

## Levy Cuts and Border Shuts

- Diesel levy delays and Cambodia's import ban pressure oil retail margins.
- OR is resilient, PTG and SUSCO more exposed.
- The stock has been de-rated, factoring in key risks.

### Diesel dilemma

On 19 Jun-25, Mr. Pornchai Jirakulpaisan, Director of the Policy and Planning Division at the Oil Fuel Fund Office, announced that the Oil Fuel Fund Executive Committee (OFFEC) approved an additional diesel levy reduction of THB0.70/litre, effective 20 Jun-25. The move aims to stabilize retail diesel prices amid rising global oil prices driven by heightened geopolitical tensions in the Middle East, particularly between Israel and Iran. We see this as a near-term risk for oil retail plays. With the levy rate unchanged over the weekend, any rise in oil prices during that period led to weaker marketing margin (MM) for oil retailers. This reflects ongoing MM pressure during periods of rising oil prices when the levy structure lags behind market movements.

### Cambodia pulls the plug

On 23 Jun-25, Cambodian Prime Minister Hun Manet announced via Facebook that Cambodia will suspend all fuel and gas imports from Thailand, effective midnight the same day. In 2024, Cambodia imported USD2.69b worth of oil and gas (USD1.4b on diesel fuel imports), with Thailand accounting for the largest share—valued at THB1.55b and representing over 50% of Cambodia's total oil and gas imports. The suspension presents a modest headwind for Thai oil exporters, particularly OR and SUSCO, both of which have an active presence in the Cambodian market.

### From steady flow to choppy waters

OR exported approximately 620m litres of refined oil to Cambodia in 2024, representing around 2% of its total sales volume. It also maintains a sizable local presence with 186 oil stations, 254 Café Amazon outlets, and 71 CVs. While Cambodia's suspension of fuel imports introduces some operational friction, we expect the impact on OR's earnings to be minimal - likely less than 5%, given the relatively small contribution of Cambodian fuel sales to its overall portfolio. In contrast, SUSCO appears more exposed, with 30m litres sold (10% of its total sale volume) and revenue from Cambodia accounting for roughly 27% of its total in 2024, making it more vulnerable to the policy shift.

### Who's feeling the burn?

The outlook for oil retail plays appears clouded by external headwinds, but we see a clear divergence in resilience across players. OR is likely to weather the situation better, with fuel exports to Cambodia accounting for only 2% of its total volume in 2024, while improving EBITDA margins in its lifestyle segment help cushion near-term risks. In contrast, PTG remains highly sensitive to shifts in MM. Although its non-oil arm, Punthai, continues to grow, it has yet to reach a scale that can meaningfully offset MM pressure. SUSCO faces the most near-term downside, with approximately 27% of its 2024 revenue exposed to Cambodia, alongside softness in its EV vehicle sales.

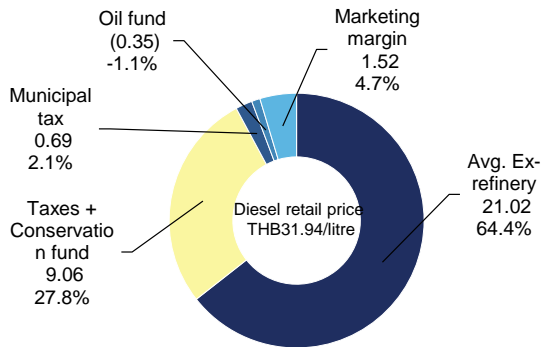
### From risk to reward

We pick OR and PTG as top picks among oil retail plays, as we believe most downside risks have already been priced in 1) pressure on marketing margins from rising oil prices, 2) OR's limited exposure to Cambodia, and 3) PTG's higher sensitivity to margin shifts, which is already reflected in its sharp de-rating. Valuations for both look attractive at current levels.

#### Analyst

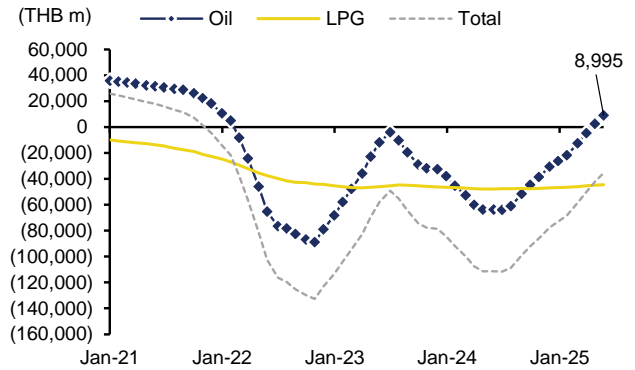
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**Exhibit 1: Diesel price structure as of 23 Jun-25**



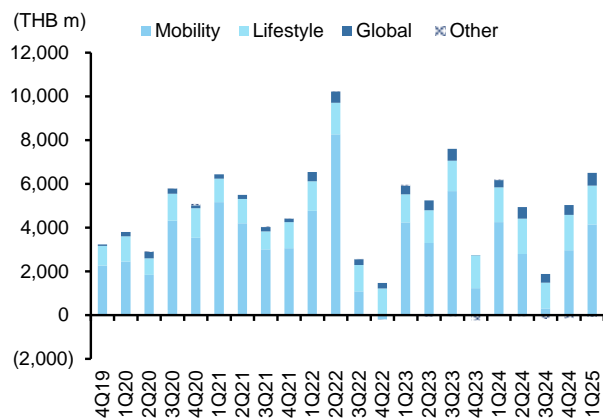
Sources: EEPO

**Exhibit 2: Estimated oil fuel fund status**



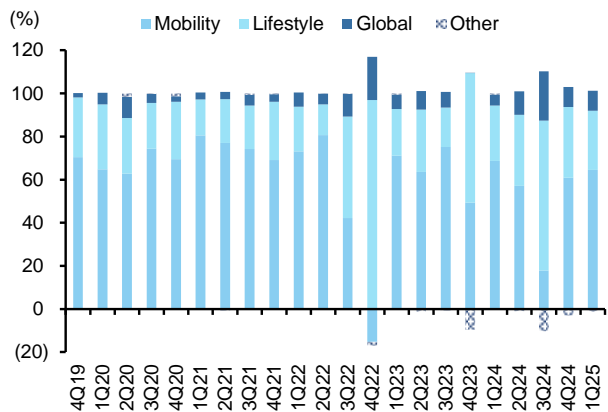
Sources: Oil Fuel Fund Office (OFFO)

**Exhibit 3: OR's EBITDA breakdown by segment**



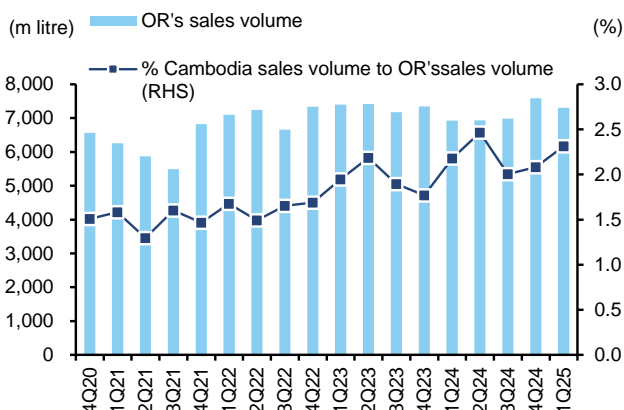
Sources: OR, Globlex Research

**Exhibit 4: OR's EBITDA breakdown by segment (%)**



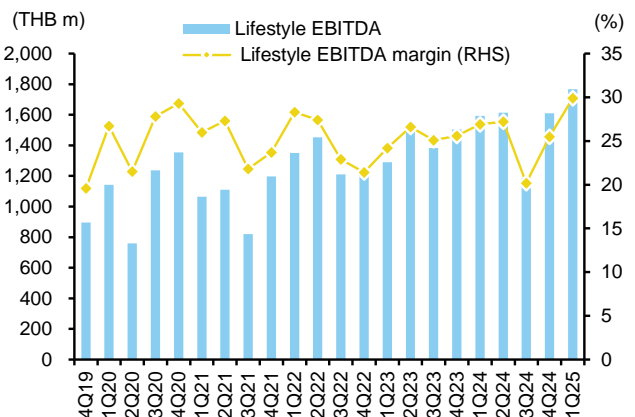
Sources: OR, Globlex Research

**Exhibit 5: OR's sales volume vs % Cambodia sales volume to OR sales volume**



Sources: OR, Globlex Research

**Exhibit 6: OR's lifestyle EBITDA vs lifestyle EBITDA margin**



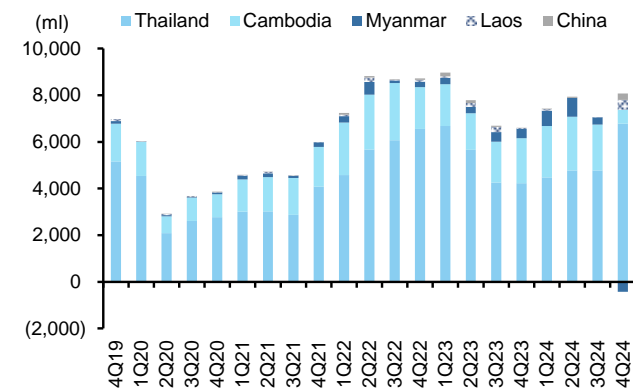
Sources: OR, Globlex Research

**Exhibit 7: OR's global business presence**



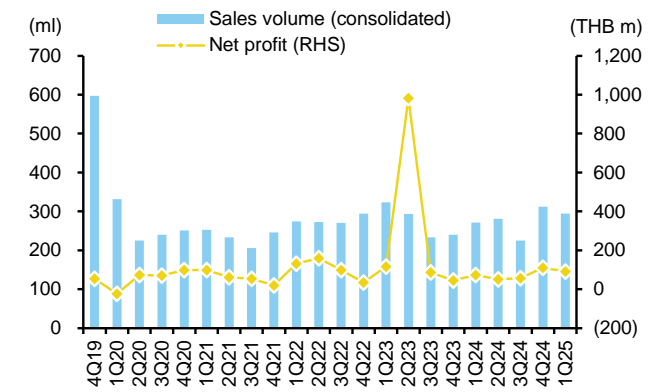
Sources: OR

**Exhibit 8: SUSCO's revenue breakdown by country**



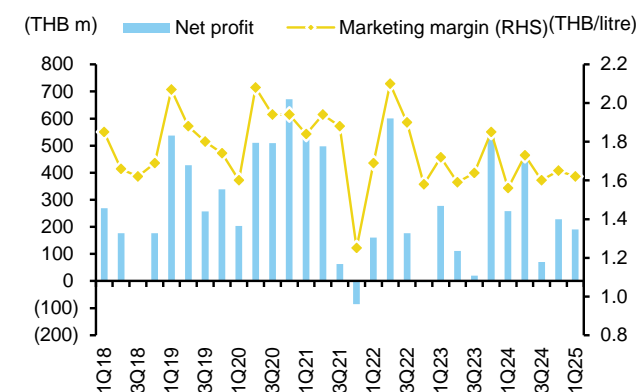
Sources: SUSCO, Globlex Research

**Exhibit 9: SUSCO's oil sales volume vs net profit**



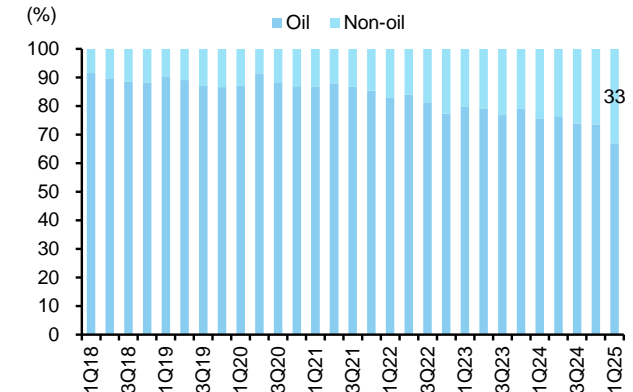
Sources: SUSCO, Globlex Research

**Exhibit 10: PTG's net profit and marketing margin**



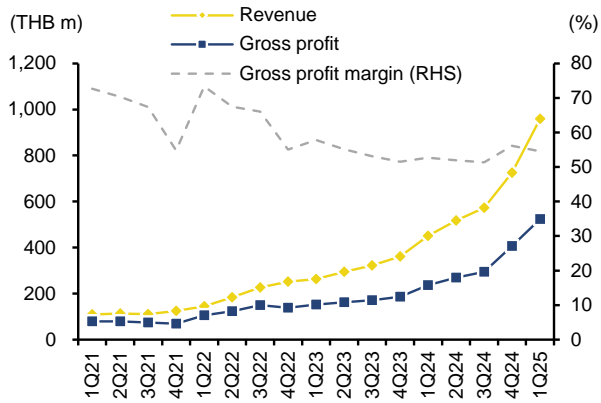
Sources: PTG, Globlex Research

**Exhibit 11: PTG's gross profit (%)**



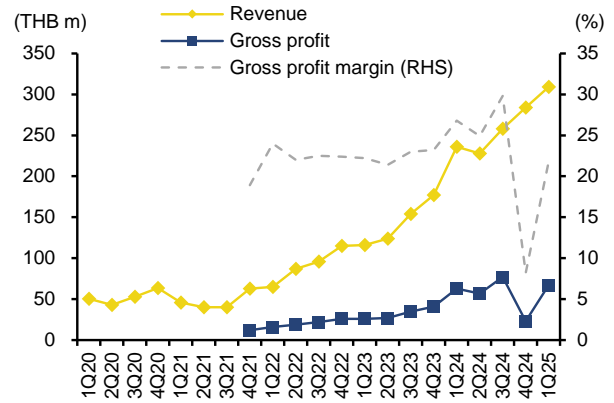
Sources: PTG, Globlex Research

**Exhibit 12: Punthai – Revenue, Gross profit and Gross profit margin**



Sources: PTG, Globlex Research

**Exhibit 13: Auto bacs – Revenue, Gross profit and Gross profit margin**



Sources: PTG, Globlex Research

## GENERAL DISCLAIMER

### Analyst Certification

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## RECOMMENDATION STRUCTURE

### Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as (target price\* - current price) / current price.

- BUY:** Expected return of 10% or more over the next 12 months.  
**HOLD:** Expected return between -10% and 10% over the next 12 months.  
**REDUCE:** Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

\* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

### Sector Recommendations

- Overweight:** The industry is expected to outperform the relevant primary market index over the next 12 months.  
**Neutral:** The industry is expected to perform in line with the relevant primary market index over the next 12 months.  
**Underweight:** The industry is expected to underperform the relevant primary market index over the next 12 months.

### Country (Strategy) Recommendations

**Overweight:** Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Neutral:** Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Underweight:** Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.