UOBKayHian

Country Daily | Thailand

Monday, 09 November 2026



Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	51523.1	(3.4)	(1.6)	0.5	7.2
S&P 500	7353.7	(4.4)	(4.7)	(5.4)	7.4
FTSE 100	10782.7	(0.4)	0.6	2.7	8.6
AS30	9117.9	(0.9)	1.0	2.4	1.1
CSI 300	4113.4	0.3	1.8	(5.6)	(11.2)
FSSTI	5296.3	0.5	(1.8)	(7.1)	14.0
HSCEI	8369.1	3.9	7.9	3.0	(6.1)
HSI	24797.0	3.7	8.0	3.1	(3.3)
JCI	5030.3	2.2	(1.3)	(18.8)	(41.8)
KLCI	1635.9	1.2	1.5	0.2	(2.6)
KOSPI	5383.8	(5.3)	(6.1)	(22.4)	27.8
Nikkei 225	61077.9	(1.8)	(4.5)	(13.6)	21.3
SET	1498.0	(0.3)	(3.0)	(5.3)	18.9
TWSE	41574.7	(3.2)	(10.3)	(16.6)	43.5
BDI	2740	1.7	1.0	(10.7)	46.0
CPO (RM/mt)	4292	(1.7)	(3.2)	(1.7)	9.1
Brent Crude (US$/bbl)	98	3.9	(14.4)	(2.0)	61.5

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
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. Consumer Confidence	Thailand	9-13 Nov
3Q GDP YoY	Thailand	16 Nov
Oct. Customs Trade Balance (Export-Import)	Thailand	21-26 Nov

Top Stories

Company Update | CP Axtra (CPAXT TB/**BUY**/Bt14.30/Target: Bt17.00)

Page 2 →

- Upgrade to BUY, with a higher target price of Bt17.00 (from Bt14.50). CPAXT reported a 3Q26 net loss of Bt563m. Excluding one-off expenses, core profit came in at Bt1.65b, down 11% yoy but above our expectation by 7%. Management guided that the closure of 673 loss-making stores could reduce retail revenue by 6%, but save Bt400m–500m in quarterly EBIT. Hence, 3Q26 marks an earnings trough, with a recovery in 4Q26.

Company Update | KCE (Thailand) (KCE TB/**BUY**/Bt58.25/Target: Bt70.00)

Page 5 →

- KCE reported a 3Q26 net profit of Bt485m (+63% yoy, +76% qoq). The earnings miss was mainly due to the floods in late-3Q26. The tone during the analyst meeting was slightly positive. Management expects to raise PCB prices by 13-15% qoq in 4Q26 (vs its previous guidance of 8-10%), with a further 8-10% increase expected in 2027. We upgrade KCE to BUY with a target price of Bt70.00, as its valuation appears more attractive following the semiconductor sector sell-off.

Company Update | PTT Exploration and Production (PTTEP TB/**BUY**/Bt144.00/Target: Bt190.00)

Page 9 →

- We are positive on the development prospects of both the LLB and Yadana projects. PTTEP expects to reach FID for LLB within the next 2-3 years, following the completion of the transaction in 1Q27. Meanwhile, Yadana offers significant upside potential from both a possible concession extension and the development of nearby gas fields through shared infrastructure, which could enhance project economics and extend the production life. Maintain BUY. Target price: Bt190.00.

CP Axtra (CPAXT TB)

3Q26: Earnings Trough; Store Closures to Boost Profit

Highlights

- Upgrade to BUY, with a higher target price of Bt17.00 (from Bt14.50).
- CPAXT reported a 3Q26 net loss of Bt563m. Excluding one-off expenses, core profit came in at Bt1.65b, down 11% yoy but above our expectation by 7%.
- Management guided that the closure of 673 loss-making stores could reduce retail revenue by 6%, but save Bt400m–500m in quarterly EBIT.
- 3Q26 marks an earnings trough, with a recovery in 4Q26 driven by the closure of non-performing stores and a low base in 4Q25.

3Q26 Results

Year to 31 Dec (Btm)	3Q25	2Q26	3Q26	yoy (%)	qoq (%)	2025	2026F	yoy (%)
Sales and services	126,475	131,283	129,564	2.4	(1.3)	517,802	529,316	2.2
Gross profit	20,342	20,853	21,107	3.8	1.2	83,265	85,103	2.2
SG&A	(17,470)	(18,253)	(21,250)	21.6	16.4	(69,381)	(72,876)	5.0
Other income	545	1,001	797	46.4	(20.3)	2,905	3,780	30.1
EBIT	3,417	3,600	654	(80.8)	(81.8)	16,788	14,112	(15.9)
Interest expense	(1,211)	(1,323)	(1,401)	15.7	5.9	(5,398)	(5,506)	2.0
Tax	(523)	(626)	(74)	(85.9)	(88.2)	2,645	2,324	(12.2)
Extraordinary items	0	0	2,217	N.A.	N.A.	0	2,217	N.A.
Net profit	**1,864**	**1,874**	**(563)**	**(130.2)**	**(130.1)**	**9,356**	**7,207**	**(23.0)**
Core profit	**1,864**	**1,874**	**1,653**	**(11.3)**	**(11.8)**	**9,356**	**9,424**	**0.7**
Percent	**3Q25**	**2Q26**	**3Q26**	**(ppts)**	**(ppts)**	**2025**	**2026F**	**(ppts)**
Gross margin	16.1	15.9	16.3	0.21	0.4	16.1	16.1	(0.0)
SG&A to sales	(13.8)	(13.9)	(16.4)	(2.6)	(2.5)	(13.4)	(13.8)	(0.4)

Source: CP Axtra, UOB Kay Hian

Analysis

- **Results in line.** CP Axtra (CPAXT) reported 3Q26 net loss of Bt563m. Excluding one-off expenses, core profit came in at Bt1.65b, down 11% yoy and 12% qoq. This exceeded our expectation by 7% due to higher-than-expected other income following an increase in data monetisation income. One-off items in 3Q26 before tax totalled Bt2,736m. These include: a) Bt100m loss from the closure of one Makro Cambodia store, b) Bt600m loss from the write-off of outdated assets of software and IT devices, c) Bt42m in acquisition-related expenses for The Food Purveyor (TFP), d) Bt100m from the restructuring of Lotus' headquarters, and e) Bt1,894m loss from the closure of 673 Lotus' Go Fresh stores, including asset write-offs, closure costs and employee expenses.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	512,041.9	520,706.4	533,095.6	549,553.8	561,436.2
EBITDA	36,253.5	34,252.4	32,620.8	38,181.1	40,380.8
Operating profit	18,633.2	16,788.2	14,112.2	18,131.0	18,763.8
Net profit (rep./act.)	10,569.1	9,356.5	7,207.5	10,305.6	10,779.9
Net profit (adj.)	10,569.1	9,356.5	7,207.5	10,305.6	10,779.9
EPS	1.0	0.9	0.7	1.0	1.0
PE (x)	14.1	15.9	20.7	14.5	13.8
P/B (x)	0.5	0.5	0.5	0.5	0.5
EV/EBITDA (x)	7.8	9.0	9.5	8.1	7.6
Dividend yield (%)	5.0	5.0	3.7	5.3	5.6
Net margin (%)	2.1	1.8	1.4	1.9	1.9
Net debt/(cash) to equity(%)	44.1	52.6	52.7	52.1	50.9
Interest cover (x)	6.3	6.4	5.9	6.4	6.7
Consensus net profit	n.a	n.a	9,478.0	10,249.2	11,165.1
UOBKH/Consensus (x)	n.a	n.a	0.8	1.0	1.0

Source: CP Axtra, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Upgraded)

Share Price	Bt14.30
Target Price	Bt17.00
Upside	18.9%
Previous TP	Bt14.50

Stock Data

Sector	Consumer Staples
Bloomberg ticker	CPAXT TB
Shares issued (m)	10,427.7
Market cap (Btm)	148,072.8
Market cap (US$m)	4,403.8
3-mth avg daily t'over (US$m)	3.0

Price Performance (%)

52-week high/low				Bt23.0/Bt14.0
1mth	**3mth**	**6mth**	**1yr**	**YTD**
(4.0)	(8.4)	(10.7)	(38.0)	(9.6)

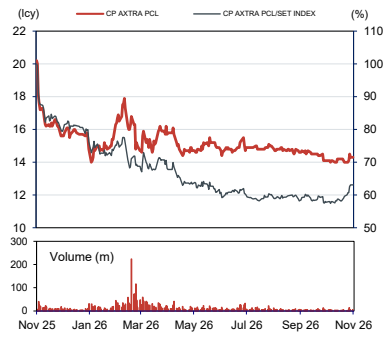
Major Shareholders (%)

CP ALL	34.92
MAKRO	25.01
CHAROENPOKPHAND HOLDING	15.96

Balance Sheet Metrics

CP ALL	34.92
MAKRO	25.01
CHAROENPOKPHAND HOLDING	15.96

Price Chart



Source: Bloomberg

Company Description

Wholesale business under the brand name "Makro" and retail business under the brand name "Lotus's" and mall management.

- **3Q26 core operating performance remained weak.** 3Q26 core EBIT declined 15% yoy (wholesale: -8% yoy, retail: -27% yoy), mainly due to: a) weaker SSSG (wholesale: +1.4% yoy, retail: -5.6% yoy), b) lower wholesale gross margin from an unfavourable product mix, c) losses from The Happitat, d) higher SG&A from O2O-related costs, and e) a 6% qoq increase in interest expenses following The Happitat's commencement of operations and debt from the TFP acquisition.
- **Recovery ahead.** We expect 3Q26 to mark the earnings trough, with a recovery in 4Q26 driven by the closure of non-performing stores and a low base in 4Q25. Oct 26 SSSG grew 3-4% yoy for wholesale and above 10% yoy for retail, largely driven by a low base following IT disruptions in Oct 25. Together with lower retail SG&A from store rationalisation, we preliminarily expect a double-digit earnings growth in 4Q26.

Essential

- **Closure of Lotus' Go Fresh store to drive significant EBIT improvement.** CPAXT closed 673 loss-making stores, all of which had negative EBITDA. While management expects retail revenue to decline by 6%, it guides for quarterly EBIT savings of Bt400m–500m, which should boost 2027 net profit by Bt1.2–1.6b. We conservatively assume Bt900m ~~in annual savings~~ in net profit, below management's guidance. The closed stores were small-format outlets (100-200sqm) with limited competitiveness against peers operating larger formats. Going forward, CPAXT plans to focus on larger stores (400–500sqm) with a wider product assortment that offer improved shopping experience through an enhanced store look and feel.

Valuation/Recommendation

- **Upgrade to BUY with a target price of Bt17.00 (from Bt14.50).** We re-rate our PE valuation to 17x, equivalent to -1.0SD to peers' five-year average PE. We believe 3Q26 marks an earnings trough, supporting our upgrade to BUY.
- **2027 earnings recovery to gain momentum.** We forecast core profit of Bt10,306m (+7% yoy), supported by: a) stable operations, b) Bt900m in savings from store closures, and c) Bt200m in earnings contributions from TFP, partly offset by a full-year loss of Bt700m from The Happitat.

Earnings Revision/Risk

- **Fine-tune earnings.** We cut 2026 net profit by 3.8% due to a larger-than-expected 3Q26 net loss, while raising 2027 net profit by 1.6%.

Share Price Catalyst

- The closure of 673 loss-making Lotus Go Fresh stores in 3Q26.
- The acquisition of TFP.

Environment, Social, Governance (ESG) Updates

CG Report: 5, SET ESG Rating: AA*

Environmental

- Focuses on reducing energy consumption through green building design and renewable energy adoption.

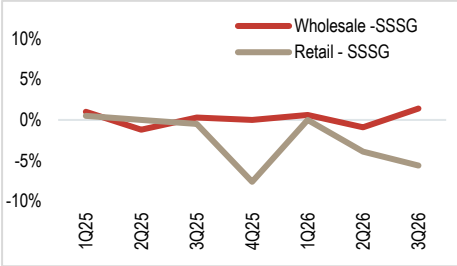
Social

- Supports SME development in its wholesale/retail ecosystem.

Governance

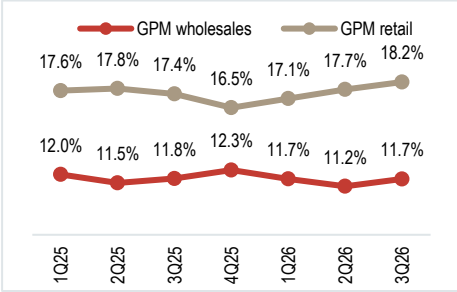
- Demonstrates strong corporate governance through transparent management practices and a well-structured board.

Same-store Sales Growth



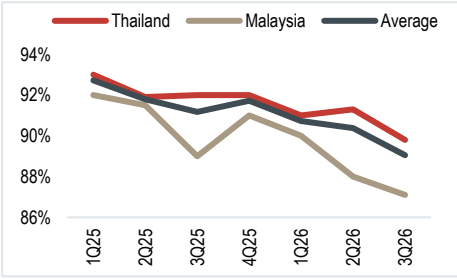
Source: CP Axtra, UOB Kay Hian

Gross Margin



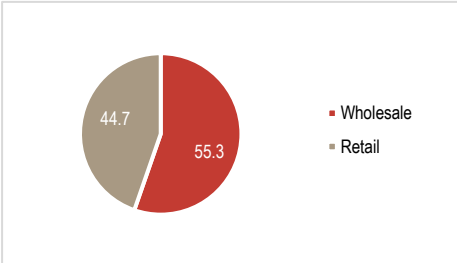
Source: CP Axtra, UOB Kay Hian

Mall Occupancy Rate



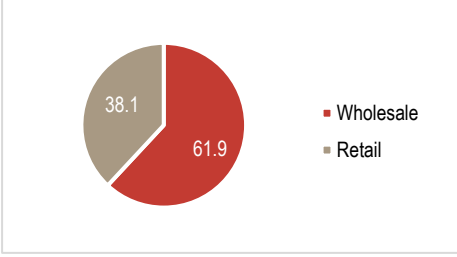
Source: CP Axtra, UOB Kay Hian

2026 Revenue Contribution (%)



Source: CP Axtra, UOB Kay Hian

2026 EBIT Contribution (%)



Source: CP Axtra, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	**520,706**	**533,096**	**549,554**	**561,436**
EBITDA	34,252	32,621	38,181	40,381
Deprec. & amort.	17,464	18,509	20,050	21,617
EBIT	16,788	14,112	18,131	18,764
Total other non-operating income	0	0	0	0
Associate contributions	580	725	732	740
Net interest income/(expense)	(5,398)	(5,506)	(5,971)	(6,006)
Pre-tax profit	**11,970**	**9,331**	**12,892**	**13,498**
Tax	(2,645)	(2,324)	(2,797)	(2,934)
Minorities	31	200	210	216
Net profit	**9,356**	**7,207**	**10,306**	**10,780**
Net profit (adj.)	9,356	7,207	10,306	10,780

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	469,827	476,587	482,037	486,151
Other LT assets	32,469	33,251	34,050	34,868
Cash/ST investment	14,558	14,156	14,511	17,574
Other current assets	59,817	49,282	53,213	51,955
Total assets	**576,671**	**573,277**	**583,811**	**590,548**
ST debt	37,257	37,257	37,257	37,257
Other current liabilities	93,988	90,683	95,356	98,139
LT debt	134,815	134,815	135,815	136,815
Other LT liabilities	10,224	10,530	10,846	11,172
Shareholders' equity	299,457	299,693	304,449	307,293
Minority interest	930	298	88	129
Total liabilities & equity	**576,671**	**573,277**	**583,811**	**590,548**

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	**21,052**	**32,746**	**30,887**	**36,221**
Pre-tax profit	11,970	9,331	12,892	13,498
Tax	(2,645)	(2,324)	(2,797)	(2,934)
Deprec. & amort.	17,464	18,509	20,050	21,617
Working capital changes	(5,648)	7,150	660	3,956
Non-cash items	133	80	82	85
Other operating cashflows	(223)	0	0	0
Investing	**(25,786)**	**(25,744)**	**(25,983)**	**(26,223)**
Capex (growth)	(37,318)	(25,269)	(25,500)	(25,731)
Investments	(181)	(290)	(293)	(296)
Others	11,714	(185)	(191)	(196)
Financing	**(169)**	**(7,404)**	**(4,550)**	**(6,935)**
Dividend payments	(7,404)	(7,404)	(5,550)	(7,935)
Issue of shares	0	0	0	0
Proceeds from borrowings	21,248	0	1,000	1,000
Others/interest paid	(14,014)	0	0	0
Net cash inflow (outflow)	**(4,903)**	**(402)**	**354**	**3,063**
Beginning cash & cash equivalent	**19,461**	**14,558**	**14,156**	**14,511**
Ending cash & cash equivalent	**14,558**	**14,156**	**14,511**	**17,574**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	6.6	6.0	6.9	7.1
Pre-tax margin	2.3	1.7	2.4	2.4
Net margin	1.8	1.4	1.9	1.9
Growth				
Net profit (adj.)	(11.5)	(18.2)	33.3	1.8
Leverage				
Debt to total capital	57.3	57.3	56.8	56.7
Debt to equity	57.5	57.3	56.8	56.7
Net debt/(cash) to equity	52.6	52.4	52.2	51.2
Interest cover	6.4	6.2	7.1	7.4

KCE (Thailand) (KCE TB)

Management Guides A Strong 4Q26-2027 Outlook; More Attractive Valuation Presents Trading Opportunities

Highlights

- KCE reported a 3Q26 net profit of Bt485m (+63% yoy, +76% qoq) last Thursday. Despite the strong earnings growth, the earnings miss was mainly due to the floods in late 3Q26.
- The tone during the analyst meeting was slightly positive. Management expects to raise PCB prices by 13-15% qoq in 4Q26 (vs its previous guidance of 8-10%), with a further 8-10% increase expected in 2027.
- We upgrade KCE to BUY with a target price of Bt70.00, as we see trading buy opportunities in 4Q26-1Q27. Its current valuation appears more attractive following the recent semiconductor sector sell-off.

Analysis

- **Strong 3Q26 earnings driven by higher PCB prices, but missed expectations due to minor order delays caused by floods in late-September and higher raw material prices.** KCE reported a 3Q26 net profit of Bt485m (+63% yoy, +76% qoq), below our and consensus estimates by 8% and 5%. Total revenue came in at Bt3.91b (+13.6% yoy, +9.5% qoq), below our and consensus estimates by 5% and 7% respectively. Overall, despite the strong earnings growth, the earnings miss was mainly due to: a) temporary logistics issues caused by the floods in late-3Q26, which delayed some orders into 4Q26, and b) a lower-than-expected gross margin of 22.4% (vs management's 2H26 guidance of 24-25%) due to continued increases in the prices of raw materials during the quarter, which are expected to be passed on to customers via higher PCB prices in the next quarter. Currently, KCE's backlog stands at around 9% of sales (Bt330m). The backlog of finished goods that was delayed from 3Q26 (accounting for 3.2% of sales) is expected to be delivered in 4Q26.
- **Tone was slightly positive; 4Q26 earnings is expected to be strong, driven by expected second PCB price increase of 13-15% qoq and strong volume shipments.** Overall, the tone during the analyst meeting was slightly positive. 4Q26 earnings are expected to be very strong as management has guided for sales growth of 24-27% qoq in 4Q26, driven by a 13-15% qoq increase in PCB prices (vs previous 8-9% qoq guidance) and 10% qoq growth in PCB shipment volumes, supported by expected market share gains. Higher PCB price increases in 4Q26 reflect a continued increase in raw maw material, which rose every month by 15-25% mom during 3Q26. Qtd, management has received orders totalling 7.6m sf (vs 6.3m sf in 3Q26), but targets shipments of only 7m sf due to the ongoing raw material constraints and the usual five-day factory shutdown ahead of the New Year holiday.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	14,832.8	13,074.7	15,307.5	19,354.3	18,591.0
EBITDA	2,566.7	1,856.6	2,578.4	4,067.5	3,796.8
Operating profit	1,455.0	725.0	1,460.3	2,767.7	2,305.3
Net profit (rep./act.)	1,648.5	832.7	1,630.8	2,622.1	2,147.7
Net profit (adj.)	1,648.5	832.7	1,630.8	2,622.1	2,147.7
EPS	1.4	0.7	1.4	2.2	1.8
PE (x)	41.8	82.7	42.2	26.3	32.1
P/B (x)	5.0	5.2	5.2	4.5	4.1
EV/EBITDA (x)	11.8	16.3	11.8	8.9	9.0
Dividend yield (%)	2.1	2.1	2.1	2.1	2.1
Net margin (%)	11.1	6.4	10.6	13.6	11.6
Net debt/(cash) to equity (%)	(2.9)	(3.8)	(2.1)	35.6	20.6
Interest cover (x)	49.6	50.9	53.2	26.0	17.2
Consensus net profit	n.a	n.a	1,385.8	2,174.3	2,388.7
UOBKH/Consensus (x)	n.a	n.a	1.2	1.2	0.9

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

Analyst(s)

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Assistant Analyst(s)

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BUY (Upgraded)

Share Price	Bt58.25
Target Price	Bt70.00
Upside	20.17%
Previous TP	Bt80.00

Stock Data

Sector	Information Technology
Bloomberg ticker	KCE TB
Shares issued (m)	1,182.1
Market cap (Btm)	88,361.1
Market cap (US$m)	2,645.5
3-mth avg daily t'over (US$m)	47.3

Price Performance (%)

52-week high/low				Bt79.8/Bt16.5
1mth	3mth	6mth	1yr	YTD
15.0	68.9	179.4	187.5	310.7

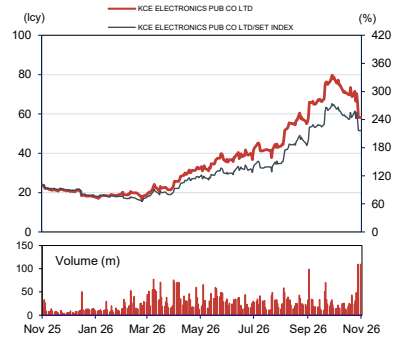
Major Shareholders (%)

MR. Pitharn Ongkosit	15.95
Thai NVDR Company Limited	11.93

Balance Sheet Metrics

FY26 NAV/Share (Bt)	11.3
FY26 Net Debt/Share (Bt)	(0.2)

Price Chart



Source: Bloomberg

Company Description

KCE Electronics manufactures and distributes printed circuit boards under the KCE trademark. The company mainly focuses on the automobile PCB segment.

- **Management continued to guide aggressive sales growth in 2027, driven by higher PCB prices and volume**. Although management and the market still believe that the fiberglass shortage will ease in mid-27, management remains positive on a PCB upcycle. Management has raised 2027 sales growth guidance to 35-40% yoy (vs its previous guidance of 20% yoy), supported by a 15% growth in PCB shipment volumes and 20-25% in PCB price increases. Despite automotive demand remaining soft, sales remained strong. Gross margin is also expected to improve to 27-30% in 2027.
- **Multilayer PCB to drive growth amid tight HDI material supply.** Strong earnings growth is expected in 4Q26-2027, although raw material availability continues to constrain the product mix. Management expects a higher contribution from multilayer PCB, as KCE is able to secure sufficient materials for these products, while HDI materials remain tight. Soft special-grade PCB sales in 3Q26 reflected longer material lead times from suppliers outside KCE's vertically integrated supply chain, such as Nan Ya and Shengyi. These constraints limit KCE's ability to convert existing HDI orders into shipments.
- **While the current fiberglass shortage remains severe, a potential supply easing keeps our 2H27-2028 forecasts conservative.** The PCB pricing mechanism remains unchanged - KCE absorbs higher raw material costs during the quarter before passing them on to customers through higher PCB prices in the following quarter. Conversely, easing fiberglass shortages would initially benefit margins through lower material costs, before lower PCB prices take effect in the following quarter. We therefore remain cautious on management's aggressive guidance as the shortage could ease from 2H26 into 2028. We forecast 2027 sales growth of 27% yoy (vs management guidance of 35-40%) and a gross margin of 26% (vs 27-30%).
- **Rojana factory expansion back on track, reflecting management's confidence in the ongoing PCB upcycle**. Management is expecting to receive board approval for the Rojana factory expansion, reflecting confidence that the PCB upcycle is not over yet, with utilisation of existing capacity expected to ramp up to nearly 80% in 4Q26. Construction of the new factory is expected to begin as early as 4Q26 and will take around 12 months to complete. The first phase is expected to add around 1m sf/month of PCB capacity (equivalent to 28% of existing capacity), split equally between HDI and multilayer PCB (50:50). Total investment for the first phase is estimated at Bt8.5b, with 15-20% financed by internal funds and the remaining 80-85% through bank loans.

Valuation/Recommendation

- **We upgrade to BUY, with a lower target price of Bt70.00 (from Bt80.00).** Our higher target price is based on 32.0x 2027F PE (+0.5SD above its five-year mean) from 1.5SD. We apply a lower valuation multiple as the strong earnings visibility highlighted in our 2Q26 outlook has already been priced in.

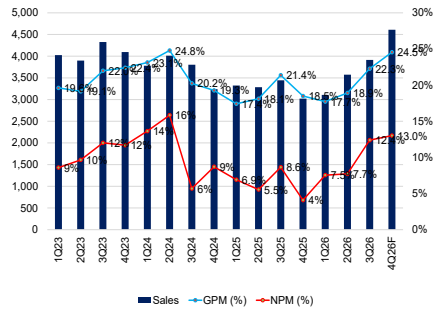
- **The recent semiconductor sell-off offers a more attractive trading BUY opportunity as the PCB upcycle continues.** Following the global semiconductor sell-off, we believe that KCE's current valuation of 60x trailing PE, 30x forward PE has becoming more attractive again and presents trading opportunities since the PCB cycle is not over yet. Currently, we forecast earnings to grow 96%/61%/-18% yoy in 2026-28 respectively or three-year CAGR of 37% from 2026-28. Although we remain cautious on the fiberglass shortage situation in 2H27, a second and third PCB price increase in 4Q26 and 2027 provide continued earnings visibility in 4Q26-1H27.

3Q26 Earnings Results

(Bt)	3Q26	3Q25	2Q26	yoy (%)	qoq (%)
Revenue	3,913	3,444	3,575	13.6	9.5
Gross profit	871	736	676	18.5	28.9
SG&A	427	474	450	(9.8)	(5.1)
Operating profit	445	262	226	69.6	96.7
Operating EBITDA	739	533	482	38.6	53.2
Other income	95	69	90	37.0	5.1
Net profit	455	290	233	56.8	94.8
Core profit	485	297	276	63.0	75.6
EPS	0.41	0.25	0.24	63.0	75.6
%				ppts	ppts
Gross margin	22.3	21.4	18.9	0.9	3.4
SG&A to sales	10.9	13.8	12.6	(2.8)	(1.7)
Operating margin	11.4	7.6	6.3	3.7	5.0
EBITDA margin	18.9	15.5	13.5	3.4	5.4
Net profit margin	12.4	8.6	7.7	3.7	4.7
Core profit margin	11.6	8.4	6.5	3.2	5.1

Source: UOB Kay Hian

Operating Performance Forecast



Source: UOB Kay Hian

Operation Statistics

Layer breakdown	2023	2024	2025	1Q26	2Q26	3Q26
1) Sales by Layer (US$ m)						
Sales - 02 Layer	39.2	34.6	31.9	7.4	7.1	8.4
yoy	*0%*	*-12%*	*-8%*	*-9%*	*-11%*	*-3%*
qoq				*3%*	*-3%*	*17%*
Sales - 04 Layer	141.5	128.6	121.7	30.8	32.2	36.9
yoy	*-19%*	*-9%*	*-5%*	*-3%*	*3%*	*20%*
qoq				*10%*	*5%*	*15%*
Sales - 06+ Layer	99.1	80.9	79.2	19.6	19.7	20.5
yoy	*-9%*	*-18%*	*-2%*	*-6%*	*-2%*	*-4%*
qoq				*18%*	*1%*	*4%*
Sales - Special Grade	113.7	115.9	94.4	25.3	26.7	26.1
yoy	*1%*	*2%*	*-19%*	*8%*	*20%*	*-3%*
qoq				*16%*	*5%*	*-2%*
Total sales by layer (US$m)	**393**	**360**	**327**	**83**	**86**	**92**
	-9%	*-9%*	*-9%*	*-1%*	*5%*	*5%*
				13%	*3%*	*7%*
2) Volume (m SQFT)						
Volume - 02 Layer	4.1	3.7	3.5	0.8	0.8	0.8
yoy	*-1%*	*-10%*	*-6%*	*-11%*	*-13%*	*-17%*
qoq				*2%*	*-2%*	*0%*
Volume - 04 Layer	12.1	11.2	10.8	2.7	2.9	3.0
yoy	*-18%*	*-7%*	*-3%*	*-5%*	*3%*	*9%*
qoq				*11%*	*5%*	*4%*
Volume - 06+ Layer	6.0	5.2	5.2	1.3	1.3	1.2
yoy	*-9%*	*-14%*	*1%*	*-5%*	*-2%*	*-13%*
qoq				*24%*	*-3%*	*-7%*
Volume - Special Grade	6.2	6.7	5.3	1.4	1.5	1.3
yoy	*1%*	*9%*	*-21%*	*3%*	*12%*	*-11%*
qoq				*13%*	*4%*	*-12%*
Total volume (m SQFT)	**28.4**	**26.9**	**24.9**	**6.3**	**6.4**	**6.3**
yoy	*-10%*	*-5%*	*-7%*	*-4%*	*1%*	*-4%*
qoq				*13%*	*2%*	*-2%*

Source: UOB Kay Hian

Regional Peers Comparison

		PE			EPS			GPM (%)	
		Current	2026F	2027F	2025	2026F	2027F	2025	2026F
DELTA TB	DELTA ELECTRONICS THAI PCL	73.1	69.0	48.5	1.99	2.6	3.6	27.1	28.8
						29%	42%		
KCE TB	KCE ELECTRONICS PUB CO LTD	61.7	47.7	29.9	0.7	1.2	1.9	18.9	21.4
						74%	60%		
HANA TB	HANA MICROELECTRONICS PCL	55.9	33.7	21.2	0.78	1.1	1.8	7.8	10.6
						47%	58%		
CCET TB	CAL-COMP ELECTRONICS THAILAN	35.3	25.4	22.4	0.2	0.5	0.3	5.1	5.2
						47%	13%		
KCE closest peers (PCB and automotive)									
6966 JT	CMK CORP	15.0	14.3	11.8	56.5	44.1	53.3	14.9	
						-22%	21%		
6787 JT	MEIKO ELECTRONICS CO LTD	15.0	10.7	7.7	379.3	579.9	802.1	21.0	
						53%	38%		
2355 TT	CHIN-POON INDUSTRIAL CO LTD	24.9			1.6			11.5	
SCE GR	SCHWEIZER ELECTRONIC AG			39.3	1.3	(1.2)	0.1	4.4	6.9
						-190%	110%		
Other PCB manufacturing peers									
ATS AV	AUSTRIA TECHNOLOGIE & SYSTEM	22.4	11.6	7.9	(1.1)	9.1	13.4	11.4	27.9
						918%	47%		
TTMI US	TTM TECHNOLOGIES	25.9	13.4	8.0	1.7	5.0	8.4	20.7	23.9
						187%	69%		
KCE's Tier 1 Customer									
AMVO GY	AUMOVIO SE			8.2	(6.5)	(1.6)	3.9	18.5	19.3
						75%	342%		
FR FP	VALEO	13.3	8.3	6.4	0.8	1.3	1.7	20.2	20.0
						60%	30%		
6902 JT	DENSO CORP	11.5	12.1	10.3	163.0	153.8	181.0	15.5	14.9
						-6%	18%		

Source: UOB Kay Hian

Earnings Revision/Risk

- We revised our 2026-28 earnings by 2%/13%/5% respectively, to reflect our higher assumptions.

Share Price Catalyst

- Higher sales and margins.

Environment, Social, Governance (ESG) Updates

Environmental

- The company set goals to reduce electricity purchased for consumption by 10% in 2030.

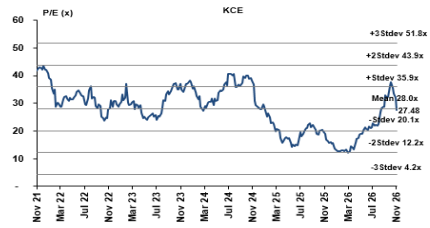
Social

- Employees at all levels receive regular training and development support, with clear initiatives in place to reduce the voluntary employee turnover rate.

Governance

- The company has set clear goals to conduct its business transparently and fairly, while maintaining responsibility towards all stakeholders.

Five-Year Forward PE Band



Source: UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	**13,075**	**15,308**	**19,354**	**18,591**
EBITDA	1,857	2,578	4,067	3,797
Deprec. & amort.	1,132	1,118	1,300	1,492
EBIT	725	1,460	2,768	2,305
Total other non-operating income	264	418	320	320
Associate contributions	12	12	12	12
Net interest income/(expense)	(36)	(48)	(156)	(221)
Pre-tax profit	**965**	**1,842**	**2,943**	**2,416**
Tax	(106)	(183)	(293)	(240)
Minorities	(26)	(28)	(28)	(28)
Net profit	**833**	**1,631**	**2,622**	**2,148**
Net profit (adj.)	833	1,631	2,622	2,148

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	8,819	9,062	15,187	14,678
Other LT assets	534	528	569	562
Cash/ST investment	1,969	1,575	2,451	3,395
Other current assets	6,608	8,337	10,541	9,753
Total assets	**17,930**	**19,503**	**28,748**	**28,387**
ST debt	1,055	882	1,082	1,382
Other current liabilities	2,618	4,210	4,935	4,183
LT debt	415	415	6,815	5,456
Other LT liabilities	646	548	559	571
Shareholders' equity	13,136	13,382	15,294	16,733
Minority interest	60	66	62	62
Total liabilities & equity	**17,930**	**19,503**	**28,748**	**28,387**

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	**2,537**	**2,202**	**2,577**	**3,838**
Pre-tax profit	965	879	2,943	2,416
Tax	(90)	(87)	(293)	(240)
Deprec. & amort.	1,132	1,350	1,300	1,492
Working capital changes	393	(130)	(1,541)	47
Non-cash items	127	201	180	136
Other operating cashflows	11	(12)	(12)	(12)
Investing	**(936)**	**(742)**	**(7,251)**	**(1,000)**
Capex (growth)	(603)	(1,366)	(7,450)	(1,002)
Investments	28	0	0	0
Others	(361)	624	199	2
Financing	**(1,198)**	**(978)**	**5,550**	**(1,894)**
Dividend payments	(1,447)	(1,418)	(709)	(709)
Issue of shares	0	0	0	0
Proceeds from borrowings	306	(173)	6,600	(1,059)
Others/interest paid	(57)	614	(341)	(126)
Net cash inflow (outflow)	**403**	**483**	**875**	**944**
Beginning cash & cash equivalent	**1,566**	**1,093**	**1,575**	**2,451**
Ending cash & cash equivalent	**1,969**	**1,575**	**2,451**	**3,395**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	14.2	16.8	21.0	20.4
Pre-tax margin	7.4	12.0	15.2	13.0
Net margin	6.4	10.6	13.6	11.6
Growth				
Net profit (adj.)	(49.5)	95.8	60.8	(18.1)
Leverage				
Debt to total capital	11.1	9.6	51.4	40.7
Debt to equity	11.2	9.7	51.6	40.9
Net debt/(cash) to equity	(3.8)	(2.1)	35.6	20.6
Interest cover	50.9	53.2	26.0	17.2

PTT Exploration & Production (PTTEP TB)

LLB And Yadana Progress Supports PTTEP's Long-term Growth Prospects

Highlights

- PTTEP expects to reach FID for LLB within the next 2-3 years, following the completion of the transaction in 1Q27. Meanwhile, Yadana offers significant upside potential from a possible concession extension and the development of nearby gas fields through shared infrastructure.
- PTTEP remains financially strong, underpinned by robust earnings and a low D/E ratio. However, the company is currently reviewing its five-year capex plan, with an updated plan expected to be announced in early December.
- Maintain BUY with a target price of Bt190.00.

Analysis

- **The tone during the meeting with PTT Exploration and Production (PTTEP) was positive**.
- **Lang Lebah project progresses, with FID expected within 2–3 years.** The Lang Lebah Project (LLB) is moving forward, with FID expected within 2–3 Years. PTTEP has restructured its investment in the LLB project, reducing its stake from 42.5% to 25%, while acquiring a 25% stake in the B14 field. TotalEnergies will become the operator with a 30% stake, with the transaction expected to be completed in 1Q27. PTTEP expects to reach final investment decision (FID) within the next 2-3 years, followed by first gas production within 4-5 years after FID. We view this development positively for PTTEP's long-term prospects, as it transforms technically challenging, high-cost assets into more commercially viable projects through shared facilities and collaboration with a strategic partner experienced in developing complex gas fields.
- **Both LLB and B14 are currently in the development phase. We** see two key benefits from their integrated development: a) Value improvement: As the LLB and B14 fields are located only 14km apart, sharing facilities could reduce operating expenses and capex, lowering unit technical costs by approximately 20%. PTTEP estimates the project IRR at 10-15%; and b) Reduced execution risks: Appointing TotalEnergies as the operator should help mitigate project execution risks, given its extensive experience and expertise in developing large-scale, technically complex gas fields. LLB is a sour gas field with high sulphur content, as well as high-pressure and high-temperature conditions, which have previously posed significant development challenges for PTTEP, particularly due to higher-than-expected development costs.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	312,310	281,449	338,953	345,289	319,720
EBITDA	240,397	203,682	258,544	235,278	216,455
Operating profit	145,942	110,704	168,420	161,433	142,593
Net profit (rep./act.)	78,810	60,240	79,931	85,555	75,613
Net profit (adj.)	78,225	58,024	94,703	85,555	75,613
EPS (x)	19.70	15.20	23.85	21.55	19.05
PE (x)	8.37	11.29	8.20	7.66	8.66
P/B (x)	1.26	1.20	1.00	1.00	0.98
EV/EBITDA (x)	2.69	3.44	2.77	2.72	2.91
Dividend yield (%)	5.83	5.30	6.36	6.67	6.36
Net margin (%)	25.23	21.40	23.58	24.78	23.65
Net debt/(cash) to equity (%)		23.86	24.40	18.65	17.26
Consensus net profit	-	-	79,783	73,691	69,639
UOBKH/Consensus (x)	-	-	1.19	1.16	1.09

Source: PTTEP, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	Bt144.00
Target Price	Bt190.00
Upside	+31.94%

Stock Data

Sector	Energy
Bloomberg ticker	PTTEP TB
Shares issued (m)	3,970.0
Market cap (Btm)	575,648
Market cap (US$m)	17,184
3-mth avg daily t'over (US$m)	31.4

Price Performance (%)

52-week high/low				Bt164.00 / Bt104.00
1mth	3mth	6mth	1yr	YTD
-2.68	8.61	-7.64	27.2	28.3

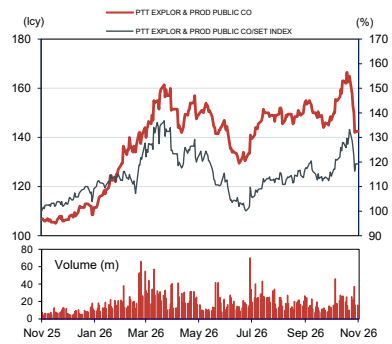
Major Shareholders (%)

PTT	63.79%
Thai NVDR	6.52%
State Street Europe	1.80%

Balance Sheet Metrics

FY26 NAV/Share (Bt)	Bt147.01
FY26 Net Debt/Share (Bt)	Bt26.61

Price Chart



Source: Bloomberg

Company Description

Petroleum exploration and production, renewable energy, and new forms of energy

- **Yadana concession renewal expected to reach conclusion soon.** We maintain a positive view on the prospects of renewing the Yadana concession, which is currently operated by PTTEP and is scheduled to expire in 2028. Yadana is a key natural gas source for Thailand and an important revenue contributor to Myanmar, providing both countries with strong incentives to maintain continuous production. This is further supported by ongoing discussions between PTTEP and the Myanmar government regarding production enhancement and concession renewal. In addition, we see further upside potential from the joint development of nearby gas fields, particularly Block A-6, which is 100% owned by Myanmar Petroleum Resources (MPRL E&P). The field has significant gas resource potential and contains dry gas with characteristics similar to Yadana. However, it still requires investment and infrastructure to achieve commercial development. Leveraging Yadana's existing facilities and gas pipeline infrastructure could reduce initial capex and overall development costs, while accelerating the time to first production. This could extend the operating life of existing assets and enhance PTTEP's long-term production potential in Myanmar.
- **Core strategy remains focused on energy security and international growth**. PTTEP's long-term strategy for the coming decade remains centred on two key pillars: Energy security and international growth. The company aims to maintain stable gas production from its key domestic fields and joint-development areas to support energy security, while pursuing international growth through investment expansion across Southeast Asia, the Middle East, and Algeria, alongside maintaining competitive cost structures. In parallel, PTTEP remains committed to sustainable business development, targeting E&P Net Zero 2050 through emissions-reduction initiatives and investments in clean energy technologies.
- **Strong financial position supports further investment.** PTTEP continued to deliver strong operating performance in 3Q26, with an EBITDA margin of 71%, while maintaining financial discipline, as reflected in its low D/E ratio of 0.25x. The company is also executing its 2026-30 five-year capex plan, with a total budget of US$33.3b, to support domestic and international growth, alongside investments in future energy projects and low-carbon technologies, particularly carbon capture and storage (CCS). However, PTTEP is currently preparing its five-year capex plan for 2027-31, which is expected to be announced in late November. We will provide further updates and analysis once the plan is released.
- **Sensitivity.** Every US$1.00/bbl decrease in oil prices would lower our 2027 core profit forecast by 1.3%, or Bt1.10b per year. Every US$1.00/bbl decline in unit cost would increase our 2027 core profit estimate by 2.3%, or Bt2.00b per year. Every Bt1.00/US$ depreciation in the Thai baht increases our core profit forecast by Bt3.3b.

Valuation/Recommendation

- **Maintain BUY with a 2027 target price of Bt190.00**, based on an average five-year regional forward PE of 8.7x. In the oil & 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

- **Carbon capture and storage.** PTTEP is leading Thailand's first carbon capture project, which is set for completion by 2026. This project is key to PTTEP's plan to reach carbon neutrality by 2050 and net-zero emissions by 2065, focusing on reducing oil production emissions with potential for broader industry applications.

Social

- **Community engagement.** PTTEP invests in education, healthcare, and infrastructure in its operating regions to improve quality of life and support sustainable development.

Governance

- **Supplier ESG assessment.** PTTEP requires suppliers to meet strict ESG criteria, including business ethics, safety, and environmental impacts, to ensure sustainable and ethical procurement.

Market Update



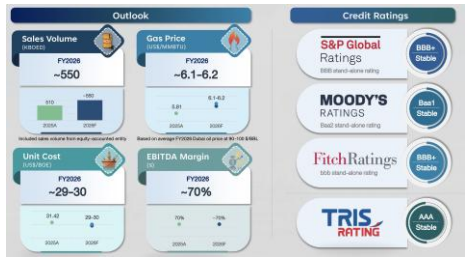
Source: PTTEP

Joint Investment In Malaysia: LLB & B14



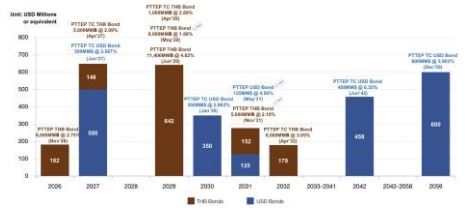
Source: PTTEP

PTTEP's Guidance



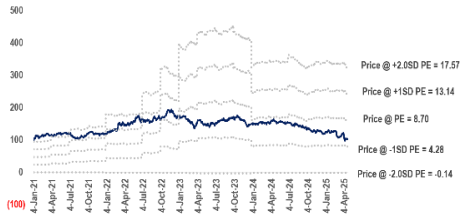
Source: PTTEP

Debt Maturity Profile



Source: PTTEP

Average Five-Year Regional Forward PE Band



Source: Bloomberg

Profit & loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	281,449	338,953	345,289	319,720
EBITDA	203,682	258,544	235,278	216,455
Deprec. & amort.	95,194	75,352	73,845	73,861
EBIT	108,488	183,192	161,433	142,593
Associate contributions	4,251	4,464	4,687	4,921
Net interest income/(expense)	-13,065	-12,783	-10,565	-10,037
Pre-tax profit	104,107	145,329	155,555	137,478
Tax	-43,850	-65,398	-70,000	-61,865
Minorities	-16.6	0.0	0.0	0.0
Net profit	60,240	79,931	85,555	75,613
Net profit (adj.)	58,024	94,703	85,555	75,613

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	511,450	504,278	516,917	541,651
Other LT assets	266,412	310,935	315,840	296,043
Cash/ST investment	73,075	86,606	119,690	130,906
Other current assets	17,756	30,506	34,529	35,169
Total assets	933,938	973,956	1,029,685	1,043,223
ST debt	21,125	0	0	0
Other current liabilities	194,733	234,520	238,904	221,213
LT debt	105,649	105,649	105,649	105,649
Other LT liabilities	194,733	234,520	238,904	221,213
Shareholders' equity	543,708	590,579	636,169	669,004
Total liabilities & equity	933,938	973,956	1,029,685	1,043,223

Cash flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	150,401	142,308	160,056	150,483
Pre-tax profit	104,107	145,329	155,555	137,478
Tax	-43,850	-65,398	-70,000	-61,865
Deprec. & amort.	95,194	75,352	73,845	73,861
Working capital changes	-7,702	-14,652	655	1,008
Other operating cashflows	2,653	1,678	0	0
Investing	-149,863	-72,916	-87,007	-96,489
Investments	-115,071	-68,180	-86,485	-98,595
Others	-34,792	-4,736	-522	2,106
Financing	-54,688	-55,862	-39,965	-42,778
Dividend payments	-36,622	-34,737	-39,965	-42,778
Proceeds from borrowings	-18,065	-21,125	0	0
Net cash inflow (outflow)	-54,150	13,531	33,084	11,216
Beginning cash & cash equiv.	128,482	73,075	86,606	119,690
Changes due to forex impact	-1,257	0	0	0
Ending cash & cash equiv.	73,075	86,606	119,690	130,906

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	73.2	71.9	68.1	67.7
Pre-tax margin	37.0	42.9	45.1	43.0
Net margin	21.4	23.6	24.8	23.6
ROA	7.5	9.7	10.0	8.8
ROE	13.1	16.6	17.0	14.5
Growth (% yoy)				
Turnover	-9.9	20.4	1.9	-7.4
EBITDA	-14.0	20.2	-3.7	-8.0
Pre-tax profit	-24.8	57.1	-2.8	-11.6
Net profit	-23.5	32.6	7.0	-11.6
Net profit (adj.)	-25.8	63.1	-9.7	-11.6
EPS	-23.5	32.6	7.0	-11.6
Leverage				
Debt to total capital	24.4	18.7	17.3	16.4
Debt to equity	23.3	17.9	16.6	15.8
Net debt/(cash) to equity	24.4	18.7	17.3	16.4
Interest cover (x)	15.8	19.1	22.3	21.6

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