



**FORTESCUE
FUTURE
INDUSTRIES**



FY23 Half Year Results

We are Fortescue

15 FEBRUARY 2023

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Forward Looking Statements Disclaimer



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Additional Information

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Safety and unique culture



1.8 TRIFR

Consistent with
December 2021

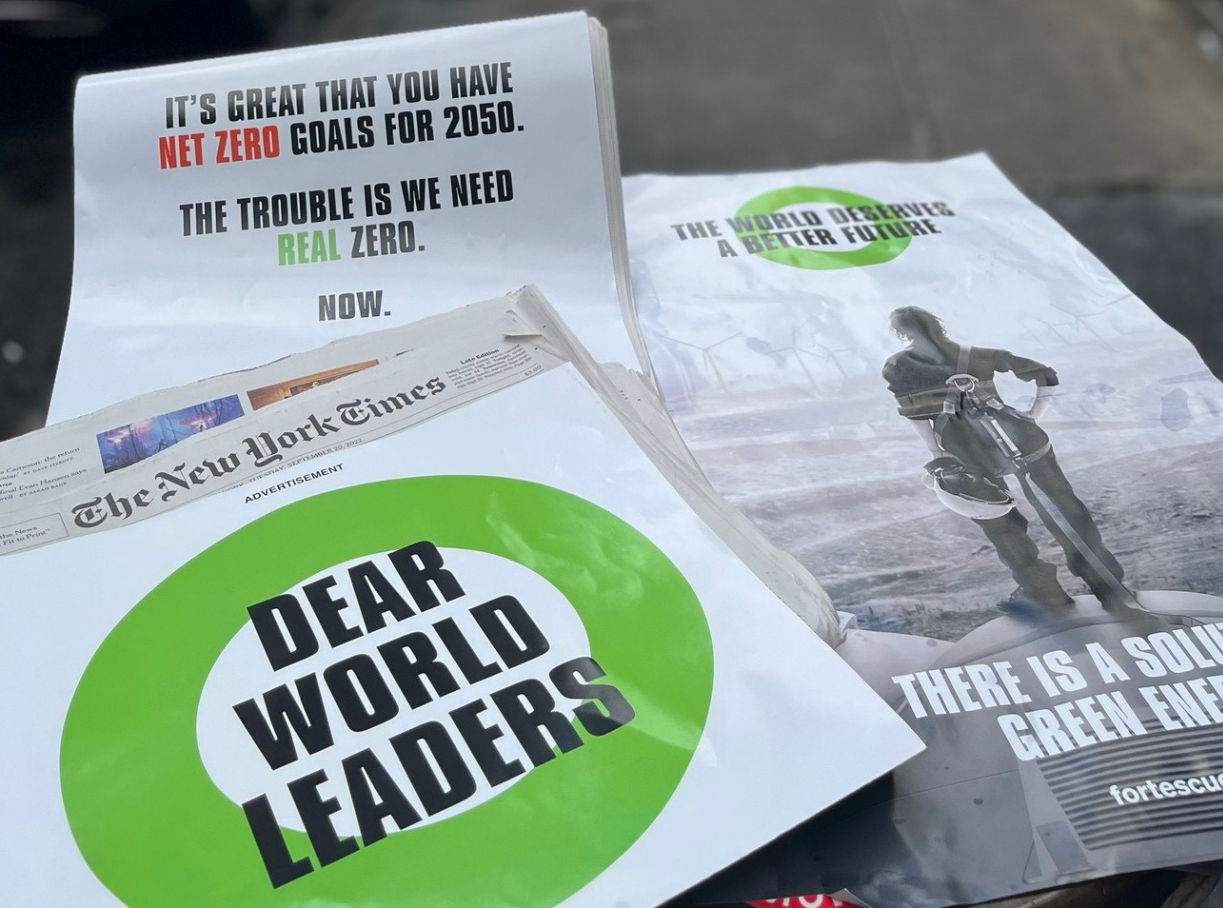
23% female

Employment
rate

**15% Indigenous
Australians**

Employment rate
across Pilbara
operations

Stepping beyond fossil fuels



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Real Zero by 2030

Scope 1 and 2 emissions

Green fleet development

Investing in renewable energy technologies

Stationary energy

Energy infrastructure

Net Zero Scope 3 emissions by 2040

Addressing emissions across the value chain

Stepping beyond fossil fuels



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US\$6.2bn capital investment

De-risking cost profile

US\$3bn

Cumulative operating cost savings by 2030,
payback of capital by 2034

US\$818m per annum

Net operating cost savings from 2030

Refer to ASX release 20 September 2022

A safe and inclusive workplace



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Strong and unique culture

Encouraging our team members to speak up

Workplace Integrity Review

Ongoing engagement

Additional training

Over 10,500 team members completed training

Enhanced safety

Initiatives to enhance physical and personal safety

Empowering Indigenous Australians



>A\$4 billion

Contracts awarded
through Billion
Opportunities

AMEC award

In recognition of our
pioneering Billion
Opportunities program

1,200

Indigenous Australians
employed through
VTEC since 2006

H1 FY23 iron ore production highlights



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96.9mt

Record H1 shipments – 4% increase on H1 FY22

US\$17.43/wmt

Industry leading C1 cost

US\$87/dmt

Average revenue

86%

Average revenue realisation

H1 FY23 financial highlights



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US\$7.8bn

Revenue

US\$4.4bn

Underlying EBITDA

US\$2.4bn

Net profit after tax

56%

Underlying EBITDA margin

US\$52/dmt

Underlying EBITDA
per tonne¹

US\$0.77

Earnings per share (A\$1.15)

¹Excludes Fortescue Future Industries costs

H1 FY23 financial highlights



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US\$2.9bn

Net operating cashflow

US\$1.6bn

Free cash flow

US\$4.0bn

Cash on hand

US\$6.1bn

Gross debt

US\$2.1bn

Net debt

26%

Gross gearing

Shareholder returns



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A\$0.75 per share

Fully franked interim dividend

65% of H1 FY23 NPAT

Dividend payout ratio

A\$2.3bn

Value of H1 FY23 dividends

FY23 guidance



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187 – 192_{mt}

Iron ore shipments

US\$2.7 – US\$3.1_{bn}

Capital expenditure excluding FFI

US\$18.00 – US\$18.75_{/wmt}

C1 cost for hematite

US\$730 – US\$830_m

FFI anticipated expenditure

*Guidance is based on an assumed FY23 average
exchange rate of AUD:USD 0.70*

FY23 Half Year Financial Results

Strong balance sheet

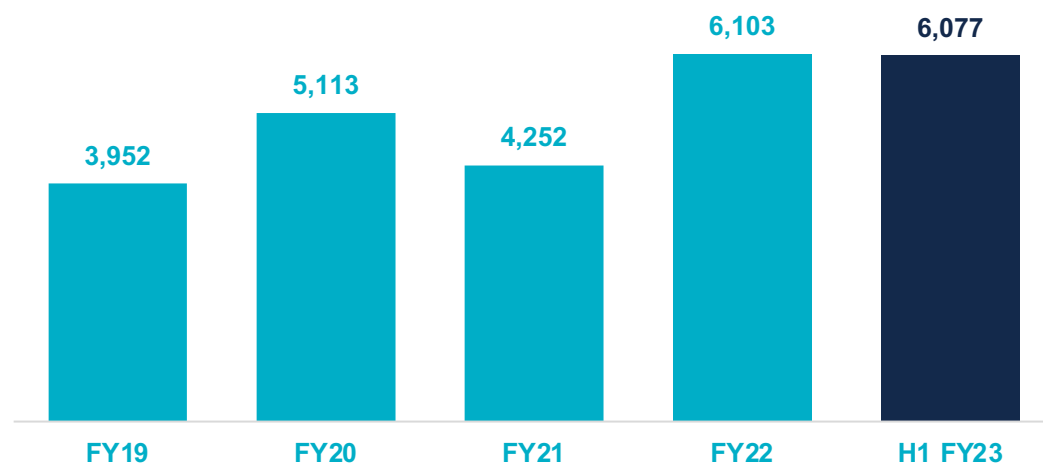
Structured on low cost, investment grade terms



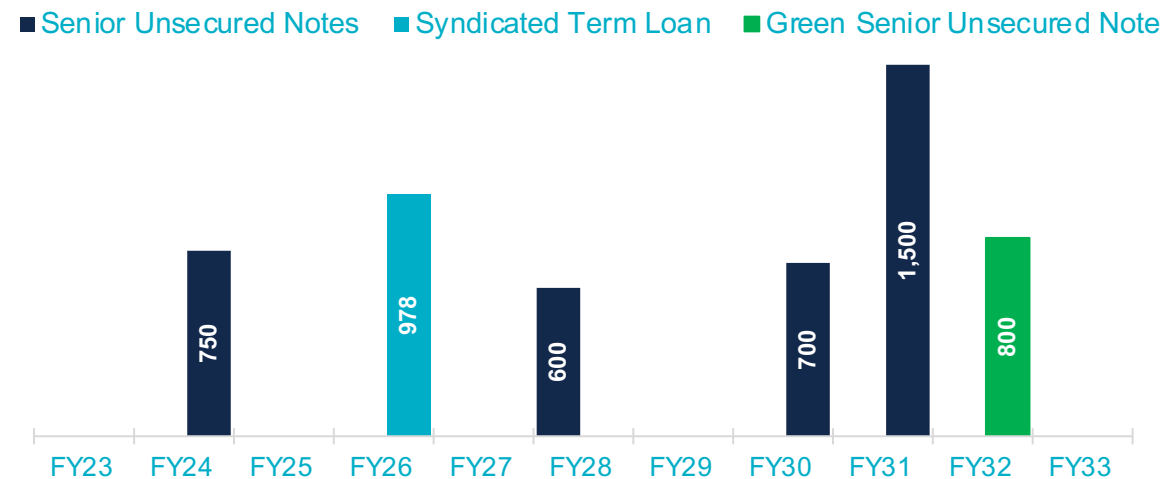
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Gross debt (US\$m)



Debt maturity profile excluding leases (US\$m)



Strong balance sheet

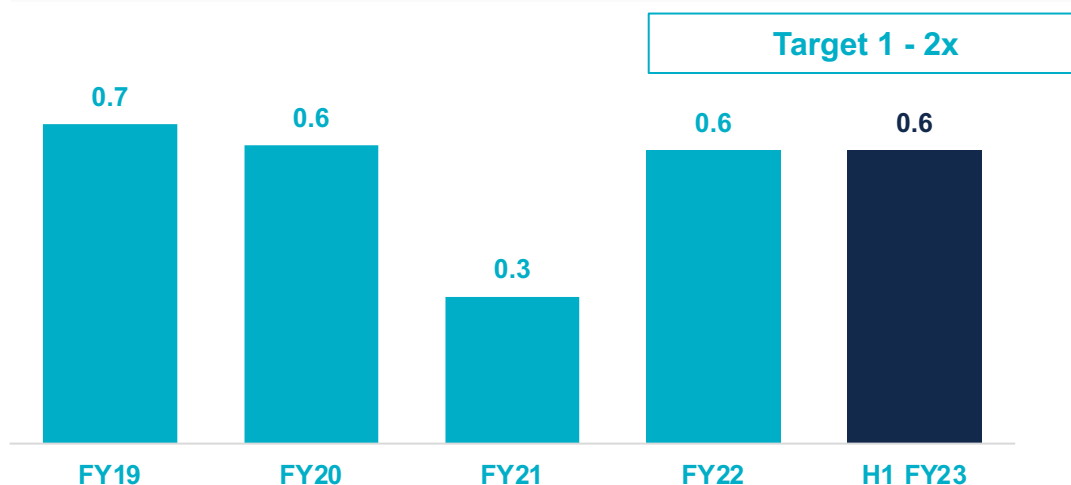
Targeting investment grade credit metrics



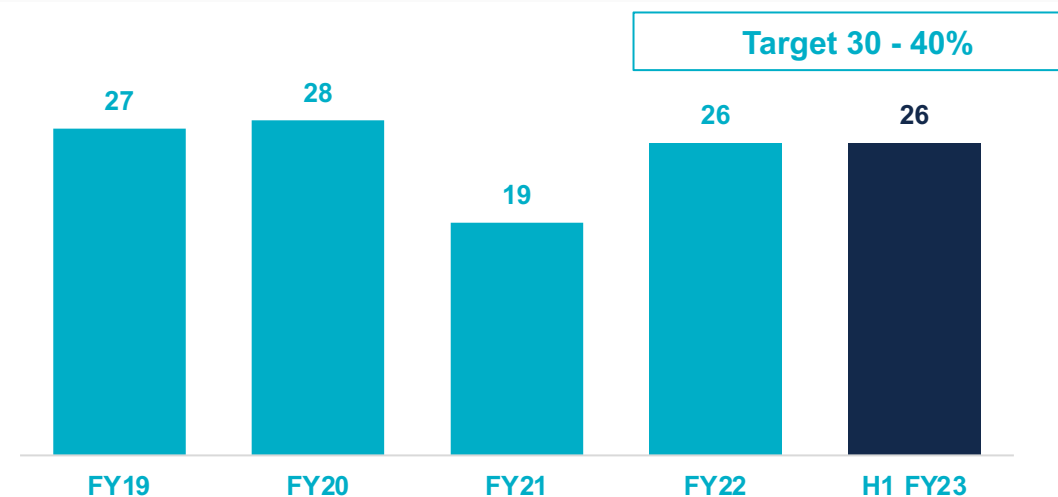
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Gross debt to EBITDA (x)



Gross gearing (%)



Underlying EBITDA

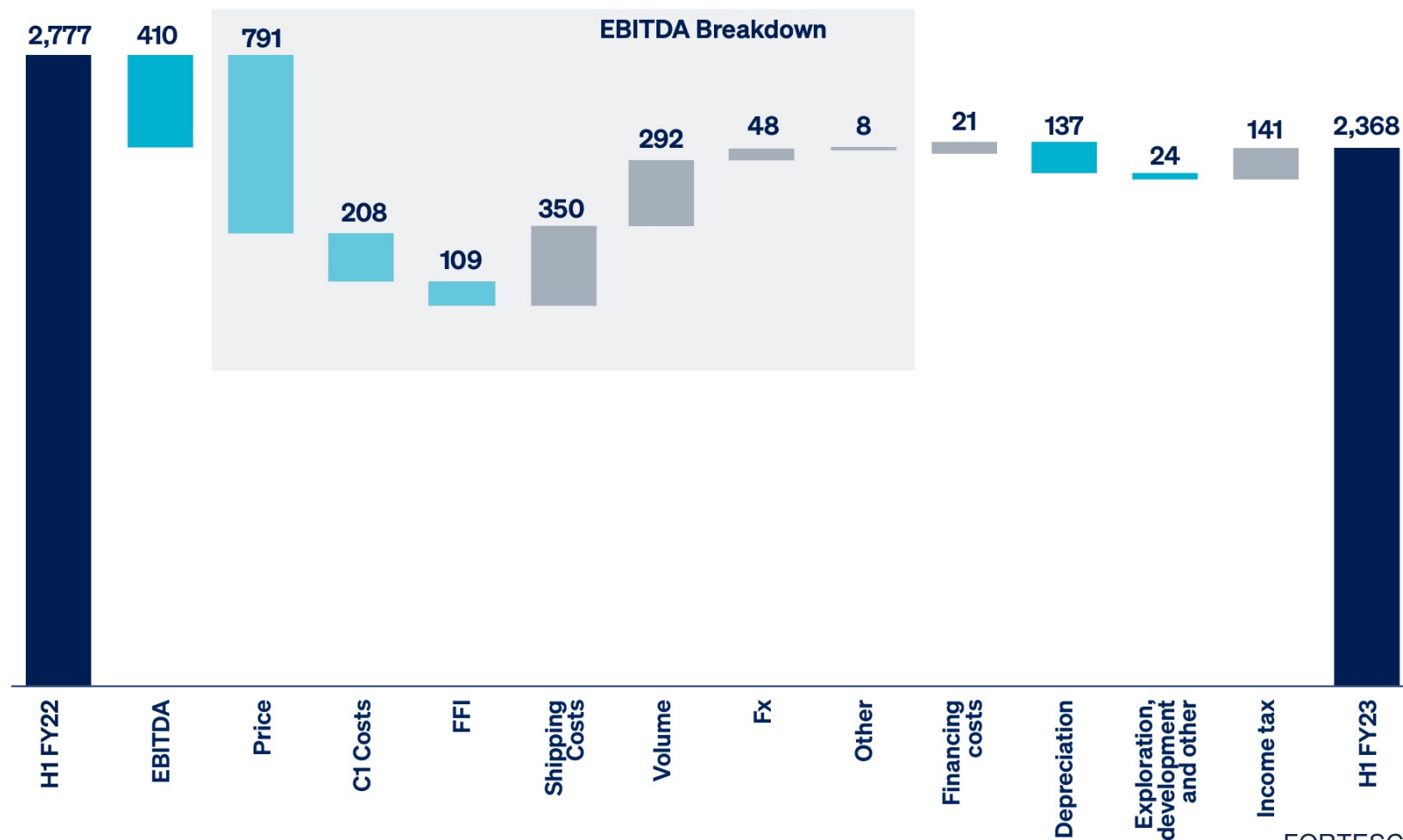


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H1 FY22 NPAT to H1 FY23 NPAT reconciliation (US\$m)



Earnings

Half year earnings profile

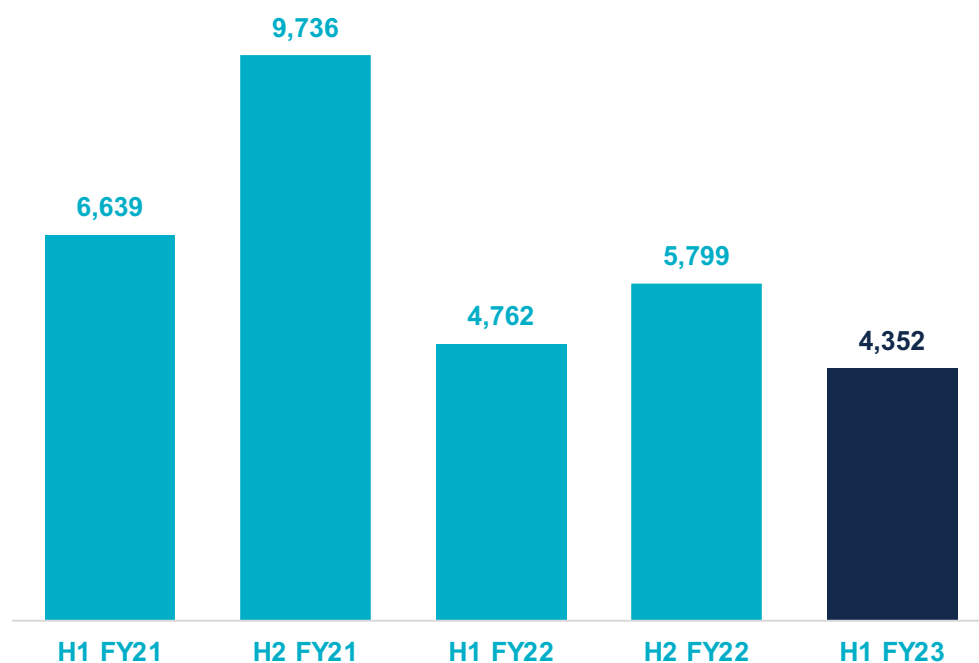


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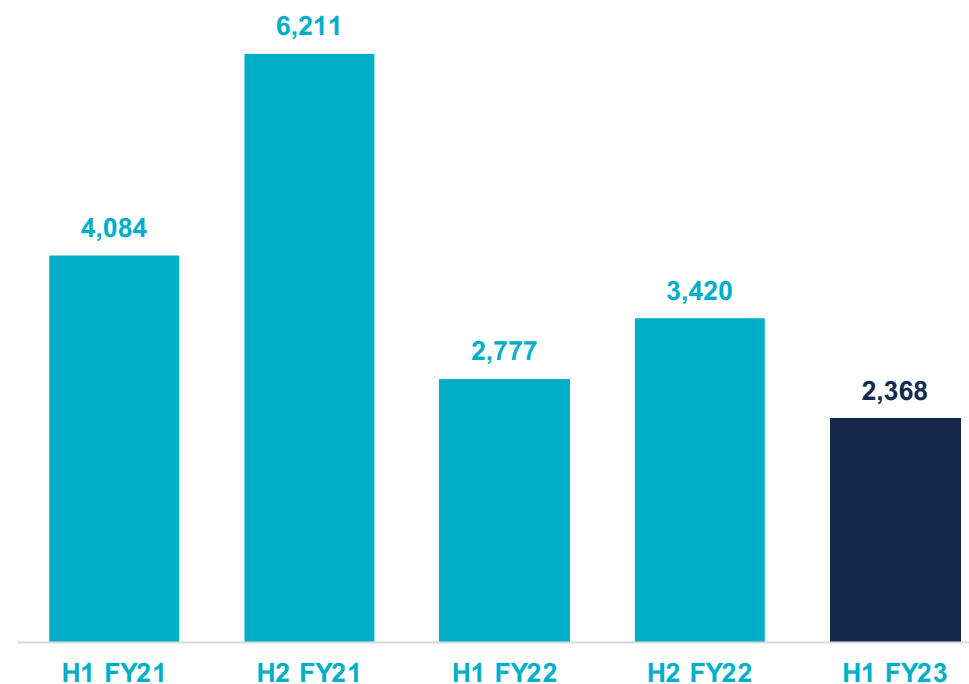
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Underlying EBITDA (US\$m)



NPAT (US\$m)



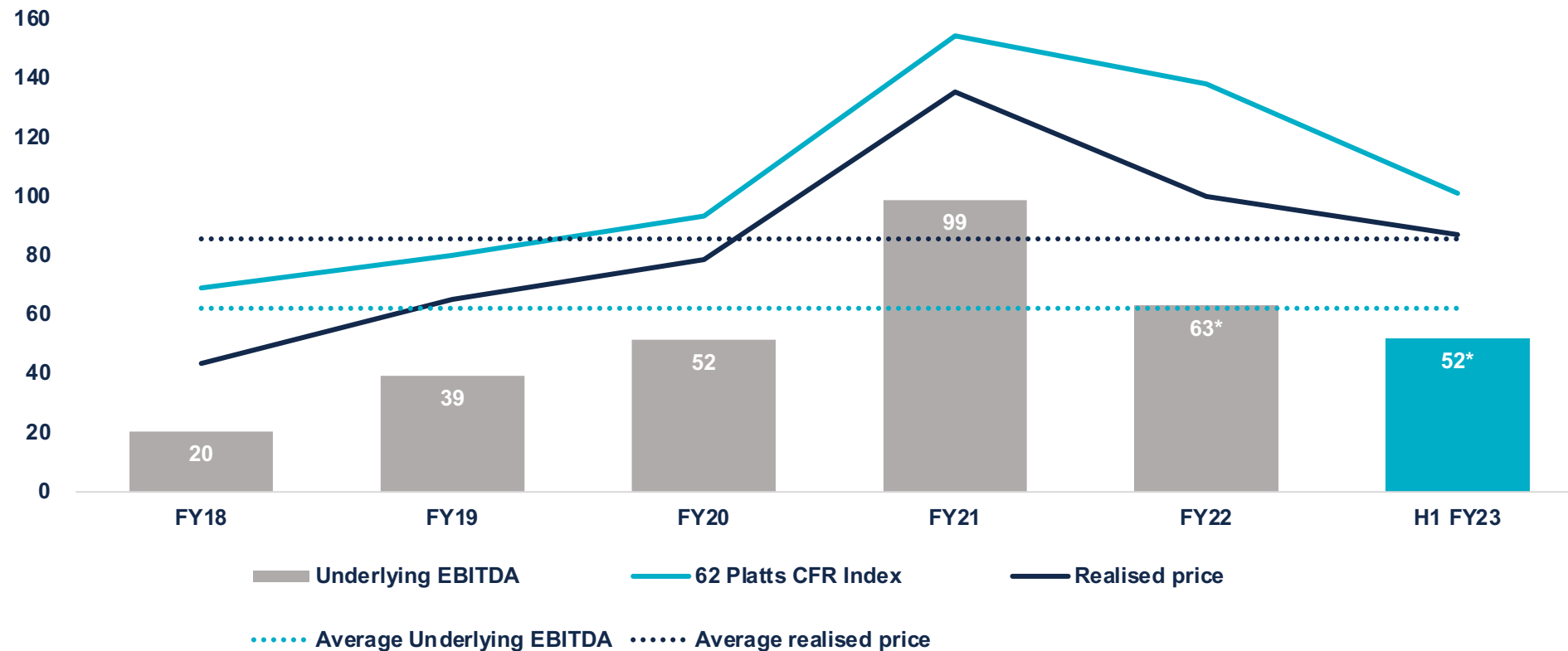
Price and margins



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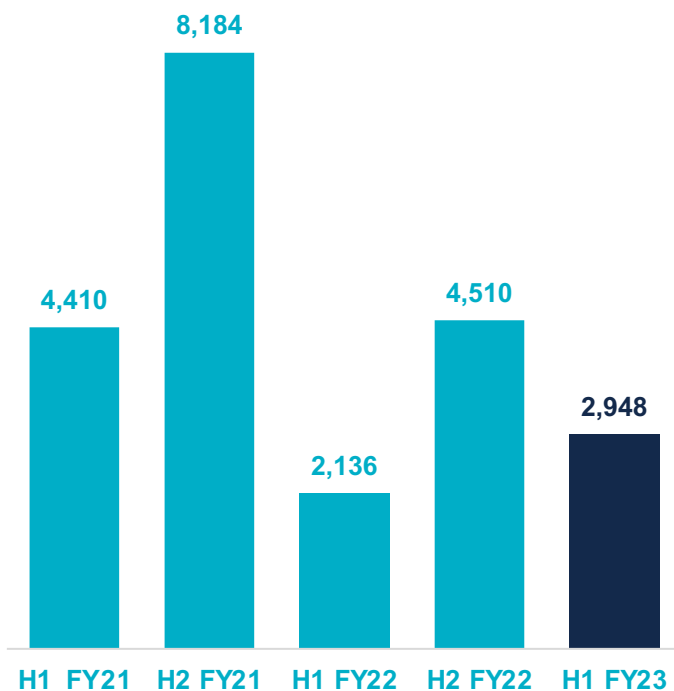
Prices and Underlying EBITDA margin (US\$/dmt)



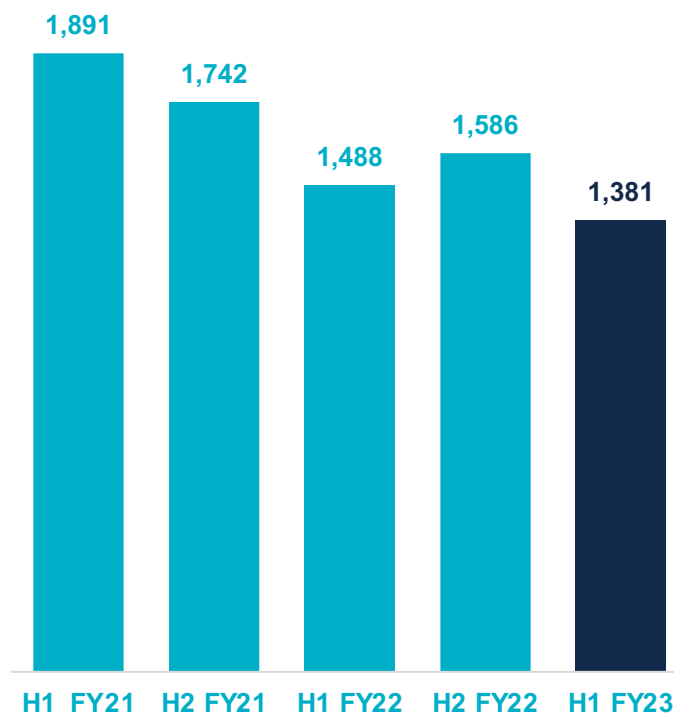
*Excludes FFI costs

Cash generation

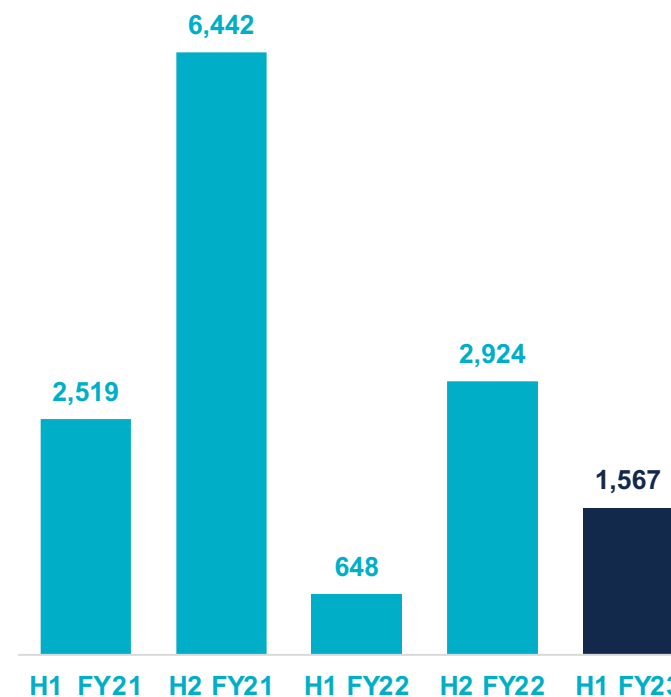
Net cash flow from operations (US\$m)



Capital expenditure



Free cash flow



Capital expenditure

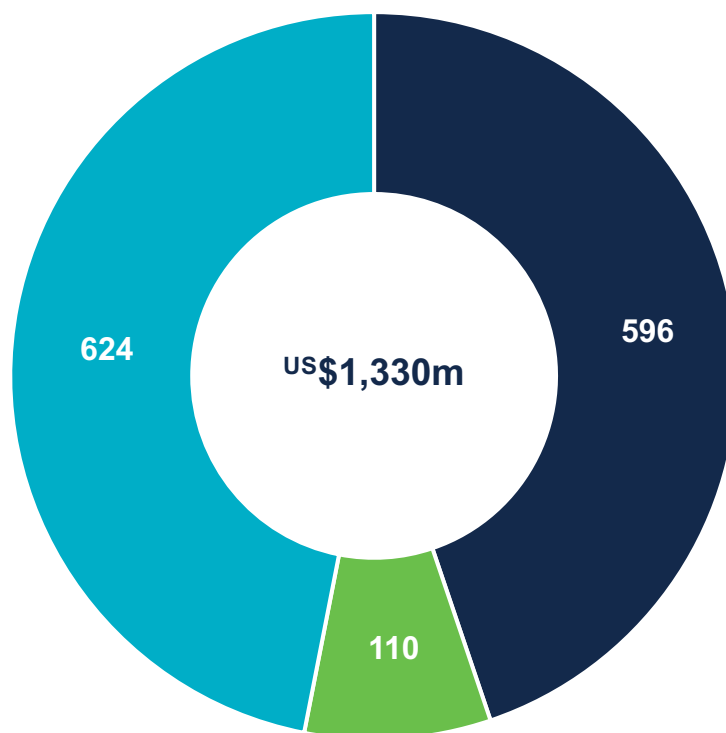


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H1 FY23 capital expenditure (US\$m)



Excludes FFI capital expenditure of US\$51m

- Sustaining and development capital
- Major projects and decarbonisation
- Exploration and studies

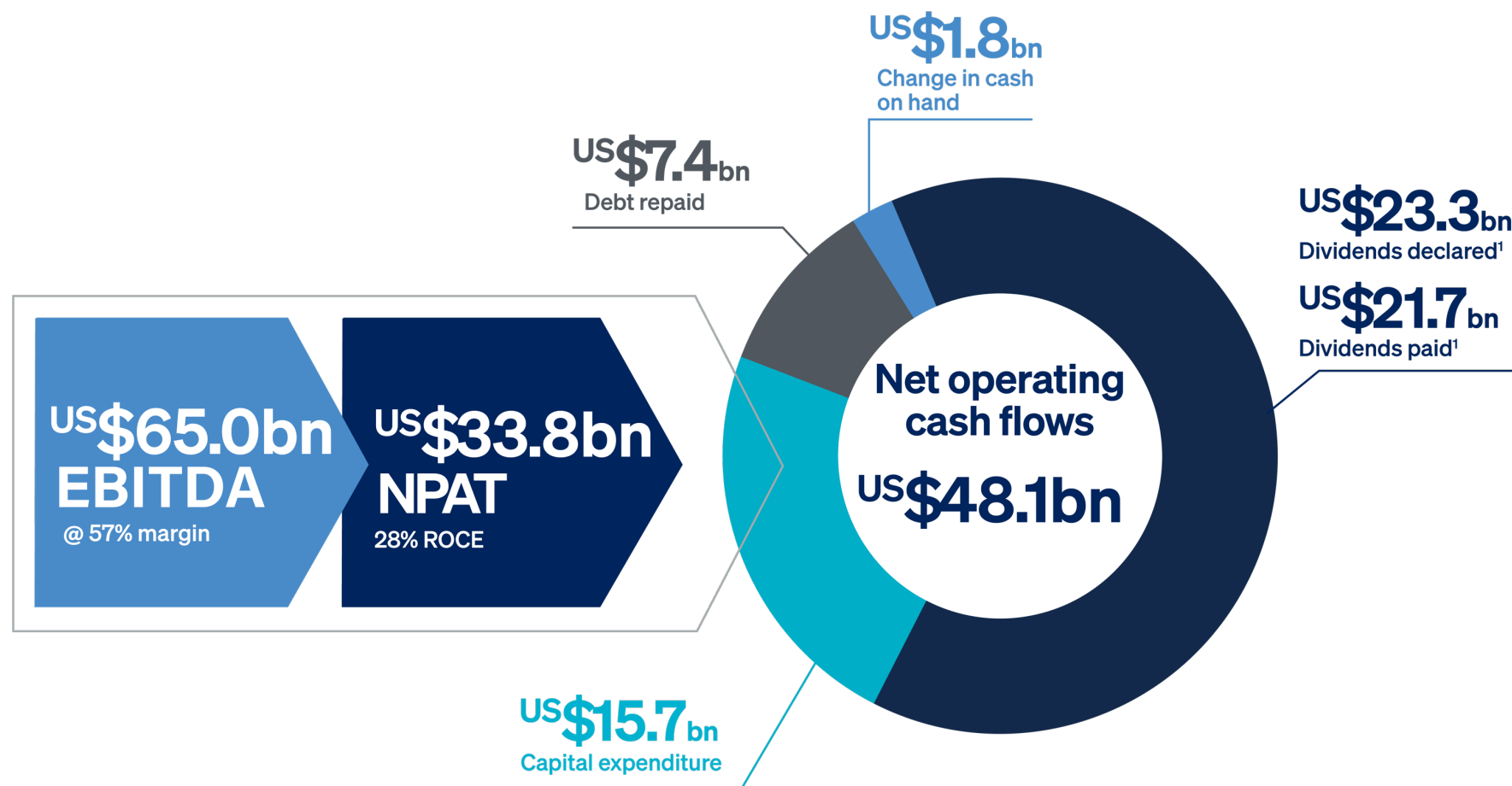
Disciplined capital management

Earnings and cash flows FY14 – H1 FY23



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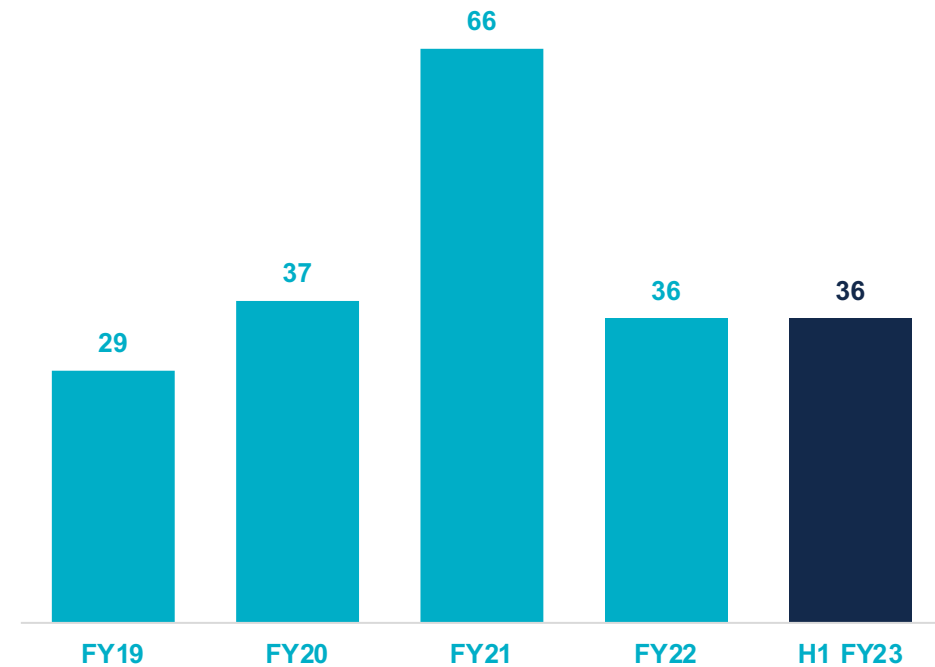
¹Includes share buyback

Return on capital

Return on equity (%)



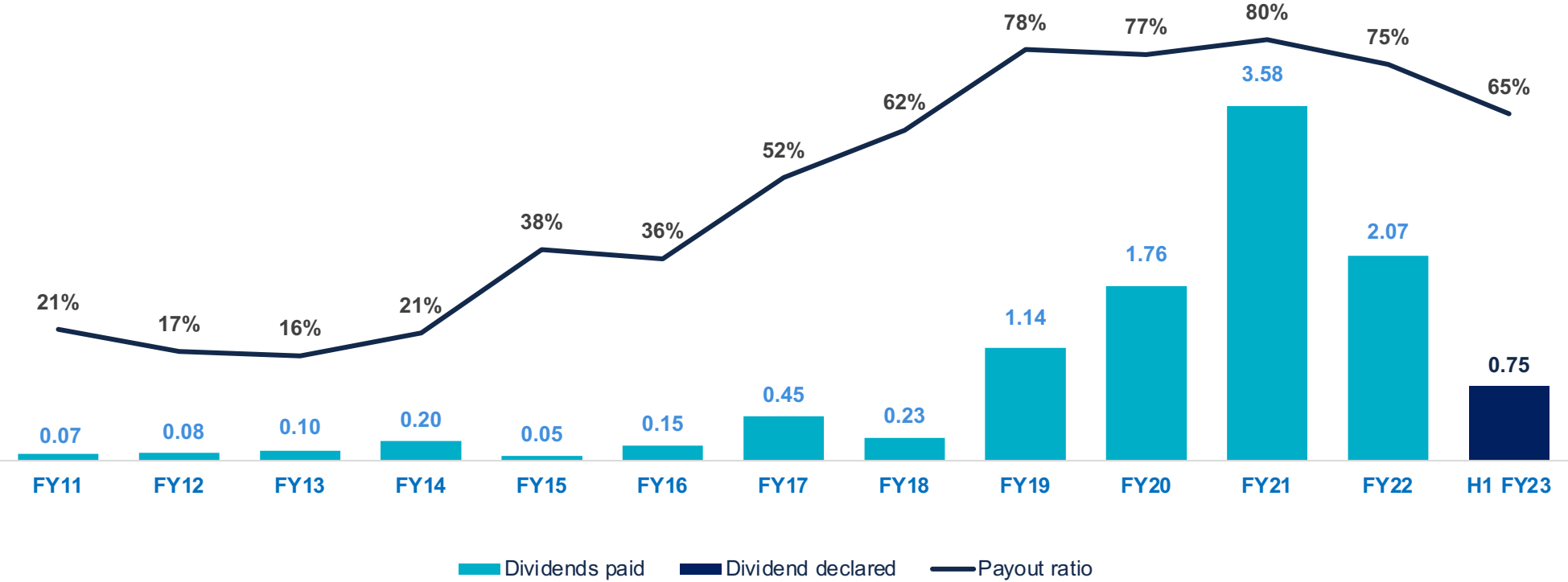
Return on capital employed¹ (%)



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

Delivering returns to our shareholders

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



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Technology and innovation



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Metal Membrane Technology

- Developed by FFI in partnership with CSIRO
- Key to producing high-purity hydrogen from ammonia cracking process

Tree Energy Solutions

- Development of green hydrogen import facility in Germany

WAE Technologies

- Delivery of first prototype battery system for integration into battery electric haul truck

Green market development



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5 FFI green energy projects

- For Final Investment Decision this calendar year
- Australia, Brazil, USA and Norway

Norway

- Providing potential for development of 300MW green hydrogen and green ammonia facility

Gibson Island

- Finalising Front End Engineering Design

FFI capital allocation



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US\$730 – US\$830m

FY23 anticipated operating expenditure

US\$230m of capital expenditure

US\$500 – US\$600m of operating expenditure

10% of NPAT

Capital allocation

US\$1.0bn

Capital commitment unutilised

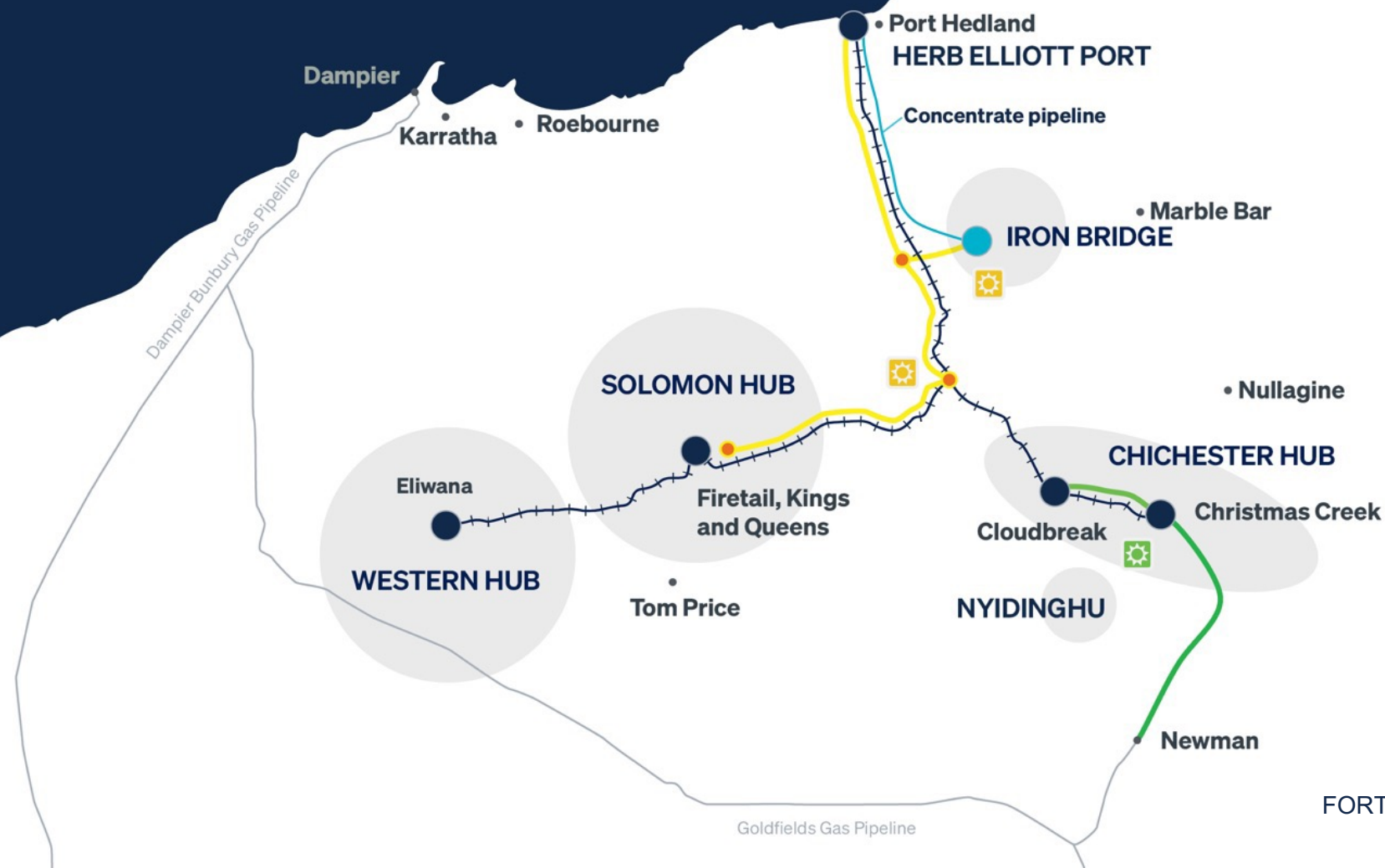
Integrated operations and marketing

Integrated mine to market infrastructure



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Pilbara Western Australia

- Iron ore operations
- Iron ore development
- Chichester Solar Gas
- Pilbara Energy Connect
- Rail operations
- ☀ Chichester solar project
- ☀ Pilbara Energy Connect solar farm

Marketing strategy



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Direct engagement

Customers and stakeholders

Flexible and innovative

Product and logistics offering

Long term relationships

Built on mutual respect and trust

Product suite

Aligns with the needs of the market

Price realisations



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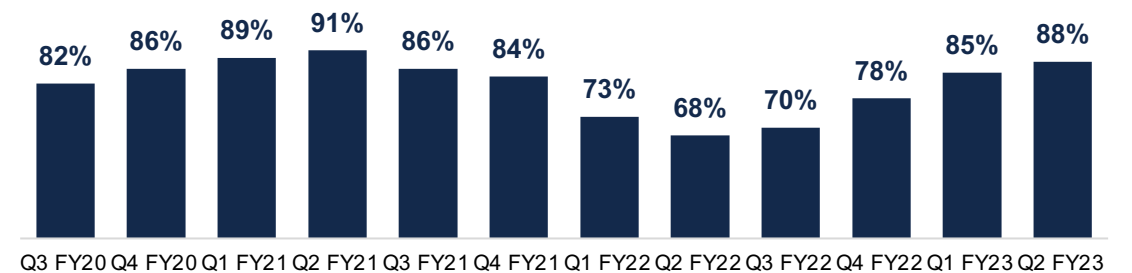
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Platts 62 Fe Index \$/dmt



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



Growth and development



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Iron Bridge



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US\$3.9bn

Capital estimate

67% Fe

High grade magnetite concentrate

22mtpa

First production at the end of March 2023 quarter

Minerals exploration



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Pilbara

- Extensive iron ore tenement footprint
- Focus on programs at Nyidinghu and Mindy South

Australia

- Target generation for copper-gold in WA, NSW and SA
- Drilling underway in NSW and SA

International

- Drilling programs in Argentina, Chile and Brazil
- Activities in Latin America and Kazakhstan

Belinga Iron Ore Project



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High grade deposit

- Very large scale, high Fe grade deposit
- Geological similarities to the Simandou deposit
- Dovetails with Pilbara operations

First iron ore shipped this year

- Legal, fiscal and regulatory regimes established
- Ivindo Iron Joint Venture

US\$200m

- Capital estimate for the early stage mining development
- Using existing rail and road infrastructure
- Using existing residual crushing and screening plant, haul trucks, rail cars and our own locomotives

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Safety

Family

Empowerment

Frugality

Stretch targets

Integrity

Enthusiasm

Courage and
determination

Generating
ideas

Humility



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