



# BANGCHAK CORPORATION PCL.

**Opportunity Day Q1/2021**

*May 31, 2021*



# TABLE OF CONTENT

**01**

**Q1/21 Business Performance & Update**



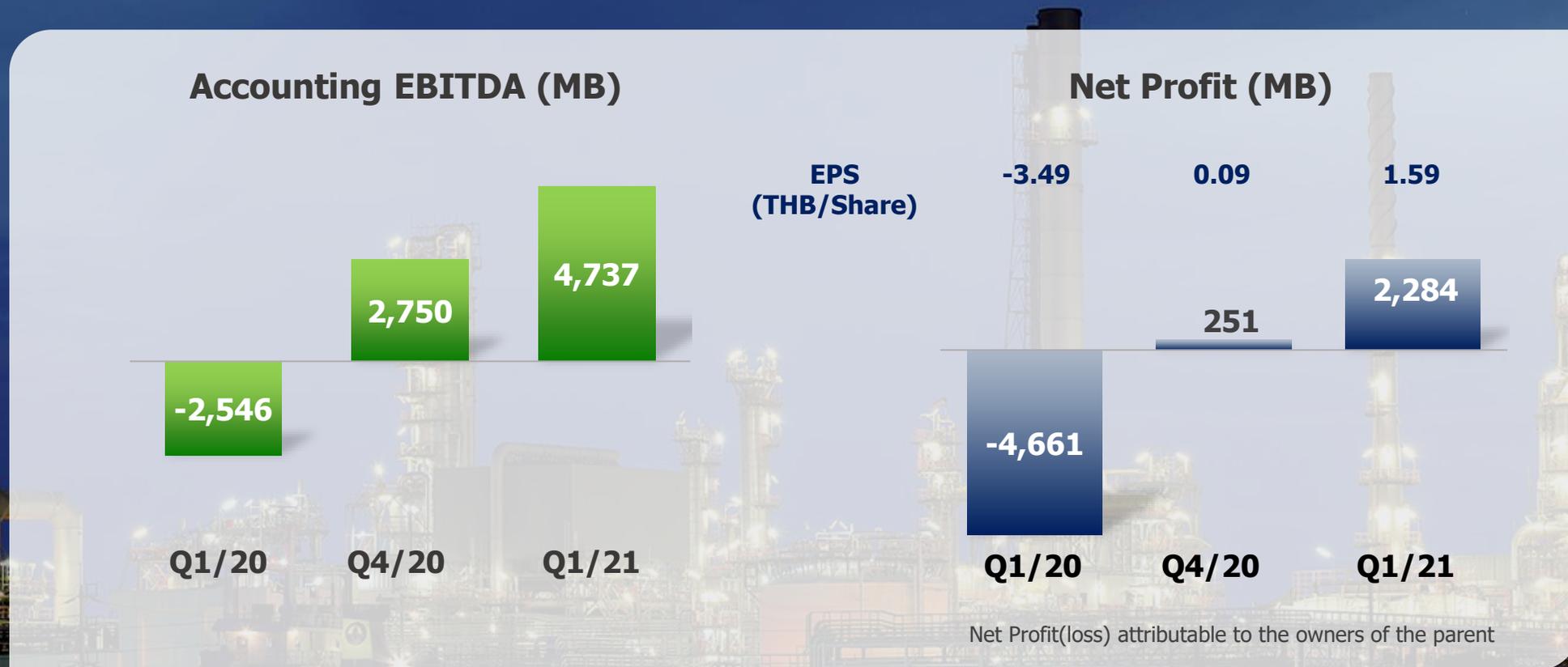
**02**

**Financial Performance**



# Consolidated Performance Q1/2021

Performance improved significantly, as the Refinery business have recovered from peaked crude oil prices driven by covid-19 vaccine distribution program across the world and continued production restraint by OPEC and its partners (OPEC+)



# EBITDA by Business Group

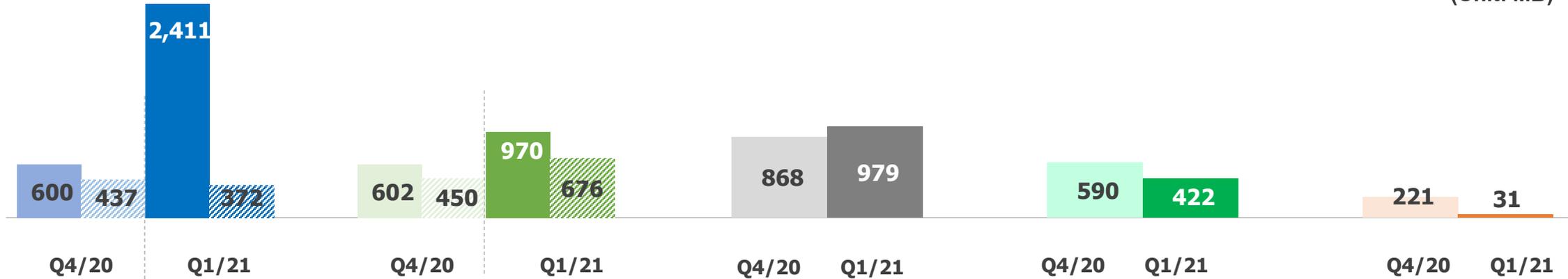
Net Profit <sup>1/</sup> **2,284 MB**

EBITDA **4,737 MB**

Operating EBITDA <sup>2/</sup> **2,396 MB**

■ Accounting EBITDA  
▨ Operating EBITDA

(Unit: MB)



## Refinery & Trading

- **Inventory gain (Net NRV) 2,180 MB** from the significant improvement in crude oil price and preemptive Diesel inventory management for TAM
- **TAM 2021** 39 days
- **Crude run 64.9 KB** (54% run rate)
- **Operating GRM 3.24 \$/BBL**: lower production rate of gasoline and gasoil products

## Marketing

- **Inventory gain (Net NRV) 295 MB** whereas Q4/20 recorded Inventory gain 152 MB
- **Total sales volume slightly decreased 3% QoQ**, mainly from retail sales pressured by the 2<sup>nd</sup> wave of Covid-19 pandemic during Jan-Feb
- **MKM 0.75 Baht/Litre**

## Power Plant

- **Electricity sales decreased 34% QoQ**, mostly attributed to the low season of Laos Hydropower plant
- **Share of profit of 140 MB**

## Bio-Based Products

- **Sales volume declined** in response to lower transportation fuel demand
- **EBITDA dropped 28%**, mainly from revenue drop and high CPO cost in the quarter

## Natural Resources

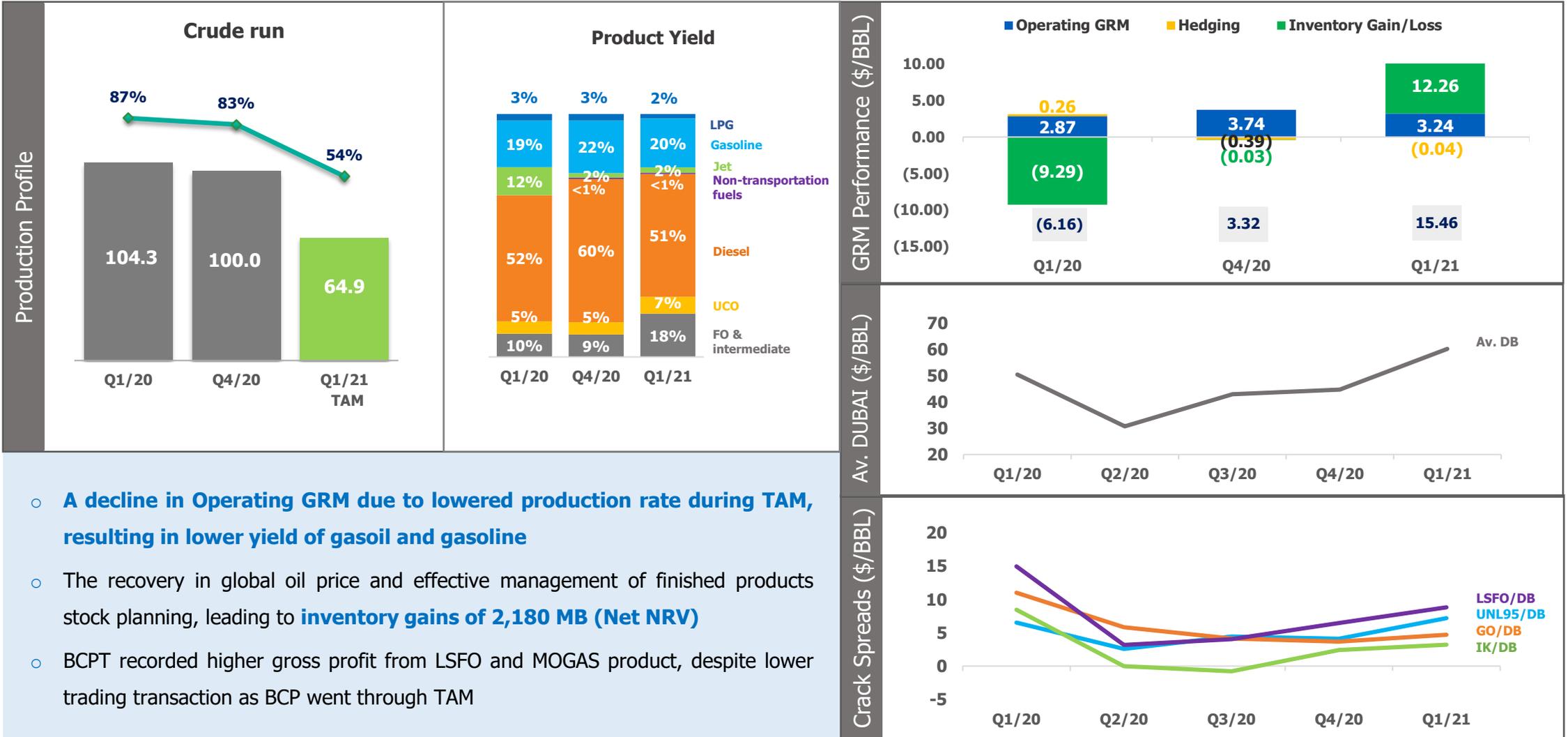
- **Share of gain 38 MB from OKEA**, decreased from previous quarter

Note: 1/ Net loss attributable to the owners of parent

2/ Operating EBITDA excludes Inventory gain/loss, One-time items, Gain/loss from FX forward contracts



# Refinery and Trading Business: Q1/21 EBITDA 2,411 MB



- A decline in Operating GRM due to lowered production rate during TAM, resulting in lower yield of gasoil and gasoline
- The recovery in global oil price and effective management of finished products stock planning, leading to **inventory gains of 2,180 MB (Net NRV)**
- BCPT recorded higher gross profit from LSFO and MOGAS product, despite lower trading transaction as BCP went through TAM

# Refinery Business Update

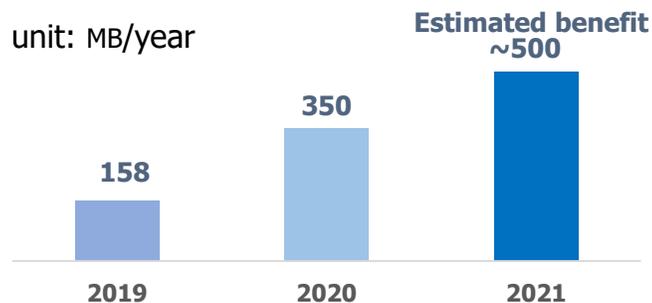
## Crude run: (KBD)

64.9 (1Q/21)	100 - 110 (2Q/21)	80 - 90 (1H2021)	95 - 100 (FY2021)
-----------------	----------------------	---------------------	----------------------

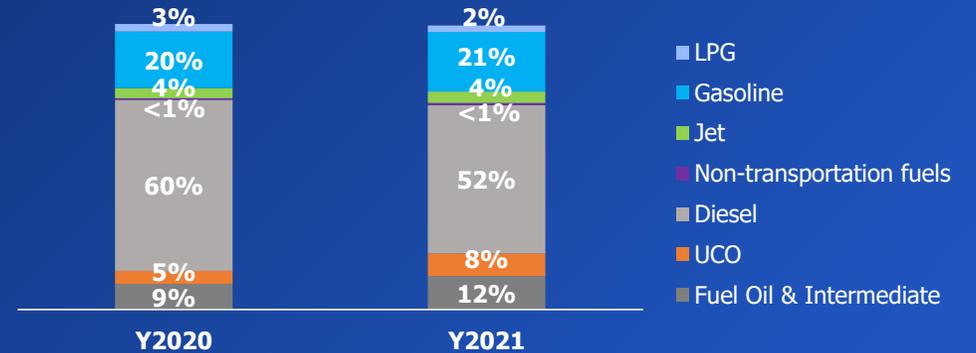
- ❖ Turnaround Maintenance (TAM) in 2021 completed as planned
- ❖ Equipment efficiency investigation and cleaning, catalyst replacement
- ❖ Completed debottlenecking Hydrocracker Unit (HCU) & CCR project
  - **Optimal crude run level to increase to 120+ KBD**
  - **Actual run rate depends on oil market situation and demand**

## Refinery projects:

- ❖  **Project Rocket** To increase outputs and improve operation for optimal benefits

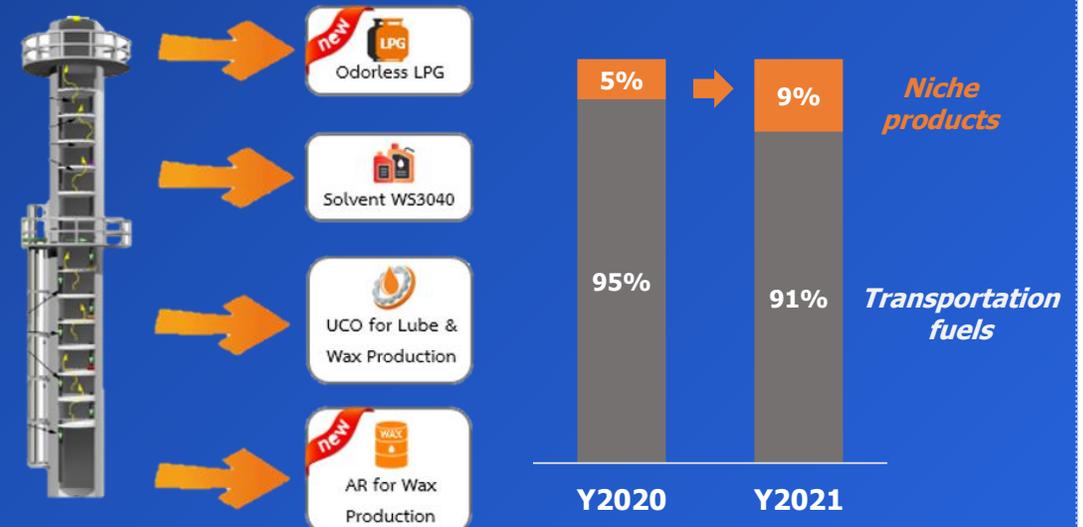


## Customized Products:



## Niche Products

- Produce more high-value **UCO** – For customer in Korea, Japan and China
- Focus more on Niche products – Odorless LPG, Solvent



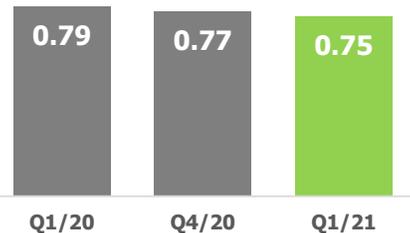


# Marketing Business: Q1/21 EBITDA 970 MB

## Retail Oil Market Share (%)



## Net Marketing Margin (Baht/Litre)

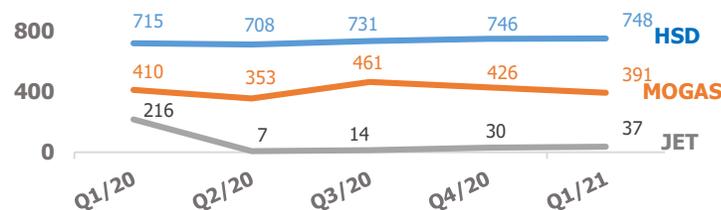


\*Net Marketing Margin of Bangchak only (excluding Inventory Gain/(Loss) and NRV)

## Total Sales Volume (ML/Mo)



## HSD, MOGAS & JET Sale Volume (ML)



- **Sales volume lowered by 3% QoQ**, as the retail market was pressured from the resurgence of COVID-19 since Dec 2020
  - Despite the slight drop of Retail sales, -4% QoQ, the sales reached **new high of 390 million litre/mo in March**, picking up from earlier in the quarter
  - Compare to Q1 last year Retail Sales volume grow +3.3% YoY, greater than the market (+1.7%)
  - Industrial sales insignificantly changed
- **Net marketing margin per unit slightly declined** because of the sudden rise of crude oil, B100 and ethanol product price. However, BCP focused on driving sales in retail channel which led to higher marketing margin than the sudden rise in cost.
- **Inventory gain of 295 MB (Net NRV)**
- Bangchak service station: **+ 11 new S/S** (1,243 sites @ Mar 2021)

## Non-oil business

- **+ 25 new Inthanin branches** (694 branches @ Mar 2021)
- **~190 stores:** Mini BigC, Family Mart, Tops Daily



# Strengthening Marketing Network



## Service station

- Cluster development in main roads, commercial and tourism area
- Unique Design/Flagship service stations in high-potential area

# 1,243

as of Mar 2021

Standard Type → 630 sites

COOP Type → 613 sites

## Network Expansion

2020	→	2021
1,233 stations		+100 stations
Focus on:		
• Standard type		
• JV type		

## Unique Design Service Stations

Thruput 10% higher  
than the standard type



May 2021	→	2021 Target
39 Stations		59 stations

# 694 Inthanin

Stores as of Mar 2021

466 sites in S/S

228 sites out S/S



2020	→	2021
673 sites		+150 sites

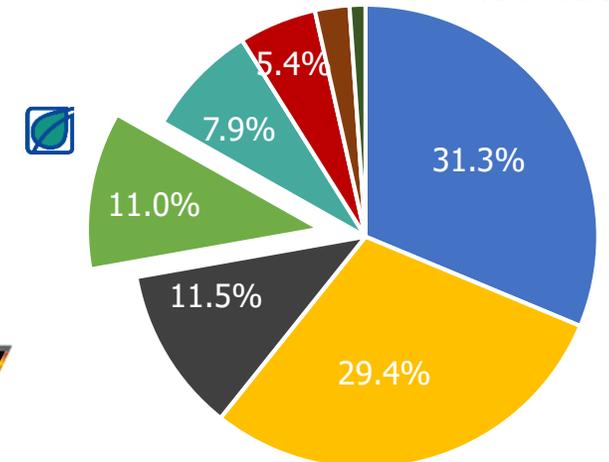
with "Inthanin the natural cups" concepts

- 100% Arabica coffee bean
- The best in cocoa beverage
- Eco brand

## "Build The Base, Create The Growth"

### Lube Domestic Market Share\*

- Uplifting current business via car care expansion
- Opening more sites in service stations



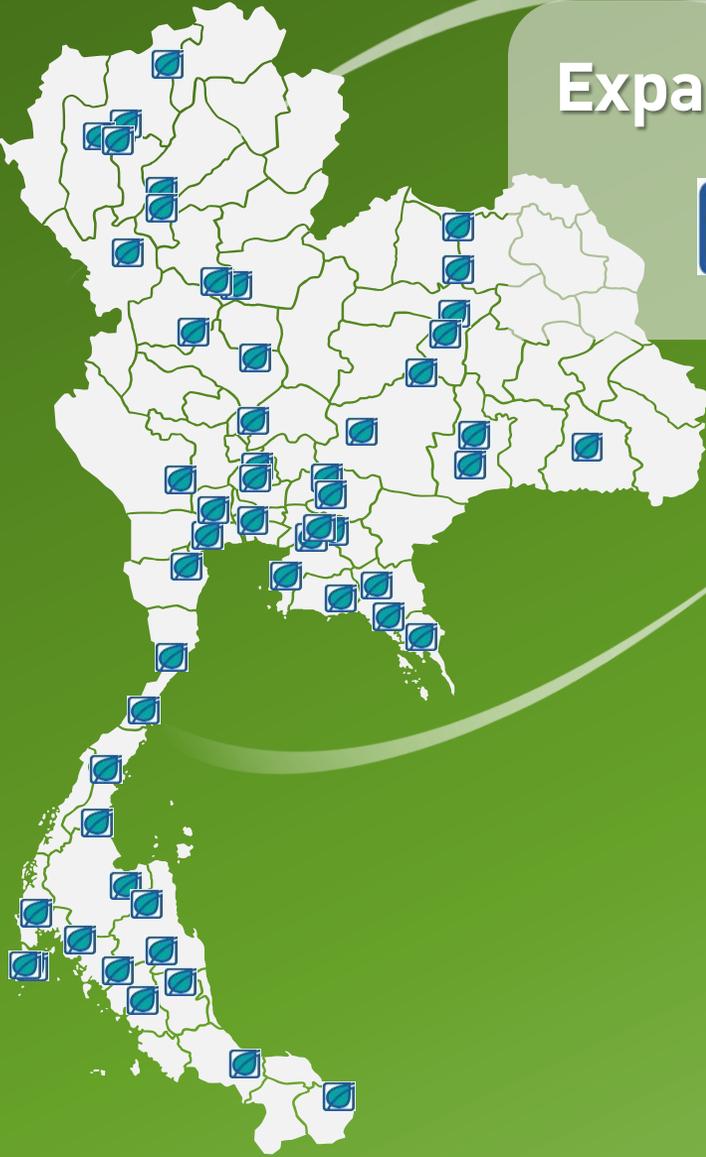
Source: DOEB & BCP

# Bangchak with EV chargers on major routes across the country

Expanding for EV Chargers in **152 Bangchak Stations**



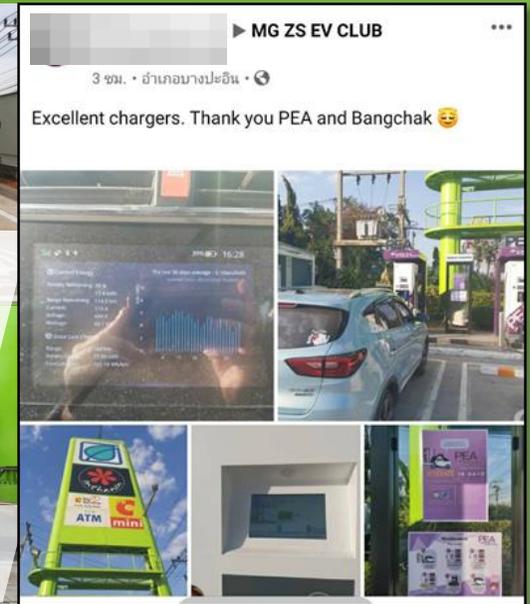
Others Potential  
Strategic Partners



**Ready-to-use in 18 Bangchak stations**

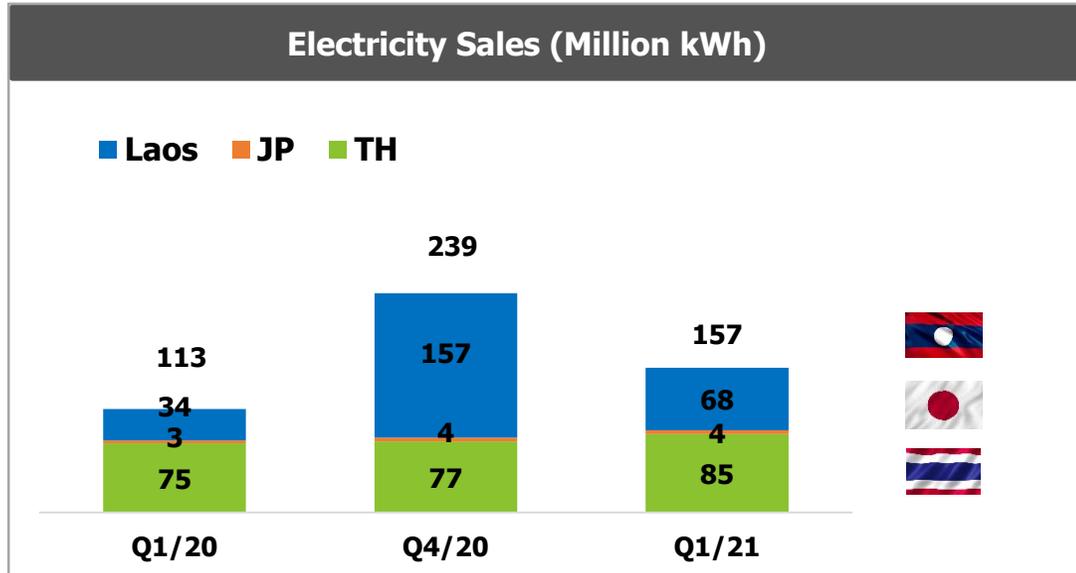


**56 stations within Q2/2021**





# Power Plant Business: Q1/21 EBITDA 979 MB

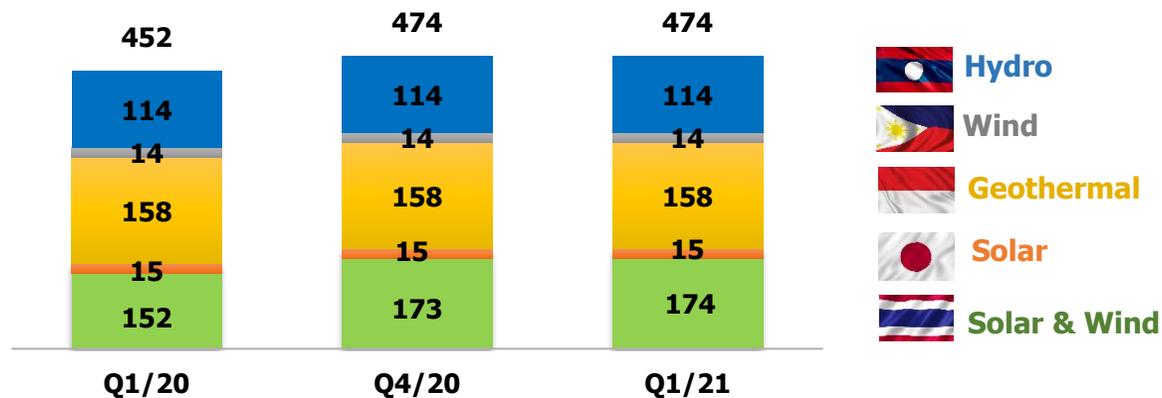


## Share of profit supported performance while total electricity sales dropped

### Electricity sales

- Laos hydropower sales -57% QoQ as 1<sup>st</sup> quarter was in low season
- Thai solar power sales +11% QoQ from higher average irradiation hours
- Thai wind power sales +8% QoQ from higher average wind speed
- Japan solar power sales -5% QoQ from period of curtailment

### Operating Capacity (MW PPA)

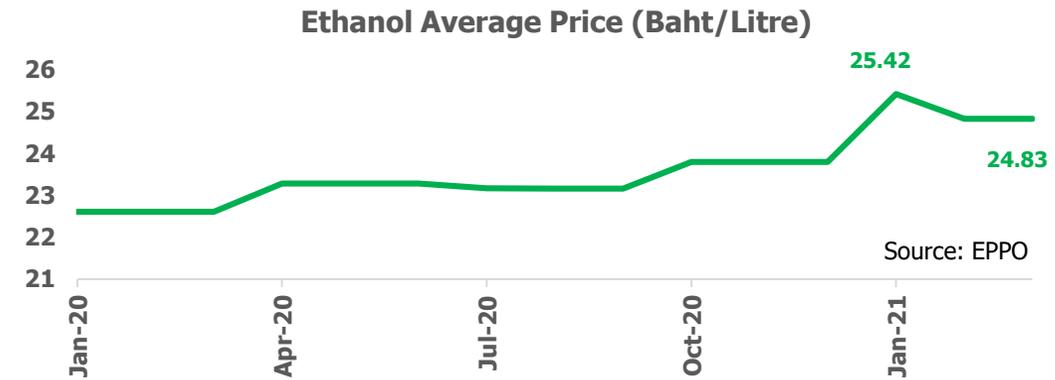
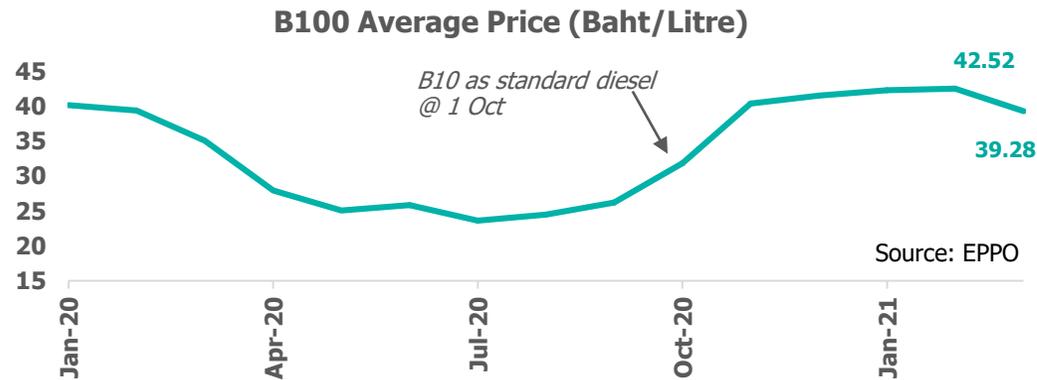
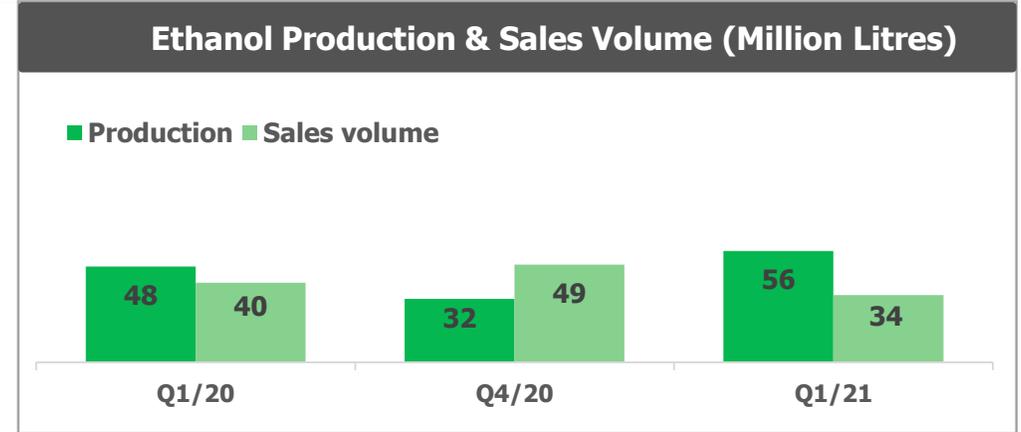
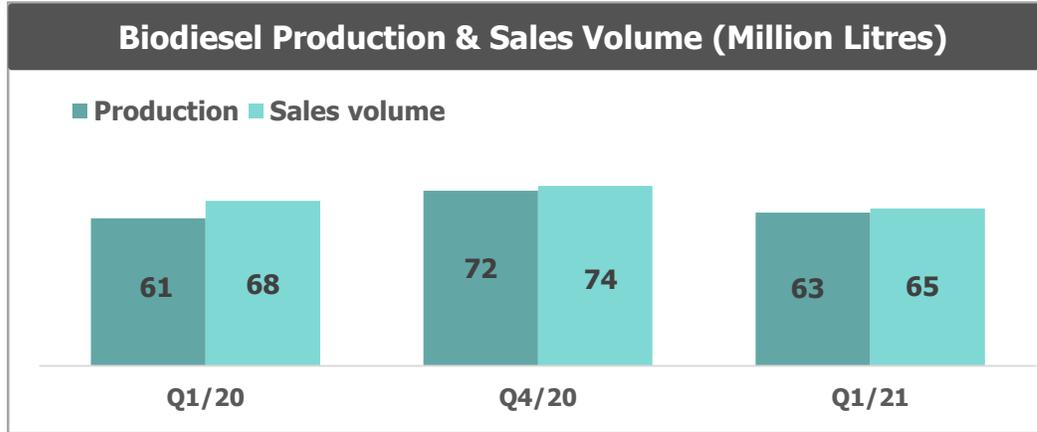


### Share of profit 140 MB

- Geothermal power plant: 121 MB, +672% QoQ
  - Less operating expenses and finance cost, including none refinancing cost compare to 4Q2020
- Wind power plant: 19 MB, -62% QoQ
  - Better electricity generation, but 4Q2020 recorded retroactive payment from the adjustment of tariff



# Bio-Based Product Business: Q1/21 EBITDA 422 MB



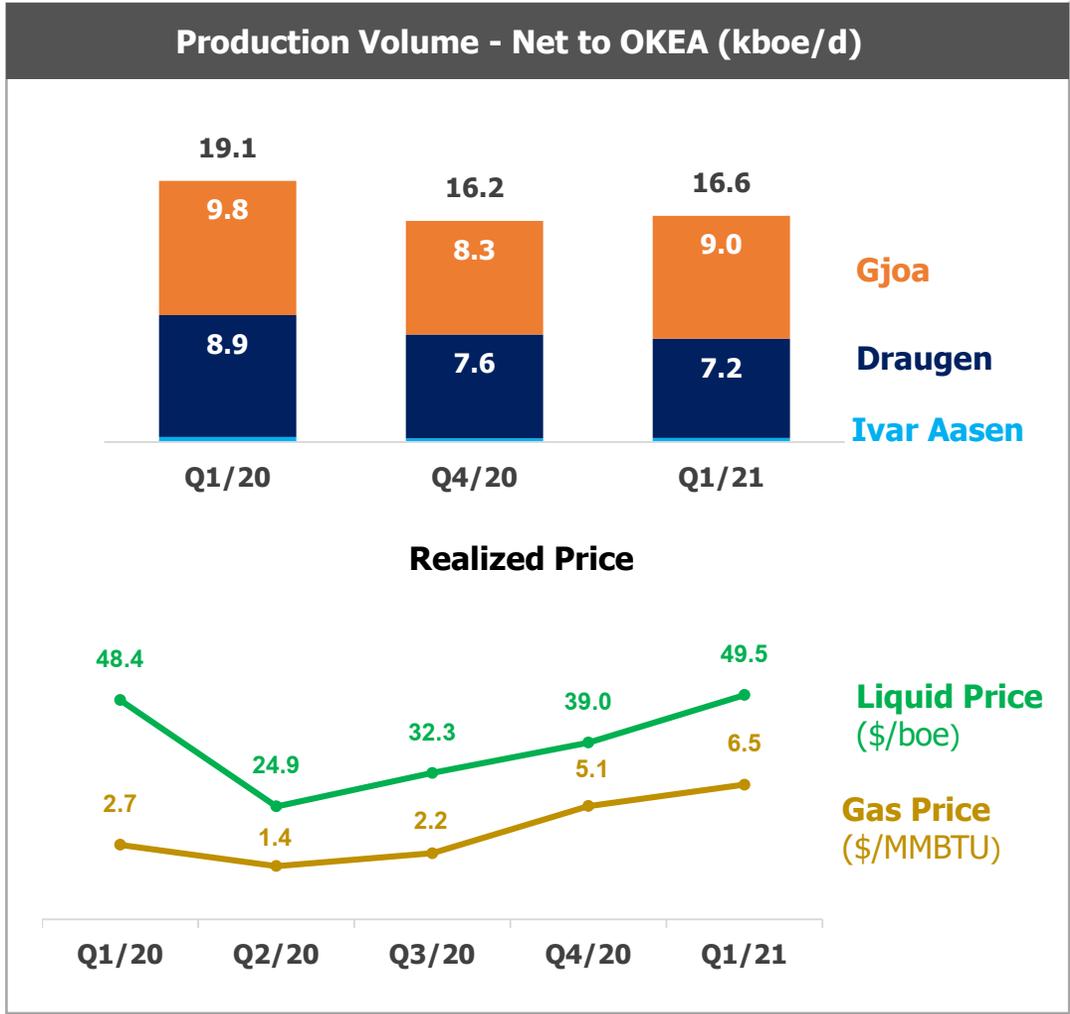
## 1Q2021 performance was weakened as Covid-19 continued to weight on transportation and overall biofuel demand

- Despite the higher B100 price as a result of its undersupply crude palm oil situation but Revenue and gross profit fell 3% and 47% QoQ respectively, due to the decline in diesel demand and higher CPO cost.

- Revenue dropped -25% QoQ due to its lower sales volume, nevertheless gross profit still increased +25% QoQ from the successful raw material cost management
- Production level increased 76% QoQ as KGI plant finished its TAM in 4Q2020



# Natural Resources Business: Q1/21 EBITDA 31 MB



Source: OKEA

**OK ASA** | **OKEA ASA**  
BCPR holds 46.09 % in OKEA ASA

## BCP recorded share of gain 38 MB from OKEA

- Operating income declined mainly from **lower sold volumes was partly offset by higher realised prices**
- **No impairment or reversal of impairment at OKEA**
- **Exploration and evaluation expenses increased**, related to the exploration well Jerv which was concluded a non-commercial discovery
- Currency gain on loans decreased as NOK remained stable in 1Q2021, while strengthened by 10% against USD in the previous quarter

# BCP Group Business Update



- ✓ **2Q Laos hydropower plant (114MW) performance may improve from 1Q by seasonality effect**
- ✓ **Construction of transmission line on track**



- ✓ **Japan solar projects (65 MW) COD plan**
  - in 4Q: Komagane 25 MW, Chiba 20 MW
  - in 2H: Yabuki 20 MW
- ✓ **2Q Geothermal powerplant's performance may improve QoQ thanks to lower scheduled maintenance.**



- ✓ **Plan to Filing Q3/21 & IPO in Q1/22**
- ✓ **Win Ingredients Co., Ltd. to launch sweetener product Mid 2021 in TH, VN, ID and PH**

**BIODIESEL BUSINESS**

**+ Refined Glycerin  
27,000 Ton/Y  
(Construction completed)**



**ETHANOL BUSINESS**

**KGI-NP  
+200,000 L/D  
(Construction progress 77%,  
COD Q1/22)**



## OKEA

- ✓ **Tentative schedule for development projects**
  - **Yme: first oil in 2H/21**
  - Hasselmus: FID in Q2/21
- ✓ **Production guiding net to OKEA**
  - **15,500-16,500 boepd in 2021**

## LAC

- ✓ **Construction at Caucharí-Olaroz underway with first production targeted for mid-2022**
- ✓ **BCP holds offtake rights up to 6,000 TPA**

# TABLE OF CONTENT

**01**

**Q1/21 Business Performance & Update**



**02**

**Financial Performance**



# Event Highlights



**Bangchak Refinery TAM 2021**, 39 days from 15<sup>th</sup> February to 25<sup>th</sup> March, **completed as planned**



BCV Innovation Company Limited, a wholly owned subsidiary of BCP, has **invested 50 MB** in 99.8% common shares of **WINNONIE** Company Limited



(April 2021) **BCP's dividend payment of 0.40 B/share** for 2020 performance, totaling 543 MB



(May 2021) **BBGI has issued the first debenture, amount 1,300 MB** with BBB+ rating to II/HNW investor, intended to raise funds to drive forward strategic plans and facilitate growth in the future. **The deal was 5x oversubscription.**

## Statement of Income: Consolidated

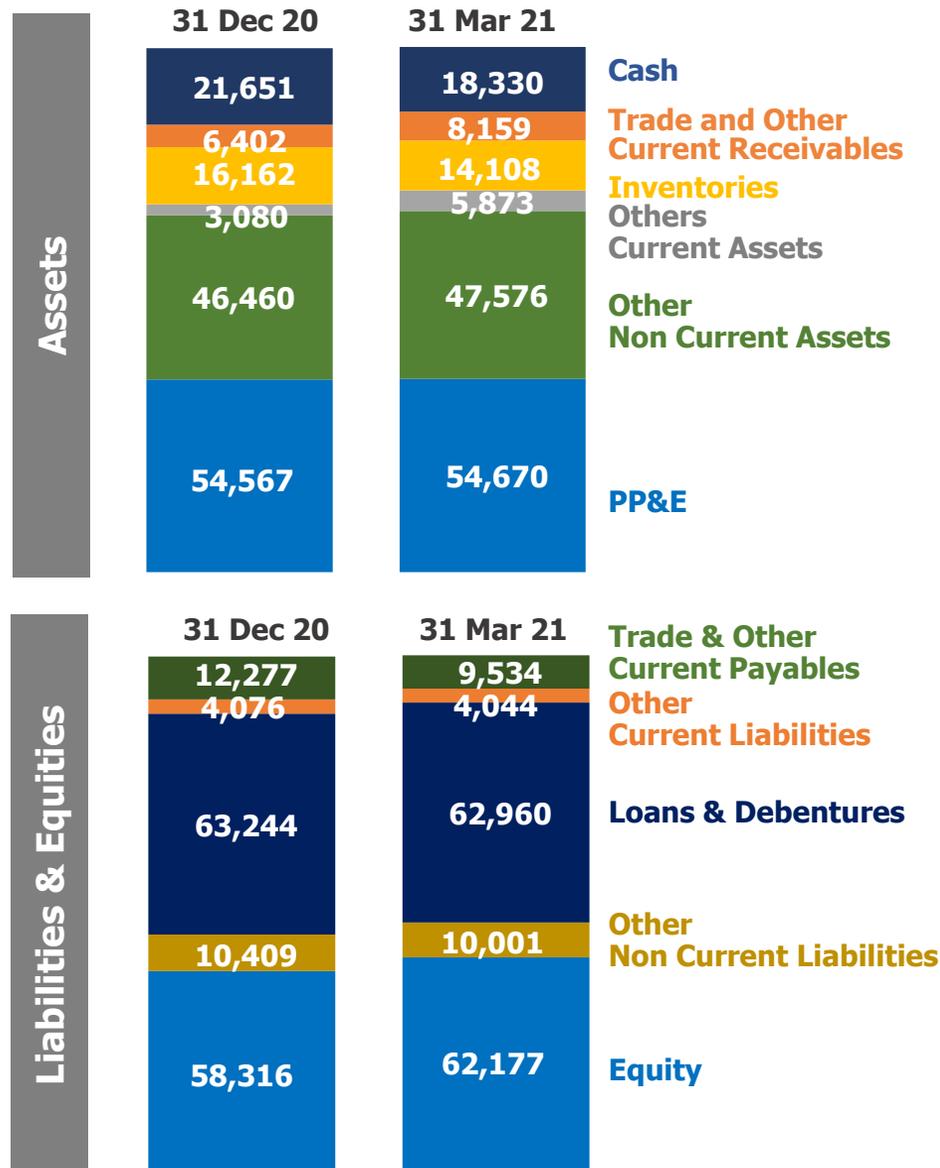
Statement of Income (Unit:MB)	Q4/2020	Q1/2021	% Change
Revenue	33,134	41,230	24%
Cost of goods sold	(30,741)	(36,626)	19%
<b>Gross Profit</b>	<b>2,393</b>	<b>4,604</b>	<b>92%</b>
Other income	120	142	18%
Selling and administrative expenses	(2,180)	(1,447)	-34%
Gain (loss) from derivatives	165	(429)	
Gain (loss) on foreign exchange	140	43	
Reversal (Loss) from impairment of assets	115	400	
<b>Profit (Loss) from operating activities</b>	<b>752</b>	<b>3,313</b>	<b>340%</b>
Finance costs	(484)	(464)	-4%
Impairment gain(loss) (TFRS9)	23	6	
Share of profit(loss) of associate and JV	264	194	
<b>Profit (Loss) before income tax expense</b>	<b>555</b>	<b>3,049</b>	<b>449%</b>
Tax income (expense)	46	(408)	
<b>Profit (loss) for the period</b>	<b>601</b>	<b>2,642</b>	<b>340%</b>
Owners of parent	251	2,284	808%
Non-controlling interests	349	358	
<b>Earnings per share (Baht per Share)</b>	<b>0.09</b>	<b>1.59</b>	

- ❖ **Revenue increased 24% QoQ** mainly from the petroleum related businesses. BCP selling price per unit +18%QoQ, and BCPT traded more out-out transaction
- ❖ **Gross profit increased significantly 92% QoQ** mainly from the rise of global crude oil price, resulting in inventory gain of 2,473 MB (Net NRV).
- ❖ **Recorded 400 MB Reversal of impairment on asset** due to the higher valuation of investment in OKEA as the oil and gas price continue to strengthen
- ❖ **Share of Profit** – slightly decline mostly due to less share of profit from OKEA as it had no reversal of impairment in this quarter

<u>Main attributors</u>	<u>Q4/2020</u>	<u>Q1/2021</u>
Petrowind Energy Inc.	50	19 MB
Star Energy Group Holdings Pte. Ltd	(74)	121 MB
OKEA ASA	275	38 MB

# Consolidated Statement of Financial Position

Unit: MB



Unit: MB	31 Dec 20	31 Mar 21	Change
Total Assets	148,323	148,716	▲ <1%
Total Liabilities	90,007	86,539	▼ 4%
Total Equity	58,316	62,177	▲ 7%

- ❖ **Trade and other current receivables +27%**, attributed to the average selling price of BCP and BCPT adjusted upward
- ❖ **Inventory -13%** as previous quarter refinery built up stock for TAM in Q1
- ❖ **Other Non Current Assets +2%**
  - Investments in associates and joint ventures ▲ 1,262 MB mostly attributed to currency conversion of invested capital in associated company (THB depreciation), and the reversal of recorded impairment on investment in OKEA
- ❖ **PP&E +<1%**
  - Asset investment 1,010 MB mainly on major turnaround and 3E project
  - Depreciation of 1,035 MB
- ❖ **Trade & Other current payables -22%** mostly from BCPT's trade payables was lower than last quarter
- ❖ **Equities +7%**
  - Net profit of 2,642 MB
  - Exchange differences on translating financial statements 874 MB

# Consolidated Statement of Cash Flow

As of Dec 20

**Beginning Cash**  
21,651 MB

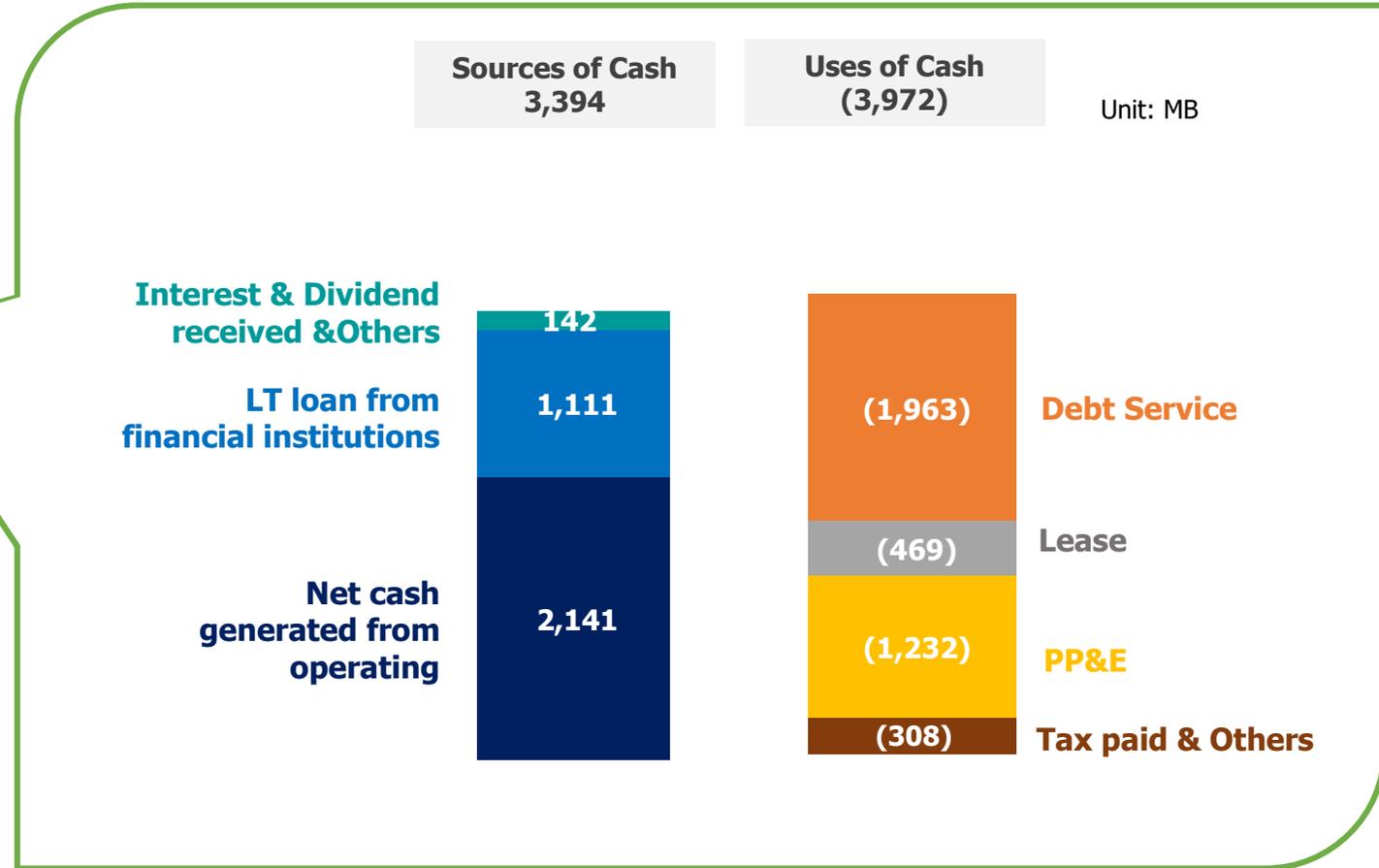
**Cash movement**  
(578) MB

**Short Term Deposit**  
(2,995) MB

**FX adjustment**  
253 MB

**Ending Cash**  
18,330 MB

As of Mar 21



# Q&A Session



**THANK YOU**

[ir@bangchak.co.th](mailto:ir@bangchak.co.th)

Tel. +66 2335 4370 / 8518

[www.bangchak.co.th](http://www.bangchak.co.th)

