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WHITEHAVEN COAL

HALF YEAR RESULTS FY21

17 February 2021

LOWER COAL PRICES IMPACT EARNINGS

SAFETY PERFORMANCE

The safety outcome for the Group for the 12 months ending 31 December 2020 was a total recordable injury frequency rate (TRIFR) of 5.41. The Group TRIFR remains well below the New South Wales (NSW) coal mining average of 12.79.

The Company is committed to achieving zero harm to its people and environment, and management is striving for better safety performance across all operations.

No known cases of COVID-19 at any of our sites to date and operations remain largely unaffected but for distancing and hygiene measures.

FINANCIAL HIGHLIGHTS

- EBITDA of $37.2m, down 79% on prior comparative period (pcp), reflecting a lower average achieved coal price for H1 FY21 of A$80/t vs H1 FY2020 A$108/t
- Net loss after tax of $94.5m, compared to a net profit after tax of $27.4m in the first half of FY20
- Cash generated from operations of $54.9m, a decrease of 55%
- Unit costs decreased 8% to A$70/t, versus pcp of A$76/t
- H1 FY21 earnings loss is due to the softening of coal prices, partially offset by an increase in sales volumes and a decrease in costs
- $411.8m of available liquidity
- Net debt of $823.1m as at 31 December 2020
- Due to the adverse impact of the significant contraction in coal prices has had on earnings for the period, the Board has determined an interim dividend will not be declared

Comments from the MD and CEO Paul Flynn

"The impacts of subdued pricing on seaborne coal markets were a key feature of H1 results as COVID-19 impacts on economic and industrial activity continued to be felt."

"The business responded strongly to these challenging market conditions, including through improvement measures that delivered meaningful cost reductions and greater operational efficiency, offsetting price headwinds to some extent."

"We have closed out H1 FY21 with strong levels of liquidity, strong banking support and we are focused on retiring debt against the backdrop of the improving price environment."

"With future savings targets identified and coal markets rebalancing in response to demand signals we are optimistic about achieving stronger outcomes through the second half.

Results summary	H1 FY21	H1 FY20	% change
Revenue ($m)	699.3	885.1	(21%)
EBITDA ($m)	37.2	177.3	(79%)
Net (loss)/profit after tax ($m)	(94.5)	27.4	n/a
Cash generated from operations ($m)	54.9	122.3	(55%)
Unit cost per tonne ($/t)	70	76	(8%)
	31 Dec 2020	**30 Jun 2020**	
Net debt ($m)	823.1	787.5	
Gearing (%)	21%	20%	

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OPERATING HIGHLIGHTS

Equity ROM coal production for the half was 7.7Mt, 28% above pcp, with the opencut operations in the pcp being impacted by dust and smoke events and Narrabri underground mine having a scheduled longwall change-out from LW108 to LW109 during November and December 2019.

Equity coal sales, including purchased coal, were 8.7Mt, 3% above pcp, reflecting the underlying increase in ROM coal production, partially offset by the impact of NCIG shiploader outage on sales, as reported in the December 2020 Quarter Production Report on 14 January 2021.

Equity metallurgical coal sales were 14% of total H1 FY21 sales, below pcp at 21%.

Consolidated Equity Production and Sales

Whitehaven total (000's t)	H1 FY21	H1 FY20	% change
ROM coal production	7,727	6,039	28%
Saleable coal production	7,161	6,527	10%
Sales of produced coal	7,775	7,065	10%
Sales of purchased coal	935	1,393	(33%)
Total coal sales	8,710	8,458	3%
Coal stocks at period end	1,855	800	132%

CORPORATE HIGHLIGHTS

During the first half of FY2021, Whitehaven reached a number of key milestones for a number of our development projects. Firstly, on the 12 August the NSW Independent Planning Commission (IPC) approved the Vickery Extension Project. In December, Environmental Impact Statements were submitted for both Narrabri Stage 3 and Winchester South development projects. On the 16 December, the Company released its maiden Coal Reserves Statement for the Winchester South Project and announced an associated update to its Coal Resources.

As announced at the FY2020 Results on 26 August, Whitehaven commenced in the closing stages of FY20 a business improvement program, Project STRIVE, which is designed to achieve greater consistency of operational performance, improve productivity and lower costs. Over the past 6 months the business has begun to implement many of the core recommendations of this review with productivity and cost improvements already being achieved. For the current financial year, we estimate achieving savings of $0.70/t, increasing to $2.00/t over next two years.

During the half, the Company sought and received from its finance providers an amendment to one of three covenants, being its Interest Cover Ratio covenant. Subsequent to the end of H1 FY2021, the Company prepared a Compliance Certificate for delivery to its banking syndicate for the 12 months ended 31 December 2020, which reported compliance with the original unadjusted ICR covenant.

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FY2021 GUIDANCE & OUTLOOK

Item		FY21 updated guidance	FY21 previous guidance	Comments
Managed ROM coal production	Mt	**21.0 – 22.5**	**21.0 – 22.5**	Unchanged
Maules Creek	Mt	11.8 – 12.4	11.8 – 12.4	Unchanged
Narrabri	Mt	5.4 – 6.0	5.4 – 6.0	Unchanged
Gunnedah O/C	Mt	3.8 – 4.1	3.8 – 4.1	Unchanged
Managed coal sales	Mt	**19.0 – 20.0**	**19.0 – 20.0**	Unchanged
Unit cost (excl. royalties)	$/t	69 – 72	69 – 72	Unchanged
Sustaining capital	$m	35 – 40	30 – 35	Underground and open cut, land
		20 – 25	30 – 35	Major rebuilds previously funded by lease refinance
Narrabri mains development	$m	3	5	
Expansion & growth capital				
Operating mine projects	$m	~10	15 – 20	Maules Creek AHS project, further Narrabri longwall automation and water infrastructure
Growth projects	$m	~25	35 – 40	Vickery land acquisitions and project expenditure, Winchester South studies and Narrabri Stage 3
Other				
Acquisition of EDF consideration	$m	17	17	Second of five annual instalment payments

Seaborne thermal coal markets continue to rise from the low points experienced in August. Supply curtailments coupled with increased energy demand in Asia are supporting the higher price environment, particularly for higher grades of energy coal i.e. those that Whitehaven produces from its Gunnedah Basin operations.

Even though Whitehaven does not have direct exposure to China, the Chinese import restrictions for Australian sourced coal does have an impact on the seaborne coal market. China's restrictions have altered seaborne coal trade flows where, instead of being delivered to China, Australian coal is now finding customers in alternate destinations including India, Pakistan and the Middle East, and traded coal historically delivered into these markets is finding its way into China.

Prices for Australian origin metallurgical coal were weak through the December quarter however have sharply increased in recent weeks. Asian steelmaking output ex-China continues to improve as economic stimulus activity drives increased coal demand and consumption in Whitehaven's key metallurgical coal markets of India, Japan, Korea, Vietnam and Taiwan. Following India's mid-year COVID-19 lockdown, demand has rebounded strongly and it continues to be a growing destination for Whitehaven's metallurgical coal products. Renewal of Whitehaven's term metallurgical coal sales contracts has been uninterrupted and Whitehaven expects metallurgical coal sales volumes in 2021 to return to pre-COVID-19 levels.

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Investor and Analyst briefing webcast/teleconference

Managing Director and Chief Executive Officer, Paul Flynn will host a webcast/teleconference to provide an overview of the H1 FY2021 Results, followed by a Q&A session.

Time: 10:30 AEDT (Sydney time)

Date: Wednesday, 17 February 2021

Dial in details: Participants can pre-register for the teleconference by copying and pasting the following link into your browser, https://s1.c-conf.com/diamondpass/10011555-uduskz.html

Please note that registered participants will receive their dial in number upon registration.

Webcast details: Copy and paste the following link into your browser, https://services.choruscall.com.au/webcast/whitehaven-210218.html

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

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Reporting Calendar

Event	Date
March 2021 Quarter Production Report	15 April 2021
June 2021 Quarter Production Report	15 July 2021
Full Year FY21 Financial Results	26 August 2021