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
Hybrid Post-result Group Luncheon with Plover Bay Technologies Ltd (1523 HK)	Hong Kong	31 Jul	31 Jul

Corporate and Macro Calendar

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

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

Thailand

Company Results | Bangkok Bank (BBL TB/**BUY**/Bt200.00/Target: Bt220.00) Page 3

BBL posted a 2Q26 net profit of B9.5b, down 20% yoy and 14% qoq. The results missed our and consensus forecasts by 15% and 11% respectively due to a qoq increase in opex. In 1H26, the loan portfolio grew 2.7%, within its 2026 loan growth target of 2-3%. Credit costs declined qoq. BBL reported an increase in NPL ratio to 3.3% in 2Q26 from 3.1% in 1Q26. Maintain BUY with a target price of Bt220.00.

Company Results | Krung Thai Bank (KTB TB/**BUY**/Bt42.50/Target: Bt52.00) Page 6

KTB reported a 2Q26 net profit of Bt12.1b, up 9% yoy but down 3% qoq. The results beat our and consensus forecasts by 8%. Loan portfolio grew yoy and qoq in 2Q26. NPL ratio decreased from 2.93% in 1Q26 to 2.92% in 2Q26. The bank set aside provision expenses of Bt6.6b in 2Q26 (-20% yoy, -15% qoq). As a result, credit costs declined 20bp qoq to 95bp in 2Q26. Maintain BUY with a higher target price of Bt52.00.

Company Update | BTG (BTG TB/**BUY**/Bt21.20/Target: Bt24.80) Page 9

We expect BTG’s 2Q26 core profit to decline to Bt741m (-71.7% yoy and -22.8% qoq). The key pressure on 2Q26 earnings was lower profitability due to softer broiler prices and the lack of a recovery in domestic swine prices. Looking ahead, we expect BTG's earnings to bottom out in 2Q26 and recover qoq in 3Q26, supported by the recovery in both domestic swine and broiler prices starting from Jul 26. Maintain BUY with a target price of Bt24.80.

Company Update | PTT Global Chemical (PTTGC TB/**BUY**/Bt37.50/Target: Bt46.00) Page 12

We forecast 2Q26 net profit at Bt9.0b, up 179% qoq. This will be driven by a significant improvement in the olefins business, which should be sufficient to offset the refinery segment’s weaker performance caused by higher crude premiums and lower operating rates following the government’s restriction on petroleum product exports. For 3Q26, we expect the impact from the second round of diesel ex-refinery price cuts to be relatively limited. Maintain BUY. Target price: Bt46.00.

What’s Inside

Company Results | Kasikorn Bank (KBANK TB/**BUY**/Bt238.00/Target: Bt285.00) Page 15

KBANK posted a 2Q26 net profit of Bt13.2b (+6% yoy, -10% qoq). The actual results beat our forecasts by 8% and are in line with consensus estimates. Management guided the bank to continue maintaining a prudent and cautious lending policy. KBANK guided the bank will gear toward higher corporate loan exposure. We expect the bank to release capital by increasing its dividend payout or paying a special dividend in the future. Maintain BUY with a higher target price of Bt285.00.

Company Results | SCB X (SCB TB/**BUY**/Bt155.00/Target: Bt190.00) Page 18

SCB reported a 2Q26 net profit of Bt11.1b (-13% yoy, +9% qoq). The results are in line with our and consensus forecasts. SCB EIC has raised its 2026 GDP forecast from 1.4% to 2.0%, backed by the government stimulus in 2H26 with the budget of Bt400b. Management said SCB will remain prudent in lending and continue to monitor the loan portfolio in order to ensure a good asset quality. Maintain BUY with a higher target price of Bt190.00.

Company Update | Kiatnakin Phatra Bank (KKP TB/**BUY**/Bt109.50/Target: Bt135.00) Page 21

The tone during the analyst meeting was positive. KKP has revised its 2026 financial targets with a positive outlook. Management expects a reduction in credit costs in 2H26. There is room to increase fee and service income. Management guides that there are several solutions to utilise the additional funds raised from the warrant exercise. We expect to see an increase in dividend payments and a higher dividend payout ratio. Maintain BUY with a target price of Bt135.00.

Company Update | SCG Packaging (SCGP/**BUY**/Bt30.00/Target: Bt39.00) Page 24

The overall outlook for 2H26 remains positive, supported by resilient FMCG demand across the region, particularly a clear recovery in the Indonesian market. Fajar’s return to profitability indicates that its recovery is not merely driven by a cyclical upturn, but also by ongoing business restructuring efforts. This provides a positive earnings implication for SCGP in 2H26 and 2027. SCGP reported a 2Q26 net profit of Bt2.3b, up both qoq and yoy. Maintain BUY. Target price: Bt39.00.

Bangkok Bank (BBL TB)

2Q26: Results Miss; Loan Portfolio Growth Within Target

	BUY (Maintained)
Share Price	Bt200.00
Target Price	Bt220.00
Upside	10.0%

Analyst(s)
Thanawat Thangchadakorn
thanawat@uobkh.co.th
(662) 090 3360

Highlights

- BBL reported a 2Q26 net profit of Bt9.5b, down 20% yoy and 14% qoq.
- Opex increased qoq due to accrued expenses and IT-related costs.
- Maintain BUY with a target price of Bt220.00.

2Q26 Results

Year to 31 Dec (Btm)	2Q26	1Q26	2Q25	qoq chg (%)	yoy chg (%)
Total gross loans	2,695,508	2,679,971	2,733,380	0.6	(1.4)
Net interest income	27,769	27,975	31,706	(0.7)	(12.4)
Non-interest income	12,571	12,832	12,716	(2.0)	(1.1)
Loan loss provision	(8,433)	(9,003)	(10,740)	(6.3)	(21.5)
Non-Interest Expenses	(19,954)	(18,259)	(20,094)	9.3	(0.7)
Pre-provision operating profit	20,386	22,549	24,328	(9.6)	(16.2)
Net income	9,498	10,994	11,840	(13.6)	(19.8)
EPS (Bt)	4.98	5.76	6.20	(13.6)	(19.8)
Ratio (%)					
NPL Ratio	3.3	3.1	3.2		
Loan loss coverage ratio (%)	306	318	284		
Net interest margin (NIM %)	2.42	2.49	2.81		
Credit cost (bp)	125	136	157		
Cost to income (%)	49	45	45		
CET1 ratio (%)	18.3	17.7	18.2		

Source: BBL, UOB Kay Hian

Analysis

- **2Q26 results miss.** Bangkok Bank (BBL) posted a 2Q26 net profit of B9.5b, down 20% yoy and 14% qoq. The results missed our and consensus forecasts by 15% and 11% respectively due to a qoq increase in opex. The bank's net interest income (NII) declined 12% yoy and 1% qoq in 2Q26. NIM fell from 2.49% in 1Q26 to 2.42% in 2Q26. BBL's pre-provision operating profit dropped 16% yoy and 10% qoq in 2Q26.
- **Loan portfolio grew qoq in 2Q26**. BBL reported outstanding loans of around Bt2.7t in 2Q26, contracting 1.4% yoy but growing 0.6% qoq. In 1H26, the loan portfolio grew 2.7%, within its 2026 loan growth target of 2-3%.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net interest income	133,899.6	123,629.7	115,068.2	125,539.9	126,989.4
Non-Interest Income	41,928.4	54,870.0	42,025.0	41,439.9	43,362.2
Net profit (rep./act.)	45,211.2	46,006.5	44,419.9	46,510.8	49,210.5
Net profit (adj.)	45,211.2	46,006.5	44,419.9	46,510.8	49,210.5
EPS (Bt)	23.7	24.1	23.3	24.4	25.8
PE (x)	7.6	7.5	7.7	7.4	7.0
P/B (x)	0.6	0.6	0.6	0.6	0.5
Dividend yield (%)	5.6	5.6	6.2	6.2	6.6
Net int margin (%)	3.0	2.8	2.6	2.8	2.7
Cost/income Ratio (%)	48.0	48.4	47.7	48.2	48.2
Loan loss cover (%)	334.3	324.1	319.0	315.0	314.0
Consensus net profit	n.a	n.a	41,862.8	43,764.5	46,449.4
UOBKH/Consensus (x)	n.a	n.a	1.1	1.1	1.1

Source: Bangkok Bank, Bloomberg, UOB Kay Hian

Stock Data

GICS sector	Financials
Bloomberg ticker:	BBL TB
Shares issued (m):	1,908.8
Market cap (Bt$m):	381,768.6
Market cap (US$m):	11,351.0
3-mth avg daily t'over (US$m):	64.6

Price Performance (%)

52-week high/low Bt204/Bt141.5

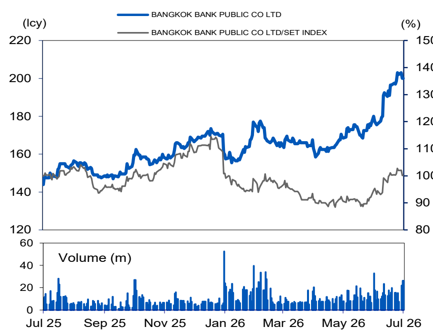
1mth	3mth	6mth	1yr	YTD
14.3	21.6	17.6	40.4	18.0

Major Shareholders	%
Thai NVDR	23.38
City Realty	4.70
The Social Security Office	4.00

Balance Sheet Metrics

FY26 NAV/Share (Bt)	309.5
FY26 Net Debt/Share (Bt)	18.2

Price Chart



Source: Bloomberg

Company Description

The third's largest commercial bank in Thailand in term of market capitalisation. The bank has a strong focus on corporate lending, which accounts for 50% of its loan book.

- **Credit costs declined qoq.** The bank set aside provision expenses of Bt8.4b in 2Q26, down 22% yoy and 6% qoq. This resulted in credit costs dropping 10bp qoq to 125bp in 2Q26. Meanwhile, the loan-loss coverage ratio declined from 318% in 1Q26 to 306% in 2Q26. BBL reported an increase in NPL ratio to 3.3% in 2Q26 from 3.1% in 1Q26. However, BBL said the increase in NPL has not triggered any concerns on asset quality, as it is largely due to existing clients who were unable to pay back on time. BBL said the NPL pattern usually rises during 2Q and 3Q and will decline to a lower level in 4Q. The NPL increase was attributable to the manufacturing and commercial industries. BBL will continue to monitor and follow up with these accounts to restore them to performing status, which is consistent with the bank's historical NPL management patterns. We expect credit costs to decline in 2H26 and end the whole year at 1%, which is its 2026 credit cost target.
- **Qoq decline in non-II mainly due to significant reduction in investment gain.** BBL reported a non-interest income (non-II) of Bt12.6b in 2Q26 (-1% yoy, -2% qoq). There was a gain on financial instruments measured at fair value through profit or loss (FVPL) of Bt3.4b in 2Q26 (1Q26: Bt2.2b, 4Q25: Bt3.0b). Meanwhile, investment gain was Bt312m in 2Q26, dropping significantly qoq (1Q26: Bt1.6b, 4Q25: Bt742m). BBL also reported a decent dividend income in 2Q26 of Bt1.46b (1Q26: Bt1.55b, 4Q25: Bt272m). BBL has guided for a minimal investment gain in the future; hence, we should see non-II soften in 2H26.
- **Qoq increase in opex.** BBL reported opex of Bt19.95b, down 1% yoy but up 9% qoq. According to BBL, the qoq increase in opex in 2Q26 was mainly attributable to accrued expenses and IT-related costs. BBL guided for opex to fluctuate for the rest of 2026, but cost-to-income ratio should come in at high-40s%, which is its full-year target for 2026.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt220.00** using the Gordon Growth Model (cost of equity: 11%, long-term growth: 2.0%). This implies 0.7x 2026F P/B.

Earnings Revision/Risk

- No earnings revision.

Share Price Catalyst

- Upgrade in dividend payout.

Environmental, Social, Governance (ESG)

CG Report: 5

SET ESG Rating: AAA

Environmental

- Responsible business practices support sustainable activities and environmental protection.
- Raises employee awareness on resource and energy conservation and implements effective environmental and resource management systems to reduce carbon footprint, working towards becoming a green organisation.

Social

- Creates a safe, fair, and supportive working environment where employees can continuously develop their skills and fulfil their personal and professional aspirations.

Governance

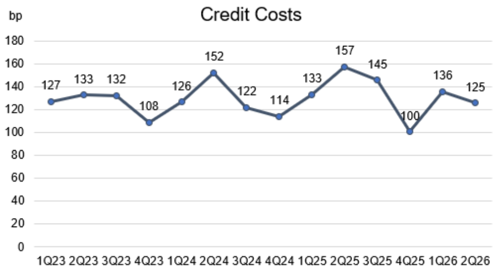
- Promotes conducting its business in accordance with the principles of good corporate governance, which form the foundation for sound performance results, a strong and stable financial position, and sustainable growth.

2026 Financial Targets

	1H26 Actual	2026 Target
Loan growth	2.7%	2-3%
NPL ratio	3.3%	~ 3%
NIM	2.46%	2.4-2.5%
Net fee income	2.0%	Low single digit
Cost to income	47.1%	High-40s%
Credit Costs	1.3%	1.0%

Source: BBL, UOB Kay Hian

Credit Cost (bp)



Source: BBL, UOB Kay Hian

PE Band

Source: BBL, UOB Kay Hian

P/B Band

Source: BBL, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Interest income	191,082	171,468	181,879	189,285
Interest expense	(67,452)	(56,400)	(56,339)	(62,296)
Net interest income/(expense)	123,630	115,068	125,540	126,989
Fees & Commissions	27,192	24,536	25,597	27,113
Net Trading Income	25,728	15,806	14,193	14,557
Other Income	1,950	1,684	1,650	1,692
Non-Interest Income	54,870	42,025	41,440	43,362
Total Income	178,500	157,093	166,980	170,352
Staff Costs	(36,759)	(31,663)	(34,099)	(34,744)
Other Operating Expense	(49,605)	(43,245)	(46,309)	(47,418)
Pre-Provision Profit	92,136	82,185	86,572	88,190
Loan Loss Provision	(36,148)	(26,473)	(27,900)	(26,112)
Pre-tax profit	55,988	55,713	58,672	62,078
Tax	(9,622)	(10,885)	(11,734)	(12,416)
Minorities	(359)	(408)	(427)	(452)
Net profit	46,007	44,420	46,511	49,210
Net profit (adj.)	46,007	44,420	46,511	49,210

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Cash With Central Bank	47,560	53,833	54,915	56,092
Govt Treasury Bills & Securities	1,108,129	1,030,548	1,070,187	1,116,645
Interbank Loans	771,194	765,014	782,384	806,527
Customer Loans	2,320,306	2,378,233	2,438,725	2,505,187
Investment Securities	104,951	106,842	109,166	111,578
Derivative Receivables	98,058	92,318	93,068	94,943
Associates & JVs	1,021	1,087	1,087	1,087
Properties & Other Fixed Assets	77,066	75,915	75,813	77,057
Goodwill & Intangible Assets	22,516	22,630	22,630	22,630
Other Assets	55,541	61,927	62,613	63,467
Total assets	4,606,342	4,588,346	4,710,587	4,855,212
Interbank Deposits	314,644	345,295	353,064	360,287
Customer Deposits	3,196,284	3,246,989	3,308,107	3,378,538
Bills Payable	6,805	8,585	8,585	8,585
Derivative Payables	65,868	67,962	69,149	70,563
Subordinated Debts	244,009	127,818	153,289	187,996
Other Liabilities	203,048	197,982	199,516	202,455
Total liabilities	4,030,659	3,994,631	4,091,710	4,208,424
Shareholders' funds	573,923	591,873	617,002	644,831
Minority interest	1,761	1,842	1,875	1,957
Total Equity & Liabilities	4,606,342	4,588,346	4,710,587	4,855,212

Operating Ratios

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Capital Adequacy				
Tier-1 CAR	18	18	19	19
Total CAR	22	23	23	23
Total Assets/Equity	8	8	8	8
Tangible Assets/Tangible Common Equity	8	8	8	8
Asset Quality				
NPL Ratio	3	3	3	3
Loan Loss Coverage	324	319	315	314
Loan Loss Reserve/Gross Loans	12	12	11	11
Increase in NPLs	10	4	(1)	(2)
Credit Cost (bp)	135	100	103	94
Liquidity				
Loan/Deposit Ratio	73	73	74	74
Liquid Assets/Short-Term Liabilities	55	51	52	53
Liquid Assets/Total Assets	42	40	40	41

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Growth				
Net Interest Income, yoy Chg	(8)	(7)	9	1
Fees & Commissions, yoy Chg	(2)	(10)	4	6
Pre-Provision Profit, yoy Chg	1	(11)	5	2
Net Profit, yoy Chg	2	(3)	5	6
Customer Loans, yoy Chg	(4)	2	3	3
Profitability				
Net Interest Margin	3	3	3	3
Cost/Income Ratio	48	48	48	48
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	7	8	7	7
Dividend Yield	6	6	6	7

Krung Thai Bank (KTB TB)

2Q26: Results Beat; Provision Expenses Down yoy And qoq

Highlights

- KTB reported a net profit of Bt12.1b in 2Q26, up 9% yoy but down 3% qoq.
- Loan portfolio grew yoy and qoq in 2Q26.
- Maintain BUY with a higher target price of Bt52.00 (previously: Bt44.00).

2Q26 Results

Year to 31 Dec (Btm)	2Q26	1Q26	2Q25	qoq chg (%)	yoy chg (%)
Total gross loans	2,832,709	2,798,885	2,696,261	1.2	5.1
Net interest income	23,261	23,437	26,897	(0.7)	(13.5)
Non-interest income	14,219	16,035	13,274	(11.3)	7.1
Loan loss provision	(6,621)	(7,805)	(8,239)	(15.2)	(19.6)
Non-Interest Expenses	(14,582)	(15,352)	(16,974)	(5.0)	(14.1)
Pre-provision operating profit	22,899	24,120	23,197	(5.1)	(1.3)
Net income	12,125	12,437	11,122	(2.5)	9.0
EPS (Bt)	0.87	0.89	0.80	(2.5)	9.0
Ratio (%)					
NPL Ratio	2.92	2.93	2.94		
Loan loss coverage ratio (%)	205	205	194		
Reported NIM %	2.45	2.48	2.91		
Reported Credit cost (bp)	95	115	122		
Cost to income (%)	39	39	42		
CET1 ratio %	18.0	18.0	18.3		

Source: KTB, UOB Kay Hian

Analysis

- **2Q26 results beat.** Krung Thai Bank (KTB) reported a 2Q26 net profit of Bt12.1b, up 9% yoy but down 3% qoq. The results beat our and consensus forecasts by 8%. KTB's pre-provision operating profit decreased 1% yoy and 5% qoq in 2Q26.
- **Loan portfolio grew yoy and qoq in 2Q26.** KTB reported outstanding loans of around Bt2.83t in 2Q26, up 5% yoy and 1.2 qoq, driven by the retail, corporate and government sectors. In 1H26, the loan portfolio grew 3.6%, higher than loan growth target of 0-2% in 2026.
- **NII weakened yoy and qoq.** KTB reported a net interest income (NII) of Bt23.3b in 2Q26 (-14% yoy, -1% qoq). Meanwhile, NIM contracted from 2.48% in 1Q26 to 2.45% in 2Q26, pressured by the lower lending rate environment.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net interest income	119,114.8	105,780.8	93,834.8	99,307.4	102,408.8
Non-Interest Income	41,100.5	54,847.1	54,682.1	50,910.1	52,606.4
Net profit (rep./act.)	44,968.5	48,228.6	49,368.0	52,259.6	52,976.1
Net profit (adj.)	44,968.5	48,228.6	49,368.0	52,259.6	52,976.1
EPS (Bt)	3.2	3.4	3.5	3.7	3.8
PE (x)	13.2	12.3	12.0	11.4	11.2
P/B (x)	1.4	1.3	1.3	1.2	1.2
Dividend yield (%)	3.6	6.3	6.3	6.7	6.8
Net int margin (%)	3.3	2.9	2.5	2.5	2.6
Cost/income Ratio (%)	42.9	40.3	40.0	39.9	39.7
Loan loss cover (%)	188.6	203.6	197.9	187.8	182.7
Consensus net profit	n.a	n.a	46,369.4	48,229.0	50,180.2
UOBKH/Consensus (x)	n.a	n.a	1.1	1.1	1.1

Source: Krung Thai Bank, Bloomberg, UOB Kay Hian

BUY (Maintained)	
Share Price	Bt42.50
Target Price	Bt52.00
Upside	22.4%
Previous TP	Bt44.00

Analyst(s)
Thanawat Thangchadakorn
thanawat@uobkh.co.th
(662) 090 3360

Stock Data

GICS sector	Financials
Bloomberg ticker:	KTB TB
Shares issued (m):	13,976.1
Market cap (Btm):	594,903.8
Market cap (US$m):	17,688.1
3-mth avg daily t'over (US$m):	87.5

Price Performance (%)

52-week high/low: Bt42.5/Bt21.2

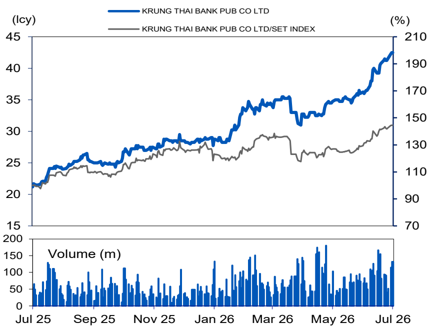
1mth	3mth	6mth	1yr	YTD
18.1	29.8	55.9	102.2	53.2

Major Shareholders	%
FIDF (MOF)	55.07
Thai NVDR	8.69
Vayupak No.1 Fund	3.24

Balance Sheet Metrics

FY26 NAV/Share (Bt)	33.3
FY26 CAR Tier 1 (%)	17.6

Price Chart



Source: Bloomberg

Company Description

One of the largest commercial banks with roughly 15% share of the credit market. The bank has a strong focus on corporate lending, which accounts for 31% of its loan book.

- **Non-II dropped qoq.** KTB reported a non-interest income (non-II) of Bt14b in 2Q26 (+7% yoy, -11% qoq). Fee income rose 10.3% yoy, mainly supported by the wealth management business. There was a gain on financial instruments measured at fair value through profit or loss of Bt3.6b in 2Q26 (1Q26: Bt3.9b, 4Q25: Bt2.15b). Meanwhile, there was also an investment gain of Bt673m in 2Q26, decreasing qoq from Bt837m in 1Q26. Dividend income was reported at Bt358m in 2Q26, decreasing qoq from Bt1.4b in 1Q26.
- **Credit cost declined qoq.** The NPL ratio decreased from 2.93% in 1Q26 to 2.92% in 2Q26. The bank set aside provision expenses of Bt6.6b in 2Q26 (-20% yoy, -15% qoq). As a result, credit costs declined 20bp qoq to 95bp in 2Q26 (1Q26: 115bp). In 1H26, credit costs were reported at 105bp, within its 2026 target of 75-115bp. Meanwhile, the coverage ratio was 205% in 2Q26, which is a sufficiently strong cushion to buffer against future uncertainties.
- **Opex fell yoy due to the higher efficiency.** KTB reported opex of Bt14.6b (-14% yoy, -5% qoq). It improved its cost to income ratio to 38.9% (down from 42.3% in 2Q25) through smart cost controls, higher operational efficiency, and reduced property provisions while funding strategic digital and IT investments for future growth.

Valuation/Recommendation

- **Maintain BUY with a higher target price of Bt52.00 (previously: Bt44.00).** We use the Gordon Growth Model (cost of equity: 11%, long-term growth: 2%). This implies 1.54x 2026F P/B.

Earnings Revision/Risk

- We revise KTB's 2026-28 earnings forecasts upward by 2.3%, 2.5%, and 0.9%, respectively, to reflect the decent 2Q26 earnings results.

Share Price Catalyst

- Government stimulus programme to boost domestic economy.
- Increase in the dividend payout ratio.

Environment, Social, Governance (ESG) Updates

CG Report: 5
SET ESG Rating: AAA

Environmental

- The bank set a long-term target to reduce GHG emissions by 30% by 2030 for operations within the bank, compared with the base year 2022.
- The emissions reduction target was set at 3%. The reduction plan aims to reduce GHG emissions by 1,700 tonnes of carbon dioxide equivalent.

Social

- Human rights. No criteria or conditions of employment discrimination are specified but KTB aims to provide equal opportunities for employment.
- Community involvement. The bank believes that a robust economic foundation is key to a thriving community.

Governance

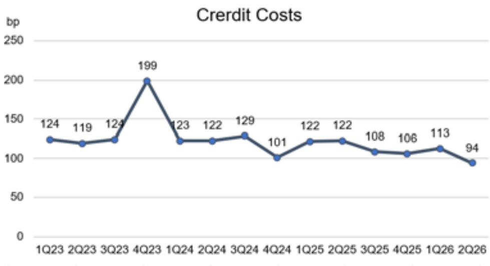
- The bank places great importance on conducting its business with transparency, honesty, and fairness, in accordance with the principles of good corporate governance.

2026 Financial Targets

	1H26 Actual	2026 Target
Loan Growth	3.6%	0-2%
NIM	2.47%	2.35-2.5%
Cost to income	38.9%	Low to Mid-40s
NPL ratio	2.92%	<3.1%
Credit cost (bp)	105bp	75-115bp
Coverage ratio	205.2%	Around 170%

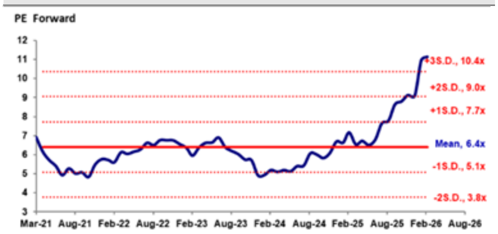
Source: KTB, UOB Kay Hian

Credit Cost (bp)



Source: KTB, UOB Kay Hian

PE Band



Source: KTB, UOB Kay Hian

P/B Band

Source: KTB, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Interest income	147,807	128,969	134,535	140,457
Interest expense	(42,027)	(35,134)	(35,228)	(38,048)
Net interest income/(expense)	105,781	93,835	99,307	102,409
Fees & Commissions	22,957	24,464	25,473	26,584
Net Trading Income	17,949	16,643	11,985	12,366
Other Income	13,940	13,576	13,452	13,656
Non-Interest Income	54,847	54,682	50,910	52,606
Total Income	160,628	148,517	150,217	155,015
Staff Costs	(26,922)	(25,583)	(25,488)	(26,335)
Other Operating Expense	(37,844)	(33,884)	(34,477)	(35,209)
Pre-Provision Profit	95,861	89,050	90,252	93,471
Loan Loss Provision	(30,760)	(22,972)	(19,706)	(21,958)
Pre-tax profit	65,101	66,078	70,546	71,513
Tax	(12,880)	(12,146)	(13,404)	(13,587)
Minorities	(3,992)	(4,564)	(4,883)	(4,949)
Net profit	48,229	49,368	52,260	52,976
Net profit (adj.)	48,229	49,368	52,260	52,976

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Cash With Central Bank	61,745	56,949	58,824	60,002
Govt Treasury Bills & Securities	501,042	450,340	449,532	456,122
Interbank Loans	538,962	550,487	573,207	586,474
Customer Loans	2,550,433	2,664,238	2,767,075	2,832,701
Investment Securities	63,785	65,557	67,617	69,016
Derivative Receivables	73,819	78,452	80,645	82,741
Associates & JVs	22,261	23,344	23,344	23,344
Properties & Other Fixed Assets	52,323	53,480	55,407	57,527
Goodwill & Intangible Assets	24,305	25,962	25,962	25,962
Other Assets	44,643	50,256	52,372	53,352
Total assets	3,933,319	4,019,065	4,153,986	4,247,242
Interbank Deposits	274,137	274,477	282,072	287,643
Customer Deposits	2,864,171	2,930,400	3,019,473	3,079,388
Bills Payable	5,722	5,361	5,361	5,361
Derivative Payables	63,691	71,576	73,128	74,519
Subordinated Debts	124,740	129,733	146,923	155,285
Other Liabilities	113,835	110,934	112,897	114,615
Total liabilities	3,446,297	3,522,481	3,639,854	3,716,811
Shareholders' funds	464,830	472,142	486,901	500,303
Minority interest	22,793	25,043	27,831	30,728
Total Equity & Liabilities	3,933,920	4,019,666	4,154,586	4,247,842

Operating Ratios

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Capital Adequacy				
Tier-1 CAR	19	18	18	18
Total CAR	21	20	20	20
Total Assets/Equity	8	9	9	8
Tangible Assets/Tangible Common Equity	9	9	9	9
Asset Quality				
NPL Ratio	3	3	3	3
Loan Loss Coverage	204	198	188	183
Loan Loss Reserve/Gross Loans	7	6	6	6
Increase in NPLs	(2)	2	0	(1)
Credit Cost (bp)	113	82	68	74
Liquidity				
Loan/Deposit Ratio	89	91	92	92
Liquid Assets/Short-Term Liabilities	35	33	33	33
Liquid Assets/Total Assets	28	26	26	26

Key Metrics

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

Betagro (BTG TB)

2Q26 Results Preview: Earnings To Drop yoy And qoq

BUY (Maintained)	
Share Price	Bt21.20
Target Price	Bt24.80
Upside	16.98%

Analyst(s)
Nichapa Ratchabandit
Nichapa@uobkh.co.th
+662 090 3366

Highlights

- We expect BTG's 2Q26 core profit to decline to Bt741m (-71.7% yoy and -22.8% qoq).
- The key pressure on 2Q26 earnings is lower profitability due to softer broiler prices and the lack of recovery in domestic swine prices.
- Looking ahead, we expect BTG's earnings to bottom out in 2Q26 and recover qoq in 3Q26, supported by the recovery in both domestic swine and broiler prices starting from Jul 26.
- Maintain BUY with a target price of Bt24.80.

Analysis

2Q26 Results Preview

Year to 31 Dec (Btm)	2Q26F	2Q25	1Q26	yoy(%)	qoq(%)
Sales	29,434.2	31,481.6	28,302.1	-6.5%	4.0%
Gross Profit	4,179.7	6,184.8	4,222.0	-32.4%	-1.0%
SGA	3,241.7	2,889.1	3,122.3	12.2%	3.8%
Pre-tax Profit	1,029.6	2,875.5	1,220.2	-64.2%	-15.6%
Net Profit	609.5	2,594.0	1,003.0	-76.5%	-39.2%
Core Profit	741.1	2,618.1	959.4	-71.7%	-22.8%
EPS (Bt)	0.32	1.34	0.52	-76.5%	-39.2%
Gross Margin (%)	14.2%	19.6%	14.9%	-5.4%	-0.7%
%SG&A/revenue	-10.8%	-10.2%	-10.7%	-0.5%	0.0%
Net Margin (%)	2.1%	8.2%	3.5%	-6.2%	-1.5%

Source: BTG, Bloomberg, UOB Kay Hian

- **2Q26 earnings to drop yoy and qoq.** We forecast Betagro's (BTG) 2Q26 net profit at Bt609m (-76.5% yoy and -39.2% qoq). Excluding the one-off expenses related to the write-off of tax credit from the Cambodia business, we expect 2Q26 core profit to decline to Bt741m (-71.7% yoy and -22.8% qoq). The results should come in below our previous expectations due to: a) the slower-than-expected recovery in domestic swine prices, and b) the Newcastle disease outbreak in chicken, which led to an oversupply in the domestic market and put pressure on domestic chicken prices during May-Jun 26.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	114,231.7	122,370.4	126,184.4	130,899.3	135,514.6
EBITDA	9,041.8	13,666.5	9,116.8	9,798.0	10,513.3
Operating profit	4,069.7	8,285.3	6,059.6	6,512.7	6,943.7
Net profit (rep./act.)	2,466.2	6,684.6	4,807.8	5,205.3	5,654.9
Net profit (adj.)	2,413.3	6,607.5	4,807.8	5,205.3	5,654.9
EPS	1.2	3.4	2.5	2.7	2.9
PE (x)	18.4	6.7	9.3	8.6	7.9
P/B (x)	1.6	1.4	1.3	1.1	1.0
EV/EBITDA (x)	7.2	4.4	6.3	5.6	4.9
Dividend yield (%)	2.2	6.5	3.2	3.5	3.5
Net margin (%)	2.2	5.5	3.8	4.0	4.2
Net debt/(cash) to equity(%)	70.5	38.9	31.9	21.0	12.6
Interest cover (x)	11.3	19.1	14.6	16.6	20.9
ROE (%)	8.9	22.0	15.1	15.4	15.8
Consensus net profit	n.a	n.a	4,779.0	5,413.6	5,531.0
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	1.0

Source: BTG, Bloomberg, UOB Kay Hian

Stock Data

GICS sector	Consumer Staples
Bloomberg ticker:	BTG TB
Shares issued (m):	1,906.0
Market cap (Bt$m):	38,502.3
Market cap (US$m):	1,154.1
3-mth avg daily t'over (US$m):	4.3

Price Performance (%)

52-week high/low: Bt25.0/Bt15.5

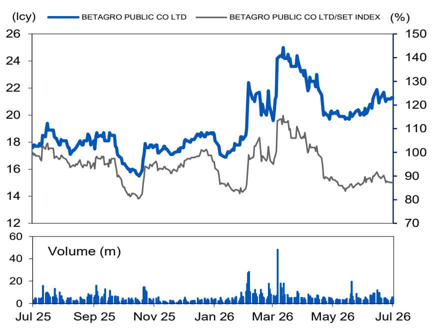
1mth	3mth	6mth	1yr	YTD
0.5	(5.6)	11.6	8.6	11.0

Major Shareholders	%
Betagro Holding Co., Ltd	37.83
TAE HK Investment Limited	20.67
Thai NVDR Company Limited	3.82

Balance Sheet Metrics

FY26 NAV/Share (Bt)	18.2
FY26 Net Debt/Share (Bt)	5.8

Price Chart



Source: Bloomberg

Company Description

BTG TB manufactures agricultural food products, animal feed, livestoc, animal health products, and offers meat products for human.

- **Lower profitability yoy and qoq.** Gross profit margin is projected at 14.2% (down from 19.6% in 2Q25 and 14.9% in 1Q26). Although domestic swine prices are expected to remain relatively stable qoq, this is likely to be offset by lower broiler prices due to the oversupply situation. Raw material costs also increased due to the off-season of corn prices as well as an increase of soybean meal prices. However, the company has adjusted its feed formulation by substituting alternative ingredients. In addition, BTG has locked in raw material prices through forward contracts.
- **Better 3Q26 earnings outlook.** We expect BTG's 3Q26 earnings to improve qoq, following the recovery of both swine and boiler livestock prices starting from Jul 26. We are more positive on BTG as we expect livestock ASPs to rise qoq, supported by: a) demand-side stimulus arising from the Thai Chuay Thai Plus co-payment scheme, b) cost pass-through from the higher feed cost, c) export season in 3Q.
- **Domestic livestock price upcycle.** In Jul 26 thus far, domestic swine prices have risen to Bt65-66/kg (+5% mtd). Domestic broiler prices in Jul 26 stand at Bt43-44/kg (+13% mtd). In addition, easing tensions in the Middle East are expected to reduce energy and packaging costs qoq. We expect the upward momentum to continue into 2H26.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt24.80.** Using the PE valuation method, we value BTG at mean to its five-year PE band, implying a multiple of 10x. We expect BTG's earnings to bottom out in 2Q26 and recover in 3Q26 and 4Q26, supported by the upward trend in domestic swine prices and its ability to pass on higher raw material costs.

Earnings Revision/Risk

- None.

Share Price Catalyst

- Increase in domestic swine and poultry selling prices.
- Decreasing costs of animal feed production.
- Demand-side stimulus measures.
- Higher portion of premium products.

Environmental, Social, Governance (ESG)

CG Report: 5

SET ESG Rating: AAA

Environmental

- Net zero. BTG aims to be a net-zero company by 2050 and plans to reduce its greenhouse gas emissions by 20% in 2030 from the baseline in 2022.
- Sustainable packaging. BTG plans to achieve 100% eco-friendly packaging by 2030 (reusable, recyclable, and compostable).

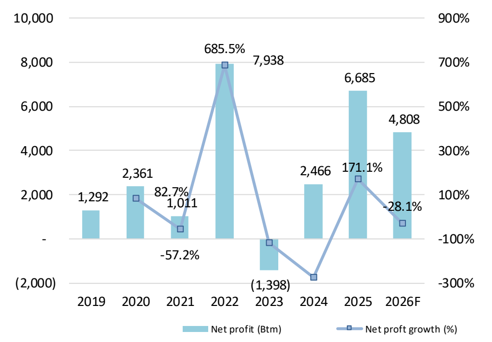
Social

- BTG's S-Pure product is the first brand in the world to receive a Raised Without Antibiotics RWA certification from NSF International.

Governance

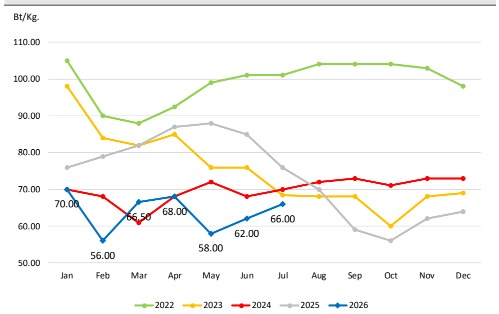
- Good governance practice. BTG is committed to operating its business in accordance with good corporate governance policy and management excellence. BTG received the Collective Action Against Corruption (CAC) declaration in 2023 and was elevated to 3-star status, certified by the Thailand Private Sector CAC in 1Q25.

NET Profit And Profitability



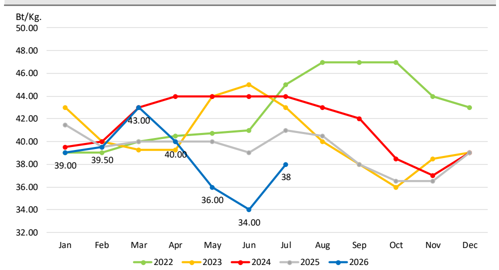
Source: BTG, UOB Kay Hian

Domestic Swine Prices



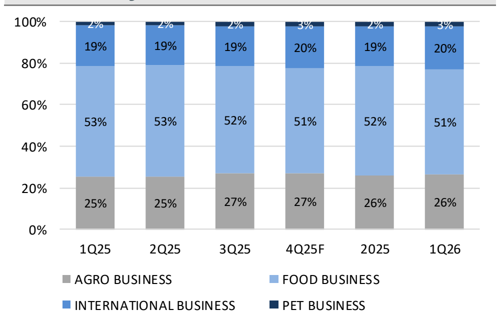
Source: CPF, Thai Swine Association of Thailand, UOB Kay Hian

Domestic Chicken Prices



Source: CPF, DIT, UOB Kay Hian

Revenue By Business



Source: BTG, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	122,370	126,184	130,899	135,515
EBITDA	13,666	9,117	9,798	10,513
Deprec. & amort.	5,381	3,057	3,285	3,570
EBIT	8,285	6,060	6,513	6,944
Total other non-operating income	0	0	0	0
Associate contributions	192	192	192	202
Net interest income/(expense)	(714)	(627)	(590)	(503)
Pre-tax profit	7,763	5,625	6,114	6,643
Tax	(1,028)	(739)	(803)	(872)
Minorities	(116)	(79)	(106)	(115)
Preferred dividends	0	0	0	0
Net profit	6,685	4,808	5,205	5,655
Net profit (adj.)	6,607	4,808	5,205	5,655

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	22,472	25,533	26,080	27,170
Other LT assets	12,056	11,426	11,485	11,543
Cash/ST investment	1,270	1,574	2,889	2,935
Other current assets	31,122	32,818	33,634	34,457
Total assets	66,920	71,351	74,087	76,105
ST debt	7,814	7,315	7,315	7,315
Other current liabilities	11,735	10,828	10,758	11,147
LT debt	5,990	5,490	3,790	1,090
Other LT liabilities	6,322	10,468	11,031	11,077
Shareholders' equity	32,245	35,245	39,114	43,323
Minority interest	868	0	0	0
Total liabilities & equity	66,920	71,351	74,087	76,105

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	14,114	5,908	7,937	9,049
Pre-tax profit	6,801	5,625	6,114	6,643
Tax	1,028	739	803	872
Deprec. & amort.	5,381	3,057	3,285	3,570
Associates	0	0	0	0
Working capital changes	222	(3,086)	(1,711)	(1,295)
Non-cash items	0	0	0	0
Other operating cashflows	682	(427)	(555)	(741)
Investing	(4,373)	(2,053)	(3,490)	(4,288)
Capex (growth)	(2,437)	(2,731)	(3,490)	(4,288)
Capex (maintenance)	0	0	0	0
Investments	(2,032)	0	0	0
Proceeds from sale of assets	62	0	0	0
Others	34	678	0	0
Financing	(11,407)	(3,552)	(3,133)	(4,714)
Dividend payments	(967)	(2,902)	(1,442)	(1,562)
Issue of shares	0	0	0	0
Proceeds from borrowings	(8,767)	(1,171)	(2,100)	(3,150)
Loan repayment	0	0	0	0
Others/interest paid	(1,673)	521	410	(3)
Net cash inflow (outflow)	(1,666)	304	1,315	46
Beginning cash & cash equivalent	2,882	1,270	1,574	2,889
Ending cash & cash equivalent	1,217	1,574	2,889	2,935

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	11.2	7.2	7.5	7.8
Pre-tax margin	6.3	4.5	4.7	4.9
Net margin	5.5	3.8	4.0	4.2
ROA	10.1	7.0	7.5	8.0
ROE	22.0	15.1	15.4	15.8
Growth				
Turnover	7.1	3.1	3.7	3.5
EBITDA	51.2	(33.3)	7.5	7.3
Pre-tax profit	126.7	(27.5)	8.7	8.6
Net profit	171.0	(28.1)	8.3	8.6
Net profit (adj.)	173.8	(27.2)	8.3	8.6
EPS	173.8	(27.2)	8.3	8.6
Leverage				
Debt to total capital	41.7	36.3	28.4	19.4
Debt to equity	42.8	36.3	28.4	19.4
Net debt/(cash) to equity	38.9	31.9	21.0	12.6
Interest cover	19.1	14.6	16.6	20.9

PTT Global Chemical (PTTGC TB)

2Q26 Net Profit Expected To Improve qoq And yoy

Highlights

- We forecast 2Q26 net profit at Bt9.0b, up 179% qoq, driven by a significant improvement in the olefins business.
- The impact from the second round of diesel ex-refinery price cuts is expected to be relatively limited in 3Q26.
- Maintain BUY with a target price of Bt46.00.

2Q26 Results Preview

Year to 31 Dec (Btm)	2Q25	1Q26	2Q26F	%yoy	%qoq	6M25	6M26F	%yoy
Revenue	133,859	147,755	155,155	16%	5%	267,039	302,910	13%
EBITDA	6,082	15,098	23,095	280%	53%	11,459	38,193	233%
Operating Profit	-1,041	13,461	15,751	n.a.	17%	-4,579	29,211	n.a.
Interest expenses	2,541	1,328	1,306	-49%	-2%	5,080	2,635	-48%
Core Profit	-3,404	6,291	11,092	n.a.	76%	-7,384	17,384	n.a.
Extraordinary items	-213	-3,059	-2,085	n.a.	n.a.	1,200	-5,144	n.a.
Net Profit	-3,616	3,232	9,007	n.a.	179%	-6,184	12,240	n.a.
EPS	-0.80	0.79	2.00			-1.37	2.79	
Gross Profit Margin	5.7%	15.6%	16.0%			4.7%	15.8%	
EBITDA Margin	4.5%	10.2%	14.9%			4.3%	12.6%	
Net profit margin	-2.7%	2.2%	5.8%			-2.3%	4.0%	

Source: PTTGC, UOB Kay Hian

Analysis

- **Expect 2Q26 net profit to improve.** We forecast PTT Global Chemical's (PTTGC) 2Q26 net profit at Bt9.0b, up 179% qoq and turning around from a net loss in 2Q25. The strong earnings recovery is mainly driven by a significant improvement in the olefins and polymers businesses, supported by stronger product prices and margins.
- **Strong HDPE prices and spreads.** We expect EBITDA from the olefins and polymer segments to increase both qoq and yoy, driven by price and spread of high-density polyethylene (HDPE) rising 36% qoq and 62% qoq respectively. In addition, sales volume should recover qoq following the restart of the OLE4 cracker after the scheduled maintenance in 1Q26, resulting in higher operating rates of 95% and 110% for olefins and polymers respectively.
- **BTX spread remains supportive.** The aromatics business is expected to improve qoq, supported by a recovery in by-product spreads, particularly condensate residue (accounting for approximately 20% of total production). This should more than offset the decline in paraxylene spread, which was pressured by higher condensate costs following the rise in crude oil prices. We estimate benzene–toluene–xylene (BTX) spread at US$306/tonne in 2Q26, up 11% qoq. With the operating rate improving to 90% (vs 87% in 1Q26), we expect aromatics EBITDA to reach Bt2.0b, up 26% qoq.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	608,550	487,585	616,817	677,407	685,197
EBITDA	32,562	20,583	58,054	41,981	41,036
Operating profit	3,086	-5,799	30,129	15,385	15,633
Net profit (rep./act.)	-29,811	-14,600	19,240	9,552	9,836
Net profit (adj.)	-9,431	-15,750	24,384	9,552	9,836
EPS	-2.1	-3.5	5.4	2.1	2.2
PE	-17.9	-10.7	6.9	17.7	17.2
P/B	0.55	0.50	0.48	0.47	0.46
EV/EBITDA	11.2	14.3	5.2	7.1	6.8
Dividend yield	1.3	1.3	1.3	1.3	1.3
Net margin	-4.9	-3.0	3.1	1.4	1.4
Net debt/(cash) to equity	63.8	37.4	37.4	35.5	30.3
Interest cover	2.7	2.3	13.4	8.9	8.8
Consensus net profit		-	11,300	11,256	13,261
UOBKH/Consensus (x)		-	1.70	0.85	0.74

Source: Bloomberg, PTTGC, UOB Kay Hian

BUY (Maintained)	
Share Price	Bt37.50
Target Price	Bt46.00
Upside	+22.67%

Analyst(s)
Tanaporn Visaruthaphong
tanapron@uobkh.co.th
+662 0903350

Benjaphol Suthwanish
benjaphol@uobkh.co.th
+662 0903361

Stock Data

GICS Sector	Petrochemical
Bloomberg ticker	PTTGC TB
Shares issued (m)	4,508.85
Market cap (Btm)	108,663.26
Market cap (US$m)	3,329.61
3-mth avg daily t'over (US$m)	14.0

Price Performance (%)

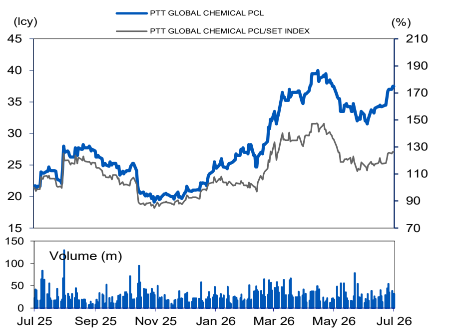
52-week high/low: Bt28.75/Bt14.20

1mth	3mth	6mth	1yr	YTD
(11.4)	15.4	45.4	12.2	1.6

Major Shareholders

PTT	45.18%
Thai NDVR	3.72%
Siam manager holdings	3.00%

Price Chart



Source: Bloomberg

Company Description

PTT Global Chemical is a fully integrated petrochemical and chemical company. The company's products are mainly derived from olefins, particularly ethylene and propylene.

- **Refinery utilisation rate cuts weigh on earnings.** We estimate the refinery business's market GRM at US$16.80/bbl, broadly stable qoq. The recovery in petroleum product spreads was offset by higher crude premiums and a lower operating rate of 96% (vs 103% in 1Q26) due to government export restrictions on petroleum products. As a result, we expect refinery EBITDA to decline 29% qoq to Bt6.35b.
- **Strong demand supports Allnex EBITDA margin expansion.** We expect Allnex EBITDA at Bt2.40b, up 3% qoq, driven by resilient demand in specialty coatings, which should keep sales volume at a high level. In addition, ongoing cost optimisation initiatives should further support profitability, with EBITDA margin expected to improve to 12.4% in 2Q26 (vs 12.0% in 1Q26).
- **Extra items.** We expect PTTGC to recognise: a) a stock loss of Bt235m, b) hedging loss of Bt250m, c) one-time loss of Bt1.80b related to the announced GC Polyols (GCP) mothball plan, and d) the impact from the three diesel ex-refinery price reductions implemented during April–May, totalling 41 days (average Bt3.30/litre), and estimated at Bt2.33b.
- **Second ex-refinery diesel price cut to have only a limited impact.** The Ministry of Energy has announced a second reduction in the ex-refinery price for diesel by Bt1.40/litre, requiring refiners to contribute excess margins to subsidise retail prices and help ease the cost of living. The measure is effective from 9–29 Jul 26. We expect only a limited impact on PTTGC. Currently, PTTGC sells approximately 500m litres of diesel per month, implying an estimated impact of only Bt470m from the latest diesel price reduction measure. This impact is considered relatively limited compared with the first round of diesel ex-refinery price cuts.
- **Geopolitical risks support prices, but high costs cap margin recovery.** HDPE spread declined sharply to US$250-300/tonne in July, mainly due to a 24% increase in naphtha prices from end-June, following higher crude oil prices amid renewed tensions in Iran. Rising concerns over potential supply disruptions, particularly around the Strait of Hormuz, together with higher freight costs, pushed feedstock costs higher than HDPE price increases, resulting in significant margin compression. For the rest of 3Q26, we expect olefins prices to remain elevated, supported by high crude oil prices and Middle East supply risks. However, upside to olefins spreads remains limited due to persistently high naphtha costs and a gradual recovery in downstream polymer demand. A meaningful recovery in olefins spreads in 2H26 will depend on further cracker operating rate cuts in Southeast Asia, which should help reduce excess supply and accelerate market rebalancing.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt46.00,** based on forward P/B at mean of 0.70x. In the oil and gas sector, we prefer Indorama Ventures (IVL TB/BUY/Target: Bt27.00), PTT Global Chemical (PTTGCTB/BUY/Target Bt46.00) and Siam Cement (SCC TB/BUY/Target: Bt290.00)

Earnings Revision/Risk

- **Earnings estimate revision.** We raise our 2026 net profit forecast by 84% to reflect upward revisions to our assumptions for market GRM and olefins spreads. We now forecast 2026 net profit at Bt19.24b (vs 2025 net loss of Bt14.6b).

Environment, Social, Governance (ESG) Updates

Environmental

- Conducts business operations with efficient use of resources in accordance with the circular economy approach, through good cooperation with partners and a continued focus on decarbonisation to achieve its goal of cutting greenhouse gas emissions to net zero by 2050.

Social

- Creates value for society, promotes social enterprises to generate revenue that will improve the nation's economy, reduce inequality as well as supports the safety, good education, health and wellbeing of communities and society as a whole.

Governance

- Be a transparent, verifiable organisation with a focus on the creation of innovative, environmentally friendly chemicals for a low-carbon business.

Key Assumption

	---------------- 2026F ----------------		
	Old	New	%Diff
Market GRM (US$/bbl)	8.00	11.00	38%
Crude run	103%	103%	0%
Petrochemical spread (US$/tonne)			
Px-Condensate	350	300	-14%
Bz-Condensate	160	160	0%
HDPE Price	1,150	1,200	4%
HDPE Spread	380	420	11%
LLDPE	350	380	9%
LDPE	540	550	2%
Earnings revision (Btm)			
Core profit	12,554	24,384	94%
Net Profit	9,201	19,240	109%

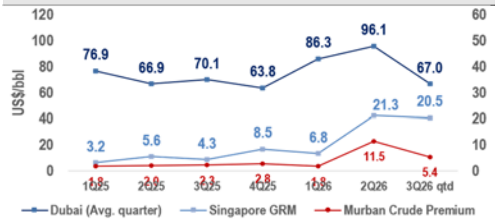
Source: UOB Kay Hian

2Q26: Key statistic

	2Q25	1Q26	2Q26F	%yoy	%qoq
Avg. Fx (Bt/US$)	33.3	31.8	32.8	-2%	3%
Dubai Crude oil price (US$/bbl)	66.9	86.3	96.1	44%	11%
Market GRM (US$/bbl)	5.3	16.7	16.8	217%	1%
Hedging Gain / (Loss) (Bt m)	-32	-7,991	-250	n.a.	n.a.
Stock Gain / (Loss) net NRV (Bt m)	-1,891	7,182	-235	n.a.	n.a.
BTX P2F (US$/Ton)	177	276	306	73%	11%
Adj. EBITDA from Olefins (Bt m)	1,315	2,541	6,181	370%	143%
HDPE price (US$/tonne)	937	871	1,419	51%	63%
HDPE - Naphtha (US$/tonne)	361	307	526	46%	71%
LLDPE - Naphtha (US$/tonne)	384	304	465	21%	53%
LDPE - Naphtha (US$/tonne)	550	484	741	35%	53%

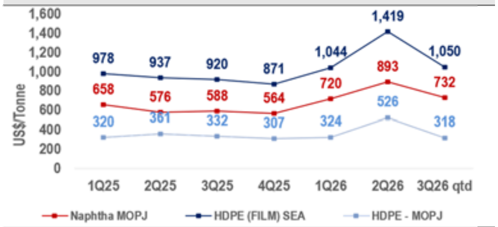
Source: UOB Kay Hian

Dubai, SG GRM and Crude Premium



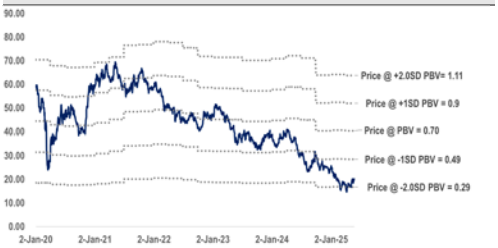
Source: Allnex

Olefins business



Source: Allnex

FORWARD P/B



Source: Bloomberg

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	487,585	616,817	677,407	685,197
EBITDA	20,583	58,054	41,981	41,036
Deprec. & amort.	26,383	27,925	26,596	25,404
EBIT	-5,799	30,129	15,385	15,633
Associate contributions	-1,547	-500	-500	-500
Net interest income/(expense)	-8,798	-4,341	-4,728	-4,683
Pre-tax profit	-16,145	25,288	10,156	10,449
Tax	-577	-604	-305	-313
Minorities	972	-300	-300	-300
Net profit	-14,600	19,240	9,552	9,836
Net profit (adj.)	-15,750	24,384	9,552	9,836

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	256,541	243,615	232,019	221,616
Other LT assets	214,580	261,262	283,148	285,962
Cash/ST investment	21,271	11,821	21,028	29,325
Other current assets	113,981	139,201	155,218	156,733
Total assets	606,373	655,899	691,413	693,636
ST debt	3,565	1,383	7,883	1,383
Other current liabilities	110,378	133,153	149,275	150,642
LT debt	142,926	141,543	140,160	138,776
Other LT liabilities	53,734	67,976	74,653	75,512
Shareholders' equity	334,949	350,724	358,021	365,602
Total liabilities & equity	606,375	655,902	691,417	693,641

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	40,830	46,155	36,553	35,391
Pre-tax profit	-16,145	25,288	10,156	10,449
Tax	-577	-604	-305	-313
Deprec. & amort.	26,383	27,925	26,596	25,404
Working capital changes	1,975	-20,099	-19,895	-20,149
Other operating cashflows	29,195	13,645	20,000	20,000
Investing	-11,678	-47,440	-30,209	-16,955
Investments	-14,025	-15,000	-15,000	-15,000
Others	2,347	-32,440	-15,209	-1,955
Financing	-41,842	-5,820	2,862	-10,138
Dividend payments	-2,517	-2,254	-2,254	-2,254
Issue of shares	-39,325	-3,565	5,117	-7,883
Proceeds from borrowings	-12,689	-7,104	9,206	8,298
Net cash inflow (outflow)	35,091	18,925	11,821	21,028
Beginning cash & cash equivalent	-1,131	0	0	0
Changes due to forex impact	21,271	11,821	21,028	29,325
Ending cash & cash equivalent	40,830	46,155	36,553	35,391

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	4.2	9.4	6.2	6.0
Pre-tax margin	-3.3	4.1	1.5	1.5
Net margin	-3.0	3.1	1.4	1.4
ROA	-2.9	3.7	1.8	1.8
ROE	-4.7	6.0	2.9	3.0
Growth				
Turnover	-19.9	26.5	9.8	1.2
EBITDA	-36.8	182.0	-27.7	-2.2
Pre-tax profit	n.a.	n.a.	n.a.	n.a.
Net profit	n.a.	n.a.	n.a.	n.a.
Net profit (adj.)	n.a.	n.a.	n.a.	n.a.
EPS	-101.3	-100.3	-99.3	-98.3
Leverage				
Debt to total capital	49.5	45.8	46.3	42.8
Debt to equity	43.7	40.8	41.4	38.3
Net debt/(cash) to equity	37.4	37.4	35.5	30.3
Interest cover (x)	2.3	13.4	8.9	8.8

Kasikorn Bank (KBANK TB)

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

Highlights

- KBANK reported a net profit of Bt13.2b in 2Q26 (+6% yoy, -10% qoq).
- Aim to increase exposure in corporate loan.
- Maintain BUY with a higher target price of Bt285.00 (previous: Bt260.00).

2Q26 Results

Year to 31 Dec (Btm)	2Q26	1Q26	2Q25	qoq chg (%)	yoy chg (%)
Total gross loans	2,578,943	2,468,588	2,452,458	4.5	5.2
Net interest income	31,432	31,958	34,655	(1.6)	(9.3)
Non-interest income	18,291	17,564	13,944	4.1	31.2
Loan loss provision	(10,019)	(9,823)	(10,050)	2.0	(0.3)
Non-Interest Expenses	(20,750)	(19,279)	(20,804)	7.6	(0.3)
Pre-provision operating profit	28,973	30,242	27,796	(4.2)	4.2
Net income	13,247	14,667	12,488	(9.7)	6.1
EPS (Bt)	5.63	6.24	5.27	(9.7)	6.9
Ratio (%)					
NPL Ratio	3.2	3.2	3.2		
Loan loss coverage ratio (%)	174	172	163		
Reported NIM %	2.90	2.95	3.31		
Reported credit cost (bp)	160	160	165		
Cost to income (%)	42	39	43		
CET1 ratio (%)	16.7	16.8	16.8		

Source: KBANK, UOB Kay Hian

Analysis

- **2Q26 results beat.** Kasikorn Bank (KBANK) posted a 2Q26 net profit of Bt13.2b (+6% yoy, -10% qoq). The actual results beat our forecasts by 8% and are in line with consensus estimates. KBANK's pre-provision operating profit rose 4% yoy but dropped 4% qoq in 2Q26. Net interest-income (NII) declined by 9% yoy and 2% qoq in 2Q26. NIM contracted from 2.95% in 1Q26 to 2.90% in 2Q26. Meanwhile, non-interest income (non-II) jumped 31% yoy and 4% qoq. The gain on financial instruments measured at FVPL was reported at Bt4.78b in 2Q26 (1Q26: 3.13b, 4Q25: Bt3.3b). Meanwhile, the investment gain was Bt379m in 2Q26 (1Q26: Bt462m, 4Q25: Bt110m).
- **Neutral tone during analyst meeting.** Management maintains the credit cost target for 2026 at 140-160bp, despite the credit cost being reported at the high end of the target range at 160bp. Management guided that the bank continues to maintain a prudent and cautious lending policy. Meanwhile, the bank reiterated a conservative stance on upgrading loan stages, alongside an aggressive approach to downgrading loan stages and writing off NPLs.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net interest income	149,029.2	137,151.6	125,676.3	128,778.6	131,126.9
Non-Interest Income	48,937.4	57,648.4	66,016.2	61,382.0	62,881.7
Net profit (rep./act.)	48,872.2	49,564.8	52,541.8	54,933.1	56,891.0
Net profit (adj.)	48,872.2	49,564.8	52,541.8	54,933.1	56,891.0
EPS (Bt)	20.6	21.0	22.3	23.4	24.2
PE (x)	11.5	11.4	10.6	10.2	9.8
P/B (x)	1.0	1.0	0.9	0.9	0.9
Dividend yield (%)	7.7	5.9	5.9	6.3	6.5
Net int margin (%)	3.7	3.3	3.0	3.1	3.1
Cost/income Ratio (%)	43.6	43.6	42.7	43.3	43.2
Loan loss cover (%)	153.3	162.8	173.8	172.2	172.2
Consensus net profit	n.a	n.a	47,206.2	49,065.9	52,106.2
UOBKH/Consensus (x)	n.a	n.a	1.1	1.1	1.1

Source: Kasikorn Bank, Bloomberg, UOB Kay Hian

BUY (Maintained)

Share Price	Bt238.00
Target Price	Bt285.00
Upside	47.29%
Previous TP	Bt260.00

Analyst(s)
Thanawat Thangchadakorn
thanawat@uobkayhian.co.th
(662) 090 3360

Stock Data

GICS sector	Financials
Bloomberg ticker:	KBANK TB
Shares issued (m):	2,351.0
Market cap (Btm):	550,140.2
Market cap (US$m):	16360.6
3-mth avg daily t'over (US$m):	115.9

Price Performance (%)

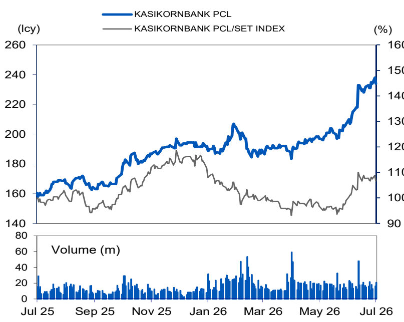
52-week high/low: Bt237/Bt157

1mth	3mth	6mth	1yr	YTD
14.1	23.8	22.2	48.1	20.3

Major Shareholders	%
Thai NVDR	13.43
Gulf Development	9.99
State Street Europe Limited	6.25

Balance Sheet Metrics	%
FY26 NAV/Share (Bt)	253.5
FY26 CAR Tier 1 (%)	17.6%

Price Chart



Source: Bloomberg

Company Description

KBANK is the third largest commercial bank in Thailand according to loan outstanding. The bank focuses on SME lending which accounts for 28% of its loan book.

2026 Financial Targets

- **Revise 20260 GDP forecast upward.** Kasikorn Research (KResearch) revised 2026 GDP growth from 1.2% to 2.0%, as the bank becomes less concerned about Middle East tensions and has a better outlook following the GDP reported in 1Q26. KResearch expects that a fiscal stimulus and gradual easing of geopolitical tensions will support 2H26. Meanwhile, KResearch forecasts inflation to be 3.1% in 2026 (vs previous forecasts of 3.4%) and the policy rate to maintain at 1.0% throughout the year.
- **A potential beat loan growth target in 2026.** KBANK reported loan growth of 3.3% ytd (vs 2026 target of 0-2%). Management guided that we should see loan growth in 2026 ending at the upper range or slightly higher than the target. In 2Q26, there was loan demand for working capital purposes from large corporations. However, the bank maintains its loan target for 2026. We expect to see loan repayments in 2H26 while achieving the loan growth target. KBANK guided the bank will gear toward higher corporate loan exposure.
- **NIM has not yet bottomed out in 2Q26.** According to management, the bank will increase its focus on loans in corporate segments, KBANK said NIM will remain under pressure, and it has not yet bottomed in 2Q26. We might see another NIM reduction of roughly 2-3bp qoq in 3Q26 due to the loan mix shifting toward corporate loans.
- **Regulation enforcement is expected to be a drag on net fee income.** Management maintains net fee income growth in 2026 at mid- to high single-digits, despite reporting an increase of 22.4% yoy in 1H26. The bank said that the overall impact to net profit from fee regulation by the Bank of Thailand (BOT) should be around 1.5-2%. However, based on its high fee income base, the bank expects the impact on KBANK to be 2-3%.
- **Possibility of an increase in dividend payout.** Management reiterated the dividend policy of a minimum 50% dividend payout ratio, and 50-60% for the medium term. Although the bank has not provided guidance yet, we expect to see upside for a higher dividend payout. KBANK has done share buybacks of Bt3.48b out of an Bt8.8b budget in Jan 26, utilising 40% of its budget. Given that its P/B ratio is nearly 1.0x and taking into account the recent share price rally, we expect the bank to release capital by increasing its dividend payout or paying out a special dividend in the future.

Valuation/Recommendation

- **Maintain BUY with a higher target price of Bt285.00 (previous: Bt260.00),** based on the Gordon Growth Model (cost of equity: 11%, long-term growth: 2%). This implies 1.12x 2026F P/B.

Earnings Revision/Risk

- We revise KBANK's 2026-28 earnings forecasts upward by 3.5%, 2.7%, and 2.6% respectively, to reflect the decent 2Q26 earnings.

Environment, Social, Governance (ESG) Updates

CG Report: 5
SET ESG Rating: AAA

Environmental

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

Social

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

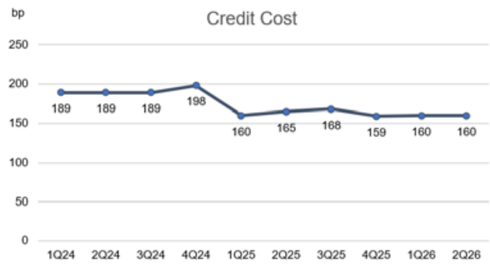
Governance

- Ensuring the business operates under good corporate governance practices.

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

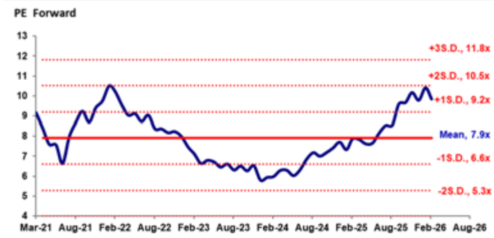
Source: KBANK, UOB Kay Hian

Credit Cost



Source: KBANK, UOB Kay Hian

PE Band



Source: KBANK, UOB Kay Hian

P/B Band

Source: KBANK, UOB Kay Hian

Profit & Loss

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

Balance Sheet

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

Operating Ratios

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

Key Metrics

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

SCB X (SCB TB)

2Q26: Results In Line; Investment And Trading Income Skyrocket QOQ

Highlights

- SCB reported a net profit of 2Q26 net profit of Bt11.1b (-13% yoy, +9% qoq).
- Aggressive NPL write-off and NPL sales in 2Q26.
- Maintain BUY with a higher target price of Bt190.00 (previously Bt175.00).

2Q26 Results

Year to 31 Dec (Btm)	2Q26	1Q26	2Q25	qoq chg (%)	yoy chg (%)
Total gross loans	2,431,607	2,458,830	2,428,521	(1.1)	0.1
Net interest income	27,306	26,781	30,404	2.0	(10.2)
Non-interest income	13,917	12,530	13,247	11.1	5.1
Loan loss provision	(9,571)	(9,148)	(10,112)	4.6	(5.3)
Non-Interest Expenses	(17,042)	(16,662)	(17,530)	2.3	(2.8)
Pre-provision operating profit	24,181	22,650	26,120	6.8	(7.4)
Net income	11,117	10,195	12,786	9.0	(13.1)
EPS (Bt)	3.30	3.03	3.80	9.0	(13.1)
Ratio (%)					
NPL Ratio	3.17	3.23	3.3		
Loan loss coverage ratio (%)	159	162	159		
Net interest margin (NIM %)	3.04	2.99	3.59		
Reported Credit cost (bp)	158	153	168		
Cost to income (%)	41.3	42	40		
CET1 ratio %	17.7	17.3	17.8		

Source: SCB, UOB Kay Hian

Analysis

- **2Q26 results in line.** SCB X (SCB) reported a 2Q26 net profit of Bt11.1b (-13% yoy, +9% qoq). The results are in line with our and consensus forecasts. Loan portfolio was flat yoy but contracted 1.1% qoq in 2Q26. Pre-provision operating profit declined 7% yoy but grew 7% qoq in 2Q26.
- **Raise 2026 GDP growth forecast.** SCB Economic Intelligence Center (SCB EIC) has raised its 2026 GDP forecast from 1.4% to 2.0%, backed by the government stimulus in 2H26 with the budget of Bt400b. SCB EIC also expects the policy rate to remain at 1.0% throughout 2026.
- **Neutral tone at analyst meeting.** We attended SCB's analyst meeting, and the tone was neutral. Management said SCB will remain prudent in lending and continue to monitor the loan portfolio in order to ensure a good asset quality.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net interest income	129,423.9	119,117.1	109,842.3	117,146.7	121,822.0
Non-Interest Income	42,949.5	52,668.9	50,839.0	50,772.8	53,312.3
Net profit (rep./act.)	43,943.0	47,488.0	46,198.0	49,231.0	53,056.4
Net profit (adj.)	43,943.0	47,488.0	46,198.0	49,231.0	53,056.4
EPS (Bt)	13.0	14.1	13.7	14.6	15.8
PE (x)	12.1	11.2	11.6	10.8	10.1
P/B (x)	1.1	1.1	1.1	1.0	1.0
Dividend yield (%)	8.9	7.1	7.3	7.8	8.4
Net int margin (%)	4.0	3.6	3.3	3.4	3.4
Cost/income Ratio (%)	42.3	40.6	41.1	39.1	38.0
Loan loss cover (%)	158.0	160.8	157.9	158.9	161.0
Consensus net profit	n.a	n.a	42,656.8	44,827.2	47,220.1
UOBKH/Consensus (x)	n.a	n.a	1.1	1.1	1.1

Source: SCB X, Bloomberg, UOB Kay Hian

BUY (Maintained)	
Share Price	Bt155.00
Target Price	Bt190.00
Upside	22.6%
Previous TP	Bt175.00

Analyst(s)
Thanawat Thangchadakorn
thanawat@uobkayhian.co.th
(662) 090 3360

Stock Data

GICS sector	Financials
Bloomberg ticker:	SCB TB
Shares issued (m):	3,367.1
Market cap (Btm):	521,901.8
Market cap (US$m):	15,501.9
3-mth avg daily t'over (US$m):	92.8

Price Performance (%)

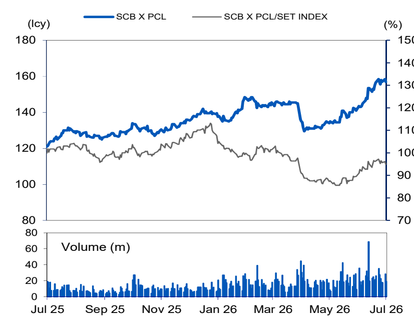
52-week high/low: Bt160.0/Bt118.0

1mth	3mth	6mth	1yr	YTD
9.9	14.0	11.1	30.3	11.5

Major Shareholders	%
His Majesty King Maha Vajiralongkorn	23.58
Vayupak Fund 1	23.32
Thai NVDR	6.36

Balance Sheet Metrics	%
FY26 NAV/Share (Bt)	148.5
FY26 CAR Tier 1 (%)	18.8

Price Chart



Source: Bloomberg

Company Description

One of the largest commercial banks with roughly 15% share of Thailand's credit market. The bank has a strong focus on retail lending, which accounts for 46% of its loan book.

- **NII increased qoq.** The bank's net interest income (NII) declined 10% yoy but was up 2% qoq in 2Q26. NIM widened from 2.99% in 1Q26 to 3.04% in 2Q26. Non-interest income (non-II) rose 5% yoy and 11% qoq in 2Q26.
- **Investment and trading income skyrocketed qoq.** Investment and trading income was Bt2.55b in 2Q26 (-21% yoy, +349% qoq). The net gain on financial Instruments measured at fair value through P/L (FVPL) was reported at Bt4.39b in 2Q26 (1Q26: Bt2.3b, 4Q25: Bt3.46b).
- **Credit costs increased qoq.** SCB set provision expenses of Bt9.57b in 2Q26, down 5% yoy but up 5% qoq. Credit cost increased 5bps qoq to 158bps in 2Q26, reflecting a proactive provisioning adjustment. The qoq increase was mainly driven by higher credit costs at SCB Bank and portfolio companies. The NPL ratio decreased from 3.23% to 3.17% in 2Q26. The loan loss coverage ratio decreased from 162% to 159% in 2Q26. Management guided that the 2026 credit cost should be around the upper end of the 2026 credit cost target.
- **Aggressive NPL write-off and NPL sales in 2Q26.** SCB reported an NPL write-off of Bt14.5b in 2Q26 (1Q26: Bt7.7b, 4Q25: Bt8.2b). Meanwhile, NPL sales were reported at Bt8.2b in 2Q26, jumping from Bt1.2b in 1Q26. Management guided that there was an NPL in the corporate segment which has been an existing loan for a long time and SCB decided to clean it up. Management stated that this NPL solution resulted in a reduction in the NPL ratio, and credit costs hover around the upper end, which is manageable.
- **AutoX to be stricter with lending.** AutoX, which is the auto loan business, has reported a loan portfolio shrinkage of 5.6% ytd. The decline was mainly due to AutoX taking a more cautious risk management stance. To protect loan quality, the company tightened its underwriting standards and credit selection rules while shifting its focus toward loan collection and closely tracking credit quality in the auto title loan market. Management guided that we should not see a significant decline in credit costs for AutoX in the near term.

Valuation/Recommendation

- **Maintain BUY with a higher target price of Bt190.00 (previously Bt175.00),** based on the Gordon Growth Model (cost of equity: 11%, long-term growth: 2%). This implies 1.3x 2026F P/B.

Earnings Revision/Risk

- We revise SCB's 2026-28 earnings forecasts upward by 2.6%, 1.1%, and 2.8% respectively, to reflect the decent 2Q26 earnings.

Share Price Catalyst

- A capital management announcement.

Environment, Social, Governance (ESG) Updates

CG Report: 5
SET ESG Rating: AAA

Environmental

- **Low-carbon buildings.** To enhance energy efficiency, adopt eco-friendly air conditioners, and opt for highly efficient machinery and equipment.
- **Electric vehicles.** 100% adoption of electric vehicles by 2028.

Social

- **Social wellbeing.** SCB continues the initiative "Access to Water", which is fundamental to every walk of life and agriculture.

Governance

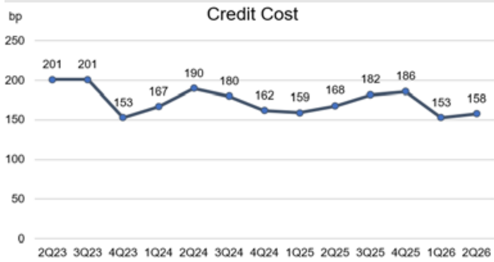
Established a sustainability governance structure at the group level, with the aim of integrating sustainability principles and practices.

2026 Financial Targets

	1H26 Actual	2026 Targets	2025 Actual
Loan growth	2.2%	Low-to-mid single digit	-2.1% yoy
NIM	3.05%	3.0-3.2%	3.44%
Net fee income growth	16.3%	Mid-to-high single digit	2.6%
Cost to income	41.9%	Low-to-mid 40s	40.5%
Credit cost (bp)	157bp	135-155bp	174bp (normal 155bp)

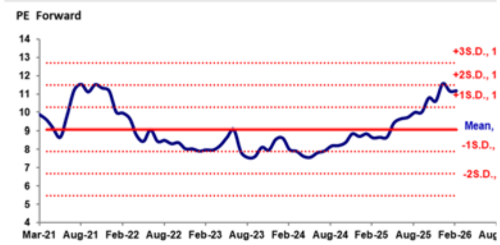
Source: SCB, UOB Kay Hian

Credit Cost (bp)



Source: SCB, UOB Kay Hian

PE Band



Source: SCB, UOB Kay Hian

P/B Band

Source: SCB, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Interest income	155,979	142,258	149,863	159,042
Interest expense	(36,862)	(32,416)	(32,716)	(37,220)
Net interest income/(expense)	119,117	109,842	117,147	121,822
Fees & Commissions	31,059	33,546	34,528	36,643
Income From Insurance	0	0	0	0
Net Trading Income	17,429	12,509	11,507	11,932
Other Income	4,181	4,784	4,737	4,737
Non-Interest Income	52,669	50,839	50,773	53,312
Total Income	171,786	160,681	167,919	175,134
Staff Costs	(36,396)	(33,901)	(34,695)	(36,228)
Other Operating Expense	(33,376)	(32,091)	(30,886)	(30,246)
Pre-Provision Profit	102,013	94,690	102,338	108,660
Loan Loss Provision	(41,469)	(34,920)	(39,695)	(41,235)
Pre-tax profit	60,544	59,770	62,643	67,425
Tax	(12,324)	(12,605)	(12,529)	(13,485)
Minorities	(732)	(967)	(884)	(884)
Net profit	47,488	46,198	49,231	53,056
Net profit (adj.)	47,488	46,198	49,231	53,056

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Cash With Central Bank	43,867	46,297	47,823	49,587
Govt Treasury Bills & Securities	427,961	379,311	390,176	426,669
Interbank Loans	621,624	541,865	596,718	626,862
Customer Loans	2,233,065	2,300,570	2,376,222	2,463,147
Investment Securities	132,516	144,949	151,071	156,760
Derivative Receivables	48,302	50,828	52,575	54,488
Associates & JVs	2,025	1,855	1,855	1,855
Properties & Other Fixed Assets	74,718	76,448	79,391	83,174
Goodwill & Intangible Assets	22,839	23,774	23,774	23,774
Other Assets	43,827	49,563	51,749	53,483
Total assets	3,650,742	3,615,462	3,771,354	3,939,798
Interbank Deposits	281,009	291,133	300,164	310,969
Customer Deposits	2,563,315	2,622,341	2,707,616	2,807,042
Bills Payable	10,097	12,568	12,568	12,568
Derivative Payables	44,837	49,202	51,235	53,144
Subordinated Debts	120,494	18,679	67,693	106,876
Other Liabilities	129,281	114,282	114,650	117,765
Insurance Fund Liabilities	0	0	0	0
Total liabilities	3,149,034	3,108,204	3,253,926	3,408,364
Shareholders' funds	495,313	500,115	510,285	524,292
Minority interest	6,396	7,143	7,143	7,143
Total Equity & Liabilities	3,650,742	3,615,462	3,771,354	3,939,799

Operating Ratios

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Capital Adequacy				
Tier-1 CAR	18	19	18	18
Total CAR	19	20	19	19
Total Assets/Equity	7	7	7	8
Tangible Assets/Tangible Common Equity	8	8	8	8
Asset Quality				
NPL Ratio	3	3	3	3
Loan Loss Coverage	161	158	159	161
Loan Loss Reserve/Gross Loans	6	6	6	6
Increase in NPLs	(1)	(6)	3	3
Credit Cost (bp)	172	145	160	161
Liquidity				
Loan/Deposit Ratio	87	88	88	88
Liquid Assets/Short-Term Liabilities	38	33	34	35
Liquid Assets/Total Assets	30	27	27	28

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Growth				
Net Interest Income, yoy Chg	(8)	(8)	7	4
Fees & Commissions, yoy Chg	0	8	3	6
Pre-Provision Profit, yoy Chg	3	(7)	8	6
Net Profit, yoy Chg	8	(3)	7	8
Customer Loans, yoy Chg	(2)	3	3	4
Profitability				
Net Interest Margin	4	3	3	3
Cost/Income Ratio	41	41	39	38
Adjusted ROA	1	1	1	1
Reported ROE	10	9	10	10
Adjusted ROE	10	9	10	10
Valuation				
P/BV	1	1	1	1
P/NTA	1	1	1	1
Adjusted P/E	11	12	11	10
Dividend Yield	7	7	8	8

Kiatnakin Phatra Bank (KKP TB)

2026 Financial Targets Revised With A Positive Outlook

BUY (Maintained)	
Share Price	Bt109.50
Target Price	Bt135.00
Upside	23.30%

Highlights

- Positive tone during the meeting.
- An upside for the credit cost reduction in 2H26.
- Maintain BUY with a target price of Bt135.00.

Analysis

- **Positive tone during the analyst meeting.** We attended Kiatnakin Phatra Bank's (KKP) analyst meeting on 21 Jul 26 and the tone was positive.
- **Revised 2026 financial targets.** KKP has revised its 2026 financial targets with a positive outlook. The loan spread target has been revised up from 4.3-4.4% to 4.5-4.6%, and the NPL ratio target has been cut from 4.4% to 3.5%. Meanwhile, credit cost target has been reduced from 1.6-1.8% to 1.3-1.5%, and ROAE has been revised up from 10.0-11.0% to 12.0-13.0%. Meanwhile, the loan growth target is maintained at 3%. Overall, the revision in 2026 targets reflects a positive outlook for KKP in 2H26.
- **An upside for the credit cost reduction in 2H26.** Management expects a reduction in credit costs in 2H26. KKP wrote off Bt1.8b in retail SME NPLs, which had a provisioning impact of Bt500m. Excluding the impact of this write-off, provisions and credit cost should improve in 2Q26. As a result, the upside for the credit cost for 2026 trends toward the lower end of the revised target range. Additionally, portfolio quality remains strong due to effective screening.
- **Room to grow fee and service income.** Regarding non-interest income (non-II), KKP reported a Bt30b overnight placement deal in 2Q26, driven by favourable stock market conditions. Meanwhile, several advisory deals remain in the pipeline. Increasing fee and service income remains a key target for future growth.
- **Dime performed well with good prospects.** Dime is a mobile financial and digital investment platform designed to make saving and wealth management accessible, particularly for retail investors and younger generations. In 1H26, revenue from Dime was reported at around Bt876m, compared to Bt802m for the whole year of 2025 (vs management's stated net profit of around Bt250m in 2025). Meanwhile, onboarded platform users and assets under platform (AUP) reached 2.2m users and Bt174b in 2Q26, respectively.

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

Analyst(s)
Thanawat Thangchadakorn
thanawat@uobkayhian.co.th
(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

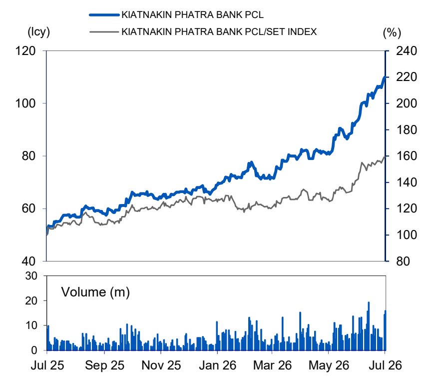
Major Shareholders

	%
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% share of the credit market. Its strong focus in on auto hire purchase lending which accounts for about half of its loan book.

- **Operating leverage on Dime support KKP's purpose to reduce opex.** Management guides that Dime has room to expand into broader financial services by offering insurance and transaction services. Therefore, we should see a gradual increase in its contribution to KKP's bottom line, as Dime benefits from high operating leverage with relatively lower growth in opex due to the platform's nature. In 2H26, KKP intends to control opex as the bank sees further room for optimisation.
- **A potential to see higher dividend payout ratio.** Management guides that there are several solutions to utilise the additional funds raised from the warrant exercise. We expect to see an increase in dividend payments and a higher dividend payout ratio stemming from the increased capital.
- **2Q26 results recap.** 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 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.

2Q26 Results recap

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

Valuation/Recommendation

- **Maintain BUY with a target price of Bt135.00,** 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.

Earnings Revision/Risk

- No earnings revision.

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

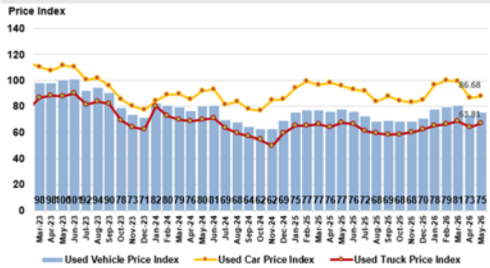
Conducting business under the principles of good corporate governance.

2026 Financial Targets

	1H26 Actual	2026 Revised Target	2026 Target
ROAE	12.2%	12-13%	10-11%
Loan growth	3.1%	3%	3%
Loan spread	4.6%	4.5-4.6%	4.3-4.4%
NPL ratio (Gross)	3.6%	3.5%	4.4%
*Credit cost	1.46%	1.3-1.5%	1.6-1.8%
*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

SCG Packaging (SCGP TB)

2H26 Outlook Remains Positive

	BUY (Maintained)
Share Price	Bt30.00
Target Price	Bt39.00
Upside	+30.00%

Analyst(s)
Benjaphol Suthwanish
Benjaphol@uobkh.co.th
662 0903361

Highlights

- SCGP reported a 2Q26 net profit of Bt2.3b, increasing both qoq and yoy.
- We maintain a positive view on the 2H26 outlook, supported by resilient FMCG demand across the region, despite ongoing geopolitical risks.
- Maintain BUY. Target price: Bt39.00.

Analysis

- **The tone from meeting with SCG Packaging (SCGP) was positive.**
- **Interim dividend.** SCGP declared an interim dividend of Bt0.40/share, implying a 1.32% simple yield The stock's ex-dividend (XD) date is set for 4 Aug 26, with the dividend payment scheduled for 19 Aug 26.
- **Resilient ASEAN demand to support 2H26 growth.** Despite ongoing geopolitical tensions in the Middle East, SCGP remains constructive on its 2H26 outlook, supported by resilient domestic consumption across ASEAN. Demand for Fast-Moving Consumer Goods (FMCG) and food packaging is expected to remain defensive, while Vietnam, Indonesia, and Thailand continue to benefit from supply chain diversification and deeper regional trade integration, underpinning healthy packaging demand. In addition, India remains a key growth market, supported by expanding manufacturing activities, infrastructure investment, and government stimulus. With global inflationary pressures gradually easing, a more accommodative monetary environment should further support consumer spending and investment across the region.
- **Cost discipline and Fajar to drive margin expansion.** For the remainder of 2026, management expects sales volumes to gradually recover in 3Q26, supported by government stimulus measures and customer inventory restocking ahead of the year-end season, despite normal seasonal headwinds. Demand for consumer products is expected to remain resilient, while lower volatility in raw material and energy costs should improve cost visibility and operational efficiency. SCGP also plans to continue passing through higher input costs via selling price adjustments to preserve margins. At the same time, the company is accelerating its business transformation through automation, AI adoption, workforce upskilling, and ongoing cost optimisation, which should further enhance profitability. Meanwhile, Fajar is expected to remain a key earnings contributor in 2H26, supported by stronger demand, continued cost savings, and improving margin resilience.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	132,784	124,374	131,334	144,824	158,888
EBITDA	16,338	17,210	20,170	21,474	21,818
Operating profit	7,079	7,901	11,800	12,697	13,212
Net profit (rep./act.)	3,699	4,069	6,901	7,501	7,836
Net profit (adj.)	3,910	3,728	6,901	7,501	7,836
EPS	0.91	0.87	1.61	1.75	1.83
PE	31.56	33.10	17.89	16.45	15.75
P/B	1.94	1.89	1.77	1.67	1.59
EV/EBITDA	8.86	8.49	6.59	6.09	5.88
Dividend yield	1.91	2.09	2.78	3.13	3.13
Net margin	2.79	3.27	5.25	5.18	4.93
Net debt/(cash) to equity	33.47	34.61	13.56	9.88	6.31
Interest cover	6.73	7.33	10.00	10.49	10.58
Consensus net profit	n.a.	n.a.	6,100	6,593	7,211
UOBKH/Consensus (x)	n.a.	n.a.	1.13	1.14	1.09

Source: Bloomberg, SCGP, UOB Kay Hian

Stock Data

GICS Sector	Industrials / Packaging
Bloomberg ticker	n.a
Shares issued (m)	4,292.9
Market cap (Btm)	80,277.6
Market cap (US$m)	2,479.2
3-mth avg daily t'over (US$m)	8.9

Price Performance (%)

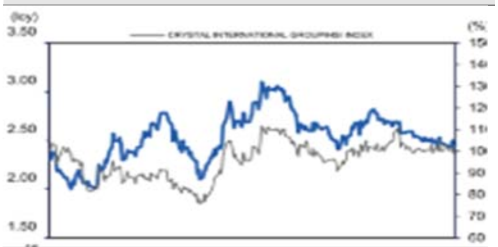
52-week high/low CurrBt10.70/21.90

1mth	3mth	6mth	1yr	YTD
6.2	7.5	46.1	(38.2)	(4.6)

Major Shareholders

SCC	72.12%
Tunladawan Company Limited	1.92%
Social Security Office	1.81%

Price Chart



Source: Bloomberg

Company Description

SCGP is a holding company and an integrated packaging solutions provider which is organised into three main businesses: Integrated packaging, fibrous, and recycling.

2Q26 Results

Year to 31 Dec (Btm)	2Q25	1Q26	2Q26	%Chg yoy	%Chg qoq	6M25	6M26	%Chg yoy
Revenue	31,557	29,295	32,454	3%	11%	63,766	61,749	-3%
EBITDA	3,895	4,383	5,659	45%	29%	8,028	10,043	25%
Interest expenses	654	482	507	-22%	5%	1,299	989	-24%
Core Profit	993	1,494	2,341	136%	57%	1,909	3,836	101%
Net Income	1,010	1,569	2,304	128%	47%	1,910	3,873	103%
EPS	0.24	0.37	0.54	128%	47%	0.44	0.90	103%
Financial ratio (%)								
Gross Profit Margin	18.2%	21.0%	23.7%			18.1%	22.5%	
EBITDA Margin	12.3%	15.0%	17.4%			12.6%	16.3%	
Net profit margin	3.2%	5.4%	7.1%			3.0%	6.3%	

Source: SCGP, UOB Kay Hian

- **Indonesia is expected to remain SCGP's key growth engine in 2H26,** supported by ongoing operational efficiency initiatives, including energy optimisation, product portfolio rationalisation, and increasing domestic recycled paper (RCP) sourcing to approximately 60%, which should help lower raw material costs and further support margin expansion. In addition, Indonesia's macroeconomic fundamentals remain resilient, with 1Q26 GDP growth of 5.6% yoy and private consumption accounting for more than 57% of GDP, providing a solid foundation for long-term packaging demand. Although the rupiah has weakened, we believe the impact on SCGP will be limited, given its predominantly domestic revenue base and continued ability to pass through higher raw material costs via selling price adjustments.
- **Stronger-than-expected 2Q26 earnings.** SCGP reported 2Q26 net profit of Bt2.30b, up 47% qoq and 128% yoy, exceeding both our forecast and consensus estimates by 12% and 20%, respectively. The earnings beat was mainly driven by a 7% higher-than-expected average selling price (ASP) and a significantly stronger-than-expected EBITDA margin in the Fibrous Business (FB). The strong earnings were driven by a recovery in sales volumes, selling price adjustments across both the Integrated Packaging Business (IPB) and FB in line with higher raw material costs, and continued cost optimisation. As a result, both revenue and EBITDA increased qoq and yoy, while EBITDA margin expanded to 17.4% (vs 12.3% in 2Q25 and 15.0% in 1Q26). The key earnings driver remained the IPB segment, supported by stronger operating performance in Indonesia (Fajar) and Vietnam, together with ongoing improvements in cost efficiency.
- **Indonesia remained SCGP's key earnings contributor in 2Q26,** driven by resilient domestic demand and continued operational improvements. Fajar's total sales volume increased to 337,000 tonnes, up both qoq and yoy, while domestic sales volume rose 7% qoq, with market share maintained at 33%. As a result, both revenue and EBITDA improved on a qoq and yoy basis. In 2Q26, Fajar reported a net profit of Bt214m, turning around from losses both qoq and yoy. This indicates that Fajar's recovery is not solely driven by the cyclical upturn but also supported by ongoing business restructuring efforts. We view this as a positive development for SCGP's earnings outlook in 2H26 and 2027.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt39.00,** based on regional forward PE at -1SD of 24.3x.

Earnings Revision/Risk

- **Earnings revision.** None.

Environment, Social, Governance (ESG) Updates

Environmental

SCGP focuses on developing eco-friendly packaging solutions to minimise environmental impact. This includes using recyclable materials and reducing packaging waste.

Social

Employee welfare. SCGP invests in staff wellbeing and development of its employees through training programmes, safety initiatives, and fostering of a positive workplace culture.

Governance

Board oversight. The Board of Directors provides governance oversight, with committees focusing on audit, risk management and sustainability.

Key Statistics

	2Q25	1Q26	2Q26	%Chg yoy	%Chg qoq
Sales Volume (m tonnes)	1.45	1.46	1.51	5%	4%
Testliner paper price: (US$/tonne)	380	385	406	7%	5%
AOCC price: (US$/tonne)	174	148	169	-3%	14%
Dissolving pulp price (US$/tonne)	849	810	882	4%	9%
Short fiber price (US$/tonne)	549	581	604	10%	4%
Average selling Price (Bt/kg.)	21.8	20.1	21.5	-2%	7%
Coal Price ($/ton)	61.0	73.0	84.0	38%	15%

Source: SCGP

Indonesia Macroeconomics Outlook

Source: SCGP

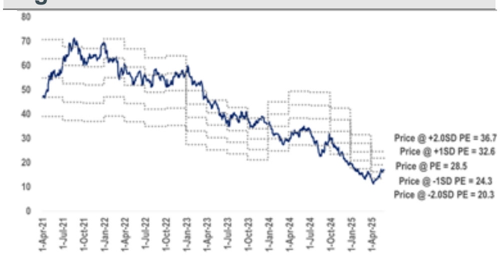
Fajar Performance

Source: SCGP

2H26 Outlook

Source: SCGP

Regional Forward PE



Source: Bloomberg

PROFIT & LOSS

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	**124,374**	**131,334**	**144,824**	**158,888**
EBITDA	17,210	20,170	21,474	21,818
Deprec. & amort.	9,309	8,370	8,777	8,606
EBIT	7,901	11,800	12,697	13,212
Total other non-operating income	101	50	51	52
Associate contributions	(2,347)	(2,018)	(2,046)	(2,063)
Net interest income/(expense)	5,996	9,833	10,702	11,202
Pre-tax profit	5,996	9,833	10,702	11,202
Tax	(1,373)	(2,252)	(2,451)	(2,565)
Minorities	(553)	(680)	(750)	(800)
Net profit	**4,069**	**6,901**	**7,501**	**7,836**
Net profit (adj.)	3,728	6,901	7,501	7,836

BALANCE SHEET

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	85,325	85,642	85,418	85,222
Other LT assets	38,062	40,192	44,320	48,624
Cash/ST investment	33,057	44,287	45,502	46,851
Other current assets	354	373	412	452
Total assets	**176,531**	**190,264**	**196,296**	**202,671**
ST debt	2,005	2,005	2,005	2,005
Other current liabilities	6,332	6,686	7,373	8,089
LT debt	31,512	29,507	27,501	25,496
Other LT liabilities	38,984	37,398	36,204	35,044
Shareholders' equity	65,340	69,665	73,716	77,802
Total liabilities & equity	**176,532**	**190,266**	**196,299**	**202,675**

CASH FLOW

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	**15,538**	**15,783**	**18,931**	**19,581**
Pre-tax profit	5,996	9,833	10,702	11,202
Tax	(1,373)	(2,252)	(2,451)	(2,565)
Deprec. & amort.	9,309	8,370	8,777	8,606
Working capital changes	1,041	(1,481)	455	750
Other operating cashflows	565	1,313	1,448	1,589
Investing	**(8,110)**	**(11,712)**	**(13,318)**	**(13,459)**
Investments	(9,765)	(10,000)	(10,000)	(10,000)
Others	1,655	(1,712)	(3,318)	(3,459)
Financing	**(10,240)**	**7,031**	**(5,456)**	**(5,756)**
Dividend payments	(2,361)	(2,576)	(3,450)	(3,750)
Issue of shares	(7,879)	9,607	(2,005)	(2,005)
Proceeds from borrowings	**(2,812)**	**11,102**	**157**	**366**
Net cash inflow (outflow)	**9,849**	**6,464**	**17,566**	**17,723**
Beginning cash & cash equivalent	(573)	0	0	0
Changes due to forex impact	**6,464**	**17,566**	**17,723**	**18,089**
Ending cash & cash equivalent	**15,538**	**15,783**	**18,931**	**19,581**

KEY METRICS

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	12.30	13.84	15.36	14.83
Pre-tax margin	3.43	4.82	7.49	7.39
Net margin	2.79	3.27	5.25	5.18
ROA	2.31	3.63	3.82	3.87
ROE	6.23	9.91	10.18	10.07
Growth				
Turnover	(6.33)	5.60	10.27	9.71
EBITDA	5.34	17.20	6.46	1.60
Pre-tax profit	31.70	64.00	8.84	4.67
Net profit	10.01	69.57	8.70	4.47
Net profit (adj.)	(4.65)	85.09	8.70	4.47
EPS	(4.65)	85.09	8.70	4.47
Leverage				
Debt to total capital	35.24	37.19	33.13	29.53
Debt to equity	52.76	51.30	45.23	40.03
Net debt/(cash) to equity	33.47	34.61	13.56	9.88
Interest cover (x)	6.73	7.33	10.00	10.49