

PLEASE CLICK ON THE PAGE NUMBER TO MOVE TO THE RELEVANT PAGE.

### KEY HIGHLIGHTS

#### Sector

#### Construction

1Q25 results preview: CK and STECON set to rebound.

Page 2

#### Results

#### IRPC (IRPC TB/BUY/Bt0.94/Target: Bt1.10)

1Q25: Net loss deepens on lower margins, but share price already reflects bad news.

Page 4

#### LPN Development (LPN TB/SELL/Bt2.06/Target: Bt1.50)

1Q25: Results slightly beat expectation, but recovery remains fragile.

Page 7

#### Ngern Tid Lor (NTL TB/BUY/Bt11.40/Target: Bt21.00)

1Q25: Results beat; in the process of transforming into TIDLOR Holdings.

Page 10

#### PTT Oil & Retail Business (OR TB/HOLD/Bt14.50/Target: Bt16.00)

1Q25: Net profit in line with our expectation. Downgrade to HOLD.

Page 13

#### Star Petroleum Refining (SPRC TB/BUY/Bt5.65/Target: Bt9.00)

1Q25: Results in line with positive outlook.

Page 16

#### Update

#### Airports of Thailand (AOT TB/HOLD/Bt39.25/Target: Bt43.00)

Mild growth expected.

Page 19

#### Central Plaza Hotel (CENTEL TB/BUY/Bt23.70/Target: Bt36.00)

Expect earnings to contract yoy in 1Q25.

Page 22

### KEY INDICES

Symbol	Close	Chg	%Chg
SET	1,206.59	(13.68)	(1.12)
SET50	783.61	(10.12)	(1.27)
Value (Btm) - SET	40,654		
Top 5 Sector			
BANK	405.37	(0.57)	(0.14)
PETRO	444.79	(11.24)	(2.46)
PROP	150.22	(3.26)	(2.12)
ENERG	15,922.85	(173.23)	(1.08)
ICT	199.34	(0.12)	(0.06)

Source: Bloomberg

### TOP VOLUME

Symbol	Close (Baht)	+/- (% Chg)	5-day ADT (BTm)
ADVANC	305.00	0.33	2,916.3
CPALL	52.75	0.96	2,064.8
TRUE	12.50	(0.79)	1,356.3
DELTA	101.00	(3.35)	2,952.3
GULF	49.25	(1.50)	1,607.6

### TOP GAINERS

Symbol	Close (Baht)	+/- (% Chg)	5-day ADT (BTm)
NATION	0.03	50.00	0.0
STOWER	0.04	33.33	0.1
GRAND	0.04	33.33	0.2
SDC	0.04	33.33	0.1
AE	0.16	33.33	2.3

### TOP LOSERS

Symbol	Close (Baht)	+/- (% Chg)	5-day ADT (BTm)
TRITN	0.06	(25.00)	1.9
MODERN	2.14	(17.05)	0.6
CIG	0.05	(16.67)	0.4
MIDA	0.30	(14.29)	0.9
ECF	0.13	(13.33)	1.4

\*ADT: Average daily turnover

### KEY STATISTICS

Commodity	Current Price	%Chg		
		1m	3M	YTD
Brent crude*	63.0	(2.9)	(14.2)	(14.0)
Dubai crude*	61.4	(7.6)	(18.0)	(18.3)
Baltic Dry Index	1,374.0	2.4	68.6	37.8
Gold Spot***	3,312.7	7.5	15.8	26.2

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

### FOREIGN PORTFOLIO INVESTMENT IN EQUITIES (THAILAND)

Day (Mil US\$)	MTD Net (Mil US\$)	YTD Net (Mil US\$)	YTD Net YoY%
(91.1)	32.2	(1,572.3)	1,747.1

Source: Bloomberg

Foreign Exchange Rate - THB/US\$ (onshore) = 33.17

Interest Rate (%) - TH Policy Rate = 2.00

Thai Lending Rate (%) - MLR = 6.90

## SECTOR UPDATE

### Construction – Thailand

1Q25 Results Preview: CK And STECON Set To Rebound

**CK and STECON are set to rebound in 1Q25, improving yoy and returning to profitability following prior-quarter losses. We remain optimistic about their earnings outlook for the rest of the year, supported by solid backlogs, healthy gross margins, and project progress in key projects. Maintain OVERWEIGHT. Our stock pick is STECON.**

#### WHAT'S NEW

- **Expect more robust performances from CK and STECON.** CH. Karnchang (CK) and Stecon Group (STECON) are expected to deliver improved performances yoy in 1Q25, recovering from net losses in the previous quarter. The combined revenue is projected to rise both yoy and qoq, supported by solid backlogs and steady construction progress. We anticipate a healthy gross margin for CK, while STECON's margin is likely to normalise, reflecting the easing of additional costs.

#### ESSENTIALS

- **CH. Karnchang.** We forecast a net profit of Bt136m for CK in 1Q25, up 13% yoy and recovering from a net loss of Bt171m in the previous quarter. Construction revenue is expected to increase 22% yoy and 22% qoq, supported by civil works from ongoing projects, including around Bt3.0b of M&E works on the Orange Line project. Gross margin is anticipated to improve qoq to 7.5%, driven by a more favourable revenue mix, as several low-margin projects have been completed. In addition, SG&A expenses are expected to decline qoq due to seasonal factors following a decrease in administration expenses. Equity income is projected to rise yoy, supported by improved performance from Bangkok Expressway and Metro (BEM).
- **Stecon Group.** STECON is expected to post a net profit of Bt243m in 1Q25, compared with Bt12m in 1Q24 and a net loss of Bt2.2b in 4Q24. The turnaround is primarily driven by the absence of one-off items and dividend income. Construction revenue is projected at Bt7.7b, up 18% yoy and flat qoq, supported by progress in seven solar power projects and other ongoing works. Gross margin is expected to normalise at around 5.8%, reflecting the absence of extra costs. Equity income is forecast to show reduced losses, improving both yoy and qoq, supported by increased ridership and stronger performances from the Yellow and Pink Lines. Additionally, STECON is expected to recognise Bt222m in dividend income from GULF in 1Q25.

#### ACTION

- **Maintain OVERWEIGHT on the sector.** We are positive on the 1Q25 earnings outlook and remain optimistic about earnings momentum for the rest of the year, supported by solid backlogs and healthy gross margins. STECON is our stock pick, with a turnaround expected on the back of improving earnings visibility and potential upside from the insurance claim related to the Bueng Nong Bon drainage tunnel project.

#### PEER COMPARISON

Company	Rec.	Last Price (Bt)	Target Price (Bt)	Upside Downside (%)	Market Cap (US\$m)	Net Profit		PE		EPS Growth 2025F (%)	P/B 2025F (x)	Yield 2025F (%)	EV/EBITDA 2025F (%)
						2025F (Btm)	2026F (Bt m)	2025F (x)	2026F (x)				
CK TB	BUY	14.50	20.20	39.3	742	1,775	2,065	13.8	11.9	22.8	0.9	2.6	30.4
STECON TB	BUY	7.40	8.70	17.6	335	253	330	44.1	33.7	110.7	0.7	4.1	9.5
<b>Sector</b>					<b>1,078</b>	<b>2,028</b>	<b>2,396</b>	<b>17.6</b>	<b>14.9</b>		<b>0.8</b>	<b>3.0</b>	<b>23.9</b>

Source: Respective companies, UOB Kay Hian

## OVERWEIGHT

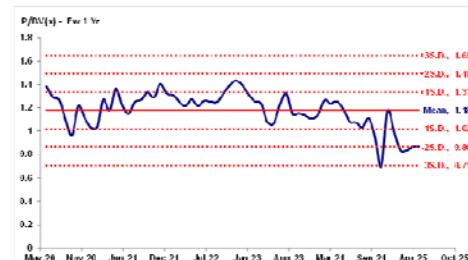
(Maintained)

#### STOCK PICKS

Ticker	Rec	Current Price (Bt)	Target Price (Bt)
STECON TB	BUY	7.40	8.70

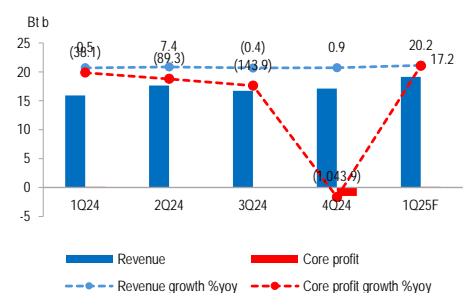
Source: Bloomberg, UOB Kay Hian

#### SECTOR P/B



Source: Covered companies, Bloomberg, UOB Kay Hian

#### SECTOR PERFORMANCE



Source: Covered companies, UOB Kay Hian

#### ANALYST(S)

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### 1Q25 RESULTS PREVIEW

Year to 31 Dec (Btm)	1Q24	4Q24	1Q25F	yoy %	qoq%
<b>Revenue</b>					
CK	9,458	9,413	11,500	21.6	22.2
STEC	6,484	7,715	7,664	18.2	(0.7)
<b>Total</b>	<b>15,941</b>	<b>17,128</b>	<b>19,164</b>	<b>20.2</b>	<b>11.9</b>
<b>EBITDA</b>					
CK	504	364	620	23.0	70.3
STEC	371	-993	629	69.8	163.3
<b>Total</b>	<b>875</b>	<b>-629</b>	<b>1,249</b>	<b>42.8</b>	<b>298.6</b>
<b>Core profit</b>					
CK	-11	-410	-24	(111.5)	94.2
STEC	129	-1,054	162	25.5	115.3
<b>Total</b>	<b>117</b>	<b>-1,464</b>	<b>138</b>	<b>17.2</b>	<b>109.4</b>
<b>Net profit</b>					
CK	121	-171	136	12.5	179.6
STEC	12	-2,247	243	1,951.4	110.8
<b>Total</b>	<b>133</b>	<b>-2,418</b>	<b>379</b>	<b>185.5</b>	<b>115.7</b>
<b>Gross margin %</b>					
CK	7.6	7.2	7.5	(1.0)	3.5
STEC	5.9	-13.0	5.8	(1.7)	144.4
<b>Total</b>	<b>6.9</b>	<b>-1.9</b>	<b>6.8</b>	<b>(1.1)</b>	<b>464.1</b>
<b>SG&amp;A-to-sales %</b>					
CK	-5.6	-6.3	-4.5	20.2	28.9
STEC	-3.1	-2.2	-2.8	8.2	(26.1)
<b>Total</b>	<b>-4.6</b>	<b>-4.5</b>	<b>-3.8</b>	<b>16.7</b>	<b>14.7</b>

Source: CK, STECON, UOB Kay Hian

- **Revise target price for STECON.** We have raised our target price for STECON to Bt8.70 from Bt6.50, based on a forward P/B multiple of 0.8x or -1SD from its five-year mean (re-rated from 0.6x). The higher valuation reflects improved earnings visibility and the easing of prior uncertainties, including the risk of additional costs from the Bueng Nong Bon drainage tunnel project and the high share of losses from the Yellow and Pink Line projects, which we have not factored into our current assumptions.

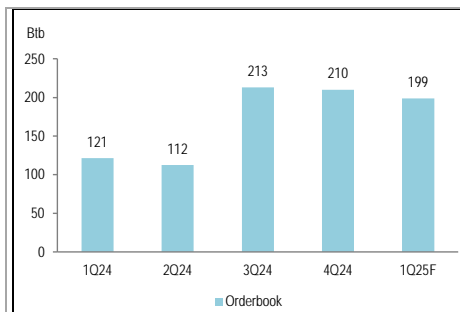
### SECTOR CATALYSTS

- An increase in public infrastructure project bidding and updates on new mega projects.

### RISKS

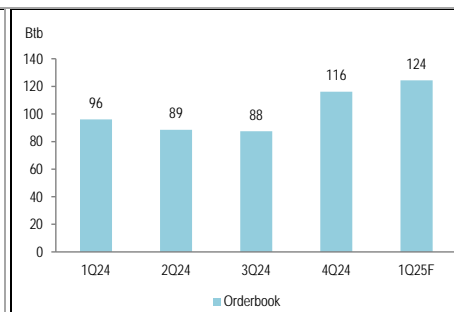
- Delays in project bidding and implementation.
- Minimum wage hikes and higher costs.

### CK'S BACKLOG



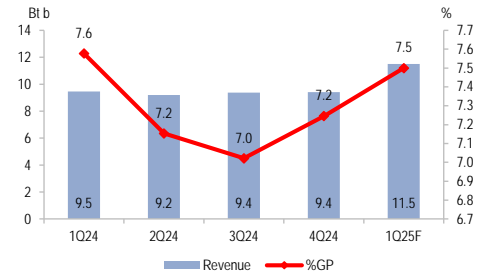
Source: CK, UOB Kay Hian

### STECON'S BACKLOG



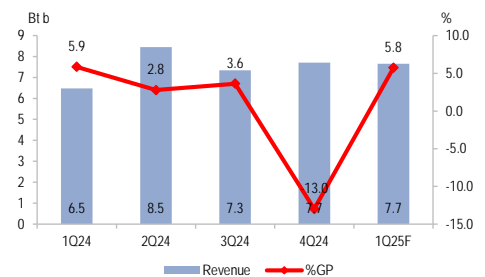
Source: STECON, UOB Kay Hian

### REVENUE AND GROSS MARGIN (CK)



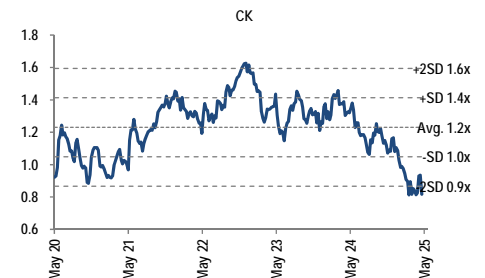
Source: CK, UOB Kay Hian

### REVENUE AND GROSS MARGIN (STECON)



Source: STECON, UOB Kay Hian

### P/B BAND (CK)



Source: CK, UOB Kay Hian

### P/B BAND (STECON)



Source: STECON, UOB Kay Hian

## COMPANY RESULTS

### IRPC (IRPC TB)

1Q25: Net Loss Deepens On Lower Margins, But Downside Appears Priced In

IRPC reported a net loss of Bt1.2b in 1Q25 mainly due to lower GIM in 1Q25 with a loss on investment of Bt933m from UCHA due to its business restructuring in 1Q25. Excluding non-recurring items, IRPC's core loss was Bt1.7b. Both core and net losses were in line with market expectations. We believe IRPC's share price has already priced in the bad news. IRPC is trading at a historical low of 0.30x 2025F P/B. Maintain BUY. Target price: Bt1.10.

#### 1Q25 Results

	1Q25 (Btm)	1Q24 (Btm)	4Q24 (Btm)	yoy %Chg	qoq %Chg
Revenue	72,858	79,348	74,123	(8)	(1.7)
Core EBITDA	963	2,426	2,552	(60)	(62)
Inventory gain/(loss)	626	901	(1,628)	(31)	(138)
Hedging gain/(loss)+LCM	6	1,353	1,916	(100)	(100)
Extra item	(208)	0	(652)		(68)
Net income	(1,206)	1,545	(1,125)	(178)	7
EPS	(0.06)	0.08	(0.06)	(178)	7
Core profit	(1,739)	(55)	123	3,036	(1,514)

Source: IRPC, UOB Kay Hian

## RESULTS

- **Net loss widened.** IRPC reported a net loss of Bt1.2b in 1Q25, slightly deeper than the Bt1.13b loss in 4Q24 and sharply down from a Bt1.55b profit in 1Q24. The decline was primarily due to: a) weaker refining and petrochemical spreads; b) Bt933m impairment loss from its investment in UBE Chemicals (Asia) (UCHA) due to business restructuring, and c) lower hedging gains and narrower inventory benefits. Excluding non-recurring items, IRPC posted a core loss of Bt1.74b, widening from a loss of Bt55m in 1Q24 and reversing from a small core profit in 4Q24, broadly in line with market expectations.
- **Core operations weakened.** Crude run remained stable at 200kbd (97% utilisation), flat qoq. Market gross integrated margin (GIM) fell to US\$6.34/bbl (vs US\$8.92 in 4Q24), pressured by lower spreads in gasoline, diesel and styrenics (ABS, PS) margins. Accounting GIM dropped to US\$7.37/bbl (from US\$9.95 in 4Q24), as net inventory gains (US\$1.03/bbl) were not enough to offset the weak market GIM. Overall, EBITDA plunged 62% qoq and 60% yoy to Bt963m, reflecting margin compression and limited support from hedging activities.

## KEY FINANCIALS

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net turnover	319,047	314,833	330,699	344,001	350,192
EBITDA	6,805	3,965	8,206	16,092	16,492
Operating profit	(1,861)	(5,175)	(874)	7,042	7,442
Net profit (rep./act.)	(2,923)	(5,193)	(3,129)	3,699	3,979
Net profit (adj.)	(1,538)	(3,915)	(3,129)	3,699	3,979
EPS (Bt)	(0.1)	(0.2)	(0.2)	0.2	0.2
PE (x)	n.a.	n.a.	n.a.	5.2	4.8
P/B (x)	0.3	0.3	0.3	0.3	0.3
EV/EBITDA (x)	13.1	22.4	10.8	5.5	5.4
Dividend yield (%)	3.2	4.3	3.2	5.3	7.4
Net margin (%)	(0.9)	(1.6)	(0.9)	1.1	1.1
Net debt/(cash) to equity (%)	85.4	88.4	110.2	108.8	105.6
Interest cover (x)	3.3	1.6	3.2	6.1	6.1
ROE (%)	(3.8)	(7.1)	(4.7)	5.9	6.3
Consensus net profit (Btm)	-	-	(1,261)	(5)	1,460
UOBKH/Consensus (x)	-	-	2.48	(818.71)	2.73

Source: IRPC, Bloomberg, UOB Kay Hian

n.m. : not meaningful; negative P/E, EV/EBITDA reflected as "n.m."

## BUY

(Maintained)

Share Price	Bt0.94
Target Price	Bt1.10
Upside	+15.8%
(Previous TP	Bt1.25)

## COMPANY DESCRIPTION

IRPC is one of Southeast Asia's integrated petrochemical companies. The company operates a refinery and petrochemical complex in Rayong with a capacity of 215kbd.

## STOCK DATA

GICS sector	Energy
Bloomberg ticker:	IRPC TB
Shares issued (m):	20,434.4
Market cap (Btm):	19,208.4
Market cap (US\$m):	584.0
3-mth avg daily t'over (US\$m):	1.6

## Price Performance (%)

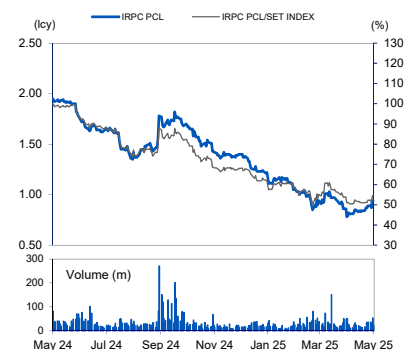
52-week high/low				Bt2.42/Bt1.35
1mth	3mth	6mth	1yr	YTD
9.3	(15.3)	(37.7)	(51.5)	(23.6)

## Major Shareholders

	%
PTT	38.5
Government saving bank	9.5
Government pension fund	5.8

FY24 NAV/Share (Bt)	3.65
FY24 Net Debt/Share (Bt)	3.26

## PRICE CHART



Source: Bloomberg

## ANALYST(S)

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### STOCK IMPACT

- **Outlook for 2Q25 to improve.** Similar to its peers, we expect IRPC's earnings to improve in 2Q25, supported by: a) a rebound in Singapore GRM to US\$7.20/bbl in early-May, up from an average of US\$3.20/bbl in 1Q25. Seasonal tailwinds, such as the US driving season, jet fuel demand, and refinery maintenance, are expected to lift margins in 2Q25–3Q25. We also see polypropylene (PP) spread recovering to above US\$400/tonne in April (vs US\$365/tonne in 1Q25).
- **UCHA and other asset impairment risk remains.** In last night's conference call, management acknowledged the remaining Bt3.5b investment in UCHA, which may lead to further impairment charges if business challenges persist. Additionally, IRPC plans to shut down some unprofitable assets in 2025, potentially triggering more non-cash losses.
- **Bad news already priced in.** IRPC's share price has corrected over 80% from its peak and is down 24% ytd, significantly underperforming the SET index. At the current level, the stock trades at 0.30x 2025F P/B, near historical lows and below -2SD of its five-year average; this suggests that downside risks are largely priced in.

### EARNINGS REVISION/RISK

- We revise our 2025 core loss forecast to Bt3.1b (from Bt107m) to reflect weaker 1Q25 performance. Note that we have yet to factor in further potential impairment, as we are awaiting clearer disclosure from management.

### VALUATION/RECOMMENDATION

- **Maintain BUY with a lower target price of Bt1.10 (previous: Bt1.25)**, based on 0.4x 2025F P/B, -2SD to regional peers' five-year historical mean. We use a P/B of only 0.4x to reflect increased concerns about further impairments of UCHA. The stock is trading at a historical low of 0.3x 2025F P/B, the lowest in the Thai petrochemical sector. Note that we prefer Bangchak Corporation (BCP TB/Target: Bt45.00).

### SHARE PRICE CATALYST

- 2Q25: A recovery in GRM.

### ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG)

<ul style="list-style-type: none"> <li>• <b>CG Report: 5</b></li> <li>• <b>SET ESG Rating: AA</b></li> </ul>
<ul style="list-style-type: none"> <li>• <b>Environmental</b></li> </ul>
<p><b>Aims to reduce GHG Emission.</b> IRPC aims to reduce 20% GHG by 2030.</p>
<ul style="list-style-type: none"> <li>• <b>Social</b></li> </ul> <p>IRPC has established and implemented CSR strategies, stipulating that the amount of investments in CSR projects must be equal to 3% of average net profit from the past three years. IRPC is strongly eager to drive sustainable development as well as to enhance the wellbeing of communities surrounding IRPC Industrial Zone.</p> <p>With this intention, IRPC has conducted CSR projects that are categorised into three types: community projects, educational projects, and social development projects.</p>
<ul style="list-style-type: none"> <li>• <b>Governance</b></li> </ul> <p><b>Good governance.</b> The Board of Directors intends to promote a high-performance organisation, corporate governance and operational excellence, with the goal of creating maximum benefits for shareholders and all stakeholders.</p>

### 1Q25 OPERATING STATISTICS

US\$/bbl	1Q25	1Q24	4Q24
GIM	6.34	9.45	8.92
Inventory	1.02	1.52	(2.01)
Hedging	0.01	2.33	3.04
Acc GIM	7.37	10.97	9.95

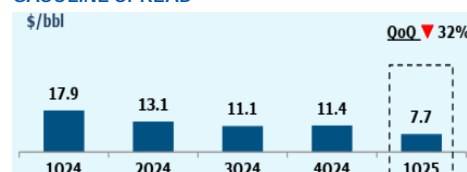
Source: UOB Kay Hian, IRPC

### CRUDE RUN

	1Q25	1Q24	4Q24
Crude run (kbd)	200	192	198
U-rate	93%	85%	93%

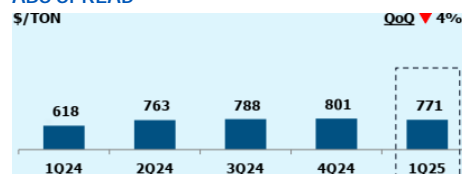
Source: IRPC

### GASOLINE SPREAD



Source: IRPC, UOB Kay Hian

### ABS SPREAD



Source: IRPC, UOB Kay Hian

### PBV



Source: UOB Kay Hian, IRPC

## PROFIT & LOSS

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Net turnover	314,833	330,699	344,001	350,192
EBITDA	3,965	8,206	16,092	16,492
Deprec. & amort.	9,140	9,080	9,050	9,050
EBIT	(5,175)	(874)	7,042	7,442
Total other non-operating income	0	0	0	1
Associate contributions	982	340	250	250
Net interest income/(expense)	(2,510)	(2,580)	(2,650)	(2,700)
<b>Pre-tax profit</b>	<b>(6,703)</b>	<b>(3,114)</b>	<b>4,642</b>	<b>4,993</b>
Tax	1,474	0	(928)	(998)
Minorities	36	(15)	(15)	(15)
<b>Net profit</b>	<b>(5,193)</b>	<b>(3,129)</b>	<b>3,699</b>	<b>3,979</b>
Net profit (adj.)	<b>(3,915)</b>	<b>(3,129)</b>	<b>3,699</b>	<b>3,979</b>

## CASH FLOW

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
<b>Operating</b>	<b>8,019</b>	<b>3,107</b>	<b>9,815</b>	<b>11,440</b>
Pre-tax profit	(6,703)	(3,114)	4,642	4,993
Tax	1,474	0	(928)	(998)
Deprec. & amort.	9,140	9,080	9,050	9,050
Associates	(982)	(340)	(250)	(250)
Working capital changes	5,378	(4,241)	(2,894)	(1,606)
Non-cash items	0	0	0	0
Other operating cashflows	(288)	1,722	195	252
<b>Investing</b>	<b>(4,212)</b>	<b>(7,241)</b>	<b>(5,250)</b>	<b>(6,100)</b>
Capex (growth)	(4,567)	(5,000)	(5,000)	(5,000)
Investments	11,137	13,250	13,500	14,500
Others	(10,782)	(15,491)	(13,750)	(15,600)
<b>Financing</b>	<b>(104)</b>	<b>(7,854)</b>	<b>(3,163)</b>	<b>(2,379)</b>
Dividend payments	(568)	(3,678)	(3,678)	(3,678)
Proceeds from borrowings	716	(4,191)	500	1,250
Others/interest paid	0	0	0	0
<b>Net cash inflow (outflow)</b>	<b>3,704</b>	<b>(11,988)</b>	<b>1,402</b>	<b>2,961</b>
Beginning cash & cash equivalent	6,220	9,924	(2,064)	(663)
<b>Ending cash &amp; cash equivalent</b>	<b>9,924</b>	<b>(2,064)</b>	<b>(663)</b>	<b>2,299</b>

## BALANCE SHEET

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Fixed assets	109,789	105,709	101,659	97,609
Other LT assets	17,767	18,650	19,000	20,252
Cash/ST investment	9,924	(2,064)	(663)	2,299
Other current assets	47,075	53,778	58,597	61,084
<b>Total assets</b>	<b>184,555</b>	<b>176,073</b>	<b>178,594</b>	<b>181,244</b>
ST debt	15,991	10,800	10,300	10,550
Other current liabilities	37,853	40,315	42,240	43,121
LT debt	55,752	56,752	57,752	58,752
Other LT liabilities	4,850	4,890	4,950	5,120
Shareholders' equity	69,966	63,158	63,179	63,479
Minority interest	143	158	173	222
<b>Total liabilities &amp; equity</b>	<b>184,555</b>	<b>176,073</b>	<b>178,594</b>	<b>181,244</b>

## KEY METRICS

Year to 31 Dec (%)	2023	2024F	2025F	2026F
<b>Profitability</b>				
EBITDA margin	1.3	2.5	4.7	4.7
Pre-tax margin	(2.1)	(0.9)	1.3	1.4
Net margin	(1.6)	(0.9)	1.1	1.1
ROA	(2.8)	(1.7)	2.1	2.2
ROE	(7.1)	(4.7)	5.9	6.3
<b>Growth</b>				
Turnover	(1.3)	5.0	4.0	1.8
EBITDA	(41.7)	107.0	96.1	2.5
Pre-tax profit	n.a.	n.a.	n.a.	7.5
Net profit	n.a.	n.a.	n.a.	7.6
Net profit (adj.)	n.a.	n.a.	n.a.	7.6
EPS	n.a.	n.a.	n.a.	7.6
<b>Leverage</b>				
Debt to total capital	50.6	51.6	51.8	52.1
Debt to equity	102.5	107.0	107.7	109.2
Net debt/(cash) to equity	88.4	110.2	108.8	105.6
Interest cover (x)	1.6	3.2	6.1	6.1



## COMPANY RESULTS

### LPN Development (LPN TB)

1Q25: Results Slightly Beat Expectation, But Recovery Remains Fragile

LPN reported a net profit of Bt20m in 1Q25, rebounding from a loss in 4Q24 but down 76% yoy. The result came in slightly above our expectation, though it remains at a low level. The presales outlook continues to face challenges, with project delays and weak demand weighing on the residential segment. We have revised our earnings forecasts downward by 32% for 2025 and 18% for 2026, reflecting a more conservative view. **Maintain SELL.** Target price: Bt1.50.

#### 1Q25 Results

Year to 31 Dec (Btm)	1Q24	4Q24	1Q25	yoy %	qoq %
Sales and services	1,407	2,031	1,529	8.7	(24.7)
Operating EBIT	132	-31	65	(50.7)	306.8
Equity income	-13	-8	-6	54.1	29.0
Core profit	94	-72	25	(74.0)	134.2
Net profit	84	-116	20	(75.6)	117.7
Percent	1Q24	4Q24	1Q25	yoy ppt	qoq ppt
Gross margin	25.8	14.3	21.4	(4.4)	7.1
SG&A to sales	16.4	15.8	17.1	0.7	1.3
EBIT margin	9.4	-1.5	4.3	(5.1)	5.8
Net margin	5.9	-5.7	1.3	(4.6)	7.0

Source: LPN Development, UOB Kay Hian

## RESULTS

• **Revenue up yoy, but margin pressure remains.** LPN Development (LPN) reported a net profit of Bt20m in 1Q25, down 76% yoy but recovering from a Bt116m loss in 4Q24. The result came in slightly above our forecast of Bt18m, but accounted for only 11% of our prior full-year estimate. Total revenue rose 9% yoy but fell 25% qoq. Revenue from real estate sales amounted to Bt895m, of which 72% was high-rise and 28% was low-rise sales, up 13% yoy but down 36% qoq. Overall gross profit margin declined to 21.4%, compared with 25.8% in 1Q24, but improved from 14.3% in 4Q24. The yoy margin contraction was primarily due to aggressive pricing strategies aimed at accelerating inventory clearance. Despite the decline, the company improved its gross profit margin qoq due to cost control.

## KEY FINANCIALS

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net turnover	7,407	7,992	6,989	7,510	7,833
EBITDA	623	505	418	473	497
Operating profit	509	382	302	355	378
Net profit (rep./act.)	353	111	124	185	207
Net profit (adj.)	353	155	124	185	207
EPS (Bt)	0.2	0.1	0.1	0.1	0.1
PE (x)	8.5	19.3	24.1	16.2	14.4
P/B (x)	0.3	0.3	0.3	0.2	0.2
EV/EBITDA (x)	21.0	25.8	31.3	27.6	26.3
Dividend yield (%)	6.3	4.9	2.2	3.2	3.6
Net margin (%)	4.8	1.4	1.8	2.5	2.6
Net debt/(cash) to equity (%)	103.0	84.4	84.9	83.4	82.2
Interest cover (x)	18.2	6.6	3.7	4.2	4.4
ROE (%)	3.0	0.9	1.0	1.5	1.7
Consensus net profit	-	-	155	194	259
UOBKH/Consensus (x)	-	-	0.80	0.95	0.80

Source: LPN Development, Bloomberg, UOB Kay Hian

n.m. : not meaningful; negative P/E, EV/EBITDA reflected as "n.m."

## SELL

(Maintained)

Share Price	Bt2.06
Target Price	Bt1.50
Upside	-27.2%
(Previous TP	Bt1.60)

## COMPANY DESCRIPTION

Property developer specialising in low-end condominiums.

## STOCK DATA

GICS sector	Real Estate
Bloomberg ticker:	LPN TB
Shares issued (m):	1,454.0
Market cap (Btm):	2,907.8
Market cap (US\$m):	88.6
3-mth avg daily t'over (US\$m):	0.1

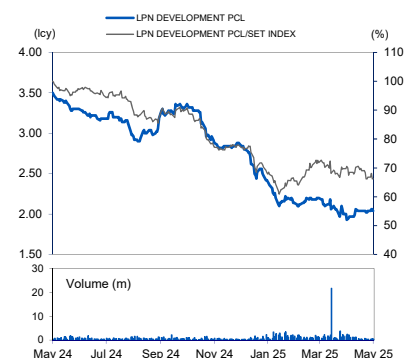
## Price Performance (%)

52-week high/low				Bt3.50/Bt1.91	
1mth	3mth	6mth	1yr	YTD	
3.0	(5.5)	(30.4)	(40.8)	(19.5)	

## Major Shareholders

	%
MISS VARUNYA CHATPHIRIYAPHAN	14.5
SOCIAL SECURITY OFFICE	4.6
MR. SUMATE TECHAKRAISRI	2.7
FY25 NAV/Share (Bt)	8.21
FY25 Net Debt/Share (Bt)	6.97

## PRICE CHART



Source: Bloomberg

## ANALYST(S)

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### STOCK IMPACT

- **1Q25 presales declines; launch delays add to cautious outlook.** In 1Q25, the company recorded total presales of Bt1.6b, down 16% yoy and 1% qoq, representing 18% of its full-year target. Of this, 76% came from high-rise projects and 24% from low-rise projects. We remain cautious on its presales outlook, given limited purchasing power in the low-income segment and a reduced inventory of available units for sale. In addition, two condominium project launches totalling Bt3.4b have been postponed from 2Q25 to 3Q25.
- **2Q25 earnings outlook.** 2Q25 earnings are expected to decline yoy and qoq, weighed by a smaller backlog and continued reliance on existing projects. Meanwhile, gross margin is also likely to face pressure from its ongoing pricing strategies. As of 31 Mar 25, the backlog stood at Bt1.5b, with 87% from high-rise projects and 13% from low-rise projects.

### Earnings revision

Year to 31 Dec (Btm)	New	2025F Old	Chg.	New	2026F Old	Chg.
Sales and services	6,989	7,852	-11.0%	7,510	8,457	-11.2%
Gross profit	1,443	1,490	-3.1%	1,574	1,628	-3.3%
Operating profit	302	388	-22.4%	355	442	-19.7%
Net profit	124	184	-32.4%	185	225	-17.9%

Source: UOB Kay Hian

### EARNINGS REVISION/RISK

- We have revised our earnings estimates down by 32% for 2025 and 18% for 2026, primarily to reflect a more conservative view on transfer volumes and ongoing concerns over limited purchasing power in the low-income segment.
- **Risks.** a) Lower-than-expected presales, transfers and gross margins, and b) tightening bank policy.

### VALUATION/RECOMMENDATION

- **Maintain SELL with a lower target price of Bt1.50.** The target price is based on 17.5x 2025F PE, pegged its 10-year PE average. LPN continues to take a conservative business approach, with management focusing on inventory liquidation. We remain cautious on the company's residential segment, as affordable housing projects are still impacted by weak purchasing power and ongoing pricing strategies that continue to pressure gross margins.

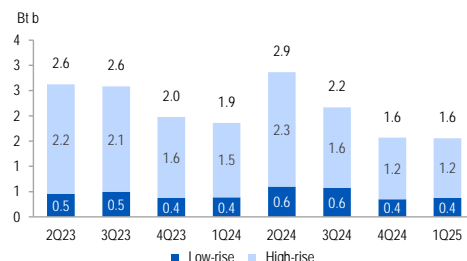
### SHARE PRICE CATALYST

- a) Better-than-expected presales and faster-than-expected unit transfers, and b) improvement in gross margin and SG&A-to-sales-ratio.

### ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG)

<b>CG Report: 5</b>
<b>SET ESG Rating: None</b>
<ul style="list-style-type: none"> <li>• <b>Environmental</b></li> </ul> <p>LPN received a CFO certification in 2023 and aims to reduce its GHG emissions by 2.5% in 2024, in line with The Science Based Targets initiative. LPN also joined the Thailand Carbon Neutral Network in 2023 to support greenhouse gas reduction.</p>
<ul style="list-style-type: none"> <li>• <b>Social</b></li> </ul> <p>The company helps underprivileged women by hiring them as Community Service Officers, providing education and training. Their subsidiary takes care of underprivileged women, elderly, and disabled to promote their quality of life.</p>
<ul style="list-style-type: none"> <li>• <b>Governance</b></li> </ul> <p>LPN follows good corporate governance principles to promote transparency, fairness, and efficiency. Sustainability goals are integrated into business operations for long-term growth.</p>

### PRESALES (QUARTERLY)



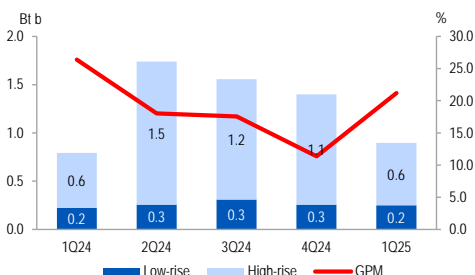
Source: LPN, UOB Kay Hian

### NEW PROJECT LAUNCH

Project	Value (MB)	Launch	Transfer
<b>Condo</b>	<b>3,350</b>		
PARK NOPPARAT STATION	1,850	3Q25	2Q28
PARK ONNUT NINETEEN	1,500	3Q25	4Q27
<b>Housing</b>	<b>2,650</b>		
BANN 365 CHESADA RATCHAPHRUEK	1,365	4Q25	2Q26
BANN 365 AKSA	1,285	4Q25	2Q26

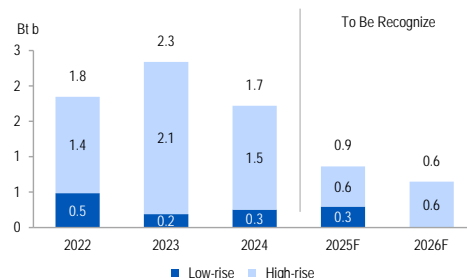
Source: LPN, UOB Kay Hian

### TRANSFER (QUARTERLY)



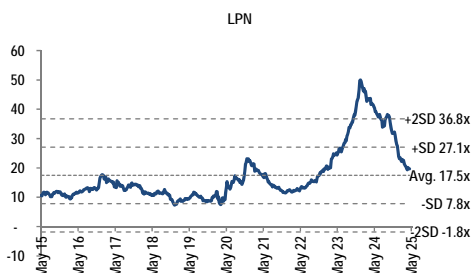
Source: LPN, UOB Kay Hian

### BACKLOG AS OF 31 JAN 25



Source: LPN, UOB Kay Hian

### PE BAND



Source: Bloomberg, UOB Kay Hian



### PROFIT & LOSS

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Net turnover	7,992	6,989	7,510	7,833
EBITDA	505	418	473	497
Deprec. & amort.	123	116	118	120
EBIT	382	302	355	378
Total other non-operating income	(35)	10	11	12
Associate contributions	(53)	(18)	5	10
Net interest income/(expense)	(77)	(114)	(113)	(113)
Pre-tax profit	218	180	258	287
Tax	(97)	(50)	(63)	(69)
Minorities	(10)	(6)	(10)	(10)
Net profit	111	124	185	207
Net profit (adj.)	155	124	185	207

### BALANCE SHEET

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Fixed assets	2,924	2,748	2,676	2,605
Other LT assets	3,857	3,811	3,835	3,849
Cash/ST investment	439	339	418	474
Other current assets	16,964	17,070	17,267	17,454
<b>Total assets</b>	<b>24,184</b>	<b>23,968</b>	<b>24,196</b>	<b>24,382</b>
ST debt	6,917	6,080	6,215	6,215
Other current liabilities	1,069	935	1,005	1,048
LT debt	3,572	4,389	4,254	4,254
Other LT liabilities	699	612	657	685
Shareholders' equity	11,908	11,934	12,047	12,162
Minority interest	18	18	18	18
<b>Total liabilities &amp; equity</b>	<b>24,184</b>	<b>23,968</b>	<b>24,196</b>	<b>24,382</b>

### CASH FLOW

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Operating	3,837	7	185	193
Pre-tax profit	218	180	258	287
Tax	(97)	(50)	(63)	(69)
Deprec. & amort.	123	116	118	120
Working capital changes	3,338	(249)	(123)	(141)
Non-cash items	252	9	(5)	(3)
Other operating cashflows	(50)	(18)	5	10
Investing	(1,431)	18	(24)	(34)
Capex (growth)	469	61	(46)	(48)
Investments	(1,884)	0	0	0
Others	(17)	(42)	22	14
Financing	(2,536)	(125)	(81)	(103)
Dividend payments	(149)	(105)	(81)	(103)
Proceeds from borrowings	(2,380)	(20)	0	0
Others/interest paid	(8)	1	0	0
Net cash inflow (outflow)	(130)	(100)	79	56
Beginning cash & cash equivalent	569	439	339	418
Ending cash & cash equivalent	439	339	418	474

### KEY METRICS

Year to 31 Dec (%)	2024	2025F	2026F	2027F
<b>Profitability</b>				
EBITDA margin	6.3	6.0	6.3	6.3
Pre-tax margin	2.7	2.6	3.4	3.7
Net margin	1.4	1.8	2.5	2.6
ROA	0.4	0.5	0.8	0.9
ROE	0.9	1.0	1.5	1.7
<b>Growth</b>				
Turnover	7.9	(12.6)	7.5	4.3
EBITDA	(18.9)	(17.4)	13.2	5.2
Pre-tax profit	(55.8)	(17.2)	43.0	11.2
Net profit	(68.7)	12.4	48.5	12.4
Net profit (adj.)	(56.0)	(20.0)	48.5	12.4
EPS	(56.0)	(20.0)	48.5	12.4
<b>Leverage</b>				
Debt to total capital	46.8	46.7	46.5	46.2
Debt to equity	88.1	87.7	86.9	86.1
Net debt/(cash) to equity	84.4	84.9	83.4	82.2
Interest cover (x)	6.6	3.7	4.2	4.4

## COMPANY RESULTS

### Ngern Tid Lor (NTL TB)

1Q25: Results Beat; In The Process Of Transforming Into TIDLOR Holdings

NTL posted a 1Q25 net profit of Bt1.22b (+10% yoy, +17% qoq), beating our expectation by 9% and consensus forecasts by 8%. Ngen Tid Lor has been trading under the ticker of NTL TB since 2 May 25, while waiting for the registration of TIDLOR Holdings in the SET sometime in mid-May 25. After registration, TIDLOR Holding will be traded under the ticker of TIDLOR TB, and NTL TB will be removed from the SET simultaneously. Maintain BUY with a target price of Bt21.00.

#### 1Q25 RESULTS

Year to 31 Dec (Btm)	1Q25	4Q24	1Q24	qoq chg (%)	yoy chg (%)
Total gross loan	104,719	103,934	100,133	0.8	4.6
Net interest income	4,027	4,048	3,818	(0.5)	5.5
Non-interest income	982	1,075	935	(8.6)	5.1
Loan loss provision	(772)	(702)	(809)	10.0	(4.7)
Non-Interest expenses	(2,717)	(3,118)	(2,569)	(12.8)	5.8
Pre-Provision Operating Profit	1,990	1,746	1,913	14.0	4.0
Net income	1,218	1,044	1,104	16.6	10.3
EPS (Bt)	0.42	0.36	0.39	16.6	6.4
<b>Ratio (%)</b>					
NPL ratio (%)	1.78	1.81	1.60		
Loan loss coverage ratio (%)	256	243	264		
Net interest margin (NIM %)	15.4	15.7	15.5		
Credit cost (bp)	296	272	328		
Cost to income (%)	54	61	54		
Number of network store	1,801	1,778	1,708		
Baseline Total Loans/Store	58	58	59		

Source: NTL, UOB Kay Hian

#### RESULTS

- 1Q25 results beat expectations.** Ngern Tid Lor (NTL, previously TIDLOR TB) reported a net profit of Bt1.22b in 1Q25, up 10% yoy and 17% qoq. The results beat our expectations by 9% and consensus forecasts by 8%. The lower-than-expected provision expenses was the key item that made a positive surprise to our forecast. Excluding provision expenses, NTL's pre-provision operating profit (PPOP) rose 4% yoy and 14% qoq.
- Loan portfolio grew slightly qoq in 1Q25.** NTL's outstanding loan portfolio expanded by 5% yoy and 1% qoq to reach Bt104.7b in 1Q25. TIDLOR opened 23 new network stores in 1Q25, bringing its total store count to 1,801 branches. NTL's loan portfolio grew 6.6% yoy in 2024, missing its 2024 loan growth target of 10-20%. The company has not yet provided any targets for 2025. We expect NTL to announce the targets after transforming to TIDLOR Holdings in mid-May 25. Currently, we expect NTL's loan portfolio to expand 8% yoy in 2025.

#### KEY FINANCIALS

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net Interest Income	13,703	15,945	17,001	18,663	20,251
Non-Interest Income	3,427	3,792	3,971	4,294	4,663
Net profit	3,790	4,230	4,930	5,444	5,981
Net profit (adj.)	3,790	4,230	4,930	5,444	5,981
EPS (Bt)	1.3	1.5	1.7	1.9	2.1
PE (x)	8.6	7.7	6.6	6.0	5.5
P/B (x)	1.1	1.1	0.9	0.8	0.7
Dividend yield (%)	2.3	3.9	4.5	5.1	5.6
Net Int margin (%)	15.3	15.8	15.8	16.0	15.9
Cost/income ratio (%)	54.9	55.9	55.1	54.8	54.8
Loan loss cover (%)	282.1	242.7	252.0	255.0	265.0
Consensus net profit (Btm)	-	-	4,722	5,391	6,019
UOBKH/Consensus (x)	-	-	1.04	1.01	0.99

Source: Ngern Tid Lor Pcl, Bloomberg, UOB Kay Hian

## BUY

(Maintained)

Share Price	Bt11.40
Target Price	Bt21.00
Upside	+84.2%

#### COMPANY DESCRIPTION

The non-bank company that provides auto-title loan, hire purchase financing services for second-hand used trucks, and other types of non-lending products include life and non-life insurance brokerage services under the brand "Ngern Tid Lor".

#### STOCK DATA

GICS sector	Financials
Bloomberg ticker:	NTL TB
Shares issued (m):	2,913.5
Market cap (Btm):	33,213.9
Market cap (US\$m):	1,012.6
3-mth avg daily t'over (US\$m):	4.4

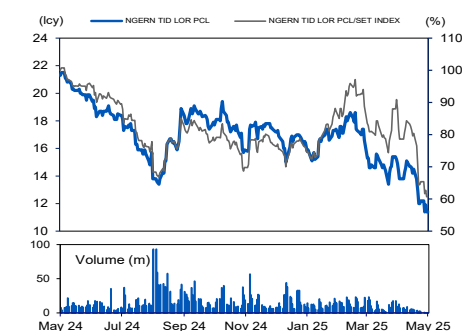
#### Price Performance (%)

52-week high/low			Bt22.10/Bt10.30	
1mth	3mth	6mth	1yr	YTD
(26.0)	(34.1)	(33.3)	(26.0)	(47.5)

#### Major Shareholders

	%
Bank of Ayudhya (BAY)	30.00
SIAM ASIA CREDIT ACCESS PTE. LTD.	16.23
Thai NVDR	7.314
FY24 NAV/Share (Bt)	12.36
FY24 Solvency Ratio (%)	

#### PRICE CHART



Source: Bloomberg

#### ANALYST(S)

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## STOCK IMPACT

• **Lower-than-expected provision expenses in 1Q25.** NTL set aside provision expenses of Bt772m in 1Q25, down 5% yoy but up 10% qoq. As a result, credit costs rose by 24bp qoq to 296bp in 1Q25. Although provision expenses rose qoq, the reported amount was lower than our expectations by 18% due to our conservative forecasting. The company's NPL ratio declined from 1.81% in 4Q24 to 1.78% in 1Q25. NPL coverage ratio rose from 243% in 4Q24 to 256% in 1Q25. We expect to see an improvement in asset quality with the company's strong emphasis on maintaining good asset quality. We expect TIDLOR Holdings to announce 2025 financial targets to focus on improving asset quality.

• **Price performance tumbled severely during the transformation to holding company.** The company's share price has declined significantly with a month's return of -26%. In the past month, some investors sold the stocks to avoid having their existing shares become the holding company's shares. As a result, the company's share price dropped 6.5% and 7% on 29 and 30 Apr 25 as no investors were willing to buy the company's stock during this period. The transformation to a holding company is expected to complete sometime in mid-May 25. TIDLOR Holdings will be traded under the ticker TIDLOR TB.

## EARNINGS REVISION/RISK

### NET PROFIT FORECASTS

(Btm)	2025F	2026F	207F
Old	4,885	5,473	6,043
New	4,930	5,444	5,981
% chg	0.9%	-0.5%	-1.0%

Source: UOB Kay Hian

• We fine-tune NTL's 2025-27 earnings forecasts by +0.9%, -0.5%, and -1.0% respectively. Meanwhile, we wait for the company to announce its 2025 financial year targets once it completes the transformation in mid-May 25. Then, we will revise the earnings forecasts after obtaining financial and business outlook guidance from the company.

## VALUATION/RECOMMENDATION

• **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 1.7x 2025F P/B, which is slightly below -0.5SD to its five-year average.

## SHARE PRICE CATALYST

• Government stimulus packages to boost economic recovery.

## ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG)

<b>CG Report: 5</b>
<b>SET ESG Rating: N/A</b>
<b>• Environmental</b> <ul style="list-style-type: none"> <li>- <b>Energy usage.</b> Lighting control systems are implemented to adjust the amount of light suitable for each work area.</li> <li>- <b>Water usage.</b> Minimise water usage by using water-efficient appliances and plumbing fixtures eg, water-efficient toilets, water-saving tapware.</li> </ul>
<b>• Social</b> <ul style="list-style-type: none"> <li>- <b>Financial education for life rolls forward.</b> TIDLOR started a financial literacy programme in 2013 after launching nano-finance.</li> </ul>
<b>• Governance</b> <ul style="list-style-type: none"> <li>- <b>The company's business philosophy and roles towards stakeholders.</b> The company also adheres to a notion of "sustainability" towards all stakeholders.</li> </ul>

## 2024 FINANCIAL TARGETS VS ACTUAL

	2024 Targets	2024 Actual
Loan Growth	10-20%	6.6%
Non-Life Insurance premium growth	10-20%	16.4%
NPL Ratio	<2%	1.8%
Credit Cost	3-3.35%	3.4%

Source: NTL

## PE BAND



## P/B BAND



## PROFIT & LOSS

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Interest Income	18,369	19,418	21,055	22,790
Interest Expense	(2,424)	(2,417)	(2,392)	(2,539)
Net Interest Income	15,945	17,001	18,663	20,251
Fees & Commissions	3,734	3,928	4,252	4,620
Other Income	58	42	42	42
Non-Interest Income	3,792	3,971	4,294	4,663
Total Income	19,737	20,972	22,957	24,914
Staff Costs	(11,033)	(11,563)	(12,579)	(13,646)
Other Operating Expense	0	0	0	0
Pre-Provision Profit	8,704	9,409	10,378	11,268
Loan Loss Provision	(3,421)	(3,248)	(3,574)	(3,793)
Other Provisions	0	0	0	0
Associated Companies	0	0	0	0
Pretax profit	5,283	6,161	6,805	7,476
Tax	(1,053)	(1,231)	(1,361)	(1,495)
Minorities	0	0	0	0
<b>Net profit (adj.)</b>	<b>4,230</b>	<b>4,930</b>	<b>5,444</b>	<b>5,981</b>

## BALANCE SHEET

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Cash With Central Bank	1,770	3,358	3,669	4,114
Govt Treasury Bills & Securities	0	0	0	0
Interbank Loans	0	0	0	0
Customer Loans	99,380	106,792	116,206	126,040
Investment Securities	0	0	0	0
Derivative Receivables	0	0	0	0
Associates & JVs	0	0	0	0
Fixed assets (incl. prop.)	1,905	1,578	1,396	1,331
Other assets	3,479	2,740	2,796	2,855
<b>Total Assets</b>	<b>106,535</b>	<b>114,467</b>	<b>124,066</b>	<b>134,341</b>
Interbank Deposits	0	0	0	0
Customer Deposits	31,559	39,320	41,408	43,675
Derivative Payables	0	0	0	0
Debt equivalents	39,758	36,935	40,214	43,652
Other Liabilities	4,690	2,798	3,047	3,307
<b>Total Liabilities</b>	<b>76,007</b>	<b>79,054</b>	<b>84,669</b>	<b>90,634</b>
Shareholders' equity	30,527	35,413	39,397	43,706
Minority interest	0	0	0	0
<b>Total liabilities &amp; equity</b>	<b>106,535</b>	<b>114,467</b>	<b>124,066</b>	<b>134,340</b>

## OPERATING RATIOS

Year to 31 Dec (%)	2024	2025F	2026F	2027F
<b>Capital Adequacy</b>				
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)	3.5	3.2	3.1	3.1
Tangible assets/tangible common	3.5	3.3	3.2	3.1
<b>Asset Quality</b>				
NPL ratio	1.8	1.8	1.8	1.8
Loan loss coverage	242.7	252.0	255.0	265.0
Loan loss reserve/gross loans	4.4	4.6	4.6	4.7
Increase in NPLs	0.0	0.0	0.0	0.0
<b>Liquidity</b>				
Loan/deposit ratio	250.0	289.1	289.0	288.7
Liquid assets/short-term liabilities	5.6	8.5	8.9	9.4
Liquid assets/total assets	1.7	2.9	3.0	3.1

## KEY METRICS

Year to 31 Dec (%)	2024	2025F	2026F	2027F
<b>Growth</b>				
Net interest income, yoy chg	16.4	6.6	9.8	8.5
Fees & commissions, yoy chg	10.5	5.2	8.2	8.7
Pre-provision profit, yoy chg	12.6	8.1	10.3	8.6
Net profit, yoy chg	11.6	16.5	10.4	9.9
Net profit (adj.), yoy chg	11.6	16.5	10.4	9.9
Customer loans, yoy chg	6.3	7.5	8.8	8.5
Customer deposits, yoy chg	(6.8)	24.6	5.3	5.5
<b>Profitability</b>				
Net interest margin	15.8	15.8	16.0	15.9
Cost/income ratio	55.9	55.1	54.8	54.8
Adjusted ROA	4.1	4.5	4.6	4.8
Reported ROE	14.4	15.0	14.6	15.1
Adjusted ROE	14.4	15.0	14.6	15.1
<b>Valuation</b>				
P/BV (x)	1.1	0.9	0.8	0.7
P/NTA (x)	109.1	93.7	84.1	75.7
Adjusted P/E (x)	7.7	6.6	6.0	5.5
Dividend Yield	3.9	4.5	5.1	5.6

## COMPANY RESULTS

### PTT Oil & Retail Business (OR TB)

1Q25: Net Profit In Line With Our Expectation

OR reported a higher net profit in 1Q25 both qoq and yoy, driven by a rebound in marketing margin and a strong EBITDA margin. OR is actively monitoring M&A opportunities in the lifestyle business and expects to finalise a deal by late-2Q25. However, 1Q25 is likely to mark the peak profit for the year, as net profit in the remaining quarters is expected to decline due to seasonally weaker oil demand and rising production costs in 2H25. Downgrade to HOLD. Target price: Bt16.00.

## RESULTS

### 1Q25 RESULTS

Year to 31 Dec (Btm)	1Q24	4Q24	1Q25	%yoy	%qoq	2024	2025F	%yoy
Revenue	177,867	185,971	182,422	3%	-2%	723,958	807,918	12%
Gross profit	10,548	8,191	9,635	-9%	18%	33,041	41,191	25%
EBITDA	6,173	4,887	6,484	5%	33%	16,122	17,169	6%
Core Profit	2,854	2,782	3,883	36%	40%	8,361	9,600	15%
Net Profit	3,723	2,999	4,379	18%	46%	7,650	9,600	25%
EPS(Bt/Share)	0.31	0.25	0.36			0.64	0.80	
Financial ratio (%)								
Gross Profit Margin	5.9%	4.4%	5.3%			4.6%	5.1%	
EBITDA Margin	3.5%	2.6%	3.6%			2.2%	2.1%	
Net profit margin	2.1%	1.6%	2.4%			1.1%	1.2%	

Source: PTT Oil & Retail Business, UOB Kay Hian

- 1Q25 net profit increased both qoq and yoy.** PTT Oil & Retail Business (OR) reported a 1Q25 net profit of Bt4.4b, up 46% qoq and 18% yoy, in line with our expectation and exceeding consensus estimate by 6%. The profit growth was supported by improved marketing and EBITDA margins. The EBITDA margin reached 3.6% in 1Q25 (vs 2.6% in 4Q24 and 3.6% in 1Q24), with improvements seen across all businesses, particularly in the lifestyle business, driven by the successful execution of its cost reduction plan.
- Marketing margin improved.** In 1Q25, OR's marketing margin rose to Bt1.02/litre (vs Bt0.83/litre in 4Q24). This improvement was enough to offset a 5% qoq decline in oil sales volume, which dropped to 6,708m litres. Despite the volume decline, OR maintained a stable retail market share of 35.3% in 2M25.
- Café Amazon achieved a record high in sales.** OR reported EBITDA growth both qoq and yoy in 1Q25, supported by effective operating expense control and the divestment of underperforming businesses in 2H24. These factors helped offset the seasonal revenue decline, leading to an improvement in the lifestyle business' EBITDA margin, which rose to 29.9% (vs 25.5% in 4Q24 and 26.9% in 1Q24). Additionally, Café Amazon achieved record-high sales of 104m cups in 1Q25, driven by the continued expansion of its stores.

## KEY FINANCIALS

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net turnover	769,224	723,958	807,918	843,032	879,671
EBITDA	22,920	19,717	22,825	23,520	24,171
Operating profit	14,357	11,153	13,722	13,627	14,075
Net profit (rep./act.)	11,099	7,648	9,600	10,081	10,931
Net profit (adj.)	11,091	8,359	9,600	10,081	10,931
EPS (Bt)	0.9	0.7	0.8	0.8	0.9
PE (x)	15.9	21.1	18.4	17.5	16.1
P/B (x)	0.8	0.8	0.8	0.7	0.7
EV/EBITDA (x)	7.0	8.0	6.7	6.4	6.1
Dividend yield (%)	3.5	2.7	3.4	3.7	3.7
Net margin (%)	1.4	1.1	1.2	1.2	1.2
Net debt/(cash) to equity (%)	0.3	0.3	0.2	0.1	0.0
Interest cover (x)	6.7	6.0	3.8	5.2	0.0
Consensus net profit	-	-	9,924	10,592	10,847
UOBKH/Consensus (x)	-	-	0.97	0.95	1.01

Source: PTT Oil & Retail Business, Bloomberg, UOB Kay Hian

## HOLD

(Downgraded)

Share Price	Bt14.50
Target Price	Bt16.00
Upside	+10.34%

## COMPANY DESCRIPTION

The company operates an integrated oil and non-oil retailing platform both in Thailand and abroad, including the sales and distribution of petroleum products and other products in retail and commercial marketing, coffee shops, other food and beverage outlet.

## STOCK DATA

GICS sector	Consumer Discretionary
Bloomberg ticker:	OR TB
Shares issued (m):	12,000.0
Market cap (Btm):	184,800.0
Market cap (US\$m):	5,379.6
3-mth avg daily t'over (US\$m):	5.9

## Price Performance (%)

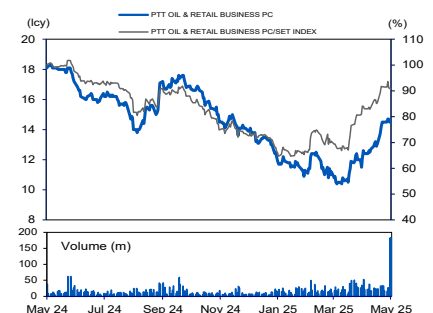
52-week high/low			Bt20.90/Bt13.80	
1mth	3mth	6mth	1yr	YTD
(4.9)	(14.4)	(18.5)	(24.9)	(19.4)

## Major Shareholders

	%
-	-

FY24 NAV/Share (Bt)	19.52
FY24 Net Cash/Share (Bt)	0.73

## PRICE CHART



Source: Bloomberg

## ANALYST(S)

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- **Strong global sales.** Global business sales reached 593m litres in 1Q25, up 15% qoq. The Philippines saw sales growth both qoq and yoy, primarily driven by a sharp rise in jet fuel sales and improved cost management, which enhanced competitiveness. Thus, the global business' EBITDA margin improved to 4.1% in 1Q25 (vs 3.6% in 4Q24 and 2.5% in 1Q24).

#### STOCK IMPACT

- **Lifestyle M&A to be finalised in 2Q25.** We continue to monitor the progress of a lifestyle M&A in line with OR's business strategy that focuses on expanding major franchises through M&As. OR's management anticipates finalising the deal by 2Q25.
- **2Q25 net profit to decline qoq.** We expect OR's 1Q25 net profit to represent the peak for the year. From mid-2Q25 onwards, domestic oil demand is likely to decline with the arrival of the rainy season, while rising coffee bean prices, reflecting global trends over the past 6-12 months are expected to pressure the EBITDA margin of the lifestyle business. Additionally, promotional campaigns in 2Q25 aimed at gaining market share, including a Bt0.50/litre discount on regular gasoline (Gasohol 91/95, E20, and E85) and a Bt3.00/litre discount on premium gasoline (Super Power Gasohol 95), will lead to higher expenses. As a result, we forecast a qoq decline in 2Q25 net profit, driven by lower sales and marketing margins, with the marketing margin expected to fall to Bt0.80-0.85/litre. Nonetheless, we anticipate 2Q25 net profit remaining flat yoy (vs a Bt2.5b net profit in 2Q24).

#### EARNINGS REVISION/RISK

- **Earnings revision:** None.

#### VALUATION/RECOMMENDATION

- **Downgrade to HOLD with a target price of Bt16.00,** based on 21x 2025F PE. OR's valuation has become less attractive following a 28% increase in its share price over the past month. In the oil & gas sector, we prefer PTT Global Chemical (PTTGC TB/BUY/Target: Bt21.00), Bangchak Corporation (BCP TB/BUY/Target: Bt45.00), and Indorama Ventures (IVL TB/BUY/Target: Bt32.00).

#### ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG)

##### CG Report: 5

##### SET ESG Rating: AAA

##### • Environmental

- a) Reduce greenhouse gas emissions (Scope 1 and Scope 2) from business activities by more than one-third by 2030 (compared with 2022 as a base year), b) reduce the proportion of conventional fuel use intensity by more than one-third by 2030 (compared with 2022), and c) expand the EV Station PluZ network to achieve 7,000 DC connectors by 2030.

##### • Social

- **Living community** – The number of communities surrounding OR's business operations that have had their quality of life improved, both within the business areas and around the business areas. Long-term target: 17,000 communities, or 13m people by 2030. Brand strength – brand health check score for stakeholders in the social and community group. Long-term target: Score should be 70 or above by 2030. Targets to have 500 Café Amazon branches by 2026.

##### • Governance

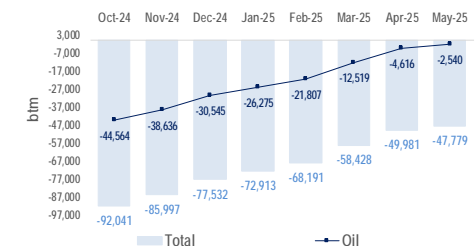
- The board of directors, management and employees shall commit to OR's five good corporate governance principles, ie accountability, responsibility, equitable treatment, transparency and vision, to create long-term value and ethics. OR's organisational structure shall fairly balance the roles of the Board, management and shareholders.
- There shall be an appropriate system for the selection and appointment of key management positions at all levels with a transparent and fair nomination process.
- There shall be an effective anti-fraud and corruption policy and system to ensure that management is fully aware of and pays attention to anti-fraud and corruption practices and implementation.

#### KEY STATISTICS

	1Q24	4Q24	1Q25	%yoy	%qoq
<b>Mobility</b>					
Number of stations	2,262	2,343	2,346	4%	0%
Total Volume Sold (m litres)	6,478	6,979	6,708	4%	-4%
Gross Profit: Bt/Litre	1.10	0.83	1.02	-7%	23%
--- Excl. Stock gain (loss)	1.05	0.82	1.04	-1%	26%
EBITDA	4,254	2,975	4,152	-2%	40%
EBITDA Margin (%)	2.6%	1.7%	2.5%		
<b>Lifestyle (Non-oil)</b>					
Café Amazon (No. of Outlets)	4,221	4,462	4,507	7%	1%
Total cups sold (m cups)	99	103	104	5%	1%
EBITDA	1,592	1,609	1,767	11%	10%
EBITDA Margin (%)	26.9%	25.5%	29.9%		
<b>Global</b>					
Number of stations	402	411	415	3%	1%
Total Volume Sold (m litres)	450	516	593	32%	15%
Café Amazon (No. of Outlets)	376	389	391	4%	1%
Total cups sold (m cups)	7.0	7.7	7.7	10%	0%
EBITDA	325	451	590	82%	31%
EBITDA Margin (%)	2.5%	3.6%	4.1%		

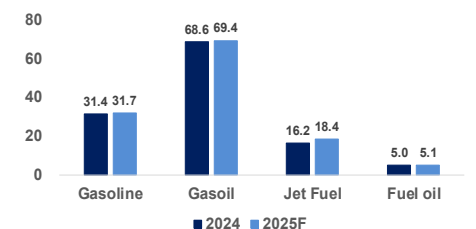
Source: PTT Oil & Retail Business, UOB Kay Hian

#### FUEL FUND STATUS



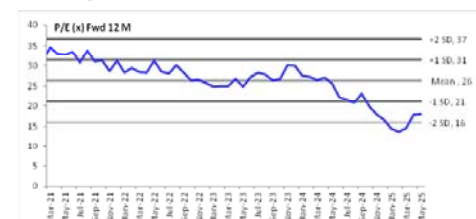
Source: Oil fuel fund office (OFFO), UOB Kay Hian

#### THAILAND PETROLEUM DEMAND (2025)



Source: DOCB, UOB Kay Hian

#### AVERAGE THREE-YEAR PE



Source: PTT Oil & Retail Business, UOB Kay Hian



### PROFIT & LOSS

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Net turnover	723,958	807,918	843,032	879,671
EBITDA	19,717	22,825	23,520	24,171
Deprec. & amort.	8,564	9,103	9,893	10,096
EBIT	11,153	13,722	13,627	14,075
Associate contributions	271	285	299	314
Net interest income/(expense)	-1,264	-2,147	-1,472	-884
<b>Pre-tax profit</b>	<b>9,450</b>	<b>11,860</b>	<b>12,455</b>	<b>13,505</b>
Tax	-1,801	-2,260	-2,374	-2,574
Minorities	-1	0	0	0
<b>Net profit</b>	<b>7,648</b>	<b>9,600</b>	<b>10,081</b>	<b>10,931</b>
Net profit (adj.)	8,359	9,600	10,081	10,931

### BALANCE SHEET

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Fixed assets	47,327	51,581	51,939	53,005
Other LT assets	44,133	47,893	49,466	51,107
Cash/ST investment	47,263	43,624	39,505	35,149
Other current assets	59,034	63,288	63,646	64,711
<b>Total assets</b>	<b>207,492</b>	<b>219,771</b>	<b>220,927</b>	<b>222,758</b>
ST debt	8,657	6,686	6,686	6,686
Other current liabilities	52,016	66,090	69,013	72,023
LT debt	20,077	13,390	6,704	19
Other LT liabilities	17,781	19,843	20,706	21,606
Shareholders' equity	228,897	233,697	237,755	242,361
<b>Total liabilities &amp; equity</b>	<b>207,492</b>	<b>219,771</b>	<b>220,928</b>	<b>222,760</b>

### CASH FLOW

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
<b>Operating</b>	<b>17,640</b>	<b>24,905</b>	<b>19,553</b>	<b>20,556</b>
Pre-tax profit	9,450	11,860	12,455	13,505
Tax	-1,801	-2,260	-2,374	-2,574
Deprec. & amort.	8,564	9,103	9,893	10,096
Working capital changes	2,547	6,202	-421	-471
Other operating cashflows	-1,120	0	0	0
<b>Investing</b>	<b>-5,263</b>	<b>-15,055</b>	<b>-10,961</b>	<b>-11,903</b>
Investments	-6,886	-13,357	-10,251	-11,162
Others	1,624	(1,698)	(710)	(741)
<b>Financing</b>	<b>-16,275</b>	<b>-13,457</b>	<b>-12,710</b>	<b>-13,010</b>
Dividend payments	-6,466	-4,800	-6,023	-6,325
Proceeds from borrowings	-9,808	-8,657	-6,686	-6,685
Others/interest paid	n.a.	n.a.	n.a.	n.a.
<b>Net cash inflow (outflow)</b>	<b>-3,898</b>	<b>-3,607</b>	<b>-4,118</b>	<b>-4,357</b>
Beginning cash & cash equivalent	51,469	47,231	43,624	39,506
Changes due to forex impact	(307)	0	0	0
<b>Ending cash &amp; cash equivalent</b>	<b>47,263</b>	<b>43,624</b>	<b>39,505</b>	<b>35,149</b>

### KEY METRICS

Year to 31 Dec (%)	2024	2025F	2026F	2027F
<b>Profitability</b>				
EBITDA margin	2.7	2.8	2.8	2.7
Pre-tax margin	1.3	1.5	1.5	1.5
Net margin	1.1	1.2	1.2	1.2
Net profit (adj.)	1.2	1.2	1.2	1.2
<b>Leverage</b>				
Debt to total capital	26.4	17.6	11.4	5.5
Debt to equity	12.6	8.6	5.6	2.8
Net debt/(cash) to equity	0.3	0.2	0.1	0.0
Interest cover (x)	6.0	3.8	5.2	0.0

## COMPANY RESULTS

### Star Petroleum Refining (SPRC TB)

1Q25: Results In Line With Positive Outlook

SPRC reported a 1Q25 net profit of Bt714m (+340% qoq, -82% yoy). Excluding non-recurring items, core profit stood at Bt387m, putting it at -82% yoy, +78% qoq. This reflects weaker GRM, which is broadly in line with our and market expectations. We believe its operating performance will continue to improve in 2025 while its valuation is undemanding. Maintain BUY. Target price: Bt9.00.

#### 1Q25 Results

	1Q25 (Btm)	1Q24 (Btm)	4Q24 (Btm)	yoy %Chg	qoq %Chg
Turnover	64,297	70,625	64,043	(9)	0
core EBITDA	1,438	2,744	1,288	(48)	12
Inventory gain/(loss)	233	1,360	(290)	(83)	(180)
fx	175	208	235	(16)	(26)
Net Profit	714	3,943	162	(82)	340
EPS	0.16	0.91	0.04	(82)	340
Core profit/(loss)	387	2,145	217	(82)	78

Source: Star Petroleum Refining, UOB Kay Hian

## RESULTS

- Core profit in line with expectations.** Star Petroleum Refining (SPRC) posted a 1Q25 net profit of Bt714m, up 340% qoq but down 82% yoy, due to Bt175m in forex gains and Bt233m inventory gain (vs a Bt290m loss in 4Q24 and Bt1.4b gain in 1Q24). Excluding non-recurring items, core profit came in at Bt387m, down 82% yoy but up 78% qoq, in line with our expectations and representing 11% of our full-year forecast.
- Softer GRM amid weaker product cracks, but resilient operations.** SPRC's market GRM fell to US\$4.47/bbl (from US\$6.04 in 4Q24 and US\$8.30 in 1Q24), as gasoline and jet fuel cracks weakened due to global demand uncertainty and elevated inventories. Despite softer margins, crude intake rose to 165.9kbd (95% utilisation rate) from 154.9kbd (89%) in 4Q24 following the absence of scheduled maintenance. Opex improved to US\$2.90/bbl (from US\$3.90 in 4Q24), supported by enhanced cost discipline. SPRC continued expanding its Caltex retail network, reaching 529 stations in 1Q25. SPRC was aided by a strategic partnership with Pure Thai Energy, which added 78 rebranded stations in northern and northeastern Thailand, in an effort to increase their share in a competitive retail market.

## KEY FINANCIALS

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net turnover	238,284	270,606	300,853	322,665	326,647
EBITDA	1,531	5,059	8,404	9,197	10,562
Operating profit	(1,067)	1,474	4,724	5,986	6,882
Net profit (rep./act.)	(1,230)	2,235	3,664	4,933	5,385
Net profit (adj.)	1,300	2,171	3,664	4,933	5,385
EPS (Bt)	0.3	0.5	0.8	1.1	1.2
PE (x)	18.8	11.3	6.7	5.0	4.5
P/B (x)	0.7	0.6	0.6	0.5	0.5
EV/EBITDA (x)	18.3	5.5	3.3	3.0	2.6
Dividend yield (%)	0.0	7.1	7.1	8.0	8.8
Net margin (%)	(0.5)	0.8	1.2	1.5	1.6
Net debt/(cash) to equity (%)	32.9	17.9	8.3	3.9	0.6
Interest cover (x)	4.2	11.9	18.9	24.9	23.5
ROE (%)	(3.3)	5.9	9.0	11.3	11.5
Consensus net profit (Btm)	-	-	3,220	3,409	3,788
UOBKH/Consensus (x)	-	-	1.14	1.45	1.42

Source: Star Petroleum Refining, Bloomberg, UOB Kay Hian

n.m. : not meaningful; negative P/E, EV/EBITDA reflected as "n.m."

## BUY

(Maintained)

Share Price	Bt5.65
Target Price	Bt9.00
Upside	+59.3%

## COMPANY DESCRIPTION

SPRC is one of the leading refineries in the Asia Pacific. It operates a complex refinery in Rayong which can produce 175,000 barrels/day (13.2% of Thailand's refining capacity) and has a high Nelson complexity index of 6.3.

## STOCK DATA

GICS sector	Energy
Bloomberg ticker:	SPRC TB
Shares issued (m):	4,335.9
Market Cap (Btm):	25,798.6
Market cap (US\$m):	744.6
3-mth avg daily t'over (US\$m):	1.8

## Price Performance (%)

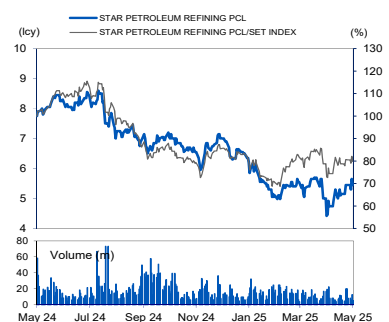
52-week high/low Bt8.65/Bt4.26

1mth	3mth	6mth	1yr	YTD
13.0	11.9	(13.7)	(28.0)	(13.7)

## Major Shareholders

	%
CHEVRON SOUTH ASIA HOLDINGS	60.6
Thai NVDR	4.6
-	-
FY24 NAV/Share (Bt)	9.57
FY24 Net Debt/Share (Bt)	2.32

## PRICE CHART



Source: Bloomberg

## ANALYST(S)

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### STOCK IMPACT

- **Strategic updates.** Management reaffirmed plans for a major refinery shutdown in 1Q26 and outlined a US\$120m–150m investment (~50% booked in 2025) to upgrade infrastructure. These upgrades will enable processing of lighter crude oil, increasing jet and gasoline yields by ~3%, and position SPRC for long-term flexibility. Furthermore, SPRC is also exploring partnerships with refineries or petrochemical firms to expand into the waste-to-chemicals value chain, with an emphasis on developing infrastructure for pyrolysis oil, a circular feedstock aligned with global sustainability trends.
- **Strong 2Q25 outlook.** Like its peers, SPRC will benefit from stronger GRM in 2Q25. Benchmark Singapore GRM rebounded to US\$7.20/bbl in early-May, up from an average of US\$3.20/bbl in 1Q25. Seasonal tailwinds such as the US driving season, jet fuel demand, and refinery maintenance are expected to lift margins from 2Q25 to 3Q25.
- **Undemanding valuation with strong yield.** As noted above, we expect SPRC's operational performance to continue improving from 2Q25 onwards, supported by seasonal tailwinds. Despite this positive momentum, SPRC's valuation remains attractive, currently trading at just 0.6x P/B and offers a compelling 2025 dividend yield of ~7.0%.

### EARNINGS REVISION/RISK

- **Earnings revision:** None.

### VALUATION/RECOMMENDATION

- **Maintain BUY with a target price of Bt9.00**, based on 1.0x 2025F P/B. SPRC trades at low P/B (~0.6x) with a solid dividend yield (~7.0%). We believe that its share price has already priced in the bad news.
- **Sensitivity.** Every US\$1.00/bbl jump in our GRM assumption will increase our 2025 core net profit forecast by Bt2.0b.

### SHARE PRICE CATALYST

- 2Q25: Higher Singapore GRM.

<ul style="list-style-type: none"> <li>• <b>CG Report: 5</b></li> <li>• <b>SET ESG Rating: None</b></li> <li>• <b>Environmental</b> To preserve the environment, SPRC targets zero recordable oil spills. It is also aiming for zero waste in landfills and focusing on a waste circular economy. In 2023, less than 1% of total waste was managed through landfill disposal.</li> <li>• <b>Social</b> <b>SPRC's focus is to ensure the wellbeing of its employees and their families, and prevent incidents or injuries while working on site and from home.</b></li> <li>• <b>Governance</b> SPRC maintains its annual "Excellent" CG scoring from Thai Institute of Directors Association.</li> </ul>
--

### OPERATING STATISTICS

US\$/bbl	1Q25	1Q24	4Q24
GRM	4.47	8.31	6.04
Inventory gain/(loss)	0.46	2.49	(0.60)
<b>Total GRM</b>	<b>4.93</b>	<b>10.80</b>	<b>5.44</b>

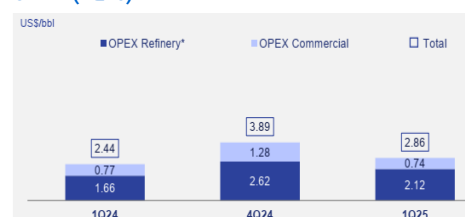
Source: UOB Kay Hian

### CRUDE RUN

	1Q25	1Q24	4Q24
Crude run (kbd)	95%	96%	89%

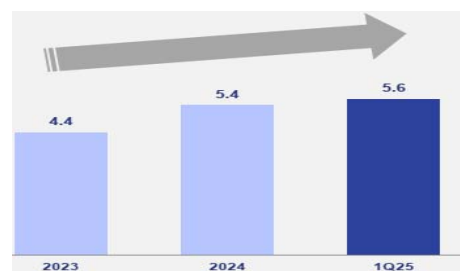
Source: SPRC, UOB Kay Hian

### OPEX (1Q25)



Source: UOB Kay Hian

### Retail market share



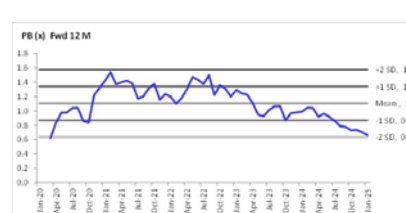
Source: SPRC

### SINGAPORE GRM



Source: UOB Kay Hian

### HISTORICAL P/B



Source: UOB Kay Hian

### PROFIT & LOSS

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Net turnover	270,606	300,853	322,665	326,647
EBITDA	5,059	8,404	9,197	10,562
Deprec. & amort.	3,584	3,680	3,211	3,680
EBIT	1,474	4,724	5,986	6,882
Total other non-operating income	1,616	300	550	300
Associate contributions	157	0	0	0
Net interest income/(expense)	(426)	(444)	(370)	(450)
<b>Pre-tax profit</b>	<b>2,822</b>	<b>4,580</b>	<b>6,166</b>	<b>6,732</b>
Tax	(587)	(916)	(1,233)	(1,346)
Minorities	0	0	0	0
<b>Net profit</b>	<b>2,235</b>	<b>3,664</b>	<b>4,933</b>	<b>5,385</b>
Net profit (adj.)	2,211	3,664	4,933	5,385

### CASH FLOW

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
<b>Operating</b>	<b>11,072</b>	<b>5,023</b>	<b>5,731</b>	<b>6,155</b>
Pre-tax profit	2,822	4,580	6,166	6,732
Tax	(587)	(916)	(1,233)	(1,346)
Deprec. & amort.	3,584	3,680	3,211	3,680
Working capital changes	5,869	(2,293)	(2,405)	(2,895)
Other operating cashflows	(459)	(28)	(8)	(15)
<b>Investing</b>	<b>(6,481)</b>	<b>(664)</b>	<b>(2,510)</b>	<b>(2,510)</b>
Capex (growth)	(4,643)	(2,500)	(2,500)	(2,500)
Others	(1,838)	1,836	(10)	(10)
<b>Financing</b>	<b>(4,487)</b>	<b>(1,640)</b>	<b>(2,152)</b>	<b>(3,035)</b>
Dividend payments	(1,025)	(2,168)	(2,602)	(3,035)
Proceeds from borrowings	(4,891)	(394)	0	0
Others/interest paid	1,430	922	450	0
<b>Net cash inflow (outflow)</b>	<b>104</b>	<b>2,719</b>	<b>1,069</b>	<b>610</b>
Beginning cash & cash equivalent	471	575	3,294	4,363
Ending cash & cash equivalent	575	3,294	4,363	4,973

### BALANCE SHEET

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Fixed assets	22,300	21,120	20,409	19,229
Other LT assets	5,048	4,990	5,108	5,182
Cash/ST investment	575	3,294	4,363	4,973
Other current assets	38,896	40,038	43,477	47,442
<b>Total assets</b>	<b>66,819</b>	<b>69,441</b>	<b>73,356</b>	<b>76,826</b>
ST debt	986	592	592	592
Other current liabilities	19,025	17,874	18,908	19,978
LT debt	6,606	6,606	6,606	6,606
Other LT liabilities	2,712	2,850	2,950	2,999
Shareholders' equity	39,101	41,519	44,300	46,650
Minority interest	0	0	0	0
<b>Total liabilities &amp; equity</b>	<b>68,430</b>	<b>69,441</b>	<b>73,356</b>	<b>76,826</b>

### KEY METRICS

Year to 31 Dec (%)	2023	2024F	2025F	2026F
<b>Profitability</b>				
EBITDA margin	1.9	2.8	2.9	3.2
Pre-tax margin	1.0	1.5	1.9	2.1
Net margin	0.8	1.2	1.5	1.6
ROA	3.4	5.4	6.9	7.2
ROE	5.9	9.1	11.5	11.8
<b>Growth</b>				
Turnover	13.6	11.2	7.2	1.2
EBITDA	230.3	66.1	9.4	14.8
Pre-tax profit	n.a.	62.3	34.6	9.2
Net profit	n.a.	63.9	34.6	9.2
Net profit (adj.)	70.1	65.7	34.6	9.2
EPS	70.1	65.7	34.6	9.2
<b>Leverage</b>				
Debt to total capital	16.3	14.8	14.0	13.4
Debt to equity	19.4	17.3	16.2	15.4
Net debt/(cash) to equity	17.9	9.4	6.4	4.8
Interest cover (x)	11.9	18.9	24.9	23.5

COMPANY UPDATE

Airports of Thailand (AOT TB)

Mild Growth Expected

We expect AOT to report 2QFY25 earnings of Bt5.92b (+2.3% yoy, +10.7% qoq). Top-line should be Bt18.4b (+0.7% yoy, +4.0% qoq), with the main growth contribution coming from both international and domestic passengers. Despite the positive sign that KPD has resumed its payment schedule, monitoring of monthly concession payments remains necessary. We remain doubtful about AOT moving forward, as the tourism outlook continues to be bleak. Maintain HOLD. Target price: Bt43.00.

2QFY25 EARNINGS PREVIEW

Year to 30 Sep (Btm)	2Q24	1Q25	2Q25F	yoy (%)	qoq (%)
Aero revenue	8,360	8,804	9,142	9.3	3.8
Non-aero revenue	9,874	8,859	9,228	(6.5)	4.2
Total revenue	18,234	17,664	18,370	0.7	4.0
Operating EBIT	8,970	8,161	8,820	(1.7)	8.1
Operating EBITDA	11,780	11,149	11,868	0.7	6.4
Core profit	5,857	5,381	5,917	1.0	10.0
Net profit	5,785	5,344	5,917	2.3	10.7
Percent	2Q24	1Q25	2Q25F	yoy (ppts)	qoq (ppts)
EBIT margin	49.2	46.2	48.0	(1.2)	1.8
EBITDA margin	64.6	63.1	64.6	0.0	1.5
Core profit margin	32.1	30.5	32.2	0.1	1.7
Net profit margin	31.7	30.3	32.2	0.5	2.0

Source: AOT, UOB Kay Hian

WHAT'S NEW

- **Expect mild growth in 2QFY25 earnings.** We expect Airports of Thailand (AOT) to report 2QFY25 earnings of Bt5.92b (+2.3% yoy, +10.7% qoq). Top-line could come in at Bt18.4b (+0.7% yoy, +4.0% qoq), with the main growth contribution coming from both international (+7.8% yoy, +3.0% qoq) and domestic (+7.2% yoy, +4.3% qoq) passengers. The total numbers of flights are still growing 11.1% yoy, reaching around 90% of the pre-COVID-19 level. However, due to several negative factors from Jan to Mar 25, passenger traffic growth has slowed. AOT's operational statistics are currently 86-94% of pre-pandemic levels, with the high travel season outlook worsening and no clear catalysts to attract tourists back.

KEY FINANCIALS

Year to 30 Sep (Btm)	2023	2024	2025F	2026F	2027F
Net turnover	48,141	67,121	67,251	74,451	80,011
EBITDA	26,100	41,777	41,857	46,339	49,799
Operating profit	17,230	30,373	30,346	34,922	37,859
Net profit (rep./act.)	8,791	19,182	19,424	22,783	25,033
Net profit (adj.)	8,791	19,182	19,424	22,783	25,033
EPS (Bt)	0.6	1.3	1.4	1.6	1.8
PE (x)	63.8	29.2	28.9	24.6	22.4
P/B (x)	5.1	4.5	4.2	3.9	3.6
EV/EBITDA (x)	22.9	14.3	14.3	12.9	12.0
Dividend yield (%)	0.9	2.0	2.1	2.4	2.7
Net margin (%)	18.3	28.6	28.9	30.6	31.3
Net debt/(cash) to equity (%)	46.0	26.0	25.9	14.7	10.5
Interest cover (x)	9.1	15.7	15.0	16.7	19.1
ROE (%)	8.3	16.3	15.1	16.4	16.7
Consensus net profit (Btm)	-	-	20,235	23,500	26,271
UOBKH/Consensus (x)	-	-	0.96	0.97	0.95

Source: Airports of Thailand, Bloomberg, UOB Kay Hian

HOLD

(Maintained)

Share Price	Bt39.25
Target Price	Bt43.00
Upside	+9.6%
(Previous TP)	Bt49.00)

COMPANY DESCRIPTION

AOT operates 6 of the 38 airports in Thailand, but collectively these 6 airports account for 83% of the total pax throughput.

STOCK DATA

GICS sector	Industrials
Bloomberg ticker:	AOT TB
Shares issued (m):	14,285.7
Market cap (Btm):	560,713.7
Market cap (US\$m):	17,047.6
3-mth avg daily t'over (US\$m):	53.4

Price Performance (%)

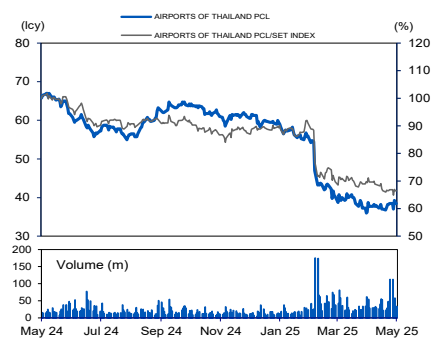
52-week high/low Bt67.50/Bt34.0

1mth	3mth	6mth	1yr	YTD
5.4	(29.9)	(36.9)	(40.3)	(34.0)

Major Shareholders

	%
Finance Ministry	70.0
Thai NVDR Co Ltd	4.1
-	-
FY25 NAV/Share (Bt)	9.30
FY25 Net Debt/Share (Bt)	2.41

PRICE CHART



Source: Bloomberg

ANALYST(S)

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ASSISTANT ANALYST(S)

**Nonpawit Vathanadachakul**

## STOCK IMPACT

- Positive signs emerge as KPD resumes concession payments.** Since King Power Duty Free (KPD) and King Power Selection (KPS) requested AOT to pause payments in Sep 24, the market has been very pessimistic about AOT. However, in Mar 25, KPS resumed its concession payments for its commercial and retail businesses. Last week, KPD resumed its concession payment schedule for its duty business which is a glimpse of hope for investors. This implies that King Power's financial status has improved. However, whether KPD and KPS will be able to settle their outstanding amounts with AOT remains uncertain. We should continue to monitor the monthly concession payments from KPD and KPS to reassess our confidence in King Power's financial capability.
- Poor outlook going forward.** The outlook for Thailand's tourism has been poor, primarily due to the decline in Chinese visitors. As of 4 May 25, the number of Chinese arrivals declined significantly by 30% yoy. It seems unlikely that the target of 40m tourist arrivals for 2025 will be met, and consensus figures are likely to be revised downward soon. Our target for Chinese visitors this year has been reduced from 10m to approximately 7m, leading us to revise our total tourist arrivals forecast from 40m to 37m.

## EARNINGS REVISION/RISK

- Earnings revision for FY25-27.** We revise our FY25 earnings up by 5%, FY26 earnings down by 42%, and FY27 earnings down by 18% mainly due to the reversion of the recognition of concession revenue and to reflect the poor tourism outlook.

## EARNINGS REVISION

	2025F			2026F			2027F		
(Btm)	New	Old	% Chg	New	Old	% Chg	New	Old	% Chg
Aero revenue	33,141	34,339	-3%	37,445	38,393	-2%	40,455	40,080	1%
Non- aero revenue	34,110	30,072	13%	37,006	41,777	-11%	39,556	43,758	-10%
Total revenue	67,629	64,824	4%	74,870	93,671	-20%	80,461	84,310	-5%
Gross profit	30,346	29,448	3%	34,922	43,021	-19%	37,859	45,185	-16%
Operating EBITDA	41,857	40,959	2%	46,339	54,544	-15%	49,799	57,057	-13%
Net profit	19,424	18,537	5%	22,783	39,103	-42%	25,033	30,630	-18%
	New	New	ppt chg	New	New	ppt chg	New	New	ppt chg
Gross margin	45.1%	45.7%	-0.6	46.9%	53.7%	-6.8	47.3%	53.9%	-6.6
Net profit margin	28.9%	28.8%	0.1	30.6%	48.8%	-18.2	31.3%	36.5%	-5.2

Source: UOB Kay Hian

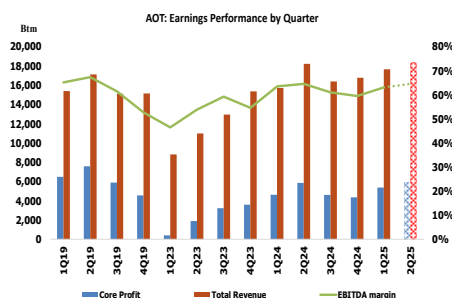
## VALUATION/RECOMMENDATION

- Maintain HOLD with a target price of Bt43.00.** Our valuation is based on FY25 EV/EBITDA of 15x, around 1SD below the three-year mean. Despite the awaited positive sign that KPD has resumed its payment schedule, we believe that a close monitoring of the monthly concession payment is necessary. With the poor tourism outlook and AOT's high reliance on tourist volume, we remain doubtful about AOT going forward.

## ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG)

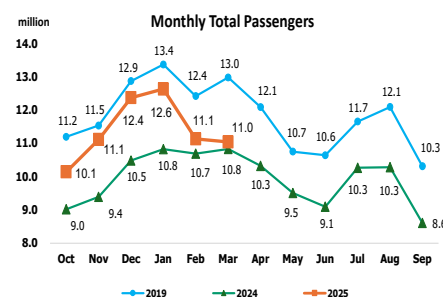
<b>CG Report: 5</b>
<b>SET ESG Rating: A</b>
<b>Environmental</b> <ul style="list-style-type: none"> <li><b>Increased efficiency of energy consumption.</b> Design, construct, and operate airports and related facilities to maximise efficiency in resource utilisation.</li> </ul>
<b>Social</b> <ul style="list-style-type: none"> <li><b>Established an Aerodrome Safety Policy.</b> Enhancing aerodrome safety management and operational standards while giving responsibility to management from all levels for airport safety.</li> <li><b>Provides safety training.</b> Organising sessions to train and ensure that AOT personnel are equipped with the knowledge to comply with the Safety Policy.</li> </ul>
<b>Governance</b> <ul style="list-style-type: none"> <li><b>Board operates under corporate governance principles</b> and relevant laws, regulations and guidelines on good corporate governance recommended by the Stock Exchange of Thailand and the Securities and Exchange Commission.</li> </ul>

## QUARTERLY EARNINGS PERFORMANCE



Source: AOT, UOB Kay Hian

## MONTHLY TOTAL PASSENGERS



Source: AOT, UOB Kay Hian

## CONDITION OF KP PAYMENT

Period for KPD payment delay	Sep 24 - Apr 25
Period for KPS payment delay	Sep 24 - Feb 25
Duration of extension	18 months
Payment deadline	Mar 26 - Oct 26
Credit term	1 month
Interest penalty	18% per year
Collateral	Bank Guarantee

Source: AOT, UOB Kay Hian

## CONDITION OF KP PAYMENT

1 Jan - 4 May	2024	2025	yoy growth
No. arrival ex. Chinese	9,966,456	10,752,829	8%
No. of Chinese	2,422,547	1,705,635	-30%

Source: Ministry of Tourism and Sports, UOB Kay Hian

## MONTHLY CHINESE TOURIST ARRIVALS



Source: Ministry of Tourism and Sports, UOB Kay Hian



### PROFIT & LOSS

Year to 30 Sep (Btm)	2024	2025F	2026F	2027F
Net turnover	67,121	67,251	74,451	80,011
EBITDA	41,777	41,857	46,339	49,799
Deprec. & amort.	11,404	11,511	11,416	11,941
EBIT	30,373	30,346	34,922	37,859
Total other non-operating income	(3,170)	(2,648)	(2,932)	(3,150)
Associate contributions	(1)	0	0	0
Net interest income/(expense)	(2,656)	(2,795)	(2,782)	(2,614)
<b>Pre-tax profit</b>	<b>24,545</b>	<b>24,903</b>	<b>29,209</b>	<b>32,094</b>
Tax	(4,903)	(4,981)	(5,842)	(6,419)
Minorities	(460)	(498)	(584)	(642)
Net profit	19,182	19,424	22,783	25,033
<b>Net profit (adj.)</b>	<b>19,182</b>	<b>19,424</b>	<b>22,783</b>	<b>25,033</b>

### CASH FLOW

Year to 30 Sep (Btm)	2024	2025F	2026F	2027F
<b>Operating</b>	<b>35,854</b>	<b>31,804</b>	<b>42,317</b>	<b>37,755</b>
Pre-tax profit	24,545	24,903	29,209	32,094
Tax	(4,903)	(4,981)	(5,842)	(6,419)
Deprec. & amort.	11,404	11,511	11,416	11,941
Working capital changes	(560)	6,775	8,115	750
Non-cash items	5,368	(6,405)	(581)	(611)
Other operating cashflows	(1)	0	0	0
<b>Investing</b>	<b>(18,982)</b>	<b>(15,431)</b>	<b>(18,054)</b>	<b>(19,924)</b>
Capex (growth)	(17,811)	(16,140)	(17,868)	(19,203)
Investment	2,884	8,743	1,686	2,284
Others	(4,055)	(8,034)	(1,872)	(3,005)
<b>Financing</b>	<b>(11,061)</b>	<b>(5,656)</b>	<b>(11,018)</b>	<b>(15,792)</b>
Dividend payments	(5,143)	(11,286)	(11,654)	(13,670)
Issue of shares	(6,098)	4,582	0	(2,819)
Proceeds from borrowings	0	0	0	0
Others/interest paid	180	1,048	637	697
<b>Net cash inflow (outflow)</b>	<b>5,811</b>	<b>10,717</b>	<b>13,246</b>	<b>2,040</b>
<b>Beginning cash &amp; cash equivalent</b>	<b>6,091</b>	<b>17,791</b>	<b>21,030</b>	<b>34,275</b>
Changes due to forex impact	5,889	(7,479)	0	0
<b>Ending cash &amp; cash equivalent</b>	<b>17,791</b>	<b>21,030</b>	<b>34,275</b>	<b>36,315</b>

### BALANCE SHEET

Year to 30 Sep (Btm)	2024	2025F	2026F	2027F
Fixed assets	162,171	166,342	172,980	180,431
Other LT assets	13,755	24,468	18,142	19,400
Cash/ST investment	18,487	21,030	34,275	36,315
Other current assets	11,737	4,705	5,209	5,598
<b>Total assets</b>	<b>206,150</b>	<b>216,545</b>	<b>230,606</b>	<b>241,745</b>
ST debt	2,329	2,834	2,834	737
Other current liabilities	19,768	23,129	24,979	26,407
LT debt	48,515	52,592	52,592	51,869
Other LT liabilities	7,873	8,920	9,366	9,834
Shareholders' equity	124,233	132,921	144,102	155,521
Minority interest	2,166	2,664	3,248	3,890
<b>Total liabilities &amp; equity</b>	<b>204,884</b>	<b>223,059</b>	<b>237,120</b>	<b>248,259</b>

### KEY METRICS

Year to 30 Sep (%)	2024	2025F	2026F	2027F
<b>Profitability</b>				
EBITDA margin	62.2	62.2	62.2	62.2
Pre-tax margin	36.6	37.0	39.2	40.1
Net margin	28.6	28.9	30.6	31.3
ROA	9.5	9.2	10.2	10.6
ROE	16.3	15.1	16.4	16.7
<b>Growth</b>				
Turnover	39.4	0.2	10.7	7.5
EBITDA	60.1	0.2	10.7	7.5
Pre-tax profit	117.1	1.5	17.3	9.9
Net profit	118.2	1.3	17.3	9.9
Net profit (adj.)	118.2	1.3	17.3	9.9
EPS	118.2	1.3	17.3	9.9
<b>Leverage</b>				
Debt to total capital	28.7	29.0	27.3	24.8
Debt to equity	40.9	41.7	38.5	33.8
Net debt/(cash) to equity	26.0	25.9	14.7	10.5
Interest cover (x)	15.7	15.0	16.7	19.1

## COMPANY UPDATE

### Central Plaza Hotel (CENTEL TB)

Expect Earnings To Contract Yoy In 1Q25

We expect CENTEL to report a report a net profit of Bt721m (-4.5% yoy, +8.1% qoq) for 1Q25. The hotel segment's performance during the quarter was strong, particularly that of upcountry hotels. However, pre-opening expenses of the new hotel in the Maldives will be realised in 1Q25, along with a substantial exchange loss in Japanese yen-denominated loans. We expect 2Q25 to be a challenging quarter for CENTEL given several headwinds. Maintain BUY. Target price: Bt36.00.

#### 1Q25 EARNINGS PREVIEW

Year to 31 Dec (Btm)	1Q24	4Q24	1Q25F	yoy (%)	qoq (%)
Hotel revenue	2,999	2,706	3,356	11.9	24.0
Food revenue	3,101	3,300	3,116	0.5	(5.6)
Total revenue	6,100	6,006	6,472	6.1	7.8
Gross profit	2,765	2,450	3,004	8.7	22.6
SG&A	1,893	1,926	2,042	7.9	6.1
Core profit	755	667	761	0.8	14.1
Net profit	755	667	721	(4.5)	8.1
(%)	1Q24	4Q24	1Q25F	yoy (ppts)	qoq (ppts)
Gross margin	45.3	40.8	46.4	1.1	5.6
SG&A to sales	31.0	32.1	31.6	0.5	(0.5)
EBITDA margin	30.3	28.6	31.3	1.0	2.6
Net profit margin	12.4	11.1	11.1	(1.2)	0.0

Source: CENTEL, UOB Kay Hian

#### WHAT'S NEW

• **Earnings to contract yoy in 1Q25.** We expect Central Plaza Hotel (CENTEL) to report a net profit of Bt721m (-4.5% yoy, +8.1% qoq) for 1Q25. Top-line should come in at Bt6.5b (+6.1% yoy, +7.8% qoq), mainly contributed by strong performance of hotels in upcountry and Japan. Hotels in the upcountry area should exhibit a strong 11% yoy growth in RevPar in 1Q25, mainly contributed by hotels in Phuket, Samui and the reopening of Grand Mirage Pattaya. Meanwhile, the Centara Osaka is expected to show an 8% yoy increase in RevPar. The net profit contraction yoy is mainly due to a higher SG&A due to the pre-opening costs of Bt50m for two new hotels in the Maldives and a forex loss of Bt50m due to CENTEL's loan denominated in Japanese yen. Interest expense is expected to increase yoy as a lower amount can be capitalised due to the reopening of Centara Karon and Grand Mirage Pattaya. Hence, we still expect margin to expand slightly yoy.

#### KEY FINANCIALS

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net turnover	22,261.4	23,949.5	27,039.7	29,627.8	31,758.6
EBITDA	5,595.6	6,100.4	6,894.7	7,476.4	8,025.0
Operating profit	2,474.0	2,809.7	3,143.3	3,520.1	3,883.8
Net profit (rep./act.)	1,248.1	1,753.0	1,753.9	2,001.7	2,252.9
Net profit (adj.)	1,248.1	1,753.0	1,753.9	2,001.7	2,252.9
EPS (Bt)	0.9	1.3	1.3	1.5	1.7
PE (x)	25.6	18.3	18.2	16.0	14.2
P/B (x)	1.6	1.5	1.5	1.4	1.3
EV/EBITDA (x)	10.4	9.5	8.4	7.8	7.2
Dividend yield (%)	1.8	2.5	2.5	2.8	3.2
Net margin (%)	5.6	7.3	6.5	6.8	7.1
Net debt/(cash) to equity (%)	124.9	137.7	117.3	114.3	110.2
Interest cover (x)	7.8	8.0	6.2	6.4	6.6
ROE (%)	6.5	8.7	8.2	8.9	9.5
Consensus net profit	-	-	1,948	2,185	2,460
UOBKH/Consensus (x)	-	-	0.90	0.92	0.92

Source: Central Plaza Hotel, Bloomberg, UOB Kay Hian

## BUY

(Maintained)

Share Price	Bt23.70
Target Price	Bt36.00
Upside	+51.9%

#### COMPANY DESCRIPTION

CENTEL is a leading hotel operator both in Thailand and overseas, as well as in the quick service restaurant industry in Thailand. CENTEL is part of the Central Group.

#### STOCK DATA

GICS sector	Consumer Discretionary
Bloomberg ticker:	CENTEL TB
Shares issued (m):	1,350.0
Market cap (Btm):	31,995.0
Market cap (US\$m):	972.8
3-mth avg daily t'over (US\$m):	3.7

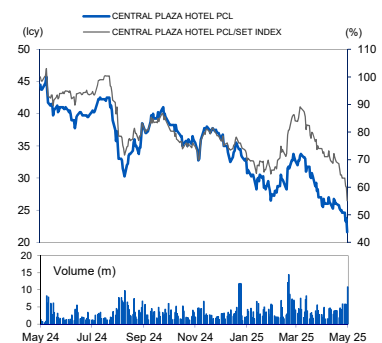
#### Price Performance (%)

52-week high/low	Bt46.50/Bt23.30
1mth	(12.2)
3mth	(17.6)
6mth	(32.8)
1yr	(46.4)
YTD	(31.3)

#### Major Shareholders

	%
Chirathivat Family	64.0
Local Investors	26.0
Foreign Investors	10.0
FY25 NAV/Share (Bt)	16.23
FY25 Net Debt/Share (Bt)	19.03

#### PRICE CHART



Source: Bloomberg

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## 1Q25 STATISTICS PREVIEW

Hotel Stats	1Q24	4Q24	1Q25F	yoy (%)	qoq (%)
RevPar - Bangkok	3,140	3,607	3,264	3.9	(9.5)
RevPar - Upcountry	4,569	3,350	5,074	11.1	51.5
RevPar - Maldives	15,237	5,971	8,970	(41.1)	50.2
RevPar - Japan	4,740	6,388	6,256	32.0	(2.1)
RevPar - Average	4,772	3,922	4,924	3.2	25.5
Number of key rooms	4,624	4,831	4,993	8.0	3.4
Food Stats	1Q24	4Q24	1Q25F	yoy (%)	qoq (%)
SSSG (%)	1.0%	0.0%	1.0%	0.0 ppt	1.0 ppt
Number of outlets*	1,414	1,396	1,405	(0.6)	0.6

Source: CENTEL, UOB Kay Hian

## STOCK IMPACT

- 2025 guidance.** Based on our latest talks with CENTEL, management is closely monitoring the performance of their hotels given the current gloomy tourism outlook. Earlier this year, CENTEL released its updated growth targets for 2025, with a focus on enhancing profitability. Excluding its operations in Dubai, the hotel segment is aiming for total revenue of Bt13b, representing a 28.5% yoy increase, while the food segment, excluding joint ventures (JV), is targeting revenue of Bt14b, up 8.4% yoy. A significant portion of the hotel revenue growth is expected to come from the launch of Centara Grand Maldives and the reopening of the Mirage and Karon properties. Additionally, CENTEL plans to improve profit margins by optimising staff payroll expenses, incorporating high-margin brands into its food business, and better managing raw material costs. Currently, CENTEL is still maintaining this growth guidance. However, we believe there could be a downwards revision of its guidance as there are no visible catalysts that can improve the tourism outlook.
- 2Q25 outlook.** We believe that 2Q25 will be a challenging quarter for CENTEL. The outlook for hotels in Osaka is very positive as CENTEL should see a double-digit yoy growth in RevPar, having benefitted from the World Expo. However, hotels in Thailand and the Maldives have entered the low travel season and it will be challenging for CENTEL to deliver a yoy growth given the grim outlook in both locations. There will also be a renovation of CENTEL's resort at Krabi (contributes 4-5% of CENTEL's total revenue) which should result in its closure until 1Q27. The food business also expected to see a slowdown in 2Q25 as a result of a weaker economy. Hence, we are not very positive on its 2Q25 outlook.

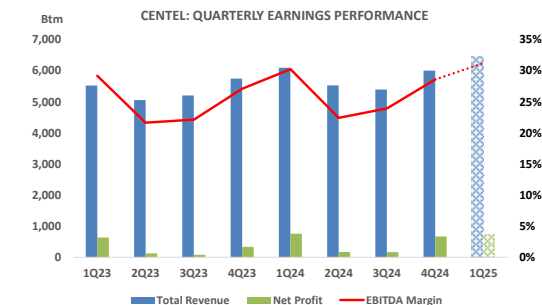
## VALUATION/RECOMMENDATION

- Maintain BUY with a target price of Bt36.00.** Our valuation is based on the 2025 EV/EBITDA multiple of 10x, 1SD below its five-year historical mean trading level. Other than the strong hotel performance in Osaka, we are not very positive on CENTEL in the near term as the tourism outlook in Thailand and the Maldives has not been promising. We believe that CENTEL could be facing a challenging quarter in 2Q25 given that there are no visible catalysts in the near term.

## ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG)

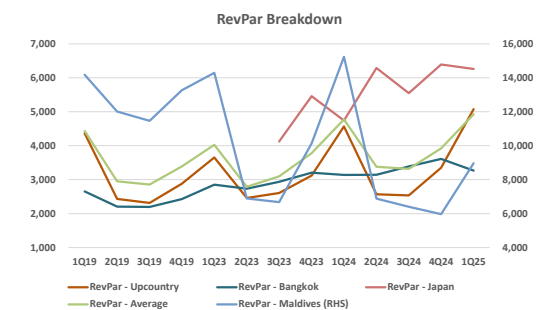
<b>CG Report: 5</b>
<b>SET ESG Rating: A</b>
<b>• Environmental</b> <ul style="list-style-type: none"> <li>- Pledged net zero emissions by 2050.</li> <li>- Targeting 20% reduction in greenhouse gas emissions by 2029.</li> <li>- Eliminate single-use plastics by 2025.</li> </ul>
<b>• Social</b> <ul style="list-style-type: none"> <li>- Conduct human rights assessment of the company, covering the hotel and food businesses.</li> </ul>
<b>• Governance</b> <ul style="list-style-type: none"> <li>- Risk and governance management committee meets every three months.</li> <li>- Strictly adheres to requirements and regulations, conducting business with transparency and accountability.</li> </ul>

## EARNINGS PERFORMANCE



Source: CENTEL, UOB Kay Hian

## HOTEL PERFORMANCE



Source: CENTEL, UOB Kay Hian

## CENTEL'S UPDATED CAPEX PLAN



Source: CENTEL, UOB Kay Hian

## CENTEL'S 2025 GUIDANCE

2025 GUIDANCE	
<b>Hotel – Included Dubai</b>	2025E
Occupancy Rate (%)	74% - 77%
RevPAR (THB)	4,500 - 4,800
Revenue Growth (%)	23%
<b>Food</b>	
SSS – Excluded JVs	3% - 5%
TSS – Excluded JVs	6% - 8%
Net change number of outlets, including the joint ventures' brands	4% - 5%
<b>Hotel business: Key drivers</b> <ul style="list-style-type: none"> <li>Organic growth of existing hotels in Thailand</li> <li>High growth in Japan due to World EXPO 2025</li> <li>Ramp-up of the 2 newly renovated hotel (Centara Mirage Pattaya and Centara Karon)</li> <li>Ramp-up of 2 newly opening hotel in Maldives (Centara Mirage Lagoon &amp; Centara Grand Lagoon Maldives)</li> </ul>	<b>Food business: key drivers</b> <ul style="list-style-type: none"> <li>Prioritize the expansion of high-margin brands while discontinuing non-profitable outlets/brands.</li> <li>Opportunistic M&amp;A of new brand</li> </ul>

Source: CENTEL, UOB Kay Hian

### PROFIT & LOSS

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Net turnover	23,950	27,040	29,628	31,759
EBITDA	6,100	6,895	7,476	8,025
Deprec. & amort.	3,291	3,751	3,956	4,141
EBIT	2,810	3,143	3,520	3,884
Total other non-operating income	0	0	0	0
Associate contributions	136	190	200	210
Net interest income/(expense)	(761)	(1,113)	(1,164)	(1,213)
Pre-tax profit	2,185	2,220	2,556	2,881
Tax	(488)	(406)	(471)	(534)
Minorities	57	(60)	(83)	(94)
Net profit	1,753	1,754	2,002	2,253
Net profit (adj.)	1,753	1,754	2,002	2,253

### CASH FLOW

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Operating (BTm)	5,713	4,864	6,106	6,521
Pre-tax profit (BTm)	2,185	2,220	2,556	2,881
Tax (BTm)	(488)	(406)	(471)	(534)
Deprec. & amort. (BTm)	3,291	3,751	3,956	4,141
Working capital changes (BTm)	1,043	(761)	59	89
Non-cash items (BTm)	(267)	(150)	5	(56)
Other operating cashflows (BTm)	85	399	200	210
Investing (BTm)	(8,942)	(1,471)	(6,030)	(6,139)
Capex (growth) (BTm)	(9,294)	(1,829)	(6,036)	(6,216)
Investments (BTm)	4,968	4,779	4,859	4,943
Others (BTm)	(4,617)	(4,420)	(4,853)	(4,866)
Financing (BTm)	3,372	(2,133)	471	331
Dividend payments (BTm)	(567)	(797)	(797)	(909)
Proceeds from borrowings (BTm)	4,086	(1,561)	1,268	1,241
Others/interest paid (BTm)	(147)	225	0	0
Net cash inflow (outflow) (BTm)	142	1,260	546	713
Beginning cash & cash equivalent (BTm)	2,534	2,677	3,936	4,483
Ending cash & cash equivalent (BTm)	2,677	3,936	4,483	5,196

### BALANCE SHEET

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Fixed assets	48,605	46,684	48,763	50,838
Other LT assets	6,010	6,169	6,324	6,527
Cash/ST investment	2,677	3,936	4,483	5,196
Other current assets	3,468	3,758	3,776	4,112
Total assets	60,761	60,547	63,345	66,672
ST debt	5,319	5,210	5,210	5,210
Other current liabilities	5,318	4,697	4,779	5,148
LT debt	25,873	24,420	25,688	26,929
Other LT liabilities	3,302	3,819	3,979	4,260
Shareholders' equity	20,714	21,910	23,114	24,458
Minority interest	236	492	575	669
Total liabilities & equity	60,761	60,547	63,345	66,672

### KEY METRICS

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Profitability				
EBITDA margin	25.5	25.5	25.2	25.3
Pre-tax margin	9.1	8.2	8.6	9.1
Net margin	7.3	6.5	6.8	7.1
ROA	3.0	2.9	3.2	3.5
ROE	8.7	8.2	8.9	9.5
Growth				
Turnover	7.6	12.9	9.6	7.2
EBITDA	9.0	13.0	8.4	7.3
Pre-tax profit	29.2	1.6	15.2	12.7
Net profit	40.5	0.1	14.1	12.6
Net profit (adj.)	40.5	0.1	14.1	12.6
EPS	40.5	0.1	14.1	12.6
Leverage				
Debt to total capital	59.8	56.9	56.6	56.1
Debt to equity	150.6	135.2	133.7	131.4
Net debt/(cash) to equity	137.7	117.3	114.3	110.2
Interest cover (x)	8.0	6.2	6.4	6.6

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