News Release

9th August 2019

2Q/2019 Results Highlight

Banpu has submitted to the SET its 2Q/2019 financial performance with full details.

The consolidated financial statement for 2Q/2019 reported an EBITDA of USD 168 million, including EBITDA from coal USD 105 million, EBITDA from power USD 47 million and EBITDA from gas USD 16 million. The total EBITDA declined 27% QoQ due to lower contribution from coal business as EBITDA from coal decreased 32% QoQ following seasonal adjustment in coal prices and also due to the divestment gain of USD 42 million recorded in the previous quarter.

Net profit before foreign exchange translation was concluded at USD 43 million, marginally lower 6% QoQ. In this period the rapid strengthening of Thai Baht against US Dollar was translated into a foreign exchange loss of USD 41 million. As a result the net profit was concluded at USD 2.72 million compared to the net profit of USD 29 million in the previous quarter.

Coal operation in Indonesia reported a strong sale of 6.5 million tonnes, 11% increase QoQ. The Average Selling Price (ASP) declined 8% QoQ to USD 66.7 per tonne reflecting lower coal market prices during post-winter period. The cost of sale was relatively flat as cost-saving measures were taken to lower strip ratios to 11.5 times from 13 times against the rising diesel cost in this period by 7% QoQ. Due to the lower ASP, the Gross Profit Margin (GPM) was reported at 29% compared to 35% in the previous quarter.

Australia coal was still in the process of developing underground mine conditions that will support higher production volume for the latter half of this year. For the second quarter the sale volume was 2.9 million tonnes or 42% QoQ improvement. The ASP sustained at a strong level of AUD 99 per tonne while cost of sale of AUD 88.5 per tonne reduced 4% QoQ. The gross profit margin improved to 11% from 8% in the 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

China coal reported a strong equity income of USD 34 million, increased 25% QoQ supported by sustained high coal prices in domestic market.

In power business, the Combined Heat and Power (CHP) plants and solar power plants in China reported net profit of USD 3.4 million. BLCP continued to achieve solid record of electricity dispatch with equity income contribution of USD 11 million. Hongsa contributed an equity income of USD 31 million supported also by high dispatch rate of 102% and strong tariffs during summer period

BANPU

Summary of 2Q/2019 results

Year-end Dec ('M.USD)	2Q19	1Q19	2Q18	Note
Coal sales volume (M.Tonnes)	**9.4**	**7.9**	**9.2**	Indonesia6.5mt (+11%QoQ, +22%YoY), Australia2.8mt (+40%QoQ, -25%YoY)
Sales revenues	730.9	699.1	813.4	ASP Indo US$66.67/t, ASP Australia A$99.4/t
Cost of sales	(569.1)	(506.2)	(521.2)	
Gross profit	161.8	192.9	292.2	GPM from coal 23% (GPM Indo coal 29%, GPM Australia coal 11%)
GPM	***22%***	***28%***	***36%***	GPM from Power 16% , GPM from Gas 32%
Adminstrative expenses	(46.2)	(38.1)	(39.2)	
Selling expenses	(41.3)	(44.4)	(53.1)	
Royalty	(63.0)	(61.1)	(63.6)	
Equity income	77.1	62.4	93.4	Equity income from BLCP US$11m Hongsa US$32.5m and China coal US$34m
Other	0.4	53.0	(5.4)	
EBIT	**88.8**	**164.7**	**224.3**	
EBIT margin	***12%***	***24%***	***28%***	
Interest expenses	(46.1)	(45.2)	(42.8)	
Financial expenses	(1.2)	(1.4)	(2.3)	
Income tax - Core business	(15.0)	(32.2)	(19.8)	
Minorities	(17.4)	(20.9)	(27.0)	
Net profit before extra items	**9.0**	**65.0**	**132.3**	
Non-recurring items	3.1	(4.7)	(2.6)	
Gain (Loss) on Derivatives	15.3	0.8	(3.0)	Gain from financial derivative instruments
Income tax - Non core business	(2.1)	(10.7)	(1.2)	
Deferred tax income/expenses	18.2	(4.3)	(37.9)	
Net profit	**43.5**	**46.1**	**87.7**	
Net gains (losses) on exchange rate	(40.8)	(17.2)	36.8	FX loss from strong appreciation of Thai Baht against US Dollar
Net profit	**2.7**	**29.0**	**124.4**	
EPS (USD/share)	0.001	0.006	0.024	
Depreciation	54.1	52.6	54.0	
Amortization	25.5	13.6	11.3	
Depre & Amortization	79.6	66.2	65.3	
EBITDA	**168.4**	**230.9**	**289.6**	EBITDA from coal of US$105m, from power US$47m, and from gas US$16m
EBITDA margin	***23%***	***33%***	***36%***	

Segmentation by sources

DETAIL OF PROFIT&LOSS STATEMENT		2Q19	1Q19	2Q18
FC Production (M. tonnes)				
Total production of Coal Indonesia		4.96	4.95	4.76
Total production of Coal Australia		2.23	2.00	3.38
Total Production	**M.Ton**	**7.19**	**6.95**	**8.14**
Coal sales volume (M tonnes)				
ITMG own		6.01	5.22	4.80
Other Source		0.50	0.65	0.53
Coal Sales - Indonesia		6.52	5.87	5.34
Coal Sales - Coal Australia		2.82	2.01	3.78
Coal Sales - China (traded Coal)		0.05	0.02	-
Total sale volume	**M.Ton**	**9.39**	**7.89**	**9.12**
Sales revenue (M.USD)				
Sales revenue - ITMG		410.2	385.7	390.1
Other Sources		24.2	39.1	41.4
Sales revenue - Coal Indonesia		434.4	424.8	431.5
Sales revenue - Coal Australia		196.1	142.8	269.9
Sales revenue - China (traded Coal)		14.0	7.7	-
Revenue from COAL business		**644.5**	**575.3**	**701.4**
Revenue from POWER business		**40.6**	**55.8**	**42.5**
Revenue from GAS business		**25.2**	**35.7**	**35.2**
Revenue from FUEL business		**18.3**	**27.7**	**-**
Revenue from OTHER business		**2.3**	**4.6**	**10.7**
Total revenues	**M.USD**	**730.9**	**699.1**	**789.8**
Cost of sale (M USD)				
Cost of sales - ITMG		(284.5)	(247.2)	(225.7)
Other Sources		(23.4)	(30.4)	(40.0)
Cost of sales - Coal Indonesia		(307.8)	(277.6)	(265.7)
Cost of sales - Coal Australia		(174.8)	(132.0)	(173.1)
Sales revenue - China (traded Coal)		(13.9)	(7.9)	(4.9)
COST OF SALE - COAL business		**(496.5)**	**(417.5)**	**(443.7)**
COST OF SALE - POWER business		**(34.1)**	**(42.4)**	**(36.2)**
COST OF SALE - GAS business		**(17.0)**	**(17.5)**	**(18.8)**
COST OF SALE - FUEL business		**(19.7)**	**(28.4)**	**-**
COST OF SALE - OTHER business		**(1.7)**	**(0.4)**	**(4.6)**
Total cost of sale	**M.USD**	**(569.1)**	**(506.2)**	**(503.4)**

DETAIL OF PROFIT&LOSS STATEMENT		2Q19	1Q19	2Q18
Gross profit (M USD)				
Gross profit - ITMG		125.7	138.5	164.4
Other Sources		0.8	8.7	1.4
Gross profit - Coal Indonesia		126.5	147.2	165.8
Gross profit - Coal Australia		21.3	10.8	96.8
Gross profit - China (traded Coal)		0.1	(0.2)	(4.9)
Gross profit from COAL business		**148.0**	**157.8**	**257.7**
Gross profit from POWER business		**6.4**	**13.4**	**6.2**
Gross profit from GAS business		**8.2**	**18.2**	**16.4**
Gross profit from FUEL business		**(1.4)**	**(0.7)**	**-**
Gross profit from OTHER business		**0.5**	**4.2**	**6.1**
Total Gross profit	**M.USD**	**161.8**	**192.9**	**286.4**
Gross profit margin				
GPM - ITMG		31%	36%	42%
Other Sources		3%	22%	3%
GPM - Coal Indonesia		29%	35%	38%
GPM -Coal Australia		11%	8%	36%
GPM - China (traded Coal)		1%	-3%	
GPM from COAL business		**23%**	**27%**	**37%**
GPM from POWER business		**16%**	**24%**	**15%**
GPM from GAS business		**32%**	**51%**	**47%**
GPM from FUEL business		**-7%**	**-3%**	**0%**
GPM from OTHER business		**23%**	**91%**	**57%**
GPM for Banpu group		**22%**	**28%**	**36%**