UOBKayHian

Country Daily | Thailand

Tuesday, 18 August 2026

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	53459.8	(0.5)	(1.0)	2.5	11.2
S&P 500	7745.1	(0.5)	(0.1)	3.9	13.1
FTSE 100	10720.3	(0.3)	(1.3)	1.1	7.9
AS30	9279.0	(0.4)	(1.5)	3.3	2.9
CSI 300	4741.1	1.6	0.8	4.7	2.4
FSSTI	5768.5	0.4	1.2	4.7	24.2
HSCEI	8440.0	1.2	(2.1)	3.7	(5.3)
HSI	25453.2	1.3	(1.9)	3.6	(0.7)
JCI	6401.9	1.6	(0.1)	3.7	(26.0)
KLCI	1725.9	(0.1)	(0.5)	(0.3)	2.7
KOSPI	6977.9	2.4	11.5	2.3	65.6
Nikkei 225	69220.3	0.7	5.5	7.9	37.5
SET	1626.4	1.1	0.9	(0.8)	29.1
TWSE	45857.3	0.1	2.1	7.5	58.3
BDI	2878	0.5	(6.6)	4.6	53.3
CPO (RM/mt)	4525	0.1	0.3	0.5	15.0
Brent Crude (US$/bbl)	91	2.7	3.6	3.1	49.3

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Virtual Meeting on Indonesia Economic Outlook by Mr. Enrico Tanuwidjaja	Indonesia	19 Aug	19 Aug
Analyst Marketing by Julia Pan on Greater China Internet Sector	Singapore	07 Sep	08 Sep
Analyst Marketing by Julia Pan on Greater China Internet Sector	Malaysia	09 Sep	11 Sep

Corporate and Macro Calendar

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

Top Stories

Company Update | OSOTSPA (OSP TB/**BUY**/Bt18.00/Target: Bt22.00)

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- OSP reported a 2Q26 net profit of Bt1.1b (+8.9% yoy, -5% qoq). The results are in line. 3Q26 earnings are expected to decline qoq on seasonality but increase yoy, supported by effective cost management. The Myanmar market has started to ease import restrictions on production inputs in 3Q26, which should support a recovery in international beverage sales. Maintain BUY with a target price of Bt22.00.

Company Update | The Erawan Group (ERW TB/**BUY**/Bt3.64/Target: Bt4.40)

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- The tone of the analyst meeting was positive. ERW expects strong 3Q26 room revenue growth of 7% yoy, supported by higher ADR, strong bookings and Middle Eastern medical tourists. Declining interest costs should support 2H26 earnings, while management targets maintaining EBITDA margins despite cost pressures. The impact from Grand Hyatt's renovation remains manageable, with Naka Phuket's reopening in 3Q26 providing additional support. ERW remains one of our top hotel sector picks. Maintain BUY with a target price of Bt4.40.

Company Update | Tidlor Holdings Pcl (TIDLOR TB/**BUY**/Bt19.40/Target: Bt25.00)

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- TIDLOR's 2Q26 analyst meeting had a slightly negative tone, as uncertainty around asset quality remains the key concern. Loan growth is expected to reach the lower end of the 5-10% target, with title loans driving growth in 2H26. Insurance brokerage should continue to expand, while funding costs could decline another 5-10bp. The company has revised down its credit cost target to 2.0-2.5%. We maintain BUY with an unchanged target price of Bt25.00.

What's Inside

Company Update | Asset World Corporation (AWC TB/BUY/Bt3.00/Target: Bt3.70)

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- The tone during the analyst meeting was positive. AWC's 2H26 bookings are strong, with room revenue up 30% yoy, supported by major events and a robust recovery in Chinese tourist numbers. Lower refinancing costs should reduce interest expenses, while management targets stronger EBITDA margins in 2H26. The planned Bt50b REIT in 1Q27 should support future project funding without materially diluting growth. We remain optimistic on AWC's earnings outlook, driven by strong bookings, Chinese arrivals and major events. Maintain BUY with a Bt3.70 target price.

Company Update | Berli Jucker (BJC TB/BUY/Bt15.80/Target: Bt18.00)

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- The tone during the analyst meeting was positive. Management is confident in packaging sales momentum during 2H26, underpinned by very strong demand. Modern retail is gaining momentum as Big C's qtd SSSG has improved to flat yoy, while MMVN's July SSSG was 11-12% yoy. Maintain BUY with a target price of Bt18.00.

Company Update | Charoen Pokphand Foods Plc. (CPF TB/BUY/Bt22.50/Target: Bt26.00)

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- We expect 2Q26 earnings to mark the bottom of 2026's earnings, followed by a stronger earnings recovery in 2H26. We maintain a positive view on CPF's 2H26 earnings momentum, supported by: a) the upward trend in Thai and China livestock prices, b) healthy Vietnam swine prices, and c) easing raw material cost pressure. Maintain BUY with a higher target price of Bt26.00.

Company Update | Thanachart Capital (TCAP TB/**HOLD**/Bt87.50/Target: Bt94.00)

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- We came away from TCAP's analyst meeting with a neutral view. The CEO said the impact of the Middle East tensions was less than previously expected. Moreover, debt repayment and debt collection improved in Jul and Aug 26. TCAP expects a delay in new-truck hire purchases as clients are waiting for the final regulations on the adaptation of new safety features in new trucks. Maintain HOLD with a target price of Bt94.00.

UOBKayHian

Company – Update | Thailand

Tuesday, 18 August 2026

OSOTSPA (OSP TB)

Myanmar Situation Is Improving

Highlights

- OSP reported a 2Q26 net profit of Bt1.1b (+8.9% yoy, -5% qoq). The results are in line.
- 3Q26 earnings are expected to decline qoq on seasonality but increase yoy, supported by effective cost management.
- The Myanmar market has started to ease import restrictions on production inputs in 3Q26, which should support a recovery in international beverage sales.
- Maintain BUY with a target price of Bt22.00

Analysis

- We attended OSOTSPA's (OSP) analyst meeting after its 2Q26 results, and the tone of the meeting was neutral.
- **Top-line growth guidance revised down**. OSP has revised down its 2026 top-line growth target to low- to mid-single-digit growth, from the previous mid-single-digit growth. Domestic beverage sales are expected to grow at mid-single digit, while personal care sales are expected to grow at high single digit. The weaker top-line outlook mainly reflects the decline in Myanmar sales due to import licence issues in 1H26.
- **International beverage situation.** The raw material import situation in Myanmar has improved, with import licences commencing approval in 3Q26. The company has now resumed normal production after a 1.5-2-month disruption. Meanwhile, Laos and Indonesia sales are expected to maintain positive yoy growth. Nevertheless, 2H26 international sales are expected to decline hoh due to seasonality, as 2H is typically the low season.
- **Personal care continues to grow.** Personal care is expected to continue growing hoh and yoy in 2H26, supported by the launch of premium products such as the Ultra-mild brand. OSP expect 2026 personal care sales to grow by high single digits yoy.
- **3Q26 outlook.** 3Q26 earnings are expected to decline qoq due to seasonality, but increase yoy, supported by continued cost management. We expect 3Q26 gross profit margin to decline qoq due to seasonal weakness and higher raw material costs, while remaining broadly flat yoy. The company's short-term raw material contracts should help mitigate cost pressure. Looking ahead, we expect 4Q26 gross profit margin to improve both qoq and yoy, driven by ongoing cost-saving initiatives and easing raw material costs. Meanwhile, the easing situation in Myanmar should support a recovery in international beverage sales going forward.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	27,069.5	25,560.9	24,095.4	24,844.3	25,631.7
EBITDA	4,950.5	5,685.4	6,005.5	6,140.6	6,318.5
Operating profit	3,462.4	4,184.2	4,629.0	4,833.3	5,048.0
Net profit (rep./act.)	1,638.1	3,666.6	3,725.8	3,886.6	4,055.4
Net profit (adj.)	3,035.5	3,501.6	3,725.8	3,886.6	4,055.4
EPS	1.0	1.2	1.2	1.3	1.4
PE (x)	13.8	11.9	11.2	10.7	10.3
P/B (x)	2.7	2.5	2.3	2.1	2.0
EV/EBITDA (x)	8.5	6.9	6.3	5.9	5.5
Dividend yield (%)	4.3	5.8	5.8	6.1	6.4
Net margin (%)	6.0	14.3	15.5	15.6	15.8
Net debt/(cash) to equity(%)	0.4	(17.7)	(25.8)	(33.3)	(39.8)
Interest cover (x)	42.1	52.0	145.9	152.2	159.2
ROE (%)	9.3	20.0	19.6	19.7	19.8
Consensus net profit	n.a	n.a	3,713.1	3,869.2	4,009.2
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	1.0

Source: OSOTSPA, Bloomberg, UOB Kay Hian

Analyst(s)

Nichapa Ratchabandit

nichapa@uobkh.co.th

+662 090 3366

BUY (Maintained)

Share Price	Bt18.00
Target Price	Bt22.00
Upside	22.22%

Stock Data

Sector	Consumer Staples
Bloomberg ticker	OSP TB
Shares issued (m)	3,003.8
Market cap (Btm)	54,367.9
Market cap (US$m)	1,647.8
3-mth avg daily t'over (US$m)	5.7

Price Performance (%)

52-week high/low				Bt19.5/Bt14.0
1mth	3mth	6mth	1yr	YTD
4.0	23.1	(2.2)	1.7	12.4

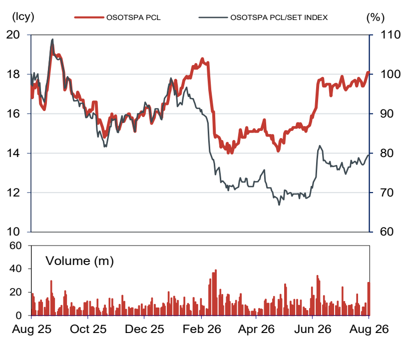
Major Shareholders (%)

Mr. Niti Osathanugrah	24.07
Bank Julius Baer & Co., Ltd, Singapore	8.69

Balance Sheet Metrics

FY26 NAV/Share (Bt)	6.0
FY26 Net Debt/Share (Bt)	(1.6)

Price Chart



Source: Bloomberg

Company Description

Osotspa core business is divided into three segments: 1) beverages, 2) personal care, and 3) healthcare and confectionery. In addition, Osotspa engages in non-core businesses such as providing OEM services for contract products and packaging manufacturing..

2Q26 Results

Year to 31 Dec (Btm)	2Q26	2Q25	1Q26	yoy%	qoq%
Sales	6,115	6,807	6,345	-10.2%	-3.6%
Gross Profit	2,617	2,854	2,697	-8.3%	-3.0%
SG&A	1,377	1,660	1,389	-17.1%	-0.9%
EBIT	1,319	1,242	1,386	6.2%	-4.9%
Net Profit	1,100	1,010	1,157	8.9%	-5.0%
Core Profit	1,100	1,010	1,157	8.9%	-5.0%
EPS (Bt)	0.37	0.34	0.39	8.9%	-5.0%
(%)	**2Q26**	**2Q25**	**1Q26**	**yoy%**	**qoq%**
Gross Margin (%)	42.8%	41.9%	42.5%	0.9%	0.3%
%SG&A/revenue	22.5%	24.4%	21.9%	-1.9%	0.6%
Net Margin (%)	18.0%	14.8%	18.2%	3.1%	-0.3%

Source: OSOTSPA, UOB Kay Hian

- **Results recap.** OSP reported a 2Q26 net profit of Bt1.1b (+8.9% yoy, -5% qoq). The results are in line with our estimate and market consensus. Gross profit margin reached a record high of 42.8% in 2Q26, improving from 41.9% in 2Q25 and 42.5% in 1Q26. Gross profit margin improved amid higher raw and packaging costs from geopolitical tensions in the Middle East due to cost management. SG&A-to-sales ratio was 22.5% in 2Q26, remaining well controlled vs 24.4% in 2Q25 and 21.9% in 1Q26.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt22.00.** based on 2027 EPS. Using the PE valuation method, we value OSP at -1SD to its five-year PE band, implying a multiple of 18x.

Earnings Revision/Risk

- None.

Share Price Catalyst

- Lower costs of raw materials such as sugar, natural gas, and aluminium coil.
- Government stimulus measures to support domestic consumption.
- The import licence issue in Myanmar is easing.

Environment, Social, Governance (ESG) Updates

CG Report: 5
SET ESG Rating: AAA

Environmental

- OSP embeds packaging sustainability in its environmental strategy through its "Zero Packaging Waste" ambition, focusing on circular packaging design and eco-friendly materials while setting KPIs to monitor and engage business partners on environmental performance.

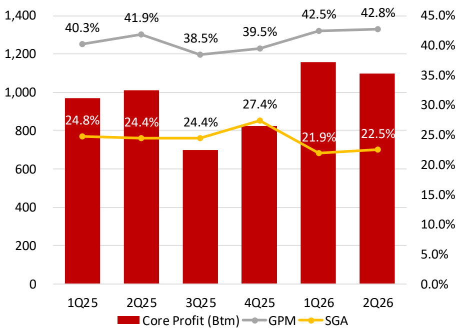
Social

- OSP supports local communities through charitable donations, community engagement, and commercial initiatives to enhance quality of life and enable sustainable business growth.

Governance

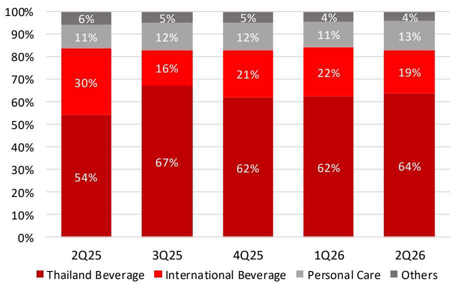
- The company aims to conduct its business with transparency and fairness, while continuously improving operational efficiency to ensure long-term business sustainability

Earnings Performance



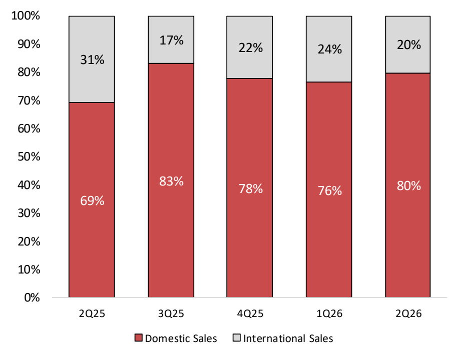
Source: OSP, UOB Kay Hian

Sales Breakdown By Product



Source: OSP, UOB Kay Hian

Domestic and International Sales



Source: OSP, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	**25,561**	**24,095**	**24,844**	**25,632**
EBITDA	5,685	6,006	6,141	6,319
Deprec. & amort.	1,501	1,377	1,307	1,270
EBIT	4,184	4,629	4,833	5,048
Total other non-operating income	0	0	0	0
Associate contributions	146	166	166	166
Net interest income/(expense)	(109)	(41)	(40)	(40)
Pre-tax profit	**4,221**	**4,754**	**4,959**	**5,174**
Tax	(532)	(832)	(868)	(906)
Minorities	(187)	(196)	(205)	(213)
Net profit	**3,667**	**3,726**	**3,887**	**4,055**
Net profit (adj.)	3,502	3,726	3,887	4,055

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	11,471	10,895	10,587	10,317
Other LT assets	1,373	1,385	1,397	1,410
Cash/ST investment	3,321	5,020	6,826	8,659
Other current assets	8,419	8,708	8,992	9,290
Total assets	**24,584**	**26,008**	**27,802**	**29,675**
ST debt	114	103	92	83
Other current liabilities	6,255	6,180	6,376	6,581
LT debt	219	219	219	219
Other LT liabilities	204	204	204	204
Shareholders' equity	16,871	18,175	19,567	21,020
Minority interest	459	655	860	1,073
Total liabilities & equity	**24,584**	**26,011**	**27,808**	**29,684**

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	**6,193**	**4,945**	**5,322**	**5,457**
Pre-tax profit	4,386	4,754	4,959	5,174
Tax	(532)	(832)	(868)	(906)
Deprec. & amort.	1,501	1,377	1,307	1,270
Associates	0	0	0	0
Working capital changes	1,405	(345)	(68)	(73)
Non-cash items	(159)	(8)	(9)	(9)
Other operating cashflows	(409)	0	0	0
Investing	**(1,267)**	**(812)**	**(1,012)**	**(1,012)**
Capex (growth)	(764)	(812)	(1,012)	(1,012)
Capex (maintenance)	0	0	0	0
Investments	(1,260)	0	0	0
Proceeds from sale of assets	445	0	0	0
Others	312	0	0	0
Financing	**(4,205)**	**(2,434)**	**(2,505)**	**(2,612)**
Dividend payments	(2,102)	(2,422)	(2,494)	(2,602)
Issue of shares	0	0	0	0
Proceeds from borrowings	(1,665)	(11)	(10)	(9)
Loan repayment	(330)	0	0	0
Others/interest paid	(109)	0	0	0
Net cash inflow (outflow)	**720**	**1,699**	**1,805**	**1,833**
Beginning cash & cash equivalent	**2,190**	**3,321**	**5,020**	**6,826**
Changes due to forex impact	0	0	0	0
Ending cash & cash equivalent	**2,910**	**5,020**	**6,826**	**8,659**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	22.2	24.9	24.7	24.6
Pre-tax margin	16.5	19.7	20.0	20.2
Net margin	14.3	15.5	15.6	15.8
ROA	14.2	14.0	14.2	14.3
ROE	20.0	19.6	19.7	19.8
Growth				
Turnover	(5.6)	(5.7)	3.1	3.2
EBITDA	14.8	5.6	2.2	2.9
Pre-tax profit	18.8	12.6	4.3	4.3
Net profit	123.8	1.6	4.3	4.3
Net profit (adj.)	15.4	6.4	4.3	4.3
EPS	15.4	6.4	4.3	4.3
Leverage				
Debt to total capital	1.9	1.7	1.5	1.4
Debt to equity	2.0	1.8	1.6	1.4
Net debt/(cash) to equity	(17.7)	(25.8)	(33.3)	(39.8)
Interest cover	52.0	145.9	152.2	159.2

The Erawan Group (ERW TB)

Improving Outlook In 3Q26 On Strong Booking Demand

Highlights

- We attended ERW's analyst meeting to review its 2Q26 results and the tone was positive.
- We see an improving outlook in 3Q26, mainly driven by strong booking demand of economy to luxury portfolio which drives up the ADR.
- We remain optimistic about ERW, and it remains one of our top picks in the hotel sector. We see more supporting factors in 2H26 such as strong booking demand, the declining interest cost, the reopening of Naka Phuket and the large events in 2H26. Maintain BUY with a target price of Bt4.40.

Analysis

- **Positive tone from the analyst meeting.** We attended The Erawan Group's (ERW) analyst meeting to review its 2Q26 results and the tone was positive.
- **Strong outlook in 3Q26.** The management provided ERW's 3Q26 guidance, expecting 3Q26 room revenue to show a strong growth yoy of 7%. Meanwhile, RevPar for the whole portfolio is expected to show 2% yoy growth, with main contribution coming from economy to luxury hotel portfolio. The key drive in 3Q26 is expected to be from the rising average daily rate (ADR), driven by strong booking demand. Middle East guests who come for medical treatment are the notable contributors in 3Q26, which is the traditional high season of Middle East arrivals. The demand from Middle East guests in Aug 26 was very strong and exceeded ERW's expectations. Hence, we expect 3Q26 to be a gradually improving quarter for ERW as we have seen that the impact from Grand Hyatt renovation is manageable.
- **Declining interest costs to support earnings.** Following management's plan to refinance part of its loans to further reduce interest costs, the prepayment fee incurred in 2Q26 should be the last significant expense under the current refinancing plan. Going forward, ERW should fully benefit from lower interest costs, which are currently at a low level of 2.9% by end-2Q26. Its average cost of funds has declined each quarter, partly due to floating-rate loans tracking the downward trend in market rates. ERW also plans to increase the fixed-rate portion of its debt, given the attractive current rates. The IBD/E ratio remained at 1.2x in 2Q26, as additional borrowings will be required to support planned expansions in 2026. We view declining interest costs as a key earnings catalyst for ERW in 2H26.

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)	19.2	21.6	20.7	19.2	18.4
P/B (x)	2.1	2.0	2.0	1.9	1.8
EV/EBITDA (x)	12.4	12.5	11.2	10.4	10.0
Dividend yield (%)	2.4	1.9	2.2	2.4	2.5
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)	-	-	917	993	1,100
UOBKH/Consensus (x)	-	-	0.95	0.95	0.90

Source: The Erawan Group, Bloomberg, UOB Kay Hian

Analyst(s)

Benjaphol Suthwanish
+662 659 8301
Benjaphol@uobkh.co.th

Assistant Analyst(s)

Nonpawit Vathanadachakul

BUY (Maintained)

Share Price	Bt3.64
Target Price	Bt4.40
Upside	+20.9%

Stock Data

Sector	Consumer Discretionary
Bloomberg ticker	ERW TB
Shares issued (m)	4,886.9
Market cap (Btm)	18,081.6
Market cap (US$m)	545.6
3-mth avg daily t'over (US$m)	2.9

Price Performance (%)

52-week high/low: Bt3.80/Bt2.02

1mth	3mth	6mth	1yr	YTD
19.4	40.2	17.8	37.0	51.6

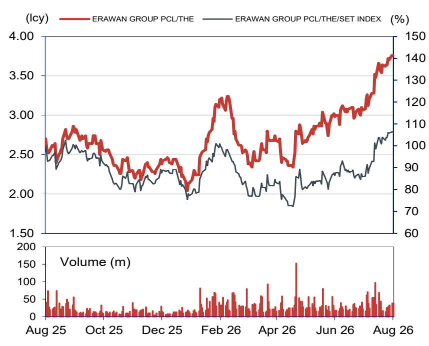
Major Shareholders (%)

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.

- **Target to maintain margins in 2H26.** The overall EBITDA margin of ERW in 2H25 was considered high at 33.2%. Management is targeting to maintain that high level of EBITDA margin in 2H26 as they see improving booking demand. Despite seeing some cost pressure caused by the Middle East war, ERW has been actively implementing its strict cost control measures. Moreover, ERW observes that the Chinese recovery has been persistent throughout the 1H26 and expects this momentum to continue into 2H26.
- **Renovation impact remains manageable.** The renovation began in Apr 26 and is scheduled for completion by 4Q27, with allocated capex of Bt500m. The ballroom renovation is now completed, allowing ERW to capture MICE demand from Sep 26 onwards. Management plans to pause room renovations in some peak periods during the peak travel season in 4Q26-1Q27 and operate with full room inventory. Although some room renovations will continue in 3Q26 or be deferred to 2Q27, ERW's 2Q26 earnings growth demonstrates that the impact remains manageable. By the end of 2026, management is targeting to renovate 70% of Grand Hyatt's room inventory. The reopening of Naka Phuket in 3Q26 should also support the luxury hotel portfolio.
- **Update on 2026 growth guidance.** ERW now targets total revenue growth of 6% yoy, driven by luxury-economy (+5% yoy) and budget (+10% yoy) segments. In the luxury segment, growth will be supported by strong occupancy rate improvement in early-26 and ADR increase by the late-2026. Budget growth will come from new Hop Inn openings in Thailand and a new launch in Korea. So far, 1H26 has shown 5% yoy growth in revenue. We believe that its growth target of 6% yoy should be achievable given the outlook for 2H26. We are starting to see several supporting factors, including the continued recovery of Chinese visitors and large events in 2H26, which should boost traffic.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt4.40.** Our valuation is rolled over to 2027 EV/EBITDA multiplier of 12x, based on 1 SD above its three-year mean. We are optimistic about ERW as one of our top picks, given its ability to show growth despite the pressure from renovation and the Middle East war. We see several supporting factors such as strong booking demand, the declining interest cost, the reopening of Naka Phuket and the traffic boost from large events in 2H26.

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.

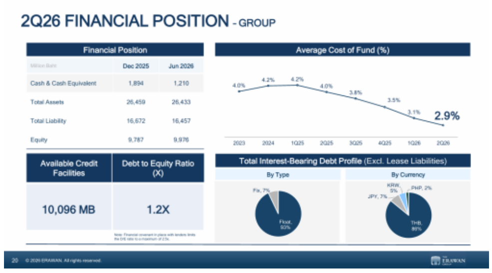
Social

- **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

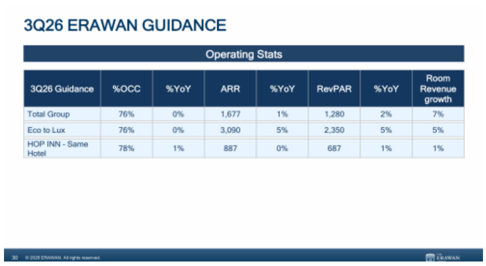
- **Board gender diversity.** Male to female ratio of 3:1.
- **Board balance and composition.** Four board members are independent directors, amounting to 33% of the board members.

ERW'S Debt Profile



Source: ERW

3Q26 Guidance



Source: ERW

2026 Guidance

Source: ERW

ERW Source Markets In Thailand

Source: ERW

Details of Grand Hyatt Renovation

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-op. 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 equiv.	1,612	1,894	3,043	2,363
Ending cash & cash equiv.	**1,894**	**3,043**	**2,363**	**1,605**

Key Metric

Year to 31 Dec (Btm)	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 (% yoy)				
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

Tidlor Holdings Pcl (TIDLOR TB)

Cautious Outlook Despite Lower Credit Cost Guidance

Highlights

- TIDLOR revised down its 2026 credit cost target from 2.2-2.8% to 2.0-2.5% given the low credit cost in 1H26.
- Loan growth is likely to track the lower end of the 5-10% target, with title loans remaining the key growth driver in 2H26.
- Maintain BUY with an unchanged target price of Bt25.00.

Analysis

- **Slightly negative tone at meeting.** We attended Tidlor Holdings' (TIDLOR) 2Q26 analyst meeting where the tone was slightly negative, given the uncertainty over whether asset quality can remain strong. The company maintained all of its financial targets, except for its credit cost target which was lowered from 2.2-2.8% to 2.0-2.5%, given the low credit cost in 1H26.
- **Focusing on title loans.** Title loans remain the key focus for loan growth this year, especially for motorcycles and cars. For hire purchase (HP), the truck portfolio remained broadly stable, with the company remaining disciplined in HP lending. Overall, the company focuses on lending according to risk levels and risk-adjusted returns. Management expects loan growth to accelerate in 2H26, potentially driven by improving economic and business activity, with motorcycle and car loans remaining the key growth segments. The average ticket size declined in 1H26, following the decline in used-vehicle prices, along with the higher contribution from motorcycles. Overall, despite management maintaining its 5-10% loan growth target, we expect the loan growth to end at the lower bound given the tone from the meeting along with the cautiousness and focus on motorcycle and cars.
- **Further room to grow insurance brokerage business.** TIDLOR sees further room to gain market share through its broad online and offline distribution channels. While weaker economic conditions have led to some decline in the average premium per policy and a shift from Class 1 to the more affordable Class 2 coverage, the impact remains manageable. We expect insurance to continue growing in 2H26, supported by seasonal increases in business activity, higher auto insurance sales and renewals, and cross-selling opportunities in PA and travel insurance. Management sees room for further growth.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net interest income	15,945.1	16,809.0	17,818.3	19,424.9	20,966.3
Non-Interest Income	3,791.8	4,189.0	4,611.5	4,993.9	5,332.3
Net profit (rep./act.)	4,216.7	5,035.7	5,904.5	6,328.1	7,209.3
Net profit (adj.)	4,216.7	5,035.7	5,904.5	6,328.1	7,209.3
EPS (Bt)	1.5	1.7	2.0	2.2	2.5
PE (x)	13.2	11.1	9.5	8.8	7.8
P/B (x)	1.8	1.6	1.5	1.4	1.2
Dividend yield (%)	2.6	1.8	5.2	5.2	5.2
Net int margin (%)	15.8	15.7	15.7	16.0	16.1
Cost/income Ratio (%)	55.9	55.5	55.0	55.0	54.7
Loan loss cover (%)	242.7	325.0	280.0	300.0	300.0
Consensus net profit	n.a	n.a	5,639.2	6,143.6	6,758.9
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	1.1

Source: Tidlor Holdings Pcl, Bloomberg, UOB Kay Hian

Analyst(s)

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

Assistant Analyst(s)

Panjarat Thaweesriprasert

BUY (Maintained)

Share Price	Bt19.40
Target Price	Bt25.00
Upside	28.86%

Stock Data

Sector	Financials
Bloomberg ticker	TIDLOR TB
Shares issued (m)	2,877.0
Market cap (Btm)	55,237.6
Market cap (US$m)	1,658.9
3-mth avg daily t'over (US$m)	15.7

Price Performance (%)

52-week high/low				Bt22.1/Bt14.1
1mth	**3mth**	**6mth**	**1yr**	**YTD**
7.9	24.7	12.9	25.5	12.9

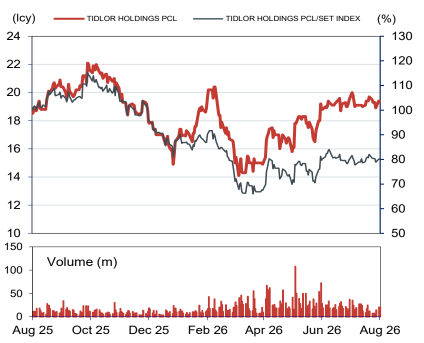
Major Shareholders (%)

Bank of Ayudhya (BAY)	46.51
Thai NVDR	4.87

Balance Sheet Metrics

FY26 NAV/Share (Bt)	12.9
FY26 Net Debt/Share (Bt)	n.a

Price Chart



Source: Bloomberg

Company Description

The non-bank company provides auto-title loans, hire purchase financing services for second-hand used trucks, and other types of non-lending products including life and non-life insurance brokerage services under the brand Ngern Tid Lor.

- **Funding cost could further decline 5-10bp.** TIDLOR expects its cost of funds to gradually decline, with a further 5-10bp reduction possible in 2H26. The company recently issued a JPY16.5b euro-yen bond at a 3.42% coupon rate and fully hedged exposure through a currency swap on a fixed-rate basis, securing a competitive funding cost. While funding costs could ease slightly next year as loans mature, the outlook will depend on the interest-rate environment. Funding strategies will look through various sources of funds. The company continues to diversify the mix of loans and debentures.
- **Uncertainty in asset quality.** TIDLOR expects credit costs and NPL formation to remain manageable in 2H26 and broadly in line with its targets. Management sees collection performance has remained healthy. Credit cost is expected to normalise in 2H26 from the low level in 1Q26, which benefitted from net write-offs related to the sale of debt to Sukhumvit Asset Management (SAM). The company has revised down its credit cost target to 2.0-2.5% from 2.2-2.8%, given the lower credit cost in 1H26. The NPL ratio, which picked up to 2.37% in 2Q26, is not expected to deteriorate further.
- **Continuing share buybacks.** For the buyback programme, TIDLOR intends to continue utilising the approved budget and plans to cancel the repurchased shares after the programme is completed. They also maintained their policy of paying dividends with a more than 20% payout ratio.

2Q26 Results Recap

Year to 31 Dec (Btm)	2Q26	1Q26	2Q25	qoq chg (%)	yoy chg (%)
Total gross loans	112,538	109,926	105,906	2.4	6.3
Net interest income	4,511	4,376	4,118	3.1	9.6
Non-interest income	1,046	1,100	994	(5.0)	5.2
Loan loss provision	(572)	(468)	(692)	22.2	(17.4)
Non-Interest Expenses	(3,064)	(2,981)	(2,789)	2.8	9.9
Pre-provision operating profit	2,103	2,079	1,988	1.1	5.8
Net income	1,533	1,614	1,296	(5.0)	18.3
EPS (Bt)	0.53	1	0.44	(5.0)	19.6
Ratio (%)					
NPL ratio (%)	1.54	1.47	1.78		
Loan loss coverage ratio (%)	322	340	262		
Net interest margin (NIM %)	16.2	15.9	15.6		
Credit cost (bp)	206	171	263		
Cost to income (%)	55.1	54.4	54.6		
Number of network store	1,918	1,892	1,832		
Baseline Total Loans/Store	58.7	58.1	57.8		

Source: TIDLOR, UOB Kay Hian

Valuation/Recommendation

- **Maintain BUY with an unchanged target price of Bt25.00** based on the Gordon Growth Model (cost of equity: 13%, long-term growth: 4%). Our target price implies a 2026F P/B of 1.9x, broadly in line with its five-year average.

Earnings Revision/Risk

- No earnings revision.

Share Price Catalyst

- Government stimulus packages to boost economic recovery.

Environment, Social, Governance (ESG) Updates

CG Report: 4
SET ESG Rating: N/A

Environmental

- Lighting control systems are implemented to adjust the amount of light suitable for each work area.

Social

- TIDLOR started a financial literacy programme in 2013 after launching nano-finance.

Governance

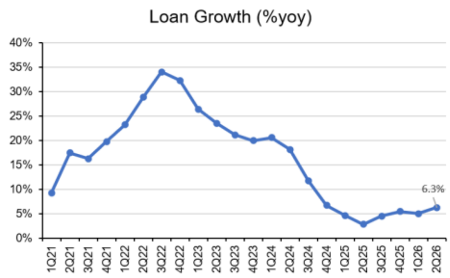
- The company also adheres to a notion of "sustainability" towards all stakeholders.

2026 Financial Targets

	1H26 Actual	2026 Target	2025 Target
Loan growth	2.7% ytd	5-10%	> 6.6%
Cost to income	54.8%	Mid 50s	
NPL ratio	1.54%	1.5-1.8%	< 2.0%
Credit cost	187 bp	220-280 bp	< 300 bp

Source: TIDLOR, UOB Kay Hian

Loan Growth (%yoy)

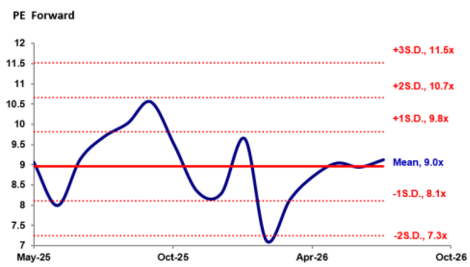


Source: TIDLOR, UOB Kay Hian

Credit Cost (bp)

Source: TIDLOR, UOB Kay Hian

PE Band



Source: TIDLOR, UOB Kay Hian

P/B Band

Source: TIDLOR, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Interest income	19,344	20,259	21,930	23,528
Interest expense	(2,535)	(2,441)	(2,505)	(2,562)
Net interest income/(expense)	16,809	17,818	19,425	20,966
Fees & Commissions	4,024	4,414	4,796	5,135
Income From Insurance	0	0	0	0
Net Trading Income	0	0	0	0
Other Income	165	197	197	197
Non-Interest Income	4,189	4,611	4,994	5,332
Total Income	20,998	22,430	24,419	26,299
Staff Costs	(11,648)	(12,343)	(13,436)	(14,376)
Other Operating Expense	0	0	0	0
Pre-Provision Profit	9,350	10,086	10,983	11,923
Loan Loss Provision	(3,031)	(2,691)	(3,071)	(2,909)
Pre-tax profit	**6,319**	**7,396**	**7,912**	**9,014**
Tax	(1,246)	(1,481)	(1,584)	(1,805)
Minorities	(38)	(10)	0	0
Net profit	**5,036**	**5,905**	**6,328**	**7,209**
Net profit (adj.)	5,036	5,905	6,328	7,209

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Cash With Central Bank	3,060	3,517	4,043	4,368
Customer Loans	104,086	112,250	120,174	128,708
Properties & Other Fixed Assets	1,944	1,599	1,399	1,324
Goodwill & Intangible Assets	600	587	587	587
Other Assets	3,106	3,087	3,199	3,314
Total assets	**112,797**	**121,040**	**129,401**	**138,300**
Customer Deposits	41,061	40,793	42,640	44,049
Debts Securities Issued	32,286	38,689	41,591	44,573
Other Liabilities	4,986	2,931	3,151	3,377
Total liabilities	78,334	82,413	87,383	91,999
Shareholders' funds	34,255	37,276	40,668	44,951
Minority interest	208	1,351	1,351	1,351
Total Equity & Liabilities	112,797	121,040	129,401	138,301

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Capital Adequacy				
Total Assets/Equity	3	3	3	3
Tangible Assets/Tangible Common Equity	3	3	3	3
Asset Quality				
NPL Ratio	2	2	2	2
Loan Loss Coverage	325	280	300	300
Loan Loss Reserve/Gross Loans	5	4	5	5
Increase in NPLs	0	0	0	0
Credit Cost (bp)	284	237	252	223
Liquidity				
Liquid Assets/Short-Term Liabilities	7	9	9	10
Liquid Assets/Total Assets	3	3	3	3

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Growth				
Net Interest Income, yoy Chg	5	6	9	8
Fees & Commissions, yoy Chg	8	10	10	7
Pre-Provision Profit, yoy Chg	7	8	9	9
Net Profit, yoy Chg	19	17	7	14
Customer Loans, yoy Chg	5	8	7	7
Profitability				
Net Interest Margin	16	16	16	16
Cost/Income Ratio	55	55	55	55
Adjusted ROA	5	5	5	6
Reported ROE	16	17	17	18
Adjusted ROE	16	17	17	18
Valuation				
P/BV	2	2	1	1
P/NTA	2	2	1	1
Adjusted P/E	11	9	9	8
Dividend Yield	2	5	5	5

Asset World Corporation (AWC TB)

Many Factors Supporting 2H26 Earnings Outlook

Highlights

- We attended AWC's analyst meeting to review its 2Q26 results and the tone was positive.
- AWC continues to see a declining cost of debt and strong demand from MICE bookings, which will boost AWC's earnings outlook in 2H26.
- Earnings outlook remains brilliant as hotel bookings are strong and other tailwinds continue to support AWC. AWC remains one of our top picks in the hotel sector. Maintain BUY with a target price of Bt3.70.

Analysis

- **Positive tone from the analyst meeting.** We attended Asset World Corporation's (AWC) analyst meeting to review its 2Q26 results and the tone was positive.
- **Robust hotel bookings in 2H26.** Management updated that current bookings in 2H26 are very strong, with a 30% yoy room revenue growth, supported by several large events such as Gastech, IMF–World Bank Group Annual Meetings, and Tomorrowland Pattaya. We see AWC as one of the prime beneficiaries of Tomorrowland Pattaya in 4Q26 as JW Marriott Pattaya and Melia Pattaya are showing a combined 283% yoy growth in room revenue thus far in 2H26. Meanwhile, hotels in Bangkok, Chiang Mai, Samui, and Krabi are all showing very strong growths of 45%, 39%, 10%, and 12% yoy respectively in room revenue. Hence, we remain optimistic on AWC's growth prospects in 2H26.
- **Update on the REIT launch.** AWC provided an update on their planned REIT, named AWR, which is expected to be launched in 1Q27. AWC disclosed that the REIT size will be around Bt50b, with assets expected to be both from hotel and commercial business, and is expected to be listed in Thailand. The REIT should be mainly composed of freehold assets as the majority of AWC's assets are freehold, which could add a premium to asset value. This would allow AWC to realise the fair value gain once the assets are sold to REIT as well. Management aims to gradually inject mature assets such as non-Bangkok resorts, Empire Tower, and Marriott Marquis, rather than pursuing a large-scale launch that could dilute EBITDA and revenue growth. Management remains confident about demand for its REIT units, as AWC has a unique asset composition and a strong pipeline. The proceeds from the REIT will be used to fund other new projects.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	15,902.3	17,356.2	21,219.0	23,590.1	26,368.1
EBITDA	5,688.5	6,344.9	7,800.2	8,822.8	9,886.7
Operating profit	3,805.7	4,107.4	5,662.5	6,422.2	7,386.1
Net profit (rep./act.)	5,850.3	6,388.0	6,665.1	7,260.4	8,090.0
Net profit (adj.)	1,696.8	1,842.4	2,693.0	3,288.2	3,991.3
EPS (Bt)	0.1	0.1	0.1	0.1	0.1
PE (x)	57.0	52.5	35.9	29.4	24.2
P/B (x)	1.1	1.0	1.0	0.9	0.9
EV/EBITDA (x)	32.4	29.1	23.6	20.9	18.7
Dividend yield (%)	2.5	2.6	2.8	3.0	3.3
Net margin (%)	36.8	36.8	31.4	30.8	30.7
Net debt/(cash) to equity (%)	84.5	93.8	87.9	80.2	71.7
Interest cover (x)	3.0	3.3	3.2	3.6	4.1
ROE (%)	6.5	6.8	6.8	7.1	7.6
Consensus net profit (Btm)	-	-	4,874	4,524	5,211
UOBKH/Consensus (x)	-	-	0.55	0.73	0.77

Source: AWC, Bloomberg, UOB Kay Hian

Analyst(s)

Benjaphol Suthwanish

+662 659 8301

Benjaphol@uobkh.co.th

Assistant Analyst(s)

Nonpawit Vathanadachakul

BUY (Maintained)	
Share Price	Bt3.00
Target Price	Bt3.70
Upside	+23.3%

Stock Data

Sector	Consumer Discretionary
Bloomberg ticker	AWC TB
Shares issued (m)	32,026.5
Market cap (Btm)	96,720.2
Market cap (US$m)	2,918.3
3-mth avg daily t'over (US$m)	5.6

Price Performance (%)

52-week high/low: Bt3.12/Bt1.90

1mth	3mth	6mth	1yr	YTD
7.9	41.1	20.8	23.8	42.5

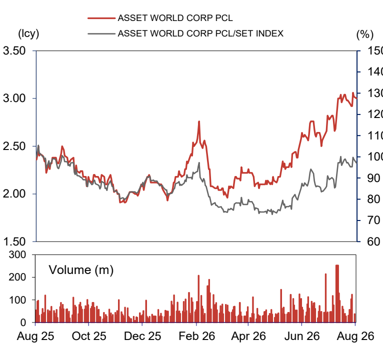
Major Shareholders (%)

TCC Business Management Company	45.0
TCC Retail Co. Ltd.	30.0

Balance Sheet Metrics

FY26 NAV/Share (Bt)	3.12
FY26 Net Debt/ Share (Bt)	2.74

Price Chart



Source: Bloomberg

Company Description

Asset World Corp Public Company Limited focuses on real estate development and investment services. The Company offers property management. Asset World Corp serves customers in Thailand.

- **Lower interest expense from low cost of debt.** Interest expense in 2Q26 dropped by 3.1% qoq and 16.8% yoy despite a higher amount of outstanding loan due to the lower cost of debt from refinancing. As of end-2Q26, AWC's cost of debt stood at 2.46% which has gone down significantly from the average cost of 3.35% in 2Q25. AWC has mostly refinanced all of its debts, which will result in more interest savings throughout this year. Management indicated that there were no prepayment fees paid for the refinancing as most of them were done nearly at the debt maturity. We believe that this declining cost of debt is a strong tailwind for AWC's earnings in 2H26, and will result in interest expenses decreasing qoq and yoy. Meanwhile, AWC's debt-to-equity ratio remains low at 0.92x, while a target of 0.60x in the long term.
- **Targeting better margins in 2H26.** AWC's overall EBITDA margin in 2H25 was considered high at 36.1%. Management is targeting to exceed this high level in 2H26 as they are seeing stronger demand for meetings, incentives, conventions, and exhibitions (MICE) events at their hotels. Management indicated that there was a large group of MICE customers from Spain who booked 200 hotel rooms during their event period in Jul 26. Moreover, AWC noted that Chinese guests who returned are more of individual travellers who are higher spenders than tour group travellers, which will boost AWC's food and beverage revenue.
- **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 15% 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. In 1H26, room revenue from Chinese guests grew by a robust 32% yoy, making Chinese guests the biggest revenue contributor of AWC once again.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt3.70.** Our valuation is rolled over to 2027 earnings and based on 1SD above the three-year historical average EV/EBITDA multiple of 24.0x. We remain optimistic on AWC's earnings outlook in 2H26 due to: a) several large events that will give AWC's hotels a traffic boost, b) the strong recovery in Chinese arrivals, who are AWC's largest revenue contributor, and c) forward bookings that are remaining very strong.

Environment, Social, Governance (ESG) Updates

Environmental

- Sustainable building design & operations: AWC integrates energy-efficient and eco-friendly designs in its hotels, retail spaces, and office buildings.
- Carbon neutrality goal: Aiming to reduce greenhouse gas emissions in line with Thailand's sustainability targets.

Social

- Community engagement: Supporting local communities through CSR projects, education initiatives, and tourism development.

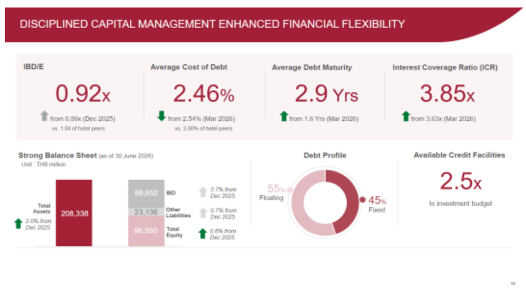
Governance

- Strong corporate governance: Adopting transparent management policies to ensure ethical business practices.
- Risk management: Robust frameworks to mitigate financial, operational, and environmental risks.

Forward bookings for 2H26

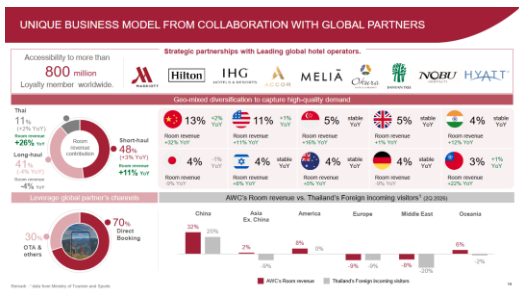
Source: AWC

AWC'S debt profile



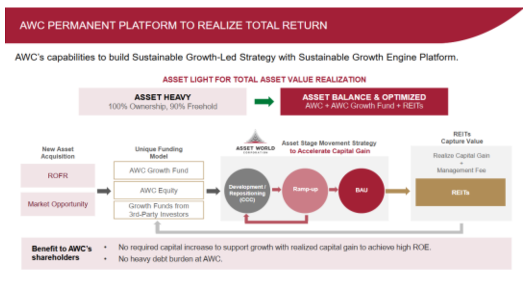
Source: AWC

AWC's market source



Source: AWC

REIT structure



Source: AWC

AWC's hotel performance in Jul 26

July 2026 Hospitality key parameters[1]

Segments	Occupancy growth (YoY)	ADR growth (YoY)	RevPAR growth (YoY)
MICE and F&B Destination Hotels	+2%	+16%	+20%
Bangkok City Hotels	+13%	+0%	+20%
Luxury Resorts	+3%	+10%	+14%
Other Non-Bangkok Hotels	+16%	+13%	+44%
Total Hotel Portfolio	+8%	+11%	+26%
Same Store Hotel Portfolio[2]	+6%	+11%	+21%

Remark: [1] all numbers in the table are estimated and unaudited number.
[2] excludes Pattaya Marriott Resort and Spa.

Source: AWC

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	**17,356**	**21,219**	**23,590**	**26,368**
EBITDA	6,345	7,800	8,823	9,887
Deprec. & amort.	2,238	2,138	2,401	2,501
EBIT	4,107	5,662	6,422	7,386
Total other non-op. income	5,679	5,092	5,107	5,123
Associate contributions	2	0	0	0
Net interest income/(expense)	(1,945)	(2,424)	(2,453)	(2,397)
Pre-tax profit	**7,844**	**8,331**	**9,076**	**10,112**
Tax	(1,456)	(1,666)	(1,815)	(2,022)
Minorities	0	0	0	0
Net profit	6,388	6,665	7,260	8,090
Net profit (adj.)	**1,842**	**2,693**	**3,288**	**3,991**

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	194,638	193,583	195,271	196,822
Other LT assets	6,874	5,664	5,829	6,030
Cash/ST investment	386	5,553	10,645	13,636
Other current assets	2,299	2,143	2,429	2,698
Total assets	**204,197**	**206,943**	**214,174**	**219,186**
ST debt	41,497	42,537	41,687	37,518
Other current liabilities	4,226	3,265	3,566	4,173
LT debt	48,713	50,713	52,713	54,713
Other LT liabilities	14,022	10,610	11,795	13,184
Shareholders' equity	95,739	99,818	104,412	109,598
Minority interest	0	0	0	0
Total liabilities & equity	**204,197**	**206,943**	**214,173**	**219,186**

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	**8,190**	**7,972**	**9,676**	**10,928**
Pre-tax profit	7,844	8,331	9,076	10,112
Tax	(1,456)	(1,666)	(1,815)	(2,022)
Deprec. & amort.	2,238	2,138	2,401	2,501
Working capital changes	(537)	(202)	28	334
Non-cash items	142	(603)	(13)	4
Other operating cashflows	(38)	(26)	0	0
Investing	**(18,077)**	**(3,286)**	**(3,067)**	**(2,864)**
Capex (growth)	(17,581)	(1,083)	(4,088)	(4,052)
Investment	4,344	4,344	4,344	4,344
Others	(4,840)	(6,547)	(3,323)	(3,156)
Financing	**9,801**	**480**	**(1,517)**	**(5,073)**
Dividend payments	(2,400)	(2,560)	(2,666)	(2,904)
Proceeds from borrowings	12,188	3,040	1,149	(2,169)
Loan repayment	0	0	0	0
Others/interest paid	13	0	0	0
Net cash inflow (outflow)	**(85)**	**5,167**	**5,091**	**2,992**
Beginning cash & cash equivalent	**472**	**387**	**5,553**	**10,645**
Ending cash & cash equivalent	**387**	**5,553**	**10,645**	**13,636**

Key Metric

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	36.6	36.8	37.4	37.5
Pre-tax margin	45.2	39.3	38.5	38.4
Net margin	36.8	31.4	30.8	30.7
ROA	3.3	3.2	3.4	3.7
ROE	6.8	6.8	7.1	7.6
Growth (% yoy)				
Turnover	9.1	22.3	11.2	11.8
EBITDA	11.5	22.9	13.1	12.1
Pre-tax profit	10.3	6.2	8.9	11.4
Net profit	9.2	4.3	8.9	11.4
Net profit (adj.)	8.6	46.2	22.1	21.4
EPS	8.6	46.2	22.1	21.4
Leverage				
Debt to total capital	48.5	48.3	47.5	45.7
Debt to equity	94.2	93.4	90.4	84.2
Net debt/(cash) to equity	93.8	87.9	80.2	71.7
Interest cover (x)	3.3	3.2	3.6	4.1

Berli Jucker (BJC TB)

More Bullish On Growth Outlook With Attractive Valuation

Highlights

- The tone during its analyst meeting was positive. Management is confident in packaging sales momentum during 2H26, underpinned by very strong demand.
- Modern retail is gaining momentum as Big C's qtd SSSG has improved to flat yoy, while MMVN's July SSSG was 11-12% yoy.
- Maintain BUY with a target price of Bt18.00.

Analysis

- **We came away from the analyst meeting with a more positive view on BJC.**
- **Management remains confident in packaging sales momentum during 2H26**, underpinned by healthy demand from both beverage and alcohol customers. Growth should come from both domestic and third-party customers. We see limited downside risk to margins as soda ash costs are largely locked in, while natural gas prices have already peaked and are now declining. Selling prices also remain stable. Although there are early signs that some industry players may consider restarting furnaces, we expect this to take time given the significant costs involved.
- **Modern retail is gaining momentum.** Big C's qtd SSSG improved to flat yoy, from low single-digit declines in July, with SSSG turning strongly positive in the first half of August. The recovery was driven by assortment optimisation, higher direct sourcing, stronger e-commerce sales, and robust growth in Donjai stores. The Big Format renovation programme has also generated a positive sales uplift. Around 44% of stores have been renovated over the past three years, with the remaining stores to be gradually renovated. The new Mini Big C format has received a positive response, with management targeting 120 new-format stores (300 sqm each) and 30 smaller-format stores by end-27. Meanwhile, MM Vietnam (MMVN) continued to deliver strong momentum, with July SSSG at 11–12% yoy. However, SG&A is also expected to remain high mainly due to higher staff costs following store closures and employee relocations, with improvement expected in 4Q26.
- **SG&A may remain high.** The key challenges are softer gross margins in the consumer business and elevated SG&A. Demand remains healthy, supported by new product launches that have helped BJC gain market share, although higher packaging costs remain a headwind. We expect the consumer business earnings to continue slowing.

Key Financials

Year to 31 Dec (Bt m)	2024	2025	2026F	2027F	2028F
Net turnover	170,814	166,542	181,170	188,520	190,215
EBITDA	22,292	21,005	22,820	23,342	23,704
Operating profit	12,904	11,795	12,704	13,166	13,459
Net profit (rep./act.)	4,001	4,011	4,675	5,075	5,306
Net profit (adj.)	4,771	4,373	4,675	5,075	5,306
EPS	1.0	1.0	1.2	1.3	1.3
PE (x)	12.9	14.0	13.1	12.1	11.6
P/B (x)	0.5	0.5	0.5	0.5	0.5
EV/EBITDA (x)	10.0	10.6	9.6	9.3	9.1
Dividend yield (%)	4.6	3.3	3.9	4.2	4.4
Net margin (%)	2.3	2.4	2.6	2.7	2.8
Net debt/(cash) to equity(%)	129.9	129.6	123.0	117.2	112.5
Interest cover (x)	4.0	3.9	4.2	4.3	4.4
ROE (%)	3.2	3.2	3.6	3.8	3.9
Consensus net profit	n.a.	n.a.	4,635	4,770	5,146
UOBKH/Consensus (x)	n.a.	n.a.	1.0	1.1	1.0

Source: Berli Jucker, Bloomberg, UOB Kay Hian

Analyst(s)

Tanapon Cholkadidamrongkul
Tanapon.c@uobkh.co.th
662 090 3359

BUY (BUY)

Share Price	Bt15.80
Target Price	Bt18.00
Upside	13.92%

Stock Data

Sector	Consumer Staples
Bloomberg ticker	BJC TB
Shares issued (m)	4,007.8
Market cap (Btm)	61,319.3
Market cap (US$m)	1,819.5
3-mth avg daily t'over (US$m)	2.4

Price Performance (%)

52-week high/low Bt21.0/Bt13.3

1mth	3mth	6mth	1yr	YTD
8.5	4.1	7.8	(22.7)	6.2

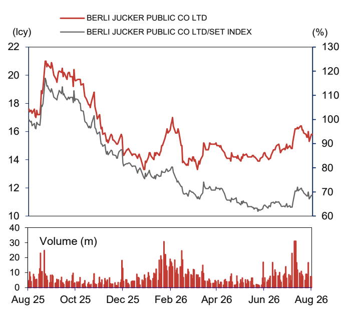
Major Shareholders (%)

TCC Corporation	45.68
TCC Holding (1995)	29.32
RAFFLES NOMINEES (PTE) LIMITED	4.07

Balance Sheet Metrics

FY26 NAV/Share (Bt)	30.68
FY26 Net Debt/Share (Bt)	37.74

Price Chart

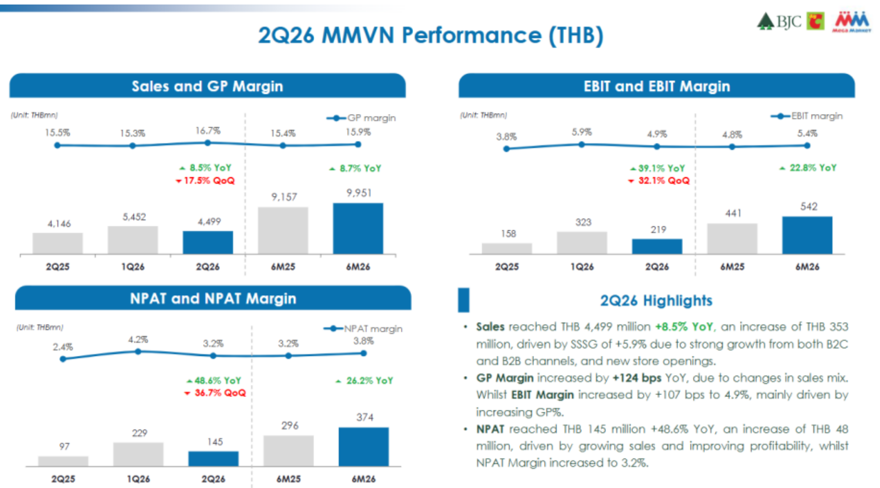


Source: Bloomberg

Company Description

Berli Jucker Pcl (BJC) is a conglomerate that operates in: a) packaging supply chain, b) consumer supply chain, c) healthcare and technical supply chains, and d) modern retail supply chain.

MMVN to Become the New Growth Driver



Source: Berli Jucker, UOB Kay Hian

Valuation/Recommendation

- **Maintain BUY with a target price of Bt18.00**. We peg our target price to a 2026F PE of 15x, equivalent to -2SD to BJC's and -1.5SD to peers' five-year averages. Overall, we place greater weight on the improving operations of the packaging and modern retail businesses. BJC is entering a phase of earnings recovery, driven by the packaging business and the initial contribution from MMVN.

Earnings Revision/Risk

- No earnings revision.

Share Price Catalysts

- Strong MMVN growth outlook; packaging businesses entering the recovery phase.

Environment, Social, Governance (ESG) Updates

CG Report: 5, SET ESG Rating: AA

Environmental

- BJC aims to become a net zero company by 2050. It is committed to developing the business to be sustainable in accordance with sustainable development frameworks, to comply with Sustainable Development Goals.

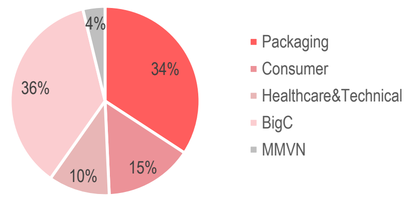
Social

- The company emphasises business operations with social responsibility in every operation by treating every stakeholder with respect for human rights as a basis, emphasises fair and equal treatment of workers, and strictly complies with relevant laws.

Governance

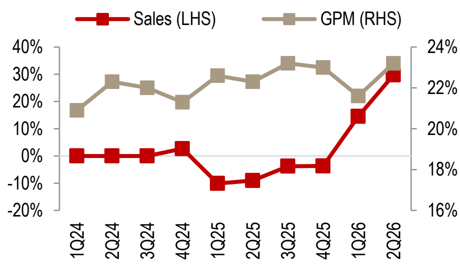
- BJC is committed to operating its business in accordance with good corporate governance policy and management excellence. BJC received the "Excellent" rating on good corporate governance from the Thai Institute of Directors.

Estimated 2026 EBIT Contribution Before Intercompany Transactions



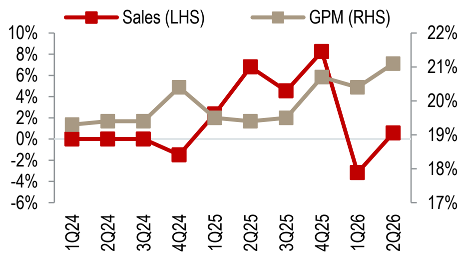
Source: Berli Jucker, UOB Kay Hian

Packaging Supply Chain



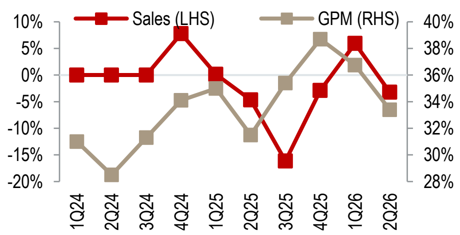
Source: Berli Jucker, UOB Kay Hian

Consumer Supply Chain



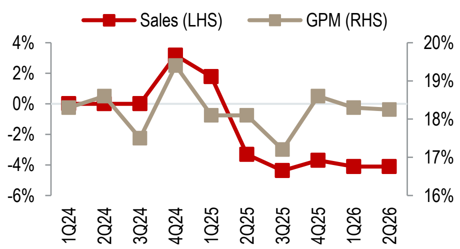
Source: Berli Jucker, UOB Kay Hian

Healthcare And Technical Supply Chain



Source: Berli Jucker, UOB Kay Hian

Big C



Source: Berli Jucker, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	**1,021,588**	**1,047,830**	**1,078,529**	**1,112,133**
EBITDA	90,540	94,368	97,801	101,332
Deprec. & amort.	37,777	38,146	40,492	42,864
EBIT	52,764	56,221	57,309	58,468
Total other non-operating income	9	0	0	0
Associate contributions	580	580	586	592
Net interest income/(expense)	(14,347)	(14,022)	(13,980)	(13,937)
Pre-tax profit	**38,919**	**42,780**	**43,915**	**45,123**
Tax	(7,045)	(7,807)	(8,016)	(8,238)
Minorities	(3,669)	(4,042)	(4,185)	(4,309)
Net profit	**28,206**	**30,931**	**31,714**	**32,576**
Net profit (adj.)	27,712	30,351	31,128	31,984

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	803,684	816,376	827,584	837,490
Other LT assets	26,572	26,993	32,691	38,745
Cash/ST investment	53,561	70,526	71,870	77,881
Other current assets	98,997	91,803	96,301	101,553
Total assets	**982,814**	**1,005,699**	**1,028,445**	**1,055,669**
ST debt	75,885	75,885	75,885	75,885
Other current liabilities	174,694	180,592	184,007	190,628
LT debt	366,454	365,754	365,054	364,354
Other LT liabilities	34,236	35,826	36,372	37,619
Shareholders' equity	138,141	158,304	173,604	189,350
Minority interest	193,403	189,338	193,523	197,832
Total liabilities & equity	**982,814**	**1,005,699**	**1,028,445**	**1,055,669**

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	**74,255**	**86,210**	**75,308**	**81,119**
Pre-tax profit	38,919	42,780	43,915	45,123
Tax	(7,045)	(7,807)	(8,016)	(8,238)
Deprec. & amort.	37,777	38,146	40,492	42,864
Working capital changes	(8,655)	13,118	(1,381)	1,230
Non-cash items	89	(27)	297	140
Other operating cashflows	13,170	0	0	0
Investing	**(37,017)**	**(26,723)**	**(33,904)**	**(34,631)**
Capex (growth)	(59,493)	(50,838)	(51,699)	(52,770)
Investments	111	(232)	(234)	(237)
Others	22,366	24,348	18,030	18,376
Financing	**(38,370)**	**(42,522)**	**(40,061)**	**(40,476)**
Dividend payments	(12,128)	(18,876)	(16,414)	(16,830)
Issue of shares	0	0	0	0
Proceeds from borrowings	17,751	(700)	(700)	(700)
Others/interest paid	(43,993)	(22,947)	(22,947)	(22,947)
Net cash inflow (outflow)	**(1,131)**	**16,965**	**1,344**	**6,011**
Beginning cash & cash equivalent	**54,628**	**53,561**	**70,526**	**71,870**
Ending cash & cash equivalent	**53,497**	**70,526**	**71,870**	**77,881**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	8.9	9.0	9.1	9.1
Pre-tax margin	3.8	4.1	4.1	4.1
Net margin	2.8	3.0	2.9	2.9
ROE	21.3	20.9	17.5	17.2
Growth				
Net profit (adj.)	12.6	9.5	2.6	2.8
Leverage				
Debt to total capital	133.4	127.0	120.1	113.7
Debt to equity	320.2	279.0	254.0	232.5
Net debt/(cash) to equity	281.4	234.4	212.6	191.4
Interest cover	6.3	6.7	7.0	7.3

UOBKayHian

Company – Update | Thailand

Tuesday, 18 August 2026

Charoen Pokphand Foods Plc. (CPF TB)

Key Takeaways from Analyst Meeting; Positive Tone

Highlights

- We expect 2Q26 earnings to mark the bottom of 2026's earnings, followed by a stronger earnings recovery in 2H26.
- We maintain a positive view on CPF's 2H26 earnings momentum, supported by: a) the upward trend in Thai and China livestock prices, b) healthy Vietnam swine prices, and c) easing raw material cost pressure.
- Maintain BUY with a higher target price of Bt26.00.

Analysis

- We attended Charoen Pokphand Foods's (CPF) analyst meeting after 2Q26 results. The tone of the meeting was positive.
  a) **Domestic swine prices:** 3Q26 domestic swine prices are expected to remain at Bt70-72/kg (+16% vs 2Q26 and +6% vs 3Q25), with further upside in 4Q26, supported by tighter supply and improving demand. We expect 2H26 swine prices to be higher than in 1H26.
  b) **Domestic chicken prices:** 3Q26 chicken prices are expected to remain high at Bt43-44/kg (+13% vs 2Q26 and +10% vs 3Q25), with positive export momentum.
  c) **Raw material prices:** Corn prices are expected to decline to around Bt10/kg during the harvest season in 2H26, while US corn imports are expected to come in 4Q26. However, wheat and soybean meal prices are expected to increase slightly both yoy and qoq.
  d) **Vietnam swine prices:** Vietnam swine prices are expected to remain stable hoh but rise yoy in 2H26, supporting healthy margins.
  e) **China swine prices**: CPF expects China swine prices to trend upward after bottoming out in 2Q26 at Rmb9/kg, in line with our previous expectation. The recovery is driven by supply reductions since early-26 and stronger seasonal demand toward the year-end. CPF expects China swine prices to reach around Rmb11.5/kg in Sep 26 and Rmb12.5-13/kg in 4Q26, implying that prices could reach breakeven in 4Q26. (China's current production cost stands at Rmb12–13/kg).
- Overall, we maintain a positive view on CPF's 2H26 earnings momentum, supported by; a) the upward trend in Thai and China livestock prices, b) healthy Vietnam swine prices, and c) easing raw material cost pressure. We expect 2Q26 earnings to mark the bottom of 2026F earnings, followed by a stronger earnings recovery in 2H26.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	580,747.2	571,134.5	581,155.9	592,846.1	604,970.6
EBITDA	60,354.9	71,175.5	60,049.5	60,704.6	61,162.2
Operating profit	34,608.8	46,078.7	35,160.0	36,568.0	37,707.6
Net profit (rep./act.)	19,558.1	25,197.5	21,499.4	22,959.6	24,064.1
Net profit (adj.)	17,631.6	24,275.9	20,093.8	21,483.8	22,514.4
EPS	2.1	2.9	2.4	2.6	2.7
PE (x)	9.7	7.1	8.5	8.0	7.6
P/B (x)	0.8	0.8	0.8	0.7	0.7
EV/EBITDA (x)	10.8	9.1	10.3	9.8	9.4
Dividend yield (%)	0.0	0.1	0.0	0.1	0.1
Net margin (%)	3.4	4.4	3.7	3.9	4.0
Net debt/(cash) to equity(%)	175.0	195.4	172.3	154.8	138.6
Interest cover (x)	2.5	3.0	2.5	2.5	2.5
ROE (%)	9.4	12.6	10.4	10.8	10.9
Consensus net profit	n.a	n.a	18,767.2	21,602.4	22,185.5
UOBKH/Consensus (x)	n.a	n.a	1.1	1.0	1.0

Source: Charoen Pokphand Foods Plc., Bloomberg, UOB Kay Hian

Analyst(s)

Nichapa Ratchabandit

Nichapa@uobkh.co.th

+662 090 3366

BUY (Maintained)

Share Price	Bt22.50
Target Price	Bt26.00
Upside	15.56%
Previous TP	Bt25.00

Stock Data

Sector	Consumer Staples
Bloomberg ticker	CPF TB
Shares issued (m)	8,159.4
Market cap (Btm)	178,690.4
Market cap (US$m)	5,387.6
3-mth avg daily t'over (US$m)	19.8

Price Performance (%)

52-week high/low				Bt24.4/Bt18.6
1mth	3mth	6mth	1yr	YTD
(0.4)	14.1	2.8	(9.5)	0.5

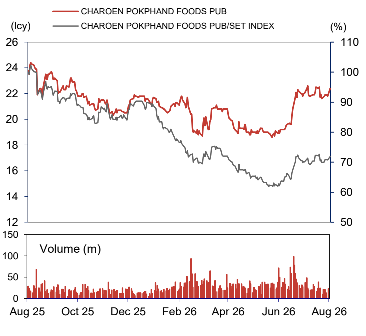
Major Shareholders (%)

Charoen Pokphand Group Co., Ltd.	25.02
Thai NVDR	10.40

Balance Sheet Metrics

FY26 NAV/Share (Bt)	25.9
FY26 Net Debt/Share (Bt)	50.2

Price Chart



Source: Bloomberg

Company Description

CPF, which is Thailand's leading conglomerate, engages in the agro-industrial processing of feed, farm and food..

2Q26 Results Recap

Year to 31 Dec (Btm)	2Q26	2Q25	1Q26	yoy%	qoq%	1H26	1H25	yoy%
Revenue	147,186	147,595	136,697	-0.3%	7.7%	283,883	291,770	-2.7%
Gross profit	22,051	29,210	21,289	-24.5%	3.6%	43,340	55,877	-22.4%
SG&A/Sales	12,497	13,042	11,868	-4.2%	5.3%	24,365	25,283	-3.6%
EBIT	9,554	16,168	9,421	-40.9%	1.4%	18,975	30,594	-38.0%
Net profit	4,076	10,377	4,875	-60.7%	-16.4%	8,951	18,926	-52.7%
Core profit	4,574	10,994	4,317	-58.4%	5.9%	8,891	19,569	-54.6%
Core EPS (Bt)	0.54	1.31	0.51	-58.4%	5.9%	1.06	2.33	-54.6%
Ratio (%)	**2Q26**	**2Q25**	**1Q26**	**yoy%**	**qoq%**	**1H26**	**1H25**	**yoy%**
Gross margin	15.0%	19.8%	15.6%	-4.8%	-0.6%	15.3%	19.1%	-3.9%
SG&A/Sales	8.5%	8.8%	8.7%	-0.3%	-0.2%	8.6%	8.7%	-0.1%
Net profit margin	2.8%	7.0%	3.6%	-4.3%	-0.8%	3.2%	6.5%	-3.3%

Source: Charoen Pokphand Foods Plc., UOB Kay Hian

- **2Q26 results recap.** CPF reported a 2Q26 net profit of Bt4.1b (-61% yoy, -16% qoq). Excluding one-off items (forex and biological assets), 2Q26 core profit came in at Bt4.6b (-58% yoy, +6% qoq). The core profit exceeded both our and consensus expectations of Bt3.4b and Bt4.0b, respectively. The earnings beat was due to: a) higher-than-expected gross profit margin and sales, and b) lower-than-expected SGA.

Valuation/Recommendation

- **Maintain BUY with a higher target price of Bt26.00** based on 2026 EPS. We roll over target prices to 2027. We use the forward PE to industry's five-year mean, at 10x. We expect domestic livestock prices to continue trending upward, supported by ongoing supply constraints and strong demand consumption. In China, swine prices are projected to increase in 2H26 following the government's measures to control and reduce supply.

Earnings Revision/Risk

- None.

Share Price Catalyst

- a) Increase in China and Vietnam swine prices, b) recovery in domestic swine and chicken prices, and c) a decline in raw material prices.

Environment, Social, Governance (ESG) Updates

CG Report: 5

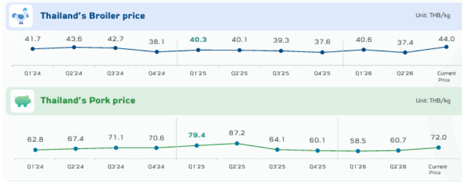
SET ESG Rating: Non-rated.

Environmental: CPF aims to be a net zero company by 2050 and plans to reduce its greenhouse gas emissions from land use and fossil fuels by 30.3% and 42.0% respectively by 2030. The company plans to reduce its greenhouse gas emissions from land use and fossil fuels by 72% and 90% by 2050.

Social: The company focuses on personnel development to train both ethical and talented employees. It pledges to improve employees' skills through lifelong learning.

Governance: Good governance practices. CPF is committed to operating its business in accordance with good corporate governance policies. It received the "Excellent" rating on good corporate governance from the Thai Institute of Directors (IOD).

Domestic Livestock Price Trend



Source: CPF

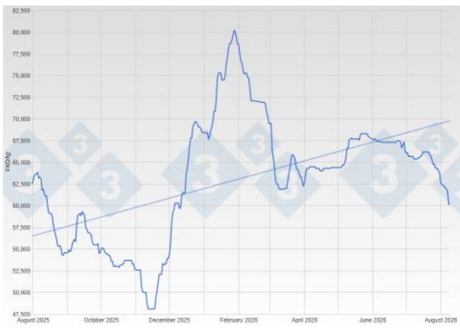
Raw Material Price Trend

Source: CPF

China Swine Price Trend

Source: Pig333

Vietnamese Swine Price Trend



Source: Pig333

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	**571,135**	**581,156**	**592,846**	**604,971**
EBITDA	71,176	60,049	60,705	61,162
Deprec. & amort.	25,097	24,890	24,137	23,455
EBIT	46,079	35,160	36,568	37,708
Total other non-operating income	5,034	4,778	4,927	5,082
Associate contributions	11,121	14,439	14,910	15,446
Net interest income/(expense)	(24,089)	(23,991)	(23,955)	(24,225)
Pre-tax profit	**37,279**	**30,386**	**32,450**	**34,011**
Tax	(8,635)	(6,077)	(6,490)	(6,802)
Minorities	(3,447)	(2,809)	(3,000)	(3,144)
Net profit	**25,197**	**21,499**	**22,960**	**24,064**
Net profit (adj.)	24,276	20,094	21,484	22,514

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	251,750	244,134	237,236	230,987
Other LT assets	418,293	421,603	424,995	428,464
Cash/ST investment	23,371	52,098	76,666	107,070
Other current assets	168,383	160,322	159,753	159,174
Total assets	**861,796**	**878,158**	**898,650**	**925,696**
ST debt	213,220	241,829	271,077	300,901
Other current liabilities	72,738	80,104	83,914	87,898
LT debt	264,920	232,402	205,636	184,046
Other LT liabilities	59,059	59,746	60,448	61,164
Shareholders' equity	232,752	244,969	258,467	272,580
Minority interest	19,108	19,108	19,108	19,108
Total liabilities & equity	**861,796**	**878,158**	**898,650**	**925,696**

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	**71,565**	**61,901**	**51,569**	**52,184**
Pre-tax profit	37,279	30,386	32,450	34,011
Tax	(8,635)	(6,077)	(6,490)	(6,802)
Deprec. & amort.	25,097	24,890	24,137	23,455
Associates	11,121	14,439	14,910	15,446
Working capital changes	(13,600)	15,512	4,473	4,665
Other operating cashflows	20,304	(17,248)	(17,910)	(18,590)
Investing	**(9,550)**	**(19,982)**	**(20,022)**	**(20,062)**
Capex (growth)	(16,329)	(16,895)	(16,895)	(16,895)
Others	6,779	(3,087)	(3,127)	(3,167)
Financing	**(61,834)**	**(13,191)**	**(6,979)**	**(1,718)**
Dividend payments	(21,604)	(9,282)	(9,461)	(9,952)
Issue of shares	200	0	0	0
Proceeds from borrowings	45,556	(32,518)	(26,766)	(21,590)
Loan repayment	(50,481)	0	0	0
Others/interest paid	(35,506)	28,609	29,248	29,823
Net cash inflow (outflow)	**181**	**28,727**	**24,568**	**30,404**
Beginning cash & cash equivalent	**24,032**	**23,371**	**52,098**	**76,666**
Changes due to forex impact	(1,252)	0	0	0
Ending cash & cash equivalent	**22,962**	**52,098**	**76,666**	**107,070**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	12.5	10.3	10.2	10.1
Pre-tax margin	6.5	5.2	5.5	5.6
Net margin	4.4	3.7	3.9	4.0
ROA	3.5	2.9	3.1	3.2
ROE	12.6	10.4	10.8	10.9
Growth				
Turnover	(1.7)	1.8	2.0	2.0
EBITDA	17.9	(15.6)	1.1	0.8
Pre-tax profit	33.3	(18.5)	6.8	4.8
Net profit	28.8	(14.7)	6.8	4.8
Net profit (adj.)	37.7	(17.2)	6.9	4.8
EPS	37.8	(17.2)	6.9	4.8
Leverage				
Debt to total capital	189.8	179.6	171.7	166.3
Debt to equity	205.4	193.6	184.4	177.9
Net debt/(cash) to equity	195.4	172.3	154.8	138.6
Interest cover	3.0	2.5	2.5	2.5

UOBKayHian

Company – Update | Thailand

Tuesday, 18 August 2026

Thanachart Capital (TCAP TB)

Impact Of Middle East Tensions Less Than Expected

Highlights

- Neutral tone during analyst meeting.
- Potential of paying a higher dividend payment.
- Maintain HOLD with an unchanged target price of Bt94.00.

Analysis

- **Neutral tone during analyst meeting.** We attended Thanachart Capital's (TCAP) analyst meeting on 17 Aug 26 and came away with a neutral view. The CEO said the impact of the Middle East tensions was less than previously expected. Moreover, debt repayment and debt collection improved in Jul and Aug 26.
- **Insurance business reported an impressive result.** Subsidiary Thanachart Insurance (TNI) reported a net profit of Bt889m in 1H26, up 76% yoy. Direct premiums rose 11.3% yoy in 1H26. The CEO attributed the impressive results to dividend income and the strong insurance business. In 1H26, TNI's ROE was 16.3% vs 9.9% in 1H25.
- **Truck business under the overhang of new safety regulations.** Ratchthani Leasing's (THANI) current loan portfolio consists of new and used trucks contributing 66% of its loan portfolio. The CEO is expecting a delay in new-truck hire purchases as clients are waiting for the final regulations on the adaptation of new safety features in new trucks. Meanwhile, we should see some clients buying used trucks instead. However, THANI's new lending was Bt8.2b in 1H26, compared with the 2026 target of Bt15b. The CEO guided that THANI has controlled its loan portfolio well thus far, and its credit cost outlook is resilient. THANI will maintain its cautious lending policy in 2H26.
- **Increase in investment resulted in impressive dividend income.** As of end-2Q26, TCAP's investment was reported of Bt27.9b, increasing by Bt8b from 4Q25. This increase of Bt8b is in line with the CEO's guidance that TCAP has built an investment portfolio of around Bt8b. Moreover, the CEO said TCAP invests in its field of expertise, which includes banking and insurance. This impressive dividend income resulted in TCAP reporting impressive earnings in 2Q26.
- **Potential to pay higher dividend.** For the share buyback programme running from 17 Aug 26 to 16 Feb 27, the CEO said there is still time to consider buying back shares at the current share price level. However, share price is currently trading at 1.0x 2026F P/B. We reckon the company will cautiously buy back shares if the P/B trades above 1x. This may result in a further improvement in its dividend payout ratio.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net interest income	2,948.5	2,622.5	2,465.2	2,686.6	2,815.6
Non-Interest Income	18,924.2	19,528.8	21,105.2	21,085.6	21,126.9
Net profit (rep./act.)	6,554.8	7,625.6	9,161.8	9,196.9	9,369.2
Net profit (adj.)	6,554.8	7,625.6	9,161.8	9,196.9	9,369.2
EPS (Bt)	6.2	7.3	8.7	8.8	8.9
PE (x)	13.8	11.9	9.9	9.8	9.6
P/B (x)	1.2	1.1	1.0	1.0	1.0
Dividend yield (%)	3.8	4.1	5.5	5.6	5.7
Net int margin (%)	3.4	3.1	3.1	3.4	3.5
Cost/income Ratio (%)	61.2	57.7	53.3	52.8	6.6
Loan loss cover (%)	179.6	139.8	162.0	165.0	165.0
Consensus net profit	n.a	n.a	7,987.1	8,009.5	8,047.7
UOBKH/Consensus (x)	n.a	n.a	1.2	1.2	1.2

Source: Thanachart Capital, Bloomberg, UOB Kay Hian

Analyst(s)

Thanawat Thangchadakorn

Thanawat@uobkayhian.co.th

+662 090 3360

HOLD (Maintained)

Share Price	Bt87.50
Target Price	Bt94.00
Upside	7.4%

Stock Data

Sector	Financials
Bloomberg ticker	TCAP TB
Shares issued (m)	1,048.6
Market cap (Btm)	91,759.4
Market cap (US$m)	2,768.6
3-mth avg daily t'over (US$m)	9.7

Price Performance (%)

52-week high/low				Bt91.75/Bt49.75
1mth	**3mth**	**6mth**	**1yr**	**YTD**
21.1	47.7	53.5	72.4	50.2

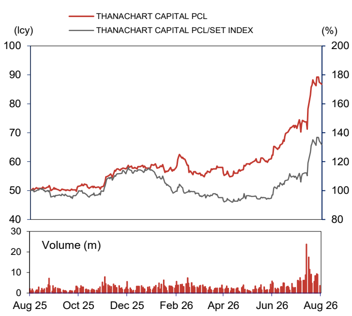
Major Shareholders (%)

MBK	24.90
Thai NVDR	8.03
Somchai Limthilakun	2.55

Balance Sheet Metrics

FY26 NAV/Share (Bt)	82.3
FY26 Net Debt/Share (Bt)	n.a

Price Chart



Source: Bloomberg

Company Description

The company operates an investment business and is the parent company of Thanachart Group. It operates a wide range of financial businesses, including hire purchase, non-life and life insurance, securities brokerage, asset-based financing, non-performing asset management, and investment.

- **2Q26 results recap.** TCAP reported a 2Q26 net profit of Bt2.64b, beating our and consensus expectations by 32% and 25% respectively. The company's net profit rose 28% yoy and 24% qoq in 2Q26. The key contributor to the decent earnings was a dividend income of Bt797m in this quarter. Ratchthani Leasing (THANI), one of TCAP's subsidiaries, reported a yoy and qoq decrease in provision expenses and credit costs in 2Q26. Excluding provision expenses, TCAP's pre-provision operating profit rose 18% yoy and 23% qoq in 2Q26.

2Q26 Results Recap

Year to 31 Dec (Btm)	2Q26	1Q26	2Q25	qoq chg (%)	yoy chg (%)
Total gross loans	45,995	47,955	54,497	(4.1)	(15.6)
Net interest income	576	609	658	(5.4)	(12.5)
Non-interest income	5,770	4,858	5,164	18.8	11.7
Loan loss provision	(54)	(28)	(261)	91.0	(79.2)
Non-Interest Expenses	(437)	(378)	(425)	15.5	2.8
Pre-provision operating profit	3,096	2,525	2,616	22.6	18.3
Net income	2,641	2,123	2,067	24.4	27.8
EPS (Bt)	2.52	2.02	1.97	24.4	27.8
Ratio (%)					
NPL ratio (%)	4.0	4.0	3.2		
Loan loss coverage ratio (%)	144	138	159		
Net interest margin (NIM %)	2.8	3.0	3.1		
Credit cost (bp)	46	24	184		
Cost to income (%)	7	7	7		
Return on Equity (%)	12.7	10.4	10.9		

Source: TCAP, UOB Kay Hian

Valuation/Recommendation

- **Maintain HOLD with a target price of Bt94.00** using the Gordon Growth Model (cost of equity: 11.5%, long-term growth: 2%). We have rolled over the target price to 2027. The target price implies 1.09x 2027F P/B, which is above +3SD to its historical five-year P/B mean.

Earnings Revision/Risk

- No earnings revision.

Share Price Catalyst

- Increase in dividend payout ratio.
- A solid recovery trend in used truck prices

Environment, Social, Governance (ESG) Updates

CG Report: 5
SET ESG Rating: AA

Environmental

- Greenhouse gas management. Assigns a person to be responsible for directly overseeing the use of electrical equipment.

Social

- Cybersecurity and personal data protection. Thanachart Group is aware of the importance of maintaining the security of customer data, employee data, and confidential company information.

Governance

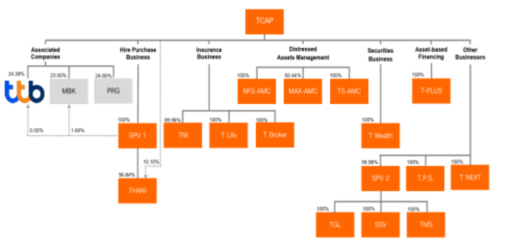
- Good corporate governance. The board shall ensure that Thanachart Group has a sound risk governance framework, adequate audit process, internal control system, risk management, and managerial regulation.

Results Of Subsidiaries In 2Q26

Subsidiary	%Share	Net Profit (Btm)		
		2Q26	1Q26	2Q25
THANI	66.94%	360	340	279
TNI	89.96%	442	446	281
TS AMC	100.00%	(6)	(5)	(7)
MAX AMC	83.44%	(7)	(3)	(6)
NFS AMC	100.00%	(35)	(32)	(33)
T LIFE	100.00%	97	29	41

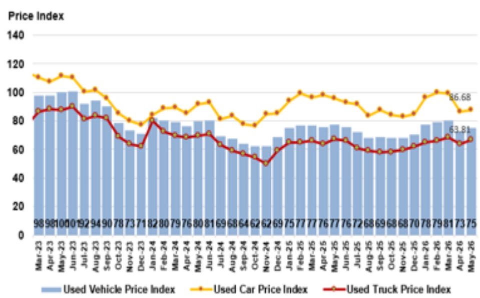
Source: TCAP, UOB Kay Hian

Shareholder Structure (Jun 26)



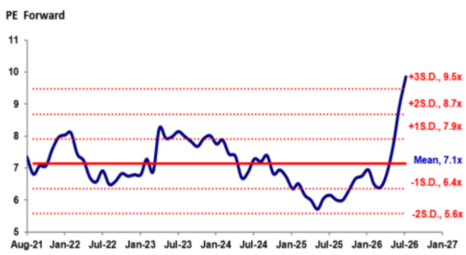
Source: TCAP., UOB Kay Hian

Used-Vehicle Price Index (May 26)



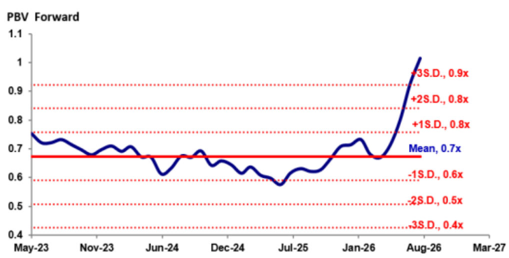
Source: BOT, UOB Kay Hian

PE Band



Source: UOB Kay Hian

P/B Band



Source: UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Interest income	4,480	4,007	3,987	3,997
Interest expense	(1,857)	(1,542)	(1,300)	(1,182)
Net interest income/(expense)	2,623	2,465	2,687	2,816
Fees & Commissions	193	514	407	478
Income From Insurance	12,258	12,379	12,385	12,385
Net Trading Income	751	1,609	1,682	1,653
Other Income	6,327	6,603	6,612	6,611
Non-Interest Income	19,529	21,105	21,086	21,127
Total Income	22,151	23,570	23,772	23,942
Staff Costs	(881)	(863)	(844)	(820)
Other Operating Expense	(11,897)	(11,706)	(11,706)	(11,668)
Pre-Provision Profit	9,373	11,001	11,222	11,454
Loan Loss Provision	(738)	(423)	(638)	(679)
Pre-tax profit	**8,635**	**10,578**	**10,584**	**10,776**
Minorities	(439)	(624)	(622)	(633)
Net profit	**7,626**	**9,162**	**9,197**	**9,369**
Net profit (adj.)	7,626	9,162	9,197	9,369

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Cash With Central Bank	2	5	5	5
Govt Treasury Bills & Securities	19,893	24,405	25,359	25,669
Interbank Loans	10,743	7,940	7,759	7,817
Customer Loans	46,423	44,143	44,760	45,320
Investment Securities	3,328	2,735	2,718	2,742
Derivative Receivables	0	0	0	0
Associates & JVs	66,964	68,344	68,344	68,344
Properties & Other Fixed Assets	4,635	4,434	4,432	4,439
Goodwill & Intangible Assets	83	72	72	72
Other Assets	2,602	2,203	2,181	2,190
Total assets	**154,674**	**154,281**	**155,629**	**156,598**
Interbank Deposits	6,096	5,583	5,605	5,655
Customer Deposits	0	0	0	0
Bills Payable	0	0	0	0
Derivative Payables	0	0	0	0
Debts Securities Issued	0	0	0	0
Subordinated Debts	45,824	39,599	36,205	32,304
Other Liabilities	4,069	4,236	4,314	4,357
Insurance Fund Liabilities	13,523	13,983	13,983	13,983
Total liabilities	69,513	63,401	60,107	56,300
Shareholders' funds	80,514	86,309	90,498	94,808
Minority interest	5,498	5,814	6,267	6,733
Total Equity & Liabilities	155,524	155,523	156,871	157,840

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Capital Adequacy				
Total Assets/Equity	2	2	2	2
Tangible Assets/Tangible Common Equity	2	2	2	2
Asset Quality				
NPL Ratio	4	3	3	3
Loan Loss Coverage	140	162	165	165
Loan Loss Reserve/Gross Loans	5	5	5	5
Increase in NPLs	9	(18)	(6)	(3)
Credit Cost (bp)	134	89	137	144
Liquidity				
Liquid Assets/Short-Term Liabilities	503	579	591	592
Liquid Assets/Total Assets	20	21	21	21

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Growth				
Net Interest Income, yoy Chg	(11)	(6)	9	5
Fees & Commissions, yoy Chg	(64)	166	(21)	17
Pre-Provision Profit, yoy Chg	11	17	2	2
Net Profit, yoy Chg	16	20	0	2
Customer Loans, yoy Chg	(21)	(5)	1	1
Profitability				
Net Interest Margin	3	3	3	3
Cost/Income Ratio	58	53	53	7
Adjusted ROA	5	6	6	6
Reported ROE	10	11	10	10
Adjusted ROE	10	11	10	10
Valuation				
P/BV	1	1	1	1
P/NTA	1	1	1	1
Adjusted P/E	12	10	10	10
Dividend Yield	4	6	6	6