PTT Global Chemical (PTTGC TB)

3Q26: Net Profit Lower qoq

Highlights

- PTTGC reported a lower net profit qoq in 3Q26, but above our and consensus estimates, partly due to higher-than-expected stock gains. However, overall earnings remained weak due to lower market GRM and olefins spreads.
- Going forward, the petrochemical industry remains weak due to oversupply while the GRM outlook should improve on seasonality and the maintenance season.
- Maintain HOLD with a target price of Bt45.00 (previously Bt54.00).

3Q26 Results

Year to 31 Dec (Btm)	3Q25	2Q26	3Q26	%yoy	%qoq	9M25	9M26	%yoy
Revenue	**127,531**	**173,869**	**166,989**	**31%**	**-4%**	**394,570**	**488,612**	**24%**
EBITDA	**5,147**	**26,932**	**15,895**	**209%**	**-41%**	**16,606**	**57,925**	**249%**
Operating Profit	**-2,390**	**15,394**	**13,373**	**n.a.**	**-13%**	**-6,969**	**42,228**	**n.a.**
Interest expenses	2,375	1,442	1,279	-46%	-11%	7,456	4,050	-46%
Core Profit	**-3,345**	**16,607**	**5,905**	**n.a.**	**-64%**	**-10,729**	**28,803**	**n.a.**
Extraordinary items	430	-4,399	3,851	796%	n.a.	1,630	-3,607	n.a.
Net Profit	**-2,915**	**12,208**	**9,756**	**n.a.**	**-20%**	**-9,099**	**25,196**	**n.a.**
EPS	**-0.71**	**2.98**	**2.38**			**-2.08**	**6.15**	
Gross Profit Margin	4.8%	15.0%	13.4%			4.7%	14.6%	
EBITDA Margin	4.0%	15.5%	9.5%			4.2%	11.9%	
Net profit margin	-2.3%	7.0%	5.8%			-2.3%	5.2%	

Source: PTTGC, Bloomberg, UOB Kay Hian

Analysis

- **3Q26 net profit beat expectations.** PTT Global Chemical (PTTGC) reported 3Q26 net profit of Bt9.76b, down 20% qoq but turning profitable from a net loss in 3Q25. The result was 8% above our estimate and 19% above consensus, partly due to higher-than-expected stock gains. Excluding extra gains, core profit was Bt5.9b, down 64% qoq.
- **Core profit declined qoq on weaker olefins and refinery performance.** The decline was mainly attributable to lower polyethylene (PE) product prices and spreads amid rising regional supply as producers gradually resumed operations, together with a lower market gross refinery margin (GRM).

a) **Weaker market GRM.** Refinery EBITDA declined 13% qoq due to a weaker market GRM, which fell to US$14.30/bbl in 3Q26 (vs US$15.60/bbl in 2Q26). Earnings were further pressured by persistently high crude premiums amid ongoing uncertainty in the Middle East, as well as government intervention measures. These included the reduction in domestic diesel ex-refinery prices, which negatively impacted PTTGC by approximately Bt3.00b, equivalent to US$6.00/bbl in 3Q26 (vs US$4.00/bbl in 2Q26), and restrictions on fuel exports. Although the government eased the export restrictions to allow Jet A-1 exports to certain countries from the middle of the year, the measures continued to weigh on refinery performance.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	608,550	487,585	647,388	785,574	794,609
EBITDA	32,562	20,583	69,820	50,902	46,967
Operating profit	3,086	-5,799	41,894	24,306	21,564
Net profit (rep./act.)	-29,811	-14,600	30,730	18,205	15,589
Net profit (adj.)	-9,431	-15,750	35,793	18,205	15,589
EPS (x)	-2.1	-3.5	7.9	4.0	3.5
PE (x)	-25.2	-15.1	6.6	13.1	15.3
P/B (x)	0.78	0.71	0.66	0.65	0.64
EV/EBITDA (x)	13.3	17.6	5.2	7.6	7.8
Dividend yield (%)	0.9	0.9	6.0	3.1	2.6
Net margin (%)	-4.9	-3.0	4.7	2.3	2.0
Net debt/(cash) to equity (%)	63.8	37.4	35.3	40.2	34.9
Consensus net profit			24,725	16,069	14,761
UOBKH/Consensus (x)			1.24	1.13	1.06

Source: PTTGC, Bloomberg, UOB Kay Hian

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HOLD (Maintained)

Share Price	Bt41.50
Target Price	Bt45.00
Upside	+8.43%
Previous TP	Bt54.00

Stock Data

Sector	Petrochemical
Bloomberg ticker	PTTGC TB
Shares issued (m)	4,508.85
Market cap ({{Curr}}m)	169,081.84
Market cap (US$m)	5,202.52
3-mth avg daily t'over (US$m)	16.8

Price Performance (%)

52-week high/low				Bt41.75 / Bt19.00
1mth	**3mth**	**6mth**	**1yr**	**YTD**
-2.61	+15.52	+47.52	+38.52	+77.38

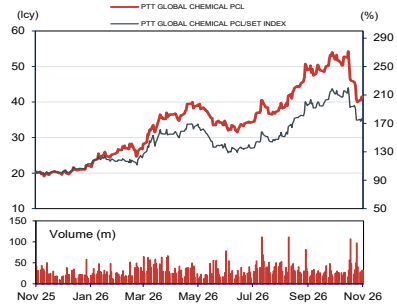
Major Shareholders (%)

PTT	45.18%
Thai NVDR	5.28%
Vayupak Fund 1	3.36%

Balance Sheet Metrics

FY26 NAV/Share (Bt)	Bt67.80
FY26 Net Debt/Share (Bt)	Bt76.31

Price Chart



Source: Bloomberg

Company Description

PTT Global Chemical Public Company was founded on 19 Oct 11 through the amalgamation of PTT Chemical Public Company and PTT Aromatics with Refining Public Company to be the chemical flagship of PTT Group.

b) **Aro 1 shutdown reduced sales volume**. Aromatics EBITDA declined 29% qoq, mainly due to lower sales volumes following the scheduled maintenance shutdown of aromatics plant unit 1 in July-August.

c) **Higher regional supply pressured olefins spreads**. In 3Q26, Adjusted EBITDA of the polymer & chemicals business declined 33% qoq, with the adjusted EBITDA margin falling to 13% (vs 19% in 2Q26). Despite an 8% qoq increase in sales volume, earnings were pressured by a 14% qoq decline in average polyethylene (PE) selling prices, as recovering operating rates among Southeast Asian producers increased product supply to the market, putting downward pressure on PE prices.

d) **Lower FA spreads**. Bio & circularity EBITDA declined 45% qoq due to lower fatty alcohol (FA) prices amid weaker regional demand, alongside higher feedstock costs following an increase in crude palm kernel oil (CPKO) prices, which pressured FA spreads.

e) **Allnex sales volume normalised**. Allnex sales declined 4% qoq as customer ordering patterns returned to normal following the easing of previous disruptions. However, demand in the US and Asia-Pacific remained resilient, supporting yoy sales growth. EBITDA margin was 14% in 3Q26 (vs 18% in 2Q26 and 10% in 3Q25).

- **Extra gain.** Extra gains of Bt3.85b were observed in 3Q26 (vs gains of Bt4.40b in 2Q26). The key items comprised: a) a stock gain of Bt4.40b, b) oil hedging loss of Bt1.16b, c) forex gain of Bt447m, and d) revised impairment of Bt170m following the sale of Vencorex shares.
- **GRM outlook more favourable than PE spreads.** We maintain a positive outlook on GRM, despite near-term pressure from higher crude premiums and freight rates, which we view as temporary headwinds. We expect GRM to gradually recover, supported by seasonal demand and an increase in refinery maintenance shutdowns in 1H27. Several refiners, particularly in the US, have rescheduled maintenance to 1Q27, while additional refinery shutdowns are planned across Asia in 2Q27. This should help tighten refined product supply and support refining margins.
- In contrast, we remain cautious on PE spreads amid persistent oversupply in the olefins industry. Despite ongoing geopolitical uncertainty in the Middle East, supply constraints in the olefins market have eased considerably compared with early-26. According to Independent Commodity Intelligence Services (ICIS), global PE capacity additions are expected to peak at more than 13.00m tonnes (MTA) in 2027, driven largely by new capacity in China. We expect capacity additions to outpace demand growth through 2027-28, prolonging the oversupply situation and potentially delaying a meaningful recovery in PE spreads until 2029

Valuation/Recommendation

- **Maintain HOLD with a 2027 target price of Bt45.00 (previously Bt54.00),** based on forward P/B at mean of 0.61x (previously forward P/B at mean of 0.74x). 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

- Conducts business operations with efficient use of resources in accordance with the circular economy approach, through good cooperation with partners and a continued focus on decarbonisation to achieve its goal of cutting greenhouse gas emissions to net zero by 2050.

Social

- Creates value for society, promotes social enterprises to generate revenue that will improve the nation's economy, reduce inequality as well as support the safety, good education, health and wellbeing of communities and society as a whole.

Governance

- Be a transparent, verifiable organisation with a focus on the creation of innovative, environmentally friendly chemicals for a low-carbon business.

Key Statistics

	3Q25	2Q26	3Q26	%yoy	%qoq
Avg. Fx (Bt/US$)	32.5	32.8	33.4	3%	2%
Dubai Crude oil price (US$/bbl)	65.1	96.1	93.1	43%	-3%
Market GRM (US$/bbl)	5.6	15.6	14.3	155%	-8%
Hedging Gain / (Loss) (Bt m)	192	-791	-1,161	n.a.	n.a.
Stock Gain / (Loss) net NRV (Bt m)	-109	-1,942	4,395	n.a.	n.a.
BTX P2F (US$/Ton)	179	329	384	115%	17%
Adj. EBITDA from Olefins chain (Bt m)	261	8,901	2,316	787%	-74%
HDPE price (US$/tonne)	920	1,419	1,215	32%	-14%
HDPE - Naphtha (US$/tonne)	332	526	384	16%	-27%
LLDPE - Naphtha (US$/tonne)	352	465	356	1%	-23%
LDPE - Naphtha (US$/tonne)	526	741	568	8%	-23%

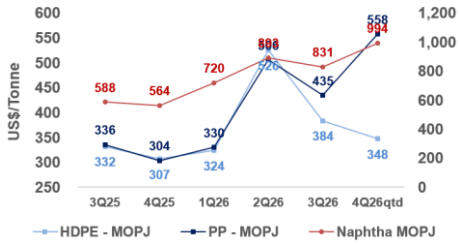
Source: UOB Kay Hian

EBITDA Breakdown

	3Q25	2Q26	3Q26	%yoy	%qoq
EBITDA	5,147	26,932	**15,895**	**209%**	**-41%**
--- Refinery	2,436	7,824	6,786	179%	-13%
--- Aromatics	59	3,660	2,606	4317%	-29%
--- Olefins	-1,425	3,759	-1,117	n.a.	n.a.
--- Intermediates	169	2,140	925	447%	-57%
--- Polymers & Chemicals	1,686	5,142	3,433	104%	-33%
--- Bio & Circularity	280	493	269	-4%	-45%
--- Performance Chemicals	1,884	3,998	2,999	59%	-25%

Source: UOB Kay Hian

Naphtha Price And Olefins Spread



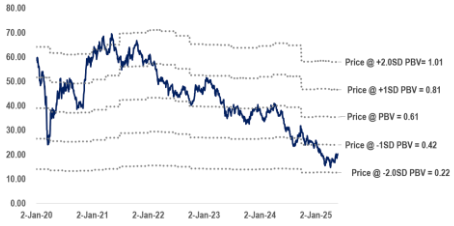
Source: PTTGC, UOB Kay Hian

Government Intervention: Refinery Diesel Price Discount Measures

Phase	Effective Period in 2026	Diesel Refinery Price Discount (Bt/Liter)	Operational Status
1	Apr 9-23	2.00	Concluded
2	Apr 24 - May 9	5.00	Concluded
3	May 10-19	3.00	Concluded
4	July 9-23	1.40	Concluded
5	Jul 24 - Sep 15	2.40	Concluded
6	Sep 16 - Oct 31	4.00	Concluded
7	**Nov**	**2.00**	**Currently Active**

Source: Energy Policy Administration Committee (EPAC), UOB Kay Hian

Forward P/B



Source: UOB Kay Hian

Profit & loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	487,585	647,388	785,574	794,609
EBITDA	20,583	69,820	50,902	46,967
Deprec. & amort.	26,383	27,925	26,596	25,404
EBIT	-5,799	41,894	24,306	21,564
Total other non-op. income	1,150	-5,063	0	0
Associate contributions	-1,547	-500	-500	-500
Net interest income/(expense)	-8,798	-4,341	-4,728	-4,683
Pre-tax profit	-16,145	37,053	19,077	16,380
Tax	-577	-960	-572	-491
Minorities	972	-300	-300	-300
Net profit	-14,600	30,730	18,205	15,589
Net profit (adj.)	-15,750	35,793	18,205	15,589

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	256,541	243,615	232,019	221,616
Other LT assets	214,580	272,305	322,221	325,484
Cash/ST investment	21,271	15,135	826	9,628
Other current assets	113,981	145,209	179,183	181,325
Total assets	606,373	676,264	734,250	738,053
ST debt	3,565	1,383	7,883	1,383
Other current liabilities	110,378	138,595	172,048	174,131
LT debt	142,926	141,543	140,160	138,776
Other LT liabilities	53,734	71,345	86,574	87,569
Shareholders' equity	334,949	362,277	366,165	374,472
Minority interest	972	-300	-300	-300
Total liabilities & equity	606,375	676,267	734,254	738,058

Cash flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	40,830	57,143	44,579	41,234
Pre-tax profit	-16,145	37,053	19,077	16,380
Tax	-577	-960	-572	-491
Deprec. & amort.	26,383	27,925	26,596	25,404
Working capital changes	1,975	-20,664	-20,522	-20,058
Other operating cashflows	29,195	13,789	20,000	20,000
Investing	-11,678	-55,114	-49,687	-17,268
Investments	-14,025	-15,000	-15,000	-15,000
Others	2,347	-40,114	-34,687	-2,268
Financing	-41,842	-5,820	-9,200	-15,165
Dividend payments	-2,517	-2,254	-14,317	-7,282
Proceeds from borrowings	-39,325	-3,565	5,117	-7,883
Net cash inflow (outflow)	-12,689	-3,790	-14,309	8,802
Beginning cash & cash equiv.	35,091	18,925	15,135	826
Changes due to forex impact	-1,131	0	0	0
Ending cash & cash equiv.	21,271	15,135	826	9,628

Key Metric

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	4.2	10.8	6.5	5.9
Pre-tax margin	-3.3	5.7	2.4	2.1
Net margin	-3.0	4.7	2.3	2.0
ROA	-2.9	5.7	3.2	2.8
ROE	-4.7	9.4	5.5	4.7
Growth (% yoy)				
Turnover	-19.9	32.8	21.3	1.2
EBITDA	-36.8	239.2	-27.1	-7.7
Pre-tax profit	n.a.	n.a.	n.a.	n.a.
Net profit	n.a.	n.a.	n.a.	n.a.
Net profit (adj.)	n.a.	n.a.	n.a.	n.a.
EPS	-101.3	-100.3	-99.3	-98.3
Leverage				
Debt to total capital	49.5	44.2	45.2	41.7
Debt to equity	43.7	39.5	40.4	37.4
Net debt/(cash) to equity	37.4	35.3	40.2	34.9
Interest cover (x)	2.3	16.1	10.8	10.0

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