NEW HOPE GROUP

NEW HOPE CORPORATION LIMITED
ABN: *38 010 653 844*

ASX RELEASE
2020 Half Year Results

Company Delivers Solid Half Year Result

24 March 2020

KEY HIGHLIGHTS

- Revenue for the first half of $618 million, in line with the prior corresponding period (PCP) being the six months ended 31 January 2019;
- Total tonnes of coal produced increased to 6.2 million tonnes, up 33% on the PCP;
- Lower coal prices (29% down on the PCP) have offset the benefits of higher sales volumes (42% up on the PCP) resulting in revenues remaining in line with 2019;
- Earnings Before Interest, Tax, Depreciation and Amortisation, before non regular items, of $213 million, down from $285 million on the PCP;
- Net Profit After Tax before non regular items of $86 million; and
- Fully franked interim dividend of 6 cents per share.

New Hope Group has delivered a solid result in the six months to January 2019 with revenue in line with the prior corresponding period.

Managing Director, Shane Stephan said the result was pleasing and largely due to the continued success of the Bengalla operations.

“Bengalla continues to shine with the production of 4.3 million tonnes of coal (New Hope share) in the six months to January 2020, an increase of 84% on the previous year,” Mr Stephan said.

“This saw a corresponding lift in coal sales, both internationally and domestically with the Company exporting 5.8 million tonnes, up 32% on the PCP and 0.6 million tonnes domestically, up 469% on the PCP.”

Mr Stephan said, on current numbers, Bengalla was on track for another record year of production although the second half production is expected to be lower than the first half due to normal mine sequencing.

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"The increase in production has been achieved while maintaining an outstanding safety record across all sites," Mr Stephan said.

"Across the business the Total Recordable Injury Frequency Rate (TRIFR) has dropped below five per million hours worked, well below the Open-cut Mining Industry average of 6.3.

"We are currently enhancing safety management systems at Bengalla with the installation of proximity detection and fatigue management systems in the vehicle fleet."

Mr Stephan said the safety result was especially noteworthy given the uncertainty within the workforce at New Acland over the future of the mine's approvals.

"On 30 October 2019, the Company was forced to downsize operations at New Acland with 150 roles made redundant," Mr Stephan said.

"This was a direct result of the Queensland State Government's refusal to grant the approvals required to commence the Stage 3 project. Despite being successful in the Queensland Court of Appeal, the State Government has continued to delay deciding on Stage 3.

"Opponents of the project have sought special leave to appeal the Court of Appeal decision in the High Court and the State Government has stated they will await the outcome of this action. The remaining 150 permanent employees and many more contractors are anxiously awaiting positive action from the Queensland State Government"

Mr Stephan said despite the delay in approvals for New Acland, the future for the Company is positive.

"Strong cost management across the business, along with a net increase in coal production will see results remaining positive throughout the second half of the financial year," Mr Stephan said.

"The Company has access to sufficient funds for current and future development and the industry continues to attract funding both domestically and internationally.

"Our focus for the future remains on safe and efficient production at existing operations and a commitment to maintaining long term relationships with our suppliers and customers."

RECONCILIATION OF PROFIT AFTER TAX AND BEFORE NON REGULAR ITEMS

	January 2020 $million	January 2019 $million
Profit after income tax (before non regular items)[1]	**86.4**	159.8
Jeebropilly rehabilitation	**(14.7)**	-
New Acland redundancies	**(4.3)**	-
Recovery of rail costs	**1.4**	-
Oil exploration asset impairments	**(2.1)**	-
Onerous contract and related expenses	**3.1**	(11.9)
Insurance proceeds from ship-loader	**-**	1.7
Gain on discontinued operation	**-**	0.2
Acquisition costs expensed	**-**	(26.4)
Transaction costs on guarantee facility	**-**	(3.1)
Profit after income tax and non regular items	**69.8**	120.2

RECONCILIATION OF NON IFRS FINANCIAL INFORMATION

	January 2020 $million	January 2019 $million
Profit after tax	**69.8**	120.2
Income tax expense	**23.6**	57.2
Profit before income tax	**93.4**	177.4
Non regular items before tax	**30.1**	51.5
Profit before tax and non regular items	**123.5**	228.9
Interest expense	**10.3**	3.5
Earnings before interest and tax	**133.8**	232.4
Depreciation and amortisation	**78.8**	52.8
Earnings before interest, tax, depreciation and amortisation	**212.6**	285.2

(ends)

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