

AEON THANA SINSAP (THAILAND)

THAILAND / DIVERSIFIED FINANCIALS

AEONTS TB

HOLD

UNCHANGED

TARGET PRICE	THB204.00
CLOSE	THB189.00
UP/DOWNSIDE	+7.9%
PRIOR TP	THB204.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-15.2%

Muted catalysts

- In-line 4QFY21 NP of THB911m (-23% y-y, +12% q-q).
- Strong NP recovery should start from 2QFY22.
- HOLD maintained; GGM-based TP of THB204.

In-line 4QFY21 (Dec-21 to Feb-22) results

AEONTS reported a 4QFY21 net profit of THB911m (-23% y-y, +12% q-q). The q-q surge in its earnings came from: 1) a lower credit cost following lower management overlay and stable NPL write-offs; and 2) stronger non-NII due to a rise in bad debt recovery. However, its 4QFY21 earnings fell by 23% y-y due to a substantial increase in provisions due to a rise in its loan volume and an abnormally low provision level in 4QFY20 following its front-loaded provision strategy in FY20. Regarding its asset quality, NPLs minimally rose by 2% q-q, implying an NPL ratio of 4.86%. There are no alarming NPL signs, in our view.

Neutral view from post-results meeting

At its post-results meeting, AEONTS provided FY22 financial targets, including 1) loan growth of 7-10% y-y, driven mainly by personal loans; 2) a maximum 20-25 bps rise in its cost of funds due to the rate uptrend; 3) 18% y-y growth in its bad debt recovery; and 4) a manageable credit cost. It has set up a new subsidiary to operate an asset management business, though there is no concrete plan yet. For sustainable, long-term growth, AEONTS is still 1) looking for strong partners to initiate new businesses; and 2) looking at organisational restructuring in a digital way. We came away with a neutral view, and maintain our net profit forecasts.

A significant y-y increase in net profit should start from 2QFY22

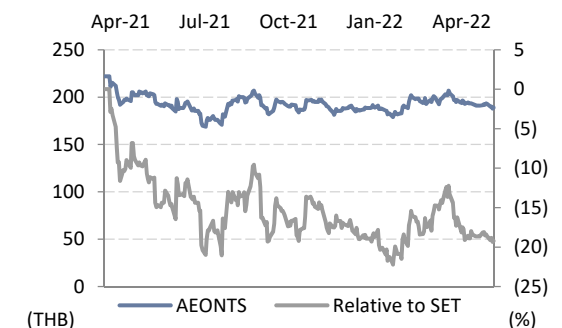
Although we expect stronger loan growth in 1QFY22, its net profit should continue to decline y-y due to a rise in provisions. We expect AEONTS to set higher provisions following a recovery in its loan growth. During the first phase of loan growth resumption, we believe a rise in NII from loan expansion would be insufficient to offset an increase in ECL. We also expect a rise in its NPLs due to the gradual end of the debt forbearance program. A substantial recovery y-y in AEONTS' net profit should start from 2QFY22 onward, supported by a rise in its loan volume and bad debt recovery. Also, its provisions should plummet from the high base in 2QFY21 as it set a high provision for its abnormally high NPL write-offs.

Maintain HOLD rating due to tight competition in medium term

We think that the more aggressive unsecured lending expansion by banks could hinder AEONTS' growth outlook. Its undemanding valuation does not draw our attention. We might put AEONTS in our basket again once it can prove that it is less sensitive to banks' aggressive expansion. We maintain our HOLD call and GGM-based TP of THB204.

KEY STOCK DATA

YE Feb (THB m)	2021	2022E	2023E	2024E
Operating profit	4,574	5,852	6,286	6,755
Net profit	3,553	4,517	4,853	5,215
EPS (THB)	14.21	18.07	19.41	20.86
vs Consensus (%)	-	23.3	12.4	9.7
Core net profit	3,553	4,517	4,853	5,215
Core EPS (THB)	14.21	18.07	19.41	20.86
Chg. In EPS est. (%)	-	0.0	0.0	-
EPS growth (%)	(3.7)	27.1	7.4	7.5
Core P/E (x)	13.3	10.5	9.7	9.1
Dividend yield (%)	2.7	2.8	2.9	3.3
Price/book (x)	2.4	2.0	1.8	1.6
ROE (%)	19.2	21.0	19.5	18.4
ROA (%)	4.0	4.9	4.8	4.9



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(2.8)	3.8	(16.4)
Relative to country (%)	(1.5)	2.1	(20.2)
Mkt cap (USD m)	1,371		
3m avg. daily turnover (USD m)	2.7		
Free float (%)	21		
Major shareholder	AEON Group (44%)		
12m high/low (THB)	233.00/168.00		
Issued shares (m)	250		

Sources: Bloomberg consensus; FSSIA estimates


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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, we expect banks to more aggressively expand into unsecured lending for the low-income segment, and we believe that AEONTS will face intense competition in the medium to long term. Accordingly, its undemanding valuation does not draw our attention. We maintain our HOLD call with our FY22 GGM-based TP of THB204.

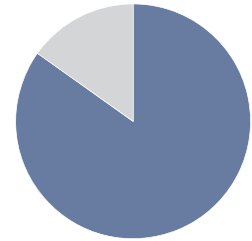
Company profile

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, 2021)

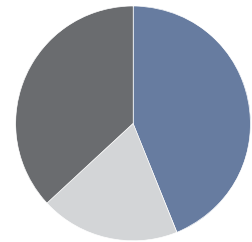
- Net interest income - 84.8 %
- Non-interest income - 15.2 %



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
Mid-July 2022	1QFY22 results announcement

Key assumptions

Year to Feb	FY22E (%)	FY23E (%)	FY24E (%)
Net profit (THB m)	4,517	4,853	5,215
Net profit growth	27.1	7.4	7.5
NIM	18.20	18.09	18.20
Loan growth	7.2	5.8	5.8
Fee growth	(5.0)	-	4.0
Non-NII growth*	11.4	5.6	3.3
Credit cost (bps)	680	680	680
Cost to income*	39.8	39.2	38.8

*Including share of profits from associates
Source: FSSIA estimates

Earnings sensitivity

Year to Feb		FY22E		
Loan growth	±2ppt	5.2	7.2	9.2
% change in net profit		(2.1)	-	2.1
NIM (%)	±5bp	18.15	18.20	18.25
% change in net profit		(1.2)	-	1.4
Credit cost (bps)	±10bp	670	680	690
% change in net profit		1.6	-	(1.6)

Source: FSSIA estimates

In-line 4QFY21 results

AEONTS reported a 4QFY21 (Dec-21 to Feb-22) net profit of THB911m (-23% y-y, +12% q-q), which was in line with our expectation but lower than the Bloomberg consensus forecast by 10%. The q-q surge in its earnings came from: 1) a lower credit cost following lower management overlay and stable non-performing loan (NPL) write-offs; and 2) stronger non-NII due to a rise in bad debt recovery. However, its y-y earnings continued to fall in 4QFY21 by 23% y-y, dragged down by a substantial increase in provisions due to a rise in its loan volume and an abnormally low provision level in 4QFY20 following its front-loaded provision strategy in FY20. Regarding its asset quality, NPLs minimally rose by 2% q-q, implying an NPL ratio of 4.86%. There are no alarming NPL signs, in our view.

4QFY21 key highlights

- Total loan volume increased moderately by 1.7% q-q and 4.1% y-y. AEONTS' new lending improved, as it gradually increased the credit limit to 2x for some customers with salaries below THB30k per month. Moreover, its card spending accelerated q-q following the resumption of business activities.
- Bad debt recovery continued to increase y-y and q-q thanks to its efficient debt collection process. Therefore, its non-NII rose 11% y-y and 7% q-q.
- Overall asset quality was relatively stable, with a 2% q-q increase in 4QFY21 NPLs, implying a stable NPL ratio of 4.86%.
- As for its international presence, there was a profit contribution from Cambodia and Laos due to the improving Covid situation. Regarding Myanmar, since the coup, AEONTS has not lent any new loans there. Thus, its Myanmar portfolio continued to generate a loss.

FY21 net profit came in at THB3,553m, dropping 4% y-y, due by 1) a decline in its loan yield from the ceiling rate cap mandated by the Bank of Thailand (BoT); and 2) an increase in its provisions following a rise in its loan volume and the reversal some of its loan loss reserve in FY20.

AEONTS announced a 2HFY21 dividend payment of THB2.65/share, implying a dividend yield of 1.4%. The XD is 12 May-22. Note that its full-year dividend was THB5.15/share.

Exhibit 1: AEONTS – 4QFY21 results review ending 28 Feb 2022

Year-end Feb 28	4QFY20	3QFY21	4QFY21		FY20	FY21		4QFY21 comments	
	(THB m)	(THB m)	(THB m)	(y-y %)	(q-q %)	(THB m)	(THB m)		(y-y %)
Net interest income	3,897	4,122	4,065	4	(1)	16,491	16,158	(2)	
Non-interest income*	639	664	712	11	7	2,689	2,888	7	
Operating income*	4,536	4,786	4,777	5	(0)	19,180	19,047	(1)	
Operating expenses	2,162	1,952	1,990	(8)	2	8,323	7,844	(6)	
PPOP before tax*	2,374	2,834	2,787	17	(2)	10,857	11,203	3	
Expected credit loss	883	1,780	1,619	83	(9)	6,210	6,629	7	
Income tax	231	219	231	0	6	967	1,000	3	
Minority interest	77	21	27	(65)	29	(10)	21		
Net profit	1,184	815	911	(23)	12	3,690	3,553	(4)	Lower than the BBG forecast by 10%
EPS (THB)	4.73	3.26	3.64	(23)	12	14.76	14.21	(4)	
Asset quality ratio									
NPLs	5,042	4,328	4,427	(12)	2	5,042	4,951	(2)	
NPLs/Loans (%)	5.77	4.83	4.86			5.77	5.44		
LLR/NPLs (%)	230	255	247			230	221		
Credit cost (bps)	402	806	717			699	743		
Profitability ratio (%)									
Cost to income ratio*	47.7	40.8	41.7			43.4	41.2		
Average yield	19.8	20.6	19.9			20.9	20.1		
Cost of fund	2.9	2.6	2.5			3.2	2.7		
NIM	17.7	18.7	18.0			18.6	18.0		
Non-int inc/total income	14.1	13.9	14.9			14.0	15.2		
Loan growth (%)									
y-y	(3.1)	1.2	4.1			(3.1)	4.1	7.2	
q-q	(1.2)	2.8	1.7						

A rise in loan volume following the easing of lockdown measures

*Including share of profits from associates; Sources: AEONTS; FSSIA estimates

Key takeaways from post-results meeting

At its post-results meeting, AEONTS provided FY22 financial targets, including 1) loan growth of 7-10% y-y, driven mainly by personal loans; 2) a maximum 20-25 bps rise in its cost of funds due to the rate uptrend; 3) 18% y-y growth in its bad debt recovery; and 4) a manageable credit cost – the Thailand portfolio's expected credit loss (ECL) might increase from higher loan growth, which should be offset by a lower ECL from its international business. AEONTS has set up a new subsidiary to operate an asset management business. It is seeking a license from the BoT, and the company expects the business to operate within this year, though there is no concrete plan yet. For sustainable, long-term growth, AEONTS is still 1) looking for strong partners to initiate new businesses; and 2) looking at organisational restructuring in a digital way. We came away with a neutral view, and maintain our net profit forecasts.

Exhibit 2: FY22 financial targets

	FY21	FY22E	
	Actual	AEONTS	FSSIA
Loan growth (y-y %)	4.1	7-10	7.2
Cost of funds (%)	2.73	Not over 20-25 bps	2.95
Bad debt recovery growth (y-y %)	16	18	15
Credit cost (bps)	743	n/a	680

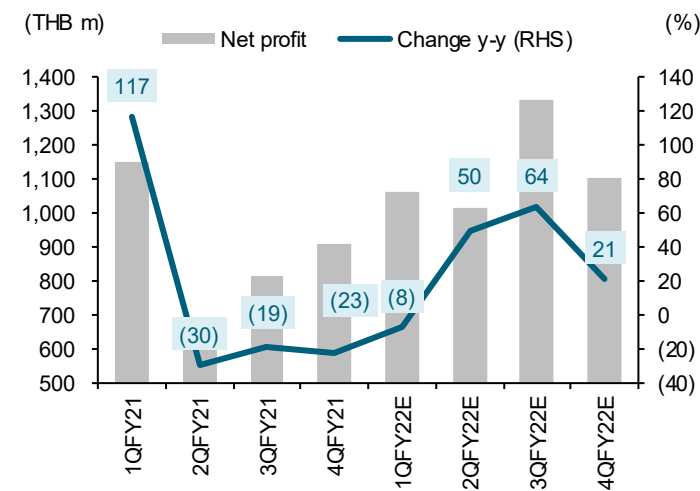
Sources: AEONTS; FSSIA estimates

A significant y-y increase in net profit should start from 2QFY22

Although we expect stronger credit card and personal loan growth in 1QFY22 (Mar-May 2022), AEONTS' 1QFY22 net profit should continue to decline y-y due to a rise in provisions. We expect AEONTS to set higher provisions following a recovery in its loan growth. During the first phase of loan growth resumption, we believe a rise in NII from loan expansion would be insufficient to offset an increase in ECL. We also expect a rise in its NPLs due to the gradual end of the debt forbearance program.

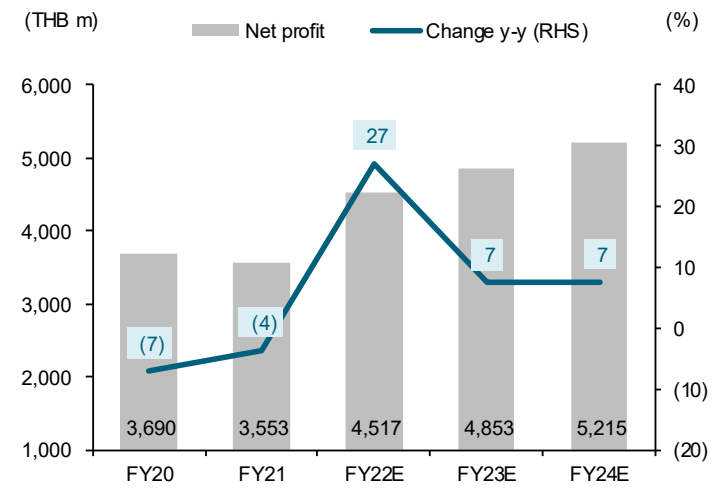
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Exhibit 3: AEONTS' quarterly net profit growth



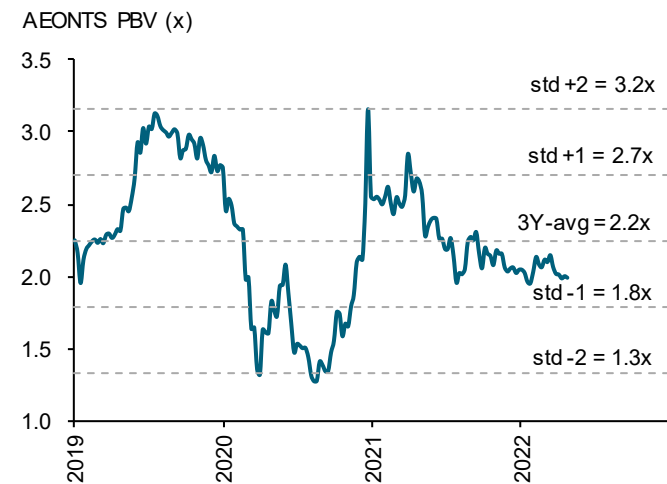
Sources: AEONTS; FSSIA estimates

Exhibit 4: AEONTS' yearly net profit growth



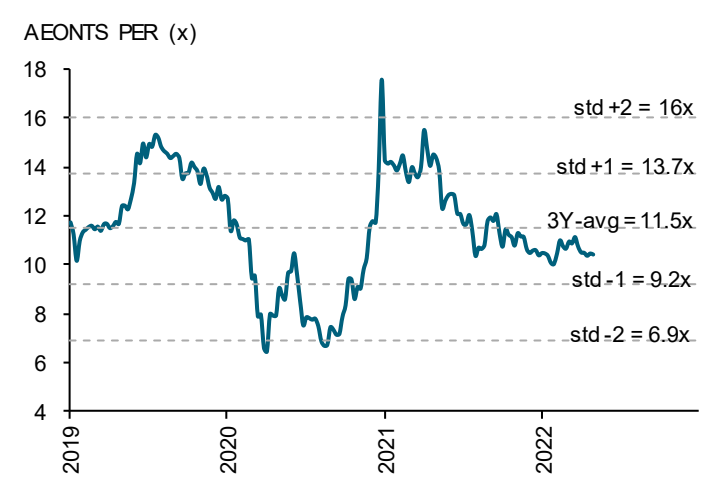
Sources: AEONTS; FSSIA estimates

Exhibit 5: AEONTS – one-year prospective P/BV



Sources: Bloomberg; FSSIA estimates

Exhibit 6: AEONTS – one-year prospective P/E



Sources: Bloomberg; FSSIA estimates

Exhibit 7: Key valuations of companies under coverage

	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)
Diversified financials						23,289	17.0	22.2	24.6	19.5	16.1	16.8	3.4	3.0
Unsecured loan lenders						5,654	15.1	9.0	18.6	17.0	23.3	22.1	4.1	3.6
Aeon Thana Sinsap (Thailand)	AEONTS TB	HOLD	189.00	204.00	8	1,371	27.1	7.4	10.5	9.7	21.0	19.5	2.0	1.8
Krungthai Card	KTC TB	REDUCE	57.25	52.00	(9)	4,283	11.2	9.5	21.2	19.4	24.1	22.9	4.8	4.2
Auto-title lenders						8,081	14.4	22.5	18.5	15.1	18.3	19.5	3.1	2.7
Muangthai Capital	MTC TB	BUY	46.25	55.00	19	2,845	9.3	25.5	18.1	14.5	19.9	21.0	3.3	2.8
Srisawad Corp	SAWAD TB	BUY	52.75	68.00	29	2,102	10.0	20.5	14.3	11.9	19.3	21.1	2.6	2.4
Saksiam Leasing	SAK TB	BUY	8.95	12.00	34	544	38.5	25.9	22.3	17.7	16.2	18.1	3.4	3.0
Ngern Tid Lor	TIDLOR TB	BUY	35.75	43.00	20	2,590	18.6	20.1	21.4	17.8	16.1	16.9	3.2	2.8
Truck lenders						2,286	12.0	27.6	29.1	22.3	11.0	12.8	2.7	2.6
Micro Leasing	MICRO TB	BUY	7.05	10.70	52	191	45.1	26.8	24.2	19.1	13.2	15.0	3.1	2.7
Singer Thailand	SINGER TB	BUY	57.75	74.00	28	1,369	7.7	35.1	38.3	28.4	8.1	10.5	3.0	2.9
Ratchthani Leasing	THANI TB	BUY	4.42	4.80	9	726	11.5	13.6	13.1	11.6	15.9	16.7	2.0	1.9
Asset management						5,841	27.7	36.1	40.8	29.5	9.8	11.7	3.9	3.4
Bangkok Commercial Asset Mngt.	BAM TB	BUY	20.00	25.50	28	1,876	23.2	26.6	20.2	15.9	7.5	8.6	1.5	1.3
Chayo Group	CHAYO TB	BUY	13.00	16.60	28	394	44.4	17.2	39.2	33.4	10.6	9.4	3.4	2.7
JMT Network Services	JMT TB	BUY	85.75	80.00	(7)	3,571	28.3	43.1	51.8	36.2	11.0	13.6	5.3	4.6
Other						1,209	4.1	8.5	7.6	7.0	8.0	8.2	0.6	0.6
Thanachart Capital	TCAP TB	HOLD	39.75	42.00	6	1,209	4.1	8.5	7.6	7.0	8.0	8.2	0.6	0.6
Hire purchase motorcycle						218	1.3	(2.6)	23.9	24.5	11.3	8.6	2.3	2.0
Next Capital	NCAP TB	BUY	8.35	10.30	23	218	1.3	(2.6)	23.9	24.5	11.3	8.6	2.3	2.0

Share prices as of 28 Apr 2022
 Source: FSSIA estimates

Financial Statements

Aeon Thana Sinsap (Thailand)

Profit and Loss (THB m) Year Ending Feb	2020	2021	2022E	2023E	2024E
Interest Income	18,587	17,903	19,193	20,457	21,658
Interest expense	(2,096)	(1,745)	(2,024)	(2,290)	(2,311)
Net interest income	16,491	16,158	17,169	18,167	19,347
Net fees & commission	246	210	199	199	207
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	510	682	716	752	790
Other income	1,959	1,997	2,303	2,447	2,514
Non interest income	2,715	2,888	3,219	3,399	3,511
Total income	19,206	19,047	20,388	21,565	22,858
Staff costs	(8,144)	(7,671)	(7,940)	(8,257)	(8,670)
Other operating costs	(180)	(172)	(182)	(192)	(205)
Operating costs	(8,323)	(7,844)	(8,122)	(8,450)	(8,876)
Pre provision operating profit	10,882	11,203	12,266	13,116	13,982
Provision for bad and doubtful debt	(6,210)	(6,629)	(6,414)	(6,829)	(7,227)
Other provisions	-	-	-	-	-
Operating profit	4,673	4,574	5,852	6,286	6,755
Recurring non operating income	(25)	0	0	0	0
Associates	(25)	0	0	0	0
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	4,647	4,574	5,852	6,286	6,755
Tax	(967)	(1,000)	(1,170)	(1,257)	(1,351)
Profit after tax	3,680	3,574	4,681	5,029	5,404
Minority interests	10	(21)	(164)	(176)	(189)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	3,690	3,553	4,517	4,853	5,215
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	3,690	3,553	4,517	4,853	5,215
Per share (THB)					
Recurring EPS *	14.76	14.21	18.07	19.41	20.86
Reported EPS	14.76	14.21	18.07	19.41	20.86
DPS	4.50	5.15	5.25	5.50	6.26
Growth					
Net interest income (%)	(9.1)	(2.0)	6.3	5.8	6.5
Non interest income (%)	(8.1)	6.4	11.4	5.6	3.3
Pre provision operating profit (%)	(7.8)	2.9	9.5	6.9	6.6
Operating profit (%)	(9.4)	(2.1)	27.9	7.4	7.5
Reported net profit (%)	(7.2)	(3.7)	27.1	7.4	7.5
Recurring EPS (%)	(7.2)	(3.7)	27.1	7.4	7.5
Reported EPS (%)	(7.2)	(3.7)	27.1	7.4	7.5
Income Breakdown					
Net interest income (%)	85.9	84.8	84.2	84.2	84.6
Net fees & commission (%)	1.3	1.1	1.0	0.9	0.9
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	2.7	3.6	3.5	3.5	3.5
Other income (%)	10.2	10.5	11.3	11.3	11.0
Operating performance					
Gross interest yield (%)	20.92	20.06	20.35	20.37	20.38
Cost of funds (%)	3.18	2.73	2.95	3.10	3.07
Net interest spread (%)	17.74	17.33	17.40	17.27	17.31
Net interest margin (%)	18.6	18.1	18.2	18.1	18.2
Cost/income(%)	43.3	41.2	39.8	39.2	38.8
Cost/assets(%)	9.1	8.8	8.5	8.1	8.1
Effective tax rate (%)	20.8	21.9	20.0	20.0	20.0
Dividend payout on recurring profit (%)	30.5	36.2	29.1	28.3	30.0
ROE (%)	19.5	19.2	21.0	19.5	18.4
ROE - COE (%)	8.7	8.4	10.2	8.7	7.6
ROA (%)	4.0	4.0	4.9	4.8	4.9
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	2020	2021	2022E	2023E	2024E
Gross customer loans	87,432	91,027	97,597	103,265	109,288
Total provisions	(11,593)	(10,951)	(10,338)	(10,559)	(11,228)
interest in suspense	0	0	0	0	0
Net customer loans	75,839	80,076	87,258	92,707	98,060
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	0	0	0	0	0
Cash & equivalents	5,105	4,236	6,177	8,151	5,632
Other interesting assets	-	-	-	-	-
Tangible fixed assets	793	623	489	384	301
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	5,651	5,534	6,358	6,834	6,733
Total assets	87,389	90,469	100,282	108,076	110,726
Customer deposits	0	0	0	0	0
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	62,626	65,418	71,779	75,836	74,564
Non interest bearing liabilities	7,383	4,787	5,027	5,278	5,542
Hybrid Capital	-	-	-	-	-
Total liabilities	70,009	70,205	76,805	81,114	80,106
Share capital	250	250	250	250	250
Reserves	16,808	19,639	22,844	26,322	29,972
Total equity	17,058	19,889	23,094	26,572	30,222
Minority interests	322	375	383	390	398
Total liabilities & equity	87,389	90,469	100,282	108,076	110,726
Supplementary items					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	88,832	89,230	94,312	100,431	106,277
Average interest bearing liabilities	65,942	64,022	68,598	73,807	75,200
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)	5,042	4,427	4,560	4,880	5,221
Per share (THB)					
Book value per share	68.23	79.55	92.37	106.29	120.89
Tangible book value per share	68.23	79.55	92.37	106.29	120.89
Growth					
Gross customer loans	(3.1)	4.1	7.2	5.8	5.8
Average interest earning assets	2.8	0.4	5.7	6.5	5.8
Total asset (%)	(8.4)	3.5	10.8	7.8	2.5
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	nm	nm	nm	nm	nm
Leverage & capital measures					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	19.5	22.0	23.0	24.6	27.3
Tangible equity/assets (%)	19.5	22.0	23.0	24.6	27.3
RWA/assets (%)	-	-	-	-	-
Tier 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
Asset Quality					
Change in NPL (%)	52.1	(12.2)	3.0	7.0	7.0
NPL/gross loans (%)	5.8	4.9	4.7	4.7	4.8
Total provisions/gross loans (%)	13.3	12.0	10.6	9.7	10.3
Total provisions/NPL (%)	229.9	247.3	226.7	216.4	215.1
Valuation					
Recurring P/E (x) *	12.8	13.3	10.5	9.7	9.1
Recurring P/E @ target price (x) *	13.8	14.4	11.3	10.5	9.8
Reported P/E (x)	12.8	13.3	10.5	9.7	9.1
Dividend yield (%)	2.4	2.7	2.8	2.9	3.3
Price/book (x)	2.8	2.4	2.0	1.8	1.6
Price/tangible book (x)	2.8	2.4	2.0	1.8	1.6
Price/tangible book @ target price (x)	3.0	2.6	2.2	1.9	1.7

* 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	SCCC	SCG	SCN	SDC
SEAFCO	SEOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	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	AMANAH	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**

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Company	Ticker	Price	Rating	Valuation & Risks
Aeon Thana Sinsap (Thailand)	AEONTS TB	THB 189.00	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 57.25	REDUCE	Upside risks to our GGM-derived TP include: 1) stronger-than-expected growth for KTB Leasing; and 2) better-than-expected bad debt recovery.
Muangthai Capital	MTC TB	THB 46.25	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 52.75	BUY	Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; and 2) changes in financial regulations by the Bank of Thailand and the Office of Consumer Protection Board.
Saksiam Leasing	SAK TB	THB 8.95	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 35.75	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 7.05	BUY	Downside risks to our GGM-derived TP include 1) an economic slowdown, especially for logistics activities and private investment; 2) deteriorating asset quality; and 3) a slower-than-expected reduction in the cost of funds due to a shift toward more long-term loans.
Singer Thailand	SINGER TB	THB 57.75	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.
Ratchthani Leasing	THANI TB	THB 4.42	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 20.00	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 13.00	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 85.75	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 39.75	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 8.35	BUY	Downside risks to our GGM-derived TP include 1) an economic slowdown, especially for food delivery and logistics activities; 2) deteriorating asset quality; and 3) tighter competition from new players.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at 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 28-Apr-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.