PTT Oil and Retail (OR TB)

3Q26: Delivering Earnings In Line With Our Estimates

Highlights

- OR's 3Q26 net profit was in line with our estimate but 75% above consensus, driven by a strong qoq recovery in the mobility business.
- We expect 4Q26 net profit to decline qoq as the marketing margin normalises.
- Uncertainty surrounding the review of its Cambodia investment plan remains an overhang on OR's share price.
- Maintain HOLD with a target price of Bt12.50.

3Q26 Results

Year to 31 Dec	3Q25	2Q26	3Q26	%yoy	%qoq	9M25	9M26	%yoy
Revenue	153,600	205,667	184,425	20%	-10%	503,188	566,217	13%
Gross profit	8,636	8,032	9,327	8%	16%	26,493	23,643	-11%
EBITDA	**4,878**	**4,022**	**5,522**	**13%**	**37%**	**15,914**	**16,643**	**5%**
Interest expenses	228	236	245	7%	4%	724	689	-5%
Core Profit	1,741	3,014	2,838	63%	-6%	6,996	6,363	-9%
Net Profit	**2,614**	**-1,775**	**5,138**	**97%**	**n.a.**	**9,227**	**5,778**	**-37%**
EPS	0.22	-0.15	0.43			0.77	0.48	
Financial ratio (%)								
Gross Profit Margin	5.6%	3.9%	5.1%			5.3%	4.2%	
SG&A Exp. / Sales	4.0%	2.9%	3.2%			3.5%	3.1%	
Net profit margin	1.7%	-0.9%	2.8%			1.8%	1.0%	

Source: OR, UOB Kay Hian

Analysis

- **Net profit in line with our expectations.** PTT Oil and Retail (OR) reported a 3Q26 net profit of Bt5.14b (vs net loss of Bt1.78b in 2Q26). The result was in line with our estimate but 75% above consensus, driven by improved marketing margins and higher stock gains. These factors significantly boosted nobility EBITDA qoq, more than offsetting lower EBITDA from the lifestyle business and a decline in share of profit from investments. The latter reflected the first full-quarter recognition of losses from its virtual bank business, amounting to approximately Bt100.00m (OR commenced virtual bank operations in Jun 26). 9M26 net profit stood at Bt5.78b, down 37% yoy, accounting for 73% of our 2026 earnings forecast.
- **Marketing margin recovery.** Mobility EBITDA reached Bt4.96b (vs EBITDA loss of Bt1.25b in 2Q26), partly supported by a recovery in marketing margins. Excluding extraordinary items, OR's marketing margin improved to Bt1.19/litre from Bt0.49/litre in 2Q26. Meanwhile, total oil sales volume was 5,596m litres, up 0.7% qoq but down 5.7% yoy. Higher retail oil prices remained a constraint on sales volume growth, despite OR's continued expansion of its PTT Station network.

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	723,958	658,723	882,741	816,408	851,891
EBITDA	19,717	20,333	20,561	21,975	21,826
Operating profit	11,153	12,753	11,464	12,547	12,396
Net profit (rep./act.)	7,650	11,304	7,884	9,924	9,972
Net profit (adj.)	8,361	10,022	8,870	9,924	9,972
EPS (x)	0.7	0.8	0.7	0.8	0.8
PE (x)	18.1	15.1	17.0	15.2	15.2
P/B (x)	0.7	0.6	0.6	0.6	0.6
EV/EBITDA (x)	6.7	6.6	7.2	6.4	6.3
Dividend yield (%)	3.2	3.2	4.0	3.2	3.2
Net margin (%)	1.1	1.7	0.9	1.2	1.2
Net debt/(cash) to equity (%)	26.4	20.7	13.9	11.4	9.2
Consensus net profit	-	-	8,584	11,274	12,272
UOBKH/Consensus (x)	-	-	0.92	0.88	0.81

Source: OR, Bloomberg, UOB Kay Hian

Analyst(s)

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HOLD (Maintained)

Share Price	Bt12.60
Target Price	Bt12.50
Upside	-0.79%

Stock Data

Sector	Energy
Bloomberg ticker	OR TB
Shares issued (m)	12,000
Market cap (Btm)	148,800
Market cap (US$m)	4,509
3-mth avg daily t'over (US$m)	15.67

Price Performance (%)

52-week high/low				Bt15.6 / Bt10.40
1mth	**3mth**	**6mth**	**1yr**	**YTD**
-3.13	-2.36	+0.81	-10.79	-6.77

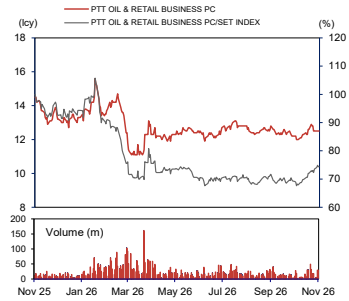
Major Shareholders (%)

PTT	75.00%
Thai NVDR	1.71%
Vayupak Fund 1	1.57%

Balance Sheet Metrics

FY26 NAV/Share (Bt)	Bt9.42
FY26 Net Debt/Share (Bt)	Bt7.97

Price Chart



Source: Bloomberg

Company Description

The company operates an integrated oil and non-oil retailing platform both in Thailand and abroad, including the sales and distribution of petroleum products and other products in retail and commercial marketing, coffee shops, other food and beverage outlets, convenience stores and space management offerings.

As of end-3Q26, OR operated 2,440 PTT Stations, up from 2,365 in 3Q25. In addition, OR recorded a stock gain of Bt1.60b in 3Q26, compared with a stock loss of Bt4.76b in 2Q26.

- **Lifestyle business impacted by the low season.** Lifestyle EBITDA margin declined qoq, partly due to higher promotional expenses during the low season and marketing campaigns to mitigate the impact of the Thai Chuay Thai Plus scheme. Nevertheless, EBITDA margin remained within OR's target range at 29.80%, down from 30.80% in 2Q26. Café Amazon coffee sales volume declined to 116m cups.
- **Cambodia operations continued to incur losses.** Global oil sales volume increased 7% qoq in 3Q26, driven by growth in the Philippines and Laos, which more than offset continued weakness in Cambodia. Consequently, the global business' EBITDA margin returned to positive territory in 3Q26 (vs -3.00% in 2Q26). However, the gradual closure of outlets in Cambodia amid Thai-Cambodian border tensions continued to weigh on performance, resulting in a loss of Bt120.00m in 3Q26, up from a net loss of Bt82.00m in 2Q26. OR's book value of investments in Cambodia stood at approximately US$80.00m as of end-3Q26. Management expects to finalise its business operating plan for Cambodia by end-26.
- **4Q26 net profit expected to decline qoq.** We expect OR's 4Q26 net profit to decline qoq, primarily due to: a) mobility marketing margin normalising to Bt0.90–Bt1.00/litre from Bt1.19/litre in 3Q26; and b) lifestyle EBITDA margin declining to 29.0-29.5% from 29.8% in 3Q26, reflecting higher marketing and promotional expenses. Although oil sales volume is expected to increase 7-9% qoq on seasonal demand, we believe the improvement will be insufficient to offset the expected declines in the mobility marketing margin and lifestyle EBITDA margin.

Valuation/Recommendation

- **Maintain HOLD with a 2027 target price of Bt12.50,** based on a three-year historical average PE at -1.0SD of 15.10x. We believe the uncertainty surrounding OR's review of its Cambodia investment strategy will remain an overhang on its share price until greater clarity emerges on the future direction of the investment. In the oil and gas sector, we prefer Thai Oil (TOPTB/BUY/Target Bt100.00) and SCG Packaging (SCGP TB/BUY/Target: Bt43.00).

Earnings Revision/Risk

- **Earnings revision.** 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.

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

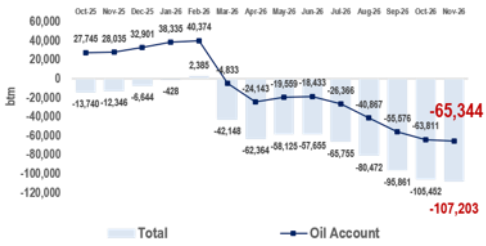
OR's board, management, and employees are committed to five core corporate governance principles – accountability, responsibility, equitable treatment, transparency, and vision – to foster long-term value and ethical conduct. It also implements a transparent and fair nomination process for selecting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

Key Statistics

	3Q25	2Q26	3Q26	%yoy	%qoq
Mobility					
Number of stations	2,365	2,428	2,440	3.2%	0.5%
Total Volume Sold (m litres)	5,933	5,558	5,596	-5.7%	0.7%
Gross Profit: Bt/Litre	1.02	0.24	1.38	35%	475%
Gross Margin (Excl. extra Items)	0.99	0.49	1.19	20%	143%
EBITDA (Btm)	2,943	-1,249	4,956	68%	n.a.
Lifestyle (non-oil)					
Café Amazon (No. of Outlets)	4,613	4,869	5,015	9%	3%
Total cups sold (m cups)	109	117	116	6%	-1%
EBITDA (Btm)	1,777	1,993	1,968	11%	-1%
Lifestyle EBITDA Margin (%)	28.2%	30.8%	29.8%		
Global					
EBITDA (Btm)	103	-663	585	468%	n.a.
Number of stations	385	315	298	-23%	-5%
Total Volume Sold (m litres)	479	401	431	-10%	7%
Café Amazon (No. of Outlets)	354	209	193	-45%	-8%
Total cups sold (m cups)	5.0	2.8	2.5	-50%	-11%

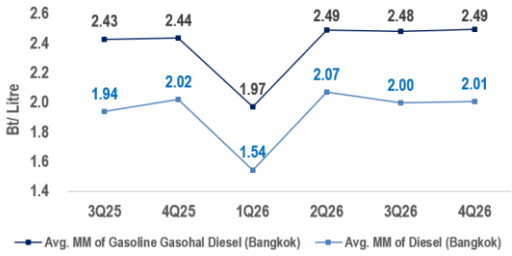
Source: OR

Oil Fund Status



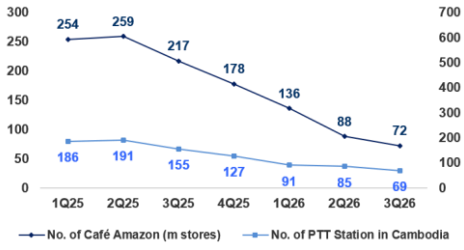
Source: Oil Fuel Fund Office

Average Marketing Margin (Bangkok)



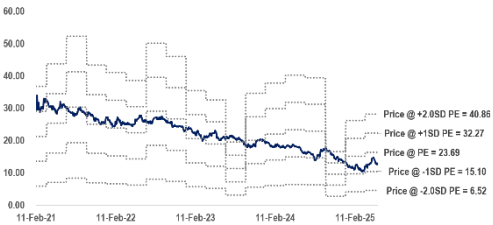
Source: UOB Kay Hian

Cambodia Business



Source: UOB Kay Hian

Average Three-Year PE



Source: UOB Kay Hian

Profit & loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	658,723	882,741	816,408	851,891
EBITDA	20,333	20, 561	21,975	21,826
Deprec. & amort.	7,580	9,098	9,428	9,430
EBIT	12,753	11,464	12,547	12,396
Associate contributions	690	725	761	799
Net interest income/(expense)	-943	-1,589	-1,207	-1,036
Pre-tax profit	13,785	9,614	12,101	12,159
Tax	-2,479	-1,729	-2,177	-2,187
Minorities	-1	0	0	0
Net profit	11,304	7,884	9,924	9,972
Net profit (adj.)	10,022	8,870	9,924	9,972

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	46,609	47,762	49,496	49,507
Other LT assets	42,469	53,221	50,037	51,740
Cash/ST investment	40,164	18,386	25,284	26,655
Other current assets	57,464	58,617	60,351	60,362
Total assets	197,931	212,178	210,537	217,393
ST debt	7,416	2,136	2,136	2,136
Other current liabilities	41,169	53,529	49,399	51,588
LT debt	16,149	14,013	11,878	9,743
Other LT liabilities	19,377	25,966	24,015	25,059
Shareholders' equity	113,821	116,534	123,110	128,867
Total liabilities & equity	197,931	212,179	210,539	217,396

Cash flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	10,253	11,775	22,311	17,820
Pre-tax profit	13,785	9,614	12,101	12,159
Tax	-2,479	-1,729	-2,177	-2,187
Deprec. & amort.	7,580	9,098	9,428	9,430
Working capital changes	-9,631	-4,835	2,958	-1,581
Other operating cashflows	998	-372	0	0
Investing	-11,223	-14,413	-9,929	-10,100
Investments	-4,502	-10,251	-11,162	-9,440
Others	(6,721)	(4,162)	1,232	(659)
Financing	-12,675	-12,216	-5,483	-6,349
Dividend payments	-5,149	-4,800	-3,348	-4,214
Proceeds from borrowings	-7,526	-7,416	-2,135	-2,135
Net cash inflow (outflow)	-13,645	-14,853	6,898	1,371
Beginning cash & cash equiv.	54,156	33,239	18,386	25,284
Changes due to forex impact	(347)	0	0	0
Ending cash & cash equiv.	40,164	18,386	25,284	26,655

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	3.1	2.3	2.7	2.6
Pre-tax margin	2.1	1.1	1.5	1.4
Net margin	1.7	0.9	1.2	1.2
ROA	1.5	1.0	1.2	1.2
ROE				
Growth (% yoy)	-9.0	34.0	-7.5	4.3
Turnover	3.1	1.1	6.9	-0.7
EBITDA	45.8	-30.3	25.9	0.5
Pre-tax profit	47.8	-30.3	25.9	0.5
Net profit	19.9	-11.5	11.9	0.5
Net profit (adj.)	19.9	-11.5	11.9	0.5
EPS				
Leverage	20.7	13.9	11.4	9.2
Debt to total capital	10.1	6.8	5.8	4.8
Debt to equity	20.7	13.9	11.4	9.2
Net debt/(cash) to equity	21.6	12.9	18.2	21.1
Interest cover (x)	3.1	2.3	2.7	2.6

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