FMG Fortescue

ASX Release

31 May 2021

The Companies Officer
Australian Securities Exchange Ltd
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

Dear Madam or Sir

PRESENTATION – AUSTRALIAN SHAREHOLDERS' ASSOCIATION INVESTOR CONFERENCE

Fortescue Metals Group Ltd (ASX: FMG) advises that Elizabeth Gaines, Chief Executive Officer, is presenting at the Australian Shareholders' Association Investor Conference 2021 on Monday, 31 May 2021. A copy of the presentation is attached.

Yours sincerely
Fortescue Metals Group Ltd

Authorised by
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Company Secretary

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Fortescue

ASA Investor Conference

Elizabeth Gaines, CEO
31 May 2021

Thriving communities | Global force

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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.

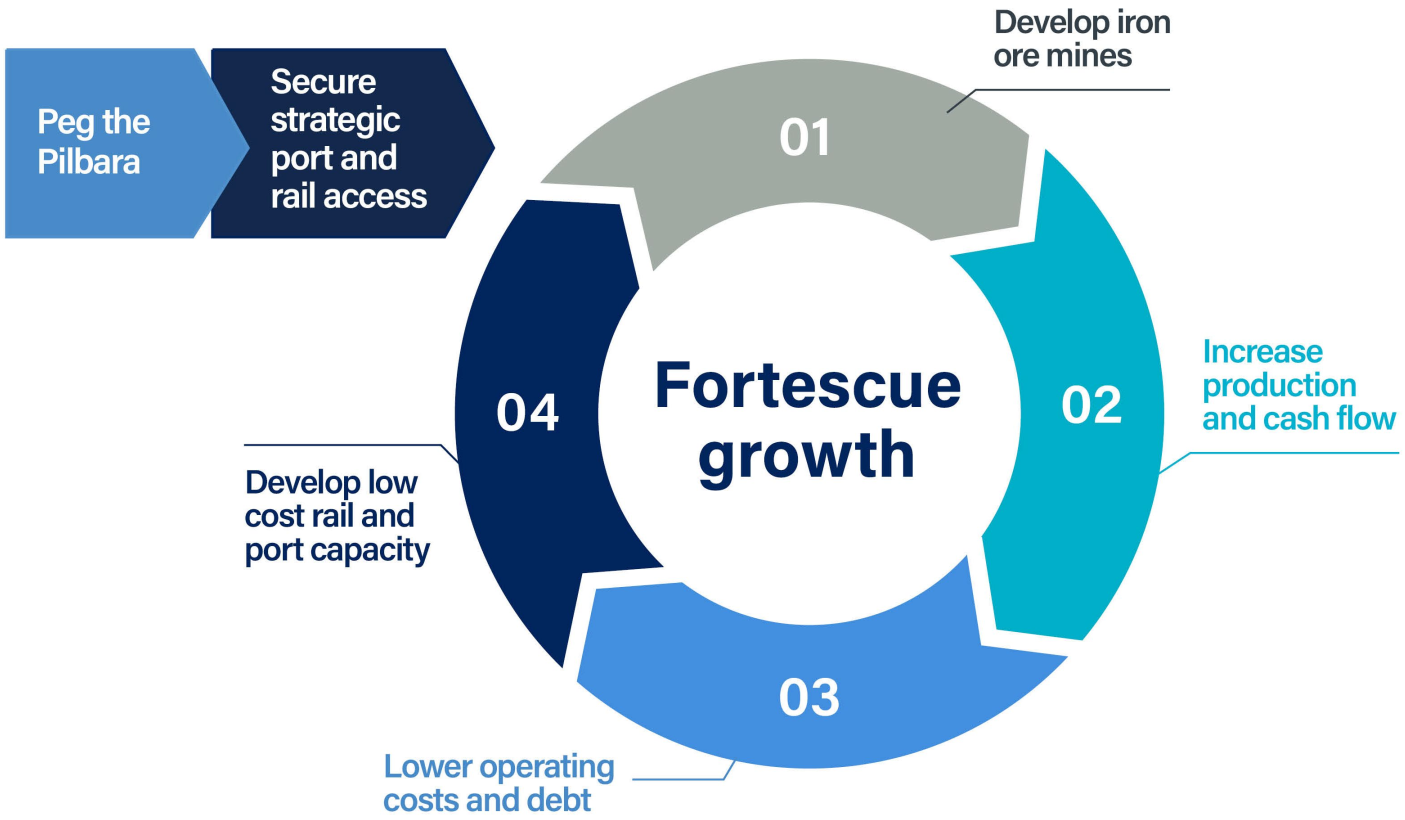
Additional Information

This presentation should be read in conjunction with the Annual Report at 30 June 2020 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 21 August 2020. 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.

FMG Fortescue

Fortescue Flywheel

Rapidly evolving into a resources and renewable energy company



Integrated mine to market infrastructure

>1.5 bn
tonnes shipped since first shipment in 2008

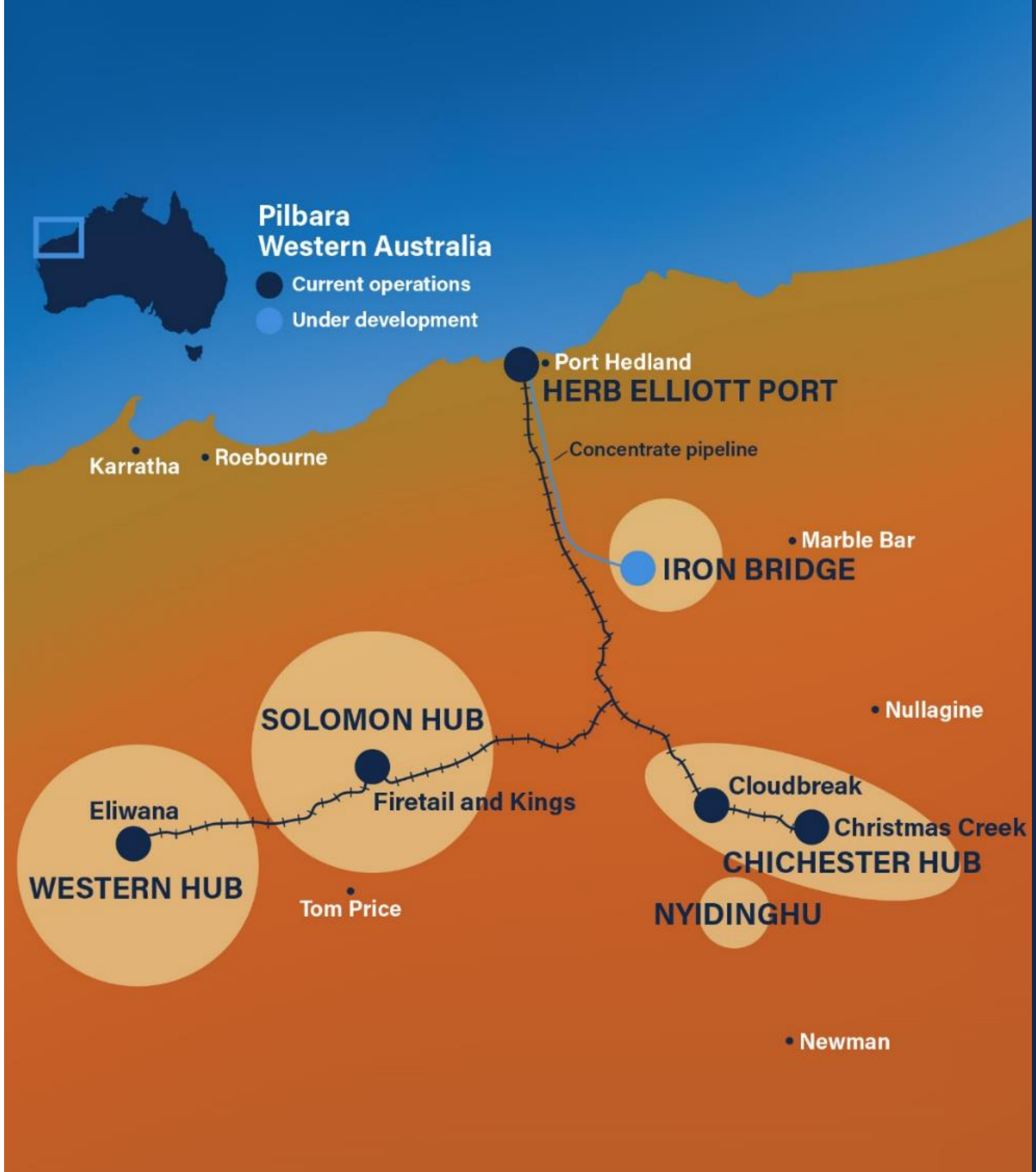
178-182 mtpa
shipping rate

3 mining hubs
One under development

5 berths
Herb Elliott Port

8 ore carriers
260,000t capacity each, supported by innovative tug fleet

>760 km
Fastest, heavy haul railway



FMG Fortescue

Safety and unique culture

Unwavering focus on health and safety of the Fortescue family

Values and culture

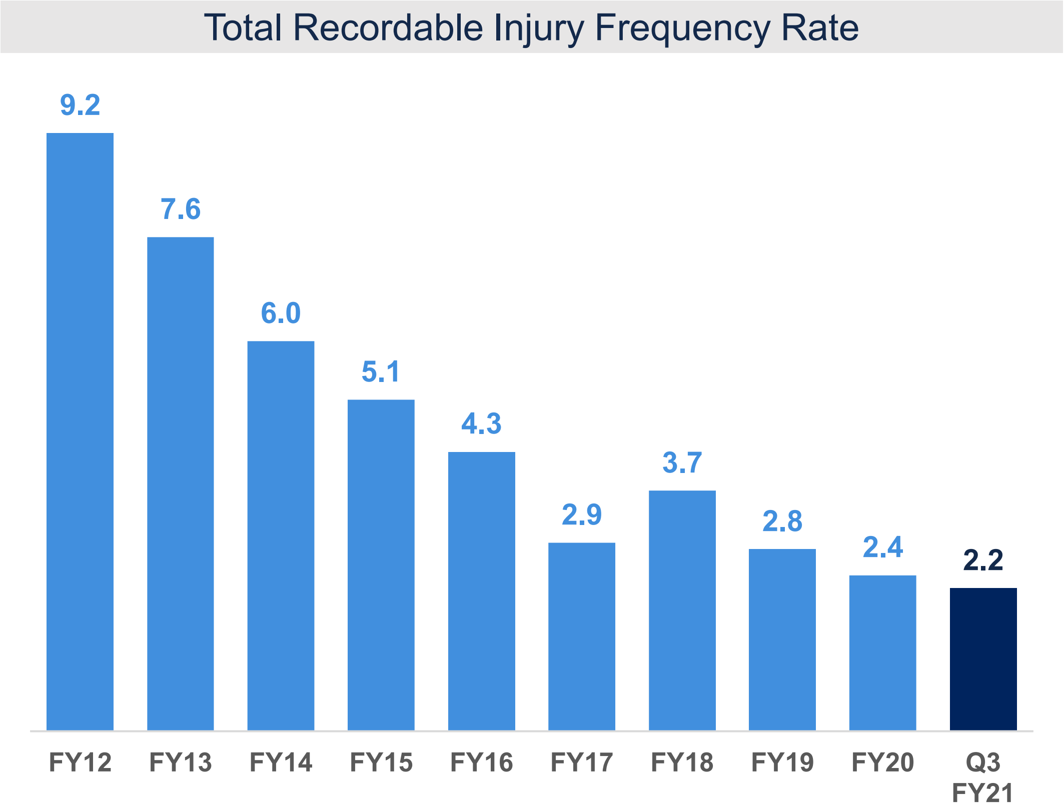
Empowering all team members to take control and look out for their mates

Led by leaders

Setting up their teams for success

Journey to zero harm

Improving our safety performance through planning and reducing workplace exposures



Fortescue

March 2021 quarter highlights

2.2 TRIFR

8% improvement from 2.4 at 30 June 2020

US$143/dmt

Average revenue, 86% of 62% Fe index

42.3 mt shipped

In line with Q3 FY20

US$14.90/wmt

C1 cost US$13.45/wmt YTD

US$1.5bn

Issue of Unsecured Senior Notes to refinance debt

US$1.0bn

Net debt

Fortescue

H1 FY21 highlights

US $9.3bn

Revenue

US $6.6bn

Underlying EBITDA at a 71% margin

US $4.1bn

Net profit after tax

US $4.4bn

Net operating cashflow

US $1.33

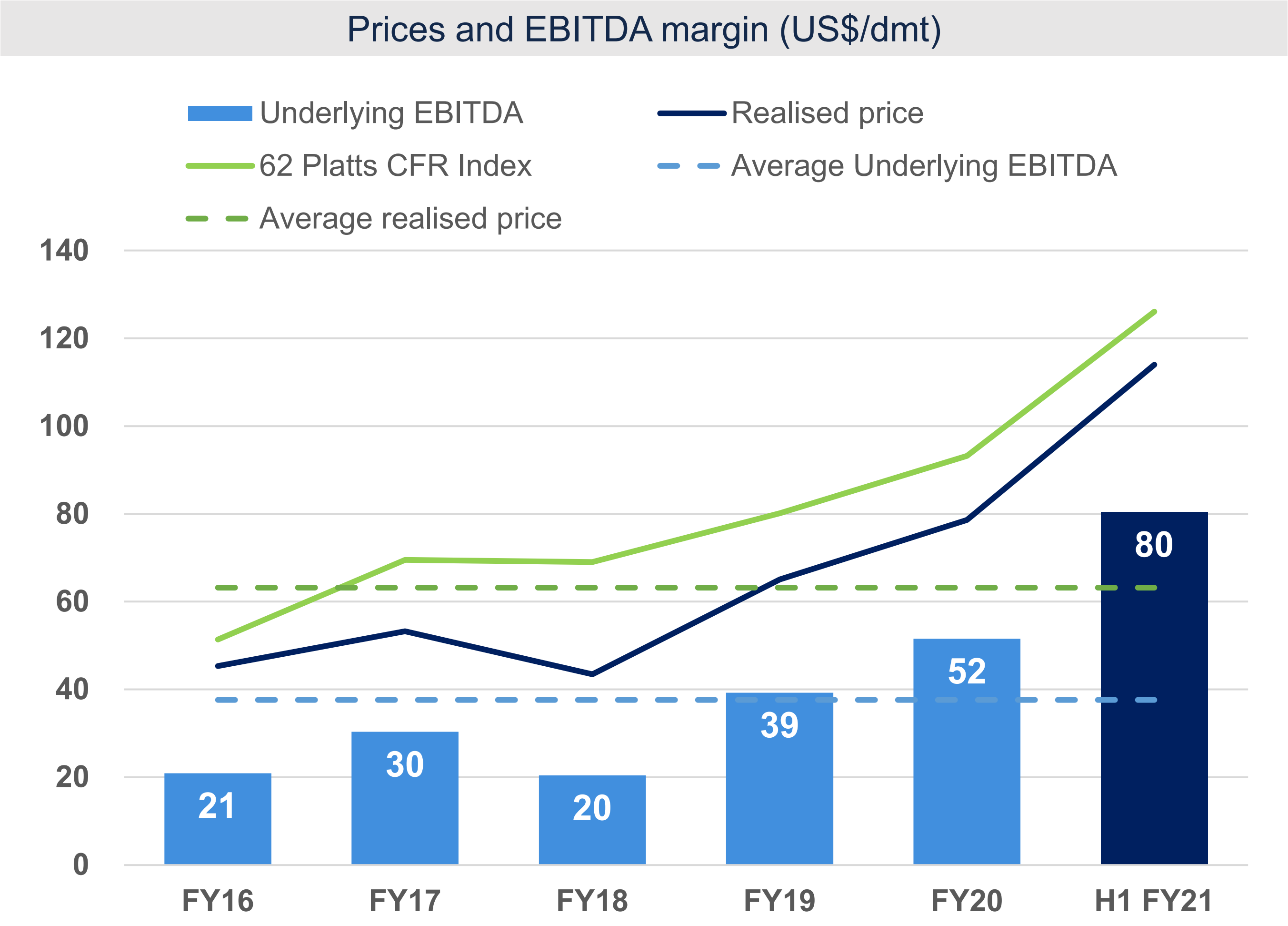
Earnings per share (A$1.84)

A $1.47

Interim dividend, payout ratio of 80%

Focus on margins

Generating strong margins through the cycle



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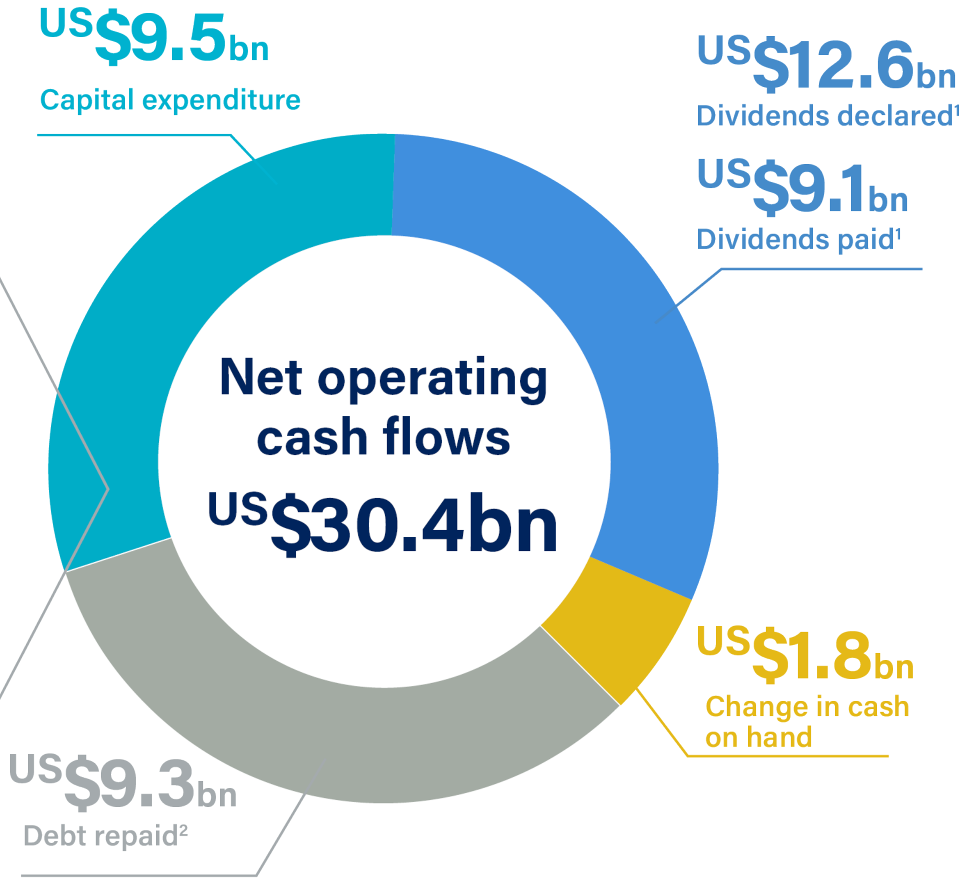
Disciplined capital allocation

Aggregate earnings and cashflows FY14 – H1 FY21

US$40.3bn EBITDA
@ 54% margin

US$19.0bn NPAT
26% ROCE



[1] Includes share buyback, as at 18 February 2021
[2] From peak debt of US$12.7 billion at 30 June 2013, including lease payments

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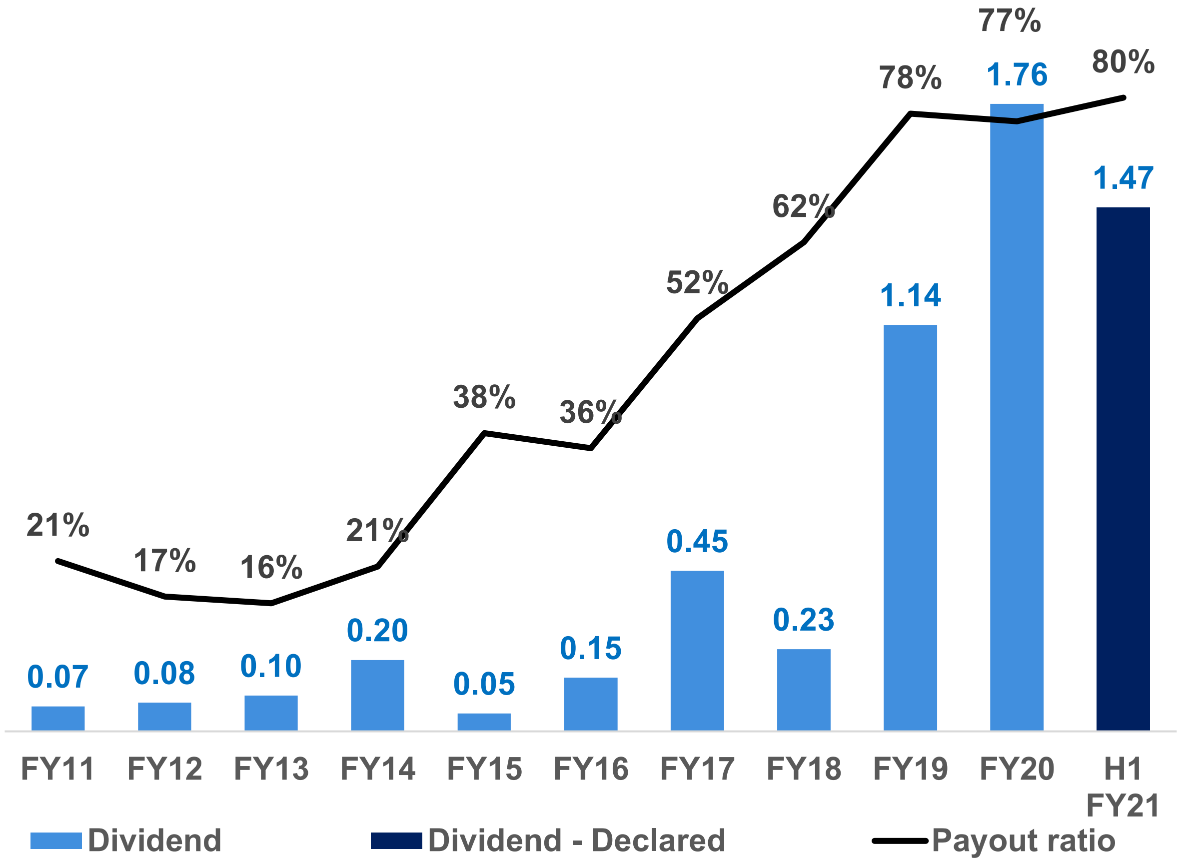
Capital returns a priority

Targeting the top end of the dividend policy to payout 50-80 per cent of full year net profit after tax

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



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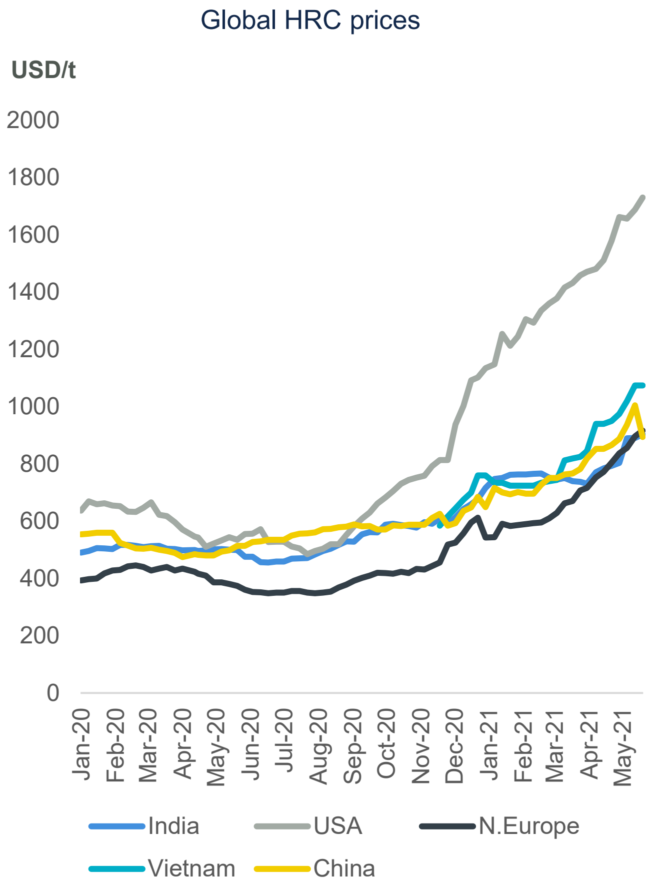
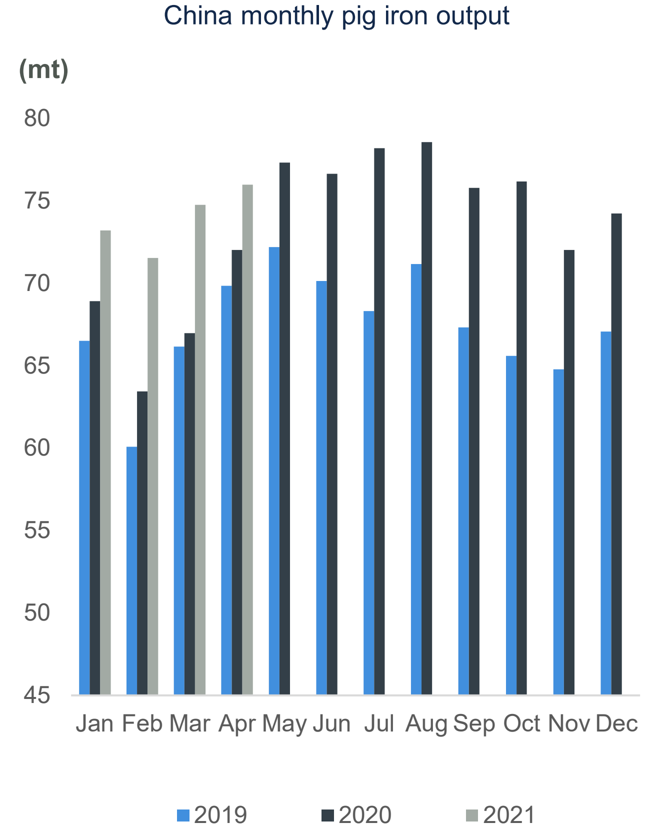
Global steel demand recovers

Resulting in higher steel prices and incentivising crude steel production



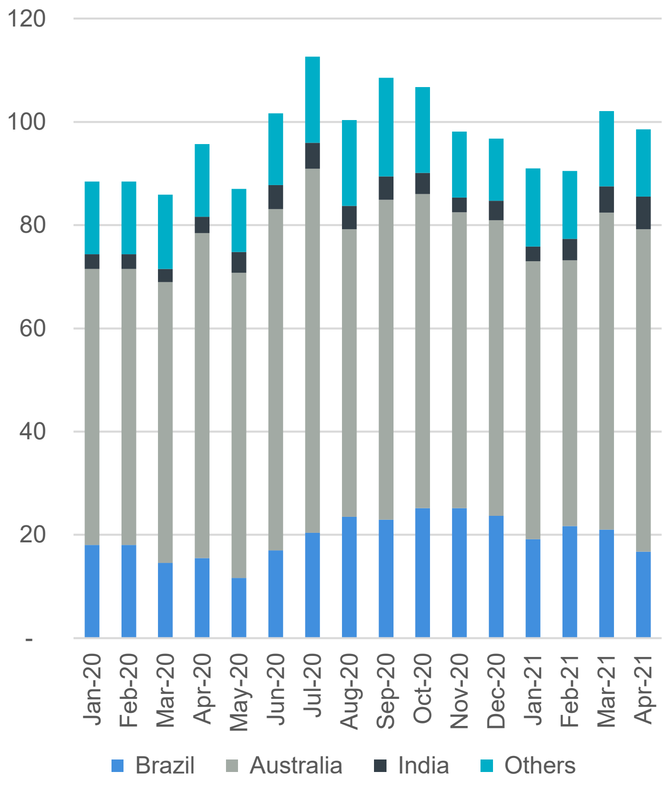


Source: Metal Bulletin, World Steel Association, China NBS

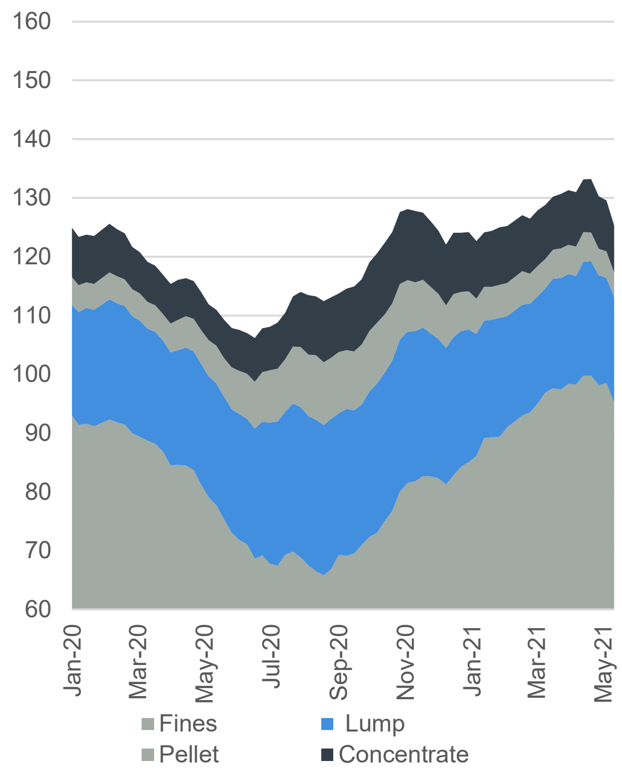
Robust demand for iron ore

Declining port stocks supported by steel destocking and crude steel production rates

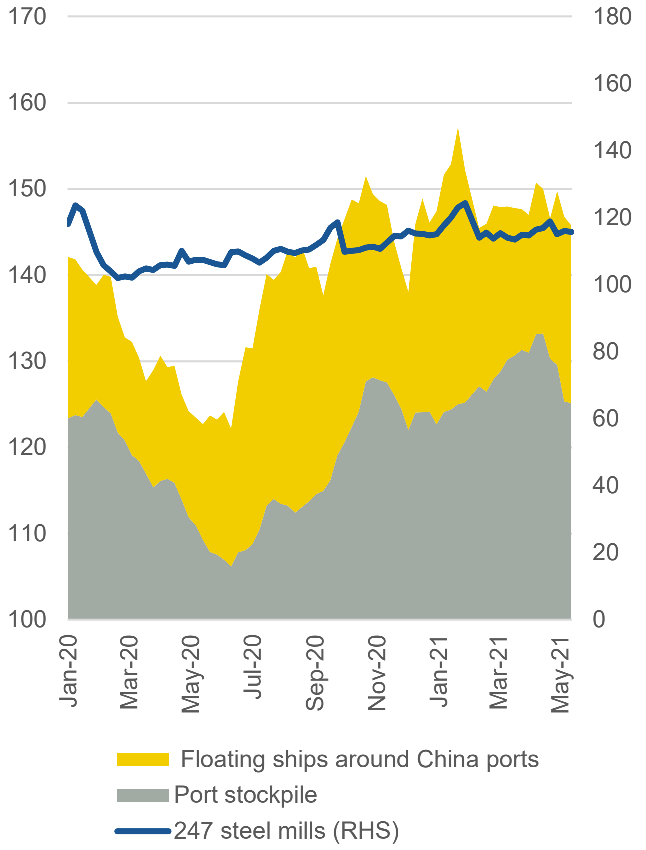
China monthly iron ore imports by origins (mt)



China port stocks by products (mt)



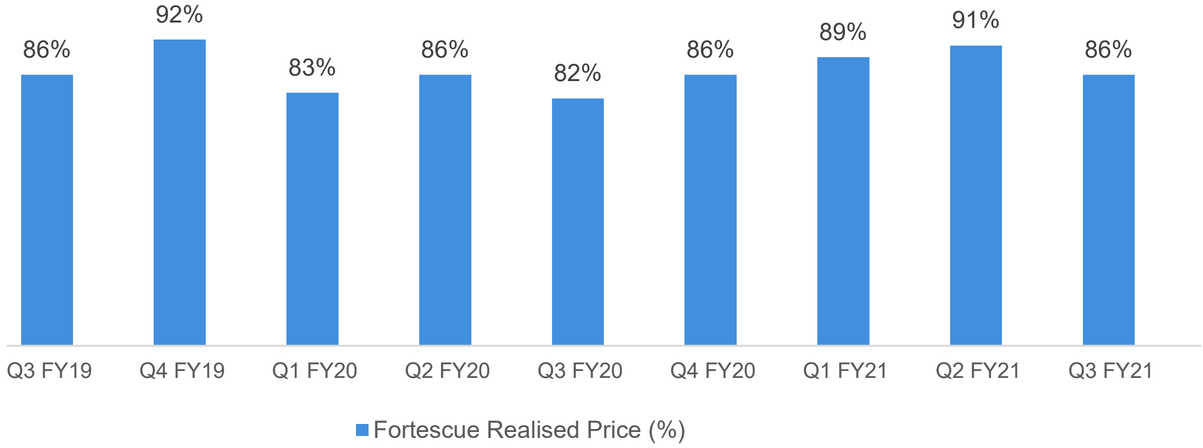
China import iron ore inventory (mt)



Source: China Custom, Mysteel, 45 Ports China

Strong realisations

Fortescue's Q3 average realised price US$143/dmt, 86% of the Platts 62% CFR index



Source: Platts, Mysteel, Fortescue Analysis

Multifaceted relationship with China

China produces more than half of global steel[1]

Supplier

First shipment to China in 2008

Procurement

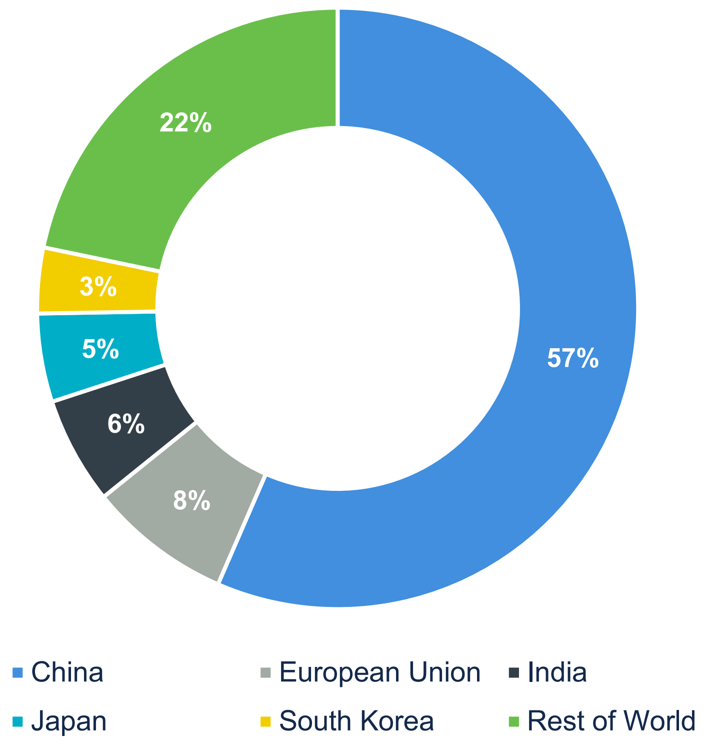
Over US$1 billion procurement from China

Investment and funding

Significant shareholder, banking relationships

Academic, policy and social engagement

Share of world crude steel production[1]



[1]Source: World Steel Association (Four months ending 30 April 2021)

Iron Bridge Magnetite Project

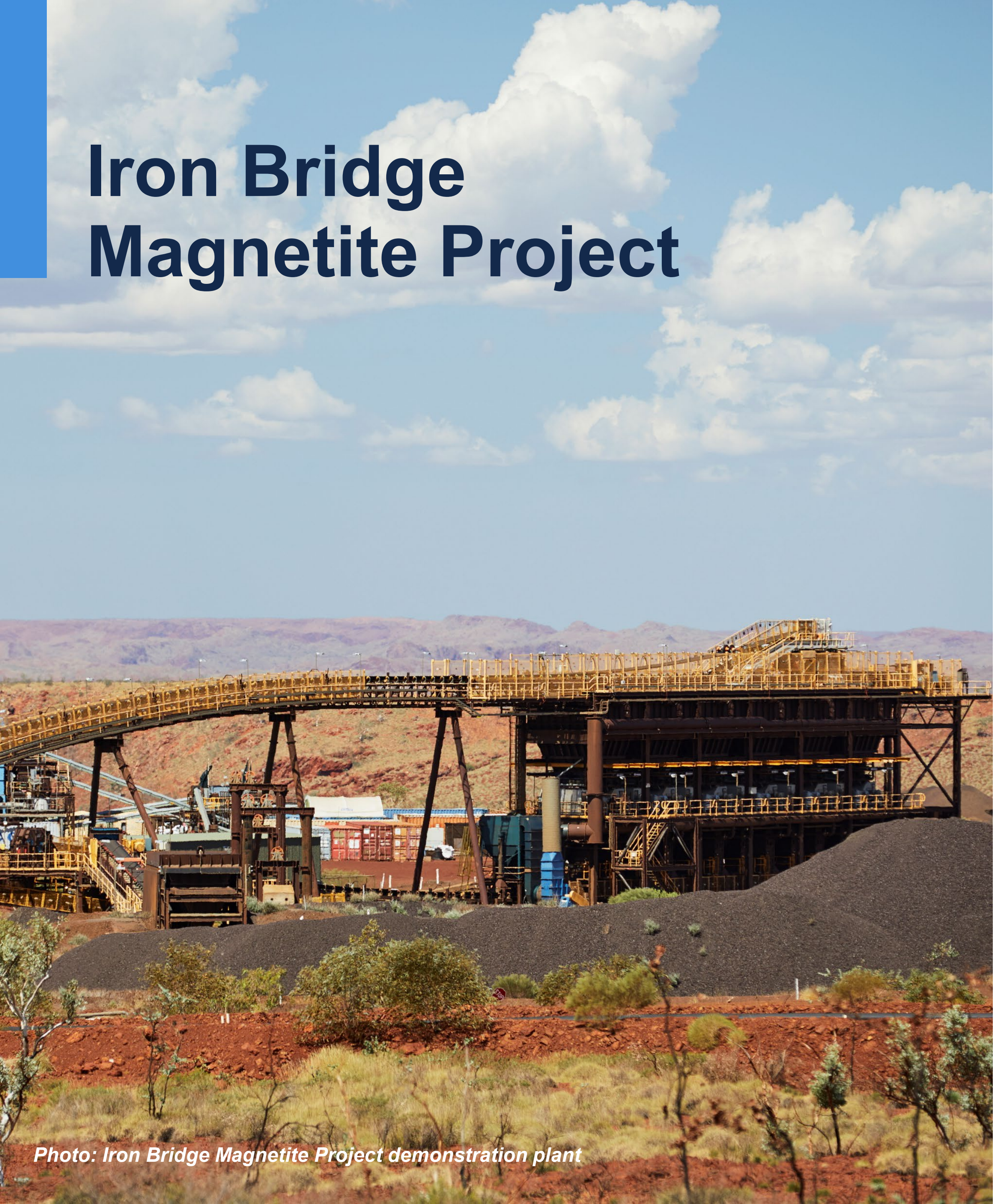


Photo: Iron Bridge Magnetite Project demonstration plant

Completion of 12-week technical and commercial assessment in May 2021

US$3.3 – US$3.5bn

Capital estimate

67% Fe

High grade magnetite concentrate product

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22 mpta

First production by December 2022

US$33 – US$38/wmt

Competitive C1 cost

Approach to Sustainability

We are a global force, committed to empowering thriving communities

Setting high standards

- Employee health and safety
- Economic contribution
- Workforce diversity
- Protecting Aboriginal heritage
- Ethical business conduct

Safeguarding the environment

- Climate change action and disclosure
- Protecting biodiversity and water resources
- Tailings management

Creating positive social change

- Creating employment and business opportunities for Aboriginal people
- Building sustainable communities
- Human rights

Fortescue

Protecting Aboriginal heritage

Detailed processes for engagement and heritage management

Seven agreements
with Native Title Groups

Heritage avoidance
Primary objective

~6,000 heritage sites
Protected and avoided

2.7 million ha of land
Ethnographically surveyed

FMG Fortescue

Creating positive social change

Building thriving communities and empowering Aboriginal people through training, employment and business development

900 jobs

to Aboriginal people via VTEC since 2006

Fortescue's Trade Up

Providing an accredited pathway to a trade qualification

Billion Opportunities

A$3 billion in contracts to Aboriginal businesses and joint ventures since 2011

FMG Fortescue

Joining the battle against climate change

An ambitious, industry leading emissions reduction target

Carbon neutrality
by 2030

Decarbonisation pathway
Energy infrastructure to increase use of renewables

Technology and innovation
Hydrogen and battery electric solutions

Fortescue Future Industries
Harness world’s renewable energy sources to produce green hydrogen

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Pathway to decarbonisation

Underpinned by practical initiatives that will deliver goals in an economically sustainable manner

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Chichester solar gas hybrid project

- US$100 million investment by Alinta Energy
- 60MW of solar generation
- 60km transmission line linking Chichester operations with Alinta Energy's Newman gas-fired power station
- 35MW battery facility
- Displaces 100 million litres of diesel

Pilbara Energy Connect

- Australia's largest remote renewable energy network
- US$250 million Pilbara Transmission Project
- 275km of high voltage transmission lines
- US$450 million Pilbara Generation Project
- 150MW of gas fired generation, 150MW of solar PV and large-scale battery storage

Green fleet

- A$32m Christmas Creek green hydrogen mobility project
- Testing large battery technology in haul trucks
- Trialling hydrogen fuel cell power in drill rigs
- Trialling technology on locomotives to run on green ammonia
- Developing ship design powered by green ammonia

Renewable energy driving new green industries

Global leader

Driving the green energy and product industry to transition away from fossil fuels

Developing

Renewable energy and green industry opportunities globally

Funding

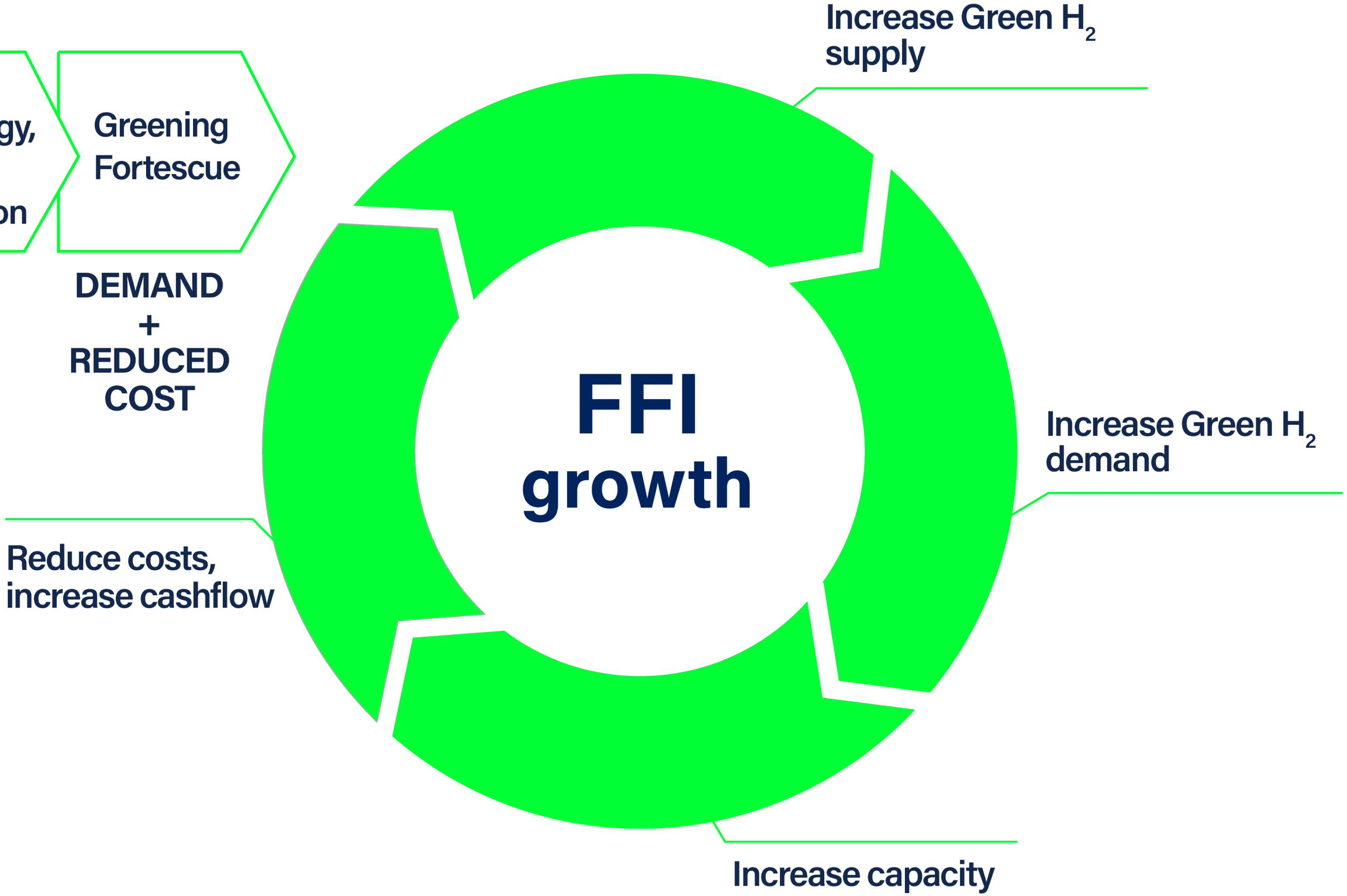
Allocating 10% of net profit after tax to FFI, project finance sources separately secured without recourse to Fortescue

Fortescue Future Industries Flywheel

Secure best global renewable assets → Scale technology, start production → Greening Fortescue

SUPPLY

DEMAND + REDUCED COST



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FY21 guidance

178 – 182 mt

Iron ore shipments

US$13.50 – US$14.00/wmt

C1 cost based on assumed exchange rate of AUD:USD 0.75

US$3.5 – US$3.7 billion

Capital expenditure

Fortescue

Our strategic focus

Underpinned by operational excellence and balance sheet strength

✓ Sustainability
Ensuring communities benefit from Fortescue's success

✓ Optimising
Returns and growth from our operations

✓ Diversifying
Commodities that support decarbonisation

✓ Pursuing
Green energy opportunities locally and internationally

FMG Fortescue

Our Purpose

Thriving communities | Global force

Fortescue's Values

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

FMG Fortescue

www.fmgl.com.au

FortescueNews