SHAANXI COAL 601225.SH

RECENT PRICE	P/E RATIO	P/FCF* RATIO	FY25 DIV. YLD*	BV/ SH.
26.89	15.5x	14.3x	3.5%	10.00

NIANBAO QIYU

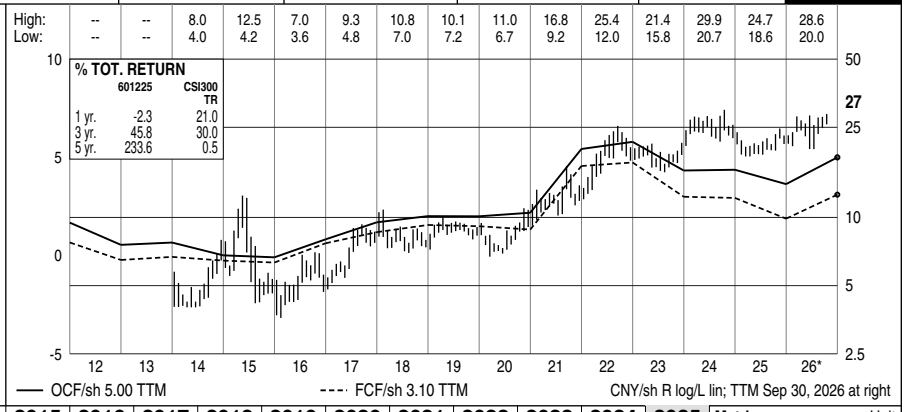
HOW IT EARNS CASH | BUSINESS CHAIN

Mine/wash -> rail/road -> utility and industrial buyers. FY25 output 174.89Mt; own-coal sales 159.85Mt.
Own-coal ASP 443.78CNY/t (-16.6%), ex freight; GM 46.86%. Trading GM 1.39% adds volume, little profit.
OCF 35.27B - cash capex 17.06B = group FCF 18.21B.
Power investment and minority claims shape owners' cash.

BUSINESS MIX | FY25

Revenue	M	Mix	YoY	3Y CAGR
Own coal	87894.37	55.6%	-8.9%	-7.0%
Traded coal	50909.07	32.2%	-23.1%	-1.6%
Power	15545.28	9.8%	-3.9%	--
Rail	280.09	0.2%	-68.0%	-31.8%
Other	3549.70	2.2%	-19.7%	1.6%
Total	**158178.52**	**100.0%**	**-14.1%**	**-1.8%**

Watch: mine cost, power spread and new-capital returns.



VALUE CREATION	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Metric	Unit
RESOURCE & ACCESS 11.51Bt recoverable; mining rights, geology and transport access support low cost. Coal demand sets price.	42966	44260	43219	41150	32511	33132	50927	57224	73732	95063	152308	166848	181472	184145	158179	**Revenue**	M
	35.4%	3.0%	-2.4%	-4.8%	-21.0%	1.9%	53.7%	12.4%	28.8%	28.9%	60.2%	9.5%	8.8%	1.5%	-14.1%	**Rev. YoY**	%
	51.2%	42.6%	33.4%	34.5%	32.2%	43.4%	55.4%	48.7%	40.8%	27.4%	36.8%	45.0%	37.3%	32.7%	29.1%	**Gross Margin**	%
	16160	12353	7547.2	3585.1	-1146.8	5120.4	18233	19061	19672	23978	41832	64374	45367	44172	32563	**Op. Income**	M
	37.6%	27.9%	17.5%	8.7%	-3.5%	15.5%	35.8%	33.3%	26.7%	25.2%	27.5%	38.6%	25.0%	24.0%	20.6%	**Op. Margin**	%
↓ **ECONOMIC ENGINES**	9074.1	6416.8	3486.2	951.50	-2988.5	2754.9	10449	10993	11640	14860	21419	35202	23100	22360	16765	**Net Income**	M
OWN COAL 159.85Mt; billed GP 41.19B, 89.6% of group GP. GP/t 257.66CNY; freight included.	21.1%	14.5%	8.1%	2.3%	-9.2%	8.3%	20.5%	19.2%	15.8%	15.6%	14.1%	21.1%	12.7%	12.1%	10.6%	**Net Margin**	%
	15103	4918.1	5967.9	121.42	-888.59	8266.5	16931	19758	19381	21147	52608	56125	41986	42350	35269	**OCF**	M
	35.2%	11.1%	13.8%	.3%	-2.7%	25.0%	33.2%	34.5%	26.3%	22.2%	34.5%	33.6%	23.1%	23.0%	22.3%	**OCF Margin**	%
	1.7x	.8x	1.7x	.1x	.3x	3.0x	1.6x	1.8x	1.7x	1.4x	2.5x	1.6x	1.8x	1.9x	2.1x	**OCF / Net Inc.**	x
TRADED COAL 92.04Mt; 50.91B sales, 1.39% GM. Scale is not mine profit.	9091.7	6923.7	6567.3	2688.0	2659.2	2008.7	5012.1	4422.2	4891.7	8302.1	8404.5	10176	12958	13893	17060	**Cash Capex***	M
	60.2%	140.8%	110.0%	2213.9%	-299.3%	24.3%	29.6%	22.4%	25.2%	39.3%	16.0%	18.1%	30.9%	32.8%	48.4%	**Capex / OCF**	%
	6011.6	-2005.6	-599.38	-2566.6	-3547.8	6257.8	11919	15336	14489	12844	44203	45948	29028	28457	18210	**Reported FCF***	M
	14.0%	-4.5%	-1.4%	-6.2%	-10.9%	18.9%	23.4%	26.8%	19.7%	13.5%	29.0%	27.5%	16.0%	15.5%	11.5%	**FCF Margin**	%
POWER 39.30TWh sold; 60CNY/MWh tariff/full-cost spread. 15.82% GM.	1208.4	55.00	--	157.19	--	4509.6	--	--	1030.0	653.32	118.81	14552	--	3145.1	-97.35	**Acq. & Other***	M
	8.0%	1.1%	--	129.5%	--	54.6%	--	--	5.3%	3.1%	.2%	25.9%	--	7.4%	-.3%	**Acq.+Intang. / OCF**	%
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	**SBC Expense**	M
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	**SBC / OCF**	%
↓ **CASH & OWNERSHIP** OCF 35.27B is consolidated. NCI profit 9.84B; NCI cash dividends 8.81B are distinct claims.	--	--	--	--	--	--	--	1279.5	1224.3	--	--	--	--	--	--	**Repurchases**	M
	--	--	--	--	--	--	--	6.5%	6.3%	--	--	--	--	--	--	**Repurchases / OCF**	%
	2700.0	3150.0	2250.0	1200.0	300.00	--	1100.0	4180.0	3199.4	3490.2	7756.0	13088	21135	13806	12390	**Dividends**	M
	17.9%	64.0%	37.7%	988.3%	-33.8%	--	6.5%	21.2%	16.5%	16.5%	14.7%	23.3%	50.3%	32.6%	35.1%	**Dividends / OCF**	%
↓ **REINVEST & FCF** Cash capex 17.06B -> group FCF 18.21B. New power capacity must justify its capital.	--*	--*	12.2%*	5.0%	NM*	7.1%	24.9%	23.3%	23.1%	25.4%	NM*	NM*	NM*	27.45%*	20.08%*	**Base ROIC***	%
	37.9%	22.8%	11.5%	2.9%	-9.0%	8.3%	26.6%	23.2%	21.3%	23.0%	25.6%	34.2%	22.1%	23.5%	17.9%	**ROE**	%
	22.6%	13.9%	7.6%	3.3%	-2.5%	4.6%	15.8%	14.1%	13.4%	14.2%	19.4%	25.0%	16.7%	15.7%	11.4%	**ROA**	%
	9000.0	9000.0	9000.0	10000	10000	10000	10000	9842.2	9695.0	9695.0	9695.0	9695.0	9695.0	9695.0	9695.0	**Shares Out.**	M sh
RETURN CONDITION Mine cost advantage must survive the cycle. New plants must earn returns and grow attributable cash per share; capacity growth alone is insufficient. Maintenance needs and plant-level owner cash remain unproven.	4.77	4.92	4.80	4.12	3.25	3.31	5.09	5.81	7.61	9.81	15.71	17.21	18.72	18.99	16.32	**Revenue / Sh.**	CNY/sh
	1.01	.71	.39	.10	-.30	.28	1.04	1.10	1.20	1.53	2.21	3.63	2.38	2.31	1.73	**Diluted EPS***	CNY/sh
	1.68	.55	.66	.01	-.09	.83	1.69	2.01	2.00	2.18	5.43	5.79	4.33	4.37	3.64	**OCF / Sh.**	CNY/sh
	1.01	.77	.73	.27	.27	.20	.50	.45	.50	.86	.87	1.05	1.34	1.43	1.76	**Capex / Sh.**	CNY/sh
	.67	-.22	-.07	-.26	-.35	.63	1.19	1.56	1.49	1.32	4.56	4.74	2.99	2.94	1.88	**FCF / Sh.**	CNY/sh
	.35	.25	.12	.03	--	.11	.42	.33	.36	.80	1.35	2.18	1.32	1.35	.95	**Dividend / Sh.***	CNY/sh
	--	--	--	48.9x	NM	18.5x	6.8x	7.4x	7.3x	5.4x	5.4x	5.1x	7.8x	10.7x	12.1x	**Avg. P/E**	x
	--	--	--	-3.9%	-7.3%	12.9%	14.6%	20.9%	16.6%	14.2%	37.4%	25.5%	14.3%	12.6%	8.8%	**FCF Yield**	%
	--	--	--	.5%	--	2.3%	5.1%	4.4%	4.0%	8.6%	11.1%	11.7%	6.3%	5.8%	4.4%	**Dividend Yield**	%

CORE KPI TRACKER | COAL & POWER

Metric	FY21	FY22	FY23	FY24	FY25
Output Mt	141.70	157.28	163.72	170.48	**174.89**
Own sold Mt	140.11	155.49	153.20	160.17	**159.85**
Own ASP/t*	583.21	668.97	591.08	532.03	**443.78**
Mine cost/t*	302.93	319.41	296.59	289.92	**288.58**
Power TWh	--	--	33.65	35.13	**39.30**
Spread/MWh*	--	--	64.65	57.82	**60.00**

COMPOUND ANNUAL GROWTH RATE

	1Y	3Y	5Y	10Y	15Y
Revenue	-14.1%	-1.8%	10.7%	17.1%	11.3%
Op. income	-26.3%	-20.3%	6.3%	--	8.4%
Net income	-25.0%	-21.9%	2.4%	--	7.8%
OCF	-16.7%	-14.3%	10.8%	--	7.8%
FCF	-36.0%	-26.5%	7.2%	--	9.8%
EPS	-25.1%	-21.9%	2.5%	--	7.2%
FCF / sh	-36.0%	-26.5%	7.2%	--	9.3%

FINANCIAL POSITION | B

	FY21	FY22	FY23	FY24	FY25
Tot. assets	202	223	236	229	236
Tot. liabilities	76	79	97	100	99
Net assets	126	144	139	129	137
Mkt cap*	118	180	203	226	261
Cash-like*	54	48	27	30	32
Liab./assets	37.6%	35.3%	41.1%	43.7%	41.8%

CAPITAL RETURNS: FY11-25 OCF 339.04B - cash capex 115.06B = **FCF 223.98B.** Buybacks 2.50B; paid common dividends **89.74B.** Payout 41.2%. Residual 131.74B precedes M&A, investments, minority claims and debt; not idle cash.

NET SHARES: FY10-25 economic shares **9000M -> 9695M (+7.7%).** IPO +1000M; FY18-19 bought 305M, cancelled FY21. FY25 flat. FY25 paid common dividends **12.39B** / **group FCF 68.0%.** FY-attributed 9.19B vs paid. Long borrowings 19.82B; funding untraced.

Resources earn the rent. Own coal supplies 55.6% of FY25 sales and 89.6% of gross profit. Geology supports margins; 11.51Bt recoverable does not guarantee decades of profitable demand.

Separate two price views. Own ASP 443.78CNY/t excludes freight. Billed 549.86 less matched product cost 292.21 gives GP 257.66CNY/t. The mine-cost KPI has another scope; do not subtract it from ASP.

Group cash has co-owners. FY25 minority owners earn 9.84B of group profit 26.61B and receive 8.81B cash. Neither scaling group FCF by profit shares nor subtracting minority dividends establishes parent FCF.

New capacity must earn. 9.32GW is being built. Cash capex 17.06B differs from management capex 9.55B; FY26 plan 16.76B is not cash guidance. Maintenance split and new-plant returns remain unproven.

Liquidity has claims. FY25 funds 31.80B include 9.94B restricted; CCE 21.86B. Long borrowings 19.82B. Investment income 3.90B differs from receipts 2.14B; value investments separately to avoid double counting.

Test the offset, not the story. 1H26 own volume +4.1%, ASP +13.5%. Power spread 49.39CNY/MWh vs 65.05: integration need not offset the cycle. Test cash returns on new capital, not capacity growth.

Financial Strength	**C**
Price Volatility (5Y)	**3**
Earnings Stability	**4**
Cash Generation Stability	**4**

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CNY M/B=million/billion yuan. FCF*=OCF-gross long-lived-asset cash purchases; group, not parent FCF. FY22 uses its original reported scope.
Dividends paid; DPS FY-attributed (FY25 0.948), rounded; yield unrounded. Cash/sh=end shares (WA open); EPS reported. CAGR needs positive starts.
KPI FY21/23 restated; FY21/22 power --: no comparable acquired-scope base. Mix 3Y: FY22 reported scope; power --. ASP ex freight; cost differs.
Quote/chart Oct28,2026; TR is through Dec31,2025. Gross dividends reinvested. Sep26 TTM=FY25-9M25+9M26 /9695M end shares, at right.
ROIC*: R3 retained; FY11/12, FY21-23 capital basis open; FY15 loss/invalid tax rate. FY25 acq -.097B net inflow; --=zero/unavailable; NM=not meaningful.
Cap*: FY21-24 FYE; FY25 Oct28 price x FY25 shares. Cash-like incl restricted/term funds. Trial: historical, not forecasts/Value Line; 1=least, 5=most variable.
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