

Banpu Pcl (BANPU TB) - BUY, Price Bt5.80, TP Bt8.00**Results Comment**

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3Q24 – below due to Fx

- BANPU report 3Q24 net loss Bt830 vs profit of Bt937m in 2Q24. However, the results are below our and market expectation due to Bt8.6bn Fx loss as a result of Baht appreciation.
- **Core profit dropped to -Bt20m** vs profit of Bt2.5bn. The drop is mainly due to higher tax rate and minority expense.
- **Coal gross profit rose** to US\$276m (+10% q-q and +12% y-y). Australia coal mine gross profit was lower due to lower sale volume and selling price. However, we see substantial dropped in cost which decreased by 14% q-q and 17% y-y to A\$135/t which allow gross profit margin to improve q-q. Indonesia coal gross profit rose 34% q-q and 23% y-y to US\$285m due to improve production efficiency. Sale volume rose substantially by 9% q-q and 19% y-y to 6.3mt.
- **Gas business loss steady at US\$15m vs US\$14m** in 2Q24 vs US\$9m in 3Q24. Banpu's average gas price rose by 5% q-q to US\$2.0/mmbtu. This offset by 4% q-q decrease in sale volume. CCUS gross profit came in at US\$3m in 3Q24 vs US\$2m in 2Q24.
- **Non-recurring items.** Note that key non-recurring items in this quarter included US\$248m Fx loss and US\$69m hedging gain.
- **Outlook.** We expect 4Q24F profit to recover given absence of substantial Fx loss. Maintain BUY.

Income Statement						Income Statement					
(consolidated)						9M as					
Yr-end Dec (Bt m)	3Q23	4Q23	1Q24	2Q24	3Q24	(Bt m)	q-q%	y-y%	% 2024F	2024F	2025F
Revenue	52,663	45,152	38,810	49,615	46,597	Revenue	(6)	(12)	66	204,049	202,133
Gross profit	17,678	11,915	7,063	13,321	11,777	Gross profit	(12)	(33)	68	47,240	47,939
SG&A	7,838	8,237	6,880	8,138	8,664	SG&A	6	11	73	32,648	32,869
Operating profit	9,840	3,679	183	5,182	3,112	Operating profit	(40)	(68)	58	14,592	15,070
EBITDA	14,327	8,471	4,856	11,205	9,135	EBITDA	(18)	(36)	60	42,070	46,231
Other income	945	1,201	1,132	1,117	1,223	Other income	10	29	193	1,800	2,100
Other expense	0	0	0	0	0	Other expense					
Interest expense	3,496	3,780	3,689	4,101	3,220	Interest expense	(21)	(8)	82	13,390	13,298
Profit before tax	7,289	1,099	(2,374)	2,198	1,115	Profit before tax	(49)	(85)	31	3,002	3,872
Income tax	2,860	1,082	679	827	1,645	Income tax	99	(42)	193	1,632	1,743
Equity & invest. income	1,847	1,765	1,090	2,140	2,413	Equity & invest. income	13	31	72	7,877	7,749
Minority interests	(1,709)	(1,180)	(810)	(970)	(1,903)	Minority interests	na	na	na	(3,640)	(3,738)
Extraordinary items	(2,484)	(1,795)	4,325	(1,604)	(809)	Extraordinary items	na	na	na	0	0
Net profit	2,084	(1,192)	1,552	937	(830)	Net profit	na	na	30	5,607	6,140
Normalized profit	4,567	602	(2,773)	2,541	(20)	Normalized profit	na	na	na	5,607	6,140
EPS (Bt)	0.25	(0.12)	0.15	0.09	(0.08)	EPS (Bt)	na	na	30	0.56	0.61
Normalized EPS (Bt)	0.54	0.06	(0.28)	0.25	(0.00)	Normalized EPS (Bt)	na	na	na	0.56	0.61
Balance Sheet						Financial Ratios					
(consolidated)						9M as					
Yr-end Dec (Bt m)	3Q23	4Q23	1Q24	2Q24	3Q24	(%)	3Q23	4Q23	1Q24	2Q24	3Q24
Cash & ST investment	55,815	53,900	54,452	54,120	49,110	Sales growth	(39.7)	(45.3)	(12.8)	29.4	(11.5)
A/C receivable	16,163	18,096	17,472	19,467	16,147	Operating profit growth	(72.8)	(82.9)	(97.1)	518.4	(68.4)
Inventory	7,901	6,265	6,913	5,424	6,297	EBITDA growth	(66.5)	(68.4)	(58.8)	90.8	(36.2)
Other current assets	23,777	26,989	25,972	23,382	19,026	Norm profit growth	(79.1)	(96.7)	na	na	na
Investment	83,756	82,964	86,595	86,844	85,358	Norm EPS growth	(83.3)	(97.8)	na	na	na
Fixed assets	167,045	157,487	163,484	160,022	141,586	Gross margin	33.6	26.4	18.2	26.8	25.3
Other assets	100,972	99,210	104,579	105,622	98,028	Operating margin	18.7	8.1	0.5	10.4	6.7
Total assets	455,430	444,913	459,467	454,882	415,552	EBITDA margin	27.2	18.8	12.5	22.6	19.6
S-T debt	61,339	62,164	63,708	40,867	54,307	Norm net margin	8.7	1.3	(7.1)	5.1	(0.0)
A/C payable	5,069	4,781	4,126	4,579	5,218	D/E (x)	1.5	1.3	1.3	1.3	1.2
Other current liabilities	32,272	27,487	29,097	36,237	23,673	Net D/E (x)	1.1	1.0	1.0	0.9	0.9
L-T debt	172,861	160,240	163,841	172,747	148,376	Interest coverage (x)	4.1	2.2	1.3	2.7	2.8
Other liabilities	28,378	25,016	27,636	29,717	20,358	Interest rate	6.4	6.6	6.6	7.4	6.2
Minority interest	33,770	34,403	34,882	35,866	44,426	Effective tax rate	39.2	98.5	(28.6)	37.6	147.6
Shareholders' equity	121,740	130,820	136,177	134,869	119,195	ROA	4.2	0.5	(2.5)	2.2	(0.0)
Working capital	18,995	19,580	20,259	20,313	17,225	ROE	15.1	1.9	(8.3)	7.5	(0.1)
Total debt	234,200	222,405	227,549	213,613	202,683						
Net debt	178,385	168,504	173,098	159,493	153,573						

Sources: Company data, Thanachart estimates

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