

## SINGER THAILAND

## SINGER TB

THAILAND / DIVERSIFIED FINANCIALS

BUY

UNCHANGED

## Ride the rising sun

- Expect a record high NP again in 2022 at THB1.2b (+78% y-y).
- Expanding to solar rooftop business to support long-term growth.
- Revise up 2022-23E NP by 9%/11% and raise TP to THB62.

TARGET PRICE	THB62.00
CLOSE	THB47.25
UP/DOWNSIDE	+31.2%
PRIOR TP	THB51.00
CHANGE IN TP	+21.6%
TP vs CONSENSUS	+9.4%

## Records are there to break in 2022

After experiencing the highest net profit in the last 132 years at THB701m in 2021, we reiterate our view that SINGER should, again, deliver a record high net profit at THB1,244m (+78% y-y) in 2022, backed by the solid growth of its core businesses, including selling home appliances and lending, along with a slight contribution from its new business, solar rooftops. We are convinced SINGER will deliver strong performance in every quarter in 2022, and expect its net profit to increase y-y in every quarter. SINGER's 2022 EPS could increase at a slower rate than its net profit, we estimate at 14% y-y, due to the dilution from its RO.

## Solar rooftops, a new long-term growth engine for SINGER

SINGER entered into the solar rooftop market by setting up a JV, named JGS, with GUNKUL and JMART. SINGER will be the main distributor and lender for clients who cannot afford to pay in cash. Thus, SINGER should see three benefits: 1) profits from selling solar rooftops; 2) interest income from lending, with an interest rate charge of c18%; and 3) profit sharing from its 9.9% holding in JGS. We are convinced that JGS and SINGER can successfully penetrate this market as SINGER already has a small commercial client base, c40,000-50,000 clients. Moreover, GUNKUL has experience in producing solar rooftops. We also expect an increase in solar rooftop demand. Although the profits from this project would be small compared with SINGER's net profits over 2022-24 (estimated at c1-3% of its earnings), we see it as an industry that is likely to grow in the future. This should help support its long-term growth.

## The current businesses should continue to post robust growth

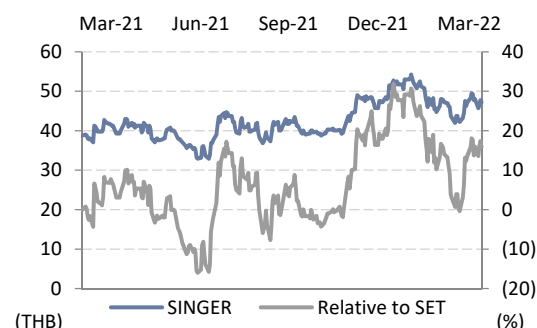
We expect both home appliance sales and auto title loans to continue to experience solid growth due to having different distribution channels, making SINGER stand out from its rivals. The new BNPL operators and truck title loan lenders should not be able to steal market share from SINGER. As a result, we expect its electrical appliance sales to rise by 25% y-y in 2022, with a stable gross profit margin at 47%. We project SINGER's loan growth in 2022 to be at 42% y-y, reaching THB15.5b, due mainly to an aggressive truck title loan expansion.

## Top pick maintained with higher TP to THB62 from THB51

We revise up our 2022-23E net profit by 9%/11% to largely reflect our higher loan growth assumptions and raise our TP to THB62. We maintain SINGER as one of top picks as we believe it will deliver the highest net profit growth among our covered diversified financial stocks. Its premium valuation is justified by its sustained and robust growth, in our view.

## KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Operating profit	902	1,555	2,135	2,654
Net profit	701	1,244	1,708	2,123
EPS (THB)	1.32	1.51	2.04	2.53
vs Consensus (%)	-	6.9	2.5	6.3
Core net profit	701	1,244	1,708	2,123
Core EPS (THB)	1.32	1.51	2.04	2.53
Chg. In EPS est. (%)	-	8.9	11.3	-
EPS growth (%)	21.2	14.2	35.1	24.3
Core P/E (x)	35.8	31.3	23.2	18.7
Dividend yield (%)	0.3	1.9	2.6	1.3
Price/book (x)	2.6	2.5	2.4	2.2
ROE (%)	7.9	8.1	10.5	12.2
ROA (%)	4.2	5.3	7.5	8.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	8.0	0.0	27.4
Relative to country (%)	11.7	(1.8)	21.7
Mkt cap (USD m)			1,157
3m avg. daily turnover (USD m)			6.1
Free float (%)			21
Major shareholder	JAYMART Public Company (26%)		
12m high/low (THB)	55.00/32.42		
Issued shares (m)	811		

Sources: Bloomberg consensus; FSSIA estimates



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## Investment thesis

SINGER is one of the major players in electrical and home appliance sales and providing instalment loans. It started its auto title loan business, focusing on trucks, in 2017 under the name 'Rod Tum Ngern'. After unlocking its source of funds via a recent capital increase, the company expects to be the leader in truck title loans within three to four years.

We expect SINGER to deliver strong net profit growth supported by 1) remarkable loan growth; 2) an increase in electrical and home appliance sales; and 3) a stable gross profit margin for its electrical products and home appliances due to competitive dealer pricing policies.

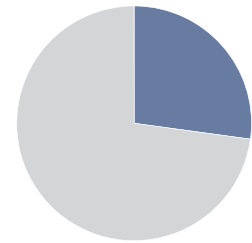
## Company profile

Singer Thailand PCL operates two business lines: 1) the distribution of various electrical products and appliances, together with commercial appliances under the "Singer" brand through its outlets and sales representatives; and 2) a loan provider. SINGER offers loans for more than 90% of its electrical products and appliances. SINGER entered into auto title loans in 2017, specialising in trucks for fleets.

[www.singerthai.co.th](http://www.singerthai.co.th)

## Principal activities (revenue, 2021)

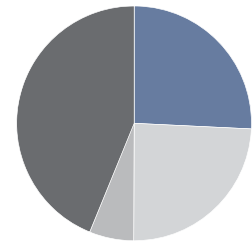
- Net interest income - 27.2 %
- Non-interest income - 72.8 %



Source: Singer Thailand

## Major shareholders

- JAYMART Public Company - 25.8 %
- U City Public Company - 24.3 %
- Kara Family - 6.1 %
- Others - 43.8 %



Source: Singer Thailand

## Catalysts

Potential share price catalysts for SINGER include: 1) the spin-off of its lending business; 2) a new instalment product announcement; and 3) synergies from its capital increase.

## Risks to our call

Downside risks to our GGM-derived TP include 1) an economic slowdown leading to slower loan growth and lower sales of electrical products and home appliances; and 2) deteriorating asset quality.

## Event calendar

Date	Event
Mid May 2022	1Q22 results announcement

## Key assumptions

Year to Dec	2022E	2023E	2024E
	(%)	(%)	(%)
Net profit (THB m)	1,244	1,708	2,123
Net profit growth	77.5	37.3	24.3
NIM	14.07	14.52	14.50
Loan growth	42.2	31.2	27.3
Credit cost (bp)	220	240	240
Revenue from sales of goods growth	25.0	20.0	20.0
Gross margin of sales business	47.0	47.0	47.0
SG&A to revenue ratio	31.5	29.8	29.6

Source: FSSIA estimates

## Earnings sensitivity

Year to Dec		2022E		
<b>Loan growth</b>	<b>±2ppt</b>	<b>40.2</b>	<b>42.2</b>	<b>44.2</b>
% change in net profit		(1.1)	-	1.1
<b>NIM (%)</b>	<b>±5bp</b>	<b>14.02</b>	<b>14.07</b>	<b>14.12</b>
% change in net profit		(0.4)	-	0.4
<b>Credit cost (bps)</b>	<b>±10bp</b>	<b>210.0</b>	<b>220.0</b>	<b>230.0</b>
% change in net profit		1.0	-	(1.0)

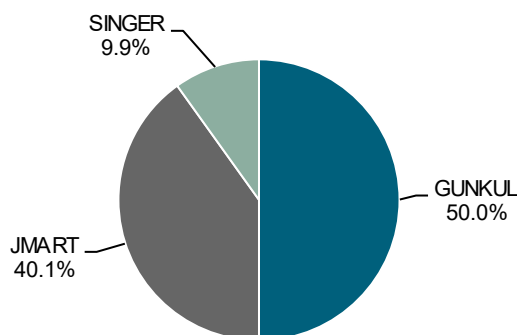
Source: FSSIA estimates

## Expanding to the solar rooftop market

On 17 Dec-21, SINGER entered into a preliminary memorandum of understanding with Gunkul Engineering Company (GUNKUL TB, BUY, TP THB8.1) and Jay Mart Public Company (JMART TB, BUY, TP THB62) to establish a JV company, named JGS, with an initial investment of THB1m. GUNKUL will hold 50%, JMART 40.1%, and SINGER 9.9%. The JV company will invest in four joint businesses including:

- 1) Electrical equipment and solar solutions through the distribution networks of SINGER and JMART, as well as offering hire purchase contracts to commercial clients across the country;
- 2) Distribution of cannabis products through SINGER and JMART's networks;
- 3) Investment in EV charging stations for retail clients;
- 4) Potential future synergies, e.g., utility tokens that can be used with the company's products.

### Exhibit 1: JGS' shareholder structure



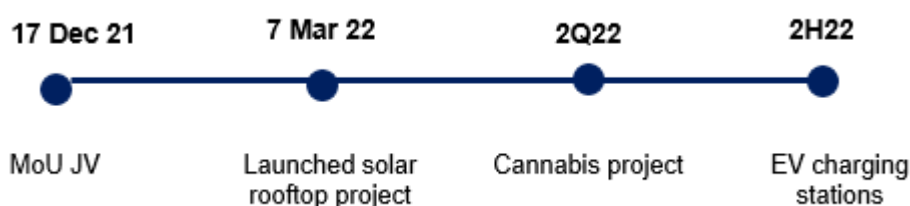
Source: FSSIA's compilation

On 7 Mar-22, JGS launched its first product, solar rooftops for small commercial clients. Regarding other potential products, JGS might launch cannabis-related products in 2Q22. Then, in 2H22, EV charging stations should be rolled out. We think solar rooftops could be another growth engine for SINGER in the next three to five years. For other products, management has only provided limited details. Therefore, we leave those as a potential upside.

Regarding its solar rooftop project, JGS will be the producer (OEM) while SINGER will be the main distributor (c60-70% will be sold through SINGER's channel) and main lender for clients who cannot afford to pay in cash.

Thus, SINGER should see three benefits from the solar rooftop project, including 1) profits from selling solar rooftops; 2) interest income from lending, with an interest rate charge of c18% p.a.; and 3) profit sharing from its 9.9% holding in JGS.

### Exhibit 2: Timeline of each JV business

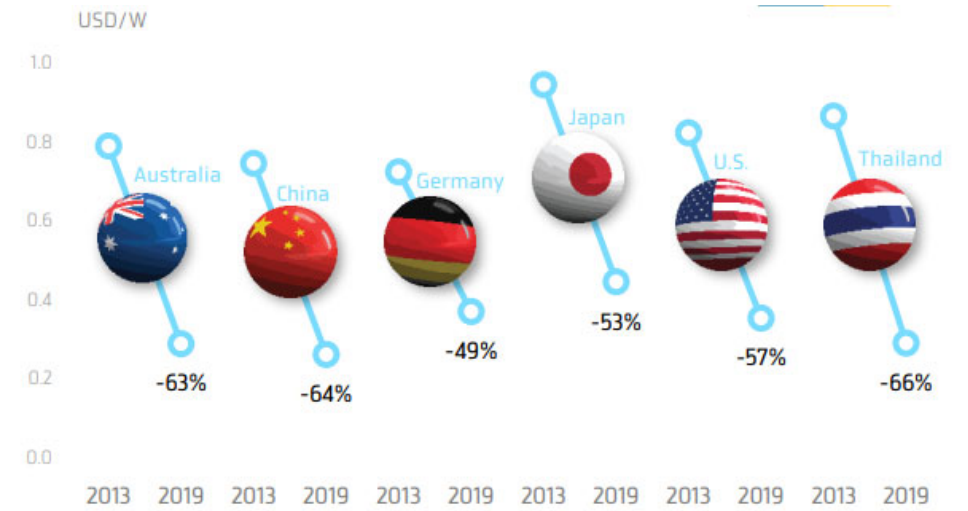


Sources: SINGER; FSSIA's compilation

### Solar rooftop industry is on the rise

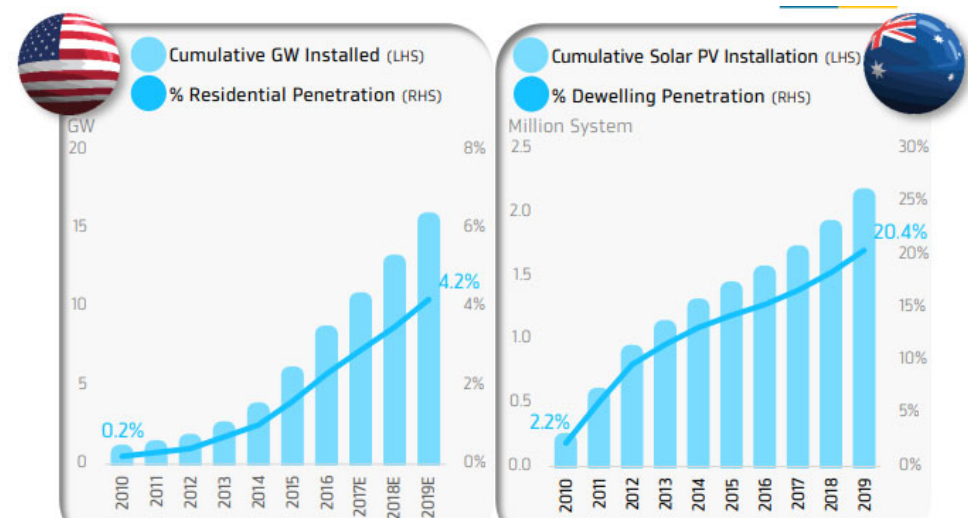
According to Krungthai COMPASS, the installation of solar rooftops in the household sector overseas has been accelerating for a while. This has been boosted by the price of solar rooftops which have declined by around 49-66% from 2013 to 2019, and therefore the payback period has been shortened. For example, the penetration rate of household solar rooftops in the USA was expected to increase to 4.2% in 2019 from 0.2% in 2013. This was the same trend in Australia where the penetration rate in 2019 was forecast to reach 20.4% from 2.2% in 2010.

**Exhibit 3: A sharp drop in solar rooftop panel pricing between 2013 and 2019**



Sources: International Renewable Energy Agency (IRENA); Krungthai COMPASS

**Exhibit 4: Solar rooftop penetration rate in the USA and Australia**



Sources: Credit Suisse; Australian PV Institute; Australian Bureau of Statistics; Krungthai COMPASS

In Thailand, the purpose of owning a solar rooftop for the household segment includes 1) household consumption; and 2) the sale of electricity to the government. Krungthai COMPASS also expects there to be rising demand for solar rooftops in Thailand due to the shorter payback period. Based on Krungthai COMPASS' calculation, the payback period of a solar rooftop installation has reduced from 17-30.3 years in 2013 to 6.1-13.9 years in 2021, and is likely to decrease to only 5.3-12 years in the future. The faster payback period is due to the continuous decline in solar panel prices, coupled with an increase in the government's purchase price of electricity. This rose from THB1.68 per unit during 2019-20 to THB2.2 per unit in 2021, causing households that installed solar rooftops to benefit from selling more electricity.

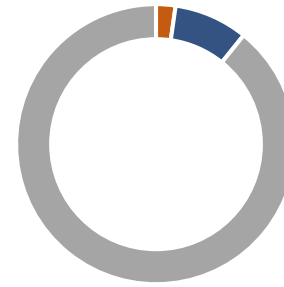
Krungthai COMPASS is of the view that households may prefer to invest in solar rooftops for consumption following the shorter payback period rather than selling electricity to the government. According to Krungthai COMPASS, there are 21.87 million households in Thailand, with 2.36 million households (or 10.8% of total) that may invest in solar rooftops for their own consumption rather than selling to the government. From the total potential 2.36 million households, 0.49 million households should be households which are used as residences and for business, and 1.87 million households should be those where employed people and the elderly live together, which normally consume electricity during the daytime. We think 0.49 million households should be the ballpark figure for JGS and SINGER's potential clients.

#### Exhibit 5: Payback period for investing in solar rooftops

Year	Payback period
2013	17.0-30.3 years
2021	6.1-13.9 years
2025E	5.3-12 years

Sources: Krungthai COMPASS; FSSIA's compilation

#### Exhibit 6: The potential clients for JGS and SINGER to sell solar rooftops to



- Households used as residences and for business, 0.49 million households (SINGER's target)
- Households with working and elderly people, 1.87 million households
- Others

Sources: Krungthai COMPASS; FSSIA's compilation

### Solar rooftops, a new long-term growth engine for SINGER

JGS targets revenue from selling solar rooftops in 2022 of cTHB100m. The first pilot model is 1.8 kilowatts (kW). The average selling price would be cTHB90k, implying that JGS should sell c1,100 solar rooftop panels in 2022. Its main targeted clients will be small commercial clients that run daytime operations across the country. According to SINGER's management, 60-70% of 1,100 panels will be sold through SINGER's channel. Management expects that most of the solar rooftop sales via SINGER are likely to be in instalments. While at JGS, it would be both instalments and cash.

#### Exhibit 7: Summary of solar rooftop (1.8 kW model) selling and lending business at SINGER

	Details
Target clients	Small commercial clients that run daytime operations
Solar rooftop sale price (THB k)	110-120 for instalment program, 90 for cash
Net margin of selling business (%)	8-10 (estimated by FSSIA)
Interest rate charge for lending business, EIR basis (%)	18
Instalment per month (THB)	2,990
Loan duration (months)	36-40

Sources: SINGER; FSSIA estimates



## Exhibit 8: Solar rooftop package at SINGER

**SINGER**

**สมาร์ทขึ้นอีกขั้น**  
ด้วยหลักค่าประหยัดพลังงาน  
(SOLAR ROOF PACKAGE)

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ลงทุนเริ่มต้น  
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Solar Rooftop รุ่น 1.8 กิโลวัตต์  
\*\*ขึ้นอยู่กับอัตราแสงของพื้นที่และชนิดพื้นที่

สอบถามเพิ่มเติม ☎ 02-234-7171

ตั้งแต่วันที่ 1 - 31 มีนาคม 2565  
\*ข้อมูลนี้เป็นไปตามที่บริษัทฯ กำหนด

Source: SINGER

We are convinced that JGS and SINGER can successfully penetrate this market as SINGER already has a small commercial client base, c40,000-50,000 clients. Moreover, GUNKUL has experience in producing solar rooftops. It is expected that JGS should produce high quality products at a reasonable cost. Additionally, due to the potentially shorter payback period of solar rooftop investments in Thailand, we expect an increase in solar rooftop demand.

The monthly payment plan for solar rooftops from SINGER is THB2,990. A solar rooftop of 1.8 kW can result in savings of THB94 per month from an electricity bill, according to SINGER. Thus, SINGER's clients who want to purchase solar rooftops in instalments need to pay only THB2k per month on top. We believe that small commercial shops should be able to afford these incremental payments. Also, based on our analysis, the payback period for the instalment of a 1.8 kW solar rooftop would be c8-10 years vs the 25-year lifetime of a solar rooftop. As a result, we believe this would provide a decent return for small commercial shops to invest in.

We expect the incremental profits from the solar rooftop project for SINGER to be THB12m/33m/53m in 2022-24, based on the assumptions that the sales of solar rooftops by JGS would amount to 1,100/2,400/3,300 panels during 2022-24 and 70% of these would be sold through SINGER's channel. Although the profits from this project would still be small compared with SINGER's net profits over the next three years, we see it as an industry that is likely to grow in the future. This should help support the growth of the company in the long term.

## Exhibit 9: Net increment that clients would pay to invest in a solar rooftop

	(THB)
Monthly instalment	2,990
Monthly electricity bill savings	940
Net increment that clients pay per month	2,050

Sources: SINGER; FSSIA estimates

## Exhibit 10: Payback period for a solar rooftop

	Cash	Instalment
Total initial investment (THB)	90,000	115,000
Electricity bill savings per year (THB)	11,280	11,280
Payback period (year)	7.9	10.2

Sources: SINGER; FSSIA estimates

**Exhibit 11: Contribution to SINGER's bottom line from solar rooftop project**

	2022E	2023E	2024E
<b>Assumption</b>			
<b>JGS</b>			
Average solar rooftop price/unit - 1.8 kW (THB)	90,000	90,000	90,000
No. of solar rooftop panels sold	1,100	2,400	3,300
Net margin from selling products (%)	10	10	10
<b>Lending business</b>			
Interest charge (% p.a.)	18	18	18
Cost of funds (%)	4	4	4
Opex (% to loans)	4	4	4
Credit cost (%)	2	2	2
Net yield on loan port (%)	8	8	8
<b>Benefit to SINGER</b>			
Profit from selling products (THB m)	8	18	24
Profit from lending (THB m)	3	13	26
Share of profit from JGS (9.9% holding)	1	2	3
<b>Total (THB m)</b>	<b>12</b>	<b>33</b>	<b>53</b>
Current SINGER net profit forecasts (THB m)	1,244	1,708	2,123
<b>Contribution from solar rooftop (%)</b>	<b>1</b>	<b>2</b>	<b>3</b>

Sources: SINGER; FSSIA estimates

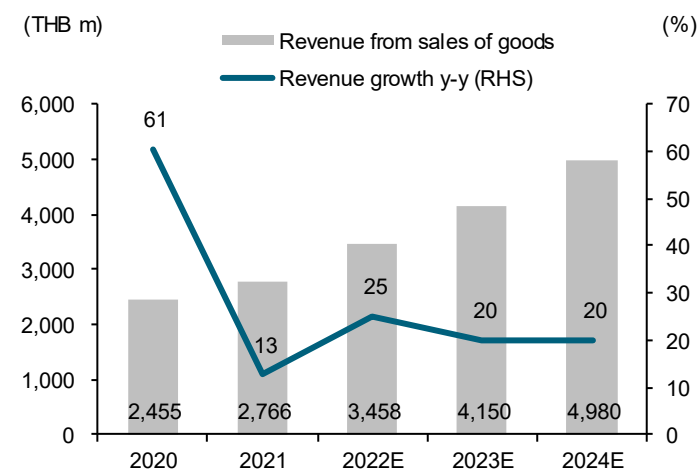
## The current businesses should continue to post robust growth

We like SINGER's strategy of selling solar rooftops as it is a method that can leverage its existing customer base and employees to make the company more profitable. However, in our estimation, it could take at least three to five years before the new business contributes a significant profit. SINGER's performance still relies on its current businesses, for which we expect both home appliance sales and auto title loans to continue to experience solid growth due to having different distribution channels, making the company stand out from its rivals.

### #1 Robust electrical and home appliance loan growth to continue

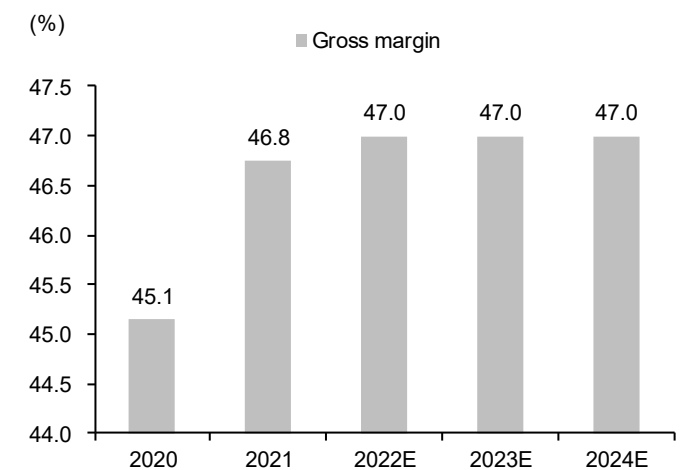
After seeing strong growth in its electrical appliance sales at a 14% three-year CAGR during 2019-21, we believe that sales should rise continuously by 25% y-y in 2022, backed up three factors. First and most importantly, we believe that its different distribution channels and door-knocking sales strategy differentiate the company from its competitors. Amid the increasing trend of Buy Now, Pay Later (BNPL) in Thailand, management affirms that SINGER will deliver solid home appliance sales. Second, the company plans to increase the number of its electrical appliance franchisees, more than doubling to 7,000 from 3,250 in 2021. Lastly, synergies between SINGER and BTS Group Holdings (BTS TB, BUY, TP THB11.8) and its subsidiaries should manifest in terms of increasing its client base and sales channel. We think that partnering with the BTS group will allow SINGER to achieve its online sales target of 30% of total sales faster. With a gradual increase in online sales, we think its margin should improve.

**Exhibit 12: Revenue growth of electrical and home appliance sales**



Sources: SINGER; FSSIA's compilation

**Exhibit 13: Gross margin of electrical and home appliance sales**



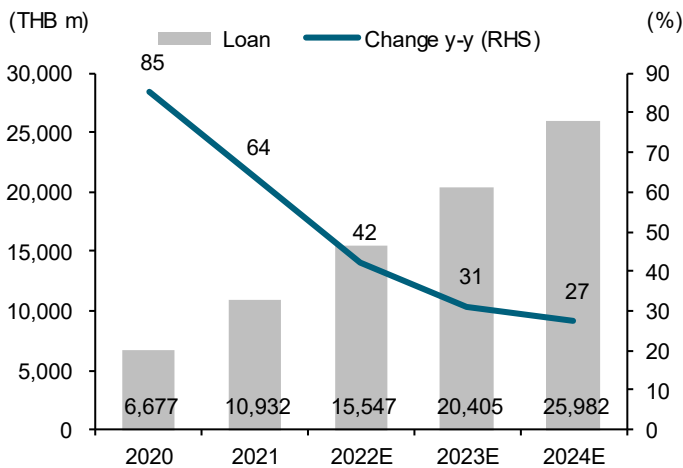
Sources: SINGER; FSSIA's compilation



## #2 Significant increase in auto title loans

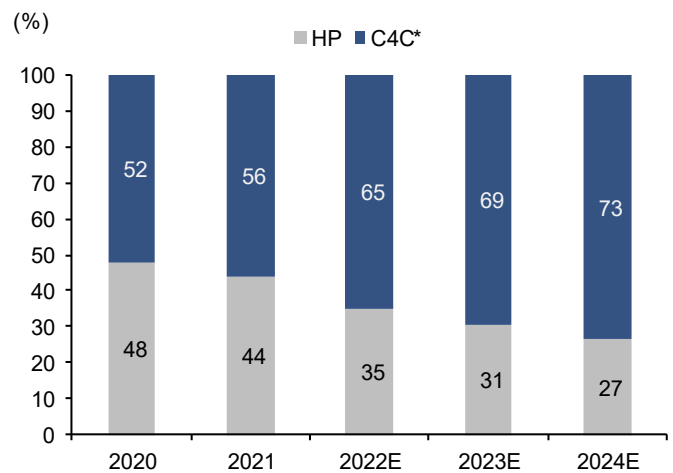
We project SINGER to experience remarkable total loan growth in 2022 at 42% y-y, reaching THB15.5b, due mainly to an aggressive truck title loan expansion. We have a strong conviction that SINGER should be able to continue increasing its truck title loan volume successfully as we think its unique marketing strategy, knocking on doors, to approach untapped clients differentiates the company from its competitors. In 2021, some major truck title loan players reduced their interest rate charges to increase their portfolios. SINGER was not affected by this. Its 2021 loan portfolio rose substantially by 64% y-y. Moreover, we think that truck-for-cash loans in Thailand are very demanding.

Exhibit 14: Total loan growth



Sources: SINGER; FSSIA estimates

Exhibit 15: Loan breakdown



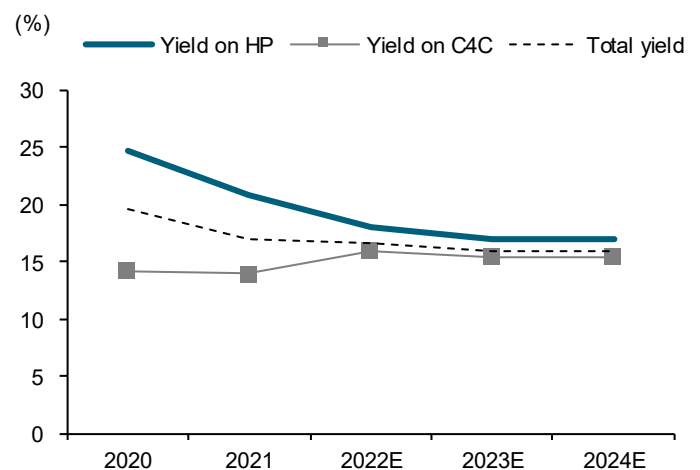
\*C4C = Car for cash  
Sources: SINGER; FSSIA estimates

Exhibit 16: Main characteristics of SINGER's loans

Characteristics	Value
<b>Electrical appliance portfolio</b>	
Average interest rate	20-22%
Instalment period	12-36 months
Loan-to-value (LTV)	90-95%
Average ticket size	THB20,000-50,000
<b>Auto title portfolio (C4C)</b>	
Average interest rate	14-16%
Instalment period	48-60 months
Loan-to-value (LTV)	60-80%
Lending range	
- Large and medium-size operators	THB3m-30m
- Retail	THB50k - THB3m

Source: SINGER

Exhibit 17: Loan yield by product



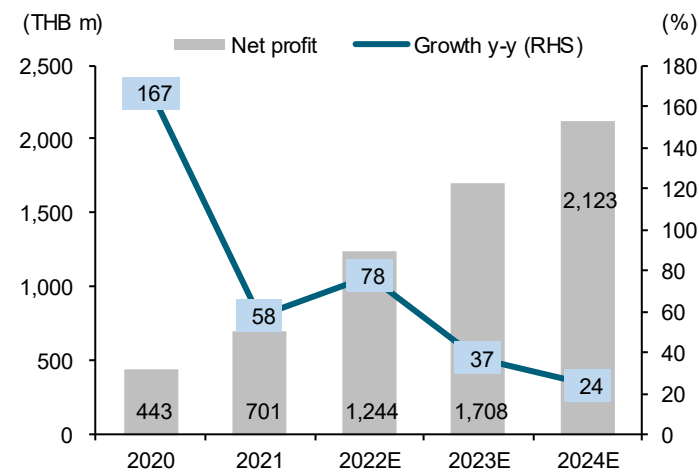
Sources: SINGER; FSSIA estimates

## Notable net profit growth

After experiencing the highest net profit in the last 132 years at THB701m in 2021, we reiterate our view that SINGER should, again, deliver a record high net profit at THB1,244m (+78% y-y) in 2022, backed by 1) remarkable 2022E total loan growth of 42% y-y thanks mainly to the solid growth of its auto title loans; 2) an increase in electrical and home appliance sales by 25% y-y; and 3) a stable gross profit margin for its electrical products and home appliances due to the economies of scale and different distribution channels. We are convinced that SINGER will deliver strong performance in every quarter in 2022, and expect its net profit to increase y-y in every quarter.

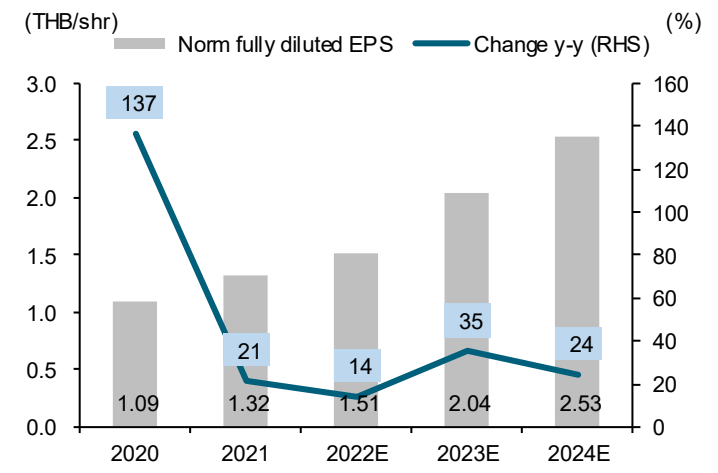
Note that SINGER's 2022 EPS could increase at a slower rate than its net profit, we estimate at 14% y-y, due to the dilution from its rights offering (RO) at the end of 2021 and the exercise of SINGER-W2.

**Exhibit 18: SINGER's net profit growth**



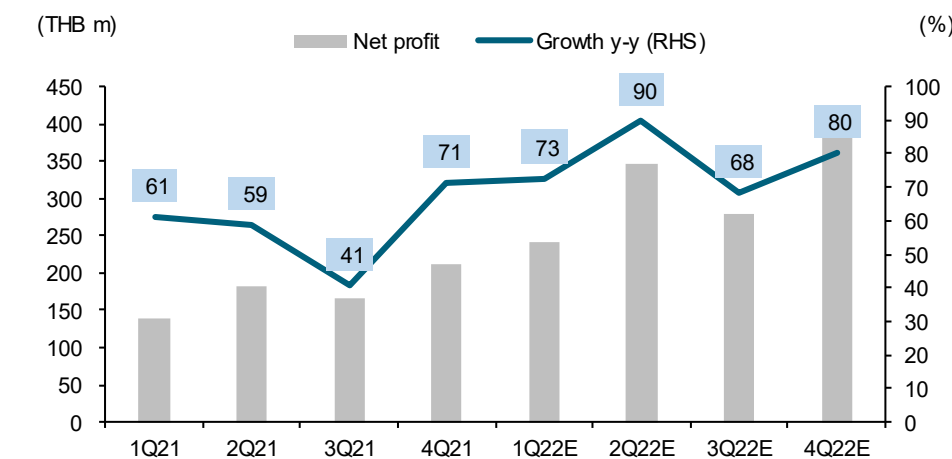
Source: FSSIA estimates

**Exhibit 19: SINGER's EPS growth**



Source: FSSIA estimates

**Exhibit 20: SINGER's quarterly earnings**



Source: FSSIA estimates

## Net profit and TP revisions

We revise up our 2022-23E net profit by 9%/11% to reflect our 1) higher 2022-23 loan growth assumptions from 39.9%/30.7% to 42.2%/31.2% due to the higher-than-expected truck title loan volume; 2) lower 2022-23 credit cost assumptions from 300/300 bps to 220/240 bps following its efficient asset quality management; and 3) factor in the economies of scale, resulting in lower cost to income ratio estimates for 2022-23 to 66.7%/62.9% from 68.7%/64.3%.

### Exhibit 21: Key changes in assumptions

	2021	2022E			2023E			2024E
	Actual (THB m)	Old (THB m)	New (THB m)	Change (%)	Old (THB m)	New (THB m)	Change (%)	New (THB m)
Net interest income	1,074	1,750	1,863	6.5	2,326	2,611	12.2	3,364
Non-interest income*	2,882	3,643	3,685	1.1	4,186	4,306	2.8	5,106
Operating income*	3,956	5,393	5,548	2.9	6,512	6,916	6.2	8,469
Operating expenses	2,903	3,702	3,702	(0.0)	4,190	4,350	3.8	5,259
<b>PPOP before tax*</b>	<b>1,054</b>	<b>1,690</b>	<b>1,846</b>	<b>9.2</b>	<b>2,323</b>	<b>2,567</b>	<b>10.5</b>	<b>3,211</b>
Provision (Reversal)	152	347	291	(16.0)	467	431	(7.5)	557
Taxes expenses	202	202	311	54.3	321	427	33.0	531
Minority interest	-	0	-		0	-		-
<b>Normalized profit</b>	<b>701</b>	<b>1,142</b>	<b>1,244</b>	<b>8.9</b>	<b>1,535</b>	<b>1,708</b>	<b>11.3</b>	<b>2,123</b>
Extraordinary items	-	0	-		0	-		-
<b>Net profit</b>	<b>701</b>	<b>1,142</b>	<b>1,244</b>	<b>8.9</b>	<b>1,535</b>	<b>1,708</b>	<b>11.3</b>	<b>2,123</b>
<b>Key statistic and ratio</b>								
<b>Asset quality ratio (%)</b>								
Gross NPLs (THB m)	318	607	572	(5.8)	770	772	0.2	964
Gross NPLs / Loans	2.9	4.5	3.7		4.4	3.8		3.71
Loan loss reserve/NPLs	67	68	65		68.6	71		81
Credit cost (bp)	172	300	220		300	240		240
<b>Profitability ratio (%)</b>								
Cost to income ratio	73.4	68.7	66.7		64.3	62.9		62.1
Average yield	17.0	19.0	16.7		18.6	16.0		15.9
Cost of funds	6.3	5.0	5.2		5.0	5.4		5.0
Net interest margin (NIM)	12.2	15.1	14.1		15.0	14.5		14.5
<b>% growth</b>								
Loan growth (y-y)	63.7	39.9	42.2		30.7	31.2		27.3

\*Including share of profits from associates

Source: FSSIA estimates

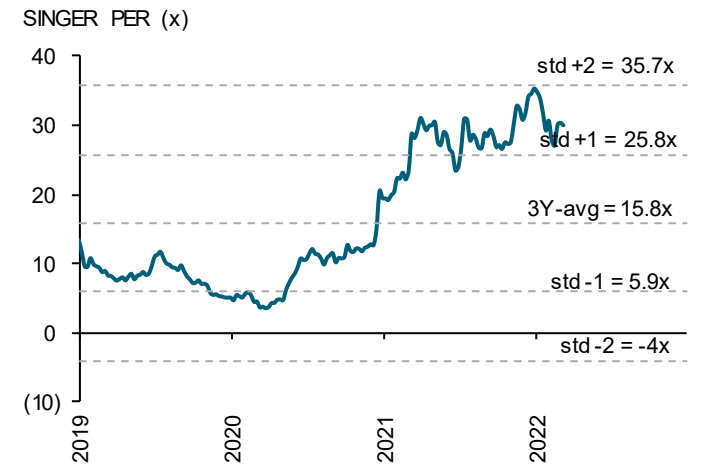
We revise up our GGM-based TP to THB62 from THB51 as we 1) increase our EPS forecast, leading to a higher book value; and 2) revise up our target 2022E P/BV from 2.7x to 3.3x to reflect the increase in our average long-term ROE target of 11.0% from 10.9%. Our target price implies a 41.1x 2022E P/E.

### Exhibit 22: SINGER – GGM-derived target price

Target price (THB)	62 (from 51)
Recommendation	BUY (unchanged)
Risk-free rate (%)	3.0 (unchanged)
Market risk premium (%)	8.0 (unchanged)
Cost to equity (%)	10.6 (unchanged)
Terminal growth (%)	10.4 (unchanged)
ROE target (%)	11.0 (from 10.9)
Target P/BV (x)	3.3 (from 2.7)
Implied P/E (x)	41.1 (from 36.6)
Risk to TP	Downside risks to our GGM-derived TP include 1) an economic slowdown leading to slower loan growth and lower sales of electrical products and home appliances; and 2) deteriorating asset quality.

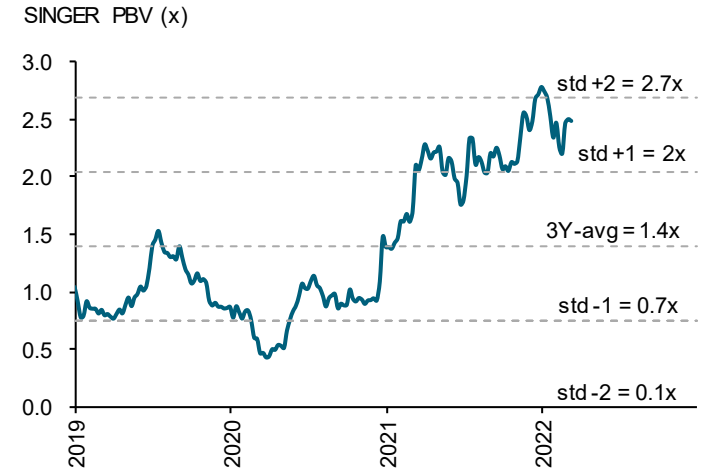
Source: FSSIA estimates

**Exhibit 23: SINGER's one-year prospective P/E band**



Sources: Bloomberg; FSSIA's compilation

**Exhibit 24: SINGER's one-year prospective P/BV band**



Sources: Bloomberg; FSSIA's compilation

## Another all-time high in 4Q21

SINGER reported an all-time high net profit of THB213m (+71% y-y, +29% q-q), which was higher than Bloomberg's consensus estimate by 12%. The outstanding performance came from both selling home appliances and its lending business.

Sales of home appliances increased 15% y-y and 71% q-q, largely in the form of fuel vending machines and freezers. Its gross margin went down to 43% in 4Q21 from an average of 49% in 9M21. We have few concerns about this as it came from the aggressive repossession of second-hand electrical appliances from problematic clients in 4Q21. The margin for second-hand products was far lower at c15% compared to new products at c40-50%. Thus, this dragged down the overall margin in 4Q21.

Regarding the lending business, SINGER's loan portfolio increased remarkably by 13.3% q-q (+63.7% y-y), reaching THB10.7b, driven mainly by strong growth in truck title loans. In 4Q21, its car for cash (C4C) business contributed 56% of the total loan portfolio. Its 4Q21 total NPLs increased 17% q-q, implying an NPL ratio of 3.86% from 3.73% in 3Q21, due to a rise in home appliance NPLs. The home appliance NPL ratio was at 7.8%. We see this as the normal level of this business. Thus, we have few concerns regarding the moderate rise in NPLs for this segment. Meanwhile, the C4C business had very healthy asset quality with an NPL ratio of 0.9%.

In 2021, SINGER recorded its highest net profit in 132 years at THB701m, up 58% y-y, thanks to 1) a rise in its loan volume by 63.7% y-y thanks mainly to truck title loans; 2) an increase in the sales of home appliances by 13% y-y; and 3) a healthy asset quality, leading to lower provisions by 22% y-y.

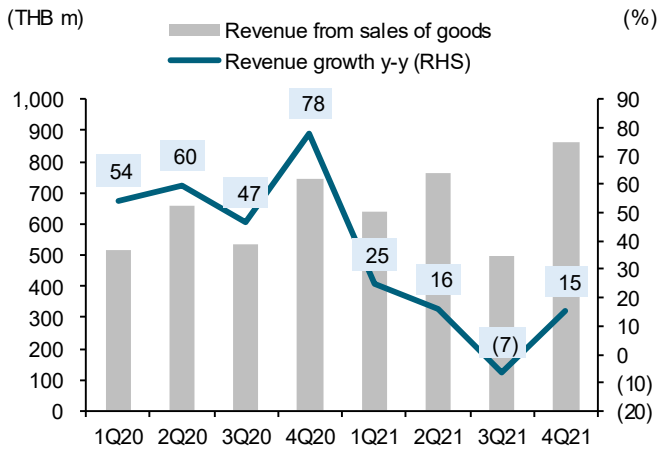
SINGER announced a cash dividend of THB0.54 per share, implying a dividend yield of 1.1%. The XD is on 29 Apr-22.

### Exhibit 25: SINGER – 2021/4Q21 results summary

Year end Dec 31	4Q20	3Q21	4Q21	----- Change -----		2021	Change	4Q21's	Comments
	(THB m)	(THB m)	(THB m)	(y-y %)	(q-q %)	(THB m)	(y-y %)		
Net interest income	239	260	316	32	21	1,074	38		
Non-interest income	761	534	883	16	65	2,882	13		Strong home appliance sales
<b>Operating income</b>	<b>1,000</b>	<b>795</b>	<b>1,199</b>	<b>20</b>	<b>51</b>	<b>3,956</b>	<b>19</b>		
Operating expenses	739	575	784	6	36	2,903	8		
<b>PPOP before tax</b>	<b>261</b>	<b>220</b>	<b>415</b>	<b>59</b>	<b>89</b>	<b>1,054</b>	<b>66</b>		
Expected credit loss	166	16	127	(23)	721	152	(22)		
Income tax	(28)	39	75	(362)	90	202	nm.		
Minority interest	0	0	0			0			
<b>Normalised profit</b>	<b>124</b>	<b>165</b>	<b>213</b>	<b>71</b>	<b>29</b>	<b>701</b>	<b>58</b>		
Extraordinary items	0	0	0			0			
<b>Net profit</b>	<b>124</b>	<b>165</b>	<b>213</b>	<b>71</b>	<b>29</b>	<b>701</b>	<b>58</b>		Beat BBG consensus by 12%
EPS (THB)	0.31	0.33	0.27	(14)	(20)	1.32	21		
<b>Asset quality ratio</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(ppt)</b>		
NPLs (THB m)	292	360	422	45	17	318	9		
NPLs / loans	4.37	3.73	3.86	(0.51)	0.13	2.91	(1.45)		
Loan loss reserve / NPLs	98	80	65	(34)	(15)	86	(13)		
Credit cost (bps)	1,091	68	495	(597)	427	172	(205)		
<b>Profitability ratio</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(ppt)</b>		
Cost to income ratio	73.9	72.3	65.4	(8.5)	(6.9)	73.4	(7.6)		
Average yield	20.6	16.5	17.2	(3.4)	0.6	17.0	(2.5)		
Cost of fund	5.7	6.4	6.3	0.6	(0.1)	6.3	0.9		
Net interest margin (NIM)	14.5	10.4	7.9	(6.7)	(2.6)	13.9	(1.3)		
Non-interest income / total income	76.1	67.2	73.7	(2.4)	6.4	72.8	(3.7)		
<b>Loan growth</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>			<b>(%)</b>			
Year-to-date	85.1	44.5	63.7						
y-y	85.1	76.7	63.7			63.7			
q-q	22.3	12.8	13.3						

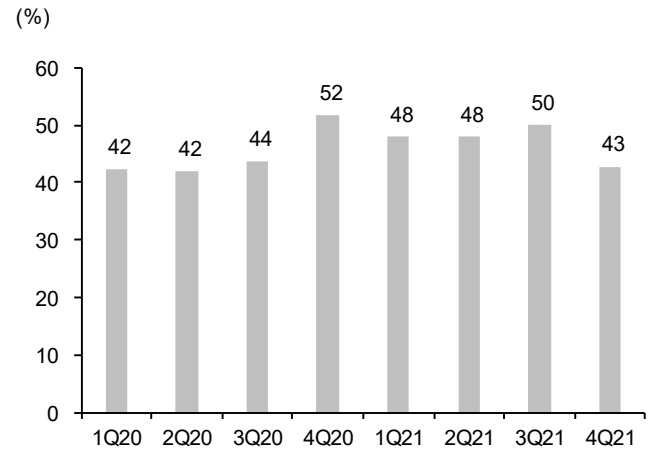
Sources: SINGER; FSSIA's compilation

Exhibit 26: Revenue from home appliance sales



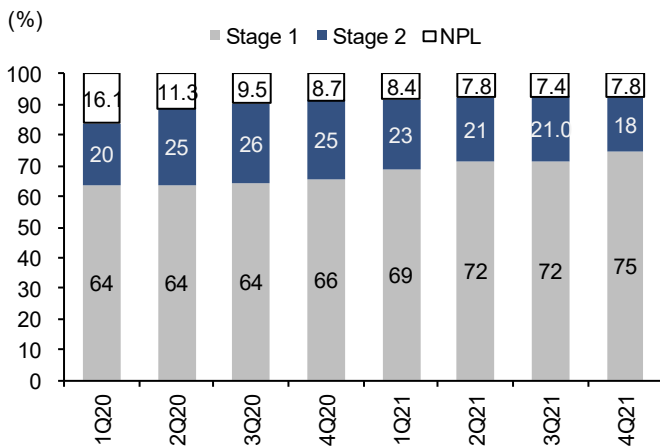
Sources: SINGER; FSSIA's compilation

Exhibit 27: Gross margin of home appliance selling



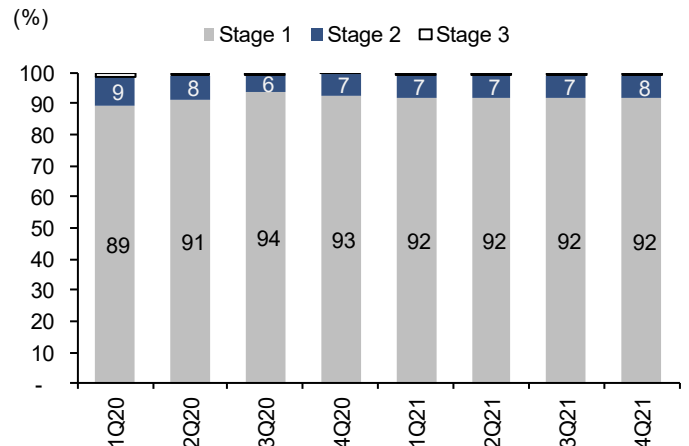
Sources: SINGER; FSSIA's compilation

Exhibit 28: NPL ratio of home appliance business



Sources: SINGER; FSSIA's compilation

Exhibit 29: NPL ratio of C4C business



Sources: SINGER; FSSIA's compilation

Exhibit 30: Thailand diversified financials – peers comparison

	BBG code	Rec	---Share price---		Up side (%)	Market Cap (USD m)	EPS growth		---- P/E ----		---- ROE ----		---- PBV ----	
			Current (THB)	Target (THB)			22E (%)	23E (%)	22E (x)	23E (x)	22E (%)	23E (%)	22E (x)	23E (x)
<b>Diversified financials</b>						<b>24,141</b>	<b>23.0</b>	<b>23.6</b>	<b>22.2</b>	<b>18.0</b>	<b>16.9</b>	<b>17.5</b>	<b>3.4</b>	<b>2.9</b>
<b>Unsecured-loan lender</b>						<b>6,267</b>	<b>9.2</b>	<b>30.5</b>	<b>19.9</b>	<b>18.2</b>	<b>23.4</b>	<b>22.2</b>	<b>4.4</b>	<b>3.8</b>
Aeon Thana Sinsap (Thailand)	AEONTS TB	HOLD	198.50	204.00	3	1,498	13.9	7.4	11.0	10.2	21.1	19.6	2.2	1.9
Krungthai Card	KTC TB	HOLD	61.25	52.00	(15)	4,769	11.2	9.5	22.7	20.7	24.1	22.9	5.1	4.5
<b>Auto-title lender</b>						<b>9,080</b>	<b>21.9</b>	<b>20.0</b>	<b>19.7</b>	<b>16.2</b>	<b>19.1</b>	<b>20.2</b>	<b>3.5</b>	<b>3.0</b>
Muangthai Capital	MTC TB	BUY	52.00	60.00	15	3,329	17.6	24.6	19.0	15.2	21.4	22.3	3.7	3.1
Srisawad Corp	SAWAD TB	BUY	56.00	74.00	32	2,322	15.5	19.3	14.5	12.1	20.2	21.8	2.8	2.5
Saksiam Leasing	SAK TB	BUY	9.65	12.00	24	611	38.5	25.9	24.0	19.1	16.2	18.1	3.7	3.3
Ngern Tid Lor	TIDLOR TB	BUY	40.25	43.00	7	2,818	18.6	20.1	24.1	20.0	16.1	16.9	3.6	3.2
<b>Truck lender</b>						<b>2,075</b>	<b>29.9</b>	<b>20.3</b>	<b>24.2</b>	<b>18.6</b>	<b>11.3</b>	<b>13.1</b>	<b>2.3</b>	<b>2.2</b>
Micro Leasing	MICRO TB	BUY	7.20	10.70	49	203	45.1	26.8	24.8	19.5	13.2	15.0	3.1	2.8
Singer Thailand	SINGER TB	BUY	47.25	62.00	31	1,157	14.2	35.1	31.3	23.2	8.1	10.5	2.5	2.4
Ratchthani Leasing	THANI TB	BUY	4.18	4.80	15	715	(9.0)	13.6	12.4	10.9	15.9	16.7	1.9	1.8
<b>Asset management</b>						<b>5,144</b>	<b>36.2</b>	<b>24.4</b>	<b>32.1</b>	<b>23.6</b>	<b>9.6</b>	<b>11.3</b>	<b>3.0</b>	<b>2.6</b>
Bangkok Commercial Asset Mngt.	BAM TB	BUY	21.10	25.50	21	2,059	23.2	26.6	21.3	16.8	7.5	8.6	1.6	1.3
Chayo Group	CHAYO TB	BUY	11.60	16.60	43	354	44.4	17.2	35.0	29.8	10.6	9.4	3.0	2.4
JMT Network Services	JMT TB	BUY	66.00	80.00	21	2,731	28.3	43.1	39.9	27.9	11.0	13.6	4.1	3.5
<b>Other</b>						<b>1,330</b>	<b>8.5</b>	<b>11.3</b>	<b>8.0</b>	<b>7.4</b>	<b>8.0</b>	<b>8.2</b>	<b>0.6</b>	<b>0.6</b>
Thanachart Capital	TCAP TB	HOLD	42.00	42.00	0	1,330	4.1	8.5	8.0	7.4	8.0	8.2	0.6	0.6
<b>Hire purchase motorcycle</b>						<b>245</b>	<b>25.7</b>	<b>17.7</b>	<b>19.3</b>	<b>15.3</b>	<b>19.3</b>	<b>20.5</b>	<b>3.4</b>	<b>2.9</b>
Next Capital	NCAP TB	BUY	9.00	16.80	87	245	35.1	25.7	19.3	15.3	19.3	20.5	3.4	2.9

Share prices as of 10 Mar 2022

Sources: Bloomberg; FSSIA estimates



## Financial Statements

### Singer Thailand

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Interest Income	1,005	1,499	2,205	2,874	3,694
Interest expense	(225)	(425)	(342)	(263)	(330)
Net interest income	781	1,074	1,863	2,611	3,364
Net fees & commission	34	52	37	40	43
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	-	-	-	-	-
Other income	2,516	2,830	3,648	4,265	5,062
Non interest income	2,551	2,882	3,685	4,306	5,106
Total income	3,331	3,956	5,548	6,916	8,469
Staff costs	-	-	-	-	-
Other operating costs	(2,698)	(2,903)	(3,702)	(4,350)	(5,259)
Operating costs	(2,698)	(2,903)	(3,702)	(4,350)	(5,259)
Pre provision operating profit	633	1,054	1,846	2,567	3,211
Provision for bad and doubtful debt	(194)	(152)	(291)	(431)	(557)
Other provisions	-	-	-	-	-
Operating profit	439	902	1,555	2,135	2,654
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	439	902	1,555	2,135	2,654
Tax	4	(202)	(311)	(427)	(531)
Profit after tax	443	701	1,244	1,708	2,123
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	443	701	1,244	1,708	2,123
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	443	701	1,244	1,708	2,123
<b>Per share (THB)</b>					
Recurring EPS *	1.09	1.32	1.51	2.04	2.53
Reported EPS	1.09	1.32	1.51	2.04	2.53
DPS	0.24	0.13	0.90	1.22	0.63
<b>Growth</b>					
Net interest income (%)	32.3	37.6	73.4	40.1	28.8
Non interest income (%)	40.9	13.0	27.9	16.8	18.6
Pre provision operating profit (%)	12.0	66.5	75.2	39.0	25.1
Operating profit (%)	181.7	105.6	72.3	37.3	24.3
Reported net profit (%)	166.6	58.0	77.5	37.3	24.3
Recurring EPS (%)	136.7	21.2	14.2	35.1	24.3
Reported EPS (%)	136.7	21.2	14.2	35.1	24.3
<b>Income Breakdown</b>					
Net interest income (%)	23.4	27.2	33.6	37.7	39.7
Net fees & commission (%)	1.0	1.3	0.7	0.6	0.5
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	75.5	71.5	65.7	61.7	59.8
<b>Operating performance</b>					
Gross interest yield (%)	19.55	17.03	16.66	15.99	15.93
Cost of funds (%)	5.42	6.28	5.20	5.40	5.00
Net interest spread (%)	14.13	10.75	11.46	10.59	10.93
Net interest margin (%)	15.2	12.2	14.1	14.5	14.5
Cost/income(%)	81.0	73.4	66.7	62.9	62.1
Cost/assets(%)	35.6	17.4	15.9	19.1	20.4
Effective tax rate (%)	(1.0)	22.4	20.0	20.0	20.0
Dividend payout on recurring profit (%)	21.9	10.1	60.0	60.0	25.0
ROE (%)	17.2	7.9	8.1	10.5	12.2
ROE - COE (%)	6.4	(2.9)	(2.7)	(0.3)	1.4
ROA (%)	5.8	4.2	5.3	7.5	8.2
RORWA (%)	-	-	-	-	-

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

Sources: Singer Thailand; FSSIA estimates

## Financial Statements

Singer Thailand

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Gross customer loans	6,677	10,932	15,547	20,405	25,982
Total provisions	(287)	(273)	(369)	(546)	(778)
interest in suspense	17	30	44	51	65
<b>Net customer loans</b>	<b>6,407</b>	<b>10,689</b>	<b>15,221</b>	<b>19,910</b>	<b>25,269</b>
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	403	10,353	4,660	2	2
Cash & equivalents	715	1,227	534	823	805
Other interesting assets	-	-	-	-	-
Tangible fixed assets	433	475	520	570	625
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	1,297	1,457	1,570	1,656	1,911
<b>Total assets</b>	<b>9,255</b>	<b>24,201</b>	<b>22,506</b>	<b>22,962</b>	<b>28,612</b>
Customer deposits	-	-	-	-	-
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	5,442	8,073	5,082	4,676	8,525
Non interest bearing liabilities	1,002	1,289	1,452	1,630	1,838
Hybrid Capital	-	-	-	-	-
<b>Total liabilities</b>	<b>6,445</b>	<b>9,362</b>	<b>6,534</b>	<b>6,306</b>	<b>10,364</b>
Share capital	413	800	828	828	828
Reserves	2,398	14,039	15,145	15,828	17,420
<b>Total equity</b>	<b>2,810</b>	<b>14,839</b>	<b>15,973</b>	<b>16,656</b>	<b>18,248</b>
Minority interests	0	0	0	0	0
<b>Total liabilities &amp; equity</b>	<b>9,255</b>	<b>24,201</b>	<b>22,506</b>	<b>22,962</b>	<b>28,612</b>
<b>Supplementary items</b>					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	5,142	8,804	13,239	17,976	23,193
Average interest bearing liabilities	4,146	6,758	6,578	4,879	6,601
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)	292	318	572	772	964
<b>Per share (THB)</b>					
Book value per share	6.17	18.30	19.04	19.85	21.75
Tangible book value per share	6.17	18.30	19.04	19.85	21.75
<b>Growth</b>					
Gross customer loans	85.1	63.7	42.2	31.2	27.3
Average interest earning assets	45.4	71.2	50.4	35.8	29.0
Total asset (%)	56.7	161.5	(7.0)	2.0	24.6
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	-	-	-	-	-
<b>Leverage &amp; capital measures</b>					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	30.4	61.3	71.0	72.5	63.8
Tangible equity/assets (%)	30.4	61.3	71.0	72.5	63.8
RWA/assets (%)	-	-	-	-	-
Tier 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
<b>Asset Quality</b>					
Change in NPL (%)	(12.7)	9.2	79.5	35.0	25.0
NPL/gross loans (%)	4.4	2.9	3.7	3.8	3.7
Total provisions/gross loans (%)	4.3	2.5	2.4	2.1	3.0
Total provisions/NPL (%)	98.4	85.6	64.6	70.7	80.6
<b>Valuation</b>					
Recurring P/E (x) *	43.4	35.8	31.3	23.2	18.7
Recurring P/E @ target price (x) *	56.9	47.0	41.1	30.5	24.5
Reported P/E (x)	43.4	35.8	31.3	23.2	18.7
Dividend yield (%)	0.5	0.3	1.9	2.6	1.3
Price/book (x)	7.7	2.6	2.5	2.4	2.2
Price/tangible book (x)	7.7	2.6	2.5	2.4	2.2
Price/tangible book @ target price (x)	10.0	3.4	3.3	3.1	2.9

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

Sources: Singer 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	SCCC	SCG	SCN	SDC
SEAFCO	SEAOIL	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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Company	Ticker	Price	Rating	Valuation & Risks
Singer Thailand	SINGER TB	THB 47.25	BUY	Downside risks to our GGM-derived TP include 1) an economic slowdown leading to slower loan growth and lower sales of electrical products and home appliances; and 2) deteriorating asset quality.
Aeon Thana Sinsap (Thailand)	AEONTS TB	THB 198.50	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.
Krungthai Card	KTC TB	THB 61.25	HOLD	Upside risks to our GGM-derived TP include: 1) stronger-than-expected growth for KTB Leasing; and 2) better-than-expected bad debt recovery. Downside risks are: 1) regulatory actions to curb industry growth; and 2) deteriorating asset quality.
Muangthai Capital	MTC TB	THB 52.00	BUY	Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; and 2) changes in financial regulations by the Bank of Thailand and the Office of Consumer Protection Board.
Srisawad Corp	SAWAD TB	THB 56.00	BUY	Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; and 2) changes in financial regulations by the Bank of Thailand and the Office of Consumer Protection Board.
Saksiam Leasing	SAK TB	THB 9.65	BUY	Downside risks to our GGM-derived TP include 1) competition from existing and new players; 2) regulatory changes by the Bank of Thailand (BoT); and 3) a slower-than-expected reduction in its cost of funds due to a shift toward more long-term loans.
Ngern Tid Lor	TIDLOR TB	THB 40.25	BUY	Downside risks to our GGM-based TP include 1) the expansion into auto-title loans by the Government Savings Bank and Auto X (subsidiary of SCB); 2) further weakening asset quality could potentially hit both loan yield and credit cost; and 3) tighter supervision from related regulators.
Micro Leasing	MICRO TB	THB 7.20	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.
Ratchthani Leasing	THANI TB	THB 4.18	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) changes in financial regulations from the Bank of Thailand.
Bangkok Commercial Asset Mngt.	BAM TB	THB 21.10	BUY	Downside risks to our GGM-based TP include 1) lower cash collection from its fully amortised portfolio; 2) lower-than-expected bad debt acquisition; and 3) the prolonged slowdown of the property market.
Chayo Group	CHAYO TB	THB 11.60	BUY	Downside risks to our GGM-based TP include 1) lower-than-expected bad debt acquisition; and 2) higher-than-expected operating expenses.
JMT Network Services	JMT TB	THB 66.00	BUY	Downside risks to our GGM-based TP include 1) lower cash collection from its fully amortised portfolio; and 2) the lower-than-expected acquisition of new bad debt.
Thanachart Capital	TCAP TB	THB 42.00	HOLD	Upside risks to our GGM-based target price are the faster-than-expected net profit contribution from Thanachart Plus. Downside risks are impacts from a prolonged weak macro outlook on loan growth and asset quality which could lead to higher provisions for both TTB and THANI.
Next Capital	NCAP TB	THB 9.00	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.
Jay Mart	JMART TB	THB 52.25	BUY	Downside risks to our SoTP-based TP include 1) lower-than-expected mobile revenue; 2) lower cash collection from its fully amortised portfolio; and 3) the lower-than-expected acquisition of new bad debt.
Gunkul Engineering	GUNKUL TB	THB 6.00	BUY	The downside risks to our SoTP-based TP on GUNKUL include 1) lower-than-expected demand for electricity in Thailand, 2) declining EPC backlogs, and 3) lower-than-expected utilisation rates for solar and wind farms
BTS Group Holdings	BTS TB	THB 9.25	BUY	The key downside risks to our SOTP-based TP include a slower-than-expected recovery of the Thai economic outlook and the company not being able to win new mass transit projects.

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 10-Mar-2022 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.