UOBKayHian

Company – Update
Thailand
Monday, 27 October 2025

PTT Oil and Retails (OR TB)

Strong Marketing Margins Boost Net Profit In 3Q25

Highlights

- We forecast a net profit of Bt2.35b for 3Q25, up 5% qoq, driven by a recovery in marketing margins.
- We continue to expect 2025 net profit to reach a record high, with 4Q25 earnings projected to grow further, supported by seasonal demand.
- Maintain BUY with a target price of Bt21.00 (previously Bt20.00), as we roll over our target price to 2026.

3Q25 RESULTS PREVIEW

Year to 31 Dec (Btm)	3Q24	2Q25	3Q25F	%yoy	%qoq	9M24	9M25F	%yoy
Revenue	176,131	167,166	166,585	-5%	0%	537,987	516,173	-4%
Gross profit	5,674	8,222	8,589	51%	4%	24,850	26,447	6%
Operating Profit	-1,149	2,105	2,426	n.a.	15%	4,850	8,890	83%
EBT	2,761	2,127	2,338	-15%	10%	10,112	9,190	-9%
Core Profit	2,199	1,568	1,750	-20%	12%	7,853	7,006	-11%
Net Profit	-1,609	2,232	2,350	n.a.	5%	4,651	8,961	93%
EPS	-0.13	0.19	0.20			0.39	0.75	
Financial ratio (%)								
Gross Profit Margin	3.2%	4.9%	5.2%			4.6%	5.1%	
SG&A Exp. / Sales	3.9%	3.7%	3.7%			3.7%	3.4%	
Net profit margin	-0.9%	1.3%	1.4%			0.9%	1.7%	

Source: OR, UOB Kay Hian

Analysis

- **3Q25 net profit is expected to increase qoq, despite the low season.** We expect PTT Oil and Retail (OR) to post a net profit of Bt2.35b in 3Q25, up 5% qoq and reversing from the net loss recorded in 3Q24. The improvement will be driven by a recovery in marketing margins, which should offset the seasonal decline in oil sales and the impact of the Cambodian border dispute. Additionally, OR recorded a stock gain of Bt600m in 3Q25.
- **Marketing margins have recovered.** We expect OR's marketing margin to improve to Bt1.00/litre in 3Q25 (vs Bt0.85/liter in 2Q25), which should be sufficient to offset the 7% qoq decline in oil sales caused by the low season.
- **Lifestyle business' EBITDA decreased qoq due to the seasonal decline.** The lifestyle business recorded an EBITDA margin of 28% in 3Q25 (vs 28.7% in 2Q25), reflecting the impact of the low season. Café Amazon's sales volume remained at a record high of 108m cups, while branch expansion continued during the quarter, bringing the total number of stores to 4,611 at the end of 3Q25.

Key Financials

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net turnover	769,224	723,958	813,329	848,677	885,562
EBITDA	22,920	19,717	22,890	25,256	25,593
Operating profit	14,357	11,153	13,787	15,363	15,497
Net profit (rep./act.)	11,099	7,648	11,500	11,912	12,128
Net profit (adj.)	11,091	8,359	10,144	11,912	12,128
EPS	0.9	0.7	0.8	1.0	1.0
PE	14.9	19.8	16.3	13.9	13.7
P/B	0.7	0.7	0.7	0.7	0.7
EV/EBITDA	6.5	7.5	6.1	5.4	5.2
Dividend yield	3.8	2.9	3.6	4.0	4.0
Net margin	1.4	1.1	1.4	1.4	1.4
Net debt/(cash) to equity					
Interest cover	16.7	15.6	18.8	26.7	30.9
Consensus net profit	-	-	10,435	11,026	11,860
UOBKH/Consensus (x)	-	-	1.10	1.08	1.02

Source: Bloomberg, OR, UOB Kay Hian

<BUY> (<Maintained>)

Share Price	Bt13.90
Target Price	Bt21.00
Upside	51.08%

Analyst(s)
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Stock Data

GICS Sector	Energy
Bloomberg ticker	OR TB
Shares issued (m)	12,000.0
Market cap (Btm)	164,400.0
Market cap (US$m)	5,058.5
3-mth avg daily t'over (US$m)	5.9

Price Performance (%)

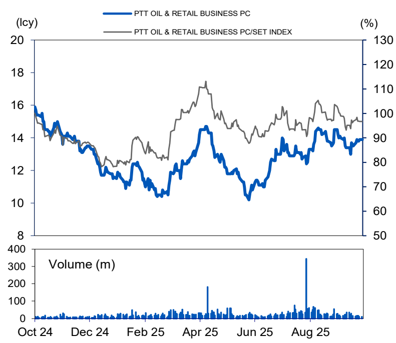
52-week high/low CurrBt17.00/Bt10.10

1mth	3mth	6mth	1yr	YTD
(5.6)	13.3	7.9	5.5	2.3

Major Shareholders

PTT	75.00%
Thai NVDR	2.41%
Social Security Office	1.81%

Price Chart



Source: Bloomberg

Company Description

SCGP is a holding company and an integrated packaging solutions provider which is organised into three main businesses: integrated packaging, fibrous, and recycling.

- **Cambodia's situation has limited impact.** The border conflict between Thailand and Cambodia led to a 12% yoy decline in total global oil sales volume, partly due to the temporary closure of 35 Dealer Own Dealer Operate PTT stations and 43 Café Amazon branches. However, the overall impact on OR in 3Q25 was limited, as oil sales volume in Cambodia accounted for only about 0.4% of the mobility business' total sales. Meanwhile, the global business contributes 9-10% of OR's total EBITDA.
- **We believe that net profit in 2025 will reach a record high.** We estimate OR's 9M25 net profit at Bt896b, up 93% yoy, driven by a recovery in both oil sales volume and marketing margins. The marketing margin averaged Bt0.96/litre in 9M25, up 14% yoy, while oil sales volume rose 3% yoy. Additionally, ongoing cost reduction efforts had improved the lifestyle business' EBITDA margin to 28.9% in 9M25 (vs 24.8% in 9M24). We maintain a positive earnings outlook for 4Q25, supported by the high season. We expect OR's 2025 net profit to reach a record high, with 9M25 earnings already accounting for 78% of our full-year forecast.
- **Market share is beginning to stabilise.** Market share is gradually recovering, although it has yet to return to the 2023 level due to intense competition. Nevertheless, the improvement in marketing margins and the continued increase in the lifestyle business' EBITDA margin should be sufficient to offset the impact. As of end-Aug 25, OR held a 35.6% share of the retail market, with market shares of 32.4% in diesel and 41.7% in gasoline.
- **Pressure on marketing margins is beginning to ease.** We are currently observing reduced government intervention in marketing margins, driven by two main factors: a) the improved financial position of the Oil Fund, which reduced its loss from Bt77.5b at the end of 2024 to just Bt14.8b, supported by sustained positive cash inflows in the oil account. This improvement resulted in a turnaround to a profit of Bt26.9b (vs net loss of Bt30.5b at the end of 2024) in the oil account; and b) crude oil prices remaining relatively low, in the range of US$60-70/bbl.

Valuation/Recommendation

- **Maintain BUY with a higher target price of Bt21.00 (previously Bt20.00).** We have rolled over our target price to 2026, based on 21.00x PE at -1.0SD. In the oil & gas sector, we prefer PTT Oil and Retail (OR TB/BUY/Target: Bt21.00), SCG Packaging (SCGP TB/BUY/Target: Bt26.00) and Indorama Ventures (IVL TB/BUY/Target: Bt27.00).

Earnings Revision/Risk

- None.

Environment, Social, Governance (ESG) Updates

Environmental

- OR aims to cut greenhouse gas emissions (Scope 1 and 2) from its operations by over one-third by 2030 compared with 2022 levels, while also reducing its conventional fuel use intensity by more than one-third within the same timeframe. Additionally, it plans to expand its EV Station PluZ network to reach 7,000 DC fast-charging connectors by 2030.

Social

- OR aims to improve the quality of life in 17,000 communities, benefitting 13m people, by 2030 in areas surrounding its operations. It also targets achieving a brand health score of 70 or higher among social and community stakeholders by 2030.

Governance

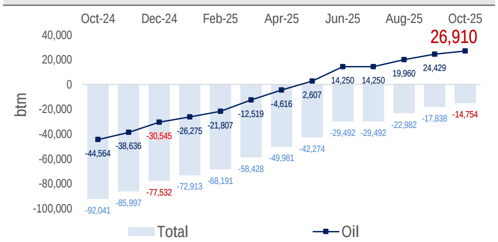
- OR's board, management, and employees are committed to five core corporate governance principles — accountability, responsibility, equitable treatment, transparency, and vision — to foster long-term value and ethical conduct. nomination process for selecting key management positions across all levels.

Key Statistics

	3Q24	2Q25	3Q25F	%yoy	%qoq
Mobility					
Number of stations	2,279	2,348	2,360	4%	1%
Total Volume Sold (m litres)	6,474	6,381	5,934	-8%	-7%
Gross Profit: Bt/Litre	0.51	0.85	1.00	96%	18%
--- Excl. Stock gain (loss)	0.96	0.79	0.90	-6%	13%
Lifestyle (Non-oil)					
Café Amazon (No. of Outlets)	4,339	4,547	4,611	6%	1%
Total cups sold (m cups)	98	107	108	10%	1%
Lifestyle EBITDA Margin (%)	20.2%	28.7%	28.0%		
Global					
Number of stations	411	420	385	-6%	-8%
Total Volume Sold (m litres)	515	571	502	-2%	-12%
Café Amazon (No. of Outlets)	382	397	354	-7%	-11%
Total cups sold (m cups)	7.3	8.4	4.2	-42%	-50%

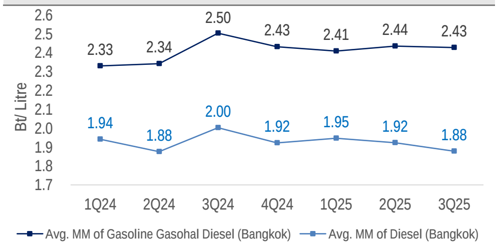
Source: OR, UOB Kay Hian

Estimated Fuel Fund Status



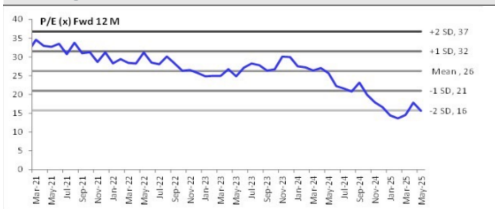
Source: Oil fuel fund office (EFFO), UOB Kay Hian

Average Marketing Margin In Bangkok



Source: Energy policy and planning office (EPPO), UOB Kay Hian

Average Three-Year PE



Source: OR, UOB Kay Hian

PROFIT & LOSS

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Net turnover	**723,958**	**813,329**	**848,677**	**885,562**
EBITDA	19,717	22,890	25,256	25,593
Deprec. & amort.	8,564	9,103	9,893	10,096
EBIT	11,153	13,787	15,363	15,497
Associate contributions	271	285	299	314
Net interest income/(expense)	-1,264	-1,220	-945	-828
Pre-tax profit	**9,450**	**14,208**	**14,717**	**14,983**
Tax	-1,801	-2,708	-2,805	-2,856
Minorities	-1	0	0	0
Net profit	**7,648**	**11,500**	**11,912**	**12,128**
Net profit (adj.)	8,359	10,144	11,912	12,128

BALANCE SHEET

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Fixed assets	47,327	51,581	51,939	53,005
Other LT assets	44,133	48,136	49,719	51,371
Cash/ST investment	47,263	46,339	47,153	47,201
Other current assets	59,034	63,288	63,646	64,711
Total assets	**207,492**	**223,403**	**229,511**	**235,786**
ST debt	8,657	2,340	2,340	2,340
Other current liabilities	52,016	67,240	70,122	73,176
LT debt	20,077	17,737	15,397	13,059
Other LT liabilities	17,781	19,976	20,845	21,750
Shareholders' equity	228,897	236,047	240,744	245,397
Total liabilities & equity	**207,492**	**223,403**	**229,511**	**235,786**

CASH FLOW

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Operating	**17,640**	**27,730**	**21,335**	**21,769**
Pre-tax profit	9,450	14,208	14,717	14,983
Tax	-1,801	-2,708	-2,805	-2,856
Deprec. & amort.	8,564	9,103	9,893	10,096
Working capital changes	2,547	6,677	-470	-455
Other operating cashflows	-1,120	450	0	0
Investing	**-5,263**	**-15,164**	**-10,966**	**-11,908**
Investments	-6,886	-13,357	-10,251	-11,162
Others	1,624	(1,808)	(715)	(746)
Financing	**-16,275**	**-13,457**	**-9,555**	**-9,812**
Dividend payments	-6,466	-4,800	-7,215	-7,474
Issue of shares	-9,808	-8,657	-2,340	-2,339
Proceeds from borrowings	n.a.	n.a.	n.a.	n.a.
Net cash inflow (outflow)	**-3,898**	**-892**	**814**	**49**
Beginning cash & cash equivalent	**51,469**	**47,231**	**46,339**	**47,153**
Changes due to forex impact	(307)	0	0	0
Ending cash & cash equivalent	**47,263**	**46,339**	**47,153**	**47,201**

KEY METRICS

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Profitability				
EBITDA margin	2.7	2.8	3.0	2.9
Pre-tax margin	1.3	1.7	1.7	1.7
Net margin	1.1	1.4	1.4	1.4
ROA	1.2	1.2	1.4	1.4
ROE				
Growth	-5.9	12.3	4.3	4.3
Turnover	-14.0	16.1	10.3	1.3
EBITDA	-30.2	50.3	3.6	1.8
Pre-tax profit	-31.1	50.4	3.6	1.8
Net profit	-24.6	21.4	17.4	1.8
Net profit (adj.)	-24.6	21.4	17.4	1.8
EPS				
Leverage	26.4	17.3	14.7	12.3
Debt to total capital	12.6	8.5	7.4	6.3
Debt to equity				
Net debt/(cash) to equity	15.6	18.8	26.7	30.9
Interest cover (x)	2.7	2.8	3.0	2.9

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