

# NGERN TID LOR TIDLOR TB

## THAILAND / FINANCE & SECURITIES

**BUY**

UNCHANGED

TARGET PRICE	THB27.00
CLOSE	THB19.90
UP/DOWNSIDE	+35.7%
PRIOR TP	THB27.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+6.0%

## Continued growth momentum in 2024

- We expect a q-q recovery in 1Q24E but a flat PPOP despite a low season.
- Asset quality should be manageable with a relatively stable NPL ratio but a lower coverage ratio.
- Maintain BUY with a 2024 TP of THB27.

### Solid 1Q24 profit growth from loan expansion and lower OPEX

TIDLOR's net profit growth is a significant achievement, with a reported 1Q24 net profit of THB1.1b. This represents robust 22.5% q-q and 15.6% y-y growth, surpassing our estimate and the Bloomberg consensus by 5.7% and accounting for 22% of our full-year net profit estimate. PPOP increased by 2.8% q-q and 19.3% y-y in 1Q24, amounting to THB2.2b due mainly to a continued loan expansion by 2.8% q-q and 20.8% y-y, matching management's guidance of 10-20% y-y. The loan spread was in line with expectations, decreasing by 14bp to 14.80%. Although the cost of funds of 3.17% was lower than our estimate, the loan yield was also lower than our prediction, following its seasonal effect. Fee income moved in line with our estimate (down 9.7% q-q but up 21.3% y-y), with revenue from the insurance brokerage business growing by 22.9% y-y in the quarter, on track with TIDLOR's target. The cost-to-income ratio finished at 54.1%, down from 55.1% in 4Q23.

### Continued positive progress in asset quality

TIDLOR's 1Q24 asset quality showed moderately higher pressure, as the NPL ratio (both loans and HP receivables, particularly the truck segment) finished at 1.63%, up from 1.47% at the end of 2023, aligning with the company's 2024 guidance of 1.40-1.80%. TIDLOR disclosed that the impact was from the debt forbearance expiration, for which the company had suspended assistance since 2023. However, TIDLOR foresees that the trend could finish in 1H24. The 1Q24 credit cost of 3.33% was in line with our estimate. Accordingly, the coverage ratio dropped from 282% by the end of 2023 to 264% due to higher NPLs. However, the proportion of its stage 2 loans remained stable at 16.5%.

### Maintain 2024-26E earnings

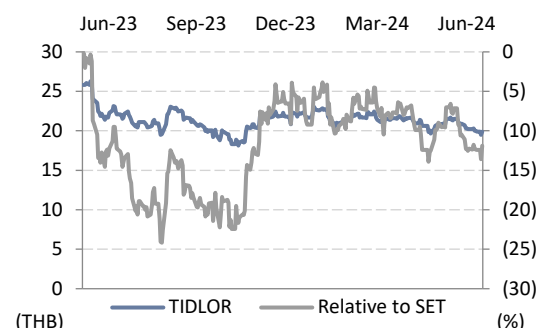
We retain our 2024-26E earnings, with an expected net profit growth of 19.9% CAGR over a 15%-CAGR loan growth, aligning with the continued expansion of 50 branches during 2023 and a target of 100 new ones in 2024. In addition, TIDLOR has one crucial driver from an anticipated growth of c18% p.a. in the non-life insurance brokerage business and a continued reduction in credit cost.

### Maintain our BUY call with a 2024 TP of THB27

We reaffirm our BUY recommendation. Our 2024 GGM-based TP is THB27, implying a 2.39x P/BV (LT-ROE of 15.5% and COE of 10.2%).

### KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Operating profit	4,744	5,839	6,938	8,086
Net profit	3,790	4,671	5,551	6,469
EPS (THB)	1.35	1.60	1.91	2.22
vs Consensus (%)	-	3.9	3.5	3.1
Recurring net profit	3,790	4,671	5,551	6,469
Core EPS (THB)	1.35	1.60	1.91	2.22
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	(7.4)	18.8	18.8	16.5
Core P/E (x)	14.7	12.4	10.4	9.0
Dividend yield (%)	2.0	2.4	2.9	3.4
Price/book (x)	2.0	1.8	1.6	1.4
ROE (%)	14.1	15.4	16.2	16.7
ROA (%)	4.1	4.3	4.5	4.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(7.4)	(6.6)	(23.6)
Relative to country (%)	(5.3)	(5.2)	(12.6)
Mkt cap (USD m)	1,523		
3m avg. daily turnover (USD m)	6.2		
Free float (%)	21		
Major shareholder	Bank of Ayudhya (30%)		
12m high/low (THB)	26.52/17.94		
Issued shares (m)	2,809		

Sources: Bloomberg consensus; FSSIA estimates


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## Investment thesis

We reiterate our BUY call on TIDLOR at the current price due to:

- 1) Leadership and professionalism in the vehicle title loan business, distinguishing TIDLOR from its competitors (MTC and SAWAD). Also, technology-intensive investment coupled with branch expansion helps generate positive results in its branch performance over competitors (both loans and net profit per branch).
- 2) Insurance brokerage business, which offers another source of high-margin income, supports growth and diversifies long-term risks.
- 3) Asset quality that bottomed out in 2Q23 due mainly to proactive and efficient NPL management and the highest coverage ratio relative to peers.

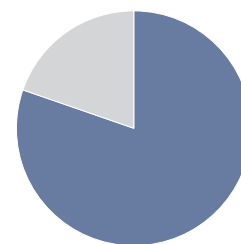
## Company profile

TIDLOR, founded in October 2006, is a non-bank financial services provider and an operator of technology-enabled, inclusive financial services. The company offers a full suite of vehicle title loans (motorcycles, cars, pickup trucks and tractors), hire-purchase financing for used trucks, and insurance brokerages services under the brand "Ngern Tid Lor".

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

## Principal activities (revenue, 1Q24)

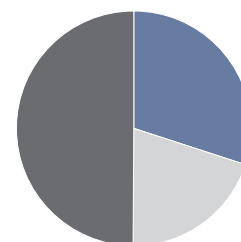
- Net interest income - 80.3 %
- Non-interest income - 19.7 %



Source: Ngern Tid Lor

## Major shareholders

- Bank of Ayudhya - 30.0 %
- Siam Asia Credit Access PTE Ltd - 20.1 %
- Others - 49.9 %



Source: Ngern Tid Lor

## Catalysts

- 1) A faster-than-expected economic recovery in Thailand;
- 2) government stimulus;
- 3) Higher-than-expected growth of non-life insurance premiums.

## 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 X); 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
Aug 2024	2Q24 result announcement

## Key assumptions

	2024E	2025E	2026E
<b>Net profit (THB m)</b>	<b>4,671</b>	<b>5,551</b>	<b>6,469</b>
Net profit growth (%)	15.61	14.48	14.46
Spread (%)	15.28	15.33	15.26
Loan growth (%)	16.12	13.84	13.95
Net interest income growth (%)	22.32	15.44	13.58
Fee growth (%)	17.83	18.00	18.00
NPL ratio (%)	1.53	1.49	1.47
Credit cost (%)	3.29	3.17	3.08
Cost to income (%)	55.50	55.50	55.50

Source: FSSIA estimates

## Earnings sensitivity

		2024E	
<b>Loan growth</b>	<b>±2ppt</b>	<b>14.12</b>	<b>16.12</b>
		(1)	1
<b>Spread (%)</b>	<b>±10bp</b>	<b>15.18</b>	<b>15.28</b>
		(1)	1
<b>Credit cost (bp)</b>	<b>±10bp</b>	<b>319</b>	<b>329</b>
		2	(2)

Source: FSSIA estimates

## Positive view on the restructuring plan

TIDLOR disclosed a resolution of the board of directors meeting approved to propose to the shareholder meeting to approve the plan to restructure the shareholding and management structure (11 Jun 2024) by establishing a holding company, Tid Lor Holdings Plc., to support long-term growth.

The objective is to increase flexibility in lending and insurance brokerage businesses, improve business competitiveness, expand to other related companies, increase business partnership opportunities through mergers and acquisitions, and effectively manage and limit various enterprise risks. TIDLOR also plans to establish a new company under the holding company to increase flexibility in defining business strategies and business operations related to the non-life insurance brokerage business in the form of an InsurTech Platform.

Currently, TIDLOR uses online insurance sales platform technology (Areegator) as a tool for independent insurance brokers to access their insurance sales management system professionally. There is also a digital insurance brokerage platform (heygoody) created for retail customers who want to compare and choose insurance for themselves through online channels.

**Procedure:** Tid Lor Holdings Plc. is to make a tender offer (Tender Offer: TO) for all shares to TIDLOR shareholders by exchanging shares equal to one existing common share of TIDLOR for one ordinary share of Tid Lor Holdings Plc. The new transaction of Tid Lor Holdings PCL is expected to occur during 2H24 (24-45 business days). After making TO, Tid Lor Holdings will be listed on the SET instead of the original TIDLOR, which will be delisted from being a listed security on the SET on the same day (expected to be around 4Q24).

In addition, TIDLOR will transfer its general insurance brokerage business in the InsurTech format to the new company. After the transfer of business related to its insurance brokerage business in the form of InsurTech, Tid Lor Holdings will hold 99.99% of the shares in the new company in order to separate a new business with operating characteristics that differ from the original TIDLOR.

We have a favorable view of TIDLOR's business restructuring plan. However, it will not significantly impact our forecast over the next 1-2 years due to the business of TIDLOR, which is the main income contributor for the group, focusing on vehicle title loans under the brand "Ngern Tid Lor" (82% of total revenues) and insurance brokerage business through branch channels under the brand "Shield Insurance" (18% of total revenue). In this regard, the long-term increment of TIDLOR's business value will depend on the new business, insurance brokerage companies in the form of InsurTech, and other new units. Moreover, the expected spin-off plan to list on the SET has yet to be included in our 2024-26 forecast.

Regarding the trend of dividend payments, Tid Lor Holdings will offer cash dividends rather than the stock dividend that TIDLOR used to pay, with the dividend payout ratio remaining at not less than 20% (we expect an average of 30% p.a.).

## Exhibit 1: TIDLOR – 1Q24 operation summary

	1Q23	2Q23	3Q23	4Q23	1Q24	Change		% of	2024E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	24E	(THB m)	(y-y%)
Interest income	3,567	3,744	4,000	4,233	4,374	3.3	22.6	23	19,067	22.7
Interest expense	(395)	(426)	(484)	(537)	(557)	3.7	40.9	24	(2,305)	25.2
Net interest income	3,172	3,317	3,517	3,696	3,818	3.3	20.3	23	16,761	22.3
Fee income	760	777	822	1,021	922	(9.7)	21.3	23	3,983	17.8
Other income	18	9	11	9	13	47.0	(26.3)	33	40	(15.1)
Total income	3,950	4,103	4,351	4,726	4,752	0.6	20.3	23	20,784	21.3
Operating expenses	(2,120)	(2,270)	(2,409)	(2,602)	(2,569)	(1.3)	21.2	22	(11,535)	22.7
Pre-provision operating profit	1,831	1,833	1,941	2,124	2,183	2.8	19.3	24	9,249	19.7
Expected credit loss	(635)	(670)	(681)	(1,000)	(809)	(19.1)	27.5	24	(3,410)	14.2
Profit after ECL	1,196	1,164	1,260	1,124	1,374	22.2	14.9	24	5,839	23.1
Operating profit	1,196	1,164	1,260	1,124	1,374	22.2	14.9	24	5,839	23.1
Income tax	(241)	(236)	(253)	(223)	(270)	21.1	12.1	23	(1,168)	22.5
<b>Net profit</b>	<b>955</b>	<b>927</b>	<b>1,007</b>	<b>901</b>	<b>1,104</b>	<b>22.5</b>	<b>15.6</b>	<b>24</b>	<b>4,671</b>	<b>23.2</b>
EPS (THB)	0.34	0.33	0.36	0.32	0.39	22.5	15.6	25	1.60	18.8
NPL	1,247	1,344	1,391	1,412	1,607	13.8	28.8		1,704	20.7
Loans	81,693	85,882	90,506	96,020	98,666	2.8	20.8		111,500	16.1
Interest bearing debt	59,872	61,527	64,664	68,980	71,460	3.6	19.4		79,750	15.6
<b>Key ratios</b>	<b>1Q23</b>	<b>2Q23</b>	<b>3Q23</b>	<b>4Q23</b>	<b>1Q24</b>					<b>2024E</b>
	(%)	(%)	(%)	(%)	(%)					(THB m)
Yield on loan	17.66	17.87	18.14	18.16	17.97					18.38
Cost of funds	2.71	2.81	3.07	3.21	3.17					3.10
Spread	14.95	15.06	15.08	14.94	14.80					15.28
Cost to income	53.66	55.32	55.38	55.06	54.06					55.50
Credit cost	3.14	3.20	3.09	4.29	3.33					3.29
NPL / Loan	1.53	1.56	1.54	1.47	1.63					1.53
LLR / Loan	4.12	4.16	4.06	4.15	4.30					3.97
Coverage ratio	269.7	266.0	264.4	282.1	264.1					259.6
D/E (x)	2.4	2.4	2.4	2.5	2.5					2.5
IBD/E (x)	2.3	2.3	2.3	2.4	2.4					2.5
IBD/Total debt (%)	95.8	96.4	96.6	96.2	96.2					96.9
S/T debt/IBD (%)	34.0	37.5	35.6	47.5	43.2					39.6
Loan growth q-q	2.2	5.1	5.4	6.1	2.8					
Loan growth y-y	26.6	23.7	21.4	20.2	20.8					16.1
Loan growth YTD	2.2	7.5	13.3	20.2	2.8					

Sources: TIDLOR, FSSIA estimates

## Exhibit 2: 2024E – FSSIA estimates vs. management guidance

	2023	FSSIA 2024E	TIDLOR 2024E
Loan growth (%)	20.2%	16.1%	10-20%
Non-life insurance premium growth (%)	8,700	10,179	10-20%
NPL ratio (%)	1.47%	1.53%	1.40-1.80%
Credit cost (%)	3.39%	3.29%	3.00-3.50%
Cost to income (%)	54.9%	55.5%	mid 50%

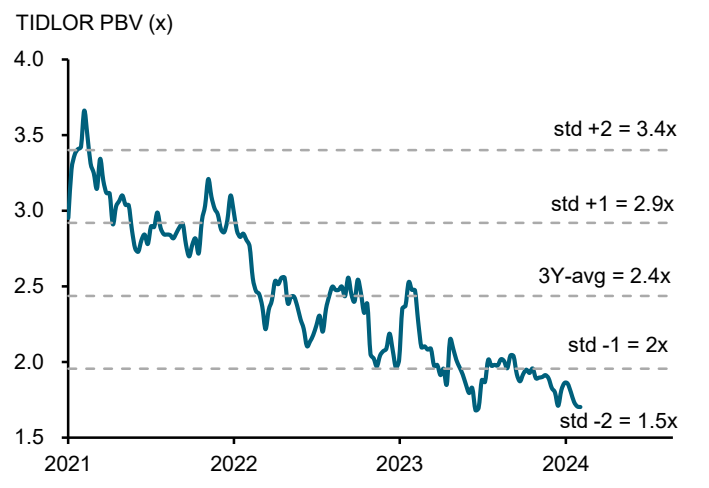
Sources: TIDLOR; FSSIA estimates

## Exhibit 3: GGM-based 2024 TP

Gordon Growth Model	2024E
Sustainable ROE	15.5%
g	6.4%
ROE-g	9.1%
Beta	1.20
Risk free rate	3.0%
Risk premium	6.0%
COE	10.2%
COE-g	3.8%
<b>ROE-g/COE-g (P/BV)</b>	<b>2.39</b>
BVS	11.22
<b>Fair value</b>	<b>27.0</b>

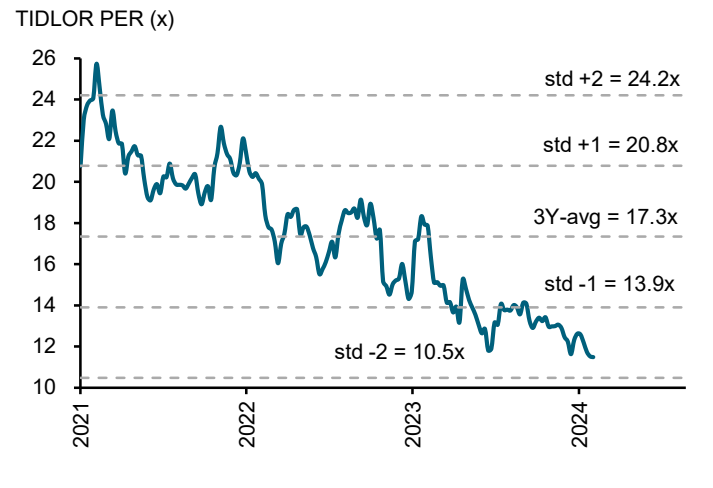
Source: FSSIA estimates

Exhibit 4: TIDLOR – one-year prospective PBV band



Sources: Bloomberg; FSSIA estimates

Exhibit 5: TIDLOR – one-year prospective PER band



Sources: Bloomberg; FSSIA estimates

## Financial Statements

Ngern Tid Lor

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Interest Income	12,532	15,545	19,067	22,085	25,207
Interest expense	(1,235)	(1,842)	(2,305)	(2,737)	(3,231)
Net interest income	11,297	13,703	16,761	19,349	21,976
Net fees & commission	2,710	3,380	3,983	4,700	5,546
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	0	0	0	0	0
Other income	32	47	40	40	40
Non interest income	2,742	3,427	4,023	4,740	5,586
Total income	14,039	17,130	20,784	24,088	27,562
Staff costs	(7,923)	(9,401)	(11,535)	(13,369)	(15,297)
Other operating costs	-	-	-	-	-
Operating costs	(7,923)	(9,401)	(11,535)	(13,369)	(15,297)
Pre provision operating profit	6,116	7,729	9,249	10,719	12,265
Expected credit loss	(1,583)	(2,986)	(3,410)	(3,781)	(4,179)
Other provisions	0	0	0	0	0
Operating profit	4,533	4,744	5,839	6,938	8,086
Recurring non operating income	0	0	0	0	0
Associates	0	0	0	0	0
Goodwill amortization	-	-	-	-	-
Non recurring items	-	-	-	-	-
Profit before tax	4,533	4,744	5,839	6,938	8,086
Tax	(893)	(953)	(1,168)	(1,388)	(1,617)
Profit after tax	3,640	3,790	4,671	5,551	6,469
Non-controlling interest	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	3,640	3,790	4,671	5,551	6,469
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	3,640	3,790	4,671	5,551	6,469
<b>Per share (THB)</b>					
Recurring EPS *	1.46	1.35	1.60	1.91	2.22
Reported EPS	1.46	1.35	1.60	1.91	2.22
DPS	0.75	0.41	0.48	0.57	0.67
<b>Growth</b>					
Net interest income (%)	29.8	21.3	22.3	15.4	13.6
Non interest income (%)	23.4	25.0	17.4	17.8	17.8
Pre provision operating profit (%)	40.0	26.4	19.7	15.9	14.4
Operating profit (%)	14.7	4.6	23.1	18.8	16.5
Reported net profit (%)	14.9	4.1	23.2	18.8	16.5
Recurring EPS (%)	6.7	(7.4)	18.8	18.8	16.5
Reported EPS (%)	6.7	(7.4)	18.8	18.8	16.5
<b>Income Breakdown</b>					
Net interest income (%)	80.5	80.0	80.6	80.3	79.7
Net fees & commission (%)	19.3	19.7	19.2	19.5	20.1
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	0.2	0.3	0.2	0.2	0.1
<b>Operating performance</b>					
Gross interest yield (%)	17.87	17.67	18.38	18.53	18.56
Cost of funds (%)	2.51	2.93	3.10	3.20	3.30
Net interest spread (%)	15.36	14.74	15.28	15.33	15.26
Net interest margin (%)	16.1	15.6	16.2	16.2	16.2
Cost/income(%)	56.4	54.9	55.5	55.5	55.5
Cost/assets(%)	10.5	10.2	10.7	10.9	11.0
Effective tax rate (%)	19.7	20.1	20.0	20.0	20.0
Dividend payout on recurring profit (%)	51.8	30.2	30.2	30.2	30.2
ROE (%)	15.2	14.1	15.4	16.2	16.7
ROE - COE (%)	4.4	3.3	4.6	5.4	5.9
ROA (%)	4.8	4.1	4.3	4.5	4.6
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	2022	2023	2024E	2025E	2026E
Gross customer loans	79,898	96,020	111,500	126,928	144,640
Allowance for expected credit loss	(3,199)	(3,981)	(4,425)	(4,957)	(5,628)
interest in suspense	1,367	1,436	1,695	1,949	2,242
<b>Net customer loans</b>	<b>78,067</b>	<b>93,475</b>	<b>108,770</b>	<b>123,921</b>	<b>141,253</b>
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	0	0	0	0	0
Cash & equivalents	2,191	1,656	689	742	781
Other interesting assets	-	-	-	-	-
Tangible fixed assets	1,686	1,623	1,704	1,789	1,878
Associates	-	-	-	-	-
Goodwill	294	294	300	300	300
Other intangible assets	257	252	255	258	260
Other assets	2,232	2,848	2,930	3,370	3,888
<b>Total assets</b>	<b>84,727</b>	<b>100,148</b>	<b>114,648</b>	<b>130,379</b>	<b>148,361</b>
Customer deposits	3,600	6,643	6,000	6,000	6,000
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	53,013	62,337	73,750	85,300	98,500
Non interest bearing liabilities	2,692	2,745	2,583	2,687	2,801
Hybrid Capital	-	-	-	-	-
<b>Total liabilities</b>	<b>59,305</b>	<b>71,724</b>	<b>82,333</b>	<b>93,987</b>	<b>107,301</b>
Share capital	9,240	10,395	10,780	10,780	10,780
Reserves	16,182	18,028	21,535	25,612	30,279
<b>Total equity</b>	<b>25,422</b>	<b>28,424</b>	<b>32,315</b>	<b>36,393</b>	<b>41,059</b>
Non-controlling interest	0	0	0	0	0
<b>Total liabilities &amp; equity</b>	<b>84,727</b>	<b>100,148</b>	<b>114,648</b>	<b>130,379</b>	<b>148,361</b>
<b>Supplementary items</b>					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	70,118	87,959	103,760	119,214	135,784
Average interest bearing liabilities	49,254	62,796	74,365	85,525	97,900
CET 1 capital	n/a	n/a	n/a	n/a	n/a
Total capital	0	0	0	0	0
Gross non performing loans (NPL)	1,285	1,412	1,704	1,892	2,122
<b>Per share (THB)</b>					
Book value per share	10.18	10.12	11.09	12.49	14.09
Tangible book value per share	9.96	9.92	10.90	12.30	13.90
<b>Growth</b>					
Gross customer loans	32.4	20.2	16.1	13.8	14.0
Average interest earning assets	26.2	25.4	18.0	14.9	13.9
Total asset (%)	27.4	18.2	14.5	13.7	13.8
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	9.1	84.5	(9.7)	-	-
<b>Leverage &amp; capital measures</b>					
Customer loan/deposits (%)	2,168.5	1,407.1	1,812.8	2,065.3	2,354.2
Equity/assets (%)	30.0	28.4	28.2	27.9	27.7
Tangible equity/assets (%)	29.4	27.8	27.7	27.5	27.3
RWA/assets (%)	-	-	-	-	-
CET 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
<b>Asset Quality (FSSIA's calculation)</b>					
Change in NPL (%)	75.5	9.8	20.7	11.0	12.1
NPL/gross loans (%)	1.6	1.5	1.5	1.5	1.5
Allowance for ECL/gross loans (%)	4.0	4.1	4.0	3.9	3.9
Allowance for ECL/NPL (%)	248.9	282.1	259.6	261.9	265.3
<b>Valuation</b>					
Recurring P/E (x) *	13.7	14.7	12.4	10.4	9.0
Recurring P/E @ target price (x) *	18.5	20.0	16.8	14.2	12.2
Reported P/E (x)	13.7	14.7	12.4	10.4	9.0
Dividend yield (%)	3.8	2.0	2.4	2.9	3.4
Price/book (x)	2.0	2.0	1.8	1.6	1.4
Price/tangible book (x)	2.0	2.0	1.8	1.6	1.4
Price/tangible book @ target price (x)	2.7	2.7	2.5	2.2	1.9

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

Sources: Ngern Tid Lor; FSSIA estimates

# Ngern Tid Lor PCL (TIDLOR TB)

FSSIA ESG rating

★ ★

Exhibit 6: FSSIA ESG score implication

36.71 /100

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

Exhibit 7: ESG – peer comparison

	FSSIA	Domestic ratings						Global ratings					Bloomberg		
	ESG score	DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
MTC	68.21	--	Y	Y	5.00	5.00	Certified	Low	42.19	AA	--	58.09	42.00	3.31	--
SAWAD	46.52	--	Y	Y	4.00	5.00	--	Medium	43.97	BB	--	20.18	13.00	1.93	40.04
TIDLOR	36.71	--	--	--	4.00	4.00	Certified	Medium	37.03	--	--	23.69	19.00	1.66	--
SAK	45.28	--	Y	Y	4.00	4.00	Certified	High	40.10	--	--	43.87	--	2.02	36.23
TK	15.00	--	--	--	5.00	5.00	--	--	--	--	--	--	--	--	--
HENG	20.00	--	--	--	5.00	5.00	Certified	--	--	--	--	--	--	--	--
S11	13.00	--	--	--	4.00	4.00	--	--	--	--	--	--	--	--	--
NCAP	18.00	--	--	--	4.00	4.00	Certified	--	--	--	--	--	--	--	--

Sources: SETTRADE.com; FSSIA's compilation

Exhibit 8: ESG score by Bloomberg

FY ending Dec 31	FY 2021	FY 2022
ESG financial materiality scores - ESG score	1.61	1.66
BESG environmental pillar score	0.00	—
BESG social pillar score	1.00	—
BESG governance pillar score	3.67	—
ESG disclosure score	30.71	—
Environmental disclosure score	1.75	—
Social disclosure score	6.59	—
Governance disclosure score	83.59	—
Environmental		
Emissions reduction initiatives	No	No
Climate change policy	No	No
Climate change opportunities discussed	No	No
Risks of climate change discussed	No	No
GHG scope 1	—	2
GHG scope 2 location-based	—	5
GHG Scope 3	—	1
Carbon per unit of production	—	—
Biodiversity policy	No	No
Energy efficiency policy	Yes	No
Total energy consumption	—	8,923
Renewable energy use	—	—
Electricity used	—	9
Fuel used - natural gas	—	—

Sources: Bloomberg; FSSIA's compilation



### Exhibit 9: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No
Waste reduction policy	Yes	No
Hazardous waste	—	0
Total waste	—	0
Waste recycled	—	—
Waste sent to landfills	—	—
Environmental supply chain management	No	No
Water policy	Yes	No
Water consumption	—	21
<b>Social</b>		
Human rights policy	No	No
Policy against child labor	No	No
Quality assurance and recall policy	No	No
Consumer data protection policy	Yes	No
Equal opportunity policy	No	No
Gender pay gap breakout	No	No
Pct women in workforce	—	74
Pct disabled in workforce	—	—
Business ethics policy	Yes	No
Anti-bribery ethics policy	Yes	Yes
Health and safety policy	No	No
Lost time incident rate - employees	—	0
Total recordable incident rate - employees	—	—
Training policy	No	No
Fair remuneration policy	No	No
Number of employees – CSR	—	6,654
Employee turnover pct	—	—
Total hours spent by firm - employee training	—	309,979
Social supply chain management	No	No
<b>Governance</b>		
<b>Board size</b>	<b>12</b>	<b>12</b>
<b>No. of independent directors (ID)</b>	<b>4</b>	<b>4</b>
No. of women on board	1	1
No. of non-executive directors on board	11	11
Company conducts board evaluations	Yes	Yes
No. of board meetings for the year	14	13
Board meeting attendance pct	96	92
Board duration (years)	3	3
Director share ownership guidelines	No	No
Age of the youngest director	30	36
Age of the oldest director	61	62
<b>No. of executives / company managers</b>	<b>9</b>	<b>9</b>
No. of female executives	5	5
Executive share ownership guidelines	No	No
<b>Size of audit committee</b>	<b>3</b>	<b>3</b>
No. of ID on audit committee	3	3
Audit committee meetings	4	4
Audit meeting attendance %	100	100
<b>Size of compensation committee</b>	<b>5</b>	<b>5</b>
No. of ID on compensation committee	1	1
No. of compensation committee meetings	6	7
Compensation meeting attendance %	97	97
<b>Size of nomination committee</b>	<b>5</b>	<b>5</b>
No. of nomination committee meetings	6	7
Nomination meeting attendance %	97	97
<b>Sustainability governance</b>		
Verification type	No	No

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology		Rating																				
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.		Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																				
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.		To be eligible for <b>THSI inclusion</b> , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. <b>SETTHSI Index</b> is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																				
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.		Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																				
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&amp;A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>		The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																				
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>		The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																				
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality &amp; peer reviews.</i>		A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+										
NEGL	Low	Medium	High	Severe																			
0-10	10-20	20-30	30-40	40+																			
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.		The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																				
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="2">Average:</td><td rowspan="2">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td><td rowspan="2">Laggard:</td><td rowspan="2">lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr><tr><td>CCC</td><td>0.000-1.428</td></tr></table>			AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks	CCC	0.000-1.428
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																						
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																						
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																						
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																					
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																					

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "CG Score"; 2) "AGM Level"; 3) "Thai CAC"; and 4) THSI. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.  
Source: FSSIA's compilation

GENERAL DISCLAIMER

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Usanee Liurut, CISA FSS International Investment Advisory Securities Co., Ltd

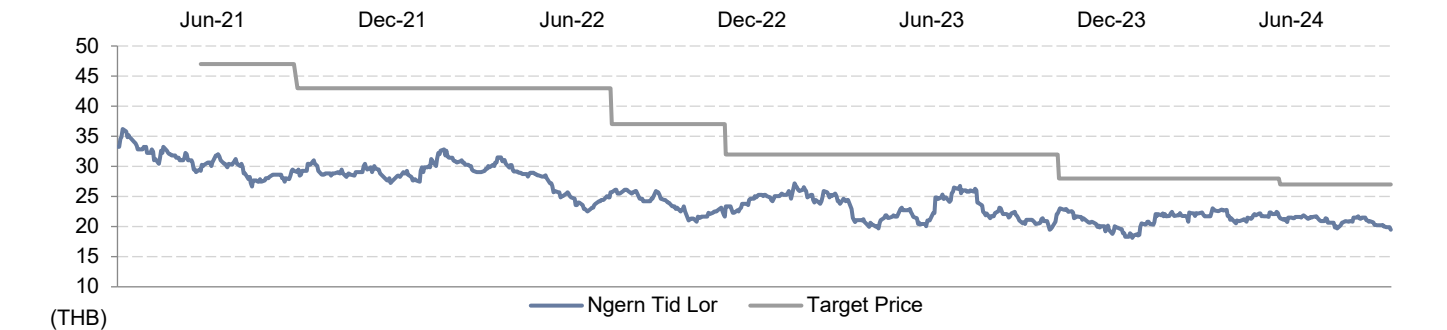
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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
16-Aug-2021	BUY	47.00	04-Aug-2022	BUY	37.00	23-Aug-2023	BUY	28.00
05-Nov-2021	BUY	43.00	10-Nov-2022	BUY	32.00	29-Feb-2024	BUY	27.00

Usanee Liurut, CISA started covering this stock from 23-Aug-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Ngern Tid Lor	TIDLOR TB	THB 19.90	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 X); 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.

All share prices are as at market close on 05-Jun-2024 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.