UOBKayHian

Company – Results | Thailand

Monday, 10 August 2026

Bangchak Corporation (BCP TB)

2Q26: Record Earnings Reinforce Our Positive View

Highlights

- BCP reported a core profit of Bt12.2b (+878% yoy, +25% qoq), driven by resilient refining margins, a stronger marketing performance and the first commercial contribution from its SAF business. Results were broadly in line with our estimates.
- We also anticipate earnings momentum remaining strong in 2H26.
- Maintain BUY with a target price of Bt52.00.

2Q26 Results

Year to 31 Dec (Btm)	2Q26	2Q25	1Q26	yoy %Chg	qoq %Chg	1H26 (Btm)	1H25 (Btm)	yoy %Chg
Turnover	183,553	125,581	142,528	46	29	326,081	259,811	25.5
core EBITDA	24,923	8,525	20,133	192	24	45,056	20,187	123
Inventory gain/(loss)	(141)	(3,969)	8,299	(96)	(102)	8,158	(3,750)	(318)
Net Profit	12,239	(2,560)	6,144	N/A	99	18,383	(445)	(4,233)
EPS	8.3	(1.9)	4.5	N/A	83	12.8	(0.3)	(4,071)
Core profit	12,202	1,247	9,755	**879**	**25**	21,957	2,998	632

Source: Bangchak Corporation, UOB Kay Hian

Analysis

- **Strong operational earnings driven by refining and SAF.** Bangchak Corporation (BCP) reported a record high core profit in 2Q26 at Bt12.2b (+879% yoy, +25% qoq), in line with our forecast, supported by a still-robust gross refinery margin (GRM) of US$18.40/bbl, higher marketing margin and first quarter contribution from the SAF business following commercial operations in May. The 1H26 results account for 64% of our full-year forecasts. All operating numbers are in line with our and market estimates.
- **Refinery performance remained the key driver for 2Q26.** Although refinery utilisation eased to 93% (from 95% in 1Q26) due to temporary diesel export restrictions, BCP maintained a strong core GRM of US$18.40/bbl (1Q26 US$18.60/bbl) supported by strong diesel and jet fuel cracks. Meanwhile, the marketing business improved as marketing margin rose to Bt1.26/litre (1Q26: Bt0.73/litre) partly offsetting lower sales volumes (-14% qoq).

Key Financials

Year to 31 Dec (S$m)	2024	2025	2026F	2027F	2028F
Net turnover	589,877.4	507,569.9	601,980.6	628,008.5	745,010.4
EBITDA	46,554.0	26,408.8	90,144.8	54,657.3	52,465.3
Operating profit	26,498.0	8,300.7	73,644.8	38,157.3	34,965.3
Net profit (rep./act.)	2,184.1	2,879.7	34,125.7	11,899.2	13,250.3
Net profit (adj.)	6,120.1	10,239.7	34,125.7	11,899.2	13,250.3
EPS	4.4	7.4	23.2	8.1	9.0
PE (x)	10.1	6.0	1.9	5.5	5.0
P/B (x)	1.0	0.9	0.6	0.6	0.5
EV/EBITDA (x)	4.0	6.6	1.8	3.0	2.9
Dividend yield (%)	2.4	2.8	8.9	5.4	5.4
Net margin (%)	0.4	0.6	5.7	1.9	1.8
Net debt/(cash) to equity(%)	165.5	140.6	71.8	64.7	47.0
Interest cover (x)	6.6	4.2	10.6	6.6	6.5
ROE (%)	4.3	5.2	46.0	15.0	15.6

Source: BCP, Bloomberg, UOB Kay Hian

Analyst

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BUY (Maintained)

Share Price	Bt44.50
Target Price	Bt52.00
Upside	16.9%

Stock Data

Sector	Energy
Bloomberg ticker	BCP TB
Shares issued (m)	1470.0
Market cap (Bt m)	54,759.0
Market cap (US$m)	1672.4
3-mth avg daily t'over (US$m)	9.6

Price Performance (%)

52-week high/low: Bt40.0/Bt25

1mth	3mth	6mth	1yr	YTD
2.0	19.2	29.6	4.2	43.3

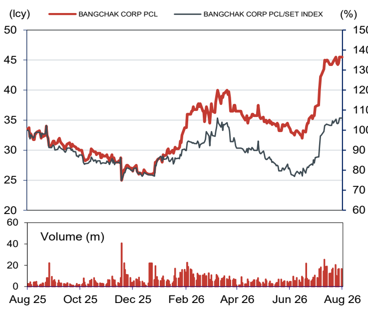
Major Shareholders (%)

Vayapak fund 1	19.8
Social Security Office (SSO)	15.1

Balance Sheet Metrics

FY26 NAV/Share (Bt)	71.6
FY26 Net Debt/Share (Bt)	51.4

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 intervention had limited impact.** Lower refinery utilisation (93%) reflecting a temporary diesel price cap weighed on refining, but these were largely offset by a strong GRM, improved trading performance and growing contributions from the non-refining businesses. Note that we expect a minimal impact of Bt1.1b in 3Q26 from the second-round diesel cap (Jul-Aug 26)
- **Biofuel earnings improved in 2Q26.** The government's return to the B7 diesel blend from mid-March boosted biodiesel demand, with BCP's B100 sales volume rising 22% qoq to 115.5m litres. The higher blending requirement, together with improved biodiesel margins, supported BCP's biofuel EBITDA to Bt794m (+5,000% yoy and 95% qoq). We remain positive on the outlook in 3Q26, supported by the potential extension of the B7 mandate with the government's plan to promote B10 for passenger vehicles and B20 for heavy-duty trucks, which should provide further upside to biodiesel demand and margins.
- **SAF margins remain favourable.** We believe BCP's SAF business should benefit from a healthy SAF-UCO spread, which has remained above historical averages, allowing the plant to contribute impressive earnings in 2H26. We believe SAF is expected to become a meaningful long-term earnings contributor for BCP.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt52.00.** Our target price is based on SOTP valuation, implying 1.0x 2026F P/B. Despite a 71% ytd share price gain, BCP still trades at only 1.9x 2026F PE and 0.6x P/B, which we believe does not fully reflect its structurally higher earnings base and SAF's commercialisation.

Earnings Revision/Risk

- **Earnings revision:** None.

Share Price Catalyst

- 3Q26: Stronger diesel and jet fuel margins.
- Strong contribution from SAF.
- Share buyback possibility.
- Potential rerating after Anti-Money Laundering Office overhang eases.

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

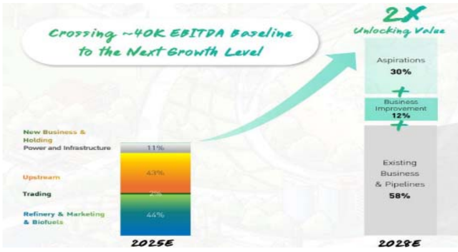
- BCP maintains an annual "Excellent" CG score from the Thai Institute of Directors Association.

2Q26 Operating Statistics

	2Q26	2Q25	1Q26
US$/bbl			
GRM	18.4	4.45	18.6
Hedging	(1.1)	(1.22)	(13.8)
Inventory gain/(loss)	(0.2)	(4.75)	9.4
Total GRM	17.2	(1.52)	14.2

Source: BCP

Double EBITDA Target



Source: BCP

Profit & loss

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Net turnover	507,570	601,981	628,008	745,010
EBITDA	26,409	90,145	54,657	52,465
Deprec. & amort.	18,108	16,500	16,500	17,500
EBIT	8,301	73,645	38,157	34,965
Total other non-op. income	2,607	420	420	450
Associate contributions	(6,296)	(8,522)	(8,301)	(8,100)
Net interest income/(expense)	4,612	65,543	30,276	27,315
Pre-tax profit	(2,167)	(26,217)	(15,138)	(12,565)
Tax	435	(5,200)	(3,239)	(1,500)
Minorities	2,880	34,126	11,899	13,250
Net profit	10,240	34,126	11,899	13,250
Net profit (adj.)	507,570	601,981	628,008	745,010

Balance Sheet

Year to 31 Dec (S$m)	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	54,649	36,898	47,121
Other current assets	66,356	97,488	101,550	102,564
Total assets	298,805	382,922	369,327	381,395
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	105,566	115,968	127,722
Minority interest	17,205	29,000	29,000	29,000
Total liabilities & equity	298,805	382,922	369,327	381,395

Cash Flow

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Operating	14,892	39,323	18,046	33,424
Pre-tax profit	4,612	65,543	30,276	27,315
Tax	(2,167)	(26,217)	(15,138)	(12,565)
Deprec. & amort.	18,108	16,500	16,500	17,500
Associates	435	(5,200)	(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	12,218	(19,997)	(6,227)
Dividend payments	(639)	(1,997)	(1,997)	(1,997)
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	26,093	(17,750)	10,223
Beginning cash & cash equivalent	28,626	28,555	54,649	36,898
Ending cash & cash equivalent	29,191	54,649	36,898	47,121

Key Metric

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	5.2	15.0	8.7	7.0
Pre-tax margin	0.9	10.9	4.8	3.7
Net margin	0.6	5.7	1.9	1.8
ROA	1.4	13.6	4.9	5.3
ROE	5.2	46.0	15.0	15.6
Growth (% yoy)				
Turnover	164.3	213.5	227.0	288.0
EBITDA	166.2	808.6	450.9	428.8
Pre-tax profit	23.7	1,658.1	712.1	632.7
Net profit	16.9	1,285.6	383.1	438.0
Net profit (adj.)	67.3	233.3	(65.1)	11.4
EPS	134.2	629.2	154.2	183.1
Leverage				
Debt to total capital	145.8	96.9	77.2	68.4
Debt to equity	183.3	123.5	96.5	83.9
Net debt/(cash) to equity	140.6	71.8	64.7	47.0
Interest cover (x)	4.2	10.6	6.6	6.5