BHP

Financial results for the year ended 30 June 2023

Investor and analyst briefing Q&A transcript – Session 2

22 August 2023

Introduction

MIKE HENRY (CEO, BHP)
Hello, everyone. Thank you for joining the call. Today, you will have seen the results. We have reported full-year underlying attributable profit of US$13.4 billion. That is down nearly 40%, driven by lower commodity prices and higher inflation, but very importantly, partially offset by strong underlying operational performance. You see that shining through in our record production at three of the flagship assets being WAIO, Olympic Dam and Spence, as well as disciplined cost control. Dividends to shareholders totalled US$8.6 billion for the year. That is our third-largest full-year ordinary dividend ever, at a payout ratio of 64%.

Overall results are strong, even with lower prices and inflationary pressures. That is down to having good assets and consistently running them very well, as well as our ongoing focus on cost control and capital discipline, which was especially evident in Western Australia Iron Ore, where we have doubled our lead as the lowest-cost major iron ore producer. We have also made good progress on our future growth options. This includes the creation of a new copper province in South Australia with the OZ Minerals acquisition, and in potash - Stage one of the Jansen project in Canada is tracking really well, with first production now forecast from late 2026, a full nine months earlier than originally planned for.

Looking forward, the near-term global economic outlook is a bit uncertain. Central banks and governments have stepped in to tame inflation, and those policies have slowed demand in the developed world. China and India have continued to be sources of relative stability for commodity demand amongst this broader global uncertainty, notwithstanding the weaker Q2 in China. Now, even as momentum in China has slowed, I think it is important to know that there is a lot going well there. That includes ongoing growth in green technology/green infrastructure, other infrastructure and automotive. What we are yet to see strong pull-through to housing starts of policy. The key question for us in the period ahead is how effective that translation of policy and stimulus is into changed behaviour on the ground. I note that the combination of China and India together are expected to represent half of world GDP growth in FY24, even with a little bit of weakness in China. In respect of India, having been there recently, it is really notable how much confidence and energy there is on the ground and how much growth momentum we see building there.

That is the short term. In the longer term, the fundamentals remain really strong. Population growth, urbanisation, industrialisation and rising living standards are very strong drivers of long-term commodity demand growth. The energy transition, which is metals and minerals intensive, is going to further amplify that. The circumstances that we are facing into the future are very encouraging.

This is a strong set of results, demonstrating our ability to run a very tight ship, good operational performance and solid cost control. At the same time, as you will see presented through different parts of the results that we have announced in the presentation, we are building up growth optionality in the business across the key commodities that we have indicated, being potash, copper and nickel, as well as ongoing growth opportunities in iron ore, strong operational performance and unlocking further growth with a focus in future-facing commodities.

Questions and answers

LIAM FITZPATRICK (DEUTSCHE BANK)
I have two questions. The first is on capex phasing and capital discipline. You have outlined a number of big projects that could be approved over the next one to three years. Is the strategy to phase these in order to manage project risks and to keep group capex at around that US$11 billion level, or should we not really view US$11 billion as a ceiling and the projects will move ahead when they are individually ready?

The second question – I know it is maybe a little bit early to do this – is can you give us any ranges on Escondida in terms of the new concentrator, potential size and the capex that could be attached to that?

DAVID LAMONT (CFO, BHP)
Certainly, when we look at the US$11 billion that we have flagged – and, just as a point of clarification, that does include around about US$1 billion for the OZ Minerals assets coming in; you will have seen that, in the short term, in relation to the US$10 billion that we have said in FY24. We primarily go alongside value as opposed to looking at things in relation to a hard number or a hard cap as part of that overall mix. We will maximise where we are in relation to shareholder value.

Equally, as part of that, we will obviously look at the affordability and how we look to fund things. You should take these numbers as indicative rather than a hard and fast rule. Certainly, you will have also seen that we have a number of studies, and we have started to itemise how they will play out over time. That will help guide that spend. It will be very much focused on how we maximise the overall value for shareholders, and that clearly includes sticking to our capital allocation framework and ensuring at the end of the day that the minimum dividend of 50% is also maintained, with that net debt range, as we have said, between US$5 and 15 billion.

MIKE HENRY (CEO, BHP)
Just on your question in respect of Escondida, we have revealed more this time around in terms of the project options at Escondida and the timeframes we could be looking at. We are not yet ready to talk about ranges on capital. You can expect that over the next six to 12 months, however, we will be coming forward with more as our studies progress.

JASON FAIRCLOUGH (BANK OF AMERICA)
There are two questions from me, both on potash. We have had a big correction in the spot price from over $1,000 a tonne, we are now down at around $350. I am just wondering how this figures into your thoughts on bringing forward Jansen phase 2. Would the short-term price move change your view on capital allocation, especially something that is brownfield, so maybe you have a little bit more flexibility?

Secondly, more broadly, you guys like owning assets in basins. What are the latest thoughts on a potential potash basin in Canada? What does it take to get Nutrien to engage on a JV?

MIKE HENRY (CEO, BHP)
On the correction that we have seen in potash prices as of late, does that have a bearing on how we think about Jansen phase 2 investment? It would only have a bearing on a phase 2 investment if we saw the drivers of that potash correction as being something that was enduring or a change in the medium-to-long-term market outlook. As we have said in the results today, first production under an accelerated Jansen Stage 2 scenario would still be 2029. The timeframe we are thinking of here is 2029 to early 2030. That is going to underpin the initial returns coming out of a faster Jansen phase 2.

What we are really looking at to trigger Jansen phase 2 is strong underlying fundamental economics around capex and projected returns on that timeframe. The second aspect is continued execution of Jansen Stage 1 in line with plan or better than plan, and that is what we are seeing. The third aspect, broadly speaking, is the market window or market opportunity opening up. Given what has happened in Russia and Ukraine, the views around what that means for medium to long-term growth out of Russia and Belarus means that market opportunity may indeed be stronger or opening up earlier than was originally anticipated. There is no decision yet. The study continues, but we do want to position the company with the option to take an earlier sanction decision in the coming year.

On assets in basins, we have spoken about iron ore and coal up in Queensland and the South Australian basin play. To some extent, we are bringing on extra phases of the same project. It is not quite the same as a basin, but we will have parallel sets of infrastructure for that, other than the shafts, at Jansen. It is not going to be like Olympic Dam, for example, where we had a single smelter and a single refinery. We will have parallel processing at Jansen. That provides us with a lot of opportunity before we look at opportunities with others. Of course, we always remain open to where we can create greater value for shareholders, but we are not reliant upon pursuit of those other opportunities.

RICHARD HATCH (BERENBERG)
I have a couple of questions. The first is on Spence. It seems like you have cut your guidance there again. Can you just give us a bit more flavour as to what the actual issues are at that mine and what you are doing to address it? Is a 300,000 tonne longer-term target something you think you can achieve? You have not given medium-term cost guidance on that one, so I wonder if I might be able to push you a bit on that one?

Secondly, on Antamina, you have talked a little bit about how you are looking to try and extend the life of it to 2036. Can you just perhaps talk us through what that extension to 2036 looks like in terms of what you have to do to the mine to do that? Is there any other infrastructure you need to build? Is there a tailings extension, or is it just purely the extension?

DAVID LAMONT (CFO, BHP)
In relation to Spence, we have been fairly clear versus what we had originally anticipated that we have some issues alongside the tailings side of things, and also where we are on production coming out of the overall concentrator. We have now given medium-term guidance, as you correctly said, at 250kt as opposed to where we previously were. We still need to work through some additional expenditure in relation to the concentrator. That is known and that was factored in to what we had said 12 months ago when we came to the market, so there is no change in the short term in relation to that. We still need to work through where we are on the tailings facility. That is the key concentration that we have in the short term. Yes, 250kt is what we are looking at over the short to medium-term guidance at this stage.

Antamina is an asset that we continue to see favourably. As you know, it is a non-controlling entity from our side of things, and we are therefore guided more by what the management team are seeing at Antamina. It is a strong asset and one that we continue to see as favourable.

TRISTAN LOVEGROVE (IR, BHP)
It is effectively a tailings dam. They are raising the tailings dam.

RICHARD HATCH (BERENBERG)
Sorry, I did not quite hear that. You do have to raise or do not?

TRISTAN LOVEGROVE (IR, BHP)
Yes, we have to raise the tailings dam to get to 2036. That is essentially the driver.

RICHARD HATCH (BERENBERG)
Is the medium-term cost guidance on Spence something you are willing to try and give us a bit of? Is a larger target than 250kt something you think you can actually achieve?

DAVID LAMONT (CFO, BHP)
The fact that I did not answer it probably gives you the best indication.

MIKE HENRY (CEO, BHP)
Not at this point, Richard. As David mentioned, there are some ongoing issues that we are managing around the tailings dam at Spence and so on. We have put out the numbers that we can be confident in in respect of production at this point in time, with cost guidance possibly in due course.

RICHARD HATCH (BERENBERG)
On medium-term coal costs and nickel costs, what are your thoughts on the direction of those? Are you hoping to try and drag them down a bit compared to current levels?

TRISTAN LOVEGROVE (IR, BHP)
We have not given them on BMA. Part of the issue is that we are still running a process on the divestment of Blackwater and Daunia, so we will revert if we feel appropriate. At Nickel West, we have never provided medium-term guidance at Nickel West. It is something we have a watching brief on, but at this stage it is not something we will providing guidance on in the medium-term.

MYLES ALLSOP (UBS)
My first question is on Samarco. Can you give us a sense where you are with the discussions around the final settlement with the prosecutors there? With the creditors and the other development that came out, does that mean you are on track to double production and start the second concentrator a little bit sooner in 2025?

MIKE HENRY (CEO, BHP)
Let me start, Myles, with underlying the most important work, which is actually getting people resettled, compensation paid out, remediation completed and Samarco restarted. We have made really good progress on that front over the past 12 to 24 months. We have completed 75% to 80% of resettlement, with strong progress on compensation. The first concentrator is up and going, of course, which has contributed to Samarco direct funding of Renova. We have recently sanctioned the restart of the second concentrator.

As you noted, we have an agreement in place with the creditors around the debt restructure. That has resolved that issue. On the final settlement, suffice to say that is a work in process. I would not say it is imminent; it is something that all parties are aware of, but it is still to play out.

DAVID LAMONT (CFO, BHP)
The judicial restructuring is just going through the mechanics – if I can use that term – and through the court process to get finally ratified, but we do actually have an agreement in place with creditors, which, to your point, Myles, means we are able to talk about the second concentrator coming on board.

MYLES ALLSOP (UBS)
Is 2025 the right expectation in terms of start-up for the second concentrator?

DAVID LAMONT (CFO, BHP)
Yes, but take that as a calendar year and not a financial year.

MYLES ALLSOP (UBS)
Secondly, a lot of the growth out of copper could come from sulphide leaching. It sounds like you have been doing trials with multiple technologies at Escondida. Could you just give us a sense of where we are with that and whether you are getting more excited or less excited based on the results of the trials that you have so far?

MIKE HENRY (CEO, BHP)
It is fair to say that the fact we are talking more definitively about these being a part of Escondida's future is indicative of the fact that we are gaining growing confidence. We are seeing some promising results. It is too early to call this one or that one, and at the end of the day it is probably going to be a multitude of options. Over the next 12 to 18 months we will have a greater clarity on the subset of the five that we want to invest more effort in going forward. Over that same timeframe we will be out talking to you all, more about how we are seeing developments there and what we see the potential as being.

MYLES ALLSOP (UBS)
I have one very small question for David on the accounting side on Jansen. You are still expensing around US$200 million a year, even though the project has been FID'd. Is that going to continue going forward, and is that included in the capex number? If you are doing that over five years it is another billion dollars of spend at Jansen above what was budgeted?

DAVID LAMONT (CFO, BHP)
There is a portion of the spend that we are unable to capitalise from an accounting perspective. Certainly, that is also linked to some of the early studies that we have done on things like Jansen Stage 2, which we have not started to capitalise at this point. The short answer to your question is that you would not expect that to continue over the life at that sort of rate. The US$5.7 billion is still holding in relation to Jansen Stage 1.

DANIELLE CHIGUMIRA (CREDIT SUISSE)
I have just a single question around safety. We have seen a bit of deterioration from a fatality perspective and injury frequency perspective. Could you talk about what some of the drivers have been in terms of that deterioration and what key learnings you are taking going forward?

MIKE HENRY (CEO, BHP)
It is a really important question. Yes, the tragic deaths of two colleagues in BHP this year, in the second half, in fact, have really been felt across the organisation. We had had that strong run of over four years of nobody losing their life on our sites, and so this was a tragic outcome for them, their families, and of course their colleagues, not just in the iron ore and the Olympic Dam businesses but right across the company. I remember being up in Singapore for a visit there a couple of months ago, and I was really taken by how much concern there was amongst employees quite a distance away and not directly in operations about what had occurred.
It is being taken very seriously. Of course, when something like that happens within BHP, there is a very thorough investigation. Those investigation outcomes are shared widely, both internally and externally. Now, in this case, that investigation has only been completed and published or learnings shared coming out of the rail shunting yard fatality in iron ore back in February. The Olympic Dam fatality is still being worked through, in part because we are reliant upon the coroner and further police investigations and so on to be completed there.

What are we taking away from this is that there is always opportunity for us to further improve our risk management processes. There are some specific changes that are being considered around small things like how we go about better delineating walking paths and so on in the rail operations in WAIO, notwithstanding the fact that the practices there were aligned with industry standards already. Most importantly, we know that, when we apply the tools and the systems that we have in place already, such as the BHP Operating System, field leadership that gets leaders into field more frequently with structured safety-related interactions with their teams, and our fatality elimination programme, those things work. They were what allowed us to be safe over the four years prior. There is a redoubling of efforts on those three specific initiatives, ensuring that leaders are taking them to heart and that they are fully capable of deploying them or applying them effectively in the field. Thank you for the question, Danielle.

SYLVAIN BRUNET (EXANE BNP PARIBAS)
My first question is on the unit costs guidance at Escondida with a pretty wide range for 2024 with a 20% difference. I was keen to get a bit more colour on your side on what would need to happen for the unit cost to be as high as $1.70/lb and if you are worried about any particular items like wages, where we see quite a bit of pressure in recent years.

My second question is on Jansen. Could you give us a sense of what has been contracted through the year already and what is left to be contracted there? Again, do you feel that the wage cost inflation assumptions that you have embedded in the US$5.7 billion are still manageable in today's situation?

TRISTAN LOVEGROVE (IR, BHP)
Sylvain, just to check on that first question, did you ask what things could get us to the top end of that range on unit cost?

SYLVAIN BRUNET
Yes.

DAVID LAMONT (CFO, BHP)
Yes, so let me start with the Jansen side of things perhaps first. Because of the way that we planned the project, the contracting that we had done and the front-end loading around the engineering, you will have seen that we have not varied from the US$5.7 billion that we flagged at FID in relation to the overall capital costs of Jansen. It has come forward, as Mike referenced earlier, about nine months from a schedule perspective, which is good, but we are holding to where we are on the cost side of things. You should take into account there that that takes in all the procurement that we have done to date. Obviously, the port was something that we had contracted out with Westshore, that is holding in relation to that element. We are not feeling that that is under pressure at this stage, given where we are in the overall project.

Going back to the unit cost guidance, let me start by saying that, in the half year gone, we did see inflation running at about 12%, and then, in the full year, we called that out as 10%. We are seeing that the anti-inflationary policies of a variety of governments in regions that we operate in are starting to bite, and we are seeing some decreases there. We are also seeing supply chains open up. Take some of the raw material inputs that we have, whether that is acid, explosives or ammonia. We think we are through the peak period in relation to those, and they are starting to tail off as such. Energy is the one that we are still keeping a bit more of an eye on, in the sense that it is more balanced. Those overall energy costs are about 8% of our overall cost base.

Then, to the heart of your question, 40% of our cost base is labour, and that certainly is an area that we continue to remain cautious on. To your point about what could push us towards the top end, certainly labour would play into that scenario. In Chile, you are probably aware that the agreement that we have there is that every six months the wages reset to the underlying inflation rate in country, so that clearly plays through into our guidance. We have seen that the inflationary side of things in Chile has come off what was its peak, so that would need to hold through FY24 as well. The other element that you did not reference, it is a unit cost perspective, so clearly the production levels and output plays into that as well.

MIKE HENRY (CEO, BHP)
There is just one more point I would make. To the extent that it is driven by higher inflation, which was one of the factors that David noted, what we do not do then is concurrently toggle foreign exchange, for example. The reality is that the general trend we would have expected from placing us higher may result in a bit of relief on the foreign exchange front.

DANIEL MAJOR (UBS)
I have two questions. Firstly, on nickel and your strategy for the future, the commodity itself, the outlook looks increasingly challenging as a consequence of growth in both class 1 and class 2 nickel in Indonesia. Is this still a commodity you see as strategically attractive and where you would be looking to allocate capital beyond what you already have in your portfolio?

MIKE HENRY (CEO, BHP)
The short answer is yes, albeit we acknowledge some of the challenges around Indonesia. What is the broad strategy in nickel? It is to secure more reliable operations, and that comes through investments in the underlying asset integrity, which is very similar to what we did with Olympic Dam over the past four, five or six years. Secondly, we need to replace some of the third-party feed, which tends to be low margin for Nickel West, with equity ore. Part of that has been through the recent mine transition, but also through proving up more resource. Team just remind me of the numbers – it is a 30% increase or more in resource over the past year?

TRISTAN LOVEGROVE (IR, BHP)
Yes, 100 kilometres of drilling have seen a 36% increase in resource.

MIKE HENRY (CEO, BHP)
Yes, a 36% increase in resource, and of course, with OZ Minerals, we have acquired the West Musgrave project, which will further enhance our ability to displace some of that third-party project for better margin equity tonnes. Then there is the opportunity to further expand production there through incremental investments in infrastructure and potentially a little bit more by way of nickel sulphate production. We also have expanded resource across in Tanzania. We have a toehold position there and an option to go above 50%, so that then takes it from being just a Nickel West nickel business to also having a position in the world's best undeveloped nickel sulphide deposit.

Part of the strategy is contingent upon or assumes that nickel sulphides maintain a greater margin or a margin advantage over nickel laterites in terms of conversion into battery precursor. There has been a lot of aggressive ramp-up and progress in Indonesia, but we have to keep in mind that, even with that, there is still some margin advantage associated with the ease of translating nickel sulphides into battery precursor. There is the as yet not fully valued sustainability advantage of production of battery precursor out of Nickel West nickel production because it is way less carbon intensive than production out of Indonesia by some orders of magnitude. If you think about the ultimate users of that nickel, they are all espousing green credentials and the commitment that they have to sourcing sustainably. We think that the story there for Nickel West is very strong but not yet fully valued. Of course, our teams are working very hard to see that captured over time.

DANIEL MAJOR (UBS)
My next one is just a follow-up question on Escondida in terms of the medium-term capital options. You have obviously indicated that you are going to give some more information to the market in six to 12 months, but if we think about the split between production upside from a new concentrator relative to the opportunities from sulphide leaching, how should we be looking at the medium-term profile? Is it that a new concentrator would sustain production in the current range and then there would be upside above a 1.2Mt level with sulphide leaching, or is it more a combination of the two technologies to sustain production out to 2030 or the early 2030s?

MIKE HENRY (CEO, BHP)
I think it is more in line with the latter than the former, Daniel, but obviously with the caveats that this is exactly the work that we have underway currently. The building view is that this likely a concentrator plus leaching option. It is still to be proven up. We will have more to say on that within 12 months. In terms of the profile that we are looking at, we have been clear that grade decline starts to kick in in FY27, so there could be a slight dip there as we develop these new projects, but our objective here as a business is to be able to offset that grade decline for an extended period of time and well into the 2030s.

JASON FAIRCLOUGH (BANK OF AMERICA)
This is just a follow-up question. Thinking back, I think there was a former CEO of BHP who once said that India is going to be for coking coal what China has been for iron ore. I am just wondering how you are thinking about this. Therefore, would BHP invest in new greenfield coking coal mines? How do we square that with the changes in the Queensland royalties?

MIKE HENRY (CEO, BHP)
That is an interesting point, Jason. First of all, I think that premise still holds true. China was coking coal long, iron ore short; India is exactly the opposite, so the opportunity is much larger for coking coal in India than for iron ore, we believe. In addition to that, of course, we believe we are going to see growth in demand for premium-quality coking coals globally as steel-makers seek to reduce the emissions intensity of steel production over the medium term. The opportunities are there, and that is what has driven our focus on optimising our portfolio to the best quality coals.

Now for the time being, we will extract value from that through this focus on productivity and sustaining our current operations. We believe that the market generally will have opportunity for further growth developments in coking coal, but they have to be economically and risk competitive, and this is what we have called out. Returns depressed through the royalty regime and that shaving the peak off of pricing, coupled with increase in risk, simply makes the investment opportunities there less attractive for us than we have elsewhere in the portfolio, with everything that is happening in Canada or with copper investment elsewhere, including in South Australia or with growth in iron ore. Now of course, if that were to change over time, where returns were looking better or the risk was seen as being less because policy was more stable, then we can reassess, but for now the more attractive opportunities for us lie outside of Queensland coking coal.

JASON FAIRCLOUGH (BANK OF AMERICA)
Just as a quick follow-up question, what do you think about inorganic growth in coking coal? I hear there is a set of assets in a much more attractive fiscal regime that are available for sale.

MIKE HENRY (CEO, BHP)
The key point I would make on this is that we are nothing if not consistent. We have been very consistent about our strategy over recent years and where we want to allocate or have our biggest growth focus, and that is in in copper, nickel and potash. As you see in iron ore, it does not exclude some growth in existing commodities, but for our big moves and big efforts, it is really copper, nickel and potash.

RICHARD HATCH (BERENBERG)
Just coming back on Escondida, I am looking at the grades. You are running about 20% above your reserve grade at the moment on how much sulphide ore you are pushing through into the plant. If we assume that that reserve grade pulls back down to that 0.69% for the sulphide, is it fair to assume that, if you do not do anything in terms of pushing more ore through the mill, that Escondida pulls back down to that 900,000 tonne level based on recoveries as they stand?

MIKE HENRY (CEO, BHP)
We spoke earlier about the fact that grade decline begins to kick in from FY27. I do not want to call the exact number that it could get to absent any other action, but yes, you would see a material reduction in production. Having said that, there are promising results coming through on leaching. We are advancing studies on the concentrator and our

aspiration here is to be able to offset grade decline through these other investments. As we further prove those up, we will have more to say about it in the coming 12 months.

RICHARD HATCH (BERENBERG)
Thank you, Mike. Again, on the medium-term cost guidance for Escondida, am I correct in saying that the increase in that versus the previous expectations of below US$1.15 a pound is mainly due to a mixture of FX, wage inflation and fuel and such like, or is there anything else that we are missing there?

DAVID LAMONT (CFO, BHP)
You have that pretty much squared away. If you look at where we were to where we are, if I take the midpoint of the year's guidance, there is a 40-cent increase. 20 cents of that is definitely the FX change that we have had and inflation coming through. They are the two main drivers, but equally, as I said earlier, when you look at the labour costs going through and the fact that those labour costs are directly linked to underlying inflation, that is locked in, so you do not get any opportunity to offset that other than through productivity, which is a key focus for us across the board.

ALON OLSHA (BLOOMBERG)
This is just one question on West Musgrave. Now that you have it in the portfolio, is there anything you have learned about the asset that makes you think there is scope for either capex savings or bringing that project forward and accelerating it slightly? I think the last number that was in the public domain around capex was around $1.1 billion. Is that still a valid number?

MIKE HENRY (CEO, BHP)
The project is currently under review. What I mean by 'review' is a refresh of our views on capex, timing and so on with an eye towards tying production into the Nickel West infrastructure. We do not have any updated numbers to give you right now.

I will say that, at the time of the acquisition of OZ Minerals, we were quite clear with the market – I think you will have seen this in the independent expert report as well – that, across the board, the company was facing capex and opex pressures. As I said, that is currently under assessment for an updated view. So far – this applies to the OZ Minerals acquisition overall – we have not seen major surprises relative to what we had assumed prior to the acquisition. That is not to say that those numbers are aligned with what OZ was talking about in the marketplace. We had our own views on things and there have been no major surprises relative to those views at this point in time.

TRISTAN LOVEGROVE (IR, BHP)
I would say, Alon, we do not recognise that $1.1 billion you are referring to at all.

ALON OLSHA (BLOOMBERG)
Okay, thank you.

MIKE HENRY (CEO, BHP)
Thanks, everybody, for joining the call. I hope what shines through in these results is really solid underlying operating performance. Those of you who have been following us for some time know that we have been consistent in our efforts to demonstrate very reliable operational performance and to be the premium operator out there. You can see that in our flagship asset, where we have extended our lead in terms of being the low-cost operator.

That same focus on reliability and meeting the commitments that we have laid out applies to our execution of strategy more broadly. It flows into how we think about social value creation. There are a number of proof points on that in the results this time. Importantly, it also flows into the reshaping of the portfolio. What you see occurring here is the continued optimisation of the coal portfolio, a focus on growing value in iron ore through productivity and some de-bottleneck investments, with potential growth there to 330Mt over time. We are also unlocking more significant growth options in potash by executing Jansen Stage 1 well, bringing that forward, and now creating an option around Jansen Stage 2, and in copper and nickel, including through the OZ Minerals acquisition, which opens up a new copper basin for us in South Australia.

We have strong underlying operational performance, good progress on social value and further growth options being developed and a stronger growth pipeline ahead for the company. We think and hope that is a pretty compelling investment proposition for you all and for investors more broadly. Thanks again for joining us.