

Geo Energy Resources Ltd

Infrastructure build-out within schedule



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SINGAPORE | COMMODITIES | UPDATE

26 September 2025

- Construction of the 92 km hauling road and jetty in South Sumatra is 30% completed and on schedule. We expect at least 40% completion and 100% road clearance by year end. There is no change to the completion and commissioning by the middle of 2026, with an additional two months required for it to be fully operational. Once completed, our expected ramp in coal production in the TRA mine is 12mn in FY27 from 2mn in FY25e. Another 25mn MT of coal can be transported on the road, where toll rates ranging from US\$6-8 per MT can be charged on other users, depending on the coal price.
- Coal prices have stabilised at the US\$42 per MT level after 20 months of decline. Coal production in China has started to contract 2% YoY in July-August. China is implementing tighter controls against overproduction.
- As completion of the infrastructure is within schedule, we are lowering the discount on our valuation of the coal assets and toll revenue from the integrated infrastructure from 70% to 60%. Our DCF target price is raised from S\$0.47 to S\$0.59, and BUY recommendation is maintained. There is no change to our FY25e forecast. Completion of the road and jetty infrastructure by middle next year will catalyse several new income streams for Geo; (i) jump in TRA coal mine production from currently 2mn to 12mn by FY27e; (ii) toll revenue from other miners for the 25m MT of extra capacity; (iii) river transshipment fee from tugs and barges to be acquired; (iv) asset monetisation from partial sale of the entire infrastructure.

Key Highlights

Road and jetty construction within schedule. We expect the road to be 30% completed (or cut and filled) by the end of September. There was a delay in the percentage completed due to the additional US\$40mn required to use slabs on piles (i.e., concrete) rather than wooden piles in swampy areas. Multiple bridges with a capacity of over 200 MT are needed along the road. Another milestone is the 100% clearing of the road, currently less than 12km remaining. This will give the company full rights of use of the entire 92km. The potential tolling road charges on the extra 25mn MT capacity are US\$6-8 per MT, depending on the coal price.

Opportunity to monetise the infrastructure. Geo owns the infrastructure (road and jetty) through a 63.7% stake in Marga Bara Jaya (MBJ). There is an opportunity to monetise the infrastructure even before completion by selling a stake to de-leverage or crystallise the underlying value of the road. This can be pursued once offtake contracts on the usage of the road are completed with the mining concession around the road.

Spike in coal production. The current mine, Triaryani (TRA), is using the existing older road that produces an estimated 2mn MT of coal in FY25e. The completion of the new road and additional equipment will allow production to ramp to 4mn in FY26e. With the road fully completed, our expected ramp in production for TRA is 12mn FY27e, 16mn FY28e and 25mn FY29e. Our forecast production of the existing 4 mines this year is 11.2mn MT.

Better demand-supply mix in China. Coal prices have started to stabilise after the recent peak in November 2023 (Figure 1). Demand-supply conditions in China are improving. Production has started to contract after several months of growth. Production has contracted around 2% YoY in July and August. Tighter inspection, penalties and enforcement of coal production limits in several provinces have slowed production.

BUY (Maintained)

CLOSING PRICE	SGD 0.450
FORECAST DIV	SGD 0.013
TARGET PRICE	SGD 0.590
TOTAL RETURN	33.9%

COMPANY DATA

Bloomberg CODE:	GERL SP Equity
O/S SHARES (mn):	1,428
MARKET CAP (USD mn / SGD mn):	499 / 643
52 - WK HI/LO (SGD):	0.46 / 0.25
3M Average Daily T/O (mn):	9.23

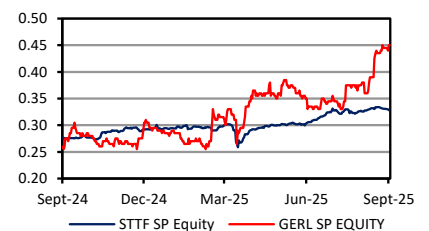
MAJOR SHAREHOLDERS

Charles Antonny Melati	18.2%
Mastr Resources	15.3%
Heah Theare Haw	7.1%
Resources Invest AG	6.7%

TOTAL PERFORMANCE (%)

	1MTH	3MTH	YTD
COMPANY	20.0	28.9	55.8
STTF RETURN	1.1	11.4	18.1

PRICE VS. STTF



Source: Bloomberg, PSR

KEY FINANCIALS

Y/E Dec, US\$m	FY23	FY24	FY25e	FY26e
Revenue	489	402	497	597
EBITDA	80.5	60.0	94.5	102.7
Net Profit	62.0	37.1	41.4	56.5
Adj. PATMI	51.0	24.7	41.5	56.5
EPS (SGD cents)	4.8	2.4	4.0	5.4
P/E (X) - Adj.	9.4	18.9	11.4	8.3
Dividend Yield	4.4%	2.2%	2.8%	3.1%
ROE	13.7%	7.1%	7.5%	9.7%
ROA	8.3%	3.8%	4.0%	5.2%

Source: Company, PSR

VALUATION METHOD

DCF @ 12% discount rate

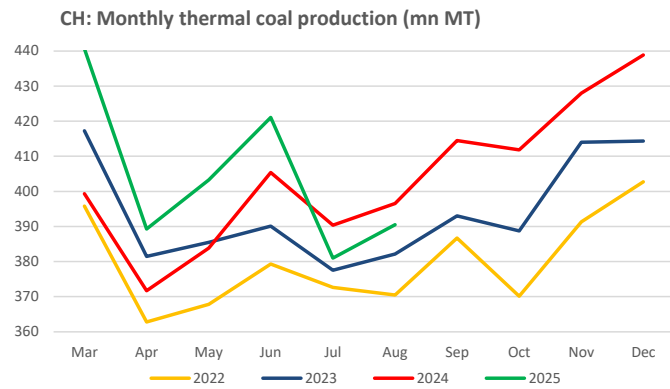
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Figure 1: Coal prices start to stabilise



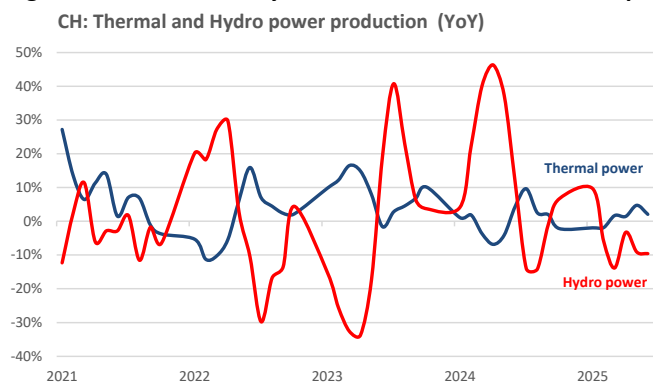
Source: Bloomberg, PSR

Figure 2: Production starts to contract



Source: CEIC, PSR

Figure 3: Weakness in hydro raises demand for thermal power



Source: CEIC, PSR

Maintain BUY with higher TP of S\$0.59 (prev. S\$0.47)

Financials

Income Statement

Y/E Dec, USD mn	FY22	FY23	FY24	FY25e	FY26e
Revenue	733.5	489.0	401.9	497.0	596.9
Gross profit	272.1	79.2	52.6	88.2	109.2
EBITDA	253.6	80.5	60.0	94.5	102.7
Depreciation & amortisation	(15.5)	(13.0)	(14.1)	(14.5)	(14.3)
EBIT	238.9	57.2	30.4	64.4	82.3
Net Finance Inc/(Exp)	2.0	0.6	(14.0)	(14.8)	(13.1)
Profit before tax	237.8	89.2	43.2	52.9	72.8
Taxation	(74.3)	(26.5)	(5.9)	(10.6)	(14.6)
Minority interest	(2.0)	(0.8)	(0.1)	(0.8)	(1.7)
PATMI	161.6	62.0	37.1	41.4	56.5
Adj. PATMI	153.2	51.0	24.7	41.5	56.5

Per share data (SGD Cents)

Y/E Dec	FY22	FY23	FY24	FY25e	FY26e
EPS, Adjusted	14.7	4.8	2.4	4.0	5.4
DPS	10.0	2.0	1.0	1.3	1.4
BVPS	39.0	39.4	43.5	45.1	49.0

Cash Flow

Y/E Dec, USD mn	FY22	FY23	FY24	FY25e	FY26e
CFO					
Profit before tax	237.8	89.2	43.2	52.9	72.8
Adjustments	35.8	(10.5)	25.7	41.6	30.5
WC changes	(20.2)	(69.2)	19.7	29.0	3.0
Cash generated from ops	253.4	9.5	88.5	123.4	106.3
Tax paid	(83.5)	(55.1)	(17.8)	(10.6)	(14.6)
Cashflow from ops	169.9	(45.6)	70.7	112.8	91.8
CFI					
CAPEX, net	(2.9)	(8.9)	(5.9)	(6.0)	(5.0)
Others	0.7	(179.1)	(43.2)	(36.0)	4.8
Cashflow from investments	(2.2)	(188.0)	(49.1)	(42.0)	(0.2)
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)	(18.2)	(16.1)
Others	(17.6)	(24.4)	(5.2)	-	-
Cashflow from financing	(119.6)	137.1	(40.2)	(47.0)	(46.1)
Net change in cash	48.0	(96.4)	(18.6)	23.8	45.5
CCE, end	232.0	135.8	116.5	140.3	185.8

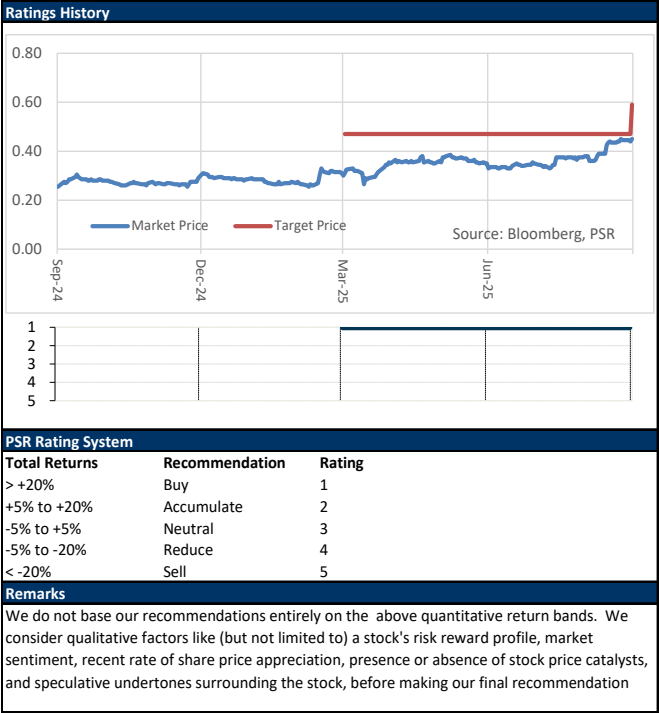
Source: Company, Phillip Securities Research (Singapore) Estimates

Balance Sheet

Y/E Dec, USD mn	FY22	FY23	FY24	FY25e	FY26e
ASSETS					
Trade and other receivables	61.8	75.7	113.0	99.4	119.4
Cash	234.1	135.8	118.1	141.9	187.4
Inventories	31.0	46.4	34.4	34.8	41.8
Others	12.0	48.3	52.2	52.2	52.2
Total current assets	338.8	306.2	317.6	328.3	400.8
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	1,047.7	1,107.8
LIABILITIES					
Accounts payable	121.0	95.2	133.3	149.1	179.1
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	175.6	205.6
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	483.6	501.6
Equity					
Share capital	109.5	109.5	109.5	109.5	109.5
Shareholder Equity	408.3	499.6	540.0	564.1	606.2

Valuation Ratios

Y/E Dec	FY22	FY23	FY24	FY25e	FY26e
P/E (X) - Adj.	3.1	9.4	18.9	11.4	8.3
P/B (X)	1.2	1.1	1.0	1.0	0.9
EV/EBITDA (X)	0.9	4.3	5.8	3.5	2.8
Dividend Yield	22.2%	4.4%	2.2%	2.8%	3.1%
Growth & Margins					
Growth					
Revenue	14.3%	-33.3%	-17.8%	23.7%	20.1%
EBITDA	-2.3%	-68.3%	-25.5%	57.5%	8.7%
EBIT	-0.3%	-76.1%	-46.8%	111.5%	27.9%
Net profit, adj.	-9.2%	-61.6%	-40.1%	11.6%	36.3%
Margins					
Gross margin	37.1%	16.2%	13.1%	17.8%	18.3%
EBITDA margin	34.6%	16.5%	14.9%	19.0%	17.2%
EBIT margin	32.6%	11.7%	7.6%	13.0%	13.8%
Net profit margin	22.0%	12.7%	9.2%	8.3%	9.5%
Key Ratios					
ROE	42.7%	13.7%	7.1%	7.5%	9.7%
ROA	29.7%	8.3%	3.8%	4.0%	5.2%
Net Gearing (%)	Net cash	18.1%	20.4%	13.5%	3.1%
Net Debt/EBITDA (X)	0.9	-1.1	-1.8	-0.8	-0.2



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