

PTT (PTT TB)

2Q26 Net Profit Expected To Reach A Record High

Highlights

- We expect PTT to report a strong 2Q26 net profit of Bt52.63b, up both qoq and yoy, driven by a robust gas business performance and a significant improvement in earnings contribution from subsidiaries and affiliates.
- We estimate PTT's interim dividend at Bt1.10/share, implying a 2.93% simple yield.
- Maintain BUY with a target price of Bt45.00 (previously Bt43.00).

2Q26 Results Preview

Year to 31 Dec (Btm)	2Q25	1Q26	2Q26F	%yoy	%qoq	6M25	6M26F	%yoy
Revenue	676,754	718,729	929,555	37%	29%	1,376,977	1,648,284	20%
Gross profit	57,948	158,522	140,092	142%	-12%	132,133	298,614	126%
EBITDA	74,445	160,146	146,206	96%	-9%	165,953	306,352	85%
EBITDA - Gas business	13,381	16,431	23,912	79%	46%	27,182	40,343	48%
--- S&T	3,713	2,624	4,815	30%	83%	6,858	7,439	8%
--- TSO	7,144	6,601	6,808	-5%	3%	14,299	13,409	-6%
--- GSP	-221	4,374	7,808	n.a.	79%	547	12,182	2127%
--- NGV	-306	-268	-670	n.a.	n.a.	-737	-938	n.a.
--- Others	3,051	3,100	5,151	69%	66%	6,215	8,251	33%
EBIT	27,604	118,134	102,123	270%	-14%	74,312	220,257	196%
Core Profit	17,290	28,589	52,632	204%	84%	40,832	81,221	99%
Net Profit	21,533	25,738	52,632	144%	104%	44,848	78,370	75%
EPS	0.75	0.90	1.84			1.57	2.74	
Financial ratio (%)								
Gross Profit Margin	8.6%	22.1%	15.1%			9.6%	18.1%	
EBITDA Margin	4.1%	16.4%	11.0%			5.4%	13.4%	
Net profit margin	2.6%	4.0%	5.7%			3.0%	4.9%	

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

- Expect record-high 2Q26 net profit.** We expect PTT to report a 2Q26 net profit of Bt52.63b, up 104% qoq and 144% yoy, supported by a broad-based recovery across its core businesses. Key drivers include a stronger gas business performance, supported by higher sales volumes, and a significant improvement in earnings contributions from subsidiaries and affiliates, particularly from the exploration and production (E&P) and petrochemical and refinery (P&R) businesses.
- Gas business EBITDA to grow both qoq and yoy.** We estimate the gas business' EBITDA at Bt23.91b, up 46% qoq and 79% yoy, supported by a recovery across its key businesses.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	3,090,453	2,662,145	3,182,751	3,038,011	3,103,477
EBITDA	424,492	374,281	455,294	430,338	431,733
Operating profit	238,574	188,363	273,094	251,782	256,748
Net profit (rep./act.)	90,072	90,166	123,110	106,386	104,402
Net profit (adj.)	94,480	75,786	125,961	106,386	104,402
EPS	3.3	2.7	4.4	3.7	3.7
PE	11.3	14.1	8.5	10.1	10.3
P/B	0.9	0.9	0.9	0.8	0.8
EV/EBITDA	1.7	1.8	1.4	1.1	0.8
Dividend yield	5.6	6.1	6.7	6.7	6.7
Net margin	2.9	3.4	3.9	3.5	3.4
Net debt/(cash) to equity	48.8	45.4	39.5	25.9	14.7
Interest cover	9.1	9.3	9.6	8.9	8.6
Consensus net profit	-	-	99,180	99,926	109,640
UOBKH/Consensus (x)	-	-	1.24	1.06	0.95

Source: Bloomberg, PTT, UOB Kay Hian

BUY (Maintained)

Share Price	Bt37.25
Target Price	Bt45.00
Upside	+20.00%
Previous TP	Bt43.00

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

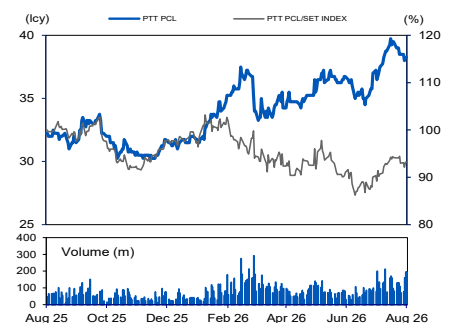
Price Performance (%)

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.

- a) Natural Gas Supply and Trading (S&T) is expected to report a gas sales volume of 4,220 MMSCFD, up 5% qoq and 9% yoy, supported by stronger gas demand. In addition, the average pool gas price is likely to increase 15.4% qoq, while gas costs should remain broadly stable qoq, resulting in a significant expansion in margins. Consequently, we expect S&T's EBITDA to rise sharply to Bt4.82b, up 83% qoq and 30%yoy; and b) the gas separation plant's (GSP) EBITDA is projected at Bt7.80b, surging both qoq and yoy, driven by a high utilisation rate of 97% (vs 96.1% in 1Q26 and 90% in 2Q25), together with stronger product prices following a recovery in petrochemical prices. As a result, we foresee the GSP business's EBITDA margin expanding significantly both qoq and yoy.
- Strong recovery in earnings contribution from subsidiaries and affiliates.** We estimate earnings contribution from subsidiaries and affiliates at Bt47.89b, up 13% qoq and 159% yoy, driven by: a) a stronger E&P performance, supported by higher sales volumes from domestic and Algeria projects, as well as higher ASPs in line with improving crude oil prices and gas selling prices; and b) an improved P&R performance following higher market gross refinery margin (GRM) and petrochemical spreads, which should be sufficient to offset stock losses and hedging losses.
- Genesis project progressing, albeit slightly behind the original timeline.** PTT expects the Genesis project to conclude by 1Q27, although it is slightly behind the initial plan due to geopolitical uncertainties. Nevertheless, PTT continues to pursue strategic partners to restructure its P&R portfolio and enhance long-term competitiveness. The potential strategic partners could provide value enhancement through technology capabilities, market access, feedstock optimisation, and operational synergies.
- Expect an interim dividend of Bt1.10/share.** We forecast an interim dividend of Bt1.10/share, implying a 2.93% simple yield. We maintain our 2026 dividend forecast at Bt2.50/share, implying a 6.67% simple yield. However, PTT paid a total dividend of Bt2.30/share for 2025, including a special dividend of Bt0.20/share.

Valuation/Recommendation

- Maintain BUY with an SOTP-based 2027 target price of Bt45.00 (previously Bt43.00).** We have rolled over our target price to 2027. In the oil and 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: Bt330.00).

Earnings Revision/Risk

- Revised our 2026 net profit forecast.** We raised our 2026 net profit forecast by 12% to reflect higher earnings estimates for PTT Exploration And Production (PTTEP), Thai Oil (TOP), and PTT Global Chemical (PTTGC) following our upward revisions to crude oil prices, market GRM, and petrochemical spread assumptions. As a result, we now foresee PTT delivering a 2026 net profit of Bt123b, representing a 36.5% yoy growth. We expect 1H26 net profit to account for 64% of our 2026 earnings forecast.

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 b) 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

	2Q25	1Q26	2Q26F	%yoy	%qoq
Dubai (US\$/bbl)	66.91	86.30	96.10	44%	11%
Gas Business					
NG sales volume (MMSCFD)	3,866	4,019	4,220	9%	5%
GSP sales volume (Kton)	1,746	1,909	1,892	8%	-1%

Source: PTT, UOB Kay Hian

Associates and Subsidiaries Performance

	2Q25	1Q26	2Q26F	%yoy	%qoq
PTTEP*	13,515	8,896	27,197	101%	206%
TOP	6,476	19,000	7,515	16%	-60%
PTTGC	-3,616	3,232	9,007	n.a.	179%
IRPC	2,132	7,100	3,250	n.a.	-54%
OR	2,232	2,551	-1,225	n.a.	n.a.
GPSC	2,019	1,450	2,150	6%	48%
Total	18,494	42,229	47,894	159%	13%

* PTTEP released its 1Q26 operating results on 31 July 26.

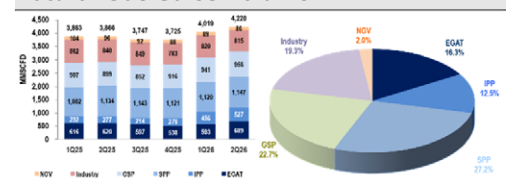
Source: PTT

Valuation of PTT's Associates and Subsidiaries

	Old	New	%Diff.	%Upside
PTTEP	150.0	160.0	6.7%	7.4%
TOP	50.0	66.0	32.0%	1.5%
IRPC	1.65	2.30	39.4%	0.9%
PTTGC	46.0	46.0	0.0%	23.5%
GPSC	50.0	60.0	20.0%	14.8%
OR	11.9	11.9	0.0%	-7.0%
PTT	43.0	45.0	4.3%	18.4%

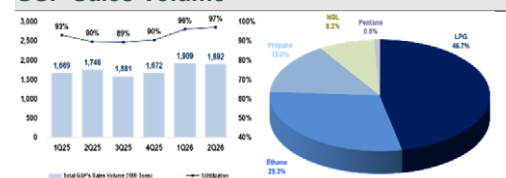
Source: PTT

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%	160.00	405,193	14.2	5-yrs forward PE mean of 10x
TOP	45.03%	66.00	66,389	2.3	Forward PE at mean of 5.84x
IRPC	45.05%	2.30	21,173	0.7	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%	60.00	79,973	2.8	DCF - Valuation
OR	75.00%	11.90	107,100	3.7	Forward PE -1.0 SD of 16.8x
3) Affiliates					
Others Affiliates			153,719	5.4	
Total				56.0	
Discount to NAV				-20%	
PTT's IF (UOB Kay Hian)				45	

Source: UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	2,662,145	3,182,751	3,038,011	3,103,477
EBITDA	374,281	455,294	430,338	431,733
Deprec. & amort.	185,918	182,200	178,556	174,984
EBIT	188,363	273,094	251,782	256,748
Associate contributions	13,031	3,183	6,076	7,759
Net interest income/(expense)	-40,448	-47,339	-48,519	-49,953
Pre-tax profit	175,326	226,087	209,339	214,554
Tax	-57,600	-67,826	-62,802	-64,366
Minorities	-27,559	-35,151	-40,151	-45,786
Net profit	90,166	123,110	106,386	104,402
Net profit (adj.)	75,786	125,961	106,386	104,402

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	299,366	324,571	320,101	328,604
Pre-tax profit	175,326	226,087	209,339	214,554
Tax	-57,600	-67,826	-62,802	-64,366
Deprec. & amort.	185,918	182,200	178,556	174,984
Working capital changes	12,630	-15,871	-4,992	3,432
Other operating cashflows	-16,907	-19	0	0
Investing	-164,156	-212,668	-96,089	-135,584
Investments	-227,089	-137,636	-132,324	-129,037
Others	62,933	-75,032	36,235	-6,547
Financing	-188,365	-104,443	-68,709	-65,510
Dividend payments	-83,285	-57,126	-67,711	-58,512
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	7,459	155,303	127,510
Beginning cash & cash equivalent	405,139	346,817	354,277	509,579
Changes due to forex impact	-5,167	0	0	0
Ending cash & cash equivalent	346,817	354,277	509,579	637,089

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	952,787	889,025	915,277
Cash/ST investment	346,817	354,277	509,579	637,089
Other current assets	135,193	176,125	167,703	160,085
Total assets	3,269,660	3,497,658	3,512,451	3,622,718
ST debt	217,934	171,613	177,614	160,615
Other current liabilities	131,674	181,149	158,916	158,277
LT debt	666,425	665,429	658,430	668,431
Other LT liabilities	384,993	412,222	384,695	404,400
Shareholders' equity	1,185,196	1,221,950	1,260,626	1,306,516
Total liabilities & equity	3,269,660	3,497,658	3,512,451	3,622,718

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	14.1	14.3	14.2	13.9
Pre-tax margin	6.6	7.1	6.9	6.9
Net margin	3.4	3.9	3.5	3.4
ROA	3.3	4.3	3.7	3.6
ROE	9.0	12.1	10.2	9.8
Growth				
Turnover	-13.9	19.6	-4.5	2.2
EBITDA	-11.8	21.6	-5.5	0.3
Pre-tax profit	-3.0	29.0	-7.4	2.5
Net profit	0.1	36.5	-13.6	-1.9
Net profit (adj.)	-19.8	66.2	-15.5	-1.9
EPS	-19.8	66.2	-15.5	-1.9
Leverage				
Debt to total capital	53.5	47.7	45.6	43.1
Debt to equity	74.6	68.5	66.3	63.5
Net debt/(cash) to equity	45.4	39.5	25.9	14.7
Interest cover (x)	9.3	9.6	8.9	8.6

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