PTT (PTT TB)

3Q26: Net Profit In Line With Our Estimate

Highlights

- PTT reported 3Q26 net profit of Bt40.55b, down 23% qoq, in line with our estimate and 9% above consensus. The qoq decline was mainly driven by seasonally lower sales volumes and higher gas costs.
- Earnings contributions from subsidiaries and affiliates increased both qoq and yoy, supported by strong market GIM from the refinery businesses. OR also returned to profitability, driven by a recovery in marketing margin.
- We expect PTT's 4Q26 net profit to decline qoq.
- We forecast a 2026 dividend of Bt3.00/share. Maintain BUY, with a target price of Bt48.00

3Q26 Results

Year to 31 Dec (Btm)	3Q25	2Q26	3Q26	%yoy	%qoq	9M25	9M26	%yoy
Revenue	646,689	830,389	784,014	21%	-6%	2,023,666	2,333,133	15%
Gross profit	72,536	128,871	163,606	126%	27%	204,669	450,998	120%
EBITDA	**87,290**	**136,793**	**171,526**	**97%**	**25%**	**253,243**	**468,465**	**85%**
EBITDA - Gas business	**14,057**	**24,691**	**16,526**	**18%**	**-33%**	**41,239**	**57,648**	**40%**
--- S&T	3,809	3,174	680	-82%	-79%	10,667	6,478	-39%
--- TSO	6,999	6,611	6,328	-10%	-4%	21,298	19,540	-8%
--- GSP	715	11,976	6,849	858%	-43%	1,262	23,199	1738%
--- NGV	-333	-670	-517	n.a.	n.a.	-1,070	-1,455	n.a.
--- Others	2,867	3,600	3,186	11%	-12%	9,082	9,886	9%
EBIT	41,549	94,781	125,853	203%	33%	115,861	338,768	192%
Core Profit	18,847	53,952	44,801	138%	-17%	59,679	127,342	113%
Net Profit	**19,783**	**52,525**	**40,553**	**105%**	**-23%**	**64,632**	**118,816**	**84%**
EPS	0.69	1.84	1.42			2.26	4.16	
Financial ratio (%)								
Gross Profit Margin	11.2%	15.5%	20.9%			10.1%	19.3%	
EBITDA Margin	6.4%	11.4%	16.1%			5.7%	14.5%	
Net profit margin	2.9%	6.5%	5.7%			2.9%	5.5%	

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: PTT, UOB Kay Hian

Analysis

- **3Q26 net profit in line with our estimate.** PTT reported 3Q26 net profit of Bt40.55b, down 23% qoq but up 105% yoy, in line with our estimate and 9% above consensus. The qoq decline was mainly attributable to: a) higher pool gas costs; b) seasonally lower gas demand from the power generation sector; and c) lower sales of gas separation plant (GSP) products. Although earnings contributions from subsidiaries and affiliates remained strong, particularly from Thai Oil (TOP), PTT Oil and Retail (OR) and IRPC, they were insufficient to offset the weaker EBITDA from the gas business.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	3,090,453	2,662,145	3,820,751	3,726,961	3,807,273
EBITDA	424,492	374,281	476,375	444,158	420,848
Operating profit	238,574	188,363	294,175	265,602	245,863
Net profit (rep./act.)	90,072	90,166	138,313	117,025	98,014
Net profit (adj.)	94,480	75,786	141,164	117,025	98,014
EPS (x)	3.3	2.7	4.9	4.1	3.4
PE (x)	11.7	14.6	7.8	9.5	11.3
P/B (x)	0.9	0.9	0.9	0.9	0.9
EV/EBITDA (x)	1.8	1.8	1.5	1.3	1.1
Dividend yield (%)	5.4	5.9	7.7	6.5	5.7
Net margin (%)	2.9	3.4	3.6	3.1	2.6
Net debt/(cash) to equity (%)	48.8	45.4	45.2	32.4	22.6
Consensus net profit	-	-	128,161	110,065	114,962
UOBKH/Consensus (x)	-	-	1.08	1.06	0.85

Source: PTT, Bloomberg, UOB Kay Hian

Analyst(s)

Tanaporn Visaruthaphong
tanaporn@uobkh.co.th
662 0903350

Benjaphol Suthwanish
benjaphol@uobkh.co.th
662 0903361

BUY (Maintained)

Share Price	Bt38.25
Target Price	Bt48.00
Upside	+25.49%

Stock Data

Sector	Energy
Bloomberg ticker	PTT TB
Shares issued (m)	28,563.00
Market cap (Btm)	1,128,098
Market cap (US$m)	33,973
3-mth avg daily t'over (US$m)	46.87

Price Performance (%)

52-week high/low				Bt40.00 / Bt30.00
1mth	**3mth**	**6mth**	**1yr**	**YTD**
+0.65	+3.33	+6.16	+9.15	+21.09

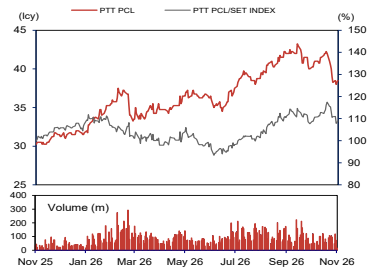
Major Shareholders (%)

MOF	51.38%
Vayupak Fund 1	7.83%
Thai NVDR	5.95%

Balance Sheet Metrics

FY26 NAV/Share (Bt)	Bt41.78
FY26 Net Debt/Share (Bt)	Bt61.06

Price Chart



Source: Bloomberg

Company Description

The company's operated businesses consist of natural gas, gas transmission, international trading, new business and sustainability business; the rest are invested through subsidiaries and/or joint operations, joint ventures and associates, and PTT Group, namely exploration and production, liquefied natural gas, petrochemical and refining, oil and retail, power and utilities, and service businesses.

- **Gas business EBITDA declined qoq.** PTT's gas business EBITDA fell 33% qoq to Bt26.53b in 3Q26, reflecting weaker contributions from Natural Gas Supply and Trading (S&T) and the gas separation plant (GSP) businesses.

  a) S&T business: Profitability was pressured by: a) higher pool gas costs, partly due to the retrospective recognition of costs under the new production sharing contract (PSC) and gas sales agreement for the Malaysia-Thailand joint development area (MTJDA) project, effective from 1 Jan 26, and b) a 17% qoq decline in gas sales volumes due to seasonal demand weakness. Consequently, S&T EBITDA dropped 79% qoq and 82% yoy to Bt680m

  b) GSP business: Lower sales volumes and ASPs, partly due to the scheduled maintenance shutdown of GSP Unit 6, weighed on earnings. The utilisation rate declined to 85.6% (vs 97.1% in 2Q26 and 89.4% in 3Q25).

- **Strong refinery performance supported higher earnings contributions from subsidiaries and affiliates.** Earnings contributions from subsidiaries and affiliates increased 6% qoq and 223% yoy to Bt53.76b, driven by: a) a recovery in refinery earnings, particularly at TOP and IRPC, supported by strong market gross integrated margin (GIM) and substantial stock gains; and b) OR's return to profitability in 3Q26, following a recovery in marketing margin.
- **Expect 4Q26 net profit to decline qoq.** PTT reported 9M26 net profit of Bt118.82b, up 84% yoy, equivalent to 86% of our 2026 net profit forecast of Bt138.31b. We expect 4Q26 net profit to decline qoq, as gas demand remains in its low season. Meanwhile, earnings contributions from the petrochemical and refinery businesses are expected to decrease significantly qoq, mainly due to stock losses following the decline in crude oil prices.
- **2026 dividend forecast at Bt3.00/share.** We forecast a 2026 dividend of Bt3.00/share. Following PTT's interim dividend payment of Bt1.40/share, the remaining dividend for 2H26 earnings is expected to amount to Bt1.60/share, implying a 4.18% simple yield.
- **Sensitivity.** Every US$1.00/bbl increase in oil prices would raise our 2026 net profit forecast by 1.4%, or approximately Bt2.00b annually.

Valuation/Recommendation

- **Maintain BUY with an SOTP-based target price of Bt48.00.** In the oil and gas sector, we prefer Thai Oil (TOP TB/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

a) Business growth: Refining the energy investment portfolio with an emphasis on low carbon businesses, b) new growth: Enhancing the profitability of the future energy & beyond segment to at least 30%, and c) clean growth: PTT targets to achieve carbon neutrality by 2040, with the ultimate 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, b) smart marketing: Developed 45 community products and six community-based tourism destinations, 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

	3Q25	2Q26	3Q26	%yoy	%qoq
Dubai (US$/bbl)	70.09	96.10	93.10	33%	-3%
Gas Business					
NG sales volume (MMSCFD)	3,747	4,220	3,844	3%	-9%
GSP sales volume (Kton)	1,581	1,892	1,812	15%	-4%

Source: PTT, UOB Kay Hian

Associates and Subsidiaries Performance

	3Q25	2Q26	3Q26	%yoy	%qoq
PTTEP	12,695	27,197	14,710	16%	-46%
TOP	2,147	8,284	18,010	739%	117%
PTTGC	-2,915	12,208	9,756	n.a.	-20%
IRPC	340	2,921	4,550	1237%	56%
OR	2,614	-1,775	5,138	97%	n.a.
GPSC	1,742	1,819	1,592	-9%	-12%
Total	**16,623**	**50,655**	**53,756**	**223%**	**6%**

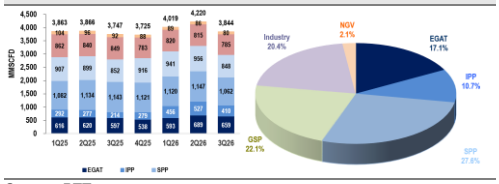
Source: PTT

Valuation of PTT's Associates and Subsidiaries

	Old	New	%Diff.
PTTEP	190.00	190.00	0.0%
TOP	100.00	100.00	0.0%
IRPC	3.00	3.00	0.0%
PTTGC	54.00	45.00	-16.7%
GPSC	60.00	60.00	0.0%
OR	12.50	12.50	0.0%
PTT	**48.0**	**48.0**	**0.0%**

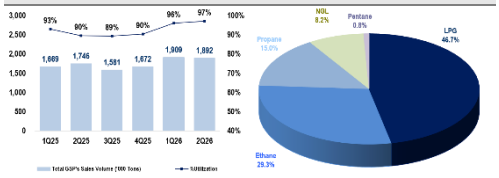
Source: PTT

Natural Gas Sales Volume



Source: PTT

GSP Sales Volume



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)			-190,286	-6.7	
1) PTT - Equity Value			**673,697**	**23.6**	
2) Associates and Subsidiaries					
PTTEP	63.79%	190.00	481,166	16.8	5-yrs forward PE mean of 8.70x
TOP	45.03%	100.00	100,590	3.5	Forward PE at mean of 8.0x
IRPC	45.05%	3.00	27,617	1.0	Forward PBV -1.0 SD of 0.8x
PTTGC	45.18%	45.00	91,669	3.2	Forward PBV mean of 0.74x
GPSC	47.27%	60.00	79,973	2.8	DCF Valuation
OR	75.00%	12.50	112,500	3.9	Forward PE -1.0 SD of 15.10x
3) Affiliates					
Others Affiliates			**142,679**	**5**	
Total				**60**	
Discount to NAV				-20%	
PTT's TP (UOB Kay Hian)				**48**	

Source: UOB Kay Hian

Profit & loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	2,662,145	3,820,751	3,726,961	3,807,273
EBITDA	374,281	476,375	444,158	420,848
Deprec. & amort.	185,918	182,200	178,556	174,984
EBIT	188,363	294,175	265,602	245,863
Associate contributions	13,031	3,821	7,454	9,518
Net interest income/(expense)	-40,448	-47,339	-48,519	-49,953
Pre-tax profit	175,326	247,806	224,537	205,429
Tax	-57,600	-74,342	-67,361	-61,629
Minorities	-27,559	-35,151	-40,151	-45,786
Net profit	90,166	138,313	117,025	98,014
Net profit (adj.)	75,786	141,164	117,025	98,014

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	1,096,244	1,036,860	1,069,065
Cash/ST investment	346,817	277,671	423,855	535,008
Other current assets	135,193	211,431	205,734	196,388
Total assets	3,269,660	3,698,418	3,719,220	3,820,069
ST debt	217,934	171,613	177,614	160,615
Other current liabilities	131,674	217,461	194,954	194,170
LT debt	666,425	665,429	658,430	668,431
Other LT liabilities	384,993	494,854	471,935	496,108
Shareholders' equity	1,185,196	1,237,154	1,271,190	1,298,990
Total liabilities & equity	3,269,660	3,698,418	3,719,220	3,820,069

Cash flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	299,366	308,791	326,030	325,434
Pre-tax profit	175,326	247,806	224,537	205,429
Tax	-57,600	-74,342	-67,361	-61,629
Deprec. & amort.	185,918	182,200	178,556	174,984
Working capital changes	12,630	-46,854	-9,701	6,649
Other operating cashflows	-16,907	-19	0	0
Investing	-164,156	-273,494	-95,859	-137,068
Investments	-227,089	-137,636	-132,324	-129,037
Others	62,933	-135,858	36,465	-8,031
Financing	-188,365	-104,443	-83,986	-77,213
Dividend payments	-83,285	-57,126	-82,988	-70,215
Proceeds from borrowings	-105,080	-47,317	-998	-6,998
Net cash inflow (outflow)	-53,155	-69,147	146,185	111,153
Beginning cash & cash equiv.	405,139	346,817	277,671	423,855
Changes due to forex impact	-5,167	0	0	0
Ending cash & cash equiv.	346,817	277,671	423,855	535,008

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	14.1	12.5	11.9	11.1
Pre-tax margin	6.6	6.5	6.0	5.4
Net margin	3.4	3.6	3.1	2.6
ROA	3.3	4.7	3.9	3.2
ROE	9.0	13.4	11.2	9.2
Growth (% yoy)				
Turnover	-13.9	43.5	-2.5	2.2
EBITDA	-11.8	27.3	-6.8	-5.2
Pre-tax profit	-3.0	41.3	-9.4	-8.5
Net profit	0.1	53.4	-15.4	-16.2
Net profit (adj.)	-19.8	86.3	-17.1	-16.2
EPS	-19.8	86.3	-17.1	-16.2
Leverage				
Debt to total capital	53.5	47.3	45.4	43.3
Debt to equity	74.6	67.7	65.8	63.8
Net debt/(cash) to equity	45.4	45.2	32.4	22.6
Interest cover (x)	9.3	10.1	9.2	8.4

IMPORTANT NOTICE - DISCLOSURES AND DISCLAIMERS

This report is provided subject to various disclosures and disclaimers (the "Disclosures / Disclaimers") which form an integral part of this report and are available at this link or by scanning the QR code below:

The Disclosures / Disclaimers contain important information, including without limitation, (a) exclusions of liability, (b) confidentiality obligations, (c) restrictions on publication, circulation, reproduction, distribution and use of the report, (d) potential conflicts of interest, and (e) disclosures and requirements specific to recipients in the United States and other applicable jurisdictions.

Specifically, this report is intended for general circulation and informational purposes only and does not take into account the specific investment objectives, financial situation, or particular needs of any individual person. It is not intended to constitute personal investment advice or a recommendation to buy or sell any investment product or security. You should independently evaluate the information and, where necessary, seek advice from a qualified financial adviser regarding the suitability of any investment, taking into account your specific objectives, financial situation and needs, before making any investment decision. Analyst certifications required under applicable regulations, including SEC Regulation AC (where relevant), are included in this report.

Recipients of this report must carefully read, review and understand the full Disclosures / Disclaimers before using or relying on any information in this report. By accessing, receiving or using this report, you acknowledge and confirm that you have read, understood, accepted and agreed to be bound by the Disclosures / Disclaimers (as may be amended or updated from time to time) in full."