Strong financial results underpin an increase in fully franked interim dividend to A$0.62 per share, a payout of 65 per cent of H1 net profit after tax

Highlights

- Continuing focus on safety is reflected in a rolling 12-month Leading Safety Index (LSI) of 160 and a Total Recordable Injury Frequency Rate (TRIFR) of 1.5 at 31 December 2025.
- Strong performance across the supply chain contributed to record first half year iron ore shipments of 100.2 million tonnes (Mt), three per cent higher than H1 FY25.
- Underlying EBITDA of US$4.5 billion in H1 FY26 was 23 per cent higher than H1 FY25. The Underlying EBITDA margin increased five percentage points to 53 per cent.
- Net profit after tax (NPAT) increased to US$1.9 billion and earnings per share (EPS) to US$0.62.
- Fully franked interim dividend declared of A$0.62 per share is 24 per cent higher than the FY25 interim dividend and represents a payout of 65 per cent of H1 FY26 NPAT.
- Consistently strong cash flow generation, with net cash flow from operating activities of US$3.2 billion and free cash flow of US$1.5 billion, after investing US$1.7 billion in capital expenditure.
- Cash on hand of US$4.7 billion and net debt of US$1.0 billion at 31 December 2025 underscores Fortescue's robust financial position with flexibility to fund growth and returns.
- Enhanced debt capital structure through liability management and the syndication of a low-cost Renminbi Term Loan.
- Commenced implementation of an optimised Hematite life of mine plan, anticipated to deliver significant value by maintaining a lower C1 unit cost profile and enhanced capital efficiency.
- Continued progress on decarbonisation, including delivery of the first battery energy storage system (BESS), deployment of electric mobile equipment and new technology partnerships.
- Entered into a binding agreement under which Fortescue proposed to acquire the remaining 64 per cent of Alta Copper's issued and outstanding common shares not already owned.
- Exploration and study activities continue to advance planning for an integrated mine, rail and port solution for the Belinga Iron Ore Project.
- Published the FY25 Modern Slavery Statement and Fortescue's 2025 Climate Transition Plan.
- Guidance for FY26 shipments, C1 unit cost and capital expenditure remains unchanged.

Fortescue Metals and Operations Chief Executive Officer, Dino Otranto said "It's been a standout first half of the financial year. We delivered record shipments of 100.2 million tonnes while keeping our people safe and costs low.

"We have the lowest operating cost in the industry, and decarbonisation is pushing that even lower. By removing diesel across our operations, we're structurally improving our cost position. The more diesel we eliminate, the less exposure we have to price volatility, and the stronger and more predictable our margins become.

“We’re now delivering decarbonisation at scale across the Pilbara. Around 3,600 solar panels are being installed every day at our Cloudbreak mine, with another one gigawatt of solar in the immediate pipeline. Construction is underway on our first wind farm, we’ve delivered two large battery energy storage systems at our sites, and we’re working with leading global manufacturers to roll out electric mining equipment, battery systems and large-scale renewable infrastructure.

“A few years ago, this would have seemed ambitious. Today, it’s part of how we operate – and it’s lowering our cost base as we build it.

“Our strong first half performance has contributed to the Board declaring a fully franked interim dividend of A$0.62 per share, representing a 65 per cent payout of first half NPAT. This is consistent with our disciplined capital allocation framework and commitment to delivering shareholder returns."

Fortescue Growth and Energy Chief Executive Officer, Gus Pichot said “Across green metals, energy and technology, Fortescue continues to build a pipeline of projects to deliver the low-cost solutions the world needs. Commercial discipline has underpinned solid progress across our global growth portfolio this half, including for our critical minerals and exploration strategy.

“We expect to finalise shortly the acquisition of Alta Copper, strengthening our copper portfolio in Latin America. Subject to completion, our immediate focus will be on technical reviews, community engagement and advancing the studies required to inform future development decisions.

“In Gabon, our teams have also further advanced studies at the Belinga Iron Ore Project, and are progressing plans for an integrated mine, rail and port development.”

Operational and financial performance

- Strong supply chain performance contributed to iron ore shipments of 100.2Mt in H1 FY26, three per cent higher than H1 FY25 and the highest first half shipments in Fortescue’s history.
- Revenue of US$8.4 billion in H1 FY26 increased 10 per cent on H1 FY25 due to higher sales volumes and an increase in the Hematite realised price to US$91/dry metric tonne (dmt).
- Hematite C1 unit cost of US$18.64/wet metric tonne (wmt) in H1 FY26 was three per cent lower than H1 FY25 with a continued focus on operational efficiency and cost management.
- Underlying EBITDA of US$4.5 billion was 23 per cent higher than H1 FY25 with an Underlying EBITDA margin of 53 per cent (H1 FY25: US$3.6 billion, 48 per cent margin).
- Attributable NPAT of US$1.9 billion increased by 23 per cent compared to H1 FY25 (US$1.6 billion). EPS was US$0.62 (A$0.95).

Operations	H1 FY26	H1 FY25	Change (%)
Ore mined (Mt)	121.6	119.1	2
Ore processed (Mt)	100.7	99.1	2
Ore shipped (Mt)	100.2	97.1	3
Ore sold (Mt)	100.2	96.7	4
Hematite realised price (US$/dmt)	90.87	85.24	7
Hematite C1 unit cost (US$/wmt)	18.64	19.17	(3)

Volumes stated on a 100 per cent basis and in wet million tonnes. Timing differences may occur between shipments and sales as FMG Trading holds inventory at Chinese ports.

Earnings	H1 FY26	H1 FY25	Change (%)
Revenue (US$ million)	8,439	7,638	10
Underlying EBITDA (US$ million)	**4,486**	**3,641**	**23**
Underlying EBITDA margin (%)	53	48	5
NPAT (US$ million)	1,910	1,547	23
Attributable NPAT (US$ million)	**1,914**	**1,553**	**23**
Basic EPS (US cents)	62	51	23
Basic EPS (AUD cents)	95	76	24

Financial position

- Fortescue has a strong balance sheet with its debt structured on low cost, investment grade terms with no financial maintenance covenants.
- Cash balance was US$4.7 billion at 31 December 2025 and gross debt was US$5.8 billion, resulting in net debt of US$1.0 billion (30 June 2025: net debt US$1.1 billion). The FY25 final dividend of US$1.2 billion was paid during H1 FY26.
- Movements in gross debt during the half included the successful syndication of a low-cost Renminbi 14.2 billion Term Loan (approximately US$2 billion), prepayment of Fortescue's US dollar Term Loan Facility of US$959 million and repurchase of an aggregate US$750 million of principal across the 2030 and 2031 Senior Unsecured Notes.
- Fortescue's credit metrics remain strong with gross debt to last 12 months EBITDA of 0.7 times and gross gearing of 22 per cent as at 31 December 2025. This compares to Fortescue's credit metric thresholds of no more than 2.0 times debt to EBITDA and gross gearing of 40 per cent.
- Net cash flow from operating activities increased by 32 per cent to US$3.2 billion and free cash flow was US$1.5 billion, after investing US$1.7 billion in capital expenditure in H1 FY26.
- Total capital expenditure of US$1.7 billion including US$1.0 billion in sustaining and hub development, US$156 million on exploration and studies, US$54 million on other projects, US$426 million on decarbonisation and US$76 million in the Energy segment.

Financial position (US$ million)	31 December 2025	30 June 2025	Change (%)
Borrowings	5,150	4,835	7
Lease liabilities	606	604	0
Total debt	**5,756**	**5,439**	**6**
Cash and cash equivalents	4,743	4,328	10
Net debt	**1,013**	**1,111**	**(9)**
Equity	20,706	19,956	4
Cash flow (US$ million)	**H1 FY26**	**H1 FY25**	**Change (%)**
Net cash flow from operating activities	3,203	2,430	32
Capital expenditure	(1,667)	(1,792)	(7)
Net cash flow from investing activities	(1,659)	(1,769)	(6)
Free cash flow	**1,544**	**661**	**134**

Dividend

- The Board has declared a fully franked interim dividend of A$0.62 per share. The ex-dividend date is 2 March 2026, and the dividend will be paid to shareholders on 30 March 2026.
- The interim dividend is 24 per cent higher than the FY25 interim dividend and represents a 65 per cent payout of H1 FY26 NPAT. This is consistent with Fortescue's dividend policy to payout 50 to 80 per cent of full year Underlying NPAT.

Dividend summary	H1 FY26	H1 FY25	Change (%)
Attributable NPAT (US$ million)	1,914	1,553	23
Basic EPS (US cents)	62	51	23
Basic EPS (AUD cents)	95	76	24
Interim dividend (AUD cents)	**62**	**50**	**24**
Dividend payout ratio (%)	65	65	-

Decarbonisation

- Fortescue Zero's focus on research and development continues to support the decarbonisation of Fortescue's operations and deliver solutions for other heavy emitters.
- Continued implementation of Fortescue's decarbonisation plan to achieve Real Zero during the half, with delivery of the first large-scale BESS to North Star Junction, while construction of the Cloudbreak solar farm is now around two thirds complete.
- Commenced construction of the 133MW Nullagine Wind Project which will incorporate Nabrawind's self-elevating tower technology.
- Further progress on the deployment of electric mobile equipment with the electric excavator and shovel fleet expanding to 12 and two 14.5MWh battery electric locomotives delivered to site for integration with Fortescue's rail operations.
- Rollout of the first electric wheel loader and wheel dozer from XCMG, with the partnership recently expanded to include the supply of battery electric haul trucks.
- Announced partnerships with BYD, LONGi and Envision Energy to accelerate the deployment of electrification, solar, wind and energy storage technologies, critical to achieve Real Zero.

Growth and Energy

- Fortescue continues to strengthen its global footprint through a diversified portfolio of metals, critical minerals, energy and technology projects, supporting long-term value creation through disciplined growth and the global energy transition.
- Fortescue and Alta Copper Corp. have progressed a binding agreement under which Fortescue proposes to acquire the remaining 64 per cent of Alta Copper's issued and outstanding common shares not already owned through a Canadian Plan of Arrangement.
- Ongoing exploration across the Pilbara at Mindy South, Nyidinghu, Wyloo North and Blacksmith is supporting resource growth and increasing development optionality.
- Exploration and study activities continue to advance at the Belinga Iron Ore Project. Planning continues for the delivery of an integrated mine, rail and port solution for the Project.
- Exploration activity within Fortescue's critical minerals portfolio continued in Argentina, Australia, Canada and Kazakhstan.
- Fortescue is maintaining a pipeline of green energy and technology projects and continues to assess project viability and timing in line with evolving customer demand, regulatory settings and its disciplined capital allocation framework.

FY26 guidance

- Iron ore shipments of 195 - 205Mt, including 10 - 12Mt for Iron Bridge (100 per cent basis).
- C1 unit cost for Hematite of US$17.50 - US$18.50/wmt.
- Metals capital expenditure of US$3.3 - US$4.0 billion.
- Energy capital expenditure of approximately US$300 million and net operating expenditure of approximately US$400 million.

Guidance is based on an assumed FY26 average exchange rate of AUD:USD 0.65.

This announcement was authorised for lodgement by the Company Secretary.

Contacts

Media contact:
Fortescue Media
E: media@fortescue.com
P: 1800 134 442

Investor Relations contact:
Grant Moriarty
E: investors@fortescue.com
P: +61 8 9230 1647

Appendix

Earnings reconciliation (US$ million)	H1 FY26	H1 FY25	Change (%)
Operating sales revenue	8,439	7,638	10
Cost of sales excluding depreciation and amortisation	(3,541)	(3,389)	4
Net foreign exchange loss	(52)	(21)	148
Administration expenses	(229)	(233)	(2)
Research expenses	(175)	(279)	(37)
Other income/(expense)	47	(62)	(176)
Share of loss from equity accounted investments	(3)	(13)	(77)
Underlying EBITDA	**4,486**	**3,641**	**23**
Finance income	86	103	(17)
Finance expenses	(183)	(200)	(9)
Depreciation and amortisation	(1,450)	(1,216)	19
Exploration, development and other expenses	(131)	(40)	228
Net profit before tax	**2,808**	**2,288**	**23**
Income tax expense	(898)	(741)	21
Net profit after tax	**1,910**	**1,547**	**23**
- Attributable to equity holders	**1,914**	**1,553**	**23**
- Attributable to non-controlling interest	(4)	(6)	(33)

Reconciliation of Underlying EBITDA and NPAT under the Australian Accounting Standards.
Underlying EBITDA is earnings before interest, tax, depreciation and amortisation, exploration, development and other expenses.