



Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	51179.9	(0.7)	0.5	(4.2)	6.5
S&P 500	7801.8	(0.2)	2.0	1.1	14.0
FTSE 100	10458.5	(0.8)	(1.4)	(3.4)	5.3
AS30	8894.6	(0.1)	(0.8)	(2.4)	(1.4)
CSI 300	4357.6	0.3	(4.1)	(4.4)	(5.9)
FSSTI	5608.4	(1.6)	(1.2)	(2.8)	20.7
HSCEI	8082.4	(0.6)	(1.2)	(3.8)	(9.3)
HSI	24130.5	(0.6)	(1.6)	(5.0)	(5.9)
JCI	6146.7	(0.7)	1.2	(8.1)	(28.9)
KLCI	1611.8	(1.3)	(2.4)	(6.0)	(4.1)
KOSPI	6803.9	(2.0)	(1.0)	(2.2)	61.5
Nikkei 225	70035.7	(0.9)	4.9	7.3	39.1
SET	1584.6	0.2	1.6	(2.3)	25.8
TWSE	49806.4	(0.0)	3.9	5.7	72.0
BDI	2994	(0.3)	(3.8)	(16.3)	59.5
CPO (RM/mt)	4366	(0.0)	(1.7)	(5.6)	11.0
Brent Crude (US\$/bbl)	100	(0.4)	(3.2)	3.3	64.7

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
NDR with Food Empire Holdings Ltd (FEH SP)	Malaysia	08 Oct	08 Oct
Small & Mid-Caps Corporate Day	Singapore	21 Oct	21 Oct

Corporate and Macro Calendar

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

Top Stories

Company Results | Aeon Thana Sinsap (Thailand) (AEONTS TB/HOLD/Bt90.25/Target: Bt98.00)

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- AEONTS posted a 2QFY27 net profit of Bt642m, down 19% yoy and 19% qoq, missing our and consensus expectations by 8% and 18%, respectively. Although there was a gain from the sale of bad debts, the higher provisioning dragged the bottom line. The shrinking in the hire-purchase portfolio was in line after experiencing the deterioration in asset quality. NPL ratio and credit cost jumped qoq. Downgrade to HOLD with a lower target price of Bt98.00.

Company Update | PTT Exploration and Production (PTTEP TB/BUY/Bt145.00/Target: Bt170.00)

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- We expect PTTEP's 3Q26 net profit at Bt20.4b, down 25% qoq, mainly due to lower sales volume and a significant oil hedging loss. Meanwhile, we project that 4Q26 core profit will remain broadly flat qoq, as higher sales volume should be sufficient to offset lower gas selling prices and raise unit costs. Nevertheless, persistently high crude oil prices should continue to support yoy growth in 2H26 core profit. Maintain BUY. Target price: Bt170.00.

Company Update | Supalai (SPALI TB/BUY/Bt15.90/Target: Bt17.50)

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- SPALI's 3Q26 outlook is neutral as Bangkok flooding delayed transfers and led to some project launch postponements. If the impact is in line with our expectations, there could be slight downside risk to our earnings forecasts. We expect 3Q26 net profit to come in at Bt6.084b, while 4Q26 should mark the earnings peak as delayed transfers are recognised. We maintain a neutral sector view and maintain SPALI as our top pick, supported by its strong balance sheet, low leverage, financial flexibility and Australian earnings contribution.

Aeon Thana Sinsap (Thailand) (AEONTS TB)

2QFY27: Results Miss; Credit Costs And NPL Ratio Jump QOQ

Highlights

- AEONTS posted a 2QFY27 net profit of Bt642m, down 19% yoy and 19% qoq.
- The higher provisioning reflected the deterioration in asset quality for the HP loan portfolio.
- Downgrade to HOLD with a lower target price of Bt98.00 (previously: Bt120.00).

Analysis

- 2QFY27 results miss.** Aeon Thana Sinsap (Thailand) (AEONTS) posted a 2QFY27 net profit of Bt642m, down 19% yoy and 19% qoq, missing our and consensus expectations by 8% and 18%, respectively. Although there was a gain from sales of written-off receivables in this quarter, the higher provisioning dragged the bottom line. Several key items were in line with our forecasts except for the net interest income that came under our estimates by 7%. Excluding provisioning, the company's pre-provision operating profit declined by 4% yoy but increased by 6% qoq.
- A gain from sale of written-off receivables to help increase non-II.** In 2QFY27, AEONTS reported a gain from the sale of written-off receivables of Bt144m, which is in line with our expectations of not exceeding Bt150m. Hence, non-interest income rose by 8% yoy and 12% qoq to Bt1.1b in 2QFY27.
- Loan portfolio contracted yoy and qoq in 2QFY27.** AEONTS reported loans outstanding of Bt84.4b in 2QFY27, down 4% yoy and 1% qoq. Gross loans in the credit card portfolio declined 1.2% qoq in 2QFY27, while gross loans in the personal loan portfolio dropped 0.6% qoq. Meanwhile, the hire-purchase (HP) portfolio shrank 3.6% qoq during the period. The shrinking in the HP portfolio was in line with the previous guidance that the company has frozen the loan portfolio for a while after a deterioration in asset quality.
- Credit costs jumped qoq.** NPL ratio jumped qoq from 5.6% in 1QFY27 to 5.9% in 2QFY27, which mainly came from the deterioration in asset quality from the HP portfolio according to the guidance. Meanwhile, AEONTS reported a 26% qoq increase to Bt2b in provision expenses in 2QFY27. The higher provisioning qoq reflected the asset quality adjustment in the domestic HP business and the loan portfolio in Cambodia. As a result, credit costs jumped 203bp qoq to 948bp in 2QFY27. According to the company's guidance, it is expected to take few quarters for the asset quality issue in the HP portfolio to be resolved. Therefore, we cut our forecasts to reflect the deterioration in asset quality and the higher credit cost outlook.

Key Financials

Year to 28 Feb (Btm)	FY25	FY26	FY27F	FY28F	FY29F
Net interest income	16,124.9	15,533.3	14,773.8	15,094.2	15,378.9
Non-Interest Income	3,731.5	4,188.0	4,373.1	4,431.0	4,586.8
Net profit (rep./act.)	2,860.3	3,094.1	2,832.0	3,056.9	3,284.1
Net profit (adj.)	2,860.3	3,094.1	2,832.0	3,056.9	3,284.1
EPS (Bt)	11.4	12.5	11.5	12.4	13.3
PE (x)	7.9	7.2	7.9	7.3	6.8
P/B (x)	0.9	0.8	0.8	0.7	0.7
Dividend yield (%)	4.4	5.1	6.6	6.6	7.1
Net int margin (%)	17.9	17.7	17.1	17.2	17.5
Cost/income Ratio (%)	44.2	42.4	43.1	43.0	42.8
Loan loss cover (%)	153.8	169.1	168.5	171.2	175.0
Consensus net profit	n.a	n.a	3,085.8	3,248.9	3,390.0
UOBKH/Consensus (x)	n.a	n.a	0.9	0.9	1.0

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

Analyst(s)

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HOLD (Downgraded)

Share Price	Bt90.25
Target Price	Bt98.00
Upside	8.6%
Previous TP	Bt120.00

Stock Data

Sector	Financials
Bloomberg ticker	AEONTS TB
Shares issued (m)	246.3
Market cap (Btm)	22,226.9
Market cap (US\$m)	658.8
3-mth avg daily t'over (US\$m)	1.8

Price Performance (%)

52-week high/low			Bt120.0/Bt86.5	
1mth	3mth	6mth	1yr	YTD
(8.4)	(13.6)	0.3	(24.2)	(16.0)

Major Shareholders (%)

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

Balance Sheet Metrics

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

Price Chart



Source: Bloomberg

Company Description

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

- **An impressive interim dividend payment.** AEONTS announced an interim dividend of Bt3.00 per share, higher than the baseline payment at Bt2.55 for the past several years. This was a positive surprise, and we expect the company to maintain the interim payment at this level.
- **Remaining share buyback is expected to limit downside.** As of 31 Aug 26, the company had repurchased shares amounting to 40.3% of the total budget. We expect the remaining budget to help limit downside for the share price, as AEONTS will continue to buy back shares after the blackout period.

2QFY27 Results (Jun 26-Aug 26)

Year to 28 Feb (Btm)	2QFY27	1QFY27	2QFY25	qoq chg (%)	yoy chg (%)
Total gross loans	84,415	85,374	88,279	(1.1)	(4.4)
Net interest income	3,576	3,713	3,905	(3.7)	(8.4)
Non-interest income	1,108	993	1,031	11.6	7.5
Loan loss provision	(2,061)	(1,637)	(1,908)	25.9	8.0
Non-Interest Expenses	(1,900)	(2,080)	(2,025)	(8.7)	(6.2)
Pre-provision operating profit	2,784	2,626	2,911	6.0	(4.3)
Net income	642	793	792	(19.0)	(18.8)
EPS (Bt)	2.60	3.20	3.17	(18.9)	(17.9)
Ratio (%)					
NPL Ratio	5.9%	5.6%	5.2%		
Loan loss coverage ratio (%)	166%	169%	167%		
Net interest margin (NIM %)	16.8%	17.3%	17.6%		
Credit cost (bp)	948	745	846		
Cost to income (%)	41%	44%	41%		

Source: AEONTS, UOB Kay Hian

Valuation/Recommendation

- **Downgrade to HOLD with a lower target price of Bt98.00 (previous: Bt120.00).** We use the Gordon Growth Model with a cost of equity of 13.0% and a long-term growth rate of 3.0%. Our target price implies 0.84x FY27F P/B, which is slightly below -1SD to its five-year average.

Earnings Revision/Risk

- We cut our FY27-29 earnings forecasts by 11.2%, 11.5%, and 6.8%, respectively. The cut in earnings forecasts is due to lower-than-expected earnings in 2QFY27 and the deterioration in asset quality and the higher credit cost outlook.

Share Price Catalyst

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

Environment, Social, Governance (ESG) Updates

CG Report: 5

SET ESG Rating: A

Environmental

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

Social

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

Governance

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

Loan Portfolio (2QFY27)



Source: AEONTS, UOB Kay Hian

Credit Cost (bp)



Source: AEONTS, UOB Kay Hian

PE Band



P/B Band



Profit & Loss

Year to 28 Feb (Btm)	FY26	FY27F	FY28F	FY29F
Interest income	17,587	16,474	16,535	16,798
Interest expense	(2,054)	(1,700)	(1,440)	(1,419)
Net interest income/(expense)	15,533	14,774	15,094	15,379
Fees & Commissions	857	803	801	801
Income From Insurance	0	0	0	0
Net Trading Income	0	0	0	0
Other Income	3,331	3,570	3,631	3,786
Non-Interest Income	4,188	4,373	4,431	4,587
Total Income	19,721	19,147	19,525	19,966
Staff Costs	(8,249)	(8,155)	(8,290)	(8,421)
Other Operating Expense	(113)	(105)	(110)	(116)
Pre-Provision Profit	11,359	10,887	11,125	11,428
Loan Loss Provision	(7,439)	(7,600)	(7,679)	(7,726)
Other Provisions	0	0	0	0
Associated Companies	0	0	0	0
Other Non-Operating Income	0	0	0	0
Pre-tax profit	3,920	3,287	3,446	3,702
Tax	(790)	(669)	(689)	(740)
Minorities	(36)	213	300	322
Net profit	3,094	2,832	3,057	3,284
Net profit (adj.)	3,094	2,832	3,057	3,284

Operating Ratios

Year to 28 Feb (Btm)	FY26	FY27F	FY28F	FY29F
Capital Adequacy				
Total Assets/Equity	3	3	3	3
Tangible Assets/Tangible Common Equity	3	3	3	3
Asset Quality				
NPL Ratio	5	6	6	6
Loan Loss Coverage	169	168	171	175
Loan Loss Reserve/Gross Loans	8	9	9	9
Increase in NPLs	3	6	3	(2)
Credit Cost (bp)	833	868	873	877
Liquidity				
Liquid Assets/Short-Term Liabilities	7	7	7	8
Total Assets/Equity	3	3	3	3

Balance Sheet

Year to 28 Feb (Btm)	FY26	FY27F	FY28F	FY29F
Cash With Central Bank	3,682	3,316	3,405	3,327
Govt Treasury Bills & Securities	0	0	0	0
Interbank Loans	0	0	0	0
Customer Loans	78,088	76,129	78,122	76,095
Investment Securities	0	0	0	0
Derivative Receivables	0	0	0	0
Associates & JVs	0	0	0	0
Properties & Other Fixed Assets	779	510	321	243
Goodwill & Intangible Assets	777	768	746	735
Other Assets	4,981	4,719	4,804	4,709
Insurance Fund Investment Assets	0	0	0	0
Total assets	88,307	85,443	87,398	85,109
Interbank Deposits	0	0	0	0
Customer Deposits	0	0	0	0
Bills Payable	52,260	48,437	48,398	44,160
Derivative Payables	0	0	0	0
Debts Securities Issued	0	0	0	0
Subordinated Debts	1,416	1,575	1,672	1,647
Other Liabilities	6,502	5,702	5,724	5,574
Insurance Fund Liabilities	0	0	0	0
Total liabilities	60,178	55,713	55,794	51,381
Shareholders' funds	27,195	28,683	30,257	32,059
Minority interest	934	1,046	1,346	1,669
Total Equity & Liabilities	88,307	85,443	87,397	85,109

Key Metric

Year to 28 Feb (%)	FY26	FY27F	FY28F	FY29F
Growth				
Net Interest Income, yoy Chg	0	0	0	0
Fees & Commissions, yoy Chg	0	0	0	0
Pre-Provision Profit, yoy Chg	0	0	0	0
Net Profit, yoy Chg	0	0	0	0
Customer Loans, yoy Chg	0	0	0	0
Profitability				
Net Interest Margin	18	17	17	17
Cost/Income Ratio	42	43	43	43
Adjusted ROA	3	3	4	4
Reported ROE	11	10	10	10
Adjusted ROE	11	10	10	10
Valuation				
P/BV	1	1	1	1
P/NTA	1	1	1	1
Adjusted P/E	7	8	7	7
Dividend Yield	5	7	7	7

PTT Exploration & Production (PTTEP TB)

3Q26 Net Profit To Decline qoq On Lower Sales And Oil Hedging Loss

Highlights

- We expect PTTEP's 3Q26 net profit to decline qoq, mainly due to lower sales volume and the recognition of an oil hedging loss.
- We foresee PTTEP's 4Q26 net profit remaining broadly flat qoq, as higher sales volume should be sufficient to offset lower gas selling prices and rising unit costs.
- Maintain BUY with a target price of Bt170.00.

3Q26 Earnings Preview

Year to 31 Dec (Btm)	3Q25	2Q26	3Q26F	Chg. %yoy	Chg. %qoq	9M25	9M26F	Chg. %yoy
Revenue	68,731	96,139	88,825	29%	-8%	211,076	261,051	24%
Gross profit	31,827	53,818	46,428	46%	-14%	100,800	141,586	40%
Interest expenses	3,184	3,073	2,808	-12%	-9%	9,684	8,787	-9%
EBITDA	47,428	90,010	62,869	33%	-30%	149,883	207,247	38%
Core Profit	12,148	24,257	22,891	88%	-6%	42,890	67,099	56%
Net Profit	12,695	27,197	20,353	60%	-25%	42,771	59,385	39%
EPS	3.20	6.85	5.13	60%	-25%	10.77	14.96	39%
Financial ratio (%)								
Gross Profit Margin	46.3%	56.0%	52.3%			47.8%	54.2%	
EBITDA Margin	69.0%	93.6%	70.8%			71.0%	79.4%	
SG&A Exp. / Sales	11.9%	9.8%	9.5%			10.8%	9.9%	
Net profit margin	18.5%	28.3%	22.9%			20.3%	22.7%	

Source: PTTEP, UOB Kay Hian

Analysis

- 3Q26 net profit to decline qoq on oil hedging loss.** We expect PTT Exploration and Production (PTTEP) to report a 3Q26 net profit of Bt20.35b, down 25% qoq but up 60% yoy, mainly due to lower sales volume and a significant oil hedging loss. Key factors include: a) sales volume is expected at 525,000 barrels of oil equivalent per day (BOED), down 8% qoq, mainly due to lower gas production in the Gulf of Thailand following PTT's planned gas separation plant maintenance. Sales from Malaysia's Sabah K and Block SK301 projects, as well as Algeria, are also expected to decline;

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	312,310	281,449	319,778	323,119	317,586
EBITDA	240,397	203,682	241,417	215,451	215,119
Operating profit	145,942	110,704	158,352	141,606	141,258
Net profit (rep./act.)	78,810	60,240	80,519	76,374	76,306
Net profit (adj.)	78,225	58,024	88,233	76,374	76,306
EPS (x)	19.70	15.20	22.22	19.24	19.22
PE (x)	7.36	9.92	8.20	7.54	7.54
P/B (x)	1.11	1.06	1.00	1.00	0.87
EV/EBITDA (x)	2.36	3.06	2.54	2.64	2.58
Dividend yield (%)	6.64	6.03	6.90	6.90	6.90
Net margin (%)	25.23	21.40	25.18	23.64	24.03
Net debt/(cash) to equity (%)		23.86	24.40	18.67	17.55
Consensus net profit	-	-	78,612	72,390	69,297
UOBKH/Consensus (x)	-	-	1.12	1.06	1.10

Source: PTTEP, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	Bt145.00
Target Price	Bt170.00
Upside	+17.24%

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

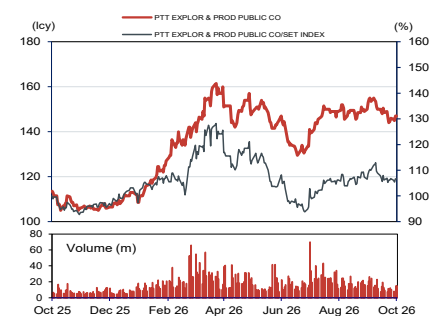
Major Shareholders (%)

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

b) ASP is forecast at US\$48.25/bbl, up 2% qoq, driven by higher gas prices, which more than offset lower liquid prices in line with the decline in crude oil prices. Gas prices are expected to rise following the new production sharing contract award for the Malaysia-Thailand Joint Development Area (MTJDA) Block A-18-01 project in mid-September, which resulted in an upward adjustment to the gas selling price effective from 1 January through the end of 3Q26. As a result, PTTEP's average gas selling price is likely to reach US\$6.50/Million British Thermal Units (MMBTU) in 3Q26; c) unit cost is expected at US\$30/bbl, up 0.7% qoq; and d) oil hedging loss is estimated at Bt2.54b.

- **3Q26 core profit could decline qoq on lower sales volume.** Excluding the oil hedging loss, we expect PTTEP's 3Q26 core profit at Bt22.89b, down 6% qoq due to lower sales volume, but up 88% yoy, supported by higher ASP in line with crude oil prices. This would bring 9M26 core profit to 56% yoy growth, with 9M26 core profit accounting for 77% of our full-year estimate.
- **4Q26 net profit likely to be flat qoq.** We expect PTTEP's 4Q26 net profit to remain broadly flat qoq, as higher sales volume should be sufficient to offset lower gas selling prices and higher unit costs. Sales volume is expected to increase qoq, driven by higher production from the Gulf of Thailand as there are no planned maintenance shutdowns, unlike in 3Q26, as well as higher sales from the Algeria project. This should offset: a) lower gas selling prices, as 4Q26 will no longer benefit from the lagging effect of the gas price adjustment for the MTJDA Block A-18-01 project; and b) higher unit costs. Based on our channel checks with PTTEP, we estimate 4Q26 unit cost at US\$31/bbl, up 3% qoq, which would bring 2026 unit cost below PTTEP's previous guidance of US\$30/bbl.
- **Sensitivity.** Every US\$1.00/bbl decrease in oil prices would lower our 2027 core profit forecast by 1.4%, or Bt1.10b per year. Every US\$1.00/bbl decline in unit cost would increase our 2027 core profit estimate by 2.6%, 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 Bt170.00**, 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: Bt88.00) and SCG Packaging (SCGP TB/BUY/Target: Bt39.00).

Earnings Revision/Risk

- **2026 net profit estimate revised.** We revise down our 2026 unit cost assumption to US\$29.70/bbl from US\$31.00/bbl, resulting in a 6% increase in our net profit estimate to Bt80.52b (previously Bt76.1b).

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

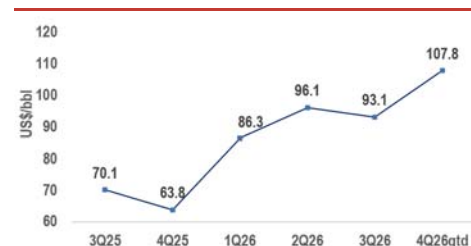
- **Supplier ESG assessment.** PTTEP requires suppliers to meet strict ESG criteria, including business ethics, safety, and environmental impacts, to ensure sustainable and ethical procurement.

Key Statistics

	3Q25	2Q26	3Q26F	Chg. %yoy	Chg. %qoq
Sales volume (BOED)	510	573	525	2.8%	-8.4%
Avg. selling price (US\$/bbl)	43.17	52.89	53.89	24.8%	1.9%
Gas price (US\$/MMBTU)	5.80	5.96	6.50	12.1%	9.1%
Liquid price (US\$/bbl)	67.03	99.51	90.07	34.4%	-9.5%
Avg. Dubai (US\$/bbl)	69.10	95.87	93.07	34.7%	-2.9%
Unit Cost (US\$/bbl)	31.52	29.79	30.00	-4.8%	0.7%

Source: PTTEP

Dubai Crude Oil Prices



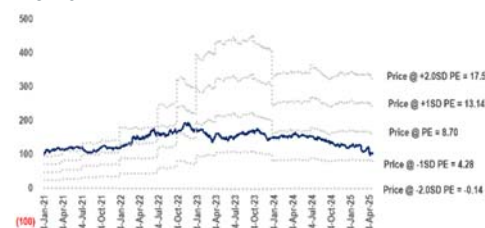
Source: PTTEP

Five-year Investment Plan



Source: PTTEP

Avg. Five-Year Regional Forward PE Band



Source: Bloomberg

Profit & loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	281,449	319,778	323,119	317,586
EBITDA	203,682	241,417	215,451	215,119
Deprec. & amort.	95,194	75,352	73,845	73,861
EBIT	108,488	166,065	141,606	141,258
Associate contributions	4,251	4,464	4,687	4,921
Net interest income/(expense)	-13,065	-20,903	-19,004	-19,004
Pre-tax profit	104,107	134,199	127,289	127,176
Tax	-43,850	-53,680	-50,916	-50,870
Minorities	-16.6	0.0	0.0	0.0
Net profit	60,240	80,519	76,374	76,306
Net profit (adj.)	58,024	88,233	76,374	76,306

Cash flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	150,401	142,032	152,115	149,704
Pre-tax profit	104,107	134,199	127,289	127,176
Tax	-43,850	-53,680	-50,916	-50,870
Deprec. & amort.	95,194	75,352	73,845	73,861
Working capital changes	-7,702	-14,242	1,896	-463
Other operating cashflows	2,653	403	0	0
Investing	-149,863	-71,336	-86,760	-98,139
Investments	-115,071	-68,180	-86,485	-98,595
Others	-34,792	-3,156	-275	456
Financing	-54,688	-55,862	-40,260	-38,187
Dividend payments	-36,622	-34,737	-40,260	-38,187
Proceeds from borrowings	-18,065	-21,125	0	0
Net cash inflow (outflow)	-54,150	14,834	25,095	13,378
Beginning cash & cash equiv.	128,482	73,075	87,909	113,004
Changes due to forex impact	-1,257	0	0	0
Ending cash & cash equiv.	73,075	87,909	113,004	126,383

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	296,089	298,675	294,391
Cash/ST investment	73,075	87,909	113,004	126,383
Other current assets	17,756	28,780	32,312	34,934
Total assets	933,938	956,487	1,002,140	1,036,670
ST debt	21,125	0	0	0
Other current liabilities	194,733	221,253	223,565	219,736
LT debt	105,649	105,649	105,649	105,649
Other LT liabilities	194,733	221,253	223,565	219,736
Shareholders' equity	543,708	589,893	626,007	664,125
Total liabilities & equity	933,938	956,487	1,002,140	1,036,670

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	73.2	73.1	66.7	67.7
Pre-tax margin	37.0	42.0	39.4	40.0
Net margin	21.4	25.2	23.6	24.0
ROA	7.5	9.9	9.1	8.9
ROE	13.1	16.7	15.3	14.7
Growth (% yoy)				
Turnover	-9.9	13.6	1.0	-1.7
EBITDA	-14.0	13.5	-8.3	-0.1
Pre-tax profit	-24.8	39.3	-10.3	-0.1
Net profit	-23.5	33.6	-5.1	-0.1
Net profit (adj.)	-25.8	52.0	-13.4	-0.1
EPS	-23.5	33.6	-5.1	-0.1
Leverage				
Debt to total capital	24.4	18.7	17.6	16.5
Debt to equity	23.3	17.9	16.9	15.9
Net debt/(cash) to equity	24.4	18.7	17.6	16.5
Interest cover (x)	15.8	11.2	11.3	11.3



Supalai (SPALI TB)

Neutral View Amid Flood Impact; Remains Our Top Sector Pick

Highlights

- We attended a market update meeting with management and came away with a neutral view. We expect SPALI to report 3Q26 net profit of Bt6.084b, down 12.3% qoq and 4.5% yoy. 3Q26 earnings are expected to be softer than previously guided, mainly due to flooding in Bangkok.
- We continue to like SPALI for its strong balance sheet and low leverage. While the Bangkok flood may weigh on property transfers in 3Q26, SPALI remains an attractive player in the property sector. We maintain our BUY recommendation with a target price of Bt17.50.

3Q26 Earnings Preview

Year to 31 Dec (Btm)	3Q26	2Q26	3Q25	qoq%	yoy%
Sales and services	6,371	6,936	6,084	(4.5)	(12.3)
Core profit	933	1,630	604	(35.3)	(63.0)
Net profit	1,168	1,665	636	(45.6)	(61.8)
Gross margin	35.3	30.3	31.7	(3.6)	1.4
Residential gross margin	35.8	30.3	30.8	(5.0)	0.5
Service gross margin	6.7	27.7	80.0	73.3	52.3
SG&A to sales	15.3	14.5	19.5	4.2	5.0
EBIT margin	20.0	15.8	12.2	(7.9)	(3.6)
EBITDA margin	21.1	15.8	14.3	(6.8)	(1.5)

Source: Supalai, UOB Kay Hian

Analysis

- Neutral takeaways from management meeting.** We attended a market update meeting with management and came away with a neutral view. We expect Supalai (SPALI) to report 3Q26 net profit of Bt6.084b (-12.3% qoq, -4.5% yoy), with total transfers expected at Bt5.974b (-12.5% qoq, -4.9% yoy). This is in line with 3Q26 presales of Bt5.571b, (vs Bt6.937b in 2Q26 and Bt6.012b in 1Q26).

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	31,194.4	24,124.3	25,619.8	25,981.7	26,769.8
EBITDA	7,664.6	4,680.3	5,596.4	5,853.4	6,079.6
Operating profit	7,461.5	4,467.0	5,381.0	5,635.9	5,859.8
Net profit (rep./act.)	6,189.5	4,015.0	4,576.2	4,728.2	4,895.0
Net profit (adj.)	6,189.5	4,015.0	4,576.2	4,728.2	4,895.0
EPS	3.2	2.1	2.3	2.4	2.5
PE (x)	5.8	9.0	7.8	7.6	7.3
P/B (x)	0.7	0.7	0.6	0.6	0.6
EV/EBITDA (x)	6.6	12.0	10.2	9.8	9.4
Dividend yield (%)	7.9	6.8	7.2	7.5	7.7
Net margin (%)	19.8	16.6	17.9	18.2	18.3
Net debt/(cash) to equity(%)	54.7	63.6	63.3	61.0	58.7
Interest cover (x)	10.8	6.5	8.0	8.2	8.4
ROE (%)	11.9	7.5	8.4	8.3	8.3
Consensus net profit	n.a	n.a	4,432.6	4,643.9	5,012.5
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	1.0

Source: Supalai, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	Bt15.90
Target Price	Bt17.50
Upside	10.0%

Stock Data

Sector	Real Estate
Bloomberg ticker	SPALI TB
Shares issued (m)	1,902.0
Market cap (Btm)	30,052.0
Market cap (US\$m)	891.8
3-mth avg daily t'over (US\$m)	2.4

Price Performance (%)

52-week high/low				Bt18.8/Bt14.9
1mth	3mth	6mth	1yr	YTD
(1.9)	(1.9)	(4.2)	(12.2)	(7.1)

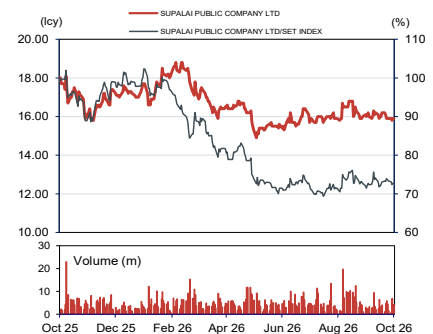
Major Shareholders (%)

Dr. Prateep Tangmatitham	35.7
Mrs. Ajchara Tangmatitham	6.3

Balance Sheet Metrics

FY26 NAV/Share (Bt)	28.6
FY26 Net Debt/Share (Bt)	18.1

Price Chart



Source: Bloomberg

Company Description

SPALI is a nationwide residential developer with a portfolio of low-rise housing and condominiums. The company is known for a decentralised project expansion approach across major provincial cities in addition to Bangkok.

- Flooding weighs on sales momentum in 2H26.** The Bangkok flooding following heavy rainfall during 25-26 Sep 26 has affected transfer momentum in 3Q26. Following the Cabinet's announcement of special public holidays in four provinces - Bangkok, Nonthaburi, Pathum Thani, and Samut Prakan - property transfers toward the end of the quarter were delayed, particularly for newly completed high-rise projects with relatively high gross margins. However, we view this mainly as a timing issue, with the delayed transfers expected to be recognised in the following quarter. In addition, the company has decided to postpone some project launches in 4Q26, particularly low-rise projects, to better align with the weaker economic environment following the flooding. That said, the impact on existing projects has been relatively limited, as flood-prevention measures were incorporated from the landfiling and project development stages.
- We remain positive on transfer outlook in 2H26.** Management expects 4Q26 to be the strongest earnings quarter of 2026. We expect its cost control measures to support SPALI's performance amid a challenging property sector environment. While construction costs were affected by higher oil prices during 1H26, lower financing costs, supported by the downward interest-rate trend earlier in the year, should help cushion the impact. Moreover, SPALI's strong balance sheet and low leverage should provide the company with greater flexibility to pursue further growth opportunities, although we expect growth momentum to moderate over the medium term.

9M26 Presales Performance



Source: SPALI, UOB Kay Hian

9M25 – 9M26 Presales Comparison



Source: SPALI, UOB Kay Hian

Valuation/Recommendation

- Maintain BUY with a target price of Bt17.50.** We maintain our BUY recommendation with a target price of Bt17.50, based on our 2026F EPS estimate of Bt2.47, revised up from Bt2.34 previously. This implies a 2026F PE of 7.1x, broadly in line with SPALI's historical average.
- Revenue growth is likely to moderate amid headwinds from Bangkok flooding, which has affected property transfers, and the company's plan to delay some project launches in 2H26. If the impact is in line with our expectations, there could be slight downside risk to our earnings forecasts.
- Nevertheless, we continue to like SPALI for its strong fundamentals and healthy financial position. Its Australian operations should also provide additional earnings support and help offset pressure from the domestic property market. SPALI remains our top sector pick, supported by its strong balance sheet, low leverage and financial flexibility despite a more challenging medium-term growth outlook.

Earnings Revision/Risk

- No changes to our earnings forecasts.

Share Price Catalyst

- Better-than-expected presales; property transfers being recognised earlier than expected.
- Improvements in gross margin and SG&A-to-sales ratio.
- Equity income coming in above expectations.

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	24,124	25,620	25,982	26,770
EBITDA	4,680	5,596	5,853	6,080
Deprec. & amort.	213	215	218	220
EBIT	4,467	5,381	5,636	5,860
Total other non-operating income	648	550	500	500
Associate contributions	730	700	700	700
Net interest income/(expense)	(725)	(700)	(710)	(720)
Pre-tax profit	5,121	5,931	6,126	6,340
Tax	(1,057)	(1,305)	(1,348)	(1,395)
Minorities	(48)	(50)	(50)	(50)
Net profit	4,015	4,576	4,728	4,895
Net profit (adj.)	4,015	4,576	4,728	4,895

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	473	2,425	3,464	3,677
Pre-tax profit	5,121	5,931	6,126	6,340
Tax	(1,057)	(1,305)	(1,348)	(1,395)
Deprec. & amort.	213	215	218	220
Working capital changes	(3,361)	(2,354)	(1,553)	(1,535)
Non-cash items	(443)	(62)	22	47
Other operating cashflows	0	0	0	0
Investing	(2,111)	(963)	(853)	(842)
Capex (growth)	977	(213)	(207)	(201)
Investments	(3,105)	(650)	(650)	(650)
Others	18	(100)	4	9
Financing	303	(2,043)	(2,138)	(2,235)
Dividend payments	(2,701)	(2,513)	(2,638)	(2,735)
Issue of shares	0	0	0	0
Proceeds from borrowings	3,801	500	500	500
Others/interest paid	(797)	(30)	0	0
Net cash inflow (outflow)	(1,335)	(581)	474	600
Beginning cash & cash equivalent	5,123	3,788	3,207	3,681
Ending cash & cash equivalent	3,788	3,207	3,681	4,281

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	3,280	3,278	3,268	3,249
Other LT assets	13,635	14,146	14,799	15,456
Cash/ST investment	3,788	3,207	3,681	4,281
Other current assets	78,582	81,343	82,960	84,636
Total assets	99,285	101,974	104,708	107,621
ST debt	25,246	19,246	18,246	17,246
Other current liabilities	5,761	6,105	6,191	6,379
LT debt	12,742	19,242	20,742	22,242
Other LT liabilities	750	512	520	535
Shareholders' equity	53,728	55,761	57,852	60,011
Minority interest	1,058	1,108	1,158	1,208
Total liabilities & equity	99,285	101,974	104,708	107,621

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	19.4	21.8	22.5	22.7
Pre-tax margin	21.2	23.2	23.6	23.7
Net margin	16.6	17.9	18.2	18.3
ROA	4.1	4.6	4.6	4.6
ROE	7.5	8.4	8.3	8.3
Growth				
Turnover	(22.7)	6.2	1.4	3.0
EBITDA	(38.9)	19.6	4.6	3.9
Pre-tax profit	(35.5)	15.8	3.3	3.5
Net profit	(35.1)	14.0	3.3	3.5
Net profit (adj.)	(35.1)	14.0	3.3	3.5
EPS	(35.1)	14.0	3.3	3.5
Leverage				
Debt to total capital	69.3	67.7	66.1	64.5
Debt to equity	70.7	69.0	67.4	65.8
Net debt/(cash) to equity	63.6	63.3	61.0	58.7
Interest cover	6.5	8.0	8.2	8.4

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