



# Whitehaven Coal

CHDC Major Projects Working Dinner

11 June 2024





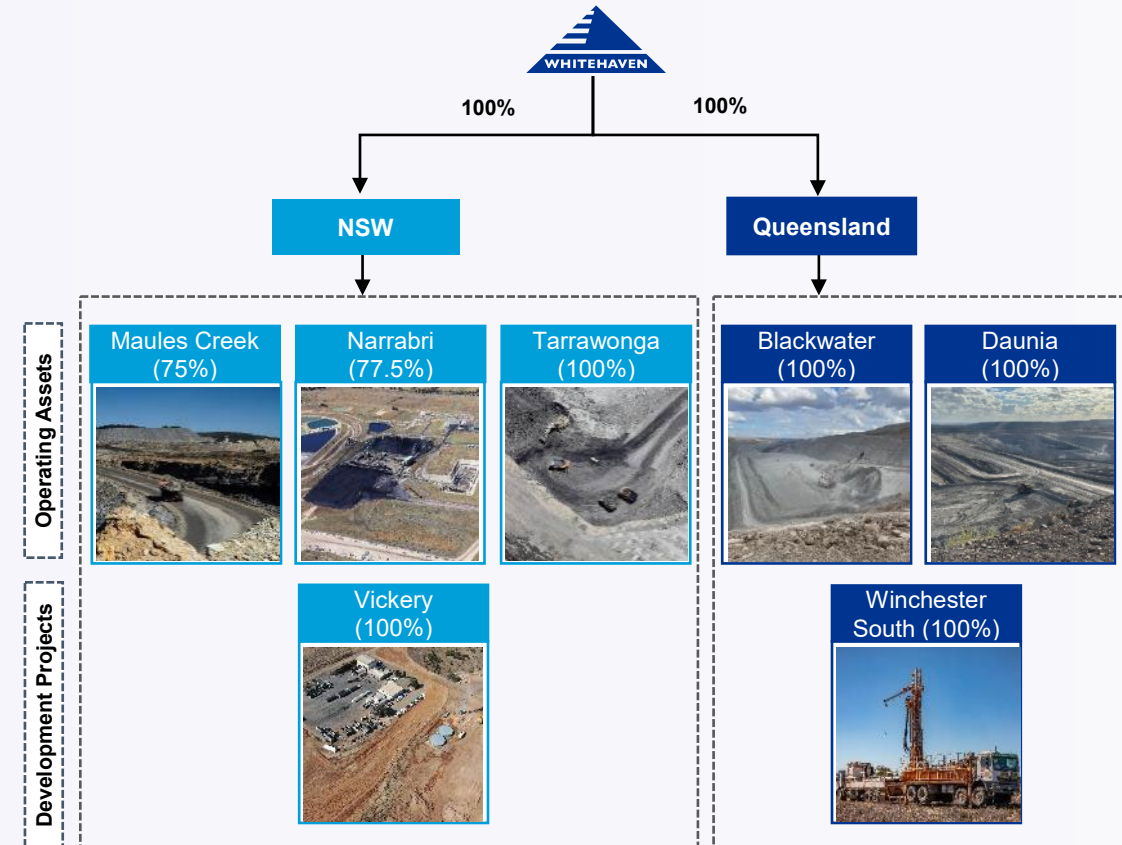
# Our portfolio of long-life assets

Six operating mines complemented by two near-term and large-scale development assets

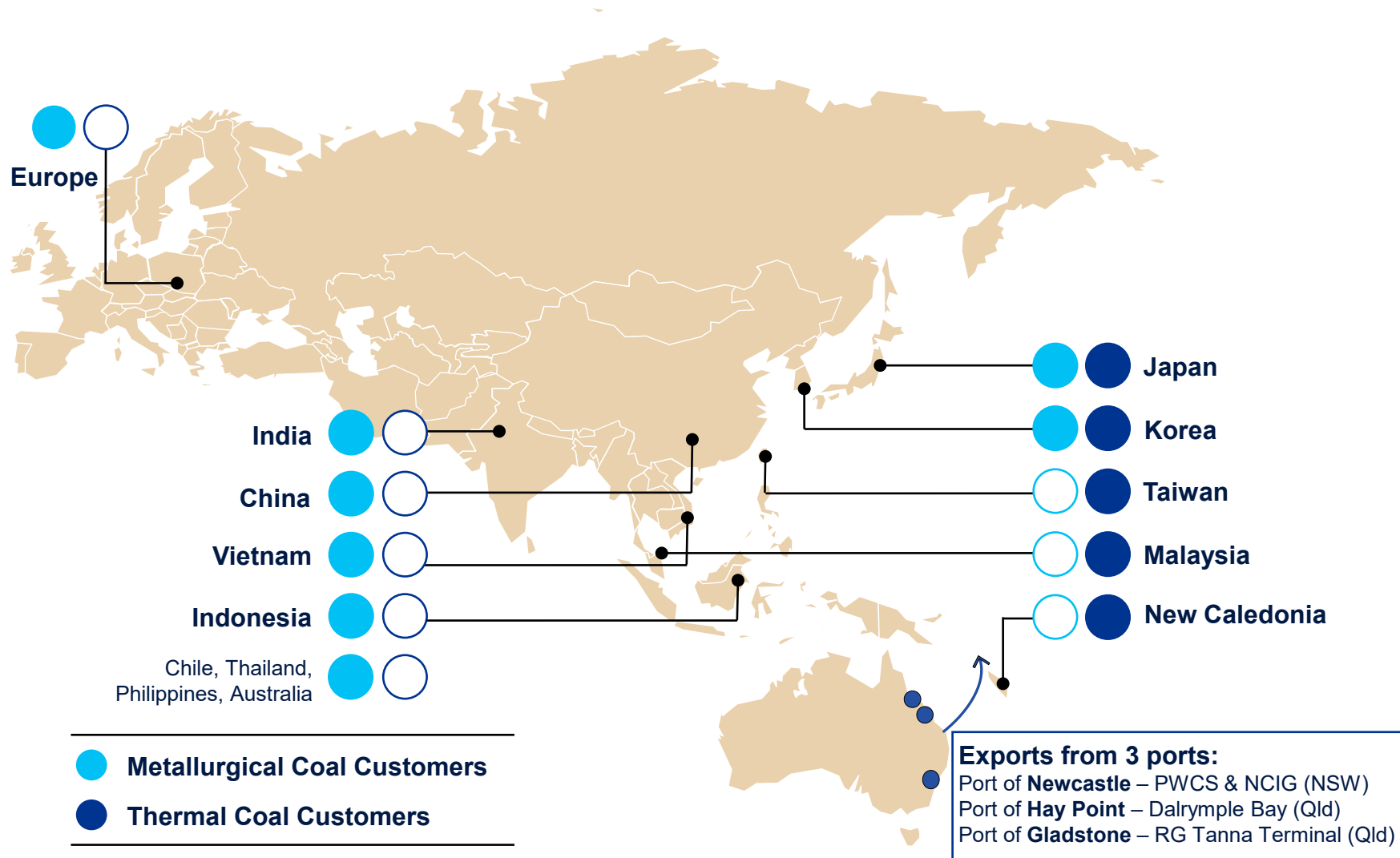


1. On the basis of metallurgical coal production; excludes diversified mining peers

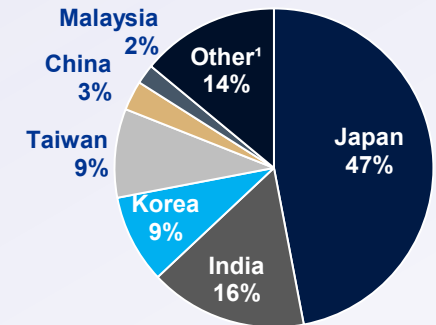
## Our structure



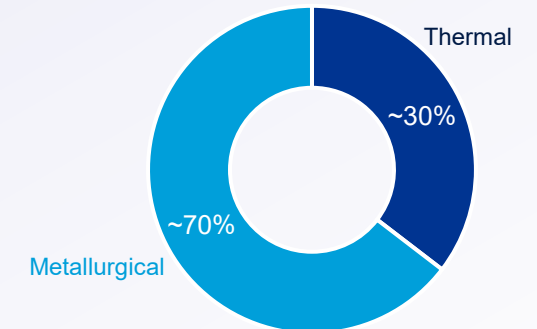
# Premium products to support key growth markets



Pro-forma sales volumes by geography<sup>1</sup>



FY24F Revenue contribution by type<sup>2</sup>



3 1. On a managed basis, excluding coal reservation volumes for WHC, based on sales volumes for WHC, Daunia and Blackwater FY2020-2023. Other includes: Vietnam, Indonesia, New Caledonia, Chile, Thailand, Philippines, Europe and Australia.  
 2. As announced in 18 October acquisition presentation – based on management estimates and spot prices

# Highly engaged people and communities



**\$266 million**  
paid in salaries and wages



**\$357 million**  
spent with local regional suppliers



**\$14.4 million**  
spent with 16 Aboriginal and Torres Strait Islander businesses, up 65% from FY22



**\$1.65 billion** of taxes and royalties paid or payable for FY23



**51% positive**  
community sentiment towards Whitehaven, our highest result, with only 18% negative



**10.5%**  
of workforce identify as Aboriginal and/or Torres Strait Islander



**17.3%**  
female employee participation in our workforce up from 15.3% in FY22 and 12.4% in FY21



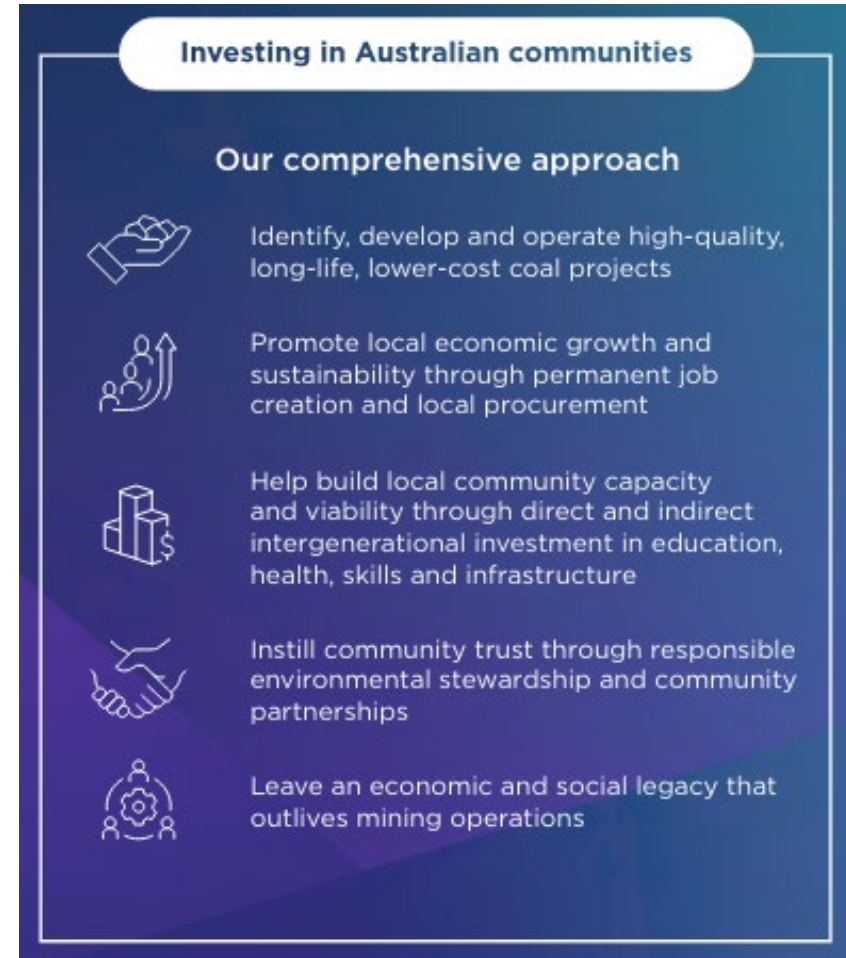
**\$4.35 million**  
in corporate community partnerships and donations



# Contributing to local prosperity and sustainability

We work with local businesses and community organisations to help them grow

- \$1.75b spent with regional suppliers over the last five years
- Over \$7m contributed to local community organisations over the last five years
- Whitehaven is committed to supporting local businesses in the Blackwater community.
- Our community engagement team is exploring opportunities to support the Blackwater community and deliver meaningful benefits.
- **Procurement contact:**  
<https://whitehavencoal.com.au/suppliers/>
- **Community contact:** Liam Stower, Manager Community Relations QLD – [LStower@whitehavencoal.com.au](mailto:LStower@whitehavencoal.com.au)





# Empowering Aboriginal and Torres Strait Islander people

Whitehaven has a long history of engagement and partnership with First Nations people

**\$14.4m**

spent with 16  
Aboriginal and Torres  
Strait Islander  
suppliers in FY23

**10.5%**

of Whitehaven's  
workforce identify as  
Aboriginal and/or  
Torres Strait Islander

**\$183k**

donated to Aboriginal and  
Torres Strait Islander  
organisations, including our  
long-term partnership with  
the Clontarf Foundation

- Delivering practical outcomes to make a substantial and sustainable difference.
- Targeted investment focused on delivering intergenerational benefits in health, education and skills development.
- Targeted procurement program and employment strategy that deliver long-term employment opportunities for Aboriginal and Torres Strait Islander people.

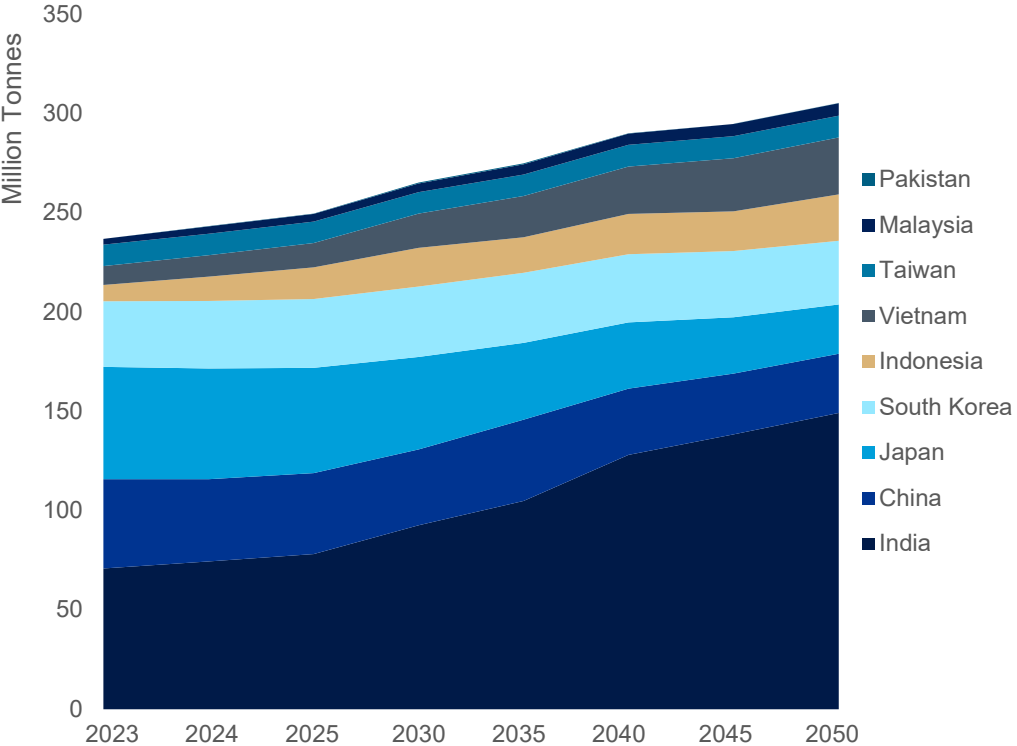


# A Clear Future for Blackwater Mine



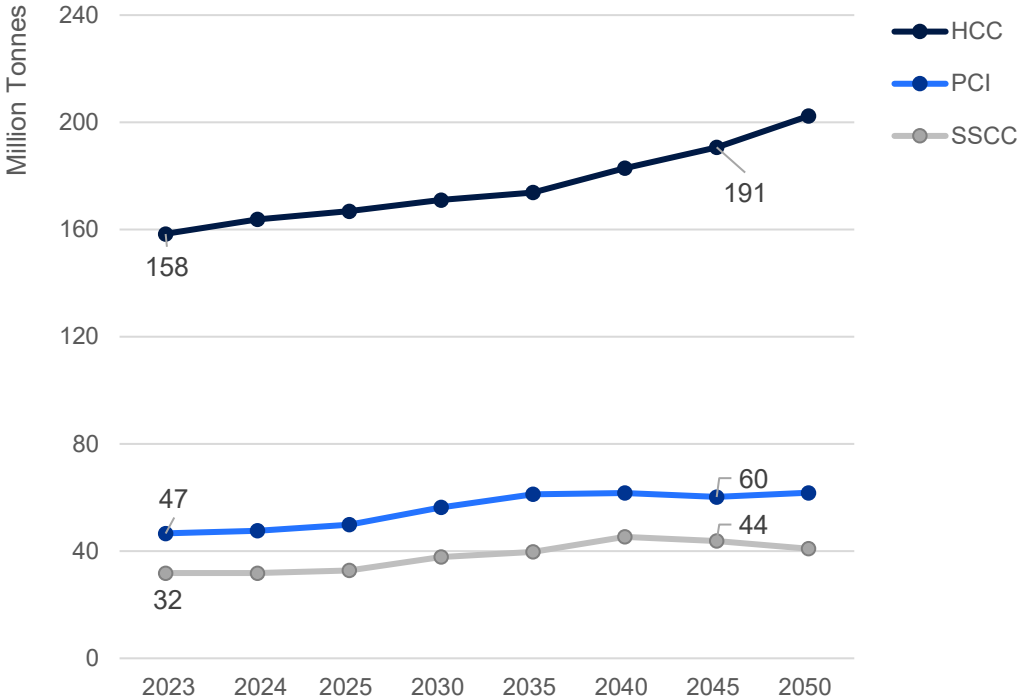
# Asia demand for met coal forecast to grow by 33% over the next three decades due to Indian industrialisation

Asia seaborne demand for metallurgical coal



Source: Wood Mackenzie August 2023 seaborne metallurgical coal.

Asia seaborne demand by metallurgical coal type

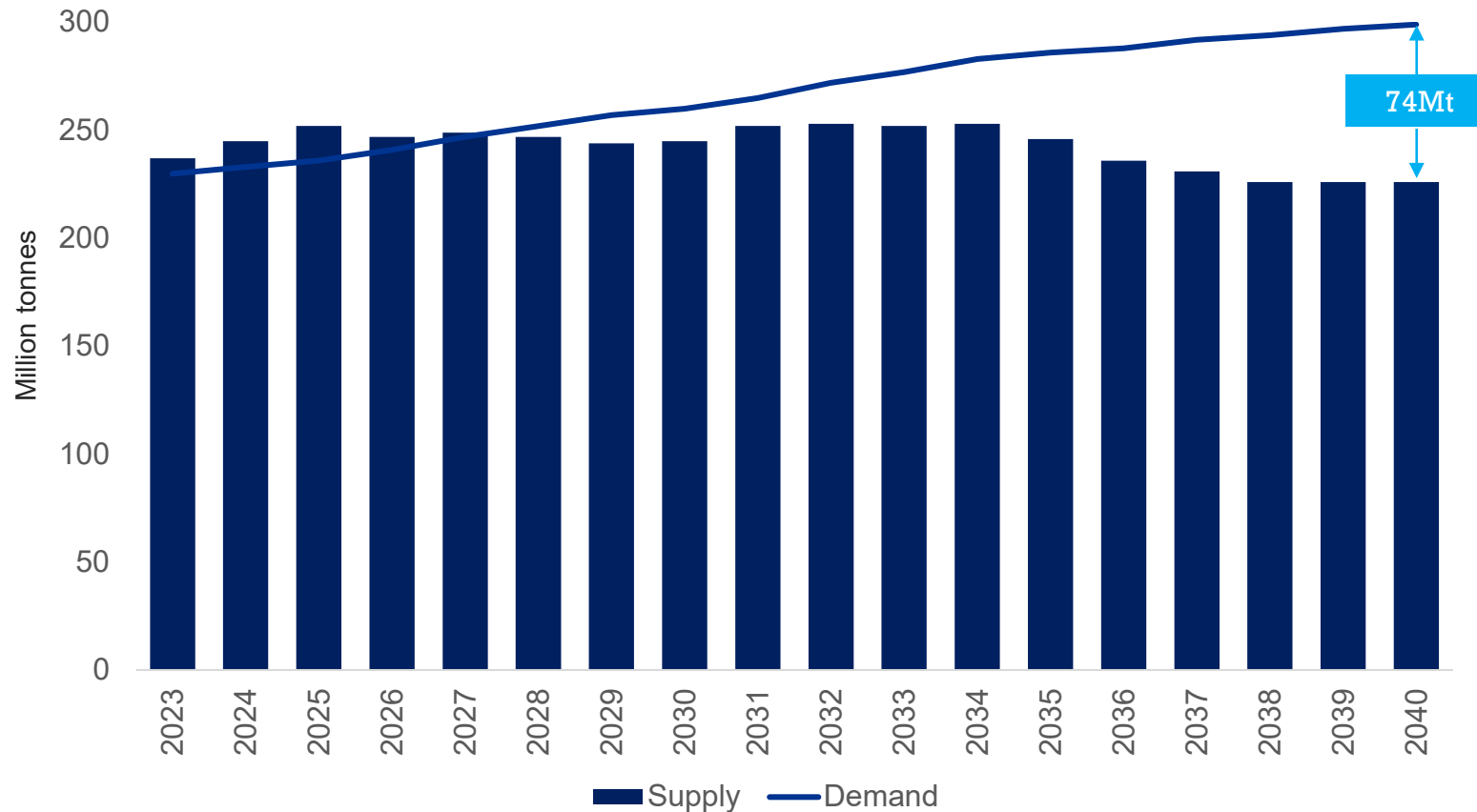


Source: Wood Mackenzie August 2023 seaborne imports.



# A substantial supply gap is expected for HCC

Global supply / demand for HCC will impact economic development and the energy transition



- Metallurgical coal is essential for the global energy transition plan as well as developing countries' infrastructure growth
- The structural shortfall in HCC production is a result of continued underinvestment in assets
- Long-life assets like Blackwater are needed to supply future met coal demand

Source: Commodity Insights 2023 entire HCC complex including Hard, Semi Hard, SSCC & PCI global seaborne supply.

# Acquisition delivers scale and diversification benefits

www.afr.com | Thursday 19 October 2023

## Whitehaven takes risk off the table

**R**ecent history says there are few riskier commodities than coal in financial markets. But at its core, Whitehaven Coal's epic \$US4.1 billion (\$6.4 billion) deal to buy the Daunia and Blackwater metallurgical coal mines in Queensland from BHP is an exercise in taking risk off the table for both parties.

First is commodity risk. For Whitehaven boss Paul Flynn, this is a deal that goes directly to the pure-play coal miner's exposure to thermal coal used to generate power, which the world must wean itself off to make the urgent energy transition.

Almost since he listed Whitehaven in 2007, Flynn has had too much of the stuff, and in the past five years particularly, it's made it harder for Whitehaven to attract ESG-focused investors, raise debt, secure bank funding, and even get insurance coverage.

But with this one deal, Flynn greatly reduces that commodity risk. Daunia and Blackwater produce metallurgical coal used in steelmaking, and on completion of this deal in June next year, 70 per cent of Whitehaven's tonnes will come from the better (relatively, of course) side of the coal sector.

Second is operational risk. Whitehaven's thermal coal exposure wasn't its only concentration issue: before this deal, most of its operations were in NSW and all of its mines were reliant on one train line. Now, half of its production will be in Queensland, with much greater operational diversification across ports and rail.

Third is deal risk, a key problem with any M&A transaction. Flynn argues he's managed this by securing a cracking deal.

Existing cash and a \$US900 million bridge financing facility from Bank of America and Jefferies will pay for the bulk of the deal, but BHP has also given Whitehaven vendor finance via a deferred payment structure.

Whitehaven will pay \$US2.1 billion up front, and \$1.1 billion over three years. Whitehaven could also be liable for payments of up to \$US900 million if

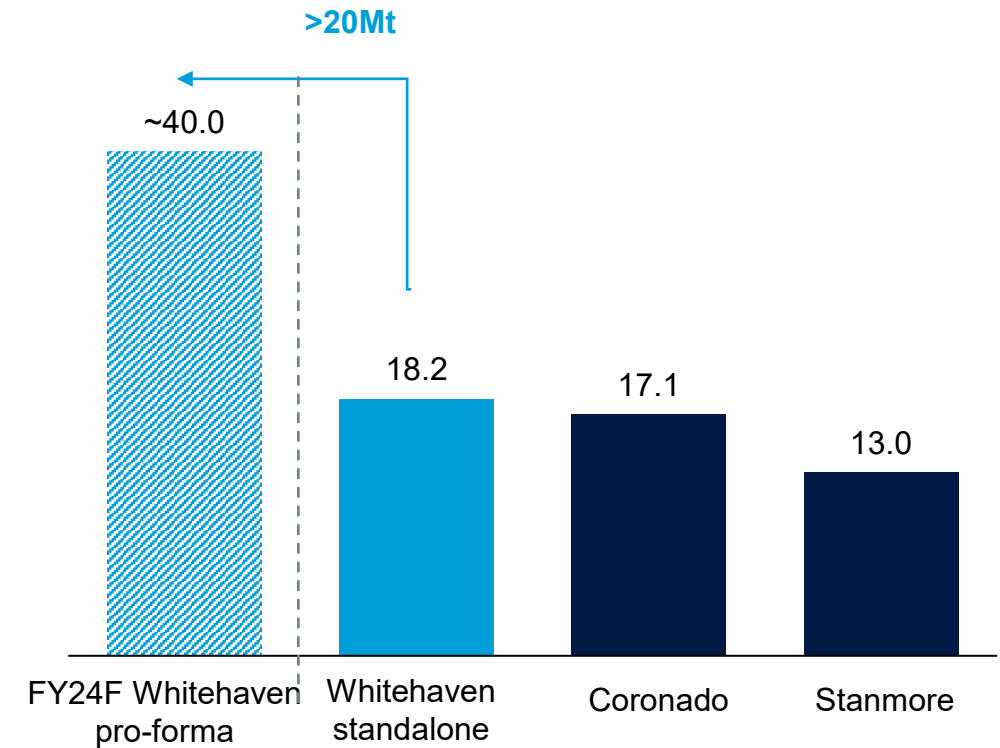
The premium between higher and lower quality met coal was evident in BHP's September-quarter production data, released yesterday, which showed a 27 per cent gap between the prices for the different products, which has widened 10 per cent in the first six months of the calendar year.

So, while Flynn was happily talking about Blackwater's 50-year mine life, the deal BHP was prepared to do says it doesn't want to



ILLUSTRATION: DAVID ROWE

**ROM production vs Australian metallurgical coal peers**  
(Mt, 100% basis)<sup>1</sup>  
*FY24F pro-forma relative to FY23 actual production*



1. Data shown on 100% basis for purpose of comparability across peers; data is for FY23 except for Whitehaven pro-forma which is based on the mid-point of Whitehaven's FY24 guidance and FY24 LOM plans for Daunia and Blackwater



# Looking ahead at Blackwater

Capitalising on existing opportunities to drive volume growth

- Focused on bedding down the integration and continuing to build a better understanding of the operations.
- Targeting latent capacity and productivity improvements to drive volume growth.
- Scale up optionality.
- Several initiatives already underway to empower local leadership and provide localised resources.
- Blackwater South a longer-term prospect.
- Minority selldown progressing well.



# A strong future for Australia's coal industry

**50,000**

Employed in the Australian coal industry, expected to grow to 67,500 by 2025.

**6,856**

Queensland business providing goods and services to the coal industry.

**\$83.7b**

Contribution of coal to the Queensland state economy – 22% of Queensland's Gross Regional Product

- Whitehaven is a proud advocate for the Queensland and Australian coal industry.
- Our people and communities are our industry's best advocates.
- Coal will play an increasingly important role in the global energy transition.
- The coal industry will underwrite and support a smooth transition for regional communities.





# Thank you

## Key contacts:

**Liam Stower**, Manager Community Relations QLD –  
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**Ben Proudfoot**, Manager Indigenous Engagement QLD –  
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## Procurement

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