

News Release

10th November 2021

3Q/2021 Results Highlight

Banpu has submitted to the SET its FY 3Q/2021 financial performance with full details.

The Global Energy consumption in 3Q2021 significantly rebound as governments of all countries accelerate its vaccination rate to reduce the chance of infection and mitigate disease severity from COVID-19. Several measures have been relaxed to allow economic activities to be reopened while there were many challenges facing energy supply side due to the unfavorable weather condition and logistics disruption results in an energy supply shortage that result in significantly increase in energy prices.

In 3Q21 Banpu reported net profit of USD 106 million, the 3 core businesses continue delivering strong cash flow as the group reported its 3Q21 EBITDA generation of USD 530 million, significantly improve by 72% QoQ. The total EBITDA consists of EBITDA from coal of USD 399 million (+105% QoQ), EBITDA from gas of USD 122.4 million (+74% QoQ), Energy generation contributed EBITDA of USD 2.6 million (-93% QoQ) including one-time transaction cost from acquisition of Solar in Australia and Energy Technology for USD 5.4 million (-18%QoQ).

The Energy Resources business starting from mining business in China, Indonesia and Australia reported strong operational result mainly from the improvement in average selling price while cost of production remain quite stable. Indonesia coal business reported sales volume of 5.8 million tons, the average selling price (ASP) was 112.7 USD/ton, significantly improved by 39% QoQ. The cost of sale was 45.9 USD/ton, resulted in an improvement of Gross Profit Margin (GPM) at 59%, higher 10% QoQ. Australia coal business reported sales volume of 2.5 million tons, quite stable compared to previous quarter as it experienced complex geology of Springvale mine, reflected in the cost of sale at 88.1 AUD/ton, However, the ASP was improved to 102.8 AUD/ton, 15% higher QoQ. China coal reported an outstanding performance with profit sharing of USD 49.8 million, significantly increase by 81% compared to previous quarter because of strong domestic price driven by imbalance of supply compared to higher demand domestically.

Gas business for 3Q21 reported an average local price of 3.86 USD/Mcf, delivered the total production volume of 61.96 billion Cubic Feet (Bcf), slightly increase 3% compared to previous quarter with average selling price of 3.68 USD/Mcf, 43% increase QoQ driven by strong demand

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resulted from a reopening of economic activities while the gas production increased in a slower pace due to the delayed in investing and developing new gas wells.

The Energy generation business in 3Q21, HPC power plant reported an equity income of USD 21.7 million, decreased by 38% QoQ due to the planned maintenance of unit 1 and unit 3 resulted in an Equivalent availability factor (EAF) of 75%. Nakoso power plant in Japan that achieved Commercial Operation Date (COD) since April, also reports share of profit of USD 3.1 million. BLCP reported loss sharing of USD 1.7 million due to the impact from deferred tax expenses and unrealized loss from exchange rate translation. CHPs operation in China experienced challenges from high Chinese domestic coal cost that impacted to CHPs operation, however with the heat subsidy received at Zhending plant, helps lessen the impact from higher coal cost, so it reported net loss of USD 1.0 million. While Shanxi Lu Guang (SLG) power plant in China started its commercial dispatch to the national transmission system and will continue to gradually improve its efficiency. However, it also experiences high domestic Chinese coal cost, so it reported loss sharing of USD 7.1 million.

For Renewable business including solar power plants in China and Japan reported lower performance due to its seasonal impact resulted in lower irradiation. Solar business in China reported revenue of USD 7.4 million, decrease by 10% QoQ, with an average capacity factor of 15%. Solar business in Japan reported significant increase in TK dividend distribution of JPY 470 million. While projects under construction which consists of Vin Chau wind project in Vietnam and 2 Solar farms in Japan including Shirakawa project and Kessennuma project for total of 30 MW are actively progressing to complete its construction despite some challenges due to COVID-19 measures in the areas that might caused slightly shift in its COD schedule.

For Energy Technology business, it continues strengthening E mobility platform and expand the Energy Management solutions by acquired Engie Services company (Thailand) covering wide ranges of services including procuring, installing, operating, maintaining, and enhancing energy systems for commercial and industrial clients in Thailand with contracts on hand and future contracts in pipeline.

Summary of 3Q/2021 results

Year-end Dec ('M.USD)	3Q21	2Q21	3Q20	Note
Coal sales volume (M.Tonnes)	8.7	7.8	8.0	Indonesia 5.8mt (+19%QoQ, +35%YoY), Australia 2.5mt (0%QoQ, -23%YoY), and Coal trading 0.4mt. ASP Indo US\$112.7/t, ASP Australia A\$102.8/t
Sales revenues	1,161.5	799.3	470.5	
Cost of sales	(619.5)	(530.0)	(373.3)	
Gross profit	542.0	269.3	97.2	GPM from coal 48% (GPM Indo coal 59%, GPM Australia coal 14%)
GPM	47%	34%	21%	GPM from Gas 53%, GPM from Power 1%
Administrative expenses	(72.6)	(53.5)	(22.3)	
Selling expenses	(51.6)	(34.4)	(38.5)	
Royalty	(87.1)	(56.9)	(37.5)	
Equity income	64.1	63.0	31.8	Equity income from China coal US\$50m, HPC US\$21.7m, BLCP (US\$1.7m)
Other	5.0	4.1	5.6	SLG (US\$7.1m), Nakoso US\$3.1m and Solar & Tech business (US\$1.9m)
EBIT	399.8	191.6	36.4	
EBIT margin	34%	24%	8%	
Interest expenses	(42.9)	(40.9)	(41.6)	
Financial expenses	(3.3)	(2.1)	(1.3)	
Income tax - Core business	(46.1)	(20.6)	(4.7)	
Minorities	(46.6)	(35.5)	(9.3)	
Net profit before extra items	260.9	92.5	(20.5)	
Non-recurring items	(4.8)	(3.5)	(2.5)	
Gain (Loss) on Derivatives	(176.9)	(48.2)	(6.8)	Loss from financial derivative instruments
Income tax - Non core business	(0.3)	(1.0)	(0.1)	
Deferred tax income/expenses	(14.2)	(10.9)	(6.5)	
Net profit	64.7	28.9	(36.4)	
Net gains (losses) on exchange rate	41.8	13.4	19.8	FX gain from the depreciation of Thai Baht against US Dollar
Net profit	106.5	42.3	(16.6)	
EPS (USD/share)	0.021	0.008	(0.003)	
Depreciation	68.1	67.2	55.5	
Amortization	61.7	49.6	53.8	
Depre & Amortization	129.7	116.8	109.3	
EBITDA	529.6	308.4	145.7	EBITDA from Coal of US\$399m, Gas US\$122.2m, Power US\$3m and Energy Tech US\$5.4m
EBITDA margin	46%	39%	31%	

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DETAIL OF PROFIT&LOSS STATEMENT		3Q21	2Q21	3Q20
ROM Production (M. tonnes)				
<i>Total production of Coal Indonesia</i>		4.40	4.48	4.93
<i>Total production of Coal Australia</i>		2.73	2.26	2.85
Total Production	M.Ton	7.13	6.75	7.78
Coal sales volume (M tonnes)				
<i>ITMG own</i>		5.17	4.46	3.97
<i>Other Source</i>		0.65	0.42	0.35
<i>Total Coal Sales - Indonesia</i>		5.82	4.88	4.31
<i>Coal Sales - Coal Australia</i>		2.49	2.49	3.23
<i>Coal Sales - China (traded coal)</i>		0.41	0.44	-
<i>Coal Sales - Others & Elimination</i>		0.01	0.02	-
Total sale volume	M.Ton	8.74	7.84	7.55
Sales revenue (M.USD)				
<i>Sales revenue - ITMG</i>		597.8	369.9	200.2
<i>Other Sources</i>		58.0	25.5	11.6
<i>Sales revenue - Coal Indonesia</i>		655.8	395.4	211.8
<i>Sales revenue - Coal Australia</i>		187.7	172.4	181.9
<i>Sales revenue - China (traded coal) & Others</i>		26.5	18.9	-
Revenue from COAL business		869.9	586.7	393.7
Revenue from POWER business		39.2	35.6	38.1
Revenue from GAS business		230.5	160.1	10.5
Revenue from OTHER business		21.8	16.9	9.4
Total revenues	M.USD	1,161.5	799.3	451.8
Cost of sale (M USD)				
<i>Cost of sales - ITMG</i>		(209.8)	(177.1)	(128.9)
<i>Other Sources</i>		(57.6)	(26.0)	(10.3)
<i>Cost of sales - Coal Indonesia</i>		(267.4)	(203.1)	(139.2)
<i>Cost of sales - Coal Australia</i>		(160.8)	(157.0)	(161.3)
<i>Cost of sales - China (traded coal) & Others</i>		(25.1)	(16.6)	(17.4)
COST OF SALE - COAL business		(453.3)	(376.7)	(318.0)
COST OF SALE - POWER business		(38.7)	(33.3)	(30.7)
COST OF SALE - GAS business		(109.4)	(105.1)	(16.9)
COST OF SALE - FUEL business		(0.7)	(1.4)	-
COST OF SALE - OTHER business		(17.3)	(13.6)	(8.0)
Total cost of sale	M.USD	(619.5)	(530.0)	(373.5)

DETAIL OF PROFIT&LOSS STATEMENT		3Q21	2Q21	3Q20
Gross profit (M USD)				
Gross profit - ITMG		388.0	192.8	71.3
Other Sources		0.4	(0.5)	1.3
<i>Gross profit - Coal Indonesia</i>		388.4	192.3	72.6
<i>Gross profit - Coal Australia</i>		26.8	15.4	20.6
<i>Gross profit - China (traded coal)</i>		1.4	2.3	(17.4)
Gross profit from COAL business		416.6	210.0	75.8
Gross profit from POWER business		0.5	2.3	7.5
Gross profit from GAS business		121.2	55.0	(6.3)
Gross profit from FUEL business		(0.7)	(1.4)	-
Gross profit from OTHER business		4.5	3.3	1.4
Total Gross profit	M.USD	542.0	269.3	78.3
Gross profit margin				
GPM - ITMG		65%	52%	36%
Other Sources		1%	-2%	11%
<i>GPM - Coal Indonesia</i>		59%	49%	34%
<i>GPM -Coal Australia</i>		14%	9%	11%
<i>GPM - China (traded coal)</i>		5%	12%	
GPM from COAL business		48%	36%	19%
GPM from POWER business		1%	7%	20%
GPM from GAS business		53%	34%	-60%
GPM from OTHER business		21%	19%	
GPM for Banpu group		47%	34%	17%