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London (Peabody Energy)--22Jul2014 08:00 This press release is published as it was received ST. LOUIS, July 22, 2014 /PRNewswire/ --?Peabody Energy (NYSE: BTU) today reported second quarter 2014 revenues of $1.76 billion, leading to Adjusted EBITDA of $213.1 million.? Loss from Continuing Operations totaled $(72.0) million with Diluted Loss Per Share from Continuing Operations of $(0.28).?? "Peabody's U.S. operations delivered higher second quarter results, and our Australian platform completed multiple operational milestones and improved costs in the face of challenging market conditions," said Peabody Energy Chairman and Chief Executive Officer Gregory H. Boyce.? "U.S. coal demand has been expanding for the last two years, and our team continues to respond to seaborne market conditions by improving operational efficiencies, reducing costs and maximizing cash flow generation.?

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Peabody expects that accelerating supply cutbacks and rising demand will lead to improving seaborne market fundamentals heading into 2015."? RESULTS FROM PEABODY CONTINUING OPERATIONS Second quarter revenues increased 2 percent to $1.76 billion, primarily due to a 1 percent increase in sales volumes to 61.7 million tons and the finalization of pricing on a long-term Western coal supply agreement, partly offset by lower Australian realizations.? U.S. Mining revenues rose to $1.03 billion as an increase in both Western shipments and realizations overcame a decline in Midwestern volumes and revenues per ton.? Australian revenues declined 5 percent on lower realized pricing.? Australian sales totaled 9.7 million tons, including 4.8 million tons of metallurgical coal and 3.1 million tons of seaborne thermal coal.? ?? Cost initiatives and improved operating results largely offset a $155 million impact from lower seaborne coal prices, resulting in Adjusted EBITDA of $213.1 million, a decline of $41.2 million from the prior year.? U.S. Mining Adjusted EBITDA increased 12 percent to $291.9 million on a 5 percent rise in volumes and a 6 percent gross margin expansion from higher realizations and lower costs.? Australian Mining Adjusted EBITDA declined to $12.2 million as a result of lower pricing.? Australian costs per ton decreased 1 percent on improved longwall performance and cost reduction initiatives.??? Trading and Brokerage Adjusted EBITDA totaled $6.3 million.? Resource Management Adjusted EBITDA totaled $1.7 million compared to prior-year results of $42.4 million that benefited from the sale of surplus reserves and surface lands in the Midwest. Loss from Continuing Operations totaled $(72.0) million compared to Income from Continuing Operations of $101.4 million in the prior year.? The change was primarily driven by a $188.7 million tax provision differential as a result of a lower Australian tax benefit and higher U.S. earnings compared with the prior year.? Diluted Loss from Continuing Operations and Adjusted Diluted Loss both totaled $(0.28) per share. Summary of Adjusted Diluted EPS (Unaudited) ?Quarter Ended? ?Six Months Ended? ?Jun.? ?Jun.? ?Jun.? ?Jun.? 2014 2013 2014 2013 Diluted EPS - (Loss) Income from Continuing Operations (1) ? $ (0.28) ? $ 0.39 ? $ (0.46) ? $ 0.33 Asset Impairment, Net of Income Taxes - 0.08 - 0.08 Remeasurement Benefit Related to Foreign Income Tax Accounts - (0.14) (0.01) (0.13) Adjusted Diluted EPS (2) $ (0.28) $ 0.33 $ (0.47) $ 0.28 (1)? Reflects (loss) income from continuing operations, net of income taxes less net income (loss) attributable to noncontrolling interests. (2)? Represents a non-GAAP financial measure defined at the end of this release and illustrated in the Reconciliation of Non-GAAP Financial Measures table after this release. Ongoing capital efficiency improvements and higher equipment availability led to second quarter capital spending of $40.3 million.? Total liquidity remains $2.1 billion, including nearly $500 million of cash.?? COAL MARKETS AND PEABODY'S POSITION "While the current seaborne markets are still experiencing supply pressures, coal remains in strong demand and now accounts for its largest share of global energy use in more than 40 years," said Boyce.? "The world continues to turn to coal as a competitive fuel source, and ongoing urbanization and industrialization trends are expected to drive long-term global coal demand growth.? In the U.S., coal supplied 92 percent of the incremental electricity demand in the first quarter, and second quarter coal generation remains strong.? Southern Powder River Basin inventory levels are expected to fall further below normal by the end of the summer on higher demand and continued rail performance issues."? Within global coal markets: The third quarter metallurgical coal price benchmark for high-quality low-vol hard coking coal settled at $120 per tonne ($108 per short ton) with benchmark low-vol PCI at $100 per tonne ($91 per short ton), in line with second quarter settlements; China's coal generation rose 5 percent through June, and economic expansion increased as the government's stimulus measures gained traction. Metallurgical coal imports declined 17 percent in the first five months of the year as steel production growth has been muted. Accelerating economic growth and additional targeted stimulus are expected to translate into improved steel production and metallurgical coal import demand in the second half of the year; India's coal generation rose 12 percent and metallurgical coal imports increased 26 percent through June. Coal stockpiles are at extremely low levels of only one week at nearly half of the country's coal plants as a result of reduced hydro generation, domestic production shortages and a 6 percent decline in thermal coal imports. The new prime minister has stated his intention to emphasize economic growth and increase coal imports as pro-development policies are implemented; Japan's coal generation increased 9 percent through May as coal holds a compelling economic advantage over imported natural gas and nuclear generation remains shuttered. Coal's share of Japan's total electricity generation has increased from 27 percent in 2011 to approximately 35 percent year-to-date through May; European coal demand remains mixed as steel production rose 4 percent through May on improving demand, while coal generation declined 12 percent through June on mild temperatures and higher renewable generation. Germany is targeting the addition of 5.5 gigawatts of coal-fueled generation by the end of 2015; and Global seaborne markets have remained oversupplied, although production cutbacks are expected to take further hold in the second half of the year. Through June, Australian thermal and metallurgical coal exports rose 8 percent and 12 percent, respectively, offsetting a modest decline in Indonesian thermal coal exports and a 16 percent reduction in U.S. exports. China's domestic coal production is down 2 percent through June as marginal cost production is rationalized and smaller mines are closed or consolidated. Recently announced seaborne metallurgical coal cutbacks total nearly 20 million tonnes, and the third quarter price settlement is expected to place additional pressure on seaborne suppliers. By 2016, annual global coal demand is expected to rise 600 million tonnes.? Peabody estimates that approximately 250 gigawatts of new coal-fueled generation will be built over the next three years, requiring an additional 750 million tonnes of annual thermal coal at expected capacity utilization.? Over this same period, China and India coal imports are expected to grow 100 million tonnes, and ongoing urbanizatio(... Press release has been abridged for publication)

CO pbdy : Peabody Energy Corp

IN i1 : Energy | i111 : Coal Mining | ibasicm : Basic Materials/Resources | imet : Mining/Quarrying

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