

Australian Resources

Earnings and dividends lower on weaker prices, capex up 34% as growth targeted

Industry Overview

CY23 earnings decline an average 12% on weaker prices

We review the key takeaways and themes for Australian Resources companies post reporting season. Overall, results were broadly in line with few surprises or guidance changes. In aggregate, EBITDA for our coverage fell by an average 12% in CY23 due to lower commodity prices. Cost pressures remained with BHP's unit costs rising 5% during the Dec-23 half across its major assets with labour a key driver. For FY24, we forecast an average 11% increase in EBITDA led by Rio Tinto. [Investors globally are underweight](#) (see report) Materials (-11%) and Energy (-13%) however, we see 23% TSR for our coverage.

Dividends 24% lower in CY23 amid softer free cash flows

Total dividends fell 24% in CY23 reflecting lower earnings while some miners trimmed payout ratios amid lower earnings and increasing capex. For context, BHP's dividend payout for the Dec-23 half was 54% (vs 69% in pc). Nevertheless, BHP was the highest dividend payer on the ASX in 2023. We also note balance sheets for our coverage universe remain strong with average net debt/EBITDA of less than 0.4x in 2023.

Capex 34% higher as growth and decarbonisation targeted

Capex increased by 34% in CY23 with Woodside and BHP recording the largest YoY increases as the companies acquired OZ Minerals and BHP Petroleum, respectively. BHP also approved its Jansen Phase 2 project. For CY24, we forecast a further 16% increase in capex for our coverage with Rio (e.g. Simandou), BHP (e.g. Jansen and growth in copper) seeing the largest increases in the pursuit of growth.

Stock picks

BHP (Buy): Iron ore solid. Focus on Copper growth. Nickel write-down.

RIO (Buy): Targeting a further 2% copper equivalent production growth in 2024.

WDS (Buy): Strong balance sheet, quality exposure to LNG and deepwater oil.

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Equity
Australia
Materials, Oil & Gas

James Redfern >>
Research Analyst
Merrill Lynch (Australia)
+61 2 9226 5746
james.redfern@bofa.com

Jason Fairclough >>
Research Analyst
MLI (UK)
+44 20 7995 0225
jason.fairclough@bofa.com

Matt Chalmers, CFA >>
Research Analyst
Merrill Lynch (Australia)
+61 2 9226 5634
matt.chalmers2@bofa.com

Chen Jiang >>
Research Analyst
Merrill Lynch (Australia)
+61 2 9226 5771
chen_jiang@bofa.com

Meredith Schwarz >>
Research Analyst
Merrill Lynch (Australia)
+61 3 9659 2067
meredith.schwarz@bofa.com

Cameron Taylor >>
Research Analyst
Merrill Lynch (Australia)
+61 2 9226 5043
cameronjohn.taylor@bofa.com

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Refer to important disclosures on page 14 to 16. Analyst Certification on page 10. Price Objective Basis/Risk on page 9.

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Valuation comps

Our primary valuation method for our Australian Resources coverage is to derive an NPV using a DCF methodology based on the life of mine/field cashflows and using BofA commodity price forecasts. In some instances we also use a blended average of EV/EBITDA and NPV where deemed appropriate. Relative dividend and free cashflow yields are also important for comparing stocks.

We estimate an average 23% potential return for BHP, Rio Tinto and Woodside.

Exhibit 1: BofA Australian Resources coverage valuation comps

We estimate a median 23% potential return for BHP, Rio Tinto and Woodside

		2024		2025	2024		2025	2024		2025	2024		2025	2023		
		Price	PO	TSR	Mkt Cap	EV	P/NPV	EV/EBITDA		Dividend Yield		FCF Yield		Net Debt/Equity		Net Debt/EBITDA
Metals, Mining & Steel	Rating	\$/shr	\$/sh	%	US\$M	US\$M	FY23	CY24	CY25	CY24	CY25	CY24	CY25	CY24	CY25	CY23
BHP Group Limited	BUY	44.63	52.00	23%	147,130	152,723	0.87x	5.2x	5.5x	5.4%	4.6%	6.7%	6.7%	17.4%	15.1%	0.32x
Rio Tinto Ltd	BUY	124.77	156.00	31%	131,555	152,999	0.92	5.2x	6.4x	6.1%	4.6%	6.6%	4.0%	4.6%	6.4%	0.15x
Woodside Energy	BUY	30.27	33.00	15%	37,468	42,483	0.93	5.0x	4.4x	6.1%	7.1%	4.3%	11.5%	5.3%	1.7%	0.32x
Average				23%			0.90x	5.1x	5.4x	5.9%	5.4%	5.9%	7.4%	9.1%	7.7%	0.26x
Median				22%			0.92x	5.2x	5.5x	6.1%	4.6%	6.6%	6.7%	5.3%	6.4%	0.32x

Source: BofA Global Research, Bloomberg

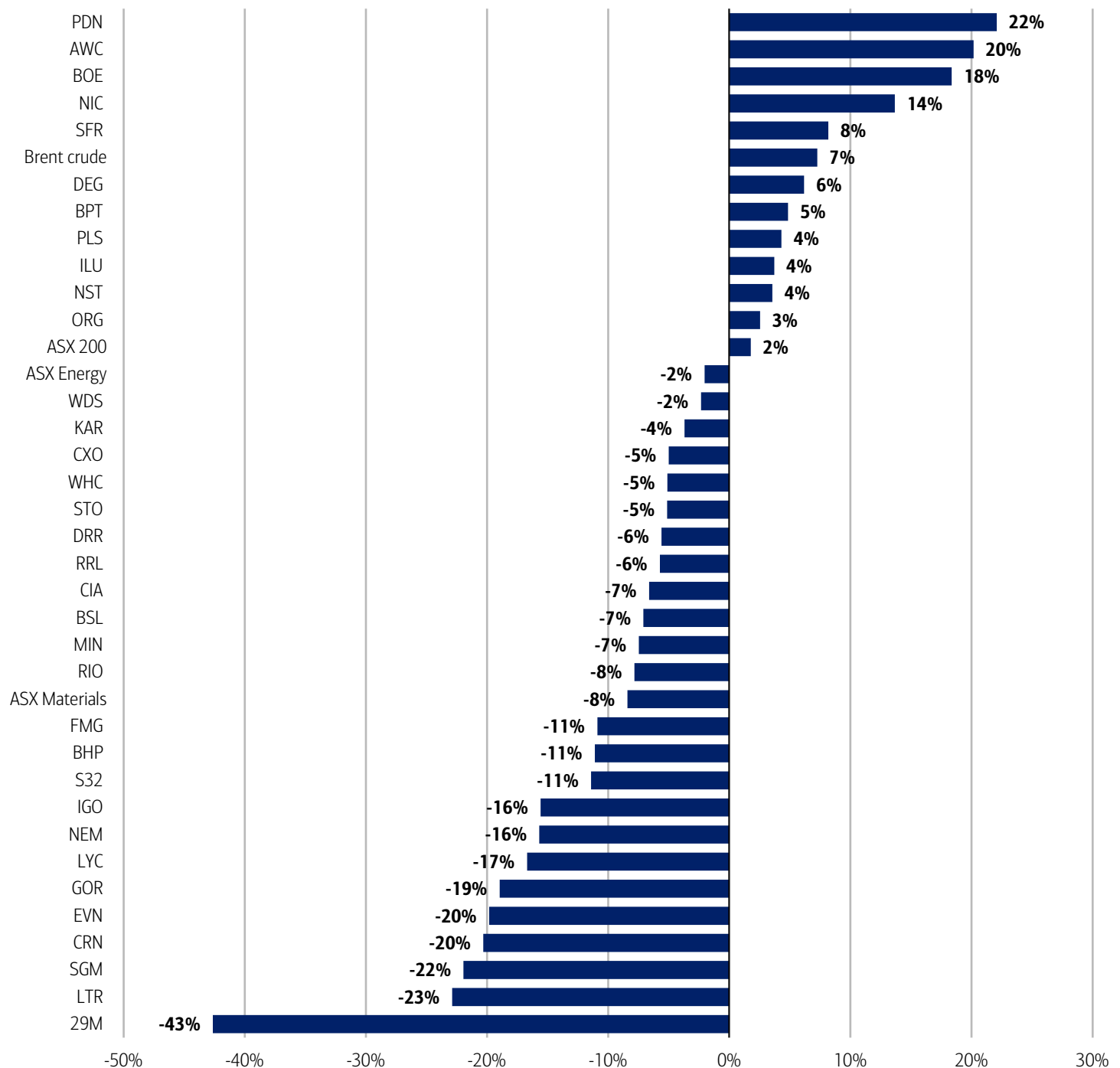
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Australian Resources returns - 2024 YTD

Since 1 January 2024, the best performing stocks are uranium companies Paladin and Boss Energy as uranium prices reached a record high of \$106/lb. By contrast, 29Metals is the worst performer followed by gold producers Evolution and Gold Road.

Exhibit 2: Australian Resources stocks returns since 1 January 2024

Uranium stocks Boss and Paladin have been the best performers in 2024 YTD while 29M has been the worst, impacted by adverse weather/operations issues



Source: BofA Global Research, Bloomberg

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Investor positioning...still underweight

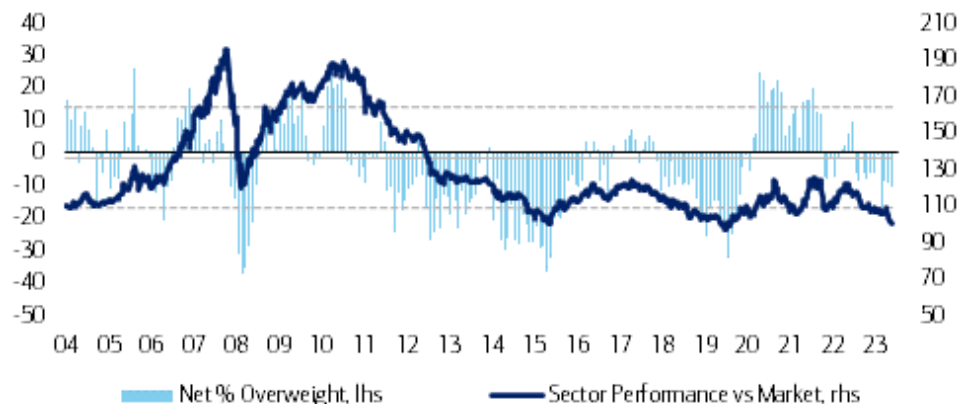
According to our latest BofA Global Fund Manager Survey (see [Global Fund Manager Survey: Magnificent Sentiment 13 February 2024](#)), allocation to global materials declined 2ppt MoM to net 11% underweight while the funds allocation to global energy fell 4ppt MoM to a net 13% underweight, the largest underweight since December 2020.

For reference, investors globally are most overweight Tech, Healthcare, Telecoms and Industrials.

In practice, we usually need to see two to three months of “flow” (maybe more?) before claimed positioning is where people actually are (a former strategist once said, this is how people “wish” their portfolio was positioned).

Chart 1: Global Materials

Net% of FMS investors overweight materials



Source: BofA Global Fund Manager Survey, Datastream

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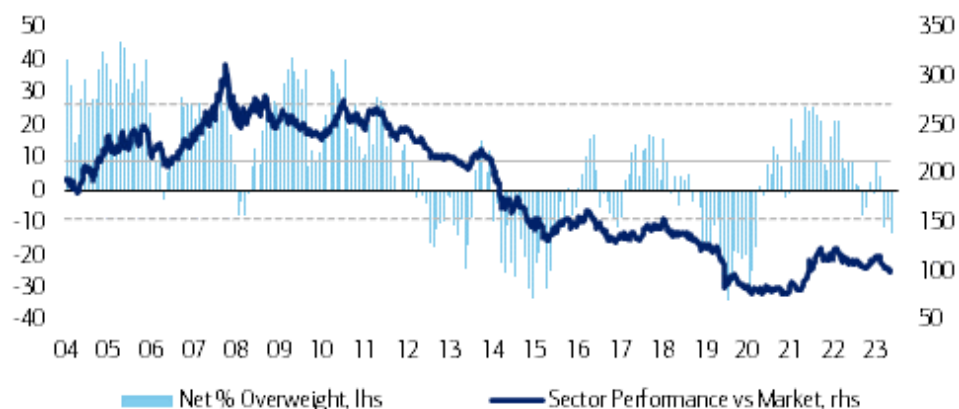
Allocation to materials was down 2ppt MoM to net 11% underweight.

FMS Investors have been UW materials since Apr'23.

Current reading is 0.6 stdev below its long-term average.

Chart 2: Global Energy

Net% of FMS investors overweight energy



Source: BofA Global Fund Manager Survey, Datastream

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Allocation to energy was down 4ppt MoM to net 13% UW.

Current reading is 1.3 stdev below its long-term average.

BHP group (Buy, A\$52.00 PO)

Results fine. Samarco, Nickel and Copper growth in focus

BHP reported 1H FY24 earnings and dividends in line and reaffirmed all guidance. With underlying operations performing well, focus areas on the analyst call were the future of Western Australia Nickel; has BHP adequately provisioned for Samarco; growth in South Australian Copper to >500 ktpa longer term (vs 310-340 kt in FY24e); and Escondida growth options. We maintain our Buy with 24% potential TSR. BHP is the world's largest mining company and provides quality exposure to higher for longer iron ore and coal prices and an expected strong increase in copper prices.

WAIO solid. Focus on Copper growth and future of nickel

WAIO is once again the bedrock for BHP, comprising 68% of group EBITDA and generating >60% ROCE. BHP is focused on increasing production to >305 Mtpa over the medium term (FY26e) while studying options to expand WAIO up to 330 Mtpa. Guidance for copper production at Escondida is unchanged at 1,080-1,180 kt for FY24, increasing to 1,200-1,300 ktpa in FY25 and FY26. However, BHP expects copper production to fall to 900-1,000 ktpa from FY27 for several years due to lower copper grades. To offset lower grades, BHP is assessing the potential for a new concentrator and the application of one or more leaching technologies. Regarding nickel, BHP expects the global nickel market to remain in surplus until the end of the decade. We therefore, see a high probability of Nickel West being placed into care and maintenance post FY24.

1H FY24 EBITDA & DPS in line, FY24 guidance unchanged

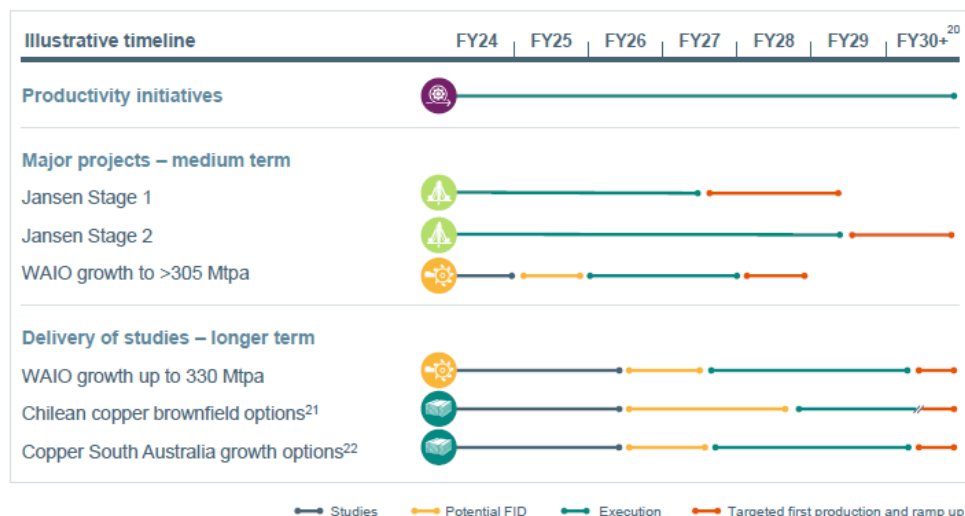
BHP reported 1H FY24 underlying EBITDA of \$13.9bn (+5% vs pc), in line with expectations for \$14.0bn. At the divisional level, all segments were in line with few surprises. BHP declared an interim dividend of 72 UScps (56% payout) vs consensus of 70 UScps (54% payout) and BofAe of 74 UScps. Net debt of \$12.6bn at 31 Dec-23, in the upper half of the \$5-15bn net debt target range hence the lower dividend payout ratio (vs 69% 1H FY23). FY24 guidance for unit costs, production and capex is also unchanged as is capex guidance for FY25 and the medium term.

BHP has growth options in potash, iron ore and copper

Exhibit 3: Growing value over multiple time horizons

A substantial, growing production base with significant long-term optionality

A strong pipeline of growth in execution and under study...



Source: BHP

... with additional potential opportunities...

- Jansen Stages 3 & 4
- Antamina life extension
- Resolution
- Early-stage entry investments

... and creation of more longer term options

- BHP Metals Exploration
- BHP Xplor
- BHP Ventures

Rio Tinto (Buy, A\$156.00/share PO)

FY23 EBITDA in line, DPS +3% ahead. Guidance in line

FY23 EBITDA was \$23.9bn, -9% YoY, in line with consensus of \$24.0bn (BofA \$23.1bn). In the divisions, Iron Ore (84% of group EBITDA) was in line., Copper and Energy & Minerals were c. 5% below consensus. RIO declared a FY23 dividend of 435 UScps (60% payout), +3% vs. consensus of 423 UScps (BofA 430 UScps). Net debt of \$4.2bn at year-end was broadly flat. Production guidance for 2024 is unchanged, as is capex guidance of \$10bn p.a. (including \$3bn p.a. for growth) in 2024-26. RIO also provided new 2024 unit cost guidance and sees Pilbara Iron Ore unit costs of \$21.75-\$23.5/t (BofAe \$22.3/t) and Copper C1 unit costs of 140-160 USc/lb.

Leverage to iron ore plus a little copper growth too

We expect iron ore prices to remain higher for longer and forecast prices to average \$125/t in 2024. In addition, our BofA Global Research's Metals Strategist projects aluminium and copper prices to increase by +30% and +20%, respectively, in the next 12 months as both markets tighten. RIO is targeting +2% CuEq production growth in 2024 (vs. +3% in 2023), and we see further growth post 2024. Growth should be driven by Pilbara Iron Ore ramping to nameplate, Simandou Iron Ore (Guinea) commencing in 2026 and Oyu Tolgoi copper Mongolia reaching nameplate in 2028.

Decarbonization of PacAI key to broader decarb efforts

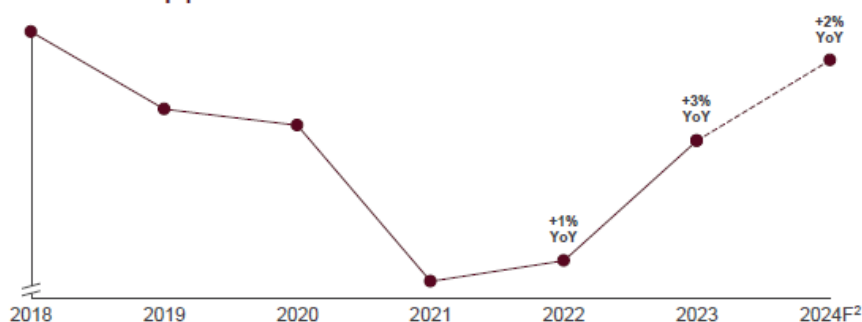
Rio's analyst conference call focused on its growth projects and decarbonisation plans. Interestingly, Rio also announced that it has signed Australia's largest renewable power purchase agreement (PPA) to date to supply its Gladstone operations in Queensland. The PPA will make Rio the biggest industrial buyer of renewable power in Australia and is another major step in the work to repower its Gladstone production assets from low carbon energy sources. These include the Boyne aluminium smelter, Yarwun alumina refinery and Queensland Alumina refinery. In our view, this PPA is a key step, as Rio is targeting a -50% decrease in equity Scope 1-2 GHG emissions by 2030.

Rio is forecast to achieve +2% CuEq growth in 2024

Exhibit 4: Rio is forecast to achieve 2% growth in copper equivalent production in 2024

Growth driven by further ramp up of Oyu Tolgoi in Mongolia and Pilbara Iron Ore in Western Australia

Rio Tinto CuEq¹ production



Source: Rio Tinto

- We are opportunity-rich and pursuing profitable growth as we continue to deliver on our four objectives
- Safe Production System delivering, with more to come
- Second highest shipment year in the Pilbara
- First sustainable production from Oyu Tolgoi underground
- Deep engagement and partnership with Traditional Owners through co-design and co-management
- Our decarbonisation project commitments are taking hold
- Embedding a continuous improvement mindset

Woodside Energy (Buy, A\$33.00/share PO)

FY23 EBITDA in line, DPS a slight beat versus consensus

Woodside reported FY23 underlying EBITDA of \$9.3bn, in-line with consensus of \$9.2bn (-3% vs BofAe \$9.6bn). WDS declared a final dividend of 60 UScps resulting in FY23 dividends of 140 UScps (80% payout), 9% above consensus of 128 UScps (78% payout) yet in line with BofAe (143 UScps, 80% payout). Guidance for 2024 production and capex remains unchanged. Unit production costs of \$8.3/boe rose 2% vs 2022 despite cost inflation and planned turnarounds. WDS' balance sheet remains strong with net gearing of 12%, at the lower end of its 10-20% target range. We maintain our Buy with 14% potential return to our \$33.00/sh price objective.

Pipeline of organic growth, assessing inorganic options

We forecast WDS to achieve 3% CAGR in production from 2023-2028 driven by a pipeline of organic growth projects including Sangomar (targeting first oil in mid CY24), Scarborough (targeting first LNG in 2026), and Trion (targeting first oil in 2028). WDS is disciplined, and recently terminated potential merger discussions with Santos. However, WDS continues to assess potential M&A transactions focussed on LNG, deepwater oil and new energy. Sangomar was 93% complete at year-end 2023 with 17 wells drilled and completed while the FPSO recently arrived in Senegal from Singapore.

Targeting 15% lower equity scope 1-2 emission by 2025

WDS has achieved a 12.5% reduction in its net equity scope 1-2 GHG emissions vs. its starting base and is targeting a 15% decrease by 2025 and -30% by 2030. In 2023, 70% of WDS' gross equity Scope 1 GHG emissions were from fuel combustion to power assets, 22% from venting of which the majority is associated with removal of reservoir CO₂ as part of the LNG process, and 8% from flaring. In its Climate Transition Action Plan, WDS has outlined plans to reduce GHG emissions through Design Out (avoiding emissions), Operate Out (reduce emissions in ops), and Offset (buying carbon credits).

We forecast 3% CAGR production growth during 2023-28

Exhibit 5: production expected to increase in 2024 as Sangomar starts up mid-2024

High-quality portfolio providing energy now and into the future

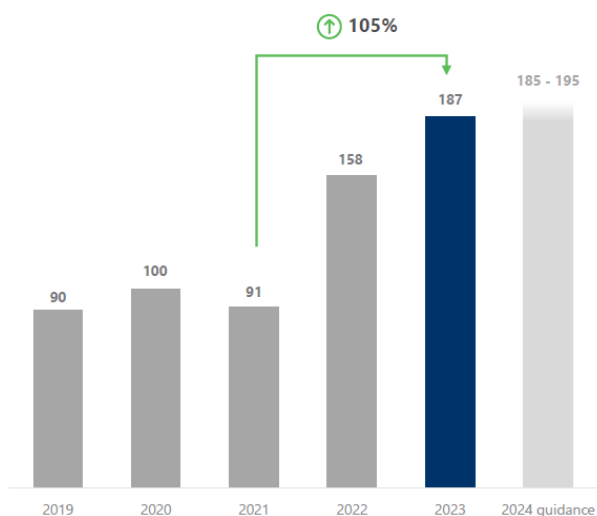
Strong operational performance

- Record production of 187 MMboe (513 Mboe/day), notwithstanding planned turnarounds¹
- 98% reliability from operated LNG; consistent high performance
- Mad Dog Phase 2 and Shenzi North start-up, FID on Mad Dog Southwest
- FID on Julimar Brunello Phase 3 and Lambert West Project²

Positioned for the future

- Building Senegal's first offshore oil project; targeting first oil mid 2024
- Scarborough Energy Project; targeting first LNG cargo in 2026
- Took FID on the Trion Project; targeting first oil in 2028
- 158% of production replaced with proved plus probable reserves in 2023, top quartile proved reserves life against peers³
- Building Pacific LNG position via offtake from Mexico Pacific LNG⁴
- Building capability to deliver hydrogen through FID on the H2 Refueller Project

Production (MMboe)



Source: Woodside

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Exhibit 6: Stocks mentioned

Rating and price summary

BofA Ticker	Bloomberg ticker	Company name	Price	Rating
BHPLF	BHP AU	BHP Group Limited	A\$ 44.23	B-1-7
ZBHPPF	BHP LN	BHP Group Limited	2285.5p	B-1-7
BHP	BHP US	BHP Group-ADR	US\$ 58.06	B-1-7
RIO	RIO US	Rio Tinto Plc	US\$ 64.85	B-1-8
RTPPF	RIO LN	Rio Tinto Plc	5090p	B-1-8
WOPEF	WDS AU	Woodside Energy	A\$ 30.52	B-1-7

Source: BofA Global Research

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Price objective basis & risk**BHP Group Limited (BHPLF / BHP)**

Our price objective of A\$52.0/share (US\$65.0/share) represents approximately 1.0x our DCF-derived NPV. Our DCF is based on BofA commodity price forecasts and assumes a 9% discount rate. Diversified miners have historically traded in a range of 0.7-1.4x NPV with lower multiples paid during periods of economic slowdown and higher multiples paid during periods of rising commodity prices and earnings.

Downside (upside) risks to our price objective are: Global economic slowdown (growth), volatility in commodity prices, operational risks associated with mining, project execution risk, currency pressures and mining cost inflation (deflation).

BHP Group Limited (ZBHPPF)

Our price objective of 2,650 GBP represents approximately 1.0x our DCF-derived NPV. Our DCF is based on BofA commodity price forecasts and assumes a 9% discount rate. Diversified miners have historically traded in a range of 0.7-1.4x NPV with lower multiples paid during periods of economic slowdown and higher multiples paid during periods of rising commodity prices and earnings.

Downside (upside) risks to our price objective are: Global economic slowdown (growth), volatility in commodity prices, operational risks associated with mining, project execution risk, currency pressures and mining cost inflation (deflation).

Rio Tinto Plc (RTPPF / RIO)

Our price objective of GBP 7900 (ADR: US\$97) is based on c.1.0x our NPV estimate. Our NPV uses 9% WACC and 2% terminal growth rate. Diversified miners have historically traded in a range of 0.7-1.4x NPV.

Downside risks :1) commodity prices, which could be lower than our forecasts, resulting in lower-than-forecast earnings, 2) unsuccessful project execution, and 3) operational problems at mines and smelters.

Upside risks: 1) China growth is higher vs. our expectations, 2) Iron ore price surprises to the upside.

Woodside Energy Group (WOPEF)

Our \$33.0/share price objective is based on our risk-adjusted NAV, which is a sum of the parts DCF valuation. Our DCF methodology assumes \$70/bbl Brent crude long term, AUD/USD of 0.65 and a 9.0% WACC (RfR 5%, ERP 5% and Beta of 1.0). As DCF is based on life of field cash flows including abandonment costs and there is no terminal value.

Upside risks to our PO: higher than forecast oil and LNG prices, lower than forecast capex and opex and progress in sanctioning its growth projects.

Downside risks to our PO: lower than forecast oil and LNG prices, lower than expected production due to unplanned outages, higher operating costs and cost overruns or delays at its growth projects.

Analyst Certification

We, James Redfern and Jason Fairclough, hereby certify that the views each of us has expressed in this research report accurately reflect each of our respective personal views about the subject securities and issuers. We also certify that no part of our respective compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

Special Disclosures

BofA Securities is currently acting as Financial Advisor and Financer to Whitehaven Coal Ltd in connection with its proposed acquisition of Daunia and Blackwater coalmines from BHP Group and Mitsubishi Development Pty Ltd, which was announced on October 18, 2023.

APR - Energy Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Ampol Ltd	CTXAF	ALD AU	David Errington
	COSL	CHOLF	2883 HK	Yiming Wang
	Formosa Plastics	FSAPF	1301 TT	Joon-Ho Lee
	GS Holdings	GSHDF	078930 KS	Joon-Ho Lee
	Indorama Ventures Public Company Limited	INDMF	IVL TB	Komsun Suksumrun
	Karoon Energy	KRNGF	KAR AU	James Redfern
	Kumho Petrochemical	KKMHF	011780 KS	Joon-Ho Lee
	Kunlun Energy - H	KUNUF	135 HK	Yiming Wang
	LG Chem	LGCLF	051910 KS	Joon-Ho Lee
	LG Energy Solution	XQIEF	373220 KS	Joon-Ho Lee
	Oil and Natural Gas Corporation Limited	XOFOF	ONGC IN	Bharat Subramanian
	Oil India Limited	XLCRF	OINL IN	Bharat Subramanian
	People & Technology	XDFYF	137400 KS	Joon-Ho Lee
	PetroChina	PCCYF	857 HK	Matty Zhao
	Petrochina Co Ltd-A	XPCLF	601857 CH	Matty Zhao
	POSCO Future M	XTAMF	003670 KS	Joon-Ho Lee
	PTT Exploration	PTXLF	PTTEP TB	Komsun Suksumrun
	PTT Global Chemical PLC	XPGOF	PTTGC TB	Komsun Suksumrun
	PTT pcl	PTTPF	PTT TB	Komsun Suksumrun
	Reliance Inds	XRFLF	RELIANCE IN	Sachin Salgaonkar
	Santos Ltd	STOSF	STO AU	James Redfern
	Sinopec	SNPMF	386 HK	Matty Zhao
	Sinopec -A	SNPAF	600028 CH	Matty Zhao
	Sinopec Engineering	SENGF	2386 HK	Yiming Wang
	SK IE Technology	XKWRF	361610 KS	Joon-Ho Lee
	SK Innovation	SKOVF	096770 KS	Joon-Ho Lee
	SKC	XSXOF	011790 KS	Joon-Ho Lee
	S-Oil	SOOCF	010950 KS	Joon-Ho Lee
	Star Petroleum Refining	XSJSF	SPRC TB	Komsun Suksumrun
	Thai Oil - L	TOJIF	TOP TB	Komsun Suksumrun
	Viva Energy	XVWWF	VEA AU	David Errington
	Wanhua Chemical	YWNHF	600309 CH	Yiming Wang
	Woodside Energy Group	WOPEF	WDS AU	James Redfern
NEUTRAL				
	Beach Energy Limited	BEPTF	BPT AU	James Redfern
	Envicool	XPTIF	002837 CH	Cheng Gao
	Formosa Chemicals & Fibre	XFUMF	1326 TT	Joon-Ho Lee
	Hanwha Solutions Corp.	HNWFF	009830 KS	Joon-Ho Lee
	Indian Oil Corporation Limited	IOCOF	IOCL IN	Bharat Subramanian
	L&F	XLNTF	066970 KS	Joon-Ho Lee
	Nan Ya Plastics	NNYPF	1303 TT	Joon-Ho Lee
	PTT Oil and Retail Business	XNINF	OR TB	Komsun Suksumrun
	Solus Advanced Materials	XSOAF	336370 KS	Joon-Ho Lee
UNDERPERFORM				
	Bharat Petroleum Corporation Limited	XBPCF	BPCL IN	Bharat Subramanian
	COSL	XCNRF	601808 CH	Yiming Wang
	Ecopro BM	XKURF	247540 KS	Joon-Ho Lee
	Formosa Petrochemical	FPTCF	6505 TT	Joon-Ho Lee
	Hindustan Petroleum Corporation Limited	XHTPF	HPCL IN	Bharat Subramanian
	IRPC	IRPSF	IRPC TB	Komsun Suksumrun
	Lotte Chemical Corporation	XLCCF	011170 KS	Joon-Ho Lee
	Petronas Chemicals	PECGF	PCHEM MK	Joon-Ho Lee
	Pylon Tech	XPTDF	688063 CH	Cheng Gao
	Sinopec Shanghai Petrochemical Co	SPTJF	338 HK	Yiming Wang
	Sinopec Shanghai Petrochemical Co	SINFF	600688 CH	Yiming Wang

EMEA - Metals & Mining, Steel, Paper Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Acerinox	ANIOF	ACX SQ	Patrick Mann, CFA
	Alleima AB	SAMHF	ALLEI SS	Patrick Mann, CFA
	Anglo American	AAUKF	AAL LN	Jason Fairclough
	Anglo American plc	NGLOY	NGLOY US	Jason Fairclough
	Antofagasta	ANFGF	ANTO LN	Jason Fairclough
	Atalaya Mining Plc	XPGBF	ATYM LN	Jason Fairclough
	Befesa	BFSAF	BFSA GY	Cameron Needham
	Centamin Plc	CELTf	CEY LN	Jason Fairclough
	Centamin Plc	YCEE	CEE CN	Jason Fairclough
	Ecora Resources Plc	ECRAF	ECOR LN	Cameron Needham
	Eramet	ERMAF	ERA FP	Jason Fairclough
	Glencore	GLCNF	GLEN LN	Jason Fairclough
	Glencore Plc	GLNCY	GLNCY US	Jason Fairclough
	Hochschild Mining plc	HCHDF	HOC LN	Jason Fairclough
	Norsk Hydro	NHYDY	NHYDY US	Jason Fairclough
	Norsk Hydro	NHYKF	NHY NO	Jason Fairclough
	Rio Tinto Plc	RIO	RIO US	Jason Fairclough
	Rio Tinto Plc	RTPPF	RIO LN	Jason Fairclough
	SCA	SVCBF	SCAB SS	Patrick Mann, CFA
	SIG Group	SCBGF	SIGN SW	Patrick Mann, CFA
	Smurfit Kappa	SMFTF	SKG ID	Patrick Mann, CFA
	Smurfit Kappa	XNKFF	SKG LN	Patrick Mann, CFA
	Smurfit Kappa	SMFKY	SMFKY US	Patrick Mann, CFA
	Stora Enso	SEOJF	STERV FH	Patrick Mann, CFA
	Stora Enso	SEOAY	SEOAY US	Patrick Mann, CFA
	Thyssenkrupp	TYEKF	TKA GY	Jason Fairclough
	Verallia	VRLAF	VRLA FP	Patrick Mann, CFA
	Yellow Cake Plc	YLLXF	YCA LN	Jason Fairclough
NEUTRAL				
	ArcelorMittal	AMSYF	MT NA	Patrick Mann, CFA
	ArcelorMittal	MT	MT US	Patrick Mann, CFA
	Imerys	IMYSF	NK FP	Jason Fairclough
	Salzgitter	SZGPF	SZG GY	Patrick Mann, CFA
	Voestalpine	VLPNF	VOE AV	Patrick Mann, CFA
UNDERPERFORM				
	Aperam	XASPF	APAM NA	Patrick Mann, CFA
	Aurubis	AIAGF	NDA GY	Jason Fairclough
	Billerud AB	BLRDF	BILL SS	Patrick Mann, CFA
	Billerud AB	BLRDY	BLRDY US	Patrick Mann, CFA
	Boliden	BOLIF	BOL SS	Jason Fairclough
	Ferrexpo plc	FEEXF	FXPO LN	Jason Fairclough
	Fresnillo plc	FNLPF	FRES LN	Jason Fairclough
	Outokumpu	OUTFF	OUT1V FH	Patrick Mann, CFA
	Sappi Limited	SPPJF	SAP SJ	Patrick Mann, CFA
	Sappi Limited	SPPJY	SPPJY US	Patrick Mann, CFA
	SSAB	SSAAF	SSABA SS	Patrick Mann, CFA
	UPM-Kymmene	UPMKF	UPM FH	Patrick Mann, CFA
RSTR				
	DS Smith plc	DITHF	SMDS LN	Patrick Mann, CFA
	Mondi plc	MONDY	MONDY US	Patrick Mann, CFA
	Mondi Plc	MONDF	MNDI LN	Patrick Mann, CFA
	Mondi Plc	XDPMF	MNP SJ	Patrick Mann, CFA
RVW				
	Horizonte Minerals	HZMMF	HZM LN	Jason Fairclough

Australia - Materials & Industrials Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	29Metals Limited	XMLNF	29M AU	James Redfern
	AGL Energy	AGLNF	AGL AU	Reinhardt van der Walt
	APA Group	APAJF	APA AU	Reinhardt van der Walt
	BHP Group Limited	BHPLF	BHP AU	James Redfern
	BHP Group Limited	ZBHPF	BHP LN	James Redfern
	BHP Group-ADR	BHP	BHP US	James Redfern
	BlueScope	BLSFF	BSL AU	Chen Jiang
	Boss Energy	BQSSF	BOE AU	Cameron Taylor
	Champion Iron	CIAFF	CIA AU	Chen Jiang
	Champion Iron	YCIA	CIA CN	Chen Jiang
	Coronado	CODQL	CRN AU	Chen Jiang
	Evolution Mining	CAHPF	EVN AU	Meredith Schwarz
	Fletcher Building	FRCEF	FBU NZ	Shaurya Visen
	Fletcher Building	YFLBF	FBU AU	Shaurya Visen
	Gold Road Resources	ELKMF	GOR AU	Meredith Schwarz
	GWA Group	GWAXF	GWA AU	Shaurya Visen
	Incitec Pivot	ICPVF	IPL AU	Reinhardt van der Walt
	Mineral Resources	MALRF	MIN AU	Matt Chalmers, CFA
	Monadelphous	MDPHF	MND AU	Roy Harrison
	Nickel Industries	NICMF	NIC AU	Cameron Taylor
	Northern Star Resources	NESRF	NST AU	Meredith Schwarz
	NRW Holdings	NRWWF	NWH AU	Roy Harrison
	Nufarm	NUFMF	NUF AU	Reinhardt van der Walt
	Orica	OCLDF	ORI AU	Reinhardt van der Walt
	Origin Energy	OGFGF	ORG AU	Reinhardt van der Walt
	Orora	ORRAF	ORA AU	Roy Harrison
	Paladin Energy	PALAF	PDN AU	Cameron Taylor
	Regis Resources	RGRNF	RRL AU	Meredith Schwarz
	Reliance Worldwide Corporation Limited	RLLWF	RWC AU	Shaurya Visen
	Rio Tinto Ltd	RTNTF	RIO AU	James Redfern
	Seven Group Holdings	XSEVF	SVW AU	Shaurya Visen
	South32 Ltd	SHTLF	S32 AU	James Redfern
	South32 Ltd	XKTPF	S32 LN	James Redfern
	South32 Ltd	XMWTF	S32 SJ	James Redfern
	Ventia	XVXGF	VNT AU	Roy Harrison
	Whitehaven Coal Limited	WHITF	WHC AU	Chen Jiang
	Worley Limited	WYGPF	WOR AU	Cameron Taylor
NEUTRAL				
	Brambles Limited	BMBLF	BXB AU	Reinhardt van der Walt
	Deterra Royalties	DETRF	DRR AU	Chen Jiang
	Downer EDI Limited	DNERF	DOW AU	Roy Harrison
	Pilbara Minerals	PILBF	PLS AU	Matt Chalmers, CFA
	Qube Holdings	QUBHF	QUB AU	Reinhardt van der Walt
	Reece Limited	REECF	REH AU	Shaurya Visen
	Sandfire Resources	SFRRF	SFR AU	Matt Chalmers, CFA
	Sims Limited	SMUPF	SGM AU	Chen Jiang
	Transurban Group	XTRAF	TCL AU	Reinhardt van der Walt
	Transurban Group	TRAUF	TRAUF US	Reinhardt van der Walt
UNDERPERFORM				
	ALS Limited	CPBLF	ALQ AU	Reinhardt van der Walt
	Atlas Arteria Ltd	MAQAF	ALX AU	Reinhardt van der Walt
	Cleanaway Waste Management	TSPCF	CWY AU	Reinhardt van der Walt
	Fortescue Ltd.	FSUMF	FMG AU	James Redfern
	IGO	IPGDF	IGO AU	Matt Chalmers, CFA
	James Hardie Industries Plc	JHIUF	JHX AU	Shaurya Visen
	James Hardie Industries Plc	JHX	JHX US	Shaurya Visen
	Vulcan Steel Limited	XVULF	VSL AU	Shaurya Visen
	Vulcan Steel Limited	XVSTF	VSL NZ	Shaurya Visen
RSTR				
	Alumina Limited	AWCMF	AWC AU	Chen Jiang

Disclosures

Important Disclosures

Equity Investment Rating Distribution: Energy Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	83	61.48%	Buy	64	77.11%
Hold	28	20.74%	Hold	21	75.00%
Sell	24	17.78%	Sell	18	75.00%

Equity Investment Rating Distribution: Non-Ferrous Metals/Mining & Minerals Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	58	53.70%	Buy	26	44.83%
Hold	24	22.22%	Hold	10	41.67%
Sell	26	24.07%	Sell	13	50.00%

Equity Investment Rating Distribution: Global Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	1895	53.62%	Buy	1083	57.15%
Hold	832	23.54%	Hold	454	54.57%
Sell	807	22.84%	Sell	383	47.46%

^{R1} Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster ^{R2}
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

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