UOBKayHian

Country Daily | Thailand

Thursday, 13 August 2026

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	53770.3	(0.0)	(1.1)	2.2	11.9
S&P 500	7748.5	0.3	0.3	2.3	13.2
FTSE 100	10833.2	(0.1)	(0.5)	3.2	9.1
AS30	9404.7	(0.4)	(0.0)	4.5	4.3
CSI 300	4690.9	0.6	0.7	(0.1)	1.3
FSSTI	5720.8	(0.6)	1.9	4.6	23.1
HSCEI	8446.3	(1.0)	(1.8)	4.7	(5.2)
HSI	25440.2	(0.8)	(1.8)	5.2	(0.7)
JCI	6373.8	1.7	0.4	5.6	(26.3)
KLCI	1741.6	0.6	(0.4)	2.5	3.7
KOSPI	6579.0	3.7	(0.3)	(3.3)	56.1
Nikkei 225	67524.1	0.8	5.6	0.4	34.1
SET	1612.6	(0.7)	(0.3)	(0.9)	28.0
TWSE	45518.1	0.9	2.0	0.3	57.2
BDI	2939	(3.5)	(4.0)	(0.2)	56.6
CPO (RM/mt)	4546	0.4	0.7	1.5	15.6
Brent Crude (US$/bbl)	89	0.1	12.0	17.1	46.2

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Hybrid Meeting with UltraGreen.ai Ltd (UGAI SP)	Singapore	13 Aug	13 Aug
Virtual Meeting on Indonesia Economic Outlook by Mr. Enrico Tanuwidjaja	Indonesia	19 Aug	19 Aug
Analyst Marketing by Julia Pan on Greater China Internet Sector	Singapore	07 Sep	08 Sep
Analyst Marketing by Julia Pan on Greater China Internet Sector	Malaysia	09 Sep	11 Sep

Corporate and Macro Calendar

Economic Indicator/Event		Date
July. Consumer Confidence	Thailand	7-13 Aug
2Q GDP YoY	Thailand	17 Aug
July. Customs Trade Balance (Export-Import)	Thailand	21-26 Aug

Top Stories

Company Results | COM7 (COM7 TB/**BUY**/Bt29.50/Target: Bt32.50)

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- COM7 reported a 2Q26 net profit of Bt1.30b, up 30% yoy, beating our and consensus forecasts by 6% due to strong other businesses' performance. The board has proposed to the EGM the appointment of two additional directors from PLANB. Maintain BUY with a target price of Bt32.50, based on an SOTP methodology.

Company Results | Indorama Ventures (IVL TB/**BUY**/Bt22.00/Target: Bt27.00)

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- IVL delivered a strong 2Q26 recovery with core profit of Bt9.2b driven by stronger integrated PET spreads and broad-based margin expansion despite weaker production volumes. Strong operating cash flow reduced net debt by Bt9.6b and improved net D/E to 1.56x, reinforcing our deleveraging story. We expect 3Q26 earnings to normalise as spreads ease from the 2Q26 peak, while an improving cash flow and balance sheet quality should continue to support earnings. We maintain BUY with a rolled-over 2027 target price of Bt27.00.

Company Results | Muangthai Capital (MTC TB/**BUY**/Bt35.25/Target: Bt50.00)

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- MTC reported a 2Q26 net profit of Bt1.9b (+16% yoy, +5% qoq). The results are in line with market expectations but beat our forecasts by 8%. MTC posted a loan growth of 8% yoy and 3% qoq in 2Q26. Credit cost increased and NPL showed a slight pickup in 2Q26. Maintain BUY with an unchanged target price of Bt50.00. MTC is one of our top picks in the finance sector.

Company Update | Central Plaza Hotel (CENTEL TB/**BUY**/Bt41.00/Target: Bt50.00)

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- The tone during CENTEL's analyst meeting was positive. Robust 3Q26 bookings are supported by Gastech, recovering Chinese tourist arrivals, and strong demand in the Maldives. The Thailand hotel portfolio is expected to post high-teens RevPar growth. Food performance also improved, with Jul 26 SSSG at +3% despite the Thais Help Thais Plus campaign. Refinancing should further lower interest costs, while management targets stable margins in 2H26. We raise 2026-28 earnings forecasts. Maintain BUY with a higher target price of Bt50.00.

What's Inside

Company Results | Bangkok Commercial Asset Management (BAM TB/**HOLD**/Bt6.75/Target: Bt7.20)

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- BAM posted a 2Q26 net profit of Bt234m, down 82% yoy but up 8% qoq. The results are 19% lower than consensus estimates. Without big ticket collection, we view that there is a high chance of BAM missing the collection target of Bt17.9b and net profit of Bt2b in 2026. Although the valuation is cheap, there is no catalyst to drive the share price up in the near term. Downgrade to HOLD with a lower target price of Bt7.20..

Company Results | Dohome (DOHOME TB/**HOLD**/Bt4.08/Target: Bt4.50)

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- 2Q26 earnings came in at Bt306m, increasing 95% yoy, in line with market expectations but above our forecast. Key drivers were strong SSSG and gross margin expansion. 2Q26 marks the company's strongest quarterly earnings in the past 15 quarters. 3Q26 growth may be weighed down by softened margins, but a strong recovery is expected in 4Q26. Maintained BUY with a target price of Bt4.50.

Company Results | Srisawad Corporation (SAWAD TB/**BUY**/Bt24.70/Target: Bt35.00)

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- SAWAD reported 2Q26 earnings of Bt1.4b, up 10% yoy and 4% qoq. The results are in line with our and consensus estimates. Loan portfolio grew 3% yoy and 1% qoq in 2Q26. SAWAD continued to report a decline qoq in opex, driven by sustained cost-management discipline and the realised efficiencies of the branch restructuring initiated in the prior year. Credit cost declined qoq with a strong recovery momentum in foreclosed asset management. Maintain BUY with a target price of Bt35.00.

Company Results | Supalai (SPALI TB/**BUY**/Bt15.90/Target: Bt17.50)

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- SPALI's 2Q26 net profit surged to Bt1.655b (+294.1% qoq, +49.2% yoy), higher than consensus by 112.9%, driven by stronger Australian profit contributions (Bt889m) and resilient transfers (Bt6,831mn) offsetting pressured gross margins. Looking ahead, 2H26 earnings should accelerate from condo transfers and aggressive launches. Meanwhile, SPALI offers a 3.46% interim yield (Bt0.55) and 7.6%-8.0% full-year yield cushion downside risk. We upgrade SPALI to BUY with a higher target price of Bt17.50 (previously Bt16.60).

Company Results | IRPC (IRPC TB/**HOLD**/Bt2.36/Target: Bt2.30)

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- IRPC delivered solid 2Q26 results broadly in line with expectations. Core profit rose to Bt4.4b, supported by stronger refining and petrochemical spreads despite inventory losses and government intervention. Market GIM improved to US$17.1/bbl, while petrochemical margins recovered across key products. We expect 1H26 to remain stronger than 2H26 as refinery margins gradually normalise. Although operational momentum remains healthy, we believe most near-term positives are reflected in the share price. Maintain HOLD with a Bt2.30 target price.

Company Update | CP Axtra (CPAXT TB/**HOLD**/Bt15.00/Target: Bt14.50)

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- Neutral tone from analyst meeting. Management highlighted three strategic priorities: Focusing on omni channel, improving returns from existing assets, and expanding overseas operations. We preliminarily expect unexciting net profit, weighed down by weak sales and elevated OPEX. Maintain HOLD with a target price of Bt14.50.

Company Update | Kasikorn Bank (KBANK TB/**BUY**/Bt248.00/Target: Bt285.00)

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- We came away from the meeting with a neutral view. CEO maintained 2026 financial targets. Corporate loans were the key driver to loan growth in 1H26. Capital-light initiatives with fee income growth will be the key driver over the next few years. We expect a higher dividend payout ratio or a special dividend in the future. CEO reiterated the aspiration to achieve 10% ROE in the next few years. Maintain BUY with a target price of Bt285.00.

COM7 (COM7 TB)

2Q26: Results Beat On Strong Other Businesses

Highlights

- COM7 reported a 2Q26 net profit of Bt1.30b, up 30% yoy, beating our and consensus forecasts by 6% due to strong other businesses' performance.
- The board has proposed to the EGM the appointment of two additional directors from PLANB.
- Maintain BUY with a target price of Bt32.50, based on SOTP methodology.

2Q26 Results

Year to 31 Dec (Btm)	2Q25	1Q26	2Q26	yoy (%)	qoq (%)	2025	2026F	yoy (%)
Sales and services	20,713	23,513	24,111	16.4	2.5	87,255	98,296	12.7
Gross profit	2,862	3,323	3,442	20.3	3.6	11,816	13,707	16.0
SG&A	1,639	1,851	1,895	15.6	2.4	6,717	7,552	12.4
EBIT	1,223	1,472	1,547	26.5	5.1	5,099	6,155	20.7
Interest expense	70	67	75	7.1	12.7	277	305	10.0
Equity income	25	57	73	195.6	26.6	125	143	15.0
Net profit	**1,003**	**1,226**	**1,303**	**29.9**	**6.3**	**4,064**	**4,846**	**19.3**
Percent	**2Q25**	**1Q26**	**2Q26**	**(ppts)**	**(ppts)**	**2025**	**2026F**	**(ppts)**
Gross margin	13.8	14.1	14.3	0.5	0.1	13.5	13.9	0.4
SG&A to sales	7.9	7.9	7.9	(0.1)	(0.0)	7.7	7.7	(0.0)
Net profit margin	4.8	5.2	5.4	0.6	0.2	4.7	4.9	0.3

Source: COM7, UOB Kay Hian

Analysis

- **Results beat.** COM7 reported a 2Q26 net profit of Bt1.30b, up 30% yoy and 6% qoq, beating our and consensus forecasts by 6% due to stronger-than-expected other businesses.
- **Key statistics.** Revenue grew by 16% yoy supported by healthy demand for smartphones, particularly iPhone, Android, Mac and PC, coupled with the strong growth of other businesses (UFund, iCare etc.). As of 2Q26, COM7 has 1,323 stores, with the company reallocating stores toward higher-return formats such as Studio7 and BaNANA. Gross margin expanded 40bps yoy to 14.3%, mainly driven by the higher contribution of other businesses. SG&A -to-sales improved to 7.8% from 7.9% in 2Q25, reflecting effective cost control. Interest expenses increased 13% qoq, mainly due to higher interest-bearing debt to support business growth. Equity income increased to Bt73m, reflecting improved performance from NCAP.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	79,043.0	87,254.6	98,296.0	103,854.4	108,371.5
EBITDA	5,187.5	6,252.0	7,644.1	8,508.7	9,205.0
Operating profit	4,166.7	5,098.6	6,155.2	6,566.7	6,864.0
Net profit (rep./act.)	3,324.1	4,064.0	4,846.3	5,153.9	5,370.2
Net profit (adj.)	3,324.1	4,064.0	4,846.3	5,153.9	5,370.2
EPS	1.4	1.7	2.0	2.2	2.2
PE (x)	21.1	17.3	14.4	13.6	13.0
P/B (x)	8.0	6.5	5.4	4.6	4.1
EV/EBITDA (x)	15.3	12.7	9.9	8.8	8.0
Dividend yield (%)	2.9	3.8	4.5	4.8	4.6
Net margin (%)	4.2	4.7	4.9	5.0	5.0
Net debt/(cash) to equity(%)	103.8	82.4	40.6	29.4	17.0
Interest cover (x)	16.9	22.5	25.0	25.3	24.9
Consensus net profit	n.a	n.a	4,488.6	4,895.3	5,244.7
UOBKH/Consensus (x)	n.a	n.a	1.1	1.0	1.0

Source: COM7, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	Bt29.5
Target Price	Bt32.5
Upside	10.17%

Stock Data

Sector	Consumer Discretionary
Bloomberg ticker	COM7 TB
Shares issued (m)	2,357.7
Market cap (Btm)	69,552.1
Market cap (US$m)	2,068.8
3-mth avg daily t'over (US$m)	16.0

Price Performance (%)

52-week high/low				Bt29.5/Bt18.4
1mth	**3mth**	**6mth**	**1yr**	**YTD**
10.3	32.9	53.6	42.5	50.5

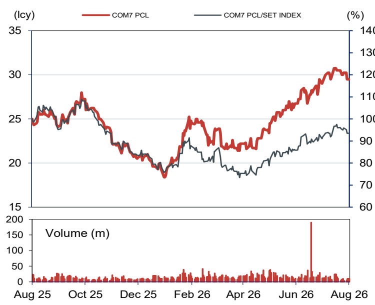
Major Shareholders (%)

Mr. Sura Kanitaweekul	25.18
MR. Pongsak Thammathachare	15.68
Plan B Media	11.01

Balance Sheet Metrics

FY26 NAV/Share (Bt)	5.4
FY26 Net Debt/Share (Bt)	2.2

Price Chart



Source: Bloomberg

Company Description

COM7 is a leading retailer in IT products such as laptops, desktop computers, mobile phones, tablets, related accessories and product repair services. COM7 is the largest IT chain store in terms of branches. COM7 distributes IT products via its own branches.

- **Non-retail businesses remained a key growth driver,** with revenue increasing 114% yoy in 2Q26, supported by UFUND, EV-related businesses, insurance and EV taxi-related operations. However, credit cost increased to Bt132m (+436% yoy) following the expansion of the lending portfolio, although asset quality remained healthy with NPL below 1%.
- **Two new directors from PLANB.** The board has proposed to the Extraordinary General Meeting of Shareholders (EGM) the appointment of two additional directors, increasing the board size from seven to nine members. The proposed new directors are Mr. Prin Lohjanochakosin (PLANB CEO) and Mr. Pinitson Luechaikachornphan (PLANB CMO). The EGM is scheduled to be held on 17 Sep.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt32.50.** Our valuation methodology is based on SOTP, valuing: a) the IT retail business at Bt27.50, based on 20x 2026F P/E, slightly above -1SD of discretionary retail peers; and (b) other businesses, including UFund, Gold Integrate, EV7, and NCAP, at Bt5.00.

Earnings Revision/Risk

- **No earnings revision.** 1H26 earnings account for 53% of our 2026 forecast.

Share Price Catalyst

- **Catalysts:** a) PLANB becoming a shareholder in COM7, b) product price increases, and c) share price seasonality.

COM7 Historically Price Outperforms in July-August

Mom	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Avg	**(5.7)**	**3.7**	**1.8**	**(0.4)**	**(1.0)**	**(6.6)**	**5.5**	**14.6**	**(4.8)**	**2.2**	**(3.8)**	**1.0**
2026	11.7	(10.1)	(9.5)	4.6	14.0	6.7	9.9	(0.8)				
2025	(16.2)	(0.5)	(12.3)	7.3	(3.4)	(7.0)	17.8	17.0	1.0	(2.9)	(12.4)	(10.5)
2024	(10.9)	(2.4)	(7.7)	(4.2)	(3.3)	5.1	9.7	20.1	(2.5)	17.2	(5.4)	(0.9)
2023	(8.1)	(2.4)	0.0	(17.2)	14.9	(8.6)	5.7	15.2	(3.1)	(14.4)	(14.4)	3.9
2022	(4.0)	5.1	4.2	(2.9)	(9.6)	(20.5)	1.7	13.1	(15.9)	4.3	5.0	7.1
2021	10.9	18.5	24.9	15.2	(3.7)	(1.8)	(7.2)	7.7	(3.6)	6.7	8.0	5.5

Source: Bloomberg, UOB Kay Hian

Environment, Social, Governance (ESG) Updates

CG Report: 5, SET ESG Rating: AA

Environmental

- COM7 aims to achieve net zero emissions by 2050. Improves energy efficiency across retail stores and service centers.

Social

- COM7 focuses on personnel development to train both ethical and talented employees. It has pledged to improve staff's skills through lifelong learning.

Governance

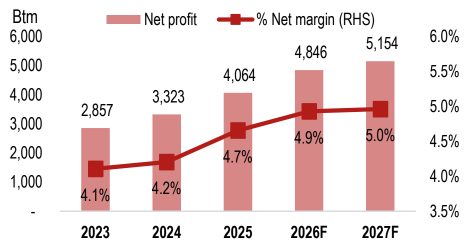
- Maintains strong corporate governance standards, reflected by its 5-star CG Rating and SET ESG Rating of AA. Effective risk management, and independent board oversight to support sustainable long-term growth.

Expected 3Q26 Phone Launch

Apple	iPhone 18 Pro, iPhone 18 Pro Max,
Samsung	Samsung Galaxy Z/ Fold8 / Filp
OPPO	OPPO Find X10 Series,
Xiaomi	Xiaomi 18 Series
Huawei	Huawei Mate 80 Series

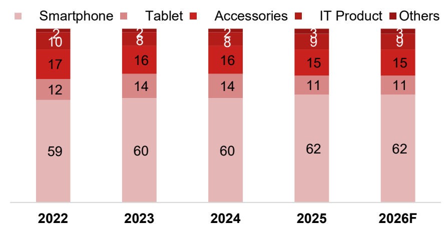
Source: UOB Kay Hian

Net Profit



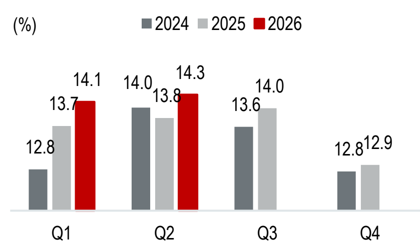
Source: UOB Kay Hian

Product Sales Mix (%)



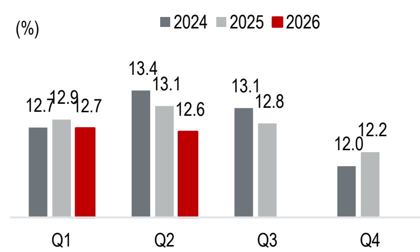
Source: UOB Kay Hian

Gross Margin – Consolidated



Source: UOB Kay Hian

Gross Margin – Separated Financial Statement



Source: UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	**87,255**	**98,296**	**103,854**	**108,371**
EBITDA	6,252	7,644	8,509	9,205
Deprec. & amort.	1,153	1,489	1,942	2,341
EBIT	5,099	6,155	6,567	6,864
Total other non-operating income	235	307	366	416
Associate contributions	125	143	165	190
Net interest income/(expense)	(277)	(305)	(336)	(369)
Pre-tax profit	**4,921**	**5,922**	**6,308**	**6,581**
Tax	(837)	(1,041)	(1,115)	(1,168)
Minorities	(20)	(34)	(39)	(43)
Net profit	**4,064**	**4,846**	**5,154**	**5,370**
Net profit (adj.)	4,064	4,846	5,154	5,370

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	4,204	1,246	1,451	1,365
Other LT assets	5,328	4,478	4,721	4,867
Cash/ST investment	3,078	7,222	8,610	10,675
Other current assets	18,959	20,488	21,758	22,566
Total assets	**31,569**	**33,435**	**36,539**	**39,472**
ST debt	10,808	11,301	11,818	12,362
Other current liabilities	7,817	7,197	7,661	8,002
LT debt	1,208	1,208	1,208	1,208
Other LT liabilities	766	572	651	635
Shareholders' equity	10,854	13,007	15,012	17,034
Minority interest	116	150	188	231
Total liabilities & equity	**31,569**	**33,435**	**36,539**	**39,472**

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	**6,070**	**4,220**	**6,329**	**7,286**
Pre-tax profit	4,920	5,921	6,308	6,581
Tax	(837)	(1,041)	(1,115)	(1,168)
Deprec. & amort.	1,153	1,489	1,942	2,341
Working capital changes	1,853	(3,714)	(652)	(530)
Non-cash items	(1,550)	1,565	(154)	62
Other operating cashflows	531	0	0	0
Investing	**(2,001)**	**2,124**	**(2,310)**	**(2,417)**
Capex (growth)	(2,314)	1,468	(2,147)	(2,254)
Investments	(218)	98	(66)	(76)
Others	531	558	(98)	(87)
Financing	**(3,024)**	**(2,200)**	**(2,631)**	**(2,805)**
Dividend payments	(2,064)	(2,640)	(3,148)	(3,348)
Issue of shares	(302)	(53)	0	0
Proceeds from borrowings	883	493	517	543
Others/interest paid	(1,541)	0	0	0
Net cash inflow (outflow)	**1,046**	**4,145**	**1,387**	**2,065**
Beginning cash & cash equivalent	**2,032**	**3,078**	**7,222**	**8,610**
Ending cash & cash equivalent	**3,078**	**7,222**	**8,610**	**10,675**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	7.2	7.8	8.2	8.5
Pre-tax margin	5.6	6.0	6.1	6.1
Net margin	4.7	4.9	5.0	5.0
Growth				
Net profit	22.3	19.2	6.4	4.2
Net profit (adj.)	22.3	19.2	6.4	4.2
Leverage				
Debt to total capital	109.5	95.1	85.7	78.6
Debt to equity	110.7	96.2	86.8	79.7
Net debt/(cash) to equity	82.4	40.6	29.4	17.0
Interest cover	22.5	25.0	25.3	24.9

Indorama Ventures (IVL TB)

2Q26: A Strong Quarter, But Momentum Likely To Moderate

Highlights

- IVL reported a net profit of Bt6.0b for 2Q26, supported by higher PET spreads while its balance sheet continued to improve as expected.
- 3Q26 earnings should normalise from a high base, but remain above last year's level.
- Maintain BUY with roll-over target to 2027F at Bt27.00.

2Q26 Results

Year to 31 Dec (Btm)	2Q26	2Q25	1Q26	qoq %	yoy %	1H26	1H25	yoy
Revenue	136,014	117,552	109,366	16	24	245,380	236,000	4
Reported EBITDA	21,687	9,299	8,048	133	169	29,735	18,625	60
Int. Expense	(3,133)	(3,564)	(3,291)	*(12)*	*(5)*	(6,425)	(7,252)	*(11)*
Net income	**5,961**	**(521)**	**(2,816)**	***(1,244)***	***(312)***	**3,145**	**(1,833)**	***(272)***
Net Profit before impairments and other exceptional items*	**9,165**	**(737)**	**(1,771)**	**N/A**	**N/A**	**7,394**	**(2,177)**	**N/A**
EPS	**1.06**	**(0.09)**	**(0.50)**	**N/A**	**N/A**	**0.56**	**(0.33)**	**N/A**

** including inventory impact as IVL no longer discloses inventory gain/loss under its new reporting format*

Source: Indorama Ventures, UOB Kay Hian

Analysis

- **2Q26 earnings recovered strongly.** Indorama Ventures (IVL) reported 2Q26 net profit of Bt6.0b (vs a Bt521m loss in 2Q25 and Bt2.8b loss in 1Q26), 11% below our expectation due to a Bt1.2b severance expense and Bt796m impairment loss. Excluding these one-offs, core profit reached Bt9.2b, in line with our expectations, driven by stronger integrated PET spreads and broad-based margin improvement. 1H26 earnings accounted for 41% of our full-year forecast. Overall operating numbers were in line with expectations (see report on 31 July).
- **Margin expansion offset weaker volumes**. Production volume declined 10% yoy and 3% qoq to 3.02m tonnes as management prioritised margins over utilisation. Reported EBITDA surged to Bt21.7b (+133% yoy, +169% qoq), while EBITDA/tonne improved to US$220 (vs US$82 in 1Q26), reflecting stronger spreads across all major businesses.

Key Financials

Year to 31 Dec (Bt m)	2024	2025	2026F	2027F	2028F
Net turnover	541,582.6	447,245.6	506,928.0	465,183.2	473,962.5
EBITDA	41,078.6	24,680.7	50,335.6	52,275.8	54,273.5
Operating profit	13,088.6	(854.8)	23,790.6	24,149.8	26,147.5
Net profit (rep./act.)	(19,262.1)	(7,348.4)	7,712.9	7,925.4	9,294.4
Net profit (adj.)	6,161.9	(3,080.4)	7,712.9	7,925.4	9,294.4
EPS	1.1	(0.6)	1.4	1.4	1.7
PE (x)	20.9	(41.7)	16.7	16.2	13.8
P/B (x)	1.0	1.1	1.1	1.0	1.0
EV/EBITDA (x)	9.0	14.8	7.5	7.4	7.1
Dividend yield (%)	3.1	3.1	3.1	3.3	3.3
Net margin (%)	(3.6)	(1.6)	1.5	1.7	2.0
Net debt/(cash) to equity(%)	182.2	192.3	196.5	197.7	189.4
Interest cover (x)	2.5	1.7	3.5	3.6	3.7
ROE (%)	(14.2)	(5.6)	5.8	5.9	6.8
Consensus net profit	n.a	n.a	5,851.9	8,832.6	11,778.2
UOBKH/Consensus (x)	n.a	n.a	1.3	0.9	0.8

Source: Indorama Ventures, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	Bt22.00
Target Price	Bt27.00
Upside	22.7%

Stock Data

Sector	Materials
Bloomberg ticker	IVL TB
Shares issued (m)	5,614.6
Market cap (Btm)	144,574.7
Market cap (US$m)	4,415.4
3-mth avg daily t'over (US$m)	25.8

Price Performance (%)

52-week high/low				Bt26.0/Bt14.8
1mth	**3mth**	**6mth**	**1yr**	**YTD**
4.7	21.5	45.5	33.4	59.9

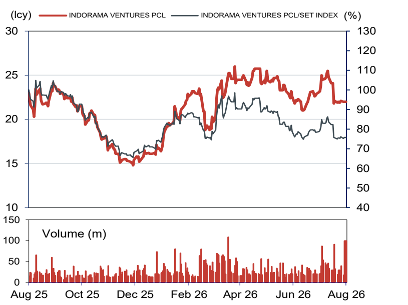
Major Shareholders (%)

Lohia Family	62.43
Thai NVDR	5.50

Balance Sheet Metrics

FY26 NAV/Share (Bt)	21.5
FY26 Net Debt/Share (Bt)	42.2

Price Chart



Source: Bloomberg

Company Description

IVL is one of the world's largest polyester chain makers with a total production capacity of 17m tonnes..

- **Balance sheet continues to strengthen.** Strong operating cash flow and disciplined working capital management reduced net debt by Bt9.6b to Bt226b at end-2Q26. As a result, net D/E improved to 1.56x from 1.83x at end-25, while interest expense declined 12% yoy and 5% qoq, reinforcing management's deleveraging strategy
- **3Q26 earnings should remain resilient.** While PET spreads have eased from the 2Q26 peak, weekly industry data indicate that PET spreads have stabilised and PTA spreads remain near cycle highs, limiting downside to integrated PET margins. Based on PTTGC's latest weekly industry data, PET spreads have stabilised at around US$80/tonne in early-August, while PTA spreads remain firm at US$90-100/tonne, suggesting integrated PET spreads are normalising at US$175/tonne. We estimate 3Q26 EBITDA of around US$420m, implying core profit of Bt2.5b-3.0b. This is better than the Bt818m loss reported in 3Q25. Note that we maintain our EBITDA target of US$1,550m in 2026.
- **Old World restructuring not an immediate concern**. During the analyst meeting, management indicated that IVL may incur additional restructuring expenses from rationalising underperforming assets, particularly Old World EO/MEG assets in the US (acquired in 2012). However, management clarified that no restructuring charge is expected in 2026. The company will revisit the optimisation of the assets next year and any action will depend on market conditions and management's assessment. In our view, any potential charge should be manageable. We calculate that these assets have generated solid returns over the past 10 years and are largely depreciated.

Valuation/Recommendation

- **Maintain BUY with a rolled-over target to 2027F at Bt27.00**, based on 1.3x 2026F P/B, in line with historical averages. We roll over our valuation to 2027 and maintain our target price at Bt27.00. While we remain positive on IVL's medium-term outlook, we believe much of the near-term earnings recovery has already been reflected after the strong 2Q26 results. Compared with SCC and PTTGC, IVL is now more of a cash flow and deleveraging story than a pure cyclical recovery play.

Earnings Revision/Risk

- None.

Share Price Catalyst

- 2H26: Expected extra income from US$100m land sale gains.
- 2Q26-3Q26: Peak seasonal PET demand

Environment, Social, Governance (ESG) Updates

Environmental

- IVL is committed to reducing greenhouse gas emissions from its operations and is focusing on the entire value chain when looking for ways to improve resource productivity. IVL targets a 10% combined GHG intensity reduction in 2025.

Social

- IVL executes 65 initiatives that promote recycling awareness and education. The company has also set up 165 initiatives that support infrastructure and health our text here
- IVL implemented global Environment, Health & Safety and Sustainability Software Management systems our text here

Governance

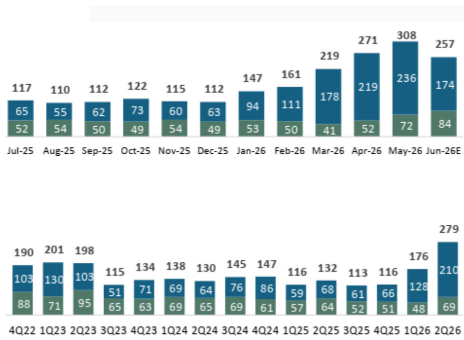
- IVL received an "Excellent - 5 Star" CG score by the Thai Institute of Directors for the ninth consecutive year.

2Q26 Operation Statistics

	2Q26	2Q25	1Q26	y oy	qoq
Production vol	3,300	3,360	3,120	(2)	6
EBITDA/tonne	131	98	82	34	61

Source: UOB Kay Hian

PET Spread



Source: IVL, UOB Kay Hian

Deleveraging

Source: IVL, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	**447,246**	**506,928**	**465,183**	**473,963**
EBITDA	24,681	50,336	52,276	54,273
Deprec. & amort.	25,535	26,545	28,126	28,126
EBIT	(855)	23,791	24,150	26,147
Total other non-operating income	7,045	600	700	800
Associate contributions	270	35	40	45
Net interest income/(expense)	(14,463)	(14,222)	(14,358)	(14,687)
Pre-tax profit	**(8,002)**	**10,204**	**10,532**	**12,305**
Tax	1,096	(2,041)	(2,106)	(2,461)
Minorities	(442)	(450)	(500)	(550)
Net profit	**(7,348)**	**7,713**	**7,925**	**9,294**
Net profit (adj.)	(3,080)	7,713	7,925	9,294

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	269,933	273,388	275,262	277,136
Other LT assets	86,906	89,245	96,338	101,749
Cash/ST investment	27,356	27,730	26,127	33,979
Other current assets	139,285	162,650	165,840	169,030
Total assets	**523,480**	**553,013**	**563,567**	**581,894**
ST debt	58,825	67,833	71,952	76,072
Other current liabilities	111,738	117,763	121,123	130,886
LT debt	194,577	196,577	198,577	200,577
Other LT liabilities	29,389	36,666	34,587	32,508
Shareholders' equity	117,527	120,467	123,620	128,142
Minority interest	11,424	13,706	13,707	13,708
Total liabilities & equity	**523,480**	**553,013**	**563,567**	**581,894**

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	**33,991**	**27,234**	**33,146**	**40,918**
Pre-tax profit	(8,002)	10,204	10,532	12,305
Tax	1,096	(2,041)	(2,106)	(2,461)
Deprec. & amort.	25,535	26,545	28,126	28,126
Working capital changes	17,359	(9,306)	(2,906)	3,497
Non-cash items	(442)	(450)	(500)	(550)
Other operating cashflows	(1,555)	2,282	1	1
Investing	**(29,452)**	**(33,096)**	**(36,096)**	**(34,414)**
Capex (growth)	(27,319)	(30,000)	(30,000)	(30,000)
Investments	(2,133)	(3,096)	(6,096)	(4,414)
Financing	**2,347**	**6,236**	**1,347**	**1,348**
Dividend payments	(4,609)	(4,772)	(4,772)	(4,772)
Issue of shares	3,533	0	0	0
Proceeds from borrowings	3,423	11,008	6,119	6,120
Net cash inflow (outflow)	**6,886**	**374**	**(1,603)**	**7,852**
Beginning cash & cash equivalent	**20,470**	**27,356**	**27,730**	**26,127**
Ending cash & cash equivalent	**27,356**	**27,730**	**26,127**	**33,979**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	5.5	9.9	11.2	11.4
Pre-tax margin	(1.8)	2.0	2.3	2.6
Net margin	(1.6)	1.5	1.7	2.0
ROA	(1.6)	1.6	1.7	1.9
ROE	(5.6)	5.8	5.9	6.8
Growth				
Turnover	28.8	46.0	34.0	36.5
EBITDA	(43.1)	16.1	20.6	25.2
Pre-tax profit	(128.4)	(63.8)	(62.7)	(56.4)
Net profit	(127.8)	(70.9)	(70.0)	(64.9)
EPS	(112.0)	(69.9)	(69.1)	(63.7)
Leverage				
Debt to total capital	196.5	197.1	197.0	195.0
Debt to equity	215.6	219.5	218.8	215.9
Net debt/(cash) to equity	192.3	196.5	197.7	189.4
Interest cover	1.7	3.5	3.6	3.7

Muangthai Capital (MTC TB)

2Q26: Results In Line With Consensus; Loans Continue To Grow qoq

Highlights

- MTC reported a 2Q26 net profit of Bt1.9b, up 16% yoy and 5% qoq.
- Loan portfolio expanded by 8% yoy in 2Q26.
- Maintain BUY with an unchanged target price of Bt50.00.

2Q26 Results

Year to 31 Dec (Btm)	2Q26	1Q26	2Q25	qoq chg (%)	yoy chg (%)
Total gross loans	188,699	183,986	174,807	2.6	7.9
Net interest income	6,394	6,168	5,885	3.7	8.6
Non-interest income	184	181	188	1.9	(2.1)
Loan loss provision	(1,091)	(971)	(1,061)	12.4	2.8
Non-Interest Expenses	(3,095)	(3,099)	(2,953)	(0.1)	4.8
Pre-provision operating profit	2,996	2,794	2,708	7.2	10.6
Net income	1,905	1,823	1,647	4.5	15.7
EPS (Bt)	0.90	0.86	0.78	4.5	15.7
Ratio (%)					
NPL ratio (%)	2.61	2.57	2.6		
Loan loss coverage ratio (%)	132	144	139		
Net interest margin (NIM %)	13.8	13.5	13.8		
Credit cost (bp)	234	211	248		
Cost to income (%)	47.1	48.8	48.6		
Number of network store	8,906	8,754	8,433		
Baseline Total Loans/Store	20.9	20.7	20.5		

Source: MTC, UOB Kay Hian

Analysis

- **2Q26: Results in line with consensus.** Muangthai Capital (MTC) reported a 2Q26 net profit of Bt1.9b, in line with market expectations but beating our forecast by 8%. The company's net profit jumped 16% yoy and 5% qoq, and credit costs increased qoq. The NPL ratio increased slightly qoq in 2Q26. Excluding provision expenses, the company's pre-provision operating profit rose 11% yoy and 7% qoq in 2Q26.
- **Loan portfolio grew yoy.** MTC posted a loan growth of 8% yoy and 3% qoq in 2Q26. The company opened 152 new network stores in 2Q26, bringing the total to 8,906 branches as at end-2Q26. MTC intends to open a new network of stores toward 9,000 branches in 2026. MTC set a loan growth target of 10-15% for 2026. Meanwhile, the loan portfolio grew 3% yoy in 1H26. We foresee a 2026 loan growth of 10% yoy. We reckon MTC will continue to maintain a cautious lending to preserve good asset quality.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net interest income	21,814.4	23,842.9	26,816.4	30,416.8	32,795.1
Non-Interest Income	946.1	729.4	752.7	804.2	846.1
Net profit (rep./act.)	5,867.3	6,723.3	7,569.5	8,440.1	9,304.7
Net profit (adj.)	5,867.3	6,723.3	7,569.5	8,440.1	9,304.7
EPS (Bt)	2.8	3.2	3.6	4.0	4.4
PE (x)	12.7	11.1	9.9	8.8	8.0
P/B (x)	2.0	1.7	1.5	1.3	1.1
Dividend yield (%)	0.5	0.9	0.9	1.1	1.2
Net int margin (%)	14.4	13.9	14.1	14.8	15.0
Cost/income Ratio (%)	47.4	47.9	46.9	46.9	46.8
Loan loss cover (%)	135.3	143.0	136.0	140.0	144.0
Consensus net profit	n.a	n.a	7,390.2	8,266.8	8,968.6
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	1.0

Source: Muangthai Capital, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	Bt35.25
Target Price	Bt50.00
Upside	41.8%

Stock Data

Sector	Financials
Bloomberg ticker	MTC TB
Shares issued (m)	2,120.0
Market cap (Btm)	73,140.0
Market cap (US$m)	2,206.8
3-mth avg daily t'over (US$m)	14.5

Price Performance (%)

52-week high/low				Bt44.00/Bt26.75
1mth	**3mth**	**6mth**	**1yr**	**YTD**
0.2	17.9	0.0	(7.4)	9.5

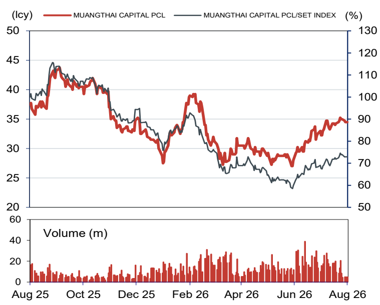
Major Shareholders (%)

Daonapa Petampai	33.96
Parithad Petampai	14.34
Suksit Patcharachai	14.15

Balance Sheet Metrics

FY26 NAV/Share (Bt)	23.5
FY26 Net Debt/Share (Bt)	n.a

Price Chart



Source: Bloomberg

Company Description

The company provides motorcycles, commercial/passenger cars, agriculture cars, and title deed, personal, and nano loans to individuals.

- **NII grew yoy and qoq.** MTC reported a net-interest income (NII) of Bt6.39b in 2Q26, increasing by 9% yoy and 4% qoq. The stronger NII was backed by the lower funding cost which resulted in a widened NIM from 13.5% in 1Q26 to 13.8% in 2Q26.
- **Credit cost increased and NPL showed a slight pickup.** The NPL ratio increased qoq from 2.57% in 1Q26 to 2.61% in 2Q26. Meanwhile, the NPL amount went up by Bt199m qoq in 2Q26. The LLC ratio declined from 144% in 1Q26 to 132% in 2Q26. The company's credit costs decreased 14bp yoy but increased 23bp qoq to 234bp in 2Q26. Management set a 2026 NPL ratio target not exceeding 2.55%. We believe MTC could maintain good asset quality through the ongoing concern about the Middle East conflict.
- **The debtor condition needs to be cautiously monitored.** Government relief programmes, low interest rates, and tech exports continue to support the economy. However, household purchasing power remains under pressure, and many debtor groups face slow income recovery that impairs their debt repayment ability. Consequently, MTC maintains a cautious lending strategy to manage asset quality risks. While short-term stability persists, ongoing monitoring is essential for risks stemming from weak debtor recovery, inflation, energy costs, and global volatility. With a good track record on controlling asset quality, we believe MTC will be capable of maintaining a decent portfolio quality during the economic recovery period.

Valuation/Recommendation

- **Maintain BUY with an unchanged target price of Bt50.00** based on the Gordon Growth Model (cost of equity: 13%, long-term growth: 4%). Our target price implies 2.1x 2026F P/B, which is nearly -0.5SD to its five-year average.

Earnings Revision/Risk

- We fine-tune MTC's earnings forecasts for 2026-28 by +0.2%, +0.1%, and +1.0%, respectively reflecting the latest earnings results in 2Q26.

Share Price Catalyst

- Government stimulus packages.
- Higher dividend payout ratio.

Environment, Social, Governance (ESG) Updates

CG Report: 5
SET ESG Rating: AA

Environmental

- Climate change. Creating a TCFD-aligned information disclosure guide.
- Net-zero emissions. Planning for net-zero emissions.

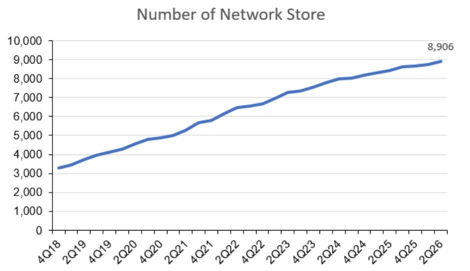
Social

- Prioritise customers. Feedback forms for better efficiency and satisfaction.
- Protect human rights. Implementing policies to protect human rights.
- Health and safety. Embracing a culture of safety and health in the workplace.

Governance

- Good corporate governance. Building investor confidence and competitiveness.

Number Of Network Stores (2Q26)



Source: MTC, UOB Kay Hian

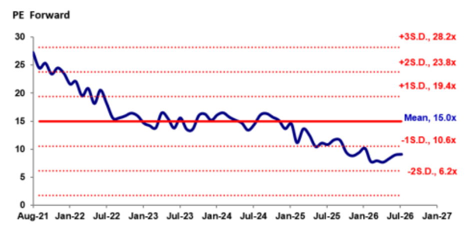
Loan Growth (% yoy)

Source: MTC, UOB Kay Hian

Credit Cost (bp)

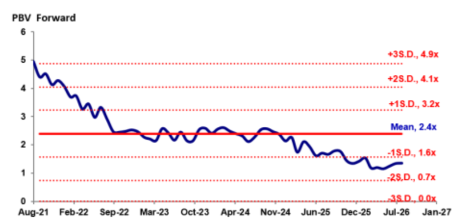
Source: MTC, UOB Kay Hian

PE Band



Source: UOB Kay Hian

P/B Band



Source: MTC, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Interest income	30,010	33,029	36,740	39,272
Interest expense	(6,167)	(6,213)	(6,323)	(6,477)
Net interest income/(expense)	23,843	26,816	30,417	32,795
Fees & Commissions	572	615	666	707
Income From Insurance	0	0	0	0
Net Trading Income	0	0	0	0
Other Income	157	138	138	139
Non-Interest Income	729	753	804	846
Total Income	24,572	27,569	31,221	33,641
Staff Costs	(11,759)	(12,939)	(14,648)	(15,729)
Other Operating Expense	0	0	0	0
Pre-Provision Profit	12,813	14,631	16,574	17,912
Loan Loss Provision	(4,404)	(5,158)	(6,023)	(6,281)
Pre-tax profit	**8,409**	**9,472**	**10,550**	**11,631**
Tax	(1,685)	(1,903)	(2,110)	(2,326)
Minorities	0	0	0	0
Net profit	**6,723**	**7,569**	**8,440**	**9,305**
Net profit (adj.)	6,723	7,569	8,440	9,305

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Cash With Central Bank	4,995	5,827	12,712	17,083
Customer Loans	176,605	194,606	206,798	219,392
Properties & Other Fixed Assets	2,115	2,083	2,111	2,167
Goodwill & Intangible Assets	5,473	6,853	7,289	7,740
Other Assets	3,194	3,230	3,317	3,406
Total assets	**192,382**	**212,599**	**232,226**	**249,788**
Customer Deposits	36,991	47,930	50,549	50,834
Debts Securities Issued	105,890	109,832	118,800	127,296
Other Liabilities	6,583	4,467	4,754	5,050
Total liabilities	149,464	162,230	174,103	183,181
Shareholders' funds	42,919	49,858	57,612	66,095
Minority interest	0	0	0	0
Total Equity & Liabilities	192,382	212,087	231,714	249,276

Operating Ratios

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Capital Adequacy				
Total Assets/Equity	4	4	4	4
Tangible Assets/Tangible Common Equity	5	5	4	4
Asset Quality				
NPL Ratio	3	3	3	3
Loan Loss Coverage	143	136	140	144
Loan Loss Reserve/Gross Loans	4	3	4	4
Credit Cost (bp)	254	268	290	284
Liquidity				
Liquid Assets/Short-Term Liabilities	14	12	25	34
Liquid Assets/Total Assets	3	3	5	7

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Growth				
Net Interest Income, yoy Chg	9	12	13	8
Fees & Commissions, yoy Chg	(27)	8	8	6
Pre-Provision Profit, yoy Chg	7	14	13	8
Net Profit, yoy Chg	15	13	12	10
Customer Loans, yoy Chg	12	10	6	6
Profitability				
Net Interest Margin	14	14	15	15
Cost/Income Ratio	48	47	47	47
Adjusted ROA	4	4	4	4
Reported ROE	17	16	16	15
Adjusted ROE	17	16	16	16
Valuation				
P/BV	2	2	1	1
P/NTA	2	2	1	1
Adjusted P/E	11	10	9	8
Dividend Yield	1	1	1	1

Central Plaza Hotel (CENTEL TB)

A Brilliant Earnings Outlook For 2H26

Highlights

- We attended CENTEL's analyst meeting to review its 2Q26 results and the tone was very positive.
- Cost of debt continues to decline from refinancing, which is a strong catalyst for CENTEL's earnings.
- Earnings outlook remains brilliant as hotel bookings are strong and the performance of food business is robust. CENTEL remains our top pick in the hotel sector, Maintain BUY with a target price of Bt50.00 (previously Bt45.00)

Analysis

- **Strong positive tone during analyst meeting.** We attended Central Plaza Hotel's (CENTEL) analyst meeting to review its 2Q26 results and the tone was very positive.
- **Strong forward bookings from 3Q26 onwards.** Bangkok will host Gastech, a major global event, in Sep 26, attracting around 50,000 participants from 150 countries. We expect hotels to benefit from strong event-driven demand, with some visitors potentially extending their stays beyond the event. Based on current bookings, Bangkok hotels are expected to deliver robust mid-single-digit yoy RevPar growth in 3Q26. Upcountry hotels should also benefit from short-haul substitution as Chinese arrivals continue to recover strongly, with the Thailand portfolio expected to achieve high-teens RevPar growth. Meanwhile, Maldives RevPar growth should remain strong at high-teens yoy, while improving occupancy of Centara Dubai should support a return to net profit breakeven. If we exclude Dubai and a new hotel in Japan, the overall portfolio RevPar in 3Q26 is expected to show a robust mid-teens growth yoy.
- **Robust food performance in Jul 26 despite pressure.** Thais Help Thais Plus (60/40 copayment scheme), the 2026 domestic consumption stimulus scheme, is a key pressure point for the food business from Jun to Sep 26. This campaign diverts consumer demand away from large businesses as only small businesses are eligible. CENTEL's food business performance in Jun 26 was decent, with same-store sales growth (SSSG) remaining flat, a clear improvement from the previous similar campaign, when SSSG contracted sharply. The performance in Jul 26 is even more encouraging, with a 3% SSSG. This was mainly due to active promotions and launch of new products, which was successful in attracting customers. CENTEL will maintain this strategy for the rest of 2H26.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	23,950	25,051	28,056	30,542	34,712
EBITDA	6,100	6,727	7,423	7,956	8,725
Operating profit	2,810	3,146	3,467	3,814	4,425
Net profit (rep./act.)	1,753	1,993	3,668	2,523	3,010
Net profit (adj.)	1,753	1,993	2,246	2,523	3,010
EPS (Bt)	1.3	1.5	1.7	1.9	2.2
PE (x)	31.6	27.8	24.6	21.9	18.4
P/B (x)	2.7	2.5	2.2	2.1	2.0
EV/EBITDA (x)	13.4	12.2	11.0	10.3	9.4
Dividend yield (%)	1.4	1.6	3.0	2.1	2.5
Net margin (%)	7.3	8.0	13.1	8.3	8.7
Net debt/(cash) to equity (%)	137.7	128.7	103.0	103.3	95.0
Interest cover (x)	8.0	7.4	11.1	10.0	11.2
ROE (%)	8.7	9.2	15.4	9.9	11.2
Consensus net profit (Btm)	-	-	2,450	2,380	2,582
UOBKH/Consensus (x)	-	-	0.92	1.06	1.17

Source: Central Plaza Hotel, Bloomberg, UOB Kay Hian

Analyst(s)

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Assistant Analyst(s)

Nonpawit Vathanadachakul

BUY (Maintained)

Share Price	Bt41.00
Target Price	Bt50.00
Upside	+22.0%
Previous TP	Bt45.00

Stock Data

Sector	Consumer Discretionary
Bloomberg ticker	CENTEL TB
Shares issued (m)	1,350.0
Market cap (Btm)	55,350.0
Market cap (US$m)	1,670.6
3-mth avg daily t'over (US$m)	5.6

Price Performance (%)

52-week high/low				Bt41.50/Bt25.50
1mth	3mth	6mth	1yr	YTD
12.3	34.4	13.9	46.4	19.7

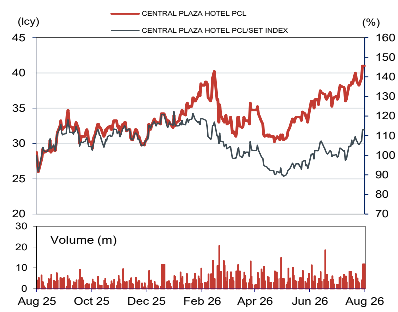
Major Shareholders (%)

Chirathivat Family	64.0
Local Investors	26.0

Balance Sheet Metrics

FY26 NAV/Share (Bt)	18.66
FY26 Net Debt/ Share (Bt)	19.22

Price Chart



Source: Bloomberg

Company Description

CENTEL is a leading hotel operator both in Thailand and overseas, as well as in the quick service restaurant industry in Thailand. CENTEL is part of the Central Group.

- **Lower interest expense from refinancing.** Interest expense in 2Q26 dropped 4.0% qoq and 12.4% yoy despite a higher amount of outstanding loan due to the lower cost of debt from refinancing. For 6M26, CENTEL's cost of debt was 2.9% down significantly from the average cost of 3.4% in 2025. By the end of Sep 26, CENTEL aims to refinance another Bt2.5b loan, which will result in cost of debt being reduced from around 3.0% to around 2.0%. This will provide additional interest savings of around Bt16m per year. Management insists that there will be no prepayment fees incurred from the refinancing. We see this declining cost of debt as a positive catalyst for CENTEL's earnings going forward.
- **Targets to maintain margins in 2H26 for both businesses.** CENTEL's overall EBITDA margin in 2H25 is considered high at 29.6%. Management targets to maintain this high EBITDA margin in 2H26 despite several headwinds. The biggest headwind is rising costs in CENTEL's food business caused by the war. According to management, some plastic costs have softened and CENTEL has placed some orders which will reduce the impact of the rising plastic costs. CENTEL is also closely monitoring the margins of food brands that are conducting promotions. Once the margins are affected by the promotions, CENTEL will switch to a different promotional bundle.

Earnings Revision

- **We revise up our 2026-28 net profit forecasts.** We revise our 2026-28 net profit forecasts up by 83.2%, 12.0%, and 0.2% respectively to reflect the stronger-than-expected performance in 1H26 and take into account the lower interest costs and stronger margins outlook.

Earnings Revision

	2026F			2027F			2028F		
(Btm)	New	Old	% chg	New	Old	% chg	New	Old	% chg
Total revenue	27,107	28,678	-5.5%	29,574	30,790	-4.0%	33,550	34,821	-3.6%
Operating EBITDA	7,423	7,387	0.5%	7,956	7,936	0.3%	8,725	9,132	-4.5%
Core profit	2,246	2,002	12.2%	2,523	2,253	12.0%	3,010	3,005	0.2%
Net profit	3,668	2,002	83.2%	2,523	2,253	12.0%	3,010	3,005	0.2%
Margin	New	Old	ppt chg	New	Old	ppt chg	New	Old	ppt chg
Gross margin	41.8%	41.6%	0.22	41.9%	41.8%	0.16	42.0%	41.8%	0.18
SG&A to sales	32.5%	32.9%	-0.41	32.3%	32.6%	-0.29	32.3%	31.3%	0.99
EBITDA margin	27.4%	25.8%	1.63	26.9%	25.8%	1.13	26.0%	26.2%	-0.22

Source: CENTEL, UOB Kay Hian

Valuation/Recommendation

- **Maintain BUY with a target price of Bt50.00.** Our valuation is rolled over to 2027 EV/EBITDA multiple of 12x, around its five-year historical mean trading level. CENTEL remains our top pick in the sector due to: a) the strong hotel bookings in 3Q26, b) lower cost of debt from refinancing, and c) strong performance from the food business despite headwinds.

Environment, Social, Governance (ESG) Updates

Environmental

- Pledged to achieve net zero emissions by 2050.
- Targeting 20% reduction in greenhouse gas emissions by 2029.
- To eliminate single-use plastics by 2025.

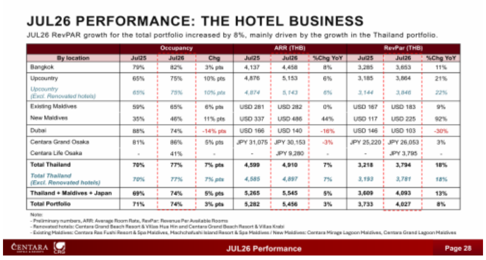
Social

- Conducts human rights assessment of the company, covering the hotel and food businesses.

Governance

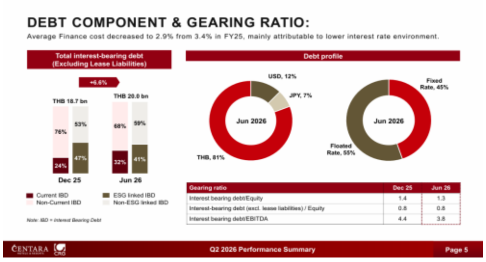
- Risk and governance management committee meets every three months.
- Strictly adheres to requirements and regulations, conducting business with transparency and accountability.

Jul 26 Hotel Performance



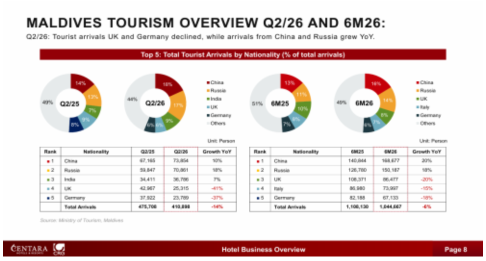
Source: CENTEL

CENTEL'S Debt Profile



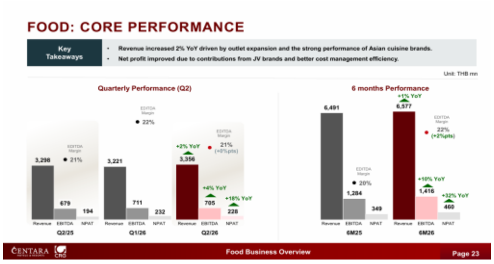
Source: CENTEL

Substitute Market For Maldives



Source: CENTEL

Food Business Performance



Source: CENTEL

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	25,051	28,056	30,542	34,712
EBITDA	6,727	7,423	7,956	8,725
Deprec. & amort.	3,580	3,956	4,141	4,300
EBIT	3,146	3,467	3,814	4,425
Total other non-op. income	0	1,778	0	0
Associate contributions	243	161	210	221
Net interest income/(expense)	(909)	(670)	(792)	(780)
Pre-tax profit	**2,481**	**4,736**	**3,233**	**3,865**
Tax	(517)	(915)	(605)	(729)
Minorities	29	(153)	(105)	(125)
Net profit	1,993	3,668	2,523	3,010
Net profit (adj.)	**1,993**	**2,246**	**2,523**	**3,010**

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	49,382	48,709	50,783	52,883
Other LT assets	7,354	7,692	7,913	8,222
Cash/ST investment	2,964	2,965	3,250	5,391
Other current assets	3,029	3,569	3,949	4,575
Total assets	**62,728**	**62,935**	**65,894**	**71,071**
ST debt	6,090	5,117	5,117	5,617
Other current liabilities	4,707	4,517	4,944	5,745
LT debt	25,708	23,800	25,041	26,283
Other LT liabilities	3,608	3,761	4,091	4,735
Shareholders' equity	22,408	25,184	26,041	27,905
Minority interest	207	556	661	786
Total liabilities & equity	**62,728**	**62,935**	**65,894**	**71,071**

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	**5,372**	**7,257**	**6,816**	**7,611**
Pre-tax profit	2,481	4,736	3,233	3,865
Tax	(517)	(915)	(605)	(729)
Deprec. & amort.	3,580	3,956	4,141	4,300
Associates	(211)	(579)	110	277
Working capital changes	40	(152)	(63)	(102)
Non-cash items	242	371	210	221
Other operating cashflows	(5,394)	(3,469)	(6,105)	(6,066)
Investing	**(4,357)**	**(3,284)**	**(6,214)**	**(6,400)**
Capex (growth)	6,243	6,307	6,391	6,480
Investment	(7,280)	(6,492)	(6,282)	(6,145)
Others	309	(3,787)	(426)	596
Financing	**(797)**	**(906)**	**(1,667)**	**(1,146)**
Dividend payments	607	(2,882)	1,241	1,743
Proceeds from borrowings	498	0	0	0
Others/interest paid	287	1	285	2,141
Net cash inflow (outflow)	2,677	2,964	2,965	3,250
Beginning cash & cash equiv.	2,964	2,965	3,250	5,391
Ending cash & cash equiv.	**5,372**	**7,257**	**6,816**	**7,611**

Key Metric

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	26.9	26.5	26.0	25.1
Pre-tax margin	9.9	16.9	10.6	11.1
Net margin	8.0	13.1	8.3	8.7
ROA	3.2	5.8	3.9	4.4
ROE	9.2	15.4	9.9	11.2
Growth (% yoy)				
Turnover	4.6	12.0	8.9	13.7
EBITDA	10.3	10.4	7.2	9.7
Pre-tax profit	13.6	90.9	(31.7)	19.6
Net profit	13.7	84.1	(31.2)	19.3
Net profit (adj.)	13.7	12.7	12.3	19.3
EPS	13.7	12.7	12.3	19.3
Leverage				
Debt to total capital	58.4	52.9	53.0	52.6
Debt to equity	141.9	114.8	115.8	114.3
Net debt/(cash) to equity	128.7	103.0	103.3	95.0
Interest cover (x)	7.4	11.1	10.0	11.2

Bangkok Commercial Asset Management (BAM TB)

2Q26: Results Miss; Cash Collection In 1H26 Account For 37% Of Full-Year Target

Highlights

- BAM reported a 2Q26 net profit of Bt234m, down 82% yoy but up 8% qoq.
- A high chance to miss 2026 targets without big tickets in 2H26.
- Downgrade to HOLD with a lower target price of Bt7.20 (previous: Bt8.70).

2Q26 Results

Year to 31 Dec (Btm)	2Q26	1Q26	2Q25	qoq chg (%)	yoy chg (%)
Total Cash Collection (NPLs+NPAs)	3,513	3,026	6,962	16.1	(49.5)
Cash Collection (NPLs)	2,161	2,040	4,260	6.0	(49.3)
Cash Collection (NPAs)	1,351	987	2,702	37.0	(50.0)
Interest Income - Collected	1,054	954	1,734	10.5	(39.2)
Interest Income - Accrued	537	610	132	(12.0)	306.8
Net Interest Income	1,197	1,258	1,442	(4.9)	(17.0)
Non-Interest Income	439	348	1,900	25.9	(76.9)
Provision Expenses	(667)	(726)	(784)	(8.1)	(15.0)
Total Operating Expenses	(721)	(669)	(926)	7.8	(22.1)
Net income	234	217	1,294	8.0	(81.9)
EPS (Bt)	0.07	0.07	0.40	8.0	(81.9)
Ratio (%)					
Cash collection to total port (%)	9.9	8.6	19.4	132bp	-948bp
Gain on loans purchased Loans % Cash Collection	12.7	17.7	8.2	-5ppt	5ppt
NPA margin (%)	29.0	30.0	69.7	-1ppt	-41ppt
Credit Cost (bp)	336	365	370	-29bp	-34bp
Cost to income (%)	43.2	40.7	27.5	258bp	1570bp

Source: BAM, UOB Kay Hian

Analysis

- **2Q26 results miss expectations.** Bangkok Commercial Asset Management (BAM) posted a 2Q26 net profit of Bt234m, down 82% yoy but up 8% qoq. The results are lower than consensus estimates by 19%. BAM reported a total cash collection of Bt3.5b in 2Q26 (-50% yoy, +16% qoq).
- **Interest income increased qoq.** BAM reported interest income (collected) of Bt1.05b in 2Q26 (-39% yoy, +11% qoq). Meanwhile, net interest income was Bt1.2b in 2Q26 (-17% yoy, -5% qoq).
- **Non-interest income decreased yoy and qoq.** BAM reported non-interest income of Bt439m in 2Q26 (-77% yoy, +26% qoq).
- **Provision expenses reduced yoy and qoq.** BAM reported provision expenses of Bt667m in 2Q26 (-15% yoy, -8% qoq).

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net Interest Income	6,967	6,651	5,242	5,624	5,819
Non-Interest Income	2,612	3,586	1,914	1,997	2,013
Net profit	1,602	1,812	1,281	1,397	1,605
Net profit (adj.)	1,602	1,812	1,281	1,397	1,605
EPS (Bt)	0.5	0.6	0.4	0.4	0.5
PE (x)	13.6	12.0	17.0	15.6	13.6
P/B (x)	0.5	0.5	0.5	0.5	0.5
Dividend yield (%)	5.2	7.4	5.9	5.9	5.9
Net Int margin (%)	0.0	0.0	0.0	0.0	0.0
Cost/income ratio (%)	30.4	32.6	40.9	43.4	45.8
Loan loss cover (%)	n.a.	n.a.	n.a.	n.a.	n.a.
Consensus net profit	-	-	1,765	1,966	2,095
UOBKH/Consensus (x)	-	-	0.73	0.71	0.77

Source: Bangkok Commercial Asset Management, Bloomberg, UOB Kay Hian

Analyst(s)

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HOLD (Downgraded)

Share Price	Bt6.75
Target Price	Bt7.20
Upside	6.7%
Previous TP	Bt8.70

Stock Data

Sector	
Bloomberg ticker	BAM TB
Shares issued (m)	3,232.0
Market cap (Btm)	21,816.3
Market cap (US$m)	658.2
3-mth avg daily t'over (US$m)	2.8

Price Performance (%)

52-week high/low				Bt8.6/Bt6.2
1mth	**3mth**	**6mth**	**1yr**	**YTD**
(1.5)	3.1	(12.3)	(19.6)	(15.6)

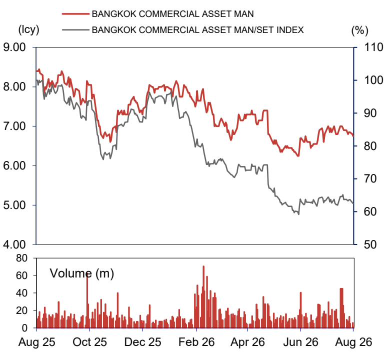
Major Shareholders (%)

FIDF Funds	45.79
Thai NVDR	2.93
South East Asia UK (Type C) Nominees	2.11

Balance Sheet Metrics

FY26 NAV/Share (Bt)	13.7
FY26 Net Debt/Share (Bt)	n.a

Price Chart



Source: Bloomberg

Company Description

Management of NPLs and non-performing assets (NPA).

- **Credit costs declined yoy and qoq.** BAM reported credit costs of 336bp in 2Q26, down 34bp yoy and 29bp qoq.
- **Decent performance from JVs.** BAM recognised Bt32m in total share of profit from its two operating JVs, driven by sustained collection efficiency and strong profitability. In 2Q26, ARI Asset Management Company (ARI AMC, partnered with Government Saving Bank (GSB), and ARUN AMC, partnered with Kasikorn Bank (KBANK), recorded net profits of Bt22m and Bt42m, respectively in 2Q26. Both entities continue to advance their portfolio expansion strategies: a) ARUN AMC acquired over Bt2b in distressed assets in Jun 26, with plans for ongoing quarterly acquisitions; and b) ARI AMC is positioned to manage additional distressed asset portfolios from Specialized Financial Institutions (SFIs), with further developments anticipated in 2H26. To support long-term growth and strengthen core asset management capabilities, BAM is also evaluating strategic joint venture opportunities with commercial banking partners.
- **A high chance to miss 2026 targets without big tickets.** BAM set a debt collection target of Bt17.9b in 2026, which consists of: a) NPL of Bt10.5b, and b) non-performing assets (NPA) of Bt7.4b. The CEO guided that this Bt17.9b debt collection is the base case and a conservative target. The CEO is confident in achieving this target without relying on big tickets. However, the total collection in 1H26 was reported at Bt6.5b with a net profit of Bt451m (vs target of Bt2b in 2026). Without big ticket collection, we view that there is a high chance of missing the collection target of Bt17.9b and net profit of Bt2b in 2026.

Valuation/Recommendation

- **Downgrade to HOLD with a lower target price of Bt7.20** (previous: Bt8.70), based on the Gordon Growth Model (cost of equity: 12.0%, long-term growth: 3%). This implies 2026F P/B of 0.52x, which is nearly -0.5SD to its five-year mean. Although the valuation is cheap, there is no catalyst to drive the share price up in the near term.
- Cash collection in 1H26 accounted for only only 37% of the 2026 target. Meanwhile, net profit in 1H26 accounted for only 22.5% of the 2026 target. Without big tickets coming in 2H26, we expect BAM to miss the 2026 financial guidance provided and miss market expectations.

Earnings Revision/Risk

- We cut BAM's 2026-28 earnings forecasts downward by 24.7%, 26.0%, and 26.0% respectively, to reflect the 2Q26 earning results miss and softening earnings outlook.

Share Price Catalyst

- A strong momentum of cash collection.

Environment, Social, Governance (ESG) Updates

CG Report: 5
SET ESG Rating: AAA

Environmental

- BAM is committed to environmental management.

Social

- BAM is committed to mitigating potential social impacts Your text here.

Governance

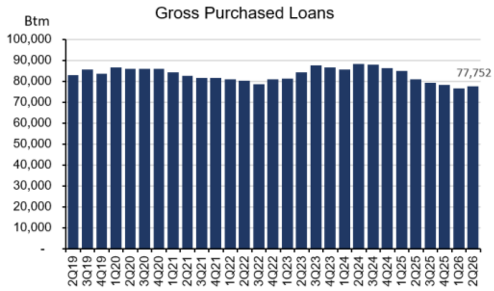
- BAM is committed to conducting its business with integrity and a fairness framework

2026 Financial Targets

	1H26 Actual	2026 Targets
Total Collection	Bt6.5b	Bt17.9b
Net Profit	Bt451m	Bt2b
Investment portfolio (AUM)	N/A	Bt600b

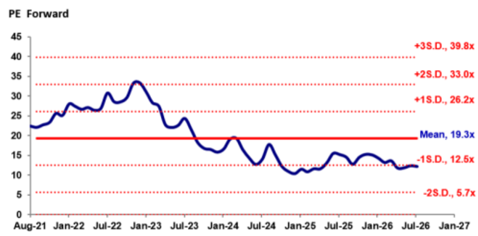
Source: BAM, UOB Kay Hian

Gross Purchased Loans (2Q26)



Source: BAM, UOB Kay Hian

PE Band



Source: UOB Kay Hian

P/B Band

Source: UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Interest Income	9,812	7,998	8,187	8,199
Interest Expense	(3,161)	(2,756)	(2,563)	(2,380)
Net Interest Income	6,651	5,242	5,624	5,819
Fees & Commissions	3,586	1,914	1,997	2,013
Other Income	0	0	0	0
Non-Interest Income	3,586	1,914	1,997	2,013
Total Income	10,237	7,156	7,621	7,832
Staff Costs	(1,643)	(1,329)	(1,457)	(1,499)
Other Operating Expense	(1,691)	(1,597)	(1,852)	(2,090)
Pre-Provision Profit	6,903	4,230	4,312	4,243
Loan Loss Provision	(4,639)	(2,752)	(2,701)	(2,394)
Pretax profit	2,264	1,478	1,611	1,849
Tax	(452)	(197)	(214)	(244)
Minorities	0	0	0	0
Net profit (adj.)	**1,812**	**1,281**	**1,397**	**1,605**

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Cash With Central Bank	2,121	1,374	1,279	1,267
Govt Treasury Bills & Securities	0	0	0	0
Interbank Loans	0	0	0	0
Customer Loans	69,190	68,055	67,827	67,667
Investment Securities	689	430	430	430
Derivative Receivables	0	0	0	0
Associates & JVs	763	804	804	804
Fixed assets (incl. prop.)	41,764	43,905	49,621	55,253
Other assets	21,500	21,495	21,433	21,373
Total Assets	136,028	136,064	141,395	146,794
Interbank Deposits	0	0	0	0
Customer Deposits	0	0	0	0
Derivative Payables	0	0	0	0
Debt equivalents	88,076	89,087	94,363	99,468
Other Liabilities	3,038	2,548	2,483	2,468
Total Liabilities	91,114	91,635	96,846	101,937
Shareholders' equity	44,914	44,429	44,549	44,857
Minority interest	0	0	0	0
Total liabilities & equity	**136,028**	**136,064**	**141,395**	**146,794**

Operating Ratios

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Capital Adequacy				
Tier-1 CAR	n.a.	n.a.	n.a.	n.a.
Total CAR	n.a.	n.a.	n.a.	n.a.
Total assets/equity (x)	3.0	3.1	3.2	3.3
Tangible assets/tangible common	3.0	3.1	3.2	3.3
Asset Quality				
NPL ratio	n.a.	n.a.	n.a.	n.a.
Loan loss coverage	n.a.	n.a.	n.a.	n.a.
Loan loss reserve/gross loans	32.5	23.4	23.4	23.4
Increase in NPLs	n.a.	n.a.	n.a.	n.a.
Liquidity				
Loan/deposit ratio	n.a.	n.a.	n.a.	n.a.
Liquid assets/short-term liabilities	n.a.	n.a.	n.a.	n.a.
Liquid assets/total assets	1.6	1.0	0.9	0.9

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Growth				
Net interest income, yoy chg	(4.5)	(21.2)	7.3	3.5
Fees & commissions, yoy chg	37.3	(46.6)	4.3	0.8
Pre-provision profit, yoy chg	3.6	(38.7)	1.9	(1.6)
Net profit, yoy chg	13.2	(29.3)	9.0	14.9
Net profit (adj.), yoy chg	13.2	(29.3)	9.0	14.9
Customer loans, yoy chg	(11.3)	(1.6)	(0.3)	(0.2)
Profitability				
Cost/income ratio	32.6	40.9	43.4	45.8
Adjusted ROA	1.3	1.0	1.0	1.1
Reported ROE	4.1	2.9	3.2	3.6
Adjusted ROE	4.1	2.9	3.2	3.6
Valuation				
P/BV (x)	0.5	0.5	0.5	0.5
P/NTA (x)	16.1	16.1	15.5	14.9
Adjusted P/E (x)	12.0	17.0	15.6	13.6
Dividend Yield	7.4	5.9	5.9	5.9
Payout ratio	89	100	93	81

Dohome (DOHOME TB)

2Q26: Strongest Earnings In The Past 15 Quarters

Highlights

- 2Q26 earnings came in at Bt306m, increasing 95% yoy, in line with market expectations but above our forecast
- Key drivers were strong SSSG and gross margin expansion. 2Q26 marks the company's strongest quarterly earnings in the past 15 quarters.
- 3Q26 growth may be weighed down by softened steel margins, but a strong recovery is expected in 4Q26. Maintain BUY with a target price of Bt4.50.

2Q26 Results

Year to 31 Dec (Btm)	2Q25	1Q26	2Q26	yoy (%)	qoq (%)	2025	2026F	yoy (%)
Sales and services	7,283	8,098	7,794	7.0	(3.8)	29,110	29,584	1.6
Gross profit	1,311	1,425	1,541	17.5	8.2	5,056	5,295	4.7
SG&A	1,094	1,103	1,154	5.5	4.6	4,214	4,328	2.7
EBIT	294	386	442	50.4	14.6	1,140	1,268	11.2
EBITDA	551	664	726	31.8	9.4	2,196	2,358	7.4
Interest expense	109	82	76	(30.4)	(7.2)	431	379	(12.1)
Net profit	**157**	**251**	**305**	**94.3**	**21.8**	**601**	**747**	**24.3**
Percent	**2Q25**	**1Q26**	**2Q26**	**(ppts)**	**(ppts)**	**2025**	**2026F**	**(ppts)**
SSSG	(9.3)	(4.1)	1.8	11.06	5.9	(7.5)	1.5	9.0
Gross margin	18.0	17.6	19.8	1.77	2.2	17.4	17.9	0.5
SG&A to sales	15.0	13.6	14.8	(0.22)	1.2	14.5	14.6	0.2

Source: Dohome, UOB Kay Hian

Analysis

- **Results beat.** Dohome (DOHOME) reported 2Q26 earnings at Bt306m, increasing by 95% yoy and 22% qoq, in line with market expectations but 10% above our forecast, mainly due to a higher-than-expected gross margin. 2Q26 marks the company's strongest quarterly earnings in the past 15 quarters.
- **Key drivers were strong SSSG and gross margin expansion.** 2Q26 sales increased by 6.6% yoy, driven by 1.8% yoy SSSG, particularly in the B2B (back-office) segment, as well as store expansion. Gross margin increased 177bps yoy to 19.8% (2Q25: 18.0%, 1Q26: 17.6%), supported by price adjustments and continued benefits from lower-cost inventory. Steel gross margin rose significantly in April before gradually normalising in June. SG&A-to-sales declined 22bps yoy, reflecting effective cost control amid the rise of diesel prices. Interest expenses also declined by 31% yoy and 7% qoq, driven by debt repayment and lower policy rates.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	31,327.0	29,409	29,884	31,050	33,067
EBITDA	2,384.3	2,196	2,358	2,417	2,562
Operating profit	1,388.7	1,140	1,267	1,261	1,339
Net profit (rep./act.)	674.1	601	774	783	854
Net profit (adj.)	674.1	601	774	783	854
EPS	0.2	0.2	0.2	0.2	0.3
PE (x)	15.9	21.4	16.6	16.4	15.1
P/B (x)	0.8	1.0	0.9	0.9	0.8
EV/EBITDA (x)	19.7	23.3	21.7	21.1	19.8
Dividend yield (%)	0.2	0.1	0.2	0.2	0.2
Net margin (%)	2.2	2.0	2.6	2.5	2.6
Net debt/(cash) to equity(%)	134.4	127.3	120.2	113.6	104.6
Interest cover (x)	4.2	5.3	7.3	7.9	8.4
ROE (%)	5.4	4.6	5.6	5.4	5.6
Consensus net profit	n.a	n.a	776.0	894.2	731.0
UOBKH/Consensus (x)	n.a	n.a	1.0	0.9	1.2

Source: Dohome, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	Bt4.08
Target Price	Bt4.50
Upside	10.29%

Stock Data

Sector	Consumer Discretionary
Bloomberg ticker	DOHOME TB
Shares issued (m)	3,518.6
Market cap (Btm)	11,611.4
Market cap (US$m)	354.6
3-mth avg daily t'over (US$m)	2.1

Price Performance (%)

52-week high/low				Bt5.1/Bt2.4
1mth	**3mth**	**6mth**	**1yr**	**YTD**
(6.2)	(6.7)	(8.7)	(33.4)	0.4

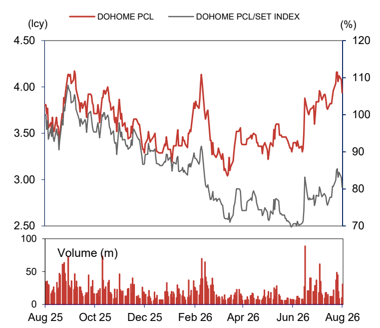
Major Shareholders (%)

Tangmitrphracha Family	31.00
Dohome Holding Limited	28.17
Amplus Holdings Limited	5.37

Balance Sheet Metrics

FY26 NAV/Share (Bt)	4.2
FY26 Net Debt/Share (Bt)	5.0

Price Chart



Source: Bloomberg

Company Description

Dohome has a comprehensive retail and wholesale business involving construction materials and home decoration items.

Key Statistics

Year to 31 Dec	2Q25	3Q25	4Q25	1Q26	2Q26	Qtd-F
Net profit - yoy	**-18.4%**	**+32.4%**	**-39.5%**	**+2.3%**	**+94.3%**	**+yoy**
SSSG	**-9.3%**	**-11.0%**	**-10.4%**	**-4.1%**	**+1.8%**	**+5.0%**
SSSG - Steel	- yoy	- yoy	- yoy	- yoy	+ yoy	+ yoy
SSSG - Non steel	- yoy	- yoy	- yoy	- yoy	+ yoy	+ yoy
SSSG - Back office	- yoy	- yoy	- yoy	- yoy	+ yoy	+ yoy
SSSG – Point of sales	- yoy	- yoy	- yoy	- yoy	- yoy	- yoy
Gross margin	**18.0%**	**17.7%**	**16.2%**	**17.6%**	**19.8%**	**17.6%**
Gross margin - Steel	- yoy	+ yoy	- yoy	+ yoy	+ yoy	- yoy
Gross margin - Non steel	- yoy	+ yoy	+ yoy	+ yoy	+ yoy	+ yoy
Sales mix - Steel	+ yoy	- yoy	flat	+ yoy	+ yoy	+ yoy

Source: Dohome, UOB Kay Hian

- **3Q26 growth may be weighed down by softened steel margins, but a strong recovery is expected in 4Q26.** The yoy improvement should be supported by a stronger demand backdrop and a low base. Qtd SSSG remained positive at around +5% yoy, benefitting from the low base following the steel shortage in 3Q25. We expect SSSG to remain positive throughout 2H26. In addition, several headwinds that weighed on performance in 1H26 have begun to ease. Store traffic in the Northeast has started to recover as disruptions related to the Thailand-Cambodia border situation have largely bottomed out, while improving consumer sentiment should provide further support to sales in 2H26. Although gross margin is expected to soften both yoy and qoq in 3Q26, this should be partly offset by well-controlled SG&A and lower interest expenses.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt4.50.** Our target price is based on a 2026F PE of 19x, equivalent to -1 S.D. below the five-year average of home improvement retail peers. We expect improving operations, including leaner opex, a recovery in government projects, and lower interest-bearing debt, to offset the risk of lower gross margin.

Earnings Revision/Risk

- **No earnings revision.**

Share Price Catalyst

- **Catalysts:** Low base in 2025, lower interest expenses, effective cost control.

Environment, Social, Governance (ESG) Updates

Environmental

- Sets targets to reduce energy, water, waste and greenhouse gas emissions (7% by 2027.

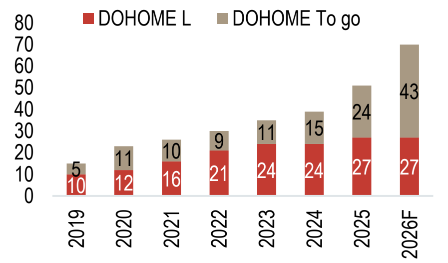
Social

- Undertakes workforce engagement, supports local employment, and avoids human rights violations via supply chain oversight.

Governance

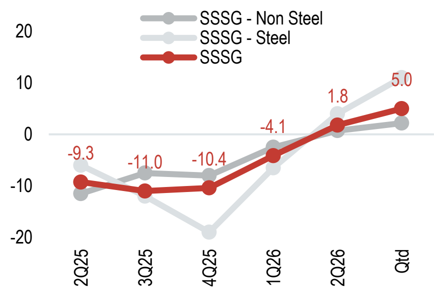
- Has a formal sustainability development policy that integrates ESG in operations and supply chain, with board oversight and transparent reporting commitments

Stores



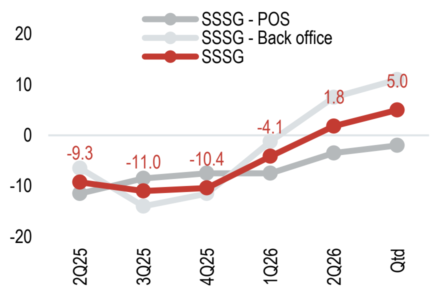
Source: Dohome, UOB Kay Hian

SSSG By Products



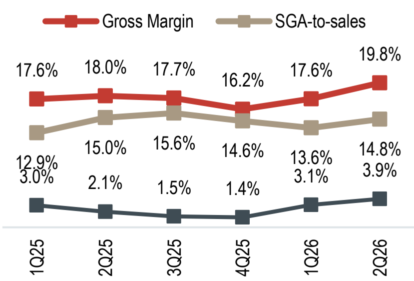
Source: Dohome, UOB Kay Hian

SSSG By Channels



Source: Dohome, UOB Kay Hian

Profitability



Source: Dohome, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	**29,409**	**29,884**	**31,050**	**33,067**
EBITDA	2,196	2,358	2,417	2,562
Deprec. & amort.	1,056	1,090	1,156	1,223
EBIT	1,140	1,267	1,261	1,339
Total other non-operating income	0	0	0	0
Associate contributions	0	0	0	0
Net interest income/(expense)	(414)	(322)	(304)	(304)
Pre-tax profit	**725**	**944**	**955**	**1,034**
Tax	(124)	(170)	(172)	(180)
Minorities	0	(0)	(0)	(0)
Net profit	**601**	**774**	**783**	**854**
Net profit (adj.)	601	774	783	854

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	19,949	20,853	21,710	22,511
Other LT assets	58	61	64	68
Cash/ST investment	145	15	392	457
Other current assets	14,154	12,951	12,898	13,270
Total assets	**34,306**	**34,282**	**35,063**	**36,306**
ST debt	11,969	11,969	11,969	11,969
Other current liabilities	3,545	2,910	3,021	3,528
LT debt	5,239	5,239	5,239	5,239
Other LT liabilities	146	118	130	147
Shareholders' equity	13,408	14,046	14,704	15,424
Minority interest	0	0	0	0
Total liabilities & equity	**34,306**	**34,282**	**35,064**	**36,306**

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	**2,030**	**2,079**	**2,102**	**2,503**
Pre-tax profit	725	944	955	1,034
Tax	(124)	(170)	(172)	(180)
Deprec. & amort.	1,056	1,090	1,156	1,223
Working capital changes	250	212	164	430
Non-cash items	210	3	(1)	(4)
Other operating cashflows	(86)	0	0	0
Investing	**(1,620)**	**(2,021)**	**(2,003)**	**(2,015)**
Capex (growth)	(1,931)	(1,994)	(2,013)	(2,024)
Investments	0	0	0	0
Others	311	(27)	10	10
Financing	**(390)**	**(218)**	**(23)**	**(23)**
Dividend payments	(17)	(18)	(23)	(23)
Issue of shares	154	0	0	0
Proceeds from borrowings	(158)	-200	0	0
Others/interest paid	(369)	0	0	0
Net cash inflow (outflow)	**21**	**160**	**75**	**465**
Beginning cash & cash equivalent	**124**	**145**	**15**	**60**
Ending cash & cash equivalent	**145**	**15**	**60**	**525**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	7.5	7.9	7.8	7.7
Pre-tax margin	2.5	3.2	3.1	3.1
Net margin	2.0	2.6	2.5	2.6
ROE	4.6	4.8	4.7	4.9
Growth				
Net profit	(10.8)	28.7	1.2	9.1
Net profit (adj.)	(10.8)	28.7	1.2	9.1
EPS	(14.9)	28.7	1.2	9.1
Leverage				
Debt to total capital	128.3	120.1	114.0	108.0
Debt to equity	128.3	120.1	114.0	108.0
Net debt/(cash) to equity	127.3	120.2	113.6	104.6
Interest cover	5.3	7.3	7.9	8.4

Srisawad Corporation (SAWAD TB)

2Q26: Results In Line; Credit Costs Decline QOQ

Highlights

- SAWAD reported a net profit of Bt1.4b in 2Q26, up 10% yoy and 4% qoq.
- A continued decrease in opex.
- Maintain BUY with an unchanged target price of Bt35.00.

2Q26 Results

Year to 31 Dec (Btm)	2Q26	1Q26	2Q25	qoq chg (%)	yoy chg (%)
Total gross loans	95,805	95,030	93,155	0.8	2.8
Net interest income	3,488	3,548	3,424	(1.7)	1.9
Non-interest income	666	697	659	(4.3)	1.2
Loan loss provision	(476)	(513)	(535)	(7.2)	(11.1)
Non-Interest Expenses	(1,758)	(1,848)	(1,878)	(4.8)	(6.4)
Pre-provision operating profit	2,396	2,397	2,204	(0.0)	8.7
Net income	1,401	1,342	1,269	4.4	10.3
EPS (Bt)	0.84	0.81	0.76	4.4	10.3
Ratio (%)					
NPL ratio (%)	4.0	4.0	3.8		
Loan loss coverage ratio (%)	57.1	58.5	63.1		
Net interest margin (NIM %)	14.8	15.1	14.8		
Credit cost (bp)	205	223	237		
Cost to income (%)	42.3	43.5	46.0		
Number of network store	n.a.	5,823	5,760		
Baseline Total Loans/Store	n.a.	16.2	16.0		

Source: SAWAD, UOB Kay Hian

Analysis

- **2Q26: Results in line.** Srisawad Corporation (SAWAD) reported 2Q26 earnings of Bt1.4b, up 10% yoy and 4% qoq. The results were in line with our and consensus estimates. Excluding provision expenses, the company's pre-provision operating profit increased by 9% yoy but was flat qoq in 2Q26.
- **Loan portfolio grew yoy and qoq.** SAWAD's outstanding loan portfolio grew 3% yoy and 1% qoq at Bt95.8b in 2Q26. SAWAD had 5,823 branches as of end-1Q26. In 1H26, the loan portfolio grew only 1% yoy. Meanwhile, SAWAD set a 2026 loan growth target of 10-15%. Although we foresee an improvement in economic outlook based on 2026 GDP revision upward by many organisations, including the Bank of Thailand, we believe SAWAD needs to continue to be prudent on its lending policy to preserve good asset quality. Therefore, we expect SAWAD to miss its 2026 loan growth target with our forecast on SAWAD's loan growth of 3.7% yoy in 2026.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net interest income	14,846.1	13,593.4	14,197.6	15,043.8	15,836.2
Non-Interest Income	3,018.6	2,835.4	2,815.6	2,889.9	2,847.0
Net profit (rep./act.)	5,051.3	5,020.5	5,408.3	5,828.2	6,243.9
Net profit (adj.)	5,051.3	5,020.5	5,408.3	5,828.2	6,243.9
EPS (Bt)	3.2	3.0	3.3	3.5	3.8
PE (x)	7.7	8.2	7.6	7.0	6.6
P/B (x)	1.2	1.1	1.0	0.9	0.8
Dividend yield (%)	0.1	2.8	2.9	2.8	2.8
Net int margin (%)	15.1	14.2	14.7	14.9	14.9
Cost/income Ratio (%)	52.2	47.7	44.2	43.9	43.7
Loan loss cover (%)	67.0	58.7	57.0	57.0	53.0
Consensus net profit	n.a	n.a	5,428.0	6,042.8	6,546.2
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	1.0

Source: Srisawad Corporation, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	Bt24.70
Target Price	Bt35.00
Upside	41.7%

Stock Data

Sector	Financials
Bloomberg ticker	SAWAD TB
Shares issued (m)	1,661.5
Market cap (Btm)	41,039.2
Market cap (US$m)	1,238.8
3-mth avg daily t'over (US$m)	14.5

Price Performance (%)

52-week high/low				Bt32.0/Bt19.9
1mth	**3mth**	**6mth**	**1yr**	**YTD**
0.4	12.3	(4.1)	12.3	(3.1)

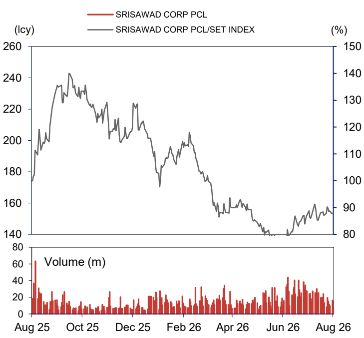
Major Shareholders (%)

Thida Kaewbootta	16.18
UBS AG Singapore Branch	11.74
Duangchai Kaewbootta	8.14

Balance Sheet Metrics

FY26 NAV/Share (Bt)	25.2
FY26 Net Debt/Share (Bt)	n.a

Price Chart



Source: Bloomberg

Company Description

The company provides unsecured financial products, credit card products and services, and personal loans to consumers in Thailand.

- **A continued decrease in opex.** SAWAD reported opex of Bt1.76b in 2Q26 (-6% yoy, -5% qoq). This was lower than our forecast by 12%, as we expected to see a qoq increase in opex. SAWAD disclosed that the opex continued to decline qoq, driven by sustained cost-management discipline and the realised efficiencies of the branch restructuring initiated in the prior year. Going forward, we expect opex to normalise around the current level, as SAWAD has demonstrated decent opex management over the past few quarters.
- **A strong recovery momentum in foreclosed asset management.** SAWAD achieved a substantial reduction in losses in the sales of foreclosed assets, which declined by 68% qoq to Bt35m in 2Q26. In 1H26, losses totalled Bt144m, representing a 71% yoy decrease. This performance continues the positive trajectory observed since 2025, driven by ongoing enhancements in loan portfolio quality, streamlined asset disposition processes, and broader stabilisation within the used-vehicle market.
- **Credit costs declined qoq.** SAWAD's provision expenses decreased 11% yoy and 7% qoq in 2Q26. This resulted in the company's credit costs decreasing by 32bp yoy and 17bp qoq to 205bp in 2Q26. NPL ratio stablised qoq at 4.0% in 2Q26. Meanwhile, the new NPL formation stablised qoq at 2.4% in 2Q26. Loan-loss coverage ratio declined 1.4ppt qoq from 58.5% in 1Q26 to 57.1% in 2Q26.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt35.00.** SAWAD's target price is based on the Gordon Growth Model (cost of equity: 13%, long-term growth: 3%). Our target price implies 1.4x 2026F P/B, which is -0.5SD to its five-year mean.

Earnings Revision/Risk

- We fine-tune SAWAD's 2026-28 earnings forecasts by -0.7%, -1.8% and -1.7%, respectively, to reflect the latest 2Q26 earnings.

Share Price Catalyst

- A brighter credit cost and NPL outlook due to Thailand's economic recovery.
- A higher dividend payout ratio.

Environment, Social, Governance (ESG) Updates

CG Report: 5
SET ESG Rating: AA

Environmental

- Reducing greenhouse gas emissions to zero (net zero emissions). Committed to net zero greenhouse gas emissions by 2050, in line with the Paris Agreement.

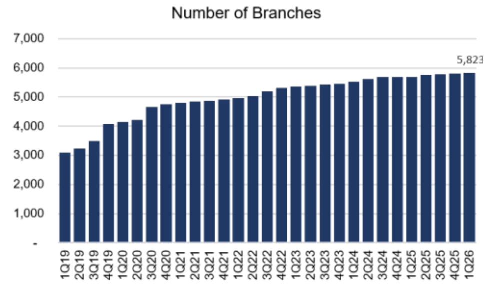
Social

- Create access to financial services and provide financial knowledge.
- Ensure security and privacy of customers' information.
- Respect for human rights and diversity.

Governance

- Uphold the principles of good governance and provide fair service to customers.
- Comply with the regulations required by authorities in the country.
- Strengthen the credit review process with respect to ESG aspects

Number Of Branches (1Q26)

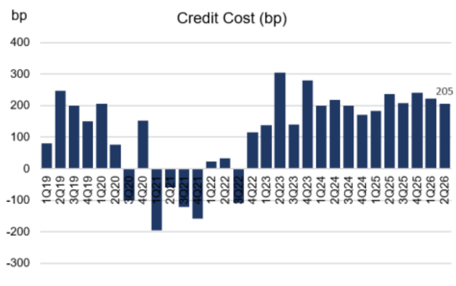


Source: SAWAD, UOB Kay Hian

Loan Composition (1Q26)

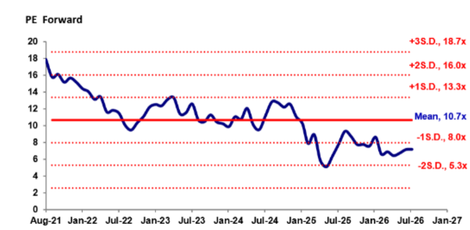
Source: SAWAD, UOB Kay Hian

Credit Cost (bp)



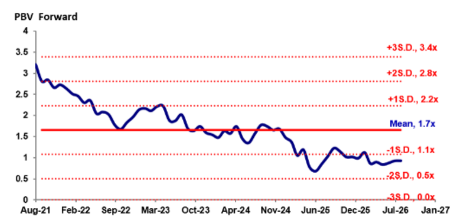
Source: SAWAD, UOB Kay Hian

PE Band



Source: UOB Kay Hian

P/B Band (bp)



Source: UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Interest income	16,459	16,754	17,346	18,063
Interest expense	(2,866)	(2,556)	(2,302)	(2,227)
Net interest income/(expense)	13,593	14,198	15,044	15,836
Fees & Commissions	2,835	2,816	2,890	2,847
Income From Insurance	0	0	0	0
Net Trading Income	0	0	0	0
Other Income	0	0	0	0
Non-Interest Income	2,835	2,816	2,890	2,847
Total Income	16,429	17,013	17,934	18,683
Staff Costs	(7,835)	(7,511)	(7,874)	(8,156)
Other Operating Expense	0	0	0	0
Pre-Provision Profit	8,594	9,502	10,059	10,527
Loan Loss Provision	(1,978)	(2,013)	(2,003)	(1,896)
Other Provisions	0	0	0	0
Associated Companies	0	0	0	0
Other Non-Operating Income	0	0	0	0
Pre-tax profit	**6,617**	**7,489**	**8,056**	**8,631**
Tax	(1,347)	(1,537)	(1,613)	(1,728)
Minorities	(250)	(544)	(615)	(659)
Net profit	**5,020**	**5,408**	**5,828**	**6,244**
Net profit (adj.)	5,020	5,408	5,828	6,244

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Cash With Central Bank	6,046	4,878	5,142	5,414
Govt Treasury Bills & Securities	0	0	0	0
Interbank Loans	0	0	0	0
Customer Loans	92,850	96,262	101,506	107,043
Investment Securities	0	0	0	0
Derivative Receivables	0	0	0	0
Associates & JVs	0	0	0	0
Properties & Other Fixed Assets	687	329	203	188
Goodwill & Intangible Assets	2,712	3,799	3,936	4,076
Other Assets	5,379	6,387	6,632	6,885
Insurance Fund Investment Assets	0	0	0	0
Total assets	**107,674**	**111,655**	**117,419**	**123,607**
Interbank Deposits	0	0	0	0
Customer Deposits	14,937	14,361	11,417	10,941
Bills Payable	1,476	1,461	1,545	1,649
Derivative Payables	0	0	0	0
Debts Securities Issued	0	0	0	0
Subordinated Debts	47,466	47,951	52,372	54,341
Other Liabilities	3,036	2,927	3,085	3,248
Insurance Fund Liabilities	0	0	0	0
Total liabilities	66,915	66,700	68,420	70,179
Shareholders' funds	37,454	41,772	46,432	51,519
Minority interest	3,305	3,182	2,567	1,908
Total Equity & Liabilities	107,674	111,655	117,419	123,607

Operating Ratios

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Capital Adequacy				
Total Assets/Equity	3	3	3	2
Tangible Assets/Tangible Common Equity	3	3	3	3
Asset Quality				
NPL Ratio	4	4	4	4
Loan Loss Coverage	59	57	57	53
Loan Loss Reserve/Gross Loans	1	1	0	0
Increase in NPLs	8	3	4	5
Credit Cost (bp)	209	210	200	180
Liquidity				
Liquid Assets/Short-Term Liabilities	37	31	40	43
Liquid Assets/Total Assets	6	4	4	4

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Growth				
Net Interest Income, yoy Chg	(8)	4	6	5
Fees & Commissions, yoy Chg	(6)	(1)	3	(1)
Pre-Provision Profit, yoy Chg	1	11	6	5
Net Profit, yoy Chg	(1)	8	8	7
Customer Loans, yoy Chg	(1)	4	5	5
Profitability				
Net Interest Margin	14	15	15	15
Cost/Income Ratio	48	44	44	44
Adjusted ROA	19	20	20	21
Reported ROE	13	13	12	12
Adjusted ROE	13	13	12	12
Valuation				
P/BV	1	1	1	1
P/NTA	1	1	1	1
Adjusted P/E	8	8	7	7
Dividend Yield	3	3	3	3

Supalai (SPALI TB)

2Q26: Earnings Beat Expectations On Stronger Profit Contribution From Australia

Highlights

- SPALI reported 2Q26 net profit of Bt1.655b, up 294.1% qoq and 49.2% yoy, significantly above our estimate and market consensus by 111.9% and 112.9%, respectively.
- Total transfers amounted to Bt6.831b, up 87.0% qoq and 0.1% yoy, in line with our estimate of Bt6.269b but higher than market expectations of Bt4.997b.
- We upgrade SPALI to BUY from HOLD given the medium-term limited downside risk and earnings acceleration for 2H26, SPALI offers an attractive short-term buffer via an interim dividend. Target price: Bt17.50.

2Q26 Results

Year to 31 Dec (Btm)	2Q26	1Q26	2Q25	yoy ppt	qoq ppt
Sales and services	6,936	3,792	6,912	0.4	82.9
Core profit	1,630	291	1,060	53.8	459.9
Net profit	1,665	423	1,104	50.8	294.1
Gross margin	30.3	30.6	31.5	(1.2)	(0.3)
Residential gross margin	30.3	30.2	31.8	(1.5)	0.1
Service gross margin	27.7	41.8	10.0	17.8	(14.1)
SG&A to sales	14.5	19.7	14.2	0.3	(5.2)
EBIT margin	15.8	10.9	17.3	(1.5)	4.9
EBITDA margin	15.8	12.6	18.3	(2.5)	3.2

Source: Supalai, UOB Kay Hian

Analysis

- **2Q26 earnings significantly beat our and market expectations.** SPALI reported 2Q26 net profit of Bt1.655b, up 294.1% qoq and 49.2% yoy, significantly above our estimate and market consensus by 111.9% and 112.9%, respectively. We had expected net profit of Bt785.7m, while the market expected Bt782.5m.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	31,194.4	24,124.3	25,619.8	25,981.7	26,769.8
EBITDA	7,664.6	4,680.3	5,269	5,853.4	6,079.6
Operating profit	7,461.5	4,467.0	5,053	5,635.9	5,859.8
Net profit (rep./act.)	6,189.5	4,015.0	4,822.2	4,962.2	5,129.0
Net profit (adj.)	6,189.5	4,015.0	4,822.2	4,962.2	5,129.0
EPS	3.2	2.1	2.4	2.5	2.6
PE (x)	5.8	9.0	7.1	7.6	7.3
P/B (x)	0.7	0.7	0.6	0.6	0.6
EV/EBITDA (x)	6.6	12.0	10.2	9.8	9.4
Dividend yield (%)	7.9	6.8	7.2	7.5	7.7
Net margin (%)	19.8	16.6	17.9	18.2	18.3
Net debt/(cash) to equity (%)	54.7	63.6	63.3	61.0	58.7
Interest cover (x)	10.8	6.5	8.0	8.2	8.4
ROE (%)	11.9	7.5	8.5	8.4	8.3
Consensus net profit	n.a	n.a	4,623.5	4,886.4	5,153.9
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	1.0

Source: Supalai, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Upgrade)

Share Price	Bt15.90
Target Price	Bt17.50
Upside	10.10%
Previous TP	Bt16.60

Stock Data

Sector	Real Estate
Bloomberg ticker	SPALI TB
Shares issued (m)	1,886.4
Market cap (Btm)	30,749.2
Market cap (US$m)	939.1
3-mth avg daily t'over (US$m)	2.5

Price Performance (%)

52-week high/low				Bt18.8/Bt13.5
1mth	3mth	6mth	1yr	YTD
(1.2)	(10.0)	1.9	1.2	(4.7)

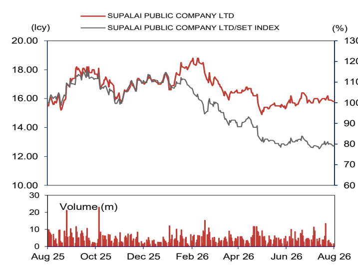
Major Shareholders (%)

Mr. Prateep Tangmatitham	34.5
Mrs. Atchara Tangmatitham	6.2

Balance Sheet Metrics

FY26 NAV/Share (Bt)	28.6
FY26 Net Debt/Share (Bt)	18.1

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

- **Transfers were in line with expectations.** Total transfers amounted to Bt6.831b, up 87.0% qoq and 0.1% yoy, compared with our estimate of Bt6.269b and market expectations of Bt4.997b. Low-rise projects accounted for 86% of total transfers, while high-rise projects contributed 14%. Transfers increased strongly qoq but remained broadly flat yoy, in line with our and market expectations, driven mainly by accelerated transfers of low-rise projects and the transfer of newly completed condominium projects. This compares with transfers of Bt3.653b in 1Q26.
- **Gross profit margin remained relatively resilient despite promotional campaigns.** 2Q26 gross profit was Bt2.073b, up 87.8% qoq but down 4.4% yoy, broadly in line with our and market expectations. Gross margin has been under pressure this year due to promotional campaigns. Nevertheless, SPALI maintained a gross margin of 30.3% in 2Q26, (vs 30.2% in 1Q26 and 31.8% in 2Q25). The slight decline was mainly due to promotional campaigns aimed at accelerating inventory clearance amid the current weak economic environment.
- **Higher-than-expected profit contribution from Australian investments.** Profit contribution from investments in joint ventures and associates in Australia came in significantly above expectations at Bt889.6m, compared with Bt103.5m in 1Q26 and Bt445.9m in 2Q25. The unusually high contribution was mainly related to the timing of financial closing. This provided a significant boost to consolidated net profit, resulting in 2Q26 earnings of Bt1.655b, up 294.1% qoq and 49.2% yoy, substantially above our estimate of Bt785.7m and market consensus of Bt782.5m.

Valuation/Recommendation

- **Upgrade to BUY and raise target price to Bt17.50.** In the medium term, we upgrade our recommendation on SPALI to BUY from HOLD and raise our target price to Bt17.50 from Bt16.60. Using 2026F EPS of Bt2.47 from Bt2.34, implying a 2026F PE of 7.1x, broadly in line with SPALI's historical average.
- With limited downside risk and an earnings recovery trajectory set for 2H26, SPALI offers an attractive short-term buffer via an interim dividend of Bt0.55 per share (representing a 3.46% half-year yield, going XD on 25 Aug 26). This brings the projected full-year dividend yield to a level of 7.6%-8.0%, yielding an expected total return of about 18% when combined with potential capital upside. Earnings are expected to have bottomed out and will rebound sharply starting in 3Q26, driven by the revenue recognition of newly completed condominium transfers. This is further supported by an aggressive launch pipeline valued at Bt7.38b in 3Q26 and Bt15.0b in 4Q26. Additionally, structural tailwinds from its Australian operations — which delivered stronger-than-expected earnings — will help offset domestic market headwinds.

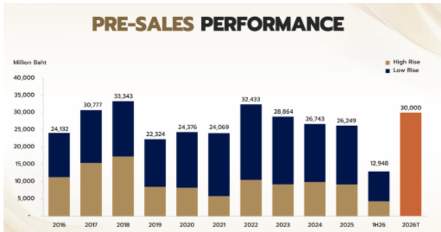
Earnings Revision/Risk

- We fine-tune our gross margin assumption downward, reflecting continued pressure from the economic environment. However, we raise our assumption for profit contribution from the Australian joint ventures, resulting in a 5.4% increase in our net profit forecast. Our 2026F EPS is therefore revised up to Bt2.47 from Bt2.34, implying a 2026F PE of 7.1x, broadly in line with SPALI's historical average.

Share Price Catalyst

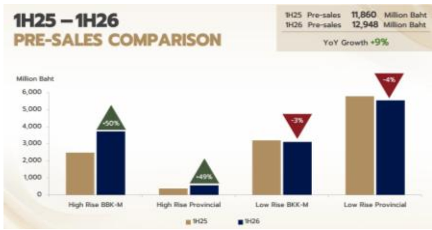
- Better-than-expected presales and faster-than-expected transfers.
- Improved gross margin and SG&A-to-sales ratio.
- Higher-than-expected equity income.

2026 Presales Target



Source: SPALI, UOB Kay Hian

1H26 Presales



Source: SPALI, UOB Kay Hian

Revenue & backlog

Source: SPALI, UOB Kay Hian

PE Band

Source: Bloomberg, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	**24,124**	**25,620**	**25,982**	**26,770**
EBITDA	4,680	5,596	5,853	6,080
Deprec. & amort.	213	215	218	220
EBIT	4,467	5,381	5,636	5,860
Total other non-operating income	648	550	500	500
Associate contributions	730	700	700	700
Net interest income/(expense)	(725)	(700)	(710)	(720)
Pre-tax profit	**5,121**	**5,931**	**6,126**	**6,340**
Tax	(1,057)	(1,305)	(1,348)	(1,395)
Minorities	(48)	(50)	(50)	(50)
Net profit	**4,015**	**4,822.2**	**4,962.2**	**5,129.0**
Net profit (adj.)	4,015	4,822.2	4,962.2	5,129.0

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	3,280	3,278	3,268	3,249
Other LT assets	13,635	14,146	14,799	15,456
Cash/ST investment	3,788	3,207	3,681	4,281
Other current assets	78,582	81,343	82,960	84,636
Total assets	**99,285**	**101,974**	**104,708**	**107,621**
ST debt	25,246	19,246	18,246	17,246
Other current liabilities	5,761	6,105	6,191	6,379
LT debt	12,742	19,242	20,742	22,242
Other LT liabilities	750	512	520	535
Shareholders' equity	53,728	55,761	57,852	60,011
Minority interest	1,058	1,108	1,158	1,208
Total liabilities & equity	**99,285**	**101,974**	**104,708**	**107,621**

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	**473**	**2,425**	**3,464**	**3,677**
Pre-tax profit	5,121	5,931	6,126	6,340
Tax	(1,057)	(1,305)	(1,348)	(1,395)
Deprec. & amort.	213	215	218	220
Working capital changes	(3,361)	(2,354)	(1,553)	(1,535)
Non-cash items	(443)	(62)	22	47
Other operating cashflows	0	0	0	0
Investing	**(2,111)**	**(963)**	**(853)**	**(842)**
Capex (growth)	977	(213)	(207)	(201)
Investments	(3,105)	(650)	(650)	(650)
Others	18	(100)	4	9
Financing	**303**	**(2,043)**	**(2,138)**	**(2,235)**
Dividend payments	(2,701)	(2,513)	(2,638)	(2,735)
Issue of shares	0	0	0	0
Proceeds from borrowings	3,801	500	500	500
Others/interest paid	(797)	(30)	0	0
Net cash inflow (outflow)	**(1,335)**	**(581)**	**474**	**600**
Beginning cash & cash equivalent	**5,123**	**3,788**	**3,207**	**3,681**
Ending cash & cash equivalent	**3,788**	**3,207**	**3,681**	**4,281**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	19.4	21.8	22.5	22.7
Pre-tax margin	21.2	23.2	23.6	23.7
Net margin	16.6	17.9	18.2	18.3
ROA	4.1	4.6	4.6	4.6
ROE	7.5	8.4	8.3	8.3
Growth				
Turnover	(22.7)	6.2	1.4	3.0
EBITDA	(38.9)	19.6	4.6	3.9
Pre-tax profit	(35.5)	15.8	3.3	3.5
Net profit	(35.1)	14.0	3.3	3.5
Net profit (adj.)	(35.1)	14.0	3.3	3.5
EPS	(35.1)	14.0	3.3	3.5
Leverage				
Debt to total capital	69.3	67.7	66.1	64.5
Debt to equity	70.7	69.0	67.4	65.8
Net debt/(cash) to equity	63.6	63.3	61.0	58.7
Interest cover	6.5	8.0	8.2	8.4

IRPC (IRPC TB)

2Q26 Results: Strong 2Q26 As Expected

Highlights

- 2Q26 IRPC's core earnings of Bt4.4b were broadly in line, supported by stronger refinery and petrochemical spreads despite inventory losses and government intervention.
- 1H26 is likely to represent peak earnings as refining margins remain strong, but we expect GIM normalisation in 2H26.
- Maintain HOLD with a target price of Bt2.30.

2Q26 Results

Year to 31 Dec (Btm)	2Q26	1Q26	2Q25	qoq%	yoy%	1H26	1H25	yoy%
Revenue	89,981	68,617	76,842	31	17.1	166,823	141,475	18
Core EBITDA	7,757	2,242	4,835	246	60	12,592	3,206	293
Inventory gain/(loss)+NRV	(2,500)	(2,160)	10,138	16	(125)	7,638	(1,642)	(565)
Int	(580)	(673)	(585)	(14)	(1)	(1,165)	(1,213)	(4)
Net income	**2,921**	**(2,132)**	**7,889**	**(237)**	**(63)**	**10,810**	**(3,338)**	**(424)**
EPS	**0.14**	**(0.10)**	**0.39**	**(237)**	**(63)**	**0.53**	**(0.16)**	**(424)**
Core profit	**4,401**	**(453)**	**1,669**	**(1,072)**	**164**	**6,070**	**(1,852)**	**(428)**

Source: IRPC, UOB Kay Hian

Analysis

- **2Q26 results were largely in line.** Despite inventory losses and government refinery margin cap, IRPC reported strong net profit of Bt2.9b, down 63% qoq. Core profit rose 164% qoq and turned from a core loss of Bt453m in 2Q25 to a core profit of Bt4.4b in 2Q26. Core profit, refinery utilisation and market GIM all came in broadly as expected. 1H26 core profit accounted for 45% of our 2026 forecast, suggesting that earnings remain on track.
- **Refining and petrochemical spreads strengthened sharply.** Market GIM improved to US$17.1/bbl (1Q26: US$13.2/bbl; 2Q25 US$8.4/bbl), reflecting significantly stronger refinery and petrochemical margins, although accounting GIM fell to US$11.0/bbl due to inventory effects (US$4.1/bbl). Refining benefitted from much wider gasoline (+ US$19/bbl qoq) and diesel (+US$27/bbl qoq) cracks, while lubricant margins also improved materially. Petrochemical margins recovered across HDPE, PP, ABS and PS, lifting market PTF to US$2.8/bbl from only US$0.6/bbl in 1Q26.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	314,833.2	279,572.4	331,764.0	335,340.3	343,952.0
EBITDA	3,964.7	7,555.4	23,736.9	15,793.7	16,074.3
Operating profit	(5,175.0)	(1,869.9)	14,686.9	6,743.7	7,124.3
Net profit (rep./act.)	(5,193.0)	(3,571.4)	9,814.5	3,421.0	3,645.5
Net profit (adj.)	(3,915.0)	(1,388.4)	9,814.5	3,421.0	3,645.5
EPS	(0.2)	(0.1)	0.5	0.2	0.2
PE (x)	(11.4)	(32.1)	4.5	13.0	12.2
P/B (x)	0.6	0.7	0.6	0.6	0.6
EV/EBITDA (x)	26.9	11.3	3.8	5.7	5.4
Dividend yield (%)	0.5	0.5	6.9	0.9	0.9
Net margin (%)	(1.6)	(1.3)	3.0	1.0	1.1
Net debt/(cash) to equity(%)	88.4	62.0	64.3	63.8	58.3
Interest cover (x)	1.6	3.0	9.0	5.8	5.6
ROE (%)	(6.6)	(4.7)	12.3	4.3	4.6
Consensus net profit	n.a	n.a	5,209.6	1,110.4	2,297.1
UOBKH/Consensus (x)	n.a	n.a	1.9	3.1	1.6

Source: IRPC, Bloomberg, UOB Kay Hian

Analyst(s)

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HOLD (Maintained)

Share Price	Bt2.36
Target Price	Bt2.30
Upside	-2.5%

Stock Data

Sector	Energy
Bloomberg ticker	IRPC TB
Shares issued (m)	20,434.4
Market cap (Btm)	46,590.5
Market cap (US$m)	1,422.9
3-mth avg daily t'over (US$m)	9.2

Price Performance (%)

52-week high/low				Bt2.3/Bt0.7
1mth	**3mth**	**6mth**	**1yr**	**YTD**
32.6	91.6	123.5	156.2	130.3

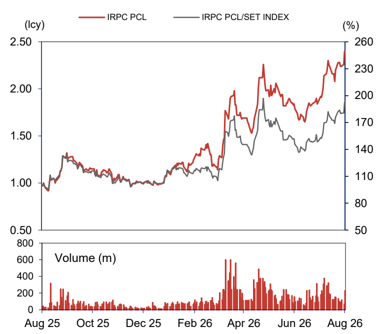
Major Shareholders (%)

PTT	45.05
Siam management holding	3.00

Balance Sheet Metrics

FY26 NAV/Share (Bt)	3.5
FY26 Net Debt/Share (Bt)	2.3

Price Chart



Source: Bloomberg

Company Description

IRPC is one of Southeast Asia's integrated petrochemical companies. The company operates a refinery and petrochemical complex in Rayong with capacity of 215kbd.

- **Limited impact from diesel price cap and export restrictions.** During IRPC's conference call, The government-imposed diesel price cut had a limited impact of around US$2.0/bbl on IRPC's refining margin in 2Q26, while production yield remained unchanged, while refinery throughput eased to 94% utilisation (1Q26: 97%; 2Q25: 95%) because of export controls and softer domestic demand. Following the latest Energy Policy Administration Committee resolution, the measure was extended in 2Q26: A Bt1.40/litre reduction from 9-23 Jul 26 and a Bt2.40/litre reduction from 24 Jul-15 Aug 26. According to IRPC, the extension will lower IRPC's 3Q26 earnings by around Bt400m (implying US$0.8/bbl), based on selling volume of around 10m litres/day.
- **3Q26 fundamentals expected to normalise.** Similar to our view on PTTGC, we believe 1H26 is likely to represent peak earnings for IRPC. While refining margins remain firm, both refining and petrochemical spreads are expected to normalise in 2H26 as supply disruptions gradually ease. We also do not expect petrochemical upcycle, as weak end-demand and excess regional capacity continue to cap upside.

Valuation/Recommendation

- **Maintain HOLD with a target price of Bt2.30,** based on 0.6x 2026F P/BV, which is 1SD below the five-year mean of regional peers. While operational momentum remains healthy, we believe the current valuation already reflects the refinery recovery. Further re-rating would likely require a structural recovery in petrochemical margins or additional value-unlocking initiatives.

Earnings Revision/Risk

- None

Share Price Catalyst

- 20 Aug 26: Analyst meeting, expected neutral view in 3Q26.
- 3Q26: Strong demand for diesel and fuel oil products.

Environment, Social, Governance (ESG) Updates

Environmental

- Aims to reduce GHG emissions. IRPC aims to reduce GHG emissions by 20% by 2030our

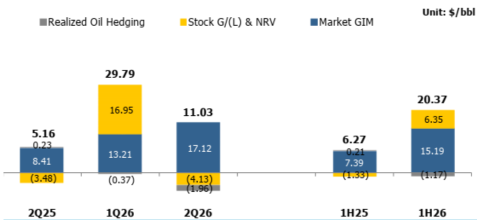
Social

- IRPC has implemented CSR strategies, requiring investments in CSR projects to amount to 3% of the average net profit over the past three years. The company remains committed to driving sustainable development and improving the wellbeing of communities surrounding the IRPC Industrial Zone.
- To this end, IRPC has undertaken CSR initiatives across three focus areas: community development, education, and social development.

Governance

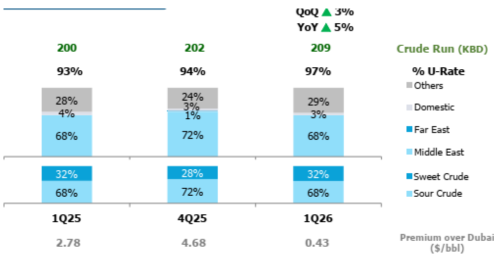
- Good governance. The Board of Directors aims to foster a high-performance organisation, underpinned by strong corporate governance and operational excellence, with the goal of maximising value for shareholders and all stakeholders

Key Statistics



Source: UOB Kay Hian

Production yield



Source: IRPC, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	**279,572**	**331,764**	**335,340**	**343,952**
EBITDA	7,555	23,737	15,794	16,074
Deprec. & amort.	9,425	9,050	9,050	8,950
EBIT	(1,870)	14,687	6,744	7,124
Total other non-operating income	0	0	1	2
Associate contributions	(37)	250	250	300
Net interest income/(expense)	(2,510)	(2,650)	(2,700)	(2,850)
Pre-tax profit	**(4,417)**	**12,287**	**4,295**	**4,576**
Tax	817	(2,457)	(859)	(915)
Minorities	29	(15)	(15)	(16)
Net profit	**(3,571)**	**9,814**	**3,421**	**3,645**
Net profit (adj.)	(1,388)	9,814	3,421	3,645

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	101,534	97,484	93,434	89,484
Other LT assets	18,762	18,350	19,002	19,002
Cash/ST investment	27,198	20,421	22,226	27,142
Other current assets	39,888	49,804	53,456	53,456
Total assets	**187,382**	**186,060**	**188,119**	**189,084**
ST debt	10,786	8,500	8,750	8,750
Other current liabilities	48,194	42,240	43,121	43,121
LT debt	57,229	58,229	59,229	60,229
Other LT liabilities	5,183	4,950	5,120	5,120
Shareholders' equity	65,882	72,018	71,760	71,725
Minority interest	107	122	138	138
Total liabilities & equity	**187,382**	**186,060**	**188,119**	**189,084**

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	**22,746**	**4,988**	**9,717**	**12,593**
Pre-tax profit	(4,417)	12,287	4,294	4,574
Tax	817	(2,457)	(859)	(915)
Deprec. & amort.	9,425	9,050	9,050	8,950
Associates	29	(15)	(15)	(16)
Working capital changes	17,528	(15,870)	(2,771)	0
Other operating cashflows	(636)	1,993	18	0
Investing	**(1,197)**	**(6,814)**	**(5,500)**	**(5,000)**
Capex (growth)	(1,170)	(5,000)	(5,000)	(5,000)
Investments	(27)	(1,814)	(500)	0
Others	0	0	0	0
Financing	**(4,275)**	**(4,949)**	**(2,412)**	**(2,678)**
Dividend payments	(502)	(3,678)	(3,678)	(3,678)
Proceeds from borrowings	(3,727)	(1,286)	1,250	1,000
Others/interest paid	(45)	15	16	0
Net cash inflow (outflow)	**17,274**	**(6,776)**	**1,805**	**4,915**
Beginning cash & cash equivalent	**9,924**	**27,198**	**20,421**	**22,226**
Ending cash & cash equivalent	**27,198**	**20,421**	**22,226**	**27,142**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	2.7	7.2	4.7	4.7
Pre-tax margin	(1.6)	3.7	1.3	1.3
Net margin	(1.3)	3.0	1.0	1.1
ROA	(1.9)	5.3	1.8	2.0
ROE	(4.7)	12.3	4.3	4.6
Growth				
Turnover	(0.4)	18.2	19.5	22.6
EBITDA	(59.0)	28.8	(14.3)	(12.8)
Pre-tax profit	(149.5)	37.8	(51.8)	(48.7)
Net profit	(146.2)	26.9	(55.8)	(52.9)
EPS	(115.6)	9.9	(61.7)	(59.2)
Leverage				
Debt to total capital	103.1	92.5	94.6	96.0
Debt to equity	103.2	92.7	94.7	96.2
Net debt/(cash) to equity	62.0	64.3	63.8	58.3
Interest cover	3.0	9.0	5.8	5.6

UOBKayHian

Company – Update| Thailand

Thursday, 13 August 2026

CP Axtra (CPAXT TB)

Near-term Earnings Outlook Remains Challenging

Highlights

- Neutral tone from analyst meeting.
- Management highlighted three strategic priorities: Focusing on omni channel, improving returns from existing assets, and expanding overseas operations.
- We preliminarily expect unexciting net profit, weighed down by weak sales and elevated OPEX.
- Maintain HOLD with a target price of Bt14.50.

Analysis

- **Three pillars of strategic focus.** Management highlighted three strategic priorities: a) Focus on omni channel and expanding "Axtra Mall". Online gross margin remains 1ppt below offline, with management focusing on higher sales volume and supplier negotiations to narrow the gap; b) Improving returns from existing assets through the renovation of 60 stores over 18 months, with 12 stores expected to be implemented in 2H26, alongside new store expansion. CP Axtra (CPAXT) also plans to develop a mixed-use project in On Nut (37.5% stake); and c) Expanding overseas operations in the Philippines and Malaysia, with the acquisition of The Food Purveyor (TFP) expected to close in 4Q26 following government approval and completion of due diligence. CPAXT also plans to close loss-making small-format Makro and Lotus stores in 3Q26, which may result in some write-offs.
- **2026 targets.** Management targets 3-4% yoy revenue growth, 25% omni channel contribution and stable gross margin yoy (1H26: dropped 32bps yoy), supported by a recovery in the retail business from the low base in 2H25 and consolidation of TFP.
- **3Q26 earnings likely to remain under pressure.** We preliminarily expect net profit to be unexciting, mainly due to: a) weaker revenue and gross margin, with the Thai Help Thai Plus copayment scheme estimated to reduce Retail SSSG by about 5%; b) elevated SG&A-to-sales; and c) Bt200m/quarter loss contribution from The Happitat, based on management guidance. However, we expect earnings to improve in 4Q26, mainly on a low base.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	512,041.9	520,706.4	538,562.7	547,905.2	557,365.9
EBITDA	36,253.5	34,252.4	35,083.2	36,865.0	38,675.5
Operating profit	18,633.2	16,788.2	16,574.6	16,814.9	17,058.5
Net profit (rep./act.)	10,569.1	9,356.5	9,568.9	9,741.4	9,916.6
Net profit (adj.)	10,569.1	9,356.5	9,568.9	9,741.4	9,916.6
EPS	1.0	0.9	0.9	0.9	1.0
PE (x)	14.8	16.7	16.4	16.1	15.8
P/B (x)	0.5	0.5	0.5	0.5	0.5
EV/EBITDA (x)	8.0	9.3	9.0	8.6	8.2
Dividend yield (%)	4.7	4.7	4.7	4.8	4.9
Net margin (%)	2.1	1.8	1.8	1.8	1.8
Net debt/(cash) to equity(%)	44.1	52.6	51.3	52.1	51.2
Interest cover (x)	6.3	6.4	6.7	7.0	7.3
Consensus net profit	n.a	n.a	9,851.0	10,570.6	11,545.7
UOBKH/Consensus (x)	n.a	n.a	1.0	0.9	0.9

Source: CP Axtra, Bloomberg, UOB Kay Hian

Analyst(s)

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HOLD (Maintained)

Share Price	Bt15.0
Target Price	Bt14.5
Upside	-3.33%

Stock Data

Sector	Consumer Staples
Bloomberg ticker	CPAXT TB
Shares issued (m)	10,427.7
Market cap (Btm)	156,414.9
Market cap (US$m)	4,732.2
3-mth avg daily t'over (US$m)	4.8

Price Performance (%)

52-week high/low: Bt23.0/Bt14.0

1mth	3mth	6mth	1yr	YTD
0.0	0.7	(2.6)	(28.2)	(4.5)

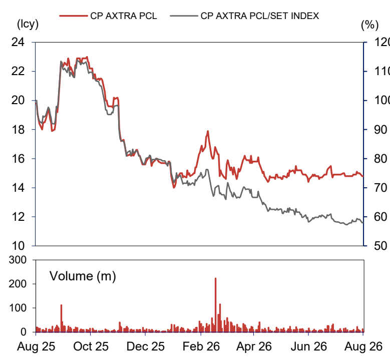
Major Shareholders (%)

CP ALL	34.92
MAKRO	25.01
CHAROENPOKPHAND HOLDING	15.96

Balance Sheet Metrics

FY26 NAV/Share (Bt)	29.0
FY26 Net Debt/Share (Bt)	14.9

Price Chart



Source: Bloomberg

Company Description

Wholesale business under the brand name "Makro" and retail business under the brand name "Lotus's" and mall management.

2Q26 Results Recap

Year to 31 Dec (Btm)	2Q25	1Q26	2Q26	yoy (%)	qoq (%)	2025	2026F	yoy (%)
Sales and services	128,448	135,364	131,283	2.2	(3.0)	517,802	535,211	3.4
Gross profit	20,650	21,394	20,853	1.0	(2.5)	83,265	85,473	2.7
SG&A	(17,023)	(17,418)	(18,253)	7.2	4.8	(69,381)	(72,250)	4.1
Other income	633	686	1,001	58.1	45.9	2,905	3,352	15.4
EBIT	4,260	4,662	3,600	(15.5)	(22.8)	16,788	16,575	(1.3)
EBITDA	8,545	8,930	8,031	(6.0)	(10.1)	34,252	35,083	2.4
Interest expense	(1,422)	(1,290)	(1,323)	(6.9)	2.5	(5,398)	(5,248)	(2.8)
Equity income	144	180	183	27.1	1.9	580	754	30.0
Net profit	**2,286**	**2,794**	**1,874**	**(18.0)**	**(32.9)**	**9,356**	**9,569**	**2.3**
Percent	**2Q25**	**1Q26**	**2Q26**	**(ppts)**	**(ppts)**	**2025**	**2026F**	**(ppts)**
Gross margin	16.1	15.8	15.9	(0.2)	0.1	16.1	16.0	(0.1)
SG&A to sales	(13.3)	(12.9)	(13.9)	(0.7)	(1.0)	(13.4)	(13.5)	(0.1)
EBIT margin	4.0	4.1	3.3	(0.7)	(0.8)	3.2	3.1	(0.1)

Source: CP Axtra, UOB Kay Hian

- **2Q26 results recap.** CPAXT reported 2Q26 net profit of Bt1.87b, down 18% yoy and 33% qoq, in line with our and consensus estimates, reflecting weaker wholesale and retail operations. Wholesale EBIT fell 8% yoy to Bt1.6b, as sales grew 3.5% to Bt71.2b but SSSG declined 0.9%; gross margin fell 23bps to 11.2% and SG&A-to-sales rose 34bps to 10.6%. Retail EBIT declined 18% yoy to Bt2.2b, with sales up 0.4% to Bt55.3b and SSSG down 3.9%; gross margin was broadly stable at 17.7%, but SG&A-to-sales rose 249bps to 17.7% due to higher omni channel, IT and The Happitat costs. Service and other income increased from data monetisation and promotional income, partly cushioning weaker operations.

Valuation/Recommendation

- **Maintain HOLD with a target price of Bt14.50.** We pegged our target price to 12-month forward PE of 15x, equivalent to -1.5SD to peers' five-year average PE and -2SD to BJC's five-year average PE. The current share price offers no upside to our target price.

Earnings Revision/Risk

- **No earnings revision.** We have not yet incorporated the loss from The Happitat, which could pose around 4% downside risk to our 2026 earnings forecast.

Environment, Social, Governance (ESG) Updates

CG Report: 5, SET ESG Rating: AA*

Environmental

- Focuses on reducing energy consumption through green building design and renewable energy adoption.

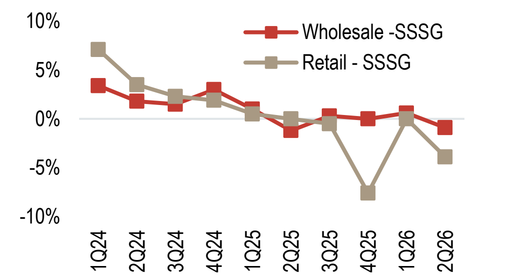
Social

- Supports SME development in its wholesale/retail ecosystem.

Governance

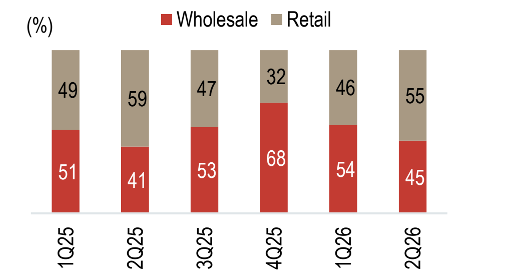
- Demonstrates strong corporate governance through transparent management practices and a well-structured board.

Same-store Sales Growth



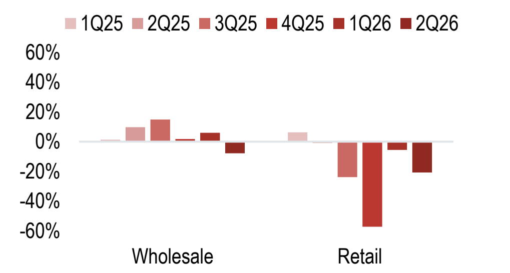
Source: CP Axtra, UOB Kay Hian

EBIT Contribution



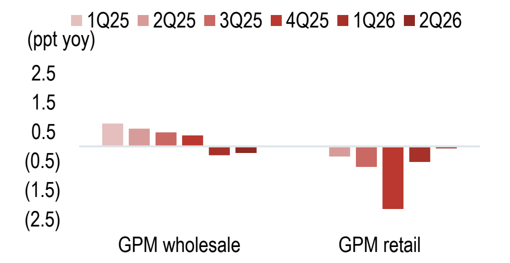
Source: CP Axtra, UOB Kay Hian

EBIT Change



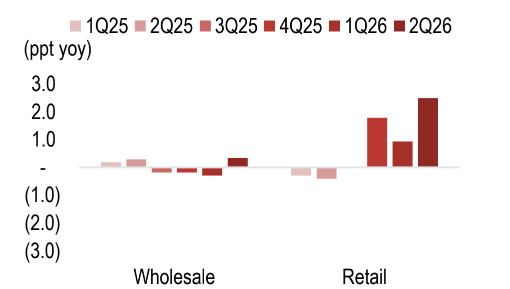
Source: UOB Kay Hian

Gross Margin Change



Source: UOB Kay Hian

SG&A-to-revenue Change



Source: UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	**520,706**	**538,563**	**547,905**	**557,366**
EBITDA	34,252	35,083	36,865	38,676
Deprec. & amort.	17,464	18,509	20,050	21,617
EBIT	16,788	16,575	16,815	17,058
Total other non-operating income	0	0	0	0
Associate contributions	580	754	762	769
Net interest income/(expense)	(5,398)	(5,248)	(5,279)	(5,309)
Pre-tax profit	**11,970**	**12,081**	**12,298**	**12,519**
Tax	(2,645)	(2,662)	(2,711)	(2,761)
Minorities	31	150	154	159
Net profit	**9,356**	**9,569**	**9,741**	**9,917**
Net profit (adj.)	9,356	9,569	9,741	9,917

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	469,827	476,587	482,037	486,151
Other LT assets	32,469	33,262	34,074	34,903
Cash/ST investment	14,558	16,987	14,488	16,976
Other current assets	59,817	49,758	53,114	51,669
Total assets	**576,671**	**576,594**	**583,712**	**589,698**
ST debt	37,257	37,257	37,257	37,257
Other current liabilities	93,988	91,589	95,173	97,577
LT debt	134,815	134,815	135,815	136,815
Other LT liabilities	10,224	10,530	10,846	11,172
Shareholders' equity	299,457	302,054	304,428	306,844
Minority interest	930	348	193	34
Total liabilities & equity	**576,671**	**576,594**	**583,712**	**589,698**

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	**21,052**	**35,588**	**29,864**	**35,224**
Pre-tax profit	11,970	12,081	12,298	12,519
Tax	(2,645)	(2,662)	(2,711)	(2,761)
Deprec. & amort.	17,464	18,509	20,050	21,617
Working capital changes	(5,648)	7,581	145	3,765
Non-cash items	133	80	82	85
Other operating cashflows	(223)	0	0	0
Investing	**(25,786)**	**(25,756)**	**(25,995)**	**(26,235)**
Capex (growth)	(37,318)	(25,269)	(25,500)	(25,731)
Investments	(181)	(302)	(305)	(308)
Others	11,714	(185)	(191)	(196)
Financing	**(169)**	**(7,404)**	**(6,368)**	**(6,501)**
Dividend payments	(7,404)	(7,404)	(7,368)	(7,501)
Issue of shares	0	0	0	0
Proceeds from borrowings	21,248	0	1,000	1,000
Others/interest paid	(14,014)	0	0	0
Net cash inflow (outflow)	**(4,903)**	**2,429**	**(2,499)**	**2,488**
Beginning cash & cash equivalent	**19,461**	**14,558**	**16,987**	**14,488**
Ending cash & cash equivalent	**14,558**	**16,987**	**14,488**	**16,976**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	6.6	6.5	6.7	6.9
Pre-tax margin	2.3	2.2	2.2	2.2
Net margin	1.8	1.8	1.8	1.8
Growth				
Net profit (adj.)	(11.5)	2.3	1.8	1.8
Leverage				
Debt to total capital	57.3	56.9	56.8	56.7
Debt to equity	57.5	57.0	56.8	56.7
Net debt/(cash) to equity	52.6	51.3	52.1	51.2
Interest cover	6.4	6.7	7.0	7.3

UOBKayHian

Company – Update| Thailand

Thursday, 13 August 2026

Kasikorn Bank (KBANK TB)

CEO Maintains 2026 Financial Targets

Highlights

- Neutral tone during the meeting.
- Expect an increased dividend payout or a special dividend.
- Maintain BUY with an unchanged target price of Bt285.00.

Analysis

- **Neutral tone during the meeting.** We attended Kasikorn Bank's (KBANK) Virtual Mid-Year 2026 Non-Deal Roadshow (NDR) and Analyst and Fund Manager Meeting on 11 Aug 26 and came away with a neutral view. CEO sees opportunities from many government initiatives and expects the bank will benefit from FDI and incoming data centre investment. Meanwhile, the CEO said this is just the beginning for data centres. The bank expects to benefit from many investment projects in terms of loan opportunities in the future.
- **CEO maintained the 3+1 strategy,** which includes: a) reinvigorating credit performance, b) scaling capital-lite fee income businesses, and c) strengthening and pioneering sales and service models to deliver value-based results. Meanwhile, the "plus 1" represents the creation of new revenue streams in the medium and long term.
- **Maintain 2026 financial targets.** CEO maintained 2026 financial targets with the following guidance: a) NIM target of 2.75-2.95% remains under pressure (vs 2.91% in 1H26), b) loan growth target of 0-2% (vs 3.32% in 1H26), c) net fee income growth target of mid- to high single-digits (vs 22.4% yoy), d) cost-to-income ratio target in the mid-40s (vs 40.3% in 1H26), e) credit cost target of 140-160bp (vs 158bp in 1H26), and f) NPL ratio target of less than 3.25% (vs 3.18% in 1H26).
- **Corporate loans were the key driver to loan growth in 1H26.** The bank reported loan growth of 3.32% in 1H26, surpassing its 2026 loan growth target of 0-2%. However, management guided that the lending mainly came from large corporate loans, especially in the petrochemical and commerce sectors. They borrowed for working capital purposes due to higher oil prices requiring greater working capital. Management noted that these are short-term loans with a duration of less than one year; therefore, we should see repayments during 2H26, leading the CEO to maintain the 2026 loan growth target. For SMEs, the bank is working hard to find high-quality customers and is primarily focusing on existing quality clients. Currently, KBANK has an SME loan exposure of around 23%.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net interest income	149,029.2	137,151.6	125,676.3	128,778.6	131,126.9
Non-Interest Income	48,937.4	57,648.4	66,016.2	61,382.0	62,881.7
Net profit (rep./act.)	48,872.2	49,564.8	52,541.8	54,933.1	56,891.0
Net profit (adj.)	48,872.2	49,564.8	52,541.8	54,933.1	56,891.0
EPS (Bt)	20.6	21.0	22.3	23.4	24.2
PE (x)	11.5	11.4	10.6	10.2	9.8
P/B (x)	1.0	1.0	0.9	0.9	0.9
Dividend yield (%)	7.7	5.9	5.9	6.3	6.5
Net int margin (%)	3.7	3.3	3.0	3.1	3.1
Cost/income Ratio (%)	43.6	43.6	42.7	43.3	43.2
Loan loss cover (%)	153.3	162.8	173.8	172.2	172.2
Consensus net profit	n.a	n.a	48,352.7	50,607.5	54,004.4
UOBKH/Consensus (x)	n.a	n.a	1.1	1.1	1.0

Source: Kasikorn Bank, Bloomberg, UOB Kay Hian

- **Capital-light initiatives with fee income growth will be the key**

Analyst(s)

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BUY (Maintained)

Share Price	Bt248.00
Target Price	Bt285.00
Upside	+14.9%

Stock Data

Sector	Financials
Bloomberg ticker	KBANK TB
Shares issued (m)	2,351.0
Market cap (Btm)	583,054.6
Market cap (US$m)	17,579.4
3-mth avg daily t'over (US$m)	110.9

Price Performance (%)

52-week high/low Bt254.0/Bt162.0

1mth	3mth	6mth	1yr	YTD
6.9	25.9	31.6	47.6	27.5

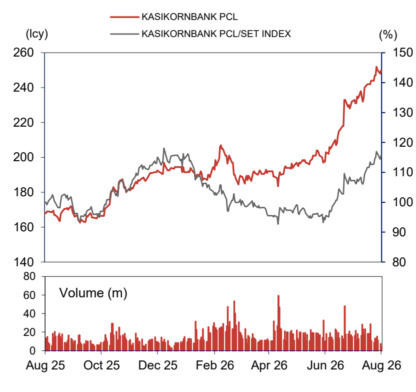
Major Shareholders (%)

Thai NVDR	13.70
State Street Europe Limited	8.17
South-East Asia UK (Type C) Nominees Limited	5.06

Balance Sheet Metrics

FY26 NAV/Share (Bt)	253.8
FY26 CAR Tier 1 (%)	17.6

Price Chart



Source: Bloomberg

Company Description

KBANK is the third largest commercial bank in Thailand according to loan outstanding. The bank focuses on SME lending, which accounts for 23% of its loan book.

2026 Financial Targets

driver over the next few years. KBANK has done well in fee income, reporting net fee income growth of 22.4% yoy in 1H26. There are two main drivers in its net fee income structure: a) wealth (45%), and b) payment (34%), while the rest is credit cards with a contribution of 21%. For wealth, KBANK claims its assets under management (AUM) rank highest in the market, with 4.9% growth ytd. Meanwhile, for payment, the bank ranks number one in mobile banking users, with 24.7m K Plus users and a 30% market share in digital payments. Management guided that fee income growth should be the key driver for the next few years, supporting the interest income side to drive earnings.

- **Continuous cost improvement trend.** Management said there is room to improve cost efficiency, with focus areas being human resources and IT. Meanwhile, the bank has closed more than 50 branches ytd and discontinued over 1,000 ATM machines as it shifts further toward digital banking. Therefore, there is room to improve cost efficiency going forward.
- **Adding back the unused share buyback budget to the capital base.** KBANK has made share buybacks of Bt3.48b out of an Bt8.8b budget in Jan 26, utilising 40% of its budget. However, there is an unused budget of around Bt5b. Management guided that this unused budget would return to the capital base and is reserved for appropriate capital management activities to increase shareholder returns. Given that its P/B ratio is around 1.0x and taking into account the recent share price rally, we expect the bank to release capital by increasing its dividend payout ratio or paying out a special dividend in the future.
- **Reiterating 10% ROE aspiration.** The CEO reiterated the aspiration to achieve 10% ROE and guided that the bank expects to achieve it in the next few years. In a GDP growth environment of around 2.5-3%, the bank is quite confident of achieving double-digit ROE. However, with the current situation, the bank has revamped its credit capabilities considerably, resulting in cautious lending. In the next few years, management believes the bank can achieve its 10% ROE target with lower credit costs and loan growth, supported by improvements across all areas, including wealth and fee income growth.

Valuation/Recommendation

- Maintain BUY with an unchanged target price of Bt285.00, based on the Gordon Growth Model (cost of equity: 11%, long-term growth: 2%). This implies 1.12x 2026F P/B.

Earnings Revision/Risk

- No earnings revision.

Share Price Catalyst

- Increase dividend payout ratio.

Environment, Social, Governance (ESG) Updates

CG Report: 5
SET ESG Rating: AAA

Environmental

- Committing to net zero emissions in its operations by 2030.
- Committing to reducing greenhouse gas emissions in the bank's portfolio.
- Being the leader in innovative "Green Finance" in Thailand.

Social

- Safeguarding customer data security and privacy.
- Respect for human rights and diversity.

Governance

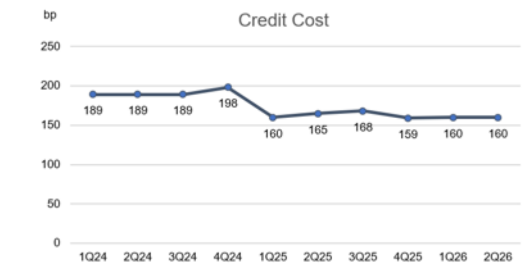
- Ensuring the business operates under good corporate governance practices.

	1H26 Actual	2026 Target
NIM	2.91%	2.75-2.95%
Loan Growth	3.32% YTD	0-2%
Net fee income	22.40% yoy	Mid to High-Single Digit
Cost to income	40.3%	Mid-40s
Credit cost	158 bps	140-160 bps
NPL ratio	3.18%	<3.25%

Source: KBANK, UOB Kay Hian

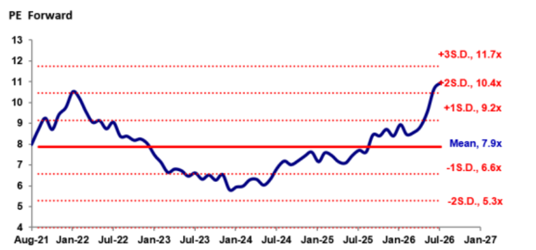
Source: KBANK, UOB Kay Hian

Credit Cost



Source: KBANK, UOB Kay Hian

PE Band



Source: UOB Kay Hian

P/B Band

Source: UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Interest income	173,625	158,236	160,863	166,194
Interest expense	(36,473)	(32,559)	(32,084)	(35,067)
Net interest income/(expense)	137,152	125,676	128,779	131,127
Fees & Commissions	35,389	39,084	38,494	39,316
Income From Insurance	(1,743)	(160)	(415)	(246)
Net Trading Income	19,725	19,946	18,070	18,398
Other Income	4,277	7,146	5,233	5,413
Non-Interest Income	57,648	66,016	61,382	62,882
Total Income	194,800	191,692	190,161	194,009
Staff Costs	(42,876)	(39,862)	(40,686)	(41,554)
Other Operating Expense	(41,973)	(41,921)	(41,726)	(42,346)
Pre-Provision Profit	109,952	109,910	107,748	110,108
Loan Loss Provision	(40,312)	(36,332)	(31,452)	(31,093)
Pre-tax profit	**69,640**	**73,577**	**76,296**	**79,015**
Tax	(13,871)	(14,547)	(15,259)	(15,803)
Minorities	(6,204)	(6,489)	(6,104)	(6,321)
Net profit	**49,565**	**52,542**	**54,933**	**56,891**
Net profit (adj.)	49,565	52,542	54,933	56,891

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Cash With Central Bank	54,049	51,220	51,923	53,338
Govt Treasury Bills & Securities	1,248,260	1,175,492	1,197,112	1,262,575
Interbank Loans	559,861	495,659	488,308	499,958
Customer Loans	2,352,770	2,412,640	2,447,118	2,518,209
Investment Securities	53,146	51,766	52,312	53,763
Derivative Receivables	59,450	62,919	63,678	65,313
Associates & JVs	15,001	15,261	15,261	15,261
Properties & Other Fixed Assets	117,412	117,867	117,406	117,815
Goodwill & Intangible Assets	31,514	31,609	31,609	31,609
Other Assets	67,154	86,774	90,177	92,617
Total assets	**4,558,618**	**4,501,206**	**4,554,904**	**4,710,458**
Interbank Deposits	207,482	209,627	211,806	217,438
Customer Deposits	2,850,387	2,939,952	2,976,936	3,056,816
Bills Payable	33,878	22,724	22,724	22,724
Derivative Payables	38,745	47,373	48,891	50,251
Subordinated Debts	64,478	(94,498)	(72,331)	2,508
Other Liabilities	133,891	202,376	203,821	206,407
Insurance Fund Liabilities	515,896	490,101	465,596	442,316
Total liabilities	3,844,756	3,817,655	3,857,442	3,998,461
Shareholders' funds	581,146	596,208	617,050	638,654
Minority interest	92,622	87,343	80,413	73,343
Total Equity & Liabilities	4,518,524	4,501,207	4,554,905	4,710,458

Operating Ratios

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Capital Adequacy				
Tier-1 CAR	18	18	18	18
Total CAR	20	20	20	20
Total Assets/Equity	8	8	7	7
Tangible Assets/Tangible Common Equity	8	8	8	8
Asset Quality				
NPL Ratio	3	3	3	3
Loan Loss Coverage	163	174	172	172
Loan Loss Reserve/Gross Loans	6	6	6	6
Increase in NPLs	1	(3)	1	0
Credit Cost (bp)	161	144	122	118
Liquidity				
Loan/Deposit Ratio	83	82	82	82
Liquid Assets/Short-Term Liabilities	60	54	54	55
Liquid Assets/Total Assets	41	38	38	39

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Growth				
Net Interest Income, yoy Chg	(8)	(8)	2	2
Fees & Commissions, yoy Chg	6	10	(2)	2
Pre-Provision Profit, yoy Chg	(1)	0	(2)	2
Net Profit, yoy Chg	1	6	5	4
Customer Loans, yoy Chg	(1)	3	1	3
Profitability				
Net Interest Margin	3	3	3	3
Cost/Income Ratio	44	43	43	43
Adjusted ROA	1	1	1	1
Reported ROE	9	9	9	9
Adjusted ROE	9	9	9	9
Valuation				
P/BV	1	1	1	1
P/NTA	1	1	1	1
Adjusted P/E	11	11	10	10
Dividend Yield	6	6	6	7