

News Release

9th August 2021

2Q/2021 Results Highlight

Banpu has submitted to the SET its FY 2Q/2021 financial performance with full details.

Banpu reported financial performance of 2Q21 with **net profit of USD 42 million**, its operational resilience and agility reflecting from the ability to capture upside from the rise in commodity market from the improvement of global economy compared to last year. Though there is still uncertainty on the pace of economic recovery that varies among different countries which depends heavily on the ability to control the surge of new variant of COVID-19. The company continue accelerate its Greener & Smarter transformation through strategic synergy within the group as recent major acquisitions including 2 operating Solar farms in Australia with total capacity of 167 MW, that already on commercial operation. Providing Banpu significant achievement in accumulating greener portfolio, additional immediate cash flow generation and a steppingstone into wholesale electricity market with advanced trading system and mechanism.

All 3 core businesses continue delivering strong cash flow as the group reported its 2Q21 EBITDA generation of USD 308 million consists of EBITDA from coal of USD 194 million (+41% QoQ), EBITDA from gas of USD 70 million (-35% QoQ) Energy generation contributed EBITDA of USD 37 million (-8% QoQ) and Energy Technology of USD 7 million.

The Energy Resources business starting from mining business reported very healthy operational result mainly from the improvement in average selling price while continue to maintain cost of production. The rise in coal price mainly driven by recovery demand in many countries while several major producers experienced production challenges which created result in the price of seaborne market to continue rising. Indonesia coal business reported sales volume of 4.9 million tons, the average selling price (ASP) was 81.0 USD/ton, improved by 18% QoQ. The cost of sale was 41.6 USD/ton, resulted in an improvement of Gross Profit Margin (GPM) at 49%, higher 7% QoQ. Australia coal business reported sales volume of 2.5 million tons, slightly lower compared to previous quarter as Mandalong experienced scheduled longwall move for 4 weeks, resulted in the cost of sale at 82 AUD/ton, However, the ASP was improved to 90 AUD/ton, 12% higher QoQ. China coal significantly improved from previous quarter, report profit sharing of USD 28 million, 65% increase QoQ due to the strong domestic price driven by recovery demand of industrial activities and the power plants demand during summer season.

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Gas business for 2Q21 reported an average local price of 2.76 USD/Mcf and the 2 operational gas assets continue delivered stable production of 60 billion Cubic Feet (Bcf), with average selling price of 2.6 USD/Mcf, 16% increase QoQ driven by ongoing solid demand from residential users as weather heats up across the Northern Hemisphere, together with the economic activities started to recover from last year.

The Energy generation business reported consistent contribution, mainly from the HPC power plant that maintain high reliability with Equivalent available factor (EAF) of 92% to support and serve the high dispatch requirement from EGAT. It reported an equity income of USD 35 million, 32% higher QoQ. BSCP reported equity income of USD 2.5 million due to it experienced unplanned maintenance from the tube leak incident, though still achieved EAF of 87%. CHPs plant in China reported net loss of USD 5.9 million, due to the weaker demand from some of our customers and highly impacted from the high domestic coal cost. Shanxi Lu Guang (SLG) power plant in China also completed its commissioning activities and prepared for the commercial dispatch expected by third quarter of the year. This quarter, Nakoso IGCC power plant in Japan that has been acquired in April this year, also reported its first profit sharing of USD 1.5 million.

For Renewable business including solar power plants in China reported strong revenue of USD 8.8 million, 27 % higher QoQ, from favorable weather conditions resulted in high irradiation with average capacity factor achieved 16%. Solar business in Japan also reported improvement in operational results with capacity factor of 17%, improved 8% QoQ. The Vin Chau phase 1 wind project, in Soc Trang province, Vietnam progressing well with its construction reaching 68%. However, with the recent COVID-19 control in Soc Trang province, the COD schedule is expected to slightly shift to 4Q2021.

For Energy Technology business, it continues focus on expanding its products and services to build Banpu energy ecosystem. The key developments including the 16 MW floating solar projects at LK Rubber Industrial City Hub achieved 60% construction while Solar rooftop business continue to initiate new solar smart package to cater medium size businesses. Energy trading in Japan also progressing well, securing 10 new annual supply contracts to 6 new clients, including hospitals, universities, and National institutes for total of additional 111 GWh for 1 year period.

Summary of 2Q/2021 results

Year-end Dec ('M.USD)	2Q21	1Q21	2Q20	Note
Coal sales volume (M.Tonnes)	7.8	7.2	8.5	Indonesia 4.9mt (+19%QoQ, -8%YoY), Australia 2.5mt (-5%QoQ, -19%YoY), and Coal trading 0.4mt. ASP Indo US\$81/t, ASP Australia A\$89.8/t
Sales revenues	799.3	735.8	517.6	
Cost of sales	(530.0)	(508.3)	(455.7)	
Gross profit	269.3	227.4	61.9	GPM from coal 36% (GPM Indo coal 49%, GPM Australia coal 9%)
GPM	34%	31%	12%	GPM from Gas 34%, GPM from Power 7%
Administrative expenses	(53.5)	(50.8)	(35.9)	
Selling expenses	(34.4)	(30.6)	(38.6)	
Royalty	(56.9)	(44.0)	(43.6)	
Equity income	63.0	43.0	30.6	Equity income from China coal US\$27.6m, HPC US\$35.5m, BLCP US\$2.5m
Other	4.1	3.1	(0.3)	SLG (US\$1.3m), Nakoso US\$1.5m and Solar & Tech business (US\$2.6m)
EBIT	191.6	148.1	(25.9)	
EBIT margin	24%	20%	-5%	
Interest expenses	(40.9)	(42.8)	(44.2)	
Financial expenses	(2.1)	(2.0)	(1.6)	
Income tax - Core business	(20.6)	(19.7)	(7.3)	
Minorities	(35.5)	(25.5)	(6.3)	
Net profit before extra items	92.5	58.1	(85.3)	
Non-recurring items	(3.5)	(5.3)	(32.5)	
Gain (Loss) on Derivatives	(48.2)	(4.9)	19.2	Loss from financial derivative instruments
Income tax - Non core business	(1.0)	(0.3)	(2.9)	
Deferred tax income/expenses	(10.9)	(26.3)	43.8	
Net profit	28.9	21.3	(57.7)	
Net gains (losses) on exchange rate	13.4	29.4	(21.0)	FX gain from the depreciation of Thai Baht against US Dollar
Net profit	42.3	50.7	(78.7)	
EPS (USD/share)	0.008	0.010	(0.015)	
Depreciation	67.2	68.5	50.1	
Amortization	49.6	57.7	47.7	
Depre & Amortization	116.8	126.2	97.8	
EBITDA	308.4	274.3	71.9	EBITDA from coal of US\$194m, gas US\$70m, power US\$37m
EBITDA margin	39%	37%	14%	and Energy Tech US\$7m

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DETAIL OF PROFIT&LOSS STATEMENT		2Q21	1Q21	2Q20
<i>Total production of Coal Indonesia</i>		4.48	4.00	4.39
<i>Total production of Coal Australia</i>		2.26	2.41	3.26
Total Production	M.Ton	6.75	6.41	7.65
Coal sales volume (M tonnes)				
<i>ITMG own</i>		4.46	3.80	4.85
<i>Other Source</i>		0.42	0.30	0.48
<i>Total Coal Sales - Indonesia</i>		4.88	4.10	5.33
<i>Coal Sales - Coal Australia</i>		2.49	2.63	3.09
<i>Coal Sales - China (traded coal)</i>		0.44	0.50	-
<i>Coal Sales - Others & Elimination</i>		0.02	(0.01)	-
Total sale volume	M.Ton	7.84	7.22	8.42
Sales revenue (M.USD)				
<i>Sales revenue - ITMG</i>		369.9	265.6	262.1
<i>Other Sources</i>		25.5	15.3	18.4
<i>Sales revenue - Coal Indonesia</i>		395.4	280.8	280.5
<i>Sales revenue - Coal Australia</i>		172.4	162.3	165.1
<i>Sales revenue - China (traded coal) & Others</i>		18.9	18.1	-
Revenue from COAL business		586.7	461.3	445.6
Revenue from POWER business		35.6	66.8	40.8
Revenue from GAS business		160.1	185.7	10.5
Revenue from FUEL business		-	4.1	-
Revenue from OTHER business		16.9	17.9	6.7
Total revenues	M.USD	799.3	735.8	503.6
Cost of sale (M USD)				
<i>Cost of sales - ITMG</i>		(177.1)	(144.3)	(202.3)
<i>Other Sources</i>		(26.0)	(17.2)	(17.3)
<i>Cost of sales - Coal Indonesia</i>		(203.1)	(161.5)	(219.6)
<i>Cost of sales - Coal Australia</i>		(157.0)	(164.7)	(170.7)
<i>Cost of sales - China (traded coal) & Others</i>		(16.6)	(14.1)	(19.9)
COST OF SALE - COAL business		(376.7)	(340.4)	(410.2)
COST OF SALE - POWER business		(33.3)	(51.3)	(31.5)
COST OF SALE - GAS business		(105.1)	(81.0)	(16.3)
COST OF SALE - FUEL business		(1.4)	(4.3)	-
COST OF SALE - OTHER business		(13.6)	(31.4)	(5.7)
Total cost of sale	M.USD	(530.0)	(508.3)	(463.8)

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DETAIL OF PROFIT&LOSS STATEMENT		2Q21	1Q21	2Q20
Gross profit (M USD)				
Gross profit - ITMG		192.8	121.2	59.8
Other Sources		(0.5)	(1.9)	1.1
<i>Gross profit - Coal Indonesia</i>		192.3	119.3	60.9
<i>Gross profit - Coal Australia</i>		15.4	(2.4)	(5.6)
<i>Gross profit - China (traded coal)</i>		2.3	4.0	(19.9)
Gross profit from COAL business		210.0	120.9	35.4
Gross profit from POWER business		2.3	15.6	9.3
Gross profit from GAS business		55.0	104.6	(5.8)
Gross profit from FUEL business		(1.4)	(0.2)	-
Gross profit from OTHER business		3.3	(13.4)	1.0
Total Gross profit	M.USD	269.3	227.4	39.8
Gross profit margin				
GPM - ITMG		52%	46%	23%
Other Sources		-2%	-13%	6%
<i>GPM - Coal Indonesia</i>		49%	42%	22%
<i>GPM -Coal Australia</i>		9%	-1%	-3%
<i>GPM - China (traded coal)</i>		12%	22%	
GPM from COAL business		36%	26%	8%
GPM from POWER business		7%	23%	23%
GPM from GAS business		34%	56%	-55%
GPM from FUEL business			-6%	0%
GPM from OTHER business		19%	-75%	
GPM for Banpu group		34%	31%	8%

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