

# NEXT CAPITAL NCAP TB

THAILAND / DIVERSIFIED FINANCIALS

## Rough road ahead

- NCAP reported a feeble 3Q22 net profit of THB16m (-78% y-y, +24% q-q), due mainly to poor asset quality and tight competition.
- We expect NCAP to continue to deliver poor performance at least for the next two years, thanks to the negative impact of the rate cap mandate (effective Jan 2023).
- We lower our 2022-24 net profit forecasts by 37-88% and revise down our TP to THB2.5 from THB5.0. We downgrade NCAP to REDUCE from Hold.

### Feeble 3Q22 results from NPLs and competition

NCAP reported a weak 3Q22 net profit of THB16m (-78% y-y, +24% q-q). The poor performance was dragged down by 1) a significant increase in its ECL by 159% y-y and 5% q-q, following a substantial increase in its NPLs by 52% q-q, implying an NPL ratio of 2.9% from 2.0% in 2Q22, from customer fraud in some areas and high inflation; 2) a q-q drop in its NIM to 18.2% from 18.9% due to lower net loan yields; and 3) slower loan growth of only 2% q-q, which is significantly lower than its potential growth rate. We think this is due to intense competition and the company's conservative new lending strategy that aims to prevent a decline in asset quality.

### Downward revision based on weak asset quality, rate cap impact

We think the asset quality problems should continue to hinder NCAP's earnings growth in terms of both higher ECLs and lower loan growth. On top of that, we believe NCAP will be negatively impacted by the new interest rate cap on motorcycle hire-purchase at 23%, down from the current rate charge of around 30-35%. Hence, we lower our 2022/23/24 net profit forecasts by 37%/71%/88%.

### Poor outlook should continue

We expect NCAP to deliver a weak 4Q22 net profit as its elevated asset deterioration rate should result in higher provisions. On top of that, we expect NCAP's 2023/24 net profit to slump by 14%/44% y-y due to lower loan yields under the rate cap mandate.

### Downgrade to REDUCE with a new 2023 GGM-based TP of THB2.5

We lower our 2023 GGM-based TP to THB2.5 from THB5.0 and downgrade our recommendation to REDUCE from Hold, as 1) we think NCAP's asset quality has not reached the bottom yet; and 2) we expect NCAP's net profit to drop by 44% at a three-year CAGR during 2021-24 due mainly to the negative impact of the rate cap. We might turn more positive on NCAP if 1) the company can clearly manage the impact from the rate cap; and/or 2) the company can solve its NPL problem.

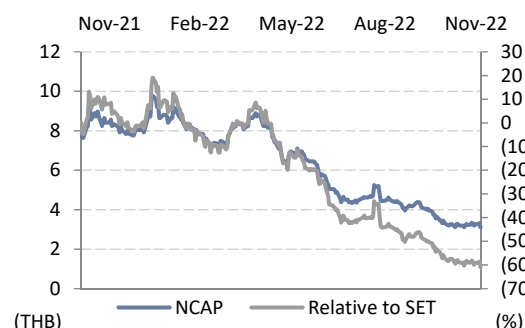
# REDUCE

FROM HOLD

TARGET PRICE	THB2.50
CLOSE	THB3.10
UP/DOWNSIDE	-19.4%
PRIOR TP	THB5.00
CHANGE IN TP	-50.0%
TP vs CONSENSUS	-37.4%

### KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Operating profit	389	144	124	70
Net profit	311	115	99	56
EPS (THB)	0.35	0.10	0.07	0.04
vs Consensus (%)	-	-	(41.7)	(80.5)
Core net profit	311	115	99	56
Core EPS (THB)	0.35	0.10	0.07	0.04
Chg. In EPS est. (%)	-	(37.2)	(71.1)	(87.7)
EPS growth (%)	54.1	(70.4)	(28.1)	(43.9)
Core P/E (x)	9.0	30.4	42.2	75.2
Dividend yield (%)	-	0.5	0.4	0.2
Price/book (x)	1.4	1.0	1.0	1.0
ROE (%)	16.9	3.8	2.4	1.3
ROA (%)	5.9	1.6	1.0	0.4



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(6.6)	(35.4)	(57.6)
Relative to country (%)	(9.1)	(35.6)	(57.4)
Mkt cap (USD m)	113		
3m avg. daily turnover (USD m)	0.7		
Free float (%)	34		
Major shareholder	COM7 PCL (34%)		
12m high/low (THB)	10.10/3.06		
Issued shares (m)	900		

Sources: Bloomberg consensus; FSSIA estimates



Rawisara Suwanumchai

 rawisara.suw@fssia.com  
 +66 2611 3554

## Investment thesis

We expect more intense competition in the new motorcycle hire purchase business due to the aggressive expansion plans of Srisawad Capital (SCAP, not rated). Moreover, we think NCAP should be one of the most negatively impacted among diversified financial companies from the rate cap mandate for motorcycle hire purchase. Lastly, we think its poor asset quality will hinder its growth.

Hence, we lower our 2022/23/24 net profit forecasts by 37%/71%/88%. We lower our 2023 GGM-based TP to THB2.5 from THB5.0 and downgrade our recommendation to REDUCE from Hold, as 1) we think NCAP's asset quality has not reached the bottom yet; and 2) we expect NCAP's net profit to drop by 44% at a three-year CAGR during 2021-24 due mainly to the negative impact of the rate cap.

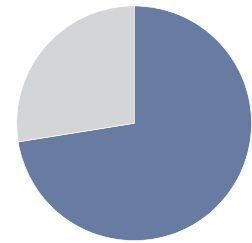
## Company profile

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

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

## Principal activities (revenue, 2021)

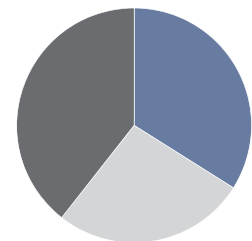
- Net interest income - 72.5 %
- Non-interest income - 27.5 %



Source: Next Capital

## Major shareholders

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



Source: Next Capital

## Catalysts

Upside risks to our GGM-derived TP include 1) strong demand for motorcycles; and 2) a lower dealer expense.

## Risks to our call

Upside risks to our TP include 1) strong demand for motorcycles; and 2) lower commissions paid to dealers.

## Event calendar

Date	Event
14 November 2022	NCAP's opportunity day
End-February 2023	4Q22 results announcement

## Key assumptions

	2022E	2023E	2024E
	(%)	(%)	(%)
Net profit (THB m)	115	99	56
Net profit growth (%)	(63.1)	(13.7)	(43.9)
NIM (%)	19.67	16.41	12.86
Loan growth (%)	45.0	40.0	35.0
Fee growth (%)	45.0	30.0	20.0
Non-NII growth (%)	21.2	19.7	15.3
Credit cost (bp)	1,300	1,200	1,000
Cost to income (%)	41.6	38.5	38.7

Source: FSSIA estimates

## Earnings sensitivity

		----- 2023E -----		
<b>Loan growth</b>	<b>±2ppt</b>	<b>38.0</b>	<b>40.0</b>	<b>42.0</b>
<i>% change in net profit</i>		(2.0)	-	2.0
<b>NIM (%)</b>	<b>±5bp</b>	<b>16.36</b>	<b>16.41</b>	<b>16.46</b>
<i>% change in net profit</i>		(0.6)	-	0.6
<b>Credit cost (bp)</b>	<b>±10bp</b>	<b>1,190</b>	<b>1,200</b>	<b>1,210</b>
<i>% change in net profit</i>		1.2	-	(1.2)

Source: FSSIA estimates

## Feeble 3Q22 results from NPLs and competition

NCAP reported a weak 3Q22 net profit of THB16m (-78% y-y, +24% q-q). The poor performance was dragged down by 1) a significant increase in its ECL by 159% y-y and 5% q-q, following a substantial increase in its NPLs by 52% q-q, implying an NPL ratio rising to 2.9% from 2.0% in 2Q22, due to customer fraud in some areas and high inflation; 2) a q-q drop in its NIM to 18.2% from 18.9% due to lower net loan yields; and 3) slower loan growth of only 2% q-q, which is significantly lower than its potential growth, due to intense competition and the company's conservative new lending strategy aimed at preventing asset quality problems.

### Exhibit 1: NCAP – summary of 3Q22 operations

Year-end Dec 31	3Q21	2Q22	3Q22		9M22			2022E		Comments	
	(THB m)	(THB m)	(THB m)	(y-y %)	(q-q %)	(THB m)	(y-y %)	%22E	(THB m)		(y-y %)
Net interest income	238	347	359	51	3	1,015	52	73	1,392	50	
Non-interest income	88	98	91	3	(7)	299	20	70	429	21	
Operating income	326	446	449	38	1	1,314	44	72	1,821	42	
Operating expenses	136	187	175	29	(6)	542	43	72	757	42	
<b>PPOP before tax</b>	<b>190</b>	<b>258</b>	<b>274</b>	<b>44</b>	<b>6</b>	<b>772</b>	<b>44</b>	<b>73</b>	<b>1,064</b>	<b>41</b>	
Expected credit loss	98	241	253	159	5	652	152	71	920	153	
Income tax	19	4	5	(76)	16	25	(55)	88	29	(63)	
Minority interest	(0)	0	(0)	-	-	(0)	n/a		0		
<b>Normalised profit</b>	<b>74</b>	<b>13</b>	<b>16</b>	<b>(78)</b>	<b>24</b>	<b>95</b>	<b>(58)</b>	<b>82</b>	<b>115</b>	<b>(63)</b>	
Extraordinary items	0	0	0	-	-	0	-		0		
<b>Net profit</b>	<b>74</b>	<b>13</b>	<b>16</b>	<b>(78)</b>	<b>24</b>	<b>95</b>	<b>(58)</b>	<b>82</b>	<b>115</b>	<b>(63)</b>	
EPS (THB)	0.08	0.01	0.01	(85)	24	0.09	(62)	92	0.10	(71)	
<b>Asset quality ratio</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>						<b>(%)</b>		
NPLs (THB m)	78	152	232	197	52				273	250	
NPLs / Loans	1.59	1.95	2.90						3.26		
Loan loss reserve/NPLs	366	337	255						243		
Credit cost (bps)	835	1,312	1,282						1,300		
<b>Profitability ratio</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>						<b>(%)</b>		
Cost to income ratio	41.6	42.0	39.0						41.6		
Average yield	22.3	21.3	20.1						22.0		
Cost of fund	3.7	4.2	3.9						4.5		
Net interest margin (NIM)	20.3	18.9	18.2						19.7		
Non-int inc/total income	27.0	22.0	20.2						23.5		
<b>Loan growth</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>						<b>(%)</b>		
Year-to-date	23.3	35.3	38.2								
y-y	26.0	74.1	63.1						45.0		
q-q	9.0	13.3	2.2								

Sources: NCAP; FSSIA estimates

## Earnings estimates and target price revisions

We think asset quality problems should continue to hinder NCAP's earnings growth in terms of both higher ECLs and lower loan growth. On top of that, we believe NCAP will be negatively impacted by the new interest rate cap mandate for motorcycle hire-purchase. Hence, we lower our 2022/23/24 net profit forecasts by 37%/71%/88%.

Details below:

- 1) We lower our loan yield assumptions in 2023/24 to 19.0%/16.0% from 19.6%/19.2% to reflect the impact of the rate cap and tighter competition.
- 2) We raise our credit cost assumptions in 2022/23/24 to 1,300/1,200/1,000 bps from 1,230/950/875 bps following the rise in NPL assumptions.

To recap, on 12 Oct 2022, the Office of the Consumer Protection Board announced new regulations to control hire purchase contracts for motorcycles and cars, which will take effect in mid-Jan 2023. In our view, there are four main changes between the new and the old regulations, consisting of 1) rate caps for new cars/used cars/motorcycles at 10%/15%/23%; 2) interest savings for clients from early prepayments at 60% for debtors who repay debts of not less than one-third, 70% for debtors who repay debts from one-third to two-thirds, and 100% for debtors who repay more than two-thirds of their debt; 3) in the case of car seizures – if there is a deficit from the car auction, operators would only be able to further ask for the principal portion; and 4) penalty fees in case of default at less than 5%.

### Exhibit 2: Key changes in assumptions

	2022E				2023E			2024E		
	2021 (THB m)	Old (THB m)	New (THB m)	Change (%)	Old (THB m)	New (THB m)	Change (%)	Old (THB m)	New (THB m)	Change (%)
Net interest income	931	1,421	1,392	(2.0)	1,873	1,650	(11.9)	2,436	1,772	(27.3)
Non-interest income	354	470	429	(8.9)	562	513	(8.7)	647	592	(8.6)
Operating income	1,285	1,892	1,821	(3.7)	2,435	2,163	(11.2)	3,083	2,363	(23.3)
Operating expenses	532	753	757	0.5	978	833	(14.9)	1,222	916	(25.1)
<b>PPOP before tax</b>	<b>753</b>	<b>1,138</b>	<b>1,064</b>	<b>(6.6)</b>	<b>1,457</b>	<b>1,330</b>	<b>(8.7)</b>	<b>1,861</b>	<b>1,448</b>	<b>(22.2)</b>
Expected credit loss (Reversal)	363	910	920	1.1	1,027	1,206	17.4	1,297	1,378	6.2
Tax expenses	78	46	29	(37.2)	86	25	(71.1)	113	14	(87.7)
Minority interest	-	0	-		0	-		-	-	
<b>Normalised profit</b>	<b>311</b>	<b>183</b>	<b>115</b>	<b>(37.2)</b>	<b>344</b>	<b>99</b>	<b>(71.1)</b>	<b>451</b>	<b>56</b>	<b>(87.7)</b>
Extraordinary items	-	0	-		0	-		-	-	
<b>Net profit</b>	<b>311</b>	<b>183</b>	<b>115</b>	<b>(37.2)</b>	<b>344</b>	<b>99</b>	<b>(71.1)</b>	<b>451</b>	<b>56</b>	<b>(87.7)</b>
EPS (THB)	0.35	0.16	0.10	(37.2)	0.3	0.07	(71.1)	0.33	0.04	(87.7)
<b>Key statistics and ratios</b>										
<b>Asset quality ratio</b>										
Gross NPLs (THB m)	78	179	273	52.2	260	396	52.2	364	554	52.2
Gross NPLs / Loans (%)	1.3	2.0	3.3		2.1	3.4		2.14	3.50	
Loan loss reserve/NPLs (%)	402	340	243		339	295		341	302	
Credit cost (bps)	746	1,230	1,300		950	1,200		875	1,000	
<b>Profitability ratio (%)</b>										
Cost to income ratio	41.4	39.8	41.6		40.2	38.5		39.6	38.7	
Average yield	21.1	21.2	22.0		19.6	19.0		19.2	16.0	
Cost of funds	3.2	4.0	4.5		4.5	4.7		4.6	4.8	
Net interest margin (NIM)	19.1	19.2	19.7		17.3	16.4		16.4	12.9	
<b>Loan growth (%)</b>										
y-y	45.5	56.0	45.0		40.0	40.0		35.0	35.0	

Source: FSSIA estimates

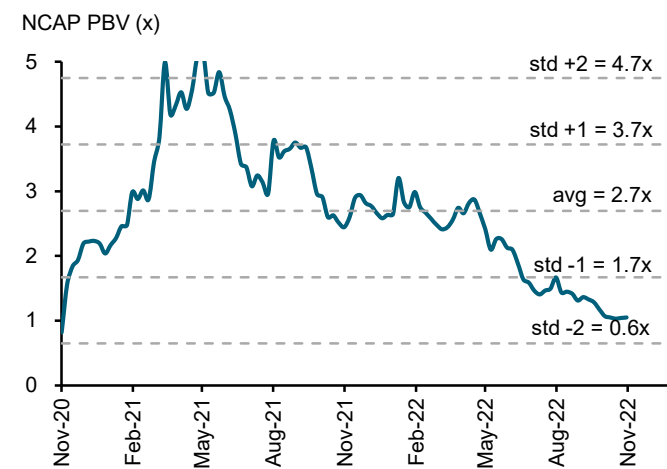
We lower our 2023 GGM-based TP to THB2.5, down from our previous TP of THB5.0, as we 1) cut our EPS forecast, leading to a lower book value; and 2) revise down our target 2023 P/BV to 0.8x from 1.4x, as we lower our ROE and terminal growth estimates to reflect our downward earnings revision. We downgrade our recommendation to REDUCE from Hold.

**Exhibit 3: NCAP – GGM-derived target price**

Target price (THB)	2.5 (from 5.0)
Recommendation	REDUCE (from HOLD)
Risk-free rate (%)	3.0 (unchanged)
Market risk premium (%)	8.0 (unchanged)
Cost to equity (%)	9.8 (unchanged)
Terminal growth (%)	3.4 (from 9.3)
ROE target (%)	8.5 (from 10.0)
Target PBV (x)	0.8 (from 1.4)

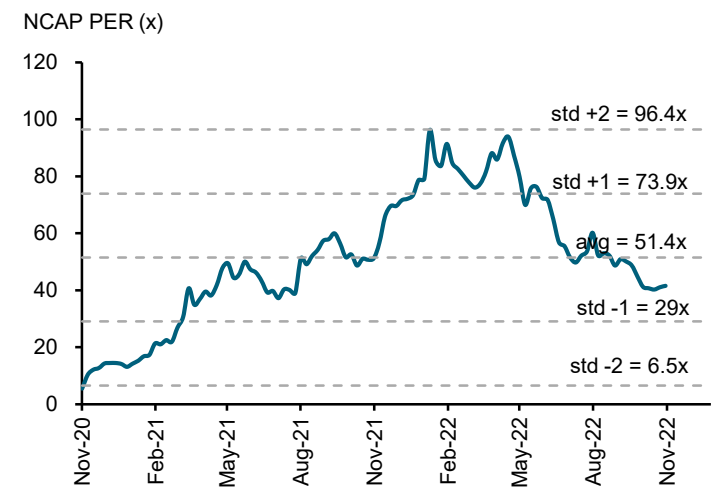
Source: FSSIA estimates

**Exhibit 4: NCAP – one-year prospective P/BV band**



Sources: Bloomberg; FSSIA estimates

**Exhibit 5: NCAP – one-year prospective P/E band**



Sources: Bloomberg; FSSIA estimates

## Financial Statements

### Next Capital

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Interest Income	880	1,028	1,557	1,910	2,205
Interest expense	(114)	(97)	(165)	(260)	(433)
Net interest income	766	931	1,392	1,650	1,772
Net fees & commission	101	144	208	271	325
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	0	0	0	0	0
Other income	160	210	220	243	267
Non interest income	261	354	429	513	592
Total income	1,028	1,285	1,821	2,163	2,363
Staff costs	(396)	(532)	(757)	(833)	(916)
Other operating costs	-	-	-	-	-
Operating costs	(396)	(532)	(757)	(833)	(916)
Pre provision operating profit	631	753	1,064	1,330	1,448
Provision for bad and doubtful debt	(379)	(363)	(920)	(1,206)	(1,378)
Other provisions	-	-	-	-	-
Operating profit	253	389	144	124	70
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	253	389	144	124	70
Tax	(51)	(78)	(29)	(25)	(14)
Profit after tax	202	311	115	99	56
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	202	311	115	99	56
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	202	311	115	99	56
<b>Per share (THB)</b>					
Recurring EPS *	0.22	0.35	0.10	0.07	0.04
Reported EPS	0.22	0.35	0.10	0.07	0.04
DPS	0.00	0.00	0.02	0.01	0.01
<b>Growth</b>					
Net interest income (%)	0.9	21.5	49.6	18.5	7.4
Non interest income (%)	97.6	35.3	21.2	19.7	15.3
Pre provision operating profit (%)	19.2	19.2	41.3	25.1	8.8
Operating profit (%)	56.3	54.1	(63.1)	(13.7)	(43.9)
Reported net profit (%)	59.8	54.1	(63.1)	(13.7)	(43.9)
Recurring EPS (%)	-	54.1	(70.4)	(28.1)	(43.9)
Reported EPS (%)	-	54.1	(70.4)	(28.1)	(43.9)
<b>Income Breakdown</b>					
Net interest income (%)	74.6	72.5	76.5	76.3	75.0
Net fees & commission (%)	9.8	11.2	11.4	12.5	13.7
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	15.6	16.3	12.1	11.2	11.3
<b>Operating performance</b>					
Gross interest yield (%)	21.90	21.10	22.00	19.00	16.00
Cost of funds (%)	4.04	3.19	4.50	4.70	4.80
Net interest spread (%)	17.86	17.91	17.50	14.30	11.20
Net interest margin (%)	19.1	19.1	19.7	16.4	12.9
Cost/income(%)	38.6	41.4	41.6	38.5	38.7
Cost/assets(%)	9.2	10.1	10.5	8.1	6.6
Effective tax rate (%)	20.1	20.2	20.0	20.0	20.0
Dividend payout on recurring profit (%)	-	-	15.0	15.0	15.0
ROE (%)	14.8	16.9	3.8	2.4	1.3
ROE - COE (%)	4.0	6.1	(7.0)	(8.4)	(9.5)
ROA (%)	4.6	5.9	1.6	1.0	0.4
RORWA (%)	-	-	-	-	-

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

Sources: Next Capital; FSSIA estimates

## Financial Statements

### Next Capital

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Gross customer loans	3,970	5,777	8,377	11,728	15,832
Total provisions	(230)	(314)	(664)	(1,167)	(1,674)
interest in suspense	0	0	0	0	0
<b>Net customer loans</b>	<b>3,740</b>	<b>5,464</b>	<b>7,713</b>	<b>10,561</b>	<b>14,159</b>
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	0	0	0	0	0
Cash & equivalents	698	75	565	862	1,103
Other interesting assets	-	-	-	-	-
Tangible fixed assets	21	37	70	84	101
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	198	255	265	332	415
<b>Total assets</b>	<b>4,657</b>	<b>5,831</b>	<b>8,613</b>	<b>11,838</b>	<b>15,778</b>
Customer deposits	250	785	824	865	909
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	2,504	2,553	3,152	6,226	10,048
Non interest bearing liabilities	227	485	509	535	562
Hybrid Capital	-	-	-	-	-
<b>Total liabilities</b>	<b>2,980</b>	<b>3,823</b>	<b>4,486</b>	<b>7,626</b>	<b>11,518</b>
Share capital	450	450	675	675	675
Reserves	1,226	1,548	3,442	3,527	3,574
<b>Total equity</b>	<b>1,676</b>	<b>1,998</b>	<b>4,117</b>	<b>4,202</b>	<b>4,249</b>
Minority interests	0	10	10	10	11
<b>Total liabilities &amp; equity</b>	<b>4,657</b>	<b>5,831</b>	<b>8,613</b>	<b>11,838</b>	<b>15,778</b>
<b>Supplementary items</b>					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	4,018	4,874	7,077	10,052	13,780
Average interest bearing liabilities	2,812	3,046	3,657	5,534	9,024
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)	65	78	273	396	554
<b>Per share (THB)</b>					
Book value per share	1.86	2.22	3.05	3.11	3.15
Tangible book value per share	1.86	2.22	3.05	3.11	3.15
<b>Growth</b>					
Gross customer loans	(2.4)	45.5	45.0	40.0	35.0
Average interest earning assets	5.6	21.3	45.2	42.0	37.1
Total asset (%)	16.5	25.2	47.7	37.4	33.3
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	(84.1)	214.0	5.0	5.0	5.0
<b>Leverage &amp; capital measures</b>					
Customer loan/deposits (%)	1,495.9	696.0	935.8	1,220.3	1,558.0
Equity/assets (%)	36.0	34.3	47.8	35.5	26.9
Tangible equity/assets (%)	36.0	34.3	47.8	35.5	26.9
RWA/assets (%)	-	-	-	-	-
Tier 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
<b>Asset Quality</b>					
Change in NPL (%)	(33.3)	20.8	250.0	45.0	40.0
NPL/gross loans (%)	1.6	1.3	3.3	3.4	3.5
Total provisions/gross loans (%)	5.8	5.4	7.9	7.4	10.6
Total provisions/NPL (%)	356.7	402.2	243.3	294.8	302.2
<b>Valuation</b>					
Recurring P/E (x) *	13.8	9.0	30.4	42.2	75.2
Recurring P/E @ target price (x) *	11.2	7.2	24.5	34.0	60.6
Reported P/E (x)	13.8	9.0	30.4	42.2	75.2
Dividend yield (%)	-	-	0.5	0.4	0.2
Price/book (x)	1.7	1.4	1.0	1.0	1.0
Price/tangible book (x)	1.7	1.4	1.0	1.0	1.0
Price/tangible book @ target price (x)	1.3	1.1	0.8	0.8	0.8

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

Sources: Next Capital; 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	DRSH	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFCO	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	PPPM	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	WIJK
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	WIIK
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

#### Rawisara Suwanumphai FSS International Investment Advisory Securities Co., Ltd

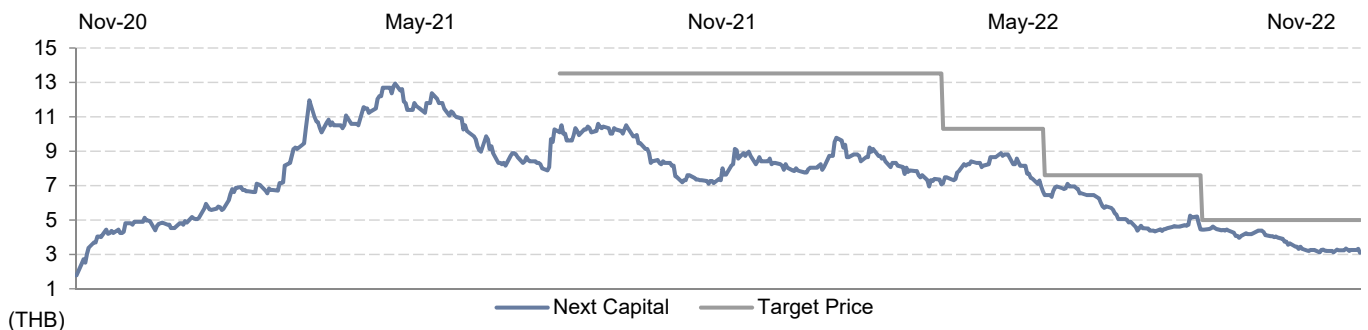
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### History of change in investment rating and/or target price

#### Next Capital (NCAP TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
06-Aug-2021	BUY	13.52	12-May-2022	HOLD	7.60	-	-	-
15-Mar-2022	BUY	10.30	10-Aug-2022	HOLD	5.00			

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Next Capital	NCAP TB	THB 3.10	REDUCE	Upside risks to our TP include 1) strong demand for motorcycles; and 2) lower commissions paid to dealers.

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

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