

IRPC Public Co Ltd (IRPC TB) - SELL, Price Bt1.51, TP Bt1.20**Results Comment**

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3Q24 – loss continue

- IRPC reported 3Q24 loss of Bt4.9bn vs a loss of Bt732m in 2Q24. This is weaker than our and consensus expectation.
- Integrated GIM improve but still weak which came in at US\$5.7/bbl vs. US\$5.1/bbl in 2Q24 and US\$8.8 in 3Q23.** Q-Q improvement is mainly driven by better lube margin and petrochemical. Meanwhile, total intake was 198k bpd (95% utilization) which is slightly than 97% in 2Q24.
- Petroleum:** Refinery margin continue to drop to US\$1.18 in 3Q24 vs US\$1.65/bbl in 2Q24 and US\$8.10/bbl in 3Q23, mainly owing to lower refinery product spreads.
- Petrochemical:** Petrochemical GIM improved to US\$2.13/bbl from US\$1.82/bbl in 2Q24, owing to rising spreads in Aromatics and Styrenics group.
- Continue rising cost as UFC start-up.** Depreciation expense of rising by another 4% q-q (vs. 5% q-q increase in 2Q24) owing to Ultra Clean Fuel (UCF) project that completed construction and started commercial operation in April 2024, along with the net finance cost of Bt687m, +12% q-q due to higher borrowing and increased interest rates following market situation.
- Non-operating items.** IRPC's non-operating items is at a loss of Bt2.8bn vs a gain of Bt1.0bn. This includes Bt5bn inventory loss which offset by Bt763m Fx gain.
- Outlook:** We expect IRPC to continue to make loss in 4Q24F with on-going weakness in chemical spread. Maintain SELL.

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	77,264	75,296	74,644	74,066	69,964	Revenue	(6)	(9)	69	317,352	298,873
Gross profit	3,959	197	3,657	1,468	650	Gross profit	(56)	(84)	52	11,196	12,762
SG&A	3,422	3,311	3,532	3,781	3,794	SG&A	0	11	75	14,882	14,127
Operating profit	537	(3,114)	125	(2,313)	(3,144)	Operating profit	na	na	na	(3,686)	(1,365)
EBITDA	2,712	(885)	2,266	(69)	(817)	EBITDA	na	na	26	5,236	7,233
Other income	356	337	322	352	300	Other income	(15)	(16)	63	1,534	1,469
Other expense	0	0	0	0	0	Other expense			na		
Interest expense	538	488	499	614	687	Interest expense	12	28	84	2,132	2,252
Profit before tax	355	(3,265)	(52)	(2,575)	(3,531)	Profit before tax	na	na	na	(4,283)	(2,147)
Income tax	598	(860)	362	(299)	(1,251)	Income tax	na	na	na	(986)	(459)
Equity & invest. income	89	48	140	439	187	Equity & invest. income	(57)	110	293	261	261
Minority interests	(2)	(5)	(1)	0	(5)	Minority interests		na	na	(12)	(11)
Extraordinary items	2,595	(1,055)	1,820	1,105	(2,783)	Extraordinary items	na	na	na	(910)	(408)
Net profit	2,439	(3,417)	1,545	(732)	(4,881)	Net profit	na	na	na	(3,958)	(1,847)
Normalized profit	(156)	(2,362)	(275)	(1,837)	(2,098)	Normalized profit	na	na	na	(3,048)	(1,439)
EPS (Bt)	0.12	(0.17)	0.08	(0.04)	(0.24)	EPS (Bt)	na	na	na	(0.19)	(0.09)
Normalized EPS (Bt)	(0.01)	(0.12)	(0.01)	(0.09)	(0.10)	Normalized EPS (Bt)	na	na	na	(0.15)	(0.07)
Balance Sheet						Financial Ratios					
(consolidated)						(%)					
Yr-end Dec (Bt m)	3Q23	4Q23	1Q24	2Q24	3Q24		3Q23	4Q23	1Q24	2Q24	3Q24
Cash & ST investment	3,287	6,220	5,188	4,035	3,203	Sales growth	(11.5)	36.7	(1.5)	4.7	(9.4)
A/C receivable	17,700	15,597	16,732	15,671	13,160	Operating profit growth	na	na	(90.4)	na	na
Inventory	36,297	32,413	32,469	36,558	30,524	EBITDA growth	195.1	na	(33.5)	na	na
Other current assets	8,644	7,453	11,619	8,045	9,622	Norm profit growth	na	na	na	na	na
Investment	9,698	9,766	9,912	10,349	10,293	Norm EPS growth	na	na	na	na	na
Fixed assets	114,083	114,362	113,167	112,018	110,462	Gross margin	5.1	0.3	4.9	2.0	0.9
Other assets	5,918	6,850	6,502	6,660	7,723	Operating margin	0.7	(4.1)	0.2	(3.1)	(4.5)
Total assets	195,629	192,661	195,589	193,336	184,987	EBITDA margin	3.5	(1.2)	3.0	(0.1)	(1.2)
S-T debt	14,974	18,081	21,902	19,888	23,798	Norm net margin	(0.2)	(3.1)	(0.4)	(2.5)	(3.0)
A/C payable	33,510	34,305	32,627	28,809	25,292	D/E (x)	0.9	0.9	1.0	1.0	1.1
Other current liabilities	5,796	6,558	5,506	5,379	5,907	Net D/E (x)	0.9	0.9	0.9	1.0	1.0
L-T debt	56,951	52,945	53,219	58,229	53,960	Interest coverage (x)	5.0	(1.8)	4.5	(0.1)	(1.2)
Other liabilities	4,862	4,650	4,662	4,737	4,790	Interest rate	3.0	2.7	2.7	3.2	3.5
Minority interest	207	211	212	180	185	Effective tax rate	168.3	26.3	(698.8)	11.6	35.4
Shareholders' equity	79,328	75,911	77,461	76,114	71,056	ROA	(0.3)	(4.9)	(0.6)	(3.8)	(4.4)
Working capital	20,486	13,705	16,574	23,421	18,393	ROE	(0.8)	(12.2)	(1.4)	(9.6)	(11.4)
Total debt	71,925	71,027	75,120	78,117	77,757						
Net debt	68,637	64,807	69,932	74,082	74,554						

Sources: Company data, Thanachart estimates

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