

PTT Oil and Retail (OR TB)

3Q26 Results Preview: Earnings Expected To Return To Profitability

Highlights

- We expect OR to return to profitability in 3Q26, driven by a higher marketing margin and substantial stock gains.
- 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.

3Q26 Earnings Preview

Year to 31 Dec	3Q25	2Q26	3Q26F	%yoy	%qoq	9M25	9M26F	%yoy
Revenue	153,600	205,667	225,169	47%	9%	503,188	606,962	21%
Gross profit	8,636	8,032	8,323	-4%	4%	26,493	22,639	-15%
EBITDA	4,878	4,022	4,171	-15%	4%	15,914	15,292	-4%
Interest expenses	228	236	239	5%	1%	724	683	-6%
Core Profit	1,741	3,014	1,863	7%	-38%	6,996	5,388	-23%
Net Profit	2,614	-1,775	5,263	101%	n.a.	9,227	5,903	-36%
EPS	0.22	-0.15	0.44			0.77	0.49	
Financial ratio (%)								
Gross Profit Margin	5.6%	3.9%	3.7%			5.3%	3.7%	
SG&A Exp. / Sales	4.0%	2.9%	2.7%			3.5%	2.9%	
Net profit margin	1.7%	-0.9%	2.3%			1.8%	1.0%	

Source: OR, UOB Kay Hian

Analysis

- 3Q26 earnings outlook.** We expect PTT Oil and Retail (OR) to report a net profit of Bt5.26b in 3Q26, reversing from a net loss of Bt1.78b in 2Q26, driven by a higher marketing margin and stock gains in the mobility business. Excluding extra gains, core profit is estimated at Bt1.86b, down 38% qoq due to the seasonal low season. 9M26 net profit is expected to account for 75% of our 2026 forecast.
- Higher marketing margin offsets seasonally lower sales volume.** We expect the mobility business' profit to increase qoq, supported by a sharp recovery in marketing margin to Bt1.50/litre (vs Bt0.24/litre in 2Q26), more than offsetting the lower fuel sales volume amid higher oil prices and seasonal weakness. Oil sales volume is estimated at 5,480m litres, down 1.4% qoq and 7.6% yoy. However, excluding stock gains of Bt3.4b in 3Q26, the underlying marketing margin would be Bt1.10/litre, compared with Bt1.50/litre in 2Q26.
- Sales volume pressured by government measures and seasonal factors.** We expect the lifestyle segment's profit to decline qoq due to the impact of the Thai Chuay Thai Plus Co-Payment Scheme as well as seasonal weakness. Café Amazon coffee sales are expected to edge down qoq to 116m cups, while the lifestyle EBITDA margin should remain near the targeted 30% (vs 30.8% in 2Q26).

Key Financials

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

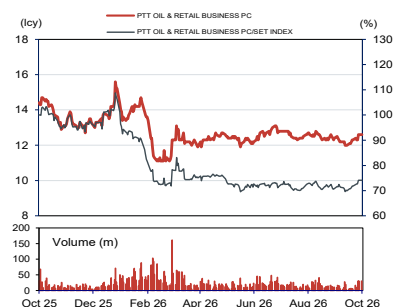
Major Shareholders (%)

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.

Monday, 26 October 2026

- **Higher sales, but losses in Cambodia continue to widen.** Sales are expected to increase 9% qoq, while EBITDA margin should return to positive territory vs -3% in 2Q26. However, the business remains affected by the gradual closure of outlets in Cambodia amid Thai-Cambodian border tensions. As a result, the Cambodian business is expected to record a loss of Bt120m in 3Q26, up from a loss of Bt82m in 2Q26.
- **Cambodia investment plan under review, with conclusion expected by end-26.** OR is reviewing its investment strategy in Cambodia, with a conclusion expected by end-26. The Cambodian business recorded a cumulative loss of Bt392m in 9M26, while OR's investment book value stood at around US\$86m as of 2Q26. OR is evaluating whether to bring in a strategic partner or divest and exit the investment. A full exit could expose the company to potential asset impairment losses. We currently assume an impairment loss of Bt1.50b from the Cambodian business in our 2026 earnings forecast. As of 3Q26, OR had 69 PTT Stations and 72 Café Amazon outlets remaining in Cambodia.
- **Budget hotel business to launch first property in Hat Yai.** OR's budget hotel business, in which it holds a 49% stake alongside Central Plaza Hotel (CENTEL TB), is expected to launch its first hotel in Hat Yai in 3Q27, alongside openings in Ayutthaya and Kanchanaburi within 2027. OR continues to target three additional hotel openings in 2028, with its budget hotel capex capped at Bt360m on an equity-share basis.
By transforming PTT Stations into integrated community and lifestyle hubs, OR will be able to establish a new S-curve. OR aims to increase traffic across its PTT Station network to 5m visits per day, supporting sales growth and cross-selling opportunities across its lifestyle businesses, including Café Amazon, retail outlets and EV Station PluZ charging stations. The expansion into higher-margin revenue streams should help reduce earnings exposure to volatility in the traditional oil business, while CENTEL's hotel management expertise should mitigate execution risks in this new business.

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. We believe the uncertainty surrounding OR's review of its Cambodia investment strategy will remain an overhang on its share price until greater clarity emerges on the future direction of the investment. 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.

Environmental, 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 management positions across all levels.

Key Statistics

	3Q25	2Q26	3Q26F	%yoy	%qoq
Mobility					
Number of stations	2,365	2,428	2,440	3.2%	0.5%
Total Volume Sold (m litres)	5,933	5,558	5,480	-7.6%	-1.4%
Gross Profit: Bt/Litre	1.02	0.24	1.50	47%	525%
Gross Margin (Excl. extra Items)	1.02	1.50	1.10	8%	-27%
Lifestyle (Non-oil)					
Café Amazon (No. of Outlets)	4,613	4,869	5,015	9%	3%
Total cups sold (m cups)	109	117	116	6%	-1%
Lifestyle EBITDA Margin (%)	28.2%	30.8%	30.0%		
Global					
Number of stations	385	315	298	-23%	-5%
Total Volume Sold (m litres)	479	401	437	-9%	9%
Café Amazon (No. of Outlets)	354	209	193	-45%	-8%
Total cups sold (m cups)	5.0	2.8	2.5	-50%	-11%

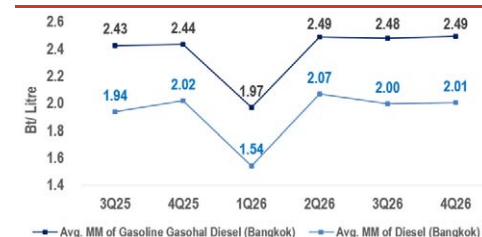
Source: OR

Oil Fund Status



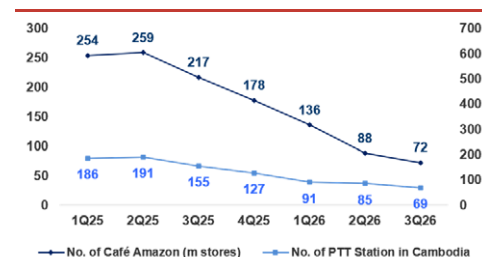
Source: Oil Fuel Fund Office

Average Marketing Margin (Bangkok)



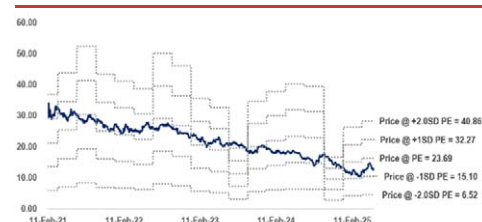
Source: UOB Kay Hian

Cambodia Business



Source: UOB Kay Hian

Average Three-Year PE



Source: UOB Kay Hian

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

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

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

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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