

## Strong Core 2Q26 Masked by Inventory

- Expect a strong 2Q26 core NP on GRM despite inventory losses.
- 3Q26 normalises on crude lag, CFP supports long-term upside.
- Maintain BUY at TP of THB73

### Refining Strength vs Inventory Drag

We expect TOP's 2Q26 earnings to remain resilient despite earlier concerns over lower forward oil prices and potential spread mismatches. We forecast core net profit (NP) of around THB10b, broadly stable q-q from THB11.8b in 1Q26, key points are: 1) a healthy GRM of USD14-15/bbl, underpinned by resilient product spreads; 2) a lower refinery utilisation rate of around 105%, from 110% in 1Q26 due to maintenance shutdown; 3) a sharp increase in crude premium to USD15-20/bbl; and 4) weaker aromatics performance. However, lower oil prices are likely to result in significant inventory losses, vs THB22b stock gain in 1Q26, potentially leading to a reported net loss.

### Strong Spreads Offset Aromatics Weakness

In 2Q26, we expect TOP's GRM to remain strong at USD14-15/bbl, up from USD12.7/bbl in 1Q26, supported by sustained strength in diesel (37% of output), jet fuel (18%), and gasoline (17%). While aromatics performance is expected to soften q-q on weaker PX and BZ spreads, the impact should be partly offset by stronger lubricant, LAB, and bitumen spreads, supported by healthy demand and tighter supply.

### From Volume to Value: TOP's Next-Gen Refining Shift

We view TOP's CFP as a key long-term earnings driver, with full COD expected in 2028. The project will increase effective throughput capacity to 400kbd from 275kbd and upgrade fuel oil into higher-value middle distillates through the RHCu, reducing fuel oil yield to nearly zero. While unit costs are expected to rise to USD7.4/bbl from USD4.0/bbl, reflecting higher OPEX (USD3.2/bbl vs USD2.2/bbl), depreciation (USD2.6/bbl vs USD1.2/bbl), and interest costs (USD1.6/bbl vs USD0.6/bbl). We believe this will be more than offset by improved product yields and greater exposure to higher-margin.

### From Peak GRM to Normalisation

We expect earnings to normalize from 3Q26, with net profit likely to soften as GRM declines to USD5-8/bbl due to the lagged impact of higher crude premiums, despite healthy product spreads. Crude premiums should stay elevated in Jul-26 as they continue to reflect higher-cost crude purchased in May-26, before easing from Aug-26 onward. In addition, there remains a risk of impairment on TOP's 15% stake in CAP following SCC's partial divestment. While management and auditors currently do not see an immediate need for impairment recognition, we view this as a key downside risk to monitor.

### Maintain BUY at TP of THB73

Maintain BUY with a TP of THB73, based on 5.0x 2026E EV/EBITDA. Despite near-term pressure from inventory losses and elevated crude premiums, we remain positive on TOP, supported by resilient product spreads and long-term earnings upside from CFP.

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ESG Rating : AAA

CG Rating : ▲▲▲▲▲

## BUY

Target Price 12M (THB)	73.00
VS. BB Consensus TP (%)	+37.8%
Share Price (THB)	44.50
Upside/Downside	+64.0%

#### Share Data

Market Cap (THB m)	99,405.68
Par (THB)	10.00
Free Float (%)	51.98
Issued shares (m shares)	2,234

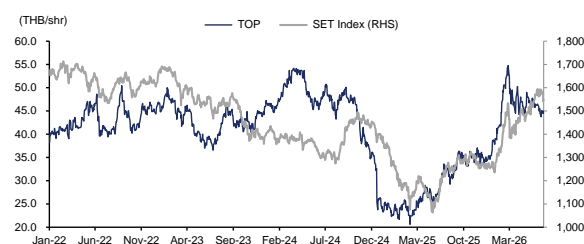
#### Financial forecast

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 (%)		(15.2)	29.1	35.1
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	5.73	4.94	4.41
P/BV (x)	0.33	0.39	0.37	0.35
ROE (%)	5.46	7.00	7.68	8.10
Dividend yield (%)	6.94	4.37	5.06	5.66

Source: Financial Statement and Globlex securities

#### Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(6.32)	-	25.35	23.61
Market	(6.45)	(9.32)	3.40	1.05
12M High/Low (THB)				56.75 / 26.00



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

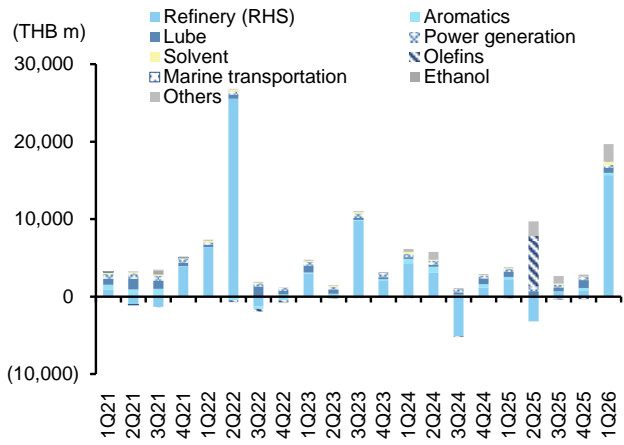
PTT Public Company Limited	45.03
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#### Company Profile

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.

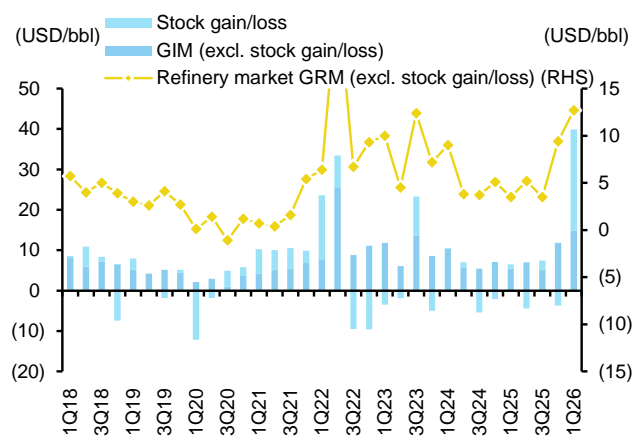
Source: SETSMART, SET

**Exhibit 1: Net profit breakdown**



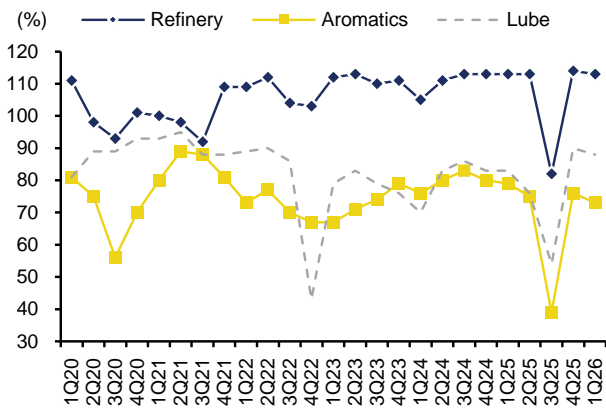
Sources: TOP; Globlex Research

**Exhibit 2: GIM, GRM, and stock gain/loss**



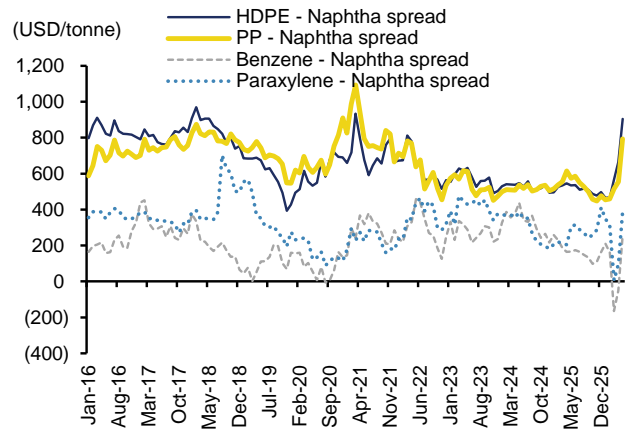
Sources: TOP; Globlex Research

**Exhibit 3: Utilisation rate – Refinery, Aromatics, Lube**



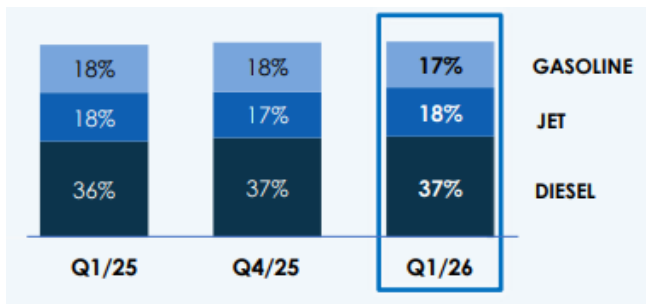
Sources: TOP; Globlex Research

**Exhibit 4: Naphtha spread – HDPE, PP, BZ, PX**



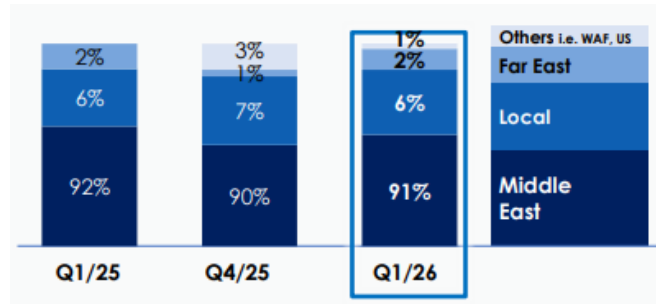
Sources: Bloomberg; Globlex Research

**Exhibit 5: TOP's middles distillate output (%)**



Sources: TOP

**Exhibit 6: TOP's crude sourcing (%)**



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>	<b>455,857</b>	<b>394,336</b>	<b>343,620</b>	<b>447,792</b>	<b>450,691</b>
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>	<b>7,422</b>	<b>8,868</b>	<b>144</b>	<b>3,654</b>	<b>3,691</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>	<b>18,426</b>	<b>28,925</b>	<b>42,859</b>	<b>31,702</b>	<b>46,113</b>
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	5.7	4.9	4.4
P/BV (x)	0.29	0.33	0.39	0.37	0.35
Dividend yield (%)	13.10	6.94	4.37	5.06	5.66
Dividend payout ratio (%)	75.79	34.97	25.00	25.00	25.00

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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.