

12 APRIL 2021

THAILAND / DIVERSIFIED FINANCIALS

## MICRO LEASING MICRO TB

BUY

UNCHANGED

TARGET PRICE	THB12.40
CLOSE	THB9.05
UP/DOWNSIDE	+37.0%
PRIOR TP	THB12.40
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+29.2%

## ณ จุดเริ่มของการเติบโตสูง

## เริ่มต้นปีด้วยดี

เราคาดว่า MICRO จะรายงานกำไรสุทธิโตอย่างโดดเด่นถึง 71% y-y ในปี 2021 และคาดว่าแนวโน้มดังกล่าวจะเริ่มในช่วง 1Q21 ด้วยกำไรสุทธิที่ 50 ลบ. (+70% y-y, +22% q-q) จาก 1) ปริมาณสินเชื่อที่เพิ่มอย่างมีนัยสำคัญโดยได้แรงหนุนจากความต้องการรถบรรทุกมือสองที่อยู่เป็นจำนวนมาก; 2) รายได้ค่าธรรมเนียมที่เพิ่มขึ้นจากการขายสินค้าที่มีมูลค่าสูงขึ้น เช่น ประกันชั้น 1; และ 3) คุณภาพสินทรัพย์ที่ดี

## ความต้องการรถบรรทุกมือสองมีมาก

เราได้สอบถามเกี่ยวกับความต้องการรถบรรทุกมือสองจากผู้ประกอบการเดินรถ ชื่อ CheckChamp Motor ในจังหวัดนครปฐม ซึ่งกล่าวว่าความต้องการรถบรรทุกมือสองใน 1Q21 ยังมีอยู่มาก ทำให้ราคาขายรถบรรทุกมือสองบางรุ่นเพิ่มถึง 10-20% นอกจากนี้ความต้องการที่มีมากดังกล่าวยังได้รับการยืนยันจากจำนวนรถบรรทุกจดทะเบียนที่เพิ่ม 15% y-y ใน 1Q21 เทียบกับ 8% y-y สำหรับรถบรรทุกใหม่ บัณฑิตกล่าวควรช่วยหนุนการเติบโตของสินเชื่อของ MICRO และให้คุณภาพสินทรัพย์ที่ดี เรามองว่าลูกค้าของ MICRO จะพยายามชำระหนี้ย่างถึงที่สุดเนื่องจากผู้ซื้อไม่ต้องการให้รถถูกยึด

## การขยายสาขาและการใช้ระบบ IT จะช่วยหนุนการเติบโต

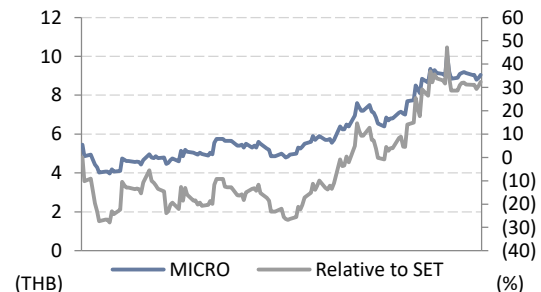
บริษัท กำลังขยายสาขาและใช้ระบบ IT เพื่อให้ได้บริการที่มีคุณภาพและการเติบโตที่ยั่งยืน MICRO เพิ่งจะเปิดสาขาใหม่ที่สมุทรปราการและจะเปิดสาขาเพิ่มที่ปทุมธานีในเดือน เม.ย. 21 สาขาใหม่ทั้งสองแห่งจะช่วยสนับสนุนสำนักงานใหญ่ในนครปฐม เราเห็นว่าจังหวัดทั้งสามเป็นพื้นที่ยุทธศาสตร์สำคัญสำหรับผู้ประกอบการเงินกู้สำหรับรถบรรทุก เนื่องจากพื้นที่ดังกล่าวมีผู้ประกอบการเดินรถมากกว่า 50 แห่ง (ประมาณ 5% ของผู้ประกอบการเดินรถรวมทั่วประเทศ) นอกจากนี้ในเดือน ก.พ. 21 MICRO ยังได้ใช้ระบบ IT บางส่วนเพื่อเร่งกระบวนการอนุมัติสินเชื่อ ปัจจุบัน MICRO ใช้เวลา 3-5 วันในการอนุมัติสินเชื่อเทียบกับ 5-7 วันสำหรับผู้ประกอบการรายใหญ่ บริษัท วางแผนลดกระบวนการดังกล่าวให้เหลือ 2-4 วัน เราเชื่อว่าบัณฑิตกล่าวจะทำให้บริษัท ได้ส่วนแบ่งตลาดเพิ่มขึ้นจากคู่แข่งท้องถิ่นขนาดเล็ก และคาดว่าส่วนแบ่งตลาดสินเชื่อใหม่ของบริษัท จะเพิ่มเป็น 12-15% จาก 5.8% ในปี 2020

## ผู้ประกอบการสินเชื่อรถบรรทุกมือสองเพียงอย่างเดียว คงแนะนำซื้อที่ราคาเป้าหมาย 12.4 บาท

เราคงคำแนะนำซื้อจาก 1) กำไรสุทธิที่คาดว่าจะโตอย่างโดดเด่นถึง 71% y-y ในปี 2021 และ 43% CAGR ในปี 2021-23; 2) สถานะที่ดีในการได้ประโยชน์จากความต้องการรถบรรทุกมือสองที่เพิ่มขึ้นเนื่องจากบริษัท เป็นผู้ประกอบการสินเชื่อรถบรรทุกมือสองเพียงอย่างเดียว; และ 3) การที่บริษัท อยู่ในตลาดที่มีการแข่งขันต่ำกว่ามากเมื่อเทียบกับตลาดอื่น ๆ เช่น สินเชื่อทะเบียนรถมอเตอร์ไซด์

## KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Operating profit	176	292	398	505
Net profit	135	231	315	399
EPS (THB)	0.18	0.25	0.34	0.43
vs Consensus (%)	-	14.7	18.1	28.4
Core net profit	135	231	315	399
Core EPS (THB)	0.18	0.25	0.34	0.43
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	11.8	39.5	36.3	26.8
Core P/E (x)	51.2	36.7	26.9	21.2
Dividend yield (%)	0.7	0.8	0.7	0.9
Price/book (x)	3.8	4.3	3.8	3.3
ROE (%)	9.3	12.2	15.0	16.7
ROA (%)	5.5	7.0	7.0	7.0



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	6.5	83.2	n/a
Relative to country (%)	5.4	79.7	n/a
Mkt cap (USD m)	269		
3m avg. daily turnover (USD m)	3.0		
Free float (%)	21		
Major shareholder	Auchyawat family (57%)		
12m high/low (THB)	10.20/3.74		
Issued shares (m)	935		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 12 เมษายน 2021

## Investment thesis

Micro Leasing (MICRO) is a specialist second-hand truck lender in Thailand, with more than 26 years of experience in the business.

We expect MICRO to deliver outstanding net profit growth of 71% in 2021 at a 43% 3-year 2021-23 CAGR, backed up by 1) remarkable loan growth; 2) a larger interest and fee NIM; 3) lower credit cost; and 4) a lower cost to income ratio.

We believe MICRO deserves a premium valuation, justified by its outstanding growth outlook.

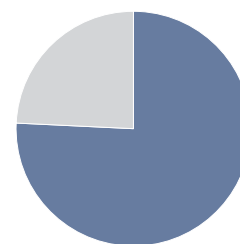
## Company profile

Micro Leasing was founded in November 1994. The company specializes in providing second-hand 6- to 12-wheel truck loans for the top three brands in Thailand; Isuzu, Hino and Fuso. It lends under a hire-purchase agreement with a 70-85% loan-to-value and with loan durations of 4-5 years.

[www.microleasingplc.com](http://www.microleasingplc.com)

## Principal activities (revenue, 2020)

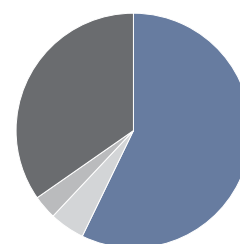
- Net interest income - 75.8 %
- Non-interest income - 24.2 %



Source: Micro Leasing

## Major shareholders

- Auchyawat family - 57.2 %
- Sataporn Ngamrueangpong - 4.8 %
- Kaitipong Termkunanon - 3.3 %
- Others - 34.7 %



Source: Micro Leasing

## Catalysts

Potential share price catalysts for MICRO include: 1) higher loan growth due to gaining more market share from local peers; and 2) better-than-expected fee income.

## Risks to our call

Downside risks to our GGM-derived TP include 1) an economic slowdown, especially for logistics activities and private investment; 2) deteriorating asset quality; and 3) a slower-than-expected reduction in the cost of funds due to a shift toward more long-term loans.

## Event calendar

Date	Event
Mid-May 2021	1Q21 results announcement

## Key assumptions

Year to Dec	2021E	2022E	2023E
	(%)	(%)	(%)
Net profit (THB m)	231	315	399
Net profit growth	70.8	36.3	26.8
NIM	14.01	13.57	13.36
Loan growth	45.0	30.0	25.0
Fee growth	45.0	30.0	25.0
Non-NII growth*	28.3	27.4	23.3
Credit cost (bps)	270	270	270
Cost to income	33.1	30.4	29.2

\*Including share of profits from associates

Source: FSSIA estimates

## Earnings sensitivity

Year to Dec		2021E		
Loan growth	±2ppt	43.0	45.0	47.0
% change in net profit		(1.2)	-	1.2
NIM (%)	±5bp	13.96	14.01	14.06
% change in net profit		(0.8)	-	0.8
Credit cost (bps)	±10bp	260.0	270.0	280.0
% change in net profit		1.0	-	(1.0)

Source: FSSIA estimates



## Robust demand for used trucks

We inquired about the used truck demand from a tent operator in Nakornpathom province named CheckChamp Motor. CheckChamp's owner said that the demand for used trucks in 1Q21 was still strong, leading to a 10-20% increase in the selling prices for some used truck models. This robust demand is also confirmed by a 15% y-y increase in registered used trucks in 1Q21 vs 8% y-y for new trucks. This should be positive for MICRO's loan growth and also provide strong asset quality. Hence, we forecast MICRO's loan growth to be 30% y-y and 45% y-y in 1Q21 and 2021, respectively.

Exhibit 1: CheckChamp Motor's tent



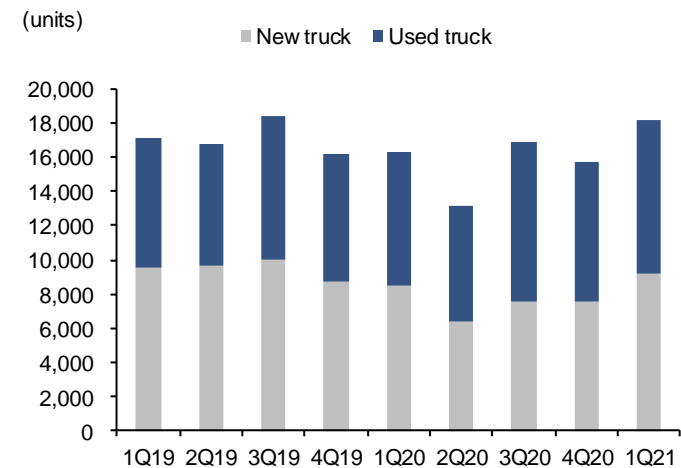
Source: FSSIA

Exhibit 2: CheckChamp Motor's tent



Source: FSSIA

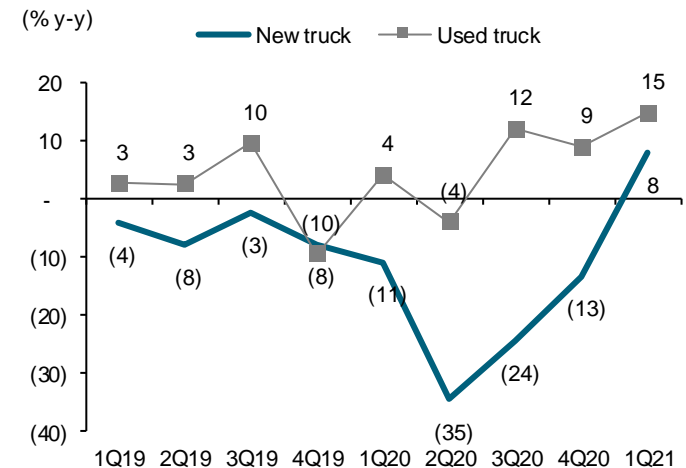
Exhibit 3: Total units of registered trucks



Note that the 4Q20 data presented in Ex.3-4 excludes an unusual 7,500 used truck transfer transaction from Kerry Express (KEX TB; NR), which were converted from personal to transport vehicles in Oct and Nov 2020

Sources: Department of Land Transport; MICRO; FSSIA's compilation

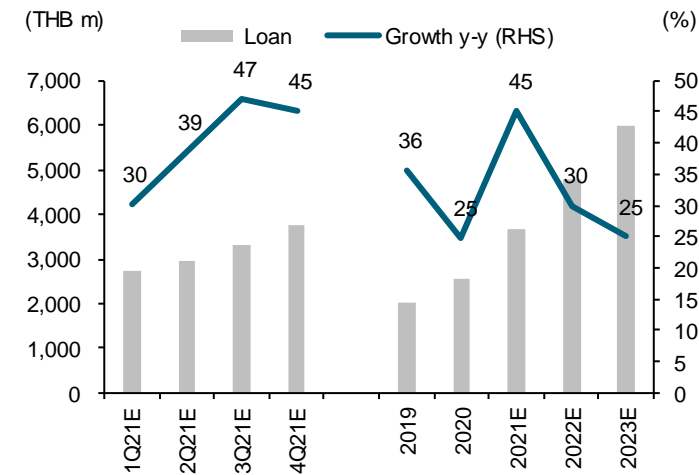
Exhibit 4: Growth of registered used and new trucks



Sources: Department of Land Transport; MICRO; FSSIA's calculation

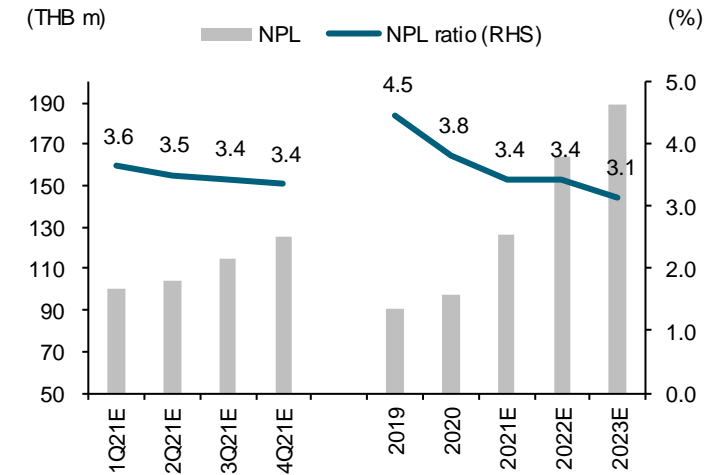
Moreover, the increase in selling price could lead to stronger asset quality. We think that MICRO's clients will try their best to repay their debts as they do not want their trucks to be confiscated. We, therefore, forecast MICRO's non-performing loan (NPL) ratio to be 3.6% and 3.4% in 1Q21 and 2021, respectively, vs 3.8% in 2020.

Exhibit 5: Outstanding loan growth



Sources: MICRO; FSSIA's estimates

Exhibit 6: Robust asset quality



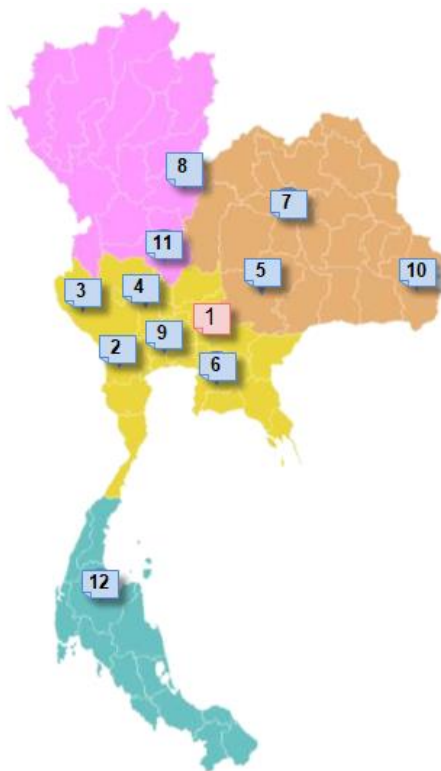
Sources: MICRO; FSSIA's estimates

## Branch expansion and IT implementation to support growth

MICRO is intending to utilise the capital from its IPO to 1) expand its loan volume via branch expansion to capture the higher demand for used trucks; 2) repay its loans with high interest rates; and 3) invest in IT systems.

MICRO has already repaid its high interest rate loans and pursued a company credit rating from the TRIS rating agency in order to reduce its dependence on bank funding. Currently, the company is undertaking a branch expansion and IT implementation to deliver quality services and sustainable growth.

Exhibit 7: MICRO's branch locations



12 branches nationwide are located in the following provinces:

1. Nakornpathom / Head office
2. Ratchburi
3. Kanchanaburi
4. Suphanburi
5. Nakornratchsima
6. Chonburi
7. Khonkaen
8. Pitsanulok
9. Saraburi
10. Ubonratchathani
11. Nakornsawan
12. Surathani

4 new branches in 2021

13. Samut Prakan (Mar-21)
14. Pathum Thani (Apr-21)
- 15-16. Central, North or Northeast region (2Q-4Q21)

4 new branches in 2022

Source: MICRO



On 28 Mar-21, MICRO opened a new branch at Samut Prakan. Furthermore, it will open its fourteenth branch in Pathum Thani in Apr-21. These two new branches should support its headquarters in Nakhonpathom to provide better services and a faster credit approval process for tent operators – its most important lending channel. In our view, these three provinces make up the key strategic area for truck lenders, as there are more than 50 tent operators (around 5% of total tent operators nationwide) located there.

MICRO plans to open six more branches within next year. We, therefore, believe this would allow the company to gain more market share from the small local competitors. We expect its new lending market share in the next three years to increase to 12-15% from 5.8% in 2020.

**Exhibit 8: New branch in Samut Prakan province**



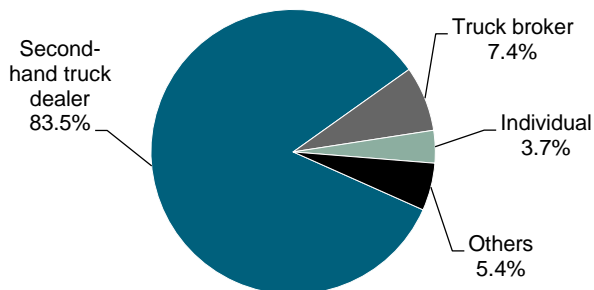
Source: FSSIA

**Exhibit 9: New branch in Samut Prakan province**



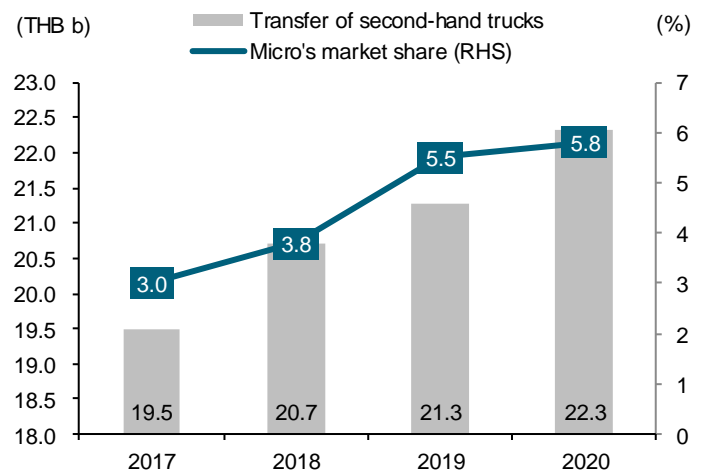
Source: FSSIA

**Exhibit 10: New customers by sales channel**



Sources: MICRO; FSSIA's compilation

**Exhibit 11: MICRO's new lending vs the transferred value of used trucks**



Sources: MICRO; FSSIA's compilation

Additionally, in Feb-21, MICRO implemented some parts of its IT system – a mobile application to help its staff collect customer data more effectively – to speed-up its loan approval processes. Currently, MICRO takes 3-5 days to approve loans vs 5-7 days for the big players. The company plans to reduce this to 2-4 days.

One of the key success factors for the lending business is the approval process. Most clients prefer lenders that have shorter approval times and can provide higher loan-to-value (LTV) for them. We believe that using IT systems will allow MICRO to reduce its approval time and better analyse customers' profiles to provide proper LTV. Therefore, we think MICRO will be able to deliver superior growth with strong asset quality.

## Strong start to the year

We expect MICRO to deliver outstanding NP growth of 71% y-y in 2021, and project this trend to start in 1Q21 with an NP of THB50m (+70% y-y, +22% q-q). The strong 1Q21E NP should be driven by 1) a significant loan volume increase supported by the solid demand for used trucks; 2) a rise in fee income from selling higher value products like comprehensive car insurance; and 3) strong asset quality.

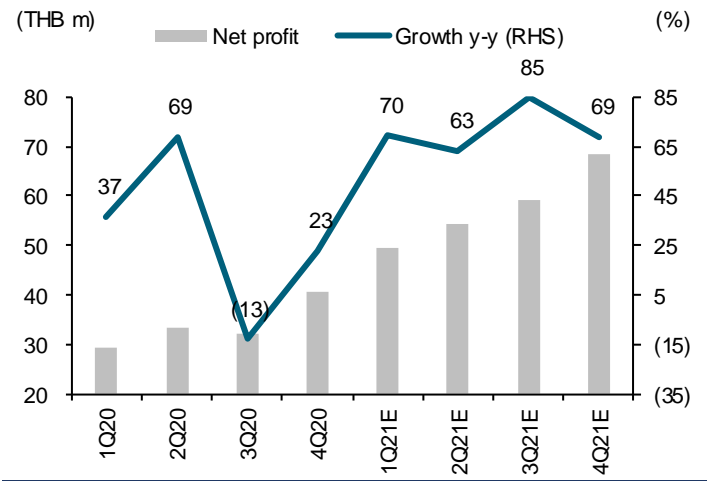
### Exhibit 12: MICRO – summary of 1Q21E earnings preview

Year end Dec 31	1Q20	4Q20	----- 1Q21E -----			2020	2021E	1Q21E Comments	
	(THBm)	(THBm)	(THBm)	(y-y %)	(q-q %)	(THBm)	(THBm)	(y-y %)	
Net interest income	71	87	97	37	11	308	436	42	Increase y-y, q-q from a rise in loan volume and a larger NIM
Non-interest income	16	42	31	101	(25)	98	126	28	
Operating income*	86	129	128	48	(1)	406	563	39	
Operating expenses	37	41	40	8	(2)	153	186	22	
PPOP before tax*	50	88	88	78	(0)	253	376	48	
Expected credit loss	13	36	26	104	(27)	77	84	9	
Tax	7	12	12	68	7	41	61	49	
Minority interest	0	0	0			0	0		
Normalised profit	29	41	50	70	22	135	231	71	
Extraordinary items	0	0	0			0	0		
Net profit	29	41	50	70	22	135	231	71	
EPS (THB)	0.04	0.04	0.05	27	22	0.18	0.25	40	
Asset quality ratio									
Gross NPLs (THB m)	98	97	100	2	3	97	126	30	
NPL ratio (%)	4.65	3.82	3.64			3.82	3.42		
Coverage ratio (%)	119	101	110			101	116		
Credit cost (bp)	250	604	400			337	270		
Profitability ratio									
Cost to income ratio (%)	42.6	31.5	31.0			37.6	33.1		
Average yield (%)	16.3	16.1	16.0			15.5	15.9		
Cost of funds (%)	5.2	3.8	4.0			5.3	4.6		Decline y-y, q-q from using money from its IPO to repay the high cost of funds
NIM (%)	13.7	14.5	14.6			13.4	14.0		
Non-int inc/total income (%)	18.1	32.4	24.5			24.2	22.5		
Loan growth (%)									
Year-to-date	3.5	24.8	8.0						
y-y	n/a	24.8	30.3			24.8	45.0		Outstanding loan growth due to the solid demand for second-hand trucks
q-q	3.5	12.5	8.0						

\*Including share of profits from associates;

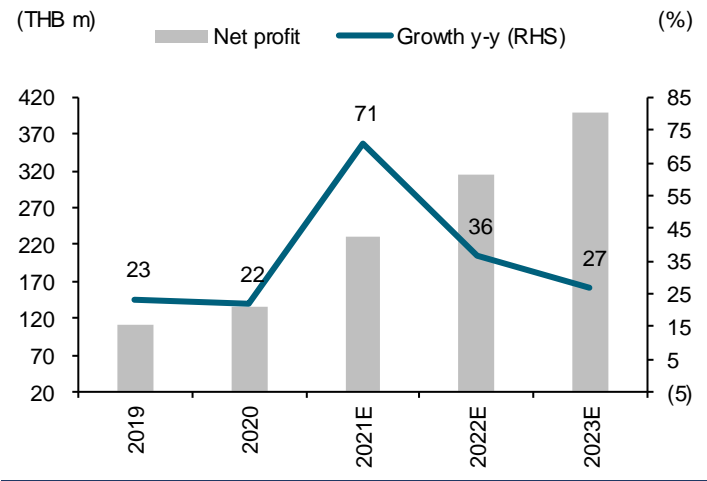
Sources: MICRO; FSSIA estimates

Exhibit 13: Quarterly net profit growth



Sources: MICRO; FSSIA estimates

Exhibit 14: Yearly net profit growth



Sources: MICRO; FSSIA estimates



## Financial Statements

### Micro Leasing

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Interest Income	282	356	495	674	857
Interest expense	(39)	(48)	(59)	(99)	(137)
Net interest income	243	308	436	575	720
Net fees & commission	41	78	113	147	184
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	0	0	0	0	0
Other income	7	20	13	14	15
Non interest income	48	98	126	161	198
Total income	291	406	563	736	919
Staff costs	(129)	(153)	(186)	(224)	(268)
Other operating costs	-	-	-	-	-
Operating costs	(129)	(153)	(186)	(224)	(268)
Pre provision operating profit	162	253	376	513	650
Provision for bad and doubtful debt	(23)	(77)	(84)	(114)	(146)
Other provisions	-	-	-	-	-
Operating profit	139	176	292	398	505
Recurring non operating income	0	0	0	0	0
Associates	0	0	0	0	0
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	139	176	292	398	505
Tax	(28)	(41)	(61)	(84)	(106)
Profit after tax	111	135	231	315	399
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	111	135	231	315	399
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	111	135	231	315	399
<b>Per share (THB)</b>					
Recurring EPS *	0.16	0.18	0.25	0.34	0.43
Reported EPS	0.16	0.18	0.25	0.34	0.43
DPS	0.00	0.07	0.07	0.07	0.09
<b>Growth</b>					
Net interest income (%)	23.1	26.5	41.8	31.9	25.2
Non interest income (%)	44.1	104.8	28.3	27.4	23.3
Pre provision operating profit (%)	18.7	56.6	48.5	36.3	26.8
Operating profit (%)	19.4	27.0	65.8	36.3	26.8
Reported net profit (%)	23.2	21.9	70.8	36.3	26.8
Recurring EPS (%)	5.5	11.8	39.5	36.3	26.8
Reported EPS (%)	5.5	11.8	39.5	36.3	26.8
<b>Income Breakdown</b>					
Net interest income (%)	83.5	75.8	77.5	78.1	78.4
Net fees & commission (%)	13.9	19.2	20.1	20.0	20.0
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	2.6	5.0	2.4	1.9	1.6
<b>Operating performance</b>					
Gross interest yield (%)	15.95	15.53	15.90	15.90	15.90
Cost of funds (%)	5.18	5.30	4.60	4.30	4.30
Net interest spread (%)	10.77	10.23	11.30	11.60	11.60
Net interest margin (%)	13.7	13.4	14.0	13.6	13.4
Cost/income(%)	44.4	37.6	33.1	30.4	29.2
Cost/assets(%)	7.1	6.3	5.7	5.0	4.7
Effective tax rate (%)	20.2	23.3	21.0	21.0	21.0
Dividend payout on recurring profit (%)	-	38.1	30.0	20.0	20.0
ROE (%)	10.8	9.3	12.2	15.0	16.7
ROE - COE (%)	0.0	(1.5)	1.4	4.2	5.9
ROA (%)	6.1	5.5	7.0	7.0	7.0
RORWA (%)	-	-	-	-	-
* Pre-exceptional, pre-goodwill and fully diluted					

Sources: Micro Leasing; FSSIA estimates

## Financial Statements

### Micro Leasing

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Gross customer loans	2,037	2,542	3,686	4,792	5,990
Total provisions	(112)	(98)	(147)	(195)	(244)
interest in suspense	0	0	0	0	0
<b>Net customer loans</b>	<b>1,925</b>	<b>2,444</b>	<b>3,539</b>	<b>4,597</b>	<b>5,746</b>
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	0	0	0	0	0
Cash & equivalents	46	128	115	228	23
Other interesting assets	-	-	-	-	-
Tangible fixed assets	4	7	12	20	35
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	143	176	159	349	381
<b>Total assets</b>	<b>2,118</b>	<b>2,755</b>	<b>3,825</b>	<b>5,194</b>	<b>6,185</b>
Customer deposits	0	0	0	0	0
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	986	823	1,738	2,850	3,516
Non interest bearing liabilities	52	109	115	120	126
Hybrid Capital	-	-	-	-	-
<b>Total liabilities</b>	<b>1,038</b>	<b>932</b>	<b>1,853</b>	<b>2,970</b>	<b>3,642</b>
Share capital	700	935	935	935	935
Reserves	380	888	1,037	1,289	1,608
<b>Total equity</b>	<b>1,080</b>	<b>1,823</b>	<b>1,972</b>	<b>2,224</b>	<b>2,543</b>
Minority interests	0	0	0	0	0
<b>Total liabilities &amp; equity</b>	<b>2,118</b>	<b>2,755</b>	<b>3,825</b>	<b>5,194</b>	<b>6,185</b>
<b>Supplementary items</b>					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	1,769	2,289	3,114	4,239	5,391
Average interest bearing liabilities	753	905	1,280	2,294	3,183
Tier 1 capital	n/a	n/a	n/a	n/a	n/a
Total capital	0	0	0	0	0
Gross non performing loans (NPL)	91	97	126	164	189
<b>Per share (THB)</b>					
Book value per share	1.54	2.39	2.11	2.38	2.72
Tangible book value per share	1.54	2.39	2.11	2.38	2.72
<b>Growth</b>					
Gross customer loans	35.7	24.8	45.0	30.0	25.0
Average interest earning assets	27.8	29.4	36.0	36.1	27.2
Total asset (%)	37.8	30.1	38.8	35.8	19.1
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	nm	nm	nm	nm	nm
<b>Leverage &amp; capital measures</b>					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	51.0	66.2	51.6	42.8	41.1
Tangible equity/assets (%)	51.0	66.2	51.6	42.8	41.1
RWA/assets (%)	-	-	-	-	-
Tier 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
<b>Asset Quality</b>					
Change in NPL (%)	5.9	6.6	30.0	30.0	15.0
NPL/gross loans (%)	4.5	3.8	3.4	3.4	3.1
Total provisions/gross loans (%)	5.5	3.9	4.0	3.3	4.1
Total provisions/NPL (%)	123.0	100.9	116.2	118.8	129.4
<b>Valuation</b>					
Recurring P/E (x) *	57.2	51.2	36.7	26.9	21.2
Recurring P/E @ target price (x) *	78.3	70.1	50.2	36.9	29.1
Reported P/E (x)	57.2	51.2	36.7	26.9	21.2
Dividend yield (%)	-	0.7	0.8	0.7	0.9
Price/book (x)	5.9	3.8	4.3	3.8	3.3
Price/tangible book (x)	5.9	3.8	4.3	3.8	3.3
Price/tangible book @ target price (x)	8.0	5.2	5.9	5.2	4.6

\* Pre-exceptional, pre-goodwill and fully diluted

Sources: Micro Leasing; FSSIA estimates

## Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TMB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TSC	TSR	TSTE	TSTH	TTA
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	HL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

## Description

## Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

## Disclaimer:

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

\* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; \*\* delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

## Anti-corruption Progress Indicator 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANA	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TMB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO
ZEN	TRUE									
DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

**Disclaimer:**

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; \* FSSIA's compilation

## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

Yuvanart Suwanumphai FSS International Investment Advisory Securities Co., Ltd

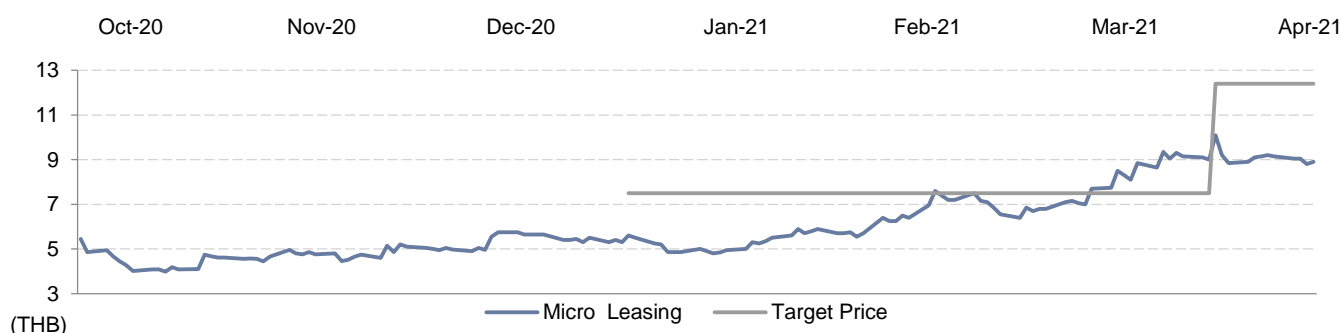
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### History of change in investment rating and/or target price

#### Micro Leasing (MICRO TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
23-Dec-2020	BUY	7.50	01-Mar-2021	BUY	7.50	23-Mar-2021	BUY	12.40

Yuvanart Suwanumphai started covering this stock from 23-Dec-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Micro Leasing	MICRO TB	THB 9.05	BUY	Downside risks to our GGM-derived TP include 1) an economic slowdown, especially for logistics activities and private investment; 2) deteriorating asset quality; and 3) a slower-than-expected reduction in the cost of funds due to a shift toward more long-term loans.

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 Finansia Syrus Securities Public Company Limited

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All share prices are as at market close on 09-Apr-2021 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.