

Thailand Tourism

International visitors to rebound in 2026

- International arrivals should rebound to 35m in 2026, lifting receipts 7% y-y on volume and spending, with China demand gradually improving.
- Domestic trips continue to grow 4% to 210m in 2026, supported by frequency, and stimulus measures.
- Hotel earnings gain traction in 2026, with valuations below peers.

China and Non-China demand anchors tourism recovery

Thailand's international tourist arrivals in 2025 reached 32.97m (-7% y-y), close to our latest forecast of 32.85m, with Chinese arrivals down 34% y-y while non-China arrivals fell only by 1% y-y. Dec-2025 arrivals were the highest since Feb-2025, and the magnitude of the y-y contraction in Chinese arrivals continued to narrow to -30% in Dec and -29% in 4Q25, versus the full-year average. For 2026, we maintain our forecast of 35.00m arrivals (+6% y-y), comprising 4.78m Chinese (+6% y-y) – with 1Q26 still affected by a high base before turning positive y-y from 2Q26 onward – and 30.23m non-China arrivals (+7% y-y), driven by long-haul markets and India, which we expect to return to pre-Covid levels.

Domestic tourism remains a key demand buffer

Domestic tourism in Thailand expanded to 202.37m trips in 2025 (+3% y-y), remaining above pre-Covid levels since 2023, driven by a shift toward more frequent short trips and government tourism stimulus measures. We expect the new government to continue prioritising tourism support through tax deductions and co-payment schemes, which should further boost the demand. We forecast domestic trips to grow 4% to 210m trips in 2026.

Tourism receipt recovery led by spending and volume

We expect international tourism revenue to return to growth of 7% y-y to THB1.64t in 2026 (2025: -5%), supported by: 1) higher arrivals, including from long-haul markets with longer lengths of stay; 2) spill-over demand from Chinese high spenders amid China-Japan geopolitical tensions, which should lift our conservative average spending-per-head assumption by 1%; and 3) continued growth in wellness tourism alongside a recovery in the MICE segment. We expect domestic tourism revenue to grow a further 4% y-y to THB1.21t in 2026 (2025: +4%), driven mainly by higher trip volumes. Overall, we forecast total tourism revenue to increase 6% y-y to THB2.85t in 2026 (2025: -1%).

Hotel earnings gain traction in 2026

With Thailand's tourism sector recovery in 2026, we expect hotel operators to benefit from improving hotel operations in Bangkok, driven by both OCC and ADR, in addition to hotels in provincial destinations and overseas markets, which have delivered solid performance since 2025. Thailand-focused hotel operators, including ERW (BUY, TP THB3.20), should deliver q-q earnings growth in 4Q25–1Q26, with y-y growth turning positive from 2Q26 onward as Chinese arrivals gradually recover. Overall, we believe the Thai hotel sector valuations remain attractive, with 2026E P/E trading below regional and global peers.



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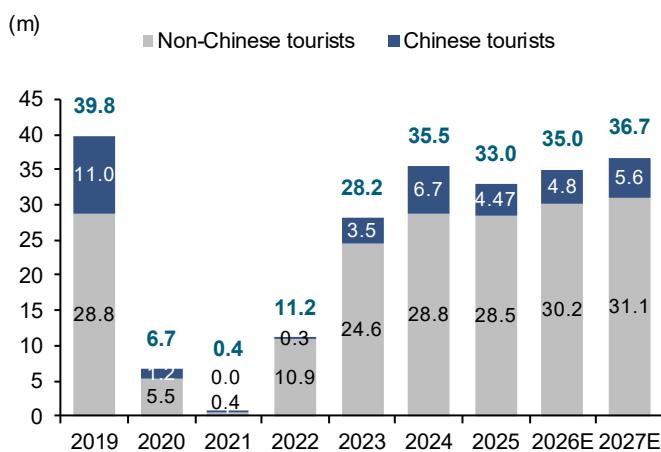
International visitors to rebound in 2026

The Ministry of Tourism and Sports reported full-year 2025 international arrivals of 32.97m (-7% y-y). The top source markets were Malaysia (4.52m; -9% y-y; 14% mix), China (4.47m; -34% y-y; 14% mix), India (2.49m; +17% y-y; 8% mix), Russia (1.90m; +9% y-y; 6% mix), and South Korea (1.56m; -17% y-y; 5% mix). Arrivals from non-China markets totaled 28.50m, down only 1% y-y, underscoring the resilience of non-China demand.

International arrivals for Dec-2025 reached 3.37m (+16% m-m, -7% y-y), c4% above our estimate of 3.24m. This comprised of 0.37m Chinese visitors (+14% m-m, -30% y-y) and 3.00m non-China visitors (+16% m-m, -3% y-y). For 4Q25, total international arrivals were 8.86m (+19% q-q, -6% y-y), including 1.06m from China (-8% q-q, -29% y-y) and 7.80m from non-China markets (+24% q-q, -2% y-y).

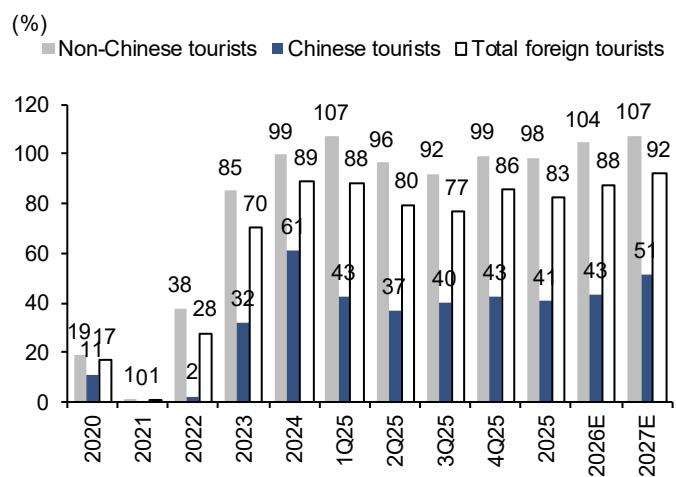
Domestic tourism remained solid, with 202.37m trips in 2025 (+3% y-y). Thailand generated THB2.70t in total tourism receipts for the year (-1% y-y), accounting for c14% of GDP, comprising THB1.54t from foreign tourists (-5% y-y) and THB1.17t from domestic tourists (+4% y-y).

Exhibit 1: Thailand's tourist arrivals by nationality, yearly



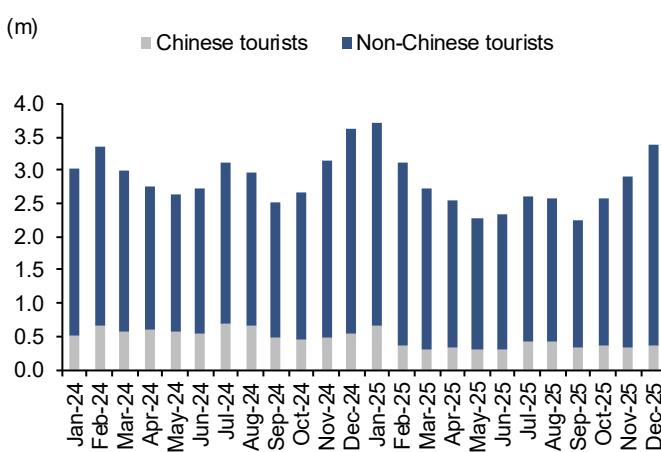
Sources: Ministry of Tourism and Sports (MOTS); FSSIA estimates

Exhibit 2: % of tourists by source market to 2019 levels



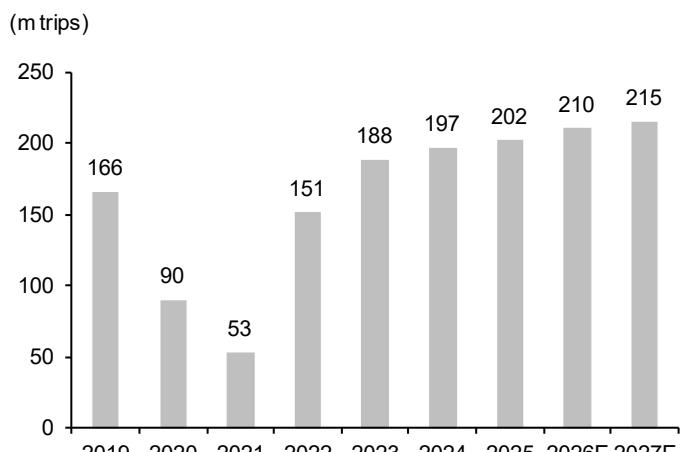
Sources: MOTS; FSSIA estimates

Exhibit 3: Thailand tourist arrivals by nationality, monthly



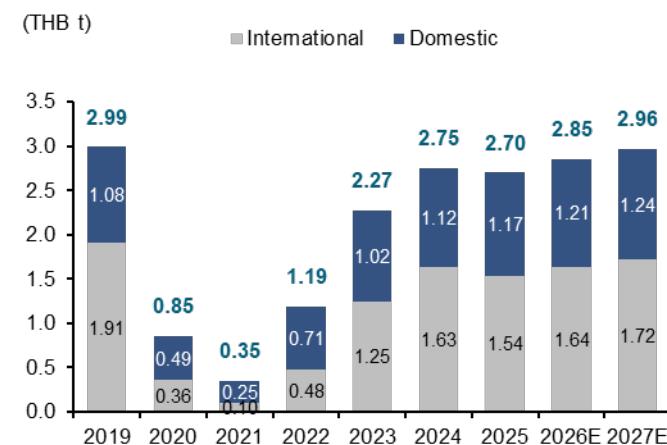
Sources: MOTS; FSSIA's compilation

Exhibit 4: Thailand domestic tourists, yearly



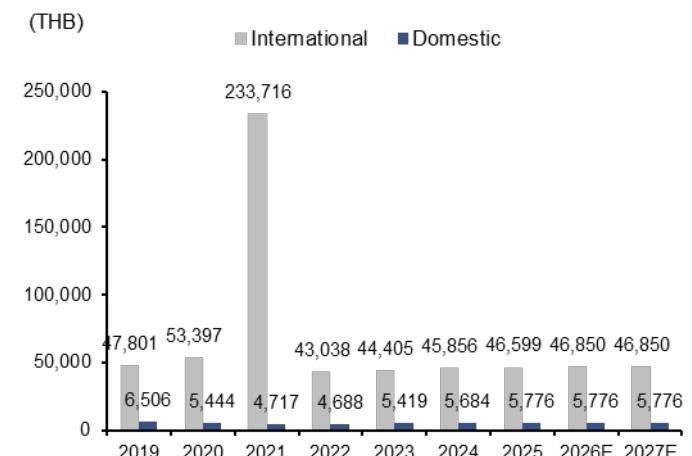
Sources: MOTS; FSSIA estimates

Exhibit 5: Thailand's tourism receipts, yearly



Sources: MOTS; FSSIA estimates

Exhibit 6: Average tourist spending per trip



Sources: MOTS; FSSIA estimates

Exhibit 7: Peer comparisons as of 30 December 2025

Company	BBG	Rec	Market Cap (USD m)	PE		ROE		PBV		EV/ EBITDA	
				25E (x)	26E (x)	25E (%)	26E (%)	25E (x)	26E (x)	25E (x)	26E (x)
Thailand											
Erawan Group*	ERW TB	BUY	379	15.6	13.8	8.6	9.3	1.3	1.2	10.1	9.3
Asset World Corp	AWC TB	n/a	2,163	35.3	20.4	3.5	3.9	0.7	0.7	23.7	19.9
Minor International	MINT TB	n/a	4,418	16.5	14.5	9.5	10.1	1.5	1.4	8.1	7.9
Central Plaza Hotel	CENTEL TB	n/a	1,430	26.2	22.2	8.0	8.9	2.0	1.9	11.0	10.3
S Hotels & Resorts	SHR TB	n/a	199	13.1	11.4	3.1	3.4	0.4	0.4	4.2	4.0
Thailand average			8,590	21.3	16.5	6.6	7.1	1.2	1.1	11.4	10.3
Regional											
BTG Hotels Group	600258 CH	n/a	2,593	21.2	18.8	7.1	7.5	1.5	1.4	9.9	9.5
SH Jinjiang Intl Hotels	900934 CH	n/a	3,383	10.8	8.7	5.8	7.1	0.6	0.6	13.2	11.8
Huangshan Tourism Develop	900942 CH	n/a	991	11.3	10.1	6.6	6.9	0.7	0.7	7.3	7.0
Genting Bhd	GENT MK	n/a	2,815	16.5	12.1	2.1	2.8	0.4	0.3	6.1	5.8
Huazhu Group	HTHT US	n/a	14,730	23.0	19.9	33.2	33.8	6.9	6.6	12.8	11.6
Indian Hotels	IH IN	n/a	11,700	51.6	43.4	16.4	17.0	8.3	7.2	32.2	27.4
Lemon Tree Hotels	LEMONTRE IN	n/a	1,332	44.7	33.4	19.7	21.7	7.7	6.2	20.0	17.1
Lippo Karawaci	LPKR IJ	n/a	372	14.7	7.3	1.3	2.2	0.2	0.2	9.0	7.4
Regional average			37,917	24.2	19.2	11.5	12.4	3.3	2.9	13.8	12.2
Global											
Melia Hotels International	MEL SM	n/a	2,038	11.4	11.5	18.0	16.2	2.0	1.8	7.7	7.6
Intercontinental Hotels Group	IHG LN	n/a	20,995	27.6	24.4	(30.0)	(31.1)	n/a	n/a	18.3	17.0
Whitbread	WTB LN	n/a	5,760	12.9	12.4	10.5	10.7	1.3	1.3	8.9	8.6
Accor	ACRFF US	n/a	12,827	21.1	18.1	11.5	13.3	2.4	2.5	12.1	11.2
Choice Hotels	CHH US	n/a	4,447	13.8	13.6	559.1	150.4	25.1	12.1	10.1	9.9
Hilton Worldwide Holdings	HLT US	n/a	68,099	36.3	32.1	(43.7)	(39.5)	n/a	n/a	21.2	19.7
Hyatt Hotels Corp	H US	n/a	15,724	115.0	44.7	4.6	11.2	4.5	4.1	18.3	16.7
Marriott International	MAR US	n/a	84,104	31.1	27.7	(82.2)	(86.5)	n/a	n/a	18.5	17.4
Global average			213,994	33.7	23.1	56.0	5.6	7.1	4.4	14.4	13.5
Overall average			260,500	27.1	20.0	27.3	8.5	3.8	2.8	13.5	12.3

Sources: Bloomberg consensus; 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. 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.																												
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> <tbody> <tr> <td>AAA</td><td>8.571-10.000</td> <td>Leader:</td><td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td><td>7.143-8.570</td><td></td><td></td> </tr> <tr> <td>A</td><td>5.714-7.142</td><td></td><td></td> </tr> <tr> <td>BBB</td><td>4.286-5.713</td><td>Average:</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>BB</td><td>2.857-4.285</td><td></td><td></td> </tr> <tr> <td>B</td><td>1.429-2.856</td><td></td><td></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> </tbody> </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; >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) ["SETESG"](#) 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

Vatcharut Vacharawongsith FSS International Investment Advisory Securities Co., Ltd

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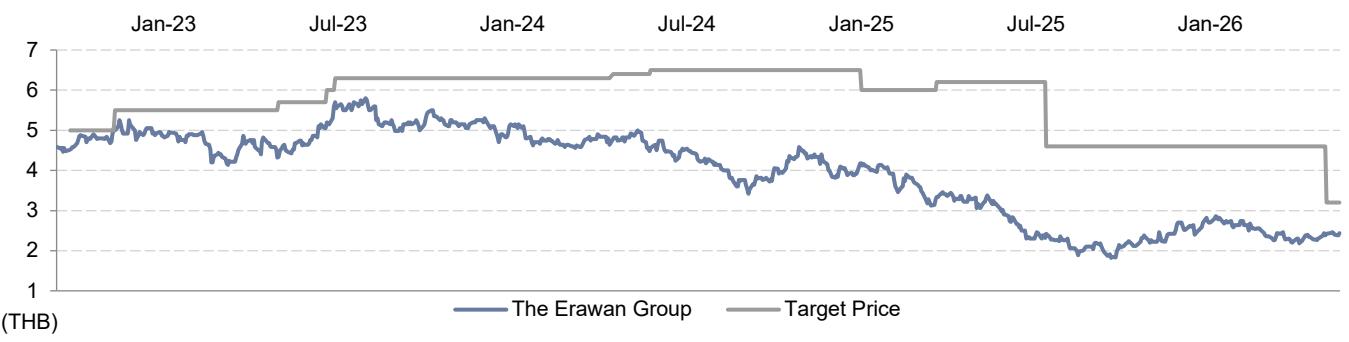
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History of change in investment rating and/or target price

The Erawan Group (ERW TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
16-Jan-2023	BUY	5.00	29-Aug-2023	BUY	6.30	21-Jan-2025	BUY	6.20
23-Feb-2023	BUY	5.50	19-Apr-2024	BUY	6.40	24-Apr-2025	BUY	4.60
12-Jul-2023	BUY	5.70	23-May-2024	BUY	6.50	18-Dec-2025	BUY	3.20
22-Aug-2023	BUY	6.00	18-Nov-2024	BUY	6.00			

Vatcharut Vacharawongsith started covering this stock from 18-Dec-2025

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
The Erawan Group	ERW TB	THB 2.44	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, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.

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-Dec-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.