

## Star Petroleum Refining (SPRC TB) - BUY, Price Bt7.25, TP Bt7.00 Results Comment

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### Strong core as expected; DPS beat

- SRPC delivered a Bt1bn net profit, down 31% q-q due to inventory losses. Core profit surged strongly y-y and q-q to Bt3bn, mainly driven by higher refinery margins. Overall profit was in line with both our and market expectations.
- Higher margin:** Enterprise margin rose to US\$10.4/bbl (+52% q-q, +55% y-y), led by stronger refinery margins. Refinery margin increased to US\$9.3/bbl (+72% q-q, +53% y-y) in line with crack spread recovery, while commercial margin declined to US\$1.2/bbl (-20% q-q, +71% y-y) due to intensified competition in the commercial and industrial (C&I) segment and asphalt channels. Diesel remained the key product driver. Refinery run rate remained elevated at 93% in 4Q25, slightly down from 96% in 3Q25 but up from 89% in 4Q24, reflecting a strong margin environment.
- Good OPEX control:** Operating expenses (OPEX), excluding major turnaround and inspection (T&I) and project costs, increased by US\$0.41/bbl q-q due to seasonally higher activity levels. However, OPEX declined 20% y-y, supported by continued cost-cutting efforts.
- One-offs:** We estimate a Bt2bn inventory loss (vs a Bt550m gain in 3Q25 and a Bt328m loss in 4Q24).
- Better than expected dividend.** SPRC announced an interim DPS of Bt0.30/share (4% yield), bringing FY DPS to Bt0.45/share (vs Bt0.40 in 2025), above our Bt0.30 forecast and consensus of Bt0.39. This implies a 76% payout ratio, compared with 78% in 2025F.
- Outlook:** We expect 1Q26F profits to soften due to the planned turnaround, which is already anticipated by the market. We remain positive on the 2026F refinery margin outlook.

Income Statement						Income Statement					
(consolidated)						12M as					
Yr-end Dec (Bt m)	4Q24	1Q25	2Q25	3Q25	4Q25	(Bt m)	q-q%	y-y%	% 2025F	2025A	2026F
Revenue	64,043	64,297	58,509	61,596	57,481	Revenue	(7)	(10)	96	241,882	213,242
<b>Gross profit</b>	<b>1,217</b>	<b>1,101</b>	<b>1,215</b>	<b>1,917</b>	<b>3,966</b>	<b>Gross profit</b>	<b>107</b>	<b>226</b>	<b>101</b>	<b>8,197</b>	<b>7,217</b>
SG&A	979	862	796	717	822	SG&A	15	(16)	97	3,197	3,311
Operating profit	238	239	418	1,199	3,144	Operating profit	162	1,220	105	5,000	3,906
<b>EBITDA</b>	<b>1,031</b>	<b>1,112</b>	<b>1,238</b>	<b>2,046</b>	<b>4,046</b>	<b>EBITDA</b>	<b>98</b>	<b>292</b>	<b>108</b>	<b>8,441</b>	<b>6,802</b>
Other income	110	117	85	58	(18)	Other income	na	na	na	242	
Other expense						Other expense			na		
Interest expense	93	72	68	60	58	Interest expense	(4)	(38)	98	258	252
<b>Profit before tax</b>	<b>255</b>	<b>284</b>	<b>436</b>	<b>1,197</b>	<b>3,068</b>	<b>Profit before tax</b>	<b>156</b>	<b>1,103</b>	<b>110</b>	<b>4,984</b>	<b>3,654</b>
Income tax	97	187	(215)	360	212	Income tax	(41)	118	93	544	694
Equity & invest. income				35	119	Equity & invest. income	244		na	154	
Minority interests						Minority interests			na		
Extraordinary items	4	617	(1,464)	708	(1,885)	Extraordinary items	na	na	144	(2,024)	
<b>Net profit</b>	<b>162</b>	<b>714</b>	<b>(812)</b>	<b>1,579</b>	<b>1,090</b>	<b>Net profit</b>	<b>(31)</b>	<b>573</b>	<b>102</b>	<b>2,570</b>	<b>2,959</b>
<b>Normalized profit</b>	<b>158</b>	<b>97</b>	<b>651</b>	<b>871</b>	<b>2,975</b>	<b>Normalized profit</b>	<b>241</b>	<b>1,784</b>	<b>117</b>	<b>4,594</b>	<b>2,959</b>
EPS (Bt)	0.04	0.16	(0.19)	0.36	0.25	EPS (Bt)	(31)	573	102	0.59	0.68
Normalized EPS (Bt)	0.04	0.02	0.15	0.20	0.69	Normalized EPS (Bt)	241	1,784	117	1.06	0.68

  

Balance Sheet						Financial Ratios					
(consolidated)						12M as					
Yr-end Dec (Bt m)	4Q24	1Q25	2Q25	3Q25	4Q25	(%)	4Q24	1Q25	2Q25	3Q25	4Q25
Cash & ST investment	575	1,163	572	431	976	Sales grow th	(0.2)	(9.0)	(17.8)	(4.9)	(10.2)
A/C receivable	14,923	12,993	11,945	11,802	11,447	Operating profit grow th	na	(92.0)	54.0	na	1,220.3
Inventory	23,482	21,968	22,473	21,962	21,112	EBITDA grow th	na	(70.7)	11.6	788.8	292.4
Other current assets	491	616	624	873	620	Norm profit grow th	na	(96.4)	382.7	na	1,784.1
Investment	1,616	1,660	1,473	1,413	1,418	Norm EPS grow th	na	(96.4)	382.7	na	1,784.1
Fixed assets	22,300	22,029	20,770	20,892	21,037						
Other assets	5,048	4,884	5,089	4,964	4,688	Gross margin	1.9	1.7	2.1	3.1	6.9
<b>Total assets</b>	<b>68,435</b>	<b>65,313</b>	<b>62,947</b>	<b>62,336</b>	<b>61,298</b>	Operating margin	0.4	0.4	0.7	1.9	5.5
S-T debt	986	1,417	3,174	3,871	1,356	EBITDA margin	1.6	1.7	2.1	3.3	7.0
A/C payable	16,726	14,866	15,128	13,547	15,017	Norm net margin	0.2	0.2	1.1	1.4	5.2
Other current liabilities	2,299	1,707	2,024	1,355	2,078						
L-T debt	6,606	4,725	2,844	2,713	1,750	D/E (x)	0.2	0.2	0.2	0.2	0.1
Other liabilities	2,712	2,886	2,888	3,265	3,176	Net D/E (x)	0.2	0.1	0.1	0.2	0.1
Minority interest	5	5	5	5	5	Interest coverage (x)	11.1	15.4	18.3	33.8	69.9
<b>Shareholders' equity</b>	<b>39,101</b>	<b>39,706</b>	<b>36,884</b>	<b>37,581</b>	<b>37,915</b>	Interest rate	4.3	4.2	4.4	3.8	4.8
Working capital	21,679	20,095	19,290	20,217	17,542	Effective tax rate	38.1	65.8	(49.4)	30.1	6.9
Total debt	7,592	6,142	6,018	6,584	3,106	ROA	0.9	0.6	4.1	5.6	19.2
<b>Net debt</b>	<b>7,017</b>	<b>4,979</b>	<b>5,445</b>	<b>6,153</b>	<b>2,130</b>	ROE	1.7	1.0	6.8	9.4	31.5

Sources: Company data, Thanachart estimates

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