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# New Hope Group 2024 Full Year Results ASX:NHC

17 September 2024



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This presentation includes certain non-IFRS financial measures which have not been audited.

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# Highlights and performance summary

Rob Bishop  
Chief Executive Officer

# Strong operational performance, delivering on our organic growth pipeline

## Operational highlights

Safety – TRIFR<sup>1</sup>

**5.32**

151% increase



ROM coal production

**12.3Mt**

32% increase



Saleable coal production

**9.1Mt**

26% increase



Coal sales

**8.7Mt**

14% increase



## Financial highlights

Fully franked final dividend

**22¢**

Per share

Underlying EBITDA<sup>2</sup>

**\$860M**

51% decrease



Cash flow from operations

**\$562M**

63% decrease



NPAT

**\$476M**

56% decrease



1. Total Recordable Injury Frequency Rate (TRIFR) – twelve-month moving average.

2. Underlying Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) before non-regular items. This non-IFRS information has not been audited. A reconciliation to statutory profit is set out on page 21.

# The safety of our people is a key priority, which we continuously seek to improve

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## FY24 incidents and injuries consist of:

- Non-critical incidents – majority of all injuries were minor first aid cases
- Recordable injuries were mostly hand injuries, consistent with industry

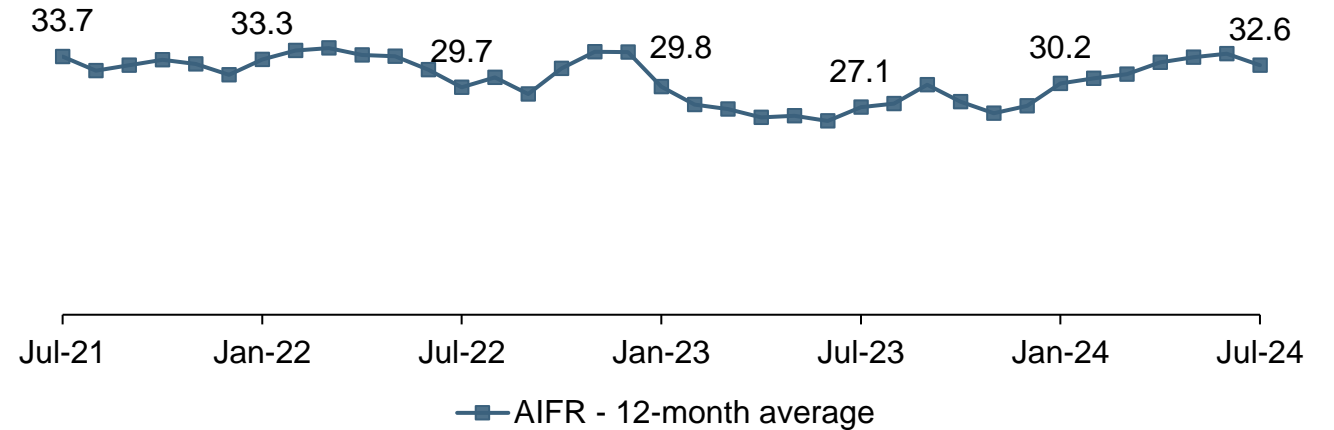
## Factors contributing to increased metrics:

- New Acland Mine ramp-up
- Promoting increased reporting of all injuries

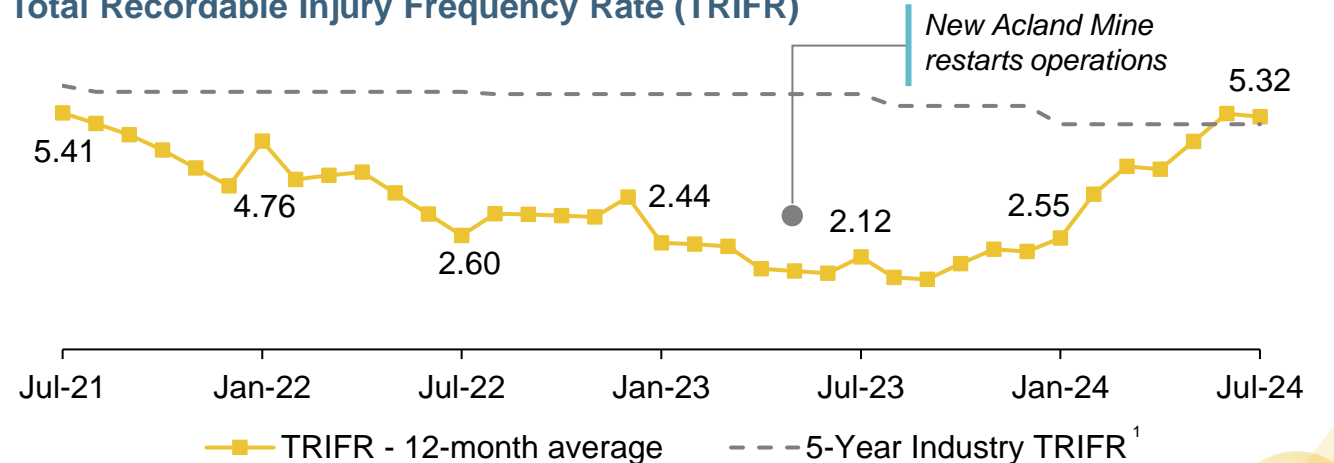
## Key actions underway to improve performance:

- Hand injury awareness training
- Analysis of exposure risk
- Reviewing fitness for work criteria
- Increasing health, safety and wellbeing resourcing

## All Injury Frequency Rate (AIFR)



## Total Recordable Injury Frequency Rate (TRIFR)



# Our asset highlights - targeting significant organic production increases

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## Bengalla Mine - a strong operational performance

- Saleable coal production of 8.0Mt<sup>1</sup>, 11% higher than FY23.
- FOB cash cost (ex. state royalties) of \$77.8/t.
- Bengalla Growth Project largely completed.

## New Acland Mine - successful restart of operations

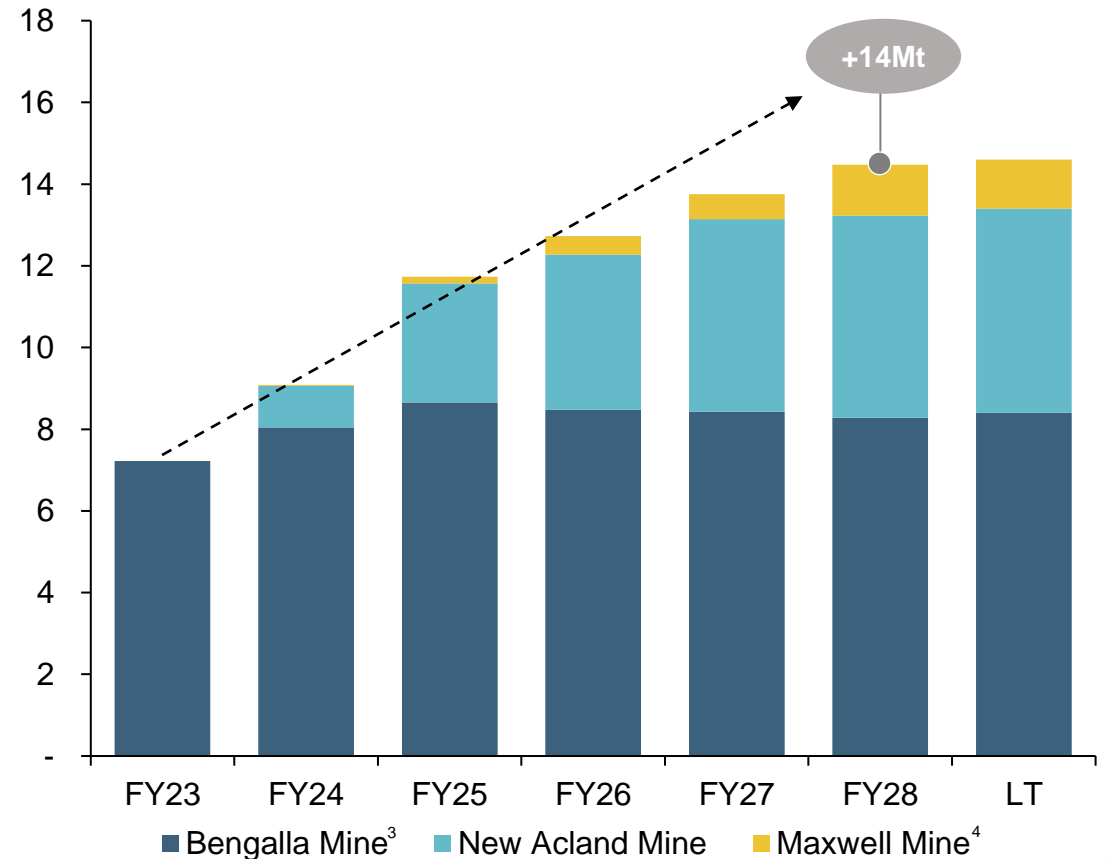
- 1.0Mt of saleable coal produced in FY24, ramping up to ~5Mtpa in FY27.
- New Acland LOM targeted FOB cash cost (ex. state royalties) of ~\$91/t.
- Capital funded from operational cash flows over the next 3 years.

## Malabar - low-cost, long-life, metallurgical coal mine

- Current equity holding of 19.97%.
- ~6Mtpa of coal sales over a ~20-year approval period.
- 300m longwall operating costs of \$55/t (ex. royalties)<sup>2</sup>.

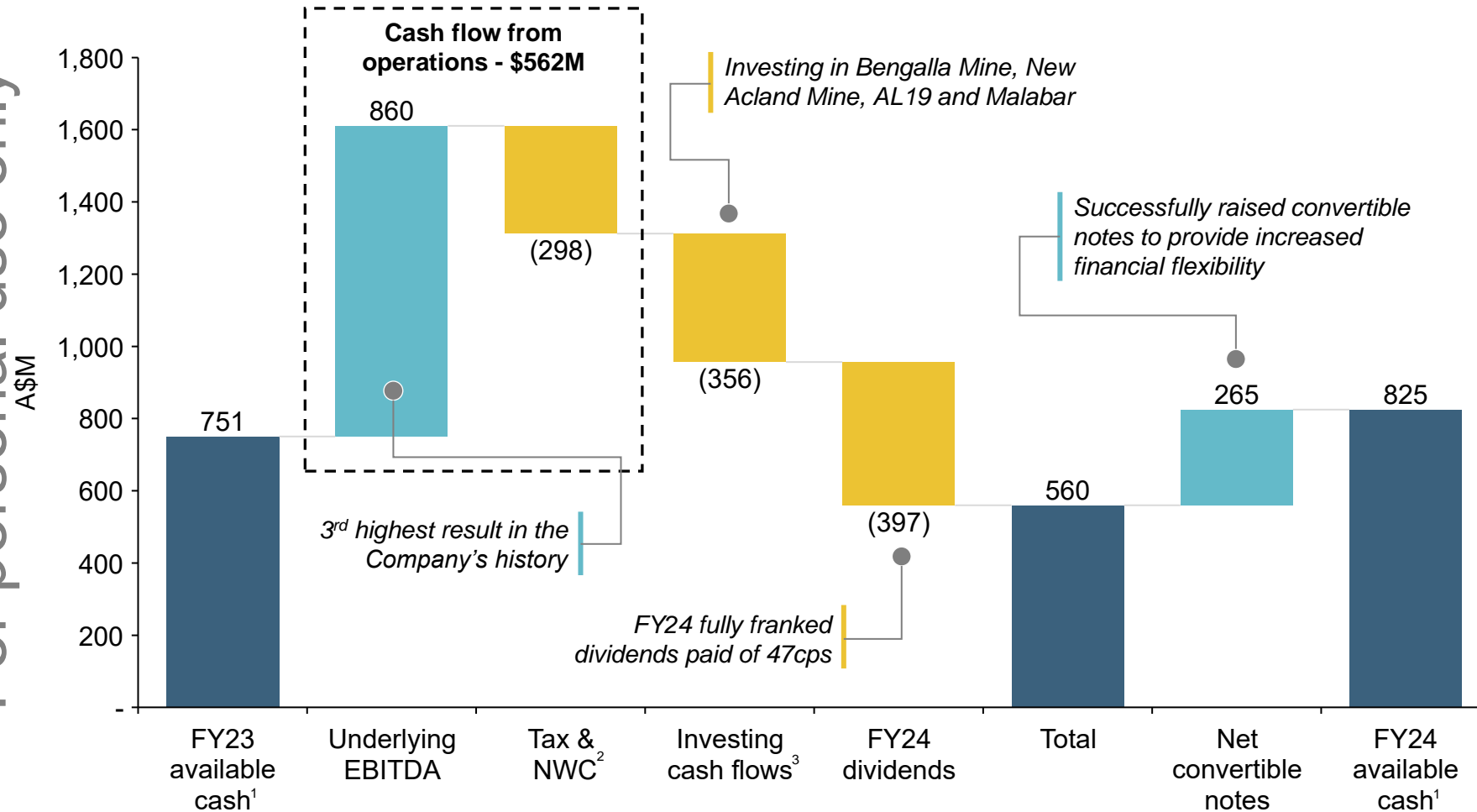
1. Bengalla Mine 80 per cent basis.  
 2. Source – Malabar Resources Limited company presentation – February 2024.  
 3. Bengalla Mine – attributing 80 per cent share of saleable coal production.  
 4. Maxwell Mine – attributing 19.97 per cent share of Maxwell Mine saleable coal production.

Targeted organic saleable coal production increase (Mt)



# Our financial highlights – cash flow generation and shareholder returns

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Realised price (incl. hedging)

**\$195/t**

43% decrease

Underlying margin (incl. hedging)

**\$89/t**

62% decrease

Gross dividend yield<sup>4</sup>

**12.6%**

FY24

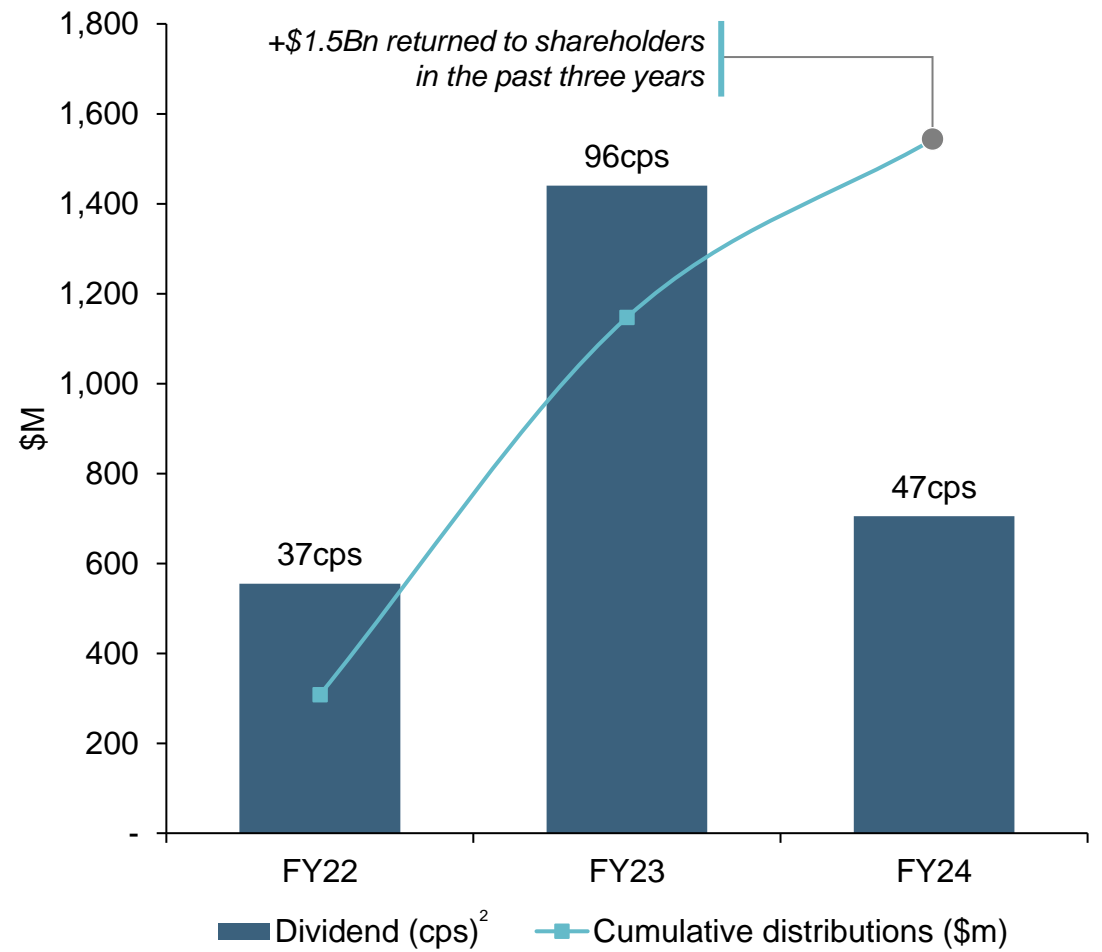
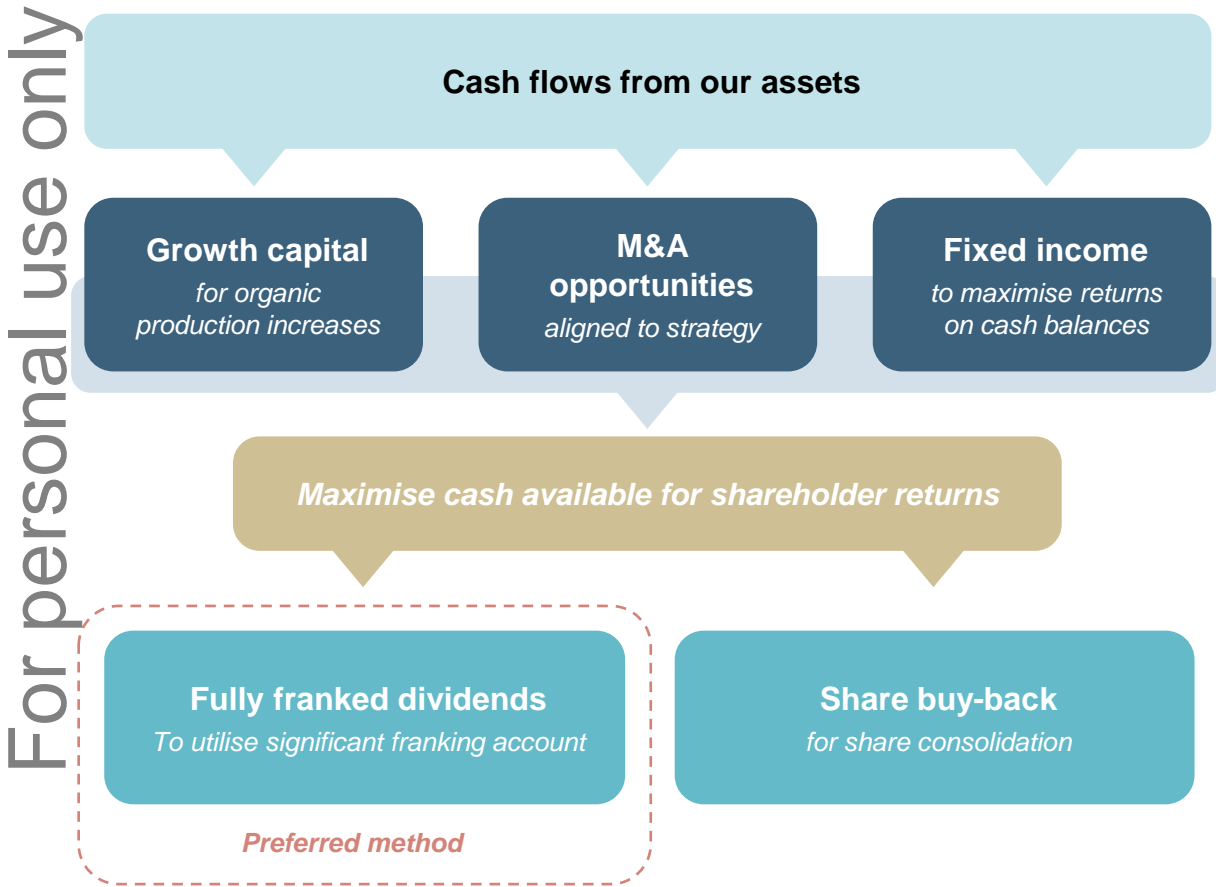
1. Includes cash and cash equivalents and fixed income investments, which are reported as other financial assets.

2. Tax payments of \$419.1 million (including FY23 tax payment of \$190.6 million), net working capital of \$96.7 million and other of \$24.4 million.

3. Payments for property, plant and equipment of \$262.1 million, payments for equity investments of \$80.6 million and other financing cash flows of \$13.1 million.

4. Based on dividends (including special dividends) paid during the period, including the value of franking credits, and closing share price as at 31 July 2023.

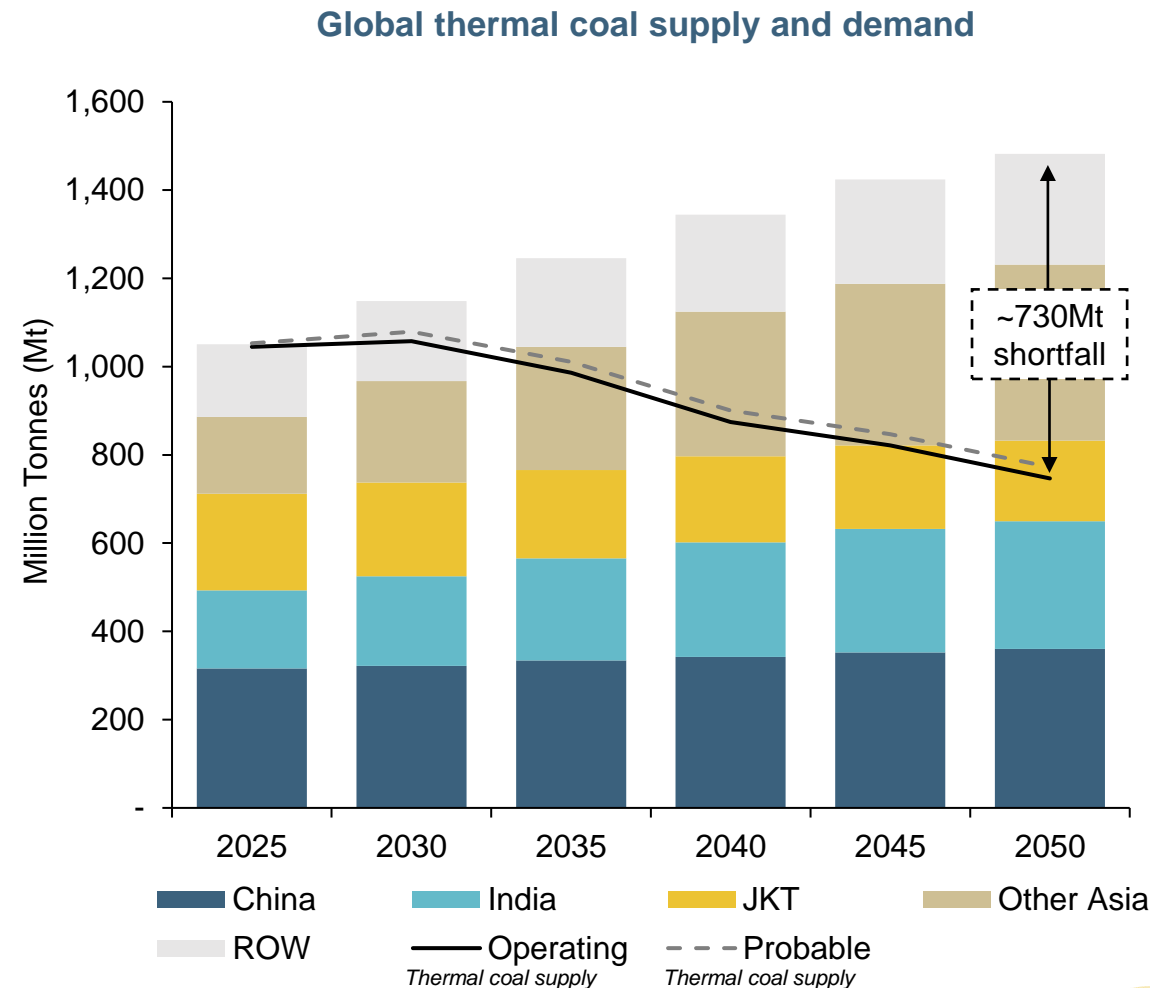
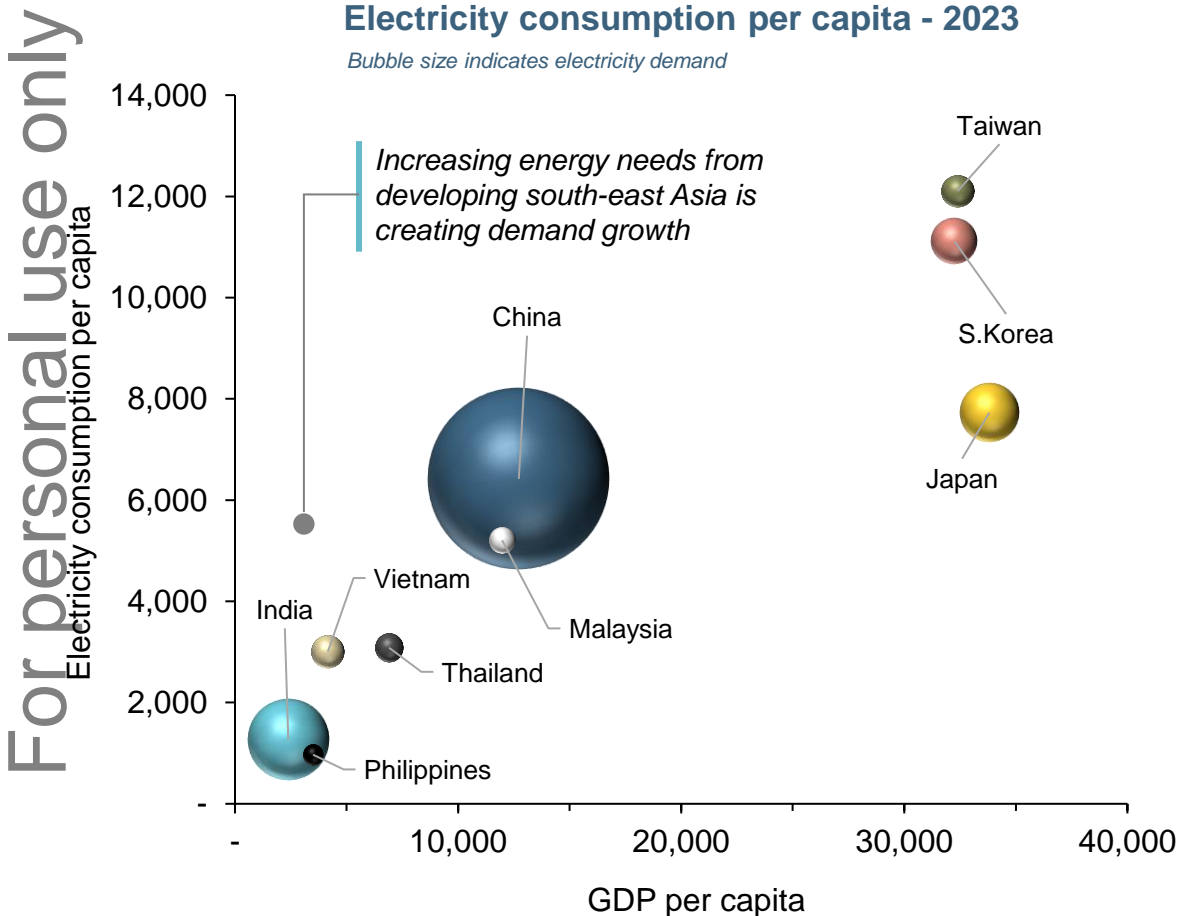
# Disciplined allocation of capital has led to nearly 40% of current market capitalisation<sup>1</sup> being returned to shareholders in the past three years



1. Based on market capitalisation as at 31 July 2024.  
2. Based on dividends paid during the period.



# Demand for thermal coal is set to increasingly outstrip supply, indicating a positive outlook to continue responsibly operating our assets

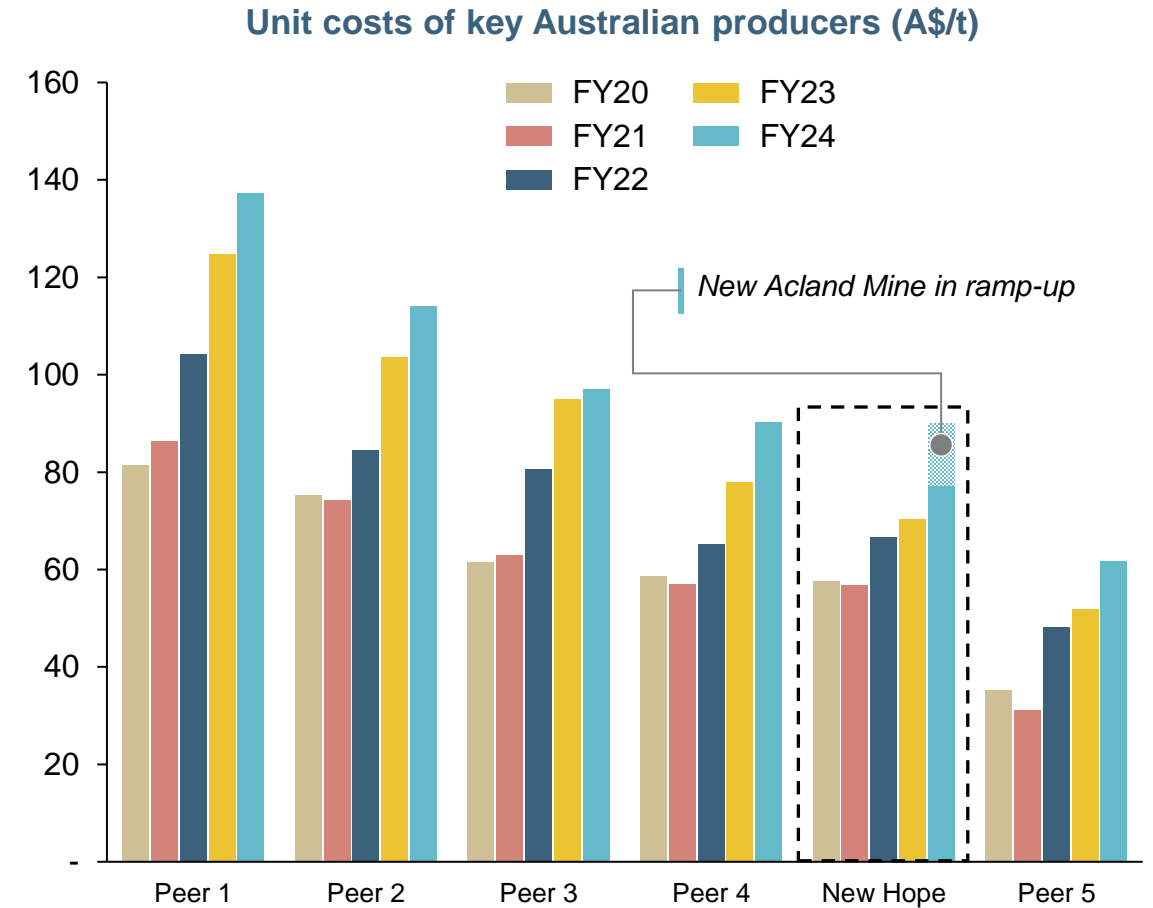
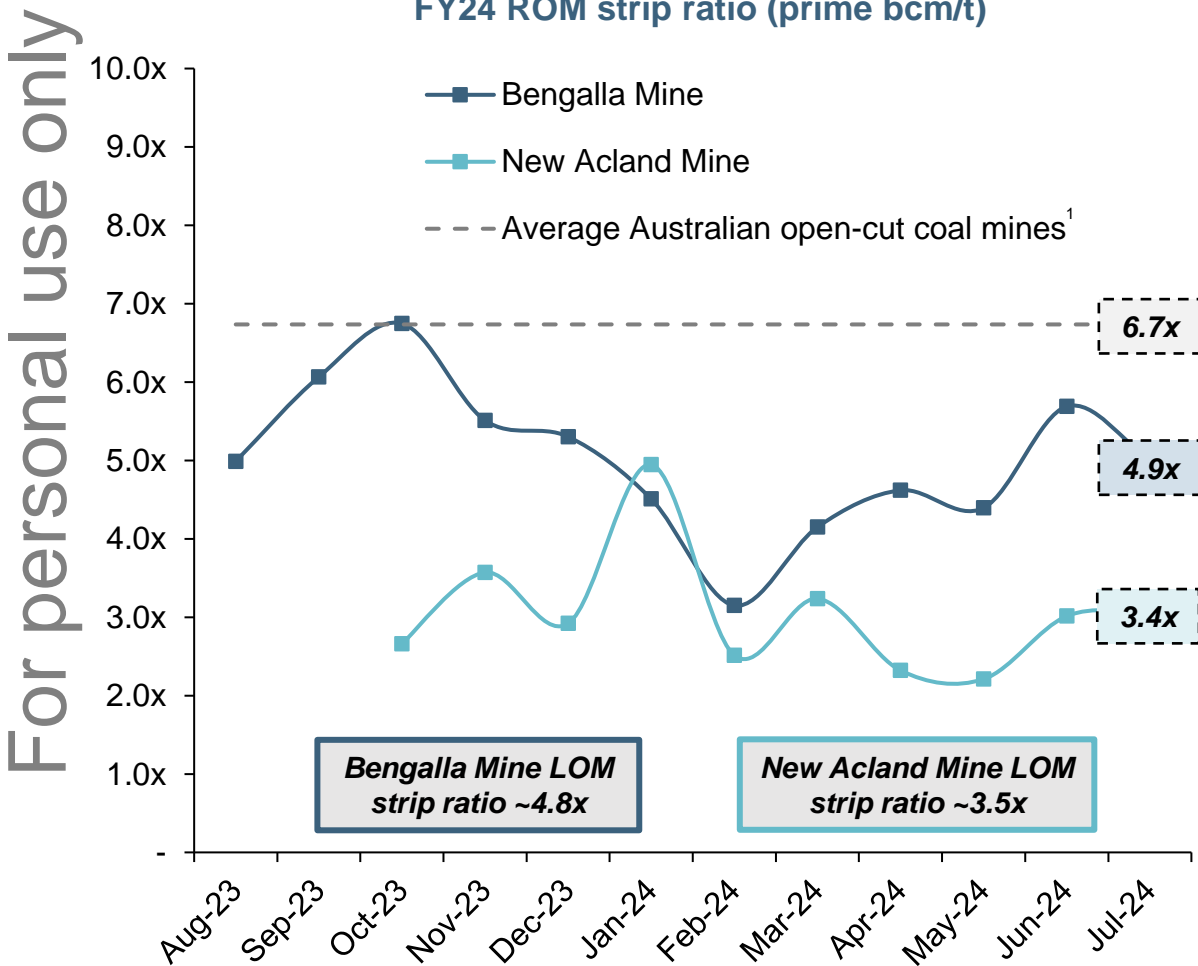


Source – Commodity Insights 2024.

Source – Commodity Insights 2024 base case scenario.

1. Commodity Insights Base Case reflects most likely market outcomes.

# Low strip ratio assets and disciplined cost control allow us to maximise margins, relative to our peers



1. Source - Wood Mackenzie - ROM strip-ratio for Australian open-cut coal mines 2023 (excluding New Hope Assets)

Source – Commodity Insights 2024 dataset.  
 FOB costs (excluding trade coal and royalties).  
 FY24 data is based on a combination of reported costs, guidance and Commodity Insights estimates.

# Investment highlights

1

**Strong industry outlook**

2

**Low-cost, high-CV thermal coal producer**

3

**Significant organic production growth pipeline**

4

**Strong balance sheet and free cash flow generation**

5

**Key focus on providing shareholder returns**

6

**Responsible operator of assets**

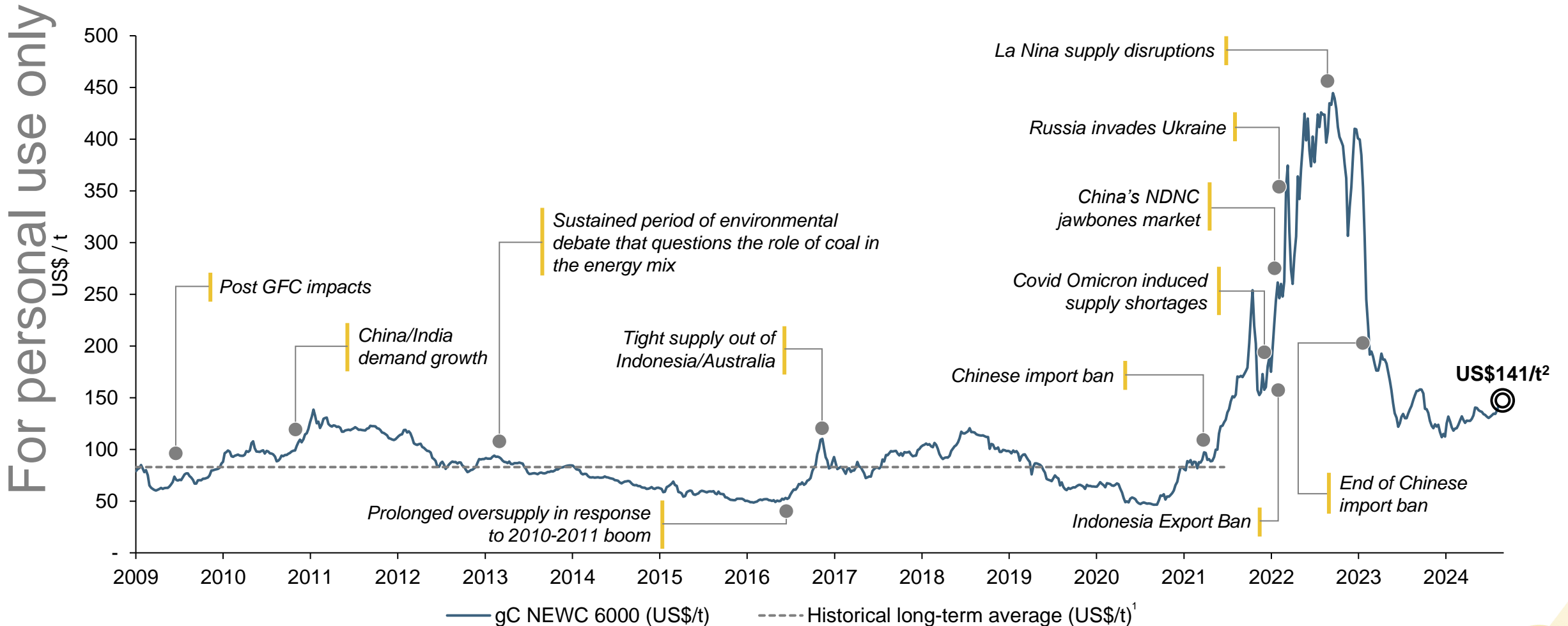


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# Appendices

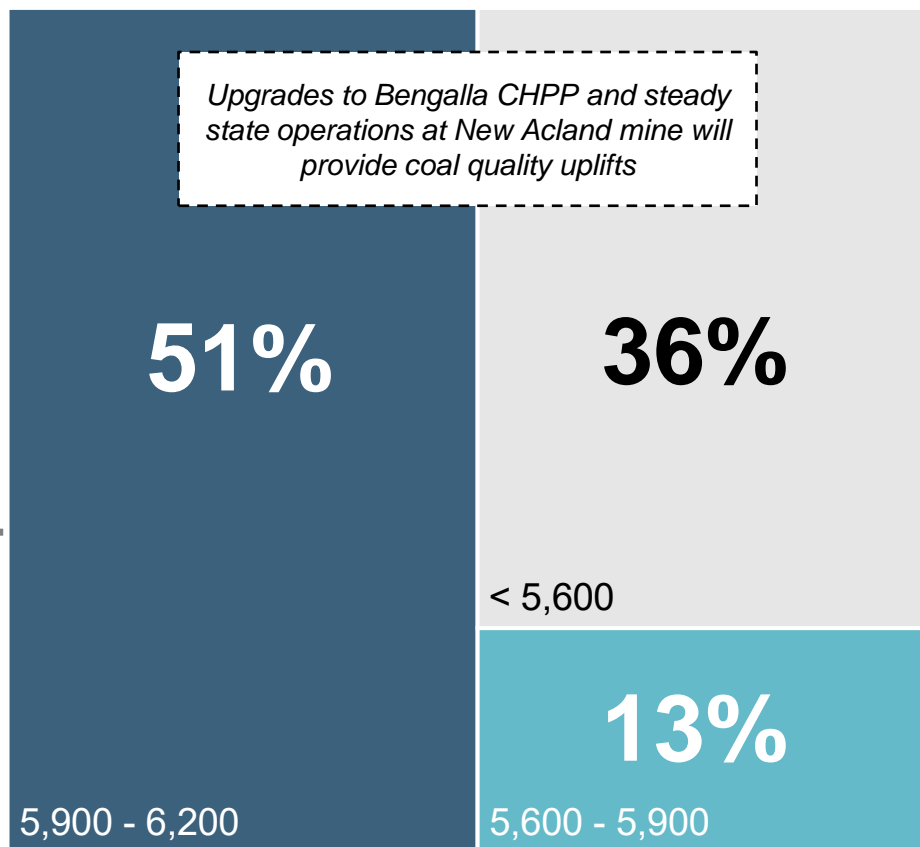
# Thermal coal prices remain above historical averages, with the outlook becoming increasingly positive due to the structural shortfall of supply



# The majority of our export product is high-CV thermal coal, with further quality improvements expected at both Bengalla Mine and New Acland Mine

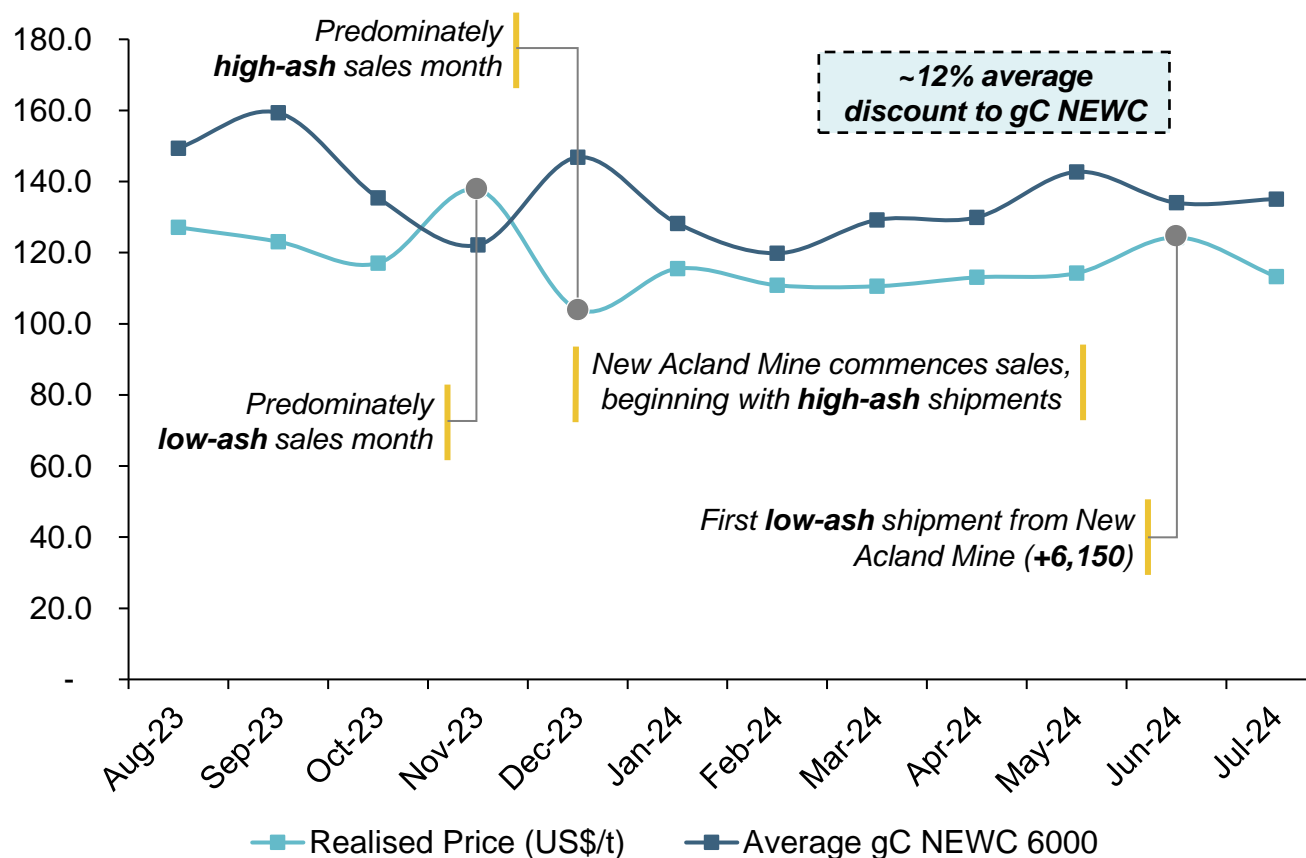
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FY24 export energy content (NAR basis<sup>1</sup>)



1. Net As Received.

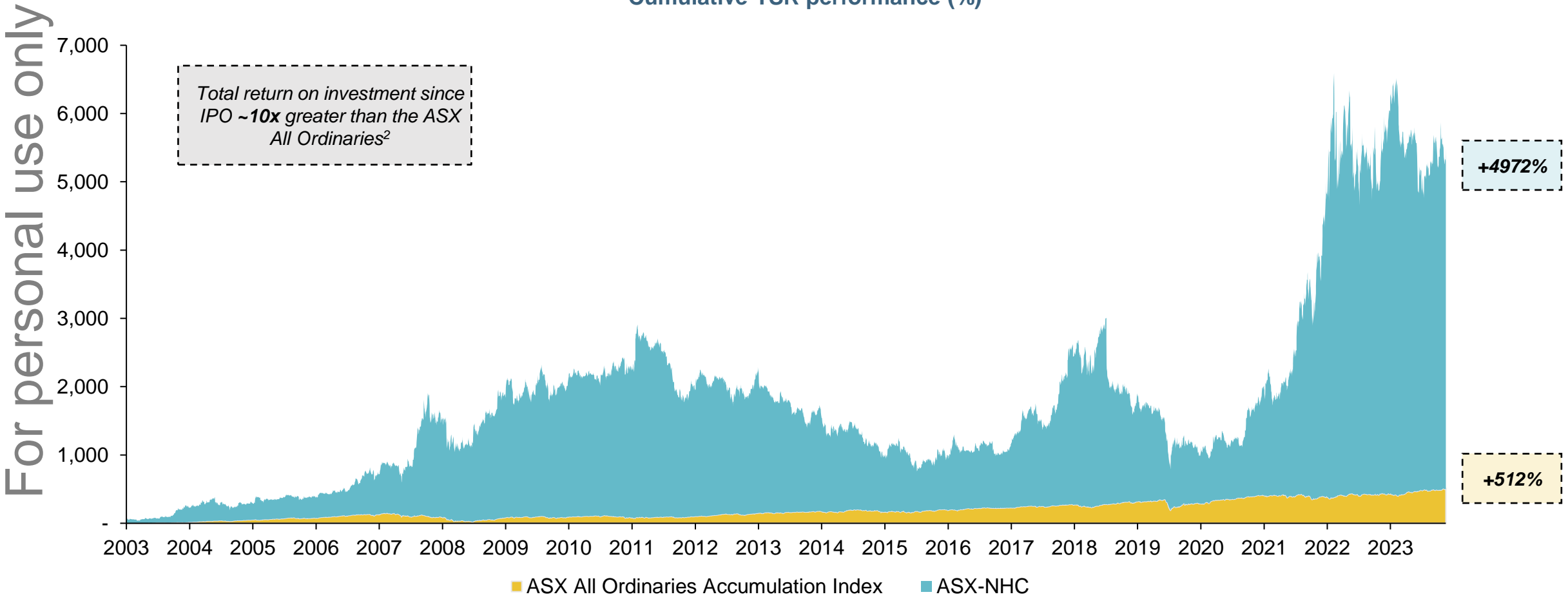
gC NEWC 6000 and realised price (US\$/t)<sup>2</sup>



2. Excludes domestic sales and Japanese Reference Price (JRP) linked sales.

# Our focus on capital management and creating shareholder value has resulted in significant outperformance compared to market

Cumulative TSR performance (%)<sup>1</sup>



1. Since IPO to 31 July 2024 and includes reinvestment of dividends.  
 2. ASX All Ordinaries Accumulation Index.

# Our operations and markets

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### Operating coal mines

- Bengalla**  
(thermal) (80% joint venture, open-cut)
- New Acland**  
(thermal) (100%, open-cut)
- Maxwell**  
(SSCC & thermal) (19.97% interest, underground)

### Coal exploration

Bee Creek  
North Surat<sup>1</sup>  
Tenements near New Acland and Bengalla, including EL9431 and AL19

### Agricultural operations

- Bengalla Agricultural Company**
- Acland Pastoral Company**

### Port facility

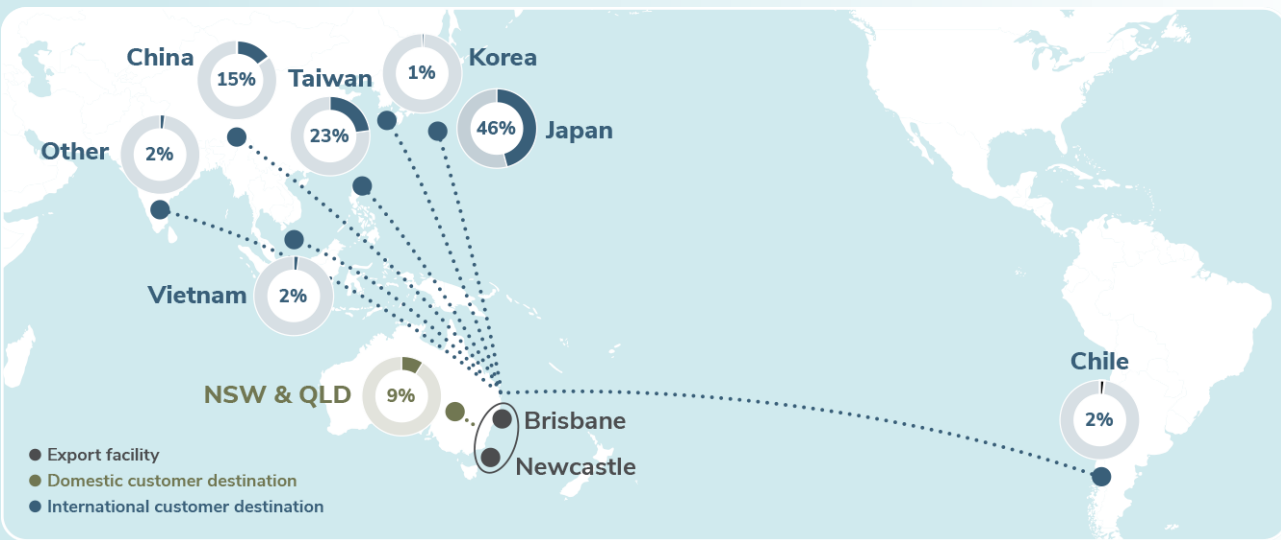
**Queensland Bulk Handling**

### Oil and gas production and exploration

**Bridgeport Energy<sup>2</sup>**  
Surat, Cooper and Otway Basins

**Offices**  
New Hope Group head office (Brisbane)  
New Hope Japan office (Tokyo)  
Bridgeport head office (Sydney)

## Key customer locations FY24<sup>3</sup>



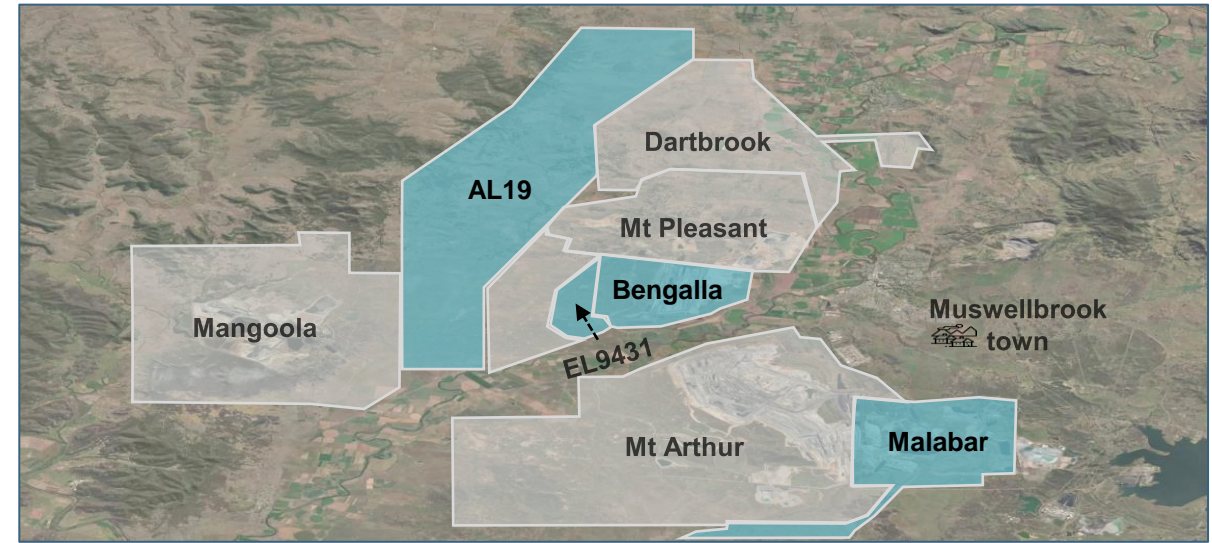
1. Assets associated with the North Surat Coal Project are impaired as at 31 July 2024.  
 2. Bridgeport Energy was held for sale as at 31 July 2024.  
 3. Percentages represent proportion of all coal revenue in the 2024 financial year. 'Other' includes third-party customer contracts with undisclosed geographical information.



# Bengalla Mine – a strong operational performance

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- Disciplined and low unit cost operation delivering strong margins.
- Saleable coal production of 10.1Mt<sup>1</sup> for FY24, 11 per cent higher than FY23, with further upside expected into FY25.
- Fourth quarter production impacted by uncontrollable rail disruptions, resulting in elevated levels of inventory which will unwind in early FY25.
- FOB cash cost (ex. state royalties) of \$77.8/t for FY24.
- Long-term growth opportunities at AL19 and EL9431.

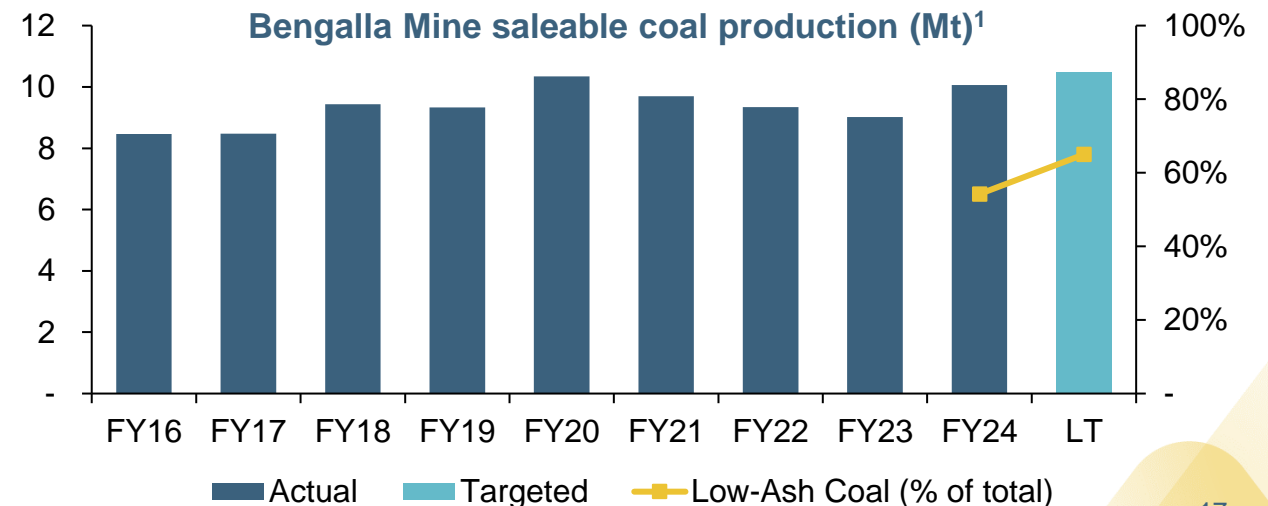


● New Hope interest ● Other coal mines

## Growth project (13.4Mtpa ROM<sup>1</sup>)

- 13.4Mtpa<sup>1</sup> ROM run rate capacity achieved.
- CHPP upgrade complete and headline washery metric achieved.
- Initial results showing product quality uplifts from additional washing capacity.

1. Bengalla Mine 100 per cent basis.



# New Acland Mine – successful restart of operations

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- Successful first year of operations since the restart of stage 3, producing over 1.0Mt of saleable coal in FY24.
- Steady-state operations will see New Acland Mine compete with Bengalla Mine on a FOR<sup>1</sup> cash cost basis.
- New Acland Mine is expected to remain below the threshold for coverage under the Safeguard Mechanism.
- Group ownership of certain underground titles results in a low-exposure to the QLD state royalty regime.

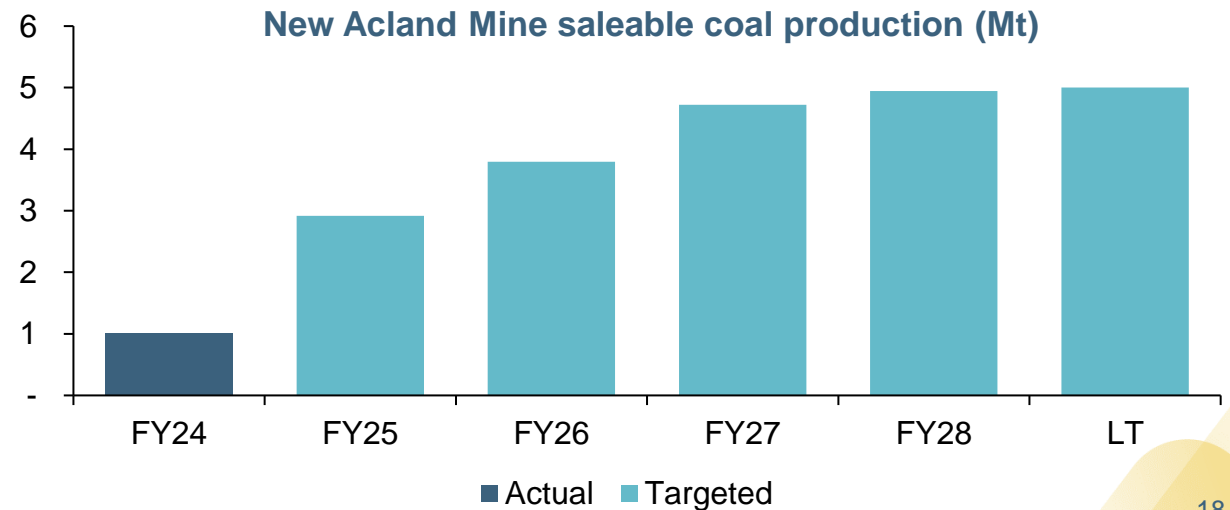


● Stage 3 ● Stage 2 ● Progressive rehabilitation areas ● Rehabilitation certified

## New Acland - Stage 3 update

- Completion of Lagoon Creek crossing, allowing access to Willeroo Pit.
- Manning Vale East and Willeroo Pits now mining in conjunction.
- Mining activities in Manning Vale West pit targeting end of 2025.

1. Free on Rail.



# Malabar Resources Limited – low-cost, long-life investment

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## Maxwell Mine Project

- Underground coal project possessing high-quality SSCC<sup>1</sup> and thermal coal.
- Bord and pillar and longwall operation.
- ~6Mtpa of coal sales over a ~20-year approval period.
- 300m longwall operating costs of \$55/t (excluding royalties).

- Current equity holding of 19.97 per cent.
- Increases exposure to high-quality metallurgical coal.
- Aligns with strategy of investing in low-cost coal assets with long-life approvals.

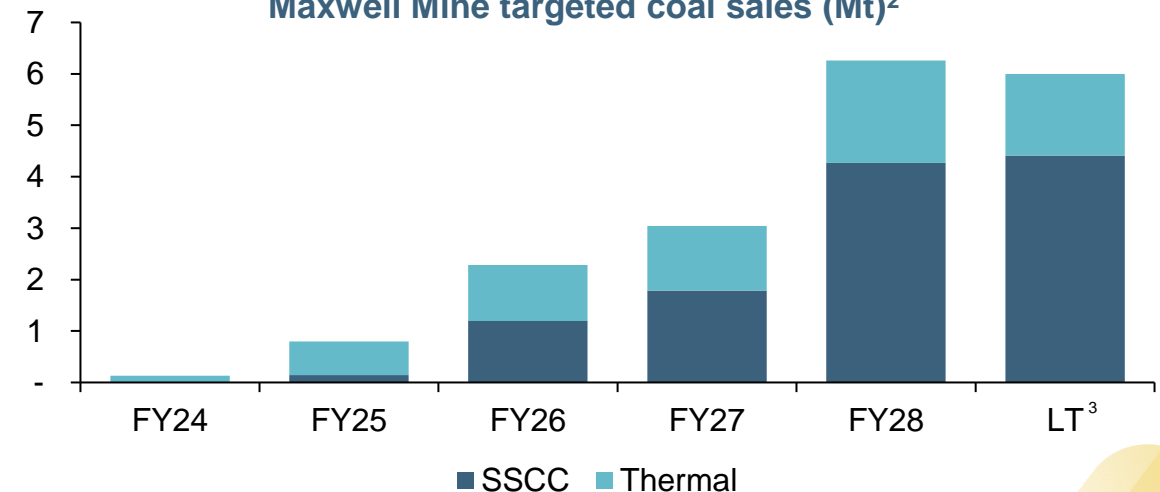
1. Semi-soft coking coal.

2. Source – Malabar Resources Limited company presentation – February 2024.

3. Reflects average from FY29 – FY36. LOM extends to FY46.



Maxwell Mine targeted coal sales (Mt)<sup>2</sup>



# Rehabilitation and agriculture working together for better outcomes



## Land holdings and rehabilitation (hectares)

### Pastoral operations and land holdings

- We operate on land surrounding Bengalla Mine and New Acland Mine, including rehabilitated land previously used for mining activities.
- Agricultural operations adjacent to operating mines are used for cropping and cattle grazing, and dairy farming in the case of Bengalla.

### Our approach to rehabilitation

- Progressively rehabilitate mining areas to manage future liabilities.
- Restore land for productive agricultural uses or higher value opportunities.
- Ensure we leave land in a better state than when we found it.
- Our approach to rehabilitation can be seen here – [click here](#)



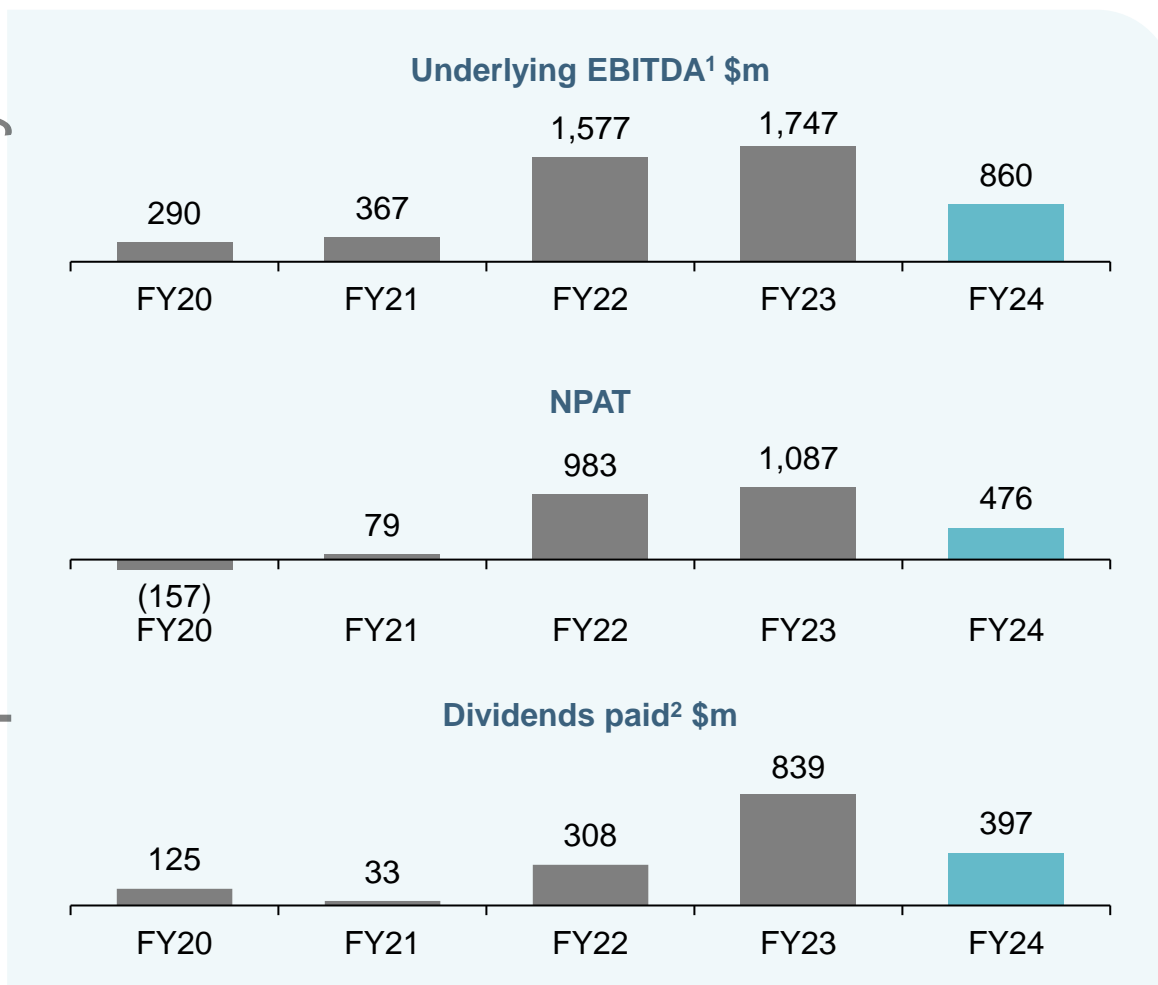
1. Includes total land owned / leased by New Hope Group or its entities.

2. Data includes mine site hectares from Bengalla Mine, New Acland Mine and the former Jeebropilly Mine.

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# Financial performance

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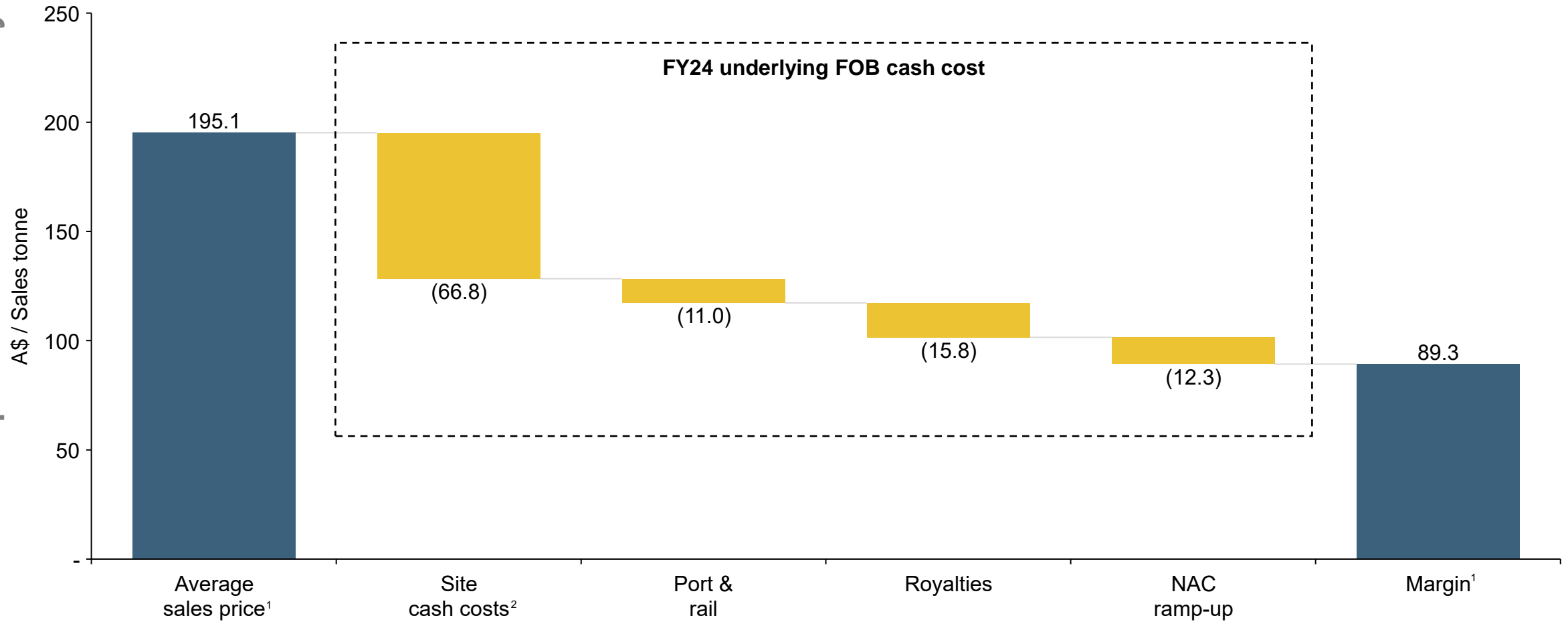
	FY24 \$m	FY23 \$m
<b>Underlying EBITDA before non-regular items<sup>1</sup></b>	859.9	1,746.6
Depreciation and amortisation	(168.1)	(141.6)
Net interest income	11.3	24.3
<b>Profit before tax and non-regular items</b>	<b>703.1</b>	<b>1,629.3</b>
Non-regular items before tax	(5.9)	(84.3)
<b>Profit before tax after non-regular items</b>	<b>697.2</b>	<b>1,545.0</b>
Income tax expense	(221.3)	(457.6)
<b>Statutory profit after tax and non-regular items</b>	<b>475.9</b>	<b>1,087.4</b>
Earnings per share (cents)	56.3	126.0
Ordinary dividend per share (cents) <sup>2</sup>	38.0	61.0
Special dividend per share (cents) <sup>2</sup>	9.0	35.0

1. Underlying Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) before non-regular items. This non-IFRS information has not been audited.

2. Dividends paid during the period.

# We operate a high-margin business (\$ / sales t) despite New Acland Mine being in ramp-up

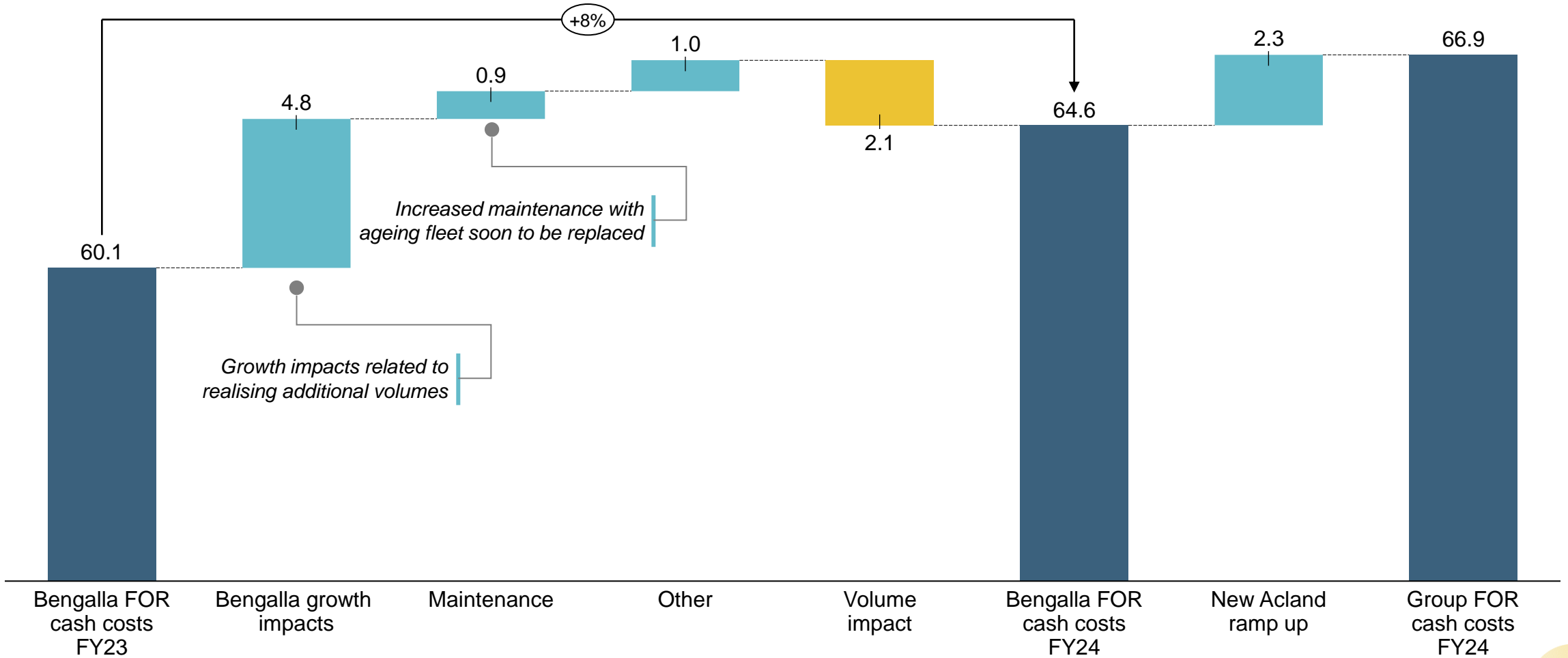
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1. Includes net hedging gain (commodity prices and foreign currency).  
 2. Includes trade coal purchases.

# Disciplined cost control leading to minor increases in FOR cash costs (\$ / product t) despite temporary growth impacts

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# Our liquidity management policies include investments in fixed income opportunities to maximise returns on surplus cash

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## We maintain a liquidity buffer for the following reasons:

- To satisfy near term obligations.
- To protect against single asset risk whilst NAC is in ramp-up.
- Access to standard working capital / debt facilities is limited in the Australian thermal coal industry.

## Our approach to fixed income investments

### Diversify

exposure across managers, funds and risk units

### Align

liquidity profiles with expected uses of cash

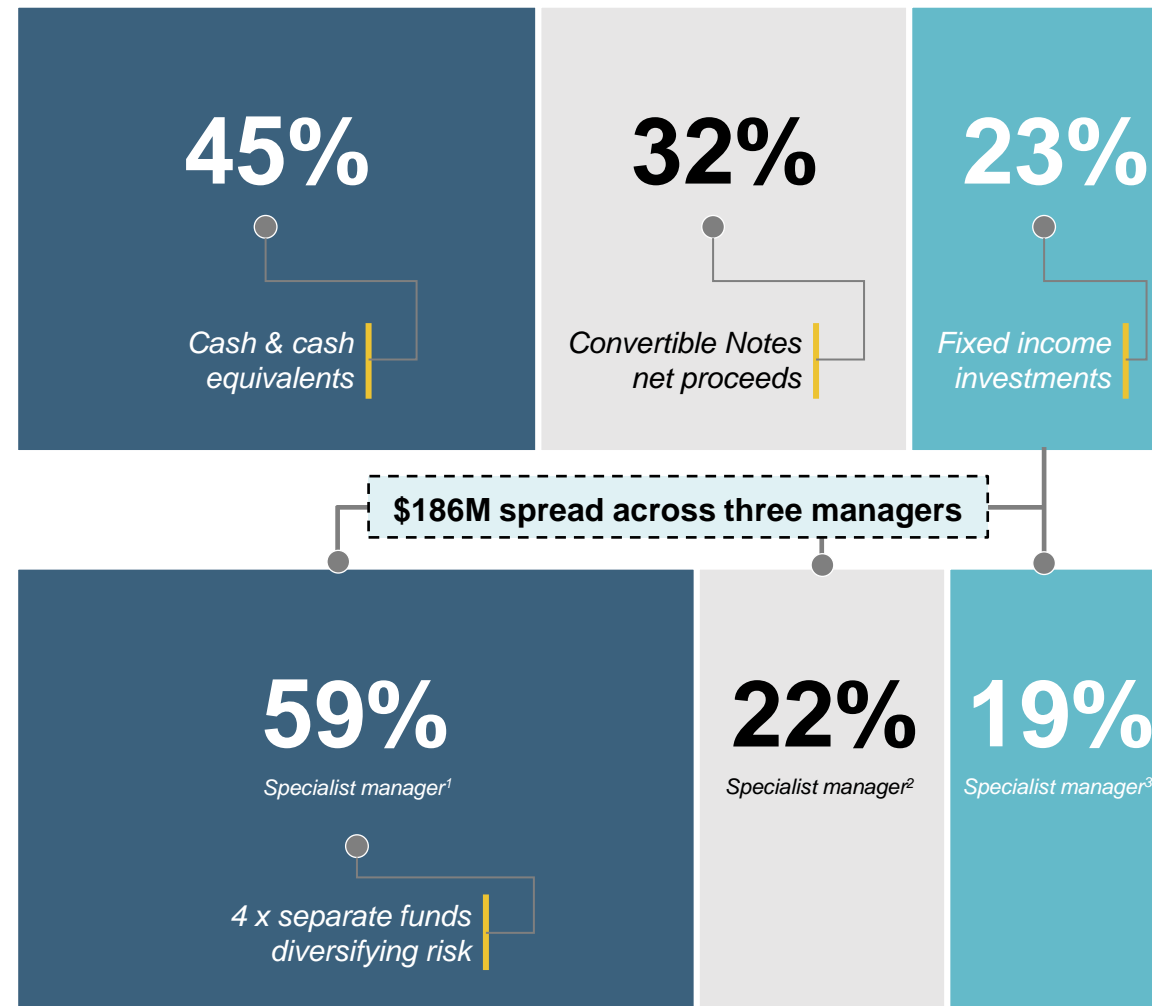
Target above cash rate

**+200bps**

Returns since inception (Apr-2023)

**~9% p.a**

## \$825M available cash composition (31 July 2024)



1. PIMCO.  
2. Flag Asset Management.  
3. Revolution Asset Management.



# The convertible note issuance capitalised on strong market conditions to provide increased financial flexibility for strategic opportunities

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Convertible Notes

**\$300M**

Dividend protection threshold<sup>1</sup>

**16¢**

Coupon rate<sup>1</sup>

**4.25%**

Effective total yield cost<sup>1,2</sup>

**6.3%**

Initial conversion premium<sup>3</sup>

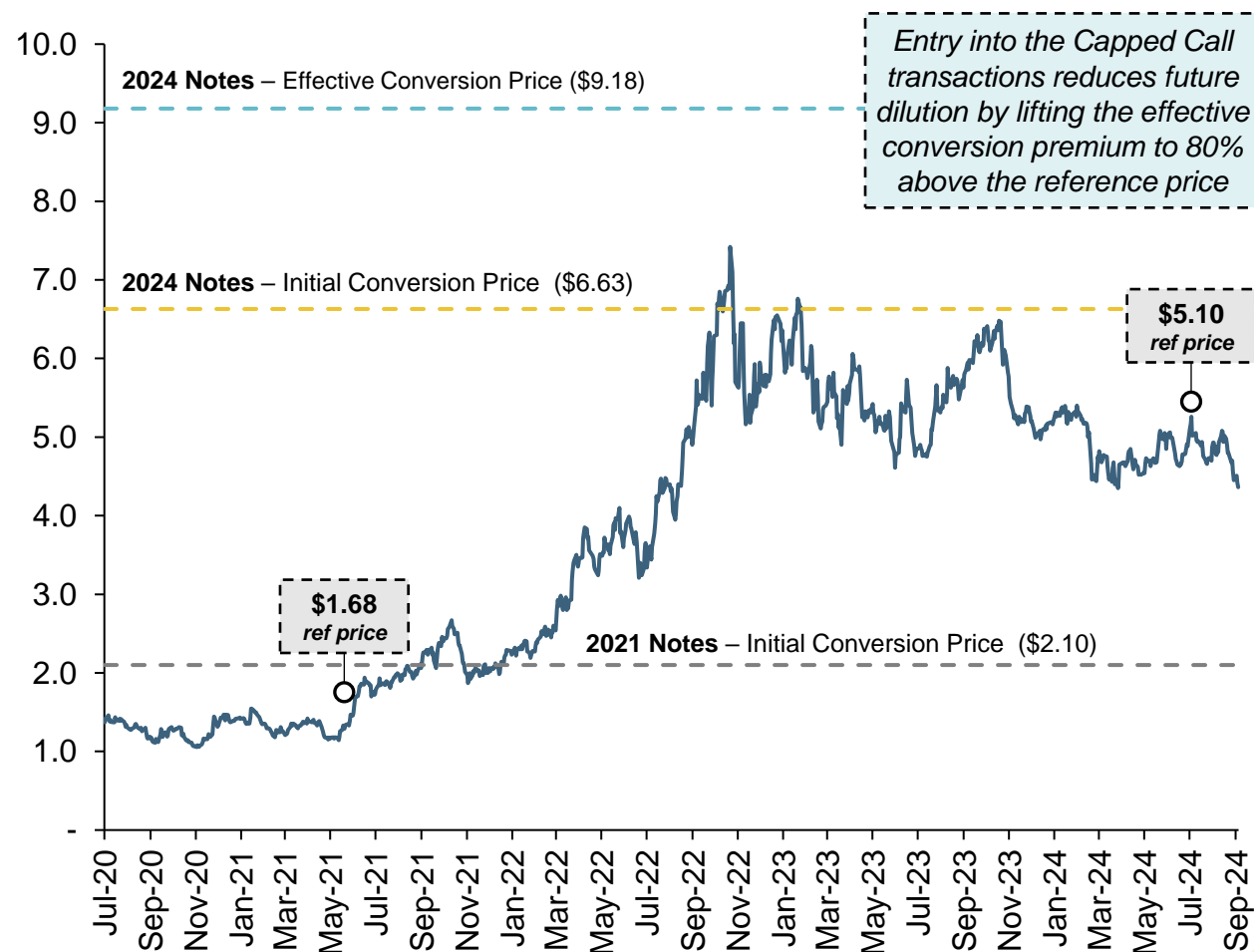
**30%**

Effective conversion premium<sup>3</sup>

**80%**

1. Per annum.  
 2. Effective total yield cost including the cost of the Capped Call transactions.  
 3. Premium above the Reference price of \$5.10 per share.

New Hope share price (\$/sh)



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# Thank you

## Contact us

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