

## 2Q24 results at first glance

## กำไร 2Q24 สูงกว่าคาด 3%

MTC รายงานกำไรสุทธิ 2Q24 อยู่ที่ 1.44 พัน ลบ. (+3.9% q-q, +20.3% y-y) สูงกว่าที่เราและตลาดคาด 3% โดยมีปัจจัยหนุนสำคัญอยู่ที่รายได้ดอกเบี้ยสุทธิที่สูงขึ้นและผลขาดทุนทางเครดิตที่คาดว่าจะเกิดขึ้น (ECL) และต้นทุนความเสี่ยงในการปล่อยสินเชื่อ (Credit cost) ที่ลดลง นอกจากนี้กำไรก่อนหักสำรองยังเพิ่ม 2.6% q-q และ 10.3% y-y เป็น 2.95 พัน ลบ. คุณภาพสินทรัพย์ดีกว่าที่คาดในด้าน Credit cost สัดส่วนหนี้ต่อคุณภาพ (NPL ratio) และสัดส่วนสำรองหนี้ต่อคุณภาพ (NPL coverage ratio) ในช่วง 1H24 กำไรสุทธิเพิ่ม 24.8% y-y เป็น 2.83 พัน ลบ. คิดเป็น 45% ของประมาณการกำไรสุทธิในปี 2024 ของเรา แนวโน้ม 2H24 ยังเป็นทิศทางบวก โดยมีปัจจัยหนุนจาก 1) ปัจจัยด้านฤดูกาลในธุรกิจสินเชื่อและ 2) Credit cost และอัตราส่วนค่าใช้จ่ายในการดำเนินงานต่อรายได้ (Cost-to-income ratio) ที่ลดลง

เราคงประมาณการปี 2024-26 ของเราและคำแนะนำซื้อ ราคาเป้าหมายปี 2024 ของเราอยู่ที่ 50 บาท (GGM) ซึ่งคิดเป็นค่า P/BV อยู่ที่ 2.82x ภายใต้สมมติฐานค่า L-T ROE ที่ 18.6% และ COE ที่ 10.0%

## Highlights

(+) สินเชื่อ: สินเชื่อเติบโต 4.9% q-q, 16.5% y-y, และ 8.0% YTD สอดคล้องกับเป้าประมาณการในปี 2024 ของ MTC ที่ 15-20% y-y แม้จะมีปัจจัยกดดันในระดับมหภาคหลายประการและการขายหนี้เท่ากับใน 1Q24 ที่ประมาณ 900 ลบ. โดยปัจจัยหนุนการเติบโตสำคัญยังคงเป็นสินเชื่อประเภทมีหลักทรัพย์ค้ำประกัน (+5.1% q-q, +18.0% y-y, และ +8.7% YTD) ประกอบด้วยสินเชื่อสำหรับยานยนต์ 2 และ 4 ล้อรวมถึงสินเชื่อโฉนดที่ดิน ในขณะที่สินเชื่อประเภทไม่มีหลักทรัพย์ค้ำประกันอันประกอบด้วยสินเชื่อบุคคลและ Nano-finance จะลดตัว นอกจากนี้การเข้าซื้อรถจักรยานยนต์ยังหดตัวต่อเนื่องตามสภาวะตลาดที่ไม่เอื้ออำนวยและลักษณะความเสี่ยงของลูกค้ำที่สูงขึ้นซึ่งทำให้สัดส่วนสินเชื่อประเภทดังกล่าวลดลงเหลือ 2.7% ณ สิ้น 2Q24 เทียบกับระดับสูงสุดที่ 5.5% ใน 2Q22

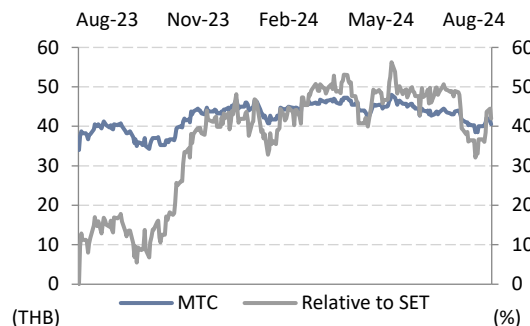
(+) รายได้ดอกเบี้ยสุทธิ (NII) และ Spread: ใน 2Q24 NII สูงกว่าที่คาดเล็กน้อยโดยเพิ่มขึ้น 2.5% q-q และ 10.5% y-y นอกจากนี้ Loan spread ยังดีกว่าคาดแม้ว่าจะหดตัว 34bp เป็น 13.54% โดยได้ปัจจัยหนุนจาก Loan yield ที่ดีกว่าคาดแม้ว่าสัดส่วนสินเชื่อโฉนดที่ดินซึ่งมีอัตรากำไรต่ำจะสูงขึ้น อย่างไรก็ตามต้นทุนในการกู้ยืมเพิ่มขึ้นใกล้เคียงกับประมาณการซึ่งทำให้ตัวเลขในช่วง 1H24 อยู่ที่ 4.10% สอดคล้องกับเป้าประมาณการในปี 2024 ของ MTC ที่ 4.00-4.20%

สัดส่วนหนี้มีดอกเบี้ยจ่ายต่อทุน (IBD/E) และสัดส่วนหนี้สินต่อทุน (D/E) เพิ่มเล็กน้อยเป็น 3.60x (เทียบกับ 3.51x ใน 1Q24) และ 3.68x (เทียบกับ 3.60x ใน 1Q24) ตามลำดับส่วนมากจากการออกหุ้นกู้ใหม่มูลค่า 13.6 พัน ลบ. เพื่อสนับสนุนหุ้นกู้ที่จะครบกำหนด 12.1 พัน ลบ. ในช่วง 2Q-3Q24 ในส่วนของเงินกู้ระยะยาวจากสถาบันการเงิน สัดส่วนเงินกู้เป็นเงินเหรียญสหรัฐ เพิ่มเป็น 31% ของยอดรวมเทียบกับ 19% ณ สิ้นปี 2023 ในขณะที่เงินเยนของญี่ปุ่นและยูโรค่อนข้างทรงตัวที่ 9% และ 5% ตามลำดับ ทั้งนี้เงินกู้ทั้งหมดมีการประกันความเสี่ยงทั้งในด้านอัตราดอกเบี้ยและอัตราแลกเปลี่ยน

TARGET PRICE	THB50.00
CLOSE	THB40.50
UP/DOWNSIDE	+23.5%
TP vs CONSENSUS	0.0%

## KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Operating profit	6,126	7,866	9,822	11,448
Net profit	4,906	6,292	7,858	9,159
EPS (THB)	2.31	2.97	3.71	4.32
vs Consensus (%)	-	6.8	12.5	8.5
Recurring net profit	4,906	6,292	7,858	9,159
Core EPS (THB)	2.31	2.97	3.71	4.32
EPS growth (%)	(3.7)	28.2	24.9	16.6
Core P/E (x)	17.5	13.6	10.9	9.4
Dividend yield (%)	0.5	0.7	0.8	1.0
Price/book (x)	2.7	2.3	1.9	1.6
ROE (%)	16.1	18.1	19.0	18.7
ROA (%)	3.5	3.9	4.1	4.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(7.4)	(10.0)	17.4
Relative to country (%)	(4.7)	(3.2)	41.0
Mkt cap (USD m)	2,417		
3m avg. daily turnover (USD m)	10.0		
Free float (%)	21		
Major shareholder	Petaumpai Family (67%)		
12m high/low (THB)	48.50/33.75		
Issued shares (m)	2,120		

Sources: Bloomberg consensus; FSSIA estimates



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(-) ค่าธรรมเนียมและรายได้อื่น: ใน 2Q24 ค่าธรรมเนียมและรายได้อื่นต่ำกว่าคาดโดยลดลง 9.2% q-q และ 12.3% y-y ส่วนมากจากค่าธรรมเนียมสินเชื่อที่ลดลง (85% ของยอดรวม) ในขณะที่รายได้จากการเป็นนายหน้าขายประกัน (11%) ขยายตัว 3.9% q-q และ 5.3% y-y

(0) ค่าใช้จ่ายในการดำเนินงานใน 2Q24 เพิ่มขึ้นตามคาด เนื่องจากการเปิดสาขาใหม่ที่ลดลงใน 2Q24 (192 แห่งเทียบกับ 251 แห่งใน 1Q24) และไม่มีการจ่าย incentive พิเศษให้กับพนักงานเกษียณ ทำให้ cost-to-income ratio ลดลงมาที่ 47.5% โดยใน 1H24 ที่ 47.6% ยังสอดคล้องกับ guidance ปี 2024 ที่ 46-47% และ 46.9% ที่เราคาด

(+) คุณภาพสินทรัพย์แข็งแกร่งขึ้นใน 2Q24 โดย NPL ratio และ Credit costs ต่ำกว่าคาดเท่ากับ 2.90% และ 3.08% ตามลำดับ ส่วน NPL coverage ratio สูงกว่าคาด อยู่ที่ 125.5% ตัวชี้วัดส่วนใหญ่สอดคล้องกับ guidance ปี 2024 ของMTC คือ NPL ratio < 3.20% และ Credit costs < 3.50% อย่างไรก็ตาม การขาดทุนจากการต่อจ่ายของสินทรัพย์การเงินและลูกหนี้เช่าซื้อยังคงเพิ่มขึ้น แต่การลดลงของค่าใช้จ่าย ECLs สามารถชดเชยและนำไปสู่การลดลงของ Credit costs นอกจากนี้ สินเชื่อ stage 2 ลดลงเล็กน้อยทั้ง q-q และ y-y คิดเป็น 6.0% ของสินเชื่อรวมจาก 6.3% ใน 1Q24 และ 7.0% ใน 2Q23.

**Exhibit 1: MTC – 2Q24 operating summary**

	2Q23	3Q23	4Q23	1Q24	2Q24	---- Change ----		1H24	Change	% of	2024E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(y-y%)	2024E	(THB m)	(y-y%)
Interest income	5,754	6,063	6,287	6,353	6,580	3.6	14.4	12,933	16.0	46	27,968	19.0
Interest expense	(909)	(1,004)	(1,096)	(1,130)	(1,227)	8.6	35.1	(2,358)	34.2	45	(5,240)	35.9
Net interest income	4,845	5,059	5,191	5,223	5,353	2.5	10.5	10,576	12.6	47	22,727	15.7
Fee and other income	287	236	269	278	252	(9.2)	(12.3)	530	1.7	48	1,096	6.8
Total income	5,132	5,295	5,459	5,500	5,605	1.9	9.2	11,105	12.0	47	23,823	15.3
Operating expenses	(2,463)	(2,391)	(2,496)	(2,630)	(2,660)	1.1	8.0	(5,290)	9.9	47	(11,182)	15.3
PPOP before taxes	2,669	2,904	2,963	2,870	2,945	2.6	10.3	5,815	14.0	46	12,641	15.3
Expected credit losses	(1,017)	(965)	(998)	(858)	(834)	(2.8)	(18.0)	(1,692)	(14.1)	44	(3,875)	(1.5)
Profit after ECL	1,653	1,939	1,965	2,012	2,111	5.0	27.8	4,123	31.8	47	8,766	24.6
Impairment losses on financial assets and HP loans	(183)	(334)	(278)	(276)	(316)	14.5	72.4	(592)	100.8	66	(900)	(0.7)
Operating profit	1,469	1,605	1,687	1,736	1,796	3.4	22.2	3,532	24.6	45	7,866	28.4
Income tax	(269)	(320)	(336)	(347)	(351)	1.4	30.4	(698)	23.7	44	(1,573)	29.0
<b>Net profit</b>	<b>1,200</b>	<b>1,285</b>	<b>1,351</b>	<b>1,389</b>	<b>1,444</b>	<b>3.9</b>	<b>20.3</b>	<b>2,834</b>	<b>24.8</b>	<b>45</b>	<b>6,292</b>	<b>28.2</b>
EPS (THB)	0.57	0.61	0.64	0.66	0.68	3.9	20.3	1.34	24.8	45	2.97	28.2
Loans	131,257	137,081	141,559	145,859	152,934	4.9	16.5	137,081	4.4		165,408	19.5
Interest bearing debt	106,327	112,329	114,770	116,820	123,671	5.9	16.3	112,329	5.6		134,775	17.4
<b>Key ratios</b>	<b>2Q23</b>	<b>3Q23</b>	<b>4Q23</b>	<b>1Q24</b>	<b>2Q24</b>			<b>1H24</b>			<b>2024E</b>	
	(%)	(%)	(%)	(%)	(%)			(%)			(%)	
Yield on loan	18.02	18.08	18.05	17.68	17.62			21.02			18.04	
Cost of funds	3.55	3.67	3.86	3.90	4.08			4.10			4.20	
Spread	14.47	14.40	14.19	13.78	13.54			14.21			13.84	
Cost to Income ratio	47.99	45.15	45.72	47.82	47.45			47.64			46.94	
Credit cost (included losses from car repossessed)	3.76	3.87	3.66	3.16	3.08			3.21			3.08	
NPL / Loan	3.41	3.22	3.15	3.06	2.90			2.90			3.10	
LLR / Loan	3.58	3.55	3.65	3.70	3.64			3.64			2.99	
Coverage ratio	105.1	110.3	115.9	120.8	125.5			125.5			115.4	
D/E (x)	3.7	3.7	3.7	3.6	3.7			3.7			3.7	
IDBE (x)	3.6	3.7	3.6	3.5	3.6			3.6			3.6	
S/T debt/total debt (x)	5.3	7.7	11.1	11.6	10.5			10.5			5.3	
Loan growth q-q	5.7	4.4	3.3	3.0	4.9							
Loan growth y-y	23.6	21.1	18.9	17.4	16.5			16.5			19.5	
Loan growth YTD	10.2	15.1	18.9	3.0	8.0			8.0				

Sources: MTC; FSSIA estimates

**Exhibit 2: MTC – Staged loans and ECL**

MTC	2022 (THB m)	2023 (THB m)	1Q24 (THB m)	2Q24 (THB m)	2022 (THB m)	2023 (THB m)	1Q24 (THB m)	2Q24 (THB m)
Loans and accrued interest				Staged loans % of total loans				
Stage 1	105,097	124,874	129,909	136,981	87.1	87.1	88.0	88.6
Stage 2	12,009	13,983	13,211	13,242	10.0	9.8	9.0	8.6
Stage 3	3,507	4,461	4,467	4,449	2.9	3.1	3.0	2.9
Total	120,613	143,318	147,587	154,672	100.0	100.0	100.0	100.0
Expected credit loss (ECL)				ECL % of stage loans				
Stage 1	767	1,225	1,490	1,613	0.7	1.0	1.1	1.2
Stage 2	682	1,115	1,078	1,077	5.7	8.0	8.2	8.1
Stage 3	2,237	2,829	2,831	2,871	63.8	63.4	63.4	64.5
Total	3,686	5,169	5,399	5,562	3.1	3.6	3.7	3.6
LLR / Loans				LLR / Loans				
Stage 1	0.7	1.0	1.1	1.2				
Stage 2	5.7	8.0	8.2	8.1				
Stage 3	63.8	63.4	63.4	64.5				
Total	3.1	3.6	3.7	3.6				
NPL / TL				NPL / TL				
	2.9	3.1	3.0	2.9				
NPL vs Stage 2 loans / TL				NPL vs Stage 2 loans / TL				
	12.9	12.9	12.0	11.4				
LLR / NPL				LLR / NPL				
	105.1	115.9	120.9	125.0				
LLR / (NPL vs Stage 2 loans)				LLR / (NPL vs Stage 2 loans)				
	23.8	28.0	30.5	31.4				

Sources: MTC; FSSIA's compilation

**Exhibit 3: MTC – GGM-based 2024 TP**

Gordon Growth Model	2024E
Sustainable ROE	18.6%
g	5.3%
ROE-g	13.3%
Beta	1.17
Risk-free rate	3.0%
Risk premium	6.0%
COE	10.0%
COE-g	4.7%
<b>ROE-g/COE-g (x)</b>	<b>2.82</b>

Source: FSSIA estimates

**Exhibit 4: Share price performance of non-banks under coverage, as of 6 August 2024**

	Price performance				
	1M (%)	3M (%)	6M (%)	1Y (%)	YTD (%)
TIDLOR TB	(20.0)	(31.8)	(32.4)	(27.9)	(31.8)
<b>MTC TB</b>	<b>(7.4)</b>	<b>(10.5)</b>	<b>(9.0)</b>	<b>16.5</b>	<b>(10.0)</b>
SAWAD TB	(15.2)	(20.6)	(20.1)	(29.3)	(20.6)
AEONTS TB	(16.5)	(33.8)	(30.4)	(29.3)	(32.2)
KTC TB	0.6	(10.9)	(12.9)	(16.7)	(10.9)
SAK TB	(7.2)	(2.6)	15.0	5.6	18.3
ASK TB	(19.1)	(33.3)	(45.3)	(54.0)	(44.7)
THANI TB	(25.2)	(31.3)	(27.9)	(40.4)	(28.5)
JMT TB	(23.3)	(51.4)	(56.4)	(72.2)	(60.0)
BAM TB	(14.9)	(30.8)	(25.0)	(40.6)	(22.7)
CHAYO TB	(31.4)	(44.4)	(54.3)	(66.0)	(56.0)
<b>SETFIN</b>	<b>(12.1)</b>	<b>(24.3)</b>	<b>(26.4)</b>	<b>(31.2)</b>	<b>(26.9)</b>
<b>SET</b>	<b>(2.9)</b>	<b>(7.4)</b>	<b>(9.0)</b>	<b>(16.9)</b>	<b>(10.0)</b>

Source: Bloomberg

## Financial Statements

### Muangthai Capital

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Interest Income	19,199	23,500	27,968	32,908	38,011
Interest expense	(2,813)	(3,857)	(5,240)	(6,102)	(6,990)
Net interest income	16,386	19,644	22,727	26,805	31,021
Net fees & commission	792	921	958	996	1,036
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	0	0	0	0	0
Other income	78	105	138	154	131
Non interest income	869	1,026	1,096	1,150	1,167
Total income	17,255	20,669	23,823	27,955	32,188
Staff costs	(8,069)	(9,702)	(11,182)	(13,122)	(15,109)
Other operating costs	-	-	-	-	-
Operating costs	(8,069)	(9,702)	(11,182)	(13,122)	(15,109)
Pre provision operating profit	9,187	10,967	12,641	14,833	17,079
Expected credit loss	(2,433)	(3,934)	(3,875)	(4,011)	(4,632)
Other provisions	(394)	(907)	(900)	(1,000)	(999)
Operating profit	6,360	6,126	7,866	9,822	11,448
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	6,360	6,126	7,866	9,822	11,448
Tax	(1,267)	(1,220)	(1,573)	(1,964)	(2,290)
Profit after tax	5,093	4,906	6,292	7,858	9,159
Non-controlling interest	-	-	-	-	-
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	5,093	4,906	6,292	7,858	9,159
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	5,093	4,906	6,292	7,858	9,159
<b>Per share (THB)</b>					
Recurring EPS *	2.40	2.31	2.97	3.71	4.32
Reported EPS	2.40	2.31	2.97	3.71	4.32
DPS	0.95	0.21	0.27	0.34	0.39
<b>Growth</b>					
Net interest income (%)	25.4	19.9	15.7	17.9	15.7
Non interest income (%)	3.1	18.0	6.8	5.0	1.5
Pre provision operating profit (%)	32.2	19.4	15.3	17.3	15.1
Operating profit (%)	2.6	(3.7)	28.4	24.9	16.6
Reported net profit (%)	3.0	(3.7)	28.2	24.9	16.6
Recurring EPS (%)	3.0	(3.7)	28.2	24.9	16.6
Reported EPS (%)	3.0	(3.7)	28.2	24.9	16.6
<b>Income Breakdown</b>					
Net interest income (%)	95.0	95.0	95.4	95.9	96.4
Net fees & commission (%)	4.6	4.5	4.0	3.6	3.2
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	0.5	0.5	0.6	0.6	0.4
<b>Operating performance</b>					
Gross interest yield (%)	18.30	18.03	18.04	18.05	18.05
Cost of funds (%)	3.36	3.66	4.20	4.20	4.20
Net interest spread (%)	14.94	14.37	13.84	13.85	13.85
Net interest margin (%)	15.6	15.1	14.7	14.7	14.7
Cost/income(%)	46.8	46.9	46.9	46.9	46.9
Cost/assets(%)	7.1	7.0	6.8	6.9	6.8
Effective tax rate (%)	19.9	19.9	20.0	20.0	20.0
Dividend payout on recurring profit (%)	39.5	9.1	9.1	9.1	9.1
ROE (%)	18.9	16.1	18.1	19.0	18.7
ROE - COE (%)	8.1	5.3	7.3	8.2	7.9
ROA (%)	4.5	3.5	3.9	4.1	4.2
RORWA (%)	-	-	-	-	-

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

Sources: Muangthai Capital; FSSIA estimates

## Financial Statements

### Muangthai Capital

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Gross customer loans	119,084	141,559	168,453	196,190	224,908
Allowance for expected credit loss	(3,686)	(5,169)	(4,948)	(5,693)	(6,547)
interest in suspense	1,675	1,969	2,363	2,765	3,180
<b>Net customer loans</b>	<b>117,073</b>	<b>138,359</b>	<b>165,868</b>	<b>193,262</b>	<b>221,541</b>
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	0	0	0	0	0
Cash & equivalents	3,213	2,822	1,347	1,540	2,122
Other interesting assets	-	-	-	-	-
Tangible fixed assets	2,037	2,134	2,348	2,582	2,840
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	5,743	6,841	7,411	8,473	9,699
<b>Total assets</b>	<b>128,066</b>	<b>150,156</b>	<b>176,514</b>	<b>205,428</b>	<b>235,801</b>
Customer deposits	-	-	-	-	-
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	96,143	114,770	134,775	155,806	177,032
Non interest bearing liabilities	2,833	3,469	4,046	4,740	5,581
Hybrid Capital	-	-	-	-	-
<b>Total liabilities</b>	<b>98,976</b>	<b>118,239</b>	<b>138,821</b>	<b>160,547</b>	<b>182,613</b>
Share capital	2,120	2,120	2,120	2,120	2,120
Reserves	26,971	29,797	35,573	42,761	51,068
<b>Total equity</b>	<b>29,091</b>	<b>31,917</b>	<b>37,693</b>	<b>44,881</b>	<b>53,188</b>
Non-controlling interest	-	-	-	-	-
<b>Total liabilities &amp; equity</b>	<b>128,066</b>	<b>150,156</b>	<b>176,514</b>	<b>205,428</b>	<b>235,801</b>
<b>Supplementary items</b>					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	104,892	130,321	155,006	182,321	210,549
Average interest bearing liabilities	83,734	105,456	124,772	145,291	166,419
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)	3,507	4,461	4,289	4,962	5,785
<b>Per share (THB)</b>					
Book value per share	13.72	15.06	17.78	21.17	25.09
Tangible book value per share	13.72	15.06	17.78	21.17	25.09
<b>Growth</b>					
Gross customer loans	31.3	18.9	19.0	16.5	14.6
Average interest earning assets	30.5	24.2	18.9	17.6	15.5
Total asset (%)	30.2	17.2	17.6	16.4	14.8
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	-	-	-	-	-
<b>Leverage &amp; capital measures</b>					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	22.7	21.3	21.4	21.8	22.6
Tangible equity/assets (%)	22.7	21.3	21.4	21.8	22.6
RWA/assets (%)	-	-	-	-	-
CET 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
<b>Asset Quality (FSSIA's calculation)</b>					
Change in NPL (%)	174.8	27.2	(3.9)	15.7	16.6
NPL/gross loans (%)	2.9	3.2	2.5	2.5	2.6
Allowance for ECL/gross loans (%)	3.1	3.7	2.9	2.9	2.9
Allowance for ECL/NPL (%)	105.1	115.9	115.4	114.7	113.2
<b>Valuation</b>					
Recurring P/E (x) *	16.9	17.5	13.6	10.9	9.4
Recurring P/E @ target price (x) *	20.8	21.6	16.8	13.5	11.6
Reported P/E (x)	16.9	17.5	13.6	10.9	9.4
Dividend yield (%)	2.3	0.5	0.7	0.8	1.0
Price/book (x)	3.0	2.7	2.3	1.9	1.6
Price/tangible book (x)	3.0	2.7	2.3	1.9	1.6
Price/tangible book @ target price (x)	3.6	3.3	2.8	2.4	2.0

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

Sources: Muangthai Capital; FSSIA estimates

# Muangthai Capital PCL (MTC TB)

**FSSIA ESG rating**

★ ★ ★ ★

## Exhibit 5: FSSIA ESG score implication

**68.21 /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.
★ ★ ★ ★ ★	<b>&gt;59-79</b>	<b>A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.</b>
★ ★ ★	>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 6: 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
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 7: ESG score by Bloomberg

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>ESG financial materiality scores - ESG score</b>	<b>1.36</b>	<b>1.51</b>	<b>2.07</b>	<b>2.16</b>	<b>2.39</b>	<b>4.00</b>	<b>3.27</b>	<b>3.31</b>
BESG environmental pillar score	0.00	0.00	0.00	0.00	0.12	0.02	0.03	—
BESG social pillar score	0.37	0.58	1.37	1.37	1.69	4.57	3.27	—
BESG governance pillar score	4.42	4.41	4.57	4.91	4.95	4.95	4.82	—
<b>ESG disclosure score</b>	<b>26.85</b>	<b>32.18</b>	<b>32.89</b>	<b>35.76</b>	<b>39.62</b>	<b>44.88</b>	<b>50.20</b>	<b>52.08</b>
Environmental disclosure score	0.00	0.00	0.00	0.33	7.28	15.22	32.74	34.40
Social disclosure score	11.67	15.84	17.41	25.70	30.35	31.92	30.35	34.34
Governance disclosure score	68.72	80.52	81.10	81.10	81.10	87.36	87.36	87.36
<b>Environmental</b>								
Emissions reduction initiatives	No	No	No	No	No	No	No	No
Climate change policy	No	No	No	No	Yes	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No	No	No	No	No
Risks of climate change discussed	No	No	No	Yes	Yes	Yes	Yes	Yes
GHG scope 1	—	—	—	—	2	7	6	8
GHG scope 2 location-based	—	—	—	—	—	16	18	21
GHG Scope 3	—	—	—	—	—	1	1	1
Carbon per unit of production	—	—	—	—	—	—	—	—
Biodiversity policy	No	No	No	No	No	No	No	No
Energy efficiency policy	No	No	No	No	Yes	Yes	Yes	Yes
Total energy consumption	—	—	—	—	9	55	36	69
Renewable energy use	—	—	—	—	—	—	0	—
Electricity used	—	—	—	—	—	32	36	42
Fuel used - natural gas	—	—	—	—	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

**Exhibit 8: ESG score by Bloomberg (cont.)**

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No	No	No	No	No
Waste reduction policy	No	No	No	No	Yes	Yes	Yes	Yes
Hazardous waste	—	—	—	—	—	—	—	—
Total waste	—	—	—	—	—	—	—	—
Waste recycled	—	—	—	—	—	—	—	—
Waste sent to landfills	—	—	—	—	—	—	—	—
Environmental supply chain management	No	No	No	No	No	No	Yes	Yes
Water policy	No	No	No	No	Yes	Yes	Yes	Yes
Water consumption	—	—	—	—	—	987	—	—
<b>Social</b>								
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Quality assurance and recall policy	No	No	No	No	No	No	No	No
Consumer data protection policy	No	No	No	No	Yes	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No	No	No	No	Yes
Pct women in workforce	—	—	—	—	—	11	11	10
Pct disabled in workforce	—	—	0	0	0	0	—	—
Business ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	—	—	—	—	—	—	—	0
Total recordable incident rate - employees	—	—	—	—	1	1	0	0
Training policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	No	No	No	No
Number of employees – CSR	2,617	4,185	5,893	7,660	9,576	10,328	11,460	13,005
Employee turnover pct	—	—	—	—	—	—	—	29
Total hours spent by firm - employee training	—	—	—	70,395	60,328	34,082	34,036	78,030
Social supply chain management	No	No	No	No	No	No	No	Yes
<b>Governance</b>								
<b>Board size</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>8</b>	<b>8</b>	<b>7</b>	<b>7</b>
<b>No. of independent directors (ID)</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>4</b>
No. of women on board	2	2	3	3	3	3	3	3
No. of non-executive directors on board	5	5	5	5	6	6	5	5
Company conducts board evaluations	No	No	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	6	5	7	7	6	9	8	8
Board meeting attendance pct	100	100	96	100	94	96	100	100
Board duration (years)	3	3	3	3	3	3	3	3
Director share ownership guidelines	No	No	No	No	No	No	No	No
Age of the youngest director	56	57	58	59	36	39	40	41
Age of the oldest director	67	68	69	70	71	72	73	74
<b>No. of executives / company managers</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>13</b>	<b>13</b>	<b>12</b>	<b>13</b>	<b>13</b>
No. of female executives	3	3	3	3	3	3	3	3
Executive share ownership guidelines	No	No	No	No	No	No	No	No
<b>Size of audit committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on audit committee	3	3	3	3	3	3	3	3
Audit committee meetings	4	4	4	4	4	4	4	7
Audit meeting attendance %	100	100	92	100	92	100	100	100
<b>Size of compensation committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on compensation committee	3	3	3	3	3	3	2	2
No. of compensation committee meetings	—	1	2	2	2	2	3	2
Compensation meeting attendance %	—	100	83	100	83	83	100	100
<b>Size of nomination committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of nomination committee meetings	—	1	2	2	2	2	1	2
Nomination meeting attendance %	—	100	83	100	83	83	100	100
<b>Sustainability governance</b>								
Verification type	No	No	No	No	No	Yes	Yes	Yes

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 border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </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 border="0" style="margin-left: 20px;"> <tr> <td><b>AAA</b></td> <td>8.571-10.000</td> <td><b>Leader:</b></td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td><b>AA</b></td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td><b>A</b></td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td><b>BBB</b></td> <td>4.286-5.713</td> <td><b>Average:</b></td> <td>a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td><b>BB</b></td> <td>2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td><b>B</b></td> <td>1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td><b>CCC</b></td> <td>0.000-1.428</td> <td><b>Laggard:</b></td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570			<b>A</b>	5.714-7.142			<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285			<b>B</b>	1.429-2.856			<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks
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<b>BB</b>	2.857-4.285																												
<b>B</b>	1.429-2.856																												
<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	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; &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**

**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.

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Company	Ticker	Price	Rating	Valuation & Risks
Ratchthani Leasing	THANI TB	THB 1.69	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.
Muangthai Capital	MTC TB	THB 40.50	BUY	Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; and 2) changes in financial regulations by the Bank of Thailand and the Office of Consumer Protection Board.
Srisawad Corp	SAWAD TB	THB 29.25	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.
Ngern Tid Lor	TIDLOR TB	THB 14.80	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.
Saksiam Leasing	SAK TB	THB 4.92	HOLD	Upside risks to our GGM-derived TP include 1) loan expansion following the broad-based economic recovery 2) a reduction in cost of funds due mainly to the downward interest rate trend and 3) an accelerated decrease in credit costs owing to the rise in consumers purchasing power. Downside risks include 1) competition from existing and new players 2) regulatory changes by the Bank of Thailand (BoT) and 3) a slower-than-expected reduction in its cost of funds due to a shift toward more long-term loans.
Aeon Thana Sinsap (Thailand)	AEONTS TB	THB 108.50	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.
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.
Asia Sermkij Leasing PCL	ASK TB	THB 11.00	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.
Bangkok Commercial Asset Mngt.	BAM TB	THB 6.30	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.
JMT Network Services	JMT TB	THB 10.20	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
Chayo Group	CHAYO TB	THB 2.40	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.

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

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 06-Aug-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.