

## Worst is behind; time to smile

- Worst is behind and now is stepping out of multi-year growth traps
- Enhancing industry and Thailand's regulatory environments substantiate our BUY conviction
- Upgrade from HOLD to BUY and lifted SoTP to THB45

### 4Q25 poor core net profit boosted by extra gains

4Q25 net profit (NP) was THB25.5b, up 29% q-q and 174% y-y. Excluding non-recurring items, core NP stood at THB16.2b (-14% q-q, +13% y-y). Key points are 1) weaker Gas EBIT (-12% q-q to THB8.2b) from weaker GSP and S&T performance, hurt by higher Pool Gas cost; 2) a stronger Refining EBIT on a higher accounting GRM to offset depressed chemical EBIT; 3) Oil trading EBIT reversed to THB3.9b loss from a THB1.1b NP in 3Q25; and 4) Oil EBIT dropped by 21% q-q to THB2.5b on lower gross margins. PTTEP's EBIT inched lower by 1% q-q to THB24.4b, pressured by lower ASP and higher costs.

### Reversing to "Gulf Gas Pricing" for GSP from 2026 onwards

In 4Q25, gas EBITDA dipped to THB13.1b (-6% q-q, -11% y-y), pressured by weaker performance in both S&T and GSP business. S&T volume dropped to 3,725mmscfd (-1% q-q, -7% y-y), while GSP sales improved to 1.67mtpa (+6% q-q, -1% y-y) hurt by higher gas cost and lower ASP. However, starting in 2026 onwards, gas cost for GSP will drop after GSP's gas feedstock pricing returning back to its "Gulf Gas" from previous "Pool Gas" formula, adding annual THB6.0b NP.

### PTTEP remained a core driver while refinery emerged stronger

PTTEP's EBITDA declined 2% q-q and 13% y-y, pressured by lower ASP and higher administrative expenses, despite a 6% q-q and 8% y-y rise in sales volume. Market GRM surged to USD8.0/bbl (+95% q-q, +86% y-y), boosted by stronger gasoil and jet spreads and higher sales volume. USD3.2/bbl inventory loss and USD0.8/bbl hedging loss though hurt accounting GRM (USD4.0/bbl). Petrochemical performance worsened, dragged by poor olefins/aromatics spreads.

### A new life as a key beneficiary of geopolitical tensions

We now turned positive for PTT's net profit outlook for the first time in 6 years as earnings will be driven by 1) lower gas cost for GSPs; 2) improving refinery earnings; 3) stronger PTTEP's NPs on higher oil and gas prices; 4) structural improvement in OR's earnings outlook on strategic shift and rising market margin. We think PTT is likely to extricate itself from the multi-year growth traps as geopolitical tensions structurally lift oil and gas prices higher while improving Thailand's politics further strengthen PTT's oil and gas earnings outlook.

### Upgrade from HOLD to BUY and lifted SoTP TP to THB45

We upgrade from HOLD to BUY and lifted our SoTP-based TP from THB33 to THB45 to reflect 1) our upgrades in EPS forecasts in 2026E-28E; 2) valuation rollover to 2026. We believe the worst is over for PTT with downsides already priced in while upsides emerge and is now growing on enhancing industry and regulatory environments.

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ESG Rating : AAA

CG Rating : ▲▲▲▲▲

## BUY (from HOLD)

Target Price 12M (THB)	45.00
VS. BB Consensus TP (%)	+23.3%
Share Price (THB)	36.25
Upside/Downside	+24.1%

#### Share Data

Market Cap (THB m)	1,035,408.61
Par (THB)	1.00
Free Float (%)	48.88
Issued shares (m shares)	28,563

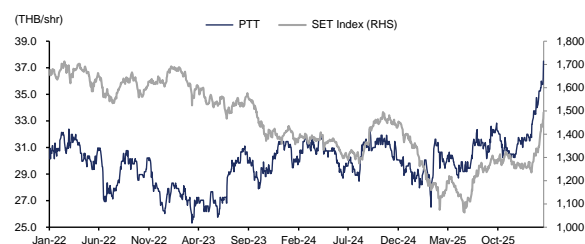
#### Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	2,662,145	2,457,334	2,642,461	2,825,486
Net profit	90,166	119,311	114,118	126,155
Core net profit	90,166	119,311	114,118	126,155
vs Consensus (%)		26.2	16.5	24.2
Net profit growth (%)	0.1	32.3	(4.4)	10.5
Core net profit growth (%)	(4.7)	32.3	(4.4)	10.5
EPS (THB)	3.16	4.18	4.00	4.42
Core EPS (THB)	3.16	4.18	4.00	4.42
Chg from previous (%)		12.09	1.00	na
DPS (THB)	1.50	1.98	1.90	2.10
P/E (x)	10.14	8.68	9.07	8.21
P/BV (x)	0.81	0.87	0.83	0.79
ROE (%)	7.92	10.30	9.35	9.83
Dividend yield (%)	4.69	5.48	5.24	5.79

Source: Financial Statement and Globlex securities

#### Share Price Performance (%)

	1M	3M	6M	YTD
Stock	9.85	18.85	12.40	13.28
Market	(4.46)	2.92	(4.79)	(2.71)
12M High/Low (THB)				36.25 / 27.00



#### Major Shareholders (%) as of as of 2 Oct 2025

Ministry of Finance 51.38

#### Company Profile

The Company's operated businesses consist of natural gas, gas transmission, international trading, new business and infrastructure business; the rest are invested through subsidiaries joint arrangements and associates, and PTT Group, namely exploration and production, liquefied natural gas, petrochemical and refining, oil and retail, power and utilities, coal and service businesses.

Source: SETSMART, SET

### Exhibit 1: Summary of 4Q25/2025 operations

	4Q24 (THB m)	3Q25 (THB m)	4Q25 (THB m)	(q-q%)	(y-y%)	2024 (THB m)	2025 (THB m)	chg. (y-y%)
<b>Revenue</b>	<b>724,396</b>	<b>646,689</b>	<b>638,479</b>	<b>(1.3)</b>	<b>(11.9)</b>	<b>3,090,453</b>	<b>2,662,145</b>	<b>(13.9)</b>
Operating costs	(631,105)	(560,920)	(563,587)	(0.5)	10.7	(2,716,567)	(2,326,675)	14.4
<b>EBITDA</b>	<b>93,291</b>	<b>85,769</b>	<b>74,892</b>	<b>(12.7)</b>	<b>(19.7)</b>	<b>373,886</b>	<b>335,470</b>	<b>(10.3)</b>
EBITDA margin (%)	12.9	13.3	11.7	nm	nm	12.1	12.6	nm
Depn & amort.	(43,782)	(45,741)	137,382	400.3	413.8	(191,423)	(200,631)	(4.8)
EBIT	49,509	40,028	212,274	430.3	328.8	182,464	134,839	(26.1)
Interest expense	(10,898)	(9,985)	(8,916)	10.7	18.2	(46,821)	(40,448)	13.6
Interest & invt inc	6,600	9,413	16,111	71.2	144.1	10,711	20,016	86.9
Associates' contrib	1,223	313	4,455	1,324.2	264.3	(6,668)	13,031	295.4
Exceptionals	(18,987)	3,710	6,883	85.5	136.2	40,992	47,888	16.8
<b>Pretax profit</b>	<b>27,446</b>	<b>43,479</b>	<b>230,806</b>	<b>430.8</b>	<b>740.9</b>	<b>180,678</b>	<b>175,326</b>	<b>(3.0)</b>
Tax	(16,182)	(14,632)	(11,976)	18.2	26.0	(67,210)	(57,600)	14.3
Tax rate (%)	(59.0)	(33.7)	(5.2)	nm	nm	37.2	32.9	nm
Minority interests	(1,953)	(6,285)	(5,098)	18.9	(161.1)	(23,396)	(27,559)	(17.8)
<b>Net profit</b>	<b>9,312</b>	<b>19,783</b>	<b>25,535</b>	<b>29.1</b>	<b>174.2</b>	<b>90,072</b>	<b>90,166</b>	<b>0.1</b>
Non-recurring	(5,055)	936	9,342	897.7	284.8	(4,524)	14,294	416.0
<b>Core net profit</b>	<b>14,367</b>	<b>18,847</b>	<b>16,193</b>	<b>(14.1)</b>	<b>12.7</b>	<b>94,596</b>	<b>75,872</b>	<b>(19.8)</b>
EPS (THB)	0.33	0.69	0.89	29.1	174.2	3.15	3.16	0.1
Core EPS (THB)	0.50	0.66	0.57	(14.1)	12.7	3.31	2.66	(19.8)

Sources: PTT, Globlex Research

### Exhibit 2: 4Q25/2025 performance of key segments

	4Q24 (THB m)	3Q25 (THB m)	4Q25 (THB m)	(q-q %)	(y-y %)	2024 (THB m)	2025 (THB m)	chg. (y-y%)
<b>EBITDA</b>	<b>93,291</b>	<b>85,769</b>	<b>74,892</b>	<b>(12.7)</b>	<b>(19.7)</b>	<b>396,345</b>	<b>332,849</b>	<b>(16.0)</b>
Oil	4,970	4,951	4,254	(14.1)	(14.4)	18,240	20,316	11.4
Oil trading	2,782	1,598	(3,444)	(315.5)	(223.8)	3,095	(4,480)	(244.7)
Gas	14,836	14,057	13,156	(6.4)	(11.3)	62,844	54,395	(13.4)
PTTEP	54,821	48,442	47,642	(1.7)	(13.1)	234,368	201,053	(14.2)
Petrochem and refining	11,645	10,659	10,146	(4.8)	(12.9)	53,499	40,383	(24.5)
Others	(543)	(277)	(582)	(110.1)	(7.2)	(949)	(1,535)	(61.7)
<b>EBIT*</b>								
Oil	3,063	3,124	2,462	(21.2)	(19.6)	10,998	13,048	18.6
Oil trading	2,412	1,145	(3,894)	(440.1)	(261.4)	1,695	(6,291)	(471.2)
Gas	10,057	9,293	8,208	(11.7)	(18.4)	43,189	35,312	(18.2)
PTTEP	33,540	24,684	24,390	(1.2)	(27.3)	139,546	106,068	(24.0)
Petrochem and refining	(63)	(514)	(787)	(53.1)	(1,149.2)	6,511	(3,771)	(157.9)
Others	(1,326)	(896)	(1,220)	(36.2)	8.0	(3,278)	(4,113)	(25.5)
<b>Share of profit/(loss) - Petrochem and refining</b>	<b>(696)</b>	<b>(501)</b>	<b>(1,057)</b>	<b>(111.0)</b>	<b>(51.9)</b>	<b>(10,587)</b>	<b>939</b>	<b>108.9</b>
<b>Share of profit/(loss) - Others</b>	<b>1,918</b>	<b>814</b>	<b>5,512</b>	<b>577.1</b>	<b>187.4</b>	<b>3,919</b>	<b>2,319</b>	<b>(40.8)</b>
<b>Loss on impairment of assets</b>	<b>(1,274)</b>	<b>(221)</b>	<b>(3,295)</b>	<b>(1,391.0)</b>	<b>(158.6)</b>	<b>3,919</b>	<b>2,319</b>	<b>(40.8)</b>
<b>Gain (loss) on derivatives</b>	<b>(5,722)</b>	<b>(2,548)</b>	<b>6,683</b>	<b>362.3</b>	<b>216.8</b>	<b>(6,668)</b>	<b>3,258</b>	<b>148.9</b>
<b>Gain (loss) on FX</b>	<b>(4,783)</b>	<b>6,258</b>	<b>200</b>	<b>(96.8)</b>	<b>104.2</b>	<b>15,235</b>	<b>20,016</b>	<b>31.4</b>
<b>Net profit</b>	<b>9,312</b>	<b>19,783</b>	<b>25,535</b>	<b>29.1</b>	<b>174.2</b>	<b>90,072</b>	<b>90,166</b>	<b>0.1</b>

\* Note: EBIT includes exceptionals, share of profit (loss), and investment income, hence it differs from EBIT in Exhibit 1, which excludes these items

Source: PTT, Globlex Research

### Exhibit 3: 4Q25/2025 key quarterly drivers

	Unit	4Q24	3Q25	4Q25	(q-q %)	(y-y %)	2024	2025	chg. (y-y%)
Oil sales volume	bpd	483,710	405,633	-	(100.0)	(100.0)	1,805,966	-	(100.0)
Gas sales volume	mmscfd	4,008	3,747	3,725	(0.6)	(7.1)	4,405	3,797	(13.8)
GSP volume	tonnes	1,680,782	1,580,935	1,671,658	5.7	(0.5)	6,828,072	6,667,638	(2.3)
GSP utilization*	%	87.7	89.4	90.4	1.0	2.7	-	-	-
PTTEP's ASP	USD/boe	45.8	43.2	42.6	(1.4)	(7.0)	46.8	43.8	(6.4)
PTTEP's sales volume	boed	500,365	510,497	539,523	5.7	7.8	488,794	509,906	4.3
Market GRM	USD/bbl	4.3	4.1	8.0	95.1	86.0	4.5	4.8	6.7
Inventory gain(loss)	USD/bbl	(1.4)	0.9	(3.2)	(455.6)	(128.6)	(1.0)	(1.2)	(20.0)
Hedging gain (loss)	USD/bbl	0.4	0.4	(0.8)	(300.0)	(300.0)	(0.3)	-	100.0
Accounting GRM	USD/bbl	3.3	5.4	4.0	(25.9)	21.2	3.8	3.6	(5.3)
<b>Net profit</b>	<b>THB m</b>	<b>9,312</b>	<b>19,783</b>	<b>25,535</b>	<b>29.1</b>	<b>174.2</b>	<b>90,072</b>	<b>90,166</b>	<b>0.1</b>

\* Note: Change in margin % is represented in ppt change

Sources: PTT, Globlex Research

#### Exhibit 4: SoTP TP

# share outstanding	28,563	m shares	
Current price (as of 19 February 2026)	37.50	THB/share	
<b>PTT SoTP valuation</b>	<b>THB m</b>	<b>THB/share</b>	<b>Comments</b>
PTT core gas and oil trading	724,293	25.4	DCF @ 10.1%
Net debt	(350,058)	(12.3)	2026E net debt
<b>Net core gas and trading business</b>	<b>374,235</b>	<b>13.1</b>	
PTTEP	318,545	11.2	At target price of THB148/share
TOP	80,288	2.8	At target price of THB73/share
PTTGC	72,862	2.6	At target price of THB33/share
IRPC	16,060	0.9	At target price of THB2.2/share
OR	128,914	4.5	At target price of THB17.3/share
Other LT investments	284,684	10.0	
<b>Total non-core value</b>	<b>901,353</b>	<b>31.9</b>	
Equity value	1,275,588	45.0	
<b>Target price</b>		<b>45.0</b>	

Sources: PTT; Globlex Research

#### Exhibit 5: Key changes in assumptions and EPS forecasts

THB m	----- Current -----			----- Previous -----			----- Change (%)-----		
	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Revenue	2,457,334	2,642,461	2,825,486	2,457,334	2,642,461	2,825,486	-	-	-
Gross profit	259,057	252,167	269,649	248,765	471,073	269,649	4.1	(46.5)	-
Operating profit	257,762	247,133	260,919	239,619	418,224	260,919	7.6	(40.9)	-
Core net profit	119,311	114,118	126,155	106,439	112,983	126,155	12.1	1.0	-
EPS (THB/shr)	4.2	4.0	4.4	3.7	4.0	4.4	12.1	1.0	-
<b>Key assumptions</b>									
Dubai oil price (USD/bbl)	68	70	70	85	86	70	(20.0)	(18.6)	-
Gas cost (USD/mmbtu)	12.0	11.0	11.0	14.0	15.0	11.0	(14.3)	(26.7)	-

Sources: PTT; Globlex Research

Balance sheet (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
<b>Current assets</b>					
Cash & ST investment	406,358	348,036	588,237	617,525	716,428
Account receivable	251,391	208,413	192,379	206,872	221,201
Inventories	241,539	209,429	193,317	207,881	222,279
Others	367,069	409,192	463,326	552,966	523,859
<b>Non-current assets</b>					
Net fixed assets	249,659	159,523	60,179	(48,374)	(166,133)
Others	1,922,769	1,935,067	1,854,134	1,785,767	1,922,768
<b>Total Assets</b>	<b>3,438,784</b>	<b>3,269,660</b>	<b>3,351,571</b>	<b>3,322,638</b>	<b>3,440,401</b>
<b>Current liabilities</b>					
Account payable	307,660	284,548	262,657	282,444	302,007
ST borrowing	130,733	138,718	146,703	154,687	162,672
Others	130,696	142,492	142,492	142,492	142,492
<b>Long-term liabilities</b>					
Long-term debts	814,719	840,373	790,373	690,373	590,373
Others	398,100	211,045	295,579	240,868	325,201
<b>Total liabilities</b>	<b>1,781,907</b>	<b>1,617,176</b>	<b>1,637,803</b>	<b>1,510,865</b>	<b>1,522,746</b>
Paid-up capital	28,563	28,563	28,563	28,563	28,563
Retained earnings	1,091,878	1,069,648	1,132,266	1,192,158	1,258,368
Others	29,211	29,211	29,211	29,211	29,211
Minority interest	507,225	525,062	523,728	561,841	601,513
<b>Shareholders' equity</b>	<b>1,656,877</b>	<b>1,652,484</b>	<b>1,713,768</b>	<b>1,811,773</b>	<b>1,917,655</b>

Key ratios					
Year ending Dec	2024	2025	2026E	2027E	2028E
<b>Growth (%YoY)</b>					
Sales	(1.7)	(13.9)	(7.7)	7.5	6.9
Operating profit	(9.3)	(10.3)	25.1	(0.3)	5.5
EBITDA	(9.3)	(10.3)	25.1	(0.3)	5.5
Net profit	(19.6)	0.1	32.3	(4.4)	10.5
Core net profit	(16.0)	(4.7)	32.3	(4.4)	10.5
EPS	(19.6)	0.1	32.3	(4.4)	10.5
Core EPS	(16.0)	(4.7)	32.3	(4.4)	10.5
<b>Profitability (%)</b>					
Gross margin	16.6	17.3	19.1	17.8	17.6
Operation margin	12.1	12.6	17.1	15.8	15.6
EBITDA margin	12.1	12.6	17.1	15.8	15.6
Net margin	2.9	3.4	4.9	4.3	4.5
ROE	8.3	7.9	10.3	9.4	9.8
ROA	4.0	3.9	5.5	5.3	5.5
<b>Stability</b>					
Interest bearing debt/equity (x)	0.6	0.6	0.5	0.5	0.4
Net debt/equity (x)	0.3	0.4	0.2	0.1	0.0
Interest coverage (x)	3.9	3.3	5.3	5.5	6.8
Interest & ST debt coverage (x)	1.0	0.8	1.1	1.0	1.1
Cash flow interest coverage (x)	0.2	0.2	0.2	0.2	0.2
Current ratio (x)	2.2	2.1	2.6	2.7	2.8
Quick ratio (x)	1.2	1.0	1.4	1.4	1.5
Net debt (THB m)	539,094	631,054	348,839	227,536	36,618
<b>Activity</b>					
Asset turnover (X)	0.9	0.8	0.7	0.8	0.8
Days receivables	30.2	31.5	29.8	27.6	27.6
Days inventory	35.8	37.4	37.0	33.7	33.7
Days payable	44.7	49.1	50.2	45.8	45.8
Cash cycle days	21.3	19.8	16.5	15.5	15.6

Profit & loss (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
<b>Revenue</b>	<b>3,090,453</b>	<b>2,662,145</b>	<b>2,457,334</b>	<b>2,642,461</b>	<b>2,825,486</b>
Cost of goods sold	(2,577,909)	(2,200,509)	(1,988,438)	(2,171,248)	(2,327,582)
<b>Gross profit</b>	<b>512,544</b>	<b>461,636</b>	<b>468,896</b>	<b>471,213</b>	<b>497,903</b>
Operating expenses	(138,658)	(126,167)	(49,147)	(52,849)	(56,510)
<b>Operating profit</b>	<b>373,886</b>	<b>335,470</b>	<b>419,749</b>	<b>418,364</b>	<b>441,394</b>
<b>EBIT</b>	<b>182,464</b>	<b>134,839</b>	<b>209,910</b>	<b>199,318</b>	<b>213,139</b>
Depreciation	(191,423)	(200,631)	(209,838)	(219,046)	(228,254)
<b>EBITDA</b>	<b>373,886</b>	<b>335,470</b>	<b>419,749</b>	<b>418,364</b>	<b>441,394</b>
<b>Non-operating income</b>	<b>10,711</b>	<b>20,016</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other incomes	0	0	0	0	0
Other non-op income	10,711	20,016	0	0	0
<b>Non-operating expense</b>	<b>(5,829)</b>	<b>7,441</b>	<b>7,999</b>	<b>11,629</b>	<b>16,480</b>
Interest expense	(46,821)	(40,448)	(39,853)	(36,187)	(31,299)
Other non-op expense	40,992	47,888	47,852	47,816	47,780
<b>Equity income/(loss)</b>	<b>(6,668)</b>	<b>13,031</b>	<b>14,334</b>	<b>15,767</b>	<b>17,344</b>
<b>Pre-tax Profit</b>	<b>180,678</b>	<b>175,326</b>	<b>232,243</b>	<b>226,713</b>	<b>246,963</b>
Extraordinary items					
Current taxation	(67,210)	(57,600)	(76,300)	(74,483)	(81,136)
Minorities	(23,396)	(27,559)	(36,632)	(38,113)	(39,672)
<b>Net Profit</b>	<b>90,072</b>	<b>90,166</b>	<b>119,311</b>	<b>114,118</b>	<b>126,155</b>
<b>Core net profit</b>	<b>94,596</b>	<b>90,166</b>	<b>119,311</b>	<b>114,118</b>	<b>126,155</b>
<b>EPS (THB)</b>	<b>3.15</b>	<b>3.16</b>	<b>4.18</b>	<b>4.00</b>	<b>4.42</b>
<b>Core EPS (THB)</b>	<b>3.31</b>	<b>3.16</b>	<b>4.18</b>	<b>4.00</b>	<b>4.42</b>

Cash flow (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
<b>Operating cash flow</b>	<b>284,439</b>	<b>290,072</b>	<b>330,193</b>	<b>333,164</b>	<b>350,772</b>
Net profit	90,072	90,166	119,311	114,118	126,155
Depre. & amortization	191,423	200,631	209,838	219,046	228,254
Change in working capital	2,944	(725)	1,044	0	(3,637)
Others	0	0	0	0	0
<b>Investment cash flow</b>	<b>(200,867)</b>	<b>(183,263)</b>	<b>(176,063)</b>	<b>(179,508)</b>	<b>(168,100)</b>
Net CAPEX	(203,000)	(185,100)	(177,900)	(179,508)	(168,100)
Change in LT investment	0	0	0	0	0
Change in other assets	2,133	1,837	1,837	0	0
<b>Free cash flow</b>	<b>83,573</b>	<b>106,809</b>	<b>154,130</b>	<b>153,656</b>	<b>182,672</b>
<b>Financing cash flow</b>	<b>(143,236)</b>	<b>(82,336)</b>	<b>(95,055)</b>	<b>(183,180)</b>	<b>(131,320)</b>
Change in share capital	0	0	0	0	0
Net change in debt	(20,320)	0	0	0	0
Dividend paid	(23,598)	(22,952)	(23,249)	(21,011)	(33,034)
Others	(99,318)	(59,384)	(71,806)	(162,168)	(98,286)
<b>Net cash flow</b>	<b>(59,664)</b>	<b>24,473</b>	<b>59,075</b>	<b>(29,524)</b>	<b>51,352</b>
<b>Per share (THB)</b>					
EPS	3.15	3.16	4.18	4.00	4.42
Core EPS	3.31	3.16	4.18	4.00	4.42
CFPS	10.67	11.15	12.81	13.00	13.80
BVPS	40.25	39.47	41.66	43.76	46.08
Sales/share	108.20	93.20	86.03	92.51	98.92
EBITDA/share	13.09	11.74	14.70	14.65	15.45
DPS	1.50	1.50	1.98	1.90	2.10
<b>Valuation</b>					
P/E (x)	10.1	10.1	8.7	9.1	8.2
P/BV (x)	0.79	0.81	0.87	0.83	0.79
Dividend yield (%)	4.72	4.69	5.48	5.24	5.79
Dividend payout ratio (%)	47.57	47.52	47.52	47.52	47.52



## 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.