

Energy Absolute Pcl (EA TB) - SELL, Price Bt2.46, TP Bt5.00**Results Comment**

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Weaker-than-expected profit in 4Q24

- EA reported Bt6.5bn net loss in 4Q24. However, if we exclude various non-recurring items, we estimate its normalized profit from core operations was at Bt1.4bn, up 3% y-y and 136% q-q. This missed our expectation due to larger-than-expected loss from commercial EV and battery production businesses.
- Those non-recurring items were Bt2.8bn provisions on account receivables, Bt2.0bn provisions on inventories, and Bt3.0bn impairment on PPE and intangible assets.
- Full-year normalized profit was Bt3.36bn in 2024, down 53% from last year. The number made up only 78% of our forecast.
- Biodiesel:** Operating loss was Bt28m in 4Q24, weakened from Bt25m loss in 3Q24 due to lower volume sale but better than Bt118m in 4Q23 on higher product margins.
- Renewables:** Operating profit came in at Bt1.76bn in 4Q24. It dropped 1% y-y pressured by lower Ft value and expired adder despite higher electricity output. It rose 10% q-q driven by a seasonally stronger output from wind power projects.
- Battery and commercial EV:** EA sold only 2 units of E-bus, while battery sales were also minimal. Loss contributions from those business units were thus much larger in this quarter.
- Total outstanding debt was at Bt57.8bn in 2024, declined from Bt62.7bn in 2023. However, due to losses from impairment and provisions this year, net D/E rose to 1.9x (from 1.4x in 2023).
- EA generated Bt7.9bn cashflow from operations in 2024, but it likely declines in 2025F due to gradual adder expiration.
- On the positive side, EA has successfully raised Bt7.4bn capital through rights offerings in 1Q25, with a plan to sell its 90MW solar farm project for not less than Bt8.0bn this year.

Income Statement				(consolidated)	
Yr-end Dec (Bt m)	4Q23	1Q24	2Q24	3Q24	4Q24
Revenue	5,995	5,787	4,419	3,940	3,982
Gross profit	1,718	1,515	1,549	1,474	1,780
SG&A	329	325	536	358	202
Operating profit	1,389	1,190	1,013	1,115	1,578
EBITDA	2,368	2,178	1,977	2,082	2,533
Other income	176	94	69	89	143
Other expense					
Interest expense	652	645	666	715	673
Profit before tax	914	639	416	489	1,048
Income tax	(124)	44	118	100	87
Equity & invest. income	118	63	(73)	(80)	(162)
Minority interests	179	200	323	273	574
Extraordinary items	(172)	31	(6)	(160)	(7,855)
Net profit	1,163	889	542	422	(6,482)
Normalized profit	1,335	858	548	582	1,373
EPS (Bt)	0.31	0.24	0.15	0.11	(1.74)
Normalized EPS (Bt)	0.36	0.23	0.15	0.16	0.37

Balance Sheet				(consolidated)	
Yr-end Dec (Bt m)	4Q23	1Q24	2Q24	3Q24	4Q24
Cash & ST investment	2,464	2,245	1,283	377	383
A/C receivable	8,800	9,471	9,190	9,050	7,947
Inventory	7,412	6,809	7,899	7,840	4,268
Other current assets	5,765	6,046	5,431	6,535	5,972
Investment					
Fixed assets	58,675	58,460	57,998	56,988	55,220
Other assets	31,113	30,433	28,205	27,990	22,415
Total assets	114,229	113,464	110,006	108,780	96,205
S-T debt	21,154	19,504	20,985	15,492	16,186
A/C payable	708	350	1,289	1,025	374
Other current liabilities	2,524	3,034	1,713	4,146	3,207
L-T debt	41,592	42,707	41,431	43,460	41,616
Other liabilities	4,241	4,258	4,291	4,376	4,687
Minority interest	2,310	2,116	1,786	1,507	(1,242)
Shareholders' equity	41,699	41,494	38,511	38,773	31,378
Working capital	15,504	15,930	15,800	15,865	11,842
Total debt	62,746	62,212	62,416	58,952	57,802
Net debt	60,282	59,967	61,133	58,575	57,419

Sources: Company data, Thanachart estimates

Income Statement	12M as				
(Bt m)	q-q%	y-y%	% 2024F	2024A	2025F
Revenue	1	(34)	107	18,128	16,726
Gross profit	21	4	73	6,318	7,662
SG&A	(44)	(38)	102	1,422	1,455
Operating profit	41	14	67	4,896	6,207
EBITDA	22	7	87	8,770	9,142
Other income	62	(19)	232	395	167
Other expense					
Interest expense	(6)	3	114	2,699	2,045
Profit before tax	115	15	51	2,592	4,329
Income tax	(13)	na	138	349	216
Equity & invest. income	na	na	259	(252)	36
Minority interests	110	220	(320)	1,371	(515)
Extraordinary items	na	na	na	(7,991)	
Net profit	na	na	(108)	(4,630)	3,634
Normalized profit	136	3	78	3,361	3,634
EPS (Bt)	na	na	(108)	(1.24)	0.97
Normalized EPS (Bt)	136	3	78	0.90	0.97

Financial Ratios		4Q23	1Q24	2Q24	3Q24	4Q24
(%)						
Sales grow th	(37.1)	(34.9)	(43.9)	(46.1)	(33.6)	
Operating profit grow th	(44.3)	(59.4)	(62.0)	(44.5)	13.6	
EBITDA grow th	(27.9)	(42.8)	(45.4)	(29.9)	7.0	
Norm profit grow th	(39.6)	(63.0)	(74.0)	(58.7)	2.9	
Norm EPS grow th	(39.6)	(63.0)	(74.0)	(58.7)	2.9	
Gross margin	28.7	26.2	35.0	37.4	44.7	
Operating margin	23.2	20.6	22.9	28.3	39.6	
EBITDA margin	39.5	37.6	44.7	52.8	63.6	
Norm net margin	22.3	14.8	12.4	14.8	34.5	
D/E (x)	1.43	1.43	1.55	1.46	1.92	
Net D/E (x)	1.37	1.38	1.52	1.45	1.91	
Interest coverage (x)	3.6	3.4	3.0	2.9	3.8	
Interest rate	4.0	4.1	4.3	4.7	4.6	
Effective tax rate	(13.6)	6.9	28.4	20.5	8.3	
ROA	4.5	3.0	2.0	2.1	5.4	
ROE	12.5	8.3	5.5	6.0	15.7	

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