Bangchak Corporation (BCP TB)

3Q26: Strong Core Operations, Weighed By Hedging Losses

Highlights

- BCP reported a 3Q26 net profit of Bt9.85b (+789% yoy, -20% qoq), while core profit rose 287% yoy and 1% qoq to Bt12.3b, in line with our forecasts.
- Basic GRM stayed elevated at US$17.36/bbl despite scheduled maintenance at Sriracha, while higher hedging losses weighed on reported earnings. SAF, biofuels and overseas marketing operations provided additional support.
- We expect 2027 earnings to remain well above historical levels. Maintain BUY with a target price of Bt65.00.

3Q26 Results

Year to 31 Dec (Btm)	3Q26	3Q25	2Q26	yoy(%)	qoq(%)	9M26F	9M25	yoy%
Revenue	170,147	123,235	183,553	38	(7)	477,881	383,116	24.7
Core EBITDA	26,019	12,619	24,923	106	4	71,075	32,806	117
Inventory gain/(loss)	208	(1,271)	(141)	N/A	N/A	8,366	(5,021)	N/A
Hedging	(3,360)	(1,079)	(904)	211	272	(15,267)	(1,182)	1,192
Net Profit	9,849	1,108	12,239	789	(20)	28,232	663	4,158
EPS	7.3	0.8	8.3	865	(13)	20.1	0.5	4,070
Core profit	12,322	3,186	12,202	287	1	34,279	6,184	454

Source: Bangchak Corporation, UOB Kay Hian

Analysis

- **Strong earnings as expected**. Bangchak Corporation (BCP) reported 3Q26 net profit of Bt9.85b (-20% qoq, +789% yoy), with core profit (exclude impact from hedging gain/loss) of Bt12.3b (+287% yoy, +1% qoq), in line with our forecast (see our results preview report on 26 Oct 26). 9M26 core profit reached Bt34.3b, accounting for 86% of our full-year forecast, highlighting a significant improvement in underlying profitability.
- **Refining margins remained strong, but hedging losses weighed on profitability**. Run rate fell to 262.5kbd (89% utilisation) from 272.6kbd in 2Q26 due to a 28-day slowdown at Sriracha refinery. Market gross refinery margin (GRM) remained strong at US$17.36/bbl, compared with US$18.41/bbl in 2Q26 and US$7.38/bbl in 3Q25. However, oil hedging losses increased to US$4.18/bbl from US$1.09/bbl in 2Q26, reducing total GRM to US$13.72/bbl. The refining business recorded an inventory gain of Bt437m, including net realisable value adjustments.

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)

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BUY (Maintained)

Share Price	Bt43.50
Target Price	Bt65.00
Upside	49.4%

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

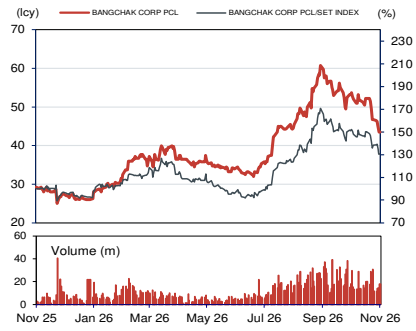
Major Shareholders (%)

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

Bangchak Corporation (BCP TB) is one of Thailand's leading integrated energy companies, operating two oil refineries in Bangkok and Sriracha with a combined capacity of approximately 294,000 barrels per day. Its diversified businesses include petroleum marketing, biofuels, sustainable aviation fuel (SAF), oil and gas exploration and production, renewable power generation, and energy infrastructure.

- **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 investor relation guidance. Despite this impact, strong refining margins helped cushion the pressure, supporting resilient quarterly profitability.
- **SAF, renewable and biofuels provided additional earnings support.** The sustainable aviation fuel (SAF) business contributed EBITDA of Bt969m, broadly stable qoq, despite a 37% qoq increase in sales volume to 53.6m litres due to some sales recognition being deferred to 4Q26. Biofuel EBITDA increased 25% qoq to Bt991m, supported by stronger biodiesel demand following government blending measures. Meanwhile, Bangchak Hong Kong contributed Bt656m EBITDA in its first quarter of consolidation, partially offsetting weaker domestic marketing margins, which declined to Bt0.80/litre from Bt1.26/litre in 2Q26. Power and infrastructure EBITDA more than doubled qoq to Bt2.24b, supported by stronger contributions from US gas-fired power plants and seasonal improvements in Laos hydropower and Monsoon wind generation
- **4Q26 outlook.** We maintain our expectation of a softer qoq performance in 4Q26 as GRM lower to US$10/bbl, despite refinery throughput recovering to approximately 280kbd (95% utilisation). The government-requested diesel price discount at Bt2.00/litre in Nov 26 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.** We expect market GRM to remain strong throughout 1H27, supported by persistently low middle distillate inventories, a delay in the maintenance shutdown of US refineries from 4Q26 to 1Q27 (approximately 8% of total global supplies), followed by the scheduled maintenance of Asian refineries in 2Q27. BCP's profitability should also benefit from the full-year contribution from SAF, further expansion of its trading business, and contributions from power and E&P.

Valuation/Recommendation

- **Maintain BUY with 2027 target price of 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

- None.

Share Price Catalyst

- 11 Nov 26: Analyst meeting.
- 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.

Operating Stat

US$	3Q26	3Q25	2Q26
GRM	17.36	7.38	18.41
Hedging	(4.18)	(1.36)	(1.09)
Inventory gain/(loss)	0.54	(1.54)	(0.17)

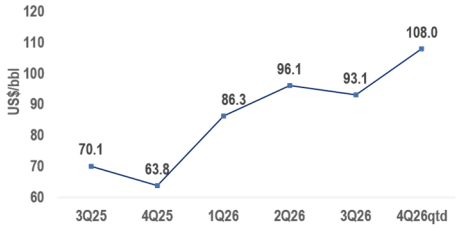
Source: BCP

EBITDA Contribution

Btm	3Q26	3Q25	2Q26
Refinery	14,824	5,241	15,347
Retail	2,140	1,682	784
Renewable	2,235	1,620	1,065
Bio fuel	991	286	794
E&P	5,829	4,039	7,062

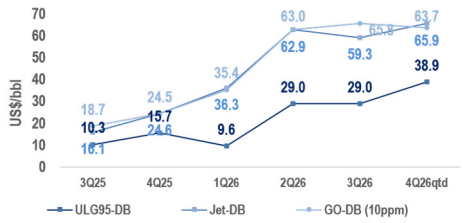
Source: BCP

Dubai Price



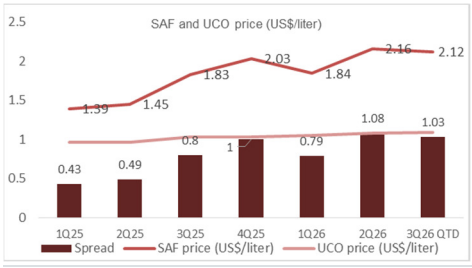
Source: Thai Oil (TOP)

Petroleum Product Spread



Source: Thai Oil (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

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**

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**

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

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