TIPCO ASPHALT (TASCO TB)

THAILAND / SET / CONSTRUCTION MATERIALS

Globlex Securities Co., Ltd.

6 January 2026

Waiting for the Right Barrel

- We see TASCO's near-term earnings as well supported by resilient margins, limiting downside despite muted volumes.
- In mid to long term, renewed access to Venezuelan crude offers a margin expansion, volume recovery, and earnings re-rating.
- Maintain BUY at TP of THB18.0

Geopolitics Over Supply: Heavy Crude in Focus

U.S.–Venezuela tensions have intensified in early Jan-2026, but we see the situation as a geopolitical maneuver rather than a supply-driven shock, as Venezuela's output remains structurally constrained production. The focus is on strategic control over heavy crude rather than near-term volume disruption. From our perspective, increased U.S. oversight could be positive for TASCO: if sanctions ease and Venezuelan heavy crude becomes accessible again after being restricted since 2020, improved feedstock quality would support higher asphalt yields, stronger margins, and a recovery in sales volumes.

When Crude Quality Matters Most

TASCO's refining model is structurally different from conventional refineries, as it relies on heavy crude to maximize asphalt yield rather than light product. Following the 2020 sanctions, TASCO was forced to replace its preferred Venezuelan crude with alternatives, resulting in lower asphalt yields, higher feedstock costs, and structurally weaker margins and volumes. As a result, TASCO's sales volume has declined from around 0.4-0.6 mt per quarter to roughly 0.2-0.3 mt per quarter. To protect the margins, TASCO has increasingly prioritized higher-margin retail and domestic markets while reducing exports.

Holding the Base in Near Term

In the near to medium term, we expect annual net profit to remain in the THB1.2–1.5b range, supported by resilient margins despite a muted volume backdrop while domestic asphalt demand remains capped at around 1mtpa, limiting growth potential in Thailand without a major infrastructure stimulus. The upcoming general election in Feb-25 represents a key catalyst. If a new cabinet is formed in a timely manner, approval of the FY2026–27 budget (Oct 2026–Sep 2027) could accelerate public infrastructure spending. This would translate into stronger asphalt demand, firmer ASPs, and higher margin.

Venezuela as the Missing Piece in TASCO's Recovery

Over the longer term, we expect a return to Venezuelan heavy crude, the impact would be structurally positive, driving higher asphalt yields, stronger margins, and a recovery in sales volumes. We estimate this could lift annual net profit by around THB0.8–1.0b, restoring TASCO's cost competitiveness and improving earnings visibility over the cycle.

Maintain BUY at TP of THB18.0

We maintain BUY with a TP of THB18 on 9.5x EV/EBITDA, reflecting limited downside with resilient base earnings, while medium-to-long-term upside comes from margin and volume recovery if access to Venezuelan heavy crude, driving earnings and valuation re-rating.

Analyst

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ESG Rating : AA

CG Rating :

BUY

Target Price 12M (THB)	**18.00**
VS. BB Consensus TP (%)	+9.2%
Share Price (THB)	15.30
Upside/Downside	+17.6%

Share Data

Market Cap (THB m)	24,148.93
Par (THB)	1.00
Free Float (%)	41.75
Issued shares (m shares)	1,578

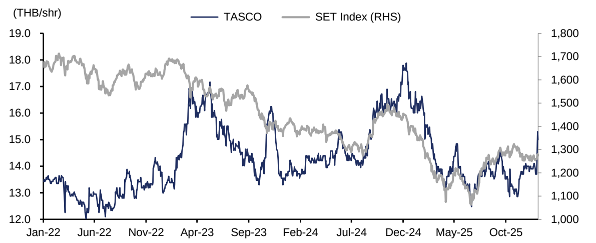
Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	27,964	25,999	27,570	27,570
Net profit	1,417	1,802	2,052	1,430
Core net profit	1,407	1,802	2,052	1,430
vs Consensus (%)		3.3	10.0	(21.9)
Net profit growth (%)	(38.5)	27.2	13.8	(30.3)
Core net profit growth (%)	(42.4)	28.1	13.8	(30.3)
EPS (THB)	0.90	1.14	1.30	0.91
Core EPS (THB)	0.89	1.14	1.30	0.91
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	0.90	0.69	0.78	0.54
P/E (x)	20.16	13.40	11.77	16.89
P/BV (x)	1.80	1.54	1.45	1.42
ROE (%)	8.74	11.41	12.69	8.51
Dividend yield (%)	4.97	4.48	5.10	3.55

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	9.29	6.25	10.07	11.68
Market	8.75	7.38	(3.70)	9.90
12M High/Low (THB)				19.00 / 13.20



Major Shareholders (%) as of 24 Nov 2025

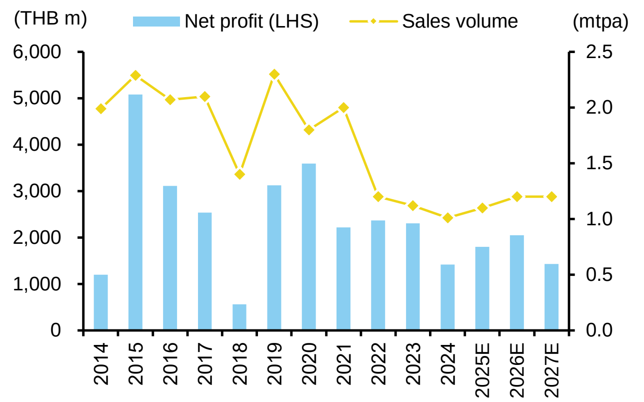
BNP Paribas Securities (Asia) Ltd-For Colas	31.09
Tipco Foods Public Company Limited	23.07

Company Profile

Tipco Asphalt Public Company Limited ("the Company") was established in 1979. The Company, its subsidiaries, joint ventures and associated companies ("the Group") are leading manufacturers and distributors of asphalt products for repairing, maintaining and constructing road pavements, highways and airport runways in Thailand and Asia-Pacific region. Its asphalt products are sold to importers and road contractors in Africa, Australia and North America as well.

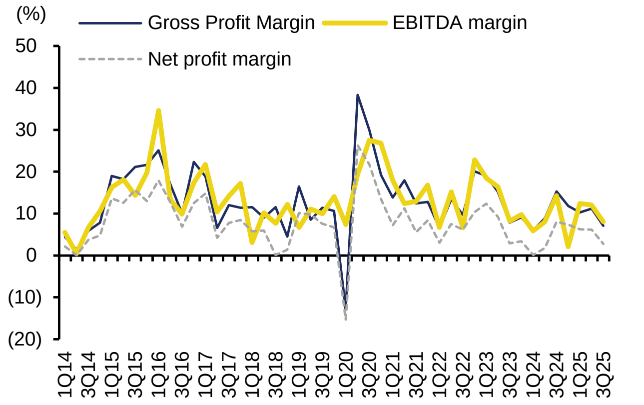
Source: SETSMART, SET

Exhibit 1: Annually net profit vs Sales volume



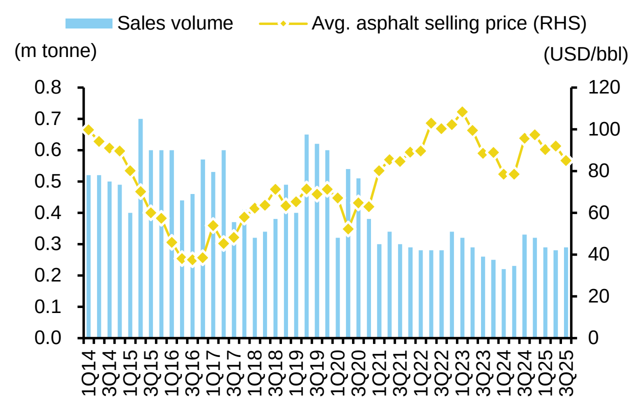
Sources: TASCO; Globlex Research

Exhibit 2: Gros profit margin, EBITDA margin, Net profit margin



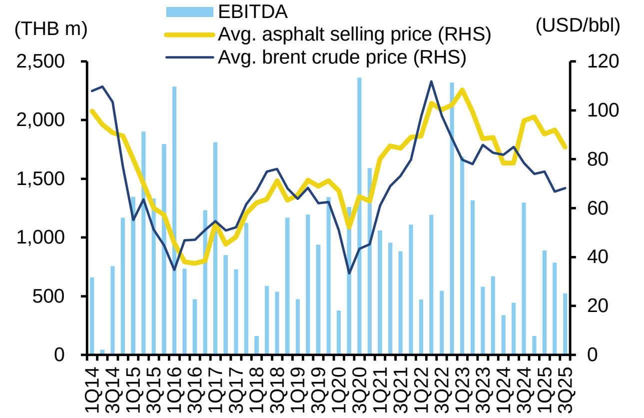
Sources: TASCO; Globlex Research

Exhibit 3: Quarterly sales volume vs ASP



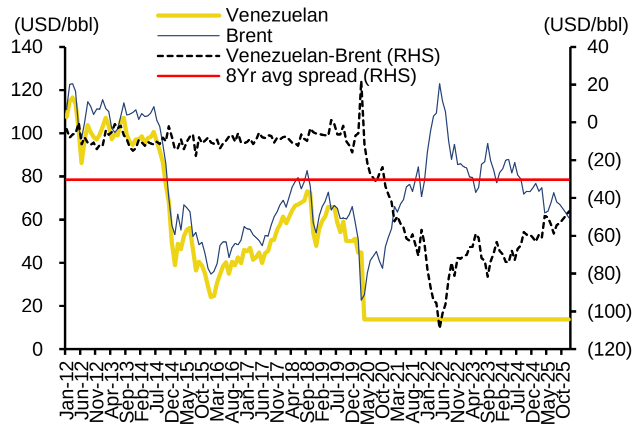
Sources: TASCO; Globlex Research

Exhibit 4: EBITDA, ASP, Brent crude price



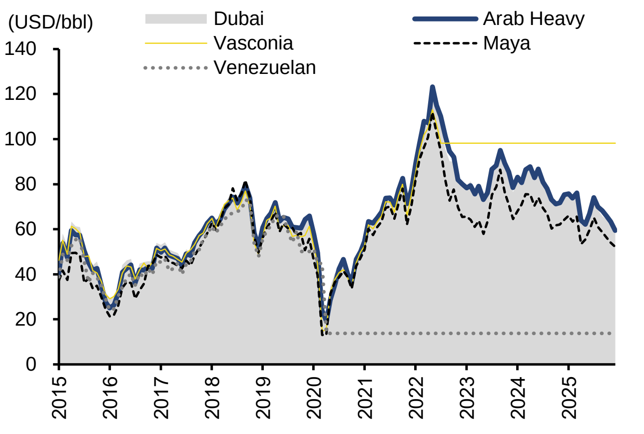
Sources: TASCO; Globlex Research

Exhibit 5: Venezuelan crude vs Brent crude price



Sources: Bloomberg; Globlex Research

Exhibit 6: Heavy crude price



Sources: Bloomberg; Globlex Research

Balance sheet (THB m)					
Year ending Dec	**2023**	**2024**	**2025E**	**2026E**	**2027E**
Current assets					
Cash & ST investment	3,002	1,846	2,188	1,907	1,193
Account receivable	4,624	5,722	5,722	5,722	5,722
Inventories	4,908	5,930	5,712	6,012	6,202
Others	1,846	1,427	1,327	1,407	1,407
Non-current assets					
Net fixed assets	7,001	6,670	7,867	8,868	9,869
Others	2,283	2,194	2,194	2,194	2,194
Total Assets	**23,664**	**23,789**	**25,009**	**26,109**	**26,586**
Current liabilities					
Account payable	2,848	2,864	2,758	2,903	2,995
ST borrowing	2,279	3,035	3,035	3,035	3,035
Others	814	1,062	988	1,047	1,047
Long-term liabilities					
Long-term debts	328	281	1,840	1,840	1,840
Others	492	454	454	454	454
Total liabilities	**6,762**	**7,696**	**9,075**	**9,280**	**9,372**
Paid-up capital	1,578	1,578	1,578	1,578	1,578
Retained earnings	14,508	14,331	14,172	15,067	15,452
Others	250	(31)	(31)	(31)	(31)
Minority interest	565	215	215	215	215
Shareholders' equity	**16,902**	**16,093**	**15,934**	**16,829**	**17,215**

Profit & loss (THB m)					
Year ending Dec	**2023**	**2024**	**2025E**	**2026E**	**2027E**
Revenue	**31,106**	**27,964**	**25,999**	**27,570**	**27,570**
Cost of goods sold	(25,635)	(23,725)	(22,843)	(24,042)	(24,801)
Gross profit	**5,471**	**4,239**	**3,156**	**3,528**	**2,769**
Operating expenses	(1,262)	(1,243)	(1,156)	(1,226)	(1,226)
Operating profit	**4,209**	**2,995**	**2,000**	**2,302**	**1,543**
EBIT	**3,014**	**1,883**	**1,500**	**1,802**	**1,043**
Depreciation	(1,195)	(1,112)	(500)	(500)	(500)
EBITDA	**4,209**	**2,995**	**2,000**	**2,302**	**1,543**
Non-operating income	**(23)**	**7**	**718**	**722**	**719**
Other incomes	(52)	(21)	700	700	700
Other non-op income	29	29	18	22	19
Non-operating expense	**(195)**	**(135)**	**(110)**	**(110)**	**(110)**
Interest expense	(143)	(148)	(110)	(110)	(110)
Other non-op expense	(52)	13	0	0	0
Equity income/(loss)	112	110	80	80	80
Pre-tax Profit	**2,907**	**1,865**	**2,188**	**2,494**	**1,732**
Extraordinary items					
Current taxation	(583)	(411)	(386)	(442)	(303)
Minorities	(20)	(37)	0	0	0
Net Profit	**2,304**	**1,417**	**1,802**	**2,052**	**1,430**
Core net profit	**2,442**	**1,407**	**1,802**	**2,052**	**1,430**
EPS (THB)	**1.46**	**0.90**	**1.14**	**1.30**	**0.91**
Core EPS (THB)	**1.55**	**0.89**	**1.14**	**1.30**	**0.91**

Key ratios					
Year ending Dec	**2023**	**2024**	**2025E**	**2026E**	**2027E**
Growth (%YoY)					
Sales	(6.9)	(10.1)	(7.0)	6.0	0.0
Operating profit	(7.9)	(28.8)	(33.2)	15.1	(33.0)
EBITDA	(7.9)	(28.8)	(33.2)	15.1	(33.0)
Net profit	(2.6)	(38.5)	27.2	13.8	(30.3)
Core net profit	(8.5)	(42.4)	28.1	13.8	(30.3)
EPS	(2.6)	(38.5)	27.2	13.8	(30.3)
Core EPS	(8.5)	(42.4)	28.1	13.8	(30.3)
Profitability (%)					
Gross margin	17.6	15.2	12.1	12.8	10.0
Operation margin	13.5	10.7	7.7	8.4	5.6
EBITDA margin	13.5	10.7	7.7	8.4	5.6
Net margin	7.4	5.1	6.9	7.4	5.2
ROE	15.0	8.7	11.4	12.7	8.5
ROA	10.2	6.5	7.7	8.3	5.7
Stability					
Interest bearing debt/equity (x)	0.2	0.2	0.3	0.3	0.3
Net debt/equity (x)	n.a.	0.1	0.2	0.2	0.2
Interest coverage (x)	21.1	12.7	13.6	16.3	9.5
Interest & ST debt coverage (x)	1.2	0.6	0.5	0.6	0.3
Cash flow interest coverage (x)	0.7	0.2	0.3	0.3	0.2
Current ratio (x)	2.4	2.1	2.2	2.2	2.1
Quick ratio (x)	1.3	1.1	1.2	1.1	1.0
Net debt (THB m)	(394)	1,470	2,688	2,969	3,683
Activity					
Asset turnover (X)	1.2	1.2	1.1	1.1	1.0
Days receivables	68.1	67.5	80.3	75.7	75.7
Days inventory	70.4	83.4	93.0	89.0	89.9
Days payable	46.8	43.9	44.9	43.0	43.4
Cash cycle days	91.7	107.0	128.4	121.8	122.2

Cash flow (THB m)					
Year ending Dec	**2023**	**2024**	**2025E**	**2026E**	**2027E**
Operating cash flow	**4,605**	**1,203**	**2,521**	**2,456**	**1,911**
Net profit	2,304	1,417	1,802	2,052	1,430
Depre.& amortization	1,195	1,112	500	500	500
Change in working capital	993	(1,437)	138	(176)	(98)
Others	112	110	80	80	80
Investment cash flow	**2,891**	**3,151**	**(1,617)**	**(1,421)**	**(1,421)**
Net CAPEX	(610)	(781)	(1,697)	(1,501)	(1,501)
Change in LT investment	3,573	3,913	80	80	80
Change in other assets	(72)	18	0	0	0
Free cash flow	**7,496**	**4,354**	**903**	**1,035**	**490**
Financing cash flow	**(4,494)**	**(2,508)**	**1,284**	**871**	**702**
Change in share capital	0	0	0	0	0
Net change in debt	(1,047)	709	1,559	0	0
Dividend paid	(5,603)	(5,366)	(1,961)	(1,156)	(1,044)
Others	2,156	2,150	1,686	2,028	1,747
Net cash flow	**3,002**	**1,846**	**2,188**	**1,907**	**1,193**
Per share (THB)					
EPS	1.46	0.90	1.14	1.30	0.91
Core EPS	1.55	0.89	1.14	1.30	0.91
CFPS	2.23	1.63	1.46	1.62	1.22
BVPS	10.35	10.06	9.96	10.53	10.77
Sales/share	19.71	17.72	16.47	17.47	17.47
EBITDA/share	2.67	1.90	1.27	1.46	0.98
DPS	1.25	0.90	0.69	0.78	0.54
Valuation					
P/E (x)	11.2	20.2	13.4	11.8	16.9
P/BV (x)	1.58	1.80	1.54	1.45	1.42
Dividend yield (%)	7.62	4.97	4.48	5.10	3.55
Divdend payout ratio (%)	85.62	100.24	60.00	60.00	60.00

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.