

Turning the Corner

- BBGI is set for a turnaround, backed by higher biodiesel and ethanol prices, rising volumes, and the 2026 SAF COD.
- Seasonal demand, efficiency, and low costs support margins, with regulatory catalysts adding upside from 2026.
- Maintain BUY at TP of THB4.3

BBGI Set for Improved Fundamentals

We believe the worst for BBGI is behind. Looking into 2H25 and beyond, BBGI's net profit outlook will be supported by several factors: 1) improving selling prices for both biodiesel and ethanol; 2) higher sales volumes, driven by an increase in ethanol production capacity from 276m liters in 2025 to 292m liters in 2026 resulting from improved operational efficiency, and 3) the upcoming COD of the SAF plant in 2026, following earlier delays, along with recovering spreads.

Stronger Volumes and Seasonal Tailwinds for Biodiesel

We expect the biodiesel business to improve in 3Q25 compared with 2Q25, supported by stronger sales volumes due to the absent of maintenance shutdowns. Earlier in the year, El Niño-driven supply constraints pushed CPO prices to a peak of THB43.7/liter, lifting biodiesel prices to THB46.2/liter in 1Q25. Looking ahead, we anticipate CPO prices to moderate in 3Q25 as production recovers, but prices should rebound toward the end of the quarter, driven by seasonal demand into 4Q25, providing additional support for biodiesel margins.

3Q25 Softening Prices Partially Offset by Higher Volumes

We expect ethanol prices to soften in 3Q25 due to oversupply, partially offset by higher sales volumes, with seasonal recovery likely in 4Q25. On the cost side, both molasses and cassava remain relatively low, supported by higher sugarcane output, though cassava exports to China are expected to decline amid weaker Chinese demand. Looking ahead, abundant supply should keep input costs favorable into next year, supporting margins despite the softer ethanol price environment.

Margin rebound is a silver lining

BSGF's 1mlpd SAF plant has seen its COD postponed from April 2025 to 3Q25 and further into 2026, primarily due to slower-than-expected enforcement of SAF consumption mandates across multiple countries and a less favorable policy backdrop. Consequently, the spread between SAF and its main feedstock, Used Cooking Oil (UCO), remained below breakeven levels, which we estimate at around USD0.5/liter. Encouragingly, spreads have recovered to around USD0.8/liter in 3Q25 and show signs of further improvement, providing upside potential once regulatory enforcement on airlines by EU and many countries are back on track in 2026E.

Maintain BUY at TP of THB4.3

We maintain BUY with a target of THB4.3, supported by improving ethanol and biodiesel margins, higher sales volumes, and recovering spreads, while the 2026 SAF COD and regulatory enforcement offer a potential catalyst for long-term growth.

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ESG Rating : AA

CG Rating : ▲▲▲▲▲

BUY

| | |
|-------------------------------|-------------|
| Target Price 12M (THB) | 4.30 |
| VS. BB Consensus TP (%) | +36.9% |
| Share Price (THB) | 3.00 |
| Upside/Downside | +43.3% |

Share Data

| | |
|--------------------------|----------|
| Market Cap (THB m) | 4,338.00 |
| Par (THB) | 2.50 |
| Free Float (%) | 24.66 |
| Issued shares (m shares) | 1,446 |

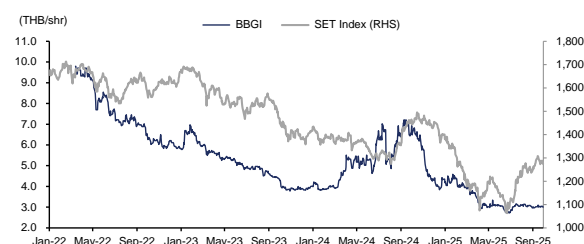
Financial forecast

| YE Dec (THB m) | 2024 | 2025E | 2026E | 2027E |
|----------------------------|---------|--------|--------|--------|
| Revenue | 22,192 | 17,610 | 17,298 | 17,599 |
| Net profit | 215 | 407 | 1,116 | 1,394 |
| Core net profit | 215 | 407 | 1,116 | 1,394 |
| vs Consensus (%) | | 70.5 | 205.0 | 230.4 |
| Net profit growth (%) | 2,080.1 | 89.5 | 174.0 | 24.9 |
| Core net profit growth (%) | 2,080.1 | 89.5 | 174.0 | 24.9 |
| EPS (THB) | 0.15 | 0.28 | 0.77 | 0.96 |
| Core EPS (THB) | 0.15 | 0.28 | 0.77 | 0.96 |
| Chg from previous (%) | | 0.00 | 0.00 | 0.00 |
| DPS (THB) | 0.05 | 0.11 | 0.31 | 0.39 |
| P/E (x) | 28.10 | 10.65 | 3.89 | 3.11 |
| P/BV (x) | 0.65 | 0.45 | 0.41 | 0.38 |
| ROE (%) | 2.30 | 4.30 | 11.04 | 12.60 |
| Dividend yield (%) | 1.20 | 3.76 | 10.29 | 12.86 |

Source: Financial Statement and Globlex securities

Share Price Performance (%)

| | 1M | 3M | 6M | YTD |
|--------------------|--------|--------|---------|-------------|
| Stock | (1.32) | 10.29 | (15.73) | (32.74) |
| Market | (4.22) | (5.69) | (22.26) | (26.08) |
| 12M High/Low (THB) | | | | 7.25 / 2.70 |



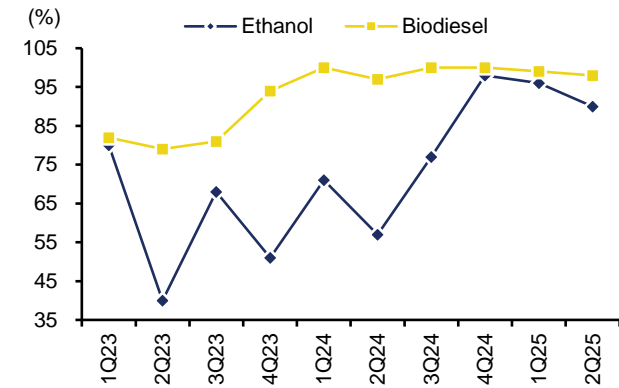
Major Shareholders (%) as of 4 Mar 2025

| | |
|------------------------------|-------|
| Bangchak Corporation Pcl. | 45.00 |
| Khon Kaen Sugar Industry Pcl | 30.00 |

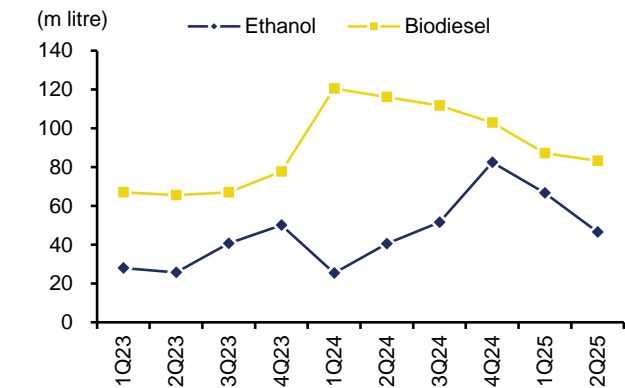
Company Profile

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.

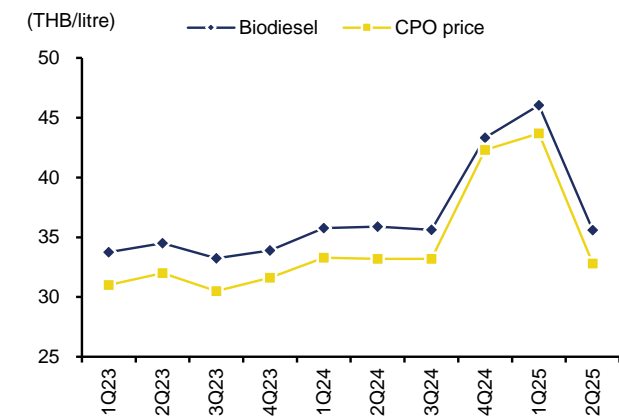
Source: SETSMART, SET

Exhibit 1: Utilisation rate

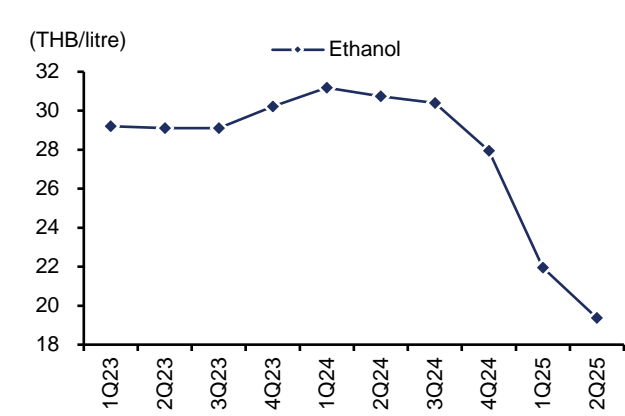
Sources: BBGI

Exhibit 2: Sales volume

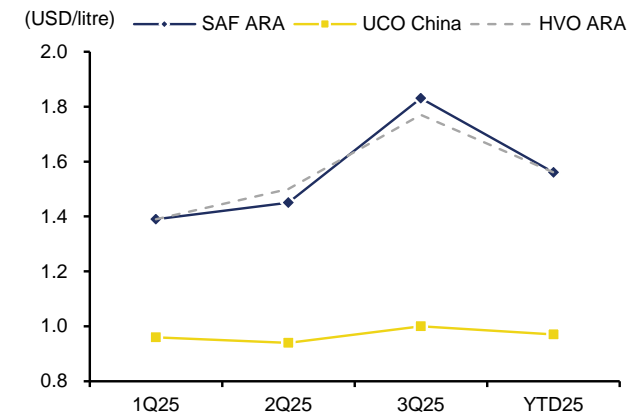
Sources: BBGI

Exhibit 3: Biodiesel and CPO price

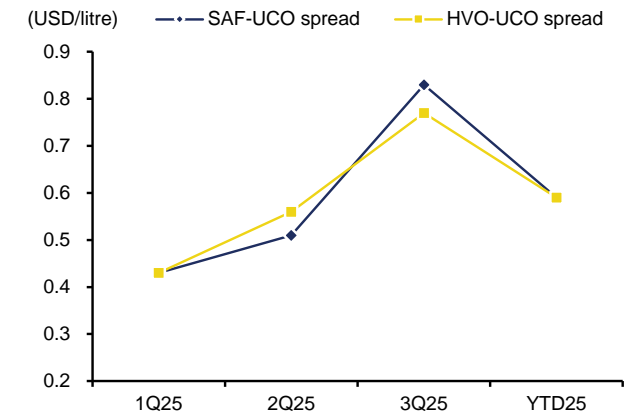
Sources: BBGI

Exhibit 4: Ethanol's price

Sources: BBGI

Exhibit 5: SAF, HVO and UCO price

Sources: BBGI; Globex Research

Exhibit 6: SAF and HVO spread

Sources: BBGI; Globex Research

Exhibit 7: SoTP valuation

| Cost of equity assumptions (%) | | | | | Cost of debt assumptions (%) |
|---------------------------------|-----------|--------------|---------|------------|---|
| Risk free rate | | 2.3 | | | Pretax cost of debt 2.8 |
| Market risk premium | | 8.5 | | | Marginal tax rate . |
| Stock beta | | 1.50 | | | |
| DCF assumptions | | | | | |
| Cost of equity, Ke | | 11.6 | | | Net cost of debt, Kd 2.2 |
| Weight applied | | 30.0 | | | Weight applied 70.0 |
| WACC (%) | | 5.1 | | | |
| SOP valuation estimate | % holding | THB m | P/E (x) | THB/share | Valuation methodology |
| Biodiesel (BBF1) | 100.0 | 514 | 10 | 0.4 | FY25E 10x P/E, an industry peers' average |
| Biodiesel (BBF2) | 100.0 | 1,529 | 10 | 1.1 | FY25E 10x P/E, an industry peers' average |
| Refined Glycerin | 100.0 | 478 | 10 | 0.3 | FY25E 10x P/E, an industry peers' average |
| Total biodiesel value | | 2,521 | | 1.7 | |
| Ethanol (KGI - Bo Ploy) | 100.0 | 920 | 10 | 0.6 | FY25E 10x P/E, an industry peers' average |
| Ethanol (KGI - Nam Phong) | 100.0 | 3,133 | 10 | 2.2 | FY25E 10x P/E, an industry peers' average |
| Ethanol (BBE) | 85.0 | 1,172 | 10 | 0.8 | FY25E 10x P/E, an industry peers' average |
| Total ethanol value | | 5,225 | | 3.6 | |
| SAF | 20.0 | 888 | | 0.6 | DCF |
| BBFB CDMO | 75.0 | 330 | | 0.2 | DCF |
| Total HVP value | | 1,217 | | 0.8 | |
| Investment in UBE | 12.5 | 0 | | 0.0 | At THB1.0/share value |
| Net debt | | (2,719) | | (1.9) | FY25E net debt |
| Minorities | | (57) | | (0.0) | FY25E minority interest |
| Residual ordinary equity | | 6,187 | | 4.3 | |

Sources: BBGI; Globlex Research

| Balance sheet (THB m) | | | | | |
|------------------------------|---------------|---------------|---------------|---------------|---------------|
| Year ending Dec | 2023 | 2024 | 2025E | 2026E | 2027E |
| Current assets | | | | | |
| Cash & ST investment | 2,260 | 547 | 282 | 1,390 | 2,474 |
| Account receivable | 1,204 | 1,847 | 2,200 | 2,373 | 2,549 |
| Inventories | 1,090 | 1,074 | 805 | 793 | 793 |
| Others | 386 | 799 | 634 | 623 | 633 |
| Non-current assets | | | | | |
| Net fixed assets | 5,829 | 5,707 | 6,105 | 5,803 | 5,500 |
| Others | 2,866 | 3,755 | 3,755 | 3,755 | 3,755 |
| Total Assets | 13,635 | 13,728 | 13,780 | 14,736 | 15,705 |
| Current liabilities | | | | | |
| Account payable | 857 | 907 | 680 | 670 | 670 |
| ST borrowing | 1,812 | 1,889 | 1,001 | 1,002 | 1,002 |
| Others | 197 | 349 | 277 | 272 | 276 |
| Long-term liabilities | | | | | |
| Long-term debts | 696 | 1,124 | 2,000 | 2,000 | 2,000 |
| Others | 137 | 99 | 99 | 99 | 99 |
| Total liabilities | 3,699 | 4,368 | 4,057 | 4,043 | 4,048 |
| Pai-up capital | 3,615 | 3,615 | 3,615 | 3,615 | 3,615 |
| Retained earnings | 1,887 | 2,028 | 2,363 | 3,317 | 4,265 |
| Others | 3,895 | 3,660 | 3,660 | 3,660 | 3,660 |
| Minority interest | 539 | 57 | 85 | 101 | 117 |
| Shareholders' equity | 9,937 | 9,360 | 9,723 | 10,693 | 11,657 |

| Key ratios | | | | | |
|----------------------------------|--------|---------|--------|-------|-------|
| Year ending Dec | 2023 | 2024 | 2025E | 2026E | 2027E |
| Growth (%YoY) | | | | | |
| Sales | 2.9 | 61.3 | (20.6) | (1.8) | 1.7 |
| Operating profit | (2.7) | 46.2 | 69.2 | 0.7 | 21.8 |
| EBITDA | (2.7) | 46.2 | 69.2 | 0.7 | 21.8 |
| Net profit | (51.7) | 2,080.1 | 89.5 | 174.0 | 24.9 |
| Core net profit | (51.7) | 2,080.1 | 89.5 | 174.0 | 24.9 |
| EPS | (51.7) | 2,080.1 | 89.5 | 174.0 | 24.9 |
| Core EPS | (51.7) | 2,080.1 | 89.5 | 174.0 | 24.9 |
| Profitability (%) | | | | | |
| Gross margin | 6.6 | 5.7 | 10.9 | 10.6 | 12.2 |
| Operation margin | 4.1 | 3.7 | 7.9 | 8.1 | 9.7 |
| EBITDA margin | 4.1 | 3.7 | 7.9 | 8.1 | 9.7 |
| Net margin | 0.1 | 1.0 | 2.3 | 6.5 | 7.9 |
| ROE | 0.1 | 2.3 | 4.3 | 11.0 | 12.6 |
| ROA | 1.3 | 3.0 | 3.9 | 8.6 | 9.9 |
| Stability | | | | | |
| Interest bearing debt/equity (x) | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Net debt/equity (x) | 0.0 | 0.3 | 0.3 | 0.2 | 0.0 |
| Interest coverage (x) | 1.2 | 4.4 | 7.9 | 8.0 | 11.1 |
| Interest & ST debt coverage (x) | 0.0 | 0.2 | 0.7 | 0.7 | 1.0 |
| Cash flow interest coverage (x) | 0.5 | (0.0) | 0.2 | 0.4 | 0.4 |
| Current ratio (x) | 1.7 | 1.4 | 2.0 | 2.7 | 3.3 |
| Quick ratio (x) | 1.2 | 0.8 | 1.3 | 1.9 | 2.6 |
| Net debt (THB m) | 248 | 2,467 | 2,719 | 1,612 | 528 |
| Activity | | | | | |
| Asset turnover (X) | 1.0 | 1.6 | 1.3 | 1.2 | 1.2 |
| Days receivables | 28.0 | 25.1 | 41.9 | 48.2 | 51.0 |
| Days inventory | 28.2 | 18.9 | 21.8 | 18.9 | 18.7 |
| Days payable | 23.1 | 15.4 | 18.5 | 15.9 | 15.8 |
| Cash cycle days | 33.1 | 28.6 | 45.3 | 51.2 | 53.9 |

| Profit & loss (THB m) | | | | | |
|------------------------------|-------------|--------------|--------------|--------------|--------------|
| Year ending Dec | 2023 | 2024 | 2025E | 2026E | 2027E |
| Revenue | | | | | |
| Revenue | 13,757 | 22,192 | 17,610 | 17,298 | 17,599 |
| Cost of goods sold | (12,847) | (20,929) | (15,694) | (15,468) | (15,456) |
| Gross profit | 910 | 1,262 | 1,916 | 1,830 | 2,142 |
| Operating expenses | (349) | (442) | (528) | (432) | (440) |
| Operating profit | 561 | 820 | 1,388 | 1,397 | 1,702 |
| EBIT | 92 | 341 | 785 | 795 | 1,100 |
| Depreciation | (469) | (479) | (602) | (602) | (602) |
| EBITDA | 561 | 820 | 1,388 | 1,397 | 1,702 |
| Non-operating income | | | | | |
| Other incomes | 117 | 91 | 50 | 54 | 54 |
| Other non-op income | 0 | 12 | 0 | 0 | 0 |
| Non-operating expense | (78) | (78) | (99) | (99) | (99) |
| Interest expense | (78) | (78) | (99) | (99) | (99) |
| Other non-op expense | 0 | 0 | 0 | 0 | 0 |
| Equity income/(loss) | (11) | (12) | (171) | 506 | 511 |
| Pre-tax Profit | 120 | 354 | 565 | 1,256 | 1,566 |
| Extraordinary items | 0 | 0 | 0 | 0 | 0 |
| Current taxation | (20) | (18) | (130) | (123) | (155) |
| Minorities | (91) | (121) | (28) | (16) | (17) |
| Net Profit | 10 | 215 | 407 | 1,116 | 1,394 |
| Core net profit | 10 | 215 | 407 | 1,116 | 1,394 |
| EPS (THB) | 0.01 | 0.15 | 0.28 | 0.77 | 0.96 |
| Core EPS (THB) | 0.01 | 0.15 | 0.28 | 0.77 | 0.96 |

| Cash flow (THB m) | | | | | |
|-----------------------------|--------------|----------------|--------------|--------------|--------------|
| Year ending Dec | 2023 | 2024 | 2025E | 2026E | 2027E |
| Operating cash flow | | | | | |
| Net profit | 10 | 215 | 407 | 1,116 | 1,394 |
| Depre. & amortization | 469 | 479 | 602 | 602 | 602 |
| Change in working capital | 1,284 | (838) | (218) | (165) | (182) |
| Others | 0 | 0 | 0 | 0 | 0 |
| Investment cash flow | 567 | 554 | 438 | 1,151 | 1,456 |
| Net CAPEX | (442) | (465) | (602) | (602) | (602) |
| Change in LT investment | 1,009 | 1,019 | 1,040 | 1,754 | 2,059 |
| Change in other assets | 0 | 0 | 0 | 0 | 0 |
| Free cash flow | 2,330 | 410 | 1,230 | 2,705 | 3,271 |
| Financing cash flow | | | | | |
| Change in share capital | 0 | 0 | 0 | 0 | 0 |
| Net change in debt | (482) | (505) | 12 | (1) | 0 |
| Dividend paid | (723) | (434) | (145) | (326) | (893) |
| Others | (279) | (1,185) | (1,362) | (1,270) | (1,293) |
| Net cash flow | 846 | (1,714) | (265) | 1,108 | 1,085 |
| Per share (THB) | | | | | |
| EPS | 0.01 | 0.15 | 0.28 | 0.77 | 0.96 |
| Core EPS | 0.01 | 0.15 | 0.28 | 0.77 | 0.96 |
| CFPS | 0.39 | 0.56 | 0.72 | 1.20 | 1.39 |
| BVPS | 6.50 | 6.43 | 6.67 | 7.32 | 7.98 |
| Sales/share | 9.51 | 15.35 | 12.18 | 11.96 | 12.17 |
| EBITDA/share | 0.39 | 0.57 | 0.96 | 0.97 | 1.18 |
| DPS | 0.05 | 0.05 | 0.11 | 0.31 | 0.39 |
| Valuation | | | | | |
| P/E (x) | 609.8 | 28.1 | 10.6 | 3.9 | 3.1 |
| P/BV (x) | 0.64 | 0.65 | 0.45 | 0.41 | 0.38 |
| Dividend yield (%) | 1.20 | 1.20 | 3.76 | 10.29 | 12.86 |
| Dividend payout ratio (%) | 732.88 | 33.62 | 40.00 | 40.00 | 40.00 |

GENERAL DISCLAIMER

Analyst Certification

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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.