

Refinery profit remains weak ahead

- 1Q25 NP rose to THB714m, driven by lower OPEX and improved utilisation, though weakened GRM.
- 2Q25E recovery driven by GRM rebound but stock loss.
- Maintain BUY but cut our TP to THB7.1

Higher utilisation and cost cuts drive profit upsurge

SPRC reported a 1Q25 net profit (NP) of THB714m, rising from THB162m in 4Q24 but lower from THB3.9b in 1Q24. Excluding non-recurring items of THB199m, core NP stood at THB514m, up from THB220m in 4Q24 but down from THB3.4b in 1Q24, in line with our and Bloomberg consensus. Key drivers included: 1) a reduction in OPEX to USD2.86/bbl, down from USD3.89/bbl in 4Q24; 2) a lower Gross Refining Margin (GRM) of USD5.45/bbl (vs USD6.72/bbl in 4Q24 and USD9.17/bbl in 1Q24), reflecting weaker product spreads; and 3) an improved utilisation rate of 95%, up from 89% due to the absent of the DHTU maintenance shutdown.

GRM slipped as market pressure took its toll

SPRC's 1Q25 accounting GRM declined to USD4.9/bbl, down from USD5.4/bbl in 4Q24 and USD10.8/bbl in 1Q24, in line with the weakening market GRM, which fell to USD4.5/bbl (-26% q-q, -46% y-y). The decline was primarily driven by narrower spreads in key products such as gasoline, diesel, and jet fuel amid rising regional supply and softer demand.

Sales volume up, boosted by C&I and aviation

In 1Q25, total sales volume rose to 17.0 m bbl (+1.2% q-q, -3.2% y-y), supported by stronger C&I sales at 2,493 k bbl (+6.4% q-q, +22% y-y) and aviation fuel sales of 1,308 k bbl (+6.1% q-q, +5% y-y), reflecting improved business and travel activities. Retail sales volume came in at 2,493 k bbl (-2.1% q-q, +3.8% y-y), while specialty and export volume increased to 3,861 k bbl (+7.8% q-q, -21.5% y-y). Bulk sales dropped significantly to 6,012 k bbl (-5.3% q-q, -79% y-y), due to fewer spot cargoes and a high base in the prior year. The refinery utilisation rate improved to 95% (166 kbpd), up from 89% in 4Q24, driven by operational optimisation and continued expansion of oil stations.

GRM rebound to propel core NP, but stock loss looms

We expect a q-q recovery in core NP for 2Q25E, supported by a rebound in GRM driven by stronger demand in China and the EU, along with the U.S. driving season. However, we anticipate a significant stock loss due to the sharp decline in crude oil prices.

Maintain BUY but cut our TP to THB7.1

We maintain BUY but cut our TP from THB8.1, based on 5.0x 2025E EV/EBITDA, to THB7.1, now based on 5.0x EV/EBITDA. As we revised our 2025–2027E EPS forecasts downward by 10%–23%, mainly due to lower-than-expected product margins and crude oil prices, which led to a cut in our GRM assumptions. We view the GRM outlook as neutral at best, the downside should be partly mitigated by contributions from the recently acquired downstream fuel assets, including CALTEX.

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ESG Rating : n.a.

CG Rating : ▲▲▲▲▲▲

BUY

Target Price 12M (THB)	7.10
VS. BB Consensus TP (%)	+4.9%
Share Price (THB)	5.65
Upside/Downside	+25.7%

Share Data

Market Cap (THB m)	24,497.85
Par (THB)	6.92
Free Float (%)	39.41
Issued shares (m shares)	4,336

Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	270,606	235,319	239,840	241,063
Net profit	2,235	3,112	3,692	4,587
Core net profit	2,341	3,112	3,692	4,587
vs Consensus (%)		3.3	14.6	13.5
Net profit growth (%)	281.7	39.3	18.6	24.2
Core net profit growth (%)	459.9	33.0	18.6	24.2
EPS (THB)	0.52	0.72	0.85	1.06
Core EPS (THB)	0.54	0.72	0.85	1.06
Chg from previous (%)		(17.90)	(10.21)	(22.92)
DPS (THB)	0.25	0.36	0.43	0.53
P/E (x)	12.71	7.87	6.64	5.34
P/BV (x)	0.73	0.60	0.57	0.53
ROE (%)	6.20	7.76	8.75	10.28
Dividend yield (%)	3.82	6.35	7.53	9.36

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	13.00	10.78	(13.74)	(13.74)
Market	4.20	16.40	3.89	(1.02)
12M High/Low (THB)				8.65 / 4.26



Major Shareholders (%) as of 7 Mar 2025

Chevron South Asia Holdings Pte Ltd	60.56
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Company Profile

SPRC's refinery produces petroleum products, which include LPG, premium and regular grades of unleaded gasoline, high speed diesel, jet fuel and fuel oil, as well as petrochemical feedstocks used in the petrochemical industry, which include PGP, LPG, chemical grade naphtha, mix C4 and reformate.

Source: SETSMART, SET

Exhibit 1: Summary of 1Q25 operations

	1Q24	4Q24	----- 1Q25 -----			2024	2025E	chg.
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	
Revenue	70,625	64,043	64,297	0.4	(9.0)	270,606	235,319	(13.0)
Operating costs	(65,686)	(63,155)	(62,743)	0.7	4.5	(265,441)	(229,508)	13.5
EBITDA	4,939	888	1,554	75.1	(68.5)	5,165	5,811	12.5
EBITDA margin (%)	7.0	1.4	2.4	na	na	1.9	2	na
Depn & amort.	(894)	(880)	(874)	0.8	2.3	(3,584)	(2,834)	20.9
EBIT	4,045	7	680	9,535.5	(83.2)	1,580	2,977	88.4
Interest expense	(118)	(93)	(72)	22.7	38.7	(426)	(154)	63.8
Interest & invt inc	0	0	0	nm	nm	0	0	nm
Other income	736	76	72	(4.5)	(90.2)	908	995	9.6
Associates' contrib	0	86	46	(46.0)	nm	157	0	nm
Exceptionals	255	184	173	(5.7)	(32.1)	602	0	nm
Pretax profit	4,919	259	900	247.5	(81.7)	2,822	3,818	35.3
Tax	(976)	(97)	(187)	(92.1)	80.9	-587	(705)	(20.2)
Tax rate (%)	20	38	21	na	na	21	18	na
Minority interests	0	0	0	nm	nm	0	0	nm
Net profit	3,943	162	714	340.9	(81.9)	2,235	3,112	39.3
Non-recurring	506	(58)	199	443.0	(60.7)	(106)	0	nm
Core net profit	3,437	220	514	133.9	(85.0)	2,341	3,112	33.0
EPS (THB)	0.91	0.04	0.16	340.9	(81.9)	0.52	0.72	39.3
Core EPS (THB)	0.79	0.05	0.12	133.9	(85.0)	0.54	0.72	33.0

Sources: SPRC; Globlex Research

Exhibit 2: 1Q25 performance

	1Q24	4Q24	1Q25	----- Change -----	
				(q-q%)	(y-y%)
Enterprise Sale Volume (k bbl)	17,629	16,871	17,070	1.2	(3.2)
Enterprise Margin (USD/bbl)	9.17	6.72	5.45	(18.9)	(40.6)
Gross refining margin - accounting	10.80	5.44	4.90	(9.9)	(54.6)
Market gross refining margin	8.31	6.04	4.50	(25.5)	(45.8)
Net Stock gain(loss) (USD/bbl)	2.49	(0.60)	0.46	176.7	(81.5)
Bottom-Line improvement Program (BLIP) (USD/bbl)	0.75	0.96	0.62	(35.4)	(17.3)
Crude intake (k bbl/day)	167	155	166	7.1	(0.9)
Crude intake Utilization (%) *	96	89	95	6.0	(1.0)
Enterprise OPEX (USD/bbl)	2.44	3.89	2.86	(26.5)	17.2
Number of Caltex service stations (station)	448	527	529	0.4	18.1
Enterprise Sale Volume (k bbl)					
Retail	2,401	2,547	2,493	(2.1)	3.8
C&I	2,622	3,005	3,198	6.4	22.0
Aviation	1,137	1,233	1,308	6.1	15.0
Asphalt	27	157	197	25.5	629.6
Bulk Sales	6,525	6,348	6,012	(5.3)	(7.9)
Specialty & Export	4,917	3,581	3,861	7.8	(21.5)

* Note that change is in percentage point change

Sources: SPRC; Globlex Research

Exhibit 3: Key changes in assumptions

THB m	New			Old			Change (%)		
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Revenue	235,319	239,840	241,063	271,190	264,340	264,340	(13.2)	(9.3)	(8.8)
Gross profit	8,690	9,611	10,834	9,971	10,239	10,951	(12.8)	(6.1)	(1.1)
Operating profit	2,977	3,752	4,869	3,819	4,080	4,747	(22.0)	(8.0)	2.6
Core net profit	3,112	3,692	4,587	3,791	4,112	5,951	(17.9)	(10.2)	(22.9)
EPS (THB/share)	0.72	0.85	1.06	0.87	0.95	1.37	(17.9)	(10.2)	(22.9)
Key assumptions									
Utilisation rate (%)	95.0	95.0	95.0	95.0	95.0	95.0	0.0	0.0	0.0
Market GRM (USD/bbl)	2.5	2.8	3.2	2.7	2.8	3.1	(10.0)	(1.6)	4.4
Dubai crude price (USD/bbl)	70.0	72.0	72.0	76.0	75.0	75.0	(7.9)	(4.0)	(4.0)
Gasoline-Dubai spread (USD/bbl)	13.0	14.0	14.0	16.0	15.0	15.0	(18.8)	(6.7)	(6.7)
Jet-Dubai spread (USD/bbl)	15.0	16.0	15.0	16.0	16.0	16.0	(6.3)	0.0	(6.3)
Diesel-Dubai spread (USD/bbl)	15.0	15.0	15.0	15.0	15.0	15.0	0.0	0.0	0.0
Fuel oil-Dubai spread (USD/bbl)	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)	0.0	0.0	0.0
Crude premium (USD/bbl)	7.2	7.2	7.2	7.9	7.4	7.4	(8.8)	(2.9)	(2.9)

Sources: Globlex Research

Balance sheet (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Current assets					
Cash & ST investment	471	575	101	838	4,836
Account receivable	17,286	14,923	14,923	14,923	14,923
Inventories	23,736	23,482	20,293	20,616	20,616
Others	207	491	427	435	437
Non-current assets					
Net fixed assets	21,241	22,300	21,734	21,077	20,329
Others	2,720	6,665	6,665	6,665	6,665
Total Assets	65,660	68,435	64,143	64,553	67,806
Current liabilities					
Account payable	14,156	16,726	14,454	14,684	14,684
ST borrowing	12,483	592	3,500	1,500	2,000
Others	1,332	2,693	2,342	2,387	2,399
Long-term liabilities					
Long-term debts	0	6,606	0	0	0
Others	1,227	2,712	2,712	2,712	2,712
Total liabilities	29,198	29,329	23,008	21,283	21,795
Paid-up capital	30,004	30,004	30,004	30,004	30,004
Retained earnings	8,453	9,663	11,691	13,827	16,568
Others	(2,001)	(566)	(566)	(566)	(566)
Minority interest	5	5	5	5	5
Shareholders' equity	36,462	39,106	41,135	43,270	46,011

Key ratios					
Year ending Dec	2023	2024	2025E	2026E	2027E
Growth (%YoY)					
Sales	(16.5)	13.6	(13.0)	1.9	0.5
Operating profit	(76.9)	144.7	12.5	14.9	18.1
EBITDA	(76.9)	144.7	12.5	14.9	18.1
Net profit	(116.0)	281.7	39.3	18.6	24.2
Core net profit	(114.3)	459.9	33.0	18.6	24.2
EPS	(116.0)	281.7	39.3	18.6	24.2
Core EPS	(114.3)	459.9	33.0	18.6	24.2
Profitability (%)					
Gross margin	1.4	3.1	3.7	4.0	4.5
Operation margin	0.9	1.9	2.5	2.8	3.3
EBITDA margin	0.9	1.9	2.5	2.8	3.3
Net margin	(0.5)	0.8	1.3	1.5	1.9
ROE	(1.7)	6.2	7.8	8.7	10.3
ROA	(1.3)	3.6	4.4	5.5	6.8
Stability					
Interest bearing debt/equity (x)	0.3	0.2	0.1	0.0	0.0
Net debt/equity (x)	0.3	0.2	0.1	0.0	n.a.
Interest coverage (x)	(1.3)	3.7	19.3	30.5	52.7
Interest & ST debt coverage (x)	(0.0)	1.6	0.8	2.3	2.3
Cash flow interest coverage (x)	(0.0)	0.4	0.3	0.3	0.3
Current ratio (x)	1.5	2.0	1.8	2.0	2.1
Quick ratio (x)	0.6	0.8	0.7	0.8	1.0
Net debt (THB m)	12,012	6,623	3,399	662	(2,836)
Activity					
Asset turnover (X)	3.7	4.0	3.5	3.7	3.6
Days receivables	24.2	21.7	23.1	22.7	22.6
Days inventory	36.9	32.9	35.3	32.4	32.7
Days payable	20.9	21.5	25.1	23.1	23.3
Cash cycle days	40.2	33.1	33.3	32.0	32.0

Profit & loss (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Revenue					
Revenue	238,284	270,606	235,319	239,840	241,063
Cost of goods sold	(234,871)	(262,130)	(226,628)	(230,229)	(230,229)
Gross profit	3,413	8,476	8,690	9,611	10,834
Operating expenses	(1,302)	(3,311)	(2,879)	(2,935)	(2,950)
Operating profit	2,111	5,165	5,811	6,676	7,884
EBIT	(488)	1,580	2,977	3,752	4,869
Depreciation	(2,599)	(3,584)	(2,834)	(2,924)	(3,015)
EBITDA	2,111	5,165	5,811	6,676	7,884
Non-operating income					
Other incomes	1,026	904	995	900	850
Other non-op income	(396)	3	0	0	0
Non-operating expense	(1,666)	176	(154)	(123)	(92)
Interest expense	(367)	(426)	(154)	(123)	(92)
Other non-op expense	(1,298)	602	0	0	0
Equity income/(loss)	0	157	0	0	0
Pre-tax Profit	(1,524)	2,822	3,818	4,528	5,626
Extraordinary items					
Current taxation	294	(587)	(705)	(837)	(1,040)
Minorities	0	0	0	0	0
Net Profit	(1,230)	2,235	3,112	3,692	4,587
Core net profit	(651)	2,341	3,112	3,692	4,587
EPS (THB)	(0.28)	0.52	0.72	0.85	1.06
Core EPS (THB)	(0.15)	0.54	0.72	0.85	1.06

Cash flow (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Operating cash flow					
Operating cash flow	(363)	12,082	6,576	6,560	7,612
Net profit	(1,230)	2,235	3,112	3,692	4,587
Depre. & amortization	2,599	3,584	2,834	2,924	3,015
Change in working capital	(1,732)	6,263	630	(56)	10
Others	0	0	0	0	0
Investment cash flow					
Investment cash flow	651	669	(3,400)	(3,581)	(3,763)
Net CAPEX	(4,014)	(1,904)	(3,400)	(3,581)	(3,763)
Change in LT investment	4,665	2,572	0	0	0
Change in other assets	0	0	0	0	0
Free cash flow					
Free cash flow	288	12,751	3,177	2,979	3,849
Financing cash flow					
Financing cash flow	107	(12,647)	(3,650)	(2,243)	149
Change in share capital	0	0	0	0	0
Net change in debt	2,753	(5,285)	(3,698)	(2,000)	500
Dividend paid	(5,587)	(5,897)	(1,084)	(1,556)	(1,846)
Others	2,941	(1,465)	1,132	1,313	1,495
Net cash flow	395	104	(473)	736	3,998

Per share (THB)					
EPS	(0.28)	0.52	0.72	0.85	1.06
Core EPS	(0.15)	0.54	0.72	0.85	1.06
CFPS	0.32	1.34	1.37	1.53	1.75
BVPS	8.41	9.02	9.49	9.98	10.61
Sales/share	54.96	62.41	54.27	55.31	55.60
EBITDA/share	0.49	1.19	1.34	1.54	1.82
DPS	0.00	0.25	0.36	0.43	0.53
Valuation					
P/E (x)	(29.1)	12.7	7.9	6.6	5.3
P/BV (x)	0.98	0.73	0.60	0.57	0.53
Dividend yield (%)	0.00	3.82	6.35	7.53	9.36
Dividend payout ratio (%)	0.00	48.50	50.00	50.00	50.00

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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.