



Macquarie Australia Conference

5 May 2020



Global force
Thriving communities

Forward Looking Statements

Disclaimer

Important Notice

The purpose of this presentation is to provide general information about Fortescue Metals Group Ltd ("Fortescue"). It is not recommended that any person makes any investment decision in relation to Fortescue based on this presentation. This presentation contains certain statements which may constitute "forward-looking statements". Such statements are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward-looking statements.

No representation or warranty, express or implied, is made by Fortescue that the material contained in this presentation will be achieved or prove to be correct. Except for statutory liability which cannot be excluded, each of Fortescue, its officers, employees and advisers expressly disclaims any responsibility for the accuracy or completeness of the material contained in this presentation and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in this presentation or any error or omission therefrom.

Fortescue accepts no responsibility to update any person regarding any inaccuracy, omission or change in information in this presentation or any other information made available to a person nor any obligation to furnish the person with any further information.

Additional Information

This presentation should be read in conjunction with the Annual Report at 30 June 2019 together with any announcements made by Fortescue in accordance with its continuous disclosure obligations arising under the *Corporations Act 2001* and ASX Listing Rules.

Any references to reserve and resources estimations should be read in conjunction with Fortescue's Ore Reserves and Mineral Resources statements released to the Australian Securities Exchange on 2 April 2019 for its Magnetite projects and on 23 August 2019 for its Haematite projects. 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 Metals Group Ltd, unless otherwise stated. Tables contained within this presentation may contain immaterial rounding differences.

A world class company

Wholly owned,
fully integrated
supply chain

>1.3 billion tonnes
Shipped

170 - 175mtpa
Shipping rate

**Core supplier
to China**

**Industry leading
cost position**

COVID-19 response

Prioritise the health of our people, maintain jobs, sustain our business and protect our communities

Temporary extension of operational roster

Additional bus and air charter services

Temperature and health testing and rapid screening

Non-essential site and office-based teams working from home

Village gyms and licensed areas closed

1,300 care packages to Aboriginal communities

Safety and unique culture

2.5 TRIFR

Total Recordable Injury Frequency Rate
on a 12 month rolling basis

11%

Improvement compared to 30 June 2019

Reducing fatality risk profile

1H20 highlights

88.6 million tonnes
Iron ore shipped

US \$4.2 billion
Underlying EBIDTA

65%
Underlying EBITDA margin

US \$2.5 billion
Net profit after tax

US \$0.80 (A \$1.16)
Earnings per share

A \$0.76 per share
Fully franked interim dividend

March quarter 2020 highlights

TRIFR 2.5

11% improvement from 2.8 in FY19

US\$73/dmt

Average price received 82% of 62% Fe Index

42.3mt shipped

10% higher than Q3 FY19

US\$13.27/wmt

C1 costs 2% lower than Q3 FY19

Growth projects

Key milestones achieved

US\$0.1 billion

Net cash

Integrated mine to market infrastructure



Robust demand in China

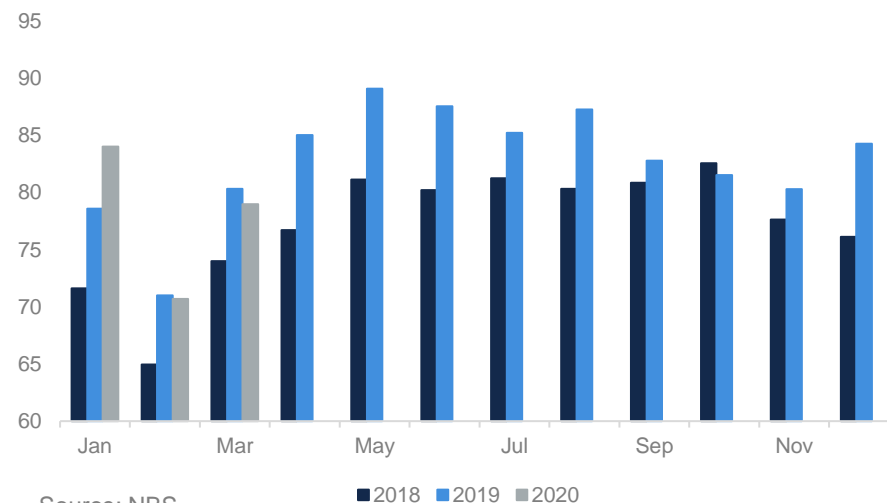
China's steel production increased 1.2% YoY in Q1 CY20

Fortescue is a core supplier of iron ore to China

China's steel production increased to 235mt in Q1 CY20

Steel inventories drawn down as economic activity recovers

China Crude Steel Production (mt)



Source: NBS

Iron ore prices resilient



Sustained demand and supply disruptions support the iron ore market

Strong demand for Fortescue's products

Realisation of 84% of the Platts 62% Index year-to-date FY20

Draw down of iron ore stocks at Chinese ports

Iron Ore Prices (CFR China), US\$/dmt



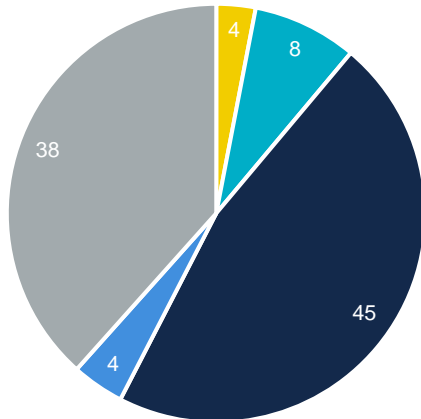
Enhanced product mix delivers value

Realising the benefits of West Pilbara Fines



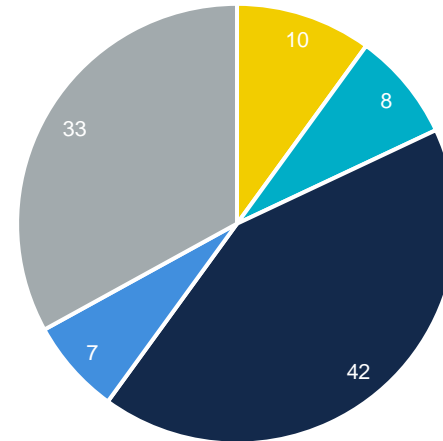
Fortescue's product mix %

9 months to March 2019



- West Pilbara Fines
- Kings Fines
- Fortescue Blend
- Fortescue Lump
- Super Special Fines

9 months to March 2020



- West Pilbara Fines
- Kings Fines
- Fortescue Blend
- Fortescue Lump
- Super Special Fines

Growth and development



Eliwana project

US\$1.275 billion capital investment,
Progressing on schedule and budget

Stage 1 earthworks

on 143km railway completed

First steel erection

of 30mtpa dry OPF

Aerodrome and village

completed, first charter June 2020

Construction peak

mid-2020

Iron Bridge Magnetite Project

US\$2.6 billion investment delivering enhanced returns to
shareholders and JV partners

22 mpta, 67% Fe product

First ore on ship mid-2022

Detailed engineering

passed halfway mark

First blast at OPF site

Allowing earthworks to commence

Site construction

will commence second half of CY20

Energy infrastructure

US\$800¹ million investment providing 25–30 per cent of stationary energy requirements from solar

Pilbara Transmission project

275km of high voltage transmission lines

Pilbara Generation project

150MW gas, 150MW solar PV

Large scale battery storage

Chichester Solar Gas Hybrid

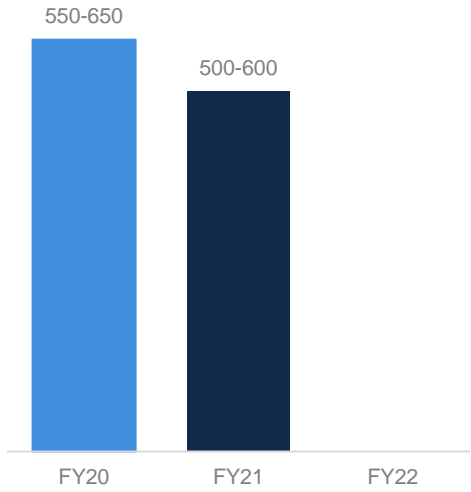
Displacing around 100 million litres of diesel at Chichester Hub

¹ Fortescue US\$700m PEC and Alinta Energy's Chichester Solar Gas Hybrid investment

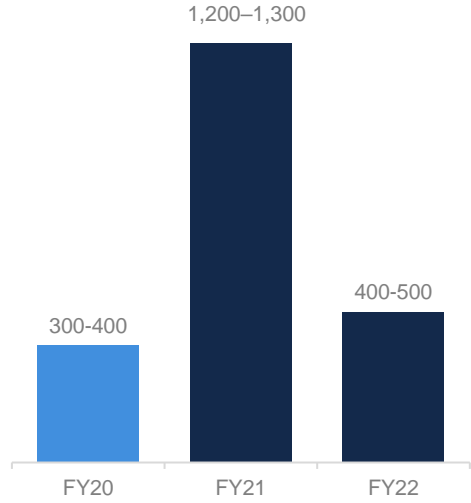
Investing in growth



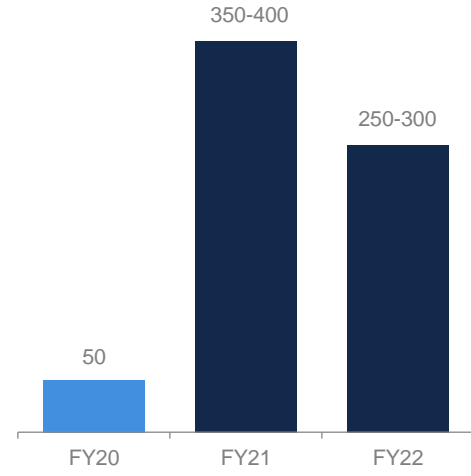
Eliwana Mine and Rail (US\$m)



Iron Bridge Magnetite (US\$m)



Pilbara Energy Connect (US\$m)



FY20 Guidance



175-177mt

Shipments

US\$12.75-\$13.25

C1 cost / wmt

US\$2.0-2.2 billion

Capital investment

Key strategic focus



**Balance sheet
strength**

**Long term
sustainability**

**Growth and
development**

**Enhanced returns
to shareholders**

Our Vision

The safest, lowest cost, most profitable mining company

Fortescue's Values

 Safety	 Family	 Empowerment	 Frugality	 Stretch targets
 Integrity	 Enthusiasm	 Courage and determination	 Generating ideas	 Humility



Fortescue

www.fmgl.com.au

 FortescueNews

