

31 August 2018



Universal Coal Delivers Record Full Year Results

Highlights:

- ✓ EBITDA of A\$72.3 million (Attr. A\$45 million)
- ✓ Revenue increased by 112% on 2017 to A\$316 million
- ✓ Total tonnes sold 4.7Mtpa (Attr. 2.9Mtpa) – a 57% increase since 2017 on a group basis
- ✓ Final dividend of A\$0.01 declared – takes full year dividend to A\$0.02 unfranked
- ✓ Group Cash Balance increased by A\$21million since previous year
- ✓ Total cash balance at year end is A\$36.8million (Attr. balance A\$25.1 million)

Universal Coal (“Universal” or the “Company”) report an Operating earnings before interest, tax, depreciation and amortization (EBITDA) of A\$72 million in line with the updated market guidance provided on 28 June 2018. The increase in EBITDA has been achieved as the Company benefits from two fully operational Collieries and a much improved outlook for coal and pricing. The Company currently has both the Kangala Colliery and the New Clydesdale Colliery (NCC) at full production capacity delivering positive results for the period under review.

Universal achieved sales tonnes of 4.7Mtpa (Attr. 2.9Mtpa) for the current year compared to the 3Mtpa of sales in the prior year. The majority of the increase was driven by NCC’s first full year of name plate production volumes.

NCC also has a greater exposure to export quality coal, allowing the benefit from exceptionally high export market prices.

The Company declared a final dividend of A\$0.01 taking the full year dividend pay to A\$0.02. This dividend paid to Universal Coal Plc shareholders, calculates to a dividend payout ratio of 45% of Attributable Net Profit after tax. Additional to this dividend, Universal also paid A\$6.9million to shareholders at an operational entity level. This brings the total cash payment of dividends for the year to A\$17.4million

The Company increased its Group unrestricted cash balance by A\$21million, after taking into account the dividend paid to outside shareholders, capital expenditure of A\$10.7 million and the payment of A\$8million in corporate taxes paid. Cash generated from group operating activities totals A\$64.1 million – a 144% increase from the 2017 financial year.

Tony Weber, CEO commented: “Universal has delivered exceptionally strong financial and operational results for the year ended June 2018, and we have been able to reward shareholders with dividends amounting to A\$0.02 per share.

“The 2018 results prove that we have cemented our reputation as growth-orientated and cost effective coal producer. We expect to build on this reputation by successfully extracting maximum value from our producing mines, executing projects that are currently under development, and integrating new operations that we are acquiring.

The Company expects take effective ownership of the Eloff Mining company (Pty) Ltd as well as the North Block Complex in the months to come. These transactions are well advanced and progressing to plan.

The company cost structure is continuously evaluated to ensure the most cost efficient utilisation of our resources. Managing the cost base, without compromising safety or operational performance, is an ongoing focus for the Company. Universal projects an approximate A\$20million of attributable capital and acquisition expenditure for FY2019.

“Our results are enhanced by a proud fatality free production year and with minimal disruptions due to reportable injuries on our respective operating sites. The safety of our workforce remains a constant work in progress and our greatest priority.

“Over the next few years, we are well-placed to achieve our strategic objective of growing Universal Coal to become a 10Mtpa saleable tonne producer. We also remain resolutely committed to the ongoing distribution of dividends to shareholders.

“We continue to assess other acquisition opportunities that enhance our production and earnings profile. Universal is in great shape and benefiting from a solid operational performance and strong sector tailwinds.”