UOBKayHian

Country Daily | Thailand

Friday, 21 August 2026

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	52759.2	(1.3)	(2.0)	1.8	9.8
S&P 500	7641.2	(0.9)	(2.0)	2.7	11.6
FTSE 100	10748.2	0.0	(0.2)	2.1	8.2
AS30	9298.5	0.5	(0.9)	3.6	3.1
CSI 300	4592.8	0.1	(1.5)	(3.1)	(0.8)
FSSTI	5671.9	(0.4)	(0.8)	2.6	22.1
HSCEI	8547.8	0.9	1.4	2.2	(4.1)
HSI	25698.5	0.8	1.2	2.2	0.3
JCI	6501.6	1.7	2.0	2.5	(24.8)
KLCI	1736.7	0.3	0.1	0.9	3.4
KOSPI	6852.6	5.9	4.2	1.6	62.6
Nikkei 225	66216.8	1.4	(3.1)	(0.0)	31.5
SET	1610.0	0.0	(0.3)	(2.6)	27.8
TWSE	44933.7	0.5	(2.4)	1.6	55.1
BDI	2791	0.5	(1.9)	4.5	48.7
CPO (RM/mt)	4596	0.9	1.7	2.2	16.8
Brent Crude (US$/bbl)	94	2.4	7.7	5.1	54.1

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
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. Customs Trade Balance (Export-Import)	Thailand	21-26 Aug

Top Stories

Company Update | Bumrungrad Hospital (BH TB/**BUY**/Bt198.00/Target: Bt236.00)

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- BH remains one of our top picks following a strongly positive analyst meeting. We expect a robust 3Q26 earnings outlook, supported by continued Middle Eastern patient arrivals and the return of Bangladesh patients. Iraq emerges as a new market opportunity once the embassies are reestablished, while BH's secured medical supplies should limit cost pressures and protect margins. BIH Phuket remains on track for a 3Q27 opening, with no concern about doctor shortages. Maintain BUY with a target price of Bt236.00.

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

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- Qtd SSSG spiked, supported by higher selling prices across product categories, which helped offset softer sales volumes. Other businesses continued to show a strong growth momentum, particularly UFund & Finance, iCare, and the EV business. Management raised its 2026 net profit growth target to 20% yoy. Maintain BUY with a target price of Bt32.50, based on SOTP valuation.

Company Update | HANA (Thailand) (HANA TB/**BUY**/Bt46.25/Target: Bt54.00)

Page 8 →

- Two AI-related projects remain on track, with mass production expected in 3Q26 for both. 2027 capex plans are expected to increase significantly, providing a positive trajectory for HANA in 2027-28. Earnings in 2H26-2028 should be supported by a continued improvement in the PMS business, AI-related projects, and a favourable semiconductor industry outlook. We maintain BUY with a higher target price of Bt54.00, as we roll forward our valuation to 2027.

Company Update | Stecon Group (STECON TB/**BUY**/Bt18.70/Target: Bt22.00)

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- We attended STECON's analyst meeting which had a positive tone. STECON maintained its 2026 targets, while gross margin is expected to improve, supported by a higher contribution from private sector projects. STECON remains a leader in data centre construction, with a Bt49.8b pipeline of potential projects. Infrastructure opportunities, including power plants and Direct PPA-related projects, should provide additional growth opportunities. Maintain BUY with a higher target price of Bt22.00 (previously Bt20.00).

What's Inside

Company Update | CP ALL (CPALL TB/BUY/Bt46.75/Target: Bt62.00)

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- The tone at the analyst meeting was slightly positive, with qtd SSSG improving to 0-2% yoy, supported by better consumer spending sentiment. Management viewed the impact of the Thai Help Thai copayment scheme as less severe than initially expected. The 700 stores expansion target for 2026 remains on track. Maintain BUY on CPALL with a target price of Bt62.00.

Bumrungrad Hospital (BH TB)

Strong Growth Outlook In 3Q26 With New Market Opportunity

Highlights

- The tone of the analyst meeting was positive, as management stated that it is seeing continuous Middle East patient arrivals to BH in Jul-Aug 26.
- BH sees new market opportunity in Iraq, having its GOP agreement signed by the Iraqi government and ready to penetrate the market once the embassies are reestablished.
- We are optimistic about BH and it remains one of our top picks as its outlook for 3Q26 remains robust. Maintain BUY with a target price of Bt236.00.

Analysis

- **Strong positive tone from the analyst meeting.** We attended Bumrungrad Hospital's (BH) analyst meeting to review its 2Q26 results and the tone was positive.
- **Robust earnings outlook in 3Q26.** Management guided for around 3% yoy growth in 3Q26 top-line, as it is seeing a positive momentum in the return of Middle Eastern patients. However, we consider this conservative given that 2Q26 has already shown 4% yoy top-line growth despite the pressure from the Middle East war. We expect this guideline to be made based on a potential reignition of conflict in the Middle East. If there is no further escalation in the Middle East, we expect the growth of revenue to be stronger than guided. Management stated that it sees the strong momentum from Middle East patient arrivals continuing into Jul-Aug 26 which is a very promising sign for a robust 3Q26 earnings. Hence, we remain optimistic about BH's outlook going forward.
- **New market opportunity from Iraq.** Management stated that BH now sees a new opportunity from the Iraq market and are currently waiting for the embassies to reestablish their connection for the first time in 20 years. In late-Jun 26, Iraq received approval to construct its embassy in Thailand once again. Depending on how fast the relationship is reestablished, BH can penetrate the Iraq market right away as it has already signed the guarantee of payment (GOP) agreement with the Iraqi government. The most sought-after treatments among the Iraqi are expected to be similar to other Middle Eastern countries, which have high demand for spine and orthopaedic surgeries, cardiovascular surgeries, oncologic treatments, and other neuroscience treatments.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	25,718	25,215	26,942	28,838	30,758
EBITDA	10,265	10,164	10,433	11,132	11,857
Operating profit	9,188	9,096	9,248	9,941	10,659
Net profit (rep./act.)	7,775	7,512	7,641	8,210	8,801
Net profit (adj.)	7,793	7,523	7,641	8,210	8,801
EPS (Bt)	9.0	8.7	8.8	9.5	10.1
PE (x)	21.8	22.6	22.3	20.7	19.3
P/B (x)	5.7	5.0	5.2	5.0	4.4
EV/EBITDA (x)	14.0	14.1	13.8	12.9	12.1
Dividend yield (%)	2.6	5.6	2.5	2.4	2.6
Net margin (%)	30.2	29.8	28.4	28.5	28.6
Net debt/(cash) to equity (%)	(43.6)	(44.8)	(42.5)	(50.7)	(57.2)
Interest cover (x)	1,231.6	1,533.5	1,926.8	2,021.1	2,116.2
ROE (%)	30.3	25.7	25.2	25.7	24.1
Consensus net profit (Btm)	-	-	7,626	7,828	8,276
UOBKH/Consensus (x)	-	-	1.00	1.05	1.06

Source: Bumrungrad Hospital, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	Bt198.00
Target Price	Bt236.00
Upside	+19.2%

Stock Data

Sector	Health Care
Bloomberg ticker	BH TB
Shares issued (m)	795.0
Market cap (Btm)	155,827.2
Market cap (US$m)	4,733.9
3-mth avg daily t'over (US$m)	26.1

Price Performance (%)

52-week high/low				Bt214.00/Bt136.00
1mth	**3mth**	**6mth**	**1yr**	**YTD**
5.1	10.7	4.3	9.5	24.4

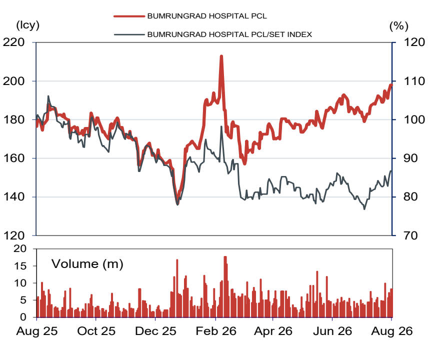
Major Shareholders (%)

Harnphanich family	50.0
Thai NVDR	11.5

Balance Sheet Metrics

FY26 NAV/Share (Bt)	37.44
FY26 Net Debt/ Share (Bt)	15.93

Price Chart



Source: Bloomberg

Company Description

Bumrungrad Hospital provides healthcare services. The company offers behavioural health, diabetes management, digestive disease treatment, hyperbaric oxygen therapy, joint replacement, rehabilitation, travel medicine, and refractive surgery services. Bumrungrad Hospital serves patients in Thailand.

- **Bangladesh patients are returning.** In 2Q26, revenue from Bangladesh patients dropped by 4.4% yoy, which is a hiccup from the revenue growth of 25% yoy in 1Q26. This was mainly caused by the visa regulation change which caused a slowdown in traffic of arrivals. However, management stated that Bangladesh patients have returned in late-2Q26 as the visa issue has been resolved. Hence, we should see strong Bangladesh revenue growth once again in 3Q26. This is a result of BH's effort in establishing connections in Bangladesh. Previously, BH mainly established their referral offices across Bangladesh's Tier 2 and 3 cities. Now that BH is seeing strong growth potential in Bangladesh, it aims to start operating a new clinic by the end of this year. This new clinic will be similar to the one in Myanmar, and will be used to expand some of their services locally. Most of the doctors stationed at the clinic will be Bangladeshis as mandated by law – Thai doctors are not allowed to permanently stay in Bangladesh and work full time. Thai doctors will compose of part-time specialists that will visit the clinic from time to time.
- **Well positioned to manage cost pressures.** Although the US-Iran conflict has driven up fuel and operating costs, BH expects only a limited impact on its operations. Management sees no risk of drug shortages, as the hospital has secured around three months of drug inventory and already procured a full year's worth of medical supplies at locked-in prices since the beginning of 2026. BH also plans to continue placing forward orders for medical supplies and consumables to further mitigate exposure to future cost volatility. As a result, we believe BH is well positioned to preserve its industry-leading margin profile throughout the year.
- **BIH Phuket opening is still on track.** BH has stated that its construction progress on Bumrungrad International Hospital (BIH) Phuket is still on track with its opening plan in 3Q27. From an earnings perspective, this delay helps alleviate financial pressure in 2026, shifting the primary cost ramp-up to 1Q27. With early-stage construction underway, the facility will execute a two-phase rollout, starting with 120 beds in 2H27 before adding 92 beds in Phase 2. The Phuket unit will handle premium primary and secondary care, routing complex medical cases back to its main Bangkok hub. So far, BH has seen a strong demand from doctors applying for positions at BIH Phuket, so there should be no shortage of physicians.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt236.00.** Our valuation is based on 2026 EV/EBITDA multiple of 18.0x, which is around the five-year mean of its historical multiples. BH remains as one of our top picks, due to: a) continuous strong flow Middle East patients in Jul-Aug 26, b) potential new markets like Iraq, and c) BH having already secured its medicine supply cost for 2026, which should help BH maintain its high margins.

Environment, Social, Governance (ESG) Updates

Environmental

- **Energy efficiency.** BH has invested in eco-friendly infrastructure to reduce the hospital's carbon footprint and energy consumption.
- **Waste management.** BH emphasises the safe disposal of medical waste and has protocols in place to minimise the environmental impact of hazardous materials.

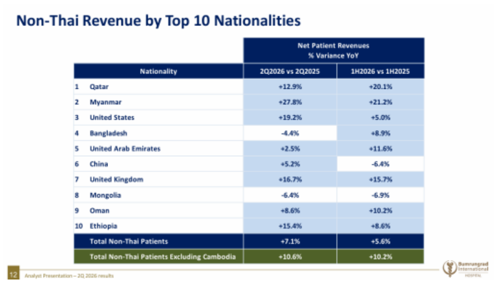
Social

- **Healthcare access.** BH provides high-quality healthcare services to both local and international patients. It also engages in charitable work, providing free medical services to underprivileged communities.

Governance

- **Corporate governance.** BH adheres to high standards of corporate governance with transparent reporting, strict regulatory compliance, and clear anti-corruption policies.

Foreign Patient Revenue Growth



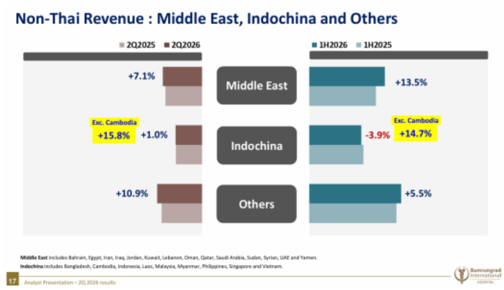
Non-Thai Revenue by Top 10 Nationalities

	Nationality	Net Patient Revenues % Variance YoY	
		2Q2026 vs 2Q2025	1H2026 vs 1H2025
1	Qatar	+12.9%	+20.1%
2	Myanmar	+27.8%	+21.2%
3	United States	+19.2%	+5.0%
4	Bangladesh	-4.4%	+8.9%
5	United Arab Emirates	+2.5%	+11.6%
6	China	+5.2%	-6.4%
7	United Kingdom	+16.7%	+15.7%
8	Mongolia	-6.4%	-6.9%
9	Oman	+8.6%	+10.2%
10	Ethiopia	+15.4%	+8.6%
	Total Non-Thai Patients	+7.1%	+5.6%
	Total Non-Thai Patients Excluding Cambodia	+10.6%	+10.2%

12 Analyst Presentation – 2Q 2026 results

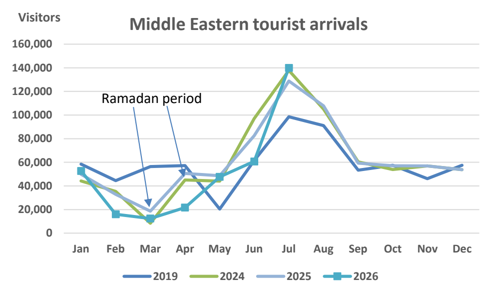
Source: BH

2026 Expansion Pipeline



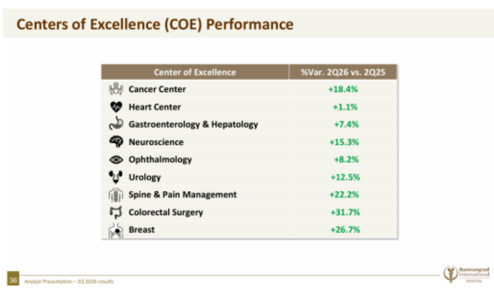
Source: BH

Middle East Arrivals



Source: Ministry of Tourism and Sports, UOB Kay Hian

COE Performance



Centers of Excellence (COE) Performance

Center of Excellence	%Var. 2Q26 vs. 2Q25
Cancer Center	+18.4%
Heart Center	+1.1%
Gastroenterology & Hepatology	+7.4%
Neuroscience	+15.3%
Ophthalmology	+8.2%
Urology	+12.5%
Spine & Pain Management	+22.2%
Colorectal Surgery	+31.7%
Breast	+26.7%

Source: BH

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	**25,215**	**26,942**	**28,838**	**30,758**
EBITDA	10,164	10,433	11,132	11,857
Deprec. & amort.	1,068	1,184	1,191	1,199
EBIT	9,096	9,248	9,941	10,659
Total other non-op. income	212	159	165	171
Associate contributions	(1)	2	2	2
Net interest income/(expense)	(7)	(5)	(6)	(6)
Pre-tax profit	**9,301**	**9,403**	**10,102**	**10,827**
Tax	(1,737)	(1,693)	(1,818)	(1,949)
Minorities	(52)	(70)	(74)	(77)
Net profit	7,512	7,641	8,210	8,801
Net profit (adj.)	**7,523**	**7,641**	**8,210**	**8,801**

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	14,376	13,632	13,409	13,209
Other LT assets	3,301	3,324	3,362	3,400
Cash/ST investment	13,948	12,782	17,421	22,349
Other current assets	4,833	5,318	5,667	6,018
Total assets	**36,459**	**35,055**	**39,859**	**44,976**
ST debt	23	35	36	37
Other current liabilities	4,063	3,718	3,980	4,245
LT debt	84	86	88	90
Other LT liabilities	1,118	1,078	1,154	1,230
Shareholders' equity	30,863	29,760	34,150	38,845
Minority interest	308	378	452	529
Total liabilities & equity	**36,459**	**35,055**	**39,859**	**44,976**

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	**7,689**	**7,409**	**8,887**	**9,462**
Pre-tax profit	9,301	9,403	10,102	10,827
Tax	(1,737)	(1,693)	(1,818)	(1,949)
Deprec. & amort.	1,068	1,184	1,191	1,199
Associates	(406)	(23)	(165)	(164)
Working capital changes	464	(806)	77	78
Non-cash items	(1,002)	(655)	(498)	(526)
Other operating cashflows	**(2,628)**	**(504)**	**(930)**	**(961)**
Investing	(2,056)	(440)	(968)	(999)
Capex (growth)	2,810	2,812	2,814	2,816
Investment	(3,382)	(2,875)	(2,776)	(2,778)
Others	**(4,043)**	**(8,729)**	**(3,816)**	**(4,103)**
Financing	(3,974)	(8,744)	(3,820)	(4,105)
Dividend payments	0	15	2	2
Proceeds from borrowings	(33)	0	0	0
Others/interest paid	(36)	0	2	0
Net cash inflow (outflow)	1,018	(1,823)	4,141	4,399
Beginning cash & cash equiv.	5,284	6,302	4,479	8,620
Ending cash & cash equiv.	**6,302**	**4,479**	**8,620**	**13,019**

Key Metric

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	40.3	38.7	38.6	38.6
Pre-tax margin	36.9	34.9	35.0	35.2
Net margin	29.8	28.4	28.5	28.6
ROA	21.7	21.4	21.9	20.7
ROE	25.7	25.2	25.7	24.1
Growth (% yoy)				
Turnover	(2.0)	6.8	7.0	6.7
EBITDA	(1.0)	2.6	6.7	6.5
Pre-tax profit	(1.4)	1.1	7.4	7.2
Net profit	(3.4)	1.7	7.5	7.2
Net profit (adj.)	(3.5)	1.6	7.5	7.2
EPS	(3.5)	1.6	7.5	7.2
Leverage				
Debt to total capital	0.3	0.4	0.4	0.3
Debt to equity	0.3	0.4	0.4	0.3
Net debt/(cash) to equity	(44.8)	(42.5)	(50.7)	(57.2)
Interest cover (x)	1,533.5	1,926.8	2,021.1	2,116.2

COM7 (COM7 TB)

Growth Will Be Driven By Higher Selling Prices

Highlights

- Positive tone from the analyst meeting, with management raising its 2026 net profit growth target to 20% yoy.
- SSSG spiked, driven by higher selling prices across product categories, while other businesses continued to deliver strong growth momentum.
- Maintain BUY with a target price of Bt32.50, based on SOTP valuation.

Analysis

- **Qtd SSSG spiked driven by higher selling prices across categories.** Management highlighted that SSSG increased by 8-10% yoy during the first 45 days of 3Q26, while total sales grew by more than 10% yoy. The key driver was higher unit selling prices across all product categories, which more than offset weaker unit sales. Smartphone, PC and Mac sales increased yoy, supported by higher ASPs despite lower sales volume. Tablet sales remained weak, but sales momentum continued to improve compared with 2Q26.
- **Other businesses continued to show strong growth momentum.** UFund remained on a strong growth trajectory, with new loans of Bt3.3b lifting the loan portfolio to Bt6.6b, up from Bt5.2b in 2Q25. Growth was mainly driven by personal customers, which accounted for around 90% of the total portfolio. iCare also delivered strong growth, with 1H26 net profit surging 291% yoy, supported by broad-based growth across all insurance segments, particularly cyber and mobile insurance. Meanwhile, the EV business continued to recover, with Aion deliveries reaching 2,000 units in 1H26, up 71% yoy and already achieving 46% of its full-year 2026 target. Management expects stronger momentum in 2H26 following the launch of new Aion models. EV taxi leasing also continued to expand, reaching 3,800 units, up 57% qoq, putting the company on track to achieve its 5,000-unit target for 2026.
- **Management revised up its 2026 growth targets.** The company raised its revenue growth target to 10-15% yoy from 10% previously, while the net profit growth target was increased to 20% yoy from 10-15%. We view the revised targets as achievable, supported by the strong sales momentum in 3Q26 and continued growth across UFund, iCare and the EV business. In addition, 1H26 net profit has already increased 27% yoy and reached 52% of the full-year target, providing a solid base for earnings growth in 2H26.

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	4,833.4	5,308.3	5,712.9
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	0.9

Source: COM7, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	Bt29.50
Target Price	Bt32.50
Upside	10.17%

Stock Data

Sector	Consumer Discretionary
Bloomberg ticker	COM7 TB
Shares issued (m)	2,357.7
Market cap (Btm)	70,731.0
Market cap (US$m)	2,153.4
3-mth avg daily t'over (US$m)	14.1

Price Performance (%)

52-week high/low: Bt30.8/Bt18.4

1mth	3mth	6mth	1yr	YTD
(0.8)	21.0	22.0	16.5	53.1

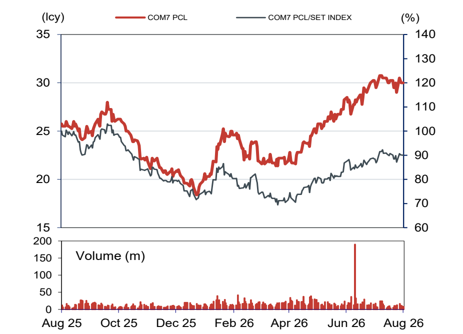
Major Shareholders (%)

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

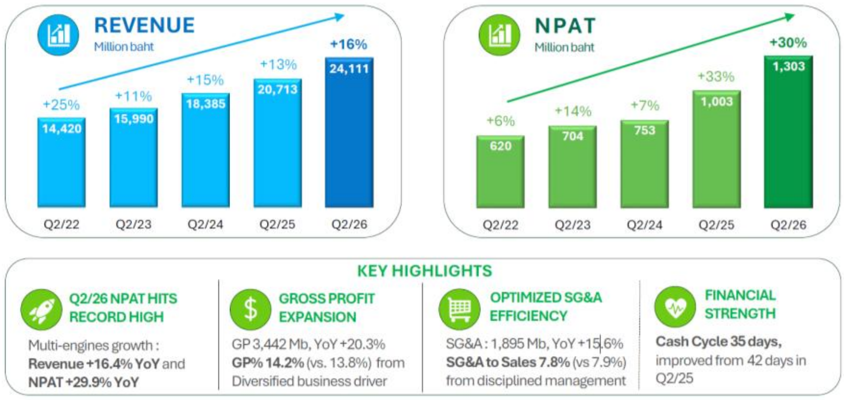


Source: Bloomberg

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.

COM7 Historical Performance



Source: Bloomberg, UOB Kay Hian

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.** 2H26 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	(1.6)				
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.

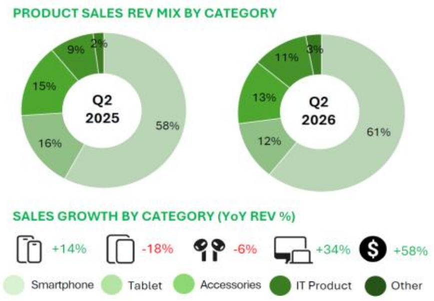
Social

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

Governance

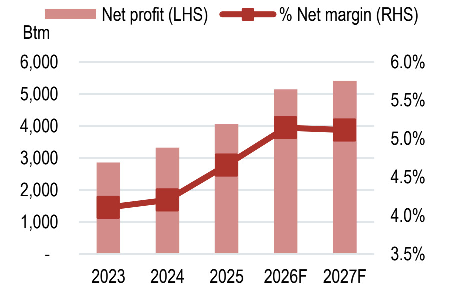
- Maintains strong corporate governance standards, reflected by its 5-star CG Rating and SET ESG Rating of AA. Effective risk management, and independent board oversight to support sustainable long-term growth.

Product Sales Mix (%)



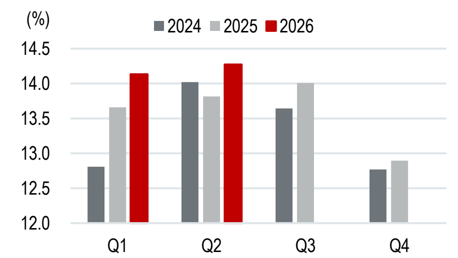
Source: COM7, UOB Kay Hian

Net Profit



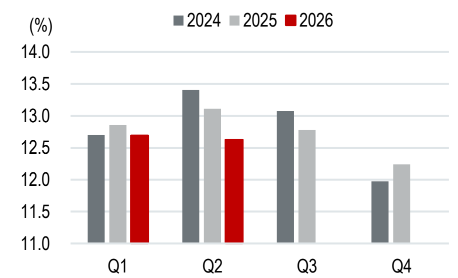
Source: UOB Kay Hian

Gross Margin – Consolidated



Source: UOB Kay Hian

Gross Margin – Separated Financial Statement



Source: UOB Kay Hian

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

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

HANA (Thailand) (HANA TB)

AI-related Projects Remain On Track, With Mass Production In 3Q26

Highlights

- Two AI-related projects remain on track, with mass production expected in 3Q26 for both projects.
- 2027 capex plans are expected to increase significantly, providing a positive trajectory for HANA in 2027-28.
- Earnings in 2H26-2028 should be supported by a continued improvement in the PMS business, AI-related projects, and a favourable semiconductor industry outlook.
- We maintain BUY with a higher target price of Bt54.00, as we roll forward our valuation to 2027.

Analysis

- **Two AI-related projects remain on track,** with mass production expected to commence in 3Q26. 2027 capex plans are currently under review, but management expects capex to increase significantly. This reinforces our confidence in HANA (Thailand)'s (HANA) continued positive trajectory within the semiconductor and value chain. While the overall upcycle earnings trend remains largely unchanged, management's comments reaffirmed our strong 2H26-2028 earnings outlook, particularly for Power Master Semiconductor Co., Ltd. (PMS) sales and development to reduce its losses.
- **With PMS demand improving qoq in 2Q26, losses in 2H26 are still expected to continue narrowing.** We expect 2H26 earnings to account for 60% of our full-year 2026 forecast. Despite the strong 2Q26 earnings, partly driven by a slightly faster-than-expected narrowing of losses at PMS, we believe 2H26 earnings will be supported by: a) a strong outlook for the electronics manufacturing services (EMS) business across both non-AI and AI-related activities, despite the shift to a turnkey model, which should result in higher sales but lower margins; b) improving utilisation rates in the integrated circuit (IC) business; and c) a steady recovery in PMS sales for both silicon carbide (SiC) and silicon (Si) products. Management maintained its positive view that **losses in 2H26 are still expected to continue narrowing**. PMS sales are expected to continue growing qoq in 3Q26, supported by a continued recovery in demand despite the strong sales base in 2Q26. HANA is increasing marketing efforts in both India and Korea, which have started to show initial positive results.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	24,801.3	20,563.4	22,276.0	25,566.9	28,131.2
EBITDA	2,279.6	1,558.9	2,129.0	2,546.6	3,014.7
Operating profit	503.0	33.0	370.5	693.5	1,069.0
Net profit (rep./act.)	(633.7)	537.0	1,074.8	1,322.2	1,732.8
Net profit (adj.)	(643.6)	670.3	862.8	1,322.2	1,732.8
EPS	(0.7)	0.8	1.0	1.5	2.0
PE (x)	(63.6)	61.1	47.5	31.0	23.6
P/B (x)	1.5	1.6	1.5	1.5	1.5
EV/EBITDA (x)	6.9	10.5	7.9	6.8	5.8
Dividend yield (%)	1.6	2.2	2.2	2.7	3.2
Net margin (%)	(2.6)	2.6	4.8	5.2	6.2
Net debt/(cash) to equity (%)	(20.2)	(18.3)	(16.7)	(14.2)	(13.4)
ROE (%)	(3.0)	2.6	5.1	6.2	8.0
Consensus net profit	n.a	n.a	905.4	1,421.6	1,797.2
UOBKH/Consensus (x)	n.a	n.a	1.0	0.9	1.0

Source: HANA (Thailand), Bloomberg, UOB Kay Hian

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Assistant Analyst(s)

Sirithat Prasertwuti

BUY (Maintained)

Share Price	Bt46.25
Target Price	Bt54.00
Upside	16.8%
Previous TP	Bt38.00

Stock Data

Sector	Information Technology
Bloomberg ticker	HANA TB
Shares issued (m)	885.4
Market cap (Btm)	41,390.9
Market cap (US$m)	1,260.2
3-mth avg daily t'over (US$m)	40.7

Price Performance (%)

52-week high/low				Bt49.0/Bt15.1
1mth	3mth	6mth	1yr	YTD
24.7	35.5	151.3	117.4	186.8

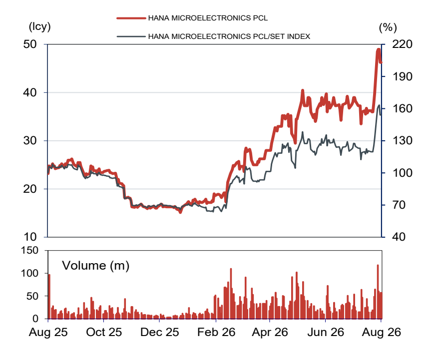
Major Shareholders (%)

OMAC (HK) LIMITED	19.48
Thai NVDR Company Limited	8.34

Balance Sheet Metrics

FY26 NAV/Share (Bt)	30.0
FY26 Net Debt/Share (Bt)	(5.0)

Price Chart



Source: Bloomberg

Company Description

HANA is an electronics manufacturing service company. Its major product groups are PCBA, IC, LED and LCE assembly.

- **AI solid-state cooling production start in 3Q26, but contribution in 2H26 is expected to be minimal.** HANA's AI solid-state cooling assembly project with Phononic remains on track, with mass production expected to start in 3Q26. We expect only a low single-digit sales contribution in 2H26, before rising to mid-single digits in 2027. Five of Phononic's customers have completed qualification, with more expected to follow. HANA is progressing with the Co-Packaged Optics (CPO) qualification process for 1.6T optical networking (next generation of solid-state cooling), with significantly higher volumes expected once mass production begins.
- **High-density PCBA for AI oscilloscope project remains on track, with the customer potentially becoming one of its top five customers in 2027.** HANA continues to work on high-density PCBA for AI oscilloscopes, with mass production expected to begin in 3Q26. The products are used for 1.6T optical transceiver testing to support higher transmission rates required by AI and machine-learning applications. The project is expected to contribute meaningfully, with the customer potentially becoming one of HANA's top five customers and accounting for 5-6% of total sales in 2027.
- **Recap of stronger-than-expected 2Q26 earnings.** On 31 Jul 26, HANA reported a 2Q26 net profit of Bt326.3m (+838% yoy, +215% qoq), 68% above Bloomberg consensus. Core profit was Bt278m (+82% yoy, +2,557% qoq), compared with Bt153m in 2Q25 and a Bt11m core loss in 1Q26. Sales came in at Bt5.365b (+3% yoy, +9% qoq), 3% above consensus, driven by qoq sales growth across most businesses. The yoy improvement reflected a low base from PMS and forex losses, while qoq earnings benefitted from the absence of Bt60.5m in one-off expenses booked in 1Q26. Core operating margin turned positive at 3.0% (vs 2%/-1%/-1%/-2% during 1Q25-1Q26 respectively), driven by lower PMS and microdisplay losses, which narrowed to Bt116m from Bt182m in 2Q25 and Bt216m in 1Q26.

Valuation/Recommendation

- **Maintain BUY with a higher target price of Bt54.00 (from Bt38.00).** We roll over valuation to 2027, with a higher target price of Bt54.00 based on 36x 2027F PE (near +1.25SD above its five-year mean), implying 1.8x P/B (+0.5SD above its five-year mean).
- Overall, while this analyst meeting was more of a project update rather than an introduction of new AI-related projects, compared with the previous two quarters, we remain positive on the continued semiconductor upcycle and PMS development in 2026-28, with earnings expected to grow at a three-year CAGR of 37% over 2025-28.

Earnings Revision/Risk

- We revise up our 2026-28 earnings forecasts by 25%/16%/17%, respectively, mainly due to the slightly sooner-than-expected reduction in PMS losses in 2Q26. Note that around 90% of our 2026 earnings revision came from the strong 2Q26 results, while the remaining 10% came from continued strong earnings outlook in 2H26-2028.

Share Price Catalyst

- Stronger-than-expected sales and operating margin.

Environment, Social, Governance (ESG)

Environmental

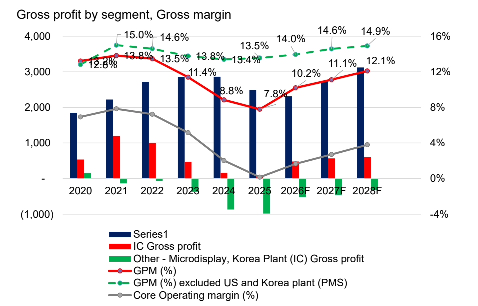
- HANA targets a 40% reduction in electricity purchasing and 45% reduction in water consumption by 2030 (vs 2020 baseline).

Social

- HANA focuses on employee health & safety, zero-accident culture, workforce development (regular training programs) and technical skill enhancement.

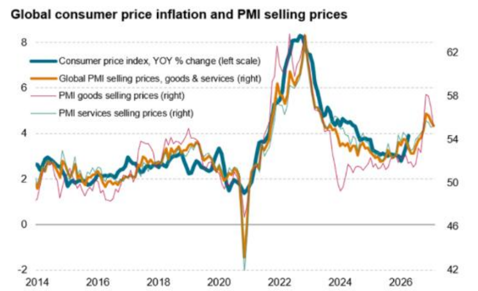
Governance

Gross Profit By Segment, Gross Margin And Operating Margin



Source: UOB Kay Hian

Global PMI remained elevated despite lower energy costs in July



Source: UOB Kay Hian

Peers Comparison (Bloomberg Forecast Before Meeting)

Ticker	Name	PE			EPS			GM		OPM	Free Float %
		Current	2026F	2027F	2025	2026	2027	2025	2026F		
Thailand regional peers											
DELTA TB	DELTA ELECTRONICS THAI PCL	109.9	94.8	68.9	2.0	2.8	3.83	27.1	29.3	14.2	37.8
						40%	38%				
KCE TB	KCE ELECTRONICS PUB CO LTD	70.8	48.8	34.0	0.7	1.1	1.63	18.9	21.3	7.6	72.0
						62%	44%				
HANA TB	HANA MICROELECTRONICS PCL	73.0	47.4	30.3	0.8	1.0	1.62	7.8	10.4	2.8	70.6
						36%	56%				
CCET TB	CAL-COMP ELECTRONICS THAILAN	42.9	34.5	28.3	0.2	0.3	0.32	5.1	5.2	1.8	49.1
						31%	22%				
Leading indicator for semiconductor demand											
TXN US	TEXAS INSTRUMENTS INC	41.2	32.6	26.9	5.5	8.3	10.13	57.0	60.5	34.1	99.8
						53%	21%				
NXPI US	NXP SEMICONDUCTORS NV	19.4	15.1	12.5	8.0	15.1	18.22	54.7	58.2	24.8	99.9
						89%	20%				
IFX GY	INFINEON TECHNOLOGIES AG	61.2	32.4	20.2	0.8	1.7	2.78	39.2	41.1	10.3	99.8
						126%	60%				
ON US	ON SEMICONDUCTOR	50.3	24.7	17.5	0.3	3.2	4.54	33.1	40.4	1.4	99.4
						1010%	41%				
Leading indicator for semiconductor demand											
3711 TT	ASE TECHNOLOGY HOLDING CO LT	42.3	31.3	20.9	9.4	18.8	28.19	17.7	21.2	7.9	81.9
						100%	50%				
AMKR US	AMKOR TECHNOLOGY INC	24.5	21.4	19.7	1.5	2.6	2.78	14.0	17.4	7.0	57.9
						69%	9%				
FLEX US	FLEX LTD	45.9	25.5	17.0	2.4	4.7	7.08	9.2	9.9	4.9	99.2
						99%	50%				
CLS US	CELESTICA INC	32.0	27.7	15.8	7.2	11.2	19.71	12.1	11.5	8.4	98.7
						55%	76%				

Source: UOB Kay Hian

Five-year Forward PE Band

Source: UOB Kay Hian

- HANA adheres to high standards of corporate governance, emphasising board independence, transparency, and accountability.

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	**20,563**	**22,276**	**25,567**	**28,131**
EBITDA	1,559	2,129	2,547	3,015
Deprec. & amort.	1,526	1,758	1,853	1,946
EBIT	33	371	693	1,069
Total other non-operating income	608	446	588	661
Associate contributions	(26)	(15)	(15)	(15)
Pre-tax profit	**721**	**1,188**	**1,463**	**1,916**
Tax	(51)	(108)	(140)	(183)
Minorities	0	0	0	0
Net profit	**537**	**1,075**	**1,322**	**1,733**
Net profit (adj.)	670	863	1,322	1,733

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	8,487	9,107	9,240	9,425
Other LT assets	336	406	414	420
Cash/ST investment	5,308	4,911	4,279	4,145
Other current assets	17,028	18,266	19,431	20,536
Total assets	**31,159**	**32,690**	**33,363**	**34,526**
ST debt	479	475	475	475
Other current liabilities	3,328	4,642	5,072	5,580
LT debt	1	2	2	2
Other LT liabilities	1,032	1,058	1,085	1,113
Shareholders' equity	26,319	26,514	26,729	27,355
Minority interest	0	0	0	0
Total liabilities & equity	**31,159**	**32,690**	**33,363**	**34,526**

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	**3,987**	**4,318**	**2,721**	**3,696**
Pre-tax profit	721	1,188	1,463	1,916
Tax	(79)	(113)	(150)	(171)
Deprec. & amort.	1,526	1,758	1,853	1,946
Working capital changes	1,830	724	(889)	(411)
Non-cash items	0	0	0	0
Other operating cashflows	(11)	761	444	417
Investing	**(3,713)**	**(3,151)**	**(1,923)**	**(2,394)**
Capex (growth)	(650)	(2,378)	(1,986)	(2,131)
Investments	0	(47)	0	0
Others	(3,063)	(726)	64	(263)
Financing	**(1,431)**	**(889)**	**(1,107)**	**(1,107)**
Dividend payments	(664)	(885)	(1,107)	(1,107)
Issue of shares	0	0	0	0
Proceeds from borrowings	(753)	(3)	0	0
Others/interest paid	(14)	0	0	0
Net cash inflow (outflow)	**(1,156)**	**279**	**(308)**	**196**
Beginning cash & cash equivalent	**6,689**	**4,936**	**4,911**	**4,279**
Ending cash & cash equivalent	**5,533**	**5,215**	**4,604**	**4,475**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	7.6	9.6	10.0	10.7
Pre-tax margin	3.5	5.3	5.7	6.8
Net margin	2.6	4.8	5.2	6.2
ROA	1.6	3.2	3.8	4.9
ROE	2.6	5.1	6.2	8.0
Growth				
Turnover	(11.2)	(3.8)	10.4	21.5
EBITDA	(58.4)	(43.1)	(32.0)	(19.5)
Pre-tax profit	(77.8)	(63.4)	(54.9)	(40.9)
Net profit	(79.5)	(58.9)	(49.4)	(33.8)
Net profit (adj.)	0.0	28.7	53.3	31.0
EPS	(11.9)	13.4	73.8	127.8
Leverage				
Debt to total capital	1.8	1.8	1.8	1.7
Debt to equity	1.8	1.8	1.8	1.7
Net debt/(cash) to equity	(18.3)	(16.7)	(14.2)	(13.4)

UOBKayHian

Company – Update | Thailand

Friday, 21 August 2026

Stecon Group (STECON TB)

Data Centre Momentum Remains Strong, Supporting Growth Outlook

Highlights

- The tone from the analyst meeting was positive.
- STECON continues to lead in the data centre trend, with a strong project pipeline.
- Maintain BUY with a higher target price of Bt22.00 (previously Bt20.00).

Analysis

- **Positive tone from the analyst meeting.** We attended Stecon Group's (STECON) analyst meeting which had a positive tone. The company maintained its business targets, including: a) revenue of Bt35b, b) a gross profit margin of 7%, and c) new backlog of Bt50b.
- **Gross margin to remain healthy.** Gross margin increased to 7.6% in 1H26 from 7.4% in 1H25, supported by the company's investment in IT and more efficient timing and volume management of construction material orders. Given that private projects accounted for around 58% of the backlog at end-2Q26, we expect STECON's gross margin to continue improving. We forecast 2026 gross margin at 7.4%, up from 7.3% in 2025.
- **2H26 new backlog expected to be driven by data centres.** STECON signed new contracts worth Bt2.92b in 2Q26, comprising three power plant projects worth Bt1.95b, two industrial projects worth Bt810m, and one infrastructure project worth Bt40m. This brought 1H26 new backlog to Bt9.74b, representing around 19.5% of its 2026 target. STECON believes its Bt50b new backlog target remains achievable, driven by private sector projects with a total potential value of Bt68.8b, of which 72% is from three data centre projects. The company expects the awards of these projects to proceed without significant delays despite changes to the data centre regulatory framework. If STECON achieves its new backlog target, we expect its year-end 2026 backlog to reach around Bt136b, up from Bt123b in 2025.
- **Well positioned to benefit from data centre demand.** STECON has four data centre projects which will be recognised as revenue for the next two years. Currently, STECON is eyeing three data centre projects that are expected to be put up for bidding in 2026. The combined value of these projects has risen from Bt22.5b at the previous meeting to Bt49.8b, mainly because they are structured as design-and-build contracts, which carry higher project values. The company opines that the data centre trend will continue to grow and they should be comfortable for the next two years. With STECON's expertise and its position as a market leader in data centre construction projects, we see a high likelihood of STECON securing the three data centre projects in the pipeline, worth a total of Bt49.8b.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	30,004.9	33,473.0	37,719.0	38,604.5	41,405.2
EBITDA	(5.2)	2,300.8	3,111.4	2,739.6	2,957.0
Operating profit	(760.7)	1,557.9	2,273.7	1,923.1	2,079.1
Net profit (rep./act.)	(2,357.4)	1,948.1	1,742.5	1,442.7	1,533.9
Net profit (adj.)	(2,357.4)	1,948.1	1,742.5	1,442.7	1,533.9
EPS	(1.6)	1.3	1.1	1.0	1.0
PE (x)	(12.1)	14.6	16.4	19.8	18.6
P/B (x)	1.6	1.7	1.6	1.5	1.5
EV/EBITDA (x)	(6,506.6)	14.9	10.9	12.5	11.7
Dividend yield (%)	0.8	2.9	2.4	2.0	2.2
Net margin (%)	(7.9)	5.8	4.6	3.7	3.7
Net debt/(cash) to equity(%)	29.5	31.6	28.1	28.2	28.8
Interest cover (x)	0.0	9.6	13.2	10.8	10.7
Consensus net profit	n.a	n.a	1,667.5	1,363.9	1,489.8
UOBKH/Consensus (x)	n.a	n.a	1.0	1.1	1.0

Source: Stecon Group, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	Bt18.70
Target Price	Bt22.00
Upside	17.67%
Previous TP	Bt20.00

Stock Data

Sector	Industrials
Bloomberg ticker	STECON TB
Shares issued (m)	1,519.1
Market cap (Btm)	28,103.0
Market cap (US$m)	855.6
3-mth avg daily t'over (US$m)	12.4

Price Performance (%)

52-week high/low				Bt19.8/Bt5.25
1mth	3mth	6mth	1yr	YTD
0.0	30.8	74.8	201.6	194.5

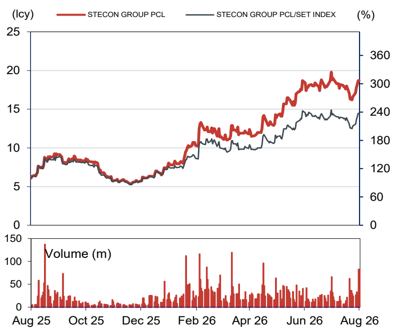
Major Shareholders (%)

C.T. Venture Company Limited	19.62
UBS AG SINGAPORE BRANCH	10.53

Balance Sheet Metrics

FY26 NAV/Share (Bt)	11.7
FY26 Net Debt/Share (Bt)	3.3

Price Chart



Source: Bloomberg

Company Description

STECON operates as a holding company, with core businesses in construction contracting, utilities and power, and logistics and transportation.

- **New infrastructure works to increase.** The new wave of infrastructure investment is expected to benefit STECON, including the unlocking of 2,000MW of Direct PPA capacity, which could create opportunities for construction work. For private sector projects, STECON is already well positioned to secure new contracts. In addition, several power plants are approaching the end of their operating lives and may be shut down, creating opportunities for replacement and reconstruction projects. STECON is also targeting power plant projects that can support data centres, with potential projects expected from next year. The company has around Bt16b in power plant projects in its pipeline, which are expected to open for bidding in 2026.
- **UTA to kick off Airport City-related development.** U-Tapao International Aviation (UTA) has received the Notice to Proceed (NTP) for 6,500 rai of land and plans to initially utilise it for commercial development and other Airport City-related projects in the coming months. Given the lack of progress on U-Tapao airport construction, we believe that a solution will need to be reached, particularly regarding the feasibility of transportation infrastructure connecting the airport.

Valuation/Recommendation

- **Maintain BUY with a higher target price of Bt22.00 (previously Bt20.00).** The target price is based on a 2026F PE of 19.3x, in line with its historical average. We remain positive about STECON's outlook given that it is a major player in the construction business. Currently among the top five listed construction companies, STECON is the only one with experience with data centre construction projects while others have not entered the market yet. We expect the company to benefit from a higher number of project wins from 2027 onwards, supporting earnings growth and providing upside to the share price.

Earnings Revision/Risk

- We revised our 2026-28 earnings forecasts up by 6.3%, 3.7%, and 2.9% respectively from new backlog secured. Key downside risks include delays in project bidding, and higher construction costs, which could put pressure on construction margins.

Share Price Catalyst

- Additional backlog from both private and project biddings.

Environment, Social, Governance (ESG)

CG Report: 5
SET ESG Rating: AAA

Environmental

- STECON follows environmental laws and regulations. The company prioritises reducing gas emissions and using sustainable technology. STECON also trains its employees to participate in environmental operations and conservation.

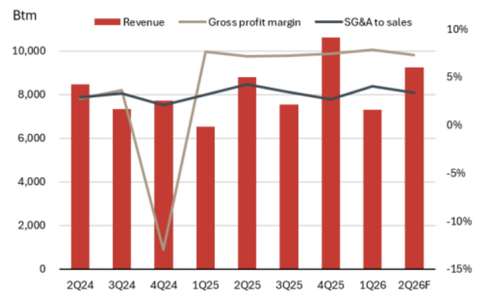
Social

- STECON is committed to social responsibility. The company supports education, disaster relief, community engagement, and environmental conservation.

Governance

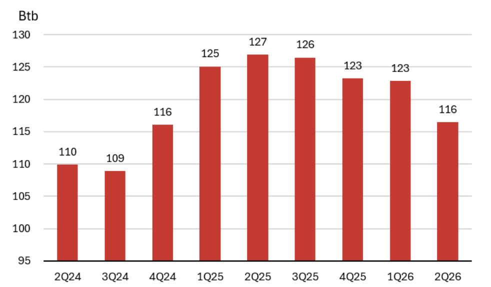
- STECON focuses on enterprise risk management to integrate risk management into strategic planning. STECON follows Thai and international standards for risk management.

Revenue, Gross Margin, and SG&A to Sales



Source: STECON, UOB Kay Hian

Backlog



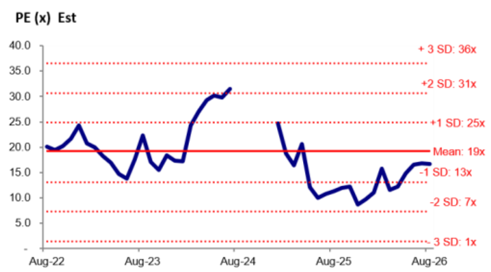
Source: STECON, UOB Kay Hian

2026 Company Target

	2026 Target	2025 Actual	2025 Target
Revenue	>Bt35b	33.47	>Bt32b
GPM	>7%	7.36%	7%
New backlog	Bt50b	40,251	Bt50b
Backlog	>Bt100b	123,264	>Bt100b
NPM	at least 4%	5.8%	

Source: STECON, UOB Kay Hian

PE



Source: STECON, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	**33,473**	**37,719**	**38,604**	**41,405**
EBITDA	2,301	3,111	2,740	2,957
Deprec. & amort.	743	838	817	878
EBIT	1,558	2,274	1,923	2,079
Total other non-operating income	96	95	109	111
Associate contributions	(212)	(120)	(120)	(120)
Net interest income/(expense)	(240)	(235)	(254)	(277)
Pre-tax profit	**2,229**	**2,013**	**1,658**	**1,793**
Tax	(282)	(290)	(232)	(272)
Minorities	1	19	17	13
Net profit	**1,948**	**1,742**	**1,443**	**1,534**
Net profit (adj.)	1,558	1,742	1,923	1,534

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	11,457	11,639	12,600	13,429
Other LT assets	20,170	20,170	20,170	20,170
Cash/ST investment	4,119	5,262	5,816	6,308
Other current assets	20,503	22,837	23,323	24,864
Total assets	**56,249**	**59,908**	**61,909**	**64,770**
ST debt	8,284	8,253	8,258	8,265
Other current liabilities	27,042	28,687	29,025	30,114
LT debt	1,100	2,010	2,820	3,678
Other LT liabilities	2,773	2,773	2,773	2,773
Shareholders' equity	16,634	17,787	18,653	19,573
Minority interest	417	397	380	368
Total liabilities & equity	**56,249**	**59,908**	**61,909**	**64,770**

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	**3,609**	**1,914**	**2,092**	**1,935**
Pre-tax profit	2,229	2,013	1,658	1,793
Tax	(282)	(290)	(232)	(272)
Deprec. & amort.	743	838	817	878
Working capital changes	(180)	(689)	(148)	(451)
Non-cash items	1,099	42	(2)	(13)
Investing	**(338)**	**(182)**	**(961)**	**(829)**
Capex (growth)	(1,165)	(182)	(961)	(829)
Investments	1,060	0	0	0
Others	(232)	0	0	0
Financing	**(1,875)**	**(590)**	**(577)**	**(614)**
Dividend payments	(6)	(697)	(577)	(614)
Issue of shares	(107)	107	0	0
Proceeds from borrowings	847	0	0	0
Others/interest paid	(2,609)	0	0	0
Net cash inflow (outflow)	**1,396**	**1,142**	**554**	**493**
Beginning cash & cash equivalent	**2,723**	**4,119**	**5,262**	**5,816**
Ending cash & cash equivalent	**4,119**	**5,262**	**5,816**	**6,308**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	6.9	8.2	7.1	7.1
Pre-tax margin	6.7	5.3	4.3	4.3
Net margin	5.8	4.6	3.7	3.7
Growth				
Net profit (adj.)	0.0	11.8	10.4	(20.2)
Leverage				
Debt to total capital	55.0	56.4	58.2	59.9
Debt to equity	56.4	57.7	59.4	61.0
Net debt/(cash) to equity	31.6	28.1	28.2	28.8
Interest cover	9.6	13.2	10.8	10.7

CP ALL (CPALL TB)

Purchasing Sentiment Improves, Supporting 2H26 Performance

Highlights

- The tone at the analyst meeting was slightly positive, with qtd SSSG improving to 0-2% yoy, supported by better consumer spending sentiment.
- Management viewed the impact of the Thai Help Thai copayment scheme as less severe than initially expected.
- The 700 stores expansion target for 2026 remains on track.
- Maintain BUY with a target price of Bt62.00.

Analysis

- **The tone at the meeting was slightly positive.** We came away from CP All's (CPALL) analyst meeting and maintained our positive view on the company.
- **Qtd SSSG improved to 0-2% yoy,** supported by better consumer spending sentiment, favourable weather for beverage and food sales, and long holidays that boosted tourism. Tourist-spot stores (3% of total stores) saw improved sales, while extended alcohol-selling hours also provided support. By store profile, SSSG performance ranked from strongest to weakest: a) tourist areas, b) entertainment venues, c) residential areas, and d) petrol stations.
- **Mild impact from copayment scheme.** The Thai Help Thai Plus copayment scheme caused some demand to shift away from 7-Eleven stores only during the beginning of the month, but sales improved toward month-end. Overall, management viewed the impact as less severe than initially expected, which is consistent with the messages from peers' management. Management remains confident in its plan to open 700 new stores this year, with large stand-alone stores continuing to be the key format. The All Grocer format now has around 2,000 stores, or approximately 12% of total stores. While the format puts some pressure on margins due to its product mix, historical performance shows that the introduction of new product offerings can still support gross margin expansion.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	987,143.0	1,021,588.0	1,047,830.2	1,078,528.6	1,112,133.4
EBITDA	87,269.0	90,540.2	94,367.8	97,801.2	101,331.9
Operating profit	50,064.2	52,763.7	56,221.4	57,309.2	58,467.9
Net profit (rep./act.)	25,345.8	28,206.1	30,930.9	31,714.1	32,575.8
Net profit (adj.)	24,613.6	27,711.8	30,350.8	31,128.2	31,984.0
EPS	2.7	3.1	3.4	3.5	3.6
PE (x)	17.1	15.2	13.8	13.5	13.1
P/B (x)	3.3	3.0	2.6	2.4	2.2
EV/EBITDA (x)	11.3	11.1	10.4	10.0	9.7
Dividend yield (%)	2.9	3.5	3.9	4.0	4.1
Net margin (%)	2.6	2.8	3.0	2.9	2.9
Net debt/(cash) to equity(%)	291.6	281.4	234.4	212.6	191.4
Interest cover (x)	5.9	6.3	6.7	7.0	7.3
ROE (%)	21.3	21.3	20.9	17.5	17.2
Consensus net profit	n.a	n.a	30,778.4	33,483.6	36,493.1
UOBKH/Consensus (x)	n.a	n.a	1.0	0.9	0.9

Source: CP ALL, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	Bt46.75
Target Price	Bt62.00
Upside	32.62%

Stock Data

Sector	Consumer Staples
Bloomberg ticker	CPALL TB
Shares issued (m)	8,911.5
Market cap (Btm)	416,612.8
Market cap (US$m)	12,683.8
3-mth avg daily t'over (US$m)	46.4

Price Performance (%)

52-week high/low Bt54.5/Bt41.0

1mth	3mth	6mth	1yr	YTD
(1.6)	0.0	(10.5)	2.8	7.5

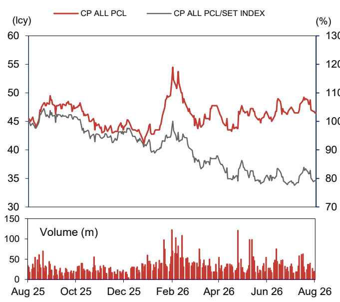
Major Shareholders (%)

CPF	30.78
NVDR	13.20
SOUTH EAST EUROPE LIMITED	3.13

Balance Sheet Metrics

FY26 NAV/Share (Bt)	17.6
FY26 Net Debt/Share (Bt)	41.3

Price Chart



Source: Bloomberg

Company Description

Operator of Thai 7-Eleven stores, controlling more than 50% share of convenience store market in Thailand.

2Q26 Results Recap

Year to 31 Dec (Btm)	2Q25	1Q26	2Q26	yoy (%)	qoq (%)	2025	2026	yoy (%)
Sales and services	248,865	259,355	257,098	3.3	(0.9)	990,663	1,014,740	2.4
Cost of sales	192,170	200,386	198,429	3.3	(1.0)	765,546	783,137	2.3
Gross profit	56,695	58,969	58,669	3.5	(0.5)	225,117	231,603	2.9
SG&A	51,115	51,309	53,803	5.3	4.9	203,279	208,472	2.6
Other income	7,703	8,125	8,543	10.9	5.1	28,737	31,480	9.5
EBIT	13,141	15,670	13,299	1.2	(15.1)	52,764	56,221	6.6
EBITDA	22,432	24,981	13,299	(40.7)	(46.8)	90,540	94,368	4.2
Interest expense	3,803	3,594	3,605	(5.2)	0.3	14,894	14,649	(1.6)
Core profit	7,006	8,926	7,399	5.6	(17.1)	24,623	26,889	9.2
Net profit	**6,768**	**9,118**	**7,512**	**11.0**	**(17.6)**	**28,206**	**30,931**	**9.7**
Percent	2Q25	1Q26	2Q26	(ppts)	(ppts)	2025	2026	(ppts)
Gross margin	22.8	22.7	22.8	0.04	0.08	22.7	22.8	0.1
SG&A to sales	20.5	19.8	20.9	0.39	1.14	20.5	20.5	0.0
Net profit margin	2.7	3.5	2.9	0.20	(0.59)	2.8	3.0	0.2

Source: Bloomberg, UOB Kay Hian

- **Results recap.** CPALL reported 2Q26 net profit of Bt7.5b (+11% yoy, -17% qoq). Strong earnings were supported by the convenience store (CVS) business, whose profit grew 13% yoy, leading to consolidated results of: a) revenue growth of 3% yoy, b) a flat gross margin of 22.8% yoy, c) other income growth of 11% yoy, and d) a 5% yoy decline in interest expenses, which offset a 40bp yoy increase in SG&A-to-sales.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt62.00.** Our target price is based on 18x 2026F PE, or -1SD to its five-year average, while the stock currently trades at an undemanding 14x PE, below sector peers. Over the medium to long term, CPALL's growth should continue to be driven by its CVS business, supported by SSSG growth and continued store expansion. We expect improving SSSG momentum in 3Q26 alongside new store openings, while pressure from higher diesel prices on margins should ease. We continue to like CPALL for its strong long-term growth profile and attractive valuation.

Earnings Revision/Risk

- **No earnings revision.** 1H26 earnings accounted for 54% of our full-year forecast (vs 51% in 1H25), suggesting no downside risk to our earnings estimate.

Share Price Catalyst

- Positive SSSG, strong CVS performance.

Environment, Social, Governance (ESG) Updates

CG Report: 5 | SET ESG Rating: AAA

Environment

- **7 Go Green.** CPALL plans to achieve carbon neutrality by 2030 and to achieve net zero greenhouse gas emissions by 2050. CPALL is keen to improve sustainable developments such as green packaging management and food waste management.

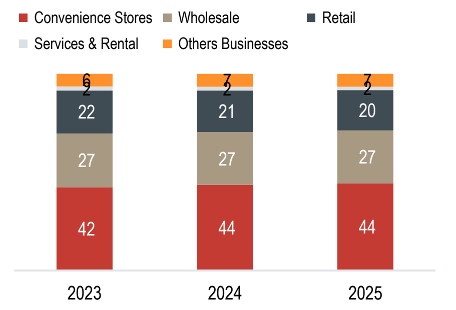
Social

- **7 Go Together.** CPALL supports social development through various initiatives, such as supporting SMEs and increasing the number of new health and nutrition products and services.

Governance

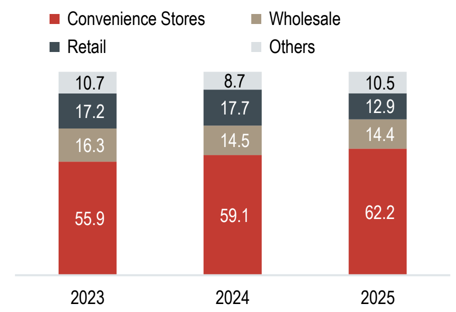
- **7 Go Right.** CPALL was certified for renewed membership in Thailand's Private Sector Collective Action Coalition Against Corruption for 2023-26.

Sales Contribution Before Elimination



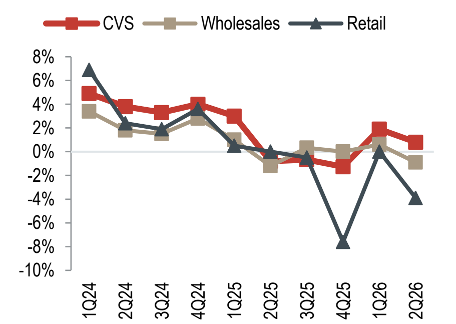
Source: UOB Kay Hian

EBIT Contribution Before Elimination



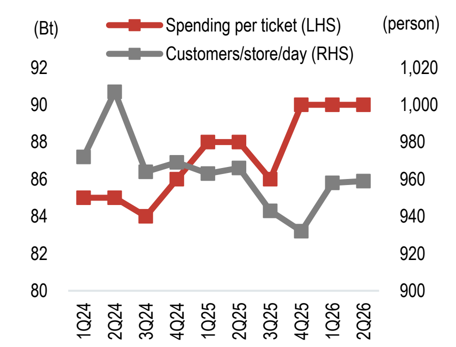
Source: UOB Kay Hian

Same-store Sales growth



Source: UOB Kay Hian

Ticket Size And Foot Traffic



Source: UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	**1,021,588**	**1,047,830**	**1,078,529**	**1,112,133**
EBITDA	90,540	94,368	97,801	101,332
Deprec. & amort.	37,777	38,146	40,492	42,864
EBIT	52,764	56,221	57,309	58,468
Total other non-operating income	9	0	0	0
Associate contributions	580	580	586	592
Net interest income/(expense)	(14,347)	(14,022)	(13,980)	(13,937)
Pre-tax profit	**38,919**	**42,780**	**43,915**	**45,123**
Tax	(7,045)	(7,807)	(8,016)	(8,238)
Minorities	(3,669)	(4,042)	(4,185)	(4,309)
Net profit	**28,206**	**30,931**	**31,714**	**32,576**
Net profit (adj.)	27,712	30,351	31,128	31,984

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	803,684	816,376	827,584	837,490
Other LT assets	26,572	26,993	32,691	38,745
Cash/ST investment	53,561	70,526	71,870	77,881
Other current assets	98,997	91,803	96,301	101,553
Total assets	**982,814**	**1,005,699**	**1,028,445**	**1,055,669**
ST debt	75,885	75,885	75,885	75,885
Other current liabilities	174,694	180,592	184,007	190,628
LT debt	366,454	365,754	365,054	364,354
Other LT liabilities	34,236	35,826	36,372	37,619
Shareholders' equity	138,141	158,304	173,604	189,350
Minority interest	193,403	189,338	193,523	197,832
Total liabilities & equity	**982,814**	**1,005,699**	**1,028,445**	**1,055,669**

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	**74,255**	**86,210**	**75,308**	**81,119**
Pre-tax profit	38,919	42,780	43,915	45,123
Tax	(7,045)	(7,807)	(8,016)	(8,238)
Deprec. & amort.	37,777	38,146	40,492	42,864
Working capital changes	(8,655)	13,118	(1,381)	1,230
Non-cash items	89	(27)	297	140
Other operating cashflows	13,170	0	0	0
Investing	**(37,017)**	**(26,723)**	**(33,904)**	**(34,631)**
Capex (growth)	(59,493)	(50,838)	(51,699)	(52,770)
Investments	111	(232)	(234)	(237)
Others	22,366	24,348	18,030	18,376
Financing	**(38,370)**	**(42,522)**	**(40,061)**	**(40,476)**
Dividend payments	(12,128)	(18,876)	(16,414)	(16,830)
Issue of shares	0	0	0	0
Proceeds from borrowings	17,751	(700)	(700)	(700)
Others/interest paid	(43,993)	(22,947)	(22,947)	(22,947)
Net cash inflow (outflow)	**(1,131)**	**16,965**	**1,344**	**6,011**
Beginning cash & cash equivalent	**54,628**	**53,561**	**70,526**	**71,870**
Ending cash & cash equivalent	**53,497**	**70,526**	**71,870**	**77,881**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	8.9	9.0	9.1	9.1
Pre-tax margin	3.8	4.1	4.1	4.1
Net margin	2.8	3.0	2.9	2.9
ROE	21.3	20.9	17.5	17.2
Growth				
Net profit (adj.)	12.6	9.5	2.6	2.8
Leverage				
Debt to total capital	133.4	127.0	120.1	113.7
Debt to equity	320.2	279.0	254.0	232.5
Net debt/(cash) to equity	281.4	234.4	212.6	191.4
Interest cover	6.3	6.7	7.0	7.3