

Finance Sector – Overweight

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Earnings Preview

Title loans up, trucks stall: TIDLOR Leads 2Q25

- Decent 2Q25F combined NP growth of 6 consumer finances
- Moderate performance of title loan operators
- Weak profitability of truck lenders
- Preference for title loan lenders

We expect six consumer finance lenders under our coverage to report 2Q25 net profit of Bt4.6bn (+5% y-y, +1% q-q). Title loan operators should a post decent net profit growth, driven mainly by 1) moderate loan growth; and 2) manageable asset quality. Meanwhile, truck lenders' net profit should be in the weak territory, pressured by 1) a decline in loan volume; and 2) an aggressive balance sheet clean-up. We, thus, prefer title loan lenders over truck lenders.

- We forecast the aggregate net profit of four **title lenders** (MTC, SAK, SAWAD, and TIDLOR) of Bt4.2bn (+5% y-y, +2% q-q). **TIDLOR is expected to lead the group** with the strongest net profit growth due to a minimal rise in loan volume, a strong fee income growth from insurance business, and a lower credit cost following an asset quality improvement.

MTC and SAK should also deliver higher net profit y-y and q-q, supported by decent loan growth and stable asset quality.

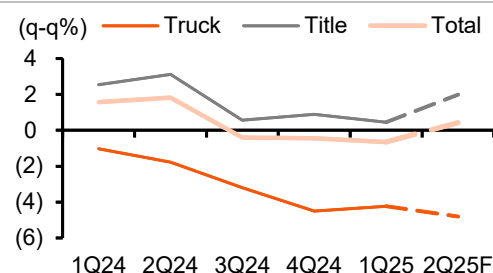
SAWAD is expected to be the only operator to see a decline in net profit both y-y and q-q, pressured by a drop in loan volume resulting from more conservative lending practices amid asset quality concerns.

Key highlights of title lenders: 1) A *slight loan volume increase* of 4% y-y, 2% q-q due to continued conservative lending strategy; 2) A *minimal improvement in NIM* to 14.73% from 14.68% in 1Q25 due to an increase in no. of day in 2Q25 which could offset a higher funding cost; and 3) A *stable asset quality* with a 1% q-q drop in NPLs. This would lead to a slightly lower credit cost 5bps q-q to 237bps.

- Regarding two **truck lenders** (ASK, and THANI), we expect the aggregate net profit of Bt355m (+5% y-y, -11% q-q). **THANI should deliver better performance than ASK**, given healthier asset quality.

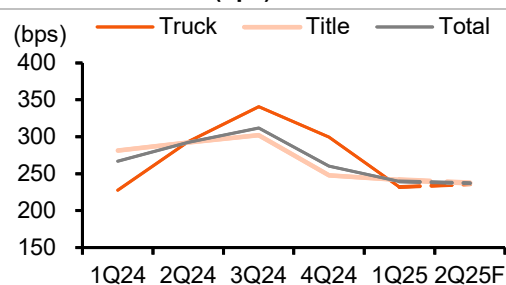
Key highlights of truck lenders: 1). A *significant decrease in loan volume* 16% y-y, 5% q-q pressured by a weak demand in trucks and a selective lending given asset quality issue; 2) A *higher NIM* to 4.49% from 4.42% in 1Q25 supported by a lower interest expense following an accelerated debt repayment given a decline in loan; and 3) A *increase in NPL sales and write-off* as operators would pursue cleaning up balance sheet strategy. Accordingly, credit cost would remain at an elevated level of 236bps.

Ex 1: Loan Growth (q-q %)



Sources: Company data, Thanachart estimates

Ex 2: Credit Cost (bps)



Sources: Company data, Thanachart estimates

Ex 1: 2025F Key Financial Highlights Of Covered 6 Consumer Finances

	Title loan					Truck loan			Total
	MTC	SAK	SAWAD	TIDLOR	Coverage	ASK	THANI	Coverage	Coverage
Loan (Bt m)	171,221	14,882	89,493	105,060	380,656	63,558	42,336	105,894	486,549
q-q%	3.5%	3.0%	-1.0%	2.0%	2.0%	-4.0%	-6.0%	-4.8%	0.4%
y-y%	12.1%	11.8%	-9.4%	3.5%	3.9%	-14.7%	-17.1%	-15.7%	-1.1%
ytd%	5.7%	4.4%	-3.9%	2.8%	2.4%	-7.5%	-10.7%	-8.8%	-0.2%
NIM (%)	13.81%	19.53%	14.37%	15.84%	14.73%	4.62%	4.31%	4.49%	12.44%
q-q bps	12	(11)	(14)	13	5	6	8	7	16
y-y bps	(54)	(52)	(132)	(6)	(62)	(20)	14	(6)	(10)
NPL (Bt m)	4,459	395	3,404	1,853	10,111	4,787	1,236	6,023	16,134
q-q%	-1.0%	1.9%	0.0%	-0.7%	-0.5%	0.3%	-6.4%	-1.1%	-0.7%
NPL ratio	2.6%	2.7%	3.8%	1.8%	2.7%	7.5%	2.9%	5.7%	3.3%
Credit cost (bps)	244	170	180	285	237	250	215	236	237
q-q bps	0	2	(4)	(16)	(5)	7	(1)	4	(3)
y-y bps	(64)	30	(38)	(77)	(55)	(105)	12	(57)	(56)
Net profit (Bt m)	1,628	231	1,067	1,273	4,199	110	245	355	4,554
q-q%	3.6%	2.4%	-3.0%	4.5%	2.0%	-24.6%	-3.3%	-11.1%	0.9%
y-y%	12.7%	15.9%	-15.7%	16.7%	5.0%	33.2%	-3.7%	5.3%	5.0%

Sources: Company data, Thanachart estimates

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