



ASX RELEASE

2020 Financial Year Results

Increased production and sales in 2020

22 September 2020

KEY HIGHLIGHTS

- Increase in production and sales driven by the full year interest of 80% in Bengalla Joint Venture;
- 11.5 million tonnes of coal sold;
- Profit after tax before non regular items of \$84 million;
- Net cash generated from operating activities of \$298 million;
- Revenue from operations of \$1,084 million; and
- Economic contribution of \$1,143 million.

New Hope Corporation Limited (**ASX:NHC**) (Company) saw increased coal production of 11.3 million tonnes and sales of 11.5 million tonnes in 2020, defying the effects of the global COVID-19 pandemic.

Production and sales numbers were driven by the full year interest of 80% in Bengalla Joint Venture.

Full year dividends for the 2020 financial year are 6.0 cents per share. The Directors have not declared a final dividend in light of difficult global economic conditions as a result of COVID-19 with a focus on liquidity management and investment to ensure sustainable long-term shareholder returns.

During the year the Company generated strong cash operating surplus of \$298 million (before acquisition costs, interest and tax) which is a decrease of 42% on the 2019 result of \$509.8 million.

Aside from the effects of the global pandemic, a number of factors impacted the business over the past 12 months including lower US\$ revenues due to market index pricing conditions and increased cost of sales as the Acland Mine nears the end of the Stage 2 life.

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Other contributing factors were non regular items, including impairment of coal producing and exploration assets, impairment of goodwill, impairment of oil producing and exploration assets, New Acland ramp down costs, redundancies and ERP implementation costs.

Throughout the COVID-19 pandemic the Company made responsible and measured decisions to protect the ongoing health and wellbeing of team members and successfully minimised the threat of COVID-19 entering a New Hope site.

To date New Hope Group has had no cases of COVID-19 at any of its sites.

The Queensland Government decision to close the border with NSW has caused some disruption to certain activities of the business including exploration, Bridgeport and the Bengalla dragline shutdown. Plans were implemented to mitigate the impact of the border closures.

The New Acland Coal Mine Stage 3 Project continues to be held up as the Company waits for final approvals. The project still requires Mining Leases, and an Associated Water Licence.

As a result of the delays in receiving these approvals, the Company has made 175 employees redundant at the New Acland Coal Mine. A further 23 redundancies were also made at the Corporate office and the Brisbane port facility. The Company remains focused on securing all necessary approvals for Acland Stage 3 to target continuity of operations and employment for the workforce and contractors who rely upon the operation to support their families.

Coal markets have been and are likely to remain volatile in the near term, however demand for high quality thermal coal remains strong across Asia. For most Asian countries, thermal coal will continue to be a significant component of their energy mix for many years to come, underpinned by continued investment in new coal fired power stations.

The Company remains well positioned to emerge from the current economic downturn as a stronger, more efficient business.

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**RECONCILIATION OF NET PROFIT BEFORE AND AFTER TAX AND
BEFORE AND AFTER NON REGULAR ITEMS**

	2020
	\$000
Profit after income tax (before non regular items)	83,944
Recovery of prior period rail costs	1,356
Jeebropilly rehabilitation	6,624
New Acland ramp down costs	(9,327)
QLD operations redundancies	(4,972)
Liquidation related expenses	14,334
ERP system implementation costs	(2,417)
Impairment of QLD coal mining assets	(77,549)
Impairment of goodwill	(12,271)
Impairment of coal exploration and evaluation assets	(110,038)
Impairment of oil producing and exploration assets	(46,467)
Loss after income tax (after non regular items)	(156,783)

(ends)

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

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