

Well Positioned for a Strong 2H26

- Strong 2Q26 earnings should be driven by higher volumes, ASP, and lower hedging losses.
- We expect a softer 3Q26 before a stronger 4Q26 on volume recovery and higher G1/G2 gas prices.
- Maintain BUY at our TP of THB190

Higher Volumes and ASP to Drive Strong 2Q26 Earnings

We project PTTEP to deliver a 2Q26 core net profit of THB23.0bn, driven by: 1) higher sales volume of 560 kboed (vs. 553 kboed in 1Q26), supported by stronger liquid production from Oman and Algeria; 2) a higher ASP of USD46.7/boe (vs. USD43.0/boe), reflecting stronger liquid prices (USD79/bbl vs. USD77/bbl) and a slight increase in gas prices (USD5.9/mmbtu vs. USD5.8/mmbtu), with gas expected to account for 74% of sales volume; and 3) unit cost of USD30.0/boe, primarily due to higher exploration expenses.

Lower Hedging Losses to Support 2Q26

We expect PTTEP's hedging losses to decline significantly in 2Q26 from the USD0.3bn loss recorded in 1Q26, following the closure of certain hedge positions and the adoption of collar structures at USD67–70/bbl and USD88–90/bbl. With only 13% of sales volume hedged, the earnings impact should remain limited. We view these hedge levels as prudent under our USD80–100/bbl oil price outlook and expect lower earnings volatility than downstream peers, which remain more exposed to crack spreads and refining margins fluctuations.

Upside on gas price of G1/G2 not come until 4Q26

PTTEP secured the Erawan (G1/61) and Bongkot (G2/61) blocks in 2018, ensuring around 60% of Thailand's domestic gas supply and contributing roughly 35% of its sales volume. While the PSC structure initially weighed on profitability, we believe the projects have likely turned profitable at current gas prices of USD5.8/mmbtu, supported by stable production and stronger margins. Gas prices are revised semi-annually in April and October, with the latest Apr-26 adjustment based on the relatively subdued gas price during the Oct-25 to Mar-26 period. We therefore expect the Oct-26 revision to provide a more meaningful earnings uplift, reflecting stronger gas prices in recent months.

Temporary 3Q26 Weakness, Stronger 4Q26 Ahead

While we expect PTTEP's earnings momentum to moderate in 3Q26 due to the maintenance shutdowns, which are likely to temporarily reduce sales volumes, we view this as a short-term operational impact. We expect earnings to recover strongly in 4Q26, supported by the normalization of production volumes and the benefit of higher gas prices following the Oct-26 price revision, which should provide an additional uplift to margins and profitability.

Maintain BUY at TP of THB190

We maintain BUY with a TP of THB190, supported by higher oil prices, improving ASP, and solid cost control. Strong cash flow and attractive valuation continue to support upside.

ESG Rating : AAA

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	190.00
VS. BB Consensus TP (%)	+13.1%
Share Price (THB)	144.00
Upside/Downside	+68.1%

Share Data

Market Cap (THB m)	571,677.90
Par (THB)	1.00
Free Float (%)	34.69
Issued shares (m shares)	3,970

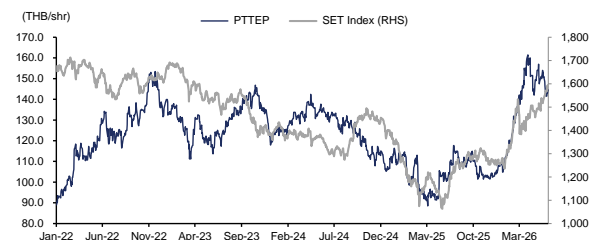
Financial forecast

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 (%)		1.8	7.0	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	7.36	7.65	8.05
P/BV (x)	0.86	1.02	0.96	0.91
ROE (%)	10.50	14.42	12.96	11.58
Dividend yield (%)	7.74	6.80	6.54	6.21

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(6.49)	4.73	35.85	27.43
Market	(12.42)	(9.07)	8.50	0.66
12M High/Low (THB)	164.00 / 97.25			



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.

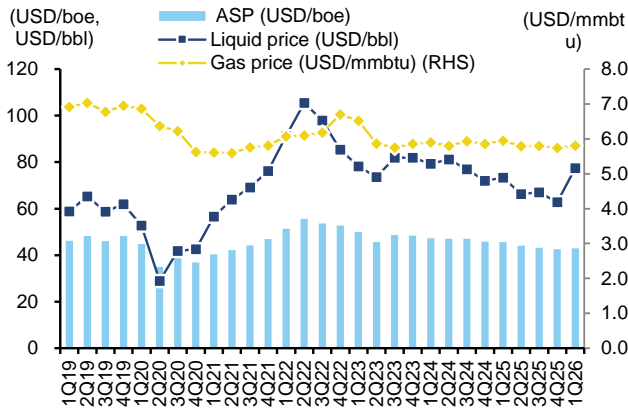
Source: SETSMART, SET

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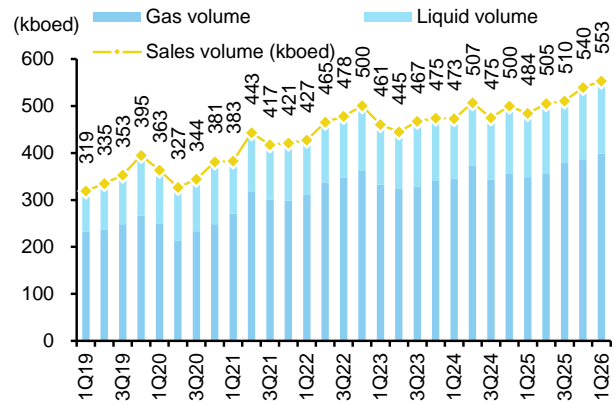
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Exhibit 1: ASP, liquid price, gas price



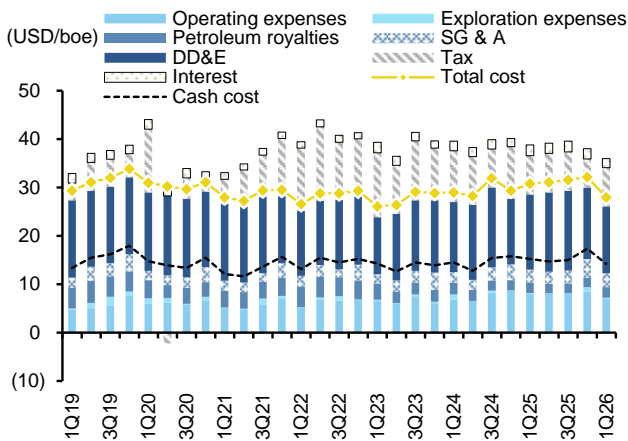
Sources: PTTEP; Globlex Research

Exhibit 2: Sales volume breakdown by gas and liquid



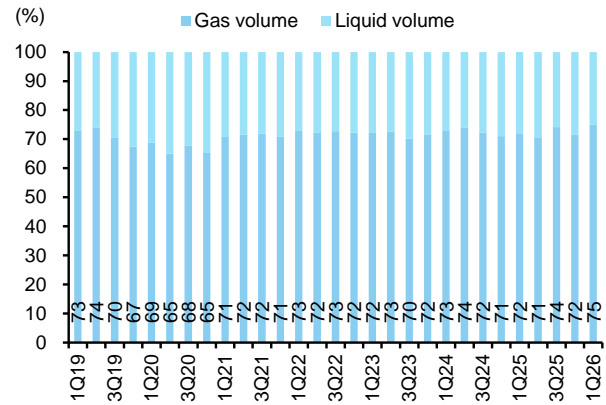
Sources: PTTEP; Globlex Research

Exhibit 3: Cost structure



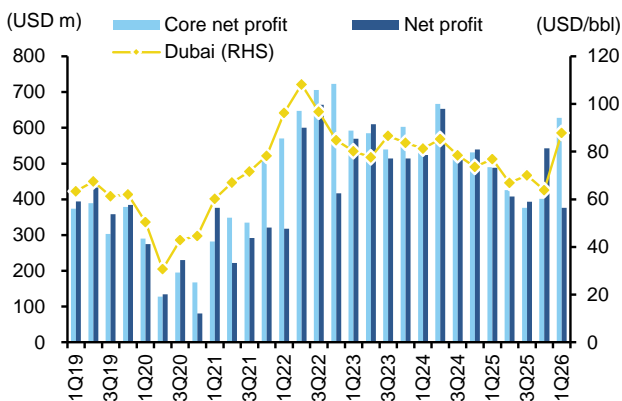
Sources: PTTEP; Globlex Research

Exhibit 4: Gas and liquid volume breakdown (%)



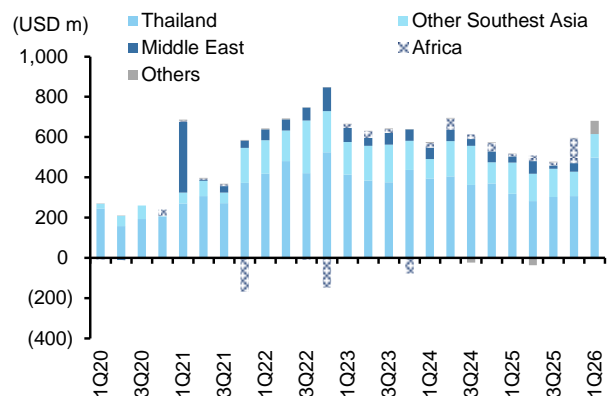
Sources: PTTEP; Globlex Research

Exhibit 5: Net profit vs net profit growth



Sources: PTTEP; Globlex Research

Exhibit 6: Net profit by segments



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					
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					
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	7.4	7.6	8.0
P/BV (x)	0.9	0.9	1.0	1.0	0.9
Dividend yield (%)	8.1	7.7	6.8	6.5	6.2
Dividend payout ratio (%)	32.7	57.6	50.0	50.0	50.0

GENERAL DISCLAIMER

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.