PTT Public Co Ltd (PTT TB) - BUY

News Update

Yupapan Polpornprasert | Email: yupapan.pol@thanachartsec.co.th

Announced new gas price model

- **New gas price to be effective from Jan 26**
- **A fairer gas price model**
- **Estimate 4% 2026F profit increase**
- **Maintain BUY on PTT**

Mr. Attapol Rerkpiboon, Minister of Energy, chaired the National Energy Policy Committee (NEPC) meeting on behalf of the Prime Minister. He announced that the NEPC has approved a new natural gas pricing structure to ensure prices truly reflect actual costs and promote fairness for all gas users. The new structure will take effect from 1 January 2026 onward.

- **Current price structure:** PTT's gas separation plants (GSPs) have been absorbing a subsidy of around Bt13bn per year under the Single Pool system introduced in 2024. Under this system, GSPs must pay the pooled average price of gas — including expensive imported LNG — despite using only domestic, wet gas from the Gulf of Thailand, which is the cheapest supply and the only suitable feedstock for petrochemical production. LNG is dry gas and mainly used for power generation. This mechanism helped lower fuel costs for power producers and mitigate electricity tariffs, but placed a heavy burden on GSP profitability.

- **New gas price structure**: We see three key changes:

  1.) GSP gas costs will now be based on domestic gas prices (instead of the pool gas average).

  2.) Domestic gas used in the pool gas pricing will be discounted by 10%, with this cost borne by PTT's GSPs.

  3.) A portion of natural gas supplied to the petrochemical producer will be excluded from the gas pool price calculation.

- **Impact to PTT:** The new model will reduce the subsidy burden and improve GSP profitability due to a lower cost base, though gas sold to NGV and industrial customers (about 14% of 3Q25 volume) will face higher costs as the pooled gas price is expected to rise by roughly 3%. Net-net, we expect the change to be positive for PTT, with 2026F earnings estimated to increase by around 4% under the revised pricing structure. Overall, the new policy is more reasonable and fairer, as it better separates gas used as petrochemical feedstock from LNG used in power generation, improving transparency and cost fairness across sectors.

Key Valuations

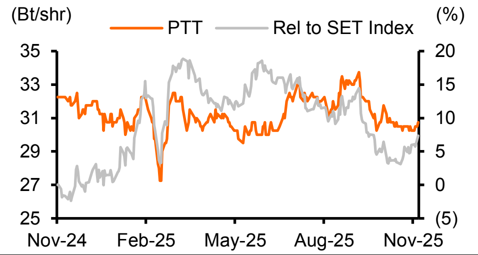
Y/E Dec (Bt m)	2024A	2025F	2026F	2027F
Revenue	3,090,453	3,036,200	2,972,663	2,966,304
Net profit	90,072	92,450	90,056	93,169
Norm net profit	91,682	84,450	90,056	93,169
Norm EPS (Bt)	3.2	3.0	3.2	3.3
Norm EPS gr (%)	(8.0)	(7.9)	6.6	3.5
Norm PE (x)	9.6	10.4	9.8	9.4
EV/EBITDA (x)	3.9	4.0	3.6	3.1
P/BV (x)	0.8	0.8	0.7	0.7
Div. yield (%)	6.8	6.8	6.8	6.8
ROE (%)	8.1	7.3	7.7	7.7
Net D/E (%)	33.3	36.3	29.9	21.3

Source: Thanachart estimates

Stock Data

Closing price (Bt)	30.75
Target price (Bt)	40.00
Market cap (US$ m)	27,278
Avg daily turnover (US$ m)	51.3
12M H/L price (Bt)	33.75/27.25

Price Performance



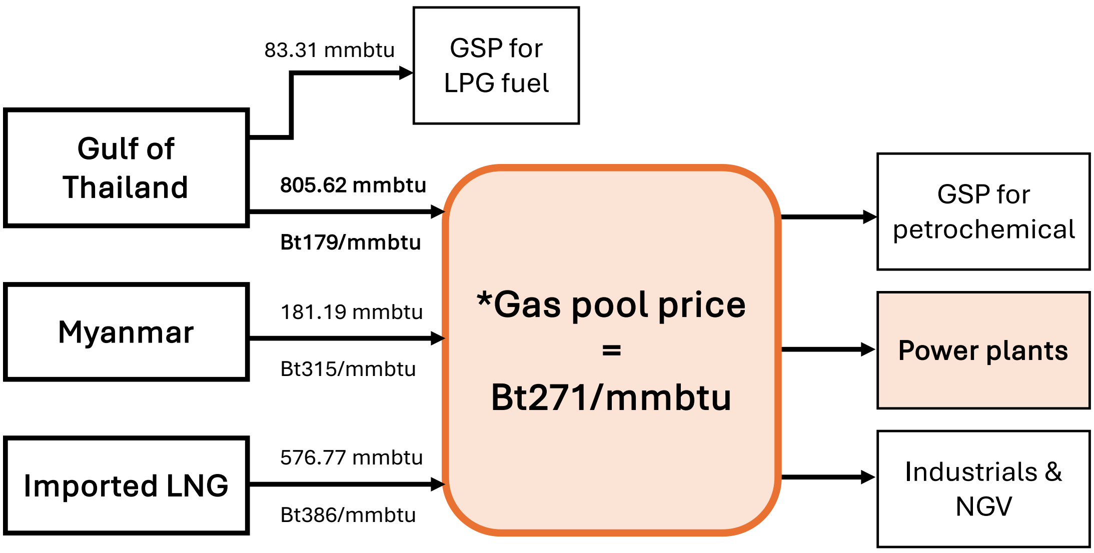
Source: Bloomberg

Ex 1: Estimate Pool Gas Price Old Vs. News

	Thailand gas supply (mmscfd)	Price (Bt/mmbtu)	Gas volume calculate in gas pool (mmscfd)	Note
Old				
Gulf of Thailand	889	179	806	Include GSP volume sale to chemical producers
Myanmar	181	315	181	
LNG	568	386	568	
Total	**1,638**		**1,555**	
Pool gas			**271**	
New				
Gulf of Thailand	889	161	584	Exclude GSP volume sale to chemical producers
Myanmar	181	315	181	
LNG	568	386	568	
Total	**1,638**		**1,333**	
Pool gas			**279**	
% change			**3%**	

Source: Thanachart estimates

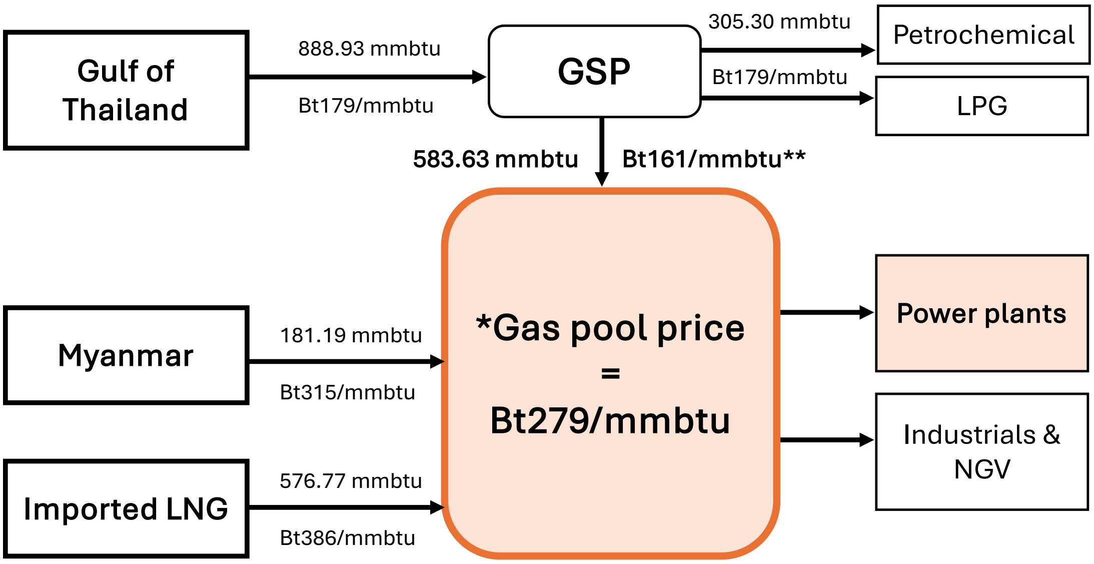
Ex 2: Current Natural Gas Price Structure Based on Single Pool Model



Sources: Energy and Policy Planning Office (EPPO), Thanachart estimates

Note: *Calculated based on gas volume mix specified in public hearing documents (March 2025) and latest gas prices from October 2025.

Ex 3: New Natural Gas Price Model To Be Implemented From Jan 2026



Sources: Energy and Policy Planning Office (EPPO), Thanachart estimates

Note: *Calculated based on gas volume mix specified in public hearing documents (March 2025) and latest gas prices from October 2025.
** NECP specifies that gas cost paid by GSP will be 10% higher than price of natural gas from Gulf of Thailand blended into the gas pool.

General Disclaimers And Disclosures:

This report is prepared by analysts who are employed by the research department of TNS. While the information is from sources believed to be reliable, neither the information nor the forecasts shall be taken as a representation or warranty for which TNS or TTB or its group companies or any of their employees incur any responsibility. This report is provided to you for informational purposes only and it is not, and is not to be construed as, an offer or an invitation to make an offer to sell or buy any securities. Neither TNS, TTB nor its group companies accept any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

The information and opinions contained herein have been compiled or arrived at from sources believed reliable. However, TNS, TTB and its group companies make no representation or warranty, express or implied, as to their accuracy or completeness. Expressions of opinion herein are subject to change without notice. The use of any information, forecasts and opinions contained in this report shall be at the sole discretion and risk of the user.

TNS, TTB and its group companies perform and seek to perform business with companies covered in this report. TNS, TTB, its group companies, their employees and directors may have positions and financial interest in securities mentioned in this report. TNS, TTB or its group companies may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any entity mentioned in this report. Therefore, investors should be aware of conflict of interest that may affect the objectivity of this report.

Disclosure of Interest of Thanachart Securities

Investment Banking Relationship

Within the preceding 12 months, Thanachart Securities has lead-managed public offerings and/or secondary offerings (excluding straight bonds) of the securities of the following companies:

Note: Thanachart Securities Public Company Limited (TNS) acts as an underwriter of “Debentures of Advanced Info Service Public Co. Ltd.(ADVANC) No. 1/2025 (B.E. 2568) tranche 1”, therefore investors need to be aware that there could be conflicts of interest in this research.

Note: Thanachart Securities Public Company Limited (TNS) acts as an underwriter of “Debentures of PTT Global Chemical Public Co. Ltd.(PTTGC) No. 1/2025 (B.E. 2568) tranche 1”, therefore investors need to be aware that there could be conflicts of interest in this research.