TIPCO ASPHALT (TASCO TB)

THAILAND / SET / CONSTRUCTION MATERIALS

22 September 2026

Crude Returns, Upside Builds

- Bigger upside depends on a return to contracted Venezuelan crude
- Easing sanctions and infrastructure upgrades should unlock more Venezuelan heavy-crude exports.
- Maintain BUY and raise our TP to THB21

Back to Venezuelan Crude, Not Yet Full Benefit

TASCO received its first 600k bbl Venezuelan crude cargo in Jul-26, followed by 900k bbl in Aug-26, both sourced through traders. However, the earnings uplift should take time, as elevated crude and freight costs limit the margin benefit from spot purchases. We expect 3Q26 earnings to stay flat or soften, pressured by seasonally weak demand in Thailand and Indonesia. Improving heavy-crude availability could become a more meaningful margin catalyst, with the bigger upside coming if TASCO can return to contracted Venezuelan crude.

Sanctions Ease, Heavy Crude Flows Return

The U.S. Treasury's GL46D, issued on 27 Aug 2026, allows established U.S. entities to trade, transport and refine Venezuelan crude, including transactions with PDVSA. While sanctions remain, the framework now supports controlled international sales, including resale to non-U.S. buyers. Separately, GL50C authorizes oil and gas operations by BP, Chevron, Eni, Maurel & Prom, Repsol and Shell, while Vitol and Trafigura were among the first trading houses to receive U.S. authorization to market Venezuelan crude earlier in 2026.

Production Is Back, Export Bottlenecks Hold It Back

Venezuela is currently producing around 1.25m bpd, up from below 1.0m bpd at the start of 2026 but still well below the more than 3m bpd produced in the late 1990s, while exports reached 1.17m bpd in Aug-26 vs a peak of 1.25m bpd in May-26. In Aug-26, 553kbd went to the U.S., 297kbd to India and 260kbd to Europe. However, exports remain capped at 1.2–1.25m bpd by infrastructure constraints, particularly at the José terminal, which handles 70% of exports, where tanker waits have reached up to 30 days. This could limit near-term export upside despite the targeting production of 1.37m bpd by end-2026.

From Bottlenecks to Barrels

Infrastructure is now the key constraint, making investment the next catalyst for Venezuelan crude exports. A U.S.-backed GE Vernova plan targets grid stabilization within 6–12 months, while investment is returning to the Orinoco Belt, which holds most of Venezuela's 303b barrels of proved reserves and is dominated by heavy and extra-heavy crude. Chevron plans to raise output from 0.3m bpd to 0.6m bpd by 2031, while Eni's Junín 5 could increase from 12kbd to 180kbd. We therefore see 2026–27 as an infrastructure recovery phase, followed by structural heavy-crude growth.

Maintain BUY at TP of THB21.0

We maintain BUY and raise our TP to THB21 from THB18, rolling forward to 2027E and applying 13x EV/EBITDA, supported by improving Venezuelan crude access and margin upside.

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ESG Rating : AA

CG Rating :

BUY

Target Price 12M (THB)	**21.00**
VS. BB Consensus TP (%)	+14.1%
Share Price (THB)	17.00
Upside/Downside	+23.5%

Share Data

Market Cap (THB m)	26,832.15
Par (THB)	1.00
Free Float (%)	41.75
Issued shares (m shares)	1,578

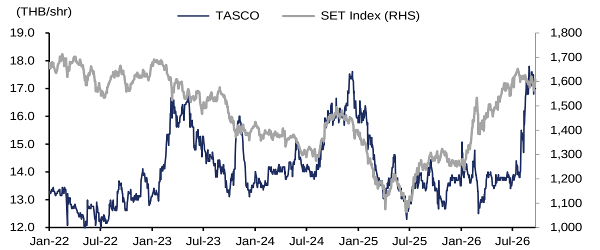
Financial forecast

YE Dec (THB m)	2025	2026E	2027E	2028E
Revenue	26,962	24,721	26,530	26,530
Net profit	1,137	1,212	1,449	1,445
Core net profit	1,099	1,212	1,449	1,445
vs Consensus (%)		(22.6)	(14.6)	(16.5)
Net profit growth (%)	(19.8)	6.6	19.6	(0.3)
Core net profit growth (%)	(21.9)	10.3	19.6	(0.3)
EPS (THB)	0.72	0.77	0.92	0.92
Core EPS (THB)	0.70	0.77	0.92	0.92
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	0.80	0.46	0.55	0.55
P/E (x)	19.03	22.14	18.51	18.57
P/BV (x)	1.58	1.84	1.76	1.70
ROE (%)	7.43	8.58	9.74	9.33
Dividend yield (%)	5.84	2.71	3.24	3.23

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(1.73)	22.30	29.77	24.09
Market	(0.77)	20.35	16.37	(2.19)
12M High/Low (THB)				17.90 / 12.40



Major Shareholders (%) as of 05 Mar 2026

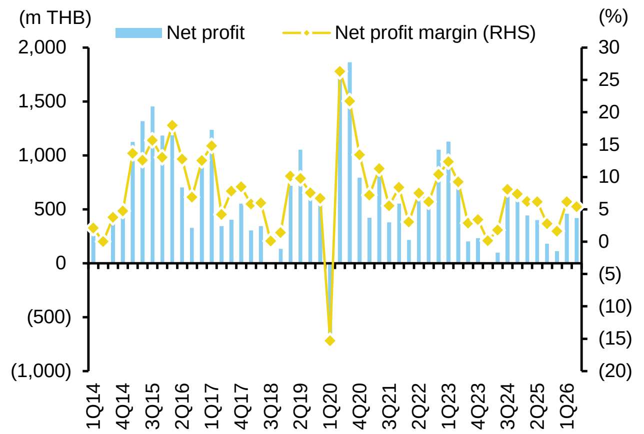
BNP Paribas Securities (Asia) Ltd-For Colas	31.09
Tipco Foods Public Company Limited	23.07

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.

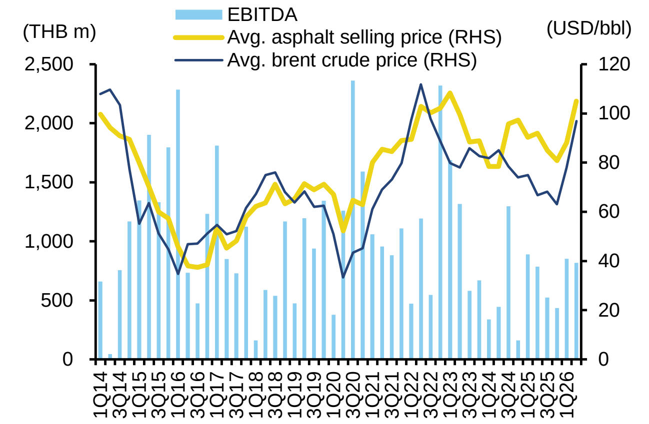
Source: SETSMART, SET

Exhibit 1: TASCO's net profit vs net profit margin



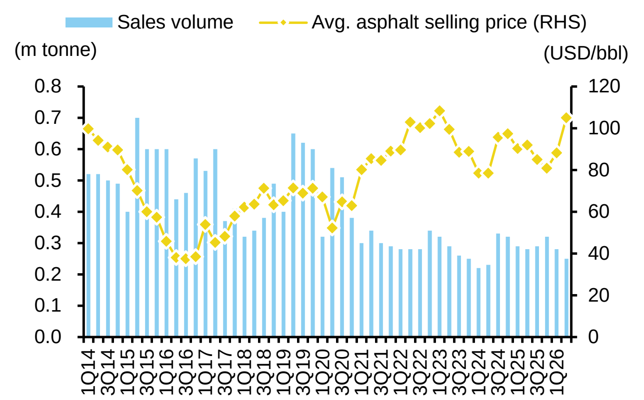
Sources: TASCO; Globlex Research

Exhibit 2: EBITDA vs Avg. asphalt selling price vs Avg. brent crude price



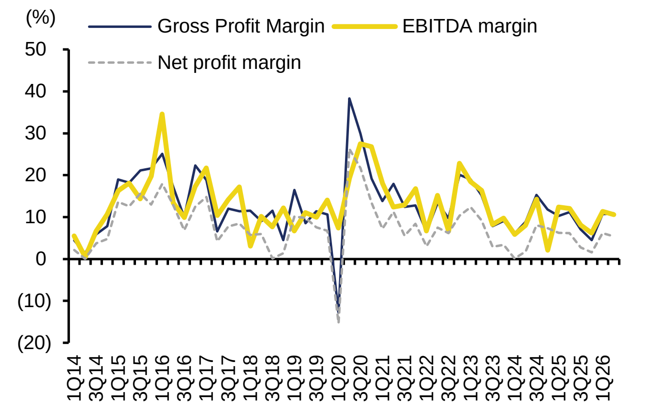
Sources: TASCO; Globlex Research

Exhibit 3: Sales volume vs Avg. asphalt selling price



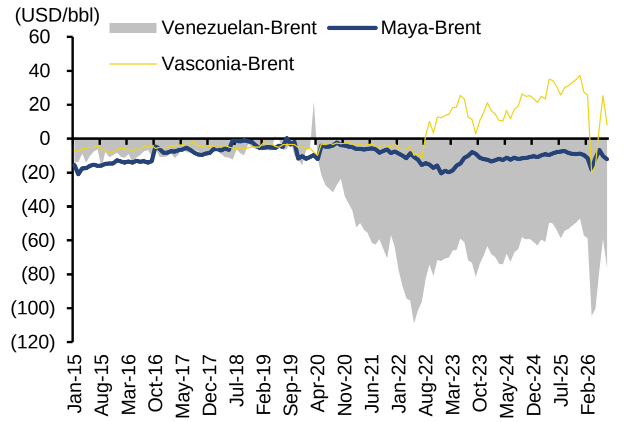
Sources: TASCO; Globlex Research

Exhibit 4: Gross profit margin vs EBITDA margin vs Net profit margin



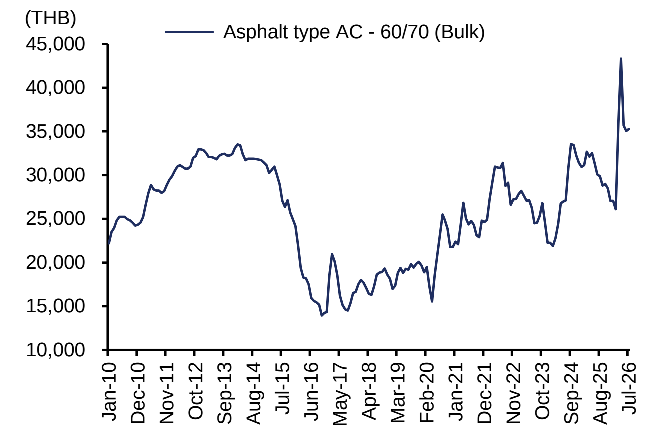
Sources: TASCO; Globlex Research

Exhibit 5: Heavy crude cost to Brent



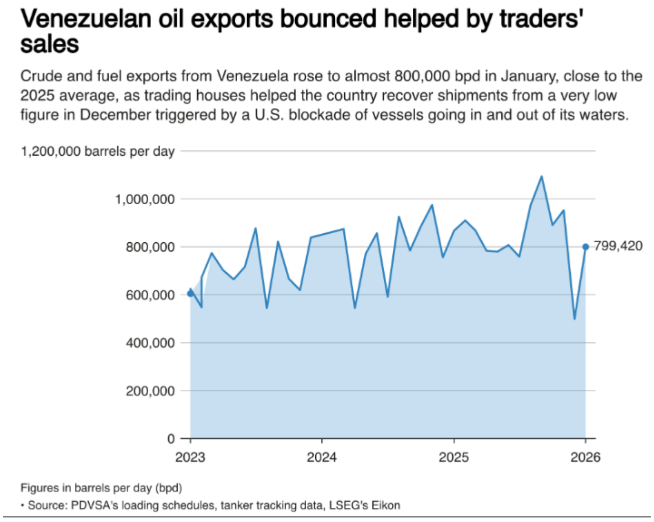
Sources: Bloomberg; Globlex Research

Exhibit 6: Thailand asphalt type AC 60/70 price



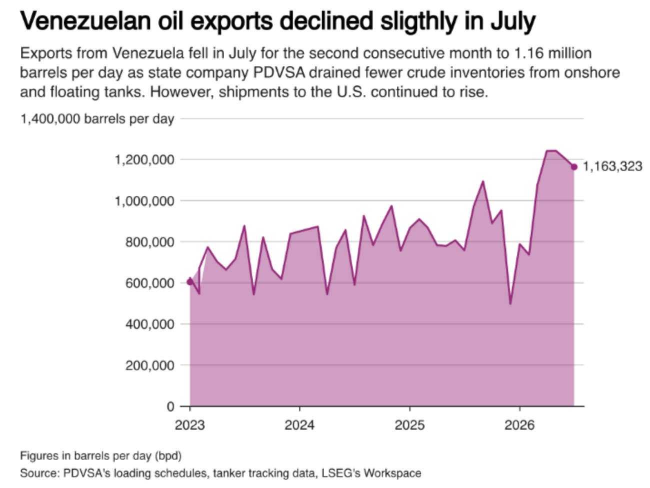
Sources: TPSO

Exhibit 7: Venezuela oil export – 800k bbl as of Jan-26



Sources: Reuters

Exhibit 8: Venezuela oil export – 1.16m bbl as of Jul-26



Sources: Reuters

Exhibit 9: PDVSA's refinery capacity by region as of 2018

(bpd)	Nameplate capacity	Operating capacity	PDVSA's share of nameplate capacity
Venezuela	1,303,800	625,800	1,303,800
United States	749,000	749,000	749,000
Caribbean	640,000	305,000	604,000
Europe	84,000	84,000	38,000
Total	**2,776,800**	**1,763,800**	**2,694,800**

Sources: EIA

Exhibit 10: Global oil reserves by country in 2025

Rank	Country	Oil reserves (b barrels)
1	Venezuela	303.0
2	Saudi Arabia	267.2
3	Iran	208.6
4	Canada	163.1
5	Iraq	145.0
6	UAE	113.0
7	Kuwait	101.5
8	United states	83.7
9	Russia	80.0
10	Libya	48.3

Sources: Economy Middle East

Balance sheet (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Current assets					
Cash & ST investment	1,846	1,737	2,553	2,029	1,605
Account receivable	5,722	4,965	4,965	4,965	4,965
Inventories	5,930	5,189	4,896	5,213	5,213
Others	1,427	1,638	1,502	1,612	1,612
Non-current assets					
Net fixed assets	6,670	6,133	7,867	8,868	9,869
Others	2,194	2,358	2,358	2,358	2,358
Total Assets	**23,789**	**22,019**	**24,140**	**25,044**	**25,621**
Current liabilities					
Account payable	2,864	2,773	2,617	2,786	2,786
ST borrowing	3,035	3,414	3,414	3,414	3,414
Others	1,062	1,245	1,142	1,225	1,225
Long-term liabilities					
Long-term debts	281	308	1,840	1,840	1,840
Others	454	411	411	411	411
Total liabilities	**7,696**	**8,151**	**9,424**	**9,677**	**9,677**
Paid-up capital	1,578	1,578	1,578	1,578	1,578
Retained earnings	14,331	12,773	13,621	14,272	14,849
Others	(31)	(646)	(646)	(646)	(646)
Minority interest	215	163	163	163	163
Shareholders' equity	**16,093**	**13,868**	**14,716**	**15,367**	**15,944**

Profit & loss (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Revenue	**27,964**	**26,962**	**24,721**	**26,530**	**26,530**
Cost of goods sold	(23,725)	(23,736)	(22,363)	(23,810)	(23,810)
Gross profit	**4,239**	**3,226**	**2,359**	**2,720**	**2,720**
Operating expenses	(1,243)	(1,178)	(1,080)	(1,159)	(1,159)
Operating profit	**2,995**	**2,048**	**1,278**	**1,561**	**1,561**
EBIT	**1,883**	**1,011**	**778**	**1,061**	**1,061**
Depreciation	(1,112)	(1,038)	(500)	(500)	(500)
EBITDA	**2,995**	**2,048**	**1,278**	**1,561**	**1,561**
Non-operating income	**7**	**346**	**717**	**726**	**720**
Other incomes	(21)	323	700	700	700
Other non-op income	29	23	17	26	20
Non-operating expense	**(135)**	**(94)**	**(110)**	**(110)**	**(110)**
Interest expense	(148)	(131)	(110)	(110)	(110)
Other non-op expense	13	37	0	0	0
Equity income/(loss)	110	176	80	80	80
Pre-tax Profit	**1,865**	**1,438**	**1,465**	**1,756**	**1,751**
Extraordinary items					
Current taxation	(411)	(312)	(253)	(307)	(306)
Minorities	(37)	10	0	0	0
Net Profit	**1,417**	**1,137**	**1,212**	**1,449**	**1,445**
Core net profit	**1,407**	**1,099**	**1,212**	**1,449**	**1,445**
EPS (THB)	**0.90**	**0.72**	**0.77**	**0.92**	**0.92**
Core EPS (THB)	**0.89**	**0.70**	**0.77**	**0.92**	**0.92**

Key ratios					
Year ending Dec	2024	2025	2026E	2027E	2028E
Growth (%YoY)					
Sales	(10.1)	(3.6)	(8.3)	7.3	0.0
Operating profit	(28.8)	(31.6)	(37.6)	22.1	0.0
EBITDA	(28.8)	(31.6)	(37.6)	22.1	0.0
Net profit	(38.5)	(19.8)	6.6	19.6	(0.3)
Core net profit	(42.4)	(21.9)	10.3	19.6	(0.3)
EPS	(38.5)	(19.8)	6.6	19.6	(0.3)
Core EPS	(42.4)	(21.9)	10.3	19.6	(0.3)
Profitability (%)					
Gross margin	15.2	12.0	9.5	10.3	10.3
Operation margin	10.7	7.6	5.2	5.9	5.9
EBITDA margin	10.7	7.6	5.2	5.9	5.9
Net margin	5.1	4.2	4.9	5.5	5.4
ROE	8.7	7.4	8.6	9.7	9.3
ROA	6.5	5.1	5.6	6.2	6.0
Stability					
Interest bearing debt/equity (x)	0.2	0.3	0.4	0.3	0.3
Net debt/equity (x)	0.1	0.1	0.2	0.2	0.2
Interest coverage (x)	12.7	7.7	7.1	9.6	9.6
Interest & ST debt coverage (x)	0.6	0.3	0.2	0.3	0.3
Cash flow interest coverage (x)	0.2	0.5	0.2	0.2	0.2
Current ratio (x)	2.1	1.8	1.9	1.9	1.8
Quick ratio (x)	1.1	0.9	1.0	0.9	0.9
Net debt (THB m)	1,470	1,985	2,701	3,225	3,650
Activity					
Asset turnover (X)	1.2	1.2	1.1	1.1	1.0
Days receivables	67.5	72.3	73.3	68.3	68.3
Days inventory	83.4	85.5	82.3	77.5	79.9
Days payable	43.9	43.3	44.0	41.4	42.7
Cash cycle days	107.0	114.5	111.6	104.4	105.5

Cash flow (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Operating cash flow	**1,203**	**3,730**	**1,961**	**1,855**	**2,025**
Net profit	1,417	1,137	1,212	1,449	1,445
Depre.& amortization	1,112	1,038	500	500	500
Change in working capital	(1,437)	1,380	169	(174)	0
Others	110	176	80	80	80
Investment cash flow	**3,151**	**1,430**	**(2,154)**	**(1,421)**	**(1,421)**
Net CAPEX	(781)	(501)	(2,234)	(1,501)	(1,501)
Change in LT investment	3,913	1,901	80	80	80
Change in other assets	18	31	0	0	0
Free cash flow	**4,354**	**5,160**	**(193)**	**434**	**604**
Financing cash flow	**(2,508)**	**(3,423)**	**2,746**	**1,594**	**1,001**
Change in share capital	0	0	0	0	0
Net change in debt	709	406	1,532	0	0
Dividend paid	(5,366)	(4,656)	(364)	(798)	(868)
Others	2,150	828	1,577	2,393	1,869
Net cash flow	**1,846**	**1,737**	**2,553**	**2,029**	**1,605**

Per share (THB)					
EPS	0.90	0.72	0.77	0.92	0.92
Core EPS	0.89	0.70	0.77	0.92	0.92
CFPS	1.63	1.37	1.08	1.24	1.23
BVPS	10.06	8.68	9.22	9.63	10.00
Sales/share	17.72	17.08	15.66	16.81	16.81
EBITDA/share	1.90	1.30	0.81	0.99	0.99
DPS	0.90	0.80	0.46	0.55	0.55
Valuation					
P/E (x)	20.2	19.0	22.1	18.5	18.6
P/BV (x)	1.80	1.58	1.84	1.76	1.70
Dividend yield (%)	4.97	5.84	2.71	3.24	3.23
Divdend payout ratio (%)	100.24	111.10	60.00	60.00	60.00

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ESG Analysis

ESG Assessment	SET ESG	Bloomberg
Environment TASCO focuses on improving production efficiency, reducing greenhouse gas emissions, and optimizing energy consumption across its asphalt manufacturing operations. The company continues to strengthen air emission control, waste recycling, water management, and the use of recycled asphalt materials to support resource efficiency and environmental sustainability.	AA	4.56
Social TASCO places strong emphasis on occupational health and safety, employee development, and contractor safety while supporting communities through road safety campaigns, educational initiatives, and local community development programs. The company maintains regular stakeholder engagement to ensure responsible business operations.		6.71
Governance TASCO maintains sound corporate governance through independent board oversight, enterprise risk management, internal controls, and anti-corruption practices. The company reinforces transparency through regular ESG disclosure, ethical business conduct, and responsible supply chain management to support sustainable long-term growth.		4.22
Overall | CG Score: Excellent (5-star) | CAC: Certified		**5.06**

Bloomberg ESG scores reflect FY2025 data (latest available). SET ESG Rating as of April 2026 (Globlex Research). CG rating reflects 2025 Thai IOD survey. SET ESG Rating as of 9 January 2026.
Sources: SET, Thai IOD, CAC, Bloomberg, Globlex Securities Research

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

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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.