UOBKayHian

Strategy | Thailand

Thursday, 19 November 2026

Strategy

3Q26: Earnings In Line

Highlights

- 3Q26 earnings are in line with expectations, with earnings forecasts for 2026F and 2027F remaining largely unchanged.
- We maintain our 2028 SET target at 1,818pt. using an earnings yield gap (EYG) approach to better capture the relative attractiveness of equities against fixed-income assets.
- Our top picks are AWC, BH, BJC, CREDIT, GLOBAL, HANA, and KBANK.

What's New

- **3Q26 market recap:** Despite expectations of an earnings recovery, market sentiment remained under pressure from rising global bond yields and external uncertainties, which weighed on equity prices. Against this backdrop, our 3Q26 pick, comprising AOT, BJC, CENTEL, DELTA, GUNKUL, PR9, and PTTGC, delivered a net return of -2.5%, outperforming the benchmark's -8.4% return by 5.9ppt.
- **Good earnings but momentum stalled.** In 3Q26, net profit came in at Bt298,682 (+43.3% yoy, -5.8% qoq). This is in line with expectations, with four sectors reporting higher-than-expected earnings (vs 11 sectors in 2Q26 and 13 sectors in 1Q26). Eight sectors reported lower-than-expected earnings. Positive surges in terms of value came from the utilities (Bt4.1416b) and consumer staples sectors (Bt3.155b). Negative surges in terms of value came from electronics (-Bt9.077b) and transportation sectors (-Bt1.024b).
- **No revision to total earnings forecast for 2026. 3Q26 e**arnings are in line with expectations, with earnings forecasts for 2026F and 2027F remaining largely unchanged. However, earnings revisions varied across sectors, with downward revisions in electronics (-3.5ppt) from raw material shortages, property (-3.2ppt) from pressured gross margin and banking (-1.1ppt). These downward revisions were offset by an upward revision in the utilities sector, up by 11.5ppt, Overall, earnings revisions for the market remained flat for 2027F.

Looking Ahead

- **4Q26 outlook.** We expect 4Q26 earnings to grow yoy, while overall risks are expected to remain elevated amid macroeconomic uncertainty stemming from potential global interest rate hikes and policy changes following the US midterm elections. Meanwhile, more stable oil prices could affect earnings growth in the energy sector.
- **Key risks to monitor:** Energy prices, AI & data centre progress, rising global yield.

Analyst(s)

Kitpon Praipaisarnkit
kitpon@uobkh.co.th
662 090 3352

Krit Tanarattananon
krit@uobkh.co.th

Thailand Research Team
research@uobkh.co.th

Assistant Analyst(s)

Natthida Chuaysong

3Q26 Key Recommendations

Company	Rec	Share Price (Bt)	Target Price (Bt)
AWC TB	BUY	3.18	3.90
BH TB	BUY	201.00	240.00
BJC TB	BUY	19.95	24.50
GLOBAL TB	BUY	6.92	9.00
HANA TB	BUY	43.50	56.00
KBANK TB	BUY	255.00	285.00
CREDIT TB*	N.R.	24.40	n.a.

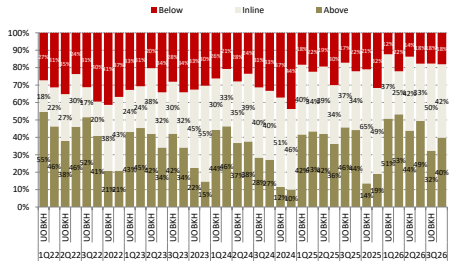
*Source: *Bloomberg Consensus, UOB Kay Hian*

3Q26 Performance

	20-Aug	17-Nov	
AOT	66.75	61.75	(7.5)
BJC	16.60	19.95	20.2
CENTEL	42.25	45.40	7.5
DELTA	263.00	177.50	(32.5)
GUNKUL	5.10	4.58	(10.2)
PR9	18.60	19.45	4.6
PTTGC	39.00	39.10	0.3
Total Picks	451.30	367.73	(2.5)
SET Index	1,610.0	1,474.7	(8.4)

*Source: *Bloomberg Consensus, UOB Kay Hian*

Results Track Record



Source: UOB Kay Hian

Peer Comparison

Company	Ticker	Rec	Price 17 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. (Bt)	Price/ NAV ps (x)
Asset World Corp	AWC TB	BUY	3.18	3.90	22.64	12/25	15.9	15.3	14.0	2.6	6.8	3,049	1.0
Bumrungrad Hospital	BH TB	BUY	201.00	240.00	19.40	12/25	23.2	22.8	21.2	2.4	24.9	4,784	5.4
Berli Jucker	BJC TB	BUY	19.95	24.50	22.81	12/25	19.9	11.2	13.9	4.6	5.5	2,394	0.6
Siam Global House	GLOBAL TB	BUY	6.92	9.00	30.06	12/25	19.0	13.2	13.1	3.8	10.6	1,119	1.4
Hana Microelectronics	HANA TB	BUY	43.50	56.00	28.74	12/25	71.7	23.1	20.2	2.3	6.2	1,153	1.4
Kasikornbank	KBANK TB	BUY	255.00	285.00	11.76	12/25	12.2	11.3	10.7	5.5	9.0	18,089	1.0
Thai Credit Bank	CREDIT TB*	N.R.	24.40	n.a.	n.a.	12/25	7.3	6.8	5.8	5.4	16.4	868	1.0

*Source: *Bloomberg Consensus, UOB Kay Hian*

3Q26 Results Summary

Sector	#	Market Cap (Btm)	3Q26 Net profit (Btm) Actual	yoy % chg	qoq % chg	UOBKH	% chg
Banking	9	2,930,210	65,966	-9.7%	-0.5%	66,094	-0.2%
Construction Services	2	58,406	1,679	-11.7%	-1.9%	1,544	8.7%
Consumer Staples	9	503,280	13,217	7.2%	21.9%	10,062	31.4%
Electronics	3	2,420,759	8,935	15.2%	33.8%	9,807	-8.9%
Energy	8	2,154,151	103,079	154.7%	-4.9%	112,156	-8.1%
Financial	7	290,559	8,024	7.4%	-2.7%	8,152	-1.6%
Healthcare	4	524,985	7,346	6.1%	29.7%	7,356	-0.1%
Hotel	4	309,100	4,547	16.0%	-9.3%	4,652	-2.3%
Industrial Estate	2	105,301	2,033	14.7%	-9.4%	1,646	23.5%
Media	3	51,741	756	21.5%	70.8%	601	25.8%
Packaging	1	115,480	2,026	112.5%	-12.1%	2,097	-3.4%
Petrochemical	3	599,038	14,311	425.1%	-51.8%	12,724	12.5%
Property	7	127,062	3,308	-15.8%	-16.6%	3,645	-9.2%
Retail	11	1,452,461	18,585	-3.5%	-23.0%	18,389	1.1%
Telecommunications	2	1,477,007	20,386	49.8%	0.6%	20,311	0.4%
Transportation	3	283,646	2,034	-68.9%	-29.2%	3,058	-33.5%
Utility	8	1,363,682	22,450	83.6%	23.2%	18,309	22.6%
Total	**86**	**14,766,869**	**298,682**	**43.4%**	**-5.8%**	**300,603**	**-0.6%**

Source: Bloomberg, UOB Kay Hian

Action

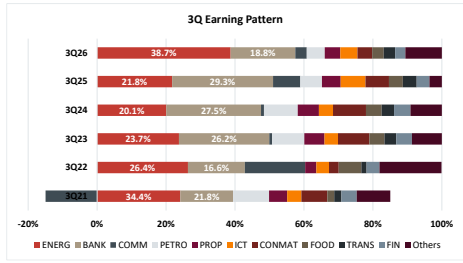
- We have shifted to a neutral stance following the easing of global risks in 2H26. For 4Q26, we maintain our SET Index earnings forecast at Bt100 per share. Looking ahead to 2027F, earnings growth is expected to remain flat.
- With positive earnings surprise momentum stalling in 3Q26, we favour sectors with a positive earnings growth outlook for 4Q26 and limited downside earnings revisions. Our top picks are AWC, BH, BJC, CREDIT, GLOBAL, HANA and KBANK.

Post-3Q26 Results Revision

Sector	#	Net profit 2026F (Old)	(New)	Chg	Net Profit 2027F (Old)	(New)	Chg
Banking	9	269,264	266,282	-1.1%	283,039	282,287	-0.3%
Construction Services	2	4,559	4,691	2.9%	4,100	4,193	2.3%
Consumer Staples	9	46,487	46,492	0.0%	53,230	53,416	0.4%
Electronics	3	36,603	35,877	-2.0%	48,384	47,582	-1.7%
Energy	8	363,257	364,732	0.4%	267,957	277,139	3.4%
Financial	7	32,959	33,087	0.4%	35,403	35,251	-0.4%
Healthcare	4	26,221	26,221	0.0%	28,265	28,265	0.0%
Hotel	4	20,931	20,931	0.0%	21,148	21,148	0.0%
Industrial Estate	2	9,102	8,935	-1.8%	9,414	9,382	-0.3%
Media	3	2,294	2,351	2.5%	2,946	3,036	3.1%
Packaging	1	7,719	7,719	0.0%	8,223	8,223	0.0%
Petrochemical	3	65,628	61,063	-7.0%	39,428	39,999	1.4%
Property	7	16,373	15,846	-3.2%	17,381	16,903	-2.8%
Retail	11	93,973	94,307	0.4%	99,544	103,399	3.9%
Telecommunications	2	81,916	82,555	0.8%	86,325	86,480	0.2%
Transportation	3	24,820	24,820	0.0%	32,170	32,170	0.0%
Utility	8	62,176	69,343	11.5%	66,289	66,845	0.8%
Total	**86**	**1,164,282**	**1,165,252**	**0.1%**	**1,103,244**	**1,115,717**	**1.1%**

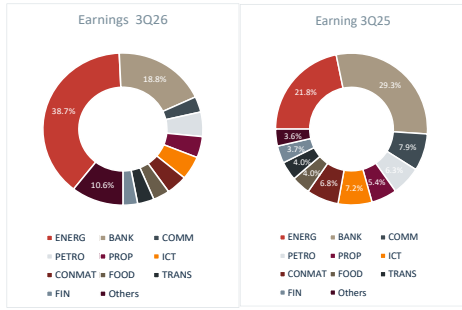
Source: Bloomberg, UOB Kay Hian

3Q Earnings Trend



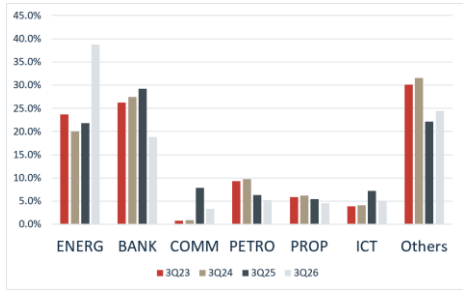
Source: SET Smart, UOB Kay Hian

Earning Pattern Comparison



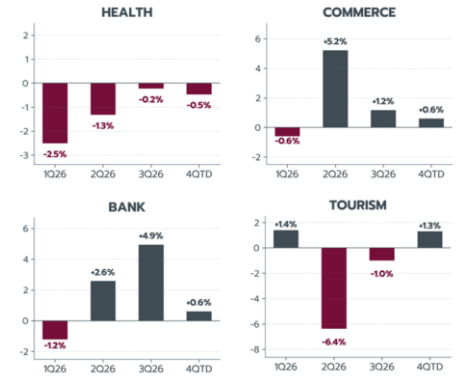
Source: SET Smart, UOB Kay Hian

3Q26 Earning Comparison



Source: SET Smart, UOB Kay Hian

Shifted From Earning Surprises to Sequential Growth



Source: SET Smart, UOB Kay Hian

Stock Picks

Sector	Weighting	Remarks	BUY	HOLD/ SELL
Air Transport	MARKET WEIGHT	Passenger volume is recovering on normalised airfares, which benefits airports more than airlines. Jet fuel prices remain high even in the high season, keeping pressure on airline margins.	AOT, THAI	BA
Banks	OVERWEIGHT	Credit costs should keep falling in 4Q26 as the special provisions booked in 1Q26 for Middle East risk have proven unnecessary, while NIM has bottomed. An extension of the Thai Help Thai Plus through Nov 26, the SME Credit Boost scheme and a possible Fitch outlook upgrade support sentiment. Sector dividend yield of ~5.9% (2026F) provides support.	KBANK, KTB	SCB
Electronics	MARKET WEIGHT	Earnings of companies under our coverage are expected to remain strong in 4Q26. AI data centre demand remains the key long-term theme over the next 2-3 years. DELTA (trading buy) should see 4Q26 earnings rise ~25% qoq, but high inventories and inventory provision risk are expected to persist.	DELTA, HANA	KCE
Finance	OVERWEIGHT	Low-to-middle income borrowers remain fragile and lenders such as MTC have cut 2026 loan growth targets to protect asset quality. However, the extended cash handout programme should keep debt collection healthy into 4Q26, and these concerns appear priced in, limiting downside. A policy rate hike is the key risk	KTC	AEONTS
Consumer Staples	OVERWEIGHT	Consumer Staples Upgraded to OVERWEIGHT. Domestic swine prices are expected to stay at Bt75-76/kg through 4Q26 on tighter supply, while China swine prices should recover to Rmb12-13/kg, bringing CPF's China operations close to breakeven by end-26. Beverage Lower input costs benefit both CBG and OSP. We prefer CBG for clearer sales growth from energy drinks, spirits and OEM domestically, while its Myanmar ramp-up now offsets Cambodia. CBG trades at a premium to OSP but below its own historical average, with higher earnings growth.	CPF, BTG, TFG CBG	GFPT, TU
Construction Services	OVERWEIGHT	The FY27 Budget act has passed, but several public projects are still awaiting Cabinet approval, and new bidding is likely to slip into 2027. We prefer STECON, which should continue to win private projects (power plants and data centres) in 4Q26 to replenish backlog, over CK.	STECON	CK
Oil and Gas	MARKET WEIGHT	Oil & Gas: Middle East uncertainty should keep refining margins elevated into early-27. North American refiners (~8.4m bpd, 8% of global supply) have deferred maintenance from 4Q26 to 1Q27, and Middle East refining capacity has been disrupted, so we assume market GRM of US$9.5/bbl in 2027, still above the pre-war US$5-7/bbl. Market GRM should normalise from 2Q26 peaks, and government diesel price intervention remains a risk. We prefer refiners over upstream: TOP (2027 earnings ~Bt24.7b vs consensus Bt17-18b) and BBGI, which moves to a new earnings base as its SAF plant ramps up. Packaging: SCGP's earnings should beat expectations as Fajar recovers on continued price increases. We see room for consensus to raise 2026-27 forecasts.	TOP, SCGP	
Healthcare	OVERWEIGHT	Middle East patient flows have fully normalised and momentum from the 3Q26 high season should carry into 4Q26, supporting both revenue and margins. supply costs.	BH, PR9	
Hotel	OVERWEIGHT	All Middle East flights have resumed and airfares have normalised, bringing long-haul tourists back. Forward bookings point to mid-single-digit to mid-teens yoy RevPAR growth, and we expect the tourism earnings outlook to stay robust through the 4Q26. Lower cost of debt from refinancing is an additional earnings driver.	CENTEL, AWC, ERW, AOT	
Media	MARKET WEIGHT	4Q26 is the advertising high season for out-of-home media and engagement marketing. PLANB should post record earnings, adding its first full quarter of equity income from COM7 and synergies in 4Q26.	PLANB	
Petrochemical	UNDERWEIGHT	The industry is entering a period of overcapacity and margin compression. We have trimmed our preference for PTTGC and SCC; PTTGC and IVL now trade above our target prices.		Avoid: PTTGC, IVL
Property	OVERWEIGHT	Residential property was pressured by gross profit margin which slower to recover in 2026F and unexpected flooding which delayed property transfers towards the end of 3Q26. We expect the transfer to accelerate in 4Q26 supported by the high season and a backlog of delayed transfers from the previous quarter, while margin pressure is likely to persist. Industrial Estate: Land sales and transfers should accelerate in 4Q26 on backlog conversion and record FDI applications (1H26: Bt1.37t, +80% hoh), led by digital and technology investment.	AP, SPALI WHA,	
Retailers	OVERWEIGHT	We expect 4Q26 to mark a strong earnings recovery: Demand should return to modern trade after the co-payment scheme, pricing power is becoming more evident and the weather is more supportive. SSSG has turned positive across segments and earnings momentum should continue into 2027	BJC	MRDIYT
Telecommunication	OVERWEIGHT	1H26 ran ahead of guidance on core service revenue and EBITDA growth, but management has kept conservative targets, leaving upside to 2H26 earnings. Both operators offer 4-5% dividend yields with less competition supporting margins.	TRUE, ADVANC	
Transport	MARKET WEIGHT	For BEM, 4Q26 earnings are expected to gain strong momentum, driven by three positive factors which will be partially offset by lower commercial development revenue.	BEM	
Utilities	OVERWEIGHT	The new Power Development Plan (PDP 2026), Direct PPA rules and data centre demand open a new investment cycle for power players into 2027.	GULF, GUNKUL. GPSC	RATCH, BGRIM

**Tactical Weighting*
Source: UOB Kay Hian

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