

## Time to relook PTG on non-oil gritty

- Non-oil growths will be propelled by expansion in Punthai and LPG
- A marginal enhancement in marketing margin will support oil net profit growth
- Maintain BUY and a SoTP TP of THB10.

### More expansions, more growth solutions

During analyst meeting post 2024 result, we reiterated our positive view on PTG's 2025 net profit growth outlook on the non-oil growths from PTG's expansion plans. The growth engines are the expansion in number of new branches from 1,347 to 1,947 by end-2025, the expansion in LPG business via household cooking gas and taxi-ride advertising, and a gradual rise in retail oil marketing margin (MM) towards THB1.7-1.8/liter, from THB1.64/liter in 2024.

### Non-oil business growth will continue to accelerate

Non-oil contributions are projected to increase markedly in 2025E-26E, with gross profit contributions at 27-29%, up from 26.4% in 2024 while gross profit margin is expected to rise further to 22-23%, up from 21.2% in 2024 on the benefits of economies of scales. PTG's non-oil ventures embrace Punthai (10.7% of total gross profit in 2024), LPG (11%), Max Mart (2.8%), and other (1.9%), compared to oil (73.6%).

### Elephantine growth for Punthai

We believe gross profit contribution from Punthai is the brightest spot among all non-oil businesses in PTG's portfolio for three reasons. First, Punthai has already passed its breakeven points in terms of both number of cups sold (>100 cups/day/branch) and the number of branches (>700 branches). Second, PTG plans to add more new branches for Punthai to bring total number of branches from 1,347 in 2024 to 1,947 in 2025. Third, PTG plans to increase its spending per bill on higher revenue from non-drink products.

### Expect marginal increase in marketing margin

PTG plans to increase its number of oil stations from 2,229 in 2024 to 2,279 in 2025, adding 50 new stations, aiming to raise its market share from 21.9% in 4Q24 to 23-24% in 2025. MM, however, will be the most critical factor for profitability, and we project a gradual improvement in MM from THB1.64/litre in 2024 to THB1.7-1.8/litre in 2025 given Thai government is likely to curb diesel price at the expense of capped MM.

### Maintain BUY and a SoTP TP of THB10.00

We maintain BUY and a SoTP TP of THB10, applying 9x 2025E P/E for oil business, 15x for non-oil LPG and Punthai, and 5x for biodiesel. We think the gradual improvement in MM to drive up oil earnings will be greatly boosted by the net profit growths from non-oil businesses, specifically Punthai and LPG, the two businesses that PTG has already proven to succeed in expanding number of branches and enhance gross profit margin.

#### Analyst

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ESG Rating : n.a.

CG Rating : ▲▲▲▲▲

## BUY

<b>Target Price 12M (THB)</b>	<b>10.00</b>
VS. BB Consensus TP (%)	+10.4%
Share Price (THB)	7.10
Upside/Downside	+40.8%

### Share Data

Market Cap (THB m)	11,857.00
Par (THB)	1.00
Free Float (%)	58.34
Issued shares (m shares)	1,670

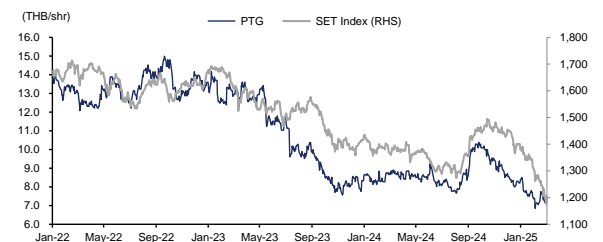
### Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	226,096	204,975	224,875	246,803
Net profit	1,021	1,480	1,811	1,719
Core net profit	1,022	1,480	1,811	1,719
vs Consensus (%)		18.3	27.6	23.9
Net profit growth (%)	8.2	44.9	22.4	(5.1)
Core net profit growth (%)	7.7	44.7	22.4	(5.1)
EPS (THB)	0.61	0.89	1.08	1.03
Core EPS (THB)	0.61	0.89	1.08	1.03
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	0.35	0.27	0.33	0.31
P/E (x)	13.41	8.01	6.55	6.90
P/BV (x)	1.51	1.17	1.03	0.94
ROE (%)	11.47	15.45	16.78	14.25
Dividend yield (%)	4.27	3.74	4.58	4.35

Source: Financial Statement and Globlex securities

### Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(4.05)	(16.96)	(21.98)	(13.41)
Market	6.00	2.30	(9.53)	2.95
12M High/Low (THB)				10.70 / 6.80



### Major Shareholders (%) as of 27 Nov 2024

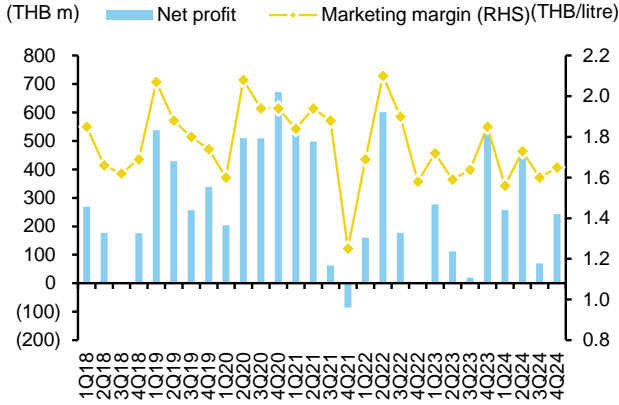
Ratchakit Holding Company Limited	25.12
Mr. Pongsak Vachirasakpanich	6.01
Thai NVDR Company Limited	5.75

### Company Profile

PTG Energy Public Company Limited consists of eight groups of businesses as follows: 1) Oil (the Company's core and original business) and Retail Business, 2) LPG Business, 3) Renewable Energy and Investment Business, 4) Logistics Business, 5) System and Equipment Management Business, 6) Food and Beverage Business, 7) Auto Care and Maintenance Business, and 8) Electronic Money Business (e-Money). In this regard, the Company is determined to operate the business with the aim of satisfying consumers' needs in a comprehensive manner.

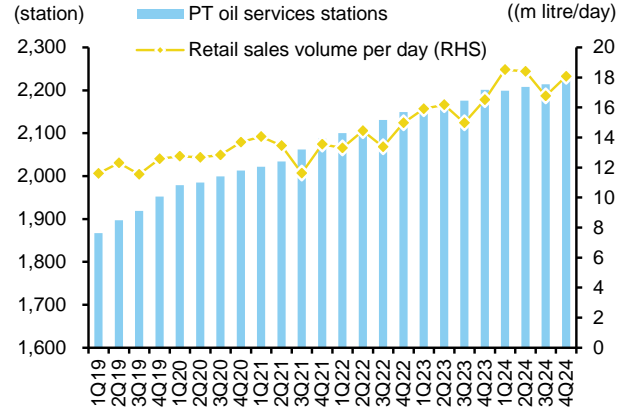
Source: SETSMART, SET

**Exhibit 1: PTG's Net profit vs Marketing margin**



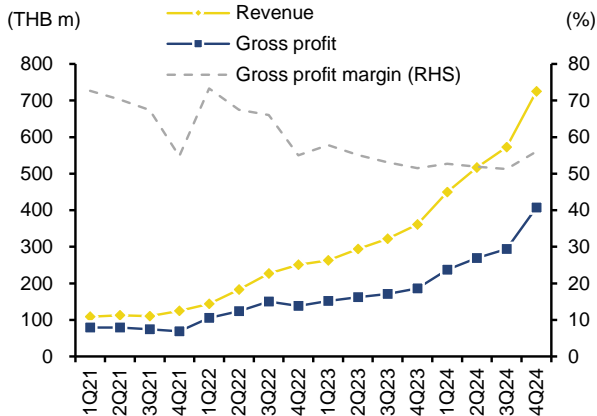
Sources: PTG, Globlex Research

**Exhibit 2: PTG's oil station vs retail sales volume per day**



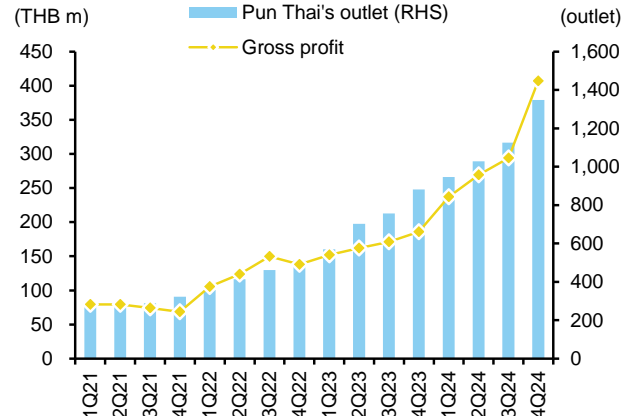
Sources: PTG, Globlex Research

**Exhibit 3: Punthai's revenue, Gross profit and Gross profit margin**



Sources: PTG, Globlex Research

**Exhibit 4: Number of Punthai outlet vs Gross profit**



Sources: PTG, Globlex Research

**Exhibit 5: PTG SOTP valuation**

PTG valuation	THB m	THB/shr	Comments
Oil station	3,911	2.4	At 9x FY25E P/E
Non-oil	4,758	2.9	At 15x FY25E P/E
Biodiesel	566	0.4	At 5x FY25E P/E
Net debt	7,510	4.5	FY25E net debt
<b>Total value</b>	<b>16,744</b>	<b>10.0</b>	

Sources: Globlex Research

Balance sheet (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Current assets</b>					
Cash & ST investment	3,381	2,212	4,483	8,455	12,688
Account receivable	1,108	1,426	1,714	2,029	2,376
Inventories	3,330	4,295	3,892	4,270	4,702
Others	20	35	32	35	38
<b>Non-current assets</b>					
Net fixed assets	13,202	15,810	14,156	12,123	9,710
Others	25,891	27,975	27,975	27,975	27,975
<b>Total Assets</b>	<b>46,932</b>	<b>51,752</b>	<b>52,251</b>	<b>54,888</b>	<b>57,490</b>

<b>Current liabilities</b>					
Account payable	10,340	12,285	11,132	12,215	13,450
ST borrowing	5,588	8,326	8,493	8,663	8,836
Others	282	185	168	184	202
<b>Long-term liabilities</b>					
Long-term debts	3,604	3,059	3,500	3,500	3,500
Others	18,192	18,615	18,615	18,615	18,615
<b>Total liabilities</b>	<b>38,006</b>	<b>42,470</b>	<b>41,907</b>	<b>43,177</b>	<b>44,603</b>
Pai-up capital	1,670	1,670	1,670	1,670	1,670
Retained earnings	6,076	6,346	7,408	8,775	9,951
Others	1,035	1,033	1,033	1,033	1,033
Minority interest	145	233	233	233	233
<b>Shareholders' equity</b>	<b>8,926</b>	<b>9,282</b>	<b>10,344</b>	<b>11,711</b>	<b>12,887</b>

Key ratios					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Growth (y-y%)</b>					
Sales	10.8	13.6	(9.3)	9.7	9.8
Operating profit	(2.2)	5.4	17.1	8.9	(0.1)
EBITDA	(2.2)	5.4	17.1	8.9	(0.1)
Net profit	1.1	8.2	44.9	22.4	(5.1)
Core net profit	2.4	7.7	44.7	22.4	(5.1)
EPS	1.1	8.2	44.9	22.4	(5.1)
Core EPS	2.4	7.7	44.7	22.4	(5.1)
<b>Profitability (%)</b>					
Gross margin	8.3	8.3	8.3	8.3	8.0
Operation margin	2.8	2.6	3.3	3.3	3.0
EBITDA margin	2.8	2.6	3.3	3.3	3.0
Net margin	0.5	0.5	0.7	0.8	0.7
ROE	11.2	11.5	15.4	16.8	14.2
ROA	1.4	3.7	4.4	5.0	4.7
<b>Stability</b>					
Interest bearing debt/equity (x)	1.0	1.2	1.2	1.0	1.0
Net debt/equity (x)	0.7	1.0	0.7	0.3	n.a.
Interest coverage (x)	1.9	2.0	2.6	2.9	2.7
Interest & ST debt coverage (x)	0.3	0.2	0.3	0.4	0.4
Cash flow interest coverage (x)	0.2	0.1	0.1	0.1	0.1
Current ratio (x)	0.5	0.4	0.5	0.7	0.9
Quick ratio (x)	0.3	0.2	0.3	0.5	0.7
Net debt (THB m)	5,811	9,173	7,510	3,708	(352)
<b>Activity</b>					
Asset turnover (X)	4.3	4.6	3.9	4.2	4.4
Days receivables	0.0	0.0	0.0	0.0	0.0
Days inventory	5.5	6.7	7.9	7.2	7.2
Days payable	0.0	0.0	0.0	0.0	0.0
Cash cycle days	5.5	6.7	7.9	7.2	7.2

Profit & loss (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Revenue</b>					
Revenue	199,048	226,096	204,975	224,875	246,803
Cost of goods sold	(182,536)	(207,412)	(187,938)	(206,235)	(227,076)
<b>Gross profit</b>	<b>16,512</b>	<b>18,683</b>	<b>17,037</b>	<b>18,640</b>	<b>19,727</b>
Operating expenses	(11,009)	(12,884)	(10,249)	(11,244)	(12,340)
<b>Operating profit</b>	<b>5,503</b>	<b>5,799</b>	<b>6,788</b>	<b>7,396</b>	<b>7,386</b>
<b>EBIT</b>	<b>2,150</b>	<b>2,168</b>	<b>3,099</b>	<b>3,633</b>	<b>3,548</b>
Depreciation	(3,353)	(3,631)	(3,689)	(3,763)	(3,838)
<b>EBITDA</b>	<b>5,503</b>	<b>5,799</b>	<b>6,788</b>	<b>7,396</b>	<b>7,386</b>
<b>Non-operating income</b>					
Other incomes	176	288	293	299	305
Other non-op income	0	0	0	0	0
<b>Non-operating expense</b>	<b>(1,128)</b>	<b>(1,091)</b>	<b>(1,190)</b>	<b>(1,237)</b>	<b>(1,295)</b>
Interest expense	(1,128)	(1,091)	(1,190)	(1,237)	(1,295)
Other non-op expense	0	0	0	0	0
<b>Equity income/(loss)</b>	<b>33</b>	<b>125</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Pre-tax Profit</b>	<b>1,232</b>	<b>1,490</b>	<b>2,202</b>	<b>2,695</b>	<b>2,558</b>
Extraordinary items	(6)	(1)	0	0	0
Current taxation	(261)	(448)	(722)	(884)	(839)
Minorities	(22)	(20)	0	0	0
<b>Net Profit</b>	<b>944</b>	<b>1,021</b>	<b>1,480</b>	<b>1,811</b>	<b>1,719</b>
<b>Core net profit</b>	<b>950</b>	<b>1,022</b>	<b>1,480</b>	<b>1,811</b>	<b>1,719</b>
<b>EPS (THB)</b>	<b>0.57</b>	<b>0.61</b>	<b>0.89</b>	<b>1.08</b>	<b>1.03</b>
<b>Core EPS (THB)</b>	<b>0.57</b>	<b>0.61</b>	<b>0.89</b>	<b>1.08</b>	<b>1.03</b>

Cash flow (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Operating cash flow</b>					
Net profit	944	1,021	1,480	1,811	1,719
Depre. & amortization	3,353	3,631	3,689	3,763	3,838
Change in working capital	2,045	550	(1,052)	402	471
Others	176	288	293	299	305
<b>Investment cash flow</b>	<b>(4,152)</b>	<b>(7,676)</b>	<b>(1,824)</b>	<b>(1,517)</b>	<b>(1,250)</b>
Net CAPEX	(1,446)	(1,784)	(2,040)	(2,227)	(2,413)
Change in LT investment	(2,706)	(5,892)	216	709	1,163
Change in other assets	0	0	0	0	0
<b>Free cash flow</b>	<b>2,366</b>	<b>(2,186)</b>	<b>2,586</b>	<b>4,758</b>	<b>5,083</b>
<b>Financing cash flow</b>					
Change in share capital	0	0	0	0	0
Net change in debt	(300)	2,194	607	170	173
Dividend paid	(334)	(752)	(418)	(444)	(543)
Others	(422)	(424)	(506)	(512)	(480)
<b>Net cash flow</b>	<b>1,310</b>	<b>(1,168)</b>	<b>2,271</b>	<b>3,972</b>	<b>4,233</b>

Per share (THB)					
EPS	0.57	0.61	0.89	1.08	1.03
Core EPS	0.57	0.61	0.89	1.08	1.03
CFPS	2.59	2.80	3.10	3.34	3.33
BVPS	5.26	5.42	6.05	6.87	7.58
Sales/share	119.19	135.39	122.74	134.66	147.79
EBITDA/share	3.30	3.47	4.06	4.43	4.42
DPS	0.35	0.35	0.27	0.33	0.31
<b>Valuation</b>					
P/E (x)	15.48	13.41	8.01	6.55	6.90
P/BV (x)	1.66	1.51	1.17	1.03	0.94
Dividend yield (%)	4.00	4.27	3.74	4.58	4.35
Dividend payout ratio (%)	61.91	57.23	30.00	30.00	30.00

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## RECOMMENDATION STRUCTURE

### Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

- 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.