Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	52637.0	0.3	(0.5)	5.4	9.5
S&P 500	7575.4	0.4	1.2	4.2	10.7
FTSE 100	10497.3	0.2	(1.7)	2.4	5.7
AS30	9003.7	0.5	(0.5)	1.7	(0.2)
CSI 300	4780.8	(2.0)	(1.3)	0.7	3.3
FSSTI	5469.3	0.7	4.3	10.3	17.7
HSCEI	8039.2	0.5	4.4	(3.4)	(9.8)
HSI	24175.1	0.6	3.5	(1.0)	(5.7)
JCI	5924.4	0.2	0.8	0.4	(31.5)
KLCI	1691.5	0.8	0.7	0.7	0.7
KOSPI	7475.9	2.5	(7.6)	(3.3)	77.4
Nikkei 225	68557.7	1.2	(1.7)	6.8	36.2
SET	1621.6	0.8	0.6	3.7	28.7
TWSE	45354.6	0.0	(3.0)	4.9	56.6
BDI	2944.0	1.2	8.4	6.2	56.8
CPO (RM/mt)	4482.0	0.0	0.8	0.4	14.0
Brent Crude (US$/bbl)	76.0	(0.4)	5.4	(18.4)	24.9

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Analyst Marketing on 2H Thai Strategy and Healthcare Sector presentation	Malaysia	13 Jul	15 Jul
Virtual Post-Results Meeting with ASL Marine Holdings Ltd (ASL SP)	Singapore	21 Jul	21 Jul

Corporate and Macro Calendar

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

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

Thailand

Sector Update | Food Page 2

China and domestic swine prices are expected to strengthen in 2H26 hoh and yoy, while commodity prices may soften hoh. 2Q26 earnings sector are expected to weaken qoq and yoy. However, we expect an earnings recovery in 2H26. We believe CPF is well positioned to outperform as a key beneficiary of the China swine price upcycle in 2H26 hoh. Maintain MARKET WEIGHT with CPF and ITC as our top picks.

Sector Update | Healthcare Page 5

We upgrade the healthcare sector to OVERWEIGHT, as Middle East patient volumes recovered rapidly following the ceasefire and are expected to support a strong 3Q26 high season. Most operators have effectively managed cost pressures through inventory procurement. We raise BH's 2026 earnings on a faster recovery in international patients but cut BDMS on weaker domestic demand and higher costs. We also initiate coverage on PR9 with BUY for its budget-premium positioning, specialty services, and growing Middle East patient base.

Company Update | Delta (Thailand) (DELTA TB/**HOLD**/Bt313.00/Target: Bt320.00) Page 8

We expect DELTA to report a 2Q26 net profit of Bt9.30b (+101% yoy, +2% qoq). Earnings momentum is projected to be softer than previous market expectations due to raw material shortages. Raw material constraints could limit 2Q26 order fulfilment and push some deliveries into 2H26, but demand is expected to remain the same. While 2Q26 earnings are likely to be unexciting, 2H26 earnings should remain strong. We maintain HOLD with an unchanged target price of Bt320.00.

Food

China Swine Price Upcycle; Stronger Sector Momentum Expected In 3Q26

MARKET WEIGHT
(Maintained)

Analyst(s)
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Highlights

- China and domestic swine prices are expected to strengthen in 2H26 hoh and yoy, while commodity prices may soften hoh.
- 2Q26 sector earnings are expected to weaken qoq and yoy. However, we expect an earnings recovery in 2H26.
- We believe CPF is well positioned to outperform as a key beneficiary of the China swine price upcycle in 2H26 hoh.
- Maintain MARKET WEIGHT with CPF and ITC as our top picks.

Analysis

Anatomy of Swine Situation

Country	Small farm (%)	Commercial farm (%)	Currrent sitution in 1H26		Swine Price Outlook (2H26 vs 1H26)	Earnings Exposure
			Small farm	Commercial farm		
Thailand	30%	70%	Loss	Profit	higher	CPF, TFG, BTG
Vietnam	60%	40%	Profit	Profit	Stable	CPF, TFG
China	60-70%	30-40%	Loss	Loss	higher	CPF

Source: UOB Kay Hian

- **Anatomy of swine situation; relocation of large-scale farms.** The swine industry has undergone a gradual transition from a fragmented structure dominated by small-scale farms toward a more consolidated market led by commercial producers. This trend was significantly reinforced by the African Swine Fever outbreak, which exposed the vulnerability of smaller operators with inadequate biosecurity measures. Given the losses incurred by many small-scale farmers during 1H26 in Thailand and China, we see a risk of further small farm exits. The resulting supply reduction should support higher swine prices in 2H26.
- **Sector earnings anticipated to turn around in 2H26 by China and Thailand market.** While livestock producers are expected to deliver weak earnings in 2Q26, we anticipate an earnings sector recovery in 2H26, both hoh and yoy, by improving swine prices in Thailand and China. In 1H26, the swine industries in Thailand and China faced unfavourable profitability amid oversupply and subdued demand. However, we expect market conditions to improve in 2H26, with the strongest recovery likely in China market, driven by: a) tighter supply following industry-wide production controls implemented since the beginning of 2026, b) further supply rationalisation as loss-making small-scale farms exit the market, and c) seasonal demand strength during the 4Q26. China swine prices are expected to bottom out in 2Q26 and gradually recover throughout 2H26, offering an additional earnings tailwind for CPF. For the Thailand market, the earnings recovery in 2H26 is expected to be driven by higher domestic swine prices hoh. Meanwhile, swine prices in Vietnam are likely to remain stable at healthy levels.

Segmental Rating

Segment	Rating
Food	MARKET WEIGHT (Maintained)

Source: UOB Kay Hian

Sector Picks

Company	Ticker	Rec	Share Price (Bt)	Target Price (Bt)
Charoen Pokphand	CPF TB	BUY	21.90	25.00
i-Tail Corporation	ITC TB	BUY	15.90	20.50

Source: Bloomberg, UOB Kay Hian

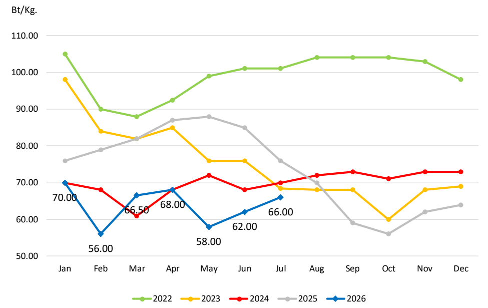
Peer Comparison

Company	Rec	Price 10 July 26 (Bt)	Target Price (Bt)	Upside Downside (%)	Market Cap (US$m)	Net Profit 2026F (Btm)	Net Profit 2027F (Bt m)	PE 2026F (x)	PE 2027F (x)	Net EPS Growth 2026F (%)	P/B 2026F (x)	Yield 2026F (%)	ROE 2026F (%)
BTG TB	BUY	21.40	24.80	15.9	1,211	4,808	5,205	8.6	7.8	(28.1)	1.1	7.2	14.1
CPF TB	BUY	21.90	25.00	14.2	5,462	21,499	22,960	8.5	7.9	(14.7)	0.8	4.9	8.3
GFPT TB	HOLD	9.20	10.00	8.70	340	2,017	2,175	5.6	5.2	(17.3)	0.5	2.3	8.9
ITC TB	BUY	15.90	20.50	28.9	1,455	3,433	3,803	14.2	12.8	15.3	2.3	6.4	14.2
TFG TB	BUY	10.90	12.40	13.8	1,883	7,440	7,911	8.9	8.0	(0.0)	2.5	3.6	32.9
TU TB	HOLD	11.90	12.80	7.6	1,491	4,642	5,013	10.7	9.9	5.4	1.1	5.5	8.8

Source: UOB Kay Hian

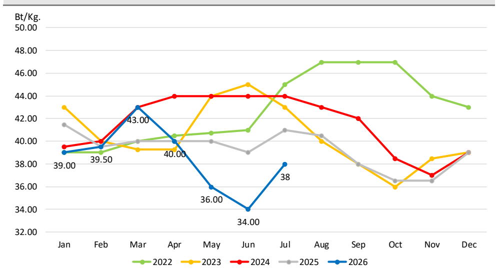
- **Weak earnings for livestock producers in 2Q26.** We expect livestock players' earnings to soften yoy and qoq in 2Q26, due to the lower livestock prices of Thailand and Vietnam. Also, losses from the China swine business are expected to weigh on earnings. On costs side, raw material prices are expected to remain manageable.
- **Domestic swine prices enter an upcycle.** Domestic swine prices in Jul 26 stood at Bt65-66/kg, (+5% mtd). The current rise in domestic swine prices is driven by higher feed costs. In addition, domestic consumption is supported by the Thai Chun Thai Plus scheme, providing an additional demand tailwind. We expect domestic swine prices to maintain an upward trend through 2H26, with average prices likely to be higher than those of 1H26's. This outlook is further supported by disciplined supply management among Thai swine producers since early-26. As the swine production cycle progresses, we expect lower supply in 2H26. The improvement in domestic swine prices is expected to be positive for livestock producers, including CPF, TFG, and BTG.
- **Vietnam swine price stabilisation anticipated in 2026.** After Tet season months in 1Q26, we foresee Vietnam swine prices declining from VND68,000-70,000/kg in 1Q26 to around VND65,000/kg in Jul 26. Looking forward, we expect the Vietnam swine price to remain stable at around VND65,000-68,000/kg in 2026 (vs average of VND62,000/kg in 2025). Stronger purchasing power could lead to a slight increase in pork prices across some local markets. However, the potential for significant price increases remains limited in the short term.
- **China's swine prices are showing early signs of recovery,** with prices in Jul 26 at Rmb11.06/kg (+15% mtd), up from an average of approximately Rmb9.5/kg in Jun 26. During 1H26, China's swine industry experienced its most severe price downturn in nearly eight years thanks to the oversupply situation, falling below the breakeven level. Nevertheless, we believe China swine prices have bottomed out in 2Q26 and expect a gradual recovery in 2H26. In the medium to long term, as capacity continues to be eliminated and the peak consumption season arrives in 4Q26, market conditions will see a recovery. The recovery in China's swine prices should drive profit share from Chia Tai Investment and earnings recovery for CPF.
- **Chicken prices should increase alongside swine prices.** The average domestic chicken price in Jul 26 was Bt38-39/kg, (+11% mtd). We expect domestic chicken prices to improve hoh in 2H26, driven by improving demand and the easing of disease outbreaks in 2Q26. Meanwhile, export demand remains a key monitor, given the significant capacity expansion in China.
- **Tuna price updates.** Tuna prices declined to US$1,730/ton in Jun 26 (-7.7% mom). Nevertheless, prices remain elevated, up 17% yoy. For TU's outlook, we expect earnings to improve qoq in 2Q26, driven by seasonal factors, with low raw material costs. However, we expect 2H26 earnings to decline hoh, reflecting pressure from higher raw material costs. For ITC's outlook, we forecast a qoq earnings decline in 2Q26 due to margin pressure from higher input costs and the lag in passing through price increases. Nevertheless, earnings are still projected to grow yoy by strong demand.
- **Livestock feed prices showing signs of easing.** As of Jul 26, soybean and corn prices stood at Bt16.00/kg (-3% from average prices in 2Q26) and Bt13.20/kg (+12% from average price in 2Q26), respectively. Looking ahead, we expect corn prices to trend lower in 2H26 following the harvest season. In terms of soybean prices, according to the USDA, global soybean ending stocks for 2026/27 are projected to rise slightly. While cost pass-through remains a key factor to monitor, we believe livestock producers should be able to mitigate margin pressure through higher average selling price.
- **Extension of animal feed corn import period.** The Cabinet extended the deadline for importing animal feed corn under ASEAN Free Trade Area (AFTA). The import period has been extended from Feb-Jun 26 to Feb-Aug

Domestic Swine Prices



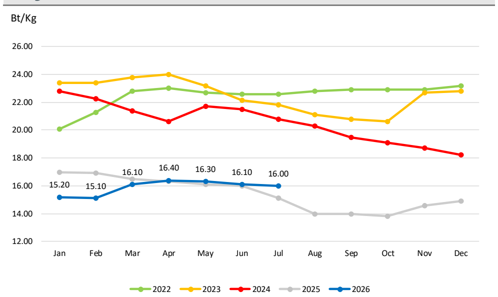
Source: CPF, Thai Swine Association of Thailand, UOB Kay Hian

Domestic Chicken Prices



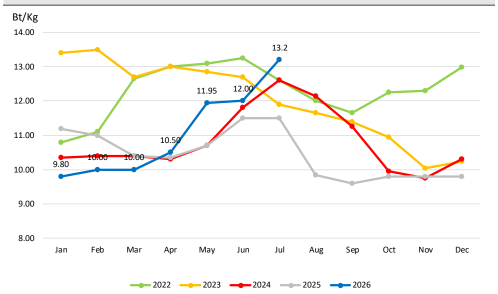
Source: CPF, DIT, UOB Kay Hian

Soybean Prices



Source: CPF, DIT, UOB Kay Hian

Corn Prices



Source: CPF, DIT, UOB Kay Hian

26. Domestic corn typically begins entering the market from July onward. However, the 2026 production indicates that 90.19% of total domestic corn production will enter the market beginning in September. Therefore, the timeline adjustment should be revised to better align with the actual harvest and supply schedule.

- **El Niño expected in 2H26.** The National Oceanic and Atmospheric Administration (NOAA) forecasts a 63% probability that sea surface temperatures in the Niño-monitored Pacific region will exceed 2.0°C, indicating a strengthening El Niño for 2026-27. A strong El Niño could adversely affect global crop production. Meanwhile, easing geopolitical tensions may help alleviate price pressures on substitute feed ingredients. In addition, we expect potential US corn imports to limit the rise in corn prices.

CPF: 2Q26 Results Preview

Year to 31 Dec (Btm)	2Q26F	2Q25	1Q26	yoy(%)	qoq(%)
Revenue	143,167	147,595	136,697	-3.0%	4.7%
Gross profit	21,189	29,210	21,289	-27.5%	-0.5%
SG&A	12,804	13,042	11,868	-1.8%	7.9%
EBIT	8,385	16,168	9,421	-48.1%	-11.0%
Net profit	4,138	10,377	4,875	-60.1%	-15.1%
Core profit	3,369	10,505	4,179	-67.9%	-19.4%
Core EPS (Bt)	0.40	1.25	0.50	-67.9%	-19.4%
Gross Margin (%)	14.8%	19.8%	15.6%	-5.0%	-0.8%
%SG&A/revenue	8.9%	8.8%	8.7%	0.1%	0.3%
Net Margin (%)	2.9%	7.0%	3.6%	-4.1%	-0.7%

Source: CPF, Bloomberg, UOB Kay Hian

- **Charoen Pokphand (CPF):** We expect CPF to report a net profit of Bt4.1b for 2Q26, (-60% yoy and -15% qoq). Excluding one-off items, we expect a core profit of Bt3.4b for 2Q26, (-68% yoy and -19% qoq). The key pressure is expected to be from the lower gross profit margins qoq and yoy by the decrease in livestock prices in the dominant markets. Also, share of profit is expected to decline both yoy and qoq in 2Q26. Looking ahead, we remain positive on CPF, as we expect earnings to improve both hoh and yoy in 2H26, supported by: a) the ongoing upcycle in China swine prices. China swine prices have recovered to Rmb11/kg (+15% mtd, the breakeven level of Rmb13/kg); b) a gradual hoh recovery in Thailand's swine prices in 2H26; and c) chicken prices rebounding to Bt38-39/kg (+11% mtd) in Jul 26 and the seasonal recovery in export demand in 3Q26.

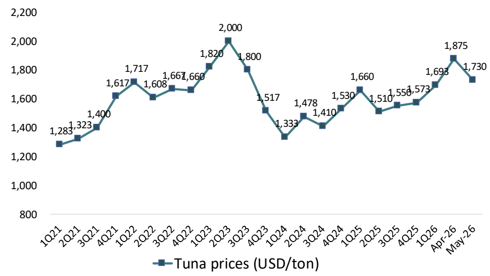
Valuation/Recommendation

- **Maintain MARKET WEIGHT.** We are more positive on food stocks due to improving livestock prices and a stronger earnings outlook in 2H26. Livestock-related stocks are currently trading at 8-9x PE, below their five-year average of 10x. Our top picks are CPF, and ITC.
- BTG: Upgrade to BUY with a higher target price of Bt24.80 (previously: Bt21.00) based on 2026 EPS. We use the forward PE to BTG's three-year mean, at 10x.
- TFG: Upgrade to BUY with a higher target price of Bt12.40 (previously: Bt10.50) based on 2026 EPS. We use the forward PE to industry's five-year mean, at 10x.

Sector Catalyst/Risk

- Higher livestock prices in Thailand, Vietnam, and China market could provide upside to sector earnings.
- Disease outbreaks may lead to significant livestock price spikes through supply disruptions.
- Feed costs may increase caused by El Niño.
- Elevated tuna prices may pressure margins in the ambient seafood segment.

Tuna Prices



Source: TU, UOB Kay Hian

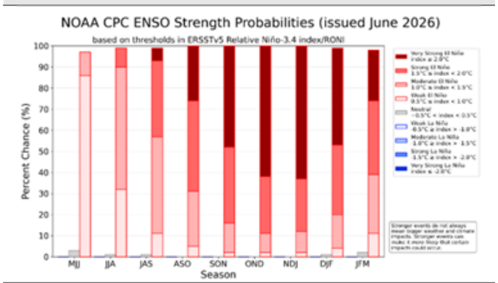
Vietnamese Swine Prices

Source: Pig333

China Swine Prices

Source: NOAA

Chance of El Niño



Source: NOAA

Healthcare

Looking Forward To A Strong 2H26

OVERWEIGHT
(Upgraded)

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Nonpawit Vathanadachakul

Highlights

- We are seeing strong recovery from Middle East patient arrivals for all operators, returning to normal levels in Jun 26.
- Most of the operators are able to cope well with the cost pressure by stocking up on medical supplies.
- We forecast a stronger upside for the sector in 2H26, on the high season of Middle East patient arrivals in 3Q26 and lower cost pressure. Upgrade to OVERWEIGHT; our sector picks are BH and PR9.

Analysis

- **Return of Middle East patients as the war situation stabilises.** After war broke out in the Middle East in early-Mar 26, the Strait of Hormuz was closed, disrupting the travel routes of patients from the region. Healthcare operators' Middle East patient revenue still grew yoy in 1Q26 due to long staying patients who were not able to return home, but dropped in Apr 26 as new patients could not travel to Thailand for treatment. In May 26, all operators saw a significant recovery as the ceasefire kicked in and their Middle East patient numbers returned to close to normal levels in Jun 26. The rebound was strongly supported by air connectivity improvements as Middle East airlines rapidly ramped up operations. Hence, we see this as a very promising buildup to the high season for Middle East patient arrivals in 3Q26.
- **Several operators coping with cost pressure well.** While the US-Iran conflict has pushed up fuel and operating costs, several players appear well prepared. Management of Bumrungrad Hospital (BH) and Bangkok Chain Hospital (BCH) see no risk of drug shortages, as the hospital has secured most of the orders for this year's medical supply requirements since early-26. This helps lock in procurement costs and reduce exposure to fluctuations in medical supply prices. As a result, we remain confident in BH's and BCH's ability to manage costs effectively throughout the year.
- Meanwhile, PR9 has secured their supplies up to Jun 26, which will mitigate the impact from rising supply costs. Moreover, PR9 will offset the impact from rising costs from 3Q26 onwards as they will increase the treatment price. We expect that BDMS will be affected the most as its operation scale is large. It is unlikely that BDMS will be able to fully lock in the medical supply for the whole year and hence will need to preserve their inventory instead. We should see the cost pressure take effect in the upcoming quarters as well.

Click here for Full Report dated 10 Jul 26

Segmental Rating

Segment	Rating
Healthcare	OVERWEIGHT (Upgraded)

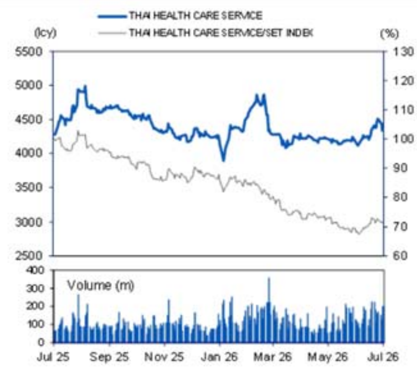
Source: UOB Kay Hian

Sector Picks

Company	Ticker	Rec	Share Price 8 July 26	Target Price (Bt)
Bumrungrad	BH TB	BUY	184.00	236.00
Praram9	PR9 TB	BUY	16.90	24.60

Source: Bloomberg, UOB Kay Hian

Chart



Source: Bloomberg, UOB Kay Hian

Peer Comparison

Company	Rec	Price 8 July 26 (Bt)	Target Price (Bt)	Upside Downside (%)	Market Cap (US$m)	Net Profit 2026F (Btm)	Net Profit 2027F (Bt m)	PE 2026F (x)	PE 2027F (x)	Net EPS Growth 2026F (%)	P/B 2026F (x)	Yield 2026F (%)	ROE 2026F (%)
BCH TB	BUY	9.65	14.00	45.1	720	1,999	2,114	12.0	11.4	51.8	1.7	4.8	13.4
BDMS TB	BUY	19.20	27.00	40.6	9,136	16,337	17,582	18.7	17.4	3.1	2.8	4.0	14.5
BH TB	BUY	184.00	236.00	28.3	4,379	7,641	8,210	20.9	19.4	1.7	4.9	2.6	24.9
PR9 TB	BUY	16.90	24.60	45.6	398	880	987	15.1	13.5	7.0	2.1	3.3	14.4
Sector					14,633	26,856	28,893	18.9	17.6	5.2	3.3	3.6	17.6

Source: UOB Kay Hian

- **Thai patient spending power remains weak.** Following the weak Thai economy outlook, consumer spending has not been great. The rising fuel cost due to the war has exacerbated the outlook even further. For domestic patients, healthcare providers remain cautious as mid-income patients continue to be price sensitive and reluctant to pay for premium treatments, resulting in subdued growth in Thai patient revenue across the sector. We expect domestic demand to recover gradually as the war situation is unlikely to become even more severe.
- **The epidemic situation this year still needs to be observed.** The number of influenza cases is a great indicator of the disease outbreak trend. According to the Department of Disease Control, the number of influenza cases this year has been trailing the weekly figures from last year but still remains higher than the five-year median. However, we are still at the start of 3Q26, the rainy season. We should see a more meaningful pickup in influenza cases around end of August to early-Sep 26. A meaningful increase in the number of influenza cases should serve as a good catalyst for the healthcare providers, allowing them to receive more outpatients from the epidemic on top of the high season of Middle East patient arrivals in 3Q26.

Earnings Revision/Risk

- **We revise up our 2026 net profit forecasts for BH.** We revise our 2026 net profit forecasts of BH up by 7.8% reflect the faster-than-expected recovery of Middle East patient arrivals.

Earnings Revision

(Btm)	New	Previous	Change
	2026F		
Total revenue	26,942	25,731	4.7%
Operating EBITDA	10,433	9,760	6.9%
Net profit	7,641	7,089	7.8%
			Chg (ppt)
EBITDA margin	38.7%	37.9%	0.79
Net profit margin	28.4%	27.6%	0.81

Source: BH, UOB Kay Hian

- **We revise down our 2026-28 net profit forecasts for BDMS.** We revise our 2026-28 net profit forecasts down by 12.1%, 11.4% and 9.3% respectively to reflect the sluggish growth of Thai patient revenue and the increasing cost pressure.

Earnings Revision

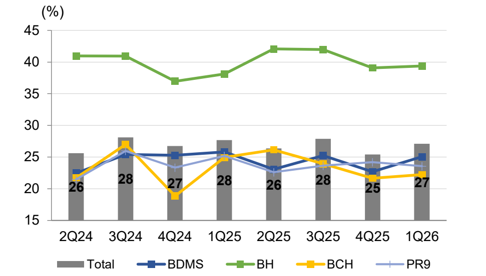
	2026F			2027F			2028F		
(Bt m)	New	Previous	Change	New	Previous	Change	New	Previous	Change
Total revenue	113,983	119,990	-5.0%	120,516	127,183	-5.2%	127,573	132,979	-4.1%
Operating EBITDA	27,734	30,537	-9.2%	29,547	32,345	-8.7%	31,495	33,885	-7.1%
Net profit	16,337	18,593	-12.1%	17,582	19,834	-11.4%	18,839	20,763	-9.3%
			Chg (ppt)			Chg (ppt)			Chg (ppt)
EBITDA margin	24.3%	25.4%	-1.12	24.5%	25.4%	-0.91	24.7%	25.5%	-0.79
Net profit margin	14.8%	16.0%	-1.14	15.1%	16.1%	-0.98	15.3%	16.1%	-0.83

Source: BDMS, UOB Kay Hian

Valuation/Recommendation

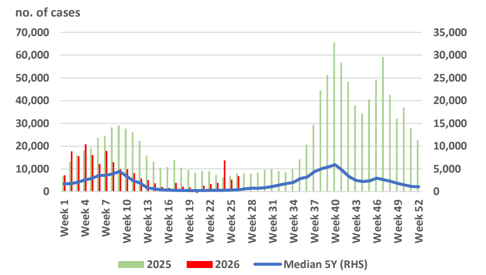
- **Upgrade to OVERWEIGHT; our sector picks are BH and PR9.** The earnings outlook in 2Q26 for healthcare providers will be slightly pressured by the drop in Middle East patient volume in Apr 26. Still, a swift recovery of Middle East patient arrivals in May-Jun 26 should still result in earnings growth yoy in 2Q26. Most of the operators are coping well with the cost pressure caused by the war. Hence, the margins should remain strong across the sector in 2Q26.

EBITDA Margin Of Each Player



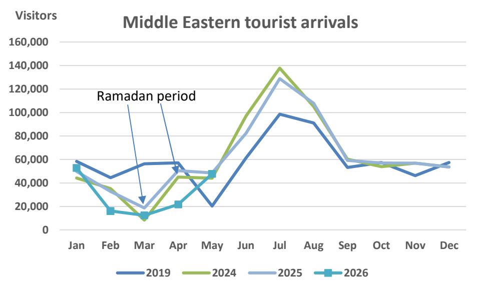
Source: Respective companies, UOB Kay Hian

No. Of Influenza Cases (1 Jan-28 Jun 26)



Source: Department of Disease Control, UOB Kay Hian

Middle East Arrivals

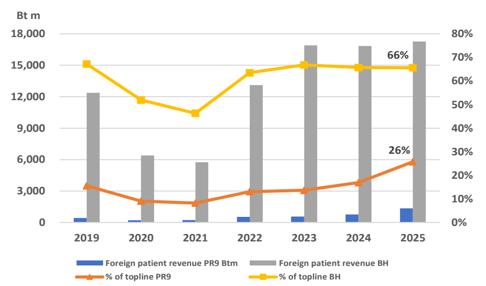


Source: Ministry of Tourism and Sports, UOB Kay Hian

Flight Connectivity Recovery

Source: Flightradar24

Foreign Revenue Contribution – PR9 Vs BH



- We see that a stronger upside awaits in 2H26 for the healthcare sector as 3Q26 is the high season for Middle East patient arrivals and the rainy season in Thailand. The cost pressure should also ease as we approach the year-end. We are optimistic with both BH and the newly initiated PR9 as they are the biggest beneficiaries from the return of Middle East patients given their high contribution.

Bumrungrad Hospital (BH TB/BUY/Target: Bt236.00)

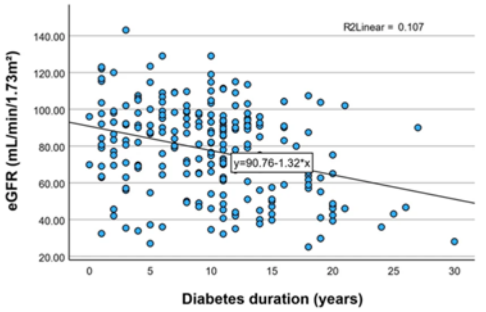
- **Positive outlook for Middle East patients.** Management guided for around 2% yoy revenue growth in 2Q26, supported by the recovery in Middle East patient volumes. Middle East revenue grew 21% yoy in 1Q26, driven by patients who remained in Thailand following the conflict, while new arrivals accelerated after the ceasefire. Although patient volumes remain below BH's normal levels, management is satisfied with the pace of recovery.
- **Limited cost pressure despite geopolitical tensions.** BH expects minimal impact from higher fuel and medical supply costs, having secured around three months of drug inventory and one year's worth of medical supplies at locked-in prices. Management also plans to continue placing forward orders to mitigate future cost volatility, supporting margin resilience throughout the year.

Praram 9 Hospital (PR9 TB/initiate BUY/Target: Bt24.60)

- **Middle East patient volumes rebounded quickly.** The Middle East conflict temporarily disrupted patient travel in early-Mar 26, but volumes recovered following the ceasefire and returned to normal by Jun 26 as airline connectivity resumed. This positions PR9 well for the peak Middle East patient season in 3Q26.
- **Strong positioning in budget-premium segment.** PR9 offers complex tertiary care comparable to BH and BDMS at 20-30% lower prices, making it well positioned to benefit as Middle East governments tighten Guarantee of Payment budgets. Kuwait presents a key growth opportunity following referral reforms that prioritize cost-effective healthcare providers, and we believe PR9 is well placed to secure future referrals.
- **Differentiated specialty offerings.** PR9 is recognised for its expertise in diabetic wound care and kidney transplantation, making it a preferred healthcare provider for Middle East patients. The hospital continues to enhance its capabilities by investing in advanced technologies, including the Da Vinci robotic surgical system introduced in 1Q26, to further expand its complex treatment offerings.

Source: BH, PR9, UOB Kay Hian

Kidney Function Vs Diabetes Duration

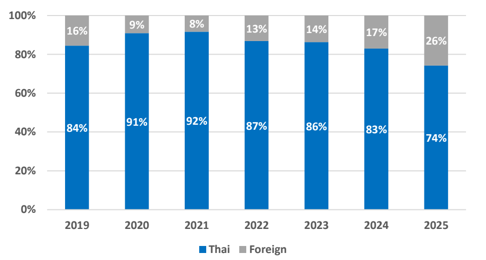


Source: Journal of Clinical Medicine

PR9'S Expansion Pipeline

Source: PR9

PR9'S Revenue Contribution By Nationality



Source: PR9, UOB Kay Hian

Sector Catalyst/Risk

- The stronger recovery of Middle East patient arrivals in 3Q26.
- The return of Kuwait patients remains positive.
- Cost pressure that should damped in 2H26.
- Domestic patient spending outlook remains weak.

Delta (Thailand) (DELTA TB)

Sales Growth Expected To Continue, But Raw Material Issues Could Delay Order Fulfilment In 2Q26

HOLD (Maintained)	
Share Price	Bt313.00
Target Price	Bt320.00
Upside	2.2%

Highlights

- We expect DELTA to report a 2Q26 net profit of Bt9.30b (+101% yoy, +2% qoq). Earnings momentum is expected to be softer than previous market expectation due to raw material shortages.
- Raw material constraints could limit 2Q26 order fulfilment and push some deliveries into 2H26, but demand is expected to remain the same.
- While 2Q26 earnings are expected to be unexciting, 2H26 earnings should remain strong. We maintain HOLD with an unchanged target price of Bt320.00.

2Q26 Preview

Year to 31 Dec (Btm)	2Q26F	2Q25	1Q26	yoy%	qoq%
Revenue	66,386	44,490	61,387	49.2%	8.1%
Gross profit	21,111	11,109	19,466	90.0%	8.5%
Operating profit	9,958	5,098	9,691	95.3%	2.8%
Operating EBITDA	12,484	7,214	12,015	73.0%	3.9%
Core profit	8,966	4,526	8,837	98.1%	1.5%
Net profit	9,306	4,629	9,081	101.0%	2.5%
EPS	0.75	0.37	0.73	101.0%	2.5%
Gross profit margin (%)	31.8	25.0	31.7	0.1	6.8
EBITDA margin (%)	18.8	16.2	19.6	-0.8	2.6
Operating margin (%)	15.0	11.5	15.8	-0.8	3.5
SG&A Exp./ Sales (%)	13.4	10.3	12.8	0.6	3.1
Net profit margin (%)	14.0	10.4	14.8	-0.8	3.6

Source: Delta (Thailand), UOB Kay Hian

Analysis

- **2Q26 earnings momentum was unexciting as deliveries are pushed into 2H26.** We expect Delta (Thailand) (DELTA) to report a 2Q26 net profit of Bt9.31b (+101% yoy, +2% qoq). We expect DELTA's 2Q26 earnings to be softer than our previous expectation, mainly due to raw material shortages, particularly key semiconductor-related components such as MOSFETs, as well as PCBs, amid strong AI server demand. Although overall customer demand remains intact, supply constraints could limit order fulfilment in 2Q26 and push part of deliveries into 2H26. As a result, we forecast 2Q26 sales of Bt66.4b (+49% yoy, +8% qoq), below the previous guidance of 15% qoq sales growth.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	164,732.7	198,153.4	292,213.0	379,516.7	477,695.4
EBITDA	24,598.2	34,520.1	55,868.3	74,710.4	96,601.7
Operating profit	17,859.9	26,325.9	45,764.0	62,158.0	81,224.9
Net profit (rep./act.)	18,938.6	24,814.3	42,305.2	56,357.8	72,705.8
Net profit (adj.)	17,979.7	22,963.9	40,587.2	55,097.8	71,571.8
EPS	1.4	1.8	3.2	4.4	5.7
PE (x)	217.2	170.0	96.2	70.9	54.6
P/B (x)	48.8	40.4	30.5	23.5	18.4
EV/EBITDA (x)	158.2	112.6	69.4	51.8	40.0
Dividend yield (%)	0.2	0.2	0.4	0.6	0.8
Net margin (%)	11.5	12.5	14.5	14.8	15.2
Net debt/ equity (%)	(17.0)	(18.9)	(19.0)	(18.5)	(17.7)
Consensus net profit	n.a	n.a	37,583.1	49,397.5	63,344.0
UOBKH/Consensus (x)	n.a	n.a	1.1	1.1	1.1

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

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Stock Data

GICS sector	Information Technology
Bloomberg ticker:	DELTA TB
Shares issued (m):	12,473.8
Market cap (Bt$m):	3,879,356.8
Market cap (US$m):	116,479.7
3-mth avg daily t'over (US$m):	164.3

Price Performance (%)

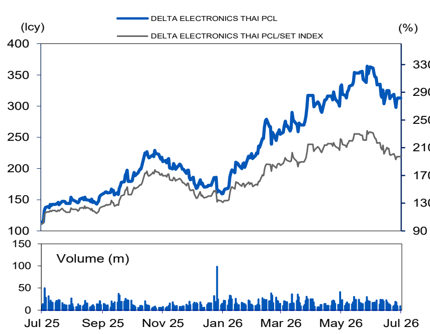
52-week high/low: Bt364.0/Bt108.5

1mth	3mth	6mth	1yr	YTD
(11.6)	(1.9)	88.5	193.4	79.8

Major Shareholders	%
Delta Electronics Int'l (Singapore) Pte. Ltd.	42.85
Citi (Nominees) Limited-Cbhk-Pbgsg-Restricted Shares	13.86
Delta International Holding Limited B.V.	12.71

Balance Sheet Metrics	%
FY26 NAV/Share (Bt)	10.2
FY26 Net Debt/Share (Bt)	(2.0)

Price Chart



Source: Bloomberg

Company Description

Delta Electronics is an electronics exporter, manufacturer of power supplies and electronic components, ie DC fans, EMI filters and solenoids.

- **Data centre demand remains solid; sales expected to accelerate in 2H26.** The market expects big cloud providers' capex (MSFT US, META US, AMZN US, GOOGL US, and ORCL US) to grow 92% yoy and 26% yoy in 2026-27, respectively. While raw material shortages could push deliveries into 2H26 from production hiccups, demand remains intact. We then foresee earnings should be accelerated in 2H26 (contributing 57% of our 2026 forecast). As a result, while DELTA may face order fulfilment challenges in 2Q26, we remain neutral on the issue as the disruption is temporary. We believe DELTA retains strong bargaining power with customers in the power electronics segment, particularly in data centre power supply solutions, where demand remains robust. Data centre-related sales are expected to account for 55-60% of DELTA's total sales in 2026, up from around 50% in 4Q25.
- **Higher royalty fees and material shortage to result in slower operating margin expansion in 2H26.** Following the 1.9ppt qoq increase in operating margin in 1Q26, driven by a favourable product mix and higher contributions from German-developed products, we remain conservative on margin expansion in 2H26. We expect operating margin to decline by 0.8ppt qoq to 15.0% in 2Q26, as raw material shortages delay order fulfilment into 2H26, before recovering to 15.9% in 3Q26 and 16.5% in 4Q26. The slower pace of operating margin expansion reflects our conservative forecast due to higher royalty fee assumption of 7% and additional raw material costs equivalent to around 1% of COGS from 2Q26 onward.

Valuation/Recommendation

- **We maintain HOLD with a target price of Bt320.00.** Our target price is based on 95x 2026E PE, implying near +2.6SD above its five-year mean with DELTA currently trading at +2.6 SD of 2026 forward PE. Following our previous P/E multiple de-rating to reflect raw material issues starting in 2Q26, we are currently neutral on raw material shortage issues.
- We assign a 30% premium compared with the average PE of 73x over 2021-2024. Our premium valuation reflects: a) a structural shift toward higher-margin data centre products and a liquid cooling ramp-up in 2H26, b) a higher gross margin expected to remain at 32% in 2026-2028 (vs 25% in 2022-2025) and operating margin at 16% (vs 12% in 2022-2025), and c) a significantly lower free float compared to DELTA Taiwan.
- While raw material shortages and an unexciting 2Q26 earnings outlook have emerged, 2H26 earnings are expected to be strong. We recommend trading and accumulating only on any pullbacks within the Bt275.00-300.00 (1.75-2.25SD) range, as Thailand offers limited proxies for AI and data centre power infrastructure.

Earnings Revision/Risk

- No earnings revision.

Share Price Catalyst

- Stronger-than-expected operating margin and sales.

Environment, Social, Governance (ESG) Updates

Environmental

- DELTA target to reduce 20% Electricity consumption Intensity (EI) by the year 2025 (compared with the base year 2020) and has also set a target to increase the proportion of renewable energy use to 100% by 2030.

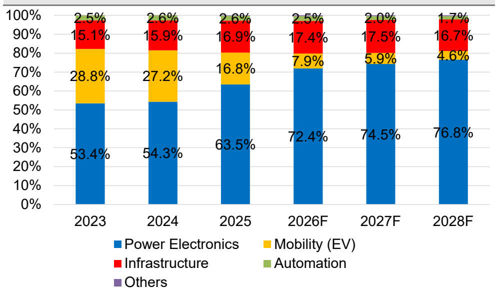
Social

- DELTA is committed to conducting business according to our Corporate Social Responsibility Policy cover to governance, regulator and environment.

Governance

- DELTA has achieved its board diversity target by appointing three female directors, representing 30% of total board members as of 2024, reinforcing board independence and expertise.

Sales Breakdown



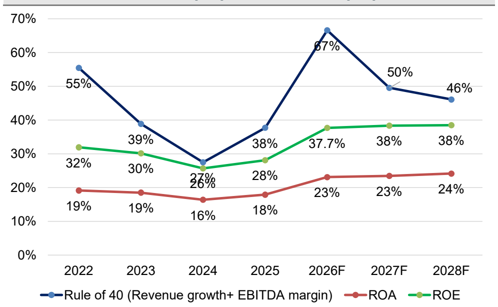
Source: UOB Kay Hian

Sales Seasonality

	Q1	Q2	Q3	Q4
2015	23%	24%	26%	26%
2016	24%	24%	25%	27%
2017	25%	25%	25%	26%
2018	24%	25%	26%	26%
2019	25%	27%	24%	23%
2020	20%	23%	28%	29%
2021	23%	24%	25%	28%
2022	21%	24%	26%	29%
2023	22%	24%	28%	26%
2024	23%	25%	26%	25%
2025	22%	22%	27%	29%
2026F	23%	25%	25%	27%

Source: UOB Kay Hian

Rule of 40, ROA (%) and ROE (%)



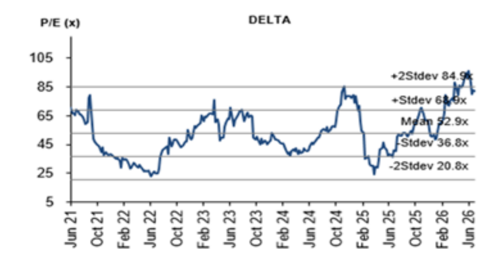
Source: UOB Kay Hian

Peer Comparison

Ticker	Short Name	PE Current	PE 2026F	PE 2027F	EPS 2025	EPS 2026F	EPS 2027F	GPM (%) 2025	GPM (%) 2026F
Thailand peers									
DELTA TB	DELTA ELECTRONICS	135.9	101.8	77.3	1.99	3.05	4.01	27.1	31.2
KCE TB	KCE ELECTRONICS	57.9	44.3	34.2	0.70	0.92	1.19	18.9	19.8
HANA TB	HANA MICROELECTRONICS	107.0	35.6	23.7	0.76	1.02	1.54	7.8	9.8
CCET TB	CAL-COMP ELECTRONICS	45.3	33.3	27.0	0.20	0.26	0.32	5.1	5.2
SMT TB	STARS MICROELECTRONICS				-0.07			3.6	
Regional peers									
2308 TT	DELTA ELECTRONICS	69.3	46.0	28.8	23.14	40.84	65.28	34.3	36.9
2301 TT	LITE-ON TECHNOLOGY	31.4	24.6	18.0	6.64	8.69	11.89	22.9	23.3
6412 TT	CHICONY POWER TECHNOLOGY	17.1	16.4	13.4	5.20	5.41	6.63	16.9	17.0
6282 TT	ACBEL POLYTECH INC	114.7			0.18			25.7	
VRT US	VERTIV HOLDINGS CO-A	79.6	49.9	37.3	3.49	6.49	8.68	36.3	38.4
ETN US	EATON CORP PLC	39.5	30.5	26.1	10.48	13.30	15.54	37.6	37.6
SU FP	SCHNEIDER ELECTRIC SE	36.4	27.3	23.3	7.41	9.90	11.57	42.1	42.1
NVDA US	NVIDIA CORP	30.9	22.6	15.7	4.93	8.99	12.94	71.1	74.9
2330 TT	TSMC	32.5	24.2	18.8	66.26	99.62	128.33	59.9	65.9

Source: UOB Kay Hian

Five-Year Forward PE Band



Source: Bloomberg

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	198,153	292,213	379,517	477,695
EBITDA	34,520	55,868	74,710	96,602
Deprec. & amort.	8,194	10,104	12,552	15,377
EBIT	26,326	45,764	62,158	81,225
Total other non-operating income	2,370	3,030	3,092	3,034
Associate contributions	1	1	0	0
Net interest income/(expense)	189	282	282	282
Pre-tax profit	28,887	49,078	65,532	84,542
Tax	(4,073)	(6,773)	(9,175)	(11,836)
Minorities	0	0	0	0
Net profit	24,814	42,305	56,358	72,706
Net profit (adj.)	22,964	40,587	55,098	71,572

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	46,840	57,200	68,144	79,486
Other LT assets	3,218	3,652	4,508	5,192
Cash/ST investment	20,288	26,768	33,236	39,905
Other current assets	83,786	124,495	162,737	208,866
Total assets	154,131	212,115	268,625	333,450
ST debt	926	1,039	1,039	1,039
Other current liabilities	51,343	76,960	94,534	113,126
LT debt	1,037	1,405	1,405	1,405
Other LT liabilities	4,098	4,824	5,513	6,107
Shareholders' equity	96,727	127,887	166,133	211,772
Minority interest	0	0	0	0
Total liabilities & equity	154,131	212,115	268,625	333,450

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	29,682	42,699	53,822	66,664
Pre-tax profit	28,887	49,078	65,532	84,542
Tax	(4,073)	(6,773)	(9,175)	(11,836)
Deprec. & amort.	8,194	10,104	12,552	15,377
Working capital changes	(8,565)	(15,081)	(20,395)	(27,731)
Non-cash items	0	0	0	0
Other operating cashflows	5,239	5,371	5,306	6,313
Investing	(16,132)	(20,074)	(23,605)	(26,730)
Capex (growth)	(14,957)	(20,366)	(23,437)	(26,640)
Investments	(1,177)	(167)	(458)	(458)
Others	3	459	291	368
Financing	(5,956)	(10,664)	(18,111)	(27,067)
Dividend payments	(5,738)	(11,146)	(18,111)	(27,067)
Issue of shares	0	0	0	0
Proceeds from borrowings	(126)	481	0	0
Others/interest paid	(93)	0	0	0
Net cash inflow (outflow)	7,594	11,961	12,106	12,867
Beginning cash & cash equivalent	15,701	20,288	26,768	33,236
Ending cash & cash equivalent	23,295	32,249	38,874	46,103

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	17.4	19.1	19.7	20.2
Pre-tax margin	14.6	16.8	17.3	17.7
Net margin	12.5	14.5	14.8	15.2
Growth				
Net profit (adj.)	27.7	76.7	35.8	29.9
Leverage				
Debt to total capital	2.0	1.9	1.5	1.2
Debt to equity	2.0	1.9	1.5	1.2
Net debt/(cash) to equity	(18.9)	(19.0)	(18.5)	(17.7)

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