

## Thailand's energy avenger

- PTTEP's net profit growth will jump on hiking oil & gas prices
- Continued rising sales volumes in 2026-28 from lower shutdowns, M&As, and new in-pipeline projects
- Maintain BUY and lifted our TP to THB190

### A direct winner on geopolitical war

If we identify the company that will undoubtedly benefit from the consequence of the ongoing, intensifying U.S./Israel-Iran war, that'd be PTTEP. As one of key E&P companies with production over 0.5mbpd, 1/3 oil and 2/3 mostly oil-linked pricing gas sales volumes, PTTEP stands as the most beneficiary of the global oil and gas price hikes.

### Raising EPS forecasts to reflect higher oil & gas prices

We now turned more bullish on PTTEP's net profit growth outlook, raising our EPS forecasts in 2026-28 by 26.3%/19.1%/7.5% to incorporate the higher ASPs driven by higher average Brent crude oil prices to USD90/80/70 per bbl and average gas prices to USD7.0/6.8/6.3 per mmbtu in 2026-28.

### No exposures to Hormuz Strait

We think PTTEP is poised to timely capture the benefits, if not windfall, of the global spikes in oil and gas prices while PTTEP should be able to keep its productions as planned, thanks to PTTEP's no exposures to the oil producers in the Hormuz Strait. PTTEP has productions mostly in Thailand and Malaysia, in Oman, the country located outside Hormuz Strait, Algeria in North Africa.

### Strong production growth ahead

To timely gain from the hiking oil and gas prices, PTTEP's production volume is projected to reach 560kboed in 2026, 587kboed in 2027, and 625kboed in 2028, up from 510kboed in 2025 and 540kboed in 4Q25. The key growth projects include SK408/Block K, Block H, SK309&311/SK405B/SK410B gas/LNG projects in Malaysia, Touat/HBR/433a&416b/Reggane II projects in Algeria, Block 6 & Block 61/ Ghasha concession in Oman, Block B & 48/65,52/97 in Vietnam, and Mozambique Area 1. Other key drivers are the lesser maintenance times for G1 (former Erawan gas field, from 96kboed to 105kboed) and S1 onshore oil field (from 25kbpd to 29kbpd) in Northeastern Thailand.

### Strong BUY on Thailand's oil & gas winner

We maintain BUY and lifted our TP from THB148 to THB190, to reflect 1) EPS upgrades on higher oil and gas prices; and 2) our higher valuation from 2.5x to 3.0x 2026E EV/EBITDA. With a proven capability of cost control at USD30/boe, high execution ability to complete and start up new in-pipeline projects and maintain productions of existing projects, and the relentless pursues of new growth assets, we think PTTEP is now justified for the higher valuation premium.

#### Analyst

Suwat Sinsadok, CFA, FRM, ERP  
suwat.s@globlex.co.th,  
+662 687 7026

ESG Rating : AAA

CG Rating : ▲▲▲▲▲

## BUY

<b>Target Price 12M (THB)</b>	<b>190.0</b>
VS. BB Consensus TP (%)	+46.4%
Share Price (THB)	147.00
Upside/Downside	+68.1%

### Share Data

Market Cap (THB m)	583,587.85
Par (THB)	1.00
Free Float (%)	34.69
Issued shares (m shares)	3,970

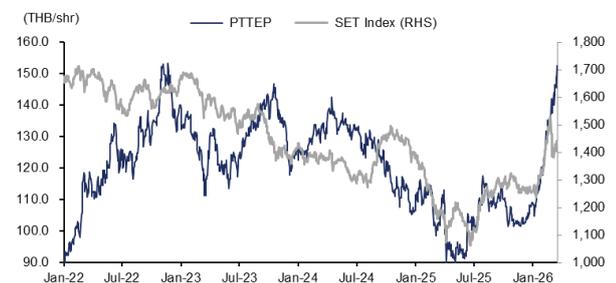
### Financial forecast

YE Dec (THB m)	2025	2026E	2027E	2028E
Revenue	281,449	368,644	356,850	339,381
Net profit	60,257	77,692	74,730	71,023
Core net profit	55,402	77,692	74,730	71,023
vs Consensus (%)		29.8	23.1	5.3
Net profit growth (%)	(48.4)	28.9	(3.8)	(5.0)
Core net profit growth (%)	(30.1)	40.2	(3.8)	(5.0)
EPS (THB)	15.18	19.57	18.82	17.89
Core EPS (THB)	13.96	19.57	18.82	17.89
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	8.75	9.78	9.41	8.95
P/E (x)	7.44	7.51	7.81	8.22
P/BV (x)	0.86	1.05	0.98	0.92
ROE (%)	10.50	14.42	12.96	11.58
Dividend yield (%)	7.74	6.66	6.40	6.09

Source: Financial Statement and Globlex securities

### Share Price Performance (%)

	1M	3M	6M	YTD
Stock	8.89	34.25	27.83	30.09
Market	10.84	16.47	15.07	13.73
12M High/Low (THB)	149.50 / 93.00			



### Major Shareholders (%) as of 24 Feb 2026

PTT Public Company Limited	63.79
Thai NVDR	6.69
STATE STREET EUROPE LIMITED	1.76

### 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

**Exhibit 1: Key changes in EPS forecasts and assumptions**

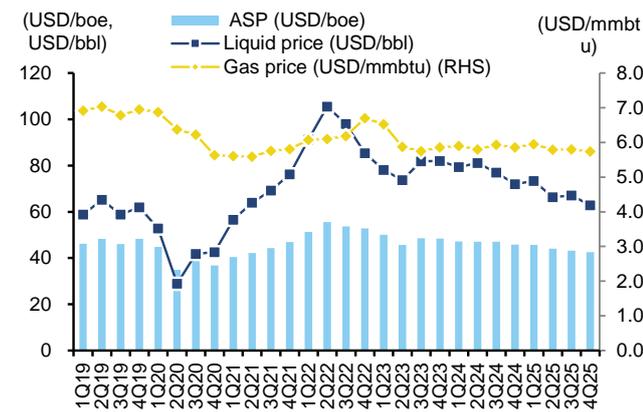
THB m	Current			Previous			Change (%)		
	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Revenue	368,644	356,850	339,381	289,835	300,295	315,984	27.2	18.8	7.4
Gross profit	247,434	244,763	232,781	194,537	205,972	216,734	27.2	18.8	7.4
Operating profit	178,793	180,413	178,223	150,327	159,719	169,663	18.9	13.0	5.0
Net profit	77,692	74,730	71,023	61,515	62,753	66,068	26.3	19.1	7.5
EPS	19.57	18.82	17.89	15.50	15.81	16.64	26.3	19.1	7.5

Key assumptions									
Brent oil price (USD/bbl)	90	80	70	68	68	68	32.4	17.6	2.9
Sales volume (kboed)	554	574	604	554	574	604	0.0	0.0	0.0
ASP (USD/boe)	54.4	50.8	46.0	42.8	42.8	42.8	27.2	18.8	7.4
Gas price (USD/mmbtu)	7.0	6.8	6.3	5.7	5.7	5.7	22.8	19.3	10.5
Cost (USD/boe)	30.0	30.0	29.5	30.0	30.0	29.5	0.0	0.0	0.0

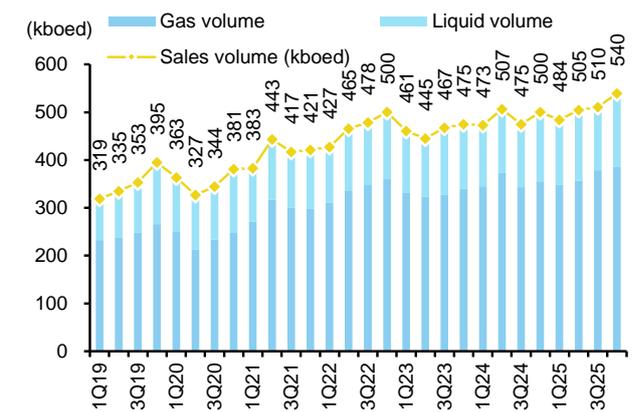
Sources: PTTEP; Globlex Research

**Exhibit 2: ASP, liquid price, gas price**



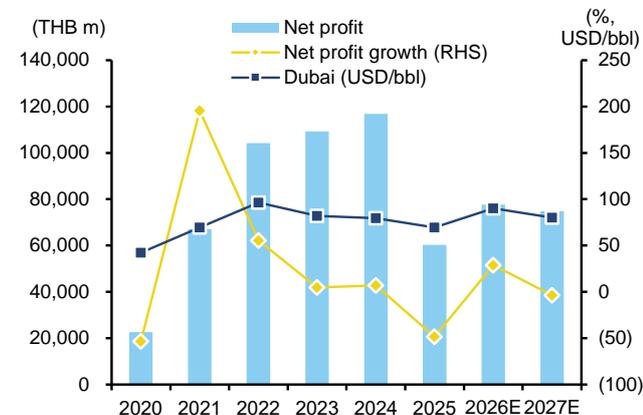
Sources: PTTEP; Globlex Research

**Exhibit 3: Sales volume breakdown by gas and liquid**



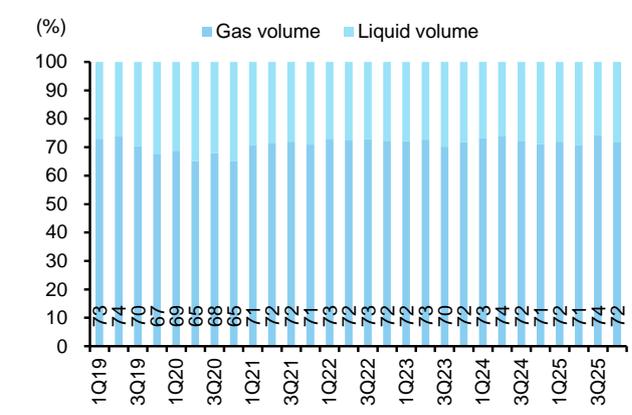
Sources: PTTEP; Globlex Research

**Exhibit 4: Net profit vs net profit growth**



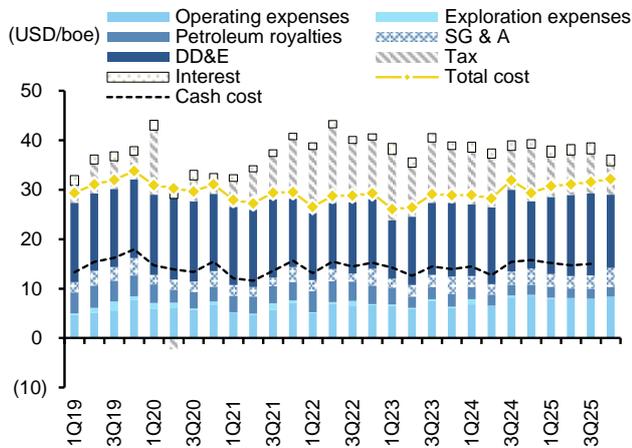
Sources: PTTEP; Globlex Research

**Exhibit 5: Sales volume breakdown by gas and liquid (%)**



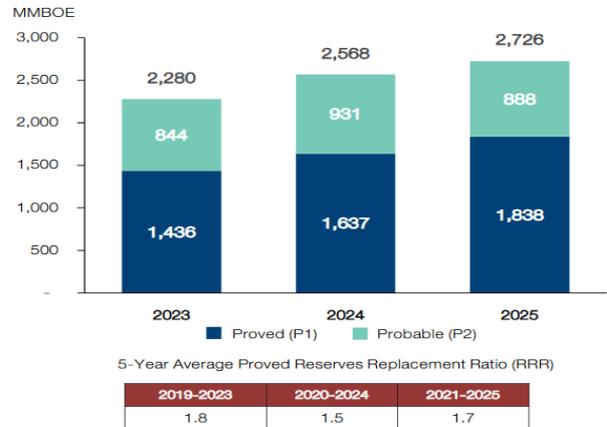
Sources: PTTEP; Globlex Research

**Exhibit 6: Cost structure**



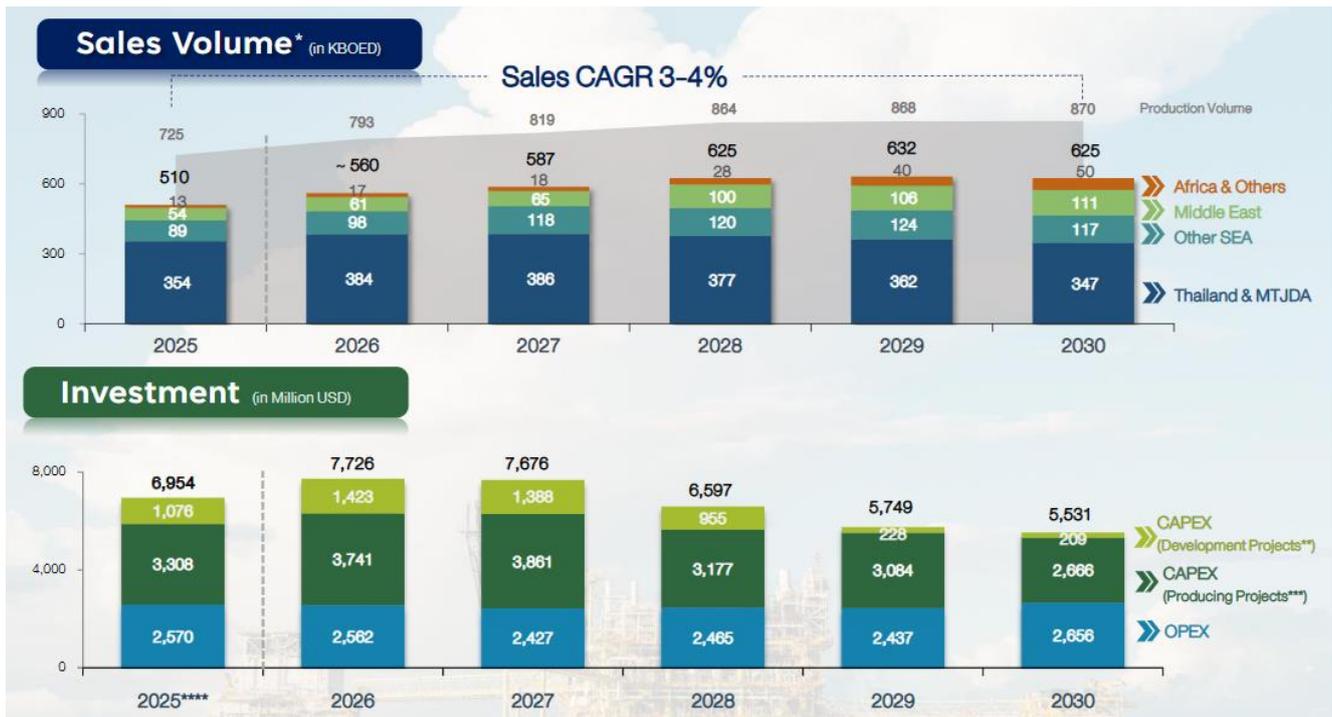
Sources: PTTEP; Globlex Research

**Exhibit 7: Reserves**



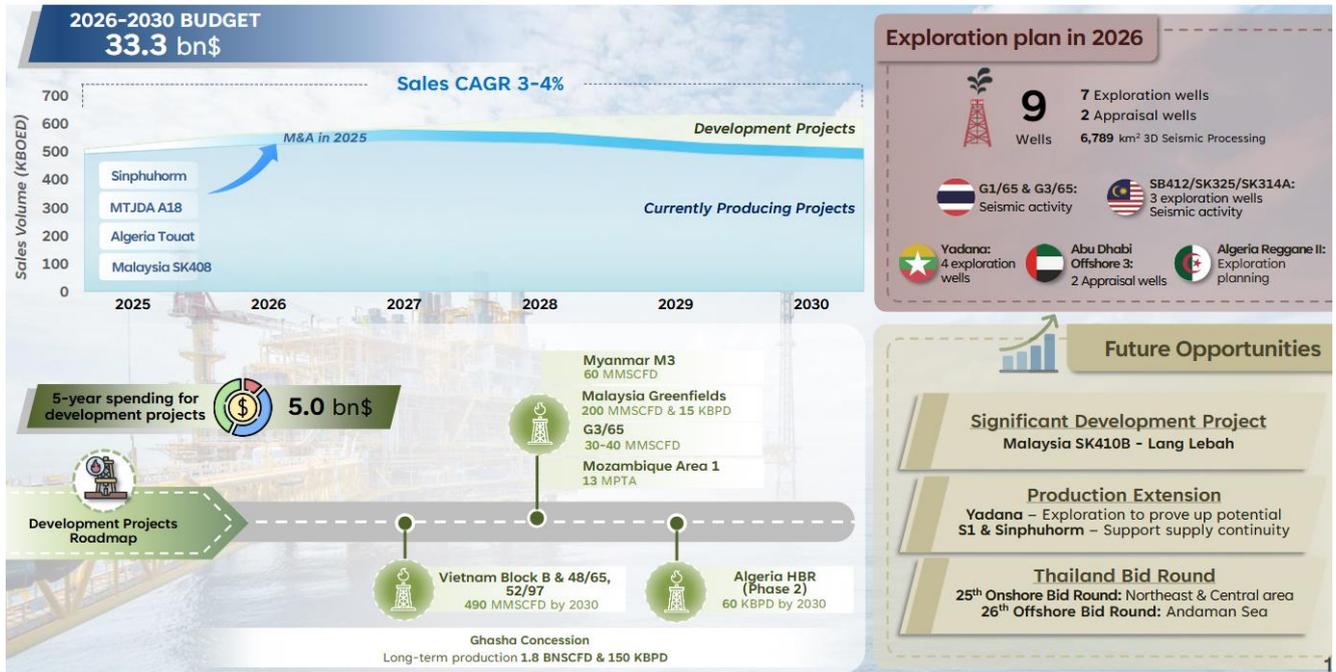
Sources: PTTEP; Globlex Research

**Exhibit 8: PTTEP's 5-year plan**



Sources: PTTEP

**Exhibit 9: PTTEP's Growth projects underway**



Sources: Name of source

Balance sheet (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
<b>Current assets</b>					
Cash & ST investment	133,850	73,075	102,987	147,450	200,418
Account receivable	43,270	44,492	58,277	56,412	53,650
Inventories	22,759	20,751	27,180	26,310	25,022
Others	34,449	47,687	51,938	56,189	60,441
<b>Non-current assets</b>					
Net fixed assets	490,484	511,450	565,452	608,948	641,938
Others	240,488	236,482	171,068	105,918	40,767
<b>Total Assets</b>	<b>965,301</b>	<b>933,937</b>	<b>976,902</b>	<b>1,001,227</b>	<b>1,022,236</b>
<b>Current liabilities</b>					
Account payable	66,325	72,556	95,035	91,995	87,491
ST borrowing	13,208	13,208	13,208	13,208	13,208
Others	25,969	28,223	26,312	24,401	22,490
<b>Long-term liabilities</b>					
Long-term debts	95,009	83,098	75,000	75,000	75,000
Others	228,915	217,284	209,196	201,108	193,020
<b>Total liabilities</b>	<b>429,425</b>	<b>414,369</b>	<b>418,751</b>	<b>405,711</b>	<b>391,209</b>
Paid-up capital	109,388	109,388	109,388	109,388	109,388
Retained earnings	407,071	430,087	468,933	506,298	541,810
Others	19,137	(20,170)	(20,170)	(20,170)	(20,170)
Minority interest	281	263	0	0	0
<b>Shareholders' equity</b>	<b>535,876</b>	<b>519,568</b>	<b>558,151</b>	<b>595,516</b>	<b>631,028</b>

Key ratios					
Year ending Dec	2024	2025	2026E	2027E	2028E
<b>Growth (%YoY)</b>					
Sales	3.9	(9.9)	31.0	(3.2)	(4.9)
Operating profit	0.8	(33.7)	29.9	0.9	(1.2)
EBITDA	0.8	(33.7)	29.9	0.9	(1.2)
Net profit	7.0	(48.4)	28.9	(3.8)	(5.0)
Core net profit	(2.6)	(30.1)	40.2	(3.8)	(5.0)
EPS	7.0	(48.4)	28.9	(3.8)	(5.0)
Core EPS	(2.6)	(30.1)	40.2	(3.8)	(5.0)
<b>Profitability (%)</b>					
Gross margin	90.5	76.4	67.1	68.6	68.6
Operation margin	66.4	48.9	48.5	50.6	52.5
EBITDA margin	66.4	48.9	48.5	50.6	52.5
Net margin	37.4	21.4	21.1	20.9	20.9
ROE	15.3	10.5	14.4	13.0	11.6
ROA	8.7	6.2	8.4	8.0	7.4
<b>Stability</b>					
Interest bearing debt/equity (x)	0.2	0.2	0.2	0.1	0.1
Net debt/equity (x)	n.a.	0.0	n.a.	n.a.	n.a.
Interest coverage (x)	14.3	7.6	10.2	10.0	9.5
Interest & ST debt coverage (x)	6.8	3.8	5.1	5.0	4.7
Cash flow interest coverage (x)	0.4	0.2	0.2	0.3	0.3
Current ratio (x)	2.2	1.6	1.8	2.2	2.8
Quick ratio (x)	1.7	1.0	1.2	1.6	2.1
Net debt (THB m)	(25,633)	23,230	(14,779)	(59,242)	(112,210)
<b>Activity</b>					
Asset turnover (X)	0.3	0.3	0.4	0.4	0.3
Days receivables	61.7	56.9	50.9	58.7	59.2
Days inventory	268.2	119.4	72.2	87.1	87.9
Days payable	732.6	381.1	252.3	304.5	307.3
Cash cycle days	(403)	(205)	(129)	(159)	(160)

Profit & loss (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
<b>Revenue</b>					
Revenue	312,310	281,449	368,644	356,850	339,381
Cost of goods sold	(29,718)	(66,512)	(121,210)	(112,087)	(106,599)
<b>Gross profit</b>	<b>282,592</b>	<b>214,936</b>	<b>247,434</b>	<b>244,763</b>	<b>232,781</b>
Operating expenses	(75,138)	(77,338)	(68,641)	(64,350)	(54,558)
<b>Operating profit</b>	<b>207,454</b>	<b>137,598</b>	<b>178,793</b>	<b>180,413</b>	<b>178,223</b>
<b>EBIT</b>	<b>169,438</b>	<b>99,520</b>	<b>133,154</b>	<b>130,571</b>	<b>124,179</b>
Depreciation	(38,016)	(38,077)	(45,639)	(49,842)	(54,044)
<b>EBITDA</b>	<b>207,454</b>	<b>137,598</b>	<b>178,793</b>	<b>180,413</b>	<b>178,223</b>
<b>Non-operating income</b>					
Other incomes	8,435	5,882	5,882	5,882	5,882
Other non-op income	37,804	6,497	2,520	-	-
<b>Non-operating expense</b>	<b>(42,947)</b>	<b>(12,044)</b>	<b>(11,579)</b>	<b>(11,592)</b>	<b>(11,605)</b>
Interest expense	(11,813)	(13,065)	(13,079)	(13,092)	(13,105)
Other non-op expense	(31,134)	1,021	1,500	1,500	1,500
<b>Equity income/(loss)</b>	<b>1,317</b>	<b>4,251</b>	<b>4,251</b>	<b>4,251</b>	<b>4,251</b>
<b>Pre-tax Profit</b>	<b>174,047</b>	<b>104,107</b>	<b>134,229</b>	<b>129,113</b>	<b>122,708</b>
Extraordinary items	-	-	-	-	-
Current taxation	(57,214)	(43,850)	(56,538)	(54,383)	(51,685)
Minorities	7	0	0	0	0
<b>Net Profit</b>	<b>116,840</b>	<b>60,257</b>	<b>77,692</b>	<b>74,730</b>	<b>71,023</b>
<b>Core net profit</b>	<b>79,219</b>	<b>55,402</b>	<b>77,692</b>	<b>74,730</b>	<b>71,023</b>
<b>EPS (THB)</b>	<b>29.43</b>	<b>15.18</b>	<b>19.57</b>	<b>18.82</b>	<b>17.89</b>
<b>Core EPS (THB)</b>	<b>19.95</b>	<b>13.96</b>	<b>19.57</b>	<b>18.82</b>	<b>17.89</b>

Cash flow (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
<b>Operating cash flow</b>					
Operating cash flow	168,941	94,617	103,118	127,306	129,117
Net profit	116,840	60,257	77,692	74,730	71,023
Depre. & amortization	38,016	38,077	45,639	49,842	54,044
Change in working capital	14,085	(3,717)	(20,213)	2,734	4,050
Others	-	-	-	-	-
<b>Investment cash flow</b>	<b>(129,500)</b>	<b>(129,796)</b>	<b>(168,100)</b>	<b>(168,100)</b>	<b>(168,100)</b>
Net CAPEX	(131,633)	(131,633)	(168,100)	(168,100)	(168,100)
Change in LT investment	-	-	-	-	-
Change in other assets	2,133	1,837	-	-	-
<b>Free cash flow</b>	<b>39,441</b>	<b>(35,179)</b>	<b>(64,982)</b>	<b>(40,794)</b>	<b>(38,983)</b>
<b>Financing cash flow</b>					
Financing cash flow	(43,134)	(25,595)	94,894	85,257	91,951
Change in share capital	-	-	-	-	-
Net change in debt	(311)	(11,911)	(8,098)	-	-
Dividend paid	(38,211)	(34,737)	(38,846)	(37,365)	(35,512)
Others	(4,611)	21,053	141,838	122,622	127,463
<b>Net cash flow</b>	<b>(3,692)</b>	<b>(60,774)</b>	<b>29,912</b>	<b>44,463</b>	<b>52,968</b>

Per share (THB)					
EPS	29.43	15.18	19.57	18.82	17.89
Core EPS	19.95	13.96	19.57	18.82	17.89
CFPS	39.00	24.77	31.07	31.38	31.50
BVPS	134.91	130.81	140.59	150.00	158.95
Sales/share	78.67	70.89	92.86	89.89	85.49
EBITDA/share	52.26	34.66	45.04	45.44	44.89
DPS	9.63	8.75	9.78	9.41	8.95
<b>Valuation</b>					
P/E (x)	4.0	7.4	7.5	7.8	8.2
P/BV (x)	0.9	0.9	1.0	1.0	0.9
Dividend yield (%)	8.1	7.7	6.7	6.4	6.1
Dividend payout ratio (%)	32.7	57.6	50.0	50.0	50.0

## GENERAL DISCLAIMER

### Analyst Certification

Suwat Sinsadok, Register No. 020799, Globlex Securities Public Company Limited

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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.