

SRISAWAD CORP

THAILAND / FINANCE & SECURITIES

SAWAD TB

HOLD

UNCHANGED

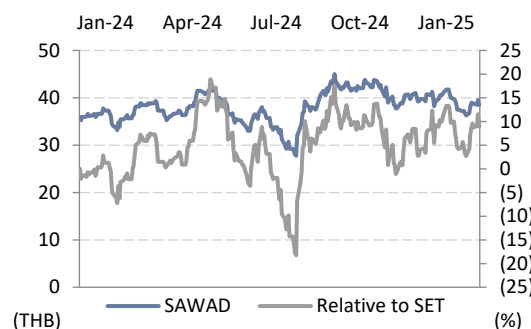
อันดับ A- (tha) จาก Fitch Thailand

- Fitch Ratings (Thailand) จัด SAWAD ให้อยู่ในอันดับ 'A- (tha)' สูงกว่า BBB+ ของ TRIS ที่ได้รับก่อนหน้านี้
- เรามองการจัดอันดับใหม่ที่ A- (tha) ดังกล่าวว่าเป็นบวกต่อ SAWAD ในแง่ของต้นทุนในการกู้ยืมที่ลดลง
- คงคำแนะนำถือที่ราคาเป้าหมายปี 2025 ที่ 45.50 บาท

TARGET PRICE	THB45.50
CLOSE	THB38.50
UP/DOWNSIDE	+18.2%
TP vs CONSENSUS	+4.9%

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Operating profit	6,603	6,742	7,334	8,117
Net profit	5,001	5,124	5,574	6,169
EPS (THB)	3.64	3.39	3.69	4.08
vs Consensus (%)	-	(1.8)	(2.4)	(4.5)
Recurring net profit	5,001	5,124	5,574	6,169
Core EPS (THB)	3.64	3.39	3.69	4.08
EPS growth (%)	11.7	(6.9)	8.8	10.7
Core P/E (x)	10.6	11.4	10.4	9.4
Dividend yield (%)	0.3	0.9	1.0	1.1
Price/book (x)	1.9	1.7	1.5	1.3
ROE (%)	18.6	16.6	15.5	14.9
ROA (%)	5.8	4.8	4.9	4.9



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(6.1)	(9.9)	9.3
Relative to country (%)	(2.0)	(2.7)	12.0
Mkt cap (USD m)	1,722		
3m avg. daily turnover (USD m)	5.8		
Free float (%)	45		
Major shareholder	Kaewbootta Family (28%)		
12m high/low (THB)	45.50/27.25		
Issued shares (m)	1,510		

Sources: Bloomberg consensus; FSSIA estimates

What's new?

วันนี้ Fitch Ratings (Thailand) ให้อันดับเครดิตภายในประเทศระยะยาว (National Long-Term Rating) ที่ 'A- (tha)' แก่ SAWAD พร้อมแนวโน้มอันดับเครดิตมีเสถียรภาพ (ดูเหตุผลในหน้า 2) การจัดอันดับใหม่ของ SAWAD จาก Fitch Thailand ดังกล่าวยังสูงกว่า BBB+ ของบริษัท จัดอันดับความน่าเชื่อถือ TRIS ทั้งนี้ อันดับ A- (tha) ใหม่ดังกล่าวจะช่วยสนับสนุนการออกหุ้นกู้เงินบาทประเภทมีหลักประกันของ SAWAD ที่กำลังจะมาถึง หุ้นดังกล่าวจะออกเป็นคราว ๆ ไปโดยจะมีอายุตั้งแต่ 2-5 ปี ทั้งนี้ SAWAD คาดว่าการออกหุ้นดังกล่าวจะอยู่ในช่วงเดือน มี.ค. ถึง พ.ค. 2025

ผลบวกจากต้นทุนในการกู้ยืมที่ลดลง

- เรามองการจัดอันดับใหม่ที่ A- (tha) ดังกล่าวว่าเป็นบวกต่อ SAWAD เมื่อเทียบกับอันดับ BBB+ จาก TRIS ที่ได้รับก่อนหน้านี้เนื่องจาก Spread ระหว่าง A- และ BBB+ จะอยู่ที่ประมาณ 100bp โดยเฉลี่ย (ดู Exhibit 2) ซึ่งหมายความว่าหุ้นกู้ชุดใหม่ของ SAWAD ตั้งแต่ 2Q25 เป็นต้นไปซึ่งอยู่ในอันดับ A- จะมีอัตราดอกเบี้ยลดลงประมาณ 80-100bp เมื่อเทียบกับหุ้นกู้ที่อยู่ในอันดับ BBB+
- จากข้อมูลของสมาคมตลาดตราสารหนี้ไทย (ThaiBMA) SAWAD มีหุ้นกู้มูลค่า 16 พัน ลบ. (คิดเป็น 20% ของเงินกู้รวมของบริษัทฯ) ที่จะครบกำหนดในปี 2025 เราคาดว่าผลบวกจากหุ้นกู้ที่ได้รับการจัดอันดับใหม่ของ SAWAD จะชัดเจนมากยิ่งขึ้นตั้งแต่ 3Q25 เป็นต้นไป
- ในแง่ของการวิเคราะห์ความเป็นไปได้ส่วนต่างดอกเบี้ยที่เพิ่มขึ้น (จากต้นทุนการกู้ยืมเฉลี่ยที่ลดลง) 10bp จะทำให้ประมาณการกำไรสุทธิในปี 2025 ของ SAWAD เพิ่ม 1.9% ในขณะที่ปัจจุบันอยู่ที่
- ทั้งนี้ Fitch Thailand แค่อันดับความน่าเชื่อถือภายในประเทศให้แก่ SAWAD เท่านั้น โดยไม่มีอันดับความน่าเชื่อถือสากล ดังนั้นแหล่งในการกู้ยืมจึงยังจำกัดอยู่แค่ในประเทศซึ่งต่างจาก Muangthai Capital (Ticker: MTC) ซึ่งมีการจัดอันดับความน่าเชื่อถือสากล

คงคำแนะนำถือที่ราคาเป้าหมายปี 2025 ที่ 45.50 บาท

เราคงคำแนะนำถือที่ราคาเป้าหมาย 45.50 บาท (GGM) เทียบเท่า 1.77x 2025E P/BV (COE 10.2%, ROE 15%) เรามีความมั่นใจเกี่ยวกับคุณภาพสินทรัพย์ของ SAWAD ที่ดีขึ้นในช่วงปี 2023-24 อย่างไรก็ดี เราคาดว่าสินเชื่อจะโตช้า ในขณะที่ส่วนต่างดอกเบี้ยจะหดตัวจากผลตอบแทนสินเชื่อที่ลดลง นอกจากนี้หุ้นปันผลยังอาจกดดันผลตอบแทนต่อส่วนผู้ถือหุ้นให้ลดลงเหลือ 15% ภายในปี 2026



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Peemapon Nunthakunatip

Research Assistant

Assigned A- (tha) from Fitch Thailand

What's new?

Today (30 Jan), Fitch Ratings (Thailand) assigned SAWAD a National Long-Term Rating of 'A- (tha)'. The Outlook is Stable. SAWAD's new rating from Fitch Thailand implies an upgrade from BBB+ from the TRIS rating agency. This new A- (tha) will support SAWAD's upcoming issuance of THB-denominated senior secured bonds, offered in multiple tranches with a tenor of two to five years. SAWAD expects the issuance to be between March and May 2025.

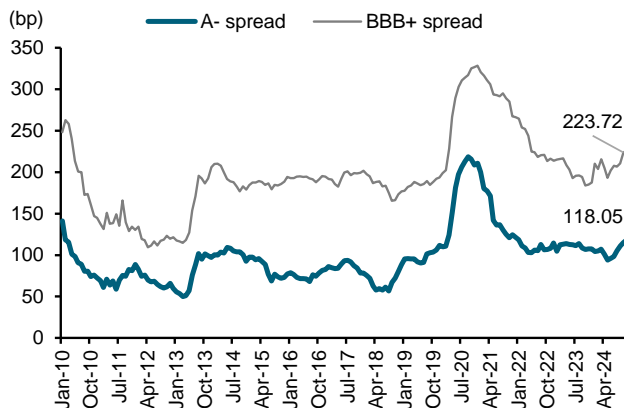
Key rationale behind A- (tha) rating

The key rationale behind A- (tha) for SAWAD includes:

- 1) strong presence in niche segments, i.e. non-bankable people;
- 2) value-loan based underwriting with a conservative loan-to-value (LTV) policy of 40-50%;
- 3) manageable asset quality risk with an NPL ratio of around 2.5-3.5% during 2022-24, as SAWAD tightened its underwriting standards in 2023;
- 4) satisfactory profitability with a pre-tax return on average assets at 6.0% in 9M24 with limited downside in the next two years; and
- 5) adequate leverage with a debt/tangible equity ratio of 2.1x at end-9M24.

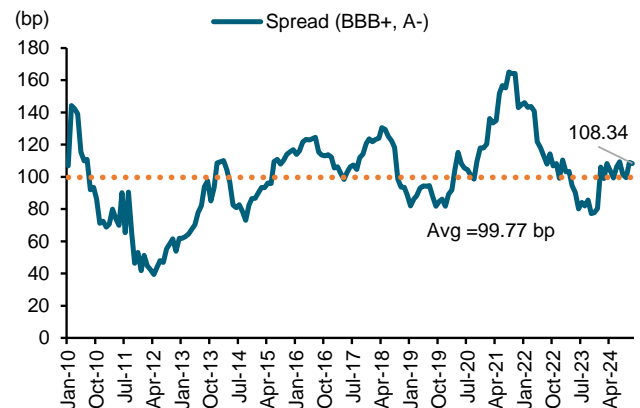
Nonetheless, Fitch (Thailand) mentioned that the low leverage is balanced by SAWAD's high risk appetite and thin NPL reserve coverage at 61% as of Sep-24, which increases its vulnerability to unexpected events and greater provisioning risks under a stress scenario.

Exhibit 1: Thai corporate bond spread: A- vs BBB+



Sources: ThaiBMA, FSSIA's compilation

Exhibit 2: Spread between BBB+ and A- corporate rating



Sources: ThaiBMA, FSSIA's compilation

Exhibit 3: Debenture maturity timeline

TRIS Rating	AA-	A- (Fitch)	BBB+	BBB+	A	A-	A (Fitch)	A-
Unit: THB m	KTC	AEONTS	SAWAD	MTC	TIDLOR	BAM	ASK	THANI
2025	11,500	1,000	15,985	31,558	19,400	13,119	11,046	9,093
2026	12,330	1,700	12,107	22,656	12,035	12,770	6,845	9,600
2027	7,732	0	5,546	14,897	7,300	13,145	5,617	8,351
2028	3,315	0	5,760	6,933	1,565	6,153	2,299	1,000
2029	5,930	0	696	0	0	7,025	685	0
2030	1,000	0	0	0	0	5,300	0	0
2031	500	0	0	0	0	3,500	0	0
2032	0	0	0	0	0	2,140	0	0
2033	0	0	0	0	0	3,434	0	0
2034	0	0	0	0	0	2,374	0	0
2035	0	0	0	0	0	0	0	0
Sum	42,307	2,700	40,092	76,045	40,300	68,960	26,492	28,044

Sources: ThaiBMA, FSSIA's compilation

Financial Statements

Srisawad Corp

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Interest Income	8,780	15,744	18,342	19,479	21,549
Interest expense	(862)	(2,266)	(3,230)	(3,301)	(3,523)
Net interest income	7,918	13,478	15,113	16,178	18,026
Net fees & commission	3,311	3,171	3,127	3,460	3,796
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	-	-	-	-	-
Other income	0	0	0	0	0
Non interest income	3,311	3,171	3,127	3,460	3,796
Total income	11,229	16,648	18,240	19,638	21,823
Staff costs	(5,219)	(8,282)	(9,444)	(10,022)	(11,008)
Other operating costs	-	-	-	-	-
Operating costs	(5,219)	(8,282)	(9,444)	(10,022)	(11,008)
Pre provision operating profit	6,010	8,367	8,796	9,616	10,815
Expected credit loss	(78)	(1,763)	(2,054)	(2,282)	(2,698)
Other provisions	-	-	-	-	-
Operating profit	5,932	6,603	6,742	7,334	8,117
Recurring non operating income	31	26	0	0	0
Associates	31	26	0	0	0
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	5,963	6,629	6,742	7,334	8,117
Tax	(1,097)	(1,375)	(1,348)	(1,467)	(1,623)
Profit after tax	4,865	5,254	5,393	5,867	6,493
Non-controlling interest	(351)	(253)	(270)	(293)	(325)
Preferred dividends	0	0	0	0	0
Other items	(39)	0	0	0	0
Reported net profit	4,476	5,001	5,124	5,574	6,169
Non recurring items & goodwill (net)	-	-	-	-	-
Recurring net profit	4,476	5,001	5,124	5,574	6,169
Per share (THB)					
Recurring EPS *	3.26	3.64	3.39	3.69	4.08
Reported EPS	3.26	3.64	3.39	3.69	4.08
DPS	1.80	0.11	0.34	0.37	0.41
Growth					
Net interest income (%)	30.6	70.2	12.1	7.0	11.4
Non interest income (%)	5.3	(4.2)	(1.4)	10.6	9.7
Pre provision operating profit (%)	4.8	39.2	5.1	9.3	12.5
Operating profit (%)	(4.2)	11.3	2.1	8.8	10.7
Reported net profit (%)	(5.2)	11.7	2.5	8.8	10.7
Recurring EPS (%)	(5.2)	11.7	(6.9)	8.8	10.7
Reported EPS (%)	(5.2)	11.7	(6.9)	8.8	10.7
Income Breakdown					
Net interest income (%)	70.5	81.0	82.9	82.4	82.6
Net fees & commission (%)	29.5	19.0	17.1	17.6	17.4
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	0.0	0.0	0.0	0.0	0.0
Operating performance					
Gross interest yield (%)	19.74	20.66	18.72	18.64	18.58
Cost of funds (%)	3.25	4.14	4.33	4.26	4.21
Net interest spread (%)	16.49	16.52	14.39	14.38	14.37
Net interest margin (%)	17.8	17.7	15.4	15.5	15.5
Cost/income(%)	46.5	49.7	51.8	51.0	50.4
Cost/assets(%)	8.7	9.2	8.4	8.4	8.3
Effective tax rate (%)	18.4	20.7	20.0	20.0	20.0
Dividend payout on recurring profit (%)	55.2	3.1	10.0	10.0	10.0
ROE (%)	17.8	18.6	16.6	15.5	14.9
ROE - COE (%)	7.6	8.4	6.4	5.3	4.7
ROA (%)	8.1	5.8	4.8	4.9	4.9
RORWA (%)	-	-	-	-	-

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Srisawad Corp; FSSIA estimates

Financial Statements

Srisawad Corp

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Gross customer loans	55,270	97,109	98,857	110,143	121,820
Allowance for expected credit loss	(656)	(1,605)	(2,159)	(2,441)	(2,739)
interest in suspense	-	-	-	-	-
Net customer loans	54,614	95,503	96,698	107,702	119,080
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	72	68	0	0	0
Cash & equivalents	2,823	3,962	4,325	4,599	5,670
Other interesting assets	-	-	-	-	-
Tangible fixed assets	1,970	2,180	2,403	2,555	2,835
Associates	1,502	0	0	0	0
Goodwill	-	-	-	-	-
Other intangible assets	961	1,209	1,442	1,533	1,701
Other assets	3,953	5,230	6,247	6,439	7,144
Total assets	69,482	111,465	114,051	125,784	139,419
Customer deposits	0	0	0	0	0
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	35,014	74,508	74,508	80,468	86,906
Non interest bearing liabilities	5,463	5,761	2,779	2,984	4,010
Hybrid Capital	-	-	-	-	-
Total liabilities	40,477	80,268	77,287	83,452	90,915
Share capital	1,373	1,373	1,510	1,510	1,510
Reserves	24,289	26,804	31,911	36,973	42,584
Total equity	25,662	28,177	33,422	38,483	44,095
Non-controlling interest	3,342	3,020	3,342	3,848	4,409
Total liabilities & equity	69,482	111,465	114,051	125,784	139,419
Supplementary items					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	44,479	76,189	97,983	104,500	115,981
Average interest bearing liabilities	26,509	54,761	74,508	77,488	83,687
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)	-	-	-	-	-
Per share (THB)					
Book value per share	18.69	20.52	22.13	25.48	29.19
Tangible book value per share	17.99	19.64	21.17	24.46	28.07
Growth					
Gross customer loans	64.1	75.7	1.8	11.4	10.6
Average interest earning assets	21.6	71.3	28.6	6.7	11.0
Total asset (%)	39.1	60.4	2.3	10.3	10.8
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	nm	nm	nm	nm	nm
Leverage & capital measures					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	36.9	25.3	29.3	30.6	31.6
Tangible equity/assets (%)	35.6	24.2	28.0	29.4	30.4
RWA/assets (%)	-	-	-	-	-
CET 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
Asset Quality (FSSIA's calculation)					
Change in NPL (%)	-	-	-	-	-
NPL/gross loans (%)	-	-	-	-	-
Allowance for ECL/gross loans (%)	1.2	1.7	2.2	2.2	2.2
Allowance for ECL/NPL (%)	-	-	-	-	-
Valuation					
Recurring P/E (x) *	11.8	10.6	11.4	10.4	9.4
Recurring P/E @ target price (x) *	14.0	12.5	13.4	12.3	11.1
Reported P/E (x)	11.8	10.6	11.4	10.4	9.4
Dividend yield (%)	4.7	0.3	0.9	1.0	1.1
Price/book (x)	2.1	1.9	1.7	1.5	1.3
Price/tangible book (x)	2.1	2.0	1.8	1.6	1.4
Price/tangible book @ target price (x)	2.5	2.3	2.1	1.9	1.6

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Srisawad Corp; FSSIA estimates

Srisawad Corp PCL (SAWAD TB)

FSSIA ESG rating


57.03 /100

Exhibit 4: 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 5: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET ESG	SET ESG Rating	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	67.71	5.69	4.38	4.05	4.77	4.43	4.02	Medium	57.34	BBB	22.70	60.82	67.31	1.19	35.34
Coverage	66.17	5.16	4.33	3.94	4.81	4.43	3.83	Medium	56.41	BBB	18.92	59.20	65.82	1.38	35.46
MTC	59.64	--	Y	AAA	5.00	4.00	Certified	Medium	47.15	AA	--	62.28	40.00	--	--
SAK	39.73	--	Y	A	5.00	4.00	Certified	--	--	--	--	44.31	16.00	2.13	45.88
SAWAD	57.03	--	Y	AA	5.00	4.00	Declared	Medium	63.22	BBB	--	27.77	19.00	3.51	47.89
TIDLOR	30.91	--	--	--	--	4.00	Certified	Medium	--	--	--	43.52	19.00	1.90	39.47
TK	15.00	--	--	--	5.00	5.00	--	--	--	--	--	--	--	--	--

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

Exhibit 6: ESG score by Bloomberg

FY ending Dec 31	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
ESG financial materiality scores - ESG score	1.77	1.67	1.70	1.93	1.77	1.90	2.21	3.51
BESG environmental pillar score	0.00	0.00	0.00	0.00	0.00	0.00	1.96	4.18
BESG social pillar score	0.87	0.74	0.87	1.07	1.07	1.27	1.39	3.41
BESG governance pillar score	4.66	4.62	4.39	4.77	4.09	4.12	3.98	3.45
ESG disclosure score	28.37	28.51	29.45	29.45	29.45	38.34	47.34	47.89
Environmental disclosure score	0.00	0.42	0.42	0.42	0.42	16.79	33.86	33.86
Social disclosure score	11.22	11.22	11.67	11.67	11.67	21.98	26.93	28.60
Governance disclosure score	73.72	73.72	76.10	76.10	76.10	76.10	81.10	81.10
Environmental								
Emissions reduction initiatives	No	No	No	No	No	Yes	Yes	Yes
Climate change policy	No	No	No	No	No	No	Yes	Yes
Climate change opportunities discussed	No	No	No	No	No	No	No	No
Risks of climate change discussed	No	No	No	No	No	Yes	Yes	Yes
GHG scope 1	—	—	—	—	—	—	2	1
GHG scope 2 location-based	—	—	—	—	—	—	5	3
GHG Scope 3	—	—	—	—	—	—	0	0
Carbon per unit of production	—	—	—	—	—	—	—	—
Biodiversity policy	No	No	No	No	No	No	No	No
Energy efficiency policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	—	—	—	—	—	—	11	6
Renewable energy use	—	—	—	—	—	—	—	—
Electricity used	—	—	—	—	—	—	2	1
Fuel used - natural gas	—	—	—	—	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 7: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Fuel used - crude oil/diesel	No	No	No	No	No	No	No	No
Waste reduction policy	No	No	No	No	No	Yes	Yes	Yes
Hazardous waste	—	—	—	—	—	—	—	—
Total waste	—	—	—	—	—	—	0	0
Waste recycled	—	—	—	—	—	—	0	0
Waste sent to landfills	—	—	—	—	—	—	—	—
Environmental supply chain management	No	No	No	No	No	Yes	Yes	Yes
Water policy	No	No	No	No	No	Yes	Yes	Yes
Water consumption	—	—	—	—	—	—	0	0
Social								
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	No	No	No	No	No	No	No	Yes
Quality assurance and recall policy	No	No	No	No	No	No	No	No
Consumer data protection policy	Yes	Yes	Yes	Yes	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	No
Pct women in workforce	—	—	—	—	—	—	54	52
Pct disabled in workforce	—	—	—	—	—	—	1	1
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	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	—	—	—	—	—	—	—	—
Total recordable incident rate - employees	—	—	—	—	—	10	0	0
Training policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	No	No	No	Yes
Number of employees – CSR	5,590	6,137	7,016	8,907	7,580	6,808	11,512	9,994
Employee turnover pct	—	—	—	—	—	3	32	42
Total hours spent by firm - employee training	—	—	—	—	—	23,574	5,165	96,462
Social supply chain management	No	No	No	No	No	Yes	Yes	Yes
Governance								
Board size	12	12	12	12	13	13	13	13
No. of independent directors (ID)	4	5	5	5	5	5	5	5
No. of women on board	2	1	1	1	1	1	1	1
No. of non-executive directors on board	9	9	9	9	9	9	9	9
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	14	13	13	12	13	10	13	13
Board meeting attendance pct	—	—	88	88	88	98	92	93
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	—	—	—	—	—	—	43	44
Age of the oldest director	—	—	—	—	—	—	76	77
No. of executives / company managers	8	8	4	5	5	5	5	4
No. of female executives	2	1	1	2	2	2	2	2
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	5	5	5	4	4	5	6	5
Audit meeting attendance %	100	100	93	100	100	100	100	100
Size of compensation committee	3	3	3	3	3	3	3	3
No. of ID on compensation committee	3	2	2	2	2	2	2	2
No. of compensation committee meetings	2	4	2	3	3	3	3	2
Compensation meeting attendance %	100	100	100	100	100	100	100	100
Size of nomination committee	3	3	3	3	3	3	3	3
No. of nomination committee meetings	2	4	2	3	3	3	3	2
Nomination meeting attendance %	100	100	100	100	100	100	100	100
Sustainability governance								
Verification type	No	No	No	No	No	No	No	No

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																			
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG 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 SETESG 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. SETESG Index is extended from the SET ESG Ratings 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
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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

Nathapol Pongsukcharoenkul FSS International Investment Advisory Securities Co., Ltd

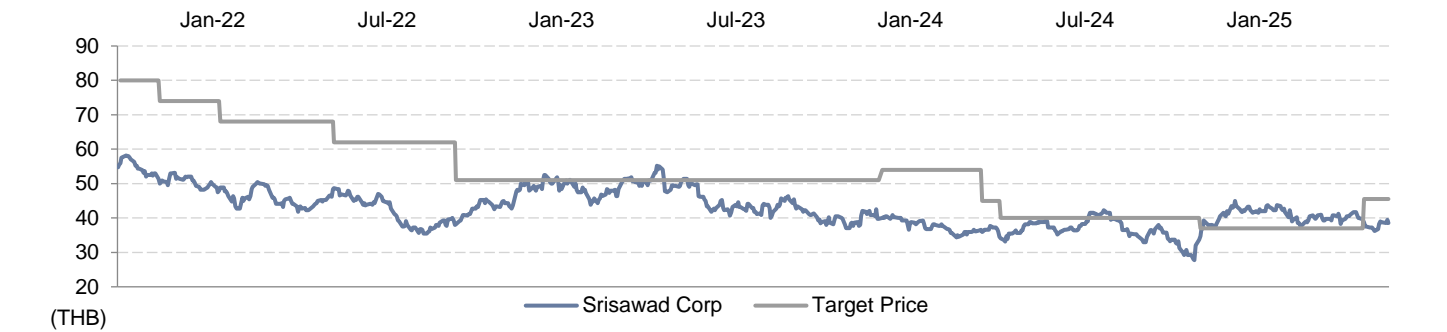
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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History of change in investment rating and/or target price

Srisawad Corp (SAWAD TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
01-Feb-2022	BUY	80.00	17-Nov-2022	BUY	51.00	19-Aug-2024	HOLD	37.00
07-Mar-2022	BUY	74.00	17-Nov-2023	BUY	54.00	07-Jan-2025	HOLD	45.50
28-Apr-2022	BUY	68.00	13-Feb-2024	HOLD	45.00			
04-Aug-2022	BUY	62.00	29-Feb-2024	HOLD	40.00			

Nathapol Pongsukcharoenkul started covering this stock from 07-Jan-2025

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Srisawad Corp	SAWAD TB	THB 38.50	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.

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 29-Jan-2025 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.