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Sector

Banking

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Results

Bumrungrad Hospital (BH TB/BUY/Bt169.00/Target: Bt232.00)

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Thai Foods Group (TFG TB/BUY/Bt5.05/Target: Bt6.70)

Expect record-high earnings in 1Q25 and 2Q25. Page 8

Thanachart Capital (TCAP TB/HOLD/Bt47.00/Target: Bt48.00)

1Q25 results preview: Expect credit costs to rise qoq due to the worsening economic outlook. Page 11

KEY INDICES

Symbol	Close	Chg	%Chg
SET	1,146.86	(6.91)	(0.60)
SET50	732.52	(6.02)	(0.82)
Value (Btm) - SET	38,188		
Top 5 Sector			
BANK	388.36	4.15	1.08
PETRO	432.55	(5.35)	(1.22)
PROP	149.39	(1.10)	(0.73)
ENERG	15,097.33	(213.87)	(1.40)
ICT	186.76	(1.21)	(0.64)

Source: Bloomberg

TOP VOLUME

Symbol	Close (Baht)	+/- (% Chg)	5-day ADT (BTm)
DELTA	75.50	(1.31)	2,221.3
KBANK	154.00	1.65	2,398.3
SCB	116.50	2.64	1,570.2
BBL	136.00	0.00	1,598.9
AOT	37.00	(3.27)	1,541.0

TOP GAINERS

Symbol	Close (Baht)	+/- (% Chg)	5-day ADT (BTm)
NATION	0.03	50.00	0.0
WAVE	0.04	33.33	0.7
VS	0.36	24.14	0.0
ITD	0.26	18.18	5.8
I2	1.08	16.13	2.1

TOP LOSERS

Symbol	Close (Baht)	+/- (% Chg)	5-day ADT (BTm)
CIG	0.03	(25.00)	0.0
NWR	0.03	(25.00)	1.5
PRIME	0.04	(20.00)	0.4
JAK	0.98	(14.04)	0.1
PSG	0.46	(13.21)	64.2

*ADT: Average daily turnover

KEY STATISTICS

Commodity	Current Price	%Chg		
		1m	3M	YTD
Brent crude*	66.7	(7.9)	(12.4)	(9.3)
Dubai crude*	65.8	(9.6)	(20.5)	(12.4)
Baltic Dry Index	1,353.0	(17.6)	73.9	35.7
Gold Spot***	3,349.3	10.9	20.9	27.6

*(US\$/bbl), *** (US\$/toz)

FOREIGN PORTFOLIO INVESTMENT IN EQUITIES (THAILAND)

Day (Mil US\$)	MTD Net (Mil US\$)	YTD Net (Mil US\$)	YTD Net YoY%
(62.6)	(461.8)	(1,633.8)	1,633.3

Source: Bloomberg

Foreign Exchange Rate - THB/US\$ (onshore) = 33.43

Interest Rate (%) - TH Policy Rate = 2.00

Thai Lending Rate (%) - MLR = 6.90

SECTOR UPDATE

Banking – Thailand

1Q25: Results Beat; Banks Prioritise Less On Loan Growth

Banks under our coverage reported a combined net profit of Bt58.4b (+5% yoy, +12% qoq), beating our and market expectations. All banks prefer to maintain good asset quality rather than loan growth, due to the potential impact of US tariffs and the worsening economic outlook. The market estimates the policy rate at 1.50% for 2025. Downgrade the sector to MARKET WEIGHT. Our top picks are KBANK and SCB.

WHAT'S NEW

- Results above our and market expectations.** In 1Q25, banks under our coverage reported a combined net profit of Bt58.4b, up 5% yoy and 12% qoq, beating our expectation by 9% and consensus estimate by 6%. Net interest income (NII) dropped 6% yoy and 4% qoq due to a lower lending yield. As a result, NIM contracted from 3.71% in 4Q24 to 3.59% in 1Q25. Meanwhile, non-interest income (non-NI) jumped 18% yoy and 14% qoq due to a more favourable capital market condition. The banking sector's pre-provision operating profit rose 3% yoy and 9% qoq.
- Prioritise less on loan growth.** We saw qoq loan contractions in many banks in 1Q25. Banks continue to prioritise maintaining good asset quality rather than loan growth, in view of the potential impact of US tariffs and the worsening economic outlook. Banks will continue to keep a stringent lending policy. We forecast a 1% yoy loan contraction in the banking sector in 2025.
- Potential loan exposure to US export market.** Banks are evaluating the potential impact of US tariffs. Meanwhile, only SCBX (SCB) discloses non-retail loan exposure directly linked to exports to the US market, amounting to Bt200b, which accounts for 30% of total potential exporter loans (the manufacturing and agricultural businesses). As a result, we assume the remaining 30% of potential export loans is spread across other banks. This implies a potential loan exposure to the US export market of 6-13% of total loan outstanding for each bank.
- Government plans to spur economic growth with a budget of Bt500b.** The Minister of Finance stated that the government plans to borrow a total of Bt500b to spur economic growth to maintain a GDP growth target of 3% in 2025. The current public debt is 64.21% of GDP. The additional borrowing of Bt500b is expected to increase public debt by 3% to 67.21% of GDP. Meanwhile, the current ceiling debt to GDP is 70%. The government intends to utilise the Bt500b to boost: a) domestic consumption, b) domestic investment, and c) issuance of soft loans (low lending rate) to help business operators.
- The lowest policy rate forecast as of end-25 is 1.25%.** Most of the market expects the policy rate to reach 1.50% by end-25, including our forecast, according to UOB Economist Thailand. Meanwhile, SCB forecasts the policy rate at 1.25% by end-25, the lowest in the market. All banks are confident that they can achieve the lower range of their 2025 targets. However, we expect all banks to report a lower NIM than their 2025 targets due to the impact of the policy rate cut to 1.50% by end-25.

ACTION

- Downgrade to MARKET WEIGHT.** The sector's P/B is +0.5SD to its five-year mean. We expect to see banks' share prices underperform the market after the dividend season (Apr 25). Downgrade to MARKET WEIGHT. Our top picks are KBANK and SCB.

PEER COMPARISON

Company	Rec.	Last Price 23 Apr	Target Price (Bt)	Upside Downside (%)	Market Cap (US\$m)	Net Profit 2025F (Btm)	2026F (Bt m)	PE 2025F (x)	2026F (x)	Net EPS Growth 2025F(%)	P/B 2025F (x)	Yield 2025F (%)	ROE 2025F (%)
BBL TB	HOLD	136.00	154.00	13	7,848	41,617	43,554	6.2	6.0	(7.9)	0.5	5.9	7.4
KBANK TB	BUY	151.50	175.00	16	10,851	43,503	45,483	8.5	8.1	(13.3)	0.6	5.4	7.5
KKP TB	HOLD	47.50	48.00	1	1,216	4,348	4,811	9.1	8.2	(12.0)	0.6	7.5	6.8
KTB TB	HOLD	20.80	22.50	8	8,788	36,069	38,704	8.1	7.5	(19.8)	0.6	6.1	8.1
SCB TB	BUY	113.50	130.00	15	11,553	39,567	40,721	9.7	9.4	(10.0)	0.8	8.3	8.1
TISCO TB	HOLD	99.50	94.00	(6)	2,408	6,195	6,577	12.9	12.1	(10.1)	1.8	7.0	14.4
TTB TB	HOLD	1.81	1.95	8	5,330	19,437	20,599	8.6	8.1	(3.0)	0.7	7.0	8.0
Banking					47,993	190,735	200,448	8.3	7.9	(11.7)	0.7	6.6	8.1

Source: UOB Kay Hian

MARKET WEIGHT

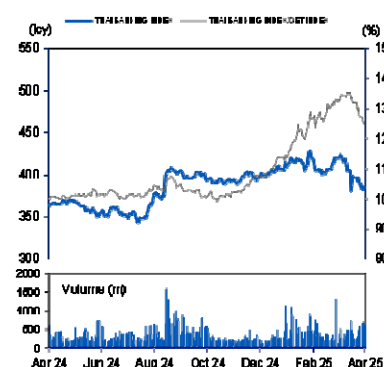
(Downgraded)

OUR TOP PICKS

Company	Ticker	Rec	Current Price 23 Apr	Target Price (Bt)
Kasikorn Bank	KBANK	BUY	151.50	175.00
SCB X	SCB	BUY	113.50	130.00

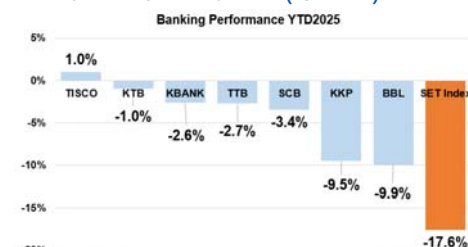
Source: Respective companies, UOB Kay Hian

RETURN: BANKS VS SET



Source: UOB Kay Hian

BANKS' PERFORMANCE YTD (23 APRIL)



Source: Bloomberg, UOB Kay Hian

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ESSENTIALS

- BBL: 1Q25 results beat expectations; investment gain boosted bottom line.** BBL reported 1Q25 earnings of Bt12.6b (+20% yoy, +21% qoq). The results beat our and consensus expectations by 11%. Provision expenses rose 19% qoq in 1Q25. The investment gain came from the realised gain of the debt securities measured at financial value through other comprehensive income. UOB Economist Thailand forecasts policy rate of 1.50% at the end of 2025. Therefore, we cut our 2025-27 earnings forecasts to reflect the lower lending yield and NIM.
- KBANK: 1Q25 results beat expectations; a significant decrease in credit costs.** KBANK reported 1Q25 earnings of Bt13.8b (+2% yoy, +28% qoq). The results beat our forecast by 16% and market expectation by 9%. Management maintains its 2025 financial targets guidance. However, we raise its provision expenses given the uncertainties surrounding the US tariffs. We have factored in the expected policy rate of 1.50%. A special dividend will help to limit its share price's downside.
- KKP: 1Q25 results missed market expectations; provisions jumped yoy and qoq.** KKP posted a 1Q25 net profit of Bt1.06b (-30% yoy, -25% qoq). The results were in line with our forecast but missed consensus expectation by 15%. KKP could reduce losses from the sale of repossessed vehicles by 52% yoy and 37% qoq. However, we raise our provision expense assumption due to the uncertainties surrounding the US tariffs. We have factored in the expected policy rate of 1.50%.
- KTB: 1Q25 results in line with consensus; investment gain helped bottom line beat our forecasts.** KTB reported a 1Q25 net profit of Bt11.7b (flat yoy, +7% qoq). The results were in line with consensus expectation but beat our forecast. An investment gain of Bt1.7b helped the bottom line beat our forecasts. KTB's asset quality was quite stable in 1Q25. However, we reckon KTB will add more provision expenses in view of the uncertainties from US tariffs. We have factored in the expected policy rate of 1.50%.
- SCB: 1Q25 results in line; intends to maintain a high dividend payout ratio.** SCB reported a 1Q25 net profit of Bt12.5b (+11% yoy, +7% qoq). The results were in line with our and market expectations. SCB EIC (research house) cut the 2025 GDP forecast to 1.50% and forecasted the policy rate to be 1.25% at the end of 2025, which is the lowest in the market. However, we have factored in the expected policy rate of 1.50% and raised its provision expenses given the uncertainties surrounding the US tariffs.
- TISCO: 1Q25 results in line; cut 2025 credit cost target to 100bp.** TISCO posted a net profit of Bt1,643m for 1Q25 (-5% yoy, -4% qoq). The results were in line with our and consensus estimates. Management reiterated a strict and cautious lending policy due to many future uncertainties and the worsening economic outlook. Positively, TISCO revised down its 2025 credit cost target to around 100bp, compared with the previous guidance of 100-120bp.
- TTB: 1Q25 results in line with consensus; reiterated selective lending policy to prioritise asset quality.** TTB posted a 1Q25 net profit of Bt5.1b (-5% yoy, flat qoq). The results were in line with consensus forecast but missed our expectation by 6%. The share buyback programme will help to limit the downside. TTB's CEO said it is too soon to estimate the impact of US reciprocal tariffs. However, we expect TTB to raise its provision expenses given the uncertainties surrounding the US tariffs. We have factored in the expected policy rate of 1.50%.

1Q25 RESULTS: ACTUAL VS FORECAST

	1Q25 Net profit (Btm)			Actual vs Forecast	
	Actual	UOBKH	Consensus	UOBKH	Consensus
BBL	12,618	11,375	11,350	Above	Above
KBANK	13,791	11,883	12,658	Above	Above
KKP	1,062	1,115	1,242	In-line	Below
KTB	11,714	10,410	11,324	Above	In-line
SCB	12,502	11,995	11,895	In-line	Above
TISCO	1,643	1,571	1,610	In-line	In-line
TTB	5,096	5,443	5,322	Below	In-line
Total	58,426	53,793	55,401	Above	Above

Source: Bloomberg, UOB Kay Hian

THAILAND GDP FORECASTS (2025)

Organisation / Bank	2025 GDP Forecast	End of 2025 Policy Rate Forecast
IMF	1.8%	N/A
Ministry of Finance (MOF)	3.0%	N/A
National Economic and Social Development Council (NESDC)	2.8%	N/A
Bank of Thailand (BOT)	2.5%	N/A
Bloomberg Consensus	2.6%	1.75%
BBL	2.0%	1.50%
KBANK	1.4%	1.50%
SCB	1.4%	1.25%

Source: Respective organisations, UOB Kay Hian

POTENTIAL LOAN EXPOSURE TO US EXPORT MARKET

	Manufacturing	Agricultural	Loan Exposure to US Guidance	ImPLY Loan Exposure to US (30%)
BBL	Bt745b (27%)	Bt85b (3%)	N/A	Bt246b (9% of loan)
KBANK	Bt1.04t (41%)	Bt39b (2%)	N/A	Bt319b (13% of loan)
KKP	Guide a minimal impact from US Tariff			
KTB	Bt520b (19%)	Bt26b (1%)	N/A	Bt162b (6% of loan)
SCB	Bt667b (28%)	Bt8b (0.3%)	200b (30%)	200b (8% of loan)
TISCO	Guide a minimal impact from US Tariff			
TTB	Bt297b (24%)	Bt11b (1%)	N/A	Bt91b (7% of loan)

*Loan spread

Source: Respective companies, UOB Kay Hian

2025 FINANCIAL TARGETS

	Loan	NIM	Credit Cost	NPL Ratio
BBL	3-4%	2.8-2.9%	0.9-1.0%	3%
KBANK	Flat	3.3-3.5%	140-160bp	<3.25%
KKP	Flat	*4.8-4.9%	2.2-2.4%	4.1-4.3%
KTB	Flat	2.9-3.2%	105-126bp	<3.25%
SCB	1-3%	3.6-3.8%	150-170bp	N/A
TISCO	3-5%	N/A	100-120bp	N/A
TTB	0-2%	3.1-3.25%	125-135bp	<2.9%

*Loan spread

Source: Respective companies, UOB Kay Hian

LOAN GROWTH TARGET VS 1Q25 ACTUAL

	2025 Target	UOBKH forecasts	1Q25 Actual
BBL	3-4%	1.9%	1.0%
KBANK	Flat	-2.0%	-2.0%
KKP	Flat	-3.5%	-1.4%
KTB	Flat	-0.8%	-1.3%
SCB	1-3%	-1.8%	0.9%
TISCO	3-5%	1.9%	-0.4%
TTB	0-2%	-1.7%	-2.4%

Source: Respective companies, UOB Kay Hian

1Q25 RESULTS WRAP-UP

	1Q25	4Q24	1Q24	qoq (%)	yoy (%)	2025F	2024	yoy (%)
Net profit (Btm)								
BBL	12,618	10,404	10,524	21.3	19.9	41,617	45,211	(7.9)
KBANK	13,791	10,768	13,486	28.1	2.3	43,503	48,872	(11.0)
KKP	1,062	1,406	1,506	(24.5)	(29.5)	4,348	4,985	(12.8)
KTB	11,714	10,990	11,676	6.6	0.3	36,069	44,968	(19.8)
SCB	12,502	11,707	11,281	6.8	10.8	39,567	43,943	(10.0)
TISCO	1,643	1,698	1,733	(3.2)	(5.2)	6,195	6,893	(10.1)
TTB	5,096	5,112	5,334	(0.3)	(4.5)	19,437	21,031	(7.6)
Total	58,426	52,085	55,539	12.2	5.2	190,735	215,904	(11.7)
Pre-provision operating profit (Btm)								
BBL	24,902	21,024	22,064	18.4	12.9	85,983	91,405	(5.9)
KBANK	29,051	26,411	29,439	10.0	(1.3)	104,515	111,570	(6.3)
KKP	2,438	2,693	2,516	(9.5)	(3.1)	10,331	10,232	1.0
KTB	23,995	21,493	23,570	11.6	1.8	82,276	91,437	(10.0)
SCB	25,857	25,127	24,895	2.9	3.9	94,024	99,397	(5.4)
TISCO	2,438	2,451	2,440	(0.5)	(0.1)	10,010	9,971	0.4
TTB	9,456	9,637	10,099	(1.9)	(6.4)	37,498	39,828	(5.8)
Total	118,137	108,837	115,023	8.5	2.7	424,637	453,840	(6.4)
Total loans (Btb)								
BBL	2,742	2,715	2,750	1.0	(0.3)	2,766	2,715	1.9
KBANK	2,451	2,500	2,480	(2.0)	(1.2)	2,450	2,500	(2.0)
KKP	370	376	403	(1.4)	(8.0)	362	376	(3.5)
KTB	2,686	2,723	2,642	(1.3)	1.7	2,702	2,723	(0.8)
SCB	2,451	2,429	2,472	0.9	(0.9)	2,385	2,429	(1.8)
TISCO	231	232	235	(0.4)	(1.7)	237	232	1.9
TTB	1,219	1,249	1,323	(2.4)	(7.9)	1,228	1,249	(1.7)
Total	12,151	12,225	12,305	(0.6)	(1.3)	12,130	12,225	(0.8)
NIM (%)								
BBL	2.89	3.09	3.06	-20bp	-17bp	2.71	2.89	-18bp
KBANK	3.41	3.48	3.76	-7bp	-35bp	3.26	3.60	-34bp
KKP	3.98	4.08	4.22	-11bp	-24bp	3.91	4.17	-26bp
KTB	3.08	3.28	3.31	-20bp	-23bp	2.85	3.29	-44bp
SCB	3.67	3.88	3.83	-21bp	-16bp	3.56	3.85	-29bp
TISCO	4.88	4.93	4.76	-5bp	12bp	4.98	4.85	13bp
TTB	3.19	3.25	3.28	-6bp	-9bp	3.06	3.26	-20bp
Average	3.59	3.71	3.75	-13bp	-16bp	3.48	3.70	-23bp
Credit cost (bp)								
BBL	133	114	126	19bp	7bp	121	129	-8bp
KBANK	160	198	189	-38bp	-29bp	178	191	-13bp
KKP	197	218	207	-21bp	-10bp	197	225	-29bp
KTB	122	101	123	20bp	-1bp	126	117	9bp
SCB	159	162	167	-3bp	-8bp	177	176	1bp
TISCO	67	58	47	8bp	19bp	98	59	39bp
TTB	152	150	156	2bp	-4bp	148	154	-6bp
Average	141	143	145	-2bp	-4bp	149	150	-1bp
NPL ratio (%)								
BBL	3.0	2.7	3.0	30bp	0bp	3.1	2.7	44bp
KBANK	3.2	3.2	3.2	-1bp	0bp	3.3	3.2	9bp
KKP	4.4	4.2	3.8	20bp	60bp	4.5	4.2	26bp
KTB	3.0	3.0	3.1	-2bp	-17bp	3.0	3.0	-1bp
SCB	3.5	3.4	3.5	8bp	-7bp	3.6	3.4	23bp
TISCO	2.4	2.4	2.3	7bp	15bp	2.4	2.4	0bp
TTB	2.8	2.6	2.6	16bp	19bp	2.7	2.6	13bp
Average	3.2	3.1	3.1	11bp	10bp	3.2	3.1	16bp

Source: Respective companies, UOB Kay Hian

EARNINGS REVISION

- Earnings revision: None.

NIM TARGET VS 1Q25 ACTUAL

	2025 Target	UOBKH forecasts	1Q25 Actual
BBL	2.8-2.9%	2.7%	2.89%
KBANK	3.3-3.5%	3.3%	3.41%
KKP	*4.8-4.9%	3.9%	3.98%
KTB	2.9-3.2%	2.8%	3.08%
SCB	3.6-3.8%	3.6%	3.67%
TISCO	N/A	5.0%	4.88%
TTB	3.1-3.25%	3.1%	3.19%

*Loan spread

Source: Respective companies, UOB Kay Hian

CREDIT COST TARGET VS 2024 ACTUAL

	2025 Target	UOBKH forecasts	1Q25 Actual
BBL	90-100bp	121bp	133bp
KBANK	140-160bp	178bp	160bp
KKP *	220-240%	197bp	197bp
KTB	105-126bp	126bp	122bp
SCB	150-170bp	177bp	159bp
TISCO	100-120bp	98bp	67bp
TTB	**125-135bp	148bp	**120bp/ 152bp

*Include loss from sale of repossession cars

**Normal provision, excluding special provision

Source: Respective companies, UOB Kay Hian

NPL RATIO TARGET VS 1Q25 ACTUAL

	2025 Target	UOBKH forecasts	1Q25 Actual
BBL	3%	3.1%	3.0%
KBANK	<3.25%	3.3%	3.2%
KKP	4.1-4.3%	4.5%	4.4%
KTB	<3.25%	3.0%	3.0%
SCB	N/A	3.6%	3.5%
TISCO	N/A	2.4%	2.4%
TTB	<2.9%	2.7%	2.8%

Source: Respective companies, UOB Kay Hian

SECTOR PE BAND



Source: UOB Kay Hian

SECTOR P/B BAND



Source: UOB Kay Hian

COMPANY RESULTS

Bumrungrad Hospital (BH TB)

1Q25: Weak Results In Line With Expectations

BH reported a net profit of Bt1.73b (-12.6% yoy, -8.9% qoq) in 1Q25, which is in line with our and consensus estimates. The high base last year and the earlier timing of Ramadan this year caused top-line to drop by 6.1% yoy. Growth in revenue from Thai patients was weak at 1.3% yoy and was not sufficient to compensate for the shortfall in foreign patient revenue. We are more optimistic about BH's 2Q25 outlook as the impact from Ramadan was already realised in 1Q25. Maintain BUY. Target price: Bt232.00.

1Q25 EARNINGS RESULTS

Year to 31 Dec (Btm)	1Q24	4Q24	1Q25	yoy (%)	qoq (%)
Total Revenue	6,537	6,473	6,141	-6%	-5%
Gross Profit	3,391	3,214	3,101	-9%	-4%
SG&A	1,020	1,142	1,084	6%	-5%
EBITDA	2,667	2,393	2,340	-12%	-2%
Pre-tax profit	2,459	2,182	2,146	-13%	-2%
Net profit	1,985	1,903	1,734	-13%	-9%
EPS (Bt)	2.50	2.39	2.18	-13%	-9%
(%)					
Gross margin	51.9%	49.7%	50.5%	-1.4 ppt	0.8 ppt
SG&A to sales	15.6%	17.6%	17.6%	2.0 ppt	0.0 ppt
EBITDA Margin	40.8%	37.0%	38.1%	-2.7 ppt	1.1 ppt
Net profit margin	30.4%	29.4%	28.2%	-2.1 ppt	-1.2 ppt

Source: BH, UOB Kay Hian

RESULTS

- Weak earnings in 1Q25 as expected.** Bumrungrad Hospital (BH) reported a net profit of Bt1.73b (-12.6% yoy, -8.9% qoq) for 1Q25, in line with our and consensus estimates. Top-line came in at Bt6.14b (-6.1% yoy, -5.1% qoq) which is within our expectations. The yoy drop in total revenue was due to: a) the 9.7% yoy decrease in revenue from foreign patients as a result of more Ramadan fasting days in 1Q this year, and b) the high base in 1Q24 contributed by revenue from Kuwaiti patients. The weak 1.2% yoy growth in revenue from Thai patients in 1Q25 was insufficient to offset the drop in foreign patient revenue. SG&A to sales increased by 2.0ppt yoy due to the weaker sales. As a result, margins dropped substantially by 2.7ppt yoy.

KEY FINANCIALS

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net turnover	25,376	25,718	27,896	29,448	31,297
EBITDA	9,569	10,265	10,873	11,269	11,954
Operating profit	8,472	9,188	9,708	10,085	10,762
Net profit (rep./act.)	7,006	7,775	8,016	8,327	8,884
Net profit (adj.)	6,984	7,793	8,016	8,327	8,884
EPS (Bt)	8.1	9.0	9.2	9.6	10.2
PE (x)	21.0	18.8	18.3	17.6	16.5
P/B (x)	5.6	4.9	4.3	3.7	3.6
EV/EBITDA (x)	12.5	11.7	11.0	10.6	10.0
Dividend yield (%)	2.7	3.0	3.0	3.1	3.0
Net margin (%)	27.6	30.2	28.7	28.3	28.4
Net debt/(cash) to equity (%)	(44.8)	(43.6)	(46.9)	(54.1)	(60.0)
Interest cover (x)	3,997.7	1,231.6	2,042.7	2,081.2	2,170.2
ROE (%)	32.2	30.3	27.2	24.7	23.3
Consensus net profit (Btm)	-	-	7,646	7,719	8,023
UOBKH/Consensus (x)	-	-	1.05	1.08	1.11

Source: Bumrungrad Hospital, Bloomberg, UOB Kay Hian

BUY

(Maintained)

Share Price	Bt169.00
Target Price	Bt232.00
Upside	+37.3%

COMPANY DESCRIPTION

Bumrungrad Hospital provides healthcare services. The company offers behavioural health, diabetes management, digestive disease treatment, hyperbaric oxygen therapy, joint replacement, rehabilitation, travel medicine, and refractive surgery services. Bumrungrad Hospital serves patients in Thailand.

STOCK DATA

GICS sector	Health Care
Bloomberg ticker:	BH TB
Shares issued (m):	795.0
Market cap (Btm):	134,367.3
Market cap (US\$m):	4,003.1
3-mth avg daily t'over (US\$m):	19.7

Price Performance (%)

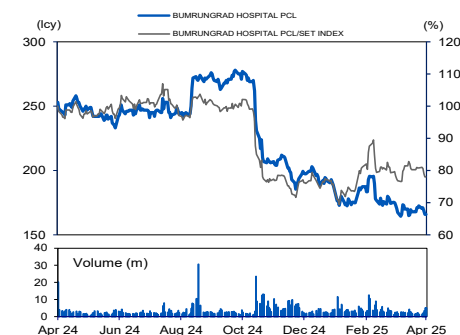
52-week high/low			Bt284.00/Bt160.50	
1mth	3mth	6mth	1yr	YTD
(3.2)	(12.4)	(38.5)	(24.9)	(15.3)

Major Shareholders

	%
Harnphanich family	50.0
Thai NVDR	11.5
Social Security Office	1.9

FY25 NAV/Share (Bt)	39.66
FY25 Net Cash/Share (Bt)	18.60

PRICE CHART



Source: Bloomberg

ANALYST(S)

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ASSISTANT ANALYST(S)

Nonpawit Vathanadachakul

STOCK IMPACT

- Minimal impact on patient volume from Myanmar earthquake.** In late-Mar 25, a major earthquake in Myanmar also affected parts of Thailand. Fortunately, BH's facilities and medical equipment sustained no damage. The disaster injured over 7,860 people, with the majority of the impact concentrated within Myanmar. According to our channel checks, while a few severe cases were airlifted to BH for treatment, the overall patient volume from this event remains negligible. As such, we do not expect the earthquake to have any meaningful impact on BH's earnings.
- New Kuwaiti policy may result in pent-up demand for complex procedures.** Under Kuwait's "Affia" healthcare programme, citizens receive an annual credit top-up through a health card, allowing access to treatment at any hospital nationwide. However, a new regulation implemented in Sep 24 limits usage of the Affia card to public hospitals only. As a result, citizens opting for private hospital care must now pay out of pocket. We believe this policy change will create pent-up demand among Kuwaiti patients seeking advanced medical treatments. It also signals the government's growing openness to referring complex cases abroad, where more advanced medical technologies are available.
- Copayment policy expected to have limited impact on BH.** The introduction of copayment clauses in insurance policies at the beginning Mar 25 has raised concerns about potential deterrence for patients seeking care at premium hospitals like BH. However, the copayment applies only after a policyholder's third admission for minor illnesses, requiring them to cover 30% of treatment costs. As BH predominantly focuses on complex medical cases, its patients are generally prepared for higher healthcare expenditures. Additionally, only around 3% of BH's revenue is derived from minor illness admissions, which are typically vetted and approved by insurers. With BH's strict admission protocols in place, the copayment measure is unlikely to significantly affect its patient base or operations.
- 2Q25 outlook.** Despite the lack of positive developments on foreign patients, we are more optimistic on BH's outlook for 2Q25. The last time BH realised revenue from Kuwaiti patient was in 1Q24, following which the Kuwait healthcare system was reformed. Hence, the revenue base of BH in 2Q24 had already normalised, and allows for stronger growth in future. Moreover, this year's Ramadan days were all in 1Q, unlike last year when Ramadan days spanned both 1Q24 and 2Q24. This implies that 2Q25 earnings should be unaffected by Ramadan; hence BH is very likely to report a yoy earnings growth in 2Q25.

VALUATION/RECOMMENDATION

- Maintain BUY with a target price of Bt232.00.** Our valuation is based on 2025 EV/EBITDA multiple of 16.0x, 2SD below the five-year mean. We are still optimistic on BH due to: a) the improving outlook for 2Q25, b) its medical excellence that makes it the hospital of choice for Kuwaiti patients, c) the MOU between Thailand and Saudi Arabia that will be signed in May 25.

ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG)

CG Report: 5

SET ESG Rating: -

• Environmental

- Energy efficiency.** BH has invested in eco-friendly infrastructure to reduce the hospital's carbon footprint and energy consumption.
- Waste management.** BH emphasises the safe disposal of medical waste and has protocols in place to minimise the environmental impact of hazardous materials.

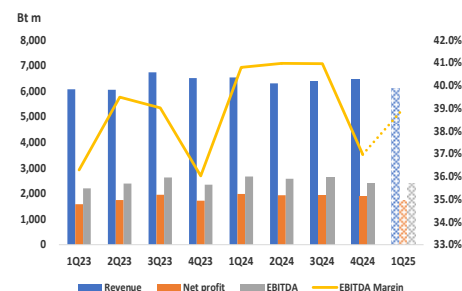
• Social

- Healthcare access.** BH provides high-quality healthcare services to both local and international patients. It also engages in charitable work, providing free medical services to underprivileged communities.

• Governance

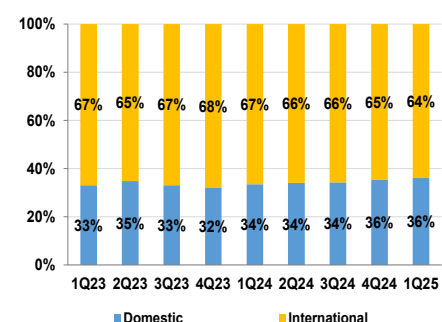
- Corporate governance.** BH adheres to high standards of corporate governance with transparent reporting, strict regulatory compliance, and clear anti-corruption policies.

QUARTERLY PERFORMANCE



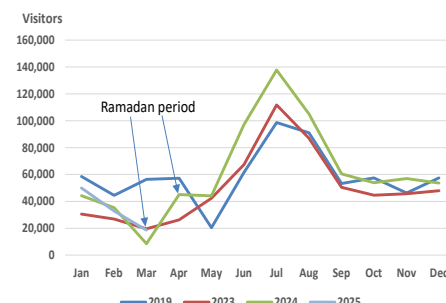
Source: BH, UOB Kay Hian

REVENUE CONTRIBUTION



Source: BH, UOB Kay Hian

MONTHLY MIDDLE EASTERN TOURIST ARRIVALS



Source: MOTS, UOB Kay Hian

PROFIT & LOSS

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Net turnover	25,718	27,896	29,448	31,297
EBITDA	10,265	10,873	11,269	11,954
Deprec. & amort.	1,077	1,166	1,184	1,191
EBIT	9,188	9,708	10,085	10,762
Total other non-operating income	256	152	159	165
Associate contributions	(0)	2	2	2
Net interest income/(expense)	(8)	(5)	(5)	(6)
Pre-tax profit	9,436	9,857	10,240	10,924
Tax	(1,604)	(1,774)	(1,843)	(1,966)
Minorities	(57)	(67)	(70)	(74)
Net profit	7,775	8,016	8,327	8,884
Net profit (adj.)	7,793	8,016	8,327	8,884

CASH FLOW

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Operating	8,434	7,393	9,043	9,566
Profit to the year	9,436	9,857	10,240	10,924
Tax	(1,604)	(1,774)	(1,843)	(1,966)
Deprec. & amort.	1,077	1,166	1,184	1,191
Associates	0	(2)	(2)	(2)
Working capital changes	411	(549)	(131)	(158)
Non-cash items	(467)	(303)	63	75
Other operating cashflows	(419)	(1,002)	(468)	(498)
Investing	(3,404)	(1,613)	(907)	(931)
Capex (growth)	(1,426)	(1,664)	(937)	(968)
Investment	2,144	2,146	2,148	2,150
Others	(4,122)	(2,096)	(2,117)	(2,113)
Financing	(3,520)	(3,994)	(4,006)	(4,159)
Dividend payments	(3,577)	(3,974)	(4,008)	(4,163)
Proceeds from borrowings	48	0	2	2
Loan repayment	0	(20)	0	0
Others/interest paid	9	0	0	2
Net cash inflow (outflow)	1,510	1,785	4,131	4,476
Beginning cash & cash equivalent	3,774	5,284	7,069	11,199
Changes due to forex impact	0	0	0	0
Ending cash & cash equivalent	5,284	7,069	11,199	15,675

BALANCE SHEET

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Fixed assets	13,388	13,886	13,639	13,416
Other LT assets	2,533	2,676	2,707	2,744
Cash/ST investment	12,113	14,902	19,502	24,477
Other current assets	4,618	5,530	5,812	6,150
Total assets	32,653	36,994	41,661	46,787
ST debt	37	35	35	36
Other current liabilities	3,790	3,850	4,064	4,319
LT debt	102	85	86	88
Other LT liabilities	923	1,116	1,178	1,252
Shareholders' equity	27,488	31,529	35,848	40,568
Minority interest	313	380	450	524
Total liabilities & equity	32,653	36,994	41,661	46,787

KEY METRICS

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Profitability				
EBITDA margin	39.9	39.0	38.3	38.2
Pre-tax margin	36.7	35.3	34.8	34.9
Net margin	30.2	28.7	28.3	28.4
ROA	25.1	23.0	21.2	20.1
ROE	30.3	27.2	24.7	23.3
Growth				
Turnover	1.3	8.5	5.6	6.3
EBITDA	7.3	5.9	3.6	6.1
Pre-tax profit	9.2	4.5	3.9	6.7
Net profit	11.0	3.1	3.9	6.7
Net profit (adj.)	11.6	2.9	3.9	6.7
EPS	11.6	2.9	3.9	6.7
Leverage				
Debt to total capital	0.5	0.4	0.3	0.3
Debt to equity	0.5	0.4	0.3	0.3
Net debt/(cash) to equity	(43.6)	(46.9)	(54.1)	(60.0)
Interest cover (x)	1,231.6	2,042.7	2,081.2	2,170.2

COMPANY UPDATE

Thai Foods Group (TFG TB)

Expect Record-high Earnings In 1Q25 And 2Q25

We expect a record-high core profit of Bt111.8b for 1Q25, up 2033% yoy and 59% qoq on the back of a strong improvement in gross profit margin. TFG's 2Q25 earnings are also expected to reach a new high given the better qoq ASP momentum. We have raised our 2025-26 forecasts to reflect the better-than-expected livestock prices. Maintain BUY. Target price: Bt6.70.

1Q25 RESULTS PREVIEW

Year to 31 Dec (Btm)	1Q24	4Q24	1Q25F	yoy % chg	qoq % chg
Sales	14,997.9	17,951.6	17,397.5	16.0%	-3.1%
Gross Profit	1,286.3	2,665.5	3,392.5	163.8%	27.3%
Pre-tax Profit	156.6	1,068.9	2,127.9	1258.6%	99.1%
Net Profit	173.7	855.0	1,814.1	944.4%	112.2%
Core Profit	85.1	1,138.6	1,814.1	2032.6%	59.3%
EPS (Bt)	0.030	0.147	0.284	849.4%	92.9%
Ratio (%)					
Gross margin	8.6%	14.8%	19.5%	10.9%	4.7%
SG&A/Sales	-6.7%	-6.5%	-6.7%	0.1%	-0.1%
Net profit margin	1.1%	4.8%	0.0%	-1.1%	-4.8%

Source: BTG, UOB Kay Hian

WHAT'S NEW

- Strong 1Q25 earnings outlook.** We expect Thai Foods Group (TFG) to report a record-high 1Q25 core profit of Bt1,814m, up 2033% yoy and 59% qoq on the back of a strong improvement in gross profit margin following the higher livestock prices.
- Continuous top-line improvement yoy.** We expect TFG's 1Q25 top-line to increase 16% yoy, but drop 3% qoq. The yoy sales improvement for 1Q25 will be driven by higher domestic and Vietnamese swine ASPs.
- Strong profitability increases both yoy and qoq.** We expect a gross profit margin of 19.5% for 1Q25, up from 8.6% and 14.8% in 1Q24 and 4Q24, respectively. The strong improvement in gross margin will be driven by higher livestock prices and lower raw material costs. Also, 1Q25 SGA-to-sales could remain flat yoy and qoq, thanks to effective cost control, despite the opening of 30 additional retail stores.

KEY FINANCIALS

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net turnover	55,871	65,482	71,625	79,544	89,660
EBITDA	3,726	8,374	10,505	10,705	11,091
Operating profit	385	4,756	6,954	7,165	7,656
Net profit (rep./act.)	(813)	3,144	5,151	5,418	5,701
Net profit (adj.)	(689)	3,466	5,151	5,418	5,701
EPS (Bt)	(0.1)	0.6	0.8	0.8	0.9
PE (x)	n.a.	8.4	6.2	5.9	5.6
P/B (x)	2.1	1.8	1.4	1.2	1.1
EV/EBITDA (x)	10.5	4.7	3.7	3.6	3.5
Dividend yield (%)	6.3	1.7	4.8	5.1	5.3
Net margin (%)	(1.5)	4.8	7.2	6.8	6.4
Net debt/(cash) to equity (%)	159.6	93.5	48.5	36.3	28.5
Interest cover (x)	3.3	8.3	11.4	13.0	14.2
ROE (%)	(5.6)	20.9	26.6	22.5	20.4
Consensus net profit	-	-	3,986	4,269	4,583
UOBKH/Consensus (x)	-	-	1.29	1.27	1.24

Source: TFG, Bloomberg, UOB Kay Hian

BUY

(Maintained)

Share Price	Bt5.05
Target Price	Bt6.70
Upside	+32.7%
(Previous TP)	Bt6.00)

COMPANY DESCRIPTION

TFG operates an integrated operation, producing and distributing frozen and chilled chicken products, as well as animal feed, in both the domestic and international markets

STOCK DATA

GICS sector	Consumer Staples
Bloomberg ticker:	TFG TB
Shares issued (m):	6,391.9
Market cap (Btm):	32,279.1
Market cap (US\$m):	978.2
3-mth avg daily t'over (US\$m):	0.6

Price Performance (%)

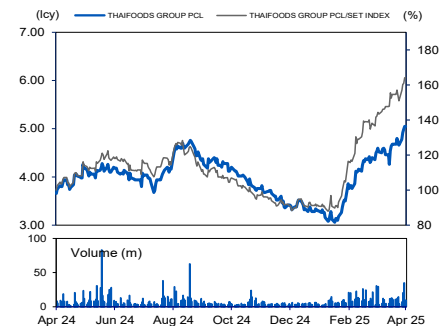
52-week high/low			Bt5.05/Bt3.02	
1mth	3mth	6mth	1yr	YTD
13.2	49.1	16.4	52.8	47.3

Major Shareholders

	%
New Star Victor CO LTD	31.81
BNP Parisbas (HK Branch)	20.05
Winai Teawsomboonkij	17.98

FY24 NAV/Share (Bt)	3.48
FY24 Net Debt/Share (Bt)	1.69

PRICE CHART



Source: Bloomberg

ANALYST(S)

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STOCK IMPACT

- **Expect record-high earnings for 2Q25.** Looking forward, we expect 2Q25 earnings to continue improving qoq following the higher domestic livestock prices of Bt87-88/kg in Apr 25, a significant improvement from Bt78/kg in 1Q25, coupled with lower raw material costs. Therefore, we anticipate an even stronger gross margin for 2Q25, compared with 1Q25. We expect significant upside to consensus earnings for 2025, as our 1Q25 results could account for 45% of consensus 2025 earnings projection.
- **Percentage of shares pledged is expected to decrease.** Management guided that the percentage of shares pledged in the margin account, compared with paid-up shares, is expected to reduce significantly over the next 1-2 months (from 43.12% in Mar 25 to below 40%). This should be a positive sentiment to the share prices.

EARNINGS REVISION/RISK

- We have upgraded our 2025-26 earnings forecasts by 44% and 42%, respectively to reflect the potential stronger-than-expected 1Q25 earnings and higher livestock ASPs which could lead to a strong gross profit margin improvement. We have also included the additional 581m outstanding shares to reflect the fully diluted EPS, considering the in-the-money TFG-W4 conversion.

EARNINGS REVISION

(Btm)	2025F			2026F		
	Old	New	Chg %	Old	New	Chg %
Net profit	3,566	5,151	44.4%	3,807	5,418	42.3%
Core profit	3,566	5,151	44.4%	3,807	5,418	42.3%
Gross profit margin	13.4%	16.0%	2.6%	13.2%	15.5%	2.4%
SGA-to-sales	-6.6%	-6.8%	-0.2%	-6.9%	-7.1%	-0.2%

Source: TFG, UOB Kay Hian

VALUATION/RECOMMENDATION

- **Maintain BUY with a higher target price of Bt6.70.** We adopt the PE valuation method and peg the stock to 8.3x 2025F PE, the forward PE of TFG's five-year mean where we exclude the period 4Q20-1Q21 and 4Q22-1Q23 which was characterised by unusual fluctuations in livestock price trends. We still like TFG as our top pick as it is one of the beneficiaries of the African Swine Fever in Vietnam, has lower raw material costs, and will see earnings growth from its retail business.

SHARE PRICE CATALYST

- Recovery in domestic swine and broiler ASPs; and lower raw material costs of corn and soybean meal.
- Resumption of retail expansion plan and a continuous improvement in the retail business' same-store sales growth.

ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG)

CG Report: 5

SET ESG Rating: AA

• Environmental

- **Net zero.** TFG aims to be a Net Zero company by 2065.
- TFG conducts business with a commitment to the efficient use of resources, ensuring operations are environmentally friendly and comply with legal requirements.

• Social

- TFG is working to improve many dimensions of social responsibility. This includes the treatment of employees and human rights.

• Governance

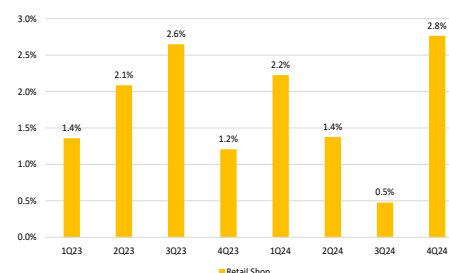
- **Good governance practice.** TFG is committed to operating its business in accordance with good corporate governance policy and management excellence. It received the "Excellent" rating on good corporate governance from the Thai Institute of Directors.

SALES CONTRIBUTION



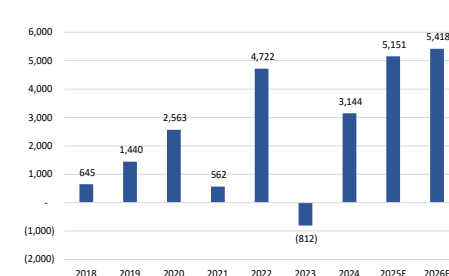
Source: TFG, UOB Kay Hian

RETAIL BUSINESS EBIT MARGIN



Source: TFG, UOB Kay Hian

CORE PROFIT



Source: TFG, UOB Kay Hian

PROFIT & LOSS

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Net turnover	65,482	71,625	79,544	89,660
EBITDA	8,374	10,505	10,705	11,091
Deprec. & amort.	3,619	3,551	3,541	3,435
EBIT	4,756	6,954	7,165	7,656
Total other non-operating income	(279)	0	0	0
Associate contributions	(31)	0	0	0
Net interest income/(expense)	(1,007)	(925)	(822)	(779)
Pre-tax profit	3,438	6,029	6,343	6,877
Tax	(319)	(904)	(951)	(1,203)
Minorities	26	26	27	28
Net profit	3,144	5,151	5,418	5,701
Net profit (adj.)	3,466	5,151	5,418	5,701

BALANCE SHEET

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Fixed assets	16,202	16,652	16,111	15,676
Other LT assets	8,792	8,984	9,244	9,576
Cash/ST investment	4,907	8,033	9,404	11,128
Other current assets	16,249	20,347	24,914	28,646
Total assets	46,149	54,016	59,673	65,027
ST debt	13,365	10,564	10,664	10,766
Other current liabilities	7,150	8,596	9,856	9,835
LT debt	6,921	8,259	8,195	8,917
Other LT liabilities	2,142	4,223	4,802	5,371
Shareholders' equity	16,448	22,244	26,018	29,989
Minority interest	51	51	51	51
Total liabilities & equity	46,149	54,016	59,673	65,027

CASH FLOW

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Operating	10,501	6,948	5,783	5,661
Pre-tax profit	3,438	6,029	6,343	6,877
Tax	(319)	(904)	(951)	(1,203)
Deprec. & amort.	3,619	3,551	3,541	3,435
Associates	31	0	0	0
Working capital changes	573	(3,567)	(4,922)	(5,430)
Non-cash items	0	21	(130)	(425)
Other operating cashflows	3,160	1,819	1,903	2,407
Investing	(1,080)	(4,000)	(3,000)	(3,000)
Capex (growth)	(1,287)	(4,000)	(3,000)	(3,000)
Investments	351	351	351	351
Others	(144)	(351)	(351)	(351)
Financing	(5,261)	179	(1,412)	(937)
Dividend payments	(494)	(1,537)	(1,617)	(1,702)
Proceeds from borrowings	(1,657)	1,338	(65)	722
Loan repayment	(489)	(137)	549	272
Others/interest paid	(2,620)	(1,693)	(280)	(229)
Net cash inflow (outflow)	4,160	3,126	1,371	1,724
Beginning cash & cash equivalent	836	4,907	8,033	9,404
Changes due to forex impact	(90)	0	0	0
Ending cash & cash equivalent	4,907	8,033	9,404	11,128

KEY METRICS

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Profitability				
EBITDA margin	12.8	14.7	13.5	12.4
Pre-tax margin	5.2	8.4	8.0	7.7
Net margin	4.8	7.2	6.8	6.4
ROA	6.7	10.3	9.5	9.1
ROE	20.9	26.6	22.5	20.4
Growth				
Turnover	17.2	9.4	11.1	12.7
EBITDA	124.7	25.4	1.9	3.6
Pre-tax profit	n.a.	75.4	5.2	8.4
Net profit	n.a.	63.8	5.2	5.2
Net profit (adj.)	n.a.	48.6	5.2	5.2
EPS	n.a.	35.1	5.2	5.2
Leverage				
Debt to total capital	55.1	45.8	42.0	39.6
Debt to equity	123.3	84.6	72.5	65.6
Net debt/(cash) to equity	93.5	48.5	36.3	28.5
Interest cover (x)	8.3	11.4	13.0	14.2

COMPANY UPDATE

Thanachart Capital (TCAP TB)

1Q25 Results Preview: Expect Credit Costs To Rise qoq On Worsening Economic Outlook

We expect TCAP to post a 1Q25 net profit of Bt1,684m (-4% yoy, +26% qoq). Although TCAP's credit costs surged significantly qoq in 4Q24, we forecast its credit cost continuing to rise qoq in 1Q25. We expect THANI to be indirectly impacted by the US tariffs and the deterioration in asset quality in the truck lending business. We foresee a weakening outlook for the truck business and a softened used-truck price index in the future. Maintain HOLD with a target price of Bt48.00.

1Q25 RESULTS PREVIEW

Year to 31 Dec (Btm)	1Q25F	4Q24	1Q24	qoq chg (%)	yoy chg (%)
Total gross loans	62,748	62,067	65,298	1.1	(3.9)
Net interest income	1,180	781	773	51.0	52.7
Non-interest income	4,642	4,717	4,399	(1.6)	5.5
Loan loss provision	(591)	(536)	(131)	10.2	351.8
Non-Interest expenses	(1,071)	(871)	(842)	23.0	27.2
Pre-provision operating profit	2,467	1,936	2,208	27.4	11.7
Net income	1,684	1,338	1,762	25.9	(4.4)
EPS (Bt)	1.61	1.28	1.68	25.9	(4.4)
Ratio (%)					
NPL ratio (%)	2.8	2.8	2.7		
Loan loss coverage ratio (%)	184	180	163		
Net interest margin (NIM %)	5.2	3.4	3.3		
Credit cost (bp)	379	338	79		
Cost to income (%)	18	16	16		
Return on Equity (%)	9.1	7.4	9.9		

Source: TCAP, UOB Kay Hian

WHAT'S NEW

- **Expect 1Q25 net profit to increase qoq.** We expect Thanachart Capital's (TCAP) 1Q25 net profit to come in at Bt1,684m, down 4% yoy but up 26% qoq. The qoq jump can be attributed to lower funding costs due to the 25bp policy rate cut in Feb 25. We expect TCAP's 1Q25 credit cost to rise qoq due to the worsening economic outlook. We expect NPL to stabilise at 2.8% in 1Q25. Excluding provision expenses, TCAP's pre-provision operating profit should increase 12% yoy and 27% qoq. We have factored in the expected policy rate of 1.50% by the end of 2025. We expect TCAP to benefit from the lower funding cost in the future.

KEY FINANCIALS

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net interest income	3,374	3,096	4,606	4,695	4,776
Non-interest income	16,858	18,269	18,544	18,538	18,577
Net profit (rep./act.)	6,603	6,646	6,758	7,073	7,411
Net profit (adj.)	6,603	6,646	6,758	7,073	7,411
EPS (Bt)	6.3	6.3	6.4	6.7	7.1
PE (x)	7.5	7.4	7.3	7.0	6.6
P/B (x)	0.7	0.7	0.6	0.6	0.6
Dividend yield (%)	6.8	7.0	7.3	7.5	8.1
Net int margin (%)	3.7	3.4	5.1	5.2	5.1
Cost/income (%)	55.9	58.9	58.7	58.7	58.9
Loan loss cover (%)	166.0	179.6	193.0	188.0	185.0
Consensus net profit	-	-	7,117	7,526	7,776
UOBKH/Consensus (x)	-	-	0.95	0.94	0.95

Source: Thanachart Capital, Bloomberg, UOB Kay Hian

HOLD

(Maintained)

Share Price	Bt47.00
Target Price	Bt48.00
Upside	+2.1%
(Previous TP)	Bt52.00)

COMPANY DESCRIPTION

The company operates an investment business and is the parent company of Thanachart Group. It operates a wide range of financial businesses, including hire purchase, non-life and life insurance, securities brokerage, asset-based financing, non-performing asset management, and investment.

STOCK DATA

GICS sector	Financials
Bloomberg ticker:	TCAP TB
Shares issued (m):	1,048.6
Market cap (Btm):	49,291.5
Market cap (US\$m):	1,468.5
3-mth avg daily t'over (US\$m):	3.0

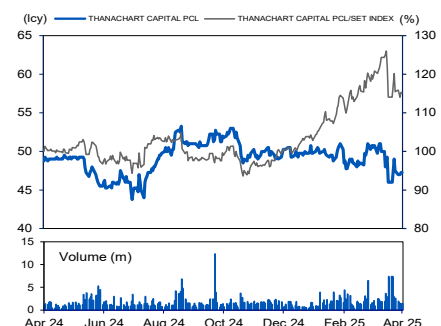
Price Performance (%)

52-week high/low			Bt53.50/Bt43.25	
1mth	3mth	6mth	1yr	YTD
(7.8)	(6.0)	(10.0)	(3.1)	(6.9)

Major Shareholders

	%
MBK	24.90
Thai NVDR	4.98
South East Asia UK (Type C) Nominee	2.85
FY24 NAV/Share (Bt)	72.90
FY24 CAR Tier-1 (%)	0.00

PRICE CHART



Source: Bloomberg

ANALYST(S)

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STOCK IMPACT

- **Expect non-II to decrease qoq in 1Q25.** We expect non-interest income (non-II), which contributed 86% of TCAP's total revenue in 4Q24, to grow 6% yoy but decrease 2% qoq in 1Q25. Insurance income, which contributed the highest portion of non-II at 66% in 4Q24, should increase 5% yoy in 1Q25. Share of profit from investment in associates contributed 30% of non-II in 4Q24. TMBThanachart Bank (TTB), an associate company in which TCAP holds 24.93%, reported a 5% yoy decrease and flat qoq earnings in 1Q25. We estimate that the share of profit from investment in associates will increase 3% yoy but decline 2% qoq. In addition, TCAP's non-II in 1Q25 would be pressured by a lower share of profit from investment in associates.
- **Expect credit cost to rise qoq.** Ratchthani Leasing (THANI), TCAP's subsidiary, has a significant loan exposure of around 70% to truck hire-purchase (new trucks: 71%, used trucks: 29%). Although TCAP's credit costs surged significantly by 94bp qoq to 338bp in 4Q24, we expect its credit cost to continue to rise qoq in 1Q25. Hence, we expect TCAP's credit cost to increase 41bp qoq from 338bp in 4Q24 to 379bp in 1Q25. Due to the potential impact of the US tariffs, several banks have cut their 2025 GDP forecasts by around 1.0% to 1.4%. Banks have guided that they might be indirectly impacted by the US tariffs. Therefore, we estimate that THANI could be indirectly affected, particularly due to a potential deterioration in asset quality within its truck lending portfolio. We expect a weakening outlook for the truck business, along with a softened used-truck price index from 2Q25 onwards.

NET PROFIT FORECASTS

(Btm)	2025F	2026F	2027F
Old	7,397	8,018	8,407
New	6,758	7,073	7,411
% chg	-8.6%	-11.8%	-11.8%

Source: UOB Kay Hian

- We revise TCAP's 2025-27 earnings forecasts downward by 8.6%, 11.8%, and 11.8% respectively, as we factor in: a) the impact of the expected policy rate cut to 1.50% by year-end, and b) higher credit cost assumptions, reflecting uncertainties from the US reciprocal tariffs.

VALUATION/RECOMMENDATION

- **Maintain HOLD with a lower target price of Bt48.00** using the Gordon Growth Model (cost of equity: 11.5%, long-term growth: 2%). Our target price implies 0.66x 2025F P/B, which is its historical five-year P/B mean.

ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG)

CG Report: 5

SET ESG Rating: A

• Environmental

- **Energy management.** Campaigning for saving electricity and turning off appliances after use.
- **Greenhouse gas management.** Assigns a person to be responsible for directly overseeing the use of electrical equipment.

• Social

- **Cybersecurity and personal data protection.** Thanachart Group is aware of the importance of maintaining the security of customer data, employee data and confidential company information.
- **Respect for human rights and diversity.** Thanachart Group upholds important principles to respect human rights and will treat stakeholders with equality, uniformity and indiscriminate consideration.

• Governance

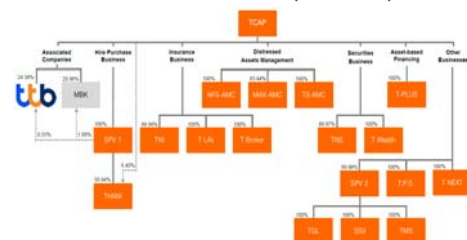
- **Anti-corruption.** No support for businesses, groups of individuals, or individuals engaged in undeserved exploitation, resulting from the abuse of power.

RESULTS OF SUBSIDIARIES IN 4Q24

Subsidiaries	%Shareholding	Net Profit (Btm)		
		4Q24	3Q24	4Q23
THANI	63.24%	122	80	162
TNI	89.96%	70	188	90
TNS	89.97%	(177)	61	64
TS AMC	100.00%	(8)	(9)	(5)
MAX AMC	83.44%	(9)	(3)	(8)
NFS AMC	100.00%	(14)	(12)	(11)
T LIFE	100.00%	(39)	(54)	(78)

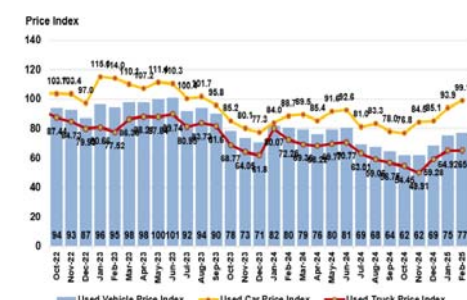
Source: TCAP, UOB Kay Hian

SHAREHOLDING STRUCTURE (30 DEC 24)



Source: TCAP, UOB Kay Hian

USED-VEHICLE PRICE INDEX



Source: BOT, UOB Kay Hian

PE BAND



Source: TCAP, UOB Kay Hian

P/B BAND



Source: TCAP, UOB Kay Hian

PROFIT & LOSS

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Interest income	5,191	5,082	5,044	5,086
Interest expense	(2,095)	(476)	(349)	(310)
Net interest income	3,096	4,606	4,695	4,776
Fees & commissions	615	674	632	655
Other income	17,654	17,870	17,906	17,922
Non-interest income	18,269	18,544	18,538	18,577
Total income	21,365	23,150	23,233	23,353
Staff costs	(2,077)	(2,678)	(2,670)	(2,786)
Other operating expense	(10,514)	(10,910)	(10,964)	(10,973)
Pre-provision profit	8,775	9,562	9,599	9,593
Loan loss provision	(1,316)	(2,156)	(1,877)	(1,507)
Pre-tax profit	7,459	7,406	7,723	8,086
Tax	(432)	(346)	(347)	(360)
Minorities	(381)	(302)	(303)	(315)
Net profit	6,646	6,758	7,073	7,411
Net profit (adj.)	6,646	6,758	7,073	7,411

BALANCE SHEET

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Cash with central bank	2	6	6	7
Govt treasury bills & securities	19,327	19,082	19,427	20,255
Interbank loans	9,466	7,779	7,656	7,945
Customer loans	59,257	59,464	60,880	63,595
Investment securities	2,419	2,065	2,053	2,134
Derivative receivables	21	72	76	79
Associates & JVs	61,940	61,940	61,940	61,940
Fixed assets (incl. prop.)	5,116	4,831	4,831	4,977
Other assets	7,148	7,357	7,527	7,792
Total assets	164,697	162,598	164,398	168,725
Interbank deposits	10,765	10,178	10,303	10,736
Customer deposits	0	0	0	0
Derivative payables	0	0	0	0
Debt equivalents	619	2,823	1,729	1,349
Other liabilities	74,364	67,119	66,287	66,707
Total liabilities	85,748	80,120	78,319	78,793
Shareholders' funds	73,124	76,447	79,828	83,449
Minority interest - accumulated	5,825	6,030	6,252	6,485
Total equity & liabilities	164,697	162,598	164,399	168,726

OPERATING RATIOS

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Capital Adequacy				
Tier-1 CAR	0.0	0.0	0.0	0.0
Total CAR	0.0	0.0	0.0	0.0
Total assets/equity (x)	2.3	2.1	2.1	2.0
Tangible assets/tangible common equity (x)	2.3	2.1	2.1	2.0
Asset Quality				
NPL ratio	2.8	2.8	2.8	2.7
Loan loss coverage	179.6	193.0	188.0	185.0
Loan loss reserve/gross loans	5.0	5.4	5.2	5.1
Increase in NPLs	(0.7)	0.9	1.5	3.2
Credit cost (bp)	2.8	2.8	2.8	2.7
Liquidity				
Loan/deposit ratio	0.0	0.0	1.0	2.0
Liquid assets/short-term liabilities	267.5	264.0	262.9	262.7
Liquid assets/total assets	17.5	16.5	16.5	16.7

KEY METRICS

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Growth				
Net interest income, yoy chg	(8.2)	48.8	1.9	1.7
Fees & commissions, yoy chg	(21.4)	9.6	(6.2)	3.6
Pre-provision profit, yoy chg	(1.6)	9.0	0.4	(0.1)
Net profit, yoy chg	0.7	1.7	4.7	4.8
Net profit (adj.), yoy chg	0.7	1.7	4.7	4.8
Customer loans, yoy chg	(8.2)	0.4	2.4	4.5
Profitability				
Net interest margin	3.4	5.1	5.2	5.1
Cost/income ratio	58.9	58.7	58.7	58.9
Adjusted ROA	4.1	4.1	4.3	4.4
Reported ROE	9.3	9.0	9.2	9.5
Adjusted ROE	9.3	9.0	9.2	9.5
Valuation				
P/BV (x)	0.7	0.6	0.6	0.6
P/NTA (x)	67.6	64.6	61.9	59.2
Adjusted P/E (x)	7.4	7.3	7.0	6.6
Dividend Yield	7.0	7.3	7.5	8.1
Payout ratio	52.1	53.0	52.5	54.0

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