PTT (PTT TB)

3Q26 Results Preview: Earnings To Fall qoq On Seasonal Weakness

Highlights

- We expect 3Q26 net profit to decline qoq due to seasonal factors, including lower gas demand and reduced sales volumes from the gas separation plant business following the maintenance shutdown of one gas separation plant.
- The Genesis project continues to progress, albeit slightly behind the original schedule. PTT expects to finalise the project's details within 4Q26.
- We forecast a 2026 dividend of Bt3.00/share. Maintain BUY, with a target price of Bt48.00 (previously Bt45.00).

3Q26 Results Preview

Year to 31 Dec (Btm)	3Q25	2Q26	3Q26F	%yoy	%qoq	9M25	9M26F	%yoy
Revenue	646,689	830,389	800,156	24%	-4%	2,023,666	2,349,274	16%
Gross profit	72,536	128,871	113,346	56%	-12%	204,669	400,738	96%
EBITDA	**87,290**	**136,793**	**124,943**	**43%**	**-9%**	**253,243**	**421,881**	**67%**
EBITDA - Gas business	**14,057**	**24,691**	**17,478**	**24%**	**-29%**	**41,239**	**58,600**	**42%**
--- S&T	3,809	3,174	2,650	-30%	-17%	10,667	8,448	-21%
--- TSO	6,999	6,611	5,515	-21%	-17%	21,298	18,727	-12%
--- GSP	715	11,976	6,580	820%	-45%	1,262	22,930	1717%
--- NGV	-333	-670	-517	n.a.	n.a.	-1,070	-1,455	n.a.
--- Others	2,867	3,600	3,250	13%	-10%	9,082	9,950	10%
EBIT	41,549	94,781	80,859	95%	-15%	115,861	293,774	154%
Core Profit	18,847	53,952	42,320	125%	-22%	59,679	124,862	109%
Net Profit	**19,783**	**52,525**	**42,320**	**114%**	**-19%**	**64,632**	**120,583**	**87%**
EPS	0.69	1.84	1.48			2.26	4.22	
Financial ratio (%)								
Gross Profit Margin	11.2%	15.5%	14.2%			10.1%	17.1%	
EBITDA Margin	6.4%	11.4%	10.1%			5.7%	12.5%	
Net profit margin	2.9%	6.5%	5.3%			2.9%	5.3%	

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: PTT, UOB Kay Hian

Analysis

- **3Q26 net profit expected to decline qoq.** We expect PTT to report 3Q26 net profit of Bt42.32b, down 19% qoq but up 114% yoy. The qoq decline is primarily attributable to seasonal weakness in gas demand from the power generation sector and lower sales volumes of gas separation products following the maintenance shutdown of gas separation plant no. 6. However, higher equity contributions from subsidiaries and affiliates, particularly Thai Oil (TOP), PTT Oil and Retail (OR), and IRPC, should help cushion the downside to 3Q26 earnings.
- **Gas business EBITDA to decline on seasonal weakness.** We estimate gas business EBITDA at Bt17.48b, down 29% qoq but up 24% yoy, driven by: a) Natural Gas Supply and Trading (S&T), whose gas sales volume is expected to reach 3,844 million standard cubic feet per day (MMSCFD), down 8.91% qoq but up 2.59% yoy, reflecting lower gas demand. A slight qoq increase in gas costs is also expected to weigh on S&T's EBITDA, which we forecast at Bt2.65b, down 17% qoq;

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	3,090,453	2,662,145	3,820,751	3,726,961	3,807,273
EBITDA	424,492	374,281	476,375	444,158	420,848
Operating profit	238,574	188,363	294,175	265,602	245,863
Net profit (rep./act.)	90,072	90,166	138,313	117,025	98,014
Net profit (adj.)	94,480	75,786	141,164	117,025	98,014
EPS (x)	3.3	2.7	4.9	4.1	3.4
PE (x)	11.7	14.6	7.8	9.5	11.3
P/B (x)	0.9	0.9	0.9	0.9	0.9
EV/EBITDA (x)	1.8	1.8	1.5	1.3	1.1
Dividend yield (%)	5.4	5.9	7.7	6.5	5.7
Net margin (%)	2.9	3.4	3.6	3.1	2.6
Net debt/(cash) to equity (%)	48.8	45.4	45.2	32.4	22.6
Consensus net profit	-	-	128,161	110,065	114,962
UOBKH/Consensus (x)	-	-	1.08	1.06	0.85

Source: PTT, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	Bt38.50
Target Price	Bt48.00
Upside	+23.87%
Previous	Bt45.00

Stock Data

Sector	Energy
Bloomberg ticker	PTT TB
Shares issued (m)	28,563.00
Market cap (Btm)	1,128,098
Market cap (US$m)	33,973
3-mth avg daily t'over (US$m)	46.87

Price Performance (%)

52-week high/low				Bt40.00 / Bt30.00
1mth	3mth	6mth	1yr	YTD
+0.65	+3.33	+6.16	+9.15	+21.09

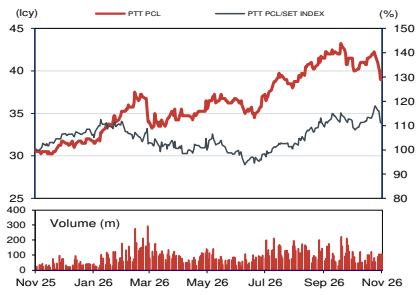
Major Shareholders (%)

MOF	51.38%
Vayupak Fund 1	7.83%
Thai NVDR	5.95%

Balance Sheet Metrics

FY26 NAV/Share (Bt)	Bt41.78
FY26 Net Debt/Share (Bt)	Bt61.06

Price Chart



Source: Bloomberg

Company Description

The company's operated businesses consist of natural gas, gas transmission, international trading, new business and sustainability business; the rest are invested through subsidiaries and/or joint operations, joint ventures and associates, and PTT Group, namely exploration and production, liquefied natural gas, petrochemical and refining, oil and retail, power and utilities, and service businesses.

- and b) the gas separation plant business: We estimate EBITDA at Bt6.58b, down 45% qoq, due to lower ASPs of gas separation products and the shutdown of gas separation plant no. 6 for maintenance. Consequently, the utilisation rate is expected to decline to 85.6%, compared with 97.1% in 2Q26 and 89.4% in 3Q25.
- **Contributions from subsidiaries and affiliates to recover strongly.** We expect equity contributions from subsidiaries and affiliates to reach Bt54.42b, up 7% qoq and 227% yoy, supported by: a) a recovery in refinery earnings, particularly at TOP and IRPC, driven by strong market GIM and substantial stock gains; and b) OR's return to profitability following a recovery in marketing margins.
- **2026 dividend forecast at Bt3.00/share.** We forecast a 2026 dividend of Bt3.00/share. Following PTT's interim dividend payment of Bt1.40/share, the remaining dividend for 2H26 earnings is expected to amount to Bt1.60/share, implying a 4.16% simple yield.
- **Genesis project progresses, albeit slightly behind schedule.** PTT expects to reach a conclusion for the Genesis project by 4Q26, slightly later than originally planned, partly due to geopolitical uncertainties. Nevertheless, PTT continues to seek a strategic partner to restructure its petrochemical and refinery (P&R) business and strengthen its long-term competitiveness. The prospective partner is expected to enhance the business through technology, market access, feedstock optimisation, and operational synergies.
- **Sensitivity.** Every US$1.00/bbl increase in oil prices would raise our 2026 net profit forecast by 1.4%, or approximately Bt2.00b annually.

Valuation/Recommendation

- **Maintain BUY with an SOTP-based higher target price of Bt48.00 (previously Bt45.00),** reflecting upward revisions to our 2027 earnings forecasts and target prices for PTT's subsidiaries and affiliates. 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

- **Revised 2026-27 earnings forecasts.** We raise our 2026-27 net profit forecasts by 12% and 10%, respectively, reflecting previous upward revisions to earnings forecasts for Thai Oil (TOP), PTT Exploration and Production (PTTEP), PTT Global Chemical (PTTGC), and IRPC. We now expect PTT to report a net profit of Bt138.31b in 2026, up 53.4% yoy, and Bt117.03b in 2027, down 15.4% yoy, based on our crude oil price assumptions of US$95/bbl and US$80/bbl, respectively. Our 9M26 net profit estimate represents 87% of our 2026 forecast.

Environment, Social, Governance (ESG) Updates

Environmental

- Business growth: Refining the energy investment portfolio with an emphasis on low carbon businesses, b) new growth: Enhancing the profitability of the future energy & beyond segment to at least 30%, and c) clean growth: PTT targets to achieve carbon neutrality by 2040, with the ultimate 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, b) smart marketing: Developed 45 community products and six community-based tourism destinations, and c) 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

	3Q25	2Q26	3Q26F	%yoy	%qoq
Dubai (US$/bbl)	70.09	96.10	93.10	33%	-3%
Gas Business					
NG sales volume (MMSCFD)	3,747	4,220	3,844	3%	-9%
GSP sales volume (Kton)	1,581	1,892	1,812	15%	-4%

Source: PTT, UOB Kay Hian

Associates and Subsidiaries Performance

	3Q25	2Q26	3Q26F	%yoy	%qoq
PTTEP *	12,695	27,197	14,710	16%	-46%
TOP	2,147	8,284	17,844	731%	115%
PTTGC	(2,915)	12,208	9,006	n.a.	-26%
IRPC	340	2,921	6,050	1678%	107%
OR **	2,614	(1,775)	5,138	97%	n.a.
GPSC	1,742	1,819	1,546	-11%	-15%
Total	16,623	50,655	54,294	227%	7%

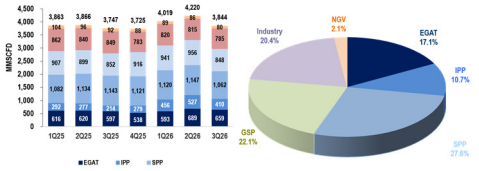
** PTTEP released its 3Q26 operating results on 30 Oct 26.*
*** OR released its 3Q26 operating results on 5 Nov 26.*
Source: PTT

Valuation of PTT's Associates and Subsidiaries

	Old	New	%Diff.
PTTEP	170.00	190.00	11.8%
TOP	64.00	100.00	56.3%
IRPC	2.30	3.00	30.4%
PTTGC	48.00	54.00	12.5%
GPSC	60.00	60.00	0.0%
OR	12.50	12.50	0.0%
PTT	45.00	48.00	6.5%

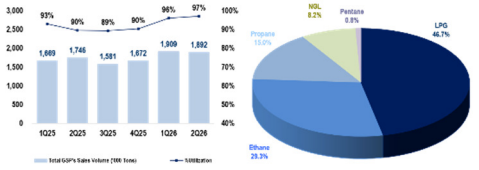
Source: PTT

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%	190.00	481,166	16.8	5-yrs forward PE mean of 8.70x
TOP	45.03%	100.00	100,590	3.5	Forward PE at mean of 8.0x
IRPC	45.05%	3.00	27,617	1.0	Forward PBV -1.0 SD of 0.8x
PTTGC	45.18%	54.00	110,003	3.9	Forward PBV mean of 0.74x
GPSC	47.27%	60.00	79,973	2.8	DCF Valuation
OR	75.00%	12.50	112,500	3.9	Forward PE -1.0 SD of 15.10x
3) Affiliates					
Others Affiliates			**142,679**	**5**	
Total				**61**	
Discount to NAV				-20%	
PTT's TP (UOB Kay Hian)				**48**	

Source: UOB Kay Hian

Profit & loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	2,662,145	3,820,751	3,726,961	3,807,273
EBITDA	374,281	476,375	444,158	420,848
Deprec. & amort.	185,918	182,200	178,556	174,984
EBIT	188,363	294,175	265,602	245,863
Associate contributions	13,031	3,821	7,454	9,518
Net interest income/(expense)	-40,448	-47,339	-48,519	-49,953
Pre-tax profit	175,326	247,806	224,537	205,429
Tax	-57,600	-74,342	-67,361	-61,629
Minorities	-27,559	-35,151	-40,151	-45,786
Net profit	90,166	138,313	117,025	98,014
Net profit (adj.)	75,786	141,164	117,025	98,014

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	1,096,244	1,036,860	1,069,065
Cash/ST investment	346,817	277,671	423,855	535,008
Other current assets	135,193	211,431	205,734	196,388
Total assets	3,269,660	3,698,418	3,719,220	3,820,069
ST debt	217,934	171,613	177,614	160,615
Other current liabilities	131,674	217,461	194,954	194,170
LT debt	666,425	665,429	658,430	668,431
Other LT liabilities	384,993	494,854	471,935	496,108
Shareholders' equity	1,185,196	1,237,154	1,271,190	1,298,990
Total liabilities & equity	3,269,660	3,698,418	3,719,220	3,820,069

Cash flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	299,366	308,791	326,030	325,434
Pre-tax profit	175,326	247,806	224,537	205,429
Tax	-57,600	-74,342	-67,361	-61,629
Deprec. & amort.	185,918	182,200	178,556	174,984
Working capital changes	12,630	-46,854	-9,701	6,649
Other operating cashflows	-16,907	-19	0	0
Investing	-164,156	-273,494	-95,859	-137,068
Investments	-227,089	-137,636	-132,324	-129,037
Others	62,933	-135,858	36,465	-8,031
Financing	-188,365	-104,443	-83,986	-77,213
Dividend payments	-83,285	-57,126	-82,988	-70,215
Proceeds from borrowings	-105,080	-47,317	-998	-6,998
Net cash inflow (outflow)	-53,155	-69,147	146,185	111,153
Beginning cash & cash equiv.	405,139	346,817	277,671	423,855
Changes due to forex impact	-5,167	0	0	0
Ending cash & cash equiv.	346,817	277,671	423,855	535,008

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	14.1	12.5	11.9	11.1
Pre-tax margin	6.6	6.5	6.0	5.4
Net margin	3.4	3.6	3.1	2.6
ROA	3.3	4.7	3.9	3.2
ROE	9.0	13.4	11.2	9.2
Growth (% yoy)				
Turnover	-13.9	43.5	-2.5	2.2
EBITDA	-11.8	27.3	-6.8	-5.2
Pre-tax profit	-3.0	41.3	-9.4	-8.5
Net profit	0.1	53.4	-15.4	-16.2
Net profit (adj.)	-19.8	86.3	-17.1	-16.2
EPS	-19.8	86.3	-17.1	-16.2
Leverage				
Debt to total capital	53.5	47.3	45.4	43.3
Debt to equity	74.6	67.7	65.8	63.8
Net debt/(cash) to equity	45.4	45.2	32.4	22.6
Interest cover (x)	9.3	10.1	9.2	8.4

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