



Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	52475.1	0.2	(0.7)	1.9	9.2
S&P 500	7744.0	0.3	(0.2)	0.8	13.1
FTSE 100	10694.5	0.1	(0.5)	0.1	7.7
AS30	8971.4	0.0	0.2	1.0	(0.5)
CSI 300	4083.9	0.8	(0.7)	(6.0)	(11.8)
FSSTI	5397.9	0.0	(0.3)	(5.5)	16.2
HSCEI	7791.6	0.3	(1.9)	(4.7)	(12.6)
HSI	23094.8	0.2	(2.4)	(6.3)	(9.9)
JCI	5282.3	0.3	(0.9)	(13.7)	(38.9)
KLCI	1613.9	0.1	0.7	(1.8)	(3.9)
KOSPI	6012.4	6.6	4.8	(12.5)	42.7
Nikkei 225	63954.2	1.1	(1.0)	(2.3)	27.0
SET	1566.1	(0.6)	0.7	(1.8)	24.3
TWSE	47035.6	2.0	0.5	(1.3)	62.4

BDI	2652	1.9	(1.0)	(18.8)	41.3
CPO (RM/mt)	4407	(1.2)	(1.5)	(1.5)	12.0
Brent Crude (US\$/bbl)	115	1.3	6.0	9.5	89.5

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Virtual Meeting with UUE Holdings Berhad (UUE MK)	Malaysia	10 Nov	10 Nov
1HFY27 Post Results briefing with Valuetronics Holdings Ltd (VALUE SP)	Singapore	11 Nov	11 Nov
Analyst Marketing by Johnny Yum on GC AI Sector	Taipei	17 Nov	18 Nov
Regional 1H2027 Strategy Conference	Malaysia	02 Dec	02 Dec

Corporate and Macro Calendar

Economic Indicator/Event	Date
Oct. CPI	Thailand 5 Nov
Oct. Consumer Confidence	Thailand 9-13 Nov
3Q GDP YoY	Thailand 16 Nov
Oct. Customs Trade Balance (Export-Import)	Thailand 21-26 Nov

Top Stories

Sector Update | Oil and Gas

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- Refinery stocks yesterday traded lower due to new fuel price reforms, effective on 29 Oct 26, a negative surprise. However, we expect overall impact to be manageable. Meanwhile, the government is reducing the existing diesel price cut from Bt4.00 to Bt2.00 per litre, effective 1 to 30 November, which is better than our current assumption. Maintain MARKET WEIGHT. TOP and SCGP remain our top picks in the sector.

Company Results | Siam Cement (SCC TB/HOLD/Bt278.00/Target: Bt278.00)

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- SCC reported 3Q26 net profit of Bt2.39b, down 79% qoq, and 27% and 42% below our and consensus estimates respectively, due to a steeper-than-expected decline in chemical sales. Earnings from CBM and packaging also weakened due to seasonal factors. However, we expect net profit to recover qoq in 4Q26, supported by dividend income and a recovery in the chemical business. Maintain HOLD. Target price: Bt278.00.

Company Update | Delta (Thailand) (DELTA TB/HOLD/Bt232.00/Target: Bt280.00)

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- DELTA reported a net profit of Bt7.76b (+4% yoy, +28% qoq), 14% below our and market expectations, as continued inventory provisions limited margin recovery. Management guided for very strong sales growth in 4Q26, supported by orders that were not fully delivered during 2Q-3Q26 and no sign of demand slowdown for the next one year. Inventory provision risks are expected to persist throughout 1Q27, but we remain bullish on sales growth over the next 12 months. Maintain BUY. Lower target price to Bt280.00.

Company Update | WHA Corporation (WHA TB/BUY/Bt4.88/Target: Bt6.10)

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- We expect WHA to report 3Q26 core earnings of Bt936m (+38% yoy, +55% qoq), supported by higher land selling prices and improved margins. Revenue is expected to reach Bt2.8b (+46% yoy, +13% qoq), driven by higher industrial estate revenue and continued growth in recurring businesses. Management reiterated its Thailand land sales target, although Vietnam remains challenging despite some improvement in its sales pipeline. Maintain BUY with a target price of Bt6.10.

What's Inside

Company Update | Bangkok Bank (BBL TB/BUY/Bt185.00/Target: Bt220.00)

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- We came away from BBL's analyst meeting with a neutral view. Management said NIM has already bottomed out and showed a slight increase qoq in 3Q26, while maintaining its 2026 financial targets. Management stated that the 2026 credit cost should be slightly above 1%. BBL confirmed that there are no impairment losses on Permata Bank due to the good performance and high coverage. Maintain BUY with a target price of Bt220.00.



Oil & Gas

Fuel Price Reform: Impacts Should Be Manageable

Highlights

- Refinery stocks yesterday traded lower due to a new fuel price reform, effective on 29 Oct 26. However, we expect overall impact to be manageable.
- Additionally, the government is reducing the existing diesel price cut from Bt4.00 to Bt2.00 per litre, effective 1 to 30 November, which is better than our current assumption.
- Maintain MARKET WEIGHT. Our top picks are TOP and SCGP.

Analysis

- What's new.** Refinery stocks yesterday fell by 2-5% to reflect the change in the country's fuel-pricing formula, effective on 29 Oct 26. The Energy Policy Administration Committee's (EPAC) resolution is to remove various deemed-cost components, including freight, insurance, fuel loss during transportation and some reduction in legal oil reserves. Noted that Thai ex-refinery prices are calculated based on the import parity pricing mechanism, using Mean of Platts Singapore (MOPS) as the baseline. As a result, the previous formula was represented as MOPS + Premium (or deemed costs).
- Additionally, EPAC is reducing the existing diesel price cut from Bt4.00 to Bt2.00 per litre, effective 1 to 30 November.
- Our view.** We expect the overall impact to be manageable. Based on our preliminary channel checks, the previous premium in the formula was around US\$1.30/bbl-US\$1.40/bbl, equivalent to around Bt0.20-0.30/litre and Thai refiners set the premium below US\$1/bbl. In the worst-case scenario, if we assume the fuel price reform reduces our market GRM assumption by US\$1/bbl in 2027, our earnings estimate for five refiners should be negatively affected in the range of 10-38% (Please see page 2 table).
- However, not all refined products (10%-20% production yield) from refineries will be hurt from the fuel price adjustment, including Naphtha (feedstocks for petrochem), Liquefied Petroleum Gas (LPG), and off-spec refined products. Hence, we believe refiners will be able to manage the impact from this reform.
- Meanwhile, the government is reducing the existing diesel price cut from Bt4.00 to Bt2.00 per litre, effective 1 to 30 November. The decrease in diesel price cut is better than our current assumption. Our earnings forecasts for refinery stocks have already incorporated the ex-refinery cut on diesel by Bt4.00/litre since 4Q26 towards 1H27.

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MARKET WEIGHT (Maintained)

Segmental Rating

Segment	Rating
Oil and Gas	MARKET WEIGHT (Maintained)

Source: UOB Kay Hian

Sector Picks

Company	Ticker	Rec	Share Price (Bt)	Target Price (Bt)
Thai oil	TOP TB	BUY	67.50	100.00
SCG Packaging	SCGP TB	BUY	28.50	43.00

Source: Bloomberg, UOB Kay Hian

Peer Comparison

Ticker	Rec*	Price 27 Oct 26 (Bt)	Target Price (Bt)	Upside To TP (%)	Net Profit 2026F (Btm)	2027F (Btm)	PE 2026F (x)	2027F (x)	Net EPS Growth 2027F (%)	Yield 2027F (%)	ROE 2027F (%)	Market Cap. (US\$m)	Price/ NAV ps (x)
BCP TB	BUY	51.50	65.00	26.2	39,507	20,175	1.9	3.8	(48.9)	4.7	14.2	2,271	0.6
IRPC TB	HOLD	2.92	3.00	2.7	19,437	5,030	3.1	11.9	(74.1)	1.7	6.1	1,786	0.7
IVL TB	BUY	27.50	27.00	(1.8)	7,713	7,925	20.0	19.5	2.8	2.7	5.8	4,623	1.2
OR TB	HOLD	12.80	12.50	(2.3)	7,884	9,924	19.5	15.5	25.9	3.1	4.1	4,599	0.6
PTT TB	BUY	42.00	45.00	7.1	123,110	106,386	9.7	11.3	(13.6)	6.0	8.6	35,918	1.0
PTTEP TB	BUY	166.50	170.00	2.1	80,519	76,374	8.2	8.7	(5.1)	6.0	12.6	19,790	1.1
PTTGC TB	HOLD	54.25	54.00	(0.5)	30,730	18,205	8.0	13.4	(40.8)	3.0	5.0	7,324	0.7
SCC TB	HOLD	278.00	278.00	-	27,184	13,298	12.3	25.1	(51.1)	1.8	3.3	9,988	0.8
SPRC TB	BUY	14.80	17.00	14.9	27,066	10,707	2.4	6.0	(60.4)	7.4	16.0	1,921	0.9
TOP TB	BUY	67.50	100.00	48.1	50,361	27,923	3.0	5.4	(44.6)	4.4	12.5	4,514	0.7
Avg					413,512	295,946	7.5	10.5	(28.4)	4.8	8.7	92,734	0.9

Source: UOB Kay Hian

2027 Net Profit Forecasts and Sensitivity Analysis

Net profit 2027	Sensitivity of 2027 net profit to a US\$1.00/bbl decrease in Market GRM	
	Impact to 2027 net profit (Btm)	As a % of 2027E net profit
BCP	20,175	3,000
IRPC	5,030	1,900
PTTGC	18,205	1,800
SPRC	10,707	1,600
TOP	27,923	3,000

Source: UOB Kay Hian

Valuation/Recommendation

- **Maintain MARKET WEIGHT.** In the O&G sector, we prefer Thai Oil (TOP TB/BUY/Target: Bt100.00) and SCG Packaging (SCGP TB/BUY/Target: Bt43.00)

Thai Oil (TOP TB/BUY/Target: Bt100.00)

- **3Q26 net profit expected to rise both qoq and yoy.** We expect TOP to report a net profit of Bt17.84b in 3Q26, up 115% qoq and 731% yoy, driven by a persistently high market gross integrated margin (GIM) and higher stock gains. Excluding extraordinary items, core profit is estimated at Bt16.34b, down 14% qoq, with 9M26 core profit accounting for 82% of our 2026 forecast.
- **Strong GRM outlook amid prolonged supply constraints.** Although gross refinery margin (GRM) has recently declined due to higher costs, it remains above pre-war levels. Refined product exports from the Persian Gulf remain at approximately 3.00m barrel per day (MBD) below pre-war levels, while Russian refined product supply has declined by around 1.30-1.40 MBD due to drone attacks.
- However, these supply shortfalls have been partially offset by combined refined product exports from China, India and the US of approximately 1.50 MBD. China also approved its third batch of refined product export quotas in 3Q26. As a result, the net supply shortfall is expected to remain at around 2.00-3.00 MBD in 4Q26 and continue through 1H27.
- In addition, deferred refinery maintenance in North America will concentrate most shutdowns in 1Q27, affecting approximately 8% of global refined product supply, followed by refinery maintenance in Asia in 2Q27. These factors should support structurally higher GRM levels relative to the pre-war range of approximately US\$5-7/bbl.

SCG Packaging (SCGP TB/BUY/Target: Bt43.00)

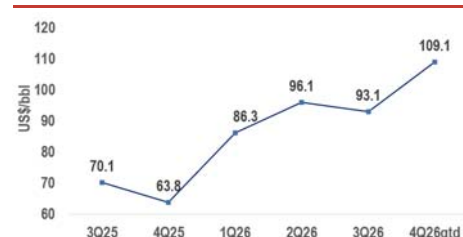
- **Fajar is expected to sustain its profitability.** We continue to expect Fajar to remain profitable in 4Q26, supported by year-end activities and New Year celebrations that should boost demand for consumer goods, particularly food and beverages. Fajar will continue to focus on the domestic Indonesian market while expanding into new regional markets with strong demand, particularly India and South Asia. Cost-reduction initiatives will remain a priority through domestic recovered paper (RCP) sourcing and energy management, alongside studies to upgrade its duplex paper production machinery. Fajar will also pursue M&P strategies with packaging box plants to increase the integrated value chain ratio (Fajar and MYPAK) to above 26%, strengthening competitiveness and supporting further margin expansion. Fajar reported 9M26 net profit of Bt435m, reversing a net loss of Bt1.48b in 9M25. We maintain our FY26 net profit forecast at Bt685m, versus a net loss of Bt2.26b in 2025, marking its return to profitability for the first time in four years.
- **4Q26 demand recovery faces rising production cost risks.** We expect 4Q26 demand to benefit from a recovery following Thailand's floods, year-end consumption and inventory replenishment ahead of upcoming festivals,

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	Currently Active
7	Nov 1-30	2.00	Currently Active

Source: Energy Policy Administration Committee (EPAC), UOB Kay Hian

Dubai Crude Oil Price



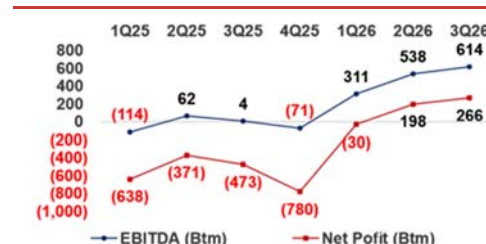
Source: TOP

Petroleum Crack Spread and Crude Premium



Source: TOP

Fajar's Earnings Performance



Source: SCGP

Fajar's ASP and Sales Volume



Source: SCGP

including Tet in Vietnam and Hari Raya in Indonesia, with seasonal demand extending into 1Q27. However, higher raw material costs, particularly recycle paper (RCP) prices, and rising energy costs since 2Q26 are likely to limit the upside. We forecast 4Q26 net profit of Bt1.8b, down qoq but significantly higher yoy from Bt1.21b in 4Q25, supported by ongoing selling price adjustments throughout 2026 and a higher proportion of domestically sourced RCP and biomass usage.

Sector Catalyst/Risk

- Global economic slowdown.
- Fluctuations in crude oil prices and GRM.
- Petrochemical demand is recovering slowly, but new petrochemical production capacity continues to increase.

Siam Cement (SCC TB)

3Q26: Earnings Miss Expectations As Chemical Business Records Losses

Highlights

- 3Q26 earnings missed our and consensus estimates by 27% and 42%, respectively, due to a steeper-than-expected decline in chemical sales, while CBM and packaging earnings weakened due to seasonal factors.
- We expect 4Q26 net profit to recover qoq, supported by dividend income and a recovery in the chemical business.
- Maintain HOLD. Target price: Bt278.00.

3Q26 Results

Year to 31 Dec	3Q25	2Q26	3Q26	%Chg. yoy	%Chg. qoq	9M25	9M26	%Chg. yoy
Revenue	121,793	136,243	122,666	1%	-10%	370,870	382,236	3%
Gross profit	15,289	28,423	20,285	33%	-29%	52,800	70,074	33%
EBITDA	8,261	19,132	11,023	33%	-42%	27,946	44,875	61%
Gain (Loss) from affiliate	1,181	2,191	1,692	43%	-23%	2,471	5,288	114%
Core Profit	774	10,833	1,788	131%	-83%	5,302	14,436	172%
Extraordinary item	-1,443	702	598	n.a.	-15%	12,465	5,707	-54%
Net Profit	-669	11,535	2,386	n.a.	-79%	17,767	20,143	13%
- Cement (CBM)	1,948	2,570	1,669	-14%	-35%	5,495	7,426	35%
- Chemical (SCGC)	-3,999	4,820	-1,738	n.a.	n.a.	5,961	4,160	-30%
- Packaging (SCGP)	953	2,304	2,026	113%	-12%	2,863	5,896	106%
EPS	-0.56	9.61	1.99	n.a.	-79%	14.81	16.79	13%
Inventory gain (loss)	-1,348	1,080	905	n.a.	-16%	-2,349	6,157	n.a.
Financial ratio (%)								
Gross Profit Margin	12.6%	20.9%	16.5%			14.2%	18.3%	
EBITDA Margin	6.8%	14.0%	9.0%			7.5%	11.7%	
Net profit margin	-0.5%	8.5%	1.9%			4.8%	5.3%	

Source: SCC, Bloomberg, UOB Kay Hian

Analysis

- 3Q26 net profit missed our and consensus estimates.** Siam Cement (SCC) SCC reported 3Q26 net profit of Bt2.39b, down 79% qoq but recovering from a net loss of Bt669m in 3Q25. Earnings were 27% below our estimate and 42% below market consensus, partly due to lower-than-expected earnings from the chemical business. SCC recorded extra gains of Bt598m in 3Q26, comprising a stock gain of Bt905m, offset by restructuring expenses in the cement building material (CBM) business. Excluding these items, core profit stood at Bt1.79b, down 83% qoq but up 131% yoy. 9M26 net profit accounted for 74% of our 2026 forecast.
- Seasonal weakness in cement sales.** CBM net profit was Bt1.67b in 3Q26, down 35% qoq and 14% yoy, partly due to lower cement sales volume during the rainy season and higher energy costs, in line with coal prices (ICI3), which rose 6% qoq and 66% yoy to US\$96/tonne.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	511,172	496,925	725,124	723,157	732,885
EBITDA	41,721	36,386	61,286	48,742	55,203
Operating profit	-1,475	-9,785	18,273	8,088	16,046
Net profit (rep./act.)	6,342	14,075	27,184	13,298	17,573
Net profit (adj.)	3,798	4,962	22,392	13,298	17,573
EPS (x)	5.28	11.73	22.65	11.08	14.64
PE (x)	47.31	21.31	11.04	22.56	17.07
P/B (x)	0.85	0.89	0.84	0.82	0.79
EV/EBITDA (x)	24.63	30.99	13.92	17.86	15.42
Dividend yield (%)	2.00	2.00	2.40	2.00	2.00
Net margin (%)	0.74	1.00	3.09	1.84	2.40
Net debt/(cash) to equity (%)	58.21	55.32	35.12	26.67	18.33
Consensus net profit	n.a.	n.a.	25,551	19,376	24,927
UOBKH/Consensus (x)	n.a.	n.a.	1.06	0.69	0.70

Source: SCC, Bloomberg, UOB Kay Hian

Analyst(s)

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HOLD (Maintained)

Share Price	Bt278.00
Target Price	Bt278.00
Upside	+0.00%

Stock Data

Sector	Property & Construction / Construction Materials
Bloomberg ticker	SCC TB
Shares issued (m)	1,200
Market cap (Btm)	300,000
Market cap (US\$m)	8,955
3-mth avg daily t'over (US\$m)	24.1

Price Performance (%)

52-week high/low		Bt272.00 / Bt163.00		
1mth	3mth	6mth	1yr	YTD
-4.2	3.7	-3.8	12.1	36.2

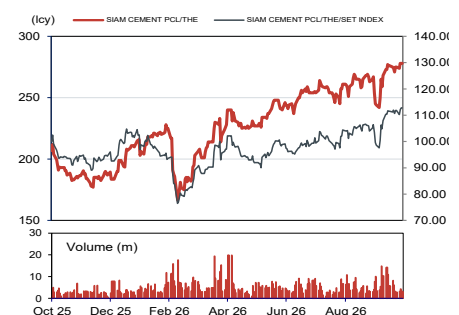
Major Shareholders (%)

Maha Vajiralongkorn	33.64
Thai NVDR Company Limited	7.85
SOCIAL SECURITY OFFICE	5.54

Balance Sheet Metrics

FY26 NAV/Share (Bt)	Bt299.07
FY26 Net Debt/Share (Bt)	Bt209.87

Price Chart



Source: Bloomberg

Company Description

The company operates as holding company operating core businesses consists of investments in: a) SCG Cement and Green Solutions, b) SCG Smart Living, c) SCG Distribution and Retail, d) SCG Decor (SCGD), e) SCG Chemicals (SCGC) and f) SCG Packaging (SCGP).

- Chemicals returned to a loss-making position in 3Q26.** The chemical business reported a net loss of Bt1.74b in 3Q26, compared with a net profit of Bt4.82b in 2Q26 and a net loss of Bt4.0b in 3Q25. Earnings were below our estimate, partly due to a lower-than-expected qoq decline in sales. Although the Rayong Olefins (ROC) plant resumed operations on 17 September, this was insufficient to offset the lost production capacity from Long Son Petrochemicals (LSP), which has been shut down since mid-May. However, the qoq decline in chemical earnings in 3Q26 was expected, in line with lower High-Density Polyethylene (HDPE), Polypropylene (PP), and Polyvinyl Chloride (PVC) spreads, which fell 26.9%, 13.7%, and 21.4% qoq, respectively, as regional feedstock supply conditions eased.
- Higher RCP costs weighed on packaging earnings.** SCG Packaging (SCGP) reported 3Q26 net profit of Bt2.03b, down 12% qoq but up 113% yoy, amid higher recycle paper (RCP) and energy costs. Nevertheless, earnings remained strong, supported by selling price increases implemented since 2Q26. Packaging demand in Indonesia remained robust, as reflected in continued increases in average selling prices, enabling Fajar to deliver a 34% qoq increase in 3Q26 net profit.
- 4Q26 earnings are expected to recover.** Key drivers include: a) dividend income, and b) a recovery in petrochemical spreads. 4Q26-to-date, HDPE, PP, and PVC spreads had increased by 12%, 8%, and 9% qoq, respectively. This was partly driven by maintenance shutdowns at major South Korean producers, including LG Chem (LG) and Korea Petrochemical Industry (KPIC), as well as reduced Chinese production due to naphtha procurement constraints. Sales are also expected to increase qoq following the ROC plant's restart, despite a planned 30-40-day maintenance shutdown at Map Ta Phut Olefins (MOC) in 4Q26.

Valuation/Recommendation

- Maintain HOLD with an SOTP-based 2027 target price of Bt278.00.** We value the chemical business based on forward P/B at -1.0SD of 0.47x, the cement business at 12x forward PE, and SCGP at 24.3x forward PE. We remain cautious about the petrochemical outlook, given the expected decline in petrochemical spreads in 2027 amid continued oversupplies.
- We maintain MARKET WEIGHT on 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

- a) Carbon reduction:** Committed to reducing greenhouse gas emissions through energy efficiency, renewable energy, and carbon capture technologies, and **b) renewable energy:** expanding renewable energy portfolio, including solar and biomass projects.

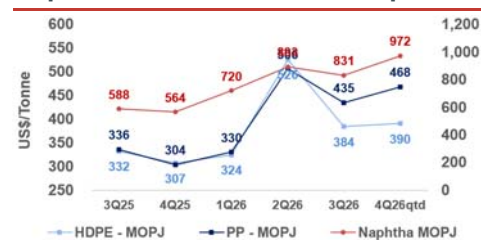
Social

- a) Community engagement:** Investing in education, health, and infrastructure programmes for local communities, and **b) employee welfare:** focusing on training, safe working conditions, and promoting diversity and inclusion.

Governance

- a) Corporate governance:** Maintaining transparent reporting and adhering to ethical business practices, and **b) risk management:** integrating ESG considerations into risk management processes.

Naphtha and Petrochemical Spread



Source: SCC

SCGC Olefins Crackers

	2026				2027			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
ROC Thailand	Start Shutdown	Start Shutdown	Start Shutdown	Start Shutdown	Restart with non-M.E. feedstock	Restart with non-M.E. feedstock	Restart with non-M.E. feedstock	Restart with non-M.E. feedstock
MOC Thailand	Planned Restart	Planned Restart	Planned Restart	Planned Restart	Restart with non-M.E. feedstock	Restart with non-M.E. feedstock	Restart with non-M.E. feedstock	Restart with non-M.E. feedstock
LSP Vietnam	Shutdown	Shutdown	Shutdown	Shutdown	Shutdown	Shutdown	Shutdown	Shutdown

Source: SCC

LSPE (Ethane Project) In Summary

Ethane Gas Agreement U.S. Feedstock Contract signed Jan'25	• 15-yr with Enterprise Products Partners L.P. • Up to 1 MTA by FOB basis • Market price basis (Mont Belvieu)	
Shipping Agreement 5 VLECs Contract signed in Jan/Mar'25	• 15-yr time charter agreement • 5 VLECs with Mitsui O.S.K. Lines (MOL) • Fixed rental fee plus operating cost • Require transportation at -90 degree Celsius	
Ethane Storage Tanks EPC Contract signed Feb'25	• Consortium EPC contract signed with China Tianchen Engineering Corporation (TCC) and PetroVietnam Technical Service Corporation (PTSC) • 2 cryogenic tanks (55,000 tons each) • Require storage at -90 degree Celsius	
Olefins Plant Modification Start construction Mar'26	• Modify some critical equipment to consume 1 MTA Ethane with competitive cost	

Source: SCC

LSPE Project Update

	1. Ethane storage tanks Construct two cryogenic Ethane storage tanks, each with a capacity of approximately 55,000 tons, at a temperature of around -90°C, to support large-scale Ethane imports. As of September 2026, construction progress exceeds 60%.
	2. Raw material procurement and transport Enter into a long-term (15-year) contract for 1 million tons/year of Ethane from the USA and charter 5 VLEC vessels to enhance supply chain reliability.
	3. Olefins plant modifications Modify the production processes and feedstock systems to handle up to approximately 70% Ethane in the Feedstock mix, while maintaining the flexibility to optimize the use of Naphtha and Propane among market prices and margins.

Source: SCC

SOTP Valuation

	Equity Value	Bt/share	Methodology
Chemical	130,561	109	0.47x PBV
Cement	211,375	176	12.0x PE
Packaging (SCGP)	182,861	152	24.3x PE
Décor (SCGD)	15,778	13	10.0x PE
Others	18,150	15	10.0x PE
Net Debt	-225,125	-188	
Total	333,600	278	

Source: UOB Kay Hian

Profit & loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	496,925	725,124	723,157	732,885
EBITDA	27,273	56,494	48,742	55,203
Deprec. & amort.	33,170	32,136	31,976	31,828
EBIT	(5,897)	24,358	16,766	23,375
Associate contributions	17,866	4,500	4,500	4,500
Net interest income/(expense)	(10,738)	(10,105)	(9,038)	(9,659)
Pre-tax profit	19,457	28,337	12,228	18,216
Tax	(8,900)	(5,667)	(2,446)	(3,643)
Minorities	3,518	4,515	3,515	3,000
Net profit	14,075	27,184	13,298	17,573
Net profit (adj.)	4,962	22,392	13,298	17,573

Cash flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	42,664	81,615	28,029	17,997
Pre-tax profit	19,457	28,337	12,228	18,216
Tax	(8,900)	(5,667)	(2,446)	(3,643)
Deprec. & amort.	33,170	32,136	31,976	31,828
Working capital changes	4,399	26,809	(13,729)	(28,404)
Other operating cashflows	(5,462)	0	0	0
Investing	(8,852)	15,139	(30,000)	(30,000)
Investments	(37,913)	(30,000)	(30,000)	(30,000)
Others	29,061	45,139	0	0
Financing	(35,233)	(79,757)	6,750	16,750
Dividend payments	(8,637)	(6,000)	(6,000)	(6,000)
Issue of shares				
Proceeds from borrowings	(26,595)	(73,757)	12,750	22,750
Net cash inflow (outflow)	(1,420)	16,997	4,779	4,747
Beginning cash & cash equiv.	36,492	33,679	50,676	55,455
Changes due to forex impact	(1,393)	0	0	0
Ending cash & cash equiv.	33,679	50,676	55,455	60,202

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	398,486	396,350	394,374	392,546
Other LT assets	76,009	7,251	7,232	7,329
Cash/ST investment	99,798	111,103	107,109	106,007
Other current assets	36,441	43,958	43,889	44,230
Total assets	821,591	815,165	832,855	863,906
ST debt	52,462	27,250	27,250	27,250
Other current liabilities	11,625	7,251	7,232	7,329
LT debt	191,842	164,592	137,342	110,092
Other LT liabilities	222,713	171,844	144,574	117,421
Shareholders' equity	380,760	401,945	409,242	420,815
Total liabilities & equity	821,591	815,165	832,855	863,906

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	8.16	7.32	8.45	6.74
Pre-tax margin	1.51	3.92	3.91	1.69
Net margin	1.24	2.83	3.75	1.84
ROA	1.71	3.33	1.60	2.03
ROE	3.70	6.76	3.25	4.18
Growth (% yoy)				
Turnover	(2.79)	45.92	(0.27)	1.35
EBITDA	(30.39)	107.14	(13.72)	13.26
Pre-tax profit	152.56	45.64	(56.85)	48.97
Net profit	121.95	93.14	(51.08)	32.15
Net profit (adj.)	30.66	351.28	(40.62)	32.15
EPS	121.95	93.14	(51.08)	32.15
Leverage				
Debt to total capital	61.56	46.39	39.44	32.25
Debt to equity	64.16	47.73	40.22	32.64
Net debt/(cash) to equity	55.32	35.12	26.67	18.33
Interest cover (x)	3.39	6.06	5.39	5.72

Delta (Thailand) (DELTA TB)

Guides For Strong Sales Growth; Slower Gross Margin Recovery Outlook Through 1Q27 Presents Opportunity To Accumulate

Highlights

- DELTA reported a net profit of Bt7.76b (+4% yoy, +28% qoq), 14% below our and market expectations, as continued inventory provisions limited margin recovery.
- Management guided for very strong sales growth in 4Q26, supported by orders that were not fully delivered during 2Q-3Q26 and no sign of demand slowdown for the next one year.
- Inventory provision risks are expected to persist throughout 1Q27, but we remain bullish on sales growth over the next 12 months.
- Maintain BUY with a target price of Bt280.00, as we view the valuation overhang from inventory provision uncertainties as an accumulation opportunity, with the current valuation already reflecting weaker margins and a slower margin recovery pace.

Analysis

- 3Q26 results: Despite strong sales momentum, earnings missed expectations as another inventory provision limited gross margin recovery.** On 27 Oct 26, Delta (Thailand) (DELTA) reported a net profit of Bt7.76b (+4% yoy, +28% qoq), 14% below our estimate and consensus forecasts. Despite strong sales of Bt75.8b (+42% yoy, +16% qoq), broadly in line with expectations, the earnings miss was mainly due to weaker-than-expected gross margin recovery from continued inventory provision. Gross margin came in at 27.3% (vs 26.8% in 2Q26), below expectations of 29.1-29.5%, mainly due to: a) elevated inventory provisions amid persistent raw material shortages and inventory build-up to support existing customer orders, and b) short-term customer demand fluctuations causing inventories to remain at DELTA's hubs for more than 90 days. As a result, inventory provisions had a negative impact of 2.62ppts on gross margin in 3Q26 (vs 0.55ppts/2.05ppts in 1Q26/2Q26).
- Tone was slightly positive: Strong 4Q26 sales momentum expected, but we remain neutral on the pace of gross margin recovery.** We are slightly positive on DELTA as management maintained its aggressive 40:60 sales split guidance between 1H26 and 2H26, implying roughly 50% qoq sales growth in 4Q26 (or potential net profit of Bt10b-11b). The expected sales peak is supported by strong demand for power supplies and data centre infrastructure solutions, along with orders from 2Q-3Q26 that have yet to be fully delivered. However, we forecast 4Q26 sales at Bt95.2b (+65% yoy, +26% qoq), reflecting short-term demand fluctuations among major cloud customers amid persistent raw material shortages. Our forecast implies a 42:58 sales split, leaving room for potential upside if management's guidance materialises, while maintaining a cautious gross margin outlook.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	164,732.7	198,153.4	297,559.4	387,127.1	467,813.0
EBITDA	24,598.2	34,520.1	44,432.4	60,891.9	81,403.4
Operating profit	17,859.9	26,325.9	33,802.7	47,229.5	64,558.2
Net profit (rep./act.)	18,938.6	24,814.3	32,581.1	43,057.4	57,778.9
Net profit (adj.)	17,979.7	22,963.9	29,931.1	42,107.4	56,923.9
EPS	1.4	1.8	2.4	3.4	4.6
PE (x)	161.0	126.0	96.7	68.7	50.8
P/B (x)	36.2	29.9	24.1	19.4	15.6
EV/EBITDA (x)	117.1	83.3	65.0	47.3	35.3
Dividend yield (%)	0.2	0.3	0.4	0.6	0.9
Net margin (%)	11.5	12.5	11.0	11.1	12.4
Net debt/(cash) to equity(%)	(17.0)	(18.9)	(3.9)	(7.8)	(10.7)
Consensus net profit	n.a	n.a	33,104.4	47,973.7	64,751.1
UOBKH/Consensus (x)	n.a	n.a	0.9	0.9	0.9

Source: Delta (Thailand), Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	Bt232.00
Target Price	Bt280.00
Upside	20.7%
Previous TP	Bt300.00

Stock Data

Sector	Information Technology
Bloomberg ticker	DELTA TB
Shares issued (m)	12,473.8
Market cap (Btm)	2,918,873.0
Market cap (US\$m)	86,464.6
3-mth avg daily t'over (US\$m)	167.5

Price Performance (%)

52-week high/low		Bt364.0/Bt159.5		
1mth	3mth	6mth	1yr	YTD
(9.6)	(17.9)	(24.5)	4.9	35.3

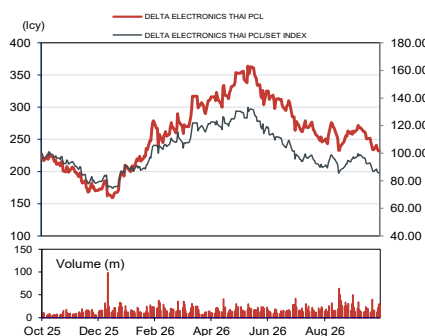
Major Shareholders (%)

Delta Electronics Int'l (Singapore) Pte. Ltd.	42.85
Citi (Nominees) Limited-Cbhk-Pbgsg-Restricted Shares	13.86

Balance Sheet Metrics

FY26 NAV/Share (Bt)	9.6
FY26 Net Debt/Share (Bt)	(0.4)

Price Chart



Source: Bloomberg

Company Description

Delta Electronics is an electronics exporter, manufacturer of power supplies and electronic components, ie DC fan, EMI filters and solenoids.

Thursday, 29 October 2026

- Elevated inventory levels through 1Q27 could prolong inventory provision risks.** Management expects DELTA's inventory levels to remain high through 1Q27 (+25% and 26% qoq in 2Q26-3Q26) due to long raw material lead times and persistent supply shortages, requiring inventory build-up backed by customer demand leading to demand-supply unbalance in supply chain not the customer demand. As a result, inventory provisions could remain unavoidable, potentially becoming the new normal in the short term. Management indicated that inventory provisions were mainly related to finished goods and raw materials, accounting for approximately 70% and 30%, respectively. The higher-value finished goods were mainly associated with several major data centre customers. The provisions were made for inventories held for more than 90 days under the company's inventory provisioning policy. Management clarified that these inventories have not been written off and expects the provisions to be reduced as customers gradually draw down inventories from DELTA's hubs.
- Blackwell-to-Rubin transition could cause short-term customer demand fluctuations, but with limited inventory provision risks.** As the market continues to shift towards next-generation Graphics Processing Unit (GPU) architectures (Rubin 200), and custom Application-Specific Integrated Circuits (ASICs), DELTA continues to develop its products in line with these technology transitions. Customer demand could fluctuate during the transition from power supply units (PSUs) supporting Blackwell to the next-generation Rubin platform. However, management expects a gradual transition, suggesting limited inventory provision risk from this factor.
- DELTA can pass through the tariff increase from 10% to 12.5%, while continuing negotiations over the global minimum tax, with payment expected in mid-27.** The US tariff rate increased to 12.5% from 10% under Section 301, effective Jul 26, following an earlier reduction from 19%. However, the current rate remains within the agreed range for passing tariff costs through to customers, although DELTA still needs to pay the tariffs upfront, as before. In addition, DELTA continued to recognise top-up tax expenses under the OECD Pillar Two framework (15% global minimum tax). Management is continuing negotiations on this matter, although it remains uncertain whether the provisions recorded over the past seven quarters can be reversed. Payment is expected around mid-27.

Valuation/Recommendation

- Maintain BUY with a lower target price of Bt280.00 (from Bt300.00).** Our target price is based on 80x 2027F PE, nearly +1.25SD above its five-year mean, or a 10% premium to the 2021-24 average forward PE of 73x (from 15%). The lower premium reflects continued uncertainty over inventory provisions, compared with the 2021-24 period when there was no data centre exposure.
- Inventory provision risks are expected to persist through 1Q27, but we remain bullish about sales growth over the next 12 months.** DELTA currently trades at 70x 2027F PE (+0.5SD above its five-year mean), which we believe already reflects the slower gross margin recovery outlook and margin profile.
- We remain bullish on DELTA's sales growth in 4Q26-2027, supported by strong demand for power supplies and data centre infrastructure.** We expect DELTA to maintain a strong Rule of 40 (revenue growth + EBITDA margin) of 65%/46%/38% in 2026-28, respectively, reflecting its solid underlying fundamentals.

Earnings Revision/Risk

- We are negative about DELTA's results, but slightly positive about the analyst meeting.** We cut our 2026-2028 core earnings forecast by 7%/ 4%/ 3% respectively, due to conservative assumptions regarding persistent raw material shortages and continued pressure on gross margins.

3Q26 Earnings Results

	3Q26	3Q25	2Q26	yoy (%)	qoq (%)
Revenue	75,801	53,214	65,191	42.4%	16.3%
Gross profit	20,697	15,085	17,469	37.2%	18.5%
SG&A	12,846	7,580	11,354	69.5%	13.1%
Operating profit	7,852	7,504	6,114	4.6%	28.4%
Operating EBITDA	10,753	9,379	8,653	14.6%	24.3%
Other income	1,398	1,226	1,287	14.1%	8.6%
Core profit	7,069	6,392	5,527	10.6%	27.9%
Net profit	7,757	7,441	6,075	4.2%	27.7%
EPS	0.62	0.60	0.49	4.2%	27.7%
Financial ratio				ppts	ppts
Gross profit margin	27.3	28.3	26.8	0.5	-1.0
SG&A Exp./Sales	16.9	14.2	17.4	-0.5	2.7
Operating margin	10.4	14.1	9.4	1.0	-3.7
EBITDA margin	14.2	17.6	13.3	0.9	-3.4
Net profit margin	10.2	14.0	9.3	0.9	-3.7

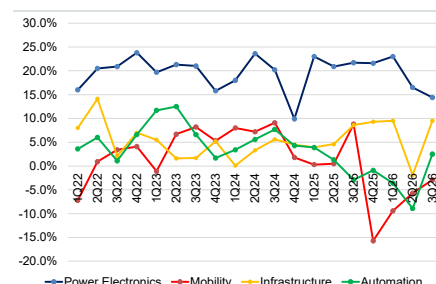
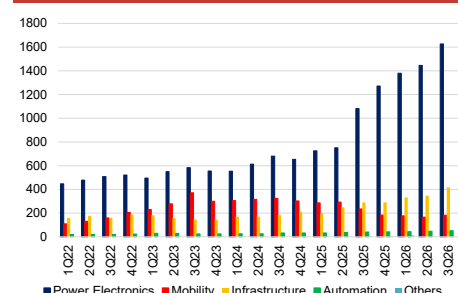
Source: UOB Kay Hian

Earnings Revision

(Btm)	2026	%Chg	2027	%Chg	2028	%Chg
Revenue (Btm)	297,559	3.2	387,127	3.4	467,813	3.6
Gross profit	84,507	0.4	115,364	0.1	146,425	0.8
SG&A	(40,885)	6.6	(54,585)	2.7	(65,494)	3.8
Operating EBIT	33,803	(6.6)	47,230	(4.4)	64,558	(3.4)
Operating EBITDA	44,432	(4.0)	60,892	(1.7)	81,403	(0.9)
Net profit	32,581	(4.0)	43,057	(3.5)	57,779	(2.7)
Core profit	29,931	(7.0)	42,107	(3.9)	56,924	(3.0)
EPS	2.61	(4.0)	3.45	(3.5)	4.63	(2.7)
Core EPS	2.40	(7.0)	3.38	(3.9)	4.56	(3.0)
%		ppt		ppt		ppt
Gross margin	28.4	(0.8)	29.8	(1.0)	31.3	(0.9)
SG&A to sales	13.7	0.4	14.1	(0.1)	14.0	-
Operating margin	11.4	(1.2)	12.2	(1.0)	13.8	(1.0)
Operating EBIT margin	11.4	(1.2)	12.2	(1.0)	13.8	(1.0)
Operating EBITDA margin	14.9	(1.1)	15.7	(0.8)	17.4	(0.8)
Net profit margin	10.9	(0.8)	11.1	(0.8)	12.4	(0.8)
Core profit margin	10.1	(1.1)	10.9	(0.8)	12.2	(0.8)

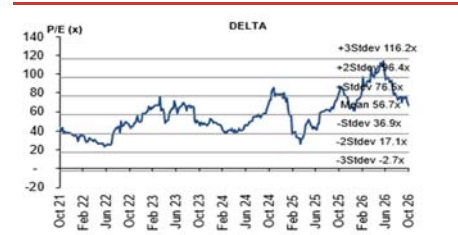
Source: UOB Kay Hian

Revenue Breakdown And Operating Margin (%) By Segment (US Terms)



Source: UOB Kay Hian

5-Year Forward PE Band



Source: UOB Kay Hian

Share Price Catalyst

- No further unexpected inventory provisions, stronger gross margin recovery, and easing raw material shortages.

Environment, Social, Governance (ESG) Updates

Environmental

- DELTA targets to reduce electricity consumption intensity (EI) by 20% in 2025 (compared with the base year 2020) and has also set a target to increase the proportion of renewable energy use to 100% by 2030.

Social

- DELTA is committed to conducting business according to its Corporate Social Responsibility Policy, covering governance, regulatory compliance and environmental matters.

Governance

- DELTA has achieved its board diversity target by appointing three female directors, representing 30% of total board members as of 2024, reinforcing board independence and expertise.

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	198,153	297,559	387,127	467,813
EBITDA	34,520	44,432	60,892	81,403
Deprec. & amort.	8,194	10,630	13,662	16,845
EBIT	26,326	33,803	47,230	64,558
Total other non-operating income	2,370	4,365	3,174	3,165
Associate contributions	1	1	0	0
Net interest income/(expense)	189	252	252	252
Pre-tax profit	28,887	38,421	50,656	67,975
Tax	(4,073)	(5,840)	(7,598)	(10,196)
Minorities	0	0	0	0
Net profit	24,814	32,581	43,057	57,779
Net profit (adj.)	22,964	29,931	42,107	56,924

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	29,682	27,094	53,736	63,945
Pre-tax profit	28,887	38,421	50,656	67,975
Tax	(4,073)	(5,840)	(7,598)	(10,196)
Deprec. & amort.	8,194	10,630	13,662	16,845
Working capital changes	(8,565)	(22,226)	(8,707)	(16,984)
Non-cash items	0	0	0	0
Other operating cashflows	5,239	6,110	5,722	6,305
Investing	(16,132)	(25,451)	(26,884)	(28,112)
Capex (growth)	(14,957)	(25,666)	(27,037)	(28,040)
Investments	(1,177)	(167)	(458)	(458)
Others	3	382	611	386
Financing	(5,956)	(8,963)	(13,883)	(21,181)
Dividend payments	(5,738)	(9,444)	(13,883)	(21,181)
Issue of shares	0	0	0	0
Proceeds from borrowings	(126)	481	0	0
Others/interest paid	(93)	0	0	0
Net cash inflow (outflow)	7,594	(7,319)	12,969	14,652
Beginning cash & cash equivalent	15,701	20,288	7,085	14,004
Ending cash & cash equivalent	23,295	12,969	20,054	28,655

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	46,840	62,002	75,456	86,727
Other LT assets	3,218	3,446	4,189	4,893
Cash/ST investment	20,288	7,085	14,004	22,228
Other current assets	83,786	147,514	179,536	207,361
Total assets	154,131	220,047	273,184	321,209
ST debt	926	1,039	1,039	1,039
Other current liabilities	51,343	93,196	116,263	127,057
LT debt	1,037	1,405	1,405	1,405
Other LT liabilities	4,098	4,542	5,438	6,070
Shareholders' equity	96,727	119,864	149,039	185,637
Minority interest	0	0	0	0
Total liabilities & equity	154,131	220,047	273,184	321,209

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	17.4	14.9	15.7	17.4
Pre-tax margin	14.6	12.9	13.1	14.5
Net margin	12.5	11.0	11.1	12.4
Growth				
Net profit (adj.)	27.7	30.3	40.7	35.2
Leverage				
Debt to total capital	2.0	2.0	1.6	1.3
Debt to equity	2.0	2.0	1.6	1.3
Net debt/(cash) to equity	(18.9)	(3.9)	(7.8)	(10.7)

WHA Corporation (WHA TB)

3Q26 Preview: Improved Land Transfer Mix To Drive Earnings Growth

Highlights

- We expect WHA to post 3Q26 core earnings of Bt936m (+28% yoy, +55% qoq).
- ESIE 5 is set to contribute its first land transfers in 3Q26, supporting higher average selling prices and gross margins.
- Maintain BUY with an unchanged target price of Bt6.10.

3Q26 Results Preview

Year to 31 Dec (Btm)	3Q26F	2Q26	3Q25	qoq%	yoy%
Net turnover	2,830	2,501	1,933	13.1%	46.4%
Gross profit	1,473	1,007	993	46.3%	48.4%
EBIT	944	550	527	71.7%	79.0%
EBITDA	1,381	821	786	68.2%	75.6%
Net profit	936	659	634	42.0%	47.6%
Core profit	936	602	679	55.5%	37.9%
Ratio (%)					
Gross margin	52.1%	40.3%	51.3%		
SG&A to sales	18.7%	18.3%	24.1%		
Net profit margin	33.1%	26.4%	32.8%		

Source: WHA Corporation, UOB Kay Hian

Analysis

- **Earnings to grow yoy and qoq.** We expect WHA Corporation (WHA) to report 3Q26 core earnings of Bt936m, up 38% yoy and 55% qoq. The improvement is mainly driven by higher average selling prices (ASP) and stronger gross margins from industrial land transfers. This reflects the commencement of land transfers from WHA Eastern Seaboard Industrial Estate 5 (ESIE 5), which carries higher selling prices and margins.
- **Revenue to increase yoy and qoq.** We expect 3Q26 revenue to reach Bt2.8b, up 46% yoy and 13% qoq. The improvement is mainly supported by higher industrial estate revenue, driven by higher land transfer volumes and ASP. Meanwhile, recurring revenue should continue to grow, supported by higher utility sales volumes and sustained momentum in the logistics business.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	11,334.8	15,264.9	15,643.1	16,823.8	19,813.0
EBITDA	5,065.4	5,964.2	6,390.4	7,316.6	8,029.2
Operating profit	4,150.4	4,935.1	4,708.3	5,571.4	6,104.0
Net profit (rep./act.)	4,359.4	5,135.0	4,873.0	5,451.4	5,746.4
Net profit (adj.)	4,359.4	5,135.0	4,873.0	5,451.4	5,746.4
EPS	0.3	0.3	0.3	0.4	0.4
PE (x)	16.8	14.3	15.0	13.4	12.8
P/B (x)	2.1	2.0	1.9	1.8	1.7
EV/EBITDA (x)	21.3	18.5	16.4	14.3	13.4
Dividend yield (%)	3.9	4.3	4.0	4.6	4.9
Net margin (%)	38.5	33.6	31.2	32.4	29.0
Net debt/(cash) to equity(%)	88.4	89.8	69.7	64.9	67.8
Interest cover (x)	47.2	9.2	24.6	20.6	20.5
Consensus net profit	n.a	n.a	n.a	n.a	n.a
UOBKH/Consensus (x)	n.a	n.a	n.a	n.a	n.a

Source: WHA Corporation, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	Bt4.88
Target Price	Bt6.10
Upside	25.00%

Stock Data

Sector	Industrial
Bloomberg ticker	WHA TB
Shares issued (m)	n.a
Market cap (Btm)	n.a
Market cap (US\$m)	n.a
3-mth avg daily t'over (US\$m)	n.a

Price Performance (%)

52-week high/low				Bt5.60/Bt3.08
1mth	3mth	6mth	1yr	YTD
2.09	-0.41	10.41	45.24	48.78

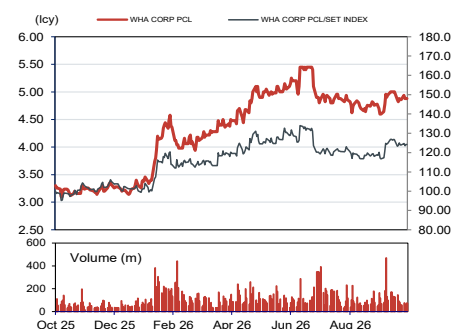
Major Shareholders (%)

Miss Jareeporn Jarukornsakul	23.49
Miss Chatchamol Anantaprayoon	9.07

Balance Sheet Metrics

FY26 NAV/Share (Bt)	2.6
FY26 Net Debt/Share (Bt)	1.8

Price Chart



Source: Bloomberg

Company Description

WHA is one of Thailand's leaders in integrated logistics services, operating through five core business units: Logistics, industrial development, utilities and power, and digital and mobility. The company operates in Thailand and Southeast Asia.

- **Gross margin to improve yoy and qoq.** We expect gross margin to expand to 52.1% in 3Q26 from 40.3% in 2Q26. The qoq improvement is mainly driven by a lower contribution from WHA Industrial Estate Rayong, which pressured margins in 2Q26. Meanwhile, the higher contribution from ESIE 5 land transfers should support margins both yoy and qoq.
- **Big plot land sales expected to materialise in 4Q26.** We expect 3Q26 land sales of 241 rai (2Q26: 248 rai; 3Q25: 154 rai). This would bring 9M26 land sales to 1,440 rai, representing 58% of the full-year target of 2,500 rai. We forecast land transfers of 241 rai, up 9% yoy and 16% qoq. Approximately 70-75% of land transfers are expected to come from ESIE 5. Management expects big plot land sales transactions to be finalised in 4Q26 and reiterates its Thailand land sales target of 2,300 rai. However, Vietnam's target of 200 rai remains challenging despite outstanding letters of intent (LOIs) of around 80-90 rai.
- **Asset monetisation scheduled for 4Q26.** WHA's asset monetisation transactions to WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust (WHART) and WHA Industrial Leasehold Real Estate Investment Trust (WHAIR) are scheduled in 4Q26. WHA expects to complete the Bt1.1b asset sale to WHAIR in mid-December, with an estimated gross profit margin of around 55%. In addition, 4Q26 earnings will benefit from a strong land transfer pipeline.
- **Data centre regulations are unlikely to disrupt investment momentum.** The Data Center Board is expected to announce a code of practice later in November. Management sees limited regulatory concerns for hyperscalers operating within industrial estates as most are already familiar with the requirements. Some customers have continued their investment plans without waiting for regulatory clarity. Meanwhile, semiconductor investment is progressing more slowly than data centre investment. Greater regulatory clarity could help facilitate data centre investments and support semiconductor investment over the longer term.

Valuation/Recommendation

- **Maintain BUY with an unchanged target price of Bt6.10.** Our target price is based on the SOTP methodology. We value its core businesses (industrial development and logistics) at Bt7.05/share, with industrial development valued at 14.6x 2027F PE (+1SD to the industrial development historical average) and the logistics business valued using GNAV with a logistics and warehouse capitalisation rate of 8%, in line with Thailand's warehouse industry average. Meanwhile, investments in associates are valued at Bt1.93/share based on 16x 2027F PE (-0.5SD to the utility and power business).

Earnings Revision/Risk

- No earnings revision.

Share Price Catalyst

- Higher-than-expected land presales volume, and b) continued FDI momentum driven by the relocation theme.

Environment, Social, Governance (ESG) Updates

CG Report: 5

SET ESG Rating: AAA

Environmental

- Focuses on conducting business operations in harmony with surrounding communities and the environment, with an emphasis on sustainability.

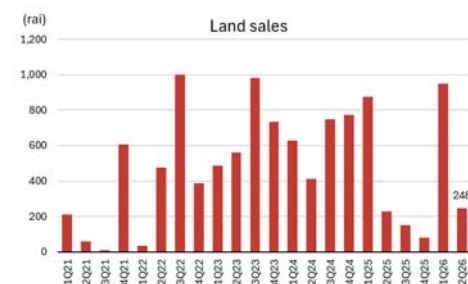
Social

- Starting to integrate the vision of "Future of Work" into its workforce strategy, to be inclusive, and to develop employees both personally and professionally, as well as prepare them for future challenges.

Governance

- Transparency, accountability, responsibility, and fairness serve as the foundation for the development of core corporate governance principle.

Land Sales



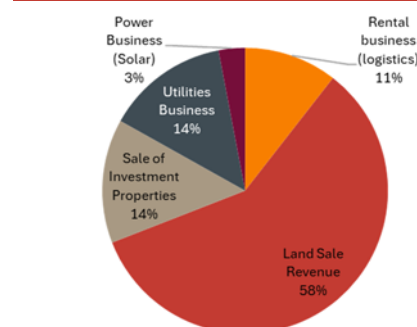
Source: WHA, UOB Kay Hian

Land Transfer



Source: WHA, UOB Kay Hian

Revenue Breakdown



Source: WHA, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	15,265	15,643	16,824	19,813
EBITDA	5,964	6,390	7,317	8,029
Deprec. & amort.	1,029	1,682	1,745	1,925
EBIT	4,935	4,708	5,571	6,104
Associate contributions	1,800	780	1,135	912
Net interest income/(expense)	(646)	(260)	(354)	(392)
Pre-tax profit	6,089	5,228	6,352	6,624
Tax	(553)	(577)	(445)	(464)
Minorities	(401)	(515)	(456)	(414)
Net profit	5,135	4,873	5,451	5,746
Net profit (adj.)	5,135	4,873	5,451	5,746

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	(537)	10,894	6,405	3,401
Pre-tax profit	6,089	5,228	6,352	6,624
Tax	(553)	(577)	(445)	(464)
Deprec. & amort.	1,029	1,682	1,745	1,925
Working capital changes	(6,369)	3,824	(1,247)	(4,684)
Non-cash items	(342)	0	0	0
Other operating cashflows	(391)	737	0	0
Investing	(1,878)	(1,867)	(2,514)	(2,514)
Capex (growth)	(1,570)	(1,867)	(2,514)	(2,514)
Investments	(230)	0	0	0
Others	(78)	0	0	0
Financing	(2,201)	(4,440)	(3,930)	(563)
Dividend payments	(2,849)	(2,940)	(3,380)	(3,563)
Issue of shares	0	0	0	0
Proceeds from borrowings	929	(1,500)	(550)	3,000
Loan repayment	(207)	0	0	0
Others/interest paid	(73)	0	0	0
Net cash inflow (outflow)	(4,616)	4,588	(38)	324
Beginning cash & cash equivalent	8,176	3,561	8,148	8,110
Ending cash & cash equivalent	3,561	8,148	8,110	8,434

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	25,456	25,641	26,410	26,998
Other LT assets	50,524	50,524	50,524	50,524
Cash/ST investment	3,561	8,148	8,110	8,434
Other current assets	21,863	19,985	21,724	27,882
Total assets	101,404	104,298	106,768	113,839
ST debt	1,150	1,150	1,150	1,150
Other current liabilities	16,653	18,599	19,091	20,565
LT debt	35,563	34,063	33,513	36,513
Other LT liabilities	7,439	7,439	7,439	7,439
Shareholders' equity	36,911	38,844	40,915	43,099
Minority interest	3,689	4,204	4,660	5,073
Total liabilities & equity	101,404	104,298	106,768	113,839

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	39.1	40.8	43.5	40.5
Pre-tax margin	39.9	33.4	37.8	33.4
Net margin	33.6	31.2	32.4	29.0
Growth				
Turnover	60.4	64.4	76.8	108.3
EBITDA	81.7	94.7	122.9	144.6
Pre-tax profit	48.9	27.8	55.3	62.0
Net profit	57.2	49.2	66.9	75.9
Net profit (adj.)	17.8	(5.1)	11.9	5.4
EPS	50.7	43.0	59.9	68.6
Leverage				
Debt to total capital	90.4	81.8	76.1	78.2
Debt to equity	99.5	90.6	84.7	87.4
Net debt/(cash) to equity	89.8	69.7	64.9	67.8
Interest cover	9.2	24.6	20.6	20.5

Bangkok Bank (BBL TB)

NIM Has Already Bottomed Out And Is Showing Signs Of Recovery

Highlights

- Neutral tone during the analyst meeting.
- NIM has already bottomed out and showed a slight increase qoq in 3Q26.
- Maintain BUY with an unchanged target price of Bt220.00.

Analysis

- **Neutral tone during analyst meeting.** We attended Bangkok Bank's (BBL) analyst meeting on 28 Oct 26 and came away with a neutral view. Management said NIM has already bottomed out and showed a slight increase qoq in 3Q26. BBL also reiterated its 2026 financial targets.
- **Maintain GDP forecast for 2026.** BBL maintains its 2026 GDP forecast of 1.5-2.0% although the Bank of Thailand (BOT) has just released the upward revision of 2026 GDP forecasts from 2.3% to 2.4%. Further, BOT raised its 2027 GDP growth forecasts from 1.8% to 2.1%. However, BBL maintains a conservative view on the economic outlook in 2027 and forecasts GDP growth of around 1.5-2.0% in 2027 due to the ongoing geopolitical risks.
- **Credit costs should be slightly above 2026 target of 1%.** Management reiterated its 2026 financial targets. In 9M26, credit costs were reported at 1.27%. Although the bank guided for a reduction in credit cost qoq in 4Q26, management stated that the 2026 credit cost should be slightly above 1%, which is the 2026 credit cost target.
- **NIM has bottomed out.** In 3Q26, NIM rose qoq, supported by the increasing lending rate in international loans. Management stated that NIM has already bottomed out in 3Q26 and guided for a similar level in 4Q26 as the policy rate remains unchanged at 1.0% (announced on 28 Oct 26). BBL does not expect any rate hikes in the near future due to the uneven economic recovery.
- **Permata showed strong results in 3Q26.** For Permata Bank in Indonesia, its loan portfolio grew 5.9% in 9M26, mainly driven by corporate loan (exposure of 59-60% to total loan portfolio). Management said Permata Bank's loan portfolio is similar to BBL's. Loan-to-deposit ratio (LDR) was reported at 92% while NPL was at 2.1%, unchanged since 2023. The coverage ratio was 373% and the common equity tier (CET) 1 ratio was at 25%. NIM was reported at 3.9% in 9M26, compared with 4.0% in 9M25.
- **Prepare for increasing free float on Permata Bank without difficulties.** BBL said Permata Bank's free float is around 10%, and the bank has the capability to increase it to meet the requirement of 12.5% in Mar 27. BBL is also looking into its delisting from the market but there are no concrete conclusions yet.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net interest income	133,899.6	123,629.7	114,315.5	121,566.0	128,420.6
Non-Interest Income	41,928.4	54,870.0	48,095.0	45,171.6	47,015.1
Net profit (rep./act.)	45,211.2	46,006.5	39,672.7	44,830.3	47,154.1
Net profit (adj.)	45,211.2	46,006.5	39,672.7	44,830.3	47,154.1
EPS (Bt)	23.7	24.1	20.8	23.5	24.7
PE (x)	7.7	7.6	8.8	7.8	7.4
P/B (x)	0.6	0.6	0.6	0.6	0.5
Dividend yield (%)	5.6	5.5	5.5	5.8	6.0
Net int margin (%)	3.0	2.8	2.5	2.6	2.7
Cost/income Ratio (%)	48.0	48.4	49.1	48.7	48.8
Loan loss cover (%)	334.3	324.1	324.3	319.0	318.0
Consensus net profit	n.a	n.a	40,765.1	43,310.1	46,224.0
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	1.0

Source: Bangkok Bank, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	Bt185.00
Target Price	Bt220.00
Upside	18.9%

Stock Data

Sector	Financials
Bloomberg ticker	BBL TB
Shares issued (m)	1,908.8
Market cap (Btm)	348,363.8
Market cap (US\$m)	10,359.0
3-mth avg daily t'over (US\$m)	69.5

Price Performance (%)

52-week high/low		Bt203.0/Bt154.5		
1mth	3mth	6mth	1yr	YTD
(5.7)	(10.1)	10.9	18.9	7.7

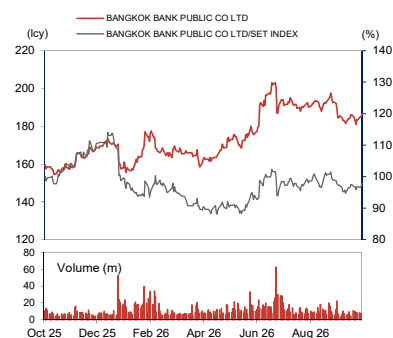
Major Shareholders (%)

Thai NVDR	21.86
City Realty	4.70
The Social Security Office	3.89

Balance Sheet Metrics

FY26 NAV/Share (Bt)	313.5
FY26 Net Debt/Share (Bt)	n.a

Price Chart



Source: Bloomberg

Company Description

The third largest commercial bank in Thailand in terms of market capitalisation. The bank has a strong focus on corporate lending, which accounts for 50% of its loan book.

- **No need to impair losses on Permata Bank.** As the MSCI is concerned about the Indonesian stock market being downgraded to a standalone market, Permata Bank's share price has decreased dramatically. Thus, the market's concern is that BBL has to recognise losses on Permata Bank due to the drop in share price. Management stated that it has studied and confirmed that there would be no impairment losses on Permata Bank due to the good performance and high coverage ratio. Further, BBL views Permata Bank as a long-term investment.
- **3Q26 results recap.** BBL posted a 3Q26 net profit of B9.5b, down 31% yoy and flat qoq. The results missed our expectations by 10% but were in line with consensus forecasts. The key miss to our forecast was the higher-than-expected opex. Pre-provision operating profit dropped 25% yoy and 1% qoq.

3Q26 Results Recap

Year to 31 Dec (Btm)	3Q26	2Q26	3Q25	qoq%	yoy%
Total gross loans	2,707,584	2,695,508	2,627,918	0.4	3.0
Net interest income	29,041	27,769	30,750	4.6	(5.6)
Non-interest income	11,634	12,571	16,913	(7.5)	(31.2)
Loan loss provision	(8,008)	(8,433)	(9,742)	(5.0)	(17.8)
Non-Interest Expenses	(20,518)	(19,954)	(20,697)	2.8	(0.9)
Pre-provision operating profit	20,157	20,386	26,966	(1.1)	(25.2)
Net income	9,489	9,498	13,789	(0.1)	(31.2)
EPS (Bt)	4.97	4.98	7.22	(0.1)	(31.2)
Ratio (%)					
NPL Ratio	3.2	3.3	3.3		
Loan loss coverage ratio (%)	322	306	294		
Net interest margin (NIM %)	2.50	2.42	2.72		
Credit cost (bp)	119	125	145		
Cost to income (%)	50	49	43		
CET1 ratio (%)	18.3	18.3	19.6		

Source: Bangkok Bank, UOB Kay Hian

Valuation/Recommendation

- **Maintain BUY with a target price of Bt220.00** using the Gordon Growth Model (cost of equity: 11%, long-term growth: 2.0%), implying 0.67x 2027F P/B.

Earnings Revision/Risk

- No earnings revision.

Share Price Catalyst

- Upgrade in dividend payout.

Environment, Social, Governance (ESG) Updates

CG Report: 5

SET ESG Rating: AAA

Environmental

- Responsible business practices support sustainable activities and environmental protection.
- Raises employee awareness on resource and energy conservation and implements effective environmental and resource management systems to reduce carbon footprint, working towards becoming a green organisation

Social

- Creates a safe, fair, and supportive working environment where employees can continuously develop their skills and fulfil their personal and professional aspirations.

Governance

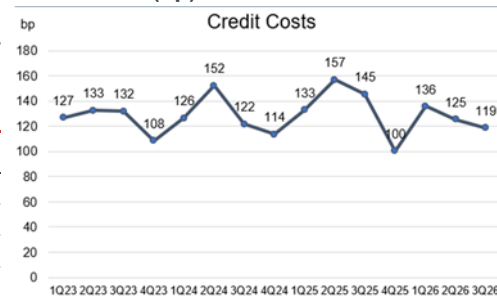
- Promotes conducting its business in accordance with the principles of good corporate governance, which form the foundation for sound performance results, a strong and stable financial position, and sustainable growth.

2026 Financial Targets

	9M26 Actual	2026 Target
Loan growth	3.2%	2-3%
NPL ratio	3.2%	~ 3%
NIM	2.47%	2.4-2.5%
Net fee income	2.0%	Low single
Cost to income	48.2%	High-40s%
Credit Costs	1.27%	1.0%

Source: BBL, UOB Kay Hian

Credit Cost (bp)



Source: BBL, 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	191,082	173,415	182,217	191,451
Interest expense	(67,452)	(59,099)	(60,651)	(63,030)
Net interest income/(expense)	123,630	114,316	121,566	128,421
Fees & Commissions	27,192	27,683	28,914	30,342
Net Trading Income	25,728	18,447	14,347	14,693
Other Income	1,950	1,965	1,910	1,981
Non-Interest Income	54,870	48,095	45,172	47,015
Total Income	178,500	162,411	166,738	175,436
Staff Costs	(36,759)	(37,018)	(35,509)	(37,851)
Other Operating Expense	(49,605)	(42,758)	(45,644)	(47,845)
Pre-Provision Profit	92,136	82,635	85,585	89,740
Loan Loss Provision	(36,148)	(32,732)	(28,899)	(30,117)
Pre-tax profit	55,988	49,904	56,686	59,624
Tax	(9,622)	(9,808)	(11,337)	(11,925)
Minorities	(359)	(423)	(518)	(545)
Net profit	46,007	39,673	44,830	47,154
Net profit (adj.)	46,007	39,673	44,830	47,154

Operating Ratios

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Capital Adequacy				
Tier-1 CAR	18	18	19	19
Total CAR	22	23	24	24
Total Assets/Equity	8	8	8	7
Tangible Assets/Tangible Common Equity	8	8	8	8
Asset Quality				
NPL Ratio	3	3	3	3
Loan Loss Coverage	324	324	319	318
Loan Loss Reserve/Gross Loans	12	12	12	11
Increase in NPLs	10	8	0	(1)
Credit Cost (bp)	135	122	105	108
Liquidity				
Loan/Deposit Ratio	73	73	74	74
Liquid Assets/Short-Term Liabilities	55	54	52	53
Liquid Assets/Total Assets	42	41	41	41

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Cash With Central Bank	47,560	133,813	55,337	56,392
Govt Treasury Bills & Securities	1,108,129	1,040,281	1,078,396	1,122,618
Interbank Loans	771,194	772,239	788,386	810,841
Customer Loans	2,320,306	2,386,626	2,442,028	2,498,613
Investment Securities	104,951	109,523	112,394	114,799
Derivative Receivables	98,058	91,673	91,924	93,528
Associates & JVs	1,021	1,086	1,086	1,086
Properties & Other Fixed Assets	77,066	75,088	74,636	75,650
Goodwill & Intangible Assets	22,516	20,966	20,966	20,966
Other Assets	55,541	75,263	79,067	80,767
Total assets	4,606,342	4,706,557	4,744,218	4,875,260
Interbank Deposits	314,644	355,235	364,562	371,579
Customer Deposits	3,196,284	3,261,276	3,310,728	3,371,883
Bills Payable	6,805	6,409	6,409	6,409
Derivative Payables	65,868	78,526	83,572	86,077
Subordinated Debts	244,009	210,084	159,067	190,367
Other Liabilities	203,048	194,814	193,889	195,768
Total liabilities	4,030,659	4,106,344	4,118,227	4,222,085
Shareholders' funds	573,923	598,356	624,088	651,192
Minority interest	1,761	1,857	1,904	1,984
Total Equity & Liabilities	4,606,342	4,706,557	4,744,218	4,875,260

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Growth				
Net Interest Income, yoy Chg	(8)	(8)	6	6
Fees & Commissions, yoy Chg	(2)	2	4	5
Pre-Provision Profit, yoy Chg	1	(10)	4	5
Net Profit, yoy Chg	2	(14)	13	5
Customer Loans, yoy Chg	(4)	3	2	2
Profitability				
Net Interest Margin	3	3	3	3
Cost/Income Ratio	48	49	49	49
Adjusted ROA	1	1	1	1
Reported ROE	8	7	7	7
Adjusted ROE	8	7	7	7
Valuation				
P/BV	1	1	1	1
P/NTA	1	1	1	1
Adjusted P/E	8	9	8	7
Dividend Yield	5	5	6	6

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