

## Still in the Red

- IRPC posted a THB2.1b net loss in 2Q25 due to a significant inventory loss and weak demand, with EBITDA plunging 86% q-q.
- The company faces a liquidity crunch amid rising debt and plans asset divestments to manage cash, as high costs continue to pressure profitability.
- HOLD with an unchanged TP of THB1.0

## Slim Margins, Sharp Drops

IRPC's 2Q25 net loss (NL) was THB2.1b, down from a NL of THB1.21b in 1Q25 and a NL of THB732m in 2Q24, due to a THB2b inventory loss. Excluding non-recurring items, 2Q25 core NL was THB0.1b, up from a NL of THB1.8b in 1Q25 and a NL of TH1.3b in 2Q24. EBITDA plunged to THB223m, down 86% q-q and 85% y-y. The EBITDA margin was 0.3% vs 1.8% in 2Q24. 2Q25 sales dropped to THB68.6b (-6% q-q, -16 y-y) on weak demands.

## Margins under water

Market GIM was USD8.41/bbl, up 33% q-q, coming from the higher market GRM of USD3.0/bbl, luvbe at USD2.0/bbl, to offset the poor GIM of olefins at USD1.26/bbl and aromatics GIM at USD0.79/bbl, and utilities GIM was USD0.99/bbl. With stock loss of -USD3.48/bbl and hedging gain of USD0.23/bbl, accounting GIM was USD5.16/bbl, far below IRPC's cost of USD11/bbl.

## Facing liquidity crunch

IRPC has seen consecutive quarterly net loss since 2Q24 and core net loss since 4Q23, resulting the shrinking assets from THB184.6b in December 2024 down to THB177.6b in 2Q25. Cash and cash equivalent now is at THB7.6b, down from THB9.9b in December 2024 despite its higher long-term debt which increased from 64.9b in December 2024 to THB72b in 2Q25.

## Liquidity concerns emerge, let alone profitability

During analyst meeting post the 2Q25 result, management indicated that IRPC plans to divest its assets or stakes in JV and subsidiaries in order to raise cash, given the uncertainty of the industry margins for refinery and petrochemical industries. We think IRPC is now standing at the crossroad of liquidity issue and its uncompetitive cost structure of USD11/bbl has been haunting its profitability in the past few years.

## Not time to look for

We maintain HOLD and a TP of THB1.0, based on 8.0x 2025E EV/EBITDA. We think IRPC's weak competitiveness on its high-cost structure will now be a grave concern to investors. Until IRPC could raise cash from its divestment plan, we maintain HOLD and preferred IVL and SCC as out top picks in Thai petrochemical sector.

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ESG Rating : n.a.

CG Rating : ▲▲▲▲▲

## HOLD

<b>Target Price 12M (THB)</b>	<b>1.00</b>
VS. BB Consensus TP (%)	+6.4%
Share Price (THB)	1.00
Upside/Downside	0.0%

### Share Data

Market Cap (THB m)	20,434.42
Par (THB)	1.00
Free Float (%)	51.94
Issued shares (m shares)	20,434

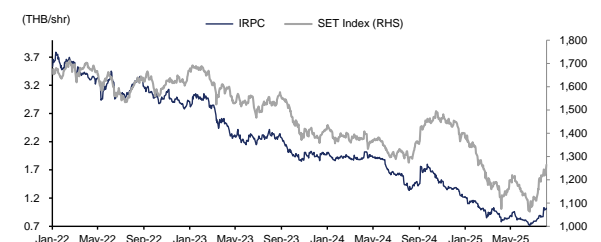
### Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	314,833	323,855	324,128	324,587
Net profit	(5,193)	(1,818)	(1,308)	(957)
Core net profit	(3,568)	(1,818)	(1,308)	(957)
vs Consensus (%)	-	29.3	(152.1)	(198.9)
Net profit growth (%)	(77.7)	65.0	28.0	26.8
Core net profit growth (%)	(61.3)	49.1	28.0	26.8
EPS (THB)	(0.25)	(0.09)	(0.06)	(0.05)
Core EPS (THB)	(0.17)	(0.09)	(0.06)	(0.05)
Chg from previous (%)	-	0.00	0.00	0.00
DPS (THB)	0.03	0.03	0.03	0.03
P/E (x)	(4.84)	(11.24)	(15.62)	(21.35)
P/BV (x)	0.36	0.30	0.31	0.32
ROE (%)	(4.89)	(2.64)	(1.96)	(1.47)
Dividend yield (%)	2.44	3.00	3.00	3.00

Source: Financial Statement and Globlex securities

### Share Price Performance (%)

	1M	3M	6M	YTD
Stock	26.58	12.36	(9.91)	(18.70)
Market	13.69	8.04	(7.04)	(8.71)
12M High/Low (THB)				1.86 / 0.77



### Major Shareholders (%) as of 26 Feb 2025

PTT Public Company Limited	45.05
Siam Management Holding Company Limited	3.00

### Company Profile

The Group's core businesses are 1) Refinery business; its refinery is situated in Rayong province and its petroleum products from the refinery consisted of various kinds of refined oil, diesel, gasoline, lube base oil, fuel oil etc. 2) Petrochemical business, which its products include polymers and other petrochemical products sold to manufacturers as raw materials to plastic converters. 3) Port and tankfarm business, which provides facilities and international standard dock services for domestic and international cargoes. 4) Asset management business, provides asset management services based on its empty plots of land.

Source: SETSMART, SET

### Exhibit 1: Summary of 2Q25/6M25 operations

	2Q24	1Q25	2Q25			6M24	6M25	chg.	2025E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	
<b>Revenue</b>	<b>81,630</b>	<b>72,858</b>	<b>68,617</b>	<b>(5.8)</b>	<b>(15.9)</b>	<b>160,978</b>	<b>141,475</b>	<b>(12.1)</b>	<b>323,855</b>
Operating costs	(80,191)	(71,262)	(68,394)	4.0	14.7	(154,859)	(139,656)	9.8	(309,046)
<b>EBITDA</b>	<b>1,439</b>	<b>1,596</b>	<b>223</b>	<b>(86.0)</b>	<b>(84.5)</b>	<b>6,119</b>	<b>1,819</b>	<b>(70.3)</b>	<b>7,684</b>
EBITDA margin (%)	1.8	2.2	0.3	na	na	3.8	2.5	na	2.4
Depn & amort.	(2,244)	(2,328)	(2,344)	(0.7)	(4.5)	(4,385)	(4,672)	(6.5)	(9,197)
EBIT	(805)	(732)	(2,121)	(189.9)	(163.6)	1,734	(2,853)	(264.5)	(1,513)
Interest expense	(650)	(594)	(673)	(13.3)	(3.5)	(1,150)	(1,267)	(10.1)	(2,422)
Interest & invt inc	247	222	179	(19.3)	(27.5)	566	402	(29.0)	-
Associates' contrib	437	(657)	231	135.1	(47.1)	577	(427)	(174.0)	982
Exceptionals	(260)	450	(364)	(181.0)	(40.0)	(850)	85	110.0	-
<b>Pretax profit</b>	<b>(1,031)</b>	<b>(1,311)</b>	<b>(2,748)</b>	<b>(109.6)</b>	<b>(166.6)</b>	<b>876</b>	<b>(4,059)</b>	<b>(563.2)</b>	<b>(1,854)</b>
Tax	299	111	580	421.2	94.2	(63)	692	1,196.4	-
Tax rate (%)	29.0	8.5	21.1	na	na	7.2	29.6	na	-
Minority interests	(0)	(6)	35	654.7	9,466.5	(1)	29	3,024.5	36
<b>Net profit</b>	<b>(732)</b>	<b>(1,206)</b>	<b>(2,132)</b>	<b>(76.8)</b>	<b>(191.1)</b>	<b>812</b>	<b>(3,338)</b>	<b>(511.0)</b>	<b>(1,818)</b>
Non-recurring	524	589	(2,027)	(444.0)	(486.8)	2,268	2,616	15.4	-
<b>Core net profit</b>	<b>(1,256)</b>	<b>(1,795)</b>	<b>(105)</b>	<b>94.2</b>	<b>91.6</b>	<b>(1,455)</b>	<b>(5,954)</b>	<b>(309.1)</b>	<b>(1,818)</b>
EPS (THB)	(0.04)	(0.06)	(0.10)	(69.4)	(179.0)	0.04	(0.16)	(511.0)	(0.09)
Core EPS (THB)	(0.06)	(0.09)	(0.01)	88.6	83.7	(0.07)	(0.29)	(309.1)	(0.09)

Sources: IRPC; Globlex Research

### Exhibit 2: 2Q25/6M25 key performance

Utilisation rate*	2Q24	1Q25	2Q25			6M24	6M25	chg.
	(%)	(%)	(%)	(q-q %)	(y-y %)	(%)	(%)	(y-y %)
Refinery	94	97	99	2.0	5.0	91	98	7.0
RDCC	81	103	87	(16.0)	6.0	95	95	0.0
Lube-based oil	83	87	84	(3.0)	1.0	74	85	11.0
Olefins	85	81	82	1.0	(3.0)	82	82	0.0
Aromatics and Styrenics	84	74	79	5.0	(5.0)	79	77	(2.0)
Electricity	54	55	51	(4.0)	(3.0)	56	53	(3.0)
Steam	56	63	66	3.0	10.0	58	64	6.0
	(USD/bbl)	(USD/bbl)	(USD/bbl)	(q-q %)	(y-y %)	(USD/bbl)	(q-q %)	(y-y %)
<b>Market GIM</b>	<b>5.1</b>	<b>6.8</b>	<b>8.4</b>	<b>23.5</b>	<b>64.3</b>	<b>7.2</b>	<b>7.4</b>	<b>3.2</b>
Refinery	1.7	2.1	3.0	40.5	78.8	3.8	2.5	(33.2)
Lube-based oil	0.8	2.0	2.4	21.0	202.5	0.8	2.1	163.8
Olefins	1.3	1.30	1.26	(3.1)	(6.0)	1.4	1.1	(21.3)
Aromatics and Styrenics	0.5	0.38	0.79	107.9	64.6	0.4	0.7	55.8
Utilities	0.9	1.03	0.99	(3.9)	16.5	1.0	1.0	1.0
<b>Stock Gain/(Loss) &amp; LCM</b>	<b>1.7</b>	<b>0.8</b>	<b>(3.5)</b>	<b>(514.3)</b>	<b>(302.3)</b>	<b>2.7</b>	<b>(1.3)</b>	<b>(149.8)</b>
<b>Hedging</b>	<b>0.4</b>	<b>0.2</b>	<b>0.2</b>	<b>21.1</b>	<b>(34.3)</b>	<b>0.2</b>	<b>0.2</b>	<b>(8.7)</b>
<b>Accounting GIM</b>	<b>7.2</b>	<b>7.84</b>	<b>5.16</b>	<b>(34.2)</b>	<b>(28.2)</b>	<b>10.1</b>	<b>6.3</b>	<b>(37.7)</b>

Sources: IRPC

### Exhibit 3: 2Q25/6M25 quarterly information

Quarterly information	2Q24	1Q25	2Q25			6M24	6M25	chg.
				(q-q %)	(y-y %)			(y-y %)
Crude intake (m bbl)	18.32	17.97	18.65	3.8	1.8	34.91	36.62	4.9
Sales volume (THB m)	81,630	72,858	68,617	(5.8)	(15.9)	160,978	141,475	(12.1)
Net sales (THB m)	74,066	62,224	56,802	(8.7)	(23.3)	148,710	119,026	(20.0)
Market GIM (THB m)	3,465	3,886	5,219	34.3	50.6	9,083	9,105	0.2
Market GIM (USD/bbl)	5.12	6.34	8.41	32.6	64.3	7.16	7.39	3.2
Accounting GIM (THB m)	4,869	4,518	3,200	(29.2)	(34.3)	12,771	7,718	(39.6)
Accounting GIM (USD/bbl)	7.19	7.37	5.16	(30.0)	(28.2)	10.06	6.27	(37.7)

Sources: IRPC

Balance sheet (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Current assets</b>					
Cash & ST investment	6,220	9,924	7,375	5,174	3,654
Account receivable	15,597	13,269	10,875	8,479	6,080
Inventories	32,413	28,791	29,247	29,248	29,251
Others	7,453	5,015	5,158	5,163	5,170
<b>Non-current assets</b>					
Net fixed assets	114,362	109,789	107,759	105,410	102,741
Others	16,616	17,767	17,767	17,767	17,767
<b>Total Assets</b>	<b>192,661</b>	<b>184,555</b>	<b>178,181</b>	<b>171,241</b>	<b>164,663</b>

<b>Current liabilities</b>					
Account payable	34,305	29,589	30,058	30,059	30,062
ST borrowing	7,200	6,800	6,800	6,800	6,800
Others	17,439	17,455	17,955	17,970	17,995
<b>Long-term liabilities</b>					
Long-term debts	52,945	55,727	50,727	45,727	40,727
Others	4,650	4,875	4,875	4,875	4,875
<b>Total liabilities</b>	<b>116,539</b>	<b>114,447</b>	<b>110,415</b>	<b>105,432</b>	<b>100,460</b>
Pai-up capital	20,434	20,434	20,434	20,434	20,434
Retained earnings	27,046	21,285	18,855	16,934	15,364
Others	28,430	28,246	28,371	28,371	28,371
Minority interest	211	143	106	70	34
<b>Shareholders' equity</b>	<b>76,122</b>	<b>70,109</b>	<b>67,766</b>	<b>65,809</b>	<b>64,203</b>

Key ratios					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Growth (%YoY)</b>					
Sales	(1.8)	(1.3)	2.9	0.1	0.1
Operating profit	(49.3)	(49.0)	177.1	3.2	5.3
EBITDA	(42.7)	(28.5)	74.7	3.2	5.3
Net profit	33.0	(77.7)	65.0	28.0	26.8
Core net profit	49.3	(61.3)	49.1	28.0	26.8
EPS	33.0	(77.7)	65.0	28.0	26.8
Core EPS	49.3	(61.3)	49.1	28.0	26.8
<b>Profitability (%)</b>					
Gross margin	3.8	3.4	4.6	4.6	4.8
Operation margin	1.7	0.9	2.4	2.4	2.6
EBITDA margin	1.9	1.4	2.4	2.4	2.6
Net margin	(0.9)	(1.6)	(0.6)	(0.4)	(0.3)
ROE	(2.8)	(4.9)	(2.6)	(2.0)	(1.5)
ROA	(0.3)	(0.8)	0.0	0.2	0.3
<b>Stability</b>					
Interest bearing debt/equity (x)	0.8	0.9	0.8	0.8	0.7
Net debt/equity (x)	0.7	0.8	0.7	0.7	0.7
Interest coverage (x)	(1.2)	(1.9)	(0.6)	(0.7)	(0.8)
Interest & ST debt coverage (x)	(0.3)	(0.5)	(0.2)	(0.2)	(0.2)
Cash flow interest coverage (x)	0.1	0.1	0.1	0.1	0.1
Current ratio (x)	1.0	1.1	1.0	0.9	0.8
Quick ratio (x)	0.4	0.4	0.3	0.2	0.2
Net debt (THB m)	53,925	52,603	50,152	47,353	43,873
<b>Activity</b>					
Asset turnover (X)	1.6	1.7	1.8	1.9	1.9
Days receivables	17.5	16.7	13.6	10.9	8.2
Days inventory	42.7	36.7	34.3	34.5	34.5
Days payable	40.9	38.3	35.2	35.5	35.5
Cash cycle days	19.3	15.1	12.7	9.9	7.2

Profit & loss (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Revenue</b>	<b>319,047</b>	<b>314,833</b>	<b>323,855</b>	<b>324,128</b>	<b>324,587</b>
Cost of goods sold	(306,832)	(304,232)	(309,046)	(309,064)	(309,093)
<b>Gross profit</b>	<b>12,215</b>	<b>10,601</b>	<b>14,809</b>	<b>15,064</b>	<b>15,494</b>
Operating expenses	(6,777)	(7,827)	(7,125)	(7,131)	(7,141)
<b>Operating profit</b>	<b>5,437</b>	<b>2,773</b>	<b>7,684</b>	<b>7,934</b>	<b>8,353</b>
<b>EBIT</b>	<b>(2,517)</b>	<b>(4,741)</b>	<b>(1,513)</b>	<b>(1,583)</b>	<b>(1,482)</b>
Depreciation	(8,666)	(9,140)	(9,197)	(9,516)	(9,835)
<b>EBITDA</b>	<b>6,149</b>	<b>4,399</b>	<b>7,684</b>	<b>7,934</b>	<b>8,353</b>
<b>Non-operating income</b>	<b>853</b>	<b>818</b>	<b>1,100</b>	<b>1,400</b>	<b>1,400</b>
Other incomes	853	818	1,100	1,400	1,400
Other non-op income	-	-	-	-	-
<b>Non-operating expense</b>	<b>(2,789)</b>	<b>(4,135)</b>	<b>(2,422)</b>	<b>(2,143)</b>	<b>(1,893)</b>
Interest expense	(2,077)	(2,510)	(2,422)	(2,143)	(1,893)
Other non-op expense	(712)	(1,625)	-	-	-
<b>Equity income/(loss)</b>	<b>254</b>	<b>982</b>	<b>982</b>	<b>982</b>	<b>982</b>
<b>Pre-tax Profit</b>	<b>(4,199)</b>	<b>(7,076)</b>	<b>(1,854)</b>	<b>(1,344)</b>	<b>(993)</b>
Extraordinary items	515	373	-	-	-
Current taxation	772	1,474	-	-	-
Minorities	(11)	36	36	36	36
<b>Net Profit</b>	<b>(2,923)</b>	<b>(5,193)</b>	<b>(1,818)</b>	<b>(1,308)</b>	<b>(957)</b>
<b>Core net profit</b>	<b>(2,211)</b>	<b>(3,568)</b>	<b>(1,818)</b>	<b>(1,308)</b>	<b>(957)</b>
<b>EPS (THB)</b>	<b>(0.14)</b>	<b>(0.25)</b>	<b>(0.09)</b>	<b>(0.06)</b>	<b>(0.05)</b>
<b>Core EPS (THB)</b>	<b>(0.11)</b>	<b>(0.17)</b>	<b>(0.09)</b>	<b>(0.06)</b>	<b>(0.05)</b>

Cash flow (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Operating cash flow</b>					
Net profit	(2,923)	(5,193)	(1,818)	(1,308)	(957)
Depre. & amortization	8,666	9,140	9,197	9,516	9,835
Change in working capital	10,915	3,687	2,763	2,407	2,418
Others	254	982	982	982	982
<b>Investment cash flow</b>	<b>(11,360)</b>	<b>(4,824)</b>	<b>(6,888)</b>	<b>(6,834)</b>	<b>(6,809)</b>
Net CAPEX	(11,346)	(4,317)	(6,888)	(6,834)	(6,809)
Change in LT investment	(473)	(679)	-	-	-
Change in other assets	460	172	-	-	-
<b>Free cash flow</b>	<b>5,553</b>	<b>3,792</b>	<b>4,236</b>	<b>4,763</b>	<b>5,469</b>
<b>Financing cash flow</b>	<b>(2,563)</b>	<b>(88)</b>	<b>(6,785)</b>	<b>(6,964)</b>	<b>(6,989)</b>
Change in share capital	-	-	-	-	-
Net change in debt	(704)	2,382	(5,000)	(5,000)	(5,000)
Dividend paid	(817)	(613)	(613)	(613)	(613)
Others	(1,042)	(1,857)	(1,172)	(1,351)	(1,376)
<b>Net cash flow</b>	<b>2,990</b>	<b>3,704</b>	<b>(2,549)</b>	<b>(2,201)</b>	<b>(1,520)</b>
<b>Per share (THB)</b>					
EPS	(0.14)	(0.25)	(0.09)	(0.06)	(0.05)
Core EPS	(0.11)	(0.17)	(0.09)	(0.06)	(0.05)
CFPS	0.26	0.17	0.36	0.40	0.43
BVPS	3.71	3.42	3.31	3.22	3.14
Sales/share	15.61	15.41	15.85	15.86	15.88
EBITDA/share	0.30	0.22	0.38	0.39	0.41
DPS	0.03	0.03	0.03	0.03	0.03
<b>Valuation</b>					
P/E (x)	(14.12)	(4.84)	(11.24)	(15.62)	(21.35)
P/BV (x)	0.54	0.36	0.30	0.31	0.32
Dividend yield (%)	1.49	2.44	3.00	3.00	3.00
Dividend payout ratio (%)	(20.97)	(11.80)	(33.73)	(46.87)	(64.05)

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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.