Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	51839.3	(0.6)	(1.3)	0.5	7.9
S&P 500	7443.3	(0.2)	(1.0)	(0.8)	8.7
FTSE 100	10524.8	(0.7)	0.3	1.6	6.0
AS30	8974.7	(0.0)	(0.3)	(0.8)	(0.5)
CSI 300	4598.3	1.5	(2.1)	(6.9)	(0.7)
FSSTI	5499.0	(0.2)	0.5	5.9	18.4
HSCEI	8381.9	3.0	3.9	5.1	(6.0)
HSI	25143.1	2.4	3.8	5.1	(1.9)
JCI	6231.8	0.9	3.2	0.9	(27.9)
KLCI	1722.3	(0.5)	1.4	0.6	2.5
KOSPI	6516.3	(4.5)	(4.3)	(28.0)	54.6
Nikkei 225	64141.1	0.0	(4.6)	(10.0)	27.4
SET	1646.0	0.4	1.1	4.7	30.7
TWSE	42449.7	(0.5)	(6.5)	(8.6)	46.6
BDI	2671.0	(2.9)	(9.8)	(1.9)	42.3
CPO (RM/mt)	4440.0	0.0	(0.6)	(2.2)	12.9
Brent Crude (US$/bbl)	89.2	1.3	7.1	10.7	46.6

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Virtual Post-Results Meeting with ASL Marine Holdings Ltd (ASL SP)	Singapore	21 Jul	21 Jul
Hybrid Post-result Group Luncheon with Plover Bay Technologies Ltd (1523 HK)	Hong Kong	31 Jul	31 Jul

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

Greater China

Sector Update | Internet Page 3

WAIC 2026 was held in Shanghai under the theme "Intelligent Partners, Creating the Future Together”. The event featured over 1,100 exhibitors, approximately 3,000 exhibits, more than 300 global product launches and over 300 robots, covering the full AI stack from chips, computing infrastructure and foundation models to agents, embodied AI and smart devices. This year's focus shifted towards full-stack AI deployment and real-world commercialisation. Maintain MARKET WEIGHT.

Initiate Coverage | Atour Lifestyle Holdings (ATAT US/**BUY**/US$32.60/Target: US$45.10) Page 7

Atour is a key beneficiary of China’s expanding experiential consumption with its upper midscale hotels. Atour leverages its positioning to differentiate itself, supporting pricing power and performance resilience among peers. Its superior unit economics further underpin sustainable network expansion. Meanwhile, the retail business utilises the hotel network as a natural retail channel, transforming one-time stays into lifestyle consumption and establishing Atour’s second, fast-growing engine that contributes 37% of revenue. Initiate coverage with BUY with target price of US$45.10.

Company Update | Yuexiu Property (123 HK/**BUY**/HK$3.72/Target: HK$4.50) Page 10

Yuexiu issued a profit warning on 17 Jul 26, guiding for 1H26 attributable and core net profit of Rmb50m-100m, down 90-95% yoy, on a smaller JV contribution and narrower development margins as low-margin completed inventory is being destocked. We expect 1H26 revenue to decline 20-30% yoy on deferred deliveries and a gross margin of 7.0% (1H25: 10.6%). We cut 2026-28 earnings, with interim dividend expected to hold at a 40% payout ratio. Maintain BUY with a target price of HK$4.50.

Indonesia

Strategy | Solar Energy Entering Acceleration Phase Page 13

Indonesia's solar sector has entered an acceleration phase, growing at a 55% CAGR since 2020 on utility-scale and rooftop adoption, though it still contributes just 0.5% of the power mix. Government incentives and PLN's 17.1GW RUPTL target underpin the outlook, while a 3.4GW Singapore export initiative adds a new growth vector. Key beneficiaries are ADRO, MEDC, and KEEN, while ARKO and HGII could potentially benefit.

Malaysia

Company Update | CelcomDigi (CDB MK/**BUY**/RM2.98/Target: RM4.05) Page 16

CelcomDigi is expected to report sequentially stronger earnings in 2Q-3Q26, driven by: a) higher synergistic savings from the merger exercise – with a full-year 2026 target of RM465m savings to flow through to P&L, and b) postpaid and prepaid price adjustments seen across the sector since Feb 26. We see positive risk-reward for the stock, which is trading at -1SD to its mean valuation given the foreign selldown in Jun 26. Maintain BUY with a DCF-based target price of RM4.05.

Singapore

Company Update | Oiltek International (OTEK SP/**BUY**/S$1.60/Target: S$2.78) Page 19

We hosted Oiltek recently, and management provided updates on its expansion strategy. Going forward, Oiltek will continue to pursue growth through a strong pipeline of SAF projects, JVs and new ventures. In addition, the HOA announced in Apr 26 is progressing well. Maintain BUY with an unchanged target price of S$2.78, pegged to 28x 2027F PE.

Thailand

Company Results | Bank of Ayudhya (BAY TB/**BUY**/Bt45.75/Target: Bt50.00) Page 22

BAY posted a 2Q26 net profit of Bt8.3b, flat yoy but declining 4% qoq. The results are in line with our forecasts. BAY reported outstanding loans of around Bt1.95t in 2Q26, increasing 4% yoy and 1.6% qoq. In 1H26, total loan portfolio grew 0.4% yoy. Credit costs reduced by 5bp qoq to 235bp in 2Q26. The improvement was primarily driven by strengthening asset quality within the domestic portfolio. Maintain BUY with a target price of Bt50.00.

Company Results | Kiatnakin Phatra Bank (KKP TB/**BUY**/Bt109.50/Target: Bt135.00) Page 25

KKP reported a net profit of Bt2.12b for 2Q26, increasing 51% yoy and 9% qoq. beating our and consensus expectations by 29% and 17% respectively. The key positive surprise was non-II coming in 69% higher than our expectation, mainly attributable to: a) an impressive fee and service income, and b) dividend income. We expect the high dividend payout to attract capital flow to drive the share price higher. Upgrade to BUY with a higher target price of Bt135.00.

Company Results | TMBThanachart Bank (TTB TB/**HOLD**/Bt2.96/Target: Bt3.20) Page 28

TTB posted 2Q26 net profit of Bt5.51b (+10% yoy, +7% qoq). The results beat our and consensus estimates by 6% and 7% respectively. Loan portfolio contracted 1.8% yoy but expanded 0.5% qoq in 2Q26. NPL ratio was stable at 2.93% qoq. We expect TTB to switch from share buyback to a cash dividend payment as the bank has a Bt14b budget remaining for share buybacks from now till 2028. Maintain HOLD with a higher target price of Bt3.20.

Company Update | Amata Corporation (AMATA TB/**BUY**/Bt28.25/Target: Bt35.00) Page 31

We expect AMATA to report a 2Q26 net profit of Bt1.03b (+636% yoy, -25% qoq). Revenue is forecast at Bt3.8b (+64% yoy, -3.2% qoq), driven by 288 rai of land transfers. Land sales reached 271 rai, including 150 rai from the electronics and high-tech sectors. Gross margin should improve, supported by a higher proportion of transfers from AMATA City Rayong. Maintain BUY with a higher target price of Bt35.00.

Internet

MARKET WEIGHT
(Maintained)

WAIC 2026 – Full-stack AI Deployment Accelerates Across Agents, Embodied Intelligence and Smart Terminals

Analyst(s)
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Highlights

- WAIC 2026 was held in Shanghai under the theme "Intelligent Partners, Creating the Future Together". The event featured over 1,100 exhibitors, approximately 3,000 exhibits, more than 300 global product launches and over 300 robots, covering the full AI stack from chips, computing infrastructure and foundation models to agents, embodied AI and smart devices. This year's focus shifted towards full-stack AI deployment and real-world commercialisation. Maintain MARKET WEIGHT.

WHAT'S NEW

- **We believe WAIC 2026 signals that China's AI industry is entering a new phase,** with competition shifting beyond model scaling toward efficiency, AI agents, embodied AI and AI infrastructure.
  a) **LLMs.** Competition is moving from parameter scaling to memory efficiency, token utilisation and inference optimisation, with AI agents emerging as the primary commercialization vehicle for foundation models.
  b) **Embodied AI.** The industry is evolving from Vision-Language-Action (VLA) models toward World Models, enabling robots to better understand, predict and interact with physical environments.
  c) **AI infrastructure.** Competition is shifting from individual chips to training-inference integrated AI accelerators and super-node clusters. Scale-up networking remains the fastest-evolving AIDC technology, while CPO is a long-term opportunity despite yield and engineering challenges.
  d) **Next AI frontier shifts toward AI-driven research and physical AI commercialisation.** Discussions increasingly focused on AI evolving from a productivity tool to a **research partner**, capable of accelerating scientific discovery and potentially designing next-generation model architectures. At the same time, **embodied AI** is shifting its focus from demonstration prototypes to real-world commercial deployment, emphasising scalable industrial and service applications.
  d) **Long-term bottlenecks.** China's AI competitiveness will increasingly depend on **advanced chips, compute infrastructure, proprietary data and ecosystem collaboration,** with long-term value shifting beyond model performance.

Sector Picks

Company	Ticker	Rec	Share Price (HK$)	Target Price (HK$)
Alibaba	9988 HK	BUY	116.80	190.00

Source: Bloomberg, UOB Kay Hian

Peer Comparison

Company	Ticker	Rec	Price 20 July 26 (HK$)	Target Price (HK$)	Upside To TP (%)	Last Year End	PE 2026F (x)	PE 2027F (x)	PE 2028F (x)	Yield 2026F (%)	ROE 2026F (%)	Market Cap. (LC$m)	Price/ NAV ps (x)
Alibaba	9988 HK	BUY	116.80	190.00	63	Mar-26	19.1	13.3	10.2	0.96	8.80	2,235,982	2.0
Baidu	9888 HK	BUY	109.10	178.00	63	Dec-25	14.8	13.0	10.5	0.00	5.25	296,700	0.9
Tencent	700 HK	BUY	478.20	680.00	42	Dec-25	13.7	12.5	11.4	1.30	19.27	4,344,404	2.8
JD.com	9618 HK	BUY	120.40	156.00	30	Dec-25	9.6	7.3	6.2	3.13	12.36	328,070	1.2
Kingsoft	3888 HK	BUY	24.52	32.00	31	Dec-25	17.7	19.9	15.1	0.83	5.75	33,882	0.9

Source: Bloomberg, UOB Kay Hian

- **China's LLM competition has evolved from cost efficiency (DeepSeek) to frontier intelligence (Zhipu GLM) and now pricing power, led by Moonshot's Kimi K3.** Launched on 17 July, the 2.8T-parameter Kimi K3 sets a new benchmark in coding and agentic AI, with pricing of US$2.3 per 1M blended tokens, above Qwen3.7 Max (US$1.4), GLM-5.2 (US$0.9), MiniMax M3 (US$0.22) and DeepSeek V4 Pro (US$0.18). Looking into 2H26, we expect competition to centre on coding, AI agents and proprietary data flywheels, with 2–5T-parameter model launches from Zhipu, Alibaba and MiniMax. While lower-end API pricing (US$0.1–0.2 per 1m tokens) is likely to remain under pressure, we believe pricing power, cost efficiency and financial strength will increasingly differentiate long-term winners. Beyond foundation models, agent platforms and video generation remain the most attractive monetisation opportunities.

Essentials

- **Baidu expands its AI ecosystem across agents, autonomous driving and AI infrastructure.** At WAIC 2026, Baidu Dazi was named a "Treasure of Exhibition," while GenFlow 4.0 reached 100m MAUs and its no-code platform Miaoda surpassed 35m users with 3.5m commercially deployable applications, highlighting growing enterprise AI adoption. Baidu also upgraded Office Agent, Netdisk and enterprise productivity tools. In autonomous driving, Apollo Go expanded internationally through a partnership in Kazakhstan, following deployments across 27 cities and more than 22m cumulative rides as of May 2026. On the infrastructure side, Kunlunxin's Tianchi 256 improved throughput by 25% and inference efficiency by 50%, while the new Tianchi 512 supports trillion-parameter model training. We view Baidu's strategy as leveraging its full-stack capabilities across AI agents, autonomous mobility and computing infrastructure to strengthen long-term AI commercialisation.
- **Alibaba strengthens its full-stack AI infrastructure and enterprise agent platform.** At WAIC 2026, Alibaba's Zhenwu M890 AI chip and Panjiu AL128 supernode server were named "Treasures of Exhibition," underscoring Alibaba's leadership in AI infrastructure. The M890 delivers 3x the performance of its predecessor, while the AL128 integrates 128 M890 chips to power large-scale model training and inference for Qwen, DeepSeek and Kimi on Alibaba Cloud. On the software side, Alibaba launched Agent Native Cloud, providing an end-to-end enterprise Agent platform spanning infrastructure, orchestration, governance and deployment. New offerings including Meoo Team and Wuying Agentic Computer further expand enterprise AI adoption by enabling secure multi-Agent collaboration, AI-native workflows and 24/7 cloud-based productivity. We view these launches as reinforcing Alibaba's strategy of integrating proprietary AI infrastructure with enterprise software to accelerate AI cloud monetisation.
- **Tencent expands its AI ecosystem from agents to embodied AI.** Tencent unveiled three embodied foundation models - Hy-Embodied-VLM-1.0, Hy-Embodied-RxBrain-1.0 and Hy-Embodied-VLA-0.5 - covering perception, reasoning and robot control, alongside the Apexio embodied agent and TairosAgent framework. The company also upgraded its Tairos embodied AI platform and showcased its next-generation Xiaoliu robot, highlighting applications in rehabilitation, healthcare and human-robot interaction. On the application side, Tencent expanded its AI agent ecosystem with the global launch of ADP 4.0, adding support for LINE, Telegram, Google Workspace and multiple international LLMs, while introducing the standalone WorkBuddy app and AI Navigator+ for enterprise productivity. We view Tencent's strategy as extending AI from digital agents toward real-world applications, leveraging its full-stack capabilities across models, platforms and enterprise software.
- **MiniMax highlights M3-led model-to-application ecosystem and previews next-generation multimodal model H3.** MiniMax showcased its flagship MiniMax M3 model, multimodal capabilities and AI-native products at

Baidu's Kunlunxin AI Supernode

Source: WAIC, UOB Kay Hian

Alibaba Zhenwu M890 × Panjiu AL128 Supernode

Source: WAIC, UOB Kay Hian

MiniMax Booth at WAIC 2026

Source: WAIC, UOB Kay Hian

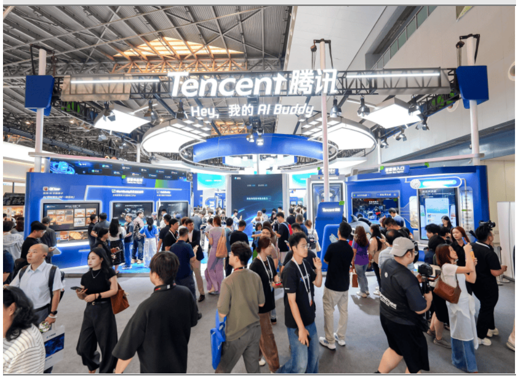
WAIC 2026, highlighting M3's strengths in long-context processing, coding and Agentic tasks. It also previewed H3, which was labelled "Coming Soon" and had not yet been officially launched. Unlike models built around separate image, video or audio generation and editing tasks, H3 is designed to jointly process multimodal context comprising text, images, video and audio, enabling a more unified understanding of creative intent and more natural, coherent outputs. MiniMax also demonstrated how M3 and its broader model and Agent capabilities can be deployed across real-world applications through partnerships spanning robotic dogs, AI glasses, smart earphones, NAS devices, financial services and film and television content. The showcase reflected MiniMax's progress in translating its underlying model capabilities into AI-native products, industry solutions and a broader open-source and global ecosystem.

- **StepFun showcases STEPX Neo AI smartphone and wins WAIC 2026 "Treasure of Exhibition".** STEPX Neo is an AI smartphone integrating models, software and hardware, with the built-in Amoo personal Agent providing memory, decision-making, execution and security capabilities. Live demonstrations showed Amoo planning flights and hotels through Trip.com while avoiding calendar conflicts, and connecting users to Alipay services through interactive information cards. STEPX has also formed ecosystem partnerships with Trip.com, Alipay, Didi and Meituan to support travel, local services and other daily-use scenarios. The WAIC showcase further featured the Step foundation-model portfolio, AI applications and automotive super-Agent solutions, highlighting StepFun's broader model-to-device ecosystem and its push toward practical, end-to-end personal AI services.
- **Kingsoft Office named WAIC 2026 "AI Office Productivity Partner".** Kingsoft Office participated in WAIC 2026 as the conference's AI Office Productivity Partner, showcasing two newly launched AI office agents - Lingxi Professional for individual users and WPS Comate for organisations. Lingxi Professional is designed to complete office tasks and deliver usable outputs, while WPS Comate provides enterprises with a unified AI entry point that integrates models into organisational data, knowledge and business workflows. The partnership highlights Kingsoft Office's role in advancing AI-native productivity and enterprise AI adoption.
- **JD.com showcases a full-stack JoyAI model ecosystem extending AI into the physical world.** At WAIC 2026, JD.com systematically presented its JoyAI model portfolio for the first time, spanning speech, image, video, real-time interaction, world models and embodied intelligence. It also open-sourced the industry's largest human-perspective dataset, introduced the first JoyInside "AI Home" and enabled visitors to experience first-person data collection through JoyEgoCam. JD launched JoyAI-Talker, a real-time voice-interaction model supporting low-latency dialogue, emotional understanding, memory and tool use, alongside JoyAI-Video-Edit, which enables real-time video preview and editing. Together with five other foundation models released this year, the showcase highlights JD's efforts to connect models and data with real-world perception, decision-making and action across industrial applications.
- **Baichuan showcases Baichuan-M4's clinical deployment in oncology and paediatrics.** At WAIC 2026, Baichuan Intelligence presented the first real-world clinical validation of Baichuan-M4 in specialist medical settings. The company is jointly developing an oncology AI solution with the National Cancer Center and the Cancer Hospital of the Chinese Academy of Medical Sciences, as well as an AI paediatrician with the National Center for Children's Health and Beijing Children's Hospital. Co-developed with a Tsinghua University research team, M4 offers low-hallucination, evidence-based reasoning, deeper patient questioning and long-term memory for doctors and individual users. On HealthBench, M4 recorded an overall score of 68.6, more than 10 points ahead of GPT-5.5, while leading the Hard subset

JD.com JoyAI Humanoid Robot Showcase

Source: WAIC, UOB Kay Hian

Tencent AI Ecosystem Showcase at WAIC 2026



Source: WAIC, UOB Kay Hian

StepFun STEPX Neo AI Smartphone at WAIC 2026

Source: WAIC, UOB Kay Hian

Baidu AI Cloud Intelligent-Computing Infrastructure

Source: WAIC, UOB Kay Hian

by 15.9 points. Its reported factual hallucination rate was 3.3%, supporting its potential for high-stakes clinical applications.

- D**omestic AI infrastructure becomes increasingly strategic.** Competition is shifting from individual chips to super-node computing systems and integrated AI infrastructure. Chinese vendors continue to advance domestic compute ecosystems, strengthening the foundation for large-scale AI deployment amid ongoing export restrictions. WAIC 2026 reinforced that AI is moving beyond parameter scaling and technology demonstrations toward commercial deployment, enterprise monetisation and domestic infrastructure. It confirms that China's AI industry is entering a new phase where embodied AI drives physical-world adoption, AI Agents accelerate enterprise workflows, and domestic AI infrastructure underpins long-term commercialization.

Valuation/Recommendation

- **Alibaba (9988 HK).** Maintain BUY with an unchanged target price of HK$190.00 (US$194.00). Alibaba is trading at 16x FY27F PE, against 43% EPS three-year CAGR over FY27-30. We are bullish on Alibaba, supported by its strong cloud revenue momentum, an increasingly competitive AI model ecosystem and improving Cloud Intelligence margins in 1QFY27. Its integrated capabilities across cloud infrastructure, proprietary AI models and in-house hardware further strengthen its positioning to capture rising enterprise AI demand.
- **Tencent (700 HK).** Maintain BUY with a target price of HK$680.00. Our target price implies 17.4x 2027F PE. The company currently trades at 13x 2027F PE. We believe Tencent remains one of the best-positioned beneficiaries of agentic AI, supported by improving LLM performance following the restructuring of its AI team earlier this year, steady progress in integrating AI capabilities across WeChat and WeChat Pay, and the continued expansion of its broader AI application ecosystem.
- **Baidu (9888 HK).** Maintain BUY with a target price of HK$178.00 (US$206.00). Our target price implies 22.8x 2026F PE. The company is currently trading at 14x 2027F PE. We expect GPU Cloud to sustain triple-digit yoy growth in 2Q26F, supporting sequential cloud margin improvement, while the proposed Kunlunxin spin-off remains on track.
- **JD.com (9618 HK).** Maintain BUY with a target price of HK$156.00 (US$40.00). Our target price implies 10x 2027F PE. The company is currently trading at 7.7x 2027F PE. We expect a stronger recovery in 2H26 as subsidy-related base effects ease, although the outlook remains dependent on JD's ability to narrow food-delivery losses.
- **Kingsoft (3888 HK).** Maintain BUY with a target price of HK$32.00 Our target price implies 18.2x 20267 PE. The company is currently trading at 14x 2027F PE. We remain positive on Kingsoft Office's AI positioning, supported by deep WPS integration and expanding use cases, with monetisation the next key catalyst.

Sector Catalyst/Risk

- **Catalysts:** a) Faster enterprise adoption of AI Agents and Agent-native cloud services; b) broader AI integration across office, retail, payments and consumer applications; c) commercialisation of embodied AI and smart terminals; d) continued progress in proprietary chips, supernodes and cloud infrastructure; and e) stronger ecosystem partnerships accelerating real-world AI deployment.
- **Risks:** a) Regulatory risks (security and privacy concerns), b) heavy capex and R&D costs, and c) limited access to high-performance GPU chips due to geopolitical risks.

Atour Lifestyle Holdings (ATAT US)

From Hospitality To Lifestyle

Highlights

- As a key beneficiary of China's expanding experiential consumption, upper midscale hotel player Atour leverages its positioning to differentiate itself, supporting pricing power and performance resilience among peers. Its superior unit economics further underpin sustainable network expansion. Meanwhile, the retail business utilises the hotel network as a natural retail channel, transforming one-time stays into lifestyle consumption and establishing a second, fast-growing engine for the company.
- Initiate coverage with BUY and target price of US$45.10.

Analysis

- **Resilient player in China's upper-midscale hotel industry, a key beneficiary of expanding experiential consumption.** We believe the expansion of experiential consumption is supporting continued growth in China's hotel industry, with the upper-midscale segment as the key beneficiary (10% five-year CAGR over 2024-29 vs the industry's 7%). As consumers become increasingly rational and value driven, the upper-midscale segment benefits from a reverse-barbell pull, with demand downtrading from luxury (saving 40-50%) and uptrading, whether from economy (paying 50-70% more) or from same-tier alternatives (20-30% more) for newer design and better facilities. Within the segment, Atour Lifestyle Holdings (Atour) differentiates itself through the synergy between its manachised and retail operations, driving resilient operating performance. Looking ahead, under its "Chinese experience, brand-led excellence" strategy for 2026-28, Atour aims to further strengthen pricing power through product and brand upgrades.
- **Superior unit economics support sustainable network expansion.** We believe Atour Hotel's stronger profitability and shorter payback period relative to peers serve as competitive advantages in attracting manachised partners, thereby supporting the expansion of its hotel network. With 2,015 hotels as of end-25, Atour's long-term target is to have a network of 5,000 hotels.
- **Retail business monetises hotel traffic into lifestyle consumption.** Atour leverages its hotel network as a natural retail channel, transforming one-time stays into recurring monetisation opportunities across customer lifestyle consumption, building on its established hotel clientele. Retail revenue recorded a 97% six-year CAGR during 2019-25, with contribution rising from 4% to 37%. Looking ahead, the company plans to continue investing in the retail business in the near term, with business expansion as the top priority.

Click here for Full Report dated 20 Jul 26

Key Financials

Year to 31 Dec (Rmbm)	2024	2025	2026F	2027F	2028F
Net turnover	7,248	9,790	12,389	14,710	16,758
EBITDA (adj.)	1,772	2,481	3,015	3,630	4,236
Operating profit	1,622	2,307	2,826	3,413	3,991
Net profit (rep./act.)	1,275	1,621	1,958	2,375	2,782
Net profit (adj.)	1,306	1,753	2,126	2,570	3,003
EPS (Fen per ADS)	938.9	1,254.1	1,521.0	1,839.1	2,148.4
PE (x)	23.5	17.6	14.5	12.0	10.3
P/B (x)	10.3	8.5	6.2	4.7	3.7
EV/EBITDA (x) (adj.)	14.9	10.9	8.5	6.7	5.3
Dividend yield (%)	1.4	2.5	3.2	3.9	4.7
Net margin (%)	17.6	16.6	15.8	16.1	16.6
Net debt/(cash) to equity (%)	(192.7)	(172.1)	(162.6)	(146.8)	(136.9)
Interest cover (x)	n.a.	n.a.	n.a.	n.a.	n.a.
ROE (%)	51.0	49.7	46.0	41.5	37.5
Consensus net profit	-	-	2,132.1	2,569.9	3,024.7
UOBKH/Consensus (x)	-	-	1.00	1.00	0.99

Note: Per ADS represents 3 ordinary shares
Source: Atour, Bloomberg, UOB Kay Hian

	BUY
Share Price	US$32.60
Target Price	US$45.10
Upside	+38.3%

Analyst(s)
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Stock Data

GICS sector	Hotel, Resorts & Cruise Lines
Bloomberg ticker:	ATAT US
Shares issued (m):	111.5
Market cap (Rmbm):	34,770.5
Market cap (US$m):	4,435.0
3-mth avg daily t'over (US$m):	38.3

Price Performance (%)

52-week high/low: HK$43.17/ HK$30.83

1mth	3mth	6mth	1yr	YTD
(0.6)	(15.0)	(13.3)	(8.2)	(17.3)

Major Shareholders

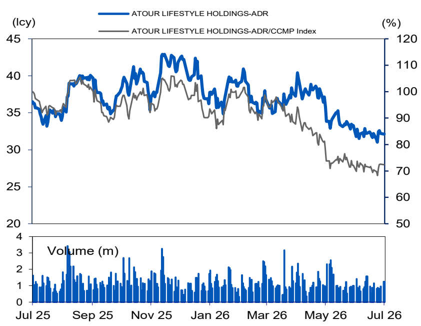
	%
Haijun Wang	19.40

**Haijun Wang effective voting power is 69.10%*

Balance Sheet Metrics

FY26 NAV/ADR (Rmb)	35.71
FY26 Net Cash/ADR (Rmb)	31.45

Price Chart



Source: Bloomberg

Company Description

Atour Lifestyle Holdings is a leading lifestyle group in China operating hospitality and retail businesses. The company manages a portfolio of seven hotel brands across the midscale to luxury tiers, primarily through a manachised (franchise) model, with Atour Hotels as the core brand. In retail, Atour focuses on sleep-related and lifestyle products through proprietary brands such as Atour Planet and SAVHE.

Valuation

- **Initiate coverage with BUY and DCF-based target price of US$45.10.** We use the DCF valuation methodology, assuming a WACC of 13.9% and a terminal growth rate of 2%. Our target price of US$45.10 implies 11.9x 2026F EV/EBITDA and 9.9x 2027F EV/EBITDA.

  The implied EV/EBITDA is broadly aligned with the five-year average one-year forward valuations of Atour's comparable peers, including H World, Jinjiang International Hotels, and BTG Hotels.

  Atour currently trades at 8.5x 2026F EV/EBITDA and 6.7x 2027F EV/EBITDA.

Risk Factors

- **Slower-than-expected economic growth.** A potential deceleration in China's macroeconomic recovery poses a direct risk to discretionary travel and corporate hospitality budgets. This could prompt consumers to trade down to budget hotels, negatively impacting Atour's occupancy (OCC) and lowering its ADR, which in turn would reduce RevPAR and drag down the overall operational performance.
- **Potentially stiffer competition in the retail business.** The rise of innovative online channels and the emergence of private labels could intensify competition in the company's retail business. In addition, the company's scenario-based sleep ecosystem may attract an increasing number of competitors seeking to replicate this model. Such intensification could trigger price wars on flagship products, leading to decelerated growth and lower profitability in Atour's retail business.

Forward EV/EBITDA Multiple Valuation

5-year average forward EV/EBITDA	
H World Group (1179 HK)	14.6
Jinjiang International Hotels (600754 CH)	14.4
BTG Hotels Group (600258 CH)	11.6
Historical average forward EV/EBITDA	
Atour Lifestyle Holdings (ATAT US)	11.1
Industry average forward EV/EBITDA	12.9

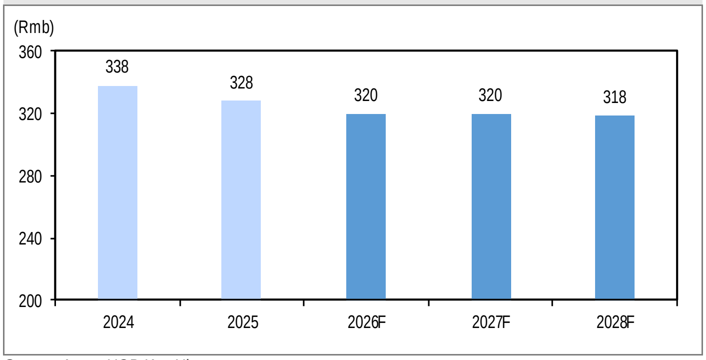
Source: Atour, Bloomberg, UOB Kay Hian

Revenue Breakdown

(US$m)	2025	2026F	2027F	2028F
Manachised hotels	5,309	6,809	7,760	8,560
Leased hotels	590	529	536	537
Retail	3,671	4,809	6,155	7,387
Others	220	242	259	274
Net revenue	9,790	12,389	14,710	16,758

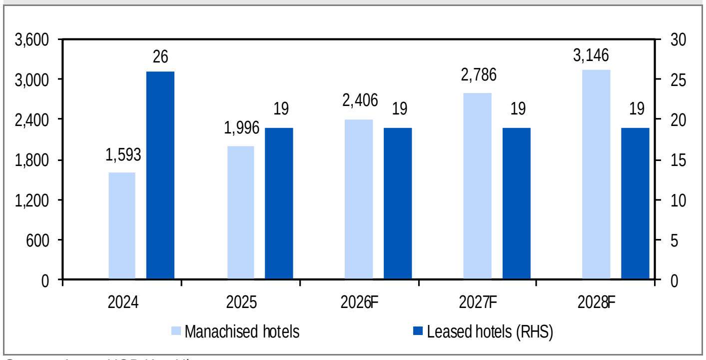
Source: Atour, UOB Kay Hian

RevPAR Forecast



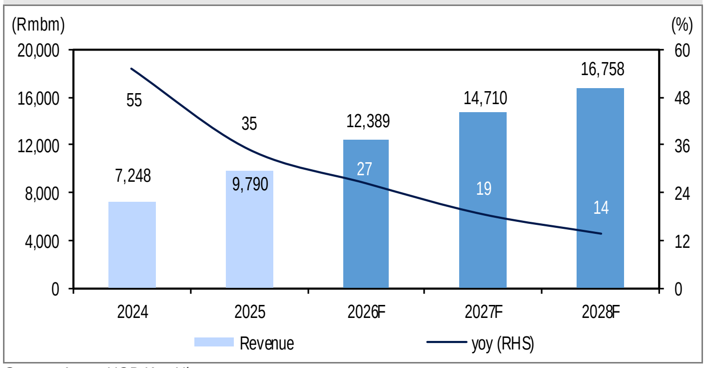
Source: Atour, UOB Kay Hian

Number Of Hotels



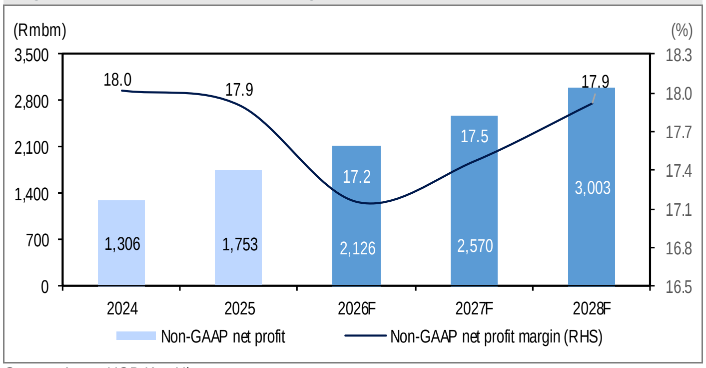
Source: Atour, UOB Kay Hian

Revenue Forecasts



Source: Atour, UOB Kay Hian

Adjusted Net Profit And Adjusted NPM Forecast



Source: Atour, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Net turnover	9,790.2	12,388.9	14,710.4	16,758.3
EBITDA (adj.)	2,480.6	3,015.1	3,629.5	4,236.4
Deprec. & amort.	54.1	48.9	53.0	61.5
EBIT	2,306.7	2,825.6	3,412.9	3,991.3
Net interest income/(expense)	67.9	59.1	85.1	114.7
Pre-tax profit	2,362.9	2,858.2	3,466.4	4,069.5
Tax	(741.6)	(899.5)	(1,091.2)	(1,286.9)
Minorities	(0.3)	(0.3)	(0.4)	(0.5)
Net profit	1,621.0	1,958.3	2,374.9	2,782.1
Net profit (adj.)	1,752.7	2,125.8	2,570.4	3,002.7

Balance Sheet

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Fixed assets	225.6	287.6	352.2	425.3
Other LT assets	1,586.7	1,590.5	1,594.5	1,598.4
Cash/ST investment	3,303.9	4,608.6	6,091.9	7,855.0
Other current assets	4,051.3	4,514.3	4,946.9	5,302.3
Total assets	9,167.5	11,001.0	12,985.4	15,180.9
ST debt	250.0	250.0	250.0	250.0
Other current liabilities	3,475.5	3,957.4	4,355.4	4,737.0
LT debt	2.0	2.0	2.0	2.0
Other LT liabilities	1,859.2	1,859.2	1,859.2	1,859.2
Shareholders' equity	3,593.5	4,944.7	6,530.7	8,344.2
Minority interest	(12.7)	(12.4)	(12.0)	(11.5)
Total liabilities & equity	9,167.5	11,001.0	12,985.4	15,180.9

Cash Flow

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Operating	1,992.8	2,193.6	2,588.8	3,090.4
Pre-tax profit	2,362.9	2,858.2	3,466.4	4,069.5
Tax	(741.6)	(899.5)	(1,091.2)	(1,286.9)
Deprec. & amort.	54.1	48.9	53.0	61.5
Working capital changes	(106.7)	18.9	(34.6)	26.1
Non-cash items	110.5	0.0	0.0	0.0
Others	5.0	0.0	0.0	0.0
Investing	(1,332.1)	(114.7)	(121.5)	(138.4)
Capex (growth)	(86.0)	(114.7)	(121.5)	(138.4)
Investments	(1,251.0)	0.0	0.0	0.0
Others	5.0	0.0	0.0	0.0
Financing	(924.9)	(774.2)	(984.0)	(1,188.8)
Dividend payments	(772.0)	(774.2)	(984.0)	(1,188.8)
Issue of shares	0.0	0.0	0.0	0.0
Proceeds from borrowings	255.0	0.0	0.0	0.0
Loan repayment	(65.0)	0.0	0.0	0.0
Others/interest paid	(342.9)	0.0	0.0	0.0
Net cash inflow (outflow)	(264.1)	1,304.7	1,483.3	1,763.1
Beginning cash & cash equivalent	3,619.6	3,320.2	4,624.8	6,108.1
Changes due to forex impact	(35.3)	0.0	0.0	0.0
Ending cash & cash equivalent	3,320.2	4,624.8	6,108.1	7,871.2

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin (adj.)	25.3	24.3	24.7	25.3
Pre-tax margin	24.1	23.1	23.6	24.3
Net margin	16.6	15.8	16.1	16.6
ROA	19.0	19.4	19.8	19.8
ROE	49.7	46.0	41.5	37.5
Growth				
Turnover	35.1	26.5	18.7	13.9
EBITDA (adj.)	40.0	21.6	20.4	16.7
Pre-tax profit	37.5	21.0	21.3	17.4
Net profit	27.1	20.8	21.3	17.1
Net profit (adj.)	34.2	21.3	20.9	16.8
EPS	33.6	21.3	20.9	16.8
Leverage				
Debt to total capital	7.3	5.6	4.2	3.3
Debt to equity	7.7	5.9	4.4	3.4
Net debt/(cash) to equity	(172.1)	(162.6)	(146.8)	(136.9)

Yuexiu Property (123 HK)

Takeaways From Profit Warning And 1H26 Results Preview

Highlights

- The 17 July profit warning guides for 1H26 attributable and core net profit to come in at Rmb50m-100m, down 90-95% yoy, on a lower JV contribution and a settlement mix skewed towards low-margin completed properties.
- We expect 1H26 gross margin to come in at 7.0%, down 3.6ppt yoy, as Rmb160b of the Rmb220b 2026 saleable pool comprises carried-over inventory settling at low single-digit or negative margins.
- We cut 2026/27/28 attributable net profit to Rmb67m/Rmb133m/Rmb231m, but expect a more balanced 1H26/2H26 split. We expect 2026 attributable net profit to rise 22% yoy, with interim dividend maintained at a 40% payout ratio. Maintain BUY, with target price decreased slightly to HK$4.50.

Analysis

- Yuexiu Property (Yuexiu) announced a profit warning, and we conducted a channel check on 17 July. Key takeaways are as follows.
- **Profit warning in 1H26.** Yuexiu's 17 July profit warning guides for 1H26 attributable and core net profit to come in at Rmb50m-100m, down 90-95% yoy. This decrease is primarily due to: a) lower investment income from JVs, and b) lower gross profit margins from property development sales, particularly as a large proportion of sales came from lower-margin inventories. The high base in 1H25 is also a key reason for the sharp yoy decline.
- **Revenue declines despite deferred deliveries in 2H26.** Contracted sales fell 17.9% yoy to Rmb50.5b in 1H26, but the company remains on track to achieve its full-year contracted sales target of over Rmb100b in 2026. We expect 1H26 revenue to decline by 20-30% yoy from Rmb47.6b, as the delivery of several projects has been deferred to 2H26. As a result, we expect the full-year revenue decline to narrow to 6.3% yoy as the deferred deliveries will be recognised in 2H26, although lower contracted sales will result in a decline in full-year revenue.
- **Pre-2021 inventory continues to weigh on gross margin. We expect gross margin to decline 3.6ppt yoy from 10.6% in 1H25 to 7.0% in 1H26.** The margin contraction is mainly attributable to the company's sales mix. Of the roughly Rmb220b of saleable resources in 2026, around Rmb160b comprises carried-over inventory, with about Rmb60b coming from projects launched before 2021 (about 27%). The inventory before 2021 is expected to settle at low single-digit or even negative gross margins. Hence, continued destocking efforts are likely to put further pressure on gross margins in 2H26 and 2027. **We forecast a 2026 gross margin of 5.5%.**

Key Financials

Year to 31 Dec (Rmbm)	2024	2025	2026F	2027F	2028F
Net turnover	86,400.6	86,457.3	80,977.6	78,076.8	79,546.8
EBITDA	3,990.0	3,135.9	1,279.1	2,004.7	2,879.4
Operating profit	3,451.2	2,648.2	747.8	1,425.4	2,247.3
Net profit (rep./act.)	1,040.1	55.1	67.3	133.3	230.9
Net profit (adj.)	1,590.0	260.0	247.3	313.3	410.9
EPS (HK$)	39.50	6.46	6.14	7.78	10.21
PE (x)	8.13	49.71	52.26	41.26	31.46
P/B (x)	0.23	0.24	0.24	0.24	0.24
EV/EBITDA (x)	29.20	37.16	91.10	58.13	40.47
Dividend yield (%)	5.39	4.70	0.77	0.97	1.27
Net margin (%)	1.20	0.06	0.08	0.17	0.29
Net debt/(cash) to equity (%)	134.20	108.50	96.88	86.88	82.84
Interest cover (x)	17.09	24.28	13.74	21.07	36.61
ROE (%)	1.88	0.10	0.12	0.24	0.42
Consensus net profit (HK$m)	-	-	445.4	731.3	1,103.7
UOBKH/Consensus (x)	-	-	0.56	0.43	0.37

Source: Yuexiu Property, Bloomberg, UOB Kay Hian

BUY (Maintained)	
Share Price	HK$3.72
Target Price	HK$4.50
Upside	21.0%
Previous TP:	HK$4.80

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Stock Data

GICS sector	Real Estate
Bloomberg ticker:	123 HK
Shares issued (m):	4,025.4
Market Cap (Rmbm):	14,974.5
Market cap (US$m):	1,909.8
3-mth avg t'over (US$m):	5.6

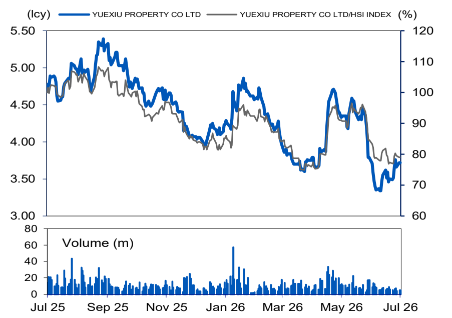
Price Performance (%)

52-week high/low				HK$5.43/HK$3.27
1mth	3mth	6mth	1yr	YTD
(1.8)	(0.8)	(9.3)	(19.3)	(6.1)

Major Shareholders	%
Guangzhou Yuexiu Holdings Limited	45.34
Guangzhou Metro Group Co., Ltd.	19.9

Major Shareholders	
FY26 NAV/Share (Rmb)	13.61
FY26 Net Debt/ Share (Rmb)	13.19

Price Chart



Source: Bloomberg

Company Description

Yuexiu Property Company Limited develops, sells, leases and manages residential and commercial properties in the PRC. It is the property development arm of Guangzhou-based state-owned Yuexiu Group, with its core land bank concentrated in Guangzhou and other tier-1 and core tier-2 cities.

- **Land acquisition remains deliberately restrained.** Yuexiu acquired six land parcels in 1H26, with attributable land premiums totalling nearly Rmb6b, compared with its full-year land acquisition budget of Rmb30b. Part of the unused budget may instead be allocated to the acquisition of the Guangzhou Machang project from its parent in Mar 27. As a result, we expect 2026 land acquisition to come in below the company's Rmb30b budget.
- **Preview for 1H26 results.** We expect a more balanced pace of earnings booking between 1H26 and 2H26, in contrast to the front-loaded earnings in 1H25 and the loss recorded in 2H25. Despite these headwinds, we still forecast 2026 attributable profit to increase slightly yoy. We also expect the interim dividend to be maintained, with the payout ratio remaining at the 40%.

Earnings Revision/Risk

- We cut our 2026/27/28 attributable net profit forecasts from Rmb271m/ Rmb265m/Rmb404m to Rmb67m/Rmb133m/Rmb231m, respectively, as we lower our forecast of property development (PD) gross profit margin from 7%/8%/9% previously to 5.5%/6.5%/7.5%.

Key Changes To Estimates

	Old			New			Change		
Rmbm	26E	27E	28E	26E	27E	28E	26E	27E	28E
Revenue	82,561	81,175	85,767	80,978	78,077	79,547	-1.9%	-3.8%	-7.3%
Revenue-PD	75,229	73,724	78,148	73,645	70,699	72,113	-2.1%	-4.1%	-7.7%
GPM	7.0%	8.0%	9.0%	5.5%	6.5%	7.5%	-1.5%	-1.5%	-1.5%
Attributable net profit	271	265	404	67	133	231	-75.2%	-49.7%	-42.9%

Source: Yuexiu Property, Bloomberg, UOB Kay Hian

Valuation/Recommendation

- **Maintain BUY with a target price of HK$4.50,** based on a 72% discount to our 2026 NAV of HK$15.90. We raise the discount rate of NAV from 70% to 72% to factor in Yuexiu's weaker exposure to core Tier 1 cities, which are leading this round of market stabilisation. Yuexiu is now trading at 0.24x 2026F P/B (1.5SD below mean).

Share Price Catalyst

- Faster-than-expected destocking of pre-2021 inventory.
- Stronger-than-expected recovery in Tier 1 city property markets.

Profit & Loss

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Net turnover	86,457.3	80,977.6	78,076.8	79,546.8
EBITDA	3,135.9	1,279.1	2,004.7	2,879.4
Deprec. & amort.	487.7	531.3	579.3	632.1
EBIT	2,648.2	747.8	1,425.4	2,247.3
Total other non-operating income	0.0	0.0	0.0	0.0
Associate contributions	801.9	392.9	447.7	526.3
Net interest income/(expense)	-129.1	-93.1	-95.2	-78.7
Pre-tax profit	3,321.0	1,047.6	1,777.9	2,694.9
Tax	-1,542.7	-486.6	-825.9	-1,251.8
Minorities	-1,723.3	-493.7	-818.7	-1,212.2
Net profit	55.1	67.3	133.3	230.9
Net profit (adj.)	260.0	247.3	313.3	410.9

Balance Sheet

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Fixed assets	10,953.1	10,583.5	10,659.6	10,724.7
Other LT assets	61,105.9	57,596.1	58,428.7	59,362.6
Cash/ST investment	45,351.7	51,555.6	56,937.9	59,106.2
Other current assets	252,334.1	250,560.3	255,731.1	274,838.3
Total assets	369,744.9	370,295.6	381,757.3	404,031.8
ST debt	27,201.9	28,562.0	29,990.1	31,489.6
Other current liabilities	154,843.1	156,198.2	168,564.1	191,975.8
LT debt	77,625.1	76,072.6	74,551.1	73,060.1
Other LT liabilities	4,242.4	4,155.7	4,155.7	4,155.7
Shareholders' equity	54,817.3	54,785.6	54,793.6	54,860.2
Minority interest	51,015.1	50,521.5	49,702.7	48,490.5
Total liabilities & equity	369,744.9	370,295.6	381,757.3	404,031.8

Cash Flow

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Operating	24,528.1	4,428.1	-2,173.5	-15,788.3
Profit fo the year	3,321.0	1,047.6	1,777.9	2,694.9
Tax	-1,542.7	-486.6	-825.9	-1,251.8
Deprec. & amort.	487.7	531.3	579.3	632.1
Associates	-801.9	-392.9	-447.7	-526.3
Working capital changes	21,279.0	2,232.4	-4,696.5	-18,616.6
Non-cash items	1,566.8	1,410.1	1,269.1	1,142.2
Other operating cashflows	218.2	86.2	170.3	137.3
Investing	17,247.5	4,460.0	0.0	0.0
Capex (growth)	-312.9	0.0	0.0	0.0
Investment	19,019.7	15,010.2	15,272.6	15,540.2
Capex (growth)	0.0	0.0	0.0	0.0
Others	-1,459.3	-10,550.2	-15,272.6	-15,540.2
Financing	-26,151.9	-2,684.0	7,556.1	17,957.0
Dividend payments	-696.4	-607.8	-98.9	-125.3
Proceeds from borrowings	938.2	-192.4	-93.4	8.5
Loan repayment	828.3	792.3	794.3	777.8
Others/interest paid	-27,222.0	-2,676.0	6,954.0	17,296.0
Net cash inflow (outflow)	15,623.7	6,204.2	5,382.5	2,168.7
Beginning cash & cash equivalent	29,728.3	45,351.7	51,555.6	56,937.9
Changes due to forex impact	0.0	0.0	0.0	0.0
Ending cash & cash equivalent	45,352.0	51,555.8	56,938.2	59,106.8

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	3.6	1.6	2.6	3.6
Pre-tax margin	3.8	1.3	2.3	3.4
Net margin	0.1	0.1	0.2	0.3
ROA	0.0	0.0	0.0	0.1
ROE	0.1	0.1	0.2	0.4
Growth				
Turnover	0.1	(6.3)	(3.6)	1.9
EBITDA	(21.4)	(59.2)	56.7	43.6
Pre-tax profit	(20.8)	(68.5)	69.7	51.6
Net profit	(94.7)	22.3	98.0	73.2
Net profit (adj.)	(83.6)	(4.9)	26.7	31.2
EPS	(83.6)	(4.9)	26.7	31.2
Leverage				
Debt to total capital	49.8	49.8	50.0	50.3
Debt to equity	191.2	191.0	190.8	190.6
Net debt/(cash) to equity	108.5	96.9	86.9	82.8
Interest cover (x)	24.3	13.7	21.1	36.6

Strategy

Solar Energy Entering Acceleration Phase

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Highlights

- Indonesia's solar sector has entered an acceleration phase, growing at a 55% CAGR since 2020 on utility-scale and rooftop adoption, though it still contributes just 0.5% of the power mix.
- Government incentives and PLN's 17.1GW RUPTL target underpin the outlook, while a 3.4GW Singapore export initiative adds a new growth vector
- Direct beneficiaries of government initiatives are ADRO and MEDC.

Analysis

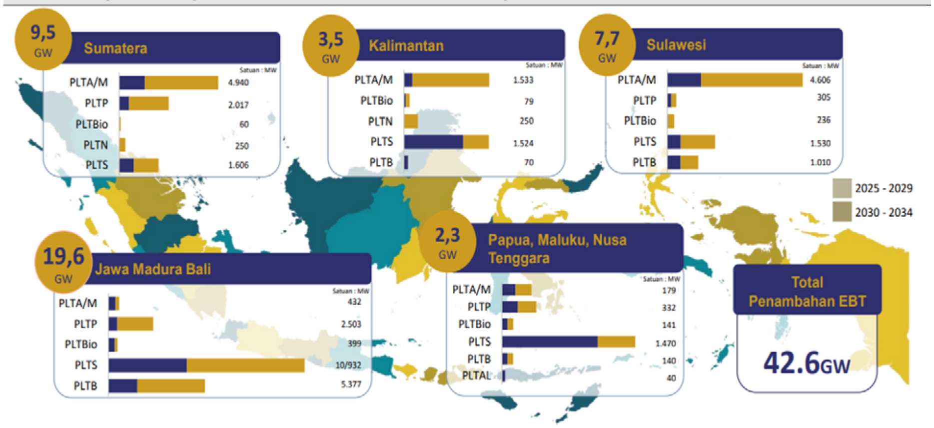
- **55% CAGR growth in solar energy installation.** Indonesia's solar energy sector has entered a clear acceleration phase since 2020, with installed capacity rising from around 166MW in 2020 to approximately 1.5GW in 2025, equivalent to a five-year CAGR of about 55%, driven by utility-scale projects, industrial rooftop adoption, and stronger government support. Growth accelerated sharply from 2023 following the commissioning of the Cirata floating solar project (192 MWp). Despite this rapid expansion, solar remains a minor component of Indonesia's power mix, contributing an estimated 0.5% of total electricity generation in 2025, even though renewable energy accounts for 15.75% of the broader national energy mix. The outlook remains positive, supported by PLN's plan to add around 17.1GW of solar capacity under the 2025-34 RUPTL, although execution will depend on grid readiness, financing availability, regulatory consistency, and domestic-content requirements.
- **Government incentives to support green energy production.** Indonesia offers a broad incentive package to accelerate renewable energy investment, covering fiscal support and operational relief. Qualifying projects may receive a corporate income tax allowance equivalent to 30% of the total investment value, deducted at 5% per year over six years, accelerated depreciation, loss carry-forward of up to 10 years, dividend withholding-tax relief, and tax holidays of up to 100% corporate income tax exemption for 5-20 years. Imported renewable energy equipment not available locally may also receive import-duty and VAT exemptions, while super deductions are available for R&D and training, and special economic zone or free trade zone projects may receive 0% duty and VAT exemptions. For industrial self-consumers, capacity charges and emergency-service fees have been abolished, although installed capacity remains subject to PLN quotas.
- **Solar export to Singapore.** Indonesia and Singapore are advancing a major cross-border green electricity initiative, with Danantara targeting at least 3.4GW of export capacity by 2035 to strengthen regional energy connectivity and support the ASEAN Power Grid. Danantara Investment Management signed MOUs with Keppel Electric and Sembcorp Utilities to explore low-carbon electricity offtake, alongside a separate agreement with Singapore Energy Interconnections to assess the commercial and technical requirements for cross-border transmission infrastructure. The electricity will be supplied from additional generation capacity and will not reduce Indonesia's domestic power supply. Indonesia and Singapore will also develop the required regulatory framework, investment policies, and a cross-border Renewable Energy Certificate system aligned with international standards before commercial electricity flows commence.

- **Major beneficiaries of government green energy initiatives.** ADRO and MEDC are among the Indonesian companies best positioned to participate in the planned green-electricity exports to Singapore, as both have already secured conditional licences from Singapore's Energy Market Authority (EMA) since 2023. Through its subsidiary Adaro Solar International, ADRO has secured an allocation of around 0.4GW of clean electricity export capacity to Singapore, with estimated capex of about US$3.2b covering the solar PV plant and battery energy storage system (BESS). Based on our preliminary estimates, the project could generate a project IRR of 15% and equity IRR of 32%, assuming a US$0.20/kWh export tariff and 70% debt financing at an 8% interest cost. This sits alongside ADRO's broader clean energy build-out via Adaro Clean Energy Indonesia, which includes smaller-scale rooftop (130 KWp) and floating (468 KWp) PV assets.

  MEDC, through the Pacific Medco Solar Energy consortium (in partnership with the Salim Group), has secured conditional approval for up to 600 MW (0.6W) of export capacity, to be supplied from its Bulan Solar PV project that has approximately 2GWp capacity in the Batam area, supported by battery storage and subsea transmission infrastructure to Singapore. That said, both projects have yet to conclude definitive power supply (offtake) agreements with Singapore offtakers, which is the key milestone to lock in export tariffs, and in turn, reach financial close and FID. Hence, our IRR estimates remain indicative for now.

- **KEEN has secured a power purchase agreement with PLN for the 10MW Tobelo solar power project,** supported by an 8MW battery energy storage system. Construction is expected to be completed in 2H27. Once operational, the project is projected to generate around 20,400 MWh of electricity annually. KEEN also intends to build solar power project(s) in areas with coal mines.

Electricity Supply Business Plan (RUPTL) By Area 2025-34

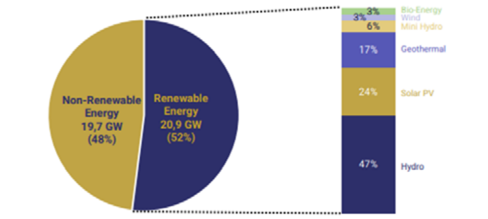


Source: ESDM

Action

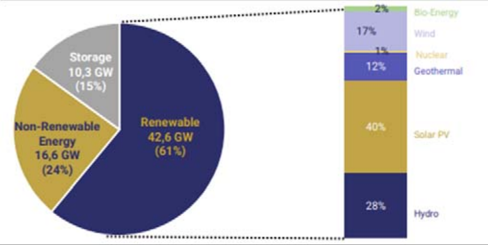
- **ADRO and MEDC as beneficiaries of government green-energy initiatives.** Among Indonesian solar energy producers, we favour ADRO and MEDC as key beneficiaries, as both are the providers for Singapore's green-electricity export programme. Meanwhile, KEEN, while predominantly a hydropower producer, is also building a solar pipeline, having recently won the Tobelo Solar Power Project (10 MW, with an 8.4 MWh battery system), alongside a longer-term Solar PV pipeline target of over 60 MW. Other renewables companies that may benefit include ARKO and HGII, although both remain primarily focused on mini-hydro (and biogas, in HGII's case) rather than solar.

Electricity Supply Business Plan (RUPTL) 2021-30



Source: ESDM

Electricity Supply Business Plan (RUPTL) 2021-30



Source: ESDM

Peer Valuation

Company	Ticker	Rec	Price 20-Jul-26 (Rp)	Target Price (Rp)	Potential Upside (%)	Market Cap (US$m)	3M Avg Turnover (US$m)	PE LTM (x)	PE 2026F (x)	PE 2027F (x)	EV/EBITDA LTM	EV/EBITDA 2026F (x)	EV/EBITDA 2027F (x)	ROE 2026F (%)	Div. Yield 2026F (%)	Net Gearing (%)
Alamtri Resources Indonesia	ADRO	BUY	2,570	3,400	32.3	4,126	7.6	8.9	7.2	5.5	6.0	3.8	4.4	10.3	6.3	(15.2)
Medco Energi Internasional*	MEDC	N.R	1,270	n.a	n.a	1,780	5.4	12.8	3.7	3.5	4.0	3.2	3.0	7.0	2.8	137.3
Kencana Energi Lestari*	KEEN	N.R	870	n.a	n.a	178	0.5	26.2	n.a	n.a	18.0	n.a	n.a	4.2	n.a	52.2
Arkora Hydro*	ARKO	N.R	4,640	n.a	n.a	757	1.6	226.1	n.a	n.a	603.0	n.a	n.a	12.0	n.a	181.6
Hero Global Investment*	HGII	N.R	122	n.a	n.a	44	0.0	49.5	n.a	n.a	29.0	n.a	n.a	2.1	n.a	(23.6)

**consensus*
Source: Bloomberg, UOB Kay Hian

CelcomDigi (CDB MK)

Positive Risk Reward, Earnings Uplift From Synergistic Savings And Rational Price Competition

BUY (Maintained)	
Share Price	RM2.98
Target Price	RM4.05
Upside	+35.9%

Analyst(s)
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Highlights

- 2Q26 will reflect a higher quantum of synergistic savings from the merger exercise. We estimate at least RM150m opex and COGS savings in 2Q26 vs RM41m in 1Q26. This will drive earnings uplift progressively into the rest of 2026, as management expects total synergistic savings of RM465m for the full-year 2026. These savings will stabilise at RM700m-800m by 2028.
- We expect rational price competition in 2Q and 3Q26, following sector-wide price revision for postpaid and prepaid. Consequentially, customer churn in 2Q may be high, particularly in the prepaid segment, but we expect a positive uplift to quarterly earnings as a result of the price adjustment.
- We see positive risk-reward for the stock, which is trading at -1SD from its mean valuation given the foreign selldown in Jun 26. Maintain BUY with a DCF-based target price of RM4.05.

Analysis

- **An efficient operator; RM465m in synergistic savings in 2026.** We expect CelcomDigi Berhad (CelcomDigi) to continue reaping the benefits of merger synergies in 2Q26, to the tune of an estimated RM150m across opex and COGS savings. This is a flow-through from 1Q25's RM41m opex savings and will result in earnings uplift for the rest of 2026. To recap, management projected synergistic cost savings of RM465m to be reflected in 2026. For 5M26, a total of RM163m savings have been reflected in P&L – or approximately 35% of total savings have been executed, with the balance to be recognised in the coming quarters. Management is confident CelcomDigi can deliver RM700m-800m in annual cost savings by 2028.
- **Signals of rational price competition in the market.** CelcomDigi drove rational price competition towards the end of 1Q26 and the other two players followed through. Collectively, all three players raised postpaid and prepaid prices by high single digits. We believe this may have a positive impact on 2Q26's and 3Q26's earnings. Naturally, we expect some churn as a result of the price hike, which may see some prepaid churn away from the three incumbent players to the MVNOs. Bundling and higher data allocation is a trend currently seen in 3Q26, while prices will remain elevated for the rest of the year.

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	12,679	12,956	13,263	13,402	13,608
EBITDA	6,154	5,621	5,861	5,869	5,960
Operating profit	2,321	2,672	2,891	3,306	3,723
Net profit (rep./act.)	1,378	1,514	1,726	1,994	2,332
Net profit (adj.)	1,730	1,660	1,726	1,994	2,332
EPS	14.7	14.1	14.7	17.0	19.9
PE	20.2	21.1	20.3	17.5	15.0
P/B	2.2	2.2	2.2	2.2	2.2
EV/EBITDA	7.8	8.5	8.0	7.8	7.5
Dividend yield	4.8	4.9	5.1	5.9	6.9
Net margin	10.9	11.7	13.0	14.9	17.1
Net debt/(cash) to equity	79.2	79.9	75.4	67.8	62.7
Interest cover	3.8	4.4	4.5	4.7	5.1
ROE	10.7	10.4	10.8	12.6	14.8
Consensus net profit	-	-	1,703	1,899	2,093
UOBKH/Consensus (x)	-	-	1.01	1.05	1.11

Source: CelcomDigi, Bloomberg, UOB Kay Hian

Stock Data

GICS Sector	Communication Services
Bloomberg ticker	CDB MK
Shares issued (m)	11,731.5
Market cap (RMm)	34,957.9
Market cap (US$m)	8,542.6
3-mth avg daily t'over (US$m)	2.9

Price Performance (%)

52-week high/low				RM3.89/RM2.65
1mth	3mth	6mth	1yr	YTD
6.8	0.7	(12.9)	(22.4)	(6.6)

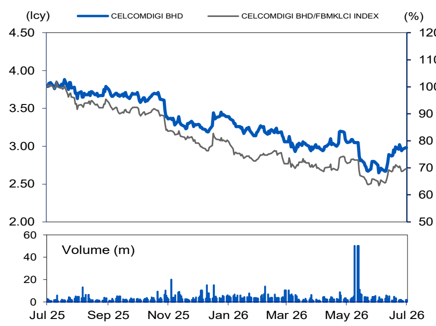
Major Shareholders

	%
Telenor ASA	33.1
Axiata Group Bhd	33.1
Employees Provident Fund	10.7

Balance Sheet Metrics

FY26F NAV/Share (RM)	1.36
FY26F Net Debt/Share (RM	1.02

Price Chart



Source: Bloomberg

Company Description

Mobile operator in Malaysia, providing 4G and 5G services.

- **Addressing the Digital Nasional (DNB) overhang.** The overhang on DNB has depressed telco valuation as investors await clarity in terms of DNB future losses/breakeven and a viable business case for DNB. Positively, we expect CelcomDigi to provide clarity on DNB's business position, capex requirements and opex enhancement in the near term. We also expect the transfer of MOF's share to the three shareholders ie CelcomDigi, Maxis and YTL Power to happen some time towards end-3Q26. The shareholders are currently finalising the refinancing of a RM1.5b government guarantee in DNB, before the transfer of ownership can come into effect.

CelcomDigi 2026 Breakdown of Synergystic Cost Savings Flow-Through To P&L

Source: CelcomDigi

Valuation/Recommendation

- **Maintain BUY with a DCF-based target price of RM4.05.** At our fair value, the stock trades at +1SD 2026F EV/EBITDA of 10.2x. CelcomDigi remains on track to achieve its synergistic target of RM700m-800m in annual cost savings beyond 2027.

Earnings Revision/Risk

- Trim 2027-28 net profit forecasts by 8% to factor in: a) associate losses as a result of incorporating DNB in CelcomDigi's book; and b) lower interest income as a result of housekeeping.

Share Price Catalyst/Risk

- Stronger-than-expected service revenue uplift from price adjustment in early-26, with continuous pre-to-postpaid conversion and increased customer stickiness.
- Clarity on DNB's future financial position and cost synergies from network consolidation between the three shareholders.

Environmental, Social, Governance (ESG)

Environmental

- Reduced Scope 1 and 2 GHG emissions by 4% yoy in 2025, through network infrastructure consolidation, decommissioning of legacy equipment, and deployment of AI-driven energy optimisation tools.

Social

- Contributed RM1.7m for various social impact programmes (digital inclusion and digital skills) and humanitarian efforts, benefitting 128,096 individuals.
- Managed 325 National Information Dissemination (NADI) Centres for digital empowerment of rural communities.

Governance

- Achieved 38% of women composition in leadership roles in 2025 with a goal of reaching 40% by 2028.

Performance Guidance For 2026

	2026 guidance
Service Revenue	Low single-digit growth.
EBIT	Low single-digit growth.
Capex intensity	Around 12-13% of total revenue, focusing on enhancing IT platforms and network enhancement.

Source: CelcomDigi, UOB Kay Hian

1Q26 Mobile Price Uplift Seen In The Market

MNO	Postpaid	Prepaid
CelcomDigi	- Discontinued the RM40 5G plan - Introduced a new RM190 Unlimited 5G plan	- Increased by 12.5-20% across all plans
Maxis	- Increased its cheapest postpaid plan by 13% - (RM79 to RM89)	- Increased its RM25 Unlimited 5G plan to RM30 (+20%) - Discontinued its RM50 Unlimited 5G plan
UMobile	- Increased its cheapest postpaid plan by 18% - (RM38 to RM45)	- Increased by 9.5-12% for its bottom-tier plans - Discontinued its ULTRA Prepaid 40 plan

Source: UOB Kay Hian

Active MVNOs in Malaysia

MVNO	Host Network	Remarks
Tune Talk	CelcomDigi	
redONE Mobile	CelcomDigi	
XOX Mobile	CelcomDigi	
SpeakOut	CelcomDigi	
Spark by CelcomDigi	CelcomDigi	Replaces Yoodo
Tone Excel	Maxis	
MCalls	Maxis	
Ansar Mobile	Maxis	
HelloSIM	Maxis	Operated by Merchantrade
CMLINK	Maxis	Operated by China Mobile
VIBE Mobile	Umobile	
Eastel	Umobile	
Halo Telco	Tune Talk	

Source: UOB Kay Hian

Five-year EV/EBITDA Band

Source: CelcomDigi, Bloomberg, UOB Kay Hian

Profit & Loss

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Net turnover	12,956.0	13,262.9	13,402.0	13,608.4
EBITDA	5,621.0	5,860.6	5,869.1	5,959.9
Deprec. & amort.	2,847.5	2,969.4	2,562.9	2,237.3
EBIT	2,672.0	2,891.1	3,306.2	3,722.5
Total other non-operating income	(569.1)	(598.7)	(660.8)	(632.3)
Net interest income/(expense)	2,102.9	2,292.4	2,645.4	3,090.2
Pre-tax profit	(572.9)	(550.2)	(634.9)	(741.6)
Tax	(16.4)	(16.4)	(16.4)	(16.4)
Net profit	1,513.5	1,725.8	1,994.1	2,332.1
Net profit (adj.)	1,659.5	1,725.8	1,994.1	2,332.1

Balance Sheet

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Fixed assets	6,670.5	5,773.3	4,766.1	4,105.0
Other LT assets	24,978.8	24,763.3	24,547.9	24,332.4
Cash/ST investment	871.5	2,045.9	3,793.3	5,150.9
Other current assets	3,943.6	4,266.9	4,309.7	4,373.2
Total assets	36,464.4	36,849.5	37,416.9	37,961.5
ST debt	3,044.2	860.3	360.3	-139.7
Other current liabilities	5,308.9	5,331.8	5,384.7	5,466.1
LT debt	10,595.5	13,192.5	14,192.5	15,192.5
Other LT liabilities	1,537.1	1,537.1	1,537.1	1,537.1
Shareholders' equity	15,978.8	15,927.7	15,942.2	15,905.5
Minority Interest	123.8	140.2	156.7	173.1
Total liabilities & equity	36,464.4	36,849.5	37,416.9	37,961.5

Cash Flow

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Operating	4,024.0	5,103.7	5,244.3	5,234.2
Pre-tax profit	2,102.9	2,292.4	2,645.4	3,090.2
Tax	(572.9)	(550.2)	(634.9)	(741.6)
Deprec. & amort.	2,847.5	2,969.4	2,562.9	2,237.3
Associates	(0.4)	-	76.2	38.1
Working capital changes	(309.2)	(206.7)	10.1	14.9
Other operating cashflows	(43.9)	598.7	584.6	595.2
Investing	(1,469.6)	(1,834.4)	(1,281.2)	(1,289.9)
Capex (maintenance)	(1,574.0)	(1,856.8)	(1,340.2)	(1,360.8)
Proceeds from sale of assets	-	-	-	1.0
Others	104.4	22.4	59.0	70.9
Financing	(2,001.5)	(2,001.4)	(2,215.8)	(2,587.6)
Dividend payments	(1,736.3)	(1,793.4)	(2,072.2)	(2,423.4)
Issue of shares	-	-	-	-
Proceeds from borrowings	1,204.2	413.2	500.0	500.0
Others/interest paid	(375.3)	(621.1)	(643.6)	(665.1)
Net cash inflow (outflow)	553.0	1,267.9	1,747.4	1,356.6
Beginning cash & cash equivalent	224.0	778.0	2,045.9	3,793.3
Changes due to forex impact	0.9	-	-	1.0
Ending cash & cash equivalent	778.0	2,045.9	3,793.3	5,150.9

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	43.4	44.2	43.8	43.8
Pre-tax margin	16.2	17.3	19.7	22.7
Net margin	12.8	13.0	14.9	17.1
ROA	4.6	4.7	5.3	6.1
ROE	10.4	10.8	12.6	14.8
Growth				
Turnover	2.2	2.4	1.0	1.5
EBITDA	(8.7)	4.3	0.1	1.5
Pre-tax profit	21.1	9.0	15.4	16.8
Net profit	9.9	14.0	15.5	17.0
Net profit (adj.)	(4.1)	4.0	15.5	17.0
EPS	(4.1)	4.0	15.5	17.0
Leverage				
Debt to total capital	48.5	45.8	45.9	46.1
Debt to equity	85.4	88.2	91.7	95.3
Net debt/(cash) to equity	79.9	75.4	67.8	62.7
Interest cover (x)	4.4	4.5	4.7	5.1

Oiltek International (OTEK SP)

Strong Growth Pipeline; Project Execution Remains In Focus

BUY (Maintained)	
Share Price	S$1.60
Target Price	S$2.78
Upside	+73.8%

Analyst(s)
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Highlights

- We hosted Oiltek recently, and management provided updates on its operations and expansion strategy.
- Oiltek continues to pursue growth through a strong pipeline of SAF projects, JVs and new ventures. In addition, the HOA announced in Apr 26 is progressing well.
- Maintain BUY with an unchanged target price of S$2.78, pegged to 28x 2027F PE. We believe contract wins and delivery of better earnings could continue to support its re-rating potential.

Analysis

- **Key takeaways from SG Small & Mid Cap Corporate Day.** We hosted Oiltek International (Oiltek) recently at our SG Small & Mid Cap Corporate Day, where management provided updates on its dividend policy and expansion strategy across existing and new markets. Key topics covered included the group's algae farming trial, feedstock business segment, and sustainable aviation fuel (SAF) project pipeline in Sabah and other markets. A summary of the key questions raised can be found on the following page.
- **Strong SAF order pipeline and potential corporate actions.** Oiltek is pursuing more SAF opportunities and is targeting orders that could be worth several billion in ringgit terms, supported by a broader tender book of three potential contracts over the next 12 months. Separately, the heads of agreement (HOA) announced in Apr 26 is progressing well for land purchase, licensing and funding drawdown, with the land offer letter expected by end-26. Looking ahead, Oiltek has two corporate actions in the pipeline, a Bursa secondary listing and a spinoff of its JV.
- **Growth strategy and new initiatives.** Oiltek's strategy is two pronged. It is expanding into existing and new markets while shifting focus toward larger scale projects and separately building recurring income through JVs structured on a low-capex, high-return basis - an asset-light approach that diversifies earnings. Beyond this, the group is exploring new growth avenues, including an algae farming trial (currently focused on HEFA, given its proven technology and low-cost profile) and a feedstock business that is still in the trial stage, alongside another expansion initiative yet to be disclosed.

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	230	211	230	700	720
EBITDA	34	48	44	175	180
Operating profit	34	48	44	175	180
Net profit (rep./act.)	27	40	35	132	136
Net profit (adj.)	27	40	35	132	136
EPS (sen)	6.3	9.4	8.2	30.7	31.6
PE (x)	81.1	54.1	62.0	16.5	16.1
P/B (x)	25.8	21.8	19.2	9.6	7.2
EV/EBITDA (x)	61.4	43.2	46.9	11.9	11.5
Dividend yield (%)	1.7	0.8	0.6	2.4	2.5
Net margin (%)	11.7	19.0	15.3	18.8	18.8
Net debt/(cash) to equity (%)	(125.9)	(99.9)	(85.0)	(78.3)	(83.6)
Interest cover (x)	n.a.	n.a.	n.a.	n.a.	n.a.
ROE (%)	35.3	43.7	33.0	77.8	51.1
Consensus net profit (RMm)	-	-	40	119	111
UOBKH/Consensus (x)	-	-	0.88	1.11	1.22

Source: Oiltek, Bloomberg, UOB Kay Hian

Stock Data

GICS Sector	Industrials
Bloomberg ticker	OTEK SP
Shares issued (m)	429.0
Market cap (S$m)	686.4
Market cap (US$m)	531.9
3-mth avg daily t'over (US$m)	1.7

Price Performance (%)

52-week high/low				S$2.69/S$0.60
1mth	3mth	6mth	1yr	YTD
(8.6)	(32.8)	135.3	119.2	135.3

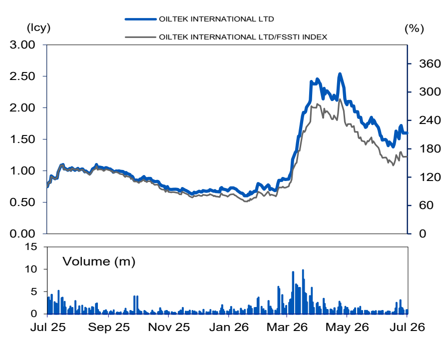
Major Shareholders

Major Shareholders	%
Koh Brothers Group	68.1
Yong Khai Weng	5.6

Major Shareholders

FY26 NAV/Share (RM)	0.26
FY26 Net Cash/ Share (RM)	0.22

Price Chart



Source: Bloomberg

Company Description

Oiltek International provides renewable energy equipment.

Stock Impact

- **Oiltek briefing Q&A summary.** Investors' questions centred on the progress and monetisation timeline of Oiltek's newer growth initiatives.
  - Algae farming remains at a semi pilot stage, currently at a half-acre pond size, with harvesting challenges and negative feedback from larger organisations. Management is unable to predict when this will meaningfully impact the market.
  - Regarding the SAF projects in Sabah, management is in talks for two smaller sized contracts (100 tonnes and 300 tonnes p.a.), alongside three other potential contracts at the tender stage over the next 12 months.
  - For the HOA timeline announced in April, the process requires nine months in total, comprising six months plus a further three months to finalise land purchase, licensing and funding drawdown. Management flagged the timeline may be slightly behind schedule.
  - Dividend policy remains at 40-50% of net profit, supported by a net cash position above RM100m over the past few years.
- **Building a major SAF facility in Sabah.** Earlier this year, Oiltek entered into a RM1.4b HOA with Bioseaga Industries Sdn Bhd (Bioseaga) for the construction services of a SAF production facility with a planned capacity of approximately 300 metric tonnes per day in Sabah, Malaysia. Oiltek acts as the exclusive contractor for the project and will undertake the engineering, procurement, construction and commissioning (EPCC) for the plant's pre-treatment facilities, SAF production plant, tank farm and logistic bulking infrastructure, and partial blending facilities. Oiltek also provides the preliminary necessary technical expertise and data reasonably required by Bioseaga and its advisor for financial modelling and project planning.
- **Right to participate in equity ownership enables significant future recurring estimated earnings of RM14m-28m.** This project enables Oiltek the right of first refusal to participate in any equity investment, JV, or ownership opportunity related to the project. We estimate that a 10% stake in the plant could generate around RM14m-28m of recurring earnings p.a., based on 10-20% ROI of the plant's RM1.4b construction value. This is a significant sum, equivalent to 45-90% of Oiltek's 2025 earnings.

Valuation/Recommendation

- **Maintain BUY with unchanged target price of S$2.78,** pegged to a 28x 2027F PE (+1SD above historical PE mean). We believe a strong contract win and delivery of better earnings could continue to support a re-rating. Our valuation base year of 2027 also better captures the significant earnings uplift from the recently secured RM1.4bn Bioseaga SAF project.
- **Oiltek is currently trading at only 17x 2027F PE,** around 25% discount vs the tech manufacturers in Singapore and Malaysia, despite having more a superior: a) business model that is asset-light in nature, b) EPS growth, c) ROE (>30%), and d) net margin (>15%).

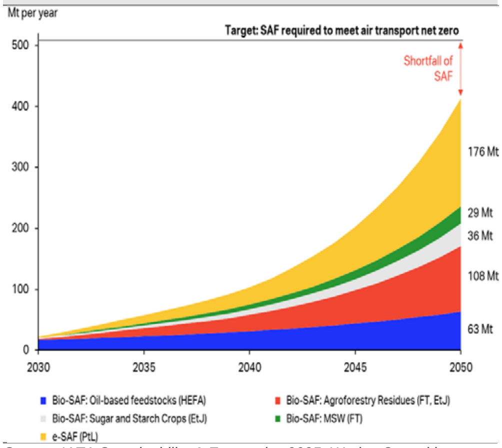
Earnings Revision/Risk

- No changes to our earnings forecasts.

Share Price Catalyst

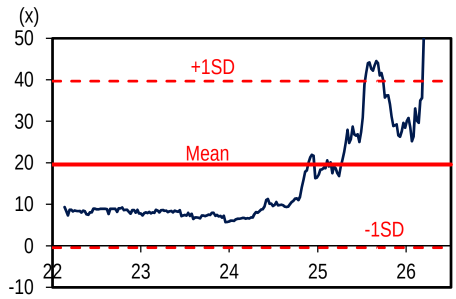
- Higher-than-expected order wins.
- Better-than-expected margins from better economies of scale.
- Potential positive corporate actions.

Estimated Global SAF Production Potential



Source: IATA Sustainability & Economics 2025, Worley Consulting

Historical PE Chart



Source: Bloomberg, UOB Kay Hian

Profit & Loss

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Net turnover	211.4	230.0	700.0	720.0
EBITDA	48.1	44.4	175.2	180.1
Deprec. & amort.	0.4	0.2	0.2	0.2
EBIT	47.8	44.2	175.0	179.9
Total other non-operating income	(8.2)	0.0	0.0	0.0
Associate contributions	8.2	0.0	0.0	0.0
Net interest income/(expense)	3.3	3.3	3.3	3.3
Pre-tax profit	51.0	47.5	178.3	183.2
Tax	(10.8)	(12.3)	(46.3)	(47.6)
Minorities	0.0	0.0	0.0	0.0
Net profit	40.2	35.1	131.9	135.5
Net profit (adj.)	40.2	35.1	131.9	135.5

Balance Sheet

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Fixed assets	3.4	2.7	2.0	1.3
Other LT assets	3.0	3.0	3.0	3.0
Cash/ST investment	99.7	96.2	177.0	254.2
Other current assets	81.7	88.9	270.6	278.4
Total assets	187.8	190.8	452.6	536.8
ST debt	0.0	0.0	0.0	0.0
Other current liabilities	88.0	78.4	227.2	233.6
LT debt	0.0	0.0	0.0	0.0
Other LT liabilities	0.0	0.0	0.0	0.0
Shareholders' equity	99.9	113.2	226.1	304.0
Minority interest	0.0	(0.7)	(0.7)	(0.7)
Total liabilities & equity	187.8	190.8	452.6	536.8

Cash Flow

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Operating	14.1	18.8	100.3	135.3
Pre-tax profit	42.8	47.5	178.3	183.2
Tax	(12.2)	(12.3)	(46.3)	(47.6)
Deprec. & amort.	0.4	0.2	0.2	0.2
Associates	8.2	0.0	0.0	0.0
Working capital changes	(20.9)	(17.5)	(32.8)	(1.4)
Non-cash items	0.0	0.0	0.0	0.0
Other operating cashflows	(4.3)	1.0	1.0	1.0
Investing	(0.1)	(0.5)	(0.5)	(0.5)
Capex (growth)	(0.1)	(0.5)	(0.5)	(0.5)
Proceeds from sale of assets	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0
Financing	(15.5)	(16.9)	(14.0)	(52.8)
Dividend payments	(15.5)	(16.9)	(14.0)	(52.8)
Proceeds from borrowings	0.0	0.0	0.0	0.0
Loan repayment	0.0	0.0	0.0	0.0
Others/interest paid	0.0	0.0	0.0	0.0
Net cash inflow (outflow)	(1.5)	1.4	85.7	82.1
Beginning cash & cash equivalent	106.1	99.7	96.2	177.0
Changes due to forex impact	(4.9)	(4.9)	(4.9)	(4.9)
Ending cash & cash equivalent	99.7	96.2	177.0	254.2

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	22.8	19.3	25.0	25.0
Pre-tax margin	24.1	20.6	25.5	25.4
Net margin	19.0	15.3	18.8	18.8
ROA	19.9	18.5	41.0	27.4
ROE	43.7	33.0	77.8	51.1
Growth				
Turnover	(8.2)	8.8	204.3	2.9
EBITDA	42.0	(7.7)	294.7	2.8
Pre-tax profit	38.9	(7.0)	275.7	2.7
Net profit	49.7	(12.7)	275.7	2.7
Net profit (adj.)	49.7	(12.7)	275.7	2.7
EPS	49.7	(12.7)	275.7	2.7
Leverage				
Debt to total capital	0.0	0.0	0.0	0.0
Debt to equity	0.0	0.0	0.0	0.0
Net debt/(cash) to equity	(99.9)	(85.0)	(78.3)	(83.6)
Interest cover (x)	n.a.	n.a.	n.a.	n.a.

Bank of Ayudhya (BAY TB)

2Q26: Results In Line; Loan Portfolio Expanded QOQ

Highlights

- BAY reported a 2Q26 net profit of Bt8.3b, flat yoy but down 4% qoq.
- Credit costs decreased qoq.
- Maintain BUY with a target price of Bt50.00.

2Q26 Results

Year to 31 Dec (Btm)	2Q26	1Q26	2Q25	qoq chg (%)	yoy chg (%)
Total gross loans	1,950,454	1,920,189	1,878,879	1.6	3.8
Net interest income	28,755	28,831	25,926	(0.3)	10.9
Non-interest income	13,387	14,024	11,899	(4.5)	12.5
Loan loss provision	(11,360)	(11,472)	(10,290)	(1.0)	10.4
Non-Interest Expenses	(19,341)	(19,373)	(16,553)	(0.2)	16.8
Pre-provision operating profit	22,801	23,482	21,272	(2.9)	7.2
Net income	8,294	8,618	8,295	(3.8)	(0.0)
EPS (Bt)	1.13	1.17	1.13	(3.8)	(0.0)
Ratio (%)					
NPL ratio	3.08	3.34	3.39		
Loan loss coverage ratio	138	132	123		
Net interest margin (NIM %)	4.65	4.61	4.19		
Credit cost (bp)	235	240	220		
Cost to income (%)	45.9	45.2	43.8		
Common equity tier 1 (CET1) ratio (%)	16.0	16.4	15.4		

Source: BAY, UOB Kay Hian

Analysis

- **2Q26 results in line.** Bank of Ayudhya (BAY) posted a 2Q26 net profit of Bt8.3b, flat yoy but declining 4% qoq. The results are in line with our forecasts. The bank's net interest income (NII) increased 11% yoy but was flat qoq in 2Q26. NIM rose from 4.61% in 1Q26 to 4.65% in 2Q26. BAY's pre-provision operating profit rose 7% yoy but dropped 3% qoq in 2Q26.
- **Loan portfolio grew qoq in 2Q26.** BAY reported outstanding loans of around Bt1.95t in 2Q26, increasing 4% yoy and 1.6% qoq. Corporate loan increased exposure from 35% to 37% in 2Q26. In 1H26, total loan portfolio grew 0.4% yoy. Excluding the accounting deconsolidation of PT Home Credit Indonesia (HCID), total loans increased by Bt15.3b, or 0.8% in 1H26. In compliance with OJK's (Otoritas Jasa Keuangan), Indonesia's Financial Services Authority, 2024 regulation on Financial Conglomeration Holding Companies, BAY reclassified HCID from a subsidiary to an associate, effective 24 Jun 26. As a result, HCID's financial statements will be recognised under the equity method instead of full consolidation.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net interest income	107,893.7	108,533.4	114,643.7	120,889.0	126,272.3
Non-Interest Income	45,385.6	51,786.4	52,445.6	51,921.2	55,103.4
Net profit (rep./act.)	29,699.8	31,738.4	34,186.9	36,109.9	38,512.8
Net profit (adj.)	29,699.8	31,738.4	34,186.9	36,109.9	38,512.8
EPS (Bt)	4.0	4.3	4.6	4.9	5.2
PE (x)	9.4	8.8	8.2	7.7	7.3
P/B (x)	0.7	0.7	0.6	0.6	0.6
Dividend yield (%)	0.6	3.4	4.5	4.6	5.0
Net int margin (%)	4.2	4.3	4.4	4.6	4.6
Cost/income Ratio (%)	44.4	47.0	45.6	45.8	45.7
Loan loss cover (%)	123.2	126.9	134.7	140.2	142.4
Consensus net profit	n.a	n.a	34,496.0	37,582.2	40,835.5
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	0.9

Source: Bank of Ayudhya, Bloomberg, UOB Kay Hian

BUY (Maintained)

Share Price	Bt45.75
Target Price	Bt50.00
Upside	9.29%

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Assistant Analyst(s)
Panjarat Thaweesriprasert

Stock Data

GICS sector	Financials
Bloomberg ticker:	BAY TB
Shares issued (m):	7,355.8
Market cap (Btm):	336,526.1
Market cap (US$m):	10,004.3
3-mth avg daily t'over (US$m):	3.0

Price Performance (%)

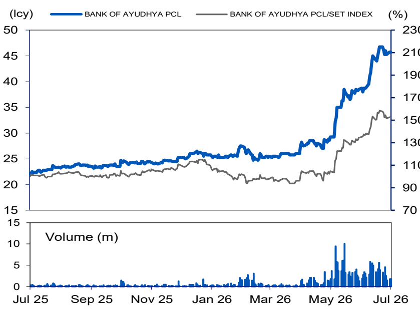
52-week high/low: Bt46.8/Bt22.0

1mth	3mth	6mth	1yr	YTD
18.8	76.0	77.7	108.9	76.0

Major Shareholders	%
MUFG Bank	76.88%
Ratanarak Group and Others	23.12%

Balance Sheet Metrics	%
FY26 NAV/Share (Bt)	60.00
FY26 CAR Tier 1 (%)	16.69

Price Chart



Source: Bloomberg

Company Description

BAY, branded as Krungsri, is Thailand's fifth-largest universal bank operating a comprehensive network of commercial banking, retail consumer finance, wealth management, and microfinance services. The bank operates as a strategic subsidiary of Japan's Mitsubishi UFJ Financial Group (MUFG), which holds a major stake of over 76% and is currently expanding its loan portfolio into ASEAN countries.

- **Interest income dropped qoq.** Interest income dropped slightly by 0.8% qoq in 2Q26, primarily due to lower average balances in interbank and money market transactions, though resilient corporate and ASEAN loan growth helped cushion the decline.
- **NII flat qoq.** NII fell slightly by 0.3% qoq or was approximately flat qoq in 2Q26, as proactive funding cost management effectively mitigated the pressure of lower market interest rates on interest income.
- **Credit costs decreased qoq.** The bank set aside provision expenses of Bt11.36b in 2Q26, up 10% yoy but down 1% qoq. This resulted in credit costs reducing 5bp qoq to 235bp in 2Q26. Meanwhile, the loan-loss coverage ratio increased from 132% in 1Q26 to 138% in 2Q26. The bank sold Bt3.65b of NPLs during 2Q26. As a result, BAY reported a reduction in NPL ratio to 3.08% in 2Q26 from 3.34% in 1Q26. The improvement was primarily driven by strengthening asset quality within the domestic portfolio. Nevertheless, the provisioning level continued to incorporate additional management overlays.
- **ASEAN's loan portfolio grew qoq.** Excluding the accounting deconsolidation of HCID, ASEAN loans have been mainly driven by consumer finance, which grew 2.5% qoq and 5.1% ytd, reflecting continued growth momentum across BAY's regional consumer finance businesses.
- **Acquisition of CIMB Thai auto loan portfolio.** BAY is moving to acquire automotive financing portfolios from CIMB Thai Auto and WorldLease, both subsidiaries of CIMB Thai Bank in May 26. The transaction remains subject to closing conditions and is expected to be completed in 4Q26.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt50.00** using the Gordon Growth Model (cost of equity: 11%, long-term growth: 2%). This implies 0.83x 2026F P/B, which is an implied +2SD to its historical five-year P/B mean.

Earnings Revision/Risk

- No earnings revision.
- Small free float increases liquidity risk.

Share Price Catalyst

- Raised dividend payout ratio.
- Increased free float to make more room available for institutional investors.

Environment, Social, Governance (ESG) Updates

CG Report: 5
SET ESG Rating: AAA

Environmental

- Committed to Thailand's 2050 net-zero target and the integration of climate risk into lending and investment decisions.

Social

- Implemented multiple assistance measures to support households and small enterprises facing financial difficulties.

Governance

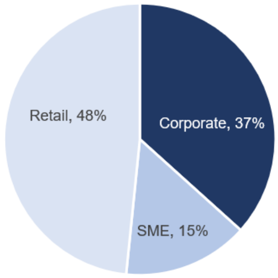
- Continued emphasis on anti-corruption, good governance, and supply chain management.

2026 Financial Targets

	1H26 Actual	2026 Targets	2025 Actual
Loan growth (yoy)	0.4%	2-4%	1.7%
NPL ratio	3.08%	3.25-3.5%	3.26%
NIM	4.6%	4.0-4.3%	4.35%
LLC ratio	137.9%	120-135%	126.9%
Credit cost (bp)	236bp	200-230bp	227bp

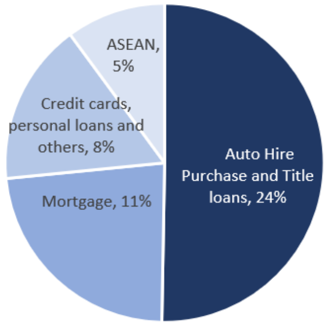
Source: BAY, UOB Kay Hian

Loan Breakdown (2Q26)



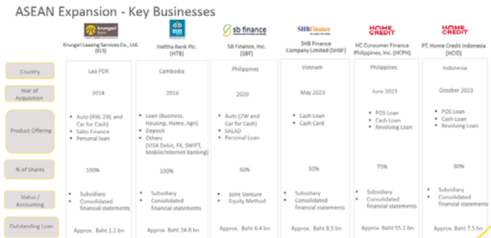
Source: BAY, UOB Kay Hian

Retail Loan (% of Total Loans) (2Q26)



Source: BAY, UOB Kay Hian

ASEAN Business As Of 4Q25



ASEAN Expansion - Key Businesses

	Krungsri Leasing Services Co., Ltd. (KLS)	Hattha Bank Plc. (HTB)	SB Finance, Inc. (SBF)	SHB Finance Company Limited (SHBF)	HC Consumer Finance Philippines, Inc. (HCPH)	PT. Home Credit Indonesia (HCID)
Country	Lao PDR	Cambodia	Philippines	Vietnam	Philippines	Indonesia
Year of Acquisition	2014	2016	2020	May 2023	June 2023	October 2023
Product Offering	• Auto (4W, 2W, and Car for Cash) • Sales Finance • Personal loan	• Loan (Business, Housing, Home, Agri) • Deposit • Others (VISA Debit, FX, SWIFT, Mobile/Internet Banking)	• Auto (2W and Car for Cash) • SALAD • Personal Loan	• Cash Loan • Cash Card	• POS Loan • Cash Loan • Revolving Loan	• POS Loan • Cash Loan • Revolving Loan
% of Shares	100%	100%	50%	50%	75%	80%
Status / Accounting	• Subsidiary • Consolidated financial statements	• Subsidiary • Consolidated financial statements	• Joint Venture • Equity Method	• Subsidiary • Consolidated financial statements	• Subsidiary • Consolidated financial statements	• Subsidiary • Consolidated financial statements
Outstanding Loan	Approx. Baht 1.1 bn	Approx. Baht 24.8 bn	Approx. Baht 6.4 bn	Approx. Baht 8.5 bn	Approx. Baht 55.1 bn	Approx. Baht 7.5 bn

Source: BAY

P/B Band

Source: UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Interest income	147,383	146,931	152,235	160,096
Interest expense	(38,850)	(32,288)	(31,346)	(33,824)
Net interest income/(expense)	108,533	114,644	120,889	126,272
Fees & Commissions	26,484	27,287	26,794	29,067
Net Trading Income	12,305	20,415	20,658	21,396
Other Income	12,997	4,743	4,469	4,641
Non-Interest Income	51,786	52,446	51,921	55,103
Total Income	160,320	167,089	172,810	181,376
Staff Costs	(39,204)	(41,805)	(43,203)	(45,344)
Other Operating Expense	(36,166)	(34,394)	(35,868)	(37,597)
Pre-Provision Profit	84,950	90,890	93,739	98,435
Loan Loss Provision	(43,790)	(43,275)	(43,458)	(44,808)
Pre-tax profit	41,160	47,614	50,281	53,627
Tax	(7,718)	(9,055)	(9,553)	(10,189)
Minorities	(1,704)	(4,372)	(4,618)	(4,925)
Net profit	31,738	34,187	36,110	38,513
Net profit (adj.)	31,738	34,187	36,110	38,513

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Cash With Central Bank	25,949	39,667	40,888	42,908
Govt Treasury Bills & Securities	174,736	149,631	161,867	174,890
Interbank Loans	433,573	475,701	483,416	500,209
Customer Loans	1,851,162	1,885,763	1,939,724	2,033,827
Investment Securities	13,897	17,126	17,665	18,469
Derivative Receivables	22,377	26,409	27,238	28,494
Associates & JVs	7,385	7,508	7,508	7,508
Properties & Other Fixed Assets	42,854	38,751	34,644	31,518
Goodwill & Intangible Assets	38,917	38,849	38,849	38,849
Other Assets	36,306	39,001	39,965	41,586
Total assets	2,647,157	2,718,406	2,791,764	2,918,257
Interbank Deposits	229,721	231,012	236,599	247,930
Customer Deposits	1,735,328	1,772,121	1,827,337	1,917,662
Bills Payable	4,636	4,361	4,361	4,361
Derivative Payables	26,266	27,804	28,425	29,731
Subordinated Debts	118,649	124,939	107,796	97,221
Other Liabilities	92,466	87,468	88,688	92,295
Total liabilities	2,207,066	2,247,706	2,293,206	2,389,200
Shareholders' funds	414,762	441,015	464,254	489,828
Minority interest	25,329	29,686	34,304	39,229
Total Equity & Liabilities	2,647,157	2,718,406	2,791,764	2,918,257

Operating Ratios

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Capital Adequacy				
Tier-1 CAR	16	17	17	17
Total CAR	21	21	21	21
Total Assets/Equity	6	6	6	6
Tangible Assets/Tangible Common Equity	7	7	6	6
Asset Quality				
NPL Ratio	3	3	3	3
Loan Loss Coverage	127	135	140	142
Loan Loss Reserve/Gross Loans	5	5	5	5
Increase in NPLs	0	0	3	5
Credit Cost (bp)	227	220	216	214
Liquidity				
Loan/Deposit Ratio	107	106	106	106
Liquid Assets/Short-Term Liabilities	32	33	33	33
Liquid Assets/Total Assets	24	24	25	25

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Growth				
Net Interest Income, yoy Chg	1	6	5	4
Fees & Commissions, yoy Chg	6	3	(2)	8
Pre-Provision Profit, yoy Chg	0	7	3	5
Net Profit, yoy Chg	7	8	6	7
Customer Loans, yoy Chg	2	2	3	5
Profitability				
Net Interest Margin	4	4	5	5
Cost/Income Ratio	47	46	46	46
Adjusted ROA	1	1	1	1
Reported ROE	8	8	8	8
Adjusted ROE	8	8	8	8
Valuation				
P/BV	1	1	1	1
P/NTA	1	1	1	1
Adjusted P/E	9	8	8	7
Dividend Yield	3	4	5	5

Kiatnakin Phatra Bank (KKP TB)

2Q26: Results Beat; A Positive Surprise From Non-II

Highlights

- KKP reported a net profit of Bt2.12b in 2Q26, up 51% yoy and 9% qoq.
- Losses from the sale of repossessed cars continued to decrease.
- Upgrade to BUY with a higher target price of Bt135.00 (previously: Bt105.00).

2Q26 Results

Year to 31 Dec (Btm)	2Q26	1Q26	2Q25	qoq chg (%)	yoy chg (%)
Total gross loans	361,763	356,597	366,271	1.4	(1.2)
Net interest income	4,328	4,217	4,312	2.6	0.4
Non-interest income	2,558	2,483	1,876	3.0	36.3
Loan loss provision	(970)	(961)	(973)	0.9	(0.3)
Non-Interest Expenses	(3,200)	(3,261)	(3,454)	(1.9)	(7.4)
Pre-provision operating profit	3,687	3,438	2,735	7.2	34.8
Net income	2,122	1,955	1,409	8.5	50.6
EPS (Bt)	2.54	2.40	1.70	5.9	49.7
Ratio (%)					
NPL Ratio	3.5	4.1	4.3		
Loan loss coverage ratio (%)	151	142	133		
Loan Spread	3.9	3.9	3.9		
Credit cost (bp)	108	109	106		
Reported Credit Cost Inc Losses from Repossessing (bp)	138	145	164		
Cost to income (%)	43	44	47		
CET1 ratio (%)	13.6	13.5	13.5		

Source: KKP, UOB Kay Hian

Analysis

- **2Q26 results beat expectations.** Kiatnakin Phatra Bank (KKP) reported a net profit of Bt2.12b for 2Q26, increasing 51% yoy and 9% qoq. The results beat our and consensus expectations by 29% and 17%, respectively. The key positive surprise was non-II coming in 69% higher than our expectation, mainly attributable to: a) an impressive fee and service income, and b) dividend income of Bt231m in 2Q26 (1Q26: Bt305m, 4Q25: Bt43m). Excluding provisioning, pre-provision operating profit jumped 35% yoy and 7% qoq.
- **Loan portfolio grew qoq.** In 2Q26, KKP reported loan outstanding of Bt362b, down 1% yoy but up 1.4% qoq. The qoq loan expansion supports KKP's loan growth target of 3% yoy for 2026. In 1H26, the loan portfolio grew 3.1% yoy. We expect a loan growth of 3.6% yoy in 2026.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net interest income	19,847.8	17,256.8	17,553.1	19,239.7	20,131.5
Non-Interest Income	6,953.8	8,216.7	9,676.4	10,052.5	10,617.0
Net profit (rep./act.)	4,985.1	5,912.9	8,286.7	8,282.8	8,617.6
Net profit (adj.)	4,985.1	5,912.9	8,286.7	8,282.8	8,617.6
EPS (Bt)	5.9	7.3	9.9	9.9	10.3
PE (x)	18.4	15.1	11.0	11.0	10.6
P/B (x)	1.5	1.4	1.3	1.2	1.2
Dividend yield (%)	7.6	5.2	7.1	7.1	7.4
Net int margin (%)	4.2	3.9	4.0	4.2	4.3
Cost/income Ratio (%)	61.8	56.3	49.4	50.0	50.0
Loan loss cover (%)	134.2	137.2	146.9	146.9	146.9
Consensus net profit	n.a	n.a	7,177.5	7,349.8	7,672.5
UOBKH/Consensus (x)	n.a	n.a	1.2	1.1	1.1

Source: Kiatnakin Phatra Bank, Bloomberg, UOB Kay Hian

BUY (Upgraded)	
Share Price	Bt109.50
Target Price	Bt135.00
Upside	23.30%
Previous TP	Bt105.00

Analyst(s)
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(662) 090 3360

Stock Data

GICS sector	Financials
Bloomberg ticker:	KKP TB
Shares issued (m):	895.4
Market cap (Btm):	98,048.9
Market cap (US$m):	2,913.3
3-mth avg daily t'over (US$m):	18.8

Price Performance (%)

52-week high/low: Bt109.5/Bt48.25

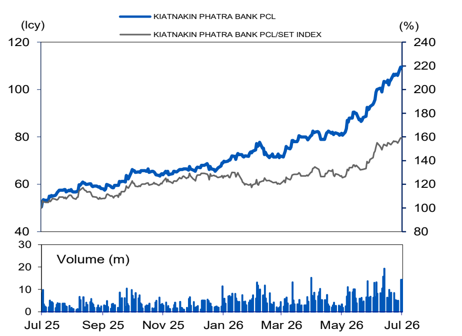
1mth	3mth	6mth	1yr	YTD
18.1	39.0	63.4	128.1	61.0

Major Shareholders	%
Thai NVDR	14.44
Chodthanawat Co., Ltd.	5.27
Eastern Sugar Co., Ltd.	4.57

Balance Sheet Metrics

FY26 NAV/Share (Bt)	85.5
FY26 CAR Tier 1 (%)	13.5

Price Chart



Source: Bloomberg

Company Description

The small-sized bank has roughly 2% of the credit market. Its strong focus in on auto hire purchase lending which accounts for about half of its loan book.

- **NII declined yoy.** KKP reported a net interest income (NII) of Bt4.33b in 2Q26, increasing 0.4% and 2.6% qoq. The loan yield decreased slightly qoq from 6.4% in 1Q26 to 6.2% in 2Q26. Cost of funds fell from 1.8% in 1Q26 to 1.7% in 2Q26. The loan spread remained stable qoq at 4.6% in 2Q26.
- **Positive surprise from non-II boosted bottom line.** KKP posted a non-interest income (non-II) of Bt2.56b in 2Q26, up 36% yoy and 3% qoq. It reported a gain on financial instruments measured at fair value through profit or loss of around Bt284m in 2Q26 (1Q26: Bt385m, 4Q25: Bt482m). Meanwhile, fee and service income was reported at Bt2.25b, jumping 32% yoy and 13% qoq in 2Q26. The positive surprise in non-II was mainly due to the qoq jump in: a) fee and service income, and b) dividend income.
- **Provision expenses rose qoq.** KKP's NPL dropped qoq from 4.1% in 1Q26 to 3.5% in 2Q26. As part of a proactive management strategy, KKP wrote off retail SME loans during the quarter. The bank set aside total provisions of Bt970m in 2Q26 (-0.3% yoy, +0.9% qoq), which fully accounted for these written-off loans. Credit cost declined 7bp qoq to 143bp in 2Q26. The coverage ratio rose from 142% in 1Q26 to 151% in 2Q26.
- **Losses from sale of repossessed cars continued to decrease.** KKP reported a qoq decline in losses from the sale of repossessed cars to Bt283m (1Q26: Bt331m, 4Q25: Bt506m). This continued decline in losses is in line with the ongoing reduction in volume of repossessed vehicles. As of May 25, we saw a gradual improvement in used-car prices. We expect KKP to maintain its good asset quality.

Valuation/Recommendation

- **Upgrade to BUY with a higher price of Bt135.00 (previously: Bt105.00),** based on the Gordon Growth Model (cost of equity: 12.5%, long-term growth: 2.0%). Our target price implies 1.58x 2026F P/B.
- KKP has proven solid in cleaning up its loan portfolio and showing a robust asset quality outlook for several quarters up to 2Q26. Meanwhile, we continue to see a significant increase in fee and service income, driven by the wealth business and other segments. Therefore, we have turned bullish on KKP's earnings outlook and growth potential. Additionally, we expect a dividend payout of 76-78% to attract capital flows and drive the share price higher.

Earnings Revision/Risk

- We revise KKP's 2026-28 earnings forecasts upward by 18.7%, 13.0%, and 13.9% respectively, to reflect the excellent 2Q26 results and its robust asset quality.

Environment, Social, Governance (ESG) Updates

CG Report: 5
SET ESG Rating: AAA

Environmental

- Promoting efficient energy usage and reducing greenhouse gas emissions.
- Providing financial support for green businesses and promoting businesses that reduce environmental and social impacts.

Social

- Building a positive work environment that prohibits discrimination in all its forms, embraces diversity, and respects human rights.
- Improving the wellbeing and quality of life of people by promoting financial literacy and supporting projects that have positive social impacts.

Governance

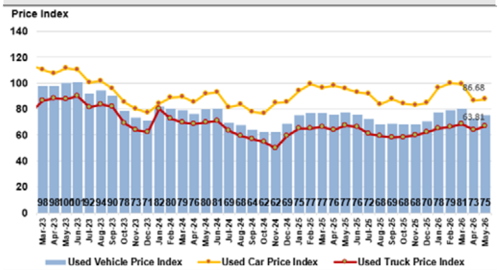
- Conducting business under the principles of good corporate governance.

2026 Financial Targets

	1H26 Actual	2026 Target	2025 Actual
ROAE	12.2%	10-11%	10.2%
Loan growth	3.1%	3%	-6.7%
Loan spread	4.6%	4.3-4.4%	4.5%
NPL ratio (Gross)	3.6%	4.4%	4.3%
*Credit cost	1.46%	1.6-1.8%	1.72%

**ECL plus loss from sales of repossessed cars*
Source: KKP, UOB Kay Hian

Used-Vehicle Prices

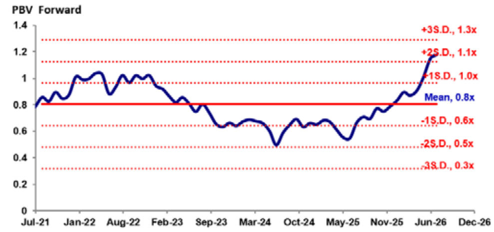


Source: KKP, UOB Kay Hian

PE Band

Source: KKP, UOB Kay Hian

P/B Band



Source: KKP, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Interest income	26,289	24,148	26,212	27,844
Interest expense	(9,032)	(6,595)	(6,973)	(7,713)
Net interest income/(expense)	17,257	17,553	19,240	20,131
Fees & Commissions	5,935	6,849	7,419	7,871
Net Trading Income	1,675	2,381	2,413	2,526
Other Income	606	446	220	220
Non-Interest Income	8,217	9,676	10,052	10,617
Total Income	25,473	27,230	29,292	30,748
Staff Costs	(7,646)	(7,819)	(8,676)	(9,358)
Other Operating Expense	(6,684)	(5,624)	(5,984)	(6,031)
Pre-Provision Profit	11,143	13,787	14,633	15,359
Loan Loss Provision	(3,693)	(3,173)	(3,967)	(4,262)
Pre-tax profit	7,450	10,614	10,666	11,097
Tax	(1,481)	(2,093)	(2,133)	(2,219)
Minorities	(56)	(235)	(250)	(260)
Net profit	5,913	8,287	8,283	8,618
Net profit (adj.)	5,913	8,287	8,283	8,618

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Cash With Central Bank	1,209	1,819	1,867	1,914
Govt Treasury Bills & Securities	42,851	44,346	45,335	46,426
Interbank Loans	39,238	39,690	40,848	41,907
Customer Loans	331,200	345,885	354,689	363,610
Investment Securities	23,637	29,097	30,553	31,392
Derivative Receivables	9,824	14,618	15,352	15,825
Associates & JVs	0	0	0	0
Properties & Other Fixed Assets	13,218	13,146	13,274	13,415
Goodwill & Intangible Assets	5,055	4,929	4,929	4,929
Other Assets	21,864	29,893	31,719	32,614
Total assets	488,095	523,423	538,565	552,033
Interbank Deposits	13,078	17,285	18,312	18,833
Customer Deposits	348,300	357,388	366,574	375,829
Bills Payable	439	708	708	708
Derivative Payables	9,832	13,489	14,081	14,413
Subordinated Debts	15,088	24,917	26,647	26,840
Other Liabilities	36,152	37,586	38,171	38,950
Total liabilities	422,889	451,371	464,493	475,572
Shareholders' funds	64,772	73,333	75,108	77,243
Minority interest	434	669	913	1,168
Total Equity & Liabilities	488,095	525,373	540,514	553,982

Operating Ratios

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Capital Adequacy				
Tier-1 CAR	14	14	14	14
Total CAR	16	15	15	15
Total Assets/Equity	8	7	7	7
Tangible Assets/Tangible Common Equity	8	8	8	8
Asset Quality				
NPL Ratio	4	3	3	3
Loan Loss Coverage	137	147	147	147
Loan Loss Reserve/Gross Loans	6	5	5	5
Increase in NPLs	(5)	(16)	4	3
Credit Cost (bp)	102	89	108	113
Liquidity				
Loan/Deposit Ratio	95	97	97	97
Liquid Assets/Short-Term Liabilities	23	23	23	23
Liquid Assets/Total Assets	17	16	16	16

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Growth				
Net Interest Income, yoy Chg	(13)	2	10	5
Fees & Commissions, yoy Chg	10	15	8	6
Pre-Provision Profit, yoy Chg	9	24	6	5
Net Profit, yoy Chg	19	40	0	4
Customer Loans, yoy Chg	(7)	4	3	3
Profitability				
Net Interest Margin	4	4	4	4
Cost/Income Ratio	56	49	50	50
Adjusted ROA	1	2	2	2
Reported ROE	9	12	11	12
Adjusted ROE	9	12	11	12
Valuation				
P/BV	1	1	1	1
P/NTA	1	1	1	1
Adjusted P/E	15	11	11	11
Dividend Yield	5	7	7	7

TMBThanachart Bank (TTB TB)

2Q26: Results Beat; Non-II Boosts Bottom Line

Highlights

- TTB reported a net profit of Bt5.51b in 2Q26, up 10% yoy and 7% qoq.
- We expect TTB to switch from share buyback to a cash dividend payment.
- Maintain HOLD with a higher target price of Bt3.20 (previously Bt2.30).

2Q26 Results

Year to 31 Dec (Btm)	2Q26	1Q26	2Q25	qoq chg (%)	yoy chg (%)
Total gross loans	1,191,825	1,186,468	1,213,750	0.5	(1.8)
Net interest income	11,600	11,678	12,742	(0.7)	(9.0)
Non-interest income	5,079	4,582	3,639	10.8	39.5
Loan loss provision	(4,040)	(3,994)	(4,294)	1.1	(5.9)
Non-Interest Expenses	(8,051)	(7,642)	(7,271)	5.3	10.7
Pre-provision operating profit	9,292	9,090	9,110	2.2	2.0
Net income	5,513	5,170	5,004	6.6	10.2
EPS (Bt)	0.06	0.06	0.05	6.6	22.7
Ratio (%)					
NPL Ratio	2.93	2.93	2.7		
Loan loss coverage ratio (%)	157	154	149		
Reported NIM %	3.03	3.02	3.07		
Reported Credit cost (bp)	137	136	143		
Cost to income (%)	48	47	44		
CET1 ratio %	17.0	17.7	17.8		

Source: TTB, UOB Kay Hian

Analysis

- **2Q26 results beat.** TMBThanachart Bank (TTB) posted 2Q26 net profit of Bt5.51b (+10% yoy, +7% qoq). The results beat our and consensus estimates by 6% and 7% respectively. Excluding provisions, pre-provision operating profit (PPOP) increased by 2% yoy and 2% qoq.
- **Loan portfolio grew qoq.** Loan portfolio contracted 1.8% yoy but expanded 0.5% qoq in 2Q26. Net-interest income (NII) declined 9% yoy and 1% qoq. NIM slightly increased to 3.03% in 2Q26 from 3.02% in 1Q26. Non-interest income (non-II) increased 40% yoy and 11% qoq.
- **High-yield loans will be key drivers of NIM.** TTB reiterated its commitment to growing its loan portfolio, with a focus on steering the loan mix toward high-yield retail loan products. TTB has applied a risk-based pricing model to Cash2Go to acquire higher-quality, higher-yield loans. Meanwhile, the commercial loan segment remains selective, specifically targeting corporate energy clients with lower risk and connections to solar farm projects to achieve growth.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net interest income	56,451.6	50,636.8	48,242.3	49,062.1	51,238.9
Non-Interest Income	12,960.5	15,040.3	18,825.4	18,909.3	19,785.6
Net profit (rep./act.)	21,072.2	20,639.4	22,266.1	19,825.4	19,423.2
Net profit (adj.)	21,072.2	20,639.4	22,266.1	19,825.4	19,423.2
EPS (Bt)	0.2	0.2	0.2	0.2	0.2
PE (x)	13.6	12.6	11.7	13.1	13.4
P/B (x)	1.2	1.1	1.1	1.1	1.1
Dividend yield (%)	7.0	6.9	5.5	5.2	5.2
Net int margin (%)	3.2	3.0	2.9	3.0	3.0
Cost/income Ratio (%)	42.6	45.0	44.6	42.9	43.0
Loan loss cover (%)	151.0	152.0	156.0	155.0	151.0
Consensus net profit	n.a	n.a	20,316.6	18,680.4	18,555.6
UOBKH/Consensus (x)	n.a	n.a	1.1	1.1	1.0

Source: TMBThanachart Bank, Bloomberg, UOB Kay Hian

HOLD (Maintained)	
Share Price	Bt2.96
Target Price	Bt3.20
Upside	8.1%
Previous TP	Bt2.30

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Stock Data

GICS sector	Financials
Bloomberg ticker:	TTB TB
Shares issued (m):	91,623.8
Market cap (Btm):	271,206.3
Market cap (US$m):	8,062.7
3-mth avg daily t'over (US$m):	25.0

Price Performance (%)

52-week high/low: Bt3.0/Bt1.8

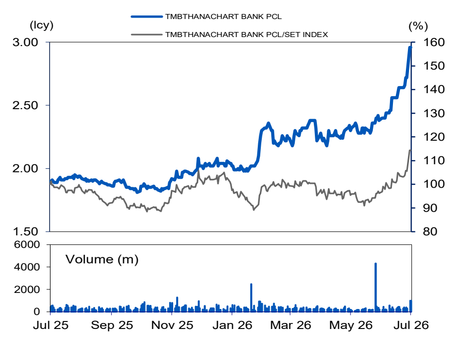
1mth	3mth	6mth	1yr	YTD
24.4	33.3	43.7	56.6	46.5

Major Shareholders	%
Thanachart Capital	24.37
ING BANK N.V.	21.69
Ministry of Finance (MOF)	11.65

Balance Sheet Metrics

FY26 NAV/Share (Bt)	2.7
FY26 CAR Tier 1 (%)	18.0

Price Chart



Source: Bloomberg

Company Description

The sixth largest bank in Thailand with roughly 10% of the credit market. The bank's strong focus in on retail lending, which accounts for 62% of loan book

- **Credit cost increased qoq.** TTB set provision expenses of Bt4.04b in 2Q26 (-5.9% yoy, +1.1% qoq), equivalent to a credit cost of 137bp (+1bp qoq). Normal provisions amounted to Bt2.92b, equivalent to a credit cost of 99bp. Management overlay was Bt1.1b in 2Q26 (vs 1Q26's Bt1.6b).
- **Robust asset quality.** NPL ratio is stable at 2.93% qoq. The loan-loss coverage ratio increased from 154% to 157% in 2Q26. The remaining tax benefit is around Bt3.4b, which can be subsequently recognised within 2028.
- **Expect to switch from share buyback to a cash dividend payment.** TTB's CEO said the bank has completed its share buyback with a budget of Bt21b, one year ahead of schedule. TTB still has a Bt14b budget remaining for share buybacks from now till 2028. Given that its P/B ratio is above 1.0x and taking into account the recent share price rally, the bank will consider utilising capital wisely to return value to shareholders. In our view, we expect the bank to release capital by increasing its dividend payout or paying out a special dividend in the future.
- **Room to increase dividend payout ratio.** Based on the current dividend payout ratio of 60%, the CEO guided that a 70% dividend payout ratio is possible. However, there is no formal plan or commitment yet regarding the increase. TTB has set a double-digit ROE as a long-term aspiration. Hence, the potential to increase dividend payout ratio would be the key support in the future.
- **Release of management overlay will be a positive surprise.** TTB added a management overlay (MO) of Bt1.6b in 1Q26 to cushion against the deterioration in the residential outlook. Meanwhile, the bank recently added an MO of Bt1.1b in 2Q26 to create a further cushion for secured loans. The CEO said there is a possibility of releasing the MO if concerns gradually fade in the future. We believe this potential MO release could be a positive surprise.

Valuation/Recommendation

- **Maintain HOLD with a higher target price of Bt3.20 (previously Bt2.30).** using the Gordon Growth Model (cost of equity: 11%, long-term growth: 2.0%). This implies 1.18x 2026F P/B.

Earnings Revision/Risk

- We revise TTB's 2026-28 earnings forecasts upward by 9.2%, 9.1%, and 0.4% respectively, to reflect the decent 2Q26 results and its robust asset quality.

Share Price Catalyst

- Upgrade in dividend payout ratio.

Environment, Social, Governance (ESG) Updates

CG Report: 5
SET ESG Rating: AAA

Environmental

- **Climate finance.** Reducing GHG emissions in its operations and empowering clients to transition to a net-zero economy.
- **Environmental management**. The bank has introduced an initiatives and environmental savings programmes to promote environmental awareness.

Social

- **Financial literacy and inclusion**. To educate people to increase their capability to manage their finances and achieve financial wellbeing.
- **Human rights**. The bank has conducted a risk assessment to identify human rights risks and mitigate the impacts.

Governance

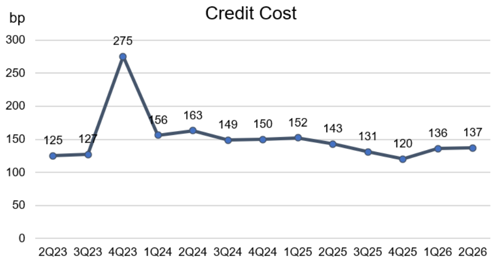
- Cybersecurity and data privacy. To ensure the stability and security of systems and operations, and to mitigate cybersecurity risks that could result in financial and reputational losses.

2026 Financial Targets

	1H26 Actual	2026 Target	2025 Actual
Loan growth	-1.8%	0-2%	-3.1%
Deposit growth	+0.4%	In line with loan growth	-4.4%
NIM	3.02%	3.0-3.1%	3.04%
Non-NII growth	+38.5% yoy	Single digit	16.2%
Cost to income	46%	Mid 40s	45%
NPL ratio	2.93%	<= 3.2%	2.87%
Credit cost	91bp/136bp	130-135bp	Normal 106bp (Total 136bp)

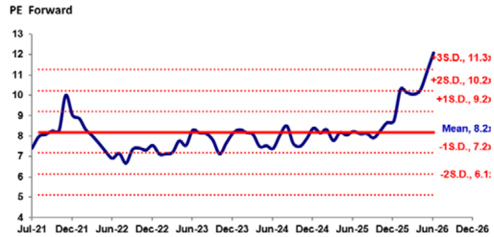
Source: TTB, UOB Kay Hian

Credit Cost (bp)



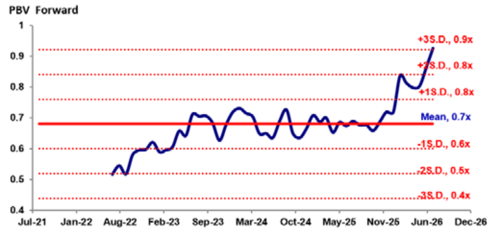
Source: TTB, UOB Kay Hian

PE Band



Source: TTB, UOB Kay Hian

P/B Band



Source: TTB, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Interest income	72,097	66,329	68,231	71,200
Interest expense	(21,460)	(18,087)	(19,169)	(19,961)
Net interest income/(expense)	50,637	48,242	49,062	51,239
Fees & Commissions	10,209	12,155	12,502	13,097
Net Trading Income	2,324	3,850	3,958	4,071
Other Income	2,508	2,821	2,449	2,617
Non-Interest Income	15,040	18,825	18,909	19,786
Total Income	65,677	67,068	67,971	71,024
Staff Costs	(15,768)	(15,894)	(15,680)	(16,762)
Other Operating Expense	(13,765)	(14,036)	(13,450)	(13,805)
Pre-Provision Profit	36,144	37,138	38,841	40,458
Loan Loss Provision	(16,485)	(15,207)	(14,365)	(16,478)
Pre-tax profit	19,658	21,931	24,476	23,979
Tax	981	330	(4,650)	(4,556)
Minorities	0	5	0	0
Net profit	20,639	22,266	19,825	19,423
Net profit (adj.)	20,639	22,266	19,825	19,423

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Cash With Central Bank	12,633	18,488	19,077	19,699
Govt Treasury Bills & Securities	237,852	187,019	200,506	221,275
Interbank Loans	181,399	186,902	193,654	200,206
Customer Loans	1,153,575	1,171,176	1,210,685	1,253,784
Investment Securities	22,943	24,663	25,229	25,945
Derivative Receivables	9,602	13,154	13,802	14,345
Associates & JVs	8,593	8,613	8,613	8,613
Properties & Other Fixed Assets	31,475	31,197	32,547	33,873
Goodwill & Intangible Assets	25,310	25,219	25,219	25,219
Other Assets	18,584	23,162	24,282	24,981
Total assets	1,701,966	1,689,592	1,753,614	1,827,941
Interbank Deposits	98,179	99,577	102,622	105,943
Customer Deposits	1,269,509	1,303,639	1,347,540	1,391,776
Bills Payable	2,973	2,860	2,860	2,860
Derivative Payables	5,841	11,688	12,183	12,556
Subordinated Debts	15,126	(29,831)	(19,894)	4,202
Other Liabilities	66,144	64,166	64,851	66,242
Total liabilities	1,457,772	1,452,099	1,510,161	1,583,578
Shareholders' funds	244,194	237,453	243,414	244,323
Minority interest	0	40	40	40
Total Equity & Liabilities	1,701,966	1,689,592	1,753,614	1,827,941

Operating Ratios

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Capital Adequacy				
Tier-1 CAR	17	18	18	17
Total CAR	20	20	20	19
Total Assets/Equity	7	7	7	7
Tangible Assets/Tangible Common Equity	8	8	8	8
Asset Quality				
NPL Ratio	3	3	3	3
Loan Loss Coverage	152	156	155	151
Loan Loss Reserve/Gross Loans	5	5	5	5
Increase in NPLs	0	1	0	0
Credit Cost (bp)	134	124	115	127
Liquidity				
Loan/Deposit Ratio	91	90	90	90
Liquid Assets/Short-Term Liabilities	32	28	28	29
Liquid Assets/Total Assets	25	23	24	24

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Growth				
Net Interest Income, yoy Chg	(10)	(5)	2	4
Fees & Commissions, yoy Chg	9	19	3	5
Pre-Provision Profit, yoy Chg	(9)	3	5	4
Net Profit, yoy Chg	(2)	8	(11)	(2)
Customer Loans, yoy Chg	(3)	2	3	4
Profitability				
Net Interest Margin	3	3	3	3
Cost/Income Ratio	45	45	43	43
Adjusted ROA	1	1	1	1
Reported ROE	9	9	8	8
Adjusted ROE	9	9	8	8
Valuation				
P/BV	1	1	1	1
P/NTA	1	1	1	1
Adjusted P/E	13	12	13	13
Dividend Yield	7	5	5	5

Amata Corporation (AMATA TB)

2Q26 Results Preview: Earnings Supported By Higher-Margin Land Transfers

Highlights

- We expect AMATA to report a 2Q26 net profit of Bt1.03b (+636% yoy, -25% qoq).
- Electronics led land sales while there were no land sales from data centres during the quarter.
- Maintain BUY with a higher target price of Bt35.00 (previously Bt26.00)

2Q26 Results Preview

Year to 31 Dec (Btm)	2Q26F	1Q26	2Q25	qoq chg (%)	yoy chg (%)
Net turnover	3,818	3,945	2,322	-3.2%	64.4%
Gross profit	1,700	1,872	869	-9.2%	95.6%
EBIT	1,212	1,460	502	-17.0%	141.2%
EBITDA	1,333	1,561	617	-14.6%	116.3%
Net profit	1,030	1,379	140	-25.0%	636.5%
Ratio (%)					
Gross margin	44.5%	47.5%	37.4%	n.a.	n.a.
SG&A to sales	12.8%	10.4%	15.8%	n.a.	n.a.
Net profit margin	27.0%	34.9%	6.0%	n.a.	n.a.

Source: AMATA, UOB Kay Hian

Analysis

- **Expect net profit to increase yoy but decline qoq.** We expect AMATA Corporation (AMATA) to report a 2Q26 net profit of Bt1.03b (+636% yoy, -16.8% qoq). The strong yoy improvement is mainly driven by higher land transfer revenue, better gross margin, and lower SG&A to sales. Meanwhile, the qoq decline is due to lower land transfer revenue.
- **Gross margin to improve on contributions from AMATA Smart City.** We expect gross margin to improve to 44.5% from 37.4%, mainly driven by better margin from the industrial estate business, supported by land transfers at AMATA Smart City, which carries a higher gross margin.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	14,723.6	14,281.5	16,216.2	15,527.0	16,649.6
EBITDA	3,972.6	5,070.4	5,577.2	5,282.8	5,654.2
Operating profit	3,521.5	4,608.0	5,090.8	4,776.7	5,128.5
Net profit (rep./act.)	2,482.9	3,148.7	3,716.2	3,757.4	4,000.2
Net profit (adj.)	2,482.9	3,148.7	3,716.2	3,757.4	4,000.2
EPS	2.2	2.7	3.2	3.3	3.5
PE (x)	13.1	10.3	8.7	8.6	8.1
P/B (x)	1.5	1.4	1.2	1.1	1.0
EV/EBITDA (x)	9.9	8.7	6.3	6.4	5.8
Dividend yield (%)	2.8	3.9	4.4	4.4	4.7
Net margin (%)	16.9	22.0	22.9	24.2	24.0
Net debt/(cash) to equity(%)	58.2	69.5	25.8	16.1	9.8
Interest cover (x)	6.4	8.9	10.0	11.3	12.4
Consensus net profit	n.a	n.a	3,391.5	3,399.7	3,659.7
UOBKH/Consensus (x)	n.a	n.a	1.1	1.1	1.1

Source: Amata Corporation, Bloomberg, UOB Kay Hian

BUY (Maintained)	
Share Price	Bt28.25
Target Price	Bt35.00
Upside	23.89%
Previous TP	Bt26.00

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Assistant Analyst(s)
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Stock Data

GICS sector	Real Estate
Bloomberg ticker:	AMATA TB
Shares issued (m):	1,150.0
Market cap (Btm):	32,487.5
Market cap (US$m):	965.8
3-mth avg daily t'over (US$m):	10.8

Price Performance (%)

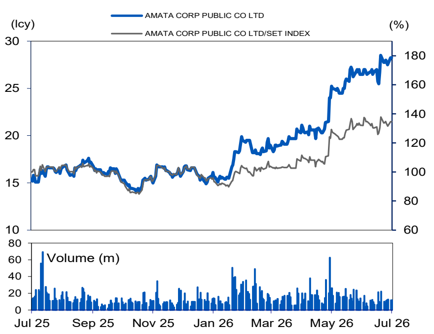
52-week high/low: Bt28.5/Bt14.1

1mth	3mth	6mth	1yr	YTD
6.6	39.2	79.9	87.1	70.2

Major Shareholders	**%**
Mr. Vikrom Kromadit	26.23
Thai NVDR	16.86
Vayupak Fund 1	3.20

Balance Sheet Metrics	**%**
FY26 NAV/Share (Bt)	23.0
FY26 Net Debt/Share (Bt)	5.9

Price Chart



Source: Bloomberg

Company Description

AMATA is Thailand's leading industrial estate developer. It operates two industrial estates in Eastern Thailand, which are Amata Nakorn and Amata City, and one in Vietnam, Amata City Bien Hoa.

- **Forecast total revenue growing yoy but declining slightly qoq.** We expect AMATA to post a total revenue of Bt3.8b (+64% yoy, -3.2% qoq). The yoy increase is driven by land transfers of 288 rai, comprising 271 rai in Thailand and 17 rai in Vietnam. The qoq decline reflects lower land transfers vs 306 rai in 1Q26. However, despite land transfers falling 6.4% qoq, revenue declined by only 3.2% qoq, supported by contributions from AMATA Smart City, which has a higher ASP. We also expect recurring income from the rental and utility businesses to continue improving on sustained demand.
- **Electronics customers drove 2Q26 land sales.** AMATA recorded 271 rai of land sales in 2Q26, comprising 254 rai in Thailand and 17 rai in Vietnam. Management indicated that, of the Thailand sales, around 100 rai came from the electronics industry and approximately 50 rai from the high-technology sector. There were no data centre land sales during the quarter. However, management projects that data centre transactions will materialise in 2H26, supported by five potential projects totalling more than 300 rai. Demand could broaden from data centers to the high-tech and AI-related industries.
- **Maintain Thailand's land sales target of 1,650 rai.** Management maintained its Thailand land sales target of 1,650 rai, supported by a healthy pipeline of high-potential customers, with land sales expected to accelerate in 2H26. Current negotiations include two customers totaling around 200 rai, three customers requiring 50-100 rai each, and several customers seeking plots of less than 50 rai.
- **Recurring income to continue increasing the contribution.** We expect recurring income from the rental and utility businesses to continue increasing its contribution, accounting for around 39% of total revenue.

Valuation/Recommendation

- **Maintain BUY with a higher target price of Bt35.00 (previously Bt26.00).** Our target price is based on the SOTP methodology. We value the core businesses (industrial land development and logistics) at Bt31.79/share. The industrial estate business is valued at 14x 2026F PE, while the logistics business is valued using the GNAV method. Investments in associate companies are valued at Bt9.23/share, based on 14x 2026F PE. We believe AMATA's strong backlog will continue to support earnings. In addition, continued FDI inflows from the high-technology and AI-related industries, as well as data centres, are expected to benefit the company.

Earnings Revision/Risk

- We revised 2026-28 earnings up by 14.0%, 15.7%, 8.0% respectively to reflect higher land transfer assumptions, improved gross margin, and stronger recurring income.

Share Price Catalyst

- a) Higher-than-expected land presales volume, b) continued FDI momentum driven by the relocation theme.

Environment, Social, Governance (ESG) Updates

CG Report: 5
SET ESG Rating: AAA

Environmental

- Minimises social and environmental impact to protect and restore natural resources, transparently disclosing natural resources and implementing environmental management practices through various channels.

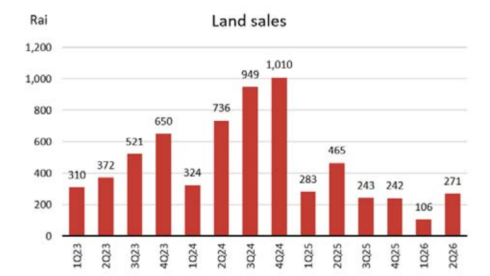
Social

- The business operation plays a crucial role in promoting positive human rights impacts by contributing to the local economy, creating employment opportunities, and enhancing overall community wellbeing.

Governance

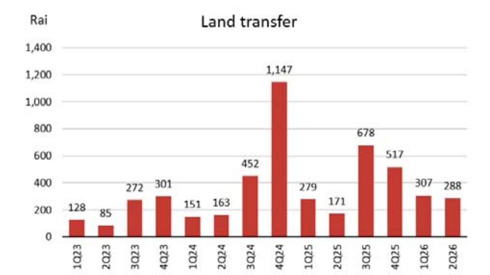
- Places a strong emphasis on transparency, integrity, and compliance with laws and regulations, as well as the principles of good corporate governance and a business code of ethics.

Land Sales



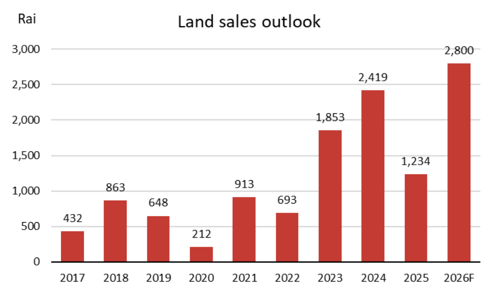
Source: AMATA, UOB Kay Hian

Land Transfer



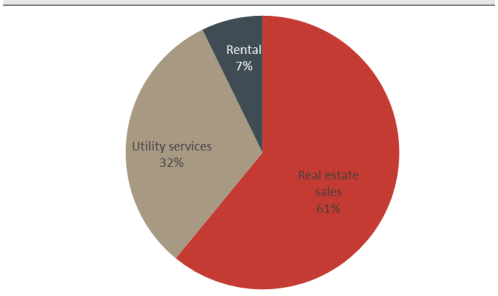
Source: AMATA, UOB Kay Hian

Land Sales Outlook



Source: AMATA, UOB Kay Hian

Revenue contribution



Source: AMATA, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	14,281	16,216	15,527	16,650
EBITDA	5,070	5,577	5,283	5,654
Deprec. & amort.	462	486	506	526
EBIT	4,608	5,091	4,777	5,128
Total other non-operating income	148	120	138	141
Associate contributions	927	758	940	931
Net interest income/(expense)	(570)	(558)	(466)	(456)
Pre-tax profit	5,113	5,410	5,389	5,744
Tax	(884)	(817)	(885)	(944)
Minorities	(949)	(877)	(746)	(800)
Net profit	3,149	3,716	3,757	4,000
Net profit (adj.)	3,149	3,716	3,757	4,000

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	9,935	10,213	10,470	10,708
Other LT assets	30,965	32,945	34,461	35,518
Cash/ST investment	4,038	13,608	15,718	17,265
Other current assets	24,716	16,930	16,572	17,733
Total assets	69,654	73,696	77,221	81,224
ST debt	5,693	5,693	5,693	5,693
Other current liabilities	14,468	14,842	14,786	14,983
LT debt	14,708	14,708	14,708	14,708
Other LT liabilities	4,363	4,363	4,363	4,363
Shareholders' equity	23,531	26,321	29,157	32,163
Minority interest	6,891	7,768	8,514	9,313
Total liabilities & equity	69,654	73,696	77,221	81,224

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	(5,182)	13,239	5,312	4,362
Pre-tax profit	4,982	5,410	5,389	5,744
Tax	(884)	(817)	(885)	(944)
Deprec. & amort.	462	486	506	526
Working capital changes	(10,354)	8,159	302	(963)
Other operating cashflows	612	0	0	0
Investing	2,556	(2,257)	(1,774)	(1,294)
Capex (growth)	2,870	(1,778)	(1,257)	(738)
Investments	(445)	(479)	(516)	(557)
Others	130	0	0	0
Financing	894	(1,412)	(1,428)	(1,520)
Dividend payments	(1,265)	(1,412)	(1,428)	(1,520)
Issue of shares	0	0	0	0
Proceeds from borrowings	1,927	0	0	0
Others/interest paid	232	0	0	0
Net cash inflow (outflow)	(1,733)	9,570	2,110	1,548
Beginning cash & cash equivalent	5,770	4,038	13,608	15,718
Ending cash & cash equivalent	4,038	13,608	15,718	17,265

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	35.5	34.4	34.0	34.0
Pre-tax margin	35.8	33.4	34.7	34.5
Net margin	22.0	22.9	24.2	24.0
Growth				
Turnover	218.0	261.1	245.7	270.7
EBITDA	171.6	198.7	183.0	202.8
Pre-tax profit	141.4	155.5	154.5	171.2
Net profit	123.4	163.6	166.6	183.8
Net profit (adj.)	26.8	18.0	1.1	6.5
EPS	107.2	144.6	147.3	163.3
Leverage				
Debt to total capital	67.1	59.8	54.2	49.2
Debt to equity	86.7	77.5	70.0	63.4
Net debt/(cash) to equity	69.5	25.8	16.1	9.8
Interest cover	8.9	10.0	11.3	12.4

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