

PTT Global Chemical (PTTGC TB)

3Q26 Earnings Expected To Decline qoq

Highlights

- We expect 3Q26 net profit to decline qoq, driven by further normalisation in the olefins business and the impact of government measures requesting diesel price discounts from refiners.
- Despite the gradual normalisation of business conditions, we expect the overall outlook to remain better than pre-war levels, particularly for the refinery business, where supply is expected to remain tight through 1H27.
- Maintain HOLD with a target price of Bt54.00 (previously Bt48.00).

3Q26 Earnings Preview

Year to 31 Dec (Btm)	3Q25	2Q26	3Q26F	%yoy	%qoq	9M25	9M26F	%yoy
Revenue	127,531	173,869	163,111	28%	-6%	394,570	484,735	23%
EBITDA	5,147	26,932	18,113	252%	-33%	16,606	60,143	262%
Operating Profit	-2,390	15,394	5,669	n.a.	-63%	-6,969	34,524	n.a.
Interest expenses	2,375	1,442	1,437	-40%	0%	7,456	4,207	-44%
Core Profit	-3,345	14,151	6,611	n.a.	-53%	-10,729	27,293	n.a.
Extraordinary items	430	-1,943	2,395	457%	n.a.	1,630	-2,847	n.a.
Net Profit	-2,915	12,208	9,006	n.a.	-26%	-9,099	24,446	n.a.
EPS	-0.71	2.98	2.00			-2.08	5.76	
Gross Profit Margin	4.8%	15.0%	9.6%			4.7%	13.3%	
EBITDA Margin	4.0%	15.5%	11.1%			4.2%	12.4%	
Net profit margin	-2.3%	7.0%	5.5%			-2.3%	5.0%	

Source: PTTGC, Bloomberg, UOB Kay Hian

Analysis

- 3Q26 earnings outlook.** We expect PTT Global Chemical (PTTGC) to report 3Q26 net profit of Bt9.01b, down 26% qoq, but recovering from a net loss of Bt2.92b in 3Q25. Excluding extra gains, core profit is estimated at Bt6.61b, down 53% qoq, due to lower prices and spreads in the olefins business, alongside a greater impact from government requests for diesel price discounts.
- Refinery business.** We expect refinery EBITDA to decline qoq due to the impact from government intervention, including: a) increased requests for diesel price discounts, and b) restrictions on diesel exports. These measures are expected to weigh on market gross refinery margin (GRM) and utilisation. We estimate 3Q26 market GRM at US\$15.00/bbl, down from US\$15.60/bbl in 2Q26, while utilisation is expected to decline to 90% from 96%.
- Olefins business.** Supply conditions eased in 3Q26, leading high-density polyethylene (HDPE) prices and spreads to gradually decline from late-2Q26 and weigh on olefins chain EBITDA. In addition, the naphtha feedstock mix is expected to increase to 45%, as naphtha replaces lower-cost liquefied petroleum gas (LPG) and Ethane amid the shutdown of both Aromatics unit #1 (ARO1) and PTT's Third Gas Separation Plant (GSP #3). This higher-cost feedstock mix is expected to further pressure EBITDA margin.

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		-	20,798	14,165	14,911
UOBKH/Consensus (x)		-	1.48	1.29	1.05

Source: PTTGC, Bloomberg, UOB Kay Hian

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HOLD (Maintained)

Share Price	Bt52.00
Target Price	Bt54.00
Upside	+3.85%
Previous TP	Bt48.00

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

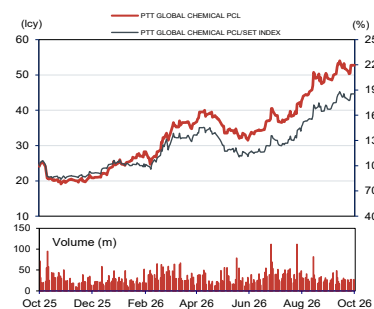
Major Shareholders (%)

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.

- **Aromatics business.** We expect EBITDA to decline qoq despite relatively stable benzene, toluene, and xylene (BTX) spreads, as utilisation is projected to fall to 65% from 90% in 2Q26 due to a 40-day turnaround at ARO1.
- **Extra gain.** We expect PTTGC to record net extra gains of Bt2.4b in 3Q26, comprising: a) stock gains of Bt3.35b, b) hedging losses of approximately Bt1.0b from gasoil crack spread hedging, and c) forex gains of approximately Bt50m.
- **High physical crude supplies but geopolitical risks to support crude prices.** Since September up until mid-Oct 26, physical crude flows from the Middle East through the Strait of Hormuz has reached 18m barrels per day (bpd), close to pre-war levels amid the decline in global crude inventory. Global total crude inventories declined from 5,008 m barrels (MB) in Mar 26 to a normalised level of 4,627 MB in Jun 26. Commercial inventories under the organisation for economic co-operation and development (OECD) are declining. Of which, US strategic petroleum reserve (SPR) has fallen the most to below 300m barrels currently. However, crude prices remain solid as geopolitical instability continues to sustain a crude premium amid concerns over potential shipping disruptions along strategic routes, including the Strait of Hormuz and the Red Sea. These risks have driven up freight rates and insurance costs.
- In 2027, gradually recovering oil demand continues to lag supply growth, resulting in stock builds. Persistently high energy prices should curb global oil consumption growth. Both IEA and EIA revised down global oil demand growth in 2027 to 2.0m and 2.2m bpd, respectively. On the supply side, Middle East crude for export should gradually return to the market. EIA expects crude stock build to be as high as 4.9m bpd in 2027 (vs stock draw of 1.3m bpd in 2026). As a result, crude prices in 2027 should soften. The uncertainty over the Middle East conflict remains the key factor for the high volatility in crude prices next year.
- **Strong GRM outlook supported by persistent supply constraints.** Despite the current decline in GRM from the higher costs, GRM remains higher than pre-war levels. Refined product exports from the Persian Gulf remains below pre-war levels by 3m bpd as shown in Table 1, while refined product supplies from Russia are short by 1.3m-1.4m bpd, impacted by the drone attacks as shown in Table 2.
- However, these supply shortages are partly offset by refined products from China, India and the US, amounting to 1.5m bpd. Note that China had approved its third batch of refined product export quotas in 3Q26. As a result, the net supply constraints of 2m-3m bpd should be affected in 4Q26, and going into 1H27. Deferred maintenance schedules in North America will push peak maintenance to 1Q27, affecting approximately 8% of global refined product supply, followed by maintenance across Asia in 2Q27. These constraints should help sustain GRM at a structurally higher base than pre-war levels of US\$5-7/bbl.

Middle East Refineries Affected by the War

Country / Refinery	Approx. Capacity	Impact and Current Status	Expected Restart / Recovery
Saudi Arabia — Ras Tanura Refinery	550 KBD	Some units were shut down following a drone attack on 2 Mar 2026.	Oil exports resumed in late June, but full restoration of all refining units has not been confirmed.
Saudi Arabia — SATORP	460 KBD	A 200 KBD CDU and associated units were affected in April.	Initially expected to recover progressively in mid-to-late 4Q26. However, a report on 12 Oct indicated that the refinery had returned to full capacity.
Saudi Arabia — Jizan Refinery	400 KBD	Remained shut following a Houthi attack in July, with related infrastructure also affected.	No confirmed timeline for a full restart.
Kuwait — Mina Al-Ahmadi Refinery	346 KBD	Affected by war-related disruptions and constraints on exports through the Strait of Hormuz; throughput remained below normal levels.	Partial recovery is expected in 4Q26, with further improvement by 2Q27.
Kuwait — Mina Abdullah Refinery	454 KBD	Refining operations and exports were affected by the conflict and shipping disruptions.	No confirmed date for a full return to normal operations.
Kuwait — Al-Zour Refinery	615 KBD	Operating below normal throughput amid war-related disruptions and constraints on product exports.	Recovery depends on operational readiness and the restoration of shipping flows through the Strait of Hormuz.
Bahrain — Sitra Refinery	267 KBD	Throughput was estimated at approximately 100–120 KBD, versus a	Partial recovery expected in 4Q26, with throughput potentially returning close to normal by 3Q27.

Key Statistics

	3Q25	2Q26	3Q26F	%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	15.0	168%	-4%
Hedging Gain / (Loss) (Bt m)	192	-791	-1,005	n.a.	n.a.
Stock Gain / (Loss) net NRV (Bt m)	-109	-1,942	3,350	n.a.	n.a.
BTX P2F (US\$/Ton)	179	329	320	79%	-3%
Adj. EBITDA from Olefins chain (Bt m)	261	8,901	4,699	1701%	-47%
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	3Q26F	%yoy	%qoq
EBITDA	5,147	26,932	18,113	252%	-33%
--- Refinery	2,436	7,824	6,989	187%	-11%
--- Aromatics	59	3,660	2,608	4321%	-29%
--- Olefins	-1,425	3,759	2,515	n.a.	-33%
--- Intermediates	169	2,140	1,100	551%	-49%
--- Polymers & Chemicals	1,686	5,142	2,184	30%	-58%
--- Bio & Circularity	280	493	250	-11%	-49%
--- Performance Chemicals	1,884	3,998	2,550	35%	-36%

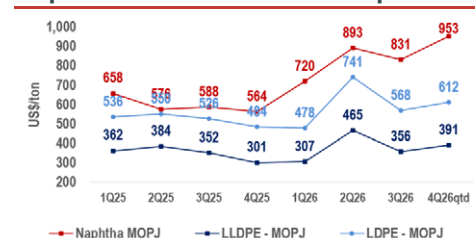
Source: UOB Kay Hian

Key Assumptions

	2026F			2027F		
	Old	New	%Diff	Old	New	%Diff
Market GRM (US\$/bbl)	13.00	14.00	8%	7.00	8.00	14%
Cured run	103%	103%	0%	103%	103%	0%
Petrochemical spread (US\$/tonne)						
Px-Condensate	300	300	0%	300	300	0%
Bz-Condensate	160	180	13%	150	160	7%
HDPE Price	1,200	1,200	0%	1,100	1,100	0%
HDPE Spread	420	420	0%	380	380	0%
LLDPE Spread	380	380	0%	350	350	0%
LDPE Spread	550	550	0%	500	500	0%
Earnings revision (Btm)						
Core profit	34,008	35,793	5%	17,338	18,205	5%
Net Profit	29,182	30,730	5%	17,338	18,205	5%

Source: UOB Kay Hian

Naphtha Price And Olefins Spread



Source: PTTGC, UOB Kay Hian

		pre-war level of 420 KBD, according to Kpler.	
Qatar — Ras Laffan Refinery (LR2)	Approx. 146 KBD	Shut following attacks on upstream infrastructure in the Ras Laffan area.	No confirmed restart timeline identified.
Iran — Lavan and other refineries	Various	Iranian authorities estimated on 12 Apr that most refining and fuel-distribution capabilities could recover to 70–80% of pre-attack levels within 1–2 months. Some Lavan units targeted a restart within approximately 10 days.	Subsequent operating status requires confirmation; the initial recovery targets should not be treated as verified current status.

Source: kpler (August 20,2026)

Russian Refineries Affected by Ukrainian Drone Attacks

Refinery	Approx. Capacity	Impact and Current Status	Expected Restart / Recovery
Volgograd Refinery — Lukoil	270 KBD	Crude processing was completely halted from 2 Oct following drone-related equipment damage.	No confirmed restart date. Recovery depends on repairs to the damaged equipment.
Novoshakhtinsk Refinery	Over 100 KBD (approx.)	Operations were suspended following a drone attack on 25 Sep.	No confirmed restart timeline.
Moscow Refinery — Gazprom Neft	Approx. 240 KBD	Crude processing was halted following a fire at a major CDU on 20 Sep.	An earlier report in June indicated a potential shutdown of at least six months, possibly extending into 2027. This estimate relates to the earlier incident and does not confirm the restart schedule following the September attack.
Ryazan Refinery — Rosneft	Approx. 340 KBD	CDU-6 (160 KBD) and CDU-4 (80 KBD) were shut following attacks. CDU-3 had also been undergoing maintenance since mid-May.	Industry sources estimated that repairs to the damaged units could take several weeks, based on reports dated 10 Sep.
TANECO Refinery — Tatneft	Approx. 340 KBD	Affected by attacks on refining facilities in Tatarstan in June. Disruptions were also reflected in reports of fuel-purchasing constraints at Tatneft filling stations.	No confirmed timeline for full recovery across all affected units.

Source: kpler (August 20,2026)

Valuation/Recommendation

- **Maintain HOLD with a 2027 target price of Bt54.00 (previously Bt48.00)**, based on forward P/B at mean of 0.74x (previously forward P/B at mean of 0.66x). 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 estimate revision.** We have revised up our 2026-27 net profit estimates by 5% each to reflect higher GRM and aromatics spread assumptions, particularly our expectation that GRM will remain above pre-war levels in 1H27. Our forecasts also incorporate the impact of government measures requesting diesel price discounts, assuming average daily diesel sales of 12m litres with a Bt4.00/litre discount in 4Q26, and 10m litres with a Bt2.00/litre discount in 2027. Accordingly, we forecast net profit of Bt30.73b in 2026 (vs a net loss of Bt14.6b in 2025), followed by net profit of Bt18.21b in 2027, down 41% yoy.

Environmental, 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

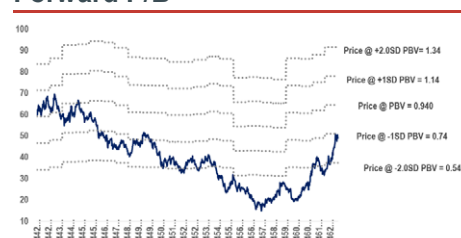
- Be a transparent, verifiable organisation with a focus on the creation of innovative, environmentally friendly chemicals for a low-carbon business.

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	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

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

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

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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