

Finance Sector – Overweight

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Earnings Preview

Decent 4Q25F results: MTC leads

- **Title lenders:** improving loan growth & stable asset quality
- **Truck lenders:** L-shaped recovery
- **Market is overly concerned on asset quality**
- **Attractive valuation, prefer TIDLOR, then SAWAD and MTC**

We expect six consumer finance lenders under our coverage to report 4Q25 net profit of Bt4.8bn (+15% y-y, -6% q-q). **Title lenders should deliver decent results**, supported by 1) moderate loan growth; 2) slightly lower funding costs following the policy rate cut; and 3) stable asset quality.

Meanwhile, **truck lenders** are likely past the earnings trough, with operations entering an **L-shaped recovery**. Positives include stable asset quality and lower funding costs; however, loan volumes are expected to continue declining q-q, reflecting weak demand in the truck segment.

- We forecast the 4Q24 net profit of four **title lenders** under our coverage (MTC, SAK, SAWAD, and TIDLOR) at Bt4.4bn (+9% y-y, +5% q-q).

Key highlights: 1) The combined **loan growth of 3% q-q** and **7% y-y**, indicating a modest acceleration versus prior quarters as operators gradually resume growth amid manageable asset quality; 2) **NIM expansion** to 15.13% (from 15.05% in 3Q25), benefiting from lower funding costs after the policy rate cut; and 3) **Stable asset quality**, with NPLs rising marginally by 2% q-q. Management teams expect the impact from flooding in Hat Yai to be manageable, supported by diversified portfolios and insurance coverage for damaged vehicles. In addition, operators have introduced targeted relief measures, including 2–4 month debt holidays for affected borrowers.

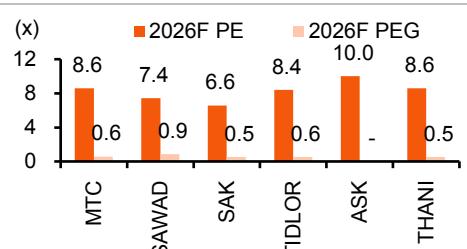
- **MTC** is expected to lead the group, with net profit of Bt1.8bn (+15% y-y, +3% q-q). Performance should be driven by loan growth of 3% q-q and 13.2% y-y, while asset quality remains stable. We forecast a modest 2% q-q up in NPLs, keeping credit costs stable q-q at 269bps.
- **TIDLOR** should report net profit of Bt1.2bn (+13% y-y, -16% q-q). Positives include: 1) Strong fee income growth of +9% y-y and +22% q-q from insurance expansion; 2) Improved loan growth of 2.8% q-q (+6.1% y-y), supported by interest rate reduction campaigns and management's intention to resume growth; and 3) NIM expansion of 13bps q-q to 16.42%, driven by lower funding costs. These gains are partly offset by higher credit costs of 285bps (from 224bps in 3Q25), reflecting the absence of the *You Fight, We Help* program and additional management overlays related to flooding risks in Hat Yai.
- **SAWAD's** net profit is projected at Bt1.2bn (+1% y-y, -6% q-q). The q-q decline is mainly due to a Bt40m mark-to-market loss on Thai Airways (THAI; SELL; Bt7.20). Excluding this item, core operations should remain broadly stable q-q. Loan growth is expected to improve to +2% q-q (vs. -2.4% YTD in 9M25), while NIM expands 10bps q-q to

Ex 1: Dividend yield



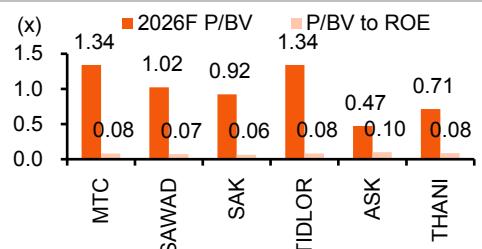
Source: Company data, Thanachart estimates

Ex 2: 2026F PE And PEG



Source: Company data, Thanachart estimates

Ex 3: 2026F P/BV And P/BV to ROE



Source: Company data, Thanachart estimates

15.17% on lower funding costs. Credit costs should edge down 8bps q-q on stable asset quality, though this benefit is likely offset by normalized opex after two consecutive quarters of unusually low expenses from impairment reversals.

- **SAK's** is expected to post net profit of Bt227m (-2% y-y, +1% q-q). Overall performance remains unexciting. Loans should recover modestly by 2% q-q (flat y-y) following a sharp 6.4% q-q contraction in 3Q25. NIM is forecast to rise 9bps q-q to 19.91%, while stable asset quality should lead to a slight reduction in credit costs to 122bps (-4bps q-q).
- For the two **truck lenders** (ASK and THANI), we forecast combined net profit of Bt380m (+173% y-y, -6% q-q). The strong y-y growth is driven primarily by lower credit costs, while q-q performance remains pressured by declining loan volumes.

Key highlights: 1). **Loan volume contraction of 3% q-q** and 15% y-y pressured by a weak demand in trucks and a selective lending stance; 2) **NIM improvement** to 4.7% from 4.6% in 3Q25 supported by a lower interest expense following an accelerated debt repayment given a decline in loan; and 3) **A high NPL sales and write-off** as operators would pursue cleaning up balance sheet strategy. Accordingly, credit costs would remain at an elevated level of 234bps.

- We maintain our **Overweight view on the sector**. We believe the market is overly concerned about asset quality risks, which operators have demonstrated an ability to manage. In addition, the upcoming elections should provide near-term support to asset quality, even as economic growth remains sluggish. As a result, we expect 2026F credit costs to edge down y-y.
- The sharp share price correction following 3Q25 results has significantly improved valuations. With expected **net profit growth in the low-teens in 2026F and 2026F P/E of around 7–8x**, risk-reward now looks attractive.
- Our top picks remain the large title-loan operators with scale and funding advantages: TIDLOR, SAWAD, and MTC.

Ex 4: Summary 4Q25F Net Profit

	4Q24	3Q25	4Q25F	y-y %	q-q %	Tentative results date
MTC	1,543	1,724	1,777	15.2	3.1	17-Feb
SAWAD	1,225	1,323	1,238	1.1	(6.4)	27-Feb
SAK	231	224	227	(1.6)	1.4	18-Feb
TIDLOR	1,044	1,406	1,181	13.1	(16.0)	18-Feb
ASK	17	104	113	570.9	8.2	20-Feb
THANI	123	301	267	117.7	(11.1)	n.a.
Coverage	4,182	5,082	4,803	14.8	(5.5)	

Sources: Company data, Thanachart estimates

Ex 5: 4Q25F Key Financial Highlights Of Covered 6 Consumer Finances

	Title loan					Truck loan			Title+Truck loans	
	MTC	SAWAD	SAK	TIDLOR	Coverage	ASK	THANI	Coverage	Coverage	
Loan (Bt m)	183,489	92,626	14,243	108,429	398,787	58,832	40,281	99,113	497,900	
q-q%	3.0%	2.0%	2.0%	2.8%	2.7%	-3.0%	-2.0%	-2.6%	1.6%	
y-y%	13.2%	-0.5%	-0.1%	6.1%	7.3%	-14.4%	-15.0%	-14.7%	2.1%	
NIM (%)	13.98%	15.17%	19.91%	16.42%	15.13%	4.82%	4.52%	4.70%	13.01%	
bps q-q	4	15	9	13	8	13	10	11	19	
bqs y-y	(16)	34	(9)	48	10	11	30	19	54	
NPL (Bt m)	4,792	3,591	412	1,795	10,589	4,986	1,024	6,011	16,600	
q-q%	2.0%	1.3%	3.6%	0.8%	1.6%	0.3%	-2.9%	-0.3%	0.9%	
NPL ratio	2.6%	3.9%	2.9%	1.7%	2.7%	8.5%	2.5%	6.1%	3.3%	
Credit costs (bps)	269	200	118	285	252	270	180	234	248	
bps q-q	(0)	(8)	(4)	61	15	(8)	37	10	14	
bqs y-y	(16)	30	(23)	9	4	(82)	(42)	(66)	(12)	
Net profit (Bt m)	1,777	1,238	227	1,181	4,423	113	267	380	4,803	
q-q%	3.1%	-6.4%	1.4%	-16.0%	-5.4%	8.2%	-11.1%	-6.2%	-5.5%	
y-y%	15.2%	1.1%	-1.6%	13.1%	9.4%	570.9%	117.7%	172.2%	14.8%	

Sources: Company data, Thanachart estimates

Ex 6: Finance Sector Valuations

Stocks	Rating	Current	Target	Norm EPS growth		Norm PE		P/BV		Yield	
		price (Bt)	price (Bt)	2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F
ASK	SELL	7.30	7.30	25.8	(8.0)	9.2	10.0	0.5	0.5	4.9	5.0
BAM	HOLD	8.15	7.50	36.1	(19.3)	12.1	15.0	0.6	0.6	6.6	5.3
JMT	SELL	8.75	8.50	(25.4)	5.0	10.7	10.1	0.5	0.5	5.6	5.9
KTC	BUY	27.50	36.00	4.6	2.1	9.1	8.9	1.6	1.5	5.4	5.6
MTC	BUY	30.50	45.00	12.9	15.2	9.8	8.5	1.5	1.3	1.5	1.8
SAK	BUY	3.24	4.60	10.4	12.0	7.3	6.5	1.0	0.9	6.2	6.9
SAWAD	BUY	23.80	32.00	(10.8)	8.6	8.0	7.4	1.1	1.0	5.6	6.1
THANI	BUY	1.64	2.30	26.3	16.2	10.0	8.6	0.7	0.7	5.5	6.4
TIDLOR	BUY	16.90	22.50	20.8	15.1	9.6	8.3	1.5	1.3	4.2	4.8

Sources: Company data, Thanachart estimates

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