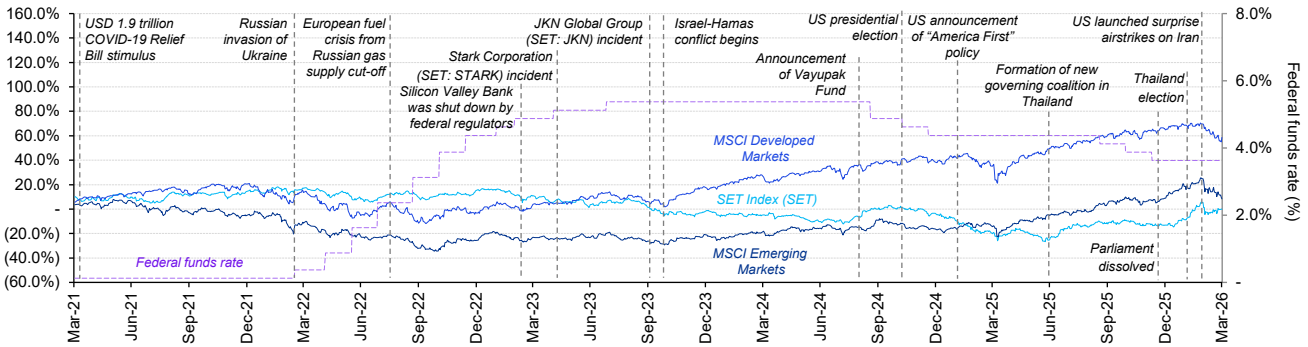
KPMG

Capital market and business valuation insights | Q1/2026

The quarterly update from Deal Advisory services, KPMG in Thailand

Capital market performance

- In Q1/2026, the SET Index recorded steady gains throughout the quarter, with a short-term dip at the onset of the Iran conflict. The TECH sector demonstrated the strongest improvement, followed by the Energy sector, which benefited from profit gains driven by existing oil inventories during the period of elevated oil prices.
- The prolonged Iran conflict continues to drive elevated energy costs, weighing on inflation and Thailand's trade balance. Key sectors, including manufacturing, petrochemicals, transport, and tourism, face margin pressure, resulting in higher earnings uncertainty, cash flow volatility, and overall business risk.
- Thailand's 2025 GDP growth was revised up to 2.4% from 2.2%, supported by stronger private investment and exports. However, growth is expected to remain below potential at 1.5% in 2026 and 2.0% in 2027, due to weaker consumption, rising living costs, and weaker income prospects. Tourism is also expected to slow amid travel restrictions and higher costs.
- The Thai baht appreciated from 33.0 to 31.7 per USD (BOT average selling rates) by 31 March 2026, driven by a current account surplus and a weakening US dollar, with some portfolio inflows influenced by interest rate differentials.



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

Thai stock exchange financial highlights (31 March 2026)

Market capitalization of THB 18.5 trillion

A total of 942 listed securities, with 703 in SET, 229 in mai, 10 in LiVEx

Market capitalization to GDP of 97.0%

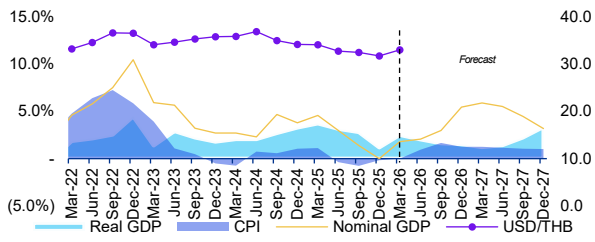
1 newly listed security during Q1/2026

Source: SET, Capital IQ and BOT

- **US federal funds rate:** At the April meeting, the Federal Open Market Committee (FOMC) maintained the target range for the federal funds rate at 3.50% to 3.75%. The Committee noted that the economy is growing in a solid pace and inflation remains elevated, partly due to energy prices.
- **Thai policy interest rate:** The MPC maintain the policy rate at 1.00% in April 2026. While the increase in inflation is mainly driven by supply-side factor, the Committee assesses that the current policy rate remains appropriate to support a slowing economy and navigate heightened uncertainty.
- **Inflation:** Actual headline inflation for 2025 is at (0.1)%. However, this is projected to rise to 2.9% in 2026 and 1.5% in 2027, due to the prolonged conflict in the Middle East, which has exerted pressure through global energy prices and cost pass-through. The MPC stated that inflation is expected to remain around 3.0% before declining to an average of 1.5% from 2027 onward, while the medium-term outlook remains within the target range.
- **Yield and spread:** Thailand government bond yields rose in Q1/2026, driven by heightened inflation expectations, despite broadly declining US Treasury yields. The maturity spreads suggest an upward shift in domestic factors, such as bond supply dynamics and local risk premium adjustments, rather than changes in global rate expectations.

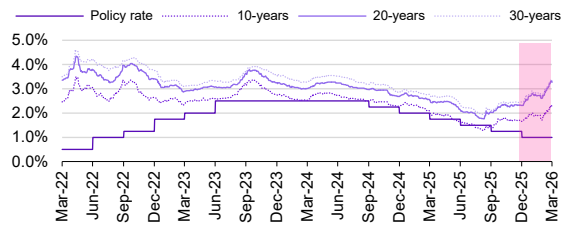
Source: BOT and Federal Reserve

Macroeconomic overview (Y-o-Y change)



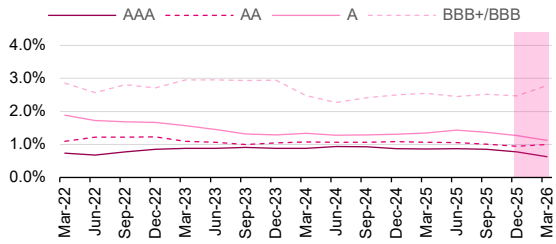
Source: EIU and BOT

Thai government bond yield



Source: Bloomberg and BOT

Thai corporate bond average spread



Source: ThaiBMA

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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.

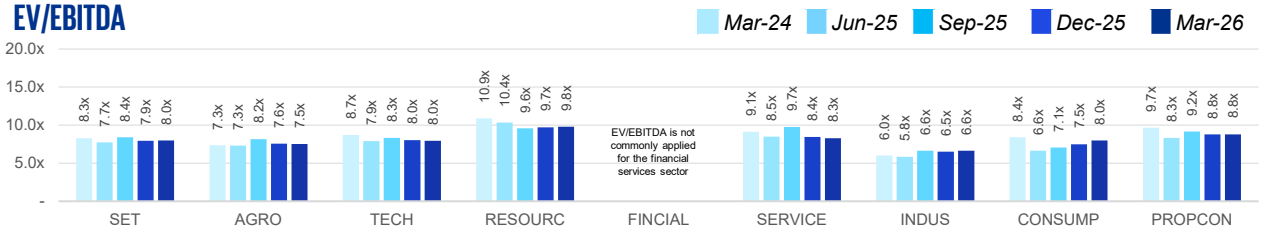
AGRO	*Agribusiness, F&B*	***RESOURC***	*Energy, Utilities, Mining*	***SERVICE***	*Commerce, Healthcare, Media*	***CONSUMP***	*Fashion, Home, Personal, Pharmaceuticals*
TECH	*Electronic parts, ICT*	***FINCIAL***	*Banking, Finance*	***INDUS***	*Automotive, Industrial materials and machinery, Packaging,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

Index	SET	AGRO	TECH	RESOURC	FINCIAL	SERVICE	INDUS	CONSUMP	PROPCON
Number of securities	933[1]	84	71	72	82	199	148	68	209
Market capitalization (THB trillion)	17.6[2]	0.9	5.3	2.7	3.0	3.4	0.6	0.1	1.6

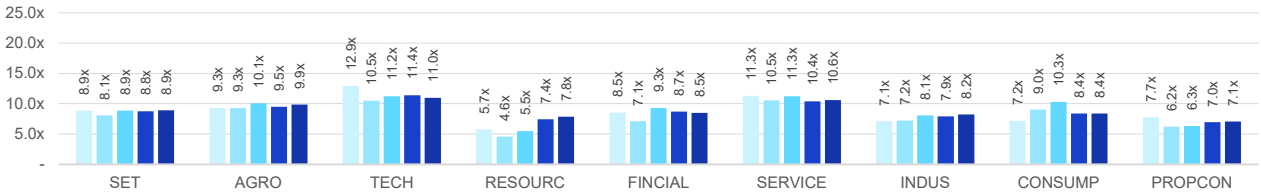
Source: SET, S&P Capital IQ and KPMG Analysis

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

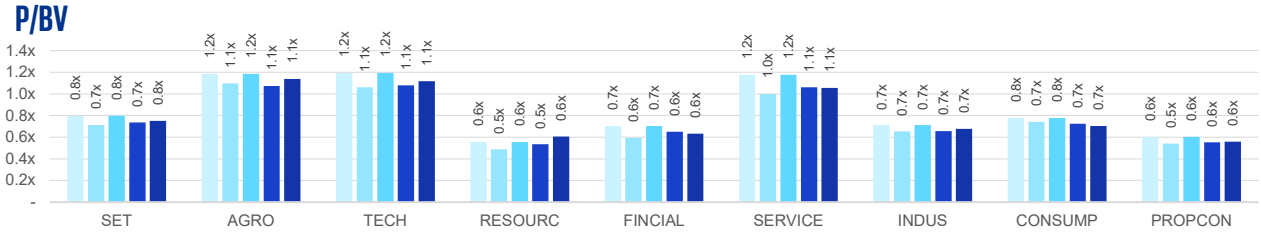
EV/EBITDA



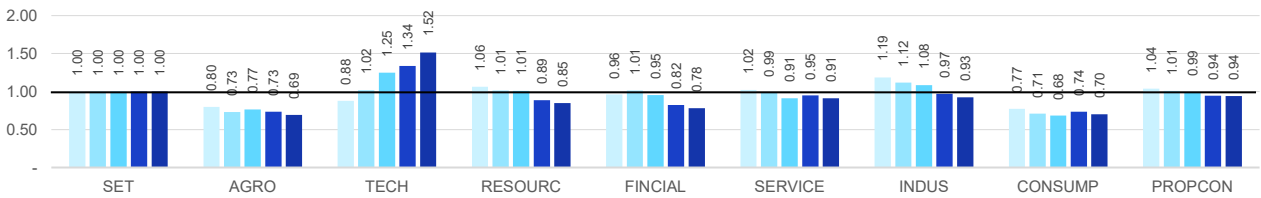
P/E



P/BV



Adjusted five-year monthly beta



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

The multiples in Q1/2026 remained broadly consistent with prior quarters across all sectors, despite an increase in the index, indicating that earnings growth kept pace with pricing gains.

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 and Q1/2026, driving a higher beta. The betas for the PROPCON sector were maintained, while the beta movements for other sectors decreased.

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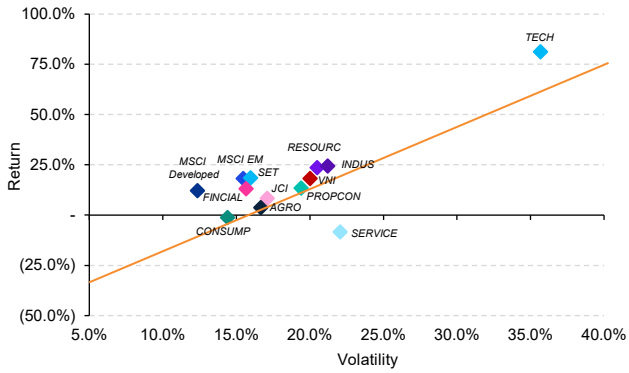
Returns and volatilities of international indices and domestic indices by sector

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	12.2%	18.2%	18.3%	8.4%	18.5%	3.8%	81.2%	23.6%	13.1%	(8.3%)	24.5%	(1.3%)	13.4%
5-year	9.5%	3.5%	7.7%	6.4%	1.2%	(5.5%)	25.5%	(1.9%)	15.7%	(9.3%)	(10.5%)	(16.2%)	(5.9%)
Volatility of daily returns													
1-year	12.3%	15.5%	20.0%	17.1%	16.0%	16.7%	35.7%	20.5%	15.7%	22.0%	21.2%	14.4%	19.4%
5-year	14.0%	15.4%	18.8%	14.2%	13.1%	13.8%	27.4%	15.6%	14.9%	15.4%	16.9%	14.6%	15.2%

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

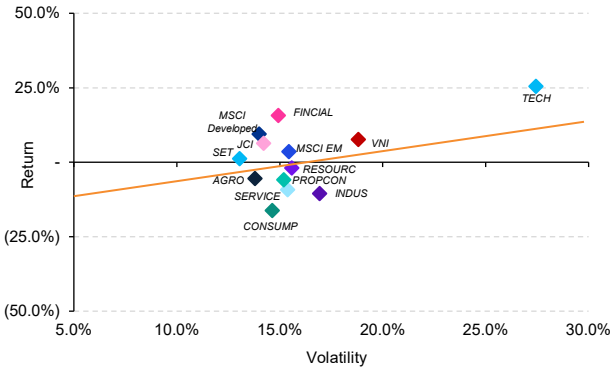
Market returns vs. volatilities

1-year correlation



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

5-year correlation

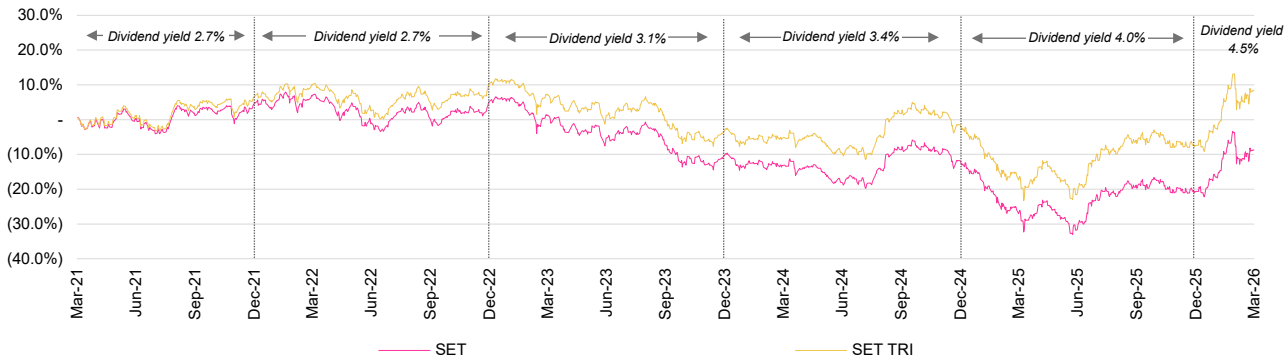


Source: SET, Bloomberg, S&P Capital IQ, and KPMG analysis

— For the first time since Q4/2023, Thailand's SET Index has delivered a superior one-year return relative to its regional peers. Despite this recent improvement, Thailand continues to rank lowest on a five-year return basis.

— Within the domestic market, the TECH sector recorded a new high in its one-year performance and remains the strongest performer over the five-year horizon. Conversely, the SERVICE sector delivered the lowest return for one-year performance, and the CONSUMP sector delivered the poorest performance in five years.

SET vs. SET TRI



Source: SET and Bloomberg
Note: Indices rebased as at 1 April 2021

— The **Total Return Index (TRI)** measures the total return from investing in securities. It comprises (1) returns arising from changes in value of the securities or "capital gain/loss", and (2) dividends paid, assuming they are reinvested in the securities.

— At 4.5%, the 2026 dividend yield is the highest since 2020.

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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 Q1/2025 to Q1/2026.
- The Q1/2026 multiple is based on the latest available financial statement information as at Q4/2025.
- 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 April 2021 to 31 March 2026.

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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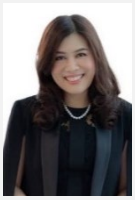
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