

Remains in doldrums

- Expect a softer 1Q25 net profit of THB24b on weak gas demand
- GSPs are the major boost on improving margin
- Maintain HOLD at our SoTP-based target price to THB33

Nothing's exciting in 1Q25

We expect PTT's 1Q25 net profit to post at THB24b, up 58% q-q but down 17% y-y due mainly to the weaker gas sales to EGAT, IPPs, and SPPs on lower electricity demand and the supply substitute from higher LNG imports by third-party shippers, which reduced PTT's offtake. GSP performance is projected to improve on feedstock optimization after the finalization of revised gas formula with GC and the higher production from G1/61 field to partially offset the lower volumes from G2/61 shutdown. Meanwhile, NGV losses narrowed, aided by declining vehicle usage and lower costs.

Strong GSP performance in 1Q25 on 93% utilization rate

Utilization at the GSP plants surged to 93% in 1Q25, up from 87.7% in 4Q24 and 84.1% in 1Q24, driven by improved feedstock availability from G1/61 and the completion of gas formula revision with GC. The higher demand for ethane and propane as a result of improving margins on higher industry demands further boosted GSP's running rate.

LNG imports fall as competition grows

In 1Q25, PTT's LNG import volume decreased to 1.48mt from 1.76mt in 4Q24, primarily due to increased competition from third-party shippers (EGAT, Gulf, Ratch (Hin Kong)). PTT imported two spot cargoes (120kt) at an average price of USD15–16/MMBtu., the highest among Thailand's gas supplies. We project the import volume of spot LNG as well as its prices to decline in 2Q25 as global LNG price weakens to USD11/MMBtu ex-land costs. We believe stronger earnings from GSPs will offset weaker net profits from LNG terminal (import LNG), weak gas demands, and the impact of from the pooled gas pricing mechanism.

Gas pains and downstream drags weigh on outlook

PTT's net profit outlook remains muted amid continued pressure across its core gas businesses. The introduction of the new pool gas pricing has weighed on gas margins, while gas demand stays weak due to lower power generation and subdued industrial activity. Downstream chemical spreads remain under pressure from global oversupply and soft demand, especially from China, with little sign of near-term recovery. GRM has also moderated, reflecting normalised crack spreads and seasonally weaker demand.

Maintain HOLD at TP THB33

We maintain our HOLD and our SoTP-based target price of THB33. We believe the worst is over for PTT with most downsides for gas businesses have already been priced in while upsides from GSPs and chemicals could provide catalysts to share price.

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ESG Rating : AAA

CG Rating : ▲▲▲▲▲

HOLD

Target Price 12M (THB)	33.00
VS. BB Consensus TP (%)	-4.1%
Share Price (THB)	31.25
Upside/Downside	+5.6%

Share Data

Market Cap (THB m)	892,593.63
Par (THB)	1.00
Free Float (%)	48.88
Issued shares (m shares)	28,553

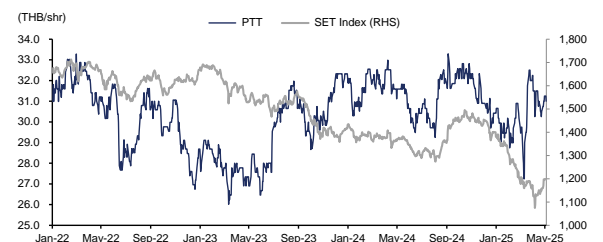
Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	3,090,453	2,163,331	2,457,334	2,642,461
Net profit	90,072	105,672	106,439	112,983
Core net profit	94,596	105,672	106,439	112,983
vs Consensus (%)		8.8	4.6	12.9
Net profit growth (%)	(19.6)	17.3	0.7	6.1
Core net profit growth (%)	(16.0)	11.7	0.7	6.1
EPS (THB)	3.15	3.70	3.73	3.96
Core EPS (THB)	3.31	3.70	3.73	3.96
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	1.50	0.92	0.93	0.99
P/E (x)	10.07	8.45	8.39	7.90
P/BV (x)	0.79	0.73	0.68	0.64
ROE (%)	8.33	8.89	8.39	8.36
Dividend yield (%)	4.72	2.96	2.98	3.16

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(3.10)	(0.79)	(7.41)	(1.57)
Market	(5.23)	8.76	13.07	14.94
12M High/Low (THB)	35.00 / 27.00			



Major Shareholders (%) as of as of 7 Mar 2025

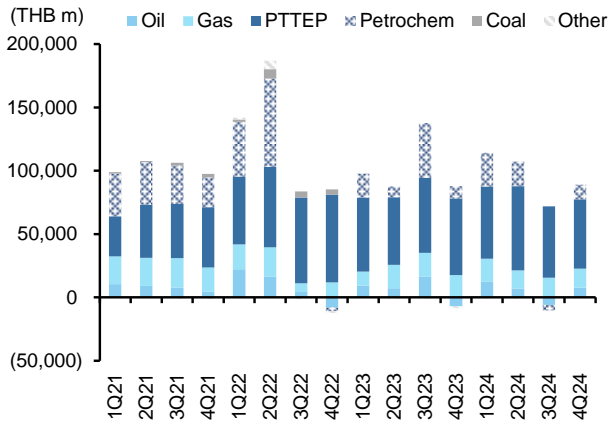
Ministry of Finance	51.11
Vayupak Fund 1	12.16

Company Profile

The Company's operated businesses consist of natural gas, gas transmission, international trading, new business and infrastructure business; the rest are invested through subsidiaries joint arrangements and associates, and PTT Group, namely exploration and production, liquefied natural gas, petrochemical and refining, oil and retail, power and utilities, coal and service businesses.

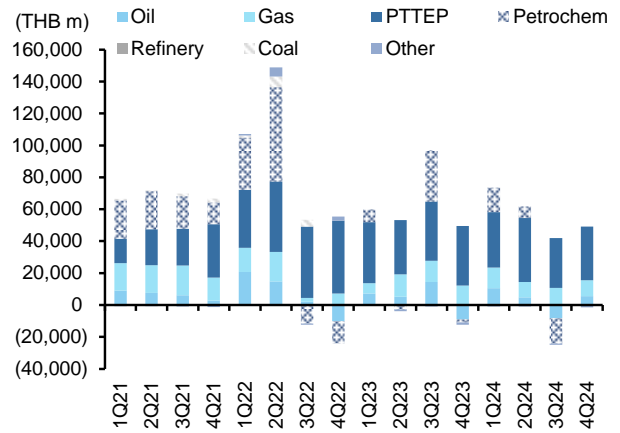
Source: SETSMART, SET

Exhibit 1: PTT gas's EBITDA breakdown



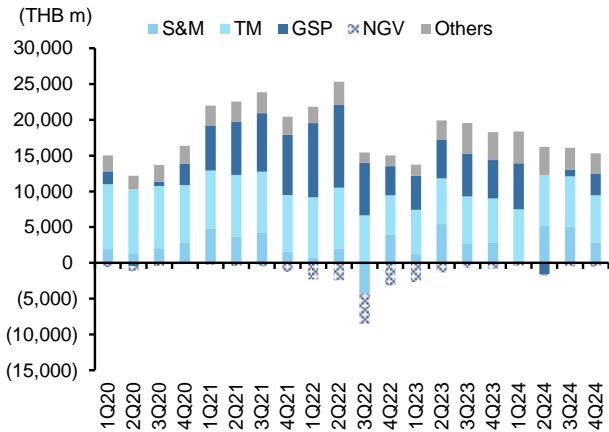
Sources: PTT

Exhibit 2: PTT gas's EBIT breakdown



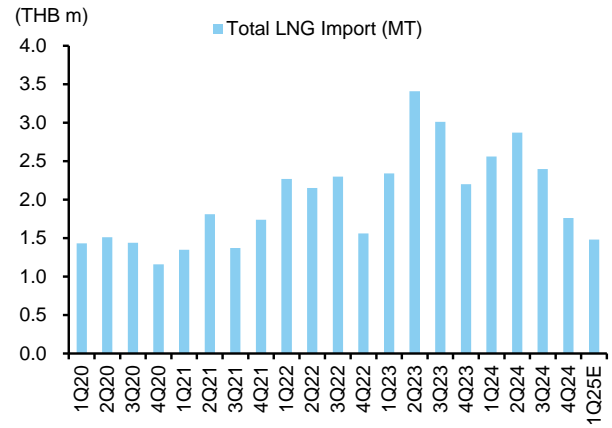
Sources: PTT

Exhibit 3: Gas's EBITDA breakdown



Sources: PTT

Exhibit 4: Total LNG import



Sources: PTT

Exhibit 5: LNG Japan/Korea futures



Sources: Investing.com

Balance sheet (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Current assets					
Cash & ST investment	418,353	406,358	438,604	599,046	682,299
Account receivable	259,813	251,391	175,975	199,890	214,949
Inventories	263,499	241,539	169,078	192,056	206,525
Others	334,075	367,069	366,683	406,469	465,160
Non-current assets					
Net fixed assets	330,588	249,659	159,523	60,179	(48,374)
Others	1,854,135	1,922,769	1,922,769	1,854,134	1,785,767
Total Assets	3,460,462	3,438,784	3,232,632	3,311,774	3,306,327
Current liabilities					
Account payable	323,482	307,660	215,363	244,632	263,061
ST borrowing	122,748	130,733	138,718	146,703	154,687
Others	142,480	130,696	70,013	70,013	70,013
Long-term liabilities					
Long-term debts	863,303	814,719	764,719	714,719	614,719
Others	383,474	398,100	320,152	295,579	240,868
Total liabilities	1,835,486	1,781,907	1,508,965	1,471,645	1,343,349
Paid-up capital	28,563	28,563	28,563	28,563	28,563
Retained earnings	1,063,424	1,091,878	1,171,132	1,250,961	1,335,698
Others	29,211	29,211	29,211	29,211	29,211
Minority interest	503,778	507,225	494,761	531,394	569,506
Shareholders' equity	1,624,975	1,656,877	1,723,667	1,840,129	1,962,978

Key ratios					
Year ending Dec	2023	2024	2025E	2026E	2027E
Growth (%YoY)					
Sales	(6.6)	(1.7)	(30.0)	13.6	7.5
Operating profit	(12.9)	(9.3)	5.9	5.9	(0.3)
EBITDA	(12.9)	(9.3)	5.9	5.9	(0.3)
Net profit	22.9	(19.6)	17.3	0.7	6.1
Core net profit	10.2	(16.0)	11.7	0.7	6.1
EPS	22.9	(19.6)	17.3	0.7	6.1
Core EPS	10.2	(16.0)	11.7	0.7	6.1
Profitability (%)					
Gross margin	17.3	16.6	22.3	19.1	17.8
Operation margin	13.1	12.1	18.3	17.1	15.8
EBITDA margin	13.1	12.1	18.3	17.1	15.8
Net margin	3.6	2.9	4.9	4.3	4.3
ROE	10.4	8.3	8.9	8.4	8.4
ROA	5.0	4.0	4.7	5.2	5.2
Stability					
Interest bearing debt/equity (x)	0.6	0.6	0.5	0.5	0.4
Net debt/equity (x)	0.3	0.3	0.3	0.1	0.0
Interest coverage (x)	5.1	3.9	4.4	5.1	5.4
Interest & ST debt coverage (x)	1.4	1.0	1.1	1.1	1.0
Cash flow interest coverage (x)	0.1	0.2	0.2	0.2	0.2
Current ratio (x)	2.2	2.2	2.7	3.0	3.2
Quick ratio (x)	1.2	1.2	1.4	1.7	1.8
Net debt (THB m)	567,698	539,094	464,833	262,376	87,108
Activity					
Asset turnover (X)	0.9	0.9	0.6	0.8	0.8
Days receivables	27.8	30.2	36.1	27.9	28.7
Days inventory	37.6	35.8	44.6	33.1	33.5
Days payable	45.1	44.7	56.8	42.2	42.7
Cash cycle days	20.3	21.3	23.8	18.8	19.5

Profit & loss (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Revenue					
Revenue	3,144,551	3,090,453	2,163,331	2,457,334	2,642,461
Cost of goods sold	(2,600,875)	(2,577,909)	(1,680,697)	(1,988,569)	(2,171,388)
Gross profit	543,676	512,544	482,633	468,765	471,073
Operating expenses	(131,660)	(138,658)	(86,533)	(49,147)	(52,849)
Operating profit	412,016	373,886	396,100	419,619	418,224
EBIT	229,801	182,464	195,470	209,780	199,178
Depreciation	(182,215)	(191,423)	(200,631)	(209,838)	(219,046)
EBITDA	412,016	373,886	396,100	419,619	418,224
Non-operating income	21,652	10,711	20,148	(3,828)	3,219
Other incomes	0	0	0	0	0
Other non-op income	21,652	10,711	20,148	(3,828)	3,219
Non-operating expense	(17,873)	(5,829)	5,422	18,219	34,187
Interest expense	(45,383)	(46,821)	(44,070)	(41,280)	(37,095)
Other non-op expense	27,511	40,992	49,492	59,499	71,281
Equity income/(loss)	3,013	(6,668)	3,314	3,645	4,010
Pre-tax Profit	236,593	180,678	224,353	227,816	240,593
Extraordinary items					
Current taxation	(81,313)	(67,210)	(83,457)	(84,745)	(89,498)
Minorities	(43,256)	(23,396)	(35,225)	(36,632)	(38,113)
Net Profit	112,024	90,072	105,672	106,439	112,983
Core net profit	112,657	94,596	105,672	106,439	112,983
EPS (THB)	3.92	3.15	3.70	3.73	3.96
Core EPS (THB)	3.94	3.31	3.70	3.73	3.96

Cash flow (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Operating cash flow					
Operating cash flow	272,180	284,439	305,578	317,321	332,029
Net profit	112,024	90,072	105,672	106,439	112,983
Depre.& amortization	182,215	191,423	200,631	209,838	219,046
Change in working capital	(22,059)	2,944	(725)	1,044	0
Others	0	0	0	0	0
Investment cash flow	(130,332)	(200,867)	(183,263)	(176,063)	(179,508)
Net CAPEX	(131,633)	(203,000)	(185,100)	(177,900)	(179,508)
Change in LT investment	0	0	0	0	0
Change in other assets	1,301	2,133	1,837	1,837	0
Free cash flow	141,848	83,573	122,314	141,258	152,521
Financing cash flow	(126,630)	(143,236)	(97,841)	(82,183)	(113,367)
Change in share capital	0	0	0	0	0
Net change in debt	(1,775)	(20,320)	0	0	0
Dividend paid	(20,842)	(23,598)	(22,952)	(23,249)	(21,011)
Others	(104,013)	(99,318)	(74,889)	(58,934)	(92,356)
Net cash flow	15,218	(59,664)	24,473	59,075	39,154
Per share (THB)					
EPS	3.92	3.15	3.70	3.73	3.96
Core EPS	3.94	3.31	3.70	3.73	3.96
CFPS	11.82	10.67	11.96	12.36	12.96
BVPS	39.25	40.25	43.02	45.82	48.79
Sales/share	110.09	108.20	75.74	86.03	92.51
EBITDA/share	14.42	13.09	13.87	14.69	14.64
DPS	1.50	1.50	0.92	0.93	0.99
Valuation					
P/E (x)	9.1	10.1	8.4	8.4	7.9
P/BV (x)	0.91	0.79	0.73	0.68	0.64
Dividend yield (%)	4.20	4.72	2.96	2.98	3.16
Dividend payout ratio (%)	38.25	47.57	25.00	25.00	25.00

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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.