WHITEHAVEN COAL

WHITEHAVEN COAL FY23 “Financial Results”

INVESTOR CALL TRANSCRIPT

Date: Thursday 24 August 2023 Time: 09:30 am SYD time

Paul Flynn:

Thank you operator, and good morning everybody. Thanks everyone for taking the time to dial into our full year results for FY '23. As usual, I'm joined by Kevin Ball, our CFO, Ian Humphris, our EGM of operations and Kylie FitzGerald of course here, who's our head of investor relations.

I'm going to go through the presentation with Kevin as usual, and then we'll open up for Q&A then after. I know a lot of this information in terms of the physicals and so on has obviously come out through the process of quarterly releases so I won't dwell on that too much and we'll get through this. I know that everybody it's a jam packed day in terms of other companies releasing their data today as well so I know a number of you have places to be quickly after this call so we'll try and get through it relatively quickly.

I'm over to the highlights over on page three, and just caught up from the important changes in our business end and results that we've achieved. Safety is continuing an excellent trend here at 13% improvement on our TRIFR up to 4.7. And in this year we've had zero environmental enforcement actions, which is a fantastic result. Something we aspire to all the time, but it was nice to actually see that delivered. The market, as everybody know, has delivered very good pricing for us this year and the realised pricing at 445 Australian dollars per tonne is certainly a fantastic record result. Volumes for the year at 18.2, which you saw with Q4 release. The translation - volume times at a good price, obviously with our cost base, delivered a record EBITDA number of $4 billion and NPAT at $2.7 billion Australian, which is fantastic. It's left us in a very good position net cash wise. The balance sheet's in strong shape as many of you know at 2.65 billion at 30 June.

That's enabled the board to approve a final fully frank dividend at 42 cents per share, which is a very good result overall and that obviously is complementing the progression of our buyback during the course of the year where we spent nearly $950 million on the buyback during the course of FY '23. In aggregate, that adds up to a 52% total shareholder return for the year just passed, which puts us in the top 10 of the ASX 100. And of course we're paying our share of taxes and royalties. During the year, Kevin's surprised reacting when I say pay maybe more than our share he might think, but 1.65 billion in taxes and royalties during the year is quite a significant contribution to both state and federal coffers. So I'll move over to our markets and obviously for the Whitehaven watchers, this is no new news to any of you. There's our markets and our spread between met and thermal. It's no real change in our business there, but I've just called out a couple of little deviations as we've shifted weighting.

Obviously with sanctions and so on around the world on thermal coal from Russia or all coal from Russia, the thermal coal most pointedly has been taken up in the Korean market. So we sold less into the Korean market but we shifted a lot of that volume into the premium market of Taiwan. Which has been positive for us and because you're not only is that a very good reliable market Taiwan, but you actually get longer terms than you do with the Korean market. So we like moving that coal into that market and our footprint in Malaysia has expanded, also taking up 7% of our volumes. And this next slide really just speaks to Whitehaven as compared to other producing jurisdictions, so a company versus jurisdictions. I know that's an odd contrast, but it just goes to point out to you where we sit in the quality curve for our thermal product. And so this gives you the distribution if you like, between the lower levels of what people call high-CV coal versus the higher levels of high-CV coal, which is more like the product that Whitehaven produces.

So in FY '23, depending on how you cut this, 94% of our sales were actually thermal coal and in excess of them, in excess of 35% were in the 6,200 and above level. Now, I do note that other commentators classify high-CV in different ways and that's what we're just calling out here in this slide. Some are as low as 5,600, which we obviously don't classify that as high-CV. When you see us sell 5,600, we actually call that mid-CV just so you can reconcile the terminology that we've used in the past. And high-CV from our reckoning is the lower end of a GC Newc contract, so that's at the 5,850 level. So anything above that in our numbers normally is classified as a high-CV coal, but what you can tell from this is obviously Whitehaven's portfolio is all in the high-CV market defined by McCluskey and the greater proportion of it is actually in the high high-CV market than pretty much anybody else going around. So very good position for us to inhabit.

Over to the next slide. Just again, one of the reasons why our coal's in such good demand is just the relative merits of it as opposed to using other jurisdictions' coal. And what this slide really just tells you, it just says that you need 63% more coal. You can use Indonesian coal to produce the same energy outcome as taking coal from Maules Creek, and so that

just gives you a sliding scale across various jurisdictions and the relative efficiencies of it. You can see who our main competitors are if you like, in the high-CV end of the market and going from left to right across the extreme of the Indo sub-bit market, which is obviously the lowest ranked coal. And as said many times in our presentations to a lot of you, that coal generally isn't a competitor for our coal. Generally people blend it with ours. And so just as a cost saving measure because it's low ash nature, generally people will blend that with ours to bring the average cost of their feedstock down.

Over the next slide. Again, it's just a really nice reinforcement. It'd be wishful thinking to think we could build a new coal-fired power station in this country and get the benefit of this, but I just sort of highlighted it again just for the sake of everybody out there. If you look at the brown coal footprint of the Latrobe Valley and what that gives you from an emissions perspective and you compared it to the types of ultrasupercritical power stations that we are fueling in Japan, Korea, and Taiwan, then you get an enormous benefit from an emissions reduction perspective. So from those two extremes, that's a 42% difference across what are mass market solutions for large scale energy production. So that's why people enjoy the use of our coal and are willing to pay a premium for it.

Over across. Again, this is a footprint with various markets. It's useful just to actually draw the connection between what it is we do and what it gets used for. And so in the Japanese market here you can see that we're providing 41 minutes of the day electricity for Japan. In South Korea that's gone down to nine minutes because of what I mentioned there before, that they are taking more Russian coal and displacing Australian coal generally. Taiwan's gone the other way, it's gone up a little bit at 15.8 minutes. I'm sure nobody wants to have a blackout without Whitehaven coal for anywhere between 41 minutes to nine minutes. In fact, on average across the 200 million people that inhabit these three jurisdictions, it's on a weighted average basis it's about 30 minutes of the day that we're fueling. So an important role that we play that we don't want to lose sight of.

Now, to flick over, just in terms of the markets, obviously lots of focus on the outlook. We have seen coal prices moderate from the highs that we saw in the first half of the year through to the second half, and it's always useful just to reflect on the various commentators and advisors and price decks that are published here. And we thought we'd just line them up for everyone to see how people are projecting the demand as we look through the forecast period out to 2040.

So you can see here Wood Mac we've used often and we still continue to do that, but we've lined it up against AME and CRU and Commodity Insights to give you a bit of look as to how they see the market going. Absent Commodity Insights, you can see they're all trailing down in a way more or less consistent with the IEA in various scenarios that we measure ourselves against as far as the TCFD perspective goes. The outlier here quite interestingly, who in more recent years has been more right than wrong, is actually Commodity Insights, which I know a number of you also use. They're actually projecting growth through this period from a thermal coal perspective in the order of about 25%. So it's quite a big change relative to the others, and I think it's certainly reflective of what we've seen in the market in more recent times. Although we are talking obviously an out period here for another 17 years so things can vary as we know.

Flipping across to the next slide, now when you have a look at that in relative terms and you have a look at what's the demand growth and then what's the runoff in supply? And what this points to is a very high delta emerging over that same outlook period in the high-CV coal market in particular. So if your supply is growing and then the decline's coming off by almost exactly an equal amount, then there's about a 50% delta here in aggregate terms between what we think is the projected growth through 2040 versus what the supply available to satisfy those needs will be. So quite a big delta.

Now, this is not just the preserve of high-CV thermal coal, it does also play out in the hard coke market as well. So again, this is Commodity Insights data looking through the projected out to 2040, and then again, taking into account there is a runoff with existing production. Not as dramatic, I have to say that there is a runoff in existing production which leads to a delta projected out to 2040, so in 17 years time of about 74 million tonnes. So quite a big difference, not as big as the thermal market, but still a big difference and at the rate at which progress get approved these days or constructed, will be very difficult to see that, an extra 74 million tonnes coming on in annual production any time soon.

So just to summarise, a few of the factors that are impacting the company during the course of this year has been a little bit bumpy. The first half obviously heavily weather affected as everybody knows, so that's constrained us as a supplier, constrained our peers as suppliers also. So exports through the port have been low year-on-year as many of the operators deal with excess water in their pits which has caused lots of challenges and continues to do so for some players. But it's been regular pricing obviously, which has contributed to the fantastic results that we've had. We achieved the 1% over GC realisations for the full year, which is a very good result, and we have been battling though with a number of different constraints in the market.

And that is that labour has been quite challenging for us as we've discussed over the various quarters throughout the year, and of course, inflation is rife in our business well over what you hear as the stated inflation rate for the economy as a whole. I think everybody observes that the mining industry itself is experiencing inflation well in excess of what the national experience is and we'll speak to a little bit of that later on in our pack.

So going on to the results, I'll just deal with our safety first. As I said, safety has been a very good story for us with our trend in safety continuing to improve year-on-year at 13% and with no environmental non-compliances here, that's a really, really solid result and something obviously we should be very focused on replicating in this new year. Our

engagement with the community and our people continues to be very strong, and these stats I'm sure are very familiar to many of you and I'll just call out the material changes in here.

Our female representation in our workforce is actually jumping quite significantly actually, that's been quite a focus and so 17%. Now, that's certainly improving quite dramatically and you can see the comparable stats there, it was 15 last year and 12 the year before. So making good progress there. Our workforce engagement's actually recorded a really nice bump as well, and so that's very positive. So our people are more engaged despite the fact that it's a very tight labour market as we've repeatedly talked about. So it's beholden on us to make sure that we keep the people we have, let alone find the ones that we need to continue on our merry way. Obviously indigenous representation, our business has always been a high and very strong as has our devotion to spending our money locally with various businesses in our region. So that's from Tamworth to Narrabri and shares that $350 million across a host of local businesses.

Financial highlights, again, you've seen most of this so I won't dwell on it too much, but they're very good results. 445 Aussie per tonne has been a great result. NPAT at $2.7b is quite an extraordinary outcome off the back of 6 billion in revenues. $4.2b in terms of cash generated from our operations. Unit cost of $103/t. So you can see the manifestation of inflation in our business, and lower volumes for that matter as we commentated through the quarters, driving our costs up to some degree, but inflation quite significantly affecting that. And total shareholder returns during the course of the year, that 42 cents, fully frank dividends an excellent result, 1.6 billion in total returns to shareholders with the buyback and dividends together. That means that's the dividends paid during the year plus the actual shares in the buyback programme for a fact during the course of the year gives the aggregate number of $1.6b. And as I mentioned earlier, 52% total shareholder return, I think puts us number nine on the ASX 100, which is a pretty solid result.

The ROM waterfall, we thought we'd just break this out for you. You've seen this obviously across the quarters, but just categorised into the areas where we've had some differences from where we were in the previous year. Obviously the flooding, you can see the flooding effects on both the smaller and larger mines being called out there. We are heading into a dry period by all accounts, so that's generally good for mining. Although as I mentioned earlier, everybody has plenty of water and having only been through droughts in 2018, '19, we put a lot of drought proofing related infrastructure in our business anyway to withstand a drought or a dry period if that reemerges in the short to medium term. Had a very good first half of the year, that was actually really good, relatively unaffected by the issues associated with weather for our open-cut mines, but it did have a slower exit of 110B as we moved into that very extensive change out, which we'll talk about a little bit later.

Again, won't go too heavily into this because you've seen all the results for operations through Q4, but Maules Creek certainly weather affected. Q3 was flat and then Q4 was very solid bringing home the results for the year. Our guidance for the new year is 10.1 to 11.2 in the new year, in FY '24 and hopefully obviously no weather. Our labour is in a better position I'm sure, which will be a product to some Q&A at the end of this discussion. And there are some AHS constraints, which we've already spoken about in our last call, which we've factored into this as we transition by the end of this calendar year into full input dumping and the need obviously to keep our AHS project separate, segregated from our man fleet in the short to medium term.

Over to Narrabri. Again, we've spoken about this at some length already. I think the key here to call out is really guidance for the new year, six to 6.7 million tonnes for the year. As I say, the slower exit of 110B and we're now cutting away obviously in 203, which is very positive to be back on that side of the mine and so that'll be the total for our ROM guides for Narrabri for this year.

Now, just moving over, as I said, we're into 203. We've got our cut and fleet operation now complementing the volumes coming off of the longwall and I'm going to talk a little bit about this a little bit further because we've asked provide some more detail on just the capex associated with the 200 series panels where we currently are and at versus stage three, which is the 300 series panels. And I'll deal with that a little bit later.

Gunnedah open-cuts. The overall run of 3.4 million tonnes for the year from the two operations was 15% below the previous year, so that was obviously heavily weather affected. It is sadly for Werris Creek the mainstay of the provision of coal under the coal reservation policy, which was not very popular as you can imagine with us or any of the coal producers. And we'll see, that's got to go through until 30 June of this year and then obviously up for discussion as to what happens then after with that. But our guidance for the new year, 2.6 to 2.8 million tonnes for the Gunnedah open-cuts acknowledging that Werris Creek finishes up early in the new calendar year in this financial year.

Over to the operational performance. Now, our drive in this year is to improve the operational consistency and reliability of our business and Project Lift is our business improvement programme to focus on doing that. And really essentially we're just trying to make our business a little bit more consistent along the way and drive productivity benefits, particularly at a time when we're seeing significant inflation in our business. Cost outs in a period of inflation and resource constraints and labour constraints in particular is still quite challenging, so productivity we believe, is the key to moving the dial here.

We have put in place a range of labour initiatives to try and mitigate not just turnover, but to find the people we need for our expanding business, which is yielding good results in fact. On the basis that we keep a couple of fleets in AHS operation at Maules Creek for this year and that's the basis of our budget and our guidance for the new year. The two fleets remain in that form. We're close to fully manned there at Maules, which is a big improvement on where we've been

in the past. But Project Lift is definitely a focus, not just a year thing. This is actually year-on-year improvement for our BI team and looking forward to seeing results coming out of this over this year and the future.

I'll just flick over quickly to our early mining for Vickery, very exciting progress for us. Yesterday clearing of and removal and storage of topsoil started yesterday out on site, so that's actually very, very exciting, quite a milestone. As everybody knows, this is really just a small version to take advantage of the existing capacity down at our Gunnedah prep plant and our haulage capacity down to it and I'll take a pay obligation, so we're starting in here early. It's a low capex startup at a $150 million which will be spent entirely during this year, but nice to see that getting underway. And we should see the beginnings of coal at the end of this financial year, but we're in the process obviously, assembling a workforce with Werris coming off, we've got quite a few people over at Werris who want to come and work for Vickery. And generally I have to say, the community and employment interest coming out of Vickery was really quite positive. So not often you get to see a new mine start up, so quite a nice milestone for everybody to witness.

With that, I'll hand over to Kevin to deal with the financial results.

Kevin Ball:

Thanks very much, Paul. So we'll have a look at the five years of history. In here you can see really the two strong years in '23 and '22. Two years before that COVID affected in '21 and 2020, but really a record result for this year. Average coal price, $445 a tonne, $6.1 billion in revenue, EBITDA of $4b as Paul has said, an NPAT of $2.7b. After paying down our senior debt facility in FY '22, we've really been delivering returns to shareholders in the form of frank dividends and our buyback programme. We've decreased the shares on issue by about 19% since February 2022. And in addition to providing return to shareholders, we've also built cash on the balance sheet, which really does provide some balance in the share price. Over the coming slides, I'll take you through some headline numbers.

So onto the EBITDA margin, a 75% EBITDA margin compared with 72% the previous year. Two really strong years. Our average realisation was about $413/t after purchased coal, coal reservation, and royalties. Average costs were about $103/t. Now, that's a whole of company cost and we'll take you through that in a few slides to come, but there's some really good news in here in terms of we have delivered a premium to GC Newc, which we expect to do on a regular basis, a $310 per margin on 12.7 million tonnes of owned coal sales, so a really strong year. Let's turn the page and have a look at EBITDA.

Really the driver here was the increase in price, a billion dollar increase in EBITDA 430 from FX. Our strategy in the year continued. We really washed coal hard. We could see the premiums in the high-CV market and we were working hard to provide a product. It came with an increased cost and we'll talk about that in a little bit, but we were able to utilise those high quality wash coals to blend up coal, lower CV coal from Werris Creek and Narrabri into the high-CV market. Only 14% of sales being mid-CV in the year, which I think is pretty good, and 80% of sales volumes are above 5,850 in AR. The blending benefits from that washing strategy contributed about $270 million in EBITDA to the business, so you can understand why we do it.

Higher costs were $238 million on the bridge. Input driven, our diesel pricing was 36% higher, our explosives were 21% higher. Our OEM suppliers took the opportunity to negotiate increased prices and you'll see that through those guys, which would be the likes of Cat and Hitachi, our wages and salaries reflected the difficult labour markets that exist in the fierce competition for labour. And because our volume was down, that impacted the costs across the business.

FX, not really. FX did contribute and the dollar fell from 73 cents to 67. There was some impact in costs in that, but more than sucked up by the FX on pricing. And I'll take you through the cost bridge in a little while. Coming over to pricing, again, I'd leave you with the perspective that generally we expect to be trading at a premium to GC Newc over a year. In a stable pricing environment, we would expect that slight premium and you see that in fiscal years '19, '20 and '23 and then you see the impact in '21 and '22 of coal quality from Narrabri and that rising coal price in FY '22.

So moving to unit costs, which I think is where everyone's got some interest here. Our unit costs moved from $84/t to 103. We've seen some temporary cost drivers, the impact of flooding on the volume of coal that we produce and move and sell. And as previously indicated, the half year, the benefit of having high coal prices played a role in the rise of cost because our product quality strategy sees us washing more coal to produce a better quality product. Cost increases also reflect the underlying inflation. I talked about diesel costs, explosives, labour, OEM parts. So there's not much we can do about diesel, that just comes through. And I'd say to you that this year our procurement team spent a large proportion of their time dealing with demands for suppliers or from suppliers for increased costs. This is probably the first year I think where procurement hasn't actually returned to multiple of their own investment. So that tells you that there's pressure in the margin or in the market for costs.

The NCIG as we've talked about, the acceleration of the amortisation of debt from NCIG, because we expect coal prices to remain strong, we expect to see that cost continue for several more years. I'd say to you, you can calculate our unit costs off the face of the P&L. We're transparent. Have a look at the appendices in the presentation to see the calc and our unit cost as a whole of company unit cost, not a mine unit cost so you should bear that in mind.

Turn over the page to our investment flows or a total investing capital of $307 million. We spent about $240m in the business on development projects and operations. So 154 million in open-cuts, Narrabri sustaining capex, the Narrabri

200 series main development and the Narrabri 200 series precinct and small CHP upgrades. Some other spend including regulatory remains - a spend that continues to grow I think in coal these days and I don't expect to see that go away.

And you can see down on the acquisitions, and we've categorised those deferred payments for the acquisition of EDFs interest in Narrabri, a further deferred payment on the Narrabri by private royalty, internalising, again, our basin haulage business and some other investing spends, but 307 million in total there.

Turn over the page, I mean this is a page that warms the cockles of a CFO's heart. At the start of FY '23 we had a net cash balance of $1.04 billion. I'd say to you we delivered $3.6 billion of operating cash flows. So let me say that again, we delivered $3.6 billion of operating cash flows and at the end of June we had $2.7 billion of net cash on the balance sheet. We put $307m into the business, which I just talked about. We returned $1.6 billion in cash to shareholders in the form of dividends and share buybacks and there was another 70 odd million there in lease payments and some other things in there where we had to populate the employee share trust for water and coal. So that's the acquittal of the cash.

I guess some people will ask us what we're doing with the $2.65b. This is a pretty good story. We're going to give the government $889m. We paid them $52m in June and we'll pay them another $835 million in December. We've got a final dividend here of $337 million and that leaves us with about $1.4 billion on the balance sheet. A balance sheet that's in robust health would be the way I'd say it, and gives us plenty of optionality. Net cash and liquidity, I don't plan to spend too much time on this. Strong cash position. We completed the refinancing in June. We sourced the contingent credit support facilities, which is really guaranteed for environmental bonding, rehabilitation, biodiversity, port and rail. And we are going to retain some cash on the balance sheet for operating the business and for capital purposes.

So just to remind people of our capital allocation framework, I'd say this is not a tough piece of maths. We've got $2.7 billion in NPAT between dividends and share buybacks for the year we will have allocated 1.35 or 50% of that. So we do invest capital to maintain or optimise operations. We put some cash on the balance sheet which you've seen, but we are in the business of returning capital to shareholders and providing value to shareholders. So after all of that, if there are opportunities that make sense in the form of growing the business, either through the development projects we have, through additional returns to shareholders or M&A, that's where their decision comes down to. But it's all built around value and what's value for shareholders.

Turn the page. I think I can say we did return 20 to 50% of NPAT to shareholders through dividends and buybacks. And if you look down this page, we've done that in all but FY '21 where we had a COVID impacted year. So I think it's a pretty good answer. The payout ratio of 50% includes $609 million for dividends, which is a touch over the 20% that we've referred to and $724 million in share buybacks. So it's a good story. So Paul coming back to you.

Paul Flynn:

Thanks, Kevin.

I'll just move over to our outlook and talk about some of our guidance again, just to restate that

From the market outlook perspective, the market actually is quite interesting. If you look at thermal and also met, both prices actually look reasonably well-supported in what's otherwise relatively subdued times. From the thermal side of things, obviously the mad scramble for every molecule of energy last year and combined with a mild winter in the north did leave people overstocked for this period of the year. And so incremental buying has actually been relatively muted. But despite that, I think you've seen coal prices pretty steady at reasonable levels. And despite the turbulence you're seeing from a growth perspective, particularly in Asia and China with that discussion, Europe being quite flat, the met coal pricing also has actually been pretty good despite all that.

So the fundamentals we think for the outlook are actually pretty solid and those factors that we've seen before seem to be underpinning a pretty good year for us in this new year.

So over to our guidance, as I mentioned, I've gone through the mine by mine guidance, but I haven't touched on the sales. So managed coal sales, we're looking for 16 to 17.5 million tonnes. The equity number there at 12.7 to 13.9. Cost base, as I mentioned, we've got a range here, $103/t to 113. That is a decent range and we're just acknowledging the types of inflationary impacts that Kevin's outlined in some of the key ingredients to our business already. And then of course capex. Now, the capex is stepping up at $460m to $570m. That's quite a significant portion of it and I do want to spend a little bit of time just to work through this quickly for you.

The key thing that's easy to able to excise from that number is really just obviously Vickery. So you can take the 150 straight out of there because we've talked about that and that's easy to understand. But we do have a step up in capex associated with Narrabri. So as I mentioned earlier, we do get lots of questions on this, so we wanted to try and help you all out and understand a little bit more about Narrabri and what's going on there. So obviously, it is an underground mine so it does have higher sustaining capex than the open-cuts do and it is capex hungry because a lot of the work goes in before you actually cut any coal. And so as everybody knows, the operating costs, actually the act of cutting the coal is actually quite minor and the rest of the cost to produce is actually amortisation of costs incurred early before that or in fact in previous periods, whether it be for development mains and so on.

So I will just scroll forward just over to a slide just to remind everyone. Yep, this slide. Thank you very much. Just to remind everybody what's going on here. We've obviously finished those panels at the 100 series panels on the right-hand side of this slide. Now we're now into 203, the start of the 200 precinct, but there's still a lot of work there to establish the full 200 precinct. And then stage three, as everybody has heard us talk about for a long time now, is really the 300 series panels. And so there's lots of work here and I just really wanted to remind everybody about some of the important features of this transition, if you like, from right to left on this picture. We have got a thinning seam as we progress to the left. Our longwall that we've had since the beginning of the mine won't see out the full life of this asset. It now goes to 2044. So as we've always said, we will need to put an order in for a new longwall and it will need to be reflective of slightly thinning seam as you go to the south or to the left as it's depicted on this picture. And so acknowledging that, there's an opportunity for us to perhaps order that a little earlier, which is what we said we would like to do.

And then we would have two longwalls not operating concurrently, but operating in sequence. So we'd have a walk-on, walk-off arrangement between a panel in the 200s and a panel in the 300s. So that does necessitate capex being spent earlier in order to facilitate that, but obviously you gain continuous production over the period that you're able to operate sequentially those two longwalls. So that's just to remind you of the context of that. I will go back a slide now and just focus and give you some numbers here to work with on Narrabri. So the 200 series panels themselves, the capex spend for that over the '24 to '26 year period, FY '24 to FY '26, I should just be clear on that, is 250 to $300 million and that includes $145 million for mains. Last year we spent 34 million of that. Sorry, in '22. And then last year we spent 77 million of this total 250 to 300, so everybody understands what the bucket for the 200 precinct looks like.

Now, as I mentioned, we do need to set up the 300 series panels as well so that we can actually walk on, walk off once we've got two longwalls. And so there's a bunch of capital that needs to be spent on that as well and we are dragging a little bit of that forward obviously to buy a new longwall and then also set up the precinct to be able to operate within. And the capex for that is around the 800 to 850. Now, that includes a new longwall and our recent estimates for this, if you need any more evidence of inflation, recent estimates for this is between 300 to $350 million for a new longwall. Now, originally when we talked about this concept, the numbers were less than half of that and so it's quite an extraordinary change that that's brought about due to inflation. And also, there are less of these things being produced and so I suspect there's a little bit of strategic pricing being delivered there from the very few people now who actually make this type of equipment.

So we've had a relatively modest amount spent obviously at FY '23 and the balance of that capital, as you can see, we're projecting out over ‘25 to ‘29. This is an important piece of the puzzle. I know there's a lot of data in here so I'm not going to go straight through it all now, but I just wanted to give you a sense and give you some more information so you're able to work your way through what the step up in capex is for in this new year. So obviously Vickery as I say, 150 plus obviously Narrabri taking a big chunk of that also in our guidance for 460 to 570 million in these next 12 months. The balances, as you can see there, there are overhauls and normal things that apply to our open-cut operations. There's biodiversity offsets, there's a bit of housing investment, of course. We're trying to make it more attractive for people to move out to our region, so we are investing in housing and issues. We've got some money in there for emissions reduction studies and so on. Say a bit of land, we've got to purchase as well.

So I'm sure there'll be some questions out of this which come, but we're better to start off with a bit of information for you so you can actually use this for your projections going out now that we are definitely moving hopefully to the closing stages, the approvals process at the EPBC level for Narrabri now going out to 2044. Right. Now, if I could just wrap up and we can get onto the Q&A. Our focus for the year remains relatively consistent with where we've been the past. Safety and environmental management, obviously that has to be front of mind and our first cab off the rank of course. We've been doing well, want to continue to do well. Environmental performance outstanding this year. The challenge is to maintain that this new year and to keep the trend on our safety performance going. Operational reliability and consistency. That is something we're absolutely dedicated to improving in this year and that will be the key to delivering FY '24 guidance.

As I say, Project Lift is very much something we're dedicated to and we want to see some really good results out of that quarter on quarter to just turn this into a bit more of a boring and reliable pathway through the course of the year. Cost management in this time and productivity with that has to be a focus. So you'll see plenty of effort invested in that. The safeguard mechanism, I think we have to respond to that in both we'll obviously pay whatever's necessary as a result of that. We have got a dollar per tonne included in our cost guidance there for that just so everybody knows, but there's also an issue there to look at the various means by which we can actually mitigate some of our emissions, particularly from Narrabri because the underground mines across the industry are going to pay a heavier burden here than the open-cuts as we've talked about before.

Early mining in Vickery, obviously fantastic to see that start yesterday and we're pushing ahead with that, and of course we think there's a good year ahead of us here price-wise as well. The market looks pretty well-supported and prices are starting to rise as we see it moving back into periods approaching the northern winter again, and constraints across the whole energy complex are going to see prices continue to improve. So with that comes the responsibility of course to manage our capital prudently and so we'll definitely be doing that. And the share buyback is temporarily paused as we've

noted in our announcements already this morning while we're considering application of that capital in the light of growth opportunities that have presented themselves.

So with that, I might bring the presentation to a close. And Lisa, we might move into the Q&A session given I know that we've got maybe 20 minutes there and people have got a hard stop, they've told us, at 10:30.

Question and answers:

Lisa (operator):

Sure. Thanks Paul.

Paul Flynn:

Sorry, and Lisa, can I just ask everybody once you've got the mic, let's not rattle off three or four questions. That's not really fair to everybody else on the call. So can I ask you all... We'll get to you all at some point whether it be today in this call but later today, but one to two questions please just to make sure everyone gets a go.

Lisa (operator):

Sure. Thanks, Paul. We do have questions. So our first question is from Rahul Anand from Morgan Stanley. Go ahead, please.

Rahul Anand:

Thank you. Thank you. Morning team. Look, I perhaps for my first question, just wanted to touch upon Maules Creek into next year. Just noting that the production there was somewhat weaker versus our forecast and also as far as I can see in terms of consensus. So Paul, perhaps if you can provide a bit of colour, is this being driven by those automation trials again into next year? And when do you think we start getting close to that nameplate run rate for the mine? How long is this going to take? That's my first one and I promise I'll only ask a second. Thanks.

Paul Flynn:

Okay, thanks Rahul. Yeah, look, you're bang on with that. It's unfortunate. It's unfortunate because we're transitioning into the pit... That's not unfortunate that's a good thing in pit dumping, but because we have the need to keep the AHS fleet separate, inside the pit is more challenging than it is when you have out of pit dumping opportunities. So there is a productivity constraint and a cost, if you like, a penalty that comes from continuing this project. We feel that we've only got about 12 months more that we can manage to keep these things separate, and so the pressure's on obviously us and Hitachi obviously to push this thing into commercialisation. We are seeing positive signs of integrating manned and unmanned equipment, and so we've got two fleets running now.

We have got integration of some manned equipment in that space, so that is giving us the encouragement that this penalty in this year is worth taking, but it is necessary if we want to continue what we hope is the last leg of this project to commercialisation. About 40% of our trucks, our big ultra class trucks are actually operating in autonomous mode. We'd obviously like to push that forward, but there is a penalty that we are consciously taking to give them another 12 months' time to commercialise the product.

Rahul Anand:

Okay, so it sounds like '25 could be the year where you've got not just nameplate based on manned hours, but you've got a large portion of your trucks already in automation, it sounds like.

Paul Flynn:

Yeah. Look, '25 would be a year we're either on, we're fully on it or we're not because there's only so much runway here as I was saying before. And so it's just this congestion down roads where you're forcing more of the manned equipment on certain roads because you're having to keep away from the autonomous zone, and then the related implications in dumping areas as well. That's the challenge. So we're saying 12 months' time from now is the limit of time we have. If we can't get it up and running by then, we're obviously going to be looking at a different type of conversation.

Rahul Anand:

Understood, okay. And my final question just around the Narrabri capex, just one clarification to understand the inflation side of things. Just wanted to check in and see if there's any change to scope. Is there's any further development that

you're doing upfront as part of that capex spend to make sure that you're operating and sustaining costs remain lower perhaps to help you through the cycle as it changes?

Paul Flynn:

Yeah. Look, no change in scope, no change in scope there at all Rahul. It is the same as we've outlined before. Walk on, walk off, there's no doubt there are some opportunities for optimisation that we're studying in just in terms of which panels we get into and how that plays out and what direction even that you might mine some of those, but that's further consideration. But this is a pretty solid and steady plan for this project now. The inflation is obviously manifesting itself in the capex cost here. None of us like that at all of course, but as everybody knows, there's lots of heavy lifting that goes into setting up an area for underground mining and whether it be belts and shafts and things and ventilation and things that are required. It is significant and we thought it better to just put this on the table because people can see it spread across not just the 200 domain that we're in now and opening up, but also where it will go with stage three.

Rahul Anand:

Understood. Okay. That's all from me. Thank you.

Lisa (operator):

Thank you. Our next question is from Chen Jiang from Bank of America. Go ahead please, Chen.

Chen Jiang:

Good morning, Paul and Kevin. Thank you for taking my questions. Two questions I promise. So firstly, on your valuation metrics regarding inorganic opportunities, I'm just wondering beyond IRR and multiples, what else gets factored into your decision making? If you could also remind us your target gearing or leverage if any. Thank you.

Paul Flynn:

Look Chen, that's an interesting one. The thing I'll say to you is that we're very conscious of the valuation of the business and have been very conscious of that obviously for some time. We feel we're undervalued and hence the buyback has been a very good thing for us to be doing and broadly supported by shareholders. So the inorganic avenue that you're going down, all I would say is that from a metrics perspective if you are not guided by how you are currently valued in consideration of anything inorganic, you are not doing your job properly. So we are definitely focused on that, and that's probably about the limit of where we can go with that discussion. So that will be our guiding principle. So everyone should be assured that we're very much front of mind for us and not planning on doing anything that's a deviation from those important parameters.

Kevin Ball:

And I think you'd have to go back a couple of years to look at the leverage metrics Chen, but I thought the leverage metrics were half a turn of EBITDA on through the cycle basis and stretching that were we to step out and do something a little bit more. Probably no more than one and a half turns for short periods, but I think that's a recollection from like a 2020 document.

Chen Jiang:

Sure, sure. I understand Paul and Kevin. Maybe another question or last question on the potential increase in New South Wales royalty. I understand why Kevin is part of the coal groups, the government is in consultation for the royalty increase. Are you still able to provide any colour in the discussion given the budget is in September next month? Thank you.

Paul Flynn:

Yeah, thanks Chen. Yeah, look, we like everybody else obviously very keenly interested in what the government is wanting to achieve here. There's nothing we can tell right now, all I can say is I can certainly say that the experience of engaging with the government ahead of any potential change is positive. That's nice that they actually want to engage with us as opposed to the experience in Queensland, but there's a little bit of runway here before there's an outcome. My sense of it is we're not anything on the scale of what we've obviously seen to the north, so I would put that out there as being less dramatic in that sense from what I understand of it. So there's a little bit of work to do as you say. September, I think the budget is out so they'll want to put something in there that gives them a steer for the outer years.

There's obviously no change to royalties in this year and no change to royalties whilst the coal reservation policy remains on foot. And so if that gets rolled over next year, there'll be no changes to royalties either, but that's part of the discussion at the moment.

Chen Jiang:

Sure, I understand, Paul. Thank you very much. I'll pass it on.

Paul Flynn:

Thanks Chen.

Lisa (operator):

Thank you. Our next question is from Paul Young at Goldman Sachs. Go ahead please, Paul.

Paul Young:

Yeah. Morning Paul and Kevin. Kevin, maybe a question for you on slide 35, just your point number four on the capital allocation framework and the use of surplus capital and how you make those decisions. I mean, I guess, that one thing at the moment it's pretty hard for I think you guys to make decisions at the moment. Lots of moving parts around the labour piece, capex inflation with Narrabri doubling and I can't say how that's a good read-through for Vickery at the moment. And then obviously the New South Wales coal royalty backdrop and opportunities also up north. So maybe a bit further along the lines of how do you assess these opportunities? I mean, you've given a bit of colour on you think the company's undervalued, so that sort of answers the buyback question to a certain extent.

But when you're looking at opportunities with the backdrop of potentially changing fiscal regimes, et cetera, how do you assess what is the best path forward or opportunity to invest in? Is it payback? Is it IRR? I mean, I'm just interested in you're at the stage gates, at the point now you've got a lot of decisions at the stage gate point. How do you make these decisions?

Kevin Ball:

Yeah, Youngy, very carefully I think is the answer I'd give you. And all of those things that you say are things that we take into account. I mean, if you remember when the discussion started with Vickery and started with Narrabri Stage 3 and started with Winchester South, we're working our way through those things. We want to get a lot of comfort around cost, which is why we've put this paper out now on Narrabri Stage 3. We've got a view on where the capex is likely to be for Vickery, and we're likely to want to firm that up. I think your question, I'd say to you on the inorganic side of it, the business we've been in most processes over the last eight or nine years, but it's really been about a value consideration against the business and against where the business wants to go. So to my mind, internally we're trying to work out what's the best use of value and you should think about value as being the thing that drives us in the way in which we think our way through these things.

Youngy, I know that's probably a generic answer, but I'm expecting people to expect that we're going to be sensible in whatever we do.

Paul Young:

Yeah, thanks Kevin. You're basically saying it's NPV driven and of course that is therefore driven by longterm coal price assumptions and costs. So that's all fine. The next question then is sort of part B and that's on slide 51, just looking at Vickery versus Winchester South. And it looks like Winchester South actually somewhat caught up to Vickery on the decision-making process. If you look at the timeline or Gantt Chart, what you've put out there, and I think Winchester South has obvious synergies with one asset up for sale next door. So I'm just curious around that decision it looks like, is that the case that Winchester South has caught up to Vickery potentially because permitting within the coordinator general house at the moment? And then second part of that is actually on pool capacity. Paul, do you actually have available port capacity on Winchester South?

Paul Flynn:

Yep, two elements there. I wouldn't say Winchester South has caught up to Vickery. No, I wouldn't have said that. You're right that we're in the closing stages of the coordinator general process, and so having deemed our EIS to be adequate the onus is now on them to pull together their evaluation report and we are expecting that conclusion in the next couple of months. So that will be great. But as you know up in Queensland, the same thing happens there as has been happening in New South Wales for a long time now that you find yourself bound up in legal shenanigans. And so we're

allocating a year for that. And so that has always been the case so that's not new. In fact, Winchester South got delayed by the fact that we had to go through a second round of exhibition, and therefore further answering of submissions and so on. It was just two people, two opportunities and they were throwing rocks and it was pretty annoying, but then you go through the land & environment court type wrangling that goes on as a result of that and of course the EPBC overlay needs to get solved as well.

Now, Winchester South is part of that EPBC log jam at the federal level, which Narrabri Stage 3 is also in, but Narrabri Stage 3 is in the early hearing in September next month. So we're expecting to be able to make our way through that in due course. But look, it hasn't caught up to Vickery I'm afraid not, so that's a bit annoying but the opportunity obviously to take the top of Vickery and start in a very small way a really good way to get that project started and the board will look at the full version of Vickery by the end of this calendar year. So yeah, moving parts as you say, but that's very exciting. But if you look at all those things, I'd still say Winchester South is still probably two years away.

Paul Young:

Okay. Thanks Paul. And port capacity?

Paul Flynn:

We haven't put our foot on any port capacity, but we are in the expansion process. We have put our foot on a sizeable piece of the expansion study for DBCT, and so that is we paid our money, so we've definitely got our foot on a component of the next expansion capacity to come out of that port. So it's not a full take or pay type thing, but we are essentially funding the feasibility study for that expansion. And with that commitment, those dollars that we put in there to fund that study, comes an entitlement to a good piece of the available extra capacity.

Paul Young:

Okay. Thanks Paul. Thanks Kevin.

Paul Flynn:

Thank you.

Lisa (operator):

Thank you. Our next question is from John Schultz from Macquarie. Go ahead please, John.

John Schultz:

Good morning all. Maybe just a question on the cost. Could you just dig in deeper as to which parts are likely to increase in the year-on-year? Is that mostly labour and is there a particular asset where you see the cost? I'm assuming Maules Creek.

Kevin Ball:

John, I think I'll give you three or four places. Diesel really peaked through the middle of the year as I said, up 36%, explosives up 21%. – they've come off from their highs and they're tracking back more like a dollar instead of a $1.30 a litre that is. On OEM spare parts, the OEMs didn't miss us is the way I'd say it. And on contract labour, labour across this country, skilled mining labour is hard to find. And if you don't hear that from every miner in this country, I'll fall off my chair. So we've introduced retention payments, we've kept those retention payments in. We've had contractors who were seeking increased rates, particularly around skills, and we're bringing people in from out of state, out of Queensland and New South Wales and fly in, fly out. To a lesser extent, we're not different to anyone else in this country. Our electricity contract expired on 30th of June '23 and we re-contracted and the rates we're paying are substantially higher than the rates we were paying.

Paul Flynn:

A lot more than the national.

Kevin Ball:

A lot more than the national. So I think it's sticky and I think it'll take a while for the industry to work its way through. It's got to solve the labour issues first, but that'll take time. That's why I think when people look at the guidance, you should

expect in that guidance that we've got an element of sticky costs coming in or staying in this business and coming out over the next few years rather than trying to give you the hope that it's all going to come out in the next year.

John Schultz:

Okay, understood. And maybe just broader thinking of the market, Japan's one of your key customers, could you maybe just give us thought on how coal demand looks there given the increase in nuclear outlook in the country?

Kevin Ball:

Yeah, I'd probably leave that to Paul.

Paul Flynn:

Well, Japan's looking very good for us. In fact, as you've probably seen, John, year-on-year our penetration into Japan has grown substantially. I mean, that's no surprise given obviously their reliance on Russian coal has obviously fallen away. So the demand on Australia and Whitehaven in particular has seen us put more coal into than ever before. And now not to say we don't love that market, we do, but obviously with all your eggs increasingly in that basket diversification is a pretty important thing. That's why the developments such as the Taiwan and particularly Malaysia are very welcome in that regard. The nuclear start, I think is a good thing for them, and we shouldn't fear that generally because coal is cheaper and it's cheaper than gas, and the more nukes that come on, it's the gas that suffers as a result of that. And then there is the notion of the carbon budget they manage there as well. So more nukes that come on gives them more headroom in their carbon budget and they can burn a cheaper fuel, being coal, as a result. So I think it's good for them to see more of those nukes come on because I know how difficult it is for them to do that. Many of these nuclear operators are actually our customers, and so we hear from them all the time about the difficulty of doing that and it's nice to see one or two more units coming on.

John Schultz:

Excellent. Thank you.

Lisa (operator):

Okay, thanks Paul. Do we have time for one more question?

Paul Flynn:

One more if we can. Thanks, Lisa.

Lisa (operator):

Okay, thank you. Next question. George Eadie from UBS.

George Eadie:

Yeah, thanks. I was just wanting to clarify on the Narrabri capex for the 200 series, so that 250 million to 300. Is 34 million and 74 million already spent? Does that mean there's 150 to 200 million to be spent or 250 to 300 to come?

Paul Flynn:

No, that's right. The spent numbers are just down there below George, as you've quoted there. So in case of FY '22, 34 and 77 last year come out of those numbers, the 250 to 300. So it's just a balance. And sorry, I'm just being reminded that these are managed numbers and ours is 77.5% of that.

George Eadie:

Yeah. Perfect. Okay, thank you. And one more just sustaining capex. You give it for Narrabri live mine minus seven to eight, but any guidance for the company as a whole including the open-cuts?

Paul Flynn:

No, we haven't included any on there, but that's a good point. We'll take that away and come back to you and everyone.

George Eadie:

Okay, awesome. Is it fair to say it'll been maybe slightly higher than Narrabri?

Paul Flynn:

Generally no, no, no. The underground sustaining capex is quite a lot higher than the open-cuts as a general statement. So it's lower than that, but it'll be inflationary affected so we'll come back to you all with that.

George Eadie:

Awesome, thank you. If I can squeeze one last one and just on the EPBC update in September, if that is approved by the Federal Environment Minister, is everything fully approved for that now?

Paul Flynn:

Yep, that's the last piece of that puzzle. Yep.

George Eadie:

Thanks.

Paul Flynn:

We're very strong on the prospects of that. So I mean, that's not a case with any serious merit, it's just an attempt to frustrate people. So yeah, we would like to get that. That's why we asked for it to be expedited and be in the first round of cases considered so we can move on.

Lisa, I understand there's a couple of more questions for people who can stay on, so we're willing to stay on for another few minutes if there's still a couple more.

Lisa (Operator):

Sure, yes, there is. Our next question, we've got two more one is from Glyn Lawcock from Barrenjoey, go ahead please.

Glyn Lawcock:

Hey Paul, I might as well hang around. I'll catch up later on the next one, so thanks.

Paul Flynn:

Yeah, why not?

Glyn Lawcock:

Yeah, why not? Can I just take it by your comments about you're looking at opportunity, you said it's the BHP opportunity that you're looking at or is there others as well out there?

Paul Flynn:

We're not commenting on anything specific there, Glyn. I'm sure you can draw your own conclusions.

Glyn Lawcock:

You sure? Okay. I'll give it a go.

Paul Flynn:

I'm sure you can.

Glyn Lawcock:

I'm sure I can. And look, just the second one, I know it's your third smallest mine, Tarrawonga, but you're talking about current production at 2.5. When you put the new fleet in, it feels like two or three years ago now, I thought the idea was to push that up towards 2.8 million tonnes. I mean, is that also struggling as well or is just my recollection poor?

Paul Flynn:

No, look, I think - Ian's here he can talk to that. We definitely would like to take on more tonnes there. The challenge there there's a number of different factors there which are working Glenn, it's a good question actually. With that freight, we do have more productive capacity and we've looked at the numbers and it's a five-day operation generally. So if you

wanted to do more tonnes, you go seven days. And the analysis of that with the type of labour constraints that are in the market actually look a little unproductive from an NPV perspective, so we're cautious on that. The other thing which is constraining for us is you've got a big strip ratio, you've got that big hill. I know you've been out there before, so you've got the hill there so the strip ratio does increase, so that constrains the wrong volume, but you can see that the dirt movement is actually increasing. So that's another one.

Now, the other thing which has changed, which is downstream of that which is a constraint for us, is that the notion of going higher from a volumetric perspective was predicated on a large portion of bypass for the sweeter seams down at the prep plant. Now, because we're running the full wash strategy, we are choking the plant out there a little bit because we're not bypassing coal because the differential between obviously API 5 and GC Newc is so large so it's incentivising us to wash everything basically and we are jamming up the plant. So we are looking at ways to optimise that to free that up a little bit. So there's a bunch of factors there on an otherwise complex little operation there.

Ian Humphris:

And I think the only other two things I'd add too Paul is obviously the strip ratio there is high, so cost is sort of paramount to try and address that. And over the last couple of years when we have considered it, changing from the roster to a seven-day roster would've required a lot more people. And obviously in the labour market that was not going to be something that was easily achievable. So we've left it as it is and are working on just trying to optimise that place and get its cost profile as low as possible whilst achieving that better quality product that Paul's talked about.

Kevin Ball:

And the last thing I'd probably say to that, Glyn, is that the strip at Tarrawonga is probably about 11. The strip at Vickery is about eight, so there's going to be a tune to play between those two assets over time with resourcing.

Paul Flynn:

Correct.

Glyn Lawcock:

Okay. So just to summarise then, probably best to stay at 2.5 for now and just expect that for nine more years it runs 2.5 with probably a slightly elevated cost base and coming through as that 11:1 that Kevin just mentioned does sound like that's going to lift as well.

Paul Flynn:

Yeah, that's sensible.

Glyn Lawcock:

All right. Thanks very much.

Paul:

Thanks Glyn.

Lisa (operator):

Thank you, Paul. Our last question is from Chris Drew from Jefferies. Go ahead please, Chris.

Chris Drew:

Morning guys, thanks very much for extending the call a little bit. Kevin, one for you. You touched on this briefly a little bit earlier, but just wanted to drill into perhaps the medium term cost outlook a little bit more. Is there much prospects for reversing some of this cost inflation we've seen, or are we really reset costs at these sorts of levels and it's down to volume gains and efficiency gains to lower them from here? How do you see that picture playing out over the next few years? Thanks.

Kevin Ball:

Chris, I think that's a great question. I mean, when I look at it, we've seen the input commodity costs come off. So you see that with tyres and diesel and explosives, but you've had probably three years of stimulus in this country and then COVID stimulus around the planet and skilled labour is difficult. We're finding people from offshore and bringing them in.

We're running FIFO operations to bring people in. It is a little sticky on the cost side, and as I said to the OEMs have taken the opportunity after a difficult '20 and 2021 to actually get their returns back in order and as I said, they didn't miss us. So I think this is sticky for a period of time. I think the world will find its rhythm over the next 12 months, two years. And then I think you're sort of looking for things to come back into control over that sort of period, not over 12 months. I think you're talking probably two to three years out on costs.

Paul Flynn:

Yeah, I think it's really hard on labour side to see an improvement there. I mean, you've got the governments at all stripes in every state building lots of infrastructure competing for the same people we need in order to run our business. And I know you can see that obviously they're ramping up their answer to this question, which they believe is immigration, which is certainly an important piece of the puzzle, but that's not coming cheaply. That's not bringing cheap people in, that's bringing expensive people in and so it is definitely going to be a challenge here. I think if you look at the cost curve over time, it doesn't go back down too often. And obviously what happens is it becomes the new normal sadly, and coal prices adjust as a result upwards. As we mentioned earlier, our BI program is really in the short to medium term our pathway to better costs through productivity because the cost out opportunities are quite limited at the moment.

Kevin Ball:

And Chris, I'd say to you, look, the procurement team last year... for the last seven years procurement's pretty much paid for itself multiples of times in dealing with suppliers and working our way through that. But last year was really holding the line, and the electricity side of the world was probably the one that changed them from being a net contributor or net detractor. So in my view, this is not going away in the next 12.

Chris Drew:

Thanks. And if I could a second question. Just with the 800 to 850 million spend on Narrabri, should we assume that's largely front-end loaded with the longwall purchase and FY '25 or is there any guidance as to the spend profile for that amount? Thanks.

Paul Flynn:

We haven't carved it up year-on-year, Chris. No, we haven't, but yes, there's a deposit in this next 12 months. It's relatively minor in the scheme of things. I think some $20 million or so of that, there's a deposit that will go down for that. I would've said there's still four years before you're going to see that on the ground. So that's spread out over a good period from now. So we can draw out the phasing of that for everybody perhaps in our next application for people to see a little bit more how that's staged and just give you the range of years that it comes out over.

Kevin Ball:

But mostly it applies to that apply FY '25 and the more shafts, et cetera, development.

Chris Drew:

Okay. Thank you.

Paul Flynn:

Thanks Chris.

Lisa (operator):

Thank you. Thanks Paul, we had come to the end of our time.

Paul Flynn:

Yep, that's perfect, Lisa. Thank you for your help today. Thanks everyone for their attendance and we look forward to catching up with you individually and collectively over the next little while as we engage through these results and look forward to catching up. Thank you.