Whitehaven

ASX Announcement

20 February 2025

A transformed Whitehaven has delivered strong H1 FY25 operational performance and is benefiting from diversification and scale

Whitehaven (ASX:WHC) reports a half year **underlying net profit after tax (NPAT)** of **$328 million** for the six months ended 31 December 2024.

H1 FY25 underlying earnings before interest, tax, depreciation and amortisation (**underlying EBITDA**) of **$960 million** compares with $632 million in H1 FY24.

Whitehaven's **H1 FY25 results** include:

- A total recordable injury frequency rate (**TRIFR**) of **4.9** for the six months to 31 December 2024 and **zero** environmental enforcement actions[1]
- Run-of-mine (**ROM**) managed production of **19.4M tonnes**, compared with 10.3M tonnes in H1 FY24
- **Revenue** of **$3.4 billion**, up from $1.6 billion in H1 FY24, and underpinned by an **average coal price** of **A$232/t**[2]
- **Cash generated** from operations of **$922 million**, up from $523 million in H1 FY24
- **Total adjustments to underlying earnings of $251 million** (post-tax) or $358 million (pre-tax) including $32 million (pre-tax) of acquisition-related transition & transaction costs and $326 million (pre-tax) of non-cash adjustments in relation to unrealised FX losses and discount unwinds on deferred & contingent acquisition considerations
- **Statutory NPAT** of $77 million after adjustments.

During the half year, the Group entered into binding agreements with Nippon Steel Corporation and JFE Steel Corporation for the sale of a joint venture interest in the Blackwater mine of 20% and 10%, respectively, for an aggregate cash consideration of US$1.08 billion. All required regulatory and competition approvals have now been received to complete the transaction on 31 March 2025, at which time proceeds will be received, further strengthening Whitehaven's balance sheet.

A **fully franked interim dividend of 9.0 cents per share** will be paid on 14 March 2025. In addition, Whitehaven will resume its **share buy-back** allocating up to $72 million of capital to buy back shares over the next six months.

Commenting on Whitehaven's results, Paul Flynn, CEO & Managing Director said:

"FY25 is the first full financial year of Whitehaven's ownership of the Queensland operations at Daunia and Blackwater, and I'm delighted to report a strong first half result.

"Operational performance at Daunia and Blackwater – and across our NSW mines – has been in line with or better than plan, and demand for Whitehaven's metallurgical and thermal coal products continues to prove strong.

"Prices held up well in the half year and margins remain attractive, despite relatively soft market conditions.

"For the half year, we delivered an underlying EBITDA of $960 million compared with $632 million in the first half of FY24. The first half result includes $588 million of EBITDA from the Queensland business.

"Whitehaven is benefiting from increased scale and diversification into metallurgical coal, and the structure of the acquisition including deferred payments, coal-price contingent payments and the sell down of 30% of Blackwater is creating value for Whitehaven's shareholders.

"Whitehaven will return up to $144 million of capital to shareholders through a 9 cent fully franked interim dividend and a modest share buy-back of equal value over the next six months. This represents a total payout ratio of ~44% of underlying Group NPAT for the half year.

"The Board will be well placed to review Whitehaven's capital allocation framework at the end of FY25 when we have seen a full year of cashflows from the larger business and received the US$1.08 billion of proceeds from the Blackwater sell down."

FY25 Outlook, priorities and guidance

Whitehaven's high CV thermal and metallurgical coal products are in good demand. The Company's sales portfolio features long-term and reliable offtake arrangements reducing volume exposure to cyclical buying patterns and softer conditions.

Incremental demand in coal markets has been relatively soft in FY25. Solid production from NSW coal producers has resulted in a short-term oversupply of high CV thermal coal in a fundamentally tight market. Near term price volatility also reflects activity by traders in a well-supplied market as well as current geopolitical uncertainties.

The rebound in Indian demand for metallurgical coal has been slower than expected, in part due to the availability of cheap Chinese steel exports ahead of Chinese domestic consumption lifting. We remain confident in India's underlying growth.

Whitehaven is intent on continuing to strengthen operational performance and is focused on optimising margins through the cycle.

The following **priorities** are underway:

- A cost out program to deliver a run rate of $100 million p.a. of savings in Queensland by the end of FY25
- Rebuilding pre-strip inventories at Blackwater to better position the mine for longer-term sustainable output
- Targeted improvements / leveraging of AHS at Daunia
- An 8-week longwall move and overhaul at Narrabri commencing March 2025
- Further development of the box cut at Vickery and ramping up of production
- Optimising price realisations, including aligning Whitehaven's marketing strategy in Queensland and fully leveraging product quality specifications over time
- Finalisation of lower capex program for Narrabri Stage 3 project, including plans to extend use of current longwall
- Review of Whitehaven's capital allocation framework, including current dividend payout ratio and share buy-back status, following receipt of proceeds from the sell down of 30% of Blackwater on 31 March 2025 and with a full year of FY25 operating cash flows.

FY25 guidance is unchanged, with the exception of an adjustment to equity coal sales volumes to reflect Whitehaven's 70% equity ownership of the Blackwater mine from 1 April 2025.

ROM coal production and coal sales are on track to be firmly in the upper half of FY25 guidance.

Unit cost of coal is currently below the FY25 cost guidance range at $137/t before royalties, and is tracking to stay at the low end of the guidance range for the full year.

While seasonal wet weather conditions are impacting in Queensland in February including intermittent disruptions to port operations at Dalrymple Bay Coal Terminal, so far in FY25, weather impacts have been within expectations.

		FY25 guidance[3]	Comments
Managed ROM coal production	Mt	**35.0 – 39.5**	Tracking firmly in upper half of guidance for ROM and sales
QLD operations		17.6 – 19.7	
NSW operations		17.4 – 19.8	
Managed coal sales[4]	Mt	**28.0 – 31.5**	
QLD operations		14.4 – 16.1	
NSW operations		13.6 – 15.4	
Equity coal sales[4]	Mt	**24.3 – 27.4**	
QLD operations		13.6 – 15.2	
NSW operations		10.7 – 12.1	
Unit cost of coal (excl. royalties)	$/t	**140 – 155**	Unit cost of coal of $137/t in H1. Tracking to stay around the low end of range.
Capital Expenditure[5]	$m	**440 – 550**	$206 million in H1. Tracking at low end of guidance for FY25.

Group Financial Results ($m)	H1 FY25	H1 FY24	% change
Revenue	**3,428**	**1,589**	116%
Underlying EBITDA[6]	**960**	**632**	52%
Depreciation and amortisation	(340)	(133)	156%
Underlying net finance (expense)/income	(151)	41	-
Underlying income tax expense	(141)	(161)	(12%)
Underlying NPAT[6]	**328**	**379**	(13%)
Total adjustments to net profit[6]	(251)	(121)	107%
NPAT	**77**	**258**	(70%)
Net cash from / (used in) operating activities	824	(357)	-
Net (debt) at 31 December	(989)	(1,278)	(23%)
Unit cost per tonne (A$/t) (excl. royalties)	137	111	23%

QLD Operations	H1 FY25		
Revenue ($m)	2,034	-	
Underlying EBITDA[6] ($m)	588	-	
Average realised price (A$/t)	247	-	
NSW Operations	**H1 FY25**	**H1 FY24**	**% change**
Revenue ($m)	1,260	1,579	(20%)
Underlying EBITDA[6] ($m)	395	645	(39%)
Average achieved price (A$/t)	211	220	(4%)

Whitehaven Managed Production & Sales (Tonnes '000)	H1 FY25			H1 FY24	% change
	QLD	NSW	Group	Group	
ROM Coal Production	9,924	9,441	19,365	10,348	87%
Saleable Coal Production	7,499	7,470	14,969	8,558	75%
Sales of Produced Coal	8,238	7,514	15,752	8,383	88%
Total Coal Sales	8,238	8,133	16,370	8,810	86%
Coal Stocks at period end	1,429	1,348	2,777	1,472	89%
Consolidated Equity Production & Sales (Tonnes '000)	**H1 FY25**			**H1 FY24**	**% change**
	QLD	**NSW**	**Group**	**Group**	
ROM Coal Production	9,924	7,495	17,419	8,260	111%
Saleable Coal Production	7,499	5,906	13,405	6,906	94%
Sales of Produced Coal	8,238	5,977	14,215	6,793	109%
Total Coal Sales	8,238	6,596	14,834	7,220	105%
Coal Stocks at period end	1,429	1,110	2,539	1,227	107%

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

INVESTOR AND ANALYST RESULTS BRIEFING TELECONFERENCE

Managing Director and Chief Executive Officer Paul Flynn and CFO, Kevin Ball, will present an overview of the H1 FY25 Results, followed by a sell-side analyst Q&A session.

Date: Thursday, 20 February 2025

Time: 10:30 AEDT (Sydney time)

To listen live to the results presentation and Q&A webcast / teleconference, participants can pre-register using the following link: https://loghic.eventsair.com/221426/941975/Site/Register

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[1] EEAs include penalty infringement notices, enforceable undertakings, suspensions, prevention notices and prosecutions

[2] Sales of produced coal

[3] Guidance for equity coal sales has been adjusted to reflect the sell down of 30% interest in the Blackwater Mine and Whitehaven's 70% equity ownership from 1 April 2025

[4] Excludes sales of third party purchased coal

[5] Excludes deferred settlement payments for past acquisitions

[6] Underlying EBITDA is a non-IFRS measure. Refer to note 4.2(a) of the financial report for a reconciliation of underlying earnings to net profit after tax (NPAT) per statement of comprehensive income