PTT EXPLORATION & PRODUCTION (PTTEP TB)

Globlex Securities Co., Ltd.

THAILAND / SET / ENERGY & UTILITIES

31 October 2025

Still in "oil price" doldrums

- Weak outlook could prolong from 3Q25 due to the weak oil price outlook on the "managed" oil price by the U.S.
- Revised down our EPS forecasts by 2.8%-3.5% to reflect our lower oil price assumptions to USD70/bbl in 2025E-27E
- Downgrade to HOLD and cut TP from THB140 to THB112

Weak 3Q25 results as expected

3Q25 net profit (NP) was THB12.7b, down 6% q-q and 29% y-y, due to a lower ASP that was offset partly by the higher sales volume. Excluding non-recurring items, 3Q25 core NP was THB12.2b, down 12% q-q and 27% y-y. EBITDA dropped to THB47.4b, down 7% q-q and 12% y-y. The EBITDA margin was 70% vs 73% in 2Q25. 3Q25 sales volume inched up to 510.5kboed (+1.1% q-q, +7.5% y-y).

Sales volume up but ASP down

ASP was UUSD43.17/boe, down 2% q-q, in 3Q25, dragged by the lower liquid price to USD67/bbl on the lower crude prices of Oman and Algeria projects but was partly offset by the higher gas price to USD5.8/mmbtu. The sales volume rose to 510kboed, up 1% q-q due to the acquisition of MTJDA A18 project and the fewer maintenance shutdowns of MTJDA B17-01 project.

Limited upsides on rising supply

We think the net profit outlook is now hanging on the crude oil price, which has been pressured by the higher supply from OPEC+ to counter the impact of market share loss and weaker selling price as a result of the influx of U.S. crude and LNG exports. PTTEP is now sitting on the global hanging oil and gas price rangebound, effectively mandated by the U.S. to manage its inflation and using energy as a weapon against any threats from producers in Middle East.

EPS forecast downgrades on or lower oil price assumptions

We revised down our EPS forecasts by 2.8%-3.5% to incorporate 1) our lower oil price assumptions by 6.7%-7.6% to USD70/bb/ in 2025-27; 2) lowered ASP by 2.8%-3.5% to reflect the lower crude oil price; and 3) maintain sales volumes and gas prices. We think PTTEP is now seeing mediocre growth outlook in the next 6-12 months given the "managed" oil and gas prices by the U.S. to sustain its own lower-for-longer inflations.

Downgrade to HOLD and cut TP to THB112

We downgrade from BUY to HOLD and cut our TP from THB140 to THB112, based on 1.5x 2026E EV/EBITDA to reflect 1) our valuation rollover to 2026E; 2) weaker oil price outlook due to the pressure from U.S. against OPEC+. We preferred downstream refinery TOP and BCP as our top picks in Thai energy sector over upstream PTT and PTTEP, mainly on the lower-than-expected oil price outlook and stronger-than-expected GRM on the back of lower exports from U.S.

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ESG Rating : AA

CG Rating :

HOLD

Target Price 12M (THB)	**112.00**
VS. BB Consensus TP (%)	-16.6%
Share Price (THB)	108.50
Upside/Downside	+3.2%

Share Data

Market Cap (THB m)	430,743.42
Par (THB)	1.00
Free Float (%)	34.69
Issued shares (m shares)	3,970

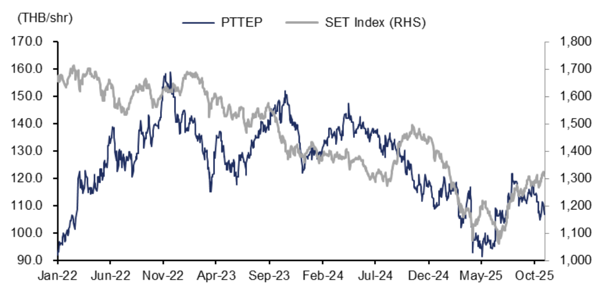
Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	312,310	308,469	300,523	294,442
Net profit	78,824	69,551	67,744	64,653
Core net profit	79,219	69,551	67,744	64,653
vs Consensus (%)		11.7	13.5	12.7
Net profit growth (%)	2.8	(11.8)	(2.6)	(4.6)
Core net profit growth (%)	(2.6)	(12.2)	(2.6)	(4.6)
EPS (THB)	19.86	17.52	17.06	16.29
Core EPS (THB)	19.95	17.52	17.06	16.29
Chg from previous (%)		(3.49)	(2.84)	(2.84)
DPS (THB)	9.63	5.26	5.12	4.89
P/E (x)	5.99	6.19	6.36	6.66
P/BV (x)	0.88	0.74	0.68	0.64
ROE (%)	15.31	12.42	11.14	9.88
Dividend yield (%)	8.09	4.84	4.72	4.50

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(6.06)	(16.89)	9.05	(8.82)
Market	(8.95)	(18.51)	(0.69)	(2.89)
12M High/Low (THB)				133.00 / 93.00



Major Shareholders (%) as of 13 Aug 2025

PTT Public Company Limited	63.79
Thai NVDR	6.52
STATE STREET EUROPE LIMITED	1.80

Company Profile

The principal business operations of the group are exploration and production of petroleum in Thailand and overseas, foreign gas pipeline transportation, and investment in projects strategically connected to the energy business.

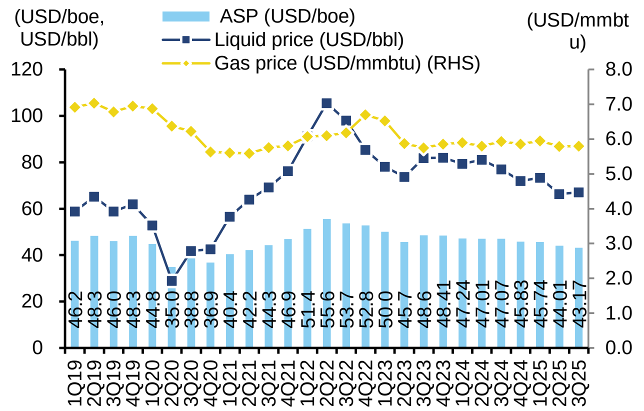
Source: SETSMART, SET

Exhibit 1: Summary of 3Q25/9M25 operations

	3Q24 (THB m)	2Q25 (THB m)	3Q25 (THB m)	3Q25 (q-q%)	3Q25 (y-y%)	9M24 (THB m)	9M25 (THB m)	chg. (y-y%)
Revenue	**74,396**	**70,170**	**67,648**	**(3.6)**	**(9.1)**	**231,954**	**207,897**	**(10.4)**
Operating costs	(20,728)	(19,052)	(20,225)	(6.2)	2.4	(54,984)	(58,114)	(5.7)
EBITDA	**53,668**	**51,119**	**47,423**	**(7.2)**	**(11.6)**	**176,970**	**149,783**	**(15.4)**
EBITDA margin (%)	72	73	70	nm	nm	76.3	72.0	(5.6)
Depn & amort.	(25,182)	(24,974)	(23,810)	4.7	5.5	(48,081)	(71,891)	(49.5)
EBIT	28,486	26,144	23,613	(9.7)	(17.1)	54,279	77,892	43.5
Interest expense	(2,938)	(3,216)	(3,184)	1.0	(8.4)	(6,500)	(9,684)	(49.0)
Interest & invt inc	3,830	3,109	2,359	(24.1)	(38.4)	5,984	8,343	39.4
Associates' contrib	35	156	155	(0.8)	339.7	625	780	24.8
Exceptionals	(291)	(586)	553	194.3	290.1	(654)	(101)	84.5
Pretax profit	**29,122**	**25,607**	**23,496**	**(8.2)**	**(19.3)**	**53,733**	**77,229**	**43.7**
Tax	(11,261)	(12,099)	(10,802)	10.7	4.1	(23,666)	(34,468)	(45.6)
Tax rate (%)	39	47	46	nm	nm	44.0	44.6	1.3
Minority interests	3	7	(0)	(106.5)	(112.3)	10	9	(4.5)
Net profit	**17,865**	**13,515**	**12,694**	**(6.1)**	**(28.9)**	**30,076**	**42,770**	**42.2**
Non-recurring	1,074	(355)	452	227.1	(57.9)	(420)	32	107.5
Core net profit	**16,791**	**13,871**	**12,243**	**(11.7)**	**(27.1)**	**30,496**	**42,739**	**40.1**
EPS (THB)	4.50	3.40	3.20	(6.1)	(28.9)	7.58	10.77	42.2
Core EPS (THB)	4.23	3.49	3.08	(11.7)	(27.1)	7.68	10.77	40.1

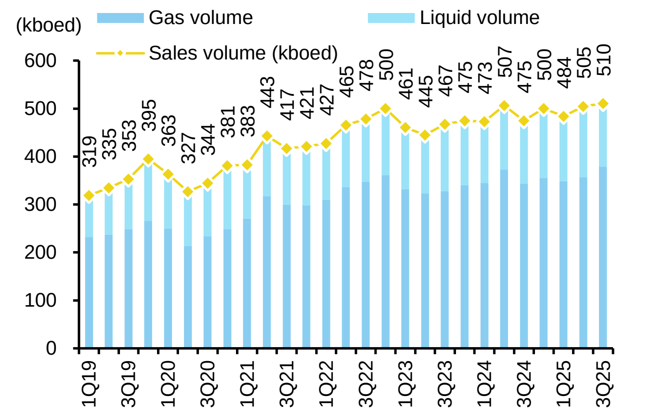
Sources: PTTEP; Globlex Research

Exhibit 2: ASP, liquid price, gas price



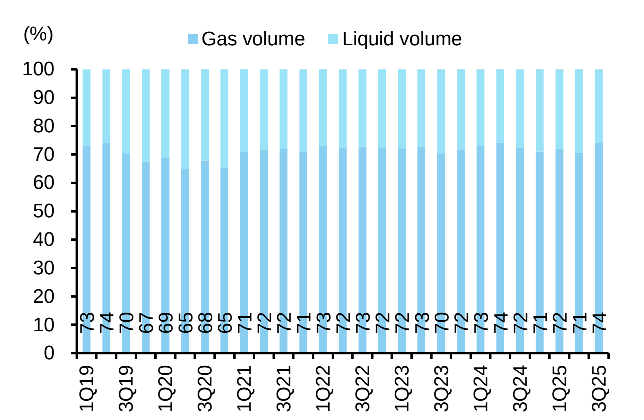
Sources: PTTEP; Globlex Research

Exhibit 3: Sales volume by gas and liquid



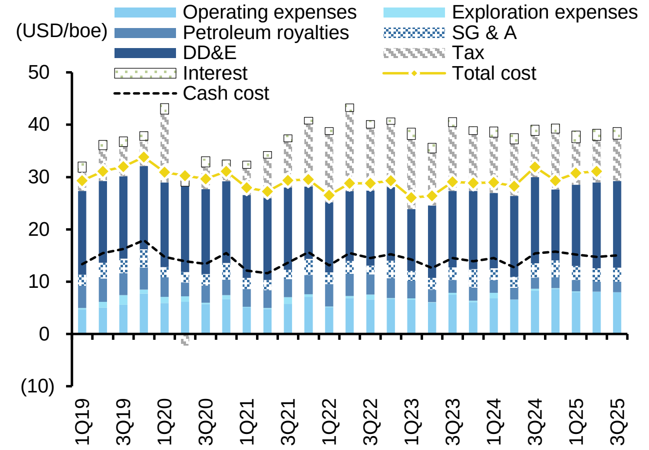
Sources: PTTEP; Globlex Research

Exhibit 4: Sales volume breakdown by liquid/gas



Sources: PTTEP; Globlex Research

Exhibit 5: Cost structure



Sources: PTTEP; Globlex Research

Exhibit 6: Key changes in assumptions

THB m	Current			Previous			Change (%)		
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Revenue	308,469	300,523	294,442	319,569	309,269	303,011	(3.5)	(2.8)	(2.8)
Gross profit	262,070	258,214	258,439	269,851	264,344	264,445	(2.9)	(2.3)	(2.3)
Operating profit	166,444	165,052	164,217	170,784	168,471	167,482	(2.5)	(2.0)	(1.9)
Net profit	69,551	67,744	64,653	72,065	69,725	66,545	(3.5)	(2.8)	(2.8)
EPS	17.52	17.06	16.29	18.15	17.56	16.76	(3.5)	(2.8)	(2.8)
Key assumptions									
Brent oil price (USD/bbl)	70	70	70	76	75	75	(7.9)	(6.7)	(6.7)
Sales volume (boed)	504,040	494,190	484,190	504,040	494,190	484,190	0.0	0.0	0.0
ASP (USD/boe)	46.7	46.4	46.4	48.4	47.7	47.7	(3.5)	(2.8)	(2.8)
Gas price (USD/mmbtu)	6.4	6.4	6.4	6.4	6.4	6.4	0.0	0.0	0.0
Cost (USD/boe)	30.0	30.0	29.0	30.0	30.0	29	0.0	0.0	0.0

Sources: PTTEP; Globlex Research

Balance sheet (THB m) Year ending Dec	2023	2024	2025E	2026E	2027E
Current assets					
Cash & ST investment	137,542	133,850	129,880	156,202	191,581
Account receivable	62,241	43,270	42,738	41,637	40,795
Inventories	20,914	22,759	22,479	21,900	21,457
Others	23,871	34,449	35,766	37,083	38,400
Non-current assets					
Net fixed assets	440,271	490,484	562,675	623,316	672,738
Others	217,982	240,488	189,343	138,478	87,612
Total Assets	**902,821**	**965,301**	**982,882**	**1,018,616**	**1,052,583**
Current liabilities					
Account payable	52,972	66,325	65,510	63,822	62,531
ST borrowing	13,208	13,208	13,208	13,208	13,208
Others	22,411	25,969	24,058	22,147	20,236
Long-term liabilities					
Long-term debts	95,320	95,009	75,000	75,000	75,000
Others	219,468	228,915	220,827	212,739	204,651
Total liabilities	**403,378**	**429,425**	**398,602**	**386,915**	**375,625**
Paid-up capital	109,388	109,388	109,388	109,388	109,388
Retained earnings	366,988	407,071	455,756	503,177	548,434
Others	22,951	19,137	19,137	19,137	19,137
Minority interest	116	281	0	0	0
Shareholders' equity	**499,443**	**535,876**	**584,280**	**631,701**	**676,958**

Profit & loss (THB m) Year ending Dec	2023	2024	2025E	2026E	2027E
Revenue	**300,694**	**312,310**	**308,469**	**300,523**	**294,442**
Cost of goods sold	(29,076)	(29,718)	(46,399)	(42,310)	(36,004)
Gross profit	**271,618**	**282,592**	**262,070**	**258,214**	**258,439**
Operating expenses	(98,301)	(113,154)	(95,625)	(93,162)	(94,222)
Operating profit	**173,317**	**169,438**	**166,444**	**165,052**	**164,217**
EBIT	**140,788**	**131,422**	**120,611**	**117,505**	**112,183**
Depreciation	(32,529)	(38,016)	(45,833)	(47,547)	(52,035)
EBITDA	**173,317**	**169,438**	**166,444**	**165,052**	**164,217**
Non-operating income	**2,288**	**8,223**	**8,435**	**8,435**	**8,435**
Other incomes	5,304	8,435	8,435	8,435	8,435
Other non-op income	(3,016)	(212)	-	-	-
Non-operating expense	**(4,145)**	**(4,931)**	**(10,325)**	**(10,336)**	**(10,348)**
Interest expense	(10,243)	(11,813)	(11,825)	(11,836)	(11,848)
Other non-op expense	6,099	6,882	1,500	1,500	1,500
Equity income/(loss)	1,477	1,317	1,317	1,317	1,317
Pre-tax Profit	**140,408**	**136,031**	**120,039**	**116,920**	**111,586**
Extraordinary items					
Current taxation	(63,704)	(57,214)	(50,488)	(49,176)	(46,933)
Minorities	2	7	0	0	0
Net Profit	**76,706**	**78,824**	**69,551**	**67,744**	**64,653**
Core net profit	**81,348**	**79,219**	**69,551**	**67,744**	**64,653**
EPS (THB)	**19.32**	**19.86**	**17.52**	**17.06**	**16.29**
Core EPS (THB)	**20.49**	**19.95**	**17.52**	**17.06**	**16.29**

Key ratios Year ending Dec	2023	2024	2025E	2026E	2027E
Growth (%YoY)					
Sales	(9.3)	3.9	(1.2)	(2.6)	(2.0)
Operating profit	(11.2)	(2.2)	(1.8)	(0.8)	(0.5)
EBITDA	(11.2)	(2.2)	(1.8)	(0.8)	(0.5)
Net profit	8.2	2.8	(11.8)	(2.6)	(4.6)
Core net profit	(13.1)	(2.6)	(12.2)	(2.6)	(4.6)
EPS	8.2	2.8	(11.8)	(2.6)	(4.6)
Core EPS	(13.1)	(2.6)	(12.2)	(2.6)	(4.6)
Profitability (%)					
Gross margin	90.3	90.5	85.0	85.9	87.8
Operation margin	57.6	54.3	54.0	54.9	55.8
EBITDA margin	57.6	54.3	54.0	54.9	55.8
Net margin	25.5	25.2	22.5	22.5	22.0
ROE	16.8	15.3	12.4	11.1	9.9
ROA	9.4	8.7	7.3	7.0	6.4
Stability					
Interest bearing debt/equity (x)	0.2	0.2	0.2	0.1	0.1
Net debt/equity (x)	n.a.	n.a.	n.a.	n.a.	n.a.
Interest coverage (x)	13.7	11.1	10.2	9.9	9.5
Interest & ST debt coverage (x)	6.0	5.3	4.8	4.7	4.5
Cash flow interest coverage (x)	0.2	0.3	0.3	0.3	0.3
Current ratio (x)	2.8	2.2	2.2	2.6	3.0
Quick ratio (x)	2.3	1.7	1.7	2.0	2.4
Net debt (THB m)	(29,014)	(25,633)	(41,673)	(67,994)	(103,374)
Activity					
Asset turnover (X)	0.3	0.3	0.3	0.3	0.3
Days receivables	63.4	61.7	50.9	51.2	51.1
Days inventory	251.3	268.2	177.9	191.4	219.8
Days payable	770.8	732.6	518.5	557.9	640.5
Cash cycle days	(456)	(403)	(290)	(315)	(370)

Cash flow (THB m) Year ending Dec	2023	2024	2025E	2026E	2027E
Operating cash flow	**85,673**	**132,674**	**116,196**	**116,971**	**117,974**
Net profit	76,706	78,824	69,551	67,744	64,653
Depre.& amortization	32,529	38,016	45,833	47,547	52,035
Change in working capital	(23,562)	15,834	812	1,680	1,286
Others	-	-	-	-	-
Investment cash flow	**(130,332)**	**(129,500)**	**(184,937)**	**(179,508)**	**(179,508)**
Net CAPEX	(131,633)	(131,633)	(186,774)	(179,508)	(179,508)
Change in LT investment	-	-	-	-	-
Change in other assets	1,301	2,133	1,837	-	-
Free cash flow	**(44,659)**	**3,175**	**(68,741)**	**(62,538)**	**(61,535)**
Financing cash flow	**60,377**	**(6,829)**	**64,772**	**88,859**	**96,914**
Change in share capital	-	-	-	-	-
Net change in debt	(1,775)	(311)	(20,009)	-	-
Dividend paid	(37,715)	(38,211)	(20,865)	(20,323)	(19,396)
Others	99,867	31,693	105,645	109,182	116,310
Net cash flow	**15,718**	**(3,655)**	**(3,970)**	**26,322**	**35,380**

Per share (THB)	2023	2024	2025E	2026E	2027E
EPS	19.32	19.86	17.52	17.06	16.29
Core EPS	20.49	19.95	17.52	17.06	16.29
CFPS	27.51	29.43	29.06	29.04	29.39
BVPS	125.78	134.91	147.17	159.12	170.52
Sales/share	75.74	78.67	77.70	75.70	74.17
EBITDA/share	43.66	42.68	41.93	41.57	41.36
DPS	9.50	9.63	5.26	5.12	4.89
Valuation					
P/E (x)	7.7	6.0	6.2	6.4	6.7
P/BV (x)	1.2	0.9	0.7	0.7	0.6
Dividend yield (%)	6.4	8.1	4.8	4.7	4.5
Divdend payout ratio (%)	49.2	48.5	30.0	30.0	30.0

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.