Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	52485.0	0.5	1.0	(0.8)	9.2
S&P 500	7489.7	0.7	1.0	0.1	9.4
FTSE 100	10868.1	(0.3)	1.2	1.8	9.4
AS30	9137.0	0.2	2.2	1.0	1.3
CSI 300	4588.2	0.8	(1.3)	(5.2)	(0.9)
FSSTI	5628.5	(0.8)	0.7	7.3	21.1
HSCEI	8612.2	(0.4)	4.1	11.8	(3.4)
HSI	25884.4	0.1	3.7	10.9	1.0
JCI	6236.1	0.8	0.6	6.1	(27.9)
KLCI	1724.9	0.3	1.4	2.7	2.7
KOSPI	6595.5	17.9	(1.4)	(18.5)	56.5
Nikkei 225	64362.0	4.0	(0.4)	(7.7)	27.9
SET	1623.6	1.6	(1.0)	0.8	28.9
TWSE	43119.8	8.0	(1.2)	(7.8)	48.9
BDI	2732	2.2	(0.4)	0.6	45.6
CPO (RM/mt)	4498	(0.4)	(1.0)	0.0	14.4
Brent Crude (US$/bbl)	84	(3.9)	(4.4)	17.1	38.8

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
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
Analyst Marketing by Julia Pan on Greater China Internet Sector	Singapore	07 Sep	08 Sep

Corporate and Macro Calendar

Economic Indicator/Event	Country/Region	Date
July. CPI	Thailand	5 Aug
July. Consumer Confidence	Thailand	7-13 Aug
2Q GDP YoY	Thailand	17 Aug
July. Customs Trade Balance (Export-Import)	Thailand	21-26 Aug

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

Thailand

Company Results | PTT Exploration and Production (PTTEP/**BUY**/Bt148.50/Target: Bt170.00) Page 2

PTTEP reported strong 2Q26 earnings, with both net profit and core profit increasing qoq and yoy, in line with both our and consensus expectations. The solid core earnings were driven by higher selling prices and stronger sales volumes, which more than offset the increase in unit costs. PTTEP declared an interim dividend of Bt4.50/share, implying a 3.0% simple yield. We raise our core profit forecasts following the upward revision of our crude oil price assumptions. Maintain BUY. Target price: Bt170.00.

Company Update | Moshi Moshi (MOSHI TB/**BUY**/Bt42.00/Target: Bt50.00) Page 5

We continue to be bullish on MOSHI, given its leading growth outlook within the lifestyle retail segment. We forecast 2Q26 earnings of Bt158m (+18% yoy), driven by positive SSSG, store expansion, and gross margin improvement. Maintain BUY and raise target price to Bt50.00 (from Bt47.00), based on a 12-month forward PE of 20x.

Company Update | Thai Airways (THAI TB/**BUY**/Bt5.90/Target: Bt6.80) Page 8

THAI is expected to report a net profit of Bt2.27b in 2Q26 (-81.3% yoy, -77.5% qoq), pressured by a 70% yoy surge in jet fuel costs despite resilient passenger and cargo yields. The outlook should improve in 3Q26 as lower jet fuel prices support higher hedging and booking momentum. Although the second lock-up expiry may increase share price volatility, we view it as a buying opportunity. Upgrade to BUY with a target price of Bt6.80.

PTT Exploration & Production (PTTEP TB)

2Q26: Results In Line With Our Expectation

BUY (Maintained)	
Share Price	Bt148.50
Target Price	Bt170.00
Upside	14.48%
Previous TP	Bt160.00

Highlights

- PTTEP reported a 2Q26 net profit of Bt27.2b, with earnings increasing both qoq and yoy, driven by higher selling prices and stronger sales volumes.
- Declared an interim dividend of Bt4.50/share, implying a 3.0% simple yield.
- Maintain BUY. We have rolled over our target price to 2027, at Bt170.00.

2Q26 Results

Year to 31 Dec (Btm)	2Q25	1Q26	2Q26	Chg. %yoy	Chg. %qoq	6M25	6M26	Chg. %yoy
Revenue	71,180	76,087	96,139	35%	26%	142,346	172,226	21%
Gross profit	33,345	41,341	53,818	61%	30%	68,972	95,158	38%
Interest expenses	3,216	2,906	3,073	-4%	6%	6,500	5,979	-8%
EBITDA	51,212	54,369	90,010	76%	66%	102,455	144,379	41%
Core Profit	14,113	19,950	24,257	72%	22%	30,742	44,208	44%
Net Profit	13,515	11,835	27,197	101%	130%	30,076	39,032	30%
EPS	3.40	2.98	6.85	101%	130%	7.58	9.83	30%
Financial ratio (%)								
Gross Profit Margin	46.8%	54.3%	56.0%			48.5%	55.3%	
EBITDA Margin	71.9%	71.5%	93.6%			72.0%	83.8%	
SG&A Exp. / Sales	10.0%	10.7%	9.8%			10.3%	10.2%	
Net profit margin	19.0%	15.6%	28.3%			21.1%	22.7%	

Source: PTTEP, UOB Kay Hian

Analysis

- **Solid 2Q26 results, in line with forecasts.** PTT Exploration and Production (PTTEP) reported a 2Q26 net profit of Bt27.20b, up 130% qoq and 101% yoy, in line with both our forecast and market consensus. Core profit came in at Bt24.26b, up 22% qoq and 72% yoy, driven by: a) Higher average selling prices (ASP) of US$52.89/bbl, up 15% qoq and 20% yoy, in line with stronger crude oil prices. Meanwhile, the average gas selling price rose to US$5.96/ Million British Thermal Unit (MMBTU), up 2.6% qoq; and b) Higher sales volume of 572,882 barrel per day (BPD), up 3.5% qoq and 13% yoy, supported by stronger gas sales from the Gulf of Thailand projects and higher liquid sales from the Algeria project. These two positive factors were partly offset by higher unit cost of US$29.97/bbl, up 6.5% qoq. Note that its non-recurring gains of Bt2.94b were a net impact of Bt4.0b in hedging gains and Bt1.13b in forex losses.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	312,310	281,449	314,996	323,119	317,586
EBITDA	240,397	203,682	234,478	215,451	215,119
Operating profit	145,942	110,704	153,926	141,606	141,258
Net profit (rep./act.)	78,810	60,240	79,372	76,374	76,306
Net profit (adj.)	78,225	58,024	84,572	76,374	76,306
EPS	19.70	15.20	21.30	19.24	19.22
PE	7.54	10.16	8.20	7.72	7.73
P/B	1.13	1.08	1.00	1.00	0.89
EV/EBITDA	2.42	3.12	2.66	2.71	2.65
Dividend yield	6.48	5.89	6.73	6.73	6.73
Net margin	25.23	21.40	25.20	23.64	24.03
Net debt/(cash) to equity		23.86	24.40	18.75	17.60
Interest cover	20.40	15.76	10.97	11.34	11.32
ROE	17.64	13.15	16.53	15.32	14.74
Consensus net profit	-	-	74,814	69,427	66,726
UOBKH/Consensus (x)	-	-	1.13	1.10	1.14

Source: PTTEP, Bloomberg, UOB Kay Hian

Analyst(s)
Tanaporn Visaruthaphong
tanaporn@uobkh.co.th
662 0903350
Benjaphol Suthwanish
Benjaphol@uobkh.co.th
662 0903361

Stock Data

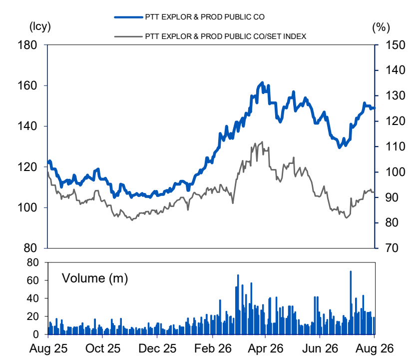
GICS Sector	Energy
Bloomberg ticker	PTTEP TB
Shares issued (m)	3,970.0
Market cap (Btm)	454,563.3
Market cap (US$m)	14,038.0
3-mth avg daily t'over (US$m)	31.4

Price Performance (%)

52-week high/low				Bt130.50/Bt93.00
1mth	3mth	6mth	1yr	YTD
0.47	(6.49)	10.20	(12.6)	(9.24)

Major Shareholders	%
PTT	63.79
Thai NVDR	6.52
State Street Europe	1.80

Price Chart



Source: Bloomberg

Company Description

PTTEP explores for crude oil and natural gas, and develops fields for production.

- **We remain bullish on crude oil in 2027.** Despite significant oil price volatility over the past month, we remain constructive on crude oil prices through the remainder of 2026-27. We believe geopolitical risks in the Middle East remain elevated and could escalate further at any time, following ongoing retaliatory attacks involving the US, Iran, and their regional allies. At the same time, repeated attacks on Saudi Arabia's energy infrastructure, together with persistent uncertainty surrounding key oil shipping routes through the Strait of Hormuz and the Red Sea, continue to increase downside risks to global oil supply. In addition, the larger-than-expected drawdown in US crude inventories points to a tighter supply-demand balance than the market had expected. As a result, we expect Dubai crude to remain well supported and trade within the US$80-90/bbl range (based on Bloomberg Dubai forward curve), as long as geopolitical tensions remain unresolved.
- **Interim dividend.** PTTEP declared an interim dividend of Bt4.50/share, implying a 3.0% simple yield. PTTEP's XD date is set for 14 Aug 26, with the payment scheduled for 28 Aug 26. We maintain our 2026 dividend forecast at Bt10.00/share, based on a 50% dividend payout ratio and our FY26 EPS estimate of Bt20.00/share, implying an attractive full-year dividend yield of 6.7%.
- **Sensitivity.** Every US$1.00/bbl decrease in oil prices would lower our 2027 core profit forecast by 1.4%, or Bt1.10b per year. Every US$1.00/bbl decline in unit cost would increase our 2027 core profit forecast by 2.6%, or Bt2.00b per year.

Valuation/Recommendation

- **Maintain BUY with a new 2027 target price of Bt170.00 (previously Bt160.00).** We have rolled over our target price to 2027, based on an average five-year regional forward PE of 8.7x. In the oil & 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: Bt330.00).

Earnings Revision/Risk

- **Raised 2026-27 core profit forecasts.** We have revised our crude oil price and Thai baht assumptions for 2026-27. For 2026, we increase our crude oil price assumption to US$85.00/bbl (previous US$80.00/bbl) and our THB/USD assumption to Bt33.50/US$ (previous Bt32.50/US$). As a result, we raise our 2026 core profit forecast by 15% to Bt84.57b, up 46% yoy. 1H26 core profit accounted for 52% of our full-year forecast. For 2027, we increase our crude oil price assumption to US$70.00/bbl (previous US$65.00/bbl) and our THB/USD assumption to Bt33.50/US$ (previous Bt32.50/US$). Consequently, our 2027 core profit forecast increases by 18% to Bt76.37b, down 10% yoy.

Earnings Revision

	2026F			2027F		
	Old	New	%Chg.	Old	New	%Chg.
Dubai (US$/bbl)	80.0	85.0	6%	65.0	70.0	8%
Gas Price (US$/MMBTU)	5.80	5.90	2%	5.80	6.00	3%
ASP (US$/bbl)	47.9	50.0	4%	43.0	45.2	5%
Fx (Bt/US$)	32.5	33.5	3%	32.5	33.5	3%
Unit Cost (US$/bbl)	31.0	31.0	0%	31.0	31.0	0%
Core Profit (Btm)	73,371	84,572	15%	64,926	76,374	18%

Source: PTTEP, UOB Kay Hian

Environment, Social, Governance (ESG) Updates

Environmental

- **Carbon capture and storage.** PTTEP is leading Thailand's first carbon capture project, which is set for completion in 2026. This project is key to PTTEP's plan to reach carbon neutrality by 2050 and net-zero emissions by 2065.

Social

- **Community engagement.** PTTEP invests in education, healthcare, and infrastructure in its operating regions to improve quality of life and support sustainable development.

Governance

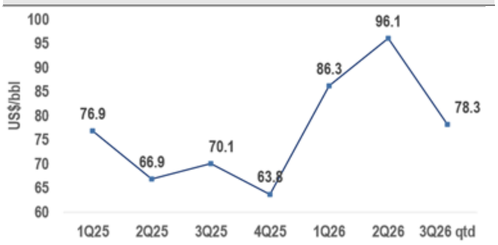
- **Supplier ESG assessment.** PTTEP requires suppliers to meet strict ESG criteria, including business ethics, safety, and environmental impacts, to ensure sustainable and ethical procurement.

Key Statistics

	2Q25	1Q26	2Q26	Chg. %yoy	Chg. %qoq
Sales volume (BOED)	505	553	573	13.5%	3.5%
ASP (US$/bbl)	44.01	46.02	52.89	20.2%	14.9%
Avg. Gas selling price (US$/MMBTU)	5.79	5.81	5.96	2.9%	2.6%
Liquid price (US$/bbl)	66.32	77.47	99.51	50.0%	28.4%
Avg. Dubai (US$/bbl)	66.90	85.16	95.87	43.3%	12.6%
Unit Cost (US$/bbl)	31.10	27.97	29.79	-4.2%	6.5%

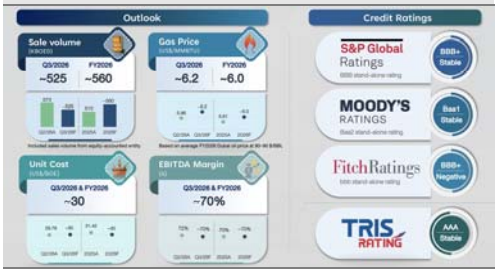
Source: PTTEP

Dubai Price



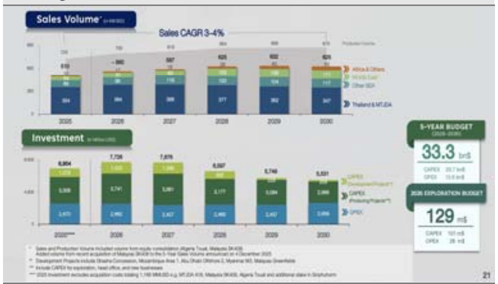
Source: PTTEP

PTTEP's Guidance



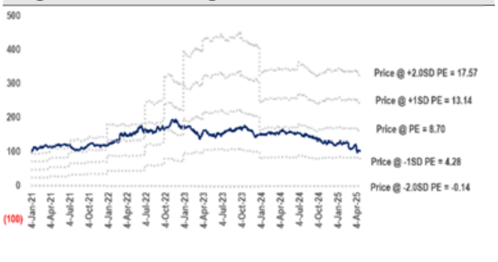
Source: PTTEP

Five-year Investment Plan



Source: PTTEP

Avg. Five-Year Regional Forward PE Band



Source: Bloomberg

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	281,449	314,996	323,119	317,586
EBITDA	203,682	234,478	215,451	215,119
Deprec. & amort.	95,194	75,352	73,845	73,861
EBIT	108,488	159,126	141,606	141,258
Associate contributions	4,251	4,464	4,687	4,921
Net interest income/(expense)	-13,065	-20,903	-19,004	-19,004
Pre-tax profit	104,107	132,286	127,289	127,176
Tax	-43,850	-52,914	-50,916	-50,870
Minorities	-16.6	0.0	0.0	0.0
Net profit	60,240	79,372	76,374	76,306
Net profit (adj.)	58,024	84,572	76,374	76,306

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	511,450	504,278	516,917	541,651
Other LT assets	266,412	292,386	298,675	294,391
Cash/ST investment	73,075	86,331	111,298	124,676
Other current assets	17,756	28,350	32,312	34,934
Total assets	933,938	950,457	1,000,433	1,034,964
ST debt	21,125	0	0	0
Other current liabilities	194,733	217,944	223,565	219,736
LT debt	105,649	105,649	105,649	105,649
Other LT liabilities	194,733	217,944	223,565	219,736
Shareholders' equity	543,708	587,612	624,300	662,419
Total liabilities & equity	933,938	950,457	1,000,433	1,034,964

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	150,401	140,060	151,807	149,704
Pre-tax profit	104,107	132,286	127,289	127,176
Tax	-43,850	-52,914	-50,916	-50,870
Deprec. & amort.	95,194	75,352	73,845	73,861
Working capital changes	-7,702	-13,934	1,588	-463
Other operating cashflows	2,653	-729	0	0
Investing	-149,863	-70,943	-87,154	-98,139
Investments	-115,071	-68,180	-86,485	-98,595
Others	-34,792	-2,763	-669	456
Financing	-54,688	-55,862	-39,686	-38,187
Dividend payments	-36,622	-34,737	-39,686	-38,187
Issue of shares	-18,065	-21,125	0	0
Proceeds from borrowings	-54,150	13,256	24,967	13,378
Net cash inflow (outflow)	128,482	73,075	86,331	111,298
Beginning cash & cash equivalent	-1,257	0	0	0
Changes due to forex impact	73,075	86,331	111,298	124,676
Ending cash & cash equivalent	150,401	140,060	151,807	149,704

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	73.2	72.8	66.7	67.7
Pre-tax margin	37.0	42.0	39.4	40.0
Net margin	21.4	25.2	23.6	24.0
ROA	7.5	9.8	9.1	8.9
ROE	13.1	16.5	15.3	14.7
Growth				
Turnover	-9.9	11.9	2.6	-1.7
EBITDA	-14.0	11.3	-6.5	-0.1
Pre-tax profit	-24.8	34.9	-7.4	-0.1
Net profit	-23.5	31.7	-3.8	-0.1
Net profit (adj.)	-25.8	45.7	-9.7	-0.1
EPS	-23.5	31.7	-3.8	-0.1
Leverage				
Debt to total capital	24.4	18.7	17.6	16.6
Debt to equity	23.3	18.0	16.9	15.9
Net debt/(cash) to equity	24.4	18.7	17.6	16.6
Interest cover (x)	15.8	11.0	11.3	11.3

Moshi Moshi (MOSHI TB)

Stay Bullish; Strong Growth Expected In 2Q26

BUY (Maintained)	
Share Price	Bt42.00
Target Price	Bt50.00
Upside	19.05%
Previous TP	Bt47.00

Analyst(s)
Tanapon Cholkadidamrongkul
Tanapon.c@uobkh.co.th
662 090 3599

Highlights

- We continue to be bullish on MOSHI, given its leading growth outlook within the lifestyle retail segment.
- We forecast 2Q26 earnings of Bt158m (+18% yoy), driven by positive SSSG, store expansion, and gross margin improvement.
- Maintain BUY and raise target price to Bt50.00 (from Bt47.00), based on a 12-month forward PE of 20x.

2Q26 Earnings Forecast

Year to 31 Dec (Btm)	2Q25	1Q26	2Q26F	yoy(%)	qoq(%)	2025	2026F	yoy(%)
Sales and services	816	984	954	17.0	(3.1)	3,664	4,307	17.5
Gross profit	448	554	532	18.7	(3.9)	2,043	2,412	18.1
SG&A	(272)	(310)	(324)	19.3	4.7	(1,164)	(1,387)	19.1
EBIT	181	248	212	17.3	(14.4)	897	1,047	16.7
Interest expense	(21)	(21)	(22)	5.5	4.7	(85)	(85)	0.0
Net profit	134	191	158	17.8	(17.1)	670	790	17.8
Percent	2Q25	1Q26	2Q26F	(ppts)	(ppts)	2025	2026F	(ppts)
SSSG	15.0	3.8	3.8	(11.2)	0.0	7.0	3.0	(4.0)
Gross margin	55.0	56.3	55.8	0.8	(0.5)	55.7	56.0	0.3
SG&A to sales	33.3	31.5	34.0	0.7	2.5	31.8	32.2	0.4
Net profit margin	16.5	19.4	16.6	0.1	(2.8)	18.3	18.3	0.0

Source: Moshi Moshi, UOB Kay Hian

Analysis

- **The strongest SSSG in the sector, with aggressive store expansion.** We expect Moshi Moshi (MOSHI) to report strong 2Q26 earnings of Bt158m, up 18% yoy but down 17% qoq. The yoy growth is driven by positive SSSG, store expansion, and margin improvement.
- **We expect 2Q26 SSSG to come in at 3.8% yoy,** the strongest among all retailers. Although the government's copayment scheme diverted some traffic away from shopping malls, MOSHI's strong product offerings and effective marketing strategy should help sustain solid SSSG. Key growth drivers include back-to-school products and the successful "Friends of Moshi Moshi" marketing campaign, which has strengthened brand awareness. The product strategy also remains effective, with Toy Story IP merchandise continuing to support sales. Store expansion remains on track, with 11 new stores opened in 2Q26, and more than 90% of the 2026 store opening plan already secured. We expect 2Q26 gross margin to expand by 80bps yoy to 55.8%, supported by a higher contribution from high-margin retail formats. Meanwhile, SG&A-to-sales is expected to increase due to higher lease and rental expenses.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	3,111.3	3,664.4	4,307.0	4,715.7	5,138.4
EBITDA	1,059.9	1,308.2	1,502.7	1,644.7	1,801.9
Operating profit	705.3	897.0	1,046.7	1,141.8	1,250.5
Net profit (rep./act.)	520.7	670.2	789.6	865.7	952.7
Net profit (adj.)	520.7	670.2	789.6	865.7	952.7
EPS	1.6	2.0	2.4	2.6	2.9
PE (x)	26.0	20.2	17.1	15.6	14.2
P/B (x)	5.8	5.0	4.3	3.9	3.4
EV/EBITDA (x)	0.4	0.2	(0.1)	(0.1)	(0.2)
Dividend yield (%)	2.0	3.0	3.5	3.8	4.2
Net margin (%)	16.7	18.3	18.3	18.4	18.5
Net debt/(cash) to equity(%)	16.0	9.1	(5.5)	(6.7)	(9.7)
Interest cover (x)	14.0	15.4	17.7	19.4	21.2
ROE (%)	24.1	26.5	27.0	26.1	25.6
Consensus net profit	n.a	n.a	778.7	900.6	1,026.6
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	0.9

Source: Moshi Moshi, Bloomberg, UOB Kay Hian

Stock Data

GICS sector	Consumer Discretionary
Bloomberg ticker:	MOSHI TB
Shares issued (m):	330.0
Market cap (Bt$m):	11,302.5
Market cap (US$m):	345.2
3-mth avg daily t'over (US$m):	0.8

Price Performance (%)

52-week high/low: Bt44.2/Bt31.0

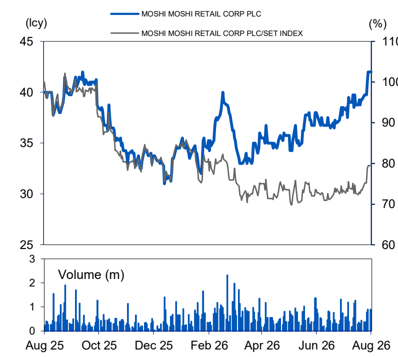
1mth	3mth	6mth	1yr	YTD
(3.5)	(2.8)	3.8	(18.9)	(0.7)

Major Shareholders	%
Monthana Asavametha	12.35
Sa-nga Boonsongkor	9.62
Somchai Boonsongkorh	9.60

Balance Sheet Metrics

FY26 NAV/Share (Bt)	9.4
FY26 Net Debt/Share (Bt)	(0.5)

Price Chart



Source: Bloomberg

Company Description

The company operates a retail business that responds to the daily lifestyle products under the brand "Moshi Moshi".

Essential

- **2H26 outlook remains promising** as we expect earnings to grow 15% yoy, supported by positive SSSG, the opening of 16 new stores, and further gross margin expansion. Gross margin is expected to remain healthy, as around 95% of imported products continue to be sourced at existing cost levels, limiting margin pressure. While domestic plastic-related products may face 5-10% cost inflation, MOSHI plans to mitigate the impact through a higher mix of imports from China and selective SKU optimisation. Moreover, the Pinklao Dreamland branch, which opened in late-Dec 25, has delivered strong performance and ranks among the company's top-performing stores, supporting management's plan to open two additional Dreamland-format stores in 2026.

Valuation/Recommendation

- **Maintain BUY and raise target price to Bt50.00 (from Bt47.00).** We raise our target price to Bt50.00 following our earnings revision and roll forward our valuation to a 12-month forward PE of 20x, equivalent to -1SD of the five-year peer average. We believe MOSHI deserves to trade at a premium valuation, supported by its superior business model, stronger profitability, and robust earnings growth outlook.

Earnings Revision/Risk

- **Finetune earnings.** We finetune 2026 earnings forecast by 0.6% to reflect strong 1H26 earnings growth.
- 1H26 earnings accounting for 45% of our full-year forecast (vs 1H25 at 43%).

Share Price Catalyst

- Margin expansion; aggressive store expansion; positive SSSG.

Environment, Social, Governance (ESG) Updates

CG Report: 5 SET ESG Rating: AA

Environmental

- MOSHI has strengthened environmental management with formal policies on energy, water, waste, and GHG. Wastewater treatment is fully covered and progress in eco-products, and sustainable packaging is in early stage.

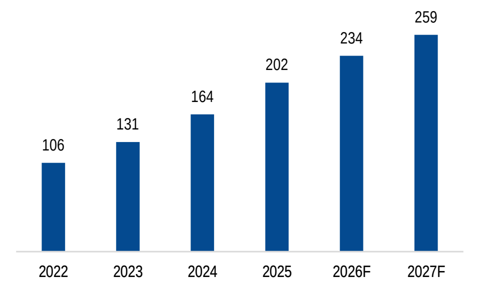
Social

- MOSHI shows solid workforce management with a growing employee base, high female representation, full health & safety coverage, and improving employee retention. Customer standards remain strong with zero data breaches and 100% complaint resolution.

Governance

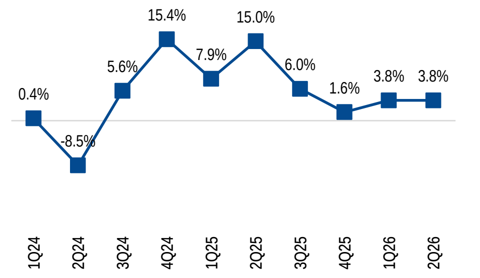
- MOSHI maintains a strong governance structure with independent oversight, improving board diversity, enhanced ESG integration, and solid policies covering anti-corruption, whistleblowing, and cybersecurity.

Stores



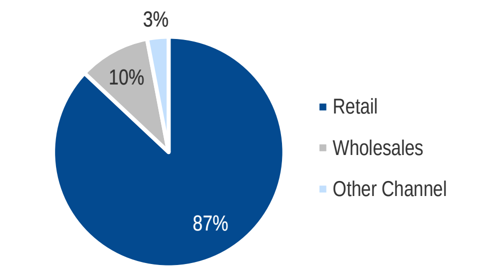
Source: MOSHI, UOB Kay Hian

Same-store Sales Growth



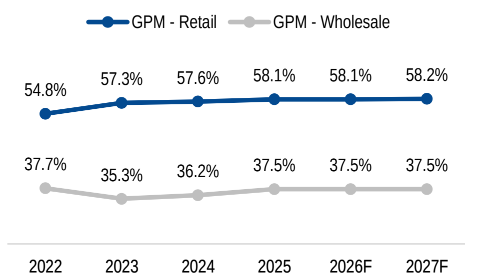
Source: MOSHI, UOB Kay Hian

2026 Sales Contribution



Source: MOSHI, UOB Kay Hian

Profitability



Source: MOSHI, UOB Kay Hian

Sensitivity Analysis

Key Statistics	Change	Earnings Impact
SSSG	+1.0%	+1.1%
CNYTHB	+1.0%	- 0.7%
Gross margin	+10bps	+0.40%
SG&A-to-sales	+10bps	- 0.40%

Source: UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	3,664	4,307	4,716	5,138
EBITDA	1,308	1,503	1,645	1,802
Deprec. & amort.	411	456	503	551
EBIT	897	1,047	1,142	1,251
Total other non-operating income	25	25	25	25
Associate contributions	0	0	0	0
Net interest income/(expense)	(85)	(85)	(85)	(85)
Pre-tax profit	837	987	1,082	1,191
Tax	(167)	(197)	(216)	(238)
Minorities	0	0	0	0
Net profit	670	790	866	953
Net profit (adj.)	670	790	866	953

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	2,582	2,902	3,187	3,469
Other LT assets	226	258	276	295
Cash/ST investment	1,460	1,879	1,943	2,090
Other current assets	784	880	963	1,050
Total assets	5,051	5,919	6,369	6,903
ST debt	315	315	315	315
Other current liabilities	528	990	1,040	1,131
LT debt	1,392	1,392	1,392	1,392
Other LT liabilities	85	104	112	123
Shareholders' equity	2,730	3,118	3,509	3,942
Minority interest	0	0	0	0
Total liabilities & equity	5,051	5,919	6,369	6,903

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	1,142	1,611	1,335	1,509
Pre-tax profit	837	987	1,082	1,191
Tax	(167)	(197)	(216)	(238)
Deprec. & amort.	411	456	503	551
Working capital changes	6	347	(50)	(7)
Non-cash items	15	19	17	12
Other operating cashflows	40	0	0	0
Investing	(539)	(789)	(797)	(841)
Capex (growth)	(698)	(776)	(788)	(834)
Investments	(341)	0	0	0
Others	500	(13)	(10)	(8)
Financing	(629)	(403)	(474)	(520)
Dividend payments	(264)	(403)	(474)	(520)
Issue of shares	0	0	0	0
Proceeds from borrowings	182	0	0	0
Others/interest paid	(546)	0	0	0
Net cash inflow (outflow)	(26)	419	64	147
Beginning cash & cash equivalent	177	152	571	634
Ending cash & cash equivalent	152	571	634	782

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	35.7	34.9	34.9	35.1
Pre-tax margin	22.8	22.9	23.0	23.2
Net margin	18.3	18.3	18.4	18.5
ROA	14.2	14.4	14.1	14.4
ROE	26.5	27.0	26.1	25.6
Growth				
Turnover	17.8	17.5	9.5	9.0
EBITDA	23.4	14.9	9.4	9.6
Pre-tax profit	27.9	17.9	9.6	10.0
Net profit	28.7	17.8	9.6	10.0
Net profit (adj.)	28.7	17.8	9.6	10.0
EPS	28.7	17.8	9.6	10.0
Leverage				
Debt to total capital	62.5	54.8	48.7	43.3
Debt to equity	62.5	54.8	48.7	43.3
Net debt/(cash) to equity	9.1	(5.5)	(6.7)	(9.7)
Interest cover	15.4	17.7	19.4	21.2

Thai Airways (THAI TB)

Expect Weak Earnings In 2Q26, But With An Improving Outlook In 3Q26

Highlights

- THAI should report a net profit of Bt2.27b (-81.3% yoy, -77.5% qoq) in 2Q26, with the decline mainly due to the increasing fuel expense yoy.
- We expect near-term volatility in the share price from the second unlock period and see an opportunity to buy on the dip.
- We see that THAI's valuation is undemanding and we are more positive about the improving 3Q26 outlook. Upgrade to BUY with a target price of Bt6.80 (previously Bt6.20).

BUY (Upgraded)	
Share Price	Bt5.90
Target Price	Bt6.80
Upside	+15.3%
Previous TP	Bt6.20

Analyst(s)
Benjaphol Suthwanish
+662 659 8301
Benjaphol@uobkayhian.co.th
Assistant Analyst(s)
Nonpawit Vathanadachakul

Analysis

2Q26 Earnings Preview

Year to 31 Dec (Btm)	2Q25	1Q26	2Q26F	yoy (%)	qoq (%)	1H25	1H26F	yoy (%)
Total revenue	43,312	49,692	46,104	6.4	(7.2)	93,585	95,796	2.4
Operating EBIT	8,974	12,660	2,900	(67.7)	(77.1)	21,593	15,560	(27.9)
Core profit	6,779	9,006	2,397	(64.6)	(73.4)	16,942	11,403	(32.7)
Net profit	12,124	10,093	2,267	(81.3)	(77.5)	21,956	12,359	(43.7)
EPS (Bt)	0.43	0.36	0.08	(81.3)	(77.5)	0.78	0.44	(43.7)
(%)	2Q25	1Q26	2Q26	yoy (ppt)	qoq (ppt)	1H25	1H26F	yoy (ppt)
Gross margin	20.0	25.0	5.6	(14.4)	(19.4)	22.4	15.7	(6.8)
EBIT margin	25.9	34.0	6.7	(19.2)	(27.3)	23.1	16.2	(6.8)
Core profit margin	15.7	18.1	5.2	(10.5)	(12.9)	18.1	11.9	(6.2)
Net profit margin	28.0	20.3	4.9	(23.1)	(15.4)	23.5	12.9	(10.6)

Source: THAI, UOB Kay Hian

- **Expect a weakened net profit 2Q26, due to the rising jet fuel price.** Thai Airways (THAI) should report a net profit of Bt2.27b in 2Q26 (-81.3% yoy, -77.5% qoq). In this quarter, we expect a net loss of around Bt130m from the foreign exchange loss from Thai baht appreciation which offset the gain from derivatives. The yoy drop in earnings is mainly due to the rising fuel cost which increased by 70% yoy. Considering the volatile situation in 1Q-2Q26, the fact that THAI can still be profit-making is impressive. In 2Q26, there are no notable yoy increases in expenses other than jet fuel. The top-line should be at Bt46.1b (+6.4% yoy, -7.2% qoq) with the yoy growth mainly driven by a strong increase in passenger yield and cargo yield. However, other metrics such as the cabin factor and Available Seat Kilometers (ASK) have declined yoy understandably from the reduction in flights. The margin has been squeezed significantly yoy.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	189,786	184,869	217,218	228,009	236,207
EBITDA	54,866	49,422	43,194	52,719	55,354
Operating profit	41,839	35,430	30,544	38,751	37,977
Net profit (rep./act.)	(26,934)	30,910	18,781	24,069	18,941
Net profit (adj.)	15,064	29,518	18,718	24,006	18,878
EPS (Bt)	0.5	1.0	0.7	0.8	0.7
PE (x)	11.1	5.7	8.9	7.0	8.8
P/B (x)	3.7	2.2	1.9	1.5	1.4
EV/EBITDA (x)	4.0	4.5	5.1	4.2	4.0
Dividend yield (%)	0.0	3.6	2.8	3.6	2.8
Net margin (%)	(14.2)	16.7	8.6	10.6	8.0
Net debt/(cash) to equity (%)	97.8	51.6	62.0	61.4	56.7
Interest cover (x)	3.5	5.7	3.8	3.7	3.9
ROE (%)	n.a.	50.9	22.8	24.5	16.5
Consensus net profit (Btm)	-	-	19,819	23,515	24,512
UOBKH/Consensus (x)	-	-	0.94	1.02	0.77

Source: THAI, Bloomberg, UOB Kay Hian

Stock Data

GICS sector	Industrials
Bloomberg ticker:	THAI TB
Shares issued (m):	28,303.3
Market cap (Btm):	166,989.4
Market cap (US$m):	4,976.7
3-mth avg daily t'over (US$m):	18.1

Price Performance (%)

52-week high/low				Bt19.40/Bt3.32
1mth	3mth	6mth	1yr	YTD
(3.3)	(2.5)	(15.7)	77.7	(15.1)

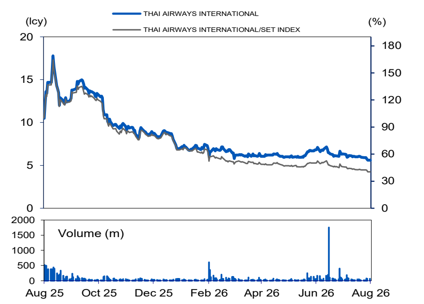
Major Shareholders

	%
Ministry of Finance	38.90
Bangkok Bank	8.50

Balance Sheet Metrics

FY26 NAV/Share (Bt)	3.13
FY26 Net Debt/ Share (Bt)	1.94

Price Chart



Source: Bloomberg

Company Description

Thai Airways is the national flag carrier and largest airline of Thailand. The company operates both domestic and international flights, serving destinations across Asia, Europe, and Oceania, with its main hub at Suvarnabhumi Airport in Bangkok. Its business segments include passenger transport, cargo, mail, catering, and ground services.

- **Improving outlook in 3Q26.** Jet fuel price dipped in Jun 26, allowing THAI to increase its hedging position. The current level of hedging has been raised to 40% of the total amount of fuel usage in 2H26. THAI is starting to see stronger flight demand and will not prioritise reducing flights like in 2Q26. The cabin factor in Australia and Europe routes showed improvement in 2Q26 and Jul 26, as the forward bookings are indicating narrower yoy declines in these two routes. The bookings in Aug 26 are also showing good momentum in passenger recovery. In 3Q26, THAI aims to improve on its weaker areas in 2Q26, such as the Europe and Australia routes. The passenger yield in 3Q26 should decline slightly yoy from the decrease in ticket price, but should remain at a high level.
- **Second lock-up period to come to an end.** The second lock-up period is due tomorrow, one year after THAI became tradable once again after the exit from the rehabilitation plan. 100% of the total locked-up 20,989m shares from debt-to-equity conversion are now tradable, with an additional 75% of THAI's liquidity injected into the market. According to the company, all state enterprises and the cooperatives are in no rush to sell THAI shares. Meanwhile, financial institutions, in case they want to sell the shares, will be looking to sell in a big lot rather than selling in the market to prevent price fluctuation. THAI also indicates that this second lock-up period is similar to the previous one in that around 70% of the shareholders are willing to wait for their share certificate via post, while the remaining have endorsed their shares and have the share certificate ready for the first lock-up period expiry date. In the near term, we could see the share price being volatile as a large amount of liquidity is injected into the market, but we this as an opportunity to buy on the dip.

Earnings Revision/Risk

- **We revise down our 2026-28 net profit forecasts.** We revise our 2026-28 net profit forecasts down by 44.0%, 28.4%, and 30.8% to reflect the rising fuel price due to the war.

Earnings Revision

	---------------- 2026F	----------------		---------------- 2027F	----------------		---------------- 2028F	----------------	
(Bt m)	New	Old	% chg	New	Old	% chg	New	Old	% chg
Total revenue	210,892	200,170	5.4%	220,939	216,259	2.2%	228,438	226,926	0.7%
Gross profit	24,217	39,581	-38.8%	31,681	41,641	-23.9%	30,208	40,803	-26.0%
Net profit	18,781	33,522	-44.0%	24,069	33,634	-28.4%	18,941	27,376	-30.8%
Margin	New	Old	ppt chg	New	Old	ppt chg	New	Old	ppt chg
Gross margin	11.5%	19.8%	-8.29	14.3%	19.3%	-4.92	13.2%	18.0%	-4.76
Net profit margin	8.9%	16.8%	-7.84	10.9%	15.6%	-4.66	8.3%	12.1%	-3.77

Source: THAI, UOB Kay Hian

Valuation/Recommendation

- **Upgrade to BUY with a target price of Bt6.80.** Our valuation for THAI is rolled over to 2027, based on a PE multiple of 8.0x (based on 2SD below the 2017-19 historical mean multiple). We believe that THAI's valuation is undemanding and see the next unlock period as an opportunity to buy on the dip. The 3Q26 outlook is improving as the booking demand remains strong, and the fuel hedging level has increased for 2H26 usage.

Environment, Social, Governance (ESG) Updates

Environmental

- **Fuel usage:** THAI is reducing carbon emissions by improving fuel efficiency through fleet renewal and exploring options for Sustainable Aviation Fuel.

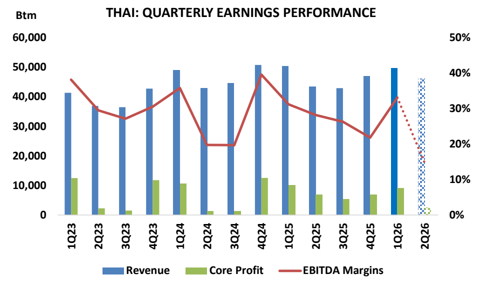
Social

- **Supporting the community:** THAI supports local communities through CSR initiatives and local sourcing, particularly for in-flight food and amenities.

Governance

- **Strategic ESG partnerships:** THAI's partnership with PTT Global Chemical on SAF reflects its commitment to global sustainability standards.

Quarterly Performance



Source: THAI, UOB Kay Hian

Operational Statistic By Region

	May-26	Jun-26	2Q25	2Q26	yoy (%)
Passenger					
Passenger carried ('000)	1,161	1,183	3,839	3,662	-4.6%
MASK (million available seat kms.)	5,478	5,544	17,649	16,778	-4.9%
MRPK (million revenue passenger kms.)	3,743	3,670	12,824	11,994	-6.5%
Cabin factor (%)	68.3	66.2	72.7	71.5	-1.2 ppt
Cabin factor by region (%)					
- Domestic	88.6	88.0	83.1	87.7	4.6 ppt
- Regional	70.4	69.2	72.4	71.7	-0.7 ppt
- Australia	57.5	75.3	71.9	70.3	-1.6 ppt
- Europe	68.0	58.6	72.6	70.2	-2.4 ppt
MRPK by region(million revenue passenger kms)					
- Domestic	153	156	472	464	-1.7%
- Regional	1,689	1,662	5865	5327	-9.2%
- Australia	405	517	1457	1459	0.1%
- Europe	1,496	1,335	5687	4744	-16.6%

Source: THAI, UOB Kay Hian

jet Fuel Price Trend

Source: S&P Global Energy Platts

2Q26 Statistics

Passenger business	2Q25	1Q26	2Q26	yoy (%)	qoq (%)
RPK (m pax km) vol	13,521	14,452	11,994	(11.3)	(17.0)
ASK (m pax km) capacity	17,552	17,389	16,778	(4.4)	(3.5)
Cabin Factor	77.0%	83.1%	71.5%	(5.5)	(11.6)
Pax Yield (Bt/pax km)	2.66	2.92	3.21	20.8	10.0
Mail and Freight				yoy (%)	qoq (%)
RFTK (m ton km) vol	508	490	499	(1.8)	1.8
ADTK (m ton km) capacity	969	972	928	(4.2)	(4.5)
Cargo Load Factor	52.4%	50.4%	53.8%	1.3	3.4
Freight Yield (Bt/ton km)	8.62	8.36	9.20	6.7	10.0

Source: THAI, UOB Kay Hian

Lock-Up Period Details

Total THAI outstanding shares	28,303m
Shares from d/e conversion	20,989m
lockup expire on 4 Feb 26 (25%)	5,247m
lockup expire on 4 Aug 26 (75%)	15,742m
d/e conversion cost	Bt2.54/sh

Source: THAI, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	184,869	217,218	228,009	236,207
EBITDA	49,422	43,194	52,719	55,354
Deprec. & amort.	13,991	12,650	13,968	17,378
EBIT	35,430	30,544	38,751	37,977
Total other non-operating income	1,697	0	0	0
Associate contributions	34	63	63	63
Net interest income/(expense)	(8,695)	(11,417)	(14,102)	(14,346)
Pre-tax profit	28,467	19,190	24,712	23,694
Tax	2,473	(383)	(616)	(4,726)
Minorities	(30)	(27)	(27)	(27)
Net profit	30,910	18,781	24,069	18,941
Net profit (adj.)	29,518	18,718	24,006	18,878

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	111,737	140,287	171,019	186,115
Other LT assets	48,823	55,843	58,413	60,331
Cash/ST investment	78,579	74,441	91,844	92,751
Other current assets	64,920	74,634	78,190	80,844
Total assets	304,059	345,206	399,467	420,041
ST debt	9,871	9,370	11,541	12,505
Other current liabilities	67,716	77,849	81,558	84,326
LT debt	107,802	120,024	146,662	148,807
Other LT liabilities	42,758	49,156	51,498	53,246
Shareholders' equity	75,834	88,671	108,045	120,969
Minority interest	78	135	162	189
Total liabilities & equity	304,059	345,206	399,467	420,041

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	31,295	31,907	38,217	36,460
Pre-tax profit	28,467	19,190	24,712	23,694
Tax	2,473	(383)	(616)	(4,726)
Deprec. & amort.	13,991	12,650	13,968	17,378
Working capital changes	1,700	1,801	659	492
Non-cash items	(15,184)	(1,383)	(506)	(378)
Other operating cashflows	(118)	94	63	63
Investing	(25,396)	(41,822)	(44,928)	(32,644)
Capex (growth)	(13,236)	(41,200)	(44,700)	(32,474)
Investment	1,908	1,908	1,908	1,908
Others	(14,068)	(2,530)	(2,136)	(2,078)
Financing	(11,532)	5,777	24,114	(2,910)
Dividend payments	0	(5,944)	(4,695)	(6,017)
Proceeds from borrowings	(11,068)	11,721	28,809	3,108
Loan repayment	0	0	0	0
Others/interest paid	(465)	0	0	0
Net cash inflow (outflow)	(5,633)	(4,138)	17,403	907
Beginning cash & cash equivalent	84,212	78,579	74,441	91,844
Changes due to forex impact	0	0	0	0
Ending cash & cash equivalent	78,579	74,441	91,844	92,751

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	26.7	19.9	23.1	23.4
Pre-tax margin	15.4	8.8	10.8	10.0
Net margin	16.7	8.6	10.6	8.0
ROA	10.4	5.8	6.5	4.6
ROE	50.9	22.8	24.5	16.5
Growth				
Turnover	(2.6)	17.5	5.0	3.6
EBITDA	(9.9)	(12.6)	22.0	5.0
Pre-tax profit	n.a.	(32.6)	28.8	(4.1)
Net profit	n.a.	(39.2)	28.2	(21.3)
Net profit (adj.)	95.9	(36.6)	28.3	(21.4)
EPS	95.9	(36.6)	28.3	(21.4)
Leverage				
Debt to total capital	60.8	59.3	59.4	57.1
Debt to equity	155.2	145.9	146.4	133.3
Net debt/(cash) to equity	51.6	62.0	61.4	56.7
Interest cover (x)	5.7	3.8	3.7	3.9

IMPORTANT NOTICE - DISCLOSURES AND DISCLAIMERS

This report is provided subject to various disclosures and disclaimers (the "Disclosures / Disclaimers") which form an integral part of this report and are available at the following link:
https://research-api.uobkayhian.com/assets/disclaimer/83c315d1-ca75-4d8c-9aa5-f27a8d9acd8d or by scanning the QR code below:

The Disclosures / Disclaimers contain important information, including without limitation, (a) exclusions of liability, (b) confidentiality obligations, (c) restrictions on publication, circulation, reproduction, distribution and use of the report, (d) potential conflicts of interest, and (e) disclosures and requirements specific to recipients in the United States and other applicable jurisdictions.

Specifically, this report is intended for general circulation and informational purposes only and does not take into account the specific investment objectives, financial situation, or particular needs of any individual person. It is not intended to constitute personal investment advice or a recommendation to buy or sell any investment product or security. You should independently evaluate the information and, where necessary, seek advice from a qualified financial adviser regarding the suitability of any investment, taking into account your specific objectives, financial situation and needs, before making any investment decision. Analyst certifications required under applicable regulations, including SEC Regulation AC (where relevant), are included in this report.

Recipients of this report must carefully read, review and understand the full Disclosures / Disclaimers before using or relying on any information in this report. By accessing, receiving or using this report, you acknowledge and confirm that you have read, understood, accepted and agreed to be bound by the Disclosures / Disclaimers (as may be amended or updated from time to time) in full."