



# 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.

Persons who come into possession of this document who are not in Australia should seek advice specific to them and their circumstances.

# 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

## 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

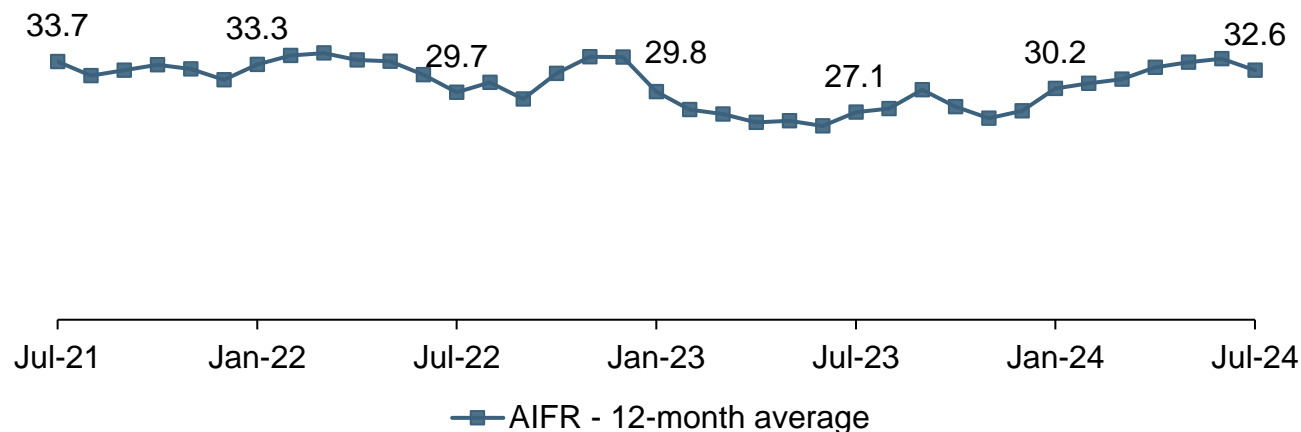
## Factors contributing to increased metrics:

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

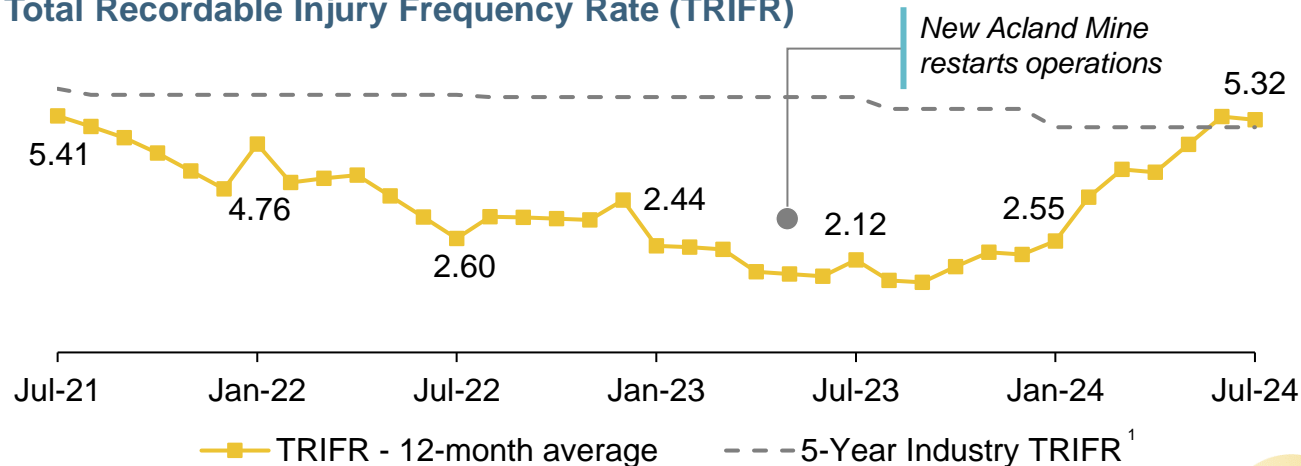
## Key actions underway to improve performance:

- 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

## 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>.

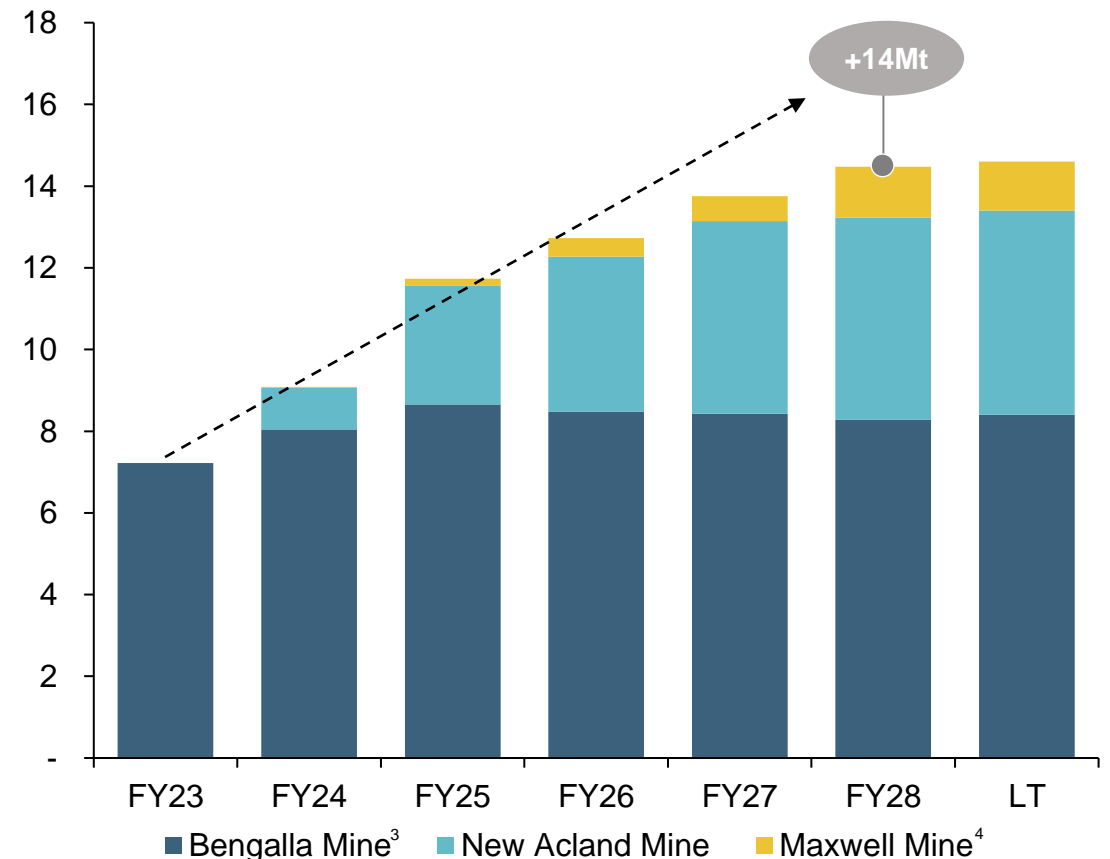
1. Bengalla Mine 80 per cent basis.

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

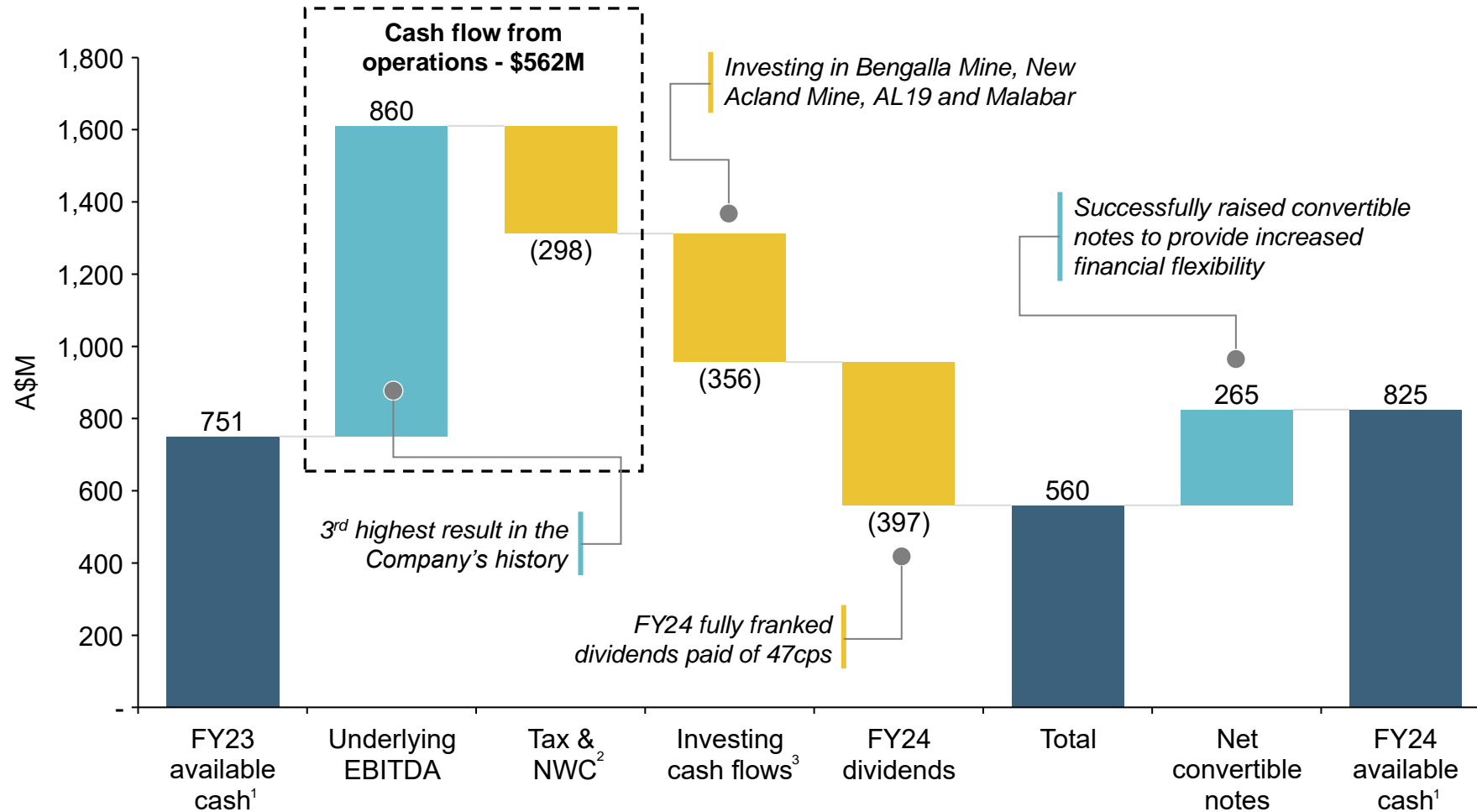
3. Bengalla Mine – attributing 80 per cent share of saleable coal production.

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



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

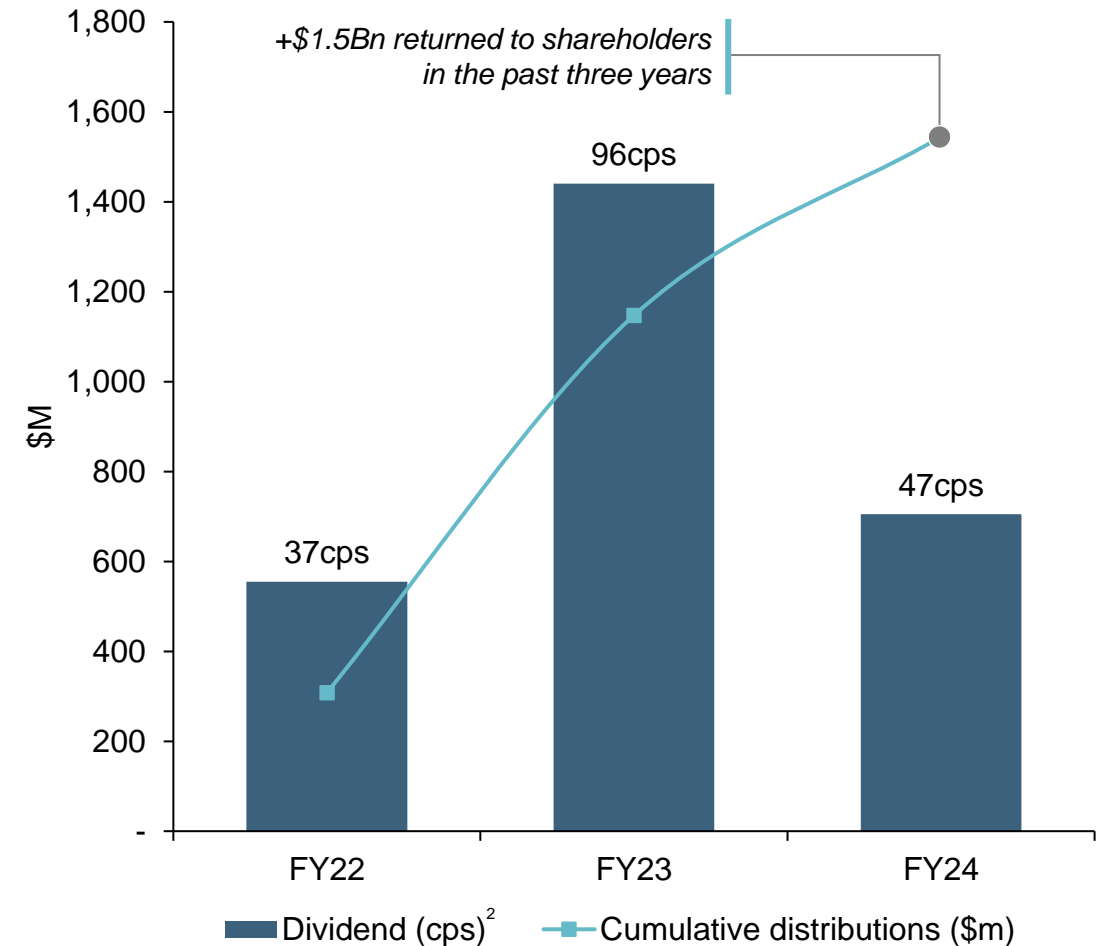
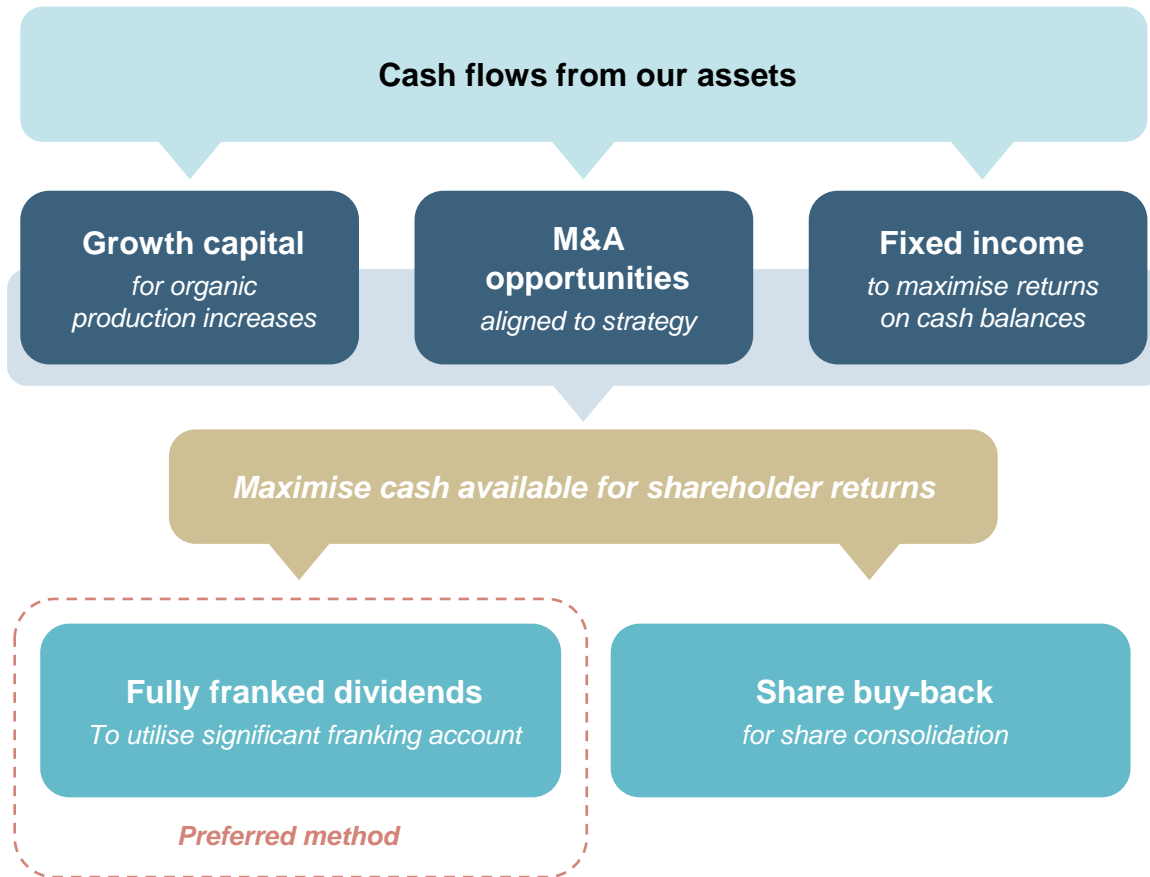
1. Includes cash and cash equivalents and fixed income investments, which are reported as other financial assets.

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



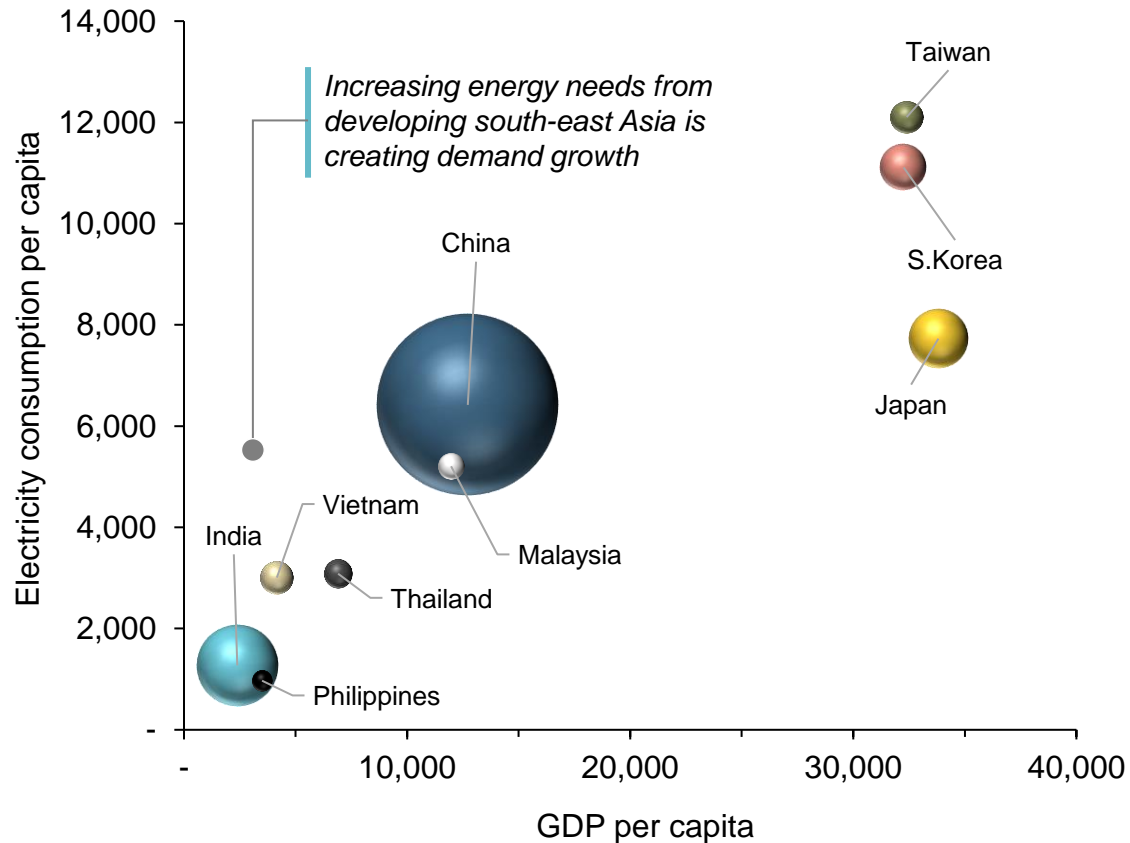
1. Based on market capitalisation as at 31 July 2024.  
2. Based on dividends paid during the period.



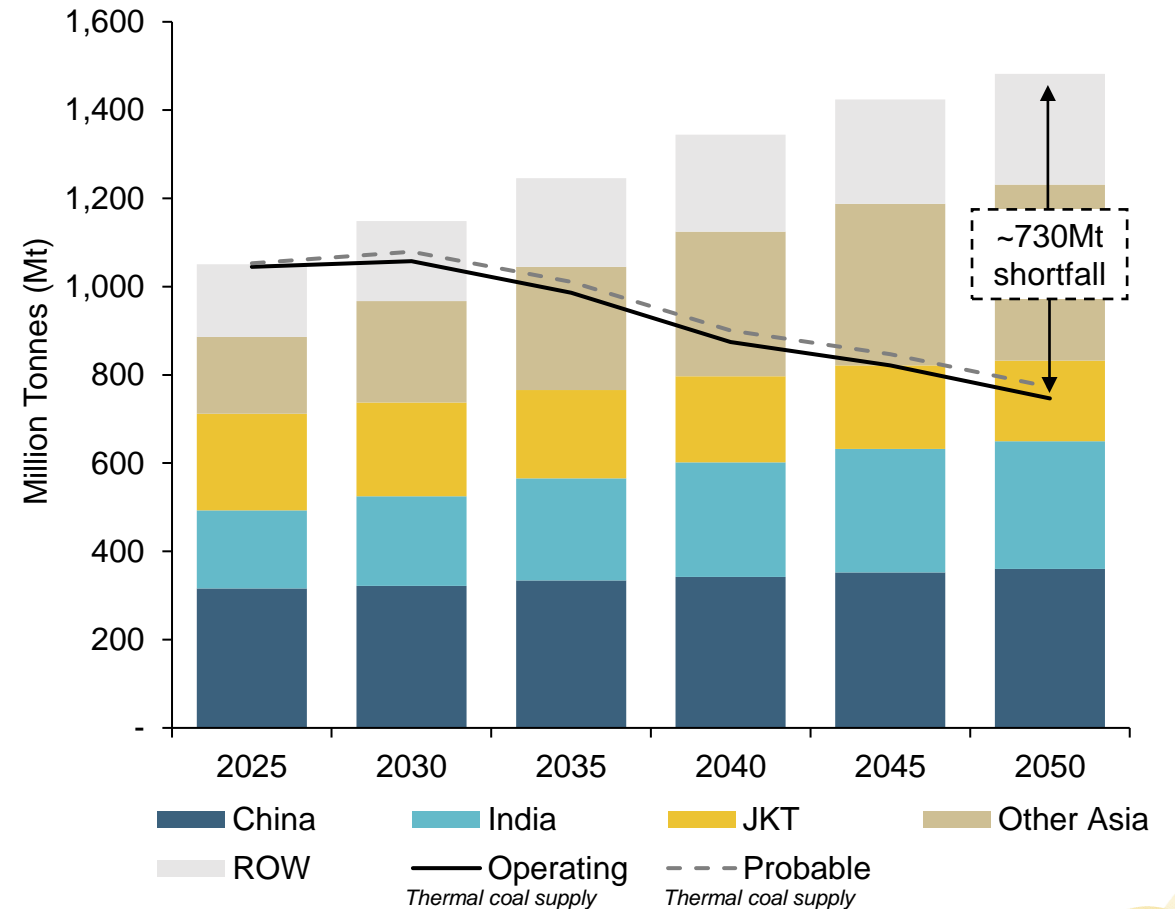
# Demand for thermal coal is set to increasingly outstrip supply, indicating a positive outlook to continue responsibly operating our assets

### Electricity consumption per capita - 2023

Bubble size indicates electricity demand



### Global thermal coal supply and demand

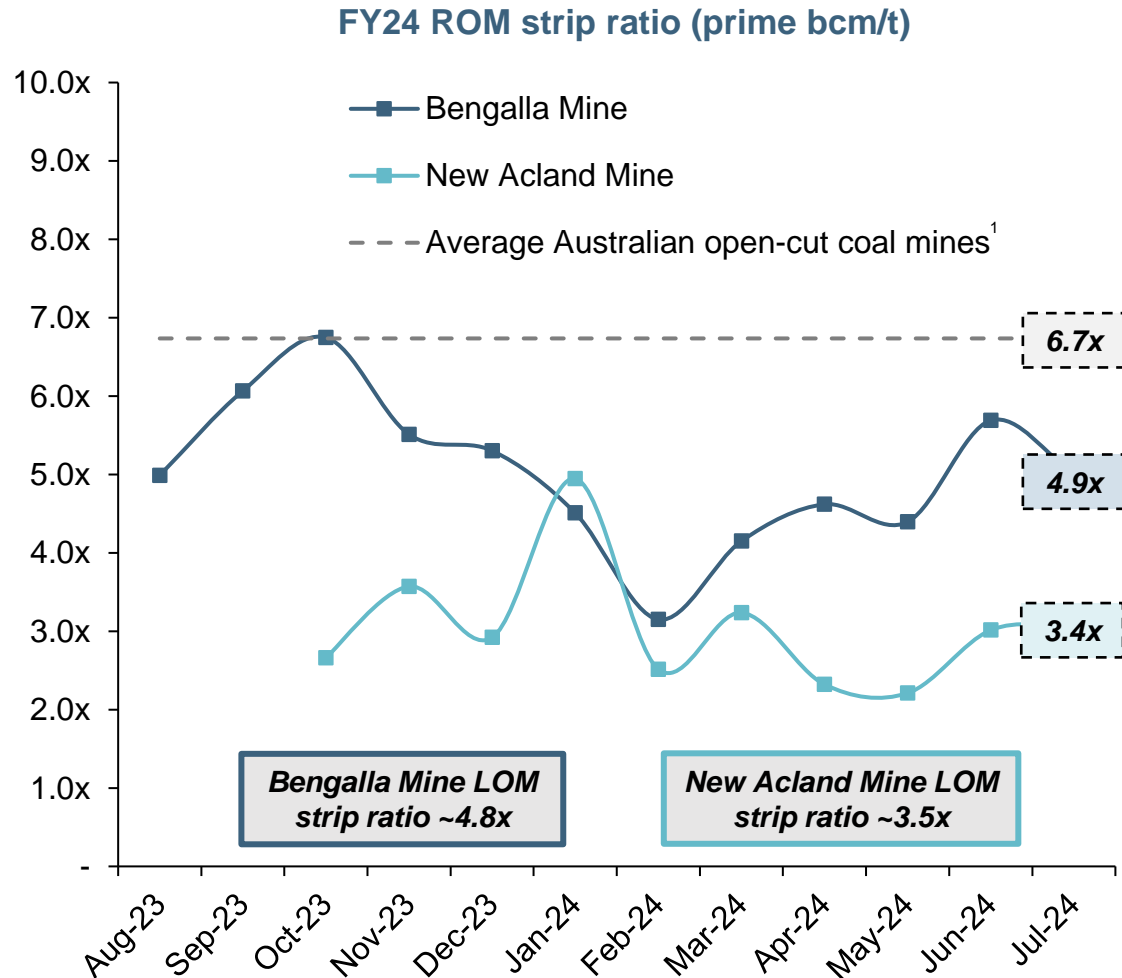


Source – Commodity Insights 2024.

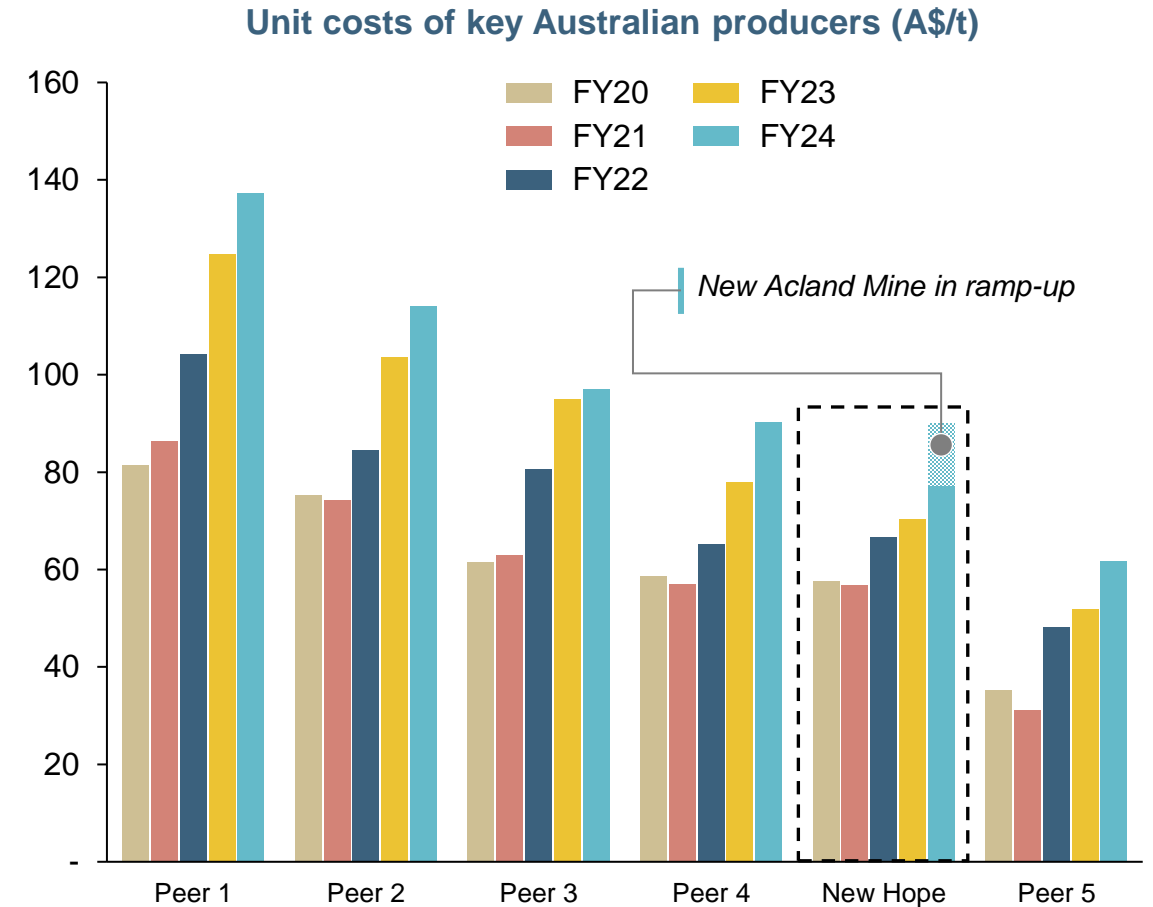
Source – Commodity Insights 2024 base case scenario.

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.

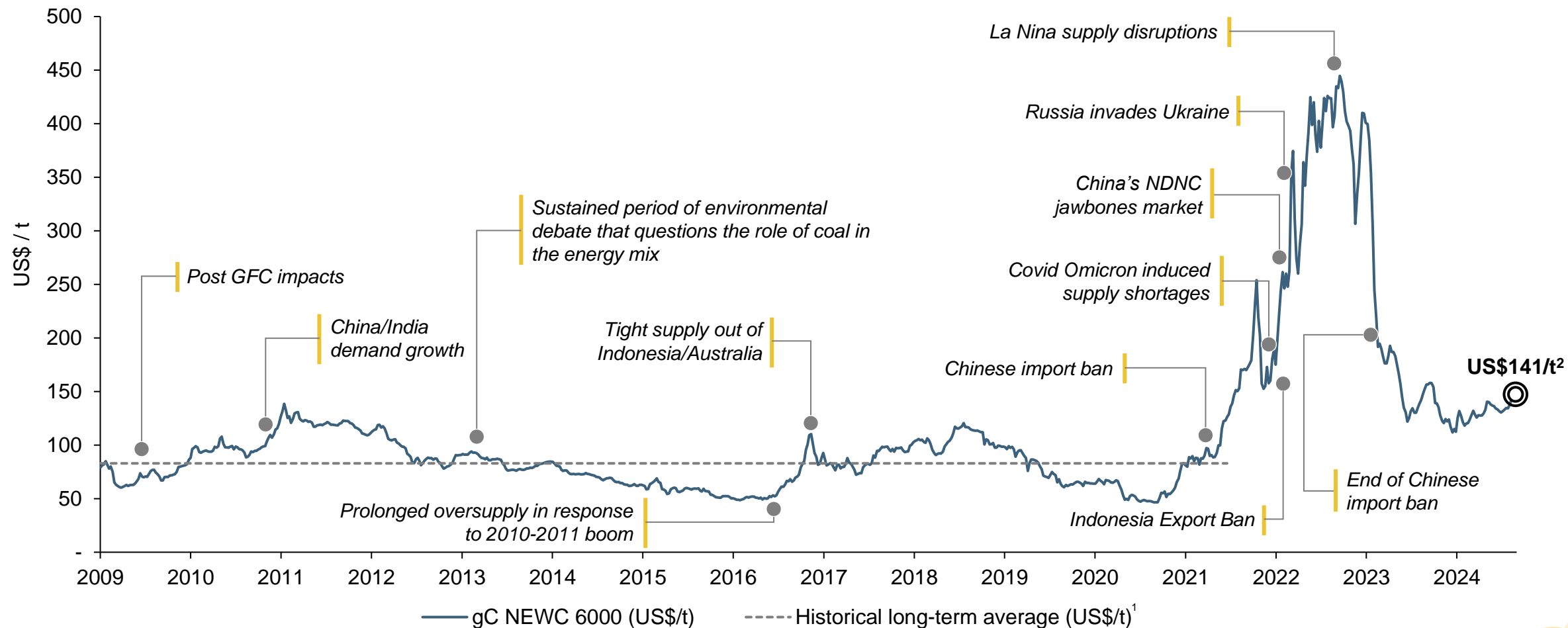
# Investment highlights

- 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



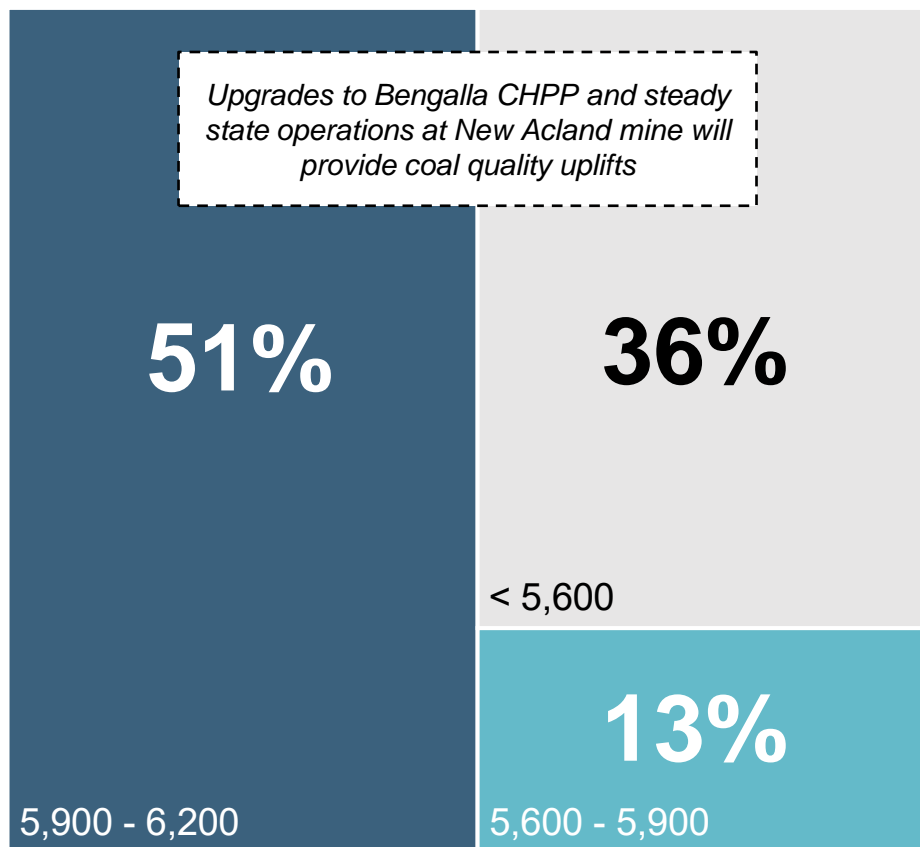
# Appendices

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



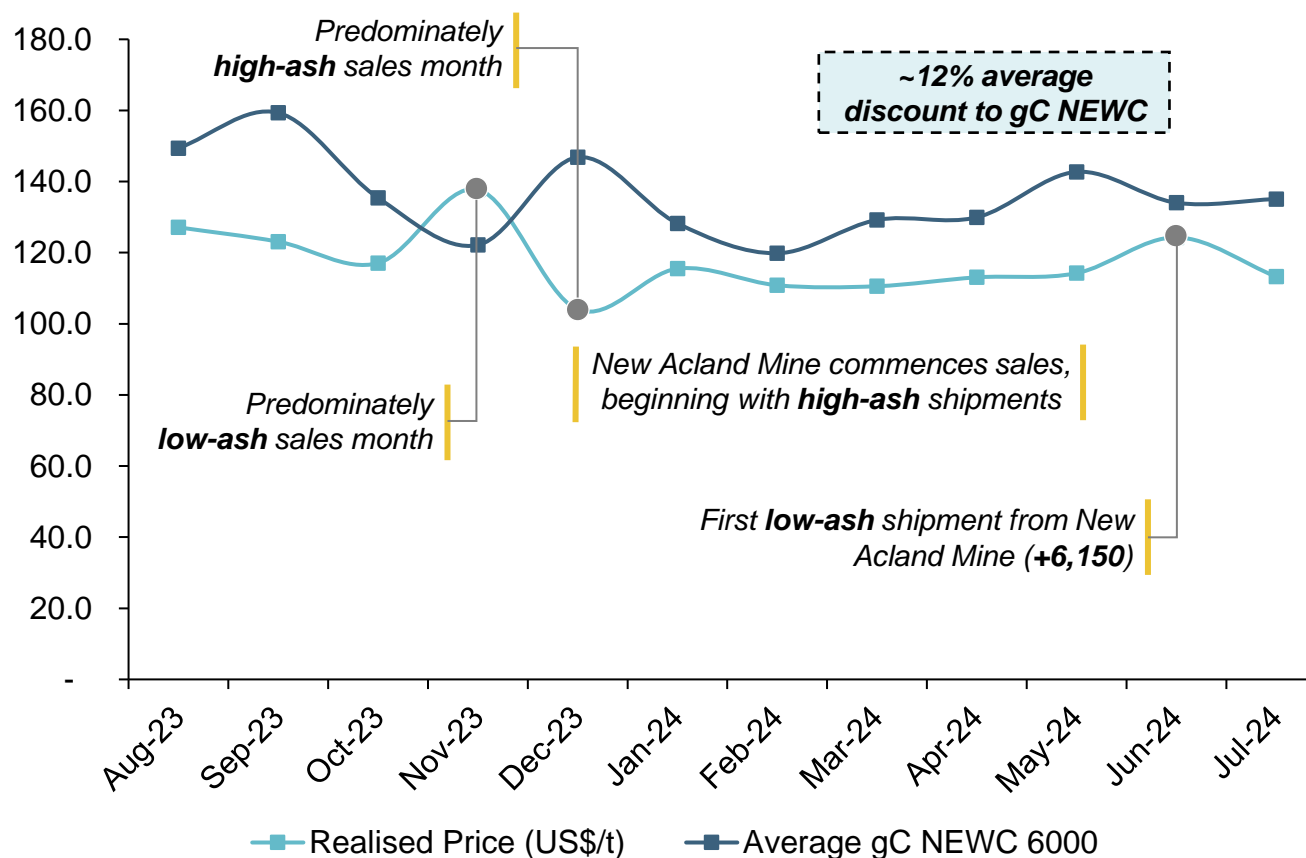
# The majority of our export product is high-CV thermal coal, with further quality improvements expected at both Bengalla Mine and New Acland Mine

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



1. Net As Received.

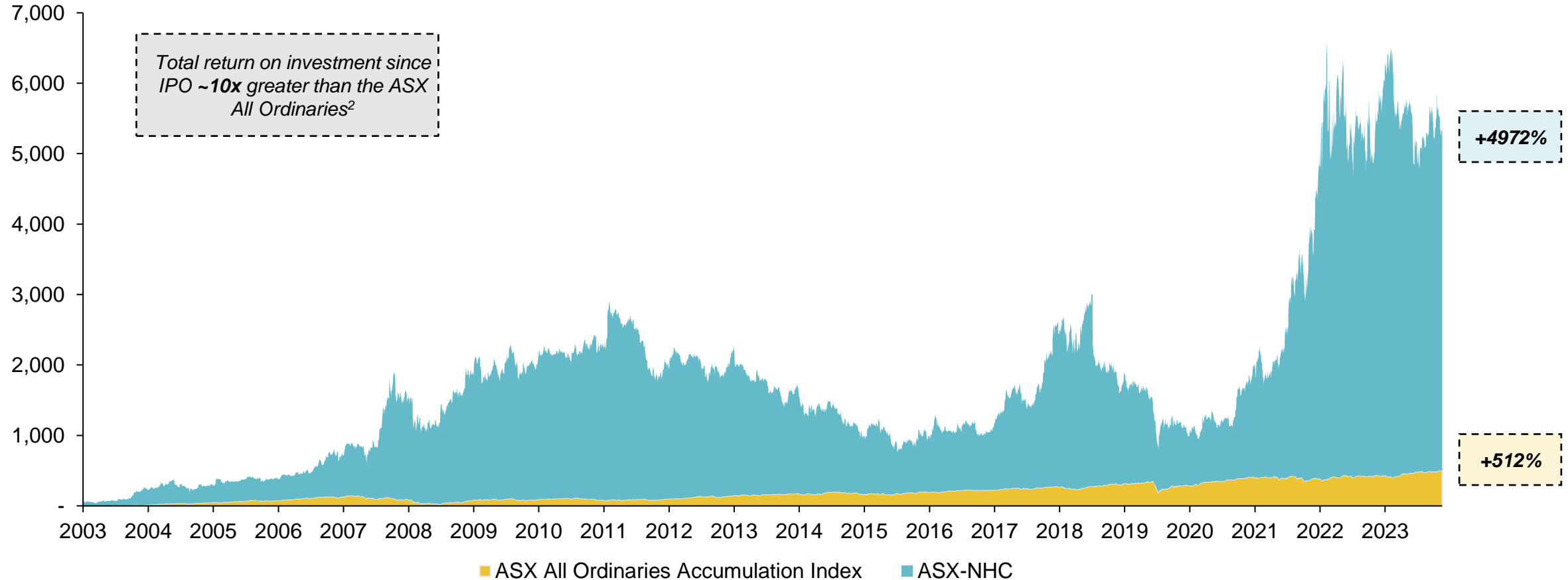
gC NEWC 6000 and realised price (US\$/t)<sup>2</sup>



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



### 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 Bengalga, including EL9431 and AL19

### Agricultural operations

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

### Port facility

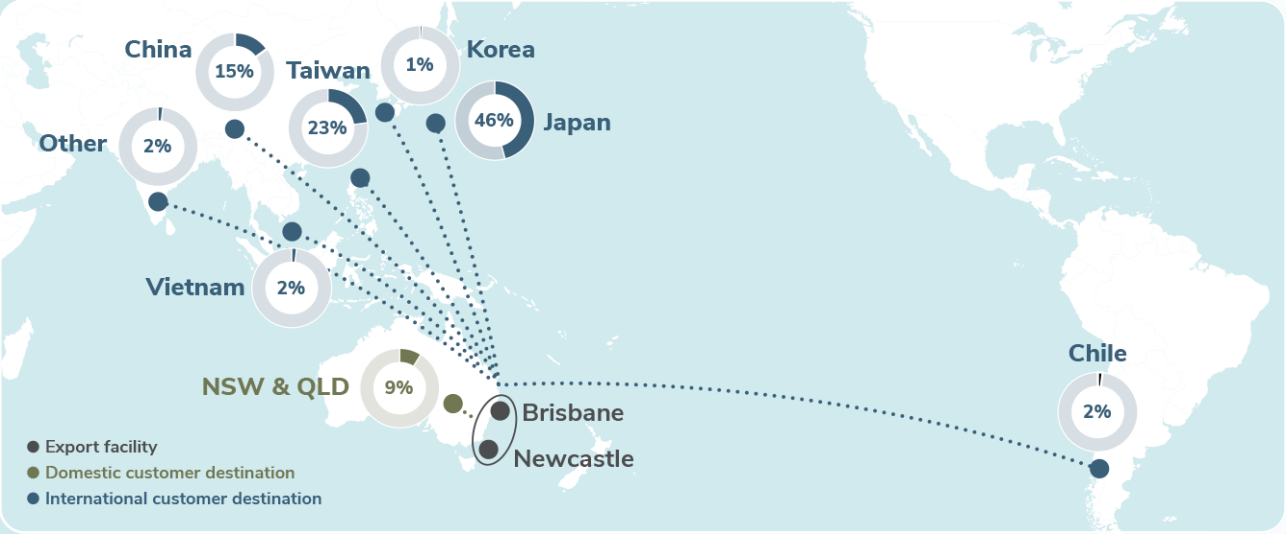
**Queensland Bulk Handling**

### 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>

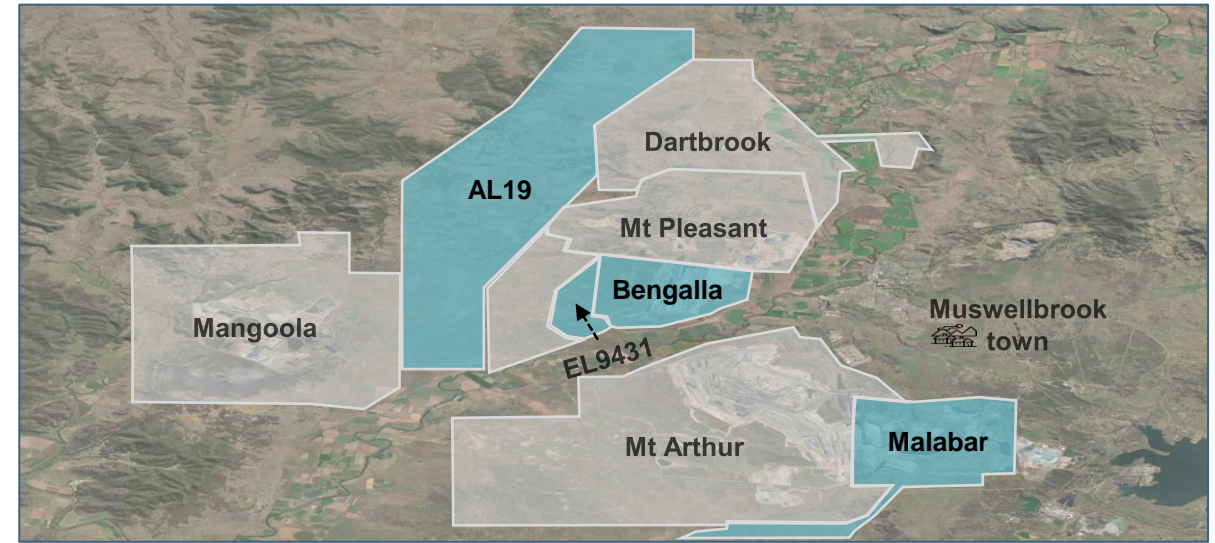


- Assets associated with the North Surat Coal Project are impaired as at 31 July 2024.
- Bridgeport Energy was held for sale as at 31 July 2024.
- Percentages represent proportion of all coal revenue in the 2024 financial year. 'Other' includes third-party customer contracts with undisclosed geographical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



# Bengalla Mine – a strong operational performance

- 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.

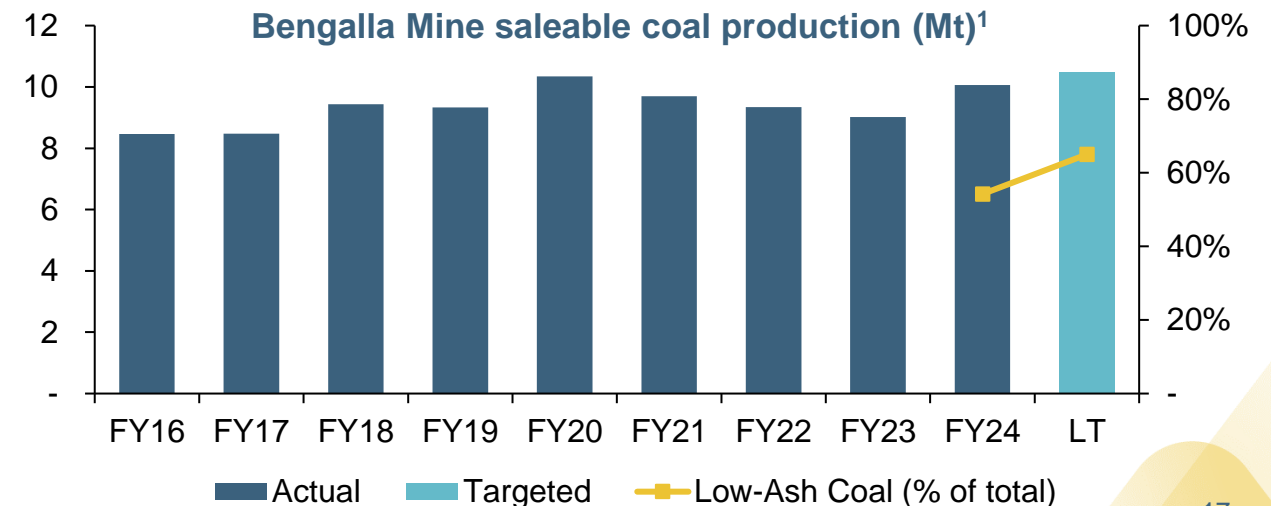


● New Hope interest ● Other coal mines

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

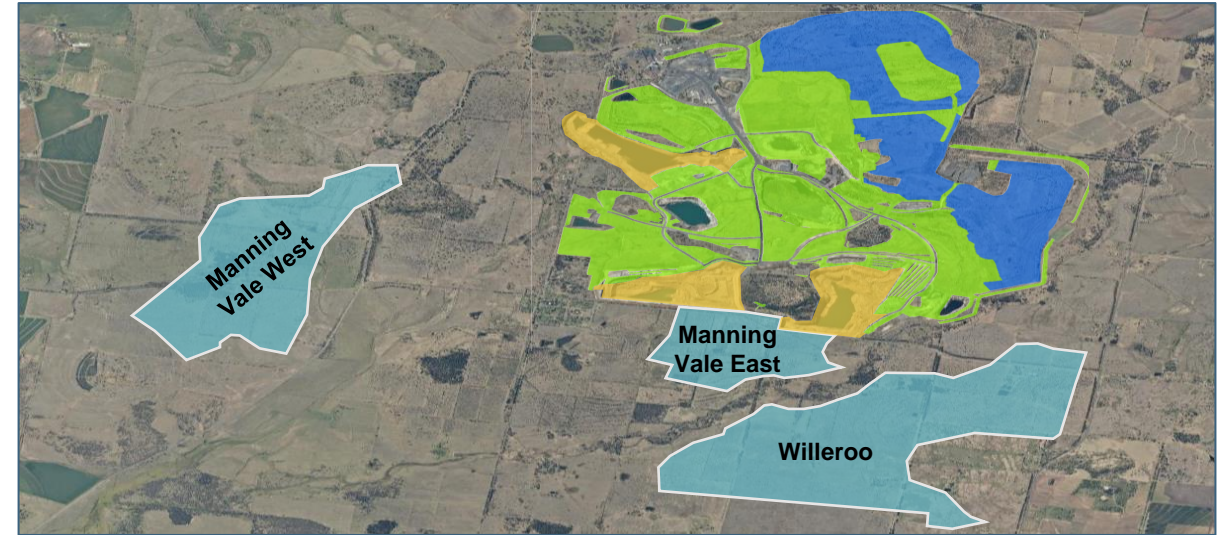
- 13.4Mtpa<sup>1</sup> ROM run rate capacity achieved.
- CHPP upgrade complete and headline washery metric achieved.
- Initial results showing product quality uplifts from additional washing capacity.

1. Bengalla Mine 100 per cent basis.



# New Acland Mine – successful restart of operations

- 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.

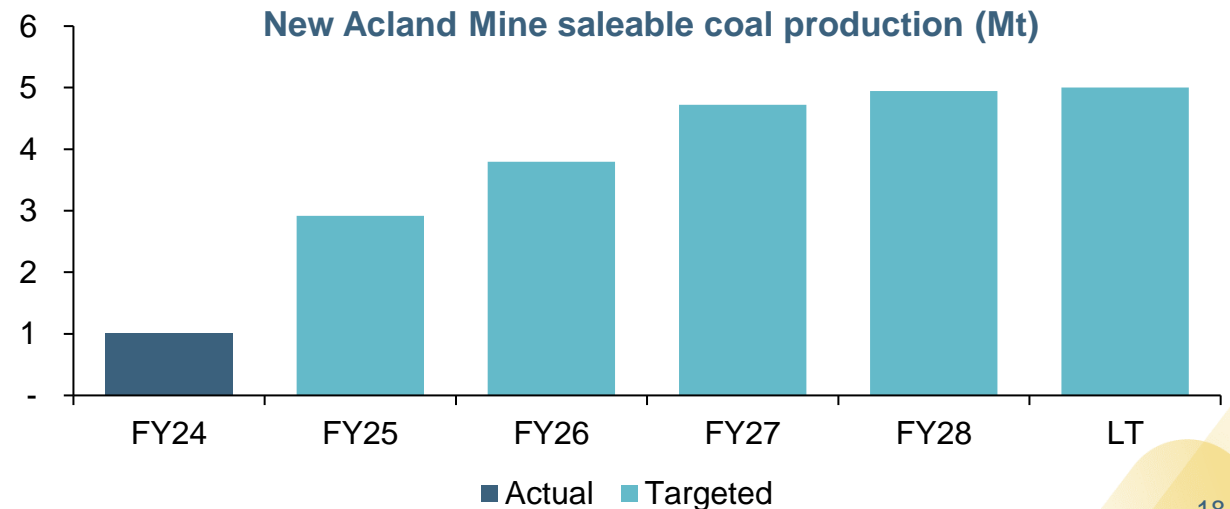


● Stage 3 ● Stage 2 ● Progressive rehabilitation areas ● Rehabilitation certified

## 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

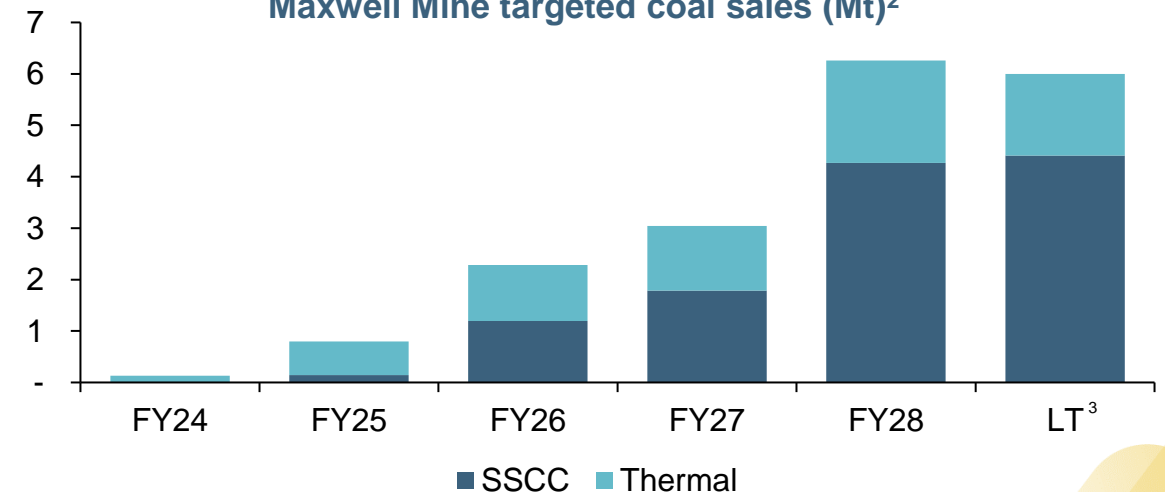
## Maxwell Mine Project

- 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.

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



1. Semi-soft coking coal.

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

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

# Rehabilitation and agriculture working together for better outcomes



## 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](#)

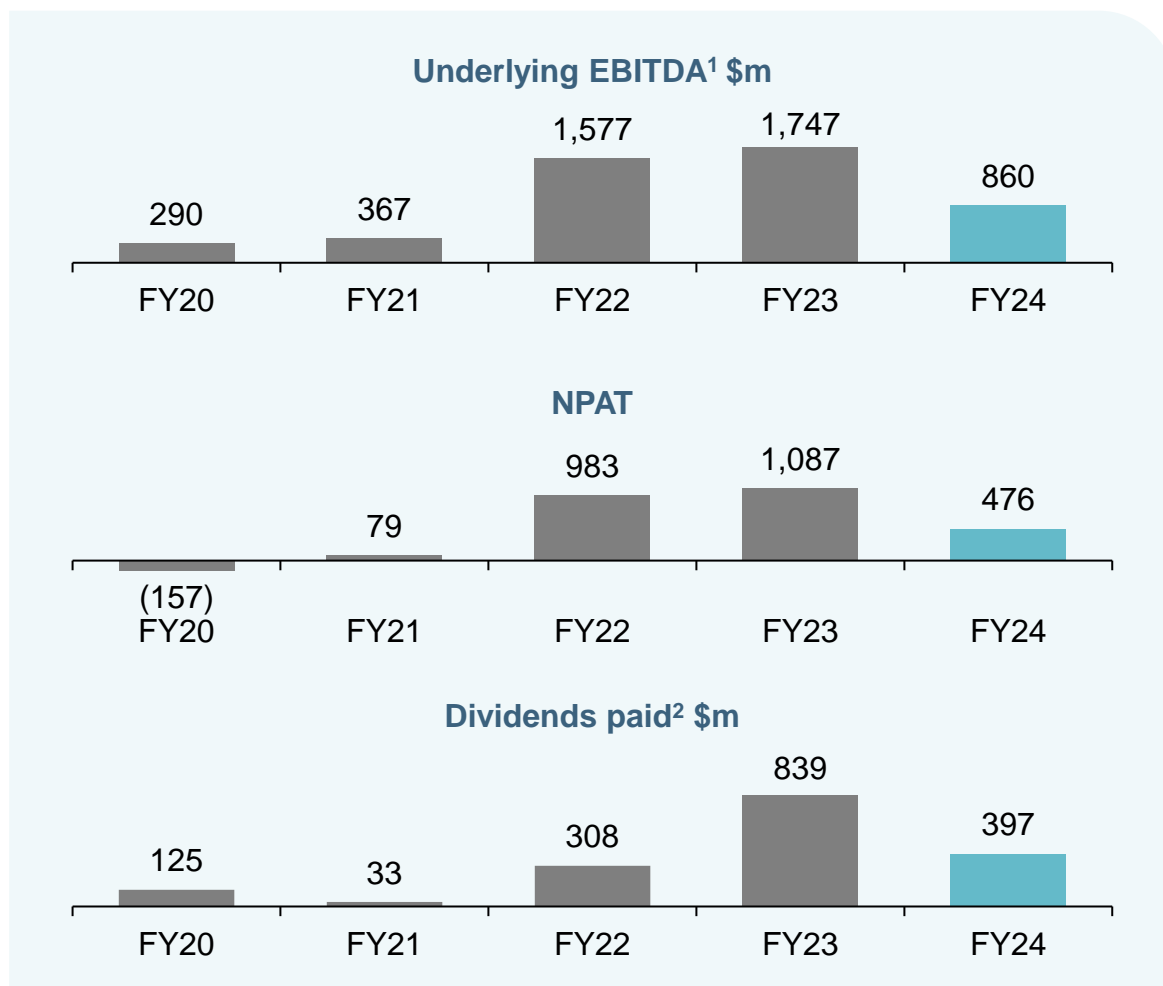
## Land holdings and rehabilitation (hectares)



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.

# Financial performance

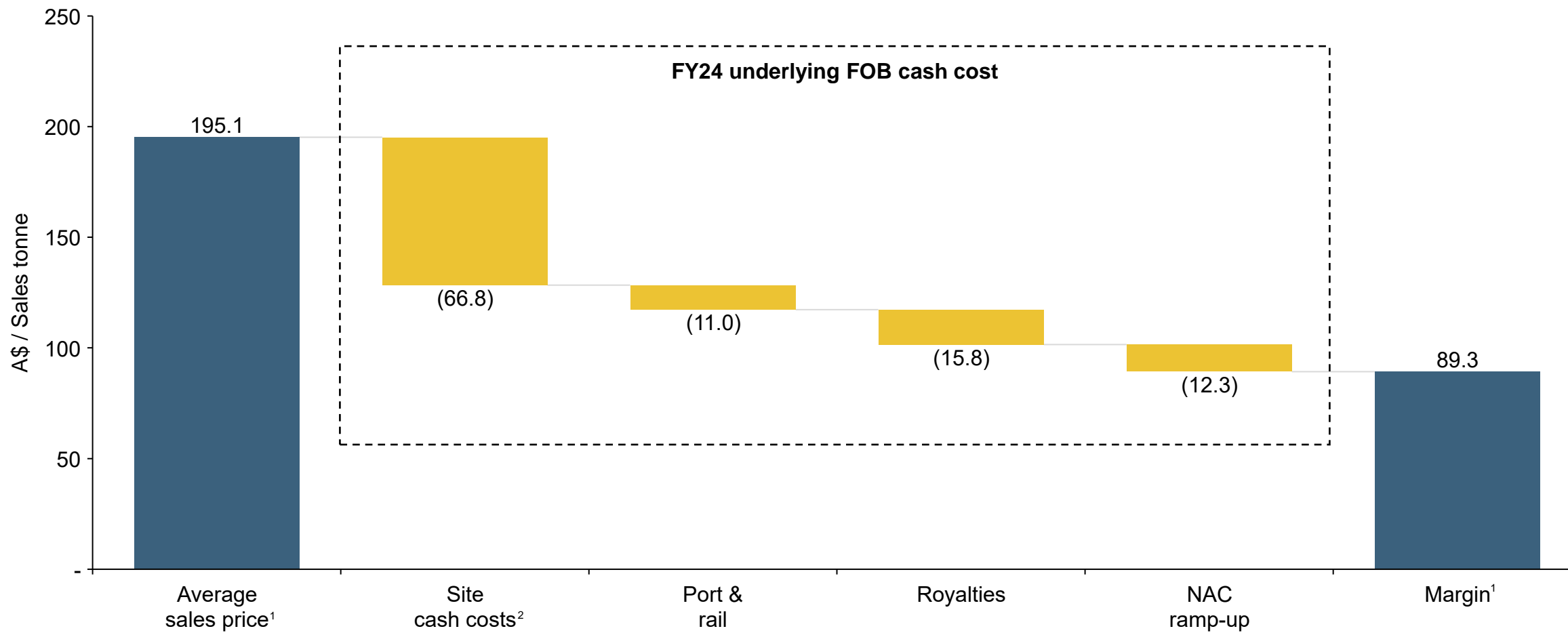


	FY24 \$m	FY23 \$m
<b>Underlying EBITDA before non-regular items<sup>1</sup></b>	859.9	1,746.6
Depreciation and amortisation	(168.1)	(141.6)
Net interest income	11.3	24.3
<b>Profit before tax and non-regular items</b>	<b>703.1</b>	<b>1,629.3</b>
Non-regular items before tax	(5.9)	(84.3)
<b>Profit before 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.

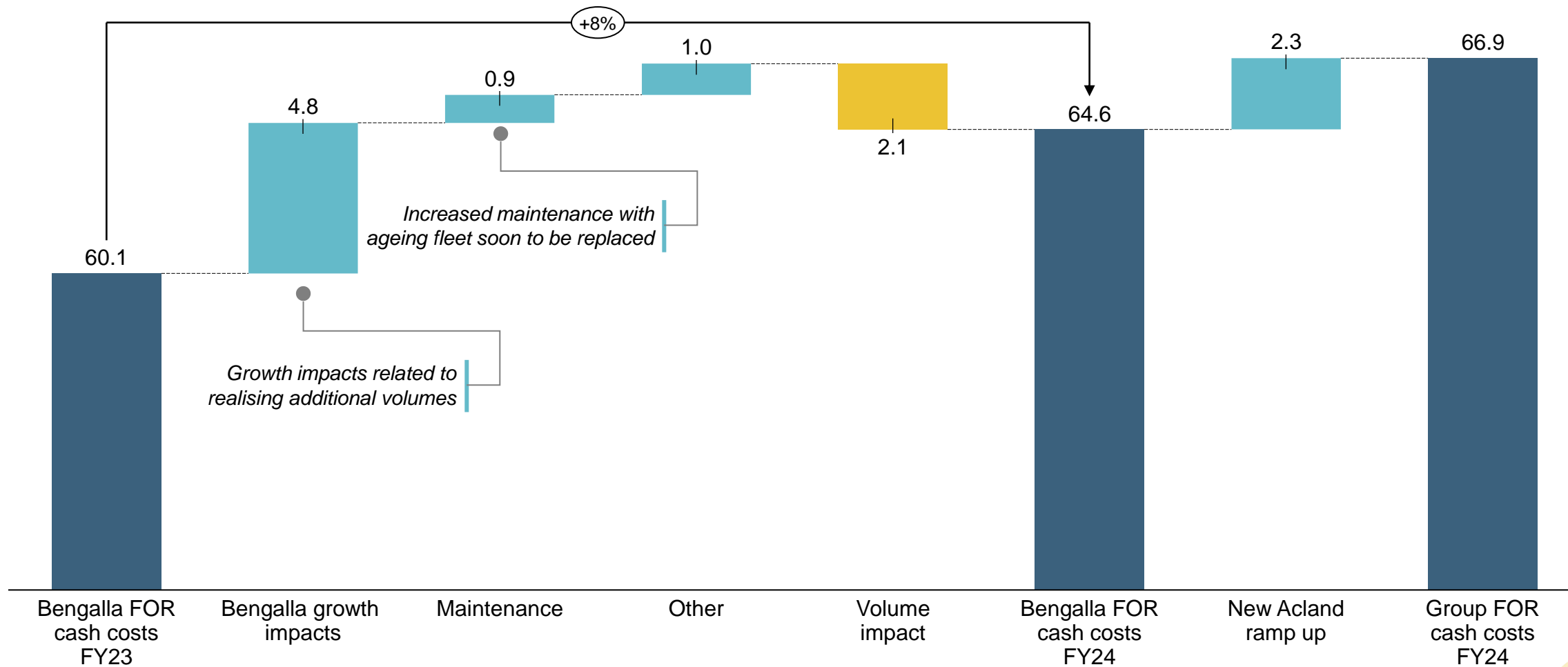
# We operate a high-margin business (\$ / sales t) despite New Acland Mine being in ramp-up



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



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

## 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

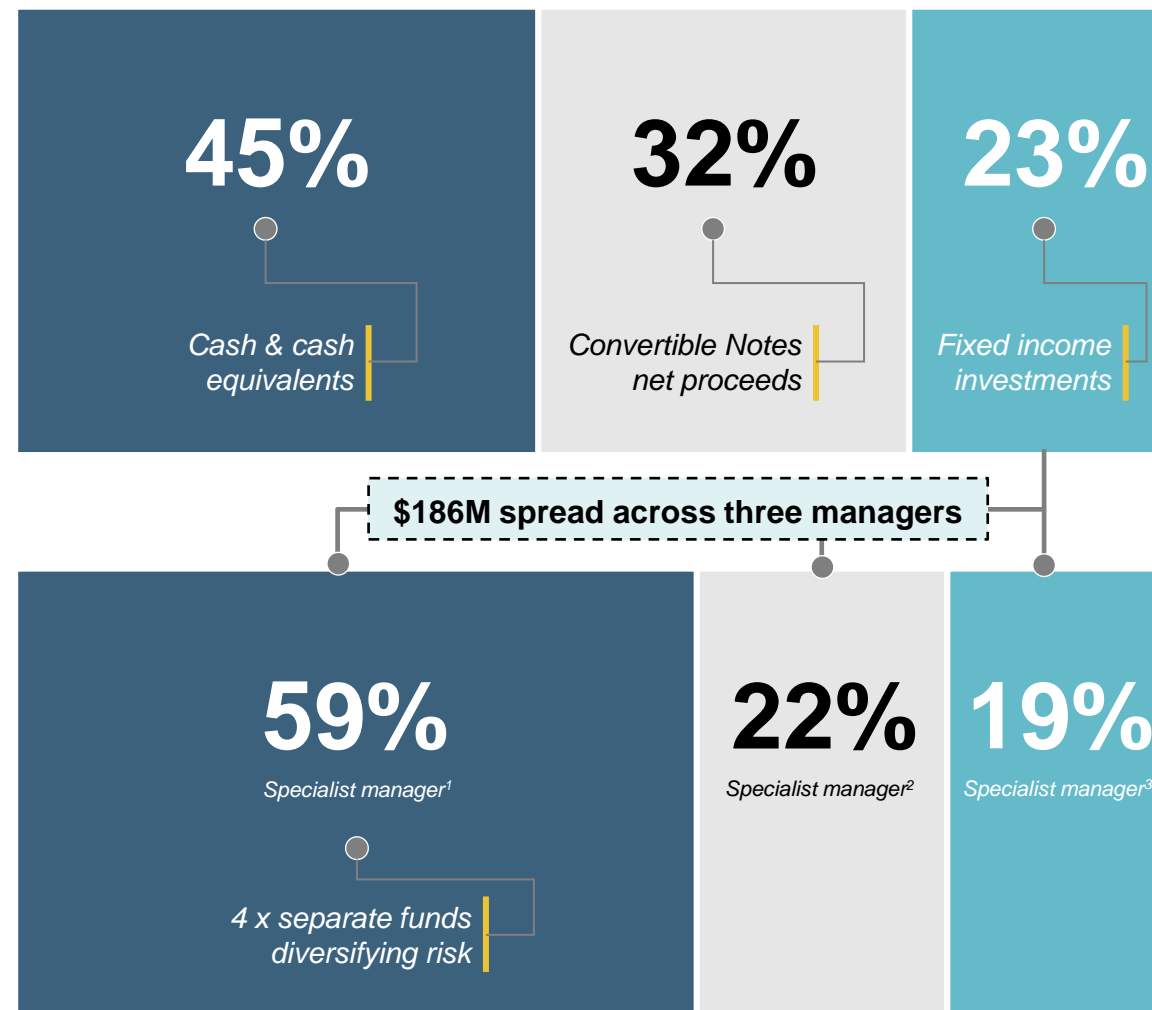
Target above cash rate

**+200bps**

Returns since inception (Apr-2023)

**~9% p.a**

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





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

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>

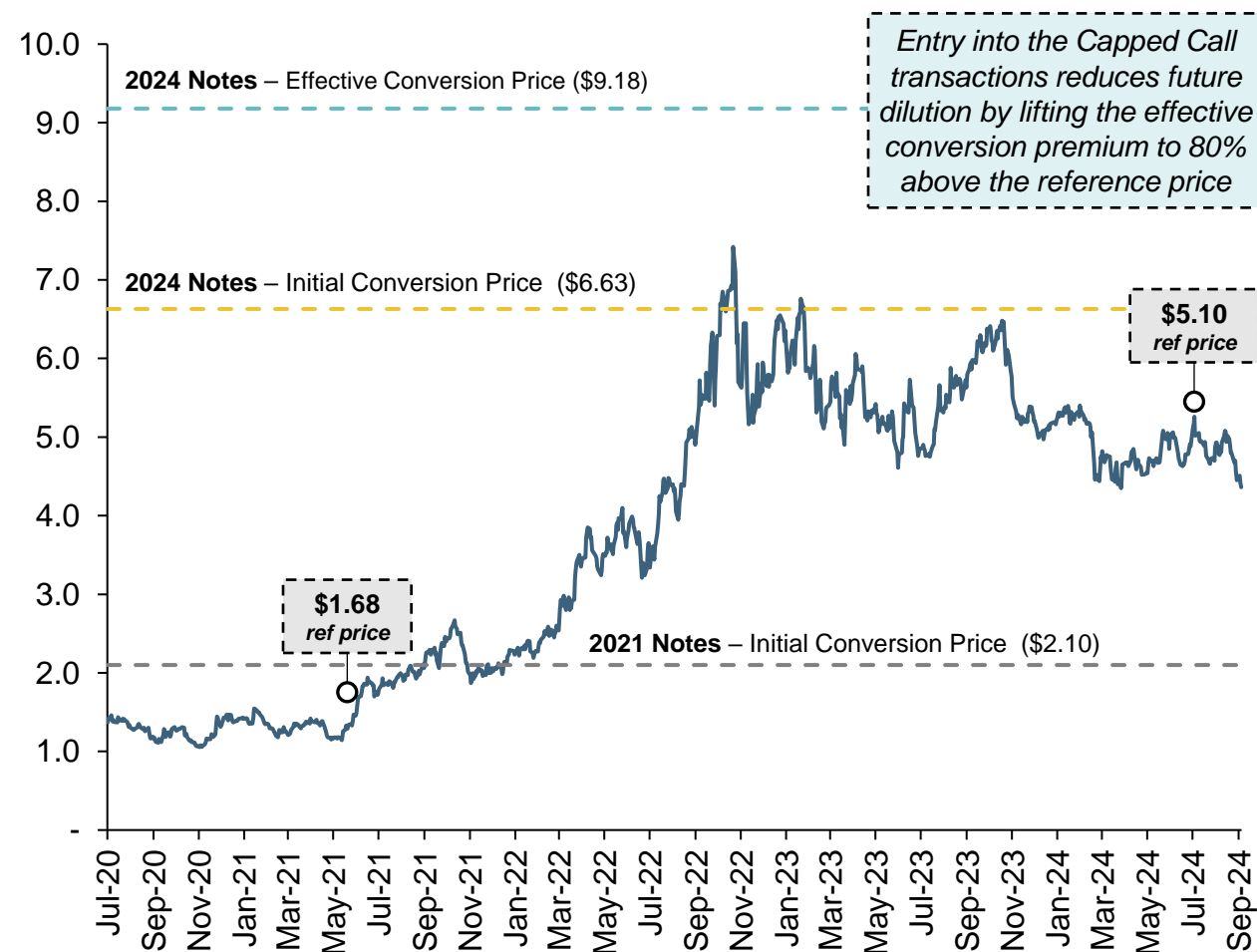
**30%**

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)



# Thank you

## Contact us

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