

17 January 2018



### EBITDA GUIDANCE EXCEEDED BY 46%

- ✓ **Group EBITDA for the interim period is A\$30 million (previous guidance was A\$22.5 million), up 33%**
- ✓ **Group attributable EBITDA for the interim period is A\$20.4 million (previous guidance was A\$14 million), up 46%**
- ✓ **Group EBITDA FY2018 guidance upgraded to A\$55 million (attributable A\$37.9 million), up 22% on Group and 35.4% attributable.**
- ✓ **Group annual 2018 tonnage is revised upwards slightly to 4.6Mt, and to 2.9Mt attributable.**

Universal Coal Plc ("Universal" or "the Company"), (ASX:UNV) is pleased to announce that the Company has achieved record earnings and production for the six months ending December 2017.

On 26 September 2017, the Company provided forward looking earnings guidance regarding FY2018 and indicated a projected EBITDA of A\$45 million (attributable of A\$28 million) and projected steady state production of 4.5Mt (attributable of 2.8Mt)<sup>(1)</sup>. The previous guidance assumed the consistent production and earnings over the 12 month period and therefore assumed EBITDA for HY2017 of A\$22.5 million and estimated sales tonnes for the half year of 2.25 Mt.

The Company's half year results are expected to be released on the 28<sup>th</sup> of February 2018 and the Company anticipates the EBITDA to be approximately A\$30 million (attributable of A\$20.4 million) for the six month period ending December 2017. This is 33% higher than the projected figure of A\$22.5 million on a Group basis and 45.7% higher on an attributable basis.

\* *the interim Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA) result is subject to the finalisation of the interim statutory accounts by the external auditor*

(1) *as per ASX announcement dated 26 September 2017: "Market Update and FY2018 Earnings Guidance" (<http://www.asx.com.au/asxpdf/20170926/pdf/43mmn1k6yw751r.pdf>)*

The increase in EBITDA for the six months ending December 2017 is due to:

- 1) Strong production performance by the Kangala operation exceeding the projected sales tonnes by approximately 200Kt for the half year period.
- 2) New Clydesdale Colliery (NCC) achieving 98% of the projected sales tonnes for the period ending 31 December 2017 but NCC has been able to benefit on the increase in API4 thermal coal prices over the period. The NCC received approximately A\$12 of revenue per export tonne more than in the projected forecast.
- 3) The Company achieved an overall total sales tonnage of 2.34Mt (attributable 1.45Mt) of product sold to market for the six months ending December 2017 (26 September 2017 guidance assumed 2.5Mtpa steady-state sales for the Kangala Mine).
- 4) Operational costs for the period remain in line with the forecast figures.

The Company is comfortable that the original tonnages of 2.25Mt of saleable tonnes (for a six month period) to be accurate for the second half year ending June 2018, which it is expected will result in a total of 4.6 million tonnes of saleable product delivered to market for FY2018.

The Company also anticipates that the original half year EBITDA estimate of A\$22.5 million for the next six months (ending June 2018), to increase if current API4 prices for export product prevail. The Company projects an EBITDA of A\$25 million for the balance of the FY2018 period, which would result in a Group EBITDA guidance for the full FY2018 of A\$55 million (attributable A\$37.9 million) compared with the original forecast of \$45 million.

The guidance provided for the interim period ending December 2017 is still subject to the finalisation of the statutory accounts and the review by the external auditor of Universal Coal Plc. Final results will be released by the end of February 2018. Guidance is based on internal assumptions for the international coal price and foreign exchange forecasts, prevailing contract prices and estimated costs for the 2018 financial year.

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### ***About the Company:***

ASX-listed Universal Coal (ASX: UNV) is committed to building a sustainable mid-tier coal mining company providing investors with exposure to coking and thermal coal assets with the potential to develop into projects of significance.

The company has a portfolio of producing, development and exploration assets located across South Africa's major coalfields.

Kangala Mine in the Witbank coalfield, Universal's first mine, commenced production in February 2014. Kangala produces an average of 2.5 million tonnes of saleable thermal coal per annum, primarily for the domestic market. Kangala Mine has expansion plans to both the adjacent Middelbult and Eloff Projects.

The New Clydesdale Colliery (NCC) commenced underground production in 2016 and opencast mining production in 2017, completing the company's progress towards becoming a multi-mine producer.

The Brakfontein project is a fully regulated project with Mining Right and Integrated water use license and development of this mine will commence as soon as feasible off takes agreements and surface rights have been finalised.

Besides its thermal coal projects (including Brakfontein, Eloff & Arnot South), the company has completed earn-in agreements over one coking coal project (Berenice/Cygnus) in the Soutpansberg coalfields.

Universal Coal is committed to creating shareholder wealth by distribution of generated cash flows to both project development and dividend distribution to shareholders.

The company is cash positive, generating sustainable cash flows from its diversified coal portfolio, and has limited capex requirements for expansion, which can be funded by current cash flows. Universal coal has an appetite for both organic growth and growth by acquisition, but also has a strong commitment to dividend distribution to its shareholders

### **Forward looking Statements**

This document contains 'forward looking statements' including with regard to production and financial projections (which involve subjective judgment and analysis). Forward looking statements are subject to significant uncertainties, risks, and contingencies, many of which are outside the control of, and are unknown to the Company. In particular, these forward looking statements are made only as of the date of this document, they assume the success of the Company's business strategies, and are subject to business, competitive and economic uncertainties and risks. No representation, warranty or assurance (express or implied) is given or made in relation to any forward looking statement by any person (including the Company). In particular, no representation, warranty or assurance (express or implied) is given in relation to any underlying assumption or that any forward looking statement will be achieved. Actual future events may vary materially from the forward looking statements and the assumptions on which the forward looking statements are based. Given these uncertainties, recipients are cautioned to not place undue reliance on such forward looking statements. Subject to any continuing obligations under applicable law or any relevant listing rules of the ASX, the Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward

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