
Half Year Results FY21

17 February 2021

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INFORMATION IN THIS REPORT THAT RELATES TO COAL RESOURCES AND COAL RESERVES IS BASED ON AND ACCURATELY REFLECTS REPORTS PREPARED BY THE COMPETENT PERSON NAMED BESIDE THE RESPECTIVE INFORMATION. GREG JONES IS A PRINCIPAL CONSULTANT WITH JB MINING SERVICES. MAL BLAIK IS A SENIOR CONSULTANT WITH JB MINING SERVICES. PHILLIP SIDES IS A SENIOR CONSULTANT WITH JB MINING SERVICES. BENJAMIN THOMPSON IS A GEOLOGIST WITH WHITEHAVEN COAL. MARK BENSON IS A GEOLOGIST WITH WHITEHAVEN COAL. DOUG SILLAR IS A FULL TIME EMPLOYEE OF RPM ADVISORY SERVICES PTY LTD. MICHAEL BARKER IS A FULL TIME EMPLOYEE OF PALARIS AUSTRALI PTY. TROY TURNER IS THE MANAGING DIRECTOR OF XENITH CONSULTING PTY LTD.

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THIS DOCUMENT IS AUTHORISED FOR RELEASE TO THE MARKET BY THE BOARD OF WHITEHAVEN COAL LIMITED.

Contents

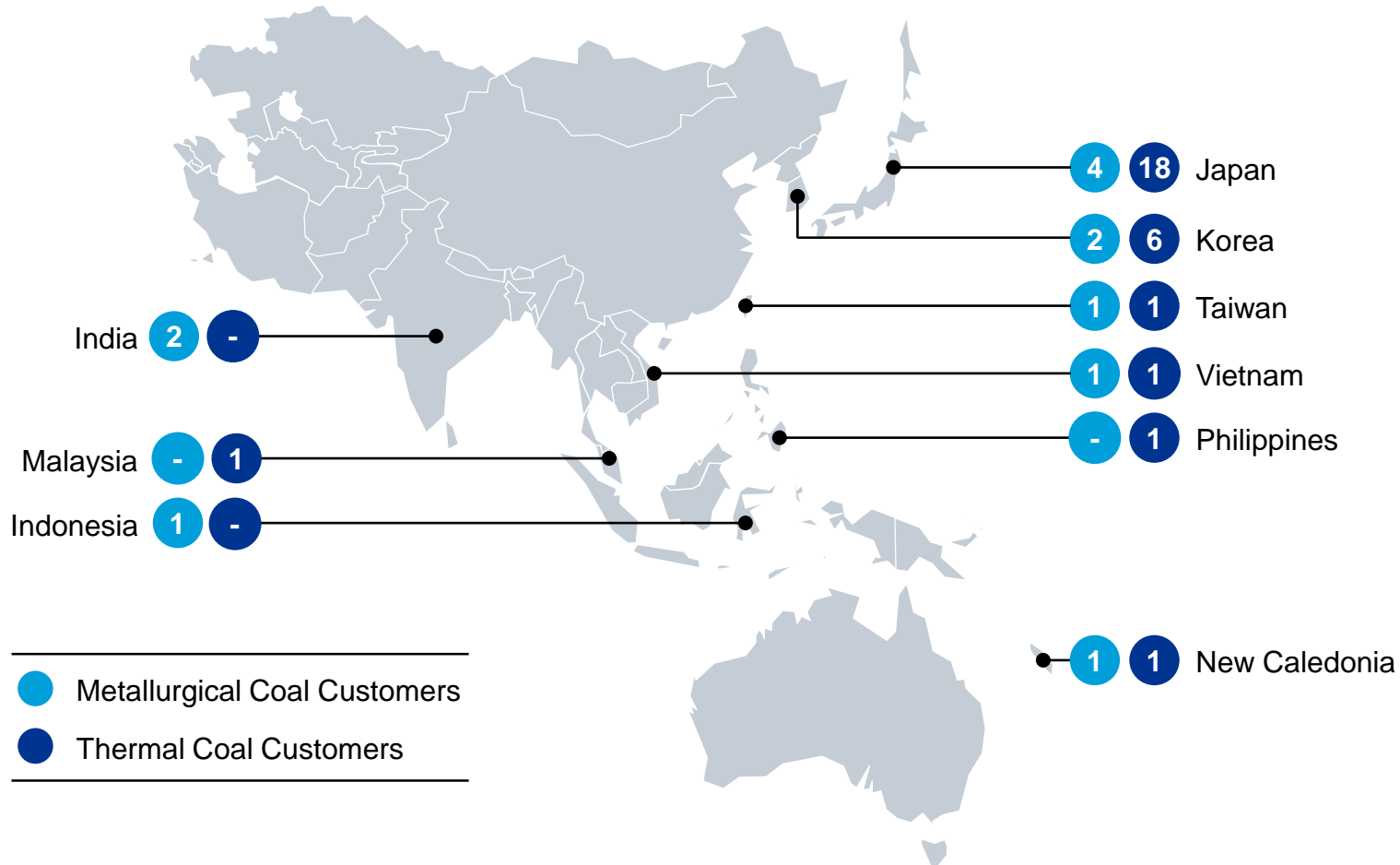
1. Whitehaven's Market
2. H1 FY21 Results
3. Guidance for FY21
4. Appendices





Whitehaven's Market

Whitehaven's customer base is in Asia



Whitehaven's coal products are exported to Asia

Our coal products are used:

1. In high efficiency, low emission (HELE) electricity generation
2. to make steel; and
3. in nickel smelting and other industrial applications

Current coal market dynamics

China's import restrictions on Australian sourced coal

- Whitehaven has no direct exposure to China

Industrial activity gaining momentum

- Increased demand for all fuel types

Impact of weather events

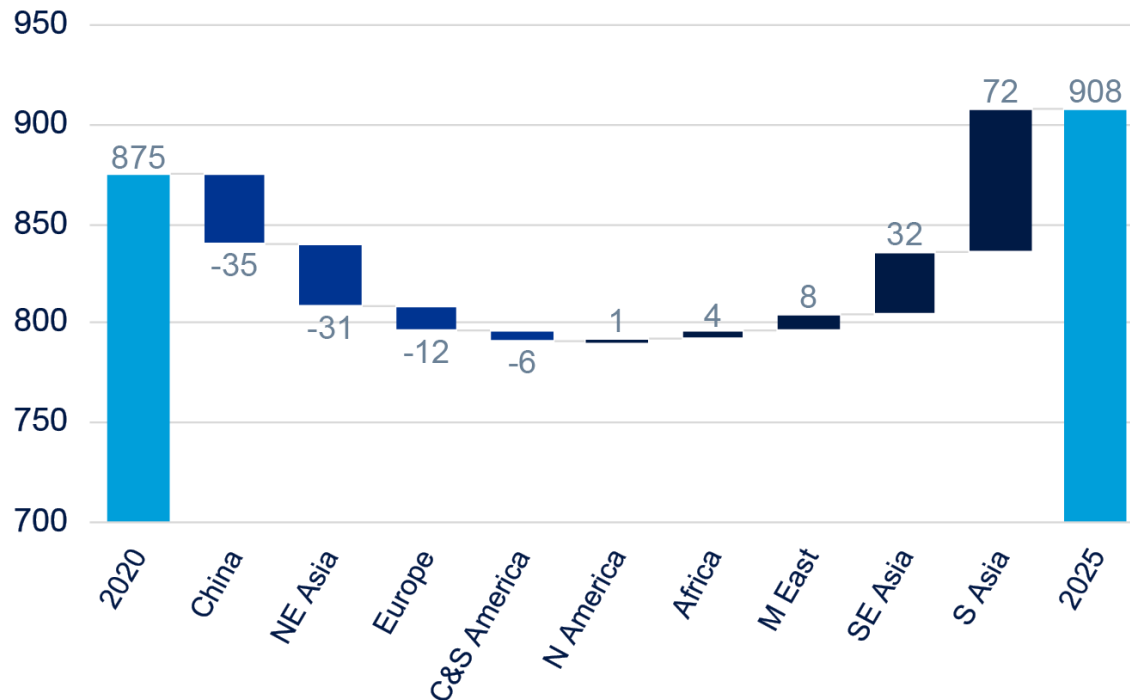
- Northern hemisphere winter
- La Niña



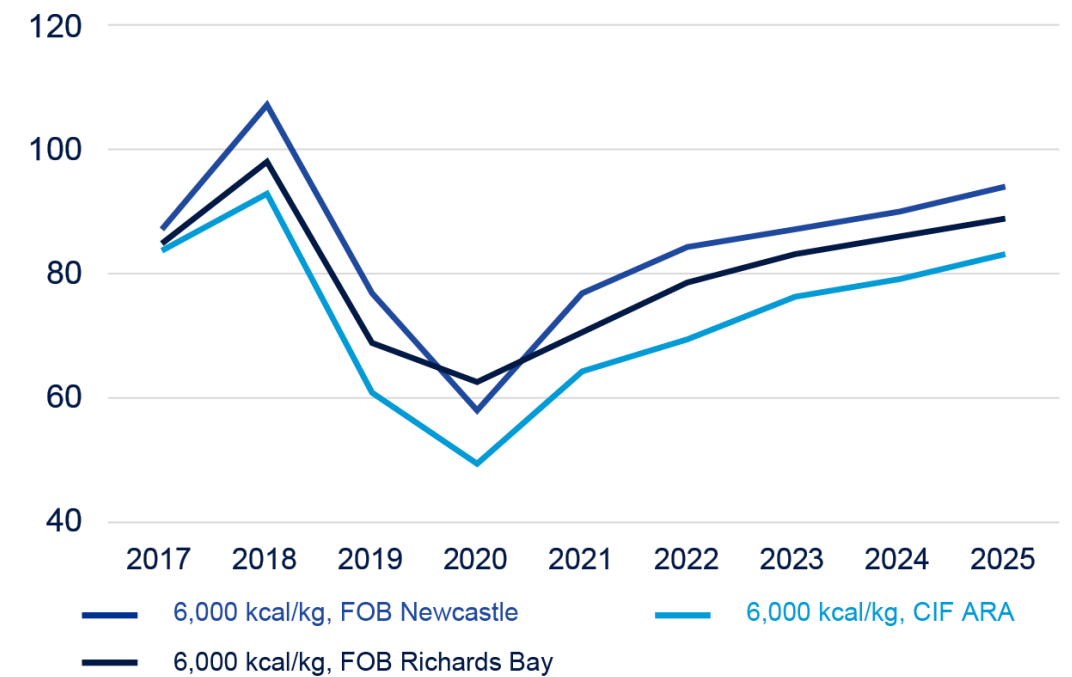
Forecast seaborne thermal coal demand & pricing

Global seaborne thermal coal demand (Mt)

By 2025, seaborne imports will recover from 2020 lows



Thermal coal prices, 6,000kcal, US\$/t



Source: CRU January 2021

Whitehaven plays an important role helping customer countries meet their emission targets

The benefits of using Whitehaven coal products:



**High CV coal
requires less coal
to be used to
produce energy**



**Assists customers
to meet strict
sulphur and
nitrogen emission
limits**



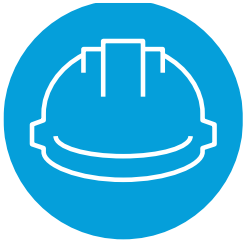
**Decreases the ash
byproduct of the
generation process**



H1 FY21 Results

H1 FY21 operational and financial highlights

COVID's impact on coal prices eclipsed an improved operational performance



Safety

5.41

TRIFR¹



Production

9.6Mt

managed ROM
production



Unit costs

A\$70/t



Earnings

\$37.2m

EBITDA



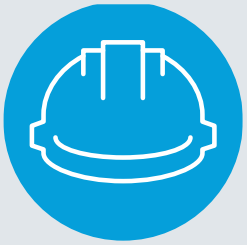
Liquidity

\$411.8m

¹ Total recordable injury frequency rate (TRIFR) - the number of injuries (excluding fatalities) requiring medical treatment per million hours worked

Safety performance

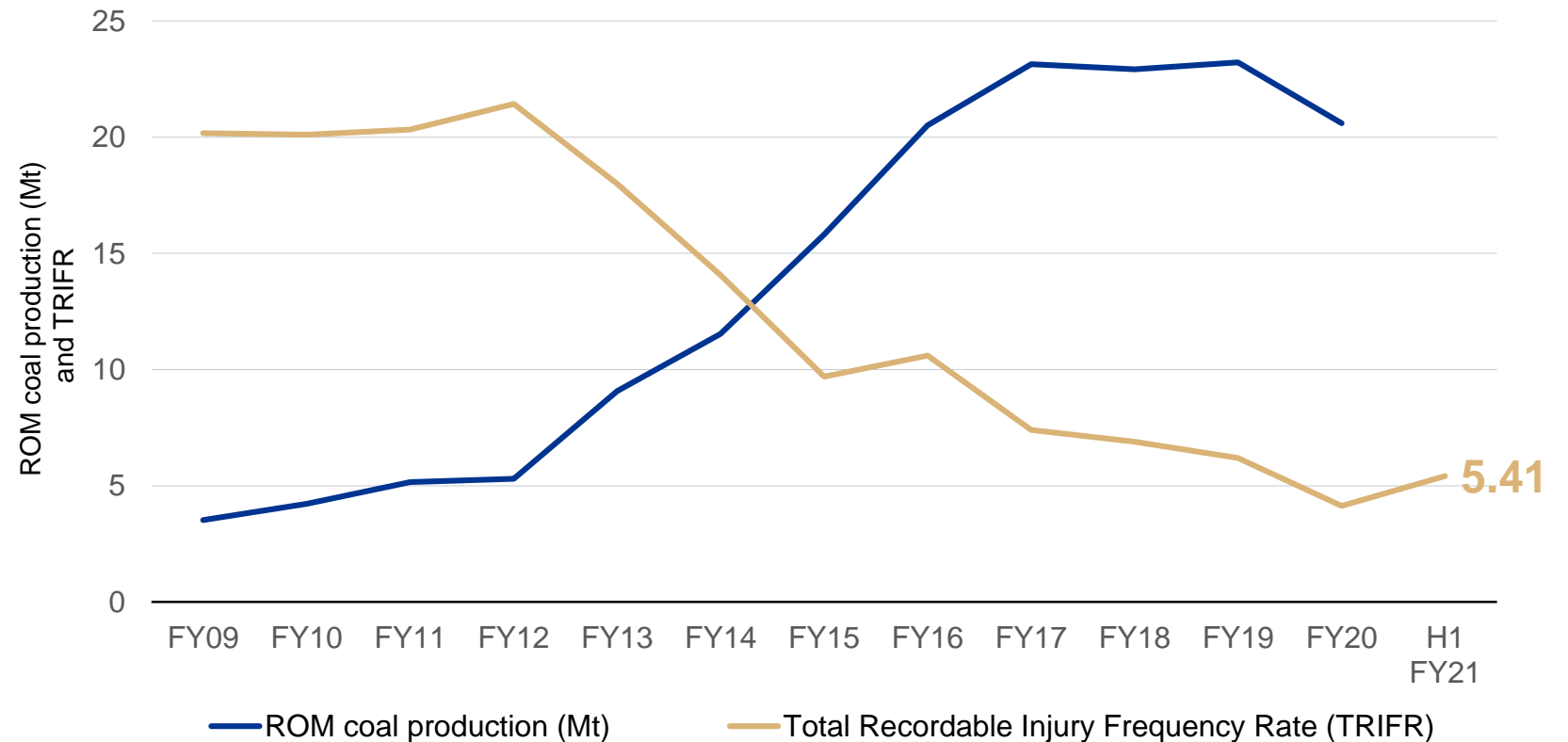
Safety is always a key focus for Whitehaven



Whitehaven recorded
a TRIFR of

5.41

as at 31 December
2020

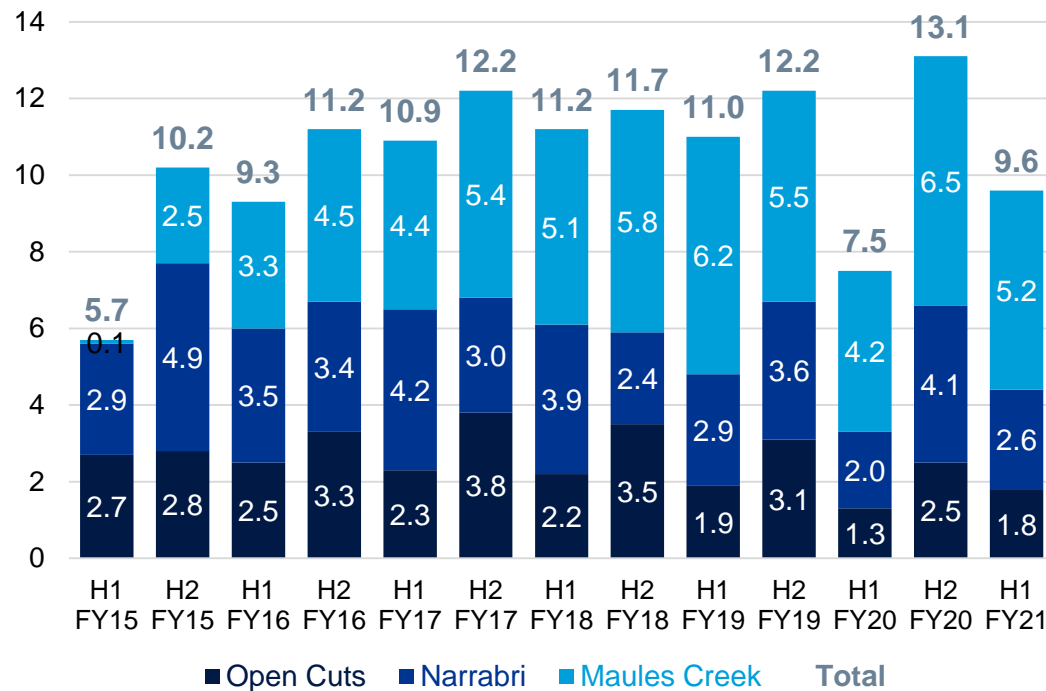


ROM coal production and sales

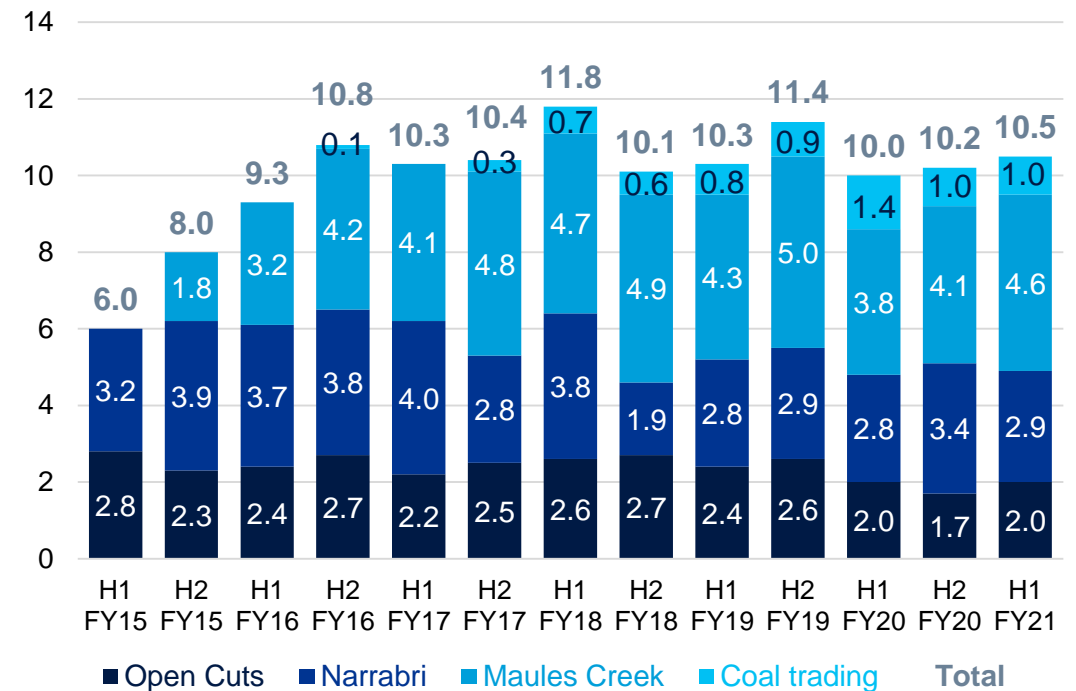
H1 FY21 ROM production

H1 FY21 Sales supported by stock draw downs

Whitehaven Managed ROM Coal Production (Mt)



Whitehaven Managed Coal Sales (Mt)



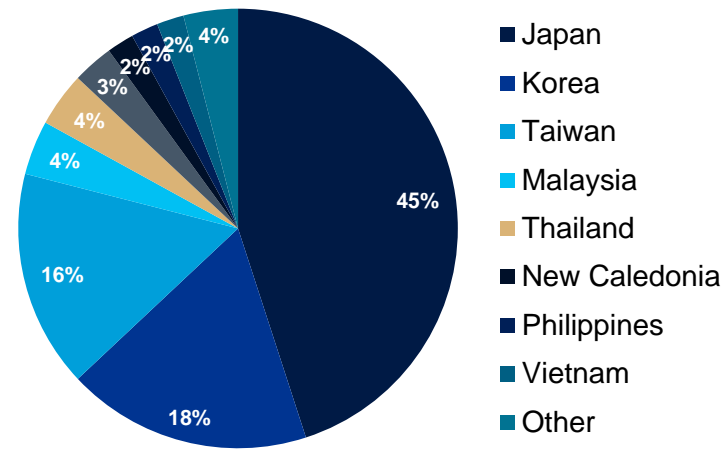
Note: Figures reflect continuing operations and discontinued Sunnyside Mine and Rocglen Mine, both of which have transitioned into rehabilitation

Premium products sold into premium markets

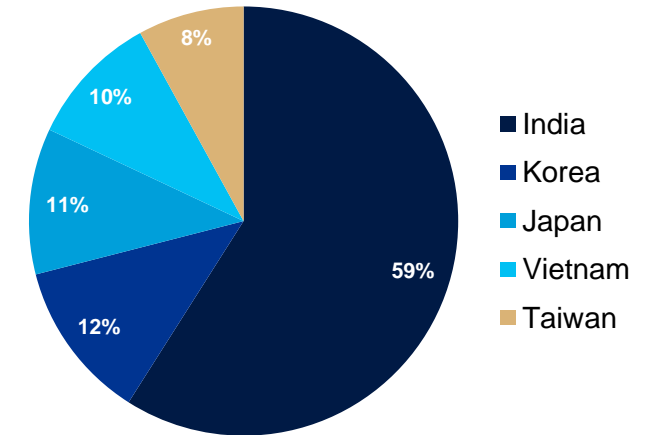
Demand for high quality, high CV thermal coal is increasing in the Asian market

- We produce and sell high quality coal products into premium **Asian markets**
- **Managed coal sales**, including purchased coal, were **10.5Mt¹** for the half year (9.3Mt thermal and 1.2Mt metallurgical)
- Sales into the growth markets of **South East Asia²** accounted for **10% of total sales** for the half

Thermal Coal Sales H1 FY21



Metallurgical Coal Sales H1 FY21



¹ Includes domestic sales of 0.1Mt

² Vietnam, Malaysia, Philippines, Indonesia

³ Other includes Indonesia (1.8%), Other (1.1%), Pakistan (0.7%), Domestic (0.3%), New Zealand (0.3%).

Maules Creek

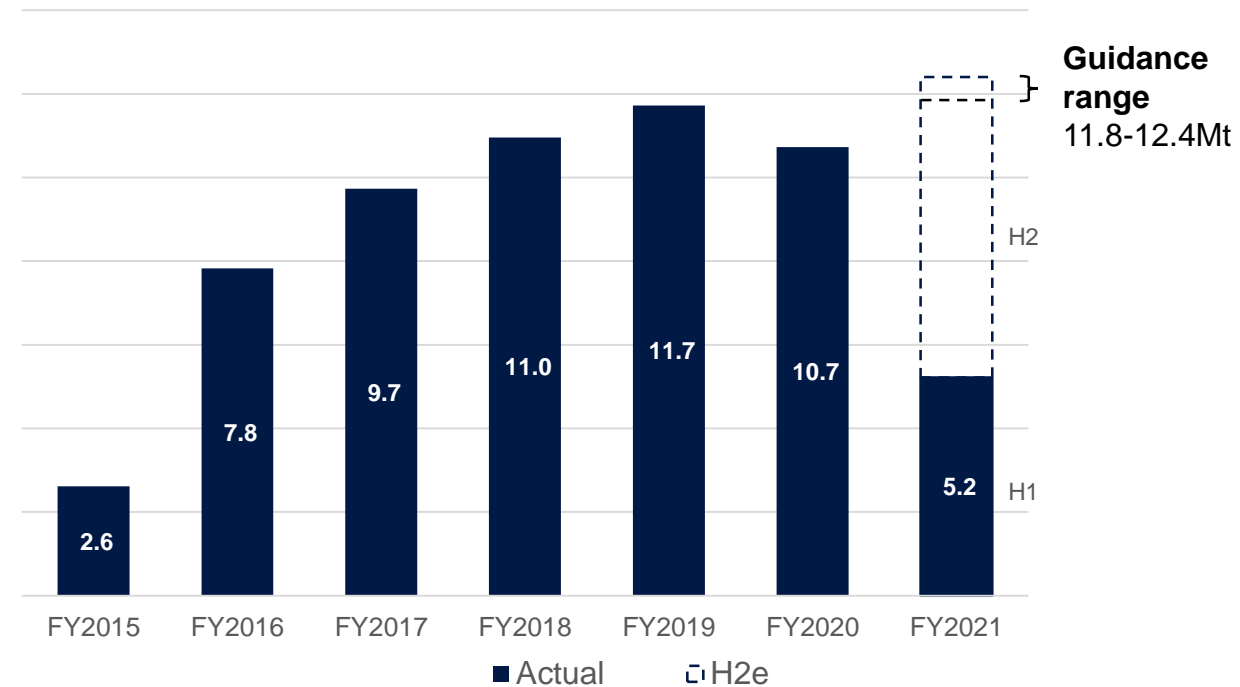
Operational improvement

Managed ROM production for H1 FY21

↑ **24%** at 5.2Mt ROM vs pcip of 4.2Mt

- At the end of the half Maules Creek operated through one of the wettest Decembers on record to deliver a confidence-building ROM production and overburden movement result
- Due to the strong first half production performance FY21 guidance has been revised upwards to 11.8-12.4Mt

Managed ROM Coal Production (Mt)



Narrabri

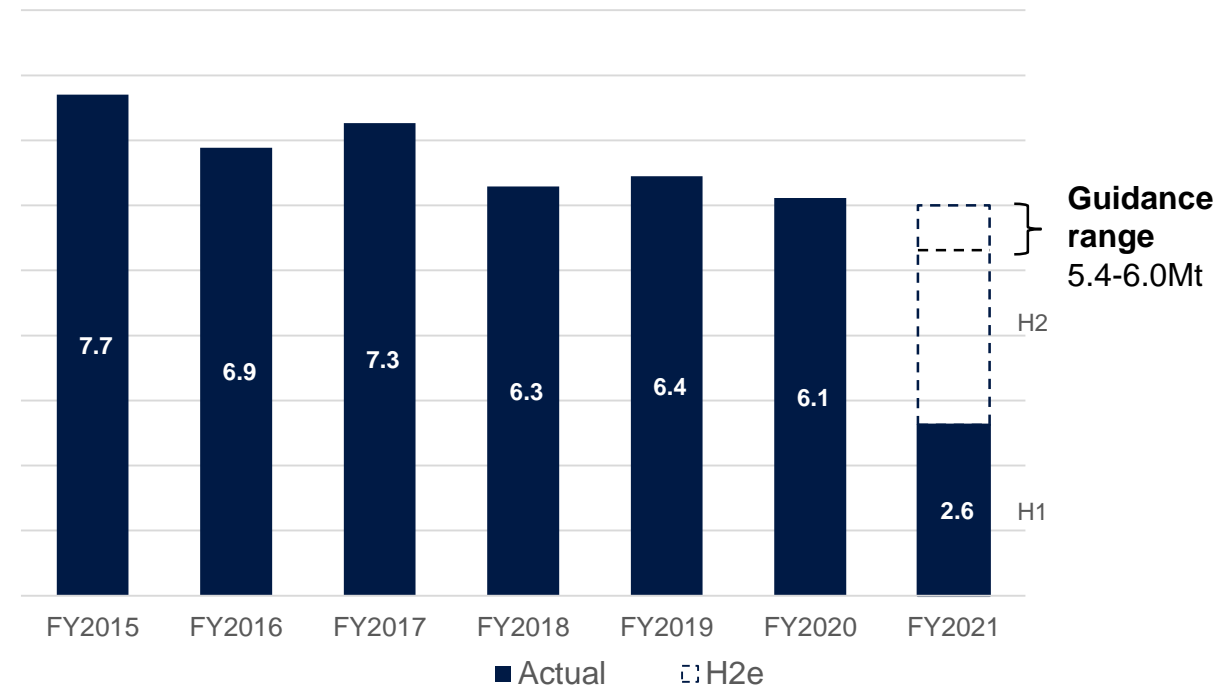
H1 FY21 impacted by geological challenges

Managed ROM production for H1 FY21

↑ **30%** at 2.6Mt ROM vs pcp of 2.0Mt

- During the half the longwall mined through a faulted section of LW109 that resulted in reduced productivity and increased out-of-seam dilution
- Longwall move to LW110 is scheduled for Q4 FY21

Managed ROM Coal Production (Mt)



Gunnedah open cuts

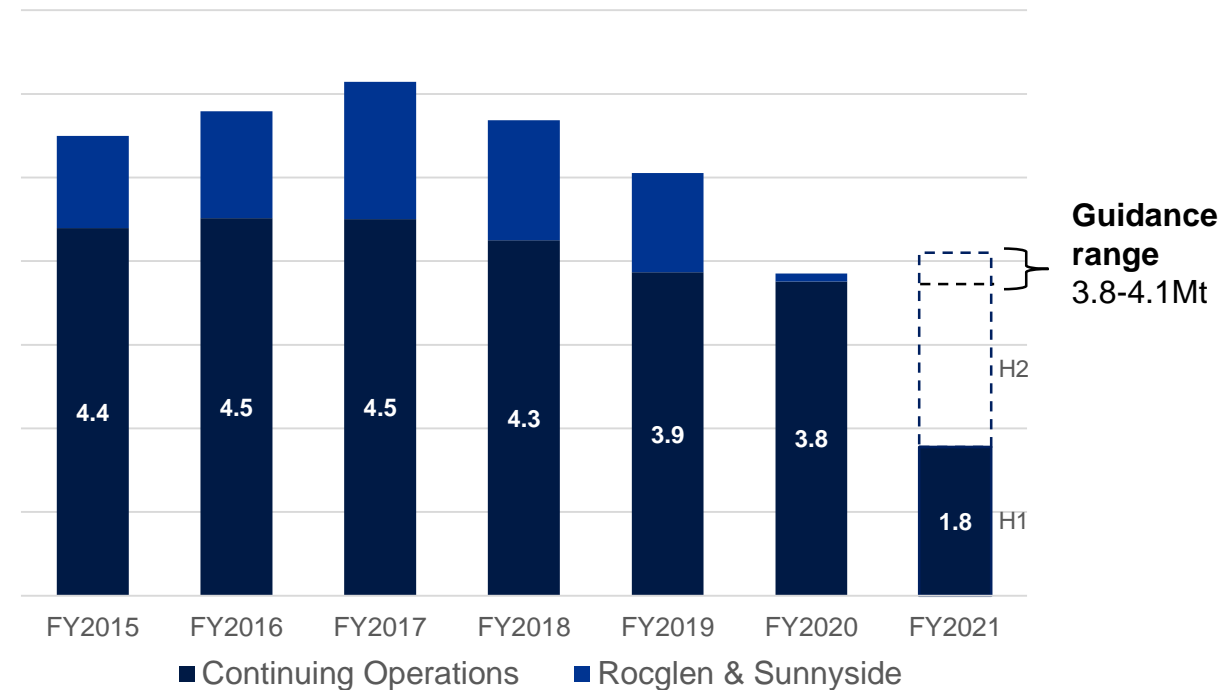
Smoothing annual production

Managed ROM production for H1 FY21

↑ **35%** at 1.8Mt ROM vs pcp of 1.3Mt

- The increase reflects improved ROM coal production at both operating mines, Tarrawonga and Werris Creek, reflecting improved mining conditions
- During H1 FY20 Rocglen and Sunnyside mines ceased operations and transitioned into rehabilitation. Rehabilitation is on schedule at both sites to be largely completed by the end of FY22. Final revegetation activities are being undertaken at Sunnyside while earthworks at Rocglen are scheduled to be completed in 2021

Managed ROM Coal Production (Mt)



Growth opportunities and optionality

Whitehaven has multiple options to grow its business of long life mines

	Assets	Approved Production ¹	LOM	
Brownfield	Maules Creek	13Mtpa ROM	>35 years	<ul style="list-style-type: none"> Mine ramping up to 16Mtpa ROM with the roll out of AHS², commencement of in-pit dumping and 16Mtpa modification application
	Narrabri Stage 3 Extension Project	11Mtpa ROM	>25 years	<ul style="list-style-type: none"> Extends mine life to 2045
Greenfield	Vickery Extension Project	10Mtpa ROM	>20 years	<ul style="list-style-type: none"> Open pit metallurgical and thermal coal production On site coal handling preparation plant Rail from site
	Winchester South Project	Seeking ~ 15Mtpa ROM	>25 years	<ul style="list-style-type: none"> Whitehaven's expansion into the Bowen Basin Open pit metallurgical and thermal coal production

¹ Approved ROM production for operating mines in the table is fully underpinned by the JORC Reserves for those mines. The forecast production from the Vickery project is underpinned by the JORC Reserves released to the ASX on 13 August, 2015 while the forecast production from Winchester South is underpinned by the JORC Resources and Reserves released to the ASX on 16 December, 2020. Whitehaven confirms that the material assumptions underpinning the forecast production in the initial public reports for Vickery and Winchester South continue to apply and have not materially changed. Whitehaven's JORC information is available at <https://whitehavencoal.com.au/investors/jorc/>

² AHS = Autonomous Haulage System for overburden movement

Financial highlights

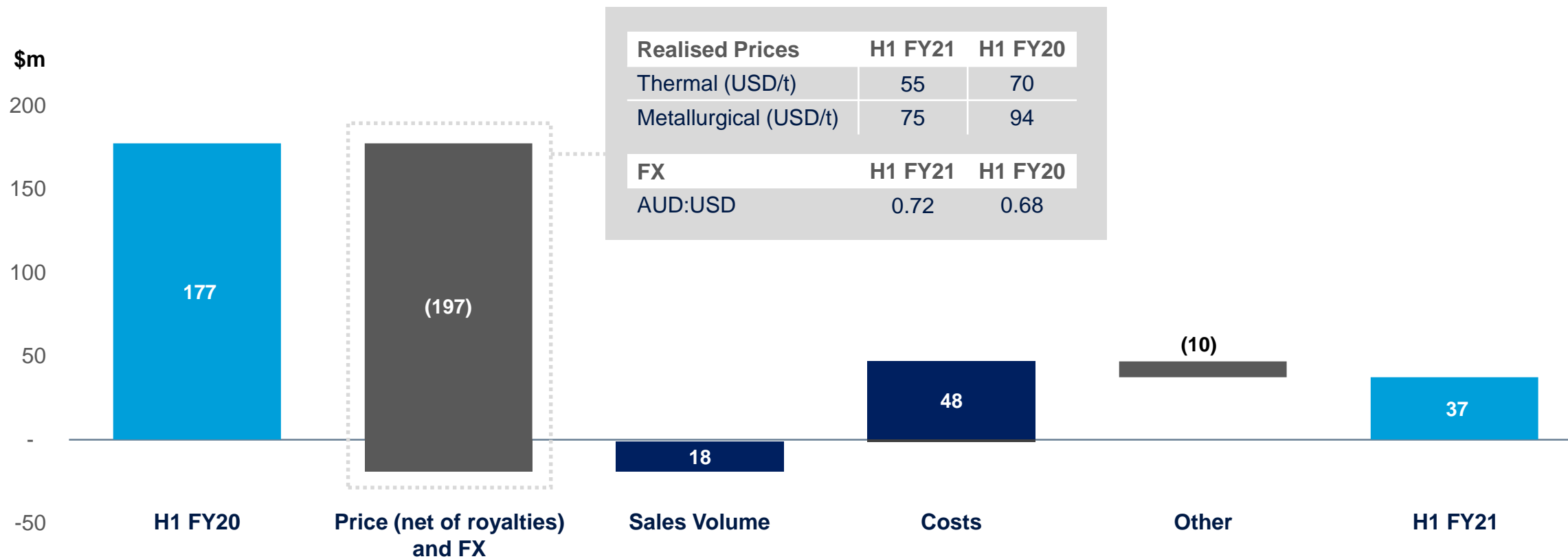
Profit and Loss (\$m)	H1 FY21	H1 FY20	Comment
EBITDA	37.2	177.3	COVID's impact on coal prices offsets improved operational performance
Net (loss)/profit after tax	(94.5)	27.4	
Cash generated from operations	54.9	122.3	
Dividends (cps)	-	1.5	Dividend policy 20%-50% of NPAT
Unit cost per tonne (\$/t)	70	76	Improved operational performance
Balance Sheet	31 Dec 2020	30 Jun 2020	Comment
Net debt (\$m)	823.1	787.5	Capital discipline partially offset by coal sales slippages from December into January - refer to slide 24 for details
Gearing (%)	21%	20%	

Profit and Loss

COVID's impact on coal prices eclipsed improved operational performance

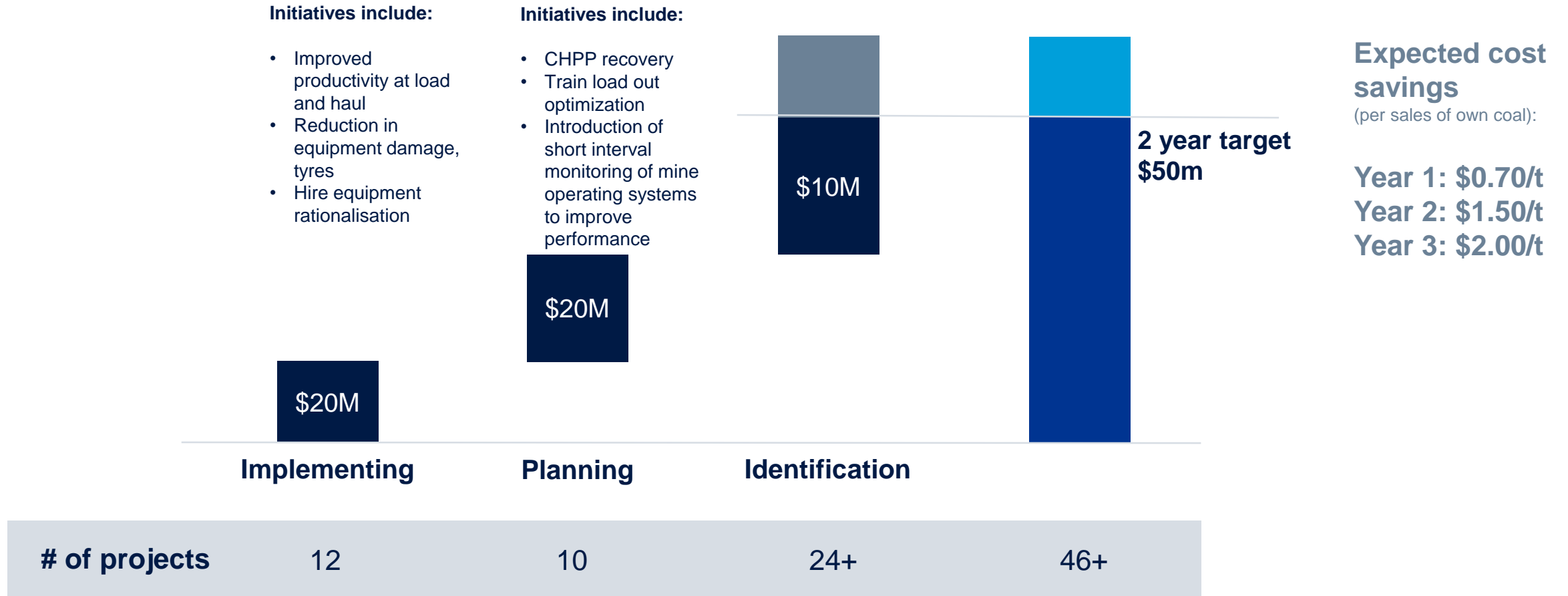
Financial Performance – A\$ millions	H1 FY21	H1 FY20
Revenue	699.3	885.1
Other income	1.6	1.4
Operating expenses	(362.9)	(338.6)
Coal purchases	(65.9)	(127.4)
Rail, Port, Marketing and Royalties	(209.4)	(227.9)
Admin and other expenses (including net FX gain/loss)	(25.5)	(15.3)
EBITDA	37.2	177.3
Depreciation & amortisation	(138.2)	(116.1)
Net Interest Expense	(30.5)	(20.3)
Income tax benefit/(expense)	37.0	(13.5)
Net (loss)/profit after tax	(94.5)	27.4
EBITDA Margin on sales of own coal (AUD\$ per tonne)	5	24
Earnings per share (cents per share – basic)	(9.5)	2.8

EBITDA vs pcp



Project STRIVE update

A two year program to embed cost savings into our business



Drivers of D&A and net interest expense

	H1 FY21	H1 FY20	Drivers
Depreciation & amortisation	\$138.2m	\$116.1m	<ul style="list-style-type: none"> Increase driven by higher ROM production, the new Tarrawonga fleet, renewed lease arrangements and capitalised major rebuilds of the operating fleet
D&A per tonne (sales of own coal)	\$17.8/t	\$17.2/t	<ul style="list-style-type: none"> Reflects higher depreciation on fleet major rebuilds
Net interest expense	\$30.5m	\$20.3m	<ul style="list-style-type: none"> Reflects increased drawn balance of the senior bank debt facility and amortisation of refinancing upfront costs - refer to Note 4 of financial statements for a detailed break down
Average balance of drawn senior bank debt facility during period	\$619m	\$292m	

Financing

Diversified sources of capital



Senior debt facility

as at 31 December

\$688.0m drawn

- \$1bn syndicated facility
- Facility matures July 2023
- Syndicate comprised of Australian and International banks
- BBSW + Margin grid¹



ECA²

as at 31 December

\$63.1m

- Average tenor of 8 years
- BBSY + Margin
- Secured



Leased equipment

as at 31 December

\$307.4m

- Tenor - Four or five years
- Provided by syndicate or OEM related
- Pricing can be either floating or fixed rate
- Secured against asset & guaranteed
- IFRS16 ROU leases \$112.1m included



Bank guarantees³

as at 31 December

\$446.2m drawn

- Refinanced at the time of syndicated facility
- Underpins mining operations and logistics

¹ A margin grid is a matrix used to adjust the margin (price) of a loan or revolving credit facility based on financial indebtedness ratio, net-debt to EBITDA

² ECA facility – Export Credit Agency finance

³ Refer to Note 8 of the Half-year Financial Report.

Net debt and liquidity

	31 Dec 2020 \$m	30 June 2020 \$m
Senior secured bank facility (drawn)	688.0	638.0
ECA ¹	63.1	68.1
Finance leases	195.3	216.3
Cash on hand	(99.8)	(106.8)
Capitalised borrowing costs	(23.5)	(28.1)
Net debt excluding IFRS 16 lease liabilities	823.1	787.5
IFRS 16 leases	112.1	130.3
Equity	3,155.8	3,249.6
Gearing excluding IFRS 16 lease liabilities	21%	20%
Liquidity	411.8	468.8

- **Available liquidity of \$411.8m at 31 Dec 2020**
 - Undrawn senior debt facility of \$312m
 - Cash of \$99.8m
- **Increase of \$50m in senior drawn debt driven by**
 - Deferral of December coal sales into January due to NCIG coal loader outage
 - Lease payments
- During the half the company sought and received from its finance providers an amendment to one of three covenants, being its Interest Cover Ratio covenant. Subsequent to year end, the company has prepared a Compliance Certificate for delivery to its banking syndicate for the 12 months ended 31 December 2020 which reports compliance with the original unadjusted ICR covenant.

¹ ECA facility – Export Credit Agency finance for equipment at Narrabri and Tarrawonga

Investing - capital expenditure

Sustaining PP&E

\$37m

- Sustaining capex
- Land purchases
- Narrabri mains

Growth Projects

\$18m

Operating mine
projects

- Water security
- Maules Creek AHS

- Vickery expansion
- Winchester South
- Narrabri Stage 3 Extension

Growth projects

A worker in a full-body hazmat suit and hood is working in a warehouse or industrial setting. The worker is bent over, possibly handling materials. In the background, there are shelves filled with boxes and a large piece of machinery. The scene is dimly lit, with a blue tint. A large white triangle is on the right side of the image.

Guidance for FY21

FY2021 production, sales & cost guidance

Key Elements		H1 FY21 actual	FY21 updated guidance	FY21 previous guidance	Comments
Managed ROM Coal Production	Mt	9.6	21.0 – 22.5	21.0 – 22.5	Unchanged
Maules Creek	Mt	5.2	11.8 – 12.4	11.8 – 12.4	Unchanged
Narrabri	Mt	2.6	5.4 – 6.0	5.4 – 6.0	Unchanged
Gunnedah Open Cuts	Mt	1.8	3.8 – 4.1	3.8 – 4.1	Unchanged
Managed Coal Sales	Mt	9.5	19.0 – 20.0	19.0 – 20.0	Unchanged
Cost of Coal¹	A\$/t	70	69 - 72	69 – 72	Unchanged

¹ excluding royalties

FY2021 capital expenditure guidance

Key Elements		H1 FY21 actual	FY21 updated guidance	FY21 previous guidance	Comments
Sustaining Capital					
	\$m	19	35 – 40	30 – 35	Underground and open cut, land
	\$m	15	20 – 25	30 – 35	Major rebuilds previously funded in lease refinance
Narrabri Mains Development					
	\$m	3	3	5	Mains development complete for FY21
Expansion & Growth Capital					
Operating Mine Projects	\$m	5	~10	15 – 20	Maules Creek AHS project, further Narrabri longwall automation and water infrastructure
Growth Projects	\$m	13	~25	35 – 40	Vickery land and project, Winchester South studies and Narrabri Stage 3
Other					
Acquisition of EDF consideration	\$m	-	17	17	Second of five annual USD11m instalments

Continued Focus CY21

Continue to improve operational performance and discipline driving improved productivity and lower costs

- Improved safety and environmental performance
- Operational focus
- Build on early STRIVE initiatives and embed in operations
- Retire debt





Appendices

Gunnedah Basin and expanding to Bowen Basin

Whitehaven is the largest independent producer of high CV coal in Australia



Unit cost calculation

The unit cost can be calculated off the face of the P&L. It includes operating expenses, selling & distribution expenses, administration expenses and share based payment expenses.

Coal purchases, royalties, depreciation & amortisation, FX and significant items are excluded.

	H1 FY21		FY20		H1 FY20		FY19	
	\$'000	\$/t	\$'000	\$/t	\$'000	\$/t	\$'000	\$/t
Operating expenses	362,905	\$47	695,621	\$49	338,564	\$50	734,858	\$47
Selling & distribution expenses	160,091	\$21	342,084	\$24	166,889	\$24	324,131	\$21
Administrative expenses	18,534	\$2	29,810	\$2	12,539	\$2	26,185	\$2
Share based payment expenses	2,428		6,259		2,470		7,684	
Less: significant items – operating expenses note 2.2							(40,456)	(\$3)
Total cost of coal	543,958	\$70	1,073,774	\$75	520,462	\$76	1,052,402	\$67
Sales of own coal kt ¹	7,775		14,278		6,833		15,600	

¹ FY20 and H1FY20 includes Rocglen's sales of produced coal of 77kt and excludes Sunnyside's sales of 232kt