

Thailand Auto Title Sector

ผู้ให้บริการสินเชื่อทะเบียนรถยนต์จะมีการเติบโตปี 2024 ที่โดดเด่นที่สุด

- สินเชื่อทะเบียนรถยนต์ ณ. สิ้นเดือน ก.ย. 2023 โตมีส่วนมากจากฐานลูกค้าปัจจุบันซึ่งมีปริมาณสินเชื่อเพิ่มเติม (Top-up) สูงขึ้น
- คุณภาพสินทรัพย์ยังเป็นสาเหตุที่ทำให้ต้องกังวลตลอดปี 2024 ท่ามกลางสภาวะเศรษฐกิจที่ประปราย นอกจากนี้เรายังคาดว่ากำไรสุทธิ 4Q23 ของกลุ่มฯ จะโต q-q และ y-y
- เราชอบ TIDLOR มากกว่า MTC ที่ราคาปัจจุบันและคงคำแนะนำซื้อสำหรับ SAWAD

สินเชื่อทะเบียนรถยนต์โอนาสินเชื่อบุคคลส่วนมากจากฐานลูกค้าปัจจุบัน

จากข้อมูลของธนาคารแห่งประเทศไทย (ธปท.) สินเชื่อทะเบียนรถยนต์คงค้าง ณ. สิ้นเดือน ก.ย. 2023 อยู่ที่ 273 พัน ลบ. (+2.4% m-m, +43.0% y-y, และ +30.1% YTD) โดยมีจำนวนบัญชีทั้งหมดอยู่ที่ 5.50 ล้านบัญชีคิดเป็นสินเชื่อคงค้างอยู่ที่ 49,254 บาทต่อบัญชีนับว่าเพิ่มอย่างต่อเนื่องหลังการแพร่ระบาดของโควิด นอกจากนี้จำนวนบัญชียังเพิ่มขึ้นน้อยกว่าปริมาณสินเชื่อคงค้างซึ่งหมายความว่าผู้ประกอบการปล่อยสินเชื่อให้แก่ลูกค้าปัจจุบันมากกว่าลูกค้าใหม่หรือสัดส่วนสินเชื่อต่อมูลค่าสินทรัพย์ (LTV) ของลูกค้าปัจจุบันค่อย ๆ เพิ่มขึ้นหลังลดลงในช่วงโควิด การให้สินเชื่อเพิ่มเติมเกิดขึ้นส่วนมากเนื่องจากผู้ให้บริการสินเชื่อมีความมั่นใจในลูกค้าปัจจุบันจากประวัติการชำระเงินในอดีต

หนี้ต่อคุณภาพเพิ่มอย่างรวดเร็ว ต้องจับตาดูสินเชื่อชั้นที่ 2 อย่างใกล้ชิด

ในแง่ของคุณภาพสินทรัพย์รวม ณ. 3Q23 หนี้ต่อคุณภาพอยู่ที่ 5.54 พัน ลบ. เพิ่มขึ้นอย่างรวดเร็วจาก 1Q22 (หลังโควิด) พร้อมสัดส่วนหนี้ต่อคุณภาพที่เพิ่มเป็น 2.03% จาก 1.49% ณ. สิ้น 1Q22 และ 0.95% ณ. สิ้นปี 2019 (ก่อนโควิด) แม้ว่าธปท. จะไม่ได้เปิดเผยตัวเลขสินเชื่อชั้นที่ 2 รวม เราพบว่าตัวเลขที่เรารวบรวมได้จาก 3 บริษัทที่เราศึกษาอันประกอบด้วย MTC SAWAD และ TIDLOR เพิ่มอย่างต่อเนื่องซึ่งสะท้อนถึงคุณภาพสินทรัพย์ที่อ่อนแอ ยังมีความจำเป็นที่จะต้องเน้นการบริหารเชิงรุกโดยตั้งต้นทุนความเสี่ยงในการปล่อยสินเชื่อในระดับสูงอย่างต่อเนื่อง (โดยมีปัจจัยหนุนจากการตัดและขายหนี้ต่อคุณภาพ) แม้ว่าต้นทุนความเสี่ยงในการปล่อยสินเชื่อจะผ่านจุดสูงสุดไปแล้ว นอกจากนี้การลดลงของต้นทุนดังกล่าวจะเป็นแบบค่อยเป็นค่อยไป

คาดการณ์กำไรสุทธิ 4Q23 จะเร่งตัวขึ้นในฤดูสินเชื่อ

เราคาดว่ากำไรสุทธิ 4Q23 รวมของ MTC SAWAD และ TIDLOR จะอยู่ที่ 3.92 พัน ลบ. (+6.5% q-q, +24.0% y-y) (Exhibit 7) เนื่องจาก 1) ธุรกิจกำลังเข้าสู่ฤดูสินเชื่อ; และ 2) ต้นทุนความเสี่ยงในการปล่อยสินเชื่อจะลดลงโดยเฉพาะอย่างยิ่งสำหรับ SAWAD ซึ่งผ่านจุดสูงสุดใน 3Q23 ในขณะที่ MTC และ TIDLOR รายงานต้นทุนความเสี่ยงในการปล่อยสินเชื่อลดลงมาตั้งแต่ 2Q23 อย่างไรก็ตามสิ่งที่มีความกังวลจากปัจจัย 2 ประการประกอบด้วย 1) ต้นทุนในการกู้ยืมที่สูงขึ้น; และ 2) ค่าใช้จ่ายดำเนินงานที่เพิ่มขึ้นในช่วงฤดูสินเชื่อโดยเฉพาะอย่างยิ่งต้นทุนผันแปร ในภาพรวมเราคาดว่ากำไรสุทธิปี 2023 รวมของ MTC SAWAD และ TIDLOR จะอยู่ที่ 14.0 พัน ลบ. (+6.7% y-y) สูงกว่าที่คาดเดิมอยู่ 1.2%

เราชอบ TIDLOR มากกว่า MTC ที่ราคาปัจจุบันและคงคำแนะนำซื้อ SAWAD

เราเลือก TIDLOR (TP@THB28) เป็นหุ้นเด่นและคงคำแนะนำซื้อหุ้นดังกล่าวจากจุดแข็งในด้านการเงินอันประกอบด้วยสัดส่วนหนี้สินต่อทุนและความสามารถในการจัดการกับคุณภาพสินทรัพย์ที่อ่อนแอ นอกจากนี้ TIDLOR ยังอาจให้ Upside ที่น่าสนใจในปี 2024 เมื่อเทียบกับ MTC (TP@THB44) ในลำดับต่อมาเราชอบ SAWAD (TP@THB54) ที่ราคาปัจจุบันเนื่องจากบริษัท หันกลับไปขยายสินเชื่อทะเบียนรถยนต์มากกว่าสินเชื่อเช่าซื้อรถจักรยานยนต์

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Auto title loans led personal loan growth, mainly from existing customer base

Auto title loans outstanding at the end of September 2023, according to the BoT, were at THB273b (representing 45% of total personal loans for non-bank groups, increasing significantly from 28% in 2019), growing by 2.4% m-m, 43.0% y-y, and 30.1% YTD. There were 5.50m accounts in total, with loans outstanding equivalent to THB49,254 per account – a continuous increase post-Covid. In addition, the rise in the number of accounts accelerated less than the increase in loans outstanding, indicating that lenders provided more credit to existing customers than new ones, or there was a gradual increase in LTV for existing customers after reducing during Covid. The granting of top-up loans was mainly due to lenders' confidence in the existing customers due to long payment histories.

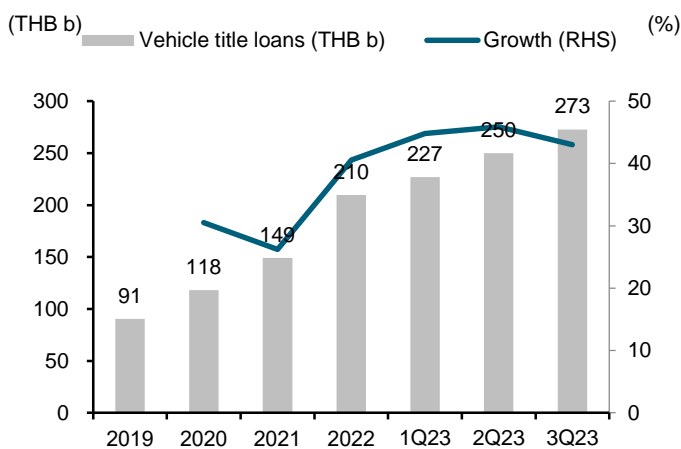
NPLs accelerated quickly; stage 2 loans to be closely monitored

In terms of overall asset quality as of 3Q23, NPLs amounted to THB5.54b, accelerating rapidly from 1Q22 (after Covid), with the NPL ratio increasing to 2.03% from 1.49% at the end of 1Q22 and 0.95% at year-end 2019 (before Covid). In contrast, it was still lower than the NPL ratio of personal loans at 5.42% (partly including personal loans from CardX, a subsidiary of Siam Commercial Bank (SCB TB, BUY), into the non-bank group). BoT revealed no aggregate figures about stage 2 loans in the non-bank group. However, regarding information gathered from the three companies under our coverage, MTC, SAWAD, and TIDLOR, we noticed a continuous increase in levels, reflecting the fragile asset quality. There is still a need to emphasize proactive management by setting credit costs at a consistently high level (supported by writing-off and selling NPLs), even after the peak period of setting high credit costs has passed, though the reduction should be gradual.

4Q23E net profit to accelerate during the loan season

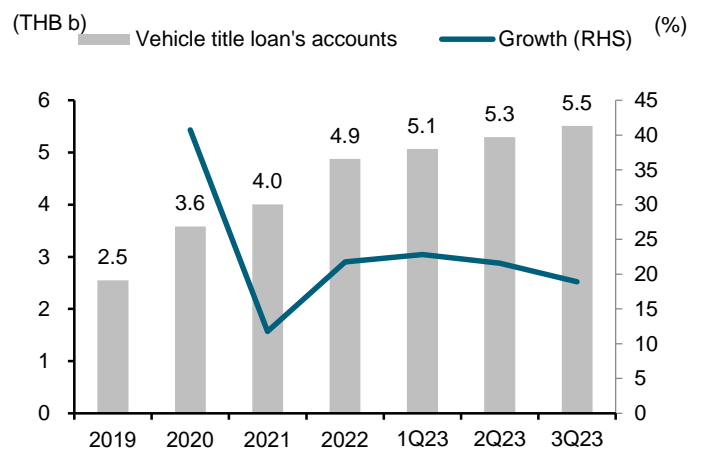
We estimate the aggregate 4Q23 net profit of MTC, SAWAD, and TIDLOR to be THB3.92b, increasing 6.5% q-q and 24.0% y-y (Exhibit 7) due to 1) the business is entering the loan season; and 2) decreasing credit cost, especially for SAWAD, which passed its peak in 3Q23, while MTC and TIDLOR have seen a reduction in credit costs since 2Q23. However, there are pressures from two main factors: 1) the accelerating cost of funds; and 2) rising operating expenses during the season, especially variable costs, but for the cost-to-income ratio, there is a chance to stabilize due to the acceleration of total revenues during the season as well. Overall, our aggregate 2023 net profit forecast for MTC, SAWAD, and TIDLOR equals THB14.0b, growing 6.7% y- y, slightly higher than our previous estimate by 1.2%.

Exhibit 1: Vehicle title loans and growth, 2019-3Q23

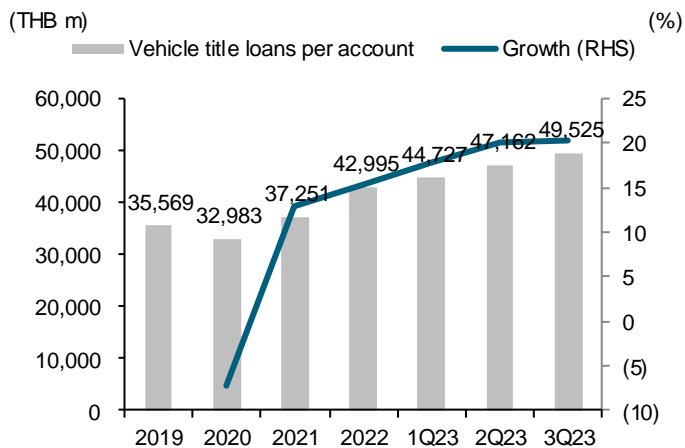


Sources: BoT, FSSIA's compilation

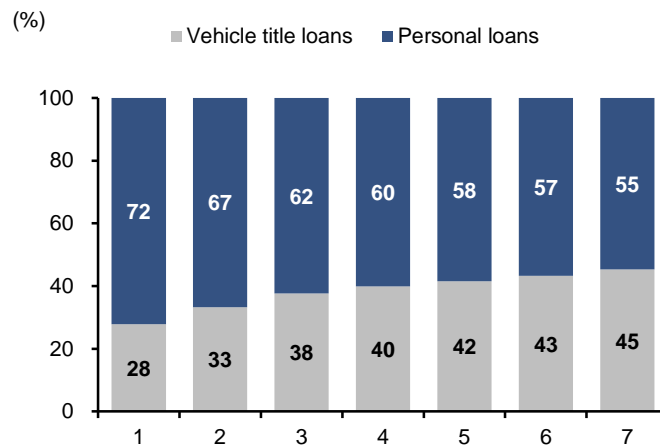
Exhibit 2: Vehicle title loans – accounts and growth, 2019-3Q23



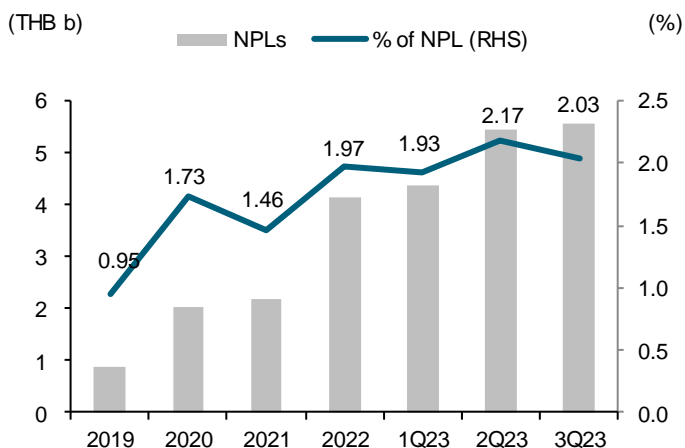
Sources: BoT, FSSIA's compilation

Exhibit 3: Vehicle title loans per account and growth, 2019-3Q23

Sources: BoT, FSSIA's compilation

Exhibit 4: Vehicle title loans and personal loans proportion, 2019-3Q23

Sources: BoT, FSSIA's compilation

Exhibit 5: Vehicle title loans – NPLs and NPL ratio, 2019-3Q23

Sources: BoT, FSSIA's compilation

Exhibit 6: YTD price performance comparison, as of 4 December 2023

	Last close (THB)*	5D (%)	1M (%)	3M (%)	6M (%)	YTD (%)
SET	1,385.11	(1.16)	(2.43)	(10.51)	(9.53)	(16.99)
SETFIN	3,379.17	(0.04)	(0.22)	(12.66)	(16.70)	(27.38)
MTC	44.50*	1.14	11.25	12.66	9.88	17.11
SAWAD	43.75*	(1.13)	(4.89)	(9.33)	(19.72)	(10.26)
TIDLOR	23.00*	0.43	9.48	4.05	(13.64)	(11.91)

Sources: Bloomberg, FSSIA's compilation

Exhibit 7: Quarterly results and 4Q23 preview of covered companies

FY ending Dec 31	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23E	----- Change -----		2023E (current)	2022	Chg.	2023E (previous)	Over/ (Under)
(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)	(%)
MTC	1,205	1,132	1,070	1,200	1,285	1,340	4.3	18.4	4,895	5,093	(3.9)	4,778	2.5
SAWAD	1,186	1,213	1,200	1,146	1,387	1,470	6.0	21.2	5,204	4,476	16.3	5,340	(2.6)
TIDLOR	901	817	955	927	1,007	1,110	10.2	35.8	3,999	3,640	9.9	3,817	4.8
Net profit - total	3,292	3,162	3,226	3,274	3,679	3,920	6.5	24.0	14,099	13,210	6.7	13,935	1.2

Sources: Company data; FSSIA's compilation

Exhibit 8: Outstanding debentures and maturity by quarter

	Total debt	Outstanding debentures				Maturity during quarter				
		1Q (THB m)	2Q (THB m)	3Q (THB m)	4Q (THB m)	1Q (THB m)	2Q (THB m)	3Q (THB m)	4Q (THB m)	Total (THB m)
MTC	2023	59,464	66,186	68,295	65,147	4,514	2,000	4,257	6,656	17,427
	2024	58,761	56,261	53,291	46,841	6,386	2,500	2,970	6,449	18,306
	2025	39,363	32,288	25,168	21,938	7,479	7,075	7,120	3,229	24,903
SAWAD	2023	19,450	30,178	33,343	32,793	2,500	2,553	2,000	550	7,603
	2024	29,546	29,546	26,728	22,949	3,247	-	2,818	3,779	9,844
	2025	22,292	18,179	18,179	18,179	657	4,113	-	-	4,770
TIDLOR	2023	28,900	25,650	25,850	30,850	-	7,050	4,000	-	11,050
	2024	30,850	25,500	22,500	22,500	-	5,350	3,000	-	8,350
	2025	21,500	21,500	10,800	3,100	1,000	-	10,700	7,700	19,400

Note: Content on the table only accounts for outstanding debentures of companies disclosed by ThaiBMA

Sources: ThaiBMA; FSSIA's compilation

Exhibit 9: Companies' leverage ratios and covenant limits

	MTC			SAWAD			TIDLOR		
	2022 (x)	2Q23 (x)	3Q23 (x)	2022 (x)	2Q23 (x)	3Q23 (x)	2022 (x)	2Q23 (x)	3Q23 (x)
D/E covenant	4.00	4.00	4.00	4.50	4.50	4.50	n/a	n/a	n/a
IBD/E covenant	n/a	n/a	n/a	n/a	n/a	n/a	6.00	6.00	6.00
IBD/ paid-up capital covenant	n/a	n/a	n/a	n/a	n/a	n/a	7.00	7.00	7.00
D/E	3.40	3.71	3.75	1.40	2.55	2.69	2.33	2.40	2.43
IBD/E	3.30	3.62	3.67	1.26	2.42	2.55	2.23	2.32	2.35
IBD/ paid-up capital							4.88	6.48	5.92

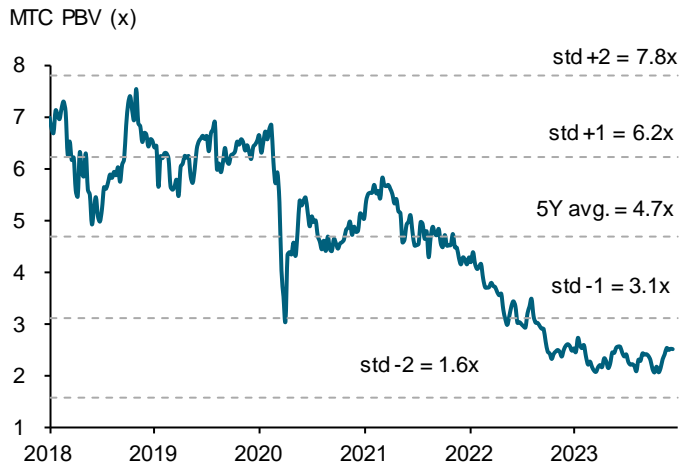
Sources: Company data; FSSIA's compilation

Exhibit 10: Peer comparison – operations

	MTC			SAWAD			TIDLOR		
	2021 (THB m)	2022 (THB m)	3Q23 (THB m)	2021 (THB m)	2022 (THB m)	3Q23 (THB m)	2021 (THB m)	2022 (THB m)	3Q23 (THB m)
Loans	90,069	117,073	137,081	33,668	55,147	92,429	60,339	79,898	90,455
Branches (no.)	5,799	6,668	7,365	4,908	5,316	5,430	1,286	1,628	1,662
Loans per branch	15.53	17.56	18.61	6.86	10.37	17.02	46.92	49.08	54.43
Yields (%)	19.02	18.54	18.08	18.75	19.77	20.72	17.68	17.87	18.15
Cost of funds (%)	3.38	3.36	3.67	4.26	3.26	3.90	2.75	2.51	3.07
Interest spreads (%)	15.64	15.18	14.40	14.49	16.51	16.82	14.93	15.37	15.08
Operating expenses	6,961	8,069	2,391	3,476	5,442	2,447	6,559	7,923	2,409
Cost to income (%)	50.04	46.76	45.15	36.82	48.47	53.63	60.03	56.44	55.38
ECL	748	2,433	965	(455)	78	316	625	944	588
Credit cost (%)	0.94	2.73	3.87	-1.24	0.18	1.41	0.75	2.26	3.09
Net profit	4,945	5,093	1,285	4,722	4,476	1,387	3,169	3,640	1,007
ROE (%)	21.71	18.88	17.13	20.19	17.78	21.14	18.56	15.22	14.88
NPL	4,948	5,938	4,411	1,249	1,385	2,527	732	1,285	1,391
LLR	5,198	6,237	4,865	736	748	1,477	2,611	3,199	3,678
NPL ratio	3.50	3.52	3.29	3.71	2.51	2.73	1.21	1.61	1.54
Coverage ratio	105	105	110	59	54	50	357	249	264
D/E ratio (x)	2.96	3.40	3.75	0.85	1.40	2.69	1.97	2.33	2.43
IBD/E ratio (x)	2.87	3.30	3.67	0.71	1.26	2.55	1.87	2.23	2.35

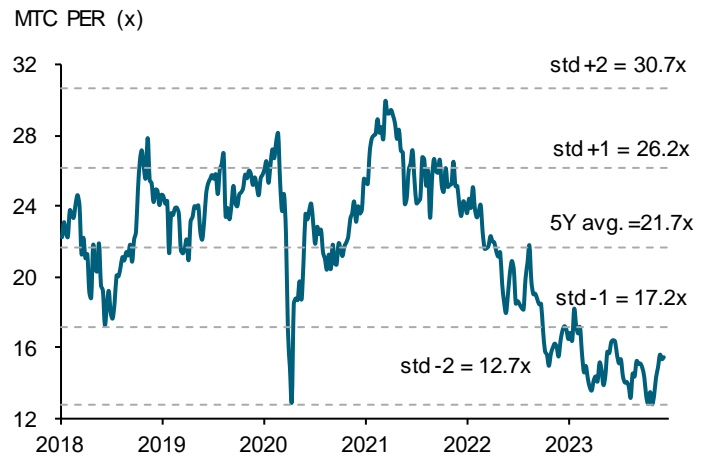
Sources: Company data; FSSIA's compilation

Exhibit 11: MTC – one-year prospective P/BV band



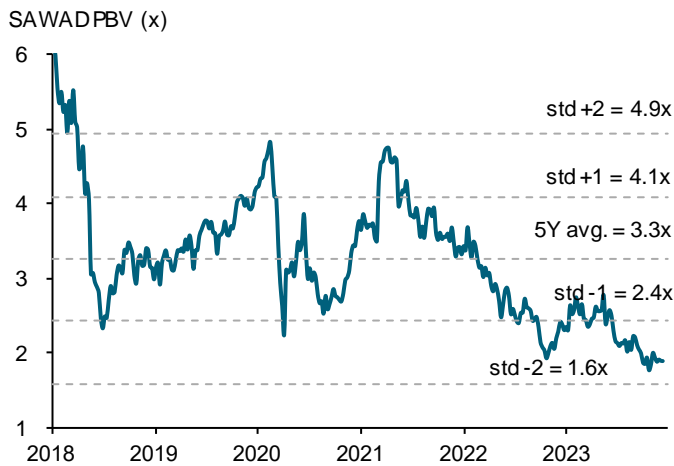
Sources: Bloomberg; FSSIA estimates

Exhibit 12: MTC – one-year prospective PER band



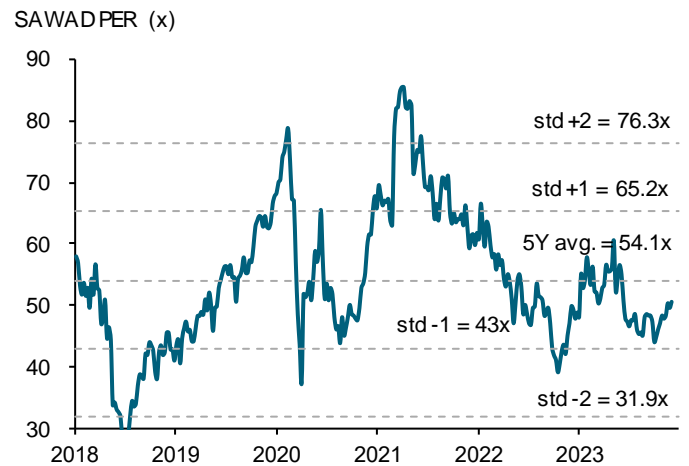
Sources: Bloomberg; FSSIA estimates

Exhibit 13: SAWAD – one-year prospective P/BV band



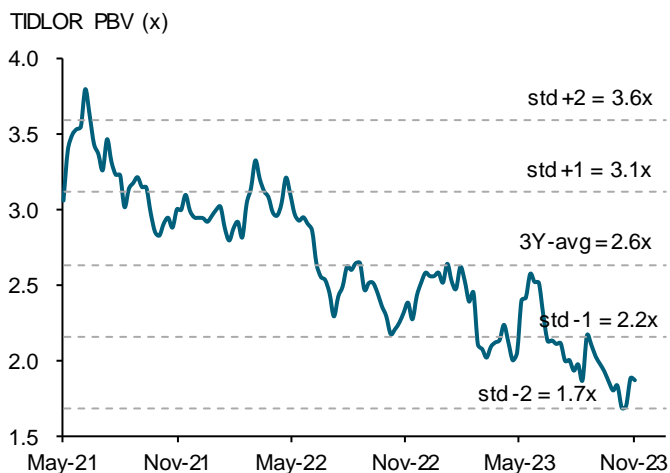
Sources: Bloomberg; FSSIA estimates

Exhibit 14: SAWAD – one-year prospective PER band



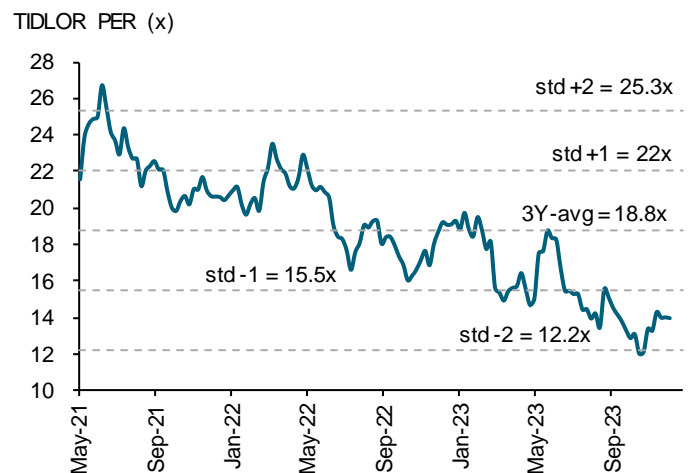
Sources: Bloomberg; FSSIA estimates

Exhibit 15: TIDLOR – one-year prospective P/BV band (average since 2021)



Sources: Bloomberg; FSSIA estimates

Exhibit 16: TIDLOR – one-year prospective PER band (average since 2021)



Sources: Bloomberg; FSSIA estimates

Exhibit 17: Peer comparison, as of 4 December 2023

Company name	BBG code	Rec	Share price (LCY)	Target price (LCY)	Up side (%)	PE		PBV		ROE		Div yld	
						23E (x)	24E (x)	23E (x)	24E (x)	23E (%)	24E (%)	23E (x)	24E (x)
Muangthai Capital	MTC TB	BUY	43.75	44.00	0.6	19.4	15.1	2.9	2.5	15.6	17.7	0.8	1.0
Ngern Tid Lor	TIDLOR TB	BUY	22.70	28.00	23.3	16.7	13.8	2.2	2.0	14.2	15.2	1.2	1.4
Srisawad Corp	SAWAD TB	BUY	44.00	54.00	22.7	11.3	9.6	2.1	1.9	19.7	20.7	4.1	4.5
Average						15.8	12.8	2.4	2.1	16.5	17.8	2.0	2.3

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																			
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for THSI inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETTHSI Index is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																			
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																			
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																			
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																			
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+									
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ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																			
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td>AAA</td> <td>8.571-10.000</td> <td rowspan="3">Leader:</td> <td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td rowspan="3">Average:</td> <td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td>BB</td> <td>2.857-4.285</td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> </tr> <tr> <td>CCC</td> <td>0.000-1.428</td> <td>Laggard:</td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																				
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																				
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																				
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																			
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																			

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "CG Score"; 2) "AGM Level"; 3) "Thai CAC"; and 4) THSI. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Usanee Liurut, CISA FSS International Investment Advisory Securities Co., Ltd

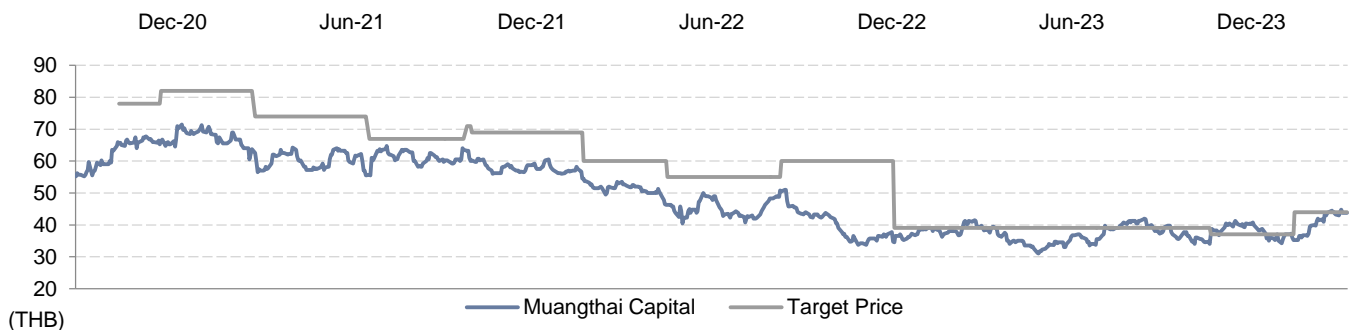
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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History of change in investment rating and/or target price

Muangthai Capital (MTC TB)



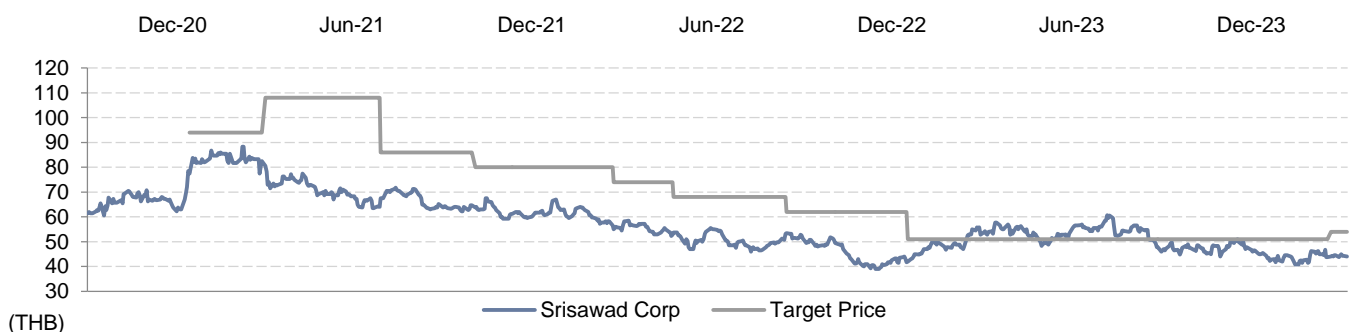
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
12-Jan-2021	BUY	78.00	05-Nov-2021	BUY	71.00	04-Aug-2022	BUY	60.00
17-Feb-2021	BUY	82.00	11-Nov-2021	BUY	69.00	09-Nov-2022	HOLD	39.00
07-May-2021	BUY	74.00	15-Feb-2022	BUY	60.00	08-Aug-2023	HOLD	37.00
13-Aug-2021	BUY	67.00	28-Apr-2022	BUY	55.00	19-Oct-2023	BUY	44.00

Usanee Liurut, CISA started covering this stock from 08-Aug-2023

Price and TP are in local currency

Source: FSSIA estimates

Srisawad Corp (SAWAD TB)



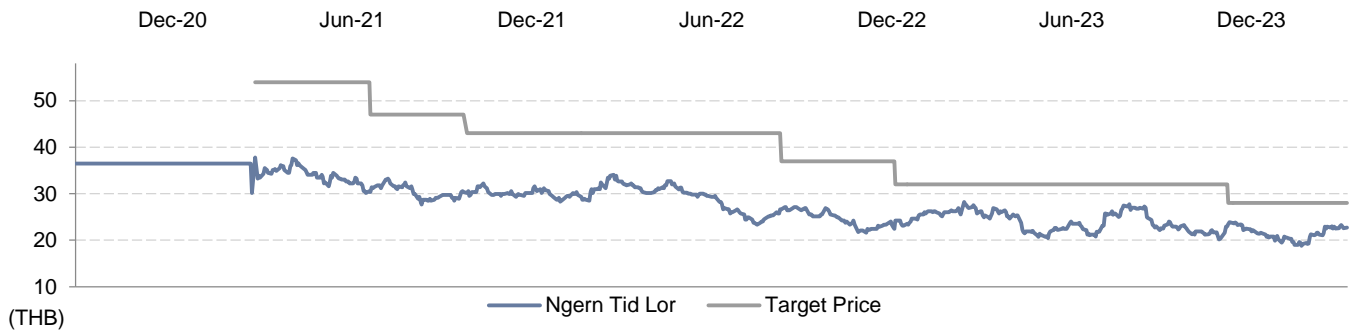
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
04-Mar-2021	BUY	94.00	05-Nov-2021	BUY	80.00	04-Aug-2022	BUY	62.00
07-May-2021	BUY	108.00	07-Mar-2022	BUY	74.00	17-Nov-2022	BUY	51.00
17-Aug-2021	BUY	86.00	28-Apr-2022	BUY	68.00	17-Nov-2023	BUY	54.00

Usanee Liurut, CISA started covering this stock from 17-Nov-2023

Price and TP are in local currency

Source: FSSIA estimates

Ngern Tid Lor (TIDLOR TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
07-May-2021	BUY	54.00	05-Nov-2021	BUY	43.00	10-Nov-2022	BUY	32.00
16-Aug-2021	BUY	47.00	04-Aug-2022	BUY	37.00	23-Aug-2023	BUY	28.00

Usanee Liurut, CISA started covering this stock from 23-Aug-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Muangthai Capital	MTC TB	THB 43.75	BUY	Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; and 2) changes in financial regulations by the Bank of Thailand and the Office of Consumer Protection Board.
Srisawad Corp	SAWAD TB	THB 44.00	BUY	Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; and 2) changes in financial regulations by the Bank of Thailand and the Office of Consumer Protection Board.
Ngern Tid Lor	TIDLOR TB	THB 22.70	BUY	Downside risks to our GGM-based TP include 1) the expansion into auto-title loans by the Government Savings Bank and Auto X (subsidiary of SCB X); 2) further weakening asset quality could potentially hit both loan yield and credit cost; and 3) tighter supervision from related regulators.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finasia Syrus Securities Public Company Limited.

All share prices are as at market close on 04-Dec-2023 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.