Thai Oil Pcl (TOP TB) - BUY

Earnings Preview

Yupapan Polpornprasert | Email: yupapan.pol@ttbwealth.co.th

2Q26F- strong despite subsidy impact

- **2Q26F of Bt7.7bn, down q-q due to inventory loss**
- **Core profit jump strongly q-q despite subsidy impact**
- **1H26F beats full-year estimate**
- **Maintain BUY**

We estimate TOP's 2Q26F net profit at Bt7.7bn, declining from Bt19.8bn in 1Q26 due to inventory and one-off losses.

- We estimate a Bt9.7bn non-recurring loss in 2Q26F, compared with a Bt16bn gain in 1Q26. The loss mainly comprises Bt7.5bn inventory loss, Bt1.5bn hedging loss, Bt640m FX loss, and Bt1.0bn CFP impairment from catalyst and pipeline value adjustments.
- Excluding one-off items, core profit is expected to surge to Bt17bn in 2Q26F from Bt3.5bn in 1Q26. 1H26F earnings already represent 110% of our full-year forecast, indicating upside potential to our 2026F estimates.
- Market GIM (excluding inventory gains/losses) is forecast at US$23.5/bbl, improving significantly from US$14.8/bbl in 1Q26 and US$7/bbl in 2Q25, supported by stronger refining margins.
- Refinery utilization rate is expected to moderate slightly to 107% from 113% in 1Q26 due to planned turnaround activities.

Maintain BUY, supported by strong underlying refining margins and potential upside risk to our 2026F earnings forecast.

Key Valuations

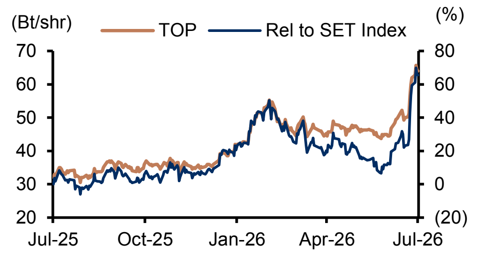
Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Revenue	395,682	421,415	403,120	403,120
Net profit	14,584	18,883	13,160	18,741
Norm net profit	11,602	14,659	13,160	18,741
Norm EPS (Bt)	5.2	6.6	5.4	7.9
Norm EPS gr (%)	(32.7)	26.3	(18.2)	46.5
Norm PE (x)	12.3	9.7	11.9	8.1
EV/EBITDA (x)	8.4	6.6	7.5	5.2
P/BV (x)	0.8	0.7	0.7	0.6
Div. yield (%)	2.8	4.4	3.4	4.9
ROE (%)	6.9	7.8	6.3	8.6
Net D/E (%)	24.5	20.4	23.6	18.0

Source: ttb wealth estimates

Stock Data

Closing price (Bt)	64.00
Target price (Bt)	60.00
Market cap (US$ m)	4,229
Avg daily turnover (US$ m)	27.4
12M H/L price (Bt)	65.75/30.50

Price Performance



Source: Bloomberg

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