



APERTURE

INSIGHTFUL AND RELEVANT RESEARCH UPDATES

BHP 1H 2026 Results

Share Price
Date

R638
27 February 2026

RESULTS SUMMARY

BHP Group delivered a strong first half result, with revenue up 11% to US\$27.9bn and underlying EBITDA rising 25% to US\$15.5bn, equating to a 58% margin. The performance was driven by higher realised copper and iron ore prices and record copper production. EPS increased 28%, while net operating cash flow rose 13% to US\$9.4bn. The board declared an interim dividend of 73 US cents per share, representing a 60% payout and around 20% ahead of expectations, reflecting robust earnings and disciplined capital allocation.

Copper was the standout, contributing over 50% of group EBITDA for the first time. Stronger prices, improved recoveries and operating leverage supported the result, leading management to lift full-year guidance to 1.9 – 2.0Mt. Iron ore remains a core cash generator, with volumes tracking well and guidance unchanged at 258 – 269Mt. Unit costs remain within range, supporting margins of over 60%. Coal earnings declined year-on-year as prices normalised, but the division remains cash generative and strategically de-emphasised.

The US\$4.3bn Antamina silver stream deal with Wheaton Precious Metals strengthens the balance sheet and supports funding for the copper growth pipeline. The deal crystallises value from a non-core by-product while retaining full exposure to copper. Management continues to pivot the portfolio toward future-facing commodities, with copper at the centre of the strategy and second-half cash flow visibility underpinned by stable production and disciplined cost control.

OUR LONG-TERM INVESTMENT VIEW

- BHP continues to sharpen its focus on long-term value creation through disciplined capital allocation, portfolio simplification, and a strong balance sheet. The group operates a more streamlined portfolio anchored in Tier-1, long-life, low-cost assets. Financial capacity remains robust, positioning BHP to fund organic growth projects and selectively pursue counter-cyclical opportunities
- While iron ore remains the dominant cash engine, the strategic centre of gravity has clearly shifted toward copper and future-facing commodities.
- Copper growth is central to BHP's ambition to materially increase copper production into the next decade. The portfolio is increasingly leveraged to structural themes including electrification, decarbonisation, and global infrastructure renewal, while still retaining strong exposure to China-linked steel demand via iron ore.
- This blend of near-term cash generation and long-duration growth optionality positions BHP to compound value across commodity cycles

UNPACKING THE 1H 2026 RESULTS

High level numbers

- **Revenue** increased 11% to US\$27.9bn, supported by higher realised prices for copper and iron ore, with copper now contributing more than 50% of group EBITDA for the first time. This stronger commodity price environment and solid volume performance more than offset weaker conditions in some other segments.
- **EBITDA rose 25% to US\$15.5bn**, with an underlying EBITDA margin of **58% AND** EPS was
- **Copper:** Contributed **>50% of group** for the first time. Operational leverage evident as volumes increased and cost inflation stabilised.
- **Coal:** EBITDA lower year-on-year as pricing normalised from prior peaks. Remains cash generative but strategically de-emphasised within capital allocation

Looking ahead

BHP has lifted copper production guidance to **1.9–2.0Mt** from 1.8 – 2.0Mt), reflecting stronger performance at Escondida and improved

up about **28%**.

- **Net operating cash flow increased by around 13% to US\$9.4bn**, benefiting from stronger earnings and working capital management. **Free cash flow remained solid**, with continued investment in growth and operational capital.
- Net debt was US\$14.7bn and the board declared an **interim dividend of 73 US cents per share** (~60% payout ratio) that was ~20% ahead of expectations.
- BHP agreed to a silver stream deal at the Antamina mine with Wheaton Precious Metals, receiving **US\$4.3bn in cash** to help reset its balance sheet and fund the copper growth pipeline.

Divisional performance

- **Iron Ore:** EBITDA remains a major cash generator, supported by strong WAIO volumes and disciplined costs. Unit costs remain within guidance. Production guidance unchanged, underpinning 2H cash flow visibility.

recoveries. **Iron ore guidance** remains unchanged at **258 –269Mt**, with WAIO continuing to execute consistently and unit costs well controlled. **Coal** is broadly tracking plan.

The Antamina-Wheaton deal allows BHP to crystallise value from a non-core by-product while retaining full exposure to Antamina's copper. This reinforces the group's strategic pivot towards copper without equity dilution.

BHP is well positioned for long-term growth, with upside supported by solid earnings and steady momentum. We remain confident in management's ability to execute on the investment case.

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