

SYNOPSIS

FUNDAMENTAL

PTTEP

Neutral

Volume growth main driver in next 5 years

Flash Points

PTTEP announced its five-year (2026-2030) investment plan with total estimated expenditures of US\$33bn, consisting of US\$21bn of capital expenditures (CAPEX) and US\$12bn of operating expenditures (OPEX). The plan focuses on ensuring energy security for Thailand, expanding growth in overseas exploration and production (E&P) businesses, and working toward the goal of achieving net-zero greenhouse gas emissions by 2050. PTTEP's main strategies are 1) drive value (US\$32bn), accelerating production of existing projects and first production of projects under development and keeping cost within US\$30/barrel, 2) Decarbonize (US\$500m), and 3) Diversify (US\$300m). PTTEP is focusing on becoming the eastern carbon capture and storage (CCS) hub and achieving its net-zero business goal.

Impact Insight

In 2026, PTTEP sets total expenditures at US\$7.7bn, CAPEX at US\$5.2bn and OPEX at US\$2.5bn, 77% of which dedicated to energy security for Thailand and the Malaysia-Thailand Joint Development Area (MTJDA, 69%), 69% for production enhancement - drilling more in G1/61 and G2/62 projects, new projects A18 and MTJDA (fully booked in 2026), and seismic in G1/65 and G3/65 projects, and 8% for projects in Myanmar, maintaining production of Zawtika and Yadana and developing M3 to ensure its first gas by 2028. Moreover, 22-23% of expenditures will focus on growth in overseas businesses, especially Malaysia (8%), OMAN and the UAE (11%), and Algeria and Mozambique (3%).

The five-year investment plan is expected to boost production volume and sales CAGR to 3.5%. Production is expected to grow from 2026 on, from 510,000 bpd in 2025 to 556,000 in 2026, 576,000 in 2027, and 614,000 in 2028.

Execution

PTTEP's growth is still driven by continuous sales volume growth after several projects are operating as planned, although selling price may stay flat or hardly grow. We expect Dubai crude oil price at US\$65 in 2025 and US\$70 from 2026 on, still in line with PTTEPs' projection around US\$65-75.

2026 fair value is B140. PTTEP already underwent correction and absorbed low crude oil price, so it has more limited downside. 4Q25 profit is expected to grow. PTTEP is favorable for long-term investment thanks to solid yearly profit base and high dividend yield.

Technical Chart



Price Trend: Sideways

Support: 103

Resist : 115

Source: ASPS Research

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Current Price (B)	107.00
Target Price (B)	140.00
Upside (%)	30.84
Dividend Yield (%)	6.54

Consensus Analysis

EPS (B)	ASPS	IAA Cons	% diff
2026F	15.47	15.11	2%
2027F	16.46	-	n/a

Source: ASPS Research

Global Peers

Company	REC./BB Rating	PBV		PER	
		2025F	2026F	2025F	2026F
CHINA					
SINOPEC CORP-H		0.6	0.6	12.2	10.1
PETROCHINA-H	4.52	0.9	0.9	9.1	9.1
TAIWAN					
FORMOSA CHEM & F	2.91	0.7	0.7	-	59.7
FORMOSA PLASTIC	3.27	0.9	0.9	-	71.3
NAN YA PLASTICS	3.33	1.3	1.3	138.5	36.2
JAPAN					
TOSOH CORP	3.22	0.9	0.9	15.3	11.4
JX HD	4.43	0.9	0.8	15.6	10.8
mitsui chemicals	4.00	0.8	0.8	14.1	11.1
HONG KONG					
SINOPEC SHANG-H	3.50	0.5	0.5	-	21.4
INDIA					
INDIAN OIL CORP	3.97	1.1	1.0	8.7	9.3
SHARAT PETROL	4.18	1.6	1.4	7.5	8.7
Malaysia					
PETRONAS DAGANGA	2.91	3.2	3.1	17.5	17.0
PCEM	2.52	0.6	0.6	-	31.9
THAILAND					
PTT PCL	Neutral	0.8	0.8	9.7	8.8
PTT EXPL & PROD	Neutral	0.7	0.7	6.8	6.4
PTT GLOBAL CHEM	Underperform	0.4	0.4	42.9	13.8
THAI OIL PCL	Neutral	0.4	0.4	6.5	5.9
IRPC PCL	Underperform	0.3	0.3	6.1	5.3
BANGCHAK PETROLE	Neutral	0.4	0.3	4.7	3.8
INDORAMA VENTURE	Underperform	0.5	0.5	11.0	9.1
STAR PETROLEUM REFINING	Neutral	0.6	0.6	13.3	9.2
AVERAGE		0.8	0.8	10.8	9.8

Source: Bloomberg

Key Financial Forecast

Ending Dec 31	2023	2024	2025F	2026F	2027F
Net Profit	76,706	78,824	58,598	61,429	65,313
Normalized Profit	81,371	80,773	58,598	61,429	65,313
EPS (B)	19.32	19.86	14.76	15.47	16.45
PER (x)	5.5	5.4	7.2	6.9	6.5
DPS (B)	9.50	9.63	7.00	7.25	7.50
Dividend Yield (%)	8.9	9.0	6.5	6.8	7.0
BVS (B)	125.8	135.0	137.9	146.1	155.0
PBV (x)	0.9	0.8	0.8	0.7	0.7
ROE (%)	15.9	15.2	10.8	10.9	10.9

Source: ASPS Research

ESG Assessment

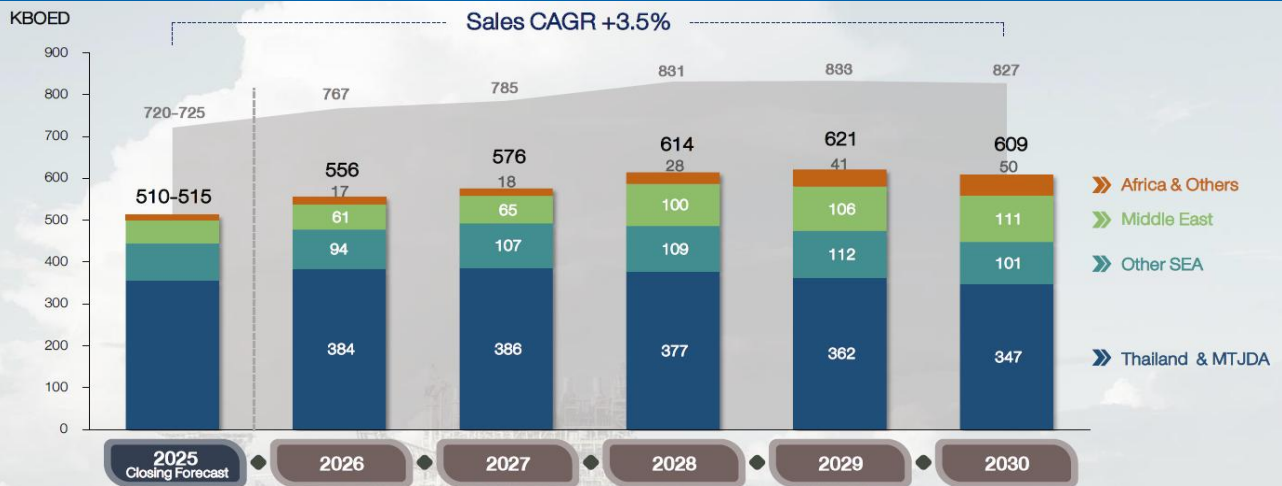
SET ESG Ratings	AA
CG Score	Excellent
Anti-corruption Certification	yes

Source: SET

Warning

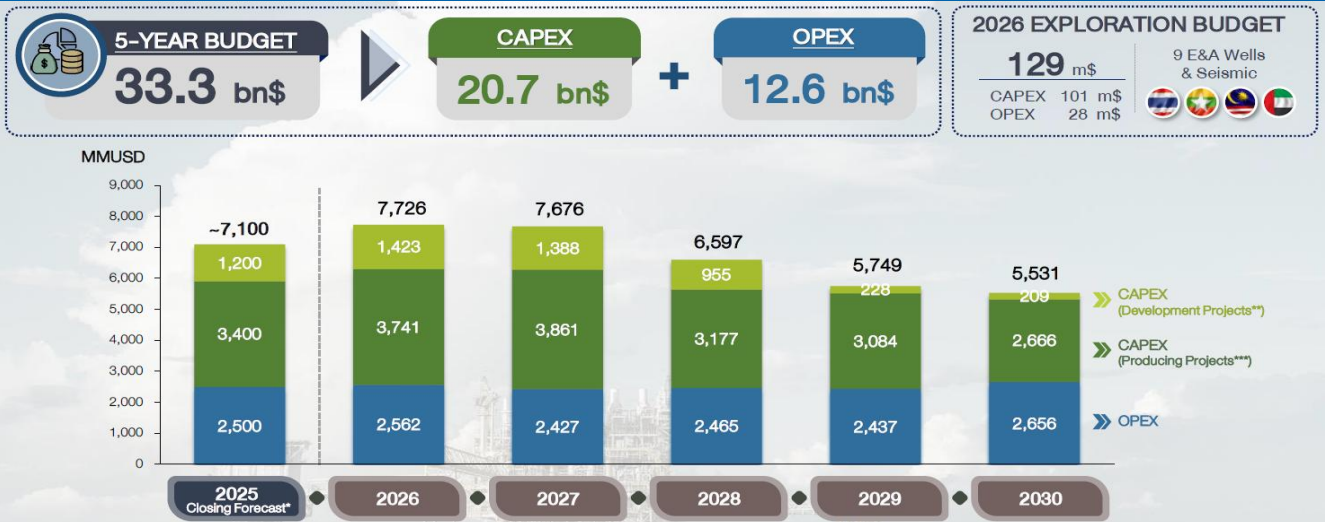
Investments involve risks. Please carefully review the product details, conditions of returns, and risks before making any investment decisions.

Five-Year Sales Targets



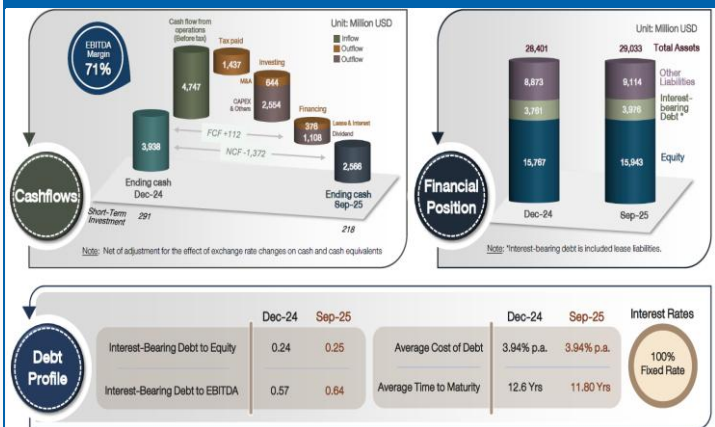
Source: PTTEP

Five-Year Budget (2026-2030)



Source: PTTEP

Financial Position



Source: PTTEP

Key Risk

- 1) Production from some projects may miss our forecast and some plants might undergo unplanned shutdown.
- 2) Dubai crude oil price may not be in line with our assumption, so earnings may miss our forecast.
- 3) Government intervention may affect raw material cost and product prices.
- 4) Country risk.

Source: ASPS Research

2025-2027 Earnings Forecast

Statement of Income (Million B)					Statement of Cash Flows (Million B)				
At 31 December	2024	2025F	2026F	2027F	At 31 December	2024	2025F	2026F	2027F
Sales	307,227	268,657	285,479	298,465	Cash flows from operating activities				
Cost of sales	67,734	77,694	88,089	91,060	Net profit	78,824	58,598	61,429	65,313
Gross profit	239,493	190,963	197,390	207,405	Adjustment:	(35,555)	(94,888)	(111,464)	(106,747)
SG&A	18,115	16,119	17,129	18,124	Depreciation and amortisation	95,039	123,156	125,146	128,574
Interest expenses	11,813	8,411	8,500	8,501	Unrealized Fx gain/loss	743	-	-	-
Other expenses	95,039	93,156	95,146	99,574	Net cash flows from operating activities	237,856	217,478	225,407	233,788
Other income	20,920	16,855	17,721	18,843					
Earning before taxes	147,844	98,542	102,837	108,550	Cash flows from investing activities				
Income taxes	57,214	31,534	32,908	34,736	Increase/decrease from short-term investment	(11,981)	(40,000)	(30,000)	(50,000)
Normalized profit	80,773	58,598	61,429	65,313	Increase/decrease from related investment	2,393	838	1,521	1,003
FX gain/loss	183	-	-	-	Increase/decrease from fixed assets	(119,325)	(40,365)	(45,172)	(52,368)
Extraordinary items	-	-	-	-	Net cash flows from investing activities	(150,369)	(80,216)	(74,431)	(102,262)
Net profit	78,824	58,598	61,429	65,313					
EPS	19.86	14.76	15.47	16.45	Cash flows from financing activities				
Sales growth	4%	-13%	6%	5%	Increase/decrease from loans	(2,149)	(2,148)	(2,147)	(2,146)
Net profit growth	3%	-26%	5%	6%	Increase/decrease from bonds/ordinary shares	-	-	-	-
Gross profit margin	78%	71%	69%	69%	Dividend paid	(38,705)	(38,211)	(27,790)	(28,782)
Net profit margin	26%	22%	22%	22%	Net cash flows from financing activities	(54,367)	(48,211)	(47,790)	(48,781)
					Increase/decrease in net cash	(2,435)	(5,837)	(8,278)	(24,002)
Quarterly Statement of Income (Million B)					Statement of Financial Position (Million B)				
	4Q24	1Q25	2Q25	3Q25	At 31 December	2024	2025F	2026F	2027F
Sales	74,396	75,273	70,079	70,170	Cash and cash equivalents	133,850	128,013	119,735	95,733
Cost of sales	17,631	17,876	15,607	16,798	Current assets	222,131	198,194	191,273	169,295
Gross profit	56,766	57,396	54,472	53,372	Total assets	965,301	947,083	991,446	1,022,290
SG&A	4,492	5,770	4,262	4,173					
Interest expenses	2,938	2,637	3,285	3,216	Current liabilities	105,502	102,753	89,838	90,537
Other income	3,830	3,997	2,875	3,027	Total liabilities	429,425	399,817	411,533	406,839
Earning before taxes	29,122	34,343	28,126	25,607					
Income taxes	11,261	16,043	11,568	12,099	Shareholders' equity	535,876	547,266	579,913	615,451
Normalized profit	18,179	18,041	16,764	14,112	Paid-up share capital	3,970	3,970	3,970	3,970
FX gain/loss	742	(514)	(277)	324	Premium on share capital	105,418	105,418	105,418	105,418
Net profit	17,865	18,299	16,561	13,515	Retained earning	407,071	437,879	470,525	506,063
Sales growth	-10%	1%	-7%	0%	Total liabilities and shareholders' equity	965,301	947,083	991,446	1,022,290
Net profit growth	-25%	2%	-9%	-18%					
Gross profit margin	76%	76%	78%	76%	Assumption				
Net profit margin	24%	24%	24%	19%	At 31 December	2024	2025F	2026F	2027F
					Dubai crude oil price (US\$/BOE)	80	65	70	70
Financial Ratio					Avg. gas selling price (US\$/MMBTU)	5.87	5.50	5.10	5.10
At 31 December	2024	2025F	2026F	2027F	Avg. liquid selling price (US\$/BBL)	77	62	68	68
Current ratio (x)	2.11	1.93	2.13	1.87	Liquid sales volume growth	2%	8%	3%	2%
Receivable Turnover (x)	5.82	6.50	7.19	7.34	Gas sales volume growth	10%	5%	3%	2%
Inventory Turnover (days)	117.67	77.56	42.59	41.31	Avg. petroleum sales volume (000' bbl/d)	489	502	510	515
Payable Turnover (x)	1.23	1.07	1.14	1.29	Normalized profit growth	-1%	-38%	5%	6%
Debt to Equity	0.80	0.73	0.71	0.66	THB/USD exchange rate	35.4	33.0	33.0	33.0
Return on Asset	8.44	6.13	6.34	6.49					
Return on Equity	15.23	10.82	10.90	10.93					

Source: ASPS Research