

Thailand Tourism

Key takeaways from meeting with tourism expert

- We hosted a meeting with the President of Thai Tourism Marketing Association on Wednesday to discuss the tourism outlook amid rising costs and global uncertainty.
- China recovery and stabilizing long-haul demand should support gradual tourism improvement into the 4Q26 high season.
- Luxury hotels remain better positioned to absorb rising costs than 3-4 star operators.

Tourism conditions begin stabilizing after a soft May

The President of Thai Tourism Marketing Association believes Thailand tourism remains in a recovery phase despite rising travel costs and geopolitical uncertainty. The slowdown has not been broad-based across all markets and destinations. The speaker noted that May represented the softest operating period so far this year following the initial impact from Middle East tensions. However, booking momentum and operating conditions have gradually started stabilizing in recent weeks, with several regional markets beginning to recover again after weaker trends earlier in the quarter.

China recovery and stabilizing long-haul trends support 2H26 outlook

The speaker sees foreign tourist arrivals could reach c33m in 2026, with upside toward 34m if conditions improve further in 4Q26. China arrivals are projected at around 5.5m this year and continue growing more than 20% y-y despite remaining below pre-Covid levels. Meanwhile, long-haul demand from Europe appears to be stabilizing after softer trends in April, while several key source markets have gradually started recovering in recent weeks. The speaker expects tourism conditions to start improving in 3Q26 before getting stronger in the high season 4Q26, supported by improving long-haul bookings and gradual normalization across several source markets.

Luxury operators maintain stronger pricing power amid rising costs

Foreign tourists are becoming more cautious on discretionary spending and shortening trip duration, although travel demand overall remains relatively resilient. Meanwhile, the speaker highlighted increasingly K-shaped operating conditions across the tourism sector in the near term, as rising labor, utility, marketing, and OTA commission costs are creating significantly greater margin pressure among 3-4 star hotel operators with weaker pricing flexibility, while luxury hotels with solid demand remain better positioned to absorb them. In response, many operators are increasingly focusing on profitability, digital marketing execution, yield management, and differentiated positioning rather than aggressive volume growth. Looking longer term, Thailand should increasingly reposition itself toward “smart, green, and wellness” tourism to remain competitive against regional peers such as Vietnam and Japan.

Domestic tourism supports sector resilience

We believe this environment should continue favoring companies with differentiated assets, premium destination exposure, and stronger operational discipline. Reflecting softer-than-expected tourism conditions and weaker non-China arrivals, we trim our 2026 international tourist arrival forecast to 33m (flat y-y) from a previous 35m, comprising 5.63m Chinese arrivals (+26% y-y) and 27.4m non-China arrivals (-4% y-y). We maintain our forecast for domestic tourists to increase 4% y-y to 210m trips in 2026. Consequently, we revise down our 2026 total tourism receipts forecast by 4% to THB2.75t (+2% y-y), with growth supported by domestic tourism.



Vatcharut Vacharawongsith

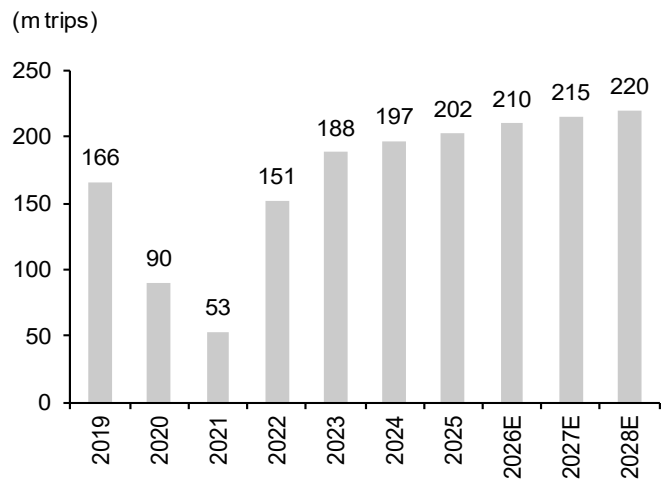
Fundamental Investment Analyst on Securities; License no. 018301
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Exhibit 1: Thailand's tourist arrivals by nationality, yearly



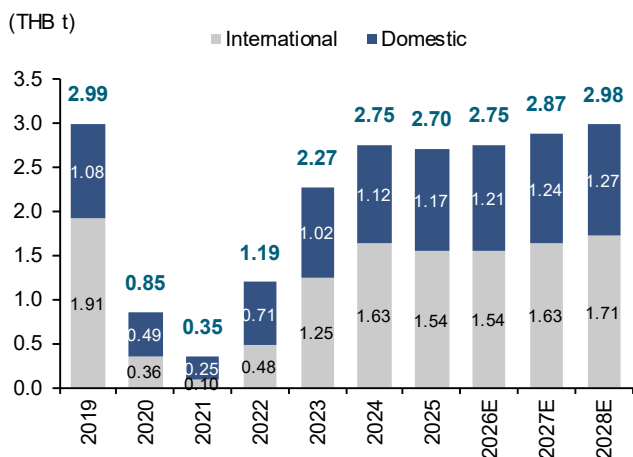
Sources: MOTS; FSSIA estimates

Exhibit 2: Thailand domestic tourists, yearly



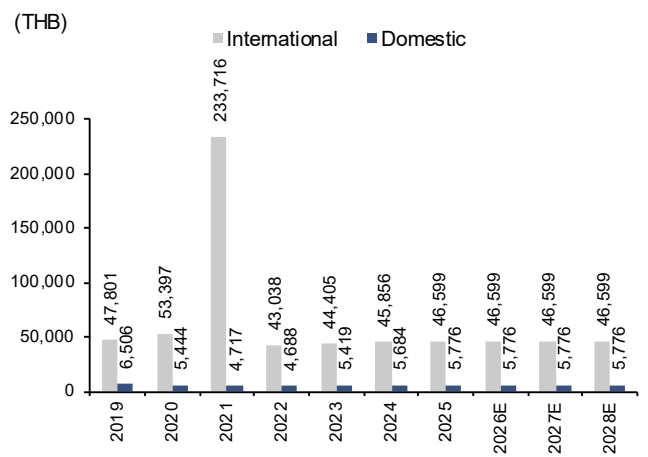
Sources: MOTS; FSSIA estimates

Exhibit 3: Thailand's tourism receipts, yearly



Sources: MOTS; FSSIA estimates

Exhibit 4: Average tourist spending per trip



Sources: MOTS; FSSIA estimates

Exhibit 5: Thailand's total international tourist arrivals, monthly

(m)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	3.72	3.60	3.47	3.20	2.73	3.05	3.33	3.47	2.90	3.04	3.36	3.93
2024	3.04	3.35	2.98	2.76	2.63	2.74	3.10	2.96	2.52	2.68	3.15	3.63
2025	3.71	3.12	2.72	2.55	2.27	2.32	2.61	2.58	2.24	2.57	2.91	3.37
2026E	3.28	3.26	2.78	2.37	2.32	2.39	2.68	2.60	2.26	2.65	2.99	3.44
% m-m growth	(2.7)	(0.4)	(15.0)	(14.6)	(1.9)	3.0	12.0	(3.0)	(13.0)	17.0	13.0	15.0
% y-y growth	(11.6)	4.6	2.0	(7.0)	2.5	3.0	2.7	0.6	1.1	2.8	2.6	2.0
% of 2019 levels	88.2	90.6	79.9	74.1	85.2	78.4	80.5	75.0	77.9	87.0	89.0	87.5

Sources: MOTS; FSSIA estimates

Exhibit 6: Chinese tourist arrivals to Thailand, monthly

(m)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	1.07	1.06	0.99	0.90	0.79	0.84	0.98	1.03	0.85	0.83	0.80	0.85
2024	0.51	0.67	0.57	0.60	0.56	0.53	0.69	0.66	0.47	0.46	0.48	0.54
2025	0.66	0.37	0.30	0.32	0.31	0.31	0.42	0.41	0.32	0.36	0.33	0.37
2026E	0.40	0.68	0.41	0.42	0.46	0.42	0.54	0.52	0.39	0.43	0.45	0.50
% m-m growth	7.5	69.3	(39.4)	1.9	10.5	(10.0)	30.0	(3.0)	(25.0)	10.0	3.0	13.0
% y-y growth	(39.6)	82.4	38.2	31.9	49.0	35.7	28.5	28.1	22.5	21.1	36.3	35.3
% of 2019 levels	37.4	63.7	41.7	46.5	58.2	49.7	55.0	50.9	46.2	52.4	55.8	59.2

Sources: MOTS; FSSIA estimates

Exhibit 7: Non-Chinese tourist arrivals to Thailand, monthly

(m)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	2.65	2.54	2.49	2.30	1.93	2.22	2.34	2.43	2.05	2.22	2.56	3.08
2024	2.53	2.68	2.41	2.16	2.07	2.21	2.42	2.31	2.05	2.22	2.67	3.09
2025	3.05	2.75	2.42	2.23	1.96	2.02	2.19	2.17	1.91	2.22	2.59	3.00
2026E	2.88	2.59	2.36	1.95	1.86	1.98	2.14	2.07	1.87	2.21	2.54	2.93
% m-m growth	(4.0)	(10.1)	(8.6)	(17.5)	(4.6)	6.2	8.2	(3.0)	(10.0)	18.5	15.0	15.4
% y-y growth	(5.5)	(5.9)	(2.4)	(12.5)	(4.9)	(2.0)	(2.3)	(4.6)	(2.4)	(0.1)	(1.7)	(2.1)
% of 2019 levels	108.6	101.9	95.0	85.0	96.3	89.2	91.3	85.2	91.1	99.9	99.4	95.3

Sources: MOTS; FSSIA estimates

Exhibit 8: Peer comparisons as of 26 May 2026

Company	BBG	Market Cap (USD m)	PE		ROE		PBV		EV/EBITDA	
			26E (x)	27E (x)	26E (%)	27E (%)	26E (x)	27E (x)	26E (x)	27E (x)
Thailand										
Minor International*	MINT TB	3,792	12.0	10.6	11.3	13.4	1.4	1.5	6.7	6.2
Central Plaza Hotel*	CENTEL TB	1,376	22.4	20.1	8.7	9.3	1.9	1.8	12.5	11.7
Erawan Group*	ERW TB	413	14.4	13.5	10.1	10.2	1.4	1.3	9.8	9.0
Asset World Corp	AWC TB	2,261	22.3	21.1	3.6	4.0	0.8	0.7	21.4	18.9
S Hotels & Resorts	SHR TB	180	9.7	8.9	4.5	4.9	0.4	0.4	6.6	6.2
Thailand average		8,022	16.2	14.8	7.7	8.3	1.2	1.1	11.4	10.4
Regional										
BTG Hotels Group	600258 CH	2,198	15.9	14.1	7.5	8.0	1.2	1.1	8.3	7.8
SH Jinjiang Intl Hotels	900934 CH	2,936	8.8	7.6	7.6	8.5	0.6	0.6	9.2	8.5
Huangshan Tourism Develop	900942 CH	977	9.7	8.7	6.8	7.3	0.7	0.6	6.4	6.0
Genting Bhd	GENT MK	2,261	13.5	10.0	1.9	2.7	0.3	0.3	6.4	5.9
Huazhu Group	HTHT US	13,264	16.3	14.2	38.1	38.1	5.8	4.9	9.0	8.1
Indian Hotels	IH IN	9,847	48.8	41.4	15.7	15.9	7.3	6.3	29.4	25.4
Lemon Tree Hotels	LEMONTRE IN	971	35.8	27.9	19.3	20.3	6.7	5.0	16.9	14.3
Lippo Karawaci	LPKR IJ	275	5.8	5.3	2.6	3.3	0.2	0.2	7.3	7.9
Regional average		32,727	19.3	16.2	12.4	13.0	2.8	2.4	11.6	10.5
Global										
Melia Hotels International	MEL SM	2,905	15.7	14.4	17.2	16.6	2.6	2.3	8.9	8.5
Intercontinental Hotels Group	IHG LN	22,800	26.7	23.5	(29.2)	(31.5)	n/a	n/a	18.0	16.6
Whitbread	WTB LN	5,470	12.0	12.9	10.7	10.2	1.3	1.2	9.0	8.9
Accor	ACRFF US	12,123	20.5	17.1	14.1	16.5	2.5	2.5	11.8	10.7
Choice Hotels	CHH US	5,173	15.8	14.7	144.7	84.7	20.6	11.2	11.2	10.9
Hilton Worldwide Holdings	HLT US	73,715	36.0	31.1	(34.1)	(34.7)	n/a	n/a	21.1	19.4
Hyatt Hotels Corp	H US	16,904	51.6	37.7	10.2	14.4	4.9	4.7	17.7	15.9
Marriott International	MAR US	98,569	32.2	28.7	(66.6)	(68.5)	n/a	n/a	19.3	17.9
Global average		237,659	26.3	22.5	8.4	1.0	6.4	4.4	14.6	13.6
Overall average		278,408	21.2	18.3	9.8	7.3	3.3	2.6	12.7	11.7

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. <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 border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </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 border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <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> </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

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Company	Ticker	Price	Rating	Valuation & Risks
Minor International	MINT TB	THB 22.00	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 higher competition in the F&B business, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
Central Plaza Hotel	CEN TEL TB	THB 33.25	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.
The Erawan Group	ERW TB	THB 2.76	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 26-May-2026 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.