

Grinding Through Weakness

- We project a 1Q25E core NP of THB 1.9b, down from THB 23.4b in 4Q24 and THB 8.6b in 1Q24.
- 1Q25E earnings are expected to soften due to weaker market GRM, higher crude premium, flat aromatics and LAB spreads, and lower lube margins.
- Maintain BUY at our TP of THB31

Soft gasoline margins and lower GRM pressure 1Q25E earnings

We project a 1Q25E core net profit (NP) of THB 1.9b, down from THB 23.4b in 4Q24 and THB 8.6b in 1Q24. The drags are: 1) a q-q drop in market GRM to USD3.3/bbl to USD 5.1/bbl in 4Q24 and USD9.0/bbl in 1Q24, due to the soften gasoline margins over crude oil prices from USD11/bbl to USD7-8/bbl; 2) a higher crude premium, particularly from Murban and Arab Light grades 3) a stable refinery u-rate at 113%; 4) a flat aromatics performance with a stronger PX spread but partly offset by a soften BZ spread with a u-rate of 79%; 5) a flat LAB spread with a u-rate of 120%; 6) a soften lube margins with a u-rate of 83%; and 7) a THB 0.5b NP from subsidiaries.

Non-recurring support 1Q25E, reversal expected in 2Q25E

In 1Q25E, non-recurring items are expected to total THB 1.1b, comprising: 1) a THB 0.7b stock gain, 2) a THB 80m gain from net realizable value (NRV) adjustment and inventory revaluation to cost, 3) a THB 0.2b net hedging gain, 4) a THB 20m FX gain, and 5) a THB 0.2b gain from bond refinancing. However, in 2Q25E, we expect a stock loss to materialize, primarily due to the decline in crude oil prices.

Aromatics and GRM woes to keep 2q25e earnings in check

In 2Q25E, we expect refinery net profit to remain under pressure, mainly due to the weak GRM, as gasoline spreads are likely to narrow against crude oil prices amid elevated global supply. Meanwhile, the aromatics segment is also likely to face headwinds from persistently weak product spreads and a slow recovery in demand, which will continue to limit its contribution to overall earnings.

CAP drag continues; CFP delays deepen

We remain bearish on TOP's 15.37% stake in CAP due to weak industry margins, with CAP expected to continue posting NL in 2025. As of Apr-25, CFP faces delays and cost overruns, with completion moved to 3Q28E and budget rising to THB 241b. Thai Oil seized THB 12b in guarantees and will fund the rest through internal sources while keeping debt-to-equity below 1x.

Maintain BUY at our TP of THB31

We maintain BUY at our TP of THB31, based on 2025E 5x EV/EBITDA. We think the GRM outlook is neutral at best, the earnings risks from chemical and lube units are high, and most importantly the financial impact of CFP delay is looming large. We see limited upside for TOP's net profit and share price, with downside risks from narrower product spreads, along with CFP project delays.

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ESG Rating : AAA

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	31.00
VS. BB Consensus TP (%)	+7.3%
Share Price (THB)	24.80
Upside/Downside	+25.0%

Share Data

Market Cap (THB m)	55,399.12
Par (THB)	10.00
Free Float (%)	51.98
Issued shares (m shares)	2,234

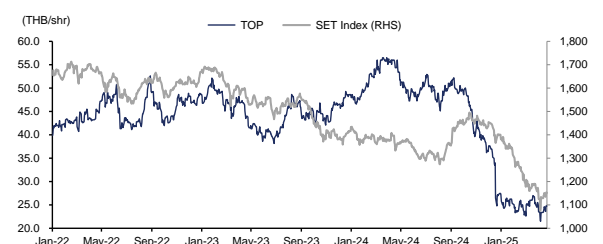
Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	455,857	354,372	347,576	466,605
Net profit	9,959	15,110	15,489	20,725
Core net profit	17,012	15,110	15,489	20,725
vs Consensus (%)		41.2	21.9	57.4
Net profit growth (%)	(48.8)	51.7	2.5	33.8
Core net profit growth (%)	(37.9)	(11.2)	2.5	33.8
EPS (THB)	4.88	7.41	7.59	10.16
Core EPS (THB)	8.34	7.41	7.59	10.16
Chg from previous (%)		(0.00)	(0.00)	0.00
DPS (THB)	3.70	1.85	1.90	2.54
P/E (x)	5.79	3.35	3.27	2.44
P/BV (x)	0.29	0.24	0.23	0.21
ROE (%)	8.90	7.40	7.18	9.04
Dividend yield (%)	13.10	7.47	7.65	10.24

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(8.15)	(2.75)	(46.95)	(12.21)
Market	(5.53)	13.30	(32.40)	(6.54)
12M High/Low (THB)				59.00 / 21.00



Major Shareholders (%) as of 28 Feb 2025

PTT Public Company Limited	45.03
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Company Profile

Thaioil is Thailand's largest refinery and supplier of petroleum products. Founded in 1961, Thaioil is one of the leading and efficient refineries in Asia Pacific with the current capacity of 275,000 barrels per day. Thaioil has expanded to other related business including petrochemicals-aromatics and olefin chain, lube base oil, power generation, LAB (an intermediate in the production of cleaning agents), solvents/chemicals. In addition, there are also ethanol and supporting businesses such as pipeline transportation, ethanol, recruitment services for Thaioil and Subsidiaries, as well as Treasury Center to enhance Thaioil and Subsidiaries' capability of financial management.

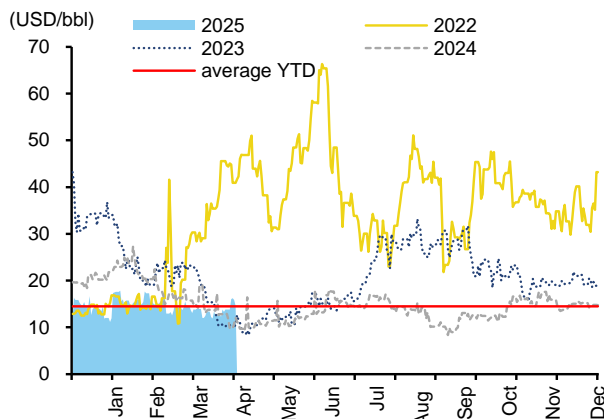
Source: SETSMART, SET

Exhibit 1: Summary of 1Q25E operations

	1Q24	4Q24	1Q25E			2024	2025E	chg.
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	
Revenue	119,532	101,616	124,755	22.8	4.4	455,857	354,372	(22.3)
Operating costs	(107,609)	(96,022)	(120,018)	(25.0)	(11.5)	(434,851)	(320,570)	26.3
EBITDA	10,949	6,472	5,231	(19.2)	(52.2)	17,132	30,791	79.7
EBITDA margin (%)	9.2	6.4	4.2	na	na	3.8	8.7	na
Depn & amort.	(1,944)	(2,026)	(2,036)	(0.5)	(4.7)	(8,106)	(21,969)	(171.0)
EBIT	8,412	4,456	3,861	(13.3)	(54.1)	9,026	8,821	(2.3)
Interest expense	(1,047)	(986)	(1,105)	(12.1)	(5.6)	(4,052)	(3,959)	2.3
Interest & invt inc	606	10,249	584	(94.3)	(3.7)	14,423	14,567	1.0
Associates' contrib	(124)	23	10	(55.7)	108.1	(132)	(138)	(5.0)
Exceptionals	(974)	878	494	(43.7)	150.7	0	0	#DIV/0!
Pretax profit	6,873	14,619	3,844	(73.7)	(44.1)	12,264	18,914	54.2
Tax	(1,464)	(723)	(814)	(12.6)	44.4	(2,283)	(3,783)	(65.7)
Tax rate (%)	21.3	4.9	21.2	na	na	18.6	20.0	na
Minority interests	(38)	19	18	(7.1)	147.1	(22)	(22)	3.6
Net profit	5,863	2,767	3,012	8.9	(48.6)	9,959	15,110	51.7
Non-recurring	(2,701)	(631)	(1,064)	(68.5)	60.6	(7,053)	0	100.0
Core net profit	8,564	3,398	1,948	(42.7)	(77.3)	17,012	15,110	(11.2)
EPS (THB)	2.87	1.36	1.48	8.9	(48.6)	4.88	7.41	51.7
Core EPS (THB)	4.20	1.67	0.95	(42.7)	(77.3)	8.34	7.41	(11.2)

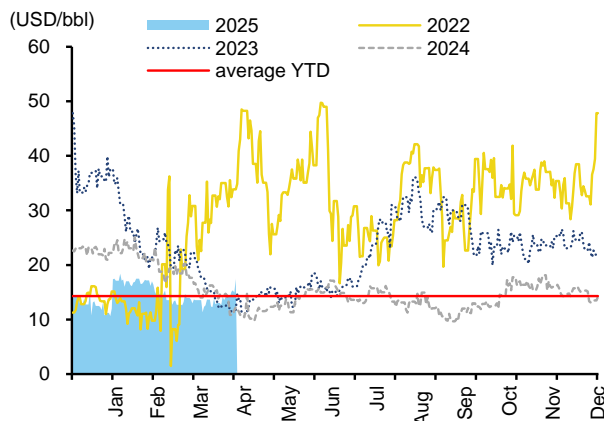
Sources: TOP, Globlex Research

Exhibit 2: Gasoil 0.5% Sulfur fob SG Spot Price - Dubai crude oil price



Sources: Bloomberg, Globlex Research

Exhibit 4: Jet Kerosene fob Spot Price - Dubai crude oil price



Sources: Bloomberg, Globlex Research

Exhibit 3: 92 Octane Gasoline fob Spot Price - Dubai crude oil price

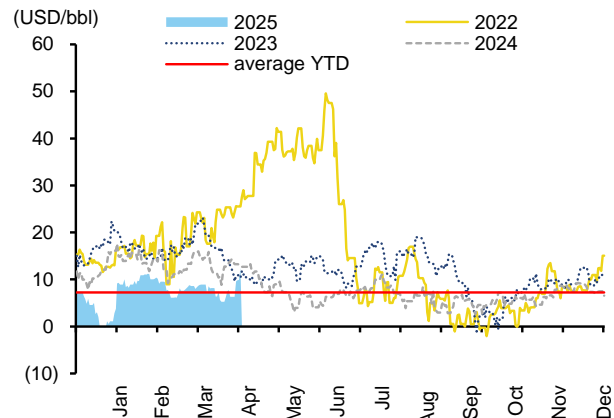
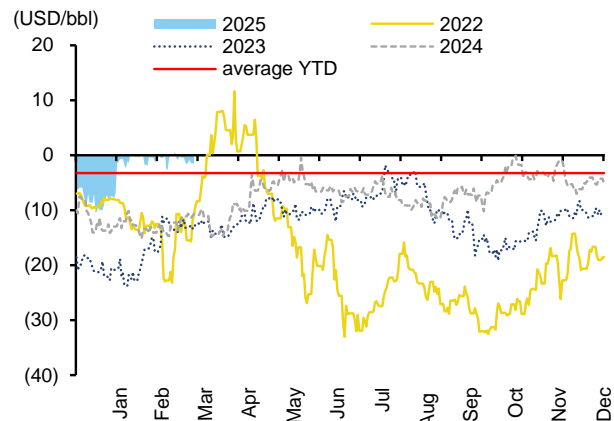


Chart or other exhibit

Sources: Bloomberg, Globlex Research

Exhibit 5: High Sulfur fuel Oil Spot fob Singapore - Dubai crude oil price



Sources: Bloomberg, Globlex Research

Balance sheet (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Current assets					
Cash & ST investment	28,432	29,042	30,306	34,968	42,858
Account receivable	32,158	31,910	24,806	24,330	32,662
Inventories	53,754	53,339	41,465	40,669	54,597
Others	43,067	29,357	29,219	29,074	28,921
Non-current assets					
Net fixed assets	218,618	224,153	257,884	278,836	287,644
Others	62,063	76,426	103,417	90,372	77,341
Total Assets	438,092	444,227	487,096	498,249	524,024

Current liabilities					
Account payable	39,049	38,748	30,122	29,544	39,661
ST borrowing	6,259	6,502	6,415	6,328	6,241
Others	28,193	22,414	5,485	5,485	5,485
Long-term liabilities					
Long-term debts	149,666	146,717	146,717	146,717	146,717
Others	28,514	28,445	85,423	85,423	85,423
Total liabilities	251,681	242,826	274,162	273,498	283,528
Paid-up capital	25,903	28,654	28,654	28,654	28,654
Retained earnings	136,178	138,589	149,921	161,538	177,082
Others	21,715	31,344	31,344	31,344	31,344
Minority interest	2,615	2,815	3,015	3,215	3,415
Shareholders' equity	186,411	201,402	212,934	224,751	240,495

Key ratios					
Year ending Dec	2023	2024	2025E	2026E	2027E
Growth (%YoY)					
Sales	(9.2)	(0.8)	(22.3)	(1.9)	34.2
Operating profit	37.2	(51.7)	79.7	8.2	25.4
EBITDA	37.2	(51.7)	79.7	8.2	25.4
Net profit	(40.5)	(48.8)	51.7	2.5	33.8
Core net profit	(9.8)	(37.9)	(11.2)	2.5	33.8
EPS	(40.5)	(48.8)	51.7	2.5	33.8
Core EPS	(9.8)	(37.9)	(11.2)	2.5	33.8
Profitability (%)					
Gross margin	8.5	4.6	9.5	10.4	9.8
Operation margin	7.7	3.8	8.7	9.6	9.0
EBITDA margin	7.7	3.8	8.7	9.6	9.0
Net margin	4.2	2.2	4.3	4.5	4.4
ROE	16.0	8.9	7.4	7.2	9.0
ROA	5.4	1.9	1.5	1.4	2.3
Stability					
Interest bearing debt/equity (x)	0.8	0.8	0.7	0.7	0.6
Net debt/equity (x)	0.7	0.6	0.6	0.5	0.5
Interest coverage (x)	6.8	2.2	2.2	2.2	4.0
Interest & ST debt coverage (x)	2.7	0.9	0.9	0.9	1.5
Cash flow interest coverage (x)	0.1	0.1	0.2	0.1	0.1
Current ratio (x)	2.1	2.1	3.0	3.1	3.1
Quick ratio (x)	0.8	0.9	1.3	1.4	1.5
Net debt (THB m)	127,494	124,177	122,827	118,078	110,101
Activity					
Asset turnover (X)	1.0	1.0	0.8	0.7	0.9
Days receivables	26.8	25.6	29.2	25.8	22.3
Days inventory	49.0	44.9	54.0	48.2	41.3
Days payable	35.6	32.7	39.2	35.0	30.0
Cash cycle days	40.2	37.9	44.0	39.0	33.6

Profit & loss (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Revenue					
Revenue	459,402	455,857	354,372	347,576	466,605
Cost of goods sold	(420,395)	(434,851)	(320,570)	(311,299)	(420,869)
Gross profit	39,007	21,006	33,802	36,277	45,736
Operating expenses	(3,521)	(3,874)	(3,012)	(2,954)	(3,965)
Operating profit	35,486	17,132	30,791	33,323	41,771
EBIT	27,687	9,026	8,821	8,688	15,000
Depreciation	(7,799)	(8,106)	(21,969)	(24,635)	(26,771)
EBITDA	35,486	17,132	30,791	33,323	41,771
Non-operating income					
Other incomes	8,331	14,423	14,567	14,713	14,860
Other non-op income	(7,756)	(7,001)	(377)	0	0
Non-operating expense	(4,089)	(4,052)	(3,959)	(3,866)	(3,773)
Interest expense	(4,089)	(4,052)	(3,959)	(3,866)	(3,773)
Other non-op expense					
Equity income/(loss)	84	(132)	(138)	(145)	(152)
Pre-tax Profit	24,257	12,264	18,914	19,390	25,935
Extraordinary items					
Current taxation	(4,672)	(2,283)	(3,783)	(3,878)	(5,187)
Minorities	(142)	(22)	(22)	(22)	(22)
Net Profit	19,443	9,959	15,110	15,489	20,725
Core net profit	27,412	17,012	15,110	15,489	20,725
EPS (THB)	9.53	4.88	7.41	7.59	10.16
Core EPS (THB)	13.44	8.34	7.41	7.59	10.16

Cash flow (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Operating cash flow					
Net profit	19,443	9,959	15,110	15,489	20,725
Depre. & amortization	7,799	8,106	21,969	24,635	26,771
Change in working capital	4,723	362	10,352	693	(12,142)
Others	0	0	0	0	0
Investment cash flow	23,849	28,426	(40,701)	(30,587)	(20,579)
Net CAPEX	0	0	(55,701)	(45,587)	(35,579)
Change in LT investment	23,849	28,426	15,000	15,000	15,000
Change in other assets	0	0	0	0	0
Free cash flow	55,815	46,852	6,731	10,231	14,775
Financing cash flow	(70,959)	(46,241)	(5,468)	(5,568)	(6,885)
Change in share capital	0	0	0	0	0
Net change in debt	(227)	(2,007)	(1,573)	(1,573)	(1,573)
Dividend paid	(7,548)	(7,548)	(3,777)	(3,872)	(5,181)
Others	(63,184)	(36,686)	(117)	(123)	(130)
Net cash flow	(15,145)	611	1,263	4,662	7,890
Per share (THB)					
EPS	9.53	4.88	7.41	7.59	10.16
Core EPS	13.44	8.34	7.41	7.59	10.16
CFPS	13.42	8.87	18.19	19.68	23.29
BVPS	90.09	97.35	102.90	108.59	116.21
Sales/share	225.19	223.46	173.71	170.38	228.72
EBITDA/share	17.39	8.40	15.09	16.33	20.48
DPS	3.70	3.70	1.85	1.90	2.54
Valuation					
P/E (x)	5.6	5.8	3.3	3.3	2.4
P/BV (x)	0.60	0.29	0.24	0.23	0.21
Dividend yield (%)	6.88	13.10	7.47	7.65	10.24
Dividend payout ratio (%)	38.82	75.79	25.00	25.00	25.00

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Analyst Certification

Siriluck Pinthusoonthorn, Register No. 119539, 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 $(\text{target price}^* - \text{current price}) / \text{current price}$.

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.