

# Thailand Market Strategy

## High-conviction dividend play shortlist

- Thailand's low GDP and inflation outlook limits capital-gain potential, while earnings growth continues to lag regional peers.
- With 2026E EPS growth at only 4%, making Thailand increasingly a dividend play, as valuation de-rating lifts the SET's dividend yield to c4–4.5%.
- Attractive dividend opportunities are concentrated in stable, recurring-income businesses; preferred high-dividend picks include AP, BA, EGCO, ICHI, PRM, PTT, RATCH, SAPPE, SCB, TISCO, TFG, TVO, TTB, WHAUP.

### Thailand's low GDP growth and inflation outlook reduced the attractiveness

Thailand's economic growth remains subdued, with Office of the National Economic Social Development Council (NESDC) and the Bank of Thailand projecting GDP growth of only 1.5–1.7% in 2026, down from 2.0–2.2% in 2025. However, growth is expected to improve to 2.3% in 2027, but this remains below Thailand's long-term potential growth of 2.7–2.8%. At the same time, core inflation is expected to stay low at around 0.8–1.0% during 2026–27, which, combined with weak earnings growth relative to regional and emerging-market peers, reduces the overall investment appeal of the SET Index for capital gain.

### We expect 2026 EPS growth of 4%, positioning Thailand more as a dividend play

We forecast 2026 EPS at THB92, representing +4% y-y growth — the lowest among key emerging-market peers, especially within ASEAN, where Indonesia and Vietnam are expected to post significantly stronger earnings growth of around +20% y-y. Earnings in Thailand are also projected to lag Malaysia, Singapore, and the Philippines, which are expected to grow in the 7.5–9% range. Meanwhile, the SET Index trades at 13.6x 2026 PER (or approximately 11.5x excluding DELTA), compared with c12-13x for Indonesia and Vietnam. This indicates that Thailand's historical valuation premium has largely disappeared. From the perspective of foreign investors, the SET Index has effectively shifted from being a former growth play to a dividend play. Thailand's historical dividend yield averaged around 3–3.5%, but valuation de-rating has lifted the current dividend yield to approximately 4–4.5%.

### Which high-dividend stocks do we prefer?

We screened for attractive Dividend Play stocks based on the following criteria:

- Businesses with recurring and stable earnings
- Dividend yields meaningfully higher than the market (i.e. over 5.5%)
- Valuation trading at a discount to historical levels is a plus (i.e. PBV below 1x)
- SET ESG rating of BBB or higher

We find that most of the attractive dividend opportunities are concentrated in the banking sector. Although the property and energy sectors also provide high dividend yields, their earnings tend to be more volatile and their outlook remains less compelling. For other sectors, the characteristics are more mixed, requiring a selective, stock-by-stock approach. Based on this framework, our preferred high-dividend picks include: **AP, BA, EGCO, ICHI, PRM, PTT, RATCH, SAPPE, SCB, TISCO, TFG, TVO, TTB, WHAUP**.



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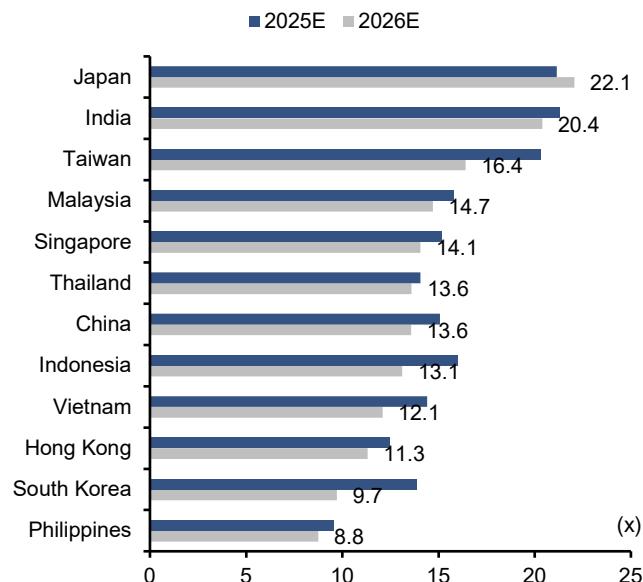
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## Exhibit 1: Screening for high-dividend stocks

Stock	Market Cap	P/E		PBV		Div yld		EPS		DPS		Dividend Payout Ratio		SET ESG Rating 25
		(USD m)	(x)	(x)	(x)	(x)	(%)	(%)	(THB/shr.)	(THB/shr.)	(THB/shr.)	(THB/shr.)	(%)	(%)
PTT TB	28,592	10.5	9.6	0.8	0.7	6.1	6.3	3.02	3.32	1.95	2.00	64%	60%	AAA
SCB TB	14,613	10.1	10.6	0.9	0.9	7.9	7.6	13.51	12.85	10.81	10.28	80%	80%	AAA
PTTEP TB	13,758	7.1	7.5	0.8	0.7	7.2	7.0	0.49	0.46	0.25	0.24	51%	52%	AAA
TTB TB	6,154	9.2	9.2	0.8	0.8	6.5	6.5	0.23	0.23	0.14	0.14	60%	60%	AAA
CPF TB	5,494	6.2	8.6	0.7	0.7	7.7	5.8	3.39	2.43	1.62	1.22	48%	50%	AAA
CRC TB	3,413	13.7	14.2	1.5	1.5	9.5	6.4	1.30	1.26	1.70	1.14	130%	91%	AAA
TLI TB	3,331	8.9	8.4	0.8	0.8	5.6	5.9	1.03	1.09	0.51	0.54	49%	50%	AA
TISCO TB	2,826	13.4	13.0	2.0	2.0	7.0	7.0	8.27	8.53	7.75	7.75	94%	91%	AAA
HMPRO TB	2,577	13.5	13.0	3.0	2.9	6.5	6.7	0.46	0.48	0.40	0.41	87%	87%	AAA
TOP TB	2,486	6.2	6.4	0.4	0.4	5.9	5.8	5.61	5.45	2.06	2.05	37%	38%	AAA
RATCH TB	2,010	9.1	9.3	0.6	0.6	5.9	5.9	3.18	3.12	1.70	1.70	53%	55%	AAA
TCAP TB	1,942	7.9	7.7	0.8	0.7	6.1	6.4	7.36	7.59	3.56	3.72	48%	49%	AA
EGCO TB	1,912	8.1	7.1	0.5	0.5	5.7	5.7	14.07	15.99	6.50	6.50	46%	41%	AA
KKP TB	1,736	10.5	10.9	0.9	0.8	5.7	5.5	6.40	6.21	3.84	3.72	60%	60%	AAA
TU TB	1,569	11.7	11.3	1.2	1.1	5.6	5.7	1.06	1.10	0.70	0.72	66%	65%	AA
OSP TB	1,538	14.2	13.8	2.9	2.8	6.1	6.2	1.13	1.16	0.98	0.98	87%	85%	AAA
WHA TB	1,521	9.5	10.4	1.3	1.2	6.3	5.8	0.34	0.31	0.20	0.19	60%	60%	AAA
LH TB	1,421	11.5	10.9	0.8	0.8	6.7	6.5	0.33	0.34	0.25	0.24	77%	71%	AAA
BA TB	983	9.2	9.0	1.8	1.6	6.5	5.6	1.62	1.66	0.97	0.83	60%	50%	A
TFG TB	954	4.4	5.1	1.6	1.4	11.0	9.7	1.13	0.97	0.55	0.48	49%	50%	AA
AP TB	875	6.5	5.6	0.6	0.6	5.7	6.8	1.35	1.57	0.50	0.60	37%	38%	AA
TOA TB	826	10.0	9.2	1.8	1.7	5.9	6.5	1.34	1.46	0.80	0.87	59%	60%	AAA
SPRC TB	793	11.0	9.6	0.6	0.6	6.6	6.6	0.52	0.60	0.38	0.38	72%	64%	BBB
SIRI TB	743	6.0	5.3	0.5	0.4	8.9	9.5	0.23	0.26	0.12	0.13	53%	50%	AAA
TASCO TB	703	12.6	11.8	1.4	1.3	6.6	6.9	1.11	1.19	0.92	0.96	83%	81%	AA
TVO TB	614	8.7	9.1	1.7	1.6	8.1	7.9	2.50	2.38	1.76	1.72	70%	72%	AAA
WHAUP TB	546	14.2	11.1	1.2	1.2	5.6	6.3	0.32	0.40	0.25	0.28	79%	69%	AAA
ICHI TB	525	13.3	12.6	3.0	3.1	9.4	8.7	0.97	1.03	1.21	1.13	124%	110%	AA
AAV TB	498	5.9	5.4	1.1	1.0	6.7	7.4	0.21	0.23	0.08	0.09	40%	40%	AAA
PRM TB	445	7.1	6.7	1.2	1.1	7.4	8.0	0.89	0.95	0.47	0.51	53%	53%	AA
JMT TB	397	10.4	8.4	0.4	0.4	5.8	7.1	0.81	1.00	0.49	0.60	60%	60%	A
SAPPE TB	302	11.7	9.6	2.1	2.0	6.5	8.3	2.67	3.26	2.03	2.60	76%	80%	A
PSL TB	281	39.3	21.7	0.6	0.6	6.7	6.7	0.15	0.27	0.40	0.40	264%	146%	AA
PSH TB	255	11.8	11.0	0.2	0.2	5.9	7.5	0.31	0.33	0.22	0.27	69%	82%	AAA
SC TB	226	4.9	4.0	0.3	0.3	8.1	9.9	0.33	0.41	0.13	0.16	40%	40%	AAA
SAK TB	221	7.8	6.8	1.0	0.9	6.2	6.6	0.43	0.49	0.21	0.22	48%	45%	A
ILM TB	217	9.1	8.7	1.1	1.0	7.7	8.1	1.48	1.56	1.03	1.09	70%	70%	AAA
SNNP TB	205	11.5	9.9	2.2	2.1	7.0	8.0	0.63	0.72	0.50	0.58	80%	80%	AA
SAT TB	196	8.9	8.5	0.7	0.7	8.7	9.0	1.64	1.71	1.26	1.31	77%	77%	AAA
ASW TB	170	6.4	3.8	0.6	0.6	6.9	10.5	0.93	1.56	0.41	0.62	44%	40%	AAA
KCG TB	139	9.8	8.5	1.4	1.3	5.6	6.4	0.82	0.94	0.45	0.52	55%	55%	AAA
ILINK TB	79	4.9	4.6	0.6	0.5	9.3	9.7	0.94	0.98	0.42	0.44	45%	45%	AA
BRI TB	70	2.8	2.6	0.2	0.2	22.1	22.9	0.55	0.58	0.34	0.35	61%	60%	AA
PRTR TB	61	7.6	6.6	1.1	1.0	8.5	9.7	0.42	0.48	0.27	0.31	64%	65%	A
WICE TB	48	11.4	9.8	0.9	0.9	7.9	9.4	0.21	0.24	0.19	0.22	90%	92%	AA

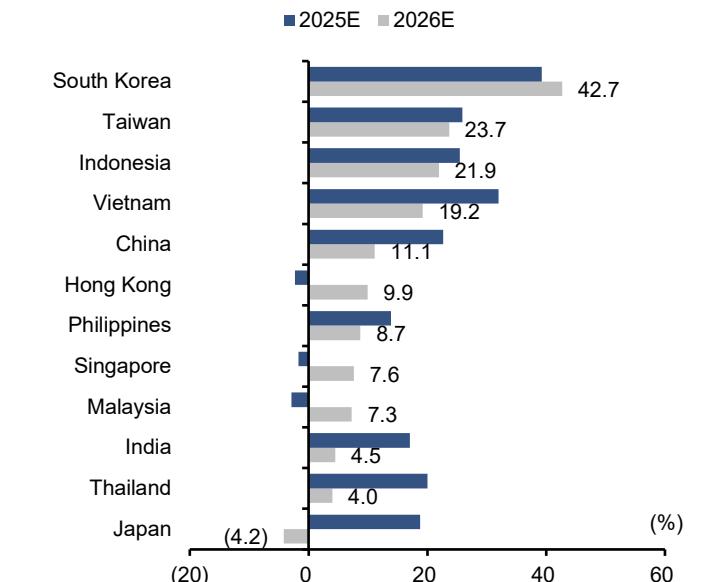
Sources: FSSIA and Bloomberg

Exhibit 2: Asian markets' PER



Sources: Bloomberg and FSSIA

Exhibit 3: Asian markets' EPS growth



Sources: Bloomberg and FSSIA

## 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 ( <a href="#">SETESG</a> ) 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.																												
<b>CG Score</b> 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%).																												
<b>AGM level</b> 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.																												
<a href="#">Thai CAC</a> 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.																												
<a href="#">Morningstar Sustainalytics</a>	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.																												
<a href="#">ESG Book</a>	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.																												
<a href="#">MSCI</a>	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> <tbody> <tr> <td><b>AAA</b></td><td>8.571-10.000</td> <td><b>Leader:</b></td><td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td><b>AA</b></td><td>7.143-8.570</td> <td></td><td></td> </tr> <tr> <td><b>A</b></td><td>5.714-7.142</td> <td></td><td></td> </tr> <tr> <td><b>BBB</b></td><td>4.286-5.713</td> <td><b>Average:</b></td><td>a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td><b>BB</b></td><td>2.857-4.285</td> <td></td><td></td> </tr> <tr> <td><b>B</b></td><td>1.429-2.856</td> <td></td><td></td> </tr> <tr> <td><b>CCC</b></td><td>0.000-1.428</td> <td><b>Laggard:</b></td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570			<b>A</b>	5.714-7.142			<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285			<b>B</b>	1.429-2.856			<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks	
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<a href="#">Moody's ESG solutions</a>	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.																													
<a href="#">Refinitiv ESG rating</a>	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>																													
<a href="#">S&amp;P Global</a>	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.																													
<b>Bloomberg</b>	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) ["SETESG"](#) 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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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, 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.