

ASX Release | 3 November 2022

New Hope Corporation Limited to Buy Back up to \$300 million of Ordinary Shares on Market



NEW HOPE CORPORATION LIMITED

ABN 38 010 653 844

New Hope Corporation Limited (**ASX: NHC**) (**Company**) is pleased to announce its intention, as part of ongoing capital management, to undertake an on-market buy-back of ordinary shares. Taking into account the Company's future expected operating and cash flow requirements, the Board has unanimously approved an on-market buy-back of ordinary shares for up to \$300 million to commence on or about 17 November 2022 and be completed within 12 months (the Buy-Back).

The Buy-Back is subject to prevailing share price and market conditions and will be executed at the Company's discretion.

Following the record earnings results for the full year ended 31 July 2022, the Company has taken steps to strengthen its balance sheet whilst maintaining a disciplined approach to capital opportunities and distribution of surplus capital.

The Board and Management consider that the Company's current share price does not accurately reflect the underlying value of the Company's assets and the Buy-Back represents an opportunity to enhance the value of the remaining shares on issue, as well as providing an opportunity to improve the liquidity of the stock. Given the Company's strong cash generation, the Board and Management believe that the Buy-Back will be an efficient and balanced form of capital management.

The Company's Chairman, Robert Millner said:

"The Company expects its strong cash generation to continue as demand for high energy and lower emission thermal coal outstrips ongoing tight supply.

"The Board has carefully considered how to return surplus capital to shareholders, in addition to the record fully franked dividends declared at the full year results.

"We believe that the Buy-Back will benefit all our shareholders as it will reduce the number of shares on issue, thereby supporting the Company's return on equity, earnings per share and dividend per share, for all shareholders who continue to hold shares in New Hope Corporation."

On-market share buy-back

The Buy-Back will otherwise be undertaken in accordance with the terms specified in the Appendix 3C dated 3 November 2022.

The Buy-Back will be conducted in the ordinary course of trading over the next 12 months. The final amount of the Buy-Back and the exact timing of any trades made from time to time will depend on a number of factors including market conditions, the Company's prevailing share price, its future capital requirements and consideration of any unforeseen developments or circumstances that may arise in the course of the Buy-Back.

Accordingly, there is no assurance that the Company will buy back any or all of the \$300 million worth of shares contemplated. The Company reserves the right to suspend or terminate the Buy-Back at any time (having regard to the previously mentioned factors and the best interests of the Company).

The Buy-Back will fall within the "10/12" limit permitted under the Corporations Act and does not require shareholder approval. The "10/12" limit for a company proposing a buy-back is 10% of the smallest number of votes attached to the Company's ordinary shares at any time during the past 12 months. Consistent with the requirements of the Corporations Act, the Company will immediately cancel any shares acquired by it under the Buy-Back.

Future capital management actions

The Company will continue to assess various options to return capital to shareholders. The exact nature, amount and timing of any further capital returns beyond the Buy-Back announced today will be dependent upon market conditions and capital outlook.

In addition, the Company has franking credits available for distribution and its current intention is to maintain payment of fully franked dividends as a core component of its capital management strategy.

(ENDS)

For more information please contact:

- Robert Bishop, **Chief Executive Officer**;
- Rebecca Rinaldi, **Chief Financial Officer**; or
- Dominic O'Brien, **Executive General Manager & Company Secretary**.

P: +61 7 3418 0500 E: cosec@newhopegroup.com.au

This ASX announcement was approved and authorised by the Board.