Resource Company Report: Rio Tinto Group

Report Date	August 17, 2026	**Company Type**	Major Diversified Mining Company
Company Name	Rio Tinto Group (Rio Tinto plc / Rio Tinto Limited)	**Stock Symbol**	RIO (NYSE / ASX / LSE)
Core Commodities	Iron ore (Pilbara), copper, aluminum, lithium, minerals	**Market Cap (approx.)**	~US$160 – 165 billion
H1 2026 Highlights	CuEq production +3% YoY; Underlying EBITDA $14.8bn (+28%); FCF $3.8bn (+75%)	**Interim Dividend**	211 US cents/share (+43%); 50% payout ratio
2026 Guidance (selected)	Copper 800–870 kt; Pilbara Fe sales 323–338 Mt; Al 3.25–3.45 Mt	**Net Debt**	~US$14.1 billion
Stage	Global major with growth in copper (Oyu Tolgoi), iron ore (Simandou) and lithium	**CEO**	Simon Trott

1. Company Overview & Investment Thesis

Rio Tinto Group (NYSE/ASX/LSE: RIO) is one of the world's largest diversified mining companies, with primary exposure to iron ore (Pilbara operations in Western Australia), copper (including Oyu Tolgoi, Kennecott and Escondida), aluminum (integrated bauxite–alumina–aluminum chain), and a growing lithium portfolio. In the first half of 2026 the company delivered copper-equivalent production growth of 3% year-over-year, underlying EBITDA of US$14.8 billion (up 28%), free cash flow of US$3.8 billion (up 75%), and declared an interim ordinary dividend of 211 US cents per share (up 43%) at a 50% payout ratio. Net debt stood at approximately US$14.1 billion. 2026 production and sales guidance was maintained across major commodities, while copper C1 net unit cost guidance was reduced to US 30–50 cents per pound. Market capitalization is approximately US$160–165 billion. CEO is Simon Trott.

Investment Thesis: Rio Tinto offers large-scale, diversified exposure to iron ore, copper, aluminum and lithium with a strong balance sheet, disciplined capital allocation and a progressive dividend policy. H1 2026 results demonstrated operating leverage to higher commodity prices and ongoing productivity gains. Key risks include iron-ore price and Chinese demand cyclicality, multi-jurisdictional operating and regulatory risk, capital intensity of growth projects (Simandou, Oyu Tolgoi, lithium), and decarbonization/transition costs. Relative to junior and intermediate miners, RIO ranks at the low end of the risk spectrum as a global major with investment-grade credit metrics and diversified cash-flow streams.

2. Mining and Development Projects

Rio Tinto's portfolio is anchored by the Pilbara iron-ore system, a large copper portfolio (including the Oyu Tolgoi ramp-up), an integrated aluminum business, and a growing lithium segment. Major growth projects include Simandou (iron ore, Guinea) and continued Oyu Tolgoi underground development.

2.1 Iron Ore (Pilbara) & Copper

Location / Ownership	Pilbara: Western Australia – integrated iron-ore system (mines, rail, ports); 100% or majority owned. Copper: Oyu Tolgoi (Mongolia), Kennecott (Utah), Escondida (Chile, 30%)
Metals / Interest	Iron ore (Pilbara and IOC); copper (with gold and silver by-products)
Status	Producing. H1 2026 Pilbara production highest since 2018; Q2 Pilbara sales 85.3 Mt (+7% YoY). 2026 Pilbara sales guidance 323–338 Mt (unchanged). Copper H1 production 442 kt; full-year guidance 800–870 kt (unchanged). Oyu Tolgoi ramp-up on track; H1 copper production +31% YoY at the asset level. Copper C1 net unit cost guidance reduced to US 30–50 c/lb
Key Metrics / Work	Pilbara unit cash cost guidance US$23.5–25.0/t FOB. Simandou (SimFer) mine and port infrastructure both more than three-quarters complete; first sales guidance 5–10 Mt in 2026. Kennecott experienced an unplanned smelter outage affecting refined copper in H2
Notes	Iron ore remains the largest earnings contributor; copper is the fastest-growing segment and a key diversification driver, with Oyu Tolgoi providing multi-decade underground production growth
Outlook / Catalysts	Delivery of 2026 iron-ore and copper guidance; Simandou first production and ramp-up; Oyu Tolgoi continued underground ramp; cost discipline in both segments

2.2 Aluminum, Lithium & Other Growth

Location / Ownership	Aluminum: integrated operations in Australia, Canada, Europe and elsewhere. Lithium: Rincon (Argentina), Sal de Vida, Fénix and other projects
Metals / Interest	Bauxite, alumina, primary aluminum; lithium carbonate equivalent (LCE)
Status	Aluminum production stable; 2026 guidance 3.25–3.45 Mt primary aluminum; bauxite 58–61 Mt; alumina 7.6–8.0 Mt. Lithium H1 LCE production 27.3 kt (+53% YoY); full-year guidance 61–64 kt. Rincon starter plant ramping; first tonnes from Sal de Vida and Fénix 1B delivered ahead of plan
Key Metrics / Work	Aluminum business navigating tariffs and energy costs while maintaining operational resilience. Lithium is a strategic growth area aligned with energy-transition demand. Productivity program has banked ~US$0.87 bn of benefits and is targeting a US$1.8 bn annualised run-rate by end-2026
Notes	Aluminum provides stable cash flow and vertical integration; lithium adds long-term optionality in battery materials
Outlook / Catalysts	Aluminum cost and margin performance; lithium production ramp to guidance; continued delivery of the group productivity program

The combination of the world-class Pilbara iron-ore system, a growing copper business led by Oyu Tolgoi, a large aluminum franchise and an expanding lithium portfolio underpins Rio Tinto's diversified cash-flow profile and growth outlook through the end of the decade.

3. Exploration & Development Activity

Near-term priorities are delivery of 2026 production and cost guidance across iron ore, copper, aluminum and lithium; continued ramp-up of Oyu Tolgoi underground; advancement of Simandou toward first production and sales; lithium project ramp-ups; and scaling of the group productivity program toward the US$1.8 billion annualised run-rate target by year-end 2026. Success metrics are on-guidance volumes, unit-cost performance (especially the reduced copper C1 guidance), free-cash-flow generation and progress on the major growth projects.

4. Management and Board of Directors

Management

Name	Title	Notes	Experience / Focus
Simon Trott	Chief Executive	Leadership	Overall strategy, operational performance, growth pipeline and capital allocation
Product group leadership	Iron Ore, Copper, Aluminium & Lithium	Technical / Ops	Pilbara, Oyu Tolgoi, aluminum system and lithium project delivery
Corporate / finance team	CFO & support functions	Support	Balance sheet, dividends, productivity program and reporting

Board of Directors

Name / Group	Role	Key Background
Board (collective)	Governance	Oversight of strategy, capital allocation, safety, sustainability and risk across a global portfolio
Independent directors	Oversight	Mining, finance, industrial and capital-markets experience

5. Financial Information

Rio Tinto is a global major with investment-grade credit metrics. First-half 2026 underlying EBITDA was US$14.8 billion (up 28%), free cash flow US$3.8 billion (up 75%), and operating cash flow US$9.2 billion (up 32%). Net debt was approximately US$14.1 billion. An interim ordinary dividend of 211 US cents per share (US$3.4 billion aggregate) was declared at a 50% payout ratio. Market capitalization is approximately US$160–165 billion. Exact current cash, debt and liquidity metrics should be confirmed from the latest financial statements. Capital investment continues to support Oyu Tolgoi, Simandou, lithium projects and sustaining capital across the portfolio, while the productivity program targets further unit-cost reduction.

Project / Corporate Summary

Line Item	Amount / Notes
Market capitalization (approx.)	~US$160 – 165 billion
H1 2026 Underlying EBITDA / FCF	US$14.8 bn / US$3.8 bn
2026 Copper Guidance	800 – 870 kt (C1 cost 30–50 US c/lb)
2026 Pilbara Iron Ore Sales Guidance	323 – 338 Mt
2026 Aluminum / Lithium Guidance	3.25–3.45 Mt Al / 61–64 kt LCE

Interim Dividend (2026)	211 US cents/share (+43%)

Corporate Summary

Item	Value / Notes
Primary listings	NYSE / ASX / LSE (RIO)
CEO	Simon Trott
Strategy	Operational excellence and productivity; grow copper, lithium and iron-ore (Simandou); progressive dividends

6. Company Valuation

At a market capitalization of approximately US$160–165 billion, Rio Tinto trades as a global diversified mining major. Valuation is supported by the cash-generative Pilbara iron-ore system, growing copper and aluminum contributions, a strengthening lithium franchise, a robust balance sheet, and a progressive dividend policy. Relative valuation should consider peer global majors (BHP, Vale, Glencore and others) and the prevailing iron-ore, copper and aluminum price environment.

Discounted NPV discussion: A practical framework values the long-life iron-ore, copper, aluminum and lithium cash-flow streams at risk-adjusted discount rates that reflect commodity-price cycles, jurisdictional risk and capital intensity, then adjusts for net debt and the optionality of growth projects (Simandou, Oyu Tolgoi underground, lithium ramp-ups). Key sensitivities are iron-ore and copper prices, Chinese steel demand, unit-cost performance, and delivery of the major growth projects. Continued free-cash-flow generation and dividend growth are the primary near-term valuation supports.

Merger & Acquisition Activity

Rio Tinto has historically grown through a combination of organic development and selective acquisitions and joint ventures (including significant interests in Escondida, Oyu Tolgoi and Simandou). The company continues to evaluate portfolio optimisation and infrastructure opportunities, targeting cash release of US$5–10 billion by end-2026 through portfolio management. No formal public takeover offer for Rio Tinto has been announced. As one of the world's largest diversified miners, the company itself is more likely to be a consolidator or partner than a takeover target under current market conditions.

7. Risks

- Iron-ore price and Chinese steel-demand cyclicality.
- Copper, aluminum and lithium price volatility.
- Multi-jurisdictional political, regulatory and permitting risk (Australia, Mongolia, Guinea, Chile, Argentina, etc.).
- Capital intensity and schedule risk on major growth projects (Simandou, Oyu Tolgoi, lithium).
- Cost inflation, energy costs and productivity delivery.
- Decarbonization, Scope 1–3 emissions and energy-transition transition costs.
- Operational and safety risks across a large global asset base.
- Currency, tax and royalty regime changes in host countries.

8. Comparative Risk Analysis

On a relative-risk scale of 1 to 7 (1 = lowest risk, 7 = highest risk) versus other junior and intermediate mining companies, Rio Tinto is ranked **1**. The ranking reflects the lowest relative risk: a global diversified major with world-class iron-ore assets, a growing copper business, an integrated aluminum franchise, an expanding lithium portfolio, investment-grade credit metrics, strong free-cash-flow generation (H1 2026 FCF US$3.8 billion), and a progressive dividend policy. Positive factors include scale, commodity and geographic diversification, the reduced copper C1 cost guidance, the productivity program targeting a US$1.8 billion annualised run-rate, and a robust balance sheet (net debt ~US$14.1 billion). Residual risks are primarily cyclical commodity prices (especially iron ore) and the execution of large growth projects, but these are mitigated by the company's size, balance-sheet strength and operational track record. Relative to junior explorers, developers or intermediate producers, RIO ranks at the bottom of the risk spectrum. The net result is a risk ranking of 1.

Sources: Company Q2 2026 operations review, H1 2026 results, 2026 production and cost guidance, corporate presentations, and market data as of mid-August 2026.