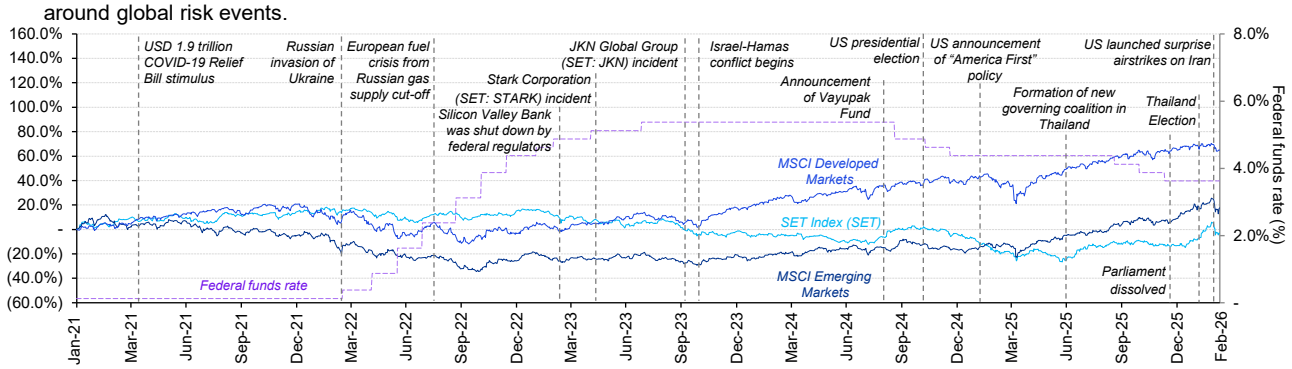
KPMG

Capital market and business valuation insights | Q4/2025

The quarterly update from Deal Advisory services, KPMG in Thailand

Capital market performance

- In Q4 2025, the Thailand Capital Market (SET Index) showed a reversal from the previous quarter reflecting weak economic momentum and reduced trading activity, though some sectors outperformed and dividend yields remained relatively high at 4.0%.
- The SET Index has experienced a recovery in Q1 2026 but has shed gains as energy supply and price uncertainties loom on the economy following the start of war in the Middle East.
- Thailand's GDP growth is projected to slow from 2.2% in 2025 to 1.6% in 2026, before recovering to 2.3% in 2027. The moderation reflects softer private consumption, slower merchandise exports, and reduced fiscal support, with election-related delays in budget disbursement weighing on 2026 growth. Growth is expected to be partially supported by a gradual tourism recovery and increased private investment driven by FDI. The impact of the war will weigh heavily on the economic outlook.
- The Thai baht appreciated from 32.5 in the previous quarter to 31.7 against the US dollar as at 30 December 2025, according to the Bank of Thailand's (BOT) average selling rates. This strength reflected broader dollar weakness, though volatility persisted around global risk events.



Source: Capital IQ and the Federal Reserve
Note: Indices rebased as at 1 January 2021

Thai stock exchange financial highlights (31 December 2025)

Market capitalization of THB 16.1 trillion

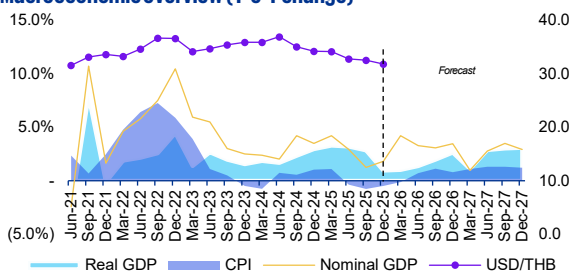
A total of 941 listed securities, with 702 in SET, 230 in mai, 9 in LiVEx

Market capitalization to GDP of 86.0%*

12 newly listed securities and 3 delisted during Q4/2025

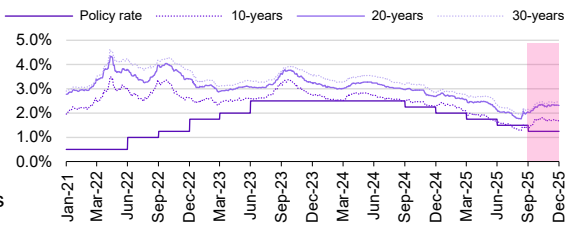
Source: SET, Capital IQ and BOT
Note: GDP for Q4/2025 is not yet available, GDP of Q3/2025 is used as a proxy for the calculation.

Macroeconomic overview (Y-o-Y change)



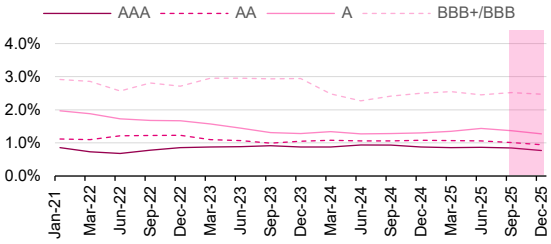
Source: EIU and BOT

Thai government bond yield



Source: Bloomberg and BOT

Thai corporate bond average spread



Source: ThaiBMA

- **US federal funds rate:** At the December meeting, the Federal Open Market Committee (FOMC) reduced the target range for the federal funds rate by 0.25 percentage points, setting it at 3.50% to 3.75%. The Committee plans to closely monitor incoming data, the evolving economic outlook and the balance of risks in evaluating future adjustments.
- **Thai policy interest rate:** The MPC cut the policy rate by 0.25 percentage points to 1.00% in February 2026. Thailand's economy is expected to slow in 2026–27 due to weaker consumption and exports, though tourism is recovering. Inflation remains low, credit conditions are tight for SMEs, and further easing is possible if risks increase.
- **Inflation:** Headline inflation is projected to remain low at -0.1% in 2025, driven mainly by supply-side factors, rising to 0.3% in 2026 and 1.0% in 2027, before gradually returning to the 1.0–3.0% target range in the first half of 2027. A prolonged conflict in the Middle East will likely accelerate inflation through energy prices.
- **Yield and spread:** Thailand government bond yields rose in 4Q2025 despite broadly lower US Treasury yields. The relatively stable maturity spreads suggest the upward shift reflected domestic factors such as bond supply dynamics and local risk premium adjustments rather than changes in global rate expectations.

Source: BOT and Federal Reserve

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SET valuation metrics by sector (last five quarters)

The SET has eight key sector categories for listed entities. The three most common valuation multiples across five quarters in these sectors illustrate movement due to both economic fundamentals and the impact of global events on market sentiment.

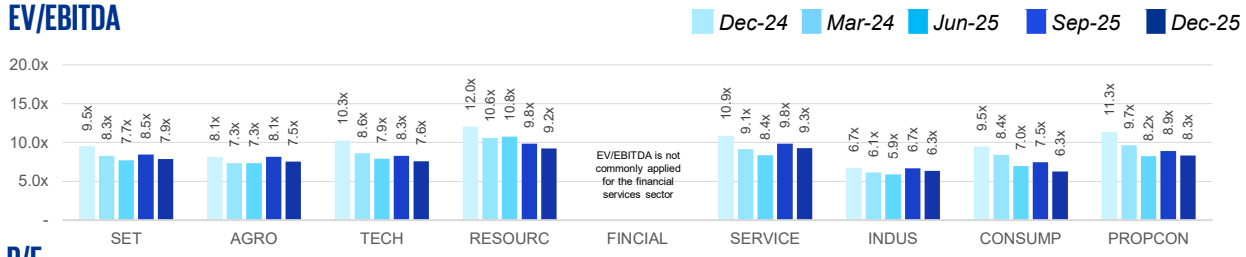
AGRO	*Agribusiness, F&B*	***RESOURC***	*Energy, Utilities, Mining*	***SERVICE***	*Commerce, Healthcare, Media*	***CONSUMP***	*Fashion, Home, Personal, Pharmaceuticals*
TECH	*Electronic parts, ICT*	***FINCIAL***	*Banking, Finance*	***INDUS***	*Automotive, Industrial materials and machinery, Packaging, Chemicals*	***PROPCON***	*Property and construction*

Index	SET	AGRO	TECH	RESOURC	FINCIAL	SERVICE	INDUS	CONSUMP	PROPCON
Number of securities	932[1]	84	71	72	82	199	147	68	209
Market capitalization (THB trillion)	16.1[2]	0.8	3.9	2.9	2.9	3.4	0.5	0.1	1.5

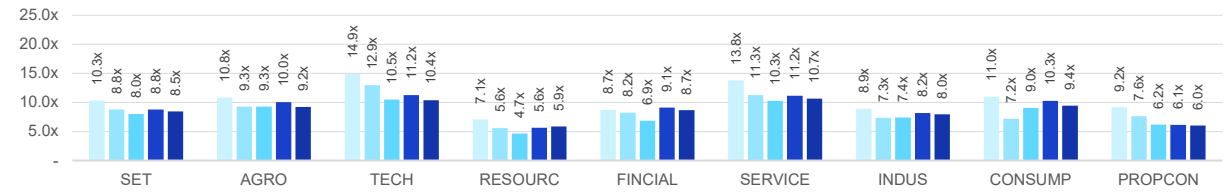
Source: SET, S&P Capital IQ and KPMG Analysis

Note 1: Number of securities differs from the prior page as nine LiVEx companies are excluded. 2: This figure is based on CIQ data while the figure on the first page is based on SET.

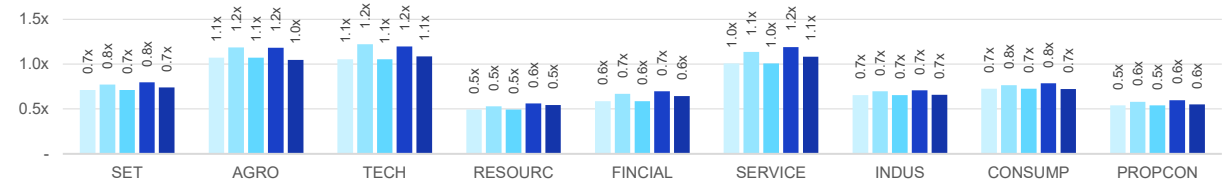
EV/EBITDA



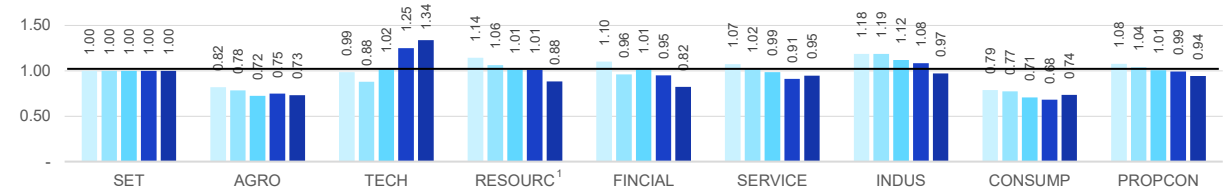
P/E



P/BV



Adjusted five-year monthly beta



Source: SET, S&P Capital IQ and KPMG Analysis.

Note: 1) Due to data inaccuracies in Capital IQ, GULF's Q4/2024-Q2/2025 beta has been omitted.

The multiples in Q4/2025 decreased compared with previous quarters across all sectors, reflecting the overall stock market decline and increased market uncertainty.

Sector betas represent relative riskiness to the market portfolio. The stock prices of companies in the TECH sector experienced a significant increase in Q4/2025, driving a higher beta. The betas for the RESOURC and FINCIAL sectors declined while the beta movements for other sectors remained mixed.

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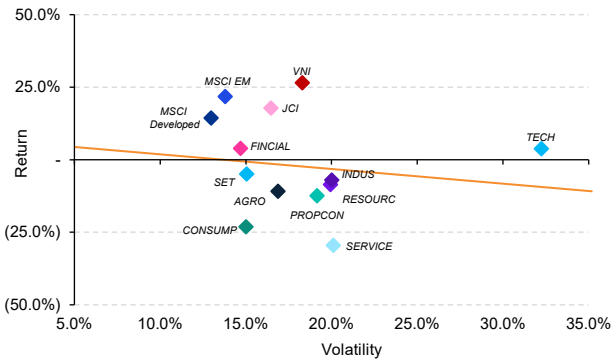
Returns and volatilities of international indices and domestic indices by sector

Index	MSCI Developed	MSCI EM	VNI	JCI	SET	AGRO	TECH	RESOURC	FINCIAL	SERVICE	INDUS	CONSUMP	PROPCON
Country	Developed countries	Emerging countries	Vietnam	Indonesia	Thailand	Thailand							
Annualized daily returns	Total returns					Total returns							
1-year	14.4%	21.8%	26.5%	17.8%	(4.9%)	(10.8%)	3.8%	(8.6%)	3.9%	(29.5%)	(7.0%)	(23.1%)	(12.4%)
5-year	11.3%	4.0%	10.5%	10.5%	0.1%	(1.7%)	17.2%	(3.9%)	14.7%	(4.9%)	(8.9%)	(13.7%)	(3.5%)
Volatility of daily returns													
1-year	13.0%	13.8%	18.3%	16.5%	15.0%	16.9%	32.2%	19.9%	14.7%	20.1%	20.0%	15.0%	19.1%
5-year	14.1%	15.3%	19.3%	13.5%	12.5%	14.0%	27.5%	17.6%	16.2%	15.3%	16.9%	16.4%	15.9%

Source: SET, Bloomberg, S&P Capital IQ, MSCI and KPMG Analysis

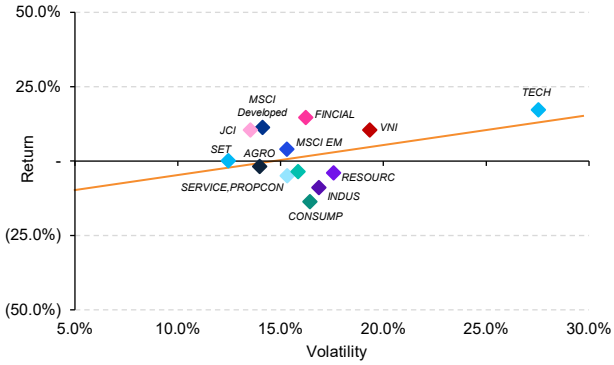
Market returns vs. volatilities

1-year correlation



Source: SET, Bloomberg, S&P Capital IQ, and KPMG analysis

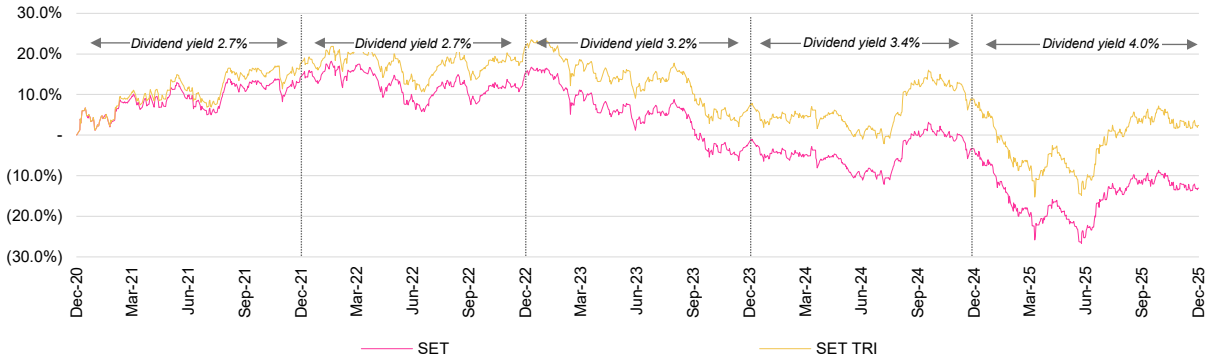
5-year correlation



Source: SET, Bloomberg, S&P Capital IQ, and KPMG analysis

— Over both the one-year and five-year periods, the SET has underperformed relative to other indices. Within Thailand, the TECH sector recorded a sharp decline in its one-year performance compared to previous quarter, although it remains the top performer over the five-year horizon. In contrast, the SERVICE and CONSUMP sectors delivered the weakest returns for the 1-year and 5-year groups, respectively.

SET vs. SET TRI



Source: SET and Bloomberg
Note: Indices rebased as at 31 December 2025

— The **Total return index (TRI)** is an index that measures the total return from investing in securities. It comprises (1) a return arising from the change in value of the securities or "capital gain/loss", and (2) dividends paid, assuming they are reinvested in the securities.

— Dividend yields for 2025 continue to remain high largely due to depressed prices.

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Data criteria

Thailand valuation multiples by sector

- The SET sector classification serves as the principal criterion for the illustrated sectors.
- The sector valuation multiples are based on the respective median.
- 12-month trailing multiples are derived from Q4/2024 to Q4/2025.
- The Q4/2025 multiple is based on the latest available financial statement information as at Q3/2025.
- The sectors' betas are based on market capitalization-weighted adjusted betas, excluding securities with negative beta values.
- Data in historical periods may change according to Capital IQ's retrospective adjustments.

Regression on returns and volatilities

- The total number of trading days per year is assumed to be 252 days.
- The period in the study is 1 January 2021 to 31 December 2025.

SET and SET TRI

- Annual dividend yields are based on dividend yields from Bloomberg.

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KPMG Deal Advisory

"KPMG provides a full range of valuation services for all sell-side, buy-side, tax restructuring, fund raising and joint venture transactions."

Sell-side advisory services

- Investment/business portfolio review
- Exit option
- Investor identification
- Vendor due diligence
- Pricing support
- Deal structure
- Deal execution/negotiation/closing
- Separation

Buy-side advisory services

- Deal strategy
- Market entry study
- Option identification: target search/structure
- Deal evaluation: due diligence/valuation
- Deal execution/negotiation/closing
- Integration
- Purchase price allocation (PPA)

Turnaround & restructuring

- Financial health check
- Business turnaround plan
- Financial restructuring
- Solvency strategy
- Working capital management
- Formal insolvency process
- Cash flows monitoring
- Operational restructuring
- Loan portfolio assistance

Fund raising advisory services

- Business plan review/assistance
- Capital structure assessment
- Financial strategy
- Financing assistance
- IPO preparation
- Deal execution/negotiation/closing

Joint venture advisory services

- Opportunity evaluation
- JV/Alliance assessment
- JV/Alliance formation and structure
- Deal execution/negotiation/closing

Integration advisory services

- Integration services
- Day 1 and 100-day integration planning
- Integration blueprint
- PMO services

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

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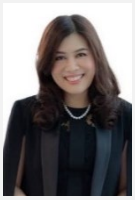
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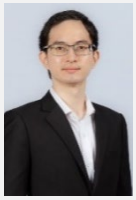
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