

# FULL YEAR RESULTS FY23

24 August 2023

## Strong demand and high prices for high-CV thermal coal drive record earnings and capital returns for shareholders

Whitehaven Coal (ASX:WHC) reports a record net profit after tax (NPAT) of **\$2.7 billion** for the year ended 30 June 2023 up 37% on the prior year, and earnings before interest, tax, depreciation and amortisation (EBITDA) of **\$4.0 billion**, which is a 30% increase on FY22.

Whitehaven's **FY23 results** also include:

- A **13% improvement in safety performance** as measured by a total recordable injury frequency rate (TRIFR) for employees and contractors of **4.7**.
- **Zero environmental enforceable actions** for FY23, a strong turnaround from an average of 6 p.a. over the previous four years.
- Run-of-mine (ROM) managed production volumes of **18.2M tonnes**, down from 20.0M in FY22.
- Record **revenue of \$6.1 billion** underpinned by an **achieved average coal price of A\$445/t** (compared with \$4.9 billion revenue and an average price of A\$325/t in the prior year).
- **Cash generated from operations of \$4.2 billion** compared with \$2.6 billion in the prior year.

**\$2.65 billion of net cash** was held on the balance sheet at 30 June 2023.

A **fully franked final dividend of 42 cents** per share will be paid on 15 September 2023, taking the full year dividend to 74 cents per share, fully franked.

During FY23 a total of **119.67 million shares were bought back** for an average price of \$7.93 and a **total investment of \$948.9 million**. The full year dividend combined with the proportion of the share buy-back attributed to FY23<sup>1</sup>, represents a total **payout ratio of 50%** of FY23 NPAT, which is aligned with the Company's capital allocation framework.

**Commenting on Whitehaven's FY23 results**, Paul Flynn, CEO & Managing Director said:

*"Once again we saw a solid improvement in our safety results for the year and our focus on environmental management delivered a very good outcome with zero environmental enforceable actions. This is a reflection of the commitment and focus of our people to prioritise safety and environmental management at all times."*

*"Record coal prices and our portfolio of high quality thermal and metallurgical products allowed Whitehaven to optimise the sales mix for FY23 and maximise our exposure to the strong gC NEWC thermal index. With 94% of our sales going into the higher priced thermal market, we delivered an average realised price of A\$445 per tonne."*

*"Production was impacted in the first half of the year as a result of localised flooding cutting off access to a number of our operations for several weeks. Labour shortages also contributed to the 9% year on year reduction in ROM production of 18.2M tonnes."*

*"With strong underlying market demand for high-CV, high quality thermal coal and metallurgical coal, coupled with forecast supply tightness, we recognise the opportunity and importance to improve operational performance. Targeted recruitment and retention initiatives are starting to deliver better outcomes; we have a number of business improvement initiatives underway to strengthen operational reliability and efficiencies; and at Narrabri we have moved to the shallower longwall panels, which are expected to bring improved operating conditions."*

1. Includes \$272.3 million in relation to the FY23 interim dividend and \$337.1 million for the final dividend together with \$723.6 million in relation to the share buy-back (92.8 million shares). The initial 10% buy-back was attributed to the FY22 NPAT payout ratio.

**Whitehaven's strategy** is to supply high quality, high-CV thermal coal to provide energy security through the energy transition, and to grow its metallurgical coal business to have a more balanced portfolio of thermal and met coal supplying key markets in Asia.

Whitehaven has decided that the **share buy-back** should be temporarily suspended while it considers application of Whitehaven's capital allocation framework in light of growth opportunities, and will provide shareholders with an update at the appropriate time.

## Outlook and FY24 Guidance

Whitehaven's thermal customers are focusing on longer supply contracts as energy security remains a key priority. This is expected to continue through the energy transition due to supply shortfalls particularly for high-CV thermal coal.

While thermal coal prices have retreated from record high levels, the resilience in the gC NEWC index through this seasonal lower demand period provides positive sentiment for the outlook. As restocking requirements increase in the months leading up to the Northern Hemisphere winter, upward pricing pressure for thermal coal is expected.

Current metallurgical coal market pricing is strong. In the longer-term, strong demand drivers for metallurgical coal are expected, largely driven by demand growth in India, emerging Asia, as well as China.

Whitehaven's FY24 guidance is set out below. Cost management, attracting and retaining talent, and improving operational reliability are key priorities to support delivery of FY24 guidance. Development of the automated haulage system (AHS) will continue this year, which is expected to place continued constraints on production at Maules Creek. Depending on the success of this final year of AHS development, a decision will be made to adopt AHS at Maules Creek or discontinue the pilot program. The \$150 million capital project to commence early mining of Vickery will continue in FY24, with first coal expected around mid CY2024.

Whitehaven will continue to prudently manage capital in line with its capital allocation framework.

### FY24 Guidance

Item		FY24 Guidance Range	FY23 Actual	Comments
<b>Managed ROM coal production</b>	Mt	<b>18.7 – 20.7</b>	18.2	
Maules Creek	Mt	10.1 – 11.2	9.6	AHS development to continue in FY24
Narrabri	Mt	6.0 – 6.7	5.3	
Gunnedah O/C	Mt	2.6 – 2.8	3.4	Werris Ck reaches end of life in H2
<b>Managed coal sales</b>	Mt	<b>16.0 – 17.5</b>	16.0	Excluding purchased coal
<b>Equity coal sales</b>	Mt	12.7 – 13.9	13.0	
<b>Unit cost of coal</b>	\$/t	103 – 113	103	Before applicable royalties
<b>Capital Expenditure</b>	\$m	460 – 570	241	Excludes deferred settlement payments for past acquisitions

## FY23 RESULTS AT A GLANCE

### Financial Results summary

(\$m)	FY23	FY22	% change
Revenue	6,064.7	4,920.1	23%
EBITDA	3,985.6	3,060.1	30%
Net profit after tax	2,668.1	1,952.0	37%
Cash generated from operations	4,211.6	2,582.0	63%
Unit cost per tonne (\$/t)	103	84	23%
	<b>30 Jun 2023</b>	<b>30 Jun 2022</b>	
Net cash	2,652.2	1,037.8	156%

### Whitehaven Managed Production and Sales

Tonnes ('000)	FY23	FY22	% change
Managed ROM Coal Production	18,190	20,003	(9%)
Managed Saleable Coal Production	15,740	17,274	(9%)
Managed Sales of Produced Coal	15,990	17,573	(9%)
Managed Sales of Purchased Coal	635	1,247	(49%)
Total Managed Coal Sales	16,625	18,820	(12%)
Managed Coal Stocks at period end	1,534	2,379	(36%)

### Consolidated Equity Production and Sales

Tonnes ('000)	FY23	FY22	% change
Equity ROM Coal Production	14,620	16,117	(9%)
Equity Saleable Coal Production	12,769	13,852	(8%)
Equity Sales of Produced Coal	13,005	14,166	(8%)
Equity Sales of Purchased Coal	635	1,247	(49%)
Total Equity Coal Sales	13,640	15,413	(12%)
Equity Coal Stocks at period end	1,323	2,065	(36%)

*This document is authorised for release to the market by the Board of Directors of Whitehaven Coal Limited.*

## Results Briefing Webcast / Teleconference with Q&A by Analysts

Managing Director and CEO, Paul Flynn and CFO, Kevin Ball, will present an overview of the FY23 Results, followed by a Q&A session with sell-side analysts.

Date: **Thursday, 24 August 2023**

Time: **9:30am AEST (Sydney time)**

To listen live to the results presentation and Q&A webcast / teleconference, participants can pre-register using the following link: <https://kapara.rdbk.com.au/landers/a3ad6a.html>

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