

BCPG Pcl (BCPG TB) - BUY

News Update

Nuttapop Prasitsuksant | Email: nuttapop.pra@thanachartsec.co.th

Investment in oil storage and transport facility

- **Bt9.0bn investment in oil infrastructure business**
- **We estimate it generates Bt200m recurring annual profit ...**
- **... and add Bt0.4/share value to BCPG**
- **We see this long-awaited investment as positive**

BCPG announced yesterday an investment in oil terminal and seaport for oil transport business through a purchase of all shares (100%) in Asia Link Terminal Co., Ltd. (ALT) for a total investment cost of Bt9.0bn. The transaction is expected to complete within March 2023.

- ALT operates oil terminal and seaport for oil transport covering 150 rai of land in Phetchaburi, a port city province locates 150km South of Bangkok. Its major operating assets are 1) 20 fuel tanks with total storage capacity of 710m liters, 2) three systems of 16-inch diameter and two systems of 20-inch diameter on-ground oil pipelines, and 3) seaport for oil transport with capacity to accommodate up to five ships totaling of 120,000 gross weight tons.
- ALT will transfer all existing rental contracts, which results a fully utilization of its storage units, to BCPG as part of the deal.
- BCPG targets funding structure for this investment to be 50% debt and 50% equity with an expected interest cost of 4.5%.
- We estimate the investment to add Bt200m recurring annual profit to BCPG, starting from 2Q23F, and Bt0.4/share value upside to our current TP. This implies an investment return of 10.5% equity IRR.
- Therefore, despite the investment does not directly relate to its core power business, we see the deal as positive due to its decent return. We also believe the market has been waiting for BCPG to do some investments after it raised Bt10.2bn capital since August 2020 but has yet able to secure any new projects into the company.

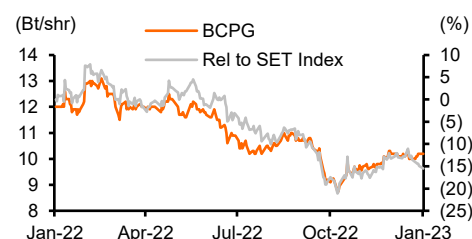
Key Valuations

Y/E Dec (Bt m)	2021A	2022F	2023F	2024F
Revenue	4,669	5,606	5,552	5,842
Net profit	2,011	2,204	1,659	1,445
Norm net profit	2,258	2,204	1,659	1,445
Norm EPS (Bt)	0.8	0.8	0.6	0.5
Norm EPS gr (%)	(4.1)	(2.4)	(24.7)	(12.9)
Norm PE (x)	13.1	13.4	17.8	20.4
EV/EBITDA (x)	13.0	8.8	10.4	11.5
P/BV (x)	1.1	1.0	1.0	1.0
Div. yield (%)	3.2	3.1	3.1	3.1
ROE (%)	9.1	7.9	5.8	4.9
Net D/E (%)	65.6	23.7	38.1	51.7

Source: Thanachart estimates

Stock Data

Closing price (Bt)	10.20
Target price (Bt)	16.00
Market cap (US\$ m)	862
Avg daily turnover (US\$ m)	2.2
12M H/L price (Bt)	13.10/8.75

Price Performance

Source: Bloomberg

General Disclaimers And Disclosures:

This report is prepared and issued by Thanachart Securities Public Company Limited (TNS) as a resource only for clients of TNS, Thanachart Capital Public Company Limited (TCAP) and its group companies. Copyright © Thanachart Securities Public Company Limited. All rights reserved. The report may not be reproduced in whole or in part or delivered to other persons without our written consent.

This report is prepared by analysts who are employed by the research department of TNS. While the information is from sources believed to be reliable, neither the information nor the forecasts shall be taken as a representation or warranty for which TNS or TCAP or its group companies or any of their employees incur any responsibility. This report is provided to you for informational purposes only and it is not, and is not to be construed as, an offer or an invitation to make an offer to sell or buy any securities. Neither TNS, TCAP nor its group companies accept any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

The information and opinions contained herein have been compiled or arrived at from sources believed reliable. However, TNS, TCAP and its group companies make no representation or warranty, express or implied, as to their accuracy or completeness. Expressions of opinion herein are subject to change without notice. The use of any information, forecasts and opinions contained in this report shall be at the sole discretion and risk of the user.

TNS, TCAP and its group companies perform and seek to perform business with companies covered in this report. TNS, TCAP, its group companies, their employees and directors may have positions and financial interest in securities mentioned in this report. TNS, TCAP or its group companies may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any entity mentioned in this report. Therefore, investors should be aware of conflict of interest that may affect the objectivity of this report.

Note: Thanachart Securities Public Company Limited act as a Market Maker and Derivative Warrants Issuer. At present, TNS has issued 54 Derivative Warrants which are ADVANC16C2301A, ADVANC16C2302A, AOT16C2302A, BANPU16C2303A, BANPU16C2302A, BGRIM16C2301A, BGRIM16C2302A, BH16C2304A, BH16C2303A, BLA16C2302A, BTS16C2301A, CBG16C2301A, CBG16C2301B, CBG16C2302A, COM716C2302A, CPN16C2303A, CPN16C2301A, CRC16C2303A, DOHOME16C2301A, DOHOME16C2303A, EA16C2303A, ESSO16C2303A, ESSO16C2302A, GPSC16C2301A, GPSC16C2302A, GULF16C2301A, GULF16C2302A, GULF16C2302B, GUNKUL16C2301A, GUNKUL16C2302A, HANA16C2301A, HANA16C2303A, IVL16C2301A, JMART16C2303A, JMT16C2302A, KBANK16C2304A, KBANK16C2301A, KBANK16C2302A, KCE16C2303A, KCE16C2301A, KCE16C2301B, KCE16C2302A, KTB16C2303A, MINT16C2301A, MINT16C2302A, MTC16C2301A, PTTEP16C2303A, RCL16C2303A, SAWAD16C2302A, SCB16C2301A, SCGP16C2303A, SET5016P2303A, SET5016C2303A, VGI16C2301A (underlying securities are (ADVANC, AOT, BANPU, BBL, BGRIM, BH, BLA, BTS, CBG, COM7, CPN, CRC, DOHOME, EA, ESSO, GPSC, GULF, GUNKUL, HANA, IVL, JMART, JMT, KBANK, KCE, KTB, MINT, MTC, PTTEP, RCL, SAWAD, SCB, SCGP, SET50, VGI). before making investment decisions.

Note: Our major shareholder TCAP (Thanachart Capital Pcl) which holding 89.96% of Thanachart Securities and also TCAP holding 100% of Thanachart SPV1 Co. Ltd. TCAP and Thanachart SPV1 Co. Ltd has stake in THANI for 60% and being the major shareholder of THANI.

Note: Thanachart Capital Public Company Limited (TCAP), TMBThanachart Bank Public Company Limited (TTB), are related companies to Thanachart Securities Public Company Limited (TNS). Thanachart Securities Pcl is a subsidiary of Thanachart Capital Pcl (TCAP) which holds 24.33% of the shareholding in TMBThanachart Bank Pcl.

Note: Thanachart Capital Public Company Limited (TCAP), Ratchthani Leasing Public Company Limited (THANI), MBK PUBLIC COMPANY LIMITED (MBK) and PATUM RICE MILL AND GRANARY PUBLIC COMPANY LIMITED (PRG) are related companies to Thanachart Securities Public Company Limited (TNS) . Since TNS covers those securities in research report, consequently TNS incurs conflicts of interest.

Disclosure of Interest of Thanachart Securities**Investment Banking Relationship**

Within the preceding 12 months, Thanachart Securities has lead-managed public offerings and/or secondary offerings (excluding straight bonds) of the securities of the following companies: The One Enterprise Pcl. (ONEE TB)