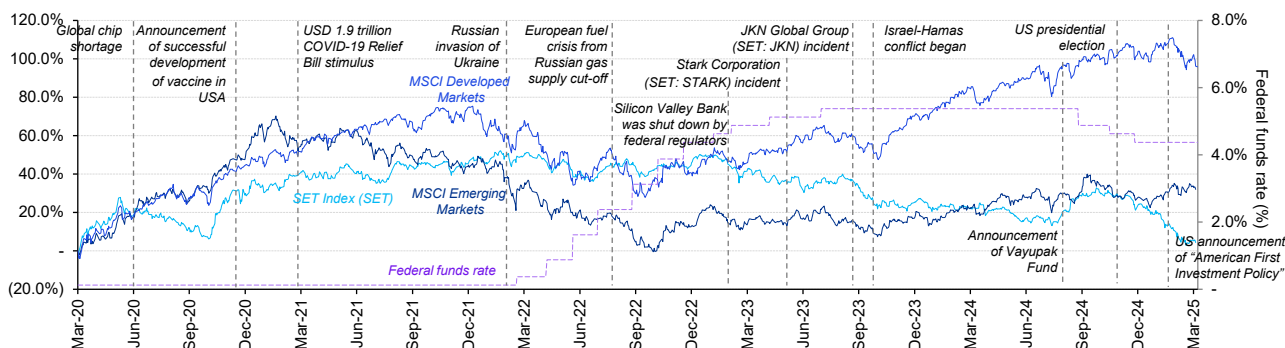


# Capital market and business valuation insights | Q1/2025

The quarterly update from Deal Advisory services, KPMG in Thailand

## Capital market performance

- The Thai capital market (SET Index) has continued declines over the previous quarter impacted by a weakening outlook. Forecasted GDP growth for the Thai economy is now lower than originally expected. Overall tourist arrivals was adversely affected by the decrease in Chinese tourists; a trend that could indicate structural preference shifts.
- Uncertainties regarding global trade policies are also a key economic headwind. The Monetary Policy Committee (MPC) anticipates GDP growth for 2025 to decline to 2.0% should trade negotiations prolong, and the US import tariffs remain close to the rates currently in place. The MPC has indicated a downside GDP growth scenario of 1.3% if trade tensions were to escalate and US import tariffs were raised even further.
- The Thai baht slightly appreciated against the US dollar from 34.2 in the last quarter to 34.1 as at 31 March 2025, based on BOT's average selling rates



Source: Capital IQ and the Federal Reserve  
Note: Indices rebased as at 31 March 2020

## Thai stock exchange financial highlights (31 March 2025)



Market capitalization  
of THB 14.7 trillion



Total of 930 listed  
securities, with 700 in  
SET, 223 in mai, 7 in LIVEX



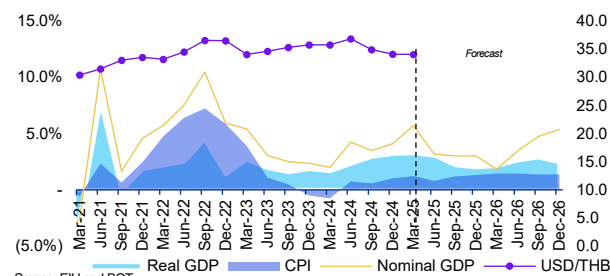
Market  
capitalization to  
GDP of 78.9%



3 newly listed securities  
and 4 delisted during  
Q1/2025

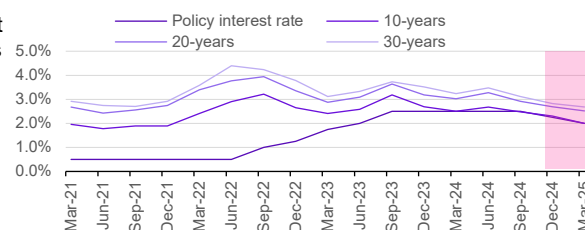
Source: SET, Capital IQ and BOT

## Macroeconomic overview (Y-o-Y change)



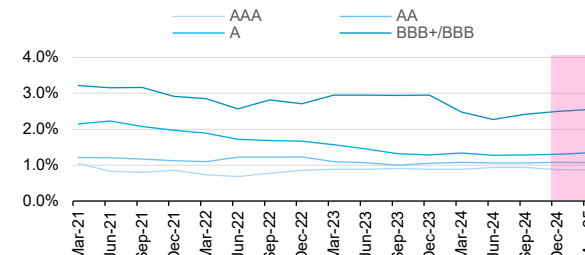
Source: EIU and BOT

## Thai government bond yield



Source: ThaiBMA and BOT

## Thai corporate bond average spread



Source: ThaiBMA

- **US federal funds rate:** In its May meeting, the Federal Open Market Committee (FOMC) maintained the target range for the federal funds rate at 4.25% – 4.50%. The FOMC announced that it will continue to reduce its holdings of Treasury securities, agency debt and agency mortgage-backed securities.
- **Inflation:** Headline inflation is forecast to fall below the target range in 2025 and 2026, primarily due to lower global crude oil prices and government subsidies partially offsetting living and business cost increases. Nevertheless, trade protectionism and shifts in global supply chains may impact the future inflation outlook.
- **Thai policy interest rate:** On 30 April, the MPC voted 5 to 2 to cut the policy rate further from 2.00% to 1.75% in view of the weakening economic outlook.
- **Yield and spread:** Credit risk spreads for riskier corporate bonds have widened since the previous quarter. Thai government bond yields declined in line with the policy rate.

Source: BOT and Federal Reserve

# Capital market and business valuation insights | Q1/2025

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## SET valuation metrics by sector (last 5 quarters)

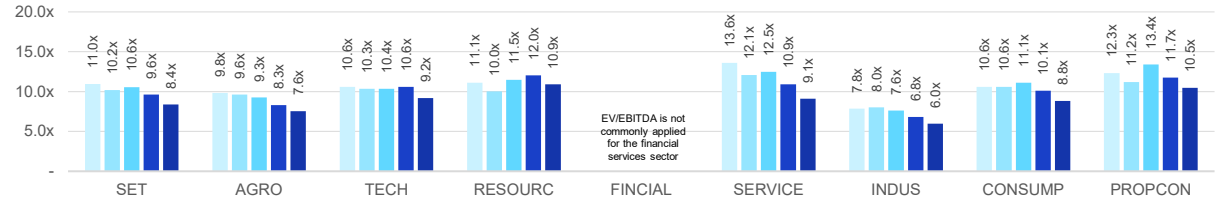
The SET has eight key sector categories for listed entities. The three most-common valuation multiples across 5 quarters in these sectors illustrate movement due to both economic fundamentals and the impact of global events on market sentiment.

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

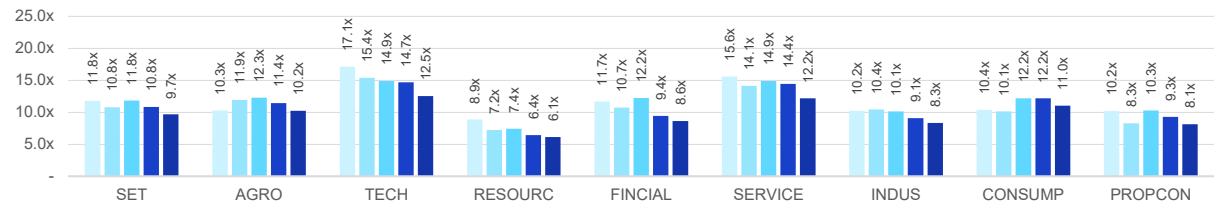
Index	SET	AGRO	TECH	RESOURC	FINCIAL	SERVICE	INDUS	CONSUMP	PROPCON
Number of securities	922 <sup>1</sup>	82	69	72	82	197	147	66	207
Market capitalization (THB trillion)	14.5 <sup>2</sup>	0.9	2.5	2.9	2.7	3.4	0.5	0.1	1.4

Source: SET, S&P Capital IQ and KPMG analysis  
 Note 1: Number of securities differs from the prior page as one company is under restructuring, two companies delisted, and six LIVEX companies are excluded. 2: This figure is based on CIQ data.

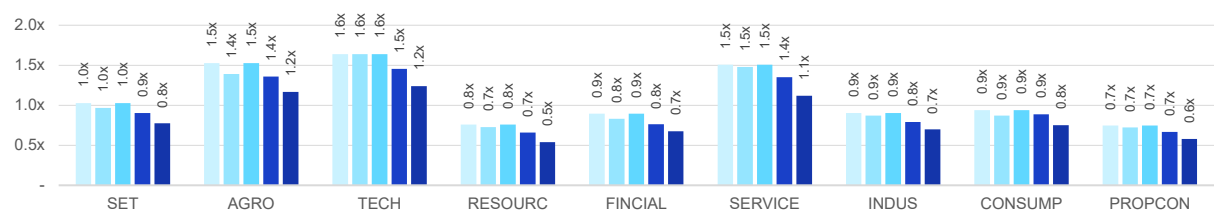
## EV/EBITDA



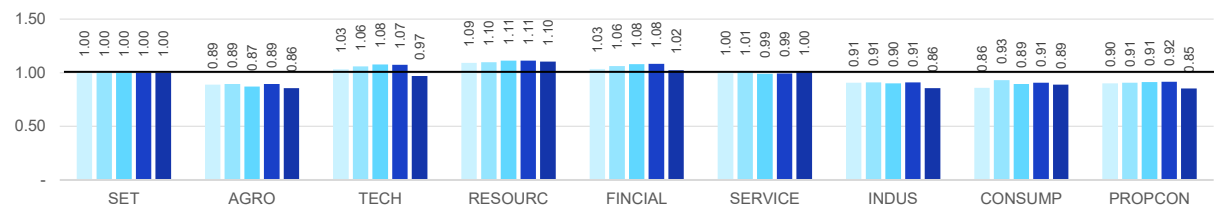
## P/E



## P/BV



## Adjusted 5-year monthly beta



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

The multiples in Q1/2025 dropped from the previous quarters for all sectors, corresponding with the decline in the overall stock market.

Sector beta represents the undiversified risk of a sector. The higher the beta, the riskier it is for that specific sector. The betas have declined across all sectors, except for SERVICE, where the beta increased.

# Capital market and business valuation insights | Q1/2025

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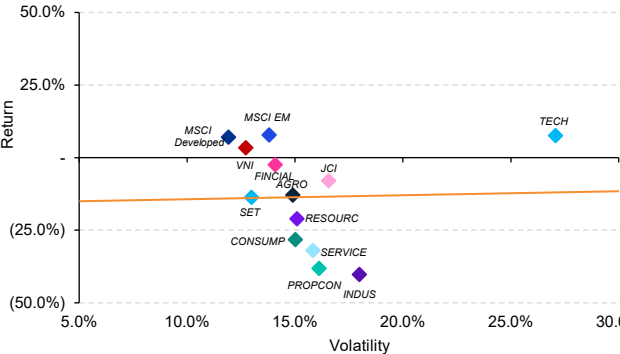
## Returns and volatilities of international indices and domestic indices by sector

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	7.0%	7.8%	3.4%	(8.0%)	(13.7%)	(13.0%)	7.6%	(21.1%)	(2.4%)	(32.0%)	(40.3%)	(28.3%)	(38.1%)
5-year	15.8%	7.8%	15.2%	10.7%	3.5%	3.3%	16.2%	1.9%	14.1%	(0.7%)	(0.8%)	(5.1%)	(1.7%)
Volatility of daily returns													
1-year	11.9%	13.8%	12.7%	16.6%	13.0%	14.9%	27.1%	15.1%	14.1%	15.8%	18.0%	15.0%	16.1%
5-year	15.4%	16.0%	19.2%	14.6%	13.7%	14.4%	26.0%	16.8%	17.1%	15.1%	17.0%	17.2%	14.8%

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

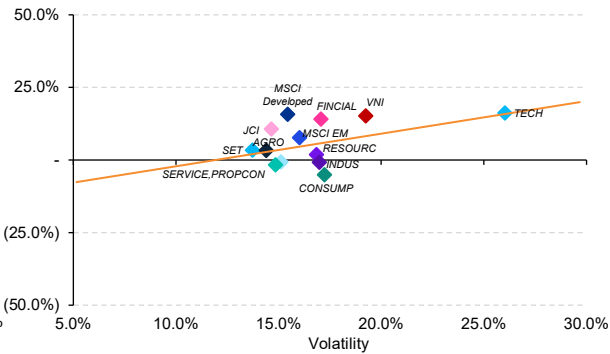
## Market returns vs. volatilities

### 1-year correlation



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

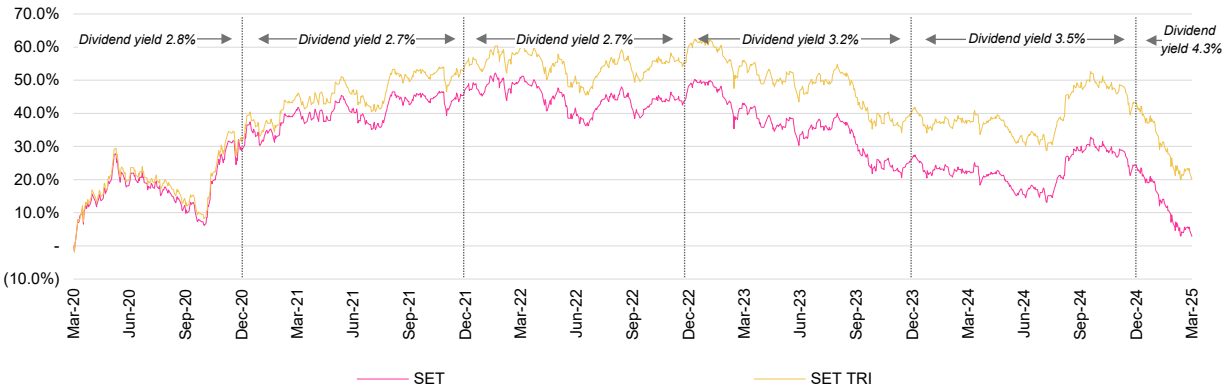
### 5-year correlation



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

- Throughout the one-year and five-year evaluation periods, the SET has exhibited lower returns than other indices compared. Within Thailand, the TECH sector surpassed all other market sectors in terms of performance during both the one-year and five-year periods. Conversely, the INDUS sector recorded the poorest performance in terms of annualized return over the one-year period.

## SET vs. SET TRI



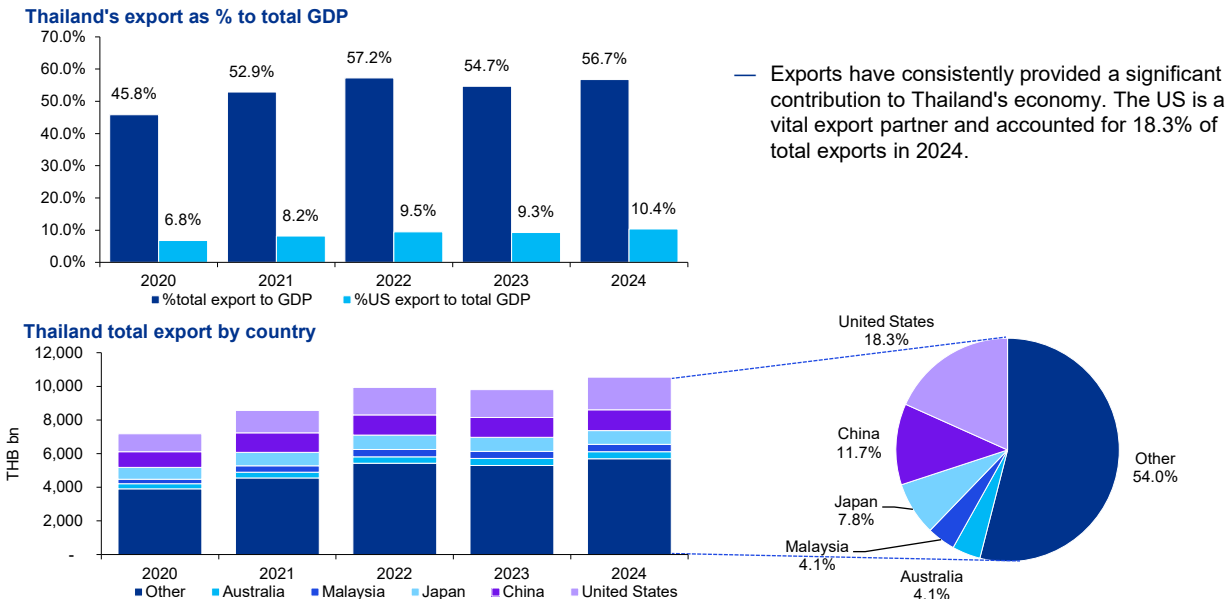
Source: SET and Bloomberg  
Note: Indices rebased as at 31 March 2020

- 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.
- The dividend yield for 2025 stands to be the highest, as the overall stock market experienced a decline in the first quarter of this year, ahead of an expected downturn in corporate financial performance.

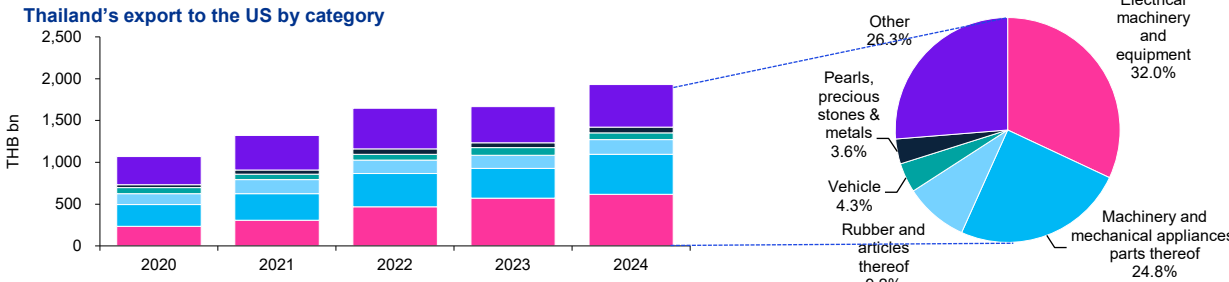
# Capital market and business valuation insights | Q1/2025

The quarterly update from Deal Advisory services, KPMG in Thailand

## A snapshot of Thai trade in light of US reciprocal tariffs



- On 2 April, the US imposed a reciprocal tariff 37.0% on products from Thailand. Given the significance of US market to Thailand's exports and the unpredictability introduced by the newly imposed tariff, Thailand's economy is highly likely to face a period of uncertainty.
- On 8 May, Pichai Chunhavajira, Thailand's Finance Minister, submitted trade proposals with 5 key areas to the US Trade Representative. Consequently, any future changes to the tariff will depend on the result of further negotiations.

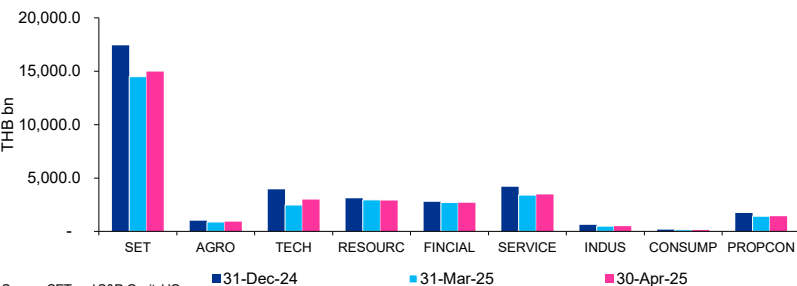


Source: The National Economic and Social Development Council and Thai Custom Department

- The top 5 most exported products constituted more than 70.0% of Thailand's total exports to the US in 2024.

## Capital market impact by sector

### SET market cap by sector



Source: SET and S&P Capital IQ

	YTD	Month-to-date return			
	31-Mar-25	3-Apr-25	8-Apr-25	30-Apr-25	
S&P500	(5.8)%	(3.4)%	(7.7)%	(2.5)%	
SET	(16.9)%	0.3%	(7.3)%	3.3%	
AGRO	(12.3)%	0.2%	(5.5)%	5.3%	
TECH	(37.3)%	(1.8)%	(5.1)%	20.3%	
RESOURC	(4.9)%	(0.2)%	(11.5)%	(1.6)%	
FINCIAL	(1.5)%	0.8%	(6.9)%	(1.9)%	
SERVICE	(18.1)%	2.1%	(5.0)%	1.2%	
INDUS	(19.0)%	0.5%	(9.3)%	(0.5)%	
CONSUMP	(9.9)%	0.5%	(5.8)%	(2.5)%	
PROPCON	(16.2)%	(0.6)%	(8.9)%	(0.2)%	

2-Apr-25 was the 1<sup>st</sup> date that US announce reciprocal tariff. SET reaction was on 3-Apr-25.  
8-Apr-25 was the date that US increase reciprocal tariff to China.  
Return contribution for TECH sector is mainly concentrated in individual stock "DELTA"

- The introduction of the reciprocal tariff policy caused significant market volatility. The SET recovered from intra-month declines in April largely due to the AGRO and TECH sectors.



# Capital market and business valuation insights | Q1/2025

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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 and beta are based on the respective median.
- 12-month trailing multiples are derived from Q1/2024 to Q1/2025.
- Q1/2025 multiple is based on the latest available financial statement information as at Q4/2024.
- 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 2020 – 31 March 2025.

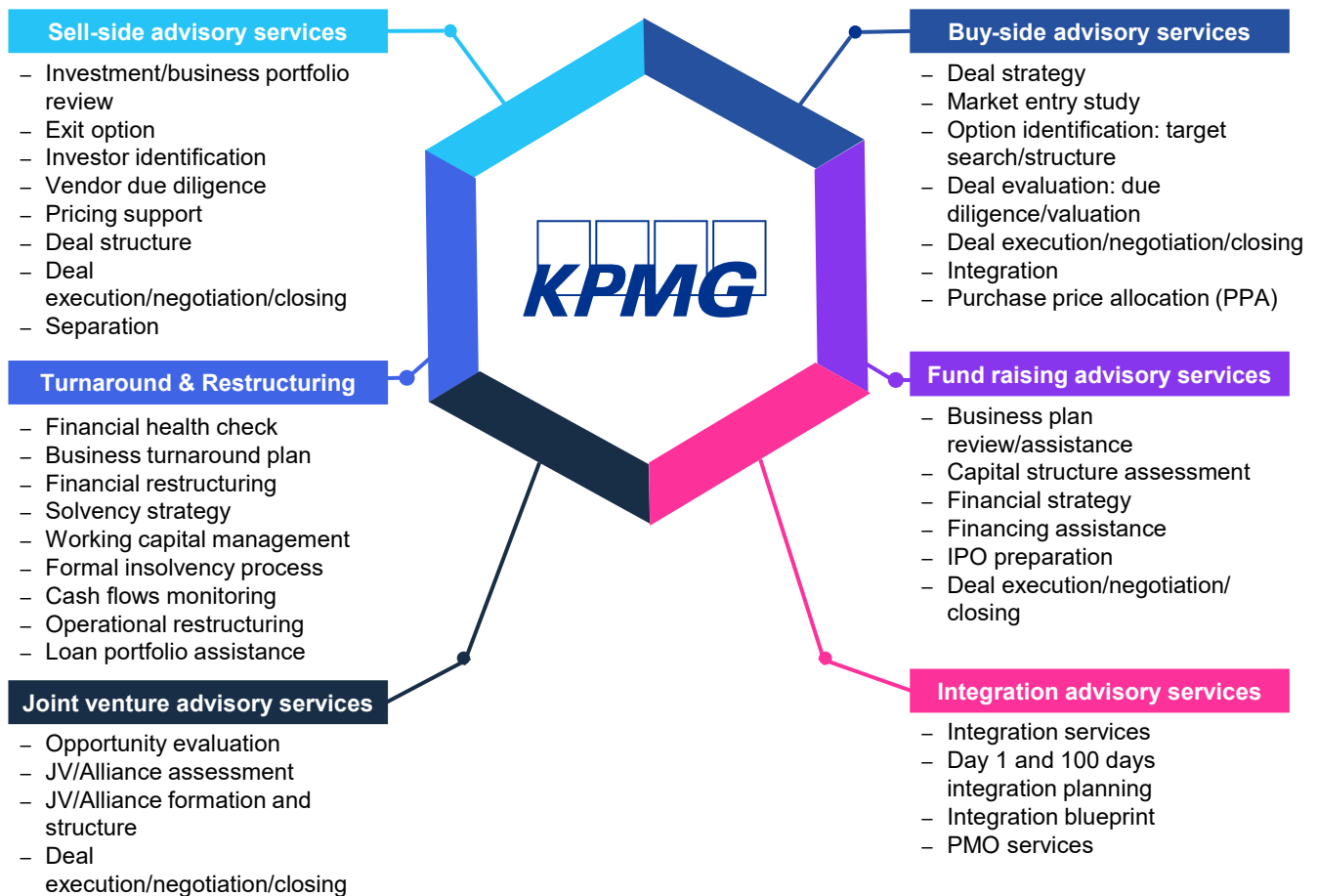
### SET and SET TRI

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



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