UOBKayHian

Country Daily Thailand

Friday, 10 July 2026

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	52487.4	0.3	(0.8)	3.2	9.2
S&P 500	7543.6	0.8	0.8	2.1	10.2
FTSE 100	10472.5	(0.2)	(1.7)	2.4	5.4
AS30	8961.3	(0.2)	0.3	1.5	(0.6)
CSI 300	4876.3	2.5	1.3	1.6	5.3
FSSTI	5433.9	1.2	4.2	8.2	17.0
HSCEI	7997.3	(1.1)	5.1	(3.9)	(10.3)
HSI	24030.2	(0.7)	4.2	(2.2)	(6.2)
JCI	5912.4	0.7	2.9	2.9	(31.6)
KLCI	1677.6	(0.4)	1.0	0.1	(0.1)
KOSPI	7291.9	0.6	(4.7)	(9.9)	73.0
Nikkei 225	67743.9	1.4	(1.4)	3.6	34.6
SET	1608.3	2.0	0.9	1.5	27.7
TWSE	45354.6	(0.8)	(3.0)	1.5	56.6
BDI	2910.0	1.4	9.8	3.3	55.0
CPO (RM/mt)	4496.0	0.0	0.5	1.2	14.3
Brent Crude (US$/bbl)	76.3	(2.2)	6.3	(16.6)	25.4

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Analyst Marketing on 2H Thai Strategy and Healthcare Sector presentation	Malaysia	13 Jul	15 Jul

Corporate and Macro Calendar

Economic Indicator/Event	Country/Region	Date
June. Consumer Confidence	Thailand	7-13 July
June. Customs Trade Balance (Export-Import)	Thailand	21-26 July

Please click on the page number to move to the relevant pages

Thailand

Sector Update | Retail Page 2

Jun 26 SSSG softened across all segments. The slowdown was mainly driven by the Thai Help Thai Plus copayment scheme and weaker demand for construction materials. Maintain MARKET WEIGHT. Our top picks are CPN, CRC and MOSHI.

Company Update | Aeon Thana Sinsap (Thailand) (AEONTS TB/**BUY**/Bt103.00/Target: Bt125.00) Page 4

We came away from AEONTS' analyst meeting with a neutral view. Management has guided for the sale of written-off receivables to occur twice a year. AEONTS remains focused on good asset quality rather than loan growth. It believes the current management overlay is adequate for future uncertainties. We view the Bt130m increase in the management overlay for the Middle East conflict from the previous quarter positively. Maintain BUY with a target price of Bt125.00.

Company Update | Siam Cement (SCC TB/**BUY**/Bt241.00/Target: Bt320.00) Page 7

We expect SCC to report a strong 2Q26 net profit, and its core profit is projected to increase significantly both qoq and yoy, while the packaging business is also expected to recover on the back of higher ASP and stronger sales volumes. Middle East tensions remain a key factor contributing to volatility in olefins spreads during 2H26; however, the impact is likely a limited downside factor for olefins spreads. Maintain BUY. Target price: Bt320.00 (previously Bt290.00).

Retail

MARKET WEIGHT
(Maintained)

June SSSG Returns To Normalised Levels

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Highlights

- Jun 26 SSSG softened across all segments. The slowdown was mainly driven by the Thai Help Thai Plus copayment scheme and weaker demand for construction materials.
- Maintain MARKET WEIGHT. Our top picks are CPN, CRC and MOSHI.

Analysis

- **Jun 26 SSSG softened across all segments.** The slowdown was mainly driven by the Thai Help Thai Plus copayment scheme and weaker demand for construction materials.
- **Modern grocery retail.** Convenience store and supermarket retailers, such as CPALL and CRC, are seeing stronger SSSG than hypermarket retailers.
  - **CPAXT and BJC.** Hypermarket operators were hit hardest, with SSSG declining significantly in June. We expect BJC to be relatively more resilient, supported by a better product mix. CPAXT is likely to be more heavily affected, with June SSSG expected to decline by high single-digit yoy.
  - **CPALL.** June SSSG was flat yoy. The copayment scheme also diverted spending away from convenience stores. SSSG was slightly negative at the beginning of June but gradually improved toward month-end as most consumers had already utilised their copayment quota.
  - **CRC food retail segment.** We expect overall food SSSG to be flat yoy. The key positive is that Food Thailand remains the strongest performer among peers, with SSSG expected to grow 4% yoy. Both Tops and GO Wholesale maintained positive momentum, with GO Wholesale outperforming due to its low base and benefits from the copayment scheme. Meanwhile, Food Vietnam softened in June.
- **Shopping malls remained the most resilient segment.** CPN reported tenant sales growth of 6-7% yoy in April-May, while traffic increased 2-3% yoy. We expect tenant sales to soften slightly in June due to the Thai Help Thai Plus programme and a higher base effect, but overall performance should remain stronger than that of the hypermarket segment.

Segmental Rating

Segment	Rating
Grocery retail	MARKET WEIGHT (Maintained)
Home improvement retail	OVERWEIGHT (Maintained))
Lifestyle retail	OVERWEIGHT (Maintained)

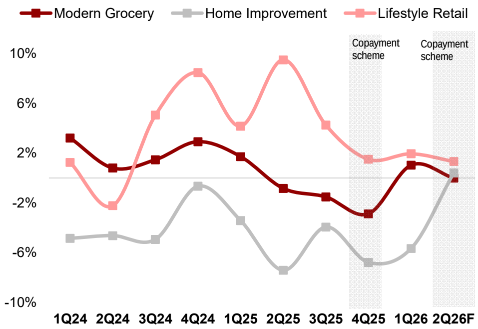
Source: UOB Kay Hian

Sector Picks

Company	Ticker	Rec	Share Price (Bt)	Target Price (Bt)
Central Patana	CPN TB	BUY	62.00	73.50
Central Retail	CRC TB	BUY		
Moshi Moshi	MOSHI TB	BUY	34.25	47.00

Source: Bloomberg, UOB Kay Hian

Sector Same-store Sales Growth



Source: UOB Kay Hian

Peer Comparison

Company	Rec	Price 8 Jul 26 (Bt)	Target Price (Bt)	Upside Downside (%)	Market Cap (US$m)	------ Net Profit ------ 2026F (Btm)	2027F (Bt m)	--------- PE -------- 2026F (x)	2027F (x)	Net EPS Growth 2026F(%)	P/B 2026F (x)	Yield 2026F (%)	ROE 2026F (%)
BJC TB	HOLD	14.50	15.50	6.9	1,740	4,358	4,450	13.3	13.1	8.7	0.5	3.8	3.4
COM7 TB	BUY	27.75	30.00	8.1	1,984	4,172	4,293	15.9	15.4	3.2	4.7	4.1	30.8
CPALL TB	BUY	46.25	62.00	34.1	12,439	30,931	31,714	13.4	13.1	9.7	2.6	4.0	9.1
CPAXT TB	HOLD	14.70	14.50	(1.4)	4,589	9,762	10,425	15.7	14.7	4.3	0.5	4.9	3.2
CPN TB	BUY	65.75	73.50	11.8	8,835	19,022	20,129	15.5	14.7	1.0	2.5	3.7	15.4
CRC TB	BUY	22.20	25.50	14.9	4,009	7,707	8,304	17.4	16.1	4.0	2.1	5.0	11.0
DOHOME TB	HOLD	3.60	3.60	-	365	656	678	18.6	18.0	9.1	0.9	0.2	4.8
GLOBAL TB	BUY	6.90	7.40	7.2	1,116	2,175	2,268	17.1	16.4	10.7	1.4	2.9	8.2
HMPRO TB	BUY	6.35	8.00	26.0	2,500	5,854	6,119	14.3	13.6	(2.6)	3.1	5.8	22.0
MOSHI TB	BUY	37.50	47.00	25.3	371	785	869	15.8	14.2	17.2	4.0	3.8	26.9
MRDIYT TB	BUY	9.75	10.50	7.7	1,756	3,104	3,609	18.9	16.3	17.9	5.1	2.5	29.2
Average					39,704	88,526	92,858	15.1	14.4	5.9	2.4	4.1	12.7

Source: UOB Kay Hian

- **Home Improvement retail.** SSSG turned negative in June but remained solid for the full quarter.
  - **HMPRO and GLOBAL.** SSSG turned negative for the second consecutive month as demand for construction materials continued to soften after being front-loaded in March-April, leading to weaker sales momentum.
  - **DOHOME.** DOHOME was the only home improvement retailer to deliver positive SSSG in Jun 26. The wholesale segment continued to outperform with strong SSSG, while the retail segment also showed sequential improvement. We expect 2Q26 net profit of Bt280m (+78% yoy, +12% qoq), marking the company's strongest quarterly earnings in the past 15 quarters.
- **Lifestyle retail.** MOSHI is expected to outperform MRDIYT in 2Q26.
  - **MOSHI.** June SSSG is estimated at around +5% yoy. Sales softened during the first half of June, partly due to the copayment scheme, before recovering in the second half of the month, driven by the popularity of the Toy Story collection and the “Friend of Moshi Moshi” campaign.
  - **MRDIYT.** SSSG was softer in June due to the high base last year. However, we still expect positive earnings growth in 2Q26 supported by the store expansion.

Valuation/Recommendation

- **Maintain MARKET WEIGHT.** We prefer home improvement retail and lifestyle retail over modern grocery due to the stronger earnings momentum.
- **Top picks are CPN, CRC and MOSHI.** CPN is the most resilient stock among all retailers. We also continue to like MOSHI for its superior earnings growth.

Sector Catalyst/Risk

- **Catalysts:** a) attractive valuation, b) strong recovery in 4Q26.

Grocery Retail Same-store Sales Growth

Modern Grocery	1Q25	2Q25	3Q25	4Q25	1Q26	Apr26F	May26F	Jun26F	2Q26F
CPALL (7-Eleven)	3.0%	-0.8%	-0.7%	-1.5%	1.9%	1.5%	1.5%	0.0%	1.0%
CPAXT (Makro)	1.0%	-1.2%	0.3%	0.0%	0.6%	1.0%	-0.5%	-1.0%	-1.0%
CPAXT (Lotus's)	0.5%	0.0%	-0.5%	-7.6%	0.0%	0.0%	-2.0%	-7.0%	-3.5%
BJC (Big C)	2.1%	-3.2%	-3.8%	-3.3%	-3.3%	-3.3%	-1.5%	-2.8%	-2.5%
CRC (Tops & Go TH)	2.0%	1.0%	-3.0%	-2.0%	6.0%	7.8%	6.0%	4.2%	6.0%
Average	1.7%	-0.8%	-1.5%	-2.9%	1.0%	1.4%	0.7%	-1.3%	0.0%

Source: Respective companies, UOB Kay Hian

Home Improvement Retail Same-store Sales Growth

Home Improvement	1Q25	2Q25	3Q25	4Q25	1Q26	Apr26F	May26F	Jun26F	2Q26F
HMPRO (HomePro TH)	-3.3%	-8.8%	-5.7%	-7.8%	-12.7%	2.5%	-2.0%	-3.5%	-1.0%
HMPRO (Mega Home)	0.2%	-1.6%	0.9%	-6.9%	-3.7%	5.0%	-0.5%	-0.5%	1.3%
GLOBAL	-10.0%	-10.5%	-0.9%	-4.9%	-2.8%	3.0%	-3.5%	-5.0%	-1.8%
DOHOME	2.0%	-9.3%	-11.0%	-10.4%	-4.1%	4.5%	1.0%	2.0%	2.5%
CRC (TWD//PWB/B2S)	-6.0%	-7.0%	-3.0%	-4.0%	-5.0%	5.5%	1.0%	-3.5%	1.0%
Average	-3.4%	-7.4%	-3.9%	-6.8%	-5.7%	4.1%	-0.8%	-2.1%	0.4%

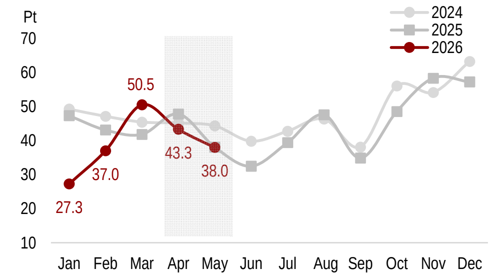
Source: Respective companies, UOB Kay Hian

Lifestyle Retail Same-store Sales Growth

Lifestyle Retail	1Q25	2Q25	3Q25	4Q25	1Q26	Apr26F	May26F	Jun26F	2Q26F
MRDIYT	0.4%	4.0%	2.5%	1.4%	0.1%	-1.5%	0.0%	-2.0%	-1.2%
MOSHI	7.9%	15.0%	6.0%	1.6%	3.8%	0.0%	6.5%	5.0%	3.8%
Average	4.2%	9.5%	4.2%	1.5%	2.0%	-0.8%	3.3%	1.5%	1.3%

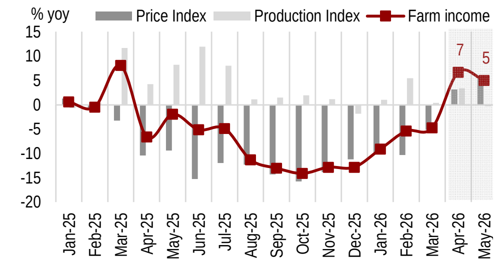
Source: Respective companies, UOB Kay Hian

Retail Sentiment Index



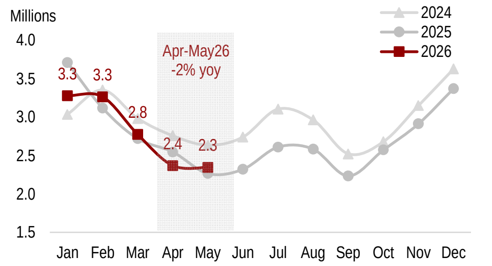
Source: Thai Retailers Association, UOB Kay Hian

Farm Income Turned Positive



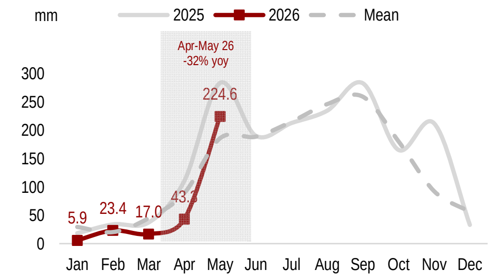
Source: Office of Agricultural Economics, UOB Kay Hian

International Tourist Arrivals Improved



Source: Ministry of Tourism and Sports, UOB Kay Hian

Lower Rainfall in 2026



Source: Thai Meteorological Department, UOB Kay Hian

Earnings Impact of a 1% THB Appreciation

Stocks	Currency	Earnings impact
CRC	VND	0.30%
BJC	VND	0.20%
CPAXT	MYR	0.20%
CPALL	MYR	0.05%
CPN	MYR	0.02%
MRDIYT	USD	0.80%
DOHOME	RMB	0.70%
GLOBAL	RMB	0.40%
HMPRO	RMB	0.20%

Source: UOB Kay Hian

Aeon Thana Sinsap (Thailand) (AEONTS TB)

Increased Buffer For The Middle East Conflict

	BUY (Maintained)
Share Price	Bt103.00
Target Price	Bt125.00
Upside	21.4%

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Highlights

- Neutral tone during the analyst meeting.
- AEONTS guides for the sale of written-off receivables to happen twice a year.
- Maintain BUY with an unchanged target price of Bt125.00.

Analysis

- **Neutral tone during the analyst meeting.** We came away from Aeon Thana Sinsap (Thailand)'s (AEONTS) analyst meeting with a neutral view. Management has guided for the sale of written-off receivables to take place twice a year (2Q and 4Q), which is the same as last year.
- **Continues to focus on maintaining sound asset quality.** AEONTS remains focused on good asset quality rather than loan growth. The company said that the reduction in expected credit losses (ECL) came from a well-managed loan portfolio and good debt collection. Meanwhile, the reversal of management overlay (MO) has also helped to reduce ECL qoq in 1QFY27.
- **Increased MO to prepare for Middle East conflict.** Management disclosed that the reversal of MO from provisioning for the southern floods in Nov-Dec 25 amounted to Bt150m in 1QFY27. Meanwhile, the current MO stands at Bt370m, comprising: a) Bt140m for the increase in the minimum credit card payment to 10%; and b) Bt230m for the Middle East conflict (vs Bt100m in 4QFY26).
- **No signs of asset quality deterioration qtd.** AEONTS believes the current MO is adequate for future uncertainties. The company believes that the current environment is manageable and is focusing on screening and debt collection. During June and July 26, management did not see any negative signs for credit cost outlook and asset quality.
- **A potential reversal MO for ME conflict would be a positive surprise.** We are positive on the Bt130m increase in MO for the Middle East conflict by from the previous quarter, as this allows AEONTS to have more buffer for uncertainties. However, in case of a mild impact from the Middle East conflict, we might see a reversal of MO for the Middle East conflict in the future, which will be a potential positive surprise.

Key Financials

Year to 28 Feb (Btm)	FY25	FY26	FY27F	FY28F	FY29F
Net interest income	16,124.9	15,533.3	15,533.3	16,012.3	16,327.3
Non-Interest Income	3,731.5	4,188.0	4,520.9	4,845.0	5,311.3
Net profit (rep./act.)	2,860.3	3,094.1	3,345.6	3,464.6	3,546.5
Net profit (adj.)	2,860.3	3,094.1	3,345.6	3,464.6	3,546.5
EPS (Bt)	11.4	12.5	13.5	14.0	14.3
PE (x)	9.0	8.2	7.6	7.4	7.2
P/B (x)	1.0	0.9	0.9	0.8	0.8
Dividend yield (%)	4.4	5.1	6.2	6.2	6.4
Net int margin (%)	17.9	17.7	17.8	17.7	17.5
Cost/income Ratio (%)	44.2	42.4	43.1	43.1	42.8
Loan loss cover (%)	153.8	169.1	168.0	168.0	165.0
Consensus net profit	n.a	n.a	3,071.9	3,249.2	3,318.8
UOBKH/Consensus (x)	n.a	n.a	1.1	1.1	1.1

Source: Aeon Thana Sinsap (Thailand) Pcl, Bloomberg, UOB Kay Hian

Stock Data

GICS sector	Financials
Bloomberg ticker:	AEONTS TB
Shares issued (m):	247.2
Market cap (Btm):	25,332.9
Market cap (US$m):	756.9
3-mth avg daily t'over (US$m):	1.7

Price Performance (%)

52-week high/low				Bt120.0/Bt87.5
1mth	3mth	6mth	1yr	YTD
9.3	8.8	3.3	9.0	(4.6)

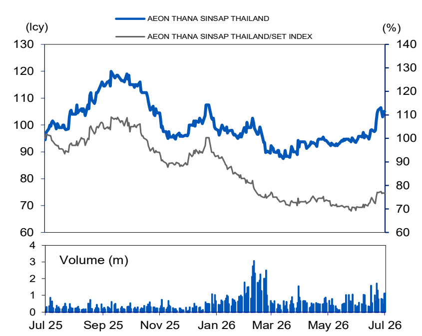
Major Shareholders

	%
AEON Financial Service Co., Ltd. / Japan	35.12
ACS Capital Corporation Limited	19.20
AEON Holdings (Thailand) Co., Ltd	8.80

Balance Sheet Metrics

FY27 NAV/Share (Bt)	125.9
FY26 Net Debt/Share (Bt)	n.a

Price Chart



Source: Bloomberg

Company Description

AEONTS is a non-bank consumer finance operator that mainly provides personal loans and credit cards to customers. The company principally focuses on the middle- to lower-income groups.

- **AEONTS plan to increase ROE by improving the core business.** AEONTS has set a target ROE at 15% in its medium-term plan. However, the increase in ROE should be driven by an improvement in the core business. Hence, there is a lower possibility of an increase in dividend payout ratio anytime soon.
- **1QFY27 results recap.** AEONTS posted a 1QFY27 net profit of Bt793m, up 3% yoy but down 13% qoq, beating our and consensus expectations by 9% and 6%, respectively. The company's pre-provision operating profit declined 6% yoy and 10% qoq.

1QFY27 Results recap (Mar 26-May 26)

Year to 28 Feb (Btm)	1QFY27	4QFY26	1QFY26	qoq chg (%)	yoy chg (%)
Total gross loans	85,374	86,176	88,870	(0.9)	(3.9)
Net interest income	3,713	3,819	3,925	(2.8)	(5.4)
Non-interest income	993	1,262	931	(21.3)	6.6
Loan loss provision	(1,637)	(1,784)	(1,766)	(8.2)	(7.3)
Non-Interest Expenses	(2,080)	(2,178)	(2,078)	(4.5)	0.1
Pre-provision operating profit	2,626	2,903	2,778	(9.5)	(5.5)
Net income	793	912	772	(13.1)	2.7
EPS (Bt)	3.20	3.69	3.09	(13.2)	3.8
Ratio (%)					
NPL Ratio	5.6%	5.6%	5.1%		
Loan loss coverage ratio (%)	169%	169%	162%		
Net interest margin (NIM %)	17.3%	17.5%	17.7%		
Credit cost (bp)	745	800	782		
Cost to income (%)	44%	43%	43%		

Source: AEONTS, UOB Kay Hian

Valuation/Recommendation

- **Maintain BUY with an unchanged target price of Bt125.00.** We use the Gordon Growth Model with cost of equity of 13.0% and a long-term growth rate of 3.0%. Our target price implies 1.1x FY27F P/B, which is slightly above -1SD to its five-year average.

Earnings Revision/Risk

- No earnings revision.

Share Price Catalyst

- Stimulus package(s) to improve domestic spending and repayment.
- An increase in dividend payout ratio.

Environment, Social, Governance (ESG) Updates

CG Report: 5
SET ESG Rating: A

Environmental

- **Reducing paper and plastic usage.** The company plans to convince 100% of customers to switch to e-statements in the next 3-5 years.
- **Electrical energy, water, and fuel energy management.** The company is focusing on clean energy consumption.

Social

- **Number of complaints and disputes with the community.** The company plans to handle complaints and disputes with a satisfaction rate of 85% within the next few years

Governance

- The number of complaints regarding violations of the company's ethics and policies and incidents of corporate corruption should be less than five in the next 2-3 years.

Loan Portfolio (1QFY27)

Source: AEONTS, UOB Kay Hian

Credit Cost (bp)

Source: AEONTS, UOB Kay Hian

PE Band

Source: UOB Kay Hian

P/B Band

Source: UOB Kay Hian

Profit & Loss

Year to 28 Feb (Btm)	FY26	FY27F	FY28F	FY29F
Interest income	17,587	17,185	17,528	17,841
Interest expense	(2,054)	(1,652)	(1,515)	(1,514)
Net interest income/(expense)	15,533	15,533	16,012	16,327
Fees & Commissions	857	1,015	1,247	1,482
Income From Insurance	0	0	0	0
Net Trading Income	0	0	0	0
Other Income	3,331	3,506	3,598	3,829
Non-Interest Income	4,188	4,521	4,845	5,311
Total Income	19,721	20,054	20,857	21,639
Staff Costs	(8,249)	(8,534)	(8,859)	(9,129)
Other Operating Expense	(113)	(118)	(124)	(130)
Pre-Provision Profit	11,359	11,402	11,875	12,379
Loan Loss Provision	(7,439)	(7,276)	(7,617)	(8,020)
Other Provisions	0	0	0	0
Associated Companies	0	0	0	0
Other Non-Operating Income	0	0	0	0
Pre-tax profit	3,920	4,126	4,258	4,359
Tax	(790)	(837)	(852)	(872)
Minorities	(36)	56	58	59
Net profit	3,094	3,346	3,465	3,546
Net profit (adj.)	3,094	3,346	3,465	3,546

Balance Sheet

Year to 28 Feb (Btm)	FY26	FY27F	FY28F	FY29F
Cash With Central Bank	3,682	3,388	3,514	3,632
Govt Treasury Bills & Securities	0	0	0	0
Interbank Loans	0	0	0	0
Customer Loans	78,088	78,353	81,358	84,398
Investment Securities	0	0	0	0
Derivative Receivables	0	0	0	0
Associates & JVs	0	0	0	0
Properties & Other Fixed Assets	779	561	447	405
Goodwill & Intangible Assets	777	799	855	906
Other Assets	4,981	4,918	5,044	5,177
Insurance Fund Investment Assets	0	0	0	0
Total assets	88,307	88,019	91,218	94,518
Interbank Deposits	0	0	0	0
Customer Deposits	0	0	0	0
Bills Payable	52,260	49,495	50,328	51,288
Derivative Payables	0	0	0	0
Debts Securities Issued	0	0	0	0
Subordinated Debts	1,416	2,037	2,276	2,384
Other Liabilities	6,502	6,203	6,393	6,601
Insurance Fund Liabilities	0	0	0	0
Total liabilities	60,178	57,735	58,996	60,273
Shareholders' funds	27,195	29,280	31,160	33,123
Minority interest	934	1,004	1,062	1,121
Total Equity & Liabilities	88,307	88,019	91,218	94,518

Operating Ratios

Year to 28 Feb (Btm)	FY26	FY27F	FY28F	FY29F
Capital Adequacy				
Total Assets/Equity	3	3	3	3
Tangible Assets/Tangible Common Equity	3	3	3	3
Asset Quality				
NPL Ratio	5	6	6	5
Loan Loss Coverage	169	168	168	165
Loan Loss Reserve/Gross Loans	8	8	8	8
Increase in NPLs	3	2	4	2
Credit Cost (bp)	833	822	843	858
Liquidity				
Liquid Assets/Short-Term Liabilities	7	7	7	7
Liquid Assets/Total Assets	4	4	4	4

Key Metrics

Year to 28 Feb (%)	FY26	FY27F	FY28F	FY29F
Growth				
Net Interest Income, yoy Chg	-4%	0%	3%	2%
Fees & Commissions, yoy Chg	3%	18%	23%	19%
Pre-Provision Profit, yoy Chg	3%	0%	4%	4%
Net Profit, yoy Chg	8%	8%	4%	2%
Customer Loans, yoy Chg	-5%	0%	4%	4%
Profitability				
Net Interest Margin	18	18	18	17
Cost/Income Ratio	42	43	43	43
Adjusted ROA	3	4	4	4
Reported ROE	11	11	11	11
Adjusted ROE	11	11	11	11
Valuation				
P/BV	1	1	1	1
P/NTA	1	1	1	1
Adjusted P/E	8	8	7	7
Dividend Yield	5	6	6	6

Siam Cement (SCC TB)

Expecting Strong 2Q26 Net Profit

BUY (Maintained)	
Share Price	Bt241.00
Target Price	Bt320.00
Upside	+32.78%
Previous TP	Bt290.00

Highlights

- We expect a strong 2Q26 net profit, supported by its petrochemical business, with core profit increasing significantly both qoq and yoy.
- Middle East tensions are likely to keep olefins spreads volatile in 2H26. However, the conflict should provide limited downside to olefins spreads.
- Maintain BUY. Target price: Bt320.00 (previously Bt290.00).

Analyst(s)
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Analysis

- **Strong 2Q26 net profit expected.** We forecast Siam Cement (SCC) to report a 2Q26 net profit of Bt9.68b, up 56% qoq but down 44% yoy. Excluding extra items, core profit is expected at Bt9.06b, surging 342% qoq and 318% yoy, driven by a strong earnings recovery at both SCG Chemical (SCGC) and SCG Packaging (SCGP).
- **SCGC to benefit from stronger spreads.** We estimate SCGC's 2Q26 net profit at Bt3.42b, up 217% qoq, supported by improved High-Density Polyethylene (HDPE), Polypropylene (PP), and Polyvinyl Chloride (PVC) spreads, which should more than offset lower sales volumes following the temporary shutdown of the Rayong Olefins (ROC) plant on 10 March and the Long Son Petrochemical (LSP) from mid-May. As a result, 2Q26 olefins sales volume is expected to decline 31% qoq to 470,000 tonnes. SCGC recognised an inventory gain of Bt620m in 2Q26 (vs Bt4.17b in 1Q26).
- **SCGP recovering on stronger selling prices and volumes.** We forecast SCGP to report a 2Q26 net profit of Bt2.06b, up 31% qoq and 104% yoy, driven by higher selling prices and stronger sales volumes. Meanwhile, recycle paper (RCP) costs are expected to remain stable qoq, supporting EBITDA margin expansion across all business segments. In addition, Fajar is expected to return to profitability as planned, further contributing to earnings growth.
- **Cement business enters the low season.** We expect the cement building and materials (CBM) business to report a 2Q26 net profit of Bt2.45b, down 23% qoq, mainly due to weaker sales volumes during the seasonal slowdown. Nevertheless, earnings are expected to improve yoy, supported by the gradual selling price increases implemented since Mar 25, as well as the business restructuring completed in 2025, which has generated annual cost savings of approximately Bt4.0b, exceeding our expectations.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	511,172	496,925	708,881	706,504	605,398
EBITDA	41,721	36,386	54,078	42,626	42,616
Operating profit	-1,475	-9,785	11,309	2,172	4,734
Net profit (rep./act.)	6,342	14,075	20,403	8,390	9,003
Net profit (adj.)	3,798	4,962	15,611	8,390	9,003
EPS	5.28	11.73	17.00	6.99	7.50
PE	45.60	20.55	14.17	34.47	32.12
P/B	0.82	0.86	0.82	0.82	0.81
EV/EBITDA	24.27	30.53	15.85	20.57	19.22
Dividend yield	2.07	2.07	2.07	2.07	2.07
Net margin	0.74	1.00	2.20	1.19	1.49
Net debt/(cash) to equity	58.21	55.32	36.81	29.73	20.28
Interest cover	3.63	3.39	5.35	4.72	4.41
Consensus net profit	n.a.	n.a.	11,156	13,727	24,657
UOBKH/Consensus (x)	n.a.	n.a.	1.83	0.61	0.37

Source: SCC, Bloomberg, UOB Kay Hian

Stock Data

GICS Sector	Property & Construction / Construction Materials
Bloomberg ticker	SCC TB
Shares issued (m)	1,200.0
Market cap (Btm)	273,600.0
Market cap (US$m)	8,606.8
3-mth avg daily t'over (US$m)	24.1

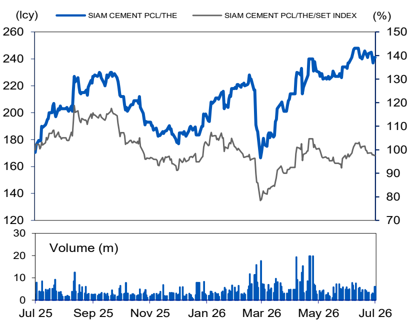
Price Performance (%)

52-week high/low				Bt231.00/Bt124.50
1mth	3mth	6mth	1yr	YTD
11.2	36.1	37.8	(4.6)	35.7

Major Shareholders

	(%)
Maha Vajiralongkorn	33.64
Thai NVDR Company Limited	7.85
SOCIAL SECURITY OFFICE	5.54

Price Chart



Source: Bloomberg

Company Description

SCC operates as a holding company which is engaged in the industrial supplies and construction industries. The company operates six core businesses - chemical, paper, cement, building materials, distribution and investment.

2Q26 Results Preview

Year to 31 Dec	2Q25	1Q26	2Q26F	%Chg. yoy	%Chg. qoq	6M25	6M26F	%Chg. yoy
Revenue	124,684	123,327	117,550	-6%	-5%	249,077	240,877	-3%
Gross profit	19,216	21,366	23,478	22%	10%	37,511	44,843	20%
EBITDA	9,876	14,719	17,333	76%	18%	19,685	32,052	63%
Gain (Loss) from affiliate	-138	1,405	1,150	n.a.	-18%	1,290	2,555	98%
Core Profit	2,166	2,051	9,060	318%	342%	3,353	11,111	231%
Extraordinary item	14,257	4,172	620	-96%	-85%	14,169	4,792	-66%
Net Profit	17,337	6,223	9,680	-44%	56%	18,436	15,903	-14%
- Cement (CBM)	1,136	3,187	2,448	115%	-23%	3,547	5,635	59%
- Chemical (SCGC)	12,908	1,078	3,417	-74%	217%	9,960	4,495	-55%
- Packaging (SCGP)	1,010	1,566	2,059	104%	31%	1,910	3,625	90%
EPS	14.45	5.19	8.07	-44%	56%	15.36	13.25	-14%
Inventory gain (loss)	-913	4,172	620	n.a.	-85%	-1,001	4,792	n.a.
Financial ratio (%)								
Gross Profit Margin	15.4%	17.3%	20.0%			15.1%	18.6%	
EBITDA Margin	7.9%	11.9%	14.7%			7.9%	13.3%	
Net profit margin	13.9%	5.0%	8.2%			7.4%	6.6%	

Source: SCC, UOB Kay Hian

- **Petrochemical business returning to normal.** We expect 3Q26 core profits to decline qoq, reflecting the seasonal slowdown in both the CBM and SCGP businesses. In addition, SCGC is likely to face headwinds from inventory losses and softer olefins spread as tensions in the Middle East ease and feedstock prices normalise. That said, we believe olefins spreads will remain volatile due to ongoing uncertainty surrounding the Middle East. Moreover, the loss of olefins production capacity in the region because of the conflict, together with ongoing capacity rationalisation and mergers across Asia and Europe, should help tighten the market and provide limited downside to olefins spreads in 2H26.

Valuation/Recommendation

- **Maintain BUY with a higher SOTP-based 2026 target price of Bt320.00 (previously Bt290.00),** with the chemical business valued on P/B at mean of 0.58x, the cement business at 12x forward PE, and SCGP at 24.3x forward PE (previously 25.3x forward PE). Although petrochemical spreads are expected to soften in 2H26, uncertainty surrounding the renewed escalation of tensions in the Middle East could continue to drive market volatility and provide downside support for spreads. In addition, SCC's investment appeal remains underpinned by its proposed JV with PTTGC, which is expected to enhance feedstock security and strengthen its long-term competitiveness.
- In the oil & gas sector, we prefer Indorama Ventures (IVL TB/BUY/Target: Bt27.00) PTT Global Chemical (PTTGCTB/BUY/Target Bt46.00) and Siam Cement (SCC TB/BUY/Target: Bt320.00).

Earnings Revision/Risk

- **Revised our 2026 earnings forecast.** We have raised our 2026 core profit and net profit forecasts by 64% and 101%, respectively, reflecting: a) an increase in our 2026 HDPE, PP, and PVC spread assumptions by 11%, 17%, and 17%, respectively; b) a 32% upward revision to our 2026 SCGP net profit forecast; c) stronger-than-expected cost savings from the CBM business; and d) a non-recurring inventory gain of Bt4.80b recognised in 1H26.
- As a result, we now forecast 2026 core profit of Bt15.61b, up 215% yoy, and net profit of Bt20.40b, up 45% yoy. Our estimated 1H26 core profit accounts for approximately 70% of our full-year 2026 forecast, reflecting the exceptionally strong 1H26 performance, while earnings are expected to normalise in 2H26.

Environment, Social, Governance (ESG) Updates

Environmental

- Carbon reduction: Committed to reducing greenhouse gas emissions through energy efficiency, renewable energy and carbon capture technologies.

Social

- Community engagement: Investing in education, health, and infrastructure programmes for local communities.

Governance

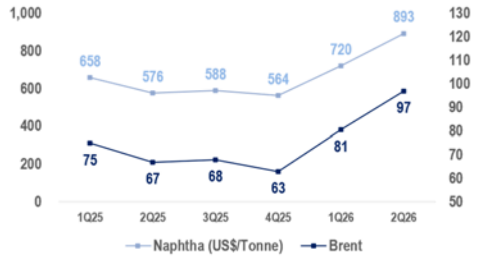
- Corporate governance: Maintaining transparent reporting and adhering to ethical business practices.

Key Assumption

	------------ 2026F ------------		
	Old	New	%Diff
Average Domestic cement price (Bt/Tonne)	2,400	2,400	0%
Petrochemical spread (US$/tonne)			
HDPE Spread	380	420	11%
PP Spread	360	420	17%
PVC Spread	300	350	17%
Earnings revision (Btm)			
Core profit	9,541	15,611	64%
Net Profit	10,161	20,403	101%

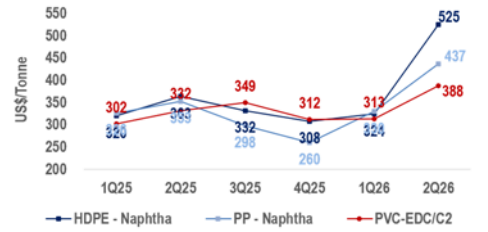
Source: PTTGC, SCC

Naphtha And Crude Oil Prices



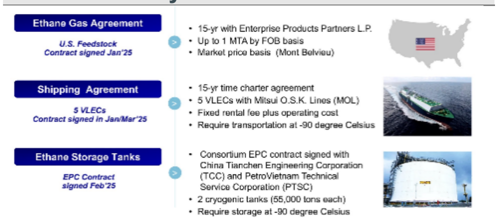
Source: SCC

Petrochemical Spread



Source: SCC, PTTGC

LSPE Summary



Source: SCC, UOB Kay Hian

SOTP Valuation

	Equity Value	Bt/share	Methodology
Chemical	194,537	162	0.58x PBV
Cement	199,375	166	12.0x PE
SCGP	181,285	151	24.3x PE
SCGD	15,778	13	10.0x PE
Others	18,150	15	10.0x PE
Net Debt	-225,125	*-188*	
Total	384,000	320	

Source: UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	496,925	708,881	706,504	605,398
EBITDA	27,273	49,286	42,626	42,616
Deprec. & amort.	33,170	32,136	31,976	31,828
EBIT	(5,897)	17,150	10,650	10,788
Associate contributions	17,866	4,500	4,500	4,500
Net interest income/(expense)	(10,738)	(10,105)	(9,038)	(9,659)
Pre-tax profit	19,457	21,129	6,112	5,629
Tax	(8,900)	(4,226)	(1,222)	(1,126)
Minorities	3,518	3,500	3,500	4,500
Net profit	14,075	20,403	8,390	9,003
Net profit (adj.)	4,962	15,611	8,390	9,003

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	398,486	396,350	394,374	392,546
Other LT assets	76,009	7,089	7,065	6,054
Cash/ST investment	99,798	105,448	96,867	93,956
Other current assets	36,441	43,390	43,306	39,768
Total assets	821,591	807,308	819,865	818,668
ST debt	52,462	27,250	27,250	27,250
Other current liabilities	11,625	7,089	7,065	6,054
LT debt	191,842	164,592	137,342	110,092
Other LT liabilities	222,713	171,681	144,407	116,146
Shareholders' equity	380,760	395,163	397,553	400,557
Total liabilities & equity	821,591	807,308	819,865	818,668

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	42,664	77,314	23,277	22,966
Pre-tax profit	19,457	21,129	6,112	5,629
Tax	(8,900)	(4,226)	(1,222)	(1,126)
Deprec. & amort.	33,170	32,136	31,976	31,828
Working capital changes	4,399	28,274	(13,589)	(13,365)
Other operating cashflows	(5,462)	0	0	0
Investing	(8,852)	15,139	(30,000)	(30,000)
Investments	(37,913)	(30,000)	(30,000)	(30,000)
Others	29,061	45,139	0	0
Financing	(35,233)	(79,757)	6,750	16,750
Dividend payments	(8,637)	(6,000)	(6,000)	(6,000)
Issue of shares				
Proceeds from borrowings	(26,595)	(73,757)	12,750	22,750
Net cash inflow (outflow)	(1,420)	12,696	27	9,716
Beginning cash & cash equivalent	36,492	33,679	46,375	46,402
Changes due to forex impact	(1,393)	0	0	0
Ending cash & cash equivalent	33,679	46,375	46,402	56,119

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	8.16	7.32	7.63	6.03
Pre-tax margin	1.51	3.92	2.98	0.87
Net margin	1.24	2.83	2.88	1.19
ROA	1.71	2.53	1.02	1.10
ROE	3.70	5.16	2.11	2.25
Growth				
Turnover	(2.79)	42.65	(0.34)	(14.31)
EBITDA	(30.39)	80.72	(13.51)	(0.02)
Pre-tax profit	152.56	8.59	(71.07)	(7.91)
Net profit	121.95	44.96	(58.88)	7.31
Net profit (adj.)	30.66	214.61	(46.26)	7.31
EPS	121.95	44.96	(58.88)	7.31
Leverage				
Debt to total capital	61.56	47.05	40.48	33.90
Debt to equity	64.16	48.55	41.40	34.29
Net debt/(cash) to equity	55.32	36.81	29.73	20.28
Interest cover (x)	3.39	5.35	4.72	4.41