



APERTURE

INSIGHTFUL AND RELEVANT RESEARCH UPDATES

Glencore HY 2026 Results

Share Price
Date

R125.6
06 August 2026

RESULTS SUMMARY

Glencore delivered a solid first-half result, with Adjusted EBITDA of US\$10.1bn broadly in line with consensus estimates. The Industrial segment was the key contributor, EBITDA increasing 72% year-on-year to US\$6.5bn, benefitting from stronger commodity prices and solid operational execution. These gains were partially offset by a weaker US dollar and higher diesel and consumables costs.

Copper was a key highlight, with production increasing 15% to 397kt, keeping the company on track to achieve its full-year guidance. Although management raised 2026 copper unit cost guidance by around 30% to US\$2.03/lb, it expects these cost pressures to prove temporary.

The Marketing business also delivered an exceptional performance, with adjusted EBIT surging 142% y-o-y to US\$3.3bn. The result highlighted the division's ability to capitalise on periods of heightened volatility in global energy markets.

Glencore's balance sheet remains strong, with net debt of US\$10.1bn at the end of the first half. Reflecting this financial strength, the company announced approximately US\$3.5bn of shareholder returns for 2026, comprising its base distribution, a US\$2bn special cash distribution and US\$500m of share buybacks.

Looking ahead, management remains confident in the long-term outlook for transition metals. Copper production is expected to increase to around 1 million tonnes annually by the end of 2028, with a longer-term target of 1.6 million tonnes by 2035. Key growth projects, including the Alumbra restart and progress at KCC, remain on track, while the planned secondary listing on the Australian Securities Exchange in October 2026 should further broaden the shareholder base.

OUR LONG-TERM INVESTMENT VIEW

- Glencore is one of the world's largest diversified natural resource companies, combining a global mining portfolio with a scaled marketing business across metals, energy, and agriculture. Unlike most diversified miners, Glencore operates across upstream production, midstream logistics and downstream processing (including recycling), with earnings weighted toward copper, cobalt, zinc, and nickel rather than iron ore, complemented by a counter-cyclical marketing division
- Operationally, copper remains central to the equity story with guidance of copper production volumes of **c.1Mt by the end of 2028** and a target of **c.1.6Mt by 2035** as projects such as MARA (Argentina) and El Pachón advance, alongside optimisation of existing assets in Chile and the DRC. Coal production normalised following portfolio changes, while marketing continued to demonstrate resilience across energy and metals despite tighter trading conditions versus prior peak years
- Balance sheet discipline remains a focus, with net debt tracking within the targeted ~\$10bn and shareholder returns supported through base dividends and buybacks. Strategically, exposure to structurally undersupplied transition commodities (particularly copper and cobalt), an embedded recycling platform, and flexibility around portfolio options — including its stake in Bunge Global SA — provide capital allocation optionality aligned to long-term value creation

UNPACKING THE HY 2026 RESULTS

High level numbers

- **Revenue** reached \$174.4bn for H1 2026, representing a 49% increase y-o-y, driven by higher commodity prices and significant disruptions in energy markets, which benefited both the industrial and marketing segments.

Marketing

- Marketing Adjusted EBIT surged 142% y-o-y to \$3.3bn, representing one of the group's strongest H1 trading results on record.
- This performance significantly exceeded the long-term through-cycle guidance range, as the

- **Group adjusted EBITDA** came in at \$10.1bn, an 86% y-o-y increase. This was in-line with consensus
- **Net debt** was reported at approximately \$10.1bn, remaining within the management target range of \$10bn to \$16bn. The Net Debt/EBITDA for H1 2026 was at 0.6x, reflecting the company's strong cash generation and disciplined balance sheet management during the period.
- **Shareholder returns** for 2026 total ~\$3.5bn, comprising a \$0.17 base distribution (\$2bn), a \$0.085 top-up distribution (\$1bn), and a \$500m share buyback program. The further distributions supported by the planned monetization of Glencore's US\$3.4bn stake in Bunge

Industrial activities

- Industrial EBITDA for HY26 rose 72% y-o-y to \$6.5bn. The segment faced cost pressures, particularly in the copper business where 2026-unit cost guidance was raised by approximately 30% to US\$2.03/lb, driven by higher diesel prices and supply chain disruptions.
- **Copper** production for HY26 reached 397 kt, a 15% increase, but Q2 output was impacted by mine sequencing at Antamina and production weakness at Antapaccay.
- The production profile remains heavily weighted toward the second half of the year, with a recovery expected through higher grades at Collahuasi and Antapaccay to meet the full-year guidance of 810–870 kt.

division successfully leveraged energy price shocks and elevated commodity market volatility.

- The marketing segment continues to provide a defensive, counter-cyclical hedge for the group, effectively offsetting the lower-than-anticipated industrial earnings during the period.

Looking ahead

Glencore plans to pursue a secondary listing on the Australian Securities Exchange (ASX), targeting an October 2026 listing and the inclusion in the ASX200 within 12 months. Management remains positive on the medium-term outlook for transition metals and has maintained its 2026 production guidance for copper, zinc and nickel. The company continues to target annual copper production of around 1 million tonnes by the end of 2028, increasing to approximately 1.6 million tonnes by 2035.

The long-term growth outlook is underpinned by a strong project pipeline. The Alumbra restart is progressing ahead of schedule, with first production now expected in the second half of 2027, while the completion of the KCC land access package marks another important milestone in expanding future copper production.

We remain confident in management's ability to execute its long-term growth strategy. Glencore's diversified portfolio, leading marketing business and growing exposure to transition metals continue to support a compelling investment case, and the company remains a key holding in the Core Equity Portfolio.

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