

Key Indices

| | Prev Close | 1D % | 1W % | 1M % | YTD % |
|------------------------|------------|-------|-------|-------|--------|
| DJIA | 48185.8 | 0.6 | 3.5 | 0.9 | 0.3 |
| S&P 500 | 6824.7 | 0.6 | 3.8 | 0.4 | (0.3) |
| FTSE 100 | 10603.5 | (0.1) | 4.2 | 3.5 | 6.8 |
| AS30 | 9168.9 | 0.0 | 5.6 | 2.7 | 1.7 |
| CSI 300 | 4566.2 | (0.6) | 0.9 | (2.3) | (1.4) |
| FSSTI | 4977.1 | (0.4) | 0.0 | 2.4 | 7.1 |
| HSCEI | 8611.8 | (0.8) | 2.5 | (1.1) | (3.4) |
| HSI | 25752.4 | (0.5) | 4.0 | 1.4 | 0.5 |
| JCI | 7307.6 | 0.4 | 1.7 | (1.8) | (15.5) |
| KLCI | 1686.2 | (0.6) | (0.7) | (0.9) | 0.4 |
| KOSPI | 5778.0 | (1.6) | 10.4 | 4.4 | 37.1 |
| Nikkei 225 | 55895.3 | (0.7) | 6.5 | 3.0 | 11.0 |
| SET | 1489.7 | 0.3 | 1.3 | 6.0 | 18.3 |
| TWSE | 34861.2 | 0.3 | 9.9 | 6.4 | 20.4 |
| BDI | 2161 | 1.0 | 8.3 | 4.6 | 15.1 |
| CPO (RM/mt) | 4578 | (4.2) | (3.4) | 9.2 | 16.4 |
| Brent Crude (US\$/bbl) | 96 | 1.2 | (5.2) | (3.1) | 57.6 |

Source: Bloomberg

Corporate Events

| | Venue | Begin | Close |
|---|-----------|--------|--------|
| Post-results Virtual Meeting with Nexteer (1316 HK) | Hong Kong | 13 Apr | 13 Apr |
| Hybrid Small & Mid-Caps Corporate Day | Singapore | 16 Apr | 16 Apr |

Corporate and Macro Calendar

| Economic Indicator/Event | Country/Region | Date |
|--|----------------|-----------|
| Mar. Manufacturing PMI | Thailand | 1 Apr |
| Mar. CPI | Thailand | 7 Apr |
| Mar. Consumer Confidence | Thailand | 7-16 Apr |
| Mar. Customs Trade Balance (Export-Import) | Thailand | 21-26 Apr |
| BoT Benchmark Interest Rate | Thailand | 29 Apr |

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Top Stories

Sector Initiate Coverage | Beverage

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The sector's 1H26 earnings are expected to drop yoy, mainly dragged by CBG. While we anticipate a potential sales recovery in 2H26, we are also monitoring international developments and domestic market share dynamics. Rising energy and raw material costs will pressure margins. In the short term, we prefer OSP for its higher gross margin buffer and lower domestic market share pressure. Initiate coverage on OSP with BUY and on CBG with HOLD. We are MARKET WEIGHT on the beverage sector.

Company Update | AP (Thailand) (AP TB/BUY/Bt8.50/Target: Bt10.80)

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We remain positive on AP's earnings outlook, continuing to favour the market leader. We believe AP is pursuing a more aggressive strategy than its peers, which should help preserve market share and support profit growth amid industry consolidation. We expect an attractive dividend yield of 5-6% (single payment) to help underpin the share price. AP will go XD on 6 May 26 for a dividend of Bt0.52/share, with payment scheduled for 21 May 26. We recommend gradually accumulating the stock on price weakness.

Company Update | CP ALL (CPALL TB/BUY/Bt47.25/Target: Bt62.00)

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We expect CPALL's 1Q26 core earnings to come in at Bt8.0b, up 6.0% yoy and 10.3% qoq to reach a new historical high. CPALL is expected to be the only grocery retailer under our coverage to deliver positive earnings growth in 1Q26. Maintain BUY with a target price of Bt62.00.

Company Update | SCG Packaging (SCGP TB/BUY/Bt20.80/Target: Bt26.00)

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We expect SCGP's 1Q26 net profit to remain flat qoq, despite the absence of significant extra gains. This stability is supported by higher selling prices and an improved gross margin. Our 1Q26 net profit estimate accounts for 23% of the full-year 2026 forecast. For 2Q26, we expect net profit to decline qoq due to the low season in Thailand, but to still grow yoy. However, Thailand's economic stimulus measures could provide upside to our projections. Maintain BUY. Target price: Bt26.00.

Beverage

Pricing Key To Market Differentiation For Highly Substitutable Products

Highlights

- The beverage sector's 1H26 earnings are expected to drop yoy, mainly dragged by CBG, although we opine this is already reflected in current valuations. While we anticipate a potential sales recovery in 2H26, we are also monitoring international developments and domestic market share dynamics.
- Rising energy and raw material costs will pressure margins. In the short term, we prefer OSP for its higher gross margin buffer and lower domestic market share pressure. Initiate coverage on OSP with BUY and on CBG with HOLD. We are MARKET WEIGHT on the beverage sector.

Analysis

- **Sector earnings likely to remain sluggish yoy in 1H26.** We expect sector earnings to fall yoy in 1H26, mainly dragged by Carabao Group (CBG) due to: a) its plummeting international sales, b) an intense domestic price war, and c) increasing energy and freight costs. Selectively, we are more positive on Osotspa's (OSP) 1H26 performance in view of its raw material cost hedging and lower exposure to global markets. However, we will monitor market share dynamics following T.C. Pharmaceutical Industries Company's (TCP) price cut in the Bt10/bottle segment. Any potential market share loss could further pressure earnings, particularly for players with weaker margin structures.
- **Eye on competition in domestic energy drink business.** The Thai energy drink market remains highly price-sensitive, as reflected in the market share losses suffered by OSP and TCP after they raised energy drink prices (from Bt10/bottle to Bt12/bottle). This prompted OSP to reintroduce Bt10 energy drinks at the beginning of 2025 and TCP to reduce its energy drink price back to Bt10 in Mar 26 in a bid to regain their market shares. We foresee more intense competition among CBG, OSP and TCP in 2026.
- In our view, OSP's domestic energy drink performance is expected to improve yoy, driven by the Bt10 relaunch in 2026 and new premium product launches. However, with the return of stiffer competition in the Bt10 segment, we see greater downside risk to CBG's portfolio, as its prior market share gains following OSP and TCP's price increase to Bt12/bottle may reverse.
- **MARKET WEIGHT with undemanding valuation.** We initiate coverage on the beverage sector with a MARKET WEIGHT recommendation. Despite elevated commodity costs and persistent external pressures, both CBG and OSP are currently trading at 12-13x PE, below their four-year average of 32-34x. In the short term, we favour OSP for its premiumisation strategy and effective cost control amid high commodity costs and stronger domestic competition, which should help mitigate margin pressure. Following the recent share price correction, we see an attractive opportunity for accumulation now. Additionally, 1H is typically the high season.
- **Initiate coverage on OSP with BUY and a target price of Bt20.00.**
- **Initiate coverage on CBG with HOLD and a target price of Bt42.00.**

Click [here](#) for Full Report dated 09 April 26

Peer Comparison

| Company | Rec | Price 8 Apr 26 (Bt) | Target Price (Bt) | Upside Downside (%) | Market Cap (US\$m) | Net Profit 2026F (Btm) | Net Profit 2026F (Btm) | PE 2026F (x) | PE 2027F (x) | Net EPS Growth 2026F (%) | P/B 2026F (x) | Yield 2026F (%) | ROE 2026F (%) |
|---------|------|---------------------------|-------------------------|---------------------------|--------------------------|------------------------------|------------------------------|--------------------|--------------------|--------------------------------|---------------------|-----------------------|---------------------|
| CBG TB | HOLD | 39.00 | 42.00 | 7.69 | 1,200 | 2,549 | 2,696 | 15.3 | 14.5 | 9.9 | 2.5 | 3.0 | 17.3 |
| OSP TB | BUY | 15.30 | 20.00 | 30.72 | 1,414 | 3,490 | 3,655 | 13.2 | 12.6 | (4.8) | 2.6 | 5.0 | 19.4 |

Source: UOB Kay Hian

MARKET WEIGHT

Analyst(s)

Tanapon Cholkadidamrongkul

tanapon.c@uobkayhian.co.th

+662 090 3359

Assistant Analyst(s)

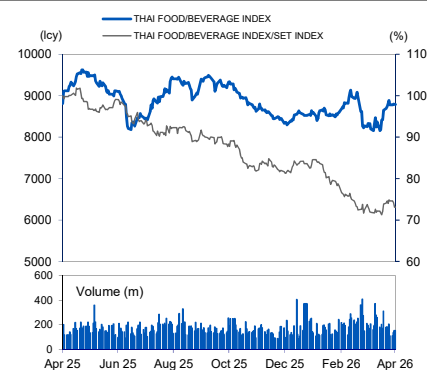
Nichapa Ratchabandit

Sector Picks

| Company | Ticker | Rec | Share Price (Bt) | Target Price (Bt) |
|---------|--------|-----|---------------------|----------------------|
| Osotspa | OSP TB | BUY | 15.30 | 20.00 |

Source: Bloomberg, UOB Kay Hian

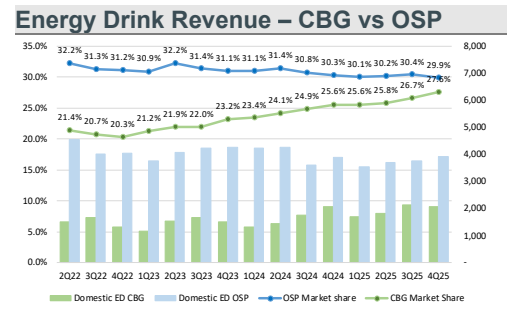
Price Chart



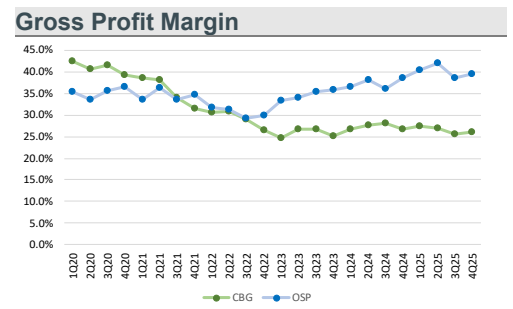
Source: Bloomberg

Investment Highlights

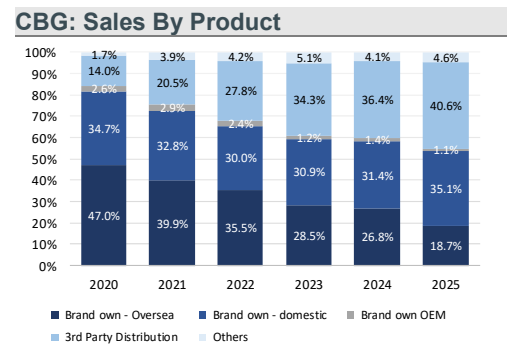
- Sector earnings likely to remain sluggish yoy in 1H26.** We project a yoy fall in 1H26 sector earnings, mainly dragged by CBG due to: a) its plummeting international sales following the Thailand-Cambodia border tensions and macroeconomic developments in Cambodia, Laos, Myanmar and Vietnam (CLMV) (eg, Cambodia sales normally account for 13-15% of CBG's total sales and 1-2% of OSP's); b) an intense domestic price war; and c) energy and raw material cost hikes. Selectively, we are positive on OSP's 1H26 performance, given its raw material cost hedging and lower exposure to global markets.
- Eye on competition in domestic energy drink business.** The Thai energy drink market remains highly price-sensitive as its core consumers are predominantly blue-collar workers, as reflected in the market share losses suffered by OSP and TCP after they raised energy drink prices (from Bt10/bottle to Bt12/bottle). This prompted OSP to reintroduce Bt10 energy drinks at the beginning of 2025 and TCP to reduce its energy drink price back to Bt10 in Mar 26 in an attempt to regain domestic market share. We foresee stiffer competition among CBG, OSP and TCP, the top three market leaders in 2026. Also, the overall energy drink market share value in 2026 is expected to grow slightly as one player's sales growth is likely to be partially offset by the weaker performance of other players.
- CBG expected to be vulnerable to market share loss in Bt10 segment.** In our view, OSP's domestic energy drink performance is expected to improve yoy, supported by the relaunch of its Bt10/bottle products in 2026 and the introduction of new products in the company's premium portfolio. However, with the return of higher competition in the Bt10 segment, we see a greater downside risk to CBG's portfolio (mainly in the Bt10 segment), as its prior market share gains following OSP and TCP's price increase to Bt12/bottle may reverse. Based on our sensitivity analysis, for every 5% decline in domestic market share, we estimate a downside impact to 2026 earnings of around 12% for CBG and 8% for OSP.
- Penetration pricing or premiumisation strategies.** The key difference between OSP and CBG lies in their strategies, with OSP focusing on the premium segment and CBG maintaining its pricing in the mass segment (flagship energy drink at Bt10/bottle). In this scenario, we are more positive on OSP, as its premium product portfolio should better support gross margin. Meanwhile, intensifying competition in the Bt10/bottle segment is likely to drive shifts in sales volume, which could limit margin expansion for CBG.
- International market expansion.** Both OSP and CBG aim to expand their presence in international markets, with their exposure currently concentrated in CLMV countries. However, uncertainties in overseas markets remain a key overhang, as reflected in CBG's earnings drag due to a weaker performance in Cambodia since 2H25, which is likely to persist in 2026. In addition, ongoing economic uncertainties and geopolitical tensions in other regions should also be closely monitored.
- Cost-efficient focus.** We expect soft commodity prices to rise in 2026. Aluminium prices and energy costs are trending higher, although declines in sugar and cullet prices should partially offset the fall. However, OSP has implemented a leaner cost structure and hedged raw material costs through 1H26, with lower exposure to natural gas and aluminium costs than CBG. Also, CBG's gross profit is likely to face greater pressure due to its reliance on its mass-market flagship products. Should the uptrend in energy and raw material costs persist, this would pose a downside risk to sector earnings.
- MARKET WEIGHT with undemanding valuation.** We initiate coverage on the Thai beverage sector with a MARKET WEIGHT recommendation. In the short term, we favour OSP for its premiumisation strategy and effective cost control amid elevated commodity costs and higher domestic competition.



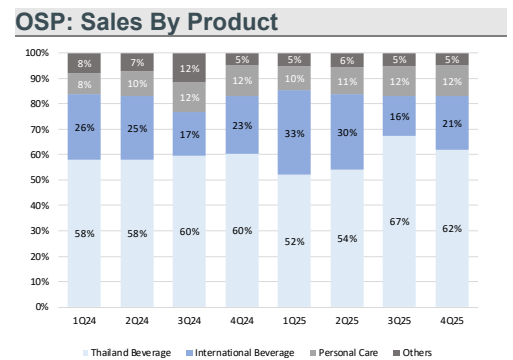
Source: CBG, OSP, UOB Kay Hian



Source: CBG, OSP, UOB Kay Hian



Source: CBG, UOB Kay Hian



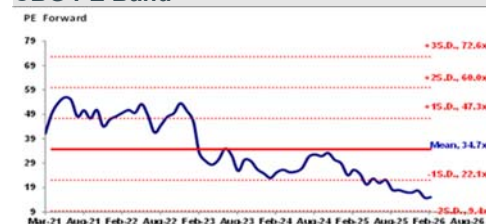
Source: OSP, UOB Kay Hian

Meanwhile, stocks are trading at 12-13x, below their four-year average of 32-34x, reflecting low earnings expectations.

Valuation And Recommendation

- Thailand's leading energy drink players CBG and OSP underperformed due to pressures on their stock prices in 2025 from CBG's international sales decline and OSP's domestic market share erosion, which could continue this year. We expect the market to remain cautious on the sector, with sector earnings likely to decline yoy in 2026, dragged by: a) ongoing domestic market share shifts, b) a slow sales recovery in Cambodia, and c) macroeconomic uncertainties. However, valuations have de-rated to 12-13x, below the historical four-year average of 32-34x. We therefore recommend a MARKET WEIGHT rating on the beverage sector.
- CBG: Initiate coverage with HOLD at a target price of Bt42.00.** We adopt the PE valuation method and peg the stock at -1.5SD to its four-year PE band of 16x to reflect the headwinds of domestic competition and international uncertainties. We remain positive on CBG over the long term, as it is supported by its international business and also the growth of Carabao Tawandang Co which has synergies with CBG. However, in the short term, we will closely monitor its domestic market share and the impact of raw material price hikes.
- OSP: Initiate coverage with BUY at a target price of Bt20.00.** Using the PE valuation method, we value OSP at -1SD to its four-year PE band, implying a multiple of 18x. The stock is trading at around -1.5SD. Although we foresee stronger competition in the Bt10/bottle energy drink segment and higher raw material costs, we believe OSP's premium product segment should help cushion pressure on gross margin. Also, dividend yield is attractive at 6%.

CBG PE Band



Source: UOB Kay Hian

OSP PE Band



Source: UOB Kay Hian

Market Share By Value Sensitivity

| Market Share by Value | Revenue | | Earnings | | Target Price | |
|-----------------------|---------|-----|----------|-----|--------------|-------|
| | CBG | OSP | CBG | OSP | CBG | OSP |
| -5% | -6% | -5% | -12% | -8% | 36.96 | 18.40 |
| -4% | -5% | -4% | -10% | -6% | 37.80 | 18.80 |
| -3% | -4% | -3% | -7% | -5% | 39.06 | 19.00 |
| -2% | -3% | -2% | -5% | -3% | 39.90 | 19.40 |
| -1% | -1% | -1% | -2% | -2% | 41.16 | 19.60 |
| 0% | 0% | 0% | 0% | 0% | 42.00 | 20.00 |
| 1% | 1% | 1% | 2% | 2% | 42.84 | 20.40 |
| 2% | 3% | 2% | 5% | 3% | 44.10 | 20.60 |
| 3% | 4% | 3% | 7% | 5% | 44.94 | 21.00 |
| 4% | 5% | 4% | 10% | 6% | 46.20 | 21.20 |
| 5% | 6% | 5% | 12% | 8% | 47.04 | 21.60 |

Source: UOB Kay Hian

- Earnings scenarios.** We conduct a scenario analysis of the impact of market share shifts on the earnings and target prices of CBG and OSP following a price reduction for energy drinks in the Bt10 segment by TCP in Mar 26, which could increase the risk of market share losses for CBG and OSP.
- Our sensitivity analysis assumes every 5% domestic market share loss would drag earnings by 12% for CBG and by 8% for OSP in our 2026 earnings forecasts. However, the current share price corrections – CBG down 20.7% ytd and OSP down 13% ytd – indicate that the downside scenario and low market expectations have been priced in.
- At the current levels, we see more attractive upside potential for OSP, and favour the stock for its stronger margin profile and better earnings resilience.

AP (Thailand) (AP TB)

1Q26 Presales Declines Slightly, Accounting For 23% Of Full-year Target Of Bt49b

Highlights

- AP reported slightly weaker 1Q26 presales, which accounted for 23% of its 2026 full-year target.
- During the quarter, AP launched three new projects worth Bt5.53b, which makes up 10% of its 2026 target.
- We maintain a positive view on AP's earnings outlook and continue to favour AP as it is a market leader. The attractive dividend yield of 5-6% (single payment) should help support the share price. AP will go XD on 6 May 26.
- We reiterate our BUY recommendation with a target price of Bt10.80

1Q26 Results Preview

| Year to 31 Dec (Btm) | 1Q25 | 4Q25 | 1Q26 | yoy % | qoq % | 2025 | 2026 | yoy % |
|----------------------|-------|--------|--------|---------|---------|--------|--------|---------|
| Sales and services | 7,699 | 10,584 | 10,350 | 34.4 | (2.2) | 37,345 | 38,600 | 3.4 |
| Operating EBIT | 1,027 | 1,537 | 1,456 | 41.8 | (5.3) | 4,930 | 5,197 | 5.4 |
| Equity income | 143 | 146 | 162 | 13.1 | 11.3 | 690 | 969 | 40.5 |
| Core profit | 816 | 1,236 | 1,255 | 53.8 | 1.5 | 4,116 | 4,630 | 12.5 |
| Net profit | 864 | 1,292 | 1,255 | 45.3 | (2.9) | 4,317 | 4,858 | 12.5 |
| Percent | 1Q25 | 4Q25 | 1Q26 | yoy ppt | qoq ppt | 2025 | 2026 | yoy ppt |
| Gross margin | 33.6 | 31.6 | 31.8 | (1.8) | 0.2 | 31.9 | 32.1 | 0.2 |
| SG&A to sales | 20.2 | 17.1 | 17.7 | (2.5) | 0.6 | 18.6 | 18.6 | (0.0) |
| EBIT margin | 13.3 | 14.5 | 14.1 | 0.7 | (0.5) | 13.2 | 13.5 | 0.3 |
| Net margin | 11.2 | 12.2 | 12.1 | 0.9 | (0.1) | 11.6 | 12.6 | 1.0 |

Source: AP (Thailand), UOB Kay Hian

Analysis

- **AP reported slightly weaker 1Q26 presales, accounting for 23% of its 2026 net presales target of Bt49b.** We have a neutral view on AP's 1Q26 presales. The reported figure came in slightly above our estimate at Bt11.2b, down 7.4% yoy due to a high-base effect. The presales can be broken down into: a) Bt8,761m from low-rise projects (-26% qoq, -7% yoy) and, b) Bt2,453m from high-rise projects (+11% qoq, -7% yoy).
- **During the quarter, AP launched three new projects worth Bt5.53b** (-77% qoq, +70% yoy), accounting for 10% of its total project launches planned for 2026. The new launches comprise: a) two low-rise projects - Pleno Future-Rangsit (project value: Bt1.23b) and Pleno Town Thammasat-Rangsit (project value: Bt700m), and b) one high-rise JV condominium project - Life Ratchada-Rama 9 (project value Bt3.6b).

Key Financials

| Year to 31 Dec (Btm) | 2024 | 2025 | 2026F | 2027F | 2028F |
|------------------------------|----------|----------|----------|----------|----------|
| Net turnover | 36,988.4 | 37,344.6 | 38,599.5 | 40,162.2 | 40,873.3 |
| EBITDA | 5,773.7 | 5,166.3 | 5,453.9 | 5,910.9 | 6,296.3 |
| Operating profit | 5,498.7 | 4,930.3 | 5,196.8 | 5,648.4 | 6,008.3 |
| Net profit (rep./act.) | 5,020.1 | 4,316.7 | 4,857.8 | 5,230.4 | 5,530.2 |
| Net profit (adj.) | 5,013.7 | 4,316.7 | 4,857.8 | 5,230.4 | 5,530.2 |
| EPS | 1.6 | 1.4 | 1.5 | 1.7 | 1.8 |
| PE (x) | 5.9 | 6.8 | 6.1 | 5.6 | 5.4 |
| P/B (x) | 0.7 | 0.6 | 0.6 | 0.6 | 0.5 |
| EV/EBITDA (x) | 8.9 | 9.7 | 9.2 | 8.5 | 8.0 |
| Dividend yield (%) | 6.4 | 5.5 | 6.1 | 6.5 | 6.9 |
| Net margin (%) | 13.6 | 11.6 | 12.6 | 13.0 | 13.5 |
| Net debt/(cash) to equity(%) | 70.0 | 64.0 | 59.8 | 56.4 | 53.0 |
| Interest cover (x) | 8.5 | 8.4 | 8.8 | 9.4 | 9.8 |
| ROE (%) | 11.9 | 9.6 | 10.2 | 10.3 | 10.2 |
| Consensus net profit | n.a | n.a | 4,823.7 | 5,152.8 | 5,634.3 |
| UOBKH/Consensus (x) | n.a | n.a | 1.0 | 1.0 | 1.0 |

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

BUY (Maintained)

| | |
|--------------|---------|
| Share Price | Bt8.50 |
| Target Price | Bt10.80 |
| Upside | 21.3% |

Analyst(s)

Kitpon Praipaisarnkit
kitpon@uobkayhian.co.th
662 090 3352

Assistant Analyst(s)

Natthida Chuaysong

Stock Data

| | |
|---------------------------------|-------------|
| GICS sector | Real Estate |
| Bloomberg ticker: | AP TB |
| Shares issued (m): | 3,145.9 |
| Market cap (Bt\$m): | 27,054.7 |
| Market cap (US\$m): | 845.3 |
| 3-mth avg daily t'over (US\$m): | 2.9 |

Price Performance (%)

| | | | | | |
|------------------|-------------|-------|------|-----|--|
| 52-week high/low | Bt9.6/Bt5.7 | | | | |
| 1mth | 3mth | 6mth | 1yr | YTD | |
| 1.2 | (4.4) | (3.4) | 19.4 | 0.0 | |

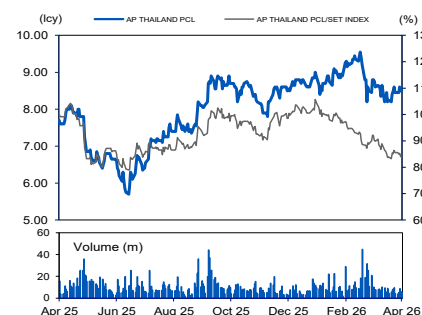
Major Shareholders

| | % |
|---|-------|
| MR. ANUPHONG ASSAVABHOKHIN | 21.52 |
| NORTRUST NOMINEES LIMITED-THE NORTHERN TRUST COMPANY RE IEDU UCITS CLIENTS 10 PCT ACCOUNT Thai NVDR Company Limited | 10.08 |
| | 8.10 |

Balance Sheet Metrics

| | % |
|--------------------------|------|
| FY26 NAV/Share (Bt) | 15.6 |
| FY26 Net Debt/Share (Bt) | 9.4 |

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.

- **Presales momentum remains solid, with backlog increasing by 31% qoq despite tight mortgage lending conditions.** AP's backlog in 1Q26 stood at Bt47,151m (+31.2% qoq), primarily driven by the low-rise segment, which accounted for 52% of the total. This marked a significant increase from Bt35,937m in 4Q25, reflecting relatively strong sales momentum and potentially supporting transfers in the upcoming quarter.
- **The Middle East war has had some impact on earnings, albeit not yet significant.** We expect ongoing unrest in the Middle East to affect construction costs, particularly diesel prices, which have risen above Bt30 per litre within a short period. However, near-term condominium construction projects have not been materially impacted, as cost provisions and price contracts have typically been secured for 3-6 months. That said, a prolonged conflict could weigh on earnings going forward.

Valuation/Recommendation

- **We reiterate our BUY recommendation with a target price of Bt10.80,** based 6.7x 2026F PE, or approximately 0.5SD above its historical average.
- We maintain a positive view on AP's earnings outlook, continuing to favour the company as it is a market leader. We believe AP is pursuing a more aggressive strategy than its peers, which should help preserve market share and support profit growth amid industry consolidation. In addition, we expect an attractive dividend yield of 5-6% (single payment) to help underpin the share price. AP will go XD on 6 May 26 for a dividend of Bt0.52/share, with payment scheduled for 21 May 26. We recommend gradually accumulating the stock on price weakness.

Earnings Revision/Risk

- **Risks:** a) Presales, property transfers, and gross margin coming in below expectations; and b) tightening of bank lending policies.

Share Price Catalyst

- a) Presales exceeding expectations and unit transfers happening faster than expected; 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.

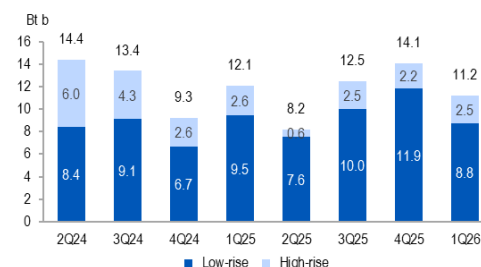
Social

- 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

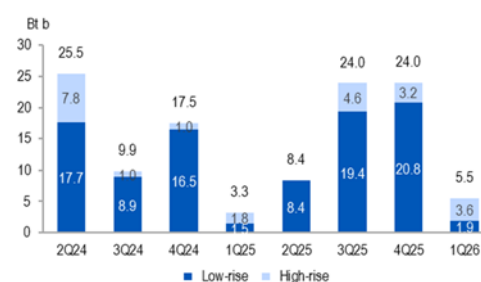
- The company has a strong corporate governance structure with a Board of Directors, an Audit Committee and sub-committees.

Quarterly Presales



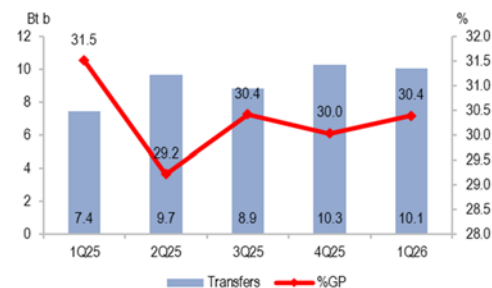
Source: AP, UOB Kay Hian

Quarterly Project Launches



Source: AP, UOB Kay Hian

Transfers and Gross Margin



Source: AP, UOB Kay Hian

PE Band



Source: Bloomberg, UOB Kay Hian

Profit & Loss

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|----------------------------------|---------------|---------------|---------------|---------------|
| Net turnover | 37,345 | 38,600 | 40,162 | 40,873 |
| EBITDA | 5,166 | 5,454 | 5,911 | 6,296 |
| Deprec. & amort. | 236 | 257 | 262 | 288 |
| EBIT | 4,930 | 5,197 | 5,648 | 6,008 |
| Total other non-operating income | 251 | 285 | 285 | 285 |
| Associate contributions | 690 | 969 | 988 | 1,008 |
| Net interest income/(expense) | (613) | (621) | (631) | (641) |
| Pre-tax profit | 5,258 | 5,830 | 6,291 | 6,661 |
| Tax | (942) | (972) | (1,061) | (1,131) |
| Minorities | 1 | 0 | 0 | 0 |
| Net profit | 4,317 | 4,858 | 5,230 | 5,530 |
| Net profit (adj.) | 4,317 | 4,858 | 5,230 | 5,530 |

Cash Flow

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|----------------------------------|----------------|----------------|----------------|----------------|
| Operating | 2,583 | 2,232 | 1,999 | 2,187 |
| Pre-tax profit | 5,258 | 5,830 | 6,291 | 6,661 |
| Tax | (942) | (972) | (1,061) | (1,131) |
| Deprec. & amort. | 236 | 257 | 262 | 288 |
| Working capital changes | (1,781) | (714) | (634) | (695) |
| Non-cash items | (188) | (2,169) | (2,859) | (2,936) |
| Other operating cashflows | 0 | 0 | 0 | 0 |
| Investing | 384 | (461) | (369) | (286) |
| Capex (growth) | (146) | (360) | (255) | (265) |
| Investments | 545 | (116) | (145) | (35) |
| Others | (15) | 15 | 31 | 14 |
| Financing | (3,676) | (1,276) | (1,366) | (1,491) |
| Dividend payments | (1,888) | (1,717) | (1,866) | (1,991) |
| Issue of shares | 0 | 0 | 0 | 0 |
| Proceeds from borrowings | (1,793) | 441 | 500 | 500 |
| Others/interest paid | 5 | 0 | 0 | 0 |
| Net cash inflow (outflow) | (709) | 495 | 264 | 410 |
| Beginning cash & cash equivalent | 2,565 | 1,856 | 2,351 | 2,615 |
| Ending cash & cash equivalent | 1,856 | 2,351 | 2,615 | 3,025 |

Balance Sheet

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|---------------------------------------|---------------|---------------|---------------|---------------|
| Fixed assets | 491 | 594 | 587 | 564 |
| Other LT assets | 8,906 | 9,022 | 9,167 | 9,202 |
| Cash/ST investment | 1,856 | 2,351 | 2,615 | 3,025 |
| Other current assets | 74,408 | 77,147 | 80,938 | 84,704 |
| Total assets | 85,661 | 89,114 | 93,307 | 97,495 |
| ST debt | 9,744 | 10,244 | 9,244 | 9,244 |
| Other current liabilities | 7,478 | 7,334 | 7,631 | 7,766 |
| LT debt | 21,604 | 21,545 | 23,045 | 23,545 |
| Other LT liabilities | 757 | 772 | 803 | 817 |
| Shareholders' equity | 46,094 | 49,235 | 52,599 | 56,138 |
| Minority interest | (16) | (16) | (16) | (16) |
| Total liabilities & equity | 85,661 | 89,114 | 93,307 | 97,495 |

Key Metrics

| Year to 31 Dec (%) | 2025 | 2026F | 2027F | 2028F |
|---------------------------|--------|-------|-------|-------|
| Profitability | | | | |
| EBITDA margin | 13.8 | 14.1 | 14.7 | 15.4 |
| Pre-tax margin | 14.1 | 15.1 | 15.7 | 16.3 |
| Net margin | 11.6 | 12.6 | 13.0 | 13.5 |
| ROA | 5.1 | 5.6 | 5.7 | 5.8 |
| ROE | 9.6 | 10.2 | 10.3 | 10.2 |
| Growth | | | | |
| Turnover | 1.0 | 3.4 | 4.0 | 1.8 |
| EBITDA | (10.5) | 5.6 | 8.4 | 6.5 |
| Pre-tax profit | (14.8) | 10.9 | 7.9 | 5.9 |
| Net profit | (14.0) | 12.5 | 7.7 | 5.7 |
| Net profit (adj.) | (13.9) | 12.5 | 7.7 | 5.7 |
| EPS | (13.9) | 12.5 | 7.7 | 5.7 |
| Leverage | | | | |
| Debt to total capital | 68.0 | 64.6 | 61.4 | 58.4 |
| Debt to equity | 68.0 | 64.6 | 61.4 | 58.4 |
| Net debt/(cash) to equity | 64.0 | 59.8 | 56.4 | 53.0 |
| Interest cover | 8.4 | 8.8 | 9.4 | 9.8 |

CP ALL (CPALL TB)

Reaching A New Historical High

Highlights

- We expect CPALL's 1Q26 core earnings to come in at Bt8.0b, increasing 6.0% yoy and 10.3% qoq to reach a new historical high.
- CPALL is expected to be the only grocery retailer under our coverage to deliver positive earnings growth in 1Q26.
- Maintain BUY with a target price of Bt62.00.

1Q26 Earnings Forecasts

| Year to 31 Dec (Btm) | 1Q25 | 4Q25 | 1Q26F | yoy (%) | qoq (%) | 2025 | 2026 | yoy (%) |
|----------------------|---------|---------|---------|---------|---------|---------|-----------|---------|
| Sales and services | 245,798 | 253,400 | 254,893 | 3.7 | 0.6 | 990,663 | 1,001,475 | 1.1 |
| Gross profit | 56,113 | 57,068 | 58,190 | 3.7 | 2.0 | 225,117 | 228,575 | 1.5 |
| SG&A | 48,951 | 52,208 | 51,399 | 5.0 | (1.5) | 203,279 | 205,746 | 1.2 |
| EBIT | 14,054 | 13,536 | 14,437 | 2.7 | 6.7 | 52,764 | 55,301 | 4.8 |
| Core profit | 7,560 | 7,265 | 8,014 | 6.0 | 10.3 | 27,712 | 29,600 | 6.8 |
| Net profit | 7,585 | 7,256 | 8,014 | 5.6 | 10.4 | 28,206 | 30,180 | 7.0 |
| Percent | 1Q25 | 4Q25 | 1Q26F | (ppts) | (ppts) | 2025 | 2026 | (ppts) |
| Gross margin | 22.8 | 22.5 | 22.8 | 0.00 | 0.31 | 22.7 | 22.8 | 0.1 |
| SG&A to sales | 19.9 | 20.6 | 20.2 | 0.25 | (0.44) | 20.5 | 20.5 | 0.0 |
| Net profit margin | 3.1 | 2.9 | 3.1 | 0.06 | 0.28 | 2.8 | 3.0 | 0.2 |

Source: CP ALL, UOB Kay Hian

Analysis

- **Earnings to outpace peers'. We expect CP ALL's (CPALL) 1Q26 core earnings to come in at Bt8.0b, increasing 6.0% yoy and 10.3% qoq to reach a new historical high. The key driver is the convenience store (CVS) segment, with earnings expected to grow 11% yoy. Meanwhile, CP Aextra (CPAXT) remains a drag, with earnings projected to decline 7% qoq. Sales are projected at Bt254b, up 3.7% yoy and reaching an all-time high, driven by slightly positive SSSG and contributions from new store openings. Gross margin in 1Q26 is expected to remain flat yoy at 22.8%, as an improvement in CVS margin is offset by a decline in CPAXT margin. SG&A-to-sales is expected to decline by 25bp yoy, despite higher advertising expenses. Overall, CPALL is expected to be the only grocery retailer under our coverage to deliver positive earnings growth in 1Q26.**

Key Financials

| Year to 31 Dec (Btm) | 2024 | 2025 | 2026F | 2027F | 2028F |
|------------------------------|-----------|-------------|-------------|-------------|-------------|
| Net turnover | 987,143.0 | 1,021,588.0 | 1,033,946.7 | 1,064,133.6 | 1,111,499.9 |
| EBITDA | 87,269.0 | 90,540.2 | 93,446.9 | 96,861.4 | 100,698.8 |
| Operating profit | 50,064.2 | 52,763.7 | 55,300.5 | 56,369.4 | 57,834.8 |
| Net profit (rep./act.) | 25,345.8 | 28,206.1 | 30,180.4 | 30,948.1 | 32,059.6 |
| Net profit (adj.) | 24,613.6 | 27,711.8 | 29,600.3 | 30,362.2 | 31,467.8 |
| EPS | 2.7 | 3.1 | 3.3 | 3.4 | 3.6 |
| PE (x) | 16.0 | 14.2 | 13.3 | 12.9 | 12.8 |
| P/B (x) | 3.1 | 2.8 | 2.5 | 2.3 | 2.2 |
| EV/EBITDA (x) | 11.0 | 10.8 | 10.2 | 9.9 | 9.8 |
| Dividend yield (%) | 3.1 | 3.8 | 4.1 | 4.2 | 4.3 |
| Net margin (%) | 2.6 | 2.8 | 2.9 | 2.9 | 2.9 |
| Net debt/(cash) to equity(%) | 291.6 | 281.4 | 237.0 | 215.5 | 193.3 |
| Interest cover (x) | 5.9 | 6.3 | 6.7 | 6.9 | 7.2 |
| ROE (%) | 21.3 | 21.3 | 20.4 | 17.2 | 17.0 |
| Consensus net profit | n.a | n.a | 31,012.0 | 33,708.0 | 36,763.8 |
| UOBKH/Consensus (x) | n.a | n.a | 1.0 | 0.9 | 4.3 |

Source: CP ALL, Bloomberg, UOB Kay Hian

BUY (Maintained)

| | |
|--------------|---------|
| Share Price | Bt47.25 |
| Target Price | Bt62.00 |
| Upside | 31.22% |

Analyst(s)

Tanapon Cholkadidamrongkul

tanapon.c@uobkayhian.co.th

662 0903359

Stock Data

| | |
|---------------------------------|------------------|
| GICS sector | Consumer Staples |
| Bloomberg ticker: | CPALL TB |
| Shares issued (m): | 8,911.5 |
| Market cap (Bt\$m): | 409,929.2 |
| Market cap (US\$m): | 12,650.6 |
| 3-mth avg daily t'over (US\$m): | 58.9 |

Price Performance (%)

52-week high/low **Bt54.5/Bt41.0**

| 1mth | 3mth | 6mth | 1yr | YTD |
|--------|------|-------|-------|-----|
| (12.0) | 5.8 | (5.6) | (8.9) | 5.8 |

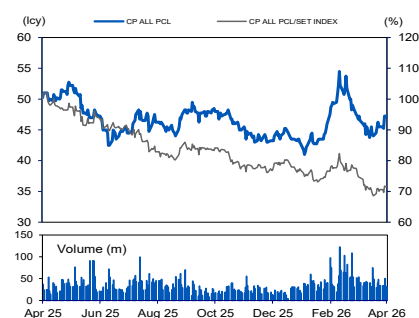
Major Shareholders

| | % |
|---------------------------|-------|
| CPF | 30.78 |
| NVDR | 13.20 |
| SOUTH EAST EUROPE LIMITED | 3.13 |

Balance Sheet Metrics

| | % |
|--------------------------|------|
| FY26 NAV/Share (Bt) | 17.5 |
| FY26 Net Debt/Share (Bt) | 41.6 |

Price Chart



Source: Bloomberg

Company Description

Operator of Thai 7-Eleven stores, controlling more than 50% share of convenience store market in Thailand.

Essential

- CVS segment outperforms.** We expect CVS earnings to increase 10.9% yoy, driven by 1.5% SSSG growth, new store expansion, and margin expansion. Sales of ready-to-eat (RTE) food and beverages outperformed, while the hot weather also boosted foot traffic and spending per ticket. CVS gross margin in 1Q26 is expected to increase by 15bp yoy, supported by a favourable sales mix (higher RTE contribution). However, SG&A-to-sales is expected to increase by 25bp yoy due to higher advertising expenses. Overall, earnings momentum for the CVS segment remains strong.
- Retail segment remains a drag.** We expect CP Axta (CPAXT) to report 1Q26 earnings of Bt2.5b, down 6.6% yoy and 3.7% qoq. Performance was driven by the wholesale segment, while the retail segment declined at a slower pace. Sales are expected to grow 3.7% yoy, mainly supported by the addition of new stores. Gross margin is projected to contract by 30bp yoy due to higher contribution from lower-margin dry food sales. SG&A is also expected to increase, in line with higher O2O sales.

Valuation/Recommendation

- Maintain BUY with a target price of Bt62.00.** Our target price is based on 18x 2026F PE, or -1SD to its five-year average. The stock is trading at an undemanding 14x PE, below sector peers, while the 2025 annual dividend will go ex-dividend on 30 April, providing a dividend yield of 3.49%. Hence, we maintain our BUY recommendation.

Earnings Revision/Risk

- No earnings revision.** CPALL's reported 1Q26 earnings should account for 27% of our 2026 full-year forecast.

Share Price Catalyst

- Catalysts:** Higher contribution from high-margin products, attractive valuation, earnings announcement on 13 May 26.
- Risks:** Intense competition, weak purchasing power.

Environment, Social, Governance (ESG) Updates

CG Report: 5

SET ESG Rating: AAA

Environment

- 7 Go Green.** CPALL plans to achieve carbon neutrality by 2030 and to achieve net zero greenhouse gas emissions by 2050.
- CPALL is keen to improve sustainable developments such as green packaging management and food waste management.

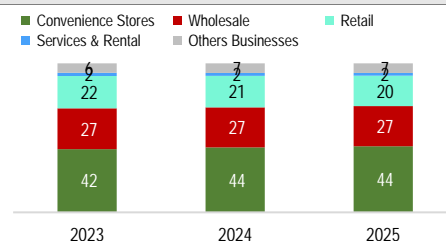
Social

- 7 Go Together.** CPALL supports social development through various initiatives, such as supporting SMEs and increasing the number of new health and nutrition products and services.

Governance

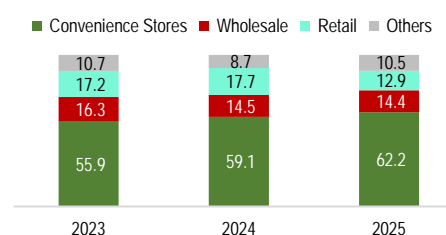
- 7 Go Right.** CPALL was certified for renewed membership in Thailand's Private Sector Collective Action Coalition Against Corruption for 2023-26.

Sales Contribution Before Elimination



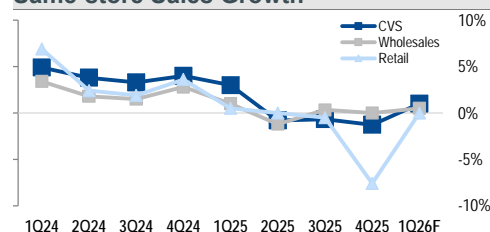
Source: CPALL, UOB Kay Hian

EBIT Contribution Before Elimination



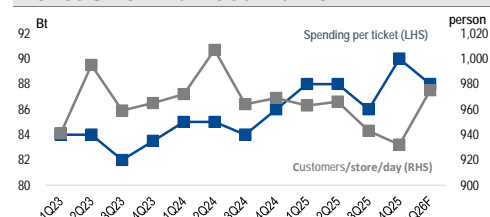
Source: CPALL, UOB Kay Hian

Same-store Sales Growth



Source: CPALL, UOB Kay Hian

Ticket Size And Foot Traffic



Source: CPALL, UOB Kay Hian

Peers' PE Band

| Peers | -2SD | -1SD | Mean | +1SD | +2SD |
|---------|------|------|------|------|------|
| BJC | 14.8 | 19.5 | 24.3 | 29.1 | 33.9 |
| CPALL | 7.5 | 17.3 | 27.2 | 37.1 | 47.0 |
| CPAXT | 12.1 | 23.6 | 35.1 | 46.6 | 58.1 |
| CRC | 10.3 | 16.5 | 22.8 | 29.1 | 35.3 |
| DOHOME | -1.5 | 18.7 | 39.0 | 59.2 | 79.4 |
| GLOBAL | 14.6 | 21.8 | 29.0 | 36.1 | 43.3 |
| HMPRO | 11.9 | 18.4 | 24.9 | 31.4 | 37.9 |
| Average | 9.9 | 19.4 | 28.9 | 38.4 | 47.9 |

Source: UOB Kay Hian

Profit & Loss

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|----------------------------------|-----------|-----------|-----------|-----------|
| Net turnover | 1,021,588 | 1,033,947 | 1,064,134 | 1,111,500 |
| EBITDA | 90,540 | 93,447 | 96,861 | 100,698 |
| Deprec. & amort. | 37,777 | 38,146 | 40,492 | 42,864 |
| EBIT | 52,764 | 55,301 | 56,369 | 57,834 |
| Total other non-operating income | 9 | 0 | 0 | 0 |
| Associate contributions | 580 | 580 | 586 | 592 |
| Net interest income/(expense) | (14,347) | (14,022) | (13,980) | (13,937) |
| Pre-tax profit | 38,919 | 41,859 | 42,976 | 44,489 |
| Tax | (7,045) | (7,637) | (7,842) | (8,121) |
| Minorities | (3,669) | (4,042) | (4,185) | (4,309) |
| Net profit | 28,206 | 30,180 | 30,948 | 32,060 |
| Net profit (adj.) | 27,712 | 29,600 | 30,362 | 31,468 |

Cash Flow

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|----------------------------------|----------|----------|----------|----------|
| Operating | 74,255 | 84,299 | 74,547 | 81,758 |
| Pre-tax profit | 38,919 | 41,859 | 42,976 | 44,489 |
| Tax | (7,045) | (7,637) | (7,842) | (8,121) |
| Deprec. & amort. | 37,777 | 38,146 | 40,492 | 42,864 |
| Working capital changes | (8,655) | 12,027 | (1,371) | 2,312 |
| Non-cash items | 89 | (97) | 293 | 214 |
| Other operating cashflows | 13,170 | 0 | 0 | 0 |
| Investing | (37,017) | (27,087) | (33,842) | (34,329) |
| Capex (growth) | (59,493) | (50,838) | (51,699) | (52,770) |
| Investments | 111 | (232) | (234) | (237) |
| Others | 22,366 | 23,984 | 18,092 | 18,678 |
| Financing | (38,370) | (42,522) | (39,662) | (40,070) |
| Dividend payments | (12,128) | (18,876) | (16,016) | (16,423) |
| Issue of shares | 0 | 0 | 0 | 0 |
| Proceeds from borrowings | 17,751 | (700) | (700) | (700) |
| Others/interest paid | (43,993) | (22,947) | (22,947) | (22,947) |
| Net cash inflow (outflow) | (1,131) | 14,690 | 1,043 | 7,359 |
| Beginning cash & cash equivalent | 54,628 | 53,561 | 68,251 | 69,294 |
| Ending cash & cash equivalent | 53,497 | 68,251 | 69,294 | 76,653 |

Balance Sheet

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|---------------------------------------|---------|-----------|-----------|-----------|
| Fixed assets | 803,684 | 816,376 | 827,584 | 837,490 |
| Other LT assets | 26,572 | 26,889 | 32,514 | 38,745 |
| Cash/ST investment | 53,561 | 68,251 | 69,294 | 76,653 |
| Other current assets | 98,997 | 90,603 | 95,032 | 101,553 |
| Total assets | 982,814 | 1,002,119 | 1,024,424 | 1,054,441 |
| ST debt | 75,885 | 75,885 | 75,885 | 75,885 |
| Other current liabilities | 174,694 | 178,231 | 181,582 | 190,628 |
| LT debt | 366,454 | 365,754 | 365,054 | 364,354 |
| Other LT liabilities | 34,236 | 35,358 | 35,893 | 37,619 |
| Shareholders' equity | 138,141 | 157,553 | 172,486 | 188,122 |
| Minority interest | 193,403 | 189,338 | 193,523 | 197,832 |
| Total liabilities & equity | 982,814 | 1,002,119 | 1,024,424 | 1,054,441 |

Key Metrics

| Year to 31 Dec (%) | 2025 | 2026F | 2027F | 2028F |
|---------------------------|-------|-------|-------|-------|
| Profitability | | | | |
| EBITDA margin | 8.9 | 9.0 | 9.1 | 9.1 |
| Pre-tax margin | 3.8 | 4.0 | 4.0 | 4.0 |
| Net margin | 2.8 | 2.9 | 2.9 | 2.9 |
| ROE | 21.3 | 20.4 | 17.2 | 17.0 |
| Growth | | | | |
| Net profit (adj.) | 12.6 | 6.8 | 2.6 | 3.6 |
| Leverage | | | | |
| Debt to total capital | 133.4 | 127.3 | 120.5 | 114.1 |
| Debt to equity | 320.2 | 280.3 | 255.6 | 234.0 |
| Net debt/(cash) to equity | 281.4 | 237.0 | 215.5 | 193.3 |
| Interest cover | 6.3 | 6.7 | 6.9 | 7.2 |

SCG Packaging (SCGP TB)

1Q26 Earnings To Be Resilient – Net Profit Expected To Hold qoq Despite Absence Of Extra Gains

Highlights

- We expect SCGP's 1Q26 net profit to remain flat qoq, despite the lack of significant extra gains. Our 1Q26 estimate represents 23% of the full-year 2026 forecast.
- For 2Q26, we anticipate net profit to decline qoq due to the low season in Thailand, but still increase yoy. However, Thailand's economic stimulus measures could provide upside to our projections.
- We maintain our 2026 net profit forecast. Maintain BUY. Target price: Bt26.00.

1Q26 Results Preview

| Year to 31 Dec (Btm) | 1Q25 | 4Q25 | 1Q26F | %Chg yoy | %Chg qoq | 2024 | 2025 | %Chg yoy |
|----------------------------|--------|--------|--------|-------------|-------------|---------|---------|----------|
| Revenue | 32,209 | 30,170 | 29,703 | -8% | -2% | 124,374 | 131,334 | 6% |
| EBITDA | 4,133 | 3,092 | 3,856 | -7% | 25% | 17,210 | 18,020 | 5% |
| Interest expenses | 645 | 504 | 462 | -28% | -8% | 2,347 | 2,018 | -14% |
| Core Profit | 916 | 821 | 1,206 | 32% | 47% | 3,728 | 5,243 | 41% |
| Net Income | 900 | 1,207 | 1,206 | 34% | 0% | 4,069 | 5,243 | 29% |
| EPS | 0.21 | 0.28 | 0.28 | 34% | 0% | 0.95 | 1.22 | 29% |
| Financial ratio (%) | | | | | | | | |
| Gross Profit Margin | 13.8% | 18.0% | 17.4% | | | 17.9% | 16.3% | |
| EBITDA Margin | 9.0% | 13.0% | 10.2% | | | 13.8% | 13.7% | |
| Net profit margin | -0.2% | 3.1% | 4.0% | | | 3.3% | 4.0% | |

Source: SCGP, UOB Kay Hian

Analysis

- 1Q26 earnings to be stable qoq.** We expect SCG Packaging's (SCGP) 1Q26 net profit to come in at Bt1.21b, flat qoq but up 34% yoy, despite the absence of significant extra gains. The strong performance is driven by: a) higher selling prices, particularly in Indonesia, supported by import restrictions on recycle paper (RCP) implemented since late 2026; and b) lower overall production costs, especially declining RCP costs (which account for ~35% of total cost) over the past two quarters, notably in Indonesia. This has been sufficient to offset higher energy costs in line with rising coal prices (energy cost accounts for ~15% of total costs, with coal representing ~50% of energy costs), as well as a 3% qoq decline in total sales. While sales in Thailand (45% of total) remained strong due to pre-Songkran demand, this was partly offset by weaker sales in Vietnam and Indonesia due to long holidays (Tet and Hari Raya). As a result, gross margin improved to 17.4% in 1Q26 (vs 13.8% in 1Q25 and 16.5% in 4Q25).

Key Financials

| Year to 31 Dec (Btm) | 2024 | 2025 | 2026F | 2027F | 2028F |
|---------------------------|---------|---------|---------|---------|---------|
| Net turnover | 132,784 | 124,374 | 131,334 | 144,824 | 158,888 |
| EBITDA | 16,338 | 17,210 | 18,020 | 18,917 | 19,929 |
| Operating profit | 7,079 | 7,901 | 9,650 | 10,140 | 11,323 |
| Net profit (rep./act.) | 3,699 | 4,069 | 5,243 | 5,529 | 6,380 |
| Net profit (adj.) | 3,910 | 3,728 | 5,243 | 5,529 | 6,380 |
| EPS | 0.91 | 0.87 | 1.22 | 1.29 | 1.49 |
| PE | 22.84 | 23.95 | 17.03 | 16.15 | 14.00 |
| P/B | 1.40 | 1.37 | 1.31 | 1.26 | 1.20 |
| EV/EBITDA | 6.77 | 6.50 | 5.58 | 5.27 | 4.90 |
| Dividend yield | 2.64 | 2.88 | 3.13 | 3.13 | 3.61 |
| Net margin | 2.79 | 3.27 | 3.99 | 3.82 | 4.02 |
| Net debt/(cash) to equity | 33.47 | 34.61 | 16.46 | 14.60 | 11.32 |
| Interest cover | 6.73 | 7.33 | 8.93 | 9.24 | 9.66 |
| Consensus net profit | n.a. | n.a. | 4,704 | 5,170 | 5,697 |
| UOBKH/Consensus (x) | n.a. | n.a. | 1.11 | 1.07 | 1.12 |

Source: Bloomberg, SCGP, UOB Kay Hian

BUY (Maintained)

| | |
|--------------|---------|
| Share Price | Bt20.80 |
| Target Price | Bt26.00 |
| Upside | 25.00% |

Analyst(s)

Benjaphol Suthwanish
benjaphol@uobkayhian.co.th
662 0903361

Stock Data

| | |
|--------------------------------|-------------------------|
| GICS Sector | Industrials / Packaging |
| Bloomberg ticker | n.a |
| Shares issued (m) | 4,292.9 |
| Market cap (Btm) | 80,277.6 |
| Market cap (US\$m) | 2,479.2 |
| 3-mth avg daily t'over (US\$m) | 8.9 |

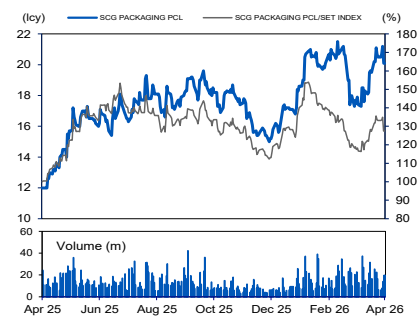
Price Performance (%)

| | | | | | |
|------------------|-------------------|------|--------|-------|--|
| 52-week high/low | CurrBt10.70/21.90 | | | | |
| 1mth | 3mth | 6mth | 1yr | YTD | |
| 6.2 | 7.5 | 46.1 | (38.2) | (4.6) | |

Major Shareholders

| | % |
|----------------------------|--------|
| SCC | 72.12% |
| Tunladawan Company Limited | 1.92% |
| Social Security Office | 1.81% |

Price Chart



Source: Bloomberg

Company Description

SCGP is a holding company and an integrated packaging solutions provider which is organised into three main businesses: integrated packaging, fibrous, and recycling.

- Fajar continued to improve in 1Q26.** We expect Fajar's losses in 1Q26 to narrow both qoq and yoy, supported by higher selling prices and volumes, along with lower RCP costs. This is partly driven by China's stricter RCP import controls since Oct 25 over concerns about heavy metal contamination, which has led to a decline in RCP prices. Meanwhile, China has shifted toward higher containerboard imports, driving a significant increase in testliner prices. We believe these trends will benefit both Fajar and SCGP going forward.
- Fajar turnaround on track.** SCGP targets Fajar to break even by 2026, which we see as achievable. In 2026, Fajar should benefit from: a) higher sales from post-PT Multi Prima Packaging (MYPAK) synergies and exports to new markets like India, b) cost and financial restructuring in Indonesia starting to show clear results from 1Q26, c) a recovery in selling prices, with the trough likely in Oct 25, and d) gas contract revisions delivering cost savings of about Bt35m per month. This should support a bottom line breakeven by mid-2Q26.
- 2Q26 outlook.** We expect 2Q26 net profit to decline qoq but increase yoy. The qoq decline will be mainly due to the long holidays during the Songkran festival. However, we anticipate additional economic stimulus measures from the government following the completion of the new administration, particularly the "Half-Half Plus" (Phase 2, 2026). Registration is expected to open in late-Apr 26, with spending to begin in May 26. This could provide upside to our 2Q26 and full-year 2026 net profit forecasts.
- 2026 earnings outlook.** Our 1Q26 net profit forecast accounts for 23% of our full-year 2026 estimate, which we expect to grow by 29% yoy. The key drivers include: a) stronger regional demand and expansion into new markets such as India, b) increased sales contributions from 2025 investments, particularly MYPAK in Indonesia and a higher stake in Duy Tan Plastics Manufacturing Corporation (Duy Tan) in Vietnam, c) lower RCP costs, especially in 1H26, d) annual interest savings of Bt180m following Fajar's debt restructuring in mid-Jul 25, and e) a turnaround at Fajar, with losses expected to narrow to Bt550m from Bt2.26b in 2025.
- Sensitivity analysis.** Every Bt1 appreciation against the US dollar is expected to reduce annual net profit by approximately Bt180m.

Valuation/Recommendation

- Maintain BUY with a 2026 target price of Bt26.00**, based on regional forward PE at -1SD of 23.1x.

Earnings Revision/Risk

- None.**

Environment, Social, Governance (ESG) Updates

Environmental

- SCGP focuses on developing eco-friendly packaging solutions to minimise environmental impact.** This includes using recyclable materials and reducing packaging waste.

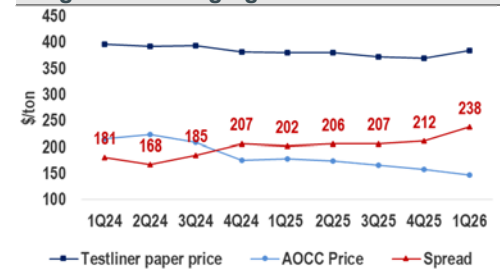
Social

- Employee welfare.** SCGP invests in staff wellbeing and development of its employees through training programmes, safety initiatives, and fostering of a positive workplace culture.

Governance

- Board oversight.** The Board of Directors provides governance oversight, with committees focusing on audit, risk management and sustainability.

Integrated Packaging Business



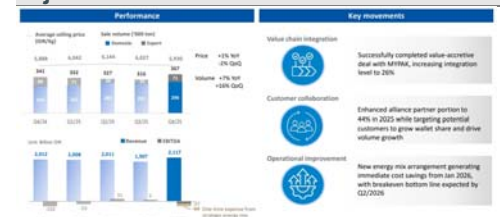
Source: SCGP, UOB Kay Hian

Fibrous Business



Source: SCGP, UOB Kay Hian

Fajar Performance



Source: SCGP, UOB Kay Hian

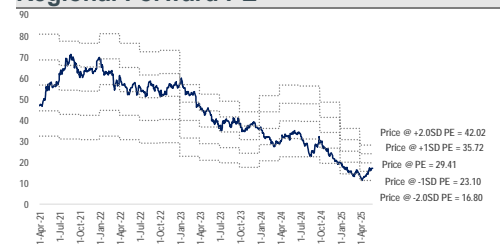
2026 Targets

A performance-driven plan to accelerate growth and profitability with strategic expansion, portfolio diversification, operational excellence and ESG-aligned transformation



Source: SCGP, UOB Kay Hian

Regional Forward PE



Source: Bloomberg, UOB Kay Hian

Profit & Loss

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|----------------------------------|--------------|--------------|--------------|--------------|
| Net turnover | 124,374 | 131,334 | 144,824 | 158,888 |
| EBITDA | 17,210 | 18,020 | 18,917 | 19,929 |
| Deprec. & amort. | 9,309 | 8,370 | 8,777 | 8,606 |
| EBIT | 7,901 | 9,650 | 10,140 | 11,323 |
| Total other non-operating income | 101 | 50 | 51 | 52 |
| Associate contributions | (2,347) | (2,018) | (2,046) | (2,063) |
| Net interest income/(expense) | 5,996 | 7,682 | 8,144 | 9,313 |
| Pre-tax profit | 5,996 | 7,682 | 8,144 | 9,313 |
| Tax | (1,373) | (1,759) | (1,865) | (2,133) |
| Minorities | (553) | (680) | (750) | (800) |
| Net profit | 4,069 | 5,243 | 5,529 | 6,380 |
| Net profit (adj.) | 3,728 | 5,243 | 5,529 | 6,380 |

Cash Flow

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|--|-----------------|-----------------|-----------------|-----------------|
| Operating | 15,538 | 14,038 | 16,971 | 18,165 |
| Pre-tax profit | 5,996 | 7,682 | 8,144 | 9,313 |
| Tax | (1,373) | (1,759) | (1,865) | (2,133) |
| Deprec. & amort. | 9,309 | 8,370 | 8,777 | 8,606 |
| Working capital changes | 1,041 | (1,568) | 467 | 790 |
| Other operating cashflows | 565 | 1,313 | 1,448 | 1,589 |
| Investing | (8,110) | (11,712) | (13,318) | (13,459) |
| Investments | (9,765) | (10,000) | (10,000) | (10,000) |
| Others | 1,655 | (1,712) | (3,318) | (3,459) |
| Financing | (10,240) | 7,031 | (4,796) | (4,796) |
| Dividend payments | (2,361) | (2,576) | (2,790) | (2,790) |
| Issue of shares | (7,879) | 9,607 | (2,005) | (2,005) |
| Proceeds from borrowings | (2,812) | 9,357 | (1,143) | (91) |
| Net cash inflow (outflow) | 9,849 | 6,464 | 15,821 | 14,678 |
| Beginning cash & cash equivalent | (573) | 0 | 0 | 0 |
| Changes due to forex impact | 6,464 | 15,821 | 14,678 | 14,588 |
| Ending cash & cash equivalent | 15,538 | 14,038 | 16,971 | 18,165 |

Balance Sheet

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|---------------------------------------|----------------|----------------|----------------|----------------|
| Fixed assets | 85,325 | 85,642 | 85,418 | 85,222 |
| Other LT assets | 38,062 | 40,192 | 44,320 | 48,624 |
| Cash/ST investment | 33,057 | 42,543 | 42,457 | 43,350 |
| Other current assets | 354 | 373 | 412 | 452 |
| Total assets | 176,531 | 188,866 | 193,644 | 199,446 |
| ST debt | 2,005 | 2,005 | 2,005 | 2,005 |
| Other current liabilities | 6,332 | 6,686 | 7,373 | 8,089 |
| LT debt | 31,512 | 29,507 | 27,501 | 25,496 |
| Other LT liabilities | 38,984 | 37,398 | 36,204 | 35,044 |
| Shareholders' equity | 65,340 | 68,007 | 70,746 | 74,335 |
| Total liabilities & equity | 176,532 | 188,868 | 193,647 | 199,450 |

Key Metrics

| Year to 31 Dec (%) | 2025 | 2026F | 2027F | 2028F |
|---------------------------|--------|-------|-------|-------|
| Profitability | | | | |
| EBITDA margin | 12.30 | 13.84 | 13.72 | 13.06 |
| Pre-tax margin | 3.43 | 4.82 | 5.85 | 5.62 |
| Net margin | 2.79 | 3.27 | 3.99 | 3.82 |
| ROA | 2.31 | 2.78 | 2.86 | 3.20 |
| ROE | 6.23 | 7.71 | 7.82 | 8.58 |
| Growth | | | | |
| Turnover | (6.33) | 5.60 | 10.27 | 9.71 |
| EBITDA | 5.34 | 4.70 | 4.98 | 5.35 |
| Pre-tax profit | 31.70 | 28.12 | 6.02 | 14.34 |
| Net profit | 10.01 | 28.83 | 5.46 | 15.39 |
| Net profit (adj.) | (4.65) | 40.61 | 5.46 | 15.39 |
| EPS | (4.65) | 40.61 | 5.46 | 15.39 |
| Leverage | | | | |
| Debt to total capital | 35.24 | 37.19 | 33.72 | 30.43 |
| Debt to equity | 52.76 | 51.30 | 46.34 | 41.71 |
| Net debt/(cash) to equity | 33.47 | 34.61 | 16.46 | 14.60 |
| Interest cover (x) | 6.73 | 7.33 | 8.93 | 9.24 |

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