

## Calm Now, Rally Later

- 3Q25 NP is flat at THB13.7b, driven by higher volumes offset by softer ASP and one-off costs.
- 4Q25 NP is set to rise on stronger volumes, stable costs, and supportive oil prices (USD65–75/bbl).
- Maintain BUY and a TP of THB140; upsides on higher oil price

### Volume Up, Prices Slightly Down

We project a flat 3Q25 net profit (NP) of THB13.7b (+1.5% q-q, -23.2% y-y), with key factors of 1) a q-q increase in sales volume to 509 kboed up from 505 kboed in 2Q25, driven by higher volumes from new M&A project (A-18, Jul-25) and SEA due to the lower maintenance shutdown, which partly offset the lower sales volume from Middle East, and Africa. 2) a decline in the Average Selling Price (ASP) to USD 43.8/boe from USD 44.0/boe in 2Q25, due to lower liquid prices (USD 66/bbl vs. USD 67/bbl), flat gas prices (USD 5.8/mmbtu), and the rising sales volume portion of gas from 70% in 2Q25 to 72% in 3Q25; 3) a flat q-q cost per unit of USD 30.5/boe due to the higher expense from the USD20m write-off asset in Gulf of Thailand; and 4) a USD10m gain from non-operating items and a flat q-q share of profit.

### Gains in the Shadows

In 3Q25E, we project PTTEP to record a USD10m gain from non-operating items, comprising: 1) an FX gain from the appreciation of the Thai baht and Malaysian ringgit; and 2) a gain from oil hedging; Additionally, we expect a flat q-q share of profit from the Seagreen offshore windfarm and Touat project due to the low seasonality.

### PTTEP Eyes 550 kboed in 4Q25

PTTEP targets 2025 sales of 512–517 kboed (including A-18), implying 4Q25 volume of 550 kboed, supported by stronger Gulf of Thailand demand, full A-18 recognition, and seasonal restocking from Middle Eastern and African. Unit cost should stay at USD30–31/boe as higher volumes offset SG&A, while ASP is expected to edge down from USD5.8 to USD5.7/mmbtu, following scheduled adjustments and softer global gas prices.

### Volume Surge and Stable Costs Set to Lift 4Q25 NP

We project PTTEP's 4Q25 net profit to improve strongly, supported by 1) a significant increase in sales volume to around 550 kboed, 2) stable unit costs at USD30–31/boe, and 3) resilient ASP, which should remain steady despite a minor gas price adjustment from USD5.8/mmbtu to USD5.7/mmbtu. The impact of lower gas prices should be offset by firmer oil, which previously has risen from USD65/bbl to nearly USD70/bbl on supply risks and rate-cut expectations, and is expected to trade within the range of USD65–75/bbl.

### Maintain BUY and a TP of THB140

We maintain BUY and a TP of THB140. We believe PTTEP's strengths in business model (high production base and low cost) and its soon-to-materialize inorganic growth should lead to its share price rerating on the stronger net profit growth.

ESG Rating : AA

CG Rating : ▲▲▲▲▲

## BUY

Target Price 12M (THB)	140.0
VS. BB Consensus TP (%)	+4.3%
Share Price (THB)	114.00
Upside/Downside	+22.8%

### Share Data

Market Cap (THB m)	452,578.34
Par (THB)	1.00
Free Float (%)	34.69
Issued shares (m shares)	3,970

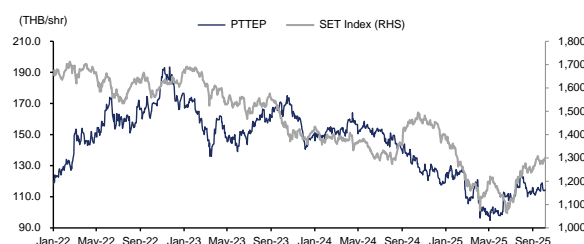
### Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	312,310	319,569	309,269	303,011
Net profit	78,824	72,065	69,725	66,545
Core net profit	79,219	72,065	69,725	66,545
vs Consensus (%)		15.7	16.9	16.0
Net profit growth (%)	2.8	(8.6)	(3.2)	(4.6)
Core net profit growth (%)	(2.6)	(9.0)	(3.2)	(4.6)
EPS (THB)	19.86	18.15	17.56	16.76
Core EPS (THB)	19.95	18.15	17.56	16.76
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	9.63	5.45	5.27	5.03
P/E (x)	5.99	6.28	6.49	6.80
P/BV (x)	0.88	0.77	0.71	0.66
ROE (%)	15.31	12.85	11.42	10.11
Dividend yield (%)	8.09	4.78	4.62	4.41

Source: Financial Statement and Globlex securities

### Share Price Performance (%)

	1M	3M	6M	YTD
Stock	1.79	4.59	7.55	(4.20)
Market	0.14	(8.89)	(5.87)	4.34
12M High/Low (THB)				137.50 / 93.00



### Major Shareholders (%) as of 13 Aug 2025

PTT Public Company Limited	63.79
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### Company Profile

The principal business operations of the group are exploration and production of petroleum in Thailand and overseas, foreign gas pipeline transportation, and investment in projects strategically connected to the energy business.

Source: SETSMART, SET

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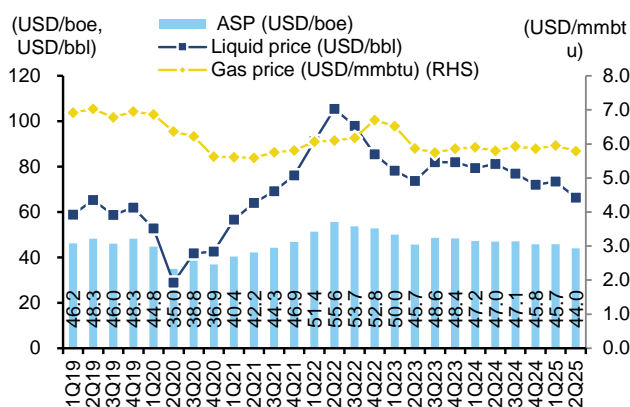
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## Exhibit 1: Summary of 3Q25E/9M25E operations

	3Q24	2Q25	3Q25E		9M24	9M25E	chg.	2025
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Revenue	74,396	70,170	68,767	(2.0)	(7.6)	231,954	209,016	(9.9)
Operating costs	(20,728)	(19,052)	(19,255)	(1.1)	7.1	(54,984)	(57,144)	(3.9)
EBITDA	53,668	51,119	49,512	(3.1)	(7.7)	176,970	151,872	(14.2)
EBITDA margin (%)	72.1	72.8	72.0	nm	nm	76.3	72.7	(4.8)
Depn & amort.	(25,182)	(24,974)	(25,474)	(2.0)	(1.2)	(73,704)	(73,555)	0.2
EBIT	28,486	26,144	24,038	(8.1)	(15.6)	103,266	78,317	(24.2)
Interest expense	(2,938)	(3,216)	(3,300)	(2.6)	(12.3)	(9,176)	(9,800)	(6.8)
Interest & invt inc	3,830	3,109	3,500	12.6	(8.6)	8,500	9,484	11.6
Associates' contrib	35	156	300	91.9	750.8	598	925	54.6
Exceptionals	(291)	(586)	(30)	94.9	89.7	(1,499)	(684)	54.4
Pretax profit	29,122	25,607	24,508	(4.3)	(15.8)	101,688	78,241	(23.1)
Tax	(11,261)	(12,099)	(10,784)	10.9	4.2	(41,171)	(34,450)	16.3
Tax rate (%)	38.7	47.2	44	nm	nm	40.5	44.0	8.7
Minority interests	3	7	0	nm	nm	8	10	15.4
Net profit	17,865	13,515	13,725	1.5	(23.2)	60,525	43,801	(27.6)
Non-recurring	1,074	(355)	0	nm	nm	(645)	(420)	34.9
Core net profit	16,791	13,871	13,725	(1.1)	(18.3)	61,170	44,221	(27.7)
EPS (THB)	4.50	3.40	3.46	1.5	(23.2)	15.25	11.03	(27.6)
Core EPS (THB)	4.23	3.49	3.46	(1.1)	(18.3)	15.41	11.14	(27.7)

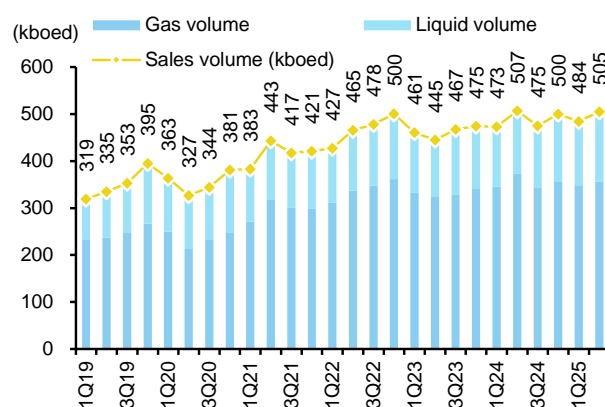
Sources: PTTEP, Globlex Research

## Exhibit 2: ASP, liquid and gas prices



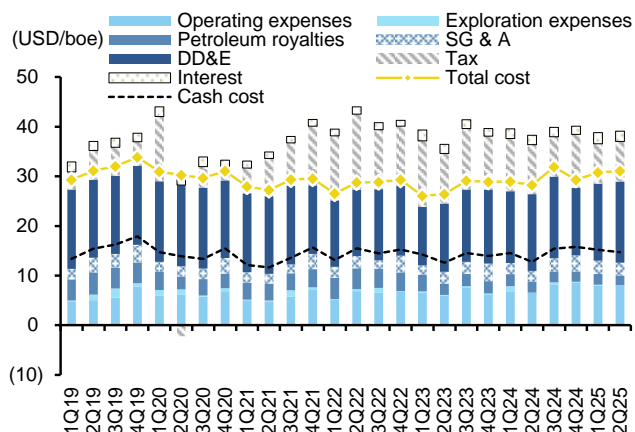
Sources: PTTEP, Globlex Research

## Exhibit 3: Sales volume by gas and liquid



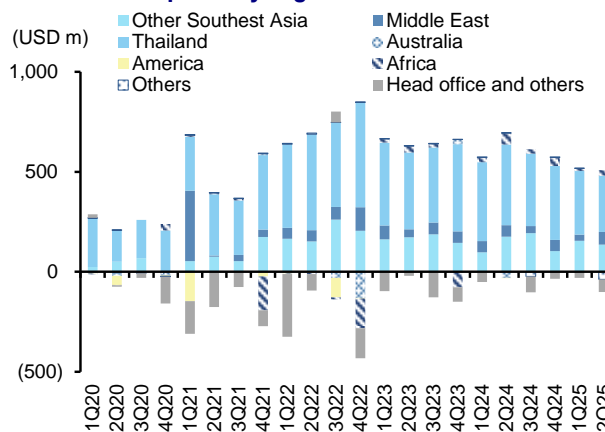
Sources: PTTEP, Globlex Research

## Exhibit 4: Cost breakdown



Sources: PTTEP

## Exhibit 5: Net profit by region



Sources: PTTEP

Balance sheet (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Current assets</b>					
Cash & ST investment	137,542	133,850	131,651	159,357	196,061
Account receivable	62,241	43,270	44,276	42,849	41,982
Inventories	20,914	22,759	23,288	22,537	22,081
Others	23,871	34,449	35,766	37,083	38,400
<b>Non-current assets</b>					
Net fixed assets	440,271	490,484	562,675	623,316	672,738
Others	217,982	240,488	189,343	138,478	87,612
<b>Total Assets</b>	<b>902,821</b>	<b>965,301</b>	<b>987,000</b>	<b>1,023,621</b>	<b>1,058,874</b>

<b>Current liabilities</b>					
Account payable	52,972	66,325	67,867	65,680	64,351
ST borrowing	13,208	13,208	13,208	13,208	13,208
Others	22,411	25,969	24,058	22,147	20,236
<b>Long-term liabilities</b>					
Long-term debts	95,320	95,009	75,000	75,000	75,000
Others	219,468	228,915	220,827	212,739	204,651
<b>Total liabilities</b>	<b>403,378</b>	<b>429,425</b>	<b>400,959</b>	<b>388,773</b>	<b>377,445</b>
Paid-up capital	109,388	109,388	109,388	109,388	109,388
Retained earnings	366,988	407,071	457,516	506,324	552,905
Others	22,951	19,137	19,137	19,137	19,137
Minority interest	116	281	0	0	0
<b>Shareholders' equity</b>	<b>499,443</b>	<b>535,876</b>	<b>586,041</b>	<b>634,848</b>	<b>681,429</b>

Key ratios					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Growth (%YoY)</b>					
Sales	(9.3)	3.9	2.3	(3.2)	(2.0)
Operating profit	(11.2)	(2.2)	0.8	(1.4)	(0.6)
EBITDA	(11.2)	(2.2)	0.8	(1.4)	(0.6)
Net profit	8.2	2.8	(8.6)	(3.2)	(4.6)
Core net profit	(13.1)	(2.6)	(9.0)	(3.2)	(4.6)
EPS	8.2	2.8	(8.6)	(3.2)	(4.6)
Core EPS	(13.1)	(2.6)	(9.0)	(3.2)	(4.6)
<b>Profitability (%)</b>					
Gross margin	90.3	90.5	84.4	85.5	87.3
Operation margin	57.6	54.3	53.4	54.5	55.3
EBITDA margin	57.6	54.3	53.4	54.5	55.3
Net margin	25.5	25.2	22.6	22.5	22.0
ROE	16.8	15.3	12.9	11.4	10.1
ROA	9.4	8.7	7.6	7.1	6.6
<b>Stability</b>					
Interest bearing debt/equity (x)	0.2	0.2	0.2	0.1	0.1
Net debt/equity (x)	n.a.	n.a.	n.a.	n.a.	n.a.
Interest coverage (x)	13.7	11.1	10.6	10.2	9.7
Interest & ST debt coverage (x)	6.0	5.3	5.0	4.8	4.6
Cash flow interest coverage (x)	0.2	0.3	0.3	0.3	0.3
Current ratio (x)	2.8	2.2	2.2	2.6	3.1
Quick ratio (x)	2.3	1.7	1.7	2.0	2.4
Net debt (THB m)	(29,014)	(25,633)	(43,443)	(71,150)	(107,853)
<b>Activity</b>					
Asset turnover (X)	0.3	0.3	0.3	0.3	0.3
Days receivables	63.4	61.7	50.0	51.4	51.1
Days inventory	251.3	268.2	169.0	186.2	211.1
Days payable	770.8	732.6	492.6	542.5	615.3
Cash cycle days	(456)	(403)	(274)	(305)	(353)

Profit & loss (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Revenue</b>					
Cost of goods sold	(29,076)	(29,718)	(49,718)	(44,924)	(38,565)
<b>Gross profit</b>	<b>271,618</b>	<b>282,592</b>	<b>269,851</b>	<b>264,344</b>	<b>264,445</b>
Operating expenses	(98,301)	(113,154)	(99,066)	(95,873)	(96,963)
<b>Operating profit</b>	<b>173,317</b>	<b>169,438</b>	<b>170,784</b>	<b>168,471</b>	<b>167,482</b>
<b>EBIT</b>	<b>140,788</b>	<b>131,422</b>	<b>124,951</b>	<b>120,924</b>	<b>115,447</b>
Depreciation	(32,529)	(38,016)	(45,833)	(47,547)	(52,035)
<b>EBITDA</b>	<b>173,317</b>	<b>169,438</b>	<b>170,784</b>	<b>168,471</b>	<b>167,482</b>
<b>Non-operating income</b>					
Other incomes	5,304	8,435	8,435	8,435	8,435
Other non-op income	(3,016)	(212)	-	-	-
<b>Non-operating expense</b>	<b>(4,145)</b>	<b>(4,931)</b>	<b>(10,325)</b>	<b>(10,336)</b>	<b>(10,348)</b>
Interest expense	(10,243)	(11,813)	(11,825)	(11,836)	(11,848)
Other non-op expense	6,099	6,882	1,500	1,500	1,500
<b>Equity income/(loss)</b>	<b>1,477</b>	<b>1,317</b>	<b>1,317</b>	<b>1,317</b>	<b>1,317</b>
<b>Pre-tax Profit</b>	<b>140,408</b>	<b>136,031</b>	<b>124,379</b>	<b>120,339</b>	<b>114,850</b>
Extraordinary items	-	-	-	-	-
Current taxation	(63,704)	(57,214)	(52,313)	(50,614)	(48,306)
Minorities	2	7	0	0	0
<b>Net Profit</b>	<b>76,706</b>	<b>78,824</b>	<b>72,065</b>	<b>69,725</b>	<b>66,545</b>
<b>Core net profit</b>	<b>81,348</b>	<b>79,219</b>	<b>72,065</b>	<b>69,725</b>	<b>66,545</b>
<b>EPS (THB)</b>	<b>19.32</b>	<b>19.86</b>	<b>18.15</b>	<b>17.56</b>	<b>16.76</b>
<b>Core EPS (THB)</b>	<b>20.49</b>	<b>19.95</b>	<b>18.15</b>	<b>17.56</b>	<b>16.76</b>

Cash flow (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Operating cash flow</b>					
Net profit	76,706	78,824	72,065	69,725	66,545
Depre. & amortization	32,529	38,016	45,833	47,547	52,035
Change in working capital	(24,062)	15,797	(1,535)	2,178	1,323
Others	-	-	-	-	-
<b>Investment cash flow</b>	<b>(130,332)</b>	<b>(129,500)</b>	<b>(184,937)</b>	<b>(179,508)</b>	<b>(179,508)</b>
Net CAPEX	(131,633)	(131,633)	(186,774)	(179,508)	(179,508)
Change in LT investment	-	-	-	-	-
Change in other assets	1,301	2,133	1,837	-	-
<b>Free cash flow</b>	<b>(45,159)</b>	<b>3,137</b>	<b>(68,573)</b>	<b>(60,058)</b>	<b>(59,606)</b>
<b>Financing cash flow</b>	<b>60,377</b>	<b>(6,829)</b>	<b>66,374</b>	<b>87,765</b>	<b>96,309</b>
Change in share capital	-	-	-	-	-
Net change in debt	(1,775)	(311)	(20,009)	-	-
Dividend paid	(37,715)	(38,211)	(21,620)	(20,917)	(19,963)
Others	99,867	31,693	108,003	108,682	116,272
<b>Net cash flow</b>	<b>15,218</b>	<b>(3,692)</b>	<b>(2,199)</b>	<b>27,706</b>	<b>36,703</b>

Per share (THB)					
EPS	19.32	19.86	18.15	17.56	16.76
Core EPS	20.49	19.95	18.15	17.56	16.76
CFPS	27.51	29.43	29.70	29.54	29.87
BVPS	125.78	134.91	147.62	159.91	171.65
Sales/share	75.74	78.67	80.50	77.90	76.33
EBITDA/share	43.66	42.68	43.02	42.44	42.19
DPS	9.50	9.63	5.45	5.27	5.03
<b>Valuation</b>					
P/E (x)	7.7	6.0	6.3	6.5	6.8
P/BV (x)	1.2	0.9	0.8	0.7	0.7
Dividend yield (%)	6.4	8.1	4.8	4.6	4.4
Dividend payout ratio (%)	49.2	48.5	30.0	30.0	30.0



## GENERAL DISCLAIMER

### 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.