



**NEW HOPE**  
GROUP

# FINANCIAL RESULTS RELEASE

HALF YEAR ENDED 31 JANUARY 2018

Presented by Robert Millner and Shane Stephan

New Hope Corporation Limited  
(ASX code: NHC)  
[newhopegroup.com.au](http://newhopegroup.com.au)



# RESULTS OVERVIEW

Robert Millner, Chairman

# Executive Summary

## Best half yearly result in Company's history

Net Profit After Tax

**\$115.6M**

▲ 111% from 2017

Cash generated  
from ops

**\$206.5M**

Before interest and tax

Total tonnes sold

**4.4M**

▲ 10% from 2017

EBITDA

**\$211.7M**

▲ 63% from 2017

Interim dividend

**6.0 cents**

▲ 50% from 2017

Land rehabilitated

**45%**

Of all mined land  
life to date



Please refer to Appendix for reconciliation of Non IFRS Financial Information

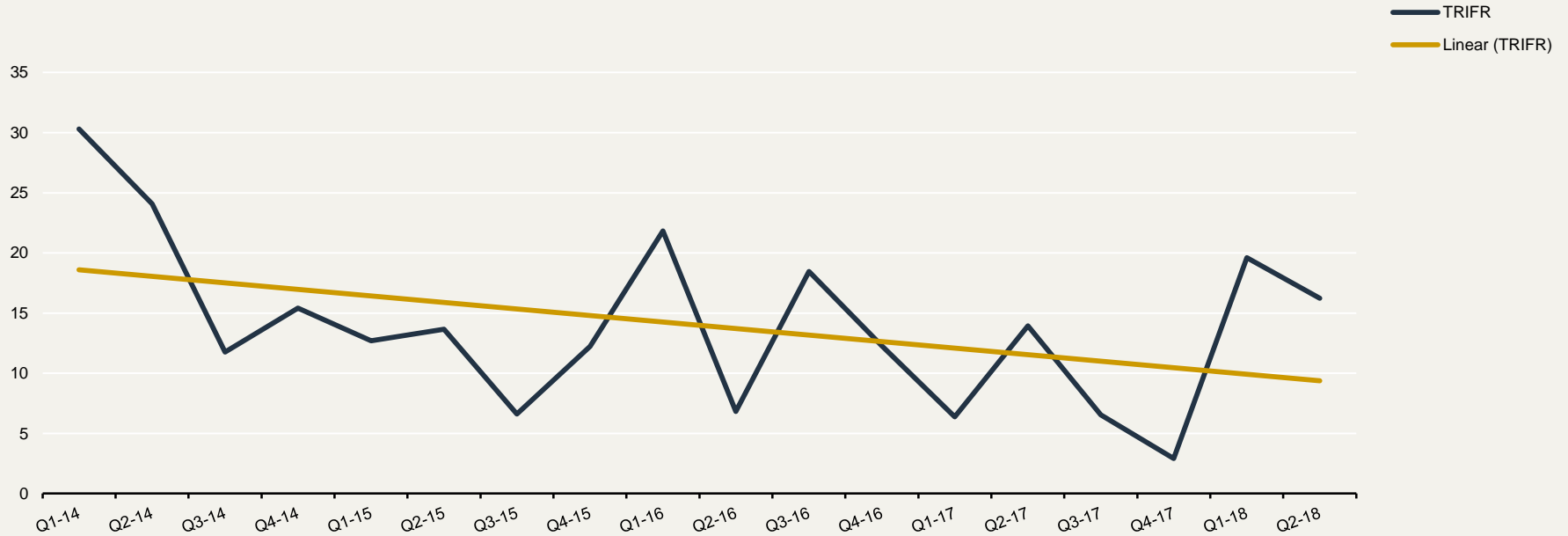


# SAFETY AND SALES PERFORMANCE

Shane Stephan, Managing Director and Chief Executive Officer

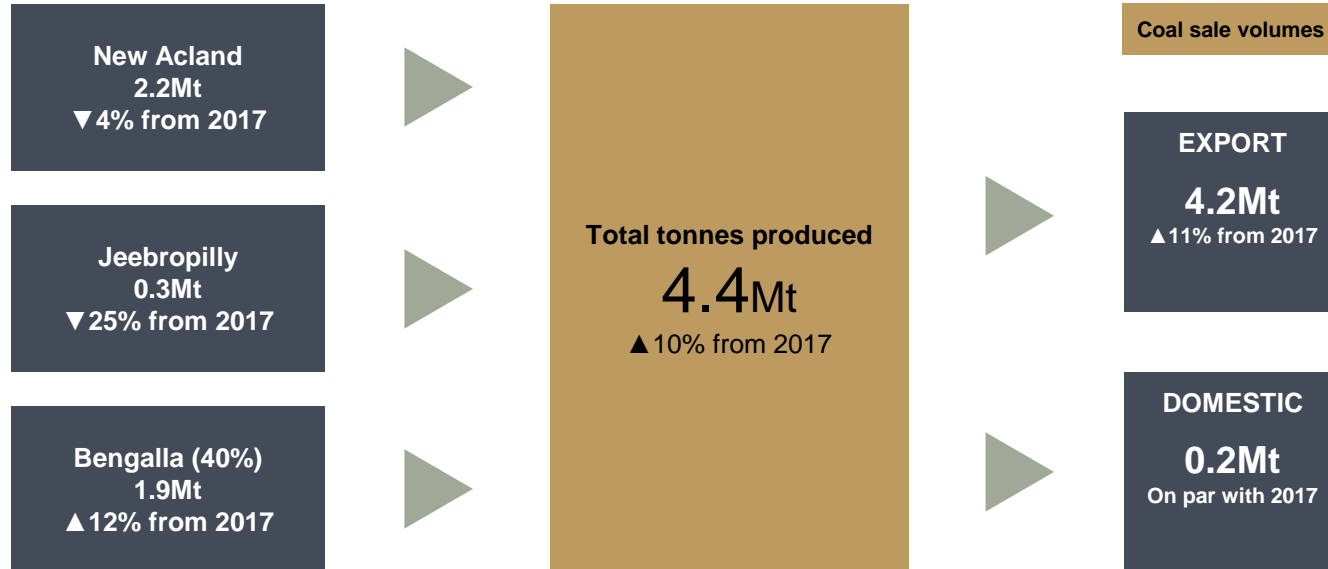
# Safety Performance

### Total Recordable Injury Frequency Rate (TRIFR)



# Production and sales tonnage

6 months ended 31 January 2018





## FINANCIAL OVERVIEW

# Financial Highlights

## Revenue drives strong profit margin

Revenue from operations  
**\$509.4M**  
▲ 36% from 2017

Profit before income tax  
(before non regular items)  
**\$165.2M**  
▲ 107% from 2017

Profit after income tax  
(before non regular items)  
**\$115.6M**  
▲ 111% from 2017

EBITDA  
**\$211.7M**  
▲ 63% from 2017

Interim dividend  
**6.0 cents**  
▲ 50% from 2017

Earnings per share  
(before non regular items)  
**13.9 cents**  
▲ 111% from 2017



Please refer to Appendix for reconciliation of Non IFRS Financial Information

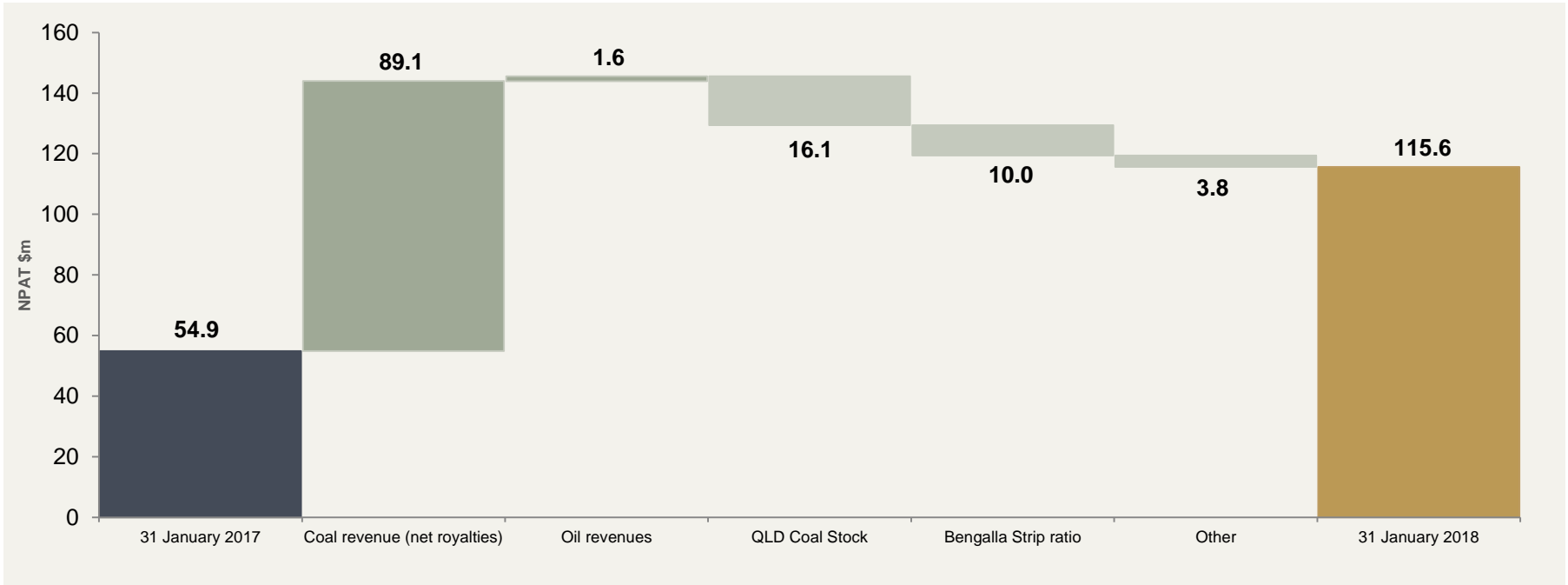


## Segment NPAT contribution (before non regular items)



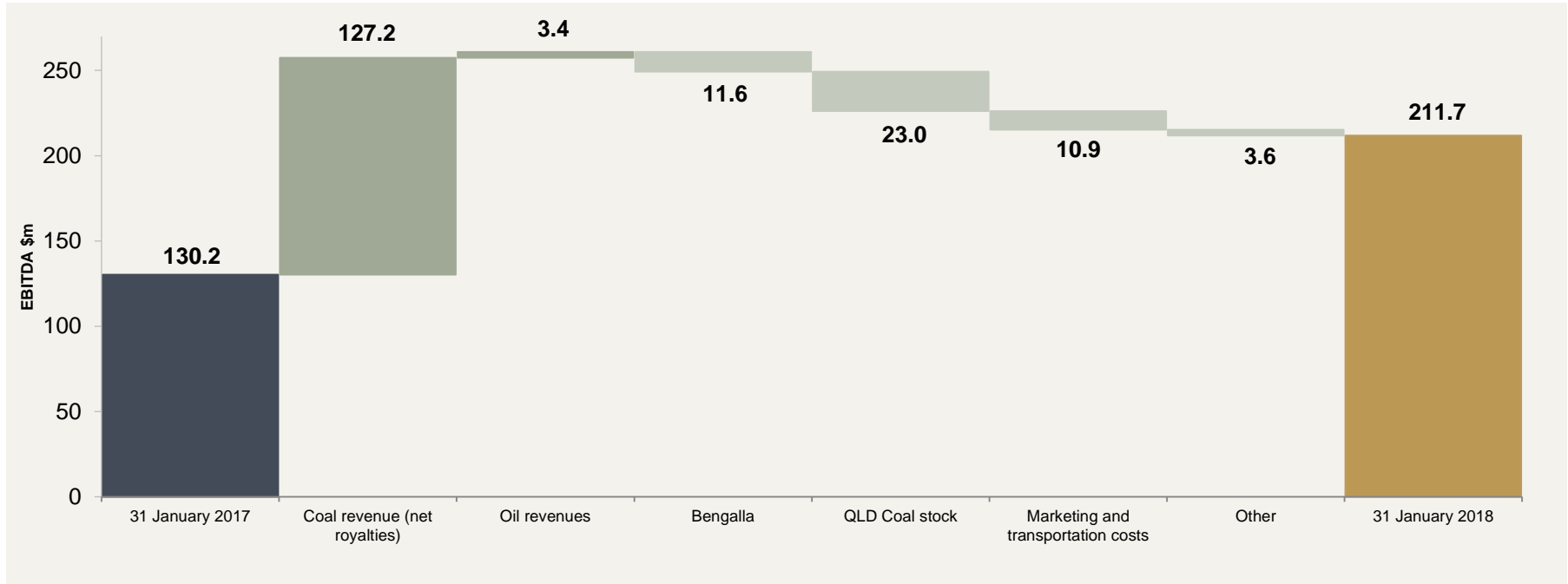
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## Group NPAT Comparison (before non regular items)



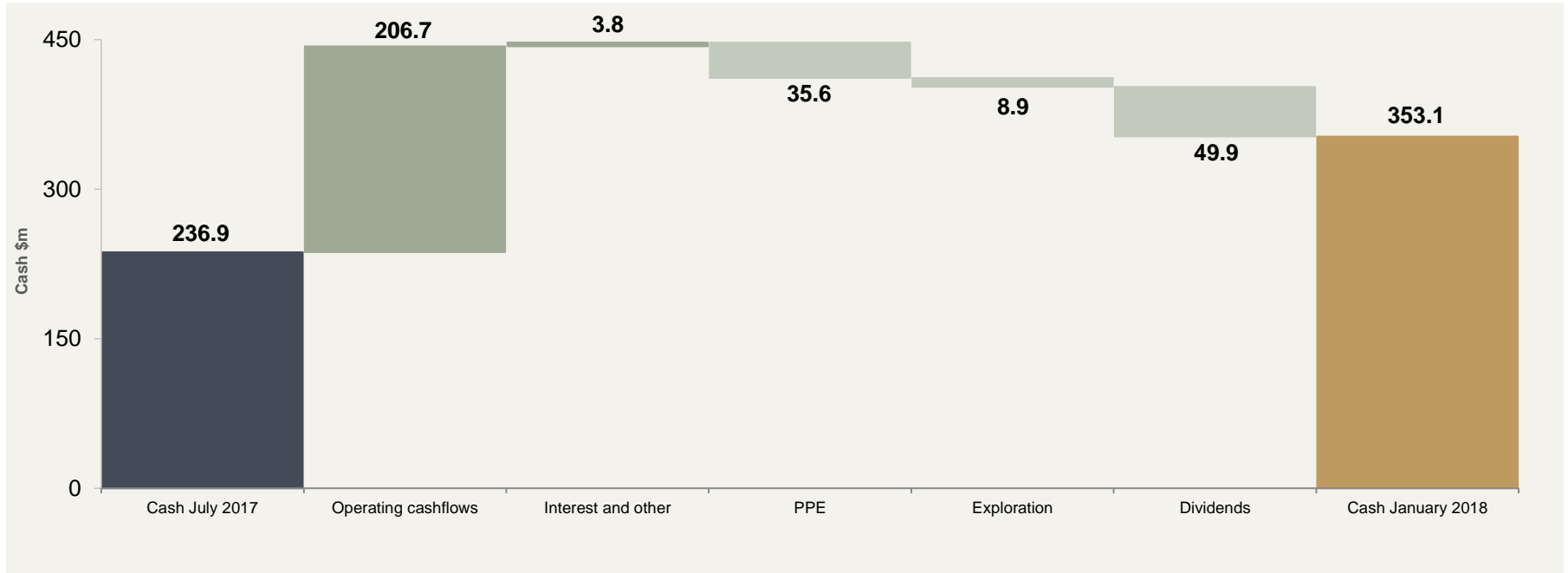
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## Group EBITDA Comparison (before non regular items)



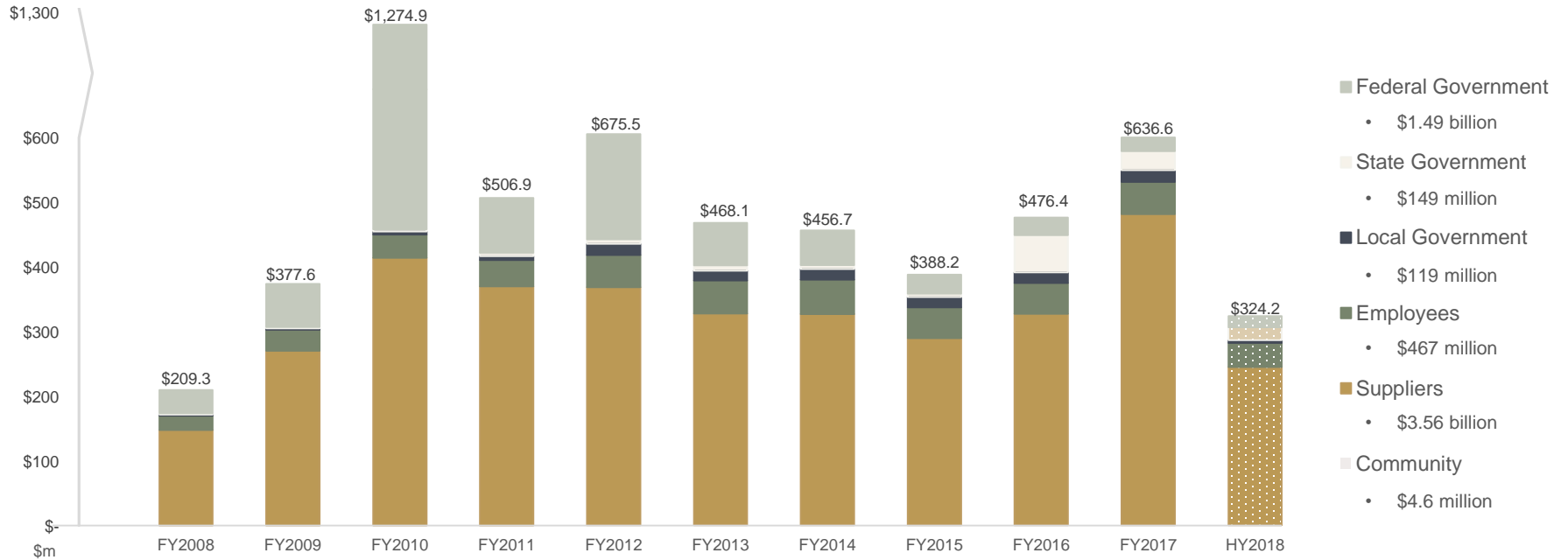
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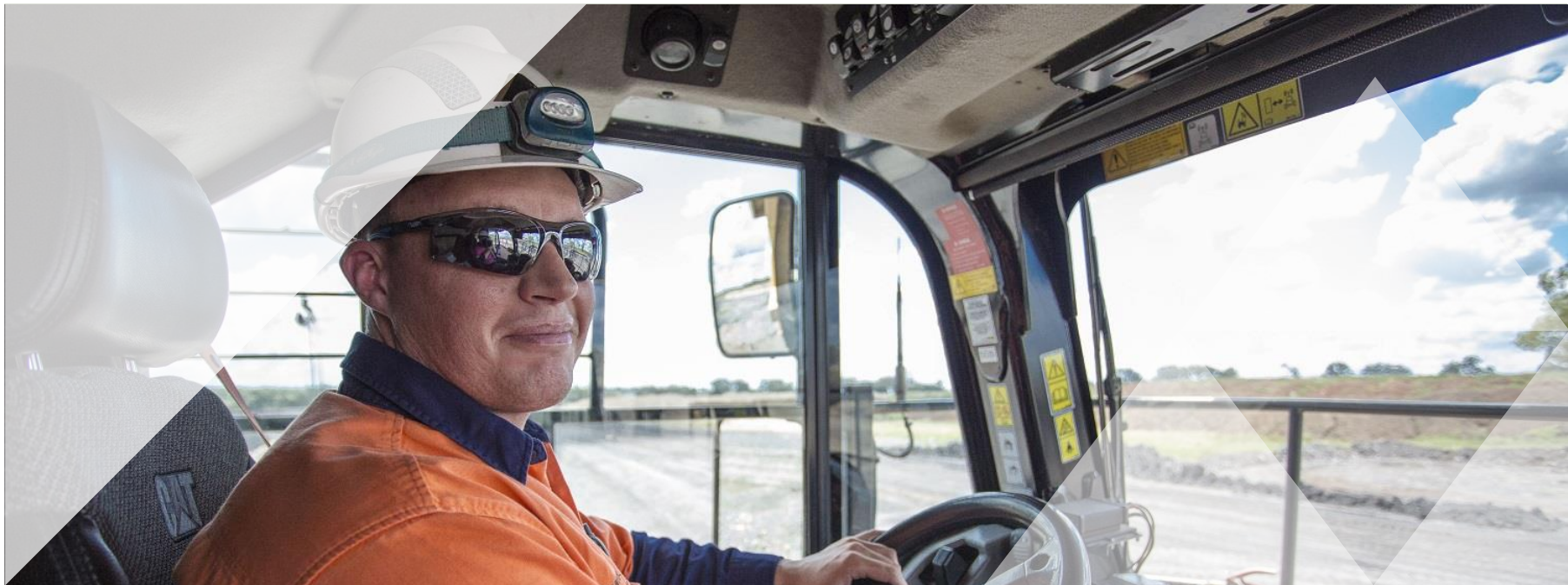
# Group Cash Comparison



# Economic contribution

Over \$5.8 billion





**OPERATIONS**

## Bengalla acquisition delivers

- New Hope share of 1.9Mt of saleable coal production
- Profit before tax for the half year of \$83.8 million
- Continued focus on operational efficiency and de-bottlenecking of the coal supply chain
- Working with the neighbouring Mt Pleasant operation to manage interaction between the two sites



## Update on Stage 2 operations and Stage 3 approvals

- Federal environmental approval in Jan 2017
- Unfavourable Land Court recommendation in May 2017
- Application to Amend Environmental Authority for Stage 3 rejected in February 2018
- Judicial Review of the Land Court decision began 19<sup>th</sup> March 2018
  
- Investigating options to extend Stage 2 mining operations
- Avoiding gap in production between Stage 2 and 3 will safeguard the existing workforce – 288 FTE, around 500 contractors
- Currently working through community consultation, economic viability and operational considerations

### Potential extended Stage 2 areas





# New Acland Mine

## The progressive rehabilitation journey

Please find a video of the progressive rehabilitation at New Acland Mine at: <https://www.youtube.com/watch?v=xZciewS7kDM>



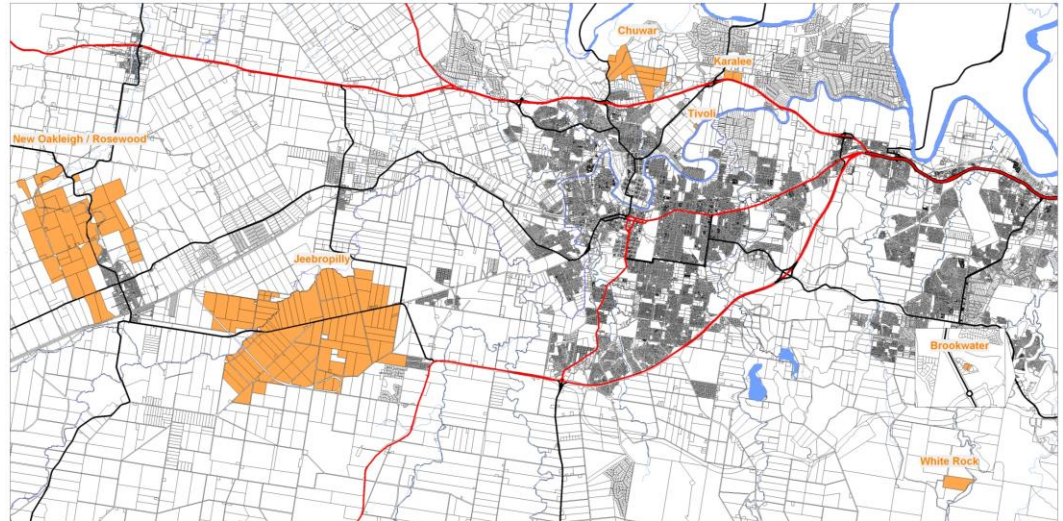
New Acland Rehab March 2018  
Active Mine Pit

# West Moreton Operations

## Transitioning to post-mine opportunities

- Jeebropilly Mine last coal ~end of calendar 2019
- 459ha rehabilitated to date, cattle grazing on western areas of the mining lease for more than 15 years
- Rehabilitation works complete at Chuwar and New Oakleigh West
- Rehabilitation works beginning at New Oakleigh East
- Gradual transition to post-mining land use

## New Hope Group Ipswich land holdings



# West Moreton Operations – New Oakleigh

- Rehabilitation works complete at New Oakleigh West (pictured), now in monitoring and maintenance phase
- 223ha of mined land rehabilitated to grazing standard
- Planning for rehabilitation works at New Oakleigh East underway

**2012**



**2018**



# West Moreton Operations - Chuwar

- Rehabilitation works complete, now in monitoring and maintenance phase
- 30ha of mined land rehabilitated to grazing standard
- Potential for large lot residential development in line with the local city plan

## Chuwar East



## Chuwar West



# Queensland Bulk Handling

## Safety performance with strong throughput

- 5 years Lost Time Injury Free
- Significant refurbishment works completed on some critical infrastructure
- Implementation of remote train unloading system
- Facilitated increased throughput from customers through flexible capacity arrangements



## Breeding operation strengthens

- Breeding operation well established
- Breeder numbers at 2,153
- 1,670 calves
- Additional 1,800 calves expected in March
- 9,000 tonnes of silage sold to local feedlots



## Production levels rise

- Improved production performance
- 34% increase in oil production
- Increasing oil price
- 45% increase in revenue



## In the community

### Celebrating 6 years and over \$1m in donations with LifeFlight Australia

**Increased rural access to emergency medical resources and training**



**Improved mental health awareness**



**Improved access to STEM education**







## PROJECTS

# Major projects

## Development pipeline secures future growth

### Lenton Joint Venture Burton Mine / Lenton Project Bowen Basin

- Coking/thermal coal
- 380 million tonne resource\*
- ~1.5 million tonne per annum for approx. 20 years
- First coal estimated for Q2 calendar 2019
- Subject to final investment decision in Q2 calendar 2018

### North Surat Project Surat Basin

- Thermal coal
- 1 billion tonne resource\*
- (Elimatta, Collingwood, Taroom, Woori)
- To meet anticipated market demand in 2023/24



\* The information is extracted from the New Hope Annual Report published to the ASX on 19 September 2017 and is available on the New Hope website at <http://www.newhopegroup.com.au/files/files/2017%20Annual%20Report.pdf>. The Company can confirm that it is not aware of any new information or data that materially affects the information included in the original announcement and that all technical parameters underpinning the estimate continue to apply. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original publication.

# Lenton Joint Venture Burton Mine

## Astute acquisition of infrastructure

- Sale completed November 2017
- 90% joint venture participant
- Adjoins New Hope's Lenton Project
- A mining lease, exploration permit and two mine development leases as well as associated infrastructure
- Operational readiness planning
- First coal estimated for Q3 2019



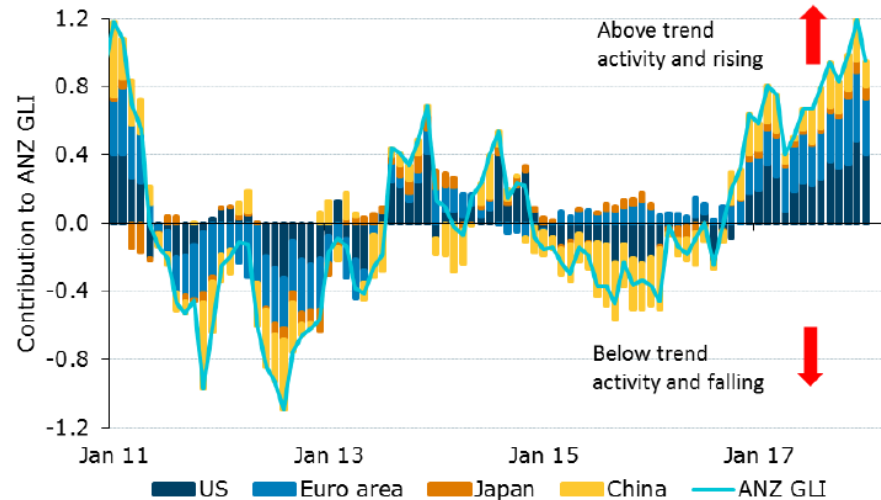


## GROUP OUTLOOK

# Energy Demand Growth Driven By Economic Growth in Asian Markets

## Lead indicators positive for Asian Growth

- Asian energy growth strong
- Coal is a key sector of Asian energy mix now and in the future
- Australian thermal coal is the premium product available into Asian markets
- New Hope has the balance sheet, management capability and project pipeline to service the growing demands of its customers
- ANZ GLI suggests industrial activity momentum to continue

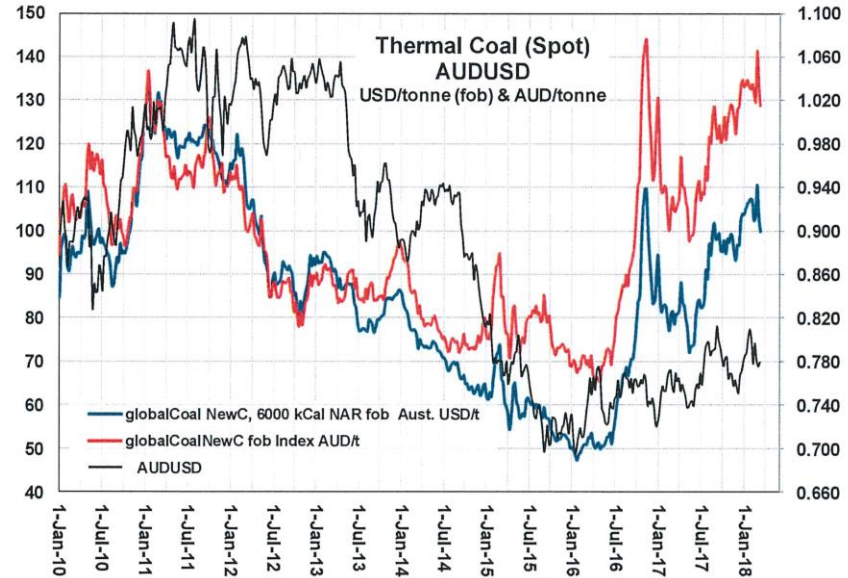


Source: Bloomberg, Markit, ANZ Research

# Thermal Coal Market Prices

## Thermal Coal Market Signaling Growing Demand to Australian Producers

- Growing demand from Asian markets
- Guangdong power demand up 5.7% in 2017 to 593 TWh
- Guangdong is the largest power user in China accounting for 9.4% of China's total power consumption of 6,307 TWh
- China is reducing outdated inefficient domestic coal production
- South East Asia investing in new generation HELE coal fired power stations
- Asia is modernising its fleet of coal fired power stations to HELE technology which are well suited to Australian thermal coals

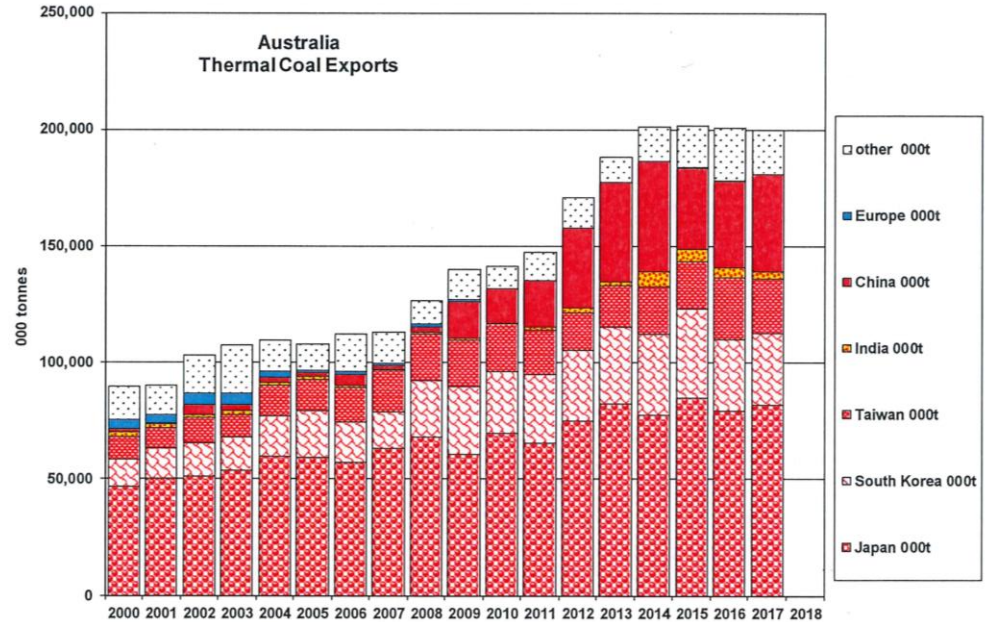


Source: IHS, XE, Matau Advisory

# Australian Thermal Coal Export Supply

## No Supply Increase Evident Despite Strong Price Signal – Asia Dominates Export Share

| Export      | Share % |
|-------------|---------|
| Japan       | 40.8%   |
| China       | 20.9%   |
| South Korea | 15.5%   |
| Taiwan      | 11.6%   |
| India       | 1.6%    |



Source: HIS Markit, Matau Advisory

## Safe production underpins future growth

New Hope is well positioned to meet the growing energy demands of its Asian customers

### Coal operations

Maintaining current production levels

Improving safety performance

Careful cost management

### Projects and development

Advancing Lenton Joint Venture Burton Mine

Optimising oil production

Extending New Acland's Stage 2 operations

Securing approval for New Acland Stage 3 Project



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## APPENDICES

# Reconciliation of non IFRS Financial Information

## 6 Months Ended 31 January

(A\$ millions)

|  | 2018   | 2017   | Variance (%) |
|--|--------|--------|--------------|
| Profit after tax   | 115.6  | 68.4   | 69%          |
| Income tax expense   | (49.6) | (31.0) | 60%          |
| Profit before income tax   | 165.2  | 99.4   | 66%          |
| Non regular items before tax   | -      | 19.4   | -100%        |
| Profit before income tax and non regular items                               | 165.2  | 80.0   | 107%         |
| Interest expense   | (0.2)  | 0.6    | -133%        |
| Earnings before interest tax and non regular items                           | 165.0  | 80.6   | 105%         |
| Depreciation and amortisation  | 46.7   | 49.6   | -6%          |
| Earnings before interest tax depreciation amortisation and non regular items | 211.7  | 130.2  | 63%          |

Earnings before interest tax and non regular items (EBIT) and earnings before interest tax depreciation amortisation and non regular items (EBITDA) figures referenced in this presentation are unaudited and unreviewed. The figures have been extracted from the reviewed financial statements and reconcile to the results presented in the Appendix 4D and Interim Report in the Consolidated Statement of Comprehensive Income. The presentation of the EBIT and EBITDA is to provide a measure of New Hope's performance prior to the impact of financing and non cash depreciation and amortisation.



## Reconciliation of Net Profit after Tax before and after non regular items

### 6 Months Ended 31 January 2017

(A\$ million)

|  | Coal Mining QLD | Coal Mining NSW | Oil and Gas | <b>Total</b> |
|--|-----------------|-----------------|-------------|--------------|
| Net profit / (loss) after tax                          | 30.8            | 39.7            | (2.1)       | <b>68.4</b>  |
| Non regular items after tax                            |                 |                 |             |              |
| Recovery of below rail access charge                   | 13.9            | -               | -           | <b>13.9</b>  |
| Impairment of available for sale investments           | (0.4)           |                 |             | <b>(0.4)</b> |
| Net profit / (loss) after tax before non regular items | 17.3            | 39.7            | (2.1)       | <b>54.9</b>  |

# Reconciliation of non IFRS Financial Information

## 6 Months Ended 31 January

(cents per share)

|  | 2018        | 2017       |
|--|-------------|------------|
| <b>Basic earnings per share (cents) (before non regular items)</b> | <b>13.9</b> | <b>6.6</b> |
| Recovery of below rail access charge                               | -           | 1.7        |
| Impairment of available for sale investments                       | -           | (0.1)      |
| <b>Basic earnings per share (cents) (after non regular items)</b>  | <b>13.9</b> | <b>8.2</b> |

Basic earnings per share before non regular items referenced in this presentation are unaudited and unreviewed. The figures have been extracted from the reviewed financial statements and reconcile to the results presented in the Appendix 4D and Interim Report in the Consolidated Statement of Comprehensive income.

