THAI OIL (TOP TB)

THAILAND / SET / ENERGY & UTILITIES

Globlex Securities Co., Ltd.

20 August 2026

GRM tailwinds are brisker ahead

- 3Q26 QTD GRM of USD24/bbl is likely to exceed market's expectation by 4x and beat by 3x in 4Q26 (USD15/bbl vs USD5/bbl)
- Regardless of war to end or not, TOP's GRM will beat expectations
- BUY ahead of 2H26E stronger-than-expected GRM outlook

Share price plunge offers a highly attractive entry point

We believe the recent 10% TOP's share price plunge from its recent peak at THB68.75 within a week is due to investors' concern on the potential market GRM decline from the high levels of USD21.2/bbl in 2Q26 and USD12.6/bbl in 1Q26. However, our analysis indicated that market GRMs in 3Q26E will be on par or even above USD21.2/bbl seen in 2Q26, given QTD the crack spreads of diesel, jet, and gasoline are all staying at higher-than-expected levels, potentially driving TOP's 2H26E net profit to reach THB13-17b vs THB27b booked in 1H26.

3x higher in 3Q26E/ 4x higher in 4Q26E (Globlex' vs TOP's GRM)

We think the plunges in crack spreads of diesel, jet, and gasoline will not materialize to return to "normalized" levels without a concurrent sharp drop in crude premium and freight costs. Yet, 3Q26 QTD the crack spreads have stayed high at USD70+/bbl for diesel and jet and USD30+/bbl for gasoline, resulting the estimated USD24.5/bbl TOP's GRM in 3Q26E and USD15.3/bbl in 4Q26E, higher than TOP's guided GRMs at USD6.9/bbl in 3Q26E and USD5.1/bbl in 4Q26E.

5+mbpd refinery run cut in July due to supply disruptions

In Jul-26, global refinery runs stood at only 80.9mbpd, down 5mbpd y-y, as supplies were disrupted, both production and exports, in the Middle East from the ongoing U.S.-Iran war, in Russia from Ukraine's drone attacks, and in China from the cuts in exports and productions. IEA forecasts that global refinery run will decline by an average 2.5mbpd in 2026 before rebounding by 3.5mbpd in 2027.

Global oil stock plunged by 410m bbls to below 7.9b bbls in July

Global observed oil inventories plunged by 69m bbls in July, as renewed disruptions to exports from the Gulf and the Caspian Sea resulted in sharply lower volumes of oil on water. Onshore stocks declined by a modest 6m bbls, as the pace of IEA emergency stock releases slowed, and despite continued draws in Chinese crude oil stocks. Total global observed oil stocks now stand at 7.9b bbls, down by 410m bbls since the start of the war, or by 2.7 mbpd on average.

Buy TOP ahead of 2H26 3x-4x higher-than-expected GRMs

Maintain BUY and a TP of THB88. We think recent share price plunge is a good entry opportunity ahead of share price rebound once market starts to price in the higher-than-expected GRMs in 2H26, which we estimate to beat market expectations by 4x (Globlex' USD24/bbl vs TOP's USD6/bbl) in 3Q26E and 3x (USD15/bbl vs USD5/bbl) in 4Q26E, based on -USD18/bbl (crude premiums, freight, insurance) and USD2-3/bbl diesel cuts by Thai government.

Analyst

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ESG Rating : AAA

CG Rating :

BUY

Target Price 12M (THB)	**88.00**
VS. BB Consensus TP (%)	+34.7%
Share Price (THB)	62.75
Upside/Downside	+40.2%

Share Data

Market Cap (THB m)	140,173.18
Par (THB)	10.00
Free Float (%)	51.98
Issued shares (m shares)	2,234

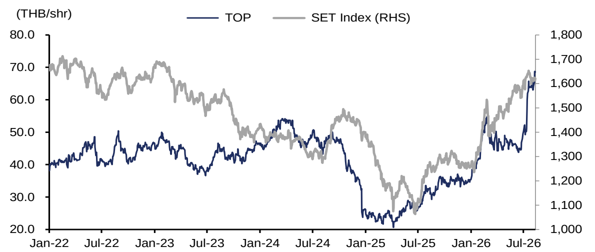
Financial forecast

YE Dec (THB m)	2025	2026E	2027E	2028E
Revenue	394,336	492,264	447,792	450,691
Net profit	14,584	28,279	18,362	20,567
Core net profit	11,446	28,279	18,362	20,567
vs Consensus (%)		(10.9)	16.9	24.3
Net profit growth (%)	46.4	93.9	(35.1)	12.0
Core net profit growth (%)	(32.7)	147.1	(35.1)	12.0
EPS (THB)	7.15	13.86	9.00	10.08
Core EPS (THB)	5.61	13.86	9.00	10.08
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	2.50	3.47	2.25	2.52
P/E (x)	5.04	4.53	6.97	6.22
P/BV (x)	0.33	0.53	0.50	0.47
ROE (%)	5.46	12.24	7.39	7.82
Dividend yield (%)	6.94	5.52	3.59	4.02

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	1.21	33.51	18.40	74.31
Market	3.05	25.79	9.88	36.40
12M High/Low (THB)				68.75 / 29.75



Major Shareholders (%) as of 26 Feb 2026

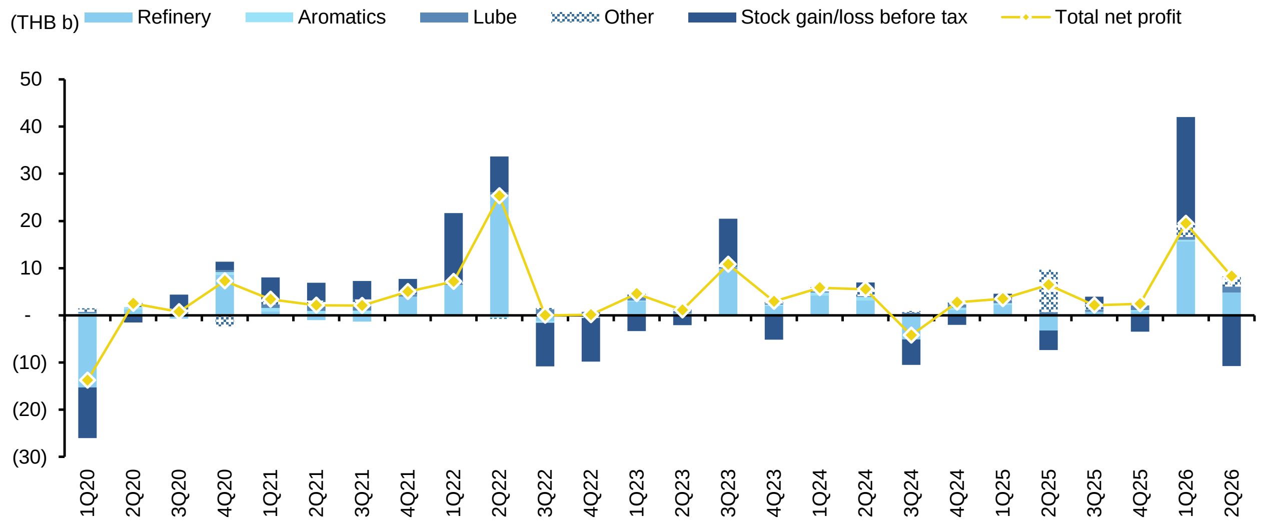
PTT Public Company Limited	45.03
Thai NVDR	11.51
SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	3.37

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: TOP's quarterly net profit breakdown by segment



Sources: TOP

Exhibit 2: TOP's guided GRM scenarios in 2H26E

	1Q26	2Q26	3Q26E	4Q26E	2026E
Dubai	86.3	96.1	76.6	74.0	83.3
Market GRM	20.1	44.3	36.1	30.6	32.8
Crude premium, shipping, insurance	(4.6)	(16.9)	(17.5)	(17.3)	(14.1)
Fuel loss	(2.9)	(3.6)	(2.8)	(2.7)	(3.0)
Diesel cut (by government)	-	(2.6)	(2.0)	0	(1.2)
Net GRM	12.6	21.2	13.8	10.6	14.6
Stock gain (loss)	25.3	(12.2)	(6.9)	(5.5)	0.2
Net GRM	37.9	9.0	6.9	5.1	14.7

Sources: TOP

Exhibit 3: Globlex' projected GRM scenarios for TOP's GRMs in 2H26E

Key assumptions and scenarios	3Q26 QTD			Post war-end		
Product	**Crack**	**% Yield**	**Net crack**	**Crack**	**% Yield**	**Net crack**
Gasoline	25.0	30%	7.5	20.0	0.3	6.0
Jet	60.0	20%	12.0	40.0	0.2	8.0
Diesel	70.0	40%	28.0	40.0	0.4	16.0
FO	3.0	10%	0.3	0.0	0.1	0.0
GRM before major costs			**47.8**			**30.0**
Crude premium			(17.5)			(10.0)
Fuel loss			(2.8)			(2.7)
Projected GRM			**27.5**			**17.3**
Ex-refinery diesel cut			(3.0)			(2.0)
Projected net GRM			**24.5**			**15.3**

Sources: Globlex Research

Balance sheet (THB m) Year ending Dec	2024	2025	2026E	2027E	2028E
Current assets					
Cash & ST investment	29,042	62,568	70,711	92,998	114,098
Account receivable	31,910	27,604	34,458	31,345	31,548
Inventories	53,339	46,141	57,599	52,395	52,735
Others	29,357	28,852	30,004	31,213	32,483
Non-current assets					
Net fixed assets	224,153	218,461	242,263	254,034	263,875
Others	76,426	74,094	58,379	41,591	24,683
Total Assets	**444,227**	**457,719**	**493,414**	**503,578**	**519,422**
Current liabilities					
Account payable	38,748	33,519	41,842	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
Long-term liabilities					
Long-term debts	146,717	111,982	111,982	111,982	111,982
Others	28,445	31,882	85,423	85,423	85,423
Total liabilities	**242,826**	**234,252**	**248,539**	**244,731**	**244,950**
Paid-up capital	28,654	31,405	31,405	31,405	31,405
Retained earnings	138,589	148,073	169,282	183,053	198,478
Others	31,344	40,973	40,973	40,973	40,973
Minority interest	2,815	3,015	3,215	3,415	3,615
Shareholders' equity	**201,402**	**223,467**	**244,876**	**258,847**	**274,472**

Profit & loss (THB m) Year ending Dec	2024	2025	2026E	2027E	2028E
Revenue	**455,857**	**394,336**	**492,264**	**447,792**	**450,691**
Cost of goods sold	(434,851)	(377,078)	(425,977)	(396,993)	(395,410)
Gross profit	**21,006**	**17,258**	**66,286**	**50,799**	**55,282**
Operating expenses	(3,874)	(4,056)	(6,399)	(5,015)	(5,048)
Operating profit	**17,132**	**13,202**	**59,887**	**45,784**	**50,234**
EBIT	**9,026**	**5,137**	**38,058**	**21,813**	**24,383**
Depreciation	(8,106)	(8,065)	(21,829)	(23,971)	(25,851)
EBITDA	**17,132**	**13,202**	**59,887**	**45,784**	**50,234**
Non-operating income	**7,422**	**8,868**	**(47)**	**3,654**	**3,691**
Other incomes	14,423	6,020	526	3,654	3,691
Other non-op income	(7,001)	2,848	(573)	0	0
Non-operating expense	**(4,052)**	**(3,494)**	**(3,745)**	**(3,656)**	**(3,567)**
Interest expense	(4,052)	(3,494)	(3,745)	(3,656)	(3,567)
Other non-op expense					
Equity income/(loss)	(132)	6,259	1,152	1,210	1,270
Pre-tax Profit	**12,264**	**16,769**	**35,418**	**23,021**	**25,777**
Extraordinary items					
Current taxation	(2,283)	(2,131)	(7,084)	(4,604)	(5,155)
Minorities	(22)	(54)	(55)	(55)	(55)
Net Profit	**9,959**	**14,584**	**28,279**	**18,362**	**20,567**
Core net profit	**17,012**	**11,446**	**28,279**	**18,362**	**20,567**
EPS (THB)	**4.88**	**7.15**	**13.86**	**9.00**	**10.08**
Core EPS (THB)	**8.34**	**5.61**	**13.86**	**9.00**	**10.08**

Key ratios Year ending Dec	2024	2025	2026E	2027E	2028E
Growth (%YoY)					
Sales	(0.8)	(13.5)	24.8	(9.0)	0.6
Operating profit	(51.7)	(22.9)	353.6	(23.5)	9.7
EBITDA	(51.7)	(22.9)	353.6	(23.5)	9.7
Net profit	(48.8)	46.4	93.9	(35.1)	12.0
Core net profit	(37.9)	(32.7)	147.1	(35.1)	12.0
EPS	(48.8)	46.4	93.9	(35.1)	12.0
Core EPS	(37.9)	(32.7)	147.1	(35.1)	12.0
Profitability (%)					
Gross margin	4.6	4.4	13.5	11.3	12.3
Operation margin	3.8	3.3	12.2	10.2	11.1
EBITDA margin	3.8	3.3	12.2	10.2	11.1
Net margin	2.2	3.7	5.7	4.1	4.6
ROE	8.9	5.5	12.2	7.4	7.8
ROA	1.9	2.1	6.6	3.7	4.0
Stability					
Interest bearing debt/equity (x)	0.8	0.5	0.5	0.4	0.4
Net debt/equity (x)	0.6	0.2	0.2	0.1	0.0
Interest coverage (x)	2.2	1.5	10.2	6.0	6.8
Interest & ST debt coverage (x)	0.9	0.7	5.0	2.9	3.3
Cash flow interest coverage (x)	0.1	0.1	0.2	0.2	0.2
Current ratio (x)	2.1	1.8	3.8	4.4	4.9
Quick ratio (x)	0.9	1.0	2.1	2.6	3.1
Net debt (THB m)	124,177	53,247	45,077	22,762	1,636
Activity					
Asset turnover (X)	1.0	0.9	1.0	0.9	0.9
Days receivables	25.6	27.5	23.0	26.8	25.5
Days inventory	44.9	48.1	44.4	50.6	48.5
Days payable	32.7	35.0	32.3	36.7	35.2
Cash cycle days	37.9	40.7	35.2	40.7	38.7

Cash flow (THB m) Year ending Dec	2024	2025	2026E	2027E	2028E
Operating cash flow	**18,426**	**28,925**	**40,119**	**46,869**	**46,122**
Net profit	9,959	14,584	28,279	18,362	20,567
Depre.& amortization	8,106	8,065	21,829	23,971	25,851
Change in working capital	362	6,276	(9,989)	4,536	(296)
Others	0	0	0	0	0
Investment cash flow	**28,426**	**16,122**	**(24,599)**	**(19,742)**	**(19,692)**
Net CAPEX	0	0	(45,632)	(35,742)	(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
Free cash flow	**46,852**	**45,046**	**15,519**	**27,127**	**26,430**
Financing cash flow	**(46,241)**	**(11,520)**	**(7,377)**	**(4,840)**	**(5,331)**
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)	(7,070)	(4,590)	(5,142)
Others	(36,686)	(4,818)	1,207	1,265	1,325
Net cash flow	**611**	**33,526**	**8,143**	**22,288**	**21,099**
Per share (THB)					
EPS	4.88	7.15	13.86	9.00	10.08
Core EPS	8.34	5.61	13.86	9.00	10.08
CFPS	8.87	11.13	24.59	20.78	22.78
BVPS	97.35	108.06	118.46	125.21	132.77
Sales/share	223.46	193.30	241.30	219.50	220.92
EBITDA/share	8.40	6.47	29.36	22.44	24.62
DPS	3.70	2.50	3.47	2.25	2.52
Valuation					
P/E (x)	5.8	5.0	4.5	7.0	6.2
P/BV (x)	0.29	0.33	0.53	0.50	0.47
Dividend yield (%)	13.10	6.94	5.52	3.59	4.02
Divdend payout ratio (%)	75.79	34.97	25.00	25.00	25.00

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ESG Analysis

<table>
<tr><th>ESG Assessment</th><th>SET ESG</th><th>Bloomberg</th></tr>
<tr><td>Environment
TOP's most material environmental exposure is GHG emissions and energy intensity across its Si Racha refining and petrochemical complex. Scope 1-2 GHG emissions fell to 3.26 million tCO2e in 2025 (Scope 1: 3,229,898 tCO2e, -6.3% y-y), below the 2025 target of <3.57 million tCO2e, with emissions intensity at 0.0313 tCO2e/MBOE versus a 0.0348 target. Air emissions were mixed: NOx eased to 4,201 tons but SOx rose to 6,682 tons (+1.7% y-y) and VOCs jumped to 1,359 tons (+32.8% y-y). Water consumption for industrial purposes fell to 3.92 million m³ (from 4.57 million m³ in 2024), with zero net freshwater use in water-stressed areas. Long-term target is Net Zero GHG emissions by 2060 (accelerated to 2050, conditional on technology/cost), anchored by the Clean Fuel Project (CFP) and early-stage investment scoping in SAF, hydrogen, and CCUS.</td><td rowspan="3">AAA</td><td>6.61</td></tr>
<tr><td>Social
TOP's principal social risks are process safety at a major-hazard refining facility and labor conditions across ~2,108 employees plus a sizeable contractor workforce. 2025 saw 1 Tier-1 and 4 Tier-2 process safety events (versus zero Tier-1 in 2024) and an employee LTIFR of 0.18 (from zero in 2024), though work-related fatalities stayed at zero for a fourth straight year. Community engagement scored 95.71% in the 2025 survey (up from 95.54%), supported by THB 192.51 million in social investment and 54,621 visits to the Thaioil Community Health & Learning Center near the Si Racha plant. No human rights complaints were recorded in 2025.</td><td>6.25</td></tr>
<tr><td>Governance
As a 45.03%-owned subsidiary of PTT (itself majority-owned by the Ministry of Finance), TOP pairs state-linked ownership with board independence safeguards. The Board comprises 15 directors, of whom 8 (53%) are independent, including an independent Chairman. TOP has held an "Excellent" CG rating from Thai IOD for 17 consecutive years and has been a certified Thai CAC member since 2014, most recently re-certified through 2027. The Company also remained in the DJSI Oil & Gas Refining & Marketing industry group for a 12th consecutive year (2013-2024), and recorded zero environmental law non-compliance incidents and zero related fines in 2025.</td><td>5.72</td></tr>
<tr><td>Overall | CG Score: Excellent (5-star) | CAC: Certified (re-certified through 2027)</td><td></td><td>5.26</td></tr>
</table>

Bloomberg ESG scores reflect FY2025 data (latest available). SET ESG Rating as of 9 January 2026. CG rating reflects 2025 Thai IOD survey.
Sources: SET, Thai IOD, CAC, Bloomberg, TOP Integrated Report 2025 (Sustainability), TOP Annual Report 2025 (Form 56-1 One Report), Globlex Securities Research

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.