News Release

10th August 2018

2Q/2018 Results Highlight

Banpu has submitted to the SET its 2Q/2018 financial performance with full details.

The financial result of 2Q18 reflects strong earnings contribution from coal business due to higher coal sale volume and resilient market prices. Power business reports high electricity generations from both BLCP and Hongsa in response to surging power consumption during summer period. Group EBITDA for this quarter was concluded at USD 290 million, rising 27% QoQ and 35% YoY. EBITDA by business includes EBITDA from coal of USD 196 million, from power USD 67 million, and from gas USD 27 million.

Net profit is reported at USD 124 million including a foreign exchange gain of USD 37 million due to the rapid depreciation of Thai Baht against US Dollar during this period. The net profit marks a turnaround from a net loss of 40 million in the previous quarter and a substantial increase from net profit of USD 66 million in the previous year.

Coal operation in Indonesia reported sale volume as planned at 5.34 million tonnes, improving 21% QoQ. The coal market during this period was still largely driven by tight supply from Indonesia due to the rainy season, resulting in sustained coal prices at high levels. The Indonesian operation realized a strong Average Selling Price (ASP) of USD 77.89 per tonne in this quarter. However this is 1% lower than previous quarter due to lower proportions of high quality coal shipment for export and lower selling prices to domestic market due to the price controlled regulation imposed by government. The Average Cost of Sale slightly adjusted up by 2% QoQ to USD 49.8 per tonne mainly resulted from higher diesel price by 7% to USD 0.65 per litre. Gross Profit Margin sustained at 38% versus 42% in previous quarter.

บริษัท บ้านปู จำกัด (มหาชน)
ทะเบียนเลขที่ 0107536000781
1550 อาคารธนภูมิ ชั้นที่ 27 ถนนเพชรบุรีตัดใหม่
แขวงมักกะสัน เขตราชเทวี กรุงเทพฯ 10400
โทร. +66(0) 2694 6600 โทรสาร +66(0) 2207 0695-8
www.banpu.com

Banpu Public Company Limited
Registration No. 0107536000781
1550 Thanapoom Tower, 27th Floor, New Petchburi Road,
Makkasan, Ratchathewi, Bangkok 10400, Thailand
T. +66(0) 2694 6600 F. +66(0) 2207 0695-8
www.banpu.com

In Australia, coal sale volume recovered 31% QoQ to 3.78 million tonnes led by smooth operation at Mandalong following the longwall changeover in previous quarter. Springvale and Myuna also reported strong productivity and substantial increases in sale volume. The ASP reached a level similar to previous quarter at AUD 94.4 per tonne with split between domestic and export volume at 66% and 34% respectively. The Average Cost of Sale reflected high productivity of longwall equipment at AUD 60.5 per tonne which was lower 20% QoQ. The GPM improved significantly to 36% from 21% in previous quarter.

China coal operation continued to perform well underpinned by strong domestic prices. The combined equity income from Gaohe and Hebi mines was USD 34 million increasing 23% QoQ.

In Power business, BLCP reported an equity income at a good level of USD 17.7 million including a foreign exchange gain of USD 7.4 million due to Thai Baht depreciation. Hongsa operated at a strong plant availability level and contributed USD 42.7 million including a foreign exchange gain of USD 15.0 million due to Thai Baht depreciation.

More information at Line ID: @banpu-ir or scan the QR code below.

Summary of 2Q/2018 results

Year-end Dec ('M.USD)	2Q18	1Q18	2Q17	Note
Coal sales volume (M.Tonnes)	9.2	7.3	8.7	Indonesia 5.3mt (+21%QoQ, -4%YoY), Australia 3.8mt (+33%QoQ,+20%YoY)
Sales revenues	813.4	700.1	632.9	ASP Indo US$77.9/t, ASP Australia A$94.4/t
Cost of sales	(521.2)	(468.1)	(411.6)	
Gross profit	292.2	232.0	221.3	GPM from coal 37% (GPM Indo coal 38%, GPM Australia coal 36%)
GPM	***36%***	***33%***	***35%***	GPM from Power 15% , GPM from Gas 47%
Adminstrative expenses	(39.2)	(35.7)	(28.8)	
Selling expenses	(53.1)	(31.4)	(39.3)	
Royalty	(63.6)	(57.7)	(60.8)	
Equity income	93.4	61.5	75.9	Equity income from BLCP US$17.7m, Hongsa US$42.7m including FX gain US$ 15m,
Dividend income - Coal & Power	0.3	0.1	0.6	and China coal US$34.1m
Other income	5.9	6.8	6.4	
Mining property	(11.6)	(9.2)	(9.4)	
EBIT	**224.3**	**166.4**	**165.9**	
EBIT margin	***28%***	***24%***	***26%***	
Interest expenses	(42.8)	(40.2)	(33.3)	
Financial expenses	(2.3)	(0.8)	(1.0)	
Income tax - Core business	(19.8)	(28.6)	(21.7)	
Minorities	(27.0)	(23.0)	(27.5)	
Net profit before extra items	**132.3**	**73.9**	**82.4**	
Non-recurring items	(2.6)	(67.9)	(2.3)	
Gain (Loss) on Derivatives	(3.0)	(3.1)	(1.2)	
Income tax - Non core business	(1.2)	(14.5)	(0.1)	
Deferred tax income/expenses	(37.9)	4.5	(0.0)	Higher deferred tax due to gain from FX
Net profit	**87.6**	**(7.1)**	**78.8**	
Net gains (losses) on exchange rate	36.8	(33.2)	(12.9)	FX gain from the rapid depreciation of Thai Baht against US Dollar
Net profit	**124.4**	**(40.3)**	**65.9**	
EPS (USD/share)	0.024	(0.008)	0.013	
Depreciation	54.0	51.8	39.6	
Amortization	11.3	9.0	9.4	
Depre & Amortization	65.3	60.7	49.0	
EBITDA	**289.6**	**227.2**	**214.8**	EBITDA from coal of US$196m, from power US$67m, and from gas US$29m
EBITDA margin	***36%***	***32%***	***34%***	

Segmentation by sources

DETAIL OF PROFIT&LOSS STATEMENT		2Q18	1Q18	2Q17
FC Production (M. tonnes)				
INDO : (100% basis)				
Indominco		0.14	2.26	3.21
Trubaindo		2.59	1.04	0.96
Bharinto		1.15	0.55	0.54
Jorong		0.62	0.28	0.18
Kitadin - Embalut		0.27	0.24	0.18
Total production of Coal Indonesia		**4.76**	**4.37**	**5.06**
Total production of Coal Australia		**3.38**	**2.55**	**3.06**
Total Production	**M.Ton**	**8.14**	**6.92**	**8.12**
Coal sales volume (M tonnes)				
Indominco		2.74	2.23	3.27
Trubaindo		0.95	0.88	1.07
Bharinto		0.51	0.53	0.59
Jorong		0.32	0.26	0.21
Kitadin - Embalut		0.28	0.21	0.21
Total ITMG own		**4.80**	**4.11**	**5.34**
Other Source		0.53	0.31	0.23
Coal Sales - Indonesia		**5.34**	**4.42**	**5.56**
Coal Sales - Coal Australia		**3.78**	**2.85**	**3.15**
Coal Sales - China (traded Coal)		**0.05**	**0.02**	**-**
Total sale volume	**M.Ton**	**9.17**	**7.29**	**8.71**
Sales revenue (M.USD)				
Indominco		206.3	170.5	209.8
Trubaindo		88.2	87.3	90.9
Bharinto		54.7	56.8	48.6
Jorong		17.1	14.9	10.1
Kitadin - Embalut		23.8	18.6	13.9
Sales revenue - ITMG		390.1	348.1	373.3
Other Sources		41.4	23.7	15.3
Sales revenue - Coal Indonesia		431.5	371.7	388.6
Sales revenue - Coal Australia		269.9	214.3	189.6
Sales revenue - China (traded Coal)		5.0	2.0	-
Revenue from COAL business		**706.4**	**588.0**	**578.2**
Revenue from POWER business		**42.5**	**64.9**	**37.4**
Revenue from GAS business		**35.2**	**26.1**	**8.2**
Revenue from FUEL business		**18.6**	**10.3**	**-**
Revenue from OTHER business		**10.7**	**10.7**	**5.3**
Total revenues	**M.USD**	**813.4**	**700.1**	**629.1**

DETAIL OF PROFIT&LOSS STATEMENT		2Q18	1Q18	2Q17
Cost of sale (M USD)				
Indominco		(118.0)	(102.1)	(131.4)
Trubaindo		(58.2)	(46.9)	(52.6)
Bharinto		(25.4)	(27.6)	(25.6)
Jorong		(13.2)	(11.0)	(8.0)
Kitadin - Embalut		(10.9)	(8.7)	(10.3)
Cost of sales - ITMG		(225.7)	(196.3)	(228.0)
Other Sources		(40.0)	(19.7)	(9.9)
Cost of sales - Coal Indonesia		(265.7)	(216.0)	(237.9)
Cost of sales - Coal Australia		(173.1)	(169.2)	(133.9)
Sales revenue - China (traded Coal)		(4.9)	(1.9)	(3.8)
COST OF SALE - COAL business		**(443.7)**	**(387.1)**	**(375.6)**
COST OF SALE - POWER business		**(36.2)**	**(48.1)**	**(30.3)**
COST OF SALE - GAS business		**(18.8)**	**(17.6)**	**(4.5)**
COST OF SALE - FUEL business		**(17.8)**	**(9.6)**	**-**
COST OF SALE - OTHER business		**(4.6)**	**(5.8)**	**(1.2)**
Total cost of sale	**M.USD**	**(521.2)**	**(468.1)**	**(411.6)**
Gross profit (M USD)				
Indominco		88.4	68.4	78.3
Trubaindo		30.0	40.5	38.3
Bharinto		29.3	29.2	23.1
Jorong		3.9	3.9	2.0
Kitadin - Embalut		12.9	9.9	3.6
Gross profit - ITMG		164.4	151.7	145.3
Other Sources		1.4	4.0	5.4
Gross profit - Coal Indonesia		165.8	155.8	150.7
Gross profit - Coal Australia		96.8	45.0	55.7
Gross profit - China (traded Coal)		0.1	0.2	(3.8)
Gross profit from COAL business		**262.7**	**201.0**	**202.6**
Gross profit from POWER business		**6.2**	**16.9**	**7.1**
Gross profit from GAS business		**16.4**	**8.5**	**3.7**
Gross profit from FUEL business		**0.8**	**0.7**	**-**
Gross profit from OTHER business		**6.1**	**4.9**	**4.1**
Total Gross profit	**M.USD**	**292.2**	**232.0**	**217.5**

DETAIL OF PROFIT&LOSS STATEMENT	2Q18	1Q18	2Q17
Gross profit margin			
Indominco	43%	40%	37%
Trubaindo	34%	46%	42%
Bharinto	54%	51%	47%
Jorong	23%	26%	20%
Kitadin - Embalut	54%	53%	26%
GPM - ITMG	42%	44%	39%
Other Sources	3%	17%	35%
GPM - Coal Indonesia	38%	42%	39%
GPM -Coal Australia	36%	21%	29%
GPM - China (traded Coal)	2%	9%	
GPM from COAL business	**37%**	**34%**	**35%**
GPM from POWER business	**15%**	**26%**	**19%**
GPM from GAS business	**47%**	**33%**	**45%**
GPM from FUEL business	**4%**	**7%**	**0%**
GPM from OTHER business	**57%**	**46%**	**78%**
GPM for Banpu group	**36%**	**33%**	**35%**

บริษัท บ้านปู จำกัด (มหาชน)
ทะเบียนเลขที่ 0107536000781
1550 อาคารธนภูมิ ชั้นที่ 27 ถนนเพชรบุรีตัดใหม่
แขวงมักกะสัน เขตราชเทวี กรุงเทพฯ 10400
โทร. +66(0) 2694 6600 โทรสาร +66(0) 2207 0695-8
www.banpu.com

Banpu Public Company Limited
Registration No. 0107536000781
1550 Thanapoom Tower, 27th Floor, New Petchburi Road,
Makkasan, Ratchathewi, Bangkok 10400, Thailand
T. +66(0) 2694 6600 F. +66(0) 2207 0695-8
www.banpu.com