RioTinto

# 2025 Full Year Results: Q&A

19 February 2026

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**Rachel Arellano:** So, we are going to open up to Q&A. We've got a bit over 30 minutes.

We will start here in the room, and then we'll go to those on the line. And let's start here at the front.

**Myles Allsop:** Thanks, Myles Allsop, UBS. Maybe start with the elephants and the Glencore talks. Maybe could you just say what you --

**Simon Trott:** I was running a book. You've made me happy.

**Myles Allsop**: So, do you feel comfortable owning coal, would be your first question? What do you think you've learned from the discussions? What sort of synergies did you see from that sort of combination? Obviously, the value didn't work, but any other issues that kind of stopped the deal from happening?

**Simon Trott:** So, you always learn through these processes. The constructive discussions you learn, I guess, about your own business, you learn about others as well. And as I said in my presentation, we went deep, we went under the hood. We looked rigorously and clinically and ultimately didn't get there on value. The discussions were for the full perimeter.

And the way that we think about that is really through the lens of the underlying asset quality and whether together, in a combined portfolio, we could incrementally add value compared to the case we laid out at Capital Markets, and it's through that lens that we assess the transaction, really comfortable with the plans that we put out at Capital Markets, and as you can see today, that's the full focus of the team.

**Myles Allsop:** And owing coal, was that a concern from management team?

**Simon Trott:** As I said, so it was for the full perimeter of the business including coal and really through that lens of what's the underlying asset quality and can we add value through the combination.

**Rachel Arellano:** Okay. Alain?

**Alain Gabriel:** This is Alain Gabriel at Morgan Stanley. A couple of questions.

One is on streaming which appears to be quite invoked now. You have a fairly good chunky gold component at OT. Do you see an opportunity there or are the current discussions with the government around taxation, an impediment around going ahead to any streaming agreement? That's the first one.

**Peter Cunningham**: Yes. I mean I suppose all of this comes down to the fact that we've got lots of options across our portfolio to release capital, and that's our focus.

I mean we've talked about the strategic reviews of borates and our RTIT, we're testing the market. We've got options around infrastructure. We do have options around streaming. But we're just have to work through these systematically and say what's the best option that we can undertake? So, I mean those options exist right across the portfolio, but it's all about value and what we can sensibly sort of prioritize to deliver.

**Alain Gabriel:** Thank you, and the second question is on cost cutting. You've put out a slide there, looking at the cost-cutting opportunities beyond the $650 million program. The Pilbara seems to be at the heart of it. Can you help us frame a little bit the opportunity there to quantify how much can be taken out of the business in terms of costs?

**Simon Trott:** So, on the $650 million, that was a run rate that we announced at Capital Markets that we'd said we'd hit by end of Q1.

So, what we're saying today is that our 2026 cash delivery will be materially above the $650 million which was a run rate, so that sizes it for 2026.

I think the main point here, and Pete talked about it, we've gone systematically asset-by-asset looking full potential with clear plans then around delivery, and it will be a multiyear program. So, we've sized it for 2026, but clearly, there's more to come in '27 and '28. And I should say it's across all businesses.

So yes, iron ore, but it's across each of our businesses in the portfolio.

**Peter Cunningham:** Just on the unit cost, I mean remember guidance is $23.50 to $25 but it is at a higher exchange rate. So, the exchange rate would take you up more to the midpoint of that.

So, the business is making pretty some sizable sort of improvements because as Matt went through a CMD, there's a lot of headwinds in the Pilbara still but we're offsetting that through productivity.

**Rachel Arellano**: Okay. We'll go to some of the people on the line, if we could. Operator, would you mind to give the first speaker, the microphone.

**Paul Young:** Thanks, and morning Simon, Peter. Firstly, on Glencore, I mean well done for sticking your guns and being disciplined and being focused on value.

Look, I think a simple merger would have changed your strategy from one of simplification to complication. And it does appear that the true operating synergies were pretty limited. So, was the main attraction of the copper growth? And when Mark and the project team reviewed their pipeline, were there major differences on the capex of the timing?

**Simon Trott:** Thanks, Paul.

It was obviously, - as I said at the outset, it was for the full perimeter and so they've got a diversified business. And so we looked across all assets including, as you say, copper.

We did go through forensically. And so I think there was really constructive engagements with the team. We obviously look deeply at their pipeline, existing assets as they did with us, and it was that combination that we were really asking ourselves the question, can we add incremental value through the combination and that took into account all aspects of their business and ours.

I guess if I step back and setting aside those discussions, as we've outlined in the slides today, the nice thing about the results today is we're growing now, the ramp-up at OT 8% copper equivalent growth. And then we have the project pipeline to really extend that beyond the 3% CAGR through the 2030, - options to extend that into the 2030s.

And clearly, copper is a particular focus, both in terms of the projects we have, but also through our exploration and our and other activities. And so that's a singular focus for the team. But we've got to convert what is a really good set of options into value-accretive projects.

**Paul Young:** Okay, thanks Simon, and then the second question is on the Brazil aluminium deal with CBA and Chinalco not much mention of this. I know the deal was only recently announced. But can you just talk to the high-level rationale? Can you expand the refinery in the smelter. What it means through Atlantic, strategy more broadly and obviously great for the Chinalco relationship. What does this mean for potential further deals going forward with Chinalco?

**Simon Trott:** Yes. We've learned a tremendous amount through the Simandou project, obviously working with our partners in the consortium there. And I guess taking that same mindset, we looked at that for the CBA transaction as well an opportunity to involve ourselves in the Brazilian aluminium sector an opportunity to add value and growth to our aluminium business and as well as the point you make which is around securing our supply lines, and so obviously the potential for bauxite down the track.

And so that was the, I guess, the strategic rationale. And as we got into it, we could see a clear value opportunity for our aluminium business and hence, progressing that transaction.

**Rachel Arellano:** We'll take one more from the line, please.

**Glyn Lawcock:** Hi Simon, it's Glyn. Just quickly, just on Glencore, again. You talked about there was a valuation gap. Just how did you measure the value? I mean what are you actually saying? What was, how did you measure the gap? And what metrics do you think the gap was, the gap emerged?

**Simon Trott:** So ultimately, Glyn, it's a focus on the underlying value. So, we worked our way through their full portfolio. We come to a view as to underlying value. Clearly then, there's also the synergies that you can add on to that and then what any transaction would look like. So, it's those data points that then go into our view about the potential transaction and whether it's going to be accretive to shareholders.

And as you would imagine, there's lots of data points that sit behind that, but that's the core principles that we looked at.

**Glyn Lawcock**: So when you say value, Simon, just to clarify, are you saying when you do like a discounted cash flow, you value each individual asset and you get a sharing of the two entities, that's you did that much of a deep-dive bottom up under the hood and basically realized that the equity relationship 60-40, two-thirds, one - third, the gap was just way too large?

**Simon Trott:** Yes. So that's the core tenet of the valuation, as you articulate, Glyn.

Obviously, we look at all data points as well those in the market, what others' views are and fold that into our thinking, but that's what underpins the valuation.

**Rachel Arellano:** Thanks, Glyn. Jason?

**Jason Fairclough:** Jason Fairclough, Bank of America.

So, Simon, just to take you back to iron ore. Obviously still a major project, product for you. And it's kind of a funny year because you've got the change in the benchmark. We've got BHP having a bit of a dispute with the Chinese and we've got Simandou coming online which has kind of been this thing that everyone's been talking about for a long time.

So how do you see the dynamic emerging from here? Are you changing your approach to selling the iron ore to producing it even?

**Simon Trott:** I think we're changing our approach the way we think about portfolio because Simandou having been something that's coming is something that's arrived. And so, as we did the work last year on product strategy, we obviously had a pretty clear view around what the future mix would look like in terms of our own portfolio.

Having IOC, the Pilbara asset and Simandou obviously gives us real options across high-grade, mid-grade and low-grade. And so, thinking about how we best present those iron units to the market.

And also working with our customers around what their forward projection looks like. The iron ore industry continues to mature and so working with customers around about what the best mix for that is as well.

As you and I have talked about before Jason, we obviously got a long-term business, and so we've got to look beyond the sort of next few months or into what the future looks like as well for that business and make sure that we're really well positioned regardless of which way the future steel industry goes.

**Jason Fairclough:** So just a bit of a long-term follow-up. India, how do you see the India's place in the market evolving over the next 5, 10 years?

**Simon Trott:** So, I mean growth rates are really high. The central question in India is what portion of the iron ore demand is met domestically. And so, we've been doing a heap work on looking at that and understanding it.

I think inevitably, as we see those sort of growth rates, there will be periods of time when India is a really strong market for us. They do have relatively more domestic suppliers compared to, say, China through their growth phase. And so, it will be a different market for us, but there will be some opportunities as well.

**Ephrem Ravi:** Ephrem Ravi from Citigroup. Two questions.

Firstly, on Simandou. It seems to have a high rate of fatalities for the time period. And obviously you haven't changed your guidance for this year. But looking forward, like do you see a risk to kind of hitting that 60 million tonnes in a reasonable period of time unless the safety culture improves quite dramatically? If not, would you consider like portfolio adjustments, i.e. potential disposals of Simandou to your partners?

**Simon Trott:** So, the events over the weekend are obviously incredibly sobering and the impact on colleagues, family and friends. I'm looking forward to being on the ground there with the team tomorrow.

As I said in my introduction, we've got to be able to safely operate and construct wherever in the world that is. And I think the team at Simandou have made enormous strides and the events of the weekend show we've got further to go. And so that's our real focus at the moment.

And I think the work that they have done, we know we can get there. We've just got to put in place the blocks to make sure that we really can.

It is a different jurisdiction and a different environment, and we need to adjust our operating practices to that, but we're confident of the 60 million tonnes that we've announced.

**Ephrem Ravi:** And just a question on lithium.

Obviously, prices have gone up 100% since the site visit about two months ago. And some of the peers like Pilbara is restarting operations, et cetera. So, is there any change in thinking in terms of just doing your in-flight projects or is something more than in-flight projects going to be approved within a reasonable timeframe?

**Simon Trott:** I'll probably borrow the answer I was giving Jason.

I mean we've got a long-term business. And so, we look through at underlying fundamentals. And the lithium, just given the size of the industry and the rate of growth, we fully expect lithium to be volatile, and we've certainly seen that over the last little while. But we've got to look through that at the long-term pricing because those assets, once we bring them into production are going to be in production for decades, and so it's not so much about next week, next month, it's about the years that follow.

The nice thing, and I hope you saw that for those that were on the site, too. The nice thing about that business is that it has got options, and it's got really good options in that industry. And so there's a high bar for capital allocation.

Our focus is the in-flight, but clearly, there's other options in that portfolio as we look a bit longer term.

**Peter Cunningham:** It was well-timed site visit.

**Simon Trott:** I know, brilliant.

**Rachel Arellano:** Great. Look, we will go back to the line for two more questions.

**Rahul Anand:** Thanks, Simon, Peter and team. I've got two questions, both on iron ore. The first one is around, I guess, your cost-out targets, obviously $650 million outlined at the group level and then you've got a medium-term target in 2023 dollars for the iron ore business around that $20 a tonne mark.

My question is around sort of what the targets are for your competitors in the Pilbara? And I kind of think about BHP guiding below $17.50 and they seem to be strongly guiding towards being significantly lower and then Fortescue sub-$19.

Now I understand, obviously your mine systems are quite different to theirs. But today, in terms of the next phase examples, you've talked about the Pilbara. So, I guess, how can you be at that $20 a tonne? And what level of betterment do you think we can expect? And sort of where can you end up in terms of where you sit versus your competitors?

**Simon Trott:** And Pete, I'll get to comment as well.

Probably the first point I'd make is you've got to look at it on apples-to-apples and people can flip between full unit costs and C1 costs. But the numbers that you're referring to for us anyway is about full unit costs and so got to compare the same.

I think as you've seen today, we finished last year at $23.50; guidance for this year, $23.50 to $25 at a higher exchange rate, probably points to the work that Matt Holcz and the team are doing to really drive efficiencies and effectiveness in the Pilbara.

Obviously different businesses, as you say, in terms of the particular phase of investment they are and the material that we need to move. But I think the numbers today point to a fair bit of the work that the team there is doing.

**Peter Cunningham:** And I mean I think the key thing is that we've got all the replacement projects. We've always said they're critical to the performance of the system. So, they're now being executed. That is absolutely critical to us.

And I think what you saw in the nine months of 2025 post Q2 to Q4 was just how the business could perform when it had the volume going through it. And that is, I think, critical for the future.

And at the same time, I mean it's the same for all of our businesses. What we have done over the last six months has put together really clear actions to drive productivity and costs throughout our whole system. And that is what's going to underpin then real productivity improvement over the next few years.

And when we talk about working through the system and removing bottlenecks and really driving performance. It's going to be really, really driven very, very hard over the next few years to drive productivity at the same time as those new sort of replacement mines come in. That's at the heart of our -- where we will get to that $20 in ‘23 terms going forward.

**Rahul Anand:** No, absolutely, I mean I acknowledge the business has already improved significantly in terms of, I guess, reliance and productivity, especially the last quarter.

Look, the second question is around the iron ore negotiations. Now obviously there's been a lot of press with BHP and the CMRG Group. I just wanted to kind of take the conversation to perhaps a wider industry question.

Would I be right to kind of deduce that these types of conversations are perhaps going to happen, not just with BHP, but I guess all iron ore suppliers into China as these contracts come up for renewal? And if you've had any conversations so far, how have those conversations been? And I guess, if you have some sort of timeline or something in terms of which contracts are coming due for renegotiations, I guess, in the next year or two?

**Simon Trott:** So, we have had conversations, we're having regular conversations with CMRG and all market participants across our business, whether that's in China or in some of our other markets. And so those conversations are what I would describe as continual and ongoing.

Look, if I was to characterize them, they're exactly the sort of conversations you'd expect between us and customers. We're obviously focused on their business, securing supply prices as we are. And so, it's coming together and really understanding each other's business and trying to create value together, and that's what we do with customers, that's what we're doing with CMRG. And so, in that sense, it's a continuation of where we've been.

The market continues to evolve. We've obviously been talking for some time about the maturing iron ore market in China. You'll see more than 1 billion tonnes of steel in China this year again. And so, it remains a large and really solid market for us as we think about folding in Simandou into the mix. And so, all those things are on continual discussions with CMRG.

**Rachel Arellano:** Thank you. We'll take the second question from the line, please.

**Robert Stein:** Just a couple of quick ones for me. The copper unit cost guidance you provided. Can you give us an indication is the byproduct -- magnitude of byproduct credits there? I think The Street was expecting a lower number that you might be providing a conservative estimate of byproduct credits there. Then, I'll pull up with the second.

**Peter Cunningham**: I mean I think the volumes kind of a bit higher in '26 and '25. And Rob, we've used pretty much, I think, just a bit higher than the average price of '25 in those calculations.

**Robert Stein:** Okay. And then just speaking about copper and longer-term growth. I mean one of your competitors came out the other day and provided quite a comprehensive list of growth projects organically that they're pursuing that takes their growth profile out across next decade, and it's quite transformative in terms of their own portfolio.

How are you guys thinking about those longer-duration copper growth options that you may have in your portfolio, noting Resolution currently is still in the ground and not being mined? And I'm sure you would like to have a project there. But can you give us a bit of a flavour as to how the copper JV is going as well with Codelco and how quickly that's progressing?

**Simon Trott:** And I talk to, Rob, the copper pipeline in my introduction today because we do have some really good options, but we need to translate options into value-accretive projects. I'll visit Nuevo Cobre in Chile in the next month or two and our projects in the U.S.

I guess the nice thing about today's results is we're growing today. And then we've got the 3% copper equivalent growth through to 2030. And so that's why we've tended to focus on the here and now because our growth is through this period. And we have the option then to extend that growth out into the 2030s. And so, we'll come to market an update as those projects progress.

And in terms of Chile, as I said, I'll be there shortly. Relationship with Codelco is really good. Looking forward to seeing them next week.

And so, Chile, Argentina, South America, in general, remains a real focus for our copper efforts.

I do think, as I talked about capital markets, partnering is a real super power for Rio Tinto and we certainly look forward to progressing those JVs with Codelco and with our other partners in region.

**Peter Cunningham:** So, Rob, it's really nice growth now which is what we've got in our numbers today. I mean in the next few years is really good.

**Robert Stein:** And is there anything through DD with Glencore that identified potentially opportunities for JV at a project level there?

**Simon Trott:** Well, I'll probably set aside the -- if I pull it back to an industry level, as I said, partnering has delivered enormous value to this organization over time in almost all – in almost all the commodities in the portfolio. And so that's an area we are really focused on.

Certainly, exploration is one way, partnering with others where we bring something to the table, project execution capabilities, operating capabilities, technical know-how and partners bring something to the table as well and I would just make that general comment whether that's with Glencore or with others.

**Rachel Arellano:** Great. Thank you. Chris?

**Chris LaFemina:** It's Chris LaFemina from Jefferies.

I just want to ask about geopolitical risk profile and how that's changing at Rio? So, your growth is in Mongolia, in Guinea, you consider doing a deal with Glencore who is in the DRC and Kazakhstan and Glencore is marketing businesses in many regions in the world where you guys don't operate. Rio has spent the last five years restoring a culture and which -- and the culture historically has been in relatively low-risk regions.

How do you -- so how do you think about geopolitical risk in terms of -- so I'm not only thinking about the Glencore deal, but even going forward, would you consider buying into assets in very high-risk regions where historically you might not have gone? Like would you look at a pure play DRC copper miner, for example?

And what would give you comfort in going into regions where you've never been before for example, Kazakhstan. I mean -- how do you think about that? So, when you're valuing Glencore in that situation, how do you -- is it a much higher discount rate that you're using? How do you get comfort around assets in those types of regions?

**Simon Trott:** Look, it's an excellent question, and it's one that we spend a lot of time grappling with and thinking about it, and I'm not sure there's a perfect answer. You're right in the sense of, ultimately, it's got to come back to value. And so, a higher discount rates the way you think about the opportunity could clearly in more challenging projects, whether they're more challenging because of the jurisdiction or more challenging because of technical aspects. The size of the prize has to be there to really step in and take on some of those challenges.

And so, we have a number of different tool sets, discount rates is one, putting a high bar in terms of the returns that we expect, thinking deeply about how you could mitigate and share some of that risk might be another one. But ultimately, it's a bit hard in the hypothetical because it comes back to the opportunity and what we think about that specific opportunity, whether we'd take on some of those -- some of those risks.

But it's certainly one we spend a lot of time thinking about historically and probably for the reasons you articulate more time now given some of the changes in the world.

Tell you what, the other point I would make just to tag on the back of that. I think in the numbers today, you can see the real value of the diversified model, and it goes a little bit to your question as well whilst iron ore prices were down, EBITDA has gone up because of greater contribution from copper as we ramp up and obviously a strong contribution from aluminium as well.

And so, as we think about risk, as we think about some of the geopolitical tensions, clearly, having that diversified model is also helps you mitigate and manage some of that between jurisdictions.

**Alan Spence:** Alan Spence from BNP Paribas.

On the dividend, 10 years paying out the top end of the range. Looking forward, costs coming on the business, capex is starting to come down. There's no big M&A for now. Is it still the appropriate range? Or how do you think about recalibrating it potentially higher?

**Peter Cunningham:** Alan, I think, very comfortable with the policy we've got. We've always said in our capital allocation framework of the priorities we'll have, investing in the existing business, the sort of ordinary shareholder returns policy and then looking at growth, the balance sheet and returns.

If we have excess capital, we will look to sort of return more to shareholders. That framework is still absolutely applicable as to how we think about that right now.

**Alan Spence:** If I can push back a little bit here. What's the point of having the low end of the range of 40%, if over the last 10 years, not every year has been an easy year, but you've never paid 40%.

**Peter Cunningham:** Well, I mean I think I'd sort of push back as well and say that the business has kind of performed at a level to have the 60% payout range. I mean that's what we've had.

I think that's sort of just reflective of the cash flows, quality of assets. And the reality is now we're growing the business that pie will grow. And so, the absolute number in line with the growth of the earnings will -- would increase as well. I think that's a pretty good place to be.

It's growth and its returns.

**Alan Spence:** So, a minimum 60%?

**Peter Cunningham:** All I'd say is our policy.

**Rachel Arellano:** Okay. We've got one more on the line, please?

**Ian Rossouw:** Just a follow-up on the Glencore sort of discussions. Yesterday at the Glencore presentation, Gary talked about sort of meaningful potential synergies on sort of overhead, procurement cost savings, line optimisation on the marketing side. And I guess he was referring to the point that not a lot of the synergies would have come from sort of operational synergies with mining next to each other as we've seen with some of the other mergers in the industry.

I mean that all suggests that the synergies potential between Rio and Glencore could have been much bigger than what the market was estimating. Just wanted to hear your views on that.

**Simon Trott:** So, where synergies are -- I'll probably go back to what I said. I think the discussions with Gary and the team were constructive and the teams work well together, looking at and really thinking about what those synergies could be.

But it's one data point that falls into the valuation and there are many others. And so there was synergies, it's only one data point though as well.

And the other point I would say is you've got to look at it rigorously compared to the base case which is what we laid out at Capital Markets Day and what you can do and what you can do yourself. And so, it's got to be a really robust methodology of truly value that you can only derive from the combination rather than the value you can chase through other means.

**Ian Rossouw:** And then maybe a follow-up in sort of on the back of Myles was asking about sort of learnings from this process. I mean would you approach the marketing side slightly differently within the Pilbara or other parts of the business?

**Simon Trott:** Again, if I lift it up to a more general industry statement, I think that marketing front end is something that we are spending quite a bit of time thinking about we, obviously established commercial a few years ago, a little bit to the question that was made before in terms of geopolitical tensions and volatility in the world.

I think around our physical flows there are ways we can generate greater value around those flows and certainly, that's top of mind for Bold and the Commercial team.

**Rachel Arellano:** Okay. I think we have time for one more, so, Liam?

**Liam Fitzpatrick:** Liam Fitzpatrick from Deutsche Bank. I'll just ask one.

On Chinalco, there was talk last year from you and your predecessor about discussions over the stake in Rio plc. Has that gone anywhere? Are discussions live? Any colour you can give.

**Simon Trott:** Continue to engage with to nothing to announce today, obviously. But the relationships in a good place. Obviously, the CBA deal is with Chinalco as well and so we're continuing to engage.

**Matthew Greene:** It's Matt Greene with Goldman Sachs.

Simon, if I could just come back to Glencore, we talk a lot about valuation today and you touched on discount risk profile. What about where you could see value tomorrow and where -- more importantly, where the market will value your company tomorrow?

So, in terms of a potential rerate either being a combined entity being a leader in all these commodities or potential future simplification of the MergeCo, how much weighting was put on in terms of your view on valuation? How much emphasis did you put on that?

**Simon Trott:** So, valuation by its very definition is forward-looking and so it completely flowed into our view of value, but strategic rationales don't pay the grocery bills. It's got to come back to cash accretion for Rio shareholders, and that’s the lens we took.

**Rachel Arellano:** Okay. Any last question? Ben?

**Ben Davis:** Ben Davis, RBC. Just a question on the mineral sands.

Obviously, you've got these asset sales that you're looking at and you're not forced sellers. I'm just wondering if there's anything sort of -- clearly, the cycle is not great in mineral sands. So just curious what sort of minimum valuation you'd be looking for these type of assets? And how surely wouldn't be a better time to wait for another three years for it to take.

**Simon Trott:** We're going to do it patiently. As I've said earlier, we are a long-term business. And similarly, I think the people that are interested in that, or the borates business is going to look through the market as it stands.

But we're going to be patient, as you say, we're not under any pressure. And so, if we don't get the sort of value that we see in the business, we won't progress them. But anything to add?

**Peter Cunningham:** No. I think that's exactly right.

**Ben Davis:** And then just quickly on Jadar, how much are we looking at care and maintenance costs? And again, what's the longer-term plan for that asset -- which is sitting there?

**Simon Trott**: We're currently moving that as we announced low single digits, I would say, in terms of spend.