

Analysts

Stuart Howe 613 9235 1856
Joseph House 613 9235 1624

Authorisation

Bradley Watson 618 9326 7672

Coronado Global Resources (CRN)

Quarterly coal price update & revisions

Recommendation

Buy (unchanged)

Price

\$2.33

Target (12 months)

\$2.55 (previously \$1.65)

GICS Sector

Energy

Expected Return

Capital growth	9.4%
Dividend yield	12.4%
Total expected return	21.8%

Company Data & Ratios

Enterprise value	\$3,749m
Market cap	\$3,906m
Issued capital	1,676m
Free float	43%
Avg. daily val. (52wk)	\$7.4m
12 month price range	\$0.50-2.38

Price Performance

	(1m)	(3m)	(12m)
Price (A\$)	1.82	1.37	0.82
Absolute (%)	28.0	70.1	183.0
Rel market (%)	23.5	68.8	175.5

Absolute Price



SOURCE: IRESS

Upgrading our coal price outlook

We have marked to market coal prices for the March 2022 quarter and upgraded our met coal price outlook (premium Hard Coking Coal) to average US\$384/t in 2022 (previously US\$250/t) and US\$238/t in 2023 (previously US\$163/t). Current spot HCC prices are US\$513/t (Fastmarkets). Record met and thermal coal prices have been driven by the global disruption of trade flows, seasonal supply weakness, labour shortages, lack of investment in new supply and strong demand from infrastructure led economic stimulus.

EPS changes in this report are: CY22 +146%, CY23 +256%; and CY24 now A20.6cps (previously A2.2cps).

Quarterly preview: Production risks & inflation

We expect stronger March 2022 quarterly production with the prior quarter impacted by weather events in the Bowen basin and a shutdown at the Curragh mine. However, above average rainfall has continued into early 2022 and remains a risk production and coal logistics chain performance. We also see risks to CRN's unit cost outlook with well-documented inflation noted by peers across the mining industry.

Investment view: Buy, TP \$2.55/sh (previously \$1.65/sh)

The speed of CRN's recent balance sheet repair has been remarkable. While we expect operating and capital costs to be elevated over the forecast period, on our met coal price outlook the company will generate exceptionally strong free cash flow. In the absence of acquisitions or major project developments, CRN is likely to return surplus funds to shareholders as evidenced by our strong dividend yield outlook. We maintain our Buy recommendation on near-term yield and commodity price support.

Earnings Forecast

Year ending 31 December	2021a	2022e	2023e	2024e
Sales (US\$m)	2,148	4,069	2,908	2,497
EBITDA (US\$m)	480	1,728	793	495
NPAT (underlying) (US\$m)	173	1,095	462	254
NPAT (reported) (US\$m)	189	1,095	462	254
EPS (adjusted) (A¢ps)	16.9	89.6	37.8	20.6
EPS growth (%)	-154%	429%	-58%	-45%
PER (x)	13.7	2.6	6.2	11.3
FCF Yield (%)	12%	36%	18%	10%
EV/EBITDA (x)	5.8	1.6	3.5	5.6
Dividend (A¢ps)	12.3	28.8	35.6	15.0
Yield (%)	5%	12%	15%	6%
Franking (%)	100%	60%	60%	60%
ROE (%)	20%	73%	24%	13%

SOURCE: BELL POTTER SECURITIES ESTIMATES

Earnings changes & company outlook

Changes to earnings estimates

Changes to our CRN earnings outlook are the net result of this coal price update.

Table 1 - Changes to earnings estimates

Year ending 31 December	Previous			New			Change		
	2022e	2023e	2024e	2022e	2023e	2024e	2022e	2023e	2024e
Sales (US\$m)	2,880	2,080	1,909	4,069	2,908	2,497	41%	40%	31%
EBITDA (US\$m)	818	344	197	1,728	793	495	111%	131%	152%
NPAT (underlying) US\$m	445	130	28	1,095	462	254	146%	256%	819%
NPAT (reported) (US\$m)	445	130	28	1,095	462	254	146%	256%	819%
EPS (adjusted) (US\$ps)	26.6	7.8	1.6	65.3	27.6	15.1	146%	256%	819%
EPS (adjusted) (A\$ps)	36.4	10.6	2.2	89.6	37.8	20.6	146%	256%	819%
Dividend (US\$ps)	14.0	7.0	-	21.0	26.0	11.0	50%	271%	na
Dividend (A\$ps)	19.2	9.6	-	28.8	35.6	15.0	50%	271%	na
Valuation	1.51	1.64	1.58	2.65	2.57	2.33	76%	57%	48%

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Changes to coal price estimates

Table 2 - Hard coking coal outlook

	2020		2021		2022		2023		LT
	Dec(a)	Jun (a)	Dec(a)	Jun	Dec	Jun	Dec	Jun	(real)
New	111	133	316	443	325	250	140		
Previous				288	213	175	140		
Change				54%	53%	43%	0%		
US\$/A\$	0.72	0.77	0.73	0.73	0.73	0.73	0.74		

SOURCE: FASTMARKETS & BELL POTTER SECURITIES ESTIMATES

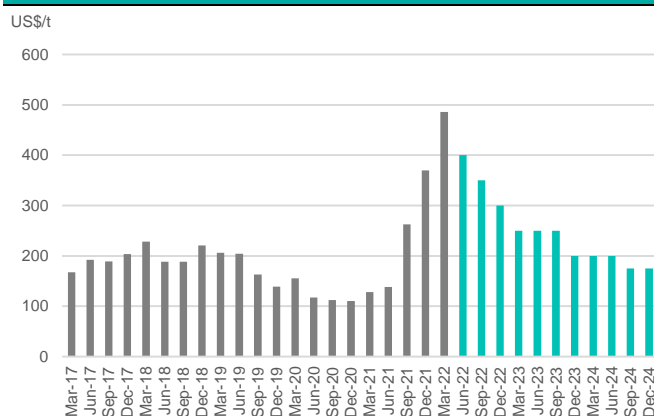
Table 3 - Thermal coal outlook

	2020		2021		2022		2023		LT
	Dec(a)	Jun (a)	Dec(a)	Jun	Dec	Jun	Dec	Jun	(real)
New	60	99	176	253	180	140	70		
Previous				145	125	95	70		
Change				75%	44%	47%	0%		
US\$/A\$	0.72	0.77	0.73	0.73	0.73	0.73	0.74		

SOURCE: BLOOMBERG & BELL POTTER SECURITIES ESTIMATES

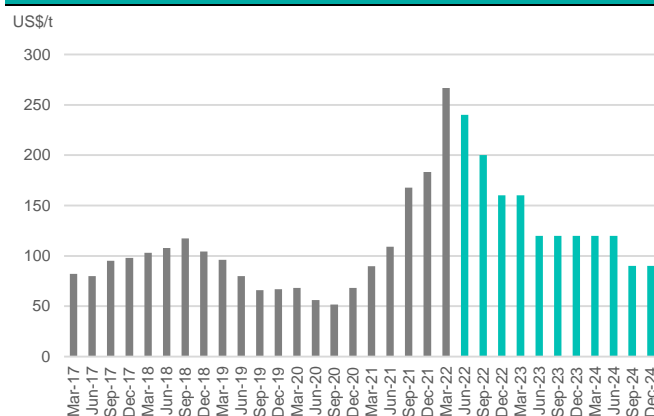
Quarterly coal prices & outlook

Figure 1 - Hard coking coal (quarterly)



SOURCE: FASTMARKETS & BELL POTTER SECURITIES ESTIMATES

Figure 2 - Thermal coal (quarterly)



SOURCE: BLOOMBERG & BELL POTTER SECURITIES ESTIMATES

Quarterly preview: Weather & cost risks to guidance

We see risks to Curragh production from above average rainfall across the Bowen Basin in early 2022. Cost inflation (energy and labour) and skills shortages across the mining industry are well document and could impact both Australian and United States operations.

CRN disclosed an initial CY22 guidance at its CY21 financial result update in February 2022 as summarised in the following table.

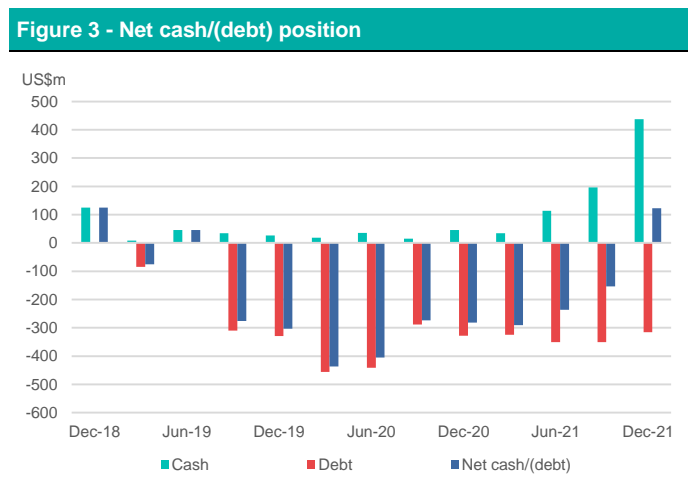
Table 4 - CY22 production, unit mining cost and capital expenditure guidance			
	CY21 actual	CY22 guidance	BP est.
Saleable production Mt	17.4	18.0 - 19.0	18.9
Mining cost US\$/t	65.7	69.0 - 71.0	71
Capex US\$m	91	170 - 190	200

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

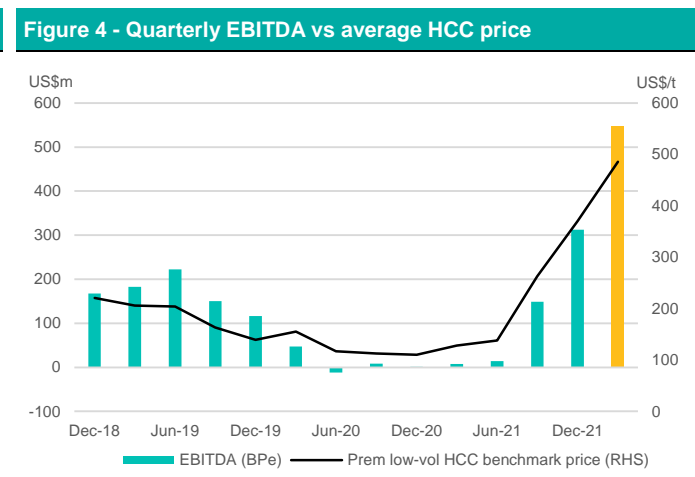
Robust balance sheet to support distributions

Figures 3 and 4 highlight CRN's significant operating leverage in recent quarters to rising metallurgical coal prices.

Incorporating our updated coal price assumptions and saleable production, unit mining costs and capital expenditure estimates in line with company guidance, we expect CRN could generate free cash flow of US\$546m in 1H CY22 (compared with US\$372m in 2H CY21).



SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES
NOTE: CRN RAISED US\$180M EQUITY IN AUGUST 2020 AND US\$100M EQUITY IN MAY 2021



SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Table 5 - Historical financial position			
Balance date	Dec-20(a)	Jun-21(a)	Dec-21(a)
Revolving Syndicated Facility Agreement (maturing 15 February 2023)	328	0	0
US Notes		350	315
Less: Cash & cash equivalents (including restricted cash)	46	114	438
Net debt (excluding operating leases)	282	236	-123
Operating leases	29	25	21
Net debt	311	261	-102
Liquidity (cash + undrawn debt)	268	213	538

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

CRN's stated capital management strategy

CRN's capital management strategy is based on four fundamental pillars:

- **Strong balance sheet:** Maintain adequate liquidity and prudent debt levels;
- **Shareholder returns:** Return excess cash to shareholders (current dividend policy is to distribute 60-100% of free cash);
- **Organic growth:** Internally fund growth projects to increase production rates; and
- **Acquisitions:** Have balance sheet flexibility to pursue inorganic opportunities.

Coal price scenarios: Sensitivity & spot leverage

CRN sells many grades of met and thermal coal from its operations in Australia and the US to multiple domestic and seaborne end-markets. As such, the following sensitivity and break-even analysis can only provide a rough guide to earnings outcomes. The analysis references benchmark hard coking coal prices (FOB Queensland) from which we calculate the majority of CRN's realised prices.

Note: Under each scenario (including spot), coal price and currency estimates are flexed over the forecast period before returning to our long run estimates.

Table 6 - Met coal price sensitivity & spot price leverage

	HCC			EBITDA A\$m			EPS Acps			FCF A\$m			Val'n
	CY22	CY23	CY24	CY22	CY23	CY24	CY22	CY23	CY24	CY22	CY23	CY24	A\$/sh
+15%	442	273	188	2,194	1,141	480	116.8	58.4	20.3	1,307	762	301	2.99
+10%	422	261	188	2,039	1,025	485	107.7	51.6	20.4	1,209	676	293	2.85
+5%	403	249	188	1,883	909	490	98.7	44.7	20.5	1,111	589	284	2.71
Base case	384	238	188	1,728	793	495	89.6	37.8	20.6	1,012	503	275	2.57
-5%	365	226	188	1,573	678	500	80.5	30.9	20.7	914	416	267	2.44
-10%	346	214	188	1,418	562	505	71.5	24.0	20.8	816	329	258	2.30
-15%	326	202	188	1,263	446	509	62.4	17.1	21.0	717	243	250	2.16
Spot	531	531	188	3,008	3,754	356	167.0	215.4	14.8	1,761	2,514	481	4.81

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Coal price themes & outlook

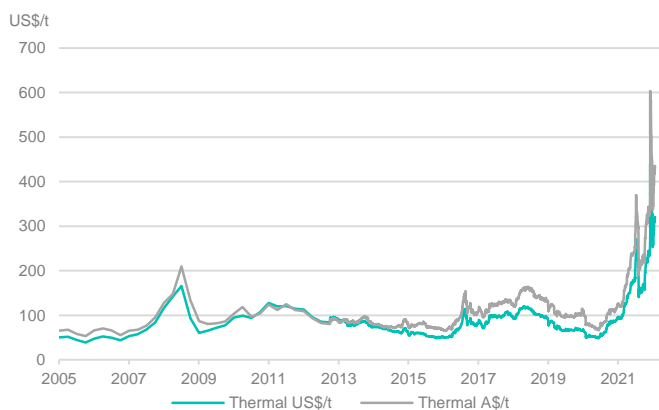
Thermal coal themes & outlook

The key supportive theme for thermal coal prices is global energy markets transitioning away from supply dependence on Russian energy exports. We expect prices to remain elevated when compared with recent historical levels.

Positive thermal coal price momentum continued into the March 2022 quarter, setting a record high of US\$423/t (Newcastle 6,000kcal/kg) in early March. Prices have since softened and averaged US\$267/t over the quarter, up 45% on the December 2021 quarter (US\$184/t). Premiums for Australian export thermal coal prices over Chinese import prices (freight and energy content adjusted) remain elevated, averaging US\$96/t the March 2022 quarter, up from US\$20/t in the December 2021 quarter.

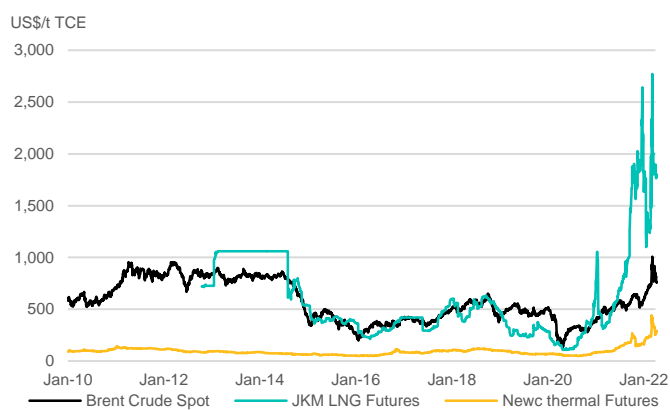
Figure 6 compares prices for spot Brent crude, JKM LNG futures and thermal coal (Newcastle 6,000kcal/kg) on a thermal coal equivalent (TCE) basis. Crude oil and LNG's higher energy density and use as an industrial feedstock explain some the difference in TCE prices.

Figure 5 - Thermal coal (Newcastle FOB) US\$/t



SOURCE: BLOOMBERG & IRESS

Figure 6 - Thermal coal equivalent comp: Brent vs LNG futures



SOURCE: BLOOMBERG - XW1 COMDTY (THERMAL), JKL1 COMDTY (JKM) & EUCRBRDT INDEX (BRENT)
NOTE: TCE – THERMAL COAL EQUIVALENT

Key thermal coal themes & risks:

- Economic sanctions and trade embargoes enforced on Russian energy producers and financial institutions have disrupted Russian energy export trade flows. The EU is looking to phase out of Russian coal imports by August 2022 and the UK by the end of 2022. Japan has also flagged plans to reduce its dependency on Russian coal supply. Russia is the world's third largest exporter of thermal coal and Europe's largest supplier of the fuel. Russia supplies around 29% of the global high CV seaborne market.
- Australia and Indonesia are key suppliers to the seaborne thermal coal trade.
 1. Australia's coal sales are mostly committed under long-term offtake agreements. Recent floods in New South Wales, the impact of COVID-19 outbreaks and general labour shortages have constrained production.
 2. In early 2022, Indonesian authorities temporarily banned thermal coal exports in an effort to ensure local security of supply. The threat of further export bans is ongoing.

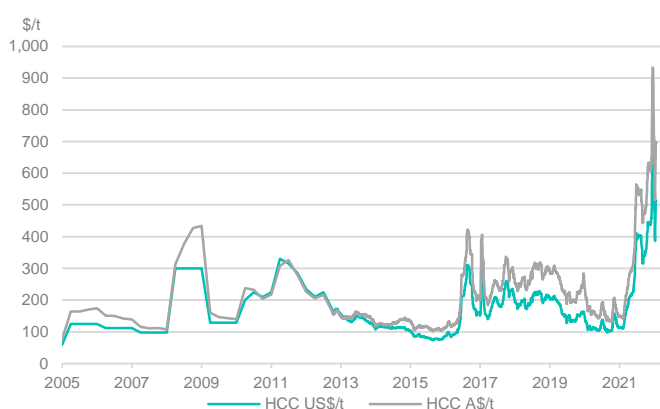
- Global supply has been impacted by weather events in Australia and Canada, logistical disruptions in South Africa and lower production in Colombia.
- Prices across the energy complex remain elevated: Brent crude US\$107/bbl; JKM LNG futures US\$25/MMbtu; and Henry Hub US\$7.4/MMbtu (13 year high).

Met coal themes & outlook

Constrained supply and strong demand from economic stimulus have propelled met coal prices to record levels during the quarter. Seasonal weakness from Australian met coal operations has been compounded by risks to Russian output (10-15% of global market). Demand has been supported by infrastructure led post-COVID fiscal stimulus across the major western economies. We expect these factors to continue to support above historical average met coal prices in the short and medium term.

During the March 2022 quarter, premium hard coking coal prices reached a record high of US\$672/t (15-18 March, Fastmarkets), before moderating to average US\$486/t over the quarter. This quarterly average is 31% higher than the prior quarter (US\$370/t). Australian premium HCC price premiums over Chinese import prices have reverted back to positive territory, averaging US\$87/t (-US\$93/t in the December 2021 quarter). At peak prices (mentioned above) Australian premium HCC was trading US\$241/t more than Chinese import prices.

Figure 7 - Premium HCC (Queensland FOB) US\$/t



SOURCE: FASTMARKETS (MB-COA-0003) & IRESS

Figure 8 - Premium HCC (Qld FOB) vs Iron ore (China CIF) US\$/t



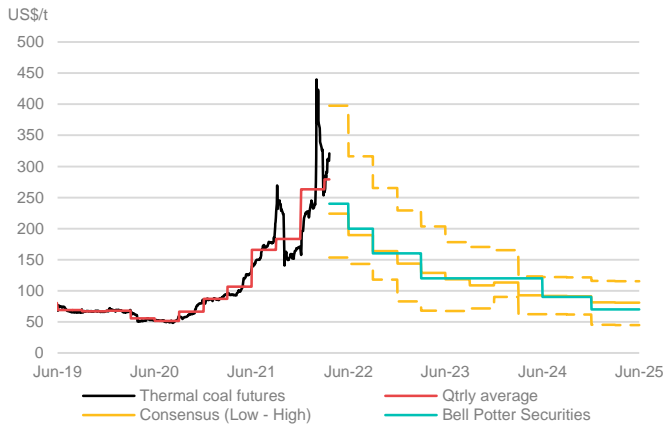
SOURCE: FASTMARKETS MB-IRO-0008 (IRON ORE) & MB-COA-0003 (HARD COKING COAL)

Key met coal themes & risks:

- Consistent with the factors affecting thermal coal markets, trade flows for Russian metallurgical coal have been disrupted. According to reports, Russia supplies 10-15% of the world's metallurgical coal.
- Australian producer's ability ramp up production, in response to higher prices, has been hampered by labour shortages, rising wages and lower productivity. There is limited capacity to address short term demands from developing greenfield projects.
- Seasonal supply disruptions with Queensland's Bowen Basin weather related (wet season) mine and port outages further impacting tight seaborne market supply.
- Resurging COVID-19 infections in China and resulting lockdown measures have impacted industrial activity, including steel production.
- Steel prices have strengthened – China's domestic and export steel prices for common flat and long products have risen up to 15% over the March 2022 quarter.

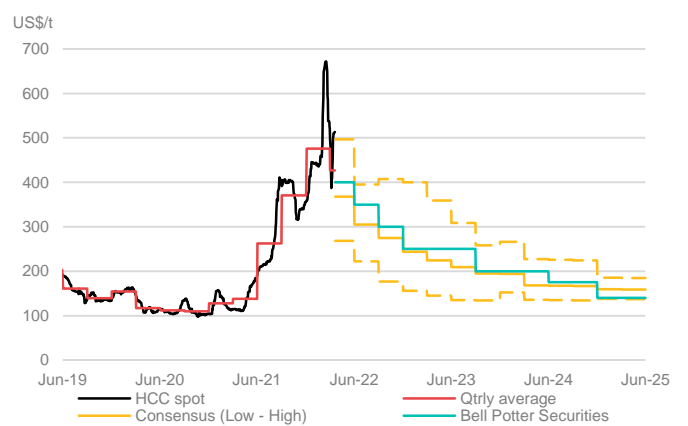
Coal & steel price charts

Figure 9 - Thermal coal US\$/t FOB Newcastle



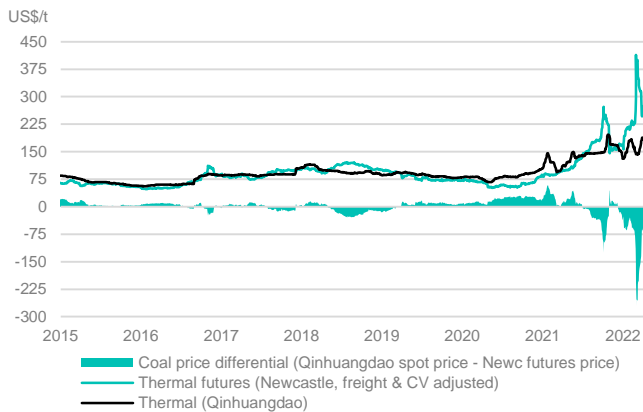
SOURCE: BLOOMBERG - COASNE60 INDEX (THERMAL), CONSENSUS ECONOMICS & BELL POTTER SECURITIES ESTIMATES

Figure 10 - Premium hard coking coal US\$/t FOB Queensland



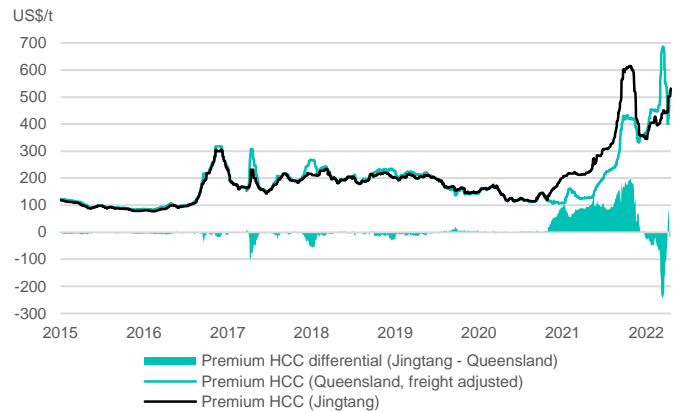
SOURCE: METAL BULLETIN, CONSENSUS ECONOMICS & BELL POTTER SECURITIES ESTIMATES

Figure 11 - Thermal coal – China domestic vs imports



SOURCE: BLOOMBERG - COASNE60 INDEX (NEWC THERMAL), COASQI55 INDEX (QINH THERMAL) & BELL POTTER SECURITIES ESTIMATES

Figure 12 - Met coal– China domestic vs imports



SOURCE: METAL BULLETIN, IRESS & BELL POTTER SECURITIES ESTIMATES

Figure 13 - Steel: China export HRC & rebar US\$/t



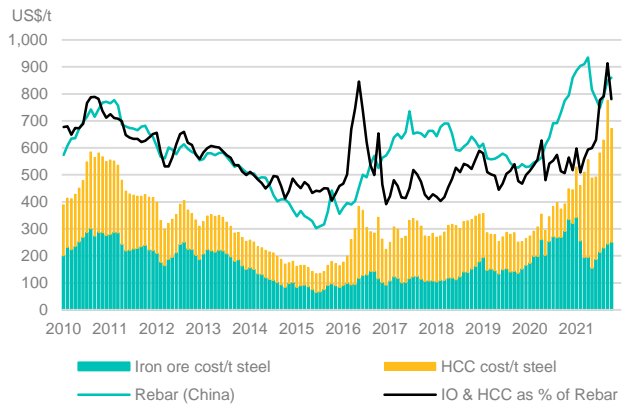
SOURCE: FASTMARKETS (MB-STE-0147 & MB-STE-0144), & BELL POTTER SECURITIES

Figure 14 - Steel: China domestic HRC & rebar RMB/t



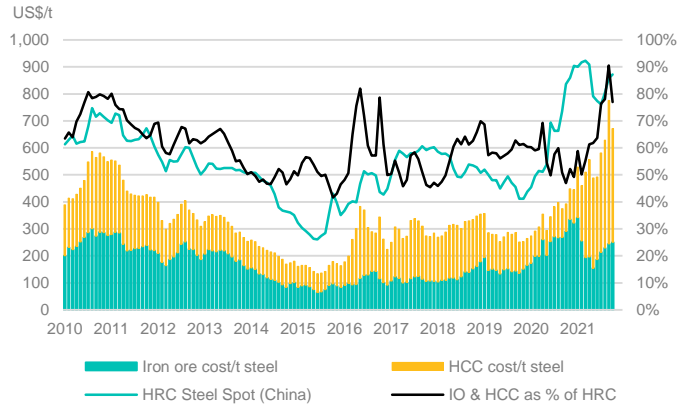
SOURCE: FASTMARKETS (MB-STE-0152 & MB-STE-0154), & BELL POTTER SECURITIES

Figure 15 - Steel: Rebar (China) vs Inputs US\$/t (monthly)



SOURCE: BLOOMBERG - CDSPDRAV INDEX (CHINA REBAR), METAL BULLETIN & BELL POTTER SECURITIES ESTIMATES

Figure 16 - Steel: HRC (China) vs Inputs US\$/t (monthly)



SOURCE: BLOOMBERG - CSPWHRSE INDEX (CHINA HRC), METAL BULLETIN & BELL POTTER SECURITIES ESTIMATES

Coronado Global Resources (CRN)

Company description

CRN is the largest pure-play met coal producer delivering into global export markets, with total sales of 17.7Mt in 2021 (81% met coal). The company is based in Brisbane, and first listed CDIs on the ASX in October 2018. Its assets are diversified by geography, with key production centres being Curragh (Queensland, Australia) and Buchanan (Virginia, United States). CRN supplies coal to steelmaking customers located in the Americas, Europe and Asia.

Investment view: Buy, TP \$2.55/sh (previously \$1.65/sh)

The speed of CRN's recent balance sheet repair has been remarkable. While we expect operating and capital costs to be elevated over the forecast period, on our met coal price outlook the company will generate exceptionally strong free cash flow. In the absence of acquisitions or major project developments, CRN is likely to return surplus funds to shareholders as evidenced by our strong dividend yield outlook. We maintain our Buy recommendation on near-term yield and commodity price support.

Valuation

Our valuation is based on discounted cash flow models of CRN's key operating assets: Curragh; Buchanan; and Logan. The US operations are modelled to their current reserve life. Curragh is modelled to 2038, with the expectation that a large proportion of the 318Mt SRA Resource will convert to Reserves. We assume mine parameters consistent with historical production, CRN prospectus guidance, Bell Potter Securities' estimated production outlooks and peer asset benchmarks. The discount rate is 12% (real).

Risks

Risks to resources sector equities include, but are not limited to:

- **Commodity price and exchange rate fluctuations.** The future earnings and valuations of exploration, development and operating resources companies are subject to fluctuations in underlying commodity prices and foreign currency exchange rates.
- **Infrastructure access.** Bulk commodity producers are particularly reliant upon access to transport infrastructure. Access to infrastructure is often subject to contractual agreements, permits, and capacity allocations. Agreements are typically long-term in nature (+10 years). Infrastructure can be subject to outages as a result of weather events or the actions of third party providers.
- **Operating and capital cost fluctuations.** Markets for exploration, development and mining inputs can fluctuate widely and cause significant differences between planned and actual operating and capital costs. Key operating costs are linked to energy and labour markets.
- **Resource growth and mine life extensions.** Future earnings forecasts and valuations may rely upon Resource and reserve growth to extend mine lives.
- **Sovereign risks.** Mining companies' assets can be located in countries other than Australia and are subject to the sovereign risks of that country.
- **Regulatory changes risks.** Changes to the regulation of infrastructure and taxation (among other things) can impact the earnings and valuation of mining companies.
- **Environmental risks.** Resources companies are exposed to risks associated with environmental degradation as a result of their exploration and mining processes. Fossil fuel producers (coal) may be particularly exposed to the environmental risks of end markets including the electricity generation and steel production industries.
- **Operating and development risks.** Mining companies' assets are subject to risks associated with their operation and development. Risks for each company can be heightened depending on method of operation (e.g. underground versus open pit mining) or whether it is a single operation company. Development assets can be subject to approvals timelines or weather events, causing delays to commissioning and commercial production.
- **Occupational health and safety risks.** Mining companies are particularly exposed to OH&S risks given the physical nature and human resource intensity of operating assets.
- **Funding and capital management risks.** Funding and capital management risks can include access to debt and equity finance, maintaining covenants on debt finance, managing dividend payments, and managing debt repayments.
- **Merger/acquisition risks.** Risks associated with value transferred during merger and acquisition activity.
- **COVID-19 risks:** Mining companies' rely on freedom of movement of workforces, functioning transport routes, reliable logistics services including road, rail, aviation and ports in order to maintain operations and get their products to market. They also rely on liquid, functioning markets to sell their products. Measures being put in place to combat the COVID-19 pandemic are posing risks to these conditions.

Table 7 - Financial summary

Date	20/04/22						Bell Potter Securities						
Price	A\$/sh	2.33					Stuart Howe (showe@bellpotter.com.au, +61 3 9235 1856)						
Target price	A\$/sh	2.55					Joseph House (jhouse@bellpotter.com.au, +61 3 9235 1624)						
PROFIT AND LOSS													
Year ending 31 December	Unit	2020a	2021a	2022e	2023e	2024e	FINANCIAL RATIOS						
Revenue (including other)	US\$m	1,462	2,148	4,069	2,908	2,497	VALUATION						
Expenses	US\$m	(1,420)	(1,668)	(2,341)	(2,114)	(2,002)	EPS	US\$/sh	(20.4)	12.1	65.3	27.6	15.1
EBITDA (operating)	US\$m	43	480	1,728	793	495	EPS growth (UScps)	%	-164%	-159%	441%	-58%	-45%
Depreciation	US\$m	(191)	(178)	(164)	(170)	(165)	EPS	Ac/sh	(31.5)	16.9	89.6	37.8	20.6
EBIT	US\$m	(149)	302	1,564	623	330	EPS growth (Acps)	%	-171%	-154%	429%	-58%	-45%
Net interest expense	US\$m	(51)	(77)	(23)	28	28	PER	x	-7.4x	13.7x	2.6x	6.2x	11.3x
PBT	US\$m	(199)	226	1,542	651	358	DPS	Ac/sh	-	12.3	28.8	35.6	15.0
Tax expense	US\$m	60	(53)	(447)	(189)	(104)	Franking	%	0%	100%	60%	60%	60%
NPAT (underlying)	US\$m	(139)	173	1,095	462	254	Yield	%	0%	5%	12%	15%	6%
Abnormal items	US\$m	(87)	17	-	-	-	DPS + capital return	Ac/sh	-	12.3	28.8	35.6	15.0
NPAT (reported)	US\$m	(226)	189	1,095	462	254	Yield including capital return	%	0%	5%	12%	15%	6%
CASH FLOW STATEMENT													
Year ending 31 December	Unit	2020a	2021a	2022e	2023e	2024e	LIQUIDITY & LEVERAGE						
OPERATING CASH FLOW							Net debt / (cash)	US\$m	290	(129)	(908)	(941)	(903)
Net income	US\$m	(227)	189	1,095	462	254	Net debt / Equity	%	36%	-12%	-47%	-49%	-48%
Depreciation	US\$m	275	176	164	170	165	Net debt / Net debt + Equity	%	26%	-14%	-88%	-95%	-93%
Amortisation of below market CSA	US\$m	(33)	(34)	(32)	(32)	(32)	Net debt / EBITDA	x	6.8x	-0.3x	-0.5x	-1.2x	-1.8x
Changes in working capital	US\$m	22	(19)	(14)	70	31	EBITDA/net interest expense	x	0.8x	6.3x	75.9x	-27.9x	-17.7x
Other	US\$m	(41)	130	-	-	-	PROFITABILITY RATIOS						
Operating cash flow	US\$m	(3)	442	1,213	671	418	EBITDA margin	%	3%	22%	42%	27%	20%
INVESTING CASH FLOW							EBIT margin	%	-10%	14%	38%	21%	13%
Capex	US\$m	(118)	(90)	(200)	(169)	(142)	Return on assets	%	-10%	8%	36%	16%	9%
Acquisitions	US\$m	-	-	-	-	-	Return on equity	%	-27%	20%	73%	24%	13%
Other	US\$m	4	(45)	-	-	-	ASSUMPTIONS - Prices (nominal)						
Investing cash flow	US\$m	(114)	(134)	(200)	(169)	(142)	Year ending 31 December	Unit	2020a	2021a	2022e	2023e	2024e
FINANCING CASH FLOW							Hard coking coal	US\$/t	124	225	384	238	188
Debt proceeds/(repayments)	US\$m	217	412	-	-	-	LV PCI	US\$/t	80	160	287	173	137
Repayment of borrowings	US\$m	(224)	(413)	(300)	-	-	Semi-soft coking coal	US\$/t	71	161	271	166	133
Dividends	US\$m	(24)	-	(234)	(470)	(313)	Thermal coal	US\$/t	61	137	217	130	105
Capital return	US\$m	-	-	-	-	-	CURRENCY						
Proceeds from equity issues (net)	US\$m	-	98	-	-	-	AUD/USD	US\$/A\$	0.69	0.75	0.73	0.73	0.74
Other	US\$m	169	(15)	-	-	-	ASSUMPTIONS - Sales (equity)						
Financing cash flow	US\$m	138	81	(534)	(470)	(313)	Year ending 31 December	Unit	2020a	2021a	2022e	2023e	2024e
Change in cash	US\$m	20	389	478	33	(38)	Saleable production	Mt	16.8	17.4	18.9	19.6	20.9
Free cash flow	US\$m	(117)	308	1,012	503	275	Sales by asset						
BALANCE SHEET							Curragh met coal	Mt	8.9	8.2	9.3	9.6	10.2
Year ending 31 December	Unit	2020a	2021a	2022e	2023e	2024e	Curragh domestic thermal	Mt	3.5	3.1	3.2	3.2	3.2
ASSETS							Buchanan	Mt	3.8	4.4	4.4	4.4	4.2
Cash	\$m	46	438	916	949	912	Logan	Mt	1.8	1.9	2.0	2.4	3.3
Receivables	\$m	257	272	317	232	196	Greenbrier	Mt	0.2	0.1	-	-	-
Inventories	\$m	110	119	119	119	119	Total	Mt	18.2	17.7	18.9	19.6	20.9
Property, plant and equipment	\$m	1,522	1,397	1,434	1,432	1,409	Mining cost per tonne sold	US\$/t	56	66	71	72	69
Other assets	\$m	214	235	235	235	235	Average revenue	US\$/t	77	127	215	148	119
Total assets	\$m	2,148	2,461	3,021	2,968	2,871	Average cost (EBITDA less Revenue)	US\$/t	82	93	119	101	89
LIABILITIES							Average EBITDA (after royalties)	US\$/t	(5)	34	96	47	30
Creditors	\$m	75	98	128	113	108	Met coal proportion	%	78%	79%	80%	80%	80%
Borrowings	\$m	336	309	8	8	8	VALUATION						
Non-market contract obligations	\$m	402	372	340	308	276	Issued capital	Unit					
Other liabilities	\$m	529	606	606	606	606	Shares on issue	m	1,676				
Total liabilities	\$m	1,342	1,384	1,083	1,036	999	Options assumed	m	0				
NET ASSETS	\$m	807	1,078	1,938	1,931	1,872	Diluted shares	m	1,676				
Shareholder equity	\$m	807	1,078	1,938	1,931	1,872	NPV (Discount rate 13% real)	Current		+ 12 months		+ 24 months	
Minorities	\$m	0	-	-	-	-	A\$m	A\$/sh	A\$m	A\$/sh	A\$m	A\$/sh	
SHAREHOLDER EQUITY	\$m	807	1,078	1,938	1,931	1,872	Curragh	2,380	1.42	1,921	1.15	1,904	1.14
Weighted average shares	m	1,111	1,567	1,677	1,677	1,677	Buchanan & Logan	2,151	1.28	1,386	0.83	952	0.57
RESOURCES & MARKETABLE RESERVES (OPERATING ASSETS ONLY)							Corporate & other	(243)	(0.15)	(239)	(0.14)	(234)	(0.14)
Resources	Unit	Equity	Meas & Ind	Total	Reserve		Total	4,288	2.56	3,067	1.83	2,621	1.56
Curragh	Mt	100%	786	957	251		Net debt	(157)	(0.09)	(1,246)	(0.74)	(1,289)	(0.77)
Buchanan	Mt	100%	251	251	112		Equity value	4,445	2.65	4,313	2.57	3,910	2.33
Logan	Mt	100%	219	220	90								
Greenbrier	Mt	100%	89	92	28								
Total operating (100%)	Mt		1,345	1,520	481								
Total operating (equity)	Mt		1,345	1,520	481								
Other (equity)	Mt		969	1,006	230								
Total (equity)	Mt		2,314	2,526	711								

SOURCE: BELL POTTER SECURITIES ESTIMATES

Recommendation structure

Buy: Expect >15% total return on a 12 month view. For stocks regarded as 'Speculative' a return of >30% is expected.

Hold: Expect total return between -5% and 15% on a 12 month view

Sell: Expect <-5% total return on a 12 month view

Speculative Investments are either start-up enterprises with nil or only prospective operations or recently commenced operations with only forecast cash flows, or companies that have commenced operations or have been in operation for some time but have only forecast cash flows and/or a stressed balance sheet.

Such investments may carry an exceptionally high level of capital risk and volatility of returns.

Research Team

Staff Member	Title/Sector	Phone	@bellpotter.com.au
Chris Savage	Head of Research/Industrials	612 8224 2835	csavage
Analysts			
TS Lim	Banks	612 8224 2810	tslim
John Hester	Healthcare	612 8224 2871	jhester
Anubhav Saxena	Healthcare	612 8224 2846	asaxena
Tara Speranza	Healthcare	612 8224 2815	tsperanza
Marcus Barnard	Industrials	618 9326 7673	mbarnard
Sam Brandwood	Industrials	612 8224 2850	sbrandwood
Olivia Hagglund	Industrials	612 8224 2813	ohagglund
Hamish Murray	Industrials	613 9235 1813	hmurray
Jonathan Snape	Industrials	613 9235 1601	jsnape
David Coates	Resources	612 8224 2887	dcoates
Stuart Howe	Resources	613 9235 1856	showe
Brad Watson	Resources	618 9326 7672	bwatson
Regan Burrows	Resources	618 9326 7677	rburrows
Joseph House	Resources	613 9235 1624	jhouse
Associates			
Michael Ardrey	Associate Analyst	613 9256 8782	mardrey
Daniel Laing	Associate Analyst	612 8224 2886	dlaing

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Bell Potter Securities Limited

ABN 25 006 390 772
Level 29, 101 Collins Street
Melbourne, Victoria, 3000
Telephone +61 3 9256 8700
www.bellpotter.com.au

Bell Potter Securities (HK) Limited

Room 1701, 17/F
Prosperity Tower, 39 Queens
Road Central, Hong Kong, 0000
Telephone +852 3750 8400

Bell Potter Securities (US) LLC

Floor 39
444 Madison Avenue, New York
NY 10022, U.S.A
Telephone +1 917 819 1410

Bell Potter Securities (UK) Limited

16 Berkeley Street London, England
W1J 8DZ, United Kingdom
Telephone +44 7734 2929