

Cost Pressure Offsets Volume Upside

- PTTEP reported weaker 1Q26 NP due to a large hedging loss, despite strong volume growth and lower unit costs.
- Near-term outlook remains positive, supported by solid oil prices.
- Maintain BUY at our TP of THB190

Healthier core 1Q26 NP marred by a large hedging loss

PTTEP reported a strong 1Q26 core NP of THB20.6b (+63% q-q, +24% y-y). Key points are 1) a higher sales volume at 553 kboed (+3% q-q, +14% y-y); 2) a rise in the ASP to USD46.2/boe (vs USD42.6/boe in 4Q25 and USD45.7/boe in 1Q25), due to higher liquid prices at USD77.5/bbl (vs USD62.8/bbl in 4Q25 and USD73.4/bbl in 1Q25) and a dip in gas prices at USD5.8/mmbtu (vs USD5.1/mmbtu in 4Q25 and USD5.9/mmbtu in 1Q25), despite the lower liquid sales mix; and 3) a plunge in unit costs of USD28/boe due to lower depreciation and OPEX. Including USD252m loss from non-operating items, 1Q26 NP was THB11.8b, comprising 1) a THB8.8b oil hedging loss; 2) a THB0.5b FX gain; and 3) THB3.0b bargain purchase from the Touat project booked

Sale volume growth continued impressively, on track

1Q26 sales volumes rose to 553,369boed (+3% q-q, +14% y-y), supported by higher volumes from MTJDA B17-01, Arthit, and expansion in Malaysia SK408 projects (q-q) while the y-y growth coming from MTJDA A18 project, Algeria Touat and Malaysia SK408 projects. Sales volume from Thailand jumped to 385,519boed, up from 374,380boed in 4Q25 and 330,645boed in 1Q25. Sales volume from other Southeast Asia (Malaysia mostly) was 97,587boed, up from 87,487boed in 4Q25 and 100,429boed in 1Q25 while sales volume from other regions (Oman, Algeria) was 70,263boed, down q-q- from 77,656boed in 4Q25 but up from 484,218boed in 1Q25.

Domestic Gas Base Limits PTTEP Exposure to OPEC Shifts

We view the potential UAE shift away from OPEC as mildly positive for PTTEP, mainly through sentiment and potential support to global oil and gas prices rather than direct operational impact. However, the direct impact on PTTEP remains limited given its production mix, with Thailand accounting for around 70%, followed by Oman 10%, Malaysia 9%, Myanmar 7%, and Algeria 3%, indicating earnings are still primarily driven by its domestic gas base.

High Oil Price Continues to Support PTTEP Short-Term Outlook

We maintain a positive near-term view on PTTEP, supported by elevated oil prices in the range of USD 100–110/bbl, which should continue to underpin solid earnings over the next 2–3 months amid ongoing US–Iran geopolitical tensions.

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

Siriluck Pinthusoonthorn
Siriluck@globlex.co.th,
+662 672 5806

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

ESG Rating : AAA

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	190.00
VS. BB Consensus TP (%)	+17.2%
Share Price (THB)	151.50
Upside/Downside	+68.1%

Share Data

Market Cap (THB m)	601,452.79
Par (THB)	1.00
Free Float (%)	34.69
Issued shares (m shares)	3,970

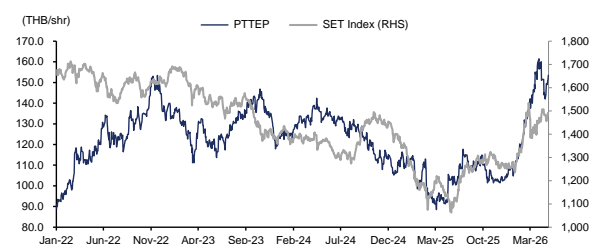
Financial forecast

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 (%)		5.1	8.5	6.3
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	7.74	8.05	8.47
P/BV (x)	0.86	1.08	1.01	0.95
ROE (%)	10.50	14.42	12.96	11.58
Dividend yield (%)	7.74	6.46	6.21	5.90

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(5.02)	21.69	39.63	34.07
Market	(7.86)	8.58	23.15	13.21
12M High/Low (THB)				164.00 / 94.25



Major Shareholders (%) as of 24 Feb 2026

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 1Q26 operations

	1Q25	4Q25	1Q26			2025	2026E	chg.
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	
Revenue	70,079	69,445	75,228	8.3	7.3	281,449	368,644	31.0
Operating costs	(18,837)	(23,322)	(29,526)	(26.6)	(56.7)	(143,851)	(189,851)	(32.0)
EBITDA	51,242	46,122	45,701	(0.9)	(10.8)	137,598	178,793	29.9
EBITDA margin (%)	73	66	61	nm	nm	48.9	48.5	(0.8)
Depn & amort.	(23,107)	(23,303)	(21,161)	9.2	8.4	(38,077)	(45,639)	(19.9)
EBIT	28,135	22,820	24,541	7.5	(12.8)	99,520	133,154	33.8
Interest expense	(3,285)	(3,381)	(2,906)	14.1	11.5	(13,065)	(13,079)	(0.1)
Interest & invt inc	2,875	3,415	2,025	(40.7)	(29.6)	5,882	5,882	-
Associates' contrib	468	3,472	778	(77.6)	66.1	4,251	4,251	-
Exceptionals	(68)	553	553	-	914.2	7,518	4,020	(46.5)
Pretax profit	28,126	26,877	24,990	(7.0)	(11.1)	104,107	134,229	28.9
Tax	(11,568)	(9,382)	(13,160)	(40.3)	(13.8)	(43,850)	(56,538)	(28.9)
Tax rate (%)	41	35	53	nm	nm	42.1	42.1	-
Minority interests	3	7	5	(34.9)	63.1	0	0	nm
Net profit	16,561	17,503	11,835	(32.4)	(28.5)	60,257	77,692	28.9
Non-recurring	(65)	4,839	(8,788)	(281.6)	(13,478.5)	4,871		(100.0)
Core net profit	16,626	12,664	20,624	62.9	24.0	55,402	77,692	40.2
EPS (THB)	4.17	4.41	2.98	(32.4)	(28.5)	15.18	19.57	28.9
Core EPS (THB)	4.19	3.19	5.19	62.9	24.0	13.96	19.57	40.2

Sources: PTTEP; Globlex Research

Exhibit 2: 1Q26 key performance

	Unit	1Q25	4Q25	1Q26	Change	
					(q-q %)	(y-y %)
Sales volume	boed	484,218	539,523	553,369	2.6	14.3
ASP	USD/boe	45.7	42.6	43.0	1.1	(6.0)
Gas price	USD/mmbtu	6.0	5.7	5.8	1.2	(2.4)
Liquid price	USD/bbl	73.4	62.8	77.5	23.4	5.6
Total cost	USD/boe	30.8	32.2	28.0	(13.1)	(9.1)
Cash cost	USD/boe	15.2	17.4	14.2	(18.1)	(6.6)
Operating expenses	USD/boe	8.0	8.4	7.1	(15.8)	(11.3)
Exploration expenses	USD/boe	0.2	1.0	0.1	(86.0)	(26.3)
Petroleum royalties	USD/boe	2.2	1.9	2.2	15.5	(0.9)
SG&A	USD/boe	2.6	3.9	2.9	(25.1)	11.0
Depreciation, depletion & amortisation	USD/boe	15.6	14.8	13.8	(7.3)	(11.6)
Tax	USD/boe	8.0	5.9	8.0	36.8	(0.5)
Interest	USD/boe	2.2	2.2	1.9	(12.0)	(14.4)
Net profit	THB m	16,561	17,503	11,835	(32.4)	(28.5)
Core earnings	THB m	16,626	12,664	20,624	62.9	24.0

Sources: PTTEP; Globlex Research

Exhibit 3: 1Q26 net profit by segment (USD m)

	1Q25	4Q25	1Q26	Change	
	(USD m)	(USD m)	(USD m)	(q-q %)	(y-y %)
Exploration and production	518	596	680	14.1	31.3
Southeast Asia	473	428	615	43.7	30.0
- Thailand	318	307	498	62.2	56.6
- Other Southeast Asia	155	121	117	(3.3)	(24.5)
Others	40	168	65	(61.3)	62.5
Head office and others	(29)	(53)	(304)	(473.6)	(948.3)
Total net profit	488	543	376	(30.8)	(23.0)

Sources: PTTEP; Globlex 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					
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					
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					
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	7.7	8.0	8.5
P/BV (x)	0.9	0.9	1.1	1.0	1.0
Dividend yield (%)	8.1	7.7	6.5	6.2	5.9
Dividend payout ratio (%)	32.7	57.6	50.0	50.0	50.0

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Analyst Certification

Siriluck Pinthusoonthorn, Register No. 119539, 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.