



English Transcript for Investor Forum: Way Forward to 2030

Bangchak Corporation Public Company Limited

September 2, 2024

Opening:

Good morning, honorable guests, we would like to welcome you to Bangchak Group (BCP Group) “Way Forward to 2030” Investor Forum. I am Tipwadee Sudwayha who will be your host today.

It is our second year of BCP Group to host this forum and we would like to thank you for joining us today. Some of you may recall that on 1st September last year, BSRC was first included in BCP Group’s family, marking it a 12-month-old today.

As we have grown significantly, today we have nine executives who will walk you through the details of our success.

Slide 3: 00.01.04

Our agenda will be broken into three parts. Starting with the first one, BCP Group Highlights. Please welcome Mr. Chaiwat Kovavisarach, Group Chief Executives Officer and President, Bangchak Corporation Public Company Limited.

Greeting:

Thank you everyone for joining us today. We recently met during 2Q24 Analyst Meeting. However, it was earlier than the Strategy Board Meeting, so we would like to take this opportunity to share with you our in-depth details and forward-looking.

Slide 5: 00.02.03

This year marks one year of BSRC acquisition, as well as my 10th year at BCP. Before my time here, BCP had been a relatively strong company. After PTT Public Company Limited sold their 27% stakes, BCP had to continue operating its business on its own. EBITDA and revenue back then were around THB 10 billion and THB 100 billion respectively. Two-thirds of marketing sales were through 600 cooperative service stations while the rest through standard service stations. BCP also owned a 58MW power plant in Bang Pa-in, Ayutthaya province.



During the past 10 years, BCP has grown drastically. 1H24 revenue was reported close to THB 300 billion. With pro-rated assumption, FY2024 revenue is expected to be THB 600 billion. EBITDA also grew to THB 42 billion from slightly over THB 10 billion. This has confirmed that BCP not only do grow its top line, but also EBITDA, thanks to our executive teams for this success.

Last year, our refinery received a global refinery operational excellence award. We were also the one and only refinery that received TQA award both in Thailand and in the region.

In term of branding, we have got positive feedback on our new logo as a modern gas station, causing us to get more traffics than the past.

At present, we believe BCP is shifting from a semi state-owned enterprise to an agile and fast-moving organization where decision making for new investment and M&A is swift. This has been proven by our continuously improving credit rating from “BBB+” to “A”, with a slight drop during covid time, and back to “A” currently. We expect our credit rating will move higher regarding our strong financial position. The most important part to drive BCP to move forward is employees. BCP is the one and only oil and gas company in Thailand that received Best Employer Award. This has drawn many of highly qualified candidates to join with us, which will eventually help building a solid foundation for the company.

By the end of 2030, we expect to reach top line at THB 1 trillion while EBITDA is set to be at THB 100 billion. This has caused us to have an internal motto of “BCP 100x”, a 100x happier employees with EBITDA of THB 100 billion. This is an easy aspiration to follow and achievable.

Slide 6: 00.07.24

I would like to recap a bit of our recognition. Our sustainability is always ranked in Top 2 or Top 3 by S&P Global and DJSI. We ranked 24th in Fortune 500 and expect to be in Top 10 in 2025 as our revenue doubled. We were also granted the best employer award as mentioned earlier and were selected as 1 of 7 Thai companies for climate leaders in Asia Pacific by Financial Time. BCP is currently included in SET50.

Slide 7: 00.08.05

This slide shows our Business Portfolio, starting with shareholders on top. Approximately 14% shares are held by SSO, of which we cannot mention about current rumors in the market.



Details of our five businesses, i.e. refinery marketing, upstream, and related green businesses will be discussed shortly by our executives.

Slide 8: 00.08.37

This slide demonstrates our strategic move to 2030. Starting with refinery, we plan to update and improve Phra Khanong refinery to serve future demand. As mentioned previously, energy in liquid form is easiest to transport, and difficult to be replaced. For example, natural gas is needed to be liquified to be LNG to transport. We think biofuel shall remain with us for a long time particular for industry that cannot use other form of energy such as jet-fuel for airlines. This has caused BCP, at Phra Khanong refinery, to step into SAF production for the next wave growth. Our SAF plant, the one and only in the country, is expected to COD in 1Q25. This SAF plant will be the flagship for Phra Khanong refinery to eventually become a biofuel refinery.

Next is our 2,200 stations network. In the last meeting, there were questions whether we planned to close, re-brand or re-position one of our adjacent service stations. We addressed that this would be like convenience store effects, the higher numbers of stores in the same area, the more services taken.

After one year of BSRC acquisition, our outlets doubled from many corridors such as Bang Na-Trad road, from six/seven to sixteen outlets, Rama 3, and Phahonyothin road. However, 6-month statistics showed that gasoline sales only dropped 0.5% while retail sales grew 5%. This ensured the convenience store effects we used to mention earlier.

Mr. Seri will shortly walk you through details of our plan to create the most benefit of higher visibility of our outlets, such as placing more products, particular non-oil, in our service stations.

We believe the upstream business is the most important part of the whole value chain. Thus, we plan to leverage OKEA's mid-to-late life assets operating skills and bring the business models back to use in Thailand. Currently, OKEA has become a company of choice in Norway and a trusted company that Ministry of Energy always invite to participate in the new mid-to-late life assets development.

BCP group is usually seen as a very green company. Key factor for Green Business is to generate acceptable return on investment to shareholders, of which we have closely monitored as well as maintained financial discipline for the group.



That is all about the direction overview. I will pass the floor to our executives to walk you through each business and will come back to wrap up at the end.

Host:

Thank you, Mr. Chaiwat.

As Mr. Chaiwat has briefly mentioned about how our refinery will grow beyond legacy with SAF as a new wave of growth. I would like to welcome Mr. Thamarat Paryoonsuk, Senior Executive Vice President, Refinery and Oil Trading Business Group, to walk you through the details.

Greeting:

Good morning, and welcome to Refinery and Oil Trading Business.

Slide 12: 00.14.29

This slide shows our Refinery and Oil Trading Business journey. Our capacity had been stagnant at 120KBD for quite some time, while biodiesel, B-100 and ethanol were later added to our portfolio.

We next established BCPT, a trading company, to seek for crude oil. Details of crude sourcing and export will be discussed in the upcoming slide.

We then stepped into logistic business through BFPL. We acquired pipelines from a Pipeline Transportation company located next to Phra Khanong refinery to transport gasoline to the airport and Bang Pa-In terminal.

Next is BSRC that we acquired on 1st September last year. Progress of BSRC according to what we had communicated earlier, particularly the synergy value, will be discussed shortly.

The last one is SAF, the biggest sustainable aviation fuel plant in Thailand. The construction is underway, and expected to COD next year.

Slide 13: 00.16.10

After BSRC acquisition, we had talked about several plans to create synergy value between the two refineries. This slide demonstrates actual synergy occurred during the past 12 months. The first one was to use single linear programming (single LP) to optimize crude sourcing for two different refineries, low-sulfur or Far East crude for Phra Khanong and Middle East crude for BSRC, and to create quality product optimization.



The second is logistic management. Phra Khanong refinery's pipelines linked to the airport and the north, while BSRC's pipelines starts from the east to the airport, Saraburi province, Lam Luk Ka (Pathumthani province), and Khon Kaen province. This enhances our logistic network to be nationwide. In addition, market allocation and inventory management between the two refineries also help us have less stock gain/loss when crude price fluctuates.

An alignment of two professional teams and working systems also create synergy collaboration among the two refineries.

Slide 14: 00.18.39

In 2023, BCPT's total trading was 49MBBL for 120KBD capacity, and surged 130% after the acquisition. BSRC helps BCPT to select more variety of crudes to fit with different configurations, causing BCPT to get lower crude price and premium as well as to create more long-term contracts and co-loadings.

BCPT were able to use Suezmax ship at BSRC port for the first time after a few months of acquisition, resulting in more variety of products trading. BCPT also stepped into new area of lithium trading and new products in the market, so called out-out, trading. In summary, an acquisition of BSRC has provided BCPT several opportunities to penetrate the new market.

Slide 15: 00.20.22

In the past, BCP faced a lot of problems to transport crude to Phra Khanong refinery and products to the West and the South, particular in Songkla province, where BCP had no service stations as we did not have tank terminal there.

After the acquisition of BSRC, two additional pipelines to the North and North East, and terminals in Suratthani and Songkla provinces are added to our portfolio. This has created remarkable synergy of lower logistic cost and stock provision. Currently, BFPL manages two pipelines, 600 trucks, and 30 ships.

Slide 16: 00.22.05

We are the 1st player of SAF in Thailand with capacity of 1ML/D or 7KBD. Our CAPEX was the lowest in the world as BCP already have excess hydrogen, the most important component to produce SAF, located in the same area. We also benefit from BOI for 8-year tax exemption.



SAF's raw material is secured, within Thailand and from the neighboring countries, of approximately 0.5-0.6ML/D. We collaborate with Ministry of Public Health for "No Refrying" and "No Disposing Used Cooking Oil (UCO)" campaign. On the 9th October 2024, we will open Hotline 1521 for public to provide information about UCO and other related activities.

Production yield will be 90% SAF, while the rest will be Bio-Naphtha, using to produce bioplastic, and green diesel, using to replace diesel oil.

Slide 17: 00.24.17

This slide demonstrates SAF use regarding IATA. It is expected to increase 2% in 2025 and reach 65% in 2050. The mandate of SAF blending adoption in each region is shown in the graph below. For BCP, we plan to use 1% SAF in 2026. This ensures that SAF demand is promising. This has led to an increasing of SAF plants construction in China.

As mentioned earlier that raw material in Thailand is secured of only 0.5-0.6ML/D, thus we need to import additional UCO to run our plant at full capacity.

Many airlines have announced SAF use of 10% in 2030, confirming a continuous rise in SAF demand and supply in the upcoming years.

Slide 18: 00.25.33

In 2023, crude run marked 222KBD, of which 120KBD was from Phra Khanong, and average of 100KBD was from BSRC due to its turnaround in September.

In 2024, crude run is forecasted to be 266KBD, 110KBD will be from Phra Khanong due to turnaround in May, and 155KBD from BSRC.

After Phra Khanong's turnaround and de-bottlenecking, crude run is planned to be 130KBD, while currently running at a little over 123KBD. Crude run from both refineries is expected to be over 280KBD in 2025.

The next move for Refinery Business is to optimizing working process, aligning manpower, and co-utilizing terminals and off-sites. Next turnaround of Phra Khanong will be in 2028, four years after this year turnaround, while BSRC's turnaround falls every two years. Thus, BCP are now planning to implement TAM extension for BSRC to extend its turnaround to four years.



Achievement of synergy in term of value will be discussed later by other executives.

That is all for Refinery and Oil Trading Business. Thank you.

Host:

Next is Marketing Business. Please welcome Mr. Seri Anupantanan, Senior Executive Vice President, Marketing Business Group.

Slide 21: 00.28.22

Good morning, honorable guests and investors for joining this forum. BCP are entering our 5th decade of operation. Our first service station was opened 34 years ago as a cooperative station. We have been developing our service accordingly, resulted in current service stations of around 2,200 stations nationwide. Good quality of gasoline and great services are key factors to draw incremental Green Mile Membership customers every year.

We have continuously developed quality of our lubricant oil to eventually launch it under our owned brand “Furio” which is considered as relatively high quality of lubricant oil in the market, thanks to global standard of our refinery.

Bangchak service stations have received a Superbrand award for the sixth consecutive years and Inthanin for the third consecutive years. This guarantees our never-ending operation development and improvement.

Slide 22: 00.30.17

Our journey from cooperative stations to Greenovative Destination is to provide greenovative products, high-quality and specialized products e.g. Hi Premium 97 or premium diesel, and non-oil products such as food, non-food, car service, cafe, and minimart in our service stations. In addition, over 1,000 EV charging stations have been installed in 400 stations to serve customers’ need.

The Chlorophyll @Hua Hin is a lifestyle mall that we will use as a flagship store to expand our business into other tourist destinations along the highway.

Slide 23: 00.32.06

For cluster or corridor of retail market from Bangkok to the North, the East, and the South or even in town, you will see several Bangchak service stations with new logo on both sides of the road. We plan to expand



service stations to serve higher demand and to accommodate both customers from BCP and BSRC. As shown in Thailand map on the left-hand side, the locations of dark-green color are those with higher demand, given us to expand more service stations in those areas.

After BSRC acquisition, we can provide more premium products through BSRC stations, of which we plan to expand the coverage of premium products sales to 41% in 2025.

For fleet card, we have been expanding BCP customer base and plan to reach No. 2nd market share in 2026.

For commercial or B2B market, we rank 2nd in the market, we are working with BSRC to penetrate more of high-grading products and co-developing portfolio management to capture more customers. Currently, we are penetrating more sales to Greater Mekong Subregions.

Slide 24: 00.34.50

For non-oil business, Way of Living Concept is implemented for growth expansion. We target to reach 2,400 service stations and 2,400 Inthanin outlets in 2030. Operations excellence, brand communication, product experience such as cocoa, 100% arabica americano, and seasonal menus, as well as network management to winning locations, will be used as our business expansion strategy.

Concept for expansion is "1 Coffee Shop & 1 Mart", of which we target to reach 50% of our network coverage in 2028. We also partnership with leading brands to provide food services in our stations.

In summary, Marketing Business growth drivers will be from oil and non-oil business through high quality products, network expansion and customer experience. Example of excellent services are clean bathroom, support of locals and farmers to sell their products such as mangosteen, and purchase of used cooking oil and non-recycle garbage at BCP service stations. At present, our service stations market share in Bangkok ranks No. 1. We plan to enhance our services and customer experience through our service stations as they are direct touchpoint of customers. Thank you.

Host:

Thank you, Mr. Seri. Next topic is our synergy. Please welcome Mr. Bundit Hansapaiboon, Director and Chief Executive Officer, Bangchak Sriracha Public Company Limited.

Slide 27: 00.38.43

Hello everyone. It has been one year since BSRC is under BCP's umbrella. Our target synergies are executed as planned. Examples are economy of scale and optimization of crude run at 280KBD. While running at higher capacity, every 1USD/BBL increase in GRM, THB 3.5 billion revenue per year will be added.

EBITDA synergy since acquisition in September 2023 to 1H24 was reported at approximately THB 3.0 billion and is expected to reach THB 5.0 billion by the end of 2024. Target synergy is set to be THB 5.5 billion in 2025 due to better mutual understanding and collaboration.

Improving EBITDA synergy is driven by four area of businesses, Refinery, Logistic, Marketing, and Corporate Cost Savings.

Examples of Refinery Business synergy is crude optimization for two different configurations refineries, product demand management that helps increase BSRC utilization from 130KBD to 155KBD, transporting optimization by using larger ship or the Very Large Crude Carrier (VLCC) at BSRC terminal, and other related optimization plans that are under study.

Logistic synergy is an optimization of transportation, by switching pipelines between the two refineries. BCP pipelines will supply to Central area and the North while BSRC to the East, North East, and the South.

For Marketing, we will apply Greenovation concept of BCP service stations to those of BSRC. Currently, approximately 600 BSRC stations have been rebranded to Bangchak and is expected to complete all within this year.

Corporate Cost Savings will be from the economy of scale of shared-services such as procurement, IT, HR, Finance and Accounting.

These activities mentioned shall contribute EBITDA synergy to BCP group of THB 5 billion in this year and THB 5.5 billion next year. Thank you.

Host:

Next session is our Clean Power Business, the third business of BCP group. Please welcome Mr. Niwat Adirek, Chief Executive Officer and President, BCPG Public Company Limited.



Slide 30: 00.44.51

Good morning, honorable guests. BCPG is a potential green business of BCP.

In 2015, BCP had stepped into a 170 MW solar farm in Bang Pa-In and listed it in the SET under BCPG. Currently, BCPG has expanded its business into six countries, mostly for renewable energy. Those investment comprise solar farm in Thailand, wind farm in the Philippines, hydro farm in Laos that sells electricity to Vietnam where demand is high and payment is on track, solar farm in Taiwan where construction is underway, and battery business for utility scale in China.

In 2023, BCPG invested in 857 MW four combined cycle power plants in the US. This investment is to offset an expiration of Thai adder.

BCPG currently have production capacity of around 1,960MW, comprising 1,180MW in operation and 780MW under construction. Most power plants are renewable, only a few are gas that generate carbon emission, of which we believe is manageable.

Slide 31: 00.47.38

BCPG target to be listed in SET50 and DJSI in 2030. First action plan is to diversify portfolio to 70% renewable and 30% combined cycle by investing in private Power Purchase Agreement (PPA) both in Thailand and internationally. Second is to generate carbon credit. Nowadays, many countries in the US and Europe required Emission Trading System (ETS) and the Carbon Border Adjustment Mechanism (CBAM) tax for those who would like to do business in their countries. BCPG sees this as an opportunity to invest in private PPA, and in the country where carbon credit is required. The last one is to create higher value to shareholders. Our accomplishment on this is the divestment of Japan assets. Incremental cashflow will be used for future investment, causing us to have lower debt service.

That is all about our ambition to grow in 2030.

Host:

Thank you, Mr. Niwat. Next is our fourth business or Bio-Based Business. Please welcome Mr. Kittiphong Limsuwannarot, Chief Executive Officer and President, BBGI Public Company Limited.



Greeting:

Hello, nice to meet with you again for BBGI business, or Bio-Based Green Innovation. This year marks quite a good year for BBGI.

Slide 34: 00.50.42

BBGI is a leading biofuels, bioethanol and biodiesel, producer. We have four manufacturing plants, three bioethanol and one biodiesel in Bang Pa-In, Ayutthaya province.

BBGI target to transform ourselves from biofuels operator to biotechnology operator. Currently, our capacity is quite remarkable at 1.8ML/D, and we plan to step into higher-value business in the future.

Slide 35: 00.51.35

The past few years marked a downturn for BBGI business despite better performance than peers, due to raw material issued. It has started to turnaround this year from a consolidation of BSRC, causing demand of biofuels to be higher. Currently, BBGI's capacity is not sufficient for BCP and BSRC's demand. It is considered as a good problem as BBGI needs to run biodiesel plants at full capacity since the beginning of this year while bioethanol is ramping up to run at almost full capacity.

We are focusing to be the last man standing in biofuels business among high competition in the industry. We believe with our production scale and good management, we can become a cost-efficient leader in this business.

BBGI have become a sole owner in biodiesel business in August after the acquisition of 30% shares from partner, and will own 100% of the four biofuels plants once the transaction is complete in 4Q24.

We also seek an opportunity in core business value-extension such as green energy or carbon credit. Example is biomethane, a gas that is generated from bioethanol production, which is now in high demand.

Our ambition is to use biotechnology to manufacture high-value products. We have succeeded our plan by building up a CDMO plant in Chachoengsao province, making us to become the first CDMO producer in ASEAN. CDMO capacity is 0.2ML/Y, comprising two commercial-scale tanks of 90,000 liter. The plant construction is underway with 50% progress. It is expected to conduct test run by the end of this year and COD in late 1Q25.



We plan to expand capacity to 1.0ML/D in 2028. We will use CDMO tanks as manufacturing or farming tanks, under the same infrastructure, to manufacture new products by changing different kind of bio-organism as raw material. The first product is set to use second generation enzyme to digest biomass for SAF use.

In summary, BBGI are in the turnaround position as well as preparing ourselves to step further into biotechnology business. Thank you.

Host:

Next is Natural Resources, the last business of BCP. Please welcome Mr. Komut Maneechai, Vice President of BCPR.

Greeting:

Hello everyone, before going through details, I would like to talk about an aspiration or motivation to be in an upstream business. E&P business is considered as an energy security platform for BCP. It is believed that fossil fuels continue to play important roles in energy sector for quite some time. ExxonMobil has recently announced that oil consumption in 2050 will be relatively at the same level as of today while gas consumption will increase approximately 20%. This suggests growth opportunity in E&P business.

Slide 38: 00.58.07

BCP has a strong footstep in E&P business through an investment in OKEA, Norway. Since the first investment in 2018, production capacity has been significantly increased 80%, via organic and inorganic investment. OKEA acquired Brage field from Wintershall in 2022, and acquired Statfjord stakes from Equinor in 2023. Currently, OKEA has a strong brand for mid-to-late life operations.

Slide 39: 00.59.12

We are now planning to implement OKEA success story to our E&P business in neighboring countries, to further create value chain optimization for BCP group, from upstream to downstream.

Our target in Asia-Pacific is set to be 50KBOEPD in 2030. Growth will be from both inorganic and organic. Inorganic growth is to acquire assets that other players considered not cost-efficient. We will use OKEA models to make it efficient. Organic growth will be from an exploration and appraisal of assets that we already have infrastructure, so called Infrastructure Lead Exploration (ILX), or to farm-in with competent operators.

Progress of our investment will be update accordingly. In summary, we not only do want to do business, but also to create value, profit, and sustainability to BCP group. Thank you.

Host:

Next is our new business. Please welcome Mrs. Narupan Suthamkasem, Senior Executive Vice President, Corporate Strategy and Business Development.

Slide 42: 01.01.36

Good morning, everyone. This slide demonstrates overall BCP growth strategy for each business group to reach our 2030 target. Key area of focus is to strengthen and extend core businesses, and diversify them to new businesses.

Starting with Refinery Business, we focus on efficiency improvement and synergy optimization of the two refineries. Then, we extend our businesses to logistic and trading, and currently diversify to SAF production. This marks a stepping stone for BCP to move into Biorefinery Business.

For Marketing Business, we target to open 2,400 service stations within 2030. We continuously introduce premium products to the market and also focus on an extension of Non-Oil business to “1 Mart & 1 Coffee shop” in our newly open service stations, starting from next year. Contribution from Non-Oil Business is set to be 30% in 2030.

For Clean Power Business or BCPG, we plan to produce more clean energy both in Thailand and internationally. We also focus on new energy technology and carbon credit trading platform to ultimately transfer ourselves into carbon neutral business.

For Bio-Based Business, apart from biodiesel and bioethanol, we invest in CDMO, then extend to the production of enzyme and Synbio product, and now are under study of biocarbon i.e. biomethane and alcohol to Jet.

For the fifth Business, we focus on E&P business through an investment in OKEA, and seek an opportunity to invest in other areas. We target to reach the production of 100KBOEPD in 2030. We extend our business to new investment in mineral resources, LNG, battery as a service, climate tech & sustainable energy, and digital & AI through BiiC.

We believe the strength and collaboration between our key five businesses will ensure BCP to grow sustainably. Thank you.

Host:

As you have seen how we plan to grow our five businesses, next will be about EBITDA and CAPEX. Please welcome Ms. Phatpuree Chinkulkitnivat, Chief Financial Officer, and Senior Executive Vice President, Accounting and Finance.

Greeting:

Hello everyone, here comes the numbers session. I will try to wrap up and make it short for your understanding.

Slide 45: 01.05.57

Starting with CAPEX, last year we communicated seven-year CAPEX plan of THB 150 billion. This year, CAPEX plan will come down to six years, 2025-2030, of THB 120 billion. Allocation of CAPEX is relatively similar to last year. Natural Resources is the business that get the highest CAPEX of around 35% or THB 40 billion, follow by Refinery and Marketing Business of 30%, Green Power Business of 25%, and the rest is for Bio-Based & New Business.

Classification of capital is 50% for low-carbon businesses such as gas and green power, while the other 50% is for old economy or oil business.

CAPEX by investment type is for maintenance, construction in pipelines, and M&A. M&A is accounted for 45% or approximately THB 55 billion, of which 60% is for Natural Resources, and 40% for Green Power. These are overall of planned CAPEX, of which BCP will allocate to each project accordingly.

In 2025, CAPEX is set to be THB 50 billion. Major allocation will be THB 20 billion each for Green Power and Natural Resources Business. For investment type, 50% will be for M&A and the rest will be for projects in the pipelines and maintenance.

Slide 46: 01.08.53

We set EBITDA target to be THB 100 billion in 2030. Contributions almost remain unchanged from 2024, meaning that each business has grown accordingly. Percentage of growth will depend on CAPEX allocation and return on investment.

In 2030, Natural Resources Business will contribute the highest EBITDA of 53%, similar to that of 2024, while Refinery and Clean Power Business EBITDA contribution is set to be 31% and 10% respectively.

The bar chart demonstrates incremental EBITDA from each business. For Refinery Business, the green bar chart represents EBITDA from SAF.

For Marketing Business, additional EBITDA will be from Retail Experience or Non-Oil, accounted for 30%.

For Green Power Business that needs continuous investment, major contribution will be from constructions in the pipelines and M&A.

For Bio-Based Business, incremental EBITDA contribution will be from high-value added products (HVP) of around 40%.

For Natural Resources Business, depending on return on investment, EBITDA contribution is forecasted to be over 30% from low carbon emission product or Gas.

Slide 47: 01.11.02

BCP places an importance on financial strength. For new investment strategy, capital allocation, healthy financial position, and return on investment are included for decision making to ensure sufficient cashflow to reinvest.

As end of 1H24, BCP reported cash on hand of THB 45 billion, assets of THB 353 billion, and debt of approximately THB 120 billion. EBITDA was healthy at around THB 50 billion, resulted in strong Net Debt/EBITDA ratio.

Our credit rating is A 'Stable' Outlook. We are certain that our rating can improve in the future. Net Debt/Equity was reported at around 1.0x, relatively low enough to conduct new investment and maintain covenant of not higher than 2.0x in the next few years. ROA and ROE are closely monitored to ensure sufficient cashflow for new investment.



Slide 48: 01.12.41

We recently announced interim dividend payment of THB0.60 per share, or 20% payout at EPS of THB2.90. However, we will consider dividend payment at year end to comply with our policy of not less than 30% payout. Dividend yield was roughly 3%, but we plan make it comparable to peers for the full year payment.

That is all for financial part. Thank you.

Host:

Here we come to the last agenda. Please welcome Mr. Chaiwat back on stage.

Slide 52: 01.14.13

Hello again. This slide shows guidance for 2024. Refinery Business, crude run is forecasted to grow 20%YoY. Marketing Business, both retail and wholesale, volumes are expected to grow 45%YoY.

Electricity sales from Green Power Plants shall increase more than 100% from last year, mainly from combined cycle plants in the US. BBGI, whose stock price is surging, sales volumes are anticipated to rise 56%YoY while E&P Business production volumes will increase around 40%YoY.

In summary, all businesses are expected to grow at relatively keen double digits, from last year.

Slide 53: 01.15.32

For 2025 guidance, crude run will be up 5%YoY, due to turnaround of Phra Khanong in May 2024, and slowdown of BSRC this month.

Key growth driver will be from SAF, which may help EBITDA to grow double digits. Marketing volumes will efficiently grow 20%, while E&P volumes, high margin products, is expected to grow at least 40%.

Slide 54: 01.16.41

Looking back to 2020, revenue was approximately THB 130 billion, and went up to THB 385 billion in 2023 or pre-acquisition time. It is expected to surge to more than THB 600 billion by the end of this year with cumulative average growth rate (CAGR) of around 45%. In term of EBITDA, CAGR will mark more than 90%.



Currently, P/E for the last 12-month is relatively low at 3.7x. Book value also increased double digits of around 20%. We believe that BCP stock is a very drastic growth stock. Target revenue of THB 1 trillion and EBITDA of THB 100 billion in 2030 will also grow double digits from THB 600 billion and THB 50 billion in 2024 respectively.

In summary, we shall maintain growth rate in the next five years until 2030, at the same level as the past five years. Thank you.

Host:

Thank you, Mr. Chaiwat.

The conclusion is we target to grow double digits in all businesses in the next five years. Thank you.

Next will be Q&A sessions.

Q&A Session: 01.19.15

Q&A 1: 01.22.24

What is the progress of the SAF project in 2025 and the status of feedstock security?

The SAF production facility is scheduled to be completed by March 2025, with 55% progress according to the plan. The pre-treatment unit, which cleans used oil before it enters the aviation fuel production unit, is expected to be completed by the end of 2024. The SAF production plant is anticipated to start on April 1, 2025, with a testing period of approximately two weeks, which is still on track according to the schedule.

Regarding feedstock, the group has formed a joint venture with a major used oil supplier in the country. Previously, they collected around 300,000 liters, and currently, they are collecting 500,000 to 600,000 liters per day. The company has also set up a hotline for purchasing used oil and plans to expand collection to CLMV. The remaining feedstock will be imported through BOI privileges. For distribution, a term agreement is expected to be announced next month.

Q&A 2: 01.24.48**What is the growth outlook for E&P in the future? Will it remain solely in Norway, and is the oil peak already reached?**

In my personal view, the point of oil peak depends on the trend of EV adoption. Currently, high EV usage is mostly limited to China, while other countries still need time to adapt in various factors to make it user-friendly, such as insurance costs, repair expenses, re-sale price, and production costs. At the same time, hybrid vehicles are continually evolving, mostly relying on oil with EVs as a backup. Therefore, I assess that 2030 is unlikely to be the oil peak.

A few weeks ago, Elon Musk mentioned that the energy transition is unlikely to happen soon and not everyone will be able to drive EVs. ExxonMobil, a major player in the industry, previously estimated that global oil demand, currently at 104-105 million barrels per day, would drop to 24 million barrels per day by 2050 under a net zero scenario (a 75% reduction). However, based on recent assessments, ExxonMobil has revised this estimate, projecting that the transition to net zero will take more time, so oil demand is expected to remain high, close to the current level of 100-105 million barrels per day, with continued demand over the next 30 years.

For Bangchak Group, there are still opportunities to expand E&P through OKEA in Norway, which is currently a popular investment destination. It is advantageous for us to have invested early, and the company is studying how to apply the knowledge gained from OKEA to other countries.

Q&A 3: 01.29.54**Does having refineries in different locations affect synergy optimization? And how does having a higher crude run level at BSRC (formerly ESSO Thailand) impact things?**

Having refineries in different locations does not affect synergy optimization due to the single LP, which can process data input from both refineries. to help plan and manage operations, including crude oil procurement, the type of crude oil (i.e. Far East, Middle East), and co-loading management.

Currently, Phra Khanong refinery processes an average of 123 KBD, while Sriracha refinery has expanded from 130 KBD to 155 KBD and the company may purchase additional crude to support growing marketing business.



Gasoline from both refineries is sufficient for producing Hi Premium 97, eliminating the need to import. This optimization benefits both refineries by increasing their profits.

Re-zoning is another benefit. Phra Khanong refinery has pipelines to the northern region, Suvarnabhumi airport, and Bang Pa-in depots. Currently, Phra Khanong refinery no longer transports oil by sea to the western and southern regions, as Sriracha refinery now handles these deliveries, which reduces transportation costs.

Resource management does not always need to be centralized. In the past, Bangchak's gasoline had to be imported, but now it can be sourced from BSRC for our group consumption. For oil transportation, the company has pipelines to the northeastern, northern, and central regions, as well as sea transport. Overall, the company can coordinate and manage these operations efficiently, resulting in better cost control compared to other refineries with only a single location.

Q&A 4: 01.33.33

What is the carbon credit target, and what are the plans for expanding MW?

The carbon credit target is driven by the global push towards carbon neutrality by 2030. Many companies are seeking carbon credits to offset their carbon emissions. From BCPG's perspective, the company's portfolio includes solar, wind, hydro, and the upcoming Monsoon project, which together can generate approximately 800,000 tCO₂ in carbon credits. Therefore, BCPG has set an ambitious target of 2,500,000 tCO₂ in carbon credits. This goal is challenging but achievable, given the demand from buyers and the company's own need for carbon credits for offsetting purposes.

To reach the 2,500,000 tCO₂ target, BCPG will focus on various investments. In Thailand, the company sold electricity through PPA or third-party, which allowed BCPG to claim ownership of the carbon credits generated from its solar farms. However, in some countries, there are limitations on carbon credit ownership. The company estimates to own 40% of the carbon credits from new investments, the future target of approximately 2,000-2,500MW.

Currently, BCPG is already trading carbon credits, in partnership with Bangchak, under the Carbon Market Club, which has a network of buyers and sellers aiming to achieve carbon neutrality. In the future, demand for carbon credits is expected to rise further due to carbon neutrality.



Host:

Let's move on to the questions from the online channel, categorized by business group.

Starting with the Refinery Business.

Q&A 5: 01.37.03

The first question is about the Petroleum Act: What is the likelihood of its occurrence, and how might it impact the company?

I have previously addressed this issue in the latest analyst meeting. The response remains the same as the process of drafting the Act will take time, as it involves public hearing, approval through the Cabinet, and the parliamentary process before law enforcement. Currently, it is still just a principle and is expected to take at least another 2-3 years.

Regarding the expansion of oil reserves, the current reserve lasts approximately 22-25 days, with consumption around 1 million barrels per day. With a reserve of 22 days, this amounts to about 3-4 billion liters. To meet OECD standards for Strategic Petroleum Reserves (SPR), we would need to build tanks with a capacity four times greater than the current one. This requires considering locations that can accommodate large vessels and extensive areas for increased storage, totaling around 12 billion liters. Previous studies suggest that this process would take at least 5-7 years. Therefore, this issue is assessed as having no short-term impact and is instead a long-term consideration.

Q&A 6: 01.39.58

The target for increased synergy of approximately THB 1.8 billion—will it focus on transactions or cost reductions?

Synergy comes from multiple dimensions, such as product optimization, logistics rezoning, and head office cost savings, which have already been extensively implemented. Remaining efforts include additional investments in large-scale projects. The focus is on both increasing revenue and reducing operational costs from previous levels, along with enhancing refinery efficiency, which is currently being planned.

To add further details, synergy is categorized into four main areas: Refinery (the largest), corporate cost savings, marketing, and rezoning. Next year, there will be a greater emphasis on detailing each area and conducting further studies on potential additional investments, as well as evaluating their economic viability.



Host:

Next are questions for Marketing Business

Q&A 7: 01.42.30

Why is the target for expanding service stations lower than that of competitors, and what is the 2030 target EBITDA margin for the non-oil segment?

The company aims to expand service stations in areas with high demand while ensuring that the stations meet standards. The goal is to increase throughput at service stations in appropriate locations, not just the number of stations. We target having 30% of EBITDA contributed by the non-oil segment by 2030. Currently, the company has around 500 touchpoints, with plans to expand this number to 1,800 touchpoints.

Q&A 8: 01.43.54

What is the long-term expansion goal for Inthanin?

The goal for Inthanin is to expand in line with the number of service stations. The distribution is targeted at approximately 54% inside stations and 46% outside stations.

Host:

Let's return to Mr. Niwat, the Clean Power Business.

Q&A 9: 01.44.28

Could you provide more details about the investment in data centers? For example, what is the business model and how many data centers are being considered?

Data centers require highly stable electricity, and with the shift towards renewable energy, developing solar farms and backup battery systems is likely to meet these needs. BCPG believes that partnering with others is a suitable approach. There are several major American companies are interested in investing in Thailand, and BCPG is currently coordinating discussions with these companies as well as local firms. BCPG's focus will be on providing a highly secure power supply to its partners, reflecting a long-term investment strategy.

Q&A 10: 01.46.21**How many more MW of clean energy bidding opportunities will BCPG have?**

The new bidding criteria for Phase 2 will prioritize awarding quotas to bidders who previously bid but were not selected in the first round. Any remaining quotas will then be considered for new bidders. In my view, Phase 2 is expected to begin COD in 2028 or later.

Currently, BCPG focuses on investing in its own areas. For future opportunities, BCPG is looking for partners to co-invest, which will help reduce rental and land costs.

Host:

The following questions are related to the E&P business.

Q&A 11: 01.48.00**Please explain further about E&P investments in the Asia-Pacific region.**

E&P business is an asset rationalization strategy. For example, acquiring the BSRC refinery represents an opportunity for the company if an interesting deal arises. Generally, in upstream E&P, there is no single monopoly; rather, it involves risk-sharing among operators and helps maintain checks and balances. Consequently, when starting drilling, operators often seek partners in a farm-in arrangement. Bangchak Group frequently receives deal offers and is currently evaluating the feasibility and potential for expansion.

Q&A 12: 01.50.25**Are there any interests in investing in Malaysia?**

Personally, I believe that if we can integrate with the group's value chain, such as having access to oil, it could be both interesting and potentially beneficial for expansion. However, further study is needed. For natural gas, it represents a long-term transition as demand shifts from coal-fired power plants to natural gas. Whether to become an operator will require further consideration.

Host:

Next questions are related to financial.

Q&A 13: 01.51.30**Will the company redeem the perpetual bond due this October?**

The company plans to redeem the perpetual bond as scheduled. With a strong financial position and equity exceeding THB 100 billion, redeeming the THB 10 billion bond will not impact its financial status. As of the end of June, the company had THB 45 billion in cash reserved for this redemption.

Q&A 14: 01.52.08**Where will the funds for THB 120 billion investment come from?**

The group's policy evaluates the Debt-to-Equity (D/E) ratio at 1.0, even though banks typically set it at 2.0. The investment will be funded through 50% internal cash flow and 50% debt financing. During certain periods, the D/E ratio might exceed 1.0, but the company will strive to manage it and aims to ensure that the maximum D/E ratio does not exceed 1.3.

Host:

If anyone has additional questions, please feel free to ask.

Q&A 15: 01.53.09**Contract renewal of Phra Khanong refinery in 2030 and contingency plans**

Phra Khanong refinery has about 7-8 years left on its contract, which is considered quite a long time. Soon, the Phra Khanong refinery will be able to produce SAF, making it the first and only refinery of SAF in Thailand. The investment budget is approximately THB 10 billion.

From the company's perspective, the Phra Khanong refinery is beneficial to the country, enabling Thailand to produce own SAF and reduce imports. The company is currently coordinating with relevant agencies regarding the contract renewal.

Q&A 16: 01.54.55**Is there currently enough biodiesel for the group, or will BBGI acquire more companies in the future?**

BBGI's current production capacity meets some of the biodiesel demand, and any excess needs are fulfilled by purchasing from other producers. BBGI's investment strategy aims to ensure security in sourcing B100 for

blending, while the remainder is purchased from others, which is more convenient than building a new production facility.

Q&A 17: 01.55.50

Is the 50KBD E&P target in SEA net equity or gross?

The 50KBD is the net to BCP.

Q&A 18: 01.56.10

How will the increase in E&P by 50KBD affect the net zero plan in the future?

The global energy demand still relies on fossil fuels, and finding a perfect replacement is quite challenging. Hydrocarbons are the most convenient energy source, derived from hydro and carbon molecules, which ultimately may result in CO or CO₂ that needs to be managed. However, it is not necessary to eliminate all hydrocarbons.

It's similar to having the flu from a coronavirus: the problem is the virus, not the host body. Thus, the focus should be on managing the virus, which in this case means addressing carbon emissions. Carbon capture technology is crucial, though it is not yet commercial due to high costs. However, technology evolves rapidly, and it might not take long. Similar to shale oil in the past, which was once deemed difficult but became viable in 6-7 years at a lower cost, advancements in technology will hopefully enable effective carbon capture from hydrocarbons within the next 5-7 years.

Q&A 19: 01.58.40

What is the progress of the lithium mining?

Lithium production is currently ramping up, and the group has acquired 5-6 lots of lithium. Trading sales amount to approximately USD 300 million, with a profit of USD 12 million, and the margin is at a good level. We will need to monitor future trading trends.

Thank you.