UOBKayHian

Company – Update | Thailand

Monday, 16 November 2026

PTT Oil and Retail (OR TB)

Domestic Demand Recovery In 2027 To Remain Muted Amid Weak Economic Conditions

Highlights

- Management expects the impact of government measures on OR to be relatively limited, while we view the restructuring of domestic oil pricing as a catalyst for domestic demand.
- Mobility sales are entering the high season, with volumes expected to increase both qoq and yoy. However, normalised marketing margins are likely to weigh on earnings, resulting in lower net profit qoq in 4Q26.
- 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.

Analysis

- **The tone from meeting with PTT Oil and Retail's (OR) was neutral.**
- **Limited impact from government measures on OR.** Management expects government measures to have no material impact on OR:
  a) Restructuring of domestic oil pricing: The Ministry of Energy implemented the new refinery pricing formula on 29 Oct 26, and OR is currently in talks with refineries regarding the matter. However, we view this as slightly positive, as the revised formula focuses on removing assumed costs from refinery-gate prices, leaving OR's core mobility marketing margin unaffected. Instead, lower retail fuel prices could support sales volume. The key near-term risk is potential stock losses during the transition period as refinery-gate and retail prices decline.
  b) Promoting Gasohol E20 as the country's standard gasoline grade: The government plans to make E20 the standard gasoline grade, replacing Gasohol 91 and 95, although no implementation timeline has been announced. Management states that this is unlikely to require significant additional capex from OR.
- **Mobility sales are entering the high season in 4Q26.** 4Q26 marks Thailand's tourism and travel high season. UOBKH forecasts international tourist arrivals of 35m and 36m in 2026 and 2027, respectively, which should support demand for OR's key petroleum products. Despite pressure from weak economic conditions and higher oil prices in 9M26, sales volumes of key products, including gasoline, diesel, and jet fuel, declined by 3% yoy, 11% yoy, and 5% yoy, respectively, in line with the Department of Energy Business (DOEB)'s report showing lower demand across all petroleum products in the same period.
  Looking ahead to 2027, DOEB expects domestic petroleum demand to recover yoy from the low base in 2026.

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

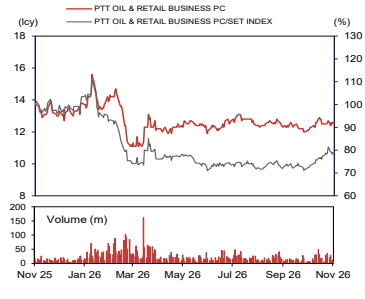
Major Shareholders (%)

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.

Domestics Petroleum Demand

Product	2025	9M26	2026F	2027F	Key 2027 Outlook & Driver
Gasoline (m litres)	31.7	31.7	31.7	31.9	Moderate growth, constrained by escalating EV penetration rates.
% yoy		*0.2%*	*-0.1%*	*0.7%*	
Gasoil (m litres)	66.8	65.3	64.8	65.1	Rebounding on softer fuel prices, though hindered by sluggish Thai-Cambodian border trade.
% yoy		*-2.8%*	*-2.9%*	*0.4%*	
Jet fuel (m litres)	17.4	17.0	17.2	18.0	Top growth performer, propelled by expanding tourist arrivals and flight frequencies.
% yoy		*-0.3%*	*-1.2%*	*4.8%*	
Fuel Oil (m litres)	5.3	5.4	5.5	5.4	Contracting from a high base following front-loaded US export demand in 2026.
% yoy		*4.7%*	*3.5%*	*-1.9%*	

Source: DOEB

However, growth is likely to remain limited, particularly for gasoline and diesel, due to the weak economic outlook, sluggish purchasing power, and rising EV adoption. Jet fuel is expected to record the strongest growth, driven by the recovery in tourism and an increase in international flight frequencies.

- **Marketing margins are expected to normalise.** We expect OR's net profit to decline qoq in 4Q26, driven by: a) mobility marketing margins normalising to Bt0.90-Bt1.00/litre (vs Bt1.19/litre in 3Q26); and b) lifestyle EBITDA margin declining to 29.0-29.5% (vs 29.8% in 3Q26), due to higher marketing and promotional expenses. Although oil sales volumes are expected to increase both qoq and yoy on seasonal demand, we believe the improvement will be insufficient to offset lower mobility marketing margins and lifestyle EBITDA margins.
- **Café Amazon expands into South Asia.** OR's expansion into Bangladesh marks a strategic milestone in strengthening its lifestyle business presence in South Asia through a 10-year Master Franchise agreement with Bashundhara Group, a major local conglomerate. The partnership will launch Café Amazon outlets initially in Dhaka, targeting five outlets in 2026 and over 100 outlets in the long term. By leveraging its local partner's market expertise, OR aims to mitigate investment risks and accelerate network expansion in a high-potential market with a population of over 170m and annual GDP growth of 4-5%. This expansion is expected to support sustainable long-term growth of OR's lifestyle business.
- **OR aims to conclude its Cambodia business review by end-26.** Although there was no further update on its Cambodia operations at the latest analyst meeting, OR maintains its target of reaching a conclusion on its future business plan in Cambodia by end-26. OR's investment in Cambodia had a book value of approximately US$80m as of end-3Q26.

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. 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.

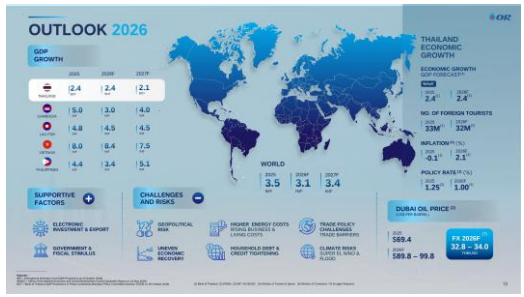
Social

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

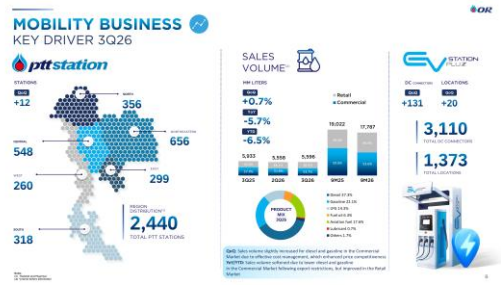
OR's board, management, and employees are committed to five core corporate governance principles – accountability, responsibility, equitable treatment, transparency, and vision – to foster long-term value and ethical conduct. It also implements a transparent and fair nomination process for selecting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

Outlook 2026



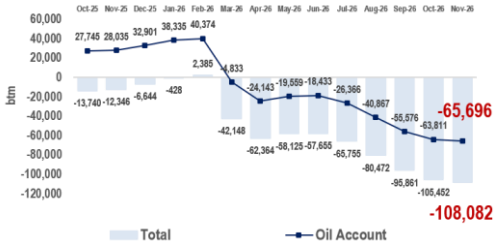
Source: OR

Mobility Business



Source: OR

Oil Fund Status



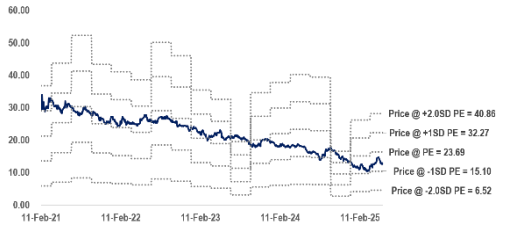
Source: Oil Fuel Fund Office

Expanding Café Amazon to South Asia



Source: OR

Average Three-Year PE



Source: UOB Kay Hian

management positions across all levels.

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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