BBGI (BBGI TB)

THAILAND / SET / ENERGY & UTILITIES

Globlex Securities Co., Ltd.

30 June 2026

SAF kicks in, ethanol pours in

- SAF earnings begins to kick in in 2Q26 onwards
- Earnings to double on the high margins of SAF and ethanol
- Maintain BUY and SoTP of THB5.80

SAF earnings kicks in 2Q26

We project 2Q26 net profit to jump to THB0.4b, up from THB265m in 1Q26 and a net loss of THB40m in 2Q25. The key drivers are the improving margins and the continued high sales volumes of both ethanol and B100 and the starting earnings contribution of the Sustainable Aviation Fuel (SAF) at THB0.1b.

THB0.1b net profit contribution from SAF now began in 2Q26

We project net profit of THB0.1b from BBGI's 20%-owned 1m liter per day (mlpd) SAF production plant, which has started its first production on 19 May-26, with the average utilization rate of 70% to produce 0.7mlpd of SAF using the Used Cooking Oil (UCO) as the key feedstock. Thanks to the surging price of jet fuel to over USD150/bbl and the margin over crude oil price at over USD50/bbl, the SAF price has surged to over USD2.2/litre in 2Q26 vs only USD1.0/litre UCO price, making the margin over USD1.2/litre for SAF in 2Q26.

SAF and ethanol are key growth drivers

We now project BBGI's quarterly net profit in the range of THB0.2b-0.3b, comprising THB0.1-0.2b a quarter from SAF and THB0.1-0.2b from the combined profits of ethanol and B100. Thanks to THB10-15/litre conversion cost for SAF, the net profit margin per litre for SAF is now estimated at THB20/litre in 2Q26-3Q26. Meanwhile, we estimate the net margin of ethanol will be THB3.0/litre on its 0.65mlpd capacity and a breakeven margin for 0.15mlpd cassava-based ethanol as a result of the surging cassava price, making the earnings from ethanol of THB0.10-0.15b a quarter to BBGI.

Biodiesel (B100)'s margin to normalize

We estimate the net margin of B100-CPO has now normalized to THB1.0/litre, better than the average margin seen in 2025 thanks to Thai government's extended enforcement of B7 (7% B100 + 93% diesel), up from B3 before the U.S.-Iran war broke out on 28 Feb-26. Hence, we project sales volume of B100 in 2Q26 at 94m litres, down slightly from 95m litres in 1Q26. Utilization rates of both ethanol and B100 are projected to stay high at 100%, thanks to the captive demands from demands for BCP's retail oil stations.

Winner on SAF, molasse-based ethanol, and B100 demand

We maintain BUY and a SoTP TP of THB5.8. BBGI is now one of our preferred small-cap stocks in SET, premised on its strong earnings growth on the coming SAF, the sustainably high margins of ethanol and B100 on the 100% utilization rates to capture the intrinsic demands from BCP's retail oil stations and the government's high B7 policy for biodiesel in Thailand that will last at least until Sep-26.

Analyst

Suwat Sinsadok, CFA, FRM, ERP
suwat.s@globlex.co.th,
+662 687 7026

Siriluck Pinthusoonthorn
Siriluck@globlex.co.th,
+662 672 5806

ESG Rating : AAA

CG Rating :

BUY

Target Price 12M (THB)	**5.80**
VS. BB Consensus TP (%)	+3.0%
Share Price (THB)	3.94
Upside/Downside	+47.2%

Share Data

Market Cap (THB m)	5,697.24
Par (THB)	2.50
Free Float (%)	24.66
Issued shares (m shares)	1,446

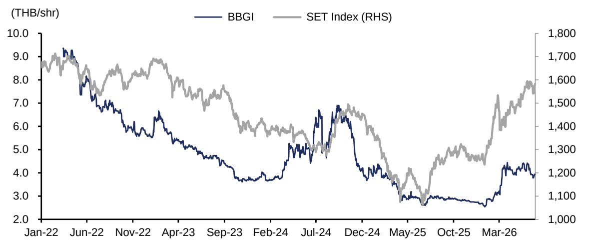
Financial forecast

YE Dec (THB m)	2025	2026E	2027E	2028E
Revenue	17,834	17,298	17,599	17,599
Net profit	283	616	895	1,031
Core net profit	283	616	895	1,031
vs Consensus (%)		7.7	11.0	0.0
Net profit growth (%)	31.4	117.8	45.3	15.2
Core net profit growth (%)	31.4	117.8	45.3	15.2
EPS (THB)	0.20	0.43	0.62	0.71
Core EPS (THB)	0.20	0.43	0.62	0.71
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	0.05	0.17	0.25	0.29
P/E (x)	14.32	9.25	6.37	5.52
P/BV (x)	0.44	0.58	0.54	0.51
ROE (%)	3.04	6.44	8.81	9.53
Dividend yield (%)	1.79	4.32	6.28	7.24

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(3.43)	(5.29)	41.73	40.71
Market	(4.01)	(13.14)	12.64	12.34
12M High/Low (THB)				4.60 / 2.64



Major Shareholders (%) as of 5 Mar 2026

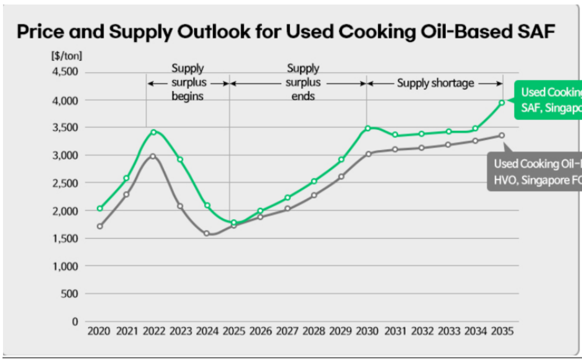
Bangchak Corporation Pcl.	45.00
Khon Kaen Sugar Industry Pcl	30.00

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: Projected prices of SAF-UCO



Sources: ARGUS – Biofuels Market & Analytics

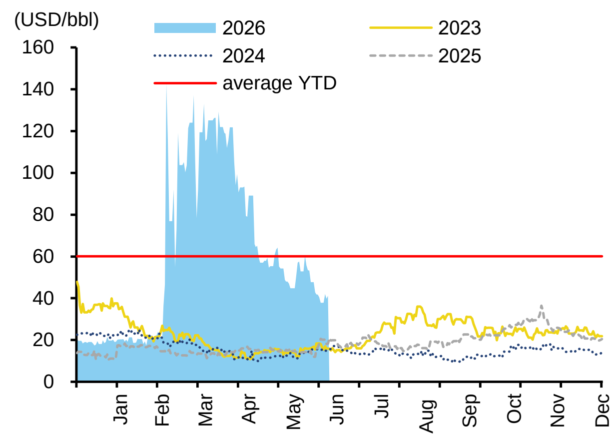
Exhibit 2: Targets of SAF blending by key markets

Target SAF Minimum Blending Mandates by Major Countries

EU	Jan 2025: 2% → 6% by 2030 (planned) → 70% by 2050 (planned)
USA	Replace all aviation fuel with SAF by 2050
UK	At least 10% by 2030 (for flights departing from the UK)
Japan & Canada	10% target by 2030
Korea	From 2027: at least 1% (for international flights departing from Korea)

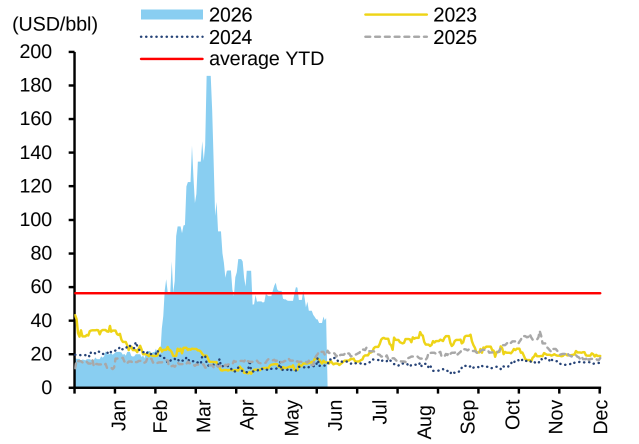
Sources: Aviation Information Portal System

Exhibit 3: Jet Kerosene fob Spot Price - Dubai crude oil price



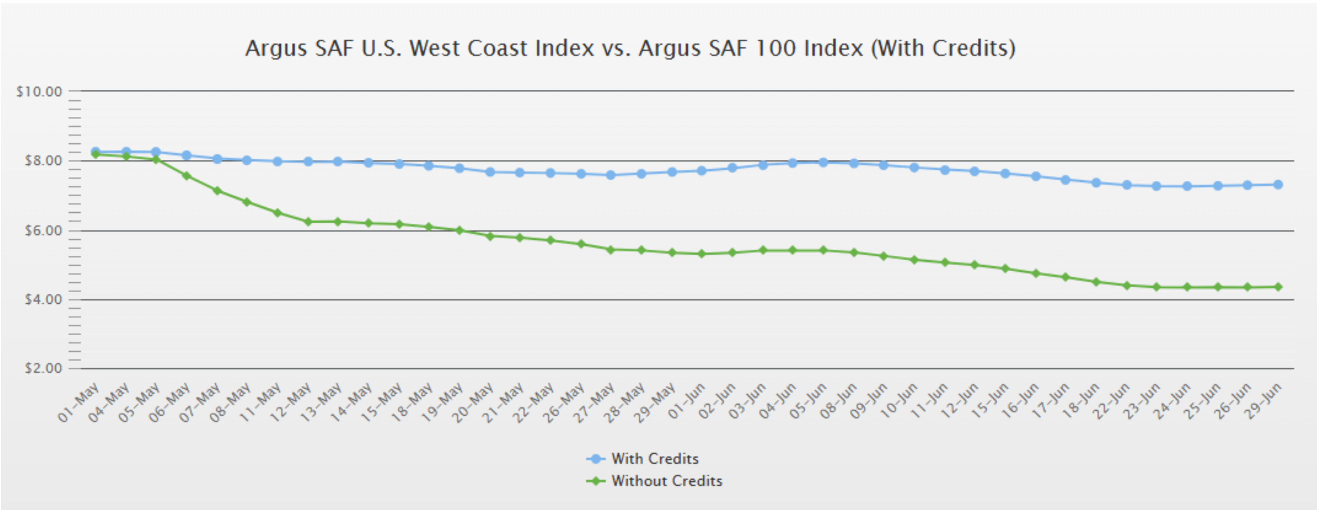
Sources: Bloomberg, Globlex Research

Exhibit 4: Gasoil 0.5% Sulfur fob SG Spot Price - Dubai crude oil price



Sources: Bloomberg, Globlex Research

Exhibit 5: SAF price (5-day rolling average)



Sources: Airlines for America

Balance sheet (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Current assets					
Cash & ST investment	547	401	1,595	2,379	3,195
Account receivable	1,847	1,154	1,327	1,503	1,679
Inventories	1,074	983	930	936	936
Others	799	918	891	906	906
Non-current assets					
Net fixed assets	5,707	5,409	5,527	5,225	4,922
Others	3,755	3,815	3,815	3,815	3,815
Total Assets	**13,728**	**12,682**	**14,085**	**14,764**	**15,455**
Current liabilities					
Account payable	907	458	433	436	436
ST borrowing	1,889	1,279	1,002	1,002	1,002
Others	349	666	645	657	657
Long-term liabilities					
Long-term debts	1,124	835	2,000	2,000	2,000
Others	99	102	102	102	102
Total liabilities	**4,368**	**3,339**	**4,182**	**4,197**	**4,197**
Pai-up capital	3,615	3,615	3,615	3,615	3,615
Retained earnings	2,028	2,169	2,712	3,361	4,034
Others	3,660	3,504	3,504	3,504	3,504
Minority interest	57	55	71	88	105
Shareholders' equity	**9,360**	**9,343**	**9,902**	**10,568**	**11,258**

Profit & loss (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Revenue	**22,192**	**17,834**	**17,298**	**17,599**	**17,599**
Cost of goods sold	(20,929)	(16,522)	(15,628)	(15,738)	(15,738)
Gross profit	**1,262**	**1,313**	**1,670**	**1,860**	**1,860**
Operating expenses	(442)	(449)	(432)	(440)	(440)
Operating profit	**820**	**863**	**1,237**	**1,420**	**1,420**
EBIT	**341**	**394**	**635**	**818**	**818**
Depreciation	(479)	(469)	(602)	(602)	(602)
EBITDA	**820**	**863**	**1,237**	**1,420**	**1,420**
Non-operating income	**103**	**39**	**54**	**54**	**54**
Other incomes	91	39	54	54	54
Other non-op income	12	0	0	0	0
Non-operating expense	**(78)**	**(69)**	**(88)**	**(99)**	**(99)**
Interest expense	(78)	(69)	(88)	(99)	(99)
Other non-op expense	0	0	0	0	0
Equity income/(loss)	(12)	(17)	138	265	403
Pre-tax Profit	**354**	**346**	**739**	**1,038**	**1,176**
Extraordinary items	0	0	0	0	0
Current taxation	(18)	(66)	(107)	(126)	(127)
Minorities	(121)	2	(16)	(17)	(17)
Net Profit	**215**	**283**	**616**	**895**	**1,031**
Core net profit	**215**	**283**	**616**	**895**	**1,031**
EPS (THB)	**0.15**	**0.20**	**0.43**	**0.62**	**0.71**
Core EPS (THB)	**0.15**	**0.20**	**0.43**	**0.62**	**0.71**

Key ratios					
Year ending Dec	2024	2025	2026E	2027E	2028E
Growth (%YoY)					
Sales	61.3	(19.6)	(3.0)	1.7	0.0
Operating profit	46.2	5.3	43.3	14.8	0.0
EBITDA	46.2	5.3	43.3	14.8	0.0
Net profit	2,080.1	31.4	117.8	45.3	15.2
Core net profit	2,080.1	31.4	117.8	45.3	15.2
EPS	2,080.1	31.4	117.8	45.3	15.2
Core EPS	2,080.1	31.4	117.8	45.3	15.2
Profitability (%)					
Gross margin	5.7	7.4	9.7	10.6	10.6
Operation margin	3.7	4.8	7.2	8.1	8.1
EBITDA margin	3.7	4.8	7.2	8.1	8.1
Net margin	1.0	1.6	3.6	5.1	5.9
ROE	2.3	3.0	6.4	8.8	9.5
ROA	3.0	2.6	5.3	7.0	7.6
Stability					
Interest bearing debt/equity (x)	0.3	0.2	0.3	0.3	0.3
Net debt/equity (x)	0.3	0.2	0.1	0.1	n.a.
Interest coverage (x)	4.4	5.7	7.3	8.2	8.2
Interest & ST debt coverage (x)	0.2	0.3	0.6	0.7	0.7
Cash flow interest coverage (x)	(0.0)	0.4	0.3	0.3	0.3
Current ratio (x)	1.4	1.4	2.3	2.7	3.2
Quick ratio (x)	0.8	0.6	1.4	1.9	2.3
Net debt (THB m)	2,467	1,713	1,407	623	(193)
Activity					
Asset turnover (X)	1.6	1.3	1.3	1.2	1.2
Days receivables	25.1	30.7	26.2	29.4	33.0
Days inventory	18.9	22.7	22.3	21.6	21.7
Days payable	15.4	15.1	10.4	10.1	10.1
Cash cycle days	28.6	38.4	38.1	40.9	44.6

Cash flow (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Operating cash flow	**(144)**	**1,284**	**1,081**	**1,313**	**1,458**
Net profit	215	283	616	895	1,031
Depre.& amortization	479	469	602	602	602
Change in working capital	(838)	532	(137)	(184)	(176)
Others	0	0	0	0	0
Investment cash flow	**554**	**730**	**572**	**1,174**	**1,174**
Net CAPEX	(442)	(442)	(602)	(602)	(602)
Change in LT investment	996	1,172	1,174	1,777	1,777
Change in other assets	0	0	0	0	0
Free cash flow	**410**	**2,014**	**1,653**	**2,488**	**2,632**
Financing cash flow	**(2,124)**	**(2,159)**	**(459)**	**(1,704)**	**(1,815)**
Change in share capital	0	0	0	0	0
Net change in debt	(505)	899	(888)	0	0
Divident paid	(434)	(434)	(145)	(493)	(716)
Others	(1,185)	(2,625)	573	(1,211)	(1,099)
Net cash flow	**(1,714)**	**(145)**	**1,193**	**784**	**817**
Per share (THB)					
EPS	0.15	0.20	0.43	0.62	0.71
Core EPS	0.15	0.20	0.43	0.62	0.71
CFPS	0.56	0.52	0.85	1.05	1.14
BVPS	6.43	6.42	6.80	7.25	7.71
Sales/share	15.35	12.33	11.96	12.17	12.17
EBITDA/share	0.57	0.60	0.86	0.98	0.98
DPS	0.05	0.05	0.17	0.25	0.29
Valuation					
P/E (x)	28.1	14.3	9.3	6.4	5.5
P/BV (x)	0.65	0.44	0.58	0.54	0.51
Dividend yield (%)	1.20	1.79	4.32	6.28	7.24
Divdend payout ratio (%)	33.62	25.58	40.00	40.00	40.00

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Analyst Certification

Suwat Sinsadok, Register No. 020799, Globlex Securities Public Company Limited

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RECOMMENDATION STRUCTURE

Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / 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.