



# BANGCHAK CORPORATION PCL.

**ANALYST MEETING**

**Q2/2021**

*August 17, 2021*





# From Last Quarter until Now ...

We have been entitled with  
**Awards & Recognitions**



**WINNER**

BANGCHAK CORPORATION PCL

- 3G BEST OF THE BEST IN CORPORATE GOVERNANCE AWARD 2021
- 3G CHAMPIONSHIP AWARD IN SUSTAINABILITY PERFORMANCE 2021
- 3G BEST SUSTAINABILITY REPORT AWARD 2021



**EXCELLENT CG  
SCORING at 98%**



บริษัท กิจการแห่งชาติ บริษัท กิจการแห่งชาติ บริษัท กิจการแห่งชาติ บริษัท กิจการแห่งชาติ บริษัท กิจการแห่งชาติ  
National CG Committee National CG Committee National CG Committee National CG Committee National CG Committee



**ASIA RESPONSIBLE  
ENTERPRISE AWARDS 2021**

*Investment in People Category*

**efi.co** WINNER  
SUSTAINABILITY AWARDS



BEST SUSTAINABLE INNOVATION STRATEGY  
THAILAND  
CAPITAL FINANCE  
2021

**BEST SUSTAINABLE  
INNOVATION STRATEGY  
(Thailand)**

# From Last Quarter until Now ...

We have been doing  
**Social Responsibilities**

We have worked on **Initiations**



Helping with Kingkaew fire



The First for Thailand to promote carbon credit trading to reduce greenhouse gases

NT & Bangchak partnership to enhance 5G business capability

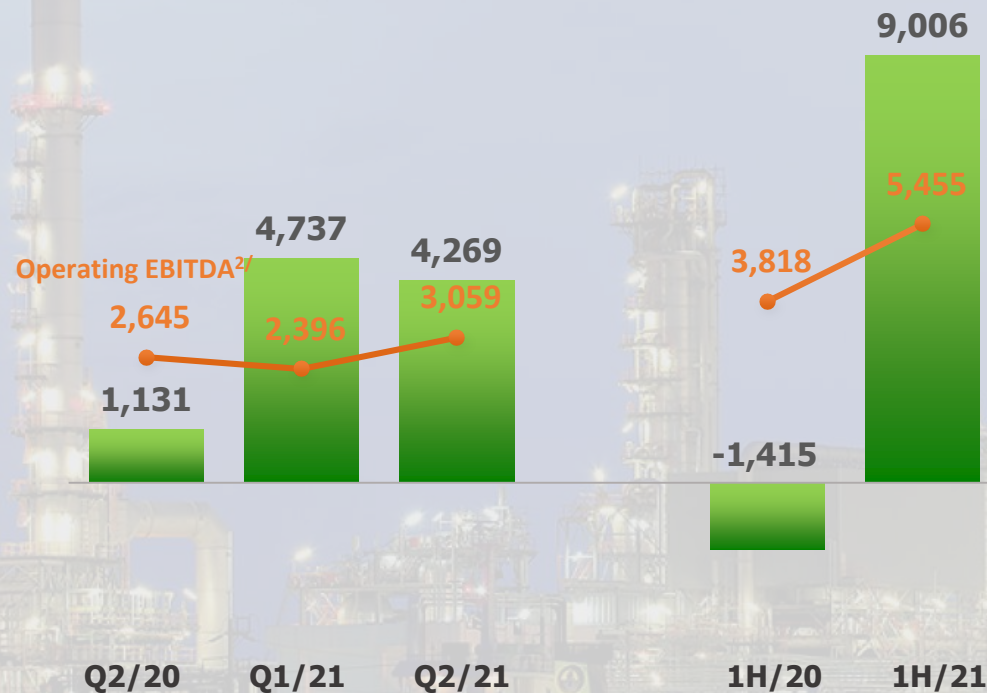




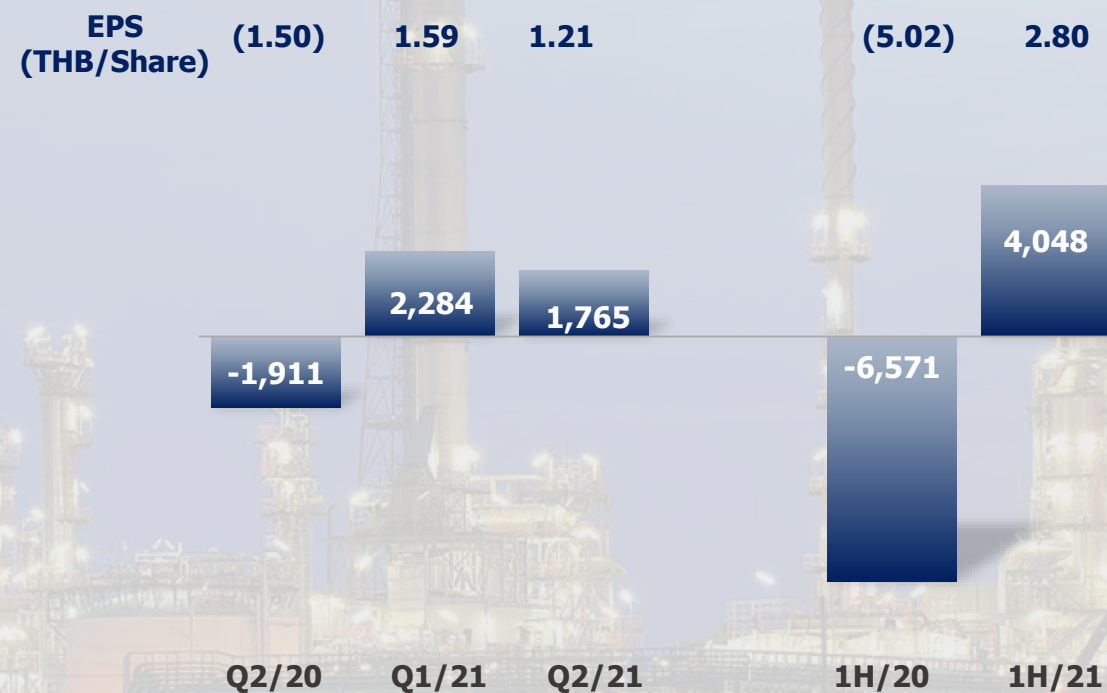
# Consolidated Performance Q2/2021

Global oil price continued to improve, but at a lower pace followed with national outbreaks and lockdowns led to slightly dropped in overall performance

## Accounting EBITDA (MB)



## Net Profit<sup>1/</sup> (MB)



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

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

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**02** Financial Performance



**03** Business Update and Going Forward



# Q2/2021 EBITDA by Business Group

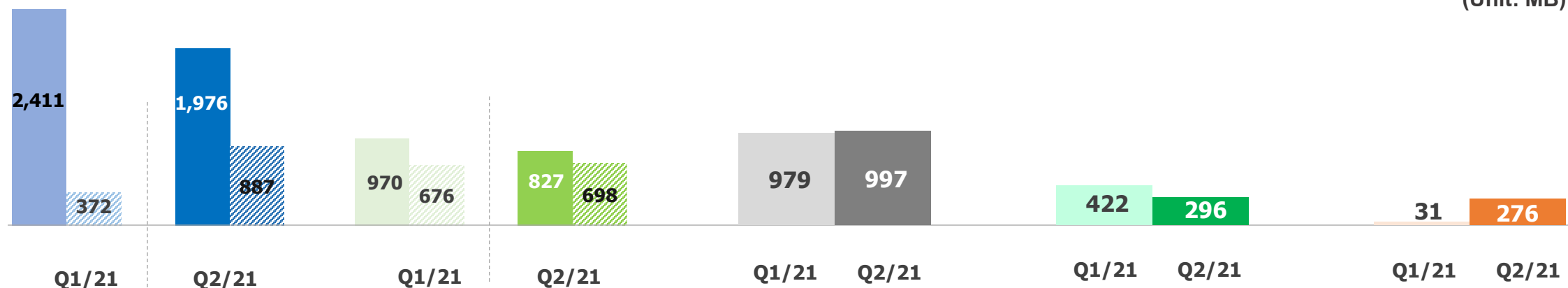
Net Profit <sup>1/</sup> **1,765 MB**

EBITDA **4,269 MB**

Operating EBITDA <sup>2/</sup> **3,059 MB**

■ Accounting EBITDA  
▨ Operating EBITDA

(Unit: MB)



## Refinery & Trading

- Crude run 107 KB, +65% QoQ return to normal operation after the completion of TAM in Q1
- Operating GRM 4.18 \$/BBL: higher value product yield, favorable crack spreads and crude premium over Dated Brent
- Inventory gain (Net NRV) 1,171 MB

## Marketing

- Total sales volume -5% QoQ, as the retail market was pressured from the third wave of COVID-19
- MKM 0.88 Baht/Litre from lower B100 cost and efficient cost management policy
- Inventory gain (Net NRV) 128 MB

## Power Plant

- Electricity sales + 20% QoQ, mostly attributed to the Laos hydropower plants entered peak season in late quarter and better weather for Solar power in Japan
- Share of profit of 157 MB

## Bio-Based Products

- EBITDA -30%, mainly from raw material cost and pressure from lower transportation fuel demand

## Natural Resources

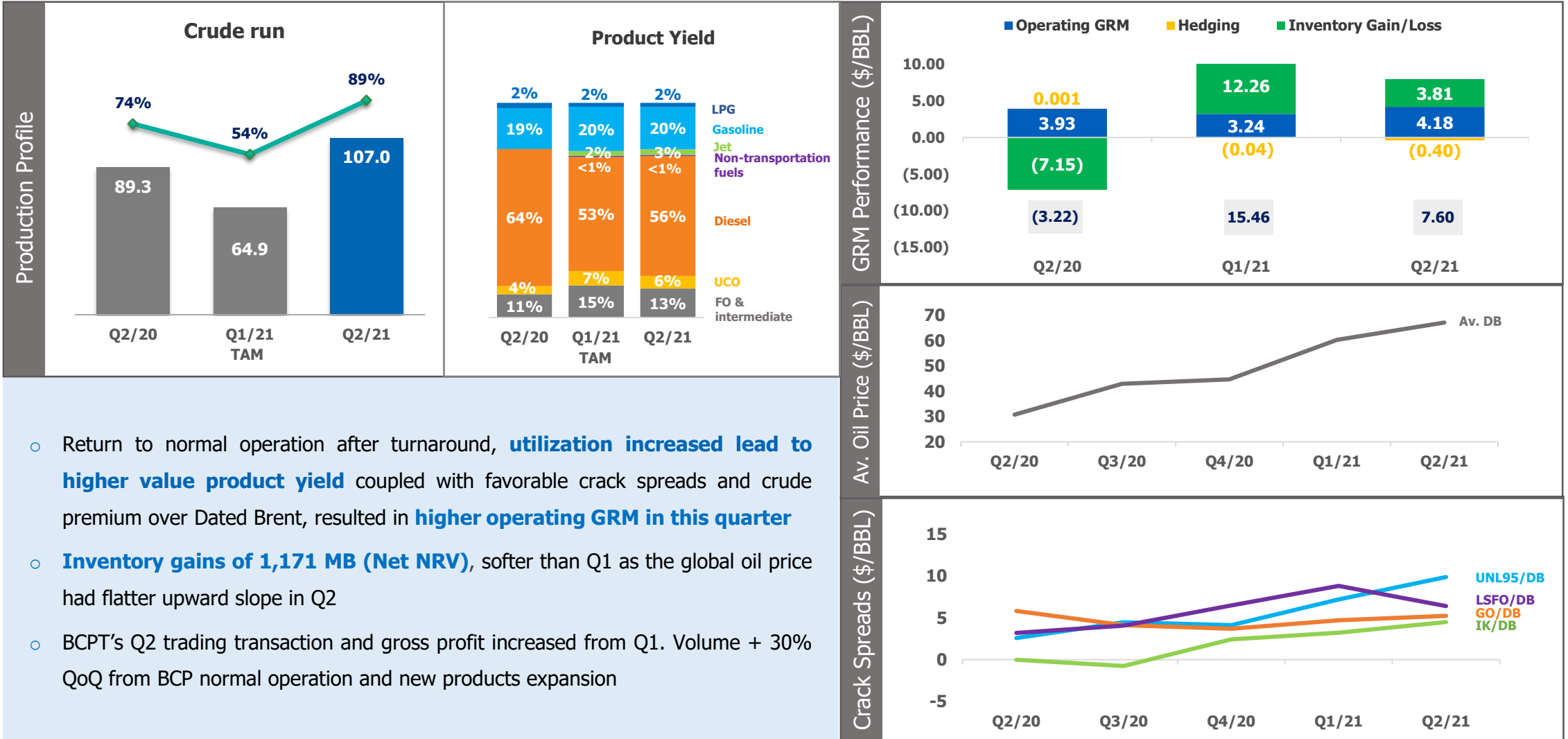
- Share of gain 333 MB from OKEA, increased from previous quarter
- OKEA production at ~13.2 kboe/d

Note: 1/ Net profit 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: Q2/2021 EBITDA 1,976 MB

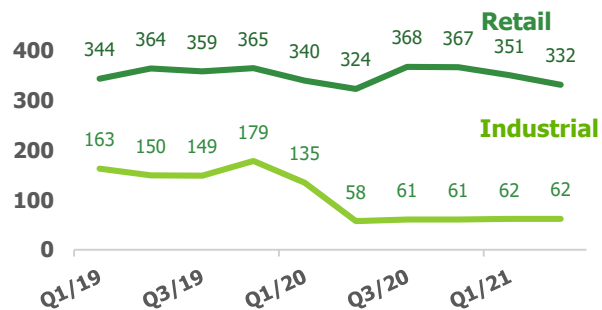


- Return to normal operation after turnaround, **utilization increased lead to higher value product yield** coupled with favorable crack spreads and crude premium over Dated Brent, resulted in **higher operating GRM in this quarter**
- Inventory gains of 1,171 MB (Net NRV)**, softer than Q1 as the global oil price had flatter upward slope in Q2
- BCPT's Q2 trading transaction and gross profit increased from Q1. Volume + 30% QoQ from BCP normal operation and new products expansion

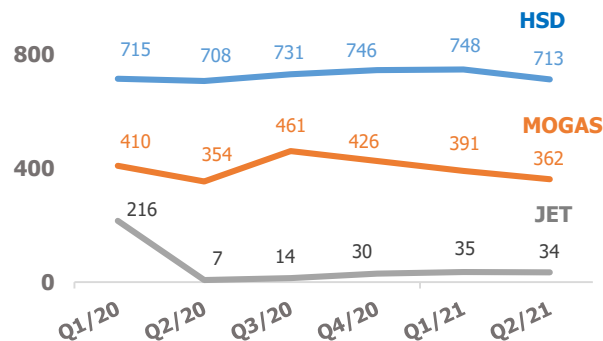


# Marketing Business: Q2/2021 EBITDA 827 MB

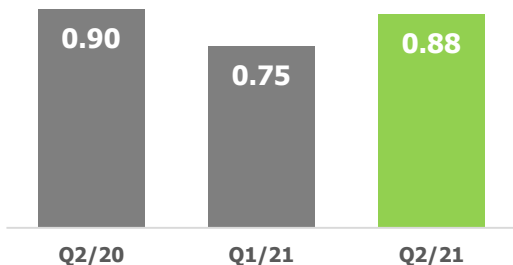
Total Sales Volume (ML/Mo)



Sale Volume by Product (ML)

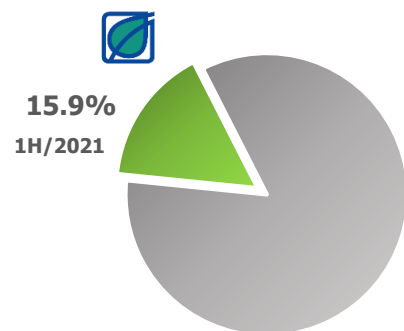


Net Marketing Margin (Baht/Litre)



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

Retail Oil Market Share (%)



1H/2020: 15.6%

- Sales volume lowered by 5% QoQ, as the retail market was pressured by the escalation of COVID-19 cases, while the industrial sales remained insignificantly changed
- Net marketing margin per unit improved by 17% QoQ from lower cost of B100 and efficient cost management policy
- Inventory gain of 128 MB (Net NRV) as Q2 finished product price increased at a lower rate than the previous quarter
- Bangchak service station: 1,247 sites @ Jun 2021

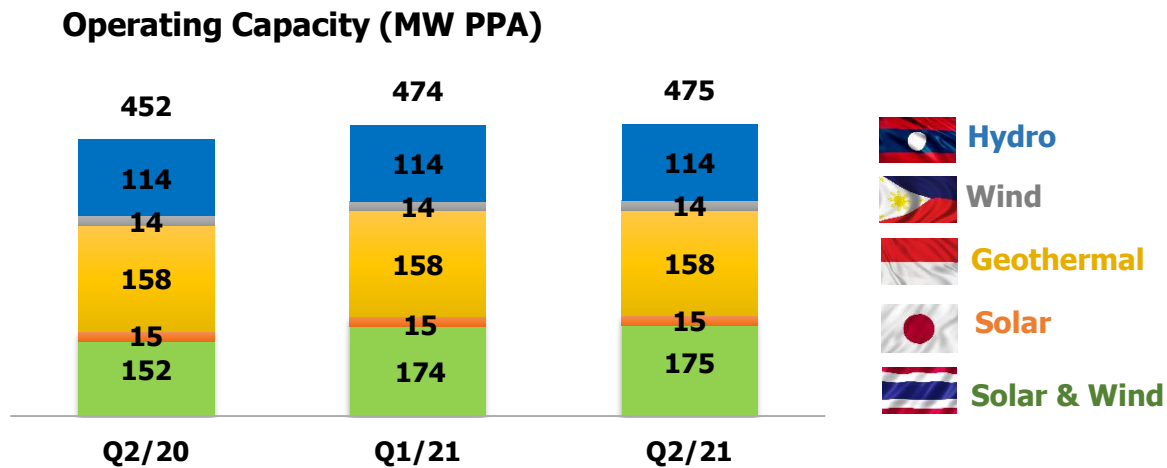
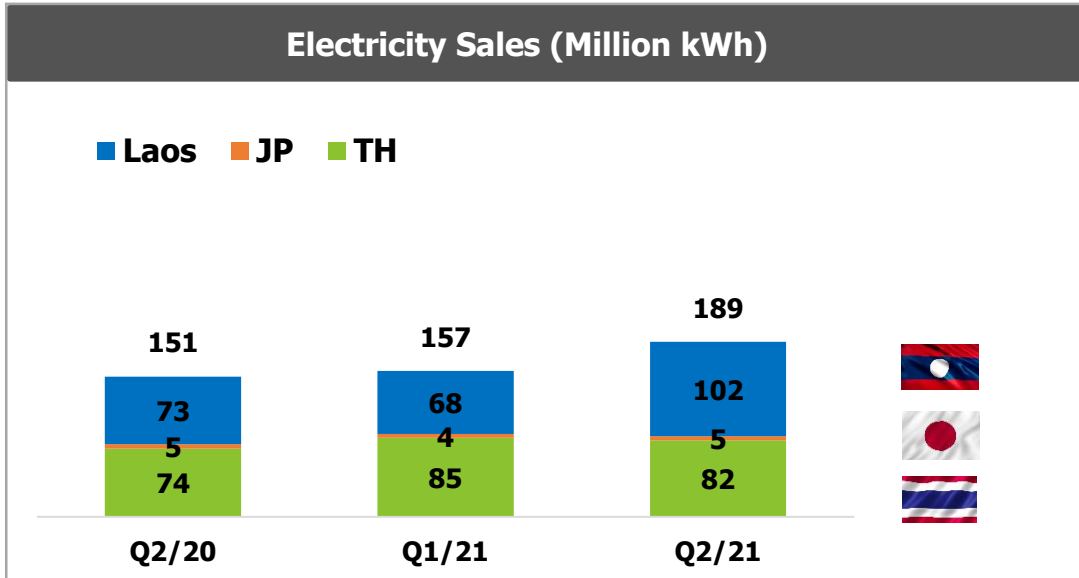
## Non-oil business

- During the pandemic, Inthanin has focused on Kiosk expansion to serve as pick-up point as well as online delivery channels, its Q2 cups per day + 7% QoQ
- 711 Inthanin branches @ Jun 2021
- ~ 190 minimart stores : Mini BigC, Family Mart, Tops Daily





# Power Plant Business: Q2/2021 EBITDA 997 MB



**Performance remained strong. Laos hydropower and Japan solar were the main leader, added with higher share of profit**

#### Electricity sales +20% QoQ

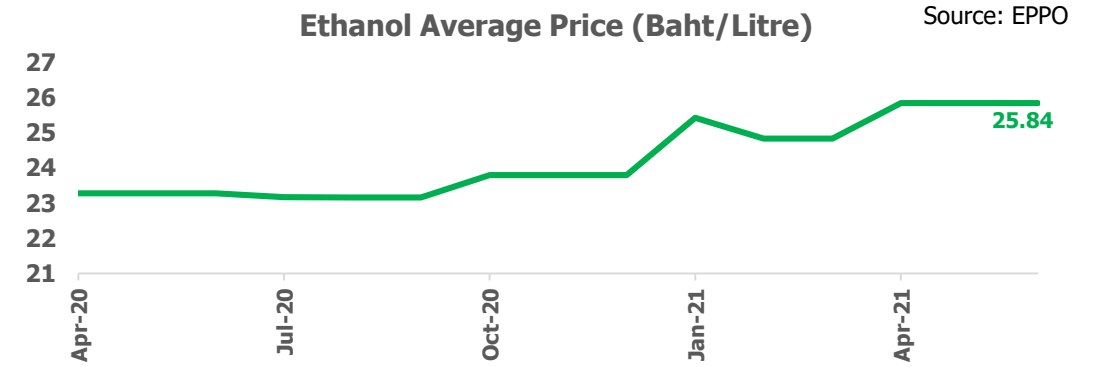
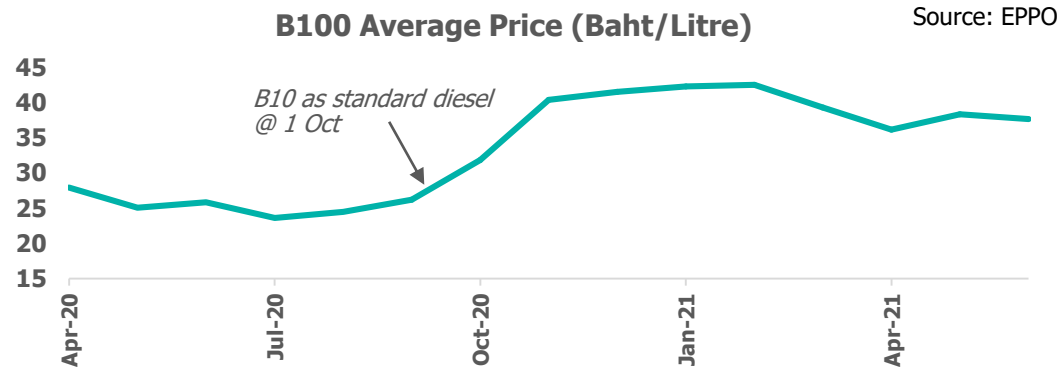
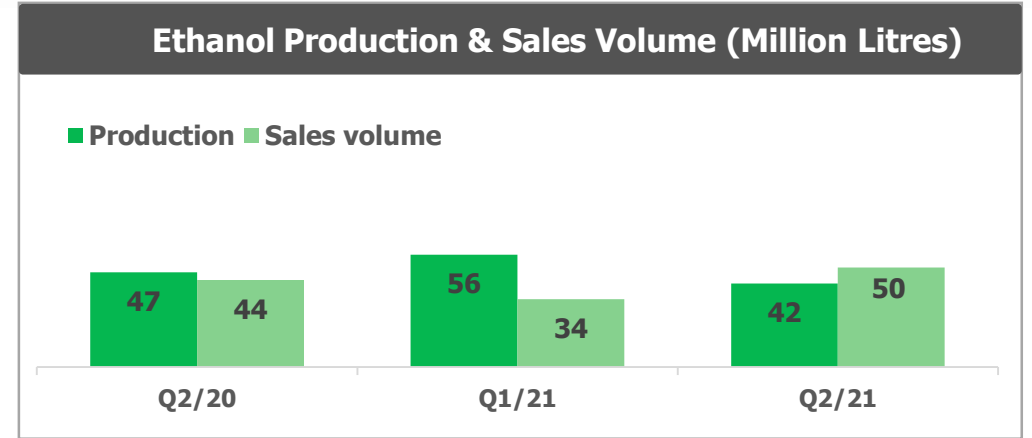
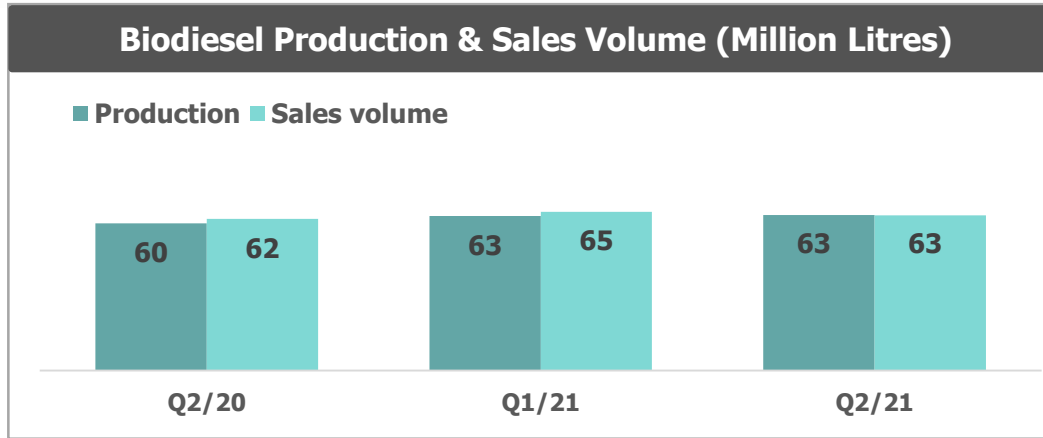
- Laos hydropower sales +50% as high season started in late Q2
- Japan solar power sales +13%, attributed to more favorable weather
- Thai solar power sales -2% caused by lower capacity factor
- Thai wind power sales -34%, attributed to seasonal factors

#### Share of profit 157 MB, +12% QoQ

- Geothermal power plant 153 MB: lower planned maintenance shutdown days
- Wind power plant of 4 MB: Q2 was a low season



# Bio-based Product Business: Q2/2021 EBITDA 296 MB



Bio-based business performance was softened QoQ, challenged by the raw material costs

○ **Gross profit dropped 32% QoQ**

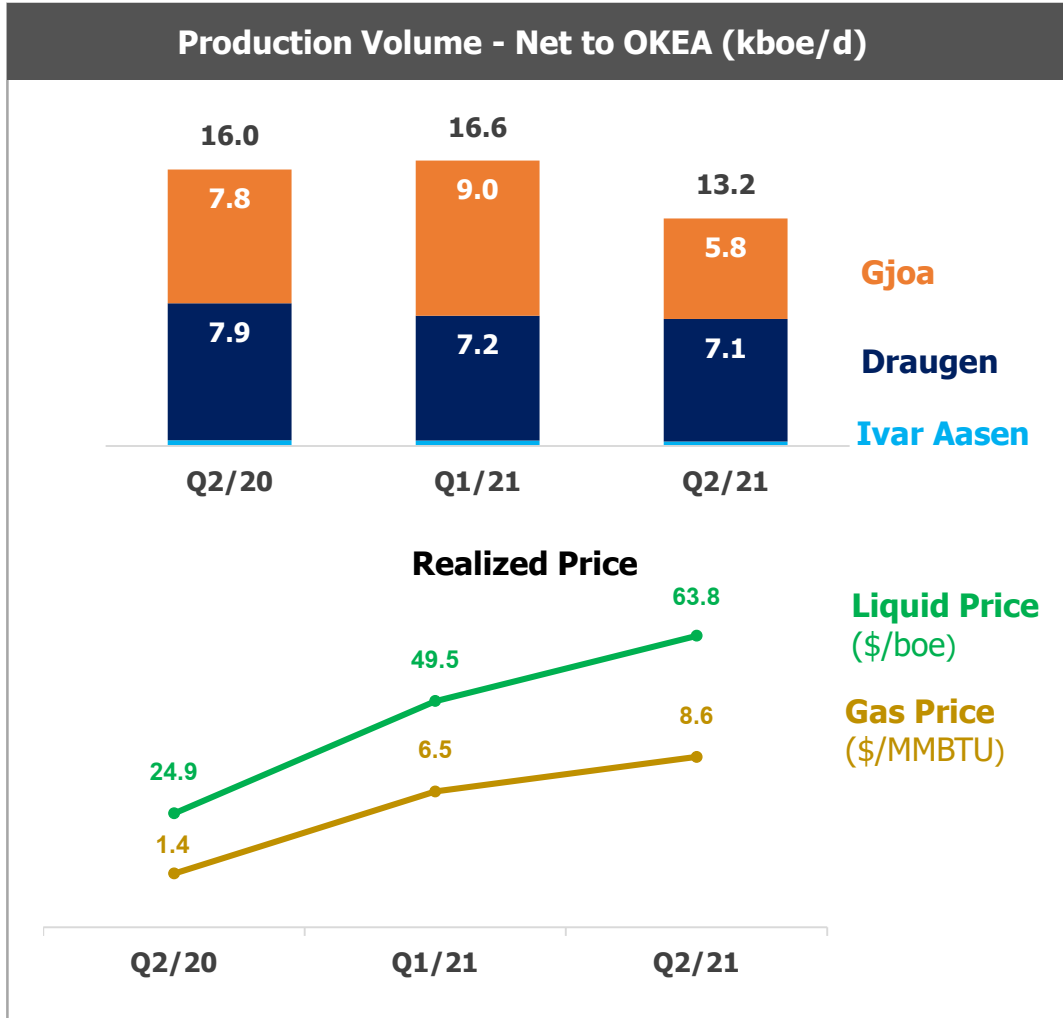
- Demand was slowdown as biodiesel demand dropped during Covid-19 outbreak
- Decrease in B100 average selling price, while CPO cost in production was unable to adjust corresponding with the B100 price

○ **Gross profit dropped 48% QoQ**

- Lower production from TAM
- Tight molasses and cassava supplies pushed the raw material cost higher, resulting in weaker gross profit



# Natural Resources Business: Q2/2021 EBITDA 276 MB



Source: OKEA



## OKEA ASA

BCPR holds 46.09 % in OKEA ASA

### OKEA:

- Total net production was lowered to 13.2 kboe/d mainly from 31-days planned maintenance at Gjøa
- Revenue increased by **higher crude oil and natural gas price**

### Impact to financial statement:

- **Impairment reversal NOK 730 million at Yme asset under development.** The project's cash flow increased from the improved macro conditions and the expected positive synergy effects following the operation reorganization in Yme licenses.

**Resulting in BCP took share of gain 333 MB from OKEA**



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# Event Highlights



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

April 2021

**BCP sold all shares in BCP Energy International Pte.Ltd. ("BCPE")** to Sacgasco Limited, a company listed in Australian Securities Exchange. AS a result, BCP has no interest in Nido Petroleum Pty Ltd. (Nido)

July 2nd 2021



**BCP exercised Warrant of BCPG Public Company Limited No.1 (BCPG-W1)** for 69.15 million units at exercise price of THB 8 each, for a value of THB 553 million. **BCP currently holds 61.31%**

July 20th 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**

May 2021

# Q2 Consolidated Statement of Income

Statement of Income (Unit:MB)	Q1/2021	Q2/2021
Revenue	41,230	43,775
Cost of goods sold	(36,626)	(40,032)
<b>Gross Profit</b>	<b>4,604</b>	<b>3,744</b>
Other income	142	176
Selling and administrative expenses	(1,447)	(1,628)
Gain (loss) from derivatives	(429)	(202)
Gain (loss) on foreign exchange	43	181
Reversal (Loss) from impairment of assets	400	13
<b>Profit (Loss) from operating activities</b>	<b>3,313</b>	<b>2,283</b>
Finance costs	(464)	(518)
Impairment gain(loss) (TFRS9)	6	(8)
Share of profit(loss) of associate and JV	194	512
<b>Profit (Loss) before income tax expense</b>	<b>3,049</b>	<b>2,269</b>
Tax income (expense)	(408)	(195)
<b>Profit (loss) for the period</b>	<b>2,642</b>	<b>2,074</b>
Owners of parent	2,284	<b>1,765</b>
Non-controlling interests	358	309
<b>Earnings per share (Baht per Share)</b>	<b>1.59</b>	<b>1.21</b>

- ❖ **Gross profit decreased 19% QoQ** mainly caused by lower inventory gain (2,474 MB in Q1 vs. 1,299MB in Q2) as the global oil price increased at a lower pace compared to previous quarter
- ❖ **Recorded 13 MB Reversal of impairment on asset**, a decline of 387 MB, as global oil price rose at a decreasing rate compared to Q1/2021
- ❖ **Share of Profit** – improved mostly attributed to OKEA’s performance which has improved significantly QoQ from the increase in crude oil and natural gas price, as well as the full reversal of impairment

	<u>Main attributors</u>	<u>Q1/2021</u>	<u>Q2/2021</u>
	Star Energy Group Holdings Pte. Ltd	121 MB	153 MB
	OKEA ASA	38 MB	333 MB
	Others	35 MB	26 MB



# 1H Consolidated Statement of Income:

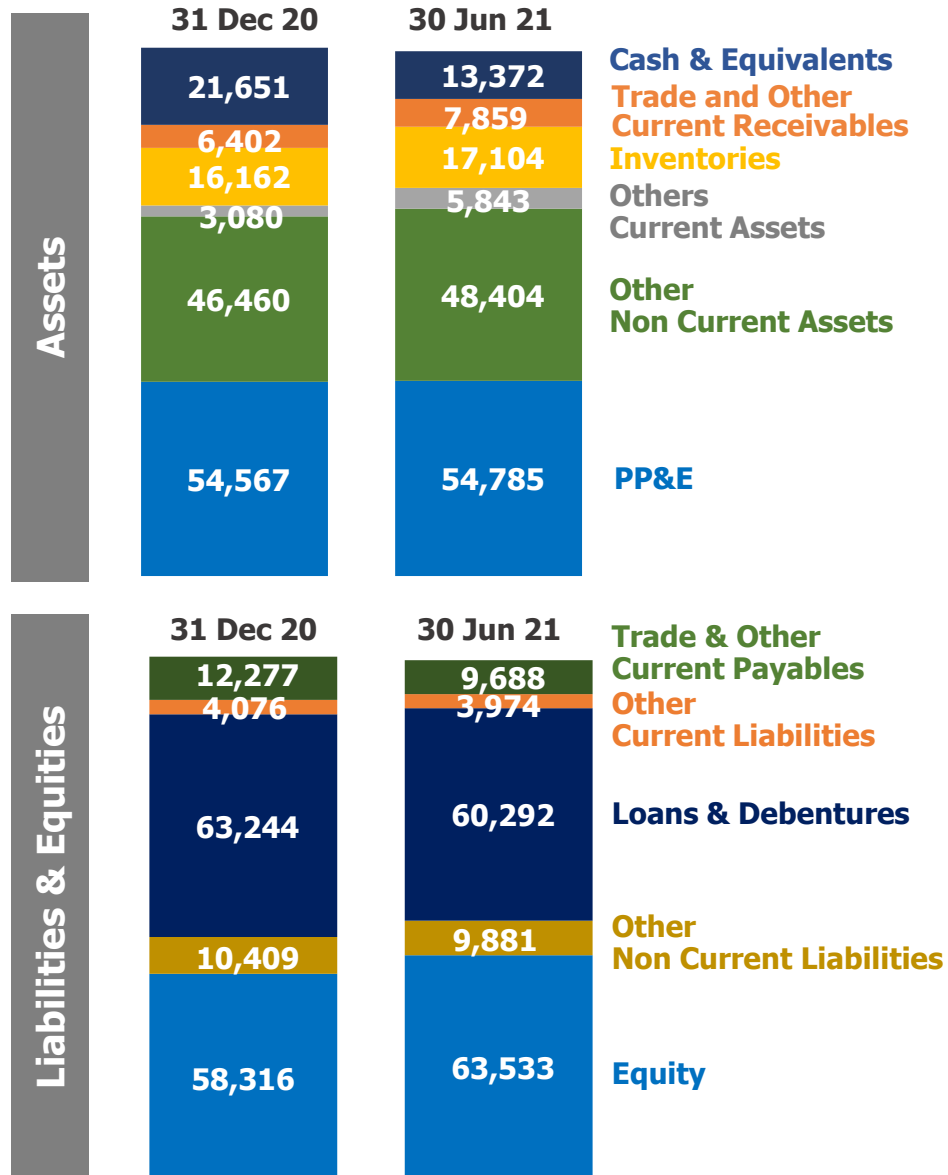
Statement of Income (Unit:MB)	1H/2020	1H/2021
Revenue	69,665	85,006
Cost of goods sold	(70,323)	(76,658)
<b>Gross Profit</b>	<b>(658)</b>	<b>8,348</b>
Other income	292	317
Selling and administrative expenses	(3,348)	(3,075)
Gain (loss) from derivatives	(77)	(630)
Gain (loss) on foreign exchange	459	223
Reversal (Loss) from impairment of assets	(1,487)	413
<b>Profit (Loss) from operating activities</b>	<b>(4,819)</b>	<b>5,596</b>
Finance costs	(981)	(982)
Impairment gain(loss) (TFRS9)	(890)	(1)
Share of profit(loss) of associate and JV	(913)	706
<b>Profit (Loss) before income tax expense</b>	<b>(7,603)</b>	<b>5,319</b>
Tax income (expense)	1,562	(603)
<b>Profit (loss) for the period</b>	<b>(6,042)</b>	<b>4,716</b>
Owners of parent	<b>(6,571)</b>	4,048
Non-controlling interests	530	668
<b>Earnings per share (Baht per Share)</b>	<b>(5.02)</b>	<b>2.80</b>

- ❖ **1H/2021 performance improved significantly compared to 1H/2020**, as petroleum related business have recovered from peaked crude oil prices
  - **Gross profit rose** mainly from the company group recorded an inventory gain of 3,773 MB, whereas in 1H/2020 incurred an inventory loss of THB 5,159 MB
- ❖ **Recorded 413 MB Reversal of impairment on asset** due to the higher valuation of investment in OKEA as the oil and gas price have recovered from previous year
- ❖ **Share of Profit** – increased considerably mostly because 1H/2020 took significant share loss from OKEA as it recorded impairment loss with respect to the state of oil price and natural gas adjusted downward due to price war situation followed by global pandemic

	<u>Main attributors</u>	<u>6M2020</u>	<u>6M2021</u>
OKEA ASA		-1,139 MB	371 MB
Star Energy Group Holdings Pte. Ltd		185 MB	274 MB
Others		41 MB	61 MB

# Consolidated Statement of Financial Position

Unit: MB



Unit: MB	31 Dec 20	30 Jun 21	Change
Total Assets	148,323	147,367	▼ <1%
Total Liabilities	90,007	83,834	▼ 7%
Total Equity	58,316	63,533	▲ 9%

- ❖ **Other Current Assets +90%**
  - Short-term investment ▲ 3,025 MB from BCPG as reserve for investments and loan repayment
- ❖ **Trade and other current receivables +23%** mostly from BCP's higher sales volume and average selling price of finished products
- ❖ **Other Non Current Assets +4%**
  - Investments in associates and joint ventures ▲ 2,091 MB mostly attributed to currency conversion of invested capital in associated company (THB depreciation), recognition of share of profit (loss) from associates and joint ventures and the reversal of recorded impairment on investment in natural resources business
- ❖ **PP&E +<1%**
  - Asset investment 2,384 MB mainly on Turnaround project, BCPG's solar power plants in japan and Thailand, and BBGI capacity expansion plan
  - Depreciation of 2,149 MB
- ❖ **Loans and Debentures -5%**
  - Short-term loan ▼ 2,440 MB mostly from BCPG and BBGI
  - Long-term loans and debentures (incl. current portion) ▼ 525 MB
- ❖ **Equities +9%**
  - Net profit of 4,716 MB
  - Exchange differences on translating financial statements 1,340 MB

# Consolidated Statement of Cash Flow

As of Jan 21

**Beginning Cash**  
21,651 MB

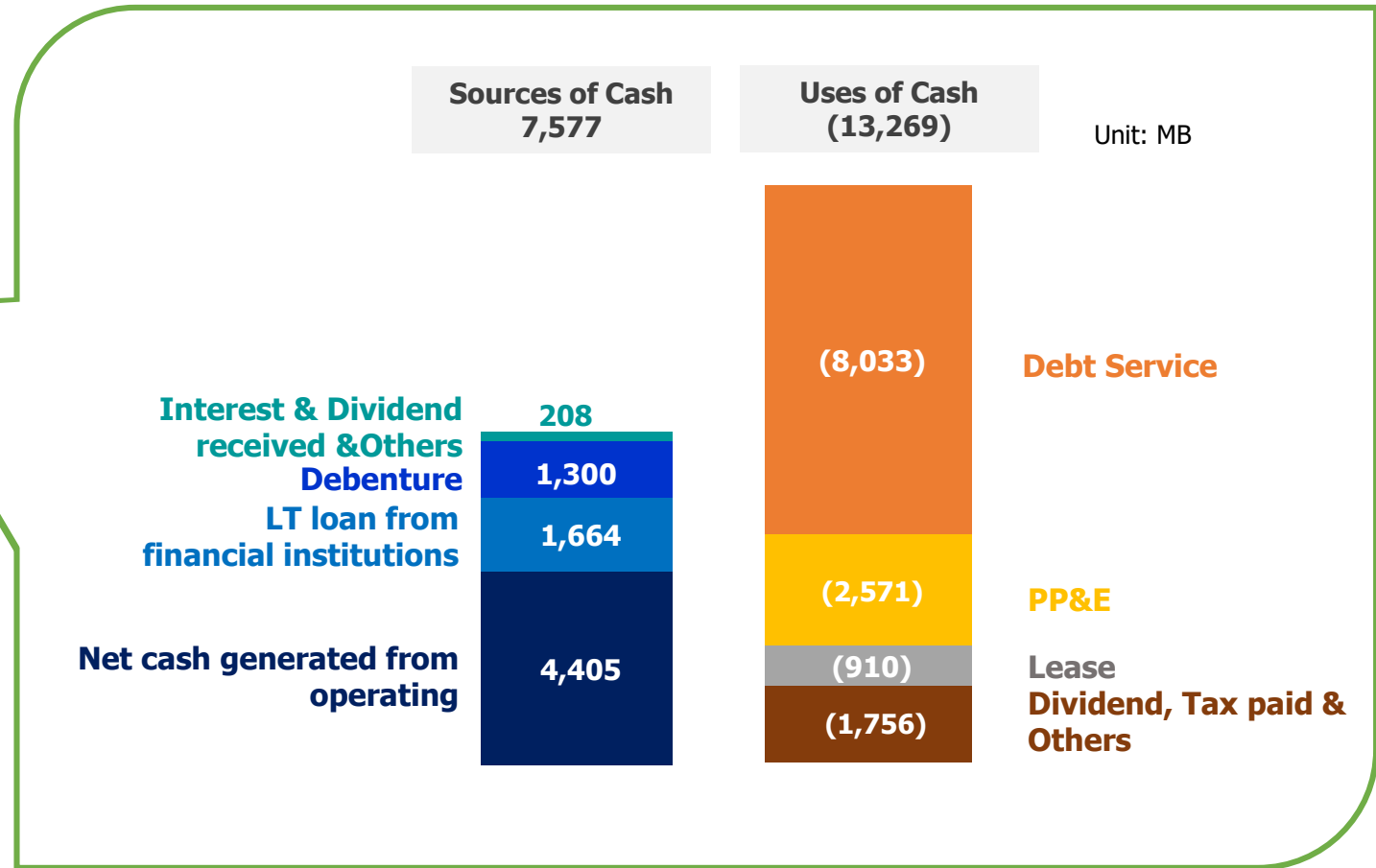
**Cash movement**  
(5,692) MB

**Short Term Deposit**  
(3,025) MB

**Effect of exchange rate changes**  
439 MB

**Ending Cash**  
13,372 MB

As of Jun 21





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# Refinery Business: Focus More on High Value Products

1H/2021 2H/2021E 2021E

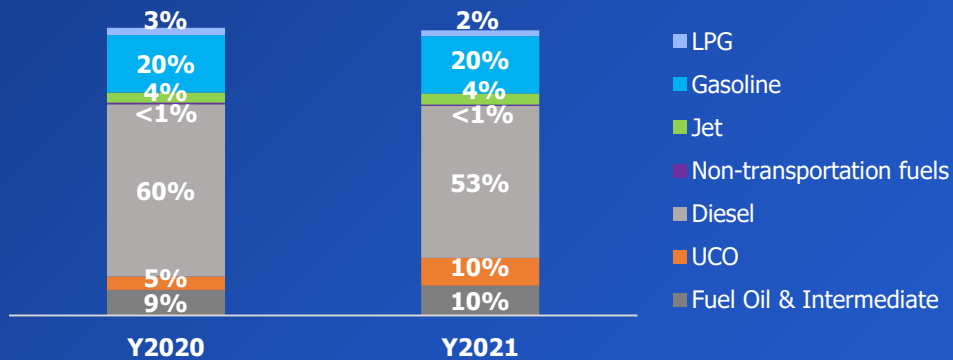
Crude run: KBD

86.1 110-115 95-100

DB: \$/BBL

63.6 75-80 65-70

## Customized Products:



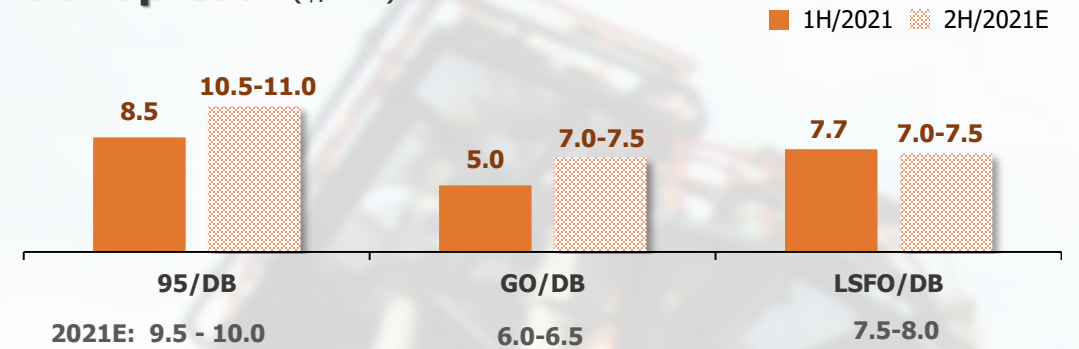
Strive for more high-value UCO

As it's "less energy consumption & catalyst utilization"

UCO Production (%Yield)

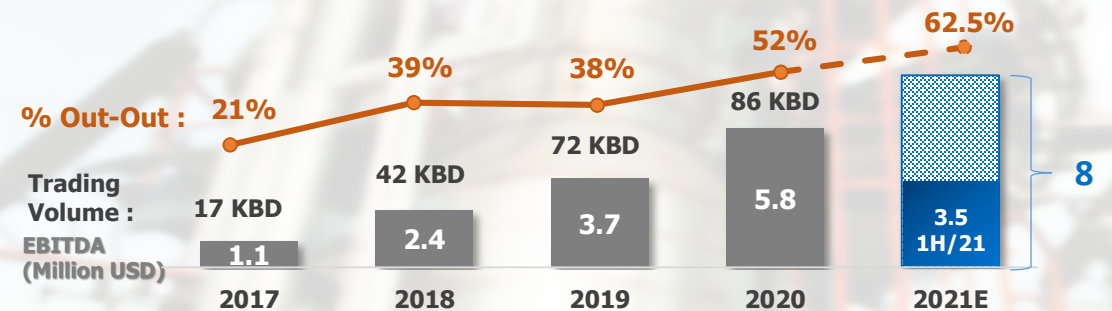


## Crack Spread: (\$/BBL)



## Trading Growth: bcpt

BCPT has been making good progress



Expand Trading Product, **UCO** to new customer to continue long-term growth



New trade network +25 Companies



More **intensive LSFO** for IMO bunker



White spirit solvent to new destination outside SE Asia

# Refinery process optimization to save cost and increase efficiency

**FAST+**

**F**ocus **A**nalysis **S**uccess **T**ransform +

*Expected 2021 benefit of 1,300 MB*




Some of the initiatives:

**Increase diesel yield from catalyst optimization**



**Recovery energy in UCO production**

- Heat recovery 
- Reduce steam and fuel



**Efficient transportation mode**

# Greenovative Destination



**Service station**

**1,247**

as of Jun 2021

**Standard Type** → 636 sites

**COOP Type** → 611 sites

**Network Expansion**

2020  
1,233 stations → 2021  
1,310 stations

Focus on: Standard type and JV type

*Expand network and new products to maximum customers satisfaction*



**Food Truck**  
2/10 stations  
in 2021

**Unique Design Service Stations**



**39/61 Stations  
in 2021**



**Communities Support Campaign**

**เลือกดาวเด่น ไม่เลือก (น้ำ) ใจ**

ร้านค้าที่ได้รับผลกระทบจากโควิด-19 มาเปิดขายของ ที่สถานีบริการน้ำมันของพวกเราด้วยวิธีพิเศษ ได้แล้วจ้า!

เลือกได้ตั้งแต่ 28 มี.ค. - 64 มี.ค. 64

สอบถามรายละเอียดเพิ่มเติม (จันทร์ - ศุกร์ เวลา 08.00 น. - 17.00 น.)

กรุงเทพฯ - ปิ่นเกล้า  
คุณหญิง 08 1959 1433  
คุณโสภา 08 5998 7993

ต่างจังหวัด  
คุณสุรินทร์ 08 1874 6825

**เติมทุกคัน รับทุกคัน**

**ฟรี มังคุด**

สดจากสวน 1 ลูก

9-13 มี.ค. 64 หรือจนกว่าจะหมด  
ซึ่งสถานีบริการน้ำมัน 15 สถานี  
เฉพาะในเขตกรุงเทพมหานคร และปริมณฑล

คลิก ดูรายละเอียด

บริษัทฯ ร่วมกับกรมการค้าภายใน กระทรวงพาณิชย์  
ช่วยเหลือชาวสวนมังคุดภาคใต้



# Inthanin is Growing Vibrantly

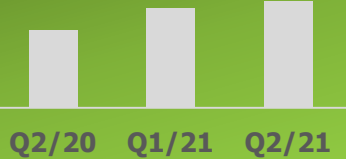
**711** *Inthanin stores as of Jun 2021*

474 sites in S/S 237 sites out S/S

2021 Target 800 stores

Q2/2021 Sales Performance: Total cups/Day

+37% YoY  
+7% QoQ



Sales through Online Delivery Platform + 90% QoQ



*New Business Partner*



*The finest selections always brought to customers*

**TRY US!**

*Wellness DRINKS+*

*Inthanin*

FINGERROOT V3: 79.-  
Iced Fingerroot Honey Lemon 69.-

SACRED LOTUS V4: 79.-  
Iced Sacred Lotus Honey Lemon 69.-

8 ส.ค. 64 - 31 ต.ค. 64

*Table<sup>38</sup> Patisserie*

Bakery Partner with Michelin Star "Chef Andy"

WE ARE READY TO SERVE AT

*Inthanin*

Table38patisserie

**Plant-Based Beverage**

**Fingerroot drinks**



# Other Non-oil Businesses

**EV Chargers on Major Routes across The Country**  
*in 152 Bangchak Stations*

*Metropolitan Service Areas*



**MG SUPER CHARGE**

**2021 Target: 50 stations**

*First run in October*



**SHARGE**

**2021 Target: 7 stations**

*Provincial Service Areas*



**Ready-to-use now in 27 Bangchak stations**



**2021 Target: 56 stations**



*You can also look for...*

**Lotus**  
**Vending Machine**

**2/50**

units  
**in 2021**

## Domestic Lubricant Market Share

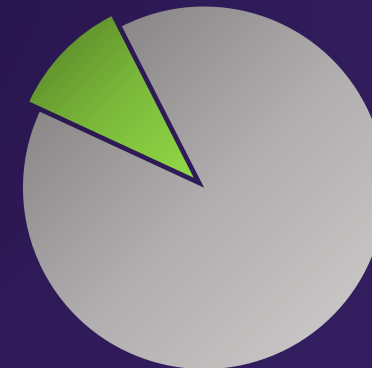


**10.6%**

**6M/2021**

**6M/2020: 9.9%**

Source: DOEB & BCP



# BBGI's High-value Biobased Products are Underway



Filing within Q3/2021 &  
IPO in Q1/2022

- **BBGI imported product Astaxanthin ingredients for B2B customer since June, with the plan for B2C in the name "B Nature Plus"**
- **BBGI with the Department of Biochemistry, Chulalongkorn University, funded by Organization of Funding Management For Competitiveness of Thailand to conduct research in development of Bio Enzyme for pesticide chemicals decontamination in vegetables and fruits**
- **Win Ingredients Co.,Ltd.'s sweetener -Neotame is certified to be distributed in Thailand, and the authorized dealers were appointed in TH,VN,MY,IN,PH**





# LNG: New Business from Our Long Term Aspiration

To move towards our greener portfolio

LNG is one of  
**the cleanest fuel in the context of  
energy transition**, which represents an  
excellent alternative to reduce  
greenhouse gas emissions and help  
combat global warming

Economy



Environment



Society



## btsg

Registered capital 200 MB



51%



TSG

49%

## Collaboration in potential segments



e.g., industrial fuel conversion from LPG to LNG  
or fuel oil to LNG

# Business Update



- ✓ **24 MUSD investment in VRB Energy, utility-scale energy storage business**
- ✓ **Hydropower plants Q3/2021 performance may improve both YoY and QoQ from expected higher water level at the projects and seasonality respectively**
- ✓ **Japan solar projects (65 MW) COD plan**
  - **in Q4/2021: Yabuki 20 MW & Chiba 1 20 MW**
  - **In Q1/2022: Komagane 25 MW**



- ✓ **Yme: first oil in 2H2021** production of
  - average 5,600 boepd net to OKEA in the first-year
  - 7,500 boepd net to OKEA at plateau
- ✓ **Production guiding** net to OKEA
  - **15,500-16,500 boepd in 2021**
- ✓ **A notable increase in the natural gas price will enhance cash flow & profits of Gjoa, as well as improve the economic for OKEA's upcoming development Hasselmus**



# ***Amidst the Economic Turbulence,***

## **Every Business Contribution Strengthen BCP Group**



**1H EBITDA 9,006 MB**

**1H Net Profit 4,048 MB**

**All time high 1H performance**

*Net profit attributable to the owners of parent*



# Q&A Session



Please tell us your feedback



**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)



# THANK YOU

Please tell us your feedback



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