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2022 Half Year Results

NEW HOPE CORPORATION LIMITED

ABN 38 010 653 844

Well-Positioned for Strong Sustainable Shareholder Returns

Key Highlights

- Interim dividend of 17.0 cents per share fully franked, payable 4 May 2022 (31 January 2021: 4.0 cents per share fully franked)
- Special dividend of 13.0 cents per share fully franked, payable 4 May 2022 (31 January 2021: NIL)
- Underlying EBITDA11 of $554.4 million (31 January 2021: $81.2 million)
- Net profit after tax of $330.4 million (31 January 2021: Loss of $55.4 million)
- Debt free after fully repaying balance of debt reported at 31 July 2021, from operating funds

New Hope Corporation Limited (the Company) delivered an exceptional financial performance for the six months to 31 January 2022, underpinned by the combination of disciplined cost controls embedded across the Group, strong operating performance which responded effectively to the challenges of COVID-19 and uncontrollable wet weather events, and the significant increase in realised coal prices during the reporting period.

Chief Executive Officer, Rob Bishop said the Company is well-positioned to continue generating strong, sustainable shareholder returns, with demand for high quality, lower emissions thermal coal expected to remain robust in the short to medium term as supply remains constrained.

“Cost control disciplines that were introduced during the 2021 financial year in response to a period of depressed prices have been embedded across the Group and will ensure that New Hope remains in the lowest cost quartile compared to other producers of seaborne thermal coal.

“Bengalla dealt very well with the challenges from COVID-19 related labour shortages and wet weather to minimise the impact on coal production, which was down only 1 per cent compared to the first half of last financial year. The mine will shortly take delivery of two additional haul trucks which will increase saleable production during the second half of the financial year.

[1] *Underlying Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) is a non-IFRS measure. This non-IFRS information has not been audited by Deloitte*

NEW HOPE GROUP

"Strong demand and lower than normal stock levels held by customers have pushed thermal coal prices well above the long-term average. Newcastle Index pricing is currently above US$300/t, and our forward sales book will support robust returns."

"The Company is experiencing significant cash build following the remarkable recovery in coal prices since the lows of FY20. With the near-term coal price outlook remaining strong, coupled with a generous franking account balance the Company is rewarding shareholders with larger fully franked dividends for this reporting period."

Average sales price achieved at 31 January 2022 was A$192.38/t, which represents an increase of 147 per cent over the prior corresponding period (31 January 2021: A$77.98/t) closing realised price for the reporting period was A$236.66.

In the short-term, the Company will continue to focus on achieving the optimal product mix and maximising production of high energy, low emissions products.

The Company is in a strong capital position with Cash and Cash Equivalents of $513.1 million (including cash received from the issuance of Convertible Notes settled on 2 July 2021) and availability of $420 million under the Undrawn Syndicated Facility. Total liquidity available to the Company is $933.1 million at 31 July 2022, an increase of 65 per cent compared to 31 July 2021.

During the reporting period, the Company adopted the All-Injury Frequency Rate (**AIFR**) as a primary safety performance metric as part of initiatives targeting ongoing improvement in safety culture and systems. AIFR represents all types of injury and provides a more wholistic indicator of safety incidents and risk. The AIFR for the six months to 31 January 2022 was 33.32.

The Company continues to monitor Total Recordable Injury Frequency Rate (**TRIFR**) as a secondary indicator of safety. TRIFR has trended downward during the reporting period with the 12-month moving average of 4.76 as at the end of the reporting period, remaining well below the open-cut industry average[2].

On 17 December 2021, the Land Court of Queensland recommended that the New Acland Mine Stage 3 mining lease and the Environmental Authority amendment application be granted subject to conditions. Rehabilitation work is now the focus of operations while the Company continues to work closely and productively with the relevant State Government departments to progress applications to permit and obtain certainty for the Stage 3 expansion of the New Acland operations.

(ENDS)

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This ASX announcement was approved and authorised by the Board.

2 NSW Coal Mines Industry average.