

BHP Billiton Limited BHP

Mkt Cap \$Mil \$68,377
Style Box™ **Close Price \$** 21.29 (23-Aug-2016)

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Business Summary as at 06 Oct 2015

BHP Billiton Limited (BHP) is a diversified natural resources company producing commodities along with substantial interests in oil and gas. BHP's principal business lines are mineral exploration and production, as well as petroleum exploration, production and refining. BHP's assets, operations and interests are separated into four business units, Petroleum and Potash, Copper, Iron ore, and Coal.

Petroleum and Potash: Petroleum and Potash Business comprises oil and gas operations located in six countries. BHP has operating assets in Onshore US, Gulf of Mexico, and interests in offshore projects and processing in Bass Strait and WA. For year ended June 2015, total petroleum production was 255.68MMboe.

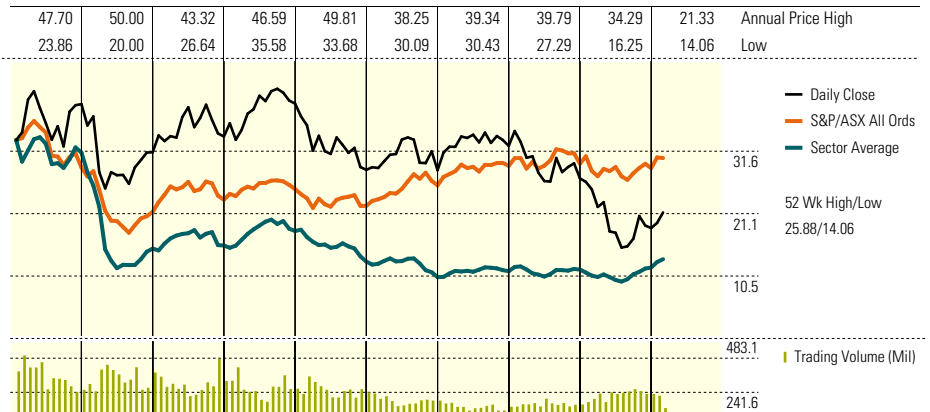
Copper: BHP market four primary products: copper concentrate, copper cathodes, uranium oxide, zinc concentrates. For year ended June 2015 BHP has produced 2.1Kt of lead, 66.4kt of Zinc, 186.3koz of Gold, 9,336koz of Silver, 472t of Molybdenum and 3,144t of Uranium. Production for the FY2015 was 1,708.3kt.

Iron Ore: BHP sells lump, fines, pellet products. Total iron ore production for the FY2015 was 233Mt.

Coal: BHP produces two types of coal which are Metallurgical Coal and Energy Coal. For year ended 30 June 2015, BHP has produced Metallurgical coal of 43Mt and Energy coal of 41Mt.

Demerger: BHP has successfully completed the demerger of South32 Ltd. on 25 May 2015.

Shares Issued Mil 3211.69
Morningstar Sector Basic Materials
Morningstar Industry Industrial Metals & Minerals
GICS Industry Group Materials



	06-08	06-09	06-10	06-11	06-12	06-13	06-14	06-15	06-16	08-16*	Performance
	26.69	-17.54	11.03	18.95	-26.11	3.13	18.54	-12.99	-27.42	-11.00	Total Return %
	38.81	4.60	-2.74	6.79	-19.09	-17.54	0.90	-18.66	-29.42	—	+/- Market
	06-08	06-09	06-10	06-11	06-12	06-13	06-14	06-15	06-16	Current	Valuation
	15.31	14.07	14.37	12.02	9.99	13.17	13.43	14.97	58.23	59.55	Price/Earnings
	12.28	12.23	14.27	13.83	13.19	15.30	16.12	15.53	17.65	18.40	Market P/E
	4.37	3.45	3.75	4.01	2.61	2.60	2.97	2.48	2.38	2.72	Price/Sales
	6.02	3.85	3.64	4.33	2.54	2.15	2.12	1.57	1.23	1.55	Price/Book
	11.36	9.39	9.63	9.10	6.68	7.13	7.32	6.13	6.65	7.59	Price/Cash Flow
	244260	193197	210444	233129	167400	166968	191989	143852	99255	68377	Market Cap \$Mil
	1.73	3.16	2.63	2.20	3.50	3.78	3.67	6.04	2.16	2.16	Dividend Yield%
	06-08	06-09	06-10	06-11	06-12	06-13	06-14	06-15	06-16		Financials
	61784	61990	61948	66812	71171	71125	71344	58120	41627	—	Operating Revenue \$Mil
	47.11	44.13	46.55	51.74	46.53	42.55	46.96	48.86	39.24	—	EBITDA Margin %
	25355	22584	23251	29876	26829	22778	24269	16473	4671	—	EBIT \$Mil
	41.04	36.43	37.53	44.72	37.70	32.03	34.02	28.34	11.22	—	EBIT Margin %
	15965	13761	14630	20192	16836	12720	14275	9639	1705	—	NPAT Before Abs \$Mil
	15988	7243	14927	22021	15128	11726	14684	2487	—	—	Reported Net Profit \$Mil
	258.55	223.60	237.34	330.24	285.35	215.85	242.26	180.67	32.03	—	Earnings Per Share ¢
	5590	5565	5565	5511	5323	5322	5321	5318	5322	—	Shares Mil
	6.46	8.02	9.23	9.00	11.00	12.97	14.23	15.86	13.74	—	Book Value Per Share \$
	18865	23247	21025	28010	23927	19679	26926	25888	14308	—	Oper Cash Flow \$Mil
	—	—	—	—	—	—	—	—	—	—	Cap Spending \$Mil
	7930	10483	8404	17880	8217	—	7540	7300	5475	—	Free Cash Flow \$Mil
	06-08	06-09	06-10	06-11	06-12	06-13	06-14	06-15	06-16		Profitability
	21.33	15.08	14.70	21.83	13.92	9.41	9.88	6.64	1.84	—	Return on Assets %
	40.09	27.95	25.70	38.20	26.05	16.70	16.99	11.43	2.33	—	Return on Equity %
	25.84	22.20	23.62	30.22	23.66	17.88	20.01	16.59	4.10	—	Net Margin %
	78.37	63.86	59.42	69.73	56.11	47.77	44.39	35.83	25.99	—	Asset Turnover %
	194.37	193.49	180.12	178.15	192.70	191.72	177.34	176.60	198.02	—	Financial Leverage %
	06-08	06-09	06-10	06-11	06-12	06-13	06-14	06-15	06-16		Financial Health
	4598	1105	2144	-948	—	—	-328	-47	-393	—	Working Capital \$Mil
	9593	18887	15925	11536	24334	32196	32194	36418	42779	—	Long-Term Debt \$Mil
	40560	50174	57878	53781	65828	77666	90639	91855	80893	—	Total Equity \$Mil
	21.66	13.72	6.71	10.08	35.10	40.40	30.20	34.61	43.45	—	Net Debt/Equity %

Key Dates				Major Shareholders No. of shares [Mil]			
Fiscal Year End	30 Jun 2016	Listing Date	13 Aug 1885	BlackRock Investment Management (Aust... (156)			
AGM	19 Nov 2015	DRIP	None				

Dividend History				Consensus out of 4 analysts				
		Final	Interim			Current	2017E	E
Dividend Ex Date	01 Sep 2016		10 Mar 2016	Price/Earnings		66.47	35.98	—
Dividend Pay Date	20 Sep 2016		31 Mar 2016	Dividend Yield %		1.9	2.42	—
DPS ¢		18.19	21.37	EPS(\$)		0.32	0.59	—
Franking %		100	100	DPS(\$)		0.4	0.52	—

*Represents financial year to date - the day after last financial year to a day before publication date.

Investment Detail Disclosure

Research Methodology

Currency

All figures for stocks listed on Australian Stock Exchange are in Australian dollars and all figures for stocks listed on New Zealand Stock Exchange are in New Zealand dollars.

Business Description

A brief description of the company's operations and activities. This information is updated every six months or on the release of important information about the company.

Market Capitalisation \$ mil

The market value of the company's equity capital. This is calculated by multiplying the number of common shares by the current price. Other classes of equity such as preference shares are normally not included, except in certain cases where the shares are "quasi-ordinary". The most prominent example of this is News Corporation (NWS), where we do include their preferred limited voting ordinary shares in our calculation of market value.

Style

The Morningstar Style consists of nine categories that provide an overview of the investment strategy. The style is comprised of a combination of market capitalization of the security and the investment style (value, blend, or growth).

Last Price

Stock price shown represents the market price of the stock as of the most recent close of trading as at the release date noted at the top of the investment detail page.

Shares Issued

Current number of ordinary shares listed on the Australian/New Zealand Stock Exchange.

Sector

Morningstar Sector : based on Morningstar global equity classification, each equity is mapped into one of 148 industries. This mapping is based on publicly available information about each company and Morningstar Equity Analyst input. Industries are grouped into 69 industry groups and subsequently mapped into one of the 11 sectors. Industry and sector information are available for companies on all major global exchanges.

GI/CS Sector : Based on Standard & Poor's Global Industry Classification. All companies listed on the Australian/New Zealand Stock Exchange are grouped into one of 24 industry sectors. This classification is used to compute sector averages and industry peers.

Performance

Total Return represents shareholders' gains from a stock over a given period of time (YTD, one month, three month, one-, three-, and five year). Total return includes both capital gains and losses and dividend payments. It is calculated by taking the change in the stock's price as of the close of trading of the respective period, assuming the reinvestment of all dividends, then dividing by the initial stock price, and expressing the result as a percentage. Returns for periods longer than one year are annualized. Returns do not include brokerage commission or the effects of taxation.

Financials

Revenue and Margin line items will depend on the type of company selected – i.e. Industrial, Bank, Insurance, Property or Listed Investment Company. Net Profit \$Mil

represents net operating profit after tax, minorities, preference dividends, significant, and non-recurring items (NPAT). Earnings Per Share \$ is NPAT divided by the weighted average number of ordinary shares on issue during the year. Book Value Per Share \$ is a company's common stock equity as it appears on a balance sheet divided by the number of shares outstanding. Oper Cash Flow \$Mil is net cash flow after paying suppliers, employees, interest expense and tax paid from receipts from customers, dividends and interest received. Cap Spending \$ Mil is money spent to acquire or upgrade physical assets such as buildings and machinery. Free Cash Flow \$Mil is the amount of cash that a company has left over after it has paid all of its expenses, including investments (Oper Cash Flow minus Cap Spending and dividends).

Avg no. of Shares

The weighted average number of ordinary shares during the financial year. This figure is used to calculate basic earnings per shares (EPS).

Profitability

Return on Assets % (ROA) is the percentage a company earns on its assets in a given year. It is measured by dividing NPAT before abnormals by total assets. Return on Equity % (ROE) is the percentage a company earns on its total equity in a given year. The calculation is NPAT before abnormals divided by shareholder equity. Net Margin % is A measure of profitability and is equal to NPAT divided by revenues from the same period. Asset Turnover represents how many dollars in revenue a company has generated per each dollar of assets. It is calculated by dividing total revenues for the period by total assets for the same period. Financial leverage is calculated by dividing total assets by total shareholders' equity.

Financial Health

Working Capital \$Mil is current assets minus current liabilities. Working capital measures how much in liquid assets a company has available to build its business. Long-Term Debt \$Mil includes loans and obligations with a maturity of longer than one year, usually accompanied by interest payments. Total Equity \$Mil is ownership interest in a corporation in the form of common stock or preferred stock. It also refers to total assets minus total liabilities, in which case it is also referred to as shareholder's equity or net worth or book value. Debt/equity ratio is equal to short-term and long-term debt minus cash divided by common shareholders' equity.

Valuation

Price/Earnings (PE) is the current price divided by the company's trailing 12-month earnings per share. Price/Book (PB) is the most recent stock price divided by the most recent book value per share. Price/Sales (PS) is the current price divided by the company's sales per share over the trailing 12 months. Price/Cash Flow (PC) is the most recent price divided by the cash flow per share of the latest fiscal year.

Key Dates

Fiscal Year End is the date in which the company closes its books for the previous 12-month period over which a company budgets its spending. AGM is the annual company gathering, usually held at the end of each fiscal year, at which the previous year and the outlook for the future are discussed and directors are elected by common shareholders. Listing Date defines the date the companies share price was first quoted on the stock exchange. DRP is

the dividend reinvestment plan offered by some corporations enabling shareholders to automatically reinvest cash dividends and capital gains distributions, thereby accumulating more stock without paying brokerage commissions.

Consensus

Current(latest actual) Price/Earnings, Dividend Yield, EPS and DPS are provided for reference. Forecasts are indicated by 'E' and are available for forward years only. Both actual and forecast EPS are presented on a pre-goodwill amortization basis.

Dividend History

Dividend Ex-Date is the first day of the ex-dividend period. If an investor does not own the stock before the ex-date, he or she will be ineligible for the dividend payout. Dividend Pay Date is the date on which the dividend will actually be paid to shareholders. DPS ¢ is Total dividend for the year, divided by the number of shares ranked for dividend. Franking % shows the percentage of the dividend which contains a dividend imputation credit.

Major Shareholders

The 3 largest shareholders (individuals or companies) and the number of voting shares they are entitled to.