PTT Oil And Retail Pcl (OR TB) - BUY, Price Bt14.50, TP Bt15.50

Results Comment

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Solid 3Q25 amid Cambodia weakness

- OR's 3Q25 net profit rose 17% q-q and over 100% y-y to Bt2.6bn, driven mainly by higher oil marketing margins. The result is in line, with 9M25 accounting for 80% of the full-year 2025 forecast, and strong versus consensus at 88%.
- **Non-recurring**. OR booked Bt243m gain vs Bt304m gain in 2Q25, mainly from Bt139m derivative gain and Bt103m reversal of credit loss.
- **Oil business:** OR continued gaining market share in 3Q25, rising to 35.8% in August from 35.4% in 2Q25. Retail sales fell 3.9% q-q on the seasonal slowdown but rose 2.5% y-y thanks to gasoline promotions. Overall sales dropped 9% q-q and 15% y-y, weighed down by industrial demand amid strong competition. Marketing margin climbed to Bt1.02/litre (from Bt0.85 in 2Q25 and Bt0.51 in 3Q24), boosted by higher diesel, gasoline, and aviation fuel spreads.
- **Oversea:** EBITDA plunged 40% q-q and 33% y-y to Bt263m, dragged by Cambodia's 55% q-q and 47% y-y drop, partially offset by gains in Laos and the Philippines. Total sales fell 16% q-q and 7% y-y, with Cambodia contributing a Bt120m loss this quarter. Management stated they will not book an impairment for Cambodia at least through 1H26.
- **Non-oil business**: EBITDA fell slightly 2% q-q due to retail's low season but surged 49% y-y, supported by higher F&B sales and the absence of discontinued businesses from 3Q24. EBITDA margin eased slightly q-q to 28.2%, mainly from retail, yet jumped from 20.2% in 3Q24. Amazon set a record with 109m cups, up 3m q-q
- **Outlook**. We expect OR's marketing margin to be more resilient than PTG's, supported by stronger gasoline margin. Maintain BUY.

Income Statement					(consolidated)
Yr-end Dec (Bt m)	3Q24	4Q24	1Q25	2Q25	3Q25
Revenue	176,131	185,971	182,422	167,166	153,600
Gross profit	**5,674**	**8,191**	**9,635**	**8,222**	**8,636**
SG&A	6,823	5,141	5,276	6,117	6,043
Operating profit	(1,149)	3,051	4,359	2,105	2,593
EBITDA	**1,359**	**5,022**	**6,703**	**4,577**	**5,086**
Other income	750	54	495	463	528
Other expense	0	0	0	0	0
Interest expense	310	297	263	233	228
Profit before tax	**(709)**	**2,808**	**4,591**	**2,335**	**2,893**
Income tax	(337)	439	1,038	560	695
Equity & invest. income	18	222	204	152	173
Minority interests	1	(2)	(0)	0	(1)
Extraordinary items	(1,256)	411	622	304	243
Net profit	**(1,609)**	**2,999**	**4,379**	**2,232**	**2,614**
Normalized profit	**(353)**	**2,589**	**3,758**	**1,928**	**2,371**
EPS (Bt)	(0.13)	0.25	0.36	0.19	0.22
Normalized EPS (Bt)	(0.03)	0.22	0.31	0.16	0.20

Income Statement			9M as		
(Bt m)	q-q%	y-y%	% 2025F	2025F	2026F
Revenue	(8)	(13)	74	675,756	692,126
Gross profit	**5**	**52**	**70**	**38,091**	**39,482**
SG&A	(1)	(11)	65	27,030	27,685
Operating profit	23	na	82	11,060	11,797
EBITDA	**11**	**274**	**78**	**20,975**	**21,463**
Other income	14	(30)	55	2,700	2,700
Other expense			na		
Interest expense	(2)	(27)	74	976	727
Profit before tax	**24**	**na**	**77**	**12,785**	**13,770**
Income tax	24	na	90	2,557	2,754
Equity & invest. income	14	875	149	356	356
Minority interests	na	na	na	0	0
Extraordinary items	(20)	na	126	926	0
Net profit	**17**	**na**	**80**	**11,510**	**11,373**
Normalized profit	**23**	**na**	**76**	**10,584**	**11,373**
EPS (Bt)	17	na	80	0.96	0.95
Normalized EPS (Bt)	23	na	76	0.88	0.95

Balance Sheet					(consolidated)
Yr-end Dec (Bt m)	3Q24	4Q24	1Q25	2Q25	3Q25
Cash & ST investment	33,414	47,231	42,743	46,179	35,068
A/C receivable	25,605	25,888	24,469	20,266	20,258
Inventory	37,642	31,060	31,783	32,647	39,738
Other current assets	13,022	11,854	11,636	11,553	15,326
Investment	8,892	9,084	9,392	8,769	8,699
Fixed assets	46,006	47,327	46,948	46,333	46,235
Other assets	36,841	35,049	34,859	34,691	34,508
Total assets	**201,420**	**207,492**	**201,830**	**200,437**	**199,832**
S-T debt	7,522	7,552	5,641	5,261	5,154
A/C payable	38,648	42,414	39,242	36,663	37,727
Other current liabilities	10,197	10,708	7,371	8,772	9,237
L-T debt	12,281	10,755	8,844	8,564	7,310
Other liabilities	26,769	27,103	27,544	27,751	27,978
Minority interest	61	64	64	63	65
Shareholders' equity	**105,941**	**108,897**	**113,124**	**113,362**	**112,362**
Working capital	24,599	14,534	17,010	16,250	22,269
Total debt	19,803	18,307	14,485	13,825	12,464
Net debt	**(13,611)**	**(28,924)**	**(28,257)**	**(32,354)**	**(22,604)**

Financial Ratios					
(%)	3Q24	4Q24	1Q25	2Q25	3Q25
Sales growth	(8.1)	(3.4)	2.6	(9.1)	(12.8)
Operating profit growth	na	na	28.6	(19.3)	na
EBITDA growth	(77.8)	277.0	15.4	(6.9)	274.2
Norm profit growth	na	216.6	18.0	(16.2)	na
Norm EPS growth	na	216.6	18.0	(16.2)	na
Gross margin	3.2	4.4	5.3	4.9	5.6
Operating margin	(0.7)	1.6	2.4	1.3	1.7
EBITDA margin	0.8	2.7	3.7	2.7	3.3
Norm net margin	(0.2)	1.4	2.1	1.2	1.5
D/E (x)	0.2	0.2	0.1	0.1	0.1
Net D/E (x)	(0.1)	(0.3)	(0.2)	(0.3)	(0.2)
Interest coverage (x)	4.4	16.9	25.5	19.7	22.3
Interest rate	6.4	6.2	6.4	6.6	6.9
Effective tax rate	47.5	15.6	22.6	24.0	24.0
ROA	(0.7)	5.1	7.3	3.8	4.7
ROE	(1.3)	9.6	13.5	6.8	8.4

Sources: Company data, Thanachart estimates

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