

PTT Oil And Retail Pcl (OR TB) - BUY, Price Bt12.40, TP Bt13.50**Results Comment**

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1Q26 – below due to hedging loss

- OR reported a 1Q26 net profit of Bt2.4bn, down 45% y-y but up 16% q-q, missing our estimate of Bt2.8bn and consensus of Bt2.7bn due to larger-than-expected hedging losses. Core profit accounted for only 25% of our 2026F forecast, which appears low given a potentially weaker 2Q26F.
- The q-q improvement was driven by stronger performance across key businesses, while the y-y decline was mainly due to a Bt2.4bn hedging loss.
- Oil EBITDA rose 59% q-q and 14% y-y, supported by strong diesel demand ahead of price hikes. Marketing margin improved to Bt1.1/litre from Bt1.0/litre in 4Q25. OR booked a Bt1.2bn stock gain, partly offset by a Bt7.9bn impact from weaker jet margins.
- Non-oil EBITDA margin improved to 31.7% from 25.4% in 4Q25 and 29.9% in 1Q25, driven by record-high cup sales and lower seasonal marketing expenses.
- Overseas EBITDA recovered from a Bt12m loss in 4Q25 to Bt436m in 1Q26, driven by stronger diesel sales to wholesalers in the Philippines. Cambodia losses widened slightly to Bt190m, with 34 station closures in 1Q26, leaving 91 stations remaining.
- OR is seeking a partner for its Cambodia business and expects only a small loss on exit. The deal is targeted for completion within this year. Cambodia's PP&E and right-of-use assets totaled US\$88m.
- We expect 2Q26 earnings to soften q-q on lower sales volume, with retail margins guided toward the low end at ~70 satang/litre. We believe the recent share price correction has largely priced in this short-term weakness. We see OR as post-war recovery play. Maintain BUY.

| Income Statement | | | | | | Income Statement | | | | | |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------------|-------------|-------------|-----------|---------------|---------------|
| (consolidated) | | | | | | 3M as | | | | | |
| Yr-end Dec (Bt m) | 1Q25 | 2Q25 | 3Q25 | 4Q25 | 1Q26 | (Bt m) | q-q% | y-y% | % 2026F | 2026F | 2027F |
| Revenue | 182,422 | 167,166 | 153,600 | 155,535 | 176,125 | Revenue | 13 | (3) | 26 | 669,637 | 669,297 |
| Gross profit | 9,635 | 8,222 | 8,636 | 8,819 | 10,384 | Gross profit | 18 | 8 | 30 | 35,181 | 38,399 |
| SG&A | 5,276 | 6,117 | 6,043 | 6,948 | 5,627 | SG&A | (19) | 7 | 21 | 26,785 | 26,772 |
| Operating profit | 4,359 | 2,105 | 2,593 | 1,871 | 4,758 | Operating profit | 154 | 9 | 57 | 8,395 | 11,627 |
| EBITDA | 6,209 | 4,046 | 4,522 | 3,731 | 6,800 | EBITDA | 82 | 10 | 36 | 18,736 | 21,787 |
| Other income | 495 | 463 | 528 | 681 | 473 | Other income | (31) | (4) | 22 | 2,167 | 2,167 |
| Other expense | (239) | (377) | (139) | (309) | 2,434 | Other expense | na | na | na | | |
| Interest expense | 263 | 233 | 228 | 219 | 209 | Interest expense | (4) | (21) | 29 | 723 | 593 |
| Profit before tax | 4,830 | 2,713 | 3,032 | 2,643 | 2,588 | Profit before tax | (2) | (46) | 26 | 9,839 | 13,202 |
| Income tax | 1,038 | 560 | 695 | 187 | 627 | Income tax | 235 | (40) | 32 | 1,968 | 2,640 |
| Equity & invest. income | 204 | 152 | 173 | 161 | 215 | Equity & invest. income | 34 | 5 | 31 | 690 | 690 |
| Minority interests | (0) | 0 | (1) | 1 | 2 | Minority interests | 76 | na | na | 0 | 0 |
| Extraordinary items | 383 | (73) | 105 | (539) | 237 | Extraordinary items | na | (38) | na | 0 | 0 |
| Net profit | 4,379 | 2,232 | 2,614 | 2,078 | 2,415 | Net profit | 16 | (45) | 28 | 8,561 | 11,251 |
| Normalized profit | 3,996 | 2,305 | 2,510 | 2,617 | 2,177 | Normalized profit | (17) | (46) | 25 | 8,561 | 11,251 |
| EPS (Bt) | 0.36 | 0.19 | 0.22 | 0.17 | 0.20 | EPS (Bt) | 16 | (45) | 28 | 0.71 | 0.94 |
| Normalized EPS (Bt) | 0.33 | 0.19 | 0.21 | 0.22 | 0.18 | Normalized EPS (Bt) | (17) | (46) | 25 | 0.71 | 0.94 |
| Balance Sheet | | | | | | Financial Ratios | | | | | |
| (consolidated) | | | | | | 3M as | | | | | |
| Yr-end Dec (Bt m) | 1Q25 | 2Q25 | 3Q25 | 4Q25 | 1Q26 | (%) | 1Q25 | 2Q25 | 3Q25 | 4Q25 | 1Q26 |
| Cash & ST investment | 42,743 | 46,179 | 35,068 | 33,239 | 43,547 | Sales growth | 2.6 | (9.1) | (12.8) | (16.4) | (3.5) |
| A/C receivable | 24,469 | 20,266 | 20,258 | 23,684 | 29,992 | Operating profit growth | 28.6 | (19.3) | na | (38.7) | 9.1 |
| Inventory | 31,783 | 32,647 | 39,738 | 32,988 | 37,052 | EBITDA growth | 19.8 | (7.5) | 457.5 | (25.7) | 9.5 |
| Other current assets | 11,636 | 11,553 | 15,326 | 18,942 | 34,501 | Norm profit growth | 39.7 | (5.7) | na | (0.1) | (45.5) |
| Investment | 9,392 | 8,769 | 8,699 | 8,629 | 11,733 | Norm EPS growth | 39.7 | (5.7) | na | (0.1) | (45.5) |
| Fixed assets | 46,948 | 46,333 | 46,235 | 46,609 | 46,020 | Gross margin | 5.3 | 4.9 | 5.6 | 5.7 | 5.9 |
| Other assets | 34,859 | 34,691 | 34,508 | 33,841 | 33,700 | Operating margin | 2.4 | 1.3 | 1.7 | 1.2 | 2.7 |
| Total assets | 201,830 | 200,437 | 199,832 | 197,931 | 236,545 | EBITDA margin | 3.4 | 2.4 | 2.9 | 2.4 | 3.9 |
| S-T debt | 5,641 | 5,261 | 5,154 | 6,280 | 4,653 | Norm net margin | 2.2 | 1.4 | 1.6 | 1.7 | 1.2 |
| A/C payable | 39,242 | 36,663 | 37,727 | 32,793 | 72,791 | D/E (x) | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Other current liabilities | 7,371 | 8,772 | 9,237 | 9,512 | 11,213 | Net D/E (x) | (0.2) | (0.3) | (0.2) | (0.2) | (0.3) |
| L-T debt | 8,844 | 8,564 | 7,310 | 7,027 | 3,213 | Interest coverage (x) | 23.6 | 17.4 | 19.8 | 17.1 | 32.5 |
| Other liabilities | 27,544 | 27,751 | 27,978 | 28,499 | 28,166 | Interest rate | 6.4 | 6.6 | 6.9 | 6.8 | 7.9 |
| Minority interest | 64 | 63 | 65 | 63 | 62 | Effective tax rate | 21.5 | 20.6 | 22.9 | 7.1 | 24.2 |
| Shareholders' equity | 113,124 | 113,362 | 112,362 | 113,758 | 116,446 | ROA | 7.8 | 4.6 | 5.0 | 5.3 | 4.0 |
| Working capital | 17,010 | 16,250 | 22,269 | 23,879 | (5,747) | ROE | 14.4 | 8.1 | 8.9 | 9.3 | 7.6 |
| Total debt | 14,485 | 13,825 | 12,464 | 13,306 | 7,866 | | | | | | |
| Net debt | (28,257) | (32,354) | (22,604) | (19,933) | (35,681) | | | | | | |

Sources: Company data, ttb wealth estimates

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