

Press Release

6 September 2019

## Banpu Reiterates Cash Flow Management Strategy Supporting its Continuous Growth in the Volatile Global Economy

Banpu Public Company Limited, a leading integrated energy solutions company in Asia-Pacific, stated the Company aims to strengthen cash flow with three strategies of cash flow management, namely **cash flow from operation**, **cash flow from investment**, and **cash flow from financing**. The objectives of three strategies are to secure financial stability and sustain the continuous growth of the Company. The Company firmly believe that its strong cash flow management will be a potential cushion against global market volatility.

Regarding **Cash Flow from Operation**, the Company copes with the volatile price of energy commodity products by focusing more on short-term business strategies. Such strategies include cost-cutting in the coal production to maintain profitability as well as selecting low-cost production sites and employing more efficient machinery for the development of underground mines to ensure smooth production. In addition, the natural gas business gains its competitive advantage from low production cost, which enables profit-making when natural gas price is low while spends cash from operating activities as additional drilling of gas wells to satisfy an increase of US gas demand in the future.

For **Cash Flow from Investment**, Banpu's subsidiaries in Indonesia, Australia, and China, as well as Banpu Power Public Company Limited, achieved outstanding performance. They have performed efficient financial management, resulting in continuous dividends payback to the Company. Large-scale power plants such as BLCP and Hongsa, and combined heat and power plants in China have strong cash flow management and financial status, which contribute to satisfactory dividend yields. Apart from that, the Company stresses the importance of **Cash Flow from Financing** by seeking long-term financial sources. To date, the Company has gained strong

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support from various financial institutions, assuring that it has potentials to generate growth and maintain the appropriate net debt to equity ratio as well as to sustain dividend payment as in the past.

**Ms. Somruedee Chaimongkol, Chief Executive Officer, Banpu Public Company Limited,** revealed: "Thus far, the Company has generated uninterrupted cash flow due to effective cash flow management strategies. In particular, the Company enjoys continuous cash flow from operation activities in energy resources group and from investment activities in subsidiaries, which generate regular dividends. This provides the Company with liquidity in business operations and readiness to invest in businesses with high growth potential. The strategies also timely support the Company's growth according to the Greener & Smarter strategy as well as accommodate the volatility of energy prices in the global market and constant changes in the global economy. We are confident that with the efficient cash flow management, the synergy of 3 core groups of businesses, and the mutually beneficial business ecosystem, we can achieve sustainable growth and create long-term sustainable returns for investors and all stakeholders."

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#### About BANPU

Banpu Public Company Limited is a leading integrated energy solutions company with 3 core groups of businesses: energy resources, energy generation and energy technology in 10 countries, namely, Thailand, Indonesia, China, Australia, Lao PDR, Mongolia, Singapore, Japan, the United States of America and Vietnam. As of 30 June 2019, Banpu's assets totaled USD 8.518 billion, an increase of USD 64 million compared to the total assets as of 31 December 2018.

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