

# NGERN TID LOR TIDLOR TB

## THAILAND / DIVERSIFIED FINANCIALS

# BUY

UNCHANGED

## Neutral view from analyst meeting

- TIDLOR boosts 2022 loan growth target to 23-28% y-y on stronger demand; hikes credit cost target to not over 1.9% on higher NPLs.
- We forecast 2H22 net profit to rise y-y but decline h-h.
- Maintain BUY on solid balance sheet and initiative products.

|                 |           |
|-----------------|-----------|
| TARGET PRICE    | THB37.00  |
| CLOSE           | THB30.50  |
| UP/DOWNSIDE     | +21.3%    |
| PRIOR TP        | THB37.00  |
| CHANGE IN TP    | UNCHANGED |
| TP vs CONSENSUS | -8.6%     |

## KEY STOCK DATA

| YE Dec (THB m)       | 2021  | 2022E | 2023E | 2024E |
|----------------------|-------|-------|-------|-------|
| Operating profit     | 3,953 | 4,702 | 5,734 | 6,693 |
| Net profit           | 3,169 | 3,785 | 4,587 | 5,355 |
| EPS (THB)            | 1.41  | 1.57  | 1.84  | 2.14  |
| vs Consensus (%)     | -     | (1.3) | (5.8) | (7.6) |
| Core net profit      | 3,169 | 3,785 | 4,587 | 5,355 |
| Core EPS (THB)       | 1.41  | 1.57  | 1.84  | 2.14  |
| Chg. In EPS est. (%) | -     | 0.0   | 0.0   | 0.0   |
| EPS growth (%)       | 22.9  | 11.4  | 16.9  | 16.7  |
| Core P/E (x)         | 21.6  | 19.4  | 16.6  | 14.2  |
| Dividend yield (%)   | 0.9   | 1.0   | 1.2   | 1.1   |
| Price/book (x)       | 3.1   | 2.9   | 2.5   | 2.2   |
| ROE (%)              | 18.6  | 15.6  | 16.3  | 16.6  |
| ROA (%)              | 5.3   | 5.2   | 5.3   | 5.3   |

## Post-2Q22 results meeting

Overall, our view from TIDLOR's analyst meeting on 17 Aug-22 is neutral. The company revised two main items from its 2022 financial targets. On the positive side, TIDLOR raised its loan growth target to 23-28% y-y, up from 20-25% y-y. On the negative side, the company widened its credit cost target range from 150 bps or lower, to not exceeding 190 bps. TIDLOR will maintain the rest of its targets, including non-life insurance growth of 30-35% y-y and a cost to income ratio in the high 50s.

## Stronger loan growth and higher NPLs expected in 2H22

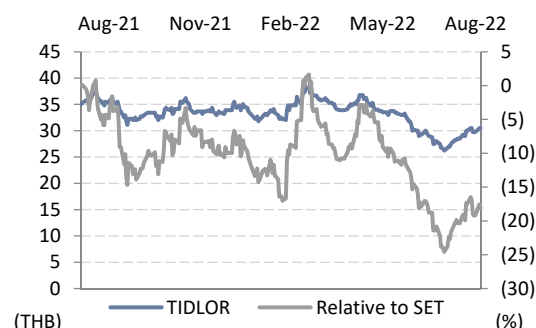
TIDLOR reiterated that its NPLs are on a rising trend due to the end of the debt forbearance program. Thus, its credit cost might increase in 2H22. However, the company still sees no cause for alarm from high inflation and energy prices. The company would like to increase its coverage ratio to more than 300% from 270% as of 2Q22. As for the revenue side, the company sees strong loan demand after the economic reopening. In the medium term, TIDLOR believes that loan growth, a strong balance sheet, and its competitive advantage in terms of product initiation will be the key drivers for its bottom-line growth.

## Expect 2H22 net profit to rise y-y, but be relatively stable h-h

In 2H22, we expect TIDLOR's net profit to increase continuously y-y, driven by 1) a rise in its loan volume from ample loan demand; and 2) an increase in insurance fee income from the low base due to Covid last year. However, net profit might drop h-h from a rise in OPEX due to seasonality and a delay in its IT investment, and a higher provisioning setup. Due to the slow economic recovery and high inflation, we believe its NPLs should be on a rising trend. Also, TIDLOR will implement a conservative policy of setting aside extra provisions.

## Maintain BUY with a 2023 GGM-based TP of THB37

We maintain our earnings forecast while fine-tuning some details to match the new targets. We reiterate our BUY call with a TP of THB37 due to 1) its stringent asset quality control and highest coverage ratio among auto title lenders; 2) its strong insurance brokerage business; and 3) its strategy to not engage in price wars but instead use unique product strategies, e.g. TIDLOR cash card, to take on competitors.



| Share price performance        | 1 Month               | 3 Month | 12 Month |
|--------------------------------|-----------------------|---------|----------|
| Absolute (%)                   | 16.2                  | (9.6)   | (10.6)   |
| Relative to country (%)        | 9.5                   | (10.7)  | (15.4)   |
| Mkt cap (USD m)                | 2,147                 |         |          |
| 3m avg. daily turnover (USD m) | 12.6                  |         |          |
| Free float (%)                 | 21                    |         |          |
| Major shareholder              | Bank of Ayudhya (30%) |         |          |
| 12m high/low (THB)             | 38.54/26.00           |         |          |
| Issued shares (m)              | 2,319                 |         |          |

Sources: Bloomberg consensus; FSSIA estimates


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## Investment thesis

TIDLOR is one of the largest microfinance operators in Thailand. Unlike its peers, we believe it has three outstanding differences that will allow it to deliver superior and quality growth amid the intense competition in the auto title loan industry and the upcoming price competition in certain segments, including: 1) being a technology-driven microfinance operator; 2) having synergies from being part of Bank of Ayudhya (BAY TB, NR); and 3) providing sustainable growth.

We maintain BUY on TIDLOR due to 1) its stringent asset quality control and highest coverage ratio among auto title lenders; 2) its strong insurance brokerage business; and 3) its strategy to not engage in price wars but instead use unique product strategies, e.g. TIDLOR cash card, to take on competitors.

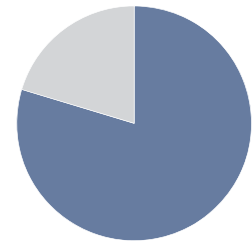
## Company profile

TIDLOR currently has two main businesses, namely auto title loans and insurance brokerage services. In 2019, it was the largest auto title loan provider in Thailand, with a market share of 16%. Regarding its insurance business, it is one of the top five insurance brokers in the retail segment and the eighth-largest non-life insurance broker in Thailand.

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

## Principal activities (revenue, 2021)

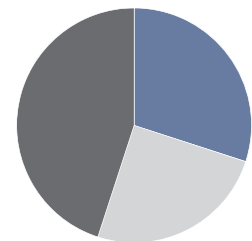
- Net interest income - 79.7 %
- Non-interest income - 20.3 %



Source: Ngern Tid Lor

## Major shareholders

- Bank of Ayudhya - 30.0 %
- Siam Asia Credit Access PTE Ltd - 25.0 %
- Others - 45.0 %



Source: Ngern Tid Lor

## Catalysts

Potential share price catalysts for TIDLOR include:

- Stronger non-life premium growth;
- The reversal of provisions;
- Effective cost control.

## Risks to our call

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.

## Event calendar

| Date          | Event                     |
|---------------|---------------------------|
| November 2022 | 3Q22 results announcement |

## Key assumptions

|                    | 2022E | 2023E | 2024E |
|--------------------|-------|-------|-------|
|                    | (%)   | (%)   | (%)   |
| Net profit (THB m) | 3,785 | 4,587 | 5,355 |
| Net profit growth  | 19.5  | 21.2  | 16.7  |
| NIM                | 16.15 | 15.62 | 15.56 |
| Loan growth        | 26.0  | 18.0  | 18.0  |
| Non-NII growth     | 11.9  | 14.9  | 12.9  |
| Credit cost (bp)   | 160   | 141   | 145   |
| Cost to income     | 57.1  | 56.3  | 56.0  |

Source: FSSIA estimates

## Earnings sensitivity

|                        |       | 2022E |       |       |
|------------------------|-------|-------|-------|-------|
| Loan growth            | ±2ppt | 24.0  | 26.0  | 28.0  |
| % change in net profit |       | (2.1) | -     | 2.1   |
| NIM (%)                | ±5bp  | 16.10 | 16.15 | 16.20 |
| % change in net profit |       | (0.8) | -     | 0.8   |
| Credit cost (bp)       | ±10bp | 150   | 160   | 170   |
| % change in net profit |       | 1.3   | -     | (1.3) |

Source: FSSIA estimates

**Exhibit 1: 2022 financial targets**

|                               | 2022E | 2022E    |          |
|-------------------------------|-------|----------|----------|
|                               | FSSIA | Original | Revised  |
| Loan growth (%)               | 26.0  | 20-25    | 23-28    |
| Non-life insurance growth (%) | 33.0  | 30-35    | 30-35    |
| Cost to income (%)            | 57.1  | High 50s | High 50s |
| Credit cost (bps)             | 160   | <150     | <190     |

Sources: TIDLOR; FSSIA's estimates

**Exhibit 2: Key changes in assumptions**

|                                  | 2022E           |                |                |               | 2023E          |                |               | 2024E          |                |               |
|----------------------------------|-----------------|----------------|----------------|---------------|----------------|----------------|---------------|----------------|----------------|---------------|
|                                  | 2021<br>(THB m) | Old<br>(THB m) | New<br>(THB m) | Change<br>(%) | Old<br>(THB m) | New<br>(THB m) | Change<br>(%) | Old<br>(THB m) | New<br>(THB m) | Change<br>(%) |
| Net interest income              | 8,704           | 10,738         | 11,013         | 2.6           | 12,597         | 12,944         | 2.8           | 14,804         | 15,214         | 2.8           |
| Non-interest income              | 2,222           | 2,443          | 2,487          | 1.8           | 2,807          | 2,858          | 1.8           | 3,170          | 3,227          | 1.8           |
| <b>Operating income</b>          | <b>10,926</b>   | <b>13,181</b>  | <b>13,500</b>  | <b>2.4</b>    | <b>15,404</b>  | <b>15,802</b>  | <b>2.6</b>    | <b>17,974</b>  | <b>18,441</b>  | <b>2.6</b>    |
| Operating expenses               | 6,559           | 7,707          | 7,707          | 0.0           | 8,901          | 8,901          | 0.0           | 10,325         | 10,325         | 0.0           |
| <b>PPOP before tax</b>           | <b>4,367</b>    | <b>5,475</b>   | <b>5,793</b>   | <b>5.8</b>    | <b>6,503</b>   | <b>6,900</b>   | <b>6.1</b>    | <b>7,649</b>   | <b>8,116</b>   | <b>6.1</b>    |
| Expected credit loss (Reversal)  | 414             | 706            | 1,091          | 54.4          | 769            | 1,166          | 51.7          | 955            | 1,422          | 48.9          |
| Tax expenses                     | 784             | 983            | 917            | (6.7)         | 1,147          | 1,147          | (0.0)         | 1,339          | 1,339          | (0.0)         |
| Minority interest                | -               | 0              | -              | -             | -              | -              | -             | -              | -              | -             |
| <b>Normalised profit</b>         | <b>3,169</b>    | <b>3,785</b>   | <b>3,785</b>   | <b>0.0</b>    | <b>4,587</b>   | <b>4,587</b>   | <b>0.0</b>    | <b>5,355</b>   | <b>5,355</b>   | <b>(0.0)</b>  |
| Extraordinary items              | -               | 0              | -              | -             | -              | -              | -             | -              | -              | -             |
| <b>Net profit</b>                | <b>3,169</b>    | <b>3,785</b>   | <b>3,785</b>   | <b>0.0</b>    | <b>4,587</b>   | <b>4,587</b>   | <b>0.0</b>    | <b>5,355</b>   | <b>5,355</b>   | <b>(0.0)</b>  |
| EPS (THB)                        | 1.41            | 1.57           | 1.57           | 0.0           | 1.8            | 1.84           | 0.0           | 2.14           | 2.14           | 0.0           |
| <b>Key statistics and ratios</b> |                 |                |                |               |                |                |               |                |                |               |
| <b>Asset quality ratio</b>       |                 |                |                |               |                |                |               |                |                |               |
| Gross NPLs (THB m)               | 732             | 930            | 930            | 0.0           | 1,088          | 1,088          | 0.0           | 1,251          | 1,251          | 0.0           |
| Gross NPLs / Loans (%)           | 1.21            | 1.25           | 1.22           | -             | 1.24           | 1.21           | -             | 1.21           | 1.18           | -             |
| Loan loss reserve/NPLs (%)       | 357             | 293            | 333            | -             | 297            | 367            | -             | 310            | 407            | -             |
| Credit cost (bps)                | 75              | 105            | 160            | -             | 95             | 141            | -             | 100            | 145            | -             |
| <b>Profitability ratio (%)</b>   |                 |                |                |               |                |                |               |                |                |               |
| Cost to income ratio             | 60.0            | 58.5           | 57.1           | -             | 57.8           | 56.3           | -             | 57.4           | 56.0           | -             |
| Average yield                    | 17.7            | 17.80          | 17.86          | -             | 17.60          | 17.60          | -             | 17.60          | 17.60          | -             |
| Cost of funds                    | 2.7             | 2.65           | 2.50           | -             | 2.90           | 2.90           | -             | 3.00           | 3.00           | -             |
| Net interest margin (NIM)        | 15.7            | 15.96          | 16.15          | -             | 15.57          | 15.62          | -             | 15.51          | 15.56          | -             |
| <b>Loan growth (%)</b>           |                 |                |                |               |                |                |               |                |                |               |
| y-y                              | 18.8            | 23.0           | 26.0           | -             | 18.0           | 18.0           | -             | 18.0           | 18.0           | -             |

Sources: TIDLOR; FSSIA estimates

## Financial Statements

Ngern Tid Lor

| Profit and Loss (THB m) Year Ending Dec | 2020    | 2021    | 2022E   | 2023E   | 2024E    |
|---|---------|---------|---------|---------|----------|
| Interest Income                         | 8,735   | 9,825   | 12,180  | 14,585  | 17,210   |
| Interest expense                        | (1,178) | (1,121) | (1,167) | (1,641) | (1,996)  |
| Net interest income                     | 7,557   | 8,704   | 11,013  | 12,944  | 15,214   |
| Net fees & commission                   | 1,792   | 2,197   | 2,461   | 2,830   | 3,198    |
| Foreign exchange trading income         | -       | -       | -       | -       | -        |
| Securities trading income               | -       | -       | -       | -       | -        |
| Dividend income                         | 0       | 0       | 0       | 0       | 0        |
| Other income                            | 32      | 25      | 27      | 28      | 29       |
| Non interest income                     | 1,824   | 2,222   | 2,487   | 2,858   | 3,227    |
| Total income                            | 9,381   | 10,926  | 13,500  | 15,802  | 18,441   |
| Staff costs                             | (5,772) | (6,559) | (7,707) | (8,901) | (10,325) |
| Other operating costs                   | -       | -       | -       | -       | -        |
| Operating costs                         | (5,772) | (6,559) | (7,707) | (8,901) | (10,325) |
| Pre provision operating profit          | 3,609   | 4,367   | 5,793   | 6,900   | 8,116    |
| Provision for bad and doubtful debt     | (582)   | (414)   | (1,091) | (1,166) | (1,422)  |
| Other provisions                        | -       | -       | -       | -       | -        |
| Operating profit                        | 3,027   | 3,953   | 4,702   | 5,734   | 6,693    |
| 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                       | 3,027   | 3,953   | 4,702   | 5,734   | 6,693    |
| Tax                                     | (611)   | (784)   | (917)   | (1,147) | (1,339)  |
| Profit after tax                        | 2,416   | 3,169   | 3,785   | 4,587   | 5,355    |
| Minority interests                      | 0       | 0       | 0       | 0       | 0        |
| Preferred dividends                     | -       | -       | -       | -       | -        |
| Other items                             | -       | -       | -       | -       | -        |
| Reported net profit                     | 2,416   | 3,169   | 3,785   | 4,587   | 5,355    |
| Non recurring items & goodwill (net)    | -       | -       | 0       | 0       | 0        |
| Recurring net profit                    | 2,416   | 3,169   | 3,785   | 4,587   | 5,355    |
| <b>Per share (THB)</b>                  |         |         |         |         |          |
| Recurring EPS *                         | 1.15    | 1.41    | 1.57    | 1.84    | 2.14     |
| Reported EPS                            | 1.15    | 1.41    | 1.57    | 1.84    | 2.14     |
| DPS                                     | 0.00    | 0.28    | 0.31    | 0.37    | 0.32     |
| <b>Growth</b>                           |         |         |         |         |          |
| Net interest income (%)                 | 14.0    | 15.2    | 26.5    | 17.5    | 17.5     |
| Non interest income (%)                 | 0.1     | 21.9    | 11.9    | 14.9    | 12.9     |
| Pre provision operating profit (%)      | 9.9     | 21.0    | 32.7    | 19.1    | 17.6     |
| Operating profit (%)                    | 10.0    | 30.6    | 19.0    | 21.9    | 16.7     |
| Reported net profit (%)                 | 9.7     | 31.2    | 19.5    | 21.2    | 16.7     |
| Recurring EPS (%)                       | (15.0)  | 22.9    | 11.4    | 16.9    | 16.7     |
| Reported EPS (%)                        | (15.0)  | 22.9    | 11.4    | 16.9    | 16.7     |
| <b>Income Breakdown</b>                 |         |         |         |         |          |
| Net interest income (%)                 | 80.6    | 79.7    | 81.6    | 81.9    | 82.5     |
| Net fees & commission (%)               | 19.1    | 20.1    | 18.2    | 17.9    | 17.3     |
| Foreign exchange trading income (%)     | -       | -       | -       | -       | -        |
| Securities trading income (%)           | -       | -       | -       | -       | -        |
| Dividend income (%)                     | -       | -       | -       | -       | -        |
| Other income (%)                        | 0.3     | 0.2     | 0.2     | 0.2     | 0.2      |
| <b>Operating performance</b>            |         |         |         |         |          |
| Gross interest yield (%)                | 17.75   | 17.68   | 17.86   | 17.60   | 17.60    |
| Cost of funds (%)                       | 3.07    | 2.75    | 2.50    | 2.90    | 3.00     |
| Net interest spread (%)                 | 14.68   | 14.93   | 15.36   | 14.70   | 14.60    |
| Net interest margin (%)                 | 15.4    | 15.7    | 16.2    | 15.6    | 15.6     |
| Cost/income(%)                          | 61.5    | 60.0    | 57.1    | 56.3    | 56.0     |
| Cost/assets(%)                          | 11.3    | 10.9    | 10.5    | 10.2    | 10.2     |
| Effective tax rate (%)                  | 20.2    | 19.8    | 19.5    | 20.0    | 20.0     |
| Dividend payout on recurring profit (%) | -       | 20.1    | 20.0    | 20.0    | 15.0     |
| ROE (%)                                 | 22.9    | 18.6    | 15.6    | 16.3    | 16.6     |
| ROE - COE (%)                           | 12.1    | 7.8     | 4.8     | 5.5     | 5.8      |
| ROA (%)                                 | 4.7     | 5.3     | 5.2     | 5.3     | 5.3      |
| RORWA (%)                               | -       | -       | -       | -       | -        |

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

Sources: Ngern Tid Lor; FSSIA estimates

## Financial Statements

Ngern Tid Lor

| Balance Sheet (THB m) Year Ending Dec  | 2020          | 2021          | 2022E         | 2023E         | 2024E          |
|--|---------------|---------------|---------------|---------------|----------------|
| Gross customer loans                   | 50,807        | 60,339        | 76,027        | 89,711        | 105,860        |
| Total provisions                       | (2,763)       | (2,611)       | (3,094)       | (3,991)       | (5,096)        |
| interest in suspense                   | 524           | 1,120         | 760           | 897           | 1,059          |
| <b>Net customer loans</b>              | <b>48,568</b> | <b>58,847</b> | <b>73,693</b> | <b>86,618</b> | <b>101,823</b> |
| Bank loans                             | -             | -             | -             | -             | -              |
| Government securities                  | -             | -             | -             | -             | -              |
| Trading securities                     | -             | -             | -             | -             | -              |
| Investment securities                  | 0             | 0             | 0             | 0             | 0              |
| Cash & equivalents                     | 1,265         | 3,995         | 1,674         | 2,048         | 1,286          |
| Other interesting assets               | -             | -             | -             | -             | -              |
| Tangible fixed assets                  | 1,378         | 1,453         | 1,539         | 1,635         | 1,740          |
| Associates                             | -             | -             | -             | -             | -              |
| Goodwill                               | -             | -             | -             | -             | -              |
| Other intangible assets                | -             | -             | -             | -             | -              |
| Other assets                           | 2,124         | 2,230         | 3,204         | 3,763         | 3,636          |
| <b>Total assets</b>                    | <b>53,336</b> | <b>66,525</b> | <b>80,110</b> | <b>94,063</b> | <b>108,486</b> |
| Customer deposits                      | 2,600         | 3,300         | 3,465         | 3,638         | 3,820          |
| Bank deposits                          | -             | -             | -             | -             | -              |
| Other interest bearing liabilities     | 37,095        | 38,594        | 48,039        | 58,031        | 67,598         |
| Non interest bearing liabilities       | 1,892         | 2,226         | 2,337         | 2,454         | 2,577          |
| Hybrid Capital                         | -             | -             | -             | -             | -              |
| <b>Total liabilities</b>               | <b>41,587</b> | <b>44,120</b> | <b>53,841</b> | <b>64,124</b> | <b>73,995</b>  |
| Share capital                          | 7,800         | 8,580         | 9,240         | 9,240         | 9,240          |
| Reserves                               | 3,948         | 13,825        | 17,029        | 20,699        | 25,250         |
| <b>Total equity</b>                    | <b>11,749</b> | <b>22,405</b> | <b>26,269</b> | <b>29,939</b> | <b>34,491</b>  |
| Minority interests                     | 0             | 0             | 0             | 0             | 0              |
| <b>Total liabilities &amp; equity</b>  | <b>53,336</b> | <b>66,525</b> | <b>80,110</b> | <b>94,063</b> | <b>108,486</b> |
| <b>Supplementary items</b>             |               |               |               |               |                |
| Risk weighted assets (RWA)             | n/a           | n/a           | n/a           | n/a           | n/a            |
| Average interest earning assets        | 49,223        | 55,573        | 68,183        | 82,869        | 97,786         |
| Average interest bearing liabilities   | 38,395        | 40,795        | 46,699        | 56,587        | 66,544         |
| 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)       | 850           | 732           | 930           | 1,088         | 1,251          |
| <b>Per share (THB)</b>                 |               |               |               |               |                |
| Book value per share                   | 5.58          | 9.97          | 10.52         | 11.99         | 13.81          |
| Tangible book value per share          | 5.58          | 9.97          | 10.52         | 11.99         | 13.81          |
| <b>Growth</b>                          |               |               |               |               |                |
| Gross customer loans                   | 6.7           | 18.8          | 26.0          | 18.0          | 18.0           |
| Average interest earning assets        | 12.8          | 12.9          | 22.7          | 21.5          | 18.0           |
| Total asset (%)                        | 10.2          | 24.7          | 20.4          | 17.4          | 15.3           |
| Risk weighted assets (%)               | -             | -             | -             | -             | -              |
| Customer deposits (%)                  | (65.6)        | 26.9          | 5.0           | 5.0           | 5.0            |
| <b>Leverage &amp; capital measures</b> |               |               |               |               |                |
| Customer loan/deposits (%)             | 1,868.0       | 1,783.3       | 2,126.8       | 2,380.8       | 2,665.4        |
| Equity/assets (%)                      | 22.0          | 33.7          | 32.8          | 31.8          | 31.8           |
| Tangible equity/assets (%)             | 22.0          | 33.7          | 32.8          | 31.8          | 31.8           |
| RWA/assets (%)                         | -             | -             | -             | -             | -              |
| Tier 1 CAR (%)                         | -             | -             | -             | -             | -              |
| Total CAR (%)                          | -             | -             | -             | -             | -              |
| <b>Asset Quality</b>                   |               |               |               |               |                |
| Change in NPL (%)                      | 38.1          | (13.9)        | 27.0          | 17.0          | 15.0           |
| NPL/gross loans (%)                    | 1.7           | 1.2           | 1.2           | 1.2           | 1.2            |
| Total provisions/gross loans (%)       | 5.4           | 4.3           | 4.1           | 3.8           | 4.8            |
| Total provisions/NPL (%)               | 325.1         | 356.6         | 332.7         | 366.8         | 407.3          |
| <b>Valuation</b>                       |               |               |               |               |                |
| Recurring P/E (x) *                    | 26.6          | 21.6          | 19.4          | 16.6          | 14.2           |
| Recurring P/E @ target price (x) *     | 32.3          | 26.2          | 23.5          | 20.1          | 17.3           |
| Reported P/E (x)                       | 26.6          | 21.6          | 19.4          | 16.6          | 14.2           |
| Dividend yield (%)                     | -             | 0.9           | 1.0           | 1.2           | 1.1            |
| Price/book (x)                         | 5.5           | 3.1           | 2.9           | 2.5           | 2.2            |
| Price/tangible book (x)                | 5.5           | 3.1           | 2.9           | 2.5           | 2.2            |
| Price/tangible book @ target price (x) | 6.6           | 3.7           | 3.5           | 3.1           | 2.7            |

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

Sources: Ngern Tid Lor; FSSIA estimates

## Corporate Governance report of Thai listed companies 2021

| EXCELLENT LEVEL – Score range 90-100 |        |        |        |        |        |        |         |        |       |        |
|--------------------------------------|--------|--------|--------|--------|--------|--------|---------|--------|-------|--------|
| AAV                                  | BCPG   | CPALL  | GCAP   | K      | MSC    | PLANET | SAMART  | SPI    | THRE  | TVD    |
| ADVANC                               | BDMS   | CPF    | GFPT   | KBANK  | MST    | PLAT   | SAMTEL  | SPRC   | THREL | TVI    |
| AF                                   | BEM    | CPI    | GGC    | KCE    | MTC    | PORT   | SAT     | SPVI   | TIPCO | TVO    |
| AH                                   | BGC    | CPN    | GLAND  | KKP    | MVP    | PPS    | SC      | SSSC   | TISCO | TWPC   |
| AIRA                                 | BGRIM  | CRC    | GLOBAL | KSL    | NCL    | PR9    | SCB     | SST    | TK    | U      |
| AKP                                  | BIZ    | CSS    | GPI    | KTB    | NEP    | PREB   | SCC     | STA    | TKT   | UAC    |
| AKR                                  | BKI    | DDD    | GPSC   | KTC    | NER    | PRG    | SCCC    | STEC   | TMT   | UBIS   |
| ALT                                  | BOL    | DELTA  | GRAMMY | LALIN  | NKI    | PRM    | SCG     | STI    | TNDT  | UV     |
| AMA                                  | BPP    | DEMCO  | GULF   | LANNA  | NOBLE  | PROUD  | SCGP    | SUN    | TNITY | VGI    |
| AMATA                                | BRR    | DRT    | GUNKUL | LH     | NSI    | DRS    | SCM     | SUSCO  | TOA   | VIH    |
| AMATAV                               | BTS    | DTAC   | HANA   | LHFG   | NVD    | PSL    | SDC     | SUTHA  | TOP   | WACOAL |
| ANAN                                 | BTW    | DUSIT  | HARN   | LIT    | NWR    | PTG    | SEAFCCO | SVI    | TPBI  | WAVE   |
| AOT                                  | BWG    | EA     | HMPRO  | LPN    | NYT    | PTT    | SEAOIL  | SYMC   | TQM   | WHA    |
| AP                                   | CENTEL | EASTW  | ICC    | MACO   | OISHI  | PTTEP  | SE-ED   | SYNTEC | TRC   | WHAUP  |
| ARIP                                 | CFRESH | ECF    | ICHI   | MAJOR  | OR     | PTTGC  | SELIC   | TACC   | TRU   | WICE   |
| ARROW                                | CHEWA  | ECL    | III    | MAKRO  | ORI    | PYLON  | SENA    | TASCO  | TRUE  | WINNER |
| ASP                                  | CHO    | EE     | ILINK  | MALEE  | OSP    | Q-CON  | SHR     | TCAP   | TSC   | ZEN    |
| AUCT                                 | CIMBT  | EGCO   | ILM    | MBK    | OTO    | QH     | SIRI    | TEAMG  | TSR   |        |
| AWC                                  | CK     | EPG    | INTUCH | MC     | PAP    | QTC    | SIS     | TFMAMA | TSTE  |        |
| AYUD                                 | CKP    | ETC    | IP     | MCOT   | PCSGH  | RATCH  | SITHAI  | TGH    | TSTH  |        |
| BAFS                                 | CM     | FPI    | IRPC   | METCO  | PDG    | RS     | SMK     | THANA  | TTA   |        |
| BANPU                                | CNT    | FPT    | ITEL   | MFEC   | PDJ    | S      | SMPC    | THANI  | TTB   |        |
| BAY                                  | COM7   | FSMART | IVL    | MINT   | PG     | S & J  | SNC     | THCOM  | TTCL  |        |
| BBL                                  | COMAN  | GBX    | JSP    | MONO   | PHOL   | SAAM   | SONIC   | THG    | TTW   |        |
| BCP                                  | COTTO  | GC     | JWD    | MOONG  | PLANB  | SABINA | SPALI   | THIP   | TU    |        |
| VERY GOOD LEVEL – Score range 80-89  |        |        |        |        |        |        |         |        |       |        |
| 2S                                   | ASIMAR | CHOW   | FLOYD  | IT     | LOXLEY | OCC    | RPC     | SKY    | TCC   | TVT    |
| 7UP                                  | ASK    | CI     | FN     | ITD    | LRH    | OGC    | RT      | SLP    | TCMC  | TWP    |
| ABICO                                | ASN    | CIG    | FNS    | J      | LST    | PATO   | RWI     | SMIT   | TEAM  | UEC    |
| ABM                                  | ATP30  | CMC    | FORTH  | JAS    | M      | PB     | S11     | SMT    | TFG   | UMI    |
| ACE                                  | B      | COLOR  | FSS    | JCK    | MATCH  | PICO   | SA      | SNP    | TFI   | UOBKH  |
| ACG                                  | BA     | CPL    | FTE    | JCKH   | MBAX   | PIMO   | SAK     | SO     | TIGER | UP     |
| ADB                                  | BAM    | CPW    | FVC    | JMART  | MEGA   | PJW    | SALEE   | SORKON | TITLE | UPF    |
| AEONTS                               | BC     | CRD    | GEL    | JMT    | META   | PL     | SAMCO   | SPA    | TKN   | UPOIC  |
| AGE                                  | BCH    | CSC    | GENCO  | KBS    | MFC    | PM     | SANKO   | SPC    | TKS   | UTP    |
| AHC                                  | BEC    | CSP    | GJS    | KCAR   | MGT    | PMTA   | SAPPE   | SPCG   | TM    | VCOM   |
| AIT                                  | BEYOND | CWT    | GYT    | KEX    | MICRO  | PPP    | SAWAD   | SR     | TMC   | VL     |
| ALL                                  | BFIT   | DCC    | HEMP   | KGI    | MILL   | PPP    | SCI     | SRICHA | TMD   | VPO    |
| ALLA                                 | BJC    | DCON   | HPT    | KIAT   | MITSIB | PRIME  | SCN     | SSC    | TMI   | VRANDA |
| ALUCON                               | BJCHI  | DHOUSE | HTC    | KISS   | MK     | PRIN   | SCP     | SSF    | TMILL | WGE    |
| AMANAH                               | BLA    | DOD    | HYDRO  | KOOL   | MODERN | PRINC  | SE      | STANLY | TNL   | WIK    |
| AMARIN                               | BR     | DOHOME | ICN    | KTIS   | MTI    | PSG    | SFLEX   | STGT   | TNP   | WP     |
| APCO                                 | BROOK  | DV8    | IFS    | KUMWEL | NBC    | PSTC   | SFP     | STOWER | TOG   | XO     |
| APCS                                 | CBG    | EASON  | IMH    | KUN    | NCAP   | PT     | SFT     | STPI   | TPA   | XPG    |
| APURE                                | CEN    | EFORL  | IND    | KWC    | NCH    | QLT    | SGF     | SUC    | TPAC  | YUASA  |
| AQUA                                 | CGH    | ERW    | INET   | KWM    | NETBAY | RBF    | SIAM    | SWC    | TPCS  |        |
| ASAP                                 | CHARAN | ESSO   | INSET  | L&E    | NEX    | RCL    | SINGER  | SYNEX  | TPS   |        |
| ASEFA                                | CHAYO  | ESTAR  | INSURE | LDC    | NINE   | RICHY  | SKE     | TAE    | TRITN |        |
| ASIA                                 | CHG    | ETE    | IRC    | LEO    | NRF    | RML    | SKN     | TAKUNI | TRT   |        |
| ASIAN                                | CHOTI  | FE     | IRCP   | LHK    | NTV    | ROJNA  | SKR     | TBSP   | TSE   |        |
| GOOD LEVEL – Score range 70-79       |        |        |        |        |        |        |         |        |       |        |
| A                                    | BGT    | CITY   | GIFT   | JTS    | MDX    | PK     | SGP     | SUPER  | TQR   | YGG    |
| AI                                   | BH     | CMAN   | GLOCON | JUBILE | MJD    | PLE    | SICT    | SVOA   | TTI   | ZIGA   |
| AIE                                  | BIG    | CMO    | GREEN  | KASET  | MORE   | PPM    | SIMAT   | TC     | TYCN  |        |
| AJ                                   | BLAND  | CMR    | GSC    | KCM    | MUD    | PRAKIT | SISB    | TCCC   | UKEM  |        |
| ALPHAX                               | BM     | CPT    | GTB    | KK     | NC     | PRAPAT | SK      | THMUI  | UMS   |        |
| AMC                                  | BROCK  | CRANE  | HTECH  | KKC    | NDR    | PRECHA | SMART   | TNH    | UNIQ  |        |
| APP                                  | BSBM   | CSR    | HUMAN  | KWI    | NFC    | PTL    | SOLAR   | TNR    | UPA   |        |
| AQ                                   | BSM    | D      | IHL    | KYE    | NNCL   | RJH    | SPACK   | TOPP   | UREKA |        |
| ARIN                                 | BTNC   | EKH    | IIG    | LEE    | NOVA   | RP     | SPG     | TPCH   | VIBHA |        |
| AS                                   | BYD    | EMC    | INGRS  | LPH    | NPK    | RPH    | SQ      | TPIPL  | W     |        |
| AU                                   | CAZ    | EP     | INOX   | MATI   | NUSA   | RSP    | SSP     | TIPIP  | WIN   |        |
| B52                                  | CCP    | F&D    | JAK    | M-CHAI | PAF    | SABUY  | STARK   | TPLAS  | WORK  |        |
| BEAUTY                               | CGD    | FMT    | JR     | MCS    | PF     | SF     | STC     | TPOLY  | WPH   |        |

**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

Sources: Thai Institute of Directors Association (IOD); FSSIA's compilation; data as of 26 October 2021

## Anti-corruption Progress Indicator

| CERTIFIED |        |        |        |        |       |        |        |        |        |        |
|-----------|--------|--------|--------|--------|-------|--------|--------|--------|--------|--------|
| 2S        | BCH    | CPALL  | GC     | K      | MFC   | PE     | QLT    | SNP    | THCOM  | TU     |
| 7UP       | BCP    | CPF    | GCAP   | KASET  | MFEC  | PG     | QTC    | SORKON | THIP   | TVD    |
| ADVANC    | BCPG   | CPI    | GEL    | KBANK  | MILL  | PHOL   | RATCH  | SPACK  | THRE   | TVI    |
| AF        | BE8    | CPN    | GFPT   | KBS    | MINT  | PK     | RML    | SPALI  | THREL  | TVO    |
| AI        | BEYOND | CSC    | GGC    | KCAR   | MONO  | PL     | RWI    | SPC    | TIDLOR | TWPC   |
| AIE       | BGC    | DCC    | GJS    | KCE    | MOONG | PLANB  | S & J  | SPI    | TIPCO  | U      |
| AIRA      | BGRIM  | DELTA  | GPI    | KGI    | MSC   | PLANET | SAAM   | SPRC   | TISCO  | UBE    |
| AKP       | BJCHI  | DEMCO  | GPSC   | KKP    | MST   | PLAT   | SABINA | SRICHA | TKS    | UBIS   |
| ALPHAX    | BKI    | DIMET  | GSTEEL | KSL    | MTC   | PM     | SAPPE  | SSF    | TKT    | UEC    |
| AMA       | BLA    | DRT    | GUNKUL | KTB    | MTI   | PPP    | SAT    | SSP    | TMD    | UKEM   |
| AMANAHA   | BPP    | DTAC   | HANA   | KTC    | NBC   | PPPM   | SC     | SSSC   | TMILL  | UOBKH  |
| AMATA     | BROOK  | DUSIT  | HARN   | KWC    | NEP   | PPS    | SCB    | SST    | TMT    | UPF    |
| AMATAV    | BRR    | EA     | HEMP   | KWI    | NINE  | PR9    | SCC    | STA    | TNITY  | UV     |
| AP        | BSBM   | EASTW  | HENG   | L&E    | NKI   | PREB   | SCCC   | STOWER | TNL    | VGI    |
| APCS      | BTS    | ECL    | HMPRO  | LANNA  | NMG   | PRG    | SCG    | SUSCO  | TNP    | VIH    |
| AQUA      | BWG    | EGCO   | HTC    | LH     | NNCL  | PRINC  | SCN    | SVI    | TNR    | WACOAL |
| ARROW     | CEN    | EP     | ICC    | LHFG   | NOBLE | PRM    | SEAOIL | SYMC   | TOG    | WHA    |
| AS        | CENTEL | EPG    | ICHI   | LHK    | NOK   | PROS   | SE-ED  | SYNTEC | TOP    | WHAUP  |
| ASIAN     | CFRESH | ERW    | IFEC   | LPN    | NSI   | PSH    | SELIC  | TAE    | TOPP   | WICE   |
| ASK       | CGH    | ESTAR  | IFS    | LRH    | NWR   | PSL    | SENA   | TAKUNI | TPA    | WIJK   |
| ASP       | CHEWA  | ETE    | ILINK  | M      | OCC   | PSTC   | SGP    | TASCO  | TPP    | XO     |
| AWC       | CHOTI  | FE     | INET   | MAKRO  | OGC   | PT     | SINGER | TBSP   | TRU    | ZEN    |
| AYUD      | CHOW   | FNS    | INSURE | MALEE  | ORI   | PTG    | SIRI   | TCAP   | TRUE   |        |
| B         | CIG    | FPI    | INTUCH | MATCH  | PAP   | PTT    | SITHAI | TCMC   | TSC    |        |
| BAFS      | CIMBT  | FPT    | IRC    | MBAX   | PATO  | PTTEP  | SKR    | TFG    | TSTE   |        |
| BAM       | CM     | FSMART | IRPC   | MBK    | PB    | PTTGC  | SMIT   | TFI    | TSTH   |        |
| BANPU     | CMC    | FSS    | ITEL   | MC     | PCSGH | PYLON  | SMK    | TFMAMA | TTA    |        |
| BAY       | COM7   | FTE    | IVL    | MCOT   | PDG   | Q-CON  | SMPC   | TGH    | TTB    |        |
| BBL       | COTTO  | GBX    | JKN    | META   | PDJ   | QH     | SNC    | THANI  | TTCL   |        |
| DECLARED  |        |        |        |        |       |        |        |        |        |        |
| AJ        | CHG    | DDD    | ETC    | JR     | MAJOR | NUSA   | RS     | SSS    | TQM    | YUASA  |
| ALT       | CPL    | DHOUSE | FLOYD  | JTS    | NCAP  | NYT    | SAK    | STECH  | TSI    | ZIGA   |
| APCO      | CPR    | DOHOME | GULF   | KEX    | NCL   | OR     | SCGP   | STGT   | VARO   |        |
| B52       | CPW    | ECF    | III    | KUMWEL | NOVA  | PIMO   | SCM    | TKN    | VCOM   |        |
| BEC       | CRC    | EKH    | INOX   | LDC    | NRF   | PLE    | SIS    | TMI    | VIBHA  |        |

| 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 26 October 2021) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

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

**GENERAL DISCLAIMER**

**ANALYST(S) CERTIFICATION**

Yuvanart Suwanumphai FSS International Investment Advisory Securities Co., Ltd

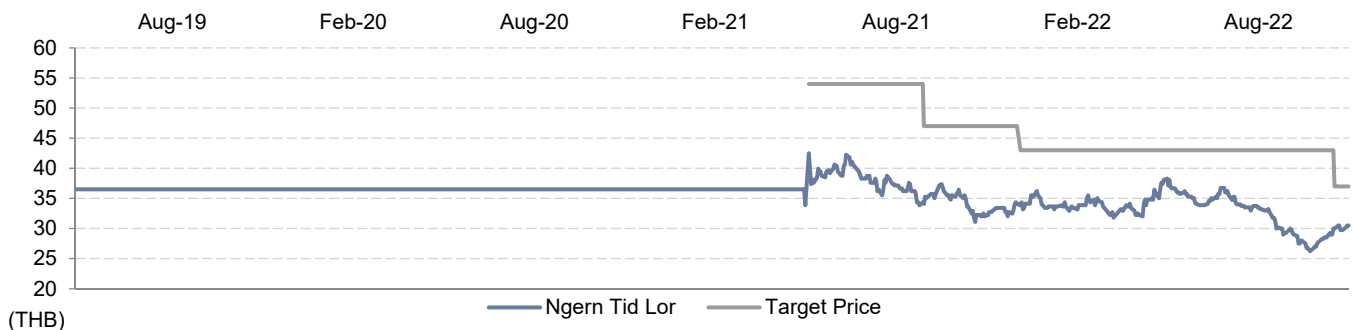
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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

**Ngern Tid Lor (TIDLOR TB)**



| Date        | Rating | Target price | Date        | Rating | Target price | Date | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|------|--------|--------------|
| 07-May-2021 | BUY    | 54.00        | 05-Nov-2021 | BUY    | 43.00        | -    | -      | -            |
| 16-Aug-2021 | BUY    | 47.00        | 04-Aug-2022 | BUY    | 37.00        |      |        |              |

Yuvanart Suwanumphai started covering this stock from 07-May-2021

Price and TP are in local currency

Source: FSSIA estimates

| Company       | Ticker    | Price     | Rating | Valuation & Risks  |
|---------------|-----------|-----------|--------|--|
| Ngern Tid Lor | TIDLOR TB | THB 30.50 | 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. |

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 17-Aug-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.