



ASX RELEASE

2020 Annual General Meeting Chairman's Address and Presentation

17 November 2020

New Hope Corporation Limited (**ASX:NHC**) advises that the following will be delivered at the Company's Annual General Meeting being held today at 12noon (Brisbane Time):

- Chairman's Address; and
- Presentation to Shareholders.

Ms Janelle Moody
Company Secretary

(ends)

For more information, please contact:

INVESTORS & ANALYSTS

Robert Millner	Chairman	P: +61 2 9232 7166
Reinhold Schmidt	Chief Executive Officer	P: +61 7 3418 0500

MEDIA

Peter Turnbull	Senior Media Advisor	P: +61 7 3418 0524
		M: +61 409 387 336
		E: pturnbull@newhopegroup.com.au

This ASX announcement was approved and authorised for release by the Board.

REGISTERED OFFICE

P: GPO Box 2440, Brisbane, QLD Australia 4001
A: 16/175 Eagle Street, Brisbane, QLD Australia 4000
T: +61 7 3418 0500 **E:** cosec@newhopegroup **W:** newhopegroup.com.au



Chairman's Address to Shareholders

Annual General Meeting, 17 November 2020

The 2020 financial year has been a year like no other in the Company's history presenting the Board and Management with a number of challenges.

Over the years we have weathered many coal pricing cycles, but never one driven by such a unique set of circumstances; a worldwide pandemic, political uncertainty and increasing tension with Australia's major trading partner.

It has been a year of two distinct halves with the Company performing solidly financially in the first half, recognising a profit before tax and non-regular items of \$123.5 million.

This was reversed in the second half, largely due to the COVID-19 pandemic, finishing with a full year profit before tax and non regular items of \$119.5 million.

Remarkably, saleable coal production increased by 4 per cent in comparison to the previous year, despite a drop in production at New Acland.

Newcastle Coal prices have begun to rebound marginally and there are positive signs for the future. However, markets remain tight and this is expected to be the case for the immediate future.

At full production, the Bengalla and New Acland mines are excellent assets, low on the cost curve and producing high quality thermal coal that continues to be in demand across Asia.

With assets like these in close proximity to our customers, the Company is well positioned to pull through the current market malaise.

There remains one major hurdle for the Company in relation to New Acland reaching its full potential, with the Queensland Government's continued reluctance to approve the continuation of the project.

The Company launched a campaign during the recent Queensland State Elections, gaining a massive amount of positive earned media along with a highly successful social media campaign and sustained radio, billboard and newspaper advertising.

The Company's efforts saw New Acland Stage 3 become a significant factor in the state election with the State Opposition committing to the immediate approval of Stage 3 if they were elected.

REGISTERED OFFICE

For personal use only

As we are now aware, the Labor Government was re-elected and the Company will now re-enter negotiations with the State Government now the new Minister has been sworn in.

We are hopeful there won't be a need to revisit the history of the approvals process with the new Minister given this will be the seventh Queensland Parliament to consider our application.

Swift approvals for Stage 3 are not just essential for our workforce and the future of the project. It is the wider Queensland economy that continues to suffer the economic and social cost of these delays.

The New Acland mine uses contracting companies from across the State to supplement the local permanent workforce.

The vast majority of the permanent workforce lives and spends locally. There are no fly-in fly-out employees.

In addition to mining job losses, when coal production stops at New Acland, train and rail maintenance crews will be out of work.

The laboratory analysing the coal will need less staff (up to 20 people less), the Port of Brisbane will have 70 less vessels calling each year affecting the local maritime industry – pilots, stevedores, ship chandlers, lines boat crews, tugs, draft surveyors and the list goes on.

As a consequence, the Group was forced to make 198 employees and contractors redundant from the mine, head office and the port over the past 12 months, with a further 90 employees from head office leaving the business at the end of this month.

Stage 3 is a shovel ready project able to provide good long-term jobs for Queenslanders which currently boasts the highest unemployment rate in Australia at 7.7%

New Hope Group stands ready to help get the Queensland economy back to its pre-Covid position and Queenslanders back to work.

After 38 years of operation in the Ipswich coal fields, the Company ceased production at the Jeebropilly mine on 20 December 2019, effectively ending coal mining in the Ipswich region.

Coal has been mined continuously in the region since 1857 and New Hope has operated in the region since 1952.

Since 1981 New Hope's Ipswich mines produced 38 million tonnes of coal, providing income and prosperity for hundreds of families in the area.

The focus is now on rehabilitation of the mine sites and post mine land use in the area. The final landform is close to being established with much of it being seeded, whilst the Oakleigh West mine, which produced its last coal in 2013, currently has cattle grazing on the rehabilitated land.

The outstanding efforts of the crew at Jeebropilly over the past year has been recognised by their peers in the form of two industry awards, the AMMA Workforce & Workplace Relations Innovation Award and the Queensland Mining Awards Staff and Community Engagement Award.

Jeebropilly is also a finalist in the Australian Mining Prospect Awards for Excellence in Mine Safety, OHS and Coal Mine of the Year.

REGISTERED OFFICE

P: GPO Box 2440, Brisbane, QLD Australia 4001

A: 16/175 Eagle Street, Brisbane, QLD Australia 4000

T: +61 7 3418 0500 **E:** cosec@newhopegroup **W:** newhopegroup.com.au

For personal use only

As mentioned earlier, COVID-19 has presented some operational challenges to the business, limiting the movement of labour and materials required to keep operations running.

It has also required changed work practices to protect the ongoing health and wellbeing of team members and to help minimise the threat of COVID-19 entering a New Hope site.

The Company's safety performance over the year was also pleasing, considering the challenges of keeping the team focused on safe production during COVID-19 and the ramp-down of production at Jeebropilly and New Acland Stage 2.

At the end of the 2020 Financial Year, the Company's total recordable injury frequency rate was just below three per million exposure hours, the best safety performance in the Company's history.

Bengalla remains globally a stand-out asset with long dated approvals, quality product and a very low cost of production.

The Company has benefited from its first full year at 80% ownership and is working hard to make further improvements in mining operations and in the surrounding community.

On an agricultural front, the land management strategy implemented for some time by New Hope at New Acland has been extended to land surrounding the Bengalla mine.

Bengalla Agricultural Company has been busy making improvements including rejuvenation of cultivation paddocks, general property clean-up, and resting of previously overgrazed pastures.

Despite the numerous challenges thrown at the Company, and our industry, across 2020, we remain positive about the future.

There has been much talk about the growth in the use of renewable energy and yet renewables accounts for just 5% of supply. In electricity generation, coal's share accounted for 36%, well above the next most prevalent fuel which was gas at 23%.

The International Energy Agency's World Energy Outlook 2019 Current Policies Scenario has steam coal use increasing significantly from current levels through to 2040, whilst the Stated Policies scenario has steam coal use staying relatively flat through to 2040, with over 80% of steam coal demand being in the Asia Pacific region.

It is expected COVID-19 will continue to affect energy demand in the Company's markets and alter the balance of the energy mix in the short term. The Company will continue to monitor developments and fine-tune its strategy accordingly.

As we move into the 2021 financial year we will see a change to the overall structure of the business.

In July 2020 the Chief Financial Officer Matthew Busch tendered his resignation after over 23 years of service to the Company.

I would like to thank Matthew for his service over this period and wish him well for the future.

I would like to thank retiring Chief Executive Officer and Managing Director Mr Shane Stephan for his valuable contribution to the Company.

REGISTERED OFFICE

P: GPO Box 2440, Brisbane, QLD Australia 4001

A: 16/175 Eagle Street, Brisbane, QLD Australia 4000

T: +61 7 3418 0500 **E:** cosec@newhopegroup **W:** newhopegroup.com.au

Shane has had a long career in the coal industry, commencing as a cadet mine manager in the Ipswich coal fields in 1981 and ending as CEO and MD of New Hope Corporation Limited, where he oversaw significant growth in the business.

Over his 11 year tenure with New Hope, Shane has been a positive influence on culture and performance, and I wish him well in his retirement.

New Hope welcomes Reinhold Schmidt to the role of Chief Executive Officer. Reinhold brings with him more than 20 years' of experience in the mining industry in Australia and abroad.

Reinhold takes charge of a different organisation with a much smaller team and is joined by Mr Rob Bishop as the Groups' new Chief Financial Officer.

As part of the restructure our Chief Operating Officer, Andrew Boyd, Chief Development Officer Ben Armitage and Executive General Managers Kim Franks, Sam Fisher and Janelle Moody will all be exiting the business.

On behalf of the Board I thank all of these talented individuals for their service to the business.

There have also been changes within the Board with Mr Bill Grant retiring at the conclusion of this Annual General Meeting.

I would like to thank Bill for his significant contribution and service to the Company throughout his 14 year tenure as a Non Executive Director and also roles as Chairman of Bridgeport Energy Limited, Chairman of the Human Resources and Remuneration Committee and a member of the Audit and Risk Committee.

We have welcomed Ms Jacqueline McGill AO to the Board. Jacqueline is a highly accomplished director with broad strategic and deep operational leadership across a range of sectors including the mining industry.

She will take over as Chair of the Human Resources and Remuneration Committee upon Bill's retirement.

I would like to thank the Management and staff of the Company for their continued efforts over what has been a challenging twelve months, particularly the team at New Acland and head office who have been hit hard by the redundancies brought on by the delays of approvals for New Acland Stage 3.

I thank my Board colleagues for their diligence and finally I would like to thank our shareholders for their ongoing support.

REGISTERED OFFICE

P: GPO Box 2440, Brisbane, QLD Australia 4001

A: 16/175 Eagle Street, Brisbane, QLD Australia 4000

T: +61 7 3418 0500 **E:** cosec@newhopegroup **W:** newhopegroup.com.au



NEW HOPE
GROUP

Welcome

New Hope Corporation Limited

AGM Presentation

17 November 2020

Agenda:

- Introduction
- Presentation
- Formal Items of Business
- Question Time
- Voting
- Meeting Close

Please note - Guests can only submit questions in writing during the presentation via the Q&A button and then the send button.



Internal use only

newhopegroup.com.au

Annual General Meeting

17 NOVEMBER 2020



NEW HOPE
GROUP

Presented by: Robert Millner, Reinhold Schmidt,
Andrew Boyd and Rob Bishop

Internal use only

Highlights

Robert Millner



Highlights

Full year profit before non regular items subdued by lower coal prices in the second half.
Increase in coal tonnes sold due to increased production at Bengalla.

Revenue from operations

\$1,084M

▼ 17% from 2019

EBITDA
(before non regular items)

\$290M

▼ 44% from 2019

Profit before income tax
(before non regular items)

\$120M

▼ 69% from 2019

Total tonnes sold

11.5M

▲ 6% from 2019

Full year dividend

6.0 cents

▼ 65% from 2019

Earnings per share
(before non regular items)

10 cents

▼ 69% from 2019



Please refer to Appendix for reconciliation of Non IFRS Financial Information.

Internal use only

Financial Results

Rob Bishop



Financial Highlights

Profit after income tax
(before non regular items)

\$84M

▼ 69% from 2019

EBITDA Margin
(before non regular items)

27%

▼ 33% from 2019

FOB Cash Cost

\$64/t

▲ 6% from 2019

Cash generated from ops
(before interest and tax)¹

\$298M

▼ 42% from 2019

Net debt

290M

▲ 4% from 2019

Gearing ratio

14%



Please refer to Appendix for reconciliation of Non IFRS Financial Information.

¹ The prior year cash from operations was before interest, tax and acquisition costs.

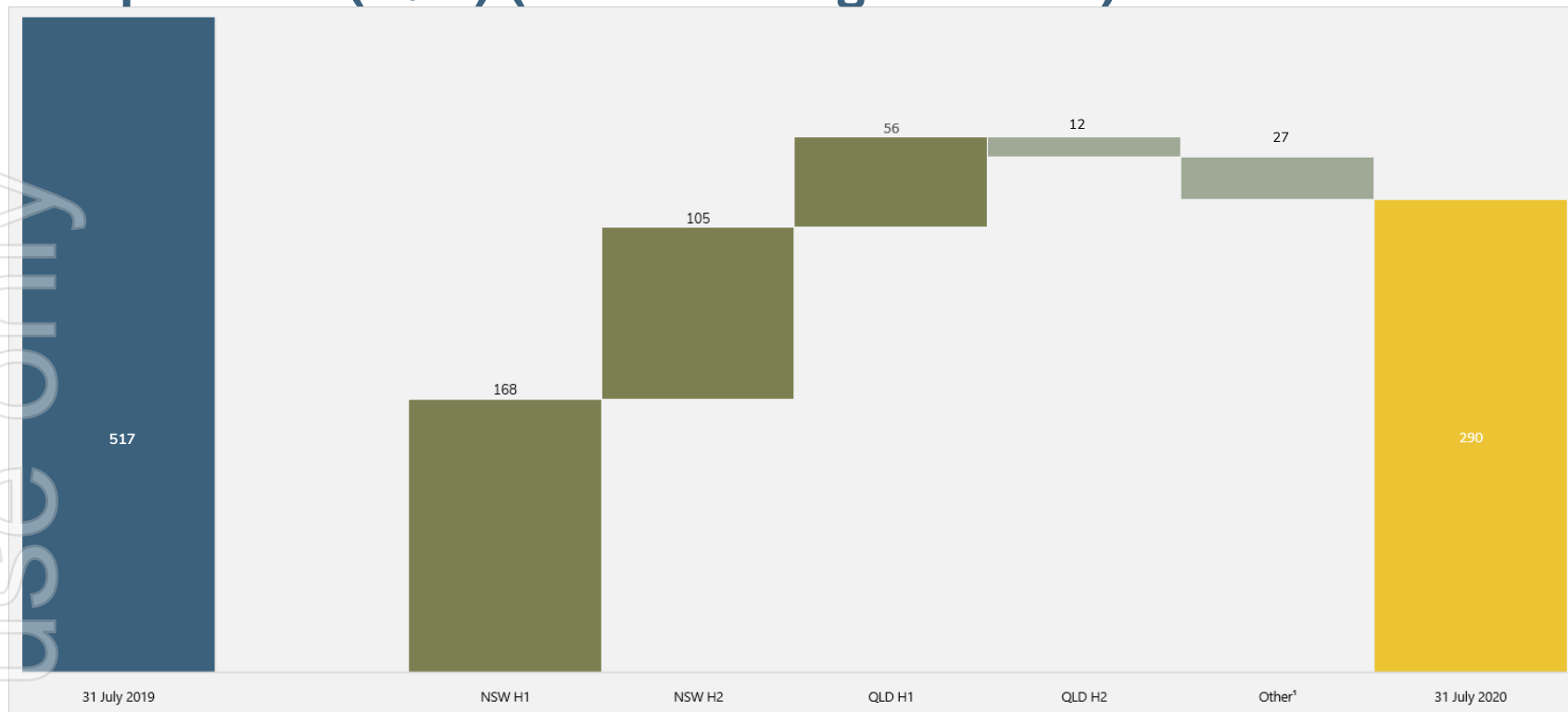
Financial Performance

Year Ended 31 July

	(A\$ millions)		
	2020	2019	Variance
EBITDA before non regular items	289.8	517.1	(44%)
Profit / (loss) before tax and non regulars	119.5	384.3	(69%)
Non regular items before tax	(345.1)	(76.3)	(352%)
Profit / (loss) before tax and after non regular items	(225.6)	308.0	(173%)
Profit / (loss) after tax before non regulars	83.9	268.5	(69%)
Non regular items after tax	(240.7)	(57.8)	(316%)
Profit / (loss) after tax and non regular items	(156.8)	210.7	(174%)



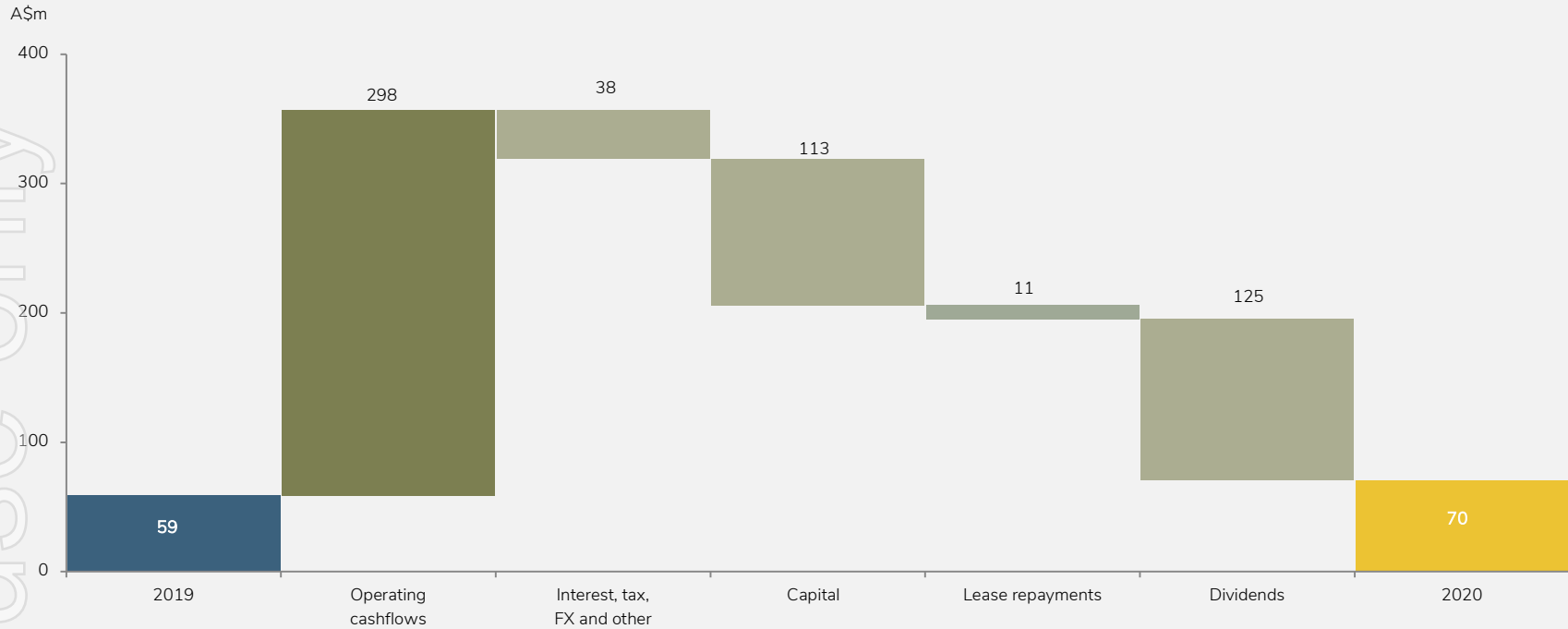
Group EBITDA (A\$m) (before non regular items)



¹ Includes Other segment and Treasury.

Please refer to Appendix for reconciliation of Non IFRS Financial Information

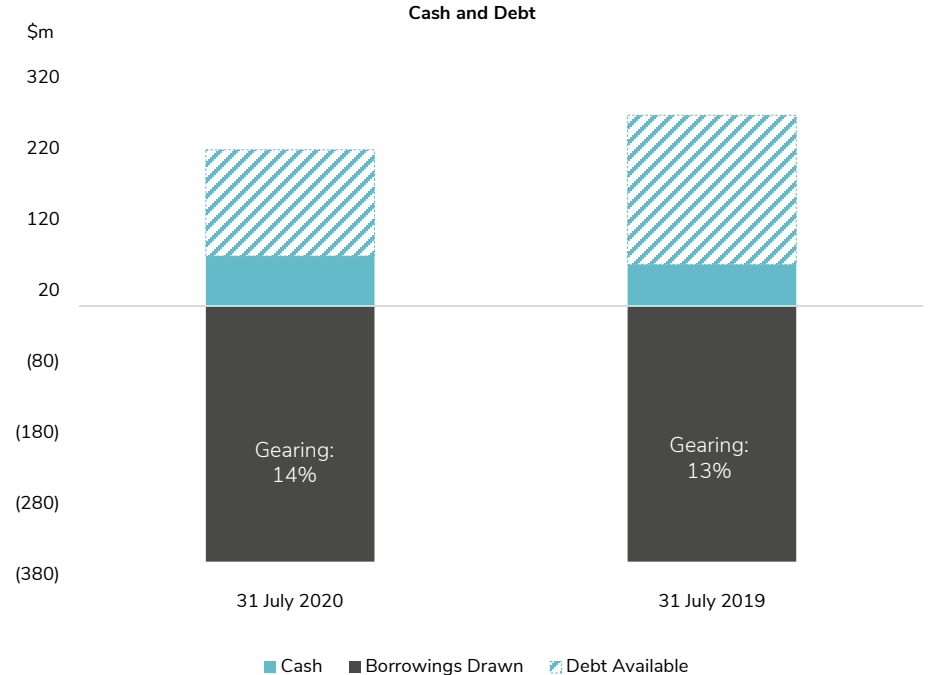
Cash



Debt

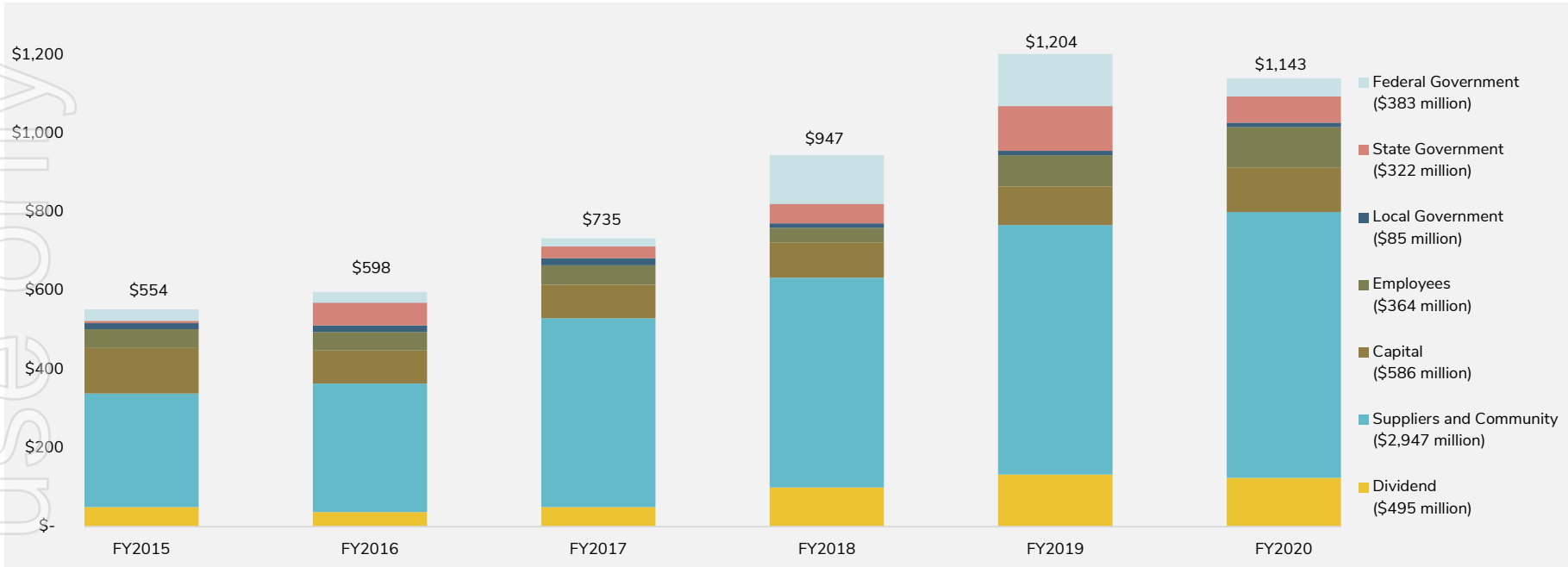
Focus on responsible liquidity management

- The Company secured in the prior year an amortising secured loan facility for \$600 million (amortised to \$510 million as at 31 July 2020) with a syndicate of Australian and international banks. The Company had been debt free since 2006 prior to the draw down for the Bengalla acquisition
- Net debt at 31 July 2020 \$290 million. The debt facility available for draw down is \$150 million



Economic Contribution

Bengalla acquisition sees increased economic contribution



Internal use only

Operational Performance

Andrew Boyd



Safety

Managing COVID-19 impacts, improving safety performance

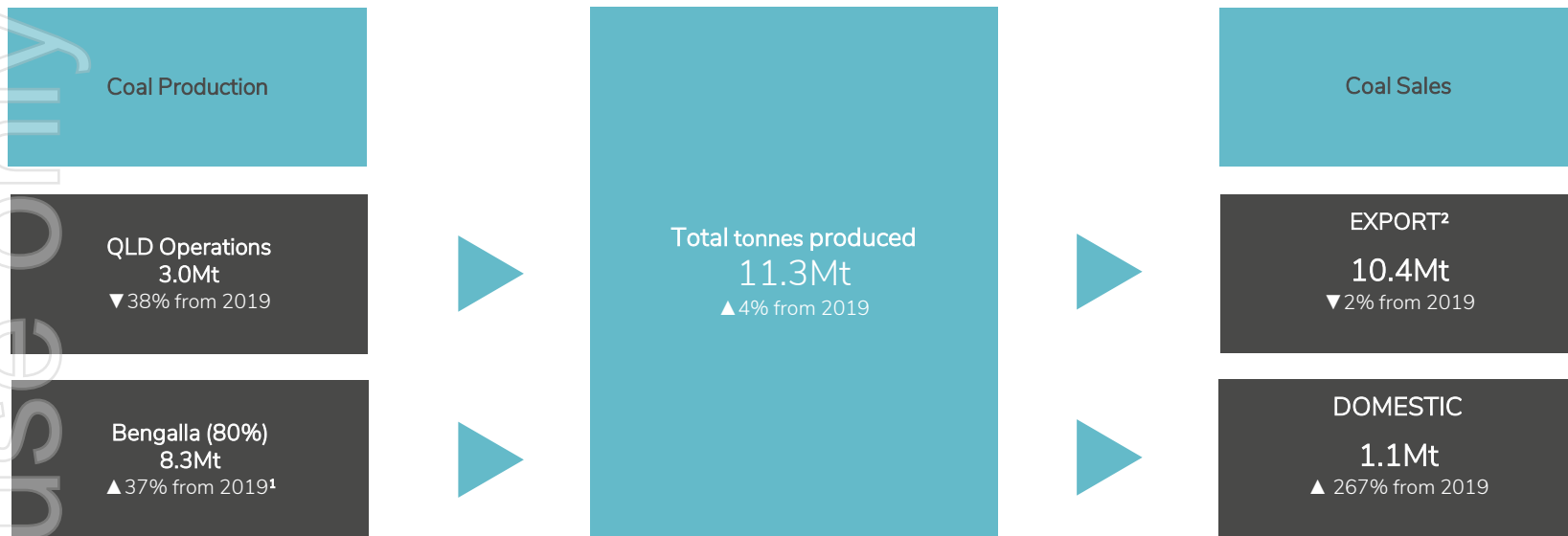
- No cases of COVID-19, strong focus on employee health
- COVID-19 management measures implemented with minimal impact on cost and productivity
- Total Recordable Injury Frequency Rate (TRIFR) halved from 6 to 3 per million hours
- Maintained safe performance through Jeebropilly closure and New Acland ramp down
- Risk management focus targeting controls for high consequence events



TRIFR excludes Bridgeport

Production and Sales

Year ended 31 July 2020



¹ NSW ownership 40% up to November 2018, 70% December 2018 to 25 March 2019 and 80% from 25 March 2019.

² Includes trade coal sales.

Bengalla

Record production and safety performance with strong cost focus

- Record production 10.3 million tonnes (New Hope share 8.3 million tonnes)
- One recordable injury, also record performance for the site
- Strong cost and efficiency focus with unit costs reduced by 8.5% from 2019 to 2020
- Dragline major shutdown commenced July 2020 and completed end October 2020
- Completion delayed due to Covid-19 and weather
- Shutdown completed \$2 million under budget



New Acland Mine

Stage 2 winds down, 600 jobs reliant on Stage 3 approval

- Coal production from New Acland was 2.8 million tonnes down from 33% on 2019 production
- 175 jobs lost in past 12 months as site winds down
- Stage 3 approvals remain stalled by Qld Government
- Remaining workforce will lose their jobs over the next 12 months in the absence of stage 3 approvals
- Success in Qld Court of Appeal proceedings November 2019
- Opponents granted leave to appeal to the High Court
- High Court appeal purely on a technical legal point and is being used by project opponents to delay the project
- Timely approval of Stage 3 can save 125 existing direct jobs and potentially create a further 500 jobs within 18 months



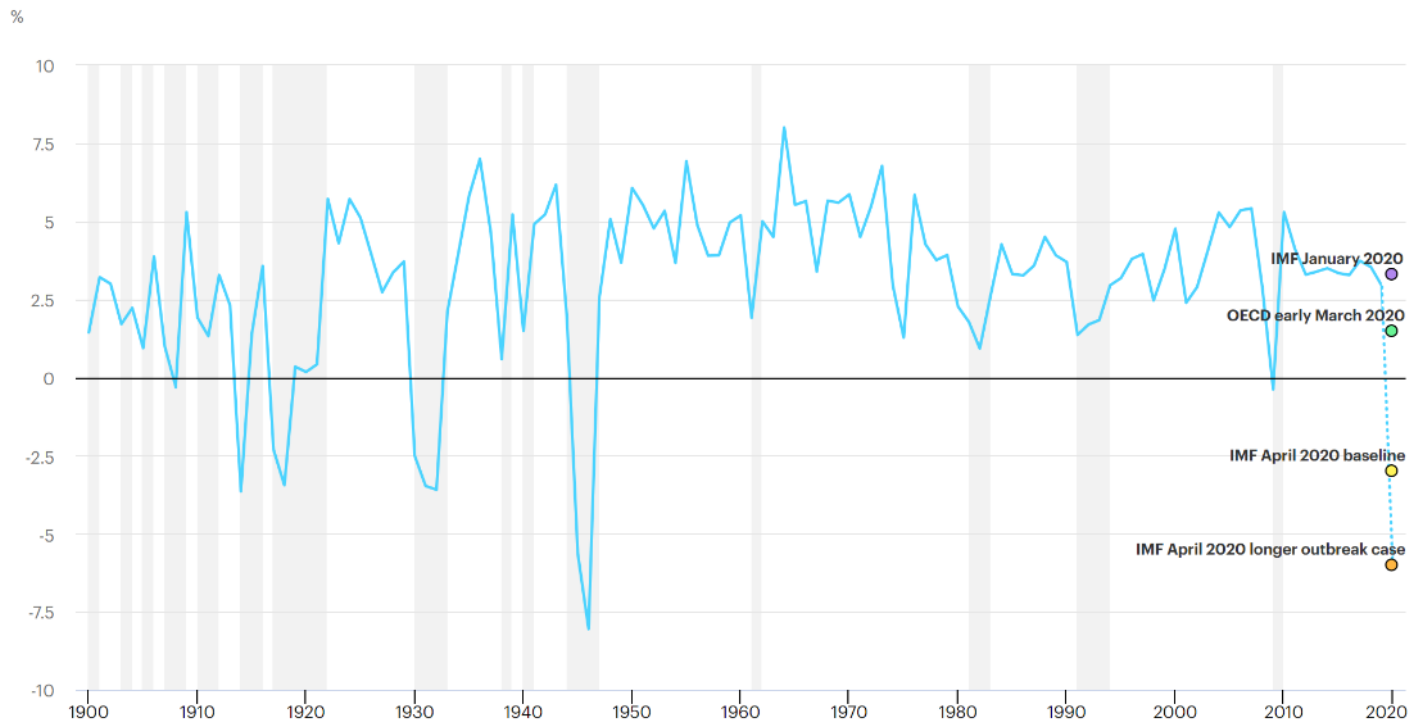
Internal use only

Group Outlook

Reinhold Schmidt



Global Annual Change in real GDP 1900-2020



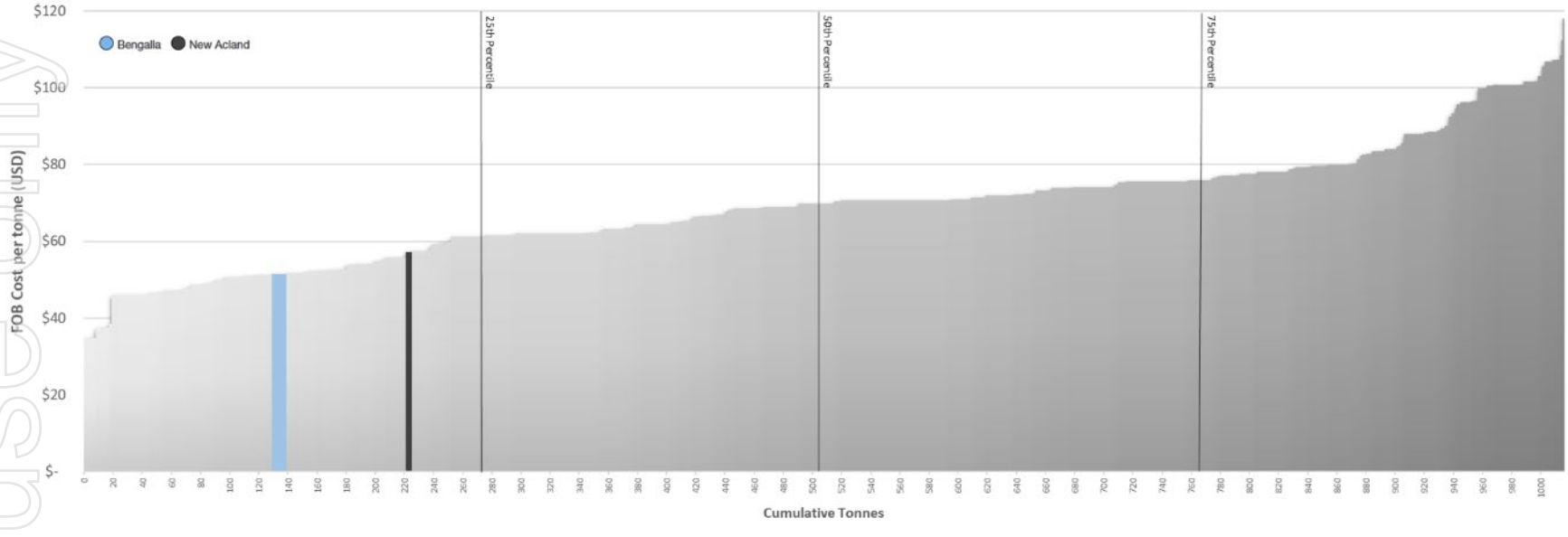
Sources

IEA based on IMF World Economic Outlook (January and April 2020), OECD Interim Economic Outlook Forecasts (March 2020) and Maddison Project Database (2018).

Last updated 4 May 2020

Our Position on the Global Cost Curve

2019 FOB Cost per tonne
Seaborne Thermal Coal Producers World Wide



CRU Data

Internal use only

Projects

Reinhold Schmidt



West Moreton Operations

Transitioning to post-mine opportunities

- Successful implementation of the 'Finishing Well' program
- Rehabilitation work continued with more than 110 hectares seeded
- Jeebropilly Coal Handling and Preparation Plant demolished safely and under budget cost
- Donation of land to Rosewood School for their agricultural program
- 315,000 bank cubic metres (BCM) of material moved into the Normanton Pit void at Oakleigh East



Queensland Bulk Handling

Safety and innovation underpin success

- Eight years Lost Time Injury (LTI) free safety milestone achieved
- Restructure of current operations following the loss of 20% of the workforce through redundancies
- Completed first stage of reclaimer refurbishment project



Pastoral Activities

A mature farming operation

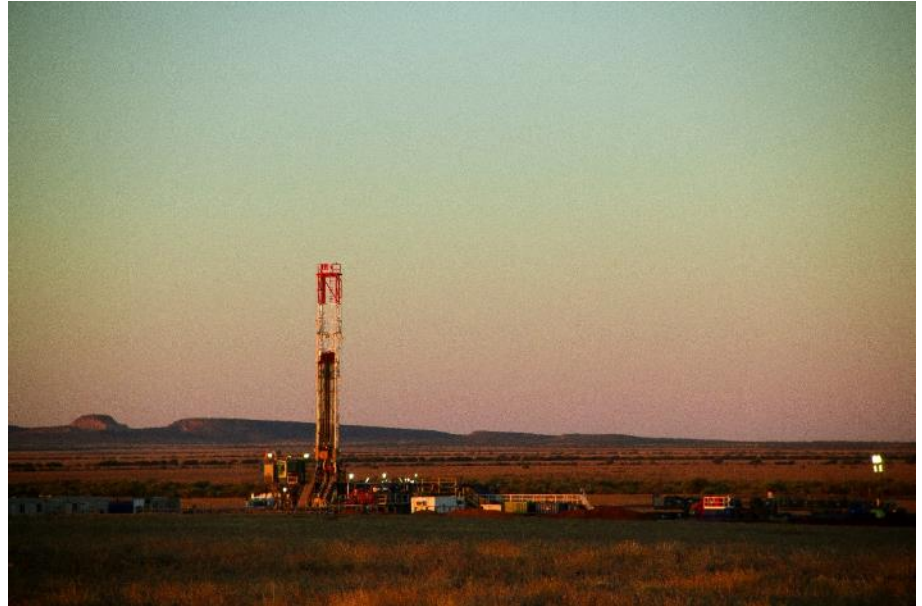
- Establishment of Bengalla Agricultural Company (BAC)
- Significant capital improvements at BAC
- Grazing trial commenced at New Oakleigh
- Significant donations of hay to local farmers, schools and community groups to help with drought relief



Bridgeport Energy

2020 Key achievements

- Drilled three development wells on schedule and budget, two successful and on production
- Completed 15 well workovers on schedule and budget
- Commenced negotiation with Carbon Transport and Storage Company on a CO2 gas supply contract from a Millmerran-based post combustion capture plant for the Moonie oil field Carbon Capture Utilisation & Storage (CCUS) project
- Grant to Bridgeport of offshore Victoria state waters tenement VIC/P007191(V)



In the Community

- **\$3,311 million** in payments made to suppliers and employees
- **\$790 million** in payments to Federal, State and Local Governments
- More than **\$1.6 million** in donations and sponsorships in 2020



Internal use only

Financial Statements & Reports



NEW HOPE
GROUP

New Hope Corporation Limited | ASX code: NHC

Proxy Results

Resolution 1 - Remuneration Report				
	FOR	AGAINST	PROXY'S DISCRETION	ABSTAIN
Total	602,909,254	5,003,525	1,850,817	1,752,774
%	98.87 %	0.82 %	0.31 %	-
Resolution 2 - Re-election of Mr Robert Millner				
	FOR	AGAINST	PROXY'S DISCRETION	ABSTAIN
Total	566,109,594	47,411,726	1,765,337	1,356,221
%	92.01 %	7.70 %	0.29 %	-
Resolution 3 – Election of Jacqueline McGill AO				
	FOR	AGAINST	PROXY'S DISCRETION	ABSTAIN
Total	610,972,844	2,376,343	1,766,217	1,527,474
%	99.32 %	0.39 %	0.29 %	-
Resolution 4 - Issue of Performance Rights to Chief Executive Officer				
	FOR	AGAINST	PROXY'S DISCRETION	ABSTAIN
Total	587,917,277	20,263,676	1,781,702	1,555,715
%	96.38 %	3.32 %	0.30 %	-
Resolution 5 – Amendment to Constitution (Market Forces)				
	FOR	AGAINST	PROXY'S DISCRETION	ABSTAIN
Total	3,668,179	591,353,086	1,796,026	19,825,587
%	0.62 %	99.08 %	0.30 %	-

Consideration of Resolution 6 is contingent on Resolution 5 being passed by a 75% majority

Internal use only

Question Time



NEW HOPE
GROUP

New Hope Corporation Limited | ASX code: NHC

Disclaimer

The information in this document has been provided to you for information only by New Hope Corporation Limited ("NHC") and is subject to change without notice. Nothing contained in this document constitutes investment, legal, tax or other advice. The information in this document does not take into account your investment objectives, financial situation or particular needs. Before making an investment decision, you should consider, with or without the assistance of professional securities adviser, whether an investment in NHC is appropriate in the light of your particular investment needs, objectives and financial circumstances.

Nothing in this document should be considered a solicitation, offer or invitation to buy, subscribe for or sell any security in the United States of America ("US") or in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation. The distribution of this document outside Australia may be restricted by law. Persons who come into possession of this document who are not in Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Neither this document nor any copy hereof may be transmitted in the US or distributed, directly or indirectly, in the US or to any US person including (1) any US resident, (2) any partnership or corporation or other entity organised or incorporated under the laws of the US or any state thereof, (3) any trust of which any trustee is a US person, or (4) an agency or branch of a foreign entity located in the US.

By accepting this document you agree to be bound by these limitations. NHC has prepared this document based on information available to it. Although reasonable care has been taken to ensure that the facts stated and opinions given in this document are fair and accurate, the information provided in this document has not been independently verified. Accordingly, no representation or warranty, express or implied is made as to the fairness, accuracy, completeness or correctness of the information and opinions contained in this document. To the fullest extent permitted by law, none of NHC, its directors, employees or agents or any other persons accepts any liability for any loss whatsoever arising from any use of this document or its contents, or otherwise arising in connection therewith.

Appendices



Reconciliation of non IFRS financial information

Year Ended 31 July

(A\$ millions)

	2020	2019	Variance
Profit after tax	(156.8)	210.7	(174%)
Income tax expense	68.8	(97.4)	171%
Profit before income tax	(225.6)	308.0	(173%)
Non regular items before tax	(345.1)	(76.3)	352%
Profit before income tax and non regular items	119.5	384.3	(69%)
Interest expense	19.5	12.2	(60%)
Earnings before interest tax and non regular items	139.0	396.4	(65%)
Depreciation and amortisation	150.8	120.6	(25%)
Earnings before interest tax depreciation amortisation and non regular items	289.8	517.1	(44%)

Earnings before interest tax and non regular items (EBIT) and earnings before interest tax depreciation amortisation and non regular items (EBITDA) figures referenced in this presentation are unaudited and unreviewed. The figures have been extracted from the reviewed financial statements and reconcile to the results presented in the Appendix 4E Preliminary Final Report in the Consolidated Statement of Comprehensive Income. The presentation of the EBIT and EBITDA is to provide a measure of New Hope's performance prior to the impact of financing and non cash depreciation and amortisation.



newhopegroup.com.au