BHP Group

A$57.62 As of Sun 8 Nov 2026, 12:00 UTC

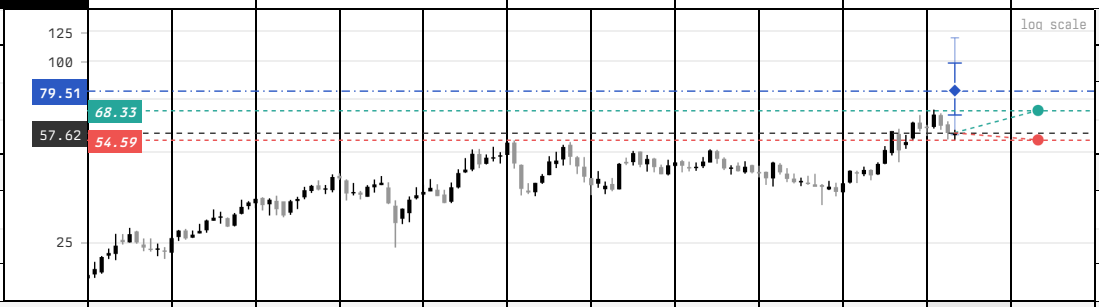
ASX:BHP	Materials	Country	Australia	PE (Fwd)	15.34	TSR 10Y CAGR	18.01%
Other Industrial Metals & Mining		Beta (5Y)	0.89	PE TTM	20.48	TSR TTM	38.08%

Div yield	4.35%	ROE	19.95%
Mkt cap	A$292.9B	ROIC	21.77%

SE Grade™	★☆☆
Value	★★★
Quality	★★★
Moat	★★☆

Consensus	Reference
$62	*$80*
6.90%	38.00%

Hold 3|2|11|1|0



	1H25	2H25	1H26	2H26
Earnings per share	$			
	0.87	0.91	1.11	**0.82**
	375.00%	(34.05%)	27.50%	(8.95%)
Revenue	$B			
	25.18	26.09	27.90	**30.86**
	(7.55%)	(8.23%)	10.83%	18.29%

Next earnings 15 Feb

TTM	FYE 30 Jun	USD	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	*FY2027E*	Trend	5Y	10Y	Peers
58.76	Revenue	$B	35.95	43.13	44.57	39.15	57.26	65.10	53.82	55.66	51.26	58.76	***58.13***		0.52%	5.61%	87
14.63	*Revenue growth*	*%*	–	*19.98*	*3.35*	*(12.16)*	*46.23*	*13.70*	*(17.33)*	*3.42*	*(7.90)*	*14.63*	*(1.07)*		*3.42*	*3.42*	40
85.92	*Gross margin*	*%*	*82.65*	*84.84*	*82.76*	*81.14*	*86.47*	*85.65*	*79.66*	*82.16*	*82.21*	*85.92*	***85.92***		*82.21*	*82.70*	100
42.10	*Operating margin*	*%*	*34.57*	*36.10*	*36.71*	*34.17*	*50.58*	*50.02*	*39.12*	*40.00*	*36.32*	*42.10*	***44.50***		*40.00*	*37.92*	87
16.73	*Net margin*	*%*	*16.39*	*8.59*	*18.64*	*20.32*	*19.74*	*47.47*	*24.01*	*14.19*	*17.59*	*16.73*	***21.90***		*17.59*	*18.11*	63
20.48	P/E ratio (avg)	x	16.03	32.28	15.81	14.97	14.37	5.302	11.41	19.02	14.65	17.93	***15.54***		14.65	15.39	28
8.748	EV/EBIT	x	9.455	8.786	8.926	10.36	5.977	5.170	7.743	7.376	8.074	7.745	***8.162***		7.743	7.909	60
5.72	*FCF yield (avg)*	*%*	*12.86*	*10.54*	*8.18*	*8.01*	*13.19*	*15.91*	*7.88*	*7.58*	*6.73*	*6.53*	***5.51***		*7.58*	*8.10*	66
19.61	*FCF margin*	*%*	*33.77*	*29.23*	*24.11*	*24.36*	*37.43*	*40.04*	*21.59*	*20.47*	*17.36*	*19.61*	***18.63***		*20.47*	*24.24*	76
1.172	FCF / Net income	x	2.061	3.403	1.294	1.199	1.896	0.843	0.899	1.443	0.987	1.172	***0.851***		0.987	1.246	82
21.77	*ROIC*	*%*	*9.30*	*10.67*	*15.36*	*13.92*	*25.23*	*39.52*	*25.71*	*22.39*	*18.13*	*21.77*	***21.94***		*22.39*	*19.95*	73
19.95	*Return on equity*	*%*	*10.29*	*6.57*	*16.15*	*16.73*	*22.81*	*64.23*	*28.89*	*17.69*	*19.51*	*19.95*	***23.75***		*19.95*	*18.60*	70
8.10	*Return on assets*	*%*	*5.03*	*3.31*	*8.24*	*7.52*	*10.38*	*32.47*	*12.76*	*7.71*	*8.29*	*8.10*	***10.04***		*8.29*	*8.17*	80
1.93	EPS	$	1.10	0.69	1.60	1.57	2.23	6.09	2.55	1.56	1.77	1.93	***2.55***		(2.83%)	6.42%	–
8.90	*EPS growth*	*%*	–	*(37.11)*	*130.40*	*(1.87)*	*42.11*	*173.19*	*(58.20)*	*(38.93)*	*14.07*	*8.90*	*(2.04)*		*8.90*	*8.90*	19
10.01	Bookvalue per sh	$	10.73	10.42	9.10	9.44	10.12	8.87	8.77	8.83	9.38	10.01	***11.33***		(0.22%)	(0.77%)	–
2.26	FCF per share	$	2.28	2.36	2.07	1.88	4.23	5.14	2.29	2.24	1.75	2.26	***2.18***		(11.75%)	(0.06%)	–
1.72	Dividend per sh	$	0.83	1.18	1.33	1.20	3.01	3.25	1.70	1.46	1.10	1.72	***1.49***		(10.59%)	8.43%	–
4.35	*Div yield (avg)*	*%*	*4.69*	*5.27*	*5.26*	*5.11*	*9.39*	*10.06*	*5.85*	*4.93*	*4.23*	*4.96*	***3.75***		*4.96*	*5.18*	83
89.03	*Payout ratio*	*%*	*75.18*	*170.03*	*83.18*	*76.47*	*134.94*	*53.34*	*66.75*	*93.89*	*62.01*	*89.03*	***57.96***		*66.75*	*79.82*	93
5.083	Shares (diluted)	B	5.336	5.337	5.193	5.069	5.068	5.071	5.073	5.077	5.083	5.089	***4.967***		0.08%	(0.53%)	29
(0.12)	*Buyback yield*	*%*	–	*(0.02)*	*2.70*	*2.39*	*0.02*	*(0.06)*	*(0.04)*	*(0.08)*	*(0.12)*	*(0.12)*	***2.39***		*(0.08)*	*(0.04)*	29
0.505	D/E ratio	x	0.507	0.462	0.498	0.549	0.388	0.374	0.497	0.453	0.489	0.505	***0.461***		0.489	0.493	40
216.4	Enterprise value	$B	117.5	136.8	146.0	138.6	173.1	168.3	163.0	164.2	150.3	191.6	***211.1***		2.05%	5.58%	100
25.74	LT debt	$B	30.33	25.16	24.06	23.45	18.94	15.27	16.78	19.97	23.53	25.74	***25.74***		6.33%	(1.80%)	93

Peers (US$201.2B)	Cap (US$)	PE
Fortescue Ltd	32.06B	11.28x
Northern Star Resource…	25.09B	22.17x
Evolution Mining…	18.01B	17.74x
Rio Tinto Group	144.6B	11.29x

Capital	TTM	5Y	10Y
Leverage x	0.330	0.361	0.455
EBIT/Int x	28.27	24.60	20.31
Own earn %	–	–	–
Sh yield %	4.23	4.86	5.81

Owners		
Insiders/Inst	%	0.03	42.57
Short interest	%	–
SBC / revenue	%	–

Record	10Y
Profitable years	10/10
Revenue growth years	6/9
EPS growth years	5/9
Dividend streak	yrs	0
Op margin range	%	34–51
$1 test	x	4.2
Incr. ROIC	%	–

Copper carried BHP's second half. Revenue rose 18.3% year on year in H2 FY2026 as higher copper prices and strong operations delivered record copper EBITDA, with copper revenue up 28.9% for the year and now roughly half the group. Unit cost gains and cost discipline offset currency, inflation and diesel pressures, and byproduct credits supported costs at Escondida and Copper SA. Diluted EPS still fell, so the top-line strength has not reached profit. The shares look undervalued: SE fair value of A$80 is 38.0% above the price.

Momentum is building, with revenue growth accelerating from 10.8% in H1 to 18.3% in H2, while consensus expects revenue to drift lower over the next two years. Management guided to around $50 billion of attributable free cash flow over five years at spot prices after funding growth. It expects copper volumes to grow around 5% a year to 2035 and says Jansen Stage 1 remains on track for first production mid-next calendar year. An Escondida concentrator decision is expected in 2027 or 2028. On safety, the CEO said "we are not there yet."

Consensus sees little earnings progress. FY2027 EPS is forecast to slip 2.0% and FY2028 EPS to edge up 1.3%. The price implies revenue falling 4.2% a year over five years, steeper than the 1.1% decline consensus pencils in for FY2027. Our own projection sits below consensus on earnings but above it on FY2028 revenue, with wide intervals. The beat record is thin, with a beat in 0 of the last 1 quarters, so near-term forecasts may lean on copper prices holding rather than on surprises.

The profitability picture is mixed but still strong. Gross margin widened from 79.7% in FY2023 to 85.9% in FY2026. That leaves it in line with its five-year median and at the 97th percentile of peers nearest in size. Lower down, the trend is worse. Net margin slid from 24.0% to 16.7% over the same three years, and ROE fell from 28.9% to 19.9%. The gap between a rising gross margin and falling net returns is what currently holds the quality record back from improving.

SE fair value of A$80 is 38.0% above the price, a medium-confidence estimate. The analyst target is 6.9% above the price, a far smaller gap. SE fair value points to upside while the P/E of 20.5x sits above its 10-year median of 15.4x. For the price to hold, copper earnings must keep offsetting softer iron ore and coal. The Jansen overrun and the Peak Downs fatality also need to stay contained. A sustained fall in copper EBITDA margin would show it is not holding.

The SE Score is 1 of 3. Quality earns three stars because ROIC of 22% runs well above the 8.2% cost of capital, backed by low net debt. Moat earns two stars, with ROIC above 15% in seven of the last ten years. Value earns three stars because the price sits below fair value. Value left the business tier as it was, but a rank cap lowered the stars from two. BHP's five-year return over the hurdle falls short of the top tenth of companies.

H2 2026

BHP Group Limited is a resources company operating in Australia, Europe, China, Japan, India, South Korea, rest of Asia, North America and South America through Copper, Iron Ore and Coal segments, exploring for copper, iron, steelmaking and energy coal, nickel, potash, cobalt, silver, gold, molybdenum, uranium and zinc, mining, smelting and refining nickel, and providing marketing, trading, finance, towing and freight services.

Profit by segment	Profit	Trend	Revenue	Rel margin
Copper	54.21%		49.62%	1.09×
Iron Ore	43.31%		40.82%	1.06×
Coal	2.48%		9.55%	0.26×

Revenue by region	Top 3 74%	Trend
China	58.21%	
Japan	9.89%	
India	6.23%	

Reinvestment returns	10Y median	Trend
Reinvestment rate	15.43%	
Return on capital	19.95%	
Spread over hurdle	9.95%	

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