

Banpu Pcl (BANPU TB) - BUY, Price Bt12.70, TP Bt19.00**Results Comment**

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3Q22 a resounding beat

- BANPU reported 3Q22 net profit of Bt17.7bn (EPS Bt2.62/sh), excluding items, normalized profit (which includes hedging loss net of tax impact) was Bt21.8bn (norm EPS Bt4.23/sh), up more than 4x y-y and doubled q-q. The result was well ahead of our forecast. BUY.
- Gross profit was \$1,433m comprising 72% coal, 26% gas, and the rest from power and other businesses
- Coal.** Total production volume was 6.9m tons, -6% y-y but +10% q-q. Indonesian output was 4.6m tons, flat y-y but recovered over 20% q-q (less rains). ASP was \$211/ton, +87% y-y and +4% q-q. Cost was \$62/ton, +36% y-y but -8% q-q along with movement in diesel price. Australian output dropped 16% y-y and 7% q-q to 2.3m tons but ASP reached. A\$249/ton, +142% y-y and +45% q-q thanks to a big increase in domestic ASP. Costs also increased sharply to A\$142/ton (+61% y-y, +28% q-q)
- Gas:** Sales volume grew 26% y-y and 30% q-q due to consolidation of XTO gas asset. ASP was \$7.27/Mcf, doubled y-y and +13% q-q following the movement in Henry Hub gas price. Cost increased to \$2.8/Mcf, +59% y-y, +16% q-q.
- Equity income:** Total equity income reached \$92m, +43% y-y, +13% q-q mainly due to higher China coal profit.
- Non-operating items:** BANPU had \$248m in hedging loss (included in norm profit). Other non-operating items which we exclude from norm profit calculation was \$133m deferred tax expenses, \$79m in FX gain, and \$9.2m other items.

Income Statement (consolidated)						Income Statement 9M as					
Yr-end Dec (Bt m)	3Q21	4Q21	1Q22	2Q22	3Q22	(Bt m)	q-q%	y-y%	% 2022F	2022F	2023F
Revenue	38,234	47,631	41,509	60,986	87,274	Revenue	43	128	97	196,356	195,658
Gross profit	13,825	17,204	15,663	27,352	50,018	Gross profit	83	262	87	107,546	109,596
SG&A	7,405	8,314	6,835	9,033	13,879	SG&A	54	87	92	32,444	32,129
Operating profit	6,420	8,890	8,829	18,319	36,139	Operating profit	97	463	84	75,102	77,467
EBITDA	10,593	13,278	13,221	24,137	42,810	EBITDA	77	304	84	95,332	98,476
Other income	455	624	985	732	587	Other income	(20)	29	104	2,210	1,865
Other expense	108	73	59	63	78	Other expense	25	(28)	63	320	320
Interest expense	1,412	1,585	1,642	1,862	2,660	Interest expense	43	88	87	7,074	5,141
Profit before tax	5,354	7,857	8,113	17,126	33,987	Profit before tax	98	535	85	69,918	73,871
Income tax	1,996	1,957	2,483	5,691	9,408	Income tax	65	371	63	27,967	29,548
Equity & invest. income	2,109	1,903	2,059	2,800	3,346	Equity & invest. income	19	59	114	7,196	7,238
Minority interests	(1,534)	(2,701)	(2,639)	(3,490)	(6,096)	Minority interests	na	na	80	(15,283)	(16,074)
Extraordinary items	(428)	(1,616)	5,214	2,043	(4,086)	Extraordinary items	na	na	na	0	0
Net profit	3,505	3,486	10,264	12,789	17,744	Net profit	39	406	120	33,864	35,487
Normalized profit	3,933	5,102	5,050	10,746	21,830	Normalized profit	103	455	111	33,864	35,487
EPS (Bt)	0.68	0.68	1.99	2.48	3.44	EPS (Bt)	39	406	168	4.71	3.99
Normalized EPS (Bt)	0.76	0.99	0.98	2.08	4.23	Normalized EPS (Bt)	103	455	155	4.71	3.99

Balance Sheet (consolidated)						Financial Ratios (%)					
Yr-end Dec (Bt m)	3Q21	4Q21	1Q22	2Q22	3Q22		3Q21	4Q21	1Q22	2Q22	3Q22
Cash & ST investment	46,393	42,971	60,649	60,512	73,532	Sales grow th	159.4	135.1	86.5	143.3	128.3
A/C receivable	16,083	15,806	16,432	22,466	29,993	Operating profit grow th	na	na	139.7	554.0	462.9
Inventory	3,395	3,905	3,886	5,725	5,694	EBITDA grow th	230.8	325.5	78.0	277.7	304.1
Other current assets	20,975	22,755	15,053	16,093	25,692	Norm profit grow th	na	1,042.8	208.1	536.5	455.0
Investment	54,293	54,991	62,942	57,111	60,731	Norm EPS grow th	na	1,042.8	208.1	536.5	455.0
Fixed assets	99,633	114,167	114,171	150,653	159,405	Gross margin	36.2	36.1	37.7	44.8	57.3
Other assets	114,327	111,205	109,225	119,505	123,227	Operating margin	16.8	18.7	21.3	30.0	41.4
Total assets	355,100	365,799	382,358	432,066	478,274	EBITDA margin	27.7	27.9	31.9	39.6	49.1
S-T debt	56,987	60,649	45,730	63,069	69,915	Norm net margin	10.3	10.7	12.2	17.6	25.0
A/C payable	2,905	3,293	3,293	4,043	3,089	D/E (x)	2.0	1.9	1.8	1.8	1.6
Other current liabilities	35,874	33,248	43,656	45,200	51,437	Net D/E (x)	1.5	1.5	1.3	1.4	1.1
L-T debt	135,852	139,747	154,135	164,602	168,270	Interest coverage (x)	7.5	8.4	8.1	13.0	16.1
Other liabilities	28,744	25,164	24,991	31,578	37,632	Interest rate	3.1	3.2	3.3	3.5	4.6
Minority interest	25,494	24,420	24,909	28,957	36,559	Effective tax rate	37.3	24.9	30.6	33.2	27.7
Shareholders' equity	69,244	79,277	85,644	94,616	111,372	ROA	4.7	5.7	5.4	10.6	19.2
Working capital	16,573	16,417	17,024	24,148	32,598	ROE	23.7	27.5	24.5	47.7	84.8
Total debt	192,839	200,396	199,865	227,672	238,185						
Net debt	146,446	157,425	139,216	167,160	164,653						

Sources: Company data, Thanachart estimates

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