

# Thailand Market Strategy

## Hope for political settlement, but upside remains narrow

- More dovish stance from the Fed. Eyes on the US employment data, as a sharp slowdown could shift back into risk-off mode.
- Key risks remain tariff impacts and a slowing Thai economy in 2H25, while political stabilization could quickly improve short-term sentiment.
- However, the SET upside remains limited without a rollover to 2026. We see opportunities for laggard domestic sectors to outperform.

### More dovish signal from the Fed; eyes on jobs data

The Fed has signaled a more dovish monetary policy stance, prioritizing employment, which is affected by tariffs. Markets anticipate a rate cut in the upcoming meeting, with another slash later this year. As a result, the US dollar and bond yields have declined, providing support for Asian currencies, including the Thai baht, which has been strengthening. We believe this should help drive capital inflows into the region. However, a key risk to watch is the US nonfarm payrolls for July. If the data comes in significantly below expectations, markets could shift into a risk-off mode amid concerns of a sharp US economic slowdown.

### Caution for slow 2H25 Thailand's economic growth

On the domestic side, Thailand's 2Q25 GDP beat expectations at +0.6% q-q and +2.8% y-y. However, with the government's full-year GDP growth target at only 2–2.3% y-y, this implies that 2H25 growth may slow to just 1–1.5% y-y, as exports may weaken following the implementation of US import tariffs in August. 2Q25 corporate earnings came in broadly in line at -1% q-q, +4% y-y, representing 49% of our full-year estimate. This suggests a slight downside risk to our 2025 EPS forecasts.

### Limited upside for the SET without 2026 rollover

We maintain our 2025 SET Index target at 1,290 (based on an EPS of THB86 and a target PER of 15x). The index now has limited upside. While the earnings yield gap remains wide at 5.5% (vs a historical average of c4%), this is largely due to a sharp drop in bond yields, rather than stronger earnings growth prospects. Given Thailand's weaker structural economic and earnings growth outlook compared to the past, we believe the SET is unlikely to re-rate back to its historically higher PER levels. For the index to move back to 1,400 or higher, we view that it would require a rollover to 2026 earnings forecasts, where EPS is projected to grow 8% y-y to THB93, with a fair and unchanged PER of 15x.

### Domestic laggard could outperform if political stability improves

We assess that the current short-term political uncertainty, stemming from the court's ruling that found the PM guilty and required her to step down, could turn positive again if a new PM is elected and a new government is quickly formed. The FY2026 budget bill, already passed by the House in mid-August, is expected to be cleared by the Senate without any issue this month. We expect domestic play sectors (many of which remain laggards) to outperform. They include finance, commerce, property, construction, and tourism. Our top picks are BA, BDMS, CENTEL, CPALL, ICHI, KBANK, MTC, and STECON.



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## More dovish stance; eyes on upcoming economic data

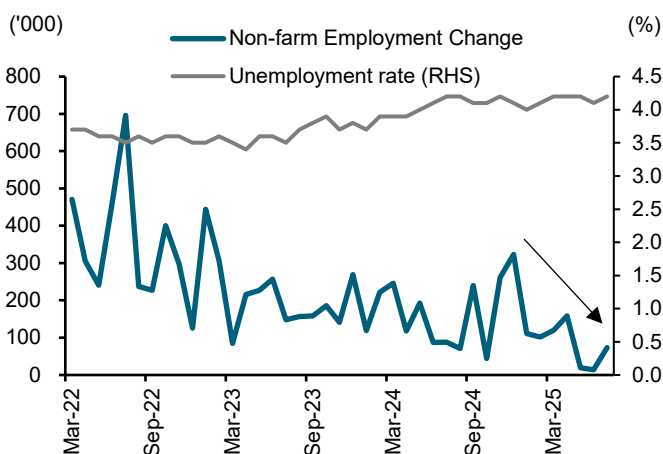
At the recent annual Federal Reserve (Fed) symposium in Jackson Hole, Chair Powell's remarks carried a more dovish tone, signaling the possibility of a policy rate cut in September. He emphasized that while inflation risks begin to ease, employment risks are rising. Powell also indicated that the Fed is overhauling its policy framework, shifting away from the "average inflation targeting" approach toward a more "flexible inflation targeting" framework. This allows for inflation to run above the 2% target temporarily, providing greater flexibility. He further noted that the inflationary impact from US retaliatory tariffs is expected to be only transitory. Overall, the Fed appears to be placing greater weight on supporting employment and the slowing economy. To elaborate, the latest US nonfarm payrolls for July slowed significantly and came in well below market expectations, adding only 73k jobs. In addition, prior figures for May and June were revised down sharply to just 14-19k jobs per month, compared with the previously reported 125-140k. On inflation, US CPI was in line with expectations, rising 0.3% m-m and 2.7% y-y. However, PPI surprised to the upside, jumping 0.9% m-m and 3.3% y-y.

Following these comments, markets responded positively. Expectations for a September rate cut rose from 75% to 87%, with additional cuts anticipated at the two remaining meetings this year in October and December. US 2Y and 10Y bond yields declined by around 10 bps, to 3.62% and 4.23%, respectively. Meanwhile, the dollar index weakened about 1% to 97.9, prompting Asian currencies to strengthen. We believe this environment increases the likelihood of capital inflows into risk assets and emerging markets, including Thailand. Foreign investors have already purchased roughly THB20b worth of Thai equities since the lowest point on 23 June to 31 July, before slowing their position in August.

A key factor to monitor for the remainder of the year is US economic data, particularly the labor market. The market currently expects US nonfarm payrolls for August to increase by around 80k jobs, a slight improvement from the previous month. We assess that if the actual figure comes in close to or only slightly below expectations, it would support a case for the Fed to proceed with gradual rate cuts, which would be positive for equities. However, if the figure falls significantly short of expectations, market concerns could rise over a sharp slowdown in the US economy, prompting the Fed to accelerate rate cuts. In such a scenario, we see a risk of the market shifting into a risk-off mode.

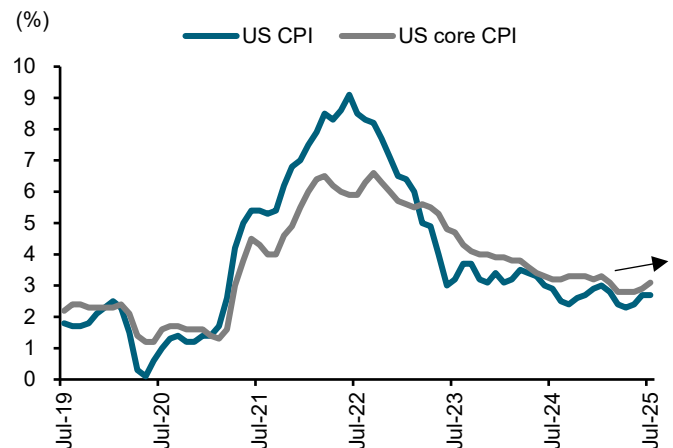
The Court of Appeals recently ruled that Trump exceeded the legal boundaries of presidential authority in implementing tariff policies. However, the ruling will take effect on 14 October 2025, and Trump will likely appeal to the Supreme Court. This remains a factor to watch closely in the period ahead.

**Exhibit 1: US non-farm employment change and unemployment rate**

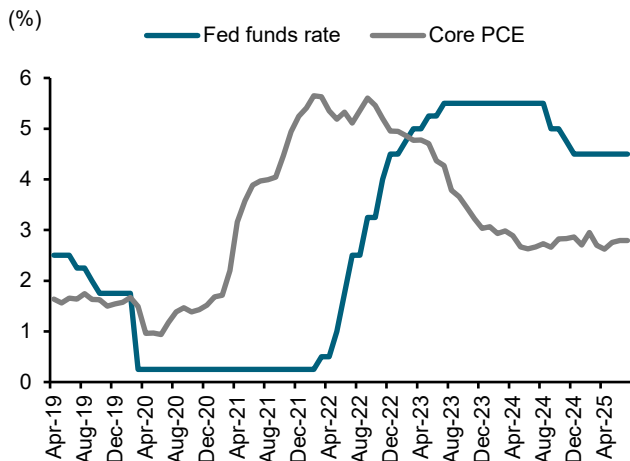


Source: Bloomberg

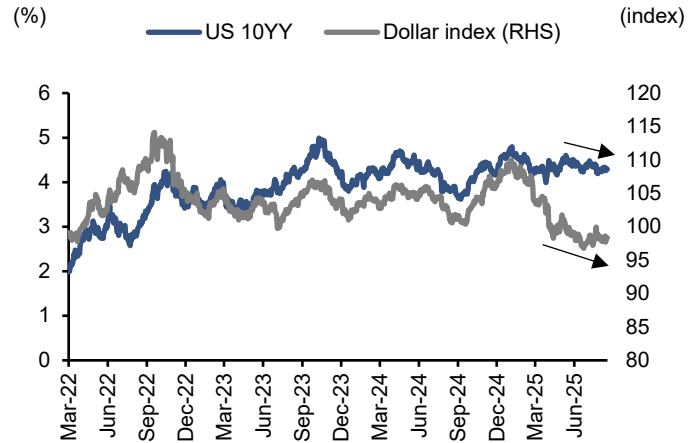
**Exhibit 2: US CPI and core CPI**



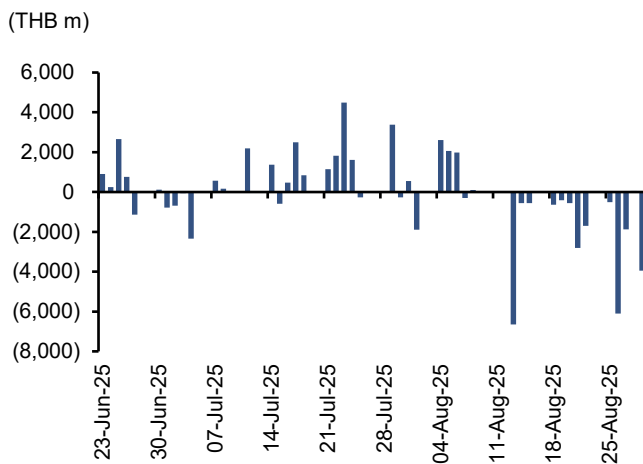
Source: Bloomberg

**Exhibit 3: US core PCE and Fed funds rate**

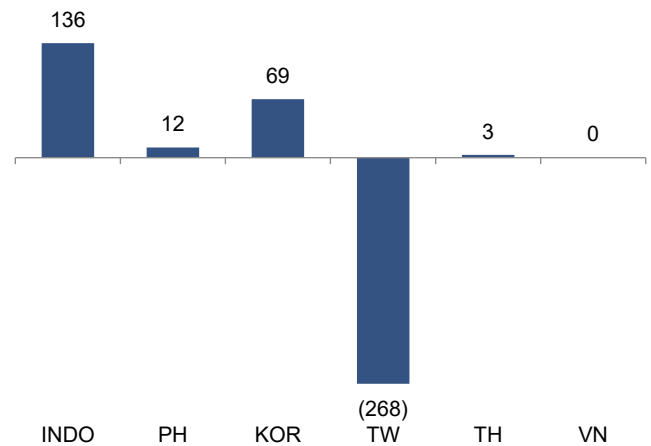
Source: Bloomberg

**Exhibit 4: US 10Y bond yield vs dollar index**

Source: Bloomberg

**Exhibit 5: Daily foreign net position since 23 Jun 25**

Source: SET

**Exhibit 6: Asians' accumulated foreign fund flows since 23 Jun 25 (USD m)**

Source: Bloomberg

**TH 2Q25 GDP beat but caution ahead for 2H25-1H26**

The Office of the National Economic and Social Development Council (NESDC) reported that Thai GDP grew by 0.6% q-q and 2.8% y-y in 2Q25, slightly above consensus expectations of +0.5% q-q and +2.7% y-y. Key drivers were strong private investment and solid goods exports.

In 2Q25, exports rose strongly by 12.2% y-y, with goods exports accelerating 14.3% y-y, thanks to front-loaded orders ahead of the US reciprocal tariffs deadline in August. By contrast, service exports slowed to +2.7% y-y, due to lower tourist arrivals of 7.14 million, down by 12% y-y. Private investment returned to growth, rising 4.1% y-y after four consecutive quarters of contraction. The rebound was concentrated in manufacturing, particularly autos, machinery, and equipment, while residential construction remained weak and contracted.

Private consumption growth slowed to 2.1% y-y from 2.6% in 1Q25, reflecting the absence of the government's new stimulus packages and US tariff uncertainties. Consumer confidence dropped to 52.7, a 10-quarter low. On the public side, spending growth remained modest at 2.2% y-y, while investment increased by 10.1% y-y, but decelerated from +26.3% y-y in the last quarter due to a high base effect. Given the constraint of higher public debt levels, fiscal space is likely to prioritize investment over spending going forward.

The NESDC upgraded its 2025 GDP growth projection from 1.3-2.3% y-y to 1.8-2.3% y-y, incorporating the better-than-expected 1H25 growth. However, the current forecasts imply a sharp slowdown of c1-1.5% growth in 2H25, as exports should lose momentum under the new 19% US tariff starting in August. Private consumption growth is likely to continue to be slow amid low confidence in both the domestic and global economic outlooks.

In terms of monetary policy, the Monetary Policy Committee (MPC) voted unanimously to cut its rate by 25 bps to 1.50% in August to ensure that financial conditions remain supportive for business adjustment and to help ease the burden of vulnerable groups. We continue to see the possibility of one additional 25-bps rate cut later this year and another cut in 2026, should the Thai economy be impacted by tariffs more than currently expected.

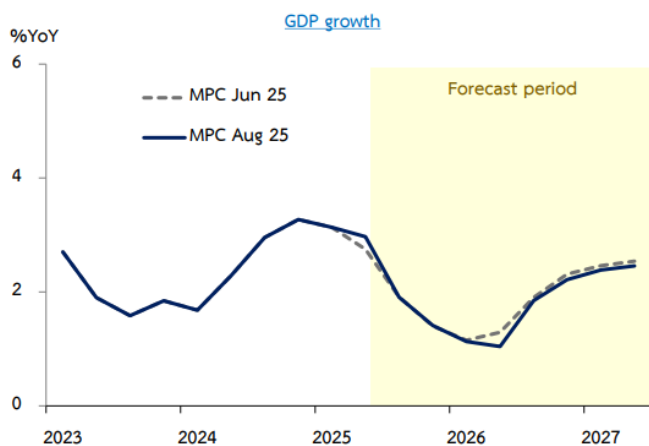
#### Exhibit 7: NESDC and BoT

	2021	2022	2023	2024	NESDC	Bank of Thailand	
	(y-y%)	(y-y%)	(y-y%)	(y-y%)	2025E	2025E	2026E
					(y-y%)	(y-y%)	(y-y%)
Real GDP growth	1.5	2.6	2.0	2.5	1.8-2.3	2.3	1.7
Private consumption	0.6	6.2	6.9	4.4	2.1	2.0	1.7
Private investment	3.0	4.6	3.1	(1.6)	1.0	1.7	0.9
Public consumption	3.7	0.1	(4.7)	2.5	1.2	1.2	0.5
Public investment	3.4	(3.9)	(4.2)	4.8	5.2	6.0	6.1
Export value growth (USD b)	19.2	5.4	(1.5)	5.8	5.5	4.0	(2.0)
Headline inflation	1.2	6.1	1.2	0.4	0-0.5	0.5	0.8
Current account to GDP (%)	(2.0)	(3.5)	1.5	2.3	2.1	-	-
Number of tourist arrivals (m)	0.4	11.2	28.1	35.5	33	35	38

Sources: NESDC and BoT

#### Exhibit 8: TH GDP growth to slow in 2H25-1H26

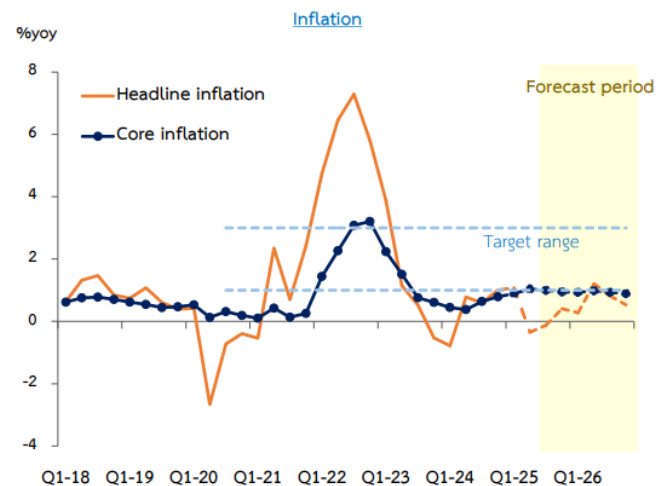
The economy is expected to face increasing impacts from U.S. trade policies in H2/25



Source: BoT

#### Exhibit 9: TH inflation remains subdued due to supply-side factors

Headline inflation declines due to lower energy and raw food prices



Source: BoT

## 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.

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.

### Exhibit 10: 2Q25 earnings results forecasts by sector

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%
<b>Grand Total</b>	<b>205,699</b>	<b>208,390</b>	<b>197,525</b>	<b>(1)</b>	<b>4</b>	<b>8</b>	<b>850,601</b>	<b>49%</b>
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%

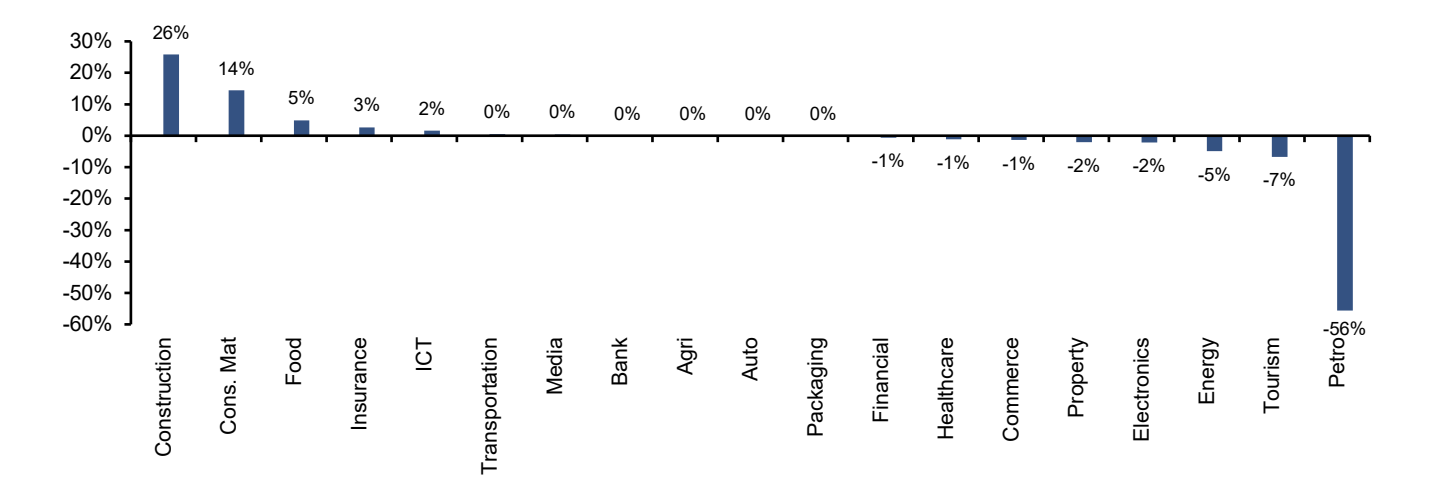
Sources: SETSMART, Bloomberg, and FSSIA estimates

Some potential downside risk to 2H25 earnings forecasts due to US Tariff impacts

During the 2Q25 earnings season, we see mixed earnings revisions, both upward and downward, across sectors. Upgrades were concentrated in construction services, construction materials, food, transportation, and ICT, while downgrades were seen in petrochemicals, energy, tourism, and property. As a result, the overall 2025E Bloomberg EPS has been revised slightly lower by c1%.

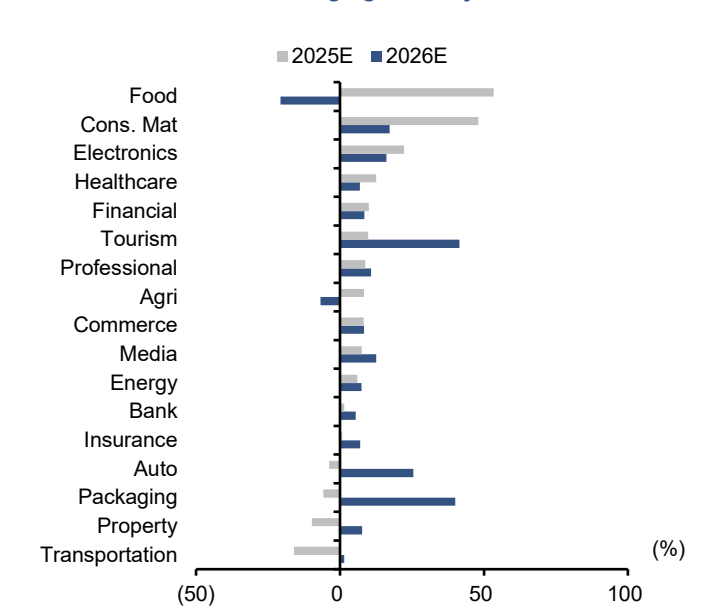
We assess that earnings momentum in 2H25 remains uncertain, with growth risks stemming from the US trade tariffs that took effect in August at 19%. Although this rate is lower than the initial announcement of 36%, it is still a significant increase from the 10% rate in place during April-July 2025. The 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. Our current projections indicate a 19% y-y growth of 2025E corporates' net profit.

Exhibit 11: Earnings revision by sector from end of Jul-25 to Aug-25



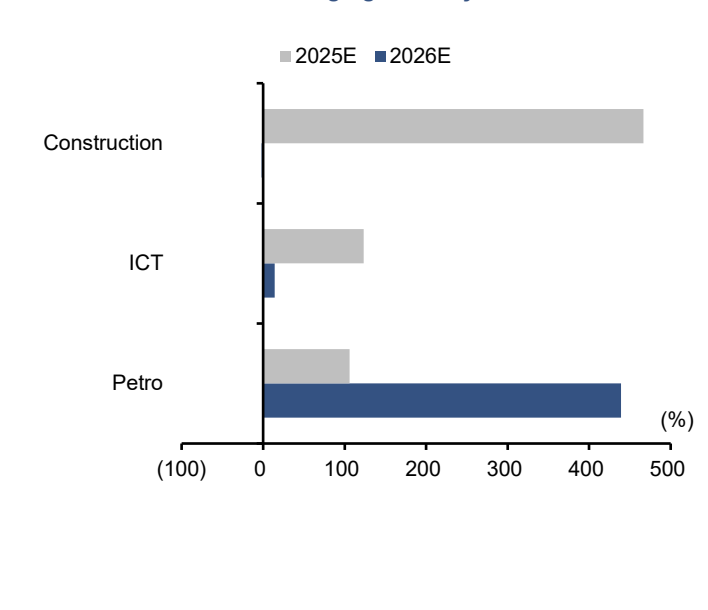
Sources: Bloomberg and FSSIA estimates

Exhibit 12: 2025-26E earnings growth by sector



Sources: FSSIA Estimates and Bloomberg

Exhibit 13: 2025-26E earnings growth by sector



Sources: FSSIA Estimates and Bloomberg

## Short-term narrow upside without a rollover to 2026

The TH2Y bond yield has continued to decline from 1.3% in July 2025 to 1.15% currently, following the BoT's policy rate cut from 1.75% to 1.5% in August. This trend suggests that the market still expects one to two additional rate cuts in the next 12 months to support Thailand's slowing economy, which is being dragged down by both the impact of tariffs and, more importantly, structural challenges.

The SET Index has rebounded strongly by more than 200 points, or almost 20%, from its June low, bringing valuations to 14.4x 2025 PER, compared to 12x previously. This level is now close to the pre-COVID historical average, leaving limited upside relative to the current SET target of 1,290 (based on an EPS of THB86 and a target PER of 15x).

In terms of the earnings yield gap, valuations still look relatively attractive at 5.5%, compared to the historical average of around 4%. However, this is largely due to the sharp drop in the TH10Y bond yield, which has fallen by around 20 bps from 1.5% last month to c1.3% currently. We maintain the view that it will be difficult for Thailand's earnings yield gap to return to historically low levels. While the current gap appears wide, this is mainly a result of a rapid decline in bond yields, rather than stronger growth prospects. With Thailand's GDP growth expected to average only 2-3% going forward, compared to 3-4% in the past, this reflects a weaker outlook for long-term corporate earnings growth. Hence, we believe the Thai equity market will likely trade at lower PER multiples than in the past decade, with a reduced premium relative to regional peers. We now anticipate a limited upside from valuation re-rating of the SET Index, driven by further declines in bond yields. Assuming the Thai policy rate and 2Y bond yield could fall to 1%, we estimate that the bond yield could decline by only an additional 5-10 bps, to 1.20-1.25%. This would provide support for the SET Index by only 15-20 points.

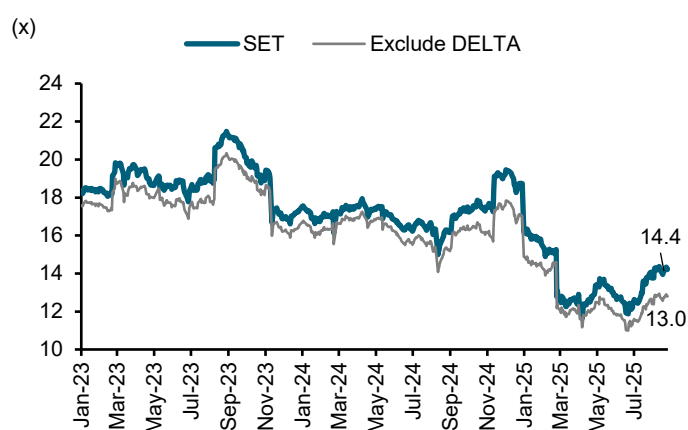
In a very bullish scenario, assuming an earnings yield gap of 4.5% (SD+1 from the historical average) and the bond yield at its current level, the implied target PER would be c17x. This would translate into a SET Index level of c1,460, which we view as unlikely within the remainder of this year. For the SET Index to rise to 1,400 or higher, it would likely require a rollover of EPS forecasts to 2026, estimated at around THB93, while still applying a target PER of 15x.

**Exhibit 14: 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

Source: FSSIA estimates

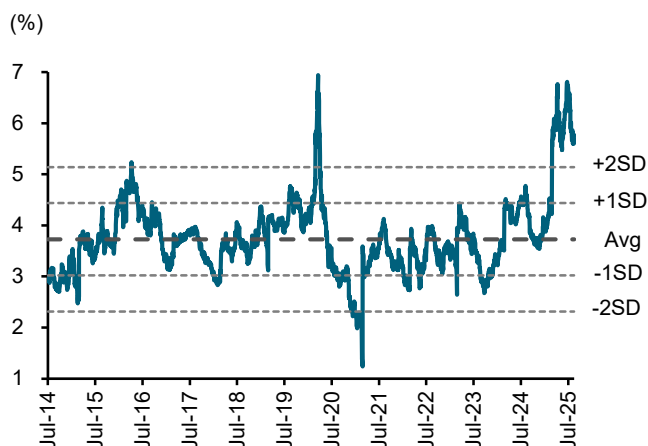
**Exhibit 15: SET PER excluding DELTA**



Source: Bloomberg and FSSIA

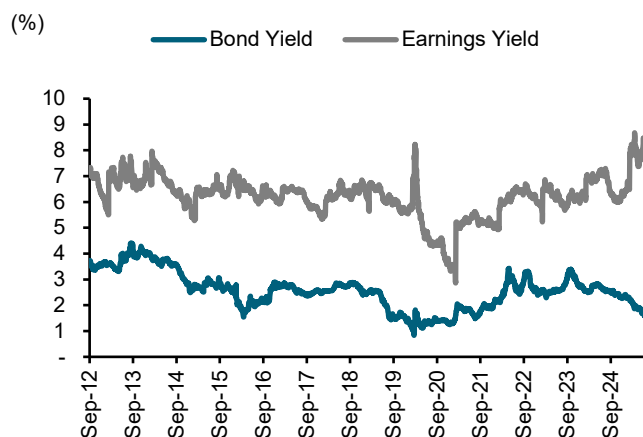


Exhibit 16: SET earnings yield gap



Sources: Bloomberg and FSSIA

Exhibit 17: TH10Y bond yield and earnings yield



Sources: Bloomberg, SETSMART and FSSIA

### Domestic sectors could outperform if political stability improves

Following the recent ruling on the Prime Minister's audio clip case, which found the PM guilty and required both her and the entire cabinet to step down, the index has declined somewhat to reflect near-term uncertainty. However, if a new Prime Minister can be selected and a new government is quickly formed, this should help ease market concerns in the short term, as greater political clarity emerges. A special parliamentary session has been scheduled for 3-5 September. Meanwhile, the 2026 fiscal budget bill has already passed the House of Representatives in mid-August and is scheduled for Senate consideration on September 9-10. If approved, this would help reduce downside risk to the economy.

We assess that, alongside the impact of US trade tariffs, if Thailand's political situation stabilizes positively and swiftly, the SET Index could rebound after cooling off in recent weeks. We maintain a positive view on capital inflows into regional and Thai equities, supported by expectations that US bond yields and the dollar index should continue to soften in line with the Fed's easing monetary policy.

However, with limited short-term upside for the index, we see greater opportunities in laggard sectors that also stand to benefit from lower interest rates. These include finance, retail, property, construction, tourism, and REITs - most of which are domestic plays that are deemed to receive an additional boost if political stability improves.

### FSSIA's portfolio update

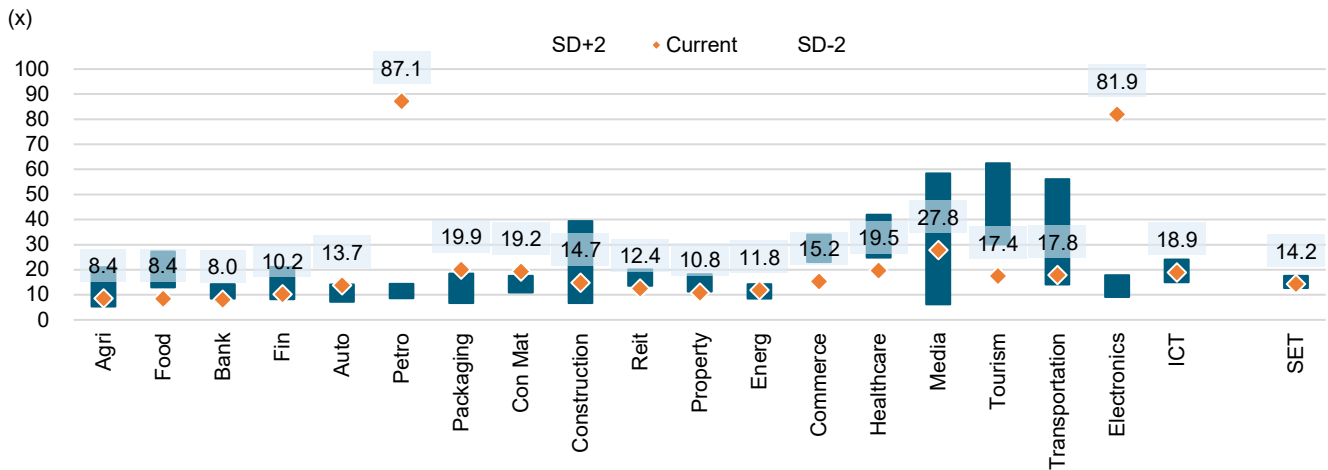
Recently, we have added ICHI (BUY, TP THB14) to our portfolio and removed NSL (BUY, TP THB45) and OSP (BUY, TP THB24), due to:

- ICHI shows strong signs of rebound, with 3Q–4Q25 core profits expected to grow q-q and y-y, supported by a 20% y-y revenue growth target for 2H25, recovery in the RTD green tea market, and rising CVS channel sales. By contrast, OSP's earnings are expected to soften h-h, while NSL has limited near-term catalysts.
- We see ICHI's valuation is more attractive, trading at 10-11x PER with a superior dividend yield of c10%, compared to OSP and NSL, trading at a higher PER of c15x and lower dividend yield of c4-6%.

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



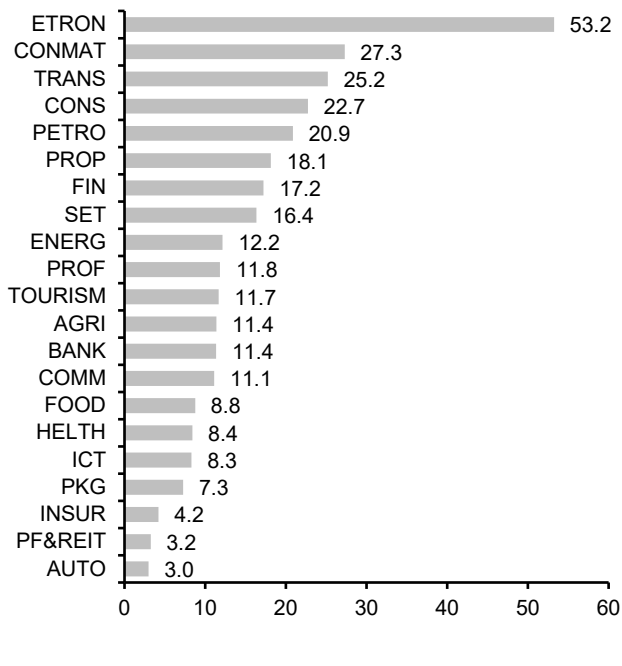
Exhibit 18: Sector valuation comparison



Data as of 27 Aug 2025

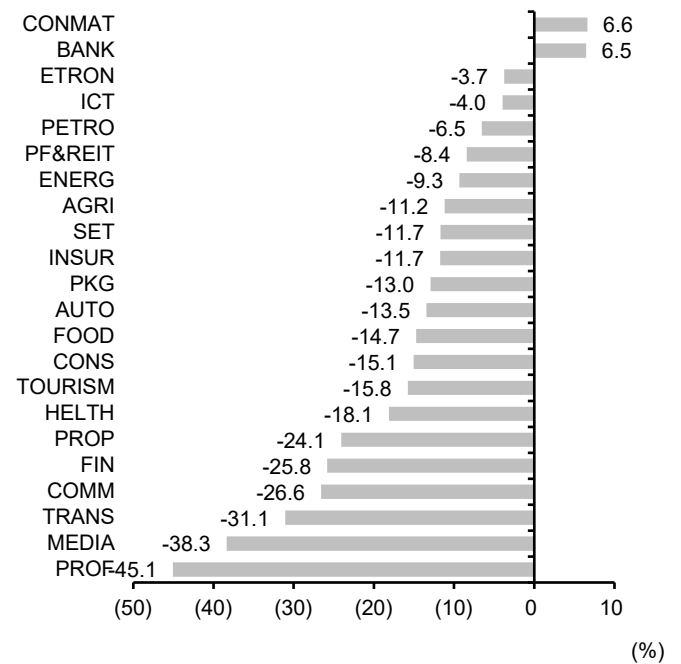
Sources: Bloomberg and FSSIA

Exhibit 19: Returns by sector since 23 June 2025



Source: SETSMART

Exhibit 20: YTD returns by sector



Source: SETSMART

Exhibit 21: Summary of key valuations for FSSIA's top picks

		--- Share price ---		Up	Recurring net profit		-Net profit growth-		----- P/E -----			PBV	Div yld	ROE
		Current	Target	side	25E	26E	25E	26E	25E	26E	27E	25E	25E	25E
		(THB)	(THB)	(%)	(THB m)	(THB m)	(%)	(%)	(x)	(x)	(x)	(x)	(%)	(%)
Bangkok Airways	BA TB	13.50	28.00	107	3,935	4,196	2.5	6.6	7.2	6.8	6.2	1.7	9.6	23.8
Bangkok Dusit Medical Services	BDMS TB	20.70	31.00	50	16,278	17,480	1.8	7.4	20.2	18.8	17.3	3.2	3.6	15.9
Central Plaza Hotel	CENTEL TB	28.75	49.00	70	2,007	2,315	6.7	15.3	19.3	16.8	15.3	1.8	2.6	9.4
CP All	CPALL TB	44.00	65.00	48	28,455	30,927	12.4	8.7	13.9	12.8	11.9	3.0	3.6	21.2
Ichitan Group	ICHI TB	11.40	14.00	23	1,299	1,393	(3.3)	7.2	11.4	10.6	10.2	2.6	10.9	22.9
Kasikornbank	KBANK TB	168.50	186.00	10	51,580	55,449	6.1	7.5	7.7	7.2	6.8	0.7	5.8	8.9
Muangthai Capital	MTC TB	37.25	56.00	50	7,083	8,297	20.7	17.1	11.1	9.5	8.6	1.8	1.3	17.6
Stecon Group	STECON TB	7.65	9.50	24	967	1,065	nm	10.0	12.0	10.9	10.7	0.6	4.5	5.4

Share prices as of 29 Aug 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 <b>SETESG inclusion</b> , 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. <b>SETESG Index</b> 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&amp;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 &amp; 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+										
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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
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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; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;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

## 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.

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Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Airways	BA TB	THB 13.50	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 20.70	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 28.75	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 44.00	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.
Ichitan Group	ICHI TB	THB 11.40	BUY	Downside and upside risks to our P/E-based TP include 1) a slower or faster-than-expected consumption recovery, 2) high or low volatility in packaging costs, and 3) increased or decreased competition and government policy changes such as excise taxes for sugary drinks.
Kasikornbank	KBANK TB	THB 168.50	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 37.25	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.
Stecon Group	STECON TB	THB 7.65	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 29-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.