

## PTTEP in the Eye of a Geopolitical Oil Storm

- U.S.–Iran tensions keep oil risk premiums elevated, supporting Brent at USD 65–75/bbl.
- PTTEP's NP benefit from strong oil price and volume growth
- Upgrade to BUY from HOLD at TP of THB128

### Iran Tension Bias Keeps Brent Supported

Apart from Venezuela, renewed U.S.–Iran tensions have emerged as a key source of oil market volatility, lifting geopolitical risk premiums on concerns over sanctions, U.S. pressure, and potential military escalation. These risks have pushed benchmarks such as Brent crude above USD65/bbl, reflecting heightened anxiety about potential disruptions to Iranian oil production and exports. We see the current risk premium and attendant price support benefiting PTTEP if pressures persist or intensify in the near to mid-term.

### Iran's Oil Flows Anchor Global Supply Risk

Iran is strategically significant for global oil markets as one of OPEC's largest producers and exporters, supplying 4 % of global oil demand with 3.9-4 mbpd of production and 1.3-2 mbpd of exports. Its location on the Strait of Hormuz, a vital chokepoint through which roughly 20 % of the world's oil and liquefied natural gas trade passes daily, underscores its importance to global energy security. Even credible threats to this passage lift risk premiums and trigger price moves, as most Middle East crude exports must transit this narrow corridor with limited alternative routes.

### Geopolitics Put a Floor Under Oil

In the context of persistent geopolitical risk, continued volatility is likely to tighten effective global supply and support prices despite stable demand. We maintain our view that Brent crude oil will trade within a USD 65–75/bbl range, with a USD 5/bbl upside if geopolitical pressures persist or intensify, reflecting elevated risk premiums from potential supply disruptions, particularly around the Strait of Hormuz, and the material role of Iranian crude within OPEC supply.

### Oil on PTTEP Side

We see PTTEP's 2026 earnings outlook improving, driven by volume growth and a near to mid-term structural uplift in oil prices. Sales volumes are expected to rise to 566 kboed from prior M&A and production ramp-ups at core fields, while firmer oil prices should strengthen ASP, offsetting a modest gas price of USD 5.7/mmbtu and elevated unit costs of USD 30-31/boe.

### Upgrade to BUY from HOLD at TP of THB128

We upgrade to BUY from HOLD and raise our TP to THB128 (from THB112), driven by a rerating to 1.9x 2026E EV/EBITDA from 1.6x. The higher multiple reflects a near to mid-term structural shift, supported by a more favorable crude oil price environment and improved earnings visibility.

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ESG Rating : AA

CG Rating : ▲▲▲▲▲

## BUY (from HOLD)

Target Price 12M (THB)	128.00
VS. BB Consensus TP (%)	-0.3%
Share Price (THB)	114.00
Upside/Downside	+12.3%

#### Share Data

Market Cap (THB m)	452,578.34
Par (THB)	1.00
Free Float (%)	34.69
Issued shares (m shares)	3,970

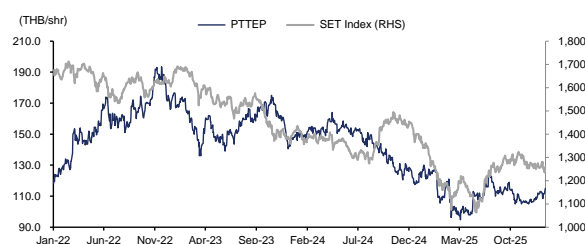
#### Financial forecast

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 (%)		12.2	13.7	7.9
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 (%)		0.00	0.00	0.00
DPS (THB)	9.63	8.76	8.53	8.14
P/E (x)	5.99	6.51	6.68	7.00
P/BV (x)	0.88	0.79	0.75	0.71
ROE (%)	15.31	12.58	11.53	10.42
Dividend yield (%)	8.09	7.68	7.48	7.14

Source: Financial Statement and Globlex securities

#### Share Price Performance (%)

	1M	3M	6M	YTD
Stock	5.56	6.05	1.79	0.88
Market	6.39	7.93	(6.48)	2.13
12M High/Low (THB)	130.50 / 93.00			



#### Major Shareholders (%) as of 13 Aug 2025

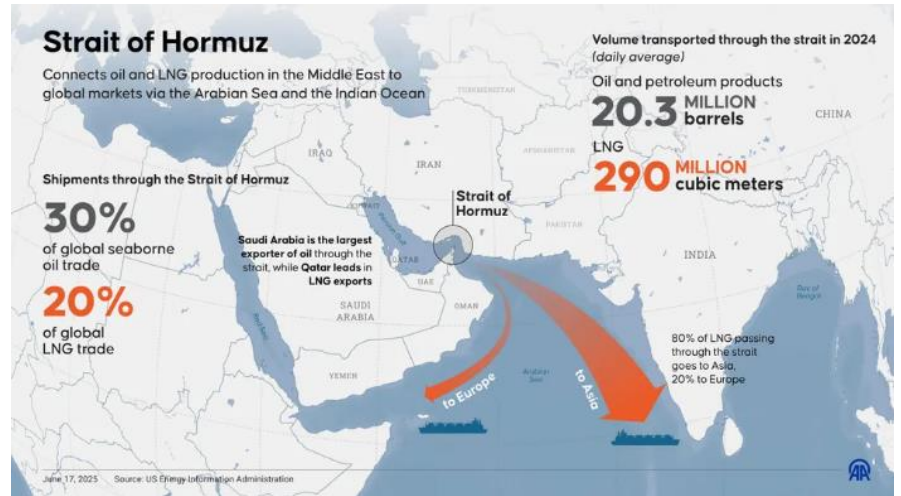
PTT Public Company Limited	63.79
Thai NVDR	6.52
STATE STREET EUROPE LIMITED	1.80

#### 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.

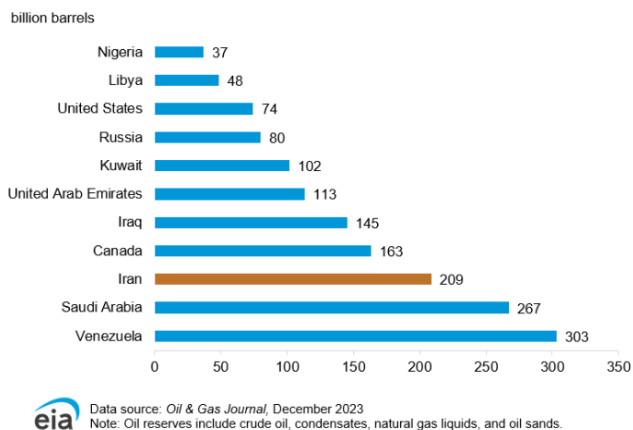
Source: SETSMART, SET

**Exhibit 1: Strait of Hormuz**



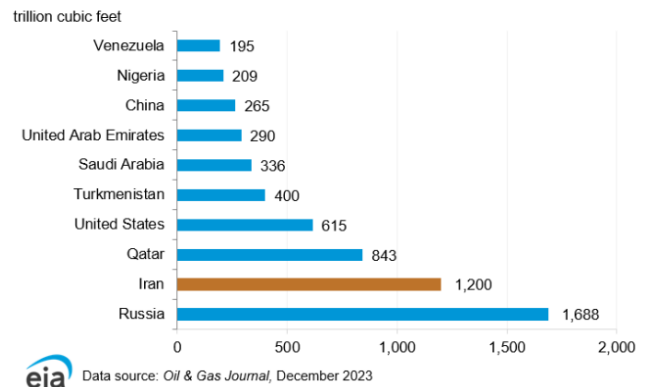
Sources: [Forbes](#)

**Exhibit 2: Largest proved reserve of total oil as of 2024**



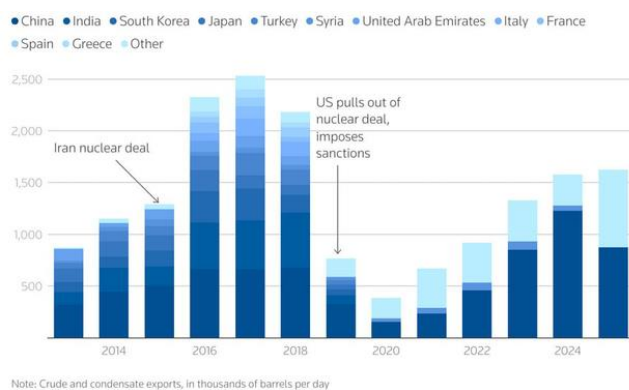
Sources: EIA

**Exhibit 3: Largest proved reserve of total natural gas as of 2024**



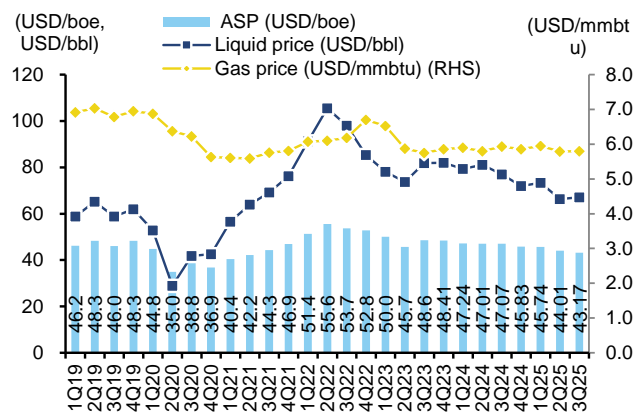
Sources: EIA

**Exhibit 4: Iran's crude oil and condensate exports by destination**



Sources: [Wanaa](#)

**Exhibit 5: ASP, liquid and gas prices**



Sources: PTTEP; Globlex Research

Balance sheet (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Current assets</b>					
Cash & ST investment	137,542	133,850	115,970	128,743	151,192
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
<b>Non-current assets</b>					
Net fixed assets	440,271	490,484	562,675	623,316	672,738
Others	217,982	240,488	189,343	138,478	87,612
<b>Total Assets</b>	<b>902,821</b>	<b>965,301</b>	<b>968,972</b>	<b>991,157</b>	<b>1,012,194</b>
<b>Current liabilities</b>					
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
<b>Long-term liabilities</b>					
Long-term debts	95,320	95,009	75,000	75,000	75,000
Others	219,468	228,915	220,827	212,739	204,651
<b>Total liabilities</b>	<b>403,378</b>	<b>429,425</b>	<b>398,602</b>	<b>386,915</b>	<b>375,625</b>
Paid-up capital	109,388	109,388	109,388	109,388	109,388
Retained earnings	366,988	407,071	441,846	475,718	508,044
Others	22,951	19,137	19,137	19,137	19,137
Minority interest	116	281	0	0	0
<b>Shareholders' equity</b>	<b>499,443</b>	<b>535,876</b>	<b>570,370</b>	<b>604,242</b>	<b>636,569</b>

Key ratios					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Growth (%YoY)</b>					
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)
<b>Profitability (%)</b>					
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	12.6	11.5	10.4
ROA	9.4	8.7	7.4	7.1	6.7
<b>Stability</b>					
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	2.1	2.3	2.6
Quick ratio (x)	2.3	1.7	1.5	1.7	2.0
Net debt (THB m)	(29,014)	(25,633)	(27,762)	(40,535)	(62,984)
<b>Activity</b>					
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)

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

Cash flow (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Operating cash flow</b>	<b>85,673</b>	<b>132,674</b>	<b>116,196</b>	<b>116,971</b>	<b>117,974</b>
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	-	-	-	-	-
<b>Investment cash flow</b>	<b>(130,332)</b>	<b>(129,500)</b>	<b>(184,937)</b>	<b>(179,508)</b>	<b>(179,508)</b>
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	-	-
<b>Free cash flow</b>	<b>(44,659)</b>	<b>3,175</b>	<b>(68,741)</b>	<b>(62,538)</b>	<b>(61,535)</b>
<b>Financing cash flow</b>	<b>59,877</b>	<b>(6,867)</b>	<b>50,861</b>	<b>75,311</b>	<b>83,983</b>
Change in share capital	-	-	-	-	-
Net change in debt	(1,775)	(311)	(20,009)	-	-
Dividend paid	(37,715)	(38,211)	(34,775)	(33,872)	(32,327)
Others	99,367	31,656	105,645	109,182	116,310
<b>Net cash flow</b>	<b>15,218</b>	<b>(3,692)</b>	<b>(17,880)</b>	<b>12,773</b>	<b>22,449</b>

Per share (THB)					
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	143.67	152.20	160.35
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	8.76	8.53	8.14
<b>Valuation</b>					
P/E (x)	7.7	6.0	6.5	6.7	7.0
P/BV (x)	1.2	0.9	0.8	0.7	0.7
Dividend yield (%)	6.4	8.1	7.7	7.5	7.1
Dividend payout ratio (%)	49.2	48.5	50.0	50.0	50.0



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### 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.