

### Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	49071.6	0.1	(0.6)	1.3	2.1
S&P 500	6969.0	(0.1)	0.8	0.9	1.8
FTSE 100	10171.8	0.2	0.2	3.1	2.4
AS30	9236.9	(0.1)	1.4	2.4	2.4
CSI 300	4753.9	0.8	0.6	2.2	2.7
FSSTI	4930.0	0.4	2.1	5.9	6.1
HSCEI	9552.6	0.4	4.8	6.2	7.2
HSI	27968.1	0.5	5.0	9.1	9.1
JCI	8232.2	(1.1)	(8.5)	(4.8)	(4.8)
KLCI	1730.9	(1.5)	0.8	2.8	3.0
KOSPI	5221.3	1.0	5.4	23.9	23.9
Nikkei 225	53375.6	0.0	(0.6)	6.0	6.0
SET	1331.1	(0.6)	1.5	5.7	5.7
TWSE	32536.3	(0.8)	2.5	13.3	12.3
BDI	2002	(0.7)	13.7	6.7	6.7
CPO (RM/mt)	4180	0.9	2.2	3.5	6.3
Brent Crude (US\$/bbl)	71	3.6	10.6	14.4	16.5

Source: Bloomberg

### Corporate Events

	Venue	Begin	Close
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

#### Company Update | Airports of Thailand (AOT TB/HOLD/Bt52.25/Target: Bt55.00)

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AOT is expected to post weak 1QFY26 earnings, with a net profit of Bt4.2b, down yoy but up qoq, mainly due to a sharp drop in concession revenue following the new KPD agreement, despite strong passenger and flight growth. Margins are set to decline yoy. The PSC hike has been halted and may be delayed to FY27. While the KPD overhang is resolved, valuation upside is limited. Downgrade to HOLD with a target price of Bt55.00.

#### Company Update | Supalai (SPALI TB/HOLD/Bt18.10/Target: Bt16.30)

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SPALI is expected to report a net profit of Bt1.24b in 4Q25 (-38% yoy, +6% qoq). The company targets presales growth of 14% yoy in 2026 alongside an increase in project launches. Despite SPALI's positive 2026 outlook and market consolidation gains, current valuations appear fully priced. Maintain HOLD. Target price: Bt16.30.

#### Company Update | Thanachart Capital (TCAP TB/HOLD/Bt58.50/Target: Bt57.00)

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We expect TCAP's 4Q25 net profit to come in at Bt1.8b (+34% yoy, -14% qoq), due to the seasonal high of operating expenses in 4Q and higher provisioning qoq. Previously, we forecasted credit costs improving starting from 4Q25, driven by the government stimulus for that quarter. However, the market is concerned about the risk of delayed budget disbursement in 2H26 after the election in Feb 26. Maintain HOLD. Target price: Bt57.00.

# Airports of Thailand (AOT TB)

## Weak Earnings Due To The New Concession Agreement

### Highlights

- We expect AOT to report a weak 1QFY26 earnings as a result of the new agreement with KPD being immediately effective.
- The PSC increase is currently being halted, and we expect it to be delayed to FY27.
- We are less bullish on AOT as we believe that the share price has taken in all of the good news and the earnings upside from the PSC will be in FY27. We downgrade to HOLD with a target price of Bt55.00 (previously Bt48.00).

### Analysis

#### 1QFY26 Earnings Preview

Year to 30 Sep (Btm)	1Q25	4Q25	1Q26F	yoy (%)	qoq (%)
Aero revenue	8,804	7,402	8,821	0.2	19.2
Non-aero revenue	8,859	8,364	7,685	(13.3)	(8.1)
Total revenue	17,664	15,766	16,506	(6.6)	4.7
Operating EBIT	8,161	6,282	6,467	(20.8)	2.9
Operating EBITDA	11,149	9,347	9,593	(14.0)	2.6
Core profit	5,381	3,988	4,215	(21.7)	5.7
Net profit	5,344	3,863	4,215	(21.1)	9.1
Percent	1Q25	4Q25	1Q26F	yoy (ppts)	qoq (ppts)
EBIT margin	46.2	39.8	39.2	(7.0)	(0.7)
EBITDA margin	63.1	59.3	58.1	(5.0)	(1.2)
Core profit margin	30.5	25.3	25.5	(4.9)	0.2
Net profit margin	30.3	24.5	25.5	(4.7)	1.0

Source: AOT, UOB Kay Hian

- **Expect weak earnings in 1QFY26.** Airports of Thailand (AOT) is expected report a net profit of Bt4.2b (-21.7% yoy, +5.7% qoq) in 1QFY26. Top-line should come in at Bt16.5b (-6.6% yoy, +4.7% qoq) mainly driven by the reduction of concession revenue due to the new agreement with King Power Duty (KPD) being effective. Operational statistics remain strong, with passenger numbers and flights showing yoy growth. International passenger volume rose 0.3% yoy, and domestic passenger volume jumped 6.1% yoy, resulting in a 2.5% increase in total passengers. Most of the metrics showed strong yoy growth and almost matched the pre-COVID-19 levels except domestic traffic which still lags behind by 10-14%. As a result, we expect margins to decline substantially yoy.

#### Key Financials

Year to 30 Sep (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	67,121	66,679	65,880	84,825	89,853
EBITDA	41,777	40,286	39,462	55,140	58,229
Operating profit	30,373	28,244	27,941	43,549	45,963
Net profit (rep./act.)	19,182	18,125	17,473	28,993	31,335
Net profit (adj.)	19,182	18,125	17,473	28,993	31,335
EPS (Bt)	1.3	1.3	1.2	2.0	2.2
PE (x)	30.5	32.3	43.3	26.1	24.2
P/B (x)	4.7	4.5	5.5	4.8	4.5
EV/EBITDA (x)	14.5	15.0	19.4	13.9	13.2
Dividend yield (%)	1.9	1.9	1.4	2.3	2.5
Net margin (%)	28.6	27.2	26.5	34.2	34.9
Net debt/(cash) to equity (%)	26.0	20.5	13.6	5.7	3.6
Interest cover (x)	15.7	23.6	15.1	21.1	31.0
ROE (%)	16.3	14.2	13.0	19.7	19.2
Consensus net profit (Btm)	-	-	21,991	29,078	31,256
UOBKH/Consensus (x)	-	-	0.79	1.00	1.00

Source: AOT, Bloomberg, UOB Kay Hian

### HOLD (Downgraded)

Share Price	Bt52.25
Target Price	Bt55.00
Upside	+5.3%
Previous TP	Bt48.00

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#### Stock Data

GICS sector	Industrials
Bloomberg ticker:	AOT TB
Shares issued (m):	14,285.7
Market cap (Btm):	746,427.8
Market cap (US\$m):	23,990.1
3-mth avg daily t'over (US\$m):	45.2

#### Price Performance (%)

52-week high/low			Bt57.75/Bt26.75	
1mth	3mth	6mth	1yr	YTD
(2.8)	31.4	24.4	(5.9)	(1.4)

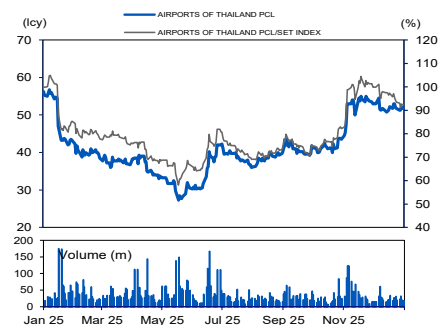
#### Major Shareholders

	%
Ministry of Finance	70.00
THAI NVDR Co Ltd	4.10

#### Balance Sheet Metrics

	%
FY26 NAV/Share (Bt)	9.63
FY26 Net Debt/ Share (Bt)	1.31

#### Price Chart



Source: Bloomberg

#### Company Description

AOT operates 6 of the 38 airports in Thailand, but collectively these 6 airports account for 83% of the total pax throughput. As the leading airport operator in the country, AOT manages domestic and international services, providing the main aviation hub at Suvarnabhumi Airport.

- PSC increase halted.** Following the Civil Aviation Authority of Thailand's approval of the passenger service charge (PSC) increase in Dec 25, the final step was for the Minister of Transport to sign off on the approval. However, due to the announcement of the dissolution of the parliament, the signing of the PSC increase must be reviewed by Election Commission first. As a result, progress has been halted and could drag on until a new government is formed. We should remain attentive to any potential twists in this matter. We expect the PSC increase could be delayed to FY27, as it takes about four months after signing for the increase to be effective.
- Agreement reached with KPD.** The overhang on the negotiation with KPD on a reduction in concession fees was resolved as KPD accepted AOT's latest proposal in early-Dec 25. According to the latest proposal, AOT will see an around 35% reduction in concession revenue, which is in line with our expectation. There was also a two-year concession contract extension at BKK, along with an option for AOT to extend the concession contract at DMK by five years, ensuring a longer and more consistent revenue stream. The new agreement has been in effect since Oct 25, and will therefore be reflected in 1QFY26 earnings.

## Earnings Revision/Risks

- We revise our 2026-28 net profit forecasts.** We revise our 2026 net profit estimate down slightly to reflect the agreement with KPD and our 2027-28 net profit forecasts up by 51% and 48% respectively to account for the PSC increase.

### Earnings Revision

(Btm)	2026F			2027F			2028F		
	New	Old	% Chg	New	Old	% Chg	New	Old	% Chg
Aero revenue	35,344	35,344	0%	52,458	37,421	40%	55,218	39,514	40%
Non- aero revenue	30,536	30,866	-1%	32,366	32,320	0%	34,635	34,151	1%
Total revenue	66,251	66,583	0%	85,302	70,133	22%	90,437	74,144	22%
Operating EBITDA	39,462	39,007	1%	55,140	41,583	33%	58,229	43,861	33%
Net profit	17,473	17,706	-1%	28,993	19,140	51%	31,335	21,224	48%
	New	Old	ppt chg	New	Old	ppt chg	New	Old	ppt chg
Net profit margin	26.5%	26.7%	-0.2	34.2%	27.4%	6.7	34.9%	28.8%	6.1

Source: UOB Kay Hian

## Valuation/Recommendation

- Downgrade to HOLD with a target price of Bt55.00.** Our valuation is based on the FY26 EV/EBITDA of 20x, around the five-year mean. We are less bullish on AOT as we believe that the share price has taken in all of the good news. We believe that the upside to the earnings will be from FY27 onwards, once the PSC increase takes effect. If there are no notable changes, our target price for FY27 will be at Bt75.0.

## Environment, Social, Governance (ESG) Updates

### Environmental

- Increased efficiency of energy consumption.** Design, construct, and operate airports and related facilities to maximise efficiency in resource utilisation.

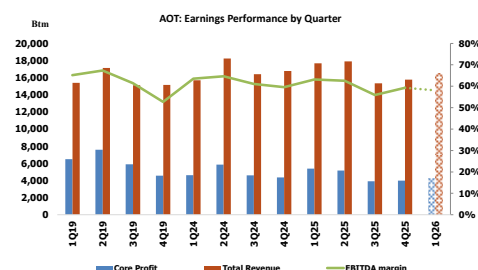
### Social

- Established an Aerodrome Safety Policy.** Enhancing aerodrome safety management and operational standards while giving responsibility to management from all levels for airport safety.
- Provides safety training.** Organises sessions to train and ensure that AOT personnel are equipped with the knowledge to comply with the Safety Policy.

### Governance

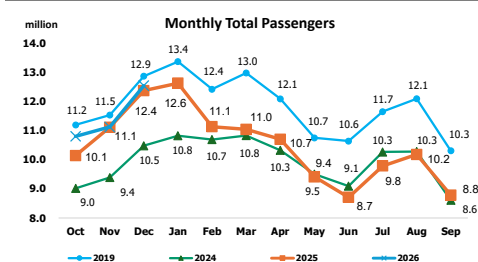
- Board operates under corporate governance principles** and relevant laws, regulations and guidelines on good corporate governance recommended by

### Quarterly Performance



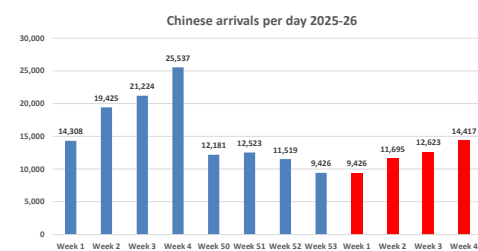
Source: AOT, UOB Kay Hian

### Monthly Total Passengers



Source: AOT, UOB Kay Hian

### 2025-26 Chinese Arrival Pace



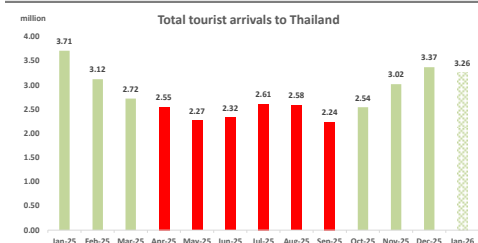
Source: Ministry of Tourism and Sports, UOB Kay Hian

### Tourist Arrivals Excluding Chinese

1 Jan - 25 Jan	2025	2026	yoy growth
No. arrival ex. Chinese	2,391,979	2,324,437	-3%
No. of Chinese	512,359	301,484	-41%

Source: Ministry of Tourism and Sports, UOB Kay Hian

### Monthly Tourist Arrivals



Source: Ministry of Tourism and Sports, UOB Kay Hian

the Stock Exchange of Thailand and the Securities and Exchange Commission.

### Profit & Loss

Year to 30 Sep (Btm)	2025	2026F	2027F	2028F
Net turnover	66,679	65,880	84,825	89,853
EBITDA	40,286	39,462	55,140	58,229
Deprec. & amort.	12,042	11,521	11,591	12,266
EBIT	28,244	27,941	43,549	45,963
Total other non-operating income	(3,197)	(2,923)	(3,764)	(3,909)
Associate contributions	(3)	0	0	0
Net interest income/(expense)	(1,704)	(2,616)	(2,614)	(1,881)
Pre-tax profit	23,341	22,401	37,171	40,173
Tax	(4,787)	(4,480)	(7,434)	(8,035)
Minorities	(429)	(448)	(743)	(803)
Net profit	18,125	17,473	28,993	31,335
Net profit (adj.)	18,125	17,473	28,993	31,335

### Balance Sheet

Year to 30 Sep (Btm)	2025	2026F	2027F	2028
Fixed assets	158,971	164,253	173,209	182,70
Other LT assets	13,632	17,394	19,698	20,40
Cash/ST investment	19,401	36,713	43,690	33,31
Other current assets	17,929	4,631	5,903	6,25
<b>Total assets</b>	<b>209,932</b>	<b>222,990</b>	<b>242,500</b>	<b>242,67</b>
ST debt	1,740	2,834	737	73
Other current liabilities	21,255	23,621	26,359	24,33
LT debt	44,520	52,592	51,869	38,77
Other LT liabilities	7,986	9,366	9,834	10,32
Shareholders' equity	130,898	137,578	156,142	170,13
Minority interest	1,943	2,391	3,134	3,93
<b>Total liabilities &amp; equity</b>	<b>208,341</b>	<b>228,381</b>	<b>248,075</b>	<b>248,24</b>

### Cash Flow

Year to 30 Sep (Btm)	2025	2026F	2027F	2028F
<b>Operating</b>	<b>25,689</b>	<b>42,511</b>	<b>40,961</b>	<b>44,350</b>
Pre-tax profit	23,341	22,401	37,171	40,173
Tax	(4,787)	(4,480)	(7,434)	(8,035)
Deprec. & amort.	12,042	11,521	11,591	12,266
Working capital changes	(4,256)	19,112	480	700
Non-cash items	(651)	(6,044)	(847)	(756)
Other operating cashflows	(3)	0	0	0
<b>Investing</b>	<b>(17,968)</b>	<b>(13,244)</b>	<b>(21,295)</b>	<b>(21,758)</b>
Capex (growth)	(16,140)	(15,811)	(20,358)	(21,565)
Investment	2,444	1,367	2,342	2,402
Others	(4,272)	1,200	(3,279)	(2,595)
<b>Financing</b>	<b>(16,268)</b>	<b>(1,180)</b>	<b>(12,504)</b>	<b>(29,630)</b>
Dividend payments	(11,286)	(11,571)	(10,484)	(17,396)
Proceeds from borrowings	(4,584)	9,166	(2,819)	(13,095)
Loan repayment	0	0	0	0
Others/interest paid	(399)	1,226	798	861
Net cash inflow (outflow)	(8,547)	28,088	7,162	(7,038)
Beginning cash & cash equivalent	18,487	18,880	36,713	43,690
Changes due to forex impact	9,461	(10,255)	(185)	(3,339)
<b>Ending cash &amp; cash equivalent</b>	<b>19,401</b>	<b>36,713</b>	<b>43,690</b>	<b>33,313</b>

### Key Metrics

Year to 30 Sep (%)	2025	2026F	2027F	2028F
<b>Profitability</b>				
EBITDA margin	60.4	59.9	65.0	64.8
Pre-tax margin	35.0	34.0	43.8	44.7
Net margin	27.2	26.5	34.2	34.9
ROA	8.7	8.1	12.5	12.9
ROE	14.2	13.0	19.7	19.2
<b>Growth</b>				
Turnover	(0.7)	(1.2)	28.8	5.9
EBITDA	(3.6)	(2.0)	39.7	5.6
Pre-tax profit	(4.9)	(4.0)	65.9	8.1
Net profit	(5.5)	(3.6)	65.9	8.1
Net profit (adj.)	(5.5)	(3.6)	65.9	8.1
EPS	(5.5)	(3.6)	65.9	8.1
<b>Leverage</b>				
Debt to total capital	25.8	28.4	24.8	18.5
Debt to equity	35.3	40.3	33.7	23.2
Net debt/(cash) to equity	20.5	13.6	5.7	3.6
Interest cover (x)	23.6	15.1	21.1	31.0

## Supalai (SPALI TB)

Expect 4Q25 Earnings To Decline YOY But Rise QOQ

### Highlights

- SPALI's 4Q25 earnings are expected to decline yoy but rise qoq.
- The company forecasts presales growing 14% yoy in 2026 alongside an increase in project launches.
- Strong fundamentals; valuation fully priced. Maintain HOLD with a higher target price of Bt16.30 (from Bt16.10).

### Analysis

- **4Q25 results preview.** We project Supalai (SPALI) to report a 4Q25 net profit of Bt1.24b, representing a 38% yoy decline due to fewer newly-completed condo projects, but a 6% qoq increase as transfers are expected to be supported by the low-rise backlog and office space sales. However, gross margins are anticipated to contract both yoy and qoq, pressured by aggressive promotional campaigns. Equity income is projected to soften slightly qoq but improve yoy, bolstered by the integration of acquired projects in Australia. 2025 earnings would be Bt3.9b (-37% yoy).
- **Business plan for 2026.** SPALI plans to launch 28 new projects with a total value of Bt35b (+19% yoy). The company aims to maintain a balanced portfolio between low-rise and high-rise across 30 provinces nationwide, including entries into new high-potential markets such as Suphan Buri, focusing on the mid-range segment. Internationally, the company continues to scale its presence in Australia with a new project launch in Melbourne, bringing its total overseas portfolio to 25 projects.
- **Financial targets.** SPALI has set a 2026 total presale target of Bt45b, reflecting a strategic balance between domestic and international growth. This target is divided into Bt30b from Thailand (+14% yoy) and Bt15b from Australia (flat qoq). Domestic presales are expected to be primarily driven by the low-rise segment. Meanwhile, the total revenue target is set at Bt37.5b (Bt27b from Thailand and Bt10.5b from Australia). SPALI plans to transfer newly-completed condo projects throughout 2026, which are expected to drive revenue.
- **New investment in logistics.** The company is diversifying into recurring income assets through a Bt1.6b warehouse JV (SPALI: 41%, AU Group: 49%, a strategic partner: 10%). Construction is slated to commence in Feb 26, with revenue recognition expected to begin in 2027.

### Key Financials

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net turnover	31,176.6	31,194.4	24,309.3	25,619.8	25,981.7
EBITDA	7,386.5	7,664.6	4,796.3	5,643.6	6,061.4
Operating profit	7,248.8	7,461.5	4,531.0	5,378.2	5,796.1
Net profit (rep./act.)	5,989.4	6,189.5	3,916.8	4,485.0	4,647.1
Net profit (adj.)	5,989.4	6,189.5	3,916.8	4,485.0	4,647.1
EPS	3.1	3.2	2.0	2.3	2.4
PE (x)	5.5	5.4	8.5	7.4	7.1
P/B (x)	0.7	0.6	0.6	0.6	0.6
EV/EBITDA (x)	6.0	6.6	11.2	9.5	8.8
Dividend yield (%)	8.5	8.5	5.1	6.0	6.0
Net margin (%)	19.2	19.8	16.1	17.5	17.9
Net debt/(cash) to equity(%)	44.5	54.7	57.8	55.0	52.7
Interest cover (x)	15.8	10.8	6.5	8.1	8.5
Consensus net profit	n.a	n.a	4,231.5	4,935.7	5,281.5
UOBKH/Consensus (x)	n.a	n.a	0.9	0.9	0.9

Source: Supalai, Bloomberg, UOB Kay Hian

**HOLD** (Maintained)

Share Price	Bt18.10
Target Price	Bt16.30
Upside	-9.9%
Previous TP	Bt16.10

**Analyst(s)**

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### Stock Data

GICS Sector	Real Estate
Bloomberg ticker	SPALI TB
Shares issued (m)	1,886.4
Market cap (Btm)	34,522.1
Market cap (US\$m)	1,111.8
3-mth avg daily t'over (US\$m)	2.3

### Price Performance (%)

52-week high/low				Bt18.5/Bt13.5
1mth	3mth	6mth	1yr	YTD
7.0	5.8	22.0	7.0	7.6

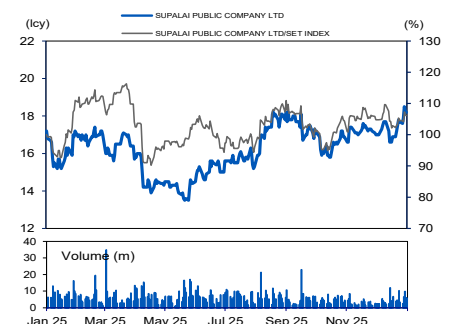
### Major Shareholders

	%
Mr. Prateep Tangmatitham	34.53
Thai NVDR Company Limited	6.85
Mrs. Ajchara Tangmatitham	6.29

### Balance Sheet Metrics

	%
FY26 NAV/Share (Bt)	28.01
FY26 Net Debt/Share (Bt)	16.23

### Price Chart



Source: Bloomberg

### Company Description

SPALI is a nationwide residential developer with a portfolio of low-rise housing and condominiums. The company is known for



### 4Q25 Results Preview

Year to 31 Dec (Btm)	4Q24	3Q25	4Q25F	yoy %	qoq %	2024	2025F	yoy %
Sales and services	8,837	6,371	7,392	(16.4)	16.0	31,194	24,309	(22.1)
Operating EBIT	2,146	1,277	1,527	(28.8)	19.6	7,462	4,531	(39.3)
Equity income	117	153	140	19.6	(8.4)	394	870	121.1
Core profit	1,703	933	1,129	(33.7)	21.0	5,557	3,475	(37.5)
Net profit	1,988	1,168	1,240	(37.6)	6.2	6,190	3,917	(36.7)
Percent	4Q24	3Q25	4Q25F	yoy ppt	qoq ppt	2024	2025F	yoy ppt
Gross margin	37.8	35.3	34.9	(2.9)	(0.5)	37.7	34.6	(3.1)
SG&A to sales	13.5	15.3	14.2	0.7	(1.1)	13.8	15.9	2.2
EBIT margin	24.3	20.0	20.7	(3.6)	0.6	23.9	18.6	(5.3)
Net margin	22.5	18.3	16.8	(5.7)	(1.6)	19.8	16.1	(3.7)

Source: Supalai, UOB Kay Hian

## Valuation/Recommendation

- **Maintain HOLD with a higher target price of Bt16.30 (previously Bt16.10).** The target is based on 7x 2026F PE or its historical mean. We are optimistic about SPALI's resilient fundamentals and positive earnings outlook in 2026. Also, SPALI is expected to be a key beneficiary of ongoing market consolidation. However, we believe the current valuation is relatively stretched, suggesting that much of this positive outlook is already priced in.

## Earnings Revision/Risk

- We have fine-tuned our 2026-27 earnings forecasts by 1-3% respectively.
- **Risks:** a) Lower-than-expected presales, transfers and gross margins; and b) tightening bank policy.

## Share Price Catalyst

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

## Environment, Social, Governance (ESG)

CG Report: 5

SET ESG Rating: AA

### Environmental

- SPALI prioritises innovation and sustainable development. It believes that effective environmental management is crucial for sustainable growth and has formulated a policy to ensure efficient practices in this regard.

### Social

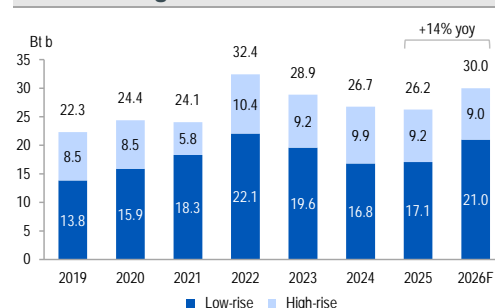
- SPALI aims to serve society. This includes community and social development, employee welfare, fair labour treatment, and respecting human rights for all stakeholders involved.

### Governance

- SPALI follows CG Code principles, emphasising stakeholder roles, transparency, and effective risk management for sustainable value creation. The company has anti-corruption measures in place to ensure compliance and transparency.

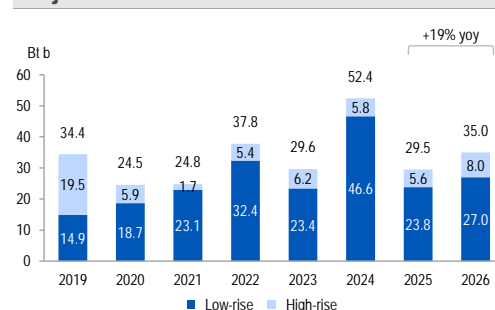
a decentralised project expansion approach across major provincial cities in addition to Bangkok.

### Presales Target



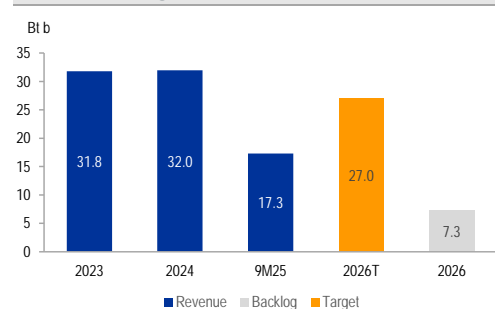
Source: Supalai, UOB Kay Hian

### Project Launch Plan



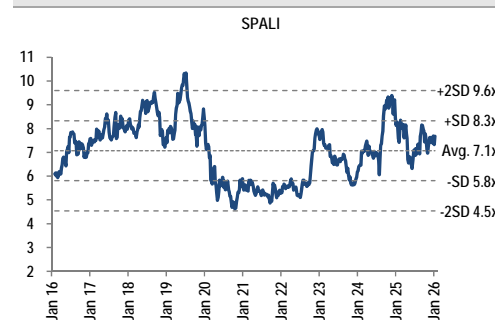
Source: Supalai, UOB Kay Hian

### Revenue Target



Source: Supalai, UOB Kay Hian

### PE Band



Source: Bloomberg, UOB Kay Hian

### Profit & Loss

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Net turnover	31,194	24,309	25,620	25,982
EBITDA	7,665	4,796	5,644	6,061
Deprec. & amort.	203	265	265	265
EBIT	7,462	4,531	5,378	5,796
Total other non-operating income	790	553	500	500
Associate contributions	394	870	700	500
Net interest income/(expense)	(708)	(736)	(700)	(710)
<b>Pre-tax profit</b>	<b>7,937</b>	<b>5,218</b>	<b>5,878</b>	<b>6,086</b>
Tax	(1,665)	(1,252)	(1,293)	(1,339)
Minorities	(82)	(49)	(100)	(100)
<b>Net profit</b>	<b>6,190</b>	<b>3,917</b>	<b>4,485</b>	<b>4,647</b>
Net profit (adj.)	6,190	3,917	4,485	4,647

### Balance Sheet

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Fixed assets	4,471	4,435	4,392	4,340
Other LT assets	10,509	11,115	11,776	12,329
Cash/ST investment	5,123	2,468	3,052	3,506
Other current assets	76,128	78,372	80,759	83,156
<b>Total assets</b>	<b>96,231</b>	<b>96,390</b>	<b>99,978</b>	<b>103,331</b>
ST debt	26,256	25,956	19,956	18,956
Other current liabilities	7,112	5,793	6,105	6,191
LT debt	7,931	8,231	14,731	16,231
Other LT liabilities	712	486	512	520
Shareholders' equity	53,176	54,830	57,480	60,139
Minority interest	1,045	1,094	1,194	1,294
<b>Total liabilities &amp; equity</b>	<b>96,231</b>	<b>96,390</b>	<b>99,978</b>	<b>103,331</b>

### Cash Flow

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
<b>Operating</b>	<b>3,804</b>	<b>669</b>	<b>2,776</b>	<b>2,701</b>
Pre-tax profit	7,937	5,218	5,878	6,086
Tax	(1,665)	(1,252)	(1,293)	(1,339)
Deprec. & amort.	203	265	265	265
Working capital changes	(3,065)	(2,979)	(2,153)	(2,333)
Non-cash items	394	(584)	79	22
Other operating cashflows	0	0	0	0
<b>Investing</b>	<b>(6,898)</b>	<b>(1,063)</b>	<b>(856)</b>	<b>(759)</b>
Capex (growth)	(3,049)	(230)	(222)	(213)
Investments	(3,578)	(735)	(650)	(550)
Others	(271)	(98)	15	4
<b>Financing</b>	<b>3,506</b>	<b>(2,262)</b>	<b>(1,335)</b>	<b>(1,488)</b>
Dividend payments	(2,636)	(2,262)	(1,835)	(1,988)
Issue of shares	0	0	0	0
Proceeds from borrowings	7,022	0	500	500
Others/interest paid	(880)	0	0	0
<b>Net cash inflow (outflow)</b>	<b>412</b>	<b>(2,656)</b>	<b>585</b>	<b>454</b>
Beginning cash & cash equivalent	4,711	5,123	2,468	3,052
Ending cash & cash equivalent	5,123	2,468	3,052	3,506

### Key Metrics

Year to 31 Dec (%)	2024	2025F	2026F	2027F
<b>Profitability</b>				
EBITDA margin	24.6	19.7	22.0	23.3
Pre-tax margin	25.4	21.5	22.9	23.4
Net margin	19.8	16.1	17.5	17.9
ROA	9.2	5.8	6.5	6.6
ROE	17.5	10.8	12.0	12.0
<b>Growth</b>				
Turnover	67.8	30.8	37.8	39.8
EBITDA	29.0	(19.2)	(5.0)	2.0
Pre-tax profit	38.7	(8.8)	2.7	6.4
Net profit	38.2	(12.5)	0.2	3.8
Net profit (adj.)	3.3	(36.7)	14.5	3.6
EPS	21.5	(23.1)	(12.0)	(8.8)
<b>Leverage</b>				
Debt to total capital	63.0	61.1	59.1	57.3
Debt to equity	64.3	62.4	60.4	58.5
Net debt/(cash) to equity	54.7	57.8	55.0	52.7
Interest cover	10.8	6.5	8.1	8.5

## Thanachart Capital (TCAP TB)

4Q25 Results Preview: Expect Credit Costs To Increase QOQ To Cushion Against Future Uncertainties In 2026

### Highlights

- We expect 4Q25 net profit to come in at Bt1.8b, up 34% yoy but down 14% qoq.
- Risk of delayed government budget disbursement is expected to be an overhang in 2H26.
- Maintain HOLD with an unchanged target price of Bt57.00.

### Analysis

- **Expect 4Q25 net profit to drop qoq.** We expect Thanachart Capital's (TCAP) 4Q25 net profit to come in at Bt1.8b, up 34% yoy but representing a 14% qoq drop due to the seasonal high of operating expenses (opex) in 4Q and higher provisioning qoq. Excluding provisions, TCAP's pre-provision operating profit is projected to rise 13% yoy but decline 14% qoq.
- **Non-II likely to decrease qoq in 4Q25.** We expect TCAP's non-interest income (non-II), which contributed 88% of the company's total revenue in 3Q25, to grow 2% yoy but fall 4% qoq in 4Q25. Insurance income, representing the largest portion of non-II at 62% in 3Q25, should decrease 2% yoy and 2% qoq in 4Q25. Concurrently, the share of profit from investments in associates is expected to be flat yoy but drop 6% qoq in 4Q25.
- **Forecast credit costs increasing qoq.** Ratchthani Leasing (THANI), a subsidiary of TCAP, reported a significant loan exposure of approximately 69% to truck hire-purchase in 3Q25 (comprising 70% new trucks and 30% used trucks). Concurrently, TCAP's credit costs notably decreased 62bp qoq to 122bp. However, we expect a 12bp increase in credit costs qoq in 4Q25 to 134bp. This forecast is supported by the gloomy economic outlook incorporating the risk of delayed government budget disbursement. Therefore, we anticipate THANI setting aside higher provision expenses qoq to cushion against future uncertainties despite a recovery in the used truck price index as of Nov 25. As a result, we expect TCAP to report a qoq increase in credit costs in 4Q25.
- **Longer-term improvement is uncertain in 2026.** Previously, we forecasted credit costs to improve starting from 4Q25, driven by the government stimulus for that quarter. However, the market is concerned about the risk of delayed budget disbursement in 2H26 after the election in Feb 26. Therefore, we are concerned about the risk of an increase in credit costs in the future due to a deterioration in asset quality within the truck portfolio.

### Key Financials

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net interest income	3,374.0	2,948.5	2,757.3	2,900.4	3,131.5
Non-Interest Income	16,857.8	18,924.2	19,781.6	19,838.2	19,822.5
Net profit (rep./act.)	6,603.0	6,464.8	7,632.4	7,946.6	8,079.8
Net profit (adj.)	6,603.0	6,464.8	7,632.4	7,946.6	8,079.8
EPS (Bt)	6.3	6.2	7.3	7.6	7.7
PE (x)	9.3	9.5	8.0	7.7	7.6
P/B (x)	0.9	0.8	0.8	0.7	0.7
Dividend yield (%)	6.5	5.6	6.6	7.2	7.3
Net int margin (%)	3.7	3.4	3.2	3.9	4.4
Cost/Income Ratio (%)	55.9	61.2	57.7	56.8	56.1
Loan loss cover (%)	166.0	179.6	162.0	160.0	158.0
Consensus net profit	n.a	n.a	7,706.9	7,981.6	7,918.8
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	1.0

Source: Thanachart Capital, Bloomberg, UOB Kay Hian

**HOLD** (Maintained)

Share Price	Bt58.50
Target Price	Bt57.00
Upside	-2.6%

**Analyst(s)**

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### Stock Data

GICS Sector	Financials
Bloomberg ticker	TCAP TB
Shares issued (m)	1,048.6
Market cap (Btm)	61,874.8
Market cap (US\$m)	1,992.4
3-mth avg daily t'over (US\$m)	4.4

### Price Performance (%)

52-week high/low				Bt59.0/Bt44.5
1mth	3mth	6mth	1yr	YTD
1.7	14.0	24.2	18.6	1.3

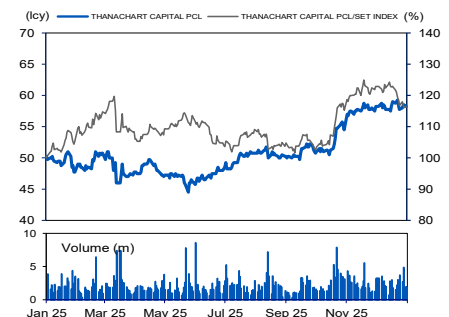
### Major Shareholders

	%
MBK	24.90
Thai NVDR	6.02
Somchai Limthilakun	2.53

### Balance Sheet Metrics

	%
FY26 NAV/Share (Bt)	75.3
FY26 CAR Tier 1 (%)	N/A

### Price Chart



Source: Bloomberg

### Company Description

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



### 4Q25 Results Preview

Year to 31 Dec (Btm)	4Q25	3Q25	4Q24	qoq chg (%)	yoy chg (%)
Total gross loans	49,809	50,678	61,855	(1.7)	(19.5)
Net interest income	698	659	776	5.9	(10.0)
Non-interest income	4,828	5,011	4,717	(3.7)	2.4
Loan loss provision	(168)	(161)	(536)	4.6	(68.6)
Non-Interest Expenses	(583)	(394)	(871)	48.0	(33.1)
Pre-provision operating profit	2,190	2,558	1,936	(14.4)	13.1
Net income	1,797	2,078	1,338	(13.5)	34.3
EPS (Bt)	1.71	1.98	1.28	(13.5)	34.3
<b>Ratio (%)</b>					
NPL ratio (%)	3.2	3.9	2.8		
Loan loss coverage ratio (%)	162	135	180		
Net interest margin (NIM %)	3.6	3.3	3.4		
Credit cost (bp)	134	122	338		
Cost to income (%)	11	7	16		
Return on Equity (%)	9.1	10.7	7.3		

Source: TCAP, UOB Kay Hian

### Earnings Revision/Risk

- We fine-tune TCAP's 2025-27 earnings forecasts by -0.9%, -1.0%, and -0.5% respectively.

### Valuation/Recommendation

- Maintain HOLD with an unchanged target price of Bt57.00** using the Gordon Growth Model (cost of equity: 11.5%, long-term growth: 2%). The target price implies 0.72x 2026F P/B, which is +1SD to its historical five-year P/B mean.

### Share Price Catalyst

- Increase in dividend payout ratio.
- A solid recovery trend in used truck prices.

### Environment, Social, Governance (ESG) Updates

CG Report: 5

SET ESG Rating: N/A

#### Environmental

- Greenhouse gas management.** Assigns a person to be responsible for directly overseeing the use of electrical equipment.

#### Social

- Cybersecurity and personal data protection.** Thanachart Group is aware of the importance of maintaining the security of customer data, employee data, and confidential company information.

#### Governance

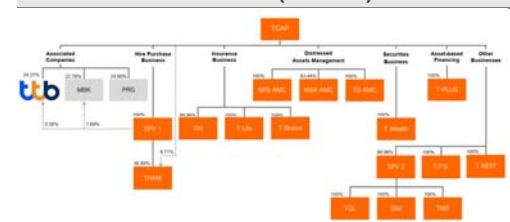
- Good corporate governance.** The Board shall ensure that Thanachart Group has a sound risk governance framework, adequate audit process, internal control system, risk management, and managerial regulation.

### Results Of Subsidiaries In 3Q25

Subsidiary	%Share holding	Net Profit (Btm)		
		3Q25	2Q25	3Q24
THANI	65.55%	301	279	80
TNI	89.96%	352	281	151
TNS	0.00%	-	20	61
TS AMC	100.00%	6	(7)	(9)
MAX AMC	83.44%	(8)	(6)	(3)
NFS AMC	100.00%	(39)	(33)	(12)
T LIFE	100.00%	66	41	4

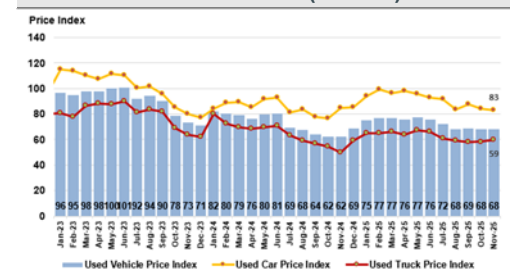
Source: TCAP, UOB Kay Hian

### Shareholder Structure (SEP 25)



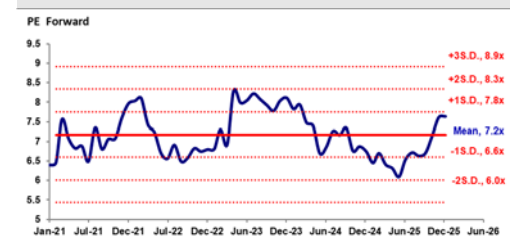
Source: TCAP, UOB Kay Hian

### Used-Vehicle Price Index (Nov 25)



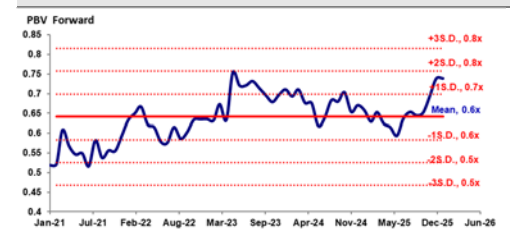
Source: BOT, UOB Kay Hian

### PE Band



Source: Bloomberg, UOB Kay Hian

### P/B Band



Source: Bloomberg, UOB Kay Hian

### Profit & Loss

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Interest income	4,998	4,604	4,345	4,301
Interest expense	(2,050)	(1,847)	(1,444)	(1,169)
Net interest income/(expense)	2,949	2,757	2,900	3,131
Fees & Commissions	532	489	457	457
Income From Insurance	12,068	12,250	12,283	12,290
Net Trading Income	514	835	856	831
Other Income	5,810	6,207	6,243	6,244
Non-Interest Income	18,924	19,782	19,838	19,823
Total Income	21,873	22,539	22,739	22,954
Staff Costs	(1,243)	(952)	(887)	(895)
Other Operating Expense	(12,148)	(12,046)	(12,026)	(11,976)
Pre-Provision Profit	8,482	9,541	9,826	10,083
Loan Loss Provision	(1,302)	(791)	(745)	(857)
<b>Pre-tax profit</b>	<b>7,180</b>	<b>8,750</b>	<b>9,081</b>	<b>9,226</b>
Tax	(356)	(631)	(640)	(646)
Minorities	(359)	(487)	(495)	(500)
<b>Net profit</b>	<b>6,465</b>	<b>7,632</b>	<b>7,947</b>	<b>8,080</b>
Net profit (adj.)	6,465	7,632	7,947	8,080

### Balance Sheet

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Cash With Central Bank	2	5	5	5
Govt Treasury Bills & Securities	19,327	17,707	17,711	17,035
Interbank Loans	9,466	7,308	6,988	6,658
Customer Loans	59,022	47,537	46,112	44,091
Investment Securities	2,419	2,118	2,103	2,019
Derivative Receivables	0	2	2	2
Associates & JVs	61,940	67,527	67,527	67,527
Properties & Other Fixed Assets	5,116	4,247	4,122	3,919
Goodwill & Intangible Assets	166	88	88	88
Other Assets	3,333	3,607	3,631	3,510
<b>Total assets</b>	<b>160,791</b>	<b>150,146</b>	<b>148,289</b>	<b>144,854</b>
Interbank Deposits	10,765	6,378	5,598	5,233
Customer Deposits	0	0	0	0
Bills Payable	0	0	0	0
Derivative Payables	0	0	0	0
Debts Securities Issued	0	0	1	2
Subordinated Debts	52,859	42,044	36,887	29,875
Other Liabilities	4,053	4,171	4,269	4,146
Insurance Fund Liabilities	12,632	12,879	12,879	12,879
Total liabilities	80,309	65,472	59,634	52,134
Shareholders' funds	74,506	79,015	82,632	86,333
Minority interest	5,977	5,640	6,003	6,368
<b>Total Equity &amp; Liabilities</b>	<b>160,791</b>	<b>150,126</b>	<b>148,269</b>	<b>144,835</b>

### Operation Ratios

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
<b>Capital Adequacy</b>				
Tier-1 CAR	0	0	0	0
Total CAR	0	0	0	0
Total Assets/Equity	2	2	2	2
Tangible Assets/Tangible Common Equity	2	2	2	2
<b>Asset Quality</b>				
NPL Ratio	3	3	3	3
Loan Loss Coverage	180	162	160	158
Loan Loss Reserve/Gross Loans	5	5	5	5
Increase in NPLs	(1)	(8)	(8)	(6)
Credit Cost (bp)	202	142	152	182
<b>Liquidity</b>				
Loan/Deposit Ratio	0	0	1	2
Liquid Assets/Short-Term Liabilities	267	392	441	453
Liquid Assets/Total Assets	18	17	17	16

### Key Metrics

Year to 31 Dec (%)	2024	2025F	2026F	2027F
<b>Growth</b>				
Net Interest Income, yoy Chg	(13)	(6)	(6)	(6)
Fees & Commissions, yoy Chg	(32)	(8)	(8)	(8)
Pre-Provision Profit, yoy Chg	(5)	12	12	12
Net Profit, yoy Chg	(2)	18	18	18
Customer Loans, yoy Chg	(9)	(19)	(19)	(19)
<b>Profitability</b>				
Net Interest Margin	3	3	4	4
Cost/Income Ratio	61	58	57	56
Adjusted ROA	4	5	5	5
Reported ROE	9	10	10	10
Adjusted ROE	9	10	10	10
<b>Valuation</b>				
P/BV	1	1	1	1
P/NTA	1	1	1	1
Adjusted P/E	9	8	8	8
Dividend Yield	6	7	7	7

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