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Yancoal Australia Ltd

ACN 111 859 119

兗煤澳大利亞有限公司*

(Incorporated in Victoria, Australia with limited liability)

(Hong Kong stock code: 3668)

(Australian stock code: YAL)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is issued pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Please refer to the attached announcement which has been published by Yancoal Australia Ltd on the website of the Australian Securities Exchange on 23 February 2024.

By order of the Board

Yancoal Australia Ltd

Gang RU Chairman

Hong Kong, 23 February 2024

As of the date of this announcement, the executive Director is Mr. Ning Yue, the non-executive Directors are Mr. Gang Ru, Mr. Yaomeng Xiao, Mr. Xiaolong Huang and Mr. Changyi Zhang and the independent non-executive Directors are Mr. Gregory James Fletcher and Dr. Geoffrey William Raby.

**For identification purposes only*

Full Year Financial Result 2023

Revenue of \$7.8 billion, compared to \$10.5 billion in 2022, as the 39% decrease in realised coal price to \$232 per tonne exceeded the benefit of a 14% increase in attributable saleable coal production.¹

Operating EBITDA of \$3.5 billion and **EBITDA margin of 45%** demonstrated the quality of Yancoal's assets in the face of retreating coal prices.

ROM coal production of 60.2 million tonnes (100% basis), included a 44% uplift in the second half as the mine recovery plans took effect.

Operating cash costs of \$96 per tonne (exc. Government royalties), comprised first half cash operating costs of \$109/t and second half costs of \$86/t, with increased production volumes driving the \$23/t decrease.

Yancoal started the year with cash of \$2.7 billion, paid \$1.7 billion in tax on the record 2022 profit, paid \$1.4 billion in fully franked dividends and prepaid the last of the Group's loans (\$496 million). After these significant outgoings, the **cash balance at the end of 2023 was \$1.4 billion**.

The Board has declared a **\$429million, \$0.3250 per share, fully franked final dividend**.

Yancoal delivered its stated goals for 2023. The considerable effort directed to site recovery plans to rebuild mine inventory enabled production to increase in each successive quarter; 33.4 million tonnes of attributable saleable coal was within guidance. By the end of 2023, the saleable coal production rate had returned to levels achieved before the La Niña weather cycle commenced.

2024 guidance:

- 35-39 million tonnes of attributable saleable production,
- \$89-\$97/tonne cash operating costs, and
- \$650-\$800 million in attributable capital expenditure.

CEO Comment:

A tremendous performance by the Yancoal workforce in 2023 delivered a 19% increase in ROM Coal production and a 35% reduction in the Total Recordable Injury Frequency Rate.

At the start of the year, we needed to rebuild mining inventory to underpin a sustainable return to previous years' production levels. The plans took time to implement, but in the second half attributable saleable coal production jumped 32% and cash operating costs fell 21%. We expect to carry this operational momentum into 2024. Production volumes will vary each quarter, with higher output (and resulting lower unit costs) likely in the second half.

The Group is in a robust financial position, with no external loans, \$1.8 billion of franking credits available, and a net cash balance that we expect will increase each month. The \$0.3250 per share final dividend, combined with the \$0.3700 per share interim dividend is a 14% dividend yield on the A\$4.95/share year-end share price.

Coal markets appear relatively well balanced, with seasonal or temporary supply and demand factors poised to determine short-term price trends. This year, like past years, we aim to maximise operating cashflow by balancing volume, costs, coal quality and capital expenditure.

¹ All financial numbers presented are stated in Australian dollars,

(A\$ or \$) unless otherwise stated.

OPERATIONAL DATA		2023	2022	% Change
Total Recordable Injury Frequency Rate (TRIFR)		5.1	7.9	(35%)
COAL PRODUCTION				
ROM coal total - 100% Basis	Mt	60.2	50.5	19%
Saleable coal production total - 100% Basis	Mt	43.6	38.9	12%
Saleable coal production total - Attributable	Mt	33.4	29.4	14%
SALES VOLUME (Attributable mine production sold)				
Thermal	Mt	28.4	24.6	15%
Metallurgical	Mt	4.7	4.7	0%
Total – Attributable	Mt	33.1	29.3	13%
REALISED COAL PRICES (on attributable mine production sold)				
Thermal coal average selling price	A\$/t	211	372	(43%)
Metallurgical coal average selling price	A\$/t	356	405	(12%)
Average selling price	A\$/t	232	378	(39%)
CASH OPERATING COSTS (per saleable product tonne)				
Raw materials and consumables	A\$/t	33	33	-%
Employee benefits	A\$/t	22	22	-%
Transportation	A\$/t	21	20	5%
Contractual services	A\$/t	16	16	-%
Other operating expenses	A\$/t	4	4	-%
Cash operating costs ²	A\$/t	96	94	2%
Royalty ³	A\$/t	21	33	(36%)

FINANCIAL DATA		2023	2022	Change
Revenue	\$ million	7,778	10,548	(26%)
Operating EBITDA	\$ million	3,489	6,959	(50%)
Operating EBITDA Margin	%	45%	65%	
Profit before tax	\$ million	2,583	5,091	(49%)
Profit after tax	\$ million	1,819	3,586	(49%)
Receipts from customers	\$ million	7,804	10,692	(27%)
Payments to suppliers and employees	\$ million	(4,449)	(3,857)	15%
Income tax paid	\$ million	(2,123)	(70)	2,933%
Other	\$ million	29	(237)	n/a
Net cash inflow from operating activities	\$ million	1,261	6,528	(81%)
Net cash (outflow)/inflow from investing activities	\$ million	(596)	(298)	100%
Payment of dividends	\$ million	(1,413)	(1,626)	(13%)
Repayment of interest-bearing liabilities	\$ million	(496)	(3,442)	(86%)
Other	\$ million	(72)	(65)	11%
Net cash outflow from financing activities	\$ million	(1,981)	(5,133)	(61%)
Cash at the beginning of the period	\$ million	2,699	1,495	
Effect of FX on cash	\$ million	14	107	
Cash at the end of the period	\$ million	1,397	2,699	(48%)
Net cash	\$ million	1,251	2,026	(38%)

² Calculated per attributable saleable product tonne

³ Calculated per sales tonne

INVESTOR WEBCAST:

2023 Full Year Results investor webcast details:

- Host - CEO, David Moulton
- Date - Monday, 26 February 2024
- Start time - 11:00am Sydney, 8:00am Hong Kong
- Webcast link - <https://edge.media-server.com/mmc/p/vyrrb3v5>

Participants are advised to register for the teleconference and webcast ahead of the scheduled start time.

A replay of the teleconference will be available on the Yancoal website under the 'Investors' page.

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Authorised for lodgement by the Board of Yancoal Australia

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Additional information about the Company is available at www.yancoal.com.au

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