News Release

21st February 2020

2019 Results Highlight

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

The business environment in 2019 reflects challenges arising from slowdown in global economy and unusually mild winter in northern hemisphere, impacting energy demand and commodities pricing during 4Q19.

Group EBITDA for 2019 was USD 695 million, 41% less than the previous year due mainly to lower coal and gas prices resulting in EBITDA from coal of USD 482 million (-46%) and EBITDA from gas of USD 68 million (-33%). Power business contributed EBITDA of USD 145 million (-20%).

The net profit excluding foreign exchange was USD 75 million. The continued appreciation of Thai Baht against US Dollar during the year has adversely impacted earnings. A foreign exchange loss of USD 95 million was realized in 2019, resulting in consolidated net loss of 20 million compared to the net profit of USD 206 million in the previous year.

In 4Q19 the group EBITDA was USD 131 million contributed by EBITDA from coal of USD 108 million, EBITDA from gas of USD 14 million and EBITDA from power of USD 9 million. Net loss was USD 28 million in this quarter before loss from foreign exchange.

In 4Q19 Indonesia coal achieved coal sale of 6.34 million tonnes, lower 5% QoQ as the country was approaching wet season. The Average Selling Price (ASP) was USD 64 per tonne improving 4% and cost of sale decreased 2% to USD 43 per tonne with diesel price unchanged at USD 0.67 per litre. This led to significant improvement in Gross Profit Margin (GPM) at 34% versus 28% in previous quarter.

Australia coal sale volume in 4Q19 was 2.92 million tonnes, higher 6% QoQ. The ASP remained firm at AUD 90.96 per tonne with cost of sale of AUD 53.59 per tonne. Gross profit margin was 13% compared to 27% in previous quarter.

China coal reported an equity income of USD 8 million with smooth coal production and firm domestic demand.

Gas business reported stable sale volume of 18 Billion Cubic Feet (Bcf). The mild weather in North America and high national inventory of gas weighed on gas prices during the period. Its ASP was USD 1.21 per million BTU (MMBtu) with GPM of 23%.

In power business, the Combined Heat and Power (CHP) plants in China contributed a net profit of USD 5.62 million. BLCP successfully fulfilled its electricity sale contract since October, allowing its plants to idle operation thus realized a net equity loss of USD 5 million. Hongsa reported an equity income of USD 7 million as power generation was disrupted by earthquake incident in November. All three units of Hongsa plants resumed its full operation in early January 2020.

The group continue progress on development and construction of projects in pipeline while continue expanding portfolio across strategic countries pursuing Greener & Smarter strategy. This year, with the amalgamation completion to create new flagship company **"Banpu NEXT"** we believe that it would expand the opportunity landscape in ramping up clean energy portfolio with advancement in Energy technology.

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Summary of 2019 results

Year-end Dec ('M.USD)	2019	2018	Note
Coal sales volume (M.Tonnes)	36.2	38.0	Indonesia 25.4mt (+6%YoY), Australia 10.5mt (-23%YoY) Trading 0.3mt
Sales revenues	2,759.2	3,481.4	ASP Indo US$65.9/t, ASP Australia A$93.8/t
Cost of sales	(2,051.2)	(2,253.0)	
Gross profit	708	1,228	GPM from coal 26% (GPM Indo coal 31%, GPM Australia coal 15%)
GPM	***26%***	***35%***	GPM from Power 19% , GPM from Gas 31%
Adminstrative expenses	(181.2)	(161.0)	
Selling expenses	(194.7)	(181.6)	
Royalty	(240.6)	(290.9)	
Equity income	205.8	263.7	Equity income from BLCP (US$26.5m) due to declining of Availability payment
Other income	79.6	32.4	Equity income from Hongsa US$90.4m and China coal US$92.5m
EBIT	**348.7**	**851.9**	
EBIT margin	***13%***	***24%***	
Interest expenses	(182.2)	(170.3)	
Financial expenses	(5.4)	(5.0)	
Income tax - Core business	(98.1)	(120.6)	
Minorities	(61.0)	(109.4)	
Net profit before extra items	**2.0**	**446.6**	
Non-recurring items	18.1	(90.4)	
Gain (Loss) on Derivatives Transactions	33.4	(62.6)	Gain from financial derivative instruments
Income tax - Non core business	(18.6)	(22.8)	
Deferred tax income/expenses	40.7	(45.8)	
Net profit	**75.5**	**225.1**	
Net gains (losses) on exchange rate	(95.1)	(19.0)	FX loss from strong appreciation of Thai Baht against US Dollar
Net profit	**(19.6)**	**206.1**	
EPS (USD/share)	(0.004)	0.040	
Depreciation	222.4	213.5	
Amortization	124.2	112.8	
Depre & Amortization	346.6	326.3	
EBITDA	**695.3**	**1,178.2**	EBITDA from coal of US$481.6m, gas US$68.1m, and power US$145.6m
EBITDA margin	***25%***	***34%***	

DETAIL OF PROFIT&LOSS STATEMENT		2019	2018
FC Production (M. tonnes)			
Total production of Coal Indonesia		21.29	22.00
Total production of Coal Australia		9.29	11.70
Total Production	**M.Ton**	**30.59**	**33.70**
Coal sales volume (M tonnes)			
Coal Sales - Coal Indonesia		23.10	21.49
Other Source		2.27	2.52
Coal Sales - Coal Indonesia		25.37	24.01
Coal Sales - Coal Australia		10.50	13.70
Coal Sales - China (traded Coal)		0.31	0.31
Total sale volume	**M.Ton**	**36.18**	**38.03**
Sales revenue (M.USD)			
Sales revenue - ITMG		1,549.9	1,800.6
Other Sources		120.6	183.1
Sales revenue - Coal Indonesia		1,670.5	1,983.8
Sales revenue - Coal Australia		694.4	1,013.9
Sales revenue - China (traded coal)		15.8	22.6
Revenue from COAL business		**2,380.7**	**3,020.3**
Revenue from POWER business		**183.1**	**196.2**
Revenue from GAS business		**104.5**	**143.7**
Revenue from FUEL business		**79.1**	**94.8**
Revenue from OTHER business		**11.8**	**26.4**
Total revenues	**M.USD**	**2,759.2**	**3,481.4**
Cost of sale (M USD)			
Cost of sales - ITMG		(1,035.0)	(988.5)
Other Sources		(110.9)	(163.4)
Cost of sales - Coal Indonesia		(1,145.9)	(1,151.9)
Cost of sales - Coal Australia		(591.8)	(743.2)
Sales revenue - China (traded Coal)		(15.8)	(21.7)
COST OF SALE - COAL business		**(1,753.5)**	**(1,916.8)**
COST OF SALE - POWER business		**(148.4)**	**(155.4)**
COST OF SALE - GAS business		**(72.6)**	**(75.7)**
COST OF SALE - FUEL business		**(71.5)**	**(90.3)**
COST OF SALE - OTHER business		**(5.3)**	**(14.7)**
Total cost of sale	**M.USD**	**(2,051.2)**	**(2,253.0)**

DETAIL OF PROFIT&LOSS STATEMENT		2019	2018
Gross profit (M USD)			
Gross profit - ITMG		514.9	812.1
Other Sources		9.7	19.7
Gross profit - Coal Indonesia		524.6	831.8
Gross profit - Coal Australia		102.6	270.7
Gross profit - China (traded Coal)		(0.0)	0.9
Gross profit from COAL business		**627.2**	**1,103.5**
Gross profit from POWER business		**34.7**	**40.8**
Gross profit from GAS business		**31.9**	**68.0**
Gross profit from FUEL business		**7.6**	**4.5**
Gross profit from OTHER business		**6.5**	**11.7**
Total Gross profit	**M.USD**	**708.0**	**1,228.5**
Gross profit margin			
GPM - ITMG		33%	45%
Other Sources		8%	11%
GPM - Coal Indonesia		31%	42%
GPM -Coal Australia		15%	27%
GPM - China (traded Coal)		0%	4%
GPM from COAL business		**26%**	**37%**
GPM from POWER business		**19%**	**21%**
GPM from GAS business		**31%**	**47%**
GPM from FUEL business		**10%**	**5%**
GPM from OTHER business		**55%**	**44%**
GPM for Banpu group		**26%**	**35%**

Summary of 4Q/2019 results

Year-end Dec ('M.USD)	4Q19	3Q19	4Q18	Note
Coal sales volume (M.Tonnes)	9.4	9.5	11.5	Indonesia6.3mt (-5%QoQ, -17%YoY), Australia2.9mt (+6%QoQ, -22%YoY)
Sales revenues	675.3	653.9	1,003.3	ASP Indo US$63.6/t, ASP Australia A$91/t
Cost of sales	(492.8)	(483.1)	(654.9)	
Gross profit	182.5	170.8	348.4	GPM from coal 28% (GPM Indo coal 34%, GPM Australia coal 28%)
GPM	***27%***	***26%***	***35%***	GPM from Power 21%, GPM from Gas 23%
Adminstrative expenses	(54.8)	(42.1)	(51.4)	
Selling expenses	(58.9)	(50.1)	(47.7)	
Royalty	(59.8)	(56.9)	(85.2)	
Equity income	3.8	62.6	43.5	Equity income from BLCP (US$5.3m) due to declining of Availability payment
Other	4.2	(6.2)	4.2	Equity income from Hongsa US$7m and China coal US$8.1m
EBIT	**17.0**	**78.1**	**211.7**	
EBIT margin	***3%***	***12%***	***21%***	
Interest expenses	(45.7)	(45.1)	(44.4)	
Financial expenses	(1.4)	(1.5)	(0.1)	
Income tax - Core business	(22.3)	(28.5)	(29.6)	
Minorities	(6.8)	(15.8)	(23.3)	
Net profit before extra items	**(59.2)**	**(12.8)**	**114.3**	
Non-recurring items	21.8	(2.2)	(17.5)	
Gain (Loss) on Derivatives	4.7	12.6	(27.5)	Gain from financial derivative instruments
Income tax - Non core business	(5.8)	-	(7.1)	
Deferred tax income/expenses	9.7	17.0	(19.3)	
Net profit	**(28.8)**	**14.6**	**43.0**	
Net gains (losses) on exchange rate	(19.1)	(18.0)	2.3	FX loss from strong appreciation of Thai Baht against US Dollar
Net profit	**(47.8)**	**(3.4)**	**45.3**	
EPS (USD/share)	(0.009)	(0.001)	0.009	
Depreciation	58.5	57.1	54.7	
Amortization	55.8	29.3	85.0	
Depre & Amortization	114.3	86.4	139.7	
EBITDA	**131.4**	**164.6**	**351.4**	EBITDA from coal of US$108.4m, gas US$13.5m, and power US$9.4m
EBITDA margin	***19%***	***25%***	***35%***	

DETAIL OF PROFIT&LOSS STATEMENT		4Q19	3Q19	4Q18
FC Production (M. tonnes)				
Total production of Coal Indonesia		5.53	5.27	6.56
Total production of Coal Australia		2.28	2.79	3.41
Total Production	**M.Ton**	**7.81**	**8.05**	**9.97**
Coal sales volume (M tonnes)				
ITMG own		6.04	5.89	6.72
Other Source		0.30	0.78	0.89
Coal Sales - Indonesia		6.34	6.67	7.61
Coal Sales - Coal Australia		2.92	2.75	3.76
Coal Sales - China (traded coal)		0.14	0.11	-
Total sale volume	**M.Ton**	**9.40**	**9.53**	**11.36**
Sales revenue (M.USD)				
Sales revenue - ITMG		379.7	374.3	530.8
Other Sources		23.1	34.2	57.0
Sales revenue - Coal Indonesia		402.9	408.5	587.8
Sales revenue - Coal Australia		183.7	171.8	285.3
Sales revenue - China (traded coal)		(12.0)	6.0	-
Revenue from COAL business		**574.6**	**586.4**	**873.1**
Revenue from POWER business		**55.3**	**31.5**	**52.2**
Revenue from GAS business		**23.6**	**20.0**	**43.3**
Revenue from FUEL business		**19.5**	**13.5**	**-**
Revenue from OTHER business		**2.3**	**2.6**	**(0.0)**
Total revenues	**M.USD**	**675.3**	**653.9**	**968.6**
Cost of sale (M USD)				
Cost of sales - ITMG		(241.8)	(261.5)	(306.4)
Other Sources		(23.1)	(34.1)	(51.7)
Cost of sales - Coal Indonesia		(264.9)	(295.6)	(358.1)
Cost of sales - Coal Australia		(160.3)	(124.7)	(204.5)
Sales revenue - China (traded coal)		12.1	(6.0)	(6.1)
COST OF SALE - COAL business		**(413.2)**	**(426.3)**	**(568.7)**
COST OF SALE - POWER business		**(43.7)**	**(28.2)**	**(40.4)**
COST OF SALE - GAS business		**(18.1)**	**(19.9)**	**(20.4)**
COST OF SALE - FUEL business		**(15.0)**	**(8.3)**	**-**
COST OF SALE - OTHER business		**(2.8)**	**(0.3)**	**(0.6)**
Total cost of sale	**M.USD**	**(492.8)**	**(483.1)**	**(630.1)**

DETAIL OF PROFIT&LOSS STATEMENT		4Q19	3Q19	4Q18
Gross profit (M USD)				
Gross profit - ITMG		138.0	112.7	224.5
Other Sources		(0.0)	0.2	5.3
Gross profit - Coal Indonesia		137.9	112.9	229.8
Gross profit - Coal Australia		23.4	47.1	80.7
Gross profit - China (traded coal)		0.1	0.0	(6.1)
Gross profit from COAL business		**161.4**	**160.0**	**304.4**
Gross profit from POWER business		**11.6**	**3.3**	**11.8**
Gross profit from GAS business		**5.5**	**0.1**	**22.9**
Gross profit from FUEL business		**4.5**	**5.2**	**-**
Gross profit from OTHER business		**(0.5)**	**2.3**	**(0.6)**
Total Gross profit	**M.USD**	**182.5**	**170.8**	**338.4**
Gross profit margin				
GPM - ITMG		36%	30%	42%
Other Sources		0%	0%	9%
GPM - Coal Indonesia		34%	28%	39%
GPM -Coal Australia		13%	27%	28%
GPM - China (traded coal)		-1%	0%	
GPM from COAL business		**28%**	**27%**	**35%**
GPM from POWER business		**21%**	**10%**	**23%**
GPM from GAS business		**23%**	**0%**	**53%**
GPM from FUEL business		**23%**	**38%**	**0%**
GPM from OTHER business		**-22%**	**89%**	
GPM for Banpu group		**27%**	**26%**	**35%**