Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	53055.9	0.3	1.7	4.3	10.4
S&P 500	7537.4	0.7	1.3	2.1	10.1
FTSE 100	10651.8	(0.3)	1.6	2.7	7.3
AS30	9037.0	(0.1)	0.1	2.0	0.2
CSI 300	4842.0	(0.0)	(1.7)	0.5	4.6
FSSTI	5259.8	0.3	1.0	4.2	13.2
HSCEI	7812.4	1.5	2.7	(7.4)	(12.4)
HSI	23616.3	1.1	2.6	(5.4)	(7.9)
JCI	5916.1	0.7	1.6	5.7	(31.6)
KLCI	1683.5	0.3	1.1	(0.6)	0.2
KOSPI	8051.3	(0.5)	(4.1)	(1.3)	91.1
Nikkei 225	69737.7	(0.0)	0.4	4.7	38.5
SET	1616.9	0.3	2.5	2.2	28.4
TWSE	46556.4	(0.5)	3.5	3.3	60.7
BDI	2797.0	2.9	12.3	(6.2)	49.0
CPO (RM/mt)	4430.0	0.0	(1.5)	(1.2)	12.6
Brent Crude (US$/bbl)	72.0	(0.2)	(1.6)	(22.7)	18.3

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Small & Mid-Caps Corporate Day	Singapore	09 Jul	09 Jul
Analyst Marketing on 2H Thai Strategy and Healthcare Sector presentation	Malaysia	13 Jul	15 Jul

Corporate and Macro Calendar

Economic Indicator/Event	Country/Region	Date
June. CPI	Thailand	7 July
June. Consumer Confidence	Thailand	7-13 July
June. Customs Trade Balance (Export-Import)	Thailand	21-26 July

Please click on the page number to move to the relevant pages

Thailand

Company Update | PTT Exploration and Production (PTTEP TB/**BUY**/Bt133.50/Target: Bt160.00) Page 2

We expect PTTEP to deliver a strong 2Q26 net profit, with earnings increasing both qoq and yoy, driven by higher ASP and stronger petroleum sales volumes, which should more than offset the increase in unit costs. While we expect 2H26 earnings to come under pressure from softer crude oil prices, we continue to view PTTEP as an attractive dividend play within the energy sector. Maintain BUY. Target price: Bt160.00.

PTT Exploration & Production (PTTEP TB)

PTTEP Remains Our Preferred Energy Dividend Play

BUY (Maintained)	
Share Price	Bt133.50
Target Price	Bt160.00
Upside	19.85%
Previous TP	Bt185.00

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Highlights

- We expect 2Q26 net profit to remain strong, increasing both qoq and yoy, driven by higher selling prices and stronger sales volumes.
- Despite expected earnings pressure in 2H26 from lower crude oil prices, we continue to view PTTEP as the sector's most attractive dividend play
- Maintain BUY with a lower target price of Bt160.00 (previously Bt185.00).

2Q26 Results Preview

Year to 31 Dec (Btm)	2Q25	1Q26	2Q26F	Chg. %yoy	Chg. %qoq	6M25	6M26F	Chg. %yoy
Revenue	71,180	76,087	95,194	34%	25%	142,346	171,282	20%
Gross profit	33,345	41,341	44,411	33%	7%	68,972	85,751	24%
Interest expenses	3,216	2,906	2,808	-13%	-3%	6,500	5,714	-12%
EBITDA	51,212	54,369	61,674	20%	13%	102,455	116,043	13%
Core Profit	14,113	19,950	23,432	66%	17%	30,742	43,382	41%
Net Profit	13,515	11,835	26,347	95%	123%	30,076	38,182	27%
EPS	3.40	2.98	6.64	95%	123%	7.58	9.62	27%
Financial ratio (%)								
Gross Profit Margin	46.8%	54.3%	46.7%			48.5%	50.1%	
EBITDA Margin	71.9%	71.5%	64.8%			72.0%	67.7%	
SG&A Exp. / Sales	10.0%	10.7%	8.0%			10.3%	9.2%	
Net profit margin	19.0%	15.6%	27.7%			21.1%	22.3%	

Source: PTTEP, UOB Kay Hian

Analysis

- **Strong 2Q26 earnings expected.** We forecast PTT Exploration and Production (PTTEP) to report a 2Q26 net profit of Bt26.35b, up 123% qoq and 95% yoy, with a core profit of Bt23.43b, up 17% qoq and 26% yoy. The strong performance is projected to be driven by three key factors. First, average selling price (ASP) is expected to strengthen in line with higher Dubai crude oil prices. We forecast 2Q26 ASP at US$52.53/bbl, up 14.1% qoq and 19.4% yoy, while the average gas selling price is estimated at US$6.0/Million British Thermal Units (MMBTU), up 3.3% qoq. Second, petroleum sales volume is forecast to reach 568,000 barrels of oil equivalent per day (BOED), up 2.6% qoq and 12.5% yoy, supported by higher gas production from the Gulf of Thailand projects and stronger liquid sales from the Algeria project. Third, we expect a Bt3.00b hedging gain during the quarter. These positive factors should more than offset the increase in unit cost, which we estimate at US$30/bbl, up 7.3% qoq.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	312,310	281,449	292,824	297,787	292,687
EBITDA	240,397	203,682	214,077	196,372	198,536
Operating profit	145,942	110,704	138,725	122,527	124,675
Net profit (rep./act.)	78,810	60,240	73,371	64,926	66,355
Net profit (adj.)	78,225	58,024	73,371	64,926	66,355
EPS	19.70	15.20	18.48	16.35	16.71
PE	6.67	9.00	8.20	8.04	7.87
P/B	1.00	0.96	1.00	1.00	0.81
EV/EBITDA	2.14	2.80	2.54	2.68	2.61
Dividend yield	7.32	6.65	7.60	6.46	6.46
Net margin	25.23	21.40	25.06	21.80	22.67
Net debt/(cash) to equity	1.7	-0.6	0.4	1.4	2.4
Interest cover	20.40	15.76	10.24	10.33	10.45
ROE	17.64	13.15	15.37	13.21	13.05
Consensus net profit	-	-	73,360	68,144	65,320
UOBKH/Consensus (x)	-	-	1.00	0.95	1.02

Source: PTTEP, Bloomberg, UOB Kay Hian

Stock Data

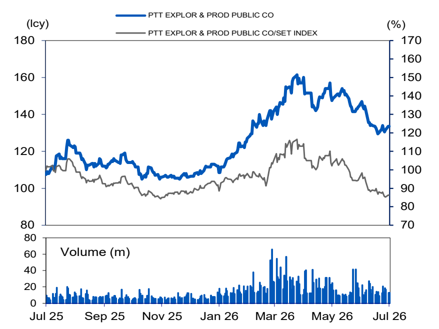
GICS Sector	Energy
Bloomberg ticker	PTTEP TB
Shares issued (m)	3,970.0
Market cap (Btm)	454,563.3
Market cap (US$m)	14,038.0
3-mth avg daily t'over (US$m)	31.4

Price Performance (%)

52-week high/low				Bt130.50/Bt93.00
1mth	3mth	6mth	1yr	YTD
0.47	(6.49)	10.20	(12.6)	(9.24)

Major Shareholders	(%)
PTT	63.79
Thai NVDR	6.52
State Street Europe	1.80

Price Chart



Source: Bloomberg

Company Description

PTTEP explores for crude oil and natural gas, and develops fields for production.

- **1H26 core profit accounts for 60% of our full-year forecast.** We estimate that 1H26 core profit will represent around 60% of our full-year 2026 core profit forecast of Bt73.37b, which implies 26.4% yoy growth. We also expect 2Q26 net profit to mark the earnings peak for 2026.
- **3Q26 earnings likely to soften qoq.** We expect 3Q26 core profit to decline sequentially, mainly due to lower ASPs following the retreat in crude oil prices as geopolitical tensions between the US and Iran ease, together with seasonally weaker sales volumes. Nevertheless, we still expect 3Q26 core profit to increase yoy, supported by a higher crude oil price environment compared with the same period last year.
- **Maintaining our Dubai crude forecast at US$80/bbl.** We maintain our 2026 Dubai crude oil price forecast of US$80.00/bbl, up 15.2% yoy. We are expecting prices in 2H26 to moderate from the elevated levels seen in 1H26 as geopolitical tensions between the US and Iran continue to ease.
- **Crude oil set for a short-term rebound.** In the near term, we expect Dubai crude to recover and stabilise above US$70/bbl. The sharp correction over the past two weeks was mainly driven by a surge in supply following the reopening of the Strait of Hormuz, which allowed significant volumes of crude from Middle Eastern floating storage, together with higher Iranian production, to return to the market. We believe this represents a temporary supply adjustment rather than a deterioration in underlying fundamentals. In the next 1-2 months, we expect the global oil market to rebalance as excess supply is gradually absorbed. As a result, we continue to forecast Dubai crude at US$70-75/bbl by end-26, while maintaining our full-year 2026 average price assumption of US$80/bbl.
- **Attractive dividend outlook.** We forecast a 2026 dividend per share of Bt10.00, assuming a 55% dividend payout ratio based on our 2026 earnings per share forecast of Bt18.48, up 21.7% yoy, implying a 7.60% simple yield. PTTEP has a consistent track record of semi-annual dividend payments, providing investors with an appealing income stream and solid earnings growth.
- **Sensitivity.** Every US$1.00/bbl decrease in oil prices would lower our 2026 core profit forecast by 1.6%, or Bt1.10b per year. Our Dubai oil price assumption for 2026 is US$80/bbl. Every US$1.00/bbl decline in unit cost would increase our 2026 core profit forecast by 2.9%, or Bt2.00b per year.

Valuation/Recommendation

- **Maintain BUY with a lower 2026 target price of Bt160.00 (previously Bt185.00),** based on an average five-year regional forward PE of 8.7x (previously average five-year regional forward PE of 10x). While lower crude oil prices may weigh 2H26 earnings, we believe PTTEP remains the most compelling dividend play in the energy sector, supported by resilient cash flows and an attractive dividend yield.

  In the oil & gas sector, we prefer Indorama Ventures (IVL TB/BUY/Target: Bt27.00), PTT Global Chemical (PTTGCTB/BUY/Target Bt46.00) and Siam Cement (SCC TB/BUY/Target: Bt290.00).

Environment, Social, Governance (ESG) Updates

Environmental

- **Carbon capture and storage.** PTTEP is leading Thailand's first carbon capture project, which is set for completion in 2026. This project is key to PTTEP's plan to reach carbon neutrality by 2050 and net-zero emissions by 2065.

Social

- **Community engagement.** PTTEP invests in education, healthcare, and infrastructure in its operating regions to improve quality of life and support sustainable development.

Governance

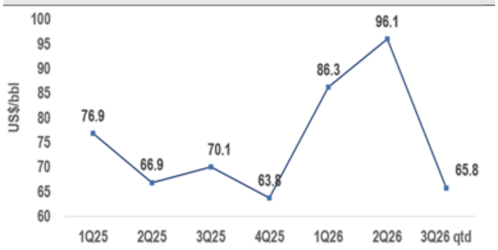
- **Supplier ESG assessment.** PTTEP requires suppliers to meet strict ESG criteria, including business ethics, safety, and environmental impacts, to ensure sustainable and ethical procurement.

Key Statistics

	2Q25	1Q26	2Q26F	Chg. %yoy	Chg. %qoq
Sales volume (BOED)	505	553	568	12.5%	2.6%
ASP (US$/bbl)	44.01	46.02	52.53	19.4%	14.1%
Avg. Gas selling price (US$/MMBTU)	5.79	5.81	6.00	3.6%	3.3%
Liquid price (US$/bbl)	66.32	77.47	52.53	-20.8%	-32.2%
Avg. Dubai (US$/bbl)	66.90	85.16	96.10	43.6%	12.8%
Unit Cost (US$/bbl)	31.10	27.97	30.00	-3.5%	7.3%

Source: PTTEP

Dubai Price

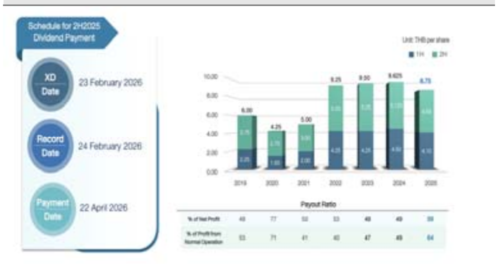


Source: PTTEP

Five-Year Investment Plan

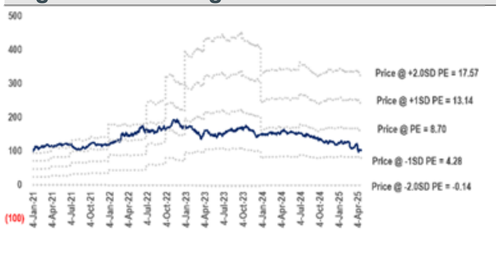
Source: PTTEP

PTTEP Dividend



Source: PTTEP

Avg. Five-Year Regional Forward PE Band



Source: Bloomberg

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	281,449	292,824	297,787	292,687
EBITDA	203,682	214,077	196,372	198,536
Deprec. & amort.	95,194	75,352	73,845	73,861
EBIT	108,488	138,725	122,527	124,675
Associate contributions	4,251	4,464	4,687	4,921
Net interest income/(expense)	-13,065	-20,903	-19,004	-19,004
Pre-tax profit	104,107	122,286	108,210	110,592
Tax	-43,850	-48,914	-43,284	-44,237
Minorities	-16.6	0.0	0.0	0.0
Net profit	60,240	73,371	64,926	66,355
Net profit (adj.)	58,024	73,371	64,926	66,355

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	511,450	504,278	516,917	541,651
Other LT assets	266,412	275,220	279,062	275,113
Cash/ST investment	73,075	83,688	100,954	109,875
Other current assets	17,756	26,354	29,779	32,196
Total assets	933,938	926,474	965,708	995,718
ST debt	21,125	0	0	0
Other current liabilities	194,733	202,604	206,037	202,508
LT debt	105,649	105,649	105,649	105,649
Other LT liabilities	194,733	202,604	206,037	202,508
Shareholders' equity	543,708	582,342	610,582	644,474
Total liabilities & equity	933,938	926,474	965,708	995,718

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	150,401	135,591	140,846	139,559
Pre-tax profit	104,107	122,286	108,210	110,592
Tax	-43,850	-48,914	-43,284	-44,237
Deprec. & amort.	95,194	75,352	73,845	73,861
Working capital changes	-7,702	-13,132	2,074	-658
Other operating cashflows	2,653	0	0	0
Investing	-149,863	-69,117	-86,894	-98,175
Investments	-115,071	-68,180	-86,485	-98,595
Others	-34,792	-937	-409	420
Financing	-54,688	-55,862	-36,686	-32,463
Dividend payments	-36,622	-34,737	-36,686	-32,463
Issue of shares	-18,065	-21,125	0	0
Proceeds from borrowings	-54,150	10,613	17,267	8,921
Net cash inflow (outflow)	128,482	73,075	83,688	100,954
Beginning cash & cash equivalent	-1,257	0	0	0
Changes due to forex impact	73,075	83,688	100,954	109,875
Ending cash & cash equivalent	150,401	135,591	140,846	139,559

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	73.2	73.1	65.9	67.8
Pre-tax margin	37.0	41.8	36.3	37.8
Net margin	21.4	25.1	21.8	22.7
ROA	7.5	9.2	7.9	7.9
ROE	13.1	15.4	13.2	13.0
Growth				
Turnover	-9.9	4.0	1.7	-1.7
EBITDA	-14.0	4.0	-8.8	1.3
Pre-tax profit	-24.8	20.0	-11.5	2.2
Net profit	-23.5	21.7	-11.5	2.2
Net profit (adj.)	-25.8	26.4	-11.5	2.2
EPS	-23.5	21.7	-11.5	2.2
Leverage				
Debt to total capital	24.4	18.9	18.0	17.0
Debt to equity	23.3	18.1	17.3	16.4
Net debt/(cash) to equity	-0.6	0.4	1.4	2.4
Interest cover (x)	15.8	10.2	10.3	10.4