Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	51594.1	(2.2)	(1.2)	(1.1)	7.3
S&P 500	7316.2	(1.5)	(2.4)	(1.7)	6.9
FTSE 100	10908.4	0.3	1.8	4.0	9.8
AS30	9199.7	1.0	2.2	2.4	2.0
CSI 300	4600.3	0.7	(2.5)	(7.6)	(0.6)
FSSTI	5713.2	1.7	2.1	10.5	23.0
HSCEI	8623.5	2.2	4.5	14.1	(3.3)
HSI	25807.9	2.0	3.7	12.1	0.7
JCI	6091.4	(0.6)	(3.8)	7.9	(29.6)
KLCI	1715.6	0.2	0.2	3.1	2.1
KOSPI	5663.2	(6.0)	(16.7)	(33.2)	34.4
Nikkei 225	61434.2	(1.5)	(7.1)	(12.3)	22.0
SET	1624.5	(1.2)	(1.3)	2.1	29.0
TWSE	40039.2	(3.8)	(10.7)	(13.2)	38.2
BDI	2664	(1.2)	(1.9)	7.0	41.9
CPO (RM/mt)	4499	(0.7)	0.0	(0.1)	14.4
Brent Crude (US$/bbl)	91	7.9	(3.5)	24.0	49.1

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
Virtual Meeting with i-Tail Corporation Public Company Limited (ITC TB)	Thailand	05 Aug	05 Aug
Virtual Meeting with UOB-Kay Hian Holdings Ltd (UOBK SP)	Singapore	11 Aug	11 Aug
Hybrid Meeting with UltraGreen.ai Ltd (UGAI SP)	Singapore	13 Aug	13 Aug

Corporate and Macro Calendar

Economic Indicator/Event	Country/Region	Date
-	-	-

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

Thailand

Company Update | Airports of Thailand (AOT TB/**BUY**/Bt64.00/Target: Bt80.00) Page 3

AOT is expected to report weaker 3QFY26 earnings due to lower concession revenue, softer passenger traffic, and the new KPD agreement. However, passenger traffic has begun to recover in Jul 26 as airfares normalise, while major events in 2H26 should further support tourist arrivals. The higher PSC, effective from late-Jun 26, will provide an additional earnings boost. We remain bullish on AOT with a strong outlook in 2H26. Maintain BUY with a target price of Bt80.00.

Company Update | Central Pattana (CPN TB/**BUY**/Bt67.75/Target: Bt80.00) Page 6

2Q26 core profit is expected to increase 16% yoy, driven by revenue growth, improved gross margin, lower SG&A-to-revenue, and higher equity income. Continued shopping mall expansion remains a key catalyst for CPN. New projects scheduled to open during 3Q26-2Q27 will add 11% to total NLA. Maintain BUY with a target price of Bt80.00 (up from Bt73.50), following our earnings revision.

Company Update | Central Plaza Hotel (CENTEL TB/**BUY**/Bt38.25/Target: Bt45.00) Page 9

CENTEL is expected to report modest 2Q26 earnings growth, supported by resilient hotel and food operations, with the Maldives remaining a key growth driver. The outlook for 3Q26 is stronger, underpinned by robust bookings, the Gastech event in Bangkok, and the continued recovery in Chinese tourist arrivals, which should benefit both Bangkok and upcountry hotels. Given these positive catalysts and the strong booking momentum, we maintain BUY with a target price of Bt45.00.

Company Update | Delta (Thailand) (DELTA TB/**HOLD**/Bt285.00/Target: Bt300.00) Page 12

DELTA reported 2Q26 net profit of Bt6.08b (+31% yoy, -33% qoq). The negative surprise came from a greater-than-expected impact from raw material shortages. Earnings should recover in 2H26, supported by a healthy order pipeline and orders that were delayed from 2Q26, although the 2% increase in COGS will persist. Maintain HOLD with a lower target price of Bt300.00.

What's Inside

Company Results | Home Product Center (HMPRO TB/**BUY**/Bt6.05/Target: Bt8.00) Page 15

HMPRO reported 2Q26 net profit of Bt1.59b (+14% yoy, +13% qoq), in line with our and consensus estimates, supported by improving SSSG, store expansion, and higher gross margins. 2H26 gross margin is expected to expand, supported by price increases and a higher contribution from private-brand products. Given HMPRO's laggard valuation, trading at 13.5x 2026F PE, and its high dividend yield of 6.2%, we maintain BUY with a target price of Bt8.00.

Company Update | The Erawan Group (ERW TB/**HOLD**/Bt3.20/Target: Bt3.30) Page 18

ERW is expected to deliver modest 2Q26 earnings growth, supported by improving occupancy rates and the continued recovery in Chinese tourist arrivals. However, the ongoing Grand Hyatt renovation will continue to weigh on earnings, particularly in 3Q26, making its 2026 revenue growth target more challenging to achieve. While management remains optimistic, we believe booking trends should be closely monitored during the renovation period. We maintain our HOLD recommendation with a target price of Bt3.30.

Airports of Thailand (AOT TB)

Expect Weak 3QFY26 Earnings But Strong Outlook Awaits

BUY (Maintained)

Share Price	Bt64.00
Target Price	Bt80.00
Upside	+25.0%

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Highlights

- We expect AOT to report 3QFY26 net profit of Bt3.2b (-17.3% yoy, -44.1% qoq), reflecting a drop in concession fee and weakened passenger volume caused by the war.
- We are starting to see a mom improvement in passenger arrivals in Jul 26 as airfares are starting to normalise and jet fuel prices have dropped in Jun 26.
- We are optimistic about AOT's growth outlook as there are several events in 2H26 that will provide a tourist traffic boost with the new PSC rate. Maintain BUY with a target price of Bt80.00.

3QFY26 Earnings Preview

Year to 30 Sep (Btm)	3Q25	2Q26	3Q26F	yoy (%)	qoq (%)	9MFY25	9MFY26F	yoy (%)
Aero revenue	7,457	9,827	7,634	2.4	(22.3)	25,645	26,324	2.6
Non-aero revenue	7,886	8,616	6,799	(13.8)	(21.1)	25,268	23,404	(7.4)
Total revenue	15,343	18,443	14,433	(5.9)	(21.7)	50,913	49,728	(2.3)
Operating EBIT	5,579	8,507	5,055	(9.4)	(40.6)	21,962	20,549	(6.4)
Operating EBITDA	8,587	11,328	7,933	(7.6)	(30.0)	30,939	29,215	(5.6)
Core profit	3,917	5,755	3,196	(18.4)	(44.5)	14,461	13,669	(5.5)
Net profit	3,865	5,718	3,196	(17.3)	(44.1)	14,262	13,567	(4.9)
Percent	3Q25	2Q26	3Q26F	yoy (ppt)	qoq (ppt)	9MFY25	9MFY26F	yoy (ppt)
EBIT margin	36.4	46.1	35.0	(1.3)	(11.1)	43.1	41.3	(1.8)
EBITDA margin	56.0	61.4	55.0	(1.0)	(6.5)	60.8	58.7	(2.0)
Core profit margin	25.5	31.2	22.1	(3.4)	(9.1)	28.4	27.5	(0.9)
Net profit margin	25.2	31.0	22.1	(3.0)	(8.9)	28.0	27.3	(0.7)

Source: AOT, UOB Kay Hian

Analysis

- **Earnings contraction expected in 3QFY26.** Airports of Thailand (AOT) should report earnings of Bt3.2b (-17.3% yoy, -44.1% qoq) in 3QFY26. The yoy earnings contraction should be mainly due to the yoy drop in the concession revenue and the yoy drop in passengers due to the impact from the war. The top-line should be at Bt14.4b (-5.9% yoy, -21.7% qoq) with the reduction of concession revenue due to the new agreement with King Power Duty Free (KPD). Operational statistics weakened yoy in 3QFY26 due to the high airfare caused by the surging fuel cost of airlines. International passenger volume dropped by 1.4% yoy, and domestic passenger volume dropped by 7.2% yoy, resulting in a 3.7% yoy decline in total passengers. Total flights also declined by 4.6% yoy. The margins should still fall by around 1.0 ppts yoy.

Key Financials

Year to 30 Sep (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	67,121	66,679	70,261	84,825	89,853
EBITDA	41,777	40,286	42,086	55,140	58,229
Operating profit	30,373	28,244	30,565	43,501	45,870
Net profit (rep./act.)	19,182	18,125	19,368	28,956	31,263
Net profit (adj.)	19,182	18,125	19,368	28,956	31,263
EPS (Bt)	1.3	1.3	1.4	2.0	2.2
PE (x)	39.5	41.8	39.1	26.1	24.2
P/B (x)	6.1	5.8	5.4	4.8	4.4
EV/EBITDA (x)	22.4	23.2	22.2	16.9	16.0
Dividend yield (%)	1.5	1.5	1.5	2.3	2.5
Net margin (%)	28.6	27.2	27.6	34.1	34.8
Net debt/(cash) to equity (%)	26.0	20.5	12.3	5.8	3.7
Interest cover (x)	15.7	23.6	16.1	21.1	31.0
ROE (%)	16.3	14.2	14.3	19.5	19.1
Consensus net profit (Btm)	-	-	21,991	29,078	31,256
UOBKH/Consensus (x)	-	-	0.88	1.00	1.00

Source: AOT, Bloomberg, UOB Kay Hian

Stock Data

GICS sector	Industrials
Bloomberg ticker:	AOT TB
Shares issued (m):	14,285.7
Market cap (Btm):	914,284.8
Market cap (US$m):	27,190.6
3-mth avg daily t'over (US$m):	59.6

Price Performance (%)

52-week high/low Bt65.00/Bt35.00

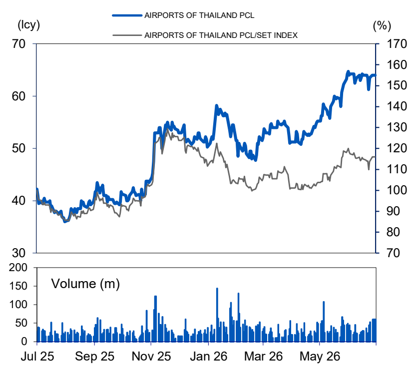
1mth	3mth	6mth	1yr	YTD
2.8	17.4	23.7	52.4	20.8

Major Shareholders	%
Ministry of Finance	70.00
THAI NVDR Co Ltd	4.10

Balance Sheet Metrics

FY26 NAV/Share (Bt)	9.76
FY26 Net Debt/ Share (Bt)	1.21

Price Chart



Source: Bloomberg

Company Description

AOT operates six of the 38 airports in Thailand, but collectively these six airports account for 83% of the total pax throughput. As the leading airport operator in the country, AOT manages domestic and international services, providing the main aviation hub at Suvarnabhumi Airport.

Key Statistics

Key Stats	3QFY25	Apr-26	May-26	Jun-26	Jul-26F	3QFY26	yoy (%)	mom (%)
Inter Aircraft	104,012	36,440	33,723	31,193	34,030	101,356	-2.6%	9%
Domestic Aircraft	83,806	30,524	24,847	22,526	26,997	77,897	-7.1%	20%
Total Aircraft	187,818	66,964	58,570	53,719	61,027	179,253	-4.6%	14%
Inter PAX (m)	17.1	6.4	5.5	5.0	5.7	16.9	-1.4%	15%
Domestic PAX (m)	11.7	4.2	3.5	3.1	3.7	10.8	-7.2%	21%
Total PAX (m)	28.8	10.6	9.1	8.1	9.4	27.7	-3.7%	17%

Source: AOT, UOB Kay Hian

- **Improving recovery momentum in 4QFY26.** The impact from the war is mainly reflected in operational statistics in 3QFY26. Airlines have cancelled flights to preserve their fuel usage and increased the ticket price to protect their operating margins. Hence, this caused a drop in passenger volume which impacted AOT's earnings. However, in Jul 26, we are seeing a significant improvement mom in passenger volume and flights. As of 25 Jul 26, the total passenger arrivals dropped by only 3.8%, while foreign passengers dropped by only 3% yoy. This is a significant improvement mom as in Jun 26, total passenger arrivals dropped by 8% and foreign passengers dropped by 5% yoy. We can see that the airfare is gradually normalising as jet fuel prices have come down recently. Several airlines started to add their hedge position in fuel prices in 2H26 during the price drop in Jun 26. There are large events in 2H26 to be hosted in Thailand such as the Gastech, IMF-World Bank Group Annual Meetings, and Tomorrowland, which will give a strong boost to tourist arrival traffic. Hence, we remain positive on AOT's earnings outlook in 4QFY26 to 1QFY27.
- **New rate of PSC is now active.** The Civil Aviation Authority of Thailand's (CAAT) previously approved the increase of the passenger service charge (PSC) and AOT announced that the new rate would come into effect on 20 Jun 26, at the end of 3QFY26. We see this PSC hike as a key earnings growth driver from 4QFY26 onwards. The outlook in 2H26 is indicating that the number of tourist arrivals should be stronger than in 1H26. This gives AOT a boost to its earnings as all the tourists will be subject to the new PSC rate.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt80.00.** Our valuation is based on the FY26 EV/EBITDA of 27x, 1 SD above the 10-year mean (excluding COVID years). We maintain AOT as our top pick in the tourism sector despite the drop in passenger volume in 3QFY26 due to the war. We remain optimistic with AOT's growth prospect as the new PSC rate will be active during the busy period in 4QFY26 and 1QFY27.

Environment, Social, Governance (ESG) Updates

Environmental

- **Increased efficiency of energy consumption.** Design, construct, and operate airports and related facilities to maximise efficiency in resource utilisation.

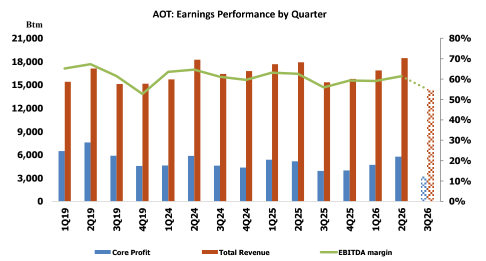
Social

- **Established an Aerodrome Safety Policy.** Enhancing aerodrome safety management and operational standards while giving responsibility to management from all levels for airport safety.
- **Provides safety training.** Organises sessions to train and ensure that AOT personnel are equipped with the knowledge to comply with the Safety Policy.

Governance

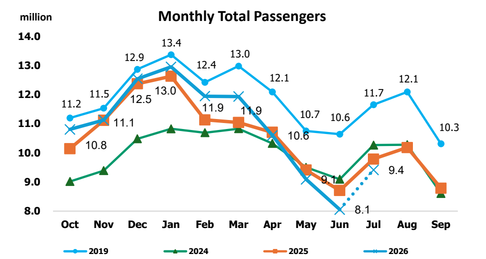
- **Board operates under corporate governance principles** and relevant laws, regulations and guidelines on good corporate governance recommended by the Stock Exchange of Thailand and the Securities and Exchange Commission.

Quarterly Performance



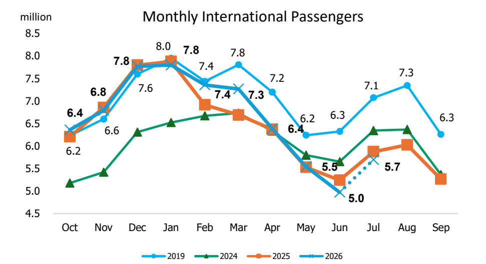
Source: AOT, UOB Kay Hian

Monthly Total Passengers



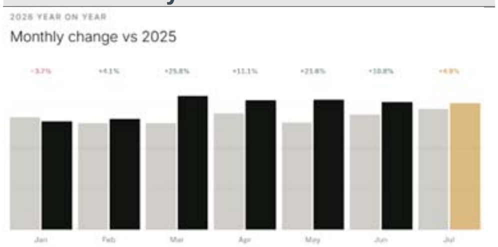
Source: AOT, UOB Kay Hian

Monthly Foreign Passengers



Source: AOT, UOB Kay Hian

Airfare Monthly Price 2025 Vs 2026



Source: Official Airline Guide (OAG)

Jet Fuel Price Trend

Source: S&P Global Energy Platts

Profit & Loss

Year to 30 Sep (Btm)	2025	2026F	2027F	2028F
Net turnover	66,679	70,261	84,825	89,853
EBITDA	40,286	42,086	55,140	58,229
Deprec. & amort.	12,042	11,521	11,639	12,359
EBIT	28,244	30,565	43,501	45,870
Total other non-operating income	(3,197)	(3,118)	(3,764)	(3,909)
Associate contributions	(3)	0	0	0
Net interest income/(expense)	(1,704)	(2,616)	(2,614)	(1,881)
Pre-tax profit	23,341	24,831	37,123	40,080
Tax	(4,787)	(4,966)	(7,425)	(8,016)
Minorities	(429)	(497)	(742)	(802)
Net profit	18,125	19,368	28,956	31,263
Net profit (adj.)	18,125	19,368	28,956	31,263

Balance Sheet

Year to 30 Sep (Btm)	2025	2026F	2027F	2028F
Fixed assets	158,971	165,304	174,213	183,611
Other LT assets	13,632	17,666	19,698	20,404
Cash/ST investment	19,401	38,207	43,454	33,119
Other current assets	17,929	4,938	5,903	6,255
Total assets	209,932	226,116	243,268	243,389
ST debt	1,740	2,834	737	737
Other current liabilities	21,255	24,803	26,359	24,334
LT debt	44,520	52,592	51,869	38,774
Other LT liabilities	7,986	9,366	9,834	10,325
Shareholders' equity	130,898	139,473	156,863	170,810
Minority interest	1,943	2,439	3,182	3,983
Total liabilities & equity	208,341	231,506	248,844	248,965

Cash Flow

Year to 30 Sep (Btm)	2025	2026F	2027F	2028F
Operating	25,689	45,009	40,369	44,370
Pre-tax profit	23,341	24,831	37,123	40,080
Tax	(4,787)	(4,966)	(7,425)	(8,016)
Deprec. & amort.	12,042	11,521	11,639	12,359
Working capital changes	(4,256)	19,758	(166)	700
Non-cash items	(651)	(6,136)	(802)	(754)
Other operating cashflows	(3)	0	0	0
Investing	(17,968)	(14,295)	(21,295)	(21,758)
Capex (growth)	(16,140)	(16,863)	(20,358)	(21,565)
Investment	2,444	1,419	2,342	2,402
Others	(4,272)	1,148	(3,279)	(2,595)
Financing	(16,268)	(1,131)	(13,642)	(29,609)
Dividend payments	(11,286)	(11,571)	(11,621)	(17,374)
Proceeds from borrowings	(4,584)	9,166	(2,819)	(13,095)
Loan repayment	0	0	0	0
Others/interest paid	(399)	1,274	797	859
Net cash inflow (outflow)	(8,547)	29,582	5,432	(6,997)
Beginning cash & cash equivalent	18,487	18,880	38,207	43,454
Changes due to forex impact	9,461	(10,255)	(185)	(3,339)
Ending cash & cash equivalent	19,401	38,207	43,454	33,119

Key Metrics

Year to 30 Sep (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	60.4	59.9	65.0	64.8
Pre-tax margin	35.0	35.3	43.8	44.6
Net margin	27.2	27.6	34.1	34.8
ROA	8.7	8.9	12.3	12.8
ROE	14.2	14.3	19.5	19.1
Growth				
Turnover	(0.7)	5.4	20.7	5.9
EBITDA	(3.6)	4.5	31.0	5.6
Pre-tax profit	(4.9)	6.4	49.5	8.0
Net profit	(5.5)	6.9	49.5	8.0
Net profit (adj.)	(5.5)	6.9	49.5	8.0
EPS	(5.5)	6.9	49.5	8.0
Leverage				
Debt to total capital	25.8	28.1	24.7	18.4
Debt to equity	35.3	39.7	33.5	23.1
Net debt/(cash) to equity	20.5	12.3	5.8	3.7
Interest cover (x)	23.6	16.1	21.1	31.0

Central Pattana (CPN TB)

2Q26 Results Preview: Promising Growth Outlook

Highlights

- 2Q26 core profit is expected to increase 16% yoy, driven by revenue growth, improved gross margin, lower SG&A-to-revenue, and higher equity income.
- Continued shopping mall expansion remains a key catalyst for CPN. New projects scheduled to open during 3Q26-2Q27 will add 11% to total NLA.
- Maintain BUY with a target price of Bt80.00 (from Bt73.50), following our earnings revision.

2Q26 Results Preview

Year to 31 Dec (Btm)	2Q25	1Q26	2Q26F	yoy %	qoq %	2025	2026	yoy %
Revenue	11,661	12,590	12,664	8.6	0.6	50,034	52,817	5.6
Gross profit	6,778	7,640	7,452	9.9	(2.5)	28,999	31,114	7.3
SG&A	(1,994)	(2,181)	(2,148)	7.7	(1.5)	(8,685)	(9,084)	4.6
EBIT	4,784	5,459	5,304	10.9	(2.8)	20,314	22,030	8.4
Interest expense	(880)	(1,004)	(1,004)	14.1	0.0	(3,705)	(3,922)	5.9
Equity income	507	794	761	50.0	(4.1)	2,414	3,283	36.0
Core profit	3,902	4,873	4,507	15.5	(7.5)	14,087	16,307	15.8
Net profit	4,305	4,971	4,605	7.0	(7.4)	18,841	19,594	4.0
Percent	2Q25	1Q26	2Q26	ppt	ppt	2025	2026	ppt
Gross margin	58.1	60.7	58.8	0.7	(1.8)	58.0	58.9	1.0
SG&A to revenue	17.1	17.3	17.0	(0.1)	(0.4)	17.4	17.2	(0.2)
EBIT margin	41.0	43.4	41.9	0.9	(1.5)	40.6	41.7	1.1
Net margin	36.9	39.5	36.4	(0.6)	(3.1)	37.7	37.1	(0.6)

Source: CPN, UOB Kay Hian

Analysis

- **Strong earnings growth.** We expect 2Q26 net profit of Bt4.6b (+7% yoy, -7% qoq) from Central Pattana (CPN). Excluding non-operating items, core profit is expected to come in at Bt4.5b (+16% yoy, -8% qoq), driven by 9% yoy revenue growth, a 72bps yoy improvement in gross margin, a 14bps yoy decline in SG&A-to-revenue, and higher share of profit.
- **Robust rental revenue growth.** The shopping mall business remains strong, with revenue expected to grow 8% yoy, supported by 5-6% yoy tenant sales growth, 2-3% yoy traffic growth, an occupancy rate of around 92% (similar to 1Q26), and the opening of Central Khon Kaen Campus.
- **Hotel and residential businesses remain resilient.** Hotel revenue is expected to grow 5% yoy, driven by improved occupancy rates at existing hotels and the expansion of GO! Khon Kaen Campus and Nakhon Sawan. Residential revenue is expected to grow 25% yoy, supported by transfers of low-rise projects and a low base in 2Q25.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	50,184	50,034	52,817	55,837	57,878
EBITDA	28,039	29,517	32,477	34,724	36,377
Operating profit	18,832	20,314	22,030	23,503	24,432
Net profit (rep./act.)	16,729	18,841	19,594	21,060	22,001
Net profit (adj.)	15,594	16,721	19,202	20,668	21,609
EPS	3.5	3.7	4.3	4.6	4.8
PE (x)	19.4	18.1	15.8	14.7	14.0
P/B (x)	3.0	2.8	2.6	2.4	2.2
EV/EBITDA (x)	13.4	12.4	11.4	10.8	10.3
Dividend yield (%)	3.1	3.6	3.7	4.0	4.2
Net margin (%)	33.3	37.7	37.1	37.7	38.0
Net debt/(cash) to equity(%)	63.8	48.3	50.0	47.2	44.0
Interest cover (x)	7.5	8.0	8.3	8.6	8.8
ROE (%)	17.4	17.9	17.2	17.1	16.5
Consensus net profit	n.a	n.a	19,238	20,724	21,994
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	1.0

Source: Central Pattana, Bloomberg, UOB Kay Hian

BUY (Maintained)

Share Price	Bt67.75
Target Price	Bt80.00
Upside	18.52%
Previous TP	Bt73.50

Analyst(s)
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662 090 3359

Stock Data

GICS sector	Real Estate
Bloomberg ticker:	CPN TB
Shares issued (m):	4,488.0
Market cap (Bt$m):	276,012.0
Market cap (US$m):	8,429.6
3-mth avg daily t'over (US$m):	17.6

Price Performance (%)

52-week high/low: Bt70.0/Bt41.2

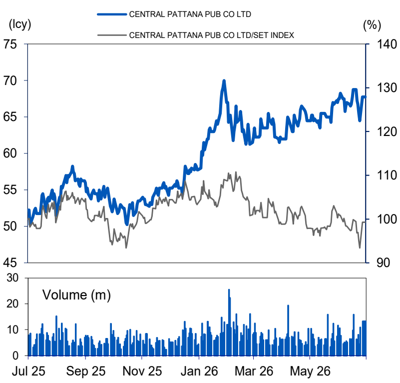
1mth	3mth	6mth	1yr	YTD
(1.2)	0.0	18.3	23.6	11.3

Major Shareholders	%
Central Holding	26.21
Thai NVDR Company Limited	7.97
Social Security Office	2.71

Balance Sheet Metrics

FY26 NAV/Share (Bt)	26.4
FY26 Net Debt/Share (Bt)	13.2

Price Chart



Source: Bloomberg

Company Description

CPN is a real estate developer and operator of retail properties, primarily shopping malls, under the "Central" brand across Thailand. Its portfolio also includes office buildings, hotels, and mixed-use developments integrated with its retail assets.

2Q26 Revenue Contributions

- **Impressive profitability enhancement.** Gross margin is expected to improve by 100bps yoy to 60.2%, driven by higher shopping mall revenue. More efficient electricity usage should also support gross margin in 2Q26. Meanwhile, SG&A-to-revenue is expected to decline 14 bps yoy to 17.0%, reflecting effective expense management. Equity income is forecast to increase yoy, supported by improved performance from CPNREIT, Mega Bangna and Viman Suriya.
- **Promising outlook.** Continued shopping mall expansion is likely to be a key earnings catalyst for CPN. Central Northville, Central Phuket New Luxury, The Central and CenTRal cENtrAL are scheduled to open in 3Q26, 4Q26,1Q27 and 2Q27, respectively, adding 185,000 sqm of NLA, or 11% of the total shopping mall NLA. Tenant sales are also expected to see positive momentum in 3Q26, while gross margin should expand, supported by a higher contribution from the shopping mall segment.

Valuation/Recommendation

- **Maintain BUY and raise target price to Bt80.00 (from 73.50),** following the earnings revision. We use SOTP methodology, value CPN's core business at Bt79.80/share using DCF, assuming a WACC of 7.0%, and terminal growth of 1.5%. The residential business is valued at Bt0.2/share, based on 5x 2026F PE. Our target price implies 2026F PE of 18x and EV/EBITDA of 11x. We maintain an optimistic outlook on CPN, underpinned by a long-term strategic expansion.

Earnings Revision/Risk

- **Revise up earnings forecasts.** We revise our 2026-27 earnings forecasts up by 5% to reflect the better-than-expected 1H26 earnings expectation. 1H26 earnings account for 49% of our 2026 forecast, compared with 46% in 1H25. We therefore see no downside to our full-year forecast.
- **Risk:** Every 10% increase in utility expenses would reduce earnings by 1.2%.

Share Price Catalyst

- CenTRal cENtrAL rental business to boost 1.5% of 2028 earnings.
- Mega Bangna Phase 2 to add 1% of 2029 earnings.

Environment, Social, Governance (ESG) Updates

CG Report: 5, SET ESG Rating: AAA

Environmental

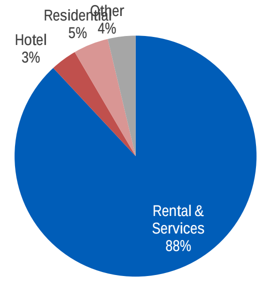
- CPN is committed to reducing energy consumption and promoting renewable energy. The company also practices effective waste management by recycling, segregating waste, and minimising single-use plastics.

Social

- CPN prioritises community engagement and green spaces. It provides educational programmes, health campaigns, and support for underprivileged groups. CPN also creates parks and gardens to provide recreational areas for visitors.

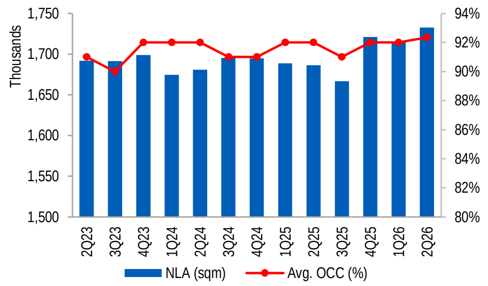
Governance

- CPN prioritises ethical, transparent, and auditable business conduct for sustainable growth through a Code of Conduct and CG Principles handbook.



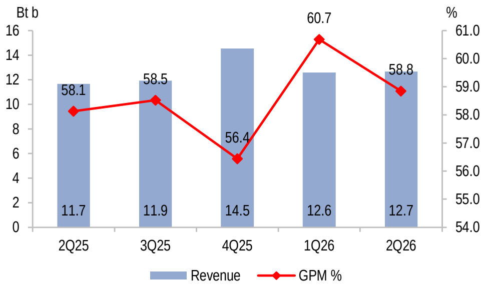
Source: UOB Kay Hian

Shopping Mall Net Leasable Area and Occupancy



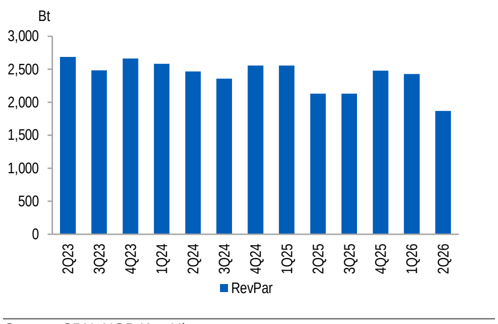
Source: CPN, UOB Kay Hian

Impressive Gross Margin Expansion



Source: CPN, UOB Kay Hian

Hotel RevPar



Source: CPN, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	50,034	52,817	55,837	57,878
EBITDA	29,517	32,477	34,724	36,377
Deprec. & amort.	9,204	10,448	11,221	11,945
EBIT	20,314	22,030	23,503	24,432
Total other non-operating income	4,545	2,706	2,788	2,871
Associate contributions	2,414	3,283	3,611	3,792
Net interest income/(expense)	(3,705)	(3,922)	(4,054)	(4,116)
Pre-tax profit	23,561	24,096	25,847	26,979
Tax	(4,385)	(4,163)	(4,447)	(4,637)
Minorities	(335)	(340)	(340)	(340)
Net profit	18,841	19,594	21,060	22,001
Net profit (adj.)	16,721	19,202	20,668	21,609

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	196,352	210,292	220,833	230,150
Other LT assets	74,309	75,841	77,508	79,248
Cash/ST investment	8,806	6,718	7,730	8,528
Other current assets	23,156	23,573	24,014	24,368
Total assets	302,623	316,424	330,085	342,294
ST debt	19,980	17,880	13,880	22,580
Other current liabilities	18,939	19,457	20,290	20,742
LT debt	41,940	48,044	54,257	46,601
Other LT liabilities	102,504	103,016	103,531	104,049
Shareholders' equity	109,881	118,307	128,067	137,923
Minority interest	9,380	9,720	10,060	10,400
Total liabilities & equity	302,623	316,424	330,085	342,294

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	37,194	30,482	33,013	34,385
Pre-tax profit	23,561	24,096	25,847	26,979
Tax	(4,385)	(4,163)	(4,447)	(4,637)
Deprec. & amort.	9,204	10,448	11,221	11,945
Working capital changes	(1,564)	(207)	68	(15)
Non-cash items	10,378	308	324	113
Other operating cashflows	0	0	0	0
Investing	(16,265)	(25,408)	(22,913)	(22,485)
Capex (growth)	(12,289)	(24,388)	(21,762)	(21,262)
Investments	1,837	(1,313)	(1,444)	(1,517)
Others	(5,813)	293	293	294
Financing	(17,416)	(7,163)	(9,088)	(11,102)
Dividend payments	(9,531)	(10,771)	(11,300)	(12,146)
Issue of shares	0	(396)	0	0
Proceeds from borrowings	(7,590)	4,005	2,212	1,044
Others/interest paid	(296)	0	0	0
Net cash inflow (outflow)	3,514	(2,088)	1,012	798
Beginning cash & cash equivalent	5,292	8,806	6,718	7,730
Ending cash & cash equivalent	8,806	6,718	7,730	8,528

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	59.0	61.5	62.2	62.8
Pre-tax margin	47.1	45.6	46.3	46.6
Net margin	37.7	37.1	37.7	38.0
ROA	6.2	6.3	6.5	6.5
ROE	17.9	17.2	17.1	16.5
Growth				
Turnover	(0.3)	5.6	5.7	3.7
EBITDA	5.3	10.0	6.9	4.8
Pre-tax profit	14.1	2.3	7.3	4.4
Net profit	12.6	4.0	7.5	4.5
Net profit (adj.)	7.2	14.8	7.6	4.6
EPS	7.2	14.8	7.6	4.6
Leverage				
Debt to total capital	51.9	51.5	49.3	46.6
Debt to equity	56.4	55.7	53.2	50.2
Net debt/(cash) to equity	48.3	50.0	47.2	44.0
Interest cover	8.0	8.3	8.6	8.8

Central Plaza Hotel (CENTEL TB)

Slight Earnings Growth Expected In 2Q26

BUY (Maintained)	
Share Price	Bt38.25
Target Price	Bt45.00
Upside	+17.6%

Highlights

- CENTEL is expected to report a slight net profit of Bt114m (+3.3% yoy, -89.4% qoq) for 2Q26.
- The strongest contributor continues to be hotels in the Maldives, followed by robust performance of its hotels in Bangkok.
- The outlook for 3Q26 is encouraging, with a traffic boost from a large event and strong bookings in several regions. CENTEL remain as our top pick; maintain BUY with a target price of Bt45.00.

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Analysis

2Q26 Earnings Preview

Year to 31 Dec (Btm)	2Q25	1Q26	2Q26F	yoy (%)	qoq (%)	1H25	1H26F	yoy (%)
Hotel revenue	2,341	3,523	2,473	5.6	(29.8)	5,606	5,995	7.0
Food revenue	3,258	3,193	3,311	1.6	3.7	6,416	6,505	1.4
Total revenue	5,599	6,716	5,784	3.3	(13.9)	12,022	12,500	4.0
Gross profit	2,240	3,388	2,329	4.0	(31.2)	5,272	5,717	8.4
SG&A	2,073	2,842	2,101	1.3	(26.1)	4,250	4,943	16.3
Core profit	110	1,077	114	3.3	(89.4)	858	1,191	38.7
Net profit	110	2,143	114	3.3	(94.7)	858	2,257	162.9
(%)	2Q25	1Q26	2Q26F	yoy (ppt)	qoq (ppt)	1H25	1H26F	yoy (ppt)
Gross margin	40.0	50.4	40.3	0.3	(10.2)	43.9	45.7	1.9
SG&A to sales	37.0	42.3	36.3	(0.7)	(6.0)	35.4	39.5	4.2
EBITDA margin	22.1	24.0	21.9	(0.2)	(2.1)	26.6	23.0	(3.6)
Net profit margin	2.0	31.9	2.0	0.0	(29.9)	7.1	18.1	10.9

Source: CENTEL, UOB Kay Hian

- **Slight earnings growth expected in 2Q26.** We expect Central Plaza Hotel (CENTEL) to report a net profit of Bt114m (+3.3% yoy, -89.4% qoq) for 2Q26. Top-line should come in at Bt5.8b (+3.3% yoy, -13.9% qoq), supported by resilient performance from both hotel and food businesses. The earnings growth is mainly driven by the continued strong performance of its hotels in the Maldives, which saw a robust 69% yoy growth in RevPar. The strong RevPar at the Maldives is contributed by a yoy uplift in occupancy rate from the wholesale market. Moreover, the two new hotels at the Maldives have been ramping up well in terms of room rate and occupancy rate. Meanwhile, the RevPar of hotels in Thailand still saw a 3% yoy growth despite the impact of the US-Iran war. We expect the share of profit to decline yoy, primarily due to the disposal of assets in Osaka and weaker hotel performance in Dubai amid the ongoing war. As a result, we expect margins to remain flat yoy.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	23,949.5	25,050.9	29,627.8	31,758.6	35,982.7
EBITDA	6,100.4	6,726.8	7,387.5	7,935.7	9,131.9
Operating profit	2,809.7	3,146.5	3,431.2	3,794.5	4,831.6
Net profit (rep./act.)	1,753.0	1,992.9	2,001.8	2,252.8	3,004.6
Net profit (adj.)	1,753.0	1,992.9	2,001.8	2,252.8	3,004.6
EPS (Bt)	1.3	1.5	1.5	1.7	2.2
PE (x)	29.5	25.9	25.8	22.9	17.2
P/B (x)	2.5	2.3	2.2	2.1	1.9
EV/EBITDA (x)	13.1	11.8	10.8	10.0	8.7
Dividend yield (%)	1.5	1.8	1.8	2.0	2.6
Net margin (%)	7.3	8.0	6.8	7.1	8.3
Net debt/(cash) to equity (%)	137.7	128.7	117.0	112.8	102.5
Interest cover (x)	8.0	7.4	6.9	7.1	7.6
ROE (%)	8.7	9.2	8.7	9.3	11.6
Consensus net profit (Btm)	-	-	2,266	2,330	2,531
UOBKH/Consensus (x)	-	-	0.88	0.97	1.19

Source: CENTEL, Bloomberg, UOB Kay Hian

Stock Data

GICS sector	Consumer Discretionary
Bloomberg ticker:	CENTEL TB
Shares issued (m):	1,350.0
Market cap (Btm):	51,637.5
Market cap (US$m):	1,535.7
3-mth avg daily t'over (US$m):	5.6

Price Performance (%)

52-week high/low: Bt40.50/Bt25.50

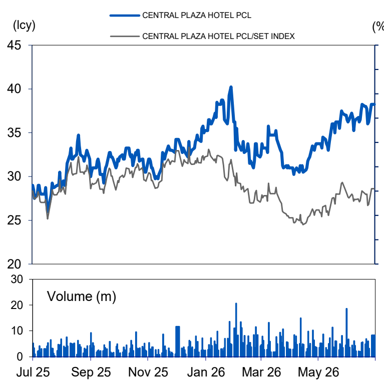
1mth	3mth	6mth	1yr	YTD
2.7	23.4	11.7	41.7	11.7

Major Shareholders	%
Chirathivat Family	64.0
Local Investors	26.0

Balance Sheet Metrics

FY26 NAV/Share (Bt)	17.42
FY26 Net Debt/ Share (Bt)	20.38

Price Chart



Source: Bloomberg

Company Description

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

Quarterly Performance

Statistics Preview

Hotel Stats	2Q25	1Q26	2Q26F	yoy (%)	qoq (%)
RevPar - Bangkok	2,931	3,306	3,110	6.1	(5.9)
RevPar - Upcountry	2,750	5,112	2,795	1.6	(45.3)
RevPar - Maldives (RHS)	3,694	12,851	6,245	69.1	(51.4)
RevPar - Japan	7,793	4,859	6,225	(20.1)	28.1
RevPar - Average	3,410	5,456	3,861	13.2	(29.2)
Number of key rooms	5,246	4,997	4,997	(4.7)	0.0
Food Stats	2Q25	1Q26	2Q26F	yoy (%)	qoq (%)
SSSG (%)	-2.0%	1.0%	0.0%	2.0 ppt	-1.0 ppt
Number of outlets	1,412	1,440	1,455	3.0	1.0

Source: CENTEL, UOB Kay Hian

- **Strong outlook for 3Q26.** Bangkok will be hosting a large global event called Gastech in Sep 26. Around 50,000 participants from 150 countries will be travelling to Thailand to attend this event. Hence, the hotels are expected to benefit from strong demand from event participants, who may extend their stays beyond the event schedule. Based on the latest bookings, in 3Q26, hotels in Bangkok are expected to show robust high single-digit yoy growth in RevPar. We could see RevPar of upcountry hotels improve from short-haul substitution demand, as growth in Chinese arrivals remains robust. Based on current bookings, CENTEL's Thailand portfolio is expected to show a robust high-teens RevPar in 3Q26. Moreover, the strong RevPar growth in the Maldives should sustain, with an expected low-teens growth yoy. Centara Dubai's occupancy continues to improve in, which should allow it to return to net profit breakeven once again.
- **Chinese arrivals remain as a key factor and continue to recover strongly.** After declining 33.4% yoy in 2025, Chinese tourist arrivals have continued to rebound in early-26. Ytd, Chinese arrivals are up 14% yoy, reflecting continued strong recovery momentum. With long-haul travel demand remaining soft, we believe Chinese tourists, as a key short-haul market, will be an important driver for hotel operators' performance, especially for upcountry hotels in 3Q26.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt45.00.** Our valuation is based on the 2026 EV/EBITDA multiple of 12x, 1 SD above its three-year historical mean trading level. CENTEL remains as our top pick in the sector due to: a) the traffic boost from the large event in Sep 26, b) the continued recovery in Chinese tourists, which will support the growth of upcountry hotels in 3Q26, and c) the strong bookings in 3Q26, which will support CENTEL's earnings outlook.

Environment, Social, Governance (ESG) Updates

Environmental

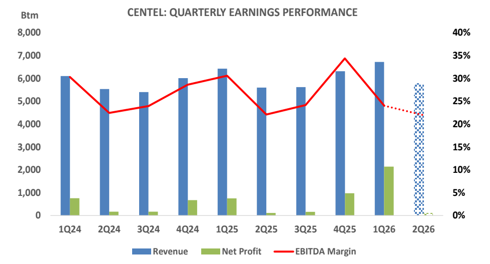
- Pledged to achieve net zero emissions by 2050.
- Targeting 20% reduction in greenhouse gas emissions by 2029.
- To eliminate single-use plastics by 2025.

Social

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

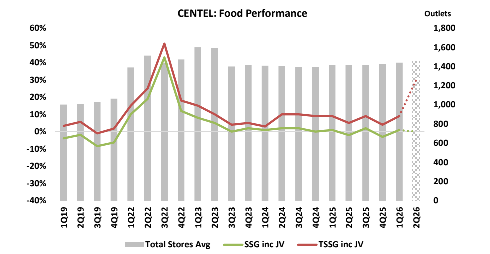
Governance

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



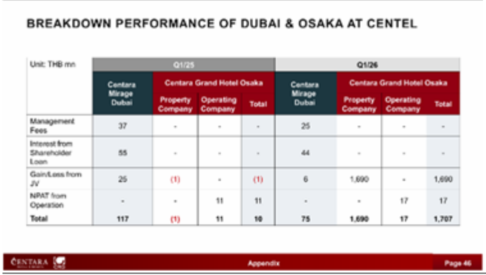
Source: CENTEL, UOB Kay Hian

Food Performance



Source: CENTEL, UOB Kay Hian

Hotel Share Profit Breakdown



BREAKDOWN PERFORMANCE OF DUBAI & OSAKA AT CENTEL

Unit: THB mn	Q1/25				Q1/26			
	Centara Mirage Dubai	Centara Grand Hotel Osaka			Centara Mirage Dubai	Centara Grand Hotel Osaka		
		Property Company	Operating Company	Total		Property Company	Operating Company	Total
Management Fees	37	-	-	-	25	-	-	-
Interest from Shareholder Loan	55	-	-	-	44	-	-	-
Gain/Loss from JV	25	(1)	-	(1)	6	1,690	-	1,690
NPAT from Operation	-	-	11	11	-	-	17	17
Total	117	(1)	11	10	75	1,690	17	1,707

CENTARA Appendix Page 46

Source: CENTEL

Monthly Chinese Arrivals

Source: Ministry of Tourism and Sports, UOB Kay Hian

Large Event In 3Q26 In Bangkok

Source: Gastech

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	25,051	29,628	31,759	35,983
EBITDA	6,727	7,387	7,936	9,132
Deprec. & amort.	3,580	3,956	4,141	4,300
EBIT	3,146	3,431	3,795	4,832
Total other non-operating income	0	0	0	0
Associate contributions	243	200	210	221
Net interest income/(expense)	(909)	(1,075)	(1,124)	(1,195)
Pre-tax profit	2,481	2,557	2,881	3,857
Tax	(517)	(471)	(534)	(727)
Minorities	29	(83)	(94)	(125)
Net profit	1,993	2,002	2,253	3,005
Net profit (adj.)	1,993	2,002	2,253	3,005

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	49,382	48,709	50,783	52,883
Other LT assets	7,354	7,788	7,991	8,303
Cash/ST investment	2,964	1,406	2,121	4,390
Other current assets	3,029	3,776	4,112	4,749
Total assets	62,728	61,679	65,006	70,324
ST debt	6,090	5,117	5,117	5,617
Other current liabilities	4,707	4,779	5,148	5,963
LT debt	25,708	23,800	25,041	26,283
Other LT liabilities	3,608	3,979	4,260	4,914
Shareholders' equity	22,408	23,518	24,861	26,842
Minority interest	207	486	580	705
Total liabilities & equity	62,728	61,679	65,006	70,324

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	5,372	5,576	6,521	7,608
Pre-tax profit	2,481	2,557	2,881	3,857
Tax	(517)	(471)	(534)	(727)
Deprec. & amort.	3,580	3,956	4,141	4,300
Working capital changes	(211)	(490)	89	282
Non-cash items	40	(185)	(56)	(104)
Other operating cashflows	242	410	210	221
Investing	(5,394)	(3,346)	(6,137)	(6,058)
Capex (growth)	(4,357)	(3,284)	(6,214)	(6,400)
Investment	6,243	6,323	6,407	6,495
Others	(7,280)	(6,386)	(6,330)	(6,153)
Financing	309	(3,787)	331	719
Dividend payments	(797)	(906)	(910)	(1,024)
Proceeds from borrowings	607	(2,882)	1,241	1,743
Others/interest paid	498	0	0	0
Net cash inflow (outflow)	287	(1,557)	715	2,269
Beginning cash & cash equivalent	2,677	2,964	1,406	2,121
Ending cash & cash equivalent	2,964	1,406	2,121	4,390

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	26.9	24.9	25.0	25.4
Pre-tax margin	9.9	8.6	9.1	10.7
Net margin	8.0	6.8	7.1	8.3
ROA	3.2	3.2	3.6	4.4
ROE	9.2	8.7	9.3	11.6
Growth				
Turnover	4.6	18.3	7.2	13.3
EBITDA	10.3	9.8	7.4	15.1
Pre-tax profit	13.6	3.0	12.7	33.9
Net profit	13.7	0.4	12.5	33.4
Net profit (adj.)	13.7	0.4	12.5	33.4
EPS	13.7	0.4	12.5	33.4
Leverage				
Debt to total capital	58.4	54.6	54.2	53.7
Debt to equity	141.9	123.0	121.3	118.8
Net debt/(cash) to equity	128.7	117.0	112.8	102.5
Interest cover (x)	7.4	6.9	7.1	7.6

Delta (Thailand) (DELTA TB)

2Q26 Earnings Lower Than Expected Due To A Greater-Than-Expected Impact From Raw Material Shortage

HOLD (Maintained)	
Share Price	Bt285.00
Target Price	Bt300.00
Upside	4.2%
Previous TP	Bt320.00

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Highlights

- DELTA reported 2Q26 net profit of Bt6.08b (+31% yoy, -33% qoq). The negative surprise came from a greater-than-expected impact from raw material shortages.
- Earnings should recover in 2H26, supported by a healthy order pipeline and orders that were delayed from 2Q26, although the 2% increase in COGS will persist.
- Maintain HOLD with a lower target price of Bt300.00.

Analysis

- **Lower-than-expected earnings as raw material shortage caused order fulfilment to be delayed from 2Q26 into 2H26.** Delta (Thailand) (DELTA) reported 2Q26 net profit of Bt6.08b (+31% yoy, -33% qoq), below our and Bloomberg estimates by 35% and 33%, respectively. Sales came in at Bt65.2b (+46.5% yoy, +6.2% qoq), below our and Bloomberg estimates by 2%.
- **Raw material shortages and higher royalties hit 2Q26 margins harder than expected.** Gross margin declined significantly to 26.8% in 2Q26, down 4.9ppt (from 31.7% in 1Q26), due to: a) higher raw material costs, which reduced gross margin by 2.0ppt; b) higher costs from urgently sourcing materials in the secondary market to fulfil customer deliveries, which reduced gross margin by 0.5ppt; c) an unexpected inventory provision of Bt800m-1,000m, which reduced gross margin by 1.5ppt, as delays in customers' rack-level assembly orders required DELTA to hold inventory for longer; and d) other factors, including an unusual product mix caused by raw material shortages and overhead costs from two factories.
- **2H26 earnings should improve, but higher raw material costs will weigh on gross margin in 2H26.** We believe DELTA's earnings should improve in 2H26, driven by three key factors. First, sales should benefit from a healthy order pipeline. The 5% sales shortfall in 2Q26 due to raw material shortages is expected to be recovered through deliveries in 3Q26-4Q26. Order visibility remains solid for the next 3-6 months, suggesting that the issue in 2Q26 was execution rather than demand. Second, gross margin should recover toward 30% in 2H26, improving by 2-3ppt, driven by: a) the normalisation of inventory provisions (1.5ppt) in 2H26, b) an improvement in product mix from 2Q26 onwards.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	164,732.7	198,153.4	288,278.1	368,013.4	451,841.8
EBITDA	24,598.2	34,520.1	44,841.7	61,498.2	82,249.4
Operating profit	17,859.9	26,325.9	34,737.5	48,945.8	66,872.6
Net profit (rep./act.)	18,938.6	24,814.3	32,533.6	44,064.2	59,291.1
Net profit (adj.)	17,979.7	22,963.9	30,789.6	43,254.2	58,562.1
EPS	1.4	1.8	2.5	3.5	4.7
PE (x)	197.7	154.8	115.5	82.2	60.7
P/B (x)	44.5	36.8	29.7	23.7	19.0
EV/EBITDA (x)	144.0	102.4	78.9	57.5	43.0
Dividend yield (%)	0.2	0.2	0.3	0.5	0.8
Net margin (%)	11.5	12.5	11.3	12.0	13.1
Net debt to equity (%)	(17.0)	(18.9)	(14.1)	(11.2)	(9.8)
Consensus net profit	n.a	n.a	37,167.1	50,455.9	65,732.8
UOBKH/Consensus (x)	n.a	n.a	0.8	0.9	0.9

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

Stock Data

GICS sector	Information Technology
Bloomberg ticker:	DELTA TB
Shares issued (m):	12,473.8
Market cap (Bt$m):	3,555,037.6
Market cap (US$m):	106,126.9
3-mth avg daily t'over (US$m):	163.5

Price Performance (%)

52-week high/low: Bt364.0/Bt142.0

1mth	3mth	6mth	1yr	YTD
(12.3)	(8.6)	37.0	99.3	64.7

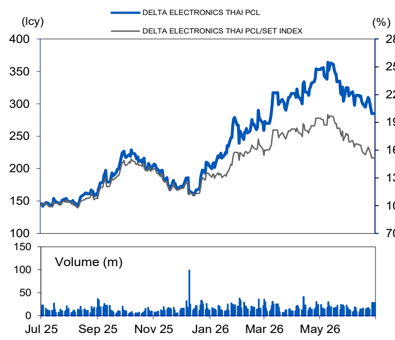
Major Shareholders

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

Balance Sheet Metrics	%
FY26 NAV/Share (Bt)	9.6
FY26 Net Debt/Share (Bt)	(1.4)

Price Chart



Source: Bloomberg

Company Description

Delta Electronics is an electronics exporter, manufacturer of power supplies and electronic components i.e. DC fan, EMI filters and solenoids.

- **Raw material costs will remain high in 2H26, but some raw material constraints are expected to ease.** While the 2% increase in COGS from higher supplier prices is expected to persist into 2H26, several temporary pressures should ease as: a) inventory provisions should normalise as customers' rack level assembly are expected to draw down this inventory amid the DRAM shortage; b) the impact of EU sanctions on Yangzhou Yangjie Electronic, a Chinese supplier of power semiconductors including MOSFETs and diodes, should be under control by September; and c) rush sourcing and reliance on the secondary market should decline from 2Q26 levels.
- **Raw material availability remains the key constraint on order execution despite solid six-month demand visibility.** Management is not concerned that the delay of orders from 2Q26 into 2H26 will strain capacity or lead to production delays, as two new factories have come online. Management guides for a 40:60 revenue contribution between 1H26 and 2H26, which we view as relatively aggressive. We forecast a 44:56 split, compared with the three-year historical average of 46:54.
- **Better product mix should help offset further raw material cost pressure in 4Q26.** Additional price negotiations are expected in 4Q26. While DELTA expects some vendors to raise raw material prices slightly further, two new factories producing high-growth products should support a more favourable product mix and help mitigate raw material cost pressure in 4Q26.

Valuation/Recommendation

- **We maintain HOLD with a lower target price of Bt300.00 (down from Bt320.00).** Our target price is based on 84x 2027F PE, which is near +1.5SD to its five-year mean. As we roll over to 2027 valuation, we assign a 15% premium (from 30% premium) compared with the average PE of 73x over 2021-24. Our multiple de-rating reflects a lower gross margin and operating profile from higher raw material prices and higher royalty fee assumption.
- In the near term, we expect DELTA's valuation to remain under pressure from lower gross and operating margins profile, amid the current broader sell-off in AI infrastructure stocks. We believe investors will require a more attractive risk-reward profile or a valuation discount amid conservative hyperscaler capex forecasts (a slower pace of 2027 growth). However, capex forecasts could be revised up later in 2027 guidance, which is what happened at the beginning of 2026.
- We recommend accumulating the stock at Bt260.00-280.00, implying a valuation range of +0.75SD to +1.25SD, or a 0-10% premium to its 2021-24 average forward P/E of 73x. The premium is justified by DELTA meeting the Rule of 40, its lower free float relative to Delta Taiwan, and its strong positioning in customised power supplies amid the ongoing data centre buildout cycle.

Earnings Revision/Risk

- We revise down 2026-28 net profit forecasts by 23%/22%/19% respectively, reflecting a lower gross margin assumption from a higher cost structure of 2% COGS, and a lower operating margin assumption due to an increase in royalty fees from 7% to 8% of sales.

Share Price Catalyst

- Stronger-than-expected operating margin and sales.

Environment, Social, Governance (ESG) Updates

Environmental

- DELTA targets to reduce electricity consumption intensity (EI) by 20% in 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.

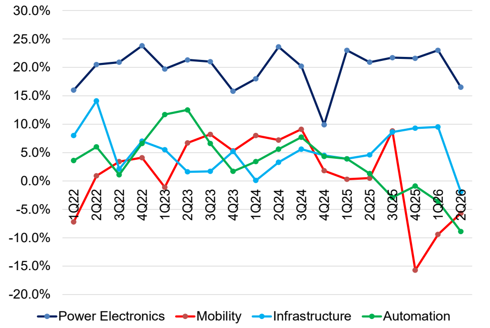
Social

- DELTA is committed to conducting business according to its Corporate Social Responsibility Policy, covering governance, regulatory compliance and environmental matters.

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.

Operating Margin By Segment



Source: Bloomberg

2Q26 Earnings Results

(Btm)	2Q26	2Q25	1Q26	yoy (%)	qoq (%)
Revenue	65,191	44,490	61,387	46.5%	6.2%
Gross profit	17,469	11,109	19,466	57.2%	-10.3%
Operating profit	6,114	5,098	9,691	19.9%	-36.9%
Operating EBITDA	8,640	7,214	12,015	19.8%	-28.1%
Core profit	5,527	4,526	8,837	22.1%	-37.5%
Net profit	6,075	4,629	9,081	31.2%	-33.1%
EPS	0.49	0.37	0.73	31.2%	-33.1%
Financial ratio				ppts	ppts
Gross profit margin	26.8	25.0	31.7	-4.9	1.8
EBITDA margin	13.3	16.2	19.6	-6.3	-3.0
Operating margin	9.4	11.5	15.8	-6.4	-2.1
SG&A Exp./ Sales	14.1	10.3	12.8	1.2	3.7
Net profit margin	9.3	10.4	14.8	-5.5	-1.1

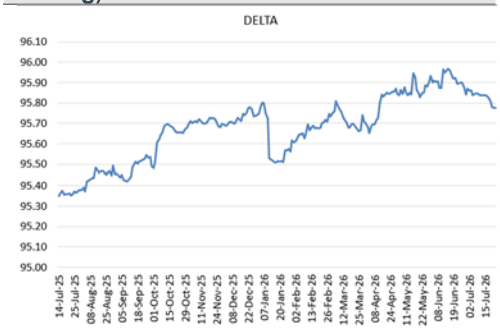
Source: Bloomberg

Earnings Revision (2026-28)

(Btm)	2026	%Chg	2027	%Chg	2028	%Chg
Revenue (Btm)	288,278	(1.3)	368,013	(3.0)	451,842	(5.4)
Gross profit	85,042	(9.7)	113,716	(9.8)	145,493	(9.9)
SG&A	(40,071)	3.9	(52,258)	2.4	(63,258)	(1.2)
Operating EBIT	35,314	(22.8)	48,946	(21.3)	66,873	(17.7)
Operating EBITDA	45,418	(18.7)	61,498	(17.7)	82,249	(14.9)
Net profit	33,024	(21.9)	44,064	(21.8)	59,291	(18.5)
Core profit	31,280	(22.9)	43,254	(21.5)	58,562	(18.2)
EPS	2.65	(21.9)	3.53	(21.8)	4.75	(18.5)
Core EPS	2.51	(22.9)	3.47	(21.5)	4.69	(18.2)
%		ppt		ppt		ppt
Gross margin	29.5	(2.7)	30.9	(2.3)	32.2	(1.6)
SG&A to sales	13.9	0.7	14.2	0.8	14.0	0.6
Operating margin	12.3	(3.4)	13.3	(3.1)	14.8	(2.2)
Operating EBIT margin	12.3	(3.4)	13.3	(3.1)	14.8	(2.2)
Operating EBITDA margin	15.8	(3.4)	16.7	(3.0)	18.2	(2.0)
Net profit margin	11.5	(3.0)	12.0	(2.9)	13.1	(2.1)
Core profit margin	10.9	(3.0)	11.8	(2.8)	13.0	(2.0)

Source: Bloomberg

Foreign Ownership stood At 95.8% Of Total Outstanding Shares (Before Analyst meeting)



Source: Bloomberg

Five-Year Forward PE Band

Source: Bloomberg

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	198,153	288,278	368,013	451,842
EBITDA	34,520	44,842	61,498	82,249
Deprec. & amort.	8,194	10,104	12,552	15,377
EBIT	26,326	34,738	48,946	66,873
Total other non-operating income	2,370	3,239	2,642	2,629
Associate contributions	1	1	0	0
Net interest income/(expense)	189	252	252	252
Pre-tax profit	28,887	38,230	51,840	69,754
Tax	(4,073)	(5,696)	(7,776)	(10,463)
Minorities	0	0	0	0
Net profit	24,814	32,534	44,064	59,291
Net profit (adj.)	22,964	30,790	43,254	58,562

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	3,445	4,209	4,927
Cash/ST investment	20,288	19,393	19,158	20,783
Other current assets	83,786	122,862	157,905	197,749
Total assets	154,131	202,900	249,416	302,946
ST debt	926	1,039	1,039	1,039
Other current liabilities	51,343	75,956	91,742	107,134
LT debt	1,037	1,405	1,405	1,405
Other LT liabilities	4,098	4,674	5,406	5,965
Shareholders' equity	96,727	119,825	149,824	187,402
Minority interest	0	0	0	0
Total liabilities & equity	154,131	202,900	249,416	302,946

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	29,682	33,472	42,780	56,047
Pre-tax profit	28,887	38,230	51,840	69,754
Tax	(4,073)	(5,696)	(7,776)	(10,463)
Deprec. & amort.	8,194	10,104	12,552	15,377
Working capital changes	(8,565)	(14,542)	(18,855)	(24,523)
Non-cash items	0	0	0	0
Other operating cashflows	5,239	5,376	5,019	5,902
Investing	(16,132)	(20,017)	(23,469)	(26,799)
Capex (growth)	(14,957)	(20,366)	(23,437)	(26,640)
Investments	(1,177)	(167)	(458)	(458)
Others	3	516	427	299
Financing	(5,956)	(8,954)	(14,066)	(21,713)
Dividend payments	(5,738)	(9,436)	(14,066)	(21,713)
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	4,501	5,246	7,535
Beginning cash & cash equivalent	15,701	20,288	19,393	19,158
Ending cash & cash equivalent	23,295	24,789	24,638	26,693

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	17.4	15.6	16.7	18.2
Pre-tax margin	14.6	13.3	14.1	15.4
Net margin	12.5	11.3	12.0	13.1
Growth				
Net profit (adj.)	27.7	34.1	40.5	35.4
Leverage				
Debt to total capital	2.0	2.0	1.6	1.3
Debt to equity	2.0	2.0	1.6	1.3
Net debt/(cash) to equity	(18.9)	(14.1)	(11.2)	(9.8)

Home Product Center (HMPRO TB)

2Q26: Results In Line; Strong Margin Expansion

BUY (Maintained)	
Share Price	Bt6.05
Target Price	Bt8.00
Upside	32.23%

Highlights

- HMPRO reported 2Q26 net profit of Bt1.59b (+14% yoy, +13% qoq), in line with our and consensus estimates, supported by improving SSSG, store expansion, and higher gross margins.
- 2H26 gross margin is expected to expand, supported by price increases and a higher contribution from private-brand products.
- Given HMPRO's laggard valuation, trading at 13.5x 2026F PE, and its high dividend yield of 6.2%, we maintain BUY with a target price of Bt8.00.

2Q26 Results

Year to 31 Dec (Btm)	2Q25	1Q26	2Q26	yoy (%)	qoq (%)	2025	2026F	yoy (%)
Sales and services	16,867	16,514	17,403	3.2	5.4	67,888	65,709	(3.2)
Gross profit	4,502	4,543	4,964	10.3	9.3	18,736	18,237	(2.7)
SG&A	3,192	3,262	3,487	9.2	6.9	13,318	13,023	(2.2)
EBIT	1,900	1,916	2,129	12.0	11.1	8,100	7,896	(2.5)
EBITDA	2,776	2,848	3,087	11.2	8.4	11,683	11,688	0.0
Interest expense	178	171	164	(8.0)	(4.1)	711	704	(1.0)
Corporate income tax	346	346	376	8.5	8.7	1,416	1,379	(2.6)
Net profit	1,399	1,404	1,594	14.0	13.5	6,011	5,854	(2.6)
Percent	2Q25	1Q26	2Q26	(ppts)	(ppts)	2025	2026F	(ppts)
Gross margin	26.7	27.5	28.5	1.8	1.0	27.6	27.8	0.2
SG&A to sales	18.9	19.8	20.0	1.1	0.3	19.6	19.8	0.2
Net profit margin	8.3	8.5	9.2	0.9	0.7	8.9	8.9	0.1

Source: Home Product Center, UOB Kay Hian

Analysis

- **Earnings in line.** Home Product Center (HMPRO) reported 2Q26 net profit of Bt1.59b (+14% yoy, +13% qoq), in line with our and consensus estimates, supported by improving SSSG, store expansion, and higher gross margins.
- **Sales driven by price increases and panic buying.** Revenue was Bt17.4b, up 3% yoy and 5.4% qoq, driven by: a) improved SSSG in 2Q26, with HomePro flat yoy, Mega Home at +1% yoy, and HomePro Malaysia at -4% yoy; and b) new store expansion. The improvement in SSSG was driven by advance purchases in Apr 26, price increases, and stronger demand for cooling appliances.
- **Impressive margin expansion.** 2Q26 gross margin increased by 180bps yoy and 100bps qoq to 28.5% (2Q25: 26.7%; 1Q26: 27.5%), driven by: a) higher selling prices, while benefitting from lower inventory costs; and b) a higher contribution from private-brand products at both HomePro (1H26: 21.75% vs 1H25: 20.7%) and Mega Home (1H26: 23.0% vs 1H25: 20.9%).

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	69,806.4	67,887.6	65,709.0	68,237.4	71,274.4
EBITDA	12,233.3	11,682.9	11,687.7	12,076.2	12,619.1
Operating profit	8,690.7	8,099.7	7,896.2	8,201.4	8,663.0
Net profit (rep./act.)	6,503.6	6,011.4	5,853.7	6,119.4	6,511.6
Net profit (adj.)	6,503.3	6,002.9	5,845.9	6,111.6	6,511.6
EPS	0.5	0.5	0.4	0.5	0.5
PE (x)	12.1	13.1	13.5	12.9	12.1
P/B (x)	2.9	3.0	2.9	2.8	2.7
EV/EBITDA (x)	7.9	8.6	8.3	7.9	7.4
Dividend yield (%)	7.2	6.3	6.2	6.4	6.9
Net margin (%)	9.3	8.8	8.9	9.0	9.1
Net debt/(cash) to equity(%)	67.3	80.8	66.2	59.8	51.0
Interest cover (x)	19.6	17.4	17.6	18.9	20.4
Consensus net profit	n.a	n.a	6,112.2	6,451.4	6,818.2
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	1.0

Source: Home Product Center, Bloomberg, UOB Kay Hian

Analyst(s)
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662 090 3599

Stock Data

GICS sector	Consumer Discretionary
Bloomberg ticker:	HMPRO TB
Shares issued (m):	12,947.0
Market cap (Bt$m):	78,329.4
Market cap (US$m):	2,392.2
3-mth avg daily t'over (US$m):	9.8

Price Performance (%)

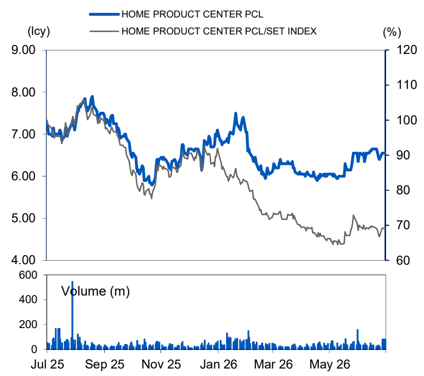
52-week high/low Bt8.0/Bt5.8

1mth	3mth	6mth	1yr	YTD
(3.2)	(11.8)	(1.6)	(28.6)	(9.8)

Major Shareholders	%
Land and House	30.23
Quality House	19.87
Thai NVDR	5.21

Balance Sheet Metrics	%
FY26 NAV/Share (Bt)	2.1
FY26 Net Debt/Share (Bt)	1.4

Price Chart



Source: Bloomberg

Company Description

Thailand's largest home improvement centre with a nearly 40% market share of the modern trade segment.

- **SG&A increased following store expansion.** SG&A to sales increased by 110bps yoy and 30bps qoq to 20.0% (2Q25: 18.9%; 1Q26: 19.7%), due to higher store operating and staff expenses. Meanwhile, interest expenses declined 8% yoy, mainly due to the maturity of high-interest debentures and their replacement with new debentures carrying lower interest rates.
- **2H26 earnings will be driven by margin expansion.** We expect 2H26 earnings to be flat yoy, as negative SSSG is offset by gross margin expansion. SSSG during the first 20 days of July fell 2-3% yoy for both HomePro and Mega Home. Meanwhile, 2H26 gross margin is expected to expand, supported by price increases and a higher contribution from private-brand products.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt8.00.** Our target price is based on a 2026F PE of 19x, in line with the peer average at -1 SD. Given HMPRO's laggard valuation, trading at 13.5x 2026F PE, and its high dividend yield of 6.2%, we maintain our BUY recommendation.

Earnings Revision/Risk

- **No earnings revision.**
- **Risks:** Gross margin may contract if the steel price was weaker than expect.

Share Price Catalyst

- **Catalyst:** Attractive valuation, high dividend yield.
- **Share buyback programme progressing.** Under its second share buyback programme, HMPRO has repurchased 62.6m shares, equivalent to 0.5% of total shares outstanding and 15.9% of the maximum buyback target. We expect HMPRO to pay an interim dividend of Bt0.16 per share in Sep 26, implying a 2.5% dividend yield.

Environmental, Social, Governance (ESG)

CG Report: 5, SET ESG Rating: AA

Environmental

- **Net zero target.** HMPRO's main goal is to become a net zero greenhouse gas emissions company by 2050.

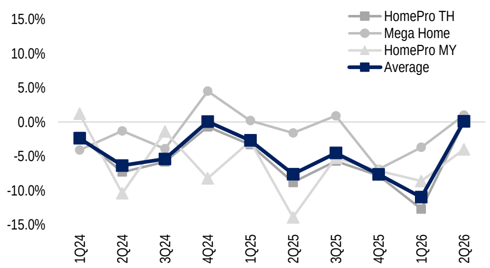
Social

- **Sustainability supply chain.** HMPRO implemented sustainable development across the entire supply chain by creating innovative eco-friendly products and hiring local talent through 2,650 teams.

Governance

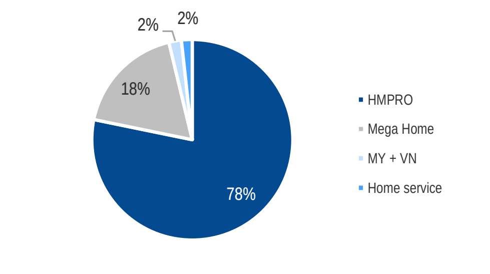
- **Good governance practice.** HMPRO is committed to extending good corporate governance through the company supply chain to fight against corruption.

Same-Store Sales Growth



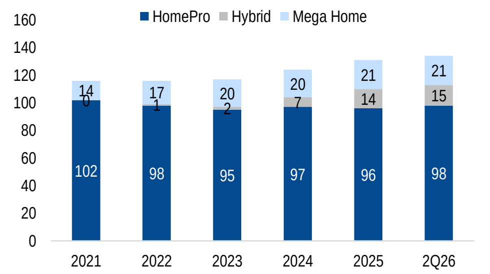
Source: HMPRO, UOB Kay Hian

2025 Sales Contribution



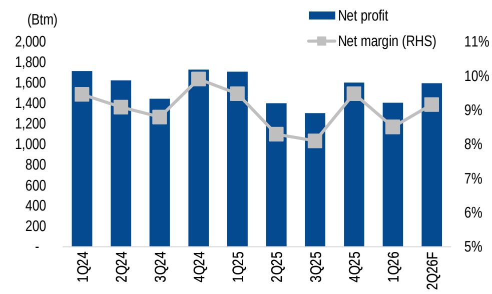
Source: HMPRO, UOB Kay Hian

Stores



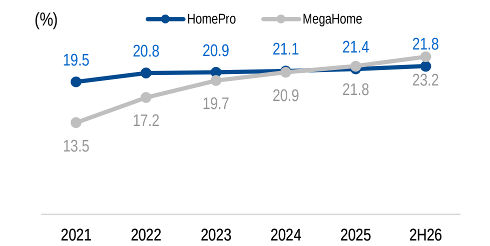
Source: HMPRO, UOB Kay Hian

Net Profit



Source: HMPRO, UOB Kay Hian

Private Brand Contribution



Source: HMPRO, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	67,888	65,709	68,237	71,274
EBITDA	11,683	11,688	12,076	12,619
Deprec. & amort.	3,583	3,792	3,875	3,956
EBIT	8,100	7,896	8,201	8,663
Total other non-operating income	0	0	0	0
Associate contributions	(1)	0	0	0
Net interest income/(expense)	(671)	(663)	(640)	(617)
Pre-tax profit	7,428	7,233	7,561	8,046
Tax	(1,416)	(1,379)	(1,442)	(1,534)
Minorities	0	0	0	0
Net profit	6,011	5,854	6,119	6,512
Net profit (adj.)	6,003	5,846	6,112	6,512

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	47,057	42,897	42,297	41,617
Other LT assets	1,384	1,357	1,386	1,454
Cash/ST investment	4,488	7,381	7,625	8,653
Other current assets	17,720	17,147	17,814	18,603
Total assets	70,648	68,782	69,121	70,326
ST debt	12,959	13,709	13,709	13,709
Other current liabilities	17,325	14,814	14,708	15,339
LT debt	12,626	11,626	10,826	10,026
Other LT liabilities	1,642	1,521	1,602	1,682
Shareholders' equity	26,097	27,111	28,276	29,570
Minority interest	0	0	0	0
Total liabilities & equity	70,648	68,781	69,121	70,326

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	8,635	7,708	9,221	10,309
Pre-tax profit	7,428	7,233	7,561	8,046
Tax	(1,416)	(1,379)	(1,442)	(1,534)
Deprec. & amort.	3,583	3,792	3,875	3,956
Working capital changes	(787)	(1,936)	(843)	(223)
Non-cash items	(173)	(1)	70	65
Other operating cashflows	0	0	0	0
Investing	(4,979)	275	(3,222)	(3,264)
Capex (growth)	(5,016)	369	(3,275)	(3,276)
Investments	1	0	0	0
Others	36	(94)	52	13
Financing	(4,721)	(5,090)	(5,755)	(6,018)
Dividend payments	(5,363)	(4,840)	(4,955)	(5,218)
Issue of shares	0	0	0	0
Proceeds from borrowings	1,996	(250)	(800)	(800)
Others/interest paid	(1,354)	0	0	0
Net cash inflow (outflow)	(1,066)	2,892	245	1,027
Beginning cash & cash equivalent	5,554	4,488	7,381	7,625
Ending cash & cash equivalent	4,488	7,381	7,625	8,653

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	17.2	17.8	17.7	17.7
Pre-tax margin	10.9	11.0	11.1	11.3
Net margin	8.8	8.9	9.0	9.1
Growth				
Net profit (adj.)	(7.7)	(2.6)	4.6	6.5
Leverage				
Debt to total capital	98.0	93.4	86.8	80.3
Debt to equity	98.0	93.4	86.8	80.3
Net debt/(cash) to equity	80.8	66.2	59.8	51.0
Interest cover	17.4	17.6	18.9	20.4

The Erawan Group (ERW TB)

Decent Growth Expected In 2Q26

HOLD (Maintained)

Share Price	Bt3.20
Target Price	Bt3.30
Upside	+3.1%
Previous TP	Bt2.50

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Highlights

- We expect ERW to report a net profit of Bt69m (+9.3% yoy, -81.7% qoq) in 2Q26.
- The key contributors are from the continuous recovery of Chinese tourists that drove up the occupancy rate of the luxury to economy segment as well as the low base effect in 2Q25.
- We should closely monitor booking demand in 3Q26 and revisit ERW once the weighing factors ease. Maintain HOLD with a target price of Bt3.30 (previously Bt2.50).

Analysis

2Q26 EARNINGS PREVIEW

Year to 31 Dec (Btm)	2Q25	1Q26	2Q26F	yoy (%)	qoq (%)	1H25	1H26F	yoy (%)
Total revenue	1,744	2,241	1,837	5.4	(18.0)	3,871	4,078	5.4
Gross profit	694	1,110	712	2.6	(35.9)	1,733	1,822	5.1
SG&A	466	563	497	6.6	(11.8)	981	1,060	8.1
Operating EBITDA	492	834	508	3.2	(39.1)	1,275	1,341	5.2
Core profit	63	376	69	9.3	(81.7)	408	444	8.8
Net profit	63	376	69	9.3	(81.7)	408	444	8.8
(%)	2Q25	1Q26	2Q26F	yoy (ppt)	qoq (ppt)	1H25	1H26F	yoy (ppt)
Gross margin	39.8	49.5	38.8	(1.1)	(10.8)	44.8	44.7	(0.1)
SG&A to sales	26.7	25.1	27.0	0.3	1.9	25.3	26.0	0.7
EBITDA margin	28.2	37.2	27.6	(0.6)	(9.6)	32.9	32.9	(0.0)
Core profit margin	3.6	16.8	3.7	0.1	(13.0)	10.6	10.9	0.3
Net profit margin	3.6	16.8	3.7	0.1	(13.0)	10.6	10.9	0.3

Source: ERW, UOB Kay Hian

- **Expect a decent growth yoy in 2Q26.** We expect The Erawan Group (ERW) to report a net profit of Bt69m (+9.3% yoy, -81.7% qoq) in 2Q26. Top-line should come in at Bt1.84b (+5.4% yoy, -18.0% qoq). The growth should mainly be driven by a strong yoy increase in occupancy rates of ERW's luxury and economy hotels, due to an intensifying recovery in Chinese arrivals and the low base effect in 2Q25. This should lead to a 4.3% yoy growth in RevPar of the total portfolio (excluding Hop Inns). Meanwhile, the RevPar of Hop Inn hotels excluding new openings should decline around 1% yoy due to foreign exchange impact. There should be a prepayment expense of Bt10m included in the interest expense, still the interest expense is expected to decrease yoy and qoq. We expect EBITDA margin to slightly decline yoy.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	7,917.3	7,930.5	8,782.0	9,447.1	10,096.9
EBITDA	2,644.3	2,613.5	2,906.9	3,133.6	3,258.6
Operating profit	1,649.5	1,565.3	1,654.9	1,797.8	1,837.7
Net profit (rep./act.)	1,280.7	838.1	903.2	971.5	1,017.4
Net profit (adj.)	939.7	836.4	873.2	940.6	985.5
EPS (Bt)	0.2	0.2	0.2	0.2	0.2
PE (x)	12.6	14.1	17.9	16.6	15.9
P/B (x)	1.4	1.3	1.7	1.6	1.5
EV/EBITDA (x)	10.0	10.1	10.4	9.7	9.3
Dividend yield (%)	3.7	2.9	2.6	2.8	2.9
Net margin (%)	16.2	10.6	10.3	10.3	10.1
Net debt/(cash) to equity (%)	149.8	141.6	160.8	155.8	150.0
Interest cover (x)	3.8	4.3	5.0	5.5	5.9
ROE (%)	17.0	9.5	10.1	10.5	10.3
Consensus net profit (Btm)	-	-	910	986	1,064
UOBKH/Consensus (x)	-	-	0.96	0.95	0.93

Source: ERW, Bloomberg, UOB Kay Hian

Stock Data

GICS sector	Consumer Discretionary
Bloomberg ticker:	ERW TB
Shares issued (m):	4,886.9
Market cap (Btm):	15,638.2
Market cap (US$m):	464.1
3-mth avg daily t'over (US$m):	2.8

Price Performance (%)

52-week high/low Bt3.32/Bt2.02

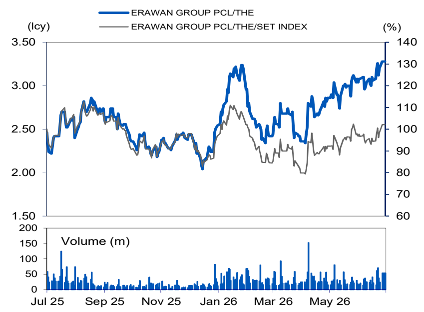
1mth	3mth	6mth	1yr	YTD
4.6	30.1	40.4	44.1	31.1

Major Shareholders	%
Wattanavekin family	28.2
Vongkusolkit family	28.4

Balance Sheet Metrics

FY26 NAV/Share (Bt)	1.84
FY26 Net Debt/ Share (Bt)	2.95

Price Chart



Source: Bloomberg

Company Description

The Erawan Group is a leading hotel investment company in Thailand. Its hotel portfolio ranges from luxury to mid-scale and economy across Thailand's major tourist destinations.

STATISTICS PREVIEW

Occupancy (%)	2Q25	1Q26	2Q26F	yoy (ppts)	qoq (ppts)
Luxury	66%	83%	70%	4.0	0.0
Midscale	74%	86%	74%	0.3	(12.0)
Economy	74%	89%	79%	5.3	(10.0)
Average excl budget hotel	72%	87%	72%	(0.2)	(14.6)
ARR (Bt/night)				yoy (%)	qoq (%)
Luxury	6,404	7,483	6,398	(0.1)	(14.5)
Midscale	2,987	3,414	3,028	1.4	(11.3)
Economy	1,440	1,880	1,444	0.3	(23.2)
Average excl budget	2,983	3,567	2,992	0.3	(16.1)
RevPar (Bt/night)				yoy (%)	qoq (%)
Luxury	4,227	6,211	4,479	6.0	(27.9)
Midscale	2,201	2,936	2,241	1.8	(23.7)
Economy	1,061	1,673	1,141	7.5	(31.8)
Average excl budget	2,152	3,089	2,245	4.3	(27.3)

Source: ERW, UOB Kay Hian

- **Room renovation at Grand Hyatt will speed up in 3Q26.** The renovation began in Apr 26 and will finish by 4Q27 with an allocated capex of Bt500m-600m. The renovation of the ballroom is set to be completed in Aug 26, in order to capture MICE demand from Sep 26 onwards. Management will pause the renovations during the high travel season in 4Q26-1Q27 and operate with full room inventory. Meanwhile, the majority of the rooms are still to be renovated in 3Q26 or postponed to 2Q27. This remains a pressure on ERW's 3Q26 earnings. Although the Naka Phuket reopening will be positive to the luxury hotel portfolio, we still believe that revisiting ERW in late-3Q26 to early-4Q26 would be a better time, once all of the pressuring factors are gone.
- **Achieving 2026 growth guidance will be challenging.** ERW targets total revenue growth of 9% yoy, driven by the luxury to economy segment (+7% yoy) and budget (+14% yoy) segments. In the luxury segment, growth will be supported by occupancy of around 80% and 3-4% ADR expansion. Budget growth will come from new Hop Inn openings in Thailand and a new launch in Korea. Our forecast implies 1H26 revenue growth of around 5.4% yoy. Hence, to achieve the 9% yoy growth target, the 2H26 earnings performance will need to be very strong. With the ongoing Grand Hyatt renovation in 3Q26, we believe close monitoring of booking demand is required.

Valuation/Recommendation

- **Maintain HOLD with a target price of Bt3.30.** Our valuation is based on an EV/EBITDA multiplier of 10x, around its three-year mean. We have become more positive on ERW given its ability to show growth despite the pressure from renovation and the war. However, the renovation in 3Q26 at the Grand Hyatt will still pressure ERW's earnings. Therefore, we should closely monitor booking demand in 3Q26 and revisit ERW once the weighing factors ease.

Environment, Social, Governance (ESG) Updates

Environmental

- **Prioritising effective and balanced use of resources** as well as taking into account the reduction of greenhouse gas generation, including management of ecosystems and biodiversity.

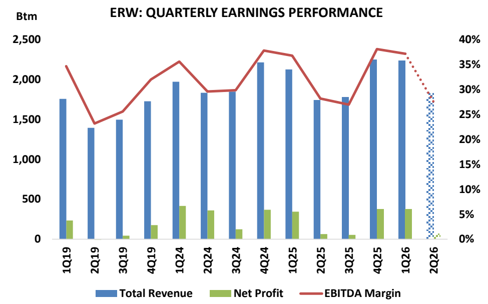
Social

- **Respecting human rights** based on the principles of international criteria, equality, fairness, and non-discrimination.
- **Focusing on enhancing quality of life and potential of employees** by cultivating social and environmental responsibility.

Governance

- **Board gender diversity.** Male to female ratio of 3:1.
- **Board balance and composition.** Four board members are independent directors, amounting to 33% of the board members.

QUARTERLY PERFORMANCE



Source: ERW, UOB Kay Hian

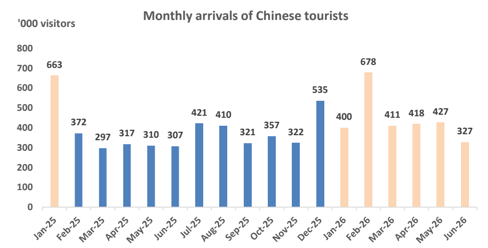
2026 GUIDANCE

Source: ERW

DEBT PROFILE

Source: ERW

MONTHLY CHINESE ARRIVALS



Source: Ministry of Tourism and Sports, UOB Kay Hian

LATEST UPDATE ON GRAND HYATT

Source: ERW

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	7,930	8,782	9,447	10,097
EBITDA	2,613	2,907	3,134	3,259
Deprec. & amort.	1,048	1,252	1,336	1,421
EBIT	1,565	1,655	1,798	1,838
Total other non-operating income	2	0	0	0
Associate contributions	0	30	31	32
Net interest income/(expense)	(612)	(583)	(571)	(553)
Pre-tax profit	956	1,102	1,257	1,317
Tax	(51)	(161)	(245)	(257)
Minorities	(67)	(38)	(40)	(42)
Net profit	838	903	972	1,017
Net profit (adj.)	836	873	941	986

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	23,417	24,310	25,422	26,498
Other LT assets	640	483	528	587
Cash/ST investment	1,894	3,043	2,363	1,605
Other current assets	509	700	767	833
Total assets	26,460	28,536	29,079	29,522
ST debt	2,690	1,765	1,765	1,765
Other current liabilities	1,224	1,252	1,373	1,506
LT debt	11,899	15,720	15,475	15,032
Other LT liabilities	859	642	703	834
Shareholders' equity	8,967	8,982	9,547	10,127
Minority interest	820	175	216	258
Total liabilities & equity	26,460	28,536	29,079	29,522

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	2,007	2,028	2,403	2,548
Pre-tax profit	956	1,102	1,257	1,317
Tax	(51)	(161)	(245)	(257)
Deprec. & amort.	1,048	1,252	1,336	1,421
Associates	0	(30)	(31)	(32)
Working capital changes	(16)	7	(1)	6
Non-cash items	70	(171)	56	61
Other operating cashflows	0	30	31	32
Investing	(1,010)	(2,204)	(2,433)	(2,425)
Capex (growth)	(2,072)	(2,145)	(2,448)	(2,497)
Investment	0	12	25	38
Others	1,062	(72)	(9)	35
Financing	(716)	1,325	(651)	(881)
Dividend payments	(440)	(342)	(406)	(437)
Proceeds from borrowings	(71)	2,896	(244)	(444)
Others/interest paid	(204)	(1,228)	0	0
Net cash inflow (outflow)	282	1,149	(681)	(758)
Beginning cash & cash equivalent	1,612	1,894	3,043	2,363
Ending cash & cash equivalent	1,894	3,043	2,363	1,605

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	33.0	33.1	33.2	32.3
Pre-tax margin	12.1	12.5	13.3	13.0
Net margin	10.6	10.3	10.3	10.1
ROA	3.2	3.3	3.4	3.5
ROE	9.5	10.1	10.5	10.3
Growth				
Turnover	0.2	10.7	7.6	6.9
EBITDA	(1.2)	11.2	7.8	4.0
Pre-tax profit	(27.7)	15.3	14.1	4.7
Net profit	(34.6)	7.8	7.6	4.7
Net profit (adj.)	(11.0)	4.4	7.7	4.8
EPS	(11.0)	4.3	7.7	4.8
Leverage				
Debt to total capital	59.8	65.6	63.8	61.8
Debt to equity	162.7	194.7	180.6	165.9
Net debt/(cash) to equity	141.6	160.8	155.8	150.0
Interest cover (x)	4.3	5.0	5.5	5.9

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