

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	49266.1	0.6	2.5	3.2	2.5
S&P 500	6921.5	0.0	1.1	1.1	1.1
FTSE 100	10044.7	(0.0)	1.1	4.1	1.1
AS30	9046.5	0.3	0.3	1.9	0.3
CSI 300	4737.7	(0.8)	1.9	3.0	2.3
FSSTI	4739.1	(0.2)	2.0	5.0	2.0
HSCEI	9039.3	(1.1)	1.4	1.2	1.4
HSI	26149.3	(1.2)	2.0	1.5	2.0
JCI	8925.5	(0.2)	3.2	3.1	3.2
KLCI	1669.6	(0.4)	(0.6)	3.4	(0.6)
KOSPI	4552.4	0.0	8.0	9.9	8.0
Nikkei 225	51117.3	(1.6)	1.2	0.9	1.5
SET	1253.6	(2.1)	(0.0)	(1.3)	(0.5)
TWSE	30360.6	(0.2)	4.8	7.7	4.8
BDI	1718	(3.3)	(8.5)	(36.2)	(8.5)
CPO (RM/mt)	3939	(0.3)	0.1	(4.0)	0.1
Brent Crude (US\$/bbl)	63	4.6	3.0	0.3	3.0

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Virtual Presentation on Regional 1H2026 Outlook and Strategy	Regional	14 Jan	15 Jan

Corporate and Macro Calendar

Economic Indicator/Event	Country/Region	Date
Dec. Consumer Confidence	Thailand	7-13 Jan
Dec. Car sales	Thailand	21-25 Jan
Dec. Trade Balance	Thailand	30 Jan

Please click on the page number to move to the relevant pages

Top Stories

Sector Update | Retail

Page 2

Dec 25 SSSG remained negative, pressured by negative events and weak consumer spending. However, home improvement retail appeared to improve in Dec 25, benefitting from post-flood demand in the south. A short-term SSSG recovery is likely in 2Q26, supported by a low base in 2Q25, particularly within the home improvement segment. Maintain MARKET WEIGHT. Top pick is GLOBAL as it has resilient SSSG momentum in 1Q26, thanks to a very low base in 1Q25.

Company Update | Aeon Thana Sinsap (Thailand) (AEONTS TB/SELL/Bt102.50/Target: Bt92.00)

Page 5

We came away from AEONTS's analyst meeting with a negative view. We are concerned about the company's direction toward expanding hire-purchase loans, especially for motorcycles. We are concerned about credit costs, the asset quality outlook, and the possibility of repeating a vicious circle similar to that experienced by its peers in the past. Downgrade to SELL with a lower target price of Bt92.00 (from Bt110.00).

Company Update | AP (Thailand) (AP TB/BUY/Bt8.90/Target: Bt10.10)

Page 8

4Q25 presales are expected to improve yoy, driven by aggressive launches. However, on a qoq basis, presales are anticipated to decline slightly due to the long holidays and exceptionally high base in 3Q25. 4Q25 earnings are projected to reach its peak for the year, underpinned by backlogs and the newly-completed condominium. AP is expected to maintain a proactive launch strategy in 2026, focusing on portfolio expansion with risk management amid challenges. Maintain BUY with a target price of Bt10.10.

Retail

Value Play Amid Uncertainties

Highlights

- Dec 25 SSSG remained negative, pressured by negative events and weak consumer spending. However, home improvement retail appeared to improve in Dec 25, benefitting from post-flood demand in the south.
- A short-term SSSG recovery is likely in 2Q26, supported by a low base in 2Q25, particularly within the home improvement segment.
- Maintain MARKET WEIGHT. Top pick is GLOBAL as it has resilient SSSG momentum in 1Q26, thanks to a very low base in 1Q25.

Analysis

- **December SSSG remained slightly more negative than November**, pressured mainly by ongoing negative events and weak consumer purchasing power. Home improvement retail improved in Dec 25, benefitting from post-flood demand in southern Thailand.
- **Grocery retail performance was weak**. In 4Q25, grocery retail SSSG was negative and in line with 3Q25, reflecting a combination of heavy rainfall, a decline in foreign tourist arrivals, ongoing border tension, and the mourning period. Within the segment, Cash & Carry formats were the only clear beneficiaries of the Half-Half Plus copayment scheme, while supermarkets remained relatively resilient. In contrast, convenience stores and hypermarkets weakened, as demand was diverted toward traditional mom-and-pop stores, alongside softer spending from tourists. As a result, CPAXT and CRC (food) outperformed in the grocery segment.
- **Home improvement was hit but gradually improved in December**. Home improvement SSSG in 4Q25 softened from 3Q25, pressured by similar headwinds seen by the grocery segment. In addition, the segment faced a high base effect, as post-flood repair demand in northern Thailand was weaker than in 4Q24. However, SSSG in the south was lifted by post-flood demand, resulting in an overall improvement in Dec 25 SSSG. GLOBAL and CRC (hardline) outperformed in the home improvement segment in 4Q25.
- **2Q26 would be the recovery point**. Looking ahead, we expect 1Q26 earnings momentum to remain subdued, as the Shop For Nation tax incentive scheme will not take place in 1Q26 and the recovery in tourism remains slow. A short-term SSSG recovery is more likely in 2Q26, supported by a low base in 2Q25, particularly within the home improvement segment, and expectations of lower rainfall as La Niña conditions ease. If the new government introduces the Shop For Nation tax incentive scheme during 2Q26, it could provide additional upside potential to our current outlook in 2Q26.

MARKET WEIGHT (Maintained)

Analyst(s)

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Segmental Rating

Segment	Rating
Grocery segment	MARKETWEIGHT (Maintained)
Home improvement segment	OVERWEIGHT (Maintained)

Source: UOB Kay Hian

Sector Picks

Company	Ticker	Rec	Share Price (Bt)	Target Price (Bt)
GLOBAL	GLOBAL TB	BUY	6.70	9.50

Source: Bloomberg, UOB Kay Hian

Peer Comparison

Company	Rec	Price 3 Dec 25 (Bt)	Target Price (Bt)	Upside Downside (%)	Market Cap (US\$m)	Net Profit		PE		Net EPS Growth 2025F (%)	P/B 2025F (x)	Yield 2025F (%)	ROE 2025F (%)
						2025F (Btm)	2026F (Bt m)	2025F (x)	2026F (x)				
BJC TB	BUY	15.70	24.00	52.9	1,936	4,484	4,993	14.0	12.6	12.1	0.5	5.1	3.5
COM7 TB	HOLD	22.20	29.50	32.9	1,639	3,904	4,159	13.6	12.8	18.1	4.3	4.4	36.5
CPALL TB	BUY	44.00	65.00	47.7	12,162	28,183	29,511	14.0	13.4	11.2	2.8	3.6	8.5
CPAXT TB	BUY	16.60	24.00	44.6	5,326	10,992	11,835	15.7	14.6	4.0	0.6	4.4	3.6
CRC TB	BUY	20.60	23.00	11.7	3,823	12,656	7,551	9.8	16.5	55.5	1.6	4.6	16.4
DOHOME TB	BUY	3.80	5.00	31.6	396	673	799	19.1	16.1	(4.7)	0.9	0.1	5.1
GLOBAL TB	BUY	6.70	9.50	41.8	1,114	2,085	2,372	17.4	15.3	(15.5)	1.4	2.3	8.1
HMPRO TB	HOLD	6.45	6.30	(2.3)	2,610	5,838	6,160	14.5	13.8	(10.2)	3.1	5.5	21.5
Sector					29,005	68,815	67,379	14.0	14.1	13.0	2.1	4.1	11.0

Source: UOB Kay Hian

Same-Store Sales Growth

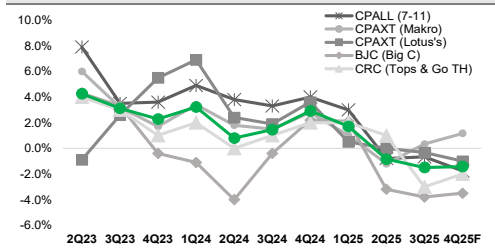
Grocery	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25F
CPALL (7-11)	8.0%	7.9%	3.5%	3.6%	4.9%	3.8%	3.3%	4.0%	3.0%	-0.8%	-0.7%	-1.8%
CPAXT (Makro)	10.8%	6.0%	3.2%	1.7%	3.4%	1.8%	1.5%	2.8%	1.0%	-1.2%	0.3%	1.2%
CPAXT (Lotus's)	0.5%	-0.9%	2.6%	5.5%	6.9%	2.4%	1.9%	3.6%	0.5%	0.0%	-0.5%	-1.0%
BJC (Big C)	1.7%	4.3%	3.3%	-0.4%	-1.1%	-4.0%	-0.4%	2.2%	2.1%	-3.2%	-3.8%	-3.5%
CRC (Tops & Go TH)	11.0%	4.0%	3.0%	1.0%	2.0%	0.0%	1.0%	2.0%	2.0%	1.0%	-3.0%	-1.5%
Average	6.4%	4.3%	3.1%	2.3%	3.2%	0.8%	1.5%	2.9%	1.7%	-0.8%	-1.5%	-1.3%
Home Improvement	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25F
HMPRO (HomePro TH)	5.8%	4.9%	-3.6%	-8.5%	-2.1%	-7.3%	-5.8%	-0.7%	-3.3%	-8.8%	-5.7%	-7.0%
HMPRO (Mega Home)	-0.3%	2.1%	-1.5%	-7.5%	-4.1%	-1.3%	-3.9%	4.5%	0.2%	-1.6%	0.9%	-7.0%
GLOBAL	-8.7%	-9.5%	-12.0%	-12.0%	-5.3%	-2.3%	-3.5%	-3.5%	-10.0%	-10.5%	-0.9%	-5.0%
DOHOME	-9.0%	-9.9%	-7.1%	-9.1%	-9.8%	-5.3%	-4.5%	1.5%	2.0%	-9.3%	-11.0%	-10.0%
CRC (TWD/B2S/OFM)	6.0%	2.0%	0.0%	-3.0%	-3.0%	-7.0%	-7.0%	-5.1%	-6.0%	-7.0%	-3.0%	-4.0%
Average	-1.2%	-2.1%	-4.8%	-8.0%	-4.9%	-4.6%	-4.9%	-0.7%	-3.4%	-7.4%	-3.9%	-6.6%
CRC	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25F
CRC (Food)	8.0%	-2%	-3%	-5%	4.0%	-1.0%	-1.0%	-2.0%	-3.0%	-4.0%	-5.0%	-3.5%
CRC (Hardline)	0.3%	-2%	-6%	-8%	-5.0%	-8.0%	-9.0%	-5.0%	-7.0%	-8.0%	-3.0%	-3.5%
CRC (Fashion)	31.0%	14%	6%	3%	2.0%	3.0%	-2.0%	1.0%	-4.0%	-6.0%	-3.0%	-1.5%
Average	12.0%	2%	0%	-2%	1.0%	-2.0%	-3.0%	-1.0%	-4.0%	-6.0%	-4.0%	-3.0%

Source: Respective companies, UOB Kay Hian

• Grocery retail segment (MARKET WEIGHT)

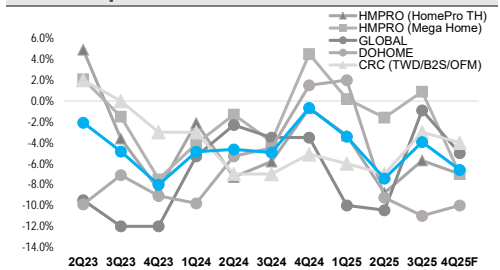
- **CPALL.** Dec 25 SSSG is estimated at -2.5% yoy, broadly in line with Nov 25. Overall 4Q25 SSSG is expected at -1.8% yoy. In 4Q25, CPALL was negatively affected by the Half-Half Plus copayment scheme, which diverted demand away from modern trade, slower tourist arrivals, and flooding in the south. We expect the ready-to-eat food mix to decline in 4Q25 due to the scheme. However, the negative impact from the scheme is expected to fade in 1Q26. Maintain BUY with a target price of Bt65.00.
- **CPAXT.** SSSG is expected to outperform its grocery peers'. The Half-Half Plus copayment scheme supports stronger SSSG in the wholesale business, while the retail business benefits from Lotus's Malaysia, supported by improved purchasing power following government stimulus measures. However, Lotus's Thailand remains under pressure from intense competition and negative sentiment related to border tension. Maintain BUY with a target price of Bt24.00.
- **BJC.** Dec 25 SSSG turned more negative, pressured by lower tourism and intense competition, which softened hypermarket performance. Post-flood demand in the south was insufficient to offset temporary store closures and border tension weighing on sentiment, leading to store closures in Ubon Ratchathani and Poipet. Categories most affected remain non-food, while the fresh food and dry food categories maintained a slightly negative momentum similar to Oct-Nov 25. Maintain BUY with a target price of Bt24.00.
- **CRC.** Dec 25 SSSG is estimated at -3.5% yoy, slowing from -2.0 to -3.0% yoy in Oct-Nov 25. Overall, 4Q25 SSSG is expected at -3.0% yoy, the least negative quarter of 2025. Segments with greater declines in Dec 25 include: a) fashion retail, which slowed as demand for black mourning apparel faded, combined with store closures from the southern floods and weaker sentiment in the northeast due to border tensions; and b) food retail Vietnam, which slowed in Dec 25 as demand was deferred to the Tet festival in 2026 (17 February), which falls earlier than in 2025 (29 January). In contrast, segments with smaller declines in Dec 25 include: a) food retail Thailand; and b) hardline retail Thailand, including both Thai Watsadu and Power Buy. Thai Watsadu benefitted the most from the southern floods compared with its home improvement retail peers. Maintain BUY with a target price of Bt23.00.

Grocery Retail SSSG



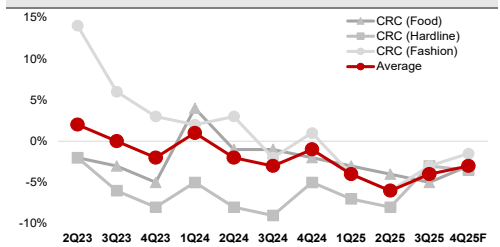
Source: Respective companies, UOB Kay Hian

Home Improvement Retail SSSG



Source: Respective companies, UOB Kay Hian

CRC SSSG



Source: CRC, UOB Kay Hian

PE Band

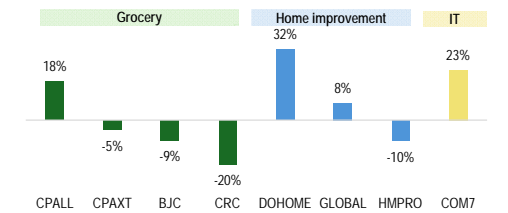
Peers	-2SD	-1SD	Mean	+1SD	+2SD
BJC	14.5	19.5	24.5	29.5	34.5
CPALL	9.4	19.4	29.4	39.4	49.4
CPAXT	12.9	24.2	35.6	46.9	58.3
CRC	13.2	19.8	26.4	33.0	39.6
DOHOME	3.2	22.2	41.3	60.3	79.4
GLOBAL	16.2	22.6	28.9	35.3	41.7
HMPRO	13.2	19.7	26.1	32.6	39
Average	11.8	21.1	30.3	39.6	48.8

Source: UOB Kay Hian

• Home improvement retail segment (OVERWEIGHT)

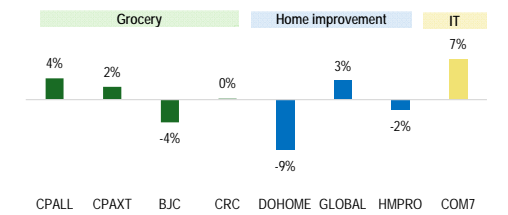
- **HMPRO.** For HomePro, Dec SSSG was -5% yoy, an improvement from Oct-Nov 25. Overall, 4Q25 SSSG stood at -7% yoy. Positive factors include: a) post-flood demand following the floods in Hat Yai. Two Hat Yai branches saw 70% sales growth in Dec 25; and b) HomePro Online growing 5% yoy driven by the promotions. For Mega Home, December SSSG was -7% yoy, pressured by the temporary closure of Mega Home stores affected by flooding and weaker traffic in the north-eastern region due to tensions along the border. Maintain HOLD. Target price: Bt6.30.
- **GLOBAL.** Dec 25 SSSG was -5%, broadly in line with the prior month, resulting in 4Q25 SSSG of around -5%. Southern-region stores improved following the easing of the southern flood situation, but were negatively impacted by the border tension. Maintain BUY with a target price of Bt9.50.
- **DOHOME.** Dec 25 SSSG declined 12.5% yoy, pressured by a 13% yoy drop in delivery-fee income and a 10% yoy decline in retail sales, bringing 4Q25 SSSG to -10% yoy. In December, sentiment was negatively affected by the border tensions, leading to lower traffic at border-area stores and the Ubon Ratchathani branch, the company's largest store. Excluding border-area stores, DOHOME's SSSG improved to around -5% yoy. Maintain BUY with a target price of Bt5.00.

3Q25 Earnings Growth



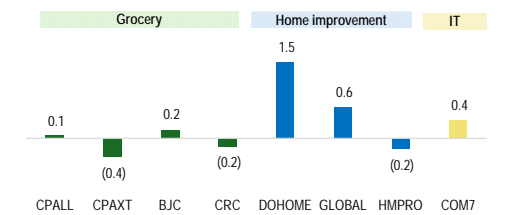
Source: Respective companies, UOB Kay Hian

3Q25 Sales Growth



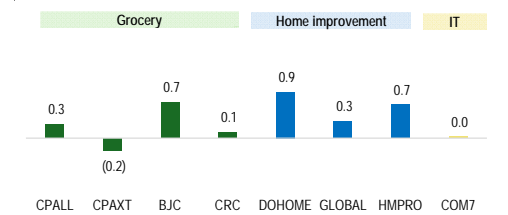
Source: Respective companies, UOB Kay Hian

3Q25 Gross Margin Expansion (ppt yoy)



Source: Respective companies, UOB Kay Hian

3Q25 SG&A-To-Sales Change (ppt yoy)



Source: Respective companies, UOB Kay Hian

Valuation/Recommendation

- **Maintain MARKET WEIGHT on the retail sector.** Valuations look attractive, with the sector trading at 15x 2026F PE, which is below -1SD to the five-year average. Hence, we maintain MARKET WEIGHT to reflect the lacklustre outlook.
- **We favour GLOBAL, CRC and CPALL.** Top pick is GLOBAL, as it has a solid SSSG momentum in 1Q26, supported by a very low base in 1Q25. We also favour CPALL and CRC. CPALL has a discounted valuation and the least downside risk to earnings forecasts, while CRC's current share price provides an attractive dividend yield of 6.4%.

Sector Catalyst/Risk

- **Catalysts:** Attractive valuation, election period.
- **Risks:** High base effect in 4Q25-1Q26, climate uncertainty, absence of tax rebate programmes in 1Q26.

Sector Price Performance In 2025



Source: Bloomberg, UOB Kay Hian

Aeon Thana Sinsap (Thailand) (AEONTS TB)

Concerns Over Potential Repeat Of Peer's Vicious Circle

Highlights

- Negative tone during the analyst meeting.
- AEONTS plans to adjust the loan mix towards higher yield products.
- Downgrade to SELL with a lower target price of Bt92.00 (from Bt110.00).

Analysis

- **Negative tone during the analyst meeting.** We came away from Aeon Thana Sinsap (Thailand)'s (AEONTS) analyst meeting on 8 Jan 26 with a negative view. We are concerned about the company's direction towards expanding hire-purchase (HP) loans, especially in motorcycles.
- **Plans to adjust the loan mix towards higher yield products.** Management reiterated that the company will prioritise asset quality rather than loan growth. However, the company did not clarify adequately which segment or products that NPL uptick in 3QFY26 came from. Moreover, the company plans to change the portfolio mix to gain more exposure to higher-margin products to enhance the yield and bottom line.
- **We are concerned about the possibility of repeating a vicious cycle.** After attending the meeting, we reiterate our concern on credit costs and the asset quality outlook. Another concern was management's guidance on the company changing the loan mix to grow the HP portfolio especially on motorcycles. We are very concerned as we have seen Srisawad Corporation (SAWAD) suffer, freeze its portfolio, and cure asset quality issues arising from these loan products. Meanwhile, Muangthai Capital (MTC) spent a long time fixing this issue before showing a good asset quality currently.
- **Set special provisioning in 3QFY26, but will be reversed.** In 3QFY26, the company set aside special provisioning or management overlay of Bt174m (vs total provision expenses of Bt1.98b) to cushion against many uncertainties, mainly from the flooding in the south. The current management overlay is Bt678m. Management guides a possibility of reversing the provision in 4QFY26 as the situation is anticipated to be better than expected.
- **Plans to sell written-off receivables in 4QFY26.** Management guided that the company plans to sell the outstanding written-off receivables of around Bt3b in 4QFY26. This sale should occur annually from now on.

Key Financials

Year to 28 Feb (Btm)	FY24	FY25	FY26F	FY27F	FY28F
Net interest income	16,605	16,125	15,720	16,091	16,575
Non-interest income	3,198	3,732	3,721	3,622	3,858
Net profit (rep./act.)	3,259	2,860	2,835	2,997	3,060
Net profit (adj.)	3,259	2,860	2,835	2,997	3,060
EPS (Bt)	13.0	11.4	11.4	12.1	12.3
PE (x)	7.9	9.0	9.0	8.5	8.3
P/B (x)	1.0	1.0	0.9	0.9	0.8
Dividend yield (%)	5.4	5.4	5.4	5.4	5.4
Net Interest Margin (%)	17.9	17.9	17.6	18.1	18.4
Cost/income (%)	42.4	44.2	42.9	43.0	43.2
Loan loss cover (%)	182.8	153.8	165.0	167.0	169.0
Consensus net profit	-	-	3,086	3,314	3,501
UOBKH/Consensus (x)	-	-	0.92	0.90	0.87

Source: AEONTS, Bloomberg, UOB Kay Hian

SELL (Downgraded)

Share Price	Bt102.50
Target Price	Bt92.00
Upside	-10.2%
Previous TP	Bt110.00

Analyst(s)

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Assistant Analyst(s)

Panjarat Thaweeriprasert

Stock Data

GICS Sector	Financials
Bloomberg ticker	AEONTS TB
Shares issued (m)	247.5
Market cap (Btm)	25,368.8
Market cap (US\$m)	810.1
3-mth avg daily t'over (US\$m)	0.9

Price Performance (%)

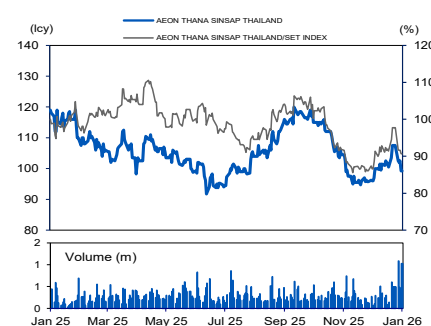
52-week high/low Bt125.00/Bt90.50

1mth	3mth	6mth	1yr	YTD
7.0	(12.4)	8.2	(16.7)	(4.7)

Major Shareholders

Major Shareholders	%
AEON Financial Service Co., Ltd. / Japan	35.12
ACS Capital Corporation Limited	19.20
AEON Holdings (Thailand) Co., Ltd	8.80

Price Chart



Source: Bloomberg

Company Description

AEONTS is a non-bank consumer finance operator that mainly provides personal loans and credit cards to customers. The company principally focuses on the middle- to lower-income groups.

- **Anticipates another share buyback programme in FY27.** Management set the long-term ROE target of around 15%. We expect the company to utilise various financial techniques to enhance ROE amid a challenging economic environment to boost the bottom line. We expect AEONTS to maintain its dividend payment but not increase it. We expect another share buyback programme in FY27.
- **3QFY26 results review.** AEONTS posted a 3QFY26 net profit of Bt618m, down 22% yoy and 22% qoq, missing consensus expectations by 14%. Excluding provisioning, the company's pre-provision operating profit rose 1% yoy but dropped 5% qoq.

3QFY26 Results (Sep-Nov 25)

Year to 28 Feb (Btm)	3QFY26	2QFY26	1QFY25	qoq chg (%)	yoy chg (%)
Total gross loans	88,008	88,279	89,771	(0.3)	(2.0)
Net interest income	3,884	3,905	3,971	(0.5)	(2.2)
Non-interest income	964	1,031	955	(6.5)	0.9
Loan loss provision	(1,981)	(1,908)	(1,802)	3.8	9.9
Non-Interest Expenses	(2,081)	(2,025)	(2,189)	2.8	(5.0)
Pre-provision operating profit	2,767	2,911	2,736	(5.0)	1.1
Net income	618	792	789	(21.9)	(21.6)
EPS (Bt)	2.49	3.17	3.15	(21.3)	(21.0)

Ratio (%)

NPL Ratio	5.5%	5.2%	5.9%
Loan loss coverage ratio (%)	165%	167%	152%
Net interest margin (NIM %)	17.6%	17.6%	17.5%
Credit cost (bp)	880	846	785
Cost to income (%)	43%	41%	44%

Source: AEONTS, UOB Kay Hian

Valuation/Recommendation

- **Downgrade from HOLD to SELL with a lower target price of Bt92.00 (from Bt110.00).** We use the Gordon Growth Model with cost of equity of 13.0% and a long-term growth rate of 2.0%. We roll over the target price to FY27. Our target price implies 0.8x FY27F P/B, which is -1.5SD to its five-year average.

Share Price Catalyst

- Stimulus package(s) to improve domestic spending and repayment.
- Recovery in asset quality.

Environment, Social, Governance (ESG) Updates

CG Report: 5

SET ESG Rating: N/A

Environmental

- **Reducing paper and plastic usage.** The company plans to convince 100% of customers to switch to e-statements in the next 3-5 years.

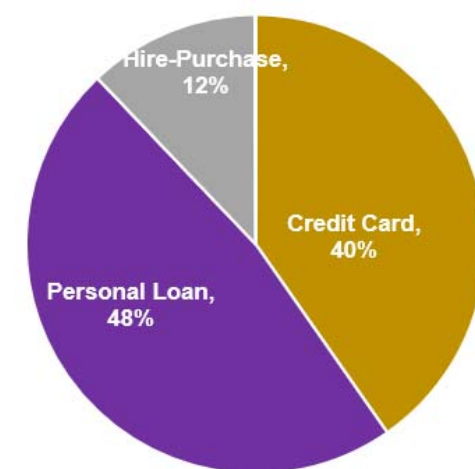
Social

- The company plans to handle complaints and disputes with a satisfaction rate of 85% within the next few years.

Governance

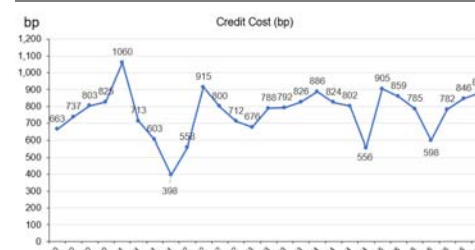
- The number of complaints regarding violations of the company's ethics and policies and incidents of corporate corruption should be less than five in the next 2-3 years.

Loan Portfolio (3QFY26)



Source: AEONTS, UOB Kay Hian

Credit Cost (bp)



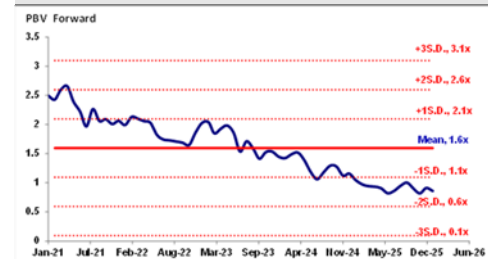
Source: AEONTS, UOB Kay Hian

PE Band



Source: AEONTS, UOB Kay Hian

P/B Band



Source: AEONTS, UOB Kay Hian

Profit & Loss

Year to 28 Feb (Btm)	FY25	FY26F	FY27F	FY28F
Interest income	18,370	17,749	17,730	18,175
Interest expense	(2,245)	(2,029)	(1,639)	(1,601)
Net interest income	16,125	15,720	16,091	16,575
Fees & commissions	829	862	818	828
Other income	2,902	2,859	2,804	3,030
Non-interest income	3,732	3,721	3,622	3,858
Total income	19,856	19,441	19,713	20,433
Staff costs	(8,585)	(8,202)	(8,325)	(8,676)
Other operating expense	(191)	(144)	(151)	(159)
Pre-provision profit	11,081	11,095	11,236	11,598
Loan loss provision	(7,233)	(7,445)	(7,344)	(7,623)
Other provisions	0	0	0	0
Associated companies	0	0	0	0
Other non-operating income	0	0	0	0
Pre-tax profit	3,848	3,650	3,893	3,975
Tax	(897)	(735)	(779)	(795)
Minorities	(90)	(80)	(117)	(120)
Net profit	2,860	2,835	2,997	3,060
Net profit (adj.)	2,860	2,835	2,997	3,060

Balance Sheet

Year to 28 Feb (Btm)	FY25	FY26F	FY27F	FY28F
Cash with central bank	3,571	3,434	3,377	3,502
Govt treasury bills & securities	0	0	0	0
Interbank loans	0	0	0	0
Customer loans	81,808	79,956	78,485	81,638
Investment securities	0	0	0	0
Derivative receivables	0	0	0	0
Associates & JVs	0	0	0	0
Fixed assets (incl. prop.)	610	656	511	466
Other assets	5,475	5,643	5,578	5,711
Total assets	91,464	89,689	87,952	91,317
Interbank deposits	0	0	0	0
Customer deposits	0	0	0	0
Derivative payables	0	0	0	0
Debt equivalents	58,844	55,393	52,201	53,743
Other liabilities	5,566	6,270	6,208	6,456
Total liabilities	64,410	61,663	58,409	60,199
Shareholders' funds	26,051	27,052	28,686	30,380
Minority interest - accumulated	636	974	857	737
Total equity & liabilities	91,097	89,689	87,952	91,317

Operating Ratio

Year to 28 Feb (Btm)	FY25	FY26F	FY27F	FY28F
Capital Adequacy				
Total assets/equity (x)	3.5	3.3	3.1	3.0
Tangible assets/tangible common equity (x)	3.6	3.4	3.1	3.1
Asset Quality				
NPL ratio	5.1	5.6	5.5	5.3
Loan loss coverage	153.8	165.0	167.0	169.0
Loan loss reserve/gross loans	8.0	8.3	8.3	8.3
Increase in NPLs	2.4	7.5	(2.5)	(0.1)
Credit cost (bp)	793	826	824	847
Liquidity				
Loan/deposit ratio	151.6	160.0	167.0	168.1
Liquid assets/short-term liabilities	6.7	6.8	7.1	7.2
Liquid assets/total assets	3.9	3.8	3.8	3.8

Key Metrics

Year to 28 Feb (Btm)	FY25	FY26F	FY27F	FY28F
Growth				
Net interest income, yoy chg	(2.9)	(2.5)	2.4	3.0
Fees & commissions, yoy chg	(4.1)	3.9	(5.1)	1.3
Pre-provision profit, yoy chg	(2.8)	0.1	1.3	3.2
Net profit, yoy chg	(12.2)	(0.9)	5.7	2.1
Net profit (adj.), yoy chg	(12.2)	(0.9)	5.7	2.1
Customer loans, yoy chg	(1.5)	(2.3)	(1.8)	4.0
Profitability				
Net interest margin	17.9	17.6	18.1	18.4
Cost/income ratio	44.2	42.9	43.0	43.2
Adjusted ROA	3.1	3.1	3.4	3.4
Reported ROE	11.3	10.7	10.8	10.7
Adjusted ROE	11.3	10.7	10.8	10.7
Valuation				
P/BV (x)	1.0	0.9	0.9	0.8
P/NTA (x)	101.5	96.7	91.0	85.8
Adjusted P/E (x)	9.0	9.0	8.5	8.3
Dividend Yield	5.4	5.4	5.4	5.4
Payout ratio	48.1	48.1	45.5	44.6

AP (Thailand) (AP TB)

Expect Earnings To Peak In 4Q25, Maintain Aggressive Strategy In 2026 Amid Challenges

Highlights

- Presales are likely to improve yoy but drop slightly qoq in 4Q25.
- 4Q25 earnings are expected to be a peak quarter in 2025.
- AP maintains aggressive approaches amid challenges in the market. Maintain BUY, with a higher target price of Bt10.10.

Analysis

- **Expect 4Q25 presales to rise yoy but drop slightly qoq.** For 4Q25, AP (Thailand)'s (AP) presales are expected to be Bt11b, improving yoy, driven by an aggressive launch pipeline of 22 new projects valued at Bt24b. However, presales are anticipated to moderate qoq. This slight decline is primarily due to the long holidays and exceptionally high base in 3Q25, which saw a 52% surge qoq, fuelled by strong presales in the high-rise segment. Despite the sequential dip, the momentum in the low-rise segment remains healthy.
- **2025 presales expected to align with prior year's level.** The company achieved approximately Bt9.8b in presales during October and November, bringing the 11M25 total to Bt42.6b. This robust performance keeps AP firmly on track to match its total presales from the previous year.
- **4Q25 earnings outlook.** While presales may see a qoq cooldown, 4Q25 net profit is likely to reach its peak for the year. This earnings strength is underpinned by the accelerated transfer of high-value backlogs, particularly from the low-rise segment and newly-completed condominium Aspire Vibha - Victory. The transfers of JV projects such as Aspire Sukhumvit-Rama 4 and Aspire Onnut Station will also underpin the share of profits. Meanwhile, residential gross margin could stand above 30%, supported by transfer mix. We preliminarily estimate a net profit at Bt1.2b, down yoy but up qoq.

Key Financials

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net turnover	38,045	36,988	36,126	36,528	36,936
EBITDA	6,668	5,774	4,894	5,376	5,715
Operating profit	6,377	5,499	4,642	5,108	5,441
Net profit (rep./act.)	6,054	5,020	4,254	4,742	5,048
Net profit (adj.)	6,043	5,014	4,254	4,742	5,048
EPS	1.9	1.6	1.4	1.5	1.6
PE (x)	4.6	5.6	6.6	5.9	5.5
P/B (x)	0.7	0.6	0.6	0.6	0.5
EV/EBITDA (x)	8.9	10.3	12.1	11.0	10.4
Dividend yield (%)	7.9	6.7	5.3	5.8	6.3
Net margin (%)	15.9	13.6	11.8	13.0	13.7
Net debt/(cash) to equity(%)	79.4	70.0	67.9	63.6	61.3
Interest cover (x)	27.0	8.5	9.2	10.5	10.9
ROE (%)	15.6	11.9	9.5	9.9	9.9
Consensus net profit	n.a	n.a	4,513.5	4,991.5	5,237.2
UOBKH/Consensus (x)	n.a	n.a	1.1	1.0	1.0

Source: AP (Thailand), Bloomberg, UOB Kay Hian

BUY (Maintained)

Share Price	Bt8.90
Target Price	Bt10.10
Upside	13.5%
Previous TP	Bt9.30

Analyst(s)

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662 090 3356

Stock Data

GICS Sector	Real Estate
Bloomberg ticker	AP TB
Shares issued (m)	3,145.9
Market cap (Btm)	27,998.5
Market cap (US\$m)	889.9
3-mth avg daily t'over (US\$m)	1.9

Price Performance (%)

52-week high/low	Bt9.25/Bt5.6			
1mth	3mth	6mth	1yr	YTD
3.5	0.0	40.2	6.0	3.5

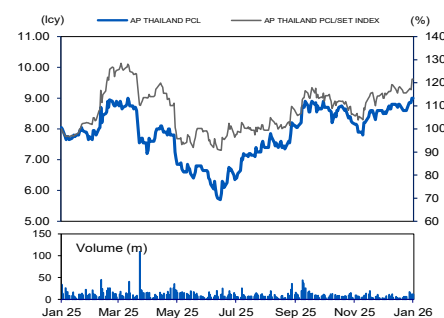
Major Shareholders

	%
MR. ANUPHONG ASSAVABHOKHIN	21.52
Thai NVDR Company Limited	6.98
NORTRUST NOMINEES LIMITED-THE NORTHERN TRUST COMPANY RE IEDU UCITS CLIENTS 10 PCT ACCOUNT	5.69

Balance Sheet Metrics

FY25 NAV/Share (Bt)	14.70
FY25 Net Debt/Share (Bt)	9.98

Price Chart



Source: Bloomberg

Company Description

AP is a residential property developer with a portfolio spanning condominiums, townhouses, and detached housing, primarily concentrated in Bangkok and surrounding areas. The company frequently engages in joint development of condominium projects.

- **Aggressive project launches in 2026.** AP is expected to maintain a proactive launch strategy in 2026, focusing on balancing portfolio expansion with prudent risk management amid ongoing residential market headwinds. The company is anticipated to announce a 2026 launch plan valued at Bt50b-60b, roughly in line with the prior year. This pipeline will be driven primarily by the low-rise segment (Bt40b-50b), with the high-rise segment contributing Bt15b-20b (three projects valued at Bt10.6b postponed from 2025 to 2026). Concurrently, AP remains committed to disciplined inventory management, aligning its finished goods with actual market demand.

Valuation/Recommendation

- **Maintain BUY with a higher target price of Bt10.10** (previously Bt9.30). The target price is based on 6.7x 2026F PE, or 0.5SD above the historical mean. This re-rating is justified by the company's superior earnings outlook and robust fundamentals compared with its peers.
- While we remain cautious regarding the residential market, we are optimistic about AP's earnings outlook. We note that AP continues to pursue a more aggressive business strategy than its peers, which should help the company maintain market share and support earnings growth. In addition, an attractive dividend yield of 5-6% (one-time payment) is expected to support its share price.

Earnings Revision/Risk

- **Risks:** a) Lower-than-expected presales, transfers and gross margins; and b) tightening bank policy.

Share Price Catalyst

- Better-than-expected presales and faster-than-expected unit transfers, b) improvement in gross margin, and c) higher-than-expected equity income.

Environment, Social, Governance (ESG) Updates

CG Report: 5
SET ESG Rating: AA

Environmental

- AP has policies and projects to achieve the national environmental mission, including climate change, pollution, resource conservation and waste management.

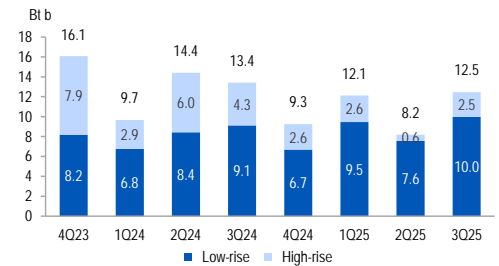
Social

- AP focuses on human resources, social activity, community development and environmentally friendly innovation. Its expertise has led it to prioritise knowledge sharing, improve society and develop environmental sustainability.

Governance

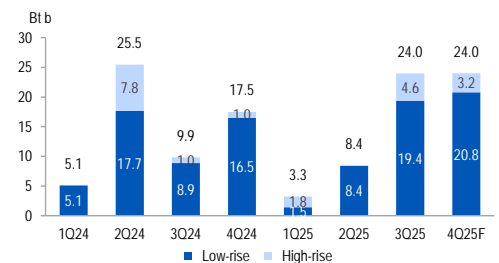
- The company has a strong corporate governance structure with a Board of Directors, an Audit Committee and sub-committees.

Quarterly Presales



Source: AP, UOB Kay Hian

Quarterly Project Launches



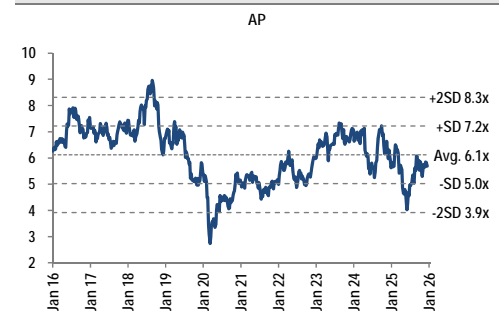
Source: AP, UOB Kay Hian

2025 New Condo Transfers

Project	Value (M฿)	Sold	Transfer
Aspire Arun Prive	500	100%	2Q25
Aspire Sukhumvit-Rama 4 (JV)	4,600	74%	2Q25
Aspire Onnut Station (JV)	3,000	77%	2Q25
Aspire Vibha-Victory	2,300	77%	4Q25

Source: AP, UOB Kay Hian

PE Band



Source: Bloomberg, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Net turnover	36,988	36,126	36,528	36,936
EBITDA	5,774	4,894	5,376	5,715
Deprec. & amort.	275	253	269	273
EBIT	5,499	4,642	5,108	5,441
Total other non-operating income	382	182	200	200
Associate contributions	972	864	907	952
Net interest income/(expense)	(681)	(533)	(513)	(522)
Pre-tax profit	6,171	5,154	5,701	6,072
Tax	(1,151)	(900)	(959)	(1,024)
Minorities	(0)	0	0	0
Net profit	5,020	4,254	4,742	5,048
Net profit (adj.)	5,014	4,254	4,742	5,048

Cash Flow

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Operating	5,051	1,185	1,798	1,147
Pre-tax profit	6,171	5,154	5,701	6,072
Tax	(1,151)	(900)	(959)	(1,024)
Deprec. & amort.	275	253	269	273
Working capital changes	25	(2,201)	(744)	(705)
Non-cash items	(356)	(1,121)	(2,470)	(3,469)
Other operating cashflows	1,059	864	907	952
Investing	(1,077)	(332)	(301)	(367)
Capex (growth)	19	(322)	(245)	(255)
Others	(948)	(11)	(64)	(120)
Financing	(148)	2	8	8
Dividend payments	(3,450)	(1,252)	(1,047)	(1,191)
Issue of shares	(2,200)	(1,683)	(1,547)	(1,691)
Proceeds from borrowings	(1,250)	431	500	500
Others/interest paid	(0)	0	0	0
Net cash inflow (outflow)	524	(399)	449	(411)
Beginning cash & cash equivalent	2,041	2,565	2,166	2,616
Ending cash & cash equivalent	2,565	2,166	2,616	2,204

Balance Sheet

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Fixed assets	581	650	627	608
Other LT assets	9,414	9,411	9,475	9,596
Cash/ST investment	2,565	2,166	2,616	2,204
Other current assets	72,333	74,606	77,890	82,135
Total assets	84,893	86,833	90,607	94,544
ST debt	11,237	11,887	12,387	11,387
Other current liabilities	7,371	6,322	6,392	6,464
LT debt	21,905	21,686	21,686	23,186
Other LT liabilities	735	723	731	739
Shareholders' equity	43,664	46,235	49,431	52,788
Minority interest	(20)	(20)	(20)	(20)
Total liabilities & equity	84,893	86,833	90,607	94,544

Key Metrics

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Profitability				
EBITDA margin	15.6	13.5	14.7	15.5
Pre-tax margin	16.7	14.3	15.6	16.4
Net margin	13.6	11.8	13.0	13.7
ROA	5.9	5.0	5.3	5.5
ROE	11.9	9.5	9.9	9.9
Growth				
Turnover				
EBITDA	(2.8)	(2.3)	1.1	1.1
Pre-tax profit	(13.4)	(15.2)	9.8	6.3
Net profit	(16.1)	(16.5)	10.6	6.5
Net profit (adj.)	(17.1)	(15.3)	11.5	6.4
EPS	(17.0)	(15.2)	11.5	6.4
Leverage	(17.0)	(15.2)	11.5	6.4
Debt to total capital				
Debt to equity				
Net debt/(cash) to equity	43.2	42.1	40.8	39.6
Interest cover	75.9	72.6	68.9	65.5

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