

PTT (PTT TB)

1Q26 Net Profit Is Expected To Increase Both qoq And yoy

Highlights

- We expect 1Q26 net profit to increase both qoq and yoy, driven by a strong gas business and a significant qoq rise in earnings from subsidiaries and associates.
- For 2Q26, we anticipate core profit to grow qoq, supported by peak seasonal gas demand, higher selling prices for gas separation plant products, and improved earnings from PTTEP.
- Maintain BUY, with a target price of Bt43.00 (previously Bt41.00).

1Q26 Results Preview

Year to 31 Dec	1Q25	4Q25	1Q26F	%yoy	%qoq	2025	2026F	%yoy
Revenue	700,223	638,479	715,251	2%	12%	2,662,145	3,082,751	16%
Gross profit	74,184	56,336	67,913	-8%	21%	261,006	335,775	29%
EBITDA	91,508	67,514	82,671	-10%	22%	374,281	433,855	16%
EBITDA - Gas business	13,801	13,156	16,492	19%	25%	54,395	69,252	27%
--- S&T	3,145	2,834	2,915	-7%	3%	13,501	13,551	0%
--- TSO	7,155	7,518	7,215	1%	-4%	28,816	31,250	8%
--- GSP	768	616	3,415	345%	454%	1,878	14,551	675%
--- NGV	-431	-315	-268	n.a.	n.a.	-1,385	-1,100	n.a.
--- Others	3,164	2,503	3,215	2%	28%	11,585	11,000	-5%
EBIT	46,708	18,978	38,588	-17%	103%	134,839	189,675	41%
Core Profit	23,542	16,193	27,508	17%	70%	75,786	110,029	45%
Net Profit	23,315	25,534	27,508	18%	8%	90,166	110,029	22%
EPS	0.82	0.89	0.96			3.16	3.85	
Financial ratio (%)								
Gross Profit Margin	8.2%	11.2%	8.8%			9.8%	10.9%	
EBITDA Margin	2.6%	6.4%	3.0%			5.1%	6.2%	
Net profit margin	3.1%	2.9%	2.5%			2.8%	3.6%	

Note: S&T: Natural Gas supply and trading business / TSO: Transmission pipeline business / GSP: Gas separation plant business / NGV: Natural gas for vehicles business

Source: PTTGC, UOB Kay Hian

Analysis

- **Strong 1Q26 earnings expected.** We forecast PTT to report net profit of Bt27.5b, up 8% qoq and 18% yoy, driven by a recovery in operations. This is supported by higher gas sales, lower costs in the gas separation business, and a significant qoq increase in earnings from subsidiaries and associates, particularly from the petrochemical and refining business (P&R).

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	3,090,453	2,662,145	3,082,751	3,161,329	3,229,453
EBITDA	424,492	374,281	433,855	456,419	461,426
Operating profit	238,574	188,363	251,655	277,864	286,442
Net profit (rep./act.)	90,072	90,166	110,029	124,816	125,408
Net profit (adj.)	94,480	75,786	110,029	124,816	125,408
EPS	3.3	2.7	3.9	4.4	4.4
PE	10.8	13.5	9.3	8.2	8.1
P/B	0.8	0.9	0.8	0.8	0.8
EV/EBITDA	1.7	1.8	1.4	1.1	0.8
Dividend yield	5.9	5.9	6.2	7.0	7.3
Net margin	2.9	3.4	3.6	3.9	3.9
Net debt/(cash) to equity	48.8	45.4	39.7	27.1	15.9
Interest cover	9.1	9.3	9.2	9.4	9.2
Consensus net profit	-	-	105,098	106,501	114,962
UOBKH/Consensus (x)	-	-	1.05	1.17	1.09

Source: Bloomberg, PTT, UOB Kay Hian

BUY (Maintained)

Share Price	Bt35.75
Target Price	Bt43.00
Upside	+20.28
Previous TP	Bt41.00

Analyst(s)

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Stock Data

GICS Sector	Energy
Bloomberg ticker	PTT TB
Shares issued (m)	28,563.00
Market cap (Btm)	871,171
Market cap (US\$m)	26,399
3-mth avg daily t'over (US\$m)	46.87

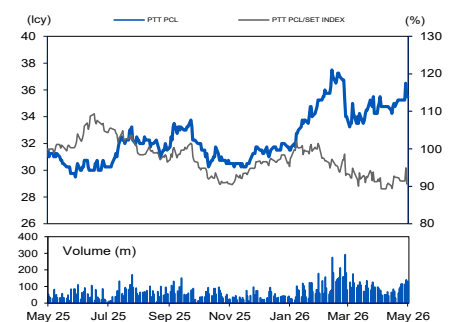
Price Performance (%)

52-week high/low	Bt33.75/Bt27.00				
1mth	3mth	6mth	1yr	YTD	
(4.65)	(4.65)	(1.60)	(2.45)	(3.15)	

Major Shareholders

Ministry of Finance	51.38%
Vayupak Fund 1	9.96%
Thai NVDR	4.47%

Price Chart



Source: Bloomberg

Company Description

PTT is a Thailand-based oil & gas company engaged in the upstream petroleum, downstream petroleum, coal business and other related businesses.

- **Gas business EBITDA to grow both qoq and yoy.** We estimate gas business EBITDA at Bt16.49b, up 25% qoq and 19% yoy, driven by:
 - Natural Gas Supply & Trading (S&T) – gas sales volume at 4,019m standard cubic feet per day (MMSCFD), up 8% qoq, 4% yoy on stronger demand, lifting S&T EBITDA to Bt2.92b, up 3% qoq.
 - Gas Separation Plant (GSP) – EBITDA at Bt3.42b, increasing both qoq and yoy, supported by higher gas sales volume increasing 14% both qoq and yoy due to no maintenance shutdowns this quarter. This led to a high utilisation rate of 96% (vs 93% in 1Q25 and 90% in 4Q25), alongside lower production costs following gas price restructuring under the utility model.
- **Earnings from subsidiaries and associates rose significantly qoq.** We estimate net profit from subsidiaries and associates at Bt42.23b in 1Q26, up 142% qoq and 94% yoy, driven by: a) stronger earnings from the P&R business, supported by higher market gross refinery margin (GRM) and petrochemical spreads, as well as substantial stock gains; and b) improved earnings from PTT oil and retail (OR), with higher marketing margins offsetting weaker contributions from PTT exploration and production (PTTEP), which was impacted by significant oil hedging losses.
- **2Q26 core profit expected to grow qoq.** We expect 2Q26 net profit to increase qoq, supported by: a) sustained high gas sales volumes during the peak power demand season; b) stronger earnings from the gas separation business, in line with higher product selling prices; and c) improved earnings from PTTEP, following the upward trend in crude oil prices.

Valuation/Recommendation

- **Maintain BUY with a higher SOTP-based 2026 target price of Bt43.00 (previously Bt41.00).** We raise our target price for PTT, driven by an upward revision in the valuations of its subsidiaries and associates. In the oil and gas sector, we prefer Indorama Ventures (IVL TB/BUY/Target: Bt25.00), PTT Global Chemical (PTTGCTB/BUY/Target Bt46.00) and Siam Cement (SCC TB/BUY/Target: Bt290).

Earnings Revision/Risk

- None.

Environment, Social, Governance (ESG) Updates

Environmental

- a) Business growth: Refining the energy investment portfolio with an emphasis on low carbon businesses; and b) clean growth: PTT targets to achieve carbon neutrality by 2040, with the aim of attaining net zero emissions by 2050.

Social

- PTT Group Innovation for Community Project: a) Smart farming: developed integrated models in 45 areas across 29 provinces, and c) community knowledge management.
- The Human Capital Index (HCI) has achieved its target of 80%.

Governance

- No cases of non-compliance with significant legal implications in operations.
- The assessment result for the National Anti-Corruption Commission's Integrity and Transparency Assessment (ITA) is at a PASSED, Good level.

Key Statistics

	1Q25	4Q25	1Q26F	%yoy	%qoq
Dubai (US\$/bbl)	76.94	63.79	86.30	12%	35%
Gas Business					
NG sales volume (MMSCFD)	3,863	3,725	4,019	4%	8%
GSP sales volume (Kton)	1,669	1,672	1,909	14%	14%
Trading Business					
Sales Volume (m Litre)	24,083	26,930	27,468	14%	2%
Gross Margin (Bt/Litre)	0.14	0.09	0.10	-29%	11%

Source: PTT, UOB Kay Hian

Associates and Subsidiaries Performance

	1Q25	4Q25	1Q26F	%yoy	%qoq
PTTEP*	16,561	17,502	8,896	-46%	-49%
TOP	3,504	2,458	19,000	442%	673%
PTTGC**	(2,567)	(5,512)	3,232	n.a.	n.a.
IRPC	(1,206)	(574)	7,100	n.a.	n.a.
OR	4,379	2,078	2,551	-42%	23%
GPSC	1,140	1,498	1,450	27%	-3%
Total	21,811	17,450	42,229	94%	142%

* PTTEP released its 1Q26 operating results on 30 May 26.

** PTTGC released its 1Q26 operating results on 5 May 26.

Source: PTT

Valuation of PTT's Associates and Subsidiaries

	Old	New	%Diff.	%Upside
PTTEP	150.0	185.0	23%	21%
TOP	58.0	58.0	0%	23%
IRPC	1.20	1.65	38%	-24%
PTTGC	31.0	46.0	48%	15%
GPSC	45.0	43.0	-4%	16%
OR	14.5	11.9	-18%	-4%
PTT	41.00	43.00	7%	20%

Source: PTT

Valuation of PTT's Associates and Subsidiaries



Source: PTT

SOTP Valuation

	Share Holding	Fair Value (Bt/share)	Value (Btm)	Value (Bt/share)	Methodology
Gas Business (PTT's Operations)	100.0%		863,983	30.2	DCF @ WACC 7.5% G=1%
(-) Net Debt (PTT Only)			-159,389	-5.6	
1) PTT - Equity Value			704,594	24.7	
2) Associates and Subsidiaries					
PTTEP	63.79%	185.00	468,504	16.4	5-yrs forward PE mean of 10x
TOP	45.03%	58.00	58,342	2.0	Forward PE +1.0SD of 11x
IRPC	45.05%	1.65	15,189	0.5	Forward PBV -2.0 SD of 0.5x
PTTGC	45.18%	46.00	93,707	3.3	Forward PBV mean of 0.70x
GPSC	47.27%	43.00	57,314	2.0	DCF Valuation
OR	75.00%	11.90	107,100	3.7	Forward PE -1.0 SD of 16.8x
3) Affiliates					
Others Affiliates			38,601	1.4	
Total			1,440,441	54.0	
Discount to NAV				-20%	
PTT's TP (UOB Kay Hian)				43	

Source: UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	2,662,145	3,082,751	3,161,329	3,229,453
EBITDA	374,281	433,855	456,419	461,426
Deprec. & amort.	185,918	182,200	178,556	174,984
EBIT	188,363	251,655	277,864	286,442
Associate contributions	13,031	3,083	6,323	8,074
Net interest income/(expense)	-40,448	-47,339	-48,519	-49,953
Pre-tax profit	175,326	207,400	235,667	244,563
Tax	-57,600	-62,220	-70,700	-73,369
Minorities	-27,559	-35,151	-40,151	-45,786
Net profit	90,166	110,029	124,816	125,408
Net profit (adj.)	75,786	110,029	124,816	125,408

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	299,366	318,078	323,343	349,427
Pre-tax profit	175,326	207,400	235,667	244,563
Tax	-57,600	-62,220	-70,700	-73,369
Deprec. & amort.	185,918	182,200	178,556	174,984
Working capital changes	12,630	-9,302	-20,179	3,249
Other operating cashflows	-16,907	0	0	0
Investing	-164,156	-203,135	-116,469	-135,850
Investments	-227,089	-137,636	-132,324	-129,037
Others	62,933	-65,499	15,855	-6,813
Financing	-188,365	-104,443	-70,708	-86,077
Dividend payments	-83,285	-57,126	-69,710	-79,079
Issue of shares	n.a.	n.a.	n.a.	n.a.
Proceeds from borrowings	-105,080	-47,317	-998	-6,998
Net cash inflow (outflow)	-53,155	10,500	136,166	127,501
Beginning cash & cash equivalent	405,139	346,817	357,317	493,483
Changes due to forex impact	-5,167	0	0	0
Ending cash & cash equivalent	346,817	357,317	493,483	620,984

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	1,513,937	1,469,374	1,423,142	1,377,195
Other LT assets	850,525	930,301	915,487	942,804
Cash/ST investment	346,817	357,317	493,483	620,984
Other current assets	135,193	170,592	174,510	166,583
Total assets	3,269,660	3,457,526	3,548,316	3,659,682
ST debt	217,934	171,613	177,614	160,615
Other current liabilities	131,674	175,457	165,367	164,702
LT debt	666,425	665,429	658,430	668,431
Other LT liabilities	384,993	399,270	400,311	420,815
Shareholders' equity	1,185,196	1,208,888	1,263,994	1,310,323
Total liabilities & equity	3,269,660	3,457,526	3,548,316	3,659,682

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	14.1	14.1	14.4	14.3
Pre-tax margin	6.6	6.7	7.5	7.6
Net margin	3.4	3.6	3.9	3.9
ROA	3.3	3.9	4.3	4.3
ROE	9.0	10.8	12.0	11.8
Growth				
Turnover	-13.9	15.8	2.5	2.2
EBITDA	-11.8	15.9	5.2	1.1
Pre-tax profit	-3.0	18.3	13.6	3.8
Net profit	0.1	22.0	13.4	0.5
Net profit (adj.)	-19.8	45.2	13.4	0.5
EPS	-19.8	45.2	13.4	0.5
Leverage				
Debt to total capital	53.5	48.1	45.5	43.0
Debt to equity	74.6	69.2	66.1	63.3
Net debt/(cash) to equity	45.4	39.7	27.1	15.9
Interest cover (x)	9.3	9.2	9.4	9.2

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