

ASIA SERMKIJ LEASING
THAILAND / FINANCE & SECURITIES

ASK TB

REDUCE

FROM HOLD

คาดการณ์ 2Q24 หดตัวแรง ด้วยปัญหาคุณภาพสินทรัพย์

- เราคาดว่าผลประกอบการ 2Q24 จะปรับตัวลดลงแรง จากการกลับทิศมาสูงขึ้นอีกครั้งของ ECL
- เราปรับลดประมาณการกำไรปี 2024-26 ของเราเพื่อสะท้อนสถานะคุณภาพสินทรัพย์ที่เสื่อมลงและการเติบโตของสินเชื่อที่ลดลง
- เราปรับลดคำแนะนำเป็น REDUCE หลังลดราคาเป้าหมายเป็น 10.70 บาท

ประมาณการ 2Q24 ที่นำผิดหวังพร้อม ECL ที่คาดว่าจะสูงขึ้น

เราคาดว่า ASK จะรายงานกำไรสุทธิ 2Q24 อยู่ที่ 98 ลบ. ลดลงแรง 43.4% q-q และ 70.8% y-y โดยมีปัจจัยกดดันจากผลขาดทุนทางเครดิตที่คาดว่าจะเกิดขึ้น (ECL) ที่กลับมาเพิ่มสูงขึ้น เราคาดว่ากำไรก่อนหักสำรอง (PPOP) จะอยู่ที่ 754 ลบ. (-2.4% q-q, -10.3% y-y) และคาดว่าสินเชื่อจะหดตัว 1.7% q-q (แต่เพิ่มขึ้น 2.1% y-y) เนื่องจากเงื่อนไขการปล่อยสินเชื่อที่เข้มงวดมากยิ่งขึ้น จะทำให้ปริมาณการปล่อยสินเชื่อใหม่ลดลงราว 40% y-y โดยเฉพาะในกลุ่มสินเชื่อเช่าซื้อรถบรรทุก (67% ใน 1Q24) ด้วยเหตุดังกล่าวเราจึงคาดว่ารายได้ดอกเบี้ยสุทธิ (NII) จะอยู่ที่ 904 ลบ. ลดลง 2.0% q-q และ 4.3% y-y ในขณะที่รายได้ที่ไม่ใช่ดอกเบี้ยสุทธิ (Non-NII) น่าจะลดลงแรงถึง 12.3% q-q และ 29.1% y-y จากรายได้ค่าธรรมเนียมหน้าประกันภัยและค่าธรรมเนียมสินเชื่อที่ลดลงจากการชะลอตัวของสินเชื่อ อย่างไรก็ตามเราคาดว่าสัดส่วนค่าใช้จ่ายในการดำเนินงานต่อรายได้ (Cost-to-income ratio) จะลดลงเหลือ 29.5% จาก 30.6% ใน 1Q24 จากค่านายหน้าที่ลดลง เราคาดว่ากำไรสุทธิในช่วง 1H24 จะคิดเป็น 46% ของประมาณการปี 2024 ของเรา

คุณภาพสินทรัพย์อ่อนตัวลง

เราคาดว่าคุณภาพสินทรัพย์รวมจะอ่อนตัวลงอย่างต่อเนื่องโดยเฉพาะในกลุ่มสินเชื่อเช่าซื้อรถบรรทุกที่ได้รับผลกระทบโดยตรงจากการจับจ่ายใช้สอยภาครัฐที่ล่าช้าโดยเราคาดว่าสัดส่วนหนี้ต่อคุณภาพจะปรับตัวขึ้นเป็น 6.03% จาก 5.17% ใน 1Q24 สูงกว่าเป้าหมายการของ ASK ที่ 5.00% ในปี 2024 นอกจากนี้เราจึงคาดว่าจำนวนรถบรรทุกยึดจะเพิ่มเป็นประมาณ 2,000 คันจากประมาณ 1,700 คันใน 1Q24 ในขณะที่เราคาดว่าผลขาดทุนจากการขายสินทรัพย์ต่อคุณภาพจะอยู่ที่ 315 ลบ. ใน 2Q24 จาก 256 ลบ. ใน 1Q24 ทั้งสองปัจจัยนี้จะกระตุ้นให้ต้นทุนความเสี่ยงในการปล่อยสินเชื่อ (Credit cost) ปรับขึ้นเป็น 3.36% (จาก 2.94% ใน 1Q24) ในขณะที่สัดส่วนสำรองต่อหนี้ต่อคุณภาพ (Coverage ratio) จะลดลงเหลือ 54% จาก 61% ใน 1Q24

ปรับลดประมาณการกำไรปี 2024-26

เราปรับลดประมาณการกำไรปี 2024-26 ของเราลง 21-33% ส่วนมากเพื่อสะท้อนสมมติฐาน Credit cost ที่สูงขึ้นจาก 2.49-2.85% เป็น 2.58-3.13% เมื่อพิจารณาจากมุมมองการฟื้นตัวของคุณภาพสินทรัพย์ที่เป็นลบมากขึ้นในช่วง 2H24 ของเรา ในขณะเดียวกันเราปรับลดประมาณการตัวเลขการเติบโตของสินเชื่อโดยคาดว่าสินเชื่อจะหดตัว 1.9% y-y ในปี 2024 ตามด้วยการเติบโตในระดับปานกลางที่ 5.3% y-y ในช่วง 2025-26 เราคาดว่า Coverage ratio จะอยู่ในช่วง 53-59% ซึ่งต่ำกว่าเป้าหมายยาวของ ASK ที่ 70% อยู่มาก

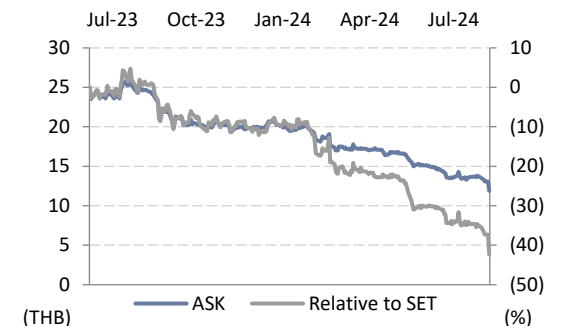
ปรับลดคำแนะนำเป็น REDUCE หลังลดราคาเป้าหมายเป็น 10.70 บาท

เราเชื่อว่าราคาหุ้น ASK ควรซื้อขายในระดับ P/BV ที่ต่ำกว่าค่าเฉลี่ยในอดีต จากความกังวลเกี่ยวกับคุณภาพสินทรัพย์ที่มีอย่างต่อเนื่อง เราปรับลดคำแนะนำเป็น REDUCE จากถือหลังปรับลดราคาเป้าหมายเป็น 10.70 บาท (GGM) คิดเป็นค่า P/BV ที่ 0.53x (จาก 0.88x) ซึ่งสะท้อนสมมติฐานค่า LT ROE ที่ลดลงเหลือ 6.8% (จาก 8.6%) เมื่อเทียบกับราคาเป้าหมาย เราเห็นอัตราส่วนผลตอบแทนต่อความเสี่ยงที่ไม่สมเหตุสมผลระหว่าง Downside จากราคาหุ้นในปัจจุบันกับผลตอบแทนในรูปเงินปันผลปี 2024-26 ที่คาดว่าจะอยู่ที่ 5-7%

TARGET PRICE	THB10.70
CLOSE	THB11.90
UP/DOWNSIDE	-10.1%
PRIOR TP	THB18.00
CHANGE IN TP	-40.6%
TP vs CONSENSUS	-34.5%

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Operating profit	1,529	736	930	1,122
Net profit	1,219	589	744	897
EPS (THB)	2.31	1.12	1.41	1.70
vs Consensus (%)	-	(20.7)	(19.6)	(21.6)
Recurring net profit	1,219	589	744	897
Core EPS (THB)	2.31	1.12	1.41	1.70
Chg. In EPS est. (%)	-	(32.7)	(26.6)	(21.2)
EPS growth (%)	(19.4)	(51.7)	26.4	20.6
Core P/E (x)	5.2	10.7	8.4	7.0
Dividend yield (%)	9.7	4.7	5.9	7.1
Price/book (x)	0.6	0.6	0.6	0.5
ROE (%)	11.7	5.5	6.9	7.9
ROA (%)	1.7	0.8	1.0	1.1



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(12.5)	(28.7)	(52.4)
Relative to country (%)	(12.2)	(26.1)	(44.1)
Mkt cap (USD m)	173		
3m avg. daily turnover (USD m)	0.2		
Free float (%)	40		
Major shareholder	Chailease Holding Co Ltd (48%)		
12m high/low (THB)	26.50/11.70		
Issued shares (m)	528		

Sources: Bloomberg consensus; FSSIA estimates



Usanee Liurut, CISA

Fundamental Investment Analyst on Capital Market; License no. 017928
usanee.l@fssia.com, +66 2646 9967

Maeta Cherdasatirakul

Research Assistant
maeta.c@fssia.com, +66 2646 9971

PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 24 กรกฎาคม 2024

Investment thesis

We have a REDUCE call for ASK over factors including:

- 1) Our expectation on the deteriorating asset quality of its hire-purchase (HP) truck debtors as a result of the firm's aggressive acquisition in the low-quality customer segment in 2023 and the postponed government budgeting in 2024, especially in 1H24.
- 2) ASK should continue to adopt a strict lending policy as a strategy for asset quality control, leading to the expectation of a loan contraction of 1.9% y-y for 2024.
- 3) We expect the firm to encounter a rising level of credit cost in 2024 from both worsening asset quality and higher losses on sales of repossessed trucks, which is largely responsible for our 2024 net profit estimate of a 51.7% y-y drop.

Our GGM-based TP of THB10.70 implies a target P/BV ratio of 0.53x (LT-ROE of 6.8%, COE of 9.8%), exhibiting a downside to the current share price.

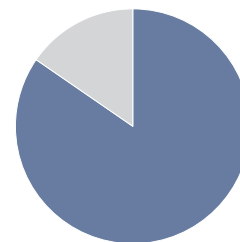
Company profile

Main businesses of the company are hire purchase loans, targeting new and used trucks, and financial leasing, as well as services related to its core businesses.

www.ask.co.th

Principal activities (revenue, 1Q24)

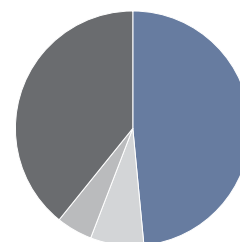
- Net interest income - 84.6 %
- Non-interest income - 15.4 %



Source: Asia Sermkij Leasing PCL

Major shareholders

- Chailease Holding Co Ltd - 48.5 %
- Bangkok Bank PCL - 7.4 %
- BBL Asset Management Co Ltd - 5.0 %
- Others - 39.2 %



Source: Asia Sermkij Leasing PCL

Catalysts

1. Better-than-expected new loan bookings and loan growth.
2. Better-than-expected improvement in asset quality.
3. Lower-than-expected credit cost and losses on NPA sales.
4. Increase in the average price of trucks.

Risks to our call

Upside risks include 1) a better-than-expected macroeconomic improvement; 2) downtrend of the policy rate could reduce cost of funds and enhance interest spreads; and 3) a faster-than-expected decline in ECL expenses.

Event calendar

Date	Event
14 Aug 2024	2Q24 results announcement
23 Aug 2024	Analyst meeting

Key assumptions

	2024E (THB m)	2025E (THB m)	2026E (THB m)
Net profit	589	744	897
Growth y-y %	(51.7)	26.4	20.6
Loan receivables	73,770	77,659	81,759
Growth y-y %	(1.9)	5.3	5.3
Cost-to-income (%)	30.1	31.9	32.8
Credit cost (%)	3.13	2.81	2.58
Loan yield (%)	7.83	7.87	7.88
Cost of funds (%)	3.64	3.70	3.74
Interest spread (%)	4.19	4.16	4.14

Source: FSSIA estimates

Earnings sensitivity

			2024E	
Loan growth (%)	±1ppt	(3.0)	(2.0)	(1.0)
% change in net profit		(2.3)	(2.5)	-
Loan spread (%)	±10bp	4.1	4.2	4.3
% change in net profit		(6.1)	(9.1)	-
Credit cost (bp)	±10bp	303	313	323
% change in net profit		9.6	10.0	-

Source: FSSIA estimates

Exhibit 1: ASK – 2Q24 earnings preview

	2Q23	3Q23	4Q23	1Q24	2Q24E	----- Change -----		1H24E	Change	% of	2024E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(y-y %)	24E	(THB m)	(y-y %)
Interest income	1,403	1,436	1,485	1,474	1,463	(0.8)	4.2	2,937	7.3	50	5,835	3.1
Interest expense	459	504	538	552	559	1.3	21.7	1,111	28.1	48	2,318	21.4
Net interest income	944	932	947	923	904	(2.0)	(4.3)	1,827	(2.3)	52	3,518	(6.2)
Non-interest income	233	210	185	189	165	(12.3)	(29.1)	354	(20.6)	41	869	3.4
Operating income	1,178	1,142	1,132	1,112	1,069	(3.8)	(9.2)	2,181	(5.8)	50	4,387	(4.4)
Operating expenses	337	318	307	340	316	(7.0)	(6.3)	655	(0.3)	50	1,321	3.1
Pre-provisioning operating profit	841	824	825	772	754	(2.4)	(10.3)	1,526	(8.0)	50	3,066	(7.3)
Expected credit loss	419	426	621	554	631	13.8	50.3	1,185	61.7	51	2,330	31.0
Income tax	84	81	43	44	25	(44.2)	(70.9)	69	(63.2)	47	147	(52.5)
Net profit	337	318	161	174	98	(43.4)	(70.8)	272	(63.2)	46	589	(51.7)
EPS (THB)	0.64	0.60	0.31	0.33	0.19	(43.4)	(70.8)	0.52	(63.2)	46	1.12	(51.7)
Key balance sheet items												
Gross loans	72,929	74,567	75,182	75,736	74,426	(1.7)	2.1	74,426	2.1		73,770	(1.9)
Interest bearing debt	62,209	64,104	64,190	64,973	64,777	(0.3)	4.1	64,777	4.1		63,047	(1.8)
Leverage ratios	(x)	(x)	(x)	(x)	(x)			(x)			(x)	
D/E	6.3	6.3	6.3	6.2	6.5			6.5			6.2	
IBD/E	6.1	6.1	6.0	6.0	6.3			6.3			5.9	
Asset quality ratio	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)		(%)	(%)
Gross NPL (THB m)	2,916	3,089	3,539	3,918	4,488	10.7	50.1	4,488	53.9		4,787	35.3
NPL / TL	4.00	4.14	4.71	5.17	6.03			6.03			6.49	
LLR	1,879	1,956	2,205	2,380	2,419	7.9	35.8	2,419	28.7		2,541	15.2
Coverage ratio	64	63	62	61	54			54			53	
Credit cost	2.35	2.31	3.32	2.94	3.36			6.43			3.13	
Profitability ratios	(%)	(%)	(%)	(%)	(%)						(%)	
Cost-to-income ratio	28.63	27.81	27.09	30.55	29.53			30.05			30.11	
Average loan yield	7.86	7.79	7.93	7.82	7.79			7.97			7.83	
Cost of funds	3.05	3.19	3.36	3.42	3.45			3.50			3.64	
Loan yield spreads	4.80	4.60	4.58	4.40	4.35			4.48			4.19	
Net interest margins (NIM)	5.37	5.14	5.15	5.00	4.93			5.06			4.83	
Non-NII / Revenue	19.82	18.37	16.36	16.99	15.47			16.24			19.82	
Loan growth	(%)	(%)	(%)	(%)	(%)							
q-q	4.3	2.2	0.8	0.7	(1.7)							
y-y	16.5	14.3	11.2	8.3	2.1			2.1			(1.9)	
YTD	7.9	10.3	11.2	0.7	(1.0)			(1.0)				

Sources: ASK; FSSIA estimates

Exhibit 2: ASK – Staged loans and ECL

	2021	2022	2023	1Q24	2021	2022	2023	1Q24
	(THB b)	(THB b)	(THB b)	(THB b)	(%)	(%)	(%)	(%)
Staged loans								
Stage 1	51,849	60,667	65,205	64,614	93.0	89.7	86.6	85.2
Stage 2	2,372	4,591	6,514	7,279	4.3	6.8	8.7	9.6
Stage 3	1,508	2,347	3,539	3,918	2.7	3.5	4.7	5.2
Total	55,729	67,605	75,257	75,811	100.0	100.0	100.0	100.0
Allowance for ECL								
Stage 1	527	566	528	505	1.0	0.9	0.8	0.8
Stage 2	301	500	766	863	12.7	10.9	11.8	11.9
Stage 3	505	696	912	1,012	33.5	29.7	25.8	25.8
Total	1,333	1,761	2,205	2,380	2.4	2.6	2.9	3.1
LLR / Loans	(%)	(%)	(%)	(%)				
Stage 1	1.0	0.9	0.8	0.8				
Stage 2	12.7	10.9	11.8	11.9				
Stage 3	33.5	29.7	25.8	25.8				
Total	2.4	2.6	2.9	3.1				
	(%)	(%)	(%)	(%)				
NPL / TL	2.7	3.5	4.7	5.2				
NPL vs Stage 2 loans / TL	7.0	10.3	13.4	14.8				
LLR / NPL	88	75	62	61				
LLR / (NPL vs Stage 2)	34	25	22	21				

Sources: ASK; FSSIA's compilation

Exhibit 3: 2024-26E earnings revisions

	New			Previous			Change		
	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (%)	2025E (%)	2026E (%)
Net profit	589	744	897	875	1,014	1,139	(32.7)	(26.6)	(21.2)
Growth y-y %	(51.7)	26.4	20.6	(28.2)	15.9	12.3			
Loan receivables	73,770	77,659	81,759	79,255	85,560	92,368	(6.9)	(9.2)	(11.5)
Growth y-y %	(1.9)	5.3	5.3	5.4	8.0	8.0			
Gross NPL	4,787	4,834	4,742	4,132	4,249	4,376	15.8	13.8	8.4
Growth y-y %	35.3	1.0	(1.9)	16.8	2.8	3.0			
	(%)	(%)	(%)	(%)	(%)	(%)			
NPL / TL	6.49	6.22	5.80	5.21	4.97	4.74			
LLR / NPL	53.08	54.91	59.34	58.42	60.69	63.00			
Cost-to-income	30.11	31.90	32.83	28.96	29.97	30.50			
Credit cost	3.13	2.81	2.58	2.85	2.61	2.49			
Loan yield	7.83	7.87	7.88	7.94	7.94	7.95			
Cost of funds	3.64	3.70	3.74	3.58	3.66	3.71			
Interest spread	4.19	4.16	4.14	4.36	4.28	4.24			
D/E	6.23	6.19	6.20	6.40	6.63	6.78			
IBD/E	5.98	5.94	5.96	6.15	6.39	6.55			

Source: FSSIA estimates

Exhibit 4: ASK – GGM-based 2024 TP

	New (%)	Previous (%)
Sustainable ROE	6.8	8.6
Terminal growth	3.4	3.9
Risk-free	3.0	3.0
Expected market return	8.0	8.0
Market risk premium	5.0	5.0
Cost of equity	9.8	9.3
Beta	1.4	1.3
Target PBV (x)	0.53	0.88
Fair price (THB)	10.70	18.00

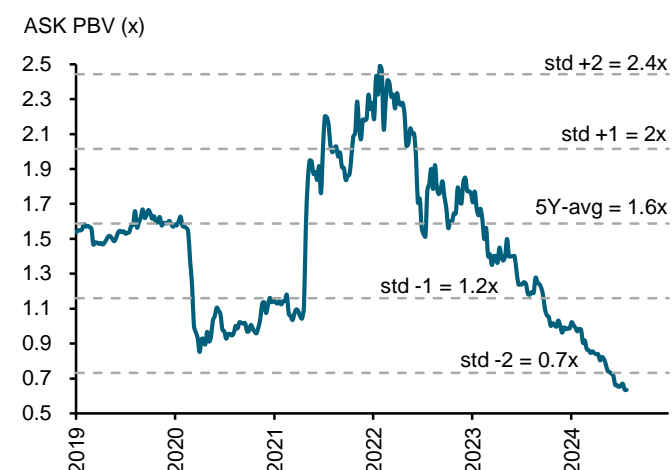
Source: FSSIA estimates

Exhibit 5: Share price performance of non-banks under coverage, as of 23 July 2024

	Price performance				
	1M (%)	3M (%)	6M (%)	1Y (%)	YTD (%)
TIDLOR TB	(12.8)	(21.3)	(22.5)	(20.6)	(24.9)
MTC TB	(11.3)	(13.7)	(8.2)	12.9	(12.8)
SAWAD TB	(3.5)	(6.5)	(2.9)	(20.0)	(7.7)
AEONTS TB	(15.7)	(32.3)	(27.9)	(30.6)	(31.3)
KTC TB	(8.3)	(9.4)	(13.4)	(16.7)	(10.9)
SAK TB	(7.4)	(1.0)	22.5	4.2	20.2
ASK TB	(15.9)	(31.0)	(41.1)	(52.8)	(41.7)
THANI TB	(11.2)	(18.4)	(15.2)	(32.0)	(15.8)
JMT TB	(23.1)	(46.9)	(49.8)	(69.7)	(55.7)
BAM TB	(12.8)	(29.2)	(16.0)	(35.2)	(16.6)
CHAYO TB	(21.1)	(40.5)	(47.9)	(59.5)	(49.4)
SETFIN	(11.5)	(20.1)	(21.3)	(28.2)	(23.5)
SET	(1.4)	(4.6)	(6.0)	(14.8)	(8.3)

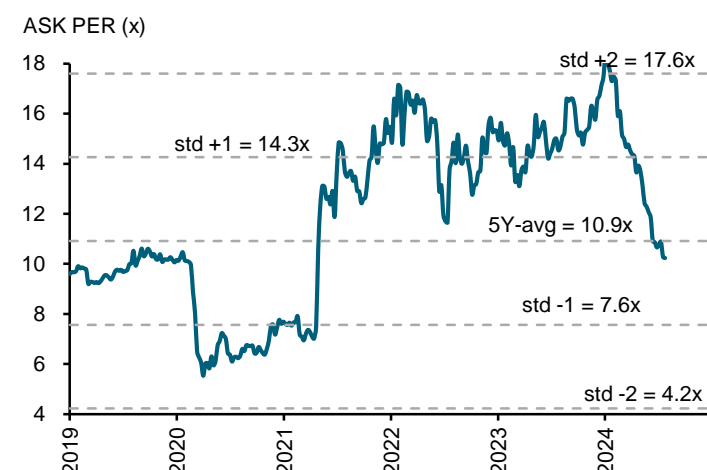
Source: Bloomberg

Exhibit 6: ASK – one-year prospective P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 7: ASK – one-year prospective PER band



Sources: Bloomberg; FSSIA estimates

Exhibit 8: Peers comparison, as of 23 July 2024

Company name	BBG code	Rec	Share price (LCY)	Target price (LCY)	Up side (%)	PE 24E (x)	PE 25E (x)	PBV 24E (x)	PBV 25E (x)	ROE 24E (%)	ROE 25E (%)	Div yld 24E (x)	Div yld 25E (x)
Auto title													
Muangthai Capital	MTC TB	BUY	38.50	50.00	29.9	13.0	10.4	2.2	1.8	18.1	19.0	0.7	0.9
Srisawad Corp	SAWAD TB	HOLD	34.00	40.00	17.6	9.4	8.3	1.7	1.4	18.4	18.2	1.1	1.2
Ngern Tid Lor	TIDLOR TB	BUY	16.30	21.00	28.8	10.2	8.6	1.5	1.3	15.4	16.2	3.0	3.5
Saksiam Leasing	SAK TB	HOLD	5.10	5.28	3.6	12.9	11.3	1.7	1.6	13.7	14.4	3.3	3.7
Unsecured finance													
AEON Thana Sinsap (Thailand)	AEONTS TB	HOLD	109.00	145.00	33.0	8.4	7.9	1.0	1.0	12.8	12.6	5.0	5.3
Krungthai Card	KTC TB	HOLD	38.75	40.00	3.2	13.0	12.5	2.5	2.3	20.3	19.0	3.5	3.6
Hire-purchase truck													
Asia Sermkij Leasing	ASK TB	REDUCE	11.90	10.70	(10.1)	10.7	8.4	0.6	0.6	5.5	6.9	4.7	5.9
Ratchthani Leasing	THANI TB	HOLD	2.04	2.28	11.8	9.2	8.9	0.9	0.9	10.1	10.0	6.0	6.2
AMCs													
Bangkok Commercial Asset Mgmt.	BAM TB	HOLD	6.75	8.75	29.6	12.3	11.5	0.5	0.5	4.1	4.3	5.5	5.7
JMT Network services	JMT TB	HOLD	11.20	17.00	51.8	10.0	8.3	0.6	0.6	6.1	7.2	6.0	7.3
Chayo Group	CHAYO TB	HOLD	2.74	4.20	53.3	10.7	6.9	0.8	0.7	8.1	11.1	2.4	2.2
Average						10.9	9.4	1.3	1.1	12.1	12.6	4.1	4.1

Noted: The Chairman of The Board of Directors of Finansia Syrus Securities PCL is also AEONTS's Director.

Sources: Bloomberg; FSSIA estimates

Financial Statements

Asia Sermkij Leasing PCL

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Interest Income	4,863	5,658	5,835	5,956	6,280
Interest expense	(1,336)	(1,910)	(2,318)	(2,390)	(2,529)
Net interest income	3,527	3,748	3,518	3,566	3,752
Net fees & commission	638	658	628	657	688
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	-	-	-	-	-
Other income	123	183	241	266	292
Non interest income	761	841	869	923	980
Total income	4,288	4,589	4,387	4,489	4,732
Staff costs	(772)	(908)	(953)	(1,049)	(1,153)
Other operating costs	(355)	(373)	(367)	(383)	(400)
Operating costs	(1,127)	(1,281)	(1,321)	(1,432)	(1,554)
Pre provision operating profit	3,161	3,308	3,066	3,057	3,178
Expected credit loss	(1,265)	(1,779)	(2,330)	(2,126)	(2,057)
Other provisions	-	-	-	-	-
Operating profit	1,896	1,529	736	930	1,122
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	1,896	1,529	736	930	1,122
Tax	(384)	(310)	(147)	(186)	(224)
Profit after tax	1,512	1,219	589	744	897
Non-controlling interest	-	-	-	-	-
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	1,512	1,219	589	744	897
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	1,512	1,219	589	744	897
Per share (THB)					
Recurring EPS *	2.86	2.31	1.12	1.41	1.70
Reported EPS	2.86	2.31	1.12	1.41	1.70
DPS	1.14	1.16	0.56	0.70	0.85
Growth					
Net interest income (%)	27.4	6.3	(6.2)	1.4	5.2
Non interest income (%)	25.5	10.5	3.4	6.1	6.2
Pre provision operating profit (%)	35.9	4.6	(7.3)	(0.3)	4.0
Operating profit (%)	25.6	(19.4)	(51.9)	26.4	20.6
Reported net profit (%)	25.7	(19.4)	(51.7)	26.4	20.6
Recurring EPS (%)	25.7	(19.4)	(51.7)	26.4	20.6
Reported EPS (%)	25.7	(19.4)	(51.7)	26.4	20.6
Income Breakdown					
Net interest income (%)	82.3	81.7	80.2	79.4	79.3
Net fees & commission (%)	14.9	14.3	14.3	14.6	14.5
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	2.9	4.0	5.5	5.9	6.2
Operating performance					
Gross interest yield (%)	8.00	8.06	8.01	8.07	8.08
Cost of funds (%)	2.65	3.17	3.64	3.70	3.74
Net interest spread (%)	5.35	4.89	4.37	4.37	4.34
Net interest margin (%)	5.8	5.3	4.8	4.8	4.8
Cost/income(%)	26.3	27.9	30.1	31.9	32.8
Cost/assets(%)	1.8	1.7	1.7	1.8	1.9
Effective tax rate (%)	20.3	20.3	20.0	20.0	20.0
Dividend payout on recurring profit (%)	39.8	50.2	50.0	50.0	50.0
ROE (%)	15.5	11.7	5.5	6.9	7.9
ROE - COE (%)	5.8	1.9	(4.2)	(2.9)	(1.8)
ROA (%)	2.4	1.7	0.8	1.0	1.1
RORWA (%)	-	-	-	-	-

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Asia Sermkij Leasing PCL ; FSSIA estimates

Financial Statements

Asia Sermkij Leasing PCL

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Gross customer loans	67,538	75,182	73,770	77,659	81,759
Allowance for expected credit loss	(1,761)	(2,205)	(2,541)	(2,654)	(2,814)
interest in suspense	68	75	82	89	96
Net customer loans	65,844	73,052	71,311	75,093	79,040
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	-	-	-	-	-
Cash & equivalents	747	666	616	572	730
Other interesting assets	0	0	0	0	0
Tangible fixed assets	743	2,048	2,656	2,285	1,947
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	61	45	46	47	47
Other assets	1,753	1,718	1,744	1,770	1,796
Total assets	69,149	77,529	76,373	79,766	83,561
Customer deposits	-	-	-	-	-
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	56,169	64,190	63,047	65,981	69,239
Non interest bearing liabilities	2,725	2,681	2,691	2,701	2,712
Hybrid Capital	-	-	-	-	-
Total liabilities	58,894	66,870	65,738	68,682	71,951
Share capital	2,639	2,639	2,639	2,639	2,639
Reserves	7,615	8,019	7,996	8,446	8,971
Total equity	10,255	10,659	10,635	11,085	11,610
Non-controlling interest	0	0	0	0	0
Total liabilities & equity	69,149	77,529	76,373	79,766	83,561
Supplementary items					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	60,803	70,155	72,823	73,796	77,718
Average interest bearing liabilities	50,364	60,179	63,618	64,514	67,610
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)	2,347	3,539	4,787	4,834	4,742
Per share (THB)					
Book value per share	19.43	20.19	20.15	21.00	22.00
Tangible book value per share	19.31	20.11	20.06	20.91	21.91
Growth					
Gross customer loans	21.3	11.3	(1.9)	5.3	5.3
Average interest earning assets	22.9	15.4	3.8	1.3	5.3
Total asset (%)	22.0	12.1	(1.5)	4.4	4.8
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	-	-	-	-	-
Leverage & capital measures					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	14.8	13.7	13.9	13.9	13.9
Tangible equity/assets (%)	14.7	13.7	13.9	13.8	13.8
RWA/assets (%)	-	-	-	-	-
CET 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
Asset Quality (FSSIA's calculation)					
Change in NPL (%)	55.6	50.8	35.3	1.0	(1.9)
NPL/gross loans (%)	3.5	4.7	6.5	6.2	5.8
Allowance for ECL/gross loans (%)	2.6	2.9	3.4	3.4	3.4
Allowance for ECL/NPL (%)	75.0	62.3	53.1	54.9	59.3
Valuation					
Recurring P/E (x) *	4.2	5.2	10.7	8.4	7.0
Recurring P/E @ target price (x) *	3.7	4.6	9.6	7.6	6.3
Reported P/E (x)	4.2	5.2	10.7	8.4	7.0
Dividend yield (%)	9.6	9.7	4.7	5.9	7.1
Price/book (x)	0.6	0.6	0.6	0.6	0.5
Price/tangible book (x)	0.6	0.6	0.6	0.6	0.5
Price/tangible book @ target price (x)	0.6	0.5	0.5	0.5	0.5
* Pre-exceptional, pre-goodwill and fully diluted					

Sources: Asia Sermkij Leasing PCL ; FSSIA estimates

Asia Sermkij Leasing PCL (ASK TB)

FSSIA ESG rating



25.25 /100

Exhibit 9: FSSIA ESG score implication

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.

Source: FSSIA estimates

Exhibit 10: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		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
ASK	25.25	--	--	--	4.00	5.00	Certified	Medium	--	--	--	--	--	--	--
MTC	68.21	--	Y	Y	5.00	5.00	Certified	Low	42.19	AA	--	58.09	42.00	3.31	--
SAK	45.28	--	Y	Y	4.00	4.00	Certified	High	40.10	--	--	43.87	--	2.02	36.23
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	--

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation

Exhibit 11: ESG disclosure from the company's one report

FY ending Dec 31	FY 2022	FY ending Dec 31	FY 2022
Environmental		Governance	
Climate change policy	Yes	Board size / Independent directors (ID) / Female	12 / 5 / 2
Climate change opportunities discussed	--	No. of board meetings for the year / % attendance	7 / 90.48%
GHG scope 2 location-based policy	Yes	Company conducts board evaluations	Yes
Biodiversity policy	--	Number of non-executive directors on board	11
Energy efficiency policy	Yes	Director share ownership guidelines	No
Electricity used	Yes	Board age limit	No
Fuel used - crude oil/diesel	--	Age of the youngest / oldest director	50 / 75
Waste reduction policy	Yes	Number of executives / female	7 / 0
Water policy	Yes	Executive share ownership guidelines	No
Water consumption	3,557	Size of audit committee / ID	4 / 4
Social		Audit committee meetings	4
Human rights policy	Yes	Audit committee meeting attendance (%)	100
Policy against child labor	--	Size of compensation committee	-- / --
Quality assurance and recall policy	Yes	Number of compensation committee meetings	--
Consumer data protection policy	Yes	Compensation committee meeting attendance (%)	--
Equal opportunity policy	Yes	Size of nomination committee / ID	-- / --
Gender pay gap breakout	--	Number of nomination committee meetings	--
Pct women in workforce	53.64	Nomination committee meeting attendance (%)	--
Business ethics policy	Yes	Board compensation (THB m)	7.02
Anti-bribery ethics policy	Yes	Auditor fee (THB m)	4.40
Health and safety policy	Yes	(EY OFFICE LIMITED)	
Lost time incident rate - employees	--		
Training policy	Yes		
Fair remuneration policy	Yes		
Number of employees - CSR	--		
Total hours spent by firm - employee training	--		
Social supply chain management	--		

Source: 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 THSI inclusion , 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. SETTHSI Index 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&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 & 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="3">Average:</td><td rowspan="3">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></tr><tr><td>CCC</td><td>0.000-1.428</td><td>Laggard:</td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</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	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks	
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																					
CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks																			
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; >25 to 50 = satisfactory; >50 to 75 = good; and >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

ANALYST(S) CERTIFICATION

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.

This report has been prepared by FSS International Investment Advisory Securities Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSSIA makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSSIA has no intention to solicit investors to buy or sell any security in this report. In addition, FSSIA does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

Company	Ticker	Price	Rating	Valuation & Risks
Asia Sermkij Leasing PCL	ASK TB	THB 11.90	REDUCE	Upside risks include 1) a better-than-expected macroeconomic improvement; 2) downtrend of policy rate could reduce cost of funds and enhance interest spreads; and 3) a faster-than-expected decline in ECL expense.
Krungthai Card	KTC TB	THB 38.75	HOLD	Downside risks are: 1) regulatory actions to curb industry growth; 2) a higher-than-expected policy rate; and 3) deteriorating asset quality. Upside risks are: 1) better-than-estimated economic improvement; 2) stronger-than-estimated improvement in the overall asset quality; and 3) less pressure from the market yield and cost of funds.
Muangthai Capital	MTC TB	THB 50.00	BUY	Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; and 2) changes in financial regulations by the Bank of Thailand and the Office of Consumer Protection Board.
Saksiam Leasing	SAK TB	THB 5.10	HOLD	Upside risks to our GGM-derived TP include 1) loan expansion on a broad-based economic recovery; 2) a reduction in cost of funds due to the downward interest rate trend; and 3) an accelerated decrease in credit costs on rising consumer purchasing power. Downside risks include 1) competition from existing and new players; 2) regulatory changes by the BoT; and 3) slower-than-expected reduction in cost of funds due to a shift toward more long-term loans.
Aeon Thana Sinsap (Thailand) AEONTS TB		THB 109.00	HOLD	Downside risks are: 1) regulatory actions to curb industry growth; 2) a higher-than-expected policy rate; and 3) deteriorating asset quality. Upside risks are: 1) better-than-estimated economic improvement; 2) stronger-than-estimated improvement in the overall asset quality; and 3) less pressure from the market yield and cost of funds.
Ngern Tid Lor	TIDLOR TB	THB 16.30	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.
Srisawad Corp	SAWAD TB	THB 34.00	HOLD	Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; and 2) changes in financial regulations by the Bank of Thailand and the Office of Consumer Protection Board. Upside risks include 1) a faster-than-expected decline in losses on sales of repossessed cars for SCAP; and 2) an interest rate downtrend could push its interest spread.
Ratchthani Leasing	THANI TB	THB 2.04	HOLD	Downside risks to our GGM-derived TP include 1) an economic slowdown, especially for logistics activities and private investment; 2) deteriorating asset quality; and 3) changes in financial regulations from the Bank of Thailand. Upside risks include 1) a better-than-expected macroeconomic improvement; 2) a downtrend in the policy rate could reduce cost of funds and enhance interest spreads; and 3) a faster-than-expected decline in ECL expense.
JMT Network Services	JMT TB	THB 11.20	HOLD	Downside risks to our P/BV-based TP include 1) lower cash collection from both debt management and debt tracking collection services; and 2) higher-than-expected funding costs and operating expenses. Upside risks include 1) better-than-expected purchasing power and cash collection 2) lower-than-expected operating and financing expense
Bangkok Commercial Asset Mngt.	BAM TB	THB 6.75	HOLD	Downside risks to our NAV-based TP include 1) lower cash collection than estimated; 2) lower-than-expected bad debt acquisition; and 3) a slowdown in the property market. Upsides include 1) better-than-expected economic conditions and debt repayment momentum; and 2) an acceleration in the demand for NPAs.
Chayo Group	CHAYO TB	THB 2.74	HOLD	Downside risks to our GGM-based TP include 1) lower-than-expected bad debt acquisition; and 2) higher-than-expected operating expenses. Upside risks include 1) better-than-expected cash collection performance and lower pressure from ECL, 2) stronger-than-expected loan growth, and 3) better cost control than expected.

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 23-Jul-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.