

# HALF YEAR RESULTS FY23

16 February 2023

## Record H1 FY23 result, solid Narrabri performance, weather-affected open cut mines, and a stronger balance sheet

Whitehaven Coal (ASX:WHC) has reported a record half year net profit after tax (**NPAT**) of **\$1.8 billion** for the six months ended 31 December 2022, and earnings before interest, tax, depreciation and amortisation (**EBITDA**) of **\$2.7 billion**, which is a significant increase on the \$0.6 billion of EBITDA in the first half last year.

Whitehaven's **H1 FY23 results highlights** also include:

- A **15% year on year improvement in safety performance** as measured by a total recordable injury frequency rate (**TRIFR**) of **5.2** for the 12 months to 31 December
- Run-of-mine (**ROM**) managed production of **8.8M tonnes**, compared with 8.4M in the first half last year
- Record **revenue of \$3.8 billion** underpinned by an **achieved average coal price of A\$552/t** (compared with \$1.4 billion revenue and A\$202/t average price in the first half last year)
- **Cash generated from operations of \$2.5 billion** compared with \$567.4 million in the first half last year.

Whitehaven held **\$2.5 billion of net cash<sup>1</sup>** on the balance sheet as at 31 December 2022 (\$1.0 billion of net cash at 30 June 2022).

A **fully franked interim dividend of 32 cents** per share will be paid on 10 March 2023.

During the half year, 67.0 million shares (~7% of issued share capital) were bought back for an investment of **\$592.8 million**, with 40.1 million shares and \$367.4 million being in relation to the Stage 2 FY23 share buy-back approved by shareholders in October 2022.

Total capital returned through the Stage 2 share buy-back for the half year and the interim dividend is \$641.4 million, representing a total **payout ratio of 36%** of H1 FY23 NPAT, which is consistent with Company policy.

**Commenting on market conditions and Whitehaven's first half FY23 results**, Paul Flynn, CEO & Managing Director said:

*"In the first half of FY23, global energy shortages continued to underpin strong pricing. Weather related production constraints in New South Wales contributed to tight supply.*

*"Prices for high quality, high-CV coal held at very high levels during the half year and our customers remain focused on energy security as a key priority. We achieved a record realised average price of A\$552 per tonne in the half year, a 173% increase on the same period last year.*

*"Despite weather interruptions and ongoing labour constraints, the business performed well operationally. Our Narrabri underground mine delivered a strong operational performance and our safety results continued to improve with a rolling 12 month recordable injury frequency rate of 5.2 representing a 15% year on year improvement.*

<sup>1</sup> Whitehaven will make the payment of the FY22 tax liability of \$551.9 million in late February 2023

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*“With Whitehaven’s half year NPAT of \$1.8 billion, and strong operating cash flows, we are retaining cash on our balance sheet for future optionality. At the same time, we are returning surplus capital to shareholders through fully franked dividends and share buy-backs.”*

Commenting on the market outlook and guidance, Mr Flynn added:

*“Demand for high-quality seaborne thermal coal remains strong and while we have seen some cyclical price softening moving into the second half of the year, we expect that high-CV coal prices will continue to be well supported throughout CY23.*

*“We are focused on maximising margins and meeting production and sales guidance for FY23. At the same time, we are progressing plans for our Vickery and Winchester South development projects, including completing our assessment of a staged approach of the Vickery development to bring on smaller volumes sooner to help meet the strong demand.”*

## Market Outlook and FY23 Guidance

Energy security remains a key priority against a backdrop of global energy supply shortfall – particularly for high quality thermal coal. We continue to expect the rebalancing of global energy demand and supply to take several years and we observe that markets appear to demonstrate impacts of disruption as a consequence of decarbonisation efforts in the developed world.

Throughout the coming multi-decade energy transition reliable baseload fuels will continue to be required. Industry analysts expect demand for coal to remain strong and particularly for high-CV coal that Whitehaven produces with its higher energy content and lower emissions profile relative to other coal products.

More recently, near term economic forecasts show global GDP deteriorating, which combined with a mild Northern Asia and European winter, has caused coal prices to soften. However, Russian sanctions are seeing high-CV Russian coal move out of traditional markets of Europe and Japan into typically lower CV markets. This is expected to provide continued price support for high-CV thermal coals.

In January 2023, the NSW Government advised that it intends to extend its domestic coal reservation scheme to include producers of export coal (refer Whitehaven’s 19 January 2023 ASX Announcement). Whitehaven’s obligations under the scheme, which will apply from 1 April 2023 to 30 June 2024, will be confirmed with the release of the Government’s finalised Directions, which we are yet to receive.

In metallurgical coal markets, pricing has strengthened as a result of China lifting its COVID related restrictions and China-Australia trade flows re-opening.

We remain on track to deliver within the range of our overall production, sales and cost guidance for FY23, as issued on 9 November 2022.

We expect improved weather conditions to persist in the second half based on current forecasts, however, labour constraints are ongoing. Mine sequencing plans allow for opportunities to lift volumes in the second half, underpinning our expectation of meeting overall volume targets.

Item		FY23 Guidance Range
<b>Managed ROM coal production</b>	Mt	<b>19.0 – 20.4</b>
Maules Creek	Mt	10.3 – 11.0
Narrabri	Mt	5.6 – 6.0
Gunnedah O/C	Mt	3.1 – 3.4
<b>Managed coal sales</b>	Mt	<b>16.5 – 18.0</b>
<b>Equity coal sales</b>	Mt	<b>13.1 – 14.4</b>
<b>Unit cost of coal (excl. royalties)</b>	\$/t	<b>95 – 102</b>

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## H1 FY23 RESULTS AT A GLANCE

### Financial Results summary

(\$m)	H1 FY23	H1 FY22	% change
Revenue	3,809.2	1,443.0	164%
EBITDA	2,653.3	632.6	319%
Net profit after tax	1,782.0	340.5	423%
Cash generated from operations	2,541.6	567.4	348%
Unit cost per tonne (\$/t)	96	83	16%
	<b>31 Dec 2022</b>	<b>30 Jun 2022</b>	
Net cash	2,471.0	1,037.8	138%

### Whitehaven Managed Production and Sales

Thousands of tonnes	H1 FY23	H1 FY22	% change
Managed ROM Coal Production	8,843	8,398	5%
Managed Saleable Coal Production	8,259	7,683	7%
Managed Sales of Produced Coal	7,965	7,740	3%
Managed Sales of Purchased Coal	448	877	(49%)
Total Managed Coal Sales	8,412	8,617	(2%)
Managed Coal Stocks at period end	2,111	2,148	(2%)

### Consolidated Equity Production and Sales

Thousands of tonnes	H1 FY23	H1 FY22	% change
Equity ROM Coal Production	7,055	6,728	5%
Equity Saleable Coal Production	6,622	6,181	7%
Equity Sales of Produced Coal	6,375	6,287	1%
Equity Sales of Purchased Coal	448	877	(49%)
Total Equity Coal Sales	6,823	7,165	(5%)
Equity Coal Stocks at period end	1,849	1,741	6%

## Investor and Analyst briefing webcast / teleconference

Managing Director and CEO, Paul Flynn will host a webcast/teleconference to provide an overview of the H1 FY23 Results, followed by a Q&A session.

Time: 10:30 AEST (Sydney time)

Date: Thursday, 16 February 2023

Participants can either dial in to the teleconference or join the webcast. To pre-register use one of the following links:

**Pre-registration for teleconference:** <https://kapara.rdbk.com.au/landers/4b9f0f.html>

**Pre-registration for webcast:** <https://kapara.rdbk.com.au/landers/36da8f.html>

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

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