

## Half Year Financial Result 2023

**Revenue of \$4.0 billion**, compared to \$4.8 billion in 1H 2022 was impacted by an 11% decrease in the average realised coal price to \$278 per tonne and expected lower first half sales tonnes.<sup>1</sup>

**Operating EBITDA of \$1.8 billion and EBITDA margin of 46%** both remain strong despite coal prices retreating from the elevated levels of 2022.

**ROM coal production of 26.0 million tonnes** (100% basis), edged up as site recovery plans began to take effect.

**Operating cash costs of \$109 per tonne** were distorted by the expected low saleable coal volume produced in the first quarter when the emphasis was on mine recovery works. Increasing production through 2H 2023 can directly contribute to reducing the per tonne cash operating costs.

Yancoal started the year with cash of \$2.7 billion, paid \$1.7 billion in tax, primarily on its record profit in 2022, paid \$924 million in dividends and prepaid \$496 million of loans, representing the last of the Group's loans. After these significant outgoings, the **cash balance at the end of June was almost \$1.1 billion.**

The Board has declared a **\$489million, \$0.3700 per share, fully franked interim dividend.**

Favourable weather conditions during the second quarter enabled increased production; however, the operational emphasis remained on site recovery plans to rebuild mine inventory. Yancoal still expects a positive second half weighting to its 2023 operating performance.

The 2023 guidance is for:

- 31-36 million tonnes of attributable saleable production,
- \$92-102/tonne cash operating costs, and
- \$600-750 million in attributable capital expenditure.

### CEO Comment:

The ceaseless efforts of the Yancoal workforce, both on operations and on safety are apparent in the way the key safety metric improved considerably and the attributable saleable production increased by 44% in 2Q23 compared to 1Q23.

At the start of the year, we described our need to rebuild mining inventory to underpin a sustainable return to prior years' production levels. The plans and equipment are in place, and production is expected to continue improving in the coming months.

The Group is in a robust financial position, with no external loans, franking credits available and a net cash balance that increases each month. Yancoal directly contributed over \$2 billion to the Federal and State Governments in taxes and royalties in the past six months.

Coal prices have retreated from the elevated levels of last year but remain robust in historical terms. Coal markets appear relatively well balanced, with seasonal or temporary supply and demand factors poised to determine short term price trends.

In all market conditions Yancoal aims to maximise its margins by balancing volume, costs, coal quality and capital expenditure.

<sup>1</sup> All financial numbers presented are stated in Australian dollars (A\$ or \$) unless otherwise stated

OPERATIONAL DATA		1H 2023	1H 2022	% Change
<b>COAL PRODUCTION</b>				
ROM coal total - 100% Basis	Mt	26.0	25.8	1%
Saleable coal production total - 100% Basis	Mt	18.6	20.8	(11%)
Saleable coal production total - Attributable	Mt	14.4	15.5	(7%)
<b>SALES VOLUME (Attributable mine production sold)</b>				
Thermal	Mt	12.0	13.3	(10%)
Metallurgical	Mt	2.9	2.4	—%
<b>Total – Attributable</b>	<b>Mt</b>	<b>14.9</b>	<b>15.7</b>	<b>(8%)</b>
<b>REALISED COAL PRICES (on attributable mine production sold)</b>				
Thermal coal average selling price	A\$/t	256	298	(14%)
Metallurgical coal average selling price	A\$/t	389	402	(3%)
<b>Average selling price</b>	<b>A\$/t</b>	<b>278</b>	<b>314</b>	<b>(11%)</b>
<b>CASH OPERATING COSTS (per saleable product tonne)</b>				
Raw materials and consumables	A\$/t	38	28	36%
Employee benefits	A\$/t	24	21	14%
Transportation	A\$/t	25	18	39%
Contractual services	A\$/t	18	13	38%
Other operating expenses	A\$/t	4	3	33%
<b>Cash operating costs</b>	<b>A\$/t</b>	<b>109</b>	<b>83</b>	<b>31%</b>
Royalty <sup>2</sup>	A\$/t	25	26	(4%)
<b>FINANCIAL DATA</b>				
Revenue	\$ million	3,976	4,776	(800)
<b>Operating EBITDA</b>	<b>\$ million</b>	<b>1,821</b>	<b>3,153</b>	<b>(1,332)</b>
EBITDA Margin	%	46%	65%	
Profit before tax	\$ million	1,388	2,455	(1,067)
<b>Profit after tax</b>	<b>\$ million</b>	<b>973</b>	<b>1,738</b>	<b>(765)</b>
Receipts from customers	\$ million	4,069	4,713	(644)
Payments to suppliers and employees	\$ million	(2,318)	(1,774)	(544)
Income tax paid	\$ million	(1,696)	—	(1,696)
Other	\$ million	34	(189)	223
<b>Net cash inflow from operating activities</b>	<b>\$ million</b>	<b>89</b>	<b>2,750</b>	<b>(2,661)</b>
<b>Net cash (outflow)/inflow from investing activities</b>	<b>\$ million</b>	<b>(282)</b>	<b>75</b>	<b>(357)</b>
Payment of dividends	\$ million	(924)	(930)	6
Repayment of interest bearing liabilities	\$ million	(496)	(23)	(473)
Other	\$ million	(27)	(19)	(8)
<b>Net cash outflow from financing activities</b>	<b>\$ million</b>	<b>(1,447)</b>	<b>(972)</b>	<b>(475)</b>
Cash at the beginning of the period	\$ million	2,699	1,495	1,204
Effect of FX on cash	\$ million	25	35	(10)
<b>Cash at the end of the period</b>	<b>\$ million</b>	<b>1,084</b>	<b>3,383</b>	<b>(2,299)</b>
<b>Net cash / (Net debt)</b>	<b>\$ million</b>	<b>919</b>	<b>-232</b>	<b>1,151</b>

<sup>2</sup> calculated per sales tonne

## INVESTOR WEBCAST:

1H 2023 Results investor webcast details:

- Host - CEO, David Moulton
- Date - Thursday, 17 August 2023
- Start time - 11:00am Sydney, 9:00 Hong Kong
- Webcast link - <https://edge.media-server.com/mmc/p/nopaynpp>

Participants are advised to register for the teleconference and webcast ahead of the scheduled start time.

A replay of the teleconference will be available on the Yancoal website under the 'Investors' page.

## END

Authorised for lodgement by the Yancoal Disclosure Committee

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