

Bangchak Corporation (BCP TB)

Expect Another Solid Quarter

Highlights

- Despite schedule maintenance of Sriracha refinery and government measures requesting diesel price discounts, we expect 3Q26 core profit to decline only 9% qoq but increase 249% yoy to Bt11.1b, driven by robustness GRM, SAF and the renewable business.
- We still expect the overall outlook to be better than pre-war levels.
- Maintain BUY with a target price of Bt65.00.

Analysis

- Another strong quarter, despite a high comparison base.** We forecast Bangchak Corporation (BCP) to report 3Q26 net profit of Bt10.7b (+869% yoy, -12% qoq), with core profit of Bt11.1b (+249% yoy, -9% qoq). The strong yoy improvement should be driven mainly by higher refining margins (GRM), increased contributions from the Sustainable Aviation Fuel (SAF), and the renewable business. However, earnings are likely to decline qoq due to lower refinery throughput, softer refining margins and higher hedging losses. Our forecast implies 9M26 core profit of Bt33.1b (+435% yoy), highlighting the significant improvement in BCP's profitability.

3Q26 Earnings Preview

Year to 31 Dec (Btm)	3Q26F	3Q25	2Q26	yoy(%)	qoq(%)	9M26F	9M25	yoy%
Revenue	164,555	123,305	183,553	33	-10	490,636	383,116	28.1
Core EBITDA	22,044	12,619	24,923	75	(12)	67,100	32,806	105
Inventory gain+hedging	(2,000)	(2,350)	(1,045)	(15)	91	(5,749)	(6,203)	(7)
Net income	10,735	1,108	12,239	869	-12	29,118	663	4,291
EPS	7.3	0.8	8.3	869	-6	20	0.5	4,291
Core profit	11,125	3,186	12,202	249	-9	33,082	6,184	435

Source: BCP, UOB Kay Hian

- Refining remains the key earnings driver.** With resilient diesel and jet fuel cracks, we estimate refining core EBITDA, excluding inventory gains, at Bt11.6b (+121% yoy, -25% qoq), supported by a still-strong base GRM of US\$17.80/bbl, compared with US\$7.38/bbl in 3Q25 and US\$18.41/bbl in 2Q26. Refinery run rate is expected to decline to approximately 261kbd, from 272.6kbd in 2Q26, reflecting schedule maintenance of Sriracha refinery. We also estimate inventory gains (net of hedging loss) to a total loss of Bt2.0b.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	589,877.4	507,569.9	601,980.6	650,697.2	745,010.4
EBITDA	46,554.0	26,408.8	87,708.3	62,429.3	56,341.4
Operating profit	26,498.0	8,300.7	71,208.3	45,929.3	38,841.4
Net profit (rep./act.)	2,184.1	2,879.7	39,507.2	20,175.3	16,450.3
Net profit (adj.)	6,120.1	10,239.7	39,507.2	20,175.3	16,450.3
EPS	4.4	7.4	26.8	13.7	11.2
PE (x)	11.6	7.0	1.9	3.8	4.6
P/B (x)	1.2	1.1	0.7	0.6	0.6
EV/EBITDA (x)	4.2	6.9	2.0	2.7	2.7
Dividend yield (%)	2.0	2.4	11.6	4.6	4.6
Net margin (%)	0.4	0.6	6.6	3.1	2.2
Net debt/(cash) to equity(%)	165.5	140.6	73.2	56.5	38.4
Interest cover (x)	6.6	4.2	14.9	10.4	9.3
ROE (%)	4.3	5.2	53.6	24.5	18.4
Consensus net profit	n.a	n.a	30,879.8	15,843.0	14,333.9
UOBKH/Consensus (x)	n.a	n.a	1.3	1.3	1.2

Source: Bangchak Corporation, Bloomberg, UOB Kay Hian

Analyst(s)

Arsit Pamaranont

arsit@uobkayhian.co.th

(66 2) 659-8317

BUY (Maintained)

Share Price	Bt52.25
Target Price	Bt65.00
Upside	25.6%

Stock Data

Sector	Energy
Bloomberg ticker	BCP TB
Shares issued (m)	1,463.0
Market cap (Btm)	76,440.3
Market cap (US\$m)	2,265.7
3-mth avg daily t'over (US\$m)	32.7

Price Performance (%)

52-week high/low				Bt60.8/Bt25.0
1mth	3mth	6mth	1yr	YTD
(3.7)	16.1	51.4	78.6	101.0

Major Shareholders (%)

Thai NVDR	21.24
Alpha Charter Energy	16.82

Balance Sheet Metrics

FY26 NAV/Share (Bt)	71.0
FY26 Net Debt/Share (Bt)	52.0

Price Chart



Source: Bloomberg

Company Description

BCP is one of the refiners in Thailand. It operates a small complex refinery located in Bangkok with a capacity of 120,000 bbl/day, representing 10% of Thailand's refining capacity. BCP distributes products to clients through its service stations nationwide.

- **Government diesel price intervention weighed on 3Q26 earnings.** The government-requested diesel price discounts, ranging from Bt1.40-4.00/litre during 3Q26, are estimated to have reduced BCP's earnings by Bt3.8b, according to IR guidance. Despite this impact, strong refining margins helped cushion the pressure, supporting resilient quarterly profitability.
- **SAF and renewables help cushion weaker refining earnings in 3Q26.** We forecast biofuel EBITDA to increase to Bt977m (+241% yoy, +23% qoq), supported by a full-quarter contribution from BCP's 7kbd SAF facility following its commercial operation in May 26. Renewable power EBITDA is expected to double qoq to Bt2.13b (+31% yoy), due to seasonally stronger hydropower and contributions from wind farm in Laos. Retail EBITDA, excluding inventory effects, is forecast at Bt950m reflecting a sequential recovery from the previous quarter's low base.
- **4Q26 outlook.** We expect refining earnings to soften qoq as GRM normalises to around US\$10/bbl, despite refinery throughput recovering to approximately 280kbd (95% utilisation). The government-requested diesel price discount of Bt4.00/litre will remain a key earnings drag, while contributions from SAF, power and E&P should help cushion the impact.
- **2027 earnings should remain well above historical levels.** Referring to our Thai Oil (TOP) paper last week, we expect market GRM to remain strong through 1H27, supported by persistently low middle distillate inventories, delay in maintenance shutdown of US refineries from 4Q26 to 1Q27 (approximately 8% of total global supplies), followed by the maintenance schedule of Asian refineries in 2Q27. BCP's profitability should also benefit from the first full-year contribution from SAF, further expansion of its trading business and recurring contributions from power and E&P.

Valuation/Recommendation

- **Maintain BUY with 2027 target price at Bt65.00.** Our target price is based on SOTP valuation, implying 1.0x 2027F P/B, which we believe is justified by BCP's higher normalised earnings, improving earnings diversification and a stronger free cash flow outlook.

Earnings Revision/Risk

- We revised up our 2026-2027 core profit forecast by 16% and 4% to reflect higher contribution from 3Q26 earnings forecast and expectation of a robust GRM in 2027. Our forecast also factors in impact of government intervention on diesel discounts throughout 4Q26 and 1H27 at Bt4.00/litre on a sales volume of 20m litres/day, equivalent to Bt5.7b after tax in 4Q26 and Bt11.4b and 1H27 respectively.

Share Price Catalyst

- 5 Nov 26: Results announcement.
- Strong contribution from SAF.
- Share buyback possibility.

Environment, Social, Governance (ESG) Updates

Environmental

- BCP aims to achieve carbon neutrality by 2030 and net zero emission by 2050. To achieve this, BCP will improve overall production efficiency and utilise products that reduce emissions by 20% by 2024, and 30% by 2030.

Social

- Social development is part of BCP's business management. The corporate and employee culture is to engage in social development for sustainability.

Governance

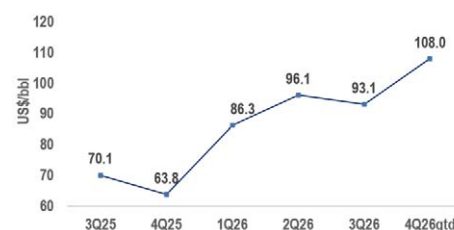
- BCP maintains an annual "Excellent" CG score from the Thai Institute of Directors Association.

2H26 Outlook



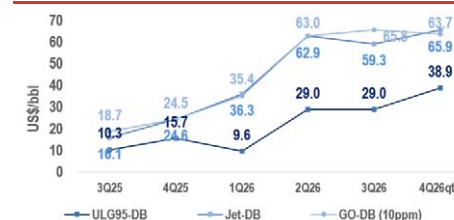
Source: BCP, UOB Kay Hian

Dubai Price



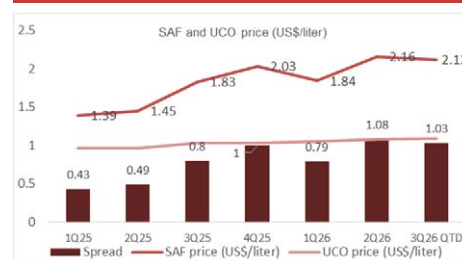
Source: TOP

Petroleum Product Spread



Source: TOP

SAF-UCO (US\$/litre)



Source: BCP, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	507,570	601,981	650,697	745,010
EBITDA	26,409	87,708	62,429	56,341
Deprec. & amort.	18,108	16,500	16,500	17,500
EBIT	8,301	71,208	45,929	38,841
Associate contributions	2,607	2,618	420	450
Net interest income/(expense)	(6,296)	(5,890)	(5,980)	(6,050)
Pre-tax profit	4,612	67,936	40,369	33,241
Tax	(2,167)	(24,457)	(16,955)	(15,291)
Minorities	435	(3,972)	(3,239)	(1,500)
Net profit	2,880	39,507	20,175	16,450
Net profit (adj.)	10,240	39,507	20,175	16,450

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	14,892	44,704	26,322	36,624
Pre-tax profit	4,612	67,936	40,369	33,241
Tax	(2,167)	(24,457)	(16,955)	(15,291)
Deprec. & amort.	18,108	16,500	16,500	17,500
Associates	435	(3,972)	(3,239)	(1,500)
Working capital changes	231	(3,159)	(11,211)	2,769
Other operating cashflows	(6,326)	(8,144)	858	(95)
Investing	(14,463)	(25,447)	(15,800)	(16,975)
Capex (growth)	(17,293)	(15,000)	(15,000)	(15,000)
Others	2,830	(10,447)	(800)	(1,975)
Financing	135	5,953	(21,305)	(7,535)
Dividend payments	(639)	(8,262)	(3,305)	(3,305)
Issue of shares	0.0	1	0	0
Proceeds from borrowings	(4,812)	7,715	(18,500)	(4,730)
Others/interest paid	5,586	6,499	500	500
Net cash inflow (outflow)	564	25,210	(10,782)	12,115
Beginning cash & cash equivalent	28,626	28,555	53,765	42,983
Ending cash & cash equivalent	29,191	53,765	42,983	55,098

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	114,934	113,434	111,934	109,434
Other LT assets	88,960	117,352	118,945	122,276
Cash/ST investment	28,555	53,765	42,983	55,098
Other current assets	66,356	97,488	101,550	102,564
Total assets	298,805	382,039	375,412	389,371
ST debt	36,114	43,829	51,559	36,829
Other current liabilities	36,901	73,124	65,970	69,970
LT debt	86,584	86,584	60,354	70,354
Other LT liabilities	55,065	44,820	46,476	47,520
Shareholders' equity	66,936	104,682	122,053	135,699
Minority interest	17,205	29,000	29,000	29,000
Total liabilities & equity	298,805	382,039	375,412	389,371

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	5.2	14.6	9.6	7.6
Pre-tax margin	0.9	11.3	6.2	4.5
Net margin	0.6	6.6	3.1	2.2
ROA	1.4	15.8	8.2	6.5
ROE	5.2	53.6	24.5	18.4
Growth				
Turnover	164.3	213.5	238.9	288.0
EBITDA	166.2	784.0	529.2	467.9
Pre-tax profit	23.7	1,722.3	982.8	791.7
Net profit	16.9	1,504.1	719.2	567.9
Net profit (adj.)	67.3	285.8	(48.9)	(18.5)
EPS	134.2	744.2	331.1	251.5
Leverage				
Debt to total capital	145.8	97.6	74.1	65.1
Debt to equity	183.3	124.6	91.7	79.0
Net debt/(cash) to equity	140.6	73.2	56.5	38.4
Interest cover	4.2	14.9	10.4	9.3

IMPORTANT NOTICE - DISCLOSURES AND DISCLAIMERS

This report is provided subject to various disclosures and disclaimers (the "Disclosures / Disclaimers") which form an integral part of this report and are available at [this link](#) or by scanning the QR code below:



The Disclosures / Disclaimers contain important information, including without limitation, (a) exclusions of liability, (b) confidentiality obligations, (c) restrictions on publication, circulation, reproduction, distribution and use of the report, (d) potential conflicts of interest, and (e) disclosures and requirements specific to recipients in the United States and other applicable jurisdictions.

Specifically, this report is intended for general circulation and informational purposes only and does not take into account the specific investment objectives, financial situation, or particular needs of any individual person. It is not intended to constitute personal investment advice or a recommendation to buy or sell any investment product or security. You should independently evaluate the information and, where necessary, seek advice from a qualified financial adviser regarding the suitability of any investment, taking into account your specific objectives, financial situation and needs, before making any investment decision. Analyst certifications required under applicable regulations, including SEC Regulation AC (where relevant), are included in this report.

Recipients of this report must carefully read, review and understand the full Disclosures / Disclaimers before using or relying on any information in this report. By accessing, receiving or using this report, you acknowledge and confirm that you have read, understood, accepted and agreed to be bound by the Disclosures / Disclaimers (as may be amended or updated from time to time) in full."