

Siam Senses

A helping hand



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Thailand is seeing external factors help support its economic growth. We expect the improving outlook of Thailand's FDI, exports, and tourism to help counter the risk of a weak domestic economy caused by high household debt while GDP growth is on an uptrend.

Improving outlook for external factors

Tourism, FDI, and exports are three key external factors that affect the Thai economy. While tourism accounts for 9% and exports for 71% of GDP, BOI applications are at a new decade high at 5% of GDP, with foreign applications at 4%. Tourism has been strong, and we see it as a mega-trend industry. Exports have been more resilient than we'd expected, and we foresee an improving outlook in the longer term as it is the beneficiary of the current FDI cycle. FDI started its new cycle in 2022, and we expect it to last a long time. Investment, when happening as a cycle, is by nature a structural driver of an economy with a long value chain creation from land value to construction, hiring, and exports.

They help the domestic economy

The sustainability of these external factors helps support the domestic economy. Tourism helps with jobs and wages and stimulates consumption and real estate investment. Exports support jobs, consumption, and, eventually, investment when capacity expansions are required. FDI is less cyclical and creates more of a multiplier effect and structural value chain than other factors. We see the growth of these external factors helping provide growth to the domestic factors of private consumption and investment as well.

Rising GDP growth trend

Due to the improving outlook of the external factors, we estimate GDP growth of 2.6/3.3/3.5% (from 2.6/3.3/3.4%) in 2024-26F. This is despite revising our baht assumptions to be stronger. As for domestic policy drivers, fiscal policy started to be loosened in May, with more spending to come next year from a higher FY25 budget and carry-over spending of the underspent FY24 budget. While monetary conditions remain very tight with banks' strict lending practices, the BOT kick-started monetary loosening with its first 25bp cut this month, and we expect another 25bp cut in 1H25F to 2.0%. We expect monetary conditions to gradually ease with the improving economy in 2025F.

Not yet a blue-sky scenario

We remain bullish on the SET with a 2025F target of 1,620. Having been tight for two years, Thailand's fiscal policy has started to loosen since the middle of this year, and we expect this to be followed by easing financial conditions next year. That said, this is still far from a blue-sky scenario for Thailand as its high household debt problem remains, and the wealth effect from the property sector is still lacking. The upside potential to our SET target lies with solid and effective government measures to revive the property market. In this report, we replace DELTA, due to its overshooting share price, in our top picks list with **MTC** as a play on the falling interest rate trend.

Top Picks

	-EPS growth-		— PE —		Yield
	24F (%)	25F (%)	24F (x)	25F (x)	
AMATA	37.9	19.3	11.5	9.7	3.1
AOT	112.0	19.9	44.8	37.4	1.6
BH	15.5	6.9	26.7	25.0	2.6
COM7	9.5	21.9	19.7	16.2	3.6
CPALL	33.3	17.5	24.6	20.9	2.4
MINT	14.2	19.4	23.4	19.6	2.0
MTC *	20.8	23.0	18.4	15.0	1.0
SISB	40.3	30.2	34.1	26.2	1.7
TRUE	na	109.7	48.5	23.1	0.5
WHA	11.5	16.9	17.6	15.1	2.7

Stock taken out

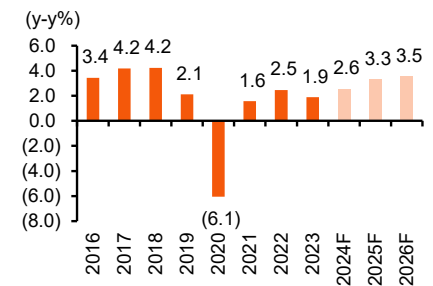
DELTA	21.5	45.6	78.1	53.6	0.7
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Source: Thanachart estimates

Note: *New addition.

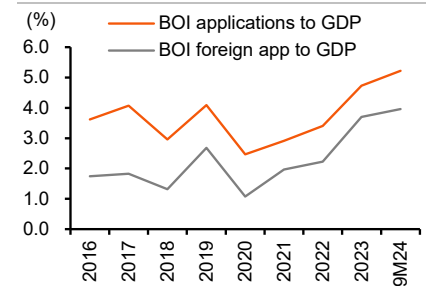
Based on 24 October 2024 closing prices

Rising GDP Growth



Sources: NESDC; Thanachart estimates

New High BOI Applications To GDP



Sources: BOI; NESDC; Thanachart estimates

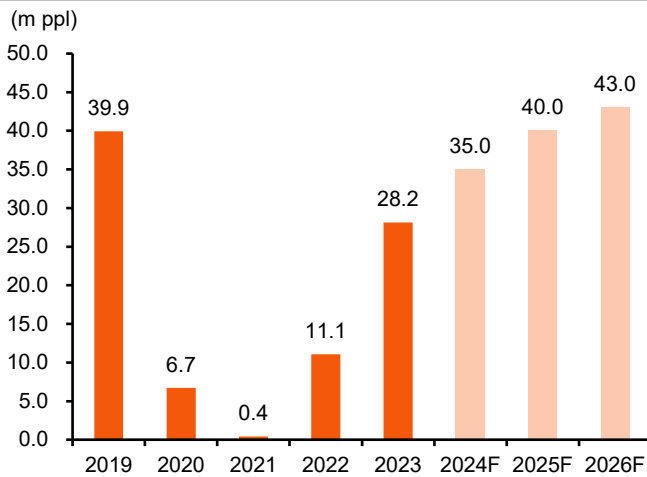
A helping hand

In this report, we discuss external factors that are helping to support the Thai economy. Thailand is an open economy, and its external factors are foreign direct investment (FDI), exports, and tourism. We see them as sustainable long-term drivers.

Key external drivers are tourism, exports and FDI

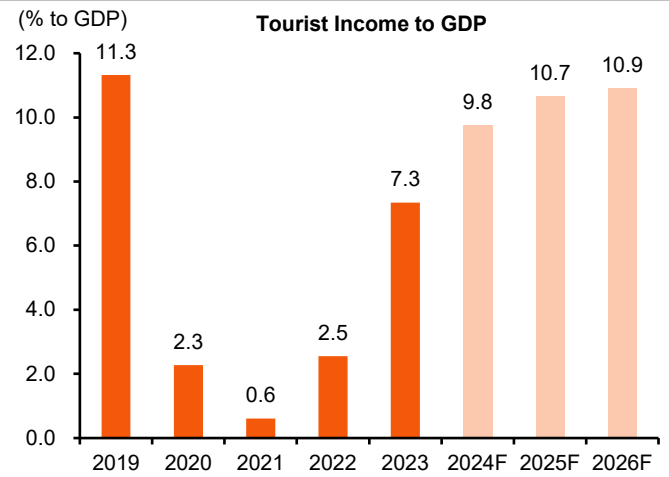
These external factors contribute a significant part of the Thai economy. Tourism accounted for 11% of GDP in 2019, and we expect it to account for 9% this year. Thai tourism contributed another 6% of GDP in 2019, and the Tourism Authority of Thailand expects it to contribute Bt965bn or 5% of GDP this year. This report discusses foreign tourism. Exports accounted for 69% of real GDP in 2023, and we estimate 71% in 2024F. As FDI reported by the Bank of Thailand (BOT) is on a net flow, balance of payments basis, which includes financial flows, we look at Board of Investment (BOI) applications as a leading indicator of future domestic investment and FDI. BOI applications rose to 5.2% (foreign portion 4.0%) in 9M24 vs. the 10-year average of 2.5%.

Ex 1: Tourist Arrivals



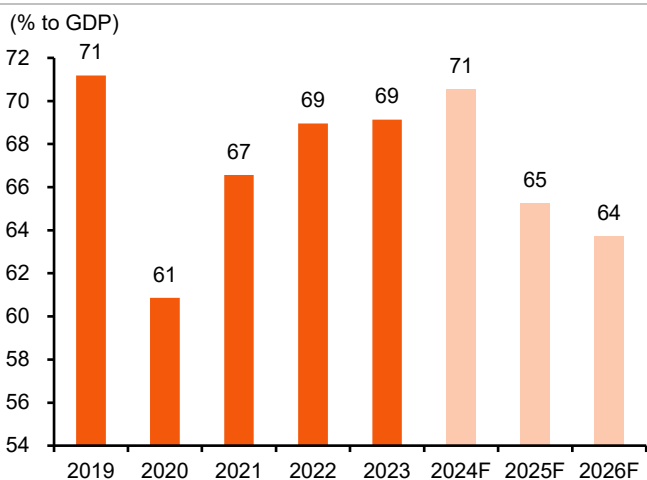
Sources: Tourism Authority of Thailand, Thanachart estimates

Ex 2: Tourism Income



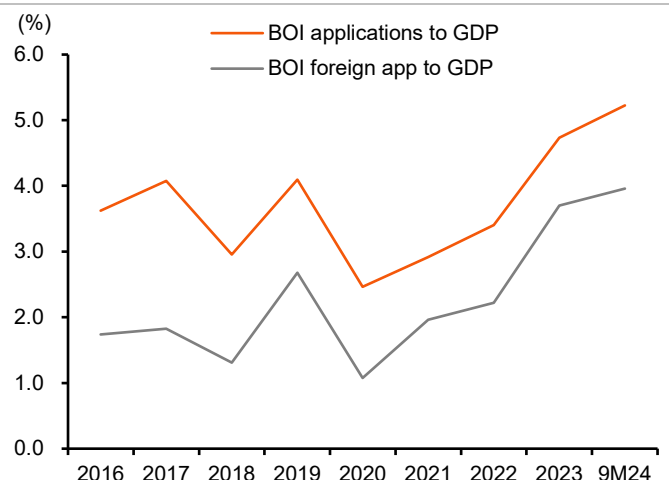
Sources: Tourism Authority of Thailand, NESDC

Ex 3: Exports To Real GDP



Source: Bank of Thailand, NESDC, Thanachart estimates

Ex 4: BOI Applications To GDP



Sources: Board of Investment, NESDC

Tourism is a mega-trend industry

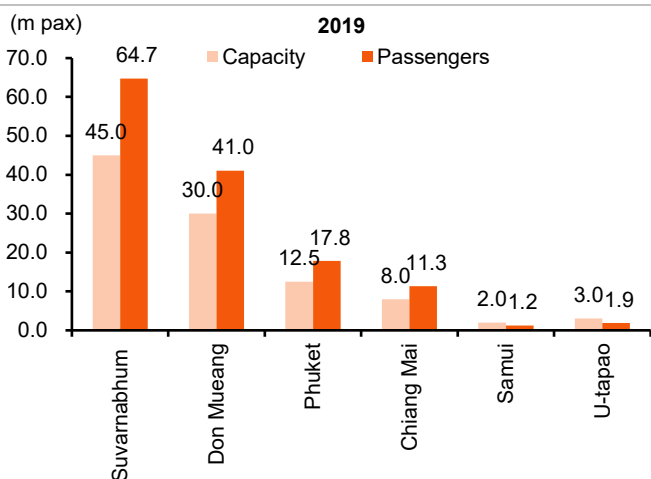
Tourism industry has very solid fundamentals

Tourism is a mega-trend growth industry in Thailand. What we see as one of the most important key success factors for Thailand is its highly welcoming nature to all nationalities, religions, and sexes (including LGBTQ people). Thai people like to compromise, are easygoing, good-natured, and have an excellent service mindset with a positive attitude towards foreigners. The country also serves various types of travelers with high-quality beaches, scenery, food, drinks, parties, city fun, lifestyle shopping malls, etc. Thailand is also an affordable country to travel in but has a wide range of price points from luxury to backpacking. Thai shopping malls have world-class quality and offerings. For instance, Siam Paragon, IconSiam, and MBK Center are tourist spots with large proportions of tourist traffic. There are also plenty of choices for accommodation at all price points. Thailand isn't only famous for Thai food. It also has authentic and high-quality international restaurants, including Italian, French, Japanese, Korean, Chinese, Indian, etc. Street food is also great fun for travelers. Traveling safety is relatively high with low crime rates. Meanwhile, various types of transportation are available with good infrastructure.

Plenty of room to grow from the 2019 peak of 40m arrivals

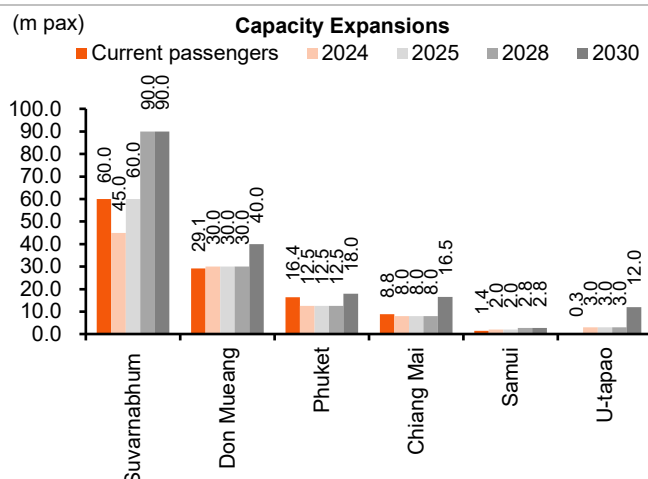
The reasons above explain why a small country like Thailand looks set to have 35m tourist arrivals this year or 40m at its peak in 2019, with a bright outlook for long-term growth. There are airports in key locations, and with their expansions, the number of travelers is still far from the limit. Suvarnabhumi Airport is undergoing expansion phases, and U-Tapao Airport is also being developed to serve growth in the Eastern Economic Corridor (EEC) in the eastern part of the country. There are also plans for expansions in many provinces. To help Phuket Airport take on more tourists in the southern part, Andaman sea side of Thailand, the government is studying to have a new airport in Phangnga province with 22m passenger capacity in 2030. The government's policy has always been accommodative to industry. Some of the government's plans are more accommodative visa policies and developing second-tier provinces as tourist destinations, entertainment complexes, and man-made tourist spots.

Ex 5: Airports Can Run At Far Above Capacity – 2019



Source: Company data

Ex 6: So, No Capacity Constraints



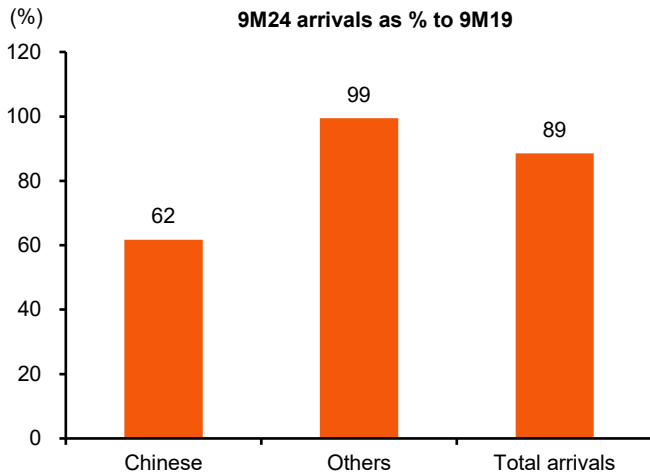
Sources: Company data; Thanachart estimates

Nationality breakdown also shows room for growth

Looking at the breakdown of tourist nationalities, there is more than just the Chinese story, and we believe Thailand has growth potential far beyond the 2019 peak of 40m arrivals. Our forecast of 35m tourist arrivals this year, which should be reached easily, is at 88% of 2019's peak level, although Chinese visitors will still likely be at just 68% of their peak of 11m in 2019. A full return of Chinese and continued growth in other nationalities would mean a higher peak of tourist arrivals than 40m. Arrivals of many nationalities have already surpassed their 2019 peaks, including visitors from ASEAN, Russia, India, Taiwan, and the Middle East. Due to

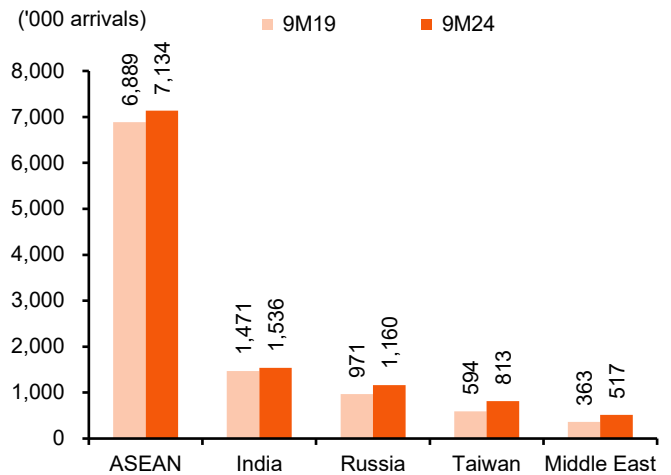
their large population bases, both India and China have plenty of room for growth. Medical tourism gives the Middle East, China, and ASEAN room for growth. South Korea, North Asia, and ASEAN have room for growth because of soft power potential. Meanwhile, China, Taiwan, Japan, the US, and Europe have room for growth because of FDI.

Ex 7: China Still Has Lots Of Room For Growth



Source: Tourism Authority of Thailand

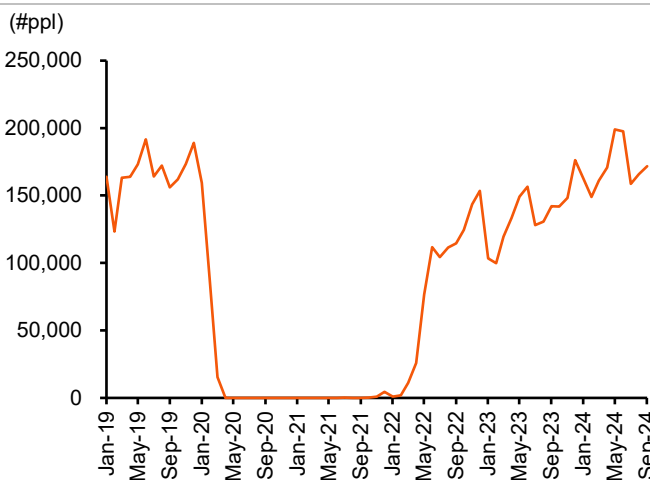
Ex 8: Key Nationalities Above 2019 Peak



Source: Tourism Authority of Thailand

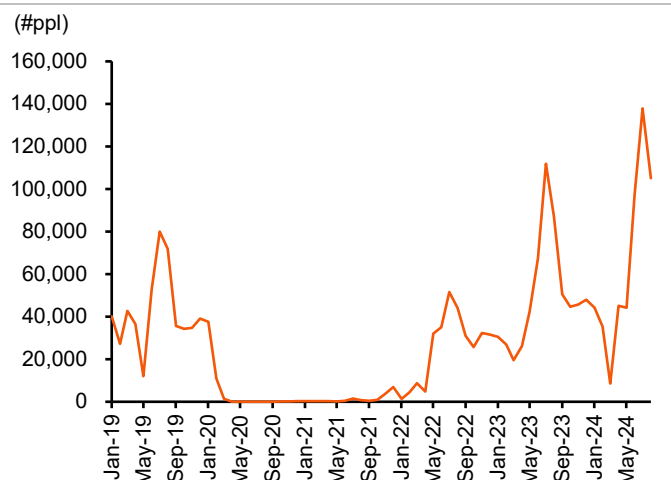
Note: ASEAN and Middle East data are 8M19 vs. 8M24

Ex 9: India Also A Key Growth Potential Country



Source: Tourism Authority of Thailand

Ex 10: Saudi Arabia The Driver In The Middle East



Source: Tourism Authority of Thailand

Entertainment complexes should attract tourists

This government firmly intends to issue licenses for private operators to build entertainment complexes. Hearings suggest good support from the public with an 80% and the government targets to send the draft entertainment complex or casino bill for cabinet approval within this year and then to the parliament next year so that licenses can be issued within its term. Factoring in the construction period, we do not expect the first complex to operate within three years, so this is more of a longer-term driver for tourism. Leaving the casino part of the complexes aside, we expect the entertainment part that they offer to result in intense competition with Singapore and other nearby countries due to Thailand's high-quality lifestyle shopping malls and hotel developments. And with Thailand being a tourist destination itself, the complexes should be able to attract tourists. The government's initial plan is to have five complexes: two in Bangkok, one in the EEC, one in Phuket, and one in Chiang Mai. A major concern for Thais is how casinos might have a long-term effect by encouraging gambling

among locals. This always makes it difficult to justify whether casinos are worth the monetary benefit to the country.

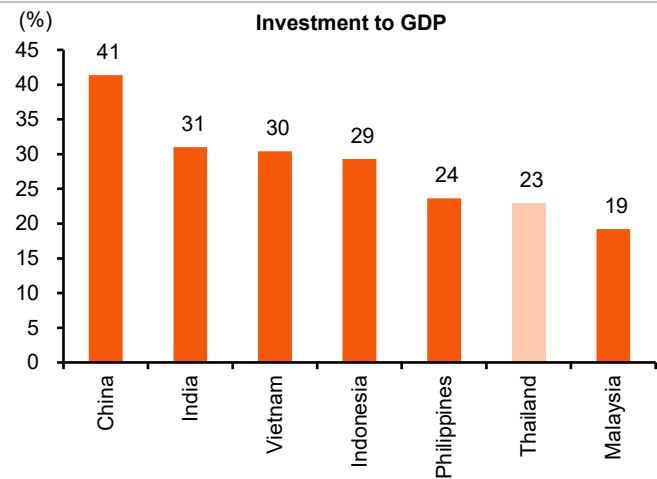
FDI a high and long value creation chain

Investment has been below the emerging market standard

Weak investment is the key reason for Thailand’s soft structural growth cycle for the past 20 years. Investment to GDP fell from 35-40% in the pre-Asian crisis years to only 23% in 2024F, including private investment at 18% of GDP and public investment at 6%. We believe a decent, sustainable rate for emerging economies is 30-35%. FDI is just a part of overall investment, which includes other domestic investments such as that in the property sector. For a small country with only a 67m population and a low birth rate, Thailand has relied on FDI, which targets not only domestic market but exports, to take the lead in investment that can be followed by domestic investment in value chain products.

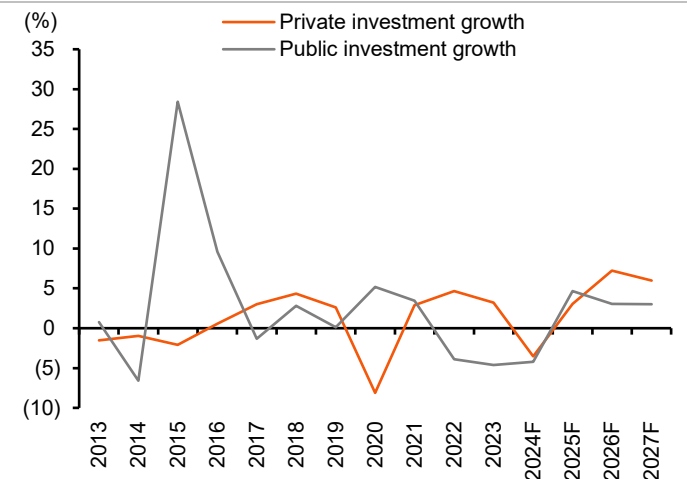
Although we are bullish on Thailand’s FDI outlook, we forecast the total investment to GDP ratio to only trend up gradually because other GDP components also grow. We are also conservative on investment part relatively to property market, leaving it as an upside if the government comes up with major stimulus measures that have real impact. We also expect slower growth from the government investment side. We estimate private investment growth of 5-7% p.a. and government investment growth of 3-5% p.a. in 2025-27F. In the longer term, FDI will be followed by domestic supply chain investments, helping to sustain investment growth.

Ex 11: Investment Below Emerging Market Standard



Source: CEIC

Ex 12: Private Vs. Government Investment Growth

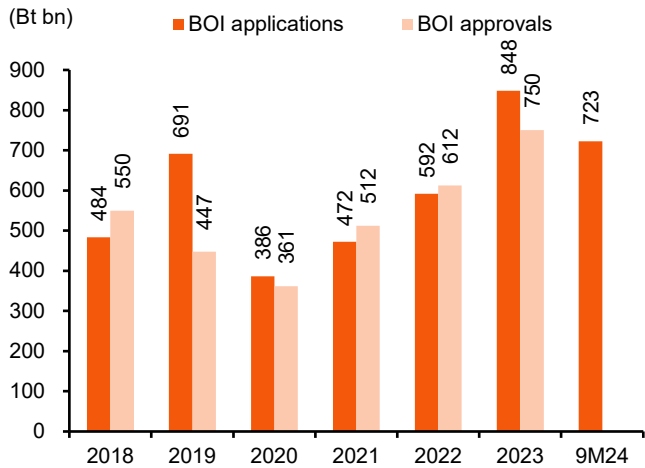


Sources: NESDB; Thanachart estimates

A leading indicator, BOI applications, implies a new FDI cycle

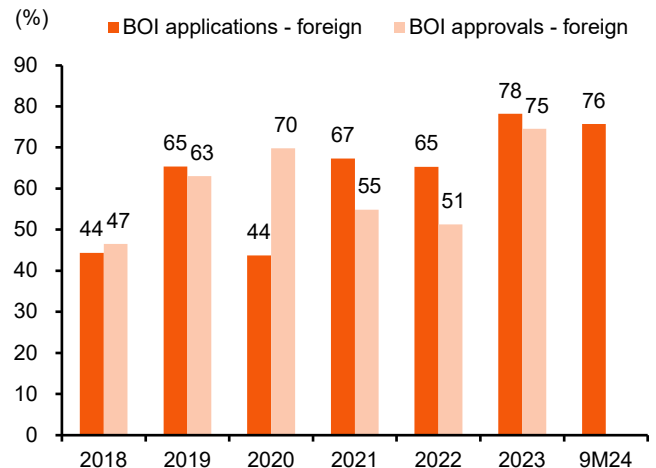
The Board of Investment’s (BOI) investment applications and approvals are leading indicators of FDI and overall investment. BOI numbers have shown a clear uptrend since 2022. The agency expects this new cycle to last a long time due to rising global geopolitical risks that have increased the demand for investment diversification. Thailand has been losing FDI share over the past decades, as shown in the FDI to GDP ratio comparison (Exhibit 15), which we believe has been due a lot to Thailand’s unstable politics over the past two decades. However, given the sheer size of China’s economy, overseas investment diversification cannot rely only on a few countries, including Vietnam, and Thailand is also enjoying the flow.

Ex 13: BOI Figures Show New Investment Cycle



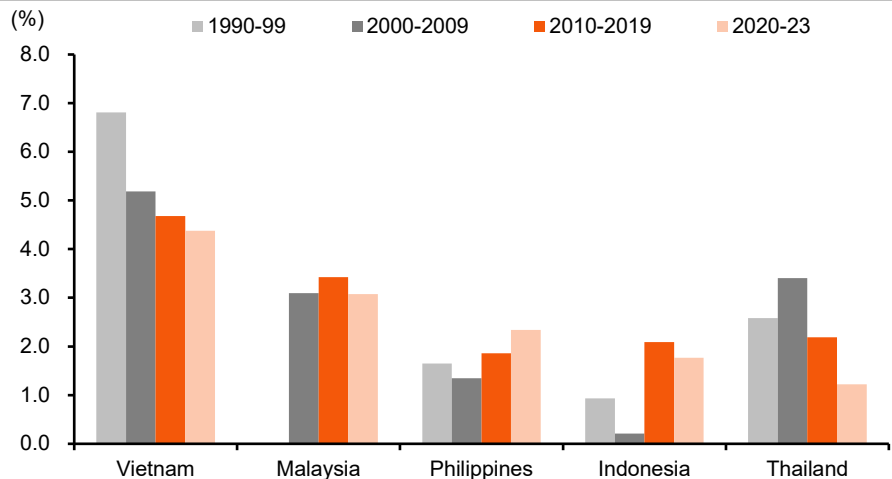
Source: BOI

Ex 14: Foreign Applications The Majority In BOI Figures



Source: BOI

Ex 15: FDI to GDP Should Improve In the Future



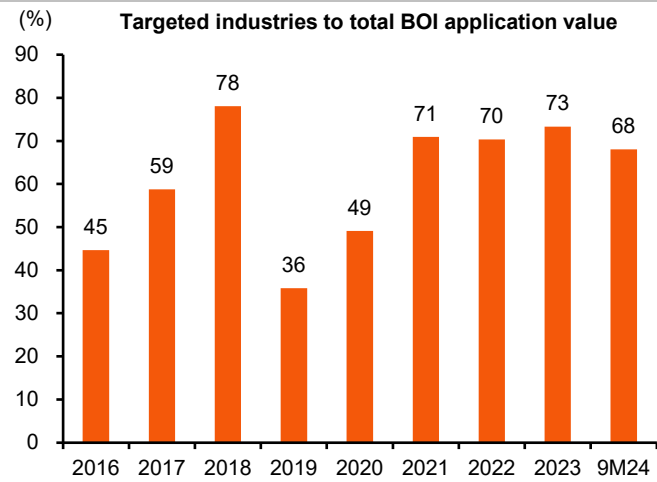
Source: CEIC

Note: FDI data is on a net-flow balance of payment basis that includes financial capital inflows and outflows. This is a wider definition than and a laggard to BOI applications and approvals, which include only new project-based investments.

Targeted industries dominate

As for the sector breakdown of BOI applications, the government’s targeted industries accounted for 68% of the total in 9M24, which was high. Within the targeted industries, strong ones were electronics, electrical appliances, digital (including data center), automotive, and food. These trends are continuing in these sectors. Though in rising trend, we consider robotics and aero as the weak targeted industries as absolute application values are low. Also in the aero sector, expansions are not aircraft parts manufacturing but more of aircraft purchases. As for non-targeted industries, we see positive trend of more applications in diverse sectors as shown in rising share of other sectors.

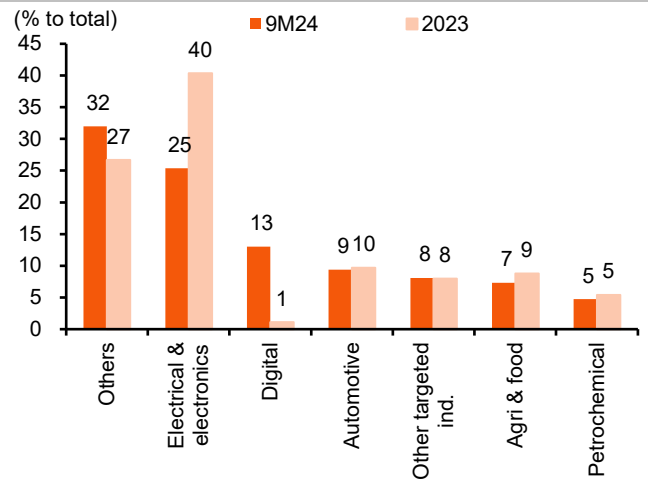
Ex 16: Targeted Industries At High Proportion



Source: BOI

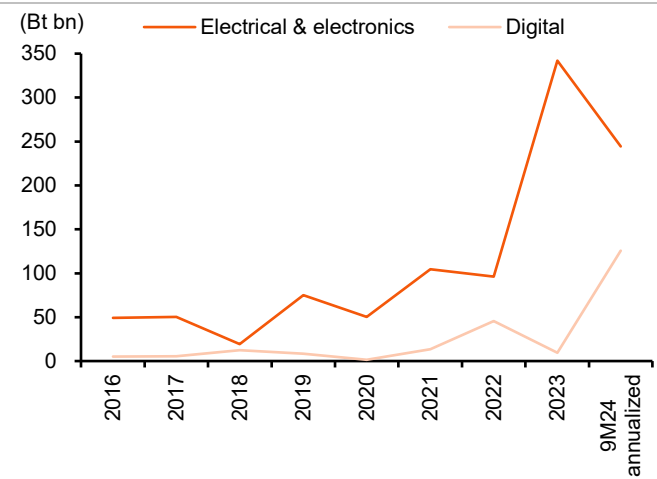
Note: Targeted sectors are electronics, electrical appliances, agriculture & food, petrochemicals, automotive, tourism, medical, digital, robotic and aero.

Ex 17: BOI Application Breakdown



Source: BOI

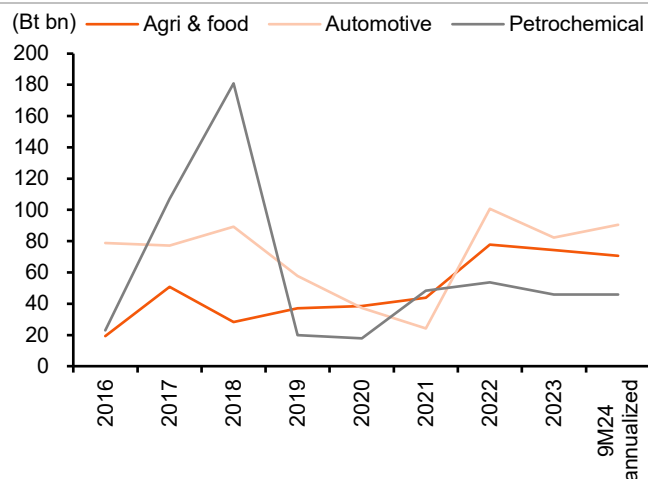
Ex 18: BOI Applications – The Strongest Sector



Source: BOI

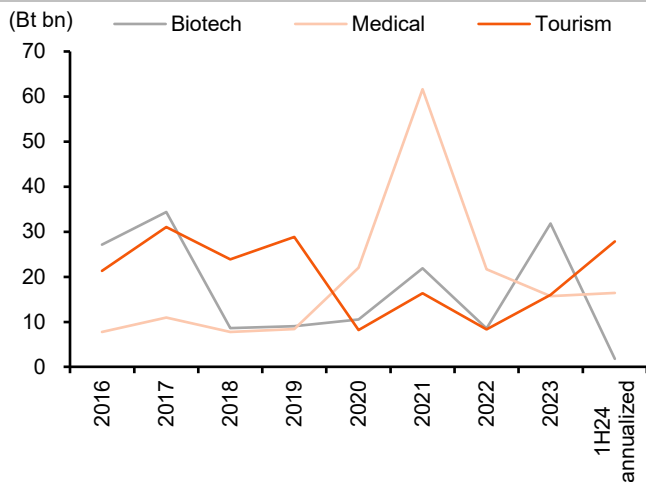
Note: In 9M24, the application value for the electrical and electronics sector was Bt183bn, while that of the digital sector, which was mainly data centers, was Bt94bn.

Ex 19: BOI Applications – Other Key Sectors



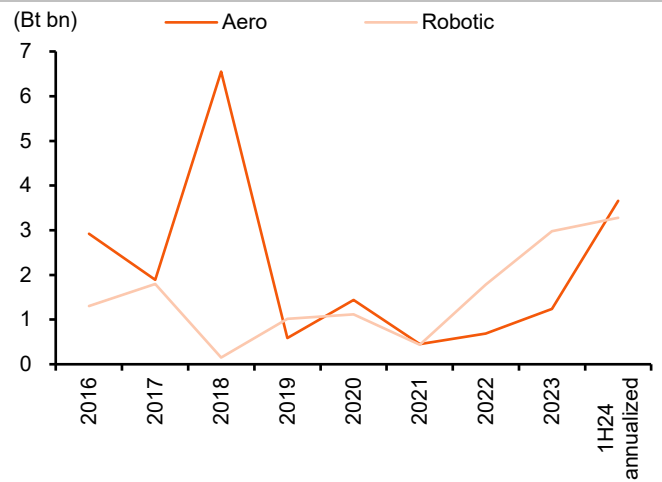
Source: BOI

Ex 20: BOI Applications – Smaller Sectors



Source: BOI

Ex 21: BOI Applications – Smaller Sectors



Source: BOI

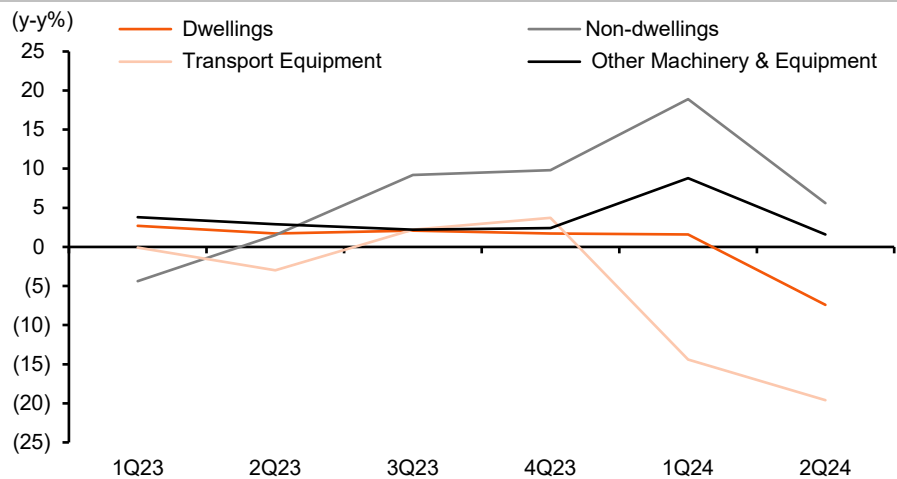
BOI applications to be followed by real investment

BOI applications are a leading indicator that is followed by BOI approvals and, later on, real investment. So, we expect investment growth to improve over the next few years. As the cycle of BOI applications just started in 2022 with new investors, we think Thailand can expect more of a supply chain cycle.

Weak investment this year is due to the sluggish property market

Private investment isn't all about FDI, domestic factory construction, and machinery. It also includes investments in residential and commercial property. Two key drags (Exhibit 22) so far this year have been the residential property (dwellings) and auto (transport equipment) sectors. Non-dwellings and other machinery & equipment have shown decent growth since last year.

Ex 22: Residential Property And Auto The Drags On Investment



Source: NESDC

Resilient exports

Should be resilient through global slowdown period

Thai exports in US dollar terms have been resilient this year, growing 4% y-y in 8M24. Despite the risk of a global slowdown over the next two years, we do not expect Thai exports to contract. First, the Fed seems willing to cut rates aggressively, and China appears more willing to implement more aggressive stimulus measures. Therefore, a global slowdown shouldn't be severe, in our view. Second, Thai exports are resilient due to their level of diversification, with a large portion being from the resilient agricultural & food sector. Third, the new FDI cycle should provide good support for a higher export base in the future. In the previous section, we

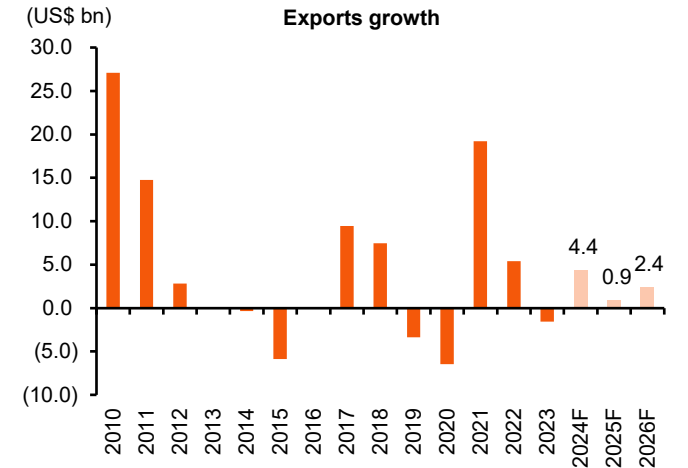
discussed FDI flows into various sectors, especially electronics, electrical appliances, and automotive. These sectors are export-oriented. The flow is also strong in the digital sector, which include data center.

Ex 23: Thai Exports Are Resilient In Nature



Source: Bank of Thailand

Ex 24: Expect No Contraction During Global Slowdown



Sources: Bank of Thailand; Thanachart estimates

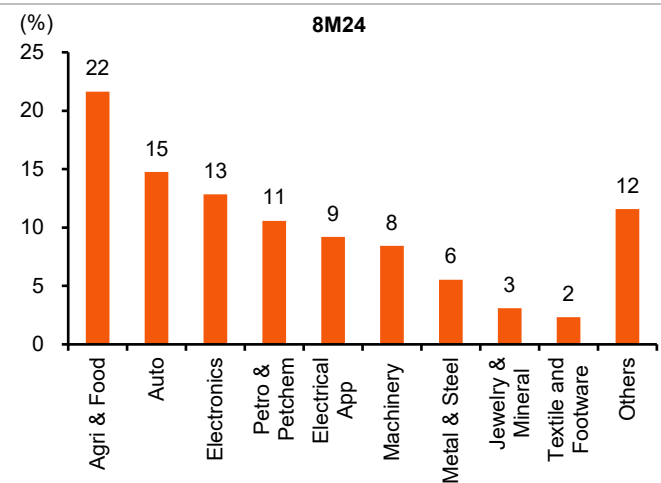
Diversified exports with high portion in resilient agri & food sector

Thai exports are diversified with large portion in the agriculture & food sector. This helps cushion the global slowdown impact. The agriculture & food sector no longer relies on just rice, rubber and sugar but on many kinds of fruits, pet food, and beverages. Food is also a key sector that is seeing a rising trend of BOI applications (Exhibit 19), which should support export growth in this sector.

Electronics and electrical appliances are bright spots

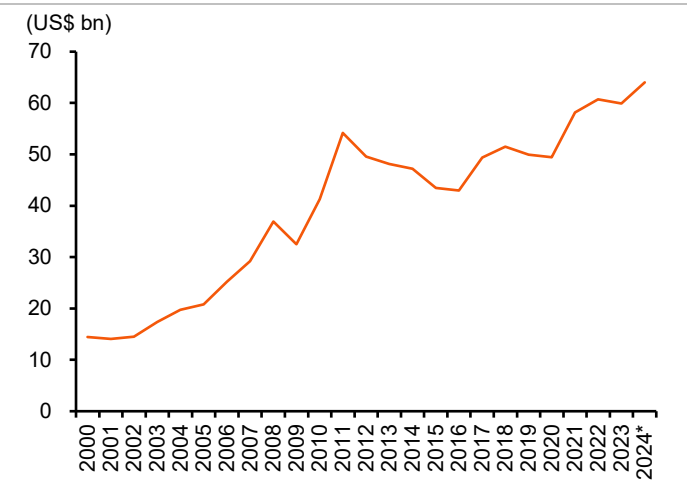
Electronics and electrical appliances are also key export sectors, and we expect the overwhelming flow of FDI (Exhibit 18) to support growth in these sectors over the long term. We actually expect growth from these two sectors as they are the main ones benefiting from production base relocation and the diversification mega-trend.

Ex 25: Export Breakdown By Industry



Source: Bank of Thailand

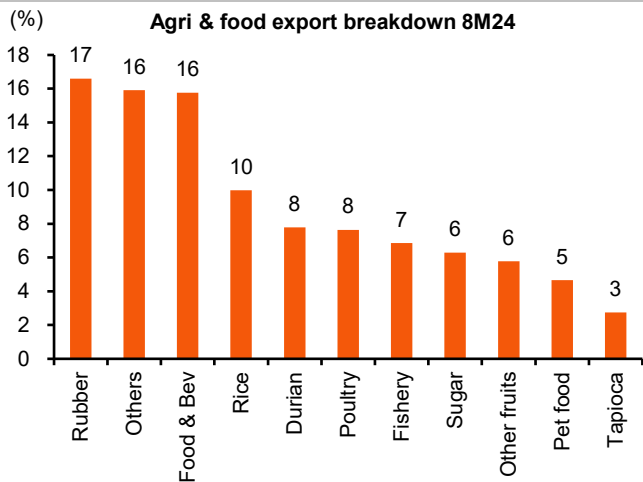
Ex 26: Highly Resilient Agri & Food Sector



Source: Bank of Thailand

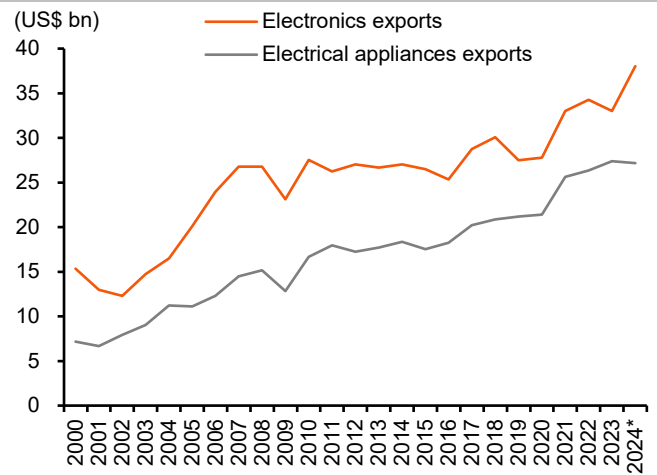
Note: 2024* is the annualized 8M24.

Ex 27: No Longer Just Rice And Rubber Drivers



Source: Bank of Thailand

Ex 28: The Bright Spots



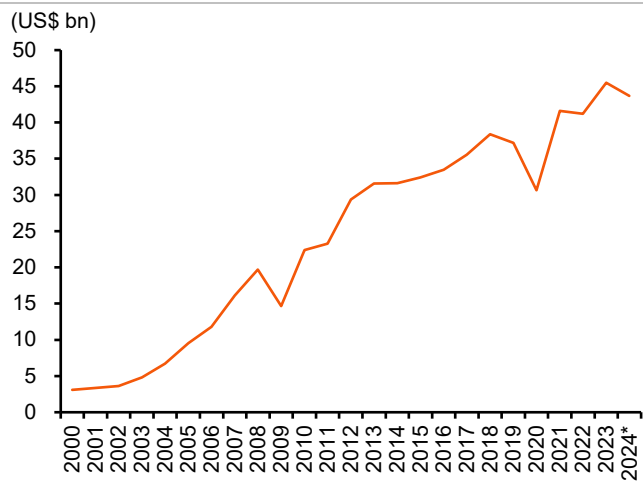
Source: Bank of Thailand

Note: 2024* is the annualized 8M24.

Thailand looks set to remain a key global auto production base

Auto and parts are also a major export sector for Thailand. Although export growth slowed this year, falling 4% y-y in 8M24 due to slowing global demand, we expect this sector to remain a key export driver for the country. Many key Chinese EV makers, including BYD, Changan, Great Wall Motor, Saic Motor, SAC have committed to opening production bases in Thailand. We expect auto exports to increase once these factories are up and running. Having combustion engine, hybrid, and EV production bases, we expect Thailand to maintain its strong position as one of the key strategic locations for global production bases.

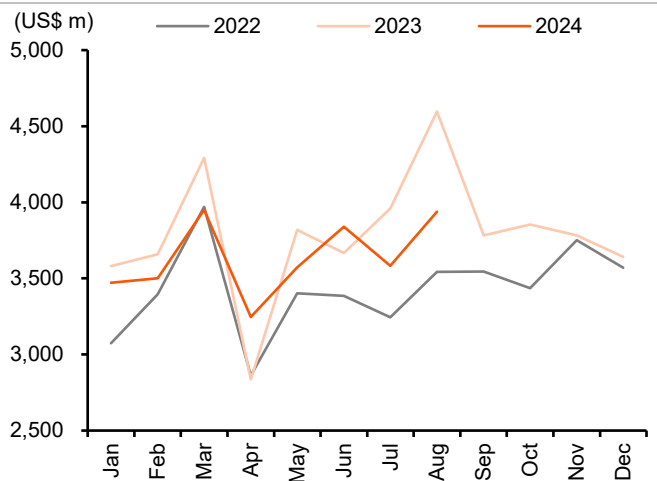
Ex 29: With EV Wave, Auto To Remain A Key Sector



Source: Bank of Thailand

Note: 2024* is the annualized 8M24.

Ex 30: Improving Auto Export Momentum



Source: Bank of Thailand

Improving GDP growth

GDP growth stepping up

Due to the improving outlook for external factors, we estimate GDP growth of 2.6/3.3/3.5% in 2024-26F, similar to our earlier forecasts of 2.6/3.3/3.4% despite our stronger baht assumptions. Note that tourism is the main item in “export of services” in the table below. Key economic drivers are continued tourism growth, a turnaround in private investment, and a turnaround in government consumption and investment. We expect private consumption growth to slow from previous years due to its high base and the high household debt level. As discussed earlier in this report, we do not expect exports to drag on GDP growth despite the risk of a global slowdown.

Ex 31: Our GDP Forecasts

% growth	2021	2022	2023	— 2024F —		— 2025F —		— 2026F —	
				New	Old	New	Old	New	Old
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Real GDP growth	1.6	2.5	1.9	2.6	2.6	3.3	3.3	3.5	3.4
Private consumption	0.6	6.2	7.1	4.2	4.1	3.0	3.0	2.1	2.1
Private investment	2.9	4.7	3.2	(3.5)	(1.7)	3.0	4.8	7.2	5.4
Government investment	3.5	(3.9)	(4.6)	(4.2)	(4.2)	4.7	4.7	3.0	4.0
Exports (nominal US\$ growth)	19.2	5.4	(1.5)	4.4	2.7	0.9	(0.0)	2.4	2.3
Imports (nominal US\$ growth)	28.0	14.0	(3.8)	6.8	5.5	0.7	0.7	2.3	2.2
Export of services (nominal baht growth)	(15.7)	68.3	44.0	28.4	28.4	8.5	8.5	4.8	4.8
Current account (% of GDP)	(2.0)	(3.2)	1.3	2.8	2.6	3.8	3.3	4.1	3.6
Headline CPI	1.2	6.1	1.2	0.4	0.4	1.2	1.2	1.5	1.5
Bt/US\$ – average	32.0	35.1	34.8	35.0	35.4	32.6	33.9	32.5	33.5
Policy rate	0.50	1.25	2.50	2.25	2.25	2.00	2.00	2.00	2.00

Sources: NESDC, Bank of Thailand, Bloomberg, Thanachart estimates

Fiscal policy being eased

On domestic policies and stories, please refer to *Siam Senses – Flight to quality*, dated 13 August 2024, and *Siam Senses – What's next?*, dated 11 September 2024, for our view on domestic policy drivers. Briefly, we remain of the view that fiscal policy started to be loosened in May 2024, with more spending on its way into next year from a higher FY budget and carried-over spending of the delayed and thus underspent FY24 budget. Note that despite attempting to speed up, the government underspent its investment budget significantly at 65% of the budget vs. the target of 75%. This is becoming carried-over spending. The government fully spent its recurring or current budget in FY24.

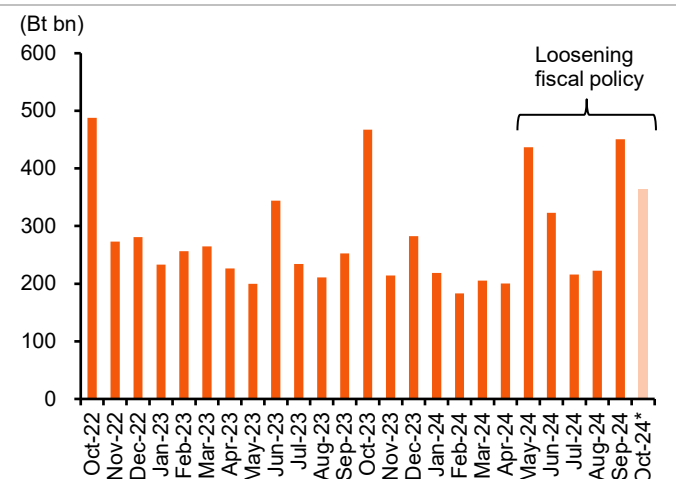
To be followed by a relaxation of monetary policy

As for the monetary side, the BOT cut the policy rate by 25bp to 2.25% in October and we expect another 25bp reduction in 1H25F. We see many reasons supporting a shift in the BOT's policy direction. The Fed made a 50bp cut in September, which will likely be followed by another 50bp reduction this year and 125bp next year. Despite slow economic growth, the Thai real policy rate is heading toward the high point of its historical range. In our view, the inflation outlook is mild and manageable. The baht has also strengthened very quickly.

And monetary conditions to ease later

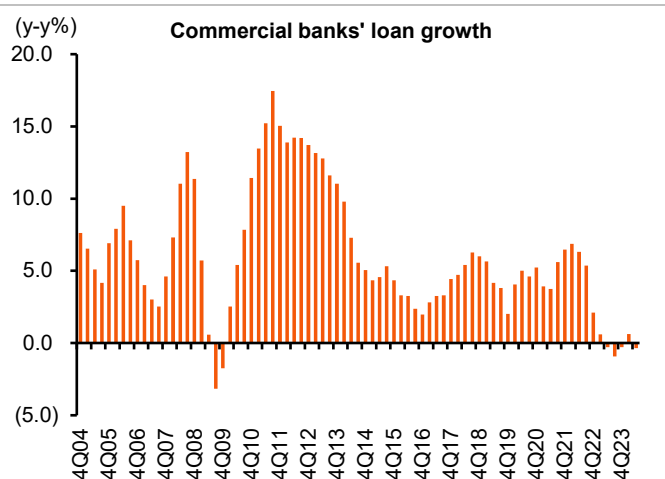
That said, monetary policy will likely take time to loosen significantly. Banks have been very strict with lending policies due to high household debt, increasing their asset quality risk. We expect the tight money policy to gradually be relaxed via lower interest rates that help ease the financial burden for borrowers, along with a further improvement in economic growth. Exhibit 33 below shows a small contraction in loan growth from 2Q23 to 2Q24. No data has been reported from the whole system yet in 3Q24, but listed banks, on average, still showed continued loan contractions.

Ex 32: Government Spending Is Recovering



Source: Comptroller General's Department
 Note: Oct-24* is 1-11 October 2024 data.

Ex 33: Tight Monetary Conditions



Source: Bank of Thailand

Not a blue-sky scenario...

Our GDP growth turnaround estimate from a low of 1.9% to 3.5% in 2026F is based more on cyclical than structural reasons. One exception is the flow of FDI, which is a structural factor. To increase its potential growth level to be sustained at 4-5% p.a., Thailand needs, in our view, to unlock three key factors, i.e., the wealth effect, household debt, and investment. We believe the Pheu Thai-led government understands well how to unlock Thailand's potential GDP growth. However, the problems are not easy to fix, especially since the country has become an aged society. Also, Pheu Thai is stuck with its own populist policies that steer budget spending away from long-term project-based investments.

...which needs a wealth effect and overall investment to be unlocked

We believe the first problem, the wealth effect, is the least difficult factor of the three to resolve. Two policies the government is trying to push that could help improve this factor are entertainment complexes and changes in property laws to attract foreign demand. We believe the entertainment complex policy is more likely to be implemented, but changes to property laws are complicated and require strong government will. Household debt, meanwhile, is a structural issue that will take time to fix, limiting the chance of strong private consumption growth. As for investment, FDI is improving and should result in more domestic investment. But investment isn't only about factory investments. Property is also a big part of investment and it needs government policies to stimulate demand.

Entertainment complex possibility looks decent, in our view

The government has shown a firm intention to do that via its entertainment complex policy and property law changes to create foreign demand in the country to lift property prices. We believe the entertainment complex policy will be implemented as public resistance is very low. The government expects the entertainment complex bill, which would legalize casinos, to be passed by parliament next year with licenses issued. If this goes as planned, construction should start within the next two years. Despite the government seeing room for five complexes, two in Bangkok and one each in the EEC, Phuket, and Chiang Mai, we don't know how many licenses will be issued in the first phases. Leaving aside the risk of the long-term repercussions of gambling issues on Thais, we expect Thailand to successfully operate the complexes, given its strong expertise in entertainment, hotel, and shopping mall management. As Thailand is already among the world's top tourist destinations, entertainment complexes would likely be successful. We expect the entertainment complex policy to create an income (tourism, hiring, consumption, and shopping) and wealth effect (land prices, property prices, residential and commercial development) in the country.

Property law changes are more difficult

Another policy the government is pursuing is to change property laws, which it hopes will create foreign demand for Thai property. One policy is to allow foreigners to own landed property in Thailand under a 99-year lease and increase the foreign ownership of each

condominium from 49% to 75% of total sellable area. Due to Thailand's aged society and high household debt, the government sees the need for foreign demand to help drive property demand and prices. However, this policy attempt faces more public resistance than the entertainment complex one. Also, according to the Ministry of Finance, the land leasing policy involves many laws and would take a long time to implement. Therefore, we expect the government to develop other short-term policies to improve property demand and boost transactions. These could involve more aggressive property tax cuts of some form.

No change to our bullish market view

As for our market view, we remain bullish despite the recent surge in the SET. The market is already near our target for this year at 1,480, and an overshoot is a good possibility, especially with the tax-deductible ESG fund purchase season in December. However, we are maintaining our 2025F target of 1,620 and most of our top picks. We make only one change in this report. We replace DELTA with MTC. We still like DELTA's long-term mega-trend growth following the datacenter, AI and EV industries but we see its share price as overshooting in the short term. We add **MTC**, the largest micro finance company, as a play on the falling interest rate trend into next year.

Please refer to our market and top picks view in *Siam Senses – Flight to quality*, dated 13 August 2024, and *Siam Senses – What's next?*, dated 11 September 2024.

Ex 34: Thanachart's Top Picks

Ticker	Rating	Current price	Target price	Upside	Market cap	Norm EPS growth		— Norm PE —		EV/EBITDA or P/BV of Bank		— Yield —	
						2024F	2025F	2024F	2025F	2024F	2025F	2024F	2025F
		(Bt/shr)	(Bt/shr)	(%)	(US\$ m)	(%)	(%)	(x)	(x)	(x)	(x)	(%)	(%)
AMATA TB	BUY	27.00	31.00	14.8	922	37.9	19.3	11.5	9.7	10.7	8.1	2.6	3.1
AOT TB	BUY	61.50	70.00	13.8	26,094	112.0	19.9	44.8	37.4	22.8	19.5	1.3	1.6
BH TB	BUY	271.00	310.00	14.4	6,398	15.5	6.9	26.7	25.0	19.0	17.5	2.2	2.6
COM7 TB	BUY	26.75	30.00	12.1	1,907	9.5	21.9	19.7	16.2	14.4	12.1	3.0	3.6
CPALL TB	BUY	64.25	73.00	13.6	17,142	33.3	17.5	24.6	20.9	9.7	8.8	2.0	2.4
MINT TB	BUY	27.25	43.00	57.8	4,589	14.2	19.4	23.4	19.6	6.1	5.7	2.1	2.0
MTC TB *	BUY	51.50	53.00	2.9	3,243	20.8	23.0	18.4	15.0	3.0	2.5	0.8	1.0
SISB TB	BUY	33.25	48.00	44.4	928	40.3	30.2	34.1	26.2	26.4	20.4	1.3	1.7
TRUE TB	BUY	11.80	13.50	14.4	12,110	na	109.7	48.5	23.1	7.4	6.6	0.0	0.5
WHA TB	BUY	5.80	6.30	8.6	2,575	11.5	16.9	17.6	15.1	23.0	20.4	2.3	2.7
Stock taken out													
DELTA TB	BUY	135.00	115.00	(14.8)	50,015	21.5	45.6	78.1	53.6	60.5	42.3	0.4	0.7

Sources: Company data, Thanachart estimates

Note: * New additions. Based on 24 October 2024 closing prices

APPENDIX 1: Top picks' financials

Ex 1: Amata Corporation Pcl (AMATA TB)

Y/E Dec (Bt m)	2023	2024F	2025F	2026F
Sales	9,517	10,822	14,602	13,852
Net profit	1,845	2,697	3,217	2,830
Norm profit	1,956	2,697	3,217	2,830
Norm EPS (Bt)	1.7	2.3	2.8	2.5
Norm EPS grw (%)	28.3	37.9	19.3	(12.0)
Norm PE (x)	15.9	11.5	9.7	11.0
EV/EBITDA (x)	15.5	10.7	8.1	8.6
P/BV (x)	1.5	1.4	1.3	1.2
Div yield (%)	2.4	2.6	3.1	2.7
ROE (%)	9.8	12.6	13.7	11.0
Net D/E (%)	53.2	38.6	34.7	27.1

Sources: Company data; Thanachart estimates

Ex 2: Airports of Thailand Pcl (AOT TB)

Y/E Sep (Bt m)	2023	2024F	2025F	2026F
Sales	48,141	66,115	73,202	80,430
Net profit	8,791	19,601	23,506	27,094
Norm profit	9,247	19,601	23,506	27,094
Norm EPS (Bt)	0.6	1.4	1.6	1.9
Norm EPS grw (%)	na	112.0	19.9	15.3
Norm PE (x)	95.0	44.8	37.4	32.4
EV/EBITDA (x)	37.8	22.8	19.5	17.3
P/BV (x)	8.0	7.2	6.6	6.1
Div yield (%)	0.6	1.3	1.6	1.9
ROE (%)	8.7	16.9	18.5	19.6
Net D/E (%)	(0.2)	0.6	(9.0)	(6.9)

Sources: Company data; Thanachart estimates

Ex 3: Bumrungrad Hospital Pcl (BH TB)

Y/E Dec (Bt m)	2023	2024F	2025F	2026F
Sales	25,296	27,269	28,651	30,932
Net profit	7,006	8,067	8,612	8,897
Norm profit	6,978	8,057	8,612	8,897
Norm EPS (Bt)	8.8	10.1	10.8	11.2
Norm EPS grw (%)	41.2	15.5	6.9	3.3
Norm PE (x)	30.9	26.7	25.0	24.2
EV/EBITDA (x)	22.0	19.0	17.5	16.6
P/BV (x)	9.1	7.8	6.9	6.4
Div yield (%)	1.7	2.2	2.6	3.1
ROE (%)	32.1	31.3	29.3	27.4
Net D/E (%)	(44.5)	(38.5)	(42.0)	(49.8)

Sources: Company data; Thanachart estimates

Ex 4: COM7 Pcl (COM7 TB)

Y/E Dec (Bt m)	2023	2024F	2025F	2026F
Sales	69,559	78,093	87,319	95,957
Net profit	2,857	3,256	3,969	4,555
Norm profit	2,974	3,256	3,969	4,555
Norm EPS (Bt)	1.2	1.4	1.7	1.9
Norm EPS grw (%)	(2.2)	9.5	21.9	14.8
Norm PE (x)	21.6	19.7	16.2	14.1
EV/EBITDA (x)	15.3	14.4	12.1	10.5
P/BV (x)	8.0	6.8	5.7	4.8
Div yield (%)	2.6	3.0	3.6	4.2
ROE (%)	39.1	37.1	38.1	36.8
Net D/E (%)	80.7	57.4	45.3	30.9

Sources: Company data; Thanachart estimates

Ex 5: CP All Pcl (CPALL TB)

Y/E Dec (Bt m)	2023	2024F	2025F	2026F
Sales	920,373	1,009,501	1,079,208	1,144,984
Net profit	18,482	23,908	28,017	32,914
Norm profit	18,374	23,908	28,017	32,914
Norm EPS (Bt)	2.0	2.6	3.1	3.6
Norm EPS grw (%)	43.3	33.3	17.5	17.8
Norm PE (x)	32.8	24.6	20.9	17.8
EV/EBITDA (x)	11.2	9.7	8.8	7.8
P/BV (x)	5.2	4.6	4.1	3.7
Div yield (%)	1.6	2.0	2.4	2.8
ROE (%)	17.4	20.3	21.3	22.2
Net D/E (%)	86.2	85.5	76.7	66.0

Sources: Company data; Thanachart estimates

Ex 6: Minor International Pcl (MINT TB)

Y/E Dec (Bt m)	2023	2024F	2025F	2026F
Sales	149,196	162,592	170,840	177,550
Net profit	5,407	9,786	9,578	11,083
Norm profit	7,132	8,286	9,578	11,083
Norm EPS (Bt)	1.0	1.2	1.4	1.7
Norm EPS grw (%)	790.9	14.2	19.4	19.1
Norm PE (x)	26.7	23.4	19.6	16.4
EV/EBITDA (x)	6.2	6.1	5.7	5.3
P/BV (x)	2.0	1.9	1.8	1.7
Div yield (%)	2.1	2.1	2.0	2.4
ROE (%)	9.7	10.4	11.3	12.4
Net D/E (%)	101.6	96.2	82.6	69.0

Sources: Company data; Thanachart estimates

Ex 7: Muangthai Capital Pcl (MTC TB)

Y/E Dec (Bt m)	2023	2024F	2025F	2026F
Pre Provision Profit	10,967	12,202	14,364	16,701
Net profit	4,906	5,928	7,292	9,071
Norm profit	4,906	5,928	7,292	9,071
Norm EPS (Bt)	2.3	2.8	3.4	4.3
Norm EPS grw (%)	(3.7)	20.8	23.0	24.4
Norm PE (x)	22.3	18.4	15.0	12.0
P/BV (x)	3.4	3.0	2.5	2.1
Div yield (%)	0.4	0.8	1.0	1.2
ROE (%)	16.1	17.2	18.2	19.3
ROA (%)	3.5	3.7	3.9	4.3

Sources: Company data; Thanachart estimates

Ex 8: SISB Pcl (SISB TB)

Y/E Dec (Bt m)	2023	2024F	2025F	2026F
Sales	1,889	2,454	2,908	3,395
Net profit	654	917	1,194	1,530
Norm profit	654	917	1,194	1,530
Norm EPS (Bt)	0.7	1.0	1.3	1.6
Norm EPS grw (%)	77.0	40.3	30.2	28.2
Norm PE (x)	47.8	34.1	26.2	20.4
EV/EBITDA (x)	37.8	26.4	20.4	15.6
P/BV (x)	11.2	9.3	7.7	6.3
Div yield (%)	0.9	1.3	1.7	2.2
ROE (%)	25.7	29.9	32.2	33.8
Net D/E (%)	(34.3)	(51.8)	(56.8)	(71.8)

Sources: Company data; Thanachart estimates

Ex 9: True Corporation Pcl (TRUE TB)

Y/E Dec (Bt m)	2023	2024F	2025F	2026F
Sales	169,074	212,557	217,777	221,689
Net profit	(12,681)	(1,594)	12,628	22,778
Norm profit	(7,242)	8,406	17,628	22,778
Norm EPS (Bt)	(0.2)	0.2	0.5	0.7
Norm EPS grw (%)	na	na	109.7	29.2
Norm PE (x)	na	48.5	23.1	17.9
EV/EBITDA (x)	10.0	7.4	6.6	6.0
P/BV (x)	4.8	4.8	4.3	3.6
Div yield (%)	0.0	0.0	0.5	1.7
ROE (%)	na	9.9	19.6	21.7
Net D/E (%)	385.0	365.1	284.4	215.9

Sources: Company data; Thanachart estimates

Ex 10: WHA Corporation Pcl (WHA TB)

Y/E Dec (Bt m)	2023	2024F	2025F	2026F
Sales	14,875	12,400	14,005	14,950
Net profit	4,426	4,927	5,758	5,026
Norm profit	4,418	4,927	5,758	5,026
Norm EPS (Bt)	0.3	0.3	0.4	0.3
Norm EPS grw (%)	18.7	11.5	16.9	(12.7)
Norm PE (x)	19.6	17.6	15.1	17.2
EV/EBITDA (x)	22.1	23.0	20.4	22.8
P/BV (x)	2.6	2.3	2.1	2.0
Div yield (%)	1.2	2.3	2.7	2.3
ROE (%)	13.5	14.0	14.9	12.0
Net D/E (%)	93.6	84.4	78.4	75.8

Sources: Company data; Thanachart estimates

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