

Solid 2Q, Stronger Finish Ahead

- Solid 2Q26, supported by higher sales volume, stronger ASP, and a THB3.3bn hedging gain despite higher unit costs.
- Soften in 3Q26 due to maintenance shutdowns before rebounding in 4Q26 on higher production, and stronger gas prices.
- Maintain BUY at our TP of THB190

Higher ASP Drives 2Q26 Earnings

We project PTTEP to deliver a 2Q26 core net profit (NP) of THB24.0bn, driven by: 1) higher sales volume of 565 kboed (vs. 553 kboed in 1Q26), supported by stronger liquid production from Oman and Algeria; 2) a higher ASP of USD54/boe (vs. USD43.0/boe), reflecting stronger liquid prices (USD105/bbl vs. USD77/bbl) and a slight increase in gas prices (USD6.0/mmbtu vs. USD5.8/mmbtu), with gas expected to account for 72% of sales volume; 3) a higher unit cost of USD30.0/boe, primarily due to higher exploration expenses; and 4) USD60m of other revenue, comprising of the USD10m of interest income from the Seagreen project, USD15–20m of share of profit from associates (Algeria Touat and SK408), and pipeline tariff revenue.

Hedging Reversal Boosts Bottom Line

We expect PTTEP's total unit cost to increase to USD30/boe in 2Q26, from USD28/boe in 1Q26, driven by: 1) USD40–45m of exploration write-offs, 2) higher DD&A following stronger production in Thailand, and 3) higher royalty expenses in line with increased sales volume. Despite the higher cost base, we expect PTTEP to record a THB3.3b hedging gain in 2Q26, reversing the USD0.3b hedging loss booked in 1Q26. The gain should comprise 1) a USD5m mark-to-market gain from the settlement of 7m bbl of hedging contracts and 2) a USD98m mark-to-market gain from hedge reversals. Overall, we forecast 2Q26 net profit of THB27.3b.

Mozambique LNG Remains on Track

We view the Mozambique LNG project as a key long-term growth driver for PTTEP, with 8.5% stake, a current net book value of USD2.8–2.9b. We expect the project to require an additional USD1b in CAPEX and OPEX over the next year as construction progresses, while remaining on track for COD in 2029. We believe the project will strengthen PTTEP's long-term production growth and LNG portfolio.

3Q26 Softness Sets Up 4Q26 Recovery

We expect PTTEP's earnings to soften in 3Q26, mainly due to lower sales volume of around 530 kboed following planned maintenance shutdowns. Stable gas prices and lower liquid prices versus 2Q26 should also weigh on earnings. We view this as a temporary impact and expect a strong recovery in 4Q26, supported by rebounding production and higher gas prices following the Oct-26 price revision.

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.

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ESG Rating : AAA

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	190.00
VS. BB Consensus TP (%)	+18.8%
Share Price (THB)	131.50
Upside/Downside	+68.1%

Share Data

Market Cap (THB m)	522,053.08
Par (THB)	1.00
Free Float (%)	34.69
Issued shares (m shares)	3,970

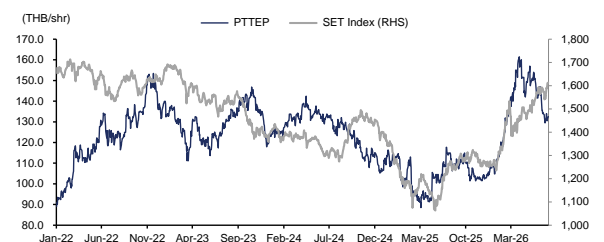
Financial forecast

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 (%)		3.9	9.9	9.1
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	6.72	6.99	7.35
P/BV (x)	0.86	0.94	0.88	0.83
ROE (%)	10.50	14.42	12.96	11.58
Dividend yield (%)	7.74	7.44	7.16	6.80

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(8.04)	(16.24)	16.37	16.37
Market	(9.37)	(24.42)	(9.02)	(9.02)
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.

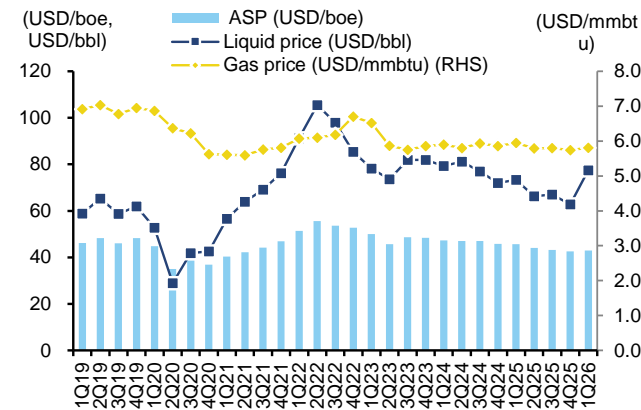
Source: SETSMART, SET

Exhibit 1: Summary of 2Q26E operations

	2Q25	1Q26	2Q26E		6M25	6M26E	chg.	
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Revenue	70,170	75,228	90,273	20.0	28.6	140,249	165,501	18.0
Operating costs	(19,052)	(29,526)	(20,763)	29.7	(9.0)	(37,889)	(50,289)	(32.7)
EBITDA	51,119	45,701	69,510	52.1	36.0	102,360	115,212	12.6
EBITDA margin (%)	73	61	77	nm	nm	73.0	69.6	(4.6)
Depn & amort.	(24,974)	(21,161)	(23,277)	(10.0)	6.8	(48,081)	(44,437)	7.6
EBIT	26,144	24,541	46,234	88.4	76.8	54,279	70,774	30.4
Interest expense	(3,216)	(2,906)	(3,080)	(6.0)	4.2	(6,500)	(5,986)	7.9
Interest & invt inc	3,109	2,025	3,110	53.6	0.0	5,984	5,135	(14.2)
Associates' contrib	156	778	200	(74.3)	27.9	625	978	56.6
Exceptionals	(586)	553	3,300	497.3	663.1	(654)	3,853	689.1
Pretax profit	25,607	24,990	49,764	99.1	94.3	53,733	74,754	39.1
Tax	(12,099)	(13,160)	(22,394)	(70.2)	(85.1)	(23,666)	(35,554)	(50.2)
Tax rate (%)	47	53	45	nm	nm	44.0	47.6	8.0
Minority interests	7	5	0	nm	nm	10	5	(48.9)
Net profit	13,515	11,835	27,370	131.3	102.5	30,076	39,205	30.4
Non-recurring	(355)	(8,788)	(3,300)	62.4	(828.8)	(420)	(12,088)	(2,778.0)
Core net profit	13,871	20,624	24,070	16.7	73.5	30,496	44,694	46.6
EPS (THB)	3.40	2.98	6.89	131.3	102.5	7.58	9.88	30.4
Core EPS (THB)	3.49	5.19	6.06	16.7	73.5	7.68	11.26	46.6

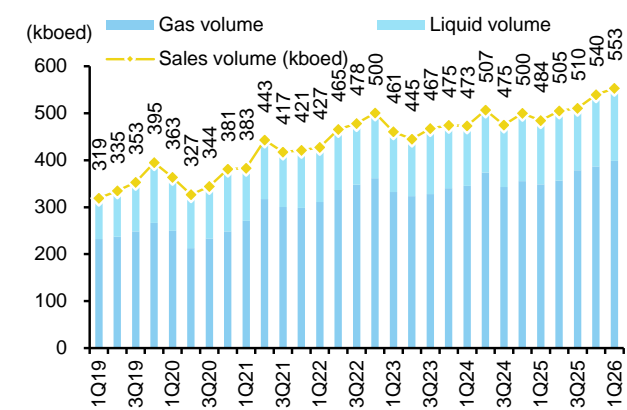
Sources: PTTEP, Glolex Research

Exhibit 2: ASP, liquid price, gas price



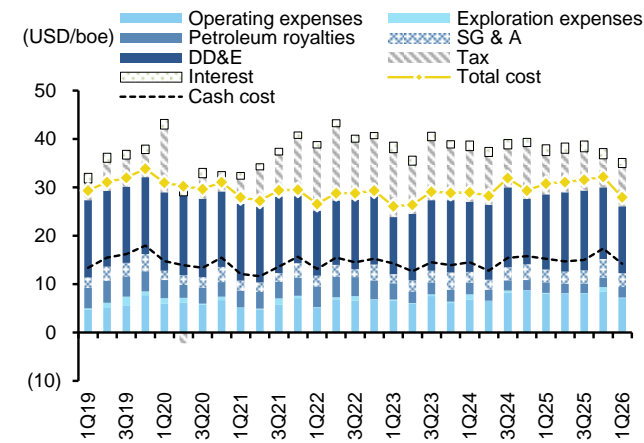
Sources: PTTEP, Glolex Research

Exhibit 3: Sales volume breakdown by gas and liquid



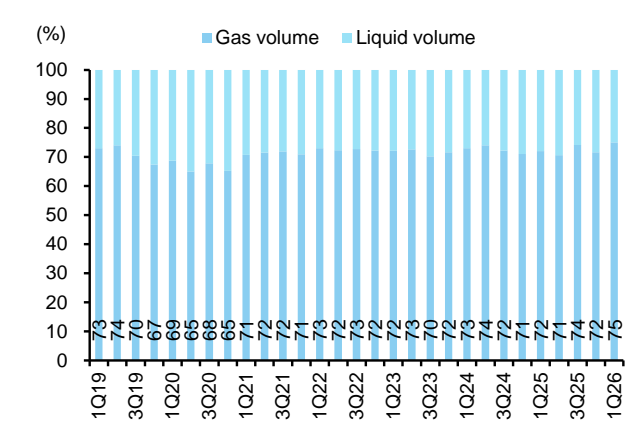
Sources: PTTEP, Glolex Research

Exhibit 4: Cost structure



Sources: PTTEP, Glolex Research

Exhibit 5: Gas and liquid volume breakdown (%)



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					
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					
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	6.7	7.0	7.4
P/BV (x)	0.9	0.9	0.9	0.9	0.8
Dividend yield (%)	8.1	7.7	7.4	7.2	6.8
Dividend payout ratio (%)	32.7	57.6	50.0	50.0	50.0

PTT EXPLORATION & PRODUCTION (PTTEP TB) | THAILAND / SET / ENERGY & UTILITIES

ESG Analysis

ESG Assessment	SET ESG	Bloomberg
<p>Environment</p> <p>PTTEP continues to advance its EP Net Zero 2050 strategy through methane emission reduction, routine flaring minimization, renewable energy deployment, and carbon capture and storage (CCS) development. In 2025, the company reduced more than 568,000 tCO₂e through greenhouse gas reduction initiatives while expanding investments in low-carbon businesses, including CCS, hydrogen, and nature-based solutions.</p>	AAA	5.69
<p>Social</p> <p>PTTEP prioritizes workforce safety through its Goal Zero approach and strengthens employee capability via continuous training and leadership development. The company also supports local communities through education, healthcare, livelihood improvement, and biodiversity conservation programs, while promoting responsible engagement with indigenous and local stakeholders.</p>		6.70
<p>Governance</p> <p>PTTEP maintains a strong governance framework with independent board oversight, enterprise risk management, anti-corruption policies, and cybersecurity governance. Sustainability is embedded into corporate strategy through ESG-linked performance management and transparent disclosure aligned with international reporting standards.</p>		5.20
Overall CG Score: Excellent (5-star) CAC: Certified		5.82

CG rating reflects 2025 Thai IOD survey. SET ESG Rating as of 9 January 2026.
Sources: SET, Thai IOD, CAC, Bloomberg, Globlex Securities Research

SET ESG Ratings 2025 | Thai Listed Companies

As of 9 January 2026

Ratings: AAA (90-100)							
AAV	ACE	ADVANC	AJ	AMATA	AMATAV	ASW	AWC
BAM	BANPU	BAY	BBGI	BBL	BDMS	BEM	BGC
BGRIM	BJC	BKIH	BPP	BTG	CENTEL	CKP	CPALL
CPF	CPAXT	CPN	CRC	DITTO	EASTW	FPI	FPT
GLOBAL	GPSC	GUNKUL	HANA	HENG	HMPRO	III	ILM
IVL	KBANK	KCG	KJL	KKP	KTB	KTC	LH
LOXLEY	MAJOR	MBK	MC	M-CHAI	MFEC	MTI	NER
NOBLE	OR	ORI	OSP	PB	PLANB	PR9	PSH
PTG	PTT	PTTEP	PTTGC	RATCH	S	S&J	SABINA
SAT	SC	SCB	SCC	SCG	SCGP	SIRI	SJWD
SKY	SNP	STA	STECON	STGT	SVOA	TEAMG	TEGH
TFMAMA	THCOM	TISCO	TMT	TOA	TOP	TPBI	TTA
TTB	TTW	TVO	VNG	WHA	WHAUP		
Ratings: AA (80-89)							
ADB	AKP	AOT	AP	ASK	ASP	AURA	BCH
BLA	BRI	BTS	CBG	CIVIL	CK	CMAN	COLOR
COM7	DMT	DRT	EGCO	EPG	ETC	GFPT	GULF
HTC	ICHI	ILINK	IT	ITTHI	JMART	KCE	KUMWEL
LHFG	MINT	MODERN	MOSHI	MSC	MTC	NVD	NYT
PCC	PRM	PSL	QTC	RBF	SA	SAWAD	SCCC
SCGD	SELIC	SFLEX	SHR	SMPC	SNNP	SPALI	SPI
SSP	SUTHA	SYNEX	TASCO	TCAP	TCMC	TGH	THANI
TIPH	TKS	TLI	TOG	TPAC	TIPIP	TSC	TU
UAC	UBE	VIH	WICE	XO	ZEN		
Ratings: A (65-100)							
AEONTS	ALLA	ALT	ALUCON	BA	BH	BLC	CFRESH
CHAO	CHASE	CHG	CM	CPL	CREDIT	ERW	GABLE
HARN	HUMAN	INSET	IRC	ITC	JMT	KSL	M
MALEE	MGC	MOONG	NEO	PHOL	PLUS	PM	PPS
PQS	PROUD	PRTR	PSP	Q-CON	QLT	SAK	SAPPE
SCAP	SEAFCO	SEAOIL	SENA	SENX	SGC	SICT	SITHAI
SKR	SNC	SPC	SSSC	SYMC	TAN	TBN	TGE
THANA	THIP	THREL	TPA	TPCS	TQM	TRU	TWPC
UPF	UPOIC	VIBHA	WPH				
Ratings: BBB (50-64)							
AKR	ASIMAR	CSC	J	LEO	MEGA	NL	PRIN
SE	SO	SPRC	SUN	TMILL	TSTH	WP	YUASA

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Source: SET ESG Ratings, Stock Exchange of Thailand (setsustainability.com). Ratings as of 9 January 2026. Only companies scoring 50 and above are assigned a rating.

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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.