

Key takeaways from analyst meeting

ประเด็นสำคัญในที่ประชุมนักวิเคราะห์ในวันนี้ (9 ส.ค.) อยู่ที่ 1) คุณภาพสินทรัพย์ที่ปรับตัวดีขึ้นอย่างต่อเนื่องและ 2) แนวโน้มในช่วง 2H24 เทียบกับเป้าประมาณการปี 2024 ของบริษัท ซึ่งยังคงไว้ตามเดิม เรคาดประมาณการปี 2024-26 ของเราเนื่องจากสมมติฐานสำคัญส่วนมากสอดคล้องกับเป้าประมาณการของบริษัท เรคาดคำแนะนำซื้อที่ราคาเป้าหมายปี 2024 ของเราที่ 50 บาท (GGM) ซึ่งคิดเป็นค่า P/BV อยู่ที่ 2.82x ภายใตสมมติฐานค่า L-T ROE ที่ 18.6% และ COE ที่ 10.0%

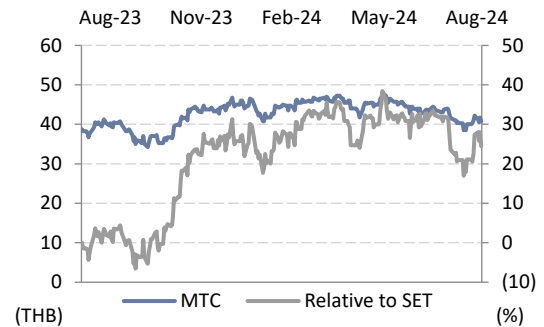
Highlights

- (+) คุณภาพสินทรัพย์: MTC ยืนยันว่าบริษัท น่าจะสามารถรักษาแนวโน้มเชิงบวกเช่นเดียวกับใน 2Q24 โดยเฉพาะต้นทุนความเสี่ยงในการปล่อยสินเชื่อ (Credit cost) ที่ไม่เกินเป้าประมาณการระดับสูงที่ 3.50% (เทียบกับ 3.08% ที่เรคาด) โดยมีเหตุผลสนับสนุนสำคัญประกอบด้วย (1) บริษัท ได้ปรับปรุงมาตรฐานในการปล่อยสินเชื่อประเภทไม่มีหลักทรัพย์ให้เข้มงวดมากยิ่งขึ้นในปี 2024 เมื่อเทียบกับในปี 2023 เมื่อ Credit cost เฉลี่ยอยู่ที่ 3.70% นอกจากนี้คุณภาพของสินเชื่อประเภทมีหลักทรัพย์ก็ปรับขึ้นยังปรับตัวดีขึ้นโดยเฉพาะในกลุ่มรถจักรยานยนต์ที่ราคาถดถอยสองได้ผ่านจุดต่ำสุดไปแล้ว (2) MTC ไม่มีการปล่อยสินเชื่อที่มีวงเงินสูงโดยมีวงเงินสินเชื่อเฉลี่ยส่วนมากอยู่ที่ประมาณ 20,000-25,000 บาทและระยะเวลาสินเชื่อเฉลี่ยอยู่ที่ 1.5 ปีซึ่งทำให้ง่ายต่อการบริหารหนี้ด้วยคุณภาพมากยิ่งขึ้น (3) ผลงานการเก็บเงินสดในช่วง 2 เดือนแรกของ 3Q24 ยังอยู่ในเกณฑ์ดี
 - แนวโน้ม 2H24: เป้าประมาณการอื่นในปี 2024 ของธุรกิจหลักประกอบด้วย การเติบโตของสินเชื่อที่ 15-20% y-y โดยคาดว่าบริษัท จะสามารถบรรลุเป้าหมายในช่วง 2H24 MTC ยืนยันว่าต้นทุนในการกู้ยืมอาจลดลงอยู่ในช่วง 4.00-4.20% เทียบกับ 4.20% ที่เรคาด (และ 4.10% ใน 1H24) พร้อมโอกาสที่จะได้รับสินเชื่อจากสถาบันการเงินทั้งในและต่างประเทศ (คาดว่า จะได้รับสินเชื่อเพิ่มเติมอีก 10-15 พัน ลบ. ในช่วงเดือน ก.ย. - ต.ค. 2024) ซึ่งจะช่วยบรรเทาความกังวลในท่ามกลางสภาวะเปราะบางในตลาดหุ้นกู้ของประเทศไทย
- MTC ได้ให้ยุทธศาสตร์ 5 ปีในการพัฒนาธุรกิจไปสู่ AI บริษัท คาดว่าแผนดังกล่าวจะไม่สร้างภาระในด้านต้นทุนหรืออัตราส่วนค่าใช้จ่ายในการดำเนินงานต่อรายได้ที่สูงขึ้นในทางตรงกันข้ามการลงทุนดังกล่าวเป็นเรื่องจำเป็นในการปรับองค์กรให้มีความทันสมัยและปรับปรุงความสามารถในการทำกำไรในระยะยาว

TARGET PRICE	THB50.00
CLOSE	THB40.75
UP/DOWNSIDE	+22.7%
TP vs CONSENSUS	-0.4%

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 (%)	-	6.1	11.9	9.0
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)	17.6	13.7	11.0	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)	(12.4)	19.9
Relative to country (%)	(5.7)	(7.4)	41.3
Mkt cap (USD m)	2,443		
3m avg. daily turnover (USD m)	10.3		
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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Exhibit 1: 2024E – Management guidance vs FSSIA estimates

	2023	FSSIA 2024E	MTC 2024E
Loan growth (y-y %)	18.2	19.5	15.0-20.0
NPL (%)	3.15	3.10	<3.20
Credit cost (%)	3.71	3.08	<3.50
Cost of funds (%)	3.66	4.20	4.00-4.20
Cost-to-income ratio (%)	46.9	46.9	46.0-47.0

Sources: MTC; FSSIA estimates

Exhibit 2: 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
Net profit	1,200	1,285	1,351	1,389	1,444	3.9	20.3	2,834	24.8	45	6,292	28.2
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
Key ratios	2Q23	3Q23	4Q23	1Q24	2Q24			1H24			2024E	
	(%)	(%)	(%)	(%)	(%)			(%)			(%)	
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 3: 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								
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	2.9	3.1	3.0	2.9				
NPL vs Stage 2 loans / TL	12.9	12.9	12.0	11.4				
LLR / NPL	105.1	115.9	120.9	125.0				
LLR / (NPL vs Stage 2 loans)	23.8	28.0	30.5	31.4				

Sources: MTC; FSSIA's compilation

Exhibit 4: 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%
ROE-g/COE-g (x)	2.82

Source: FSSIA estimates

Exhibit 5: Share price performance of non-banks under coverage, as of 8 August 2024

	Price performance				
	1M (%)	3M (%)	6M (%)	1Y (%)	YTD (%)
TIDLOR TB	(26.1)	(36.2)	(37.9)	(35.9)	(37.3)
MTC TB	(5.1)	(11.2)	(7.8)	10.7	(7.8)
SAWAD TB	(19.2)	(21.9)	(18.4)	(32.4)	(19.9)
AEONTS TB	(6.9)	(33.4)	(29.5)	(30.2)	(32.2)
KTC TB	2.0	(9.3)	(11.4)	(17.9)	(10.3)
SAK TB	(8.9)	(6.3)	13.4	2.9	18.3
ASK TB	(17.5)	(30.2)	(42.9)	(52.9)	(43.2)
THANI TB	(21.2)	(26.5)	(23.6)	(38.3)	(26.0)
JMT TB	(24.1)	(45.0)	(54.0)	(73.0)	(59.2)
BAM TB	(16.1)	(30.9)	(25.1)	(40.5)	(23.3)
CHAYO TB	(31.4)	(41.2)	(53.4)	(66.2)	(56.0)
SETFIN	(12.2)	(23.8)	(25.9)	(32.9)	(27.0)
SET	(1.7)	(5.3)	(6.6)	(15.1)	(8.4)

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
Per share (THB)					
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
Growth					
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
Income Breakdown					
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
Operating performance					
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
Net customer loans	117,073	138,359	165,868	193,262	221,541
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
Total assets	128,066	150,156	176,514	205,428	235,801
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	-	-	-	-	-
Total liabilities	98,976	118,239	138,821	160,547	182,613
Share capital	2,120	2,120	2,120	2,120	2,120
Reserves	26,971	29,797	35,573	42,761	51,068
Total equity	29,091	31,917	37,693	44,881	53,188
Non-controlling interest	-	-	-	-	-
Total liabilities & equity	128,066	150,156	176,514	205,428	235,801
Supplementary items					
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
Per share (THB)					
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
Growth					
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 (%)	-	-	-	-	-
Leverage & capital measures					
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 (%)	-	-	-	-	-
Asset Quality (FSSIA's calculation)					
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
Valuation					
Recurring P/E (x) *	17.0	17.6	13.7	11.0	9.4
Recurring P/E @ target price (x) *	20.8	21.6	16.8	13.5	11.6
Reported P/E (x)	17.0	17.6	13.7	11.0	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

★★★★

68.21 /100

Exhibit 6: 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.

Sources: FSSIA estimates

Exhibit 7: 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 8: ESG score by Bloomberg

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	1.36	1.51	2.07	2.16	2.39	4.00	3.27	3.31
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	—
ESG disclosure score	26.85	32.18	32.89	35.76	39.62	44.88	50.20	52.08
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
Environmental								
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 9: 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	—	—
Social								
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
Governance								
Board size	7	7	7	7	8	8	7	7
No. of independent directors (ID)	5	5	5	5	5	5	4	4
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
No. of executives / company managers	12	12	12	13	13	12	13	13
No. of female executives	3	3	3	3	3	3	3	3
Executive share ownership guidelines	No	No	No	No	No	No	No	No
Size of audit committee	3	3	3	3	3	3	3	3
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
Size of compensation committee	3	3	3	3	3	3	3	3
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
Size of nomination committee	3	3	3	3	3	3	3	3
No. of nomination committee meetings	—	1	2	2	2	2	1	2
Nomination meeting attendance %	—	100	83	100	83	83	100	100
Sustainability governance								
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 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 Sustainability	The Sustainability's 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 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="1" style="margin-left: auto; margin-right: auto;"> <tbody> <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> </tbody> </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
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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; >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

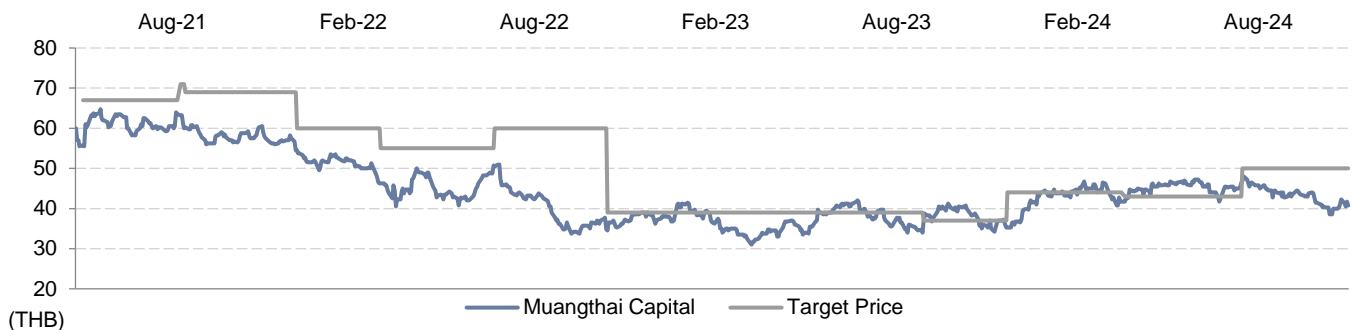
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History of change in investment rating and/or target price

Muangthai Capital (MTC TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
13-Aug-2021	BUY	67.00	28-Apr-2022	BUY	55.00	19-Oct-2023	BUY	44.00
05-Nov-2021	BUY	71.00	04-Aug-2022	BUY	60.00	26-Jan-2024	HOLD	43.00
11-Nov-2021	BUY	69.00	09-Nov-2022	HOLD	39.00	08-May-2024	BUY	50.00
15-Feb-2022	BUY	60.00	08-Aug-2023	HOLD	37.00			

Usanee Liurut, CISA started covering this stock from 08-Aug-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Muangthai Capital	MTC TB	THB 40.75	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.

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 08-Aug-2024 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / 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.