Bangchak Corporation Pcl (BCP TB) - BUY, Price Bt45.5, TP Bt41

Results Comment

Yupapan Polpornprasert | Email: yupapan.pol@ttbwealth.co.th

2Q26 – strong beat, record high profit

- BCP reported a strong 2Q26 net profit of Bt12.2bn (+99% q-q, >100% y-y), driven by hedging reversal and broad-based earnings improvement. SAF contributed its first meaningful EBITDA of Bt1bn after starting operations in May 2026, while upstream, trading, and marketing also improved.
- 1H26 earnings reached 124% of our full-year forecast, indicating significant upside to our 2026 estimates.
- Non-recurring only Bt37m in 2q26 vs Bt5.2bn gain in 1Q26 and Bt3.8bn loss in 2Q25.
- Refining remained the key earnings driver, with GRM staying high at US$18/bbl. Inventory loss was negligible at Bt2m (vs. a Bt8.3bn inventory gain in 1Q26), while BCP's higher Brent exposure resulted in lower inventory losses than peers.
- Marketing business was supported by a higher net marketing margin of Bt1.26/liter (vs. Bt0.73/liter in 1Q26), which fully offset lower sales volumes (-14% q-q, -6% y-y) amid softer domestic oil demand.
- Upstream benefited from higher oil, NGL, and gas prices, partly offset by lower volumes. OKEA booked Bt550mn impairment due to lower forward oil prices.
- BCP is expected to announce an interim DPS by month-end. Assuming an 18% payout ratio for 1H26 (in line with 1H22), interim DPS could reach ~Bt2.3/share, implying ~5% interim yield and ~10% annualized yield.
- 3Q26F earnings are expected to soften on lower GRM but remain healthy. Maintain BUY.

Income Statement					(consolidated)
Yr-end Dec (Bt m)	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2Q26**
Revenue	125,827	123,305	123,790	142,528	183,553
Gross profit	**8,080**	**10,398**	**10,337**	**19,060**	**23,945**
SG&A	3,999	3,389	4,248	3,703	3,724
Operating profit	4,081	7,009	6,089	15,356	20,221
EBITDA	**8,599**	**11,810**	**10,297**	**19,808**	**24,475**
Other income	(1,715)	(4,334)	(1,455)	(4,325)	(1,503)
Other expense	0	0	0	0	0
Interest expense	1,858	1,482	1,378	1,399	1,478
Profit before tax	**508**	**1,193**	**3,255**	**9,632**	**17,240**
Income tax	416	(1,523)	(716)	8,540	4,632
Equity & invest. income	301	827	1,014	895	545
Minority interests	854	305	(173)	(1,035)	(952)
Extraordinary items	(3,807)	(2,740)	(2,595)	5,191	37
Net profit	**(2,560)**	**1,108**	**2,217**	**6,143**	**12,239**
Normalized profit	**1,247**	**3,848**	**4,812**	**953**	**12,202**
EPS (Bt)	(1.86)	0.80	1.61	4.46	8.89
Normalized EPS (Bt)	0.91	2.79	3.49	0.69	8.86

Income Statement			6M as		
(Bt m)	**q-q%**	**y-y%**	**% 2026F**	**2026F**	**2027F**
Revenue	29	46	59	548,402	537,411
Gross profit	**26**	**196**	**116**	**37,141**	**38,740**
SG&A	1	(7)	45	16,452	16,122
Operating profit	32	395	172	20,688	22,617
EBITDA	**24**	**185**	**109**	**40,534**	**41,862**
Other income	na	na	(122)	4,780	4,780
Other expense			na		
Interest expense	6	(20)	44	6,502	8,363
Profit before tax	**79**	**3,293**	**142**	**18,967**	**19,035**
Income tax	(46)	1,014	137	9,602	11,585
Equity & invest. income	(39)	81	55	2,607	2,607
Minority interests	na	na	116	(1,707)	(2,252)
Extraordinary items	(99)	na	115	4,531	0
Net profit	**99**	**na**	**124**	**14,796**	**7,806**
Normalized profit	**1,181**	**878**	**128**	**10,265**	**7,806**
EPS (Bt)	99	na	124	10.75	5.67
Normalized EPS (Bt)	1,181	878	128	7.45	5.67

Balance Sheet					(consolidated)
Yr-end Dec (Bt m)	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2Q26**
Cash & ST investment	31,562	28,624	30,369	25,765	29,601
A/C receivable	31,917	33,026	29,628	38,840	41,366
Inventory	37,043	37,596	32,803	42,856	61,290
Other current assets	2,099	1,823	2,112	12,417	16,041
Investment	27,850	28,591	28,042	27,936	27,797
Fixed assets	117,590	114,877	114,934	122,270	121,402
Other assets	62,640	62,770	60,919	69,752	77,258
Total assets	**310,702**	**307,306**	**298,805**	**339,836**	**374,755**
S-T debt	36,989	26,199	36,114	26,838	55,626
A/C payable	31,896	35,823	26,449	42,302	42,484
Other current liabilities	11,695	11,756	10,453	28,219	24,569
L-T debt	92,266	95,633	86,584	82,741	81,983
Other liabilities	55,402	54,922	55,065	67,505	67,486
Minority interest	25,470	24,979	17,205	18,768	19,254
Shareholders' equity	**56,984**	**57,996**	**66,936**	**73,464**	**83,353**
Working capital	37,064	34,800	35,981	39,395	60,172
Total debt	129,255	121,831	122,698	109,579	137,610
Net debt	**97,692**	**93,208**	**92,329**	**83,814**	**108,009**

Financial Ratios					
(%)	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2Q26**
Sales growth	(20.4)	(20.0)	(13.0)	5.9	45.9
Operating profit growth	(12.5)	14,437.3	5.5	178.3	395.5
EBITDA growth	(11.8)	155.1	(4.2)	96.1	184.6
Norm profit growth	na	na	167.5	(45.6)	878.1
Norm EPS growth	na	na	167.5	(45.6)	878.1
Gross margin	6.4	8.4	8.4	13.4	13.0
Operating margin	3.2	5.7	4.9	10.8	11.0
EBITDA margin	6.8	9.6	8.3	13.9	13.3
Norm net margin	1.0	3.1	3.9	0.7	6.6
D/E (x)	1.6	1.5	1.5	1.2	1.3
Net D/E (x)	1.2	1.1	1.1	0.9	1.1
Interest coverage (x)	4.6	8.0	7.5	14.2	16.6
Interest rate	5.8	4.7	4.5	4.8	4.8
Effective tax rate	81.9	(127.7)	(22.0)	88.7	26.9
ROA	1.6	5.0	6.4	1.2	13.7
ROE	8.4	26.8	30.8	5.4	62.2

Sources: Company data, ttb wealth estimates

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