Financial results for the year ended 30 June 2023

Presentation & speech

22 August 2023
Hello and thank you for joining us to hear about BHP’s results for the 2023 financial year. I’m joined today by our Chief Financial Officer, David Lamont.
Disclaimer

The information in this presentation is current as at 22 August 2023. It is in summary form and is not necessarily complete. It should be read together with the BHP Results for the full year ended 30 June 2023.

Forward-looking statements

This presentation contains forward-looking statements, which involve risks and uncertainties. Forward-looking statements include statements other than statements of historical or present facts, including statements regarding: trends in commodity prices and currency exchange rates; demand for commodities; global market conditions; policies; reserves and resources and production from new and existing operations; plans, strategies and objectives of management; our expectations, intentions, targets, plans and objectives with respect to the growth and sustainability; climate change; approval of certain projects and consumption of certain key factors; reserves; development, acquisition, integration of certain assets; operations and facilities (including associated costs or benefits); anticipated production or construction commencement dates; capital expenditures or costs and scheduling; operating costs, and status of sites and related equipment, including associated costs or benefits; and other matters. Forward-looking statements are often identified by words such as “believe”, “expect”, “assume”, “target”, “plan”, “estimate”, “forecast”, “guidance”, “outlook”, “future” or similar words. These statements discuss future expectations or performance, or provide other forward-looking information.

The forward-looking statements are based on management’s expectations and other judgments, assumptions, estimates and other information available at the date made. BHP cautions against reliance on the forward-looking statements as guidance.

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Presentation of data

Unless specifically otherwise indicated, all data provided in this presentation is based on historical and current trends and recent actual results and is not necessarily indicative of future performance. Actual future performance may differ from historical trends and actual results. Certain forecasts and other predictions provided in this presentation are based on a number of assumptions, and management’s best judgment, and are by their nature subject to a degree of uncertainty. Actual results will differ from these forecasts.

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Financial results

22 August 2023
This year our results have again proven that our focused strategy creates lasting value, through the cycle.
But before we talk about our performance and the outlook for our business, I do want to acknowledge the tragic deaths of two of our colleagues during the year.

Safety is our top priority and fundamental to our success. And we remain resolute in our commitment to eliminating fatalities and serious injuries at BHP.

We have delivered a strong set of results, against a backdrop of economic uncertainty. The ability to deliver in any environment is the hallmark of a high-performing company. And we continue to do so.

We met our production guidance across each of our commodities, and achieved record annual production at Western Australia Iron Ore, Olympic Dam and Spence. And our unwavering focus on costs means we continue to manage inflation well – particularly compared to our competitors.

Our disciplined performance has delivered earnings\(^1\) of over US$13 billion, and enabled us to announce a full year dividend of 170 US cents per share. That’s US$8.6 billion that flows back to all of our investors – including the 17 million or so Australians (or two thirds of the population) who are direct or indirect investors in BHP – and brings our total ordinary dividends to shareholders over three years to more than US$40 billion.

We also contribute significantly to the economies in which we operate. This year our total economic contribution was US$54 billion\(^2\). And this includes almost US$14 billion paid to governments – US$12 billion of which was paid in Australia.

We’ve continued to expand and execute on our suite of growth options. We’ve progressed projects; advanced studies; invested in technology, innovation and early stage options; explored new regions; and of course, acquired OZ Minerals, which we’re integrating with Olympic Dam to create a new copper province\(^3\) in South Australia.

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1. Underlying attributable profit.
2. This includes contribution to suppliers, wages and benefits for employees, dividends, taxes, royalties and voluntary social investment. For more information refer to the Economic Contribution Report 2023, available at bhp.com.
3. Combining Olympic Dam, Carrapateena, Prominent Hill and Oak Dam, will create a new copper province for BHP in South Australia.
The creation of shareholder value goes hand in hand with the creation of social value... our positive contribution to society and development of relationships of mutual value with our partners and stakeholders. Social value is fundamental to our success and our future competitiveness, so it is deeply interwoven into our strategic thinking and day-to-day actions.

We’ve made good progress against the social value metrics we announced in 2022 as we continue to build an inclusive, high-performance culture and a more sustainable business.

We further reduced our operational emissions by 11 per cent from last year. And, while future progress won’t be smooth or linear, particularly as we also look to grow our business, we remain on track to achieve our 2030 target.

Our relationships with the Indigenous peoples on whose traditional lands we operate are critical to our business. This year we spent over US$330 million with Indigenous suppliers globally, more than double last year’s figure. In Australia, we also achieved the ‘Elevate’ designation for our latest Reconciliation Action Plan, which we co-created with Traditional Owners and speaks to the way we embed initiatives that include, support and empower Indigenous people.

Jobs in the mines of the future are changing – safer, more high-tech, more automated. In the competition for the best talent, BHP must be an attractive place to work for everybody. We advanced female employee representation to more than 35 per cent⁴ – that’s more than double since we announced our ambition to achieve global gender balance by 2025⁵.

So with that, I’ll now hand over to David to take you through our financial results.

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5. In CY16, we announced our aspiration to achieve gender balance within our employee workforce globally by the end of FY25, which we define as a minimum 40 per cent women and 40 per cent men in line with the definition used by entities such as the International Labour Organization.
Thanks, Mike.
We delivered another strong set of results, despite lower prices and continued inflationary pressures.

Our EBITDA margin, at 54 per cent, and return on capital employed, at 29 per cent, reflects the quality of our assets, and reliable operating performance.

Underlying attributable profit decreased by US$7.9 billion\(^6\) to US$13.4 billion. Taxes and royalties amounted to US$10.6 billion, which reflects an effective tax rate\(^7\) of 41.3 per cent.

Ensuring shareholders continue to benefit from our consistent and reliable performance, we’ve announced a final dividend of 80 US cents per share, fully franked, which equates to US$4 billion.

During the year, we spent US$7.1 billion on capital and exploration expenditure – an increase of 16 per cent\(^8\) year-on-year.

And net debt finished at US$11.2 billion, including US$7 billion related to the acquisition of OZ Minerals. In the near term, we expect to stay at the upper end of our US$5 to US$15 billion target range, as we ramp up spend on growth.

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6. Continuing operations.
7. Adjusted effective tax rate.
8. Continuing operations.
The biggest driver of the year-on-year decline in earnings was lower commodity prices. Iron ore and copper, our two largest segments, saw prices down 18 per cent, and 12 per cent, respectively, compared to last year. Metallurgical coal prices declined 22 per cent.

Usually, the impact of lower prices would be partly offset by lower royalties. But in Queensland, royalties increased as we paid an additional US$700 million under the new royalty regime.

We also continue to see the effects of inflation, which had a negative US$1.7 billion impact, and equates to an effective rate of around 10 per cent. The favourable impacts of the weaker Australian dollar and Chilean peso against the US dollar were only a partial offset to inflation.

Beyond these external pressures, we delivered well against the areas within our control.

Production was up three per cent in copper equivalent terms, and delivered an increase of US$1.5 billion. And on the cost front, we continued to perform well, meeting unit cost guidance for the majority of our assets. The US$1.4 billion increase in controllable cash costs is primarily due to unfavourable timing impacts of inventory movements.

The US$1.1 billion in the ‘Other’ category largely reflects one-off costs of US$400 million in relation to the OZ Minerals acquisition, and employee allowances and entitlements. As well as the US$400 million accounting impact due to movements in the freight index on some of our freight contracts – specifically continuous voyage charters.

Attributable profit declined 37 per cent and is lower than our EBITDA due to depreciation, interest associated with maintaining a healthy capital structure, substantial taxes and then backing out amounts relating to non-controlling interests – notably, Escondida and Jimblebar.

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9. Underlying attributable profit; continuing operations.
Our operations are performing well. We continue to produce strong margins and a consistently high baseline of cash flow.

Over the past decade, we have delivered average margins of 55 per cent – significantly ahead of our nearest competitors – and generated average net operating cash flows of US$20 billion per year.

This stability is a hallmark for us and demonstrates the quality of our portfolio and the consistency of our returns, despite volatility in the sector.
This strong performance is seen around the business.

Iron Ore continued to perform incredibly well, with an EBITDA margin of 67 per cent, underpinned by record production volumes at Western Australia Iron Ore, strong price realisations relative to benchmark, and the lowest costs of the major producers – with C1 costs of US$15.86 per tonne, up only five per cent.

In Copper, our margin remains healthy at 47 per cent. Escondida’s production increased five per cent year-on-year, and while unit costs increased 17 per cent, this was a solid outcome in the context of what our competitors are experiencing. This reflects Chilean inflation of around 12 per cent, as well as above-inflation price increases for diesel and explosives.

We achieved record production at Spence, following higher concentrator throughput, and at Olympic Dam, as a result of continued strong concentrator and smelter performance.

BMA finished the year in a strong position – offsetting the impact of significant wet weather during the first three quarters with strong underlying operational performance. Continued improvement in truck productivity following further transitions to the autonomous fleet, was a key driver.

In Nickel, our margin was lower year-on-year as we purchased additional higher-cost third party concentrate to compensate for ore supply issues and drew down on inventory.

New South Wales Energy Coal achieved a strong EBITDA margin of 56 per cent. We continue to manage this asset for value as we transition towards ceasing mining in 2030.

And at Jansen, Stage 1 is now 26 per cent complete, and remains on budget and ahead of its original schedule.

Our ongoing focus on productivity and costs allowed us to manage external pressures well, delivering a strong performance operationally and on the cost front.
Now, turning to capital expenditure.

We are increasing our spend as we look to unlock productivity, decarbonise our assets, and deliver growth in future-facing commodities.

Incorporating the OZ Minerals assets, we expect to spend around US$10 billion on capital and exploration in the 2024 and 2025 financial years. The majority of this will go towards improvement and growth, as we progress Jansen, Copper South Australia projects and growth in the Pilbara. As we’ve said, we’re not spending any growth capital at BMA, as these projects are uncompetitive following the Queensland Government’s decision to raise royalty rates to the highest maximum rate on coal in the world.

As we look to the medium term, we expect spend to increase to around US$11 billion per year. An increasing proportion of this – around 70 per cent – will go towards future-facing commodities. This includes continued spend on Jansen Stage 1 and potentially Stage 2, growth in our Chilean and Australian copper operations, and nickel.

However, as always, this is not set in stone. We remain flexible and will only spend capital where we see compelling value.

With that, I’ll now hand back to Mike for an update on the business.

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10. Operated assets.
Thanks, David.

I’d like now to explain our outlook for the commodities we produce, and what we’re doing to grow value.

In the near term, we expect the economic environment to remain uncertain.

Anti-inflationary policies have slowed demand in the developed world. And while China and India have been a source of relative stability for commodities demand over the last six months as expected, momentum in China has slowed.

The July Politburo meeting set a positive, pro-growth tone. However, it remains uncertain how quickly and effectively these policies will be implemented. If policy is implemented well, 2023 should end with solid momentum moving into 2024. If not, growth will continue to disappoint.

However, it is worth recognising what’s going well in China. Low-carbon technology sectors are booming, infrastructure investment is strong, housing completions are growing 19 per cent year-on-year, and autos and consumer durable sales are healthy.

As a result of all of this, we’ve revised our 2023 forecasts for Chinese steel expectations down, but our copper projections up.
While there is uncertainty in the short term, the long term outlook remains positive.

Traditional demand drivers are an undeniable force. Population growth, ongoing urbanisation and industrialisation, and rising living standards are expected to result in a global economy that is two and a half times larger by 2050.

The energy transition is expected to further amplify demand. Not only due to the massive investment required in decarbonisation infrastructure, but also due to potential climate-related physical impacts which may drive more frequent replacement of capital stock, and more investment in defensive measures to mitigate these risks.

Cost differentiation is expected to become even more pronounced. General inflation and labour are expected to put upwards pressure on costs, particularly for companies that are less-efficient. The costs of decarbonisation are also expected to be inflationary, and will disproportionately impact companies with higher emissions intensity. As such, while the marginal cost of mining production is now clearly higher than in the past, in the medium term there are signs that it could go higher still once the after-effects of the pandemic and the ongoing Ukraine conflict unwind. That means lower-cost operators like BHP stand to capture higher relative margins in certain commodities.

Combined with the challenges of bringing on new supply – for example, due to grade decline headwinds, a lack of economic discoveries, permitting challenges, and local stakeholder opposition – this creates an environment in which companies like BHP can thrive.

This year marked an inflection point in the resources sector. My sense is that the business and political circles are beginning to grasp the scale of the challenges the world faces in securing the metals and minerals needed for global growth and the energy transition, as well as the opportunities those challenges present for nations, communities and companies.

BHP’s strategy, commitment to social value, and the deliberate shaping of our portfolio, means we are well positioned to benefit from these trends.
So how do we seize on this opportunity?

First and foremost, increasing productivity from existing assets is our most valuable lever. And this requires an ongoing focus on optimisation and efficiency – through the way we operate our assets, the way we embrace innovation, and our culture of continuous improvement – to ensure we make the most of what we already have.

Our cathodes team at Escondida exemplifies this. Their systematic approach to continuous improvement, has delivered a substantial improvement in performance and they were recently awarded the prestigious Shingo prize for operational excellence.

Our strategy is focused on owning assets in attractive commodities, that are large, long-life, low-cost, and with options to expand. The larger the ore body, the larger the potential opportunity they present for organic growth – not just in the short term, but over decades.

Western Australia Iron Ore is a prime example of this. It’s an asset that was operating at around 60 million tonnes per year in the 1990s, and my guess is that its potential probably wasn’t imagined at that time. But by capturing opportunities to expand and improve, we’re now at 285 million tonnes per annum, and progressing towards 305. Our studies into further growth, to 330 million tonnes per annum are due to be completed in 2025.

I’ll come back to our plans in South Australia and the Americas shortly.

We’re also actively generating longer term options through our other levers.

In exploration, we’ve refined our approach and ramped up spend over recent years, which has led to the discovery of the Ocelot copper system in Arizona, and ongoing exploration success at Oak Dam in Australia. And we’ve made additional investments in early stage options.

We’ve substantially increased our investment in innovation. The global need to increase commodities supply, ever more sustainably, will only be achieved by breakthroughs in innovation and technology. And BHP’s significant resource holdings mean that even small improvements in our methods can deliver a great deal of value.
The successful acquisition of OZ Minerals also creates an exciting opportunity. We’re working hard to embed its assets and its excellent people into BHP. The culture and people of OZ Minerals were a key part of its success, and contributed significantly to its attractiveness as an acquisition.

Combining Olympic Dam, Carrapateena, Prominent Hill and Oak Dam, will create a new copper province for BHP in South Australia. And as we’ve demonstrated at Western Australia Iron Ore and BMA, having operations in close proximity to each other brings substantial benefits, including the leveraging of shared infrastructure and relationships towards better productivity and long-term growth.

While OZ adds about 120 thousand tons of copper production now, it also brings further growth in both the near and longer-term. We’re evaluating the next steps in terms of integration and growth, with a focus on building scale and optionality.
In the near term, we expect to unlock synergies of at least US$50 million in EBITDA per annum by the end of the 2024 financial year. US$20 million of that has already been achieved.

These are broadly split across three categories.

First, operationally… through optimising mine plans and growth studies, and treating concentrate from Prominent Hill at Olympic Dam when we have excess capacity.

Second, through procurement… integrating supply chains, sharing inventory and leveraging the cost savings from the BHP network.

And finally, at the corporate level… by reducing compliance costs and streamlining functions.
Of course, we expect to create far more significant value over the medium-to-longer term, as we integrate our operations and optimise our growth pathway.

We’re working off a stable base, with record production this year at Olympic Dam providing a strong platform for growth. The Carrapateena block cave will progressively ramp up over the course of the decade. And factoring in the OZ Minerals assets into our thinking for two-stage smelting at Olympic Dam could enable us to capture significant upside from processing all concentrate within the province.

On top of this, Oak Dam provides further potential upside. We’ve now released an Exploration Target, which indicates between 0.5 and 1.7 billion tonnes of mineralisation at between 0.8 and 1.1 per cent copper grade. And with Oak Dam only 40 kilometres from Carrapateena, this provides options for synergies should Oak Dam get developed.

With stable and competitive government policies in place, we believe there will be a strong case for capital investment in these assets. Our aspiration is to grow copper production across the province to more than 500 thousand tonnes per year.

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12. Represents our current aspiration for Copper South Australia, and not intended to be a projection, forecast or production target.
In potash, we’re excited about the pipeline of growth projects that we have ahead of us. The long-term fundamentals for the market are compelling and have improved further since we sanctioned Jansen Stage 1.

We’ve accelerated studies on Stage 2 and expect to have the option to trigger an investment decision on that within this financial year. All major permits are in place for this, and we have the necessary port capacity. Should we proceed\(^1\), Stage 2 would add an additional 4 million tonnes per annum of potash capacity, with possible first production estimated to be in the 2029 financial year, around the time Jansen Stage 1 will be finishing its ramp up.

We’re also working hard to define the path forward for Escondida, noting the grade decline expected after 2026. Escondida is well-placed to be one of the most responsible copper producers globally through its transition to 100 per cent renewable power and desalinated water usage. And it has significant untapped resource potential.

We’re progressing studies into potentially replacing the Los Colorados concentrator as well as expanding our leaching operations. This includes five leaching technologies under study or in execution, which in addition to helping us extract more copper, could realise other benefits – including lower water and energy consumption, no tailings dams, and production of a cathode finished product that doesn’t require smelting.

These technologies have shown interesting and promising results so far – either in operation or through pilots. Each demonstrates a different proposition – in terms of cycle time, cost and production impact. Our studies are expected to complete identification phase during 2024, at which time we’ll be in good shape to assess which are technically and economically viable, and to further focus our efforts on the most attractive. We expect to employ different combinations of technologies, across different locations and time horizons.

\(^1\) Subject to Board approval.
So, in summary. At BHP we’re focused on creating value now, and into the future. We think and plan in decades.

By 2050 we’re looking at a global population of around 10 billion, about two thirds of that in urban areas, and all of them seeking a better standard of living – raising demand for housing, better food, consumer goods, cars, infrastructure, power and utilities. And the energy transition stands to amplify the commodity-intensity of that demand.

Steelmaking materials, copper, nickel, and potash... all vital to the global future we aspire to, and all central to BHP’s business.

We continue to plan strategically, responsibly, consistently, with a clear focus on being the best operator, being disciplined in capital allocation, and continuing to generate value and returns for all those around us.

BHP’s future really could not be more exciting.

Thank you.
Safety and social value indicators

We continue to emphasise the safety culture that must be present every day to eliminate fatalities and serious injuries at BHP

<table>
<thead>
<tr>
<th>Key safety indicators</th>
<th>FY23</th>
<th>FY22</th>
<th>Target/Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fatalities</td>
<td>2</td>
<td>0</td>
<td>Year-on-year reduction in fatalities</td>
</tr>
<tr>
<td>High Potential Injury (HPI) frequency*</td>
<td>0.18</td>
<td>0.14</td>
<td>Year-on-year improvement of HPI frequency</td>
</tr>
<tr>
<td>Total Recordable Injury Frequency (TRIF)</td>
<td>4.5</td>
<td>4.0</td>
<td>Year-on-year improvement in TRIF</td>
</tr>
</tbody>
</table>

**Social value: key indicators scorecard**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>FY23</th>
<th>FY22</th>
<th>Target/Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational greenhouse-gas (GHG) emissions (Mt CO₂-e)</td>
<td>9.8</td>
<td>11.0</td>
<td>Reduce operational GHG emissions by at least 30 per cent from FY20 levels by FY30</td>
</tr>
<tr>
<td>Value chain emissions: Financial expenditure committed to decarbonisation partnerships and ventures (USD m)</td>
<td>114</td>
<td>90</td>
<td>Steelmaking: 2030 goal to support industry to develop technologies and pathways capable of 30 per cent GHG emissions intensity reduction in integrated steelmaking, with widespread adoption expected post 2030</td>
</tr>
<tr>
<td>Value chain emissions: Reduction in greenhouse-gas emissions intensity of BHP-chartered shipping of our products (%)</td>
<td>41</td>
<td>✓</td>
<td>Maritime transportation: 2030 goal to support 40 per cent GHG emissions intensity reduction of BHP-chartered shipping of BHP products</td>
</tr>
<tr>
<td>Social investment (USD m)</td>
<td>149.6</td>
<td>186.4</td>
<td>Voluntary investment focused on the six pillars of our social value framework</td>
</tr>
<tr>
<td>Indigenous procurement spend (USD m)</td>
<td>332.6</td>
<td>149.9</td>
<td>Purchases from Indigenous vendors of USD193 m in FY23</td>
</tr>
<tr>
<td>Female employee representation (%)</td>
<td>36.2</td>
<td>32.3</td>
<td>Aspiration goal for gender balance by the end of FY25</td>
</tr>
<tr>
<td>Indigenous employee representation (%)</td>
<td>Australia</td>
<td>8.6</td>
<td>8.3</td>
</tr>
<tr>
<td></td>
<td>Chile</td>
<td>9.7</td>
<td>8.7</td>
</tr>
<tr>
<td></td>
<td>Canada</td>
<td>7.7</td>
<td>7.2</td>
</tr>
<tr>
<td>Area under nature-positive management practices (%)</td>
<td>1.3</td>
<td>1.0</td>
<td>2050 goal of having at least 30 per cent of the land and water we steward under conservation, restoration or regenerative practices</td>
</tr>
</tbody>
</table>

1. All data public are presented on an after-tax basis, unless otherwise noted. Turnover 02 is RMB 10 billion. Operations and functions.
2. Includes selection of key social value framework metrics. Additional metrics are included in the Sustainability Report section B.
3. Combined anal ogy and canopy percent per 1 million hours worked.
4. For our baseline year of 2017, our operational GHG emissions were 14.5 Mt CO₂-e. FY20 baseline and performance data has been adjusted for divestiture of our Petroleum business (merger with Woodside completed on 1 June 2022) and our interest in BHP Billiton Coal (completed on 3 May 2023), and for the methodology changes of infrastructure assets in Indonesia that were previously part of the group (3K/Mt CO₂-e). For more information, see the Annual Report section B.
5. Includes agreements with suppliers and contractors.
6. At 31 June 2023, the female gender balance rate on 50 per cent female labour and 40 per cent female decision roles is set with the definitions used by setters such as the International Labour Organisation.
7. Indigenous employee representation in Australia operations, which was 0.6% at 31 December 2022. Total Indigenous employee representation in Australia, including non-operational roles (3.2%), was 7.7% at 31 June 2023. For FY23, this does not include employees of CO2, who joined BHP’s acquisitions in 3 May 2022. Former CO2 operations in Australia had 0.6% Indigenous employment representation at 31 June 2023.
8. Indigenous employee representation in Mcmahons Creek operations (0.6%), which was 0.9% at 31 December 2022.
9. Indigenous employment representation in Mcmahons Creek operations (0.6%), which was 0.9% at 31 December 2022.
10. Area under nature management is included in conservation, restoration or regenerative practices. 1.3 per cent is calculated based on the areas of land and water that were restored 31 March 2022. Refer to the BHP ESG Standards and Disclosure 2023, available at http://www.bhp.com/ESGStandards for more information.
11. Excluding greenfield exploration licenses (or equivalent tenements), which are outside the area of influence of our existing mine operations. 30 per cent will be calculated based on the areas of land and water that we steward at the end of FY23.
A proactive approach to decarbonisation

Integrating decarbonisation into our operational and capital plans, and collaborating to achieve our climate targets and goals.

Projected and potential operational GHG emissions abatement pathway to CY501

(Operational GHG emissions, MCO2-e)

1. See footnote on slide 21.

A partnership approach to Scope 3

Steelmaking

- Collaborative partnerships with steelmakers representing 19 per cent of global reported steel production1

Blast Furnace & Basic Oxygen Potential Pathway:
- China Baowu and Monash University
- Low Carbon Knowledge Centre

Direct Reduced Iron & Electric Smelting Potential Pathway:
- Hatch design study for pilot ESI plant

Electrolysis Pathway:
- Boston Metals, Electra

Shipping

- Five operational dual-fuelled LNG vessels:
  - Capable of up to 30 per cent GHG emissions reduction per journey2
- Biofuels introduced into fuel mix:
  - Expect up to 19 per cent GHG emissions reduction per voyage3

1. World Steel in Figures 2022, World Steel Association
2. When on an LNG compared to conventional fuel and taking into account efficiency of the vessel design
3. Compared to conventional fuel. The biofuels used are certified under the International Sustainability and Carbon Certification systems.

Samarco and Renova Foundation

Samarco plans restart of second concentrator by CY25. R$30.7 bn spent on reparation and compensation programs

Renova

- Claims processed for ~80% of people on Renova’s register and its indemnification programs. Of those, ~75% were eligible for and have received payment
- Carginda’s Hydro Power Plant is operating and connected to National Electricity System
- 42 programs to restore the environment and re-establish affected communities
- ~1.5 million pieces of data generated annually along the river confirm the water quality in the Doce River has returned to historic levels

Resettlement

- ~75% of resettlement cases4 completed across the region, with a further ~10% in progress, the majority of which are expected to be completed by end CY23
- ~40 families have moved into their new homes including in the communities of Bento Rodrigues and Paracatu
- First local businesses are open in Bento Rodrigues and Paracatu, and the school in Bento Rodrigues has commenced classes

Samarco

- Approved restart of the second concentrator to increase operating capacity to 60% in CY25
- Reached agreement with a group of financial creditors to restructure its financial debt
- Germano pit dam decommissioning complete. Main dam decommissioning on track for FY29
- ~11,600 direct and indirect jobs created by Sammarco, and ~R$2.8 bn in taxes5 since restart

1. Based on current known number of claimants in Renova database.
2. Carginda is the Belo Monte Dam Hydro Power Plant impacted by the dam failure.
3. Resettlement claims completed includes completed construction (families either moved in or handing over to families in progress) or cash payment solutions.
4. ~95% of the cases contributed until June 2023 includes taxes generated from Sammarco’s value chain activities.

Financial results

22 August 2023
Oak Dam exploration project update

We have commenced the next phase of drilling as we work towards defining a first Mineral Resource.

<table>
<thead>
<tr>
<th></th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mt</td>
<td>500</td>
<td>1,700</td>
</tr>
<tr>
<td>Cu%</td>
<td>0.8</td>
<td>1.1</td>
</tr>
</tbody>
</table>

The potential quantity and grade ranges of an Exploration Target are conceptual in nature and as such has insufficient exploration to estimate a Mineral Resource, and it is uncertain if further exploration or analysis will result in the estimation of a Mineral Resource.

Oak Dam strategy update

- Entered next phase of drilling campaign following environmental approvals in March 2023, progressing towards a first Mineral Resource
- Currently running nine drill rigs, with eleven rigs expected by November 2023
- 150 rooms accommodation camp and supporting facilities planned in 2023 to advance additional information

1. Refer to "BHP Operational Review for the year ended 30 June 2022, Appendix F - Oak Dam Exploration Target".

Competent Person Statement – Oak Dam

Competent Persons Statement

The information in this presentation that relates to Exploration Targets is based on information compiled by Dr. Kathy Ehrig, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Geoscientists.

Dr. Kathy Ehrig has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results. Dr. Kathy Ehrig consents to the inclusion in the presentation of the matters based on her information in the form and context in which it appears.
Chilean copper leaching overview
Studies progressing on options to partially offset longer term grade decline in copper

**Significant resource potential**
- Escondida – 26 lt at 0.52% grade
- Spence – 2.5 lt at 0.43% grade
- Cerro Colorado – 2.3 lt at 0.40% grade

**Success with BHP designed leaching technology Full Sal**
- Full Sal, a BHP designed leaching technology, has been successfully deployed at Spence and is on track to be implemented at Escondida
- Escondida expects first production in FY25 producing ~410kt in copper cathodes over a 10-year period through improved recoveries and shorter leach cycle times for secondary sulphide ores
- Capital expenditure is expected to be approximately US$300 m (100 per cent basis) with first production during FY25

**Studies actively progressing on ores from across our Chilean assets**
- Five leaching technologies under study or execution with active trials and pilots aiming to unlock both resource and latent capacity
- BioLeach already in operation at Escondida
- Assessing both BHP developed technology and partnering with external parties to maximise optionality

**BHP Leaching technologies**

<table>
<thead>
<tr>
<th>Technology</th>
<th>Cycle Time</th>
<th>Capital Cost</th>
<th>Potential Production Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>BioLeach</td>
<td>Long</td>
<td>Exist</td>
<td>Exist</td>
</tr>
<tr>
<td>Full Sal 2</td>
<td>Medium</td>
<td>Exist</td>
<td>Exist</td>
</tr>
<tr>
<td>BHP Leach</td>
<td>Short</td>
<td>Exist</td>
<td>Exist</td>
</tr>
</tbody>
</table>

**Other technologies**

- Jetti: Addition of catalyst to current bioleach process
- Nuton: Rio Tinto Technology that uses catalyst and temperature to processes primary copper ore among others

Competent Person Statement – Copper Mineral Resources

**Copper Mineral Resources Competent Persons Statement**
The information in next slide relates to Copper Mineral Resources as at 30 June 2023. Mineral Resources are inclusive of Ore Reserves and is based on information compiled by Marcelo Cortes as Competent Person (compiler) for all declared Mineral Resources. The information in this presentation relates to the FY2023 Mineral Resources reported by BHP in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 (The JORC Code 2012 Edition) in the 2023 BHP Annual Report, available to view on www.bhp.com.

M. Cortes is a current Member of the Australasian Institute of Mining and Metallurgy (MAusIMM) and is a full-time employee of BHP. M. Cortes has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the JORC Code 2012 Edition. M. Cortes owns shares in BHP and is entitled to participate in employee share holding plans. M. Cortes consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

Mineral Resources as presented are reported in 100 per cent terms. Dry tonnages are reported and all tonnage and quality information has been rounded, hence small differences may be present in the totals. Total contained copper metal is presented in the table below as kilo tonnes (kt). Total contained Cu Metal presented is at equity basis. No metallurgical recovery has been applied to the calculation of contained copper metal. Mineral Resources classification is applied based on mineralisation type, geological understanding and an assessment of reasonable prospects for eventual economic extraction.
Competent Person Statement – Copper Mineral Resources

<table>
<thead>
<tr>
<th>Deposit</th>
<th>Ox type</th>
<th>Measured Resource</th>
<th>Inferred Resource</th>
<th>Indicated Resource</th>
<th>Total Resource</th>
<th>Combined metal (t Cu)</th>
<th>BHP interest (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chalcopyrite</td>
<td>Molybdenite</td>
<td>225</td>
<td>450</td>
<td>900</td>
<td>1,575</td>
<td>3,300</td>
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</tr>
</tbody>
</table>

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Competent Person Statement – Nickel Mineral Resources

<table>
<thead>
<tr>
<th>Deposit</th>
<th>Ox type</th>
<th>Measured Resource</th>
<th>Inferred Resource</th>
<th>Indicated Resource</th>
<th>Total Resource</th>
<th>Combined metal (t Ni)</th>
<th>BHP interest (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nickel West Minerals 8</td>
<td>Nickel</td>
<td>225</td>
<td>450</td>
<td>900</td>
<td>1,575</td>
<td>3,300</td>
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<td>750</td>
</tr>
</tbody>
</table>

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Continued capital allocation discipline

Strong competition for capital as we focus on creating value

<table>
<thead>
<tr>
<th>FY23</th>
<th>Operating productivity</th>
<th>Capital productivity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Net operating cash flow</td>
</tr>
<tr>
<td></td>
<td></td>
<td>US$18.7 bn</td>
</tr>
<tr>
<td></td>
<td>Maintenance and decarbonisation capital</td>
<td>US$3.0 bn</td>
</tr>
<tr>
<td></td>
<td>Strong balance sheet</td>
<td>[ ]</td>
</tr>
<tr>
<td></td>
<td>Minimum 50% payout ratio dividend</td>
<td>US$9.1 bn</td>
</tr>
<tr>
<td></td>
<td>Excess cash¹</td>
<td>US$5.2 bn</td>
</tr>
</tbody>
</table>

¹. Excess cash includes total net cash inflow of US$15.3 bn (FY22: US$16.4 bn) which comprises dividends paid to non-controlling interests of US$3.9 bn, US$0.7 bn of interest received and US$24.7 bn of foreign currency movements.

2. Includes US$0.1 bn of GIL interest bearing liabilities.

Balance sheet²

<table>
<thead>
<tr>
<th>Additional dividends</th>
<th>Buy-backs</th>
<th>Organic development</th>
<th>Acquisitions/ (Divestments)</th>
</tr>
</thead>
<tbody>
<tr>
<td>US$4.2 bn</td>
<td>US$9.0 bn</td>
<td>US$4.1 bn</td>
<td>US$5.9 bn</td>
</tr>
</tbody>
</table>

³. US$2.3 bn improvement
• US$0.2 bn major capital in steel-making materials
• US$1.2 bn major capital in future-facing commodities (FFC)

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Return on Capital Employed

ROCE of 28.8% for FY23

ROCE (%)

<table>
<thead>
<tr>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>5</td>
<td>10</td>
<td>15</td>
<td>20</td>
<td>25</td>
</tr>
</tbody>
</table>

 restrain results (total) | Full year results (total)

¹. Arctan Co - average capital employed represents BHP's equity interest

Note: ROCE represents profit after tax excluding exceptional items and non-finance costs (after tax), which are annualised for half year results, divided by average capital employed. Average capital employed is net assets less net debt for the last two reporting periods.

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Balance sheet

Net debt of US$11.2 bn and gearing of 18.7%

Movements in net debt (US$ bn)

Debt maturity profile (US$ bn)

1. NCIs: dividends paid to non-controlling interests of US$1.2 bn predominantly relate to Escondida.
2. Debt maturity profile: all debt balances are represented in nominal USD incurrence values and based on financial years, as at 30 June 2023. Subsidiary debt is presented in accordance with IFRS 10 and IFRS 11.
3. Debt maturity profile: includes hybrid bonds (1.4% of portfolio, in Euro) with maturity shown at their call date.

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BHP guidance

<table>
<thead>
<tr>
<th>Group</th>
<th>FY24s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital and exploration expenditure (US$ bn)</td>
<td>−10.9</td>
</tr>
<tr>
<td>Cash basis.</td>
<td></td>
</tr>
</tbody>
</table>

Split by category:

- Maintenance and decarbonisation capital: 3.1
- Improvement capital: 3.2
- Major capital in electriclairig materials: 0.5
- Major capital in future-facing commodities: 2.7
- Exploration: 0.4

Includes non-discretionary spend for deferred development and production stripping, risk reduction, compliance and asset integrity, and decarbonisation.

Includes projects that enable improved productivity, quality, facilities and organisational culture.

Includes Jansen, Half Sat, Escondida and West Minto.

Split by segment:

- Copper: 4.2
- Iron ore: 2.0
- Coal: 0.7
- Potash: 1.2
- Nickel: 0.8
- Other: 1.1

Includes −US$9.0 bn for growth and exploration.

Includes −US$1.0 bn for Jansen Stage 1, and −US$125 m of pre-commitment spend for Jansen Stage 2.

Includes West Minto.

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## BHP guidance (continued)

<table>
<thead>
<tr>
<th>Copper</th>
<th>FY24e</th>
<th>Medium term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper production (kt)</td>
<td>1,250 – 1,310</td>
<td>Expenditure: 1,000 – 1,150 kt, Pampa HԿа中部: 210 – 250 kt, Copper South Australia: 110 – 140 kt, Antamina: 120 – 140 kt (zinic: 85 – 105 kt)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Escondida</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper production (kt, 100% basis)</td>
</tr>
<tr>
<td>Unit cash costs (US$/lb)</td>
</tr>
<tr>
<td>Medium term refers to FY25 and FY26. Excludes freight and government royalties; not of by-product credits; based on an exchange rate of USD/CLP 800.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Spence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper production (kt)</td>
</tr>
<tr>
<td>Unit cash costs (US$/lb)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Iron Ore</th>
<th>FY24e</th>
<th>Medium term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iron ore production (Mt)</td>
<td>294 – 294.5</td>
<td>Western Australia Iron Ore: 200 – 280 Mt, Sianacordo 4 – 4.5 Mt.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Western Australia Iron Ore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iron ore production (Mt, 100% basis)</td>
</tr>
<tr>
<td>Unit cash costs (US$/t)</td>
</tr>
<tr>
<td>Excludes freight and government royalties; based on an exchange rate of AUD/USD 0.67.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Coal</th>
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</thead>
</table>

<table>
<thead>
<tr>
<th>BMA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production (Mt, 100% basis)</td>
</tr>
<tr>
<td>Unit cash costs (US$/t)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NSWECC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production (mt)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Canada</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production (Mt)</td>
</tr>
</tbody>
</table>

Note: Medium term refers to a five-year horizon, unless otherwise noted.

### Financial results
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## Key Underlying EBITDA sensitivities

<table>
<thead>
<tr>
<th>Approximate impact¹ on FY23 Underlying EBITDA of changes of:</th>
<th>US$ m</th>
</tr>
</thead>
<tbody>
<tr>
<td>US$1/t on iron ore price²</td>
<td>227</td>
</tr>
<tr>
<td>US$1/t on metallurgical coal price</td>
<td>17</td>
</tr>
<tr>
<td>US$1/lb on copper price²</td>
<td>34</td>
</tr>
<tr>
<td>US$1/t on energy coal price²</td>
<td>13</td>
</tr>
<tr>
<td>US$1/lb on nickel price</td>
<td>1</td>
</tr>
<tr>
<td>AUD (US$1/A$) operations³</td>
<td>147</td>
</tr>
<tr>
<td>CLP (US$0.10/CLP) operations³</td>
<td>28</td>
</tr>
</tbody>
</table>

1. EBITDA sensitivities: assumes total volume exposed to price, determined on the basis of BHP’s existing portfolio. Does not include impact of CB Minerals which was acquired on 3 May 2023.
2. EBITDA sensitivities: excludes impact of equity accounted investments.
3. EBITDA sensitivities: based on average exchange rate for the period.

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