UOBKayHian

Country Daily | Thailand

Tuesday, 29 September 2026

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	51481.5	(0.7)	(1.1)	(3.9)	7.1
S&P 500	7683.7	(0.8)	(1.0)	(0.4)	12.2
FTSE 100	10684.9	(0.1)	(0.5)	(1.3)	7.6
AS30	8850.7	0.1	(0.8)	(4.8)	(1.9)
CSI 300	4340.8	(2.2)	(3.7)	(5.8)	(6.2)
FSSTI	5729.0	0.3	0.9	0.5	23.3
HSCEI	8216.8	0.6	(1.5)	(3.2)	(7.8)
HSI	24642.5	0.5	(1.6)	(3.7)	(3.9)
JCI	6147.9	(1.5)	(3.7)	(5.7)	(28.9)
KLCI	1670.0	(0.1)	0.2	(3.2)	(0.6)
KOSPI	6889.7	(2.7)	2.6	1.5	63.5
Nikkei 225	65877.6	(0.7)	3.1	(0.8)	30.9
SET	1602.4	(0.3)	0.3	0.9	27.2
TWSE	48024.6	(0.3)	3.8	3.7	65.8
BDI	3268	(4.6)	(3.9)	2.6	74.1
CPO (RM/mt)	4380	(4.2)	(5.5)	(5.7)	11.4
Brent Crude (US$/bbl)	105	0.9	4.9	17.9	73.0

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
New Economy Conference at The Ritz Carlton Hotel	Malaysia	07 Oct	07 Oct
NDR with Food Empire Holdings Ltd (FEH SP)	Malaysia	08 Oct	08 Oct
Small & Mid-Caps Corporate Day	Singapore	21 Oct	21 Oct

Corporate and Macro Calendar

Economic Indicator/Event		Date
Sep. CPI	Thailand	10 Oct
Sep. Customs Trade Balance (Export-Import)	Thailand	21-26 Oct

Top Stories

Company Update | Aeon Thana Sinsap (Thailand) (AEONTS TB/**BUY**/Bt95.50/Target: Bt120.00)

Page 2→

- We project a 2QFY27 net profit of Bt695m, down 12% yoy and 12% qoq. We believe that the gain from the sale of its written-off receivables in 2QFY27 should not exceed Bt150m. We expect AEONTS' credit cost to increase from 745bp in 1QFY27 to 953bp in 2QFY27. However, the remaining budget for AEONTS' share buyback programme should help limit downside for the share price. Maintain BUY with a lower target price of Bt120.00.

Aeon Thana Sinsap (Thailand) (AEONTS TB)

2QFY27 Results Preview: Earnings To Drop qoq Due To Increase In Credit Costs

Highlights

- AEONTS will announce its 2QFY27 earnings results on 7 Oct 26.
- We expect a 2QFY27 net profit of Bt695m (-12% yoy, -12% qoq).
- Maintain BUY with a lower target price of Bt120.00 (previous: Bt125.00)

Analysis

- **Expect 2QFY27 earnings to decrease yoy and qoq.** We expect Aeon Thana Sinsap (Thailand) (AEONTS) to report a 2QFY27 net profit of Bt695m, down 12% yoy and 12% qoq. The qoq drop in earnings will be due to the increase in credit cost; however, the company will benefit from the gain on sale of written-off receivables. We foresee the company's pre-provision operating profit increasing 0.5% yoy and 11% qoq in 2QFY27.
- **Expect gains from sale of written-off receivables to be reported in 2QFY27 earnings.** AEONTS has reported the gain from the sale of its written-off receivables of Bt193m in 4QFY26. AEONTS has stated that the sale of written-off receivables will occur twice a year; hence, we expect it to take place in 2QFY27. Based on our check with the company, we believe that the gain from the sale of its written-off receivables in 2QFY27 should not exceed Bt150m.
- **Hire-purchase in Cambodia may affect AEONTS' asset quality.** There are asset quality concerns over hire-purchase (HP) loans in Cambodia. Hence, we should see higher provisioning for this segment. According to our check with the company, we expect there to be a one-time cost for accounting recognition in 2QFY27. The company guided that the HP asset quality problem in Cambodia should be resolved within the next two quarters. However, Cambodian subsidiaries currently continue to be reported under consolidation, although AEONTS has waived its pre-emptive rights to subscribe for newly issued shares of AEON Specialized Bank (Cambodia), resulting in a decrease in its shareholding from 50% to 43.01%.
- **Expect credit costs to increase qoq in 2QFY27.** We expect AEONTS' credit cost to increase from 745bp in 1QFY27 to 953bp in 2QFY27. We foresee an increase in NPL ratio from 5.6% in 1QFY27 to 5.7% in 2QFY27 with a 1.4% qoq loan contraction. According to AEONTS, the Thai Help Thai Plus 60/40 only has a small positive impact on the company as the monthly repayment of credit cards and personal loans is quite high at Bt30,000-40,000, compared with the monthly benefit from this measure of only around Bt1,000.

Key Financials

Year to 28 Feb (Btm)	2024	2025	2026F	2027F	2028F
Net interest income	16,124.9	15,533.3	15,377.9	15,733.0	15,960.0
Non-Interest Income	3,731.5	4,188.0	4,496.0	4,778.8	5,211.4
Net profit (rep./act.)	2,860.3	3,094.1	3,189.2	3,453.7	3,522.4
Net profit (adj.)	2,860.3	3,094.1	3,189.2	3,453.7	3,522.4
EPS (Bt)	11.4	12.5	12.9	14.0	14.2
PE (x)	8.3	7.6	7.4	6.8	6.7
P/B (x)	0.9	0.9	0.8	0.8	0.7
Dividend yield (%)	4.4	5.1	6.5	6.6	6.7
Net int margin (%)	17.9	17.7	17.8	17.9	17.8
Cost/income Ratio (%)	44.2	42.4	43.2	43.1	42.8
Loan loss cover (%)	153.8	169.1	170.0	172.0	172.0
Consensus net profit	n.a	n.a	3,187.4	3,331.5	3,515.0
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	1.0

Source: Aeon Thana Sinsap (Thailand), Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	Bt95.50
Target Price	Bt120.00
Upside	25.7%
Previous TP	Bt125.00

Stock Data

Sector	Financials
Bloomberg ticker	AEONTS TB
Shares issued (m)	246.3
Market cap (Btm)	23,519.9
Market cap (US$m)	702.7
3-mth avg daily t'over (US$m)	1.8

Price Performance (%)

52-week high/low				Bt120.0/Bt86.5
1mth	**3mth**	**6mth**	**1yr**	**YTD**
(5.9)	(2.8)	7.9	(19.4)	(11.2)

Major Shareholders (%)

AEON Financial Service Co., Ltd. / Japan	35.12
ACS Capital Corporation Limited	19.20
AEON Holdings (Thailand) Co., Ltd	8.80

Balance Sheet Metrics

FY26 NAV/Share (Bt)	125.4
FY26 Net Debt/Share (Bt)	n.a

Price Chart

Source: Bloomberg

Company Description

AEONTS is a non-bank consumer finance operator that mainly provides personal loans and credit cards to customers. The company principally focuses on the middle- to lower-income groups.

- **The remaining budget from second share repurchase programme should limit share price downside.** AEONTS' second share repurchase programme started on 27 Apr 26 with a total budget of Bt300m or 1% of its total outstanding shares. The programme will run for six months and end on 19 Oct 26. As of 31 Aug 26, the company had repurchased shares amounting to 40.3% of the total budget. We expect the remaining budget to help limit downside for the share price, as AEONTS will continue to buy back shares after the blackout period. Moreover, we expect to see an increase in divided payment as the company intends to increase ROE to return to its shareholders.

2QFY27 Results Preview (Jun 26-Aug 26)

Year to 28 Feb (Btm)	2QFY27F	1QFY27	2QFY26	qoq chg (%)	yoy chg (%)
Total gross loans	84,213	85,374	88,279	(1.4)	(4.6)
Net interest income	3,853	3,713	3,905	3.8	(1.3)
Non-interest income	1,080	993	1,031	8.8	4.8
Loan loss provision	(2,070)	(1,637)	(1,908)	26.4	8.5
Non-Interest Expenses	(2,009)	(2,080)	(2,025)	(3.4)	(0.8)
Pre-provision operating profit	2,925	2,626	2,911	11.4	0.5
Net income	695	793	792	(12.3)	(12.1)
EPS (Bt)	2.81	3.20	3.17	(12.3)	(11.3)
Ratio (%)					
NPL Ratio	5.7%	5.6%	5.2%		
Loan loss coverage ratio (%)	170%	169%	167%		
Net interest margin (NIM %)	18.0%	17.3%	17.6%		
Credit cost (bp)	953	745	846		
Cost to income (%)	41%	44%	41%		

Source: AEONTS, UOB Kay Hian

Valuation/Recommendation

- **Maintain BUY with a lower target price of Bt120.00 (previous: Bt125.00).** We use the Gordon Growth Model with a cost of equity of 13.0% and a long-term growth rate of 3.0%. Our target price implies 1.0x FY27F P/B, which is slightly above -1SD to its five-year average.

Earnings Revision/Risk

- We revise our FY27-29 earnings forecasts downward by 4.7%, 0.3%, and 0.7%, respectively. The downward earnings adjustment is due to asset quality problems in the HP business in Cambodia and a potential increase in credit cost for AEONTS due to the weakening economic outlook.

Share Price Catalyst

- Stimulus package(s) to improve domestic spending and repayment.
- An increase in dividend payout ratio.

Environment, Social, Governance (ESG) Updates

CG Report: 5

SET ESG Rating: A

Environmental

- **Reducing paper and plastic usage.** The company plans to convince 100% of customers to switch to e-statements in the next 3-5 years.
- **Electrical energy, water, and fuel energy management.** The company is focusing on clean energy consumption.

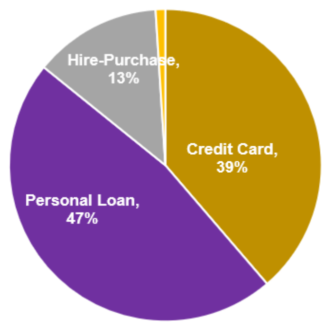
Social

- **Number of complaints from and disputes with the community.** The company plans to handle complaints and disputes with a satisfaction rate of 85% within the next few years

Governance

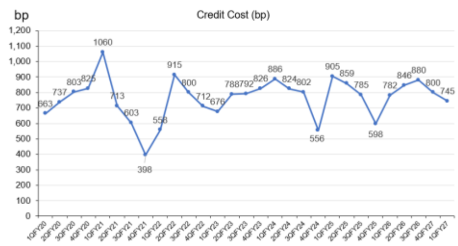
- The number of complaints regarding violations of the company's ethics and policies and incidents of corporate corruption should be less than five in the next 2-3 years.

Loan Portfolio (1QFY27)



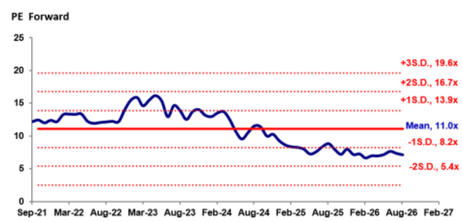
Source: AEONTS, UOB Kay Hian

Credit Cost (bp)



Source: AEONTS, UOB Kay Hian

PE Band



Source: UOB Kay Hian

P/B Band

Source: UOB Kay Hian

Profit & Loss

Year to 28 Feb (Btm)	2025	2026F	2027F	2028F
Interest income	17,587	16,989	17,172	17,370
Interest expense	(2,054)	(1,611)	(1,439)	(1,410)
Net interest income/(expense)	15,533	15,378	15,733	15,960
Fees & Commissions	857	1,015	1,247	1,482
Income From Insurance	0	0	0	0
Net Trading Income	0	0	0	0
Other Income	3,331	3,482	3,532	3,730
Non-Interest Income	4,188	4,496	4,779	5,211
Total Income	19,721	19,874	20,512	21,171
Staff Costs	(8,249)	(8,458)	(8,711)	(8,932)
Other Operating Expense	(113)	(118)	(124)	(130)
Pre-Provision Profit	11,359	11,298	11,677	12,110
Loan Loss Provision	(7,439)	(7,364)	(7,432)	(7,780)
Other Provisions	0	0	0	0
Associated Companies	0	0	0	0
Other Non-Operating Income	0	0	0	0
Pre-tax profit	**3,920**	**3,934**	**4,245**	**4,329**
Tax	(790)	(798)	(849)	(866)
Minorities	(36)	53	58	59
Net profit	**3,094**	**3,189**	**3,454**	**3,522**
Net profit (adj.)	3,094	3,189	3,454	3,522

Balance Sheet

Year to 28 Feb (Btm)	2025	2026F	2027F	2028F
Cash With Central Bank	3,682	3,316	3,406	3,451
Govt Treasury Bills & Securities	0	0	0	0
Interbank Loans	0	0	0	0
Customer Loans	78,088	76,246	78,274	79,361
Investment Securities	0	0	0	0
Derivative Receivables	0	0	0	0
Associates & JVs	0	0	0	0
Properties & Other Fixed Assets	779	559	442	398
Goodwill & Intangible Assets	777	796	849	895
Other Assets	4,981	4,834	4,918	4,967
Insurance Fund Investment Assets	0	0	0	0
Total assets	**88,307**	**85,751**	**87,889**	**89,073**
Interbank Deposits	0	0	0	0
Customer Deposits	0	0	0	0
Bills Payable	52,260	47,530	47,391	46,385
Derivative Payables	0	0	0	0
Debts Securities Issued	0	0	0	0
Subordinated Debts	1,416	1,993	2,205	2,265
Other Liabilities	6,502	6,071	6,195	6,273
Insurance Fund Liabilities	0	0	0	0
Total liabilities	60,178	55,594	55,791	54,923
Shareholders' funds	27,195	29,156	31,038	33,032
Minority interest	934	1,001	1,059	1,118
Total Equity & Liabilities	88,307	85,751	87,889	89,073

Cash Flow

Year to 28 Feb (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	5	6	6	6
Loan Loss Coverage	169	170	172	172
Loan Loss Reserve/Gross Loans	8	8	8	9
Increase in NPLs	3	3	3	1
Credit Cost (bp)	833	841	845	867
Liquidity				
Liquid Assets/Short-Term Liabilities	7	7	7	7
Liquid Assets/Total Assets	4	4	4	4

Key Metric

Year to 28 Feb (%)	2025	2026F	2027F	2028F
Growth				
Net Interest Income, yoy Chg	0	0	0	0
Fees & Commissions, yoy Chg	0	0	0	0
Pre-Provision Profit, yoy Chg	0	0	0	0
Net Profit, yoy Chg	0	0	0	0
Customer Loans, yoy Chg	0	0	0	0
Profitability				
Net Interest Margin	18	18	18	18
Cost/Income Ratio	42	43	43	43
Adjusted ROA	3	4	4	4
Reported ROE	11	11	11	11
Adjusted ROE	11	11	11	11
Valuation				
P/BV	1	1	1	1
P/NTA	1	1	1	1
Adjusted P/E	8	7	7	7
Dividend Yield	5	7	7	7

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