

Finance Sector – Overweight

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Earnings Preview

MTC leads the pack in 1Q25F

- Expecting combined profits growth of 3% y-y and 1% q-q.
- MTC and TIDLOR's earnings are expected to be solid.
- We see downsides to our earnings forecast for SAWAD.
- MTC stays as our top sector pick

We forecast combined 1Q25F profits for the three microfinance firms under our coverage at Bt3.85bn, up 3% y-y and 1% q-q. MTC and TIDLOR should deliver solid results, supported by loan growth, declining opex, and manageable asset quality. SAWAD, however, is likely to lag due to slower-than-expected loan recovery.

Ex 1: 1Q25F Earnings Preview

Net profits	Net profits (Bt bn)			% Change		% of 2025F
	1Q24	4Q24	1Q25F	y-y	q-q	
MTC	1.39	1.54	1.58	13.72	2.42	23.69
SAWAD	1.26	1.23	1.14	(9.60)	(6.95)	20.58
TIDLOR	1.10	1.04	1.13	2.35	8.19	24.69
Total	3.75	3.81	3.85	2.54	0.99	22.94

Sources: Company data, Thanachart estimates

- We expect loan growth of 1.5% q-q for both MTC and TIDLOR, implying y-y growth of 14% and 5%, respectively.
- SAWAD's loans are expected to contract 2% q-q and 7% y-y, due to a smaller new loan book, particularly in new motorcycle HP. The company has also reduced LTVs for title loans to preserve asset quality. Management has turned more cautious, targeting at best 10% y-y loan growth in 2025. Given the soft start in 1Q25, our 7% full-year loan growth forecast now appears too optimistic.
- Lending yields are forecast to decline 30–40bps q-q due to seasonality. The number of working days in 1Q is lower than 4Q. MTC's cost of funds may rise 5bps on liability repricing and longer funding duration.
- TIDLOR's funding costs should remain stable. While SAWAD's interest expenses are expected to stabilize q-q.
- The interest rate cut should lower coupon rates on new debenture issuances. We expect clearer signs of funding cost decline in 2026 for both MTC and TIDLOR.
- Asset quality remains manageable. MTC should see declining NPLs and credit costs.
- TIDLOR's NPLs are stable, with credit cost projected at 3.1% (vs 2.7% in 4Q24 and 3.3% in 1Q24).
- SAWAD's NPLs are expected to range in absolute terms at ~Bt3.4bn, but the NPL ratio may edge up from 3.55% to 3.6% due to loan contraction. SAWAD's past aggressive asset clean-up has reduced losses on sales to below Bt400m.
- MTC remains on track to deliver record profits, supported by solid loan growth and improving asset quality.

- TIDLOR's tender offer ended on 28 April 2025. The ticker of existing shares will be changed to NTL TB which they will be delisted on the same date as the new listing under TIDLOR Holding Company—final dates pending SET confirmation.
- We see downside risks to SAWAD's earnings; a 5% miss to our forecast would imply 2025 PE of 8.8x, with just 4% EPS growth.
- MTC's valuation premium to peers is justified by its stronger fundamentals and superior growth. MTC remains our top sector pick.

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