

Bangchak Sriracha Pcl (BSRC TB) - HOLD, Price Bt7.1, TP Bt7.0**Results Comment**

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3Q24 – below on refinery margin

- BSRC reported a net loss of Bt2.7bn vs profit of Bt221m in 2Q24. The result is below our estimate and consensus estimate.
- Petroleum: Market GRM come in at US\$1.6/bbl vs US\$2.7/bbl, in 2Q24 given decline in key product spreads. Refinery crude intake for this period was 137k bpd (79%) vs 154k bpd (or 89% utilization) in 2Q24 due to maintenance slowdown.
- Non-recurring: We estimate inventory loss of Bt2.2bn vs a gain of Bt305m in 2Q24. The company also booked hedging gain amount Bt994m.
- Petrol stations: Retail business sale volume decreased 4% q-q and 5% y-y to 838m litre. Marketing margin in 3Q24 was at Bt1.1/litre which is higher than Bt0.85/litre in 2Q24 as company try to capture asphalt demand.
- Outlook: We expect 4Q24F profit to trend higher with higher refinery margin QTD, however, we believe this is mainly supporting by seasonal demand. Maintain HOLD.

Income Statement						Income Statement					
(consolidated)						9M as					
Yr-end Dec (Bt m)	3Q23	4Q23	1Q24	2Q24	3Q24	(Bt m)	q-q%	y-y%	% 2024F	2024F	2025F
Revenue	58,681	59,458	63,583	66,048	57,564	Revenue	(13)	(2)	113	165,990	165,990
Gross profit	5,739	641	2,310	1,498	383	Gross profit	(74)	(93)	56	7,477	7,361
SG&A	1,317	1,242	1,153	1,476	1,170	SG&A	(21)	(11)	101	3,771	3,771
Operating profit	4,422	(601)	1,158	22	(787)	Operating profit	na	na	11	3,706	3,590
EBITDA	5,093	77	1,930	949	60	EBITDA	(94)	(99)	41	7,248	7,304
Other income	98	46	27	85	22	Other income	(74)	(77)	55	242	276
Other expense	0	0	0	0	0	Other expense					
Interest expense	178	274	279	285	258	Interest expense	(10)	45	73	1,124	1,043
Profit before tax	4,342	(829)	906	(178)	(1,022)	Profit before tax	na	na	na	2,824	2,823
Income tax	903	(513)	188	17	(451)	Income tax	na	na	na	382	578
Equity & invest. income	85	86	102	85	73	Equity & invest. income	(14)	(14)	68	384	384
Minority interests	0	0	0	(1)	0	Minority interests					
Extraordinary items	0	(1,758)	36	333	(2,231)	Extraordinary items	na	na	na	(1,298)	(315)
Net profit	3,524	(1,988)	855	221	(2,729)	Net profit	na	na	na	1,527	2,314
Normalized profit	3,524	(230)	819	(112)	(498)	Normalized profit	na	na	7	2,826	2,629
EPS (Bt)	1.02	(0.57)	0.25	0.06	(0.79)	EPS (Bt)	na	na	na	0.44	0.67
Normalized EPS (Bt)	1.02	(0.07)	0.24	(0.03)	(0.14)	Normalized EPS (Bt)	na	na	7	0.82	0.76
Balance Sheet						Financial Ratios					
(consolidated)						%					
Yr-end Dec (Bt m)	3Q23	4Q23	1Q24	2Q24	3Q24		3Q23	4Q23	1Q24	2Q24	3Q24
Cash & ST investment	746	976	1,371	538	2,124	Sales growth	(10.5)	(6.6)	6.5	27.8	(1.9)
A/C receivable	5,841	15,373	18,908	16,495	11,499	Operating profit growth	1,881.8	na	(60.1)	na	na
Inventory	25,441	18,713	24,308	22,128	17,780	EBITDA growth	485.6	(95.6)	(46.0)	na	(98.8)
Other current assets	7,352	1,345	1,672	1,737	2,319	Norm profit growth	235.7	na	(69.4)	na	na
Investment	2,173	2,079	2,181	2,104	2,177	Norm EPS growth	235.7	na	(69.4)	na	na
Fixed assets	22,422	22,888	22,337	22,033	21,808	Gross margin	9.8	1.1	3.6	2.3	0.7
Other assets	9,840	9,688	9,712	9,481	9,752	Operating margin	7.5	(1.0)	1.8	0.0	(1.4)
Total assets	73,815	71,062	80,489	74,516	67,458	EBITDA margin	8.7	0.1	3.0	1.4	0.1
S-T debt	6,611	12,875	17,089	13,679	15,024	Norm net margin	6.0	(0.4)	1.3	(0.2)	(0.9)
A/C payable	12,652	8,371	14,195	13,976	9,232	D/E (x)	0.8	1.0	1.1	0.9	1.0
Other current liabilities	3,240	1,372	1,417	1,069	702	Net D/E (x)	0.7	1.0	1.0	0.9	0.9
L-T debt	16,593	15,433	14,273	13,113	11,966	Interest coverage (x)	28.6	0.3	6.9	3.3	0.2
Other liabilities	4,629	4,688	4,147	4,164	4,088	Interest rate	3.0	4.3	3.7	3.9	3.8
Minority interest	7	7	7	0	0	Effective tax rate	20.8	61.8	20.8	(9.5)	44.1
Shareholders' equity	30,083	28,315	29,361	28,515	26,446	ROA	19.3	(1.3)	4.3	(0.6)	(2.8)
Working capital	18,630	25,714	29,021	24,647	20,046	ROE	50.6	(3.2)	11.4	(1.5)	(7.2)
Total debt	23,204	28,308	31,362	26,792	26,989						
Net debt	22,458	27,332	29,992	26,254	24,866						

Sources: Company data, Thanachart estimates

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