

10 AUGUST 2021

THAILAND / DIVERSIFIED FINANCIALS

NEXT CAPITAL NCAP TB

BUY

UNCHANGED

TARGET PRICE	THB16.80
CLOSE	THB12.50
UP/DOWNSIDE	+34.4%
PRIOR TP	THB16.80
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-0.6%

เกาะกระแสความต้องการรถมอเตอร์ไซด์

ผลประกอบการ 2Q21 ออกมาดีตามคาด

NCAP รายงานกำไรสุทธิ 2Q21 ในระดับสูงถึง 75 ลบ. (+121% y-y, -1% q-q) ตามที่เราคาดกำไรสุทธิได้อย่างโดดเด่นจาก 1) สินเชื่อที่โตอย่างมีนัยสำคัญ (19% y-y, 8% q-q); 2) รายได้ค่าธรรมเนียมที่เพิ่มตามปริมาณสินเชื่อที่สูงขึ้น; และ 3) ผลขาดทุนทางเครดิตที่คาดว่าจะเกิดขึ้น (ECL) ที่ลดลงจากคุณภาพสินทรัพย์ที่ดี NCAP บริหารหนี้ด้วยคุณภาพ (NPL) ได้อย่างมีประสิทธิภาพอย่างต่อเนื่อง ทำให้ NPL ลดลง 8% q-q คิดเป็น NPL ratio ที่ 1.3% นอกจากนี้สัดส่วนสำรองต่อหนี้ด้วยคุณภาพ (Coverage Ratio) ยังเพิ่มจนเป็นหนึ่งในตัวเลขที่สูงที่สุดในอุตสาหกรรมที่ 433%

อัตราการเติบโตของสินเชื่อดีขึ้นใน 2Q21

อัตราการเติบโตของสินเชื่อของ NCAP เพิ่มขึ้นใน 2Q21 โดยอยู่ที่ 8% q-q เทียบกับ 4% q-q ใน 1Q21 จากกลยุทธ์การขยายสินเชื่อเชิงรุกมากยิ่งขึ้นและความต้องการรถมอเตอร์ไซด์ที่เพิ่มสูงขึ้นอย่างมีนัยสำคัญในประเทศไทย ใน 2Q21 ยอดขายรถมอเตอร์ไซด์ในประเทศไทยอยู่ที่ 437,000 คัน สูงกว่าใน 2Q19 (ก่อน Covid) ที่ 432,000 คัน

ทำไมมีแนวโน้มดีต่อเนื่อง

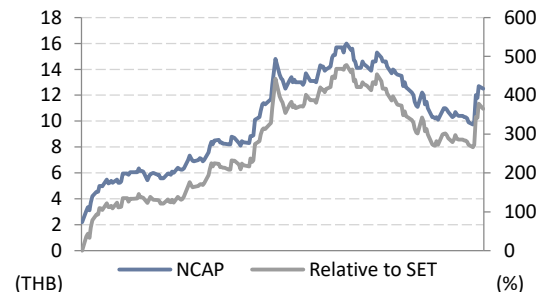
เราคาดว่า NCAP จะรายงานกำไรโตติดต่อกันโดยได้ปัจจัยผลักดันจากปริมาณสินเชื่อที่เพิ่มในระดับสูง การแพร่ระบาด Covid-19 ที่ยืดเยื้อน่าจะมีผลกระทบต่อตลาดรถมอเตอร์ไซด์ เนื่องจากเราเชื่อว่าความต้องการในอุตสาหกรรมส่งอาหารและขนส่งในประเทศจะโตต่อเนื่อง เรามองว่าในปัจจุบันรถมอเตอร์ไซด์ไม่ได้เป็นเพียงยานพาหนะ แต่ก็มีบทบาทสำคัญสำหรับการประกอบอาชีพและสร้างรายได้ นอกจากนี้เรายังคาดว่าด้วยว่า NCAP จะใช้แพลตฟอร์ม IT ของบริษัท มากยิ่งขึ้นและใช้ประโยชน์จากประสบการณ์ของประธานเจ้าหน้าที่บริหารร่วมคนใหม่ กล่าวคือคุณณัฐณิชา วิจิตรกุลวงศ์ เพื่อเพิ่มอัตราการเข้าถึงตลาดจาก 2.59% ในปี 2020 เป็น 2.7% ในปี 2021 นอกจากนี้เรายังคาดว่า NCAP จะรายงานคุณภาพสินทรัพย์ที่ดี ทำให้ต้นทุนความเสี่ยงในการปล่อยสินเชื่อ (Credit Cost) ของบริษัท ใน 2H21 น่าจะอยู่ในระดับเดียวกันกับใน 2H20

คำแนะนำซื้อที่ราคาเป้าหมายปี 2022 ที่ 16.8 บาท (GGM)

เราคงคำแนะนำซื้อ NCAP กำลังอยู่ในช่วงการเป็นบริษัทปล่อยสินเชื่อมอเตอร์ไซด์รายเล็ก เป็นบริษัทที่ปล่อยสินเชื่อมอเตอร์ไซด์ที่ครอบคลุมพื้นที่ทั่วประเทศ โดยใช้เทคโนโลยีมาเป็นตัวช่วยซึ่งทำให้เราคิดว่าบริษัท จะสามารถจับความต้องการรถมอเตอร์ไซด์ที่เพิ่มขึ้นในประเทศไทย เราคาดว่า NCAP จะรายงานกำไรสุทธิโตอย่างโดดเด่นที่ 38% CAGR ในช่วง 3 ปีจากปี 2020-23 ส่วนมากจากปริมาณสินเชื่อคงเหลือรวมที่คาดว่าจะเพิ่มมากกว่าเท่าตัวจาก 4 พัน ลบ. ในปี 2020 เป็น 9 พัน ลบ. ในปี 2023 นอกจากนี้บริษัท ยังมีความเสี่ยงขาขึ้นจากโอกาสในธุรกิจใหม่จากผู้บริหารใหม่ที่มีประสบการณ์สูงและผู้ถือหุ้นหลักอย่าง COM7 (COM7 TB, NR) และ Synnex (Thailand) (SYNEX TB, NR)

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Operating profit	253	392	523	657
Net profit	202	315	420	528
EPS (THB)	0.22	0.35	0.47	0.59
vs Consensus (%)	-	6.1	4.4	-
Core net profit	202	315	420	528
Core EPS (THB)	0.22	0.35	0.47	0.59
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	-	55.9	33.4	25.8
Core P/E (x)	55.8	35.8	26.8	21.3
Dividend yield (%)	-	0.4	0.6	0.7
Price/book (x)	6.7	5.8	4.9	4.1
ROE (%)	14.8	17.4	19.8	20.9
ROA (%)	4.6	6.3	6.8	6.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	23.8	(21.9)	n/a
Relative to country (%)	24.7	(19.6)	n/a
Mkt cap (USD m)			337
3m avg. daily turnover (USD m)			3.2
Free float (%)			34
Major shareholder		COM7 PCL (34%)	
12m high/low (THB)			16.40/2.92
Issued shares (m)			900

Sources: Bloomberg consensus; FSSIA estimates



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PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 10 สิงหาคม 2021

Investment thesis

NCAP is transitioning from local motorcycle captive financing to more fully equipped hire purchase lending in Thailand. It is aiming to compete for market share from both local and big operators, with the support of its major shareholders, COM7 (COM7 TB, not rated) and Synnex (Thailand) (SYNEX TB, not rated) and its new highly experienced management. We expect NCAP to deliver outstanding net profit growth at a 38% three-year CAGR from 2020-23, mainly supported by its total outstanding loan volume more than doubling from THB4b in 2020 to an estimated THB9b in 2023.

We reiterate our BUY call. Our GGM-based TP implies a 0.95x 2022E PEG ratio. We believe that NCAP deserves a premium valuation due to the expected increase in its ROE and its outstanding net profit growth outlook, driven by its transformation in terms of its existing business and new management.

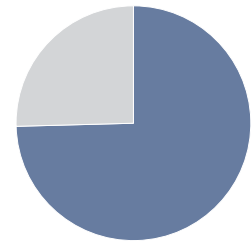
Company profile

Next Capital was founded in 2004 by Mitsui Corporation. Currently, its major shareholders are COM7 (not rated) and SYNEX (not rated). The company specialises in providing hire purchase loans for new motorcycles. Loan durations are 3-4 years. Its main customers are underbanked/unbanked people.

www.nextcapital.co.th

Principal activities (revenue, 2020)

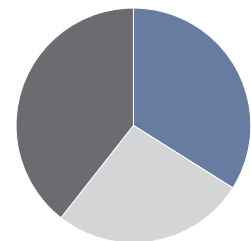
- Net interest income - 74.6 %
- Non-interest income - 25.4 %



Source: Next Capital

Major shareholders

- COM7 PCL - 33.9 %
- Synnex (Thailand) - 26.7 %
- Others - 39.4 %



Source: Next Capital

Catalysts

Potential share price catalysts for NCAP include: 1) the expansion into new businesses, e.g. personal loans and motorcycle title loans; and 2) clearer synergies with its major shareholders.

Risks to our call

Downside risks to our GGM-derived TP include 1) an economic slowdown, especially for food delivery and logistics activities; 2) deteriorating asset quality; and 3) tighter competition from new players.

Event calendar

Date	Event
6 Sep-21	2Q21 Opportunity Day
Mid Nov-21	3Q21 results announcement

Key assumptions

	2021E	2022E	2023E
	(%)	(%)	(%)
Net profit (THB m)	315	420	528
Net profit growth (%)	55.9	33.4	25.8
NIM (%)	20.20	20.09	19.76
Loan growth (%)	30.0	35.0	30.0
Fee growth (%)	15.0	10.0	8.0
Non-NII growth (%)*	36.5	10.0	9.3
Credit cost (bp)	820	780	770
Cost to income (%)*	40.1	38.2	36.7

*Including share of profits from associates

Source: FSSIA estimates

Earnings sensitivity

		2021E		
Loan growth	±2ppt	28.0	30.0	32.0
% change in net profit		(2.0)	-	2.0
NIM (%)	±5bp	20.15	20.20	20.25
% change in net profit		(0.6)	-	0.6
Credit cost (bp)	±10bp	810	820	830
% change in net profit		(1.2)	-	1.2

Source: FSSIA estimates

Robust 2Q21 performance as expected

NCAP reported a solid 2Q21 net profit of THB75m (+121% y-y, -1% q-q), which was in line with our expectation. The outstanding net profit growth came mainly from 1) significant loan growth of 19% y-y, 8% q-q; 2) an increase in its fee income following the higher loan volume; and 3) a decline in its expected credit losses (ECL) due to its healthy asset quality. NCAP continued to have effective non-performing loan (NPL) management in 2Q21, leading to a reduction in its NPLs by 8% q-q, implying an NPL ratio of 1.3%. Its coverage ratio also rose to be one of the highest in the financial industry at 433%

2Q21 key highlights

- The total loan volume increased by 8% q-q, owing to its more aggressive expansion strategy and the significantly higher demand for motorcycles in Thailand. Domestic motorbike sales in 2Q21 were at 437k units; higher than in 2Q19 (pre-Covid) at 432k units;
- The NIM increased to 20.6% in 2Q21 from 20.2% in 1Q21 due to a rise in its loan yield following the increase in its loan volume;
- Its NPLs dropped by 28% y-y, 8% q-q. Amid the prolonged pandemic, NCAP was able to deliver healthy asset quality due to its stringent credit origination and debt collection processes. Additionally, as motorbikes are necessary for numerous professions at the moment, we believe the owners will do their best to service their debts. In our view, motorbike collateral loans have one of the lowest default rates amid the Covid uncertainty.

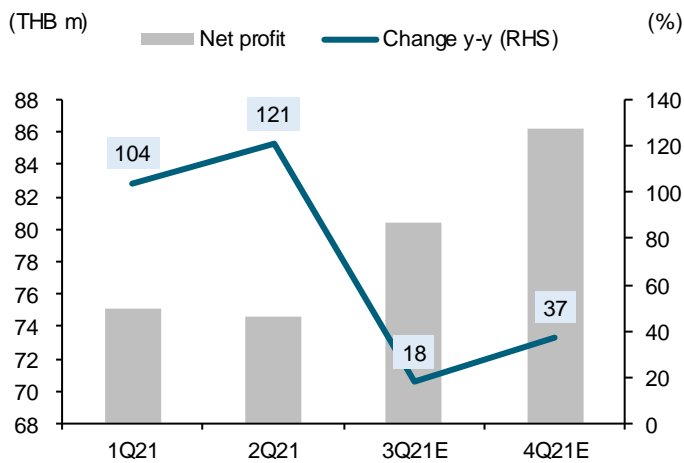
Exhibit 1: NCAP – summary of 2Q21 earnings

Year-end Dec 31	2Q20	1Q21	2Q21			1H21			2021E	Change
	(THB m)	(THB m)	(THB m)	(y-y %)	(q-q %)	(THB m)	(y-y %)	%21E	(THB m)	(y-y %)
Net interest income	182	205	223	22	9	428	12	46	922	20
Non-interest income*	66	82	79	20	(4)	161	42	45	357	36
Operating income*	249	288	302	21	5	590	19	46	1,279	24
Operating expenses	104	120	123	19	3	243	29	47	512	29
PPOP before tax	145	168	179	24	7	347	12	45	767	21
Expected credit loss	101	74	87	(14)	17	160	(26)	43	374	(1)
Income tax	10	19	18	72	(8)	37	76	48	78	53
Minority interest	0	0	0			0			0	
Normalised profit	34	75	75	121	(0)	149	112	48	315	56
Extraordinary items	0	0	(0)			0			0	
Net profit	34	75	75	121	(1)	150	112	48	315	56
EPS (THB)	0.06	0.08	0.08	47	(1)	0.17	41	48	0.35	13
Asset quality ratio (%)										
NPLs (THB m)	82	65	60	(28)	(8)				77	
NPLs / loans	2.2	1.6	1.3						1.5	
Loan loss reserve / NPLs	279	363	433						314	
Credit cost (bps)	na.	728	801						820	
Profitability ratio (%)										
Cost to income ratio	41.7	41.6	40.7						40.1	
Average yield	na.	22.5	22.8						22.5	
Cost of funds	na.	3.7	3.9						3.6	
Net interest margin (NIM)	na.	20.2	20.6						20.2	
Non-int inc / total income	26.6	28.7	26.2						27.9	
Loan growth (%)										
Year-to-date	(7)	4	13							
y-y			19						30	
q-q		4	8							

*Including share of profits from associates

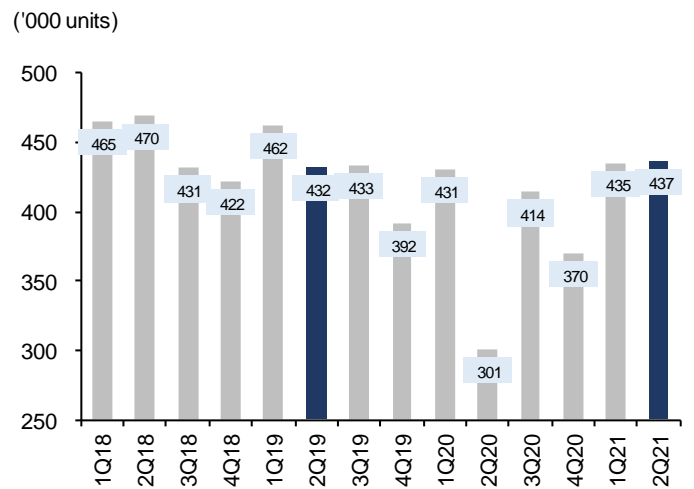
Sources: NCAP; FSSIA estimates

Exhibit 2: NCAP's earnings momentum



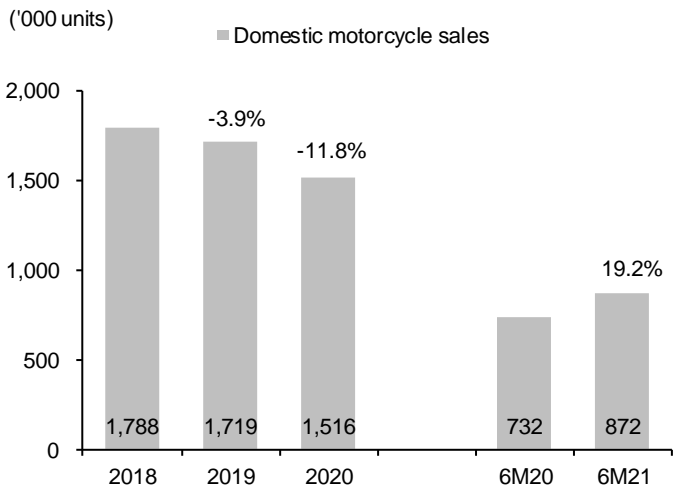
Source: FSSIA estimates

Exhibit 3: Quarterly domestic motorbike sales



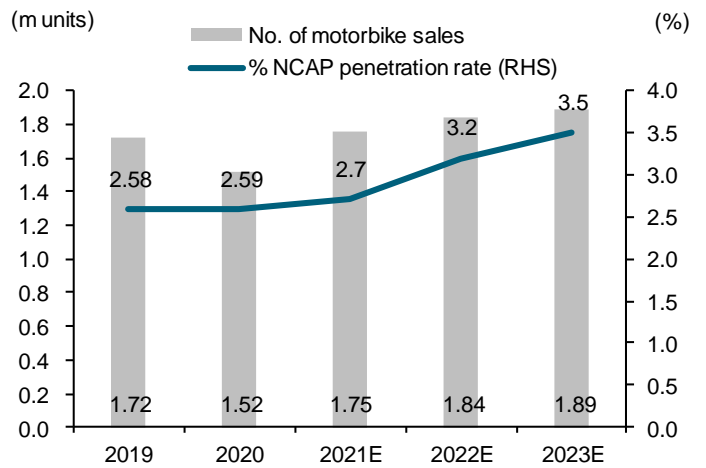
Sources: The Federation of Thai Industries; FSSIA's compilation

Exhibit 4: Domestic motorcycle sales are normally c1.7-1.8 million units per year



Sources: The Federation of Thai Industries; FSSIA estimates

Exhibit 5: Domestic motorcycle sales and NCAP's penetration rate



Sources: The Federation of Thai Industries; FSSIA estimates

Financial Statements

Next Capital

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Interest Income	882	880	1,027	1,358	1,787
Interest expense	(123)	(114)	(105)	(140)	(203)
Net interest income	759	766	922	1,218	1,583
Net fees & commission	64	101	116	128	138
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	0	0	0	0	0
Other income	69	160	241	265	291
Non interest income	132	261	357	392	429
Total income	892	1,028	1,279	1,611	2,012
Staff costs	(362)	(396)	(512)	(615)	(738)
Other operating costs	-	-	-	-	-
Operating costs	(362)	(396)	(512)	(615)	(738)
Pre provision operating profit	530	631	767	996	1,274
Provision for bad and doubtful debt	(368)	(379)	(374)	(473)	(617)
Other provisions	-	-	-	-	-
Operating profit	162	253	392	523	657
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	162	253	392	523	657
Tax	(35)	(51)	(78)	(103)	(130)
Profit after tax	126	202	315	420	528
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	126	202	315	420	528
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	126	202	315	420	528
Per share (THB)					
Recurring EPS *	-	0.22	0.35	0.47	0.59
Reported EPS	-	0.22	0.35	0.47	0.59
DPS	0.00	0.00	0.05	0.07	0.09
Growth					
Net interest income (%)	22.2	0.9	20.3	32.1	30.0
Non interest income (%)	18.3	97.6	36.5	10.0	9.3
Pre provision operating profit (%)	29.3	19.2	21.4	29.9	28.0
Operating profit (%)	39.8	56.3	55.2	33.3	25.8
Reported net profit (%)	40.4	59.8	55.9	33.4	25.8
Recurring EPS (%)	-	-	55.9	33.4	25.8
Reported EPS (%)	-	-	55.9	33.4	25.8
Income Breakdown					
Net interest income (%)	85.2	74.6	72.1	75.6	78.7
Net fees & commission (%)	7.1	9.8	9.1	7.9	6.8
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	7.7	15.6	18.8	16.4	14.5
Operating performance					
Gross interest yield (%)	23.18	21.90	22.50	22.40	22.30
Cost of funds (%)	4.57	4.04	3.60	3.70	3.80
Net interest spread (%)	18.61	17.86	18.90	18.70	18.50
Net interest margin (%)	20.0	19.1	20.2	20.1	19.8
Cost/income(%)	40.6	38.6	40.1	38.2	36.7
Cost/assets(%)	9.6	9.2	10.3	10.0	9.1
Effective tax rate (%)	21.9	20.1	19.8	19.7	19.7
Dividend payout on recurring profit (%)	-	-	15.0	15.0	15.0
ROE (%)	12.8	14.8	17.4	19.8	20.9
ROE - COE (%)	2.0	4.0	6.6	9.0	10.1
ROA (%)	3.3	4.6	6.3	6.8	6.5
RORWA (%)	-	-	-	-	-

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Next Capital; FSSIA estimates

Financial Statements

Next Capital

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Gross customer loans	4,067	3,970	5,161	6,967	9,057
Total provisions	(229)	(230)	(269)	(324)	(398)
interest in suspense	0	0	0	0	0
Net customer loans	3,838	3,740	4,892	6,643	8,660
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	0	0	0	0	0
Cash & equivalents	7	698	129	135	241
Other interesting assets	-	-	-	-	-
Tangible fixed assets	31	21	23	24	26
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	123	198	209	247	292
Total assets	3,998	4,657	5,252	7,049	9,219
Customer deposits	1,570	250	263	276	289
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	1,300	2,504	2,808	4,223	5,918
Non interest bearing liabilities	153	227	238	250	262
Hybrid Capital	-	-	-	-	-
Total liabilities	3,023	2,980	3,309	4,748	6,469
Share capital	300	450	450	450	450
Reserves	753	1,226	1,494	1,850	2,299
Total equity	1,053	1,676	1,944	2,300	2,749
Minority interests	0	0	0	0	0
Total liabilities & equity	4,076	4,657	5,252	7,049	9,219
Supplementary items					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	3,805	4,018	4,565	6,064	8,012
Average interest bearing liabilities	2,685	2,812	2,912	3,785	5,353
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)	97	65	84	109	136
Per share (THB)					
Book value per share	-	1.86	2.16	2.56	3.05
Tangible book value per share	-	1.86	2.16	2.56	3.05
Growth					
Gross customer loans	14.8	(2.4)	30.0	35.0	30.0
Average interest earning assets	26.3	5.6	13.6	32.8	32.1
Total asset (%)	12.1	16.5	12.8	34.2	30.8
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	96.3	(84.1)	5.0	5.0	5.0
Leverage & capital measures					
Customer loan/deposits (%)	244.4	1,495.9	1,863.5	2,410.2	2,992.2
Equity/assets (%)	26.3	36.0	37.0	32.6	29.8
Tangible equity/assets (%)	26.3	36.0	37.0	32.6	29.8
RWA/assets (%)	-	-	-	-	-
Tier 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
Asset Quality					
Change in NPL (%)	82.3	(33.3)	30.0	30.0	25.0
NPL/gross loans (%)	2.4	1.6	1.6	1.6	1.5
Total provisions/gross loans (%)	5.6	5.8	5.2	3.6	4.4
Total provisions/NPL (%)	236.8	356.7	320.7	297.1	291.6
Valuation					
Recurring P/E (x) *	-	55.8	35.8	26.8	21.3
Recurring P/E @ target price (x) *	-	74.9	48.1	36.0	28.6
Reported P/E (x)	-	55.8	35.8	26.8	21.3
Dividend yield (%)	-	-	0.4	0.6	0.7
Price/book (x)	-	6.7	5.8	4.9	4.1
Price/tangible book (x)	-	6.7	5.8	4.9	4.1
Price/tangible book @ target price (x)	-	9.0	7.8	6.6	5.5

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Next Capital; 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	ICI	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	PAP	PCSGH	PDJ	PG	PHOL	PLANB
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	IHL	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	AMANAHA	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	SEAOIL	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

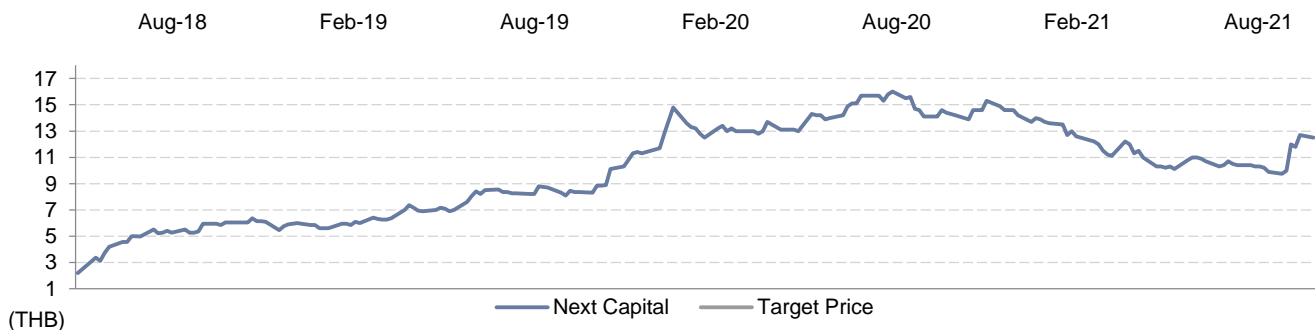
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History of change in investment rating and/or target price

Next Capital (NCAP TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
06-Aug-2021	BUY	16.80	-	-	-	-	-	-

Yuvanart Suwanumphai started covering this stock from 06-Aug-2021

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Next Capital	NCAP TB	THB 12.50	BUY	Downside risks to our GGM-derived TP include 1) an economic slowdown, especially for food delivery and logistics activities; 2) deteriorating asset quality; and 3) tighter competition from new players.

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

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