UOBKayHian

# Country Daily | Thailand

Wednesday, 18 November 2026



## Key Indices

| | Prev Close | 1D % | 1W % | 1M % | YTD % |
|---|---|---|---|---|---|
| DJIA | 50759.4 | (1.6) | (2.8) | (2.4) | 5.6 |
| S&P 500 | 7340.5 | (1.0) | (2.4) | (4.2) | 7.2 |
| FTSE 100 | 10689.9 | (1.8) | (0.6) | (1.8) | 7.6 |
| AS30 | 8997.3 | (1.8) | (3.2) | 0.6 | (0.2) |
| CSI 300 | 3976.5 | (0.1) | (2.0) | (4.7) | (14.1) |
| FSSTI | 5109.1 | (1.4) | (2.8) | (5.7) | 10.0 |
| HSCEI | 7904.4 | (1.0) | (4.4) | (2.8) | (11.3) |
| HSI | 23508.2 | (1.0) | (4.3) | (2.8) | (8.3) |
| JCI | 5304.8 | (0.3) | 3.5 | 2.3 | (38.7) |
| KLCI | 1575.2 | (0.8) | (1.8) | (2.0) | (6.2) |
| KOSPI | 4968.5 | (2.6) | (5.2) | (12.3) | 17.9 |
| Nikkei 225 | 58860.4 | (1.3) | (2.6) | (9.9) | 16.9 |
| SET | 1474.7 | (1.7) | (1.4) | (6.3) | 17.1 |
| TWSE | 40092.1 | (2.3) | (6.1) | (14.9) | 38.4 |
| BDI | 2893 | (1.0) | 1.1 | 15.2 | 54.1 |
| CPO (RM/mt) | 4239 | 1.7 | 3.4 | (4.8) | 7.8 |
| Brent Crude (US$/bbl) | 93 | 1.1 | 2.1 | (14.9) | 53.6 |

*Source: Bloomberg*

## Corporate Events

| | Venue | Begin | Close |
|---|---|---|---|
| Analyst Marketing by Johnny Yum on GC AI Sector | Taipei | 17 Nov | 18 Nov |
| Corporate Roadshow with NTT DC REIT (NTTDCR SP) | Bangkok | 23 Nov | 23 Nov |
| Corporate Roadshow with NTT DC REIT (NTTDCR SP) | Kuala Lumpur | 25 Nov | 25 Nov |
| Virtual Analyst Presentation by Jonathan Koh on S-REITs Results Wrap | Singapore | 25 Nov | 25 Nov |
| Regional 1H2027 Strategy Conference | Malaysia | 02 Dec | 02 Dec |

## Corporate and Macro Calendar

| Economic Indicator/Event | | Date |
|---|---|---|
| Oct. Customs Trade Balance (Export-Import) | Thailand | 21-26 Nov |

## Top Stories

**Strategy |** AI Export Curbs: Near-Term Noise, Long-Term Opportunity Page 3 →

- We expect limited earnings impact from US AI chip restrictions, with potential delays rather than cancellations of data centre investments. Utilities should see minimal impact, while industrial estates may face slower land transfers and construction projects should remain largely unaffected. Electronics stocks may face short-term sentiment pressure. We view recent share price weakness as an opportunity to accumulate GULF, WHA, STECON, DELTA and HANA.

**Company Update |** HANA (Thailand) (HANA TB/**BUY**/Bt43.50/Target: Bt56.00) Page 7 →

- HANA reported a 3Q26 net profit of Bt693m (+4,588% yoy, +112% qoq), beating expectation by roughly 100%. HANA's AI exposure reached 6% of 3Q26 total revenue. It has signed a third contract for a solid-state cooling project and a substantial new customer for IC, which is expected to start in 3Q27. With a high IC utilisation rate at 72% and PCBA utilisation nearly at full capacity, management guides for aggressive capex in 2027. Maintain BUY. Target price: Bt56.00.

**Company Update |** Minor International (MINT TB/**HOLD**/Bt22.00/Target: Bt21.00) Page 10 →

- The tone during MINT's analyst meeting was neutral, with the hotel and food businesses expected to see positive momentum in 4Q26. Management is prioritising margin protection through cost control and operational efficiency. However, high interest expenses remain a key earnings headwind, exacerbated by rising European rates and elevated debt following perpetual bond conversions. The delayed REIT launch and gradual asset rotation limit near-term deleveraging benefits. We expect 2026 profit growth to fall short of guidance. Maintain HOLD. Target price: Bt21.00.

**Company Update |** PTT Global Chemical (PTTGC TB/**HOLD**/Bt39.20/Target: Bt45.00) Page 13 →

- PTTGC remains confident about achieving the targeted synergies value from the JVCo and expects the transaction to be completed by 2H27. In 2027, the key earnings driver will be higher combined production capacity. However, declining olefins spreads amid the persistent oversupply remain a key risk. This is consistent with our earlier view, given our more cautious outlook on the petrochemical sector. We maintain our view that the petrochemical sector will remain weak on continued oversupply. Maintain HOLD. Target price: Bt45.00.

## What's Inside

**Company Update |** Bangkok Commercial Asset Management (BAM TB/**HOLD**/Bt6.30/Target: Bt7.20) Page 16 →

- We came away from BAM's analyst meeting with a slightly positive view. The CEO guided for a big jump in bottom line in 4Q26, to be reported at around Bt1.2b-1.4b. BAM recently received board approval to establish a new JV AMC with KTAH. Management expects to obtain BOT approval in 1Q27 and complete its first NPL acquisition by 2Q27. Management expects the new JV to contribute Bt50m-75m in net profit in 2027. Maintain HOLD with a target price of Bt7.20.

**Company Update |** Krungthai Card (KTC TB/**BUY**/Bt36.00/Target: Bt50.00) Page 19 →

- We came away from KTC's analyst meeting with a slightly positive view. Management announced its 2027 financial targets, which are similar to those of 2026, except for credit card spending, which is targeted to grow 8-10% in 2027 (vs 5% in 2026). KTC guided that credit costs should be around 5% in 2027. We should see lower credit costs and an NPL ratio following the removal of KTB Leasing from KTC's consolidated balance sheet. Maintain BUY; target price: Bt50.00.

**Company Update |** Thanachart Capital (TCAP TB/**HOLD**/Bt78.75/Target: Bt90.00) Page 22 →

- We came away from TCAP's analyst meeting with a neutral view. The CEO remains conservative amid slow economic growth and is preparing for various uncertainties. TCAP evaluated the impact of flooding in Bangkok and its vicinity in late-Sep 26 and guided that the impact should be small. There should be limited downside, supported by the share buyback programme. TCAP had repurchased 2.7m shares (or 2.6% of the total shares). Maintain HOLD with a target price of Bt90.00.

# Strategy

AI Export Curbs: Near-term Noise, Long-term Opportunity

## Investment Highlights

- We expect limited impact on Thailand data centre investments (electronics, utilities, industrial estates and construction), as the restrictions could potentially delay projects rather than lead to cancellations.
- Utilities face limited earnings risks, while industrial estates may see delays in land sales and transfers. Construction projects remain largely unaffected, while electronics stocks could face short-term sentiment pressure despite limited fundamental impact.
- We recommend accumulating fundamentally strong stocks, particularly GULF, WHA, STECON, DELTA and HANA.

## Analysis

- **New US restrictions raise concerns over data centre investments.** The US has introduced new restrictions on advanced AI chip exports and access to AI computing services from overseas data centres. The measures aim to prevent Chinese companies from using data centres outside China to bypass US export controls. Thailand is among five countries facing additional licensing requirements, alongside Malaysia, Singapore, Indonesia and Brazil.
- **The impact depends on the type of data centre business.** We divide data centres into three categories: a) Traditional data centres (low risk): Mainly serve banks, businesses and cloud storage providers. They generally use CPUs, memory and storage systems rather than advanced AI chips; b) Colocation (low to moderate risk): Operators provide space, electricity and cooling, while customers install their own servers. The impact depends on whether customers use restricted AI chips; and c) AI computing (higher risk): These businesses use advanced GPUs for AI training and other AI applications. They face greater restrictions, particularly when providing computing services to Chinese customers. US hyperscaler may qualify for certain exemptions.
- **Limited impact on data centre investments and related sectors.** We expect the new US restrictions to delay rather than cancel data centre projects. Thailand's BOI has approved 42 projects with 3,400MW of IT load, equivalent to 3.7-4.3GW of potential electricity demand. Chinese investors account for 24% of projects, but not all require advanced AI chips. Utilities should see minimal earnings impact, while industrial estates may face delays in land sales and transfers. Construction projects remain largely unaffected. Electronics stocks may face short-term sentiment pressure, but fundamental risks appear limited, particularly for DELTA and HANA.

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## Top Picks

| Company | Ticker | Data Centre / AI Investment Exposure |
|---|---|---|
| GULF Development | GULF TB | Power demand growth from data centre investments |
| Wha Corporation | WHA TB | Industrial land, power and water supply for data centres |
| STECON | STECON TB | Data centre construction and co-investment |
| DELTA | DELTA TB | Power supply and cooling solutions for AI data centres |
| HANA | CCET TB | High-density PCBA and thermal cooling solutions for AI applications |

*Ratings and target prices to be confirmed by the covering analysts.*
*Source: UOB Kay Hian*

## Key Recommendations

| Company | Ticker | Rec | Share Price (Bt) | Target Price (Bt) |
|---|---|---|---|---|
| GULF Development | GULF TB | BUY | 62.50 | 80.00 |
| Wha Corporation | WHA TB | BUY | 4.96 | 6.10 |
| STECON | STECON TB | BUY | 17.20 | 26.50 |
| DELTA | DELTA TB | BUY | 185.50 | 280.0 |
| HANA | HANA TB | BUY | 44.60 | 56.00 |

*Source: Bloomberg*

## Peer Comparison

| Company | Ticker | Rec | Price 16 Nov 26 (Bt) | Target Price (Bt) | Upside To TP (%) | Last Year End | PE 2025 (x) | PE 2026F (x) | PE 2027F (x) | Yield 2026F (%) | ROE 2026F (%) | Market Cap. (S$m) | Price/ NAV ps (x) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| B.Grimm Power | BGRIM TB* | BUY | 21.90 | 26.00 | 18.72 | 12/25 | 34.1 | 21.8 | 21.1 | 2.0 | 5.4 | 1,709 | 1.6 |
| Global Power Synergy | GPSC TB* | BUY | 52.75 | 60.00 | 13.74 | 12/25 | 23.2 | 23.9 | 20.9 | 2.8 | 5.2 | 4,453 | 1.3 |
| Gulf Development | GULF TB* | BUY | 62.50 | 80.00 | 28.00 | 12/25 | 11.0 | 24.4 | 23.5 | 2.1 | 9.6 | 27,956 | 2.6 |
| Ratch Group | RATCH TB | BUY | 37.00 | 44.00 | 18.92 | 12/25 | 12.9 | 11.4 | 10.2 | 4.5 | 6.8 | 2,409 | 0.9 |
| Amata Corporation | AMATA TB | BUY | 27.10 | 38.00 | 40.22 | 12/25 | 9.9 | 6.5 | 7.8 | 5.8 | 14.7 | 933 | 1.2 |
| Wha Corporation | WHA TB | BUY | 4.96 | 6.10 | 22.98 | 12/25 | 14.4 | 17.9 | 13.8 | 3.4 | 9.9 | 2,220 | 1.9 |
| STECON | STECON TB | BUY | 17.20 | 26.50 | 54.07 | 12/25 | 13.9 | 13.6 | 16.8 | 3.0 | 11.1 | 771 | 1.5 |
| Delta Electronics (Thailand) | DELTA TB | BUY | 185.50 | 280.00 | 50.94 | 12/25 | 93.2 | 71.0 | 53.7 | 0.5 | 30.1 | 69,278 | 19.3 |
| Kce Electronics | KCE TB | BUY | 57.00 | 70.00 | 22.81 | 12/25 | 80.9 | 41.3 | 25.7 | 2.1 | 12.2 | 2,017 | 5.0 |
| Hana Microelectronics | HANA TB | BUY | 44.60 | 56.00 | 25.56 | 12/25 | 73.5 | 35.4 | 27.9 | 2.2 | 4.2 | 1,182 | 1.5 |

*Source: Respective companies, UOB Kay Hian* **local platform*

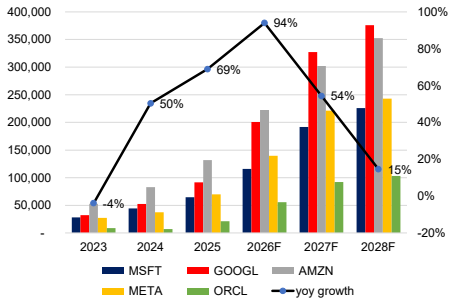
## Thailand Utility Sector

- **Potential impact on electricity demand should be limited.** Thailand's BOI has approved 42 data centre projects in 2024-26, with total IT load of around 3,400MW. This translates into 3.7-4.3GW of total electricity demand, assuming PUE of 1.10-1.25x, or around 10-12% of Thailand's peak power demand. Chinese investors account for 10 projects (24%), but not all Chinese-owned data centres use advanced AI chips. We believe only a small portion of the pipeline is likely to be affected. Assuming 30% of capacity is exposed and 30% of that capacity is delayed, the potential impact would be around 333MW-387MW. Therefore, we expect the restrictions to mainly affect advanced AI computing rather than traditional data centre operations. The main risk is that some future data centre projects may be delayed.
- **We maintain our positive long-term view for data centre electricity demand.** We see no cut on consensus earnings forecasts for GULF, GPSC, BGRIM or RATCH. Feedback from GULF and GPSC also suggests that the direct impact should be very limited. In our view, Thailand's new Category 9 electricity tariff, grid capacity and project completion schedules are more important factors for future electricity demand than the US chip restrictions. We continue to see data centres as a key long-term growth driver for Thai utilities. Given the limited impact of the US AI chip restrictions on existing earnings and long-term data centre demand, we believe the market reaction may be overdone.
- **GULF (BUY/Target: Bt80.00) – Limited impact:** Management indicated that most of its data centre customers are US companies, while new projects mainly target US hyperscalers. Chinese customers generally use CPUs and memory rather than advanced AI GPUs. We therefore expect limited impact on its existing operations and future expansion plans.
- **GPSC (BUY/Target: Bt60.00) – Very limited impact:** GPSC currently has no data centre customers. The company is in talks with potential customers from several countries for around 250MW of electricity demand, but no agreements have been signed. Most customers are waiting for Thailand's new Category 9 electricity tariff before making investment decisions.
- **BGRIM (BUY/Target: Bt26.00) – Limited impact:** BGRIM is involved in a 96MW data centre project with Digital Edge, a Singapore-based colocation operator backed by US investor Stonepeak. The project was previously reported as fully booked. However, we still need to confirm whether its customers use advanced AI GPUs. At this stage, we see no clear signs of project delays.
- **RATCH (BUY/Target: Bt44.00) – Minimal near-term impact:** RATCH is exploring potential data centre projects of around 300MW. These projects are still future growth opportunities and do not contribute to current earnings. Any impact would mainly be a possible delay in future investments.

## Industrial Estates Sector

- **Limited direct impact but potential near-term overhang.** We expect the new US restrictions on advanced AI semiconductor exports to have a limited direct impact on industrial estate operators. However, additional regulatory scrutiny could prolong investment decisions for certain data centre projects. This may affect the timing of future land sales and transfers.
- **Maintain OVERWEIGHT on the sector.** We remain positive on Thailand's industrial estate sector despite the new US restrictions. The measures primarily target advanced AI computing and access by restricted end users rather than conventional data centre operations. While certain projects may face additional licensing requirements, we expect the impact to be concentrated in investment decisions and project timelines. Based on current information, we see limited evidence of changes to investment plans. We therefore expect a near-term sentiment overhang rather than a material impact on earnings. Nevertheless, potential delays in land transfers remain a key risk to monitor.

**Cloud Provider Capital Expenditure Forecast (Bloomberg)**




*Source: Bloomberg*

- **WHA (BUY/Target: Bt6.10).** Based on our channel check, most existing data centre operators at WHA's industrial estates are US-based. Its prospective customer pipeline includes operators from the US, China, Australia, Singapore and Japan. Non-US customers generally do not require the most advanced AI chips, while Chinese operators typically use Chinese-made alternatives. Furthermore, Chinese customers account for a relatively small portion of the current pipeline at less than 100 rai. We expect a limited impact at this stage, although some projects involving advanced AI computing or cloud services may face additional regulatory assessment.
- **AMATA (BUY/Target: Bt38.00).** AMATA has around 200 rai of potential data centre land sales under negotiation, including two potential expansion projects in Chonburi involving existing customers. Its current data centre customer base is split roughly equally between US and non-US operators, while prospective customers are primarily Singapore-based. Management indicated that the main concern for data centre investments remains utility availability rather than the new US restrictions. Furthermore, Thailand's data centre market is still in its early stages, with limited adoption of advanced AI chips. However, the potential impact on colocation operators will depend on their end customers and future computing requirements. We therefore expect a limited direct impact on AMATA at this stage.

## Construction Service Sector

- **Limited impact on construction sector.** We expect the new US restrictions on advanced AI chip exports to have a limited direct impact on Thailand's construction sector. STECON's data centre projects are primarily associated with US-based operators, while CK currently has no data centre projects in its pipeline.
- **STECON (BUY/Target: Bt26.50).** We expect the new US restrictions to have a limited direct impact on STECON's data centre business, as most customers are US-based operators. The company currently has four data centre projects under construction with a combined contract value of Bt20.2b. It is also bidding for three additional projects worth Bt49.8b. Management expects no impact on ongoing construction projects and a very limited impact on future contract bidding given its predominantly US-based customer base. Furthermore, the company expects no impact on its co-invested data centre project in Bang Pakong, as construction has been completed and operations are scheduled to commence in 4Q26. We therefore expect a limited impact on STECON's earnings and future contract opportunities.

## Thailand Electronics Sector

- **Limited fundamental impact, but near-term sentiment overhang.** We believe the new restrictions could raise market concerns over potential delays in data centre investments in ASEAN, particularly GPU deployments, which could affect demand for power electronics and cooling solutions. Overall, we believe DELTA will face the largest sentiment impact, given its current data centre revenue exposure of around 55-60%, followed by HANA, which we expect to have data centre revenue exposure of 5-10% in 2027. Meanwhile, we expect limited impact on KCE, as its business remains focused on automotive PCBs (around 75% of sales), humanoid projects and potential new customers in military, communications and industrial applications.
- **DELTA (BUY/Target: Bt280.00). W**e currently see no clear earnings impact that would warrant revisions to our forecasts, but believe the new restrictions could create a near-term overhang on the stock. However, we expect limited additional downside to DELTA's valuation from this development, as we believe its valuation already reflects a cautious view on slowing capex growth next year, as well as our conservative outlook on DELTA’s gross margin recovery due to inventory provision risks over the next two quarters. The major upside risk to DELTA's valuation is a faster-than-expected easing of

inventory provision risks, which could ease concerns over the magnitude of DELTA's gross margin recovery.

- **HANA (BUY/Target: Bt56.00).** We expect limited impact on HANA, given that sales contributions from its two AI-related projects are expected to roughly 10% in 2027 (vs 6% in 3Q26). Solid-state cooling is expected to contribute a mid-single-digit percentage of sales in 2027, while high-density PCBA will be used for testing optical transceivers (roughly 5% of sales in 2027). However, we believe the key investment story following its 3Q26 results remains the margin recovery in the IC business, strong PCBA sales growth and the outlook for improving performance of the Power Master business.
- **KCE (BUY/Target: Bt70.00).** We see limited impact on KCE. We believe the key investment story is that the market has become more cautious about KCE's execution risk following its aggressive volume growth guidance in 2027, particularly due to increasing difficulties in sourcing raw materials for special-grade HDI products compared with multi-layer PCB, which caused overall PCB volumes and product mix to miss expectations in 3Q26. However, we view KCE more as a trading opportunity rather than a long-term investment, as the market has become increasingly cautious about the potential easing of the fibreglass shortage in 2027 for non-AI applications and 2028 for AI-related applications. Nevertheless, we believe KCE's vertical integration with TLM provides an advantage amid the fibreglass shortage, while the second round of PCB price increases in 4Q26 and the third round in 1Q27 suggest that the PCB upcycle is not over yet.

# HANA (Thailand) (HANA TB)

Strong AI Pipeline And Sustained High Utilisation To Drive Earnings Growth In 2027-28

## Highlights

- Last week, HANA reported a 3Q26 net profit of Bt693m (+4,588% yoy, +112% qoq), beating expectation by roughly 100%.
- HANA's AI exposure reached 6% of 3Q26 total revenue, mainly driven by high-density PCBA, while cooling sales needs time to ramp up in 4Q26-1Q27.
- HANA has signed a third contract for a solid-state cooling project with Phononics and substantial new customer for IC, expected to start in 3Q27.
- With high IC utilisation rate at 72% and PCBA utilisation nearly at full capacity, management guides for aggressive capex in 2027.
- Maintain BUY with a target price of Bt56.00.

## Analysis

- **Recap: 3Q26 earnings beat expectations, driven by strong operating margin improvement from resilient PCBA sales and IC margin recovery.** On 11 Nov 26, HANA (Thailand) (HANA) reported a 3Q26 net profit of Bt693m (+4,588% yoy, +112% qoq), above our and Bloomberg consensus by 111% and 100%, respectively. The strong yoy growth came from a very low base last year due to significant losses from the Power Master business. The strong qoq earnings growth came from sales significantly beating expectations across all segments, especially PCBA (Printed Circuit Board Assembly) and IC (integrated circuit) sales. Sales came in at Bt7.3b (+38% yoy, +36% qoq), above our and Bloomberg by 26.3% and 25%, respectively. Excluding a major customer turning back from a consignment model to a turnkey model (buy-and-sell), sales were at Bt6.12b (+16% yoy, +14% qoq). We are positive on the strong recovery in core operating margin of 7.0% in 3Q26 (vs -0.3%/ 4.7% in 1Q26-2Q26, 0.2% in 3Q25). PMS (Power Master Semiconductor Co) and Microdisplay's gross profits remain quite stable qoq at -Bt126m in 3Q26 (vs -Bt323m in 3Q25 and -Bt116m in 2Q26).
- **AI-related project remains on track; AI exposure reaches 6% of sales in 3Q26 and is expected to ramp up further in 4Q26-2027.** First, with two AI-related projects starting to ramp up in 3Q26, HANA's AI exposure reached 6% of total sales, mainly driven by high-density PCBA, while solid-state cooling sales (thermoelectric coolers, or TECs, produced in partnership with Phononic) were still quite low. HANA has signed a third contract with production capacity equivalent to its first and second contracts combined. Although the solid-state cooling contribution remains small, management expects it to accelerate in 4Q26-1Q27, with the first two contracts reaching full output by end-1Q27. For the third contract, equipment is expected to arrive by end-2Q27, with production ramping up to maximum output by end-3Q27. Second, we remain positive on the IC business, as HANA has signed a substantial new contract with a customer expected to become one of the top three customers at its Ayutthaya plant by end-27. Equipment is expected to arrive in 3Q27.

## Key Financials

| Year to 31 Dec (Btm) | 2024 | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|---|
| Net turnover | 24,801.3 | 20,563.4 | 24,150.0 | 28,328.5 | 30,834.2 |
| EBITDA | 2,279.6 | 1,558.9 | 2,207.5 | 2,853.2 | 3,251.3 |
| Operating profit | 503.0 | 33.0 | 705.6 | 1,269.3 | 1,576.3 |
| Net profit (rep./act.) | (633.7) | 537.0 | 1,665.4 | 1,902.6 | 2,276.9 |
| Net profit (adj.) | (643.6) | 670.3 | 1,243.4 | 1,902.6 | 2,276.9 |
| EPS | (0.7) | 0.8 | 1.4 | 2.2 | 2.6 |
| PE (x) | (59.8) | 57.5 | 31.0 | 20.2 | 16.9 |
| P/B (x) | 1.4 | 1.5 | 1.4 | 1.4 | 1.3 |
| EV/EBITDA (x) | 6.9 | 10.5 | 7.8 | 6.4 | 5.6 |
| Dividend yield (%) | 1.7 | 2.3 | 2.3 | 2.9 | 3.4 |
| Net margin (%) | (2.6) | 2.6 | 6.9 | 6.7 | 7.4 |
| Net debt/(cash) to equity (%) | (20.2) | (18.3) | (14.6) | (10.2) | (9.6) |
| ROE (%) | (3.0) | 2.6 | 7.8 | 8.7 | 10.1 |
| Consensus net profit | n.a | n.a | 1,005.8 | 1,570.1 | 1,932.2 |
| UOBKH/Consensus (x) | n.a | n.a | 1.2 | 1.2 | 1.2 |

*Source: HANA (Thailand), Bloomberg, UOB Kay Hian*

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**BUY (Maintained)**

| | |
|---|---|
| Share Price | Bt43.50 |
| Target Price | Bt56.00 |
| Upside | 28.74% |

## Stock Data

| | |
|---|---|
| Sector | Information Technology |
| Bloomberg ticker | HANA TB |
| Shares issued (m) | 885.4 |
| Market cap (Btm) | 38,602.0 |
| Market cap (US$m) | 1,142.2 |
| 3-mth avg daily t'over (US$m) | 44.5 |

## Price Performance (%)

| 52-week high/low | | | | Bt53.5/Bt15.1 |
|---|---|---|---|---|
| 1mth | 3mth | 6mth | 1yr | YTD |
| (13.2) | (10.1) | 38.4 | 138.2 | 167.5 |

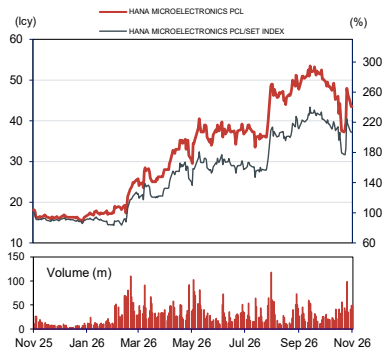
## Major Shareholders (%)

| | |
|---|---|
| OMAC (HK) LIMITED | 19.48 |
| Thai NVDR Company Limited | 8.34 |

## Balance Sheet Metrics

| | |
|---|---|
| FY26 NAV/Share (Bt) | 30.6 |
| FY26 Net Debt/Share (Bt) | (4.5) |

## Price Chart




*Source: Bloomberg*

## Company Description

HANA is an electronics manufacturing service company. Its major product groups are PCBA, IC, LED and LCE assembly.

- **Near-full PCBA capacity and IC recovery support management's confidence in 2027 expansion.** PCBA utilisation at Lamphun is expected to approach full capacity in 4Q26, while IC utilisation recovered to 72% in 3Q26 (vs 42% in 4Q25 and 63% in 2Q26). Management plans capex of Bt1.7b/ Bt3.8b for 2026/2027, respectively. The lower 2026 budget, versus previous guidance of Bt1,800m, reflects equipment delivery delays. The 2027 budget includes Bt0.24b for land purchases at the Ayutthaya and Lamphun plants, Bt1.0b for factory construction, and Bt2.56b for equipment expansion.
- **Strong demand and customer guarantees help reduce expansion risks.** Phononic's orderbook continues to grow, while the new industrial IC customer could become a top three customer of Ayutthaya in 2027. Both customers have agreed to provide financial guarantees through escrow accounts. These financial guarantees help reduce HANA capacity expansion risk as HANA can draw on customer escrow deposits to help cover equipment depreciation and investment, if customers fail to meet their commitments. These deposits cannot be used to fund capex upfront, and management did not disclose their value or coverage.
- **Management remains positive on AI demand despite blue wave and Nvidia concerns.** Management sees mainly a sentiment impact, with no major change in customer demand. TEC cooling and high-density PCBA orders remain strong. Already funded and approved data centre projects could support demand for another two to three years despite slower new investment. Management expects clearer US policy direction early next year. Tighter rules are possible, but it does not expect industry-wide development to stop, given data centres' economic importance and potential project relocation overseas.

## Valuation/Recommendation

- **Maintain BUY with a target price of Bt56.00.** Our target price is based on 27.0x 2027F PE (+0.50SD above its five-year PE mean) or near 1SD above its five-year PBV mean).
- **Weak sentiment towards AI-related stocks from blue wave and NVIDIA news provides an opportunity to accumulate.** HANA's current P/BV valuation is trading slightly higher than its historical mean, which we view as reasonable given its strong earnings growth outlook, with a three-year CAGR of 49% during 2025-28 or a two-year CAGR of 17% during 2026-28, the low D/E ratio and healthy utilisation. We recommend accumulating HANA on any share price correction between Bt38.00-45.00 (-0.25 to 0.25SD above its five-year PBV band) due to current sector rotation or weaker sentiment toward AI-related stocks, as a lower entry price would provide a greater margin of safety against PMS execution risks.

## Earnings Revision/Risk

- **The 3Q26 results accounted for 70% of our significant 2027-28 earnings upgrades, while the positive tone at the analyst meeting accounted for the remaining 30%.** We fine-tune our 2026-27 earnings forecasts upward by 50%/34%/26% to reflect higher operating assumption and utilisation. Higher IC utilisation can help boost operating margins through economies of scale.

## Share Price Catalyst

- Stronger-than-expected sales and operating margins.
- Better-than-expected recovery of PMS operating loss; higher-than-expected AI exposure as a PCBA assembler.

## Environment, Social, Governance (ESG) Updates

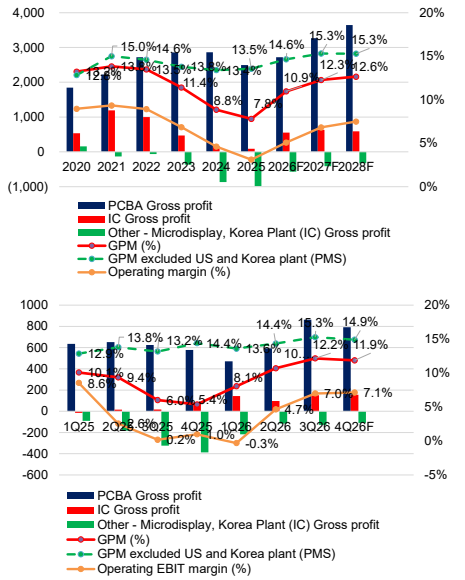
- **Environmental:** HANA targets a 40% reduction in electricity purchasing and 45% reduction in water consumption by 2030 (vs 2020 baseline).
- **Social:** HANA focuses on employee health & safety, zero-accident culture, workforce development (regular training programmes) and technical skill enhancement.
- **Governance:** HANA adheres to high standards of corporate governance, emphasising board independence, transparency, and accountability.

## Earnings Results

| (Bt) | 3Q26F | 3Q25 | 2Q26 | yoy (%) | qoq (%) |
|---|---|---|---|---|---|
| Revenue | 7,297 | 5,295 | 5,365 | 37.8 | 36.0 |
| Gross profit | 888 | 318 | 576 | 179.2 | 54.3 |
| SG&A to sales | 487 | 384 | 437 | 26.8 | 11.4 |
| Operating profit | 511 | 10 | 250 | 5,121.8 | 104.3 |
| Other income | 193 | 20 | 91 | 857.5 | 113.1 |
| Operating EBITDA | 868 | 384 | 595 | 126.1 | 46.1 |
| Net profit | 693 | 15 | 326 | 4,588.5 | 112.4 |
| Core profit | 536 | 38 | 278 | 1,309.1 | 92.9 |
| EPS | 0.78 | 0.02 | 0.37 | 4,588.5 | 112.4 |
| % | | | | ppts | ppts |
| Gross margin | 12.2% | 6.0% | 10.7% | 6.2 | 1.4 |
| SG&A to sales | 6.7% | 7.2% | 8.1% | (0.6) | (1.5) |
| Operating margin | 7.0% | 0.2% | 4.7% | 6.8 | 2.3 |
| EBITDA margin | 11.9% | 7.3% | 11.1% | 4.6 | 0.8 |
| Net profit margin | 9.5% | 0.3% | 6.1% | 9.2 | 3.4 |
| Core profit margin | 7.3% | 0.7% | 5.2% | 6.6 | 2.2 |

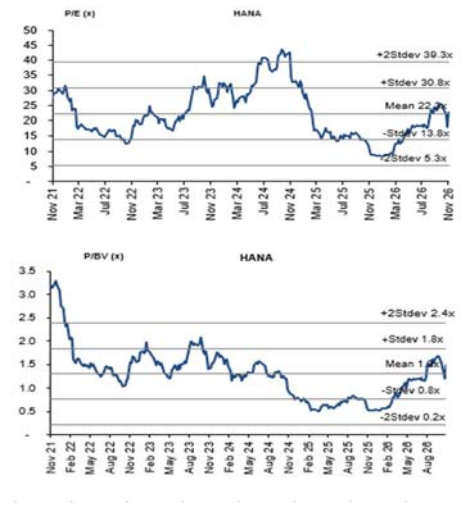
*Source: UOB Kay Hian*

## Annual and Quarterly Operating Statistics (Btm)




*Source: UOB Kay Hian*

## Five-Year Forward PE And PBV Bands




*Source: UOB Kay Hian*

## Profit & Loss

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Net turnover | 20,563 | 24,150 | 28,328 | 30,834 |
| EBITDA | 1,559 | 2,208 | 2,853 | 3,251 |
| Deprec. & amort. | 1,526 | 1,502 | 1,584 | 1,675 |
| EBIT | 33 | 706 | 1,269 | 1,576 |
| Total other non-operating income | 608 | 483 | 652 | 725 |
| Associate contributions | (26) | (13) | (15) | (15) |
| Pre-tax profit | 721 | 1,741 | 2,047 | 2,449 |
| Tax | (51) | (70) | (144) | (173) |
| Minorities | 0 | 0 | 0 | 0 |
| Net profit | 537 | 1,665 | 1,903 | 2,277 |
| Net profit (adj.) | 670 | 1,243 | 1,903 | 2,277 |

## Balance Sheet

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Fixed assets | 8,487 | 9,023 | 9,837 | 10,584 |
| Other LT assets | 336 | 398 | 407 | 412 |
| Cash/ST investment | 5,308 | 4,428 | 3,331 | 3,277 |
| Other current assets | 17,028 | 19,821 | 21,507 | 22,504 |
| Total assets | 31,159 | 33,671 | 35,082 | 36,777 |
| ST debt | 479 | 475 | 475 | 475 |
| Other current liabilities | 3,328 | 5,032 | 5,620 | 6,117 |
| LT debt | 1 | 2 | 2 | 2 |
| Other LT liabilities | 1,032 | 1,058 | 1,085 | 1,113 |
| Shareholders' equity | 26,319 | 27,104 | 27,900 | 29,071 |
| Minority interest | 0 | 0 | 0 | 0 |
| Total liabilities & equity | 31,159 | 33,671 | 35,082 | 36,777 |

## Cash Flow

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Operating | 3,987 | 2,183 | 3,652 | 3,953 |
| Pre-tax profit | 721 | 1,741 | 2,047 | 2,449 |
| Tax | (79) | (86) | (146) | (171) |
| Deprec. & amort. | 1,526 | 1,502 | 1,584 | 1,675 |
| Working capital changes | 1,830 | (1,491) | 36 | (128) |
| Non-cash items | 0 | 0 | 0 | 0 |
| Other operating cashflows | (11) | 518 | 131 | 128 |
| Investing | (3,713) | (1,672) | (3,513) | (2,772) |
| Capex (growth) | (650) | (2,038) | (2,397) | (2,422) |
| Investments | 0 | (47) | 0 | 0 |
| Others | (3,063) | 413 | (1,116) | (349) |
| Financing | (1,431) | (889) | (1,107) | (1,107) |
| Dividend payments | (664) | (885) | (1,107) | (1,107) |
| Issue of shares | 0 | 0 | 0 | 0 |
| Proceeds from borrowings | (753) | (3) | 0 | 0 |
| Others/interest paid | (14) | 0 | 0 | 0 |
| Net cash inflow (outflow) | (1,156) | (377) | (968) | 75 |
| Beginning cash & cash equivalent | 6,689 | 4,936 | 4,428 | 3,331 |
| Ending cash & cash equivalent | 5,533 | 4,559 | 3,460 | 3,406 |

## Key Metric

| Year to 31 Dec (%) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Profitability | | | | |
| EBITDA margin | 7.6 | 9.1 | 10.1 | 10.5 |
| Pre-tax margin | 3.5 | 7.2 | 7.2 | 7.9 |
| Net margin | 2.6 | 6.9 | 6.7 | 7.4 |
| ROA | 1.6 | 4.8 | 5.4 | 6.3 |
| ROE | 2.6 | 7.8 | 8.7 | 10.1 |
| Growth | | | | |
| Turnover | (11.2) | 4.3 | 22.4 | 33.2 |
| EBITDA | (58.4) | (41.0) | (23.8) | (13.2) |
| Pre-tax profit | (77.8) | (46.3) | (36.9) | (24.4) |
| Net profit | (79.5) | (36.3) | (27.3) | (13.0) |
| Net profit (adj.) | 0.0 | 85.5 | 53.0 | 19.7 |
| EPS | (11.9) | 63.5 | 150.1 | 199.3 |
| Leverage | | | | |
| Debt to total capital | 1.8 | 1.8 | 1.7 | 1.6 |
| Debt to equity | 1.8 | 1.8 | 1.7 | 1.6 |
| Net debt/(cash) to equity | (18.3) | (14.6) | (10.2) | (9.6) |

# Minor International (MINT TB)

Strong Operations In 4Q26 But No Improvement In Interest Savings

## Highlights

- We attended MINT's analyst meeting to review its 3Q26 results and the tone was neutral.
- The operation outlook for 4Q26 remains strong, but the progress of asset rotation will be gradual and will be completed by 2027.
- We remain cautious on MINT as its interest expense remains high and the interest uptrend in Europe will be detrimental to MINT's earnings outlook. Maintain HOLD with a target price of Bt21.00. (previously Bt19.50).

## Analysis

- **Neutral tone during analyst meeting.** We attended Minor International's (MINT) analyst meeting to review its 3Q26 results, and the tone was neutral.
- **Early view for 2027 and 4Q26 outlook.** MINT is still preparing its targets for next year. Management has provided a sneak peek into 2027. For its hotel business, management targets around low-mid single-digit RevPar growth yoy from Europe hotels and 8-10% RevPar growth yoy from hotels in Thailand. Meanwhile, it targets same-store-sales growth (SSSG) of +2% for its food business for 2027. For 4Q26, the outlook remains positive for hotels, with bookings in most locations indicating positive RevPar yoy. However, RevPar growth in Thailand at mid-single digit yoy remains subtle and weak despite several events and post renovation period. Meanwhile, the food business is performing well, having achieved 7% SSSG in Oct 26. The momentum has carried on into Nov 26 with a 6% SSSG for the first half of the month. This is a good build-up to the festive period when consumption demand will remain high.
- **Prioritising margin protection.** MINT's key goal in 4Q26 is protecting its operating margin. The company is actively trimming operating costs for both the hotel and food businesses. MINT has implemented AI initiatives and carried out technology transformation to increase its operational efficiency. Moreover, the asset-light expansions could enhance margins of both hotel and food businesses. However, MINT's key headwind remains the high interest expense from its loans. Even if the company is able to maintain its margins, the upward trend in interest expense will be detrimental to its earnings growth. We see that the current environment is not favourable for MINT's earnings outlook.

## Key Financials

| Year to 31 Dec (Btm) | 2024 | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|---|
| Net turnover | 164,224 | 165,936 | 173,871 | 182,220 | 190,979 |
| EBITDA | 42,684 | 44,396 | 41,481 | 43,842 | 45,907 |
| Operating profit | 21,236 | 22,844 | 22,255 | 24,232 | 25,909 |
| Net profit (rep./act.) | 7,750 | 9,009 | 9,633 | 10,315 | 11,202 |
| Net profit (adj.) | 8,391 | 9,699 | 9,633 | 10,315 | 11,202 |
| EPS (Bt) | 1.5 | 1.7 | 1.6 | 1.7 | 1.9 |
| PE (x) | 15.1 | 13.1 | 13.9 | 13.0 | 12.0 |
| P/B (x) | 1.4 | 1.4 | 1.3 | 1.2 | 1.1 |
| EV/EBITDA (x) | 6.8 | 6.6 | 7.0 | 6.6 | 6.3 |
| Dividend yield (%) | 2.6 | 2.9 | 3.2 | 3.4 | 3.7 |
| Net margin (%) | 4.7 | 5.4 | 5.5 | 5.7 | 5.9 |
| Net debt/(cash) to equity (%) | 187.6 | 195.3 | 159.8 | 142.2 | 123.4 |
| Interest cover (x) | 4.1 | 5.0 | 5.0 | 4.7 | 4.8 |
| ROE (%) | 9.4 | 10.2 | 10.3 | 10.2 | 10.4 |
| Consensus net profit (Btm) | - | - | 9,908 | 10,661 | 11,554 |
| UOBKH/Consensus (x) | - | - | 0.97 | 0.97 | 0.97 |

*Source: Minor International, Bloomberg, UOB Kay Hian*

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**HOLD (Maintained)**

| | |
|---|---|
| Share Price | Bt22.00 |
| Target Price | Bt21.00 |
| Upside | -4.5% |
| Previous TP | Bt19.50 |

### Stock Data

| | |
|---|---|
| Sector | Consumer Discretionary |
| Bloomberg ticker | MINT TB |
| Shares issued (m) | 5,624.6 |
| Market cap (Btm) | 125,709.2 |
| Market cap (US$m) | 3,709.6 |
| 3-mth avg daily t'over (US$m) | 17.7 |

### Price Performance (%)

| 52-week high/low | | | | Bt27.00/Bt19.60 |
|---|---|---|---|---|
| 1mth | 3mth | 6mth | 1yr | YTD |
| 9.0 | (2.8) | 3.0 | 8.0 | (8.0) |

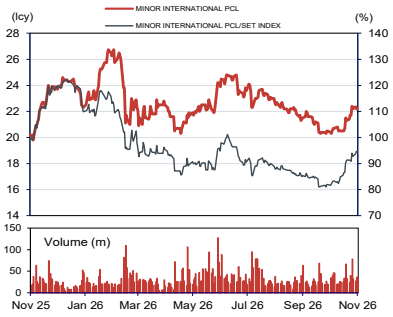
### Major Shareholders (%)

| | |
|---|---|
| Minor Group & Heinecke Family | 34.0 |
| Foreign Fund | 27.0 |

### Balance Sheet Metrics

| | |
|---|---|
| FY26 NAV/Share (Bt) | 17.29 |
| FY26 Net Debt/ Share (Bt) | 27.62 |

### Price Chart




*Source: Bloomberg*

### Company Description

MINT is one of the largest hospitality companies in the Asia-Pacific region. It also operates restaurants in Thailand and overseas and is involved in residential property development and retail trading.

- **Asset rotation continues, with gradual completion expected.** MINT has postponed its REIT launch initially planned for 2H26 due to weak demand and unfavourable market conditions. We view the delay as a significant negative for its earnings outlook, as it limits near-term deleveraging opportunities. Net IBD/E increased from 0.88x at end-1Q26 to 1.10x in 3Q26 following the conversion of slightly over Bt10b in perpetual bonds into long-term debt, adding approximately Bt300m in annual interest expenses. Meanwhile, MINT is negotiating the sale of three hotels in Europe, with plans to retain management contracts for the properties. Proceeds are expected to go towards debt repayment, with management expecting a gradual completion of sales and leaseback under management contract of the hotels within 2027. Hence, the positive impact from the interest savings will not materialise in the near term.
- **Uptrend in interest rates detrimental to MINT.** Interest cost as of end-3Q26 stood at 4.18%, up qoq. The interest uptrend in Europe is detrimental to MINT given that 43% of MINT's loans are denominated in euros, with 70% of the amount at floating rates. This points towards a negative outlook for MINT, as its debt level is likely to remain elevated while the asset rotation will be gradual and will require time to see significant interest savings. MINT's earnings growth is already constrained by its high interest burden, and unlike other hotel operators, it is unlikely to benefit from further reductions in financing costs.
- **Challenging to achieve 2026 growth targets.** Management maintains its guidance of high single-digit annual revenue growth and 15-20% p.a. profit growth. However, 9M26 core earnings grew only 4.9% yoy, well below the target. With higher interest expenses following the conversion of perpetual bonds into long-term loans, we believe achieving the 15-20% core profit growth target in 2026 will be challenging. Furthermore, around Bt13b of perpetual bonds are due and could possibly be converted into loans in Sep 27, followed by another Bt10.5b in Feb 28. This could create a prolonged earnings overhang if MINT fails to launch its REIT.

## Valuation/Recommendation

- **Maintain HOLD with a target price of Bt21.00 (previously Bt19.50).** Our valuation is rolled over to 2027 EV/EBITDA multiple at 6.2x, 2SD below the five-year mean. We remain cautious on MINT, as interest rates in Europe are trending upwards and the high interest expense is likely to weigh on earnings growth. The asset rotation will be gradual and will not be providing a significant interest savings within 2027.

## Environment, Social, Governance (ESG) Updates

### Environmental

- **Pledge Net Zero by 2050.**
- **Strategy to conserve resources.** To reduce emissions and waste and protect biodiversity across the operations and supply chains.

### Social

- **Strict occupational health and safety guidelines.** Ensures supplier compliance with the safety guidelines.

### Governance

- **CEO & senior management KPI.** Also based on non-financial KPI such as internal control compliance, sustainability and human resource management.
- **The guidelines are reviewed annually** to incorporate changes in governance requirements, business operations, and applicable laws.

### Hotel Outlook




*Source: MINT*

### Growth Target




*Source: MINT*

### Debt Profile




*Source: MINT*

### Margins Protection Plan




*Source: MINT*

## Profit & Loss

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Net turnover | 165,936 | 173,871 | 182,220 | 190,979 |
| EBITDA | 44,396 | 41,481 | 43,842 | 45,907 |
| Deprec. & amort. | 21,553 | 19,226 | 19,610 | 19,998 |
| EBIT | 22,844 | 22,255 | 24,232 | 25,909 |
| Total other non-op. income | (2,242) | 3 | 3 | 3 |
| Associate contributions | 1,436 | 932 | 1,025 | 1,127 |
| Net interest income/(expense) | (8,817) | (8,231) | (9,255) | (9,664) |
| Pre-tax profit | 13,221 | 14,959 | 16,005 | 17,375 |
| Tax | (3,381) | (4,489) | (4,794) | (5,199) |
| Minorities | (830) | (838) | (897) | (974) |
| Net profit | 9,009 | 9,633 | 10,315 | 11,202 |
| Net profit (adj.) | 9,699 | 9,633 | 10,315 | 11,202 |

## Balance Sheet

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Fixed assets | 283,129 | 277,104 | 277,311 | 275,481 |
| Other LT assets | 36,208 | 37,009 | 38,116 | 39,309 |
| Cash/ST investment | 9,596 | 35,961 | 52,822 | 67,898 |
| Other current assets | 28,397 | 30,165 | 31,609 | 33,144 |
| Total assets | 357,330 | 380,239 | 399,858 | 415,832 |
| ST debt | 24,346 | 37,149 | 53,649 | 63,649 |
| Other current liabilities | 38,162 | 40,537 | 42,478 | 44,542 |
| LT debt | 159,625 | 155,394 | 147,463 | 141,463 |
| Other LT liabilities | 38,211 | 40,590 | 42,534 | 44,600 |
| Shareholders' equity | 89,270 | 98,014 | 104,283 | 111,153 |
| Minority interest | 7,716 | 8,553 | 9,450 | 10,424 |
| Total liabilities & equity | 357,330 | 380,238 | 399,858 | 415,831 |

## Cash Flow

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Operating | 34,563 | 30,304 | 31,318 | 32,702 |
| Pre-tax profit | 13,221 | 14,959 | 16,005 | 17,375 |
| Tax | (3,381) | (4,489) | (4,794) | (5,199) |
| Deprec. & amort. | 21,553 | 19,226 | 19,610 | 19,998 |
| Associates | (1,436) | (932) | (1,025) | (1,127) |
| Working capital changes | (1,485) | 184 | 150 | 160 |
| Non-cash items | 4,656 | 424 | 346 | 368 |
| Other operating cashflows | 1,436 | 932 | 1,025 | 1,127 |
| Investing | (36,141) | (8,826) | (18,981) | (17,294) |
| Capex (growth) | (36,620) | (6,201) | (19,818) | (18,168) |
| Investment | 22,501 | 22,449 | 22,859 | 23,310 |
| Others | (22,022) | (25,075) | (22,023) | (22,436) |
| Financing | (2,145) | 4,887 | 4,523 | (332) |
| Dividend payments | (3,227) | (3,685) | (4,046) | (4,332) |
| Proceeds from borrowings | 5,846 | 8,572 | 8,569 | 4,000 |
| Others/interest paid | (4,764) | - | - | - |
| Net cash inflow (outflow) | (3,722) | 26,365 | 16,860 | 15,076 |
| Beginning cash & cash equiv. | 13,319 | 9,596 | 35,961 | 52,822 |
| Ending cash & cash equiv. | 9,596 | 35,961 | 52,822 | 67,898 |

## Key Metric

| Year to 31 Dec (S$m) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Profitability | | | | |
| EBITDA margin | 26.8 | 23.9 | 24.1 | 24.0 |
| Pre-tax margin | 8.0 | 8.6 | 8.8 | 9.1 |
| Net margin | 5.4 | 5.5 | 5.7 | 5.9 |
| ROA | 2.6 | 2.6 | 2.6 | 2.7 |
| ROE | 10.2 | 10.3 | 10.2 | 10.4 |
| | | | | |
| Growth (% yoy) | | | | |
| Turnover | 1.0 | 4.8 | 4.8 | 4.8 |
| EBITDA | 4.0 | (6.6) | 5.7 | 4.7 |
| Pre-tax profit | 18.1 | 13.1 | 7.0 | 8.6 |
| Net profit | 16.2 | 6.9 | 7.1 | 8.6 |
| Net profit (adj.) | 15.6 | (0.7) | 7.1 | 8.6 |
| EPS | 15.6 | (6.1) | 7.1 | 8.6 |
| | | | | |
| Leverage | | | | |
| Debt to total capital | 65.5 | 64.4 | 63.9 | 62.8 |
| Debt to equity | 206.1 | 196.4 | 192.9 | 184.5 |
| Net debt/(cash) to equity | 195.3 | 159.8 | 142.2 | 123.4 |
| Interest cover (x) | 5.0 | 5.0 | 4.7 | 4.8 |

# PTT Global Chemical (PTTGC TB)

Olefins Business Outlook Remains Under Pressure From Persistent Oversupply

## Highlights

- Management remains confident in achieving the targeted synergy value from the JVCo, with the deal expected to be completed by 2H27.
- We maintain a cautious and bearish outlook on the petrochemical business due to the persistent oversupply. Meanwhile, the GRM outlook is expected to improve, supported by seasonal demand and the upcoming maintenance season.
- Maintain HOLD with a target price of Bt45.00.

## Analysis

- **The tone during the meeting with PTT Global Chemical (PTTGC) was neutral.**
- **JVCo to strengthen long-term competitiveness.** We see the JV between PTTGC and SCGC as a major step towards restructuring Thailand's petrochemical industry. The transaction involves the integration of the two companies' Thai olefins, polyolefins and downstream businesses, with a combined olefins capacity of 7.10m tonnes/year. The JV aims to enhance competitiveness through asset consolidation, cost reduction and economies of scale. PTTGC will hold a 56% majority stake and maintain control of the JVCo, which is expected to generate long-term synergies of US$150m-200m/year.
- Management highlighted three key synergy areas:
  - Feedstock optimisation: Integrating the procurement of ethane, naphtha and LPG, while optimising the shared management of utilities, including power, steam and hydrogen.
  - Portfolio optimisation: Coordinating polyethylene (PE) production schedules to reduce grade-switching costs and eliminate overlapping inventory.
  - Cost optimisation: Strengthening bargaining power in the procurement of chemicals, catalysts and maintenance services through increased economies of scale.
- **The proximity of both companies' plants in Map Ta Phut is a key advantage**, enabling practical integration of utilities and supply chains without requiring significant investment in new assets. In the longer term, PTTGC aims to increase its specialty product contribution to 30% by 2030, while greater feedstock flexibility should help reduce reliance on commodity petrochemicals.
- **PTTGC expects the JVCo to be established by 2H27**, with synergies starting to materialise from 2028 onwards. This will also include the US ethane import project, which has a planned capacity of 400,000 tonnes/year and COD targeted for 2029; this should enhance feedstock flexibility and reduce feedstock costs.

## Key Financials

| Year to 31 Dec (Btm) | 2024 | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|---|
| Net turnover | 608,550 | 487,585 | 647,388 | 785,574 | 794,609 |
| EBITDA | 32,562 | 20,583 | 68,364 | 50,902 | 46,967 |
| Operating profit | 3,086 | -5,799 | 40,438 | 24,306 | 21,564 |
| Net profit (rep./act.) | -29,811 | -14,600 | 30,730 | 18,205 | 15,589 |
| Net profit (adj.) | -9,431 | -15,750 | 34,337 | 18,205 | 15,589 |
| EPS (x) | -2.1 | -3.5 | 7.6 | 4.0 | 3.5 |
| PE (x) | -18.0 | -10.8 | 4.9 | 9.3 | 10.9 |
| P/B (x) | 0.55 | 0.51 | 0.47 | 0.46 | 0.45 |
| EV/EBITDA (x) | 11.2 | 14.3 | 4.4 | 6.2 | 6.4 |
| Dividend yield (%) | 1.3 | 1.3 | 8.1 | 4.3 | 3.7 |
| Net margin (%) | -4.9 | -3.0 | 4.7 | 2.3 | 2.0 |
| Net debt/(cash) to equity (%) | 63.8 | 37.4 | 35.4 | 40.1 | 34.8 |
| Consensus net profit | | - | 24,725 | 16,069 | 14,761 |
| UOBKH/Consensus (x) | | - | 1.24 | 1.13 | 1.06 |

*Source: PTTGC, Bloomberg, UOB Kay Hian*

**Analyst(s)**

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**HOLD (Maintained)**

| | |
|---|---|
| Share Price | Bt39.20 |
| Target Price | Bt45.00 |
| Upside | +13.80% |

## Stock Data

| | |
|---|---|
| Sector | Petrochemical |
| Bloomberg ticker | PTTGC TB |
| Shares issued (m) | 4,508.85 |
| Market cap ({{Curr}}m) | 169,081.84 |
| Market cap (US$m) | 5,202.52 |
| 3-mth avg daily t'over (US$m) | 16.8 |

## Price Performance (%)

| 52-week high/low | | | | Bt41.75 / Bt19.00 |
|---|---|---|---|---|
| 1mth | 3mth | 6mth | 1yr | YTD |
| -2.61 | +15.52 | +47.52 | +38.52 | +77.38 |

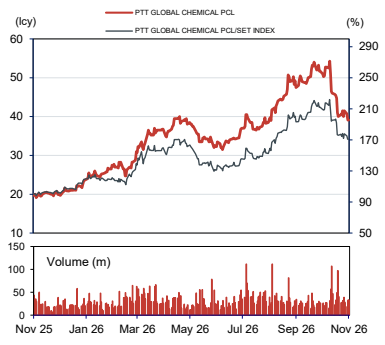
## Major Shareholders (%)

| | |
|---|---|
| PTT | 45.18% |
| Thai NVDR | 5.28% |
| Vayupak Fund 1 | 3.36% |

## Balance Sheet Metrics

| | |
|---|---|
| FY26 NAV/Share (Bt) | Bt67.80 |
| FY26 Net Debt/Share (Bt) | Bt76.31 |

## Price Chart




*Source: Bloomberg*

## Company Description

PTT Global Chemical Public Company Limited was founded on 19th October 2011 through the amalgamation of PTT Chemical Public Company Limited and PTT Aromatics and Refining Public Company Limited to be the chemical flagship of PTT Group.

- **Higher production volumes to drive 2027 growth but spread volatility remains a key risk.** Management expects business operations to normalise in 2027, with significant production volume growth across its refinery and petrochemical businesses. Refinery throughput is expected to increase by around 11%, while petrochemical production is projected to grow by approximately 9%, mainly due to fewer maintenance shutdowns. Additional growth drivers include allnex and the Holistic Optimization & Performance Enhancement programme. These are controllable factors that PTTGC can directly manage. However, volatility in petrochemical spreads, particularly olefins spreads, remains the key uncontrollable risk.
- **We maintain a bearish outlook for olefins due to persistent oversupply.** We maintain a cautious view on PE spreads amid excess supply. Although geopolitical uncertainty in the Middle East persists, concerns over olefins supply disruptions have eased significantly compared with early-26. According to Independent Commodity Intelligence Services (ICIS), global new PE capacity additions are expected to peak at more than 13.00m tonnes/year in 2027, largely driven by China. This is consistent with PTTGC's outlook and reinforces our assessment that new capacity will continue to outpace demand growth through 2027-28, potentially delaying an industry recovery until 2029.
- **Crude oil prices and GRM to normalise but remain above pre-war levels.** PTTGC expects crude oil prices to average US$78.00-90.00/bbl in 2027 (vs UOBKH assumption of US$95.00/bbl in 2026 and US$80.00/bbl in 2027), driven by oversupply concerns and easing geopolitical tensions. However, low global inventories and ongoing geopolitical uncertainties should keep crude prices above pre-war levels. For gross refinery margin (GRM), although near-term margins may soften due to higher crude premiums and freight rates, we view these as temporary headwinds. We expect GRM to recover, supported by stronger seasonal demand during the winter season, particularly for middle distillates, while global petroleum product supply remains tight. Global gasoil and gasoline inventories are still below their five-year averages, partly reflecting the impact of the war, particularly attacks on Russian refineries, which have disrupted approximately 1.40-1.70 MBD of refining capacity, equivalent to 27-33% of Russia's total capacity. Russian petroleum product exports also remain below pre-war levels. Furthermore, we expect GRM to remain strong throughout 1H27, supported by refinery maintenance shutdowns, as several refineries have postponed their maintenance to 1Q27, followed by additional shutdowns across Asia in 2Q27.

## Valuation/Recommendation

- **Maintain HOLD with a 2027 target price of Bt45.00,** based on forward P/B at mean of 0.61x. In the oil and gas sector, we prefer Thai Oil (TOP TB/BUY/Target: Bt100.00) and SCG Packaging (SCGP TB/BUY/Target: Bt43.00).

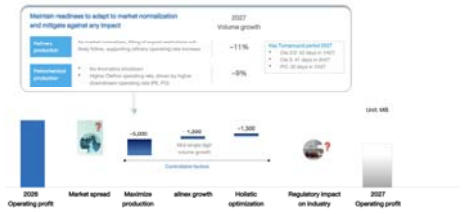
## Earnings Revision/Risk

- **Earnings revision.** None.

## Environment, Social, Governance (ESG) Updates

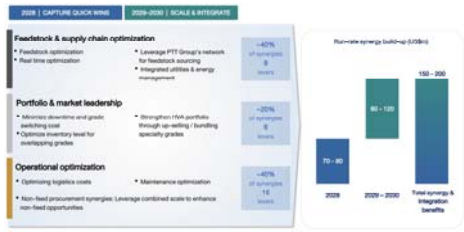
- **Environmental:** Conducts business operations with efficient use of resources in accordance with the circular economy approach, through good cooperation with partners and a continued focus on decarbonisation to achieve its goal of cutting greenhouse gas emissions to net zero by 2050.
- **Social:** Creates value for society, promotes social enterprises to generate revenue that will improve the nation's economy, reduce inequality as well as supports the safety, good education, health and wellbeing of communities and society as a whole.
- **Governance:** Be a transparent, verifiable organisation with a focus on the creation of innovative, environmentally friendly chemicals for a low-carbon business.

## 2027: Outlook



*Source: UOB Kay Hian*

## Total Synergy & Integration Benefits



*Source: UOB Kay Hian*

## Olefins Outlook



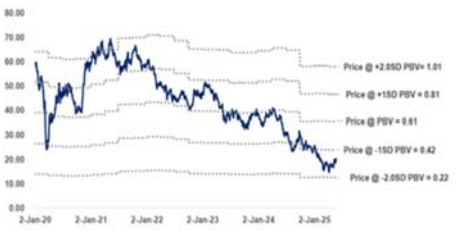
*Source: UOB Kay Hian*

## Government Intervention: Refinery Diesel Price Discount Measures

| Phase | Effective Period in 2026 | Diesel Refinery Price Discount (Bt/Liter) | Operational Status |
|---|---|---|---|
| 1 | Apr 9-23 | 2.00 | Concluded |
| 2 | Apr 24 - May 9 | 5.00 | Concluded |
| 3 | May 10-19 | 3.00 | Concluded |
| 4 | July 9-23 | 1.40 | Concluded |
| 5 | Jul 24 - Sep 15 | 2.40 | Concluded |
| 6 | Sep 16 - Oct 31 | 4.00 | Concluded |
| 7 | Nov | 2.00 | Currently Active |

*Source: UOB Kay Hian*

## Forward P/B



*Source: UOB Kay Hian*

## Profit & Loss

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Net turnover | 487,585 | 647,388 | 785,574 | 794,609 |
| EBITDA | 20,583 | 68,364 | 50,902 | 46,967 |
| Deprec. & amort. | 26,383 | 27,925 | 26,596 | 25,404 |
| EBIT | -5,799 | 40,438 | 24,306 | 21,564 |
| Total other non-op. income | 1,150 | -3,607 | 0 | 0 |
| Associate contributions | -1,547 | -500 | -500 | -500 |
| Net interest income/(expense) | -8,798 | -4,341 | -4,728 | -4,683 |
| Pre-tax profit | -16,145 | 35,597 | 19,077 | 16,380 |
| Tax | -577 | -960 | -572 | -491 |
| Minorities | 972 | -300 | -300 | -300 |
| Net profit | -14,600 | 30,730 | 18,205 | 15,589 |
| Net profit (adj.) | -15,750 | 34,337 | 18,205 | 15,589 |

## Balance Sheet

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Fixed assets | 256,541 | 243,615 | 232,019 | 221,616 |
| Other LT assets | 214,580 | 272,305 | 322,221 | 325,484 |
| Cash/ST investment | 21,271 | 14,738 | 1,012 | 9,813 |
| Other current assets | 113,981 | 145,209 | 179,183 | 181,325 |
| Total assets | 606,373 | 675,867 | 734,435 | 738,238 |
| ST debt | 3,565 | 1,383 | 7,883 | 1,383 |
| Other current liabilities | 110,378 | 138,595 | 172,048 | 174,131 |
| LT debt | 142,926 | 141,543 | 140,160 | 138,776 |
| Other LT liabilities | 53,734 | 71,345 | 86,574 | 87,569 |
| Shareholders' equity | 334,949 | 361,880 | 366,350 | 374,657 |
| Minority interest | 972 | -300 | -300 | -300 |
| Total liabilities & equity | 606,375 | 675,870 | 734,439 | 738,243 |

## Cash Flow

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Operating | 40,830 | 56,746 | 44,579 | 41,234 |
| Pre-tax profit | -16,145 | 35,597 | 19,077 | 16,380 |
| Tax | -577 | -960 | -572 | -491 |
| Deprec. & amort. | 26,383 | 27,925 | 26,596 | 25,404 |
| Working capital changes | 1,975 | -20,664 | -20,522 | -20,058 |
| Other operating cashflows | 29,195 | 14,848 | 20,000 | 20,000 |
| Investing | -11,678 | -55,114 | -49,687 | -17,268 |
| Investments | -14,025 | -15,000 | -15,000 | -15,000 |
| Others | 2,347 | -40,114 | -34,687 | -2,268 |
| Financing | -41,842 | -5,820 | -8,618 | -15,165 |
| Dividend payments | -2,517 | -2,254 | -13,735 | -7,282 |
| Proceeds from borrowings | -39,325 | -3,565 | 5,117 | -7,883 |
| Net cash inflow (outflow) | -12,689 | -4,187 | -13,727 | 8,802 |
| Beginning cash & cash equiv. | 35,091 | 18,925 | 14,738 | 1,012 |
| Changes due to forex impact | -1,131 | 0 | 0 | 0 |
| Ending cash & cash equiv. | 21,271 | 14,738 | 1,012 | 9,813 |

## Key Metric

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Profitability | | | | |
| EBITDA margin | 4.2 | 10.6 | 6.5 | 5.9 |
| Pre-tax margin | -3.3 | 5.5 | 2.4 | 2.1 |
| Net margin | -3.0 | 4.7 | 2.3 | 2.0 |
| ROA | -2.9 | 5.7 | 3.2 | 2.8 |
| ROE | -4.7 | 9.4 | 5.5 | 4.7 |
| | | | | |
| Growth (% yoy) | | | | |
| Turnover | -19.9 | 32.8 | 21.3 | 1.2 |
| EBITDA | -36.8 | 232.1 | -25.5 | -7.7 |
| Pre-tax profit | n.a. | n.a. | n.a. | n.a. |
| Net profit | n.a. | n.a. | n.a. | n.a. |
| Net profit (adj.) | n.a. | n.a. | n.a. | n.a. |
| EPS | -101.3 | -100.3 | -99.3 | -98.3 |
| | | | | |
| Leverage | | | | |
| Debt to total capital | 49.5 | 44.2 | 45.2 | 41.7 |
| Debt to equity | 43.7 | 39.5 | 40.4 | 37.4 |
| Net debt/(cash) to equity | 37.4 | 35.4 | 40.1 | 34.8 |
| Interest cover (x) | 2.3 | 15.7 | 10.8 | 10.0 |

# Bangkok Commercial Asset Management (BAM TB)

Guide For A Surge In Bottom Line In 4Q26

## Highlights

- Slightly positive tone during the analyst meeting.
- Establishment of new JV with KTB's subsidiary.
- Maintain HOLD with a target price of Bt7.20.

## Analysis

- **A slightly positive tone during the analyst meeting.** We came away from Bangkok Commercial Asset Management's (BAM) analyst meeting on 11 Nov 26 with a slightly positive view.
- **Confidence to complete the deal in 4Q26.** BAM reported 3Q26 net profit of Bt201m, below management's target of Bt600m. The shortfall was mainly due to the postponement of asset sales into 4Q26. Management confirmed that both buyers have provided written payment confirmations and are expected to complete payments in early-Dec 26.
- **Expect a jump in net profit reporting in 4Q26.** BAM expects 4Q26 net profit of Bt1.2b-1.4b, supported by Bt400m from normal operations, Bt400m-500m from deferred 3Q26 transactions, Bt150m from NPL resolution and Bt100m-150m from Credit-adjusted Effective Interest Rate (CEIR). This would bring 2026 net profit to Bt1.65b, representing 83-92% of management's full-year target of Bt1.8b-2.0b. Management is confident in all key contributions except the Bt200m-250m from backlog, which remains challenging. In the worst-case scenario, management expects a 4Q26 net profit of Bt1.0b.
- **To recognise CEIR in 4Q26.** BAM expects to recognise Bt100m-150m from CEIR in 4Q26, reflecting a new calculation method that adjusts the credit risk component in the expected credit loss (ECL) model. Management expects to apply this approach annually which estimates that a cash collection of Bt10b would generate Bt100m-150m in CEIR.
- **Establishment of new JV with KTB's subsidiary.** BAM recently received board approval to establish a new JV asset management company (AMC) with Krungthai Alliance Holding (KTAH), a subsidiary within KTB's financial group. The JV is currently undergoing establishment and licence application procedures. Management expects to obtain BOT approval in 1Q27 and complete its first NPL acquisition by 2Q27. The JV will acquire both secured and unsecured loans, with a focus on secured corporate loans. The first tranche is expected to reach Bt10b, with a target portfolio size of approximately Bt50b. Management expects the new JV to contribute Bt50m-75m in net profit in 2027.

## Key Financials

| Year to 31 Dec (Btm) | 2024 | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|---|
| Net Interest Income | 6,967 | 6,651 | 5,241 | 5,617 | 5,808 |
| Non-Interest Income | 2,612 | 3,586 | 1,914 | 1,997 | 2,013 |
| Net profit | 1,602 | 1,812 | 1,641 | 1,736 | 1,729 |
| Net profit (adj.) | 1,602 | 1,812 | 1,641 | 1,736 | 1,729 |
| EPS (Bt) | 0.5 | 0.6 | 0.5 | 0.5 | 0.5 |
| PE (x) | 13.4 | 11.9 | 13.1 | 12.4 | 12.4 |
| P/B (x) | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Dividend yield (%) | 5.3 | 7.5 | 6.8 | 7.2 | 7.2 |
| Net Int margin (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cost/income ratio (%) | 30.4 | 32.6 | 40.9 | 43.4 | 45.8 |
| Loan loss cover (%) | n.a. | n.a. | n.a. | n.a. | n.a. |
| Consensus net profit | - | - | 1,765 | 1,966 | 2,095 |
| UOBKH/Consensus (x) | - | - | 0.93 | 0.88 | 0.83 |

*Source: Bangkok Commercial Asset Management, Bloomberg, UOB Kay Hian*

- **Plan to establish new JV AMC in 2027.** Management expects Ari AMC (partner

## 2026 Financial Targets

**Analyst(s)**

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+662 090 3360

Assistant Analyst(s)
Panjarat Thaweesriprasert

**HOLD (Maintained)**

| | |
|---|---|
| Share Price | Bt6.30 |
| Target Price | Bt7.20 |
| Upside | 14.3% |

## Stock Data

| | |
|---|---|
| Sector | |
| Bloomberg ticker | BAM TB |
| Shares issued (m) | 3,232.0 |
| Market cap (Btm) | 20,361.9 |
| Market cap (US$m) | 602.1 |
| 3-mth avg daily t'over (US$m) | 2.1 |

## Price Performance (%)

| 52-week high/low | | | | Bt8.30/Bt6.15 |
|---|---|---|---|---|
| 1mth | 3mth | 6mth | 1yr | YTD |
| 0.8 | (3.8) | (3.8) | (13.7) | (21.3) |

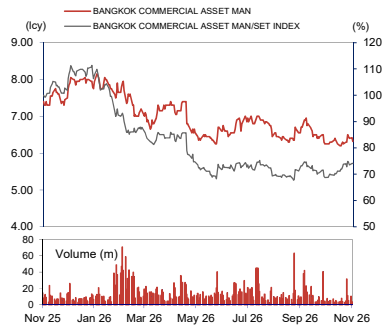
## Major Shareholders (%)

| | |
|---|---|
| FIDF Funds | 45.79 |
| Thai NVDR | 2.93 |
| South East Asia UK (Type C) Nominees | 2.11 |

## Balance Sheet Metrics

| | |
|---|---|
| FY26 NAV/Share (Bt) | 13.7 |
| FY26 Net Debt/Share (Bt) | n.a |

## Price Chart




*Source: Bloomberg*

## Company Description

Management of NPLs and non-performing assets (NPA).

with Government Saving Bank or GSB) and Arun AMC (partner with Kasikorn Bank or KBANK) to generate 2026 net profits of over Bt150m and Bt100m respectively. BAM also plans to establish five JV AMCs by 2027, targeting a combined market share of 60-70%.

- **Potential to see interim dividend soon.** The CEO guided in the previous meeting that BAM would pay an interim dividend from 2027 onward, with a DPS of approximately Bt0.25. At this time, the CEO said BAM can commit to a dividend payout ratio in the range of 85-90%, but this includes the interim payment. The CEO would like to see BAM as a sustainable investment target for investors.
- **3Q26 results recap.** BAM reported a 3Q26 net profit of Bt201m, down 82% yoy but up 8% qoq. The results were 45% lower than consensus estimates respectively. BAM reported a total cash collection of Bt3.6b in 3Q26 (-2% yoy, +3% qoq). BAM reported provision expenses of Bt699m in 3Q26 (-49% yoy, +5% qoq).
- **Well-recorded share of profit from two JV AMCs.** BAM recognised Bt33m in total share of profit from its two operating JVs, driven by sustained collection efficiency and strong profitability. In 3Q26, ARI AMC, partnered with GSB, and ARUN AMC, partnered with KBANK, recorded net profits of Bt122m and Bt87m, respectively in 3Q26.
- **Low chance of achieving 2026 targets.** BAM set collection target of Bt17.9b and net profit of Bt2b in 2026. Cash collection in 9M26 accounted for 57% of the 2026 target. Meanwhile, net profit in 9M26 accounted for only 33% of the 2026 target. Without big tickets coming in 4Q26, we expect BAM to miss the 2026 financial guidance provided and miss market expectations.

## Valuation/Recommendation

- **Maintain HOLD with an unchanged target price of Bt7.20,** based on the Gordon Growth Model (cost of equity: 12.0%, long-term growth: 3%). We rollover target to 2027. This implies 2027F P/B of 0.52x, which is nearly -0.5SD to its five-year mean. Although the valuation is cheap, there is no catalyst to drive the share price up in the near term.

## Earnings Revision/Risk

- No earnings revision.

## Share Price Catalyst

- A strong momentum in cash collection.

## Environment, Social, Governance (ESG) Updates

**CG Report: 5**

**SET ESG Rating: AAA**

**Environmental**

- BAM is committed to environmental management

**Social**

- BAM is committed to mitigating potential social impacts Your text here

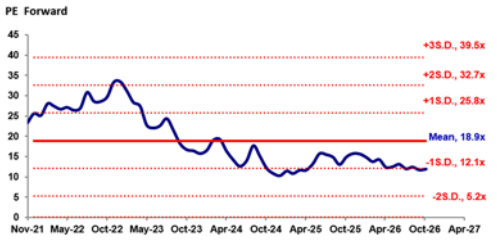
**Governance**

- BAM is committed to conducting its business with integrity and a fairness framework.

| | 9M26 Actual | 2026 Targets |
|---|---|---|
| Total Collection | Bt10.2b | Bt17.9b |
| Net Profit | Bt652m | Bt2b |
| Investment portfolio (AUM) | Bt597b | Bt600b |

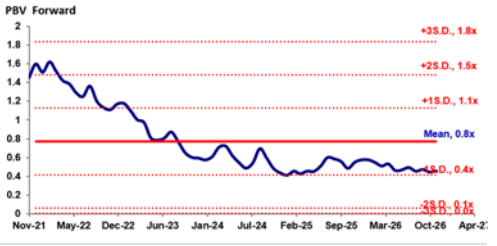
*Source: BAM, UOB Kay Hian*

## PE Band




*Source: UOB Kay Hian*

## P/B Band




*Source: UOB Kay Hian*

**Profit & Loss**

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|

**Balance Sheet**

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| Interest Income | 9,812 | 7,997 | 8,180 | 8,188 |
| Interest Expense | (3,161) | (2,756) | (2,563) | (2,380) |
| Net Interest Income | 6,651 | 5,241 | 5,617 | 5,808 |
| Fees & Commissions | 3,586 | 1,914 | 1,997 | 2,013 |
| Other Income | 0 | 0 | 0 | 0 |
| Non-Interest Income | 3,586 | 1,914 | 1,997 | 2,013 |
| Total Income | 10,237 | 7,155 | 7,613 | 7,821 |
| Staff Costs | (1,643) | (1,329) | (1,456) | (1,497) |
| Other Operating Expense | (1,691) | (1,597) | (1,851) | (2,089) |
| Pre-Provision Profit | 6,903 | 4,230 | 4,307 | 4,236 |
| Loan Loss Provision | (4,639) | (2,342) | (2,305) | (2,243) |
| Pretax profit | 2,264 | 1,888 | 2,002 | 1,992 |
| Tax | (452) | (246) | (266) | (263) |
| Minorities | 0 | 0 | 0 | 0 |
| Net profit (adj.) | 1,812 | 1,641 | 1,736 | 1,729 |

| | | | | |
|---|---|---|---|---|
| Cash With Central Bank | 2,121 | 1,374 | 1,279 | 1,267 |
| Govt Treasury Bills & Securities | 0 | 0 | 0 | 0 |
| Interbank Loans | 0 | 0 | 0 | 0 |
| Customer Loans | 69,190 | 68,078 | 67,828 | 67,671 |
| Investment Securities | 689 | 430 | 430 | 430 |
| Derivative Receivables | 0 | 0 | 0 | 0 |
| Associates & JVs | 763 | 804 | 804 | 804 |
| Fixed assets (incl. prop.) | 41,764 | 43,905 | 49,621 | 55,253 |
| Other assets | 21,500 | 21,495 | 21,433 | 21,373 |
| Total Assets | 136,028 | 136,087 | 141,397 | 146,799 |
| Interbank Deposits | 0 | 0 | 0 | 0 |
| Customer Deposits | 0 | 0 | 0 | 0 |
| Derivative Payables | 0 | 0 | 0 | 0 |
| Debt equivalents | 88,076 | 88,750 | 93,852 | 99,085 |
| Other Liabilities | 3,038 | 2,548 | 2,483 | 2,468 |
| Total Liabilities | 91,114 | 91,298 | 96,335 | 101,553 |
| Shareholders' equity | 44,914 | 44,789 | 45,062 | 45,246 |
| Minority interest | 0 | 0 | 0 | 0 |
| Total liabilities & equity | 136,028 | 136,087 | 141,397 | 146,799 |

## Operating Ratios

| Year to 31 Dec (%) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Capital Adequacy | | | | |
| Tier-1 CAR | n.a. | n.a. | n.a. | n.a. |
| Total CAR | n.a. | n.a. | n.a. | n.a. |
| Total assets/equity (x) | 3.0 | 3.0 | 3.1 | 3.2 |
| Tangible assets/tangible common | 3.0 | 3.0 | 3.1 | 3.3 |
| Asset Quality | | | | |
| NPL ratio | n.a. | n.a. | n.a. | n.a. |
| Loan loss coverage | n.a. | n.a. | n.a. | n.a. |
| Loan loss reserve/gross loans | 32.5 | 23.4 | 23.4 | 23.4 |
| Increase in NPLs | n.a. | n.a. | n.a. | n.a. |
| Liquidity | | | | |
| Loan/deposit ratio | n.a. | n.a. | n.a. | n.a. |
| Liquid assets/short-term liabilities | n.a. | n.a. | n.a. | n.a. |
| Liquid assets/total assets | 1.6 | 1.0 | 0.9 | 0.9 |

## Key Metric

| Year to 31 Dec (%) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Growth | | | | |
| Net interest income, yoy chg | (4.5) | (21.2) | 7.2 | 3.4 |
| Fees & commissions, yoy chg | 37.3 | (46.6) | 4.3 | 0.8 |
| Pre-provision profit, yoy chg | 3.6 | (38.7) | 1.8 | (1.7) |
| Net profit, yoy chg | 13.2 | (9.4) | 5.8 | (0.4) |
| Net profit (adj.), yoy chg | 13.2 | (9.4) | 5.8 | (0.4) |
| Customer loans, yoy chg | (11.3) | (1.6) | (0.4) | (0.2) |
| Profitability | | | | |
| Cost/income ratio | 32.6 | 40.9 | 43.4 | 45.8 |
| Adjusted ROA | 1.3 | 1.2 | 1.3 | 1.2 |
| Reported ROE | 4.1 | 3.7 | 3.9 | 3.9 |
| Adjusted ROE | 4.1 | 3.7 | 3.9 | 3.9 |
| Valuation | | | | |
| P/BV (x) | 0.5 | 0.5 | 0.5 | 0.5 |
| P/NTA (x) | 15.8 | 15.8 | 15.2 | 14.7 |
| Adjusted P/E (x) | 11.9 | 13.1 | 12.4 | 12.4 |
| Dividend Yield | 7.5 | 6.8 | 7.2 | 7.2 |
| Payout ratio | 89 | 89 | 89 | 89 |

# Krungthai Card (KTC TB)

Announcing 2027 Financial Targets With A Cautious Outlook

## Highlights

- More optimistic on credit card spending in 2027.
- Maintain BUY with a target price of Bt50.00.

## Analysis

- **A slightly positive tone during analyst meeting.** We came away from Krungthai Card's (KTC) analyst meeting with a slightly positive view.
- **Announced 2027 financial targets.** Management announced its 2027 financial targets, which are similar to those of 2026, except for credit card spending, which is targeted to grow 8-10% in 2027 (vs 5% in 2026). KTC set the following 2027 targets: a) net profit to grow yoy, b) loan growth of 1-2% yoy, c) credit card spending growth of 8-10% yoy, d) NPL ratio of less than 2%, and e) personal loan growth of 1-2% yoy. Meanwhile, the company guided that credit costs should be around 5% in 2027.
- **More optimistic on credit card spending in 2027.** Management is confident that credit card spending will achieve the 2026 target of 5% yoy, as actual credit card spending was higher than 5% in Oct 26, and the company expects growth of 8% in 4Q26. Meanwhile, KTC set a credit card spending growth target of 8-10% yoy in 2027, focusing on: a) higher-income segments to increase spending per transaction; b) Gen Z customers, aiming to become their first credit card and build customer loyalty; and c) high-value customers, focusing on customer lifetime value (CLV) to incentivise credit card spending.
- **Waiting for insurance brokerage licence.** According to the insurance brokerage business, KTC is waiting for regulatory approval to commence online operations. Currently, the company is planning and has started selling insurance offline. After obtaining the insurance brokerage licence, the company will sell insurance online as an agent and earn commission fees. Management guided that the online platform will better serve customers and suit their lifestyles.
- **Controllable expenses on IT system.** The company implemented its new core IT system in Jul 26 and has been gradually recognising the expenses. In 9M26, the cost-to-income ratio was 35%, and the company expects it to increase slightly for the full year of 2026. Meanwhile, management expects the cost-to-income ratio to remain around 36-37% in 2027. Although there are still new IT projects to be implemented, the company expects the cost-to-income ratio to be higher than 37%, but not to exceed 38%.

## Key Financials

| Year to 31 Dec (Btm) | 2024 | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|---|
| Net interest income | 14,381.9 | 14,559.9 | 14,878.8 | 15,301.5 | 15,684.7 |
| Non-Interest Income | 11,267.4 | 11,441.5 | 11,675.0 | 13,252.0 | 14,735.2 |
| Net profit (rep./act.) | 7,437.2 | 7,781.6 | 8,714.8 | 8,966.9 | 9,341.4 |
| Net profit (adj.) | 7,437.2 | 7,781.6 | 8,714.8 | 8,966.9 | 9,341.4 |
| EPS (Bt) | 2.9 | 3.0 | 3.4 | 3.5 | 3.6 |
| PE (x) | 12.3 | 11.8 | 10.5 | 10.2 | 9.8 |
| P/B (x) | 2.3 | 2.1 | 1.9 | 1.8 | 1.6 |
| Dividend yield (%) | 2.6 | 6.7 | 5.5 | 5.9 | 6.1 |
| Net int margin (%) | 13.0 | 13.2 | 13.3 | 13.4 | 13.4 |
| Cost/income Ratio (%) | 37.5 | 37.1 | 37.0 | 37.0 | 36.8 |
| Loan loss cover (%) | 369.3 | 425.0 | 420.0 | 440.0 | 465.0 |
| Consensus net profit | n.a | n.a | 8,479.9 | 8,784.1 | 9,139.6 |
| UOBKH/Consensus (x) | n.a | n.a | 1.0 | 1.0 | 1.0 |

*Source: Krungthai Card, Bloomberg, UOB Kay Hian*

**Analyst(s)**

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**BUY (Maintained)**

| | |
|---|---|
| Share Price | Bt36.00 |
| Target Price | Bt50.00 |
| Upside | 38.9% |

## Stock Data

| | |
|---|---|
| Sector | Financials |
| Bloomberg ticker | KTC TB |
| Shares issued (m) | 2,578.3 |
| Market cap (Btm) | 95,398.4 |
| Market cap (US$m) | 2,865.7 |
| 3-mth avg daily t'over (US$m) | 23.8 |

## Price Performance (%)

| 52-week high/low | | | | Bt40.5/Bt24.8 |
|---|---|---|---|---|
| 1mth | 3mth | 6mth | 1yr | YTD |
| (1.3) | 20.3 | 27.6 | 21.3 | 41.0 |

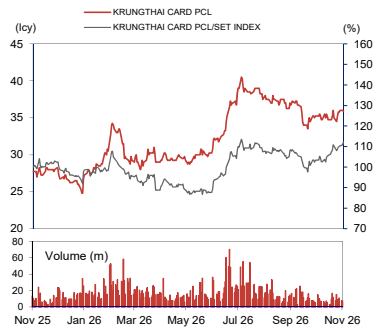
## Major Shareholders (%)

| | |
|---|---|
| Krungthai Bank (KTB) | 49.29 |
| Thai NVDR | 8.72 |
| Mongkol Prakitchaiwattana | 3.53 |

## Balance Sheet Metrics

| | |
|---|---|
| FY26 NAV/Share (Bt) | 18.7 |
| FY26 Net Debt/Share (Bt) | n.a |

## Price Chart




*Source: Bloomberg*

## Company Description

The company provides unsecured financial products, credit card products and services, and personal loans to consumers in Thailand.

- **Merging is in progress.** KTC announced the disposal of its shares in Win Performance (WIN) and KTB Leasing (KTBL), its subsidiaries, to Krungthai Alliance Holding (KTAH), a subsidiary of Krungthai Bank (KTB), on 30 Oct 26. As a result, WIN and KTBL will be merged into a new company, with the merger expected to be completed within the next two quarters. KTC will record a gain of around Bt22m from the sale of WIN to KTAH in 4Q26. Meanwhile, there will be no gain from the sale of KTBL due to its accumulated losses. Management guided that KTBL's contribution will no longer be reflected in KTC's consolidated balance sheet in 4Q26, while the accounting treatment in the income statement is still under consultation with the auditor.
- **Credit cost and NPL ratio should decrease in 4Q26.** In 9M26, credit costs were reported at 5.1%, declining yoy from 5.7% in 9M25. Management remains cautious about its lending policy and guided that loan portfolio growth should be around 1% in 2026. KTC guided that credit costs should be around 5% in 2027. We should see lower credit costs and an NPL ratio following the removal of KTB Leasing from KTC's consolidated balance sheet.

### 3Q26 Results Recap

| Year to 31 Dec (Btm) | 3Q26 | 2Q26 | 3Q25 | qoq% | yoy% |
|---|---|---|---|---|---|
| Total gross loans | 106,903 | 107,010 | 106,206 | (0.1) | 0.7 |
| Net interest income | 3,788 | 3,674 | 3,676 | 3.1 | 3.1 |
| Non-interest income | 2,774 | 2,797 | 2,807 | (0.8) | (1.2) |
| Loan loss provision | (1,457) | (1,310) | (1,445) | 11.2 | 0.9 |
| Non-Interest expenses | (2,445) | (2,367) | (2,475) | 3.3 | (1.2) |
| Pre-provision operating profit | 4,119 | 4,105 | 4,008 | 0.3 | 2.8 |
| Net income | 2,125 | 2,225 | 1,951 | (4.5) | 8.9 |
| EPS (Bt) | 0.82 | 0.86 | 0.76 | (4.5) | 8.9 |
| Ratio (%) | | | | | |
| NPL Ratio (%) | 1.92 | 1.86 | 1.8 | | |
| Loan loss coverage ratio (%) | 413 | 426 | 426 | | |
| Net interest margin (NIM %) | 14.2 | 13.7 | 13.8 | | |
| Reported Credit cost (bp) | 540 | 490 | 544 | | |
| Reported Cost to income (%) | 35.3 | 34.6 | 35.8 | | |

*Source: Krungthai Card, UOB Kay Hian*

## Valuation/Recommendation

- **Maintain BUY with a target price of Bt50.00,** based on the Gordon Growth Model (cost of equity: 11.5%, long-term growth: 3%). This implies 2.5x 2027F P/B, which is -0.5SD to its historical five-year mean.

## Earnings Revision/Risk

- No earnings revision.

## Share Price Catalyst

- An increase in the dividend payout ratio.

## Environment, Social, Governance (ESG) Updates

**CG Report: 5**
**SET ESG Rating: AAA**

### Environmental

- The company offers a 0% interest instalment plan for solar rooftops.
- The company offers special privileges for electric vehicle bookings and wall boxes.

### Social

- Education loans. KTC aims to provide equal educational opportunities to individuals who aspire to further their education but lack the necessary funds.

### Governance

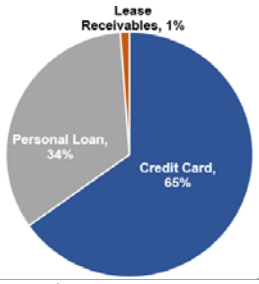
- The company has established the Business Ethic Manual, which is reviewed annually, to set up a framework for employees to follow.

### 2026 Financial Targets

| | 9M26 Actual | 2026 Targets | 2025 Actual |
|---|---|---|---|
| Net Profit | Bt6.5b | > Bt7.78b | Bt7.78b |
| Loan Growth | 0.8% | 1-2% | 0.4% |
| Credit Card Spending | 4.7% | 5% | 3.6% |
| Personal Loan | 1.9% | 2% | 1.4% |
| P BERM Car for Cash (New Booking) | N/A | N/A | Bt2.3b |
| NPL ratio | 1.92% | <= 2.0% | 1.79% |

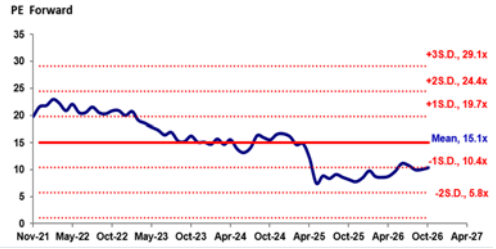
*Source: KTC, UOB Kay Hian*

### Loan Portfolio (3Q26)




*Source: KTC, UOB Kay Hian*

### PE Band




*Source: Bloomberg, UOB Kay Hian*

### P/B Band




*Source: Bloomberg, UOB Kay Hian*

## Profit & Loss

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Interest income | 16,254 | 16,310 | 16,646 | 16,984 |
| Interest expense | (1,694) | (1,431) | (1,345) | (1,300) |
| Net interest income/(expense) | 14,560 | 14,879 | 15,301 | 15,685 |
| Fees & Commissions | 6,513 | 6,857 | 7,820 | 8,994 |
| Income From Insurance | 0 | 0 | 0 | 0 |
| Net Trading Income | 0 | 0 | 0 | 0 |
| Other Income | 4,929 | 4,818 | 5,432 | 5,742 |
| Non-Interest Income | 11,441 | 11,675 | 13,252 | 14,735 |
| Total Income | 26,001 | 26,554 | 28,553 | 30,420 |
| Staff Costs | (9,404) | (9,573) | (10,325) | (10,958) |
| Other Operating Expense | (235) | (242) | (247) | (252) |
| Pre-Provision Profit | 16,363 | 16,739 | 17,982 | 19,211 |
| Loan Loss Provision | (5,906) | (5,818) | (6,761) | (7,521) |
| Other Provisions | 0 | 0 | 0 | 0 |
| Associated Companies | 0 | 0 | 0 | 0 |
| Other Non-Operating Income | 0 | 0 | 0 | 0 |
| Pre-tax profit | 10,456 | 10,921 | 11,221 | 11,690 |
| Tax | (2,897) | (2,191) | (2,244) | (2,338) |
| Minorities | 222 | (16) | (10) | (10) |
| Net profit | 7,782 | 8,715 | 8,967 | 9,341 |
| Net profit (adj.) | 7,782 | 8,715 | 8,967 | 9,341 |

## Balance Sheet

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Cash With Central Bank | 3,471 | 4,327 | 4,425 | 4,529 |
| Govt Treasury Bills & Securities | 0 | 0 | 0 | 0 |
| Interbank Loans | 0 | 0 | 0 | 0 |
| Customer Loans | 102,628 | 105,409 | 107,885 | 109,906 |
| Investment Securities | 0 | 0 | 0 | 0 |
| Derivative Receivables | 0 | 0 | 0 | 0 |
| Associates & JVs | 0 | 0 | 0 | 0 |
| Properties & Other Fixed Assets | 367 | 350 | 266 | 252 |
| Goodwill & Intangible Assets | 380 | 623 | 623 | 623 |
| Other Assets | 3,678 | 3,638 | 3,712 | 3,791 |
| Insurance Fund Investment Assets | 0 | 0 | 0 | 0 |
| Total assets | 110,524 | 114,347 | 116,912 | 119,102 |
| Interbank Deposits | 0 | 0 | 0 | 0 |
| Customer Deposits | 0 | 0 | 0 | 0 |
| Bills Payable | 21,300 | 21,051 | 18,679 | 15,854 |
| Derivative Payables | 0 | 0 | 0 | 0 |
| Debts Securities Issued | 0 | 0 | 0 | 0 |
| Subordinated Debts | 35,612 | 36,227 | 37,050 | 37,923 |
| Other Liabilities | 9,593 | 8,888 | 9,048 | 9,232 |
| Insurance Fund Liabilities | 0 | 0 | 0 | 0 |
| Total liabilities | 66,505 | 66,166 | 64,777 | 63,008 |
| Shareholders' funds | 44,151 | 48,303 | 52,267 | 56,236 |
| Minority interest | (133) | (122) | (132) | (142) |
| Total Equity & Liabilities | 110,524 | 114,347 | 116,912 | 119,102 |

## Operating Ratios

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Capital Adequacy | | | | |
| Total Assets/Equity | 2 | 2 | 2 | 2 |
| Tangible Assets/Tangible Common Equity | 3 | 2 | 2 | 2 |
| Asset Quality | | | | |
| NPL Ratio | 2 | 2 | 2 | 2 |
| Loan Loss Coverage | 425 | 420 | 440 | 465 |
| Loan Loss Reserve/Gross Loans | 5 | 5 | 6 | 6 |
| Increase in NPLs | (8) | 3 | (3) | 2 |
| Credit Cost (bp) | 534 | 519 | 590 | 642 |
| Liquidity | | | | |
| Loan/Deposit Ratio | 194 | 196 | 206 | 219 |
| Liquid Assets/Short-Term Liabilities | 16 | 21 | 24 | 29 |
| Liquid Assets/Total Assets | 3 | 4 | 4 | 4 |

## Key Metric

| Year to 31 Dec (%) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Growth | | | | |
| Net Interest Income, yoy Chg | 1 | 2 | 3 | 2 |
| Fees & Commissions, yoy Chg | 2 | 5 | 14 | 15 |
| Pre-Provision Profit, yoy Chg | 2 | 2 | 7 | 7 |
| Net Profit, yoy Chg | 5 | 12 | 3 | 4 |
| Customer Loans, yoy Chg | 0 | 3 | 2 | 2 |
| Profitability | | | | |
| Net Interest Margin | 13 | 13 | 13 | 13 |
| Cost/Income Ratio | 37 | 37 | 37 | 37 |
| Adjusted ROA | 7 | 8 | 8 | 8 |
| Reported ROE | 19 | 19 | 18 | 18 |
| Adjusted ROE | 19 | 19 | 18 | 18 |
| Valuation | | | | |
| P/BV | 2 | 2 | 2 | 2 |
| P/NTA | 2 | 2 | 2 | 2 |
| Adjusted P/E | 12 | 10 | 10 | 10 |
| Dividend Yield | 7 | 5 | 6 | 6 |

# Thanachart Capital (TCAP TB)

Limited Downside Supported By The Share Buyback Programme

## Highlights

- Neutral tone during analyst meeting.
- Maintaining healthy asset quality.
- Maintain HOLD with a lower target price of Bt90.00 (previous: Bt94.00).

## Analysis

- **Neutral tone during analyst meeting.** We attended Thanachart Capital's (TCAP) analyst meeting on 13 Nov 26 and came away with a neutral view. The CEO remains conservative amid slow economic growth and is preparing for various uncertainties.
- **Limited impact from flooding in Bangkok and the vicinity.** According to the insurance business, TCAP evaluated the impact of flooding in Bangkok and its vicinity in late-Sep 26 and guided that the impact should be limited. TCAP revealed that there were around 8,000 claims (compared to around 2,500 claims in the Southern region in late-25) and had already set aside provisions for claim expenses of Bt71m.
- **Obtaining approval to hold a stake in TTB.** Regarding the share buyback programme at TMBThanachart Bank (TTB), TTB's CEO intends to reduce the number of outstanding shares after completing the three-year share buyback programme due to regulatory requirements. Currently, TCAP holds a 24.11% stake in TTB. Therefore, TCAP's stake in TTB will increase to more than 25%, which would violate the Bank of Thailand (BOT)'s regulations. According to TCAP's CEO, the company has already consulted with the BOT and sees a potential solution to hold a stake of more than 25%. Therefore, there should be no concern about the divestment of TTB going forward.
- **Maintaining healthy asset quality.** TCAP set provision expenses of Bt7m in 3Q26, which declined significantly by 96% yoy and 87% qoq. Credit costs also declined by 40bp qoq to 6bp in 3Q26. The NPL ratio decreased slightly from 4.0% to 3.9% in 3Q26. Meanwhile, the coverage ratio increased from 144% to 147% in 3Q26. TCAP has demonstrated that the company can maintain good asset quality as a result of its ongoing loan portfolio cleanup.
- **Limited downside, supported by the share buyback programme.** 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. As of 16 Nov 26, TCAP had repurchased 2.7m shares (2.6% of the total shares to be repurchased), amounting to Bt213m.

## Key Financials

| Year to 31 Dec (Btm) | 2024 | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|---|
| Net interest income | 2,948.5 | 2,622.5 | 2,363.5 | 2,657.0 | 2,787.2 |
| Non-Interest Income | 18,924.2 | 19,528.8 | 21,434.1 | 21,362.9 | 21,447.5 |
| Net profit (rep./act.) | 6,554.8 | 7,625.6 | 9,063.0 | 9,019.6 | 9,179.6 |
| Net profit (adj.) | 6,554.8 | 7,625.6 | 9,063.0 | 9,019.6 | 9,179.6 |
| EPS (Bt) | 6.2 | 7.3 | 8.6 | 8.6 | 8.8 |
| PE (x) | 12.6 | 10.8 | 9.1 | 9.2 | 9.0 |
| P/B (x) | 1.1 | 1.0 | 1.0 | 0.9 | 0.9 |
| Dividend yield (%) | 4.2 | 4.4 | 5.6 | 6.0 | 6.0 |
| Net int margin (%) | 3.4 | 3.1 | 3.0 | 3.3 | 3.4 |
| Cost/income Ratio (%) | 61.2 | 57.7 | 54.7 | 54.8 | 7.0 |
| Loan loss cover (%) | 179.6 | 139.8 | 150.0 | 163.0 | 162.0 |
| Consensus net profit | n.a | n.a | 8,801.7 | 8,886.1 | 9,323.5 |
| UOBKH/Consensus (x) | n.a | n.a | 1.0 | 1.0 | 1.0 |

*Source: Thanachart Capital, Bloomberg, UOB Kay Hian*

**Analyst(s)**

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Assistant Analyst(s)
Panjarat Thaweesriprasert

**HOLD (Maintained)**

| | |
|---|---|
| Share Price | Bt78.75 |
| Target Price | Bt90.00 |
| Upside | 14.3% |
| Previous TP | Bt94.00 |

## Stock Data

| | |
|---|---|
| Sector | Financials |
| Bloomberg ticker | TCAP TB |
| Shares issued (m) | 1,048.6 |
| Market cap (Btm) | 90,186.5 |
| Market cap (US$m) | 2,733.3 |
| 3-mth avg daily t'over (US$m) | 9.6 |

## Price Performance (%)

| 52-week high/low | | | | Bt89.2/Bt49.8 |
|---|---|---|---|---|
| 1mth | 3mth | 6mth | 1yr | YTD |
| 20.3 | 45.2 | 46.4 | 69.5 | 47.6 |

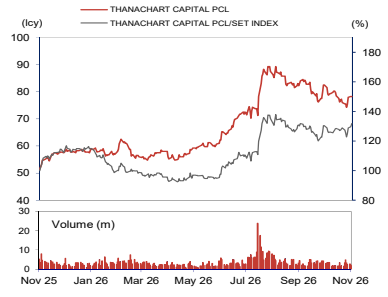
## Major Shareholders (%)

| | |
|---|---|
| MBK | 24.90 |
| Thai NVDR | 8.03 |
| Somchai Limthilakun | 2.55 |

## Balance Sheet Metrics

| | |
|---|---|
| FY26 NAV/Share (Bt) | 82.5 |
| 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.

- **3Q26 results recap.** TCAP reported a 3Q26 net profit of Bt2.19b, in line with our and consensus expectations. The company's net profit rose 5% yoy but was down 17% qoq in 3Q26. The key contributor to the decent earnings was a huge reduction in provision expenses by 96% yoy and 87% qoq. Excluding provision expenses, TCAP's pre-provision operating profit decreased 2% yoy and 19% qoq in 3Q26.

## 3Q26 Results Recap

| Year to 31 Dec (Btm) | 3Q26 | 2Q26 | 3Q25 | qoq chg (%) | yoy chg (%) |
|---|---|---|---|---|---|
| Total gross loans | 45,152 | 45,995 | 50,678 | (1.8) | (10.9) |
| Net interest income | 550 | 576 | 659 | (4.5) | (16.5) |
| Non-interest income | 5,422 | 5,770 | 5,011 | (6.0) | 8.2 |
| Loan loss provision | (7) | (54) | (161) | (87.1) | (95.6) |
| Non-Interest Expenses | (420) | (437) | (394) | (3.9) | 6.5 |
| Pre-provision operating profit | 2,509 | 3,096 | 2,558 | (19.0) | (1.9) |
| Net income | 2,188 | 2,641 | 2,078 | (17.2) | 5.3 |
| EPS (Bt) | 2.09 | 2.52 | 1.98 | (17.2) | 5.3 |
| **Ratio (%)** | | | | | |
| NPL ratio (%) | 3.9 | 4.0 | 3.9 | | |
| Loan loss coverage ratio (%) | 147 | 144 | 135 | | |
| Net interest margin (NIM %) | 2.6 | 2.8 | 3.3 | | |
| Credit cost (bp) | 6 | 46 | 122 | | |
| Cost to income (%) | 7 | 7 | 7 | | |
| Return on Equity (%) | 10.4 | 12.7 | 10.7 | | |

*Source: TCAP, UOB Kay Hian*

## Valuation/Recommendation

- **Maintain HOLD with a lower target price of Bt90.00** (previous: Bt94.00) using the Gordon Growth Model (cost of equity: 11.5%, long-term growth: 2%). The target price implies 1.04x 2027F P/B, which is above +3SD to its historical five-year P/B mean.

## Earnings Revision/Risk

- We fine-tune TCAP's 2026-28 earnings forecasts by -1.1%, -1.9% and -2.0%, respectively, to reflect the 3Q26 earnings.

## Share Price Catalyst

- Increase in dividend payout ratio.

## 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**

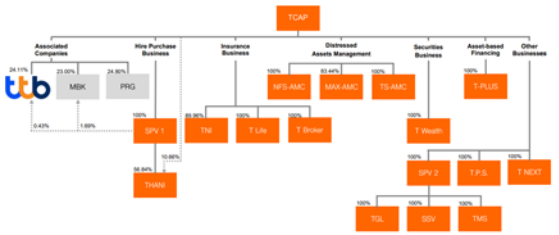
- Good corporate governance. The board shall ensure that Thanachart Group has a sound risk governance framework, adequate audit process, internal control system, risk management, and managerial regulation.

## Results Of Subsidiaries In 3Q26

| Subsidiary | %Share holding | Net Profit (Btm) | | |
|---|---|---|---|---|
| | | 3Q26 | 2Q26 | 3Q25 |
| THANI | 66.94% | 400 | 360 | 301 |
| TNI | 89.96% | 208 | 442 | 352 |
| TS AMC | 100.00% | (4) | (6) | 6 |
| MAX AMC | 83.44% | 16 | (7) | (8) |
| NFS AMC | 100.00% | (30) | (35) | (39) |
| T LIFE | 100.00% | 10 | 97 | 66 |

*Source: TCAP, UOB Kay Hian*

## Shareholder Structure (Sep 26)




*Source: TCAP., 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 | 3,935 | 3,897 | 3,900 |
| Interest expense | (1,857) | (1,571) | (1,240) | (1,112) |
| Net interest income/(expense) | 2,623 | 2,364 | 2,657 | 2,787 |
| Fees & Commissions | 193 | 524 | 407 | 480 |
| Income From Insurance | 12,258 | 12,596 | 12,654 | 12,662 |
| Net Trading Income | 751 | 1,718 | 1,699 | 1,703 |
| Other Income | 6,327 | 6,596 | 6,603 | 6,602 |
| Non-Interest Income | 19,529 | 21,434 | 21,363 | 21,448 |
| Total Income | 22,151 | 23,798 | 24,020 | 24,235 |
| Staff Costs | (881) | (931) | (972) | (950) |
| Other Operating Expense | (11,897) | (12,091) | (12,196) | (12,169) |
| Pre-Provision Profit | 9,373 | 10,776 | 10,852 | 11,115 |
| Loan Loss Provision | (738) | (321) | (484) | (571) |
| Pre-tax profit | 8,635 | 10,455 | 10,368 | 10,544 |
| Tax | (570) | (767) | (728) | (734) |
| Minorities | (439) | (624) | (620) | (630) |
| Net profit | 7,626 | 9,063 | 9,020 | 9,180 |
| Net profit (adj.) | 7,626 | 9,063 | 9,020 | 9,180 |

## 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 | 26,109 | 27,935 | 28,370 |
| Interbank Loans | 10,743 | 7,721 | 7,489 | 7,491 |
| Customer Loans | 46,423 | 43,020 | 43,545 | 43,879 |
| Investment Securities | 3,328 | 2,610 | 2,552 | 2,549 |
| Derivative Receivables | 0 | 0 | 0 | 0 |
| Associates & JVs | 66,964 | 66,537 | 66,537 | 66,537 |
| Properties & Other Fixed Assets | 4,635 | 5,209 | 4,968 | 4,787 |
| Goodwill & Intangible Assets | 83 | 67 | 67 | 67 |
| Other Assets | 2,602 | 2,159 | 2,131 | 2,132 |
| Total assets | 154,674 | 153,438 | 155,230 | 155,818 |
| Interbank Deposits | 6,096 | 5,861 | 6,038 | 6,104 |
| 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 | 36,380 | 33,392 | 29,151 |
| Other Liabilities | 4,069 | 4,190 | 4,250 | 4,270 |
| Insurance Fund Liabilities | 13,523 | 14,855 | 14,855 | 14,855 |
| Total liabilities | 69,513 | 61,287 | 58,535 | 54,379 |
| Shareholders' funds | 80,514 | 86,510 | 90,602 | 94,881 |
| Minority interest | 5,498 | 5,769 | 6,220 | 6,685 |
| Total Equity & Liabilities | 155,524 | 153,565 | 155,357 | 155,945 |

## Operating Ratios

| 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 | 4 | 3 | 3 |
| Loan Loss Coverage | 140 | 150 | 163 | 162 |
| Loan Loss Reserve/Gross Loans | 5 | 6 | 5 | 5 |
| Increase in NPLs | 9 | (8) | (16) | (6) |
| Credit Cost (bp) | 134 | 68 | 107 | 125 |
| Liquidity | | | | |
| Liquid Assets/Short-Term Liabilities | 503 | 577 | 587 | 588 |
| Liquid Assets/Total Assets | 20 | 22 | 23 | 23 |

## Key Metric

| Year to 31 Dec (%) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Growth | | | | |
| Net Interest Income, yoy Chg | (11) | (10) | 12 | 5 |
| Fees & Commissions, yoy Chg | (64) | 171 | (22) | 18 |
| Pre-Provision Profit, yoy Chg | 11 | 15 | 1 | 2 |
| Net Profit, yoy Chg | 16 | 19 | 0 | 2 |
| Customer Loans, yoy Chg | (21) | (7) | 1 | 1 |
| Profitability | | | | |
| Net Interest Margin | 3 | 3 | 3 | 3 |
| Cost/Income Ratio | 58 | 55 | 55 | 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 | 11 | 9 | 9 | 9 |
| Dividend Yield | 4 | 6 | 6 | 6 |

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