

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	47207.1	1.0	2.2	2.1	11.0
S&P 500	6791.7	0.8	1.9	2.2	15.5
FTSE 100	9645.6	0.7	3.1	3.9	18.0
AS30	9346.3	0.3	0.2	2.9	11.0
CSI 300	4660.7	1.2	3.2	2.4	18.4
FSSTI	4422.2	0.1	1.5	3.7	16.8
HSCEI	9363.9	0.7	3.9	0.7	28.5
HSI	26160.2	0.7	3.6	0.1	30.4
JCI	8271.7	(0.0)	4.5	2.1	16.8
KLCI	1613.3	0.3	0.1	0.3	(1.8)
KOSPI	3941.6	2.5	5.1	16.4	64.3
Nikkei 225	49299.7	1.4	3.6	8.7	23.6
SET	1313.9	0.9	1.7	2.8	(6.2)
TWSE	27532.3	(0.4)	(0.4)	7.6	19.5
BDI	1991	(3.2)	(3.8)	(11.9)	99.7
CPO (RM/mt)	4395	(0.4)	(0.4)	2.6	(10.7)
Brent Crude (US\$/bbl)	66	0.8	9.0	(5.2)	(10.9)

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Virtual Meeting with Chagee Holdings Ltd (CHA:US)	Hong Kong	27 Oct	27 Oct
Virtual Meeting with CapitaLand Ascott Trust (CLAS SP)	Singapore	29 Oct	29 Oct
Virtual Meeting with SIA Engineering Co Ltd (SIE SP)	Singapore	10 Nov	10 Nov
Hybrid Meeting with Singapore Airlines Ltd (SIA SP)	Singapore	14 Nov	14 Nov

Corporate and Macro Calendar

Economic Indicator/Event	Country/Region	Date
Sep. Customs Trade Balance (Export-Import)	Thailand	18-26 Oct
Sep. Capacity Utilization ISIC	Thailand	26-30 Oct
Oct. CPI	Thailand	5 Nov
Oct. Consumer Confidence	Thailand	7-13 Nov

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Top Stories

Sector Update | Retail

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Home improvement retail appears more attractive than grocery retail as it is in the late stage of a downcycle. Grocery retailers will enjoy short-term benefits from the Half-Half Plus copayment scheme. Initiate coverage with BUY on GLOBAL, CPAXT and DOHOME, and HOLD for CRC. We are OVERWEIGHT on the retail sector. Top picks are CPALL and GLOBAL.

Company Update | PTT Oil and Retail (OR TB/BUY/Bt13.90/Target: Bt21.00)

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We expect OR to post a net profit of Bt2.35 in 3Q25, up 5% qoq, supported by strong marketing margins that should offset the impact of the low season and weaker performance from Cambodia. Looking ahead, earnings in 4Q25 are projected to grow further qoq, driven by the high season, leading us to believe OR's 2025 net profit would reach a record high. OR continues to be one of our top picks. Maintain BUY. Target price: Bt21.00.

Asian Gems Corporate Highlights | Minor International (MINT TB/BUY/Bt23.00/Target: Bt38.00)

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MINT continues to emphasise asset-light expansion through management contracts, minimising capital use while enhancing margins. The company plans to launch a US\$1.5b-1.6b REIT in mid-26, with about US\$700m proceeds to fund deleveraging and reinvestment. Management reaffirmed its targets of high single-digit revenue and 15-20% core profit growth. Despite a modest debt reduction in 2H25, lower interest costs will support deleveraging. With limited exposure to Chinese tourists and strong premium positioning, MINT remains our top pick; target price: Bt38.00.

Retail

Consumer Confidence Fuels New Upcycle

Highlights

- Home improvement retail appears more attractive than grocery retail as it is in the late stage of a downcycle. Grocery retailers will enjoy short-term benefits from the Half-Half Plus copayment scheme.
- Initiate coverage with BUY on GLOBAL, CPAXT and DOHOME, and HOLD for CRC.
- OVERWEIGHT the retail sector. Top picks are CPALL and GLOBAL.

Analysis

- **Home improvement retail appears more attractive.** While grocery retailers enjoy stronger short-term support from government stimulus measures that boost purchasing power and demand, home improvement retailers should outperform them in 2026. Although near-term catalysts remain limited, home improvement retailers are nearing the bottom of the current downcycle after more than three years of negative same-store sales. Unsold housing inventory has shrunk, and with a very low base in 2025, home improvement retail stocks should recover in 2026. GLOBAL is our top pick in home improvement retail.
- **CPALL to maintain leadership position.** Based on the 2025 store expansion plans of major retailers, about 1,400 new stores are expected to open. Among them, 900 stores will come from 7-Eleven and Lotus's Go Fresh, both under the CP Group. We are confident CPALL can achieve its target of adding 700 stores in 2025. It has an interesting strategy of focusing on the ready-to-eat (RTE) food division to meet consumer needs. RTE products have not only penetrated the retail market but also entered the restaurant market.
- **Half-Half Plus copayment scheme to boost consumption.** The retail sector is one of the beneficiaries of government stimulus, especially the Half-Half Plus copayment scheme which provides eligible citizens with a government subsidy of 50-60% (Bt200 daily limit) for expenses on goods and services in local stores. We expect the scheme to lift 4Q25 GDP and personal consumption expenditure by 1.0% and 1.7% respectively. Listed retailers will benefit, albeit indirectly from the stronger demand from food retailer clients. Rising consumer confidence will be the leading indicator of an improvement in same-store sales. We view CPAXT as the prime grocery retail beneficiary.
- **Rate cut cycle to benefit retailers.** The current rate cut cycle is set to benefit Thai retail stocks through multiple channels. Lower interest rates will boost consumers' purchasing power and confidence, which should translate into stronger spending on staple and discretionary goods, while reduced borrowing costs will support retailers' expansion and cut their financial costs.

Peer Comparison

Company	Rec	Price 22 Oct 25 (Bt)	Target Price (Bt)	Upside Downside (%)	Market Cap (US\$m)	Net Profit 2025F (Btm)	2026F (Btm)	PE 2025F (x)	2026F (x)	Net EPS Growth 2025F (%)	P/B 2025F (x)	Yield 2025F (%)	ROE 2025F (%)
BJC TB	BUY	19.70	24.00	21.8	2,429	4,484	4,993	17.6	15.8	12.1	0.6	4.0	3.5
COM7 TB	HOLD	26.25	29.50	12.4	1,938	3,904	4,159	16.8	15.7	18.1	5.1	3.6	35.4
CPALL TB	BUY	47.75	65.00	36.1	13,198	28,183	29,511	15.2	14.5	11.2	3.0	3.3	8.5
CPAXT TB	BUY	21.50	26.00	20.9	6,898	11,614	12,866	19.3	17.4	9.9	0.7	3.6	3.8
CRC TB	HOLD	20.90	23.00	10.0	3,878	13,563	7,732	9.3	16.3	61.9	1.6	4.7	17.5
DOHOME TB	BUY	4.12	5.00	21.4	429	673	799	20.7	17.5	(4.7)	1.0	0.1	5.1
GLOBAL TB	BUY	8.20	9.50	15.9	1,363	2,088	2,375	21.2	18.6	(15.4)	1.7	1.9	8.1
HMPRO TB	HOLD	7.00	6.30	(10.0)	2,833	5,838	6,160	15.8	14.9	(10.2)	3.3	5.1	21.5
Avg					32,967	70,347	68,595	16.0	15.8	14.0	2.3	3.7	10.8

Source: UOB Kay Hian

OVERWEIGHT (Maintained)

Analyst(s)

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Segmental Rating

Segment	Rating
Grocery Retail	OVERWEIGHT (Initiate Coverage)
Home Improvement Retail	OVERWEIGHT (Initiate Coverage)

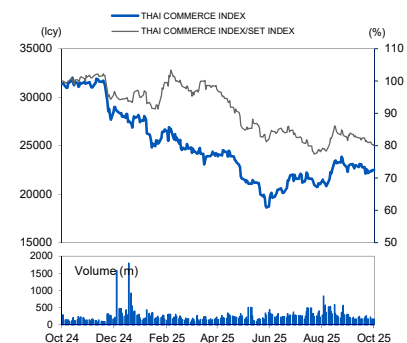
Source: UOB Kay Hian

Sector Picks

Company	Ticker	Rec	Share Price (Bt)	Target Price (Bt)
CP All	CPALL TB	BUY	47.75	65.00
Siam Global House	GLOBAL TB	BUY	8.20	9.50

Source: Bloomberg, UOB Kay Hian

Price Chart



Source: Bloomberg

Valuation And Recommendation

- **OVERWEIGHT with GLOBAL and CPALL as our top picks.** We adopt the PE valuation method, pegging the sector at 20-21x 2026F PE, or -1SD to its five-year average. For Home Product Center (HMPRO), we continue to apply a lower 13x 2026F PE, or -2SD, to reflect its slower recovery momentum.

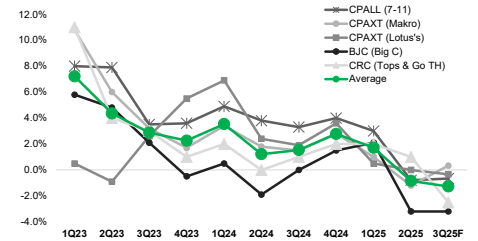
Top picks.

- **GLOBAL: Initiate coverage with BUY with a target price of Bt9.50**, based on a 2026F PE of 21x, in line with the -1SD five-year average of peers. We expect 3Q25 gross margin to improve yoy, mainly spurred by the higher selling prices of private-label products. The company has strategically adjusted prices in selected categories while maintaining competitiveness. In addition, the growing sales contribution from private-label items, which carry higher margins than branded products, should further support an improvement in overall profitability. 2026 will be a standout year due to the following factors: a) SSSG should recover from the low base in 2025 when GLOBAL posted the weakest performance among peers; b) signs of improvement are emerging, with 3Q25 SSSG at -2% yoy vs -10% yoy in 2Q25; and c) repricing of private-label products should support margins. In 2025, GLOBAL plans to open seven new stores which will further support its 2026 performance.
- **CPALL: Maintain BUY with a higher target price of Bt65.00 (from Bt63.00)**, rolling over our valuation to 2026F PE of 20x, or -1SD from its five-year average. CPALL remains one of our top picks due to its: a) attractive valuation, still a laggard compared with grocery peers, trading at a lower PE than CPAXT and BJC; and b) aggressive business expansion strategy, which should drive long-term growth. We expect CPALL to report a 3Q25 net profit of Bt6,471m, up 16% yoy but down 4% qoq. Excluding one-off items, core profit should come in at Bt6,491m, up 5% yoy but down 7% qoq. Growth will be driven by margin expansion and continued strength in the convenience store segment.

BUY stocks

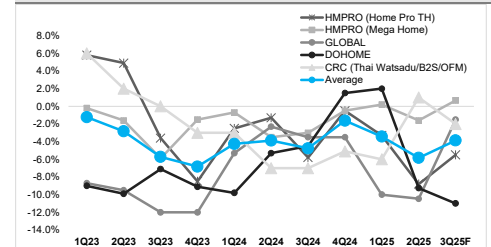
- **CPAXT: Initiate coverage with BUY and a target price of Bt26.00.** Our valuation is based on 21x 2025F PE, in line with peers. We expect CPAXT to benefit the most from the Half-Half Plus copayment scheme, given its leadership in the business-to-business (B2B) market. Its food retailer clients may see stronger demand as some are eligible for the scheme. Although 3Q25 earnings were unexciting, we expect 4Q25 earnings to improve yoy. We expect CPAXT to report a 3Q25 core profit of Bt2,314 (-4% yoy and -1% qoq). The wholesales and retail business' SSSG is expected to be flat yoy in 3Q25. Lotus's retail business in Thailand fell into negative territory due to the high base last year as the Bt10,000 cash handout scheme was rolled out in Sep 24.
- **DOHOME: Initiate coverage with BUY and a target price of Bt5.00.** Our target price is based on 21x 2026F PE, consistent with the -1SD five-year average of peers. We forecast a recovery in 2H25, supported by the easing steel shortage, which should improve SSSG. Demand from B2B clients is also expected to recover as FY26 budget disbursement begins in Oct 25. We expect SSSG to improve from 4Q25 onwards. Firstly, the impact from the high base last year will ease, and spending activity should pick up after the rainy season and during the high season. Secondly, the steel shortage is likely to ease as manufacturers resume operations at normal capacity.
- **BJC: Maintain BUY with a target price of Bt24.00.** Our target price is based on 20x 2026F PE, or -1SD to its five-year average, gives us a target price of Bt24.00. Qtd same-store sales growth (SSSG) is down 2-3% yoy due to the high-base effect from the Bt10,000 cash handout scheme in Sep 24, which continued to impact sales in the first week of Oct 25. However, there were

Grocery Retail SSSG



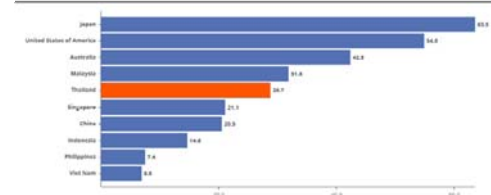
Source: Respective companies, UOB Kay Hian

Home Improvement Retail SSSG



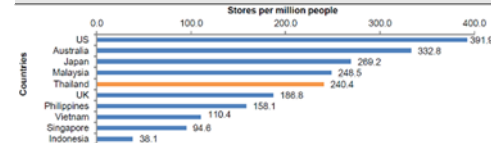
Source: Respective companies, UOB Kay Hian

Modern Grocery Retail Stores Per 10,000 Population



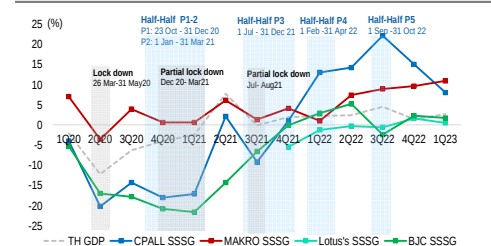
Source: Euromonitor

Total Home Improvement Stores Per Million People (2024)



Source: Frost & Sullivan

Grocery Retailers SSSG During Half-Half Copayment Scheme (2020-22)



Source: Frost & Sullivan

positive signs in the second week as the high-base effect faded. We expect 4Q25 SSSG to improve qoq, supported by: a) the completion of store renovations in Nov-Dec 25, which should improve store traffic; and b) the Half-Half Plus co-payment scheme, which should boost consumer confidence in 4Q25. In addition, the adjusted non-food product mix should help improve the gross margin of the modern retail business in 4Q25. The smaller earnings contraction in 3Q25 suggests that 2Q25 was likely the bottom for 2025.

HOLD stocks

- CRC: Initiate coverage with HOLD and a target price of Bt23.00.** Harn Central Department Store has proposed acquiring the Rinascente department store in Italy from CRC. We expect a short-term negative impact as CRC will see earnings of about Bt1b per year disappear. However, the cash inflow will help repay debt and fund a special dividend. Management plans to shift its focus to Vietnam. CRC's Vietnam food business continues to grow a profitable market share, driven by the strong performance from CRC's GO! Hypermarket, the top player in Vietnam. GO! Hypermarket delivered steady mid- to single-digit sales growth and double-digit omni-channel sales.
- COM7: Maintain HOLD with a target price of Bt29.50.** Our target price is based on a 2025F PE of 19x, in line with the eight-year average but excluding 2021 when the COVID-19 pandemic distorted numbers. We expect COM7 to post a 3Q25 net profit of Bt844m, up 19% yoy but down 16% qoq. The key earnings drivers in 3Q25 were stronger demand for Apple products and continued growth in the non-retail business segment. The iPhone 17 series will be the key earnings driver in 4Q25. Pre-orders for the iPhone 17 series rose by double digits yoy, reflecting strong demand. However, sales in the first two weeks of October still declined yoy as Apple faced supply constraints and was unable to meet strong demand. We expect the situation to gradually improve in the coming period.
- HMPRO: Maintain HOLD with a target price of Bt6.30.** Sales is expected to fall 3% yoy in 3Q25 due to HomePro's SSSG dropping 5.5% yoy and HomePro Malaysia's SSSG declining 5%, but these will be partly offset by a 0.7% yoy rise in Mega Home's SSSG. Our key insights are as follows: a) home decoration demand should remain weak, with store sales falling more in provincial areas than in Bangkok, and both basket size and transaction volume declining yoy in 3Q25; and b) demand for construction material is likely to show a better momentum. We expect Mega Home to post a mild growth despite the Aranyaprathet branch being slightly impacted by border tensions. While demand for new-home renovation and repair remains sluggish, HMPRO noted improving renovation trends among contractors.

Sector Catalyst/Risk

- Half-Half Plus copayment scheme.
- Improved SSSG.

PE Band

Peers	-2SD	-1SD	Mean	+1SD	+2SD
BJC	14.5	19.5	24.5	29.5	34.5
CPALL	9.4	19.4	29.4	39.4	49.4
CPAXT	12.9	24.2	35.6	46.9	58.3
CRC	13.2	19.8	26.4	33.0	39.6
DOHOME	3.2	22.2	41.3	60.3	79.4
GLOBAL	16.2	22.6	28.9	35.3	41.7
HMPRO	13.2	19.7	26.1	32.6	39
Average	11.8	21.1	30.3	39.6	48.8

Source: UOB Kay Hian

CPAXT PE BAND



Source: Bloomberg, UOB Kay Hian

CRC PE Band



Source: Bloomberg, UOB Kay Hian

DOHOME PE Band



Source: Bloomberg, UOB Kay Hian

GLOBAL PE Band



Source: Bloomberg, UOB Kay Hian

PTT Oil and Retail (OR TB)

Strong Marketing Margins Boost Net Profit In 3Q25

Highlights

- We forecast a net profit of Bt2.35b for 3Q25, up 5% qoq, driven by a recovery in marketing margins.
- We continue to expect 2025 net profit to reach a record high, with 4Q25 earnings projected to grow further, supported by seasonal demand.
- Maintain BUY with a target price of Bt21.00 (previously Bt20.00), as we roll over our target price to 2026.

3Q25 RESULTS PREVIEW

Year to 31 Dec (Btm)	3Q24	2Q25	3Q25F	%yoy	%qoq	9M24	9M25F	%yoy
Revenue	176,131	167,166	166,585	-5%	0%	537,987	516,173	-4%
Gross profit	5,674	8,222	8,589	51%	4%	24,850	26,447	6%
Operating Profit	-1,149	2,105	2,426	n.a.	15%	4,850	8,890	83%
EBT	2,761	2,127	2,338	-15%	10%	10,112	9,190	-9%
Core Profit	2,199	1,568	1,750	-20%	12%	7,853	7,006	-11%
Net Profit	-1,609	2,232	2,350	n.a.	5%	4,651	8,961	93%
EPS	-0.13	0.19	0.20			0.39	0.75	
Financial ratio (%)								
Gross Profit Margin	3.2%	4.9%	5.2%			4.6%	5.1%	
SG&A Exp. / Sales	3.9%	3.7%	3.7%			3.7%	3.4%	
Net profit margin	-0.9%	1.3%	1.4%			0.9%	1.7%	

Source: OR, UOB Kay Hian

Analysis

- 3Q25 net profit is expected to increase qoq, despite the low season.** We expect PTT Oil and Retail (OR) to post a net profit of Bt2.35b in 3Q25, up 5% qoq and reversing from the net loss recorded in 3Q24. The improvement will be driven by a recovery in marketing margins, which should offset the seasonal decline in oil sales and the impact of the Cambodian border dispute. Additionally, OR recorded a stock gain of Bt600m in 3Q25.
- Marketing margins in 3Q25 could increase qoq.** We expect OR's marketing margin to improve to Bt1.00/litre in 3Q25 (vs Bt0.85/litre in 2Q25), which should be sufficient to offset the 7% qoq decline in oil sales caused by the low season.
- Lifestyle business' EBITDA decreased qoq due to the seasonal decline.** The lifestyle business recorded an EBITDA margin of 28% in 3Q25 (vs 28.7% in 2Q25), reflecting the impact of the low season. Café Amazon's sales volume remained at a record high of 108m cups, while branch expansion continued during the quarter, bringing the total number of stores to 4,611 at the end of 3Q25.

Key Financials

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net turnover	769,224	723,958	813,329	848,677	885,562
EBITDA	22,920	19,717	22,890	25,256	25,593
Operating profit	14,357	11,153	13,787	15,363	15,497
Net profit (rep./act.)	11,099	7,648	11,500	11,912	12,128
Net profit (adj.)	11,091	8,359	10,144	11,912	12,128
EPS	0.9	0.7	0.8	1.0	1.0
PE	14.9	19.8	16.3	13.9	13.7
P/B	0.7	0.7	0.7	0.7	0.7
EV/EBITDA	6.5	7.5	6.1	5.4	5.2
Dividend yield	3.8	2.9	3.6	4.0	4.0
Net margin	1.4	1.1	1.4	1.4	1.4
Net debt/(cash) to equity					
Interest cover	16.7	15.6	18.8	26.7	30.9
Consensus net profit	-	-	10,435	11,026	11,860
UOBKH/Consensus (x)	-	-	1.10	1.08	1.02

<BUY> (<Maintained>)

Share Price	Bt13.90
Target Price	Bt21.00
Upside	51.08%

Analyst(s)

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Stock Data

GICS Sector	Energy
Bloomberg ticker	OR TB
Shares issued (m)	12,000.0
Market cap (Btm)	164,400.0
Market cap (US\$m)	5,058.5
3-mth avg daily t'over (US\$m)	5.9

Price Performance (%)

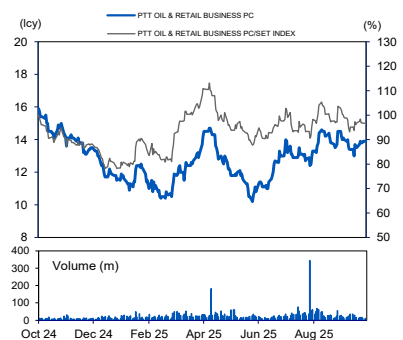
52-week high/low CurrBt17.00/Bt10.10

1mth	3mth	6mth	1yr	YTD
(5.6)	13.3	7.9	5.5	2.3

Major Shareholders

PTT	75.00%
Thai NVDR	2.41%
Social Security Office	1.81%

Price Chart



Source: Bloomberg

Company Description

SCGP is a holding company and an integrated packaging solutions provider which is organised into three main businesses: integrated packaging, fibrous, and recycling.

Source: Bloomberg, OR, UOB Kay Hian

- Cambodia's situation has limited impact.** The border conflict between Thailand and Cambodia led to a 12% yoy decline in total global oil sales volume, partly due to the temporary closure of 35 Dealer Own Dealer Operate PTT stations and 43 Café Amazon branches. However, the overall impact on OR in 3Q25 was limited, as oil sales volume in Cambodia accounted for only about 0.4% of the mobility business' total sales. Meanwhile, EBITDA from Cambodia accounts for about 1.2% of OR's total EBITDA.
- We believe that net profit in 2025 will reach a record high.** We estimate OR's 9M25 net profit at Bt8.96b, up 93% yoy, driven by a recovery in both oil sales volume and marketing margins. The marketing margin averaged Bt0.96/litre in 9M25, up 14% yoy, while oil sales volume rose 3% yoy. Additionally, ongoing cost reduction efforts had improved the lifestyle business' EBITDA margin to 28.9% in 9M25 (vs 24.8% in 9M24). We maintain a positive earnings outlook for 4Q25, supported by the high season. We expect OR's 2025 net profit to reach a record high, with 9M25 earnings already accounting for 78% of our full-year forecast.
- Market share is beginning to stabilise.** Market share is gradually recovering, although it has yet to return to the 2023 level due to intense competition. Nevertheless, the improvement in marketing margins and the continued increase in the lifestyle business' EBITDA margin should be sufficient to offset the impact. As of end-Aug 25, OR held a 35.6% share of the retail market, with market shares of 32.4% in diesel and 41.7% in gasoline.
- Pressure on marketing margins is beginning to ease.** We are currently observing reduced government intervention in marketing margins, driven by two main factors: a) the improved financial position of the Oil Fund, which reduced its loss from Bt77.5b at the end of 2024 to just Bt14.8b, supported by sustained positive cash inflows in the oil account. This improvement resulted in a turnaround to a profit of Bt26.9b (vs net loss of Bt30.5b at the end of 2024) in the oil account; and b) crude oil prices remaining relatively low, in the range of US\$60-70/bbl.

Valuation/Recommendation

- Maintain BUY with a higher target price of Bt21.00 (previously Bt20.00).** We have rolled over our target price to 2026, based on 21.00x PE at -1.0SD. In the oil & gas sector, we prefer PTT Oil and Retail (OR TB/BUY/Target: Bt21.00), SCG Packaging (SCGP TB/BUY/Target: Bt26.00) and Indorama Ventures (IVL TB/BUY/Target: Bt27.00).

Earnings Revision/Risk

- None.

Environment, Social, Governance (ESG) Updates

Environmental

- OR aims to cut greenhouse gas emissions (Scope 1 and 2) from its operations by over one-third by 2030 compared with 2022 levels, while also reducing its conventional fuel use intensity by more than one-third within the same timeframe. Additionally, it plans to expand its EV Station PluZ network to reach 7,000 DC fast-charging connectors by 2030.

Social

- OR aims to improve the quality of life in 17,000 communities, benefitting 13m people, by 2030 in areas surrounding its operations. It also targets achieving a brand health score of 70 or higher among social and community stakeholders by 2030.

Governance

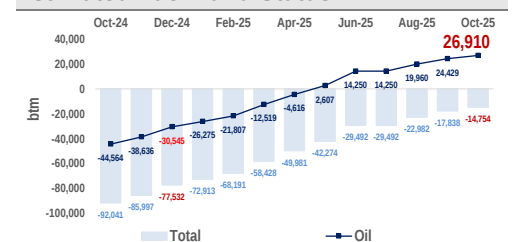
- OR's board, management, and employees are committed to five core corporate governance principles — accountability, responsibility, equitable treatment, transparency, and vision — to foster long-term value and ethical

Key Statistics

	3Q24	2Q25	3Q25F	%yoy	%qq
Mobility					
Number of stations	2,279	2,348	2,360	4%	1%
Total Volume Sold (m litres)	6,474	6,381	5,934	-8%	-7%
Gross Profit: Bt/Litre	0.51	0.85	1.00	96%	18%
--- Excl. Stock gain (loss)	0.96	0.79	0.90	-6%	13%
Lifestyle (Non-oil)					
Café Amazon (No. of Outlets)	4,339	4,547	4,611	6%	1%
Total cups sold (m cups)	98	107	108	10%	1%
Lifestyle EBITDA Margin (%)	20.2%	28.7%	28.0%		
Global					
Number of stations	411	420	385	-6%	-8%
Total Volume Sold (m litres)	515	571	502	-2%	-12%
Café Amazon (No. of Outlets)	382	397	354	-7%	-11%
Total cups sold (m cups)	7.3	8.4	4.2	-42%	-50%

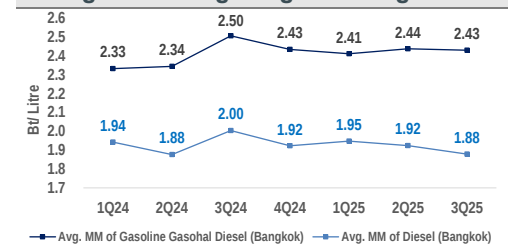
Source: OR, UOB Kay Hian

Estimated Fuel Fund Status



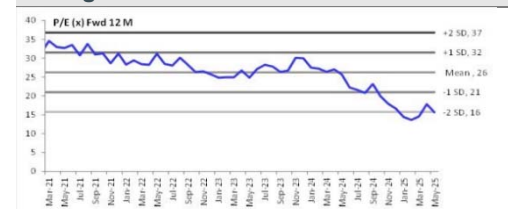
Source: Oil fuel fund office (EFOO), UOB Kay Hian

Average Marketing Margin In Bangkok



Source: Energy policy and planning office (EPPO), UOB Kay Hian

Average Three-Year PE



Source: OR, UOB Kay Hian

conduct. It also implements a transparent and fair nomination process for selecting key management positions across all levels.

PROFIT & LOSS

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Net turnover	723,958	813,329	848,677	885,562
EBITDA	19,717	22,890	25,256	25,593
Deprec. & amort.	8,564	9,103	9,893	10,096
EBIT	11,153	13,787	15,363	15,497
Associate contributions	271	285	299	314
Net interest income/(expense)	-1,264	-1,220	-945	-828
Pre-tax profit	9,450	14,208	14,717	14,983
Tax	-1,801	-2,708	-2,805	-2,856
Minorities	-1	0	0	0
Net profit	7,648	11,500	11,912	12,128
Net profit (adj.)	8,359	10,144	11,912	12,128

CASH FLOW

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Operating	17,640	27,730	21,335	21,769
Pre-tax profit	9,450	14,208	14,717	14,983
Tax	-1,801	-2,708	-2,805	-2,856
Deprec. & amort.	8,564	9,103	9,893	10,096
Working capital changes	2,547	6,677	-470	-455
Other operating cashflows	-1,120	450	0	0
Investing	-5,263	-15,164	-10,966	-11,908
Investments	-6,886	-13,357	-10,251	-11,162
Others	1,624	(1,808)	(715)	(746)
Financing	-16,275	-13,457	-9,555	-9,812
Dividend payments	-6,466	-4,800	-7,215	-7,474
Issue of shares	-9,808	-8,657	-2,340	-2,339
Proceeds from borrowings	n.a.	n.a.	n.a.	n.a.
Net cash inflow (outflow)	-3,898	-892	814	49
Beginning cash & cash equivalent	51,469	47,231	46,339	47,153
Changes due to forex impact	(307)	0	0	0
Ending cash & cash equivalent	47,263	46,339	47,153	47,201

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	48,136	49,719	51,371
Cash/ST investment	47,263	46,339	47,153	47,201
Other current assets	59,034	63,288	63,646	64,711
Total assets	207,492	223,403	229,511	235,786
ST debt	8,657	2,340	2,340	2,340
Other current liabilities	52,016	67,240	70,122	73,176
LT debt	20,077	17,737	15,397	13,059
Other LT liabilities	17,781	19,976	20,845	21,750
Shareholders' equity	228,897	236,047	240,744	245,397
Total liabilities & equity	207,492	223,403	229,511	235,786

KEY METRICS

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Profitability				
EBITDA margin	2.7	2.8	3.0	2.9
Pre-tax margin	1.3	1.7	1.7	1.7
Net margin	1.1	1.4	1.4	1.4
ROA	1.2	1.2	1.4	1.4
ROE				
Growth	-5.9	12.3	4.3	4.3
Turnover	-14.0	16.1	10.3	1.3
EBITDA	-30.2	50.3	3.6	1.8
Pre-tax profit	-31.1	50.4	3.6	1.8
Net profit	-24.6	21.4	17.4	1.8
Net profit (adj.)	-24.6	21.4	17.4	1.8
EPS				
Leverage	26.4	17.3	14.7	12.3
Debt to total capital	12.6	8.5	7.4	6.3
Debt to equity				
Net debt/(cash) to equity	15.6	18.8	26.7	30.9
Interest cover (x)	2.7	2.8	3.0	2.9

Minor International (MINT TB)

Key Takeaways From The Asian Gems Conference

Highlights

- MINT attended the Asian Gems Conference, and the tone of the meeting was positively received by the investors.
- MINT has a strong growth plan gearing towards the asset-light expansions with the purpose of improving its profit margins.
- The key target for MINT is to reduce its debt level through repayments, and the REIT will be a massive boost. MINT is our top pick in the sector. We maintain BUY with a target price of Bt38.00.

Analysis

- **MINT is still focusing on asset-light expansions.** Minor International's (MINT) debt level remains high, hence it is still focusing on asset-light hotel expansions which are easier on its balance sheet. MINT's strategic focus lies in management contracts, where hotel owners engage MINT to oversee operations under a revenue-sharing agreement (typically around 5% of revenue). While each contract contributes a relatively small amount to MINT's revenue, it is highly beneficial for the company as it incurs no operating costs or capital investment. This approach allows MINT to avoid operational expenses during the initial ramp-up phase of new hotels and enhances its profit margins. As of 2Q25, there were 567 hotels in MINT's portfolio, more than 60 asset-light signed projects in the pipeline and over 200 projects under negotiation. By 2027, MINT targets increasing its asset-light portfolio to comprise 51% of its total rooms, up from the current 35%.
- **Major REIT plan to fund new growth opportunities.** MINT previously disclosed plans to establish a large-scale REIT within mid-26, with an estimated size of US\$1.5b-1.6b, potentially making it one of Asia's largest. The proceeds are expected to be around US\$700m, with half allocated to deleveraging and reducing forex volatility in its P&L, and the remaining proceeds to be reinvested. The main debt to be paid off is the US perpetual amounting to US\$300m in 2Q25, which would reduce its debt burden. MINT disclosed that the reinvestments are likely to be renovation and expansion of the existing hotels and a potential investment in a branded residence project which would yield an attractive IRR of 20-25%.

Key Financials

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net turnover	152,522	164,224	174,098	182,268	190,197
EBITDA	41,690	42,684	43,239	45,289	47,050
Operating profit	21,291	21,236	21,815	23,013	24,129
Net profit (rep./act.)	5,407	7,750	9,378	10,919	12,048
Net profit (adj.)	7,134	8,391	9,378	10,919	12,048
EPS (Bt)	1.3	1.5	1.7	1.8	2.0
PE (x)	17.7	15.5	13.9	12.6	11.5
P/B (x)	1.7	1.5	1.3	1.2	1.1
EV/EBITDA (x)	6.7	6.5	6.4	6.2	5.9
Dividend yield (%)	2.2	2.5	3.2	3.8	4.2
Net margin (%)	3.5	4.7	5.4	6.0	6.3
Net debt/(cash) to equity (%)	237.6	187.6	131.2	114.4	99.4
Interest cover (x)	4.2	4.1	5.1	6.1	6.7
ROE (%)	7.3	9.4	9.9	10.3	10.7
Consensus net profit (Btm)	-	-	9,082	10,032	11,426
UOBKH/Consensus (x)	-	-	1.03	1.09	1.05

Source: Minor International, Bloomberg, UOB Kay Hian

BUY (Maintained)

Share Price	Bt23.00
Target Price	Bt38.00
Upside	+65.2%

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Stock Data

GICS sector	Consumer Discretionary
Bloomberg ticker:	MINT TB
Shares issued (m):	5,670.0
Market cap (Btm):	130,409.5
Market cap (US\$m):	3,978.0
3-mth avg daily t'over (US\$m):	11.9

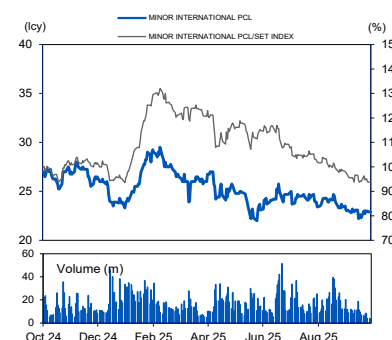
Price Performance (%)

52-week high/low				Bt29.50/Bt21.70
1mth	3mth	6mth	1yr	YTD
(1.3)	(6.5)	(12.4)	(19.3)	(11.5)

Major Shareholders

	%
Minor Group & Heinecke Family	34.0
Foreign Fund	27.0
FY25 NAV/Share (Bt)	18.08
FY25 Net Debt/ Share (Bt)	23.72

Price Chart



Source: Bloomberg

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.

- **Guidance reaffirmed.** MINT's management maintained its three-year targets of high single-digit annual revenue growth and 15-20% core profit growth. In 1H25, core profit rose 20% yoy, aligning with these goals. Despite a sluggish tourism outlook in Thailand, MINT remains confident in achieving growth by raising ADR, supported by partial renovations of several Anantara hotels during the off-peak season — expected to lift ADR by around 20%. The company remains optimistic, with robust forward bookings for 2H25 indicating continued strong momentum.
- **Debt reduction in 2H25 will not be as aggressive.** The company's net interest-bearing debt to equity ratio (net IBD/E) edged down slightly qoq to 0.82x in 2Q25. In early-Jul 25, MINT repaid half of its €400m debenture and refinanced the remaining half by switching from fixed to floating rate. However, management has allocated approximately €100m (Bt3.0b) for the tender offer to delist Minor Hotels Europe & Americas (MHEA) shares. Consequently, debt repayment in 2H25 will not be as aggressive as initially expected. As a result, the company's net IBD/E target by year-end has been revised upward from 0.75x to 0.81x. We are not concerned about this upward revision in the leverage ratio target, as the cost of debt has declined significantly yoy and is expected to continue decreasing through 2H25. Interest expenses will likely drop from 3Q25 onwards, mainly due to the downward trend in interest rates. Furthermore, MINT has trimmed its 2025 capex from Bt11b to Bt7b to preserve cash for deleveraging efforts and the delisting of MHEA.
- **Hotel business resilience.** Relative to its peers, MINT is less affected by the outlook slump from the Chinese as they contribute only around 7% of its hotel revenue. Moreover, MINT is unaffected by the pricing power issue as its main target customers are the luxury/premium tier which is less price sensitive. MINT's hotel portfolio is well diversified in location which helps it cope well with geographical uncertainties. These factors make MINT the outstanding pick in the hotel sector.

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). MINT remains as our top pick due to: a) its resilience amid a tough Thai tourism outlook; b) its strong growth strategy going forward through an asset-light model; and c) the proceeds from the upcoming REIT, which would allow MINT to deleverage and invest in new projects.

Environment, Social, Governance (ESG) Updates

Environmental

- **Pledge Net Zero by 2050.**
- **Strategy to conserve resources.** To reduce emissions and waste and protect biodiversity across the operations and supply chains.

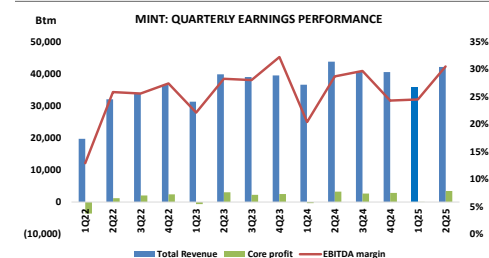
Social

- **Strict occupational health and safety guidelines.** Ensures supplier compliance with the safety guidelines of chemical handling, management and personnel, and workplace environment.

Governance

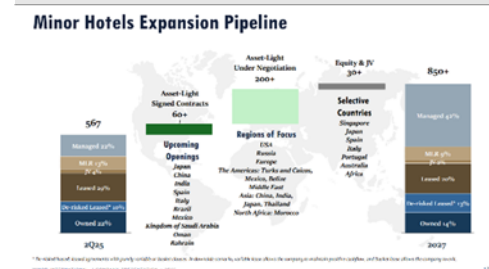
- **CEO & senior management KPI.** Also based on non-financial KPI such as internal control compliance, sustainability and human resource management.
- **The guidelines are reviewed annually** to incorporate changes in governance requirements, business operations, regulatory environment, and applicable laws.

Quarterly Performance



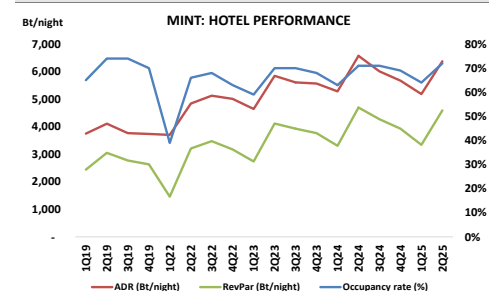
Source: MINT, UOB Kay Hian

Expansion Pipeline



Source: MINT, UOB Kay Hian

Hotel Performance



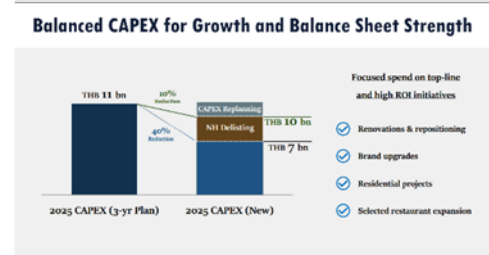
Source: MINT, UOB Kay Hian

Three-Year Growth Target



Source: MINT, UOB Kay Hian

Capex Plan



Source: MINT, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Net turnover	164,224	174,098	182,268	190,197
EBITDA	42,684	43,239	45,289	47,050
Deprec. & amort.	21,448	21,424	22,276	22,921
EBIT	21,236	21,815	23,013	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)	(7,484)	(6,990)
Pre-tax profit	11,192	14,119	16,464	18,168
Tax	(2,591)	(4,247)	(4,970)	(5,486)
Minorities	(852)	(494)	(575)	(634)
Net profit	7,750	9,378	10,919	12,048
Net profit (adj.)	8,391	9,378	10,919	12,048

Cash Flow

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Operating	26,906	35,290	34,154	35,948
Pre-tax profit	11,192	14,119	16,464	18,168
Tax	(2,591)	(4,247)	(4,970)	(5,486)
Deprec. & amort.	21,448	21,424	22,276	22,921
Associates	(1,047)	(847)	(932)	(1,025)
Working capital changes	3,614	(3,146)	66	59
Non-cash items	(4,276)	4,139	318	286
Other operating cashflows	(1,435)	3,847	932	1,025
Investing	(15,352)	(10,758)	(20,321)	(21,794)
Capex (growth)	(8,158)	(11,433)	(14,003)	(13,332)
Investment	20,770	21,109	21,481	21,891
Others	(27,964)	(20,434)	(27,799)	(30,353)
Financing	(12,494)	(8,396)	(15,751)	(9,345)
Dividend payments	(2,738)	(3,227)	(4,220)	(4,914)
Proceeds from borrowings	(18,217)	(14,169)	(11,531)	(4,431)
Others/interest paid	8,460	9,000	-	-
Net cash inflow (outflow)	(941)	16,135	(1,918)	4,810
Beginning cash & cash equivalent	14,260	13,319	29,454	27,536
Ending cash & cash equivalent	13,319	29,454	27,536	32,346

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	27,536	32,346
Other current assets	27,969	33,335	35,022	36,538
Total assets	346,845	358,103	357,787	364,668
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	109,207	116,342
Minority interest	11,303	13,732	14,307	14,941
Total liabilities & equity	346,845	358,103	357,787	364,668

Key Metrics

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Profitability				
EBITDA margin	26.0	24.8	24.8	24.7
Pre-tax margin	6.8	8.1	9.0	9.6
Net margin	4.7	5.4	6.0	6.3
ROA	2.2	2.7	3.1	3.3
ROE	9.4	9.9	10.3	10.7
Growth				
Turnover	7.7	6.0	4.7	4.4
EBITDA	2.4	1.3	4.7	3.9
Pre-tax profit	16.7	26.1	16.6	10.4
Net profit	43.3	21.0	16.4	10.3
Net profit (adj.)	17.6	11.8	16.4	10.3
EPS	13.7	11.8	10.1	10.3
Leverage				
Debt to total capital	64.2	58.5	55.2	53.0
Debt to equity	202.8	159.9	139.6	127.2
Net debt/(cash) to equity	187.6	131.2	114.4	99.4
Interest cover (x)	4.1	5.1	6.1	6.7

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