FINANSIA
FSS INTERNATIONAL INVESTMENT ADVISORY

Thailand Market Strategy

From deep valuation to narrow upside

- Positive US trade deals reduce concerns over economic slowdown. Thailand is expected to secure c20% tariffs, in line with regional peers.
- Muted 2Q25 corporate earnings and unclear 2H25 outlook suggest downside risks to 2025E still remain.
- Our SET target has upside potential to 1,290, possibly prompting a target revision, but with limited upside post-rally. Laggard sectors are likely to turn to outperform.

We expect c20% US tariffs for Thailand

We estimate that Thailand is likely to successfully negotiate a reduction in US import tariffs from 36% to c20%, in line with regional peers, in order to maintain competitiveness. As a result, the economic impact will likely be less severe than previously feared. However, Thailand's economic momentum is expected to slow in 2H25 due to fading export-driven growth. Meanwhile, we see the possibility of 25-50 bps policy rate cuts during the remainder of the year to support economic activity, while domestic political issues may come back into focus in the second half of August.

The Fed's rate cuts could return in 4Q25

The US economy is likely to grow more strongly than previously expected, as the country has reached trade deals with several countries at lower tariff rates, helping ease concerns of a slowdown in 2H25. The labor market remains resilient, while inflation has yet to accelerate. However, economic figures from August onward will be important to watch as import tariffs take effect. If inflation does not spike significantly, it could reinforce expectations for the Fed to resume rate cuts in 4Q25, which is positive for risk assets.

Muted 2Q25 corporate earnings with unclear outlook in 2H25

For Thai listed companies, we expect 2Q25 net profit to drop by 9% q-q and 10% y-y, weighed down by weakness in the energy, transportation, and property sectors. Sectors likely to post solid earnings growth include food and telecoms, while finance and retail should deliver moderate y-y growth. If results come in as expected, 2Q25 earnings would account for 48% of our full-year 2025 profit forecast. However, growth visibility in 2H25 remains limited due to uncertainties related to trade tariffs, which continue to pose downside risk.

SET target potentially raised to 1,290; but narrow upside after strong rally

The SET index has rebounded sharply by c17% from its June low, driven by optimism over progress in US trade negotiations and temporarily muted political risk. Based on the upside potential, our SET target could be raised from 1,180 to 1,290, reflecting a re-rating in target PER from 14x to 15x, supported by a c50 bps decline in TH10Y bond yield. Nonetheless, with only c4% upside remaining, we believe laggard sectors such as finance, healthcare, retail, tourism, and construction could rotate into favor and start to outperform. Our current top picks include BA, BDMS, CENTEL, CPALL, KBANK, MTC, NSL, OSP, and STECON.

Veeravat Virochpoka
Fundamental Investment Analyst on Securities; License no. 047077
veeravat.v@fssia.com, +66 2646 9965

We expect c20% US tariffs for Thailand

The progress of trade negotiations between the US and its various trading partners is becoming increasingly clear. Several key countries have already reached trade agreements with the US, which tend to follow a similar structure: the partner countries allow the US to impose import tariffs of 10–20%, while granting the US 0% export tariffs on its goods. Examples include the UK (10%), Japan (15%), the EU (15%), and ASEAN countries such as Vietnam (20%), Indonesia (19%), and the Philippines (19%).

We assess that, with ASEAN peers agreeing to import tariffs in the 19–20% range, Thailand's trade negotiation team will likely aim to reduce the current US tariff rate of 36% down to a level closer to its regional competitors. However, since Thailand's offer does not include full 0% tariff access for all US exports, we believe it will be difficult for Thailand to secure a rate below 20%—the base case scenario.

If the agreed tariff rate ends up at around 25%, we expect the market to react mildly negatively, as this rate is still higher than peers, potentially hurting Thailand's trade competitiveness.

As for the macroeconomic impact, we have made slight adjustments to our scenario analysis assumptions, particularly on the expected impact to GDP growth, SET EPS and trading range. These updates are detailed in Exhibit 1.

Exhibit 1: Scenarios for US tariffs on Thailand

Scenarios	2025E GDP growth	2025E EPS	Target PER	SET target
Before tariffs	2.5%	THB93	15x	1,390
1. Lower tariffs to over 25%	Below 1.7%	THB80-84	14x	1,120-1,180
2. Lower tariffs to c20%	1.7-2.3%	THB84-88	14-14.5x	1,180-1,276
3. Lower tariffs below 15%	2.3% or above	THB88	14.5-15x	1,276-1,320

Source: FSSIA estimates

Slow TH GDP growth ahead in 2H25

In June 2025, the Bank of Thailand (BoT) raised its economic projections, forecasting Thai GDP growth of 2.3% and 1.7% in 2025–26, under the assumption that Thailand is subject to an 18% US reciprocal tariff, China faces a 30% tariff, and other countries are charged a 10% rate. However, the Thai central bank emphasized that the upward revision mainly reflects better-than-expected actual economic data in 1H25, rather than an improved outlook for the second half.

The growth momentum is expected to slow significantly in 2H25. The BoT anticipates the Thai economy to grow by only 0.1% q-q per quarter and 1.7% y-y in 2H25, down from +0.8% q-q per quarter and +2.9% y-y in 1H25.

We anticipate the strong export momentum seen in 1H25 to fade or turn negative in 2H25, while private consumption may soften due to the low rainy season. The growth momentum should rebound in 4Q25 as the country enters the high season for tourism and spending.

In terms of monetary policy, we believe that the Cabinet's decision to appoint Mr. Vitai Ratanakorn as the new Governor of the BoT, effective 1 October, will lead markets to raise expectations of a potential policy rate cut by the central bank. Mr. Vitai is seen as having a dovish stance on monetary policy and is expected to coordinate more closely with the government's policy direction, making it easier to align fiscal and monetary measures. Hence, we expect the Monetary Policy Committee (MPC) to cut its rate by another 25-50 bps by year-end from 1.75% to 1.25-1.50% to tackle slow economic growth from the US tariffs and lack of consumer confidence and purchasing power.

Exhibit 2: TH GDP growth to slow in 2H25
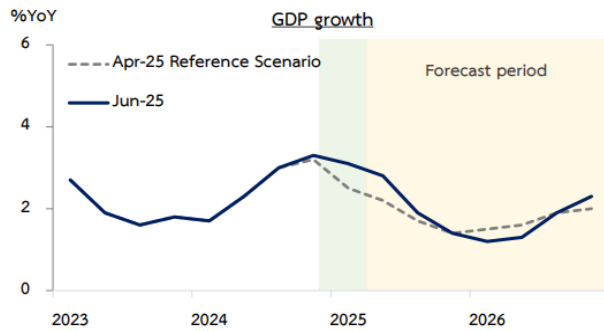
MPC Jun 25	2024	H1/25	H2/25	2025	2026
GDP (%YoY)	2.5	2.9	1.7	2.3	1.7
GDP (%QoQ)	0.8	0.6	0.1	0.3	0.6

Source: BoT

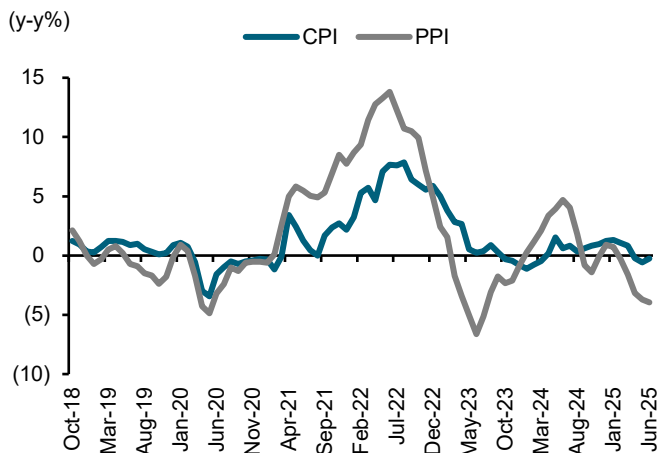## Exhibit 3: Merchandise exports to drop after being front-loaded in 1H25
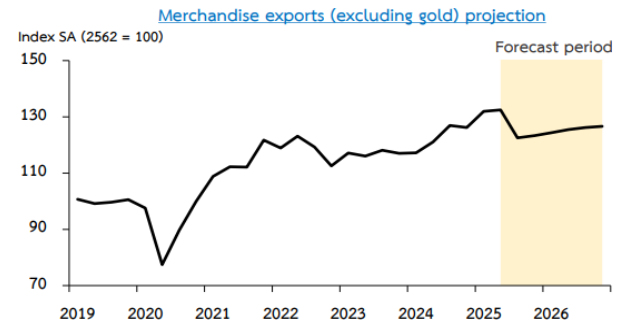
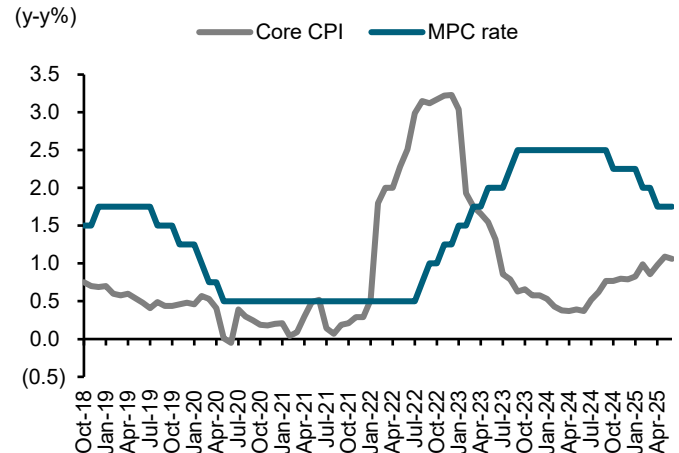| Vx ex Gold	2024	H1/25	H2/25	2025^f	2026^f
%YoY	4.9	10.9	-2.9	3.8	-1.5
%QoQ sa	1.9	2.5	-3.4	-0.5	0.7

Source: BoT

Exhibit 4: TH CPI and PPI

Source: Bloomberg

Exhibit 5: TH core CPI and MPC rate

Source: Bloomberg

FINANSIA

Great US trade deals reduce risk of slowdown in 2H25

The overall US economic outlook in 2Q25 remained stronger than market expectations. This was largely due to the postponement of some tariff implementations to allow room for trade negotiations. As a result, US GDP rebounded to strongly grow by 3% q-q SAAR in 2Q25, compared to a contraction of -0.5% q-q SAAR in 1Q25. This resilience aligns with the IMF's latest projections, which revised US GDP growth up by 0.1–0.2% to 1.9% and 2.0% for 2025-26.

Looking ahead to 2H25, we expect US economic growth to slow, though likely not as sharply as previously anticipated. This is because the US has reached favorable trade deals with several major trading partners, who have agreed to accept import tariffs in exchange for zero-tariff access for US exports.

On the labor front, non-farm payrolls, which slowed to an average of 110,000 jobs per month in 1Q25, picked up modestly to 150,000 jobs per month in 2Q25, beating market expectations. Meanwhile, core inflation (both CPI and PCE) has continued to cool over the past 2–3 months, rising by 0.1–0.2% m-m and c2.8% y-y, suggesting inflation pressures are not yet a major concern.

However, August 2025 data onward would be key as US tariffs become fully effective. If inflation does not accelerate significantly, or if US trading partners absorb some of the tariff burden, market expectations for a Fed rate cut may increase.
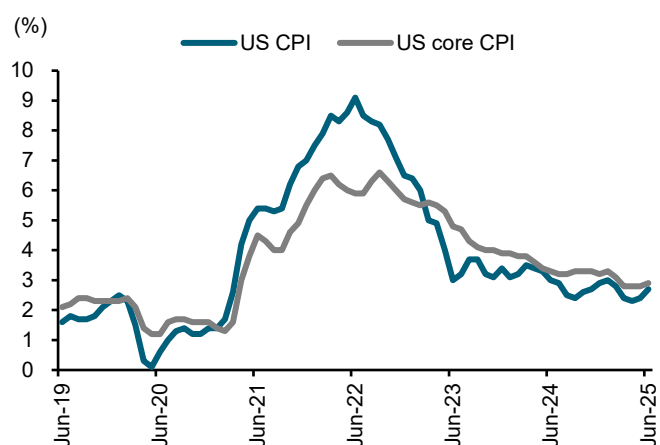
As of now, markets assign a c60% probability that the Fed will hold rates at 4.25-4.5% in September, but expect it to start cutting the rate in the October meeting.

Exhibit 6: US non-farm employment change and unemployment rate
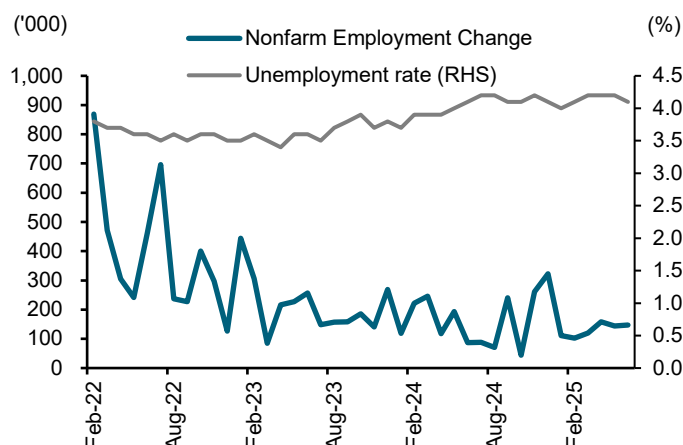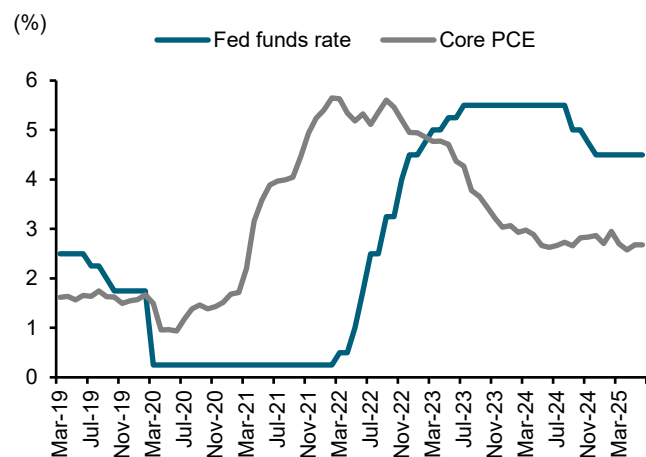

Sources: Bloomberg

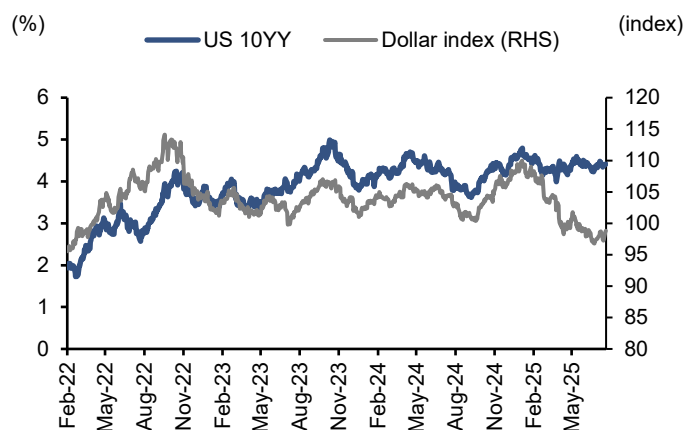**Exhibit 7: US CPI and core CPI**

Sources: Bloomberg

Exhibit 8: US core PCE and Fed funds rate

Source: Bloomberg

Exhibit 9: US 10Y bond yield vs dollar index

Source: Bloomberg

Political risks back on center stage in August

We expect domestic political issues to return to the spotlight in August 2025, particularly from mid-month onward. The key event will be the deliberation of the 2026 fiscal budget (2nd and 3rd readings) in Parliament. Currently, the government holds a slim majority of 255-260 seats. However, if the budget passes without delay and before the September deadline, we believe this would help ease at least one economic risk.

The main political issue for markets is the Constitutional Court's upcoming ruling on the prime minister's audio clip case, which could lead to her removal from office. Based on the timeline, following the Court's acceptance of the petition in late June, we expect a verdict to be announced sometime in late August to early September 2025. We outline three potential scenarios:

Scenario 1 – The Constitutional Court rules in favor of the prime minister, allowing her to stay in office:

We expect a neutral market reaction. While the government can continue to operate, political pressure from ongoing protests outside Parliament will likely act as an overhang on the index. If tensions escalate, it could lead to political unrest similar to past episodes.

Scenario 2 – The Court rules for removal, and Parliament elects a new prime minister:

We anticipate a slightly negative initial market reaction, followed by a gradual recovery, especially if a new prime minister is successfully elected. This outcome would allow the government to continue functioning at least in the short to medium term, even if political stability remains fragile. Protest pressure would also likely ease compared to Scenario 1.

Scenario 3 – The Court rules for removal, but Parliament fails to elect a new prime minister, leading to the dissolution of Parliament:

This would trigger a negative market reaction and could lead to a correction, as it would create a short-term political vacuum before a new election is held within 45–60 days. Investors would then need to reassess the election outcome and whether any party can form a stable government.

In the short term, the least disruptive outcome for markets would be for the prime minister and government to remain in office, even if political instability persists. This would be preferable to a dissolution of Parliament, which would introduce greater uncertainty.

Exhibit 10: Changes in SET index before and after parliament dissolution

------------ Before parliament dissolution ------------							-------------------- After parliament dissolution -----------------					
-3M	-2M	-1M	-2W	-1W	Prime Minister	Dissolution Date	+1D	+1W	+2W	+1M	+2M	+3M
1.5%	11.7%	14.2%	3.2%	-2.7%	**Chuan Leekpai**	19-May-95	-0.6%	5.0%	6.3%	4.5%	7.5%	1.3%
-16.0%	-4.5%	-5.2%	0.8%	0.2%	**Banharn Silpa-archa**	28-Sep-96	4.9%	-9.9%	-12.4%	-11.1%	-8.5%	-20.3%
-7.3%	-1.2%	14.2%	6.6%	4.7%	**Chuan Leekpai**	09-Nov-00	-0.1%	-1.2%	-3.2%	-6.8%	0.8%	11.6%
10.7%	5.8%	-2.7%	0.5%	0.3%	**Thaksin Shinawatra**	24-Feb-06	1.5%	1.6%	-1.8%	-1.1%	3.0%	-5.5%
11.9%	7.8%	0.3%	-1.0%	1.4%	**Abhisit Vejjajiva**	10-May-11	1.4%	-0.1%	-2.0%	-6.3%	-0.8%	-0.7%
-1.8%	-5.8%	-2.7%	1.1%	-0.5%	**Yingluck Shinawatra**	09-Dec-13	0.1%	-2.9%	-3.0%	-8.0%	-5.2%	-1.3%
-3.1%	-7.9%	-5.8%	-3.2%	-1.1%	**Prayuth Chan-o-cha**	20-Mar-23	1.4%	2.4%	2.9%	1.6%	-2.6%	0.1%
-0.6%	0.8%	1.8%	1.1%	0.3%	**Average return**		1.2%	-0.7%	-1.9%	-3.9%	-0.8%	-2.1%

Source: FSSIA summary

Stronger-than-expected 2Q25 bank earnings; 2H25 outlook remains challenging

In 2Q25, seven Thai banks under our coverage reported an aggregate net profit of THB56.3b, -3.7% q-q and +3.5% y-y, exceeding our expectation by 6.3% due to stronger non-NII from investment gains and subsidized rebates from the You Fight We Help program (YFWH). However, the positive surprise was mostly set aside as additional management overlay for loan loss reserves amid expected asset quality pressures in 2H25. Sector loan growth slightly dropped by 0.3% q-q and 0.9% y-y, with only KTB and TISCO showing positive growth. The aggregate NIM stood at 3.23%, pressured by falling asset yields, while credit costs rose to 150bp due to precautionary provisioning. Although the sector's NPL ratio edged up to 3.73%, NPL coverage increased to 193%, providing a solid buffer. Debt restructuring under YFWH has shown progress, mostly in mortgages and auto loans.

Exhibit 11: 2Q25 earnings results summary of seven banks

	2Q24	3Q24	4Q24	1Q25	2Q25	--------- Change ----------		Beat /Missed	2025E	1H25 to 2025E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(%)	(THB m)	(%)
BBL	11,807	12,476	10,404	12,618	11,840	(6.2)	0.3	4.4	43,305	56
KBANK	12,896	11,965	10,768	13,791	12,488	(9.4)	(3.2)	5.7	51,580	51
SCB	10,016	10,941	11,707	12,502	12,786	2.3	27.7	12.3	46,165	55
KTB	11,798	11,107	10,990	11,714	11,122	(5.1)	(5.7)	2.9	43,322	53
TTB	5,355	5,230	5,112	5,096	5,004	(1.8)	(6.6)	0.2	21,799	46
TISCO	1,749	1,713	1,706	1,643	1,644	0.0	(6.0)	3.6	6,752	49
KKP	769	1,305	1,406	1,062	1,409	32.8	83.3	40.4	5,000	49
Total	**53,542**	**54,738**	**52,093**	**58,426**	**56,293**	**(3.7)**	**3.5**	**6.3**	**217,923**	**53**

Sources: Company data; FSSIA's compilation

Muted 2Q25 corporate earnings previews

Based on the 105 listed companies under our study (excluding GULF that was amalgamated with INTUCH) for which we have preview numbers, we expect their aggregate 2Q25 net profit to drop 10% q-q and 9% y-y, primarily pressured by weaker economic momentum during the quarter compared to 1Q25. This slowdown stems from the lack of government stimulus measures and seasonal factors, including the tourism sector entering its low season and a notable drop in Chinese tourist arrivals.

Sectors likely to report earnings contractions both q-q and y-y include energy (from lower crude oil prices), property (due to the economic slowdown and short-term impact from recent earthquakes), and transportation (in line with the decline in tourist numbers). On the other hand, sectors that are expected to perform well are food (supported by elevated meat prices) and ICT (benefitting from low competition). Meanwhile, finance and commerce sectors are projected to post moderate y-y growth. Excluding the energy and petrochemical sectors, the overall 2Q25 earnings are expected to slightly decline by 3% q-q but still grow 6% y-y.

If 2Q25 earnings are in line, it would account for 48% of our 2025E net profit. However, given that Thailand's economy may face further headwinds in 2H25, particularly from the impact of Trump's tariffs, we believe there remains downside risk to current earnings projections.

Exhibit 12: 2Q25 earnings forecasts by sector (excluding GULF)

| Sector | 2Q25E | 1Q25 | 2Q24 | ----------- Change ----------- | | 2025E | 1H25 to 2025E |
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(%)
Bank	54,689	60,136	55,472	(9)	(1)	229,747	51%
Food	20,394	17,417	13,748	17	48	42,933	88%
Energy	18,668	32,087	38,419	(42)	(51)	121,134	42%
Commerce	15,319	17,583	14,887	(13)	3	70,382	47%
ICT	15,308	12,545	7,006	22	118	55,660	50%
Property	11,014	12,055	13,005	(9)	(15)	53,759	43%
Financial	7,380	7,107	6,668	4	11	29,952	48%
Electronics	6,298	6,196	7,576	2	(17)	22,372	50%
Healthcare	5,895	6,859	5,922	(14)	(0)	29,319	44%
Transportation	5,723	10,484	7,705	(45)	(26)	40,901	40%
Cons. Mat	4,207	2,741	4,821	53	(13)	16,516	42%
Tourism	3,547	1,686	3,281	110	8	12,571	42%
Packaging	1,004	965	1,519	4	(34)	4,473	45%
Agri	587	638	583	(8)	1	1,564	78%
Media	437	202	616	116	(29)	2,397	27%
Professional	234	238	210	(2)	11	995	47%
Construction	77	(44)	(1)	276	7,013	216	15%
Petro	(3,327)	(2,567)	1,846	nm	(280)	4,063	nm
Grand Total	**167,453**	**186,328**	**183,284**	**(10)**	**(9)**	**738,952**	**48%**
Excl. Energy & Petro	152,111	156,808	143,019	(3)	6	613,755	51%
Excl. Banking	112,764	126,193	127,811	(11)	(12)	509,205	47%
Excl. Energy & Petro and Banking	97,422	96,673	87,546	1	11	384,008	50%

Source: Bloomberg, FSSIA estimates, and SETSMART

Potential upside for our SET target to 1,290

If we assume that Thailand will successfully negotiate a tariff reduction from 36% to c20%, (previously, we assigned a 50:50 probability to Scenarios 1 and 2), our EPS assumption for the SET index could be revised upward from THB84 to THB86, in line with Scenario 2.

Over the past three months, the TH10Y bond yield has declined from c2%, when the US announced its reciprocal tariff measures, to 1.5% currently. This yield decline supports a potential re-rating of the SET's PER by 1x (as every 0.25% drop in yield could raise PER by 0.5x). As a result, our current 2025E SET target of 1,180 could have upside potential, possibly rising to c1,290, driven by a higher target PER to 15x from 14x.

If we exclude DELTA, the SET's PER would decline by c1.4x from the current level, implying a target PER of just c13.6x, which is not aggressive.

At 1,290, the earnings yield (EY) gap would be c5.2x, which is SD+2 from its historical average, suggesting that the valuation is not overly stretched. For the downside, we anticipate that prolonged domestic political uncertainty could exert significant pressure on corporates' earnings in 2H25, particularly in consumption- and investment-related segments, due to weaker consumer and investor confidence.

Exhibit 13: SET target sensitivity

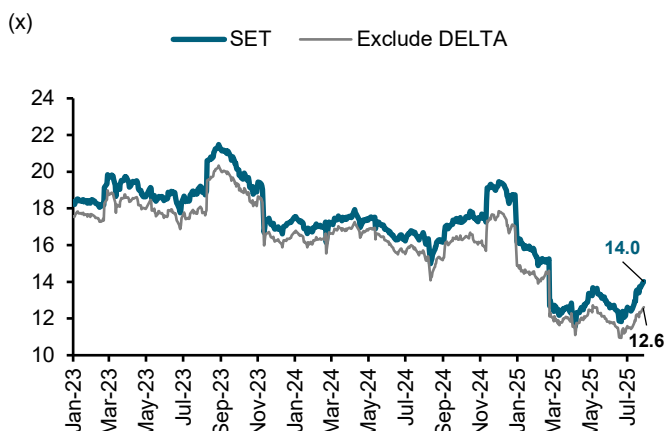|		------------ Earnings per share ------------	
		2025E	**2026E**
	EPS	86	92
		- Target index based on FSSIA estimates -	
	P/E (x)	**2025E**	**2026E**
SD+0.5	15.7	1,351	1,445
SD+0.25	15.3	1,316	1,408
pre-Covid average	14.9	1,281	1,371
SD-0.5	14.1	1,212	1,297
SD-1.0	13.3	1,143	1,223
SD-1.5	12.5	1,074	1,149
SD-2.0	11.7	1,004	1,075

Source: FSSIA estimates

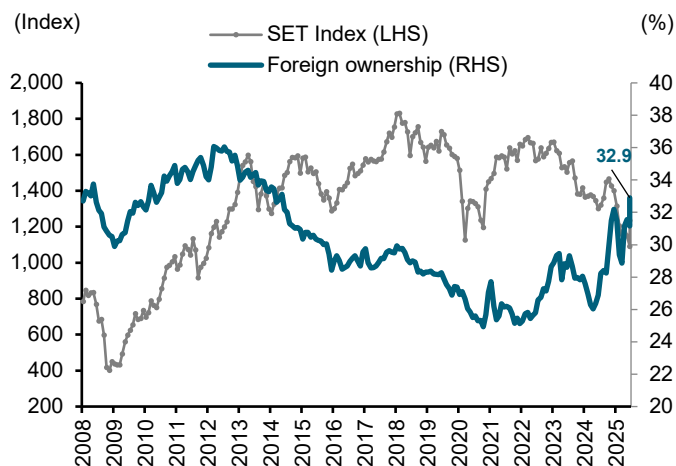**Exhibit 14: SET earnings yield gap**
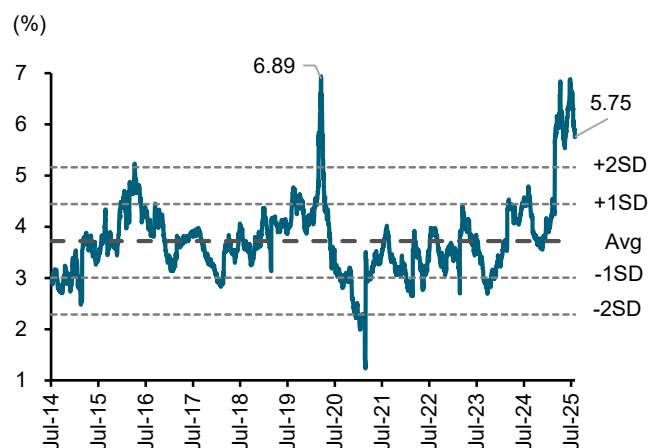
Source: Bloomberg and FSSIA

Exhibit 15: SET PER excluding DELTA

Sources: Bloomberg and FSSIA

Exhibit 16: Foreign ownership vs SET index

Sources: Bloomberg, SETSMART and FSSIA

Narrow upside; laggard sectors likely to catch up

Since the SET index hit its bottom at 1,053.79 points on 23 June 2025, it has experienced a short-term relief rally as we anticipated, rebounding strongly by c17%, driven by net foreign inflows of cTHB19b, particularly into large-cap stocks. The main beneficiaries include the electronics, transportation, construction materials, and petrochemical sectors (see details in Exhibit 17), which have all outperformed the broader market.

Given the limited remaining upside for the index of about c4% toward the potential target of 1,290, we believe that sectors which have lagged behind the SET, both over the past month and YTD, are likely to catch up. We like sectors with resilient earnings such as finance, healthcare, tourism, commerce, and construction (assuming the absence of further political risks).

FSSIA's portfolio update

We have added BDMS (BUY, TP THB31.50) to our portfolio and removed PR9 (BUY, TP THB30), due to:

- We expect BDMS, a large-cap stock that remains a laggard (up only 6% vs SET's 16% rebound since the late-June low), to attract more fund inflows and outperform PR9 going forward.

- We believe PR9's strong earnings growth, driven by international patients, will likely moderate in 2H25 due to a higher base after its market expansion in 2H24.

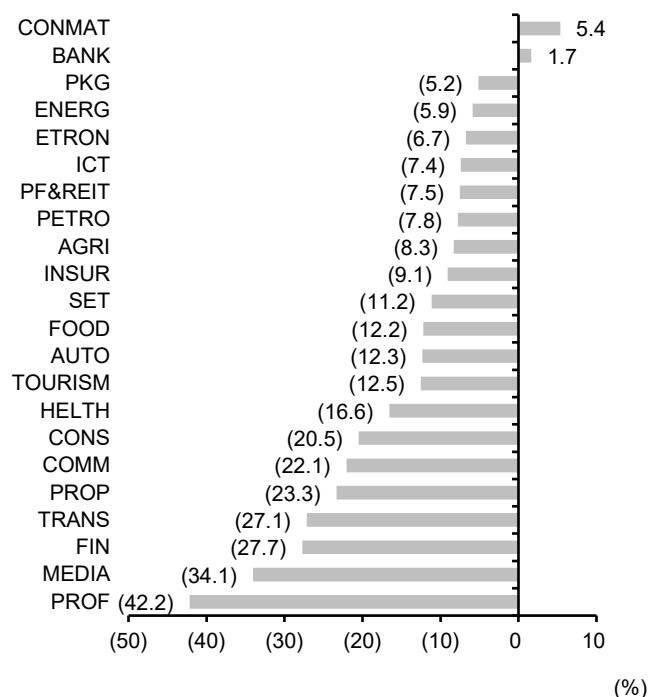- BDMS still trades at a more attractive valuation, with a 2026E PER of 19x vs PR9 at 21x.

As a result, our portfolio favorites are BA, BDMS, CENTEL, CPALL, KBANK, MTC, NSL, OSP, and STECON.

Exhibit 17: Returns by sector since 23 June 2025
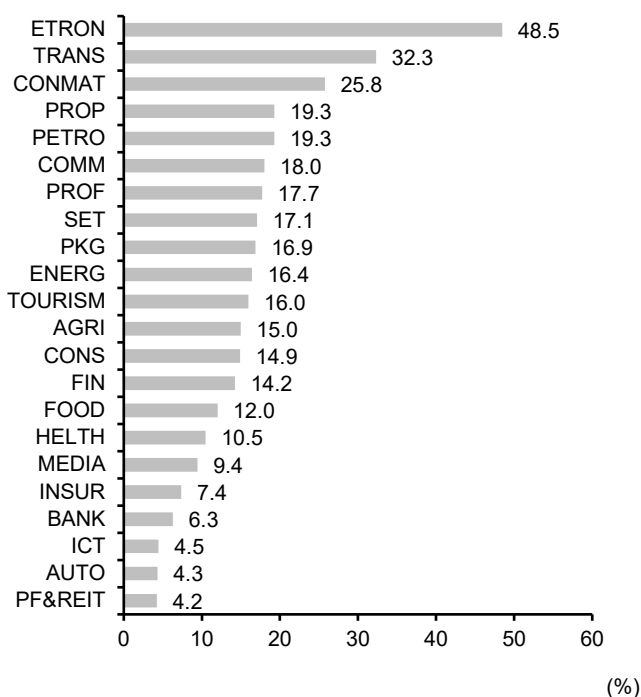
Source: SETSMART

Exhibit 18: YTD returns by sector

Source: SETSMART

FINANSIA

Exhibit 19: Summary of key valuations for FSSIA's top picks

		--- Share price ---		Up side	Recurring net profit		-Net profit growth-		---------- P/E ----------			PBV	Div yld	ROE
		Current	Target		25E	26E	25E	26E	25E	26E	27E	25E	25E	25E
		(THB)	(THB)	(%)	(THB m)	(THB m)	(%)	(%)	(x)	(x)	(x)	(x)	(%)	(%)
Bangkok Airways	BA TB	15.30	28.00	83	3,935	4,196	2.5	6.6	8.2	7.7	7.0	1.9	8.5	23.8
Bangkok Dusit Medical Services	BDMS TB	21.70	31.50	45	16,682	17,912	4.3	7.4	20.7	19.3	17.7	3.3	3.5	16.3
Central Plaza Hotel	CENTEL TB	29.00	49.00	69	2,007	2,315	6.7	15.3	19.5	16.9	15.4	1.8	2.6	9.4
CP All	CPALL TB	47.75	65.00	36	28,455	30,927	12.4	8.7	15.1	13.9	13.0	3.3	3.3	21.2
Kasikornbank	KBANK TB	160.50	186.00	16	51,580	55,449	6.1	7.5	7.4	6.9	6.5	0.6	6.1	8.9
Muangthai Capital	MTC TB	38.00	56.00	47	7,083	8,297	20.7	17.1	11.4	9.7	8.8	1.9	1.3	17.6
NSL Foods	NSL TB	32.00	45.00	41	663	732	22.5	10.4	14.5	13.1	12.0	4.4	3.9	32.6
Osotspa	OSP TB	18.20	24.00	32	3,552	3,684	16.9	3.7	15.4	14.8	14.3	3.3	5.6	22.2
Stecon Group	STECON TB	6.40	9.50	48	934	1,023	nm	9.5	10.4	9.5	9.3	0.5	4.7	5.3

Share prices as of 30 July 2025
Source: FSSIA estimates

Disclaimer for ESG scoring

ESG score	Methodology	Rating
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for **SETESG inclusion**, verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. **SETESG Index** is extended from the SET ESG Ratings companies whose 1) market capitalization > THB5b; 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). *(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)*	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. *(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)*	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. *Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.*	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. **NEGL** 0-10 **Low** 10-20 **Medium** 20-30 **High** 30-40 **Severe** 40+
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. AAA 8.571-10.000 AA 7.143-8.570 A 5.714-7.142 BBB 4.286-5.713 BB 2.857-4.285 B 1.429-2.856 CCC 0.000-1.428 **Leader:** leading its industry in managing the most significant ESG risks and opportunities **Average:** a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers **Laggard:** lagging its industry based on its high exposure and failure to manage significant ESG risks	
Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.	
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. *(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)*	
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.	
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) THSI. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Veeravat Virochpoka FSS International Investment Advisory Securities Co., Ltd

The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Airways	BA TB	THB 15.30	BUY	Downside risks to our SoTP-based TP include 1) extraordinary events such as political turmoil and natural disasters; 2) higher-than-expected fuel expenses following an increase in oil prices; and 3) the slower-than-expected recovery of international tourist numbers.
Bangkok Dusit Medical Services	BDMS TB	THB 21.70	BUY	Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug prices and medical bill controls; and 3) higher-than-expected capex and opex for CoE projects.
Central Plaza Hotel	CENTEL TB	THB 29.00	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply and more intense competition in the F&B business, which may result in price competition; and 3) a slower-than-expected recovery of international tourist numbers.
CP All	CPALL TB	THB 47.75	BUY	Downside risks to our DCF-based TP include 1) a decline in domestic purchasing power, 2) lower-than-expected tourist arrivals, 3) an absence of the government's stimulus, and 4) a lower-than-expected y-y gross profit margin improvement.
Kasikornbank	KBANK TB	THB 160.50	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand.
Muangthai Capital	MTC TB	THB 38.00	BUY	Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; and 2) changes in financial regulations by the Bank of Thailand and the Office of Consumer Protection Board.
NSL Foods	NSL TB	THB 32.00	BUY	Downside risks to our DCF-based TP include 1) a slower-than-expected consumption recovery; 2) high volatility in raw material prices; 3) the failure of new products; and 4) changing consumer demand and lifestyles.
Osotspa	OSP TB	THB 18.20	BUY	Downside risks to our P/E-based TP include 1) a slower-than-expected consumption recovery, 2) higher-than-expected competition, 3) high volatility in energy costs, and 4) changing regulations in Thailand and Myanmar.
Stecon Group	STECON TB	THB 6.40	BUY	Downside risks to our TP include 1) volatility of the gross margin, 2) a delay and additional repair expenses on the Bueng Nong Bon drainage tunnel project, 3) a delay in the commencement of its construction of U-Tapao Airport, 4) a delay in new auctions, and 5) a higher-than-expected loss sharing from associates.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 30-Jul-2025 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY (B). The upside is 10% or more.
HOLD (H). The upside or downside is less than 10%.
REDUCE (R). The downside is 10% or more.
Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.
Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.
Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.