RioTinto

2026 Half Year Results: script

29 July 2026

Slide 1 & 2: Cover slide, cautionary statements

Rachel Arellano (Head of Investor Relations): So, now I'd like to extend a warm welcome to all of our guests today for the 2026 half-year results. Before I begin, I would like to acknowledge the Gadigal people of the Eora Nation on whose traditional lands we are gathered on today, and I pay my respects to Elders past and present. I extend that respect to all Indigenous peoples around the globe. I acknowledge they continue to play an important role within our communities and our businesses.

We are here today with our CEO, Simon Trott, and CFO, Peter Cunningham, to present to you these financial results. This will be followed by a Q&A session. As a reminder, the usual cautionary statements apply. Now I'm very pleased to introduce Chairman Murray, Chairperson of the Metropolitan Local Aboriginal Land Council, who will deliver our Welcome to Country today before Simon commences the presentation. I now invite Chairman Murray to the stage.

Chairman Murray: Don’t I get a clap? Good morning, how are you? How was the coffee? My coffee was a bit like that. Welcome to Country, particularly in this country, has been subject to a lot of criticism, particularly on the right and particularly on the left, and there's no middle ground. But if you are wanting to be welcomed by First Nations people, particularly here in Sydney, New South Wales and Australia, you do the right thing by acknowledging First Nation. But I want to pay respects to the Gadigal people of the Eora Nation.

I don't know if you understand when it comes to sunrise and sunset. Sunrise comes from the east, then it travels and the sunlight travels all over, particularly Sydney, Sydney region, and then New South Wales, then across all the different clans. There are something like – in New South Wales, there are 54 clans. Across Australia, there are over 500 different clans. We're not as homogeneous, not as one, we're as many. That's the purpose, is that you would have a different relationship from neighbouring clans, and in particular, here in Sydney.

There are no Traditional Owners here in Sydney. So, the five local Aboriginal Land Councils become, by default, are the Traditional Custodians. So, it means a lot that you understand the respect. We've been here for thousands and thousands of years, and we want to continue to have that relationship with yourselves and to make sure, if you can, have a good dialogue and understanding and a commitment.

One of the things about us as a cohort First Nations people, we are the poorest. We are the poorest Australians and we don't see that wealth transfixed or trans-related to us because all the different legislative laws that have taken place since colonisation of Australia. So, I'm not going to delve in that because I think you know what I'm saying.

So, with that, welcome to Sydney, welcome to all the delegates, welcome to all the investors, welcome to Sydney, and I pay respects to the Gadigal people of the Eora Nation. So, with that, that's one thing about coming here, understanding the colonial aspects of Sydney, and that's what we've got. We still got the colonial fix. So, with that, welcome to Gadigal land, Aboriginal land, always was, always will be Aboriginal land. Thank you very much.

Slide 3: Simon Trott, CEO

Good morning, all to those here in London and of course also to those joining us online.

Thank you, Chairman Murray, for that welcome to Gadigal Country. Good morning and good evening and thanks very much for being here. As Rachel mentioned earlier, we are joined today by Peter Cunningham, our CFO, together with two other ExCo members in the audience, Jérôme [Pécresse] and Mark [Davies].

So, I'll start with safety and this half we lost two of our colleagues and I'll carry that with me. Nothing we report today means anything if our people do not go home safely. Safety is my first priority, it is Rio's first priority, and it will always be. Across the business, we are continuing to make the changes that we need to ensure our people stay safe.

Now, let me tell you where this business is heading. This has been a strong half with real momentum building month on month. We're running our assets harder and smarter, moving fast, changing how we work, and today it's showing through in the numbers. I said at Capital Markets Day last December that Rio was entering a new era and becoming stronger, sharper, and simpler. Seven months on, I'm here to show the evidence.

Now, two things drive everything we do, a relentless focus on both performance and on returns for you, our shareholders. Everything else follows from that. Let me take you through it.

Slide 4: Our strategy: why invest in Rio Tinto

There are three reasons why Rio is the mining and the metal business to own. Firstly, we have a leading exposure amongst diversified miners to the biggest trends of our time. Electrification, AI and digital, together with traditional demand. Our commodities, copper, aluminium and lithium, and iron ore sit right at the heart of these trends. These are the materials the world needs, and Rio is positioned to supply them at scale.

Second, along with the right commodities, we also have world-class assets. They are large, low-cost and scalable, and we've got the balance sheet and the skills to monetise them. What makes Rio distinctive is this combination with its embedded growth. Major projects, tracking to plan and in several areas ahead. Simandou is now more than three quarters complete. OT continues to ramp up and is achieving record production. Lithium in-flight projects are advancing and the Rhodes Ridge study is progressing on track. This is a portfolio built for the decades ahead.

Now we've talked about being more diversified and today we're delivering. Nearly 60% of EBITDA in the first half was delivered from copper, aluminium and lithium. Thirdly, and this is where I want to spend most of the time today, we are focused on driving outstanding performance. This is where we have a real opportunity to unlock our potential. These three strengths set us apart. Together, these are why we continue to deliver both industry-leading returns as well as growth.

That means consistent shareholder payments, resilience through the cycle, and capturing market upsides.

Slide 5: Our strategy: maximising our potential

Outstanding performance is what turns a great asset base into a great business. Today I've flipped things around in the pack because I want to talk more about our performance first before then coming to the macro. Across the business, we're changing how we operate.

This goes well beyond taking out costs, although we're doing that as well. We're building a more agile Rio Tinto, pushing decisions closer to the assets where our people have the accountability to act. Our momentum is broad-based and you can see it in our first half numbers. We grew copper equivalent production by 3% and free cash flow rose by 75%. The strength of this performance meant we could deliver a 43% higher interim dividend worth $3.4 billion.

Slide 6: Driving outstanding performance: Stronger, sharper, simpler: Trebling run rate to end of 2026

So, let's focus on what's underpinning these operational results. When I launched our program to build a stronger, sharper, simpler Rio Tinto at Capital Markets Day last December, I told you I'd deliver $650 million in productivity benefits and we've delivered. We've already banked $870 million to the end of June. I also told you that we would continue to grow the program. Again, we've delivered.

Today I can announce we are targeting a year-end run rate of $1.8 billion, almost triple where we were just seven months ago. There is substantially more to go as our momentum grows. This is all consistent with creating an operating culture that underpins the strongest and most valued metals and mining business and then maintaining that into the future.

Slide 7: Driving outstanding performance: operational excellence: Making a difference to the way we work

I'll give you a bit more sense of what we've been doing.

This is not a top-down exercise where we simply squeeze budgets. It's a structural change with more than 80 large initiatives running at every level of the business. This is about how we manage contractors, how we source raw materials, how we invest in digital and innovation, how we structure our teams. It's about the people closest to the work finding better ways of doing it. This is the culture of excellence I want to embed at Rio, codified through our new management operating system.

Let me walk you through a few examples. At OT, we have redesigned the way we approach underground development, harnessing data and speeding drawbell construction. This has accelerated production, helping to generate around $80 million in productivity improvements. In the Pilbara, we've generated around $55 million in annual benefits by removing redundant capacity through stronger system resilience, building on the changes we made to product strategy.

We've delivered around $40 million in annual savings across our Atlantic aluminium operations with a sharpened focus on contractor management. This follows a focused Kaizen looking to remove bottlenecks across all sites. To me, this is what operational excellence looks like in practice. It's not about slogans, it's about thousands of people making better decisions every day.

Our results-driven operating model gives us the right structure to maintain that momentum.

Slide 8: Driving outstanding performance: growth delivery: #1 copper EBITDA growth since 2020 – with Oyu Tolgoi still ramping up

Our drive to raise performance is unlocking our Copper portfolio's potential. Since 2020, we've achieved industry-leading EBITDA growth while maintaining one of the lowest cost positions in the sector. There is more to come as we target 1 million tonnes of copper by 2030.

OT continues to ramp up towards 500,000 tonnes a year, while Kennecott is targeting 40% to 50% production growth. Beyond 2030, we have a compelling pipeline of high-quality opportunities, including both brownfield and greenfield sites. So, we have industry-leading copper growth today, a clear path to 1 million tonnes by 2030, an exceptional portfolio of options to continue creating value well into the next decade.

Slide 9: Right commodities and world-class assets Asset quality drives resilience and amplifies upside

I've talked about how we're changing the way we work to drive outstanding performance across our assets. Let's look at the power of applying those principles across our full portfolio. We have large low-cost assets in all the right commodities. Each has exceptional frontline teams with unique abilities. We're a leading low-cost copper producer at scale, the number one global iron ore producer, leading integrated western aluminium producer, and the best pipeline of Tier 1 lithium options, targeting 200,000 tonnes of capacity by 2028.

Together these Tier 1 assets are the engines of our business and they generated around 85% of our product group EBITDA last year. As we continue to improve performance, these advantages only strengthen.

Slide 10: Leading exposure to biggest trends: Providing more of what the world needs

Let me now go back to the macro and tell you about the markets we operate in. Our portfolio gives us leading exposure among diversified miners to the biggest trends of our time. Electrification, AI and digital, together with traditional demand. Starting with electrification, as you can see, up to 60% of the value of raw materials in an electric vehicle comes from our commodities.

Of particular to note is the ramp-up in battery electric storage, critical for grid firming and managing the power demands of renewables and hyperscalers. Then there's AI and digital. Up to 70% of the value of materials that goes into a data centre comes from our commodities. The scale of investment is extraordinary. Hyperscalers' CapEx is forecast to reach near US $1 trillion next year. Let's not forget traditional demand. Our commodities account for as much as 65% of the value of materials needed to build a modern office tower in a fast-growing city.

As India and the other economies continue to develop, we expect another construction wave as cities grow vertically. So, if you want exposure to the major growth trends of our time, Rio Tinto is the business to own. The question I ask myself every day, how do we capture even more of the opportunities ahead? The answer is what I've mentioned, driving outstanding performance, having the right assets in the right commodities, and ensuring we allocate capital with discipline.

Slide 11: Driving outstanding performance: capital efficiency and discipline: Relentless focus to deliver on our promises

Because ultimately capital efficiency and discipline is the bedrock of a resource business, we maintain a strong balance sheet with a single A credit rating. Every asset must justify its spot in the portfolio. We rigorously allocate capital to projects that deliver value and returns to our shareholders. World-class projects like Simandou and OT showcase that we can execute at scale across commodities and across countries.

Among our peers and against the wider industry, we've demonstrated leading performance on capital and schedule adherence. We're now reaching an inflection point, as those investments start to generate cash. Turning then to cash release, our work to progress opportunities this year to release up to $5 billion of cash from our asset base is advancing.

Finally, before I hand to Peter, I want to revisit our interim payout of $3.4 billion. This 43% uplift illustrates how far we've come over the half. It reflects the benefits of the previous investments, and it shows our continuing commitment to you, our shareholders, as we continue to build our momentum. Now, over to you, Peter.

Slide 12: Peter Cunningham, Chief Financial Officer

Thanks, Simon.

Slide 13: 57% of underlying EBITDA from Copper, Aluminium and Lithium

We've delivered a step change in our financial performance this half, supported by stronger commodity markets, particularly copper and aluminium, which now represent almost 60% of our EBITDA. However, this was not just a price story. As Simon mentioned, our productivity program is delivering. We have strong momentum and see substantial opportunity ahead of us.

The earnings uplift has translated directly into cash, with free cash flow rising by 75%, and even with our increased capital investment, we were able to reduce net debt during the period. In line with our usual practice at the interims, we're declaring a 50% payout for the dividend, delivering a 43% increase to our shareholders. These results demonstrate that we can deliver growth and shareholder returns at the same time.

Slide 14: Step-change in financial performance, +28% in underlying EBITDA

Let's unpack EBITDA through our standard waterfall. Underlying EBITDA increased 28% to $14.8 billion. Now, the improvement was driven by two distinct sources of value creation. Stronger commodity prices increased underlying EBITDA by $3.6 billion, with $2 billion from Copper and $1.3 billion from Aluminium. These more than offset the $1.5 billion of external headwinds, namely foreign exchange, inflation and a rise in market-driven prices.

Let me just touch on these movements in a bit more detail. It's important to distinguish between those that are persistent such as general price inflation, and those that are more temporary in nature, such as higher diesel and raw material prices following Middle East supply disruptions. We would expect the latter to reverse over time and therefore class them as temporary and one-off.

Turing to the controllables, these contributed a further $1.2 billion. As Simon outlined earlier, we have already banked $870 million of productivity benefits. These directly correlate to deliberate management actions to structurally lower our cost base and improve volumes consistent with the full potential of each asset. Each initiative, like the three Simon mentioned earlier, attract through from inception through to delivery into our financials and built into our guidance.

In addition to our productivity program, our results are also benefiting from our growth investments with higher copper and gold volumes from the ongoing ramp-up at OT and our Argentinian lithium operations.

There were, however, some offsets. Mining performance at Kennecott is expected to recover in the second half as geotechnical management activities conclude and access to planned mining areas is restored. However, following the furnace breach in late June, some metal sales and associated cash flows will shift into 2027 while remediation work is completed.

At IOC, production performance remained challenged by pit and asset health, resulting in reduced volumes. The broader point is that while commodity prices remain important, creating value for shareholders is increasingly within our control.

It will be driven by improving operational performance, delivering our growth projects successfully and maintaining disciplined capital allocation.

Slide 15: Increasing diversification, copper EBITDA growing 84%

Let's have a look at the product groups. Copper was the standout. EBITDA increased 84% and free cash flow more than trebled, reflecting stronger pricing and the continued ramp-up of OT. We continue to advance our next wave of growth, reaching key milestones at Resolution and La Granja, and expect to complete a feasibility study for Winu around year-end.

We delivered an impressive iron ore result, achieving our highest first-half Pilbara production since the 2018 record and benefiting from resilient pricing. Productivity improvements, offset exchange rate and diesel price headwinds, and we're on track to deliver four-year unit costs within guidance. Simandou is progressing at pace. Construction of the SimFer mine and port is more than three-quarters complete and we're building inventory across the system as we ramp up.

The project remains a key source of future volume growth and portfolio value. Aluminium sustained its strong operational resilience. Smelting performed particularly well, which together with stronger markets, drove a 31% increase in EBITDA. Our commercial teams continue to navigate the evolving tariff environment.

Finally, lithium. Market conditions continue to improve, supported by stronger demand from battery energy storage. On the growth front, we delivered Fenix 1B and Sal de Vida ahead of schedule. Rincon remains on track and we continue to evaluate our attractive expansion options.

Slide 16: Capital allocation framework

Given our strong earnings and cash flow performance, I thought it important to remind you of our capital allocation framework.

We expect our cash generation to keep improving as we deliver growth, productivity and cost reductions and we remain on track for a 3% CAGR copper equivalent production uplift to 2030 and a 4% CAGR reduction in unit cost. Our first priority is sustaining replacement and decarbonisation capital, which protects our strong cash flow base and strengthens the portfolio. We expect to spend around $7-8 billion a year here.

Next, shareholder returns. We've paid out 60% of underlying earnings for 10 years. This provides you with cash flow today, while keeping us disciplined with how we deploy residual capital. As Simon mentioned, we are progressing around $5 billion of cash release opportunities in 2026, with a broader pipeline exceeding $10 billion. These options provide flexibility to further strengthen the balance sheet, invest in value accretive growth, and support shareholder returns.

We will remain disciplined, pursuing only those opportunities that create value and align with our capital allocation priorities. In summary, we have a strong platform to deliver industry-leading returns while at the same time investing in growth.

Slide 17: Investing to build a stronger business

Our CapEx guidance is unchanged, up to $11 billion in 2026 and 2027, before a reduction from 2028 to $10 billion in real 25 terms.

Sustaining capital is stable at around $4 billion a year. Replacement spend is fundamentally about strengthening the business, extending life, and improving cash flows from our assets. Returns are high. We assess the current portfolio as delivering on average a 26% IRR. By 2030, our plan includes delivery of a significant step-up in Pilbara mine and port capacity, including commencing phase one of Rhodes Ridge.

Secondly, the upgrade of our bauxite system in Queensland. Thirdly, extension of Kennecott beyond 2040 at OT development, and lastly, the ongoing modernisation of our Canadian hydropower plants, which support our highly competitive aluminium smelters. Later this decade, we will benefit from a significant uplift from the performance of these world-class assets. For growth capital, copper dominates our future plans. For now, we'll spend about $1 billion a year on lithium and completing Simandou by the end of 2027.

Slide 18: Strong balance sheet

Turning to the balance sheet, we were able to reduce net debt while funding $5 billion of CapEx and paying the 2025 final dividend of $4.2 billion in the half. The balance sheet is in very good shape and we have options to reduce net debt further.

Slide 19: Investing in growth while delivering consistent shareholder returns

We are committed to our shareholder returns policy and have established a 10-year record of paying at the top of the range. In line with our usual practice at the interims, we're paying out at 50% with a 43% uplift in the absolute dividend given the rise in underlying earnings.

So let me leave you with three key messages.

First, this has been an outstanding half. With strong operational performance across the portfolio, we captured the benefit of stronger markets while continuing to improve the business.

Second, we have real momentum. Productivity, cost reductions and operating performance are translating into the financial results.

Third, we have the financial strength to execute. The balance sheet is strong, cash flow generation is robust and our portfolio is weighted towards the commodities where we see the greatest long-term opportunity. That gives us the confidence to invest in disciplined growth and continue delivering attractive returns to shareholders.

Now, back to Simon.

Slide 20: Simon Trott, CEO

Slide 21: Our Strategy: Why Invest in Rio Tinto

Simon Trott: Thanks Peter and thank you to all for joining us. At Rio, we have a leading exposure to the biggest trends of our time, world class assets in the right commodities, providing volume, resilience and upside, relentless drive for outstanding performance and we're making the changes we need to our business to make sure everyone goes home safely at the end of each day.

At Capital Markets Day, I told you there was much more to come. Today you can see momentum and growing confidence in our results, bank the $870 million in productivity benefits and almost tripling that run rate to $1.8 billion by the end of this year, advancing our growth projects at pace and paying an interim dividend of $3.4 billion to you, our shareholders. I'm single-minded about continuing to deliver returns and growth, because that's how we'll become the most valued metals and mining business. So thanks for your attention and I look forward to your questions.