

Bangchak Corporation Pcl (BCP TB) - SELL

News Update

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Announced tender offer for the remaining stake in BSRC

- **BSRC shares exchanged for BCP's newly issued shares**
- **Small EPS dilution and a non-cash transaction**
- **We are neutral on this deal**
- **Maintain SELL**

BCP announced the details of its restructuring plan as follows:

- **Tender offer for the remaining 18.3% stake in BSRC**, to be swapped for BCP's newly issued shares at a ratio of 1 BCP share to 6.5 BSRC shares. The deal is cashless, with BSRC's shareholders becoming BCP's shareholders after the restructuring. AGM meetings for BSRC and BCP will be held on April 9 and April 11, respectively, to approve the offer. The tender offer period will run from mid-September to November, with the expected delisting in December.
- **Small EPS dilution.** BCP's number of shares will increase by 97.2 million, bringing the total to 1,474 million shares, or a 7% increase. Based on BSRC's 2025F profit of Bt1bn, we estimate an EPS dilution of 3%. Note that EPS dilution will be lower if BSRC's profit is higher than Bt1bn.
- **Our view.** We view the deal as neutral, as the 3% EPS dilution is modest and should have a limited impact on BCP's earnings. Additionally, the cashless nature of the transaction minimizes financial strain on BCP while consolidating its ownership in BSRC. We maintain our SELL rating on BCP, as we don't see this deal as a key positive catalyst for the share price.

Key Valuations

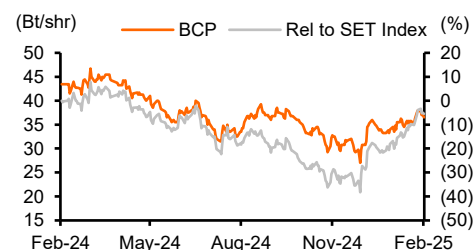
Y/E Dec (Bt m)	2024A	2025F	2026F	2027F
Revenue	589,877	584,968	587,166	591,098
Net profit	2,185	4,231	5,621	6,424
Norm net profit	6,631	4,231	5,621	6,424
Norm EPS (Bt)	4.8	3.1	4.1	4.7
Norm EPS gr (%)	(31.6)	(36.2)	32.8	14.3
Norm PE (x)	7.6	11.9	8.9	7.8
EV/EBITDA (x)	3.5	5.5	4.9	4.3
P/BV (x)	0.8	0.7	0.6	0.6
Div. yield (%)	2.9	2.1	2.8	3.2
ROE (%)	10.1	6.2	7.2	7.7
Net D/E (%)	113.4	141.3	126.5	109.2

Source: Thanachart estimates

Stock Data

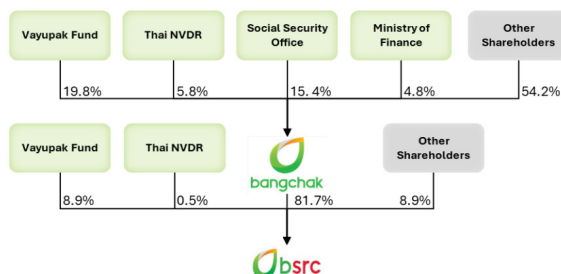
Closing price (Bt)	36.50
Target price (Bt)	33.00
Market cap (US\$ m)	1,493
Avg daily turnover (US\$ m)	12.0
12M H/L price (Bt)	46.75/27.00

Price Performance



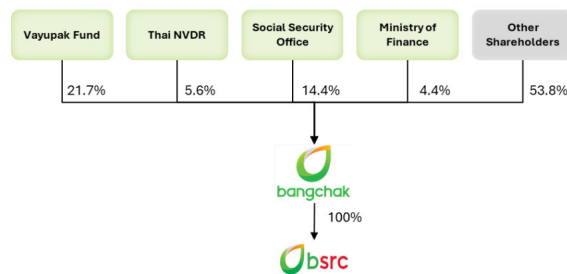
Source: Bloomberg

Ex 1: BSRC's Current Shareholding Structure



Source: Company data

Ex 2: BSRC's Post-Restructuring Shareholding



Source: Company data

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