

# HALF YEAR RESULTS FY22

17 February 2022

**Record first-half year EBITDA and NPAT; Up to \$480m of capital management - dividend of 8.0 cents per share and up to \$400m share buyback**

## Safety performance

The safety outcome for the Group for the 12 months ending 31 December 2021 was a total recordable injury frequency rate (TRIFR) of 6.1.

The Company is committed to achieving zero harm to its people and environment, and management is striving for better safety performance across all operations.

## Financial headlines

- Record first-half year EBITDA of \$632.6 million and net profit after tax (NPAT) of \$340.5 million, reflecting an average achieved coal price for H1 FY22 of A\$202/t
- Cash generated from operations of \$567.4 million
- EBITDA margin of 55% on own coal sales (A\$102/t versus pcip of A\$5/t)
- Net debt of \$403.4m as at 31 December 2021, which is 50% lower than at 30 June 2021. The company is on track to repay in full its senior bank facility shortly and to be in a net cash position in March 2022.
- After considering the H1 FY22 results and expectations for the year, the Board has declared an interim unfranked dividend of 8 cents per share, and intends to undertake an on-market share buyback programme up to 10% of issued shares, and capped at \$400 million in total.
- FY22 guidance remains unchanged

### Comments from the MD and CEO Paul Flynn

"High prices for thermal coal have driven record half year earnings and cash flows.

"Our rate of cash generation means debt is now all but paid down and affords considerable flexibility in regards to capital management.

"The Board's decision to restart dividends and implement an on-market share buyback delivers value for our shareholders both today, and over the longer term.

"In a world where access to reliable and affordable energy is more important than ever, our investment thesis is a compelling one"

Results summary	H1 FY22	H1 FY21	% change
Revenue (\$m)	1,443.0	699.3	106%
EBITDA (\$m)	632.6	37.2	1,601%
Net profit/(loss) after tax (\$m)	340.5	(94.5)	460%
Cash generated from operations (\$m)	567.4	54.9	934%
Unit cost per tonne (\$/t)	83	70	19%
	<b>31 Dec 2021</b>	<b>30 Jun 2021</b>	
Net debt (\$m)	403.4	808.5	(50%)
Gearing (%)	12%	23%	(48%)

## Operating headlines

### Consolidated Equity Production and Sales

Whitehaven total (000's t)	H1 FY22	H1 FY21	% change
ROM coal production	6,728	7,727	(13%)
Saleable coal production	6,181	7,161	(14%)
Sales of produced coal	6,287	7,775	(19%)
Sales of purchased coal	877	935	(6%)
Total coal sales	7,165	8,710	(18%)
Coal stocks at period end	1,741	1,855	(6%)

H1 FY22 ROM coal production of 6.7Mt, saleable coal production of 6.2Mt and total coal sales of 7.2Mt were down on H1 FY21, largely because of flooding, wet weather, protective measures taken to mitigate against COVID and the scheduled move of Narrabri's longwall to panel 110.

## Corporate headlines

As announced in October, the Company entered into an agreement to acquire the 1% Private Royalty over the Narrabri Coal mine from Anglo Pacific Group plc (APG), with effect from 31 December 2021. The consideration of US\$26.6 million, plus contingent revenue participation payments, is payable over five years to 31 December 2026. During the half, the company made the first payment US\$4.4 million.

During H1 FY22, Whitehaven achieved a number of key milestones for our development projects.

1. On 16 September 2021, the Federal Minister for the Environment approved the Vickery Extension Project under the Commonwealth's Environment Protection and Biodiversity Conservation Act 1999.
2. In January 2022, the NSW Department of Planning, Industry and Environment (DPIE) recommended the Narrabri Underground Mine Stage 3 Extension Project be approved. The project was referred to the Independent Planning Commission (IPC), which will now review the project. We expect the IPC to make its determination during Q2 CY22.
3. The company's Winchester South project has recently completed the Public Notification phase for the Draft EIS and the project team is working with Queensland's Office of the Coordinator General to address submissions received.

## Coal market outlook

The gC NEWC index achieved a record monthly high in October at US\$222/t. It averaged US\$176/t per month in H1 FY22, up 78% from the H2 FY21 average of US\$99/t. In January and February 2022, it set new record highs. The ongoing energy shortage is reflected in the prices being offered for spot physical gC NEWC coal deliveries where prices are approaching US\$300/t in the first quarter of CY22. We expect demand for seaborne thermal coal to remain strong in CY22 and the supply side response to those high prices to remain muted.

Coal prices are expected to be well supported over CY22.

## FY22 Guidance

FY22 guidance remains unchanged from the January market update.

Item		Range	Comments
Managed ROM coal production	Mt	<b>19.0 – 20.5</b>	
Maules Creek	Mt	11.3 – 11.7	
Narrabri	Mt	4.3 – 5.0	
Gunnedah O/C	Mt	3.4 – 3.8	
Managed coal sales	Mt	<b>17.2 – 17.8</b>	
Unit cost (excl. royalties)	\$/t	79 - 84	
Sustaining capital	\$m	95 – 115	\$30m - \$35m Fleet overhauls; \$35m - \$40m sustaining /productivity; \$10m - \$15m Water, environmental and biodiversity; \$20m - \$25m establishing mining precinct in Narrabri southern area
Narrabri mains development	\$m	35 – 40	Development of 200 series mains
Expansion & growth capital			
Operating mine projects	\$m	4 – 8	Maules Creek AHS project
Growth projects	\$m	20 - 30	Winchester South, Vickery expansion and Narrabri Stage 3
<b>Total Capex</b>	<b>\$m</b>	<b>154 - 193</b>	
Acquisition of EDF's interest in Narrabri	\$m	16	Third of five annual USD11m installments. This installment was paid in December 2021

### Investor and Analyst briefing webcast/teleconference

Managing Director and Chief Executive Officer, Paul Flynn will host a webcast/teleconference to provide an overview of the H1 FY22 Results, followed by a Q&A session.

Time: 10:30 AEDT (Sydney time)

Date: Thursday, 17 February 2022

Participants can either dial in to the teleconference or join the webcast. To pre-register please copy and paste one of the following links into your browser.

Pre-registration for teleconference: <https://s1.c-conf.com/diamondpass/10019504-fh4al2.html>

Pre-registration for webcast: <https://edge.media-server.com/mmc/p/j98fkc2e>

*This document is authorised for release to the market by the Board of Directors of Whitehaven Coal Limited.*

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