

BANGCHAK SRIRACHA PLC

No. 183/2025
30 October 2025

CORPORATES

Company Rating: A+
Issue Ratings:
Senior unsecured A+
Outlook: Stable

Last Review Date: 28/11/24

Company Rating History:

Date	Rating	Outlook/Alert
30/09/24	A+	Stable
31/08/23	A	Stable
19/01/23	A+	Alert Negative
21/12/22	A+	Stable
11/06/20	A	Stable
21/11/08	A+	Stable

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RATIONALE

TRIS Rating affirms the company rating on Bangchak Sriracha PLC (BSRC) at “A+”, and the ratings on its outstanding senior unsecured debentures at “A+” with a “stable” outlook. The ratings are at the same level as the company rating on Bangchak Corporation PLC (BCP, rated “A+/Stable”), reflecting BSRC’s status as a “core subsidiary” of BCP. BSRC’s stand-alone credit profile (SACP) remains at “a-”.

The SACP continues to reflect BSRC’s strong market position in Thailand’s oil refining sector, improving operating efficiency and expected recovery in earnings and lower financial leverage over the next two years. However, the SACP remains constrained by the volatility in the petroleum industry and anticipated pressure on marketing margin due to the rising supply additions from upcoming refining capacity.

KEY RATING CONSIDERATIONS

Core subsidiary of BCP

We assess BSRC as a core subsidiary of BCP, reflecting its strategic importance in reinforcing BCP’s market position. BSRC holds key operational assets within the group. The substantial scale of BSRC in the refinery and marketing networks have materially strengthened competitiveness of the BCP Group, positioning it as the largest refinery operator and securing its status as the second-largest retail oil distributor in Thailand.

BSRC’s and BCP’s refining operations are highly integrated, resulting in a unified and optimized refining system. Key collaborations include centralized crude sourcing and procurement, coordinated product balancing and logistics, and shared technical expertise and resources. BSRC’s corporate identity is now fully integrated with BCP, as all BSRC fuel service stations operate under the “Bangchak” brand.

With a high degree of operational interdependence, we view BSRC as a crucial part of the BCP group. This underpins our view that BCP has a strong incentive to provide extraordinary support to BSRC in a financial stress scenario if needed.

Strong market position with integrated operations

We view BSRC as holding a strong competitive position in Thailand’s petroleum industry, underpinned by its integrated refining and marketing operations under the “Bangchak” brand. The company’s refinery has a crude intake capacity of 174 thousand barrels per day (KBD), accounting for approximately 14% of national capacity. The company’s competitiveness in the fuel distribution segment is supported by a broad retail network and established commercial channels. As of June 2025, BSRC’s retail network comprises 761 service stations.

BSRC benefits from secured and steady demand for petroleum products from BCP, resulting in a record-high utilization rate at 85% in 2024 and uplifting operating efficiency in its refinery segment. However, operational stability remains constrained by frequent maintenance shutdowns recorded in the past.

Substantial impacts from oil price downtrend and softened margin

BSRC's credit profile remains constrained by its exposure to oil price volatility amid challenging global economic conditions. The company's performance has weakened considerably following the continued decline in oil prices since the third quarter of 2024. Heightened market uncertainty stemming from trade tensions, geopolitical risks, and a slowing global economy has further pressured gross refining margins (GRM).

BSRC reported a decline in operating GRM to USD3.2 per barrel, along with inventory losses of USD3.0 per barrel in the first half of 2025. Despite prospects of GRM improvement, oil prices are expected to remain under downward pressure in the second half of 2025, which could result in additional inventory losses and offsetting synergies benefits from the integration with BCP.

EBITDA set to rebound amid oil price stabilization and improved efficiency

EBITDA is expected to recover over the forecast horizon in anticipation of improving industry conditions and BSRC's efficiency improvement measures. We project crude oil prices to trend slightly upward in 2026, reducing the risk of further inventory losses. Other key drivers include margin normalization across the refining sector, and realization of synergies with BCP, and ongoing cost optimization initiatives. Efficiency improvements are driven by joint crude imports with BCP via very large crude carriers (VLCCs), increased intake of lower-cost heavy crude, and process enhancements to maximize product yield and value. The company is also implementing projects to extend catalyst lifespans and reduce downtime during catalyst replacements, aiming to sustain high refinery utilization.

Under our base-case scenario, BSRC's operating GRM is forecast at about USD3.7 per barrel in 2025, rising to USD5.0–USD5.5 per barrel in 2026–2027. Correspondingly, TRIS Rating forecasts EBITDA to recover from around THB1 billion in 2025 to THB7.0–THB8.0 billion over 2026–2027.

Despite this, we see operating GRM likely to come under pressure as additional refining capacity is slated to come onstream. In this environment, refiners may be compelled to export petroleum products, which typically yield lower margins. As a result, BSRC and other market participants could face heightened challenges in sustaining profitability.

Leverage projected to decline

BSRC's planned capital expenditures are expected to remain moderate, totaling approximately THB 10.1 billion over the next three years. We anticipate that the company's internal cash flow generation will be sufficient to fully fund these investments without requiring additional debt.

As a result, BSRC's leverage is projected to decline over the forecast period. We expect the company's debt to EBITDA ratio to decline to below 3.5 times by 2026–2027. Over the same period, the ratio of funds from operations (FFO) to debt is projected to rise above 20% during 2026–2027, reflecting enhanced debt-servicing capacity and improved financial health.

Adequate liquidity

We assess BSRC to have adequate sources of funds to cover its uses of funds over the next 12 months. As of June 2025, BSRC's sources of funds included cash on hand and cash equivalents of about THB1.45 billion, a combined undrawn committed and uncommitted credit line of THB18.43 billion and estimated FFO over the next 12 months of about THB4 billion. Uses of funds comprise scheduled loans repayment and lease liabilities of around THB1.33 billion, short-term loans of about THB5.5 billion and expected capital spending of THB2.8 billion.

Debt structure

At the end of June 2025, BSRC had THB21.7 billion in total debt (excluding lease liabilities), without any priority debt. This comprised loans which were extended on a clean basis.

BASE-CASE ASSUMPTIONS

Key assumptions in TRIS Rating's base-case forecast for BSRC's operations during 2025–2027 are as follows:

- Dubai crude price of around USD60 per barrel for the rest of 2025 and USD65 per barrel in 2026–2027.
- Refinery's crude run at about 142 KBD in 2025, 148 KBD in 2026, and 131 KBD in 2027
- Operating GRM to be about USD3.5 per barrel in 2025 and USD5.0–USD5.5 per barrel in 2026–2027.
- Total capital spending to be THB10.1 billion.

RATING OUTLOOK

The “stable” outlook on BSRC mirrors that on BCP, reflecting our expectation that BSRC will maintain its status as a core subsidiary of BCP and continue to receive strong supports from its parent. We also anticipate deeper operational integration between BSRC and BCP. Considering ongoing improvement initiatives, we expect BSRC’s earnings and financial leverage to remain consistent with our estimates.

RATING SENSITIVITIES

The rating and outlook on BSRC will track those on BCP, reflecting BSRC’s status as a core subsidiary. We could consider a rating downgrade if we observe weakening strategic relevance to the BCP Group.

We view an upgrade of SACP is unlikely in the near term. Conversely, we could lower the SACP if the anticipated recovery does not materialize, possibly stemming from operational instability at the refinery, weaker-than-expected GRM, efficiency improvements failing to be realized, or heightened oil price volatility.

COMPANY OVERVIEW

BSRC is a major integrated petroleum refining and distribution company in Thailand under BCP Group. The company was previously known as Esso (Thailand) PLC. BCP acquired a majority stake in Esso (Thailand) PLC from ExxonMobil Asia Pacific Pte. Ltd. In 2023, and then changed its name to BSRC.

BSRC operates a complex refinery with a maximum rated capacity of 174 KBD, accounting for approximately 14% of the total refinery capacity in Thailand. BSRC also has an aromatics plant with production capacity of 500,000 tonnes per annum of paraxylene. The plant is temporarily closed as a result of depressed industry margins. BSRC distributes petroleum products via its retail network. As of June 2025, all 761 service stations operated under the Bangchak brand.

FINANCIAL STATISTICS AND KEY FINANCIAL RATIOS*

Unit: Mil. THB

		-----Year Ended 31 December -----			
	Jan-Jun 2025	2024	2023	2022	2021
Total operating revenues	104,883	245,527	229,777	263,023	172,904
Earnings before interest and taxes (EBIT)	(1,851)	(1,168)	1,745	12,297	5,909
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	28	2,049	4,776	15,005	8,777
Funds from operations (FFO)	(408)	1,023	3,483	13,917	8,361
Adjusted interest expense	435	1,062	854	467	414
Capital expenditures	1,216	1,698	2,081	1,652	1,654
Total assets	59,894	65,834	71,062	85,541	70,055
Adjusted debt	24,885	28,012	33,129	41,187	34,338
Adjusted equity	23,205	25,181	28,323	27,204	19,208
Adjusted Ratios					
EBITDA margin (%)	0.0	0.8	2.1	5.7	5.1
Pretax return on permanent capital (%)	(8.9) **	(2.0)	2.7	19.9	11.4
EBITDA interest coverage (times)	0.1	1.9	5.6	32.1	21.2
Debt to EBITDA (times)	(17.2) **	13.7	6.9	2.7	3.9
FFO to debt (%)	(8.6) **	3.7	10.5	33.8	24.3
Debt to capitalization (%)	51.7	52.7	53.9	60.2	64.1

* Consolidated financial statements

** Annualized with trailing 12 months

RELATED CRITERIA

- Group Rating Methodology, 25 August 2025
- Issue Rating Criteria, 26 December 2024
- Corporate Rating Methodology, 15 July 2022
- Key Financial Ratios and Adjustments for Corporate Issuers, 11 January 2022

Bangchak Sriracha PLC (BSRC)

Company Rating:	A+
Issue Ratings:	
BSRC267A: THB2,500 million senior unsecured debentures due 2026	A+
BSRC277A: THB1,500 million senior unsecured debentures due 2027	A+
BSRC281A: THB4,000 million senior unsecured debentures due 2028	A+
BSRC301A: THB2,800 million senior unsecured debentures due 2030	A+
BSRC351A: THB1,200 million senior unsecured debentures due 2035	A+
Rating Outlook:	Stable

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