

# PTT Global Chemical (PTTGC TB)

## 1Q26: Net Profit Exceeds Expectations

### Highlights

- Reported 1Q26 net profit increased both qoq and yoy, beating our and consensus estimates, driven by stronger-than-expected market GRM.
- Core profit is expected to remain strong in 2Q26, supported by continued improvement in GRM and olefins spreads.
- Maintain BUY with a higher target price of Bt46.00 (Previously Bt41.00).

### 1Q26 Results

Year to 31 Dec (Btm)	1Q25	4Q25	1Q26	%yoy	%qoq	2025	2026F	%yoy
Revenue	133,180	93,014	147,755	11%	59%	487,585	616,817	27%
EBITDA	5,377	4,239	14,846	176%	250%	20,583	45,914	123%
Operating Profit	-3,538	-4,351	13,461	n.a.	n.a.	-11,320	15,522	n.a.
Interest expenses	2,539	1,343	1,328	-48%	-1%	8,798	4,341	-51%
Core Profit	-3,980	-5,021	6,291	n.a.	n.a.	-15,750	12,554	n.a.
Extraordinary items	1,413	-492	-3,059	n.a.	n.a.	1,150	-3,353	n.a.
Net Profit	-2,567	-5,512	3,232	n.a.	n.a.	-14,600	9,201	n.a.
EPS	-0.57	-1.16	0.79			-3.24	2.04	
Gross Profit Margin	3.7%	2.9%	15.6%			4.4%	8.8%	
EBITDA Margin	4.0%	4.6%	10.0%			4.2%	7.4%	
Net profit margin	-1.9%	-5.9%	2.2%			-3.0%	1.5%	

Source: PTTGC, UOB Kay Hian

### Analysis

- 1Q26 turnaround to net profit.** PTT Global Chemical (PTTGC) reported a net profit of Bt3.23b in 1Q26 (vs a net loss of Bt5.51b in 4Q25 and net loss of Bt2.67b in 1Q25), exceeding our and consensus estimates by 32% and 15%, respectively, driven by stronger-than-expected market gross refinery margin (GRM). In 1Q26, PTTGC recorded total extra losses of Bt3.06b. Excluding these items, core profit would be Bt6.29b, increasing both qoq and yoy.
- Extra items.** PTTGC recorded extra losses of Bt3.06bn in 1Q26, comprising: a) stock gain of Bt7.18b; b) gain from asset monetisation of Bt3.3b; c) hedging loss of Bt7.99b; d) impairment loss of Bt3.49b in GC Polyols (GCP), its polyols business; e) impairment loss of Bt1.44b in the US gas cracker project; and f) extra expenses of Bt1.63b in PTT MCC Biochem (PTTMCC), its bioplastics business.

### Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	608,550	487,585	616,817	677,407	685,197
EBITDA	32,562	20,583	45,914	41,981	41,036
Operating profit	3,086	-5,799	17,989	15,385	15,633
Net profit (rep./act.)	-29,811	-14,600	9,201	9,552	9,836
Net profit (adj.)	-9,431	-15,750	12,554	9,552	9,836
EPS	-2.1	-3.5	2.8	2.1	2.2
PE	-16.9	-10.1	12.7	16.6	16.2
P/B	0.52	0.47	0.47	0.46	0.45
EV/EBITDA	10.9	13.8	6.5	7.0	6.8
Dividend yield	1.4	1.4	1.4	1.4	1.4
Net margin	-4.9	-3.0	1.5	1.4	1.4
Net debt/(cash) to equity	63.8	37.4	41.0	39.1	33.8
Interest cover	2.7	2.3	10.6	8.9	8.8
Consensus net profit	-	-	5,534	6,823	10,938
UOBKH/Consensus (x)	-	-	1.66	1.40	0.90

Source: Bloomberg, PTTGC, UOB Kay Hian

**BUY** (Maintained)

Share Price	Bt39.50
Target Price	Bt46.00
Upside	+16.46%
Previous TP	Bt41.00

### Analyst(s)

**Tanaporn Visaruthaphong**  
tanaporn@uobkayhian.co.th  
+662 0903350

**Benjaphol Suthwanish**  
Benjaphol@uobkayhian.co.th  
+662 0903361

### Stock Data

GICS Sector	Petrochemical
Bloomberg ticker	PTTGC TB
Shares issued (m)	4,508.85
Market cap (Btm)	108,663.26
Market cap (US\$m)	3,329.61
3-mth avg daily t'over (US\$m)	14.0

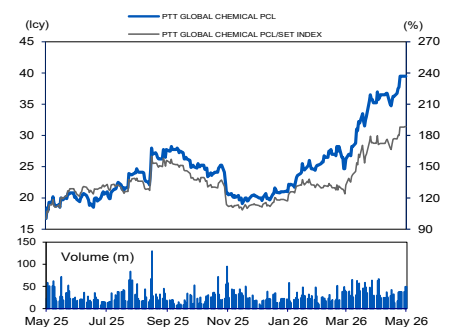
### Price Performance (%)

52-week high/low	Bt28.75/Bt14.20			
1mth	3mth	6mth	1yr	YTD
(11.4)	15.4	45.4	12.2	1.6

### Major Shareholders

PTT	45.18%
Thai NDVR	3.72%
Siam manager holdings	3.00%

### Price Chart



Source: Bloomberg

### Company Description

PTT Global Chemical is a fully integrated petrochemical and chemical company. The company's products are mainly derived from olefins, particularly ethylene and propylene.

- **Core profit beat estimates by 8%.** PTTGC reported core profit of Bt6.29b, increasing both qoq and yoy and exceeding our forecast by 8%, driven by:
  - a) Strong refining recovery – Market GRM rose to US\$16.70/bbl in 1Q26, up both qoq and yoy, supported by Middle East geopolitical concerns and strong jet fuel demand, which lifted GRM of middle distillate (PTTGC's key products). Refinery utilisation rebounded to 103% (vs 55% in 4Q25) due to the absence of maintenance shutdowns.
  - b) Improved olefins performance – Earnings increased on tighter supply following significant global capacity reductions, driving HDPE prices and spreads up by 20% qoq and 6% qoq, respectively. Additionally, there were no one-off gas pricing adjustment expenses as seen in 4Q25.
  - c) Stronger aromatics spreads – Paraxylene and benzene spreads improved due to a sharp decline in inventories in China, with BTX spread estimated at US\$276/tonne, rising both qoq and yoy.
  - d) Higher performance chemicals earnings – Profit growth was supported by stronger sales at Allnex, increasing both qoq and yoy.
- **2Q26 outlook remains positive.** We expect core profit to continue improving both qoq and yoy, supported by stronger GRM and petrochemical spreads. This is further reinforced by the restart of the olefins plant 4 (OLE4) in early-April following maintenance in late-1Q26.
- **Signed non-binding MOU with SCGC.** PTTGC has signed a non-binding MOU with SCG Chemicals, a subsidiary of Siam Cement (SCC), to jointly study the strategic feasibility of establishing a JV in the olefins and polyolefins businesses (polyethylene and polypropylene) in Thailand. After the merger, the combined entity would become the world's 10th-largest polyolefins producer and elevate Thailand into a globally competitive integrated petrochemical hub. The study is expected to be completed by 3Q26. In the near term, we see no impact on PTTGC's earnings forecasts or target price. Key factors to monitor include: a) details of asset contributions from both parties into the JV; b) potential synergy value from the deal; c) JV shareholding structure, where we expect PTTGC to hold a larger stake given its feedstock advantage; and d) regulatory approvals, which could take at least six months after shareholder approvals, expected around mid-4Q26.

## Valuation/Recommendation

- **Maintain BUY with a higher target price of Bt46.00 (previously Bt41.00),** based on forward P/B at mean of 0.70x (previously 0.61x forward P/B at mean). In the oil and gas sector, we prefer Indorama Ventures (IVL TB/BUY/Target: Bt25.00) PTT Global Chemical (PTTGC TB/BUY/Target Bt46.00) and Siam Cement (SCC TB/BUY/Target: Bt290).

## Earnings Revision/Risk

- **Earnings revision.** None.

## Environment, Social, Governance (ESG) Updates

### Environmental

- Conducts business operations with efficient use of resources in accordance with the circular economy approach, through good cooperation with partners and a continued focus on decarbonisation to achieve its goal of cutting greenhouse gas emissions to net zero by 2050.

### Social

- Creates value for society, promotes social enterprises to generate revenue that will improve the nation's economy, reduce inequality as well as supports the safety, good education, health and wellbeing of communities and society as a whole.

### Governance

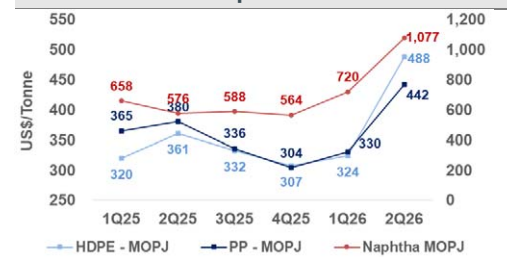
- Be a transparent, verifiable organisation with a focus on the creation of innovative, environmentally friendly chemicals for a low-carbon business.

## Key Statistics

	1Q25	4Q25	1Q26	%yoy	%qoq
Avg. Fx (Bt/US\$)	35.2	32.3	31.8	-10%	-2%
Dubai Crude oil price (US\$/bbl)	76.9	63.8	86.3	12%	35%
Market GRM (US\$/bbl)	3.4	7.9	16.7	391%	111%
Hedging Gain / (Loss) (Bt m)	809	146	-7,991	n.a.	n.a.
Stock Gain / Loss (Bt m)	-55	-1,464	7,182	n.a.	n.a.
BTX P2F (US\$/Ton)	156	193	276	77%	43%
Adj. EBITDA Olefins chain	2,765	437	2,541	-8%	481%
HDPE price (US\$/tonne)	978	871	871	-11%	0%
HDPE - Naphtha (US\$/tonne)	320	307	307	-4%	0%
LLDPE - Naphtha (US\$/tonne)	362	304	304	-16%	0%
LDPE - Naphtha (US\$/tonne)	536	484	484	-10%	0%

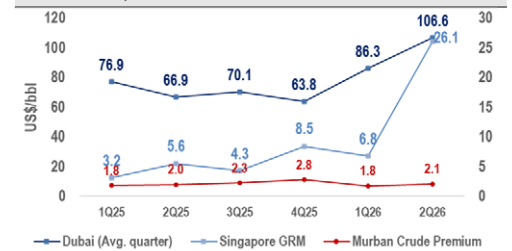
Source: PTT Global Chemical, UOB Kay Hian

## Olefins Price And Spread



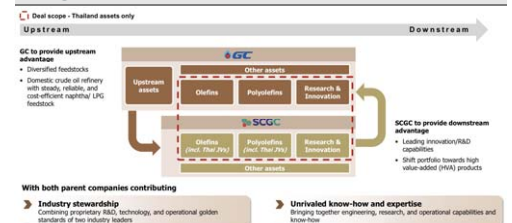
Source: PTT Global Chemical, UOB Kay Hian

## Crude Oil, SG GRM And Crude Premium



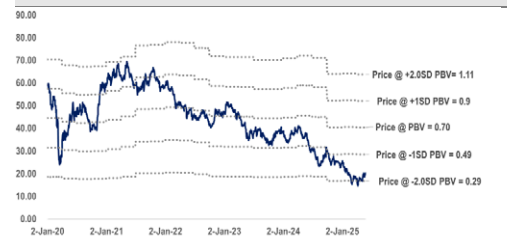
Source: PTT Global Chemical

## Synergy: Upstream To Downstream Integration



Source: PTT Global Chemical

## FORWARD P/B



Source: Bloomberg

### Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	487,585	616,817	677,407	685,197
EBITDA	20,583	45,914	41,981	41,036
Deprec. & amort.	26,383	27,925	26,596	25,404
EBIT	-5,799	17,989	15,385	15,633
Associate contributions	-1,547	-500	-500	-500
Net interest income/(expense)	-8,798	-4,341	-4,728	-4,683
Pre-tax profit	-16,145	13,148	10,156	10,449
Tax	-577	-294	-305	-313
Minorities	972	-300	-300	-300
Net profit	-14,600	9,201	9,552	9,836
Net profit (adj.)	-15,750	12,554	9,552	9,836

### Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	40,830	37,187	36,094	35,391
Pre-tax profit	-16,145	13,148	10,156	10,449
Tax	-577	-294	-305	-313
Deprec. & amort.	26,383	27,925	26,596	25,404
Working capital changes	1,975	-19,639	-20,354	-20,149
Other operating cashflows	29,195	16,047	20,000	20,000
Investing	-11,678	-47,440	-30,209	-16,955
Investments	-14,025	-15,000	-15,000	-15,000
Others	2,347	-32,440	-15,209	-1,955
Financing	-41,842	-5,820	2,862	-10,138
Dividend payments	-2,517	-2,254	-2,254	-2,254
Issue of shares	-39,325	-3,565	5,117	-7,883
Proceeds from borrowings	-12,689	-16,072	8,747	8,298
Net cash inflow (outflow)	35,091	18,925	2,853	11,600
Beginning cash & cash equivalent	-1,131	0	0	0
Changes due to forex impact	21,271	2,853	11,600	19,898
Ending cash & cash equivalent	40,830	37,187	36,094	35,391

### Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	256,541	243,615	232,019	221,616
Other LT assets	214,580	261,262	283,148	285,962
Cash/ST investment	21,271	2,853	11,600	19,898
Other current assets	113,981	140,739	155,218	156,733
<b>Total assets</b>	<b>606,373</b>	<b>648,469</b>	<b>681,985</b>	<b>684,209</b>
ST debt	3,565	1,383	7,883	1,383
Other current liabilities	110,378	135,150	149,275	150,642
LT debt	142,926	141,543	140,160	138,776
Other LT liabilities	53,734	67,976	74,653	75,512
Shareholders' equity	334,949	341,296	348,594	356,175
<b>Total liabilities &amp; equity</b>	<b>606,375</b>	<b>648,472</b>	<b>681,989</b>	<b>684,214</b>

### Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
<b>Profitability</b>				
EBITDA margin	4.2	7.4	6.2	6.0
Pre-tax margin	-3.3	2.1	1.5	1.5
Net margin	-3.0	1.5	1.4	1.4
ROA	-2.9	1.8	1.8	1.8
ROE	-4.7	2.9	3.0	3.0
<b>Growth</b>				
Turnover	-19.9	26.5	9.8	1.2
EBITDA	-36.8	123.1	-8.6	-2.2
Pre-tax profit	n.a.	n.a.	n.a.	n.a.
Net profit	n.a.	n.a.	n.a.	n.a.
Net profit (adj.)	n.a.	n.a.	n.a.	n.a.
EPS	-101.3	-100.3	-99.3	-98.3
<b>Leverage</b>				
Debt to total capital	49.5	47.3	47.8	44.1
Debt to equity	43.7	41.9	42.5	39.4
Net debt/(cash) to equity	37.4	41.0	39.1	33.8
Interest cover (x)	2.3	10.6	8.9	8.8

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