

FULL YEAR RESULTS FY2020

26 August 2020

LOWER COAL PRICES IMPACT EARNINGS

SAFETY PERFORMANCE

The safety outcome for the Group for the 12 months ending 30 June 2020 was a total recordable injury frequency rate (TRIFR) of 4.13, the lowest ever for the company. The Group TRIFR remains well below the New South Wales (NSW) coal mining average of 14.64.

The company is committed to the goal of achieving zero harm to its people and the environment.

The rapid implementation of our COVID-19 response plan has helped to keep our people and their families safe and supported continuity of production and employment.

FINANCIAL HIGHLIGHTS

- Underlying net profit after tax (NPAT) of \$30.0m, a decrease of 95%
- Underlying EBITDA of \$306.0m, a decrease of 71%
- Operating cash flows of \$146.4m, a decrease of 84%
- FY20 earnings reflect the softening of gC Newcastle thermal prices and the impact on ROM production of previously reported labour shortages and dust events at our largest mine, Maules Creek, and the scheduled eight week Narrabri mine longwall move
- Net debt of \$787.5m at 30 June 2020
- Dividends of \$312.2m were paid during the period
- Refinanced our A\$1.0bn secured bank debt facility, now maturing in July 2023
- \$468.8m of available liquidity

Comments from the MD and CEO Paul Flynn

"I am proud of our team in delivering a record safety result and rounding out the full year with strong operational performance including in the face of challenges brought about by COVID-19.

"Significant contraction in coal prices disproportionately impacted our headline financial results but it was pleasing to be able to reward investors and pay out \$312m in dividends through the period.

"The NSW Government's recent approval of Vickery was a significant achievement but, given continuing short-term economic uncertainty, we remain cautious about expansion and capital allocation.

"Our immediate focus is on achieving greater efficiency and more consistent operational performance in anticipation of markets rebalancing and price improvements beginning to flow through.

"We are confident about the continuing demand for high quality coal in a more carbon conscious world and the major role it will play as part of the global economic recovery."

Results summary	FY2020	FY2019	% change
Revenue (\$m)	1,721.6	2,487.9	(31%)
Underlying EBITDA (\$m)	306.0	1,041.7	(71%)
Underlying net profit after tax (\$m)	30.0	564.9	(95%)
Operating cash flows (\$m)	146.4	916.4	(84%)
Dividends (cps)	1.5	50	(97%)
Unit cost per tonne (\$/t)	75	67	12%
	30 June 2020	30 June 2019	
Net debt (\$m)	787.5	161.6	
Gearing (%)	20%	4%	

OPERATING HIGHLIGHTS

Equity ROM coal production for FY20 was 16.5Mt, 4% below the previous corresponding period (pcp), reflecting the eight week Narrabri longwall change out, the challenging production conditions at Maules Creek due to labour shortages and disruption due to drought and bushfires, and the impact of unmapped historical underground workings at Werris Creek.

Equity coal sales, including purchased coal, were 16.6Mt, in line with the pcp.

Equity metallurgical coal sales were 17% of total FY20 sales, below pcp at 21%.

Consolidated Equity Production and Sales – Continuing operations¹

Whitehaven total (000's t)	FY2020	FY2019	% change
ROM coal production	16,539	17,172	(4%)
Saleable coal production	14,638	14,684	(0%)
Sales of produced coal	14,201	14,873	(5%)
Sales of purchased coal	2,376	1,615	47%
Total coal sales	16,577	16,487	1%
Coal stocks at period end	3,047	2,602	18%

¹ Continuing operations do not include Sunnyside or Rocglen which have transitioned into rehabilitation phase

CORPORATE HIGHLIGHTS

During FY20 Whitehaven executed on a number of equity and debt transactions.

On 2 January 2020, Whitehaven announced it had completed the acquisition of EDF Trading Australia Pty Limited, which owned a 7.5% interest in the Narrabri underground mine. Closing the acquisition brings Whitehaven's ownership interest in the mine to 77.5%, effective as of 1 July 2019.

On 19 February, Whitehaven refinanced its senior bank debt facility with a syndicate of Australian and international banks. The new facility is a senior secured syndicated revolving corporate debt facility with an aggregate limit of AUD1.0bn and able to be utilised for general corporate purposes with bilateral bank guarantee capacity. The term has been extended to mature in July 2023.

During the June quarter a Japanese export credit agency facility of A\$51.7m was finalised with two leading Japanese banks and the Nippon Export and Investment Insurance Company. The eight-year facility is fully amortising and is on terms that are consistent with the main funding facility of the group. The facility reimbursed Whitehaven for certain expenditures associated with upgrading the Tarrawonga overburden and coaling fleet.

On 12 August, the NSW Independent Planning Commission (IPC) approved the Vickery Extension Project. The Vickery Extension Project is a proposed open cut mine with a 20-year mine life in the Gunnedah Basin with marketable reserves of 178Mt. The mine will produce a majority metallurgical coal for steel-making, with the balance being high quality thermal coal destined for premium export markets in our region.

FY2021 GUIDANCE & OUTLOOK

Item		Range	Comments
Managed ROM coal production	Mt	21.0 – 22.8	Weighted to the second half (H2 ~55%)
Maules Creek	Mt	11.3 – 12.0	Weighted to the second half (H2 60%)
Narrabri	Mt	6.0 – 6.7	Longwall change-out in the June 2021 quarter
Gunnedah Open Cuts	Mt	3.7 – 4.1	Tarrowonga expansion fleet fully operational from July 2020
Managed coal sales	Mt	18.5 - 20.0	Plus coal trading
Unit cost (excluding royalties)	\$/t	69 – 74	Increased production, partly offset by higher strip ratio at Maules Creek and increasing depth of cover at Narrabri
Sustaining capital	\$m	30 – 35	Underground and open cut sustaining capital expenditure
		30 – 35	Major rebuilds previously funded by lease refinance
Narrabri mains development	\$m	5	Remaining secondary support to be completed
Expansion & growth capital			
Operating mine projects	\$m	15 – 20	Maules Creek AHS project, further Narrabri longwall automation and water infrastructure
Growth projects	\$m	35 – 40	Vickery land acquisitions and project expenditure, Winchester South studies and Narrabri Stage 3
Other			
Acquisition of EDF consideration	\$m	17	Second of five annual instalment payments

Thermal coal and metallurgical coal market fundamentals deteriorated due to the impact of COVID-19 but quickly found a floor.

For the seaborne thermal coal market, a combination of Chinese government import restrictions and the lockdown of Indian and northern Asian economies reduced demand and saw prices fall. At current coal prices, the price arbitrage between Chinese domestic coal and imported seaborne coal is at record levels. Supply side responses to these historically low prices initially emerged from USA, Canadian and Colombian exporters, and more recently from Indonesian and Australian producers.

Actions taken by steel producers across Asia and India initially to defer metallurgical coal shipments in response to weak domestic steel demand softened the price for hard coking coal. The price for SSCC and PCI coal has similarly softened.

The short-term outlook for thermal and metallurgical coal is dependent upon post-pandemic economic and industrial recovery in our region. In recent weeks, there have been positive signs in the affected markets that industrial activity is recovering, resulting in the resumption of term contract shipping schedules and increasing spot demand. The long-term outlook remains positive as the need for industrial products such as steel, cement and alloys, and electricity generation underpin future growth in Asia, Whitehaven's key export market.

Investor and Analyst briefing webinar/teleconference

Managing Director and Chief Executive Officer, Paul Flynn, will host a webinar/teleconference to provide an overview of the full year financial results.

Time and date: 10:30 AEST (Sydney time) Wednesday, 26 August 2020

Webinar: click [here](#) for link

Teleconference details: Dial **1800 896 323**; Passcode **79240611#**; Please click [here](#) for international dial-in participant information.

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

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Reporting Calendar

Event	Date
September Quarter Production Report	15 October 2020
Annual General Meeting - Virtual	22 October 2020