

HALF YEAR RESULTS FY24

15 February 2024

Solid production at open cut mines and resilient pricing underpin H1 FY24 results; acquisition completion and integration planning progressing well

Whitehaven Coal (ASX:WHC) reports a half year underlying net profit after tax (NPAT) of **\$372.3 million** for the six months ended 31 December 2023, before \$114.7 million of acquisition related expenses including an unrealised FX loss (post tax), and underlying earnings before interest, tax, depreciation and amortisation (underlying EBITDA) of **\$622.8 million**¹.

Whitehaven's H1 FY24 results also include:

- A **16% improvement**² in safety performance as measured by a total recordable injury frequency rate (TRIFR) of **3.96** for the six months to 31 December 2023 and **zero** environmental enforcement actions³
- Run-of-mine (ROM) managed production of **10.3M tonnes**, compared with 8.8M tonnes in H1 FY23
- **Revenue of \$1.6 billion** underpinned by an **achieved average coal price of A\$220/t**⁴
- \$163.8 million of **acquisition related transaction and transition costs** (pre-tax) including \$71.4 million of unrealised FX losses relating to the re-translation of US\$ cash and the US\$100m deposit held for settlement at completion of the acquisition
- **Statutory NPAT** of \$257.6 million after acquisition related expenses
- **Cash generated** from operations of **\$523.2 million**.

Whitehaven held **\$1.5 billion of net cash** on the balance sheet as at 31 December 2023 and has agreed terms with a range of financiers for a 5-year credit facility of US\$1.1 billion, which will underpin the upfront payment of US\$2.0 billion on completion of the acquisition, expected on 2 April 2024.

A **fully franked interim dividend of 7.0 cents** per share will be paid on 8 March 2024.

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

"In the first half of FY24, high-CV thermal coal prices moderated but remained resilient, as energy security is a priority for power utilities globally. Whitehaven achieved a realised average price of A\$220 per tonne in the half year.

"The open cut operations performed consistently well in the half year with good mining conditions and an easing of labour shortages. Our Narrabri underground mine experienced adverse geological conditions, which impacted productivity.

"Whitehaven's safety and environmental results continue to improve with zero environmental enforcement actions and a total recordable injury frequency rate of 3.96 for the half year representing a 16% improvement on FY23.

"The program of work to complete the acquisition of Daunia and Blackwater mines and transform Whitehaven into a metallurgical coal business is progressing well. People across our existing operations and the new businesses are highly motivated as integration planning continues and milestones are met.

"The US\$1.1 billion 5-year credit facility, together with US dollar cash on the balance sheet, will be used to fund the upfront payment for the acquisition. Ongoing cash flows being generated by the business will provide additional liquidity. Subject to receiving required regulatory and merger control approvals, we expect completion in early April 2024."

¹ Before \$163.8 million of pre-tax acquisition-related costs including FX translation impacts

² Compared with FY23 TRIFR of 4.74

³ EEAs include penalty infringement notices, enforceable undertakings, suspensions, prevention notices and prosecutions

⁴ Sales of produced coal, excluding coal reservation sales

Market outlook

Underlying demand for high-CV thermal coal remains strong, including to supply high-efficiency, low emissions (HELE) electricity generation in traditional and emerging markets in Asia. The structural supply shortfall in the seaborne market for high-CV thermal coal is continuing to grow as a result of underinvestment in new supply and depletion of existing mines, which is supporting strong long-term pricing dynamics for high-CV thermal coal. The gC NEWC index averaged US\$141/t in the first half of FY24, and continues to demonstrate price resilience during periods of seasonally weaker demand.

The metallurgical coal market is also strong and the anticipated growing structural shortfall in hard coking coal (HCC) production to supply Asia demand, particularly to India, is expected to underpin metallurgical coal prices over the longer term. In the first half of FY24, the PLV HCC index averaged US\$298/t reflecting strong demand from steel producers and India's emerging growth. Whitehaven will benefit significantly from metallurgical coal market dynamics, including the well-supported HCC index, through the Daunia and Blackwater acquisition.

FY24 Guidance and current priorities

Delivery of FY24 guidance, which is set out below, is a current priority, including improving operational reliability and consistency, optimising margins and managing costs. Production, sales and costs are currently tracking within guidance ranges.

Item		FY24 guidance	Comment
Managed ROM coal production	Mt	18.7 – 20.7	<i>Tracking within guidance</i>
Maules Creek	Mt	10.1 – 11.2	<i>Tracking around top end of range</i>
Narrabri	Mt	5.1 – 5.7	<i>Reflects Q2 revision</i>
Gunnedah O/C	Mt	2.6 – 2.8	<i>Tracking around top end of range</i>
Managed coal sales¹	Mt	16.0 – 17.5	<i>Tracking within guidance</i>
Equity coal sales¹	Mt	12.7 – 13.9	<i>Tracking within guidance</i>
Unit cost of coal (excl. royalties)²	\$/t	103 – 113	<i>Tracking towards top end of range</i>
Capital Expenditure³	\$m	400 – 450	<i>Reflects Q2 revision</i>

1. Excludes sales of third party purchases

2. Excludes the impact of domestic coal reservation policy

3. Excludes deferred settlement payments for past acquisitions and the acquisition of Daunia and Blackwater

A decision has been taken to conclude the trial of the automated haulage system (AHS) at Maules Creek, which is expected to release productivity constraints.

The \$150 million capital project to commence early mining of Vickery is progressing in line with plan. First coal sales revenues from Vickery are expected mid CY2024. Volumes from Vickery will replace volumes from Werris Creek, which will reach the end of its mine life this financial year.

Completion of the acquisition of Daunia and Blackwater mines will continue to be a key focus in H2 FY24. In excess of 95% of Daunia and Blackwater employees have accepted offers of employment and are preparing to integrate into the Whitehaven business once the transaction closes, which is expected on 2 April 2024, subject to regulatory and merger control approvals.

Whitehaven will continue to prudently manage capital in line with its capital allocation framework. During the deferred payment period for the Daunia and Blackwater acquisition, Whitehaven expects:

- to maintain franked dividends within the targeted payout ratio of 20-50% of NPAT generated from existing operations (i.e. excluding the acquired Assets);
- to direct cashflows from the acquired business to retiring vendor finance; and
- that Whitehaven's share buy-back will remain paused. A decision regarding the resumption of the buy-back will be made by the Board at the appropriate time.

H1 FY24 RESULTS AT A GLANCE

Financial Results summary

(\$m)	H1 FY24	H1 FY23	% change
Revenue	1,589.3	3,809.2	(58%)
Underlying EBITDA	622.8	2,661.4	(77%)
Transaction and transition expenses ¹	(92.4)	-	
Acquisition related foreign exchange loss ²	(71.4)	(8.1)	
EBITDA	459.0	2,653.3	(83%)
Underlying Net profit after tax	372.3	1,787.6	(79%)
Transaction and transition expenses (after tax) ¹	(64.7)	-	
Acquisition related foreign exchange loss (after tax) ²	(50.0)	(5.6)	
Statutory Net profit after tax	257.6	1,782.0	(86%)
Cash generated from operations³	523.2	2,552.8	(80%)
Unit cost per tonne (\$/t)	111	96	16%
	31 Dec 2023	30 Jun 2023	
Net cash	1,503.6	2,652.2	(43%)

1. Transaction and transition expenses relate to the acquisition of Daunia and Blackwater. Refer to Note 5 of the Interim Financial Report for the half year ended 31 December 2023 for more information.
2. An unrealised foreign exchange loss of \$71.4 million for H1 FY24 (H1 FY23: \$8.1 million) before tax was recognised as a result of the re-translation of the US\$100 million deposit paid and the US\$ denominated cash held for settlement at completion of the acquisition.
3. Prior year comparative has been restated for the removal of the effect of exchange rate changes on cash and cash equivalents from cash generated from operations.

Whitehaven Managed Production and Sales

Thousands of tonnes	H1 FY24	H1 FY23	% change
ROM Coal Production	10,348	8,843	17%
Saleable Coal Production	8,558	8,259	4%
Sales of Produced Coal	8,383	7,965	5%
Sales of Purchased Coal	427	448	(5%)
Total Coal Sales	8,810	8,412	5%
Coal Stocks at Period End	1,472	2,111	(30%)

Consolidated Equity Production and Sales

Thousands of tonnes	H1 FY24	H1 FY23	% change
ROM Coal Production	8,260	7,055	17%
Saleable Coal Production	6,906	6,622	4%
Sales of Produced Coal	6,793	6,375	7%
Sales of Purchased Coal	427	448	(5%)
Total Coal Sales	7,220	6,823	6%
Coal Stocks at Period End	1,227	1,849	(34%)

Investor and Analyst briefing webcast

Managing Director and CEO, Paul Flynn will host a webcast to provide an overview of the H1 FY24 Results followed by a sell side analyst Q&A session.

Time: 10:30 AEDT (Sydney time)

Date: Thursday, 15 February 2024

Participants are invited to pre-register for the webcast using the following link:

Webcast link: <https://loghic.eventsair.com/whcfirsthalfy24/register150224/Site/Register>

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

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