

28 February 2018



### UNIVERSAL DECLARES INTERIM DIVIDEND WITH EXCEPTIONAL HALF YEAR EBITDA OF A\$29.6 MILLION

- REVENUE UP 124% TO A\$136.5 MILLION
- EARNINGS PER SHARE OF 2.05 CPS
- PAYMENT OF A\$0.01 UNFRANKED INTERIM DIVIDEND
- NET DEBT REDUCED FROM A\$14.7 MILLION TO A\$6.7 MILLION
- UNV WELL FUNDED WITH CASH AT BANK OF A\$19.2 MILLION
- HY SALES OF 2.3Mt OF COAL – ON TRACK TO ACHIEVE 4.6Mt FULL YEAR SALES
- PREVIOUS FY2018 EBITDA GUIDANCE OF A\$55 MILLION CONFIRMED

Universal Coal Plc (“UNV” or “the Company”), (ASX: UNV) is pleased to report its financial results for the six months ending 31 December 2017. The Company has performed very well for the period and is well-placed to continue delivering revenue and earnings growth this year and meeting coal sale targets.

Net profit after tax increased substantially to A\$14.1 million (PCP: a loss of \$1.7 million) and half year earnings before interest, tax, depreciation and amortisation (EBITDA) of A\$29.6 million (attributable of A\$20.4 million) is in line with the guidance provided on 17 January 2018. This represents an increase of 162% on the prior period. Earnings per share were 2.05 cents per share. Revenue was strong at A\$136.5 million a record performance, and a 124% increase on the prior period’s revenue of A\$61.0 million.

Given the solid financial performance this half, the Directors have again taken the decision to reward shareholders, declaring an interim dividend of A\$0.01 per share unfranked, payable 28<sup>th</sup> of March to shareholders on the register as at 8 March 2018. UNV’s Board remains committed to the distribution of dividends to shareholders, whilst continuing with its strategy of value added growth.

The strong financial performance is underpinned by solid half year coal sales of 2.3Mt, with ~1.96Mt being domestic sales and ~0.37Mt being export sales generated from the Company’s two operating mines in South

\* *the interim Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA) result is subject to the finalisation of the interim statutory accounts by the external auditor*

Africa, Kangala Colliery and New Clydesdale Colliery (NCC). UNV has every confidence of meeting its full year sales target of 4.6 million tonnes per annum (Mtpa) for the year ended 30 June 2018.

During the half, the Company further strengthened its balance sheet, reducing net debt by 54% to A\$6.7 million, December 2016: A\$14.7 million). Strong cash generation from operations sees UNV's holding cash reserves at A\$19.2million as at 31 December 2017. UNV's solid cash balance, growing cash flows and supportive financiers gives the Company the necessary financial flexibility to pursuing growth opportunities including strategic earnings accretive acquisitions and organic growth initiatives.

### **Management commentary**

Universal's Chief Executive Officer Tony Weber said: "This has been a game changing half for Universal Coal with our two producing coal mines delivering an exceptional financial result, positive cash flows, and thus more dividends for shareholders. We also completed the acquisition of an additional 51% of Eloff Mining Company which will deliver potential increased sales and longevity to Kangala in the future.

"Our strategy of becoming a mid-tier, multi-mine coal producer remains well and truly on track, underpinned by a healthy balance sheet and a pipeline of organic growth and attractive acquisition opportunities that will strengthen our production profile and revenue streams. With improved market conditions for the coal sector, we are progressing numerous opportunities to deliver more shareholder value."

### **Outlook**

The second half has commenced well for UNV and the Company confirms its full year production target of approximately 4.6Mt (attributable of 2.9Mt) and EBITDA of circa A\$55 million.

A near term organic growth milestone is commencing the development of the 75.8Mt Brakfontein project which has already received all regulatory approvals. Following settlement of the surface rights and confirmation of feasible offtake agreements, development can commence. Brakfontein is expected to boost Group production by approximately 1.2Mtpa of saleable product. The Company looks forward to updating shareholders on other growth prospects in the very near term.

Further details of the Company's financial and operational performance are available in the Interim Financial statements and Appendix 4D release to the market today.

-ENDS-

**[For further information please contact:](#)**

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## ***About the Company:***

ASX-listed Universal Coal (ASX: UNV) is committed to building a sustainable mid-tier coal mining company providing investors with exposure to coking and thermal coal assets with the potential to develop into projects of significance.

The company has a portfolio of producing, development and exploration assets located across South Africa's major coalfields.

Kangala Mine in the Witbank coalfield, Universal's first mine, commenced production in February 2014. Kangala produces an average of 2.5 million tonnes of saleable thermal coal per annum, primarily for the domestic market. Kangala Mine has expansion plans to both the adjacent Middelbult and Eloff Projects.

The New Clydesdale Colliery (NCC) commenced underground production in 2016 and opencast mining production in 2017, completing the company's progress towards becoming a multi-mine producer.

The Brakfontein project is a fully regulated project with Mining Right and Integrated water use license and development of this mine will commence as soon as feasible off takes agreements and surface rights have been finalised.

Besides its thermal coal projects (including Brakfontein, Eloff & Arnot South), the company has completed earn-in agreements over one coking coal project (Berenice/Cygnus) in the Soutpansberg coalfields.

Universal Coal is committed to creating shareholder wealth by distribution of generated cash flows to both project development and dividend distribution to shareholders.

The company is cash positive, generating sustainable cash flows from its diversified coal portfolio, and has limited capex requirements for expansion, which can be funded by current cash flows. Universal coal has an appetite for both organic growth and growth by acquisition, but also has a strong commitment to dividend distribution to its shareholders

## **Forward looking Statements**

This document contains 'forward looking statements' including with regard to production and financial projections (which involve subjective judgment and analysis). Forward looking statements are subject to significant uncertainties, risks, and contingencies, many of which are outside the control of, and are unknown to the Company. In particular, these forward looking statements are made only as of the date of this document, they assume the success of the Company's business strategies, and are subject to business, competitive and economic uncertainties and risks. No representation, warranty or assurance (express or implied) is given or made in relation to any forward looking statement by any person (including the Company). In particular, no representation, warranty or assurance (express or implied) is given in relation to any underlying assumption or that any forward looking statement will be achieved. Actual future events may vary materially from the forward looking statements and the assumptions on which the forward looking statements are based. Given these uncertainties, recipients are cautioned to not place undue reliance on such forward looking statements. Subject to any continuing obligations under applicable law or any relevant listing rules of the ASX, the Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements in this document to reflect any change in expectations in relation to any forward looking statements or any change in events, conditions or circumstances on which any such statement is based. Nothing in this document shall under any circumstances create an implication that there has been no change in the affairs of the Company since the date of this document.

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