

Bangchak Corporation

Bangchak Corporation
Public Company Limited

BCP

Bloomberg BCP TB
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2Q24: In line, with QoQ fall on lower GRM

Net profit of Bt1.85bn (+298% YoY, -25% QoQ) was in line with consensus and INVX, with profit dragged down by lower operating GRM and crude run on the planned shutdown of Phra Khanong refinery – its shortest ever major refinery turnaround. Key support was marketing, with EBITDA up 16% QoQ on higher marketing margin despite lower sales volume. Net profit grew 33% YoY in 1H24 to Bt4.3bn thanks to BSRC, including synergy benefit of Bt3bn in 1H24 (better than previously expected). Still, we revise down our net profit forecast by 22% to incorporate earnings forecast revision at BSRC and other adjustments following 2Q24 results. We also trim TP to Bt44/share, based on sum-of-the-parts valuation. Valuation is undemanding with 2024F PE of 5x and PBV of 0.6x (-1.5SD). Maintain OUTPERFORM.

Oil refinery dragged by lower GRM and crude run. EBITDA for the oil refining segment sank 53% QoQ on a plunge in operating GRM to US\$2.62/bbl in 2Q24 from US\$6.08/bbl in 1Q24. This was offset partly by net inventory and hedging gain of US\$1.7/bbl (up from US\$0.04/bbl in 1Q24). Total GRM (including stock gain and oil hedging gain) fell 30% QoQ to US\$4.27/bbl. Crude run also fell 15% QoQ to 230.4kbd in 2Q24 on a 27-day major turnaround of Phra Khanong refinery, though this was offset by a record-high crude run for BSRC.

Marketing boosted by higher margin. Despite a 5% QoQ slip in volume to 3.4bn liters in 2Q24 due to lower domestic demand and intense competition, contribution from marketing grew 16% QoQ on a 12% QoQ rise in margin, reflecting a higher proportion of premium products. This also reflects the synergy from BSRC via reducing imports of gasoline to accommodate marketing.

Lower profit contribution from subsidiaries. Profit contribution (EBITDA) from other businesses fell 24% QoQ, mainly the power business (-28% QoQ) due to lower capacity. BCP booked Bt1.3bn (net tax) share of gains from the sale of BCPG's power assets in Japan, which was offset by impairment charge of Bt257mn. Contribution from natural resources fell 23% QoQ on lower sales volume.

Earnings to improve in 3Q24F. Stronger GRM and more stable oil price will fuel profit in 3Q24F after an earnings drop QoQ in 2Q24. BCP should be able to maintain a high crude run in 3Q24 after a 27-day major refinery turnaround in 2Q24 (its shortest ever). After this shutdown, the maintenance cycle will be extended to four years vs. 2-3 years now. Synergy with BSRC, which will maximize gasoline production to accommodate BCP's oil retail outlets, will optimize the group's overall GRM. We also expect better contribution from the E&P segment on higher production at Statfjord area operated by Equinor (with 28% working interest) where a planned maintenance shutdown lowered output QoQ in 2Q24. We see limited downside risk from impairments on this asset.

Compelling valuation with attractive dividend yield. We maintain our Outperform on BCP in view of its solid earnings outlook and business diversification, though SOTP TP is trimmed to Bt44 from Bt46 to reflect lower forecast earnings. This implies 3.9x EV/EBITDA (2024F) vs. 10-year average of 7.4x. Valuation is still undemanding at only 5x 2024F PE; dividend yield is also attractive at 6-7.5% for the next three years.

Risks & concerns. Economic slowdown would hurt demand for refined oil products and GRM while oil price volatility may cause more stock loss. Other risks are regulatory changes on GHG emissions, asset impairments for the E&P business and government intervention in domestic retail oil price. Key ESG risk factors include the environmental impact of its business and how it adapts during the transition to clean energy.

Forecasts and valuation

Year to 31 Dec	Unit	2022	2023	2024F	2025F	2026F
Revenue	(Btmn)	312,202	374,542	552,970	538,152	476,354
EBITDA	(Btmn)	47,735	39,107	47,852	52,938	49,845
Core profit	(Btmn)	18,513	12,655	9,066	12,626	12,793
Reported profit	(Btmn)	12,575	13,233	11,130	12,626	12,793
Core EPS	(Bt)	13.45	9.19	6.58	9.17	9.29
DPS	(Bt)	2.25	2.00	2.00	2.25	2.50
P/E, core	(x)	2.5	3.6	5.1	3.7	3.6
EPS growth, core	(%)	99.1	(31.6)	(28.4)	39.3	1.3
P/BV, core	(x)	0.7	0.6	0.6	0.5	0.5
ROE	(%)	24.2	13.8	8.6	10.7	9.8
Dividend yield	(%)	6.7	6.0	6.0	6.7	7.5
EV/EBITDA	(x)	1.9	3.8	3.6	3.0	2.3

Source: InnovestX Research

Tactical: OUTPERFORM (3-month)

Stock data

Last close (Aug 9) (Bt)	33.50
Target price (Bt)	44.00
Mkt cap (Btbn)	46.13
Mkt cap (US\$mn)	1,314

Beta	H
Mkt cap (%) SET	0.29
Sector % SET	19.85
Shares issued (mn)	1,377
Par value (Bt)	1.00
12-m high / low (Bt)	47.5 / 31
Avg. daily 6m (US\$mn)	9.63
Foreign limit / actual (%)	25 / 15
Free float (%)	55.8
Dividend policy (%)	≥ 30

Share performance

(%)	1M	3M	12M
Absolute	(11.3)	(18.8)	(11.8)
Relative to SET	(9.5)	(14.1)	4.2

Source: SET, InnovestX Research

2023 Sustainability / 2023 ESG Score

SET ESG Ratings	AAA
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ESG Bloomberg Rank in the sector

ESG Score Rank	6/67
Environmental Score Rank	9/67
Social Score Rank	5/67
Governance Score Rank	11/67

ESG comment

BCP's ESG score in 2022 is outstanding among sector peers, with concrete targets on environmental and social issues with a committed timeline and actual performance relative to its targets.

Source: Bloomberg Finance L.P.

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Our view on ESG

We view that BCP provides concrete targets on environmental and social issues with a committed timeline and actual performance relative to its targets. We view its management and governance as satisfactory, reflecting management's expertise and experience in the business, with a diverse board of directors and transparency with stakeholders. Key ESG risk factors include an environmental impact of its business and how it adapts during the transition to clean energy.

ESG Disclosure Score

Bloomberg ESG Score	70.82 (2023)
Rank in Sector	6/67

CG Rating	DJSI	SETESG	SET ESG Ratings	
BCP	5	No	Yes	AAA

Source: Thai Institute of Directors and SET

Environmental Issue (E)

- BCP has committed to conducting a low-carbon business and leading energy transition with increases in the proportion of green companies to lower carbon emissions.
- BCP also founded the Carbon Markets Club to promote carbon credit trading and set a carbon-neutral target by 2030, with GHG emission set to be reduced by 30% and zero GHG emission by 2050.
- BCP reduced water consumption in 2021 by improving tap water quality with a micro-filtration system and a reverse osmosis system. It cut 0.10 million cubic meters per year of water consumption.
- BCP manages 99.78% of waste from the refinery using the 3Rs (Reduce, Reuse & Recycle) in 2021 with the target of zero waste sent to be incinerated by 2025.
- We have a positive view of BCP's environmental management, which is reflected in its ranking higher than other companies in the same industry.

Social Issue (S)

- BCP has gained trust from the local community with community satisfaction of 94.4%. The community engagement score is 89.2% from the refinery community, the highest score since 2014.
- Employee engagement for 2022 was 75%, exceeding the target. BCP continues to emphasize occupational health and safety with zero Lost Time Injury Rate for employees and one for contractors.
- Its policies to support community engagement to advance women's rights brought BCP an award from the UN Women Thailand Women's Empowerment Principles Awards (WEPs) (Honorable Mention). This acknowledged organizations that were advancing gender equality and inclusivity in the workplace and promoting and empowering women in business.
- BCP's social risk management is at the leading edge compared to the industry average.

Governance Issue (G)

- BCP's board of directors consists of 15 directors, 14 non-executive directors (93.33% of the entire Board), 11 independent directors, which exceeds half of the Board (73.33% of the entire Board), and an executive director. These include three female members (20% of the entire Board).
- BCP has been rated "Excellent" (5 stars) by the Thai Institute of Directors for 2022.
- We view BCP's management and governance as satisfactory, reflecting management's experience and expertise in the business, its ability to execute strategic plans for energy transition, its transparency with stakeholders, and its independent board of directors.

ESG Disclosure Score

	2022	2023
ESG Disclosure Score	70.35	70.82
Environment	67.96	69.37
Emissions Reduction Initiatives	Yes	Yes
Climate Change Policy	Yes	Yes
GHG Scope 1	932.12	941.58
Biodiversity Policy	Yes	Yes
Energy Efficiency Policy	Yes	Yes
Total Energy Consumption	3,798.5870	2,355.70
Social	55.65	55.65
Human Rights Policy	Yes	Yes
Equal Opportunity Policy	Yes	Yes
Health and Safety Policy	Yes	Yes
Fatalities - Employees	0.00	0.00
Total Recordable Incident Rate - Employees	0.19	0.00
Employee Turnover Pct	4.50	5.05
Governance	87.36	87.36
Size of the Board	15	15
Number of Board Meetings for the Year	13	15
Board Meeting Attendance Pct	97.9	99.1
Number of Female Executives	1	2
Number of Independent Directors	10	11
Board Duration (Years)	3	3

Source: Bloomberg Finance L.P.

Disclaimer

Bloomberg ESG Disclosure Scores rate companies on their level of disclosure of ESG data. Bloomberg offers four disclosure scores, for overall ESG, as well as Environmental, Social, and Governance. To review the fully transparent methodology, calculate disclosure scores for any company, and compare a company's scores vs its peers, see ESG Disclosure Score Model in Bloomberg.

Financial statement

Profit and Loss Statement

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Total revenue	(Btmn)	190,489	136,450	199,417	312,202	374,542	552,970	538,152	476,354
Cost of goods sold	(Btmn)	180,257	132,122	175,744	265,934	340,804	514,383	493,827	434,973
Gross profit	(Btmn)	10,232	4,328	23,673	46,269	33,738	38,587	44,326	41,381
SG&A	(Btmn)	7,614	7,141	7,153	9,204	11,117	12,718	11,301	10,956
Other income	(Btmn)	495	533	1,279	1,854	2,779	3,475	1,737	1,772
Interest expense	(Btmn)	1,701	1,969	2,540	3,977	4,980	7,732	8,684	6,638
Pre-tax profit	(Btmn)	1,411	(4,250)	14,742	33,754	19,757	20,650	24,684	23,537
Corporate tax	(Btmn)	68	(1,589)	4,263	12,852	8,766	9,792	10,641	10,147
Equity a/c profits	(Btmn)	404	(592)	1,042	188	340	991	1,739	2,600
Minority interests	(Btmn)	(757)	(1,197)	(2,221)	(2,577)	1,325	(2,783)	(3,156)	(3,198)
Core profit	(Btmn)	991	(4,450)	9,301	18,513	12,655	9,066	12,626	12,793
Extra-ordinary items	(Btmn)	740	(2,517)	(1,677)	(5,938)	578	2,064	0	0
Net Profit	(Btmn)	1,732	(6,967)	7,624	12,575	13,233	11,130	12,626	12,793
EBITDA	(Btmn)	8,144	4,541	25,357	47,735	39,107	47,852	52,938	49,845
Core EPS	(Bt)	0.72	(3.23)	6.75	13.45	9.19	6.58	9.17	9.29
Net EPS	(Bt)	1.26	(5.06)	5.54	9.13	9.61	8.08	9.17	9.29
DPS	(Bt)	0.80	0.40	2.00	2.25	2.00	2.00	2.25	2.50

Balance Sheet

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Total current assets	(Btmn)	37,621	47,296	69,372	111,349	121,881	152,717	181,020	168,225
Total fixed assets	(Btmn)	90,167	101,027	132,413	130,995	218,548	219,913	221,703	223,995
Total assets	(Btmn)	127,788	148,323	201,785	242,344	340,429	372,630	402,722	392,219
Total loans	(Btmn)	48,041	63,244	80,507	81,239	128,208	149,807	168,638	155,845
Total current liabilities	(Btmn)	27,083	25,502	34,105	47,852	87,879	82,837	90,617	73,941
Total long-term liabilities	(Btmn)	41,890	64,504	98,121	111,114	152,518	178,602	188,007	181,408
Total liabilities	(Btmn)	68,973	90,006	132,226	158,966	240,397	261,439	278,624	255,349
Paid-up capital	(Btmn)	1,377	1,377	1,377	1,377	1,377	1,377	1,377	1,377
Total equity	(Btmn)	58,815	58,316	69,559	83,378	100,032	111,191	124,099	136,871
BVPS	(Bt)	37.48	33.67	38.83	45.54	52.37	58.46	65.54	72.49

Cash Flow Statement

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Core Profit	(Btmn)	991	(4,450)	9,301	18,513	12,655	9,066	12,626	12,793
Depreciation and amortization	(Btmn)	5,032	6,821	8,075	10,004	14,370	19,470	19,570	19,670
Operating cash flow	(Btmn)	6,567	6,162	17,229	20,018	44,967	(1,792)	34,161	65,911
Investing cash flow	(Btmn)	(14,604)	(6,353)	(5,840)	(962)	(72,900)	(20,694)	(21,218)	(21,820)
Financing cash flow	(Btmn)	3,762	14,567	(1,019)	(5,146)	18,755	21,628	19,112	(12,813)
Net cash flow	(Btmn)	(4,275)	14,375	10,371	13,910	(9,178)	(857)	32,055	31,278

Key Financial Ratios

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Gross margin	(%)	5.4	3.2	11.9	14.8	9.0	7.0	8.2	8.7
Operating margin	(%)	1.4	(2.1)	8.3	11.9	6.0	4.7	6.1	6.4
EBITDA margin	(%)	4.3	3.3	12.7	15.3	10.4	8.7	9.8	10.5
EBIT margin	(%)	1.6	(1.7)	8.7	12.1	6.6	5.1	6.2	6.3
Net profit margin	(%)	0.9	(5.1)	3.8	4.0	3.5	2.0	2.3	2.7
ROE	(%)	1.8	(7.6)	14.5	24.2	13.8	8.6	10.7	9.8
ROA	(%)	0.8	(3.2)	5.3	8.3	4.3	2.5	3.3	3.2
Net D/E	(x)	0.7	0.7	0.7	0.4	0.9	1.0	0.8	0.4
Interest coverage	(x)	4.8	2.3	10.0	12.0	7.9	6.2	6.1	7.5
Debt service coverage	(x)	0.7	0.4	1.9	3.2	1.2	1.5	1.3	1.5
Payout Ratio	(%)	63.6	(7.9)	36.1	24.6	20.8	24.7	24.5	26.9

Main Assumptions

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Crude run - BCP	(kbd)	112.6	97.2	99.0	122.6	120.0	273.1	276.6	276.6
Base GRM	(US\$/bbl)	5.41	3.20	4.52	14.33	9.50	9.53	9.73	9.79
Marketing margin	(Bt/litre)	0.75	0.84	0.88	0.93	0.94	0.94	0.94	0.94
EBITDA - Power	(Btmn)	2,964	3,640	4,193	6,400	4,219	4,641	4,873	5,117
FX	(Bt/US\$)	31.06	31.29	32.16	35.04	34.80	35.50	35.50	35.50

Financial statement

Profit and Loss Statement

FY December 31	Unit	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
Total revenue	(Btmn)	76,951	82,400	80,538	68,048	94,346	131,611	135,382	158,057
Cost of goods sold	(Btmn)	67,675	75,879	72,228	62,655	81,996	123,925	123,393	149,754
Gross profit	(Btmn)	9,276	6,521	8,309	5,393	12,350	7,686	11,989	8,303
SG&A	(Btmn)	2,109	3,351	1,860	2,102	2,895	4,261	2,884	3,636
Other income	(Btmn)	460	567	627	718	584	851	771	1,225
Interest expense	(Btmn)	1,093	1,005	1,032	1,000	1,315	1,634	1,709	1,784
Pre-tax profit	(Btmn)	6,466	2,053	5,967	2,610	8,610	2,570	7,999	3,390
Corporate tax	(Btmn)	3,062	1,410	3,689	1,406	2,478	1,193	4,544	3,819
Equity a/c profits	(Btmn)	42	5	29	(40)	211	139	547	(52)
Minority interests	(Btmn)	(437)	(780)	(629)	(251)	(184)	2,388	(353)	(971)
Core profit	(Btmn)	3,009	(132)	1,678	913	6,159	3,905	3,649	(1,452)
Extra-ordinary items	(Btmn)	(539)	604	1,063	(455)	4,852	(4,882)	(1,212)	3,276
Net Profit	(Btmn)	2,470	473	2,741	458	11,011	(977)	2,437	1,824
EBITDA	(Btmn)	9,981	5,899	9,802	6,279	14,062	8,964	15,126	10,253
Core EPS	(Bt)	2.19	(0.10)	1.22	0.66	4.47	2.84	2.65	(1.05)
Net EPS	(Bt)	1.79	0.34	1.99	0.33	8.00	(0.71)	1.77	1.32

Balance Sheet

FY December 31	Unit	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
Total current assets	(Btmn)	109,046	111,349	103,866	99,340	125,191	121,881	133,323	140,601
Total fixed assets	(Btmn)	118,817	130,995	133,890	138,230	203,666	218,548	219,084	212,520
Total assets	(Btmn)	227,863	242,344	237,756	237,570	328,857	340,429	352,406	353,122
Total loans	(Btmn)	82,079	81,239	78,235	86,852	115,708	128,208	128,649	133,402
Total current liabilities	(Btmn)	44,269	47,852	41,517	39,951	81,792	87,879	96,539	88,081
Total long-term liabilities	(Btmn)	100,166	111,114	110,293	112,287	140,678	152,518	151,444	160,634
Total liabilities	(Btmn)	144,435	158,966	151,810	152,238	222,470	240,397	247,982	248,715
Paid-up capital	(Btmn)	1,377	1,377	1,377	1,377	1,377	1,377	1,377	1,377
Total equity	(Btmn)	83,427	83,378	85,946	85,332	106,387	100,032	104,424	104,407
BVPS	(Bt)	45.65	45.54	47.26	46.92	54.59	52.37	54.86	54.76

Cash Flow Statement

FY December 31	Unit	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
Core Profit	(Btmn)	3,009	(132)	1,678	913	6,159	3,905	3,649	(1,452)
Depreciation and amortization	(Btmn)	2,422	2,840	2,804	2,669	4,138	4,760	5,418	5,080
Operating cash flow	(Btmn)	(3,481)	15,640	13,012	8,775	10,706	12,473	6,587	5,851
Investing cash flow	(Btmn)	(2,110)	(1,443)	(6,949)	(11,044)	(35,122)	(19,785)	(7,224)	1,487
Financing cash flow	(Btmn)	4,336	(1,553)	(3,984)	5,514	4,959	12,267	(2,026)	3,855
Net cash flow	(Btmn)	(1,256)	12,644	2,078	3,245	(19,457)	4,955	(2,662)	11,193

Key Financial Ratios

FY December 31	Unit	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
Gross margin	(%)	12.1	7.9	10.3	7.9	13.1	5.8	8.9	5.3
Operating margin	(%)	9.3	3.8	8.0	4.8	10.0	2.6	6.7	3.0
EBITDA margin	(%)	13.0	7.2	12.2	9.2	14.9	6.8	11.2	6.5
EBIT margin	(%)	9.8	3.7	8.7	5.3	10.5	3.2	7.2	3.3
Net profit margin	(%)	3.2	0.6	3.4	0.7	11.7	(0.7)	1.8	1.2
ROE	(%)	14.5	(0.6)	7.9	4.3	25.7	15.1	14.3	(5.6)
ROA	(%)	5.2	(0.2)	2.8	1.5	8.7	4.7	4.2	(1.6)
Net D/E	(x)	0.5	0.4	0.4	0.4	0.8	0.9	0.9	0.8
Interest coverage	(x)	9.1	5.9	9.5	6.3	10.7	5.5	8.9	5.7
Debt service coverage	(x)	2.6	1.6	3.5	1.7	2.3	1.0	1.7	1.3

Key Statistics

FY December 31	Unit	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
Crude run - BCP	(kbd)	123.2	122.6	124.7	118.6	116.4	240.2	271.7	230.4
Base GRM	(US\$/bbl)	11.20	14.68	11.44	4.67	14.67	4.65	6.08	2.62
Marketing margin	(Bt/litre)	1.13	0.81	0.93	0.93	0.84	1.16	0.89	0.89
EBITDA - Power	(Btmn)	1,209	1,003	852	989	1,330	1,048	1,411	1,013
FX	(Bt/US\$)	36.41	36.33	34.07	34.64	35.17	35.63	35.65	36.70

Figure 1: BCP – 2Q24 earnings review

	2Q23	1Q24	2Q24	%YoY	%QoQ	6M23	6M24	%YoY
P&L (Bt, mn)								
Total revenue	68,048	135,382	158,057	132.3	16.7	148,585	293,438	97.5
Gross profit	5,393	11,989	8,303	54.0	(30.7)	13,702	20,292	48.1
EBITDA	6,279	15,126	10,253	63.3	(32.2)	16,081	25,379	57.8
Profit before extra items	913	3,649	(1,452)	n.a.	n.a.	2,591	2,197	(15.2)
Net Profit	458	2,437	1,824	298.1	(25.2)	3,199	4,261	33.2
EPS (Bt)	0.33	1.77	1.32	298.1	(25.2)	2.32	3.09	33.2
B/S (Bt, mn)								
Total assets	237,570	352,406	353,122	48.6	0.2	237,570	353,122	48.6
Total liabilities	152,238	247,982	248,715	63.4	0.3	152,238	248,715	63.4
Total equity	85,332	104,424	104,407	22.4	(0.0)	85,332	104,407	22.4
BVPS (Bt)	46.92	54.86	54.76	16.7	(0.2)	46.92	54.76	16.7
Financial ratio (%)								
Gross margin (%)	7.9	8.9	5.3	(2.7)	(3.6)	9.2	6.9	(2.3)
EBITDA margin (%)	9.2	11.2	6.5	(2.7)	(4.7)	10.8	8.6	(2.2)
Net profit margin (%)	0.7	1.8	1.2	0.5	(0.6)	2.2	1.5	(0.7)
ROA (%)	1.5	4.2	(1.6)	(3.2)	(5.9)	2.7	2.5	(0.2)
ROE (%)	4.3	14.3	(5.6)	(9.8)	(19.8)	7.6	8.3	0.8
D/E (X)	1.8	2.4	2.4	59.8	0.7	1.8	2.4	59.8

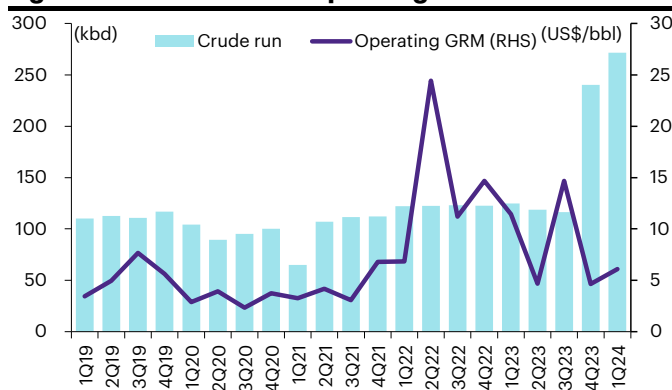
Source: BCP and InnovestX Research

Key takeaways from analyst meeting

- Management is still confident about synergy from BSRC, already booking Bt3bn achieved in 1H24, ahead of target, despite a hiccup in 2Q24. The company expects 85-90% of the synergy to be recurring with plans to reap more benefit if the investment return is economic.
- More synergy benefit will be realized in 2025 when the modification of BSRC’s oil loading port to accommodate VLCC is completed. This will reduce the logistics cost of BCP and BSRC’s crude oil loading.
- The recent planned turnaround of Phra Khanong refinery in 2Q24 enables the company to increase crude run to 135-140kbd vs. current capacity of 120kbd on the debottlenecking completed during the shutdown. The maintenance cycle was also extended from 36 months to 48 months. Additionally, the SAF unit was tied in to the refining process to prepare for the commercial operation of SAF in 2Q25.
- Management is still positive on BCP’s SAF unit given lower investment and operating cost than other players due to excess hydrogen supply from the existing oil refinery (the key competitive edge of BCP’s oil refinery).
- BCP group’s crude run is expected to increase by 8-10% HoH in 2H24 upon full operation of the Phra Khanong refinery and maximized crude run of BSRC to accommodate BCP’s marketing business whose sales volume is targeted to rise 2% HoH.
- Higher marketing sales volume will also boost production of BBGI’s bio-based products (up 2% HoH). Management commented that the acquisition of an additional stake in the B100 plant by BBGI to 100% will increase the plant’s flexibility in planning production to align with BCP’s marketing plan.
- Management also added that the current regulatory risk regarding a regulated oil price in the domestic market involves a lengthy legislative process which would take a considerable amount of time – and may never come to fruition. BCP is one of Thailand’s key players in oil marketing with a market share of 16.5% in 2023 in the retail oil business.

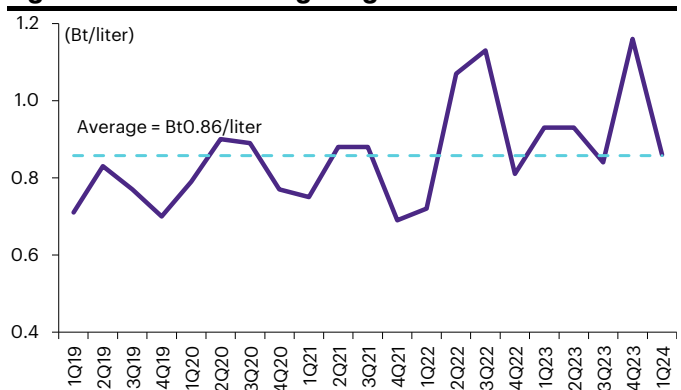
Appendix

Figure 2: Crude intake vs. operating GRM



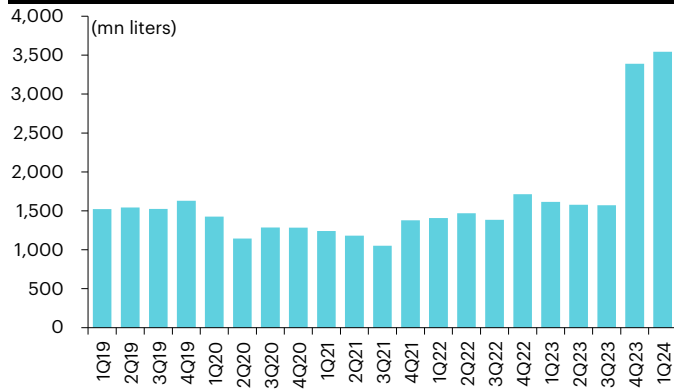
Source: BCP and InnovestX Research

Figure 3: BCP – marketing margin



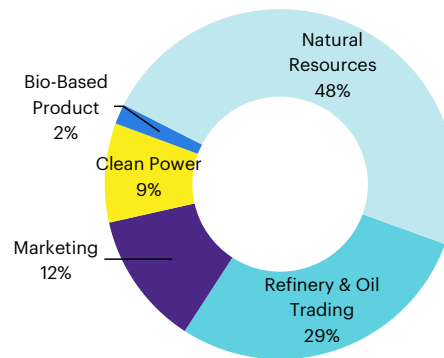
Source: BCP and InnovestX Research

Figure 4: BCP – sales volume (marketing business)



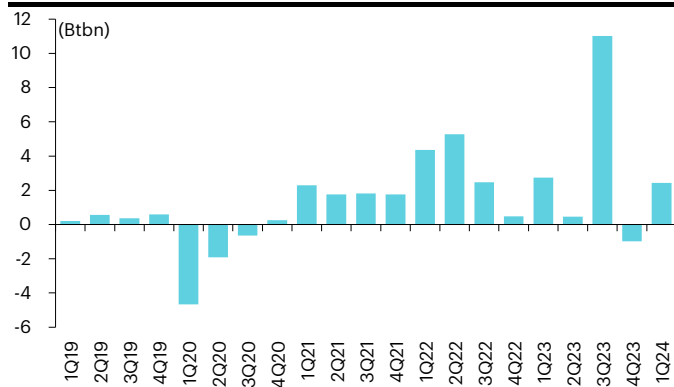
Source: BCP and InnovestX Research

Figure 5: BCP – EBITDA breakdown (1Q24)



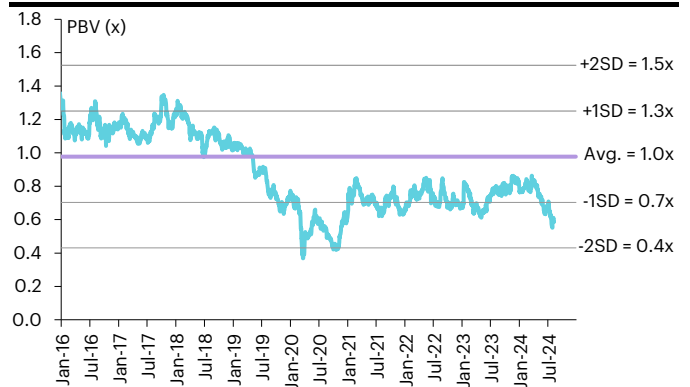
Source: BCP and InnovestX Research

Figure 6: Quarterly net profit



Source: BCP and InnovestX Research

Figure 7: BCP – PBV band



Source: BCP and InnovestX Research

Figure 8: Valuation summary (price as of Aug 9, 2024)

	Rating	Price (Bt/Sh)	Target (Bt/Sh)	ETR (%)	P/E (x)			EPS growth (%)			P/BV (x)			ROE (%)			Div. Yield (%)			EV/EBITDA (x)		
					23A	24F	25F	23A	24F	25F	23A	24F	25F	23A	24F	25F	23A	24F	25F	23A	24F	25F
BCP	Outperform	33.50	44.0	37.3	3.6	5.1	3.7	(32)	(28)	39	0.6	0.6	0.5	14	9	11	6.0	6.0	6.7	3.8	3.6	3.0
BSRC	Underperform	6.70	6.8	4.5	10.8	9.6	6.8	(77)	13	41	0.8	0.8	0.7	8	8	11	3.7	3.0	6.0	8.8	7.8	5.8
IRPC	Neutral	1.37	1.7	22.6	n.m.	21.8	10.8	n.m.	n.m.	101	0.4	0.4	0.4	(5)	2	3	2.2	2.2	4.4	15.4	6.0	5.4
OR	Outperform	14.00	21.7	58.4	14.7	14.5	12.1	7	1	20	1.5	1.4	1.4	10	10	12	3.7	3.4	3.6	7.4	7.6	6.4
PTT	Outperform	33.25	45.0	41.1	9.2	8.2	8.0	(36)	12	3	0.8	0.8	0.8	7	7	7	6.0	5.7	6.0	3.5	3.5	3.1
PTTEP	Outperform	149.50	204.0	42.8	7.5	7.2	6.7	(13)	5	8	1.2	1.1	1.0	16	16	16	6.4	6.4	6.7	2.3	2.5	2.8
SPRC	Neutral	7.25	11.0	55.9	n.m.	8.1	6.9	n.m.	n.m.	17	0.9	0.8	0.7	(3)	10	11	0.0	4.1	5.5	25.6	5.0	3.8
TOP	Outperform	49.75	77.0	61.4	5.0	5.4	4.8	(34)	(6)	13	0.7	0.6	0.6	14	12	13	6.8	6.6	7.4	6.4	6.9	4.6
Average					8.5	10.0	7.5	(31)	(1)	30	0.9	0.8	0.8	8	9	10	4.4	4.7	5.8	9.2	5.4	4.4

Source: InnovestX Research

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Companies with Excellent CG Scoring**

7UP, AAV, ABM, ACE, ACG, ADB, ADD, ADVANC, AEONTS, AF, AGE, AH, AHC, AIRA, AIT, AJ, AKP, AKR, ALLA, ALT, AMA, AMARIN, AMATA, AMATAV, ANAN, AOT, AP, APCO, APCS, ARIP, ARROW, ASEFA, ASK, ASP, ASW, ATP30, AUCTION, AWC, AYUD, B, BA, BAFS, BAM, BANPU, BAY, BBGI, BBIK, BBL, BC, BCH, BCP, BCPG, BDMS, BEC, BEM, BEYOND, BGC, BGRIM, BH, BIZ, BJC, BJCHI, BKI, BLA, BOL, BPP, BRI, BROOK, BRP, BTS, BTW, BWG, BYD, CBG, CENTEL, CFRESH, CHASE, CHEWA, CHG, CHOW, CIMBT, CIVIL, CK, CKP, CM, CNT, COLOR, COM7, COTTO, CPALL, CPAXT, CPF, CPI, CPL, CPN, CPW, CRC, CRD, CSC, CSS, CV, DCC, DDD, DELTA, DEMCO, DMT, DOHOME, DRT, DUSIT, EA, EASTW, ECF, ECL, EE, EGCO, EPG, ERW, ETC, ETE, FE, FLOYD, FN, FPI, FPT, FSX, FVC, GBX, GC, GCAP, GENCO, GFPT, GGC, GLAND, GLOBAL, GPSC, GRAMMY, GULF, GUNKUL, HANA, HARN, HENG, HMPRO, HPT, HTC, ICC, ICHI, ICN, IIL, ILINK, ILM, IMH, IND, INET, INTUCH, IP, IRC, IRPC, ITC, ITEL, IVL, JAS, JTS, KBANK, KCC, KCE, KEX, KKP, KSL, KTB, KTC, KTMS, KUMWEL, KUN, LALIN, LANNA, LH, LHFH, LIT, LOXLEY, LPN, LRH, LST, M, MAJOR, MALEE, MATCH, MBK, MC, M-CHAI, MCOT, MEGA, MFC, MFEC, MILL, MINT, MONO, MOONG, MSC, MST, MTC, MTI, NC, NCH, NCL, NDR, NER, NKI, NOBLE, NRF, NTV, NVD, NWR, NYT, OCC, OISHI¹, ONEE, OR, ORI, OSP, OTO, PAP, PATO, PB, PCSGH, PDG, PDJ, PG, PHOL, PIMO, PJW, PLANB, PLAT, PLUS, PM, POLY, PRT, PPP, PPS, PR9, PRG, PRINC, PRM, PRTR, PSH, PSL, PT, PTC, PTT, PTPP, PTTGC, Q-CON, QH, QTC, RATCH, RBF, RPH, RS, RT, S, S&J, SA, SABINA, SAK, SAMART, SAMTEL, SAPPE, SAT, SBNEXT, SC, SCB, SCC, SCCC, SCG, SCGP, SCM, SDC, SEAFCO, SEAOL, SECURE, SELIC, SENA, SENX, SFP², SFT, SGC, SGF, SGP, SHR, SICT, SIRI, SIS, SITHAI, SJWD, SKR, SM, SMPC, SMT, SNC, SNNP, SNP, SO, SPALI, SPC, SPCG, SPI, SPRC, SR, SSC, SSF, SSSC, STA, STC, STEC, STGT, STI, SUC, SUN, SUSCO, SUTHA, SVI, SVT, SYMC, SYNEX, SYNTEC, TACC, TAE, TCAP, TCMC, TEAMG, TEGH, TFG, TFMAMA, TGE, TGH, THANA, THANI, THCOM, THIP, THRE, THREL, TIDLOR, TIPH, TISCO, TK, TKN, TKS, TKT, TLI, TM, TMC, TMD, TMT, TNDT, TNITY, TNL, TNR, TOA, TOG, TOP, TPBI, TPCS, TPIPL, TPIPP, TPS, TQM, TQR, TRT, TRUE, TRV, TSC, TSTE, TSTH, TTA, TTB, TTCL, TTW, TURTLE, TVDH, TVH, TVO, TVT, TWPC, UAC, UBE, UBIS, UKEM, UP, UPF, UPOIC, UV, VCOM, VGI, VIBHA, VIH, VL, WACOAL, WGE, WHA, WHAUP, WICE, WINMED, WINNER, XPG, YUASA, ZEN

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Companies with Good CG Scoring

24CS, AMANAH, AMARC, AMC, APP, ASAP, BCT, BE8, BIG, BIOTEC, BLESS, BSM, BVG, CAZ, CCET, CHARAN, CHAYO, CHOTI, CITY, CMAN, CMR, CRANE, CWT, DHOUSE, DTCENT, EASON, FNS, FTE, GIFT, GJS, GTB, GTV, GYT, HL, HTECH, HYDRO, IIG, INGRS, INSURE, IRCP, ITD, ITNS, JCK, JMT, JR, JSP, KBS, KGEN, KJL, L&E, LEE, MASTER, MBAX, MEB, MENA, META, MGT, MITSIB, MJD, MOSHI, MUD, NATION, NNCL, NPK, NSL, NV, OGC, PAF, PCC, PEACE, PICO, PK, PL, PLANET, PLE, PMTA, PPM, PRAKIT, PRAPAT, PRECHA, PRIN, PSG, RABBIT, READY, RJH, RSP, RWI, S11, SAAM, SAF, SAMCO, SAWAD, SCAP, SCP, SIAM, SKE, SKY, SMART, SMD, SMIT, SOLAR, SPA, STECH, STPI, SVR, TC, TCCC³, TEAM, TFI, TIGER, TITLE, TKC, TMI, TNH, TPA, TPAC, TRITN, UBA, UMI, UMS, UTP, VARO, VPO, W, WARRIX, WORK, WPH, YONG, ZIGA

Corporate Governance Report

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To recognize well performers, the list of companies attaining "Good", "Very Good" and "Excellent" levels of recognition (Not including listed companies qualified in the "no announcement of the results" clause from 1 January 2022 to 31 October 2023) is publicized.

¹OISHI was voluntarily delisted from the Stock Exchange of Thailand, effectively on September 6, 2023

²SFP was voluntarily delisted from the Stock Exchange of Thailand, effectively on July 19, 2023

³TCCC was voluntarily delisted from the Stock Exchange of Thailand effectively on August 25, 2023

Anti-corruption Progress Indicator

Certified (ได้คุ้มครอง)

2S, AAI, ADVANC, AE, AF, AH, AI, AIE, AIRA, AJ, AKP, AMA, AMANAH, AMATA, AMATAV, AP, APCS, AS, ASIAN, ASK, ASP, AWC, AYUD, B, BAFS, BAM, BANPU, BAY, BBGI, BBL, BCH, BCP, BCPG, BE8, BEC, BEYOND, BGC, BGRIM, BLA, BPP, BRP, BRR, BSBM, BTC, BTS, BWG, CEN, CENTEL, CFRESH, CGH, CHEWA, CHOTI, CHOW, CIG, CIMBT, CM, CMC, COM7, CPALL, CPAXT, CPF, CPI, CPL, CPN, CPW, CRC, CSC, DCC, DELTA, DEMCO, DIMET, DOHOME, DRT, DUSIT, EA, EASTW, ECF, EGCO, EP, EPG, ERW, ESTAR, ETC, ETE, FNS, FPI, FPT, FSMART, FTE, GBX, GC, GCAP, GEL, GFPT, GGC, GJS, GPI, GPSC, GSTEEL, GULF, GUNKUL, HANA, HARN, HENG, HMPRO, HTC, ICC, ICHI, IFS, IIL, ILINK, ILM, INET, INOX, INSURE, INTUCH, IRPC, ITEL, IVL, JAS, JKN, JR, JTS, KASET, KBANK, KBS, KCAR, KCE, KGEN, KGI, KKP, KSL, KTB, KTC, L&E, LANNA, LHFH, LHK, LPN, LRH, M, MAJOR, MALEE, MATCH, MBAX, MBK, MC, MCOT, META, MFC, MFEC, MILL, MINT, MONO, MOONG, MSC, MST, MTC, MTI, NATION, NCAP, NEP, NKI, NOBLE, NRF, NWR, OCC, OGC, OR, ORI, PATO, PB, PCSGH, PDG, PDJ, PG, PHOL, PIMO, PK, PL, PLANB, PLANET, PLAT, PM, PPP, PPPM, PPS, PR9, PREB, PRG, PRINC, PRM, PROS, PSH, PSL, PSTC, PT, PTECH, PTG, PTT, PTPP, PTTGC, PYLON, Q-CON, QH, QLT, QTC, RABBIT, RATCH, RML, RS, RWI, S&J, SAAM, SABINA, SAK, SAPPE, SAT, SC, SCC, SCCC, SCG, SCGP, SCM, SCN, SEAOL, SE-ED, SELIC, SENA, SGC, SGP, SIRI, SITHAI, SKR, SMIT, SMK, SMPC, SNC, SNP, SORKON, SPACK, SPALI, SPC, SPI, SPRC, SRICHA, SSF, SSP, SSSC, SST, STA, STGT, STOWER, SUSCO, SVI, SYMC, SYNTEC, TAE, TAKUNI, TASCOC, TCAP, TCMC, TFG, TFI, TFMAMA, TGE, TGH, THANI, THCOM, THIP, THRE, THREL, TIDLOR, TIPCO, TISCO, TKS, TKT, TMD, TMILL, TMT, TNITY, TNL, TNP, TNR, TOG, TOP, TOPP, TPA, TPCS, TRT, TRU, TSC, TSI, TSTE, TSTH, TTA, TTB, TTCL, TU, TVDH, TVO, TWPC, UBE, UBIS, UEC, UKEM, UOBKH, UV, VCOM, VGI, VIH, WACOAL, WHA, WHAUP, WICE, WIJK, XO, YUASA, ZEN, ZIGA

Declared (ประกาศเจตนา)

ACE, ADB, ALT, AMC, ASW, BLAND, BTG, BYD, CAZ, CBG, CV, DEXON, DMT, EKH, FSX, GLOBAL, GREEN, ICN, IHL, ITC, J, JMART, JMT, LEO, LH, MENA, MITSIB, MODERN, NER, NEX, OSP, PEER, PLUS, POLY, PQS, PRIME, PROEN, PRTR, RBF, RT, SA, SANKO, SCB, SENX, SFLEX, SIS, SKE, SM, SVOA, TBN, TEGH, TIPH, TKN, TPAC, TPLAS, TQM, TRUE, W, WPH, XPG

N/A

24CS, 3K-BAT, A, A5, AAV, ABM, ACAP, ACC, ACG, ADD, ADVICE, AEONTS, AFC, AGE, AHC, AIT, AJA, AKR, AKS, ALL, ALLA, ALPHAX, ALUCON, AMARC, AMARIN, AMR, ANAN, ANI, AOT, APCO, APEX, APO, APP, APURE, AQUA, ARIN, ARIP, ARROW, ASAP, ASEFA, ASIA, ASIMAR, ASN, ATP30, AU, AUCTION, AURA, B52, BA, BBIK, BC, BCT, BDMS, BEAUTY, BEM, BGT, BH, BIG, BIOTEC, BIS, BIZ, BJC, BJCHI, BKD, BKGI, BKIH, BLC, BLESS, BLISS, BM, BOL, BPS, BR, BRI, BROCK, BSM, BSRC, BTNC, BTW, BUI, BVG, CCET, CCP, CEYE, CFARM, CGD, CH, CHAO, CHARAN, CHASE, CHAYO, CHG, CHIC, CHO, CI, CITY, CIVIL, CK, CKP, CMAN, CMO, CMR, CNT, COCOCO, COLOR, COMAN, CPANEL, CPH, CPT, CRANE, CRD, CREDIT, CSP, CSR, CSS, CTW, CWT, D, DCON, DDD, DHOUSE, DITTO, DOD, DPAINT, DTCENT, DTICI, DV8, EASON, ECL, EE, EFORL, EMC, ETL, EURO, EVER, F&D, FANCY, FE, FLOYD, FM, FMT, FN, FORTH, FTI, FVC, GABLE, GENCO, GFC, GIFT, GL, GLAND, GLOCON, GLORY, GRAMMY, GRAND, GSC, GTB, GTV, GYT, HEALTH, HFT, HL, HPT, HTECH, HUMAN, HYDRO, I2, IIG, IMH, IND, INGRS, INSET, IP, IRC, IRCP, IT, ITD, ITNS, ITTHI, JAK, JCK, JCKH, JCT, JDF, JPARK, JSP, JUBILE, K, KAMART, KC, KCC, KCG, KCM, KDH, KEX, KIAT, KISS, KJL, KK, KKC, KLINIQ, KOOL, KTIS, KTMS, KUMWEL, KUN, KWC, KWI, KWM, KYE, LALIN, LDC, LEE, LIT, LOXLEY, LPH, LST, LTS, MAGURO, MANRIN, MASTER, MATI, MCA, M-CHAI, MCS, MDX, MEB, MEGA, METCO, MGC, MGI, MGT, MICRO, MIDA, MJD, MK, ML, MORE, MOSHI, MTW, MUD, MVP, NAM, NAT, NC, NCH, NCL, NCP, NDR, NEO, NETBAY, NEW, NEWS, NFC, NL, NNCL, NOK, NOVA, NPK, NSL, NTSC, NTV, NUSA, NV, NVD, NYT, OHTL, ONEE, ORN, PACO, PAF, PANEL, PCC, PEACE, PERM, PF, PHG, PICO, PIN, PJW, PLE, PLT, PMTA, POLAR, POLAR, PORT, PPM, PRAKIT, PRAPAT, PRECHA, PRI, PRIN, PRO, PROUD, PSG, PSP, PTC, PTI, QTCG, RAM, RCL, READY, RICHY, RIJ, ROCK, ROCTEC, ROH, ROJA, RP, RPC, RPH, RSP, S, S11, SABUY, SAF, SAFARI, SAFE, SALEE, SAM, SAMART, SAMCO, SAMTEL, SAUCE, SAV, SAWAD, SAWANG, SBNEXT, SCAP, SCGD, SCI, SCL, SCP, SDC, SE, SEAFCO, SECURE, SFT, SGF, SHANG, SHR, SIAM, SICT, SIMAT, SINGER, SINO, SISB, SJWD, SK, SKN, SKY, SLM, SLP, SMART, SMD, SMT, SNNP, SO, SOLAR, SONIC, SPA, SPCG, SPG, SPREME, SPVI, SQ, SR, SRS, SSC, STANLY, STARK, STC, STEC, STECH, STHAI, STI, STP, STPI, STX, SUC, SUN, SUPER, SUTHA, SVR, SVT, SWC, SYNEX, TACC, TAN, TAPAC, TC, TCC, TCJ, TCOAT, TEAM, TEAMG, TEKA, TERA, TFM, TGPRO, TH, THAI, THANA, THE, THG, THMUI, TIGER, TITLE, TK, TKC, TLI, TM, TMC, TMI, TMW, TNDT, TNH, TNPC, TOA, TPBI, TPCH, TPIPL, TPIPP, TPL, TPOLY, TPP, TPS, TQR, TR, TRC, TRITN, TRP, TRUBB, TRV, TSE, TTI, TTT, TTW, TURTLE, TVH, TVT, TWP, TWZ, TYCN, UAC, UBA, UMI, UMS, UNIQU, UP, UPF, UPOIC, UREKA, UTP, UVAN, VARO, VIBHA, VL, VNG, VPO, VRANDA, WARRIX, WAVE, WELL, WFX, WGE, WIN, WINDOW, WINMED, WINNER, WORK, WORLD, WP, YGG, YONG, ZAA

Explanations

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