

Fortescue Ltd FMG

\$26.78

0.46 | 1.75%

(5:35PM 07-May-2024)

Trading Status: Trading

Research Report

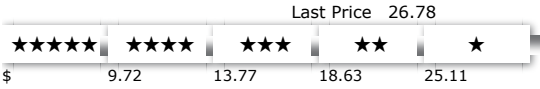
Research Snapshot

Company Profile

Morningstar Analyst Rating™

★

(04:00PM 29-Apr-2024)



Style Box™

Morningstar Sector Basic Materials

Market Cap 82,455 M

Fair Value \$16.20

Fair Value Uncertainty High

Economic Moat None

Capital Allocation Standard

Overview

Investment Outlook

Forecasts

Profile

Financials

Shareholders

Dividends

Other

Charts

Investment Perspective

by Jon Mills (04-Apr-2024)

After first ore in 2008, Fortescue has significantly expanded production to become the world's fourth-largest iron ore miner. Fortescue built its assets during the iron ore boom, meaning the unit cost of its installed capital base is generally higher than the established majors, who benefit from investments made when industry capital costs were much lower. Operating leverage is high, with margins well below those of peers BHP, Rio Tinto, and Vale, mainly due to the production of lower-grade iron ore, which attracts a material discount to the 62% benchmark. Considerable debt repayment in recent years has lowered financial leverage and the balance sheet is strong. Development of the 22 million metric tons a year Iron Bridge magnetite mine should add a higher-cost but higher-value 67% grade iron product. More recently, Fortescue is pursuing ambitions in green energy though its plans are at an early stage.

Updates

News

Mkt Sensitive

Video

Morningstar Research

29-Apr-2024 04:00 PM	Downgrade due to price change	\$25.67
★		
24-Apr-2024 12:38 PM	Fortescue: Iron Ore Volumes Disappointing Research Report / Analyst Note Summary	\$24.60
★★		
19-Apr-2024 04:00 PM	Upgrade due to price change	\$24.60
★★		
16-Apr-2024 03:29 PM	Opportunities in Mining Sector in Coal and Gold; Commodity Prices Generally Supportive Research Report / Analyst Note Summary	\$25.74
★		
16-Apr-2024 12:06 PM	Industry Pulse: Mining: 2024 Q1 Commentary	NAv
10-Apr-2024 04:00 PM	Downgrade due to price change	\$25.74
★		

More

Key Ratios

Years	06/22A	06/23A	06/24E	06/25E
NPAT (\$Mil)	8,581.9	8,244.3	9,595.4	7,155.4
EPS ¢	278.4	267.5	311.4	232.2
Change %	-37.7	-3.9	16.4	-25.4
DPS ¢	207.0	175.0	202.8	151.1
Franking %	100.0	100.0	100.0	100.0
Yield %	10.7	8.9	7.6	5.6
P/E	7.0	7.4	8.6	11.5
ROE	35.9	28.2	33.4	22.4

Total Shareholder Returns

	1 Yr	3 Yr	5 Yr	10 Yr
Avg Annual Rate %	52.1	20.0	43.3	31.6

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