

5 OCTOBER 2021

THAILAND / DIVERSIFIED FINANCIALS

AEON THANA SINSAP (THAILAND)

HOLD

FROM BUY

AEONTS TB

TARGET PRICE	THB204.00
CLOSE	THB185.50
UP/DOWNSIDE	+10.0%
PRIOR TP	THB274.00
CHANGE IN TP	-25.5%
TP vs CONSENSUS	-15.4%

The heat is on

Surrounded by negatives

We turn more bearish on AEONTS and downgrade our call to HOLD due to two negative factors, both internal and external. First, AEONTS reported a weak 2QFY21 net profit of THB678m (-30% y-y, -41% q-q) – we also expect AEONTS to deliver slow net profit growth y-y in 2HFY21. Second, SCB's more aggressive unsecured lending expansion could hinder AEONTS' medium to long-term growth outlook.

Disappointing 2QFY21 results and slow growth to come

AEONTS reported a disappointing 2QFY21 (Jun-Aug 2021) net profit of THB678m (-30% y-y, -41% q-q); lower than our forecast and Bloomberg's estimation by c38% due to the higher-than-expected provision. The significant decline in its earnings came from 1) weaker NII due to the stable loan growth on the prolonged pandemic and a softer NIM due to the ceiling rate cap; and 2) a surge in its credit cost. AEONTS has accelerated its write-off process and set aside extra management overlay for future uncertainties. Thus, its coverage ratio climbed to 243% vs 225% in 1QFY21. Though its outstanding NPLs declined by 9% q-q, based on our calculation, its NPL formation increased to THB1.8b vs THB1.6b in 1QFY21. Hence, we have a more cautious view on its asset quality. In 2HFY21, we expect AEONTS to deliver slow net profit growth y-y from 1) a rise in provisions; 2) slow loan growth; and 3) the absence of a gain on NPL sales, as it has no plan to sell more NPLs this year.

One of the most shaken by SCB's big move

We believe AEONTS will be one of the most affected lenders by SCB's big move due to having the same target clients and businesses. SCB plans to spin-off and aggressively expand its card business into the untapped low-income segment. It will also enlarge its digital lending business in the low-income segment by partnering with the telecom operator with the largest market share, ADVANC. In our view, SCB has an advantage over AEONTS in terms of customer base and database capabilities, and we see SCB as a barrier for AEONTS' growth outlook.

Valuation de-rating due to the potentially tight competition

We cut our FY21-23E EPS by 11%/11%/16% due to our expectation of slower loan growth, a lower NIM, and higher ECL for AEONTS. We lower our 2022 GGM-based TP to THB204, implying 2.2x FY22E P/BV, its 3-yr mean. Our valuation de-rating is due to the more intense competition.



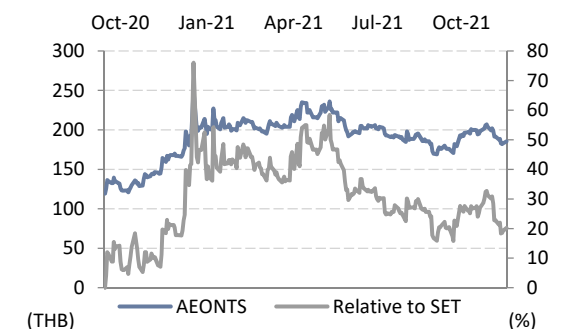
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KEY STOCK DATA

YE Feb (THB m)	2020	2021E	2022E	2023E
Operating profit	4,673	5,162	5,880	6,316
Net profit	3,690	3,965	4,517	4,853
EPS (THB)	14.76	15.86	18.07	19.41
vs Consensus (%)	-	4.0	8.9	2.8
Core net profit	3,690	3,965	4,517	4,853
Core EPS (THB)	14.76	15.86	18.07	19.41
Chg. In EPS est. (%)	-	(11.1)	(11.4)	(15.8)
EPS growth (%)	(7.2)	7.5	13.9	7.4
Core P/E (x)	12.6	11.7	10.3	9.6
Dividend yield (%)	2.4	2.7	2.8	3.0
Price/book (x)	2.7	2.3	2.0	1.8
ROE (%)	19.5	21.5	21.1	19.6
ROA (%)	4.0	4.5	4.9	4.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(7.3)	(1.3)	55.2
Relative to country (%)	(5.2)	(3.5)	19.0
Mkt cap (USD m)	1,373		
3m avg. daily turnover (USD m)	6.0		
Free float (%)	21		
Major shareholder	AEON Group (44%)		
12m high/low (THB)	276.00/116.50		
Issued shares (m)	250		

Sources: Bloomberg consensus; FSSIA estimates

The Chairman Of The Board of Finansia Syrus Securities PCL is also AEONTS's Director.

Investment thesis

AEONTS is one of Thailand's largest non-bank consumer finance companies, with expertise in unsecured lending. Its market share in the credit card and personal loan segments appears sustainable, and has ranged between 9-11% in recent years.

However, due to the more aggressive expansion plan of Siam Commercial Bank (SCB TB, BUY, TP THB158) to expand into unsecured lending for the low-income segment, we believe that AEONTS will face intense competition in the medium to long term. Accordingly, we turn more bearish on AEONTS and downgrade our call to HOLD with a 2022 GGM-based TP of THB204.

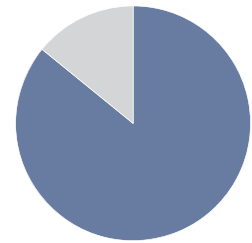
Company profile

The company's business is providing a variety of retail finance services, including credit cards, personal loans, hire-purchase loans and others.

www.aeon.co.th

Principal activities (revenue, 2020)

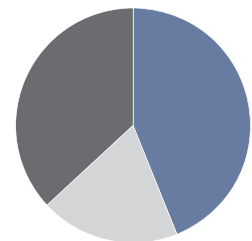
- Net interest income - 85.9 %
- Non-interest income - 14.1 %



Source: Aeon Thana Sinsap (Thailand)

Major shareholders

- AEON Group - 43.9 %
- ACS Capital Corporation - 19.2 %
- Others - 36.9 %



Source: Aeon Thana Sinsap (Thailand)

Catalysts

Potential share price catalysts for AEONTS include: 1) lower credit cost from better-than-expected non-performing loans; 2) the recovery of personal loan growth; and 3) a significant increase in its new business, digital loans.

Risks to our call

Downside risks to our GGM-derived TP include 1) intense competition; 2) regulatory actions to curb industry growth; and 3) deteriorating asset quality. The upside risk is stronger-than-expected asset quality.

Event calendar

Date	Event
Jan 2022	3QFY21 results announcement

Key assumptions

Year to Feb	FY21E (%)	FY22E (%)	FY23E (%)
Net profit (THB m)	3,965	4,517	4,853
Net profit growth	7.5	13.9	7.4
NIM	18.22	18.32	18.30
Loan growth	3.0	7.3	5.9
Fee growth	(5.0)	(5.0)	-
Non-NII growth*	4.9	6.4	4.0
Credit cost (bps)	650	630	620
Cost to income*	42.6	41.7	41.6

*Including share of profits from associates
Source: FSSIA estimates

Earnings sensitivity

Year to Feb		FY21E		
Loan growth	±2ppt	1.0	3.0	5.0
% change in net profit		(1.8)	-	1.8
NIM (%)	±5bp	18.17	18.22	18.27
% change in net profit		(1.4)	-	1.4
Credit cost (bps)	±10bp	640.0	650.0	660.0
% change in net profit		1.6	-	(1.6)

Source: FSSIA estimates

Disappointing 2QFY21 results due to a high provision

We have a negative view of AEONTS' 2QFY21 (Jun-Aug 2021) performance. It reported a disappointing net profit of THB678m (-30% y-y, -41% q-q), which was lower than our forecast and Bloomberg's estimation by c38% due to the higher-than-expected provision in the quarter. The significant decline in its earnings came from 1) weaker NII due to the stable loan growth on the prolonged Covid pandemic and a softer NIM due to the ceiling rate cap; and 2) a surge in its credit cost. AEONTS has accelerated its write-off process and set aside extra management overlay to provide a cushion against future uncertainties. Accordingly, its coverage ratio climbed to 243% vs 225% in 1QFY21. However, with its faster non-performing loan (NPL) write-off process, its outstanding NPLs declined by 9% q-q. Based on our calculation, its NPL formation increased to THB1.8b vs THB1.6b in 1QFY21. As a result, we have a more cautious view on AEONTS' asset quality. Note that AEONTS announced a THB2.5/shr dividend, implying a 1.3% yield. The XD is 18 Oct-21.

In 2HFY21, we expect AEONTS to deliver slow net profit growth y-y, pressured by 1) a rise in provisions; 2) slow loan growth; and 3) the absence of a gain on NPL sales, as AEONTS has no plan to sell more NPLs this year.

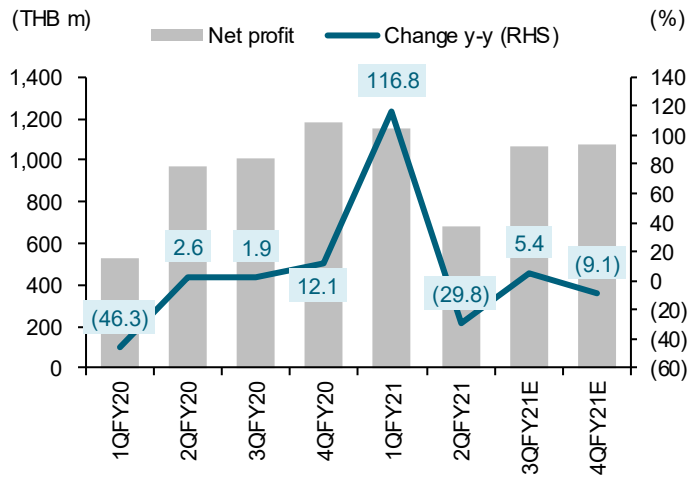
Exhibit 1: AEONTS – 2QFY21/1HFY21 results ending 31 Aug 2021

Year-end Feb 28	2QFY20	1QFY21	2QFY21			1HFY21			FY21E		2QFY21 comments
	(THB m)	(THB m)	(THB m)	(y-y %)	(q-q %)	(THB m)	(y-y %)	%21E	(THB m)	(y-y %)	
Net interest income	4,212	3,981	3,990	(5)	0	7,971	(9)	49	16,171	(2)	Interest rate ceiling and prolonged pandemic impacts
Non-interest income*	613	607	906	48	49	1,513	27	54	2,822	5	
Operating income*	4,825	4,588	4,896	1	7	9,484	(4)	50	18,993	(1)	
Operating expenses	2,019	1,923	1,980	(2)	3	3,902	(5)	48	8,088	(3)	
PPOP before tax*	2,805	2,665	2,917	4	9	5,582	(4)	51	10,905	0	
Expected credit loss	1,590	1,226	2,005	26	64	3,231	(19)	56	5,770	(7)	One-off ECL
Income tax	286	355	194	(32)	(45)	550	25	49	1,130	17	
Minority interest	(37)	(66)	39	(205)	(160)	(27)		(66)	40		
Normalised profit	966	1,149	678	(30)	(41)	1,828	22	46	3,965	7	
Extraordinary items											
Net profit	966	1,149	678	(30)	(41)	1,828	22	46	3,965	7	
EPS (THB)	3.87	4.60	2.71	(30)	(41)	7.31	22	46	15.86	7	
Asset quality ratio											
NPLs (THB m)	3,412	4,951	4,493	32	(9)				4,790	(5)	
NPLs/Loans (%)	3.88	5.71	5.16						5.32		
LLR/NPLs (%)	351	225	243						235		
Credit cost (bps)	721	563	923						650		
Profitability ratio											
	(%)	(%)	(%)						(%)		
Cost to income ratio*	41.9	41.9	40.4						42.6		
Average yield	21.6	20.4	20.4						20.3		
Cost of fund	3.4	2.9	2.8						2.9		
NIM	19.1	18.3	18.4						18.2		
Non-int inc/total income	12.7	13.2	18.5						14.9		
Loan growth (%)											
	(%)	(%)	(%)						(%)		
y-y	1.0	(2.0)	(1.1)						3.0		
q-q	(0.5)	(0.8)	0.4								

*Including share of profits from associates

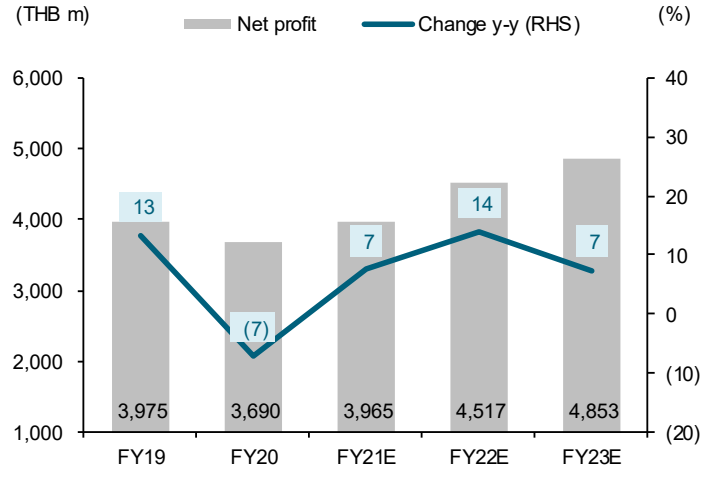
Sources: AEONTS; FSSIA estimates

Exhibit 2: AEONTS' quarterly earnings outlook



Source: FSSIA estimates

Exhibit 3: AEONTS' yearly earnings outlook

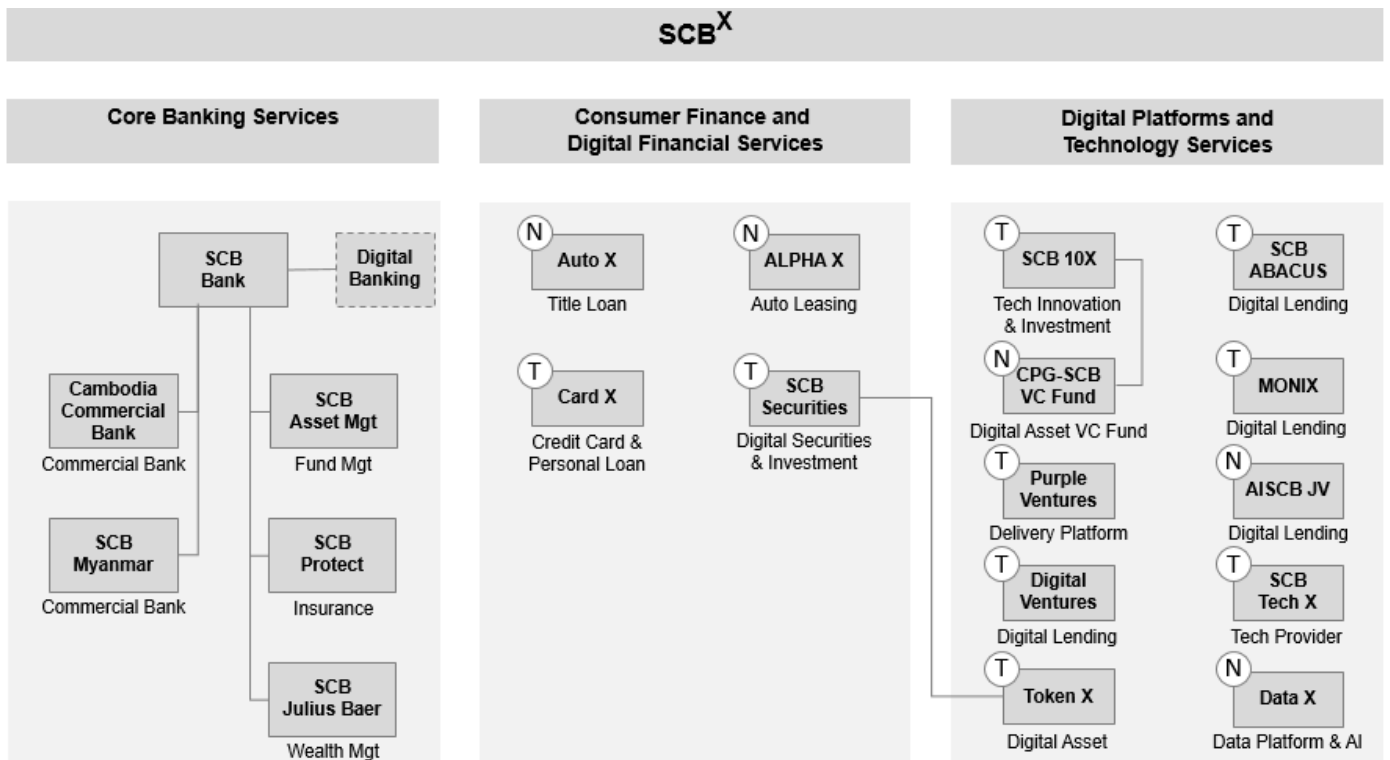


Source: FSSIA estimates

One of the most shaken by SCB's big move

We believe that AEONTS will be one of the most affected lenders by SCB's big move due to the companies having the same target clients and businesses. SCB plans to spin-off and aggressively expand its card business into the untapped low-income segment. Moreover, SCB will enlarge its digital lending business in the low-income segment by partnering with the telecom operator with the number one market share, Advanced Info Service (ADVANC TB, BUY, TP THB220). We are convinced that SCB has an advantage over AEONTS in terms of customer base and database capabilities. We view SCB as a barrier for AEONTS' growth outlook.

Exhibit 4: SCBX's structure



N = newly established company, T = transferred from SCB bank
Sources: SCB; FSSIA's compilation

EPS revisions

We cut our EPS forecasts for FY21-23 by 11%/11%/16% mainly due to our expectation of slower loan growth, a lower NIM, and higher expected credit losses (ECL) for AEONTS.

- 1) We lower our FY21 loan growth assumption to 3.0% vs our previous assumption of 7.4% to reflect the impact from the resurgence of Covid, resulting in a more cautious view on credit growth. We also revise down our loan growth assumptions in FY22-23 to 7.3% and 5.9% from 10.5% and 9.7%, respectively, due to the impact from SCB's aggressive expansion into the unsecured loan business;
- 2) We lower our FY21-23 NIM assumptions to reflect the slower growth of high-yield personal loans;
- 3) We increase our FY21-22 credit cost assumptions due to the prolonged Covid pandemic. We believe AEONTS will delay its ECL reversal.

Exhibit 5: Key changes in assumptions

YE - Feb	FY20			FY21E			FY22E			FY23E		
	Actual (THB m)	Old (THB m)	New (THB m)	Change (%)	Old (THB m)	New (THB m)	Change (%)	Old (THB m)	New (THB m)	Change (%)		
Net interest income	16,491	16,579	16,171	(2.5)	18,257	17,107	(6.3)	20,286	18,214	(10.2)		
Non-interest income*	2,689	2,925	2,822	(3.5)	2,986	3,004	0.6	3,112	3,123	0.4		
Operating income*	19,180	19,504	18,993	(2.6)	21,244	20,111	(5.3)	23,398	21,337	(8.8)		
Operating expenses	8,323	8,332	8,088	(2.9)	8,507	8,376	(1.5)	9,020	8,881	(1.5)		
PPOP before tax*	10,857	11,171	10,905	(2.4)	12,737	11,734	(7.9)	14,379	12,456	(13.4)		
Expected credit loss	6,210	5,441	5,770	6.0	6,131	5,883	(4.0)	6,912	6,170	(10.7)		
Tax expenses	967	1,146	1,130	(1.4)	1,321	1,170	(11.4)	1,493	1,257	(15.8)		
Minority interest	(10)	123	40	(67.4)	185	164		209	176			
Normalised profit	3,690	4,461	3,965	(11.1)	5,100	4,517	(11.4)	5,765	4,853	(15.8)		
Extraordinary items	-	0	-		0	-		0	-			
Net profit	3,690	4,461	3,965	(11.1)	5,100	4,517	(11.4)	5,765	4,853	(15.8)		
EPS (THB)	14.76	17.85	15.86	(11.1)	20.40	18.07	(11.4)	23.1	19.41	(15.8)		
Asset quality ratio												
Gross NPLs (%)	5,042	5,042	4,790	(5.0)	5,294	4,934	(6.8)	5,559	5,279	(5.0)		
Gross NPLs / Loans (%)	5.8	5.4	5.3		5.1	5.1		4.9	5.16			
Loan loss reserve/NPLs (%)	230	217	235		201	226		196.6	204			
Credit cost (bps)	699	600	650		620	630		635	620			
Profitability ratio												
Cost to income ratio* (%)	43.4	42.7	42.6		40.0	41.7		38.5	41.6			
Average yield (%)	20.9	20.4	20.3		20.5	20.4		20.8	20.5			
Cost of fund (%)	3.2	3.0	2.9		3.1	3.0		3.2	3.1			
Net interest margin (NIM) (%)	18.6	18.3	18.2		18.5	18.3		18.6	18.3			
% growth												
Loan growth (y-y %)	(3.1)	7.4	3.0		10.5	7.3		9.7	5.9			

*Including share of profits from associates

Sources: AEONTS; FSSIA estimates

GGM-based TP rollover to 2022 at THB204

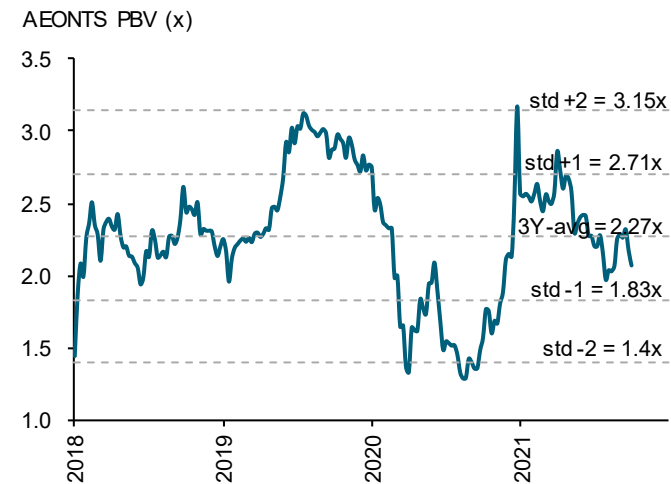
We roll over our GGM valuation to 2022 and derive a new TP of THB204 from our previous 2021 TP of THB274, as we 1) lower our EPS forecasts, leading to a lower book value; and 2) decrease our target FY22E P/BV to 2.2x from the previous FY21E P/BV of 3.4x as a result of our lower average long-term ROE target and long-term growth assumption to reflect the negative impact of SCB's big move.

Exhibit 6: AEONTS – GGM-derived target price

Target price (THB)	204.0 (from 274.0)
Recommendation	HOLD (from BUY)
Risk-free rate (%)	3.0 (unchanged)
Market risk premium (%)	8.0 (unchanged)
Cost to equity (%)	10.2 (unchanged)
Terminal growth (%)	2.8 (from 5.1)
ROE target (%)	19.3 (from 22.5)
Risk to TP	Downside risks to our GGM-derived TP include 1) intense competition; 2) regulatory actions to curb industry growth; and 3) deteriorating asset quality. The upside risk is stronger-than-expected asset quality.

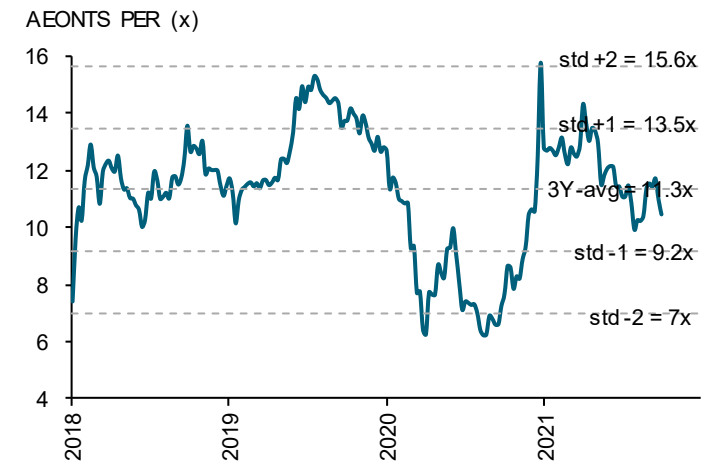
Source: FSSIA estimates

Exhibit 7: AEONTS – one-year prospective P/BV



Sources: Bloomberg; FSSIA estimates

Exhibit 8: AEONTS – one-year prospective P/E



Sources: Bloomberg; FSSIA estimates

Financial Statements

Aeon Thana Sinsap (Thailand)

Profit and Loss (THB m) Year Ending Feb	2019	2020	2021E	2022E	2023E
Interest Income	20,348	18,587	17,979	19,067	20,440
Interest expense	(2,209)	(2,096)	(1,808)	(1,961)	(2,225)
Net interest income	18,139	16,491	16,171	17,107	18,214
Net fees & commission	268	246	234	222	222
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	531	510	536	563	591
Other income	2,154	1,959	2,080	2,248	2,340
Non interest income	2,953	2,715	2,849	3,032	3,152
Total income	21,091	19,206	19,019	20,139	21,367
Staff costs	(9,091)	(8,144)	(7,899)	(8,176)	(8,666)
Other operating costs	(198)	(180)	(189)	(200)	(215)
Operating costs	(9,289)	(8,323)	(8,088)	(8,376)	(8,881)
Pre provision operating profit	11,802	10,882	10,931	11,762	12,486
Provision for bad and doubtful debt	(6,646)	(6,210)	(5,770)	(5,883)	(6,170)
Other provisions	-	-	-	-	-
Operating profit	5,156	4,673	5,162	5,880	6,316
Recurring non operating income	(13)	(25)	(27)	(28)	(29)
Associates	(13)	(25)	(27)	(28)	(29)
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	5,143	4,647	5,135	5,851	6,287
Tax	(1,024)	(967)	(1,130)	(1,170)	(1,257)
Profit after tax	4,120	3,680	4,005	4,681	5,029
Minority interests	(145)	10	(40)	(164)	(176)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	3,975	3,690	3,965	4,517	4,853
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	3,975	3,690	3,965	4,517	4,853
Per share (THB)					
Recurring EPS *	15.90	14.76	15.86	18.07	19.41
Reported EPS	15.90	14.76	15.86	18.07	19.41
DPS	5.00	4.50	5.00	5.25	5.50
Growth					
Net interest income (%)	10.1	(9.1)	(1.9)	5.8	6.5
Non interest income (%)	47.8	(8.1)	4.9	6.4	4.0
Pre provision operating profit (%)	21.5	(7.8)	0.5	7.6	6.2
Operating profit (%)	16.4	(9.4)	10.5	13.9	7.4
Reported net profit (%)	13.4	(7.2)	7.5	13.9	7.4
Recurring EPS (%)	13.4	(7.2)	7.5	13.9	7.4
Reported EPS (%)	13.4	(7.2)	7.5	13.9	7.4
Income Breakdown					
Net interest income (%)	86.0	85.9	85.0	84.9	85.2
Net fees & commission (%)	1.3	1.3	1.2	1.1	1.0
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	2.5	2.7	2.8	2.8	2.8
Other income (%)	10.2	10.2	10.9	11.2	11.0
Operating performance					
Gross interest yield (%)	23.56	20.92	20.26	20.42	20.54
Cost of funds (%)	3.32	3.18	2.88	2.95	3.09
Net interest spread (%)	20.24	17.74	17.38	17.47	17.45
Net interest margin (%)	21.0	18.6	18.2	18.3	18.3
Cost/income(%)	44.0	43.3	42.5	41.6	41.6
Cost/assets(%)	10.2	9.1	9.1	8.7	8.4
Effective tax rate (%)	19.9	20.8	22.0	20.0	20.0
Dividend payout on recurring profit (%)	31.4	30.5	31.5	29.1	28.3
ROE (%)	20.5	19.5	21.5	21.1	19.6
ROE - COE (%)	9.7	8.7	10.7	10.3	8.8
ROA (%)	4.5	4.0	4.5	4.9	4.8
RORWA (%)	-	-	-	-	-

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Aeon Thana Sinsap (Thailand); FSSIA estimates

Financial Statements

Aeon Thana Sinsap (Thailand)

Balance Sheet (THB m) Year Ending Feb	2019	2020	2021E	2022E	2023E
Gross customer loans	90,231	87,432	90,091	96,662	102,354
Total provisions	(3,961)	(11,593)	(11,236)	(11,126)	(10,745)
interest in suspense	0	0	0	0	0
Net customer loans	86,270	75,839	78,855	85,536	91,609
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	0	0	0	0	0
Cash & equivalents	4,994	5,105	5,468	8,865	10,447
Other interesting assets	-	-	-	-	-
Tangible fixed assets	885	793	711	637	571
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	3,247	5,651	5,881	6,523	7,021
Total assets	95,396	87,389	90,915	101,562	109,647
Customer deposits	0	0	0	0	0
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	69,259	62,626	62,940	69,985	74,175
Non interest bearing liabilities	5,012	7,383	7,752	8,139	8,546
Hybrid Capital	-	-	-	-	-
Total liabilities	74,271	70,009	70,691	78,124	82,722
Share capital	250	250	250	250	250
Reserves	20,478	16,808	19,523	22,728	26,206
Total equity	20,728	17,058	19,773	22,978	26,456
Minority interests	397	322	451	460	469
Total liabilities & equity	95,396	87,389	90,915	101,562	109,647
Supplementary items					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	86,371	88,832	88,762	93,377	99,508
Average interest bearing liabilities	66,458	65,942	62,783	66,462	72,080
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)	3,316	5,042	4,790	4,934	5,279
Per share (THB)					
Book value per share	82.91	68.23	79.09	91.91	105.83
Tangible book value per share	82.91	68.23	79.09	91.91	105.83
Growth					
Gross customer loans	9.4	(3.1)	3.0	7.3	5.9
Average interest earning assets	9.1	2.8	(0.1)	5.2	6.6
Total asset (%)	9.5	(8.4)	4.0	11.7	8.0
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	nm	nm	nm	nm	nm
Leverage & capital measures					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	21.7	19.5	21.7	22.6	24.1
Tangible equity/assets (%)	21.7	19.5	21.7	22.6	24.1
RWA/assets (%)	-	-	-	-	-
Tier 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
Asset Quality					
Change in NPL (%)	45.3	52.1	(5.0)	3.0	7.0
NPL/gross loans (%)	3.7	5.8	5.3	5.1	5.2
Total provisions/gross loans (%)	4.4	13.3	12.5	10.9	10.5
Total provisions/NPL (%)	119.5	229.9	234.6	225.5	203.5
Valuation					
Recurring P/E (x) *	11.7	12.6	11.7	10.3	9.6
Recurring P/E @ target price (x) *	12.8	13.8	12.9	11.3	10.5
Reported P/E (x)	11.7	12.6	11.7	10.3	9.6
Dividend yield (%)	2.7	2.4	2.7	2.8	3.0
Price/book (x)	2.2	2.7	2.3	2.0	1.8
Price/tangible book (x)	2.2	2.7	2.3	2.0	1.8
Price/tangible book @ target price (x)	2.5	3.0	2.6	2.2	1.9

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Aeon Thana Sinsap (Thailand); 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	SCC	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	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TRC	TSC	TSR	TSTE	TSTH
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	TTB	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

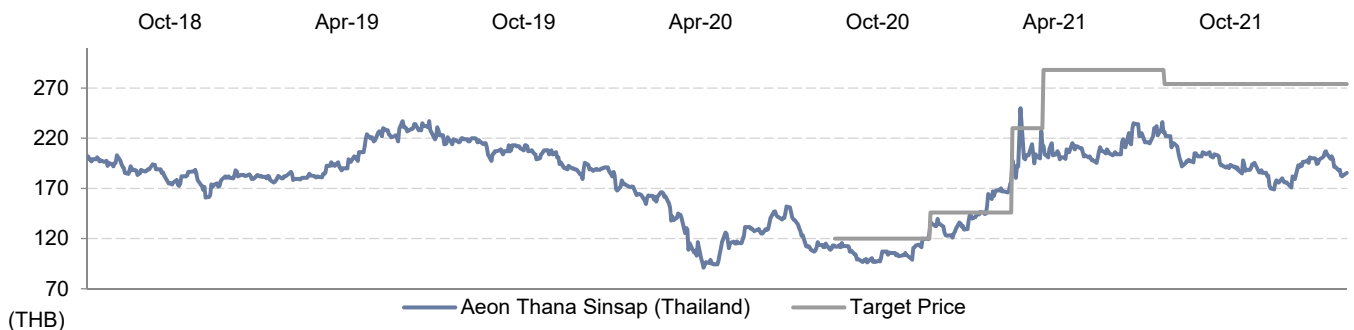
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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

Aeon Thana Sinsap (Thailand) (AEONTS TB)



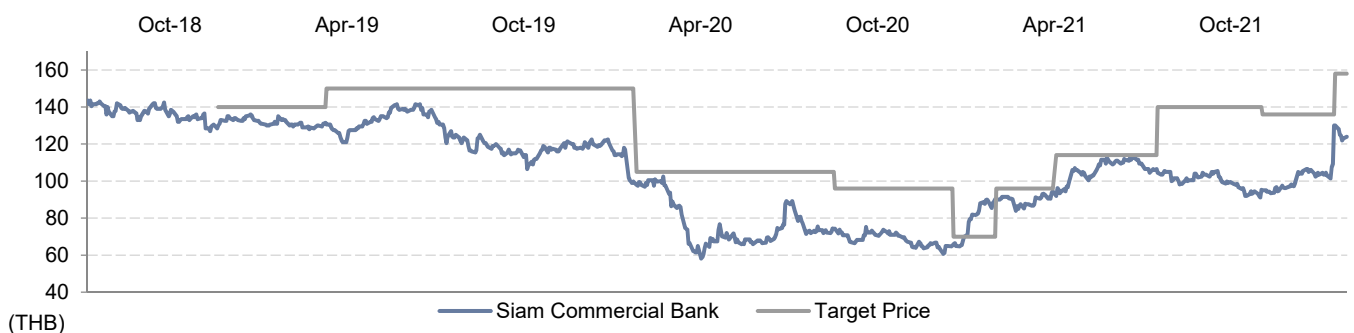
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
16-Jul-2020	HOLD	120.00	07-Oct-2020	BUY	146.00	13-Jan-2021	BUY	288.00
21-Sep-2020	BUY	120.00	17-Dec-2020	BUY	230.00	28-Apr-2021	BUY	274.00

Yuvanart Suwanumphai started covering this stock from 16-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

Siam Commercial Bank (SCB TB)



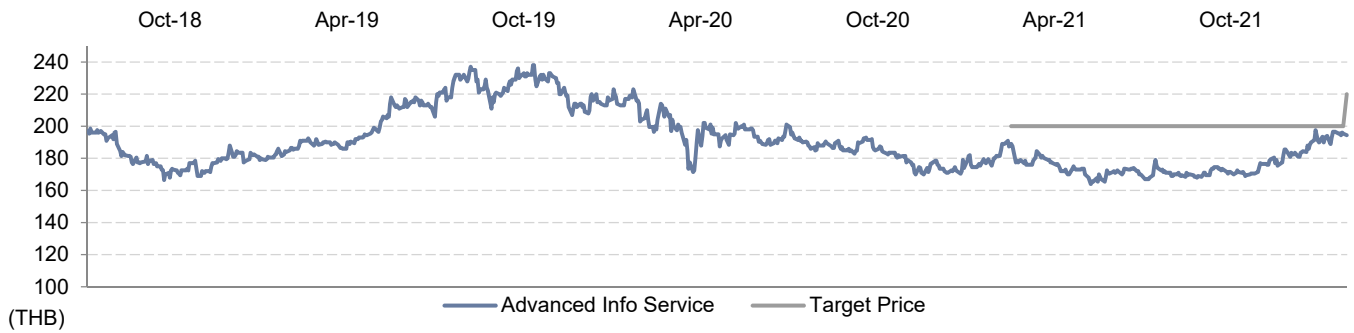
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
29-Jan-2019	HOLD	140.00	16-Jul-2020	BUY	96.00	22-Apr-2021	BUY	140.00
03-May-2019	BUY	150.00	27-Oct-2020	HOLD	70.00	22-Jul-2021	BUY	136.00
27-Jan-2020	HOLD	105.00	03-Dec-2020	HOLD	96.00	04-Aug-2021	BUY	136.00
02-Apr-2020	HOLD	105.00	22-Jan-2021	BUY	114.00	23-Sep-2021	BUY	158.00

Yuvanart Suwanumphai started covering this stock from 16-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

Advanced Info Service (ADVANC TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
16-Dec-2020	HOLD	200.00	09-Feb-2021	BUY	200.00	30-Jun-2021	BUY	200.00
05-Jan-2021	HOLD	200.00	06-May-2021	BUY	200.00	01-Oct-2021	BUY	220.00

Naruedom Mujjalinkool started covering this stock from 16-Dec-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Aeon Thana Sinsap (Thailand)	AEONTS TB	THB 185.50	HOLD	Downside risks to our GGM-derived TP include 1) intense competition; 2) regulatory actions to curb industry growth; and 3) deteriorating asset quality. The upside risk is stronger-than-expected asset quality.
Siam Commercial Bank	SCB TB	THB 124.00	BUY	Downside risks to our SOTP-based TP are 1) prolonged economic sluggishness and further waves of the Covid-19 pandemic affecting loan growth and asset quality; and 2) the impact of further interest rate cuts on its NIM.
Advanced Info Service	ADVANC TB	THB 194.50	BUY	The key downside risks to our DCF-based TP are stronger-than-expected competition in the mobile market and the slower-than-expected adoption of 5G use cases.

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

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 04-Oct-2021 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / 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.