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KEY HIGHLIGHTS

Strategy

Alpha Picks: Focus on stocks that have the potential to attract investment inflows

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We maintain our cautiously optimistic view on the Thai equities market for May 25. We decide to switch AP to BDMS.

Update

Minor International (MINT TB/BUY/Bt26.75/Target: Bt38.00)

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Smaller loss expected in 1Q25.

The Erawan Group (ERW TB/BUY/Bt2.28/Target: Bt4.70)

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Expect strong growth in 1Q25, but poor outlook going forward.

KEY INDICES

Symbol	Close	Chg	%Chg
SET	1,198.98	1.72	0.14
SET50	776.89	1.10	0.14
Value (Btm) - SET	43,161		
Top 5 Sector			
BANK	395.72	(2.10)	(0.53)
PETRO	434.04	0.33	0.08
PROP	151.71	(0.63)	(0.41)
ENERG	15,690.93	(67.20)	(0.43)
ICT	194.69	1.12	0.58

Source: Bloomberg

TOP VOLUME

Symbol	Close (Baht)	+/-(% Chg)	5-day ADT (BTm)
AOT	38.50	0.65	1,796.6
DELTA	101.50	3.57	3,825.1
KBANK	159.00	(0.31)	2,301.3
CPALL	51.25	(0.49)	1,446.7
GULF	48.00	(2.04)	1,192.7

TOP GAINERS

Symbol	Close (Baht)	+/-(% Chg)	5-day ADT (BTm)
PRIME	0.06	50.00	7.1
NATION	0.03	50.00	0.0
TWZ	0.04	33.33	0.3
SDC	0.04	33.33	0.3
TURTLE	5.85	21.88	0.0

TOP LOSERS

Symbol	Close (Baht)	+/-(% Chg)	5-day ADT (BTm)
CIG	0.03	(25.00)	0.1
ZAA	0.50	(20.63)	0.1
GEL	0.04	(20.00)	0.0
MIPF	9.55	(19.07)	0.0
KCM	0.17	(15.00)	0.2

*ADT: Average daily turnover

KEY STATISTICS

Commodity	Current Price	%Chg		
		1m	3M	YTD
Brent crude*	61.0	(6.1)	(16.4)	(16.8)
Dubai crude*	60.4	(11.1)	(19.9)	(19.6)
Baltic Dry Index	1,421.0	(4.6)	79.2	42.5
Gold Spot***	3,358.2	10.5	17.6	28.0

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

FOREIGN PORTFOLIO INVESTMENT IN EQUITIES (THAILAND)

Day (Mil US\$)	MTD Net (Mil US\$)	YTD Net (Mil US\$)	YTD Net YoY%
(40.9)	(40.9)	(1,645.4)	1,692.6

Source: Bloomberg

Foreign Exchange Rate - THB/US\$ (onshore) = 32.97

Interest Rate (%) - TH Policy Rate = 2.00

Thai Lending Rate (%) - MLR = 6.90

STRATEGY – THAILAND

Alpha Picks: Focus on stocks that have the potential to attract investment inflows

Our Alpha Picks outperformed the market in April with our portfolio and the SET Index's returns at +4.9% vs +3.4% respectively. During the month, the market moved up broadly, due to an easing in the global trade war and a policy rate cut. We maintain a cautiously optimistic outlook on the Thai equities market in May 25 due to the lower policy rate and investment from the ThaiEsg Extra fund. For May 25, our picks are ADVANC, BCH, BDMS, BJC, BTG, CPN, MTC, PTTEP, RATCH and TIDLOR (NTL).

WHAT'S NEW

- **Portfolio outperformed the market in April.** Our portfolio outperformed the market in Apr 25, with our portfolio and the SET Index's returns at +4.9% vs +3.4% respectively. The strongest performers were MTC (+23.3%), BTG (+12.9%) and CPN (+8.0%), while the worst performers were PTTEP (-14.6%), TIDLOR (NTL) (-10.4%), and RATCH (4.0%)
- **The SET Index moved up in April.** The SET Index increased by 3.4% mom in April mainly due to an easing in the global trade war. The outperforming sectors in the month were electronics (+43.8%), professional services (+9.9%), and food (+6.1%). The worst performers were media (-11.6%), bank (-4.2%), and fashion (-3.3%).
- **Cautiously optimistic in May.** We maintain a cautiously optimistic outlook for the Thai equities market in May 25 as: a) the investment fund flow from the ThaiEsg Extra fund, b) we believe that the pressure from the downward revision of economic forecasts has eased, and c) the reduction in policy interest rates has led to lower interest expenses for listed companies and resultant higher net profits. However, the Thai equities market may be volatile due to the uncertainty surrounding the US trade policy.
- **Selective buy on individual stocks.** This month, we decide to select companies that have large capital, high ESG ratings, and have a positive outlook in 1Q25.

ACTION

- **Drop AP and add BDMS.** We decide to drop AP due to a lack of new investment catalysts. We decide to add BDMS as it reported strong revenue in 1Q25 on an improved growth in Thai patient numbers and a strong growth from foreign patient numbers.

ANALYSTS' TOP ALPHA PICKS*

Analyst	Company	Rec	Performance	Catalyst
Tanaporn Visaruthaphong / Thachasorn Jutaganon	ADVANC	BUY	7.3	Strong average revenue per user (ARPU)
Benjaphol Suthwanich / Nonpawit Vathanadachakul	BCH	BUY	7.9	The rate of AdjRW>2 to be fixed at Bt12,000/head
Benjaphol Suthwanich / Nonpawit Vathanadachakul	BDMS	BUY		Better-than-expected Thai and foreign patients.
Kampon Akaravarinchai	BJC	BUY	5.3	Better-than-expected SSSG recovery and gross margin improvement
Kampon Akaravarinchai	BTG	BUY	12.9	Increase in swine and poultry selling prices.
Kasemsun Koonnara	CPN	BUY	8.0	Announcement of new projects
Thanawat Thangchadakorn	MTC	BUY	23.3	A policy rate cut.
Tanaporn Visaruthaphong / Benjaphol Suthwanich	PTTEP	BUY	(14.6)	Better-than-expected crude oil price.
Arsit Pamaranon	RATCH	BUY	4.0	1Q25: Full quarter contribution from HKP unit-I and unit-II
Thanawat Thangchadakorn	TIDLOR	BUY	(10.4)	Government stimulus packages to boost economic recovery
Kasemsun Koonnara	AP	BUY	6.0	Dropped

*Denotes a timeframe of 1-3 months and not UOBKH's usual 12-month investment horizon for stock recommendation

#Share price change since stock was selected as Alpha Pick

Source: UOB Kay Hian

KEY RECOMMENDATIONS

Company	Share Price 30 Apr 25 (Bt)	Target Price (Bt)	Upside/ (Downside) to TP (%)
ADVANC	295.00	310.00	5.08
BCH	15.10	20.00	32.45
BDMS	24.00	33.00	37.50
BJC	23.80	28.00	17.65
BTG	23.70	28.50	20.25
CPN	50.75	79.60	56.85
MTC	45.00	60.00	33.33
PTTEP	99.50	155.00	55.78
RATCH	26.25	40.00	52.38
TIDLOR	12.00	21.00	75.00

Source: UOB Kay Hian

CHANGE IN SHARE PRICE

Company	Apr 25 (%)	To-date* (%)
ADVANC	7.3	7.3
AP	6.0	(10.6)
BCH	7.9	(6.8)
BJC	5.3	5.3
BTG	12.9	26.1
CPN	8.0	(8.1)
MTC	23.3	(8.6)
PTTEP	(14.6)	(14.6)
RATCH	4.0	(0.9)
TIDLOR	(10.4)	(32.6)
SET Index	3.4	

*Share price change since stock was selected as alpha pick

Source: UOB Kay Hian

PORTFOLIO RETURNS

(%)	2024	1Q25
SET return	(1.1)	(17.3)
Alpha Picks Return		
- Price-weighted	7.0	(10.0)
- Market cap-weighted	5.4	(13.7)
- Equal-weighted	3.4	(11.0)

Assumptions for the three methodologies:

1. Price-weighted: Assuming the same number of shares for each stock, a higher share price will have a higher weighting.
2. Market cap-weighted: Weighting is based on the market cap at inception date, a higher market cap will have a higher weighting.
3. Equal-weighted: Assuming the same investment amount for each stock, every stock will have the same weighting.

Source: UOB Kay Hian

ANALYST(S)

Kitpon Praipaisarnkit
+662 659 8154
kitpon@uobkayhian.co.th

Krit Tanarattananon
+662 659 8303
krit@uobkayhian.co.th

Tanapon Cholkadidamrongkul
+662 659 8030
tanapon.c@uobkayhian.co.th

Thailand Research Team
+662 659 8304
research@uobkayhian.co.th

ASSISTANT ANALYST(S)

Natthida Chuaysong

ADVANC — BUY (Kitpon Praipaisarnkitg/Thachasorn Jutaganon)

- **1Q25 earnings to be underpinned by many positive factors.** We expect Advanced Info Service (ADVANC) to report a 1Q25 net profit of Bt9.7b (+14% yoy, +4% qoq). The yoy earnings growth should be driven by improved top-line and cost reduction, which improves gross margin. Earnings could be flat qoq due to the high base of performance in 4Q24 as well as the seasonal effect.
- **Outstanding growth in mobile and FBB.** We estimate 1Q25 revenue at Bt55.4b (+4% yoy, -2% qoq). The slight yoy growth is expected to be primarily driven by the fixed broadband (FBB) business (+11% yoy) and the mobile segment (+6% yoy). However, revenue is expected to drop slightly qoq due to the minimal growth of the mobile and FBB segments and a decrease in the revenue of the enterprise segment.
- **Expect ARPU to continue growing in 2025.** Since the reduction in competition among telecommunication players, mobile average revenue per user (ARPU) has shown a consistent upward trend. We believe there is still room for growth, particularly in the prepaid segment. This will be driven by factors such as the removal of unsustainable customers, phasing out of unlimited data packages, and an increase in tourist numbers. Consequently, we project mobile revenue to grow by 5% yoy in 2025.
- **Maintain BUY with a target price of Bt330.00.** Our valuation is based on an EV/EBITDA multiple of 9.1x. We still favour ADVANC for its outstanding earnings growth in 2024 and 2025, a high dividend yield of 3.2%, and potential upside from the upcoming spectrum auction that could reduce its costs in 2025.

SHARE PRICE CATALYST

- **Event:** New spectrum auction.
- **Timeline:** 2Q25.

BCH — BUY (Benjaphol Suthwanish/Nonpawit Vathanadachakul)

- **Positive tone at the meeting.** We attended Bangkok Chain Hospital's (BCH) analyst meeting and the tone was positive.
- **2025 guidance.** For 2025, BCH targets a double-digit revenue growth yoy. The key contributors are expected to be: a) the return of social security patients from the reopening of Kasemrad Pathumthani after its rebranding, and b) the operational improvement of three new hospitals, two of which are targeted to break even at the net profit level and another one to break even at the EBITDA profit level. The guaranteed AdjRW>2 rate of Bt12,000/head will also allow BCH to grow from last year's low base caused by the rate cut. The remaining Bt97m of accrued income from the government's COVID-19 programme is expected to be paid and hence there should be no further negative impact as seen in 4Q24.
- **Maintain BUY with a target price of Bt20.00.** Our valuation is based on the 2025 EV/EBITDA multiple of 14.0x. We expect BCH to show a mild earnings growth in 1Q25 from the influenza outbreak that could offset the high base brought about by revenue from Kuwait patients in 1Q24. We are optimistic on BCH due to: a) the influenza outbreak that will boost 1Q25 earnings, b) the potential M&A deal, and c) the social contribution (SC+) that could be a new growth driver.

SHARE PRICE CATALYST

- **Event:** The rate of AdjRW>2 to be fixed at Bt12,000/head.
- **Timeline:** 1Q25 onwards.

SECTOR PERFORMANCE

Sector	Apr 25 (%)	To-date* (%)
SETENERG	(1.2)	(11.6)
SETBANK	(4.2)	(0.6)
SETCOMUN	5.7	(2.0)
SETETRON	43.8	(35.4)
SETCOM	1.4	(13.6)
SETTRANS	0.5	(30.0)
SETFOOD	6.1	(7.8)
SETPROP	(0.9)	(22.8)
SETHELTH	5.6	(10.9)
SETFIN	5.8	(14.0)
SETCONMT	(0.5)	(11.0)
SETPREIT	(3.2)	(6.6)
SETPETRO	(2.6)	(25.5)
SETINS	4.3	(0.9)
SETHOT	(3.0)	(10.2)
SETENTER	(11.6)	(31.1)
SETPKG	2.3	(21.1)
SETAGRI	(1.0)	(11.6)
SETCONS	6.0	(20.8)
SETPERS	(2.5)	(19.6)
SETAUTO	(0.8)	(12.4)
SETFASH	(3.3)	(5.0)
SETSTEEL	3.7	(0.4)
SETPROF	9.9	(34.4)
SETIMM	2.5	(3.7)
SETHOLD	(0.1)	(6.7)
SETPAPER	(2.6)	(3.2)
SET Index	3.4	(14.5)

Source: SET, Bloomberg and UOB Kay Hian

BDMS — BUY (Benjaphol Suthwanish/Nonpawit Vathanadachakul)

- **Expect moderate yoy earnings growth in 1Q25.** We expect Bangkok Dusit Medical Services (BDMS) to report a net profit of Bt4.3b in 1Q25 (+6.7% yoy, +0.3% qoq). Total revenue should be Bt28.1b (+5.6% yoy, +2.6% qoq), mainly contributed by a decent 4-5% yoy growth in revenue from Thai patients and a strong 10-15% yoy growth in revenue from international patients. Growth in foreign patient revenue will be mainly driven by Chinese, Middle Eastern, and European patients. We are seeing an improving trend in Thai patients' growth in 1Q25, driven by new promotions and marketing campaigns, specifically targeted at the mid-tier group. We anticipate some utilisation of tax benefits in the quarter, which should result in a slightly lower effective tax rate. Additionally, we expect margins to be flat yoy.
- **2025 guidance.** BDMS provided its 2025 growth outlook, targeting a 7-8% yoy increase in revenue. This growth is expected to be driven by: a) a solid 10-15% yoy rise in revenue from international patients, and b) a 5-6% yoy increase from Thai patients. Key international contributors are expected to be similar to last year, led by Qatar (+49% yoy) and the UAE (+25% yoy). However, BDMS remains cautious about domestic patient growth due to the ongoing economic sluggishness, which has made mid-tier patients more cost-conscious. As a result, the company plans to reassess its growth target by mid-year. BDMS also aims to sustain its EBITDA margin at 24-25% through a mix of cost-efficiency initiatives and brand synergies. In terms of expansion, two facilities are set to launch this year: a 90-bed addition at Bangkok Hospital Chiang Mai and the opening of Phyathai Bowin, a new 220-bed hospital.
- **Maintain BUY with a target price of Bt33.00.** Our valuation is based on a five-year mean (excluding COVID-19 years), with an EV/EBITDA multiple of 18.0x. We like BDMS due to: a) an improving trend of Thai patients, b) its strong expansion strategy, and c) its strong growth outlook of foreign patients

SHARE PRICE CATALYST

- **Event:** Demand for treatment from Myanmar patients to return in 3Q25 and 4Q25.
- **Timeline:** 3Q25 and 4Q25.

BJC — BUY (Kampon Akaravarinchai)

- **Earnings to improve yoy.** We expect Berli Jucker (BJC) to report a core profit of Bt1.1b for 1Q25, up 6.7% yoy, but down 28.7% qoq due to seasonality. The 1Q25 net profit growth yoy will be driven by the low-base effect from a one-off tax gain reversal in 1Q24.
- **Flattish top-line growth momentum for 1Q25.** We expect BJC's 1Q25 top-line to be flat yoy. We foresee sales improvement in the modern trade business for 1Q25 on the back of a 2.5% yoy positive same-store-sales (SSS); however, this will be offset by a decline in the packaging business due to a shortfall in orders from one of the key customers in 1Q25, which is expected to gradually recover starting in 2Q25.
- **Maintain 2025 earnings projection.** Looking ahead, we foresee some softened SSS momentum for mtd Apr 25 following weakened electronics sales, such as air conditioners and fans due to the high base last year, which aligns with industry momentum. We still maintain our core earnings forecast of a 9% yoy growth for 2025 on the back of top-line and profitability improvement
- **Maintain BUY with a target price of Bt28.00.** Our 2025 target price is pegged to 21x 2025F PE, which is equivalent to -1SD from its five-year mean from 2017-19 and 2022-24 as we excluded the abnormal period of the COVID-19 pandemic in 2020-21. We maintain BJC's PE target at -1SD from its mean to reflect its slower earnings growth compared with its grocery retailer peers.

SHARE PRICE CATALYST

- **Event:** Implementation of the digital wallet programme.
- **Timeline:** 2Q25.

BTG — BUY (Kampon Akaravarinchai)

- **Strong 1Q25 earnings momentum.** We expect Betagro (BTG) to report a net profit of Bt1,728m for 1Q25, up 75.8% qoq and turning from a net loss of Bt124m in 1Q24. Excluding one-off items, core profit for 1Q25 is expected at Bt1,655m, up 78.5% qoq on the back of strong gross profit margin improvement
- **Better yoy and qoq top-line and profitability for 1Q25.** The strong 1Q25 earnings will be driven by: a) top-line improvement of 12.5% yoy and 1% qoq due to better domestic swine prices; b) gross profit margin of 17.5%, up from 10.8% and 14.9% in 1Q24 and 4Q24, respectively on the back of both ASP improvement and lower raw material costs of soybean meal; and c) the well-controlled SGA-to-sales level which remains flattish at 10.3% yoy and down from 10.9% in 4Q24.
- **Continuous growth momentum in 2Q25 earnings.** We expect BTG's 2Q25 core profit to continue to improve qoq following a strong ASP recovery as average domestic swine prices currently stand at Bt88/kg, a significant improvement from Bt78/kg in 1Q25. Also, given the lower raw material costs, we expect further room for gross margin expansion in 2Q25
- **Maintain BUY with a higher target price of Bt28.50.** Our target price is based on 2025 EPS. As BTG is a newly listed company, we peg its PE target to TFG's five-year PE mean of 10x, excluding the abnormal periods from 4Q20-1Q21 and 4Q22-1Q23 which were characterised by unusual fluctuations in livestock price trends.

SHARE PRICE CATALYST

- **Event:** a) Increase in swine and poultry selling prices, b) decreasing cost of animal feed production (eg corn and imported soybean).
- **Timeline:** 1Q25 and 2Q25.

CPN — BUY (Kasemsun Koonnara)

- **Central Pattana (CPN) is Thailand's largest retail property developer**, specialising in retail-led mixed-use developments that integrate shopping centres, residential projects, office buildings and hotels. The company stands out as a key beneficiary of the ongoing tourism recovery.
- **Resilient performances in the rental and services business.** Rental revenue is expected to improve yoy, supported by new projects launched in the previous year and resilient operations. We project an occupancy rate of 92% in 1Q25, in line with the previous year, along with improvements in foot traffic and tenant sales. Meanwhile, the office segment is expected to see an increase in occupancy as tenants gradually move in, particularly at the Rama IX office project. The gross margin for the rental and services business is anticipated to remain healthy, comparable with 2024's level, although the food segment may experience a decline following the launch of Market Place Theprak.
- **Hotel revenue is expected to rise yoy in 1Q25.** Hotel revenue is expected to rise yoy in 1Q25, supported by an improvement in the overall occupancy rate to 75% (up from 67% in 1Q24 and 73% in 4Q24) and stronger operations (RevPar) at Centara Hotels and Go Hotels
- **Maintain BUY with a target price of Bt79.60**, based on SOTP methodology. We value CPN's core business at Bt78.40/share, based on DCF, assuming a WACC of 7.3%. Cash flows are discounted to 2025. We value the residential business at Bt1.20/share, assuming 7x 2025F PE.

SHARE PRICE CATALYST

- **Event:** Project launches in 2H25 (Central Park and Central Krabi).
- **Timeline:** 2H25.

MTC — BUY (Thanawat Thangchadakorn)

- **Neutral tone during analyst meeting.** We attended Muangthai Capital's (MTC) analyst meeting. We came away with a neutral view. Management provided targets for 2025, which signal a continuous improvement in asset quality. MTC intends to focus on internal transformation and improve the efficiency in its organisation. The company will focus on lending secured loans and will not provide unsecured loans in the next 2-3 years. The uplift in credit rating by Fitch Rating from BBB+ to A- would be solid grounds for lowering funding costs. Meanwhile, the previous issue of US dollar-denominated bonds ensures the company's growth by diversifying funding sources.
- **2025 guidance.** Management has set a 2025 loan growth target of up to 15% yoy (vs the actual 15% achieved in 2024). The next 2-3 years' loan growth also should be around 15% due to the conservative lending in order to maintain strong asset quality. MTC intends to open a new network of stores with 600 branches in 2025.
- **Better asset quality with a reduction in credit cost and NPL ratio.** MTC has seen better debt collection and healthy loan demand qtd. Management guided 2025 credit cost of below 280bp and NPL ratio not exceeding 2.7%. Additionally, the cost-to-income ratio is targeted at 47-48% in 2025-26.
- **Maintain BUY with a lower target price of Bt60.00** based on the Gordon Growth Model (cost of equity: 13%, long-term growth: 4%). Our target price implies 2.9x 2025F P/B, which is slightly above -0.5SD to its five-year average.

SHARE PRICE CATALYST

- **Event:** A policy rate cut.
- **Timeline:** 2Q25.

PTTEP — BUY (Tanaporn Visaruthaphong/Benjaphol Suthwanish)

- **Crude oil prices still pressured by oversupply.** PTTEP forecasts Dubai crude oil prices in 2025 to range between US\$65.00-75.00/bbl (vs our assumption of US\$70.00/bbl). Prices are expected to experience increased volatility, primarily due to a projected surplus supply of 0.5 million barrels per day (MBD). However, the downside risk for crude oil prices is limited by the US\$60.00/bbl production cost of US shale oil. Additionally, PTTEP anticipates LNG prices in 2025 to range at US\$14.00-15.00/million British thermal units (MMBTU) (2024: US\$11.90/MMBTU), with demand from Europe expected to rise 7% yoy, while supply should grow only 4% yoy.
- **Continuous sales volume growth in 2025.** PTTEP's 2025 guidance indicates continued sales growth. Sales volume is projected at 505–510 thousand barrels per day (KBD), up 3-4% yoy, supported by higher production from domestic sources, particularly the Arthit project. PTTEP recently signed a new gas sales agreement to raise the daily contract quantity from 280 m standard cubic feet per day (MMSCFD) to 330 MMSCFD, effective Jun 25. Under this new agreement, the Arthit project will operate until 2027. However, due to crude oil price volatility, we expect 2025 core profit to decline by 13% yoy to Bt68.5b.
- **1Q25 net profit expected to be flat qoq and yoy.** We expect PTTEP's 1Q25 net profit to remain stable both qoq and yoy. Based on PTTEP's guidance, gas sales from the G2 project is expected to decline, leading to a 4-5% qoq decrease in total sales volume. However, this will be balanced out by a 2.4% qoq rise in gas sales prices and an increase in crude oil prices. Meanwhile, unit costs are projected to remain unchanged from 4Q24 at US\$29.30/bbl.
- **Maintain BUY with a target price of Bt155.00**, based on an average five-year regional forward PE of 9x. In the oil & gas sector.

SHARE PRICE CATALYST

- **Event:** Steady qoq improvement in operating performance driven by increased sales and reduced unit costs.
- **Timeline:** From 2Q25 onwards.

RATCH — BUY (Arsit Pamaranont)

- **Below expectations.** Ratchaburi Group (RATCH) reported 4Q24 net profit of Bt642m, up 56% yoy and down 61% qoq (due to soft seasonal power demand). Excluding forex loss of Bt95m, RATCH's 4Q24 core profit was Bt737m, up 541% yoy and down 64% qoq. Both core and net profits were below our expectations due to higher-than-expected depreciation and interest expense with lower-than-expected contribution from Hin Kong Power Plant (HKP) in 4Q24. 2024 core profit grew 24% yoy to Bt6.2b, driven by gains from JVs, particularly HKP and the Paiton Energy coal-fired power plant in Indonesia.
- **Healthy 2025 earnings outlook.** We remain confident about RATCH's earnings outlook in 2025, and expect the company to deliver a 33% core earnings growth, driven by full-year contributions from HKP unit-I and unit-II, the Paiton project and Calabanga Solar (the Philippines, 74MW) in Aug 24 and REN Korat (Thailand, 31.2MW) in Sep 24.
- **Lower interest rate should support performance.** Interest rates are expected to trend downward, with the Fed potentially lowering rates by 50bp in 2025. We anticipate that RATCH's earnings will benefit from this trend throughout 2025. We expect the company to benefit from reduced funding costs when refinancing in 2025.
- **Maintain BUY with a target price of Bt40.00,** based on the DCF valuation of all projects (WACC of 6.0% to reflect the higher market risk in 2025). We still like RATCH for its impressive growth outlook in 2024-25 and continue to see upside for its share price from here on.

SHARE PRICE CATALYST

- **Event:** A full quarter's contribution from HKP unit-I and unit-II.
- **Timeline:** 1Q25 onwards.

TIDLOR — BUY (Thanawat Thangchadakorn)

- **4Q24 results in line with expectations.** Ngern Tid Lor (TIDLOR) reported a net profit of Bt1.04b in 4Q24, up 16% yoy and 5% qoq. The results are in line with our and consensus forecasts. Asset quality improved qoq, aligning with our expectation and management's guidance. Credit cost and the non-performing loan (NPL) ratio fell qoq. Excluding provision expenses, TIDLOR's pre-provision operating profit declined 8% yoy and 13% qoq. TIDLOR could improve in many aspects according to management's guidance. TIDLOR reported a record-high net profit of Bt4.2b in 2024, up 11.6% yoy despite facing credit quality challenges during the year. Looking forward, we expect to see a further improvement in asset quality and continued expansion in the loan portfolio.
- **Loan portfolio grew qoq in 4Q24.** TIDLOR's outstanding loan portfolio expanded 6.6% yoy and 1.2% qoq to Bt103.9b in 4Q24. TIDLOR opened 31 new network stores in 4Q24, bringing its total store count to 1,778 branches. The company's loan portfolio grew 6.6% yoy in 2024, missing its 2024 loan growth target of 10-20%. However, we saw a qoq growth in its loan portfolio in 4Q24 after stabilising in 3Q24. Overall, we expect TIDLOR to grow its loan portfolio by maintaining a stringent lending policy according to the company's guidance.
- **Significant qoq reduction in credit costs in 4Q24.** TIDLOR's 4Q24 credit costs decreased significantly qoq, as it cleaned up its loan portfolio. TIDLOR set aside provision expenses of Bt702m in 4Q24, down 30% yoy and 30% qoq. As a result, credit costs decreased significantly by 119bp qoq to 272bp in 4Q24, which was lower than our expectation. The company's NPL ratio declined from 1.88% in 3Q24 to 1.81% in 4Q24. NPL coverage ratio rose from 231% in 3Q24 to 243% in 4Q24. Overall, TIDLOR's NPL ratio came in at 1.8%, achieving its target of less than 2% in 2024. Meanwhile, credit cost was reported at 3.4% in 2024, slightly higher than its credit cost target of 3.00-3.35% which is in line with guidance. We expect to see a strong focus on maintaining good asset quality.
- **Maintain BUY with an unchanged target price of Bt21.00** based on the Gordon Growth Model (cost of equity: 13%, long-term growth: 4%). Our target price implies 1.8x 2025F P/B, which is its five-year average.

SHARE PRICE CATALYST

- **Event:** A policy rate cut.
- **Timeline:** 2Q25.

VALUATION

Company	Ticker	Rec.	Last Price	Target	Upside	Market	PE			EPS	PEG	P/B	Yield	ROE
			30 Apr 25 (Bt)	Price (Bt)	Downside (%)	Cap (US\$m)	2024 (x)	2025F (x)	2026F (x)	Growth 2025F (%)	2025F (x)	2025F (x)	2025F (%)	2025F (%)
Advanced Info Service	ADVANC TB	BUY	295.00	310.00	5.08	26,523	25.0	22.8	22.0	9.5	2.4	8.6	3.7	38.6
Bangkok Chain Hospital	BCH TB	BUY	15.10	20.00	32.45	1,138	29.4	20.9	18.5	40.4	0.5	2.7	2.4	12.3
Bangkok	BDMS TB	BUY	24.00	33.00	37.50	11,530	23.9	21.1	19.9	13.1	1.6	3.7	3.6	17.0
Berli Jucker	BJC TB	BUY	23.80	28.00	17.65	2,883	23.8	18.7	17.6	27.2	0.7	0.8	3.4	4.0
Betagro	BTG TB	BUY	23.70	28.50	20.25	1,386	18.6	8.1	8.0	130.7	0.1	1.4	2.1	19.0
Central Pattana	CPN TB	BUY	50.75	79.60	56.85	6,885	13.6	13.0	12.2	4.5	2.9	2.1	4.2	15.4
Muangthai Capital	MTC TB	BUY	45.00	60.00	33.33	2,884	16.3	13.3	11.4	22.2	0.6	2.2	0.7	17.8
PTT Exploration and Production	PTTEP TB	BUY	99.50	155.00	55.78	11,941	5.0	5.8	5.7	(13.1)	(0.4)	0.7	9.6	12.8
Ratch Group	RATCH TB	BUY	26.25	40.00	52.38	1,726	9.3	6.9	6.6	35.4	0.2	0.6	6.3	7.8
Ngern Tid Lor	TIDLOR TB	BUY	12.00	21.00	75.00	1,057	8.1	7.0	6.3	15.5	0.5	1.0	4.2	15.1

Source: UOB Kay Hian

COMPANY UPDATE

Minor International (MINT TB)

Smaller Loss Expected In 1Q25

We expect MINT to report a core loss of Bt52m in 1Q25, improving from the core loss of Bt352m in 1Q24. The top-line should be at Bt36.0b (-1.3% yoy, -11.0% qoq). The top-line contraction was mainly due to a 7.5% yoy appreciation of the Thai baht in 1Q25. In their respective local currencies, Europe and the Maldives RevPar are still showing a strong yoy growth in hotel performance. We are positive on MINT as the outlook for 2Q25 looks decent. Maintain BUY. Target price: Bt38.00.

1Q25 EARNINGS PREVIEW

Year to 31 Dec (Btm)	1Q24	4Q24	1Q25F	yoy %chg	qoq %chg
Revenue	36,523	40,490	36,038	-1%	-11%
EBITDA	7,434	9,824	7,403	0%	-25%
Operating Profit	2,096	5,468	2,210	5%	-60%
Interest expenses	(2,847)	(2,636)	(2,610)	8%	1%
Core Profit	(352)	2,876	(52)	N/A	N/A
EPS	0.20	0.64	(0.01)	N/A	N/A
Financial ratio (%)				yoy	qoq
Gross Profit Margin	41.3%	43.6%	42.2%	0.9 ppt	-1.4 ppt
EBITDA Margin	20.4%	24.3%	20.5%	0.2 ppt	-3.7 ppt
SG&A Exp. / Sales	39.1%	32.2%	39.1%	0.0 ppt	6.9 ppt
Core Profit Margin	-1.0%	7.1%	-0.1%	0.8 ppt	-7.2 ppt

Source: MINT, UOB Kay Hian

WHAT'S NEW

- **Expect continuous earnings improvement in 1Q25, a cash burning quarter.** We expect Minor International (MINT) to report a core loss of Bt52m in 1Q25, improving from the core loss of Bt352m in 1Q24. Net profit is expected to be positive on a gain from an asset rotation of MINT's hotel in Portugal. The top-line should be at Bt36.0b (-1.3% yoy, -11.0% qoq). The top-line contraction was mainly due to the currency translation as a result of a strong baht appreciation of 7.5% yoy (THB to USD at 34.09 in 1Q25 vs 36.63 in 1Q24). If we disregard the foreign exchange impact, the RevPar in Europe and the Maldives in the local currencies are still showing high single-digit and high-teens yoy growth respectively. While the Thailand food hub saw a slightly softer yoy performance due to a delay in the launch of MINT's ice cream brand, we should see a continuous improvement in the Chinese hub in this quarter. Interest expense in 1Q25 should fall slightly qoq as a result of the European Central Bank's rate cut. Therefore, we are likely to see a slight margin expansion yoy.

KEY FINANCIALS

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net turnover	152,522.1	164,224.4	174,097.9	183,051.8	190,197.2
EBITDA	41,690.5	42,683.7	43,238.9	46,073.4	47,050.1
Operating profit	21,290.6	21,235.9	21,815.1	23,797.1	24,129.4
Net profit (rep./act.)	5,407.1	7,750.2	9,378.3	12,606.8	13,673.1
Net profit (adj.)	7,134.1	8,391.0	9,378.3	12,606.8	13,673.1
EPS (Bt)	1.3	1.5	1.7	2.1	2.3
PE (x)	20.5	18.1	16.2	12.7	11.7
P/B (x)	2.0	1.7	1.5	1.4	1.3
EV/EBITDA (x)	7.2	7.0	6.9	6.5	6.4
Dividend yield (%)	1.9	2.1	2.8	3.7	4.1
Net margin (%)	3.5	4.7	5.4	6.9	7.2
Net debt/(cash) to equity (%)	237.6	187.6	131.2	111.0	95.0
Interest cover (x)	4.2	4.1	5.1	8.1	10.5
ROE (%)	7.3	9.4	9.9	11.8	11.9
Consensus net profit	-	-	9,368	10,696	12,058
UOBKH/Consensus (x)	-	-	1.00	1.18	1.13

Source: Minor International, Bloomberg, UOB Kay Hian

BUY

(Maintained)

Share Price	Bt26.75
Target Price	Bt38.00
Upside	+42.1%

COMPANY DESCRIPTION

MINT is one of the largest hospitality companies in the Asia-Pacific region. It also operates restaurants in Thailand and overseas and is involved in residential property development and retail trading.

STOCK DATA

GICS sector	Consumer Discretionary
Bloomberg ticker:	MINT TB
Shares issued (m):	5,670.0
Market cap (Btm):	151,671.9
Market cap (US\$m):	4,534.3
3-mth avg daily t'over (US\$m):	13.8

Price Performance (%)

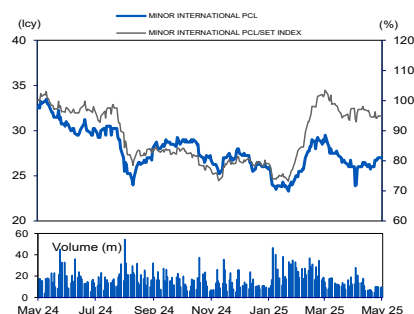
52-week high/low		Bt33.75/Bt22.90		
1mth	3mth	6mth	1yr	YTD
0.9	14.8	(1.8)	(18.9)	2.9

Major Shareholders

	%
Minor Group & Heinecke Family	34.0
Foreign Fund	27.0
Local Fund	12.0

FY25 NAV/Share (Bt)	18.08
FY25 Net Debt/Share (Bt)	23.72

PRICE CHART



Source: Bloomberg

ANALYST(S)

Benjaphol Suthwanish
+662 659 8301
Benjaphol@uobkayhian.co.th

ASSISTANT ANALYST(S)

Nonpawit Vathanadachakul

1Q25 STATISTICS PREVIEW

Hotel Stats	1Q24	4Q24	1Q25F	yoy (%)	qoq (%)
Occupancy rate (%)	63%	69%	65%	3.2 ppt	-5.8 ppt
ADR (Bt/night)	5,287	5,671	5,181	-2.0%	-8.6%
RevPar (Bt/night)	3,306	3,929	3,368	1.9%	-14.3%
Key rooms	54,755	53,987	53,887	-1.6%	-0.2%
Food Stats	1Q24	4Q24	1Q25F	yoy (%)	qoq (%)
SSSG - Portfolio	-3.4%	-0.5%	-2.0%	+ 1.4 ppts	-1.5 ppts
SSSG - Thailand	1.8%	2.0%	-1.0%	-2.8 ppts	-3 ppts
SSSG - China	-23.2%	-14.0%	-5.0%	+ 18.2 ppts	+ 9 ppts
SSSG - Australia	-2.7%	-2.0%	-2.0%	+ 0.7 ppts	0 ppts
Number of stores	2,642	2,699	2,704	2.3%	0.2%

Source: MINT, UOB Kay Hian

STOCK IMPACT

- MINT to focus even more on deleveraging.** After reducing its net interest-bearing debt to equity ratio (net IBD/E) to 0.80x in 4Q24 through the sale of account receivables, MINT plans to continue focusing on deleveraging in 2025. In 1Q25, MINT rotated some assets to repay their debts. In our most recent talks with MINT, they shared their intention to repay even more debts than previously targeted. They are reviewing several projects and if any of the projects have uncertainties, MINT will postpone them and utilise the capex for debt repayment instead. The company aims to lower its net IBD/E further to 0.75x by year-end, supported by ongoing debt repayments, asset rotation, and the launch of a REIT within the year. MINT remains committed to its asset-light expansion strategy in both the hotel and food segments, leveraging the strength of its brands to limit capex and grow via hotel management contracts and franchise models.
- 2Q25 outlook.** Based on our channel checks, in Apr 25, the RevPar in Europe and Thailand were still showing a low single-digit growth yoy. Meanwhile, in May 25, Thailand and Europe are showing a mid-single-digit yoy growth in RevPar. The outlook is decent, given the dull tourism outlook for Thailand and the slowdown in tourist arrivals caused by the earthquake. We should also expect more intra-Europe travel in 2Q-3Q25, during the high-travel season of Europe as Europeans could be more cautious with their spending and opt to travel in Europe rather than to other continents.

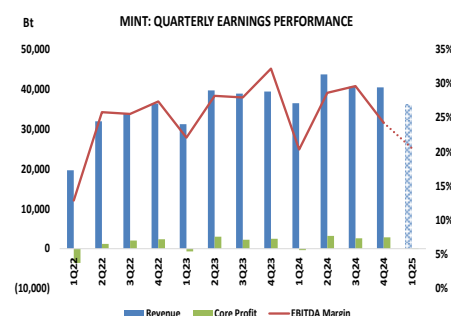
VALUATION/RECOMMENDATION

- Maintain BUY with a target price of Bt38.00.** Our valuation is based on 2025 EV/EBITDA multiple of 9.0x. We believe MINT's valuation is undemanding as it is trading at an EV/EBITDA of 8.0x (vs the hotel sector's 9-11x). We are positive on MINT given: a) its ability to capitalise on its strong brand recognition, b) its improving debt level, and c) its decent growth outlook for 2Q25.

ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG)

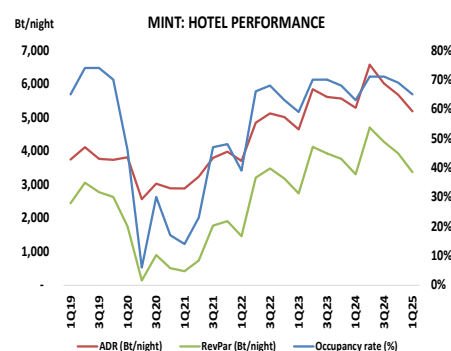
CG Report: 5 SET ESG Rating: AA
• Environmental <ul style="list-style-type: none"> - Pledge to achieve net zero by 2050. - Strategy to conserve resources. To reduce emissions and waste and to protect biodiversity across the company's operations and supply chains.
• Social <ul style="list-style-type: none"> - Strict Occupational Health and Safety guidelines. To ensures supplier compliance with the safety guidelines of chemical handling, management and personnel, and workplace environment.
• Governance <ul style="list-style-type: none"> - CEO & senior management KPI. Also strive for non-financial KPI such as internal control compliance, sustainability and human resource management. - The guidelines are reviewed annually to incorporate changes in governance requirements, business operations, the regulatory environment, and applicable laws.

QUARTERLY PERFORMANCE



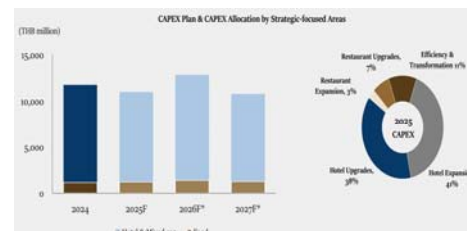
Source: MINT, UOB Kay Hian

HOTEL PERFORMANCE



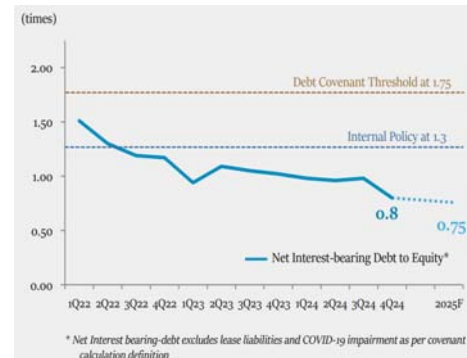
Source: MINT, UOB Kay Hian

2025-27 CAPEX PLAN



Source: MINT, UOB Kay Hian

2025 LEVERAGE RATIO TARGET



Source: MINT, UOB Kay Hian

PROFIT & LOSS

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Net turnover	164,224	174,098	183,052	190,197
EBITDA	42,684	43,239	46,073	47,050
Deprec. & amort.	21,448	21,424	22,276	22,921
EBIT	21,236	21,815	23,797	24,129
Total other non-operating income	(581)	3	3	3
Associate contributions	1,047	847	932	1,025
Net interest income/(expense)	(10,510)	(8,546)	(5,655)	(4,474)
Pre-tax profit	11,192	14,119	19,077	20,684
Tax	(2,591)	(4,247)	(5,806)	(6,291)
Minorities	(852)	(494)	(664)	(720)
Net profit	7,750	9,378	12,607	13,673
Net profit (adj.)	8,391	9,378	12,607	13,673

BALANCE SHEET

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Fixed assets	272,061	258,070	256,797	256,208
Other LT assets	33,496	37,243	38,432	39,576
Cash/ST investment	13,319	29,454	29,313	35,074
Other current assets	27,969	33,335	35,022	36,538
Total assets	346,845	358,103	359,564	367,396
ST debt	27,200	28,231	32,931	44,431
Other current liabilities	34,562	40,923	42,993	44,855
LT debt	150,925	135,725	119,494	103,563
Other LT liabilities	35,021	36,983	38,854	40,537
Shareholders' equity	87,834	102,509	110,895	118,895
Minority interest	11,303	13,732	14,396	15,115
Total liabilities & equity	346,845	358,103	359,564	367,396

CASH FLOW

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Operating	26,906	35,290	35,930	37,659
Pre-tax profit	11,192	14,119	19,077	20,684
Tax	(2,591)	(4,247)	(5,806)	(6,291)
Deprec. & amort.	21,448	21,424	22,276	22,921
Working capital changes	(1,047)	(847)	(932)	(1,025)
Non-cash items	3,614	(3,146)	66	59
Other operating cashflows	(4,276)	4,139	318	286
Investing	(1,435)	3,847	932	1,025
Capex (growth)	(15,352)	(10,758)	(20,321)	(21,794)
Investments	(8,158)	(11,433)	(14,003)	(13,332)
Others	20,770	21,109	21,481	21,891
Financing	(27,964)	(20,434)	(27,799)	(30,353)
Dividend payments	(12,494)	(8,396)	(15,751)	(10,104)
Issue of shares	(2,738)	(3,227)	(4,220)	(5,673)
Proceeds from borrowings	(18,217)	(14,169)	(11,531)	(4,431)
Others/interest paid	8,460	9,000	0	0
Net cash inflow (outflow)	(941)	16,135	(141)	5,761
Beginning cash & cash equivalent	14,260	13,319	29,454	29,313
Ending cash & cash equivalent	13,319	29,454	29,313	35,074

KEY METRICS

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Profitability				
EBITDA margin	26.0	24.8	25.2	24.7
Pre-tax margin	6.8	8.1	10.4	10.9
Net margin	4.7	5.4	6.9	7.2
ROA	2.2	2.7	3.5	3.8
ROE	9.4	9.9	11.8	11.9
Growth				
Turnover	7.7	6.0	5.1	3.9
EBITDA	2.4	1.3	6.6	2.1
Pre-tax profit	16.7	26.1	35.1	8.4
Net profit	43.3	21.0	34.4	8.5
Net profit (adj.)	17.6	11.8	34.4	8.5
EPS	13.7	11.8	27.1	8.5
Leverage				
Debt to total capital	64.2	58.5	54.9	52.5
Debt to equity	202.8	159.9	137.4	124.5
Net debt/(cash) to equity	187.6	131.2	111.0	95.0
Interest cover (x)	4.1	5.1	8.1	10.5

COMPANY UPDATE

The Erawan Group (ERW TB)

Expect Strong Growth In 1Q25, But Poor Outlook Going Forward

We expect ERW to report a robust net profit of Bt337m (+18.5% yoy, -8.9% qoq) in 1Q25. The top-line should be at Bt2.16b (+9.4% yoy, -2.5% qoq), mainly contributed by the strong performance of mid-scale hotels and Hop Inns. However, the outlook for Thai tourism is worrying, and the statistics are reflecting the negative impact. We are less positive on ERW as management will likely revise down the growth guidance soon. Maintain BUY. Target price: Bt4.70.

WHAT'S NEW

1Q25 EARNINGS PREVIEW

Year to 31 Dec (Btm)	1Q24	4Q24	1Q25F	yoy (%)	qoq (%)
Total revenue	1,974	2,215	2,159	9.4	(2.5)
Gross profit	945	1,092	1,041	10.1	(4.7)
SG&A	492	526	517	5.0	(1.7)
Operating EBITDA	703	838	802	14.1	(4.3)
Core profit	285	370	337	18.5	(8.9)
Net profit	417	370	337	(19.1)	(8.9)
(%)	1Q24	4Q24	1Q25F	yoy (ppts)	qoq (ppts)
Gross margin	47.9	49.3	48.2	0.3	(1.1)
SG&A to sales	24.9	23.7	23.9	(1.0)	0.2
EBITDA margin	35.6	37.8	37.2	1.5	(0.7)
Recurring profit margin	14.4	16.7	15.6	1.2	(1.1)
Net profit margin	21.1	16.7	15.6	(5.5)	(1.1)

Source: ERW, UOB Kay Hian

- Expect strong core earnings growth in 1Q25.** We expect The Erawan Group (ERW) to report a strong core profit of Bt337m (+18.5% yoy, -8.9% qoq) in 1Q25. The top-line should be at Bt2.16b (+9.4% yoy, -2.5% qoq). We expect the main revenue growth contribution to come from mid-scale hotels and Hop Inns. The mid-scale hotels should show a yoy growth in the occupancy rate and room rate (ADR) as a result of the reopening of Holiday Inn Pattaya. Meanwhile, Hop Inn should show close to 30% yoy growth in revenue on new openings and decent RevPar growth. Interest expense should be decreasing qoq as ERW benefits from several rate cuts, given that all their loans have floating rates. Tax expense is expected to rise yoy as ERW now has less tax benefit after the Covid-19 period. We expect EBITDA margin to still expand yoy as a result of the reopening of Holiday Inn Pattaya and strong growth at Hop Inn.

KEY FINANCIALS

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net turnover	7,039.5	7,917.3	8,691.1	9,183.9	9,840.4
EBITDA	2,166.6	2,644.3	2,785.7	3,004.8	3,229.9
Operating profit	1,265.6	1,649.5	1,627.9	1,752.7	1,894.1
Net profit (rep./act.)	742.7	1,151.4	949.6	1,010.0	1,070.7
Net profit (adj.)	687.4	913.8	919.6	980.0	1,039.8
EPS (Bt)	0.1	0.2	0.2	0.2	0.2
PE (x)	15.3	12.2	12.1	11.4	10.7
P/B (x)	1.6	1.3	1.3	1.2	1.1
EV/EBITDA (x)	11.3	9.3	8.8	8.2	7.6
Dividend yield (%)	3.1	3.1	3.8	4.1	4.3
Net margin (%)	10.5	14.5	10.9	11.0	10.9
Net debt/(cash) to equity (%)	219.4	149.8	151.2	150.3	144.9
Interest cover (x)	3.7	3.8	5.0	5.5	6.0
ROE (%)	12.3	15.3	10.9	11.1	11.1
Consensus net profit	-	-	925	1,005	1,036
UOBKH/Consensus (x)	-	-	0.99	0.97	1.00

Source: The Erawan Group, Bloomberg, UOB Kay Hian

BUY

(Maintained)

Share Price	Bt2.28
Target Price	Bt4.70
Upside	+106.1%

COMPANY DESCRIPTION

The Erawan Group is a leading hotel investment company in Thailand. Its hotel portfolio ranges from luxury to mid-scale and economy across Thailand's major tourist destinations.

STOCK DATA

GICS sector	Consumer Discretionary
Bloomberg ticker:	ERW TB
Shares issued (m):	4,886.9
Market cap (Btm):	11,142.2
Market cap (US\$m):	333.1
3-mth avg daily t'over (US\$m):	2.4

Price Performance (%)

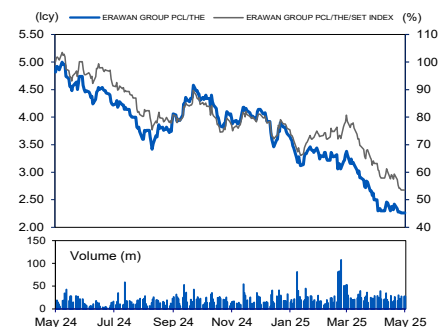
52-week high/low			Bt5.10/Bt2.22	
1mth	3mth	6mth	1yr	YTD
(19.1)	(34.1)	(40.6)	(51.9)	(40.3)

Major Shareholders

	%
Wattanavekin family	28.2
Vongkusolkrit family	28.4
-	-

FY25 NAV/Share (Bt)	1.79
FY25 Net Debt/Share (Bt)	2.74

PRICE CHART



Source: Bloomberg

ANALYST(S)

Benjaphol Suthwanish
+662 659 8301
Benjaphol@uobkayhian.co.th

ASSISTANT ANALYST(S)

Nonpawit Vathanadachakul

1Q25 STATISTICS PREVIEW

Occupancy (%)	1Q24	4Q24	1Q25F	yoy (ppts)	qoq (ppts)
Average excl budget hotel	84%	85%	83%	(0.6)	(1.6)
Average incl budget	82%	81%	80%	(2.0)	(1.0)
ARR (Bt/night)				yoy (%)	qoq (%)
Average excl budget	3,418	3,610	3,555	4.0	(1.5)
Average incl budget	1,972	2,060	1,992	1.0	(3.3)
RevPar (Bt/night)				yoy (%)	qoq (%)
Average excl budget	2,882	3,054	2,964	2.9	(2.9)
Average incl budget	1,612	1,670	1,593	(1.2)	(4.6)

Source: ERW, UOB Kay Hian

STOCK IMPACT

- Poor outlook of Chinese market starting to impact hotel performance.** Chinese arrivals continue to worsen, with the ytd (as of 27 Apr 25) number showing a 29% yoy plunge. Previously, ERW was not too worried as the mass cancellation of trips due to safety concerns mostly came from tour groups, but the situation has exacerbated as fewer Chinese individual travellers are coming to Thailand. The recent trend indicates that besides travelling domestically, Chinese tourists are switching to alternative destinations such as Japan and Vietnam. As a result, we foresee a notable drop in the occupancy rate of hotels in the luxury and economy segments in 1Q25. ERW is becoming more engaged in other markets such as the Middle East, which is expected to make up for the loss of Chinese visitors. Unless there is a new stimulus measure to attract the Chinese back to Thailand, we expect hotel performance to remain sluggish.
- 2025 guidance.** Given the current gloomy outlook for Thailand tourism, ERW is highly likely to revise down their growth target for 2025 in the next analyst meeting. ERW previously guided a revenue growth of 10% yoy for 2025. The growth is expected to be mainly driven by the budget hotel segment where ERW targets a 23% yoy growth. The growth of the budget segment should be fuelled by assets in Japan and the new Hop Inn expansion in Thailand. ERW is focused on the trend of middle-class growth in Southeast Asia and aims to expand the budget and mid-scale hotel segments.

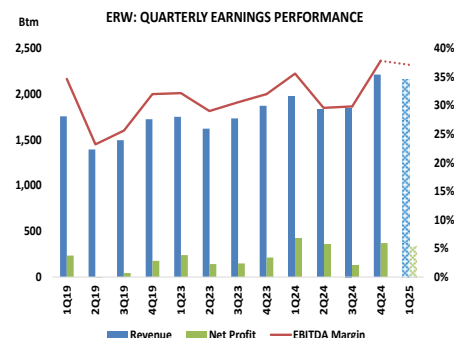
VALUATION/RECOMMENDATION

- Maintain BUY with a target price of Bt4.70.** Our valuation is based on an EV/EBITDA multiplier of 13.0x, around its historical trading levels. Although we expect strong results in 1Q25, the dull outlook for Thai tourism is worrying. Therefore, we are not positive on the long-term outlook as: a) there is no update on lease extension, b) the renovation of the Grand Hyatt will start soon (in 3Q25 or 4Q25), and c) the downward revision of growth guidance is likely.

ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG)

CG Report: 5
SET ESG Rating: A
Environmental <ul style="list-style-type: none"> Prioritising effective and balanced use of resources as well as taking into account the reduction of greenhouse gas generation, including management of ecosystems and biodiversity.
Social <ul style="list-style-type: none"> Respecting human rights based on the principles of international criteria, equality, fairness, and non-discrimination. Focusing on enhancing quality of life and potential of employees by promoting a volunteering spirit to cultivate social and environmental responsibility.
Governance <ul style="list-style-type: none"> Board gender diversity. Male to female ratio of 3:1. Board balance and composition. Four board members are independent directors, equivalent to 33% of the board members.

QUARTERLY EARNINGS PERFORMANCE



Source: ERW, UOB Kay Hian

TOURIST ARRIVALS EXCLUDING CHINESE

1 Jan - 27 Apr	2024	2025	yoy growth
No. arrival ex. Chinese	9,486,892	10,241,311	8%
No. of Chinese	2,261,288	1,600,600	-29%

Source: Ministry of Tourism and Sports, UOB Kay Hian

MONTHLY CHINESE TOURIST ARRIVALS



Source: Ministry of Tourism and Sports, UOB Kay Hian

ERW'S 2025 GUIDANCE

2025 Erawan Guidance

	Revenue growth	Key Operating Strategies
Group	10%	Drive ARR from price positioning and peak periods yield while ensuring optimum occupancy during soft periods.
Economy to Luxury	5-7%	Strengthen Marketing strategies targeting new customer base as key driver to F&B revenues.
Budget	23%	Increase productivity, efficiency and control to optimize cost management and profit margins.

Current Industry Forces	
Tailwinds	Headwinds
<ul style="list-style-type: none"> India and South-East Asia to support arrivals growth Government visa policies extensions 	<ul style="list-style-type: none"> International geopolitical uncertainties Slower economic growth

Source: ERW, UOB Kay Hian

PROFIT & LOSS

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Net turnover	7,917	8,691	9,184	9,840
EBITDA	2,644	2,786	3,005	3,230
Deprec. & amort.	995	1,158	1,252	1,336
EBIT	1,650	1,628	1,753	1,894
Total other non-operating income	0	0	0	0
Associate contributions	238	30	30	31
Net interest income/(expense)	(695)	(562)	(550)	(539)
Pre-tax profit	1,192	1,096	1,232	1,386
Tax	(9)	(107)	(180)	(271)
Minorities	(32)	(40)	(42)	(45)
Net profit	1,151	950	1,010	1,071
Net profit (adj.)	914	920	980	1,040

BALANCE SHEET

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Fixed assets	23,658	23,158	24,306	25,418
Other LT assets	408	503	517	561
Cash/ST investment	1,612	3,485	2,445	1,820
Other current assets	567	751	733	799
Total assets	26,246	27,897	28,000	28,598
ST debt	1,752	790	790	790
Other current liabilities	1,229	1,386	1,309	1,431
LT debt	12,909	15,965	15,720	15,475
Other LT liabilities	865	872	672	732
Shareholders' equity	8,712	8,774	9,357	9,973
Minority interest	780	110	152	197
Total liabilities & equity	26,246	27,897	28,000	28,598

CASH FLOW

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Operating	3,017	2,120	2,245	2,506
Pre-tax profit	1,192	1,096	1,232	1,386
Tax	(9)	(107)	(180)	(271)
Deprec. & amort.	995	1,158	1,252	1,336
Working capital changes	(7)	7	(17)	(1)
Non-cash items	32	(34)	(41)	56
Other operating cashflows	1,052	30	30	31
Investing	(3,302)	(2,010)	(2,613)	(2,432)
Capex (growth)	(3,230)	(1,923)	(2,400)	(2,448)
Investments	0	12	24	37
Others	(73)	(100)	(238)	(21)
Financing	681	1,763	(672)	(699)
Dividend payments	(316)	(342)	(427)	(454)
Issue of shares	0	0	0	0
Proceeds from borrowings	(443)	2,094	(245)	(244)
Others/interest paid	1,441	11	0	0
Net cash inflow (outflow)	396	1,873	(1,040)	(625)
Beginning cash & cash equivalent	1,217	1,612	3,485	2,445
Ending cash & cash equivalent	1,612	3,485	2,445	1,820

KEY METRICS

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Profitability				
EBITDA margin	33.4	32.1	32.7	32.8
Pre-tax margin	15.1	12.6	13.4	14.1
Net margin	14.5	10.9	11.0	10.9
ROA	4.6	3.5	3.6	3.8
ROE	15.3	10.9	11.1	11.1
Growth				
Turnover	12.5	9.8	5.7	7.1
EBITDA	22.0	5.3	7.9	7.5
Pre-tax profit	60.3	(8.1)	12.5	12.5
Net profit	55.0	(17.5)	6.4	6.0
Net profit (adj.)	32.9	0.6	6.6	6.1
EPS	25.3	0.5	6.6	6.1
Leverage				
Debt to total capital	60.7	65.3	63.5	61.5
Debt to equity	168.3	191.0	176.5	163.1
Net debt/(cash) to equity	149.8	151.2	150.3	144.9
Interest cover (x)	3.8	5.0	5.5	6.0

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