

News Release

10th November 2020

3Q2020 Results Highlight

Banpu has submitted to the SET its 3Q2020 financial performance with full details.

The sign of global economic recovery in the 3rd quarter has been improving after heavily impacted from Corona Virus pandemic in the previous quarter. The Energy demand from both industrial and residential sectors have been gradually improved supported by the rationalize of demand and supply of global coal, oil, and gas industry. Moreover, the implementation of cost cutting with careful utilization of investment budget reflect in the improvement of BANPU financial performance in the 3rd quarter compare to the previous quarter.

Group EBITDA for 3Q20 was USD 146 million (+103% QoQ), including EBITDA from coal of USD 103 million (+176% QoQ), EBITDA from gas of USD 13 million (+ 699% QoQ) and EBITDA from power of USD 30 million (- 8% QoQ).

In this quarter, the depreciation of Thai Baht against US Dollar at 31.66 THB/USD compare to the previous quarter at 30.89 THB/USD resulted in an unrealize translation gain of USD 20 million. Therefore, the company reported consolidated net loss of USD 16 million improved by USD 13 million compare to the same period last year.

Operation result from Energy Resources business consists of Coal mine in Indonesia reported coal sale of 4.31 million tons, decreasing 19% QoQ due to heavy rainfall. The softening coal market also impact The Average Selling Price (ASP) at 49.10 USD per ton while the implementation of cost cutting program reflected in the lower cost of sale at 32.28 USD per ton, therefore the Gross Profit Margin (GPM) was 34% or improved by 12% from previous quarter. Coal mine in Australia reported coal sale volume at 3.24 million tons. The ASP slightly reduced to AUD 78.97 per ton, while the average coal cost was at A\$ 70.95 significantly improve from the successful cost cutting program result in gross profit margin that turn to positive GPM of 11% compare to negative GPM of 3% in the previous quarter. China coal reported equity income of USD 10.27 million due to an increase of domestic coal market price in China, resilient coal sale and cost normalization. The operation team will continue its cost control program to ensure the ability to generate positive margin in the long term.

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Shale gas business in the US reported the lower sale volume of 15.15 Billion Cubic Feet (Bcf), with the ASP of USD 0.55 per Million cubic feet (Mcf). While the gas price has the sign of recovery from the improvement in demand and supply balance in the inventory level.

For Energy generation business, the Combined Heat and Power (CHP) plants in China contributed net profit of USD 7 million. HPC reported equity income of USD 20 million significantly improve from previous quarter after all 3 units fully operated after complete the maintenance of unit 3 since August 2020. BLCP maintain 100% high electricity dispatch rate reported in an equity contribution of USD 2 million.

Renewable business continues to progress well with consistent power generation. Project Yamagata solar and Project Yabuki solar in Japan remain its target to achieve COD in November and December 2020 respectively while Soc Trang wind project in Vietnam reach 30% construction progress.

Energy technology business continue progressing in its product and service development, in this quarter Banpu NEXT secure 68 MW additional capacity from solar rooftop and floating business.

BANPU remain cautious in liquidity management and careful utilization of capital expenditure to ensure financial flexibility with stable cash flow.

Summary of 3Q/2020 results

Year-end Dec ('M.USD)	3Q20	2Q20	3Q19	Note
Coal sales volume (M.Tonnes)	8.0	8.5	9.5	Indonesia 4.3mt (-19%QoQ, -35%YoY), Australia 3.2mt (+5%QoQ, +18%YoY)
Sales revenues	470.5	517.6	653.9	ASP Indo US\$49.1/t, ASP Australia A\$79/t
Cost of sales	(373.3)	(455.7)	(483.1)	
Gross profit	97.2	61.9	170.8	GPM from coal 24% (GPM Indo coal 34%, GPM Australia coal 11%)
GPM	21%	12%	26%	GPM from Power 20%, GPM from Gas -60%
Administrative expenses	(22.3)	(35.9)	(39.0)	
Selling expenses	(38.5)	(38.6)	(50.1)	
Royalty	(37.5)	(43.6)	(56.9)	
Equity income	31.8	30.6	62.6	Equity income from China coal US\$10.3m, Hongsa US\$19.9m,
Other	5.6	(0.3)	(6.2)	BLCF US\$1.9m, SLG US\$2.5m and Solar & Tech business (US\$2.7m)
EBIT	36.5	(25.9)	81.2	
EBIT margin	8%	-5%	12%	
Interest expenses	(41.6)	(44.2)	(45.1)	
Financial expenses	(1.3)	(1.6)	(1.5)	
Income tax - Core business	(4.7)	(7.3)	(28.5)	
Minorities	(9.3)	(6.3)	(15.8)	
Net profit before extra items	(20.4)	(85.3)	(9.8)	
Non-recurring items	(2.5)	(32.5)	(2.2)	
Gain (Loss) on Derivatives	(6.8)	19.2	12.6	Loss from financial derivative instruments
Income tax - Non core business	(0.1)	(2.9)	-	
Deferred tax income/expenses	(6.5)	43.8	16.1	
Net profit	(36.3)	(57.7)	16.7	
Net gains (losses) on exchange rate	19.8	(21.0)	(18.0)	FX gain from the depreciation of Thai Baht against US Dollar
Net profit	(16.5)	(78.7)	(1.3)	
<i>EPS (USD/share)</i>	<i>(0.003)</i>	<i>(0.015)</i>	<i>(0.000)</i>	
Depreciation	55.5	50.1	57.1	
Amortization	53.8	47.7	29.3	
Depre & Amortization	109.3	97.8	86.4	
EBITDA	145.8	71.9	167.6	EBITDA from coal of US\$103m, gas US\$12.6m, and power US\$30.2m
EBITDA margin	31%	14%	26%	

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DETAIL OF PROFIT&LOSS STATEMENT		3Q20	2Q20	3Q19
ROM Production (M. tonnes)				
<i>Total production of Coal Indonesia</i>		4.79	4.33	6.75
<i>Total production of Coal Australia</i>		2.85	3.26	2.79
Total Production	M.Ton	7.64	7.60	9.54
Coal sales volume (M tonnes)				
<i>ITMG own</i>		3.97	4.85	5.89
<i>Other Source</i>		0.35	0.48	0.78
<i>Total Coal Sales - Indonesia</i>		4.31	5.33	6.67
<i>Coal Sales - Coal Australia</i>		3.23	3.09	2.75
<i>Coal Sales - China (traded coal)</i>		0.38	0.05	-
<i>Coal Sales - Others & Elimination</i>		0.03	(0.02)	-
Total sale volume	M.Ton	7.95	8.45	9.42
Sales revenue (M.USD)				
<i>Sales revenue - ITMG</i>		200.2	262.1	374.3
<i>Other Sources</i>		11.6	18.4	34.2
<i>Sales revenue - Coal Indonesia</i>		211.8	280.5	408.5
<i>Sales revenue - Coal Australia</i>		181.9	165.1	171.8
<i>Sales revenue - China (traded coal)</i>		17.7	20.3	-
Revenue from COAL business		411.4	465.9	580.3
Revenue from POWER business		38.1	40.8	31.5
Revenue from GAS business		10.5	10.5	20.0
Revenue from FUEL business		8.3	6.6	-
Revenue from OTHER business		9.4	6.7	2.6
Total revenues	M.USD	477.8	530.6	634.4
Cost of sale (M USD)				
<i>Cost of sales - ITMG</i>		(128.9)	(202.3)	(254.4)
<i>Other Sources</i>		(10.3)	(17.3)	(34.1)
<i>Cost of sales - Coal Indonesia</i>		(139.2)	(219.6)	(288.5)
<i>Cost of sales - Coal Australia</i>		(161.3)	(170.7)	(124.7)
<i>Sales revenue - China (traded coal)</i>		(17.4)	(19.9)	(6.0)
COST OF SALE - COAL business		(318.0)	(410.2)	(419.2)
COST OF SALE - POWER business		(30.6)	(31.5)	(28.2)
COST OF SALE - GAS business		(16.9)	(16.3)	(19.9)
COST OF SALE - FUEL business		(8.9)	(6.4)	-
COST OF SALE - OTHER business		(8.0)	(5.7)	(1.3)
Total cost of sale	M.USD	(382.3)	(470.2)	(468.7)

DETAIL OF PROFIT&LOSS STATEMENT	3Q20	2Q20	3Q19
Gross profit (M USD)			
Gross profit - ITMG	71.3	59.8	119.9
Other Sources	1.3	1.1	0.2
<i>Gross profit - Coal Indonesia</i>	72.6	60.9	120.0
<i>Gross profit - Coal Australia</i>	20.6	(5.6)	47.1
<i>Gross profit - China (traded coal)</i>	0.3	0.4	(6.0)
Gross profit from COAL business	93.5	55.7	161.1
Gross profit from POWER business	7.5	9.3	3.3
Gross profit from GAS business	(6.3)	(5.8)	0.1
Gross profit from FUEL business	(0.5)	0.2	-
Gross profit from OTHER business	1.4	1.0	1.3
Total Gross profit	M.USD 95.5	60.4	165.7
Gross profit margin			
<i>GPM - ITMG</i>	36%	23%	32%
<i>Other Sources</i>	11%	6%	0%
<i>GPM - Coal Indonesia</i>	34%	22%	29%
<i>GPM -Coal Australia</i>	11%	-3%	27%
<i>GPM - China (traded coal)</i>	2%	2%	
GPM from COAL business	23%	12%	28%
GPM from POWER business	20%	23%	10%
GPM from GAS business	-60%	-55%	0%
GPM from FUEL business	-6%	3%	0%
GPM from OTHER business	15%	15%	
GPM for Banpu group	20%	11%	26%