

## BHP Billiton (BHP)

### BHP Billiton adds \$A2 billion in MCap, top heavyweight rise in All Ordinaries Index

BHP Billiton Limited, Australia's largest Materials company by market cap, has increased 38.0c (1.2%) from its last trading session of November 26 to close at \$A30.81. Compared with the All Ordinaries Index which rose 52.5 points (0.9%) in the day, the relative price increase was 0.3%. The volume of 6.8 million shares was close to average trading. It posted the highest rise in MCap with the most influence on the All Ordinaries Index. Its MCap is \$A164 billion.

### The past three years

#### BHP Billiton climbs 82% in 3 years

BHP Billiton Limited (ASX:BHP), has climbed \$A13.90 (or 82.2%) in the past three years to close at \$A30.81 today. Compared with the All Ordinaries Index which has risen 10.3% over the same period, this is a relative price increase of 71.9%.

### Company Overview

### Figure 1: Activities

BHP Billiton is a global leader in the resources industry. It is the world's sixth largest producer of primary aluminum and world's third largest copper producer and a leading producer of lead and zinc. It is also one of the world's premier suppliers of iron ore and one of the world's largest producers and marketers of thermal coal. It's manganese operations produce a combination of ores, alloys and metal. In rough diamonds, its annual production represents nearly three per cent of current world supply by weight and six per cent by value.

Industry Group	Metals & Mining
Industry	Specialty Mining & Metals
Economic Sector	Basic Materials
Business Sector	Mineral Resources

### Figure 2: Stock Summary

Day's Range	\$A30.53-\$A30.83
52-Week Range	\$A25.59-\$A35.68
Sector	Materials
Market Cap	\$A164 billion
TSR* (10 yrs)	8.9%
Shares Outstanding	5,323,762,901
Relative Strength (6 mo)	66
ISIN	AU000000BHP4
PermID	4295856983

\* TSR – Total Shareholder Return

### Fig 3: Financials Summary

Year ended	Jun 2018	Jun 2017	Jun 2016
Sales (USD B)	43.6	36.1	30.9
Pretax (USD B)	14.8	11.1	(7.3)
Net (USD B)	3.7	5.9	(6.4)
EPS (USD)	0.696	1.107	(1.2)

Net profit was down 37.1% from US\$5.9 billion in 2017 to US\$3.7 billion in 2018. Earnings Per Share (EPS) was down 37.1% from \$US1.11 to 69.60c.

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## Analysis

### Introduction with Trends

**We are currently bullish on this stock, both in the short-term based on technical indicators, as well as in the long-term based on fundamental metrics.**

**What makes us most bullish on the stock is the following:**

- In the last three months the stock has hit a new 52-week high seven times, pointing to a significant uptrend.
- Return on Equity of 12.8% versus sector average of 8.9% and market average of 9.2%.
- The stock is oversold according to the Williams % R indicator of -86.1.
- Return on Assets of 6.9% versus sector average of 4.8% and market average of 1.8%.
- In the last three months the number of rises outnumbered falls 36:27 or 1.3:1.
- "A dividend yield of at least two-thirds the triple-A bond yield"; the stock's dividend yield is 1.9 times the triple-A bond yield of 2.7%.

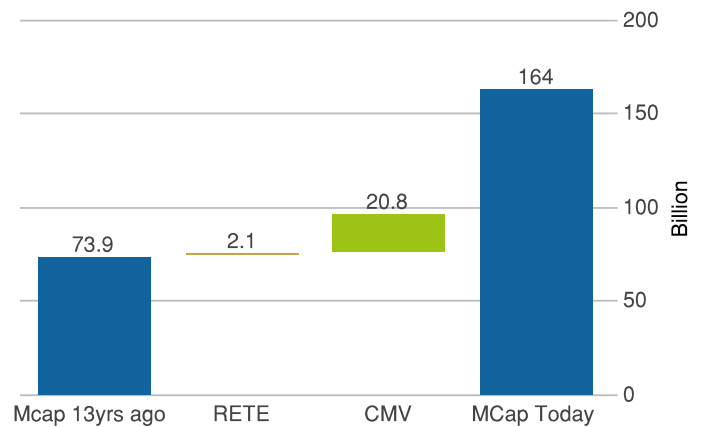
**However, there are some reasons why some in the market are more bearish on the stock:**

- Its Moving Average Convergence Divergence indicators are falling, with its 12-day lower than its 26-day.
- Price/Earnings of 32.1 versus sector average of 16.9 and market average of 19.0.

### Bullish Signals

- In the Australian market of 1,380 stocks and 24 units traded today, the stock has a 6-month relative strength of 66 which means it has outperformed 66% of the market.
- The Price/MAP of 0.98 for BHP is higher than the Price/MAP for the All Ordinaries Index of 0.93.
- In the last three months the stock has hit a new 52-week high seven times, pointing to a significant uptrend.
- The Relative Strength Index (RSI) of 24.8 has breached the oversold line of 30; the stock is also oversold according to the Williams % R indicator of -86.1.
- The Stochastic indicator of 5.3 has broken through the oversold line of 20; this indicates the price is close to its 14-day low and is likely to revert to an uptrend.
- Market Capitalization has increased by \$A90.1 billion from \$A73.9 billion to \$A164 billion in the last 13 years. This increase comprises cumulative retained earnings (RETE) of \$A2.1 billion and Created Market Value of \$A20.8 billion. The Created Market Value multiple, defined by the change in MCap for every \$A1 of retained earnings is exemplary at \$A10.93.

**Fig 4: Created Market Value [CMV: 13 yrs] (\$A B)**



### Undervaluation:

- The earnings yield of 3.1% is 1.2 times the 10-year bond yield of 2.65%.
- The Q Ratio, defined by James Tobin as MCap divided by Total Assets, is 1.1. Compared with the rest of the market the stock is undervalued.
- The average annual compound return on the share price in the last 5 years was 4.7%, exceeding the average annual compound return on the All Ordinaries Index of 1.7%.

### Other Bullish Signals:

- Return on Equity of 12.8% versus sector average of 8.9% and market average of 9.2%.
- Total Liabilities/EBITDA of 3.5 is less than 5, this compares favourably with the Joseph Piotroski benchmark of 5.
- Return on Assets of 6.9% versus sector average of 4.8% and market average of 1.8%.
- Return on Capital Employed of 15.1% versus sector average of 12.2% and market average of 4.8%.
- As per the Du Pont analysis, Return on Equity of 12.8% is better than sector average of 8.9%. This is computed as net profit margin of 17.7% times asset turnover [sales/assets] of 0.39 times leverage factor [total assets/shareholders' equity] of 1.8.

Also, the following criteria set by Benjamin Graham:

- "A dividend yield of at least two-thirds the triple-A bond yield"; the stock's dividend yield is 1.9 times the triple-A bond yield of 2.7%.
- "Total debt less than tangible book value"; total debt of USD26.8 Billion is less than tangible book value of USD59.9 Billion.

## Analysis (continued)

- "Current ratio of two or more"; current assets are 2.5 times current liabilities.

The stock has a score of 6 out of 9 set by Joseph Piotroski [pass mark  $\geq 5$ ]:

Positive net income; positive operating cashflow; Return of Assets improvement [from 5.7% to 6.9%]; good quality of earnings [operating cashflow exceeds net income]; improvement in current ratio from 1.9 to 2.5; Total shares on issue unchanged.

### Fig 5: Bullish Indicators and Rank in Market:

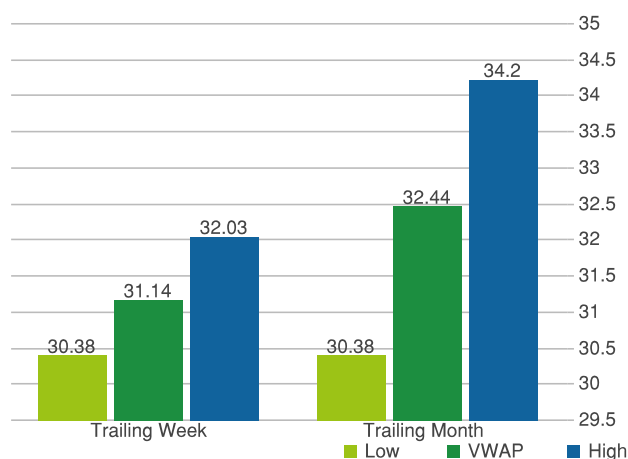
Description	Value	Rank In Market
MCap	\$US118.9 billion	In Top 1%
Today's Turnover	\$US205.4 million	In Top 1%
Annual Revenue	\$US43.6 billion	In Top 1%
Volatility %	1.0	In Top Quartile

- Market Capitalization has increased by \$A22.9 billion from \$A141.1 billion to \$A164 billion in the last 2 years. This increase comprises cumulative retained earnings of \$A2.1 billion and Created Market Value of \$A20.8 billion. The Created Market Value multiple, defined by the change in MCap for every \$A1 of retained earnings is exemplary at \$A10.93.

### Bearish Signals

- The price is at a discount of 5.0% to the 1-month volume weighted average price of \$A32.44, which may appeal as a value proposition.

### Fig 6: Volume Weighted Average Price



- In the last 4 trading sessions there has been a net decline of 2.65%; the stock has retreated eight times and the biggest one day decline was 3.5% on November 26.
- The price dropped 2.7% in the last month. This was on volume of 1.0 times average for month.
- The price to 50-day EMAP ratio is 0.9, a bearish indicator. In the past 50 days this ratio has been under 0.9 just twice suggesting a support level. The 50-day EMAP has decreased to \$A32.59. A decrease is another bearish indicator.
- The Moving Average Convergence Divergence (MACD) indicator of 12-day Exponential Moving Average (EMA) of 31.75 minus the 26-day EMA of 32.36 is negative suggesting a bearish signal. Both the 12-day EMA as well as the 26-day EMA are falling, another bearish signal.
- The price to 200-day MAP ratio is 0.98. In the past 200 days this ratio has been under 0.98 just once suggesting a support level. The 200-day MAP has decreased to \$A31.38. A decrease is another bearish indicator.
- In the Australian Short Selling market of 910 stocks, short selling as a % of issued shares ranked 131st and within the top quartile of stocks. This means it was higher than market average of 0.06%, a bearish indicator.
- The current short volume is 1.2 times its own historical average of 0.1%. It soared 108.5% from the previous day, soared 57.8% from a week ago and lifted 4.0% from a month ago, a significant bearish indicator.

### Overvaluation:

- Price/Earnings of 32.1 versus sector average of 16.9 and market average of 19.0.
- Price/Sales of 2.72 versus sector average of 1.7 and market average of 1.7. We estimate the shares are trading at a current year Price/Sales of 2.3 and a forward year Price/Sales of 1.9.
- The Price to Book of 2 higher than average of 1.7 for the Materials sector. We estimate the shares are trading at a current year Price to Book of 1.8 and a forward year Price to Book of 1.2.

### Other Bearish Signals:

- Net profit margin has averaged 5.4% in the last 3 years. This is lower than the sector average of 9.6% and suggests a low margin of safety.

### Fig 7: Bearish Indicators and Rank in Market:

Description	Value	Rank In Market
Price Earnings	32.1	In Bottom Quartile

## Analysis (continued)

### Note

#### Volatility

The stock traded between an intraday low of \$A30.53 and a high of \$A30.83. The price range has expanded in the last two days (from 27.0c two days ago to 30.0c today) which, accompanied by a price rise, is a bullish signal. The average daily volatility of 1.2% places the stock in the 4th quartile in the market meaning it is least volatile.

#### Volume and turnover period

There were 6,668,109 shares worth \$US205.4 million traded. The volume was 1.0 times average trading of 6.8 million shares. The turnover rate in the 12 months to date was 33.1% (or a turnover period of 3 years 7 days). This average length of ownership of the stock at 1.8 times the average holding period of 1 year 7 months for stocks in the All Ordinaries Index suggests a larger number of core investors, making a long-term investment safer.

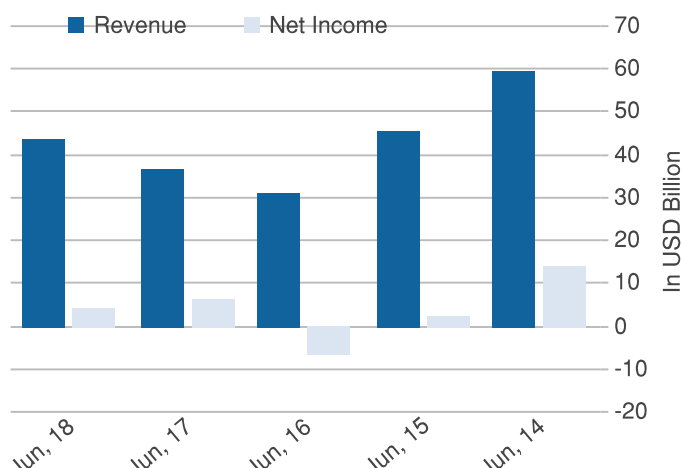
- It is at a discount of 13.7% to the 12-month high of \$A35.68 on 05 Oct, 2018. It is also at a premium of 20.4% to the 12-month low of \$A25.59 on 08 Dec, 2017.

#### Beta & Standard Deviation (SD)

The Beta of this stock is 1.1. A Beta greater than 1 suggests this is a high risk, high return stock with volatility greater than that of the market.

SD is a statistical measure of deviation from the mean. The SD of 1.4% gives it a percentile rank of 12 meaning that 12% of stocks in the Australian market are less volatile than this stock.

### Fig 8: Annual Revenue & Net Income



### PRICE PERFORMANCE RANK IN INDICES AND SECTOR:

The stock is in 12 indices and 1 sector.

**The following index and sectors rose, setting the trend for the stock's rise of 1.2%:**

#### In today's trading:

The All Ordinaries Index [441 stocks and 14 units traded] was up 52.5 points or 0.9% to 5,803.

The Total Australian Market [1380 stocks and 24 units traded] was up 46.5 points or 0.9% to 5,265.

The Materials sector [433 stocks traded] was up 18.9 points or 0.6% to 3,135.

### Fig 9: Price Percentile Rank and comparison:

Percentile Rank	1-week	1-month	3-months
BHP	22	46	65
Materials	1	6	19
All Ordinaries Index	65	63	52

### Fig 10: Rank out of 488 stocks in the All Ordinaries Index

Description	Value	Rank
MCap (US\$)	118.9B	1
Total Assets (US\$)	112B	6
Revenue (US\$)	43.6B	2
Net Profit (US\$)	3.7B	6
Return on Equity %	12.8	186
Net Profit Margin %	17.7	133
Price to Book	2.0	172
Price Earnings	32.1	294
Yield %	5.1	140
PV\$1000 (1Year) US\$*	1,131	114
YTD %	9.7	120

\* 1 year ago AUD 1 = USD 0.76; Nov 27, 2018: AUD 1 = USD 0.72

## Period-based Shareholder Returns

### Past Week

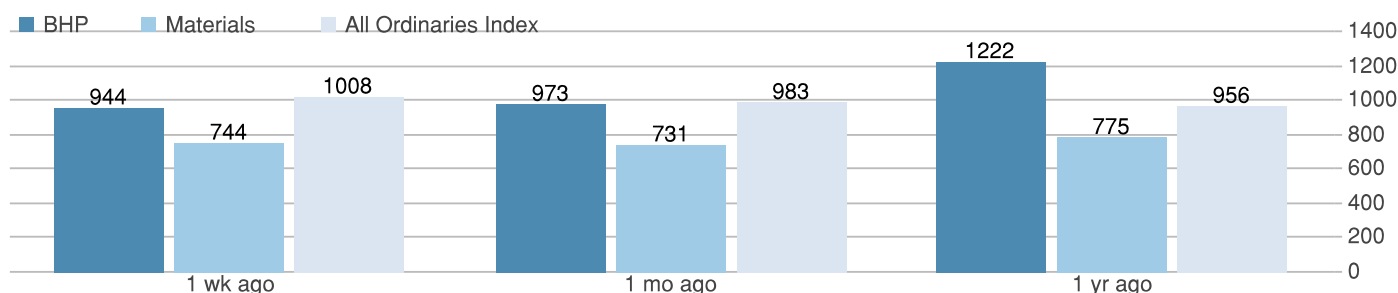
The value of \$A1,000 invested a week ago is \$A944 [vs \$A1,008 for the All Ordinaries Index] for a capital loss of \$A56.

### Past Month

The value of \$A1,000 invested a month ago is \$A973 [vs \$A983 for the All Ordinaries Index] for a capital loss of \$A27.

**Fig 11: Present Value of \$A1000 invested in the past [1 wk, 1 Mo, 1 Yr]**

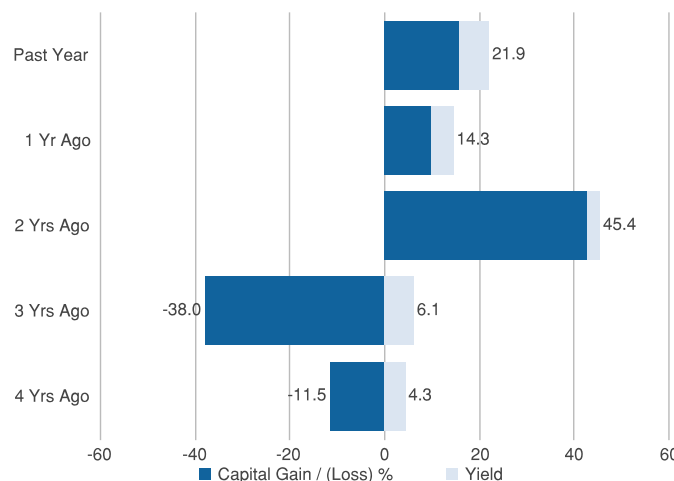
PV\$A1000	1-week	1-month	1-year
BHP	\$A944	\$A973	\$A1,222
Materials	\$A744	\$A731	\$A775
All Ordinaries Index	\$A1,008	\$A983	\$A956



**Fig 12: Moving Annual Return (Past 5 years)**

Based on a dynamic start date of 5 years ago, the real rate of return has averaged 8.5%. The Moving Annual Return has been positive in 3 of the last 5 years. An investment a year ago in BHP would have produced a return of 21.9%.

BHP	Close (AUD)	Dividends (AUD)	Capital Gain / (Loss) %	% Yield	Annual Return %
Nov 27	30.81	1.56	16	5.9	21.9
1 Yr ago	26.55	1.06	9.8	4.4	14.3
2 Yrs ago	24.17	0.41	43	2.4	45.4
3 Yrs ago	16.91	1.67	(37.9)	6.1	(31.8)
4 Yrs ago	27.25	1.32	(11.5)	4.3	(7.2)

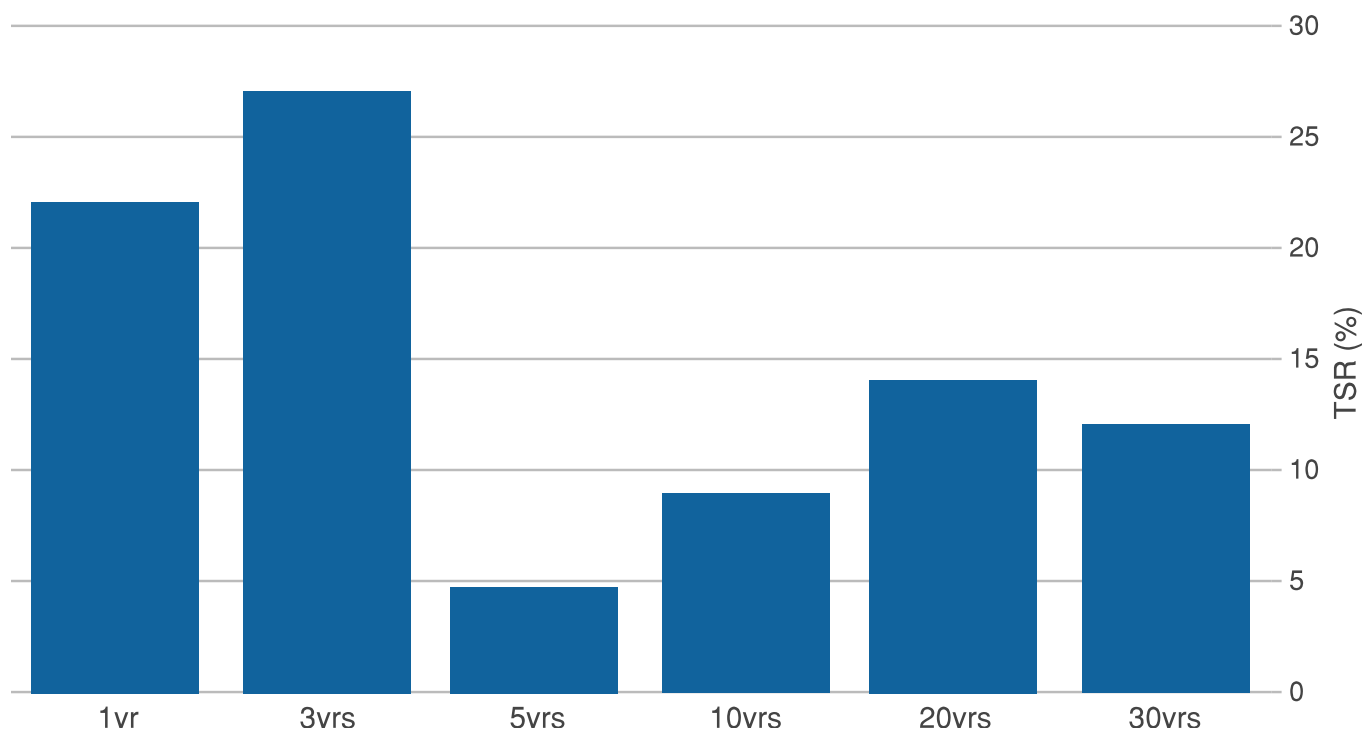


Close 5 years ago \$A30.79

Period-based Shareholder Returns (continued)

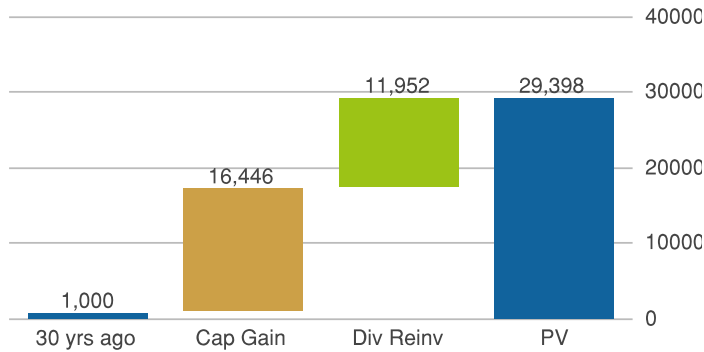
Fig 13: Annualised Period-based Total Shareholder Returns [TSR %]

TSR %	1 yr	3 yrs	5 yrs	10 yrs	20 yrs	30 yrs
BHP.ASX	20.6	23.9	4.6	11.2	13.7	11.8



Period-based Shareholder Returns

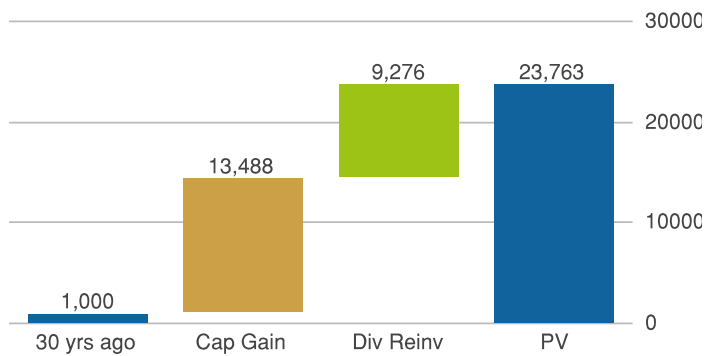
**Fig 14: Present Value of AUD1000 invested 30 years ago**



- The present value of AUD1,000 (PV1000) invested thirty years ago in BHP Billiton is \$A29,398, including a capital gain of \$A16,446 and dividend reinvested of \$A11,952.
- 30 years Multiplier in AUD = 29.398x
- Compound Annual Growth Rate (CAGR) in AUD = 11.8%

Present Value (PV) of \$A1000 invested 30 years ago = \$A29,398  
 Comprising Capital gain of \$A16,446 and Dividend Reinvested of \$A11,952

**Fig 15: Present Value of USD1000 invested 30 years ago**

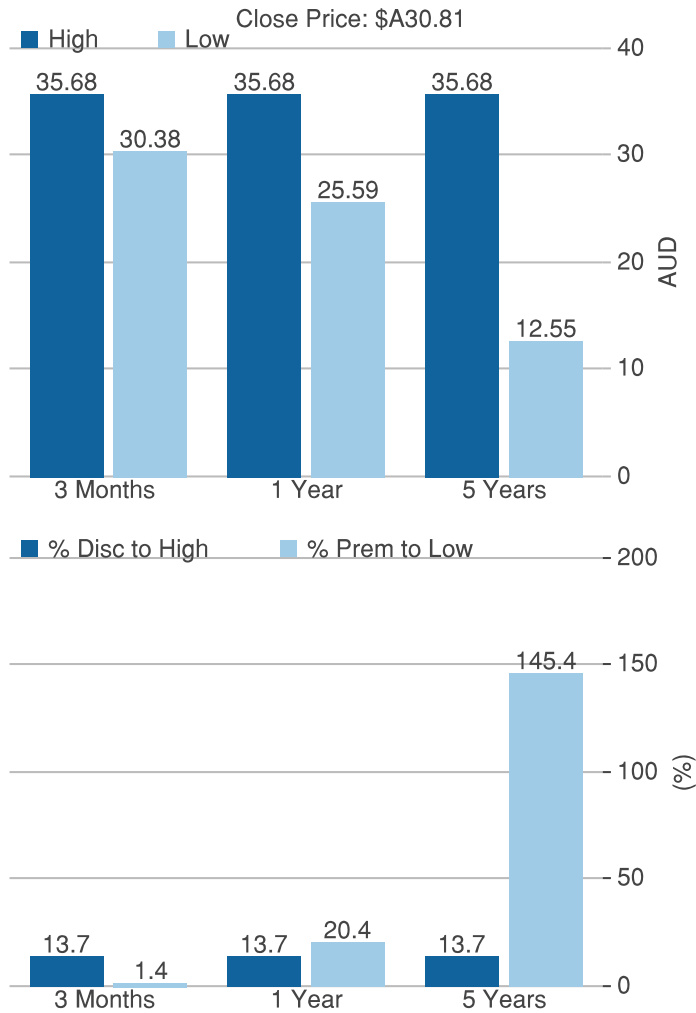


- The present value of USD1,000 (PV1000) invested thirty years ago in BHP Billiton is \$US23,763, including a capital gain of \$US13,488 and dividend reinvested of \$US9,276.
- 30 years ago AUD 1 equalled USD 0.8728
- 30 years Multiplier in USD = 23.763x
- Compound Annual Growth Rate (CAGR) in USD = 11.0%

Present Value (PV) of USD1000 invested 30 years ago = \$US23,763  
 Comprising Capital gain of \$US13,488 and Dividend Reinvested of \$US9,276

## Price Volume Dynamics

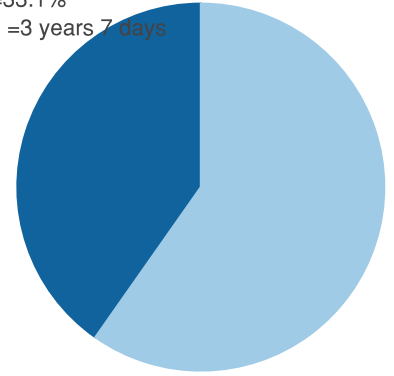
### Fig 16: Price High Low Close



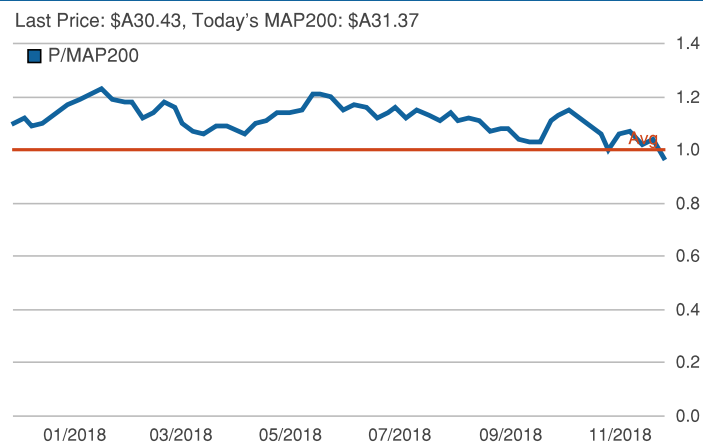
The last price of \$A30.81 represents a discount of 13.7% to its 5-year high of \$A35.68 on Oct 05, 2018 and a premium of 145.4% to its 5-year low of \$A12.55 on Jan 21, 2016.

### Fig 17: Share Turnover Rate & Period

1. Annual Share Turnover \$A54 billion
2. MCap \$A164 billion
3. Share Turnover Rate (1/2) =33.1%
4. Share Turnover Period (1/3) =3 years 7 days



### Fig 18: Price/Moving Avg Price [P/MAP200]

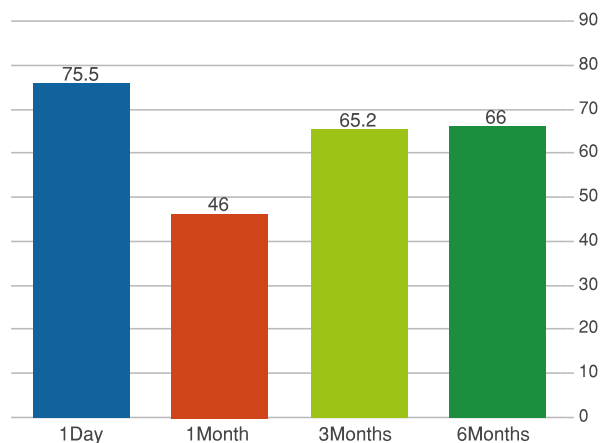


In the last 3 months the share price has exceeded Moving Avg Price on 61/64 days; a bullish signal.



## Price Volume Dynamics (continued)

### Fig 19: Relative Strength



### Fig 20: MCap: 5-Year Perspective

In the past 5 years Market Capitalization has decreased by \$A27.3 billion from \$A189.3 billion to \$A162 billion. Based on a dynamic start date of 5 years ago, there have been declines in MCap in 2 out of 5 years.

-	Price	MCap (AUD B)	MCap (US\$ B)
Last	\$A30.43	162	117.4
1 Year ago	\$A26.57	148.9	113.5
2 Years ago	\$A23.64	137.9	102
3 Years ago	\$A17.92	106.8	77.3
4 Years ago	\$A26.62	164.4	141.3
5 Years ago	\$A30.65	189.3	173.7

### Fig 21: Total Shares on Issue: 5-Year Perspective

In the past 5 years total shares on issue have increased by 1 million [0%] from 5.3 billion to 5.3 billion. Based on a dynamic start date of 5 years ago, there have been declines in issued capital in 2 out of 5 years. An increase in total shares on issue is an unfavourable indicator in Joseph Piotroski's 9 indicators.

Year End (Jun 30)	Total Shares on Issue
2018	5,323,000,000
2017	5,323,000,000
2016	5,322,000,000
2015	5,318,000,000
2014	5,321,000,000
2013	5,322,000,000

### Fig 22: Footprint of Low Tax Subsidiaries

Corporate Tax rate of BHP Billiton in country of incorporation:

100% owned subsidiaries:

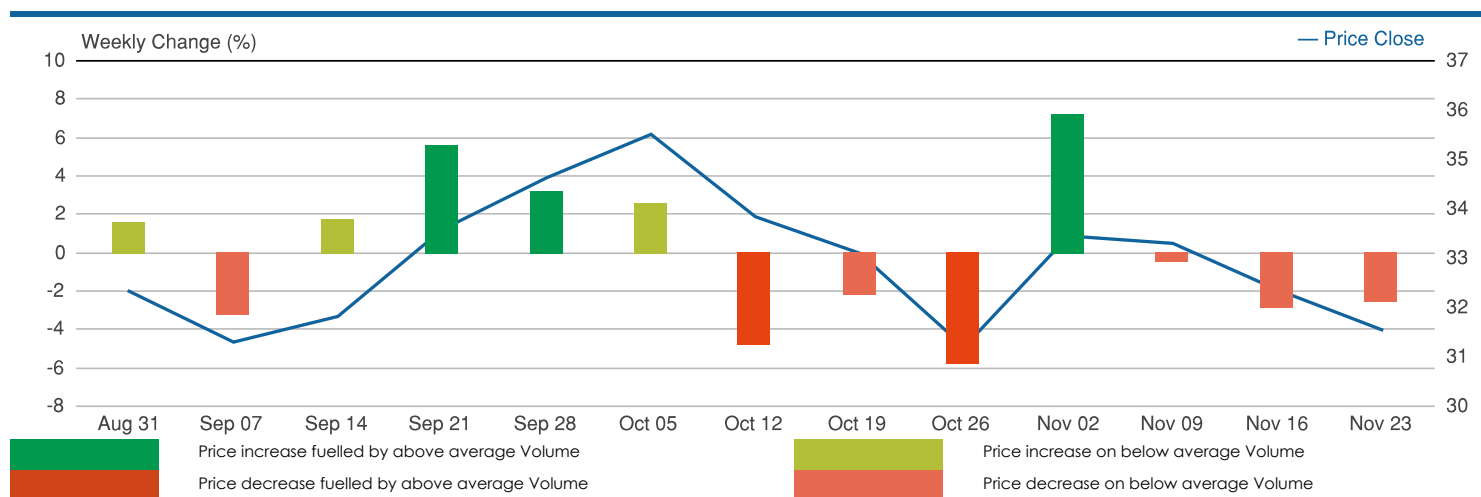
Subsidiary	Incorporated in	Corporate Tax Rate (%)
BHP Billiton Petroleum Great Britain Limited	UK	19
BHP Billiton Freight Singapore Pte Limited	Singapore	17
BHP Billiton International Services Limited	UK	19
BHP Billiton Marketing Asia Pte Ltd.	Singapore	17

## Price Volume Dynamics

**Fig 23: Month-on-Month Price Volume Comparison (Trailing month - ended 26th)**

-	26 Nov	26 Oct	26 Sep	24 Aug	26 Jul	26 Jun
Price 26 Nov (AUD)	30.43	31.2	34.5	31.84	32.75	31.77
% Price Change	-5.1	-9.6	7.1	-3.1	3.1	1.7
Avg Daily Volume	7,119,098	6,807,983	6,769,197	6,976,536	7,115,042	7,252,532
VWAP (AUD)	32.95	33.27	33.22	33.34	33.06	31.78
Price Range (AUD)	30.38 - 34.2	30.77 - 35.68	30.7 - 34.62	31.62 - 32.02	32.62 - 32.94	31.3 - 31.77
Relative Price Change %	-5	-0.9	7.9	-0.9	2.3	-0.8
Volatility %	12.6	16	12.8	10.6	7	7.3

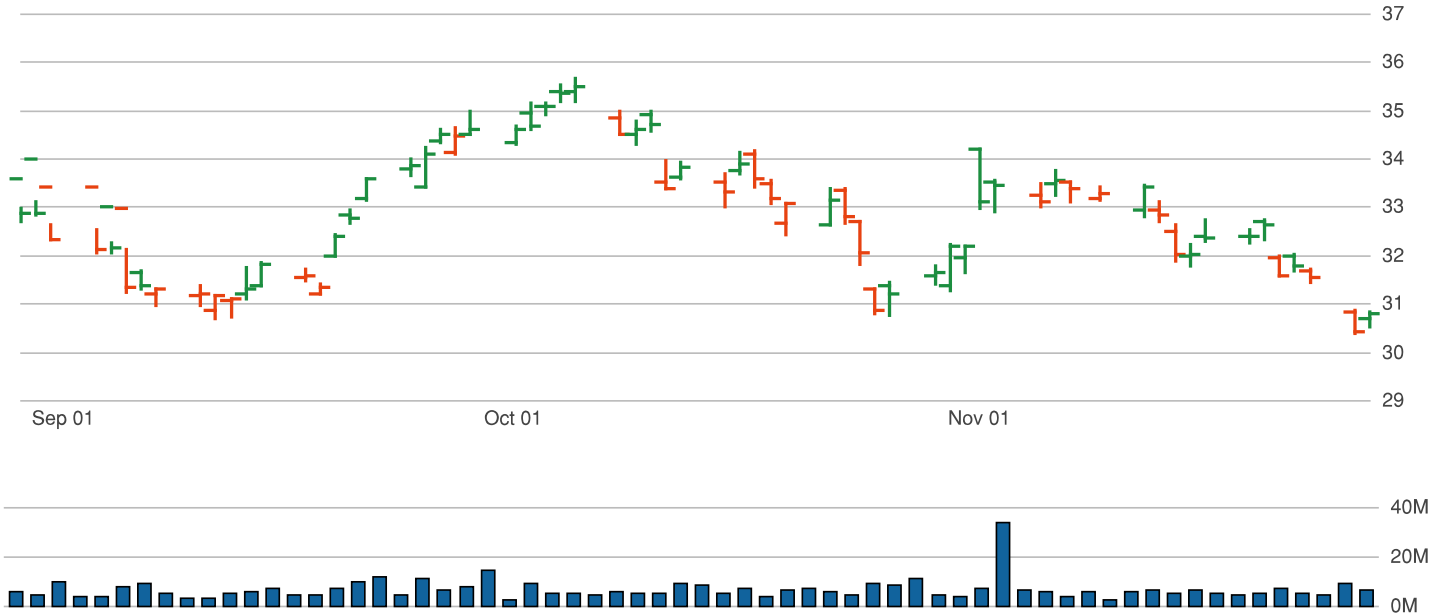
**Fig 24: Weekly Price Change (%) and Volume Index (Last 3 months) Week-Ended Friday**



In the last 13 weeks the share price was down 4.3%. It fell in 7/13 weeks. Of the 7 weeks, the stock fell on above average volume in 2 weeks.

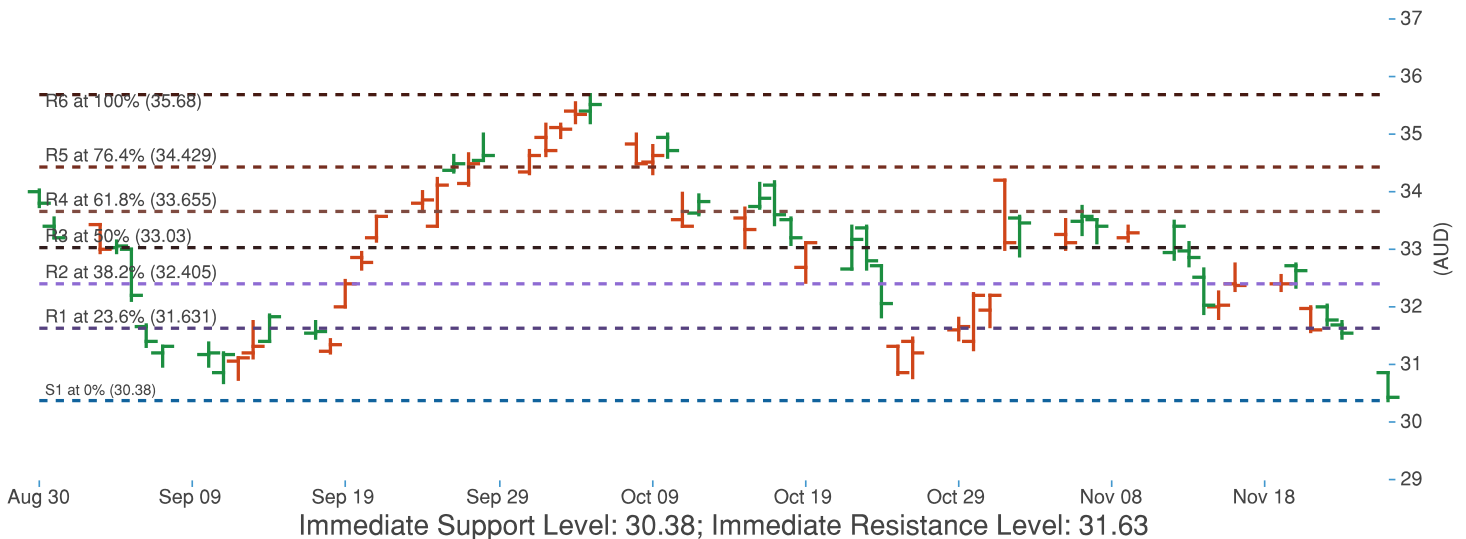
Price Volume Dynamics (continued)

Fig 25: Price Volume Trend: Past Quarter



BHP Billiton hit a 3-month high of \$A35.68 on Oct 05 and a 3-month low of \$A30.38 on Nov 26.

Fig 26: Fibonacci Retracement



Issued Capital

Based on 5,323,762,901 issued equity shares the market capitalisation is \$A164 billion. It is Australia's largest Materials company by total revenue.

## Rankings

### Long-Term Fundamental Ranking: 5 out of 5 [5 is best]

BHP Billiton is ranked number 1 out of 672 listed materials companies [that traded today] in Australia with a market capitalization of \$A164 billion. Within its sector it has a relatively low P/E of 32.1, low P/S of 2.7. It has a strong relative ROE of 12.8% and ROA of 6.9%. The company paid a dividend of 85.60c in the last twelve months. The dividend yield is high at 5.1%.

Stocks are scored on a set of parameters reflecting fundamental analytical tools involving valuation, size and financial performance. They are ranked according to the average values of those parameters. The highest ranking is 5 and the lowest ranking is 1.

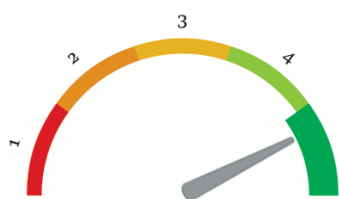


Fig 27: Ranking

BHP Billiton is placed 277/1287 in BSS News Bites' ranking of Australian performers in the past year, a percentile ranking of 79%.

It is the 76th largest by revenue in the FT Global 500.

It is the 130th largest by revenue in the Forbes Global 2000.

It is the 3rd largest by revenue and largest by MCap among the PwC Top 40 Miners.

It was ranked 54 by MCap as at March 31, 2014 by PwC in the Top 100 Global companies; a deterioration over 5 years from rank 19 as at March 31, 2009.

It was ranked 44 in IHS Energy's list of Top 50 Energy Companies 2013; a deterioration over a year from rank 23 in 2012.

It was ranked 226 by Newsweek and Corporate Knights Capital in the World's 500 Greenest Companies 2014. It had outstanding scores of 7.5% in Waste productivity and 7.3% in Water productivity.

## Sector Sorting

For Company searches, or for sorting by stocks and variables, an interactive version of today's Table is available [here](#)

### Short-Term Technical Ranking: 4 out of 5 [5 is best]

Its short term falls have been combined with weak volume resulting in weak momentum falls over 1, 5 and 30 days. Significantly its price of \$A30.81 is at a discount of 2% to its 200-day moving average price of \$A31.38. Its 52-week range has been \$A35.68 to \$A25.59; it is trading at a discount of 13.7% to its 52-week high and a premium of 20.4% to its 52-week low. \$A1,000 invested exactly one year ago is now worth \$A1,222 of which \$A160 is a capital gain and \$A62 is dividend reinvested.

Recommended stop loss: \$A28.50

Stocks are scored on a set of technical parameters reflecting price performance and trading volumes. They are ranked according to the average values of those parameters. The highest ranking is 5 and the lowest ranking is 1.

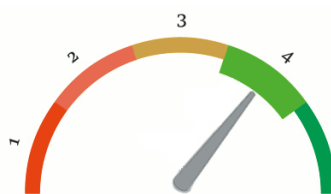


Fig 28: Share in Index

BHP Billiton is a constituent of the following Indices

Index Name	MCap of Index (AUD B)	MCap as % of Index
S&P/ASX 300 Metals and Mining (Industry)	291	56.34
S&P/ASX 200 Materials Index	346	47.46
S&P/ASX 200 Resources	362	45.32
S&P/ASX 20 Index	952	17.23
S&P/ASX Dividend Opportunities Index	955	17.18
S&P/ASX All Australian 50	1,254	13.08
S&P/ASX 50 Index	1,265	12.96
S&P/ASX 100 Index	1,515	10.82
S&P/ASX All Australian 200	1,628	10.08
S&P/ASX 200 Index	1,694	9.68
S&P/ASX 300 Index	1,773	9.25
All Ordinaries Index	1,834	8.94

Rankings (continued)

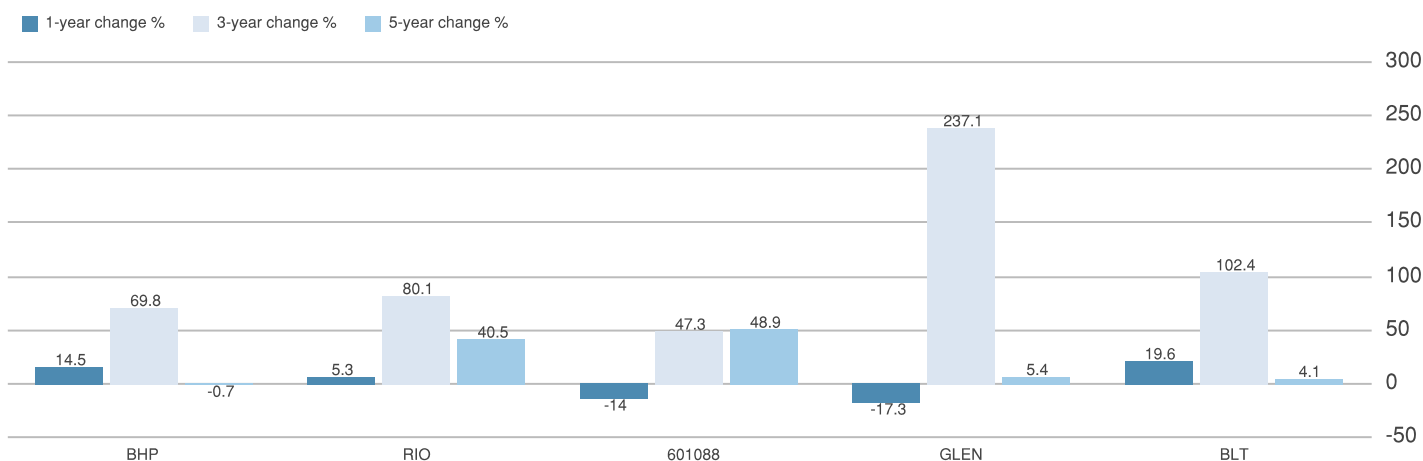
Fig 29: Global Peer Group (all figures in USD): Key Financials and Price Performance

Name	Relative Str. (6 mo)	MCap	PV \$1000 (1 yr)	Revenue	Net Profit	Total Assets
BHP Billiton (BHP)	62	118.9B	1,130.9	43.6B	3.7B	112B
Rio Tinto (RIO)	55	60.8B	1,075.0	42.9B	8.8B	95.7B
China Shenhua Energy - A Share (601088)	63	54B	856.2	35.9B	6.5B	81.7B
Glencore (GLEN)	41	51.8B	812.2	208.1B	5.8B	135.6B
BHP Billiton (BLT)	60	42.5B	1,187.4	39.2B	6.2B	117B
GMK Norilsk Nickel (GMKN)	92	28.9B	1,277.0	9.2B	2.1B	16.6B
Anglo American (AAL)	57	28.1B	1,132.4	27.1B	3.2B	54.6B
China Steel Preference (2002A)	83	22B	1,056.1	11.3B	680.9M	21B
Rio Tinto (RIO)	59	19.8B	1,076.0	31.1B	6.4B	69.4B

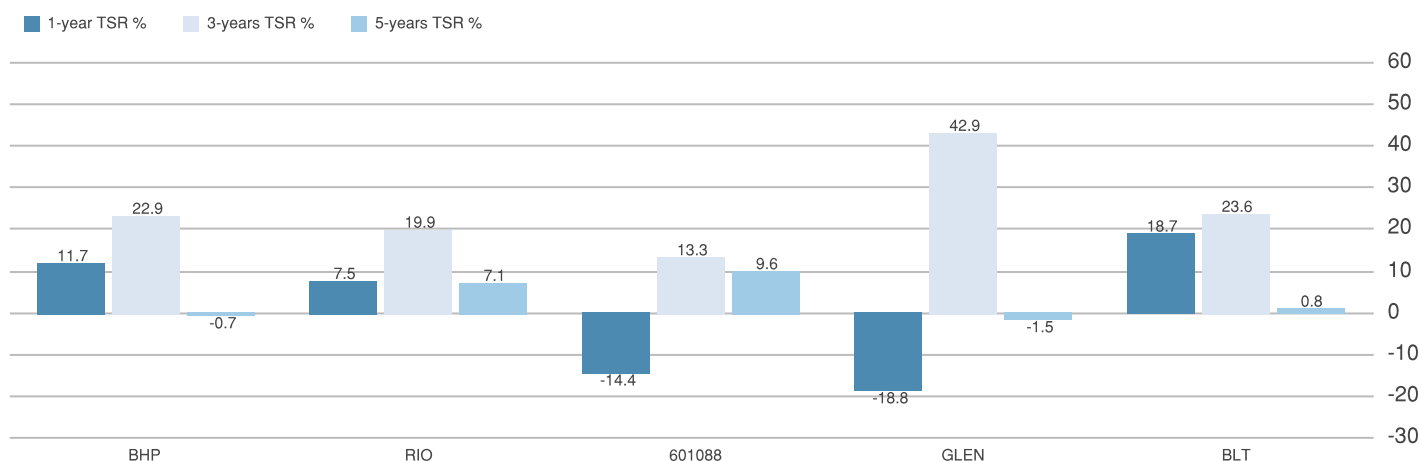
Global Peer Group: Valuation Indicators

Code	Country Code	Last Price	P/E	P/S	P/Book	Turnover Rate (%)	% Disc to 52-w Hi
BHP	AU	\$A30.81	31.7	2.7	2.0	33.4	14.7
RIO	GB	GBX3,629.0	9.5	1.4	1.5	98.0	18.1
601088	CN	CNY18.84	9.4	1.5	1.4	39.5	32.8
GLEN	GB	GBX286.75	9.0	0.2	1.2	107.9	28.2
BLT	GB	GBX1,573.0	18.2	1.1		107.6	10.1
GMKN	RU	RUB11,969.0	13.3	3.1	6.4	24.6	0.5
AAL	GB	GBX1,562.80	8.1	1.0	1.4	113.2	17.7
2002A	TW	TWD42.90					0.9
RIO	AU	\$A73.60	15.2	0.6		134.3	13.0

Fig 30: Global Peer Group - Price Performance



## Rankings (continued)

**Fig 31: Global Peer Group - Total Shareholder Return [TSR in USD]**

**Fig 32: BuySellSignals Fundamentals Valuation Table: BHP Billiton vs Total Australian Market**

	Total Australian Market	BHP	Rank	Rank 1	Rank 2	Rank 3	Lowest Rank
P/Earnings	18.99x	32.1x	430	1.7x TTI	2.2x AXI	2.3x ACF	
Price/Net Tangible Assets	2.4x	1.98x	575	0.1x BPH	0.1x AGG	0.1x SBR	
Total Debt/Equity	1.9x	0.4x	615	EOL	XRO	SBM	11.1x CTP
Discount to 52-Wk High (%)	20.4	13.7	1368	98.6 null	97.8 FTT	97.3 CHP	0.1 AEF
Premium to 52-Wk Low (%)	1.8	20.4	731	0.03 CIN	0.2 BSL	0.2 DCN	1639.1 PO3
Market Cap \$A	1.4 B	164 B	1	164 B BHP	127.8 B CBA	90.3 B WBC	223,033 TKF
Revenue \$A	616.3 M	60.2 B	2	66.9 B WES	60.2 B BHP	55.9 B WOW	
Yield (%)	5.2	5.1	208	18.3 SLM	18.03 SHM	17.9 null	0.1 CUV
Free Cash Flow	-126.6 million	16.9 B	1	16.9 B BHP	2.5 B MQG	1.4 B BXB	
EBITDA Margin	14.6	33.8	128	89.5 null	89.1 WAX	88.7 null	-89.6 ISX

Rankings (continued)

**Fig 33: BuySellSignals Technical Valuation Table: BHP Billiton vs Total Australian Market**

	PV \$A1,000 (1 Yr)	Rel Strength (6m)	Hits(3m) 52-W Hi	PEMAP5 0	1-Day Price (%)	5-Day Price (%)	30-Day Price (%)	3-Month Price (%)	1-Year Price (%)	30-Day Avg Volatility	Moment um
Total Australia n Market Avg	910.1	51.4	-	-	0.9	-5.6	-4.7	-12.8	-8.9	2.3	-
BHP	1,221.9	65.97	7	0.9x	1.2	-5.6	-2.7	-4.3	16.03	1.6	↑
Rank	258	467	107	551	437	1058	742	476	278	1140	185
Rank 1	13,333.3 BID	99.9 GAL	38 SPO	1.8x AZY		122.2 RCP			1233.3 BID	100 LKO	↑ QIP
Rank 2	9,431.4 MWR	99.8 BIT	27 null	1.5x BIT		100 CHK	141.9 KP2	176.9 AZY	843.1 MWR	100 BPH	↑ PGX
Rank 3	7,951.2 CAG	99.8 PO3	22 null	1.5x PEX	50 QGL	100 DDT	133.3 E2E	162.3 VRX	695.1 CAG	52.8 EMP	↑ GGE

## Financials

## BHP 2018 Financial Results as reported (Annual)

**RESULTS OF OPERATIONS AND FINANCIAL CONDITION**

(In \$US Million, except per share data and shares outstanding)

**Fig 34: 2018 BHP INCOME STATEMENT AS REPORTED**

Description Jun 30	\$US Million 2018	\$US Million 2017	Change %
Continuing operations			
<b>Revenue</b>	43,638	36,135	Up 20.8
Other income	247	662	Down 62.7
Expenses excluding net finance costs	-28,036	-24,515	Deterioration 14.4
Profit/(loss) from equity accounted investments related impairments and expenses	147	272	Down 46.0
Profit from operations	15,996	12,554	Up 27.4
Financial expenses	-1,567	-1,560	Deterioration 0.4
Financial income	322	143	Up 125.2
Net finance costs	-1,245	-1,417	Improved 12.1
<b>Profit before taxation</b>	14,751	11,137	Up 32.5
Income tax expense	-6,879	-4,276	Deterioration 60.9
Royalty-related taxation (net of income tax benefit)	-128	-167	Improved 23.4
Total taxation expense	-7,007	-4,443	Deterioration 57.7
Profit/(loss) after taxation from Continuing operations	7,744	6,694	Up 15.7
Discontinued operations			
Loss after taxation from Discontinued operations	-2,921	-472	Deterioration 518.9
Profit/(loss) after taxation from Continuing and Discontinued operations	4,823	6,222	Down 22.5
Attributable to non-controlling interests	1,118	332	Up 236.7
<b>Attributable to BHP shareholders</b>	3,705	5,890	Down 37.1
<b>Basic earnings/(loss) per ordinary share (cents)</b>	69.60c	\$US1.11	Down 37.1
Diluted earnings/(loss) per ordinary share (cents)	69.40c	\$US1.10	Down 37.1
Basic earnings/(loss) from Continuing operations per ordinary share (cents)	\$US1.25	\$US1.20	Up 4.3
Diluted earnings/(loss) from Continuing operations per ordinary share (cents)	\$US1.25	\$US1.20	Up 4.3
<b>Weighted average number of shares</b>	5,323,000,000	5,323,000,000	Steady
Weighted average number of shares	5,337,000,000	5,336,000,000	Up



## Financials (continued)

**Fig 35: 2018 BHP BALANCE SHEET AS REPORTED**

Description Jun 30	\$US Million 2018	\$US Million 2017	Change %
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	15,871	14,153	Up 12.1
Trade and other receivables	3,096	2,836	Up 9.2
Other financial assets	200	72	Up 177.8
Inventories	3,764	3,673	Up 2.5
Assets held for sale	11,939		
Current tax assets	106	195	Down 45.6
Other	154	127	Up 21.3
<b>Total current assets</b>	<b>35,130</b>	<b>21,056</b>	<b>Up 66.8</b>
Non-current assets			
Trade and other receivables	180	803	Down 77.6
Other financial assets	999	1,281	Down 22.0
Inventories	1,141	1,095	Up 4.2
Property plant and equipment	67,182	80,497	Down 16.5
Intangible assets	778	3,968	Down 80.4
Investments accounted for using the equity method	2,473	2,448	Up 1.0
Deferred tax assets	4,041	5,788	Down 30.2
Other	69	70	Down 1.4
<b>Total non-current assets</b>	<b>76,863</b>	<b>95,950</b>	<b>Down 19.9</b>
<b>Total assets</b>	<b>111,993</b>	<b>117,006</b>	<b>Down 4.3</b>
<b>LIABILITIES</b>			
Current liabilities			
Trade and other payables	5,977	5,551	Up 7.7
<b>Interest bearing liabilities</b>	<b>2,736</b>	<b>1,241</b>	<b>Up 120.5</b>
Liabilities held for sale	1,222		
<b>Other financial liabilities</b>	<b>138</b>	<b>394</b>	<b>Down 65.0</b>
Current tax payable	1,773	2,119	Down 16.3
Provisions	2,025	1,959	Up 3.4
Deferred income	118	102	Up 15.7
<b>Total current liabilities</b>	<b>13,989</b>	<b>11,366</b>	<b>Up 23.1</b>
Non-current liabilities			
Trade and other payables	3	5	Down 40.0
<b>Interest bearing liabilities</b>	<b>24,069</b>	<b>29,233</b>	<b>Down 17.7</b>
Other financial liabilities	1,093	1,106	Down 1.2
Non-current tax payable	137		
Deferred tax liabilities	3,472	3,765	Down 7.8
Provisions	8,223	8,445	Down 2.6
Deferred income	337	360	Down 6.4

## Financials (continued)

<b>Total non-current liabilities</b>	37,334	42,914	Down 13.0
<b>Total liabilities</b>	51,323	54,280	Down 5.4
Net assets	60,670	62,726	Down 3.3
<b>EQUITY</b>			
Share capital - BHP Billiton Limited	1,186	1,186	Steady
Share capital - BHP Billiton Plc	1,057	1,057	Steady
Treasury shares	-5	-3	Deterioration 66.7
Reserves	2,290	2,400	Down 4.6
Retained earnings	51,064	52,618	Down 3.0
Total equity attributable to BHP shareholders	55,592	57,258	Down 2.9
Non-controlling interests	5,078	5,468	Down 7.1
<b>Total equity</b>	60,670	62,726	Down 3.3

## Fig 36: 2018 BHP CASH FLOW AS REPORTED

Description Jun 30	\$US Million 2018	\$US Million 2017	Change %
<b>Operating activities</b>			
Profit before taxation	14,751	11,137	Up 32.5
Adjustments for:			
Depreciation and amortisation expense	6,288	6,184	Up 1.7
Impairments of property plant and equipment financial assets and intangibles	333	193	Up 72.5
Net finance costs	1,245	1,417	Down 12.1
(Profit)/loss from equity accounted investments related impairments and expenses	-147	-272	Improved 46.0
Other	597	194	Up 207.7
<b>Changes in assets and liabilities:</b>			
Trade and other receivables	-662	267	Deterioration
Inventories	-182	-687	Improved 73.5
Trade and other payables	719	512	Up 40.4
Provisions and other assets and liabilities	7	-333	Recovery
Cash generated from operations	22,949	18,612	Up 23.3
Dividends received	709	636	Up 11.5
Interest received	290	164	Up 76.8
Interest paid	-1,177	-1,148	Deterioration 2.5
Settlement of cash management related instruments	-292	-140	Deterioration 108.6
Net income tax and royalty-related taxation refunded	17	337	Down 95.0
Net income tax and royalty-related taxation paid	-4,935	-2,585	Deterioration 90.9
Net operating cash flows from Continuing operations	17,561	15,876	Up 10.6
Net operating cash flows from Discontinued operations	900	928	Down 3.0
<b>Net operating cash flows</b>	18,461	16,804	Up 9.9

## Financials (continued)

### Investing activities

<b>Purchases of property plant and equipment</b>	-4,979	-3,697	Deterioration 34.7
<b>Exploration expenditure</b>	-874	-966	Improved 9.5
<b>Exploration expenditure expensed and included in operating cash flows</b>	641	610	Up 5.1
Net investment and funding of equity accounted investments	204	-234	Recovery
Proceeds from sale of assets	89	529	Down 83.2
Proceeds from divestment of subsidiaries operations and joint operations net of their cash		187	
Other investing	-141	-153	Improved 7.8
Net investing cash flows from Continuing operations	-5,060	-3,724	Deterioration 35.9
Net investing cash flows from Discontinued operations	-861	-437	Deterioration 97.0
<b>Net investing cash flows</b>	-5,921	-4,161	Deterioration 42.3
<b>Financing activities</b>			
Proceeds from interest bearing liabilities	528	1,577	Down 66.5
(Settlements)/proceeds from debt related instruments	-218	36	Deterioration
Repayment of interest bearing liabilities	-4,188	-7,114	Improved 41.1
Purchase of shares by Employee Share Ownership Plan (ESOP) Trusts	-171	-108	Deterioration 58.3
Dividends paid	-5,220	-2,921	Deterioration 78.7
Dividends paid to non-controlling interests	-1,582	-575	Deterioration 175.1
Net financing cash flows from Continuing operations	-10,851	-9,105	Deterioration 19.2
Net financing cash flows from Discontinued operations	-40	-28	Deterioration 42.9
<b>Net financing cash flows</b>	-10,891	-9,133	Deterioration 19.2
Net increase in cash and cash equivalents from Continuing operations	1,650	3,047	Down 45.8
Net (decrease)/increase in cash and cash equivalents from Discontinued operations	-1	463	Deterioration
Cash and cash equivalents net of overdrafts at the beginning of the financial year	14,108	10,276	Up 37.3
Foreign currency exchange rate changes on cash and cash equivalents	56	322	Down 82.6
Cash and cash equivalents net of overdrafts at the end of the financial year	15,813	14,108	Up 12.1

## Financials (continued)

### Fig 37: 2018 BHP Margins %

Jun 30	2018	2017
EBITDA Margin	33.8	30.8
Earnings from Cont. Ops. Margin	33.8	30.8
Net Income Margin	17.7	18.5

### Fig 38: Income & Tax Details

[Source: Australian Taxation Office (ATO), December 07, 2017]

Details	2015-2016	2014-2015	2013-2014
Total income \$A	26,671,570,876	33,044,169,721	40,531,195,540
Taxable income \$A	5,260,130,225	6,338,539,254	13,760,303,234
Tax payable \$A	1,325,839,334	1,718,329,663	3,950,825,604
Tax payable/ Total income %	5.0	5.2	9.7
Tax payable/ Taxable income %	25.2	27.1	28.7

### Fig 39: Dividend History

Date Paid	Value (c)	Type
06 Sep 2018	85.6	Final
08 Mar 2018	70.59	Interim
<b>Tr 12 Months</b>	<b>156.19</b>	
07 Sep 2017	54.29	Final
09 Mar 2017	52.16	Interim
<b>Previous Yr</b>	<b>106.45</b>	
01 Sep 2016	18.19	Final
10 Mar 2016	22.32	Interim
<b>Year Prior</b>	<b>40.51</b>	

In the past 3 years annual dividends have increased by 115.7c from 40.5c to 156.2c. Based on a start date of 3 years ago, there has been no decline in dividends over the last 3 years.

### Market Share

BHP Billiton vs Materials sector [Materials sector Total in Brackets]

Net Profit of \$US3.7 billion [17.5% of Aggregate Sector Net Profit of \$A21.2 billion; down from 41.3% in the previous year.]  
 EBIT of \$US20.4 billion [42.9% of Aggregate Sector EBIT of \$A47.4 billion; down from 43.2% in the previous year.]  
 MCap of \$A164 billion [43.2% of Aggregate Sector MCap of \$A379.6 billion; up from 30.3% in the previous year.]

## BHP American Depository Receipts

### Fig 40: American Depository Receipts

<b>Symbol</b>	BHP
<b>Price</b>	USD 44.48
<b>ISIN</b>	US0886061086
<b>CUSIP</b>	088606108
<b>Ratio</b>	1 ADR equals 2 ordinary shares
<b>Type</b>	Sponsored
<b>Avg. Daily Volume</b>	2,466,309

### Top 40 Institutional Shareholders of BHP Billiton as at September 30, 2018 ADRs as at September 30, 2018

The top 40 institutional shareholders held 2.8% ADRs of BHP Billiton. The largest shareholder was Fisher Asset Management, LLC with 0.4% of BHP Billiton. The second largest shareholder was Bank of America Corp, DE with 0.32%.

Institution (CIK)	ADRs	Holding %	Value \$USD	Unrealised Gain/(Loss)*
Fisher Asset Management, LLC (0000850529)	6,474,353	0.4	322.7 M	(32.8 M)
Bank of America Corp, DE (0000070858)	5,072,965	0.32	252.8 M	(25.7 M)
Goldman Sachs Group Inc. (0000886982)	4,796,770	0.3	239.1 M	(24.3 M)
Arrowstreet Capital, Limited Partnership (0001164508)	3,073,499	0.19	153.2 M	(15.6 M)
FMR LLC (0000315066)	2,033,868	0.13	101.4 M	(10.3 M)
Northern Trust Corp (0000073124)	1,730,575	0.11	86.3 M	(8.8 M)
Earnest Partners LLC (0001102578)	1,665,986	0.1	83 M	(8.4 M)
Jennison Associates LLC (0000053417)	1,496,369	0.09	74.6 M	(7.6 M)
Parametric Portfolio Associates LLC (0000932859)	1,495,947	0.09	74.6 M	(7.6 M)
Voya Investment Management LLC (0001068837)	1,292,767	0.08	64.4 M	(6.6 M)
Tocqueville Asset Management LP (0000883961)	1,149,923	0.07	57.3 M	(5.8 M)
Morgan Stanley (0000895421)	1,055,635	0.07	52.6 M	(5.4 M)
UBS Group AG (0001610520)	1,019,202	0.06	50.8 M	(5.2 M)

## BHP American Depository Receipts (continued)

Aperio Group, LLC (0001364615)	1,011,221	0.06	50.4 M	(5.1 M)
Dimensional Fund Advisors LP (0000354204)	879,224	0.05	43.8 M	(4.5 M)
Wells Fargo & Company (0000072971)	833,374	0.05	41.5 M	(4.2 M)
Lazard Asset Management LLC (0001207017)	706,805	0.04	35.2 M	(3.6 M)
SEI Investments Co (0000350894)	582,436	0.04	29 M	(3 M)
TIAA CREF Investment Management LLC (0000887793)	575,767	0.04	28.7 M	(2.9 M)
JP Morgan Chase & Co (0000019617)	556,926	0.03	27.8 M	(2.8 M)
Two Sigma Advisers, LLC (0001478735)	536,800	0.03	26.8 M	(2.7 M)
CQS Cayman LP (0001431256)	478,038	0.03	23.8 M	(2.4 M)
Westwood Global Investments, LLC (0001356513)	451,678	0.03	22.5 M	(2.3 M)
Credit Suisse AG (0000824468)	445,297	0.03	22.2 M	(2.3 M)
Willis Investment Counsel (0001310929)	379,575	0.02	18.9 M	(1.9 M)
AssetMark, Inc. (0001344551)	370,736	0.02	18.5 M	(1.9 M)
Millennium Management LLC (0001273087)	363,883	0.02	18.1 M	(1.8 M)
Royal Bank Of Canada (0001000275)	333,535	0.02	16.6 M	(1.7 M)
Deutsche Bank AG (0000948046)	328,282	0.02	16.4 M	(1.7 M)
Alpha Cubed Investments, LLC (0001580830)	325,846	0.02	16.2 M	(1.7 M)
Scout Investments, Inc. (0001161927)	324,645	0.02	16.2 M	(1.6 M)
Raymond James (0001084208)	316,458	0.02	15.8 M	(1.6 M)
Main Street Research LLC (0001513211)	301,045	0.02	15 M	(1.5 M)
Blackrock Inc. (0001364742)	293,708	0.02	14.6 M	(1.5 M)

## BHP American Depository Receipts (continued)

D. E. Shaw & Co., Inc. (0001009207)	291,053	0.02	14.5 M	(1.5 M)
Citigroup Inc. (0000831001)	287,511	0.02	14.3 M	(1.5 M)
LMR Partners LLP (0001578621)	262,354	0.02	13.1 M	(1.3 M)
Delek Group, Ltd. (0001361371)	261,420	0.02	13 M	(1.3 M)
Pacific Heights Asset Management LLC (0001323414)	250,000	0.02	12.5 M	(1.3 M)
Renaissance Technologies LLC (0001037389)	249,700	0.02	12.4 M	(1.3 M)
Held by Top 40	44,355,176	2.76	2.2 billion	-

### \*Note

Unrealised profit/(loss) is computed on the basis of ADRs held at end of quarter times current week price of \$US44.77 less price at end of quarter of \$US49.84.

## Major Increases in Top 40 institutional shareholders September 30, 2018 vs June 30, 2018

Arrowstreet Capital, Limited Partnership increased their shareholding in BHP Billiton by 1.1 million ADRs worth USD 51.8 million. Fisher Asset Management, LLC increased their shareholding by 1 million ADRs worth USD 48.6 million.

Institution (CIK)	Increase in ADRs	Change, \$USD
Arrowstreet Capital, Limited Partnership (0001164508)	1,066,834	51.8 M
Fisher Asset Management, LLC (0000850529)	1,000,365	48.6 M
Goldman Sachs Group Inc. (0000886982)	624,662	30.4 M
Jennison Associates LLC (0000053417)	418,044	20.3 M
Bank of America Corp, DE (0000070858)	273,711	13.3 M
Tocqueville Asset Management LP (0000883961)	79,970	3.9 M
Deutsche Bank AG (0000948046)	73,876	3.6 M
Credit Suisse AG (0000824468)	68,810	3.3 M
Citigroup Inc. (0000831001)	62,009	3 M
Willis Investment Counsel (0001310929)	57,770	2.8 M
Scout Investments, Inc. (0001161927)	56,438	2.7 M
Westwood Global Investments, LLC (0001356513)	53,212	2.6 M
Parametric Portfolio Associates LLC (0000932859)	49,119	2.4 M
Aperio Group, LLC (0001364615)	38,931	1.9 M

## BHP American Depository Receipts (continued)

UBS Group AG (0001610520)	23,022	1.1 M
Main Street Research LLC (0001513211)	19,716	957,959
Lazard Asset Management LLC (0001207017)	15,950	774,977
AssetMark, Inc. (0001344551)	9,419	457,649
Dimensional Fund Advisors LP (0000354204)	1,640	79,684
<b>Total</b>	<b>3,993,498</b>	<b>-</b>

## Major Decreases in Top 40 institutional shareholders September 30, 2018 vs June 30, 2018

D. E. Shaw & Co., Inc. reduced their shareholding in BHP Billiton by 860,279 ADRs worth USD 41.8 million. LMR Partners LLP reduced their shareholding by 398,611 ADRs worth USD 19.4 million.

Institution (CIK)	Decrease in ADRs	Change, \$USD
D. E. Shaw & Co., Inc. (0001009207)	860,279	(41.8 M)
LMR Partners LLP (0001578621)	398,611	(19.4 M)
Voya Investment Management LLC (0001068837)	338,596	(16.5 M)
CQS Cayman LP (0001431256)	247,044	(12 M)
FMR LLC (0000315066)	191,947	(9.3 M)
Pacific Heights Asset Management LLC (0001323414)	150,000	(7.3 M)
Blackrock Inc. (0001364742)	96,090	(4.7 M)
SEI Investments Co (0000350894)	86,535	(4.2 M)
Two Sigma Advisers, LLC (0001478735)	83,400	(4.1 M)
Royal Bank Of Canada (0001000275)	72,922	(3.5 M)
Northern Trust Corp (0000073124)	32,732	(1.6 M)
Earnest Partners LLC (0001102578)	19,470	(946,006)
Wells Fargo & Company (0000072971)	14,619	(710,306)
Raymond James (0001084208)	9,779	(475,141)
Alpha Cubed Investments, LLC (0001580830)	8,526	(414,260)
Delek Group, Ltd. (0001361371)	6,899	(335,208)
JP Morgan Chase & Co (0000019617)	5,848	(284,142)
Morgan Stanley (0000895421)	3,077	(149,505)
<b>Total</b>	<b>2,626,374</b>	<b>-</b>

## New Entrants in Top 40 institutional shareholders as at September 30, 2018

Institution (CIK)	ADRs	Value, \$USD
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## BHP American Depository Receipts (continued)

Millennium Management LLC (0001273087)	363,883	18.1 M
Renaissance Technologies LLC (0001037389)	249,700	12.4 M
<b>Total</b>	<b>613,583</b>	<b>-</b>

## Drop Outs from Top 40 institutional shareholders as at September 30, 2018

Institution (CIK)	ADRs	Value, \$USD
TD Asset Management Inc. (0001056053)	167,400	8.3 M
Segantii Capital Management Ltd (0001544676)	50,949	2.5 M
<b>Total</b>	<b>218,349</b>	<b>-</b>

## Regulatory Announcements

### Meetings

#### **November 08: BHP Billiton Limited 2018 AGM Presentation**

Source: Australian Securities Exchange

[For more details click here.](#)

#### **November 08: BHP 2018 AGM Results**

Source: Australian Securities Exchange

[For more details click here.](#)

### Changes in Board and Management

#### **November 20: Change of name to BHP Group**

Following shareholder approval, BHP Billiton Limited and BHP Billiton Plc have changed their names to BHP Group Limited and BHP Group Plc, respectively, effective 19 November 2018.

BHP Group Plc's ticker on each of the LSE and JSE will change to "BHP" on 23 November 2018.

In connection with the name change, on 23 November 2018, BHP Group Plc's ISIN will change to GB00BH0P3Z91 and SEDOL will change to BH0P3Z9.

[For more details click here.](#)

### Performance

#### **October 17: BHP Billiton: Quarterly Activities Report**

Group copper equivalent production increased by 2 % in the September 2018 quarter despite maintenance across a number of operations. Volumes for the 2019 financial year are expected to be broadly in line with last year (1).

Full year production guidance remains unchanged for petroleum, iron ore, metallurgical coal and energy coal.

[For more details click here.](#)

## Press Releases

### **November 21: BHP Billiton: Capital Allocation Briefing**

BHP will be holding an investor and analyst briefing today in Melbourne on BHP's Capital Allocation Framework.

The purpose of the briefing is to provide greater detail in relation to BHP's capital allocation processes, and greater transparency on BHP's approach to capital allocation and investment decisions.

[For more details click here.](#)

### **November 08: BHP Billiton Limited Off-market Buy-back Flyer**

Source: Australian Securities Exchange

[For more details click here.](#)

### **November 08: BHP Announces Successful Bids - Offshore Orphan Basin**

Source: Australian Securities Exchange

[For more details click here.](#)

### **November 08: BHP Billiton Limited Off-market Buy-back Booklet**

Source: Australian Securities Exchange

[For more details click here.](#)

### **November 01: BHP completes sale of Onshore US assets**

BHP has completed the sale of its interests in the Eagle Ford, Haynesville and Permian Onshore US oil and gas assets to BP America Production Company (a subsidiary of BP Plc) (BP) for a gross consideration of US\$10.5 billion.

Source: Australian Securities Exchange

[For more details click here.](#)

### **October 04: BHP Billiton: Samarco Compensation Programs**

BHP notes recent media reports concerning an agreement with the State Prosecutor of Mariana in the State of Minas Gerais in relation to compensation for the impacts of the Samarco dam failure on 5 November 2015.

The agreement outlines the process and principles for the negotiation and implementation by the Renova Foundation of the formal compensation program for impacted people in Mariana, Minas Gerais.

[For more details click here.](#)

## Board and Management & creation of shareholder value

**Fig 41: Board of Directors**

Name	Designation	Yrs Since Appointment
Andrew Mackenzie	Chief Executive Officer	5 Yrs
Ken MacKenzie	Chairman, Independent Non-Executive Director	2 Yrs
Peter Beaven	Chief Financial Officer	4 Yrs
Wayne Murdy	Director	9 Yrs
Lindsay Maxsted	Director	7 Yrs
Carolyn Hewson	Director	8 Yrs
Malcolm Broomhead	Director	8 Yrs
Anita Frew	Independent Director	-
Shriti Vadera	Independent Director	-
Terry Bowen	Independent Non-Executive Director	1 Yr
John Mogford	Independent Non-Executive Director	1 Yr
Margaret Taylor	Company Secretary	3 Yrs



**Andrew Mackenzie**  
CEO

**Experience:**

Andrew commenced as Chief Executive Officer in May 2013. He joined BHP Billiton in November 2008 as Chief Executive Non-Ferrous. Prior to BHP Billiton, Andrew worked at Rio Tinto, where he was Chief Executive of Diamonds and Minerals, and BP, where he held a number of senior roles, including Group Vice President for Technology and Engineering, and Group Vice President for Chemicals. &#8203;

**Creation of shareholder value in null:**

Since appointment as CEO: The present value of AUD1,000 invested on the appointment date of May 10, 2013 at close price of \$A27.65 is \$A1,435, including a capital gain of \$A114 and dividend reinvested of \$A320.

**Remuneration:**

Financial year: FY2015  
 US dollars ('000)  
 Short-term benefits  
 Base salary: 1,700  
 Annual cash incentive: 1,156  
 Non-monetary benefits: 145  
 Post-employment benefits  
 Retirement benefits: 425  
 Share-based payments  
 Value of STI and Shareplus awards: 1,163  
 Value of LTI awards: 2,345  
 Total: 6,934

## Board and Management & creation of shareholder value (continued)



**Ken MacKenzie**  
Chairman & Independent  
Non-Executive Director

Ken has been a Director of BHP Billiton Limited and BHP Billiton Plc since September 2016. He was appointed Chairman with effect from 1 September 2017.

**Skills and experience:**

Ken has extensive global and executive experience, and a deeply strategic approach. From 2005 until 2015, he served as the Managing Director and Chief Executive Officer of Amcor Limited, a global packaging company with operations in over 40 countries. During his 23 year career with Amcor, Ken gained extensive experience across all of Amcor's major business segments in developed and emerging markets in the Americas, Australia, Asia and Europe.

**Other directorships and offices (current and recent):**

Former Managing Director and Chief Executive Officer of Amcor Limited (from July 2005 to April 2015).

Advisory Board member of American Securities Capital Partners LLC (since January 2016).

Advisory Board member of Adamantem Capital (since September 2016).

Former Senior Adviser to McKinsey & Company (from January 2016 to June 2017).

**Board Committee memberships:**

Chairman of the Nomination and Governance Committee.

Member of the Sustainability Committee.

**Creation of shareholder value in null:**

Since appointment as Independent Non-Executive Director:

The present value of AUD1,000 invested on the appointment date of September 22, 2016 at close price of \$A19.41 is \$A1,746, including a capital gain of \$A587 and dividend reinvested of \$A159.



**Peter Beaven**  
CFO

**Experience:**

Peter was appointed Chief Financial Officer in October 2014. Previously he was the President of Copper and prior to that appointment in May 2013, President of Base Metals, President of Manganese, and Vice President and Chief Development Officer for Carbon Steel Materials. He has wide experience across a range of regions and businesses in BHP Billiton, UBS Warburg, Kleinwort Benson and PricewaterhouseCoopers. Peter holds a Bachelor of Accountancy from University of Natal, Pietermaritzburg, South Africa and is a Chartered Accountant.

**Creation of shareholder value in null:**

Since appointment as CFO: The present value of AUD1,000 invested on the appointment date of October 01, 2014 at close price of \$A28.53 is \$A1,304, including a capital gain of \$A80 and dividend reinvested of \$A223.

**Remuneration:**

Financial year: FY2015

US dollars ('000)

Short-term benefits

Base salary: 1,000

Annual cash incentive: 680

Non-monetary benefits: 32

Other benefits: 700

Post-employment benefits

Retirement benefits: 250

Share-based payments

Value of STI and Shareplus awards: 667

Value of LTI awards: 1,259

Total: 4,588

## Board and Management & creation of shareholder value (continued)



**Carolyn Hewson**  
Director

Carolyn has been a Director of BHP Billiton Limited and BHP Billiton Plc since March 2010.

Skills and experience:

Carolyn is a former investment banker and has over 30 years' experience in the finance sector. She was previously an Executive Director of Schroders Australia Limited and has extensive financial markets, risk management and investment management expertise. Carolyn is a former Director of BT Investment Management Limited, Westpac Banking Corporation, AMP Limited, CSR Limited, AGL Energy Limited, the Australian Gas Light Company, South Australian Water and the Economic Development Board of South Australia.

Other directorships and offices (current and recent):

Member of Federal Government Growth Centres Advisory Committee (from January 2015).

Director of Stockland Group (since March 2009).

Trustee Westpac Foundation (since May 2015).

Former Member of Australian Federal Government Financial Systems Inquiry (from January 2014 to December 2014).

Former Member of the Advisory Board of Nanosonics Limited (from June 2007 to August 2015).

Former Director of BT Investment Management Limited (from December 2007 to December 2013).

Former Director of Australian Charities Fund Operations Limited (from June 2000 to February 2014).

Former Director and Patron of the Neurosurgical Research Foundation (from April 1993 to December 2013).

Former Trustee and Chairman of Westpac Buckland Fund (from January 2011 to December 2013) and Chairman of Westpac Matching Gifts Limited (from August 2011 to December 2013), together known as the Westpac Foundation.

Former Director of Westpac Banking Corporation (from February 2003 to June 2012).

Board Committee membership:  
Chairman of the Remuneration Committee.  
Member of the Nomination and Governance Committee.

**Creation of shareholder value in null:**

Month of appointment: March 2010

In the last 5 years the average annualized return to shareholders was 4.7%. The present value of AUD1,000 (PV1000) invested 5 years ago is now \$A1,260, a gain of 70c and dividend reinvested of \$A260.



**Malcolm Broomhead**  
Director

Malcolm has been a Director of BHP Billiton Limited and BHP Billiton Plc since March 2010.

Skills and experience:

Malcolm has extensive experience in running industrial and mining companies with a global footprint and broad global experience in project development in many of the countries in which BHP Billiton operates. He was Managing Director and Chief Executive Officer of Orica Limited from 2001 until September 2005. Prior to joining Orica, Malcolm held a number of senior positions at North Limited, including Managing Director and Chief Executive Officer and, prior to that, held senior management positions with Halcrow (UK), MIM Holdings, Peko Wallsend and Industrial Equity.

Other directorships and offices (current and recent):

Chairman of Orica Limited (since January 2016).

Chairman of Asciano Limited (since October 2009).

Former Director of Coates Group Holdings Pty Ltd (from January 2008 to July 2013).

Director of the Walter and Eliza Hall Institute of Medical Research (since July 2014).

Board Committee membership:

Member of the Sustainability Committee. Member of the Risk and Audit Committee.

**Creation of shareholder value in null:**

Month of appointment: March 2010

In the last 5 years the average annualized return to shareholders was 4.7%. The present value of AUD1,000 (PV1000) invested 5 years ago is now \$A1,260, a gain of 70c and dividend reinvested of \$A260.

## Board and Management & creation of shareholder value (continued)



**Lindsay Maxsted**  
Director

Lindsay has been a Director of BHP Billiton Limited and BHP Billiton Plc since March 2011.

Skills and experience:

Lindsay is a corporate recovery specialist who has managed a number of Australia's largest corporate insolvency and restructuring engagements and, until 2011, continued to undertake consultancy work in the restructuring advisory field. He was the Chief Executive Officer of KPMG Australia between 2001 and 2007. Lindsay is the Board's nominated 'audit committee financial expert' for the purposes of the US Securities and Exchange Commission Rules, and the Board is satisfied that he has recent and relevant financial experience for the purposes of the UK Financial Conduct Authority's Disclosure and Transparency Rules and the UK Corporate Governance Code.

Other directorships and offices (current and recent):

Chairman of Westpac Banking Corporation (since December 2011) and a Director (since March 2008).

Chairman of Transurban Group (since August 2010) and a Director (since March 2008).

Director and Honorary Treasurer of Baker IDI Heart and Diabetes Institute (since June 2005).

Board Committee membership:

Chairman of the Risk and Audit Committee.

**Creation of shareholder value in null:**

Month of appointment: March 2011

In the last 5 years the average annualized return to shareholders was 4.7%. The present value of AUD1,000 (PV1000) invested 5 years ago is now \$A1,260, a gain of 70c and dividend reinvested of \$A260.



**Wayne Murdy**  
Director

Wayne has been a Director of BHP Billiton Limited and BHP Billiton Plc since June 2009.

Skills and experience:

Wayne has a background in finance and accounting, where he has gained comprehensive experience in the financial management of mining, oil and gas companies during his career with Getty Oil, Apache Corporation and Newmont Mining Corporation. He served as the Chief Executive Officer of Newmont Mining Corporation from 2001 to 2007 and Chairman of Newmont from 2002 to 2007. Wayne is also a former Chairman of the International Council on Mining and Metals, a former Director of the US National Mining Association and a former member of the Manufacturing Council of the US Department of Commerce.

Other directorships and offices (current and recent):

Director of Weyerhaeuser Company (since January 2009).

Former Director of Qwest Communication International Inc (from September 2005 to April 2011).

Former Chief Executive Officer (from January 2001 to June 2007) and Chairman (from January 2002 to December 2007)

of Newmont Mining Corporation.

Former Chairman of the International Council of Mining and Metals (from January 2004 to December 2006).

Former Director of the US National Mining Association (from January 2002 to December 2007).

Board Committee membership:

Member of the Risk and Audit Committee.

**Creation of shareholder value in null:**

Month of appointment: June 2009

In the last 5 years the average annualized return to shareholders was 4.7%. The present value of AUD1,000 (PV1000) invested 5 years ago is now \$A1,260, a gain of 70c and dividend reinvested of \$A260.

## Board and Management & creation of shareholder value (continued)

### Shriti Vadera Independent Director

Shriti has been a Director of BHP Billiton Limited and BHP Billiton Plc since January 2011 and the Senior Independent Director of BHP Billiton Plc since 14 August 2015.

Skills and experience: Shriti brings wide-ranging experience in finance, economics and public policy as well as extensive experience of emerging markets and international institutions. Shriti is Chairman of Santander UK and has been a Director of AstraZeneca since 2011. She was an investment banker with S G Warburg / UBS from 1984 to 1999, on the Council of Economic Advisers, HM Treasury 1999 to 2007, Minister in the UK Department of International Development in 2007, Minister in the Cabinet Office and Business Department 2008 to 2009 with responsibility for dealing with the financial crisis, G20 Adviser 2009 to 2010, and advised Governments, banks and investors on the Eurozone crisis, banking sector, debt restructuring and markets from 2010 to 2014.

### Anita Frew Independent Director

Anita has been a Director of BHP Billiton Limited and BHP Billiton Plc since September 2015.

Skills and experience: Anita Frew has extensive board, strategy, marketing, governance and risk management experience in the chemicals, engineering, water and finance industries. She is the Chairman of Croda International Plc and Deputy Chairman of Lloyds Banking Group. She was until recently the Chairman of Victrex Plc, Senior Independent Director of Aberdeen Asset Management Plc and IMI Plc, and a Non-executive Director of Northumbrian Water.

### John Mogford Independent Non-Executive Director

Mr Mogford has over 40 years of experience in the oil and gas sector, including 33 years at BP Plc in technical, operational and leadership roles. While at BP, Mr Mogford acquired deep experience across the oil and gas business, working in the areas of exploration, downstream, upstream, safety and technology. Mr Mogford also has private equity and strategic experience in the energy sector, holding the roles of Managing Director and Operating Partner at First Reserve Corporation from 2009 to 2015, and as a Senior Advisor to the Head of the Oil and Gas Practice at Nomura Investment Bank from 2010 to 2013.

#### Creation of shareholder value in null:

Since appointment as Independent Non-Executive Director: The present value of AUD1,000 invested on the appointment date of October 01, 2017 at close price of \$A24.49 is \$A1,325, including a capital gain of \$A258 and dividend reinvested of \$A67.

### Terry Bowen Independent Non-Executive Director

#### Creation of shareholder value in null:

Since appointment as Independent Non-Executive Director: The present value of AUD1,000 invested on the appointment date of October 01, 2017 at close price of \$A24.49 is \$A1,325, including a capital gain of \$A258 and dividend reinvested of \$A67.

### Margaret Taylor Company Secretary

#### Creation of shareholder value in null:

Since appointment as Company Secretary: The present value of AUD1,000 invested on the appointment date of June 01, 2015 at close price of \$A25.12 is \$A1,436, including a capital gain of \$A226 and dividend reinvested of \$A209.



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## Glossary

**Relative Strength (n-th Period) (Fig 19, 29):**

Price close today/Price close 'n' periods ago, then ranked by percentile within the entire market.

**Capital Gain/Loss from n Years Ago to n-1 Years Ago:**

Capital Gain or Loss over 1 Year/Price 1 Year Ago (%)

**Current Ratio:**

Current Assets/Current Liabilities (times)

**Return on Assets:**

Net Profit/Total Assets (%)

**Price/Sales (Fig 30):**

Share Price/Sales Per Share (times)

**Volume Index (VI) (Fig 24):**

Number of shares traded in the period/Average number of shares traded for the period

**Price Close/Moving Avg Price (Fig 18):**

Latest Price/Moving Average Price

**Income during the n years (3/2/1) (Fig 39):**

Dividends received during the Period

**Return on Equity (Shareholders' Funds):**

Net Profit/Net Assets (%)

**Volume Weighted Average Price (VWAP) (Fig 23):**

The Volume Weighted Average Price (VWAP) is the summation of turnover divided by total volume in the same period.

**PV\$A1000 (Fig 10, 11, 14, 15):**

Present value of \$A1000 invested 1 year/'n' years ago

**Turnover Rate (Fig 30, 17):**

Australian Dollar value of annual trading volume as a percentage of market capitalisation

**Turnover Period:**

Time Period required for trading all Outstanding Shares

**Earnings Yield:**

Earnings Per Share/Share Price (%)

**Price/Earnings (Fig 30, 32, 7):**

Share Price/Earnings Per Share (times)

**Price/NTA (Fig 30):**

Closing Share Price/Net Tangible Assets Per Share (times)

**Moving Average Price (n periods) (Fig 18, 33):**

Sum of Prices for each Period/Number of Periods

**Dividend Yield:**

Dividend Per Share/Share Price (%)

**Annual Return (Fig 12):**

Dividends Paid In a 12-Month Period/Price at the Beginning of the Period + Capital Gain or Loss over 1 Year/Price 1 Year Ago (%)

**Relative Price Change [RPC] (Fig 23):**

Relative price change is price change of stock with respect to Benchmark Index

**Volatility (Fig 5, 23, 33):**

Highest Price minus Lowest Price/Lowest Price (%)

**TSR (Fig 13):**

TSR is expressed as an annualized rate of return for shareholders after allowing for capital appreciation and dividends

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