

Thailand Market Strategy

2Q25 earnings in line; limited short-term SET upside

- Aggregate 2Q25 net profit was in line with expectations, with 1H25 earnings representing 49% of our full-year forecast.
- The 2H25 growth outlook remains uncertain due to US tariffs. We still see slight downside risk and potential earnings revisions.
- Limited short-term upside for SET. Focus on laggard plays and selective opportunities.

Overall 2Q25 earnings came in consistent with expectations

Based on the 130 companies under our coverage that have reported 2Q25 earnings results, their aggregate net profit came in at THB205b (-1% q-q, +4% y-y), above our forecast by 8%. However, if we exclude SCC, which booked over THB14bn in extra gains, the overall 2Q25 earnings are in line with expectations, showing -9% q-q and -3% y-y growth.

An unremarkable quarter due to sluggish economy

Sectors that earnings weighed on growth included energy, property, and transportation, as softer oil prices, as well as the slowdown in the Thai economy and tourism, pressured. On the other hand, food and ICT supported overall growth. However, if we exclude energy, petrochemicals, and SCC, aggregate 2Q25 earnings would be down only slightly by 3% q-q but up 8% y-y. Sectors that outperformed expectations are banks, energy, property, and contractors, while electronics, tourism, finance, and autos missed estimates. In summary, 2Q25 was an unattractive quarter overall, in line with the slowdown in domestic economic activity and the absence of new stimulus measures.

2H25 growth outlook remains uncertain due to US Tariff Impacts

We assess that earnings momentum in 2H25 remains uncertain, with growth risks stemming from the US trade tariffs that took effect in August at 19%. Although this rate is lower than the initial announcement of 36%, it is still a significant increase from the 10% rate in place during April–July 2025. The economic impact is expected to rise, particularly through a slowdown in exports. The BoT still projects Thai GDP growth in 2H25 to slow to around 0.1% q-q per quarter. 1H25 earnings have reached 49% of our full-year estimate, suggesting slight downside risk and potential for earnings forecast cuts.

SET's short-term upside capped; favor laggard plays and selective buys

The SET Index has rallied about 20% recently. It factored in mostly trade tariff relief and anticipated rate cuts by both the Fed and the BoT. As such, the upside to our SET target of 1,290 (based on an EPS of THB86 and PER of 15x) is now limited. Additionally, domestic political risk is expected to return to the spotlight and could heighten market volatility, particularly the Constitutional Court's ruling on the Prime Minister's case on August 29. We expect laggard consumer staples to outperform the market going forward. Our top picks remain BA, BDMS, CENTEL, CPALL, KBANK, MTC, NSL, OSP, and STECON.



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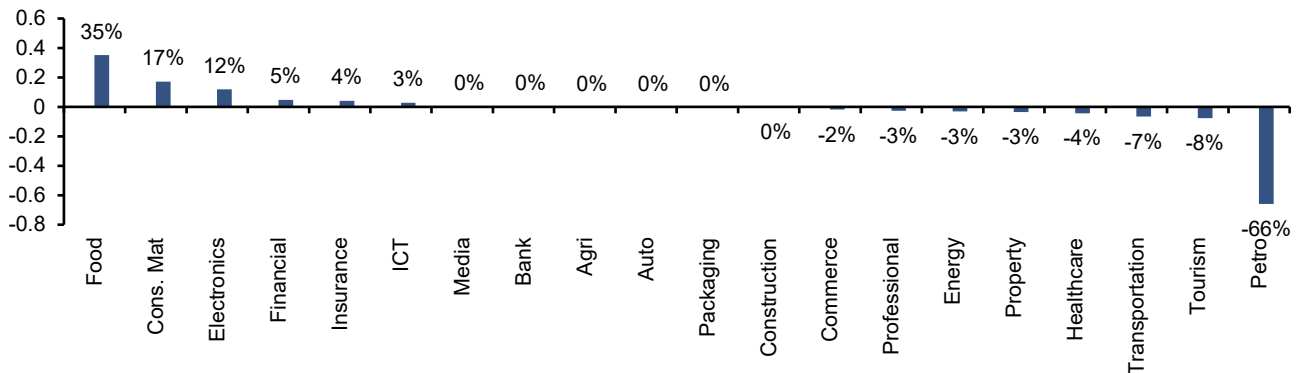
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Exhibit 1: 2Q25 earnings results by sector (130 companies in our study)

| Sector | 2Q25 | 1Q25 | 2Q24 | Change | | Beat / Missed | 2025E | % to 2025E |
|----------------------------------|----------------|----------------|----------------|------------|----------|---------------|----------------|------------|
| | (THB m) | (THB m) | (THB m) | (q-q %) | (y-y %) | (%) | (THB m) | (%) |
| Bank | 58,361 | 60,136 | 55,472 | (3) | 5 | 7 | 229,747 | 52% |
| Energy | 40,841 | 55,593 | 74,354 | (27) | (45) | 3 | 223,138 | 43% |
| Food | 21,467 | 18,122 | 14,430 | 18 | 49 | (1) | 45,377 | 87% |
| ICT | 13,142 | 12,639 | 7,119 | 4 | 85 | (15) | 56,170 | 46% |
| Commerce | 14,968 | 18,033 | 15,399 | (17) | (3) | (0) | 72,602 | 45% |
| Financial | 8,898 | 7,404 | 7,201 | 20 | 24 | (4) | 32,024 | 51% |
| Property | 8,680 | 8,642 | 10,851 | 0 | (20) | 14 | 42,482 | 41% |
| Electronics | 4,846 | 6,196 | 7,576 | (22) | (36) | (23) | 22,372 | 49% |
| Transportation | 6,380 | 10,936 | 8,602 | (42) | (26) | 3 | 39,789 | 44% |
| Healthcare | 6,164 | 6,868 | 5,936 | (10) | 4 | 5 | 29,386 | 44% |
| Cons. Mat | 18,879 | 2,741 | 4,821 | 589 | 292 | 339 | 16,516 | 131% |
| Tourism | 2,992 | 1,733 | 3,150 | 73 | (5) | (10) | 12,835 | 37% |
| Construction | 1,471 | 580 | 512 | 154 | 187 | 11 | 2,024 | 101% |
| Packaging | 1,099 | 1,020 | 1,535 | 8 | (28) | 6 | 4,630 | 46% |
| Agri | 642 | 638 | 583 | 1 | 10 | 9 | 1,564 | 82% |
| Media | 525 | 255 | 679 | 106 | (23) | 8 | 2,870 | 27% |
| Auto | 257 | 495 | 243 | (48) | 6 | (27) | 1,593 | 47% |
| Professional | 224 | 238 | 210 | (6) | 7 | (1) | 995 | 46% |
| Petro | (4,137) | (3,879) | (21,150) | (7) | 80 | (51) | 14,489 | -55% |
| Grand Total | 205,699 | 208,390 | 197,525 | (1) | 4 | 8 | 850,601 | 49% |
| Excl. Energy & Petro | 168,995 | 156,676 | 144,321 | 8 | 17 | 10 | 612,974 | 53% |
| Excl. Banking | 147,339 | 148,254 | 142,053 | (1) | 4 | 8 | 620,854 | 48% |
| Excl. Energy & Petro and Banking | 110,635 | 96,541 | 88,849 | 15 | 25 | 12 | 383,227 | 54% |
| Excl. SCC | 188,362 | 207,291 | 193,817 | (9) | (3) | 0 | 840,739 | 47% |

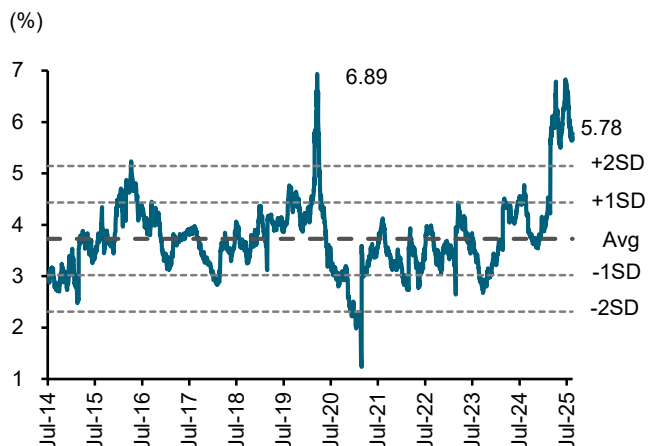
Sources: SETSMART, Bloomberg and FSSIA estimates

Exhibit 2: Earnings revision by sector from end of Jun-25 to Aug-25



Sources: Bloomberg and FSSIA estimates

Exhibit 3: SET earnings yield gap



Sources: Bloomberg and FSSIA

Exhibit 4: SET target sensitivity

| Earnings per share | | | |
|---|---------|-------|-------|
| | | 2025E | 2026E |
| EPS | | 86 | 93 |
| - Target index based on FSSIA estimates | | | |
| | P/E (x) | 2025E | 2026E |
| SD+0.5 | 15.7 | 1,351 | 1,461 |
| SD+0.25 | 15.3 | 1,316 | 1,423 |
| pre-Covid average | 14.9 | 1,281 | 1,386 |
| SD-0.5 | 14.1 | 1,212 | 1,311 |
| SD-1.0 | 13.3 | 1,143 | 1,236 |
| SD-1.5 | 12.5 | 1,074 | 1,161 |
| SD-2.0 | 11.7 | 1,004 | 1,086 |

Sources: Bloomberg; 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 (~USD150b); 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%). <i>(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.)</i> | 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. <i>(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.)</i> | 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. <i>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.</i> | A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table> | NEGL | Low | Medium | High | Severe | 0-10 | 10-20 | 20-30 | 30-40 | 40+ | | | | | | | | | |
| NEGL | Low | Medium | High | Severe | | | | | | | | | | | | | | | | | |
| 0-10 | 10-20 | 20-30 | 30-40 | 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. <table><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td></tr><tr><td>CCC</td><td>0.000-1.428</td><td>Laggard:</td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table> | AAA | 8.571-10.000 | Leader: | leading its industry in managing the most significant ESG risks and opportunities | AA | 7.143-8.570 | A | 5.714-7.142 | BBB | 4.286-5.713 | Average: | a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers | BB | 2.857-4.285 | B | 1.429-2.856 | CCC | 0.000-1.428 | Laggard: | lagging its industry based on its high exposure and failure to manage significant ESG risks |
| AAA | 8.571-10.000 | Leader: | leading its industry in managing the most significant ESG risks and opportunities | | | | | | | | | | | | | | | | | | |
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| B | 1.429-2.856 | | | | | | | | | | | | | | | | | | | | |
| CCC | 0.000-1.428 | 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. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i> | | | | | | | | | | | | | | | | | | | | |
| 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

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Veeravat Virochpoka FSS International Investment Advisory Securities Co., Ltd

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| Company | Ticker | Price | Rating | Valuation & Risks |
|--------------------------------|-----------|------------|--------|---|
| Bangkok Airways | BA TB | THB 14.70 | 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 27.00 | 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 46.25 | 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 169.00 | 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 37.75 | 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 33.00 | 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 18.10 | 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 6.45 | 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 14-Aug-2025 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

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.