



# ASX Announcement

## FY23 half year results

Reference #010/23

Date 13 February 2023

### H1 FY23 highlights

- Maintaining financial strength during major project execution
  - Sales revenue up 3% to \$813 million, underlying EBITDA down 4% to \$491 million and underlying NPAT down 10% to \$191 million
  - Balance Sheet to support further investment in growth and shareholder returns
  - Net cash position and total liquidity of \$609 million at half year-end
- New dividend policy aligned with free cash flow generation; 2 cps interim dividend declared
  - Targeting payout ratio of 40-50% of pre-growth free cash flow<sup>1</sup>
  - Enables distribution of franking credits to shareholders (~\$590 million as at 31 December 2022)
  - Maintaining net gearing<sup>2</sup> of less than 15%
- Progressing and de-risking major growth projects in the Otway and Perth basins
  - Environmental Plan approval for installation of the Otway Basin Thylacine wells
  - Thylacine wells to provide up to an additional ~100 TJ/day (gross) with expected first gas in mid-2023
  - Working towards Enterprise supplementing Otway Gas Plant production from mid-FY24
  - Webuild to complete the Waitsia Stage 2 project; targeting first gas by the end of 2023
  - Waitsia six-well development drilling campaign complete; 11% reduction in Perth Basin net 2P reserves
- Growth opportunities maturing across the portfolio
  - Prioritising Western Flank well connections with a development drilling focus to increase production
  - Beach-operated Perth Basin gas exploration campaign to commence early Q4 FY23
  - Rig negotiations progressed for the Kupe development well; targeting spud in Q2 FY24
  - Developing plans for next rounds of drilling in the Otway and Bass basins
- Progress on safety performance and emissions reduction initiatives
  - >8 years of no recordable injuries at Otway Gas Plant and >4 years at Beharra Springs Gas Plant
  - Moomba CCS project 40% complete, on schedule and on budget

<sup>1</sup> Pre-growth free cash flow defined as Operating Cash Flows, less investing cash flows excluding acquisitions, divestments and major growth capital expenditure, less lease liability payments. The Board will have the discretion to adjust free cash flow for individually material items

<sup>2</sup> Net gearing defined as Net Debt / (Net Debt + Equity)

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**Investor relations** Derek Piper, General Manager Investor Relations

**Media** Chris Burford, Corporate Affairs Manager

Beach Energy Limited (ASX: BPT, Beach) reported its financial and operating results for the first half of FY23, including a new dividend policy, further milestones for major growth projects and continued Balance Sheet strength.

Chief Executive Officer Morné Engelbrecht said "Our agreement with Webuild to complete the Waitsia Stage 2 project and the Environmental Plan approval for installation of the offshore Otway Thylacine wells are big steps forward for Beach in 2023. These two projects will trigger a step-change in production and free cash flow generation from FY24.

"Our agreement with Webuild to complete the Waitsia Stage 2 project is particularly welcome news. Webuild and the Waitsia JV are now planning for first gas from the Waitsia Gas Plant by the end of 2023.

"We also completed our development drilling campaign at Waitsia during the half and we have since had success from the Perth Basin exploration campaign, which soon turns to the Beach-operated phase commencing in early Q4 FY23 with the spudding of Trigg 1.

"In the Otway Basin, the Thylacine well connections will add up to 100 terajoules a day through the Otway Gas Plant. These extra volumes will be available for the East Coast market, which will again be stretched for supply in the coming winter.

"Our continued Balance Sheet strength, including a net cash position at the end of the half, supports our decision to implement our new dividend policy now. It ensures Beach can continue to invest further in growth beyond our current projects while increasing dividend payments to shareholders.

"The new dividend policy will reward our shareholders for their ongoing commitment to our strategy, targeting a payout ratio of 40-50% of pre-growth free cash flow and enabling the distribution of our substantial franking credit balance. Having invested in our major growth projects we are now in a position to reward shareholders.

"While we are focussed on delivering energy security through increased gas supply in Australia and New Zealand, we are equally focussed on reducing our emissions, and exploring new energy opportunities across our portfolio.

"The Moomba CCS project is one of Australia's most significant emissions reduction activities and will deliver up to 1.7 million tonnes of CO2 abatement once operational.

"This is a key contributor to Beach's strategy to reduce its portfolio emissions intensity by 35% by 2030.

"Our industry today is experiencing a dynamic regulatory environment where the rules of the game are frequently changing. This is generating new challenges for project scheduling as we navigate these regulatory headwinds. Meanwhile, the East Coast desperately needs as much gas as it can get.

"Finally, I want to thank our people at Beach for their commitment to our Strategy and for all the hard work they have put in as we continue to deliver on our plans", Mr Engelbrecht said.

### FY23 guidance update

Updated FY23 full year guidance is set out in the table below. Further information is contained in the results presentation released today.

FY23 full year guidance	Original	Revised	H1 FY23
Production (MMboe)	20.0 – 22.5	<b>19.0 – 20.5</b>	10.0
Capital expenditure (\$ million)	800 – 1,000	<b>900 – 1,000</b>	569
Unit field operating costs <sup>1</sup> (\$ per boe)	12 – 13	<b>13.75 – 14.75</b>	14.46
DD&A <sup>2</sup> (\$ million)	410 – 440	<b>410 – 440</b>	201

1. Unit field operating costs exclude pipeline tariffs, royalties and third party purchases

2. Depreciation, depletion and amortisation excludes corporate DD&A

### FY24 production

Beach will no longer be referencing the FY24 production target.

Production is subject to timing of major project delivery which has been impacted by regulatory changes and the Clough administration.

Updated FY24 production guidance will be provided with Beach's full year results in August 2023.

### Results webcast

Beach Energy's Chief Executive Officer Morné Engelbrecht and Chief Financial Officer Anne-Marie Barbaro will lead a webcast this morning to discuss the FY23 half year results.

- Date: Monday, 13 February 2023
- Time: 9.30am ACDT (Adelaide) / 10.00am AEDT (Sydney, Melbourne)
- Webcast link: <https://webcast.openbriefing.com/bpt-hyr-130223/>

A recording of the webcast will be available via the link and the Beach website later in the afternoon.

### Authorisation

This release has been authorised for release by the Beach Board of Directors.