

BANGCHAK CORPORATION PLC

No. 182/2025
30 October 2025

CORPORATES

Company Rating: A+
Issue Ratings:
Senior unsecured A+
Outlook: Stable

Last Review Date: 25/07/25

Company Rating History:

Date		Outlook/Alert
30/09/24	A+	Stable
31/08/23	A	Stable
19/01/23	A	Alert Negative
27/10/22	A	Stable
09/12/20	A-	Stable
11/06/20	A	Negative
04/11/15	A	Stable
26/12/12	A-	Stable
06/07/12	A-	Alert Negative
12/10/10	A-	Stable
05/11/09	BBB+	Positive
05/11/08	BBB+	Stable

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RATIONALE

TRIS Rating affirms the company rating on Bangchak Corporation PLC (BCP) at “A+” and the ratings on its outstanding senior unsecured debentures at “A+”. The rating outlook is “stable”.

The ratings reflect the BCP’s strong business profile in Thailand’s oil refining and marketing (R&M) sector, a significant cash flow contribution from its upstream petroleum exploration and production (E&P) business and expected moderate financial leverage. The ratings also incorporate the benefits of vertical integration and business diversification. However, the ratings remain constrained by the inherent cyclicity and volatility of oil price and gross refining margin (GRM), as well as the execution risk associated with its operational integration and upcoming projects.

KEY RATING CONSIDERATIONS

Solid market position in R&M

BCP has strengthened its business operation following the acquisition of Bangchak Sriracha PLC (BSRC), resulting in a substantial expansion in operating scale, cash generation and improved competitiveness. The company now ranks as Thailand’s largest petroleum refiner, with a total capacity of 294 thousand barrels per day (KBD).

In 2024, BCP’s annual crude run and sales volume through marketing channels doubled from 2023 to 258 KBD and approximately 13,800 million liters (ML), respectively. The crude run is expected to increase further, supported by initiatives to maximize utilization at the Sriracha refinery, alongside plans to widen its distribution and retail network.

The realization of synergies between BCP’s two refineries remain pivotal to enhancing long-term profitability. The stronger profit is expected to be driven by operating efficiency improvement through enlarged economies of scale, and cooperative cost-saving initiatives. The use of very large crude carriers for crude co-loading, coupled with a planned increase in heavy crude processing, is anticipated to lower feedstock costs and further bolster margins.

Vertical integration and business diversification to enhance price volatility resilience

BCP’s business remains highly exposed to oil price risk, with 80%-85% of EBITDA derived from oil-linked operations. The impact of inventory losses in the event of a sharp drop in oil price has intensified, reflecting the larger scale of its refining operations.

Although there are challenges from oil price volatility, the impacts are partially offset by BCP’s benefits from vertical integration into downstream marketing business and diversified investments. BCP’s marketing business and clean power segments, considered as stable income sources, remain integral in underpinning the EBITDA baseline, which is expected to be in the range of THB10-THB11 billion per year. This earnings base is expected to increase overtime, propelled by strategic expansion in both oil and non-oil income streams within the marketing businesses, alongside future infrastructure investments in the clean power segment.

E&P remains a key driver of cash flow and growth prospects

BCP's credit profile is underpinned by its E&P operations through OKEA ASA (OKEA), a Norwegian petroleum company. OKEA remains a vital EBITDA contributor, helping to cushion overall earnings against substantial inventory losses in R&M segment. In 2024, the E&P segment accounted for approximately 60% of total EBITDA.

We view OKEA's high profitability and stable production as key factors supporting BCP's earnings and cash flow generation. The E&P operation also enhances earnings stability by offsetting the impact of GRM volatility.

We project OKEA's sales volume to remain steady at around 30-35 thousand barrels of oil equivalent per day (KBOED) during 2025-2026, with a 10% increase expected in 2027 driven by new production from the Bestla field. The E&P business is positioned as potential growth engine for BCP, underpinned by strategic expansion in Norway and merger and acquisition (M&A) opportunities in the Asia-Pacific region.

Expected earnings recovery 2026 onwards

We expect BCP's performance to soften in 2025, primarily due to the downtrend in oil prices and subdued GRM. In the first half of 2025, EBITDA contracted by 33% year-on-year, weighed down by THB4.26 billion inventory losses. The negative outlook for oil prices in the second half of the year indicates further risk of inventory losses, despite early signs of GRM recovery.

Under our base-case scenario, we project BCP's performance to rebound in 2026-2027. Oil prices are projected to average around USD65 per barrel, reducing the likelihood of additional inventory losses. European natural gas prices are also expected to fall, reflecting tepid electricity demand and an ongoing shift toward renewables. Key drivers for profit recovery over the next 2-3 years include higher and stable utilization rates at both refineries, expected improvement in industry GRM, realization of synergy benefits, and ongoing cost reduction initiatives. Operating GRM is forecast to range USD4.5-USD5.0 per barrel in 2025, rising to USD5.4-USD5.7 per barrel in 2026-2027.

As a result, EBITDA is projected to be THB35-THB38 billion in 2025, before rebounding to THB50-THB53 billion annually in 2026-2027. We have not fully factored in additional EBITDA from the new Sustainable Aviation Fuel (SAF) production and oil trading businesses, as these businesses remain at an early stage with limited operating track records for assessment; significant contributions are expected to materialize from 2027 onward.

Expected financial discipline to sustain credit strength

BCP's financial strategy reflects a prudent balance between strategic growth and disciplined financial management. The company emphasizes internal cash funding, capital recycling, and a commitment to maintaining net debt to EBITDA below 3.0 times to safeguard its credit profile from excessive financial leverage.

Over the next three years, TRIS rating estimates BCP's investments and capital expenditures to be approximately THB82 billion, primarily targeting E&P operations, followed by R&M. While M&A activity is likely to continue, we expect the scale of such transactions to be manageable and not materially weaken BCP's financial health. We project financial leverage to trend down, with the debt to EBITDA ratio projected to stay below 3.5 times in 2025 and decline to under 2.5 times during 2026-2027. The ratio of funds from operations (FFO) to debt is forecast at around 20% in 2025, rising to over 30% in subsequent years.

Strong liquidity

BCP has strong liquidity with its ample sources of funds comfortably covering its uses of funds over the next 12 months. As of June 2025, sources of funds comprise of cash on hand and cash equivalents of about THB30.2 billion, estimated FFO of THB30 billion, and undrawn credit facilities—both committed and uncommitted—approximately THB48 billion. On the uses side, BCP's maturing debt obligations include short-term borrowings of THB12.7 billion, scheduled loan payments of about THB15.0, maturing debentures of around THB10.8 billion; and planned capital expenditures and investment of about THB31 billion.

Debt structure

As of June 2025, BCP's consolidated debt (excluding its financial leases) was about THB129.4 billion. BCP's priority debt totaled THB63 billion, entirely comprising debt owed by its subsidiaries. As a result, the priority debt to total debt ratio was about 48.9%. We expect BCP to maintain its commitment to keeping the priority debt ratio below 50% through capital structure management.

BASE-CASE ASSUMPTIONS

Key assumptions in TRIS Rating's base-case forecast for BCP's operations during 2025-2027 are as follows:

- Dubai crude oil prices of around USD60 per barrel for the rest of 2025 and USD65 per barrel in 2026-2027.
- Natural gas prices in Europe of about USD13.5 per million British thermal unit (MMBTU) in 2025 and gradually decline to USD13 per MMBTU in 2026 and USD11 per MMBTU in 2027.
- Refineries' crude run to be about 260-270 KBD during 2025-2026 and 252 KBD in 2027.
- Operating GRM to be about USD4.5-USD5.0 per barrel in 2025 and USD5.4-USD5.7 per barrel in 2026-2027.
- Total capital spending, including investment, forecast at about THB82 billion.

RATING OUTLOOK

The "stable" outlook reflects our expectation that BCP will perform in line with our projections. We anticipate performance to rebound over the forecast period, partly supported by realization of planned efficiency improvements, while BCP is expected to adopt a prudent financial policy to keep leverage aligned with our baseline forecast, with the debt to EBITDA ratio to be maintained below 3.5 times.

RATING SENSITIVITIES

The potential of an upward revision to the ratings is limited over the near term. Conversely, a downward revision to the ratings could occur from a material deterioration in BCP's financial risk profile. This could happen if BCP's operating performance significantly falls short of our estimates, or if the company engages in aggressive debt-financed investments or acquisitions. The debt to EBITDA ratio sustains over 3.5 times may trigger a negative rating action.

COMPANY OVERVIEW

BCP was established in 1985 and listed on the Stock Exchange of Thailand (SET) in 1993. As of May 2025, Alpha Chartered Energy Co., Ltd. held 20.01% interest in BCP, VAYUPAK Fund 1 held a 19.84%, the Social Security Office (SSO) held 15.24%, the Ministry of Finance (MOF) held 4.76%, and the remaining 40.15% was publicly held. The company's main businesses are oil refining and marketing. In 2024, BCP owns two refineries with total capacity of 294 KBD and there were 2,163 service stations operated under BCP Group

BCP's other businesses include clean power, bio-based products, and natural resources, which are operated under its listed subsidiaries, BCPG PLC (BCPG), BBGI PLC (BBGI) and OKEA. As of June 2025, BCPG had installed capacity in operation of 1,244 megawatts (MWe). BBGI operates the bio-based productions, comprising a bio-diesel plant, with a total capacity of 1 ML per day (ML/D), and ethanol plants, with capacity of 800,000 liters per day (L/D). For natural resource business, BCP currently holds 45.58% in OKEA. OKEA is a petroleum E&P in Norway with the production volume of about 30-35 KBOED.

FINANCIAL STATISTICS AND KEY FINANCIAL RATIOS*

Unit: Mil. THB

		-----Year Ended 31 December -----			
	Jan-Jun 2025	2024	2023	2022	2021
Total operating revenues	263,250	593,772	388,610	314,044	200,696
Earnings before interest and taxes (EBIT)	9,097	20,679	27,765	32,784	17,301
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	18,507	43,188	42,031	42,766	24,537
Funds from operations (FFO)	10,666	25,687	24,843	28,655	18,593
Adjusted interest expense	3,436	7,280	5,542	4,373	3,129
Capital expenditures	9,467	22,255	13,008	9,903	10,888
Total assets	310,702	316,542	340,429	242,344	201,785
Adjusted debt	121,247	121,116	120,964	57,581	67,226
Adjusted equity	82,455	86,474	95,061	78,408	64,589
Adjusted Ratios					
EBITDA margin (%)	7.0	7.3	10.8	13.6	12.2
Pretax return on permanent capital (%)	5.8 **	8.4	12.7	18.8	11.7
EBITDA interest coverage (times)	5.4	5.9	7.6	9.8	7.8
Debt to EBITDA (times)	3.6 **	2.8	2.9	1.3	2.7
FFO to debt (%)	15.5 **	21.2	20.5	49.8	27.7
Debt to capitalization (%)	59.5	58.3	56.0	42.3	51.0

* Consolidated financial statements

** Annualized with trailing 12 months

RELATED CRITERIA

- Issue Rating Criteria, 26 December 2024
- Corporate Rating Methodology, 15 July 2022
- Key Financial Ratios and Adjustments for Corporate Issuers, 11 January 2022

Bangchak Corporation PLC (BCP)

Company Rating:	A+
Issue Ratings:	
BCP260A: THB3,000 million senior unsecured debentures due 2026	A+
BCP26NA: THB1,000 million senior unsecured debentures due 2026	A+
BCP26NB: THB3,000 million senior unsecured debentures due 2026	A+
BCP273A: THB2,000 million senior unsecured debentures due 2027	A+
BCP275A: THB500 million senior unsecured debentures due 2027	A+
BCP276A: THB2,500 million senior unsecured debentures due 2027	A+
BCP278A: THB2,000 million senior unsecured debentures due 2027	A+
BCP288A: THB2,000 million senior unsecured debentures due 2028	A+
BCP28DA: THB7,000 million senior unsecured debentures due 2028	A+
BCP292A: THB3,000 million senior unsecured debentures due 2029	A+
BCP296A: THB2,500 million senior unsecured debentures due 2029	A+
BCP29NA: THB1,400 million senior unsecured debentures due 2029	A+
BCP303A: THB1,000 million senior unsecured debentures due 2030	A+
BCP305A: THB4,500 million senior unsecured debentures due 2030	A+
BCP308A: THB2,000 million senior unsecured debentures due 2030	A+
BCP31NA: THB2,600 million senior unsecured debentures due 2031	A+
BCP328A: THB3,500 million senior unsecured debentures due 2032	A+
BCP328B: THB2,150 million senior unsecured debentures due 2032	A+
BCP346A: THB5,000 million senior unsecured debentures due 2034	A+
BCP358A: THB650 million senior unsecured debentures due 2035	A+
BCP378A: THB1,200 million senior unsecured debentures due 2037	A+
Rating Outlook:	Stable

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