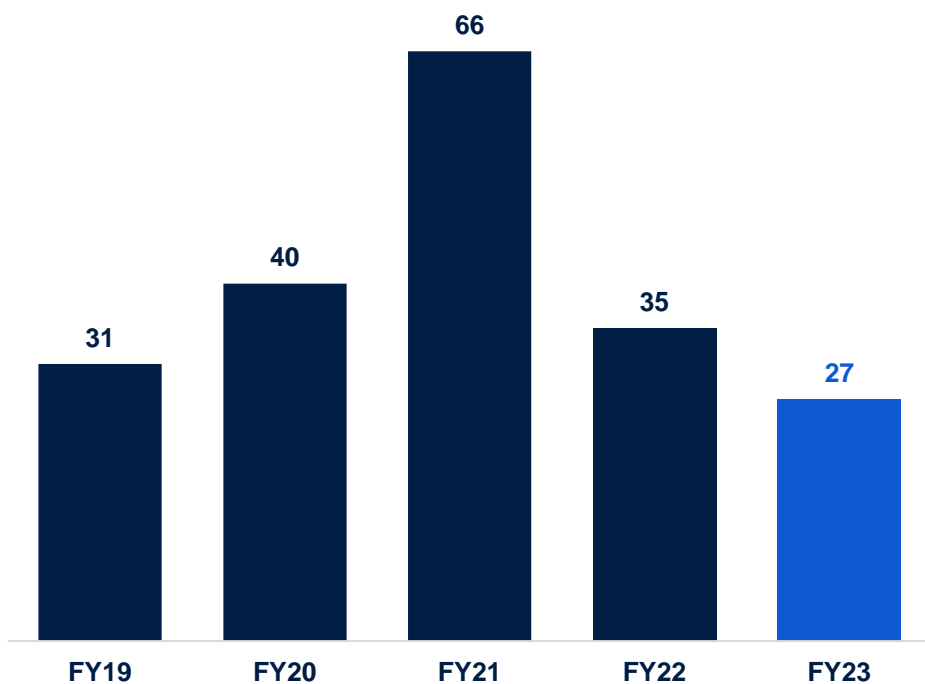


Return on capital

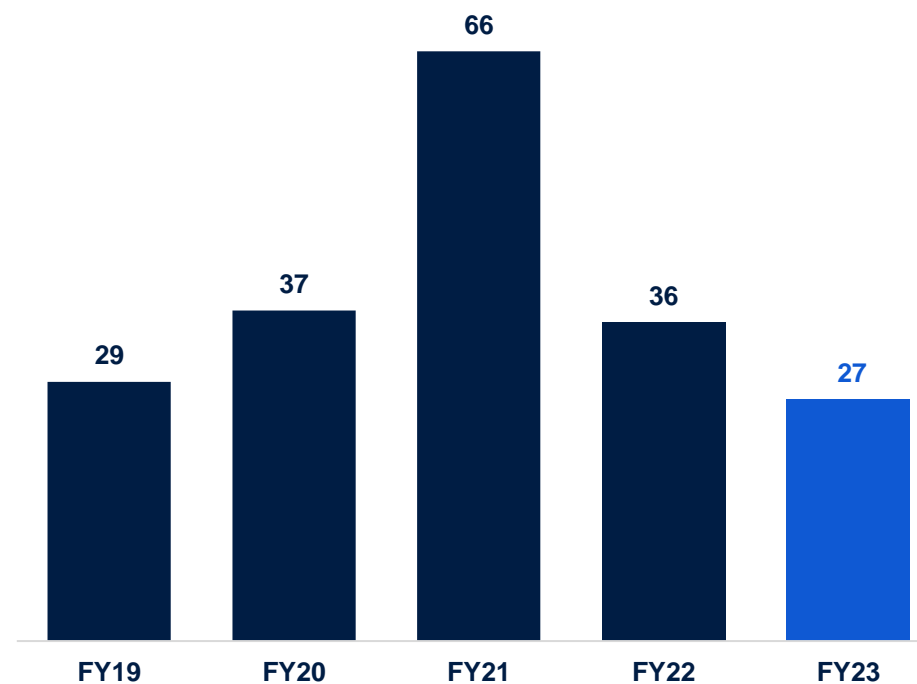
Profitable and capital efficient



Return on equity (%)



Return on capital employed ¹ (%)



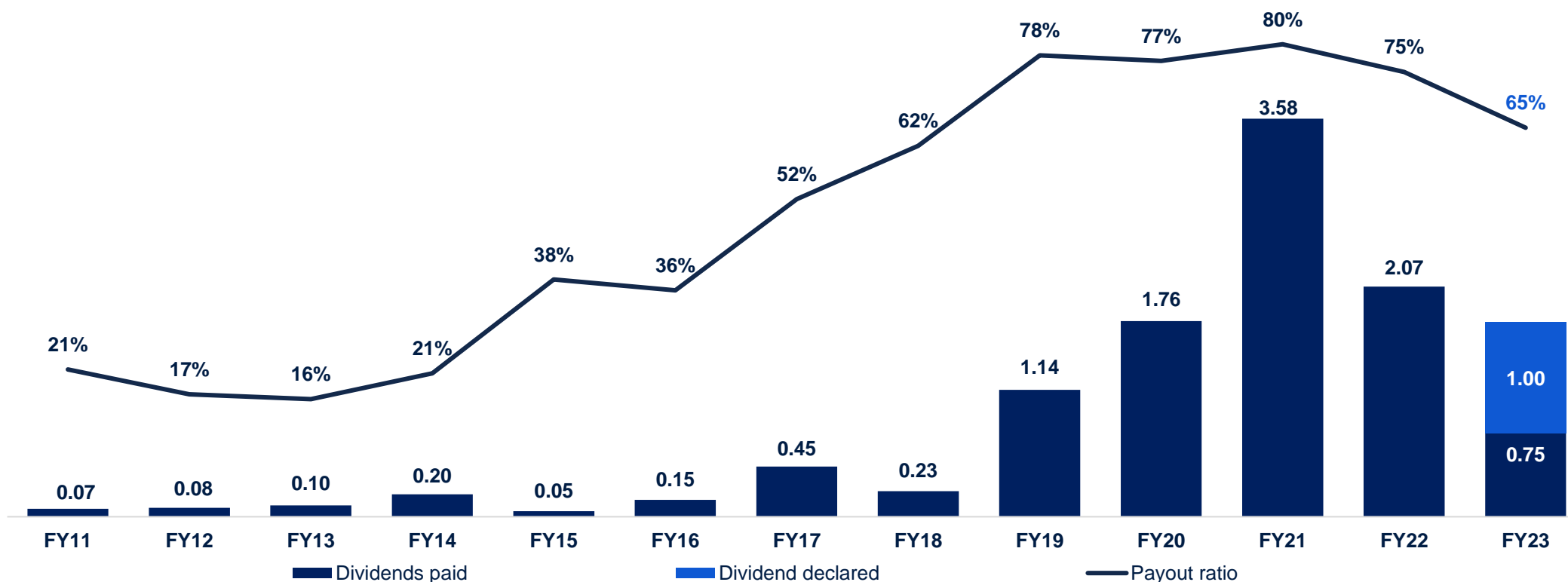
¹ROCE is calculated as earnings before interest and tax divided by average capital (total assets minus current liabilities).

Delivering returns to our shareholders



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

Dividends (A\$/share) and payout ratio (%)



FY24 guidance



192 - 197_{mt}

Iron ore shipments

US\$2.8 - US\$3.2bn

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US\$18.00 - US\$19.00/wmt

C1 cost for Pilbara hematite

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Fortescue Energy capital expenditure



**We are
Fortescue**



Safety

Family

Empowerment

Frugality

Stretch targets

Integrity

Enthusiasm

**Courage and
determination**

**Generating
ideas**

Humility