

Geo Energy Resources Ltd

Production jumps 113% YoY

SINGAPORE | COMMODITIES | 1Q25 UPDATE

- 1Q25 results were above expectations. Revenue and PATMI were both 31% of our FY25e forecast. Net profit increased 63% YoY to US\$14.1mn. Coal sales and production rose 94% and 113% YoY, respectively, in 1Q25. Production jumped due to better weather conditions, advanced overburden, and improving infrastructure.
- Construction of the new 92km US\$150mn hauling road and jetty is progressing to schedule. With 65% of the land clearing completed, the road is on track for completion by mid-2026. There is strong interest in both the equity and access to this road infrastructure.
- Earnings and production are tracking ahead of our forecast. We are maintaining our FY25e earnings given the volatility in coal prices. Our DCF target price of S\$0.47 and BUY recommendation are maintained. Geo is enjoying a considerable rebound in production in FY25e. Completion of the new hauling road next year will drive 1) another 50% jump in production by FY27e; 2) generate toll revenue from the usage of the road by other miners. Interim dividend jumped 25% to 0.25 cents.

Results at a glance

USD '000	1Q25	1Q24	YoY	Comments
Revenue	166,407	98,963	68.2%	
Gross profit	28,507	16,716	70.5%	
Admin. Exp.	-4,922	-3,460	42.3%	
PAT	14,132	8,658	63.2%	
Gross Margins	17.1%	15.6%	9.9%	
Sales (mn tonnes)	3.5	1.8	94.4%	
Production (mn tonnes)	3.2	1.5	113.3%	TBR jumped 0.9mn to 2.2mn tonnes.
ASP (US\$/tonne)	47.0	54.7	-14.1%	
Cash cost (US\$/tonne)	35.8	41.5	-13.7%	Lower strip ratio at TBR.
DPS - Interim (cts)	0.25	0.20	25.0%	19% payout ratio.

Source: Company, PSR

The Positive

+ Production more than doubled. 1Q25 production jumped 113% to 3.2mn tonnes. The drivers to production were better weather conditions, advanced overburden, and improving infrastructure. TBR mine led the growth in production with 144% spike from 0.9mn to 2.2mn tonnes. We believe the large pre-stripping last year contributed to the production jump.

+ Decline in production cash cost. Cash cost declined US\$5.7 per tonne or 14% YoY due to the lower strip ratio of the TBR mine. TBR mine strip ratio declined from 3.6x to 2.1x. Part of the production cost is also tied to a lower coal selling price.

The Negative

- Drop in coal selling prices. Indonesian coal prices have been sliding from around US\$55 last year to the current level of US\$47 per metric ton. A combination of higher domestic production and warmer weather in China has resulted in softer imports.

Outlook

Geo's coal production is tracking ahead of its guidance of 10.5-11.5mn tonnes, implying a 35% to 47% production growth. The key risk to our forecast is thermal coal prices. We maintain our forecast due to the volatility in coal prices. Construction of the hauling road and jetty is progressing well and on schedule. Handling local issues is the typical daily challenge, for which Geo has a track record after constructing greenfield SBR and TDJ mines.

Maintain BUY with unchanged TP of S\$0.47



StocksBnB.com

19 May 2025

BUY (IMaintained)

CLOSING PRICE	SGD 0.360
FORECAST DIV	SGD 0.012
TARGET PRICE	SGD 0.470
TOTAL RETURN	33.9%

COMPANY DATA

Bloomberg CODE:	GERL SP Equity
O/S SHARES (MN) :	1,415
MARKET CAP (USD mn / SGD mn) :	388 / 502
52 - WK HI/LO (SGD) :	0.38 / 0.24
3M Average Daily T/O (mn) :	8.72

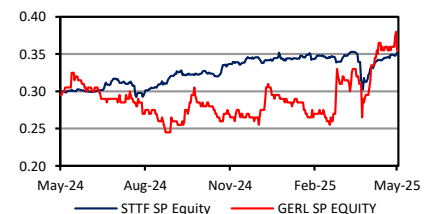
MAJOR SHAREHOLDERS

Charles Antony Melati	17.9%
Mastr Resources	15.4%
Heah Theare Haw	7.2%
Resources Invest AG	6.8%

TOTAL PERFORMANCE (%)

	1MTH	3MTH	YTD
COMPANY	17.7	32.9	21.7
STTF RETURN	8.5	1.7	4.7

PRICE VS. STTF



Source: Bloomberg, PSR

KEY FINANCIALS

Y/E Dec, US\$m	FY23	FY24	FY25e	FY26e
Revenue	489	402	542	616
EBITDA	80.5	60.0	99.9	101.9
Net Profit	62.0	37.1	46.2	56.1
Adj. PATMI	51.0	24.7	46.2	56.1
EPS (SGD cents)	4.8	2.4	4.4	5.4
P/E (X) - Adj.	7.5	15.1	8.2	6.7
Dividend Yield	5.6%	2.8%	3.3%	3.9%
ROE	13.7%	7.1%	8.3%	9.5%
ROA	8.3%	3.8%	4.4%	5.1%

Source: Company, PSR

VALUATION METHOD

DCF @ 12% discount rate

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Financials

Income Statement

Y/E Dec, USD mn	FY22	FY23	FY24	FY25e	FY26e
Revenue	733.5	489.0	401.9	541.5	616.0
Gross profit	272.1	79.2	52.6	95.8	109.2
EBITDA	253.6	80.5	60.0	99.9	101.9
Depreciation & amortisation	(15.5)	(13.0)	(14.1)	(14.5)	(14.3)
EBIT	238.9	57.2	30.4	69.8	81.5
Net Finance Inc/(Exp)	2.0	0.6	(14.0)	(14.8)	(12.8)
Profit before tax	237.8	89.2	43.2	58.9	72.2
Taxation	(74.3)	(26.5)	(5.9)	(11.8)	(14.4)
Minority interest	(2.0)	(0.8)	(0.1)	(0.9)	(1.7)
PATMI	161.6	62.0	37.1	46.2	56.1
Adj. PATMI	153.2	51.0	24.7	46.2	56.1

Per share data (SGD Cents)

Y/E Dec	FY22	FY23	FY24	FY25e	FY26e
EPS, Adjusted	14.7	4.8	2.4	4.4	5.4
DPS	10.0	2.0	1.0	1.2	1.4
BVPS	39.0	39.4	43.5	45.9	49.5

Cash Flow

Y/E Dec, USD mn	FY22	FY23	FY24	FY25e	FY26e
CFQ					
Profit before tax	237.8	89.2	43.2	58.9	72.2
Adjustments	35.8	(10.5)	25.7	41.6	30.2
WC changes	(20.2)	(69.2)	19.7	30.3	2.2
Cash generated from ops	253.4	9.5	88.5	130.8	104.7
Tax paid	(83.5)	(55.1)	(17.8)	(11.8)	(14.4)
Cashflow from ops	169.9	(45.6)	70.7	119.0	90.3
CFI					
CAPEX, net	(2.9)	(8.9)	(5.9)	(6.0)	(5.0)
Others	0.7	(179.1)	(43.2)	(36.0)	5.1
Cashflow from investments	(2.2)	(188.0)	(49.1)	(42.0)	0.1
CFE					
Share issuance, net	0.1	-	-	-	-
Loans, net of repayments	(0.4)	217.9	(24.6)	(28.8)	(29.9)
Dividends	(101.7)	(56.4)	(10.4)	(15.4)	(18.2)
Others	(17.6)	(24.4)	(5.2)	-	-
Cashflow from financing	(119.6)	137.1	(40.2)	(44.2)	(48.2)
Net change in cash	48.0	(96.4)	(18.6)	32.8	42.2
CCE, end	232.0	135.8	116.5	149.3	191.5

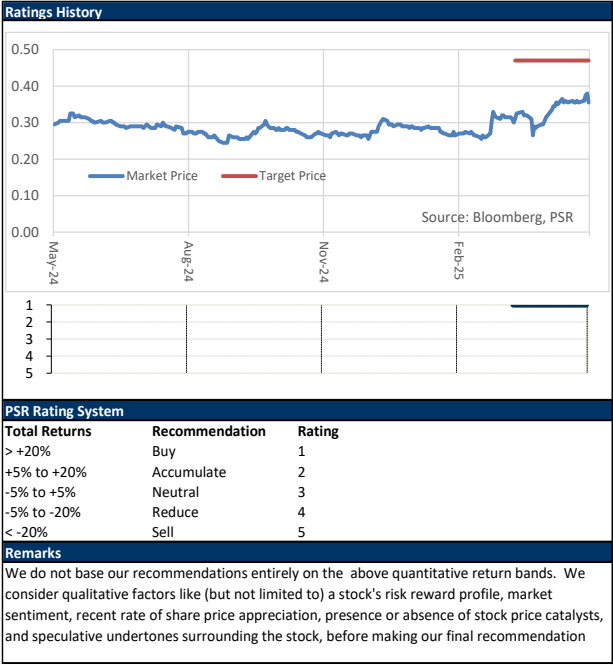
Source: Company, Phillip Securities Research (Singapore) Estimates

Balance Sheet

Y/E Dec, USD mn	FY22	FY23	FY24	FY25e	FY26e
ASSETS					
Trade and other receivables	61.8	75.7	113.0	108.3	123.2
Cash	234.1	135.8	118.1	150.9	193.1
Inventories	31.0	46.4	34.4	37.9	43.1
Others	12.0	48.3	52.2	52.2	52.2
Total current assets	338.8	306.2	317.6	349.3	411.6
PPE	115.7	444.3	484.6	476.1	466.8
Others	108.5	186.9	215.6	243.3	240.2
Total non-current assets	224.2	631.2	700.2	719.4	707.0
Total Assets	563.0	937.4	1,017.9	1,068.7	1,118.6
LIABILITIES					
Accounts payable	121.0	95.2	133.3	162.5	184.8
Bank borrowings	0.4	10.7	19.8	19.8	19.8
Other payables	14.3	1.3	1.0	1.0	1.0
Others	0.0	15.5	5.7	5.7	5.7
Total current liabilities	135.6	122.6	159.9	189.0	211.3
Deferred tax liabilities	13.1	86.2	102.7	102.7	102.7
Long-term borrowings	3.0	215.6	208.3	198.3	186.3
Others	3.0	13.4	7.1	7.1	7.1
Total non-current liabilities	19.1	315.1	318.0	308.0	296.0
Total Liabilities	154.7	437.8	477.9	497.0	507.3
Equity					
Share capital	109.5	109.5	109.5	109.5	109.5
Shareholder Equity	408.3	499.6	540.0	571.7	611.3

Valuation Ratios

Y/E Dec	FY22	FY23	FY24	FY25e	FY26e
P/E (X) - Adj.	2.5	7.5	15.1	8.2	6.7
P/B (X)	0.9	0.9	0.8	0.8	0.7
EV/EBITDA (X)	0.6	3.1	4.2	2.3	1.8
Dividend Yield	27.8%	5.6%	2.8%	3.3%	3.9%
Growth & Margins					
Growth					
Revenue	14.3%	-33.3%	-17.8%	34.7%	13.7%
EBITDA	-2.3%	-68.3%	-25.5%	66.5%	2.0%
EBIT	-0.3%	-76.1%	-46.8%	129.3%	16.7%
Net profit, adj.	-9.2%	-61.6%	-40.1%	24.4%	21.4%
Margins					
Gross margin	37.1%	16.2%	13.1%	17.7%	17.7%
EBITDA margin	34.6%	16.5%	14.9%	18.4%	16.5%
EBIT margin	32.6%	11.7%	7.6%	12.9%	13.2%
Net profit margin	22.0%	12.7%	9.2%	8.5%	9.1%
Key Ratios					
ROE	42.7%	13.7%	7.1%	8.3%	9.5%
ROA	29.7%	8.3%	3.8%	4.4%	5.1%
Net Gearing (%)	Net cash	Net cash	0.8%	Net cash	Net cash
Net Debt/EBITDA (X)	0.9	0.5	-0.1	0.3	0.7



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