

# BANGCHAK CORP BCP TB

THAILAND / ENERGY

## BUY

UNCHANGED

## 3Q23 results at first glance

กำไรปกติ 3Q23 อ่อนแอกว่าคาดเล็กน้อย

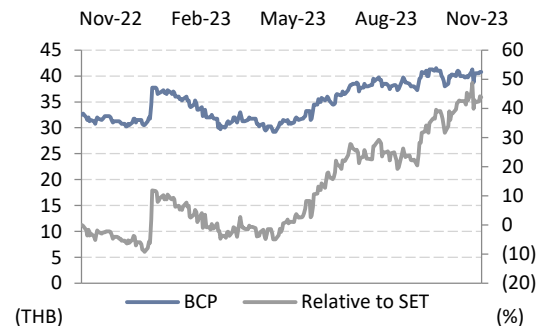
### Highlights

- กำไรปกติ 3Q23 ที่ 3.5 พัน ลบ. (+274% q-q, +29.3% y-y) อ่อนแอกว่าคาดเล็กน้อย อย่างไรก็ตามกำไรสุทธิทำสถิติใหม่ที่ 11.0 พัน ลบ. (+2,303% q-q, +346% y-y) จากกำไรพิเศษจากการเจรจาต่อรองราคาซื้อที่เกิดจากการประเมินมูลค่าอุตสาหกรรมของทรัพย์สิน (PPA) จาก ESSO คิดเป็นเงิน 7.4 พัน ลบ. กำไรปกติ 9M23 คิดเป็น 58% ของประมาณการกำไรปี 2023 ของเรา
- ธุรกิจโรงกลั่นอยู่ในเกณฑ์ดีมากกว่าการกลั่น (GRM) และกำไรสินค้าคงคลังที่สูงขึ้น ใน 3Q23 Marketing GRM อยู่ที่ USD14.67/bbl (+USD9.99/bbl q-q, +USD3.47/bbl y-y) ตัวเลขเพิ่มขึ้นส่วนมากจาก Diesel และ Jet Dubai spreads ที่สูงขึ้นประกอบกับ Crude premiums ที่ลดลง ถ้าเรารวมผลขาดทุนจากสัญญาป้องกันความเสี่ยงสำหรับน้ำมันที่ USD0.69/bbl และกำไรจากสินค้าคงคลังที่ USD3.29/bbl Accounting GRM จะอยู่ที่ USD17.27/bbl (+USD12.77 q-q, +USD6.82/bbl y-y) ซึ่งทำให้ได้ Refinery EBITDA อยู่ที่ 6.3 พัน ลบ. (+359% q-q, +52.7% y-y).
- ธุรกิจ ESSO ให้ส่วนแบ่งกำไรน้อยจากการปิดเพื่อซ่อมบำรุง BCP (ซึ่งถือหุ้น 76.34% ใน ESSO) เริ่มรวมงบการเงินของ ESSO ในวันที่ 1 ก.ย. 2023 อย่างไรก็ตามกำไรสุทธิกลับเกินการผลิตที่เพียง 48.2 kbd ของกำลังการผลิตรวม (174 kbd) จากการปิดซ่อมบำรุงตามแผน (25 วันจนถึง 15 ต.ค. 2023) เพื่อเตรียมการผลิตน้ำมันมาตรฐาน Euro 5 เพราะฉะนั้น EBITDA ตามส่วนการลงทุนจึงไม่มีนัยสำคัญในไตรมาสนี้
- ธุรกิจการตลาดได้ปัจจัยหนุนจากกำไรจากสินค้าคงคลังในขณะที่ปริมาณขายและค่าการตลาดลดลง q-q ใน 3Q23 EBITDA ของธุรกิจการตลาดเพิ่มเป็น 1.3 พัน ลบ. (+137% q-q, +546% y-y) ส่วนมากจากค่าการตลาดสุทธิที่สูงขึ้นเป็น 1.29 บาท/ลิตรเทียบกับ 0.76 บาท/ลิตรในไตรมาสก่อนหน้าในขณะที่ปริมาณขายลดลงเล็กน้อย (-0.4% q-q) จากฤดูฝน เมื่อหักกำไรจากสินค้าคงคลัง ค่าการตลาดลดลง 0.09 บาท/ลิตรมาอยู่ที่ 0.84 บาท/ลิตรจากราคาผลิตภัณฑ์ปิโตรเลียมที่สูงขึ้นในขณะที่ BCP ไม่สามารถส่งผ่านต้นทุนที่สูงขึ้นได้
- ธุรกิจทรัพยากรธรรมชาติปรับตัวดีขึ้นจากปริมาณขายที่สูงขึ้น ใน 3Q23 EBITDA อยู่ที่ 4.9 พัน ลบ. (+31.7% q-q) ปรับขึ้นจากปริมาณขายที่เพิ่ม 17% และราคาน้ำมันดิบและคอนเดนเสทที่สูงขึ้น 27% q-q ในขณะที่ราคาก๊าซธรรมชาติลดลง 24% q-q
- แนวโน้ม 4Q23. ธุรกิจโรงกลั่นน่าจะอ่อนตัวลดลงตาม GRM ในทางตรงกันข้ามเราเชื่อว่าธุรกิจการตลาดและทรัพยากรธรรมชาติจะปรับขึ้น q-q จากปัจจัยด้านฤดูกาล
- คำแนะนำซื้อ BCP ที่ราคาเป้าหมาย 42.7 บาท/หุ้น

TARGET PRICE	THB42.70
CLOSE	THB40.75
UP/DOWNSIDE	+4.8%
TP vs CONSENSUS	-6.7%

### KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	312,202	315,924	340,858	346,392
Net profit	12,575	7,592	7,567	7,304
EPS (THB)	9.13	5.51	5.50	5.30
vs Consensus (%)	-	(20.6)	(21.3)	(22.0)
EBITDA	45,881	33,788	39,455	37,368
Recurring net profit	18,514	7,592	7,567	7,304
Core EPS (THB)	13.45	5.51	5.50	5.30
EPS growth (%)	93.8	(59.0)	(0.3)	(3.5)
Core P/E (x)	3.0	7.4	7.4	7.7
Dividend yield (%)	5.5	3.4	3.4	3.3
EV/EBITDA (x)	2.4	5.6	5.1	5.7
Price/book (x)	0.9	0.8	0.8	0.7
Net debt/Equity (%)	40.9	120.8	121.5	122.7
ROE (%)	31.9	11.6	10.7	9.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	7.2	3.8	23.5
Relative to country (%)	9.3	11.7	42.8
Mkt cap (USD m)	1,650		
3m avg. daily turnover (USD m)	7.6		
Free float (%)	59		
Major shareholder	Thailand Social Security Office (15%)		
12m high/low (THB)	41.75/28.75		
Issued shares (m)	1,376.92		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 9 พฤศจิกายน 2023

## Financial performance highlights

### Exhibit 1: 3Q23 results summary

	3Q22	2Q23	3Q23			2023E	% of 2023E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(%)
Revenue	74,767	68,023	94,346	38.7	26.2	315,924	77%
Operating costs	(63,280)	(61,395)	(80,532)	31.2	27.3	(282,135)	
EBITDA	11,487	6,628	13,814	108.4	20.3	33,788	93%
EBITDA margin (%)	15.4	9.7	14.6	nm	nm	10.7	
Deprn & amort.	(2,422)	(2,669)	(4,138)	55.0	70.8	(14,698)	
EBIT	9,065	3,959	9,676	144.4	6.7	19,090	
Interest expense	(1,093)	(1,000)	(1,315)	31.5	20.4	(4,124)	
Interest & invt inc	460	775	7,973	928.4	1,633.4	0	
Associates' contrib	42	(40)	211	(629.0)	400.8	2,134	
Exceptionals	(2,505)	(1,698)	(3,720)	119.1	48.5	0	
Pretax profit	5,969	1,997	12,826	542.3	114.9	17,100	128%
Tax	(3,062)	(1,406)	(2,478)	76.2	(19.1)	(7,611)	
Tax rate (%)	51.3	70.4	19.3	nm	nm	44.5	
Minority interests	(437)	(251)	(184)	(26.5)	(57.9)	(1,898)	
Net profit	2,470	458	11,011	2,303.8	345.8	7,592	187%
Non-recurring	241	479	(7,507)	(1,667.4)	(3,215.7)	0	
Core profit	2,711	937	3,504	274.0	29.3	7,592	58%
EPS (THB)	1.73	0.24	7.91	3,195.8	357.2	5.51	
Core EPS (THB)	1.97	0.68	2.54	274.0	29.3	5.51	

Sources: BCP; FSSIA estimates

### Exhibit 2: Accounting EBITDA breakdown by business

Accounting EBITDA	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	---- Change ----	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)
Refinery and trading business	5,021	6,506	4,131	2,207	4,029	1,373	6,306	359.3%	52.7%
Marketing business	1,118	1,468	203	120	737	553	1,312	137.3%	546.3%
ESSO	-	-	-	-	-	-	1,281	n.m.	n.m.
Power plant business	3,075	1,112	1,209	1,003	852	989	1,330	34.5%	10.0%
Bio-based product	343	93	35	146	107	138	169	22.5%	382.9%
Natural resources & new business development	4,251	3,541	6,064	3,769	5,414	3,701	4,873	31.7%	-19.6%
Eliminations & others	(94)	(148)	(155)	(294)	(147)	(126)	(1,457)	1056.3%	840.0%
Total	13,714	12,572	11,487	6,951	10,992	6,628	13,814	108.4%	20.3%

Source: BCP

### Exhibit 3: Quarterly key earnings drivers

BCP assumptions	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	Chg. q-q	Chg. y-y
	(USD/bbl)	(USD/bbl)	(USD/bbl)	(USD/bbl)	(USD/bbl)	(USD/bbl)	(USD/bbl)	(USD/bbl)	(USD/bbl)
<b>Refinery</b>									
Dubai	96.21	108.22	96.68	84.77	80.23	77.59	86.63	9.04	(10.05)
Operating GRM	6.84	24.42	11.20	14.68	11.44	4.67	14.67	10.00	3.47
Oil hedging and stock gain/loss	6.65	(6.79)	(0.75)	(8.04)	(1.28)	(0.17)	2.60	2.77	3.35
Accounting GRM	13.49	17.63	10.45	6.64	10.16	4.50	17.27	12.77	6.82
UNL95-DB	17.82	35.14	13.07	9.53	18.71	16.54	18.91	2.37	5.84
Jet-DB	16.53	39.62	32.43	33.51	26.03	13.97	26.07	12.10	(6.36)
GO-DB	19.87	43.60	35.23	39.29	24.81	14.54	26.93	12.39	(8.30)
<b>Oil retail and marketing</b>									
Marketing margin (Bt/liter)	0.72	1.07	1.13	0.81	0.93	0.93	0.84	(0.09)	(0.29)
Net marketing margin (Bt/liter)	1.11	0.94	0.62	0.68	0.79	0.76	1.29	0.53	0.67
Number of service station	1,292	1,301	1,320	1,343	1,353	1,361	1,370	9.00	50.00
<b>Exploration and production (OKEA)</b>									
Realized gas price (USD/bbl)	189.80	82.40	194.80	112.60	116.30	81.20	61.90	(19.30)	(132.90)
Realized liquid price	89.60	100.30	106.60	95.20	77.70	70.10	89.00	18.90	(17.60)

Total sales volume (kboed)	15.4	16.0	17.3	16.3	37.9	22.8	26.7	3.91	9.43
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Source: BCP

## Financial Statements

Bangchak Corp

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	199,417	312,202	315,924	340,858	346,392
Cost of goods sold	(175,744)	(265,934)	(284,828)	(308,996)	(316,341)
<b>Gross profit</b>	<b>23,673</b>	<b>46,269</b>	<b>31,095</b>	<b>31,862</b>	<b>30,051</b>
Other operating income	-	-	-	-	-
Operating costs	(7,669)	(10,391)	(12,005)	(12,953)	(13,163)
<b>Operating EBITDA</b>	<b>24,078</b>	<b>45,881</b>	<b>33,788</b>	<b>39,455</b>	<b>37,368</b>
Depreciation	(8,075)	(10,004)	(14,698)	(20,545)	(20,480)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>16,003</b>	<b>35,877</b>	<b>19,090</b>	<b>18,909</b>	<b>16,888</b>
Net financing costs	(2,289)	(3,976)	(4,124)	(4,000)	(4,158)
Associates	1,042	188	188	188	207
Recurring non-operating income	2,321	2,042	2,134	2,134	2,348
Non-recurring items	(1,927)	(5,939)	0	0	0
<b>Profit before tax</b>	<b>14,108</b>	<b>28,004</b>	<b>17,100</b>	<b>17,044</b>	<b>15,078</b>
Tax	(4,263)	(12,852)	(7,611)	(7,585)	(5,948)
<b>Profit after tax</b>	<b>9,845</b>	<b>15,152</b>	<b>9,490</b>	<b>9,459</b>	<b>9,130</b>
Minority interests	(2,221)	(2,577)	(1,898)	(1,892)	(1,826)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>7,624</b>	<b>12,575</b>	<b>7,592</b>	<b>7,567</b>	<b>7,304</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>1,927</b>	<b>5,939</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>9,551</b>	<b>18,514</b>	<b>7,592</b>	<b>7,567</b>	<b>7,304</b>
<b>Per share (THB)</b>					
Recurring EPS *	6.94	13.45	5.51	5.50	5.30
Reported EPS	5.54	9.13	5.51	5.50	5.30
DPS	2.00	2.25	1.38	1.37	1.33
Diluted shares (used to calculate per share data)	1,377	1,377	1,377	1,377	1,377
<b>Growth</b>					
Revenue (%)	46.1	56.6	1.2	7.9	1.6
Operating EBITDA (%)	500.7	90.6	(26.4)	16.8	(5.3)
Operating EBIT (%)	nm	124.2	(46.8)	(0.9)	(10.7)
Recurring EPS (%)	nm	93.8	(59.0)	(0.3)	(3.5)
Reported EPS (%)	nm	64.9	(39.6)	(0.3)	(3.5)
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	11.9	14.8	9.8	9.3	8.7
Gross margin exc. depreciation (%)	15.9	18.0	14.5	15.4	14.6
Operating EBITDA margin (%)	12.1	14.7	10.7	11.6	10.8
Operating EBIT margin (%)	8.0	11.5	6.0	5.5	4.9
Net margin (%)	4.8	5.9	2.4	2.2	2.1
Effective tax rate (%)	28.9	38.1	45.0	45.0	40.0
Dividend payout on recurring profit (%)	28.8	16.7	25.0	25.0	25.0
Interest cover (X)	8.0	9.5	5.1	5.3	4.6
Inventory days	37.7	34.2	41.0	40.8	41.6
Debtor days	19.8	21.9	29.7	35.4	42.9
Creditor days	30.4	31.8	40.2	40.0	40.8
Operating ROIC (%)	15.3	27.5	9.5	6.9	5.7
ROIC (%)	10.0	17.5	7.5	5.9	5.1
ROE (%)	19.1	31.9	11.6	10.7	9.6
ROA (%)	7.6	10.8	4.6	4.1	3.8
* Pre exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Refinery and oil trading	65,161	96,328	101,065	100,758	100,606
Marketing	117,265	184,897	177,580	188,514	198,869
Electricity	4,661	5,395	5,352	6,356	8,671
Bio based product	2,234	1,980	3,744	4,435	4,435

Sources: Bangchak Corp; FSSIA estimates

## Financial Statements

### Bangchak Corp

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	9,551	18,514	7,592	7,567	7,304
Depreciation	8,075	10,004	14,698	20,545	20,480
Associates & minorities	1,279	1,854	1,946	1,946	2,141
Other non-cash items	-	-	-	-	-
Change in working capital	(3,866)	(13,903)	(7,132)	(7,988)	(7,821)
<b>Cash flow from operations</b>	<b>15,039</b>	<b>16,469</b>	<b>17,104</b>	<b>22,071</b>	<b>22,103</b>
Capex - maintenance	(6,514)	(8,070)	(12,769)	(17,384)	(19,692)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(13,948)	5,181	(75,977)	(10,057)	(7,508)
<b>Cash flow from investing</b>	<b>(20,462)</b>	<b>(2,889)</b>	<b>(88,746)</b>	<b>(27,442)</b>	<b>(27,200)</b>
Dividends paid	(1,928)	(3,098)	(2,326)	(1,895)	(1,859)
Equity finance	0	0	0	0	0
Debt finance	17,263	732	39,268	5,000	10,000
Other financing cash flows	1,266	3,125	(1,302)	(2,613)	(3,115)
<b>Cash flow from financing</b>	<b>16,601</b>	<b>759</b>	<b>35,640</b>	<b>492</b>	<b>5,026</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>11,178</b>	<b>14,339</b>	<b>(36,002)</b>	<b>(4,879)</b>	<b>(70)</b>
Free cash flow to firm (FCFF)	(2,883.49)	17,556.39	(67,517.25)	(1,371.26)	(938.44)
Free cash flow to equity (FCFE)	13,105.81	17,437.11	(33,675.89)	(2,984.03)	1,788.50

#### Per share (THB)

FCFF per share	(2.09)	12.75	(49.03)	(1.00)	(0.68)
FCFE per share	9.52	12.66	(24.46)	(2.17)	1.30
Recurring cash flow per share	13.73	22.06	17.60	21.83	21.73

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	115,934	127,965	217,965	247,965	277,965
Less: Accumulated depreciation	(46,701)	(54,947)	(69,645)	(90,190)	(110,670)
<b>Tangible fixed assets (net)</b>	<b>69,233</b>	<b>73,018</b>	<b>148,320</b>	<b>157,775</b>	<b>167,295</b>
<b>Intangible fixed assets (net)</b>	<b>15,613</b>	<b>11,738</b>	<b>11,738</b>	<b>11,738</b>	<b>11,738</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	14,196	3,632	3,632	3,632	3,632
Cash & equivalents	32,829	47,169	11,167	6,288	6,217
A/C receivable	15,234	22,199	29,247	36,852	44,580
Inventories	18,497	29,533	31,171	33,285	34,140
Other current assets	2,812	12,449	12,597	13,591	13,812
<b>Current assets</b>	<b>69,372</b>	<b>111,349</b>	<b>84,183</b>	<b>90,017</b>	<b>98,750</b>
Other assets	33,370	42,606	42,606	42,606	42,606
<b>Total assets</b>	<b>201,785</b>	<b>242,344</b>	<b>290,480</b>	<b>305,768</b>	<b>324,022</b>
Common equity	53,467	62,704	67,970	73,642	79,087
Minorities etc.	16,092	20,674	22,572	24,464	26,290
<b>Total shareholders' equity</b>	<b>69,559</b>	<b>83,378</b>	<b>90,542</b>	<b>98,106</b>	<b>105,377</b>
Long term debt	69,787	70,507	100,507	110,507	120,507
Other long-term liabilities	28,334	40,607	40,607	40,607	40,607
<b>Long-term liabilities</b>	<b>98,121</b>	<b>111,114</b>	<b>141,114</b>	<b>151,114</b>	<b>161,114</b>
A/C payable	15,651	28,948	30,554	32,626	33,464
Short term debt	10,720	10,732	20,000	15,000	15,000
Other current liabilities	7,734	8,172	8,270	8,922	9,067
<b>Current liabilities</b>	<b>34,105</b>	<b>47,852</b>	<b>58,823</b>	<b>56,548</b>	<b>57,531</b>
<b>Total liabilities and shareholders' equity</b>	<b>201,785</b>	<b>242,344</b>	<b>290,480</b>	<b>305,768</b>	<b>324,022</b>
Net working capital	13,158	27,060	34,192	42,181	50,002
Invested capital	145,571	158,055	240,489	257,932	275,274

\* Includes convertibles and preferred stock which is being treated as debt

#### Per share (THB)

Book value per share	38.83	45.54	49.36	53.48	57.44
Tangible book value per share	27.49	37.01	40.84	44.96	48.91

#### Financial strength

Net debt/equity (%)	68.5	40.9	120.8	121.5	122.7
Net debt/total assets (%)	23.6	14.1	37.6	39.0	39.9
Current ratio (x)	2.0	2.3	1.4	1.6	1.7
CF interest cover (x)	6.7	5.4	(7.2)	0.3	1.4

Valuation	2021	2022	2023E	2024E	2025E
<b>Recurring P/E (x) *</b>	<b>5.9</b>	<b>3.0</b>	<b>7.4</b>	<b>7.4</b>	<b>7.7</b>
<b>Recurring P/E @ target price (x) *</b>	<b>6.2</b>	<b>3.2</b>	<b>7.7</b>	<b>7.8</b>	<b>8.0</b>
Reported P/E (x)	7.4	4.5	7.4	7.4	7.7
Dividend yield (%)	4.9	5.5	3.4	3.4	3.3
Price/book (x)	1.0	0.9	0.8	0.8	0.7
Price/tangible book (x)	1.5	1.1	1.0	0.9	0.8
EV/EBITDA (x) **	5.0	2.4	5.6	5.1	5.7
EV/EBITDA @ target price (x) **	5.1	2.5	5.6	5.1	5.7
EV/invested capital (x)	0.8	0.7	0.8	0.8	0.8

\* Pre-exceptional, pre-goodwill and fully diluted \*\* EBITDA includes associate income and recurring non-operating income

Sources: Bangchak Corp; FSSIA estimates

# Bangchak Corp (BCP TB)

## FSSIA ESG rating



**77.54 / 100**

### Exhibit 4: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★	<b>&gt;59-79</b>	<b>A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.</b>
★★★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

### Exhibit 5: ESG – peer comparison

	FSSIA	Domestic ratings						Global ratings					Bloomberg		
	ESG score	DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
BCP	77.54	--	Y	Y	5.00	5.00	Certified	Medium	56.04	AA	--	79.53	83.00	6.34	69.77
ESSO	30.81	--	--	--	4.00	5.00	--	Severe	46.89	--	--	45.86	17.00	2.06	34.92
IRPC	86.08	Y	Y	Y	5.00	5.00	Certified	Medium	59.62	A	--	80.95	76.00	6.72	--
SPRC	44.50	--	--	--	5.00	5.00	Certified	High	55.86	--	--	36.91	28.00	3.77	54.54
TOP	84.35	Y	Y	Y	5.00	5.00	Certified	Medium	52.10	BBB	38.00	75.83	88.00	6.81	--

Sources: [SETTRADE.com](http://SETTRADE.com); FSSIA's compilation

### Exhibit 6: ESG score by Bloomberg

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>ESG financial materiality scores - ESG score</b>	<b>4.77</b>	<b>5.29</b>	<b>5.61</b>	<b>5.69</b>	<b>5.67</b>	<b>5.76</b>	<b>6.27</b>	<b>6.34</b>
BESG environmental pillar score	4.65	4.63	5.02	5.39	5.32	6.11	7.18	7.38
BESG social pillar score	4.65	6.94	7.11	6.80	7.05	6.19	6.20	6.38
BESG governance pillar score	5.09	4.85	5.21	5.14	4.96	4.80	4.92	4.73
<b>ESG disclosure score</b>	<b>62.37</b>	<b>65.96</b>	<b>68.14</b>	<b>68.12</b>	<b>69.50</b>	<b>69.46</b>	<b>70.23</b>	<b>69.77</b>
Environmental disclosure score	68.26	68.26	69.10	69.59	69.59	71.01	67.62	66.23
Social disclosure score	31.38	42.17	47.88	47.34	51.48	49.94	55.65	55.65
Governance disclosure score	87.36	87.36	87.36	87.36	87.36	87.36	87.36	87.36
<b>Environmental</b>								
Emissions reduction initiatives	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Climate change policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No	No	No	No	No
Risks of climate change discussed	No	No	No	No	No	No	No	Yes
GHG scope 1	1,084	1,091	1,095	959	1,072	1,051	822	932
GHG scope 2 location-based	118	51	62	45	103	36	18	14
GHG Scope 3	—	—	—	—	—	279	3,266	3,900
Carbon per unit of production	—	—	—	—	—	—	—	—
Biodiversity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	1,424	2,429	2,476	3,727	4,031	4,011	3,422	3,799
Renewable energy use	229	361	297	171	232	297	0	—
Electricity used	152	94	102	90	119	105	37	11
Fuel used - natural gas	153,197	164,350	177,767	213,106	213,149	210,249	225,550	238,221

Sources: Bloomberg; FSSIA's compilation

## Exhibit 7: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No	No	No	No	No
Waste reduction policy	No	No	No	Yes	Yes	Yes	Yes	Yes
Hazardous waste	1	6	2	5	2	3	3	2
Total waste	1	8	2	16	6	3	3	2
Waste recycled	0	1	1	5	1	1	1	1
Waste sent to landfills	0.04	0.01	0.00	0.00	0.02	0.00	0.00	0.00
Environmental supply chain management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water policy	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Water consumption	—	—	—	—	—	—	—	—
<b>Social</b>								
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	No	No	No	No	No	No	No	No
Quality assurance and recall policy	No	No	No	Yes	Yes	Yes	Yes	Yes
Consumer data protection policy	No	No	No	No	No	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Pct women in workforce	27.19	29.18	30.16	29.74	30.62	30.57	31.19	31.51
Pct disabled in workforce	—	—	0.48	1.03	1.03	0.97	0.99	0.00
Business ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	—	0.00	0.00	0.08	0.00	0.00	0.00	0.00
Total recordable incident rate - employees	1.08	0.48	0.13	0.24	0.00	0.09	0.00	0.19
Training policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	No	No	No	No
Number of employees – CSR	1,129.00	1,196.00	1,240.00	1,254.00	1,251.00	1,230.00	1,103.00	1,098.00
Employee turnover pct	2.67	3.20	4.00	3.55	5.36	3.16	5.13	4.50
Total hours spent by firm - employee training	42,902.00	53,741.00	55,926.00	57,487.00	56,449.00	28,650.00	30,869.70	31,929.80
Social supply chain management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Governance</b>								
<b>Board size</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>14</b>	<b>13</b>	<b>15</b>
<b>No. of independent directors (ID)</b>	<b>10</b>	<b>9</b>	<b>10</b>	<b>10</b>	<b>9</b>	<b>8</b>	<b>8</b>	<b>10</b>
No. of women on board	2	2	1	1	1	1	1	2
No. of non-executive directors on board	14	14	14	14	14	13	12	14
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	17	19	18	15	12	15	12	13
Board meeting attendance pct	96	88	92	95	97	98	99	98
Board duration (years)	3	3	3	3	3	3	3	3
Director share ownership guidelines	No	No	No	No	No	No	No	No
Age of the youngest director	48	50	51	47	48	49	49	49
Age of the oldest director	71	72	70	71	72	73	73	74
<b>No. of executives / company managers</b>	<b>14</b>	<b>14</b>	<b>13</b>	<b>17</b>	<b>22</b>	<b>18</b>	<b>8</b>	<b>10</b>
No. of female executives	0	0	0	2	5	5	0	1
Executive share ownership guidelines	No	No	No	No	No	No	No	No
<b>Size of audit committee</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>4</b>
No. of ID on audit committee	3	3	4	3	3	3	3	4
Audit committee meetings	13	12	13	12	12	12	12	12
Audit meeting attendance %	97	83	96	95	97	100	100	100
<b>Size of compensation committee</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>3</b>
No. of ID on compensation committee	5	5	5	5	4	4	4	3
No. of compensation committee meetings	8	4	5	7	4	3	9	5
Compensation meeting attendance %	97	80	96	94	82	92	100	94
<b>Size of nomination committee</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>3</b>
No. of nomination committee meetings	8	4	5	7	4	3	9	5
Nomination meeting attendance %	97	80	96	94	82	92	100	94
<b>Sustainability governance</b>								
Verification type	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																							
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																							
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for <b>THSI inclusion</b> , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. <b>SETTHSI Index</b> is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																							
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																							
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&amp;A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																							
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																							
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin: 10px auto; width: 80%;"><thead><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr></thead><tbody><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></tbody></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+													
NEGL	Low	Medium	High	Severe																					
0-10	10-20	20-30	30-40	40+																					
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																							
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table border="1" style="margin: 10px auto; width: 80%;"><thead><tr><th>Rating</th><th>Score Range</th><th>Category</th><th>Description</th></tr></thead><tbody><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td></tr><tr><td>CCC</td><td>0.000-1.428</td><td>Laggard:</td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></tbody></table>	Rating	Score Range	Category	Description	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																								
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																								
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																								
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																							
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																							

Source: FSSIA's compilation



## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

#### Kwanwaree Apichartsatoporn FSS International Investment Advisory Securities Co., Ltd

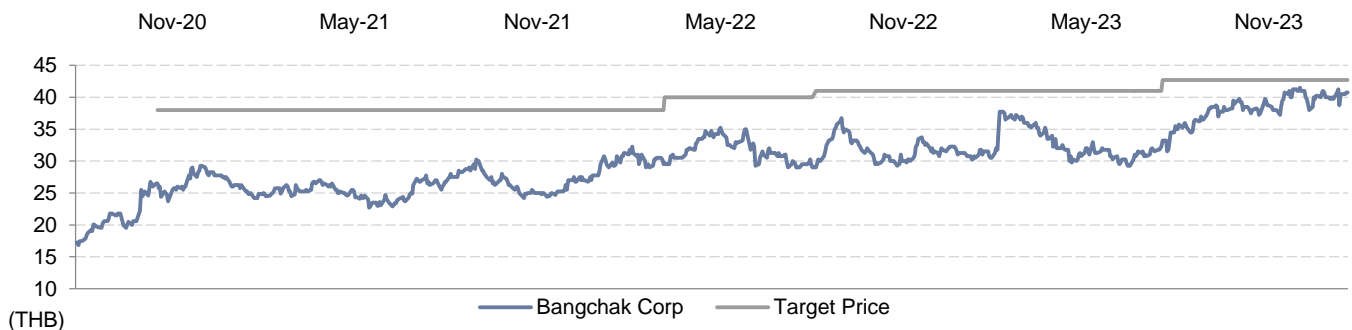
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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#### History of change in investment rating and/or target price

##### Bangchak Corp (BCP TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
18-Jan-2021	BUY	38.00	05-Aug-2022	BUY	41.00	-	-	-
30-Mar-2022	BUY	40.00	01-Jun-2023	BUY	42.70			

Kwanwaree Apichartsatoporn started covering this stock from 01-Jun-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Bangchak Corp	BCP TB	THB 40.75	BUY	The downside risks to our SoTP-based TP include: 1) lower-than-expected demand for petroleum products; 2) higher crude premiums; and 3) unplanned shutdowns of refinery plants.

Source: FSSIA estimates

#### Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 08-Nov-2023 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

Stock ratings are based on absolute upside or downside, which we define as  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

**BUY (B).** The upside is 10% or more.

**HOLD (H).** The upside or downside is less than 10%.

**REDUCE (R).** The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

\* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

### Industry Recommendations

**Overweight.** The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

**Neutral.** The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

**Underweight.** The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

### Country (Strategy) Recommendations

**Overweight (O).** Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Neutral (N).** Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Underweight (U).** Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.