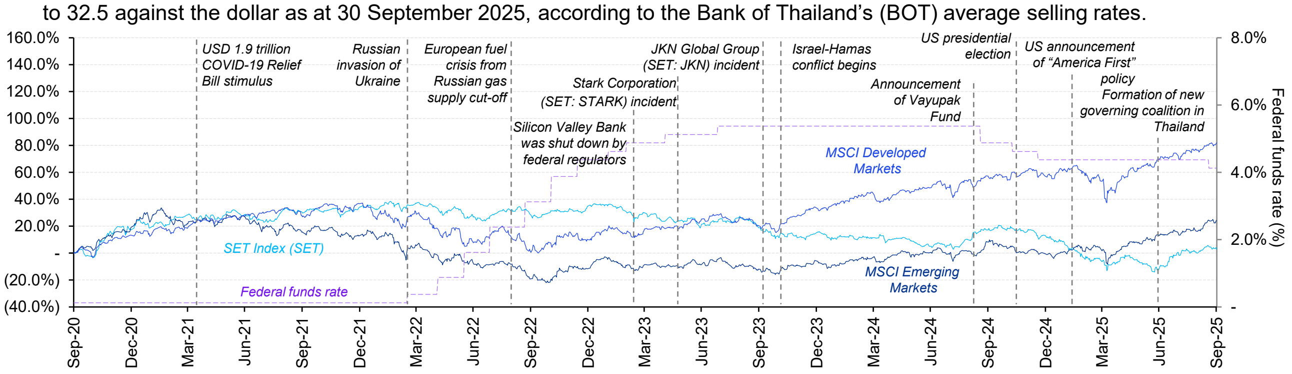
Capital market and business valuation insights | Q3/2025

The quarterly update from Deal Advisory services, KPMG in Thailand

Capital market performance

- The Thai capital market (SET Index) has rebounded from its low point in the second quarter, supported by a partial stabilization of global trade policies and domestic political conditions. However, concerns persist regarding the weakening global economic outlook and the slowdown in economic growth during the second half of 2025, driven by the front-loading of exports earlier in the year.
- In October, the Monetary Policy Committee (MPC) forecasted Thailand's GDP to grow by 2.2% in 2025 and 1.6% in 2026, maintaining projections largely consistent with previous assessments. Private consumption is anticipated to weaken, particularly in non-essential goods and services. However, government stimulus measures introduced toward the end of 2025 are expected to offer some support to the economy.
- The Thai baht has stabilized after the volatility observed in the first half of the year, appreciating from 32.7 in the previous quarter to 32.5 against the dollar as at 30 September 2025, according to the Bank of Thailand's (BOT) average selling rates.



Source: Capital IQ and the Federal Reserve
Note: Indices rebased as at 30 September 2020

Thai stock exchange financial highlights (30 September 2025)

Market capitalization of THB 16.3 trillion

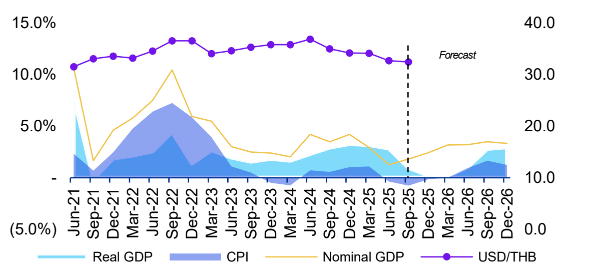
Total of 932 listed securities, with 699 in SET, 225 in mai, 7 in LiVEx

Market capitalization to GDP of 87.2%*

3 newly listed securities and 0 delisted during Q3/2025

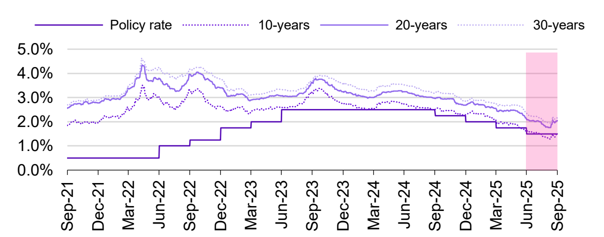
Source: SET, Capital IQ and BOT
Note: GDP for 3Q2025 is not yet available, GDP of 2Q2025 is used as a proxy for the calculation.

Macroeconomic overview (Y-o-Y change)



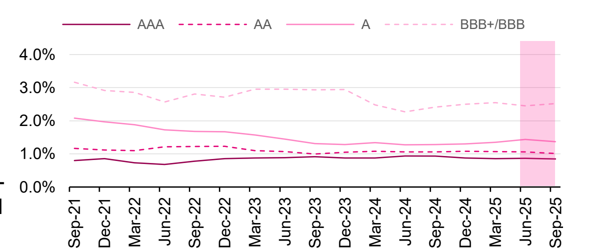
Source: EIU and BOT

Thai government bond yield



Source: Bloomberg and BOT

Thai corporate bond average spread



Source: ThaiBMA

- **US federal funds rate:** At its October meeting, the Federal Open Market Committee (FOMC) reduced the target range for the federal funds rate by 0.25%, setting it at 3.75% to 4.00%. 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:** In October, the Monetary Policy Committee (MPC) voted 5 to 2 to keep the policy rate unchanged at 1.50%. The two dissenting members deemed that the monetary policy should be made more accommodative to ensure financial conditions remain supportive of economic recovery, while also aiding liquidity and reducing debt burdens for SMEs and vulnerable households.
- **Inflation:** Headline inflation is projected to remain low, at 0.0% in 2025 and 0.5% in 2026, before gradually returning to the target range of 1.0% to 3.0% by early 2027.
- **Yield and spread:** Thailand government bond yields dropped in August in anticipation of further monetary easing but reversed the decline in September. Maturity spreads between the 10-year and 20- and 30-year bonds widened slightly. Credit spreads for AA-rated and A-rated bonds narrowed, while riskier bonds saw a widening of the spread.

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.

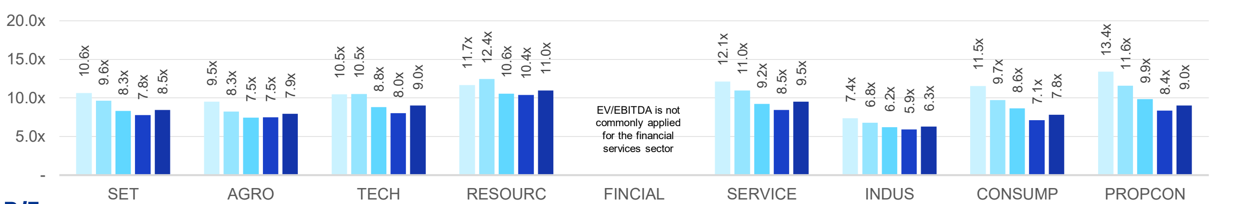
AGRO	*Agribusiness, F&B*	***RESOURC***	*Energy, Utilities, Mining*	***SERVICE***	*Commerce, Healthcare, Media*	***CONSUMP***	*Fashion, Home, Personal, Pharmaceuticals*
TECH	*Electronic parts, ICT*	***FINCIAL***	*Banking, Finance*	***INDUS***	*Automotive, Industrial materials and machinery, Packaging,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

Index	SET	AGRO	TECH	RESOURC	FINCIAL	SERVICE	INDUS	CONSUMP	PROPCON
Number of securities	925[1]	82	70	72	82	198	146	67	208
Market capitalization (THB trillion)	16.2[2]	0.9	3.7	3.0	2.8	3.6	0.6	0.1	1.6

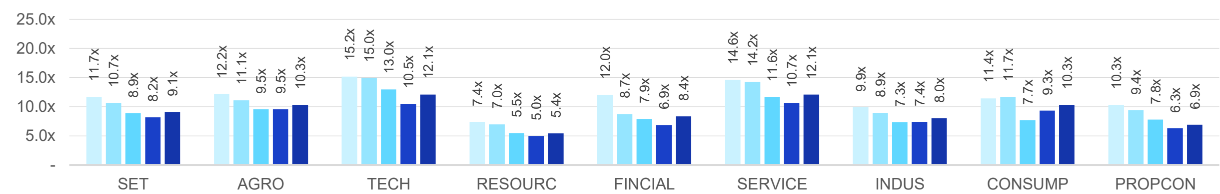
Source: SET, S&P Capital IQ and KPMG Analysis

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

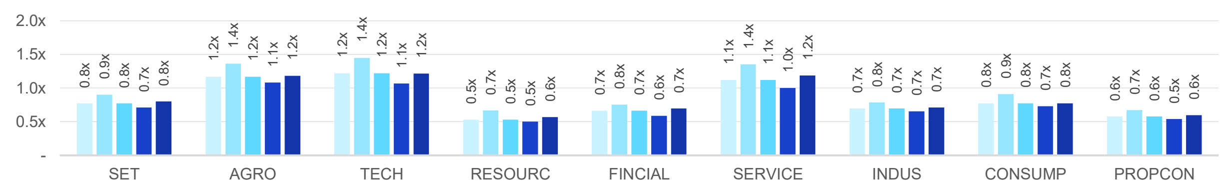
EV/EBITDA



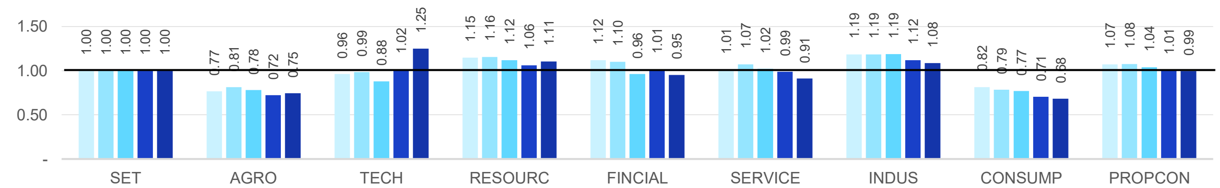
P/E



P/BV



Adjusted five-year monthly beta



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

In Q3/2025, market multiples showed a recovery across all sectors, reflecting the partial stabilization of economic and political uncertainties.

Sector beta represents the undiversified risk of a sector. The higher the beta, the riskier it is for that specific sector. The stock prices of companies in the TECH sector experienced a significant increase in Q3/2025, making it the sector with the highest beta in the market.

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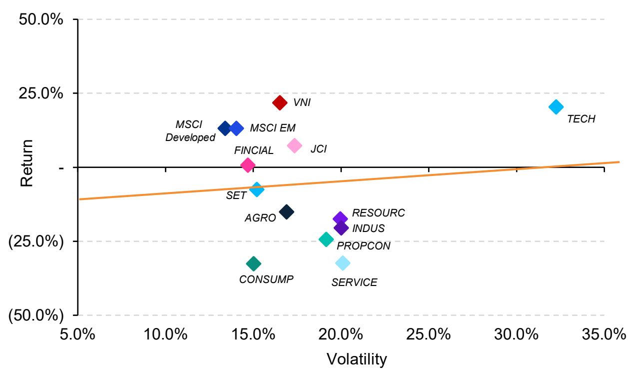
Returns and volatilities of international indices and domestic indices by sector

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	13.1%	13.2%	21.8%	7.3%	(7.5%)	(15.0%)	20.4%	(17.4%)	0.8%	(32.4%)	(20.4%)	(32.6%)	(24.3%)
5-year	13.6%	6.9%	13.2%	13.3%	3.1%	(1.3%)	22.5%	(3.0%)	14.7%	(4.5%)	(4.6%)	(12.0%)	(3.3%)
Volatility of daily returns													
1-year	13.4%	14.0%	16.5%	17.3%	15.2%	16.9%	32.2%	19.9%	14.7%	20.1%	20.0%	15.0%	19.1%
5-year	14.4%	15.5%	19.1%	13.9%	13.2%	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

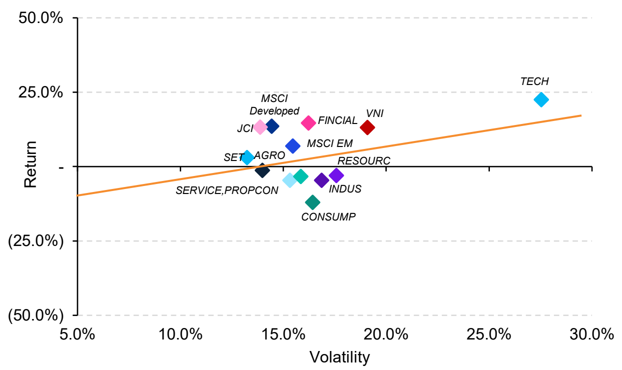
Market returns vs. volatilities

1-year correlation



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

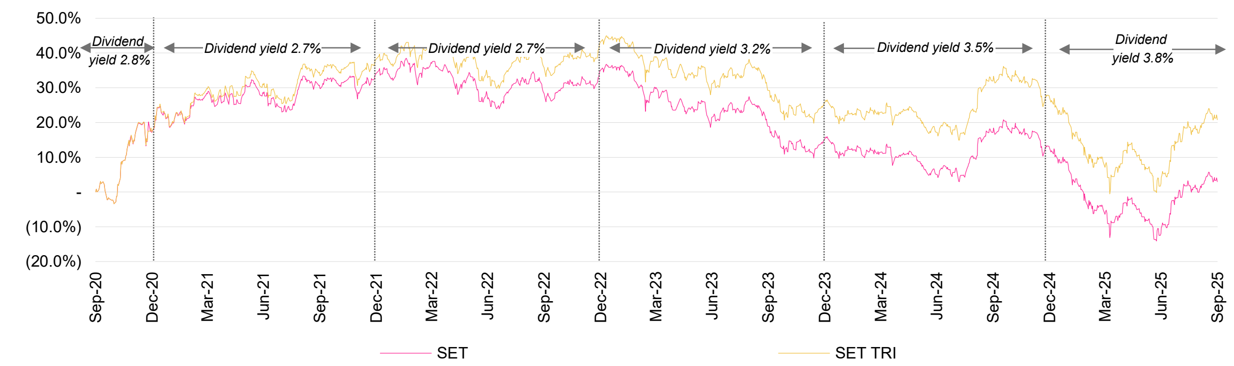
5-year correlation



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

— Over both the one-year and five-year evaluation periods, the SET has continued to deliver lower returns compared to other indices. In Thailand, the TECH sector remains the top performer across both timeframes, whereas the SERVICE and COMSUMP sectors have delivered some of the lowest returns. The FINCIAL sector has reported positive one-year annualized returns for the first time this year.

SET vs. SET TRI



Source: SET and Bloomberg
Note: Indices rebased as at 30 September 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 continues to remain high largely due to depressed prices.

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 Q3/2024 to Q3/2025.
- The Q3/2025 multiple is based on the latest available financial statement information as at Q2/2025.
- 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 October 2020 to 30 September 2025.

SET and SET TRI

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

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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