

SRISAWAD CORP

THAILAND / FINANCE & SECURITIES

SAWAD TB

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คาดการณ์ 1Q25 จะโตต่ำพร้อมหนี้ด้วยคุณภาพที่ทรงตัว

- เราคาดว่า SAWAD จะรายงานกำไรสุทธิ 1Q25 อยู่ที่ 1.24 พัน ลบ. (-1.3% y-y, +1.6% q-q)
- ผลขาดทุนจากการยืตรถที่ลดลงและค่าธรรมเนียมนายหน้าธุรกิจประกันภัยที่สูงขึ้นจะช่วยชดเชยส่วนต่างดอกเบี้ยที่ลดลงและสินเชื่อที่โตเพียงเล็กน้อย
- คงคำแนะนำถือแต่ปรับลดราคาเป้าหมายเป็น 30.50 บาทจากหุ้นปันผลที่อัตรา 10:1

TARGET PRICE	THB30.50
CLOSE	THB28.00
UP/DOWNSIDE	+8.9%
PRIOR TP	THB36.00
CHANGE IN TP	-15.3%
TP vs CONSENSUS	-17.4%

KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Operating profit	6,631	6,903	7,434	8,193
Net profit	5,052	5,246	5,650	6,226
EPS (THB)	3.34	3.16	3.40	3.75
vs Consensus (%)	-	(6.0)	(8.1)	(10.1)
Recurring net profit	5,052	5,246	5,650	6,226
Core EPS (THB)	3.34	3.16	3.40	3.75
Chg. In EPS est. (%)	0.0	(9.1)	(9.1)	(9.1)
EPS growth (%)	(8.2)	(5.6)	7.7	10.2
Core P/E (x)	8.4	8.9	8.2	7.5
Dividend yield (%)	0.5	1.1	1.2	1.3
Price/book (x)	1.3	1.2	1.1	0.9
ROE (%)	16.5	14.7	13.8	13.4
ROA (%)	4.8	4.9	5.0	5.1

คาดการณ์กำไรสุทธิ 1Q25 จะอยู่ที่ 1.24 พัน ลบ.

เราคาดว่า SAWAD จะรายงานกำไรสุทธิ 1Q25 อยู่ที่ 1.24 พัน ลบ. (-1.3% y-y, +1.6% q-q) ในด้านบวกเราคาดว่าผลขาดทุนจากการยืตรถจะลดลงโดยเฉพาะในธุรกิจเช่าซื้อรถจักรยานยนต์ และค่าธรรมเนียมนายหน้าในธุรกิจประกันภัยจะปรับตัวดีขึ้น ในทางตรงกันข้ามเราคาดว่าผลประกอบการ 1Q25 จะมีปัจจัยถ่วงจาก 1) สินเชื่อที่โตต่ำ (-5.2% y-y, +0.4% q-q) และ 2) ส่วนต่างดอกเบี้ยที่ลดลง 81bp y-y และ 8bp q-q จากผลตอบแทนสินเชื่อที่ลดลงต่อเนื่องและต้นทุนในการกู้ยืมที่สูงขึ้นเล็กน้อย

ส่วนต่างดอกเบี้ยมีแนวโน้มลดลงต่อเนื่อง

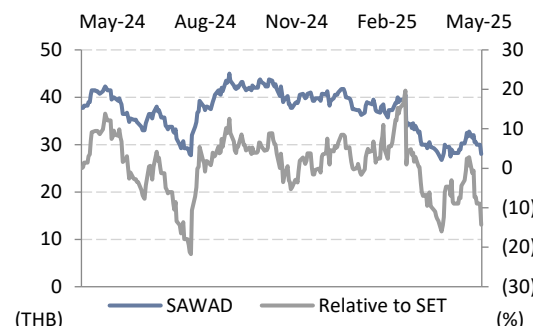
ใน 1Q25 เราคาดว่าส่วนต่างดอกเบี้ยจะอยู่ที่ 14.74% (-81bp y-y, -8bp q-q) เรายังเห็นปัจจัยกดดันต่อผลตอบแทนสินเชื่อรวมจาก 1) การครบกำหนดของสินเชื่อเช่าซื้อที่ให้ผลตอบแทนสูงถึง 30%+ ซึ่งเริ่มก่อนปี 2023 (ปีแรกที่มีการกำหนดเพดานผลตอบแทนสินเชื่อเช่าซื้อที่ 23%) และ 2) การกำหนดผลตอบแทนของกลุ่มสินเชื่อทะเบียนสินทรัพย์ใหม่ในระดับต่ำเพื่อดึงดูดความต้องการสินเชื่อ เราเชื่อว่า SAWAD ปรับอัตราผลตอบแทนฯ ลดลงหลังบริษัทฯ คงนโยบายปล่อยสินเชื่อใหม่ด้วยความระมัดระวังโดยมีสัดส่วนสินเชื่อต่อมูลค่าสินทรัพย์ (LTV) ที่ประมาณ 40%

สัดส่วนหนี้ด้วยคุณภาพคงที่ที่ 3.58%

เราเห็นว่าคุณภาพสินทรัพย์รวมยังอยู่ในระดับที่ควบคุมได้ เราคาดว่าสัดส่วนหนี้ด้วยคุณภาพจะอยู่ที่ประมาณ 3.58% ใน 1Q25 ทรงตัว q-q แต่สูงขึ้นเมื่อเทียบกับ 3.23% ใน 1Q24 แม้ว่าสัดส่วนหนี้ด้วยคุณภาพจะสูงขึ้น y-y เราคิดว่าสัดส่วนหนี้ด้วยคุณภาพที่คาดว่าจะไว้ที่ 3.58% ยังเป็นระดับที่ควบคุมได้เมื่อเทียบกับค่าเฉลี่ย 10 ปีย้อนหลังที่ประมาณ 4.0% เราคาดว่าต้นทุนความเสี่ยงในการปล่อยสินเชื่อจะอยู่ที่ 1.86% ใน 1Q25 สูงขึ้นเมื่อเทียบกับ 1.70% ใน 4Q24 แต่ปรับตัวดีขึ้นจาก 2.0-2.8% ใน 4Q23-1Q24 ตัวเลขที่คาดว่าจะดีขึ้น y-y เกิดจากภาระการตัดจำหน่ายหนี้ด้วยคุณภาพที่ลดลงโดยเฉพาะในกลุ่มสินเชื่อเช่าซื้อรถจักรยานยนต์

คงคำแนะนำถือแต่ปรับลดราคาเป้าหมายเป็น 30.50 บาทจากหุ้นปันผล

เราประมาณการกำไรสุทธิปี 2025 ของเราที่ 5.25 พัน ลบ. และคงคำแนะนำถือหลังปรับลดราคาเป้าหมายปี 2025 ของเราเป็น 30.50 บาท จาก 36 บาท (GGM) หลังการจ่ายหุ้นปันผลในอัตรา 10:1 ในปลายเดือน พ.ค. ซึ่งจะช่วยให้กำไรต่อหุ้นและมูลค่าทางบัญชีต่อหุ้นลดลง 9% ราคาเป้าหมายของเราเทียบเท่า 1.32x 2025E P/BV (COE 10.2%, ROE 12.5%) จากสินเชื่อที่โตต่ำ ส่วนต่างดอกเบี้ยที่หดตัวและหุ้นปันผลเพื่อควบคุมสัดส่วนหนี้สินต่อส่วนผู้ถือหุ้นเราคาดว่า SAWAD จะรายงานกำไรสุทธิในช่วงปี 2025-27 โต 7.2% CAGR และผลตอบแทนต่อส่วนผู้ถือหุ้นที่ 13-14% ในช่วงดังกล่าวซึ่งต่ำกว่า 18.6% และ 16.5% ในปี 2023-24 อยู่มาก



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(5.1)	(27.3)	(23.0)
Relative to country (%)	(10.1)	(22.7)	(11.2)
Mkt cap (USD m)	1,295		
3m avg. daily turnover (USD m)	8.0		
Free float (%)	45		
Major shareholder	Kaewboota Family (28%)		
12m high/low (THB)	45.50/26.50		
Issued shares (m)	1,662		

Sources: Bloomberg consensus; FSSIA estimates



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

บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 7 พฤษภาคม 2025

Investment thesis

- We have a neutral view of SAWAD's outlook despite a gradual improvement in asset quality after the active balance sheet cleanup process in 1H23. This is because the cleanup process has resulted in muted loan growth in 2024, which could be prolonged to 2025-26.
- We expect lower average loan yields for SAWAD in 2025-26. This is due to the maturity of the high-yield loan segment, especially motorcycle hire-purchase (HP), and high competition in the asset title loan (ATL) business.
- Slow loan growth, NIM contraction and stock dividends could pressure SAWAD's ROE down to 14% by 2026, in our view.
- We expect a 2025-27 net profit CAGR of 7.2% for SAWAD.

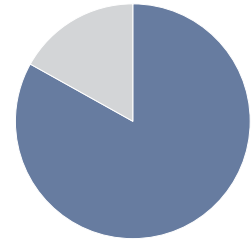
Company profile

SAWAD provides loan services to retail customers. Its business operations can be classified into four main categories: 1) auto title loans against all types of used vehicles, homes, and land; 2) unsecured personal loans; 3) motorcycle hire-purchase; and 4) asset management.

www.meebaanmeerod.com

Principal activities (revenue, 2024)

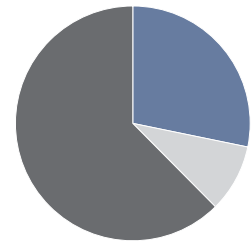
- Net interest income - 83.1 %
- Non-interest income - 16.9 %



Source: Srisawad Corp

Major shareholders

- Kaewbootta Family - 28.2 %
- Thai NVDR - 9.3 %
- Others - 62.4 %



Source: Srisawad Corp

Catalysts

- Government stimulus acceleration to upcountry households;
- Better-than-expected NIM and non-NII;
- A stronger-than-expected improvement in asset quality and credit cost;
- Growth potential from new business.

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; 2) changes in financial regulations by the Bank of Thailand and the Office of Consumer Protection Board; and 3) liquidity shortage in the debenture market. 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.

Event calendar

Date	Event
May 2025	1Q25 results announcement and analyst meeting

Key assumptions

Key assumptions (%)	2025E	2026E	2027E
Loan growth	7.61	7.04	7.03
NIM	15.28	15.32	15.41
Cost-to-income ratio	51.12	50.13	48.76
Credit cost	2.00	2.21	2.22
NPL ratio	3.75	3.90	3.90
ROE	14.68	13.82	13.45

Source: FSSIA estimates

Earnings sensitivity

		----- 2025E -----		
Loan growth (%)	±2ppt	5.61	7.61	9.61
% change in net profit		(1.7)		1.7
NIM (%)	±10bp	15.18	15.28	15.38
% change in net profit		(1.8)	-	1.8
Cost-to-income ratio (%)	±1ppt	50.12	51.12	52.12
% change in net profit		3.4	-	(3.4)
Credit cost (bp)	±10bp	190	200	210
% change in net profit		1.8	-	(1.8)

Source: FSSIA estimates

1Q25E: Mute profit growth, stable NPLs

We expect SAWAD to report a 1Q25 net profit of THB1.24b, -1.3% y-y and +1.6% q-q. On the positive side, we expect a lower loss from auto repossessions, especially SAWAD's motorcycle HP business, and an improvement in its insurance brokerage fees. On the other hand, we expect that SAWAD's 1Q25 performance will be dragged by 1) subdued loan growth at -5.2% y-y but +0.4% q-q; and 2) a lower NIM by 81bp y-y and 8bp q-q following a continued drop in its loan yield and a gradual increase in funding costs.

SAWAD's overall asset quality remains controllable, in our view. We estimate the NPL ratio to be around 3.58% in 1Q25, which would be stable q-q vs 3.23% in 1Q24. Despite a higher NPL ratio y-y, we think the expected NPL ratio of 3.58% remains controllable compared to the company's target of 3.5-4.0% and SAWAD's historical 10-year average NPL ratio of c4.0%.

We expect SAWAD's credit cost to be at 1.86% in 1Q25 vs 1.70% in 4Q24 but improving from 2.0-2.8% in 4Q23-1Q24. The improvement in credit cost y-y follows a lower NPL write-off burden, especially in the motorcycle HP segment. Nonetheless, the risk of a higher credit cost for SAWAD in the future remains, in our view, on the back of a low NPL coverage ratio of only 60% in 1Q25E, which is the lowest among Thai consumer finance companies under our coverage.

Small loan growth resumption

We estimate SAWAD's gross loans to grow 0.4% q-q but drop 5.2% y-y to THB93.6b in 1Q25. The products leading SAWAD's loan growth in 1Q25E are auto title loans and land title loans, in our view. Meanwhile, we believe SAWAD's motorcycle HP could contract q-q in 1Q25, as the company tries to control risk and clean the NPLs from this HP segment out from its balance sheet. Thus, the HP loans should partially offset SAWAD's loan growth from asset title loans.

Note that we expect the contribution of HP loans to SAWAD's total loans to be at c30% in 1Q25 vs the peak of 37% in the past two years. In our view, this should imply de-risking progress for SAWAD's entire portfolio in order to minimize credit cost and losses from auto repossessions, and eventually improve net profit.

NIM downtrend continues

We expect the 1Q25 NIM to be at 14.74% (-81bp y-y, -8bp q-q). We still see headwinds in SAWAD's overall loan yield from the maturity of high-yield motorcycle HP loans with a 30%+ yield which originated before 2023 (the first year of the HP loan yield ceiling at 23%). This would be the major reason for a sharp drop in the average loan yield as well as NIM y-y, we believe. In addition, SAWAD maintains its conservative new lending stance with loan-to-value (LTV) at c40% for asset title loans. This LTV may not attract customers' demand. Thus, we believe the company might offer competitive low-yield pricing to customers in order to attract loan demand instead. This could be another reason for a lower loan yield and NIM for SAWAD, we believe.

Meanwhile, we estimate SAWAD's funding cost to be at 4.60% in 1Q25 (+4bp q-q). Going forward, [with the recently assigned rating of A- \(tha\) from Fitch Thailand](#), we expect the funding cost for SAWAD to peak around 3Q25 before gradually decreasing from the cheaper debenture issuance with the A- (tha) rating.

Improvements in non-NII and loss from auto repossessions

We forecast non-NII for SAWAD to be at THB805m in 1Q25 (-1.5% y-y, +8.8% q-q). The key driver for higher non-NII q-q would be the higher income from motor insurance brokerage fees thanks to the new partnership and improved sales process efficiency.

Meanwhile, we expect the 1Q25 cost-to-income ratio to be at 51.3%, improving from 52.4% in 4Q24 and 53.9% in 1Q24. The major reason for the lower ratio, in our view, is a lower loss from auto repossessions in the motorcycle HP business to around THB365m vs THB423m in 4Q24 and THB490m in 1Q24 (peak level in the past two years). With more prudent new underwriting for motorcycle HP loans and active NPL write-offs since 2Q23, we expect a gradually lower loss from auto repossessions going forward.

At the operating level, pre-provisioning operating profit (PPOP) for SAWAD in 1Q25 would be THB2.07b, -3.1% y-y and +2.2% q-q, based on our estimates.

Exhibit 1: SAWAD – GGM-based 2025 TP

Gordon Growth Model (GGM)	
Risk free rate	3.00%
Risk premium	6.00%
Beta	1.20
Cost of Equity	10.20%
Sustainable ROE	12.50%
Cost of Equity	10.20%
Medium-term growth (g)	3.00%
Derived P/BV multiple (x)	1.32
2025E BVPS (THB)	23.16
Derived target price (THB)	30.50

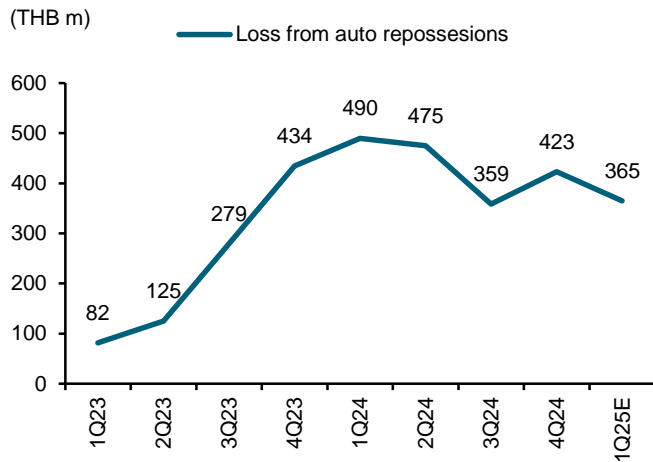
Sources: FSSIA estimates

Exhibit 2: SAWAD – 1Q25E operating summary

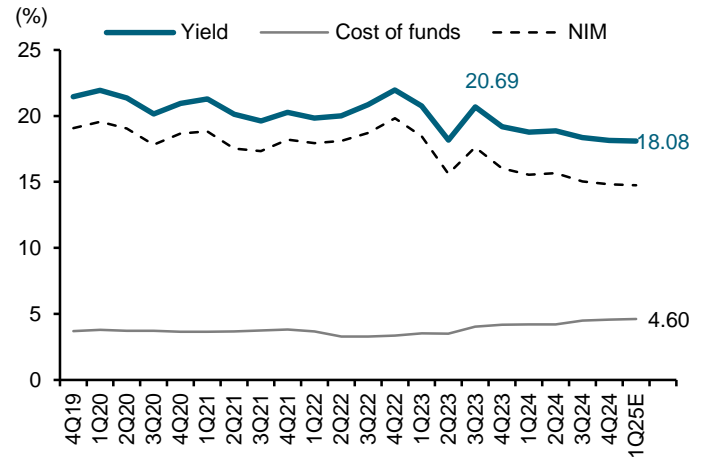
Profit and loss	1Q24	2Q24	3Q24	4Q24	1Q25E	Change		3M25E	Change	% of 25E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(y-y%)	(q-q%)	(THB m)	(y-y%)	(%)
Interest income	4,595	4,662	4,478	4,292	4,221	(8.1)	(1.7)	4,221	(8.1)	23.7
Interest expense	789	793	813	786	780	(1.2)	(0.7)	780	(1.2)	25.8
Net interest income	3,806	3,869	3,665	3,507	3,441	(9.6)	(1.9)	3,441	(9.6)	23.3
Non-interest income	818	666	796	740	805	(1.5)	8.8	805	(1.5)	24.4
Non-interest expenses	2,492	2,325	2,280	2,225	2,180	(12.5)	(2.0)	2,180	(12.5)	23.6
Pre-provision profit	2,131	2,210	2,181	2,022	2,066	(3.1)	2.2	2,066	(3.1)	23.4
Provisioning expense	486	537	488	402	435	(10.5)	8.1	435	(10.5)	22.5
Profit before tax	1,645	1,673	1,693	1,620	1,631	(0.9)	0.7	1,631	(0.9)	23.6
Tax expense	367	352	328	338	326	(11.2)	(3.6)	326	(11.2)	23.6
Net profit	1,261	1,265	1,301	1,225	1,245	(1.3)	1.6	1,245	(1.3)	23.7

Key drivers and ratios	1Q24	2Q24	3Q24	4Q24	1Q25E	Change		3M25E	Change
% unless stated otherwise	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(THB m)	(ppt)
Gross loans (THB m)	98,666	98,929	96,157	93,198	93,571	-5.2%	0.4%	93,571	(5.16)
Yield on loans	18.78	18.88	18.36	18.13	18.08	(0.70)	(0.05)	18.08	(0.70)
Cost of funds	4.20	4.20	4.48	4.57	4.60	0.41	0.04	4.60	0.41
Net interest margin	15.55	15.66	15.03	14.81	14.74	(0.81)	(0.08)	14.74	(0.81)
Cost-to-income ratio	53.90	51.28	51.11	52.39	51.34	(2.55)	(1.04)	51.34	(2.55)
Credit cost	1.99	2.17	2.00	1.70	1.86	(0.12)	0.16	1.86	(0.12)
NPL ratio	3.23	3.40	3.49	3.58	3.58	0.35	(0.00)	3.58	0.35
NPL coverage	55.60	59.82	61.10	59.53	59.70	4.11	0.17	59.70	4.11

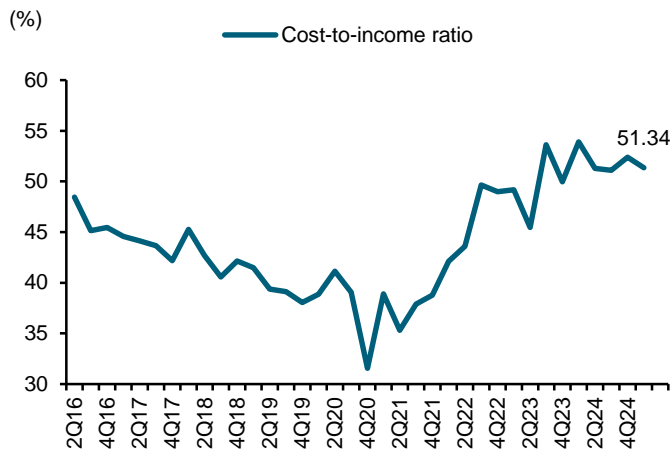
Sources: SAWAD, FSSIA estimates

Exhibit 3: SAWAD's loss from auto repossessions

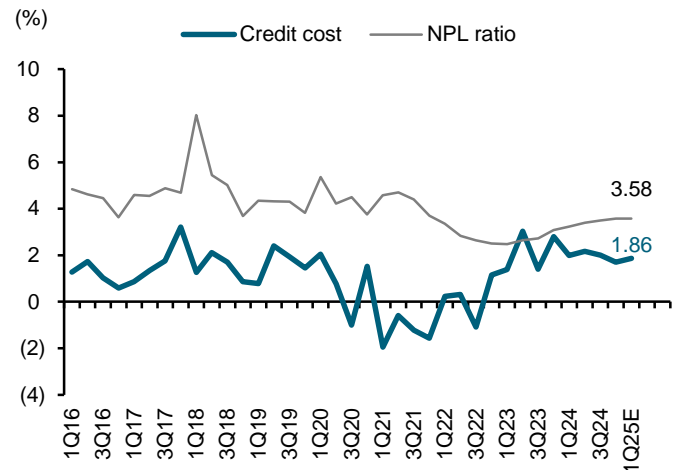
Sources: SAWAD, FSSIA estimates

Exhibit 4: Quarterly yield, cost of funds and NIM

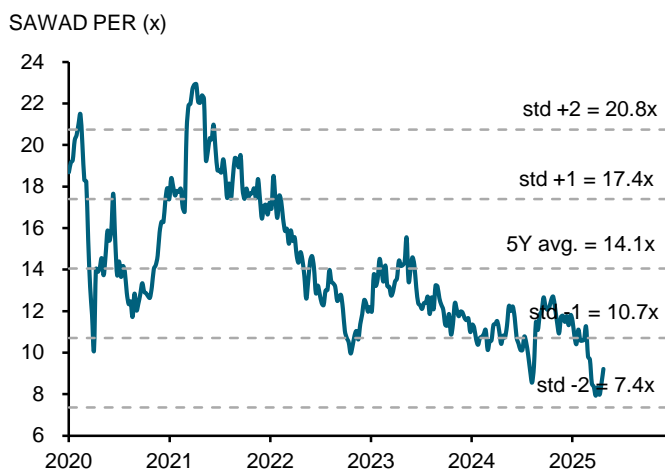
Sources: SAWAD, FSSIA estimates

Exhibit 5: Cost-to-income ratio

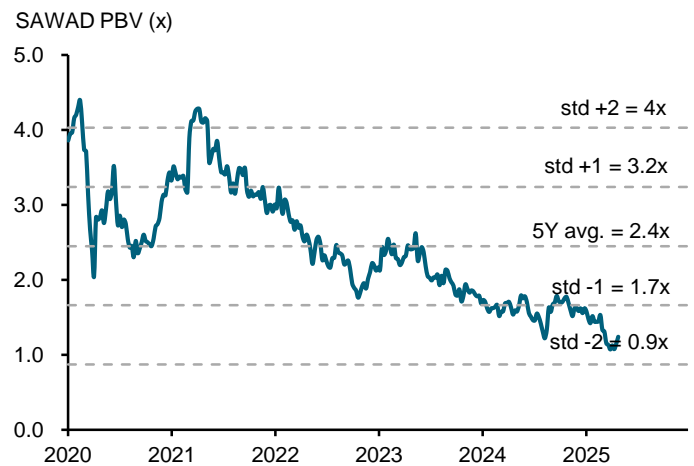
Sources: SAWAD, FSSIA estimates

Exhibit 6: NPL ratio and credit cost – stabilized trend

Sources: SAWAD, FSSIA estimates

Exhibit 7: SAWAD– one-year prospective P/E band

Sources: SAWAD, FSSIA estimates

Exhibit 8: SAWAD – one-year prospective P/BV band

Sources: SAWAD, FSSIA estimates

Exhibit 9: Peers comparison, as of 6 May 2025

Company name	BBG code	Rec	Share price (LCY)	Target price (LCY)	Up side (%)	----- PE ----- 25E (x)	26E (x)	----- PBV ----- 25E (x)	26E (x)	----- ROE ----- 25E (%)	26E (%)	----- Div yld ----- 25E (x)	26E (x)
Auto title													
Muangthai Capital	MTC TB	BUY	42.00	56.00	33.3	12.6	10.7	2.0	1.8	17.6	17.6	1.2	1.4
Srisawad Corp	SAWAD TB	HOLD	28.00	30.50	8.9	8.9	8.2	1.2	1.1	14.7	13.8	1.1	1.2
Saksiam Leasing	SAK TB	BUY	3.84	5.28	37.5	8.5	7.5	1.2	1.1	14.4	15.0	4.9	5.6
Unsecured finance													
AEON Thana Sinsap (Thailand)	AEONTS TB	HOLD	104.50	142.00	35.9	8.1	7.4	0.9	0.9	11.9	12.1	5.2	5.7
Krungthai Card	KTC TB	HOLD	45.25	43.00	(5.0)	15.6	13.8	2.7	2.4	17.9	18.3	2.9	3.3
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	1.42	1.78	25.4	8.0	7.4	0.6	0.6	8.0	8.3	6.9	7.4
AMCs													
Bangkok Commercial Asset Mgmt.	BAM TB	HOLD	6.05	9.00	48.8	12.2	10.7	0.4	0.4	3.6	4.1	6.6	7.4
JMT Network services	JMT TB	HOLD	12.90	17.00	31.8	9.3	8.5	0.7	0.6	7.4	7.8	6.4	7.1
Chayo Group	CHAYO TB	BUY	1.94	4.00	106.2	4.6	3.9	0.5	0.4	11.8	12.1	3.3	3.8
Average						11.1	9.2	1.1	1.0	10.9	11.2	4.1	4.6

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

Sources: Bloomberg, FSSIA estimates

Financial Statements

Srisawad Corp

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Interest Income	15,744	18,027	17,801	18,959	20,226
Interest expense	(2,266)	(3,181)	(3,021)	(3,050)	(3,104)
Net interest income	13,478	14,846	14,780	15,908	17,122
Net fees & commission	3,171	3,019	3,303	3,592	3,687
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	-	-	-	-	-
Other income	0	1	1	1	1
Non interest income	3,171	3,019	3,304	3,593	3,688
Total income	16,648	17,865	18,084	19,501	20,809
Staff costs	(8,282)	(9,322)	(9,244)	(9,775)	(10,147)
Other operating costs	-	-	-	-	-
Operating costs	(8,282)	(9,322)	(9,244)	(9,775)	(10,147)
Pre provision operating profit	8,367	8,544	8,839	9,725	10,662
Expected credit loss	(1,763)	(1,913)	(1,936)	(2,291)	(2,470)
Other provisions	-	-	-	-	-
Operating profit	6,603	6,631	6,903	7,434	8,193
Recurring non operating income	26	0	0	0	0
Associates	26	0	0	0	0
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	6,629	6,631	6,903	7,434	8,193
Tax	(1,375)	(1,385)	(1,381)	(1,487)	(1,639)
Profit after tax	5,254	5,246	5,522	5,948	6,554
Non-controlling interest	(253)	(194)	(276)	(297)	(328)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	5,001	5,052	5,246	5,650	6,226
Non recurring items & goodwill (net)	-	-	-	-	-
Recurring net profit	5,001	5,052	5,246	5,650	6,226
Per share (THB)					
Recurring EPS *	3.64	3.34	3.16	3.40	3.75
Reported EPS	3.64	3.34	3.16	3.40	3.75
DPS	0.11	0.14	0.32	0.34	0.37
Growth					
Net interest income (%)	70.2	10.2	(0.4)	7.6	7.6
Non interest income (%)	(4.2)	(4.8)	9.4	8.7	2.6
Pre provision operating profit (%)	39.2	2.1	3.5	10.0	9.6
Operating profit (%)	11.3	0.4	4.1	7.7	10.2
Reported net profit (%)	11.7	1.0	3.8	7.7	10.2
Recurring EPS (%)	11.7	(8.2)	(5.6)	7.7	10.2
Reported EPS (%)	11.7	(8.2)	(5.6)	7.7	10.2
Income Breakdown					
Net interest income (%)	81.0	83.1	81.7	81.6	82.3
Net fees & commission (%)	19.0	16.9	18.3	18.4	17.7
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 (%)	20.66	18.95	18.40	18.26	18.20
Cost of funds (%)	4.14	4.48	4.39	4.28	4.25
Net interest spread (%)	16.52	14.47	14.01	13.98	13.95
Net interest margin (%)	17.7	15.6	15.3	15.3	15.4
Cost/income(%)	49.7	52.2	51.1	50.1	48.8
Cost/assets(%)	9.2	8.5	8.3	8.2	7.9
Effective tax rate (%)	20.7	20.9	20.0	20.0	20.0
Dividend payout on recurring profit (%)	3.1	4.2	10.0	10.0	10.0
ROE (%)	18.6	16.5	14.7	13.8	13.4
ROE - COE (%)	8.4	6.3	4.5	3.6	3.2
ROA (%)	5.8	4.8	4.9	5.0	5.1
RORWA (%)	-	-	-	-	-

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Srisawad Corp; FSSIA estimates

Financial Statements

Srisawad Corp

Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Gross customer loans	97,109	93,198	100,293	107,358	114,907
Allowance for expected credit loss	(1,605)	(1,987)	(2,223)	(2,414)	(2,584)
interest in suspense	-	-	-	-	-
Net customer loans	95,503	91,211	98,070	104,944	112,323
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	68	82	0	0	0
Cash & equivalents	3,962	5,814	5,678	6,598	7,604
Other interesting assets	-	-	-	-	-
Tangible fixed assets	2,180	2,101	2,366	2,538	2,716
Associates	0	0	0	0	0
Goodwill	-	-	-	-	-
Other intangible assets	1,209	1,206	1,136	1,218	1,304
Other assets	5,230	4,547	5,489	5,887	6,301
Total assets	111,465	107,909	115,673	124,140	133,224
Customer deposits	0	0	0	0	0
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	74,508	67,520	70,220	72,327	73,774
Non interest bearing liabilities	5,761	4,087	3,132	3,853	5,263
Hybrid Capital	-	-	-	-	-
Total liabilities	80,268	71,607	73,352	76,180	79,037
Share capital	1,373	1,510	1,662	1,662	1,662
Reserves	26,804	31,626	36,812	41,938	47,599
Total equity	28,177	33,137	38,474	43,599	49,261
Non-controlling interest	3,020	3,166	3,847	4,360	4,926
Total liabilities & equity	111,465	107,909	115,673	124,140	133,224
Supplementary items					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	76,189	95,153	96,745	103,826	111,132
Average interest bearing liabilities	54,761	71,014	68,870	71,274	73,050
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	20.52	21.94	23.16	26.24	29.65
Tangible book value per share	19.64	21.14	22.47	25.51	28.86
Growth					
Gross customer loans	75.7	(4.0)	7.6	7.0	7.0
Average interest earning assets	71.3	24.9	1.7	7.3	7.0
Total asset (%)	60.4	(3.2)	7.2	7.3	7.3
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	nm	nm	nm	nm	nm
Leverage & capital measures					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	25.3	30.7	33.3	35.1	37.0
Tangible equity/assets (%)	24.2	29.6	32.3	34.1	36.0
RWA/assets (%)	-	-	-	-	-
CET 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
Asset Quality (FSSIA's calculation)					
Change in NPL (%)	-	-	-	-	-
NPL/gross loans (%)	-	-	-	-	-
Allowance for ECL/gross loans (%)	1.7	2.1	2.2	2.2	2.2
Allowance for ECL/NPL (%)	-	-	-	-	-
Valuation					
Recurring P/E (x) *	7.7	8.4	8.9	8.2	7.5
Recurring P/E @ target price (x) *	8.4	9.1	9.7	9.0	8.1
Reported P/E (x)	7.7	8.4	8.9	8.2	7.5
Dividend yield (%)	0.4	0.5	1.1	1.2	1.3
Price/book (x)	1.4	1.3	1.2	1.1	0.9
Price/tangible book (x)	1.4	1.3	1.2	1.1	1.0
Price/tangible book @ target price (x)	1.6	1.4	1.4	1.2	1.1

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Srisawad Corp; FSSIA estimates

Srisawad Corp PCL (SAWAD TB)

FSSIA ESG rating


57.03 /100

Exhibit 10: 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 11: 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 12: 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 13: 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
AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities																		
AA	7.143-8.570																				
A	5.714-7.142																				
BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers																		
BB	2.857-4.285																				
B	1.429-2.856																				
CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks																		
Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																				
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																				
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																				
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																			
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																			

[Rating](#) regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Nathapol Pongsukcharoenkul FSS International Investment Advisory Securities Co., Ltd

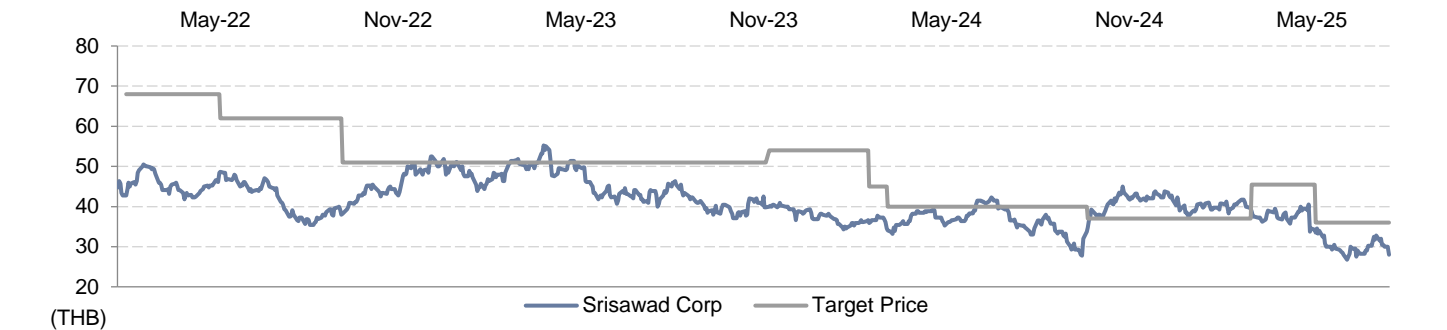
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History of change in investment rating and/or target price

Srisawad Corp (SAWAD TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
13-May-2022	BUY	68.00	17-Nov-2023	BUY	54.00	19-Aug-2024	HOLD	37.00
04-Aug-2022	BUY	62.00	13-Feb-2024	HOLD	45.00	07-Jan-2025	HOLD	45.50
17-Nov-2022	BUY	51.00	29-Feb-2024	HOLD	40.00	03-Mar-2025	HOLD	36.00

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 28.00	HOLD	Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; 2) changes in financial regulations by the Bank of Thailand and the Office of Consumer Protection Board; and 3) liquidity shortage in the debenture market. 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 06-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.