THAI OIL (TOP TB)

THAILAND / SET / ENERGY & UTILITIES

Globlex Securities Co., Ltd.

8 September 2026

CFP: cost mire to crude gold mine

- Stay owning ERU will create more value than divestment to GPSC
- Liquidity risk greatly subsides post 1H26 GRM spikes
- BUY TOP on stronger profitability and liquidity with TP of THB88

Better for both profitability and balance sheet ahead

We think TOP is now poised to see a significant improvement in not only its profitability but also the balance sheet and cash flows thanks to the high-for-longer GRMs caused by the supply disruptions that has timely ameliorate TOP's previously tight balance sheet due mainly to the cost overrun for its Clean Fuel Project (CFP). In 1H26, TOP has seen its net profit surge markedly, rising from THB3.1b in 2024-25 and THB3.6b average quarterly net profits in 2025 to average THB13.9b quarterly net profit in 1H26, boosted by the surging market GRM from USD5.4/bbl range in 2024-25 to USD16.9/bbl in 1H26.

Capex/opex burdens are under good control

We now believe TOP's capex and opex obligations for CFP and other ongoing projects, totaling USD1.3b with ERU divestment and USD2b without ERU divestment, will be highly manageable, considering that operating cash flows and EBITDA will remain high, supported by high-for-longer GRMs above USD15/bbl in 2H26E even with the high combined costs of crude premium, freight, and insurance (USD18-20/bbl), thanks to the high margins of diesel, jet, and gasoline-crude.

Why do we turn more positive on CFP project?

We are more positive on CFP project once it starts a full operation in 2028E, based on following reasons of 1) CFP benefit#1: Capturing benefits of the superheavy crudes from Venezuel. This is the first and foremost benefit of CFP particularly after U.S. occupies the oil production facilities in Venezuela to target more than double Venezuela's oil output from current 1.1-1.2mbpd; 2) CFP benefit#2: Gaining higher GRM on conversion of HSFO into distillates on high middle distillate-HSFO margin. Together the net profit upsides will be USD53m annually under our highly conservative assumptions.

Should TOP divest or invest in ERU?

Our analysis indicates that TOP should invest in ERU (USD757m) and cancel divestment to GPSC, based on 1) sufficient cash flows to fund ERU. At the end of 2Q26, TOP has cash and ST investment on hand at THB48b (-THB20.7b from 4Q25), LT debt down by THB14.7b to THB98.5b, with higher equity at THB243.4b. Net debt/EBITDA dips from 3.7x in 4Q25 to 1.4x in 2Q26 and net debt/equity stayed at 0.3x.

Climbing out of CFP cost mire to heavy crude gold mine

Maintain BUY and a TP of THB88. On top of our projected high-for-longer GRM and net profits in 2H26-1H27, we think TOP's manifestly improving balance sheet should open options for TOP to stay invest in ERU (no sales to GPSC), allowing TOP to further strengthening its operational competitiveness with CFP and ERU.

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ESG Rating : AAA

CG Rating :

BUY

Target Price 12M (THB)	**88.00**
VS. BB Consensus TP (%)	+25.2%
Share Price (THB)	64.00
Upside/Downside	+37.5%

Share Data

Market Cap (THB m)	142,965.48
Par (THB)	10.00
Free Float (%)	51.98
Issued shares (m shares)	2,234

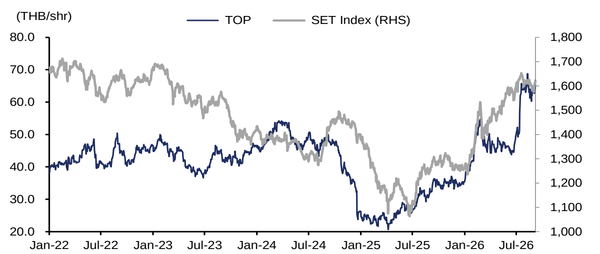
Financial forecast

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 (%)		(22.8)	4.8	12.8
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	4.62	7.11	6.35
P/BV (x)	0.33	0.54	0.51	0.48
ROE (%)	5.46	12.24	7.39	7.82
Dividend yield (%)	6.94	5.41	3.52	3.94

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(0.39)	38.38	30.61	77.78
Market	(0.81)	35.28	13.79	38.34
12M High/Low (THB)				68.75 / 33.00



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.

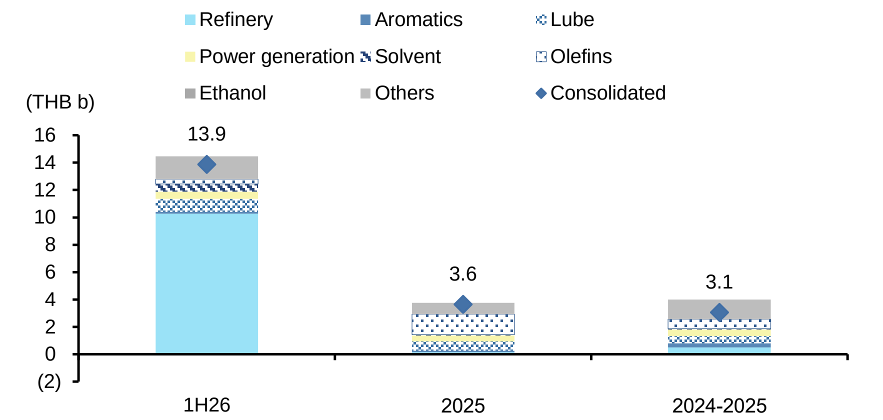
Source: SETSMART, SET

From CFP cost mire to crude gold mine

Better on profitability and balance sheet ahead

We think TOP is now poised to see a significant improvement in not only its profitability but also the balance sheet and cash flows thanks to the high-for-longer GRMs caused by the supply disruptions that has timely ameliorate TOP's previously tight balance sheet due mainly to the cost overrun for its Clean Fuel Project (CFP).

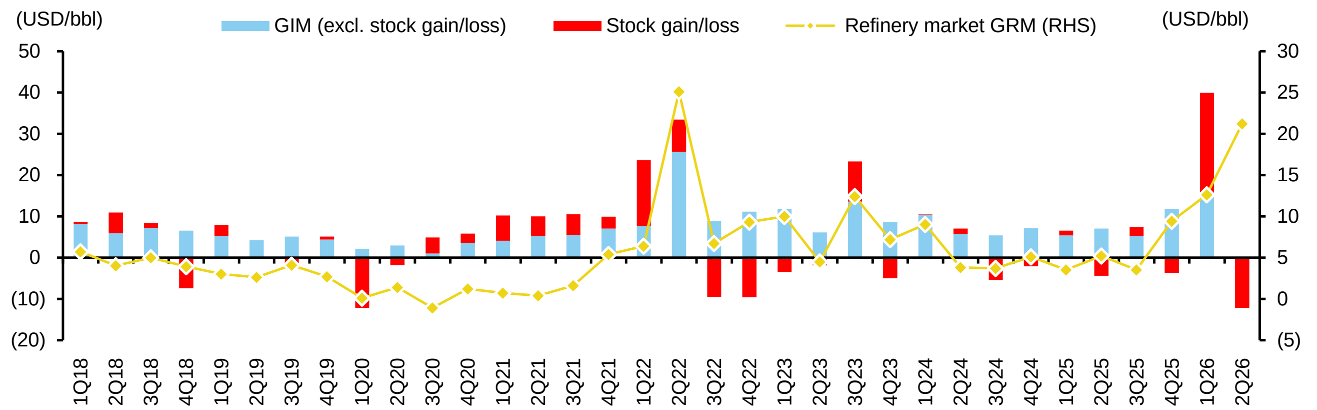
Exhibit 1: Average quarterly net profits in 1H26 jumped markedly



Sources: TOP; Globlex Research

In 1H26, TOP has seen its net profit surge markedly, rising from THB3.1b in 2024-25 and THB3.6b average quarterly net profits in 2025 to average THB13.9b quarterly net profit in 1H26, boosted by the surging market GRM from USD5.4/bbl range in 2024-25 to USD16.9/bbl in 1H26.

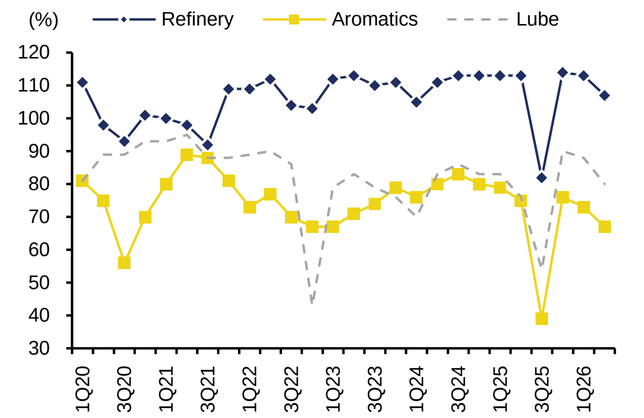
Exhibit 2: Quarterly GIM, stock gain (loss), and market GRM



Sources: TOP; Globlex Research

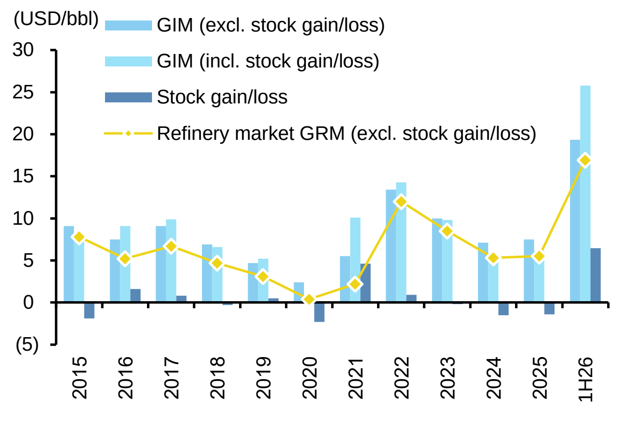
With TOP's proven track records of capability to "maximize profits" in the upcycle, TOP has been able to retain its running rates for refinery at 105-115% in 1H26, thereby generating such high market Gross Integrated Margin (GIM), which jumped from USD7.1-7.5/bbl in 2024/25 to USD19.4/bbl in 1H26. If including inventory gain (loss), the accounting GIM went even higher to USD25.8/bbl in 1H26, up by over 4x y-y from USD5.6/bbl in 2024 and USD6.1/bbl in 2025.

Exhibit 3: TOP's utilization rates for refinery stays high to enable TOP to capture the industry surging GRMs



Sources: TOP; Globlex Research

Exhibit 4: 1H26 GIM rose sharply on the spikes in GRMs



Sources: TOP; Globlex Research

The 1H26 jumping market GRM and hence net profits have been timely strengthening TOP's cash flows and liquidity, resulting in significant enhancement in 1) net cash on hand plus current asset rising by THB15b; 2) long-term debt declined by THB15b or 13% down to THB98.5b within 6 months in 1H26.

But the most manifest changes are the sharp drop in Net debt/EBITDA from 3.7x at end-2025 down to 1.4x in 2Q26 while TOP still retains its low Net debt/E at 0.3x. Hence, TOP's greatly improving cash flows from operations on the spikes in GRMs would have major consequences, both strategically for TOP's CFP expansion and liquidity risk reduction and financially for funding higher working capitals for the higher crude and refined product prices to enable TOP to continue to reap the benefits of global high-for-longer GRM outlook in 2H26 that could prolong into at least 1H27E, based on our estimate.

Exhibit 5: TOP's improvements in balance sheet – lower debts, higher cash and current assets

	End-2025	End-2Q26	Change	% change	Unit
Cash & ST investment	68,601	47,964	(20,637)	(30.1)	THB m
Current asset	61,698	97,256	35,558	57.6	THB m
Non-current assets	296,985	307,467	10,482	3.5	THB m
AP/Others	121,095	110,809	(10,286)	(8.5)	THB m
LT debt	113,157	98,469	(14,688)	(13.0)	THB m
Equities	193,032	243,408	50,376	26.1	THB m
ROE	8.2	15.4	7.2		%
ROIC	6.4	28.8	22.4		%
Net debt/EBITDA	3.7	1.4	(2.3)		x
Net debt/Equity	0.3	0.3	-		x

Sources: TOP; Globlex Research

CFP and ERU projects: Liquidity crunch relief

After a dismal of unexpected cost overrun for CFP project from USD5.0b original budget to USD8.2b, TOP had seen its liquidity worsening in 2024-25 as the capex and opex for CFP project significantly surged while operating cash flows had been weakened on the industry weak GRMs and depressed petrochemical margins pre-Middle East war between U.S.-Iran.

Exhibit 6: CFP capex history

	Date	Capex	Interest During Contrsctuion (IDC)	Total
1	Aug-18	4,825	151	4,976
2	Apr-22	550	422	972
3	Feb-25	1,776	505	2,281
		7,151	**1,078**	**8,229**

Sources: TOP; Globlex Research

However, TOP's fortune changes suddenly after the war between U.S.-Iran broke out on 28 Feb-26 that has significant consequence to global supply disruptions for both crude and particularly downstream refinery and petrochemical industries.

We now believe TOP's capex and opex obligations for CFP and other ongoing projects, totaling USD1.3b with ERU divestment and USD2b without ERU divestment, will be highly manageable, considering that operating cash flows and EBITDA will remain high, supported by high-for-longer GRMs above USD15/bbl even with the high combined costs of crude premium, freight cost, and insurance expense, in the range of USD18-20/bbl, thanks to the high crack spreads of diesel, jet, and gasoline-crude.

In 1H26, TOP saw its operating EBITDA excluding stock gain (loss) jump to THB14.9b in 1Q26 and THB16.5b in 2Q26 vs only THB22.6b in 2025. Hence, free cash flows, while remained negative at -THB20b in 1H26 due to THB10.4b capex, are projected to improve ion 2H26 and likely into 2027, thereby reducing TOP's liquidity risk and possibly enabling TOP to retain its ownership of the ERU power project previously planned to be divested to GPSC to curb TOP's liquidity and funding burdens.

Exhibit 7: TOP's CAPEX as of 2Q26 for 2H26E-2029E

Capex approved by BOD (USD m)	2018-1H26	1H26	2H26E	2026E	2027E	2028E	2029E	2H26E-2029E	Total
CFP	5,136	368	555	923	943	498			
Capex	5,136	363	546	909	926	495		1,967	7,103
Opex	19	5	9	14	17	3		29	48
Performance bond claim	(438)								(438.0)
ERU	(96)				(41)		(619)	(661.0)	(757.0)
Total CFP budget	**4,620**	**368**	**555**	**923**	**902**	**498**	**(619)**	**1,335**	**5,956**
Total ongoing non-CFP projects		16	91	107	109	27	11	238	254
Total capex		**384**	**646**	**1,030**	**1,011**	**525**	**(608.0)**	**1,573**	**6,210**

Sources: TOP; Globlex Research

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CFP and ERU projects: Ready for heavy crude win

We now turn more positive on CFP project, premised on the changes in global crude oil and refinery industries that we think turn much more favorable to TOP's coming CFP project, scheduled to COD in 2028E onwards.

What are CFP's key benefits to turn TOP into top-tiered global refinery play?

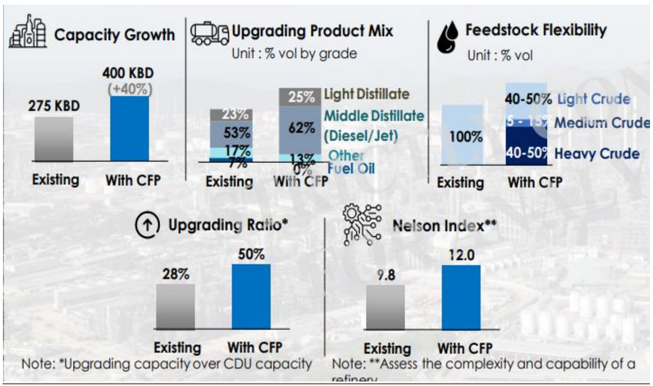
Several reasons support our more positive conviction on CFP project that will enhance TOP's refinery operational capability, reflected in higher nelson index from 9.8 pre-CFP to 12 post-CFP via the higher upgrading ratio from 28% to 50%

+40% timely capacity expansion from 275kbpd to 400kbpd by mothballing existing small and less efficient CDUs to be replaced by a new larger CDU 4

Enhancing crude oil feedstock flexibility by enabling TOP to use much heavier and sourer crude types up to 40-50% vs zero capability at present

Upgrading refined product mix, effectively increasing the high-margin product yields of light middle distillates (diesel, jet) from 53% to 62%, light distillates (gasoline, naphtha, reformate) from 23% to 25%, at the expense of lower yields of the low-margin/loss-making products of fuel oil (from 7% to zero yield) and others from 17% down to 13%

Exhibit 8: CFP benefits and objectives



Sources: TOP

Exhibit 9: CFP project development

Sources: TOP

Why do we turn more positive on CFP project?

We are more positive on CFP project once it starts a full operation in 2028E, based on following reasons

CFP benefit#1: Capturing benefits of the superheavy crudes from Venezuela

This is the first and foremost benefit of CFP particularly after U.S. occupies the oil production facilities in Venezuela. Major oil firms like Chevron have already committed to developing and operating 2-3 out of 17 oil fields in the Orinoco Belt, with USD7b investment planned over the next five years with the goal to more than double oil production to 0.6mbpd at a cost of less than USD20/bbl.

Exhibit 10: Key assumptions for TOP's CFP project based on USD7.151b investment (ERU divestment)

	Scenario 1 (Worst case)	Scenario 2	Scenario 3 (base case)	Scenario 4	Scenario 5
Diesel-HSFO margin	15	15	20	20	20
Light-Super heavy crude premium	7	8	8	10	6
IRR (%)	4.9	5.8	6.5	8.2	8.8
Payback (year)	48.0	32.5	26.0	17.4	15.2
CFP's Net profit contribution (THB m)	(1,623)	440	1,871	5,959	7,390

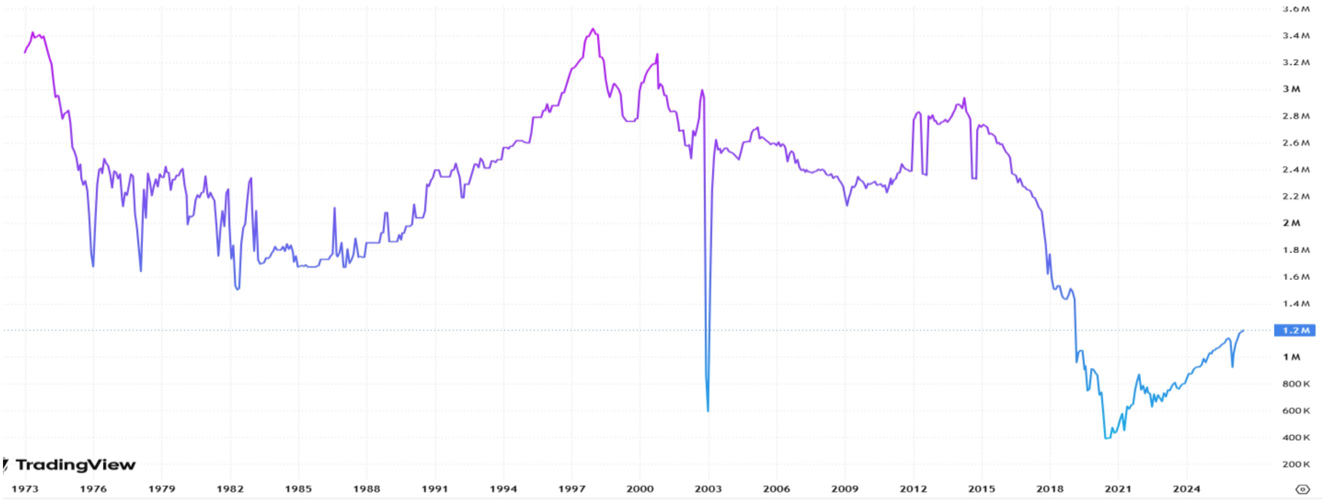
Sources: TOP; Globlex Research

The U.S. government structured a 35% position in a Venezuelan oil venture as warrants that timely protect U.S. from the heavy crude oil supply risk from Canada and Middle East. Under the North America Blue Energy Partners (NABEP), controlled by Venezuelan businessman Alejandro Betancourt, NABEP was granted 100-year rights to 17 oilfields holding an estimated 65b barrels of reserves.

While the deal aimed at benefitting U.S. government, including 35% profit sharing, dividends received, and the heavy oil security for U.S. refinery, the Venezuelan oil production development, mostly offshore oil fields, requires a host of billions in investment.

Yet we think the visible rise in Venezuela's oil output, which peaked above 3mbpd in the late 1990s before collapsing amid sanctions and mismanagement, could increase from current 1.1-1.2mbpd level to more than double in a few years as multiple separate deals with Chevron, Eni, ONGC, GeoPark, and GE Vernova (GEV.N), all announced recently to join developments in Venezuela with the goal to boost the country's heavy oil productions.

Exhibit 11: Venezuela crude oil production history (1973-August 2026)



Sources: TradingView

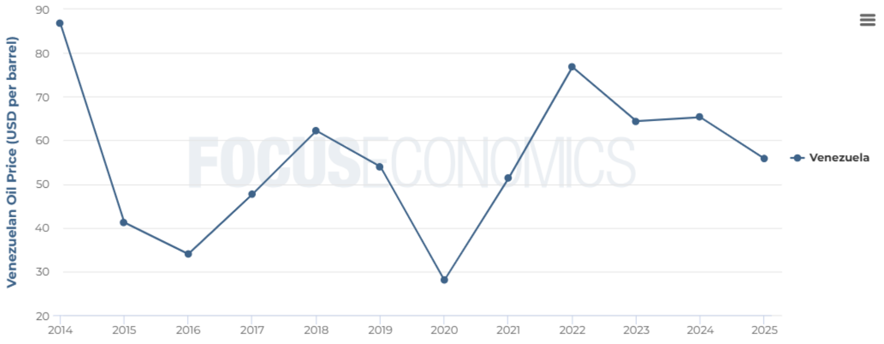
Venezuela heavy crude oil production: tripling production underway?

Despite having the largest crude oil reserve at 300b+ bbls, Venezuela has long suffered from the consequences of the sanctions by U.S. and alliances' countries. As a result, its oil production had plunged from a peak at 2.6mbpd in 1997 down to the bottom at 0.4mbpd in 2021 before recovering to current 1.2mbpd in August 2026.

We believe the planned gradual rise in crude oil productions in Venezuela will be a big boon to TOP via its ability to consume the superheavy and sour crude from Venezuela, given Venezuela crude oil is unfitted to most refiners.

In Thailand, no single refinery plants are able to use Venezuela superheavy crude due to the technical constraints. Even TOP's existing refinery plant is unable to use such a superheavy crude type for its refinery plant.

Exhibit 12: Venezuela crude oil price



Sources: Focus Economics

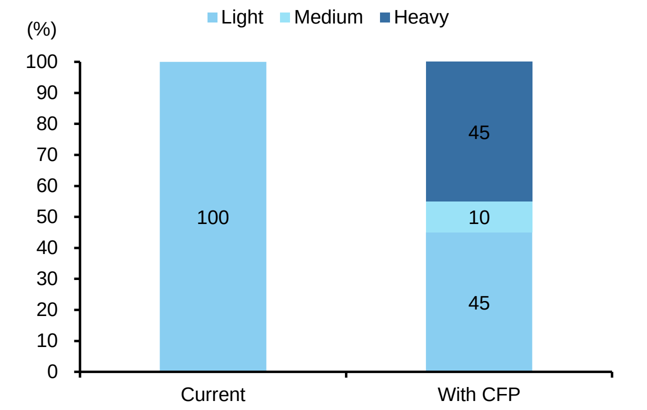
Thanks to the difficult-to-use and floods of heavy crude supplies from the sanctioned Russia and Iran, Venezuela has struggled to sell its heavy oil productions to the world. A cargo of the same Venezuelan grade was recently sold for early 2026 delivery at USD15/bbl below Brent, widening from 2025's discounts at only USD5-8/bbl below Brent for Venezuela's heavy oil for delivery in China.

China has long been the destination of Venezuela's oil exports, ranging between 55%-90% in 1H26 vs 40%-60% in 2025. We project that the price discount for Venezuela heavy crude will continue to widen to USD8-12/bbl in the next few years, given the rising supply, limited demands for the eligible" refinery plants worldwide, and the intensifying competitions of the heavy crude supplies from the sanctioned Russia and Iran.

According to TOP, CFP will enable TOP to consume up to 40%-50% of Venezuela heavy crudes, up from zero today. This CFP-driven crude flexibility will allow TOP to differentiate itself from not only local Thai but also global refinery peers and will simultaneously reduce TOP's risk for the crude supply from the Middle East.

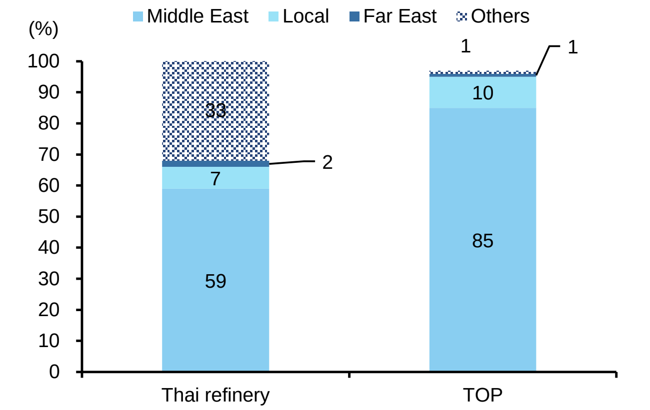
The factors that will compress Venezuela heavy crude price – higher supply from U.S. production ramp-up, high competition from similar heavy crudes, and limited buyers for heavy crudes – should continue in 2026-30.

Exhibit 13: Crude type consumption (pre and post-CFP)



Sources: TOP; Globlex Research

Exhibit 14: Crude type (TOP vs Thai peers)



Sources: TOP; Globlex Research

CFP benefit#2: Gaining higher GRM on conversion of HSFO into distillates on high middle distillate-HSFO margin

Our analysis indicates that, with CFP, TOP will generate higher gross profit up to USD569m annually, coming from USD204m for the benefit of the fuel oil-to-distillate conversion and USD365m for the benefit of the heavy crude consumption. The net profit upsides will still be USD53m annually under our highly conservative assumptions.

We think our key assumptions to derive USD569m annual earnings upsides are conservative, considering that 1) USD20/bbl margin for diesel/jet-HSFO, the historical average vs today's USD60-70/bbl; and 2) USD8/bbl price discount for heavy-light crude. Still, we believe upsides from the higher margins for middle distillate-HSFO and particularly heavy-light crude discount could be much higher than our projections, likely in the forms of higher discount over USD8/bbl, thereby potentially generating higher benefits to TOP.

Exhibit 15: TOP's CFP benefit-cost analysis

Exchange rate	35	THB/USD		
Tax rate	20	%		
Project: CFP Upgrading and expansion	**Fuel oil (bpd)**	**Capacity (bpd)**	**Capacity (m bbls)**	**% fuel oil yield**
Existing capacity	19,250	275,000	100	7%
Incremental capacity	8,750	125,000	46	7%
Total	28,000	400,000	146	
Assumptions				
Diesel-Fuel oil spread	20.0	20.0	USD/bbl	
TOP's existing crude premium	3.0	3.0	USD/bbl	
Light-Super Heavy crude premium	8.0	8.0	USD/bbl	
Average net crude saving	2.5	2.5	USD/bbl	
% heavy crude consumption pre CFP expansion	0%	0%		
% heavy crude consumption post CFP expansion	50%	50%		
Net gross profit increase	**Existing (275kbpd)**	**Expansion (125kbpd)**	**Total**	
#1 Product margin improvement (HSFO-to-diesel)	140.5	63.9	204	USD m
#1 Product margin improvement (HSFO-to-diesel)	4,918	2,236	7,154	THB m
#2 Crude cost saving (from 0% to 50% heavy crude)	250.9	114.1	365	USD m
#2 Crude cost saving (from 0% to 50% heavy crude)	8,783	3,992	12,775	THB m
Total benefit #1 plus #2	391	178	569	USD m
Total benefit #1 plus #2	13,701	6,228	19,929	THB m
	USD m	**THB m**		
Total benefit	569	19,929		
Additional opex	(73)	(2,555)		
Interest expense	(225)	(7,884)		
Net benefit before tax and depreciation	271	9,490		
Investment cost	7,151	250,285		
Payback period (year)	**26.37**	**26.37**		
IRR	**6.5%**	**6.5%**		
Est. net incremental earnings	**USD m**	**THB m**		
Net incremental EBITDA	496	17,374		
Depreciation expense	(204)	(7,151)		
Interest expense	(225)	(7,884)		
EBT	67	2,339		
Tax at 20%	(13)	(468)		
Net additional profit	**53**	**1,871**		
TOP's assumed normalized earnings	429	15,000		
As % of TOP's assumed normalized earnings	12%	12%		

Sources: TOP; Globlex Research

ERU project: More gain on own investment

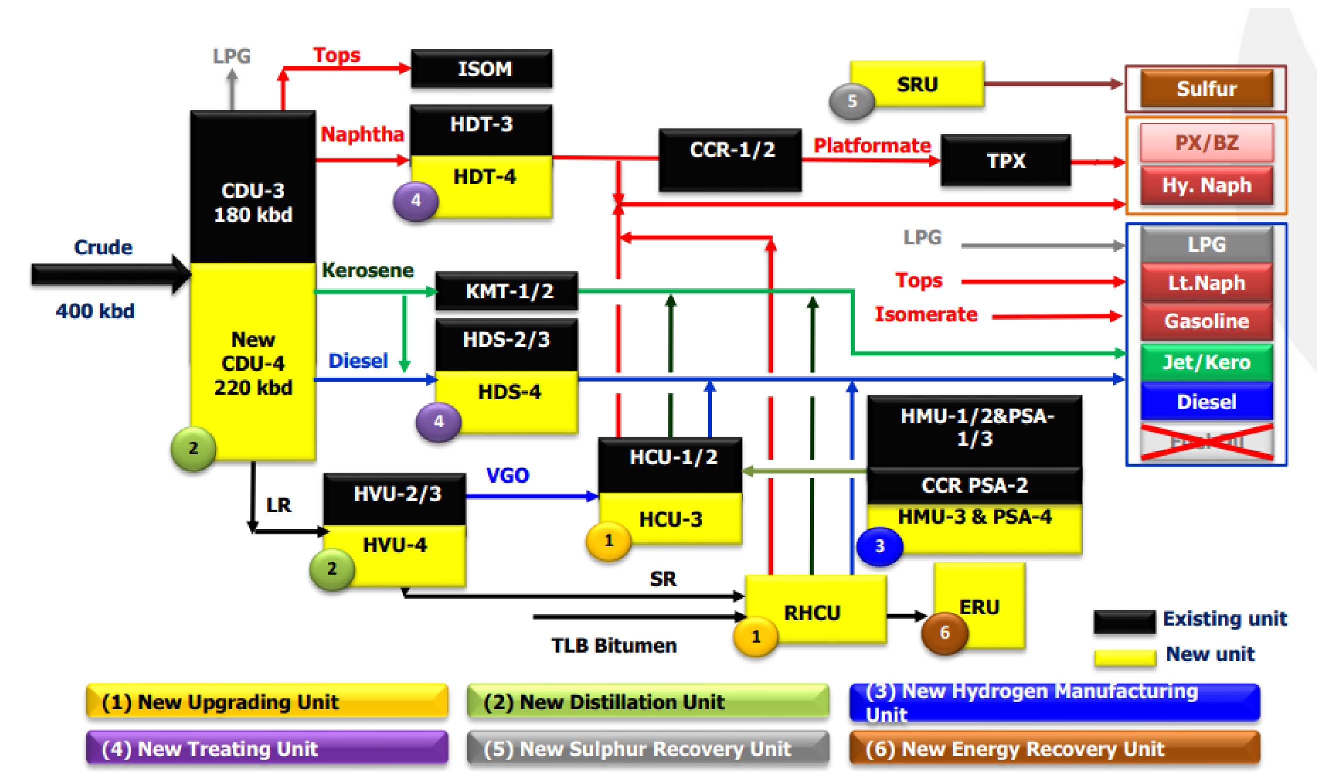
Another factor that could further enhance CFP's project return and IRR will be the option for TOP to retain the Energy Recovery Unit (ERU) – a power unit using the refinery-generated feedstock for the power plant embedded into CFP complex.

On 1 Sep-26, TOP announced its extension for the negotiation of the ERU ownership, originally planned to be divested to GPSC agree up in 2019 when TOP still has a heavy capex for CFP project. The negotiation deadline is now extended to 30 Oct-26, two months extension from the original deadline on 31 Aug-26.

What is ERU?

ERU is essentially the power plant designed to support CFP unit, using petroleum pitch (a residue and waste byproduct from the oil refining process) as its main fuel rather than the conventional fossil fuel to operate efficiently and lower environmental impact. ERU has a 250MW of electricity and 175 tons per hour of steam

Exhibit 16: ERU and CFP technical structure

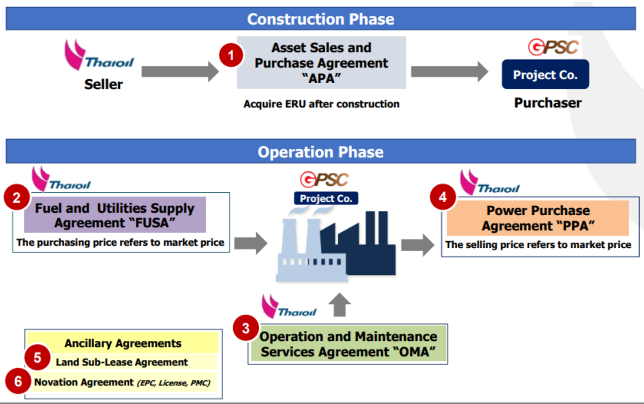


Sources: TOP

ERU is originally designed to divest to GPSC

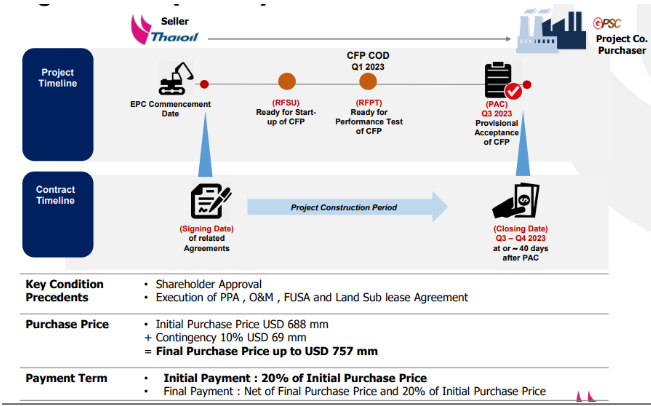
- Total value of USD757m (initial purchase USD688m + contingency 10% USD69m)
- TOP will provide OMA and FUSA and land sub lease agreement to GPSC and will be granted PPA with GSPC under TOP-GPSC asset sales and purchase agreement (APA)
- Initial payment at 20% of initial purchase price of USD688m
- TOP will provide fuel (pitch, steam) to ERU while receive power generated from ERU owned by GPSC
- Fuel pitch price will be on the reference with fuel oil, gas oil, and the power grid PEA price
- Steam price will be linked to natural gas price
- Other utilities prices will be based on market prices

Exhibit 17: ERU transaction structure



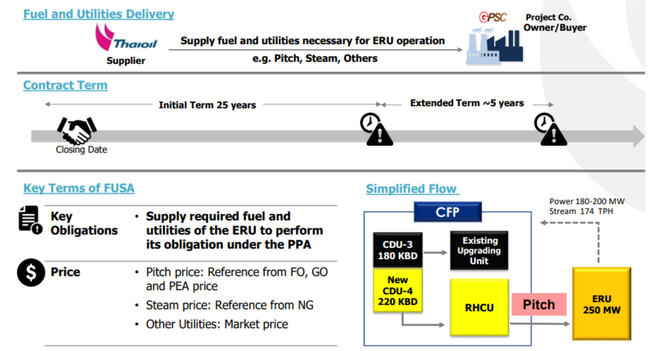
Sources: TOP

Exhibit 18: Key terms of asset sales and purchase agreement (APA) of ERU



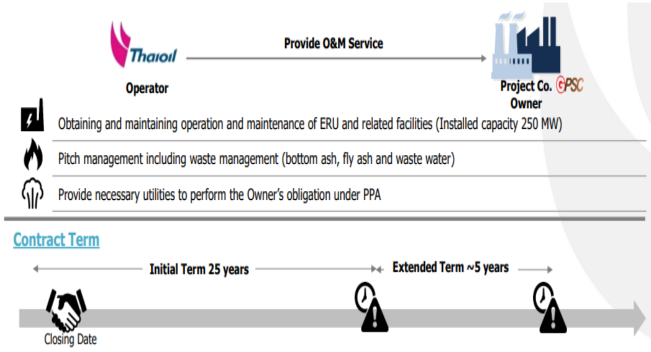
Sources: TOP

Exhibit 19: Key terms of fuel and utilities supply agreement (FUSA) of ERU



Sources: TOP

Exhibit 20: Key terms of operation and maintenance services agreement (OMA) of ERU



Sources: TOP

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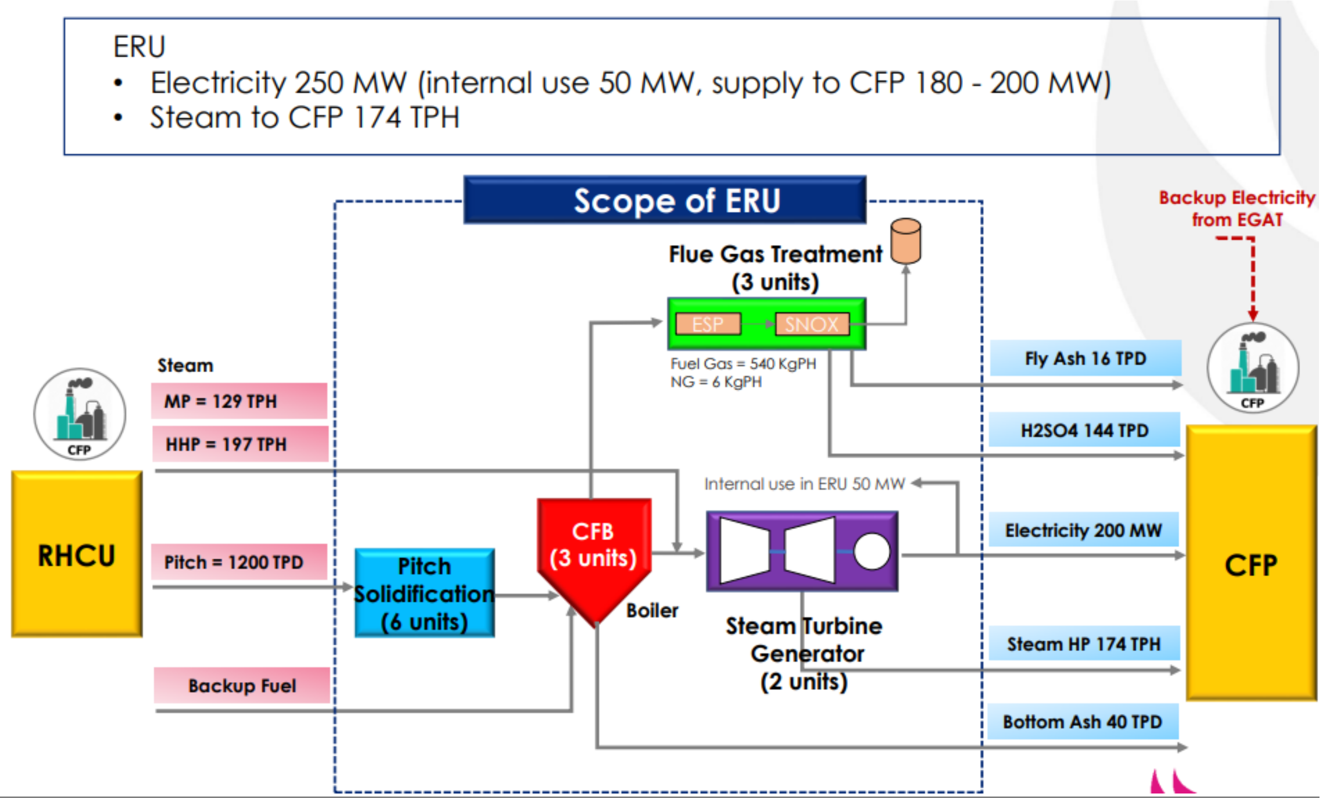
Exhibit 21: Scope of ERU



Sources: TOP

Should TOP divest or invest in ERU?

Our analysis indicates that TOP's shareholders will be better off if TOP invest in ERU, meaning the original divestment (APA) to sell ERU to GPSC should be cancelled, based on following reasons

Sufficient cash flows to fund ERU. At the end of 2Q26, TOP has cash and ST investment on hand at THB48b, down by THB20.6b from the end-2025, even after paying down debts and dividends, thanks to the spikes in GRMs in 1H26. Long-term debt declines by THB14.7b to THB98.5b in 1H26, with higher equity at THB243.4b. Net debt/EBITDA as a result decreases from 3.7x in 4Q25 to 1.4x in 2Q26 and net debt/equity stayed healthily unchanged at 0.3x.

Exhibit 22: Balance sheet is stronger in 1H26

	End-2025	End-2Q26	Change	% change	Unit
Cash & ST investment	68,601	47,964	(20,637)	(30.1)	THB m
Current asset	61,698	97,256	35,558	57.6	THB m
Non-current assets	296,985	307,467	10,482	3.5	THB m
AP/Others	121,095	110,809	(10,286)	(8.5)	THB m
LT debt	113,157	98,469	(14,688)	(13.0)	THB m
Equities	193,032	243,408	50,376	26.1	THB m
ROE	8.2	15.4	7.2		%
ROIC	6.4	28.8	22.4		%
Net debt/EBITDA	3.7	1.4	(2.3)		x
Net debt/Equity	0.3	0.3	-		x

Sources: TOP; Globlex Research

With our projected high-for-longer GRMs ion the range of US12-15/bbl despite the high costs of crude premium, freight, and insurance, we still believe that TOP will generate high EBITDA in 2H26 that should continue into 2027, thanks to the significant refinery supply disruptions for Russia (Ukraine's drone attacks), China's export cuts (lower crude imports), and Middle East (refinery infrastructure damages on war).

Exhibit 23: TOP's financial position with and without ERU

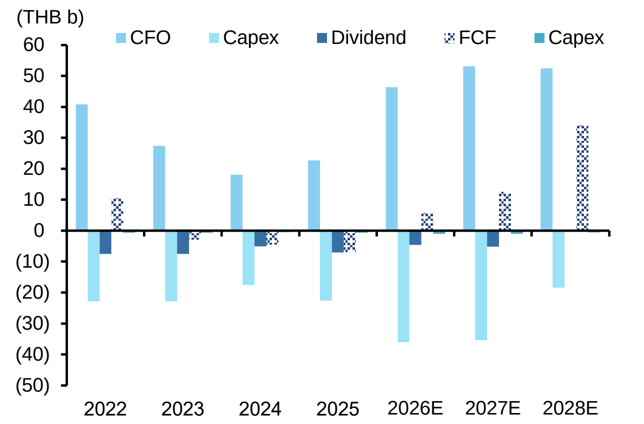
1H26 financial information	Without ERU buyback	With ERU buyback	
Cash	47,964	28,164	THB m
Debt	101,570	101,570	THB m
Equity (THB m)	243,408	243,408	THB m
Net debt	53,607	73,407	THB m
Debt-to-equity (x)	0.42	0.42	x
Net debt-to-equity (x)	0.22	0.30	x
Net debt-to-equity covenant (x)	2.00	2.00	x
2026E net profit (THB m)	28,279	28,279	THB m
2026E EPS	13.86	13.86	THB/share

Sources: TOP; Globlex Research

While capex-opex for CFP remain large in 2H26-2028, comprising USD645m in 2H26, USD1b in 2027, USD525m in 2028, and -USD619m in 2029 if TOP still proceeds to divest ERU to GPSC, we think TOP's annual EBITDA in the range of USD0.8-1.0b should sufficiently accommodate the fundings for not only the committed capex streams in 2H26-2028 but also likely for ERU investment without divestment necessary as TOP originally plans.

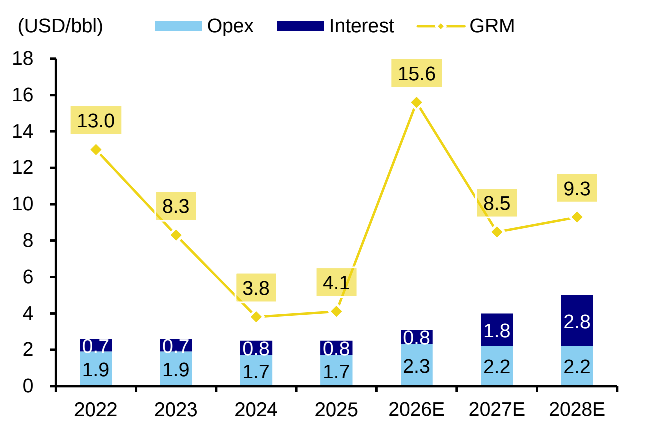
Our conviction for TOP's investment in ERU rather than divest to GPSC is premised on the greater benefits of CFP to generate larger profits and cash flows by the time CFP starts the operation in 2028. The key driver for CFP greater benefit will be the higher availability of Venezuela heavy crudes, the high price discount, and the potentially high-for-longer margins of diesel/jet over crude price, supported by the industry structural changes in refinery supply caused mostly by geopolitical risks (war, sanctions) that will raise the costs of heavy-light crude premiums and reduce refinery product exports.

Exhibit 24: Cash flows and dividend projections



Sources: TOP; Globlex Research

Exhibit 25: OPEX, interest expense, and GRM



Sources: TOP; Globlex Research

Globlex Securities Co., Ltd.

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	4.6	7.1	6.3
P/BV (x)	0.29	0.33	0.54	0.51	0.48
Dividend yield (%)	13.10	6.94	5.41	3.52	3.94
Divdend payout ratio (%)	75.79	34.97	25.00	25.00	25.00

THAI OIL (TOP TB) | THAILAND / SET / ENERGY & UTILITIES

ESG Analysis

ESG Assessment	SET ESG	Bloomberg
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.	AAA	6.61
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.		6.25
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.		5.72
Overall | CG Score: Excellent (5-star) | CAC: Certified (re-certified through 2027)		**5.26**

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

Globlex Securities Co., Ltd.

SET ESG Ratings 2025 | Thai Listed Companies

As of 9 January 2026

Ratings: AAA (90-100)							
AAV	ACE	ADVANC	AJ	AMATA	AMATAV	ASW	AWC
BAM	BANPU	BAY	BBGI	BBL	BDMS	BEM	BGC
BGRIM	BJC	BKIH	BPP	BTG	CENTEL	CKP	CPALL
CPF	CPAXT	CPN	CRC	DITTO	EASTW	FPI	FPT
GLOBAL	GPSC	GUNKUL	HANA	HENG	HMPRO	III	ILM
IVL	KBANK	KCG	KJL	KKP	KTB	KTC	LH
LOXLEY	MAJOR	MBK	MC	M-CHAI	MFEC	MTI	NER
NOBLE	OR	ORI	OSP	PB	PLANB	PR9	PSH
PTG	PTT	PTTEP	PTTGC	RATCH	S	S&J	SABINA
SAT	SC	SCB	SCC	SCG	SCGP	SIRI	SJWD
SKY	SNP	STA	STECON	STGT	SVOA	TEAMG	TEGH
TFMAMA	THCOM	TISCO	TMT	TOA	**TOP**	TPBI	TTA
TTB	TTW	TVO	VNG	WHA	WHAUP		
Ratings: AA (80-89)							
ADB	AKP	AOT	AP	ASK	ASP	AURA	BCH
BLA	BRI	BTS	CBG	CIVIL	CK	CMAN	COLOR
COM7	DMT	DRT	EGCO	EPG	ETC	GFPT	GULF
HTC	ICHI	ILINK	IT	ITTHI	JMART	KCE	KUMWEL
LHFG	MINT	MODERN	MOSHI	MSC	MTC	NVD	NYT
PCC	PRM	PSL	QTC	RBF	SA	SAWAD	SCCC
SCGD	SELIC	SFLEX	SHR	SMPC	SNNP	SPALI	SPI
SSP	SUTHA	SYNEX	TASCO	TCAP	TCMC	TGH	THANI
TIPH	TKS	TLI	TOG	TPAC	TPIPP	TSC	TU
UAC	UBE	VIH	WICE	XO	ZEN		
Ratings: A (65-100)							
AEONTS	ALLA	ALT	ALUCON	BA	BH	BLC	CFRESH
CHAO	CHASE	CHG	CM	CPL	CREDIT	ERW	GABLE
HARN	HUMAN	INSET	IRC	ITC	JMT	KSL	M
MALEE	MGC	MOONG	NEO	PHOL	PLUS	PM	PPS
PQS	PROUD	PRTR	PSP	Q-CON	QLT	SAK	SAPPE
SCAP	SEAFCO	SEAOIL	SENA	SENX	SGC	SICT	SITHAI
SKR	SNC	SPC	SSSC	SYMC	TAN	TBN	TGE
THANA	THIP	THREL	TPA	TPCS	TQM	TRU	TWPC
UPF	UPOIC	VIBHA	WPH				
Ratings: BBB (50-64)							
AKR	ASIMAR	CSC	J	LEO	MEGA	NL	PRIN
SE	SO	SPRC	SUN	TMILL	TSTH	WP	YUASA

Source: SET ESG Ratings, Stock Exchange of Thailand (setsustainability.com). Ratings as of 9 January 2026. Only companies scoring 50 and above are assigned a rating. Covered company are Bold in letter.

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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 (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.