

MUANGTHAI CAPITAL

THAILAND / FINANCE & SECURITIES

MTC TB

BUY

UNCHANGED

TARGET PRICE	THB56.00
CLOSE	THB43.50
UP/DOWNSIDE	+28.7%
PRIOR TP	THB56.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+4.6%

1Q25E profit tracks higher q-q, y-y

- We expect MTC to report a 1Q25 net profit of THB1.58b, +14% y-y and +3% q-q.
- The higher net profit is mainly due to a lower credit cost following improving asset quality and projected loan growth of 14% y-y.
- Maintain top BUY and TP of THB56.

Expect 1Q25 net profit of THB1.58b with benign asset quality

We expect MTC to report a 1Q25 net profit of THB1.58b, +14% y-y and +3% q-q. The higher net profit both y-y and q-q in 1Q25E is mainly due to a lower credit cost following improving asset quality and projected loan growth of 14% y-y. We estimate the NPL ratio to remain benign at 2.74% in 1Q25 vs 2.75% in 4Q24 and 3.03% in 1Q24. Meanwhile, we expect MTC's credit cost to be at 2.77% in 1Q25, improving from 3.12% in 1Q24 and 2.81% in 4Q24. We see improving asset quality for MTC, thanks to improving internal collection efficiency and the positive impact of the liquidity injection program to upcountry households.

Expect loan growth of 14% y-y

We estimate MTC's gross loans to grow 14% y-y and 2% q-q to THB167.8b in 1Q25. 1Q is usually the low borrowing season in rural Thailand, as people tend to repay loans following annual bonuses and incentives among laborers. Nonetheless, we expect some segments like the service segment and self-employed individuals to remain the key drivers for MTC's loan growth in 1Q25. The products leading MTC's loan growth in 1Q25E are secured loans like motorcycle title loans, auto title loans and land title loans, in our view.

Lower NIM q-q from lower loan yield

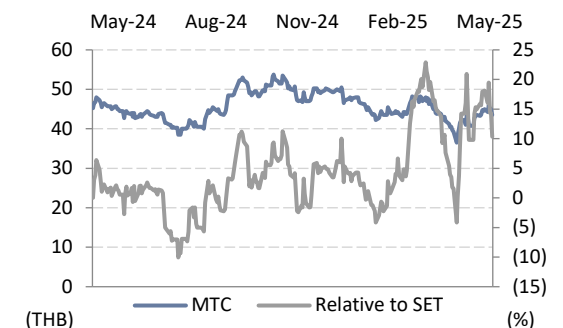
We expect the 1Q25 NIM to be at 13.87% (-8bp q-q), mainly from a decrease in loan yield and a slight increase in funding cost. We estimate MTC's average loan yield to be at 17.38% in 1Q25, lower q-q by 14bp due to fewer days in 1Q vs 4Q. Meanwhile, we estimate MTC's funding cost to be at 4.66% in 1Q25 (+6bp q-q), mainly due to the impact of the higher cost from USD-denominated debentures, which was partially offset by its low-cost domestic debenture issuance with the new A- (tha) rating from Fitch Thailand.

Maintain top BUY and TP of THB56

We maintain our top BUY rating for MTC with an unchanged GGM-based 2025 TP of THB56. Our TP of THB56 implies 2.74x 2025E P/BV (COE of 10.2%, ROE of 17.5%). With continued loan growth, better operating efficiency and benign asset quality, we expect MTC to post a 2025-27 net profit CAGR of 16%.

KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Operating profit	7,328	8,854	10,371	11,445
Net profit	5,867	7,083	8,297	9,156
EPS (THB)	2.77	3.34	3.91	4.32
vs Consensus (%)	-	3.3	4.4	(1.2)
Recurring net profit	5,867	7,083	8,297	9,156
Core EPS (THB)	2.77	3.34	3.91	4.32
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	19.6	20.7	17.1	10.4
Core P/E (x)	15.7	13.0	11.1	10.1
Dividend yield (%)	0.6	1.2	1.3	1.5
Price/book (x)	2.5	2.1	1.8	1.6
ROE (%)	17.0	17.6	17.6	16.7
ROA (%)	3.7	3.9	4.1	4.0



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	8.8	(0.6)	(2.2)
Relative to country (%)	6.4	9.0	11.1
Mkt cap (USD m)	2,790		
3m avg. daily turnover (USD m)	10.0		
Free float (%)	20		
Major shareholder	Petaumpai Family (67%)		
12m high/low (THB)	54.00/35.25		
Issued shares (m)	2,120		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

We maintain our top BUY rating for MTC, supported by the positive outlook on its profitability as follows:

- Benign funding conditions in 2025-26E thanks to the better credit rating of 'A- (tha)' by Fitch Ratings compared to 'BBB+' by TRIS previously.
- An ongoing decline in the NPL ratio and credit costs after MTC's proactive balance sheet cleanup and prudent new loan underwriting since 2023.
- We expect a net profit CAGR (2025-27E) of 16.0%, reflecting MTC's highest profit growth expected among Thai diversified finance companies under our coverage. The key drivers include a loan growth CAGR of 10.9%, higher branch efficiency, economies of scale with a lower cost-to-income ratio and lower credit costs following benign asset quality.

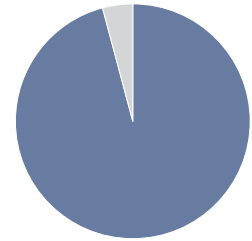
Company profile

MTC has provided lending services since 1992, focusing on motorcycle title loans, and commands the highest market share in Thailand. The company has also expanded its business to personal and other title loans such as car, agricultural and land title loans.

www.muangthaicap.com

Principal activities (revenue, 2024)

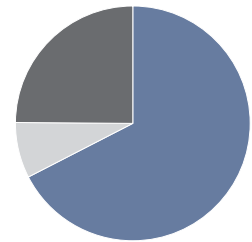
- Net interest income - 95.8 %
- Non-interest income - 4.2 %



Source: Muangthai Capital

Major shareholders

- Petaumpai Family - 67.5 %
- Thai NVDR Co., Ltd. - 7.7 %
- Others - 24.9 %



Source: Muangthai Capital

Catalysts

- Government stimulus acceleration to upcountry households;
- A stronger-than-expected improvement in asset quality;
- Better-than-expected OPEX control;
- Increase in loan yield to customers.

Risks to our call

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.

Event calendar

Date	Event
May 2025	1Q25 results announcement and analyst meeting

Key assumptions

Key assumptions (%)	2025E	2026E	2027E
Loan growth	12.94	10.50	9.18
NIM	14.26	14.31	14.34
Cost-to-income ratio	47.00	45.59	44.91
Credit cost	2.78	2.77	2.86
NPL ratio	2.77	2.73	2.73
ROE	17.61	17.61	16.74

Source: FSSIA estimates

Earnings sensitivity

		2025E		
Loan growth (%)	±2ppt	10.94	12.94	14.94
% change in net profit		(1.8)		1.8
NIM (%)	±10bp	14.16	14.26	14.36
% change in net profit		(2.5)	-	2.5
Cost-to-income ratio (%)	±1ppt	46.00	47.00	48.00
% change in net profit		3.7	-	(3.7)
Credit cost (bp)	±10bp	268	278	288
% change in net profit		2.5	-	(2.5)

Source: FSSIA estimates

1Q25E net profit of THB1.58b

We expect MTC to report a 1Q25 net profit of THB1.58b, +14% y-y and +3% q-q. The higher net profit both y-y and q-q in 1Q25E is mainly due to a lower credit cost following improving asset quality and projected loan growth of 14% y-y. We estimate the NPL ratio to remain benign at 2.74% in 1Q25 vs 2.75% in 4Q24 and 3.03% in 1Q24. Meanwhile, we expect MTC's credit cost to be at 2.77% in 1Q25, improving from 3.12% in 1Q24 and 2.81% in 4Q24. We see improving asset quality for MTC, thanks to improving internal collection efficiency and the positive impact of the liquidity injection program to upcountry households, especially the THB10,000 cash handout program from the government since Sep-24.

As of 1Q25E, MTC's branch network reached 8,303 branches (+131 q-q). Meanwhile, we expect a stabilized cost-to-income ratio q-q in 1Q25 at 47.67% following moderate branch expansion and staff incentives in the quarter.

Expect loan growth of 14% y-y in 1Q25

We estimate MTC's gross loans to grow 14% y-y and 2% q-q to THB167.8b in 1Q25. 1Q is usually the low borrowing season in rural Thailand, as people tend to repay loans following annual bonuses and incentives among laborers. Nonetheless, we expect some segments like the service segment and self-employed individuals to remain the key drivers for MTC's loan growth in 1Q25.

The products leading MTC's loan growth in 1Q25E are secured loans like motorcycle title loans, auto title loans and land title loans, in our view. Meanwhile, we believe MTC's unsecured loan products like personal loans and nanofinance loans have expanded at a minimal pace during 1Q25, as the company tries to control risk and loss given defaults for the whole of MTC's loan portfolio.

Lower NIM q-q from lower loan yield

We expect the 1Q25 NIM to be at 13.87% (-8bp q-q), mainly from a decrease in loan yield and a slight increase in funding cost. We estimate MTC's average loan yield to be at 17.38% in 1Q25, lower q-q by 14bp due to fewer days in 1Q vs 4Q. We believe competition in the auto title loan industry is likely to ease because of less fierce competition, with a gradually higher yield adjustment from the low yield offered previously. This is reflected by MTC's 2025E average loan yield stabilizing at around 17-18%.

Meanwhile, we estimate MTC's funding cost to be at 4.66% in 1Q25 (+6bp q-q), mainly due to the impact of the higher cost from USD-denominated debentures, which was partially offset by its low-cost domestic debenture issuance with the new A- (tha) rating from Fitch Thailand. On a quarterly basis, we expect the funding cost for MTC to peak around 2Q25 before gradually decreasing from the cheaper debenture issuance with the A- (tha) rating.

Positive outlook for asset quality

We expect the positive outlook for MTC's asset quality to continue in 1Q25 on the back of an expected NPL ratio of 2.74%, which is roughly stable q-q and lower than 3.03% in 1Q24. Note that the NPL ratio peak for MTC was at 3.36% in 2Q23.

Meanwhile, we expect MTC's credit cost to be at 2.77% in 1Q25 vs 2.81% in 4Q24 and 3.12% in 1Q24. In detail, we expect MTC to write off and sell NPLs worth cTHB880m in 1Q25, which would be much lower than its peak of THB1.1b in 3Q23 and the average of THB930m per quarter in 2024. We see improving asset quality for MTC, thanks to improving internal collection efficiency and the positive impact of the liquidity injection program to upcountry households, especially the THB10,000 cash handout program from the government since Sep-24.

With the expectation of more liquidity stimulus measures for upcountry households like farm income subsidies, we believe such measures should benefit upcountry-focused companies like MTC with improving debt serviceability and asset quality. The NPL coverage ratio for MTC should be at 139% in 1Q25 (improving q-q), recovering from 92% in 2022, which was the bottom of MTC's asset quality.

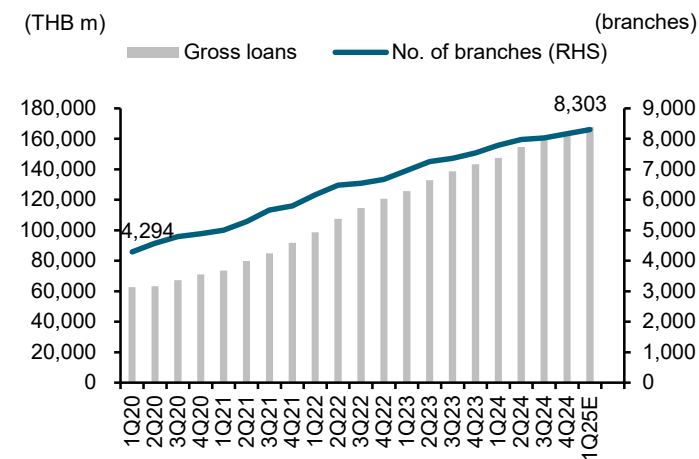
Exhibit 1: MTC – 1Q25E operating summary

Profit and loss	1Q24	2Q24	3Q24	4Q24	1Q25E	Change		3M25E	Change	% of 25E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(y-y%)	(q-q%)	(THB m)	(y-y%)	(%)
Interest income	6,353	6,580	6,937	7,086	7,214	13.5	1.8	7,214	13.5	23.6
Interest expense	1,130	1,227	1,343	1,441	1,455	28.7	1.0	1,455	28.7	25.6
Net interest income	5,223	5,353	5,594	5,645	5,759	10.3	2.0	5,759	10.3	23.1
Non-interest income	278	252	233	184	220	(20.7)	19.6	220	(20.7)	23.1
Non-interest expenses	2,630	2,660	2,734	2,766	2,850	8.4	3.0	2,850	8.4	23.4
Pre-provision profits	2,870	2,945	3,093	3,063	3,129	9.0	2.2	3,129	9.0	22.8
Provisioning expense	1,134	1,150	1,222	1,137	1,150	1.4	1.2	1,150	1.4	23.6
Profit before tax	1,736	1,796	1,871	1,926	1,979	14.0	2.7	1,979	14.0	22.3
Tax expense	347	351	380	383	396	14.2	3.2	396	14.2	22.3
Net profit	1,389	1,444	1,491	1,543	1,583	13.9	2.6	1,583	13.9	22.3

Key drivers and ratios	1Q24	2Q24	3Q24	4Q24	1Q25E	Change		3M25E	Change
% unless stated otherwise	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(THB m)	(ppt)
Gross loans (THB m)	147,587	154,672	159,323	164,242	167,798	13.7%	2.2%	167,798	13.69
Yield on loans	17.47	17.42	17.67	17.52	17.38	(0.09)	(0.14)	17.38	(0.09)
Cost of funds	4.08	4.26	4.39	4.61	4.66	0.58	0.06	4.66	0.58
Net interest margin	14.36	14.17	14.25	13.96	13.87	(0.49)	(0.08)	13.87	(0.49)
Cost-to-income ratio	47.82	47.45	46.92	47.46	47.67	(0.15)	0.21	47.67	(0.15)
Credit cost	3.12	3.04	3.11	2.81	2.77	(0.35)	(0.04)	2.77	(0.35)
NPL ratio	3.03	2.88	2.82	2.75	2.74	(0.29)	(0.01)	2.74	(0.29)
NPL coverage	120.86	125.01	129.52	135.30	138.83	17.97	3.54	138.83	17.97

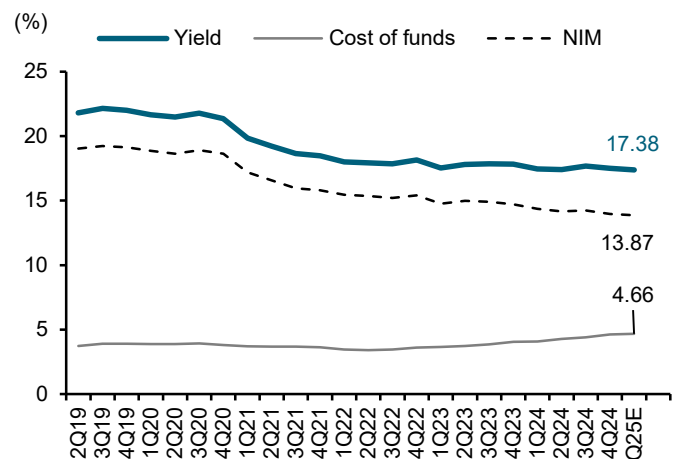
Sources: MTC, FSSIA estimates

Exhibit 2: MTC's loans and branch network



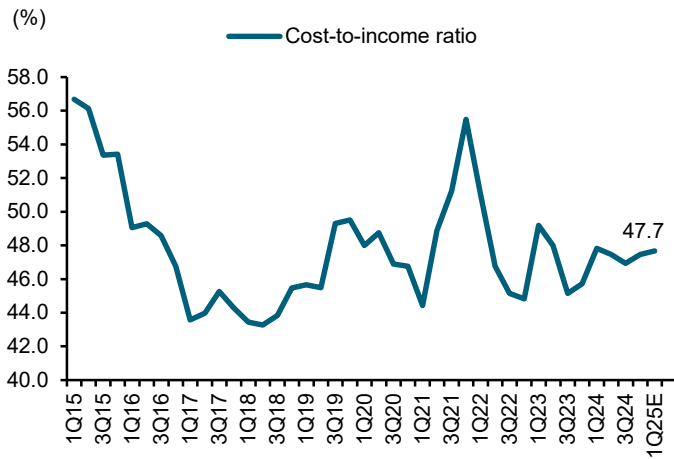
Sources: MTC, FSSIA estimates

Exhibit 3: Quarterly yield, cost of funds and NIM



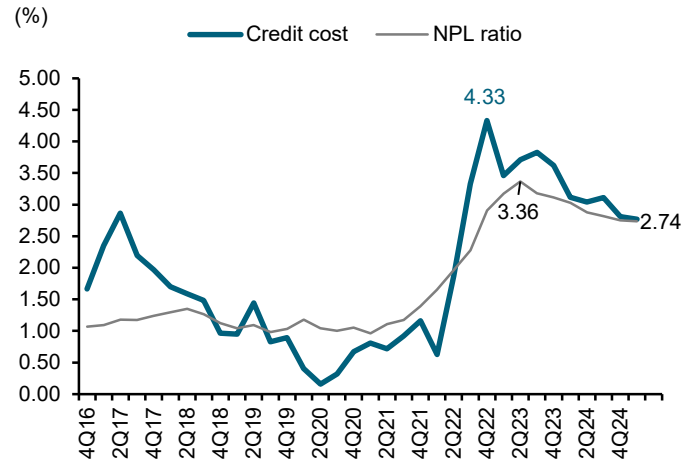
Sources: MTC, FSSIA estimates

Exhibit 4: Cost-to-income ratio



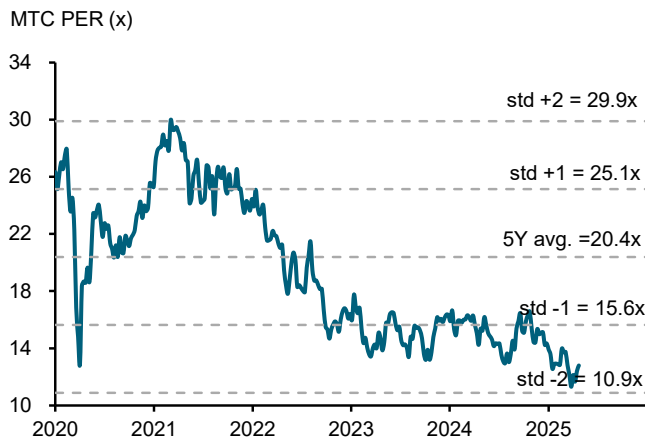
Sources: MTC, FSSIA estimates

Exhibit 5: NPL ratio and credit cost – NPL write-offs continue



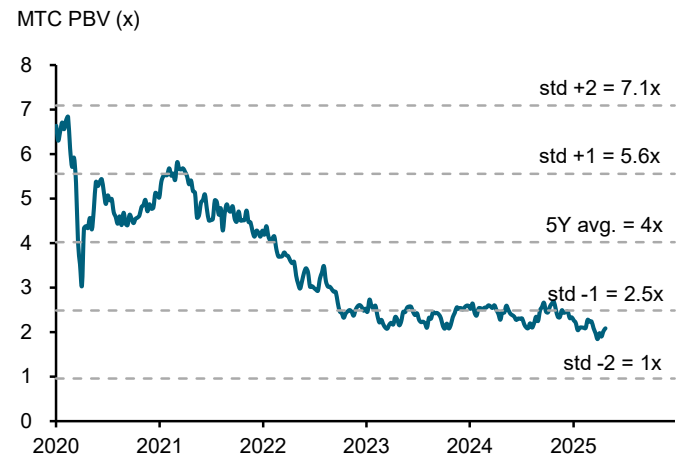
Sources: MTC, FSSIA estimates

Exhibit 6: MTC– one-year prospective P/E band



Sources: MTC, FSSIA estimates

Exhibit 7: MTC – one-year prospective P/BV band



Sources: MTC, FSSIA estimates

Exhibit 8: Peers comparison, as of 2 May 2025

Company name	BBG	Rec	Share	Target	Up	PE		PBV		ROE		Div yld	
	code		price	price	side	25E	26E	25E	26E	25E	26E	25E	26E
			(LCY)	(LCY)	(%)	(x)	(x)	(x)	(x)	(%)	(%)	(x)	(x)
Auto title													
Muangthai Capital	MTC TB	BUY	43.50	56.00	28.7	13.0	11.1	2.1	1.8	17.6	17.6	1.2	1.3
Srisawad Corp	SAWAD TB	HOLD	30.00	36.00	20.0	8.6	8.0	1.2	1.0	14.7	13.8	1.2	1.2
Saksiam Leasing	SAK TB	BUY	3.88	5.28	36.1	8.6	7.6	1.2	1.1	14.4	15.0	4.9	5.5
Unsecured finance													
AEON Thana Sinsap (Thailand)	AEONTS TB	HOLD	106.50	142.00	33.3	8.3	7.6	0.9	0.9	11.9	12.1	5.1	5.6
Krungthai Card	KTC TB	HOLD	45.75	43.00	(6.0)	15.8	13.9	2.7	2.4	17.9	18.3	2.9	3.2
Hire-purchase truck													
Asia Sermkij Leasing	ASK TB	REDUCE	7.05	5.60	(20.6)	23.8	14.1	0.4	0.4	1.7	3.0	2.1	3.5
Ratchthani Leasing	THANI TB	HOLD	1.46	1.78	21.9	8.2	7.6	0.6	0.6	8.0	8.3	6.7	7.2
AMCs													
Bangkok Commercial Asset Mgmt.	BAM TB	HOLD	6.30	9.00	42.9	12.7	11.2	0.5	0.5	3.6	4.1	6.3	7.2
JMT Network services	JMT TB	HOLD	13.60	17.00	25.0	9.8	8.9	0.7	0.7	7.4	7.8	6.1	6.7
Chayo Group	CHAYO TB	BUY	2.00	4.00	100.0	4.7	4.0	0.5	0.5	11.8	12.1	3.2	3.7
Average						11.3	9.4	1.1	1.0	10.9	11.2	4.0	4.5

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

Sources: Bloomberg, FSSIA estimates

Financial Statements

Muangthai Capital

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Interest Income	23,500	26,956	30,628	34,146	37,479
Interest expense	(3,857)	(5,142)	(5,692)	(6,202)	(6,741)
Net interest income	19,644	21,814	24,936	27,944	30,738
Net fees & commission	921	781	954	1,056	1,152
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	-	-	-	-	-
Other income	105	165	0	0	0
Non interest income	1,026	946	954	1,056	1,152
Total income	20,669	22,760	25,890	29,000	31,890
Staff costs	(9,702)	(10,790)	(12,169)	(13,220)	(14,321)
Other operating costs	-	-	-	-	-
Operating costs	(9,702)	(10,790)	(12,169)	(13,220)	(14,321)
Pre provision operating profit	10,967	11,970	13,721	15,780	17,568
Expected credit loss	(4,841)	(4,642)	(4,867)	(5,410)	(6,124)
Other provisions	-	-	-	-	-
Operating profit	6,126	7,328	8,854	10,371	11,445
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	6,126	7,328	8,854	10,371	11,445
Tax	(1,220)	(1,461)	(1,771)	(2,074)	(2,289)
Profit after tax	4,906	5,867	7,083	8,297	9,156
Non-controlling interest	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	4,906	5,867	7,083	8,297	9,156
Non recurring items & goodwill (net)	-	-	-	-	-
Recurring net profit	4,906	5,867	7,083	8,297	9,156
Per share (THB)					
Recurring EPS *	2.31	2.77	3.34	3.91	4.32
Reported EPS	2.31	2.77	3.34	3.91	4.32
DPS	0.21	0.25	0.50	0.59	0.65
Growth					
Net interest income (%)	19.9	11.1	14.3	12.1	10.0
Non interest income (%)	18.0	(7.8)	0.9	10.7	9.1
Pre provision operating profit (%)	19.4	9.1	14.6	15.0	11.3
Operating profit (%)	(3.7)	19.6	20.8	17.1	10.4
Reported net profit (%)	(3.7)	19.6	20.7	17.1	10.4
Recurring EPS (%)	(3.7)	19.6	20.7	17.1	10.4
Reported EPS (%)	(3.7)	19.6	20.7	17.1	10.4
Income Breakdown					
Net interest income (%)	95.0	95.8	96.3	96.4	96.4
Net fees & commission (%)	4.5	3.4	3.7	3.6	3.6
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	0.5	0.7	-	-	-
Operating performance					
Gross interest yield (%)	17.81	17.53	17.52	17.49	17.48
Cost of funds (%)	3.83	4.39	4.34	4.28	4.27
Net interest spread (%)	13.98	13.14	13.18	13.21	13.21
Net interest margin (%)	14.9	14.2	14.3	14.3	14.3
Cost/income(%)	46.9	47.4	47.0	45.6	44.9
Cost/assets(%)	7.0	6.7	6.7	6.5	6.3
Effective tax rate (%)	19.9	19.9	20.0	20.0	20.0
Dividend payout on recurring profit (%)	9.1	9.0	15.0	15.0	15.0
ROE (%)	16.1	17.0	17.6	17.6	16.7
ROE - COE (%)	5.9	6.8	7.4	7.4	6.5
ROA (%)	3.5	3.7	3.9	4.1	4.0
RORWA (%)	-	-	-	-	-

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Muangthai Capital; FSSIA estimates

Financial Statements

Muangthai Capital

Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Gross customer loans	143,318	164,242	185,495	204,977	223,803
Allowance for expected credit loss	(5,169)	(6,112)	(6,689)	(7,298)	(7,922)
interest in suspense	-	-	-	-	-
Net customer loans	138,149	158,130	178,806	197,679	215,881
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	0	0	0	0	0
Cash & equivalents	2,822	3,126	3,369	3,765	4,136
Other interesting assets	-	-	-	-	-
Tangible fixed assets	7,012	7,339	8,423	9,412	14,475
Associates	0	0	0	0	0
Goodwill	-	-	-	-	-
Other intangible assets	65	80	168	188	207
Other assets	955	757	1,179	1,318	1,447
Total assets	150,156	170,846	193,631	214,244	238,213
Customer deposits	-	-	-	-	-
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	109,864	124,323	137,999	151,798	163,942
Non interest bearing liabilities	8,375	9,570	12,126	11,705	15,619
Hybrid Capital	-	-	-	-	-
Total liabilities	118,239	133,893	150,124	163,503	179,561
Share capital	2,120	2,120	2,120	2,120	2,120
Reserves	29,797	34,833	41,387	48,621	56,532
Total equity	31,917	36,953	43,507	50,741	58,652
Non-controlling interest	0	0	0	0	0
Total liabilities & equity	150,156	170,846	193,631	214,244	238,213
Supplementary items					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	131,966	153,780	174,868	195,236	214,390
Average interest bearing liabilities	100,795	117,094	131,161	144,898	157,870
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)	4,461	4,517	5,137	5,603	6,106
Per share (THB)					
Book value per share	15.06	17.43	20.52	23.93	27.67
Tangible book value per share	15.02	17.39	20.44	23.85	27.57
Growth					
Gross customer loans	18.8	14.6	12.9	10.5	9.2
Average interest earning assets	24.2	16.5	13.7	11.6	9.8
Total asset (%)	17.2	13.8	13.3	10.6	11.2
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	-	-	-	-	-
Leverage & capital measures					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	21.3	21.6	22.5	23.7	24.6
Tangible equity/assets (%)	21.2	21.6	22.4	23.6	24.5
RWA/assets (%)	-	-	-	-	-
CET 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
Asset Quality (FSSIA's calculation)					
Change in NPL (%)	27.2	1.3	13.7	9.1	9.0
NPL/gross loans (%)	3.1	2.8	2.8	2.7	2.7
Allowance for ECL/gross loans (%)	3.6	3.7	3.6	3.6	3.5
Allowance for ECL/NPL (%)	115.9	135.3	130.2	130.2	129.7
Valuation					
Recurring P/E (x) *	18.8	15.7	13.0	11.1	10.1
Recurring P/E @ target price (x) *	24.2	20.2	16.8	14.3	13.0
Reported P/E (x)	18.8	15.7	13.0	11.1	10.1
Dividend yield (%)	0.5	0.6	1.2	1.3	1.5
Price/book (x)	2.9	2.5	2.1	1.8	1.6
Price/tangible book (x)	2.9	2.5	2.1	1.8	1.6
Price/tangible book @ target price (x)	3.7	3.2	2.7	2.3	2.0

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Muangthai Capital; FSSIA estimates

Muangthai Capital PCL (MTC TB)

FSSIA ESG rating



59.64 /100

Exhibit 9: FSSIA ESG score implication

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

Sources: FSSIA estimates

Exhibit 10: 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 11: 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	1.51	2.07	2.16	2.39	4.00	3.27	2.59	—
BESG environmental pillar score	0.00	0.00	0.00	0.12	0.02	0.03	0.03	—
BESG social pillar score	0.58	1.37	1.37	1.69	4.57	3.27	2.10	—
BESG governance pillar score	4.41	4.57	4.91	4.95	4.95	4.82	4.83	—
ESG disclosure score	32.18	32.89	35.76	39.62	44.88	50.20	57.75	—
Environmental disclosure score	0.00	0.00	0.33	7.28	15.22	32.74	36.12	—
Social disclosure score	15.84	17.41	25.70	30.35	31.92	30.35	49.67	—
Governance disclosure score	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	Yes
Climate change policy	No	No	No	Yes	Yes	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No	No	No	No	No
Risks of climate change discussed	No	No	Yes	Yes	Yes	Yes	Yes	Yes
GHG scope 1	—	—	—	2	7	6	8	10
GHG scope 2 location-based	—	—	—	—	16	18	21	24
GHG Scope 3	—	—	—	—	1	1	1	1
Carbon per unit of production	—	—	—	—	—	—	—	—
Biodiversity policy	No	No	No	No	No	No	No	Yes
Energy efficiency policy	No	No	No	Yes	Yes	Yes	Yes	Yes
Total energy consumption	—	—	—	9	55	36	69	83
Renewable energy use	—	—	—	—	—	0	0	—
Electricity used	—	—	—	—	32	36	42	49
Fuel used - natural gas	—	—	—	—	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 12: 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	Yes	Yes	Yes	Yes	Yes
Hazardous waste	—	—	—	—	—	—	—	—
Total waste	—	—	—	—	—	—	—	—
Waste recycled	—	—	—	—	—	—	—	—
Waste sent to landfills	—	—	—	—	—	—	—	—
Environmental supply chain management	No	No	No	No	No	Yes	Yes	Yes
Water policy	No	No	No	Yes	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	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	Yes	Yes
Pct women in workforce	—	—	—	—	11	11	10	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	0
Total recordable incident rate - employees	—	—	—	1	1	0	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	4,185	5,893	7,660	9,576	10,328	11,460	13,005	14,873
Employee turnover pct	—	—	—	—	—	—	29	12
Total hours spent by firm - employee training	—	—	70,395	60,328	34,082	34,036	78,030	164,495
Social supply chain management	No	No	No	No	No	No	Yes	Yes
Governance								
Board size	7	7	7	8	8	7	7	7
No. of independent directors (ID)	5	5	5	5	5	4	4	4
No. of women on board	2	3	3	3	3	3	3	3
No. of non-executive directors on board	5	5	5	6	6	5	5	5
Company conducts board evaluations	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	5	7	7	6	9	8	8	7
Board meeting attendance pct	100	96	100	94	96	100	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	57	58	59	36	39	40	41	42
Age of the oldest director	68	69	70	71	72	73	74	75
No. of executives / company managers	12	12	13	13	12	13	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	7	4
Audit meeting attendance %	100	92	100	92	100	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	2	2	2
No. of compensation committee meetings	1	2	2	2	2	3	2	2
Compensation meeting attendance %	100	83	100	83	83	100	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	2
Nomination meeting attendance %	100	83	100	83	83	100	100	100
Sustainability governance								
Verification type	No	No	No	No	Yes	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.																			
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

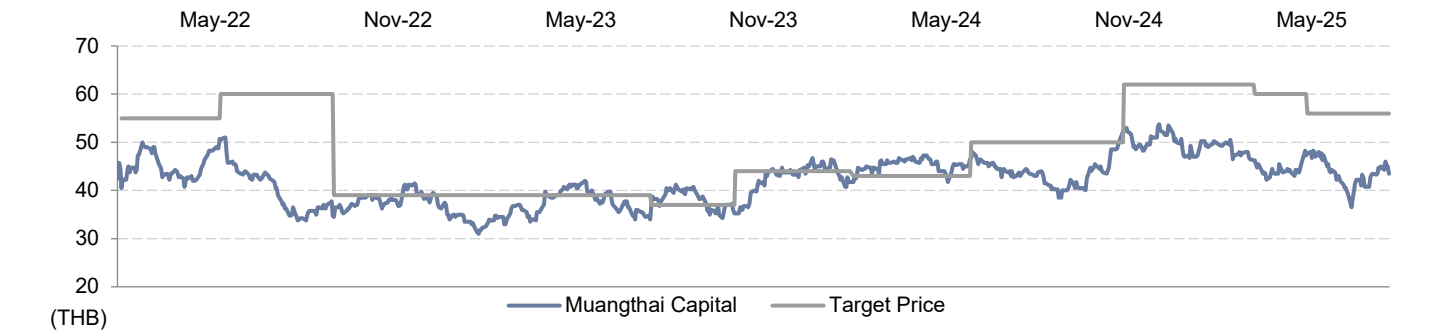
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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

Muangthai Capital (MTC TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
11-May-2022	BUY	55.00	19-Oct-2023	BUY	44.00	06-Jan-2025	BUY	60.00
04-Aug-2022	BUY	60.00	26-Jan-2024	HOLD	43.00	20-Feb-2025	BUY	56.00
09-Nov-2022	HOLD	39.00	08-May-2024	BUY	50.00			
08-Aug-2023	HOLD	37.00	16-Sep-2024	BUY	62.00			

Nathapol Pongsukcharoenkul started covering this stock from 06-Jan-2025

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Muangthai Capital	MTC TB	THB 43.50	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.

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 02-May-2025 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.