



FED:Fortescue profit slumps on weak iron ore prices

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Body

Fortescue has posted a weaker first-half profit despite record-high shipments, as softer demand from China weighs on iron ore prices.

The mining giant posted a net profit after tax (NPAT) of US\$1.6 billion (\$A2.5 billion) for the six months to December 31, down more than 50 per cent from US\$3.3 billion in 2023.

Earnings before interest, taxes, depreciation, and amortisation was US\$3.6 billion, down from US\$5.9 billion.

"It's been an outstanding operational performance for the first half of FY25 with the team achieving our highest ever half-year shipments while keeping costs low," **Fortescue** Metals chief executive Dino Otranto said.

Iron ore prices have been languishing on the back of weak demand from China and its struggling property sector.

Fortescue's decarbonisation plan and green energy pivot continued to progress, but some project timelines would have to be extended, energy division chief executive Mark Hutchinson said.

"We have continued to advance and commercialise our portfolio of green technologies to assist **Fortescue's** own decarbonisation goals and help other companies in their transition to Real Zero," he said.

"Our global team is also continuing to progress and refine our green energy projects in a disciplined manner, amid challenging global market conditions."

Total capital expenditure for the period was US\$1.8 billion, \$300 million higher than in 1H24.

Guidance for FY25 shipments and costs remained unchanged, while the guidance range for Metals capital expenditure narrowed to US\$3.5 - US\$3.8 billion and guidance for Energy capital expenditure fell to US\$400 million.

The group posted net cash flow from operating activities of US\$2.4 billion and free cash flow of US\$0.7 billion after capital expenditure of US\$1.8 billion.

The board declared a fully franked interim dividend of \$A0.50 per share, a 65 per cent payout of first-half profit, but down from \$A1.08 a year earlier.

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FMG shares were down 5.8 per cent to \$18.33 in early trading.

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