15 SEPTEMBER 2026

BUY (Unchanged) | **TP: Bt 17.00** (From: Bt 19.00)

Change in Numbers | **Upside : 16.4%**

Banpu Public Co Ltd (BANPU TB)

Turnaround ahead

Despite lower-than-expected gas prices, we maintain our BUY call on BANPU, as we expect earnings to turn around due to rising utilization of US power plants, a gradual increase in gas prices, a growing contribution from the carbon capture business, and stable coal prices.

YUPAPAN POLPORNPRASERT
662-779-9119
yupapan.pol@ttbwealth.co.th

Turnaround path intact; maintaining BUY

Due to lower-than-expected US gas prices, we cut our normalized earnings estimates significantly by 35/37/31% in 2026-28F. With our valuation base year rollover to 2027F and the amalgamation of Banpu Power (BPP, delisted), our DCF-based 12-month TP falls to Bt17 (from Bt19). We maintain our BUY call on BANPU. ***First***, we still expect a strong earnings turnaround path of 20/29/13% in 2027-29F, driven by rising US gas prices due to LNG capacity expansion demand creating increased demand for raw gas, higher utilization of its power plants in the US due to growing data center demand, and a rising contribution of the carbon capture business. ***Second***, the non-coal EBITDA mix looks set to continue its rising trend from 32% in 2022 to 44% in 2026F and 51% in 2028F. ***Third***, the coal business is becoming a cash cow, generating about Bt23bn p.a. in EBITDA. ***Lastly,*** we see its 15x 2027F PE multiple as inexpensive vs. strong EPS growth of 20/29% in 2027-28F.

Strong coal and gas prices in 2H26F

Coal and gas prices are showing strong momentum in 2H26F. The NEX coal price benchmark is currently averaging at US$147 so far in September 26 vs. US$128 in 1H26. This reflects a 10% y-y drop in Chinese coal production, low inventory in India, and tighter Indonesian exports. We raise our 2026-28F coal price assumptions to US$135/125/125/tonne from US$125/110/110. Meanwhile, US gas prices have been lower than expected, and we cut our price assumptions to US$3.3/3.6/3.7/mmbtu from US$4.0/4.2/4.5 in 2026-28F. However, we still expect gas prices to be seasonally higher in 2H26F.

Strong US power plant business

BANPU, through its 62.8% stake in BKV (BKV US, US$28.94, non-rated), owns 1,500MW of the gas-fired Temple I-II plants in Texas. We expect plant utilization to increase to 90% in 2029F from 59% in 2025, driven by rising US power demand, including from data centers. BKV expects to secure a long-term PPA contract for its Temple projects with a data center customer by early 2027. For future expansions, BKV plans to double its capacity to 3,000MW due to the strong demand outlook, though there isn't a clear timeline.

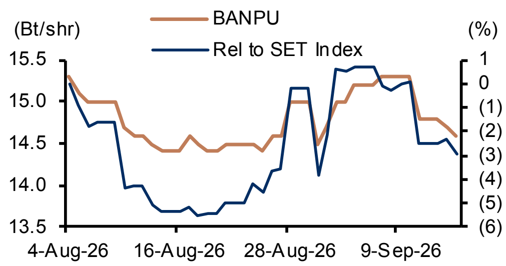
Potential upside from the new PDP

BANPU also has room to benefit from Thailand's new Power Development Plan (PDP) via its amalgamated Banpu Power business. It is interested in the solar power and battery storage business, where it has overseas operational experience. In addition, its 50%-owned BLCP power plant could capture new opportunities as its existing PPA contracts gradually expire from 2032 onward.

COMPANY VALUATION

Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Sales	173,423	185,398	189,864	194,163
Net profit	(1,216)	4,526	3,976	5,139
Consensus NP	—	4,602	4,002	4,228
Diff frm cons (%)	—	*(1.6)*	*(0.6)*	*21.6*
Norm profit	450	3,310	3,976	5,139
Prev. Norm profit	—	5,062	6,296	7,457
Chg frm prev (%)	—	*(34.6)*	*(36.9)*	*(31.1)*
Norm EPS (Bt)	0.11	0.82	0.98	1.27
Norm EPS grw (%)	(87.3)	635.5	20.1	29.3
Norm PE (x)	131.4	17.9	14.9	11.5
EV/EBITDA (x)	8.4	6.7	5.1	4.4
P/BV (x)	0.5	0.4	0.4	0.4
Div yield (%)	5.1	5.0	4.0	5.2
ROE (%)	0.4	2.6	2.8	3.5
Net D/E (%)	112.8	73.0	68.1	61.2

PRICE PERFORMANCE



COMPANY INFORMATION

Price *as of* 15-Sep-26 (Bt)	14.60
Market Cap (US$ m)	1,776.4
Listed Shares (m shares)	4,049.6
Free Float (%)	87.6
Avg. Daily Turnover (US$ m)	na
12M Price H/L (Bt)	15.30/14.40
Sector	Energy
Major Shareholder	Vongkusolkit family 12.4%

Sources: Bloomberg, Company data, ttb wealth estimates

ESG Summary Report P10

Turnaround path intact; maintaining BUY

We factor in weaker-than-expected 1H26 results

Due to lower-than-expected US gas prices, we cut our normalized earnings estimates significantly for Banpu Pcl (BANPU TB) by 35/37/31% in 2026-28F. After rolling our valuation base year to 2027F and accounting for the amalgamation of Banpu Power (BPP, delisted), our DCF-based 12-month TP falls to Bt17 from Bt19. Despite the lower earnings base, we maintain our BUY call on BANPU, as we believe its structural earnings turnaround, growing non-coal contribution, and strong cash generation from its coal business are not yet fully reflected in its share price.

Earnings turnaround ahead

First, earnings are set for a strong turnaround. We estimate normalized earnings to grow 20/29/13% in 2027-29F, supported by three key drivers. US gas prices should gradually recover as expanding US LNG capacity increases feedgas demand, while higher utilization of US power plants should benefit from structural growth in electricity demand, particularly from data centers. At the same time, carbon capture should become an increasingly meaningful earnings contributor as Banpu scales up its CCS business.

Non-coal mix rising

Second, BANPU is becoming less dependent on coal. Non-coal EBITDA contribution should continue to rise from 32% in 2022 to 44% in 2026F and 51% in 2028F. This reflects the growing contribution from US gas, power, and carbon capture, making the earnings profile more diversified and less exposed to the coal business's long-term decline.

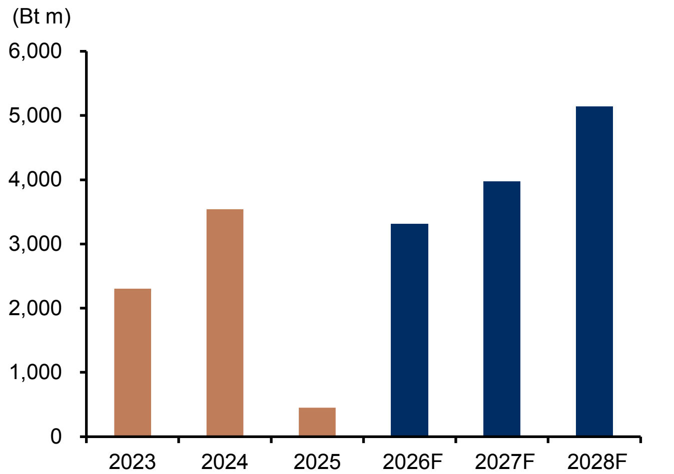
Coal becoming a cash cow

Third, the coal business is increasingly becoming a cash cow. While we do not expect significant growth from the coal business, higher coal prices should allow BANPU to generate around Bt23bn of EBITDA annually, providing stable cash flow to support the transition into gas, power, and new energy businesses.

Attractive valuation vs. growth

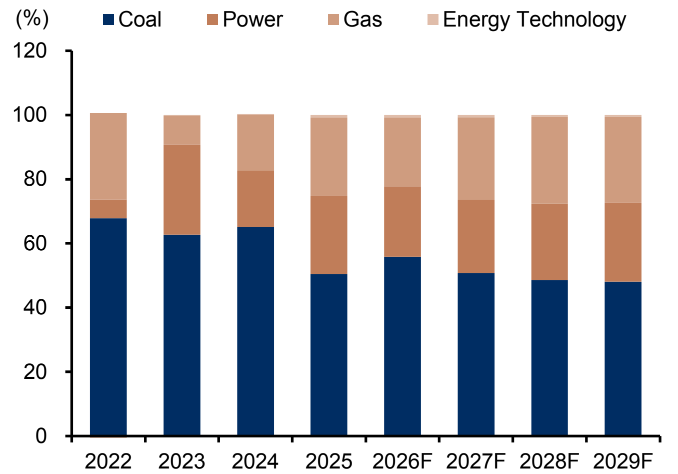
Lastly, valuation remains undemanding, in our view. BANPU trades at around 15x 2027F PE, which we see as reasonable given expected 20/29% EPS growth in 2027-28F. We believe the market is still valuing BANPU largely on its legacy coal exposure, while the earnings mix is increasingly shifting toward higher-growth non-coal businesses. This creates room for a re-rating as the earnings turnaround becomes more visible.

Ex 1: BANPU's Earnings



Sources: Company data, ttb wealth estimates

Ex 2: BANPU's EBITDA Mix



Sources: Company data, ttb wealth estimates

Ex 3: Earnings Revisions

	2024	2025	2026F	2027F	2028F
Normalized profit (Bt m)					
- New	3,543	450	3,310	3,976	5,139
- Old			5,062	6,296	7,457
- Change (%)			*(34.6)*	*(36.9)*	*(31.1)*
Net profit (Bt m)					
- New	3,756	(1,216)	4,526	3,976	5,139
- Old			5,062	6,296	7,457
- Change (%)			*(10.6)*	*(36.9)*	*(31.1)*
NEX coal price (US$/tonne)					
- New	136	106	135	125	125
- Old			125	110	110
- Change (%)			*10.0*	*15.0*	*15.0*
US Henry Hub (US$/mmbtu)					
- New	2.67	3.63	3.30	3.60	3.70
- Old			4.00	4.20	4.20
- Change (%)			*(17.5)*	*(14.3)*	*(11.9)*

Sources: Company data, ttb wealth estimates

Strong coal and gas prices in 2H26F

Seasonal demand drives higher gas and coal prices

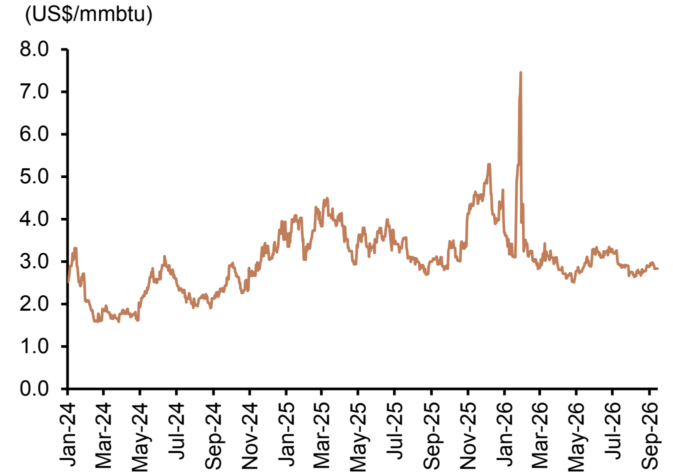
Coal and gas prices are showing strong momentum in 2H26F. The NEX coal price is averaging US$147/tonne in September 2026, up from US$128/tonne in 1H26, supported by lower Chinese production, low Indian inventories and tighter Indonesian exports. We raise our 2026-28F coal price assumptions to US$135/125/125/tonne from US$125/110/110. Meanwhile, US gas prices have been weaker than expected, prompting us to cut our assumptions to US$3.3/3.6/3.7/MMBtu, but we still expect seasonally stronger gas prices in 2H26F.

Structural support for US gas price outlook

Winter demand lifts gas prices

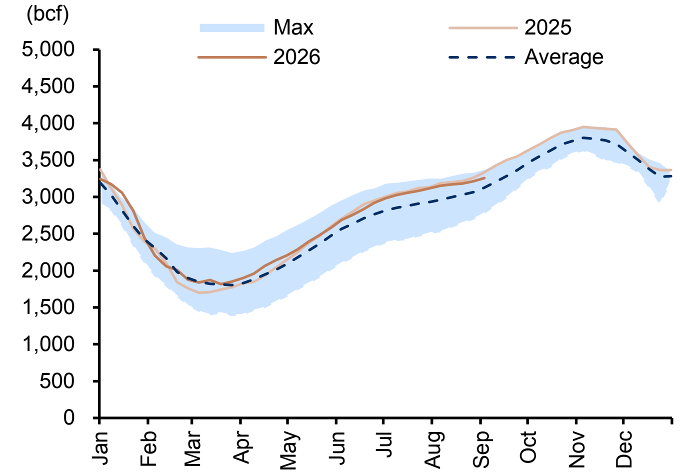
US Henry Hub prices could move higher in 4Q26 on stronger winter demand, while the medium-term outlook remains structurally supportive. The Energy Information Administration (EIA) expects US LNG exports to rise from 17 Bcf/d in 2026 to 19 Bcf/d in 2027, as new capacity ramps up. Golden Pass is adding capacity through 2026-27, while Port Arthur and Rio Grande LNG are scheduled to start exports in 2027, further increasing US feedgas demand. Rising US gas production should cap the upside, but continued LNG expansion and winter demand should keep the market fundamentally supported. We therefore expect higher Henry Hub prices seasonally in 4Q26F, with the structural outlook remaining healthy despite strong supply growth.

Ex 4: US Henry Hub Gas Price



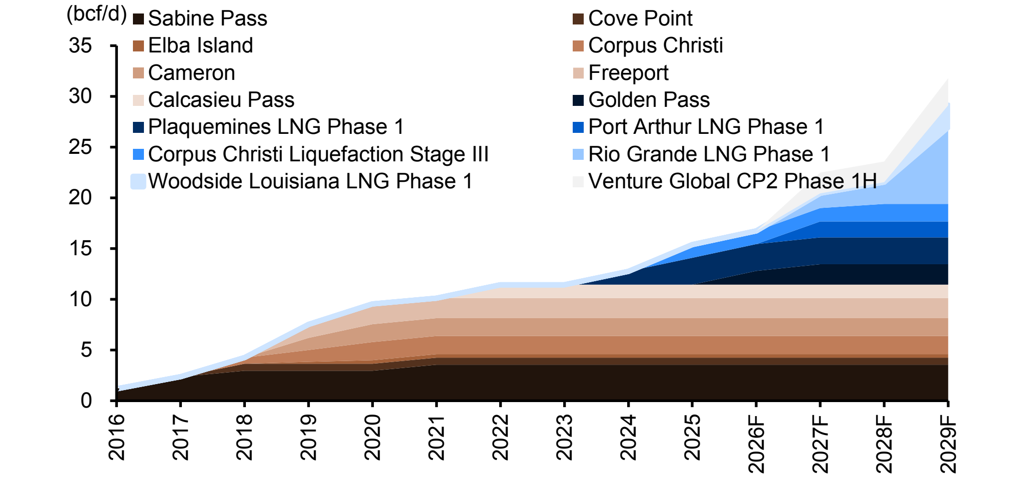
Source: Bloomberg

Ex 5: US's Gas Inventory



Source: EIA

Ex 6: US LNG Capacity Expansion



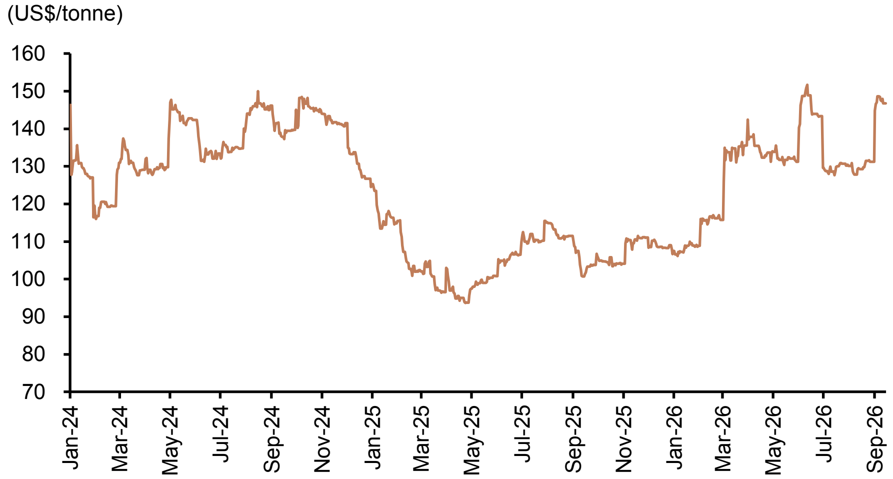
Source: EIA

Tight supply supports coal prices

Raising our coal price assumptions

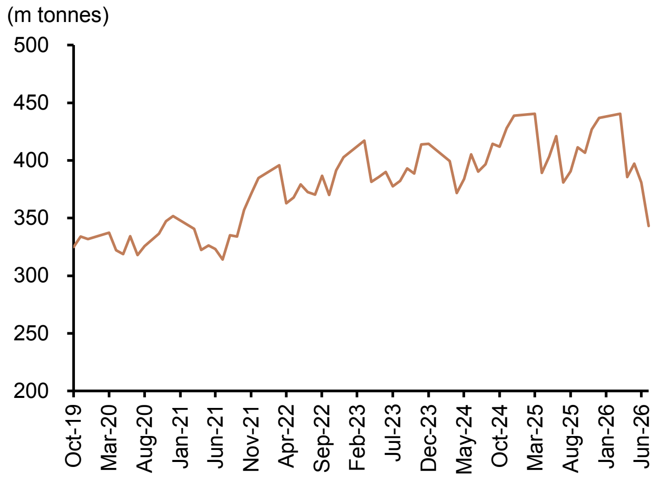
NEX coal prices should remain well supported into 4Q26-1Q27 with tight supply and strong seasonal demand. China's coal output fell ~10% y-y in June-July, near a five-year low, while safety inspections and tighter regulations could keep a production recovery gradual. India's low power-plant inventories should drive stronger restocking in 4Q, while Europe's low gas storage at 66.6% vs. the 82% five-year average could support coal-fired generation in Asia as gas prices remain elevated. Additionally, Indonesian coal exports should remain weak as delays in government mining approvals (RKAB), higher domestic market obligations (DMO), and policy uncertainty limit export availability. Overall, tighter Chinese and Indonesian supply, low inventories, and stronger winter demand should support coal prices.

Ex 7: NEX Coal Price Rising Due To Tight Supply



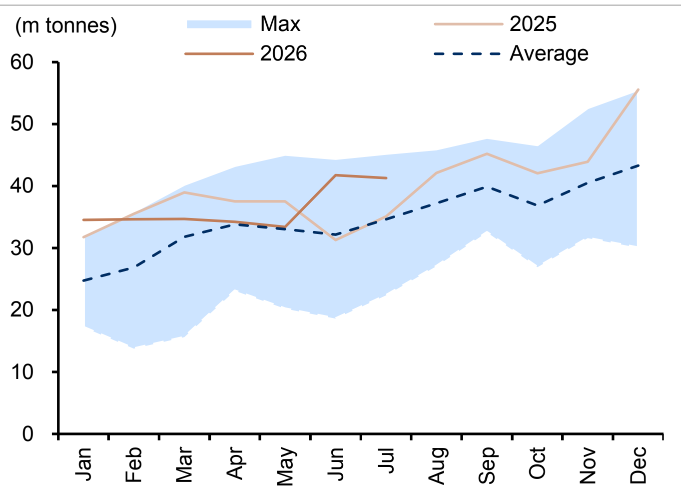
Source: Bloomberg

Ex 8: China Coal Production



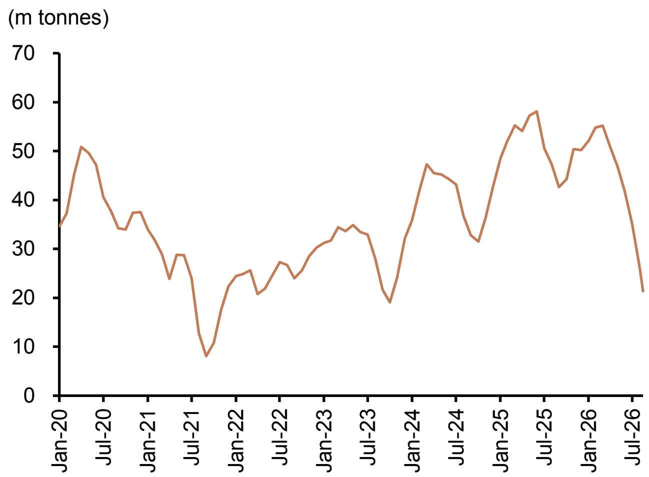
Source: Bloomberg

Ex 9: China Coal Imports



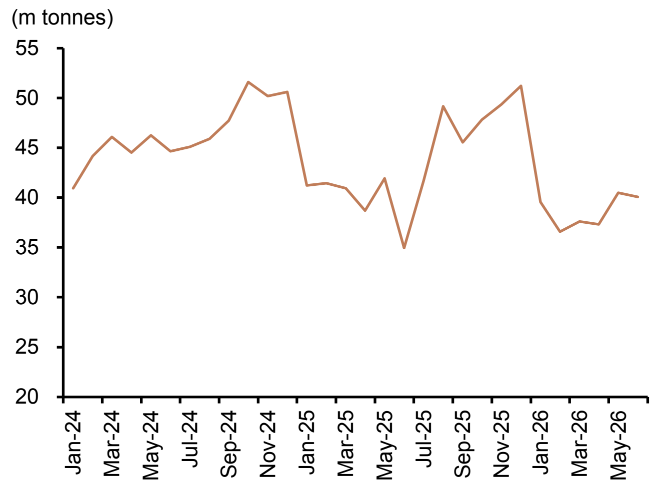
Source: Bloomberg

Ex 10: India Coal Inventory



Source: Bloomberg

Ex 11: Indonesia Monthly Coal Exports



Source: Bloomberg

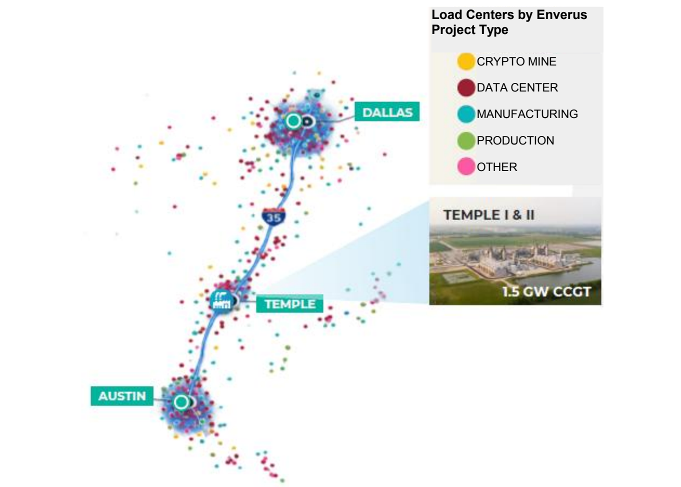
Strong US power plant business

BANPU's 62.8% stake in BKV provides exposure to a fast-growing US power market, driven by two key factors: higher utilization of existing plants and new capacity additions.

1) **Higher utilization of existing plants**: BKV owns 1,500MW of gas-fired Temple I-II plants in Texas, where we expect utilization to increase to 90% by 2029F from 59% in 2025, supported by strong ERCOT power demand, particularly from data centers. BKV expects to secure a long-term PPA with a data-center customer for the Temple projects by early 2027, which should provide greater earnings visibility.
2) **Capacity expansion:** BKV is accelerating development of Temple and Jack County as two parallel growth platforms, with a roadmap toward ~2.9GW of potential generation capacity from 1.5GW currently. This includes additional modular generation at Temple, expansion through Temple III, and development at Jack County. Notably, BKV has received air permits for up to 400MW of modular generation at Temple, double its initial ~200MW plan. Modular generation uses smaller, fast-to-deploy gas-fired units, allowing BKV to add power capacity in stages and respond more quickly to growing demand from data centers. At Jack County, development is also moving faster than expected, with a proposed 1.3GW gas-fired plant.

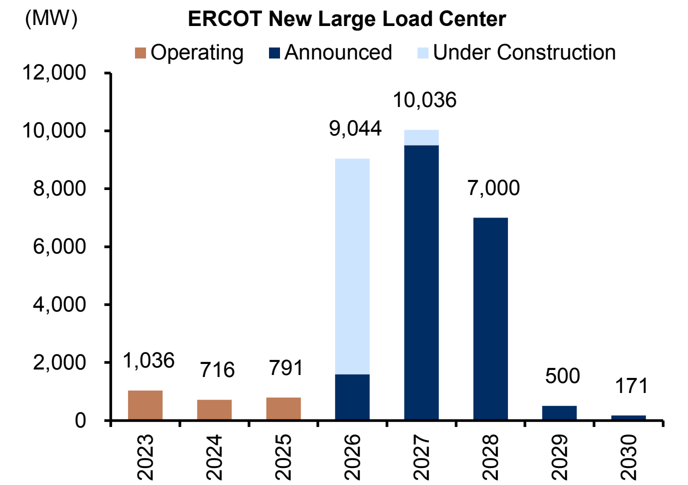
We see the accelerating development of Temple and Jack County, together with rising utilization of existing plants, as key growth drivers for BANPU's US power business.

Ex 12: BKV Located Near Demand Center



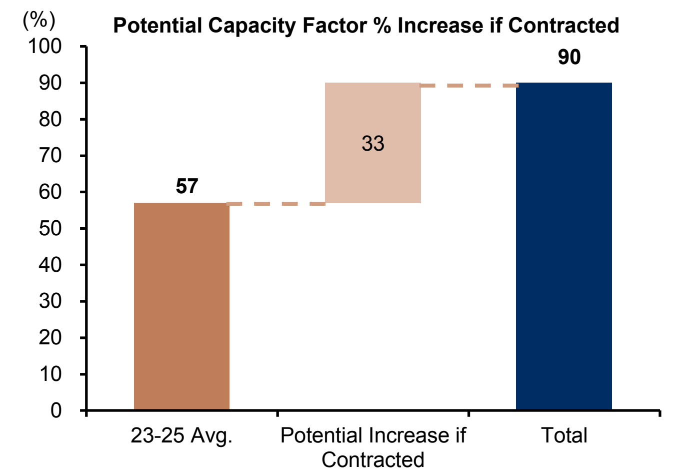
Source: Company data

Ex 13: Strong Power Demand In ERCOT's Market



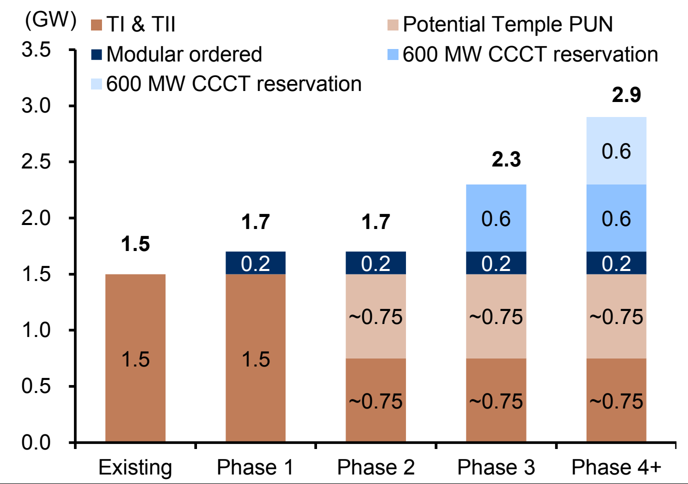
Source: Company data

Ex 14: Temple 1&2 Utilization Target



Source: Company data

Ex 15: BANPU's US Power Growth Plan



Source: Company data

Potential upside from the new PDP

Banpu has extensive experience in the power business.

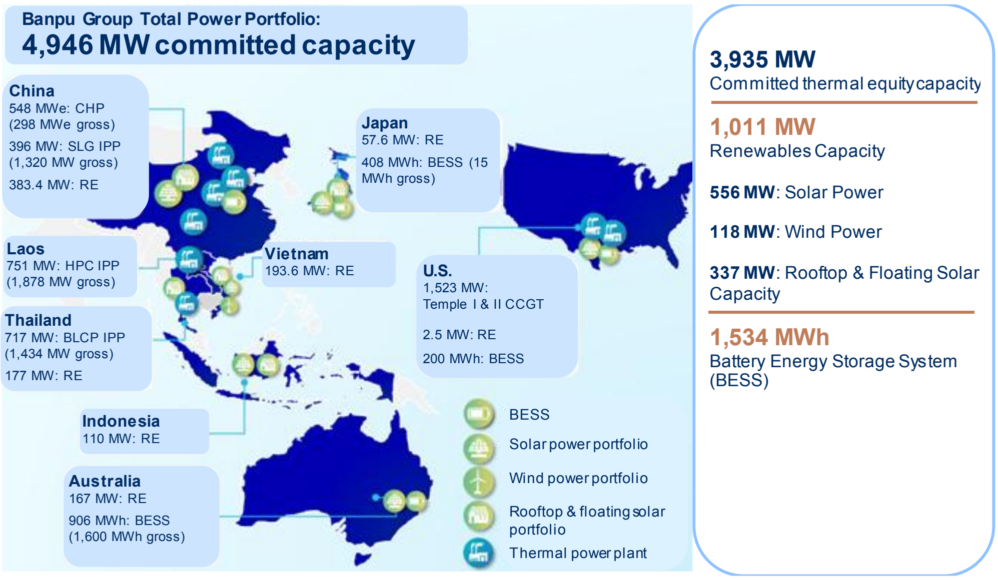
BANPU also has room to benefit from Thailand's new Power Development Plan (PDP) through the amalgamated Banpu Power business, particularly in renewable energy, direct PPA and battery energy storage systems (BESS). The group is interested in expanding its solar, direct PPA, and battery storage portfolio in Thailand, where it can leverage operational experience and capabilities from its overseas projects.

BLCP's PPA, which expires in 2032, could be extended.

In addition, BANPU's 50%-owned BLCP power plant could offer another growth avenue as its existing PPAs gradually expire from 2032 onward. Rather than simply marking the end of BLCP's earnings contribution, the expiry of these contracts could create an opportunity to recontract or redeploy the plant under Thailand's future power procurement framework, subject to government policy and the plant's competitiveness.

Overall, we see Thailand as a longer-term optionality for BANPU's power business, complementing its more immediate growth opportunities in the US.

Ex 16: Banpu's Power Portfolio



Sources: Company data

Ex 17: Thailand's Power Development Plan (GW)

Technology / Category	Period 1: Years 2026–2037	Period 2 (Fork in the Road): Years 2038–2050			PDP2026 to Net Zero: Years 2026–2050		
Sub-category	Common Transition Capacity	Net Zero by CCS	Net Zero by RE	Net Zero by RE&CCS	Net Zero by CCS	Net Zero by RE	Net Zero by RE&CCS
Total Capacity	**50.9**	**76.35**	**143.9**	**96.25**	**127.3**	**194.8**	**147.2**
Solar	24.3	4.59	37	16.59	28.89	61.3	40.89
Wind*	2.7	7.66	50	20.66	10.36	52.7	23.36
BESS	14.5	40	40.5	40.5	54.5	55	55
SMR	0.3	—	8.7	—	—	9	—
CCGT	9.1	15.4	7.7	9.8	24.5	16.8	18.9
CCS	—	32 $MtCO_2$	—	21 $MtCO_2$	32 $MtCO_2$	—	21 $MtCO_2$

Source: PDP

Ex 18: 12-month DCF-based TP Calculation, Using A Base Year Of 2027F

(Bt m)		2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F	Terminal Value
EBITDA		37,089	40,756	42,906	42,823	43,973	45,173	45,941	46,710	47,735	46,974	47,533	
Free cash flow		8,837	12,959	15,821	19,870	21,233	22,857	24,056	25,083	26,200	26,943	26,864	325,334
PV of free cash flow		8,084	10,840	12,103	13,902	13,587	13,374	12,872	12,275	11,727	11,027	10,055	121,772
Risk-free rate (%)	2.5												
Market risk premium (%)	8.0												
Beta	1.3												
WACC (%)	9.3												
Terminal growth (%)	1.0												
Enterprise value	251,617												
Net debt	137,592												
Minority interest	45,820												
Equity value	68,205												
# of shares	4,050												
Equity value / share	**17.0**												

Sources: Company data, ttb wealth estimates

Valuation Comparison

Ex 19: Comparison With Regional Peers

Company	Code	Country	EPS Growth 26F (%)	EPS Growth 27F (%)	PE 26F (x)	PE 27F (x)	P/BV 26F (x)	P/BV 27F (x)	EV/EBITDA 26F (x)	EV/EBITDA 27F (x)	Div. yield 26F (%)	Div. yield 27F (%)
New Hope Corp	NHC AU	Australia	(63.2)	113.4	34.6	16.2	2.1	2.1	10.4	7.3	4.2	4.9
Whitehaven Coal Ltd	WHC AU	Australia	15.6	63.5	26.7	16.3	1.1	1.1	5.8	4.9	1.2	1.8
China Shenhua Energy	601088 CH	China	12.3	1.3	16.0	15.8	2.1	2.1	9.2	9.1	4.8	4.7
Datong Coal Industry	601001 CH	China	14.6	15.5	13.2	11.4	1.4	1.3	4.6	4.0	3.6	4.1
Guizhou Panjiang Ref. Coal	600395 CH	China	179.6	16.5	20.0	17.2	1.0	1.0	12.0	10.5	2.1	2.5
Pingdingshan Tianan Coal	601666 CH	China	140.2	18.8	15.5	13.0	0.9	0.9	9.3	8.4	3.8	4.7
Yang Quan Coal Industry	600348 CH	China	34.0	14.2	14.4	12.7	0.9	0.9	10.4	9.3	3.4	4.0
Yanzhou Coal Mining	600188 CH	China	70.8	3.6	11.9	11.5	1.9	1.7	6.4	6.4	4.2	3.9
China Coal Energy	1898 HK	Hong Kong	16.8	5.5	7.7	7.3	0.8	0.8	5.3	5.1	4.4	4.6
Indo Tambangraya Megah	ITMG IJ	Indonesia	12.8	7.7	7.6	7.1	0.8	0.8	2.8	2.7	7.1	8.2
Bukit Asam Tbk PT	PTBA IJ	Indonesia	114.1	(1.1)	7.2	7.3	1.4	1.3	4.1	4.1	7.5	8.6
Semirara Mining Corp.	SCC PM	Philippines	14.2	(2.1)	5.0	5.1	1.2	1.2	2.5	2.7	11.4	13.8
BKV Crop.	BKV US	USA	1.7	13.9	15.3	13.4	na	na	6.4	6.0	na	na
Banpu Pcl *	BANPU TB	Thailand	635.5	20.1	17.9	14.9	0.4	0.4	6.7	5.1	5.0	4.0
Average			**85.6**	**20.8**	**15.2**	**12.1**	**1.2**	**1.2**	**6.9**	**6.1**	**4.8**	**5.4**

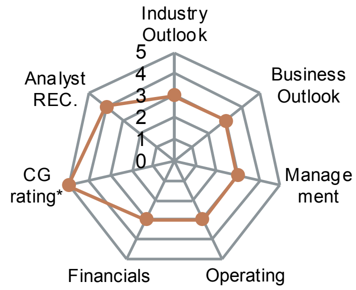
Sources: Bloomberg
Note: * ttb wealth estimates, using ttb wealth normalized EPS
Based on 15 September 2026 closing prices

COMPANY DESCRIPTION

Banpu Pcl (BANPU) is a leading regional energy company. It operates coal mines in Indonesia, Australia, and China. It also has investments in the power businesses in Thailand, Laos, China, and Japan. In recent years, BANPU has significantly expanded its footprint in US shale gas and invested in new energy businesses, including battery (Durapower) and EV (Fomm).

Source: ttb wealth

COMPANY RATING



Rating Scale

Excellent	**5**
Good	**4**
Fair	**3**
Weak	**2**
Very Weak	**1**
None	**0**

Source: ttb wealth; *CG Rating

TTB WEALTH'S SWOT ANALYSIS

S — Strength

- Strong footprint in key coal-exporting countries (Australia, Indonesia).
- Large and growing gas operations in the US.

W — Weakness

- BANPU still relies heavily on coal despite efforts to diversify into cleaner energy.
- Relatively high financial leverage.

O — Opportunity

- BANPU could look to grow its US shale gas business after establishing a firm footing.
- New energy businesses such as lithium-ion battery and nickel mining offer strong growth potential.

T — Threat

- Regulatory risk and environmental concerns.
- High coal and gas prices could accelerate the global transition away from these fuels.

CONSENSUS COMPARISON

	Consensus	ttb wealth	Diff
Target price (Bt)	17.10	17.00	-1%
Net profit 26F (Bt m)	4,602	4,526	-2%
Net profit 27F (Bt m)	4,002	3,976	-1%
Consensus REC	**BUY: 5**	**HOLD: 4**	**SELL: 0**

HOW ARE WE DIFFERENT FROM THE STREET?

- Our 2026F profits are broadly in line with the Street's.
- Consequently, our TP is also in line with the Bloomberg consensus number.

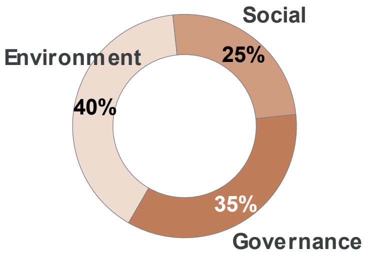
Sources: Bloomberg consensus, ttb wealth estimates

RISKS TO OUR INVESTMENT CASE

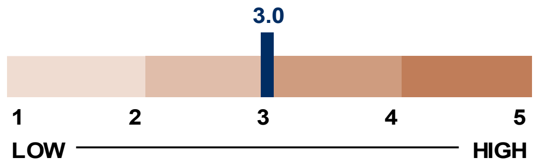
- A lower-than-expected coal or gas price environment would present the key downside risk to our earnings and TP.
- Lower-than-expected growth in the power business would present a secondary downside risk to our TP.
- Slower-than-expected ramp-up of CCUS project expansion.

Source: ttb wealth

ESG Weighting



ESG Rating



	SET ESG Index	SET ESG (BBB-AAA)	DJSI Index	ttb wealth ESG Rating (1.0-5.0)	MSCI (CCC-AAA)	ESG Book (0-100)	CG Rating (0-5)
BANPU	YES	AAA	YES	3.04	0	69.19	5.0

Sources: SETTRADE, SET ESG Index, SET ESG Rating, The Dow Jones Industrial Average (DJSI)
MSCI ESG Research LLC, ESG Book, Thai IOD (CG rating)
Note: Please see third party on “terms of use” toward the back of this report.

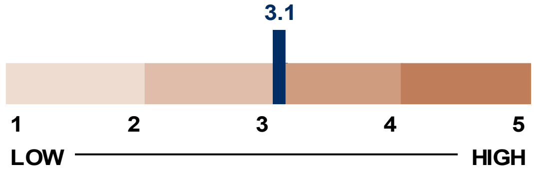
ESG Summary

- BANPU operates coal mines in Indonesia, Australia, and China, produces natural gas in the US, and runs power plants across Asia and the US. We view BANPU as one of the few listed Thai companies that has successfully expanded into the US, with its US gas platform serving as a key long-term growth driver.
- We assign BANPU a decent ESG score of 3.0, comprising 3.3 for Social (S), 3.1 for Environment (E), and a moderate 2.9 for Governance (G).
- While BANPU still has meaningful coal exposure (50% of EBITDA in 2025), the ratio fell from 69% in 2022. As future growth will come from non-coal businesses, we expect the ratio to fall to 40% by 2028.
- Growth areas are the expansion of natural gas, power plants, and carbon capture, utilization, and storage (CCUS) businesses. CCUS is a key initiative to reduce carbon emissions and support its net-zero target by 2050.
- The company has made solid progress in its transition strategy, achieving 50% of EBITDA from non-coal businesses in 2025, earlier than its 2030 target.
- Key risks include a relatively high net D/E ratio of 1.1x in 2025, a loss-making Australian coal mine, and energy price volatility. BANPU mitigates these risks through hedging and by expanding its more stable power generation business.

Sector: Resources | Energy & Utilities

We assign BANPU a decent E score of 3.1. This reflects a balance between still-high coal exposure and a sustainably declining trend from expansion in non-coal businesses, including US power and CCUS.

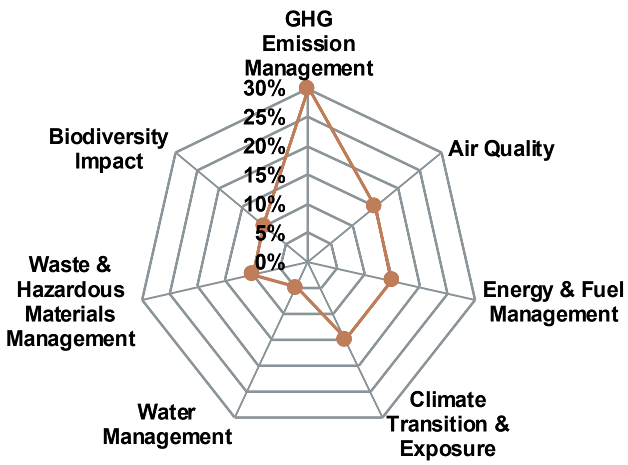
Environment (E) Rating



ENVIRONMENT	Our Comments

- **Air Quality**
- **Biodiversity Impact**
- **Climate Transition & Exposure**
- **Energy & Fuel Management**
- **GHG Emission Management**
- **Water Management**
- **Waste & Hazardous Materials Management**

SCALE WEIGHTING



- We assign BANPU a decent E score of 3.1. While the company still has meaningful coal exposure, it has been actively diversifying away from coal and demonstrates a relatively strong commitment to decarbonization.
- BANPU targeted over 50% of EBITDA from non-coal businesses by 2030, a milestone already achieved in 2025. We expect the non-coal share to rise further, driven mainly by growth in US power and CCUS. To support this transition, over 90% of new investments are directed toward natural gas, renewables (wind and solar), and energy technologies such as batteries and carbon capture.
- The company targets a 20% reduction in Scope 1 and 2 emissions from 2023 levels by 2030 and net zero by 2050. It has established decarbonization pathways across business units, supported by annual targets and a formal tracking framework, focusing on solutions such as gas-fired power with CCUS, battery energy storage systems, and carbon credits.
- BANPU is also developing its Carbon Capture, Utilization and Storage (CCUS) platform, with a capacity of 183,000 tonnes in 2025. The company plans to scale this to 1.5m tonnes by 2028 and 16m tonnes by 2030, leveraging its position as a US shale gas producer.
- Operationally, BANPU continues to reduce emissions across its assets. In 2025, about 173,000 tonnes of emission reduction came from its Next-Gen mining business, driven by biogenic diesel use (+5%), solar PV at the Truba mine (Indonesia), and methane utilization for power generation at the Mandalong mine (Australia). In the power business, an additional ~221,000-tonne reduction was achieved through biomass co-firing, energy efficiency improvements, lower generation, and participation in emission trading schemes.
- In 1Q26, the company further strengthened its climate framework by expanding emission-reduction initiatives, aligning annual targets with a tracking system, and updating internal carbon pricing to guide climate-aligned investments under its net-zero roadmap.

Sources: ttb wealth, Company data

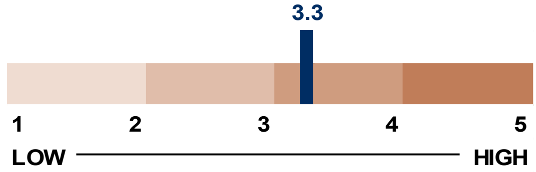
BANPU

Social Report

Sector: Resources | Energy & Utilities

We assign BANPU a decent S score of 3.30, reflecting solid employee engagement and stable community relations. Safety performance has been mixed, with some safety targets met while others missed, indicating room for improvement.

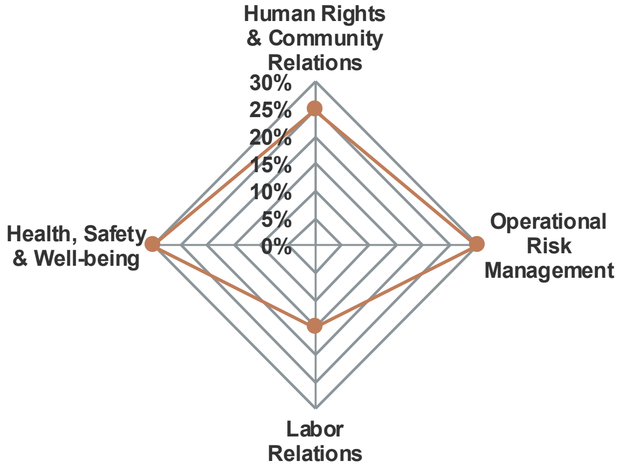
Social (S) Rating



SOCIAL	Our Comments

- **Human Rights & Community Relations**
- **Health, Safety & Well-being**
- **Labor Relations**
- **Operational Risk Management**

SCALE WEIGHTING



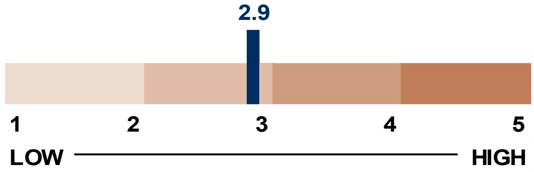
- We assign BANPU a decent S score of 3.30, reflecting solid employee engagement, relatively stable community relations, and strong operations. BANPU has run operations smoothly across regions without major incidents and maintains a positive environment and strong community engagement.
- In 2024, BANPU strengthened its “Banpu Heart” corporate culture, promoting cross-country collaboration and inclusive activities. Employee engagement remains strong, with the Employee Engagement Level Score reaching 80%, supported by initiatives such as The Stories of Banpu People and the global Banpu Change Leaders network.
- The company maintains a structured human capital development framework, with 77% of employees covered by Individual Development Plans, alongside training roadmaps by job level and leadership initiatives such as the Banpu Global Leadership Program to develop future leaders.
- On safety, BANPU targets zero occupational fatalities and zero process safety events. In 2024, the employee lost time injury frequency rate was 1.44, meeting the target, while the total recordable injury frequency rate was 13.83 for employees and 0.73 for non-employees, both missing targets, indicating room for improvement in safety performance.
- BANPU also runs community development programs, including scholarships, local economic development, and youth skills training, with community satisfaction at 73% across development projects.
- The company follows the United Nations Guiding Principles on Business and Human Rights and conducts risk assessments every three years to manage potential impacts from its operations.

Sources: ttb wealth, Company data

Sector: Resources | Energy & Utilities

We assign BANPU a moderate G score of 2.9, reflecting solid governance overall but a weak board structure. The company reported zero significant compliance violations in 2024 and fully integrated Environmental, Social, and Governance issues into its risk management framework.

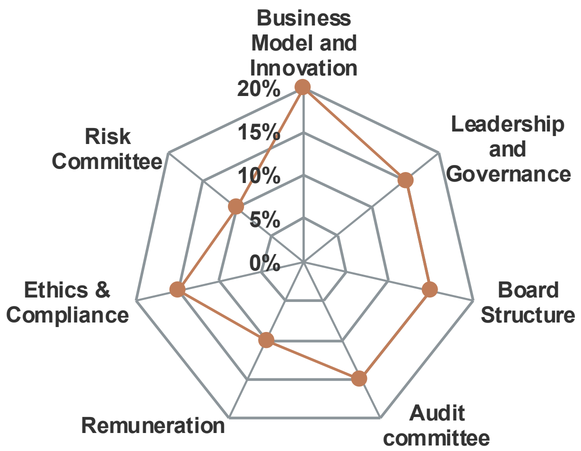
Governance (G) Rating



GOVERNANCE & SUSTAINABILITY

- **Audit committee**
- **Board Structure**
- **Business Model and Innovation**
- **Ethics & Compliance**
- **Leadership and Governance**
- **Remuneration**
- **Risk Committee**

SCALE WEIGHTING



Our Comments

- We assign BANPU a G score of 2.9, reflecting generally solid governance practices and improving business sustainability via increasing non-coal investment, which is partly offset by a weak board structure.
- BANPU's board chair, Mr. Chanin Vongkusolkit, is a founding family member and not an independent member. Its board comprises 13 directors, of whom five are independent, below the ideal two/thirds independence threshold. However, the company has appointed a lead independent director, Mr. Teerana Bhongmakapa, to help ensure balanced agenda-setting and oversight at board meetings.
- The company has established an ESG committee, consisting of four independent directors, to support the board's oversight of sustainability and ESG matters. In addition, 100% of material ESG issues are incorporated into key performance indicators for the chief executive officer and senior management across all business units.
- In 2024, BANPU reported zero significant non-compliance cases, fines, or non-monetary sanctions. ESG issues were also fully integrated into its enterprise risk management framework, in line with the company's target.
- BANPU also promotes innovation and operational resilience through the UnBox iDeas program, supported by the Banpu Innovation Group Committee and platforms such as the Thailand Innovation Awards and Banpu Global Innovation Awards. Key initiatives include Barnett Zero by BKV in the US, which aims to reduce emissions from natural gas production, and Infinite Café by Banpu NEXT in Thailand, a net-zero concept powered by solar and battery storage.
- On the business risk side, BANPU remains exposed to volatility in coal and gas prices. Leverage is relatively high following its costly Australian coal mine acquisition, and earnings are pressured by the high-cost operations. The company aims to mitigate these risks through hedging and by gradually diversifying away from coal.

Sources: ttb wealth, Company data

We expect multi-year earnings growth

We forecast leverage to decline given its high profit and FCF

INCOME STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Sales	181,549	173,423	185,398	189,864	194,163
Cost of sales	137,559	134,094	146,772	144,381	145,833
Gross profit	**43,991**	**39,329**	**38,626**	**45,483**	**48,330**
% gross margin	24.2%	22.7%	20.8%	24.0%	24.9%
Selling & administration expenses	33,231	32,080	30,737	31,465	32,166
Operating profit	**10,760**	**7,249**	**7,888**	**14,018**	**16,164**
% operating margin	5.9%	4.2%	4.3%	7.4%	8.3%
Depreciation & amortization	22,742	20,448	21,552	23,072	24,592
EBITDA	**33,501**	**27,697**	**29,440**	**37,089**	**40,756**
% EBITDA margin	18.5%	16.0%	15.9%	19.5%	21.0%
Non-operating income	8,956	6,305	5,514	3,200	3,200
Non-operating expenses	0	0	0	0	0
Interest expense	(14,166)	(11,862)	(11,826)	(11,934)	(11,645)
Pre-tax profit	**5,549**	**1,692**	**1,576**	**5,284**	**7,719**
Income tax	4,193	2,375	1,876	4,317	5,241
After-tax profit	**1,356**	**(683)**	**(299)**	**967**	**2,478**
% net margin	0.7%	-0.4%	-0.2%	0.5%	1.3%
Shares in affiliates' Earnings	6,930	4,166	5,426	5,509	5,384
Minority interests	(4,742)	(3,033)	(1,817)	(2,500)	(2,722)
Extraordinary items	213	(1,666)	1,216	0	0
NET PROFIT	**3,756**	**(1,216)**	**4,526**	**3,976**	**5,139**
Normalized profit	**3,543**	**450**	**3,310**	**3,976**	**5,139**
EPS (Bt)	0.93	(0.30)	1.12	0.98	1.27
Normalized EPS (Bt)	0.87	0.11	0.82	0.98	1.27

BALANCE SHEET

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
ASSETS:					
Current assets:	93,483	102,592	116,734	123,059	129,548
Cash & cash equivalent	57,947	62,147	72,147	77,147	82,147
Account receivables	16,737	16,751	20,318	21,327	22,342
Inventories	4,973	6,084	6,660	6,551	6,617
Others	13,827	17,610	17,610	18,034	18,443
Investments & loans	80,196	83,301	83,301	83,301	83,301
Net fixed assets	145,492	152,556	150,004	145,932	140,341
Other assets	102,256	101,857	101,857	101,857	101,857
Total assets	**421,427**	**440,306**	**451,896**	**454,150**	**455,047**
LIABILITIES:					
Current liabilities:	91,637	86,197	82,441	81,668	80,748
Account payables	4,774	5,518	6,040	5,941	6,001
Bank overdraft & ST loans	29,899	29,440	26,119	25,905	25,278
Current LT debt	35,422	28,494	25,280	25,073	24,466
Others current liabilities	21,542	22,746	25,001	24,748	25,003
Total LT debt	**148,618**	**178,467**	**158,339**	**157,042**	**153,239**
Others LT liabilities	21,385	21,098	22,726	23,239	23,731
Total liabilities	**261,640**	**285,763**	**263,507**	**261,948**	**257,719**
Minority interest	46,884	44,003	45,820	48,320	51,042
Preferreds shares	0	0	0	0	0
Paid-up capital	10,019	10,019	40,496	40,496	40,496
Share premium	39,062	39,062	39,062	39,062	39,062
Warrants	0	0	0	0	0
Surplus	(33,017)	(31,145)	(31,145)	(31,145)	(31,145)
Retained earnings	**96,839**	**92,605**	**94,157**	**95,469**	**97,874**
Shareholders' equity	112,903	110,540	142,569	143,881	146,286
Liabilities & equity	**421,427**	**440,306**	**451,896**	**454,150**	**455,047**

Sources: Company data, ttb wealth estimates

BANPU plans capex for the expansion of its non-coal businesses

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Earnings before tax	5,549	1,692	1,576	5,284	7,719
Tax paid	(3,790)	(2,762)	(1,651)	(4,391)	(5,176)
Depreciation & amortization	22,742	20,448	21,552	23,072	24,592
Chg In w orking capital	2,645	(381)	(3,620)	(1,000)	(1,021)
Chg In other CA & CL / minorities	27,151	87	7,457	4,906	5,166
Cash flow from operations	**54,297**	**19,083**	**25,314**	**27,870**	**31,279**
Capex	(10,746)	(27,512)	(19,000)	(19,000)	(19,000)
Right of use	34	(1,643)	0	0	0
ST loans & investments	0	0	0	0	0
LT loans & investments	(2,543)	(3,105)	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	(4,848)	785	(2,999)	512	493
Cash flow from investments	**(18,103)**	**(31,474)**	**(21,999)**	**(18,488)**	**(18,507)**
Debt financing	(11,464)	17,738	(20,819)	(1,719)	(5,037)
Capital increase	0	0	30,477	0	0
Dividends paid	(3,806)	(2,404)	(2,974)	(2,664)	(2,735)
Warrants & other surplus	(13,428)	1,871	0	0	0
Cash flow from financing	**(28,698)**	**17,205**	**6,685**	**(4,382)**	**(7,772)**
Free cash flow	**36,194**	**(12,391)**	**3,315**	**9,382**	**12,772**

We believe BANPU trades at decent valuations vs. its earnings growth

VALUATION

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Normalized PE (x)	16.7	131.4	17.9	14.9	11.5
Normalized PE - at target price (x)	19.4	153.0	20.8	17.3	13.4
PE (x)	15.7	na	13.1	14.9	11.5
PE - at target price (x)	18.3	na	15.2	17.3	13.4
EV/EBITDA (x)	6.4	8.4	6.7	5.1	4.4
EV/EBITDA - at target price (x)	6.7	8.8	7.0	5.4	4.7
P/BV (x)	0.5	0.5	0.4	0.4	0.4
P/BV - at target price (x)	0.6	0.6	0.5	0.5	0.5
P/CFO (x)	1.1	3.1	2.3	2.1	1.9
Price/sales (x)	0.3	0.3	0.3	0.3	0.3
Dividend yield (%)	5.1	5.1	5.0	4.0	5.2
FCF Yield (%)	61.2	(21.0)	5.6	15.9	21.6
(Bt)					
Normalized EPS	0.87	0.11	0.82	0.98	1.27
EPS	0.93	(0.30)	1.12	0.98	1.27
DPS	0.74	0.74	0.73	0.59	0.76
BV/share	27.88	27.30	35.21	35.53	36.12
CFO/share	13.41	4.71	6.25	6.88	7.72
FCF/share	8.94	(3.06)	0.82	2.32	3.15

Sources: Company data, ttb wealth estimates

With our higher profit forecasts, we expect ROE to trend up, too

FINANCIAL RATIOS

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Growth Rate					
Sales (%)	1.1	(4.5)	6.9	2.4	2.3
Net profit (%)	3,482.1	na	na	(12.2)	29.3
EPS (%)	3,204.8	na	na	(12.2)	29.3
Normalized profit (%)	53.8	(87.3)	635.5	20.1	29.3
Normalized EPS (%)	41.9	(87.3)	635.5	20.1	29.3
Dividend payout ratio (%)	80.0	(247.2)	65.0	60.0	60.0
Operating performance					
Gross margin (%)	24.2	22.7	20.8	24.0	24.9
Operating margin (%)	5.9	4.2	4.3	7.4	8.3
EBITDA margin (%)	18.5	16.0	15.9	19.5	21.0
Net margin (%)	0.7	(0.4)	(0.2)	0.5	1.3
D/E (incl. minor) (x)	1.3	1.5	1.1	1.1	1.0
Net D/E (incl. minor) (x)	1.0	1.1	0.7	0.7	0.6
Interest coverage - EBIT (x)	0.8	0.6	0.7	1.2	1.4
Interest coverage - EBITDA (x)	2.4	2.3	2.5	3.1	3.5
ROA - using norm profit (%)	0.8	0.1	0.7	0.9	1.1
ROE - using norm profit (%)	2.9	0.4	2.6	2.8	3.5
DuPont					
ROE - using after tax profit (%)	1.1	na	na	0.7	1.7
- asset turnover (x)	0.4	0.4	0.4	0.4	0.4
- operating margin (%)	10.9	7.8	7.2	9.1	10.0
- leverage (x)	3.6	3.9	3.5	3.2	3.1
- interest burden (%)	28.1	12.5	11.8	30.7	39.9
- tax burden (%)	24.4	na	na	18.3	32.1
WACC (%)	9.3	9.3	9.3	9.3	9.3
ROIC (%)	0.9	(1.1)	(0.5)	0.9	1.9
NOPAT (Bt m)	2,629	(2,928)	(1,498)	2,565	5,189
invested capital (Bt m)	268,895	284,794	280,162	274,755	267,123

Sources: Company data, ttb wealth estimates

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Stock Exchange Has prepared the results of evaluating sustainable stocks which are stocks of listed companies (SETESG Rating) as an alternative for investors who want to invest in stocks of listed companies that are outstanding in ESG, including to support listed companies with operations. sustainable business Taking into account all stakeholders in both social and environmental aspects. There is a management process to create sustainability for the organization, such as risk management. Supply chain management and innovation development. Therefore, the SETESG index was created to be an index that reflects the price movement of a group of securities. of companies with sustainable business operations that meet the required size and liquidity criteria

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Score range	Description
CCC - B	**LAGGARD:** A company lagging its industry based on its high exposure and failure to manage significant ESG risks
BB - BBB - A	**AVERAGE :** A company with a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers
AA - AAA	**LEADER:** A company leading its industry in managing the most significant ESG risks and opportunities

The Dow Jones Sustainability Indices (DJSI)
The Dow Jones Sustainability Indices (DJSI) are a family of best-in-class benchmarks for investors who have recognized that sustainable business practices are critical to generating long-term shareholder value and who wish to reflect their sustainability convictions in their investment portfolios. The family was launched in 1999 as the first global sustainability benchmark and tracks the stock performance of the world's leading companies in terms of economic, environmental and social criteria. Created jointly by S&P Dow Jones Indices and SAM, the DJSI combine the experience of an established index provider with the expertise of a specialist in Sustainable Investing to select the most sustainable companies from across 61 industries. The indices serve as benchmarks for investors who integrate sustainability considerations into their portfolios, and provide an effective engagement platform for investors who wish to encourage companies to improve their corporate sustainability practices.

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90-100	△△△△△	Excecellent
80-89	△△△△	Very Good
70-79	△△△	Good
60-69	△△	Satisfactory
50-59	△	Pass
Below		N/A

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For sectors, an “Overweight” sector weighting is used when we have BUYs on majority of the stocks under our coverage by market cap. “Underweight” is used when we have SELLs on majority of the stocks we cover by market cap. “Neutral” is used when there are relatively equal weightings of BUYs and SELLs.

ttb wealth securities public company limited.

Research Team
18 Floor, MBK Tower
444 Phayathai Road, Pathumwan Road, Bangkok 10330
Tel: 662 - 779-9119
Email: research@ttbwealth.co.th

Pimpaka Nichgaroon, CFA
Head of Research, Strategy
pimpaka.nic@ttbwealth.co.th

Nuttapop Prasitsuksant
Food & Beverage, Telecom, Utilities
nuttapop.pra@ttbwealth.co.th

Rawisara Suwanumphai
Bank, Finance
rawisara.suw@ttbwealth.co.th

Yupapan Polpornprasert
Energy, Petrochemical
yupapan.pol@ttbwealth.co.th

Sittichet Rungrassameephat
Analyst, Retail Market Strategy
sittichet.run@ttbwealth.co.th

Adisak Phupiphathirungul, CFA
Retail Market Strategy
adisak.phu@ttbwealth.co.th

Pattadol Bunnak
Electronics, Retail, Shipping
pattadol.bun@ttbwealth.co.th

Saksid Phadthananarak
Construction, Transportation
saksid.pha@ttbwealth.co.th

Chod Reankittiwat, CFA
Assistant Analyst
chod.rea@ttbwealth.co.th

Thaloengsak Kucharoenpaisan
Analyst, Retail Market Strategy
thaloengsak.kuc@ttbwealth.co.th

Pattarawan Wangmingmat
Senior Technical Analyst
pattarawan.wan@ttbwealth.co.th

Rata Limsuthiwanpoom
Auto, Industrial Estate, Media, Property, REITs
rata.lim@ttbwealth.co.th

Siriporn Arunothai
Small Cap, Healthcare, Hotel
siriporn.aru@ttbwealth.co.th

Nariporn Klangpremchitt, CISA
Analyst, Retail Market Strategy
nariporn.kla@ttbwealth.co.th

Witchanan Tambamroong
Technical Analyst
witchanan.tam@ttbwealth.co.th