



CAPTRUST

February 17, 2023

Company	Ticker	Sector	Industry
BHP Group Ltd Sponsored American Depositary Receipt	BHP-US	Materials	Metals & Mining

Business Description

BHP Group Ltd. engages in the exploration, development, production and processing of iron ore, metallurgical coal and copper. It operates through the following segments: Petroleum, Copper, Iron Ore, and Coal. The Petroleum segment explores, develops and produces oil and gas. The Copper segment refers to the mining of copper, silver, lead, zinc, molybdenum, uranium and gold. The Iron Ore segment refers to mining of iron ore. The Coal segment focuses on metallurgical coal and energy coal. The company was founded on August 13, 1885 and is headquartered in Melbourne, Australia.

Price Chart

Key Info & Metrics



Empirical Research Rank:	@NA
Date Purchased:	02/15/2023
Price:	\$67.13
52-Week Range:	\$47.47 - \$79.30
Dividend Yield:	9.66%
Market Cap (\$M):	\$167,627
Forward Price-to-Earnings:	12

Total Return

Year-to-Date:	8.2%
1 Year:	22.9%
3 Year:	87.8%
5 Year:	130.7%

Investment Case - Updated: February 15, 2023

BHP is a world leader in the diversified resources industry. The company's profit margins consistently lead the peer group. The company's largest segment, iron ore, has over 70% margins due to its high-quality land, low capital intensity, and higher mix of lump iron. Approximately 95% of BHP's mineral resources are within 50km of existing processing hubs. To increase efficiency at its mines, the company is looking to expand its fleet of autonomous trucks from 72 to 184 in the next five years and expand production through 2025. The company is exposed to secular growth drivers; battery materials in electric vehicles and decarbonization of the steel industry. Furthermore, the company pays out a respectable dividend yield. The minimum dividend payout is 50% of net income and management has elected to pay ~25% extra over the last few years (75% total payout ratio).

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