

## Time to reload

- 4Q25 a bottom ahead of subsequent rises in net profits, supported by structural improvement for ethanol on cost and pricing outlook
- The soon-to-COD of its 1mlpd SAF plant and structural
- Upgrade to BUY with TP of THB3.1

### A soft 4Q25 outcome before sanguine 2026 outlook

We project 4Q25 net profit of THB47m, down from THB94m in 3Q25 and THB68m in 4Q24. Key culprits will be the declining prices of ethanol that likely reached the bottom at THB18/litre in 4Q25 and now recovered meaningfully in 1Q26. High molasse cost is likely to subside going forward while demands remains strong for both ethanol and biodiesel thanks to the captive demands for two refinery plants BCP at Phrakanong and BSRC at Sriracha in Cholburi.

### Better all-around in 2026

Starting in 1Q26, we think BBGI's net profit growth will accelerate, rising from average THB0.1b a quarter in 2025 to THB150m in 2026, driven by 1) the higher margins of ethanol (THB1.0/litre+) on the back of significant drop in molasse cost by THB1k/t; 2) recovering biodiesel price on the higher CPO price as Indonesia now implements B50 fuel policy that causes tightening supply and cut CPO exports; and 3) the startup of 1mlpd Sustainable Aviation Fuel (SAF) by 2Q26.

### Ethanol outlook improves on lower cost and high selling price

Ethanol unit is projected to see significant improvement y-y, premised on 1) the higher margins of ethanol (THB1.0/litre+) on the back of significant drop in molasse cost from average THB4k-5k/t in 2025 to THB3k-4k/t in 2026. The THB1k/t cost drop will translate into THB4/litre cost drop for BBGI's ethanol; 2) the sustained high price at THB20/litre thanks to the high cost of cassava-based ethanol that should enable the molasse-based ethanol to enjoy sustained THB1.2/litre net margin.

### SAF to start generating profit, finally

After one year delay, BBGI's 20%-owned 1mlpd SAF production plant is now poised to start production within 2Q26. The THB8.5b plant is now projected to generate annual net profit THB0.20b-0.50b, based on THB4.0/litre net profit, which we think is a conservative assumption based on current margin of over THB10/litre margin vs ours at THB4/litre.

### Upgrade to BUY with TP of THB3.1

We upgrade BBGI from HOLD to BUY and retain our SoTP TP of THB3.1. We think it is now a turning point to BBGI's share price to turn around and rerate from its bottom at THB2.66 to our TP, driven by the improving outlook for the net profits from BBGI's existing businesses of biofuels (ethanol and biodiesel) on lower raw material costs, favorable selling price environment, and the new venture of SAF whose demand is now standing firm with the mandates of SAF blending in Thailand and other countries.

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**ESG Rating : AAA**

**CG Rating :** 

### BUY (from HOLD)

Target Price 12M (THB)	3.10
VS. BB Consensus TP (%)	-18.4%
Share Price (THB)	2.68
Upside/Downside	+15.7%

#### Share Data

Market Cap (THB m)	3,875.28
Par (THB)	2.50
Free Float (%)	24.66
Issued shares (m shares)	1,446

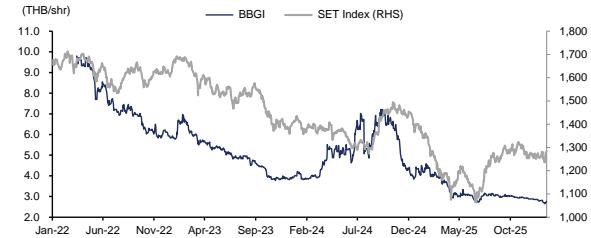
#### Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	22,192	17,610	17,298	17,599
Net profit	215	230	609	1,394
Core net profit	215	230	609	1,394
vs Consensus (%)		(34.6)	(17.9)	49.8
Net profit growth (%)	2,080.1	6.8	164.9	129.1
Core net profit growth (%)	2,080.1	6.8	164.9	129.1
EPS (THB)	0.15	0.16	0.42	0.96
Core EPS (THB)	0.15	0.16	0.42	0.96
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	0.05	0.06	0.17	0.39
P/E (x)	28.10	16.87	6.37	2.78
P/BV (x)	0.65	0.41	0.39	0.35
ROE (%)	2.30	2.45	6.26	13.21
Dividend yield (%)	1.20	2.37	6.28	14.39

Source: Financial Statement and Globlex securities

#### Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(6.29)	(9.46)	(12.42)	(4.29)
Market	(7.39)	(8.33)	(20.52)	(5.48)
12M High/Low (THB)				4.74 / 2.64



#### Major Shareholders (%) as of 4 Mar 2025

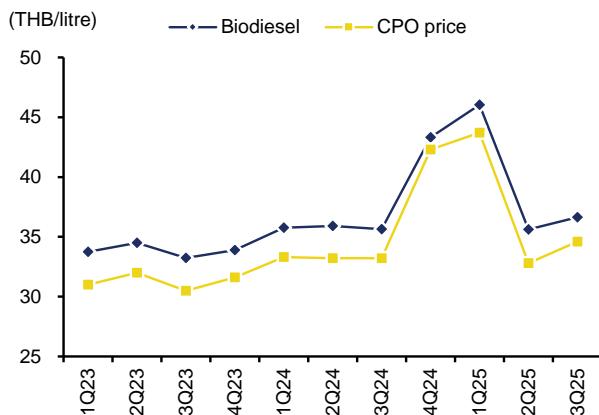
Bangchak Corporation Pcl.	45.00
Khon Kaen Sugar Industry Pcl	30.00
Sansiri	1.03

#### Company Profile

The company performed through Holding Company within 1) the business of Biofuel including Ethanol, Biodiesel, and 2) High Value Bio-Based Products in Health and Well-Being which utilizing advanced technology.

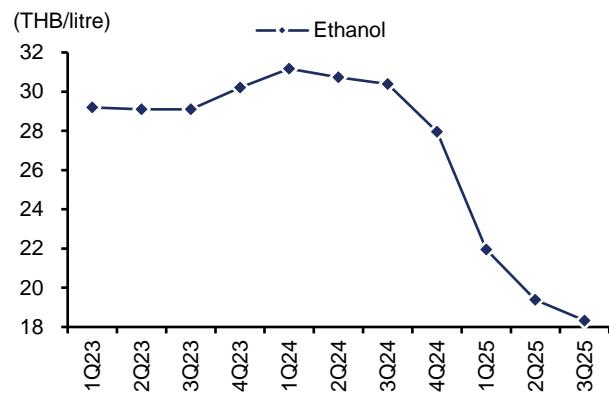
Source: SETSMART, SET

### Exhibit 1: Biodiesel and CPO price



Sources: BBGI; Globlex Research

### Exhibit 2: Ethanol price



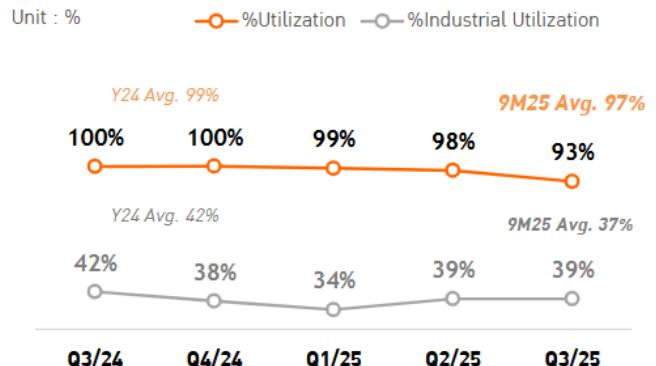
Sources: BBGI; Globlex Research

### Exhibit 3: Biodiesel sales volume



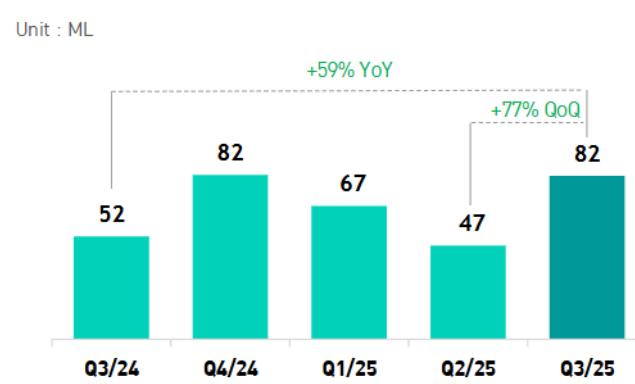
Sources: BBGI

### Exhibit 4: Biodiesel utilisation rate vs industrial



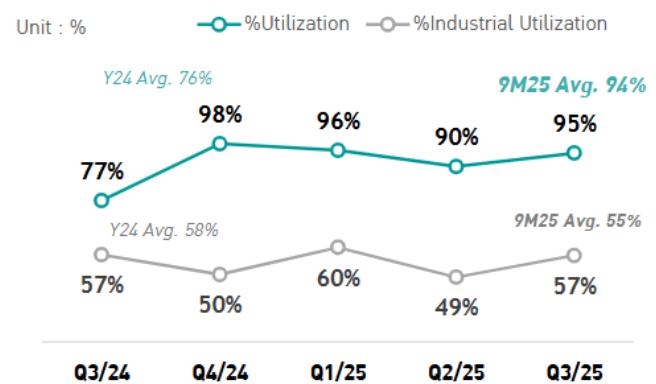
Sources: BBGI

### Exhibit 5: Ethanol sales volume



Sources: BBGI

### Exhibit 6: Ethanol utilisation rate vs industrial



Sources: BBGI

Balance sheet (THB m)						Profit & loss (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E	Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Current assets</b>						<b>Revenue</b>	<b>13,757</b>	<b>22,192</b>	<b>17,610</b>	<b>17,298</b>	<b>17,599</b>
Cash & ST investment	2,260	547	102	771	2,063	Cost of goods sold	(12,847)	(20,929)	(15,891)	(16,032)	(15,456)
Account receivable	1,204	1,847	2,200	2,373	2,549	<b>Gross profit</b>	<b>910</b>	<b>1,262</b>	<b>1,718</b>	<b>1,266</b>	<b>2,142</b>
Inventories	1,090	1,074	815	822	793	Operating expenses	(349)	(442)	(528)	(432)	(440)
Others	386	799	634	623	633	<b>Operating profit</b>	<b>561</b>	<b>820</b>	<b>1,190</b>	<b>833</b>	<b>1,702</b>
<b>Non-current assets</b>						<b>EBIT</b>	<b>92</b>	<b>341</b>	<b>588</b>	<b>231</b>	<b>1,100</b>
Net fixed assets	5,829	5,707	6,105	5,803	5,500	Depreciation	(469)	(479)	(602)	(602)	(602)
Others	2,866	3,755	3,755	3,755	3,755	<b>EBITDA</b>	<b>561</b>	<b>820</b>	<b>1,190</b>	<b>833</b>	<b>1,702</b>
<b>Total Assets</b>	<b>13,635</b>	<b>13,728</b>	<b>13,611</b>	<b>14,146</b>	<b>15,293</b>	<b>Non-operating income</b>	<b>117</b>	<b>103</b>	<b>50</b>	<b>54</b>	<b>54</b>
<b>Current liabilities</b>						Other incomes	117	91	50	54	54
Account payable	857	907	689	695	670	Other non-op income	0	12	0	0	0
ST borrowing	1,812	1,889	1,001	1,002	1,002	<b>Non-operating expense</b>	<b>(78)</b>	<b>(78)</b>	<b>(99)</b>	<b>(99)</b>	<b>(99)</b>
Others	197	349	277	272	276	Interest expense	(78)	(78)	(99)	(99)	(99)
<b>Long-term liabilities</b>						Other non-op expense	0	0	0	0	0
Long-term debts	696	1,124	2,000	2,000	2,000	<b>Equity income/(loss)</b>	<b>(11)</b>	<b>(12)</b>	<b>(171)</b>	<b>506</b>	<b>511</b>
Others	137	99	99	99	99	<b>Pre-tax Profit</b>	<b>120</b>	<b>354</b>	<b>368</b>	<b>691</b>	<b>1,566</b>
<b>Total liabilities</b>	<b>3,699</b>	<b>4,368</b>	<b>4,066</b>	<b>4,068</b>	<b>4,048</b>	Extraordinary items	0	0	0	0	0
Pai-up capital	3,615	3,615	3,615	3,615	3,615	Current taxation	(20)	(18)	(110)	(67)	(155)
Retained earnings	1,887	2,028	2,186	2,702	3,853	Minorities	(91)	(121)	(28)	(16)	(17)
Others	3,895	3,660	3,660	3,660	3,660	<b>Net Profit</b>	<b>10</b>	<b>215</b>	<b>230</b>	<b>609</b>	<b>1,394</b>
Minority interest	539	57	85	101	117	<b>Core net profit</b>	<b>10</b>	<b>215</b>	<b>230</b>	<b>609</b>	<b>1,394</b>
<b>Shareholders' equity</b>	<b>9,937</b>	<b>9,360</b>	<b>9,545</b>	<b>10,078</b>	<b>11,246</b>	<b>EPS (THB)</b>	<b>0.01</b>	<b>0.15</b>	<b>0.16</b>	<b>0.42</b>	<b>0.96</b>
						<b>Core EPS (THB)</b>	<b>0.01</b>	<b>0.15</b>	<b>0.16</b>	<b>0.42</b>	<b>0.96</b>
<b>Key ratios</b>											
Year ending Dec	2023	2024	2025E	2026E	2027E	<b>Cash flow (THB m)</b>					
<b>Growth (%YoY)</b>						Year ending Dec	2023	2024	2025E	2026E	2027E
Sales	2.9	61.3	(20.6)	(1.8)	1.7	<b>Operating cash flow</b>	<b>1,763</b>	<b>(144)</b>	<b>613</b>	<b>1,043</b>	<b>1,819</b>
Operating profit	(2.7)	46.2	45.1	(30.0)	104.4	Net profit	10	215	230	609	1,394
EBITDA	(2.7)	46.2	45.1	(30.0)	104.4	Depre.& amortization	469	479	602	602	602
Net profit	(51.7)	2,080.1	6.8	164.9	129.1	Change in working capital	1,284	(838)	(219)	(168)	(178)
Core net profit	(51.7)	2,080.1	6.8	164.9	129.1	Others	0	0	0	0	0
EPS	(51.7)	2,080.1	6.8	164.9	129.1	<b>Investment cash flow</b>	<b>567</b>	<b>554</b>	<b>240</b>	<b>587</b>	<b>1,456</b>
Core EPS	(51.7)	2,080.1	6.8	164.9	129.1	Net CAPEX	(442)	(465)	(602)	(602)	(602)
<b>Profitability (%)</b>						Change in LT investment	1,009	1,019	842	1,189	2,059
Gross margin	6.6	5.7	9.8	7.3	12.2	Change in other assets	0	0	0	0	0
Operation margin	4.1	3.7	6.8	4.8	9.7	<b>Free cash flow</b>	<b>2,330</b>	<b>410</b>	<b>853</b>	<b>1,630</b>	<b>3,275</b>
EBITDA margin	4.1	3.7	6.8	4.8	9.7	<b>Financing cash flow</b>	<b>(1,484)</b>	<b>(2,124)</b>	<b>(1,297)</b>	<b>(962)</b>	<b>(1,983)</b>
Net margin	0.1	1.0	1.3	3.5	7.9	Change in share capital	0	0	0	0	0
ROE	0.1	2.3	2.4	6.3	13.2	Net change in debt	(482)	(505)	12	(1)	0
ROA	1.3	3.0	2.6	5.2	10.3	Dividend paid	(723)	(434)	(145)	(184)	(487)
<b>Stability</b>						Others	(279)	(1,185)	(1,165)	(777)	(1,496)
Interest bearing debt/equity (x)	0.3	0.3	0.3	0.3	0.3	<b>Net cash flow</b>	<b>846</b>	<b>(1,714)</b>	<b>(444)</b>	<b>668</b>	<b>1,292</b>
Net debt/equity (x)	0.0	0.3	0.3	0.2	0.1	<b>Per share (THB)</b>					
Interest coverage (x)	1.2	4.4	5.9	2.3	11.1	EPS	0.01	0.15	0.16	0.42	0.96
Interest & ST debt coverage (x)	0.0	0.2	0.5	0.2	1.0	Core EPS	0.01	0.15	0.16	0.42	0.96
Cash flow interest coverage (x)	0.5	(0.0)	0.2	0.3	0.4	CFPS	0.39	0.56	0.59	0.85	1.39
Current ratio (x)	1.7	1.4	1.9	2.3	3.1	BVPS	6.50	6.43	6.54	6.90	7.70
Quick ratio (x)	1.2	0.8	1.2	1.6	2.4	Sales/share	9.51	15.35	12.18	11.96	12.17
Net debt (THB m)	248	2,467	2,899	2,231	939	EBITDA/share	0.39	0.57	0.82	0.58	1.18
<b>Activity</b>						DPS	0.05	0.05	0.06	0.17	0.39
Asset turnover (X)	1.0	1.6	1.3	1.2	1.2	<b>Valuation</b>					
Days receivables	28.0	25.1	41.9	48.2	51.0	P/E (x)	609.8	28.1	16.9	6.4	2.8
Days inventory	28.2	18.9	21.7	18.6	19.1	P/BV (x)	0.64	0.65	0.41	0.39	0.35
Days payable	23.1	15.4	18.3	15.7	16.1	Dividend yield (%)	1.20	1.20	2.37	6.28	14.39
Cash cycle days	33.1	28.6	45.3	51.1	54.0	Dividend payout ratio (%)	732.88	33.62	40.00	40.00	40.00

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### Analyst Certification

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## RECOMMENDATION STRUCTURE

### Stock Recommendations

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

**BUY:** Expected return of 10% or more over the next 12 months.

**HOLD:** Expected return between -10% and 10% over the next 12 months.

**REDUCE:** Expected return of -10% or worse over the next 12 months.

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

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

### Sector Recommendations

**Overweight:** The industry is expected to outperform the relevant primary market index over the next 12 months.

**Neutral:** The industry is expected to perform in line with the relevant primary market index over the next 12 months.

**Underweight:** The industry is expected to underperform the relevant primary market index over the next 12 months.

### Country (Strategy) Recommendations

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

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

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