

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	49910.6	1.2	2.1	6.9	3.8
S&P 500	7365.1	1.5	3.2	11.4	7.6
FTSE 100	10438.7	2.1	2.2	0.0	5.1
AS30	9016.1	1.3	1.1	2.7	(0.0)
CSI 300	4877.1	1.5	1.4	9.8	5.3
FSSTI	4927.4	0.1	1.4	(0.9)	6.1
HSCEI	8800.8	0.8	(0.1)	4.1	(1.3)
HSI	26213.8	1.2	0.4	4.4	2.3
JCI	7092.5	0.5	(0.1)	1.5	(18.0)
KLCI	1756.9	0.5	2.1	4.5	4.6
KOSPI	7384.6	6.5	10.4	35.5	75.2
Nikkei 225	59513.1	0.0	(0.7)	11.4	18.2
SET	1516.9	1.8	1.7	4.3	20.4
TWSE	41138.9	0.9	4.7	26.3	42.0
BDI	2991.0	5.6	12.0	44.8	59.4
CPO (RM/mt)	4623.5	0.0	2.2	(2.8)	17.6
Brent Crude (US\$/bbl)	101.3	(7.8)	(14.2)	(7.7)	66.4

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Meeting with Mr. Ibrahim "Ben" Suffian from Merdeka Center for Opinion Research	Malaysia	07 May	07 May
Analyst Marketing on Greater China AI Sector	Singapore	12 May	12 May
Analyst Marketing by Johnny Yum on Greater China AI Sector	Malaysia	13 May	15 May

Corporate and Macro Calendar

Economic Indicator/Event	Country/Region	Date
Apr. Consumer Confidence	Thailand	6-12 May
1Q26 GDP	Thailand	18 May
Analyst Marketing by Johnny Yum on Greater China AI Sector	Thailand	18-19 May
Corporate Roadshow with United Hampshire US REIT (UHU SP)	Taiwan	19-20 May
Apr. Customs Trade Balance (Export-Import)	Thailand	29 May
Corporate Roadshow with Singapore Telecommunications Ltd (ST SP)	Canada	1-2 Jun

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Top Stories

Company Results | THAI UNION GROUP (TU TB/HOLD/Bt11.90/Target: Bt12.80)

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TU announced a 1Q26 core profit of Bt822m, up 29.5% yoy but down 10.9% qoq. The results were in line with our forecast. While the 1H26 outlook remains positive with limited impact from rising costs, cost pressures may affect gross profit margin in 2H26. The company plans to raise ASPs, but increases are unlikely to fully offset cost increases and could impact volume. Maintain HOLD with a target price of Bt12.80.

Company Update | Asset World Corporation (AWC TB/BUY/Bt2.10/Target: Bt3.00)

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AWC is expected to deliver solid 1Q26 core profit growth (Bt750m, +3.0% yoy), driven by strong hotel and retail performance, supported by a recovery in Chinese tourist arrivals. The outlook for 2Q26 remains challenging due to weak long-haul travel demand, with RevPar expected to decline by 4-5% yoy, though upside may come from new bookings. Middle East exposure is minimal (~2% of revenue). Maintain BUY with a target price of Bt3.00, supported by resilient retail income and strengthening Chinese tourist arrivals.

Company Update | PTT (PTT TB/BUY/Bt35.75/Target: Bt43.00)

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We expect 1Q26 net profit to increase both qoq and yoy, driven by the strong gas business and a significant qoq improvement in earnings from subsidiaries and associates. Looking ahead to 2Q26, we anticipate core profit to continue rising qoq, supported by seasonal peak gas demand, higher selling prices for gas separation plant products, and improved earnings from PTTEP. Maintain BUY. Target price: Bt43.00 (previously Bt41.00).

Company Update | Thai Airways (THAI TB/HOLD/Bt5.95/Target: Bt6.20)

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THAI is expected to post decent 1Q26 earnings of Bt8.45b (-14.0% yoy), with EBT remaining flattish yoy and no immediate impact from rising jet fuel costs. Flight cuts in May will reduce capacity but support yields. However, the outlook for 2Q26 is highly challenging as the increases in fuel costs take full effect, leading to margin pressure despite fare hikes. Demand risks persist amid higher ticket prices. Maintain HOLD with a target price of Bt6.20, as valuation is undemanding, but near-term outlook remains uncertain.

Thai Union Group (TU TB)

1Q26: Earnings In Line

Highlights

- TU announced a 1Q26 core profit of Bt822m, up 29.5% yoy but down 10.9% qoq. The results are in line with our forecast.
- While the 1H26 outlook remains positive with limited impact from rising costs, cost pressures may affect gross profit margin in 2H26. The company plans to raise ASPs, but increases are unlikely to fully offset cost increases and could impact volume.
- Maintain HOLD with a target price of Bt12.80.

1Q26 Results

Year to 31 Dec (Btm)	1Q26	1Q25	4Q25	yoy(%)	qoq(%)
Sales	32,054	29,789	35,040	7.6%	-8.5%
Gross Profit	5,825	5,611	6,410	3.8%	-9.1%
SG&A	4,659	4,700	4,871	-0.9%	-4.4%
EBIT	1,364	1,099	1,776	24.1%	-23.2%
EBT	1,137	805	1,343	41.3%	-15.3%
Net profit	1,113	1,019	1,014	9.2%	9.8%
Core profit	822	634	923	29.5%	-10.9%
Core EPS (Bt)	0.17	0.13	0.22	29.5%	-20.5%
Gross Margin (%)	18.2%	18.8%	18.3%	-0.7%	-0.1%
%SG&A/revenue	14.5%	15.8%	13.9%	-1.2%	0.6%
Net Margin (%)	3.5%	3.4%	2.9%	0.1%	0.6%

Source: THAI UNION GROUP PCL, UOB Kay Hian

Analysis

- **Earnings in line.** Thai Union Group (TU) announced 1Q26 net profit of Bt1,113m (+9.2% yoy and +9.8% qoq). The results came in 6% below market expectations but are in line with our forecast. Excluding one-off items, core profit came in at Bt822m, up 29.5% yoy but down 10.9% qoq. The results are in line with our forecast.
- **Ambient business sales recovery yoy.** Top-line in 1Q26 was reported at Bt32b (+7.6% yoy but -8.5% qoq). The yoy growth was driven by both higher pricing adjustment and volume growth at 2.8% yoy. We saw yoy improvement in sales across most segments. Ambient sales reported at Bt15b (+2.5% yoy, but -3.4% qoq). Frozen seafood sales reported at Bt9.4b (+11.6% yoy, but -23.7% qoq). Pet food sales reported at Bt5.1b (+22.5% yoy, and +9.1% qoq).
- **Gross profit margin declined yoy, due to tariff pressure.** Gross profit margin came in at 18.2%, down yoy and qoq. The yoy decline was mainly due to tariff impacts and the normalisation of margins in the feed business. However, the pet food business delivered yoy gross profit margin expansion, supported by a higher contribution from premium products.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	138,433.1	132,718.6	138,069.1	140,853.8	144,401.0
EBITDA	12,678.8	11,267.2	11,921.9	12,686.7	13,426.1
Operating profit	8,307.8	7,052.3	7,680.4	8,195.6	8,720.9
Net profit (rep./act.)	4,984.9	4,609.4	4,641.8	5,012.6	5,366.6
Net profit (adj.)	5,067.0	4,135.3	4,641.8	5,012.6	5,366.6
EPS	1.1	0.9	1.1	1.2	1.3
PE (x)	11.2	13.7	11.6	10.8	10.1
P/B (x)	1.2	1.3	1.2	1.1	1.1
EV/EBITDA (x)	10.1	11.1	10.4	9.7	9.2
Dividend yield (%)	5.2	4.8	5.1	5.5	5.9
Net margin (%)	3.6	3.5	3.4	3.6	3.7
Net debt/(cash) to equity(%)	121.9	127.5	121.4	117.8	114.0
Interest cover (x)	5.1	4.7	5.1	5.4	5.6
ROE (%)	7.7	7.4	7.3	7.7	8.1
Consensus net profit	n.a	n.a	4,606.8	5,024.4	5,422.3
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	1.0

Source: THAI UNION GROUP PCL, Bloomberg, UOB Kay Hian

HOLD (Maintained)	
Share Price	Bt11.90
Target Price	Bt12.80
Upside	7.56%

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Stock Data

GICS sector	Consumer Staples
Bloomberg ticker:	TU TB
Shares issued (m):	3,855.1
Market cap (Bt\$m):	42,406.0
Market cap (US\$m):	1,304.1
3-mth avg daily t'over (US\$m):	5.7

Price Performance (%)

52-week high/low	Bt14.0/Bt9.0			
1mth	3mth	6mth	1yr	YTD
(0.9)	(8.3)	(16.0)	1.8	(14.1)

Major Shareholders

Major Shareholders	%
Thai Union Group	79.30
Thai NVDR	2.68
Vayu1	1.43

Balance Sheet Metrics

FY26 NAV/Share (Bt)	11.0
FY26 Net Debt/Share (Bt)	13.3

Price Chart



Source: Bloomberg

Company Description

TU manufactures and exports frozen and canned seafood, including canned food, frozen food and snacks. It is also involved in pet food, value-added products and animal feed.

- **Decreasing SG&A.** SG&A-to-sales came in at 14.5% (down yoy, but up qoq). The yoy improvement was primarily driven by cost savings from the end of the Sonar transformation programme, partly offset by increased tariff-related expenses.
- **The company maintained its 2026 guidance.** Management reiterated its 2026 guidance, targeting 3-4% sales growth, a 19-20% gross margin, and SG&A-to-sales of 13.5-14.5%. Growth in 2026 is expected to be led by the pet food segment and higher-margin value-added products, with a targeted contribution of 25-30% of total sales.
- **Update on tuna prices trend.** Tuna prices rose to US\$1,875/tonne in Apr 26 (+11% from 1Q26 average, and +21% yoy). TU's management expects tuna prices to remain elevated throughout 2026 at approximately US\$1,800-1,900/tonne and plans to implement further ASPs adjustments in response to the cost increase. As a result, the rising tuna price trend should support gross profit margin in 2Q26 due to ASP increases in TU's OEM canned food segment, while margins are underpinned by existing low-cost inventory. The company also highlighted continued positive sales momentum despite implementing price increases.
- **Earnings outlook.** TU expects both sales and gross profit margin to improve qoq in 2Q26. Margin expansion is likely to be driven by the ambient segment, supported by price adjustments in response to higher costs and seasonal factors of ambient business. However, this will be partly offset by weaker margins in the pet food segment due to a lag in price adjustments. This aligns with our view that TU's gross margin should improve qoq in 2Q26, supported by pricing adjustment and the benefit of low-cost tuna inventory. However, on a yoy basis, margins may decline due to a high base. While the outlook for 1H26 remains positive, supported by relatively limited cost pressures, we will continue to monitor cost trends and potential impact on volumes. In addition, although the company plans to raise ASPs to offset cost increases, we expect pricing actions may not fully pass through higher costs. We continue to prefer ITC for its stronger sales growth and pricing power.

Valuation/Recommendation

- **Maintain HOLD with a target price of Bt12.80** based on 2026 EPS. We peg its PE target to -1SD to its five-year mean, at 12x. The 2026 outlook remains challenging as earnings remain under pressure amid rising costs and limited pricing flexibility, especially to the ambient business.

Share Price Catalyst

- Stronger sales and volume growth in the ambient segment, effective price adjustments to offset rising costs, lower-than-expected SGA-to-sales, lower costs of raw materials such as tuna, and depreciation of the Thai baht.

Environmental, Social, Governance (ESG)

CG Report: 5
 SET ESG Rating: AA
Environmental

- SeaChange sustainability strategy by 2030. TU is one of the earliest companies to focus on sustainability improvement. The company aims to reduce 42% of greenhouse gas emissions by 2030 and become net zero by 2050.

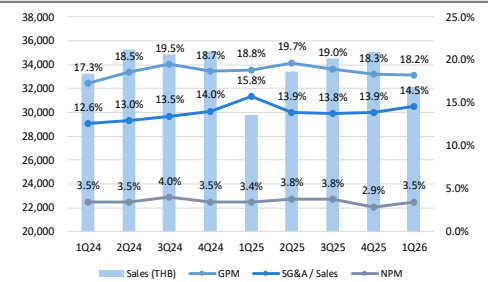
Social

- TU is working to improve many dimensions of social responsibility. This includes human rights and improved employee engagement.

Governance

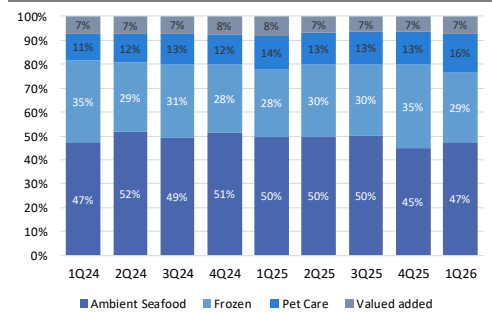
- TU is committed to conducting its business with transparency, responsibility, and business ethics including anti-corruption, respect for human rights, fair treatment, and responsibility to customers and consumers.

Sales And Profitability



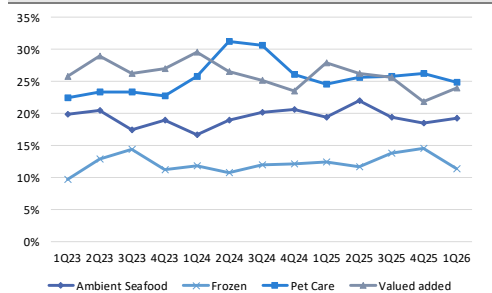
Source: TU, UOB Kay Kian

Sales Breakdown



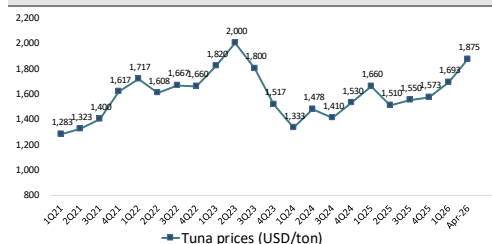
Source: TU, UOB Kay Kian

Gross Profit Margin



Source: TU, UOB Kay Kian

Tuna Prices



Source: TU, UOB Kay Kian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	132,719	138,069	140,854	144,401
EBITDA	11,267	11,922	12,687	13,426
Deprec. & amort.	4,215	4,242	4,491	4,705
EBIT	7,052	7,680	8,196	8,721
Total other non-operating income	0	0	0	0
Associate contributions	862	948	948	948
Net interest income/(expense)	(2,379)	(2,339)	(2,351)	(2,397)
Pre-tax profit	5,535	6,290	6,792	7,272
Tax	17	(629)	(679)	(727)
Minorities	(1,036)	(1,019)	(1,100)	(1,178)
Net profit	4,609	4,642	5,013	5,367
Net profit (adj.)	4,135	4,642	5,013	5,367

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	4,592	9,979	9,107	9,433
Pre-tax profit	5,629	4,642	5,013	5,367
Tax	(709)	0	0	0
Deprec. & amort.	4,215	4,242	4,491	4,705
Associates	0	0	0	0
Working capital changes	(6,281)	1,096	(396)	(639)
Non-cash items	(3,890)	0	0	0
Other operating cashflows	5,629	0	0	0
Investing	(919)	(6,000)	(6,000)	(6,000)
Capex (growth)	(3,781)	(6,000)	(6,000)	(6,000)
Capex (maintenance)	0	0	0	0
Investments	2,017	0	0	0
Proceeds from sale of assets	0	0	0	0
Others	845	0	0	0
Financing	(3,327)	(3,770)	(3,136)	(2,489)
Dividend payments	(2,795)	(2,663)	(2,841)	(3,055)
Issue of shares	(4,310)	0	0	0
Proceeds from borrowings	(15,869)	(88)	805	1,744
Loan repayment	0	0	0	0
Others/interest paid	19,647	(1,019)	(1,100)	(1,178)
Net cash inflow (outflow)	346	209	(29)	944
Beginning cash & cash equivalent	8,281	8,432	8,641	8,612
Changes due to forex impact	(195)	0	0	0
Ending cash & cash equivalent	8,432	8,641	8,612	9,556

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	29,887	31,645	33,154	34,449
Other LT assets	45,530	45,741	45,955	46,171
Cash/ST investment	8,432	8,641	8,612	9,556
Other current assets	74,215	73,914	74,724	75,890
Total assets	158,064	159,942	162,445	166,066
ST debt	18,860	17,966	17,027	16,277
Other current liabilities	30,042	30,940	31,458	32,090
LT debt	46,565	47,370	49,114	51,608
Other LT liabilities	10,777	10,885	10,994	11,105
Shareholders' equity	44,704	46,683	48,855	51,166
Minority interest	7,379	6,360	5,260	4,082
Total liabilities & equity	158,326	160,204	162,707	166,328

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	8.5	8.6	9.0	9.3
Pre-tax margin	4.2	4.6	4.8	5.0
Net margin	3.5	3.4	3.6	3.7
ROA	2.7	2.7	2.9	3.1
ROE	7.4	7.3	7.7	8.1
Growth				
Turnover	(1.2)	2.8	4.8	7.5
EBITDA	6.2	12.4	19.6	26.6
Pre-tax profit	(16.5)	(5.1)	2.4	9.7
Net profit	(12.3)	(11.7)	(4.6)	2.1
Net profit (adj.)	(18.4)	12.2	8.0	7.1
EPS	(18.6)	(4.4)	3.3	10.6
Leverage				
Debt to total capital	125.6	123.2	122.2	122.9
Debt to equity	146.4	140.0	135.4	132.7
Net debt/(cash) to equity	127.5	121.4	117.8	114.0
Interest cover	4.7	5.1	5.4	5.6

Asset World Corporation (AWC TB)

Expect Robust Core Earnings Supported By Recovery In Chinese Tourist Arrivals In 1Q26

Highlights

- We expect AWC to report strong core earnings of Bt750m (+3.0% yoy, +12.2% qoq) for 1Q26.
- The hotel performance continues to improve thanks to the strong Chinese tourist recovery in 1Q26.
- We remain optimistic on AWC, supported by intensifying Chinese tourist recovery. Maintain BUY with a target price of Bt3.00.

Analysis

1Q26 Earnings Preview

Year to 31 Dec (Btm)	1Q25	4Q25	1Q26F	yoy (%)	qoq (%)	2025	2026F	yoy (%)
Total Revenue	4,633	4,968	5,119	10.5	3.0	17,356	21,219	22.3
Gross profit	2,623	2,613	2,848	8.6	9.0	9,029	11,420	26.5
SG&A	1,262	1,333	1,486	17.8	11.5	4,921	5,946	20.8
Operating EBITDA	1,845	1,887	1,969	6.7	4.4	6,345	7,774	22.5
Core profit	728	668	750	3.0	12.2	1,842	2,693	46.2
Net profit	1,969	1,866	1,883	(4.4)	0.9	6,388	6,665	4.3
EPS (Bt)	0.06	0.06	0.06	(4.4)	0.9	0.20	0.21	4.3
(%)	1Q25	4Q25	1Q26F	yoy (ppts)	qoq (ppts)	2025	2026F	yoy (ppt)
Gross margin	56.6	52.6	55.6	(1.0)	3.0	52.0	53.8	1.8
SG&A to sales	27.2	26.8	29.0	1.8	2.2	28.4	28.0	(0.3)
EBITDA margin	39.8	38.0	38.5	(1.4)	0.5	36.6	36.6	0.1
Core profit margin	15.7	13.4	14.6	(1.1)	1.2	10.6	12.7	2.1

Source: AWC, UOB Kay Hian

- **Expect robust core earnings growth in 1Q26.** Asset World Corporation (AWC) is expected to report a core profit of Bt750m (+3.0% yoy, +12.2% qoq) for 1Q26. Total revenue should be at Bt3.98b (+10.5% yoy, +3.0% qoq) with the hotel segment's revenue expected to show strong growth of 10.4% yoy and the retail business' revenue to rise 15.7% yoy. The overall RevPar should still decline by 1% yoy mainly from the ramping up of new hotels, Melia Pattaya and Pattaya Marriott. If we exclude the new hotels, the overall RevPar should be at 3% yoy growth. The hotel performance should be strong across all segments, mainly due to the recovery in Chinese tourist arrivals in 1Q26. In 1Q26, AWC should see an increase of 20% yoy in revenue from Chinese guests. Interest expense should decline yoy and qoq due to cheaper cost of debt from refinancing. The EBITDA margins should decline slightly yoy.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	15,902	17,356	21,219	23,590	26,368
EBITDA	5,689	6,345	7,823	8,718	9,492
Operating profit	3,806	4,107	5,685	6,480	6,992
Net profit (rep./act.)	5,850	6,388	6,665	7,260	7,869
Net profit (adj.)	1,697	1,842	2,693	3,288	3,922
EPS (Bt)	0.1	0.1	0.1	0.1	0.1
PE (x)	39.6	36.5	25.0	20.4	16.8
P/B (x)	0.7	0.7	0.7	0.6	0.6
EV/EBITDA (x)	27.2	24.4	19.9	17.6	15.7
Dividend yield (%)	3.6	3.8	4.0	4.3	4.8
Net margin (%)	36.8	36.8	31.4	30.8	30.7
Net debt/(cash) to equity (%)	84.5	93.8	87.9	80.2	71.7
Interest cover (x)	3.0	3.3	3.2	3.6	4.1
ROE (%)	6.5	6.8	6.8	7.1	7.6
Consensus net profit (Btm)	-	-	4,405	4,640	5,277
UOBKH/Consensus (x)	-	-	0.61	0.71	0.76

Source: AWC, Bloomberg, UOB Kay Hian

BUY (Maintained)

Share Price	Bt2.10
Target Price	Bt3.00
Upside	+42.9%

Analyst(s)

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Assistant Analyst(s)

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Stock Data

GICS sector	Consumer Discretionary
Bloomberg ticker:	AWC TB
Shares issued (m):	32,013.0
Market cap (Btm):	67,255.7
Market cap (US\$m):	2,065.5
3-mth avg daily t'over (US\$m):	4.8

Price Performance (%)

52-week high/low	Bt2.80/Bt1.55			
1mth	3mth	6mth	1yr	YTD
(2.8)	(4.5)	(4.5)	(7.1)	(0.9)

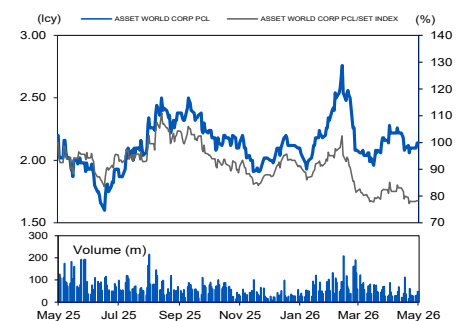
Major Shareholders

	%
TCC Business Management Company	45.0
TCC Retail Co. Ltd.	30.0

Balance Sheet Metrics

FY26 NAV/Share (Bt)	3.12
FY26 Net Debt/ Share (Bt)	2.74

Price Chart



Source: Bloomberg

Company Description

Asset World Corp Public Company focuses on real estate development and investment services. The company offers property management. Asset World Corp serves customers in Thailand.

Statistics Preview

Hotel stats	1Q25	4Q25	1Q26F	yoy chg	qoq chg
Occ (%) - Avg	75%	71%	78%	3.1 ppt	7.0 ppt
ADR - Avg	6,663	5,879	6,330	-5.0%	7.7%
RevPar - Avg	4,992	4,199	4,937	-1.1%	17.6%
Number of room keys	6,545	6,836	6,836	4.4%	0.0%
Retail and Office stats	1Q25	4Q25	1Q26F	yoy chg	qoq chg
Occ (%) - Avg	69%	69%	69%	0.0 ppt	0.0 ppt
Rental rate - Avg	822	829	815	-0.9%	-1.7%

Source: AWC, UOB Kay Hian

- 2Q26 outlook remains challenging.** War-related disruptions have driven up airfares and weakened long-haul demand in accommodation, weighing on Thailand's tourism outlook. Based on our channel check, on-the-book reservations for 2Q26 are currently indicating a 2% increase yoy in room revenue. AWC is expected to see a 5% yoy decline in room revenue in May 26, and growth in Apr and Jun 26. This translates into a 4-5% decline in RevPar yoy in 2Q26 based on the current reservations. We see this as understandable given the current outlook and we could still see improvement to the RevPar in 2Q26 once new bookings are made, especially given the current strong momentum in Chinese arrivals.
- Managing Middle East tensions.** According to management, AWC is closely monitoring the potential impact from ongoing tensions in the Middle East. However, the contribution from Middle Eastern guests accounts for only around 2% of AWC's top-line, which is relatively insignificant and should not materially affect earnings. The largest revenue contribution within this segment comes from Israel, representing about 4% of AWC's room revenue, which increased following last year's escalation between Iran and Israel. In response, AWC is proactively offering long-stay packages to Middle Eastern guests to accommodate extended stays in Thailand, helping to further mitigate any potential impact from the situation.

Valuation/Recommendation

- Maintain BUY with a target price of Bt3.00.** Our valuation is based on 2026 earnings and based on the three-year historical average EV/EBITDA multiple of 21.0x. We remain optimistic on AWC due to: a) the strong performance from the retail business which continues to support AWC's earnings during the war, and b) the strong recovery in Chinese arrivals which continues to intensify and could improve the outlook in 2Q26.

Environment, Social, Governance (ESG) Updates

Environmental

- Sustainable building design & operations:** AWC integrates energy-efficient and eco-friendly designs in its hotels, retail spaces, and office buildings.
- Carbon neutrality goal:** Aiming to reduce greenhouse gas emissions in line with Thailand's sustainability targets.

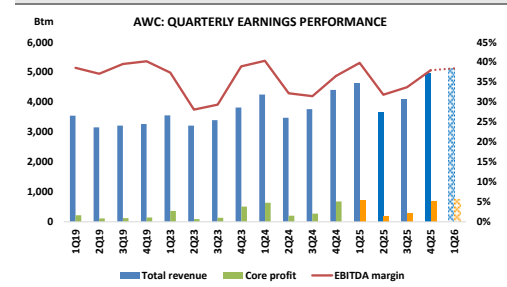
Social

- Community engagement:** Supporting local communities through CSR projects, education initiatives, and tourism development.

Governance

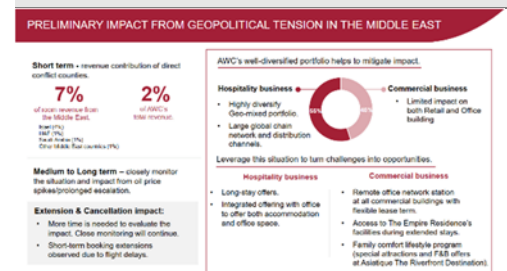
- Strong corporate governance:** Adopting transparent management policies to ensure ethical business practices.
- Risk management:** Robust frameworks to mitigate financial, operational, and environmental risks.

Quarterly Performance



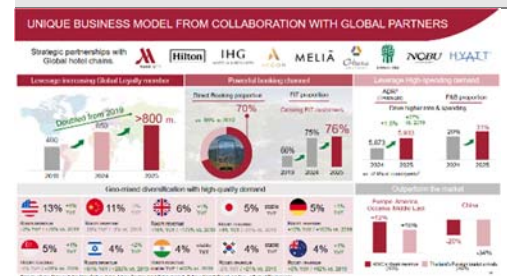
Source: AWC, UOB Kay Hian

Mitigation Measures For Middle East Tensions



Source: AWC

AWC'S Source Market



Source: AWC

No. Of Chinese Arrivals Vs Non-Chinese

	2025	2026	yoy growth
1 Jan - 3 May			
No. arrival ex. Chinese	10,666,113	9,994,718	-6%
No. of Chinese	1,691,880	1,971,673	17%

Source: Ministry of Tourism and Sports, UOB Kay Hian

Monthly Chinese Arrivals



Source: Ministry of Tourism and Sports, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	17,356	21,219	23,590	26,368
EBITDA	6,345	7,822	8,718	9,492
Deprec. & amort.	2,238	2,138	2,238	2,501
EBIT	4,107	5,685	6,480	6,992
Total other non-operating income	5,679	5,092	5,107	5,123
Associate contributions	2	0	0	0
Net interest income/(expense)	(1,945)	(2,267)	(2,327)	(2,090)
Pre-tax profit	7,844	8,510	9,259	10,025
Tax	(1,456)	(1,702)	(1,852)	(2,005)
Minorities	0	(143)	(147)	(152)
Net profit	6,388	6,665	7,260	7,869
Net profit (adj.)	1,842	2,693	3,288	3,922

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	8,190	8,283	9,676	10,859
Pre-tax profit	7,844	8,331	9,076	10,025
Tax	(1,456)	(1,666)	(1,815)	(2,005)
Deprec. & amort.	2,238	2,301	2,401	2,501
Working capital changes	(537)	(202)	28	334
Non-cash items	142	(603)	(13)	4
Other operating cashflows	(38)	122	0	0
Investing	(18,077)	(3,441)	(3,067)	(2,864)
Capex (growth)	(17,581)	(1,238)	(4,088)	(4,052)
Investment	4,344	4,344	4,344	4,344
Others	(4,840)	(6,547)	(3,323)	(3,156)
Financing	9,801	(3,349)	(4,480)	(6,769)
Dividend payments	(2,400)	(2,560)	(2,609)	(2,845)
Proceeds from borrowings	12,188	(789)	(1,871)	(3,924)
Loan repayment	0	0	0	0
Others/interest paid	13	0	0	0
Net cash inflow (outflow)	(85)	1,493	2,129	1,226
Beginning cash & cash equivalent	472	387	1,879	4,008
Ending cash & cash equivalent	387	1,879	4,008	5,234

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	194,638	193,576	195,263	196,814
Other LT assets	6,874	5,664	5,829	6,030
Cash/ST investment	386	1,879	4,008	5,234
Other current assets	2,299	2,143	2,429	2,698
Total assets	204,197	203,262	207,530	210,776
ST debt	41,497	38,708	34,837	28,913
Other current liabilities	4,226	3,265	3,566	4,173
LT debt	48,713	50,713	52,713	54,713
Other LT liabilities	14,022	10,610	11,795	13,184
Shareholders' equity	95,739	99,675	104,179	109,203
Minority interest	0	291	438	589
Total liabilities & equity	204,197	203,262	207,529	210,775

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	36.6	36.6	36.3	36.0
Pre-tax margin	45.2	39.3	38.5	38.0
Net margin	36.8	30.7	30.2	29.8
ROA	3.3	3.2	3.5	3.8
ROE	6.8	6.7	7.0	7.4
Growth				
Turnover	9.1	22.3	11.2	11.8
EBITDA	11.5	22.5	10.1	10.9
Pre-tax profit	10.3	6.2	8.9	10.5
Net profit	9.2	2.1	9.1	10.6
Net profit (adj.)	8.6	46.2	22.1	19.3
EPS	8.6	46.2	22.1	19.3
Leverage				
Debt to total capital	48.5	47.2	45.6	43.2
Debt to equity	94.2	89.7	84.0	76.6
Net debt/(cash) to equity	93.8	87.8	80.2	71.8
Interest cover (x)	3.3	3.5	3.9	4.5

PTT (PTT TB)

1Q26 Net Profit Is Expected To Increase Both qoq And yoy

Highlights

- We expect 1Q26 net profit to increase both qoq and yoy, driven by a strong gas business and a significant qoq rise in earnings from subsidiaries and associates.
- For 2Q26, we anticipate core profit to grow qoq, supported by peak seasonal gas demand, higher selling prices for gas separation plant products, and improved earnings from PTTEP.
- Maintain BUY, with a target price of Bt43.00 (previously Bt41.00).

1Q26 Results Preview

Year to 31 Dec	1Q25	4Q25	1Q26F	%yoy	%qoq	2025	2026F	%yoy
Revenue	700,223	638,479	715,251	2%	12%	2,662,145	3,082,751	16%
Gross profit	74,184	56,336	67,913	-8%	21%	261,006	335,775	29%
EBITDA	91,508	67,514	82,671	-10%	22%	374,281	433,855	16%
EBITDA - Gas business	13,801	13,156	16,492	19%	25%	54,395	69,252	27%
--- S&T	3,145	2,834	2,915	-7%	3%	13,501	13,551	0%
--- TSO	7,155	7,518	7,215	1%	-4%	28,816	31,250	8%
--- GSP	768	616	3,415	345%	454%	1,878	14,551	675%
--- NGV	-431	-315	-268	n.a.	n.a.	-1,385	-1,100	n.a.
--- Others	3,164	2,503	3,215	2%	28%	11,585	11,000	-5%
EBIT	46,708	18,978	38,588	-17%	103%	134,839	189,675	41%
Core Profit	23,542	16,193	27,508	17%	70%	75,786	110,029	45%
Net Profit	23,315	25,534	27,508	18%	8%	90,166	110,029	22%
EPS	0.82	0.89	0.96			3.16	3.85	
Financial ratio (%)								
Gross Profit Margin	8.2%	11.2%	8.8%			9.8%	10.9%	
EBITDA Margin	2.6%	6.4%	3.0%			5.1%	6.2%	
Net profit margin	3.1%	2.9%	2.5%			2.8%	3.6%	

Note: S&T: Natural Gas supply and trading business / TSO: Transmission pipeline business / GSP: Gas separation plant business / NGV: Natural gas for vehicles business
Source: PTTGC, UOB Kay Hian

Analysis

- **Strong 1Q26 earnings expected.** We forecast PTT to report net profit of Bt27.5b, up 8% qoq and 18% yoy, driven by a recovery in operations. This is supported by higher gas sales, lower costs in the gas separation business, and a significant qoq increase in earnings from subsidiaries and associates, particularly from the petrochemical and refining business (P&R).

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	3,090,453	2,662,145	3,082,751	3,161,329	3,229,453
EBITDA	424,492	374,281	433,855	456,419	461,426
Operating profit	238,574	188,363	251,655	277,864	286,442
Net profit (rep./act.)	90,072	90,166	110,029	124,816	125,408
Net profit (adj.)	94,480	75,786	110,029	124,816	125,408
EPS	3.3	2.7	3.9	4.4	4.4
PE	10.8	13.5	9.3	8.2	8.1
P/B	0.8	0.9	0.8	0.8	0.8
EV/EBITDA	1.7	1.8	1.4	1.1	0.8
Dividend yield	5.9	5.9	6.2	7.0	7.3
Net margin	2.9	3.4	3.6	3.9	3.9
Net debt/(cash) to equity	48.8	45.4	39.7	27.1	15.9
Interest cover	9.1	9.3	9.2	9.4	9.2
Consensus net profit	-	-	105,098	106,501	114,962
UOBKH/Consensus (x)	-	-	1.05	1.17	1.09

Source: Bloomberg, PTT, UOB Kay Hian

BUY (Maintained)

Share Price	Bt35.75
Target Price	Bt43.00
Upside	+20.28
Previous TP	Bt41.00

Analyst(s)

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Stock Data

GICS Sector	Energy
Bloomberg ticker	PTT TB
Shares issued (m)	28,563.00
Market cap (Btm)	871,171
Market cap (US\$m)	26,399
3-mth avg daily t'over (US\$m)	46.87

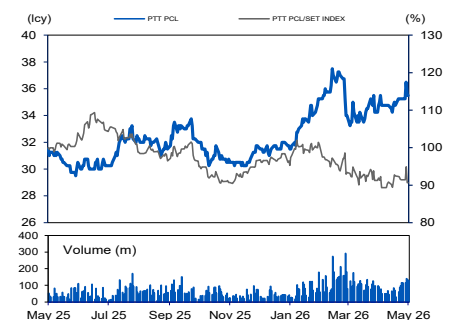
Price Performance (%)

52-week high/low	Bt33.75/Bt27.00			
1mth	3mth	6mth	1yr	YTD
(4.65)	(4.65)	(1.60)	(2.45)	(3.15)

Major Shareholders

Ministry of Finance	51.38%
Vayupak Fund 1	9.96%
Thai NVDR	4.47%

Price Chart



Source: Bloomberg

Company Description

PTT is a Thailand-based oil & gas company engaged in the upstream petroleum, downstream petroleum, coal business and other related businesses.

- **Gas business EBITDA to grow both qoq and yoy.** We estimate gas business EBITDA at Bt16.49b, up 25% qoq and 19% yoy, driven by:
 - Natural Gas Supply & Trading (S&T) – gas sales volume at 4,019m standard cubic feet per day (MMSCFD), up 8% qoq, 4% yoy on stronger demand, lifting S&T EBITDA to Bt2.92b, up 3% qoq.
 - Gas Separation Plant (GSP) – EBITDA at Bt3.42b, increasing both qoq and yoy, supported by higher gas sales volume increasing 14% both qoq and yoy due to no maintenance shutdowns this quarter. This led to a high utilisation rate of 96% (vs 93% in 1Q25 and 90% in 4Q25), alongside lower production costs following gas price restructuring under the utility model.
- **Earnings from subsidiaries and associates rose significantly qoq.** We estimate net profit from subsidiaries and associates at Bt42.23b in 1Q26, up 142% qoq and 94% yoy, driven by: a) stronger earnings from the P&R business, supported by higher market gross refinery margin (GRM) and petrochemical spreads, as well as substantial stock gains; and b) improved earnings from PTT oil and retail (OR), with higher marketing margins offsetting weaker contributions from PTT exploration and production (PTTEP), which was impacted by significant oil hedging losses.
- **2Q26 core profit expected to grow qoq.** We expect 2Q26 net profit to increase qoq, supported by: a) sustained high gas sales volumes during the peak power demand season; b) stronger earnings from the gas separation business, in line with higher product selling prices; and c) improved earnings from PTTEP, following the upward trend in crude oil prices.

Valuation/Recommendation

- **Maintain BUY with a higher SOTP-based 2026 target price of Bt43.00 (previously Bt41.00).** We raise our target price for PTT, driven by an upward revision in the valuations of its subsidiaries and associates. In the oil and gas sector, we prefer Indorama Ventures (IVL TB/BUY/Target: Bt25.00), PTT Global Chemical (PTTGCTB/BUY/Target Bt46.00) and Siam Cement (SCC TB/BUY/Target: Bt290).

Earnings Revision/Risk

- None.

Environment, Social, Governance (ESG) Updates

Environmental

- a) Business growth: Refining the energy investment portfolio with an emphasis on low carbon businesses; and b) clean growth: PTT targets to achieve carbon neutrality by 2040, with the aim of attaining net zero emissions by 2050.

Social

- PTT Group Innovation for Community Project: a) Smart farming: developed integrated models in 45 areas across 29 provinces, and c) community knowledge management.
- The Human Capital Index (HCI) has achieved its target of 80%.

Governance

- No cases of non-compliance with significant legal implications in operations.
- The assessment result for the National Anti-Corruption Commission's Integrity and Transparency Assessment (ITA) is at a PASSED, Good level.

Key Statistics

	1Q25	4Q25	1Q26F	%yoy	%qoq
Dubai (US\$/bbl)	76.94	63.79	86.30	12%	35%
Gas Business					
NG sales volume (MMSCFD)	3,863	3,725	4,019	4%	8%
GSP sales volume (Kton)	1,669	1,672	1,909	14%	14%
Trading Business					
Sales Volume (m Litre)	24,083	26,930	27,468	14%	2%
Gross Margin (Bt/Litre)	0.14	0.09	0.10	-29%	11%

Source: PTT, UOB Kay Hian

Associates and Subsidiaries Performance

	1Q25	4Q25	1Q26F	%yoy	%qoq
PTTEP*	16,561	17,502	8,896	-46%	-49%
TOP	3,504	2,458	19,000	442%	673%
PTTGC**	(2,567)	(5,512)	3,232	n.a.	n.a.
IRPC	(1,206)	(574)	7,100	n.a.	n.a.
OR	4,379	2,078	2,551	-42%	23%
GPSC	1,140	1,498	1,450	27%	-3%
Total	21,811	17,450	42,229	94%	142%

* PTTEP released its 1Q26 operating results on 30 May 26.

** PTTGC released its 1Q26 operating results on 5 May 26.

Source: PTT

Valuation of PTT's Associates and Subsidiaries

	Old	New	%Diff.	%Upside
PTTEP	150.0	185.0	23%	21%
TOP	58.0	58.0	0%	23%
IRPC	1.20	1.65	38%	-24%
PTTGC	31.0	46.0	48%	15%
GPSC	45.0	43.0	-4%	16%
OR	14.5	11.9	-18%	-4%
PTT	41.00	43.00	7%	20%

Source: PTT

Valuation of PTT's Associates and Subsidiaries



Source: PTT

SOTP Valuation

	Share Holding	Fair Value (Bt/share)	Value (Btm)	Value (Bt/share)	Methodology
Gas Business (PTT's Operations)	100.0%		853,383	30.2	DCF @ WACC 7.5% G=1%
(-) Net Debt (PTT Only)			-159,389	-5.6	
1) PTT - Equity Value			704,594	24.7	
2) Associates and Subsidiaries					
PTTEP	63.79%	185.00	468,504	16.4	5-yrs forward PE mean of 10x
TOP	45.03%	58.00	58,342	2.0	Forward PE +1.0SD of 11x
IRPC	45.05%	1.65	15,189	0.5	Forward PBV -2.0 SD of 0.5x
PTTGC	45.18%	46.00	93,707	3.3	Forward PBV mean of 0.70x
GPSC	47.27%	43.00	57,314	2.0	DCF Valuation
OR	75.00%	11.90	107,100	3.7	Forward PE -1.0 SD of 16.8x
3) Affiliates				1.4	
Others Affiliates			38,601	54.0	
Total				54.0	
Discount to NAV				-20%	
PTT's TP (UOB Kay Hian)				43	

Source: UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	2,662,145	3,082,751	3,161,329	3,229,453
EBITDA	374,281	433,855	456,419	461,426
Deprec. & amort.	185,918	182,200	178,556	174,984
EBIT	188,363	251,655	277,864	286,442
Associate contributions	13,031	3,083	6,323	8,074
Net interest income/(expense)	-40,448	-47,339	-48,519	-49,953
Pre-tax profit	175,326	207,400	235,667	244,563
Tax	-57,600	-62,220	-70,700	-73,369
Minorities	-27,559	-35,151	-40,151	-45,786
Net profit	90,166	110,029	124,816	125,408
Net profit (adj.)	75,786	110,029	124,816	125,408

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	299,366	318,078	323,343	349,427
Pre-tax profit	175,326	207,400	235,667	244,563
Tax	-57,600	-62,220	-70,700	-73,369
Deprec. & amort.	185,918	182,200	178,556	174,984
Working capital changes	12,630	-9,302	-20,179	3,249
Other operating cashflows	-16,907	0	0	0
Investing	-164,156	-203,135	-116,469	-135,850
Investments	-227,089	-137,636	-132,324	-129,037
Others	62,933	-65,499	15,855	-6,813
Financing	-188,365	-104,443	-70,708	-86,077
Dividend payments	-83,285	-57,126	-69,710	-79,079
Issue of shares	n.a.	n.a.	n.a.	n.a.
Proceeds from borrowings	-105,080	-47,317	-998	-6,998
Net cash inflow (outflow)	-53,155	10,500	136,166	127,501
Beginning cash & cash equivalent	405,139	346,817	357,317	493,483
Changes due to forex impact	-5,167	0	0	0
Ending cash & cash equivalent	346,817	357,317	493,483	620,984

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	1,513,937	1,469,374	1,423,142	1,377,195
Other LT assets	850,525	930,301	915,487	942,804
Cash/ST investment	346,817	357,317	493,483	620,984
Other current assets	135,193	170,592	174,510	166,583
Total assets	3,269,660	3,457,526	3,548,316	3,659,682
ST debt	217,934	171,613	177,614	160,615
Other current liabilities	131,674	175,457	165,367	164,702
LT debt	666,425	665,429	658,430	668,431
Other LT liabilities	384,993	399,270	400,311	420,815
Shareholders' equity	1,185,196	1,208,888	1,263,994	1,310,323
Total liabilities & equity	3,269,660	3,457,526	3,548,316	3,659,682

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	14.1	14.1	14.4	14.3
Pre-tax margin	6.6	6.7	7.5	7.6
Net margin	3.4	3.6	3.9	3.9
ROA	3.3	3.9	4.3	4.3
ROE	9.0	10.8	12.0	11.8
Growth				
Turnover	-13.9	15.8	2.5	2.2
EBITDA	-11.8	15.9	5.2	1.1
Pre-tax profit	-3.0	18.3	13.6	3.8
Net profit	0.1	22.0	13.4	0.5
Net profit (adj.)	-19.8	45.2	13.4	0.5
EPS	-19.8	45.2	13.4	0.5
Leverage				
Debt to total capital	53.5	48.1	45.5	43.0
Debt to equity	74.6	69.2	66.1	63.3
Net debt/(cash) to equity	45.4	39.7	27.1	15.9
Interest cover (x)	9.3	9.2	9.4	9.2

Thai Airways (THAI TB)

Decent 1Q26 Earnings Expected

Highlights

- THAI should report a net profit at Bt8.45b (-14.0% yoy, +59.8% qoq) in 1Q26.
- The yoy drop in net profit is mainly due to the tax expense in 1Q26. The operational statistics remain decent, and the rising fuel cost will be recognised from 2Q26 onwards.
- We remain cautious on THAI given the highly uncertain situation in the Middle East. We maintain HOLD with a target price of Bt6.20 (previously Bt6.70).

Analysis

1Q26 Earnings Preview

Year to 31 Dec (Btm)	1Q25	4Q25	1Q26F	yoy (%)	qoq (%)	2025	2026F	yoy (%)
Total revenue	50,274	46,933	49,663	(1.2)	5.8	183,442	200,170	9.1
Gross profit	12,303	5,949	11,807	(4.0)	98.5	34,003	39,581	16.4
Operating EBITDA	15,695	10,241	15,984	1.8	56.1	49,422	58,236	17.8
Earnings Before Tax (EBT)	9,841	2,065	9,780	(0.6)	373.6	28,467	34,233	20.3
Core profit	10,163	6,814	8,802	(13.4)	29.2	29,518	33,459	13.4
Net profit	9,832	4,541	8,454	(14.0)	86.2	30,910	33,522	8.5
EPS (Bt)	0.35	0.16	0.30	(14.0)	86.2	1.09	1.18	8.5
(%)	1Q25	4Q25	1Q26F	yoy (ppts)	qoq (ppts)	2025	2026F	yoy (ppt)
Gross margin	24.5	12.7	23.8	(0.7)	11.1	18.5	19.8	1.2
EBITDA margin	31.2	21.8	32.2	1.0	10.4	26.9	29.1	2.2
Net profit margin	19.6	9.7	17.0	(2.5)	7.3	16.1	16.7	0.6

Source: THAI, UOB Kay Hian

- **Expect decent earnings in 1Q26; no impact from rising jet fuel prices yet.** Thai Airways (THAI) should report a net profit of Bt8.45b in 1Q26 (-14.0% yoy, +59.8% qoq). In this quarter, we expect a net loss of around Bt380m due to forex losses caused by the Thai baht appreciation, partially offset by the gain from the termination of an aircraft lease contract. The yoy drop in earnings is mainly due to the tax expense in 1Q26 which is gradually approaching the normalised level. 1Q26 EBT should be flat yoy at Bt9.8b (-0.6% yoy). In 1Q26, there was no notable yoy increase in expenses and the jet fuel price spike in Mar 26 will have its impact deferred to Apr 26 instead. The top-line should be at Bt49.6b (-1.2% yoy, +5.8% qoq) with the slight yoy drop mainly from the reduction of Available Seat Kilometers (ASK) yoy. However, most of the metrics such as the cabin factor and cargo load factor are still within a healthy range. EBITDA margin is expected to expand yoy.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	189,786	184,869	206,175	223,179	234,643
EBITDA	54,866	49,422	58,236	62,529	65,898
Operating profit	41,839	35,430	45,586	48,561	48,521
Net profit (rep./act.)	(26,934)	30,910	33,522	33,634	27,376
Net profit (adj.)	15,064	29,518	33,459	33,571	27,313
EPS (Bt)	0.5	1.0	1.2	1.2	1.0
PE (x)	11.3	5.8	5.1	5.1	6.2
P/B (x)	3.7	2.2	1.6	1.3	1.2
EV/EBITDA (x)	3.8	4.3	3.6	3.4	3.2
Dividend yield (%)	0.0	3.5	4.9	5.0	4.0
Net margin (%)	(14.2)	16.7	16.3	15.1	11.7
Net debt/(cash) to equity (%)	97.8	51.6	38.8	35.5	28.4
Interest cover (x)	3.5	5.7	5.1	4.4	4.6
ROE (%)	n.a.	50.9	37.4	29.0	19.8
Consensus net profit (Btm)	-	-	28,112	27,732	18,990
UOBKH/Consensus (x)	-	-	1.19	1.21	1.44

Source: THAI, Bloomberg, UOB Kay Hian

HOLD (Maintained)

Share Price	Bt5.95
Target Price	Bt6.20
Upside	+4.2%
Previous TP	Bt6.70

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Stock Data

GICS sector	Industrials
Bloomberg ticker:	THAI TB
Shares issued (m):	28,303.3
Market cap (Btm):	169,819.7
Market cap (US\$m):	5,244.7
3-mth avg daily t'over (US\$m):	13.1

Price Performance (%)

52-week high/low	Bt19.40/Bt3.32			
1mth	3mth	6mth	1yr	YTD
(3.2)	(19.5)	(39.4)	80.7	(13.7)

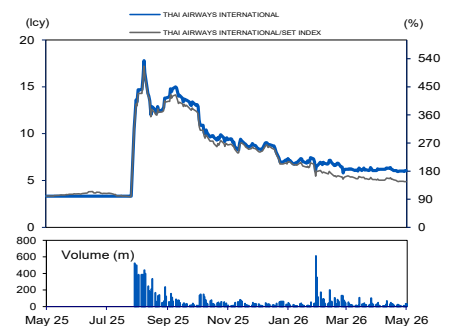
Major Shareholders

	%
Ministry of Finance	38.90
Bangkok Bank	8.50

Balance Sheet Metrics

FY26 NAV/Share (Bt)	3.65
FY26 Net Debt/ Share (Bt)	1.42

Price Chart



Source: Bloomberg

Company Description

Thai Airways is the national flag carrier and largest airline of Thailand. The company operates both domestic and international flights, serving destinations across Asia, Europe, and Oceania, with its main hub at Suvarnabhumi Airport in Bangkok. Its business segments include passenger transport, cargo, mail, catering, and ground services.

Statistics Preview

	1Q25	4Q25	1Q26F	yoy (%)	qoq (%)
Passenger business					
RPK (m pax km) vol	14,776	14,161	14,452	(2.2)	2.1
ASK (m pax km) capacity	17,729	17,772	17,389	(1.9)	(2.2)
Cabin Factor	83.3%	79.7%	83.1%	(0.2)	3.4
Pax Yield (Bt/pax km)	2.91	2.80	2.93	0.7	4.5
Mail and Freight				yoy (%)	qoq (%)
RFTK (m ton km) vol	482	497	490	1.7	(1.4)
ADTK (m ton km) capacity	975	990	972	(0.3)	(1.8)
Cargo Load Factor	49.4%	50.2%	50.4%	1.0	0.2
Freight Yield (Bt/ton km)	8.58	8.46	8.41	(2.0)	(0.6)

Source: THAI, UOB Kay Hian

- Flight cancellations in May 26.** Due to the current situation, THAI has cancelled a high single-digit number of flights in May 26, leading to a ASK dropping by mid-single digit yoy. Most of the cancelled flights are in low demand and THAI will aim to increase efficiency in fuel usage for its aircraft. As a result, the passenger yield is expected to rise yoy and qoq. So far, THAI has not closed any flight routes but has mainly reduced the flight frequency especially for regional flights to Hong Kong and China. Meanwhile, from Jun 26 onwards, THAI will need to closely monitor the number of forward bookings before deciding on its strategy. All of the tickets are sold at an elevated price, around 15-20% above its original price, to fully pass on the rising fuel cost to its passengers. THAI will need to keep a good balance between ticket prices and tourist demand.
- Highly challenging outlook in 2Q26.** The full impact of the jet fuel price spike will be recognised in the operational performance from Apr 26 onwards. THAI has pushed the rising fuel cost to customers partially in Apr 26 and fully in May 26. The cabin factor in Apr 26 was around a healthy range of 80%, thanks to the Songkran festival. Meanwhile, the flight reduction in May 26 shows THAI's effort in preserving its margins. However, we still expect to see a notable margin squeeze in 2Q26 as management is cautious about the price increase and is mindful that the price increase could hamper travel demand. Moreover, the situation in Jun 26 remains uncertain and management will need to closely monitor in order to plan its approach for the month.

Valuation/Recommendation

- Maintain HOLD with a target price of Bt6.20.** Our valuation for THAI in 2026 is based on a PE multiple of 5.0x (based on 2SD below the 10-year historical mean). We believe that THAI's valuation is undemanding but will remain cautious given that the situation in the Middle East remains unsettled. The 2Q26 outlook remains highly challenging given the expected margin squeeze as THAI cannot fully pass through the fuel cost increase to the ticket price, fearing the negative effect on travel demand.

Environment, Social, Governance (ESG) Updates

Environmental

- Fuel usage:** THAI is reducing carbon emissions by improving fuel efficiency through fleet renewal and exploring options for Sustainable Aviation Fuel.
- Net-zero by 2065:** THAI has publicly stated a net-zero emissions goal by 2065 as part of its long-term climate strategy.

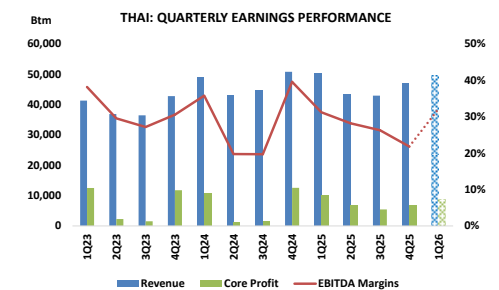
Social

- Supporting the community:** THAI supports local communities through CSR initiatives and local sourcing, particularly for in-flight food and amenities.

Governance

- Strategic ESG partnerships:** THAI's partnership with PTT Global Chemical on SAF reflects its commitment to global sustainability standards.

Quarterly Performance



Source: THAI, UOB Kay Hian

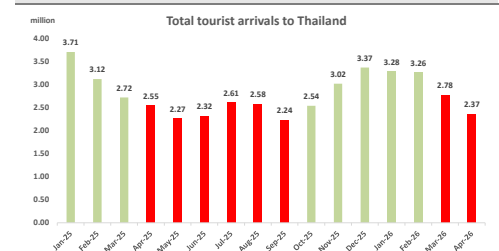
Thai's Key Markets

THAI's Top-10 Passenger Revenue by Country of Destination in the Past 12 Months



Source: THAI

Monthly Tourist Arrivals



Source: Ministry of Tourism and Sports, UOB Kay Hian

Operational Expenses

	HQ 2024	HQ 2023	FY 2024	FY 2023	Full-Year Analysis
Total Cost	2,441	2,485	2,374	2,273	Cost reduction in FY 2025
Fuel expense	652	684	676	644	Cost reduction in FY 2025
Non-fuel expense	1,789	1,801	1,698	1,629	Cost reduction in FY 2025
Flight service expense	3,112	3,261	3,213	3,054	Cost reduction in FY 2025
Headquarters, R&D, Finance cost	3,112	3,261	3,213	3,054	Cost reduction in FY 2025
Marketing and advertising	4.2%	4.2%	3.7%	3.7%	Cost reduction in FY 2025
Other operating	38.7%	38.7%	38.7%	38.7%	Cost reduction in FY 2025
Avg. per Fuel Price	151.7	168.8	154.9	149.9	Cost reduction in FY 2025
Other operating cost	34.9	33.2	33.1	33.9	Cost reduction in FY 2025

Source: THAI

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	184,869	206,175	223,179	234,643
EBITDA	49,422	58,236	62,529	65,898
Deprec. & amort.	13,991	12,650	13,968	17,378
EBIT	35,430	45,586	48,561	48,521
Total other non-operating income	1,697	0	0	0
Associate contributions	34	63	63	63
Net interest income/(expense)	(8,695)	(11,417)	(14,102)	(14,346)
Pre-tax profit	28,467	34,233	34,523	34,238
Tax	2,473	(683)	(861)	(6,835)
Minorities	(30)	(27)	(27)	(27)
Net profit	30,910	33,522	33,634	27,376
Net profit (adj.)	29,518	33,459	33,571	27,313

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	31,295	46,485	47,874	44,944
Pre-tax profit	28,467	34,233	34,523	34,238
Tax	2,473	(683)	(861)	(6,835)
Deprec. & amort.	13,991	12,650	13,968	17,378
Working capital changes	1,700	1,098	1,056	700
Non-cash items	(15,184)	(843)	(811)	(537)
Other operating cashflows	(118)	94	63	63
Investing	(25,396)	(41,579)	(45,065)	(32,716)
Capex (growth)	(13,236)	(41,200)	(44,700)	(32,474)
Investment	1,908	1,908	1,908	1,908
Others	(14,068)	(2,288)	(2,273)	(2,150)
Financing	(11,532)	5,777	20,429	(5,301)
Dividend payments	0	(5,944)	(8,381)	(8,409)
Proceeds from borrowings	(11,068)	11,721	28,809	3,108
Loan repayment	0	0	0	0
Others/interest paid	(465)	0	0	0
Net cash inflow (outflow)	(5,633)	10,683	23,239	6,927
Beginning cash & cash equivalent	84,212	78,579	89,262	112,501
Changes due to forex impact	0	0	0	0
Ending cash & cash equivalent	78,579	89,262	112,501	119,428

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	111,737	140,287	171,019	186,115
Other LT assets	48,823	53,101	57,216	59,944
Cash/ST investment	78,579	89,262	112,501	119,428
Other current assets	64,920	70,840	76,534	80,309
Total assets	304,059	353,491	417,270	445,796
ST debt	9,871	9,370	11,541	12,505
Other current liabilities	67,716	73,891	79,830	83,768
LT debt	107,802	120,024	146,662	148,807
Other LT liabilities	42,758	46,657	50,407	52,894
Shareholders' equity	75,834	103,412	128,666	147,634
Minority interest	78	135	162	189
Total liabilities & equity	304,059	353,491	417,270	445,796

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	26.7	28.2	28.0	28.1
Pre-tax margin	15.4	16.6	15.5	14.6
Net margin	16.7	16.3	15.1	11.7
ROA	10.4	10.2	8.7	6.3
ROE	50.9	37.4	29.0	19.8
Growth				
Turnover	(2.6)	11.5	8.2	5.1
EBITDA	(9.9)	17.8	7.4	5.4
Pre-tax profit	n.a.	20.3	0.8	(0.8)
Net profit	n.a.	8.5	0.3	(18.6)
Net profit (adj.)	95.9	13.4	0.3	(18.6)
EPS	95.9	13.4	0.3	(18.6)
Leverage				
Debt to total capital	60.8	55.5	55.1	52.2
Debt to equity	155.2	125.1	123.0	109.3
Net debt/(cash) to equity	51.6	38.8	35.5	28.4
Interest cover (x)	5.7	5.1	4.4	4.6

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