

**22 November 2022**

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**PRESENTATION – ANNUAL GENERAL MEETING 2022**

Fortescue Metals Group Ltd (Fortescue, ASX: FMG) advises that Executive Chairman, Dr Andrew Forrest AO and Fortescue Future Industries Chief Executive Officer, Mark Hutchinson, are addressing shareholders at the Annual General Meeting (AGM) at 10.00am today. The AGM will be webcast on Fortescue's website at [www.fortescue.com](http://www.fortescue.com).

A copy of the presentations are attached.

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**FORTESCUE  
FUTURE  
INDUSTRIES**



# 2022 Annual General Meeting

**We are Fortescue**

22 NOVEMBER 2022



# Forward Looking Statements Disclaimer



## Important Notice

The purpose of this presentation is to provide general information about Fortescue Metals Group Ltd (“Fortescue”), including general information in relation to Fortescue’s wholly owned subsidiary Fortescue Future Industries Pty Ltd and its subsidiaries (collectively “FFI”). It is not recommended that any person makes any investment decision in relation to Fortescue or FFI 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 or FFI 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 and FFI, their respective 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. Each of Fortescue and FFI 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 2022 together with any announcements made by Fortescue and/or FFI 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 released to the Australian Securities Exchange on 26 August 2022. 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 and FFI, unless otherwise stated. Tables contained within this presentation may contain immaterial rounding differences.





# Dr Andrew Forrest AO Executive Chairman



Stepping beyond fossil fuels

# RACE US TO REAL ZERO

Only Fortescue has a fully costed  
construction plan to move on  
from fossil fuels by 2030





# FY22 highlights



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**189.0mt**

Record annual shipments

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**US\$100/dmt**

Average revenue

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**US\$10.6bn**

Underlying EBITDA

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**US\$15.91/wmt**

Industry leading C1 cost

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**US\$6.2bn**

Net profit after tax

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**US\$2.01**

Earnings per share  
(A\$2.77)



# Q1 FY23 highlights



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**47.5mt**

Record first quarter shipments

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**US\$17.69/wmt**

Industry leading C1 cost

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**US\$87/dmt**

Average revenue

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**US\$2.8bn**

Net debt

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# Iron Bridge first ore in processing plant





# Iron Bridge Magnetite Project



Strategic investment providing an enhanced product range to meet customer demand

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**US\$3.6 – US\$3.8bn**

Capital estimate

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**67% Fe**

High grade magnetite concentrate

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**22mtpa**

First production in March 2023 quarter



# Exploration



Fortescue's Kazakhstan exploration team



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## Pilbara

Extensive iron ore tenement footprint; focus on programs at Nyidinghu and Mindy South

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## Australia

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

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## International

Drilling programs in Argentina and Kazakhstan; exploration in Peru, Chile, Brazil, Ecuador and Republic of Gabon



# Republic of Gabon



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## High grade deposit

One of the world's largest undeveloped high grade hematite deposits

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## Attractive jurisdiction

Politically and economically stable with regulatory framework for foreign investment

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## Exploration Convention

Joint venture between Fortescue (80%) and ATIF<sup>1</sup> (20%). Exploration leases covering 4,500km<sup>2</sup>

<sup>1</sup>Africa Transformation and Industrialization Fund



# Rare Earth Elements



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## Rare earths

Critical to FFI's projects in manufacturing, renewables and hydrogen

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## Support decarbonisation

Demand for permanent magnets for wind turbines and electric vehicles

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## Rapidly growing market

Set to bring added value for our shareholders



# COP27

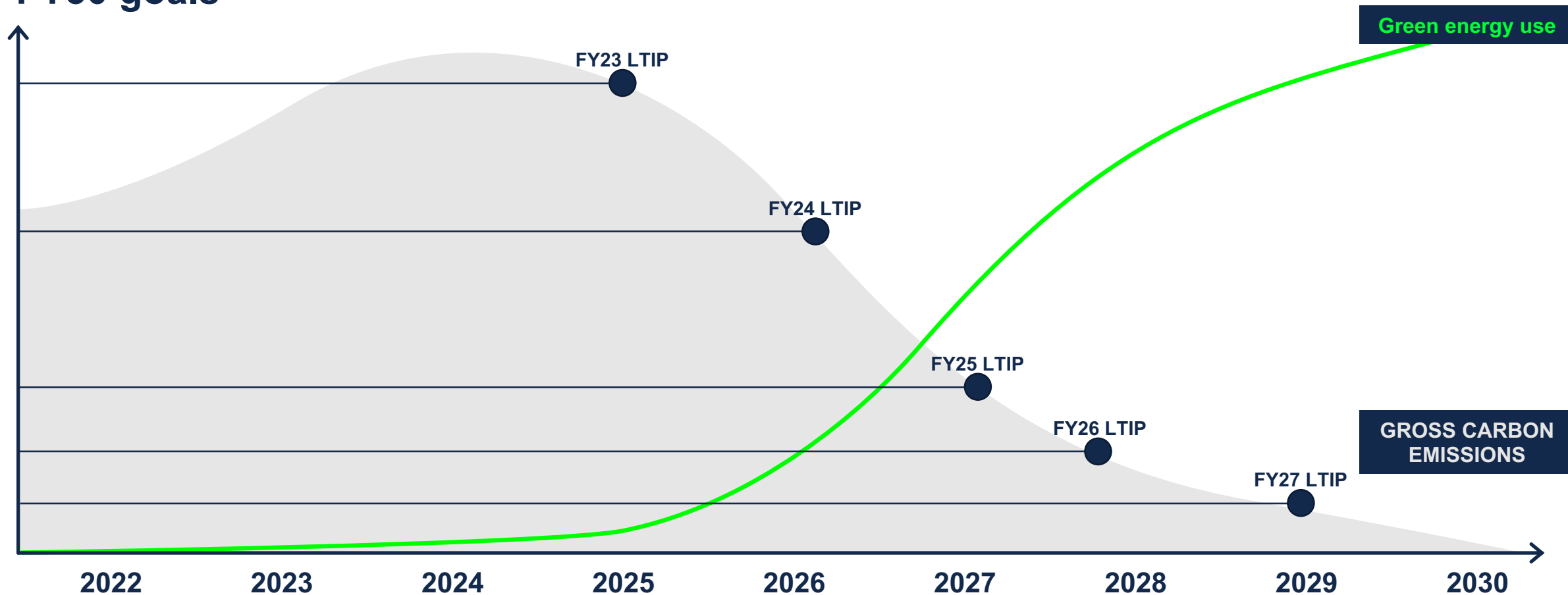


British King and Prime Minister at Buckingham Palace



# Executive bonuses directly linked to emission reduction

## FY30 goals





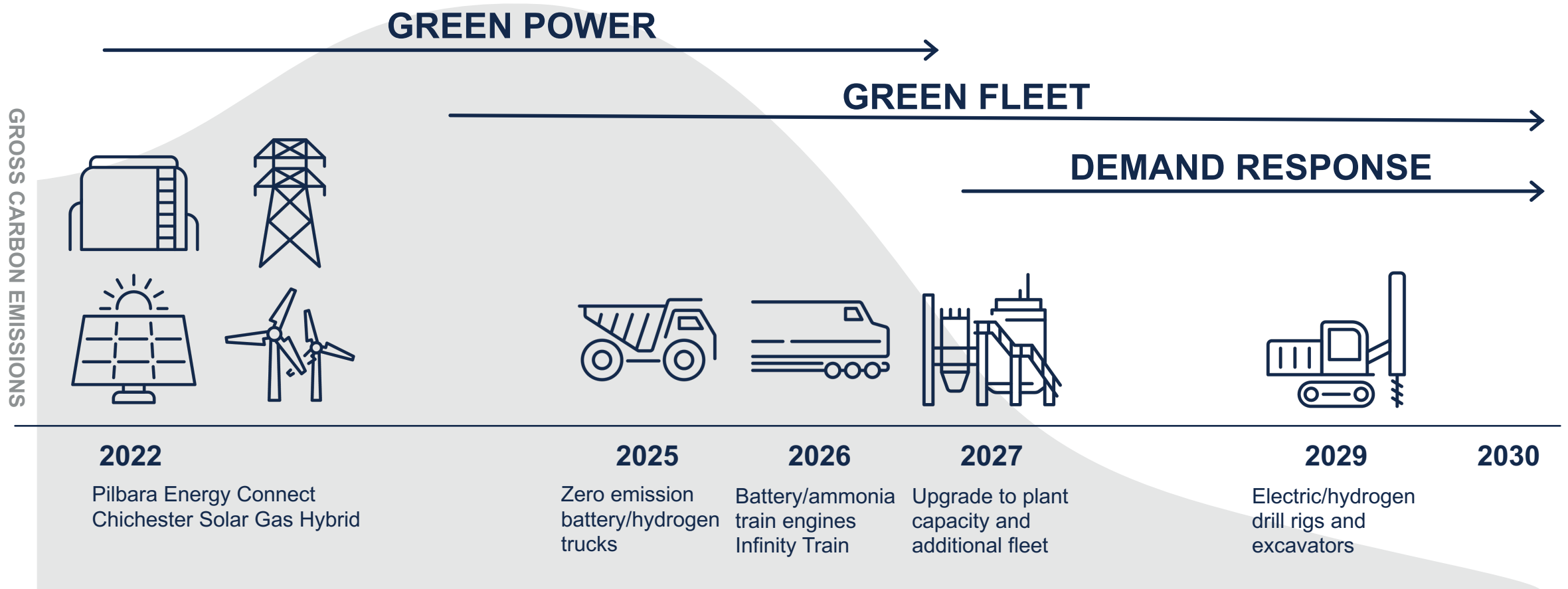
# Leading global effort to decarbonise heavy industry





# Decarbonisation roadmap

## Scope 1 and 2 emissions



Fortescue Scope 1 and 2 emissions excluding Scope 1 shipping



# Creating value for shareholders



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## De-risking cost profile

Eliminating exposure to fossil fuel price volatility, carbon offsets, future carbon tax

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### US\$3 billion

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

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### US\$818m per annum

Net operating cost savings from 2030 at prevailing market prices of diesel, gas and Australian Carbon Credit Units



# Green fleet development



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## Williams Advanced Engineering

Critical technology and expertise in high performance battery systems and electrification

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## Liebherr partnership

First green haul truck operational at site by 2025

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## Locomotives

World's first zero emission regenerating battery electric iron ore train; first battery electric locomotive to be operational in 2023



# Liebherr partnership







# Safety and unique culture

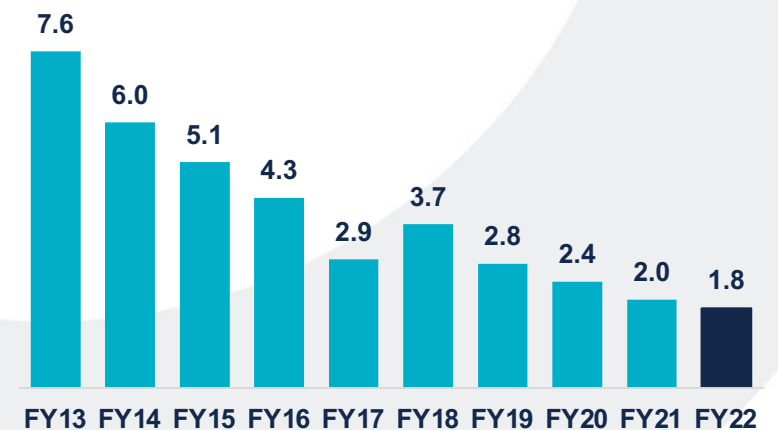
## 1.7 TRIFR

Total Recordable Injury Frequency Rate at 30 September 2022

## 15%

Improvement compared to 30 September 2021

Total Recordable Injury Frequency Rate





# Our People



**Championing diversity and building a workplace that is inclusive of all people**

**>60%**

**Female representation on Board of Directors**

**23%**

**Female employment**

**60%**

**Increase in number of female team members since 2020**



# Creating opportunities



**Empowering Aboriginal people through training, employment and business development opportunities**

**15% Aboriginal**

Employment rate across Pilbara operations

**>A\$4 billion**

Contracts awarded to Aboriginal businesses and joint ventures through Billion Opportunities

**1,100**

Aboriginal people employed through VTEC since 2006





**President of Ukraine and Fortescue's Executive Chairman**

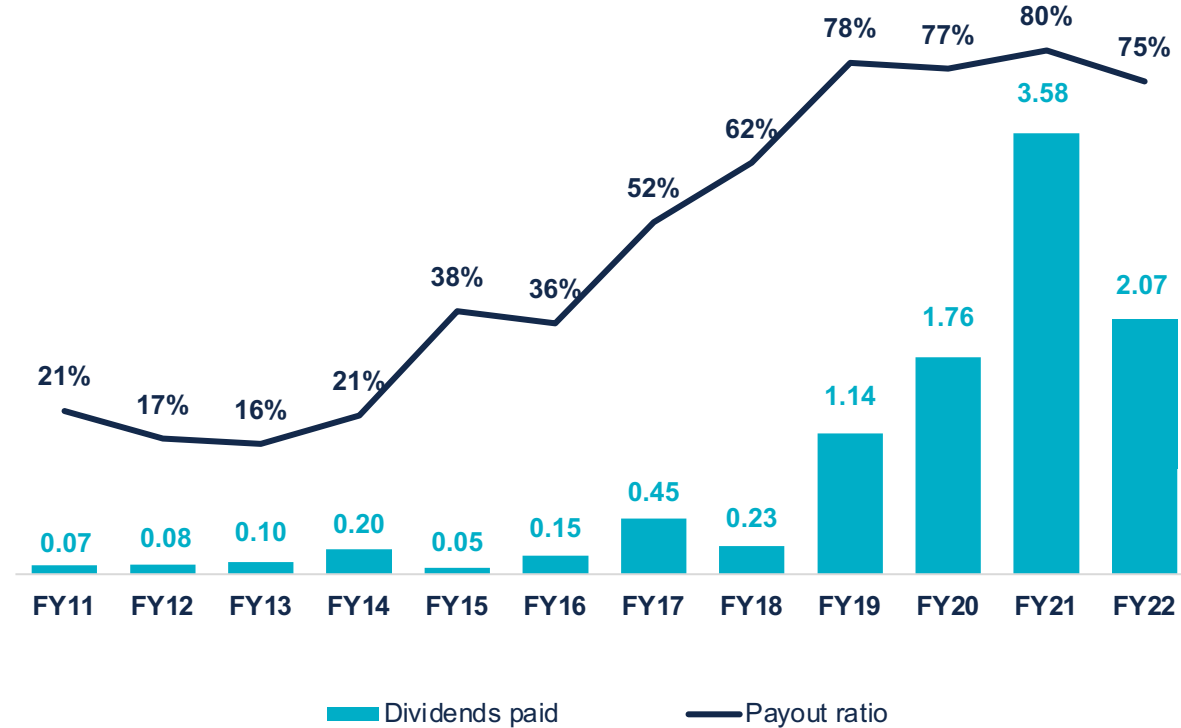
**Challenging the  
impossible**



# Delivering returns to our shareholders

FY22 fully franked dividend of <sup>A</sup>\$2.07 per share, representing a 75% payout of NPAT

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





# Mr Mark Hutchinson FFI Chief Executive Officer





The New York Times wrap

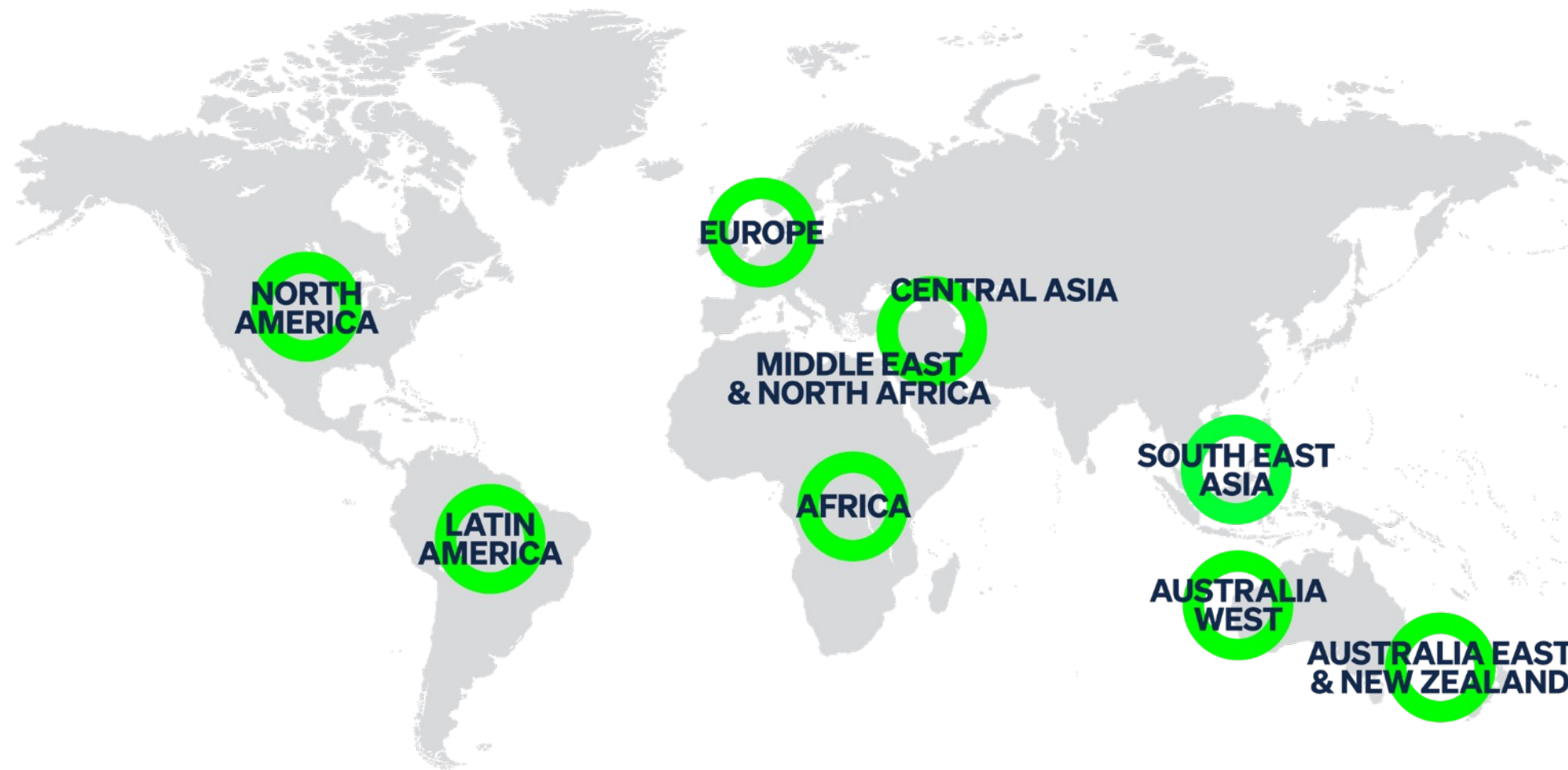


Hydrogen produced using 100% renewable energy sources is called **green hydrogen**.



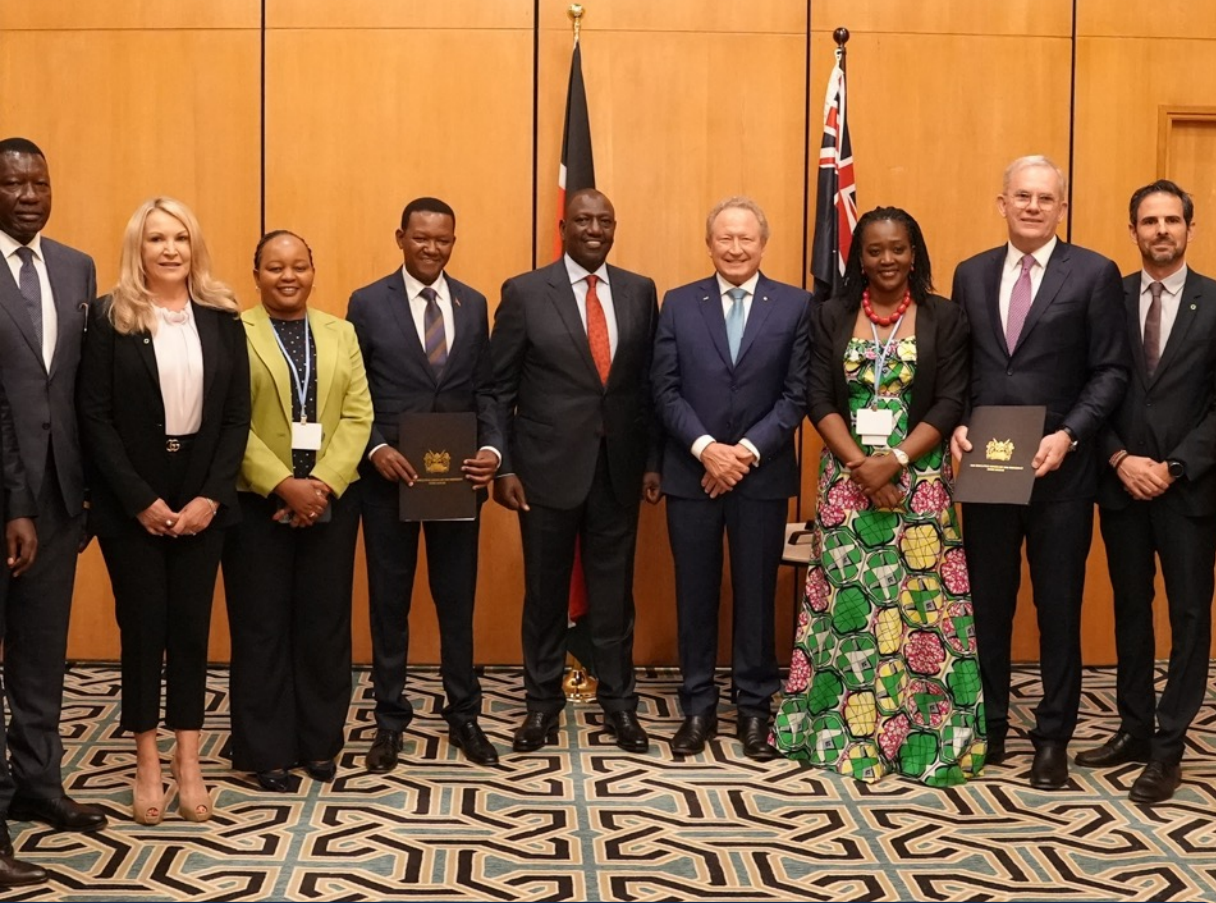
# Delivering energy security

Supplying green energy globally by 2030





# Kenya Binding Framework Agreement



President of Kenya with Fortescue's team



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## Affordable green fertiliser

Replace imported polluting fertiliser with affordable green fertiliser supply chain

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## Skilled job creation

Strong local industry and skilled job creation

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## Aiming for >1 million tonnes

Green hydrogen per year for export



# Gibson Island



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## Green conversion

Partnering with Incitec Pivot to convert existing production facility to produce green ammonia

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## GH2 production

Construction of new ~500MW hydrogen electrolysis facility to produce green hydrogen

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## Final assessment stage

Finalising Front End Engineering Design to support Final Investment Decision in 2023



# Green Energy Manufacturing Centre



Gladstone, Queensland



Construction of GEM



# A technology company



Technology is the key to scaling up the green hydrogen economy

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## US Technology Hub

Potential 10 year partnership with the US Department of Energy (NREL)

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## Gladstone

Australia's first multi-gigawatt-scale electrolyser manufacturing facility



# US Technology Hub





# Green market development



Patrick Lammers, COO of E.ON and Dr Andrew Forrest AO

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## Offtake agreements

Progressing across Europe, Asia and North America

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## Partnership with E.ON

Aiming to deliver up to 5mtpa of green hydrogen to Europe by 2030

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## Tree Energy Solutions

Development of green hydrogen import facility in Germany



# Supporting Fortescue's transition



Mr Mark Hutchinson, CEO FFI at COP27



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## Green capital

Growing international capital to fund green energy projects

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## FFI project finance

Separately secured through substantial market demand for green investments

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## FFI capital allocation

10% of NPAT, FY23 anticipated expenditure of US\$730 – US\$830 million



# FY23 guidance



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**187 – 192mt**

Iron ore shipments

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**US\$18.00 –**

**US\$18.75/wmt**

C1 cost for hematite

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**US\$2.7 – US\$3.1bn**

Capital expenditure, excluding FFI

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



# We are Fortescue



FORTESCUE  
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**Safety**

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**Family**

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**Empowerment**

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**Frugality**

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**Stretch targets**

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**Integrity**

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**Enthusiasm**

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**Courage and  
determination**

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**Generating  
ideas**

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**Humility**





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