

## Let's shine and BUY on refiner

- Low risks on windfall tax and oil supply shortages
- Sustained, high GRM and lower crude price justify buying TOP
- Maintain BUY and a TP of THB73.00

### Low risk on GRM windfall tax downsides

Despite the sharp spike in GRM to USD20-30/bbl caused by the supply disruptions on the U.S.-Iran war, TOP's share price has collapsed by 20%+ within only 10 days to THB44.5 due to the renewed regulatory risk for Thai government's potential windfall tax on the high GRMs. We think the likelihood on the successful and eventual implementation of GRM the windfall tax is low given the government's policy to increase the usage of biofuels (B5 to B10 biodiesel and E10 to E20 gasohol).

### Higher crack spreads offset by rising freight/crude premiums

TOP's market GRM jumped from USD7/bbl in 4Q25 to USD20-30/bbl in Mar-26, driven by the hiking margins of middle distillate-crude price. However, the actual realized GRM may be lower, diluted by the hiking freight cost from USD1.4/bbl in Aug-25 to USD12/bbl in Mar-26 and surging crude premiums from USD2.5/bbl in Aug-25 to USD17/bbl in Mar-26. We project TOP will gain market GRM at USD20-25/bbl in Mar-26 and the average market GRM could reach USD10-15/bbl in 1Q26.

### Crude oil supply risk is low

TOP consumes 90% crudes imported from Middle East (ME), mostly medium crude grade with API 30-40 and of 1%-2% sulphur content. We think the risk for crude supply disruption to TOP is low, given 1) TOP may import Ural crude from Russia, whose crude quality is on par with ME crudes; 2) TOP is likely to secure additional crude oil delivered via even the Hormuz strait as Iran has already announced its permits for any ships not belonged to, and not transport products to U.S. and Israel; and 3) TOP still has sufficient crude supply at least until Apr-26.

### Windfall tax downside has been historically non-existent

Back in June 2022 Thailand's cabinet approved measures requiring local oil refineries to contribute part of their high GRMs into the state Oil Fuel Fund to subsidize diesel and LPG prices. This "windfall contribution" targeted profits from THB6/liter GRM, aiming to reduce the burden on the then-deficit state fund. While the situation of high GRM occurs today similar to 2022, we think Thai government would eventually avoid implement windfall tax, given some refineries (not owned by Thai government) is unlikely to comply to such windfall tax. Eventually, only PTT subsidized THB4-5b to the oil fund.

### BUY refiners TOP/SPRC/BCP and partial refiners PTTGC/IRPC

With Thai government's policy of raising biofuel consumption, successfully securing 3m bbls of crude oils, and planning to deploy a stepped-up fuel price, we believe share price of Thai refiners have already priced in these downsides while leaving greater upsides on GRMs to the upsides. Buy on weakness on Thai refiners.

#### Analyst

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ESG Rating : AAA

CG Rating : ▲▲▲▲▲

## BUY

<b>Target Price 12M (THB)</b>	<b>73.00</b>
VS. BB Consensus TP (%)	+47.0%
Share Price (THB)	46.75
Upside/Downside	+56.1%

### Share Data

Market Cap (THB m)	104,431.81
Par (THB)	10.00
Free Float (%)	51.98
Issued shares (m shares)	2,234

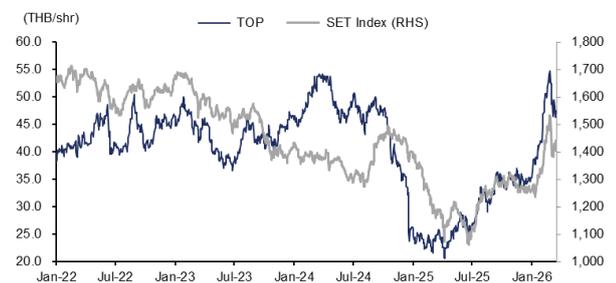
### Financial forecast

YE Dec (THB m)	2025	2026E	2027E	2028E
Revenue	394,336	343,620	447,792	450,691
Net profit	14,584	15,856	18,362	20,567
Core net profit	11,446	15,856	18,362	20,567
vs Consensus (%)		22.3	37.3	43.1
Net profit growth (%)	46.4	8.7	15.8	12.0
Core net profit growth (%)	(32.7)	38.5	15.8	12.0
EPS (THB)	7.15	7.77	9.00	10.08
Core EPS (THB)	5.61	7.77	9.00	10.08
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	2.50	1.94	2.25	2.52
P/E (x)	5.04	6.01	5.19	4.64
P/BV (x)	0.33	0.41	0.39	0.36
ROE (%)	5.46	7.00	7.68	8.10
Dividend yield (%)	6.94	4.16	4.81	5.39

Source: Financial Statement and Globlex securities

### Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(9.22)	34.53	26.35	29.86
Market	(7.59)	17.92	15.14	14.08
12M High/Low (THB)				56.75 / 21.00



### Major Shareholders (%) as of 26 Feb 2026

PTT Public Company Limited	45.03
Thai NVDR Company Limited	11.51
SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	3.37

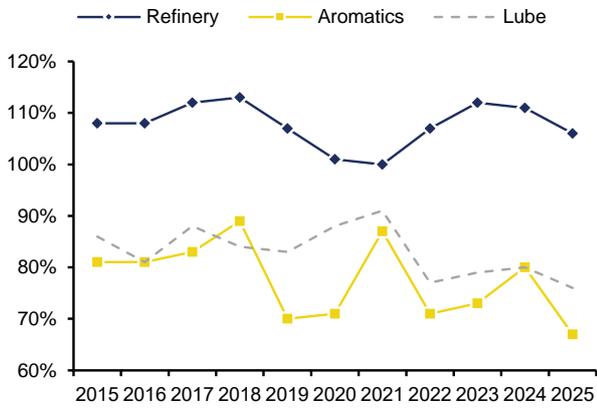
### Company Profile

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

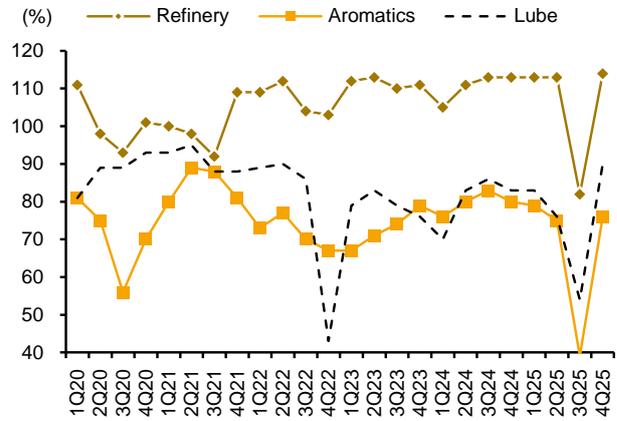


**Exhibit 1: Annual utilization rates**



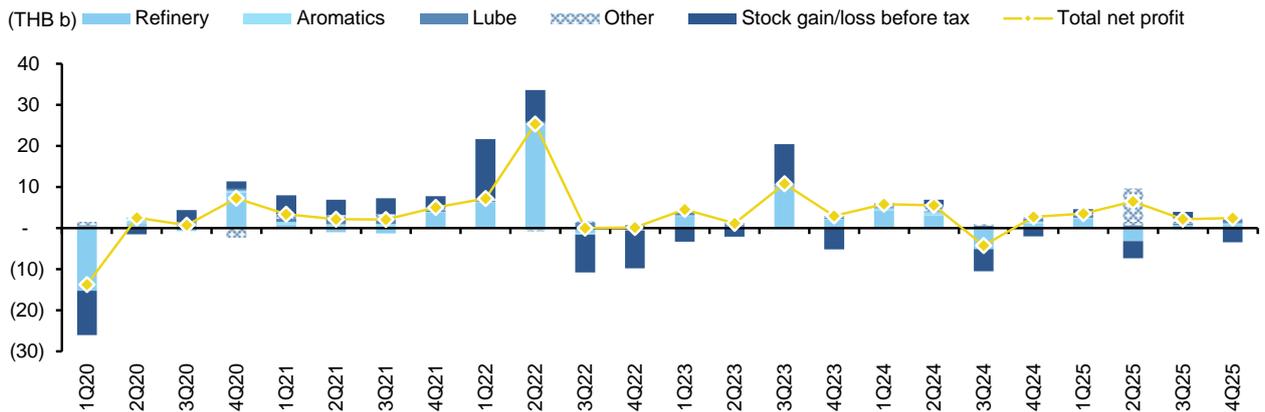
Sources: TOP

**Exhibit 2: Quarterly utilization rates**



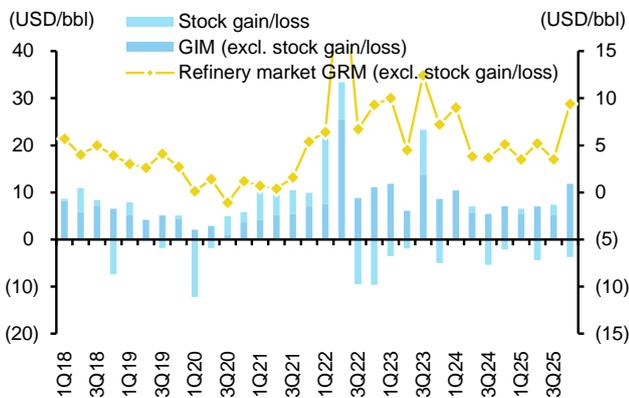
Sources: TOP

**Exhibit 3: Quarterly net profit breakdown vs stock gain (loss)**



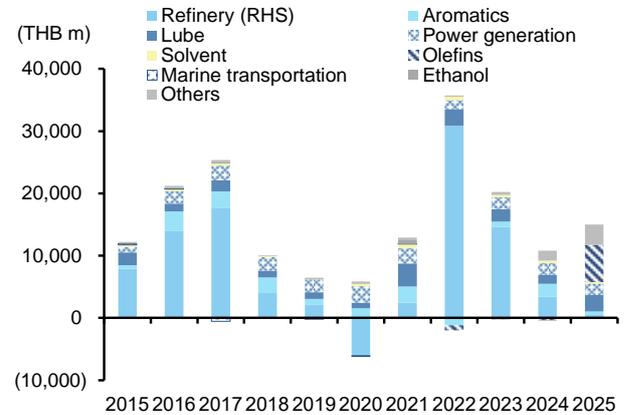
Sources: TOP

**Exhibit 4: Quarterly GIM, stock gain (loss), market GRM**



Sources: TOP

**Exhibit 5: Annual net profit breakdown by segment**



Sources: TOP

Balance sheet (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
<b>Current assets</b>					
Cash & ST investment	29,042	62,568	76,557	83,844	104,934
Account receivable	31,910	27,604	24,053	31,345	31,548
Inventories	53,339	46,141	40,206	52,395	52,735
Others	29,357	28,852	30,004	31,213	32,483
<b>Non-current assets</b>					
Net fixed assets	224,153	218,461	242,263	253,872	263,722
Others	76,426	74,094	58,379	41,591	24,683
<b>Total Assets</b>	<b>444,227</b>	<b>457,719</b>	<b>471,463</b>	<b>494,261</b>	<b>510,105</b>
<b>Current liabilities</b>					
Account payable	38,748	33,519	29,208	38,062	38,309
ST borrowing	6,502	3,834	3,807	3,779	3,752
Others	22,414	53,036	5,485	5,485	5,485
<b>Long-term liabilities</b>					
Long-term debts	146,717	111,982	111,982	111,982	111,982
Others	28,445	31,882	85,423	85,423	85,423
<b>Total liabilities</b>	<b>242,826</b>	<b>234,252</b>	<b>235,904</b>	<b>244,731</b>	<b>244,950</b>
Paid-up capital	28,654	31,405	31,405	31,405	31,405
Retained earnings	138,589	148,073	159,965	173,737	189,162
Others	31,344	40,973	40,973	40,973	40,973
Minority interest	2,815	3,015	3,215	3,415	3,615
<b>Shareholders' equity</b>	<b>201,402</b>	<b>223,467</b>	<b>235,559</b>	<b>249,530</b>	<b>265,155</b>

Key ratios					
Year ending Dec	2024	2025	2026E	2027E	2028E
<b>Growth (%YoY)</b>					
Sales	(0.8)	(13.5)	(12.9)	30.3	0.6
Operating profit	(51.7)	(22.9)	234.6	3.6	9.7
EBITDA	(51.7)	(22.9)	234.6	3.6	9.7
Net profit	(48.8)	46.4	8.7	15.8	12.0
Core net profit	(37.9)	(32.7)	38.5	15.8	12.0
EPS	(48.8)	46.4	8.7	15.8	12.0
Core EPS	(37.9)	(32.7)	38.5	15.8	12.0
<b>Profitability (%)</b>					
Gross margin	4.6	4.4	14.2	11.3	12.3
Operation margin	3.8	3.3	12.9	10.2	11.1
EBITDA margin	3.8	3.3	12.9	10.2	11.1
Net margin	2.2	3.7	4.6	4.1	4.6
ROE	8.9	5.5	7.0	7.7	8.1
ROA	1.9	2.1	4.0	3.8	4.1
<b>Stability</b>					
Interest bearing debt/equity (x)	0.8	0.5	0.5	0.5	0.4
Net debt/equity (x)	0.6	0.2	0.2	0.1	0.0
Interest coverage (x)	2.2	1.5	6.0	6.0	6.8
Interest & ST debt coverage (x)	0.9	0.7	3.0	2.9	3.3
Cash flow interest coverage (x)	0.1	0.1	0.2	0.1	0.2
Current ratio (x)	2.1	1.8	4.4	4.2	4.7
Quick ratio (x)	0.9	1.0	2.6	2.4	2.9
Net debt (THB m)	124,177	53,247	39,231	31,917	10,799
<b>Activity</b>					
Asset turnover (X)	1.0	0.9	0.7	0.9	0.9
Days receivables	25.6	27.5	27.4	22.6	25.5
Days inventory	44.9	48.1	53.4	42.6	48.5
Days payable	32.7	35.0	38.8	30.9	35.2
Cash cycle days	37.9	40.7	42.0	34.2	38.7

Profit & loss (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
<b>Revenue</b>					
Revenue	455,857	394,336	343,620	447,792	450,691
Cost of goods sold	(434,851)	(377,078)	(294,985)	(396,997)	(395,418)
<b>Gross profit</b>	<b>21,006</b>	<b>17,258</b>	<b>48,635</b>	<b>50,795</b>	<b>55,273</b>
Operating expenses	(3,874)	(4,056)	(4,467)	(5,015)	(5,048)
<b>Operating profit</b>	<b>17,132</b>	<b>13,202</b>	<b>44,168</b>	<b>45,780</b>	<b>50,225</b>
<b>EBIT</b>	<b>9,026</b>	<b>5,137</b>	<b>22,338</b>	<b>21,813</b>	<b>24,383</b>
Depreciation	(8,106)	(8,065)	(21,829)	(23,966)	(25,842)
<b>EBITDA</b>	<b>17,132</b>	<b>13,202</b>	<b>44,168</b>	<b>45,780</b>	<b>50,225</b>
<b>Non-operating income</b>					
Other incomes	14,423	6,020	526	3,654	3,691
Other non-op income	(7,001)	2,848	(382)	0	0
<b>Non-operating expense</b>	<b>(4,052)</b>	<b>(3,494)</b>	<b>(3,745)</b>	<b>(3,656)</b>	<b>(3,567)</b>
Interest expense	(4,052)	(3,494)	(3,745)	(3,656)	(3,567)
Other non-op expense					
<b>Equity income/(loss)</b>	<b>(132)</b>	<b>6,259</b>	<b>1,152</b>	<b>1,210</b>	<b>1,270</b>
<b>Pre-tax Profit</b>	<b>12,264</b>	<b>16,769</b>	<b>19,889</b>	<b>23,021</b>	<b>25,777</b>
Extraordinary items					
Current taxation	(2,283)	(2,131)	(3,978)	(4,604)	(5,155)
Minorities	(22)	(54)	(55)	(55)	(55)
<b>Net Profit</b>	<b>9,959</b>	<b>14,584</b>	<b>15,856</b>	<b>18,362</b>	<b>20,567</b>
<b>Core net profit</b>	<b>17,012</b>	<b>11,446</b>	<b>15,856</b>	<b>18,362</b>	<b>20,567</b>
<b>EPS (THB)</b>	<b>4.88</b>	<b>7.15</b>	<b>7.77</b>	<b>9.00</b>	<b>10.08</b>
<b>Core EPS (THB)</b>	<b>8.34</b>	<b>5.61</b>	<b>7.77</b>	<b>9.00</b>	<b>10.08</b>

Cash flow (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
<b>Operating cash flow</b>					
Operating cash flow	18,426	28,925	42,859	31,702	46,113
Net profit	9,959	14,584	15,856	18,362	20,567
Depre. & amortization	8,106	8,065	21,829	23,966	25,842
Change in working capital	362	6,276	5,173	(10,626)	(296)
Others	0	0	0	0	0
<b>Investment cash flow</b>	<b>28,426</b>	<b>16,122</b>	<b>(24,599)</b>	<b>(19,575)</b>	<b>(19,692)</b>
Net CAPEX	0	0	(45,632)	(35,575)	(35,692)
Change in LT investment	28,426	16,122	21,032	16,000	16,000
Change in other assets	0	0	0	0	0
<b>Free cash flow</b>	<b>46,852</b>	<b>45,046</b>	<b>18,260</b>	<b>12,127</b>	<b>26,421</b>
<b>Financing cash flow</b>	<b>(46,241)</b>	<b>(11,520)</b>	<b>(4,271)</b>	<b>(4,840)</b>	<b>(5,331)</b>
Change in share capital	0	0	0	0	0
Net change in debt	(2,007)	(1,603)	(1,514)	(1,514)	(1,514)
Dividend paid	(7,548)	(5,100)	(3,964)	(4,590)	(5,142)
Others	(36,686)	(4,818)	1,207	1,265	1,325
<b>Net cash flow</b>	<b>611</b>	<b>33,526</b>	<b>13,989</b>	<b>7,287</b>	<b>21,091</b>
<b>Per share (THB)</b>					
EPS	4.88	7.15	7.77	9.00	10.08
Core EPS	8.34	5.61	7.77	9.00	10.08
CFPS	8.87	11.13	18.50	20.78	22.78
BVPS	97.35	108.06	113.89	120.64	128.20
Sales/share	223.46	193.30	168.44	219.50	220.92
EBITDA/share	8.40	6.47	21.65	22.44	24.62
DPS	3.70	2.50	1.94	2.25	2.52
<b>Valuation</b>					
P/E (x)	5.8	5.0	6.0	5.2	4.6
P/BV (x)	0.29	0.33	0.41	0.39	0.36
Dividend yield (%)	13.10	6.94	4.16	4.81	5.39
Dividend payout ratio (%)	75.79	34.97	25.00	25.00	25.00

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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  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

- 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.