

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	49098.7	(0.6)	(0.7)	0.8	2.2
S&P 500	6915.6	0.0	(0.4)	(0.2)	1.0
FTSE 100	10143.4	(0.1)	(0.9)	2.8	2.1
AS30	9189.9	0.2	(0.4)	1.3	1.9
CSI 300	4702.5	(0.4)	(0.6)	1.0	1.6
FSSTI	4891.5	1.3	0.9	5.5	5.3
HSCEI	9160.8	0.5	(0.7)	2.8	2.8
HSI	26749.5	0.4	(0.4)	3.6	4.4
JCI	8951.0	(0.5)	(1.4)	4.8	3.5
KLCI	1720.0	0.2	0.4	2.6	2.4
KOSPI	4990.1	0.8	3.1	20.8	18.4
Nikkei 225	53846.9	0.3	(0.2)	6.1	7.0
SET	1314.4	0.2	3.0	4.4	4.3
TWSE	31961.5	0.7	1.8	11.9	10.4
BDI	1762	0.1	12.4	(6.1)	(6.1)
CPO (RM/mt)	4126	0.9	3.7	4.7	4.9
Brent Crude (US\$/bbl)	66	(0.5)	2.6	8.1	7.8

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Virtual Meeting with Karrie International Holdings Ltd (1050 HK)	Hong Kong	26 Jan	26 Jan
Engagement Session with Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz	Malaysia	30 Jan	30 Jan

Corporate and Macro Calendar

Economic Indicator/Event	Country/Region	Date
Dec.Trade Balance	Thailand	30 Jan

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Top Stories

Strategy | Quantitative Screening: Searching For Cash Flow Generators

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We screened the SET100 Index for companies generating free cash flow yields above 10%, while also exhibiting relatively high or comparable FCF-to-enterprise value ratios. We view stocks with strong cash flow generation and inexpensive valuations as compelling, as high FCF yields and low leverage support potential share price re-rating through higher dividends, share buybacks, and funding flexibility for M&A. Our top quantitative picks with high FCF yield and low leverage are HANA, SPRC, OR, and PLANB.

Sector Update | Oil And Gas Sector

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Oil prices should remain under pressure in 2026 as supply growth continues to outpace demand, raising the risk of oversupply and softer prices. In 2026, crude prices are likely to be driven more by geopolitical factors than fundamentals, with OPEC+ maintaining its role as a swing crude supplier. GRM is expected to stay resilient, while PX spreads should recover on delays of new capacity additions. Maintain MARKET WEIGHT. Top sector picks: OR, SCGP, and IVL. PTTGC is a wild card pick.

Company Update | Berli Jucker (BJC TB/BUY/Bt14.50/Target: Bt18.00)

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We are more positive on the MMVN acquisition. Management expects the transaction to generate synergy value of Bt370m-500m over 2026-28. MMVN provisioning in 4Q25 will not impact BJC's shareholder equity. Management plans to divest non-performing assets, with the proceeds to be fully used for debt repayment. Maintain BUY with a lower target price of Bt18.00 (previously Bt24.00).

Strategy

Quantitative Screening: Searching For Cashflow Generators

Highlights

- We screened the SET100 Index for companies that can generate free cash flows yield (FCF yield) of more than 10%, while also exhibiting relatively high – or at least comparable – free cash flow to enterprise value (FCF/EV) levels.
- From an accumulation perspective, we view stocks with attractive cash flow and inexpensive valuations as compelling opportunities, particularly when potential catalysts could help unlock share price upside.
- Our quantitative top picks to accumulate for valuable yields are HANA, SPRC, OR, PLANB.

What's New

- **We have analysed a group of attractive stocks within the SET100 Index that have strong potential to act as cash generators.** Many of these stocks have experienced significant price declines on a ytd basis; however, they remain appealing from a valuation perspective. In addition, these companies generate substantial levels of free cash flow yield and free cash flow to enterprise value, while maintaining relatively low leverage. This results in solid liquidity positions, providing flexibility for companies to deploy cash for future use.
- **Focus on high FCF yield stocks.** We aim to identify stocks that can generate strong cash flow but may be overlooked by the market. To do so, we screened companies within the SET100 universe using Bloomberg consensus forecasts. We screened SET100 for companies that can generate cash flows yield (FCF yield) of more than 10%, while also exhibiting relatively high – or at least comparable – FCF-to-EV levels. This ensures that the cash flows generated have sufficient room to be effectively deployed by the companies. After excluding the inconsistent earners, the screening resulted in a total of 12 names, three categories, and we identified four as our preferred picks.

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Key Recommendations

Company	Rec	Share Price (Bt)	Target Price (Bt)
HANA TB	HOLD	17.40	15.40
OR TB	BUY	15.30	21.00
PLANB TB	BUY	3.68	6.20
SPRC TB	BUY	6.70	7.00

Source: Bloomberg, UOB Kay Hian

Cashflow Yield Table

BB Ticker	P/BV	FCF/EV (2024)	FCF/EV (Last 12 M)	FCF Yield (2024)	FCF Yield (Last 12 M)	D/E 2024	D/E (Last 12M)
HANA TB Equity	0.57	79.2%	80.0%	28.0%	28.4%	0.03	0.00
SPRC TB Equity	0.79	38.4%	25.5%	42.2%	28.1%	0.24	0.24
OR TB Equity	1.64	7.2%	13.2%	6.5%	11.8%	0.26	0.20
PLANB TB Equity	1.42	10.7%	13.0%	17.3%	21.2%	0.43	0.38
TOP TB Equity	0.55	10.6%	13.3%	26.4%	33.1%	1.07	0.73
BCP TB Equity	0.72	6.0%	10.7%	23.0%	41.1%	2.32	2.29
BA TB Equity	2.36	10.6%	9.4%	16.5%	14.6%	0.80	1.78
AAV TB Equity	1.31	21.7%	30.8%	42.7%	60.7%	3.95	3.73
SISB TB Equity	2.67	7.6%	8.6%	9.0%	10.1%	0.16	0.15
TFG TB Equity	1.46	22.1%	28.2%	31.4%	40.0%	1.40	0.94
TOA TB Equity	2.12	11.2%	14.1%	8.4%	10.7%	0.09	0.09
CCET TB Equity	2.26	11.7%	9.0%	14.7%	11.3%	0.71	0.74

Source: Bloomberg, compiled by UOB Kay Hian

- **First tier. Top potential re-rating on stock with high FCF yield and low leverage.** We view these stocks with attractive cash value and inexpensive valuations as compelling opportunities, particularly when there are potential catalysts that could help unlock share price upside. Our key focus is on four names: HANA (FCF yield of 28.4%), SPRC (FCF yield of 28.1%), OR (FCF

yield of 10.2%), and PLANB (FCF yield of 13.0%). We believe the strong cash flow yields provide a cushion, allowing companies to self-fund future investments if needed. Moreover, the high FCF yield and low debt-to-equity (D/E) provide the perfect criteria for share price re-rating due to upside on dividend payment, potential share repurchases and provide additional funding for M&A.

- **Second tier. High FCF yield but moderate-to-high leverage.** We favour AAV (FCF yield of 30.8%), BA (FCF yield of 14.6%), TOP (FCF yield of 13.3%) and BCP (FCF yield of 10.7%). Although these stocks carry higher leverage compared with the first-tier stocks, the risk profile remains manageable. AAV's elevated debt level is largely attributable to changes in accounting standards, whereby expenses previously recognised as operating costs are now recorded as lease liabilities. Meanwhile, TOP and BCP stand out for their strong free cash flow yield generation and high FCF/EV ratios, despite slightly higher leverage relative to the first tier.
- **Third tier stocks that are worth looking at.** The stocks offering genuinely strong FCF yields, while facing minor company-specific issues that warrant further monitoring are TFG (FCF yield of 40.0%), TOA (FCF yield of 14.1%), CCET (FCF yield of 11.3%) and SISB (FCF yield of 10.1%).

2025 Year-to-Date Return on 12 Top Cashflow Generators



Source: Bloomberg, compiled by UOB Kay Hian

ACTION

- **Our quantitative pick: First tier top potential re-rating on stock with high FCF yield and low leverage.** We like stocks that appear attractive for cash monetisation, supported by consistently strong free cash flow yields, that generate cash flows yield (FCF yield) of more than 10%, while also exhibiting relatively high – or at least comparable – FCF-to-EV levels, low leverage, and undemanding valuations relative to the broader market. Our top picks are HANA, SPRC, OR, PLANB.

Valuation

Company	Ticker	Rec	Price	Target	Upside	Last Year End	PE			Yield	ROE	Market Cap. (US\$m)	Price/ NAV ps (x)
			22 Jan 26 (Bt)	Price (Bt)	To TP (%)		2025F (x)	2026E (x)	2027E (x)	2026E (%)	2026E (%)		
Hana Microelectronics	HANA TB	HOLD	17.40	15.40	(11.49)	12/24	25.9	18.8	15.3	4.3	3.0	474	0.6
PTT Oil And Retail	OR TB	BUY	15.30	21.00	37.25	12/24	15.0	15.4	15.1	3.6	5.0	5,649	0.8
Plan B Media	PLANB TB	BUY	3.68	6.20	68.48	12/24	15.5	14.6	14.0	4.5	10.7	521	1.6
Star Petroleum Refining	SPRC TB	BUY	6.70	7.00	4.48	12/24	13.3	10.7	7.3	4.8	6.5	894	0.7

Source: UOB Kay Hian

Cashflow Generator by Quantitative Approach

BB Ticker	P/BV	FCF/EV (2024)	FCF/ EV (Last 12 M)	FCF Yield (2024)	FCF Yield (Last 12 M)	D/E 2024	D/E (Last 12M)
HANA TB Equity	30.33	79.2%	80.0%	28.0%	28.4%	0.03	0.00
AAV TB Equity	0.94	21.7%	30.8%	42.7%	60.7%	3.95	3.73
TFG TB Equity	3.33	22.1%	28.2%	31.4%	40.0%	1.40	0.94
IRPC TB Equity	3.27	5.1%	26.5%	16.9%	87.3%	1.03	1.04
SPRC TB Equity	8.67	38.4%	25.5%	42.2%	28.1%	0.24	0.24
PTTGC TB Equity	64.61	2.7%	19.5%	7.5%	53.9%	0.99	0.63
BTG TB Equity	15.80	1.1%	19.4%	2.0%	34.4%	1.02	0.73
QH TB Equity	2.80	6.6%	14.8%	11.9%	26.8%	0.43	0.38
TOA TB Equity	6.76	11.2%	14.1%	8.4%	10.7%	0.09	0.09
TOP TB Equity	77.00	10.6%	13.3%	26.4%	33.1%	1.07	0.73
OR TB Equity	9.36	7.2%	13.2%	6.5%	11.8%	0.26	0.20
PLANB TB Equity	2.68	10.7%	13.0%	17.3%	21.2%	0.44	0.38
OSP TB Equity	5.39	6.3%	12.1%	5.8%	11.3%	0.17	0.09
BCP TB Equity	42.12	6.0%	10.7%	23.0%	41.1%	2.32	2.29
ICHI TB Equity	4.11	8.4%	10.5%	7.3%	9.1%	0.01	0.02
CRC TB Equity	11.19	3.2%	9.9%	6.5%	20.1%	1.95	2.04
BA TB Equity	6.68	10.6%	9.4%	16.5%	14.6%	0.80	1.78
CCET TB Equity	2.39	11.7%	9.0%	14.7%	11.3%	0.71	0.74
SCC TB Equity	292.58	2.2%	8.8%	4.9%	20.0%	0.99	0.94
SISB TB Equity	3.96	7.6%	8.6%	9.0%	10.1%	0.16	0.15
KCE TB Equity	11.03	13.0%	8.3%	14.7%	9.4%	0.08	0.11
SIRI TB Equity	2.88	6.5%	8.2%	32.8%	41.4%	1.60	1.61
EGCO TB Equity	192.91	12.2%	8.1%	29.1%	19.3%	1.16	1.09
MEGA TB Equity	11.11	8.6%	8.0%	7.2%	6.7%	0.05	0.06
CHG TB Equity	0.70	7.4%	7.8%	7.3%	7.7%	0.09	0.08
CBG TB Equity	13.98	9.5%	7.7%	10.0%	8.2%	0.11	0.18
MINT TB Equity	9.78	6.5%	7.7%	14.5%	16.9%	3.14	3.33
PTT TB Equity	39.28	8.6%	7.6%	19.2%	16.8%	0.96	0.90
CPN TB Equity	23.51	7.9%	7.4%	10.8%	10.2%	1.26	1.12
CPF TB Equity	29.21	4.7%	7.1%	18.6%	28.1%	1.51	2.48
GPSC TB Equity	38.49	7.3%	7.0%	15.0%	14.3%	1.24	1.07
SCGP TB Equity	17.40	4.7%	6.8%	7.7%	10.9%	0.78	0.85
MOSHI TB Equity	7.53	4.0%	6.6%	4.2%	6.9%	0.66	0.67
BH TB Equity	36.59	6.5%	6.2%	6.8%	6.5%	0.01	0.00
RATCH TB Equity	43.54	5.3%	6.2%	12.8%	15.0%	0.47	1.00
COM7 TB Equity	3.96	3.1%	6.2%	4.0%	7.9%	1.27	0.93
HMPRO TB Equity	1.86	6.1%	6.0%	7.6%	7.4%	0.88	1.00
ADVANC TB Equity	31.35	6.6%	5.9%	7.1%	6.4%	2.20	2.22
GUNKUL TB Equity	1.60	3.3%	5.8%	5.9%	10.6%	1.18	0.98
BCH TB Equity	5.19	4.0%	5.4%	4.2%	5.8%	0.07	0.09

Source: Bloomberg, compiled by UOB Kay Hian

Oil and Gas

GRM And PX Spreads To Stand Out As Key Earnings Drivers In 2026

Highlights

- GRM is expected to recover in 2026, supported by stronger demand for middle distillates, while the petrochemical sector is seeing early positive signs in paraxylene (PX) as supply-side constraints begin to ease.
- Crude oil prices are likely to trend lower in 2026 amid excess supply, with OPEC+ remaining the swing supplier. Geopolitical risks are expected to have a greater influence on oil prices than underlying fundamentals.
- Our top picks in the oil & gas sector remain as OR, SCGP, and IVL, while the wild card pick is PTTGC.

Analysis

- Global oil demand in 2026 is expected to grow modestly, but not strong enough to absorb rising supply.** The global oil market is expected to remain under pressure due to supply growth from both OPEC+ and non-OPEC regions, raising the risk of oversupply and weighing on oil prices. Although demand is projected to increase by around 1.10 million barrels per day (MBD), driven mainly by China and India, this is insufficient to offset additional supply, particularly from non-OPEC regions, whose output is expected to rise by about 1.00 MBD. As a result, global oil inventories are likely to remain elevated, and oil prices in 2026 are expected to be lower than in 2025, with our crude oil price assumption at US\$67.00/bbl (vs US\$69.40/bbl in 2025).
- OPEC+ is expected to remain the swing supplier in 2026.** At the latest OPEC+ meeting on 4 January, the group agreed to maintain production levels in 1Q26 to support market balance amid still-weak demand. Meanwhile, OPEC+ is reviewing member countries' production baselines for medium- to long-term quota settings. Spare capacity is expected to increase to 4.40 MBD by end-26 (from 3.90 MBD at end-25), providing room for output increases later in the year. Thai Oil (TOP) sees a possibility that OPEC+ could start raising production again in 2Q26, with the next key meeting scheduled for 1 Feb 26.

MARKET WEIGHT (Maintained)

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Segmental Rating

Segment	Rating
Oil and Gas	MARKET WEIGHT (Maintained)

Source: UOB Kay Hian

Sector Picks

Company	Ticker	Rec	Share Price (Bt)	Target Price (Bt)
PTT Oil and Retails	OR TB	BUY	14.50	21.00
SCG Packaging	SCGP TB	BUY	19.00	26.00
Indorama Ventral	IVL TB	BUY	22.40	27.00
PTT Global Chemical	PTTGC TB	BUY	24.80	28.00

Source: Bloomberg, UOB Kay Hian

Peer Comparison

Company	Rec	Price	Target	Upside	Market Cap (US\$m)	Net Profit		PE		Net EPS	P/B	Yield	ROE
		22 Jan 26 (Bt)	Price (Bt)	Downside (%)		2026F (Btm)	2027F (Btm)	2026F (x)	2027F (x)	Growth 2026F (%)	2026F (x)	2026F (%)	2026F (%)
BCP TB	BUY	29.50	40.00	35.6	1,337	11,083	11,899	3.9	3.7	167.6	0.5	5.1	10.3
IRPC TB	HOLD	1.19	1.20	0.8	748	212	3,421	114.9	7.1	106.8	0.4	3.4	0.3
IVL TB	BUY	19.30	27.00	39.9	3,334	8,554	12,403	12.7	8.7	410.9	0.9	4.1	6.4
OR TB	BUY	15.30	21.00	37.3	5,649	11,912	12,128	15.4	15.1	(2.4)	0.8	3.6	5.0
PTT TB	BUY	33.75	38.00	12.6	29,662	103,797	118,426	9.3	8.1	7.4	0.8	6.5	8.5
PTTEP TB	BUY	117.00	136.00	16.2	14,292	59,758	64,832	7.8	7.2	0.7	0.8	7.3	10.7
PTTGC TB	BUY	24.80	28.00	12.9	3,441	1,731	397	64.6	281.4	n.a.	0.4	2.0	0.6
SCC TB	BUY	211.00	250.00	18.5	7,791	7,848	8,390	32.3	30.2	(46.0)	0.7	2.8	2.0
SPRC TB	BUY	6.70	7.00	4.5	894	2,717	3,967	10.7	7.3	24.8	0.7	4.8	6.5
TOP TB	HOLD	41.00	46.00	12.2	2,818	11,728	11,282	7.8	8.1	(18.8)	0.5	4.6	6.5
Avg					69,965	219,339	247,145	10.4	9.2	21.6	0.7	5.5	7.3

Source: UOB Kay Hian

2026 is expected to be a year where geopolitics outweigh fundamentals.

a) Russia-Ukraine conflict: We expect the ongoing Russia-Ukraine conflict to remain a key source of volatility in the oil market. Russia's production has declined by around 1.1 MBD due to attacks on energy infrastructure, while crude exports fell from 4.10 MBD in Oct 25 to 3.40 MBD in Dec 25. US and EU sanctions have also resulted in as much as 190m barrels of Russian oil remaining stranded at sea, up 43% since Aug 25. Despite some progress in potential peace plans and sanction relief, Russia's lack of agreement keeps market uncertainty elevated, and b) political developments in Venezuela: We see Venezuela as a medium- to long-term downside risk to oil prices, driven by the prospect of higher supply. Following the US' declaration of a National Emergency to control Venezuela's oil revenues and reduce Chinese and Russian influence, TOP now expects Venezuela to increase production by around 0.50 MBD over the next 12-24 months (2025 production at 0.96 MBD; exports at 0.60 MBD). Near-term price impacts should be limited due to high investment and long lead times, but over the medium to long term, this could widen heavy crude discounts and the light-heavy spread, benefitting US refiners while raising feedstock costs for Asian refiners, especially China, which accounts for 64% of Venezuela's total oil exports.

• **GRM expected to remain resilient in 2026.** We expect gross refinery margin (GRM) to stay at elevated levels in 2026, slightly better than that in 2025 (US\$5.27/bbl), despite the start-up of large new refineries such as Mexico's Olmeca and Africa's Dangote, which could pressure spreads of gasoline. These headwinds should be offset by strong demand for middle distillates - particularly gasoil and jet fuel - supported by heating oil demand, aviation growth, and ongoing geopolitical risks. In addition, new global refining capacity is expected to grow more slowly than demand in 2026, partly due to refinery closures in the US and Europe.

• **PX spreads are expected to recover in 2026.** We expect paraxylene (PX) spreads to improve as new capacity start-ups are delayed to 2027-28, particularly in China, India, and Saudi Arabia. This supports a more constructive outlook for 2026, especially in 1H26, driven by seasonal polyester demand and new PTA capacity additions in 2026, which are expected to boost PX demand by around 2.30m tonnes per year. Accordingly, our 2026 PX spread assumptions are US\$250/tonne for PX-ULG95 (+69% yoy) and US\$350/tonne for PX-condensate (+44% yoy). However, the benzene market outlook remains weak due to persistent oversupply, high inventories in China, and substantial new capacity additions.

• **The olefins business remains pressured by structural oversupply.** The olefins and polyolefins markets continue to face structural challenges from significant capacity additions in China, the Middle East, and the US, keeping utilisation rates and margins low. Naphtha-based producers in Asia remain at a cost disadvantage vs ethane-based producers in the US, while weaker Chinese import demand continues to pressure exporters in Southeast Asia. We believe olefins spreads have already bottomed out in 2025 given the closures of some high-cost olefins capacity in Japan and Europe. However, it is insufficient to offset the upcoming new supplies; hence, we expect the spreads to trend up again starting from 2028.

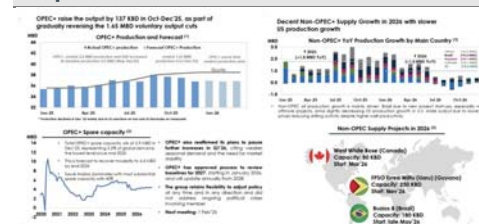
Valuation/Recommendation

• **Maintain MARKET WEIGHT.** 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).

OR (OR TB/BUY/Target: Bt21.00)

• **Continued focus on M&A.** OR announced a five-year capex plan (202630) totalling Bt58b, including Bt18.7b allocated for M&A. For 2026, M&A capex is set at Bt6.20b, comprising Bt2.20b for mobility, Bt2.10b for lifestyle, and Bt1.9b for innovation & new businesses. Strategic priorities include expansion in F&B, health & wellness, hospitality, entry into new countries, and investment in new S-curve businesses. Notably, OR utilised only Bt3.5b of its planned

Oil Supply Growth Driven by High OPEC+ Output and Non-OPEC+ Production.



Source: TOP, UOB Kay Hian

Recovering Global Oil Demand Growth amid Economic Uncertainty

Slightly improving global oil demand growth, mainly in non-OECD countries, amid economic uncertainty



Source: TOP, UOB Kay Hian

Russia-Ukraine Conflict



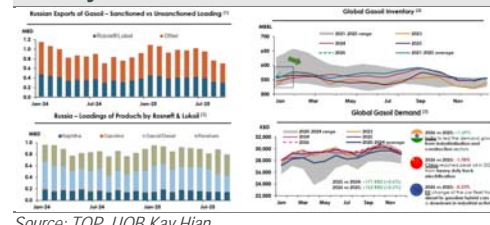
Source: TOP, UOB Kay Hian

Political Developments In Venezuela



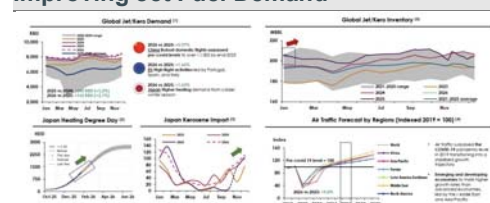
Source: TOP, UOB Kay Hian

Healthy Gasoil Outlook



Source: TOP, UOB Kay Hian

Improving Jet Fuel Demand



Source: TOP, UOB Kay Hian

capex in 2025, and held cash of Bt38.9b as of end-3Q25, providing ample financial flexibility.

- **4Q25 net profit expected to recover qoq.** We maintain a positive view on OR's 4Q25 earnings, supported by the tourism high season, which should drive oil sales volumes up by 5-8% qoq. Marketing margin is expected to remain healthy at Bt0.90–1.00/litre. EPPO reported an average marketing margin for gasoline, gasohol, and diesel of Bt2.44/litre in 4Q25 (vs Bt2.43/litre in 3Q25), sufficient to offset seasonally higher SG&A expenses and impairment losses from the coffee business in Vietnam. We remain confident that OR's net profit in 2026 will reach a record high, in line with our forecast.

SCGP (SCGP TB/BUY/Target: Bt26.00)

- **2026 core earnings expected to grow 28% yoy.** We forecast SCGP's 2026 core earnings at Bt5.42b, up 28% yoy, driven by: a) a recovery in packaging demand across ASEAN and China, led by the F&B sector and China's ban on substandard dry-milled pulp imports; b) lower raw material and energy costs, particularly RCP, improving profitability; c) operational efficiency gains from continuous productivity and cost control initiatives, along with synergies from the MYPAK acquisition, which should enhance Fajar's performance in Indonesia; d) portfolio optimisation toward higher-margin and value-added packaging products; and f) lower financial costs following Fajar's capital restructuring in 2025.

IVL (IVL TB/BUY/Target: Bt27.00)

- **Earnings recovery expected in 2026.** IVL's earnings are expected to rebound in 2026, driven by improving PET spreads and feedstock margins following the downturn in 2024-25. Structural oversupply is gradually easing, while demand from packaging and consumer goods normalises. Higher utilisation rates, supported by fewer planned maintenance shutdowns than in 2025, should further enhance margins, marking a clear earnings turnaround year.
- **Full-year benefit from US PET import tariffs.** 2026 will be the first full year in which IVL benefits from US PET import tariffs, supporting selling prices, margins, and earnings visibility in the North American market.
- **Lower energy costs and ongoing cost discipline.** Softer LNG prices, combined with continued cost reduction initiatives, should support margin expansion and operating leverage.
- **Stronger balance sheet and strategic flexibility.** Improved cash flow generation in 2026 is expected to ease leverage pressures and strengthen the balance sheet. Although the IPOs of Indovina and Indovida have been postponed to 2027, IVL's medium-term strategy remains intact, with continued potential for value unlocking over the longer term.

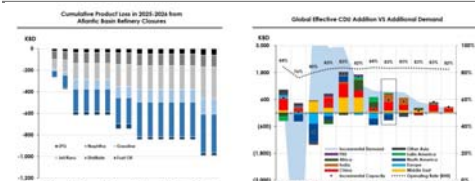
PTTGC (PTTGC TB/BUY/Target: Bt28.00)

- **Earnings expected to turn profitable in 2026.** We expect PTTGC to return to profitability in 2026 for the first time in two years, with net profit of Bt1.7b, driven by: a) higher utilisation rates due to fewer maintenance shutdowns compared with 2025; b) recovery in GRM supported by strong middle distillate demand (gas oil and jet fuel), which together account for around 70% of PTTGC's product yield, and improving aromatics spreads following the postponement of new PX capacity to 2027-28; c) implementation of the Energy Regulatory Commission's (ERC) utilities model from 1 Jan 26, which is expected to lower ethane costs and benefit PTTGC by Bt600m-700m per year; d) a 6% yoy increase in ethane feedstock volume to 1.9m tonnes; e) lower interest expenses by around Bt2.0b per year from the deleveraging plan; f) recovery in Allnex's performance driven by cost reduction initiatives; and g) extra gains of Bt2.3b from asset monetisation.

Sector Catalyst/Risk

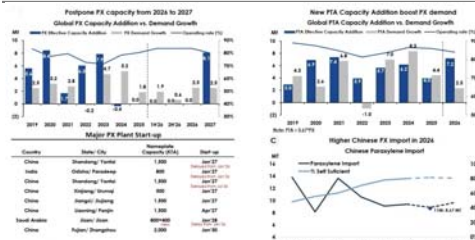
- Global economic slowdown.
- Fluctuations in crude oil prices.
- Petrochemical demand is recovering slowly, but new petrochemical production capacity continues to increase.

Firm Refining Margin from Continued Refinery Closures in US And EU



Source: TOP, UOB Kay Hian

Opportunity To Improve PX Market From Delay Plant Start-Up



Source: TOP, UOB Kay Hian

Softer Olefins Market Due To A Significant Increase In New Production Capacity



Source: TOP, UOB Kay Hian

Key Assumption

	2023	2024	2025	2026F	2027F
Crude oil (Dibai)	82.2	79.6	69.4	67.0	64.0
GRM and Petroleum Product Spread					
Singapore GRM	6.8	4.9	5.3	5.5	5.5
ULG95-DB	16.5	13.4	11.3	10.0	12.0
Jet-DB	22.6	15.6	17.0	20.0	20.0
GO-DB	24.3	16.7	18.3	20.0	20.0
LSFO-DB	3.9	5.2	1.4	0.0	0.0
HSFO-DB	-10.1	-5.6	-1.9	-5.0	-5.0
Petrochemical Spread					
Aromatics					
PX-ULG95	200	171	148	270	250
BZ-ULG95	57	193	62	100	100
Px-Condensate	362	304	243	350	350
Bz-Condensate	218	324	160	160	160
Toluene-NP	250	166	90	200	200
MX-NP	306	183	112	100	100
Olefins					
HDPE Spread	395	340	331	340	340
LLDPE	364	352	351	340	340
LDPE	392	508	525	450	450
PP Spread	358	359	348	330	330

Source: TOP, PTTGC IRPC, UOB Kay Hian, Bloomberg

Berli Jucker (BJC TB)

Poised To Become A Leader In Vietnam

Highlights

- We are more positive on the MMVN acquisition. Management expects the transaction to generate synergy value of Bt370m-500m over 2026-28
- MMVN provisioning in 4Q25 will not impact BJC's shareholder equity.
- Management plans to divest non-performing assets, with the proceeds to be fully used for debt repayment.
- Maintain BUY with a lower target price of Bt18.00 (previously Bt24.00).

Analysis

- **More positive on the MMVN acquisition.** We have a more positive view on the MM Mega Market Vietnam (MMVN) acquisition. Store traffic before the Tet festival is very strong, which is consistent with the positive qtd SSSG. One key highlight is margins. One of MMVN's key strengths is its strong profitability - its gross margin is around 15%, which is higher than regional players'. This reflects MM's strong bargaining power, as it is the only cash-and-carry operator in Vietnam. Management targets a doubling in MMVN's NPAT by 2030. Key strategies include: a) expanding its store count by 24 from the current 30 (in 22 provinces) to 54 stores (in 31 provinces), b) increasing the B2C mix, and c) capex of Bt0.5b-1.0b per year.
- **Overview of the MMVN acquisition.** BJC has announced that the acquisition of TCCLI, which holds a stake in MM Mega Market Vietnam (MMVN), a pure play cash-and-carry wholesaler in Vietnam, from GLI, a subsidiary of TCC.
- **The transaction is accretive.** The deal is expected to be earnings accretive, contributing 4% to our 2026 earnings forecast. Management expects the transaction to generate synergy value of Bt370m-500m over 2026-28, driven by merchandising improvements, back-office consolidation, IT integration, and other operational efficiencies.
- **Premium valuation.** The acquisition value is Bt22.5b, within the IFA valuation range of Bt21.4b-24.0b. The IFA used a DCF methodology, based on: a) terminal growth of 0%, and b) WACC of 8.86%, which implies an IFA forecast 2026F PE of 28.6x, compared with Masan (MSN VN) at 24.2x and Mobile World (MWG VN) at 16.8x.

Key Financials

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net turnover	167,901.8	170,813.5	166,931.0	167,880.1	171,282.1
EBITDA	20,608.2	22,102.2	22,246.6	22,903.4	23,175.4
Operating profit	11,623.9	12,976.6	12,008.4	12,617.6	12,830.1
Net profit (rep./act.)	4,794.7	4,001.4	4,124.6	4,639.6	4,775.1
Net profit (adj.)	4,795.0	4,660.0	4,320.8	4,639.6	4,775.1
EPS	1.2	1.2	1.1	1.2	1.1
PE (x)	11.9	12.2	13.2	12.3	11.9
P/B (x)	0.5	0.5	0.5	0.5	0.5
EV/EBITDA (x)	10.9	9.9	10.0	9.7	9.6
Dividend yield (%)	5.6	5.0	5.2	5.8	6.0
Net margin (%)	2.9	2.3	2.5	2.8	2.8
Net debt/(cash) to equity(%)	134.9	129.9	130.0	128.1	126.1
Interest cover (x)	3.9	3.9	4.1	4.3	4.4
Consensus net profit	n.a	n.a	4,327.2	4,724.3	5,144.1
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	0.9

Source: Berli Jucker, Bloomberg, UOB Kay Hian

BUY (Maintained)

Share Price	Bt14.50
Target Price	Bt18.00
Upside	26.76%
Previous TP	24.00

Analyst(s)

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Stock Data

GICS Sector	Consumer Staples
Bloomberg ticker	BJC TB
Shares issued (m)	4,007.8
Market cap (Btm)	58,113.0
Market cap (US\$m)	1,871.2
3-mth avg daily t'over (US\$m)	2.2

Price Performance (%)

52-week high/low				Bt24.4/Bt13.3
1mth	3mth	6mth	1yr	YTD
0.7	(26.4)	(28.9)	(35.0)	0.7

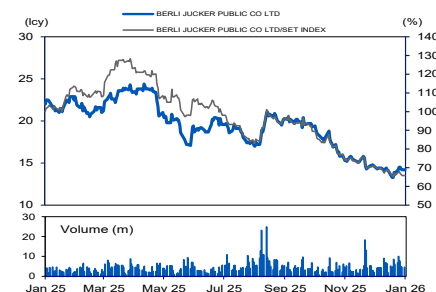
Major Shareholders

	%
TCC Corporation	45.68
TCC Holding (1995)	29.32
RAFFLES NOMINEES (PTE) LIMITED	4.07

Balance Sheet Metrics

	%
FY26 NAV/Share (Bt)	30.36
FY26 Net Debt/Share (Bt)	39.25

Price Chart



Source: Bloomberg

Company Description

Berli Jucker Pcl (BJC) is a conglomerate that operates in: a) packaging supply chain, b) consumer supply chain, c) healthcare and technical supply chains, and d) modern retail supply chain.

- **Funded by bridging loan; to divest non-performing assets thereafter.** The deal will be funded by a bridging loan with an interest rate of 2.25% for 1 year and 2 months, followed by a bond issuance with an expected interest rate of 2.58%. Upon completion, BJC's net debt to EBITDA will increase to 8.3x from 7.4x. To address leverage concerns, BJC plans to sell assets, including land and buildings, to TCC or other buyers, which will generate net cash proceeds of Bt7.0b. The proceeds will be fully used for debt repayment, reducing net debt to EBITDA to 7.2x and net D/E to 1.4x by 2026.
- **MMVN provisioning will not impact BJC's shareholder equity.** In 2025, MMVN is expected to reported core profit of Bt640m, but will book a one-off provision of Bt1.34b for trade receivables related to B's Mart, resulting in a net loss of Bt720m. MMVN will stop its partnership with B's Mart after MMVN becomes a subsidiary of BJC. More importantly, this provision will not impact BJC's equity, as it relates to events occurring prior to transaction completion.

Valuation/Recommendation

- **Maintain BUY with a lower target price of Bt18.00 (previously Bt24.00).** Our target price is based on a 2026F PE of 15x, equivalent to -2SD of BJC's and -1.5SD of peers' five-year average, to reflect the challenging outlook for the Thai modern retail business. While its share price performance has lagged peers, the stock is currently trading at a discounted 2026F PE of 12x.

Earnings Revision/Risk

- **Revise down earnings.** We revise down our 2025-26 core profit forecasts by 3.6% and 7.1%, respectively, to reflect weakness in the modern retail business. If the MMVN acquisition is completed, it would provide a 4% upside to our 2026 forecast.

Earnings Revision

Btm	2025F			2026F		
	New	Previous	Change	New	Previous	Change
Total Sales	154,294	158,741	-2.8%	154,644	164,314	-5.9%
Core profit	4,321	4,484	-3.6%	4,640	4,993	-7.1%

Source: UOB Kay Hian

Share Price Catalyst

- The transaction requires: a) approval from at least three-quarters of disinterested shareholders at the EGM scheduled for 13 Feb 26, and is expected to close by Apr-May 26, and b) approval from Vietnam's National Competition Commission.

Environmental, Social, Governance (ESG)

CG Report: 5, SET ESG Rating: AA

Environmental

- BJC aims to become a net zero company by 2050. It is committed to developing the business to be sustainable in accordance with sustainable development frameworks, to comply with Sustainable Development Goals.

Social

- The company emphasises business operations with social responsibility in every operation by treating every stakeholder with respect for human rights as a basis, emphasises fair and equal treatment of workers, and strictly complies with relevant laws.

Governance

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

MM Mega Market



Source: MMVN

BJC-MMVN Synergy Value



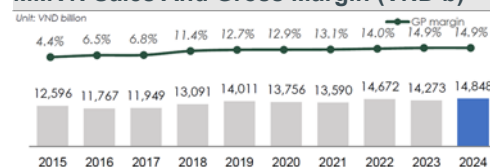
Source: BJC, UOB Kay Hian

MMVN Net Profit (VND b)



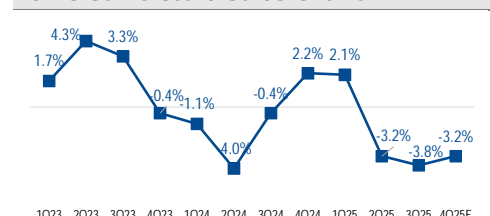
Source: BJC, UOB Kay Hian

MMVN Sales And Gross Margin (VND b)



Source: BJC, UOB Kay Hian

BJC's Same-store Sales Growth



Source: BJC, UOB Kay Hian

Peers PE Band

Peers	-2SD	-1SD	Mean	+1SD	+2SD
BJC	14.8	19.5	24.3	29.1	33.9
CPALL	7.8	17.6	27.4	37.3	47.1
CPAXT	13.9	24.8	35.8	46.7	57.6
CRC	10.3	16.5	22.8	29.1	35.3
DOHOME	-1.5	18.7	39.0	59.2	79.4
GLOBAL	14.5	21.7	28.9	36.1	43.3
HMPRO	12.5	18.9	25.3	31.6	38.0
Average	10.3	19.7	29.1	38.4	47.8

Source: UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Net turnover	170,814	166,931	167,880	171,282
EBITDA	22,102	22,247	22,903	23,175
Deprec. & amort.	9,126	10,238	10,286	10,345
EBIT	12,977	12,008	12,618	12,830
Total other non-operating income	45	(114)	0	0
Associate contributions	(84)	36	37	39
Net interest income/(expense)	(5,603)	(5,379)	(5,314)	(5,314)
Pre-tax profit	6,676	6,551	7,341	7,556
Tax	(1,686)	(1,518)	(1,680)	(1,729)
Minorities	(989)	(908)	(1,022)	(1,052)
Net profit	4,001	4,125	4,640	4,775
Net profit (adj.)	4,660	4,321	4,640	4,775

Balance Sheet

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Fixed assets	284,384	283,372	282,526	281,929
Other LT assets	5,534	5,453	5,498	5,567
Cash/ST investment	5,144	3,321	3,486	3,438
Other current assets	41,950	43,456	46,440	50,542
Total assets	337,012	335,601	337,949	341,475
ST debt	33,112	33,107	33,107	33,107
Other current liabilities	35,522	31,529	32,146	32,405
LT debt	127,917	127,917	127,917	127,917
Other LT liabilities	14,258	14,658	13,660	14,400
Shareholders' equity	119,999	121,301	123,007	124,483
Minority interest	6,203	7,089	8,111	9,162
Total liabilities & equity	337,012	335,601	337,949	341,475

Cash Flow

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Operating	15,744	9,772	13,580	12,329
Pre-tax profit	6,676	6,551	7,341	7,556
Tax	(1,686)	(1,518)	(1,680)	(1,729)
Deprec. & amort.	9,126	10,238	10,286	10,345
Working capital changes	1,389	(5,051)	(2,580)	(3,861)
Non-cash items	240	(448)	213	18
Other operating cashflows	0	0	0	0
Investing	(5,545)	(8,744)	(10,482)	(9,078)
Capex (growth)	(7,584)	(9,226)	(9,439)	(9,749)
Investments	144	(14)	(15)	(16)
Others	1,895	495	(1,027)	686
Financing	(9,912)	(2,851)	(2,933)	(3,299)
Dividend payments	(3,206)	(2,846)	(2,933)	(3,299)
Issue of shares	(22)	0	0	0
Proceeds from borrowings	(5,229)	(5)	0	0
Others/interest paid	(1,455)	0	0	0
Net cash inflow (outflow)	287	(1,823)	165	(48)
Beginning cash & cash equivalent	4,857	5,144	3,321	3,486
Ending cash & cash equivalent	5,144	3,321	3,486	3,438

Key Metrics

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Profitability				
EBITDA margin	12.9	13.3	13.6	13.5
Pre-tax margin	3.9	3.9	4.4	4.4
Net margin	2.3	2.5	2.8	2.8
Growth				
Net profit (adj.)	(2.8)	(7.3)	7.4	2.9
Leverage				
Debt to total capital	127.6	125.4	122.8	120.5
Debt to equity	134.2	132.8	130.9	129.4
Net debt/(cash) to equity	129.9	130.0	128.1	126.6
Interest cover	3.9	4.1	4.3	4.4

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