

## TOP at a Crossroads

- TOP's 2Q25 core NP grows slightly, supported by stronger GRM.
- Spreads pressured by weak demand and high inventories in 2H25.
- HOLD at our TP of THB31

### Margins Rise, Challenges Remain

We project a 2Q25E core net profit (NP) of THB3.5b, slightly up from THB3.4b in 1Q25 but down from THB3.9b in 2Q24. Key drivers include: 1) a q-q increase in market GRM to USD5.5/bbl (vs USD3.5/bbl in 1Q25 and USD3.8/bbl in 2Q24), supported by stronger product spreads, which partially offset the rise in crude premium to USD2.0/bbl (vs USD1.8/bbl in 1Q25); 2) stable refinery utilization rate at 113%; 3) softer aromatics performance with a lower utilization rate of 75% (vs 79% in 1Q25), mainly due to weaker Benzene spreads; 4) improved LAB performance with utilization rising to 123% on the back of stronger spreads; 5) weaker lube base oil margins, with utilization declining to 76% (vs 83% in 1Q25) on seasonal demand softness; and 6) a contribution of approximately THB0.5b in NP from subsidiaries.

### From Stock Slips to Goodwill Gains

In 2Q25E, we expect TOP to report a NP of THB5.3b, up from THB3.5b in 1Q25 but slightly down from THB5.6b in 2Q24. This includes estimated non-recurring gain of THB620m, including: 1) a THB4.4b stock loss; 2) a THB500m loss from net realizable value (NRV) adjustment and inventory revaluation to cost; 3) a THB150m net hedging loss, and 4) a THB330m FX loss; and 4) a THB6.0b negative goodwill from Chandra Asri's acquisition of Shell's Singapore refinery

### Cracking the Summer Code

We see 2H25 refining spreads holding steady, supported by tight global supply, limited new capacity, and seasonal demand, despite weak demand in China and Europe. Gasoline and middle distillate cracks should stay firm in 3Q25 on summer travel and stockpiling. GRMs could see further upside from strong U.S. exports, hurricane risks, and potential geopolitical disruptions, including a possible closure of the Hormuz Strait.

### Benzene Blues and Paraxylene Pressure

Aromatics spreads in 2H25 are expected to remain under pressure, weighed down by weak demand, particularly in China and Europe. While seasonal maintenance in 3Q25 may offer temporary supply relief, margin pressure is unlikely to ease significantly. Elevated inventories in Asia and volatile feedstock costs will continue to limit pricing power.

### HOLD at our TP of THB31

We downgrade TOP from BUY to HOLD with an unchanged TP of THB31, based on 5x 2025E EV/EBITDA. While market GRM remains neutral, rising downside risks from chemical and lube segments, along with uncertainty around the CFP timeline, weigh on earnings. With limited near-term upside, especially amid potential project delays, we see a less compelling risk-reward.

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ESG Rating : AAA

CG Rating : ▲▲▲▲▲

## HOLD (from BUY)

Target Price 12M (THB)	31.00
VS. BB Consensus TP (%)	+2.6%
Share Price (THB)	30.50
Upside/Downside	+1.6%

#### Share Data

Market Cap (THB m)	68,131.98
Par (THB)	10.00
Free Float (%)	51.98
Issued shares (m shares)	2,234

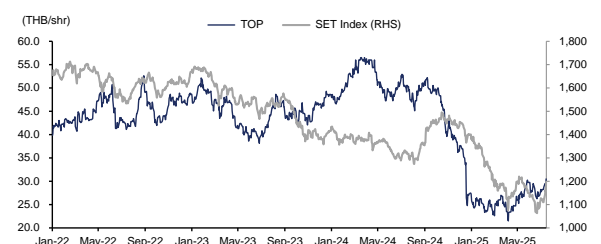
#### Financial forecast

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 (%)		41.0	26.2	59.4
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	3.92	3.82	2.85
P/BV (x)	0.29	0.28	0.27	0.25
ROE (%)	8.90	7.40	7.18	9.04
Dividend yield (%)	13.10	6.39	6.55	8.76

Source: Financial Statement and Globlex securities

#### Share Price Performance (%)

	1M	3M	6M	YTD
Stock	7.02	26.56	15.09	7.96
Market	(0.53)	20.55	28.79	26.18
12M High/Low (THB)				55.50 / 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.

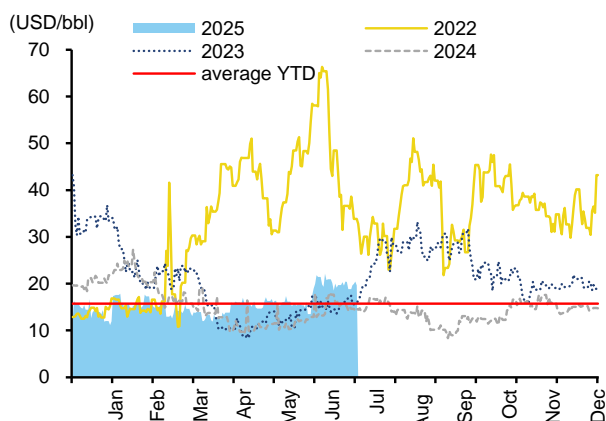
Source: SETSMART, SET

## Exhibit 1: Summary of 2Q25E/6M25E operations

	2Q24	1Q25	2Q25E			6M24	6M25E	chg.	2025E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
Revenue	123,520	106,788	102,516	(4.0)	(17.0)	243,052	209,304	(13.9)	354,372
Operating costs	(114,630)	(100,668)	(95,856)	4.8	16.4	(222,239)	(196,524)	11.6	(320,570)
EBITDA	8,873	6,462	7,280	12.7	(18.0)	19,822	13,742	(30.7)	30,791
EBITDA margin (%)	7.2	6.1	7.1	na	na	8.2	6.6	na	8.7
Depn & amort.	(2,129)	(1,958)	(2,010)	(2.6)	5.6	(4,074)	(3,968)	2.6	(21,969)
EBIT	7,769	5,368	5,270	(1.8)	(32.2)	16,180	10,638	(34.3)	8,821
Interest expense	(1,008)	(969)	(990)	(2.2)	1.8	(2,055)	(1,959)	4.7	(3,959)
Interest & invt inc	1,442	796	790	(0.8)	(45.2)	2,048	1,586	(22.6)	14,567
Associates' contrib	-	(113)	500	543.3	nm	(124)	387	412.3	(138)
Exceptionals	(17)	342	620	81.3	3,742.1	(991)	962	na	-
Pretax profit	8,185	5,424	6,190	14.1	(24.4)	15,058	11,614	(22.9)	18,914
Tax	(1,154)	(883)	(929)	(5.1)	19.5	(2,618)	(1,812)	30.8	(3,783)
Tax rate (%)	14.1	16.3	15.0	na	na	17.4	15.6	na	20.0
Minority interests	(19)	(12)	-	nm	nm	(58)	(12)	79.3	(22)
Net profit	5,587	3,504	5,262	50.2	(5.8)	11,450	8,765	(23.4)	15,110
Non-recurring	1,716	105	1,742	1,566.3	1.5	(985)	1,846	287.4	-
Core net profit	3,871	3,399	3,520	3.6	(9.1)	12,435	6,919	(44.4)	15,110
EPS (THB)	2.74	1.72	2.58	50.2	(5.8)	5.61	4.30	(23.4)	7.41
Core EPS (THB)	1.90	1.67	1.73	3.6	(9.1)	6.10	3.39	(44.4)	7.41

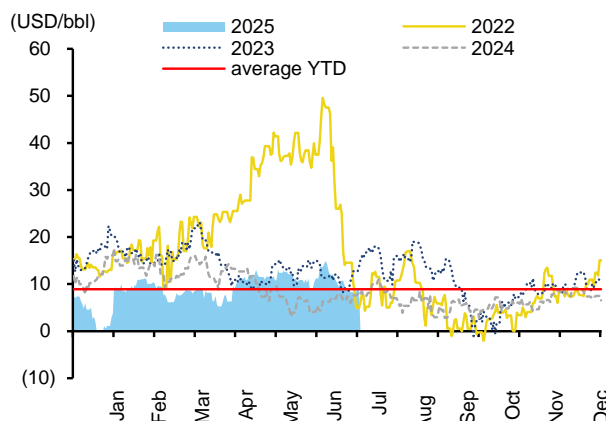
Sources: TOP, Globlex Research

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



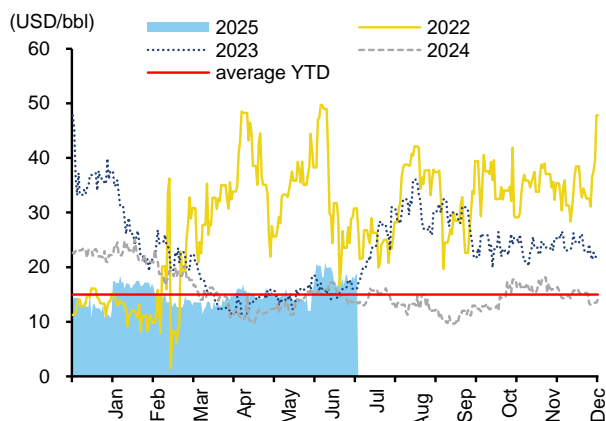
Sources: Bloomberg, Globlex Research

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



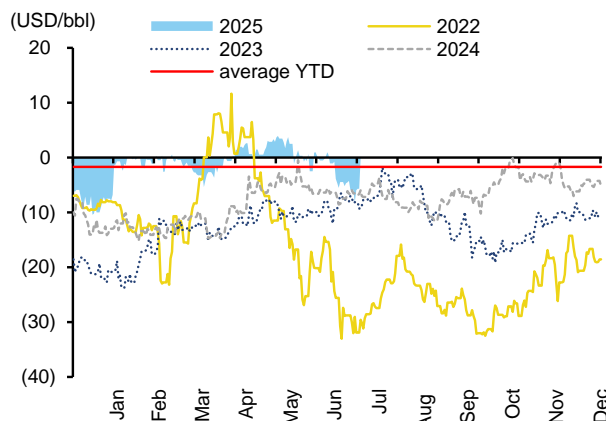
Sources: Bloomberg, Globlex Research

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



Sources: Bloomberg, Globlex Research

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



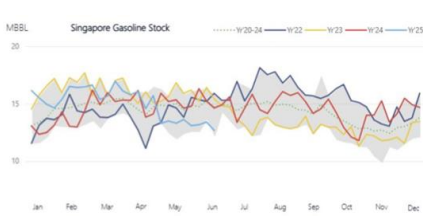
Sources: Bloomberg, Globlex Research

**Exhibit 6: Gasoline inventory - US**



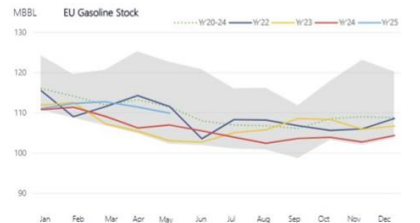
Sources: TOP

**Exhibit 7: Gasoline inventory - SG**



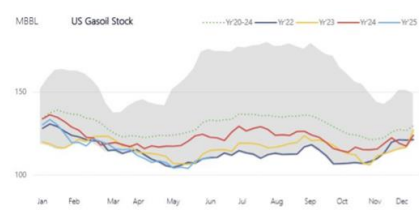
Sources: TOP

**Exhibit 8: Gasoline inventory - EU**



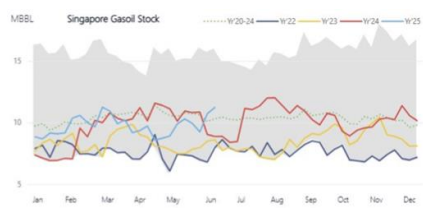
Sources: TOP

**Exhibit 9: Middle distillate inventory - US**



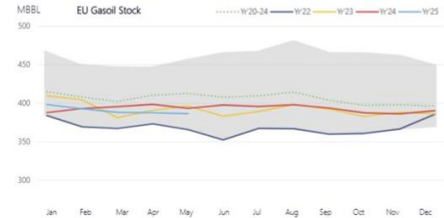
Sources: TOP

**Exhibit 10: Middle distillate inventory - SG**



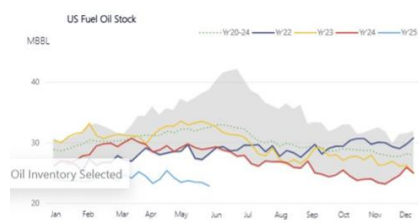
Sources: TOP

**Exhibit 11: Middle distillate inventory - EU**



Sources: TOP

**Exhibit 12: Fuel oil inventory - US**



Sources: TOP

**Exhibit 13: Fuel oil inventory - SG**



Sources: TOP

**Exhibit 14: Fuel oil inventory - EU**



Sources: TOP

**Exhibit 15: China gasoline export**



Sources: TOP

**Exhibit 16: China gasoil export**



Sources: TOP

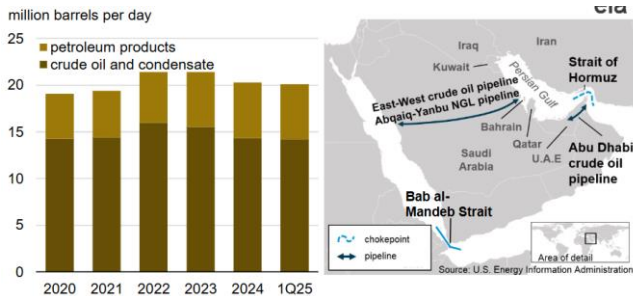
**Exhibit 17: China jet export**



Sources: TOP

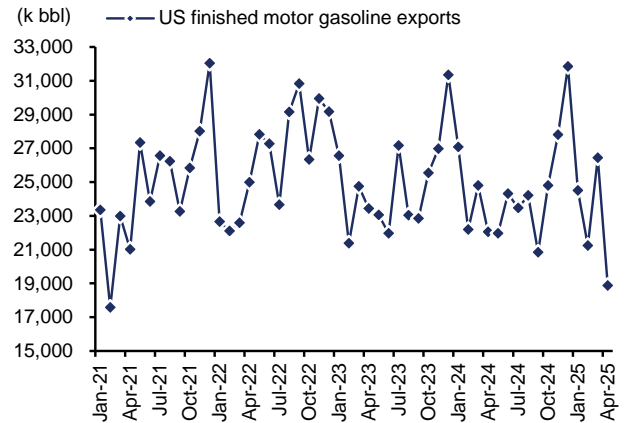


**Exhibit 18: Volume of petroleum transported through the strait of Hormuz**



Sources: EIA

**Exhibit 19: US finished motor gasoline exports**



Sources: EIA

Balance sheet (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Current assets</b>					
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
<b>Non-current assets</b>					
Net fixed assets	218,618	224,153	257,884	278,836	287,644
Others	62,063	76,426	103,417	90,372	77,341
<b>Total Assets</b>	<b>438,092</b>	<b>444,227</b>	<b>487,096</b>	<b>498,249</b>	<b>524,024</b>

<b>Current liabilities</b>					
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
<b>Long-term liabilities</b>					
Long-term debts	149,666	146,717	146,717	146,717	146,717
Others	28,514	28,445	85,423	85,423	85,423
<b>Total liabilities</b>	<b>251,681</b>	<b>242,826</b>	<b>274,162</b>	<b>273,498</b>	<b>283,528</b>
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
<b>Shareholders' equity</b>	<b>186,411</b>	<b>201,402</b>	<b>212,934</b>	<b>224,751</b>	<b>240,495</b>

Key ratios					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Growth (%YoY)</b>					
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
<b>Profitability (%)</b>					
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
<b>Stability</b>					
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
<b>Activity</b>					
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
<b>Revenue</b>	<b>459,402</b>	<b>455,857</b>	<b>354,372</b>	<b>347,576</b>	<b>466,605</b>
Cost of goods sold	(420,395)	(434,851)	(320,570)	(311,299)	(420,869)
<b>Gross profit</b>	<b>39,007</b>	<b>21,006</b>	<b>33,802</b>	<b>36,277</b>	<b>45,736</b>
Operating expenses	(3,521)	(3,874)	(3,012)	(2,954)	(3,965)
<b>Operating profit</b>	<b>35,486</b>	<b>17,132</b>	<b>30,791</b>	<b>33,323</b>	<b>41,771</b>
<b>EBIT</b>	<b>27,687</b>	<b>9,026</b>	<b>8,821</b>	<b>8,688</b>	<b>15,000</b>
Depreciation	(7,799)	(8,106)	(21,969)	(24,635)	(26,771)
<b>EBITDA</b>	<b>35,486</b>	<b>17,132</b>	<b>30,791</b>	<b>33,323</b>	<b>41,771</b>
<b>Non-operating income</b>	<b>575</b>	<b>7,422</b>	<b>14,190</b>	<b>14,713</b>	<b>14,860</b>
Other incomes	8,331	14,423	14,567	14,713	14,860
Other non-op income	(7,756)	(7,001)	(377)	0	0
<b>Non-operating expense</b>	<b>(4,089)</b>	<b>(4,052)</b>	<b>(3,959)</b>	<b>(3,866)</b>	<b>(3,773)</b>
Interest expense	(4,089)	(4,052)	(3,959)	(3,866)	(3,773)
Other non-op expense					
<b>Equity income/(loss)</b>	<b>84</b>	<b>(132)</b>	<b>(138)</b>	<b>(145)</b>	<b>(152)</b>
<b>Pre-tax Profit</b>	<b>24,257</b>	<b>12,264</b>	<b>18,914</b>	<b>19,390</b>	<b>25,935</b>
Extraordinary items					
Current taxation	(4,672)	(2,283)	(3,783)	(3,878)	(5,187)
Minorities	(142)	(22)	(22)	(22)	(22)
<b>Net Profit</b>	<b>19,443</b>	<b>9,959</b>	<b>15,110</b>	<b>15,489</b>	<b>20,725</b>
<b>Core net profit</b>	<b>27,412</b>	<b>17,012</b>	<b>15,110</b>	<b>15,489</b>	<b>20,725</b>
<b>EPS (THB)</b>	<b>9.53</b>	<b>4.88</b>	<b>7.41</b>	<b>7.59</b>	<b>10.16</b>
<b>Core EPS (THB)</b>	<b>13.44</b>	<b>8.34</b>	<b>7.41</b>	<b>7.59</b>	<b>10.16</b>

Cash flow (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Operating cash flow</b>	<b>31,966</b>	<b>18,426</b>	<b>47,432</b>	<b>40,818</b>	<b>35,354</b>
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
<b>Investment cash flow</b>	<b>23,849</b>	<b>28,426</b>	<b>(40,701)</b>	<b>(30,587)</b>	<b>(20,579)</b>
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
<b>Free cash flow</b>	<b>55,815</b>	<b>46,852</b>	<b>6,731</b>	<b>10,231</b>	<b>14,775</b>
<b>Financing cash flow</b>	<b>(70,959)</b>	<b>(46,241)</b>	<b>(5,468)</b>	<b>(5,568)</b>	<b>(6,885)</b>
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)
<b>Net cash flow</b>	<b>(15,145)</b>	<b>611</b>	<b>1,263</b>	<b>4,662</b>	<b>7,890</b>
<b>Per share (THB)</b>					
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
<b>Valuation</b>					
P/E (x)	5.6	5.8	3.9	3.8	2.9
P/BV (x)	0.60	0.29	0.28	0.27	0.25
Dividend yield (%)	6.88	13.10	6.39	6.55	8.76
Dividend payout ratio (%)	38.82	75.79	25.00	25.00	25.00

## GENERAL DISCLAIMER

### Analyst Certification

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## RECOMMENDATION STRUCTURE

### Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as (target price\* - current price) / 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.