News Release

9th November 2018

3Q/2018 Results Highlight

Banpu has submitted to the SET its 3Q/2018 financial performance with full details.

The financial statement of 3Q/2018 indicates strong operating profit in all key business units. The coal business delivered higher sale volume which enabled the business unit to capture the robust coal market prices. The power operations demonstrated high power plant efficiency at Hongsa and BLCP while successfully started commissioning of 2 projects in China and Japan. Lastly the gas business in USA reported a strong rise in earnings due to higher gas prices in domestic market.

Group EBITDA for this quarter was concluded at USD 310 million, rising 7% QoQ and 18% YoY. EBITDA by business includes EBITDA from coal of USD 243 million, from power USD 37 million, and from gas USD 30 million.

The fluctuation in foreign exchange was unfavorable to the earnings in this period. In this quarter the Thai Baht currency has significantly appreciated against US Dollar which resulted in a translation loss of USD 25 million, which was a reverse from a substantial gain of USD 37 million due to rapid weakening of Thai Baht in the previous quarter.

Net profit was therefore reported at USD 76 million, representing 39% lower from previous quarter. Excluding foreign exchange loss the operating profit was USD 100 million, an increase of 15% from previous quarter.

Coal operation in Indonesia reported strong sale volume as planned at 6.65 million tonnes, improving 25% QoQ. The coal market during this period was largely driven by tight supply situation despite seasonal increase in export from Indonesia, resulting in sustained coal prices at high levels. The Indonesian operation realized a strong increase in Average Selling Price (ASP) by 14% QoQ to USD 89.12 per tonne. The higher production scale, constant stripping ratio, and relatively stable diesel price bode well for cost management with the Average Cost of Sale decreasing 7% QoQ to USD 46.4 per tonne. The combination of higher ASP and lower cost enlarged the Gross Profit Margin to 47% versus 38% in previous quarter.

In Australia, coal sale volume reached 3.31 million tonnes, lower 12% QoQ due to Longwall changeover at Mandalong and Springvale. The ASP registered 7% QoQ increase, touching AUD 100.63 per tonne with sale volume split between domestic and export volume at 60% and 40% respectively. The Average Cost of Sale increased to AUD 81.05 per tonne and GPM decreased to 20% from 36% in previous quarter due to lower production volume and the more challenging mining condition at Mandalong.

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

In Power business, BLCP reported an equity income of USD 9 million due to planned maintenance program at Unit 1. Hongsa operated at a strong plant availability level and contributed USD 17.7 million including a foreign exchange loss of USD 5.4 million due to Thai Baht appreciation. China CHP realized immaterial loss in this quarter with higher revenue from sale of cooling water easing the impact from seasonally lower electricity sale.

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

Summary of 3Q/2018 results

Year-end Dec ('M.USD)	3Q18	2Q18	3Q17	Note
Coal sales volume (M.Tonnes)	10.0	9.2	9.0	Indonesia 6.7mt (+25%QoQ, +19%YoY), Australia 3.3mt (-12%QoQ, -3%YoY)
Sales revenues	964.6	813.4	719.6	ASP Indo US$89.12/t, ASP Australia A$100.6/t
Cost of sales	(608.7)	(521.2)	(422.1)	
Gross profit	355.9	292.2	297.5	GPM from coal 39% (GPM Indo coal 47%, GPM Australia coal 20%)
GPM	***37%***	***36%***	***41%***	GPM from Power 16% , GPM from Gas 52%
Adminstrative expenses	(34.7)	(39.2)	(33.2)	
Selling expenses	(49.5)	(53.1)	(41.7)	
Royalty	(84.4)	(63.6)	(68.0)	
Equity income	65.3	93.4	60.5	Equity income from BLCP US$8.96m including FX loss US$2.7m,
Dividend income - Coal & Power	-	0.3	-	Hongsa US$17.7m including FX loss US$ 5.4m, and China coal US$34.0m
Other income	4.6	5.9	4.9	
Mining property	(7.7)	(11.6)	(14.6)	
EBIT	**249.5**	**224.3**	**205.3**	
EBIT margin	***26%***	***28%***	***29%***	
Interest expenses	(43.0)	(42.8)	(34.8)	
Financial expenses	(1.7)	(2.3)	(0.6)	
Income tax - Core business	(42.5)	(19.8)	(27.5)	
Minorities	(36.1)	(27.0)	(27.3)	
Net profit before extra items	**126.1**	**132.3**	**115.0**	
Non-recurring items	(3.4)	(2.6)	(18.3)	
Gain (Loss) on Derivatives	(29.0)	(3.0)	(15.2)	Loss from coal swap against higher coal price and ASP
Income tax - Non core business	(0.0)	(1.2)	(3.8)	
Deferred tax income/expenses	6.9	(37.9)	0.3	
Net profit	**100.6**	**87.7**	**78.1**	
Net gains (losses) on exchange rate	(24.8)	36.8	(17.3)	FX loss from strong appreciation of Thai Baht against US Dollar
Net profit	**75.8**	**124.4**	**60.8**	China Power net loss US$ 0.1m
EPS (USD/share)	0.015	0.024	0.012	
Depreciation	53.2	54.0	43.2	
Amortization	7.5	11.3	14.6	
Depre & Amortization	60.6	65.3	57.8	
EBITDA	**310.1**	**289.6**	**263.1**	EBITDA from coal of US$243m, from power US$37m, and from gas US$30m
EBITDA margin	***32%***	***36%***	***37%***	

Segmentation by sources

DETAIL OF PROFIT&LOSS STATEMENT		3Q18	2Q18	3Q17
FC Production (M. tonnes)				
INDO : (100% basis)				
Indominco		3.55	0.14	3.35
Trubaindo		1.25	2.59	1.28
Bharinto		0.60	1.15	0.62
Jorong		0.29	0.62	0.17
Kitadin - Embalut		0.33	0.27	0.28
Total production of Coal Indonesia		**6.03**	**4.76**	**5.71**
Total production of Coal Australia		**2.37**	**3.38**	**3.26**
Total Production	**M.Ton**	**8.41**	**8.14**	**8.97**
Coal sales volume (M tonnes)				
Indominco		3.30	2.74	3.28
Trubaindo		1.43	0.95	1.10
Bharinto		0.67	0.51	0.53
Jorong		0.16	0.32	0.16
Kitadin - Embalut		0.31	0.28	0.26
Total ITMG own		**5.86**	**4.80**	**5.33**
Other Source		0.79	0.53	0.26
Coal Sales - Indonesia		**6.65**	**5.34**	**5.59**
Coal Sales - Coal Australia		**3.31**	**3.78**	**3.40**
Coal Sales - China (traded Coal)		**-**	**0.05**	**-**
Total sale volume	**M.Ton**	**9.96**	**9.17**	**8.99**
Sales revenue (M.USD)				
Indominco		242.1	206.3	217.4
Trubaindo		173.1	88.2	108.2
Bharinto		78.2	54.7	48.5
Jorong		8.7	17.1	9.1
Kitadin - Embalut		29.6	23.8	19.6
Sales revenue - ITMG		531.7	390.1	402.7
Other Sources		61.1	41.4	15.4
Sales revenue - Coal Indonesia		592.8	431.5	418.1
Sales revenue - Coal Australia		244.4	269.9	241.3
Sales revenue - China (traded Coal)		9.2	5.0	-
Revenue from COAL business		**846.4**	**706.4**	**659.5**
Revenue from POWER business		**36.6**	**42.5**	**39.7**
Revenue from GAS business		**39.1**	**35.2**	**8.0**
Revenue from FUEL business		**37.5**	**18.6**	**-**
Revenue from OTHER business		**5.0**	**10.7**	**3.4**
Total revenues	**M.USD**	**964.6**	**813.4**	**710.5**

DETAIL OF PROFIT&LOSS STATEMENT		3Q18	2Q18	3Q17
Cost of sale (M USD)				
Indominco		(134.4)	(118.0)	(122.7)
Trubaindo		(79.4)	(58.2)	(57.2)
Bharinto		(28.7)	(25.4)	(20.1)
Jorong		(6.7)	(13.2)	(5.9)
Kitadin - Embalut		(11.0)	(10.9)	(10.8)
Cost of sales - ITMG		(260.1)	(225.7)	(216.8)
Other Sources		(52.1)	(40.0)	(12.2)
Cost of sales - Coal Indonesia		(312.2)	(265.7)	(228.9)
Cost of sales - Coal Australia		(196.3)	(173.1)	(145.6)
Sales revenue - China (traded Coal)		(8.8)	(4.9)	(8.7)
COST OF SALE - COAL business		**(517.3)**	**(443.7)**	**(383.3)**
COST OF SALE - POWER business		**(30.7)**	**(36.2)**	**(32.6)**
COST OF SALE - GAS business		**(18.9)**	**(18.8)**	**(4.8)**
COST OF SALE - FUEL business		**(38.1)**	**(17.8)**	**-**
COST OF SALE - OTHER business		**(3.7)**	**(4.6)**	**(1.3)**
Total cost of sale	**M.USD**	**(608.7)**	**(521.2)**	**(422.1)**
Gross profit (M USD)				
Indominco		107.7	88.4	94.7
Trubaindo		93.7	30.0	51.0
Bharinto		49.5	29.3	28.4
Jorong		2.1	3.9	3.2
Kitadin - Embalut		18.6	12.9	8.7
Gross profit - ITMG		271.5	164.4	186.0
Other Sources		9.0	1.4	3.2
Gross profit - Coal Indonesia		280.6	165.8	189.2
Gross profit - Coal Australia		48.1	96.8	95.7
Gross profit - China (traded Coal)		0.4	0.1	(8.7)
Gross profit from COAL business		**329.1**	**262.7**	**276.1**
Gross profit from POWER business		**5.9**	**6.2**	**7.0**
Gross profit from GAS business		**20.2**	**16.4**	**3.2**
Gross profit from FUEL business		**(0.6)**	**0.8**	**-**
Gross profit from OTHER business		**1.3**	**6.1**	**2.1**
Total Gross profit	**M.USD**	**355.9**	**292.2**	**288.4**

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

DETAIL OF PROFIT&LOSS STATEMENT	3Q18	2Q18	3Q17
Gross profit margin			
Indominco	44%	43%	44%
Trubaindo	54%	34%	47%
Bharinto	63%	54%	59%
Jorong	24%	23%	35%
Kitadin - Embalut	63%	54%	45%
GPM - ITMG	51%	42%	46%
Other Sources	15%	3%	21%
GPM - Coal Indonesia	47%	38%	45%
GPM -Coal Australia	20%	36%	40%
GPM - China (traded Coal)	5%	2%	
GPM from COAL business	**39%**	**37%**	**42%**
GPM from POWER business	**16%**	**15%**	**18%**
GPM from GAS business	**52%**	**47%**	**39%**
GPM from FUEL business	**-2%**	**4%**	**0%**
GPM from OTHER business	**26%**	**57%**	**61%**
GPM for Banpu group	**37%**	**36%**	**41%**