

Fortescue half-year net profit jumps 41%, reflecting higher iron ore prices



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### **Body**

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**Fortescue** Metals ([OTCQX:FSUMF](#)) +1.5% in Thursday's trading after reporting a 41% rise in [H1 net profit](#) and raising its midyear payout to shareholders, [beating estimates and bucking a trend](#) of weaker earnings among the world's major iron ore miners.

The world's fourth-largest iron ore producer said its net profit in the six months through December 31 rose to US\$3.34B from US\$2.37B in the year-ago period, and underlying EBITDA jumped 36% Y/Y to US\$5.91B; H1 revenues from iron ore gained 24% to US\$8.71B.

**Fortescue** ([OTCQX:FSUMF](#)) said its average realized iron ore price rose to ~US\$108/metric ton from ~US\$87/ton a year earlier, more than offsetting a 2% drop in shipments and a 2% bump up in costs.

The miner's interim dividend equated to 65% of profits for the half, the same as the prior-year period and in line with its policy of paying out 50%-80% of full-year underlying profit to shareholders.

**Fortescue's** ([OTCQX:FSUMF](#)) "performance in the first half of FY24 has been excellent, with the team achieving our second highest first half shipments," CEO Dino Otranto said.

There is "very little to see" in the H1 earnings report, Jefferies analysts say while seeing some cause for concern over iron ore prices, which could be at or near their peak in the current quarter, and that recent weakness after the Lunar New Year does not bode well for iron ore demand.

"We have been through an upgrade cycle in Fe as pricing outperformed broad-based weak expectations through the end of 2023," Jefferies said, as it now sees ["risks more skewed to the downside."](#)

More on **Fortescue**

[Fortescue: Fortunes Still Tied To Iron Ore](#)

[Historical earnings data for Fortescue](#)

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[Dividend scorecard for Fortescue](#)

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