

SELL (Unchanged)**TP: Bt 125.00** (From: Bt 111.00)

Change in Numbers

Downside : 13.5%

PTT Exp. & Production Pcl (PTTEP TB)

Structural headwind remains

We maintain our **SELL** rating on PTTEP despite raising our TP to Bt125, as we lift our near-term oil price assumptions to reflect the increased geopolitical risks. Our bearish oil view remains unchanged, and we expect earnings to weaken from 2027F onward.

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Unchanged bearish view; still a SELL

We maintain our SELL rating on PTTEP despite raising our DCF-based 12-month TP to Bt125 from Bt111, reflecting our higher near-term oil price assumptions and rolling our valuation forward to a 2027F base year. Our bearish view rests on four factors. **First**, 2026F looks to be as good as it gets, with earnings set to decline in 2027-28F as lower oil prices more than offset modest volume growth. **Second**, the oil outlook remains structurally weak, with recovering Middle East supply, OPEC+ spare capacity, and rising non-OPEC+ production likely to pressure prices from 2027F onward. **Third**, we believe PTTEP's share price has limited upside from higher oil prices, given ~74% gas-linked sales and ~15m bbls of liquids hedged at ~US\$100/bbl. **Finally**, dividend support is not compelling, with a 5.5% yield broadly in line with the sector average.

Short-term support from geopolitical tensions

We raise our Brent assumptions to US\$90/78/70/bbl in 2026-28F, from US\$80/70/65, respectively. We view the current oil tightness as mainly geopolitical-driven and temporary. Meanwhile, Middle East oil flows are starting to recover to 80% of pre-war level in September, with greater use of alternative routes easing supply constraints and capping further upside. Looking ahead, we expect oil prices to decline from 2027F onward as Middle East production recovers and non-OPEC+ supply continues to grow, pointing to less structural tightness in the market. Due to our higher oil price assumptions, we raise our normalized earnings estimates for PTTEP by 39/21/16% for 2026-28F, respectively.

Unexciting growth outlook

PTTEP's volume growth looks set to slow from 10% in 2026F to 5/6% in 2027-28F, with limited growth beyond 2028 under the current project pipeline. With volume growth fading, oil prices will likely increasingly dictate earnings, which we see peaking in 2026F before declining 20/4% in 2027-28F, as lower oil prices more than offset volume growth. The potential Andaman concession offers a longer-term growth option, with up to 10 Tcf of gas in place, but any production contribution would likely take several years to materialize.

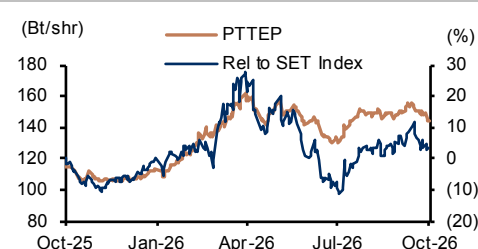
Limited sensitivity to higher oil prices

Around 74% of PTTEP's sales volume is gas-linked, with gas prices determined by formulas incorporating oil benchmarks, FX rates and inflation. As a result, higher oil prices flow through to gas prices only partially, with a 6-12 month lag. This was evident in 1H26, when PTTEP's ASP rose only 9%, vs. a 28% rise in the Dubai crude price. On the liquids side, PTTEP has hedged ~15m bbls at ~US\$100/bbl, covering ~60% of 2H26F liquid volume. The stock has also lagged the oil rally, rising only 6% since war start in Feb 2026 vs. a 43% increase in Brent oil prices.

COMPANY VALUATION

Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Sales	281,449	351,460	340,200	335,239
Net profit	60,273	82,638	69,062	63,524
Consensus NP	—	72,190	69,203	70,305
Diff frm cons (%)	—	14.5	(0.2)	(9.6)
Norm profit	55,851	87,817	69,062	63,524
Prev. Norm profit	—	63,250	57,008	54,683
Chg frm prev (%)	—	38.8	21.1	16.2
Norm EPS (Bt)	14.07	22.12	17.40	16.00
Norm EPS grw (%)	(28.6)	57.2	(21.4)	(8.0)
Norm PE (x)	10.3	6.5	8.3	9.0
EV/EBITDA (x)	3.0	2.3	2.5	2.4
P/BV (x)	1.1	0.9	0.9	0.8
Div yield (%)	6.1	6.2	5.5	5.4
ROE (%)	10.6	15.4	10.9	9.5
Net D/E (%)	2.3	3.0	1.8	(3.0)

PRICE PERFORMANCE



COMPANY INFORMATION

Price as of 1-Oct-26 (Bt)	144.50
Market Cap (US\$ m)	17,029.2
Listed Shares (m shares)	3,970.0
Free Float (%)	34.7
Avg. Daily Turnover (US\$ m)	82.4
12M Price H/L (Bt)	161.50/105.00
Sector	Energy
Major Shareholder	PTT Pcl 63.79%

Sources: Bloomberg, Company data, ttb wealth estimates

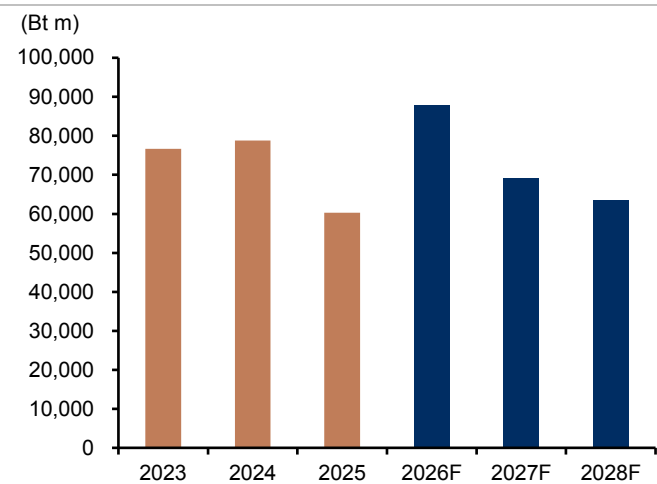
Unchanged bearish view; still a SELL

We maintain our SELL rating on PTT Exploration & Production Pcl (PTTEP) despite raising our DCF-based 12-month TP to Bt125 from Bt111, reflecting our higher near-term oil price assumptions and rolling our valuation forward to a 2027F base year.

Despite raising our earnings estimates, 2026F should still mark the peak

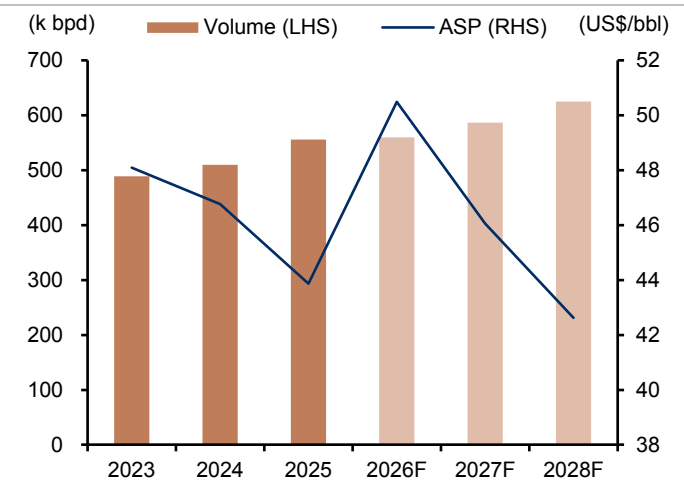
First, despite raising our earnings estimates, we still expect 2026F to mark the earnings peak, as we view current high oil prices as unsustainable. We lift our 2026-28F normalized earnings projections by 39/21/16%, mainly reflecting higher Brent assumptions of US\$91/78/70/bbl, vs. US\$80/70/65 previously. This boosts normalized profit to Bt87.8bn in 2026F, before declining 21% y-y to Bt69.1bn in 2027F and a further 8% to Bt63.5bn in 2028F, as lower oil prices outweigh modest production growth. PTTEP's volume growth looks set to slow from 10% in 2026F to 5/6% in 2027-28F, with limited growth beyond 2028 under the current project pipeline.

Ex 1: PTTEP's Net Profit



Sources: Company data, ttb wealth estimates

Ex 2: PTTEP's Sales Volume Vs. ASP



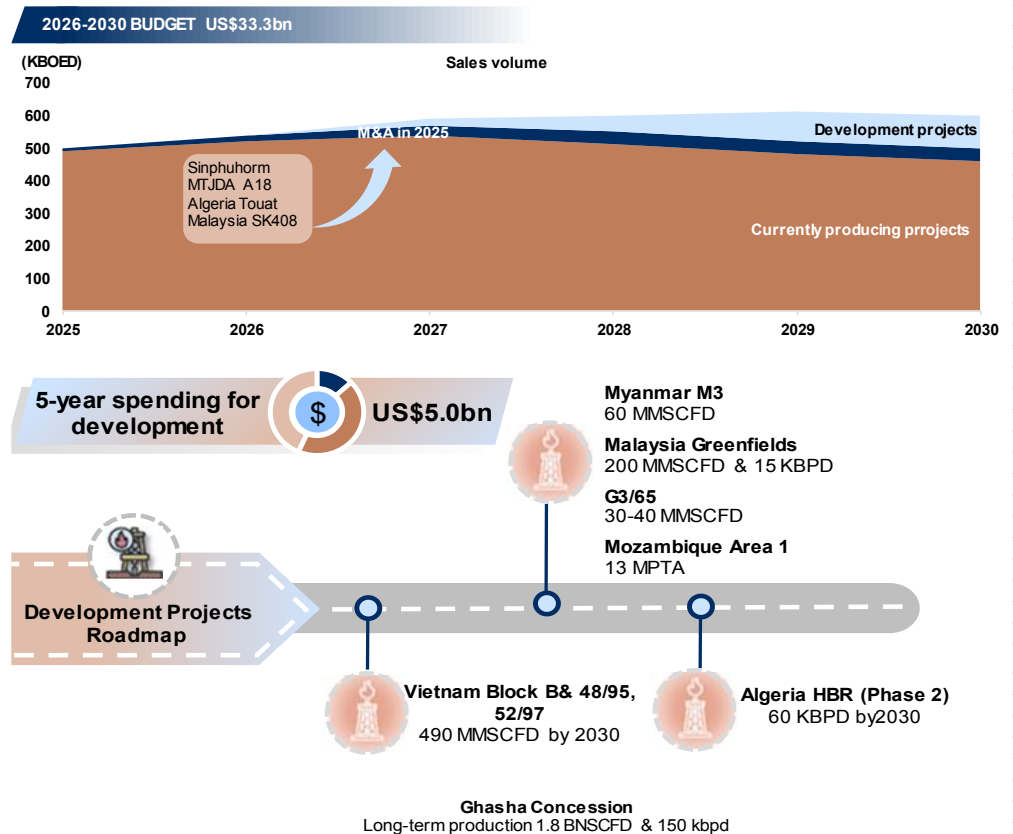
Sources: Company data, ttb wealth estimates

Ex 3: Earning Revisions

	2023	2024	2025	2026F	2027F	2028F
Norm profit (Bt m)						
- New	78,656	78,239	55,851	87,817	69,062	63,524
- Old				63,250	57,008	54,683
- Change (%)				38.8	21.1	16.2
Reported profit (Bt m)						
- New	76,706	78,824	60,273	82,638	69,062	63,524
- Old				62,930	57,008	54,683
- Change (%)				31.3	21.1	16.2
Brent oil (US\$/bbl)						
- New	82	80	70	91	78	70
- Old				80	70	65
- Change (%)				13.8	11.4	7.7

Sources: Company data, ttb wealth estimates

Ex 4: PTTEP Has A Moderate Volume Growth Outlook



Source: Company data

*Middle East oil exports
have recovered to ~80% of
pre-Iran war levels*

*STS transfers help move oil
out of Hormuz*

*Global oil inventories still
have a buffer*

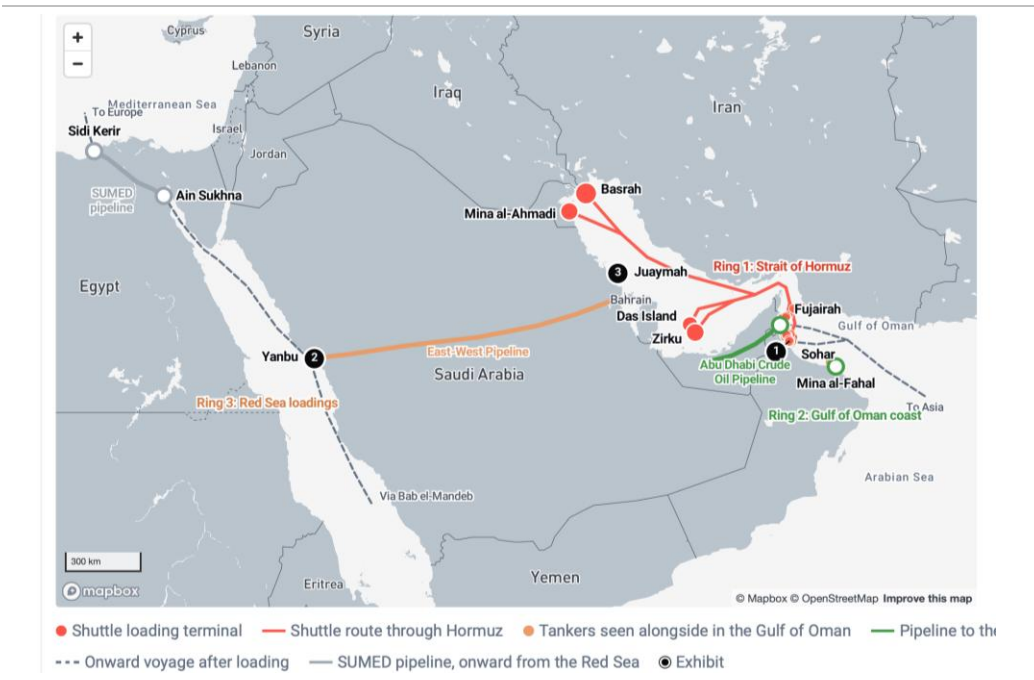
Second, tightness in physical oil flow is easing. Despite the sharp disruption in September, crude exports from key Middle Eastern producers rebounded to 16.5m b/d in September, or around 80% of pre-war levels, the highest since the US war with Iran began in late February. Three key developments are helping Gulf producers restore export flows.

- 1) **STS transfers keep Gulf crude moving.** Saudi Arabia and the UAE are increasingly using ship-to-ship (STS) transfers off Oman, allowing crude to move through Hormuz on smaller shuttle tankers before being transferred to larger VLCCs in relatively safer waters. STS transfers do not eliminate the risk of Iranian attacks, as shuttle tankers still need to transit Hormuz, but they can reduce the time and exposure of high-value VLCCs in the most restricted waters. Together with military escorts, Automatic Identification System (AIS)-dark transits, and rerouted routes, these measures provide a practical workaround to keep barrels moving. Excluding Iran, crude exports from the Middle East Gulf region are back at pre-war levels. But 40% now bypass Hormuz, and most crude crossing the strait changes tankers offshore.
- 2) **Inventory buffer remains supportive.** In the week to 11 September, land crude inventories across BloombergNEF-tracked regions remained 1.2m bbls above the five-year average. Including floating stocks, global crude inventories were also in surplus by 31.1m bbls vs. the five-year average. While the buffer has narrowed, inventories remain above the five-year average, providing some cushion against temporary supply disruptions.

East-West Pipeline is resuming operation

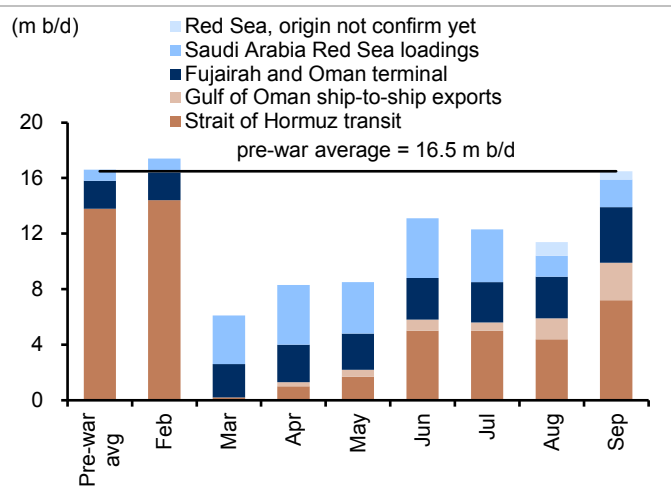
3) **East-West Pipeline restart helps ease pressure.** Aramco restarted the East-West Pipeline less than two weeks after drone attacks disrupted the system, with pumping resuming at reduced rates. Aramco is reportedly targeting around 4mb/d, vs. approximately 5.5mb/d before the attack.

Ex 5: Middle East Oil Export Route Map



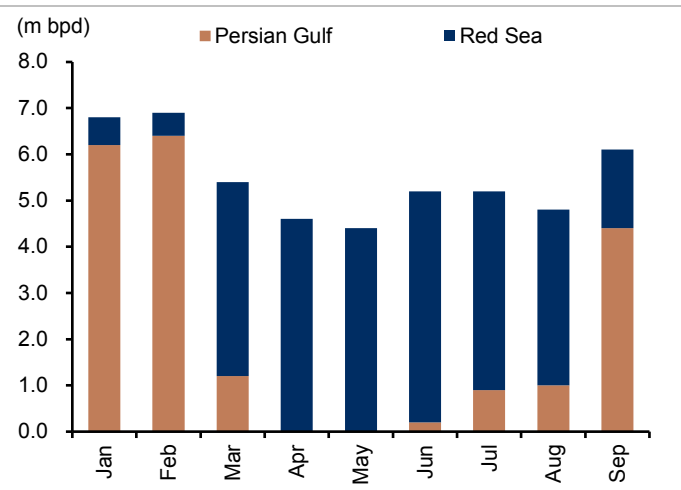
Source: Kpler

Ex 6: Crude Oil Exports From Middle East Excl. Iran

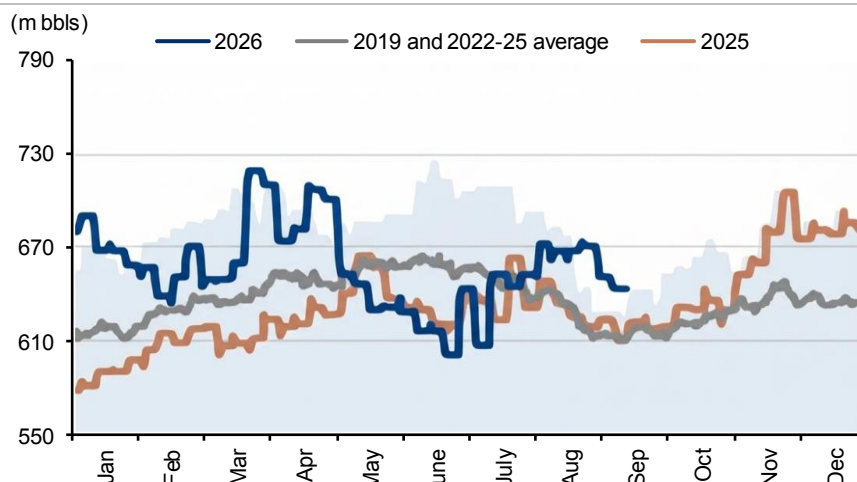


Source: Kpler

Ex 7: Saudi Arabian Oil Exports



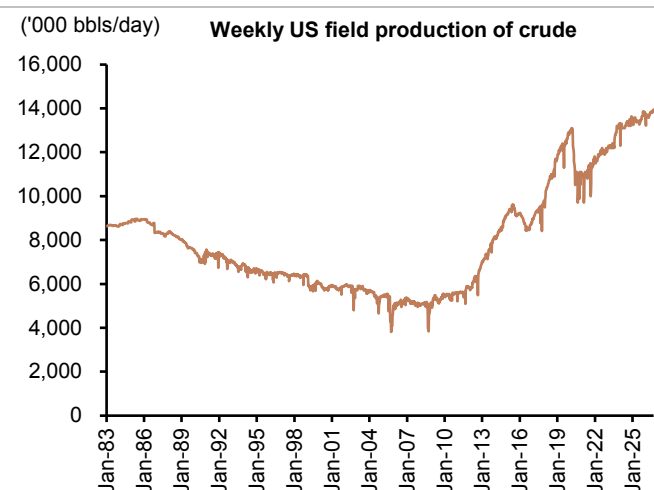
Source: Kpler

Ex 8: Total Global Crude Inventories (Land+Floating)

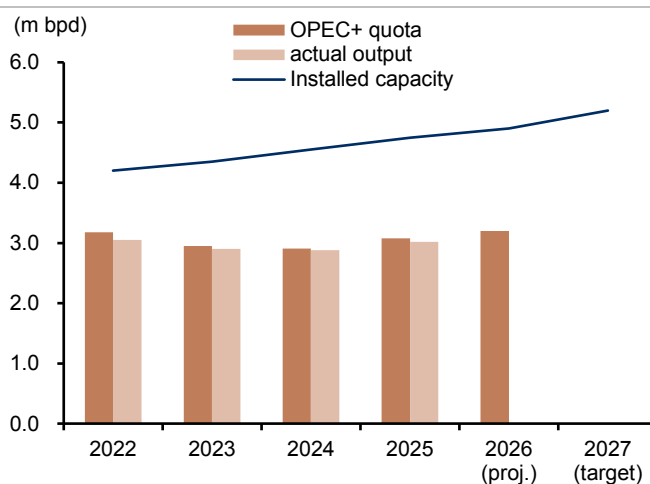
Source: Bloomberg

Supply could outpace demand from 2027F

Third, the long-term oil price outlook remains bearish. The oil market could face a meaningful supply overhang from 2027F as Middle East production normalizes, while non-OPEC+ supply continues to grow, led by the Americas. Additionally, the UAE's exit from OPEC further highlights the growing tension between national production ambitions and collective supply management. Since leaving OPEC in May 2026, the UAE has enjoyed greater flexibility to raise output, while the Abu Dhabi National Oil Company (ADNOC) has increased production capacity to 4.85mb/d from 4.65mb/d and targets 5mb/d by 2027. This adds another source of potential supply growth to an already well-supplied market once Middle East exports normalize.

Ex 9: US Oil Production

Source: EIA

Ex 10: UAE Production Vs. Capacity

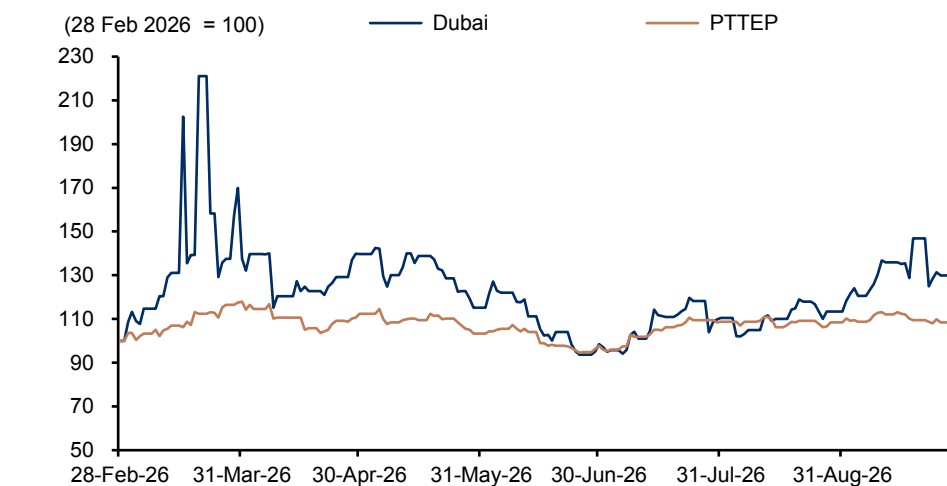
Sources: Bloomberg, ttb wealth estimates

PTTEP has limited sensitivity to oil price movements

Fourth, PTTEP has limited sensitivity to oil price movement, in our view. Since the Iran war began on 28 February, PTTEP's share price has risen only around 6%, from Bt137 on 27 February to Bt145 on 30 September, vs. a roughly 43% increase in Brent from US\$72.48/bbl to US\$103.50/bbl. The relatively muted share-price response reflects PTTEP's limited earnings sensitivity to spot oil prices, given its significant gas exposure and long-term gas contracts, meaning higher oil prices do not translate one-for-one into earnings.

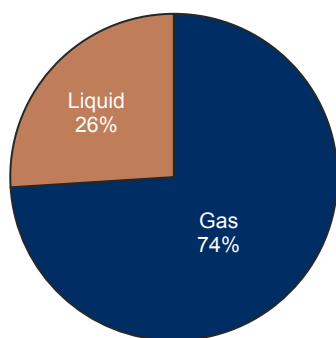
Around 74% of PTTEP's sales volume is gas-linked, with gas prices determined by formulas incorporating oil benchmarks, FX rates, and inflation. As a result, higher oil prices flow through to gas prices only partially, with a 6–12 month lag. This was evident in 1H26, when PTTEP's ASP rose only 9%, vs. a 28% rise in the Dubai crude price. On the liquids side, PTTEP has hedged ~15m bbls at ~US\$100/bbl, covering ~60% of 2H26F liquid volume.

Ex 11: PTTEP Share Price Vs. Dubai Oil Price Since Iran War Started



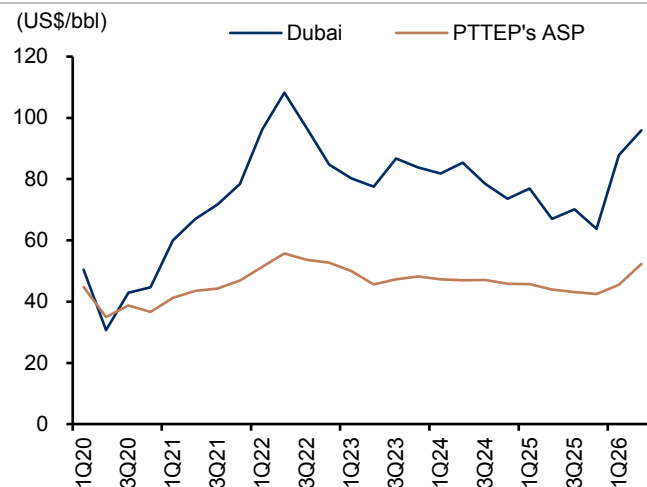
Sources: Bloomberg, ttb wealth estimates

Ex 12: PTTEP's Volume Mix In 2Q26



Sources: Company data, ttb wealth estimates

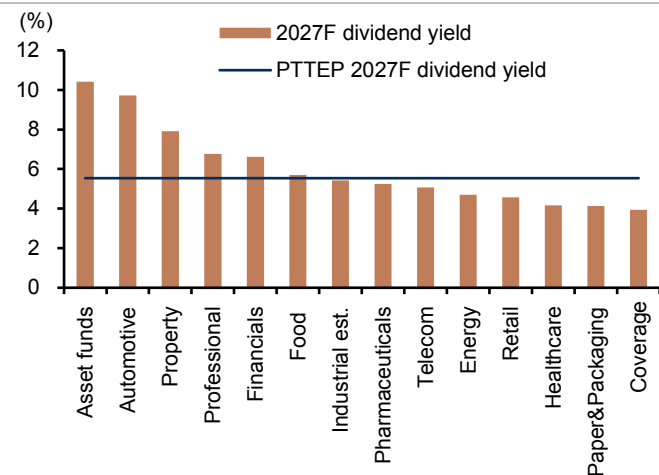
Ex 13: PTTEP's ASP Vs. Oil Price



Sources: Company data, ttb wealth estimates

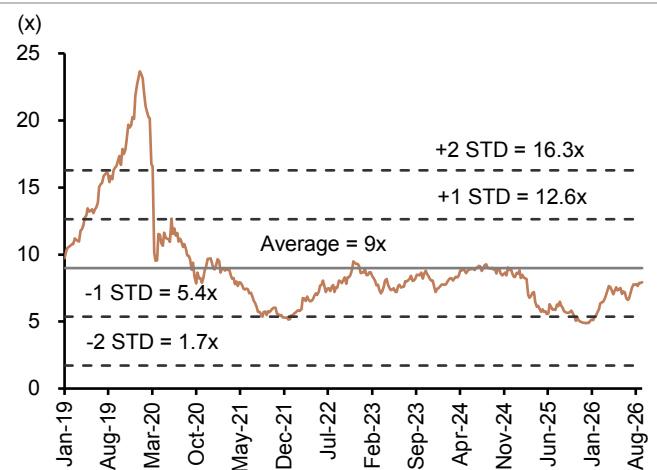
Finally, dividend support is not particularly compelling, with an estimated ~5.5% dividend yield, broadly in line with the sector average and therefore insufficient, in our view, to offset the weaker earnings outlook and oil-price risk. In terms of valuations, PTTEP is trading at an 8x 2027F PE multiple, which we see unattractive against a declining earnings trajectory.

Ex 14: Dividend Yield Comparison (2026F)



Sources: Bloomberg, ttb wealth estimates

Ex 15: PE Band



Sources: Bloomberg, Company data, ttb wealth estimates

Ex 16: 12-month DCF-based TP Calculation, Using A Base Year Of 2027F

(Bt m)	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F	Terminal Value
EBITDA	238,763	228,507	219,510	217,078	211,542	206,116	200,799	195,590	190,484	183,589	176,913	
Free cash flow	43,301	63,762	83,699	55,140	66,155	64,539	51,726	54,186	52,495	50,053	46,569	508,022
PV of free cash flow	38,898	51,426	60,624	35,868	38,647	33,850	24,364	22,921	19,942	17,071	14,264	155,609
Risk-free rate (%)	2.5											
Market risk premium (%)	8.0											
Beta	1.4											
WACC (%)	11.4											
Terminal growth (%)	2.0											
Enterprise value	513,485											
Net debt	18,784											
Minority interest	263											
Equity value	494,439											
# of shares	3,970											
Equity value / share	125											

Sources: Company data, ttb wealth estimates

Valuation Comparison

Ex 17: Comparison With Regional Peers

Company	Code	Country	EPS Growth		— PE —		— P/BV —		EV/EBITDA		Div. Yield		— ROE —	
			26F	27F	26F	27F	26F	27F	26F	27F	26F	27F	26F	27F
			(%)	(%)	(x)	(x)	(x)	(x)	(x)	(x)	(%)	(%)	(%)	(%)
<u>Refining & Marketing</u>														
Ampol	ALD AU	Australia	na	(48.7)	7.8	15.3	2.4	2.4	5.7	7.9	7.3	4.0	34.8	15.2
BPCL	BPCL IN	India	90.5	(67.5)	5.1	15.7	1.3	1.2	4.2	10.0	7.0	2.3	28.2	9.1
HPCL	HPCL IN	India	138.1	(93.5)	4.5	69.0	1.2	1.1	4.5	15.5	6.5	1.5	28.4	na
IOCL	IOCL IN	India	na	(56.1)	5.4	12.3	0.9	0.8	4.3	7.5	7.4	2.8	18.9	5.7
Reliance Industries	RIL IN	India	13.4	6.5	na	na	na	na	10.4	9.5	na	na	8.8	8.8
SK Energy	096770 KS	S.Korea	na	(41.3)	8.3	14.1	0.9	0.9	5.5	8.1	1.4	1.4	11.3	6.2
S-OIL	010950 KS	S.Korea	na	(21.6)	5.6	7.1	1.5	1.3	4.4	5.5	3.0	3.4	29.2	18.4
Formosa Petrochemical	6505 TT	Taiwan	na	(37.0)	11.7	18.5	1.9	1.9	6.9	10.6	6.2	5.1	16.6	9.8
Bangchak *	BCP TB	Thailand	114.1	(49.4)	2.7	5.4	0.8	0.8	2.7	3.1	15.5	5.9	32.4	14.3
IRPC Pcl *	IRPC TB	Thailand	na	(63.5)	15.5	42.5	0.8	0.8	5.7	6.7	1.1	1.1	5.4	1.9
PTT Oil And Retail *	OR TB *	Thailand	(14.6)	31.4	17.1	13.0	1.3	1.2	6.1	4.9	3.2	4.2	7.4	9.4
PTG Pcl *	PTG TB	Thailand	(27.4)	63.4	18.7	11.4	1.4	1.3	4.2	3.3	4.8	4.8	7.4	11.7
PTT Global Chemicals *	PTTGC TB	Thailand	na	(50.9)	26.2	53.4	0.7	0.7	8.5	9.4	1.0	1.0	3.1	2.2
Star Petroleum Refining *	SPRC TB	Thailand	182.9	(50.2)	4.7	9.4	1.3	1.2	3.2	5.0	10.0	5.4	30.2	13.2
Thai Oil *	TOP TB	Thailand	236.6	(63.1)	3.8	10.4	0.6	0.6	3.4	6.1	7.9	2.4	19.4	6.7
Average			91.7	(36.1)	9.8	21.3	1.2	1.2	5.3	7.5	5.9	3.2	18.8	9.5
<u>Integrated oils</u>														
PetroChina	857 HK	China	18.3	(6.1)	9.4	10.0	1.1	1.0	4.6	4.6	5.3	5.0	11.1	10.0
Sinopec	386 HK	China	15.7	11.4	12.2	11.0	0.6	0.6	5.7	5.3	5.4	6.0	5.3	5.6
Total	FP	France	61.8	(9.2)	na	na	na	na	na	na	na	na	19.2	15.3
Eni	ENI IM	Italy	77.8	(7.9)	8.7	9.5	1.4	1.3	4.6	4.9	4.8	4.8	15.9	13.1
Repsol	REP SM	Spain	127.1	(24.8)	5.5	7.3	1.1	1.0	4.0	5.0	3.7	4.0	19.2	12.6
Chevron Texaco	CVX US	USA	131.9	(14.2)	12.4	14.4	2.0	2.0	6.1	6.7	3.5	3.6	16.7	13.7
Exxon Mobil	XOM US	USA	76.1	(8.5)	13.3	14.5	2.5	2.3	7.3	7.7	2.6	2.6	19.1	16.1
Conoco Philips	COP US	USA	69.2	(10.4)	11.9	13.3	2.3	2.1	5.1	5.5	2.7	2.8	19.6	16.4
PTT Pcl *	PTT TB	Thailand	49.6	(9.7)	11.4	12.6	1.0	1.0	4.1	4.1	6.1	5.6	8.8	7.7
Average			69.7	(8.8)	10.6	11.6	1.5	1.4	5.2	5.5	4.2	4.3	15.0	12.3
<u>Exploration and Production</u>														
Santos	STO AU	Australia	80.6	14.3	16.7	14.6	1.7	1.6	5.4	4.8	4.1	5.2	10.0	10.4
Woodside	WDS AU	Australia	38.2	(0.2)	16.8	16.9	1.5	1.5	5.4	5.3	4.6	4.6	9.1	8.3
Suncor Energy	SU US	Canada	120.7	(21.9)	6.8	8.7	1.6	1.5	5.2	6.3	3.6	3.7	24.0	17.1
ONGC	ONGC IN	India	(4.6)	25.9	6.7	5.4	0.8	0.7	4.7	4.0	5.4	8.0	12.4	14.1
RIL	RIL IN	India	13.4	6.5	na	na	na	na	10.4	9.5	na	na	8.8	8.8
Apache	APA US	USA	74.0	(28.8)	6.9	9.7	2.0	1.7	3.0	3.6	2.4	2.4	29.4	16.3
Devon Energy	DVN US	USA	33.9	(5.6)	8.6	9.1	1.0	1.1	4.8	4.2	2.5	3.1	15.8	11.9
PTTEP *	PTTEP TB	Thailand	57.2	(21.4)	6.5	8.3	0.9	0.9	2.3	2.5	6.2	5.5	15.4	10.9
Average			51.7	(3.9)	9.9	10.4	1.3	1.3	5.1	5.0	4.1	4.6	15.6	12.2

Sources: Bloomberg, *ttb wealth estimates
Based on 1 October 2026 closing prices

COMPANY DESCRIPTION

PTT Exploration and Production (PTTEP) is a pure upstream exploration and production (E&P) company with production of 464,000 barrels of oil equivalent (boe) per day. Approximately 70% of its production is natural gas, and almost all of it comes from fields in Thailand and other Southeast Asian countries. It has proven and probable reserves of 2,286m boe with a reserve life of 10.7 years. PTTEP is the upstream arm of PTT Pcl (PTT TB, Bt40.75, BUY), which owns 65% of PTTEP.

Source: ttb wealth

TTB WEALTH'S SWOT ANALYSIS

S — Strength

- The parent company PTT is the country's sole gas buyer and PTTEP's biggest client.
- Secured off-take agreements limit downside risks to production volume.

O — Opportunity

- Significant resources on its balance sheet are still undeveloped.
- Potential investment overseas or expansion into new businesses.

COMPANY RATING



Rating Scale

Excellent	5
Good	4
Fair	3
Weak	2
Very Weak	1
None	0

Source: ttb wealth; *CG Rating

W — Weakness

- Reserves in the Gulf of Thailand are being depleted, with a reserve life index of only eight years.
- Limited experience and a lack of technical skills in running operations abroad compared to major international peers.

T — Threat

- Threat of low-cost LNG imports.
- Potential impairment risk on overseas business.
- Competition from international peers for projects abroad.
- Political and regulatory risks concerning its concessions, especially those about to expire.
- Overpaying for acquisitions, leading to a lower ROI.

CONSENSUS COMPARISON

	Consensus	ttb wealth	Diff
Target price (Bt)	164.26	125.00	-24%
Net profit 26F (Bt m)	72,190	82,638	14%
Net profit 27F (Bt m)	69,203	69,062	0%
Consensus REC	BUY: 19	HOLD: 9	SELL: 2

HOW ARE WE DIFFERENT FROM THE STREET?

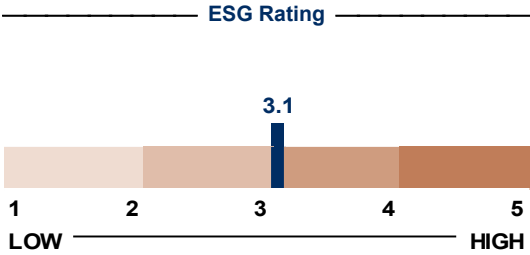
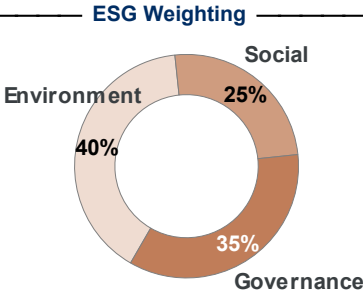
- Our 2026-27F net profit estimates are above the Bloomberg consensus numbers, which we attribute to us having higher oil price assumptions
- Our DCF-based TP is lower, likely as we are more bearish on the long-term oil price outlook.

Sources: Bloomberg consensus, ttb wealth estimates

RISKS TO OUR INVESTMENT CASE

- The key upside risk to our call would come from higher oil and/or gas prices.
- A secondary upside risk would be lower-than-expected operating costs.
- Another secondary upside risk would arise from new investments that are value-accretive.

Source: ttb wealth



	SET ESG Index	SET ESG (BBB-AAA)	DJSI Index	ttb wealth ESG Rating (1.0-5.0)	MSCI (CCC-AAA)	ESG Book (0-100)	CG Rating (0-5)
PTTEP	YES	AAA	-	3.13	B	65.4	5.0

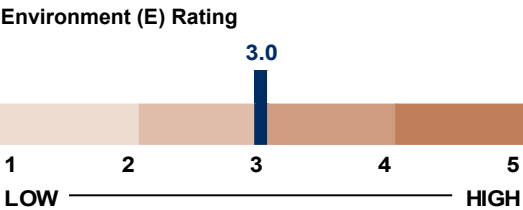
Sources: SETTRADE, SET ESG Index, SET ESG Rating, The Dow Jones Industrial Average (DJSI)
MSCI ESG Research LLC, ESG Book, Thai IOD (CG rating)
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ESG Summary

- PTTEP, the exploration and production (E&P) arm of Thailand’s national oil company PTT, produced 510,000 barrels of oil equivalent per day in 2025. Its volume breakdown was 70% gas and 30% oil. It has overseas investments, mainly in Malaysia, the Middle East, and Africa.
- Despite its carbon-intensive operations, PTTEP earns a decent ESG score of 3.1, reflecting strong sustainability commitment, clear improvement targets, and a strategic plan to diversify into non-E&P businesses. The company is moving toward a structural decarbonization policy through initiatives such as the Arthit carbon capture and storage program, which are key catalysts for future improvements in its environmental performance.
- PTTEP’s Environmental (E) score is decent at 3.0, reflecting its commitment to carbon reduction. The company has made substantial progress in reducing carbon emissions, and its carbon capture projects serve as key catalysts for further improving its environmental performance.
- Social (S) performance is the weakest area in our view, with a moderate score of 2.8, reflecting the high-risk nature of the E&P business. This is partially offset by strong workforce safety programs, community engagement through the 10-year “Ocean for Life” program, and support for local businesses and suppliers
- Governance (G) is PTTEP’s strongest pillar, with a good score of 3.6. The company benefits from a well-structured independent board and disciplined financial management.



Despite its high-emission E&P business model, we assign PTTEP a decent E score of 3.0 to reflect counterfactors such as its decarbonization policy and the company’s clear progress and targets for reducing emissions. We expect the score to improve in the future as the use of carbon capture and storage (CCS) in its projects increases.

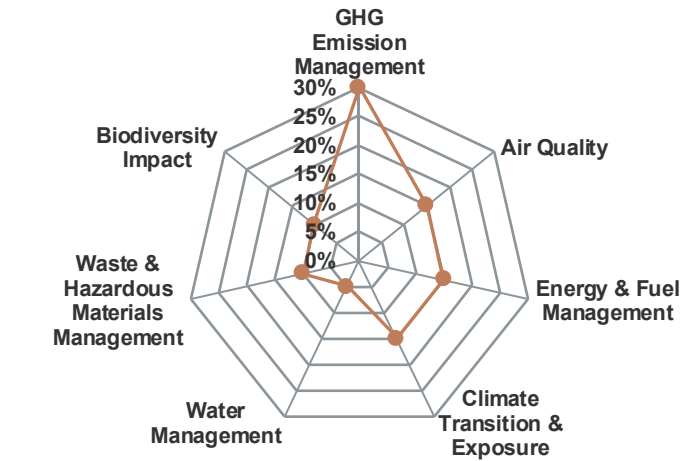


ENVIRONMENT

Our Comments

- Air Quality
- Biodiversity Impact
- Climate Transition & Exposure
- Energy & Fuel Management
- GHG Emission Management
- Water Management
- Waste & Hazardous Materials Management

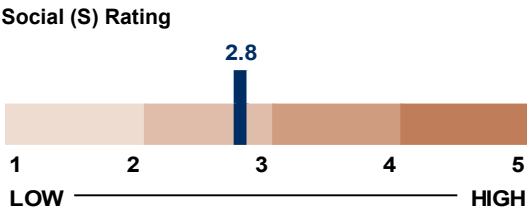
SCALE WEIGHTING



- PTTEP’s good (E) score of 3.0 reflects a decent environmental risk profile despite its carbon-intensive E&P business. PTTEP also has a lower carbon intensity than many E&P companies, owing to its higher gas output mix (70% of total production). Gas production emits less carbon than oil.
- PTTEP has set clear decarbonization targets, including net-zero emissions by 2050 and a 30% reduction in GHG intensity by 2030 from the 2020 baseline.
- In 2024, PTTEP achieved meaningful progress in reducing its environmental impact. Accumulated GHG emissions fell by 4.08m tonnes of CO₂ equivalent compared to 2020, and GHG intensity declined by 21.2%. These reductions were driven by improvements in energy efficiency and hydrocarbon recovery processes.
- PTTEP is also exploring non-E&P investments to diversify its portfolio and reduce its overall carbon footprint. This includes artificial intelligence and robotics technologies, carbon capture and storage (CCS), renewable energy, and hydrogen to support a sustainable transition towards future energy demands.
- PTTEP is advancing the Arthit CCS project, Thailand’s first full-scale CCS development at the Arthit gas field, targeting ~1 mtCO₂/year by around 2028. The project is designated as a flagship initiative under Thailand’s Nationally Determined Contribution (NDC) Action Plan 2021-2030, strengthening offshore storage capability and regulatory readiness, and laying the foundation for a broader CCS scale-up, including the proposed Eastern Thailand CCS Hub.
- The company also advanced eight new emission reduction projects in 2024, such as membrane replacement at Arthit, fuel gas optimization at Yadana, and low-BTU flare installation at G2/61, collectively cutting about 124,000 tonnes of CO₂ equivalent.

Sources: ttb wealth, Company data

PTTEP’s S score is moderate at 2.8, reflecting the high-risk nature of the E&P business, which exposes the company to safety, environmental, and community challenges. Despite this, strong safety programs and social initiatives help reduce these risks.



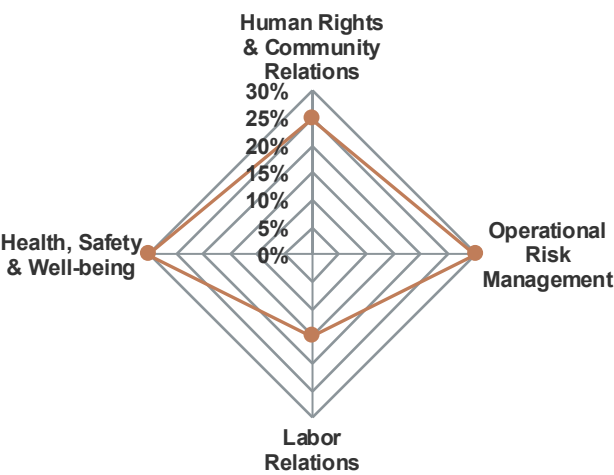
SOCIAL

Our Comments

- Health, Safety & Well-being
- Human Rights & Community Relations
- Labor Relations
- Operational Risk Management

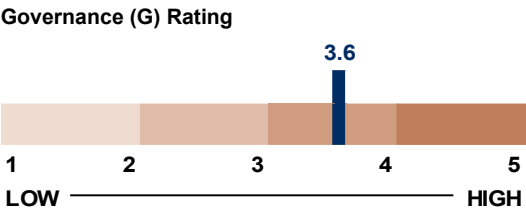
- PTTEP’s social score is moderate at 2.8, mainly due to the inherently high-risk nature of the E&P business, which exposes the company to safety, environmental, and community risks. This is partially offset by strong workforce safety programs and proactive community engagement.
- The company maintains low injury rates, with a lost-time injury frequency rate of 0.24 per 1m man-hours worked and an oil and chemical spill rate of 0.15 tonnes per 1m tonnes of production, supported by comprehensive health, safety, and environment programs across its domestic and international operations.
- Although past incidents, including the 2009 Montara oil spill, underscore operational risks, PTTEP has since strengthened its emergency response and risk management systems, successfully preventing any major oil spills of a similar scale.
- PTTEP actively supports local suppliers to drive innovation, improve processes, and enhance safety, generating jobs and income while strengthening community relationships. In 2024, spending on local businesses exceeded US\$2,191m, up around 20% from 2023.
- Since 2019, PTTEP has applied green supply chain management, focusing on eco-friendly procurement, fuel efficiency, and energy conservation to reduce greenhouse gas emissions. In 2024, green supply chain spending reached US\$1,177m, up 23% from 2023.
- PTTEP has launched a 10-year social development project under its "Ocean for Life" strategy (2020-30) to restore marine biodiversity, support sustainable fisheries, and boost community livelihoods in Thailand.

SCALE WEIGHTING



Sources: ttb wealth, Company data

PTTEP’s S score is moderate at 2.8, reflecting the high-risk nature of the E&P business, which exposes the company to safety, environmental, and community challenges. Despite this, strong safety programs and social initiatives help reduce these risks.



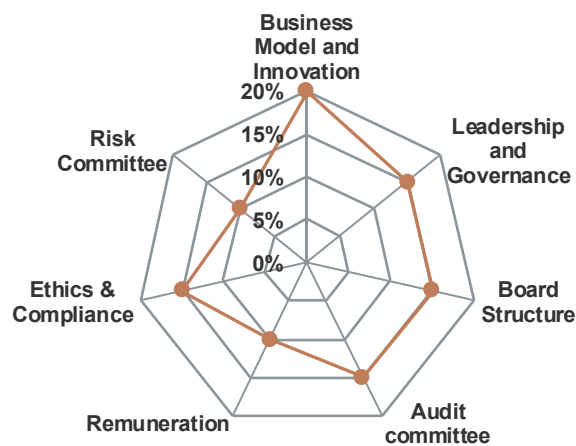
GOVERNANCE & SUSTAINABILITY

Our Comments

- Audit Committee
- Board Structure
- Business Model and Innovation
- Ethics & Compliance
- Leadership and Governance
- Remuneration
- Risk Committee

- We assign PTTEP a good G score of 3.6, reflecting a robust board structure, disciplined financial management, and effective risk oversight.
- The company is committed to zero incidents, zero fraud, and full regulatory compliance, while raising its governance, risk, and compliance (GRC) maturity to level 4+, ensuring responsible and transparent operations.
- The company’s board is chaired by an independent director, with nearly two-thirds of board members also being independent, which we see as the ideal ratio.
- In terms of business risk, PTTEP has adopted a more conservative investment strategy than in the past, concentrating on countries where it has operational experience or near-producing assets, which we view as a positive factor for its governance profile.
- Financially, PTTEP maintains a net cash position with strong cash flow generation. While it has a high customer concentration, primarily selling gas to its parent PTT (Thailand’s sole gas buyer), pricing remains market-based and linked to oil prices, mitigating risks.
- For long-term sustainability, PTTEP faces the challenge of domestic resource depletion. To address this, the company is diversifying into non-E&P businesses, including AI and robotics ventures and renewable power projects, as part of its strategic shift toward a more sustainable future.

SCALE WEIGHTING



Sources: ttb wealth, Company data

INCOME STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Sales	312,310	281,449	351,460	340,200	335,239
Cost of sales	162,773	161,706	177,676	194,657	201,513
Gross profit	149,537	119,743	173,785	145,543	133,726
% gross margin	47.9%	42.5%	49.4%	42.8%	39.9%
Selling & administration expenses	18,115	20,222	21,798	23,134	24,632
Operating profit	131,422	99,520	151,986	122,409	109,094
% operating margin	42.1%	35.4%	43.2%	36.0%	32.5%
Depreciation & amortization	95,039	95,194	102,437	116,354	119,412
EBITDA	226,462	194,714	254,424	238,763	228,507
% EBITDA margin	72.5%	69.2%	72.4%	70.2%	68.2%
Non-operating income	14,520	11,184	9,645	9,627	9,610
Non-operating expenses	0	0	0	0	0
Interest expense	(11,813)	(13,065)	(7,502)	(7,769)	(4,507)
Pre-tax profit	134,130	97,639	154,129	124,267	114,198
Income tax	57,214	43,850	67,613	56,505	51,974
After-tax profit	76,915	53,789	86,516	67,762	62,224
% net margin	24.6%	19.1%	24.6%	19.9%	18.6%
Shares in affiliates' Earnings	1,317	2,045	1,301	1,301	1,301
Minority interests	7	17	0	0	0
Extraordinary items	585	4,422	(5,179)	0	0
NET PROFIT	78,824	60,273	82,638	69,062	63,524
Normalized profit	78,239	55,851	87,817	69,062	63,524
EPS (Bt)	19.86	15.18	20.82	17.40	16.00
Normalized EPS (Bt)	19.71	14.07	22.12	17.40	16.00

2026F looks set to be the peak year for earnings

BALANCE SHEET

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
ASSETS:					
Current assets:	222,131	156,075	172,652	172,494	172,345
Cash & cash equivalent	143,741	76,923	76,923	76,923	76,923
Account receivables	43,270	44,492	55,560	53,780	52,996
Inventories	22,759	20,751	22,800	24,979	25,859
Others	12,361	13,908	17,368	16,812	16,566
Investments & loans	31,145	48,502	65,859	83,217	100,574
Net fixed assets	490,484	511,450	541,211	559,232	545,598
Other assets	221,541	217,910	264,855	260,490	260,102
Total assets	965,301	933,937	1,044,577	1,075,433	1,078,619
LIABILITIES:					
Current liabilities:	105,502	113,987	120,512	127,436	131,638
Account payables	61,089	66,918	73,527	80,554	83,391
Bank overdraft & ST loans	5,236	5,638	0	0	0
Current LT debt	0	0	2,871	2,668	2,264
Others current liabilities	39,176	41,431	44,113	44,213	45,983
Total LT debt	95,009	83,098	92,836	86,272	54,327
Others LT liabilities	228,915	217,284	213,215	208,393	207,061
Total liabilities	429,425	414,369	426,562	422,100	393,026
Minority interest	281	263	263	263	263
Preferred shares	0	0	0	0	0
Paid-up capital	3,970	3,970	3,970	3,970	3,970
Share premium	105,418	105,418	105,418	105,418	105,418
Warrants	0	0	0	0	0
Surplus	19,137	(20,170)	30,873	30,873	30,873
Retained earnings	407,071	430,087	477,491	512,809	545,069
Shareholders' equity	535,595	519,305	617,752	653,070	685,330
Liabilities & equity	965,301	933,937	1,044,577	1,075,433	1,078,619

PTTEP generates strong cash flows, which lead to a robust balance sheet

Sources: Company data, ttb wealth estimates

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Earnings before tax	134,130	97,639	154,129	124,267	114,198
Tax paid	(52,892)	(49,931)	(61,353)	(58,395)	(51,667)
Depreciation & amortization	95,039	95,194	102,437	116,354	119,412
Chg In working capital	28,803	6,615	(6,508)	6,628	2,742
Chg In other CA & CL / minorities	(1,254)	15,261	(5,736)	3,846	3,008
Cash flow from operations	203,827	164,778	182,969	192,700	187,693
Capex	(145,253)	(116,159)	(132,198)	(134,374)	(105,779)
Right of use	(1,597)	(2,744)	(2,744)	(2,744)	(2,744)
ST loans & investments	0	0	0	0	0
LT loans & investments	(21,362)	(17,357)	(17,357)	(17,357)	(17,357)
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	4,747	(8,906)	(53,047)	2,287	1,800
Cash flow from investments	(163,465)	(145,167)	(205,346)	(152,189)	(124,080)
Debt financing	1,548	(9,866)	6,568	(6,767)	(32,349)
Capital increase	0	0	0	0	0
Dividends paid	(38,704)	(36,622)	(35,234)	(33,745)	(31,264)
Warrants & other surplus	(3,852)	(39,941)	51,043	0	0
Cash flow from financing	(41,008)	(86,429)	22,378	(40,512)	(63,613)
Free cash flow	40,362	19,611	(22,378)	40,512	63,613

PTTEP continues to generate high cash flows from operations

VALUATION

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Normalized PE (x)	7.3	10.3	6.5	8.3	9.0
Normalized PE - at target price (x)	6.3	8.9	5.7	7.2	7.8
PE (x)	7.3	9.5	6.9	8.3	9.0
PE - at target price (x)	6.3	8.2	6.0	7.2	7.8
EV/EBITDA (x)	2.3	3.0	2.3	2.5	2.4
EV/EBITDA - at target price (x)	2.0	2.6	2.0	2.1	2.1
P/BV (x)	1.1	1.1	0.9	0.9	0.8
P/BV - at target price (x)	0.9	1.0	0.8	0.8	0.7
P/CFO (x)	2.8	3.5	3.1	3.0	3.1
Price/sales (x)	1.8	2.0	1.6	1.7	1.7
Dividend yield (%)	6.7	6.1	6.2	5.5	5.4
FCF Yield (%)	7.0	3.4	(3.9)	7.1	11.1
(Bt)					
Normalized EPS	19.71	14.07	22.12	17.40	16.00
EPS	19.86	15.18	20.82	17.40	16.00
DPS	9.63	8.75	9.00	8.00	7.75
BV/share	134.91	130.81	155.61	164.50	172.63
CFO/share	51.34	41.51	46.09	48.54	47.28
FCF/share	10.17	4.94	(5.64)	10.20	16.02

Unattractive dividend yield

Sources: Company data, ttb wealth estimates

FINANCIAL RATIOS

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Growth Rate					
Sales (%)	3.9	(9.9)	24.9	(3.2)	(1.5)
Net profit (%)	2.8	(23.5)	37.1	(16.4)	(8.0)
EPS (%)	2.8	(23.5)	37.1	(16.4)	(8.0)
Normalized profit (%)	(0.5)	(28.6)	57.2	(21.4)	(8.0)
Normalized EPS (%)	(0.5)	(28.6)	57.2	(21.4)	(8.0)
Dividend payout ratio (%)	48.5	57.6	43.2	46.0	48.4
Operating performance					
Gross margin (%)	47.9	42.5	49.4	42.8	39.9
Operating margin (%)	42.1	35.4	43.2	36.0	32.5
EBITDA margin (%)	72.5	69.2	72.4	70.2	68.2
Net margin (%)	24.6	19.1	24.6	19.9	18.6
D/E (incl. minor) (x)	0.2	0.2	0.2	0.1	0.1
Net D/E (incl. minor) (x)	(0.1)	0.0	0.0	0.0	(0.0)
Interest coverage - EBIT (x)	11.1	7.6	20.3	15.8	24.2
Interest coverage - EBITDA (x)	19.2	14.9	33.9	30.7	50.7
ROA - using norm profit (%)	8.4	5.9	8.9	6.5	5.9
ROE - using norm profit (%)	15.1	10.6	15.4	10.9	9.5
DuPont					
ROE - using after tax profit (%)	14.9	10.2	15.2	10.7	9.3
- asset turnover (x)	0.3	0.3	0.4	0.3	0.3
- operating margin (%)	46.7	39.3	46.0	38.8	35.4
- leverage (x)	1.8	1.8	1.7	1.7	1.6
- interest burden (%)	91.9	88.2	95.4	94.1	96.2
- tax burden (%)	57.3	55.1	56.1	54.5	54.5
WACC (%)	11.4	11.4	11.4	11.4	11.4
ROIC (%)	16.6	11.1	16.1	10.5	8.9
NOPAT (Bt m)	75,363	54,825	85,314	66,748	59,443
invested capital (Bt m)	492,099	531,118	636,536	665,087	664,998

Sources: Company data, ttb wealth estimates

*Declining ROE as profit
trends lower*

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Stock Exchange Has prepared the results of evaluating sustainable stocks which are stocks of listed companies (SETESG Rating) as an alternative for investors who want to invest in tracks of listed companies that are outstanding in ESG, including to support listed companies with operations. sustainable business Taking into account all stakeholders in both social and environmental aspects. There is a management process to create sustainability for the organization, such as risk management. Supply chain management and innovation development. Therefore, the SETESG index was created to be an index that reflects the price movement of a group of securities. of companies with sustainable business operations that meet the required size and liquidity criteria

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Score range	Description
CCC - B	LAGGARD: A company lagging its industry based on its high exposure and failure to manage significant ESG risks
BB - BBB - A	AVERAGE : A company with a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers
AA - AAA	LEADER: A company leading its industry in managing the most significant ESG risks and opportunities

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90-100	▲▲▲▲▲	Excellent
80-89	▲▲▲▲	Very Good
70-79	▲▲▲	Good
60-69	▲▲	Satisfactory
50-59	▲	Pass
Below		N/A

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Recommendation Structure:

Recommendations are based on absolute upside or downside, which is the difference between the target price and the current market price. If the upside is 10% or more, the recommendation is BUY. If the downside is 10% or more, the recommendation is SELL. For stocks where the upside or downside is less than 10%, the recommendation is HOLD. Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on the market price and the formal recommendation.

For sectors, an “Overweight” sector weighting is used when we have BUYs on majority of the stocks under our coverage by market cap. “Underweight” is used when we have SELLs on majority of the stocks we cover by market cap. “Neutral” is used when there are relatively equal weightings of BUYs and SELLs.

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