

RATCHTHANI LEASING

THANI TB

THAILAND / FINANCE & SECURITIES

HOLD

UNCHANGED

เส้นทางสู่การฟื้นตัวยังไม่ชัดเจน

- เราคาดว่ารายได้ของ THANI จะลดลงในปี 2025 โดยมีปัจจัยกดดันจากแผนการเติบโตที่ไม่ชัดเจนท่ามกลางความเสี่ยงทางเศรษฐกิจมหภาคในปัจจุบัน
- ในขณะที่เราคาดว่ากำไรสุทธิปี 2025 จะสูงขึ้นประมาณ 14%y-y จากฐานที่ต่ำในปี 2024 โดยมีปัจจัยผลักดันจากค่าใช้จ่ายที่ลดลง
- เราคงคำแนะนำถือที่ราคาเป้าหมายใหม่ที่ 1.41 บาท

TARGET PRICE	THB1.41
CLOSE	THB1.63
UP/DOWNSIDE	-13.5%
PRIOR TP	THB1.78
CHANGE IN TP	-20.8%
TP vs CONSENSUS	-16.8%

KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Operating profit	1,039	1,208	1,309	1,584
Net profit	800	909	985	1,191
EPS (THB)	0.13	0.15	0.16	0.19
vs Consensus (%)	-	2.7	(2.4)	8.6
Recurring net profit	800	909	985	1,191
Core EPS (THB)	0.13	0.15	0.16	0.19
Chg. In EPS est. (%)	-	(18.1)	(17.4)	-
EPS growth (%)	(41.8)	10.2	8.4	21.0
Core P/E (x)	12.3	11.2	10.3	8.5
Dividend yield (%)	4.3	4.5	4.8	5.9
Price/book (x)	0.8	0.7	0.7	0.7
ROE (%)	6.1	6.7	7.0	8.2
ROA (%)	1.5	1.9	2.2	2.6

รายได้น่าจะลดลงต่อเนื่องในปี 2025

หลังพอร์ตสินเชื่อบริษัท 5.0% ใน 1Q25 เราคาดว่าแนวโน้มดังกล่าวจะเกิดต่อเนื่องในช่วงที่เหลือของปี 2025 หลัง THANI คงท่าที่เชิงระมัดระวังในส่วนของการเติบโตของสินเชื่อท่ามกลางความไม่แน่นอนในเศรษฐกิจมหภาคในปัจจุบันอันเกิดจากนโยบายภาษีของรัฐบาลทรัมป์และการเจรจาการค้าระหว่างไทยและสหรัฐฯ แม้ว่าการประกาศระงับการบังคับใช้ภาษีต่างตอบแทนเป็นเวลา 90 วันเมื่อวันที่ 9 เม.ย. เพื่อให้เกิดการเจรจาช่วยบรรเทาแรงกดดันต่อการเติบโตทางเศรษฐกิจได้บางส่วน เรายังคงประมาณการเชิงระมัดระวังของเรา ทั้งนี้ เราคาดว่าสินเชื่อจะหดตัว 15% y-y ในปี 2025 ดังนั้นรายได้จึงน่าจะลดลงประมาณ 10% ในปี 2025

ต้นทุนอาจสูงขึ้นต่อเนื่องในระยะสั้น แนวโน้มไม่แน่นอนหลังจากนั้น

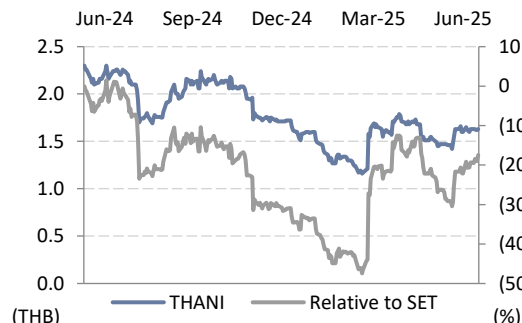
มองไปข้างหน้าเราเชื่อว่าต้นทุนค่าใช้จ่ายที่เพิ่มขึ้นในปัจจุบันอาจยังอยู่ถึงช่วง 1H25 อย่างไรก็ตาม แนวโน้มในช่วง 2H25 ยังไม่แน่นอนเมื่อพิจารณาจากเศรษฐกิจที่อาจชะลอตัวและสถานการณ์ภาษีนำเข้าที่ยังไม่แน่นอน ดังนั้นเราจึงยังคงประมาณการเชิงระมัดระวังของเราแม้ว่า 1Q25 จะฟื้นตัวดี เราคาดว่าต้นทุนความเสี่ยงในการปล่อยสินเชื่อ (Credit cost) จะลดลงเหลือประมาณ 2.10% ในปี 2025 จาก 2.19% ในปี 2024 ซึ่งสะท้อนถึงคุณภาพสินทรัพย์ที่ทยอยปรับตัวดีขึ้น ในขณะที่เราคาดว่าสัดส่วนค่าใช้จ่ายในการดำเนินงานต่อรายได้จะกลับสู่ระดับปกติที่ 22.2% ลดลงจาก 28.8% ในปี 2024

กำไรสุทธิ 1Q25 ฟื้นตัวจากการควบคุมต้นทุนที่ดีเกินคาด

THANI รายงานกำไรสุทธิ 1Q25 อยู่ที่ 254 ลบ. ดีขึ้นอย่างมีนัยสำคัญถึง 107% q-q จากฐานที่ต่ำแต่ยังลดลง 26% y-y กำไรสุทธิฟื้นตัว q-q ส่วนมากจากค่าใช้จ่ายที่ลดลงในทุกส่วน ประกอบด้วย ค่าใช้จ่ายในการดำเนินงาน ผลขาดทุนทางเครดิตที่คาดว่าจะเกิดขึ้น และ ค่าใช้จ่ายดอกเบี้ย ซึ่งสะท้อนถึงสัดส่วนค่าใช้จ่ายในการดำเนินงานต่อรายได้ Credit cost และ ต้นทุนในการกู้ยืมที่ดีขึ้น q-q ในทางตรงกันข้ามกำไรสุทธิยังลดลง 26% y-y ส่วนมากจากรายได้ดอกเบี้ยสุทธิที่ลดลงจากสินเชื่อที่โตติดลบและ Credit cost ที่สูงต่อเนื่องเมื่อเทียบกับช่วงเดียวกันของปีที่ผ่านมา

คงคำแนะนำถือที่ราคาเป้าหมายใหม่ที่ 1.41 บาท

เราคงคำแนะนำถือ THANI แม้ว่าผลประกอบการ 1Q25 จะออกมาดีเนื่องจากเรายังมีความกังวลเกี่ยวกับผลประกอบการของในช่วงที่เหลือของปีโดยเฉพาะหลังสิ้นสุดการระงับการเรียกเก็บภาษีนำเข้าในช่วง 2H25 ราคาเป้าหมายปี 2025 ของเรายู่ที่ 1.41 บาท (GGM) ซึ่งเทียบเท่า P/BV เป้าหมายที่ 0.63x (ROE ในระดับยั่งยืนที่ 9.3% และ COE ที่ 12.73%), ทั้งนี้ บทวิเคราะห์ฉบับนี้จัดทำโดยคุณณฐพล พงษ์สุขเจริญกุล



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	10.9	(1.2)	(30.9)
Relative to country (%)	15.5	3.5	(18.8)
Mkt cap (USD m)	309		
3m avg. daily turnover (USD m)	0.5		
Free float (%)	41		
Major shareholder	Thanachart SPV1 Co., LTD (57%)		
12m high/low (THB)	2.46/1.15		
Issued shares (m)	6,229		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

We have a HOLD call for THANI over factors including:

- 1) We expect loan contraction to pressure revenue further in 2025. We project the loan portfolio to contract by 15%—similar to 2024—and as a result, revenue is projected to decline by c10%.
- 2) We expect a marginal improvement in credit cost down to c2.10% from 2.19% in 2024, supported by the better credit profile acquired in 2024 and pent-up export demand in 1H25.
- 3) We expect the cost-to-income ratio to decline to 22.2% from 28.8% in 2024, supported by easing excess supply pressure in the used truck market observed in 1Q25.

We maintain our HOLD call on THANI on a TP of THB1.41, implying a targeted P/BV ratio of 0.63x (sustainable ROE of 9.3% and COE of 12.73%).

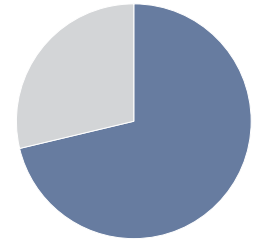
Company profile

Main businesses of the company are hire purchase loans, targeting new and used trucks, and financial leasing, as well as services related to its core businesses.

www.ratchthani.com

Principal activities (revenue, 2024)

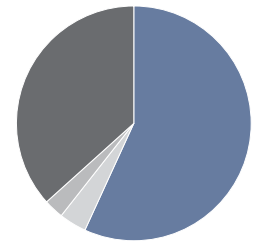
- Net interest income - 71.3 %
- Non-interest income - 28.7 %



Source: Ratchthani Leasing

Major shareholders

- Thanachart SPV1 Co., LTD - 56.8 %
- Thanachart Capital PCL - 3.8 %
- C.S.B. DRUG FACTORY CO.,LTD. - 2.7 %
- Others - 36.7 %



Source: Ratchthani Leasing

Catalysts

1. Better-than-expected loan disbursement and loan portfolio growth.
2. Better-than-expected improvement in the cost-to-income ratio.
3. Better-than-expected improvement in credit cost and asset quality.

Risks to our call

Downside risks to our GGM-derived TP include 1) an economic slowdown, especially for logistics activities and private investment; 2) deteriorating asset quality; and 3) changes in financial regulations from the Bank of Thailand. Upside risks include 1) a better-than-expected macroeconomic improvement; 2) a downtrend in the policy rate could reduce cost of funds and enhance interest spreads; and 3) a faster than-expected decline in ECL expense.

Event calendar

Date	Event
August 2025	2Q25 results announcement

Key assumptions

	2025E (THB m)	2026E (THB m)	2027E (THB m)
Net profit	909	985	1191
<i>growth (y-y%)</i>	13.6%	8.4%	21.0%
Loan receivables	40,183	41,380	43,827
<i>growth (y-y%)</i>	-15%	3%	8%
Cost-to-income (%)	22.2%	19.7%	18.6%
Credit cost (%)	2.1%	1.9%	1.6%
Cost of funds (%)	3.2%	3.2%	3.0%

Source: FSSIA estimates

Earnings sensitivity

		----- 2025E -----		
Loan growth (%)	±1ppt	-16.2%	-15.2%	-14.2%
<i>% change in net profit</i>		(1.0)	—	1.0
Cost-to-income	±10bp	22.1%	22.2%	22.3%
<i>% change in net profit</i>		2.5	—	(2.5)
Total credit cost	±10bp	2.0%	2.1%	2.2%
<i>% change in net profit</i>		3.6	—	(3.6)
Cost of funds	±10bp	3.1%	3.2%	3.3%
<i>% change in net profit</i>		2.3	—	(2.3)

Source: FSSIA estimates

Path to recovery remains unclear

Maintain HOLD call on THANI with a new TP of THB1.41

Despite a solid 1Q25 performance, we remain cautious on THANI's full-year outlook, given the ongoing risks from the global trade landscape and its spillover effects on Thailand's economy. Revenue is likely to remain under pressure in 2025, weighed down by negative loan growth amid a slowing domestic economy. While cost-side improvements in 1Q25 supported earnings, we believe these gains could reverse once the 90-day tariff pause expires, particularly if macro conditions deteriorate in 2H25. That said, the temporary suspension of reciprocal tariffs to facilitate bilateral negotiations has eased some near-term concerns. We believe the earnings momentum could extend into 1H25. Nonetheless, the outcome of Thai-US trade negotiations will remain a key factor to monitor in 2H25. Meanwhile, the recent order by the US Court of International Trade (USCIT) to halt the Trump's tariff regime could present some potential upside risks to our call.

We maintain our HOLD call on THANI, taking the abovementioned factors into consideration, despite THANI trading at a P/BV ratio of 0.71x (which represent levels near -2SD of its 5Y average). While we expect some recovery in ROE from the 2024 low of 6.4%, it will likely remain below previous levels of 15-20%. Our GGM-based 2025 TP is THB1.41, referencing a derived P/BV of 0.63x (sustainable ROE of 9.3% and COE of 12.73%).

In comparison with its main peer, ASK, we favor THANI due to its relatively stronger asset quality, including a much lower NPL ratio and a higher coverage ratio. From an equity point of view, THANI also offers better expected ROE and a slightly more attractive 2025E dividend yield of c4.5%.

Exhibit 1: THANI – GGM 2025 TP

Target price calculation based on Gordon Growth Model (GGM)			
Sustainable ROE	9.30%	Cost of Equity (COE) calculation	
COE	12.73%	Risk-Free Rate	3%
Sustainable Growth	3.34%	Market Risk Premium	7%
Derived P/BV	0.63	Equity Beta (x)	1.39
		COE	12.73%
2025E BVPS	2.22		
Target Price (THB)	1.41		

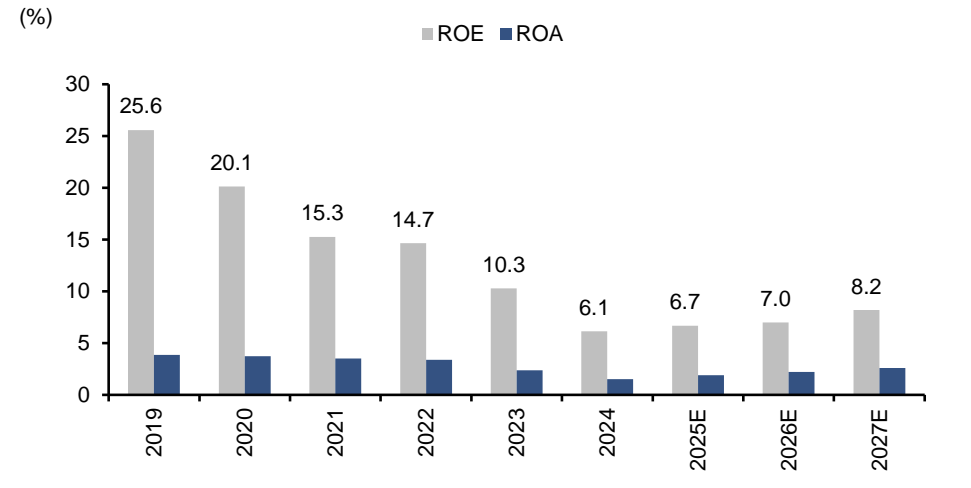
Sources: THANI; FSSIA estimates

Exhibit 2: THANI – TP sensitivity

ROE	Growth rate assumption				
	3.1%	3.2%	3.3%	3.4%	3.5%
9.50%	1.47	1.46	1.46	1.46	1.47
9.40%	1.45	1.44	1.43	1.44	1.45
9.30%	1.42	1.42	1.41	1.42	1.42
9.20%	1.40	1.39	1.38	1.39	1.40
9.10%	1.38	1.37	1.36	1.37	1.38

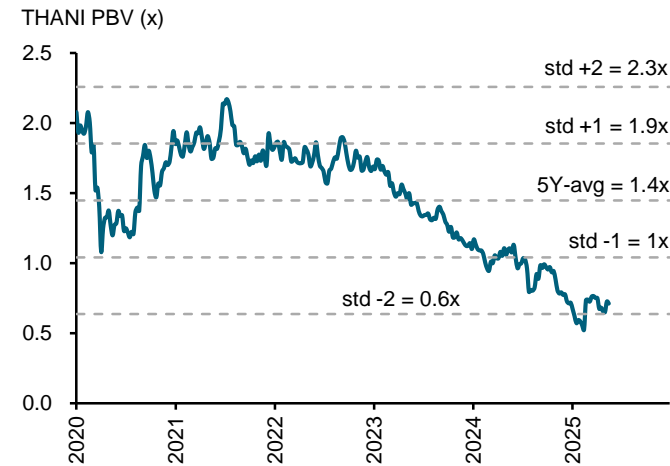
Sources: THANI; FSSIA estimates

Exhibit 3: THANI – ROE and ROA, 2019-27E



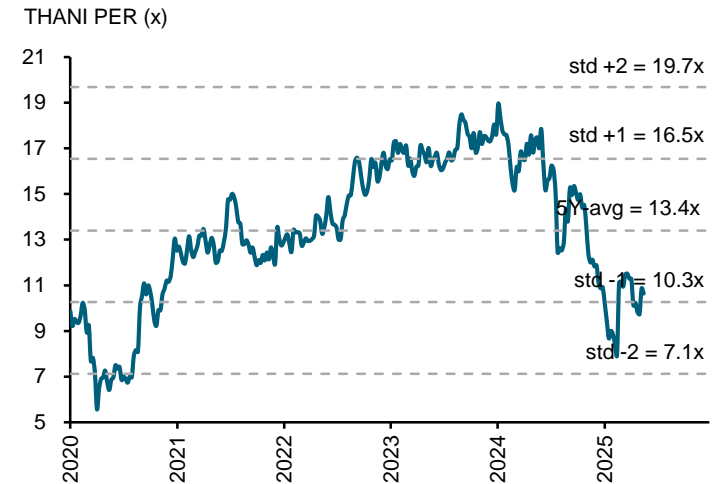
Sources: THANI; FSSIA estimates

Exhibit 4: THANI –prospective P/BV band



Sources: Bloomberg; FSSIA compilation

Exhibit 5: THANI –prospective PER band



Sources: Bloomberg; FSSIA compilation

Exhibit 6: Peers financial comparison, as of 30 May 2025

Company name	BBG code	Rec	Share price (LCY)	Target price (LCY)	Up side (%)	PE 25E (x)	PE 26E (x)	PBV 25E (x)	PBV 26E (x)	ROE 25E (%)	ROE 26E (%)	Div yld 25E (x)	Div yld 26E (x)
Auto title													
Muangthai Capital	MTC TB	BUY	41.75	56.00	34.1	12.5	10.7	2.0	1.7	17.6	17.6	1.2	1.4
Srisawad Corp	SAWAD TB	HOLD	18.30	30.50	66.7	5.8	5.4	0.8	0.7	14.7	13.8	1.7	1.9
Ngern Tid Lor	TIDLOR TB	BUY	16.90	19.00	12.4	10.5	9.4	1.5	1.3	14.6	14.7	1.4	1.6
Saksiam Leasing	SAK TB	BUY	3.90	5.28	35.4	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	103.00	142.00	37.9	8.0	7.3	0.9	0.9	11.9	12.1	5.3	5.8
Krungthai Card	KTC TB	HOLD	38.50	43.00	11.7	13.3	11.7	2.3	2.0	17.9	18.3	3.4	3.8
Hire-purchase truck													
Asia Sermkij Leasing	ASK TB	REDUCE	6.95	5.90	(15.1)	23.2	13.9	0.4	0.4	3.2	3.4	2.2	3.6
Ratchthani Leasing	THANI TB	HOLD	1.63	1.41	(13.5)	11.2	10.3	0.7	0.7	6.7	7.0	4.5	4.8
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	9.25	17.00	83.8	6.7	6.1	0.5	0.5	7.4	7.8	9.0	9.9
Chayo Group	CHAYO TB	BUY	1.63	4.00	145.4	3.9	3.3	0.4	0.4	11.8	12.1	3.9	4.6
Average						10.6	8.8	1.0	0.9	11.3	11.4	4.0	4.5

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

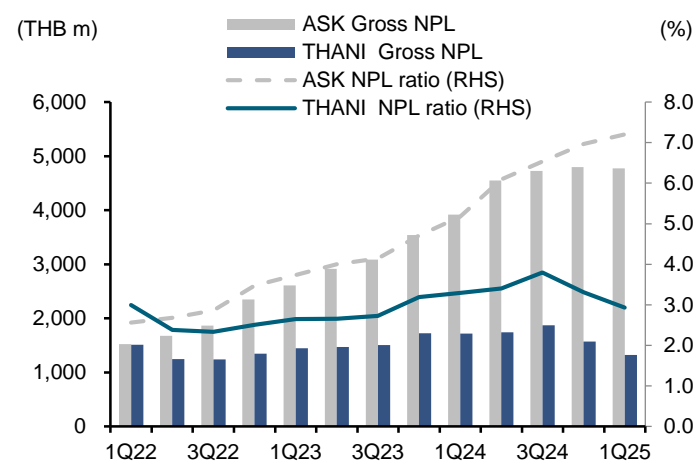
Sources: Bloomberg; FSSIA estimates

Exhibit 7: THANI vs ASK – key metrics, 2025E

Key metrics	THANI 2025E	ASK 2025E	Comments
Loan growth	-15%	-14%	On par in terms of expected loan growth. Both expected to remain conservative throughout 2025 given the economic uncertainty.
Gross NPLs	1,293	5,227	THANI's much lower gross NPL amount is likely attributable to its more prudent and timely write-off policy.
NPL ratio	3.2%	8.8%	THANI also has a much lower NPL ratio, which has continued to show signs of improvement since 4Q24 (see Exhibit 8).
ROE	6.7%	3.2%	Better expected ROE from THANI, partly due to ASK's Preferential Public Offering (PPO) in 2Q25.
Coverage ratio	138%	56%	THANI's significantly higher coverage ratio underscores its stronger internal risk policies and prudent provisioning approach.
Dividend yield	4.5%	4.1%	THANI has a slightly better expected dividend yield.
P/BV	0.73	0.42	Relatively, THANI trades at a much higher P/BV, which we believe is justified given its stronger fundamentals and comparatively better asset quality.

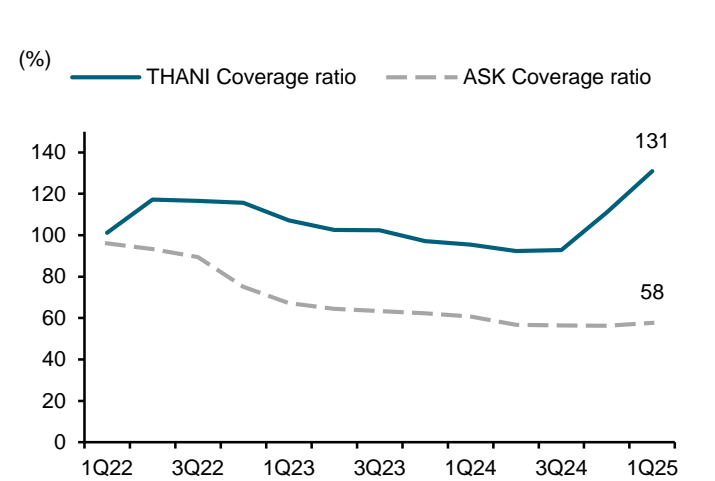
Sources: THANI; ASK; FSSIA estimates

Exhibit 8: THANI vs ASK – gross NPLs and NPL ratio, 1Q22-1Q25



Sources: THANI; ASK; FSSIA's compilation

Exhibit 9: THANI vs ASK – coverage ratio, 1Q22-1Q25



Sources: THANI; ASK; FSSIA's compilation

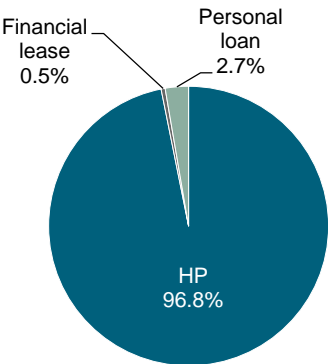
Revenue to continue declining in 2025

Following the 5.0% loan portfolio contraction in 1Q25, we expect a similar trend to persist for the remainder of 2025, with THANI maintaining a cautious stance on loan origination given the future macro uncertainties. We project loan growth to contract by 15% in 2025. As a result, revenue is also expected to decline by c10% in 2025.

From a macro perspective, the Trump administration’s reciprocal tariff policy has raised concerns over global trade, where major US trading partners are subjected to possible economic slowdown, including Thailand, which may face up to a 37% tariff on its exports. The latest GDP growth projection from the World Economic Outlook (WEO), a report by the International Monetary Fund (IMF) released in April 2025, indicates a widespread slowdown in economic growth across Asian economies. As for Thailand, the IMF has cut its 2025 GDP growth forecast to 1.8% (from 2.9% in its January projection), which could make Thailand the slowest-growing economy among developing Asian countries this year, trailing behind other ASEAN economies. Growth is also expected to slow even further to 1.6% in 2026, highlighting the tough economic challenges Thailand is currently facing.

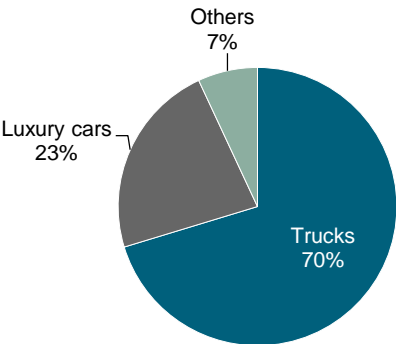
The 9 April announcement of a 90-day pause on reciprocal tariffs to allow negotiations could help ease some of the downward pressure on Thailand’s economic growth, we believe. Given that Thai exports grew 17.8% y-y in March 2025 and 10.2% y-y in April 2025 from front-loaded export demand, we expect the same trend to persist through 1H25, boosting demand for logistics temporarily. However, we still foresee the remaining 10% universal tariff weighing on Thailand’s already sluggish economy. As for trade negotiations, unpredictability looms. We believe that reciprocal tariffs on Thai exports could range between 10% and 37% post Thai-US bilateral trade negotiations.

Exhibit 10: Portfolio breakdown by product, as of 1Q25



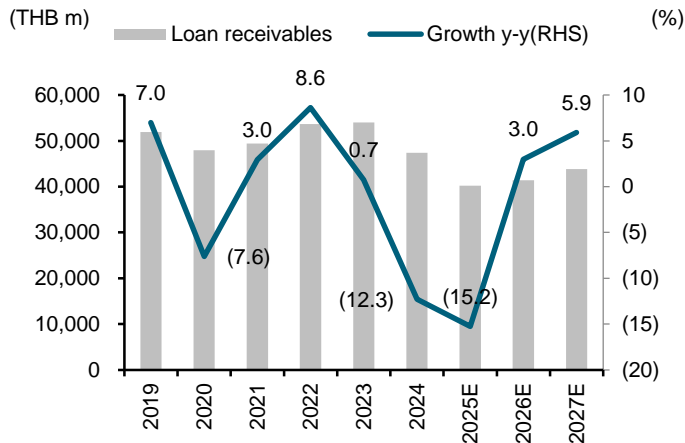
Sources: THANI; FSSIA's compilation

Exhibit 11: Portfolio breakdown by collateral, as of 1Q25; trucks account for c70% of THANI's collateral



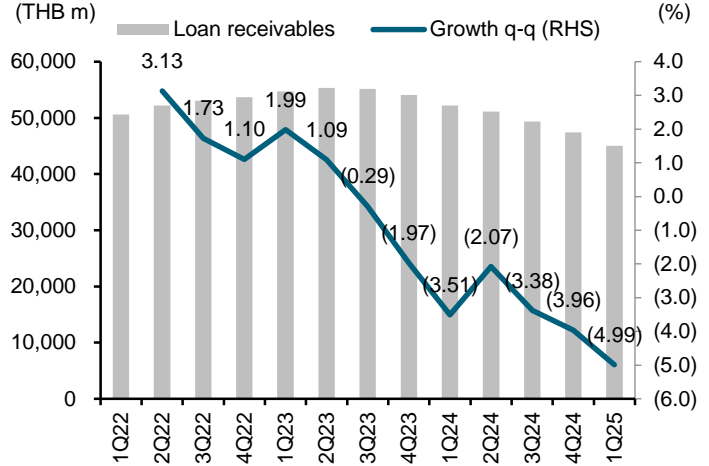
Sources: THANI; FSSIA's compilation

Exhibit 12: THANI's loan receivables, 2019-27E



Sources: THANI; FSSIA estimates

Exhibit 13: THANI's Loan receivables, 1Q22-1Q25; seven successive quarters of negative loan growth since 3Q23



Sources: THANI; FSSIA's compilation

Exhibit 14: APAC economies: real GDP, consumer prices, CA balance, and unemployment

	----- Real GDP -----			---- Consumer Prices ----			----- CA Balance -----			----- Unemployment -----		
	---- projection ----			---- projection ----			---- projection ----			---- projection ----		
	2024	2025E	2026E	2024	2025E	2026E	2024	2025E	2026E	2024	2025E	2026E
Asia	4.6	3.9	4	2.1	1.8	2	2.6	2	1.8			
Advanced Asia	1.5	1.2	1.4	2.6	2.1	1.9	5.4	4.5	4.5	2.9	3	3
Japan	0.1	0.6	0.6	2.7	2.4	1.7	4.8	3.4	3.3	2.6	2.6	2.6
Korea	2	1	1.4	2.3	2.3	1.8	5.3	3.5	3.6	2.8	3	3
Australia	1	1.6	2.3	3.2	3.5	2.5	(5.3)	(3.2)	(3.4)	4	4.3	4.5
Taiwan Province of China	4.3	2.9	2.5	2.2	1.8	1.8	15.7	15.9	15.6	3.4	3.4	3.4
Singapore	4.4	2	1.9	2.4	1.5	1.5	17.5	17	17	2	2	1.9
Hong Kong SAR	2.5	1.5	1.9	1.7	1.9	2.2	13	11.4	11	3.5	3.5	3.4
New Zealand	(0.5)	1.4	2.7	2.9	2	2	(6)	(4.9)	(4.7)	4.7	5.3	5.3
Macao SAR	8.8	3.6	3.8	0.7	0.9	0.9	31.7	30	28.9	1.8	1.7	1.7
Emerging and Developing Asia	5.3	4.5	4.6	2	1.7	2	1.5	1	0.9			
China	5	4	4	0.2	0	0.6	2.3	1.9	1.7	5.1	5.1	5.1
India	6.5	6.5	6.3	4.7	4.2	4	0.8	0.9	1.4	4.9	4.9	4.9
Indonesia	5	4.7	4.7	2.3	1.7	2.5	(0.6)	(1.5)	(1.6)	5	5	5
Thailand	2.5	1.8	1.6	0.4	0.7	0.9	2.1	2.1	2	1	1	1
Vietnam	7.1	6.2	4	3.6	2.9	2.5	6.1	5.7	5.1	2	2	2
Malaysia	5.1	4.1	3.8	1.8	2.4	2.2	1.7	1.6	1.8	3.2	3.2	3.2
Philippines	5.7	5.5	5.8	2.2	2.4	2.9	(3.8)	(3.4)	(3.2)	3.8	3.7	3.7
Other Emerging and Developing Asia	3.8	3.5	5.2	9.5	9.9	6.5	(0.2)	(0.6)	(0.9)			

Source: IMF

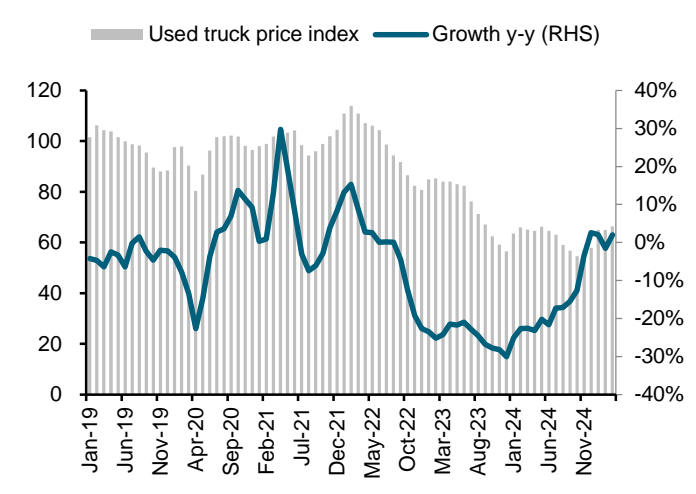
Truck market recovery in sight, but long-term risks remain

The truck market outlook has improved since late 2024, as reflected in the Bank of Thailand (BOT)'s used truck price index and the more optimistic tone from HP truck lenders' management during analyst meetings and opportunity day sessions. We believe this recovery has been supported by a reduction in the excess supply of foreclosed units and pent-up logistics demand in 1H25 following the reciprocal tariff announcement.

However, HP truck lenders' management also noted that the transition from Euro 3 to Euro 5 models has been far from smooth. While Euro 5 trucks feature improved technology for better fuel efficiency and lower emissions, they come with c20-30% higher upfront costs compared to used Euro 3 vehicles. Despite the recovery in used truck prices, new truck sales have remained stagnant so far in 2025 (see Exhibit 16), as operators remain hesitant to switch to the new Euro 5 models. We believe this hesitation stems from uncertainty over job volumes and whether transport contracts will explicitly require Euro 5 compliance. Amid future economic uncertainty, logistics operators tend to favor lower risk options in the used truck market. These are more affordable and readily available in good condition, particularly units stemming from the oversupply in late 2024.

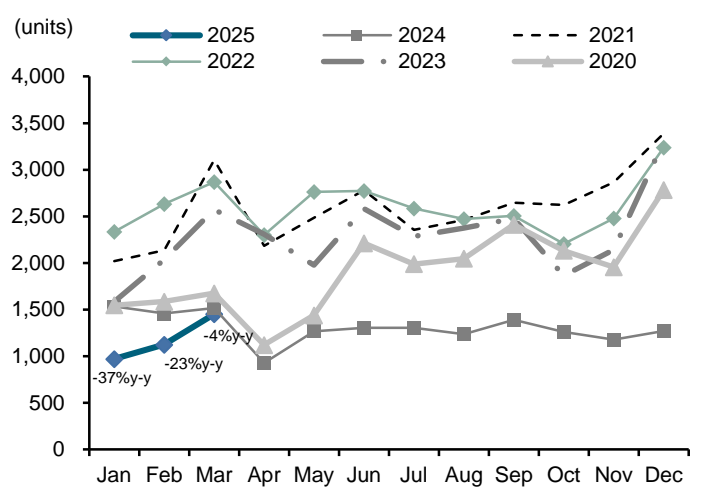
While there may be some recovery in new truck sales from -37% y-y in Jan-25 to -4% y-y in Mar-25, we expect the recovery to remain fragile, constrained by the weak economic outlook and tighter financial conditions among operators, as HP truck lenders such as THANI shift their focus from growth toward asset quality protection.

Exhibit 15: Used truck price index, 2019–25 YTD; used truck price rebounded to the same level seen in 1H24



Sources: BOT; FSSIA's compilation

Exhibit 16: New truck sales, 2020–25 YTD; recovery in sales growth YTD ahead of reciprocal tariff announcement in early April; 2H25 outlook remains uncertain



Sources: Thailand Automotive Institute; FSSIA's compilation

Cost gains to persist in near term, outlook uncertain thereafter

Prior to the global trade turbulence, THANI's loan portfolio had already contracted over multiple consecutive quarters, driven by a stricter loan approval strategy in response to the sluggish economic growth in 2024. During this time, unfavorable factors such as the delayed 2024 government budget and stagnant capital formation strained borrowers' debt-servicing ability, leading to a surge in the used truck supply due to rising delinquencies seen in late 2024.

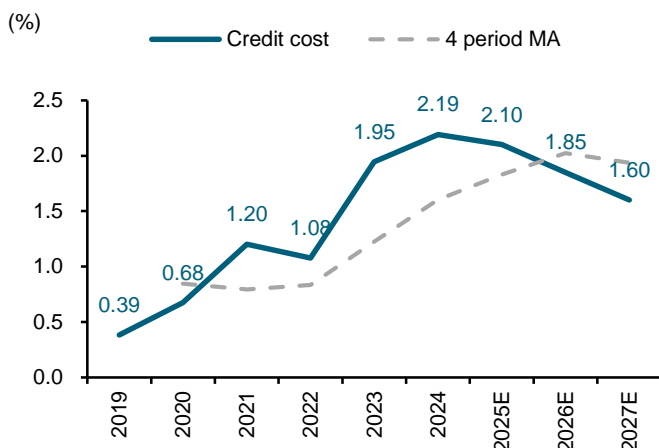
Despite the current tariff situation continuing to weigh heavily on Thailand's economic growth prospects and THANI's asset quality improvement, we note that THANI's disciplined approach to stricter loan approvals has proven effective so far in 1Q25. Supported by the higher-quality customers acquired in 2024 and pent-up export demand ahead of the reciprocal tariff announcement, the company delivered a lower-than-expected cost-to-income ratio and credit cost in 1Q25.

While the significant decline in OPEX q-q was largely due to a reversal in losses from NPA sales, thanks to the normalization of used truck prices, the lower-than-expected credit cost reflected continued improvements in asset quality. THANI's gross NPLs declined to THB1,321m (-16.2% q-q and -23.2% y-y), while its NPL ratio stood at 2.93%—substantially down 38bp q-q and 36bp y-y, despite loan contraction, reflecting a solid asset quality trend. Finally, the NPL formation rate declined for the second successive quarter to 11bp, indicating a stronger debt-servicing trend from borrowers. However, the proportion of Stage 2 loans also inched up to around 14.3% from 13.9% in 4Q24, signaling lingering pressure on asset quality despite the overall improvement.

Looking ahead, we believe the current improvements in cost control could be sustained through 1H25. However, the outlook for 2H25 remains uncertain in our view, given the potential economic slowdown and unresolved tariff situation. These positive trends from pent-up demand may prove short-lived, with risks of rising credit costs, renewed asset quality pressures and higher OPEX driven by NPA losses following increases in the industry's asset foreclosures. While THANI's internal prudent approach may help cushion the impact, a slower external growth environment would still weigh heavily on HP truck lenders' profitability, we believe.

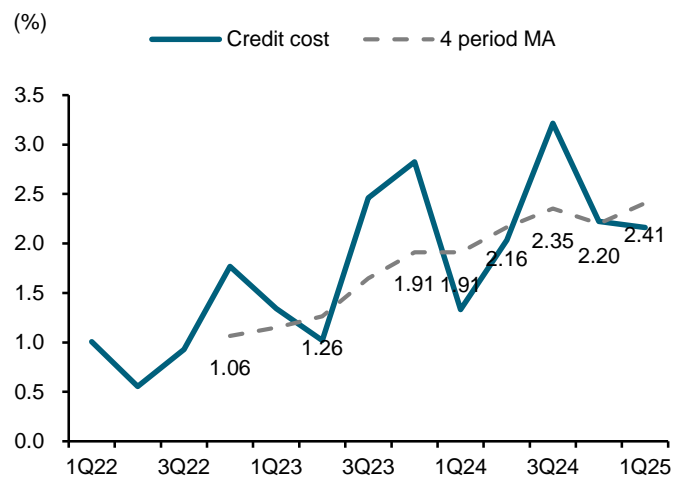
Thus, we remain cautious in our estimates despite the solid 1Q25 recovery. We forecast credit cost to edge down to c2.10% in 2025 from 2.19% in 2024, reflecting gradual improvements in asset quality. Meanwhile, we expect the cost-to-income ratio to normalize at 22.2%, down from a much higher level of 28.8% in 2024, supported by easing excess supply pressure in the used truck market observed in 1Q25, which has helped reduce losses from NPA sales. We also project gross NPLs to decline by THB1,293m by end-2025, with the NPL ratio expected to edge down to 3.22%, partly due to expected loan portfolio contraction.

Exhibit 17: THANI – credit cost, 2019-27E

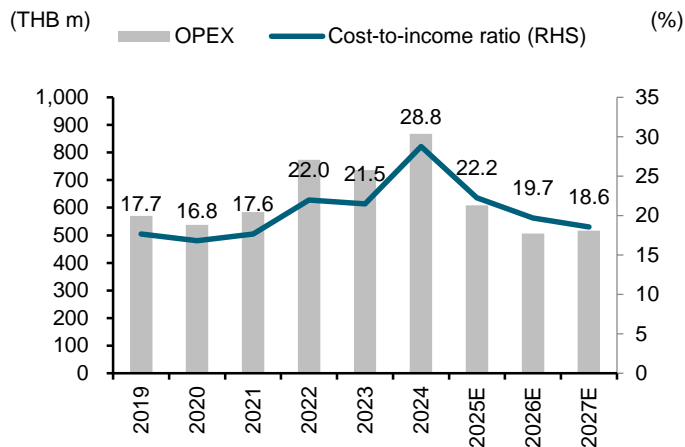


Sources: THANI; FSSIA estimates

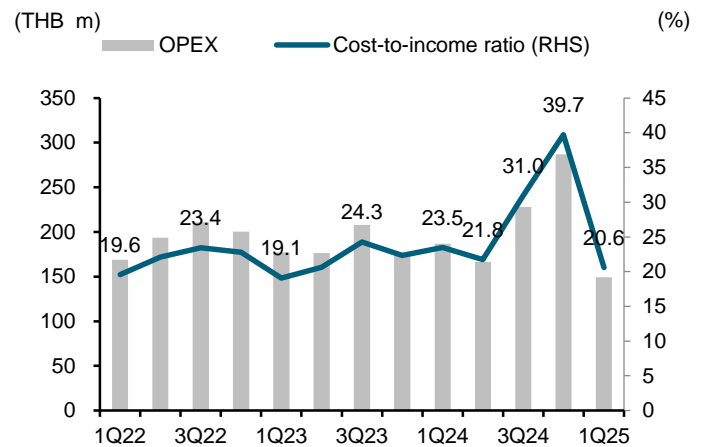
Exhibit 18: THANI – credit cost, 1Q22-1Q25; credit cost persistently higher since 1Q22



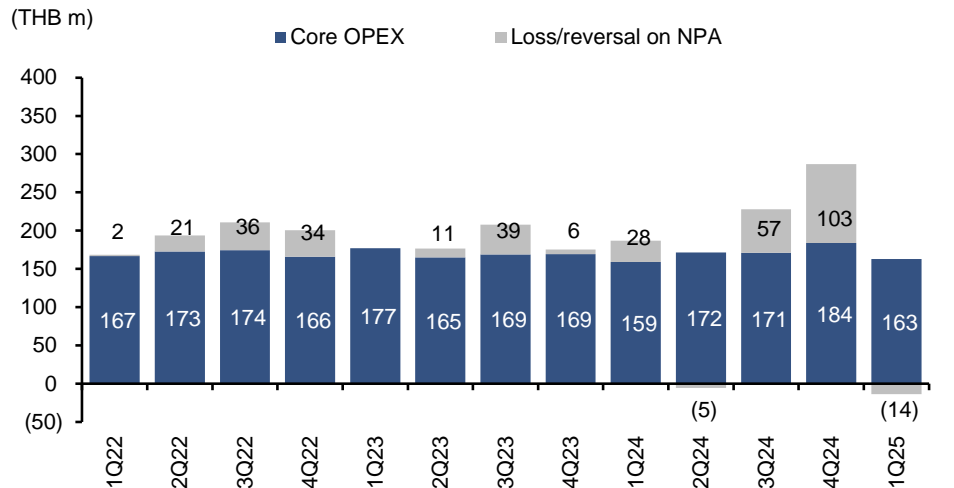
Sources: THANI; FSSIA's compilation

Exhibit 19: THANI – OPEX and cost-to-income ratio, 2019-27E

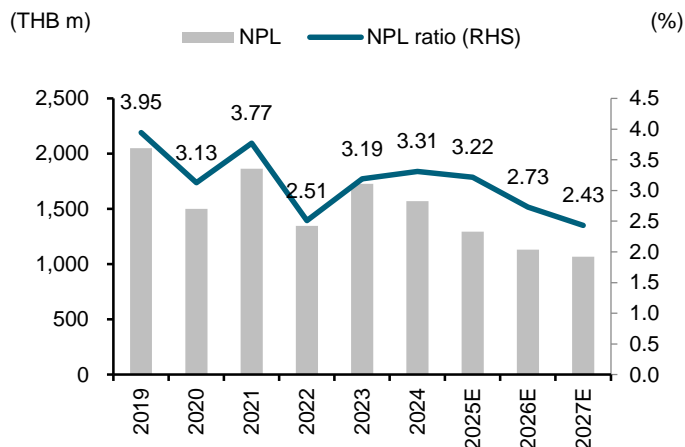
Sources: THANI; FSSIA estimates

Exhibit 20: THANI – OPEX and cost-to-income ratio, 1Q22-1Q25; OPEX spiked in 3Q-4Q24 due to high NPA sale losses, triggered by the used truck price slump in late 2024

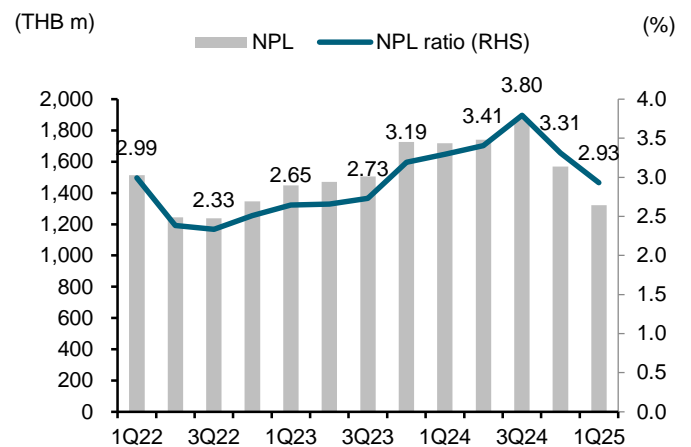
Sources: THANI; FSSIA's compilation

Exhibit 21: THANI – OPEX breakdown, 1Q22-1Q25; reversal in losses from NPA sales in 1Q25 of THB14m

Sources: THANI; FSSIA's compilation

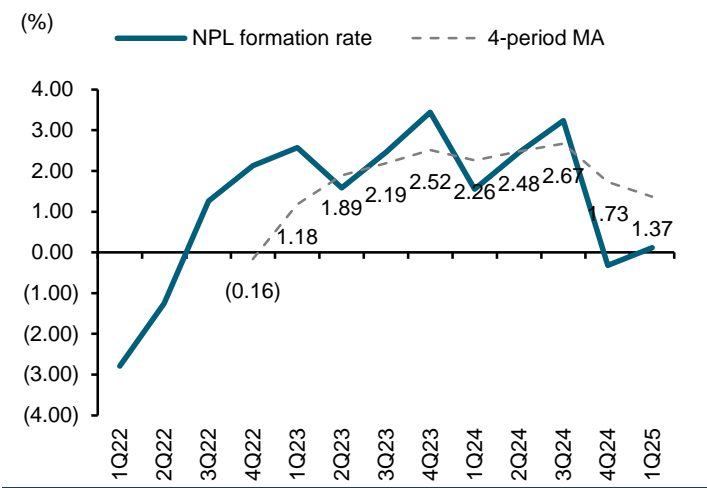
Exhibit 22: THANI – NPLs and NPL ratio, 2019-27E

Sources: THANI; FSSIA estimates

Exhibit 23: THANI – NPLs and NPL ratio, 1Q22-1Q25

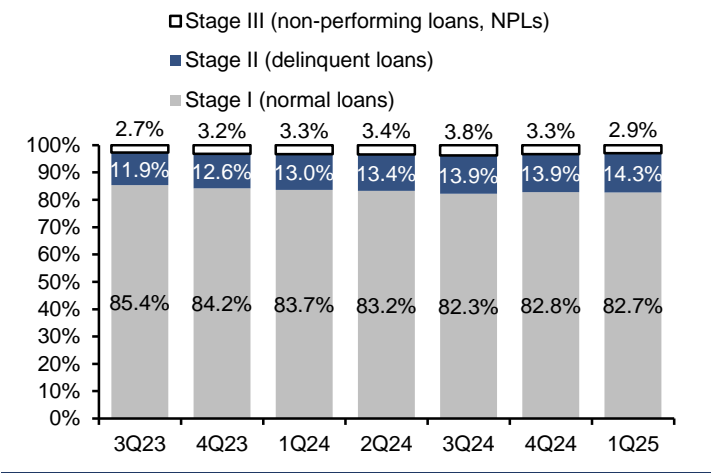
Sources: THANI; FSSIA's compilation

Exhibit 24: THANI – NPL formation rate, 1Q22-1Q25; significant drop in the MA in the last two quarters



Sources: THANI; FSSIA's compilation

Exhibit 25: THANI's total loan portfolio breakdown by stage, last seven quarters; proportion of stage 2 loans increased to 14.3% in 1Q25



Sources: THANI; FSSIA's compilation

Neutral tone from THANI's opportunity day

We have a neutral view of THANI's 1Q25 opportunity day held on 25 May.

During the presentation, key discussions were centered around 1) the asset quality and credit cost outlook; 2) the loan growth outlook and 2025's loan growth target; and 3) the number of foreclosed assets outstanding.

Highlights

- Management attributed the improvement in asset quality to their consistently conservative stance on loan approvals, with better credit profiles from newly acquired customers in 2024 supporting the trend. They noted that while credit cost declined marginally q-q to c2.16% in 1Q25 from 2.22% in 4Q24, it remained elevated y-y, when the 1Q24 credit cost stood at 1.33%. They expect this trend to persist, citing the uncertain outlook for customers' debt servicing ability and broader economic growth in 2H25. Management also expressed satisfaction with the 131% NPL coverage ratio in the quarter, highlighting stronger provisioning buffers. However, they also acknowledged a slight increase in Stage 2 loans to 14.3%, mainly driven by some credit weakening in Stage 1 loans.
- Despite solid improvements in asset quality, management stated they will maintain a conservative loan approval stance, citing a deteriorating growth outlook over the next 3-6 months. While they have kept the year-end net loan portfolio target at THB45b (vs 1Q25's level at THB43b), they will remain data-dependent, monitoring the market on a monthly basis. Management hopes disbursements could accelerate in 2H25, should a clearer growth trend emerge, driven by progress in trade negotiations and potential government stimulus measures.
- Since 2H24, when excess supply weighed heavily on the used truck market, conditions have begun to improve. Management noted that monthly foreclosures declined from 150-160 trucks in 4Q24 to approximately 120 in 1Q25. They expect the number of foreclosed assets outstanding to normalize at around 300 trucks by 1H25, down from the current level of roughly 700. Meanwhile, the new truck market remains turbulent, as sales continue to struggle—down by c30% y-y—due to the ongoing transition from Euro 3 to Euro 5 models.
- Management also highlighted improved borrower performance and stronger used truck sales in segments such as consumption, border trade, and exports in 1Q25. Trucks in these sectors have also seen better demand. In contrast, borrowers in the construction segment continue to lag, mirroring the trend seen in 2024 when delayed government budget disbursement and stagnant capital formation led to weaker operating performance and softer used construction vehicle sales.

1Q25 net profit recovery from better-than-expected cost control

THANI reported a 1Q25 net profit of THB254m—a significant 107% q-q recovery from a low base, but still down 26% y-y.

In detail, THANI's q-q net profit recovery was mostly driven by lower expenses across the board, including OPEX, ECL expenses, and interest expenses. This reflected improvements in the cost-to-income ratio, credit cost, and cost of funds on a q-q basis. On the other hand, net profit was still down 26% y-y, mainly due to weaker net interest income from negative loan growth and a persistently high credit cost compared to the same period last year.

Highlights

(-) Loan growth: In 1Q25, THANI's loan portfolio continued to contract by 5.0% q-q and 13.7% y-y. The negative loan growth stemmed from more stringent loan criteria, given further uncertainties regarding Thailand's GDP growth and the Trump administration's reciprocal tariff policy. As a result, net interest income decreased further for the seventh consecutive quarter in a row to THB488m (-4.5% q-q and -14.2% y-y). THANI's NIM was flat q-q at 4.22% from a lower cost of funds.

(+) Credit cost: Credit cost declined to 2.16% (-6bp q-q but still up 83bp y-y), implying lower ECL expenses booked on a quarterly basis. We believe this can be attributed to a greater debt servicing ability from THANI's customers in 1Q25 on the back of 2025's front-loaded export demand prior to the Trump administration's reciprocal tariffs announced in early April.

(+) Cost-to-income ratio: The cost-to-income ratio decreased significantly to 20.60% (-19.12ppt q-q and -2.89ppt y-y) from lower OPEX driven by reduced losses from NPA sales. We believe this can be attributed to the plunge in used truck prices from the same period last year. The recovery in used truck prices recently has provided a temporary surge in logistics demand pre-reciprocal tariff policy announcement.

(+) Cost of funds: Cost-of-funds came in lower at 3.12% (-3bp q-q but still up 9bp y-y), from THANI's debt retiring efforts and the BOT's interest rate cut decision, we believe.

(+) Asset quality: Gross NPLs decreased to THB1,321m (-16.2% q-q and -23.2% y-y), implying better asset quality for THANI. The NPL formation rate for 1Q25 stood at 0.11%, while the NPL ratio also decreased to 2.93% (-38bp q-q and -36bp y-y) despite portfolio contraction.

Exhibit 26: THANI – 1Q25 results summary

	1Q24 (THB m)	2Q24 (THB m)	3Q24 (THB m)	4Q24 (THB m)	1Q25 (THB m)	Change		% of 2025E	2025E (THB m)	Change (y-y %)
						(q-q %)	(y-y %)			
Interest income	885	847	829	801	762	(5)	(14)	26	2,947	(12)
Interest expense	(316)	(308)	(296)	(290)	(274)	(6)	(13)	26	(1,056)	(13)
Net interest income	569	539	533	511	488	(4)	(14)	26	1,892	(12)
Non-interest income	227	227	203	211	236	12	4	28	845	(3)
Operating income	795	765	736	722	724	0	(9)	26	2,736	(9)
Operating expenses	(187)	(166)	(228)	(287)	(149)	(48)	(20)	25	(609)	(30)
PPOP	608	599	508	435	575	32	(6)	27	2,128	(1)
Expected credit loss	(177)	(263)	(404)	(269)	(250)	(7)	41	27	(920)	(17)
Income tax	(88)	(82)	(25)	(43)	(72)	65	(19)	24	(299)	25
Net profit	343	255	80	123	254	107	(26)	28	909	14
EPS (THB)	0.06	0.04	0.01	0.02	0.04	107	(33)	28	0.15	14
Key balance sheet items										
Gross loans	52,178	51,096	49,369	47,414	45,043	(5)	(14)		40,183	(15)
Interest bearing debt	41,773	37,958	36,636	37,006	33,230	(10)	(20)		29,404	(21)
Gross NPL	1,719	1,741	1,874	1,569	1,321	(16)	(23)		1,293	(18)
Leverage ratio	(x)	(x)	(x)	(x)	(x)	(ppt, q-q)	(ppt, y-y)		(x)	(ppt, y-y)
D/E	3.2	2.9	2.8	2.8	2.4	(0.33)	(0.77)		2.1	(0.64)
Asset quality ratios	(%)	(%)	(%)	(%)	(%)	(ppt, q-q)	(ppt, y-y)		(%)	(ppt, y-y)
NPL ratio	3.3%	3.4%	3.8%	3.3%	2.9%	(0.4)	(0.4)		3.2%	(0.09)
Coverage ratio	95.5%	92.5%	92.8%	111.0%	131.0%	20.0	35.5		138.1%	27.07
Credit cost	1.3%	2.0%	3.2%	2.2%	2.2%	(0.1)	0.8		2.1%	(0.09)
Profitability ratios	(%)	(%)	(%)	(%)	(%)	(ppt, q-q)	(ppt, y-y)		(%)	(ppt, y-y)
Yield on receivables	6.66%	6.56%	6.60%	6.62%	6.59%	(0.03)	(0.07)		6.7%	0.10
Cost of funds	3.03%	3.09%	3.17%	3.15%	3.12%	(0.03)	0.09		3.2%	0.11
Loan yield spreads	3.63%	3.46%	3.43%	3.47%	3.47%	0.00	(0.16)		3.5%	(0.00)
Net interest margins (NIM)	4.28%	4.17%	4.25%	4.22%	4.22%	0.00	(0.06)		4.5%	0.11
Cost-to-income ratio	23.5%	21.8%	31.0%	39.7%	20.6%	(19.12)	(2.89)		22.2%	(6.51)

Sources: THANI; FSSIA estimates

Financial Statements

Ratchthani Leasing

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Interest Income	3,668	3,362	2,947	2,744	2,867
Interest expense	(1,172)	(1,210)	(1,056)	(954)	(900)
Net interest income	2,496	2,152	1,892	1,790	1,967
Net fees & commission	439	384	337	314	328
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	-	-	-	-	-
Other income	491	483	508	466	487
Non interest income	929	867	845	780	815
Total income	3,426	3,019	2,736	2,570	2,782
Staff costs	-	-	-	-	-
Other operating costs	-	-	-	-	-
Operating costs	(737)	(868)	(609)	(506)	(517)
Pre provision operating profit	2,689	2,151	2,128	2,064	2,266
Expected credit loss	(1,048)	(1,112)	(920)	(754)	(682)
Other provisions	-	-	-	-	-
Operating profit	1,641	1,039	1,208	1,309	1,584
Recurring non operating income	-	-	-	-	-
Associates	-	-	-	-	-
Goodwill amortization	-	-	-	-	-
Non recurring items	-	-	-	-	-
Profit before tax	1,641	1,039	1,208	1,309	1,584
Tax	(354)	(239)	(299)	(324)	(392)
Profit after tax	1,287	800	909	985	1,191
Non-controlling interest	-	-	-	-	-
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	1,287	800	909	985	1,191
Non recurring items & goodwill (net)	-	-	-	-	-
Recurring net profit	1,287	800	909	985	1,191
Per share (THB)					
Recurring EPS *	0.23	0.13	0.15	0.16	0.19
Reported EPS	0.23	0.13	0.15	0.16	0.19
DPS	0.02	0.07	0.07	0.08	0.10
Growth					
Net interest income (%)	(3.4)	(13.8)	(12.1)	(5.4)	9.9
Non interest income (%)	(0.3)	(6.7)	(2.6)	(7.6)	4.5
Pre provision operating profit (%)	(2.0)	(20.0)	(1.1)	(3.0)	9.8
Operating profit (%)	(25.0)	(36.7)	16.3	8.4	21.0
Reported net profit (%)	(26.6)	(37.8)	13.6	8.4	21.0
Recurring EPS (%)	(26.6)	(41.8)	10.2	8.4	21.0
Reported EPS (%)	(26.6)	(41.8)	10.2	8.4	21.0
Income Breakdown					
Net interest income (%)	72.9	71.3	69.1	69.6	70.7
Net fees & commission (%)	12.8	12.7	12.3	12.2	11.8
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	14.3	16.0	18.6	18.2	17.5
Operating performance					
Gross interest yield (%)	6.88	6.52	6.45	6.46	6.56
Cost of funds (%)	2.85	3.07	3.18	3.23	2.96
Net interest spread (%)	4.03	3.45	3.27	3.23	3.60
Net interest margin (%)	4.7	4.2	4.1	4.2	4.5
Cost/income(%)	21.5	28.8	22.2	19.7	18.6
Cost/assets(%)	1.3	1.6	1.3	1.1	1.1
Effective tax rate (%)	21.6	23.0	24.8	24.8	24.8
Dividend payout on recurring profit (%)	8.8	52.9	50.0	50.0	50.0
ROE (%)	10.3	6.1	6.7	7.0	8.2
ROE - COE (%)	0.3	(3.8)	(3.3)	(2.9)	(1.8)
ROA (%)	2.4	1.5	1.9	2.2	2.6
RORWA (%)	-	-	-	-	-

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Ratchthani Leasing; FSSIA estimates

Financial Statements

Ratchthani Leasing

Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Gross customer loans	60,023	52,226	44,318	45,635	48,335
Allowance for expected credit loss	(1,678)	(4,812)	(4,134)	(4,256)	(4,508)
interest in suspense	(5,966)	(1,742)	(1,786)	(1,847)	(1,911)
Net customer loans	52,380	45,672	38,398	39,533	41,916
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	-	-	-	-	-
Cash & equivalents	1,434	3,693	3,663	3,327	2,685
Other interesting assets	-	-	-	-	-
Tangible fixed assets	576	885	917	837	779
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	49	39	39	39	39
Other assets	817	874	968	1,057	1,154
Total assets	55,260	51,163	43,985	44,793	46,572
Customer deposits	-	-	-	-	-
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	41,742	37,006	29,404	29,743	31,044
Non interest bearing liabilities	833	792	762	740	725
Hybrid Capital	-	-	-	-	-
Total liabilities	42,575	37,798	30,167	30,483	31,769
Share capital	5,663	6,229	6,229	6,229	6,229
Reserves	7,022	7,135	7,589	8,082	8,574
Total equity	12,685	13,364	13,818	14,311	14,803
Non-controlling interest	0	0	0	0	0
Total liabilities & equity	55,260	51,163	43,985	44,793	46,572
Supplementary items					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	53,283	51,589	45,713	42,460	43,730
Average interest bearing liabilities	41,168	39,374	33,205	29,574	30,393
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)	1,726	1,569	1,351	1,208	1,060
Per share (THB)					
Book value per share	2.24	2.15	2.22	2.30	2.38
Tangible book value per share	2.23	2.14	2.21	2.29	2.37
Growth					
Gross customer loans	0.4	(13.0)	(15.1)	3.0	5.9
Average interest earning assets	5.3	(3.2)	(11.4)	(7.1)	3.0
Total asset (%)	2.5	(7.4)	(14.0)	1.8	4.0
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	-	-	-	-	-
Leverage & capital measures					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	23.0	26.1	31.4	31.9	31.8
Tangible equity/assets (%)	22.9	26.0	31.3	31.9	31.7
RWA/assets (%)	-	-	-	-	-
CET 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
Asset Quality (FSSIA's calculation)					
Change in NPL (%)	28.1	(9.1)	(13.9)	(10.5)	(12.3)
NPL/gross loans (%)	2.9	3.0	3.0	2.6	2.2
Allowance for ECL/gross loans (%)	2.8	9.2	9.3	9.3	9.3
Allowance for ECL/NPL (%)	97.2	306.6	306.1	352.2	425.4
Valuation					
Recurring P/E (x) *	7.2	12.3	11.2	10.3	8.5
Recurring P/E @ target price (x) *	6.2	10.7	9.7	8.9	7.4
Reported P/E (x)	7.2	12.3	11.2	10.3	8.5
Dividend yield (%)	1.2	4.3	4.5	4.8	5.9
Price/book (x)	0.7	0.8	0.7	0.7	0.7
Price/tangible book (x)	0.7	0.8	0.7	0.7	0.7
Price/tangible book @ target price (x)	0.6	0.7	0.6	0.6	0.6
* Pre-exceptional, pre-goodwill and fully diluted					

Sources: Ratchthani Leasing; FSSIA estimates

Ratchthani Leasing PCL (THANI TB)

FSSIA ESG rating



55.07 /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 THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
ASK	25.25	--	--	--	4.00	5.00	Certified	Medium	--	--	--	--	--	--	--
SAK	45.28	--	Y	Y	4.00	4.00	Certified	High	40.10	--	--	43.87	--	2.02	36.23
SAWAD	46.52	--	Y	Y	4.00	5.00	--	Medium	43.97	BB	--	20.18	13.00	1.93	40.04
THANI	55.07	--	Y	Y	5.00	5.00	Certified	Medium	41.07	B	--	53.43	23.00	2.29	41.91
TIDLOR	36.71	--	--	--	4.00	4.00	Certified	Medium	37.03	--	--	23.69	19.00	1.66	--

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

Exhibit 6: ESG score by Bloomberg

FY ending Dec 31	FY 2021	FY 2022
ESG financial materiality scores - ESG score	2.23	3.10
BESG environmental pillar score	3.25	3.80
BESG social pillar score	1.24	2.51
BESG governance pillar score	3.87	3.92
ESG disclosure score	42.22	42.56
Environmental disclosure score	25.28	25.28
Social disclosure score	20.13	21.16
Governance disclosure score	81.10	81.10
Environmental		
Emissions reduction initiatives	Yes	Yes
Climate change policy	Yes	Yes
Climate change opportunities discussed	No	No
Risks of climate change discussed	No	No
GHG scope 1	—	—
GHG scope 2 location-based	0	0
GHG Scope 3	—	—
Carbon per unit of production	—	—
Biodiversity policy	No	No
Energy efficiency policy	Yes	Yes
Total energy consumption	—	—
Renewable energy use	—	—
Electricity used	1	1
Fuel used - natural gas	—	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 7: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No
Waste reduction policy	Yes	Yes
Hazardous waste	—	—
Total waste	0	0
Waste recycled	—	—
Waste sent to landfills	—	—
Environmental supply chain management	Yes	Yes
Water policy	Yes	Yes
Water consumption	4	4
Social		
Human rights policy	Yes	Yes
Policy against child labor	No	No
Quality assurance and recall policy	No	No
Consumer data protection policy	No	Yes
Equal opportunity policy	Yes	Yes
Gender pay gap breakout	No	No
Pct women in workforce	55	55
Pct disabled in workforce	0	0
Business ethics policy	Yes	Yes
Anti-bribery ethics policy	Yes	Yes
Health and safety policy	Yes	Yes
Lost time incident rate - employees	0	0
Total recordable incident rate - employees	0	0
Training policy	No	No
Fair remuneration policy	No	No
Number of employees – CSR	465	482
Employee turnover pct	—	—
Total hours spent by firm - employee training	1,339	2,993
Social supply chain management	Yes	Yes
Governance		
Board size	12	12
No. of independent directors (ID)	5	5
No. of women on board	2	2
No. of non-executive directors on board	10	10
Company conducts board evaluations	Yes	Yes
No. of board meetings for the year	6	6
Board meeting attendance pct	100	100
Board duration (years)	3	3
Director share ownership guidelines	No	No
Age of the youngest director	45	46
Age of the oldest director	83	77
No. of executives / company managers	6	6
No. of female executives	1	1
Executive share ownership guidelines	No	No
Size of audit committee	5	5
No. of ID on audit committee	5	5
Audit committee meetings	4	4
Audit meeting attendance %	100	100
Size of compensation committee	3	3
No. of ID on compensation committee	2	2
No. of compensation committee meetings	2	2
Compensation meeting attendance %	100	100
Size of nomination committee	3	3
No. of nomination committee meetings	2	2
Nomination meeting attendance %	100	100
Sustainability governance		
Verification type	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

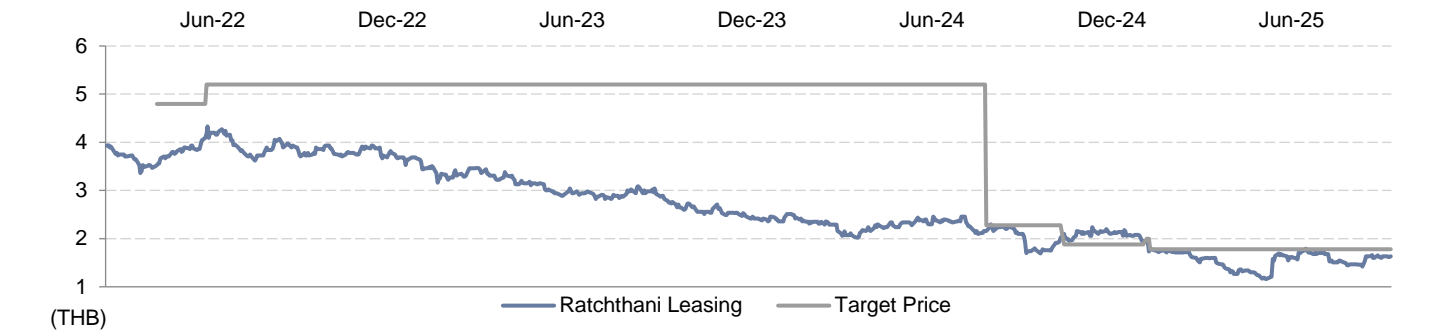
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

Ratchthani Leasing (THANI TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
18-Jul-2022	BUY	4.80	20-Jun-2024	HOLD	2.28	01-Nov-2024	HOLD	2.00
29-Aug-2022	BUY	5.20	23-Aug-2024	HOLD	1.88	06-Nov-2024	HOLD	1.78

Nathapol Pongsukcharoenkul started covering this stock from 04-Jun-2025

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Ratchthani Leasing	THANI TB	THB 1.63	HOLD	Downside risks to our GGM-derived TP include 1) an economic slowdown, especially for logistics activities and private investment; 2) deteriorating asset quality; and 3) changes in financial regulations from the Bank of Thailand. Upside risks include 1) a better-than-expected macroeconomic improvement; 2) a downtrend in the policy rate could reduce cost of funds and enhance interest spreads; and 3) a faster than-expected decline in ECL expense.

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 30-May-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.