

SE Business News
 HD Thailand: Banpu mines big profit leap on coal operations
 WC 492 words
 PD 16 May 2014
 SN Thai News Service
 SC THAINS
 LA English
 CY (c) 2014 Thai News Service
 LP

Section: Business News - The SET-listed Banpu Plc, Asean's top coal miner, posted first-quarter net profit growth of 120% year-on-year to US\$55 million (1.78 billion baht), primarily due to coal swap profits and improved coal operations in Indonesia and Australia, the Bangkok Post reports.

Chief executive Chanin Vongkusolkrit said Banpu's sales volume from its mines in Indonesia and Australia increased by almost 10% from 9.98 million to 10.9 million tonnes.

TD

As coal prices remain unfavourable, its sales revenue slid 1% to US\$831 million.

Coal sales totalled US\$771 million, accounting for 93% of revenue, with the rest coming from sales of power and steam from its three combined heat and power plants in China.

The fall in coal prices resulted in a lower average selling price (ASP) of Indonesian coal, but the ASP of Australian coal rose to A\$75.40 (2,300 baht) per tonne from A\$65.56 as export volume soared on the back of the Australian dollar's depreciation against the greenback.

In the first quarter, Banpu gained US\$30 million in profits from coal swap deals," Mr Chanin said, adding that improvements in production efficiency and cost management have resulted in a decrease in production costs at both Indonesian and Australian mines.

During the quarter, production costs at Indonesian coal mines reduced to US\$44.78 per tonne from US\$53.70, while Australian operations' production costs decreased to A\$52.98 per tonne from A\$58.41.

The ability to manage sales costs has resulted in a higher gross profit margin (GPM) in the coal business in the quarter to 35% from 27% in the same period last year, Mr Chanin said.

Meanwhile, weakening coal prices helped lower production costs in the power business, enabling its GPM in the quarter to surge to 33% from 29% in the same period last year, he added.

Mr Chanin said the company also received US\$26 million worth of equity income from affiliated businesses, consisting of US\$20 million from BLCP, in which Banpu has a 50% shareholding, and US\$4.7 million from its Chinese coal business.

With coal mining and related businesses in Thailand, Indonesia, China, Australia, Laos and Mongolia, Banpu's total assets were US\$7.3 billion as of March, an increase of US\$180 million from the figure in December last year.

Its net debts amounted to 2.7 billion, while its net debt-to-equity ratio was 1.01 times compared with 1.1 times in the first quarter last year.

Earnings per share were 2.1 US cents per share in the first quarter, up by 133% from 0.9 cents per share in the same period last year.

BANPU shares closed on May 14 on the SET at 29.50 baht, up 25 satang, in trade worth 644 million baht.

CO banpuc : Banpu PCL

IN i111 : Coal Mining | i1 : Energy | ibasicm : Basic Materials/Resources | imet : Mining/Quarrying

NS c151 : Earnings | c15 : Performance | ccat : Corporate/Industrial News | ncat : Content Types | nfact : Factiva Filters | nfcpin : FC&E Industry News Filter

RE thail : Thailand | austr : Australia | indon : Indonesia | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | seasiaz : Southeast Asia

PUB Thai News Service Co. Ltd.

AN Document THAINS0020140515ea5g00037