# PTT EXPLORATION AND PRODUCTION (PTTEP TB)

THAILAND / SET / ENERGY & UTILITIES

Globlex Securities Co., Ltd.

31 July 2026

# Still a good BUY on high oil price

- Solid 2Q26 net profit of THB27.1b on rising ASP and sales volume
- Softer 3Q26E on lower sales volume due to planned shutdowns will follow by solid 4Q26 NP on rebounds in ASP and sales volume
- Maintain BUY and a TP of THB190

## Stronger 2Q26 performance on both ASP and sales volume

2Q26 core NP was THB24.3b (+18% q-q, +75% y-y). Key points are 1) a higher sales volume at 572kboed (+4% q-q, +14% y-y); 2) a rise in the ASP to USD52.9/boe (vs USD46/boe in 1Q26 and USD44/boe in 2Q25), due to higher liquid prices at USD99.5/bbl (vs USD77.5/bbl in 1Q26 and USD66.3/bbl in 2Q25) and a rise in gas prices at USD6.0/mmbtu (vs USD5.8/mmbtu in 1Q26 and 2Q25); and 3) a rise in unit costs of USD29.8/boe due to higher depreciation, royalty, and SG&A. 2Q26 NP was THB27.1b if included USD87m gain from non-operating items of THB4.1b oil hedging gain and THB1.1b FX loss.

## Sales volume jumped markedly in 2Q26

2Q26 sales volumes rose to 572,882boed (+4% q-q, +14% y-y), supported by higher volumes from projects in Thailand and Algeria. Sales volume from Thailand jumped to 396,317boed in 2Q26, up from 385,519boed in 1Q26. Sales volume from other Southeast Asia (Malaysia mostly) was 100,368boed in 2Q26, up from 97,587boed in 1Q26 while sales volume from other regions (Oman, Algeria) was 76,197boed, up from 70,263boed in 1Q26.

## Expect a softer 3Q26 outlook on planned shutdown volume dip

We project a softer NP in 3Q26 as PTTEP plans to shut down multiple assets in Gulf of Thailand, Malaysia, and Algeria, resulting our projected sales volume dropping to 525kboed in 3Q26, down from 572kboed in 2Q26. ASP also likely to decline from USD52.9/boe in 2Q26 to USD49-50/boe as the average crude oil price declines q-q but will be partly offset by the q-q higher gas price on the lagging impact of the crude-linked adjustment for the gas price in Thailand and Myanmar.

## ASP likely to stay aloft

We maintain a positive near-term view on PTTEP, supported by elevated oil prices in the range of USD 90–100/bbl, which should continue to underpin solid earnings over the next 2–3 quarters amid ongoing US–Iran geopolitical tensions. PTTEP's gas price is also heading for higher USD6.0+/mmbtu in 4Q26 to reflect the 6-month lagging effect for the gas price adjustment linked to the HSFO and crude price, which were high in 2Q26-3Q26.

## Still the best play on oil price hike

We maintain BUY at our TP of THB190, supported by rising oil prices, improving ASP, and solid cost control at USD30/boe. With resilient margins, strong cash flow, and an undemanding valuation, we see upside potential ahead and view PTTEP as a pure play upstream on oil price hike in Thailand.

**ESG Rating : AAA**

**CG Rating :**

## BUY

| | |
|---|---|
| **Target Price 12M (THB)** | **190.00** |
| VS. BB Consensus TP (%) | +19.2% |
| Share Price (THB) | 148.50 |
| Upside/Downside | +27.9% |

### Share Data

| | |
|---|---|
| Market Cap (THB m) | 589,542.83 |
| Par (THB) | 1.00 |
| Free Float (%) | 34.70 |
| Issued shares (m shares) | 3,970 |

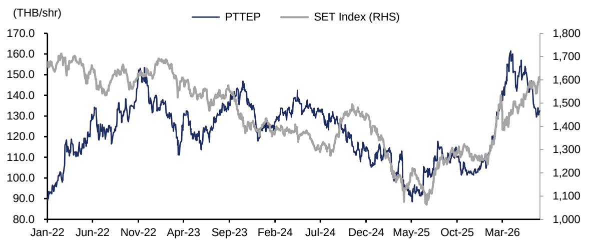
### Financial forecast

| YE Dec (THB m) | 2025 | 2026E | 2027E | 2028E |
|---|---|---|---|---|
| Revenue | 281,449 | 368,644 | 356,850 | 339,381 |
| Net profit | 60,257 | 77,692 | 74,730 | 71,023 |
| Core net profit | 55,402 | 77,692 | 74,730 | 71,023 |
| vs Consensus (%) | | 3.8 | 10.4 | 8.9 |
| Net profit growth (%) | (48.4) | 28.9 | (3.8) | (5.0) |
| Core net profit growth (%) | (30.1) | 40.2 | (3.8) | (5.0) |
| EPS (THB) | 15.18 | 19.57 | 18.82 | 17.89 |
| Core EPS (THB) | 13.96 | 19.57 | 18.82 | 17.89 |
| Chg from previous (%) | | 0.00 | 0.00 | 0.00 |
| DPS (THB) | 8.75 | 9.78 | 9.41 | 8.95 |
| P/E (x) | 7.44 | 7.59 | 7.89 | 8.30 |
| P/BV (x) | 0.86 | 1.06 | 0.99 | 0.93 |
| ROE (%) | 10.50 | 14.42 | 12.96 | 11.58 |
| Dividend yield (%) | 7.74 | 6.59 | 6.34 | 6.02 |

Source: Financial Statement and Globlex securities

### Share Price Performance (%)

| | 1M | 3M | 6M | YTD |
|---|---|---|---|---|
| Stock | 10.82 | (3.57) | 21.22 | 31.42 |
| Market | 10.34 | (9.87) | 0.55 | 3.59 |
| 12M High/Low (THB) | | | | [•] / [•] |




### Major Shareholders (%) as of 24 Feb 2026

| | |
|---|---|
| PTT Public Company Limited | 63.79 |

### 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

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## Exhibit 1: Summary of 2Q26/6M26 operations

| | 2Q25 (THB m) | 1Q26 (THB m) | 2Q26 (THB m) | 2Q26 (q-q%) | 2Q26 (y-y%) | 6M25 (THB m) | 6M26 (THB m) | chg. (y-y%) |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | **70,170** | **75,228** | **90,273** | **20.0** | **28.6** | **70,170** | **75,228** | **90,273** |
| Operating costs | (19,052) | (29,526) | (20,763) | 29.7 | (9.0) | (19,052) | (29,526) | (20,763) |
| **EBITDA** | **51,119** | **45,701** | **69,510** | **52.1** | **36.0** | **51,119** | **45,701** | **69,510** |
| EBITDA margin (%) | 73 | 61 | 77 | nm | nm | 73 | 61 | 77 |
| Depn & amort. | (24,974) | (21,161) | (23,277) | (10.0) | 6.8 | (24,974) | (21,161) | (23,277) |
| EBIT | 26,144 | 24,541 | 46,234 | 88.4 | 76.8 | 26,144 | 24,541 | 46,234 |
| Interest expense | (3,216) | (2,906) | (3,080) | (6.0) | 4.2 | (3,216) | (2,906) | (3,080) |
| Interest & invt inc | 3,109 | 2,025 | 3,110 | 53.6 | 0.0 | 3,109 | 2,025 | 3,110 |
| Associates' contrib | 156 | 778 | 200 | (74.3) | 27.9 | 156 | 778 | 200 |
| Exceptionals | (586) | 553 | 2,871 | 419.6 | 589.9 | (586) | 553 | 2,871 |
| **Pretax profit** | **25,607** | **24,990** | **49,335** | **97.4** | **92.7** | **25,607** | **24,990** | **49,335** |
| Tax | (12,099) | (13,160) | (22,201) | (68.7) | (83.5) | (12,099) | (13,160) | (22,201) |
| Tax rate (%) | 47 | 53 | 45 | nm | nm | 47 | 53 | 45 |
| Minority interests | 7 | 5 | 0 | (100.0) | (100.0) | 7 | 5 | 0 |
| **Net profit** | **13,515** | **11,835** | **27,134** | **129.3** | **100.8** | **13,515** | **11,835** | **27,134** |
| Non-recurring | (355) | (8,788) | (2,871) | 67.3 | (708.0) | (355) | (8,788) | (2,871) |
| **Core net profit** | **13,871** | **20,624** | **24,263** | **17.6** | **74.9** | **13,871** | **20,624** | **24,263** |
| EPS (THB) | 3.40 | 2.98 | 6.83 | 129.3 | 100.8 | 3.40 | 2.98 | 6.83 |
| Core EPS (THB) | 3.49 | 5.19 | 6.11 | 17.6 | 74.9 | 3.49 | 5.19 | 6.11 |

Sources: PTTEP; Globlex Research

## Exhibit 2: 2Q26/6M26 key performance

| Quarterly information | 2Q25 | 1Q26 | 2Q26 | Chg QoQ | Chg YoY | Unit |
|---|---|---|---|---|---|---|
| Sales volume | 504,772 | 553,369 | 572,882 | 3.5 | 13.5 | boed |
| ASP | 44.0 | 46.0 | 52.9 | 14.9 | 20.2 | USD/boe |
| Gas price | 5.8 | 5.8 | 6.0 | 2.6 | 2.9 | USD/mmBTU |
| Liquid price | 66.3 | 77.5 | 99.5 | 28.4 | 50.0 | USD/bbl |
| Total cost | 31.1 | 28.0 | 29.8 | 6.5 | (4.2) | USD/boe |
| Cash cost | 14.7 | 14.2 | 15.1 | 5.9 | 2.2 | USD/boe |
| Operating expenses | 8.1 | 7.1 | 6.8 | (3.7) | (15.6) | USD/boe |
| Exploration expenses | 0.0 | 0.1 | 0.9 | 550.0 | 2,175.0 | USD/boe |
| Petroleum royalties | 1.9 | 2.2 | 2.4 | 13.0 | 26.4 | USD/boe |
| SG & A | 2.6 | 2.9 | 3.0 | 3.1 | 18.0 | USD/boe |
| DD&E | 16.4 | 13.8 | 14.7 | 7.0 | (10.1) | USD/boe |
| Tax | 8.1 | 8.0 | 11.8 | 47.7 | 46.6 | USD/boe |
| Interest | 2.1 | 1.9 | 1.9 | (2.1) | (11.8) | USD/boe |
| **Net profit (THB m)** | **13,515** | **11,835** | **27,134** | **129.3** | **100.8** | **THB m** |
| **Core earnings** | **13,871** | **20,624** | **24,263** | **17.6** | **74.9** | **THB m** |

Sources: PTTEP; Globlex Research

## Exhibit 3: Net profit by segments (USD m)

| | 2Q25 | 1Q26 | 2Q26 | Chg QoQ | Chg YoY |
|---|---|---|---|---|---|
| Exploration and production | 472 | 680 | 812 | 19.4 | 72.0 |
| Southeast Asia | 418 | 615 | 724 | 17.7 | 73.2 |
| Thailand | 282 | 498 | 562 | 12.9 | 99.3 |
| Other Southest Asia | 136 | 117 | 162 | 38.5 | 19.1 |
| Others | 54 | 65 | 88 | 35.4 | 63.0 |
| Head office and others | (64) | (304) | 21 | 106.9 | 132.8 |
| **Total** | **408** | **376** | **833** | **121.5** | **104.2** |

Sources: PTTEP; Globlex Research

| Balance sheet (THB m) | | | | | |
|---|---|---|---|---|---|
| **Year ending Dec** | **2024** | **2025** | **2026E** | **2027E** | **2028E** |
| **Current assets** | | | | | |
| Cash & ST investment | 133,850 | 73,075 | 102,987 | 147,450 | 200,418 |
| Account receivable | 43,270 | 44,492 | 58,277 | 56,412 | 53,650 |
| Inventories | 22,759 | 20,751 | 27,180 | 26,310 | 25,022 |
| Others | 34,449 | 47,687 | 51,938 | 56,189 | 60,441 |
| **Non-current assets** | | | | | |
| Net fixed assets | 490,484 | 511,450 | 565,452 | 608,948 | 641,938 |
| Others | 240,488 | 236,482 | 171,068 | 105,918 | 40,767 |
| **Total Assets** | **965,301** | **933,937** | **976,902** | **1,001,227** | **1,022,236** |
| | | | | | |
| **Current liabilities** | | | | | |
| Account payable | 66,325 | 72,556 | 95,035 | 91,995 | 87,491 |
| ST borrowing | 13,208 | 13,208 | 13,208 | 13,208 | 13,208 |
| Others | 25,969 | 28,223 | 26,312 | 24,401 | 22,490 |
| **Long-term liabilities** | | | | | |
| Long-term debts | 95,009 | 83,098 | 75,000 | 75,000 | 75,000 |
| Others | 228,915 | 217,284 | 209,196 | 201,108 | 193,020 |
| **Total liabilities** | **429,425** | **414,369** | **418,751** | **405,711** | **391,209** |
| Paid-up capital | 109,388 | 109,388 | 109,388 | 109,388 | 109,388 |
| Retained earnings | 407,071 | 430,087 | 468,933 | 506,298 | 541,810 |
| Others | 19,137 | (20,170) | (20,170) | (20,170) | (20,170) |
| Minority interest | 281 | 263 | 0 | 0 | 0 |
| **Shareholders' equity** | **535,876** | **519,568** | **558,151** | **595,516** | **631,028** |

| Profit & loss (THB m) | | | | | |
|---|---|---|---|---|---|
| **Year ending Dec** | **2024** | **2025** | **2026E** | **2027E** | **2028E** |
| **Revenue** | **312,310** | **281,449** | **368,644** | **356,850** | **339,381** |
| Cost of goods sold | (29,718) | (66,512) | (121,210) | (112,087) | (106,599) |
| **Gross profit** | **282,592** | **214,936** | **247,434** | **244,763** | **232,781** |
| Operating expenses | (75,138) | (77,338) | (68,641) | (64,350) | (54,558) |
| **Operating profit** | **207,454** | **137,598** | **178,793** | **180,413** | **178,223** |
| **EBIT** | **169,438** | **99,520** | **133,154** | **130,571** | **124,179** |
| Depreciation | (38,016) | (38,077) | (45,639) | (49,842) | (54,044) |
| **EBITDA** | **207,454** | **137,598** | **178,793** | **180,413** | **178,223** |
| **Non-operating income** | **46,239** | **12,379** | **8,402** | **5,882** | **5,882** |
| Other incomes | 8,435 | 5,882 | 5,882 | 5,882 | 5,882 |
| Other non-op income | 37,804 | 6,497 | 2,520 | - | - |
| **Non-operating expense** | **(42,947)** | **(12,044)** | **(11,579)** | **(11,592)** | **(11,605)** |
| Interest expense | (11,813) | (13,065) | (13,079) | (13,092) | (13,105) |
| Other non-op expense | (31,134) | 1,021 | 1,500 | 1,500 | 1,500 |
| **Equity income/(loss)** | 1,317 | 4,251 | 4,251 | 4,251 | 4,251 |
| **Pre-tax Profit** | **174,047** | **104,107** | **134,229** | **129,113** | **122,708** |
| Extraordinary items | | | | | |
| Current taxation | (57,214) | (43,850) | (56,538) | (54,383) | (51,685) |
| Minorities | 7 | 0 | 0 | 0 | 0 |
| **Net Profit** | **116,840** | **60,257** | **77,692** | **74,730** | **71,023** |
| **Core net profit** | **79,219** | **55,402** | **77,692** | **74,730** | **71,023** |
| **EPS (THB)** | **29.43** | **15.18** | **19.57** | **18.82** | **17.89** |
| **Core EPS (THB)** | **19.95** | **13.96** | **19.57** | **18.82** | **17.89** |

| Key ratios | | | | | |
|---|---|---|---|---|---|
| **Year ending Dec** | **2024** | **2025** | **2026E** | **2027E** | **2028E** |
| **Growth (%YoY)** | | | | | |
| Sales | 3.9 | (9.9) | 31.0 | (3.2) | (4.9) |
| Operating profit | 0.8 | (33.7) | 29.9 | 0.9 | (1.2) |
| EBITDA | 0.8 | (33.7) | 29.9 | 0.9 | (1.2) |
| Net profit | 7.0 | (48.4) | 28.9 | (3.8) | (5.0) |
| Core net profit | (2.6) | (30.1) | 40.2 | (3.8) | (5.0) |
| EPS | 7.0 | (48.4) | 28.9 | (3.8) | (5.0) |
| Core EPS | (2.6) | (30.1) | 40.2 | (3.8) | (5.0) |
| **Profitability (%)** | | | | | |
| Gross margin | 90.5 | 76.4 | 67.1 | 68.6 | 68.6 |
| Operation margin | 66.4 | 48.9 | 48.5 | 50.6 | 52.5 |
| EBITDA margin | 66.4 | 48.9 | 48.5 | 50.6 | 52.5 |
| Net margin | 37.4 | 21.4 | 21.1 | 20.9 | 20.9 |
| ROE | 15.3 | 10.5 | 14.4 | 13.0 | 11.6 |
| ROA | 8.7 | 6.2 | 8.4 | 8.0 | 7.4 |
| **Stability** | | | | | |
| Interest bearing debt/equity (x) | 0.2 | 0.2 | 0.2 | 0.1 | 0.1 |
| Net debt/equity (x) | n.a. | 0.0 | n.a. | n.a. | n.a. |
| Interest coverage (x) | 14.3 | 7.6 | 10.2 | 10.0 | 9.5 |
| Interest & ST debt coverage (x) | 6.8 | 3.8 | 5.1 | 5.0 | 4.7 |
| Cash flow interest coverage (x) | 0.4 | 0.2 | 0.2 | 0.3 | 0.3 |
| Current ratio (x) | 2.2 | 1.6 | 1.8 | 2.2 | 2.8 |
| Quick ratio (x) | 1.7 | 1.0 | 1.2 | 1.6 | 2.1 |
| Net debt (THB m) | (25,633) | 23,230 | (14,779) | (59,242) | (112,210) |
| **Activity** | | | | | |
| Asset turnover (X) | 0.3 | 0.3 | 0.4 | 0.4 | 0.3 |
| Days receivables | 61.7 | 56.9 | 50.9 | 58.7 | 59.2 |
| Days inventory | 268.2 | 119.4 | 72.2 | 87.1 | 87.9 |
| Days payable | 732.6 | 381.1 | 252.3 | 304.5 | 307.3 |
| Cash cycle days | (403) | (205) | (129) | (159) | (160) |

| Cash flow (THB m) | | | | | |
|---|---|---|---|---|---|
| **Year ending Dec** | **2024** | **2025** | **2026E** | **2027E** | **2028E** |
| **Operating cash flow** | **168,941** | **94,617** | **103,118** | **127,306** | **129,117** |
| Net profit | 116,840 | 60,257 | 77,692 | 74,730 | 71,023 |
| Depre.& amortization | 38,016 | 38,077 | 45,639 | 49,842 | 54,044 |
| Change in working capital | 14,085 | (3,717) | (20,213) | 2,734 | 4,050 |
| Others | - | - | - | - | - |
| **Investment cash flow** | **(129,500)** | **(129,796)** | **(168,100)** | **(168,100)** | **(168,100)** |
| Net CAPEX | (131,633) | (131,633) | (168,100) | (168,100) | (168,100) |
| Change in LT investment | - | - | - | - | - |
| Change in other assets | 2,133 | 1,837 | - | - | - |
| **Free cash flow** | **39,441** | **(35,179)** | **(64,982)** | **(40,794)** | **(38,983)** |
| **Financing cash flow** | **(43,134)** | **(25,595)** | **94,894** | **85,257** | **91,951** |
| Change in share capital | - | - | - | - | - |
| Net change in debt | (311) | (11,911) | (8,098) | - | - |
| Dividend paid | (38,211) | (34,737) | (38,846) | (37,365) | (35,512) |
| Others | (4,611) | 21,053 | 141,838 | 122,622 | 127,463 |
| **Net cash flow** | **(3,692)** | **(60,774)** | **29,912** | **44,463** | **52,968** |
| | | | | | |
| **Per share (THB)** | | | | | |
| EPS | 29.43 | 15.18 | 19.57 | 18.82 | 17.89 |
| Core EPS | 19.95 | 13.96 | 19.57 | 18.82 | 17.89 |
| CFPS | 39.00 | 24.77 | 31.07 | 31.38 | 31.50 |
| BVPS | 134.91 | 130.81 | 140.59 | 150.00 | 158.95 |
| Sales/share | 78.67 | 70.89 | 92.86 | 89.89 | 85.49 |
| EBITDA/share | 52.26 | 34.66 | 45.04 | 45.44 | 44.89 |
| DPS | 9.63 | 8.75 | 9.78 | 9.41 | 8.95 |
| **Valuation** | | | | | |
| P/E (x) | 4.0 | 7.4 | 7.6 | 7.9 | 8.3 |
| P/BV (x) | 0.9 | 0.9 | 1.1 | 1.0 | 0.9 |
| Dividend yield (%) | 8.1 | 7.7 | 6.6 | 6.3 | 6.0 |
| Divdend payout ratio (%) | 32.7 | 57.6 | 50.0 | 50.0 | 50.0 |

# 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.