# Bangchak Corporation Pcl (BCP TB) - BUY

Analyst Meeting

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## Positive takeaway from 2Q26 AM

- **Higher focus on shareholder returns**
- **Management signals sustainable dividends**
- **SAF: 2-Year payback target**
- **Ambitious EBITDA growth target**

We attended BCP's 2Q26 analyst meeting. Below are the key takeaways:

- **Higher focus on shareholder returns**: Management is becoming more disciplined on capital allocation, with CAPEX set to fall to Bt9.2bn annually during 2027-31F, below the normal maintenance capex of Bt11-12bn and sharply down from Bt22.6bn in 2026F. Investment will be more selective, with M&A excluded from core CAPEX and greater focus on maximizing returns from existing assets. Management also emphasized its commitment to sustainable dividends, with excess cash to be allocated toward dividends, share buybacks, or debt repayment, while continuing the 3-year share buyback program with total budget of Bt3.3bn.

- **Management signals sustainable dividends:** Management signaled a commitment to sustainable dividends, with a minimum 30% payout ratio providing a clear floor for shareholder returns. This implies Bt5.8/share, or an 11.2% yield, based on our estimates. We assume a 40% payout ratio for 2026F, implying Bt7.7/share DPS and a 15% yield. BCP is expected to announce its interim dividend on 25 August following the board meeting.

- **SAF: 2-Year payback target**: Management targets a two-year payback period for its SAF investment, with Bt8.5bn of CAPEX and around Bt1bn of EBITDA in 2Q26. Global SAF demand is expected to grow from ~2bn litres in 2025 to 23bn litres by 2035, implying an 11x increase and 27% CAGR, driven by tightening blending mandates. Europe remains the key market, while Asian adoption should accelerate after 2030.

- **Ambitious EBITDA growth target:** Management targets a 100x EBITDA increase from 2014. This is partly supported by higher refinery throughput (285 KBD vs 276 KBD in 1H26), retail share growth (33% vs 29%), and 5x Trading EBITDA to Bt5.0bn. E&P expansion and a Bt7.5bn Power & Infrastructure EBITDA base provide further upside.

We reiterate BUY on BCP, which is our top energy sector pick, on strong refinery market outlook. We see cheap valuations of 0.8x 2027F P/BV against 14.5% ROE and high dividend yields of 15/5.7% in 2026-27F.

### Key Valuations

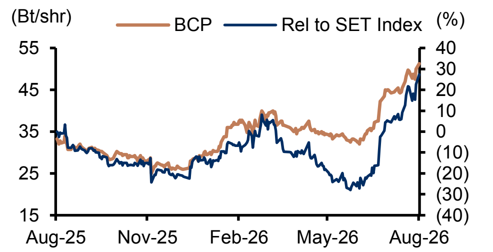
| Y/E Dec (Bt m) | 2025A | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Revenue | 507,570 | 561,239 | 529,811 | 520,222 |
| Net profit | 2,881 | 26,414 | 9,755 | 12,190 |
| Norm net profit | 11,657 | 24,955 | 12,635 | 13,630 |
| Norm EPS (Bt) | 8.5 | 18.1 | 9.2 | 9.9 |
| Norm EPS gr (%) | 75.8 | 114.1 | (49.4) | 7.9 |
| Norm PE (x) | 6.1 | 2.8 | 5.6 | 5.2 |
| EV/EBITDA (x) | 4.0 | 2.7 | 3.1 | 2.8 |
| P/BV (x) | 1.1 | 0.8 | 0.8 | 0.7 |
| Div. yield (%) | 2.0 | 15.0 | 5.7 | 6.9 |
| ROE (%) | 18.4 | 32.4 | 14.3 | 14.6 |
| Net D/E (%) | 109.7 | 83.6 | 71.0 | 52.9 |

Source: ttb wealth estimates

### Stock Data

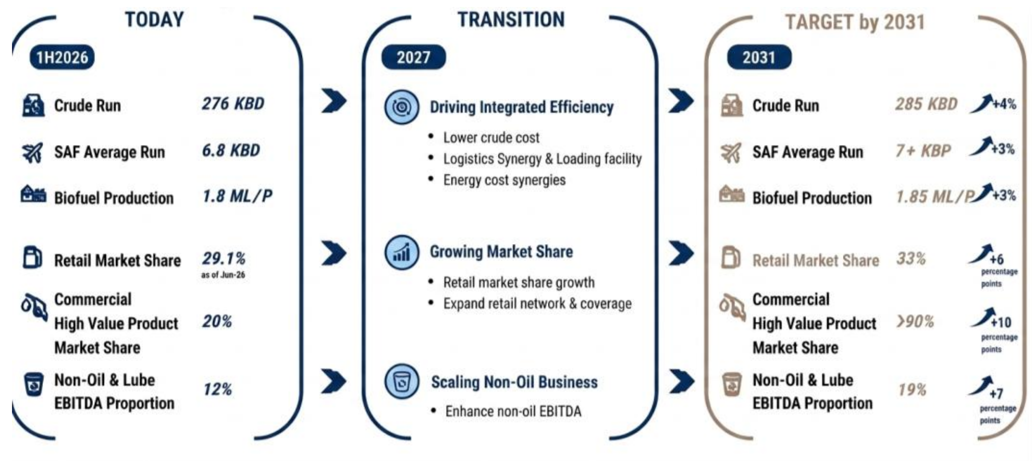
| | |
|---|---|
| Closing price (Bt) | 51.25 |
| Target price (Bt) | 60.00 |
| Market cap (US$ m) | 2,309 |
| Avg daily turnover (US$ m) | 10.8 |
| 12M H/L price (Bt) | 50.00/25.00 |

### Price Performance



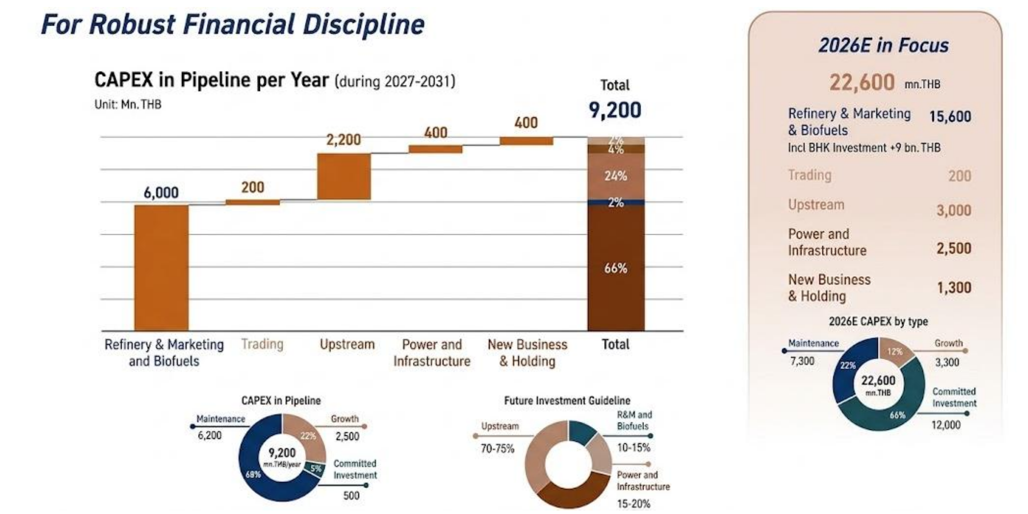

Source: Bloomberg

## Ex 1: BCP's Growth Target




Source: Company data

## Ex 2: BCP's Capex Plan




Source: Company data

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