

Noise Masks Core Growth

- 1Q26E earnings weaken on one-offs, but core remains strong.
- 2026 outlook supported by rising ASP and solid volume growth.
- Maintain BUY at our TP of THB190

Soft Earnings Driven by Non-Operating Drag

We project a softer 1Q26E net profit (NP) of THB8.9b (-49% q-q, -46% y-y), mainly due to a USD283m loss from non-operating items. Key factors are 1) a q-q increase in sales volume to 545 kboed up (from 540 kboed in 4Q25), supported by higher gas output in the Gulf of Thailand amid stronger domestic demand and fewer maintenance shutdowns; 2) a q-q stronger in the Average Selling Price (ASP) to USD 45.8/boe (from USD42.6/boe), driven by higher liquid prices (USD77/bbl vs. USD63/bbl) and a slight increase in gas prices (USD5.8/mmbtu vs. USD5.7/mmbtu), despite a higher gas sales mix of 74%; 3) a lower cost per unit at USD 30.0/boe (vs USD31.6/boe), supported by lower exploration expenses, reduced OPEX, and the absence of one-off SG&A items.

Strong Core Earnings, Dragged by Hedging Losses

In 1Q26E, we project PTTEP to deliver a core NP of THB18.3bn (+44% q-q, +10% y-y), excluding loss from non-operating items, mainly from 1) a USD263m oil hedging loss, comprising a USD35m realized loss from closing a 4.5m bbl position, a USD60m reversal of prior book-to-market gains, and a USD168m mark-to-market loss on the remaining 21m bbl position; and 2) a USD20m FX loss due to the appreciation of the Thai baht and Malaysian ringgit. These losses are expected to be partially offset by USD20m share of profit from the Seagreen offshore windfarm, Algeria Touat, and the SK408 project.

On Track for 560kboed with Back-Loaded Growth

We maintain that PTTEP's 2026 sales volume target of 560kboed is achievable, though we expect intra-year volatility as deferred maintenance from 1Q26 shifts to 2Q-3Q26, keeping volumes flat or slightly lower. We expect production to peak in 4Q26, supported by seasonal demand in the high season and normalized operations.

Lagged ASP Upside to Drive Earnings Rebound

We expect PTTEP's ASP to gradually improve through 2026, supported by higher oil and gas prices with lag effects. We forecast gas prices at USD5.8/mmbtu in 1H26, rising to USD5.9/mmbtu in 2H26, alongside an average Brent crude oil price of USD90/bbl. Given the typical lag of 1 month for oil and a slower adjustment for gas, ASP uplift should become more visible from 2Q26 and continue trending upward into 2H26.

Maintain BUY at TP of THB190

We maintain BUY at our TP of THB190, supported by rising oil prices, improving ASP, and solid cost control at USD30/boe. With resilient margins, strong cash flow, and an undemanding valuation, we see upside potential ahead.

Analyst

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ESG Rating : AAA

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	190.00
VS. BB Consensus TP (%)	+23.5%
Share Price (THB)	159.50
Upside/Downside	+68.1%

Share Data

Market Cap (THB m)	633,212.67
Par (THB)	1.00
Free Float (%)	34.69
Issued shares (m shares)	3,970

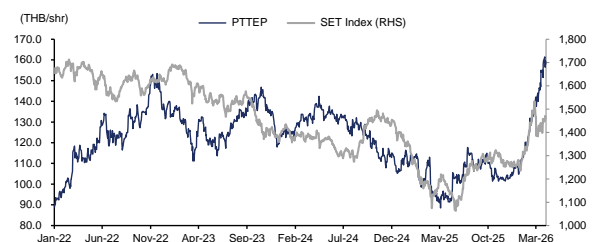
Financial forecast

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 (%)		19.8	15.1	10.5
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	8.15	8.47	8.92
P/BV (x)	0.86	1.13	1.06	1.00
ROE (%)	10.50	14.42	12.96	11.58
Dividend yield (%)	7.74	6.13	5.90	5.61

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	12.32	41.15	39.91	41.15
Market	12.38	21.31	22.98	21.31
12M High/Low (THB)	164.00 / 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.

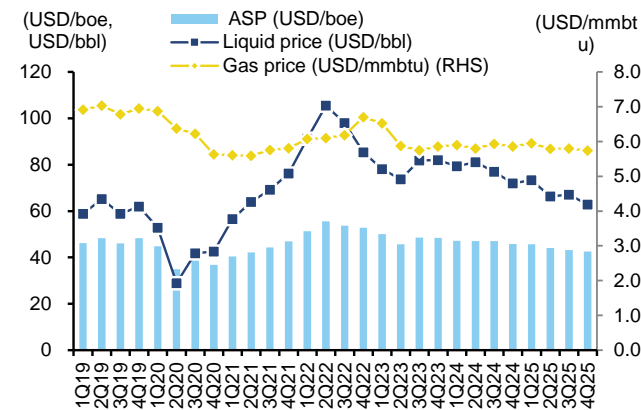
Source: SETSMART, SET

Exhibit 1: Summary of 1Q26E operations

	1Q25	4Q25	1Q26E		2025	2026E	chg. (y-y%)	
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)		(THB m)
Revenue	70,079	69,445	75,000	8.0	7.0	281,449	368,644	31.0
Operating costs	(18,837)	(23,322)	(26,250)	(12.6)	(39.4)	(143,851)	(189,851)	(32.0)
EBITDA	51,242	46,122	48,750	5.7	(4.9)	137,598	178,793	29.9
EBITDA margin (%)	73	66	65	nm	nm	48.9	48.5	(0.8)
Depn & amort.	(23,107)	(23,303)	(24,000)	(3.0)	(3.9)	(38,077)	(45,639)	(19.9)
EBIT	28,135	22,820	24,750	8.5	(12.0)	99,520	133,154	33.8
Interest expense	(3,285)	(3,381)	(3,300)	2.4	(0.5)	(13,065)	(13,079)	(0.1)
Interest & invt inc	2,875	3,415	3,500	2.5	21.7	5,882	5,882	-
Associates' contrib	468	3,472	660	(81.0)	40.9	4,251	4,251	-
Exceptionals	(68)	553	(9,339)	(1,790.3)	(13,662.2)	7,518	4,020	(46.5)
Pretax profit	28,126	26,877	16,271	(39.5)	(42.1)	104,107	134,229	28.9
Tax	(11,568)	(9,382)	(7,322)	22.0	36.7	(43,850)	(56,538)	(28.9)
Tax rate (%)	41	35	45	nm	nm	42.1	42.1	-
Minority interests	3	7	0	nm	nm	0	0	nm
Net profit	16,561	17,503	8,949	(48.9)	(46.0)	60,257	77,692	28.9
Non-recurring	(65)	4,839	(9,339)	(293.0)	(14,329.4)	4,871	-	nm
Core net profit	16,626	12,664	18,288	44.4	10.0	55,402	77,692	40.2
EPS (THB)	4.17	4.41	2.25	(48.9)	(46.0)	15.18	19.57	28.9
Core EPS (THB)	4.19	3.19	4.61	44.4	10.0	13.96	19.57	40.2

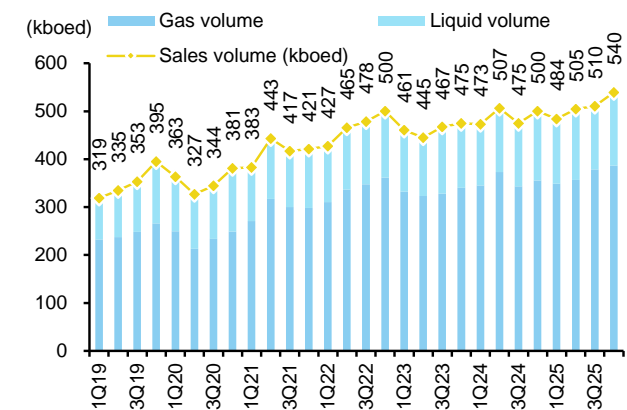
Sources: PTTEP, Glolex Research

Exhibit 2: ASP, liquid price, gas price



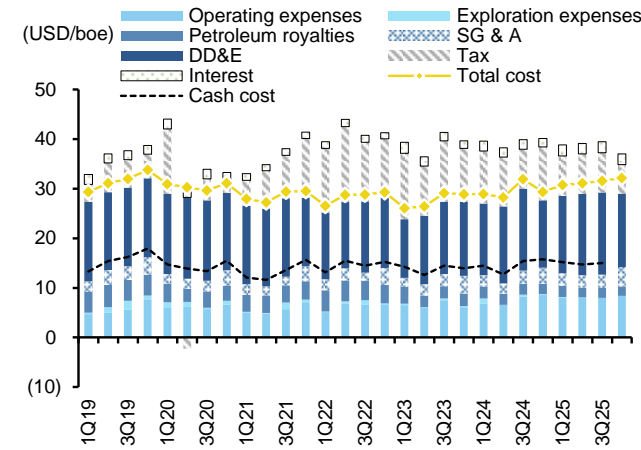
Sources: PTTEP, Glolex Research

Exhibit 3: Sales volume breakdown by gas and liquid



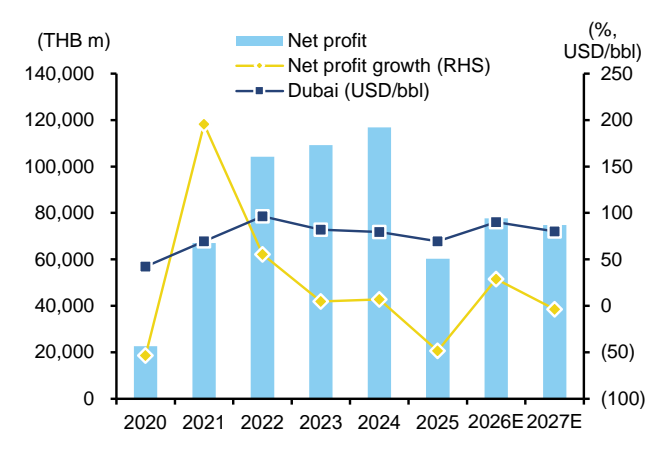
Sources: PTTEP, Glolex Research

Exhibit 4: Cost structure



Sources: PTTEP, Glolex Research

Exhibit 5: Net profit vs net profit growth



Sources: PTTEP, Glolex Research

Balance sheet (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Current assets					
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
Non-current assets					
Net fixed assets	490,484	511,450	565,452	608,948	641,938
Others	240,488	236,482	171,068	105,918	40,767
Total Assets	965,301	933,937	976,902	1,001,227	1,022,236

Current liabilities					
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
Long-term liabilities					
Long-term debts	95,009	83,098	75,000	75,000	75,000
Others	228,915	217,284	209,196	201,108	193,020
Total liabilities	429,425	414,369	418,751	405,711	391,209
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
Shareholders' equity	535,876	519,568	558,151	595,516	631,028

Key ratios					
Year ending Dec	2024	2025	2026E	2027E	2028E
Growth (%YoY)					
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)
Profitability (%)					
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
Stability					
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)
Activity					
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
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)
Gross profit	282,592	214,936	247,434	244,763	232,781
Operating expenses	(75,138)	(77,338)	(68,641)	(64,350)	(54,558)
Operating profit	207,454	137,598	178,793	180,413	178,223
EBIT	169,438	99,520	133,154	130,571	124,179
Depreciation	(38,016)	(38,077)	(45,639)	(49,842)	(54,044)
EBITDA	207,454	137,598	178,793	180,413	178,223
Non-operating income	46,239	12,379	8,402	5,882	5,882
Other incomes	8,435	5,882	5,882	5,882	5,882
Other non-op income	37,804	6,497	2,520	-	-
Non-operating expense	(42,947)	(12,044)	(11,579)	(11,592)	(11,605)
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
Equity income/(loss)	1,317	4,251	4,251	4,251	4,251
Pre-tax Profit	174,047	104,107	134,229	129,113	122,708
Extraordinary items					
Current taxation	(57,214)	(43,850)	(56,538)	(54,383)	(51,685)
Minorities	7	0	0	0	0
Net Profit	116,840	60,257	77,692	74,730	71,023
Core net profit	79,219	55,402	77,692	74,730	71,023
EPS (THB)	29.43	15.18	19.57	18.82	17.89
Core EPS (THB)	19.95	13.96	19.57	18.82	17.89

Cash flow (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
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	-	-	-	-	-
Investment cash flow	(129,500)	(129,796)	(168,100)	(168,100)	(168,100)
Net CAPEX	(131,633)	(131,633)	(168,100)	(168,100)	(168,100)
Change in LT investment	-	-	-	-	-
Change in other assets	2,133	1,837	-	-	-
Free cash flow	39,441	(35,179)	(64,982)	(40,794)	(38,983)
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
Net cash flow	(3,692)	(60,774)	29,912	44,463	52,968

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
Valuation					
P/E (x)	4.0	7.4	8.2	8.5	8.9
P/BV (x)	0.9	0.9	1.1	1.1	1.0
Dividend yield (%)	8.1	7.7	6.1	5.9	5.6
Dividend payout ratio (%)	32.7	57.6	50.0	50.0	50.0

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 $(\text{target price}^* - \text{current price}) / \text{current price}$.

- 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.