

**PTT Public Co Ltd (PTT TB) - BUY, Price Bt32.75, TP Bt38.00****Results Comment**

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**3Q24 - Miss on weak trading business**

- PTT reported 3Q24 net profit of Bt16.3bn (-54% q-q and -48% y-y). Excluding non-operating items, we estimate norm profit to be Bt15.8bn, -45% q-q and -46 % y-y. The q-q core profit lower is driven by lower contribution from all subsidiaries and trading business.
- Gas.** Gas business's EBITDA increased 8% q-q and lower by 17% y-y. Q-Q increase is primarily due to absence of retroactive impact from Single Pool Gas policy while y-y decrease is due to impact from single pool gas policy. Consequently, GSP business see improving profit q-q. Meanwhile, PTTNGD see lower performance q-q as pool gas increased by 6% q-q to US\$8.3/mmbtu. Meanwhile, PTT LNG profit also lower due to the reduction of its shareholding in the LMPT2 project.
- Trading.** EBITDA decline to Bt636m from Bt3.5bn in 2Q24 due to the mark-to-market losses on goods in transit and a narrowing spread of domestic crude oil and condensate in line with reference oil prices. Margin came in at Bt0.07/litre vs. Bt0.19/litre in 2Q24. Sale volume rose by 2% q-q to 26,792 m litres.
- Subsidiaries.** We estimate total loss of Bt3.2bn from contribution from listed subsidiaries vs a gain of Bt20bn in 2Q24, primarily from lower contribution from downstream subsidiaries.
- Non-operating items:** PTT recorded Bt14.4bn in 3Q24 vs Bt3.9bn FX gain in 2Q24.
- Outlook.** We expect gas profit to trend higher q-q with lower gas cost. We maintain BUY rating on PTT given more resilient cashflow and high dividend yield.

Income Statement (consolidated)						Income Statement 9M as					
Yr-end Dec (Bt m)	3Q23	4Q23	1Q24	2Q24	3Q24	(Bt m)	q-q%	y-y%	% 2024F	2024F	2025F
Revenue	802,683	807,113	782,256	821,943	761,858	Revenue	(7)	(5)	74	3,180,191	3,166,801
<b>Gross profit</b>	<b>127,709</b>	<b>76,729</b>	<b>104,953</b>	<b>97,662</b>	<b>52,050</b>	<b>Gross profit</b>	<b>(47)</b>	<b>(59)</b>	<b>73</b>	<b>346,729</b>	<b>353,105</b>
SG&A	33,950	47,089	33,772	35,639	44,360	SG&A	24	31	76	149,961	149,330
Operating profit	93,759	29,640	71,181	62,023	7,690	Operating profit	(88)	(92)	72	196,768	203,775
<b>EBITDA</b>	<b>142,146</b>	<b>72,019</b>	<b>115,736</b>	<b>111,673</b>	<b>55,621</b>	<b>EBITDA</b>	<b>(50)</b>	<b>(61)</b>	<b>77</b>	<b>367,706</b>	<b>383,847</b>
Other income	3,711	29,415	12,712	11,343	33,782	Other income	198	810	455	12,721	12,667
Other expense	17,529	(4,564)	5,192	(299)	(2,682)	Other expense	na	na	na	0	0
Interest expense	11,969	11,134	11,997	12,242	11,683	Interest expense	(5)	(2)	88	40,892	42,757
<b>Profit before tax</b>	<b>67,971</b>	<b>52,485</b>	<b>66,704</b>	<b>61,422</b>	<b>32,471</b>	<b>Profit before tax</b>	<b>(47)</b>	<b>(52)</b>	<b>95</b>	<b>168,597</b>	<b>173,686</b>
Income tax	24,511	19,325	19,222	19,022	12,784	Income tax	(33)	(48)	110	46,335	44,175
Equity & invest. income	552	1,615	(35)	500	(8,355)	Equity & invest. income	na	na	na	3,013	3,013
Minority interests	(15,025)	(12,672)	(11,584)	(14,317)	4,458	Minority interests	na	na	na	(24,959)	(35,984)
Extraordinary items	2,310	10,661	(6,895)	6,886	533	Extraordinary items	(92)	(77)	na	0	0
<b>Net profit</b>	<b>31,297</b>	<b>32,765</b>	<b>28,968</b>	<b>35,469</b>	<b>16,324</b>	<b>Net profit</b>	<b>(54)</b>	<b>(48)</b>	<b>81</b>	<b>100,316</b>	<b>96,540</b>
<b>Normalized profit</b>	<b>28,987</b>	<b>22,104</b>	<b>35,863</b>	<b>28,583</b>	<b>15,790</b>	<b>Normalized profit</b>	<b>(45)</b>	<b>(46)</b>	<b>80</b>	<b>100,316</b>	<b>96,540</b>
EPS (Bt)	1.10	1.15	1.01	1.24	0.57	EPS (Bt)	(54)	(48)	81	3.51	3.38
Normalized EPS (Bt)	1.01	0.77	1.26	1.00	0.55	Normalized EPS (Bt)	(45)	(46)	80	3.51	3.38

  

Balance Sheet (consolidated)						Financial Ratios (%)					
Yr-end Dec (Bt m)	3Q23	4Q23	1Q24	2Q24	3Q24		3Q23	4Q23	1Q24	2Q24	3Q24
Cash & ST investment	445,372	449,525	509,213	451,180	393,192	Sales growth	(9.3)	1.2	3.4	5.6	(5.1)
A/C receivable	267,219	259,813	291,647	291,969	226,641	Operating profit growth	143.3	257.1	22.6	30.1	(91.8)
Inventory	249,300	210,999	237,203	244,352	204,051	EBITDA growth	69.8	35.9	16.5	25.9	(60.9)
Other current assets	144,860	161,401	158,278	145,945	142,934	Norm profit growth	0.9	100.6	39.2	25.5	(45.5)
Investment	171,312	172,322	176,317	188,908	168,364	Norm EPS growth	0.9	100.6	39.2	25.5	(45.5)
Fixed assets	1,553,439	1,541,209	1,574,633	1,561,002	1,484,759	Gross margin	15.9	9.5	13.4	11.9	6.8
Other assets	705,957	665,192	694,989	735,060	694,332	Operating margin	11.7	3.7	9.1	7.5	1.0
<b>Total assets</b>	<b>3,537,458</b>	<b>3,460,462</b>	<b>3,642,279</b>	<b>3,618,417</b>	<b>3,314,274</b>	EBITDA margin	17.7	8.9	14.8	13.6	7.3
S-T debt	184,040	200,411	189,054	214,618	185,444	Norm net margin	3.6	2.7	4.6	3.5	2.1
A/C payable	271,096	243,385	274,252	284,644	214,287	D/E (x)	0.7	0.7	0.6	0.6	0.6
Other current liabilities	168,415	144,915	163,701	145,297	141,191	Net D/E (x)	0.4	0.4	0.3	0.4	0.4
L-T debt	904,989	863,303	907,821	851,361	801,588	Interest coverage (x)	11.9	6.5	9.6	9.1	4.8
Other liabilities	377,184	383,474	399,780	405,406	373,929	Interest rate	4.4	4.1	4.4	4.5	4.6
Minority interest	507,970	503,778	530,375	534,093	478,708	Effective tax rate	36.1	36.8	28.8	31.0	39.4
<b>Shareholders' equity</b>	<b>1,123,764</b>	<b>1,121,198</b>	<b>1,177,298</b>	<b>1,182,998</b>	<b>1,119,127</b>	ROA	3.3	2.5	4.0	3.1	1.8
Working capital	245,424	227,427	254,598	251,677	216,405	ROE	10.4	7.9	12.5	9.7	5.5
Total debt	1,089,029	1,063,714	1,096,875	1,065,979	987,032						
<b>Net debt</b>	<b>643,658</b>	<b>614,188</b>	<b>587,662</b>	<b>614,799</b>	<b>593,841</b>						

Sources: Company data, Thanachart estimates

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