

Bangchak Corporation Pcl (BCP TB) - SELL, Price Bt36.5, TP Bt33 | Results Comment

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4Q24 miss due to impairment

- BCP reported a 4Q24 profit of Bt17m, compared to a 3Q24 loss of Bt2.0bn. The result is weaker than both our and the consensus estimate of Bt130-180m due to a Bt282m impairment loss from Pure Thai.
- Higher GRM:** BCP's group operating GRM was US\$4.8/bbl, compared to US\$2.5/bbl in 3Q24, in line with the benchmark spread. The average crude run at Bangchak's refineries recovered to 272k bpd (92% utilization), up from 260k bpd (88% utilization in 3Q24), as the Sriracha refinery slowed down its refining activities due to planned maintenance in 3Q24.
- Marketing margin remained steady at Bt0.77/litre in 4Q24.** Sales volume rose by 7% QoQ due to the recovery of economic activities and the domestic tourism season. EBITDA from the oil retail business increased by 19% QoQ to Bt0.8bn in 4Q24.
- E&P's EBITDA decreased by 26% q-q** due to a 28% decrease in sales volume, as well as an 8% decrease in the liquid selling price. The lower sales volume is attributed to the divestment of the investment in the Yme field.
- Non-recurring items.** Key non-operating items this quarter totaled a loss of Bt1.8bn, compared to a loss of Bt2.8bn in 3Q24. This mainly includes a Bt2.7bn stock loss, a Bt1.4bn derivative loss, a Bt115m FX loss, and a Bt282m impairment loss
- Announced a DPS of Bt0.45/share (1.4% yield),** which implies a payout of 36%, compared to 23% in 2023.
- Outlook.** We expect 1Q25 profit to trend lower, in line with a lower GRM. Maintain SELL.

Income Statement (consolidated)						Income Statement					
Yr-end Dec (Bt m)	4Q23	1Q24	2Q24	3Q24	4Q24	(Bt m)	q-q%	y-y%	% 2024F	2024A	2025F
Revenue	143,104	135,382	158,057	154,193	142,246	Revenue	(8)	(1)	104	589,877	584,968
Gross profit	7,413	13,067	7,175	6,975	10,248	Gross profit	47	38	99	37,465	33,595
SG&A	4,925	3,052	4,354	3,391	4,478	SG&A	32	(9)	96	15,275	16,341
Operating profit	2,487	10,015	2,821	3,584	5,770	Operating profit	61	132	101	22,190	17,255
EBITDA	7,247	15,433	7,901	8,165	10,748	EBITDA	32	48	106	42,246	37,206
Other income	(753)	134	3,836	6,336	(1,551)	Other income	na	na	290	8,755	3,779
Other expense	0	0	0	0	0	Other expense			na	0	
Interest expense	1,634	1,709	1,784	1,740	1,769	Interest expense	2	8	115	7,001	7,448
Profit before tax	100	8,440	4,874	8,181	2,450	Profit before tax	(70)	2,340	127	23,944	13,586
Income tax	1,193	4,544	3,819	7,535	920	Income tax	(88)	(23)	132	16,818	8,287
Equity & invest. income	139	547	(52)	471	395	Equity & invest. income	(16)	184	174	1,361	1,284
Minority interests	2,385	(353)	(971)	(406)	(126)	Minority interests	na	na	na	(1,856)	(2,352)
Extraordinary items	(2,409)	(1,652)	1,792	(2,804)	(1,782)	Extraordinary items	na	na	na	(4,447)	0
Net profit	(977)	2,437	1,824	(2,093)	17	Net profit	na	na	94	2,185	4,231
Normalized profit	1,432	4,089	32	711	1,799	Normalized profit	153	26	155	6,631	4,231
EPS (Bt)	(0.71)	1.77	1.32	(1.52)	0.01	EPS (Bt)	na	na	94	1.59	3.07
Normalized EPS (Bt)	1.04	2.97	0.02	0.52	1.31	Normalized EPS (Bt)	153	26	155	4.82	3.07

Balance Sheet (consolidated)						Financial Ratios					
Yr-end Dec (Bt m)	4Q23	1Q24	2Q24	3Q24	4Q24	(%)	4Q23	1Q24	2Q24	3Q24	4Q24
Cash & ST investment	36,795	34,108	45,300	31,494	29,408	Sales growth	69.2	68.4	132.4	63.4	(0.6)
A/C receivable	33,274	33,378	39,489	34,994	33,169	Operating profit growth	(45.6)	40.3	(31.5)	(42.9)	132.0
Inventory	47,840	60,180	53,250	46,911	41,210	EBITDA growth	(1.5)	55.2	16.4	(21.6)	48.3
Other current assets	3,972	5,656	2,562	9,994	1,445	Norm profit growth	(51.9)	26.3	(98.4)	(76.7)	25.6
Investment	28,349	31,162	29,275	27,670	31,568	Norm EPS growth	(51.9)	26.3	(98.4)	(76.7)	25.6
Fixed assets	119,374	118,327	116,022	115,375	115,748	Gross margin	5.2	9.7	4.5	4.5	7.2
Other assets	70,825	69,595	67,224	63,004	63,994	Operating margin	1.7	7.4	1.8	2.3	4.1
Total assets	340,429	352,406	353,122	329,441	316,542	EBITDA margin	5.1	11.4	5.0	5.3	7.6
S-T debt	19,593	29,167	25,507	34,400	31,161	Norm net margin	1.0	3.0	0.0	0.5	1.3
A/C payable	41,287	47,053	46,090	39,066	34,252	D/E (x)	1.2	1.2	1.3	1.5	1.5
Other current liabilities	26,999	20,319	16,484	21,564	15,764	Net D/E (x)	0.8	0.9	0.8	1.2	1.1
L-T debt	100,414	99,482	107,895	97,955	96,349	Interest coverage (x)	4.4	9.0	4.4	4.7	6.1
Other liabilities	52,104	51,962	52,739	50,890	52,542	Interest rate	5.5	5.5	5.4	5.2	5.4
Minority interest	27,920	28,887	29,010	27,129	26,729	Effective tax rate	1,188.0	53.8	78.4	92.1	37.6
Shareholders' equity	72,112	75,537	75,397	58,437	59,745	ROA	1.7	4.7	0.0	0.8	2.2
Working capital	39,827	46,505	46,649	42,839	40,126	ROE	7.8	22.2	0.2	4.3	12.2
Total debt	120,006	128,649	133,402	132,355	127,510						
Net debt	83,211	94,541	88,102	100,861	98,102						

Sources: Company data, Thanachart estimates

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