

# Half Year Results FY22

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Authorised for release by the Board of Whitehaven Coal Limited

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# Disclosure

## FORWARD LOOKING STATEMENTS

Statements contained in this material, particularly those regarding the possible or assumed future performance, costs, dividends, returns, production levels or rates, prices, reserves, potential growth of Whitehaven Coal Limited, industry growth or other trend projects and any estimated company earnings are or may be forward looking statements. Such statements relate to future events and expectations and as such involve known and unknown risks and uncertainties. Actual results, actions and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors.

The presentation of certain financial information may not be compliant with financial captions in the primary financial statements prepared under IFRS. However, the company considers that the presentation of such information is appropriate to investors and not misleading as it is able to be reconciled to the financial accounts which are compliant with IFRS requirements.

All dollars in the presentation are Australian dollars unless otherwise noted.

## COMPETENT PERSONS STATEMENT

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. Daryl Stevenson is a Geologist with Whitehaven Coal. Jorham Contreras is a Geologist with Whitehaven Coal. Benjamin Thompson is a Geologist with Whitehaven Coal. Troy Turner is a full time employee of Xenith Consulting Pty Ltd. Doug Sillar is a full time employee of RPM Advisory Services Pty Ltd. Michael Barker is a full time employee of Palaris Ltd.

Named Competent Persons consent to the inclusion of material in the form and context in which it appears. All Competent Persons named are members of the Australian Institute of Mining and Metallurgy and/or The Australian Institute of Geoscientists and have the relevant experience in relation to the mineralisation being reported on by them to qualify as Competent Persons as defined in the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2012 Edition).



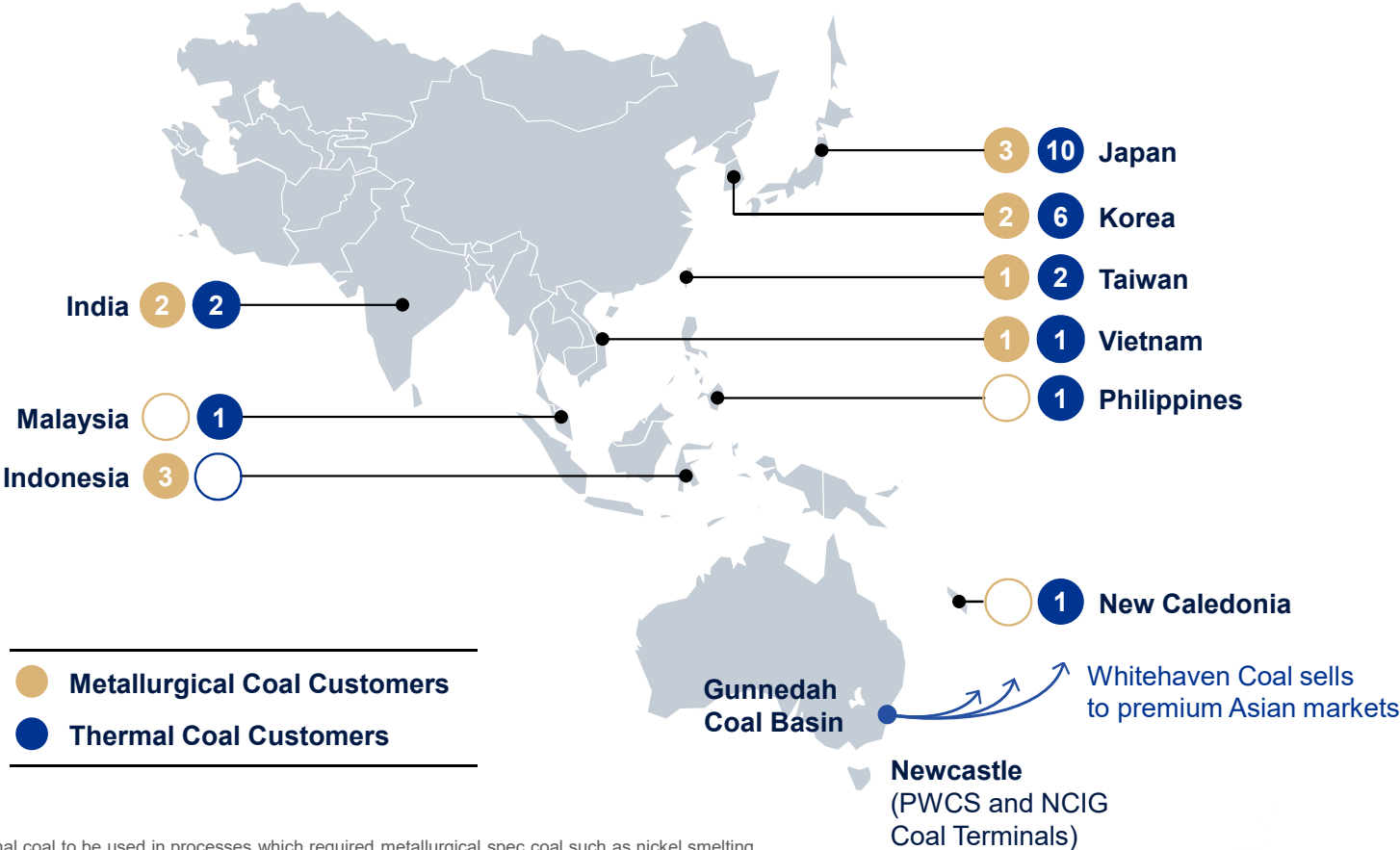
# Whitehaven's Market



# Whitehaven's customer base

## 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



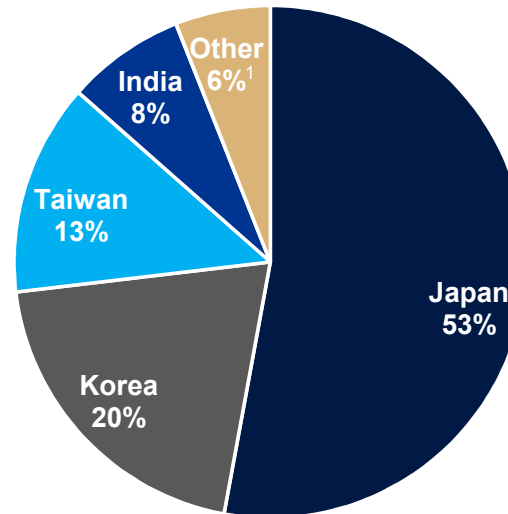
Note: Metallurgical coal customers includes customers who purchase thermal coal to be used in processes which required metallurgical spec coal such as nickel smelting

# Premium products delivered into premium markets

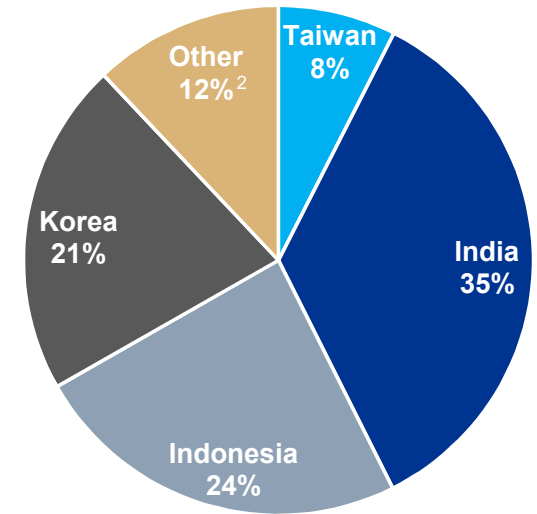
End users increasingly prefer high quality, high-CV thermal coal

- We produce and sell high quality coal products into premium **Asian markets**
- Managed coal sales, including purchased coal, were 8.6Mt

Sales to thermal coal customers 7.1Mt  
H1 FY22



Sales to metallurgical coal customers 1.4Mt  
H1 FY22

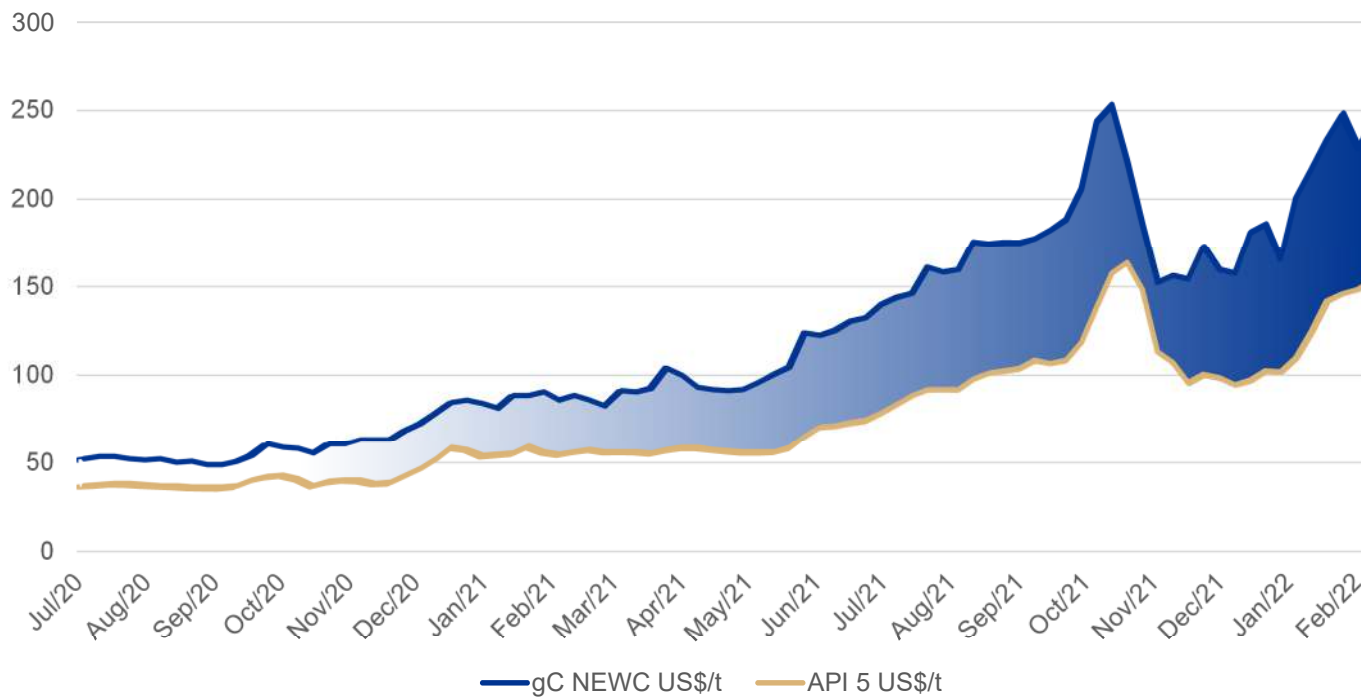


Note: classification of coal type based on use by end user

<sup>1</sup> Other thermal coal sales destinations include Indonesia, Malaysia, New Caledonia, Vietnam and Thailand

<sup>2</sup> Other metallurgical coal sales destinations include Japan and Vietnam

# Thermal coal prices (US\$/t)<sup>1</sup>



December 2021 rebound a combination of strong Asia based end user demand and production constraints due to wet weather and flooding in the Hunter Valley and Gunnedah Basin

<sup>1</sup> Average weekly price

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# Current coal market dynamics

## Record gC NEWC prices

- Coal prices well supported given strong underlying demand and persistent supply-side disruptions

## Demand factors

- Strong demand for all fuel types. Coal remains competitively priced
- Global energy scarcity
- Continental Europe gas supply shortages

## Impact of COVID

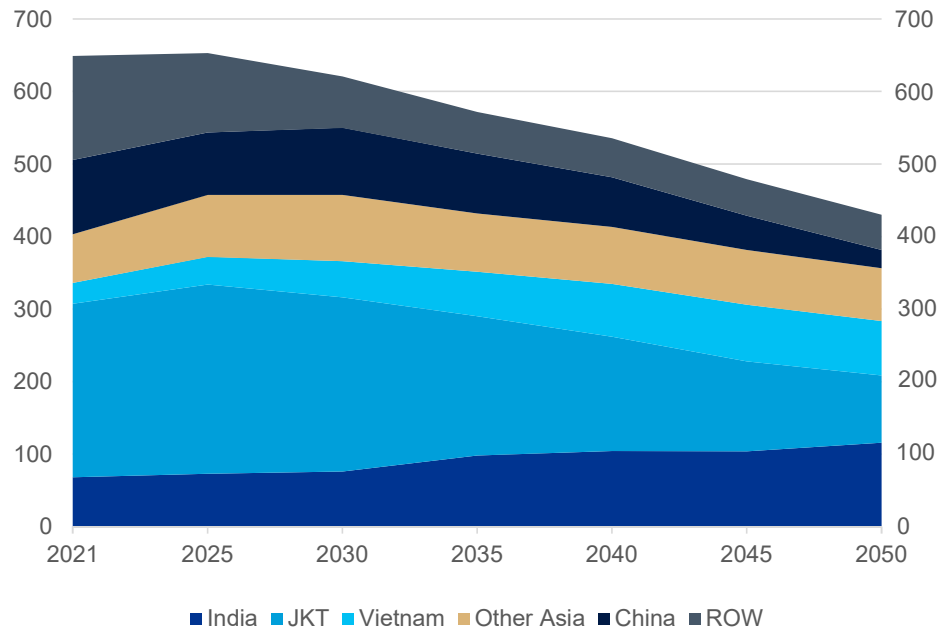
- COVID is adversely impacting labour availability as the Omicron wave runs through NSW and Queensland

## Impact of weather events

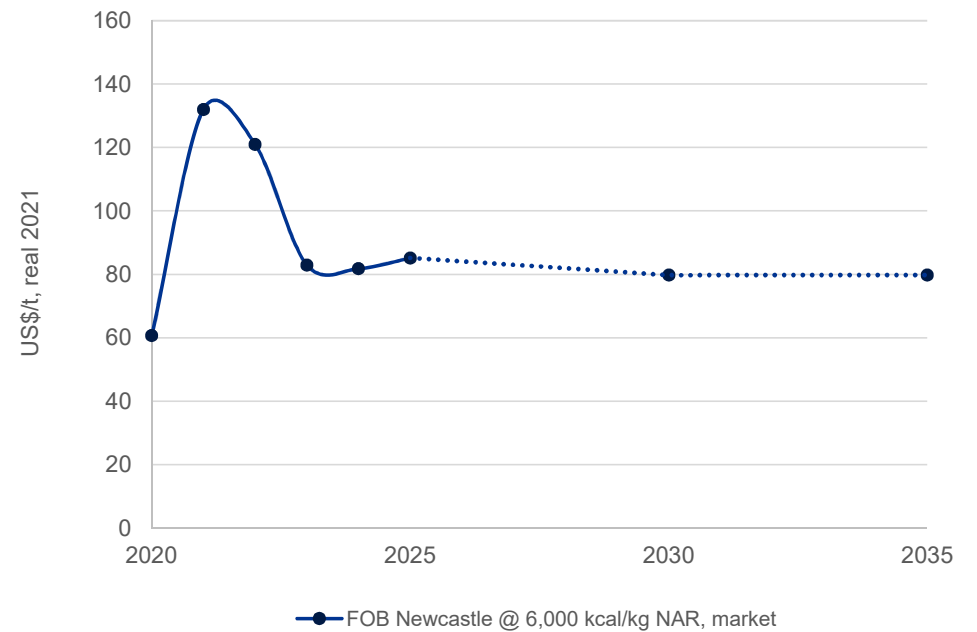
- Weather events across the NSW and QLD Coal Basins have impacted operational productivity and logistics for all coal producers

# Forecast seaborne thermal coal demand & pricing

## High-rank thermal coal seaborne imports by country (Mt)



## 6000 CV NEWC thermal coal price forecast FOB (US\$/t, real 2021)



Source: Wood Mackenzie December 2021; High rank coal is anthracite and bituminous, low rank is sub-bituminous and lignite



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# Whitehaven plays an important role in 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**



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



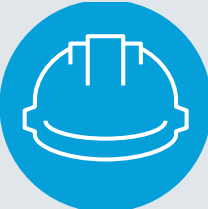
**Decreases the ash  
byproduct of the  
generation process**

# H1 FY22 Results



# Safety performance

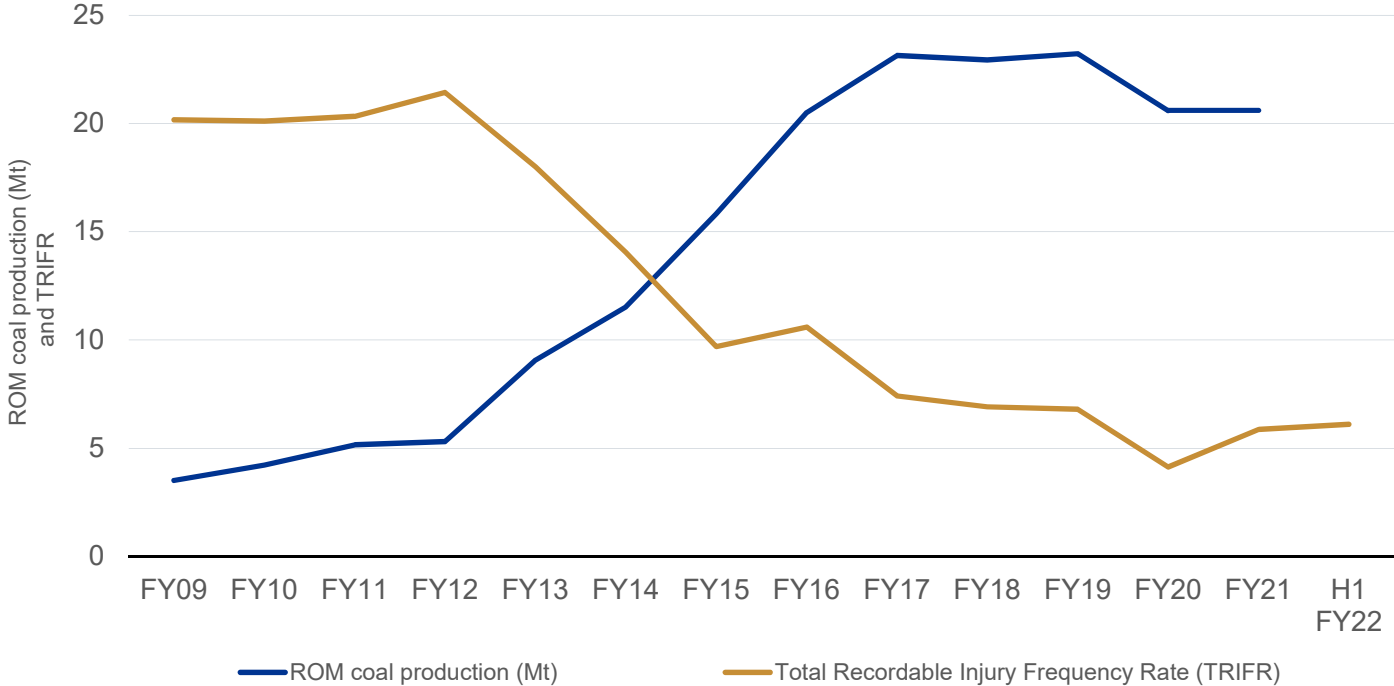
Safety is always a key focus for Whitehaven



Whitehaven recorded a TRIFR of

**6.1**

as at 31 December 2021\*



\* on a 12 month rolling basis

# H1 FY22 highlights – a record half



## Record half year earnings

Record achieved coal prices<sup>1</sup>

**A\$202/t**

Record Revenue

**\$1,443m**

Record EBITDA

**\$632.6m**

Record NPAT

**\$340.5m**

Record cash generated  
by operations

**\$567.4m**

Declared interim unfranked  
dividend

**8 cents**

To be paid

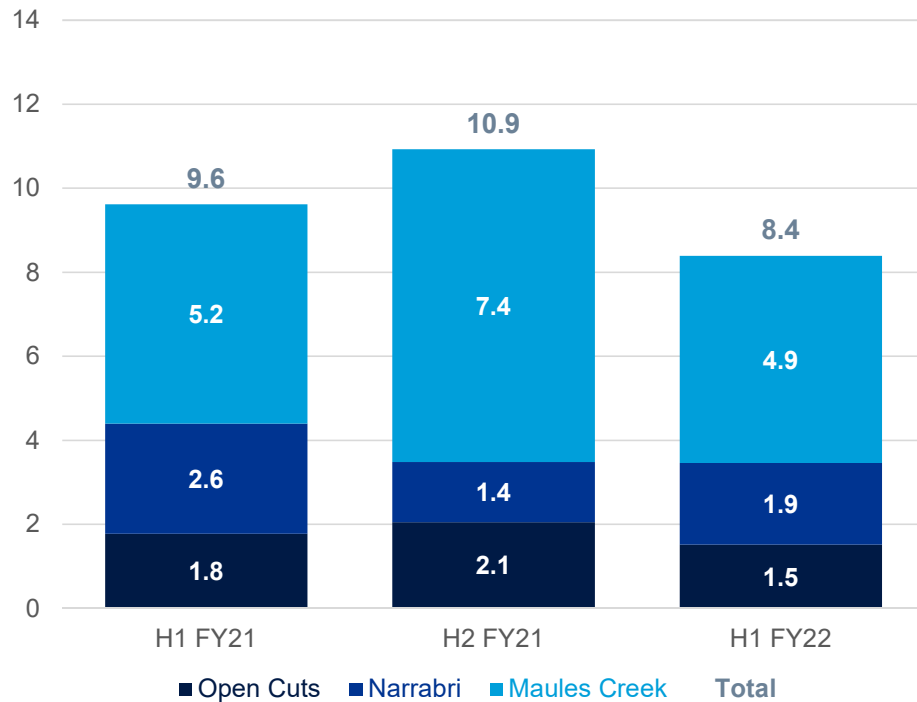
**11 March 2022**

On-market share buyback<sup>2</sup>

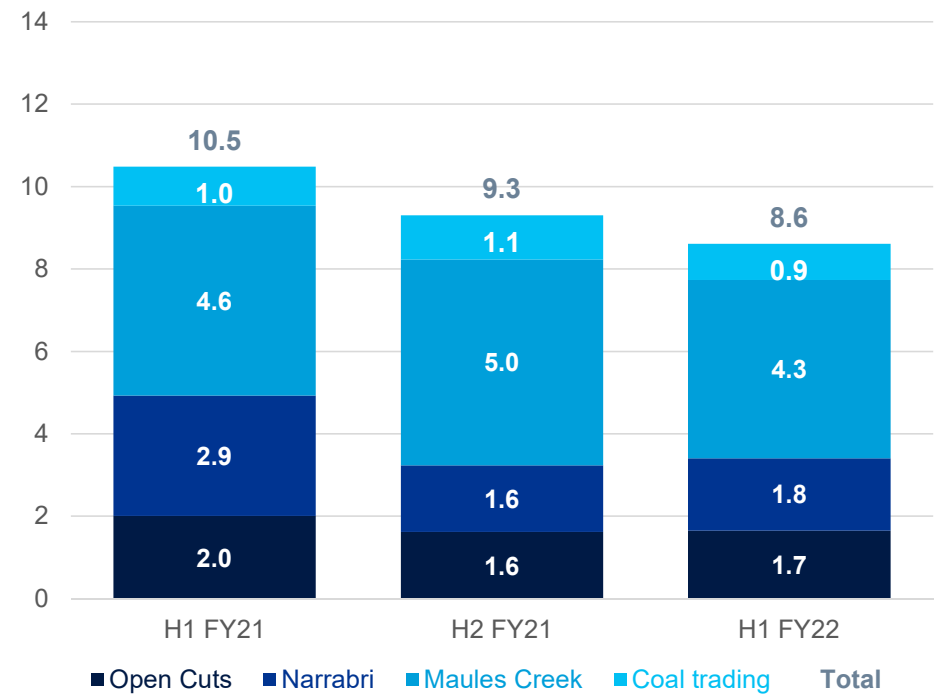
**up to \$400m**

# ROM coal production and sales

Whitehaven Managed ROM Coal Production (Mt)



Whitehaven Managed Coal Sales (Mt)

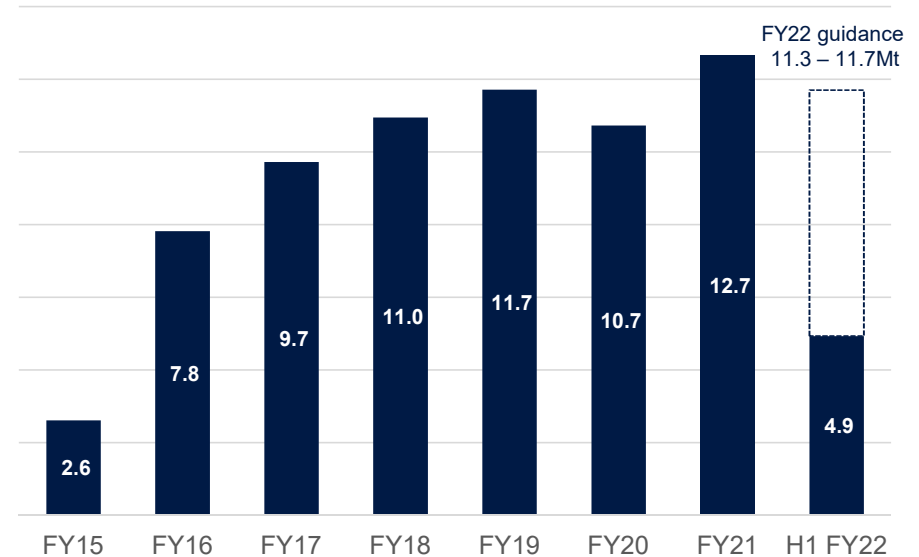


# Maules Creek

## Impacted by weather events

- H1 FY22 managed ROM production 4.9Mt, 5% below H1 FY21 of 5.2Mt
- Heavy rainfall at the end of 2021 resulted in road access to the mine cut for up to 2 weeks. Flooding is estimated to have caused approximately 0.6Mt – 0.7Mt of ROM production to be deferred

Managed ROM coal production (Mt)

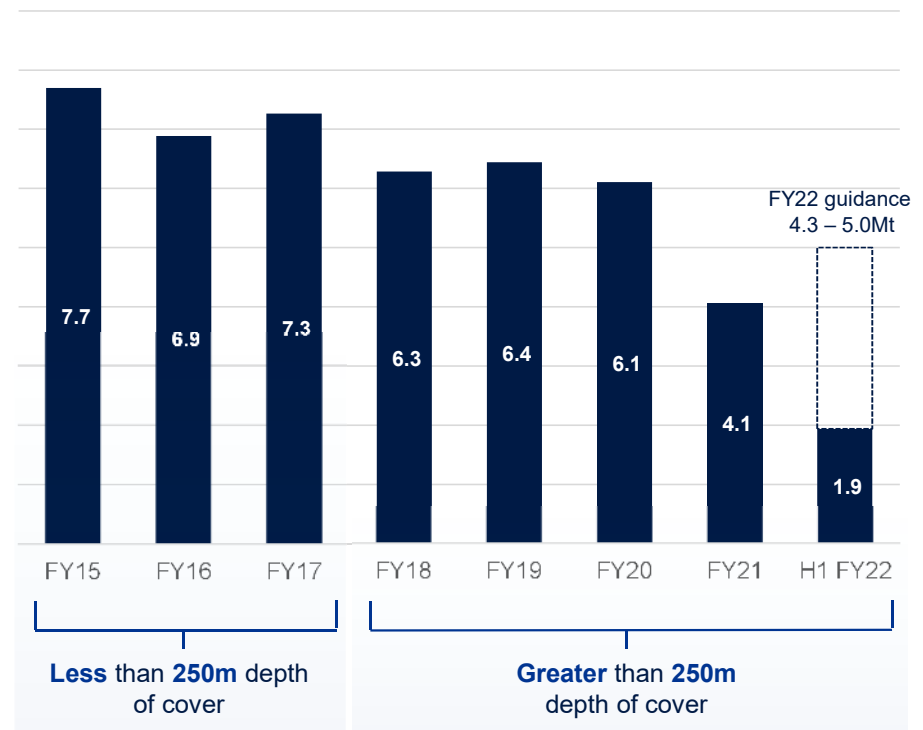


# Narrabri

## Scheduled longwall changeout

- H1 FY22 managed ROM production 1.9Mt, 26% below H1 FY21 of 2.6Mt due to the scheduled longwall relocation from panel 109 to 110 during December 2021

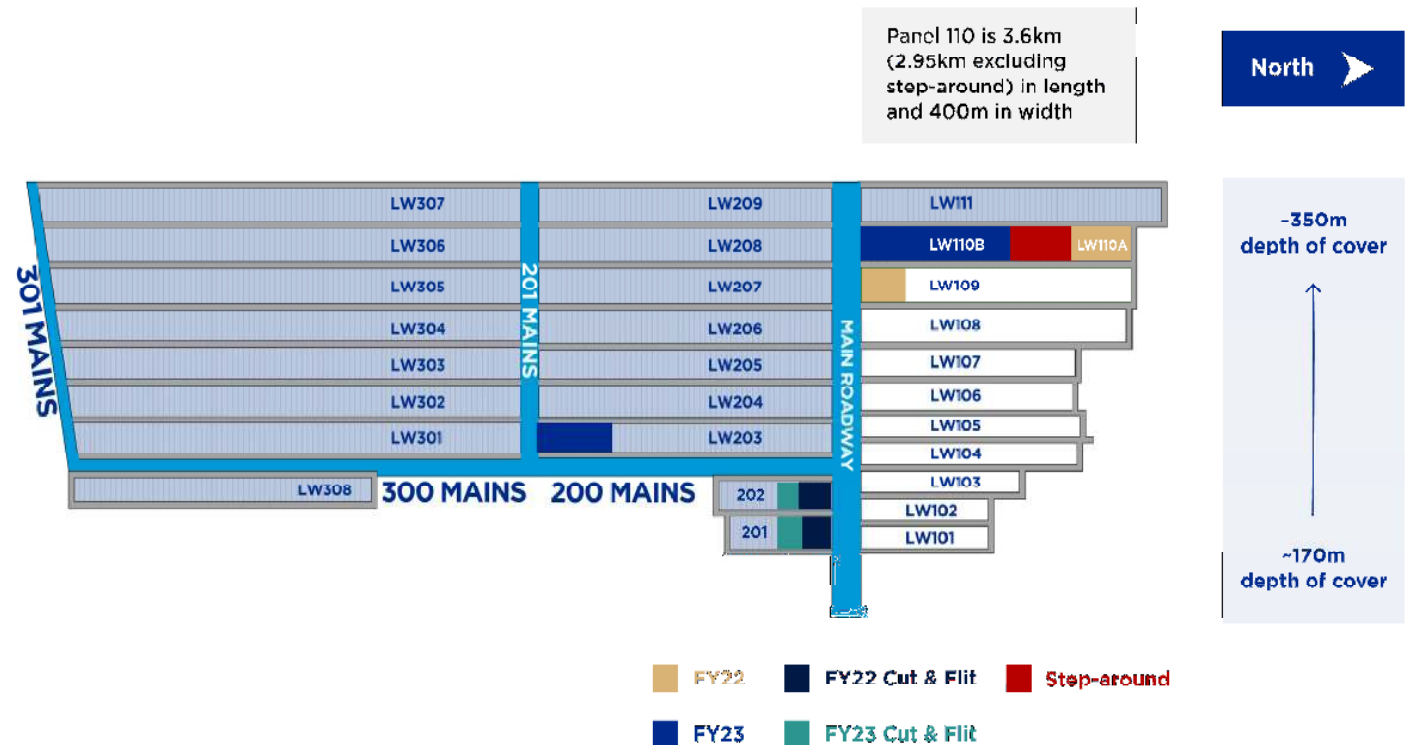
Managed ROM coal production (Mt)



# Narrabri

## Near term mine plan

- Cut and flit mining commenced on panels 201 and 202 in January
- The scheduled longwall step around from panel 110A to panel 110B will commence in June 2022
- The next longwall move from panel 110 to 203 is scheduled for H2 FY23. This will see the return to mining in shallower ground, and is expected to bring improved production and productivity and lower unit costs



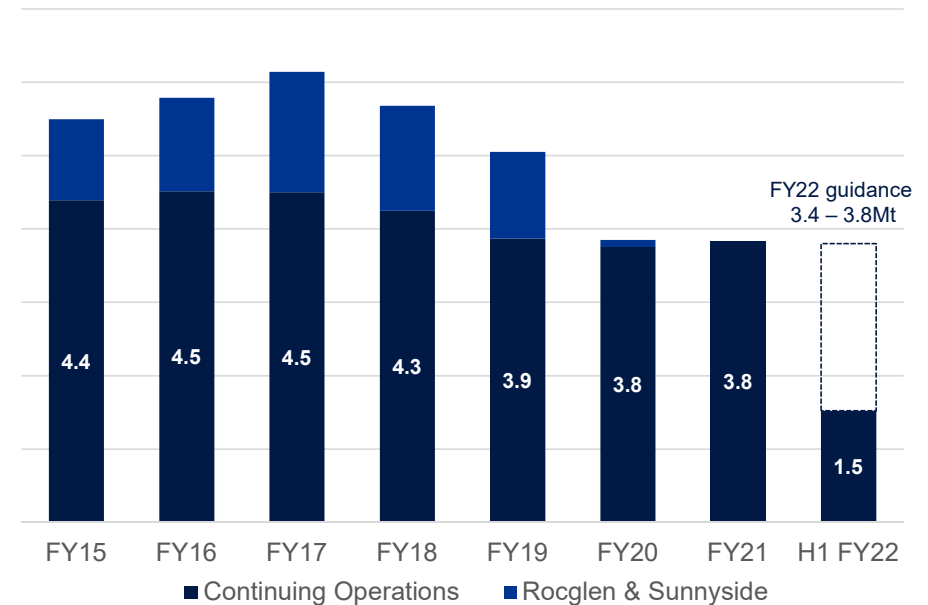


# Gunnedah open cuts

## Impacted by weather events

- H1 FY22 managed ROM production 1.5Mt, 14% below H1 FY21 of 1.8Mt
- Rain events at the end of 2021 restricted road access to Tarrawonga and between Tarrawonga and the coal handling and preparation plant (CHPP) in Gunnedah, decreasing the amount of coal being processed for sale

Managed ROM coal production (Mt)



Rocglen and Sunnyside have transitioned into rehabilitation in early FY20. Rehabilitation is on schedule at both sites.

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# Financial headlines

## Record earnings

<b>Profit and Loss (\$m)</b>	<b>H1 FY22</b>	<b>H1 FY21</b>	<b>Comment</b>
EBITDA	632.6	37.2	Refer to slide 20
Net profit/(loss) after tax	340.5	(94.5)	
Cash generated from operations	567.4	54.9	
Declared dividends (cps)	8	-	
Average achieved coal price (A\$/t) <sup>1</sup>	202	81	
Unit cost per tonne (\$/t)	83	70	Refer to slide 22

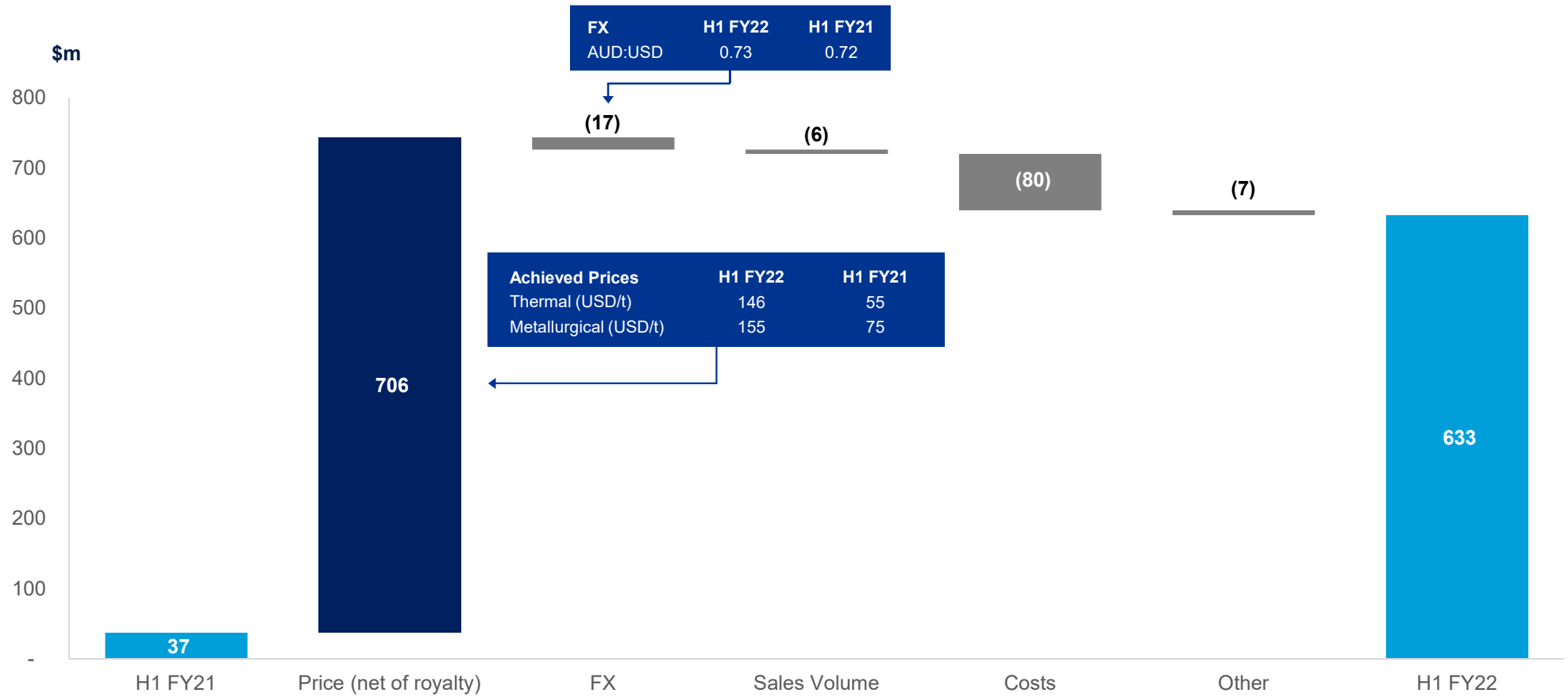
<b>Balance Sheet</b>	<b>31 Dec 2021</b>	<b>30 Jun 2021</b>	<b>Comment</b>
Net debt (\$m)	403.4	808.5	On track to be net cash in March 2022
Gearing (%)	12%	23%	

<sup>1</sup>Thermal and metallurgical all coal sales before applicable royalties

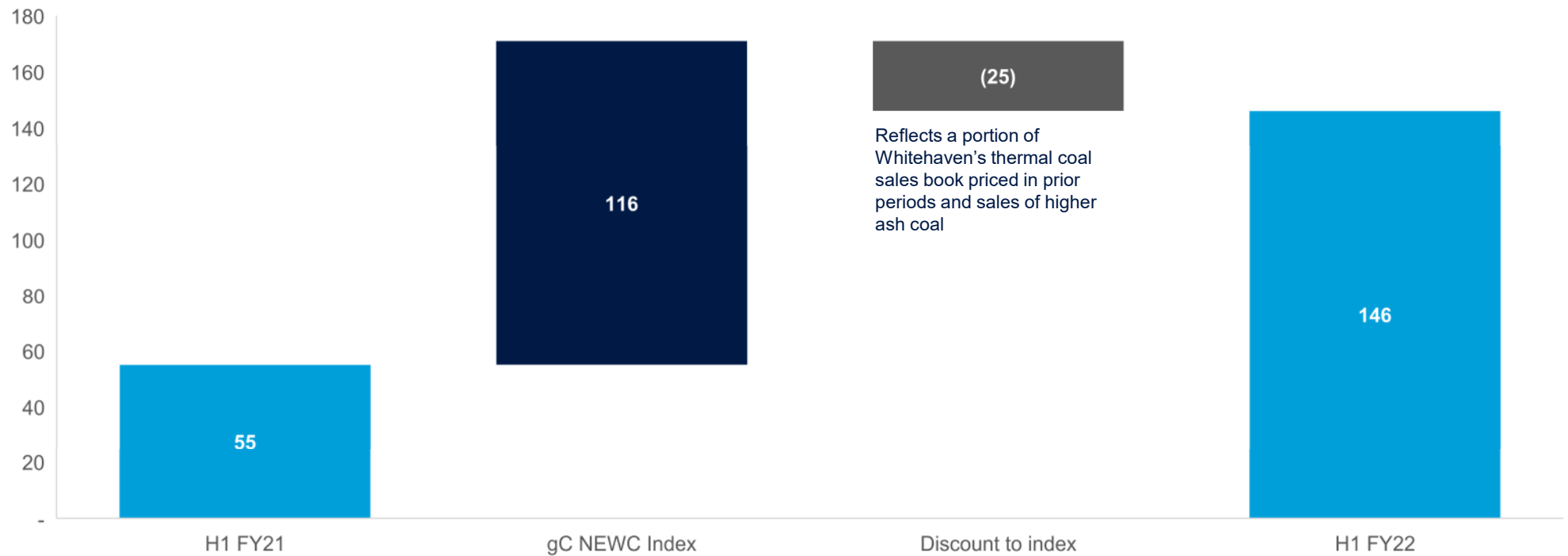
# Profit and Loss

Financial performance – A\$ millions	H1 FY22	H1 FY21
Revenue	1,443.0	699.3
Other income	1.5	1.6
Operating expenses	(321.8)	(362.9)
Coal purchases	(194.6)	(65.9)
Rail, Port, Marketing and Royalties	(271.3)	(209.4)
Admin and other expenses (including net FX gain/loss)	(24.2)	(25.5)
<b>EBITDA</b>	<b>632.6</b>	<b>37.2</b>
Depreciation & amortisation	(119.0)	(138.2)
Net Finance Expense	(28.0)	(30.5)
Income tax (expense)/benefit	(145.1)	37.0
<b>Net profit/(loss) after tax</b>	<b>340.5</b>	<b>(94.5)</b>
EBITDA Margin on sales of own coal (AUD\$ per tonne)	102	5
Earnings/(loss) per share (cents per share – basic)	34.1	(9.5)

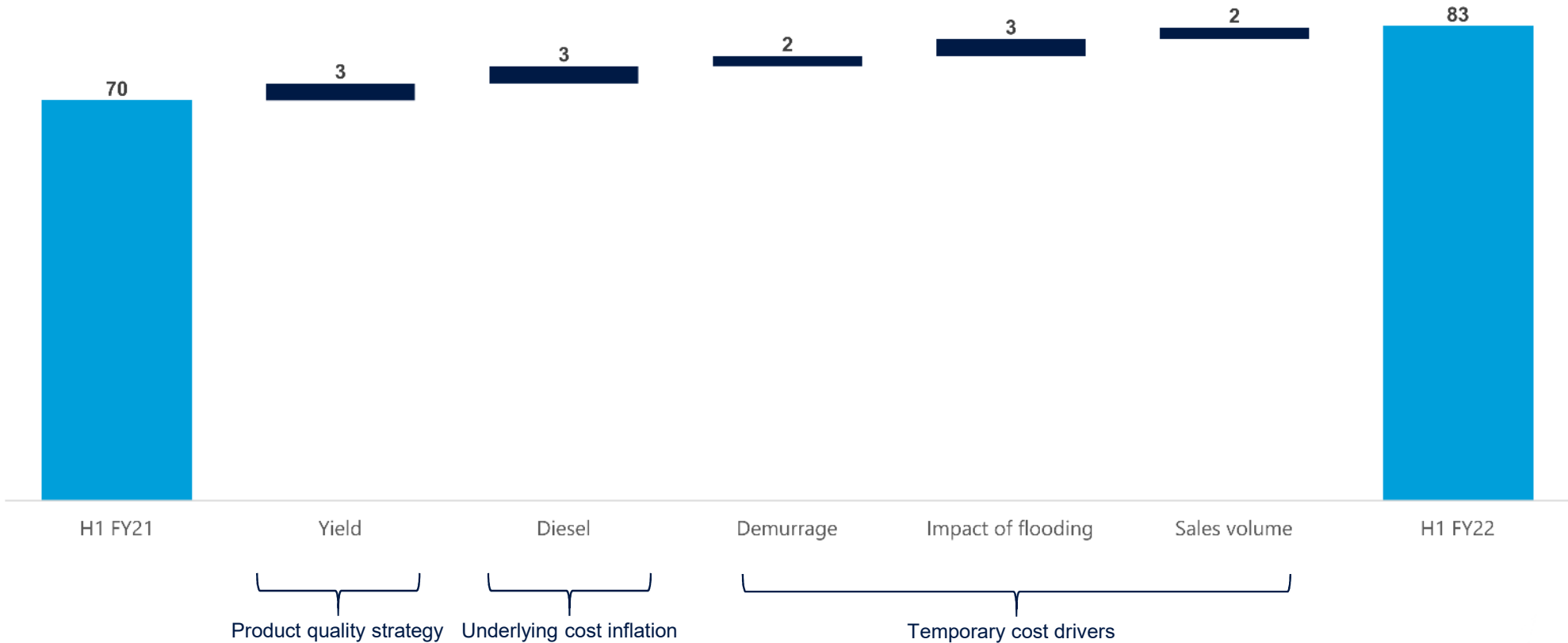
# EBITDA vs pcp



# Achieved thermal coal price (USD/t) vs pcp



# Unit costs \$A/t vs pcp



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# EBITDA margin

Driven by strong and enduring global demand for fuel

		H1 FY22	H1 FY21
Coal Sales (equity basis, excluding purchased coal)	Mt	6.3	7.8
Average revenue (excluding purchased coal & net of royalties)	\$A/t	185	75
Average cost of sales	\$A/t	83	70
<b>EBITDA Margin on own coal sales</b>	<b>\$A/t</b>	<b>102</b>	<b>5</b>
EBITDA Margin on own coal sales	%	55	7

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## D&A and net finance expense

	H1 FY22	H1 FY21	Drivers
<b>Depreciation &amp; amortisation</b>	<b>\$119.0</b>	<b>\$138.2</b>	<ul style="list-style-type: none"><li>• Reflects the impact of 30 June 2021 impairment and decrease in ROM production vs pcp</li></ul>
D&A per tonne (sales of own coal)	\$18.9/t	\$17.8/t	<ul style="list-style-type: none"><li>• Increase in per tonne due to fixed component over less tonnes</li></ul>
<b>Net finance expense</b>	<b>\$28.0m</b>	<b>\$30.5m</b>	<ul style="list-style-type: none"><li>• Commitment fees for undrawn facility</li></ul>
Average balance of drawn senior bank debt facility during the period	\$478m	\$619m	



# Net debt and liquidity

	31 Dec 2021 \$m	30 Jun 2021 \$m
Senior secured bank facility (drawn)	320.0	688.0
ECA <sup>1</sup>	52.9	58.0
Finance leases	154.2	173.9
Cash on hand	(106.8)	(95.2)
Capitalised upfront borrowing fees	(16.9)	(16.2)
<b>Net debt</b> excluding IFRS 16 lease liabilities	<b>403.4</b>	<b>808.5</b>
Equity	3,052.7	2,705.7
Gearing excluding IFRS 16 lease liabilities	12%	23%
Liquidity	786.8	407.2

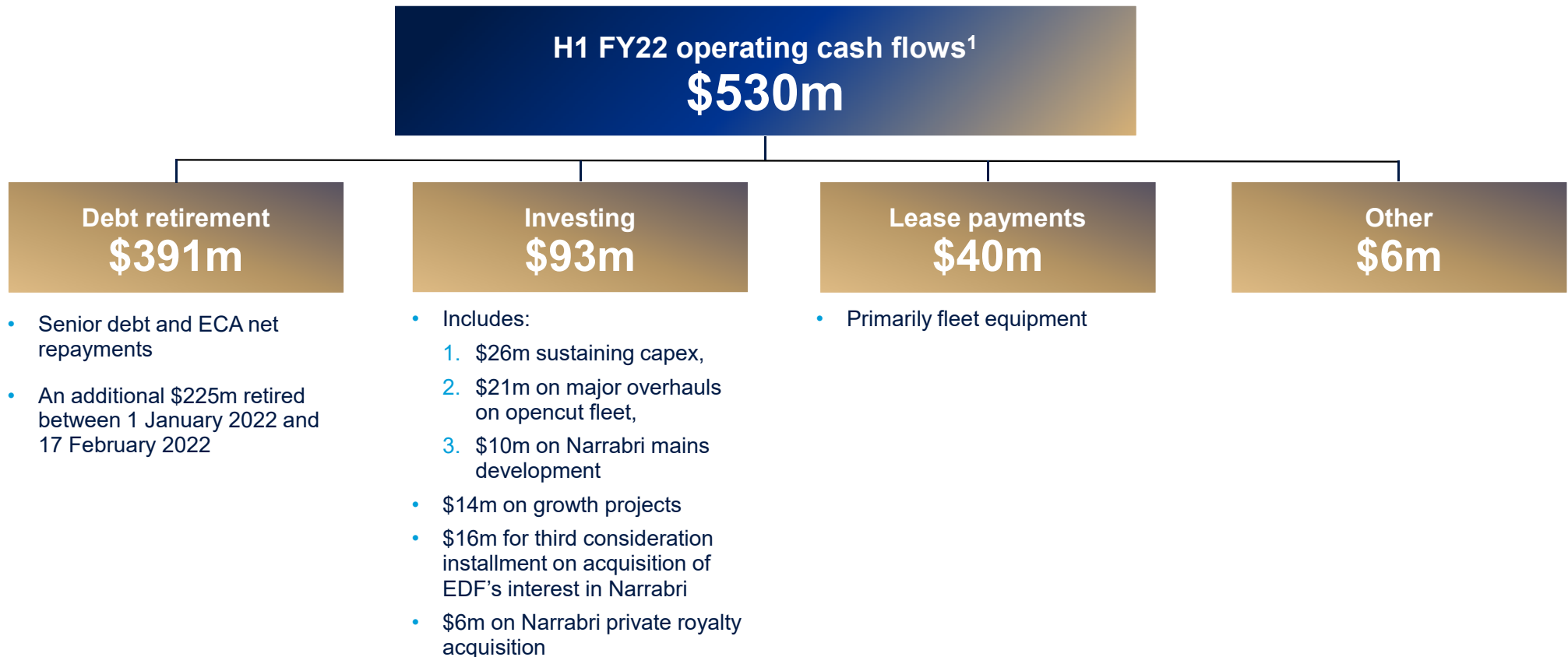
## Net debt outlook

- Subsequent to 31 December 2021 a further \$225m has been repaid on the senior secured bank facility
- Continued strong coal prices supporting a cash generative environment
- Expect to be in a net cash position in March 2022
- Continue a discipline approach to capex

<sup>1</sup> ECA facility – Export Credit Agency finance for equipment at Narrabri and Tarrawonga

# Free cash flow

During H1 FY22 the majority of free cash flow was used to retire debt



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# Capital allocation

## Maintaining a strong balance sheet and delivering value to shareholders

Whitehaven's capital allocation framework prioritises:

- Maintaining safe and reliable operations
- BB/Ba2 credit rating
- Returns to shareholders - ordinary dividend and/or share buyback programmes
- Establish and pursue options that create enduring value for shareholders

Our preferred funding mechanism for any future development project will be consistent with our commitment to a BB/Ba2 credit rating through the cycle that supports our strong balance sheet.

Capital will be either retained on the balance sheet, consistent with our commitment to a BB/Ba2 credit rating, or returned to shareholders in an efficient form, i.e. ordinary dividend and/or share buyback programmes. In aggregate our capital management initiatives are expected to be between 20% and 50% NPAT.

# FY22 Guidance



# FY22 guidance

No change since update to market on 21 January 2022

Key elements		FY21 actual	H1 FY22 actual	FY22 guidance issued	Comments
<b>Managed ROM Coal Production</b>	<b>Mt</b>	<b>20.6</b>	<b>8.4</b>	<b>19.0 – 20.5</b>	
Maules Creek	Mt	12.7	4.9	11.3 – 11.7	Weighted to the second half
Narrabri	Mt	4.1	1.9	4.3 – 5.0	Longwall change-out Q2 FY22 and mid-panel step-around of fault affected ground Q4 FY22
Gunnedah Open Cuts	Mt	3.8	1.5	3.4 – 3.8	
Managed Coal Sales	Mt	17.8	7.7	17.2 – 17.8	Excluding purchased coal
Cost of Coal <sup>1</sup>	A\$/t	74	83	79 – 84	
Total Capex	\$m	88	71	154 - 193	Refer to Appendices for details
Acquisition of EDF consideration	\$m	16	16	16	Third of five annual USD11m installments

<sup>1</sup> excluding royalties

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## FY22 focus

- Improving safety performance
- Delivering FY22 guidance
- Maximising profit margins
- Delivering value to shareholders
- Managing impacts of Omicron across the coal supply chain

# 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 (net of sundry revenues) and share based payment expenses.

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

	H1 FY22		FY21		H1 FY21		FY20	
	\$'000	\$/t	\$'000	\$/t	\$'000	\$/t	\$'000	\$/t
Operating expenses	321,839	\$51	700,433	\$49	362,905	\$47	695,621	\$49
Selling & distribution expenses	170,514	\$27	330,924	\$23	160,091	\$21	342,084	\$24
Administrative expenses (net of sundry revenues) <sup>1</sup>	23,212	\$4	32,134	\$2	17,690	\$2	28,198	\$2
Share based payment expenses	3,525	\$1	6,995		2,428		6,259	
Total cost of coal	519,090	\$83	1,070,486	\$74	543,114	\$70	1,072,162	\$75
Sales of own coal kt <sup>2</sup>	6,287		14,425		7,775		14,278	

<sup>1</sup> Administrative expenses are presented net of sundry revenues of \$1,036k (FY21: \$2,094k, H1 FY21: \$844k, FY20: \$1,612k) which appear in the 'Other income' line of the P&L.

<sup>2</sup> FY20 includes Rocgen's sales of produced coal of 77kt and excludes Sunnyside's sales of 232kt

# FY22 capital expenditure guidance

No changes

Key elements		FY21 actual	H1 FY22 actual	FY22 guidance issued	Comments
<b>Sustaining Capital</b>	\$m	61	47	95 - 115	\$30m - \$35m Fleet overhauls \$35m - \$40m sustaining /productivity \$10m - \$15m Water, environmental & biodiversity \$20m - \$25m Establishing mining precinct in Narrabri southern area
<b>Narrabri Southern Mains</b>	\$m	3	10	35 - 40	Development of 200 series mains
<b>Expansion &amp; Growth Capital</b>					
Operating Mine Projects	\$m	2	1	4 – 8	AHS
Growth Projects	\$m	22	13	20 – 30	Winchester South, Vickery & Narrabri Stage 3
<b>Total capex</b>	\$m	88	71	154 – 193	

# Growth opportunities and optionality

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

Assets	Approved Production <sup>1</sup>	LOM		
Brownfield	<b>Maules Creek</b>	13Mtpa ROM	>30 years	<ul style="list-style-type: none"> <li>Mine ramping up to 16Mtpa ROM with the roll out of AHS<sup>2</sup>, commencement of in-pit dumping and 16Mtpa modification application</li> </ul>
	<b>Narrabri Stage 3 Extension Project</b>	11Mtpa ROM	>20 years	<ul style="list-style-type: none"> <li>Extends mine life to 2045</li> </ul>
Greenfield	<b>Vickery Extension Project</b>	10Mtpa ROM	>20 years	<ul style="list-style-type: none"> <li>Open pit metallurgical and thermal coal production</li> <li>On site coal handling preparation plant</li> <li>Rail from site</li> </ul>
	<b>Winchester South Project</b>	Seeking ~ 15Mtpa ROM	>20 years	<ul style="list-style-type: none"> <li>Whitehaven's expansion into the Bowen Basin</li> <li>Open pit metallurgical and thermal coal production</li> </ul>

<sup>1</sup> 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/>

<sup>2</sup> AHS = Autonomous Haulage System for overburden movement