

AEON Thana Sinsap (AEONTS TB)

Weak near-term earnings

HOLD and lower TP to THB180; prefer big banks to finance operators

HOLD and cut TP to THB180 (implying 1.8x FY23E P/BV and 15.4% ROE) from THB210 after we revise down FY23-24E earnings by 16% to reflect higher credit cost amid weaker-than-expected asset quality. Valuation is inexpensive but there is no near-term positive catalyst. We prefer big banks, BBL (CP THB165.0, BUY, TP THB200.0) and KTB (CP THB18.9, BUY, TP THB22.0), to finance operators or small banks given the better asset quality and NIM uplift.

Expect earnings to decline YoY in 2QFY24E

We expect 2QFY24E (Jun to Aug) net profit of THB758m, down 16% YoY (on higher credit cost) and up 23% QoQ (due to gains on NPL sales). Loans are expected to grow 1% YoY, led by credit card loans while NIM should decline 8bps QoQ to 17.8%. Management sees strong loan demand in unsecured lending but remains cautious on asset quality. Non-NII is expected to grow 31% YoY on a rise in bad debt recovery and THB160m gain on NPL sales. On a positive note, opex should increase only 2% YoY while cost-to-income ratio is likely to ease YoY on good cost control. AEONTS will announce 2QFY24 results on 6 Oct and hold an analyst meeting on 9 Oct.

High credit cost and NPL ratio

We expect provision expenses to rise 15% YoY (flat QoQ) to THB2.1b and its NPL ratio to rise 3bps QoQ to 5.94% in 2QFY24 as customer ability to repay debt remains weak. Overall operations are likely to improve after the benefit of the government stimulus program (cuts in electricity and diesel prices and cash handouts) kick in from 2024. AEONTS sees limited impact on earnings from the increase in the minimum payment rate for credit card loans to 8%, starting in Jan-24 (from 5% now) as the company has already reserved THB200-300m extra provisions for this issue.

Revise down earnings to reflect higher credit cost

We cut our FY24-25E earnings forecasts by 16% after we cut our non-NII growth and raise credit cost. The pace of the asset quality improvement has been slower than we forecast. Hence, we expect the NPL ratio and credit cost to stay high in 2Q-3QFY24. This will more than offset revenue growth and cause earnings to contract 12% YoY in FY24, in our view.

FYE Feb (THB m)	FY22A	FY23A	FY24E	FY25E	FY26E
Operating income	19,047	20,428	20,990	22,267	23,730
Pre-provision profit	11,203	12,213	12,528	13,383	14,313
Core net profit	3,553	3,815	3,367	3,732	4,097
Core EPS (THB)	14.2	15.3	13.5	14.9	16.4
Core EPS growth (%)	(3.7)	7.4	(11.8)	10.8	9.8
Net DPS (THB)	5.1	5.5	4.8	5.3	5.8
Core P/E (x)	13.9	13.2	12.3	11.1	10.1
P/BV (x)	2.5	2.2	1.7	1.5	1.4
Net dividend yield (%)	2.6	2.7	2.9	3.2	3.5
Book value (THB)	79.55	91.29	99.95	109.58	120.17
ROAE (%)	19.2	17.9	14.1	14.2	14.3
ROAA (%)	4.0	4.1	3.4	3.6	3.7
Consensus net profit	-	-	3,591	3,777	4,492
MIBG vs. Consensus (%)	-	-	(6.2)	(1.2)	(8.8)

Jesada Techahusdin, CFA
jesada.t@maybank.com
(66) 2658 5000 ext 1395

HOLD

Share Price	THB 165.00
12m Price Target	THB 180.00 (+9%)
Previous Price Target	THB 210.00

Company Description

AEONTS provides a variety of retail finance services including credit cards and personal loans

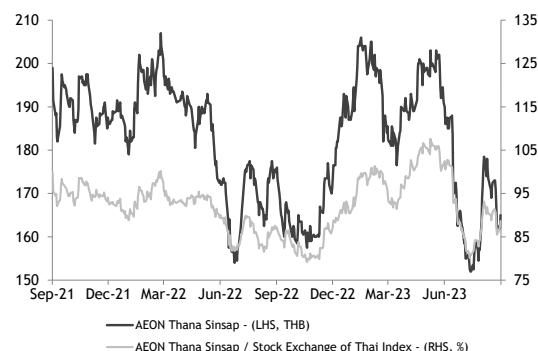
Statistics

52w high/low (THB)	206.00/152.00
3m avg turnover (USDm)	1.6
Free float (%)	30.2
Issued shares (m)	250
Market capitalisation	THB41.3B USD1.1B

Major shareholders:

AEON Financial Service Co., Ltd.	35.1%
ACS Capital Corp. Ltd.	19.2%
AEON Co., Ltd.	8.8%

Price Performance



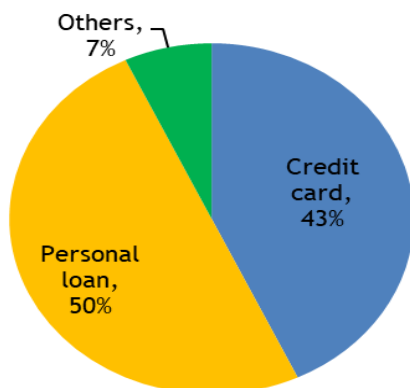
	-1M	-3M	-12M
Absolute (%)	1	(13)	(6)
Relative to index (%)	2	(13)	2

Source: FactSet

Value Proposition

- AEON has 6%/11% market share in the credit card/personal loan business.
- Competitive in personal loans for lower-income customers (salary less than THB30k). It has c.6m accounts and most of them (70%) are in provincial areas.
- It also has footprints in the Cambodia, Laos, Myanmar and Vietnam (CLMV) markets, providing consumer loans but business size remains small.
- Credit cards and personal loans account for 43% and 50% of loans, respectively.
- Long-term ROE is 15.4% vs cost of capital of 10.8%.

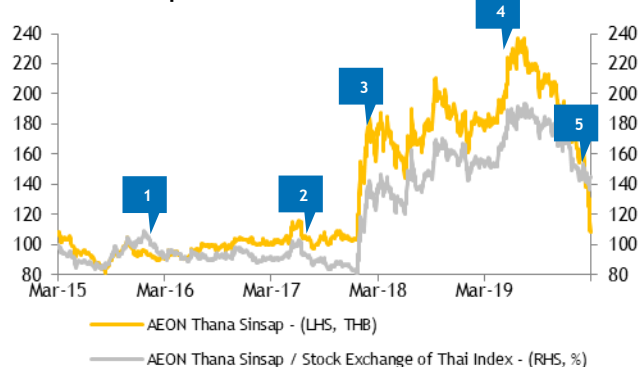
Loan breakdown



Source: Company

Price Drivers

Historical share price trend



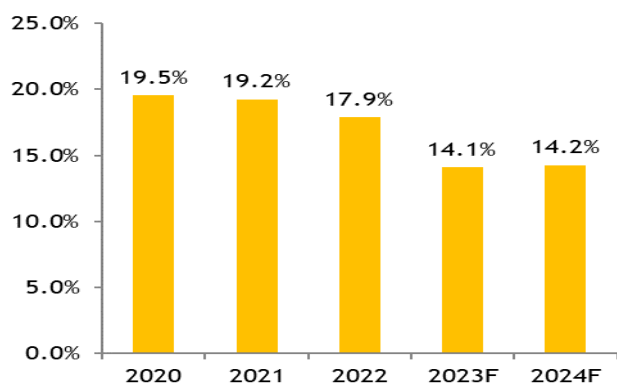
Source: Company, MST

1. The Bank of Thailand (BoT) in Nov 15 asked banks and credit card operators to reduce debt collection fees.
2. The BoT cut interest rates charged on outstanding credit card balances to 18% from 20% p.a. in Aug 17.
3. Strong earnings from solid revenue growth after extending credit lines to existing customers.
4. Reported strong loan growth and improving asset quality
5. Concern on weakening asset quality following the renewed virus outbreak.

Financial Metrics

- Expect 5-6% loan growth in FY23-24E supported by credit cards and personal loans.
- NIM is projected to drop to 18.4% on higher cost of funds.
- Expect NPL ratio to rise to 5.9% in FY23E from 5.7% in FY22.
- While business in Cambodia, Laos, Myanmar and Vietnam (CLMV) is growing rapidly, loan size and income contribution is small compared with the Thai market.
- ROE should decrease to 14% in FY23-24E.

Return on equity



Source: Company, MST

Swing Factors Upside

- Higher-than-expected loan growth.
- Economic recovery leading to higher credit card spending and lower provisions.
- Higher NIMs from lower funding cost.

Downside

- Deterioration in asset quality.
- Weaker-than-expected NIMs from increases in interest rates.
- Slow loan demand and credit card spending due to weak economic growth.

Risk Rating & Score¹	24.2 Medium Risk
Score Momentum²	-5.0
Last Updated	8 Feb 2023
Controversy Score³ (Updated: 21 Sep 2023)	None - no evidence of controversies

Business Model & Industry Issues

- AEONTS has developed and improved products, services and processes to become an innovative organisation and to cope with any uncertainties.
- AEONTS places importance on sustainable development as well as moral and social responsibilities within the framework of good corporate governance.
- AEONTS has improved its investor relations website and is providing more information to facilitate shareholders and investors gain knowledge of the company.

Material E issues

- AEONTS has actively campaigned to reduce the use of resources by introducing e-statement to customers.
- AEONTS has cancelled the distribution of monthly pay slips and tax withholding (50bis) slips. These can now be downloaded online.
- AEONTS supports and promotes forest preservation. The company joined tree planting activities with government agencies and local residents.
- AEONTS shredded 105.63 tonnes of paper under the Shred2Share Project for recycling, helping reduce CO₂ emissions, coal and H₂O use.

Material S issues

- AEONTS has improved its provident fund welfare programme to promote savings among its employees and increase the level of financial security upon retirement.
- AEONTS provides employees the opportunity to propose ideas that could contribute towards the development and improvement of operations.
- AEONTS has channelled some of its profits to support activities that benefit society in different ways through the AEON Thailand Foundation whose activities include providing AEON scholarship, promoting medical research for cancer treatment and distributing necessities to disaster victims and the elderly.
- AEONTS has co-operated with other charity organisations such as the Thai Red Cross Society and the Cardiac Children Foundation of Thailand for charitable events.

Key G metrics and issues

- AEONTS has 12 board members, of which 4 or 33% are independent directors (3 in audit committee).
- There are 2 women on the board and both are executive directors.
- AEONTS employed 4,030 employees as of Feb 2023. Total staff remuneration was THB1.9b, or 50% of FY23 reported net profit.
- Total compensation for executives amounted to THB104.4m, or 2.7% of FY23 net profit.
- The current auditor is Deloitte. AEONTS persuades employees to make suggestions for improving the company.

¹**Risk Rating & Score** - derived by Sustainalytics and assesses the company's exposure to unmanaged ESG risks. Scores range between 0 - 50 in order of increasing severity with low/high scores & ratings representing negligible/significant risk to the company's enterprise value, respectively, from ESG-driven financial impacts. ²**Score Momentum** - indicates changes to the company's score since the last update - a **negative** integer indicates a company's improving risk score; a **positive** integer indicates a deterioration. ³**Controversy Score** - reported periodically by Sustainalytics in the event of material ESG-related incident(s), with the impact severity scores of these events ranging from Category 0-5 (0 - no reports; 1 - negligible risks; ...; 5 - poses serious risks & indicative of potential structural deficiencies at the company).

Quantitative Parameters (Score: 56)						
	Particulars	Unit	2020	2021	2022	TIDLOR (2022)
E	Scope 1 GHG emissions	tonnes CO2e	NA	NA	NA	1,962
	Scope 2 GHG emissions	tonnes CO2e	NA	NA	NA	5,188
	Total	tonnes CO2e	NA	NA	NA	7,150
	Scope 3 GHG emissions	tonnes CO2e	NA	NA	NA	529
	Total	tonnes CO2e	NA	NA	NA	7,679
	Emissions intensity (Scope 1 and 2)	CO2e/emp	NA	NA	NA	1.1
	Electricity consumption	MWh	9,802	9,138	7,813	8,913
	Water consumption	m3	2,899	2,336	1,133	20,677
	Paper consumption	m sheets	21.1	21.1	20.8	NA
	Petrol consumption	k GJ	36.7	34.1	31.2	32.0
S	% of women in workforce	%	NA	NA	78.0%	74%
	% of women in management roles	%	NA	NA	NA	NA
	Average training hours per employee	number	3.3	3.0	11.2	47.0
	Attrition rate	%	NA	NA	21.0%	12.3%
	Customer satisfaction score for call centre	%	95.7%	96.4%	96.8%	97%
G	cyber security and data breaches		NA	NA	NA	NA
	MD/CEO salary as % of reported net profit	%	N/A	N/A	N/A	N/A
	Board salary as % of reported net profit	%	2.8%	2.9%	2.7%	2.6%
	Independent directors on the Board	%	33%	33%	33%	33%
	Profits distributed to shareholders	%	30.5%	35.9%	36.0%	51.8%
	Female directors on the Board	%	14%	14%	17%	8%

Qualitative Parameters (Score: 33)	
a) Is there an ESG policy in place and is there a standalone ESG committee or is it part of a risk committee?	<i>Yes, there is an ESG policy in place and a standalone Sustainability & Governance Committee.</i>
b) Does the performance evaluation of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities?	<i>Yes, AEONTS assign senior mgt to drive sustainability work.</i>
c) Does the company follow the task force of climate related disclosures (TCFD) framework for ESG reporting? Is it signatory to responsible non-banking initiative or other such initiatives?	<i>Not mentioned.</i>
d) Does the company have a mechanism to capture Scope 3 emissions including from financing activities??	<i>Not mentioned.</i>
e) Does the company have a policy to reduce exposure coal, oil, plantation etc sector financing?	<i>Yes, there is an ESG policy in sustainable development. AEONTS offers loans that respond to the development of the country's financial inclusion.</i>
f) Does the company have no deforestation, no peat, no exploitation (NDPE) policies in place?	<i>Yes. The company has incorporated into its ESG lending list.</i>

Target (Score: 67)		
Particulars	Target	Achieved
Client satisfaction	NA.	97%
Increase proportion of digital channel using	NA.	36%
Minimize the usage of paper (sheets) by using electronic documents	NA.	20.8m
Impact		
NA		
Overall Score: 53		
As per our ESG matrix, AEONTS has an overall score of 53.		

ESG score	Weights	Scores	Final Score
Quantitative	50%	56	28
Qualitative	25%	33	8
Target	25%	67	17
Total			53

AEONTS has strong and well-established sustainability policies in place and targets to be an ESG leader among ASEAN companies. AEONTS's overall ESG score is 53, which is above average on our ESG rating (average ESG rating = 50; refer to Appendix I for our ESG Assessment Scoring).

Fig 1: Expect earnings to drop 16% YoY on higher credit cost but rise 23% QoQ due to gain on NPL sales

FYE end Feb	2Q23	3Q23	4Q23	1Q24	2Q24E	Chg YoY	Chg QoQ
Interest income	4,761	4,803	4,786	4,726	4,744	0%	0%
Interest expenses	(469)	(476)	(523)	(527)	(546)	17%	4%
Net interest income	4,292	4,328	4,263	4,199	4,198	-2%	0%
Bad debt recovery	410	406	494	441	460	12%	4%
Non-interest income	715	1,016	766	734	934	31%	27%
Total operating income	5,007	5,344	5,029	4,932	5,132	2%	4%
Operating expenses	(1,986)	(2,039)	(2,156)	(2,034)	(2,026)	2%	0%
Operating profit	3,021	3,305	2,874	2,899	3,106	3%	7%
Loan loss provisions	(1,851)	(1,884)	(1,964)	(2,094)	(2,121)	15%	1%
Pre-tax profit	1,170	1,421	909	805	985	-16%	22%
Tax	(239)	(286)	(181)	(161)	(197)	-17%	23%
Minority interest	(28)	(31)	(36)	(27)	(30)	7%	11%
Net profit	903	1,104	693	617	758	-16%	23%
EPS	3.61	4.42	2.77	2.47	3.03	-16%	23%
Key ratios							
Loan growth	1.3%	1.2%	-1.2%	-0.1%	1.0%		
Loans to borrowings	136.6%	140.2%	142.2%	146.6%	146.2%		
Net interest margin	18.4%	18.3%	18.0%	17.9%	17.8%		
Cost to income	39.7%	38.2%	42.9%	41.2%	39.5%		
NPL - gross (THBm)	5,149	5,340	5,340	5,541	5,621		
NPL/ Gross loans	5.5%	5.6%	5.7%	5.9%	5.9%		
LLR/ Gross loans	11.4%	11.0%	10.8%	10.9%	10.8%		
NPL coverage	207%	196%	190%	184%	181%		
Credit cost	7.9%	8.0%	8.3%	8.9%	9.0%		

Source: Company, MST

Fig 2: Cut FY24-25E earnings by 16% to reflect higher credit cost

End Feb	New		Previous	
	FY24F	FY25F	FY24F	FY25F
Loan growth	5.0%	6.0%	5.0%	6.0%
NIM	18.4%	18.4%	18.4%	18.4%
Non-interest income growth	1.0%	8.0%	6.0%	8.0%
OPEX growth	3.0%	5.0%	3.0%	5.0%
Credit cost	8.50%	8.45%	7.85%	7.80%
Earnings (THBm)	3,367	3,732	4,002	4,416
% Change in earnings	-15.9%	-15.5%		
ROE	14.1%	14.2%	16.6%	16.5%

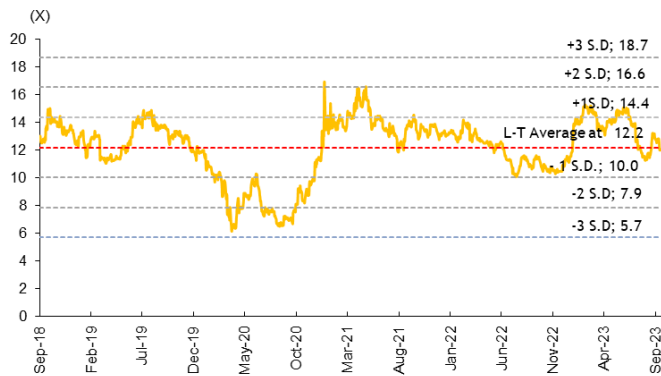
Source: Company, MST

Fig 3: Gordon Growth Model valuation

Sustainable ROE (%)	15.4	Risk free rate (%)	3.0
Cost of equity (%)	10.8	Equity premium (%)	7.4
Long-term nominal growth (g)	5.0	Equity Beta (x)	1.0
Target PBV (x)	1.8	Cost of equity (%)	10.8
Target PE (x)	13.4		
2023 BV (THB)	100.0		
Fair value (THB/share)	180.0		

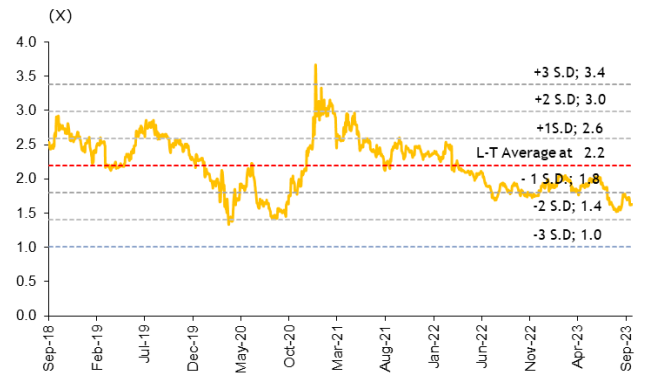
Source: Company, MST

Fig 4: PER band



Source: Bloomberg, MST

Fig 5: PBV band



Source: Bloomberg, MST

Fig 6: Peer comparisons

Ticker	Name	P/E (x)		P/BV (x)		ROE (%)		Yield (%)	
		FY23E	FY24E	FY23E	FY24E	FY23E	FY24E	FY23E	FY24E
AEONTS TB	AEON THANA SINSAP THAILAND	11.5	10.1	1.6	1.5	14.6	15.1	3.0	3.4
ASK TB	ASIA SERMKIJ LEASING PCL	9.0	8.7	1.2	1.1	14.4	14.6	5.5	5.7
KTC TB	KRUNGTHAI CARD PCL	16.0	14.8	3.3	2.9	22.2	21.0	2.7	2.8
MICRO TB	MICRO LEASING PCL	n.m.	151.0	1.5	1.5	-2.2	1.2	1.0	0.7
MTC TB	MUANGTHAI CAPITAL PCL	16.8	13.6	2.5	2.2	15.4	16.9	0.9	1.4
SAK TB	SAKSAM LEASING PCL	13.6	11.7	1.8	1.6	13.6	14.8	2.9	3.5
SAWAD TB	SRISAWAD CORP PCL	12.3	10.5	2.1	1.9	18.4	19.5	3.9	4.4
SINGER TB	SINGER THAILAND PUB CO LTD	n.m.	21.3	0.8	0.7	-16.6	3.5	0.7	2.9
THANI TB	RATCHTHANI LEASING PCL	10.3	9.6	1.4	1.3	13.4	13.7	5.6	6.1
TIDLOR TB	NGERN TID LOR PCL	15.3	12.6	2.1	1.8	14.2	15.4	1.8	1.9
JMT TB	JMT NETWORK SERVICES PCL	31.1	25.3	2.8	2.7	9.2	10.7	2.5	3.0
BAM TB	BANGKOK COMMERCIAL ASSET MAN	14.4	13.0	0.8	0.8	5.4	5.8	4.6	5.0
CHAYO TB	CHAYO GROUP PCL	21.7	21.1	1.7	1.7	9.8	8.1	1.6	1.9
Average - Bloomberg consensus		15.6	24.9	1.8	1.7	10.1	12.3	2.8	3.3

Source: Bloomberg

FYE 28 Feb	FY22A	FY23A	FY24E	FY25E	FY26E
Key Metrics					
Core P/E (x)	13.9	13.2	12.3	11.1	10.1
Core FD P/E (x)	13.9	13.2	12.3	11.1	10.1
P/BV (x)	2.5	2.2	1.7	1.5	1.4
P/NTA (x)	2.6	2.3	1.7	1.5	1.4
Net dividend yield (%)	2.6	2.7	2.9	3.2	3.5
INCOME STATEMENT (THB m)					
Interest income	17,903.0	19,054.8	19,934.7	21,084.3	22,403.2
Interest expense	(1,744.7)	(1,903.8)	(2,254.5)	(2,391.4)	(2,533.1)
Net interest income	16,158.3	17,151.0	17,680.2	18,692.9	19,870.1
Net insurance income	209.7	225.8	228.0	246.2	265.9
Net fees and commission	682.0	688.9	695.8	751.4	811.5
Other income	573.3	666.0	573.3	619.2	668.7
Total non-interest income	2,888.5	3,276.8	3,309.6	3,574.3	3,860.3
Income from depositors' funds	0.0	0.0	0.0	0.0	0.0
Income from shareholders' funds	0.0	0.0	0.0	0.0	0.0
Income distributable to depositors	0.0	0.0	0.0	0.0	0.0
Operating income	19,046.8	20,427.8	20,989.7	22,267.2	23,730.3
Staff costs	(7,843.6)	(8,215.1)	(8,461.6)	(8,884.7)	(9,417.7)
Other operating expenses	0.0	0.0	0.0	0.0	0.0
Operating expenses	(7,843.6)	(8,215.1)	(8,461.6)	(8,884.7)	(9,417.7)
Pre-provision profit	11,203.2	12,212.7	12,528.1	13,382.6	14,312.6
Loan impairment allowances	(6,629.4)	(7,262.7)	(8,187.2)	(8,587.7)	(9,049.2)
Other allowances	0.0	0.0	0.0	0.0	0.0
Associates & JV income	0.0	0.0	0.0	0.0	0.0
Pretax profit	4,573.8	4,949.9	4,340.9	4,794.8	5,263.4
Income tax	(999.9)	(995.8)	(868.2)	(959.0)	(1,052.7)
Minorities	(20.9)	(139.0)	(105.9)	(104.0)	(114.1)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	3,553.1	3,815.1	3,366.8	3,731.9	4,096.6
Core net profit	3,553.1	3,815.1	3,366.8	3,731.9	4,096.6
BALANCE SHEET (THB m)					
Cash & deposits with banks	4,235.6	3,816.4	3,398.7	2,745.0	2,112.5
Sec. under resale agreements	0.0	0.0	0.0	0.0	0.0
Derivatives financial assets	0.0	0.0	0.0	0.0	0.0
Dealing securities	0.0	0.0	0.0	0.0	0.0
Available-for-sale securities	0.0	0.0	0.0	0.0	0.0
Investment securities	0.0	0.0	0.0	0.0	0.0
Loans & advances	80,076.4	83,811.7	88,917.9	95,265.3	101,990.9
Financing and advances	0.0	0.0	0.0	0.0	0.0
Central bank deposits	0.0	0.0	0.0	0.0	0.0
Investment in associates/JVs	0.0	0.0	0.0	0.0	0.0
Insurance assets	0.0	0.0	0.0	0.0	0.0
Fixed assets	622.9	523.2	549.3	582.3	617.2
Intangible assets	920.4	923.4	969.6	1,027.7	1,089.4
Other assets	4,614.0	6,132.1	6,438.7	6,825.0	7,234.5
Total assets	90,469.2	95,206.7	100,274.2	106,445.4	113,044.5
Deposits from customers	0.0	0.0	0.0	0.0	0.0
Deposits from banks & FIs	0.0	0.0	0.0	0.0	0.0
Derivatives financial instruments	0.0	0.0	0.0	0.0	0.0
Subordinated debt	0.0	0.0	0.0	0.0	0.0
Other securities in issue	8,259.6	9,580.1	9,963.3	10,461.5	10,984.6
Other borrowings	57,158.6	56,474.9	58,733.9	61,670.6	64,754.1
Insurance liabilities	0.0	0.0	0.0	0.0	0.0
Other liabilities	4,787.1	5,803.6	6,035.7	6,337.5	6,654.4
Total liabilities	70,205.3	71,858.6	74,733.0	78,469.6	82,393.1
Share capital	250.0	250.0	250.0	250.0	250.0
Reserves	19,638.7	22,571.5	24,738.3	27,145.2	29,791.8
Shareholders' funds	19,888.7	22,821.5	24,988.3	27,395.2	30,041.8
Preference shares	0.0	0.0	0.0	0.0	0.0
Minority interest	375.3	526.6	552.9	580.6	609.6
Total equity	20,264.0	23,348.1	25,541.2	27,975.8	30,651.4
Total liabilities & equity	90,469.3	95,206.7	100,274.2	106,445.4	113,044.5

FYE 28 Feb	FY22A	FY23A	FY24E	FY25E	FY26E
Key Ratios					
Growth (%)					
Net interest income	(2.0)	6.1	3.1	5.7	6.3
Non-interest income	7.4	13.4	1.0	8.0	8.0
Operating expenses	(5.8)	4.7	3.0	5.0	6.0
Pre-provision profit	3.2	9.0	2.6	6.8	6.9
Core net profit	(3.7)	7.4	(11.8)	10.8	9.8
Gross loans	4.1	3.2	5.0	6.0	6.0
Customer deposits	na	na	na	na	na
Total assets	3.5	5.2	5.3	6.2	6.2
Profitability (%)					
Non-int. income/Total income	15.2	16.0	15.8	16.1	16.3
Average lending yields	20.06	20.60	20.70	20.75	20.80
Average financing yields	0.00	0.00	0.00	0.00	0.00
Average cost of funds	2.73	2.90	3.35	3.40	3.43
Net interest margin	18.11	18.55	18.36	18.40	18.45
Net income margin	17.09	17.08	14.48	15.13	15.60
Cost/income	41.2	40.2	40.3	39.9	39.7
Liquidity (%)					
Loans/customer deposits	nm	nm	nm	nm	nm
Asset quality (%)					
Net NPL	0.0	0.0	0.0	0.0	0.0
Gross NPL	4.9	5.7	5.9	5.6	5.3
Net NPF	0.0	0.0	0.0	0.0	0.0
Gross NPF	0.0	0.0	0.0	0.0	0.0
(SP+GP)/average gross loans	7.4	7.9	8.5	8.5	8.4
(SP+GP)/average gross financing	0.0	0.0	0.0	0.0	0.0
Loan loss coverage	247.4	189.6	167.0	158.6	150.4
Capital adequacy (%)					
CET1	0.0	0.0	0.0	0.0	0.0
Tier 1 capital	0.0	0.0	0.0	0.0	0.0
Risk-weighted capital	0.0	0.0	0.0	0.0	0.0
Returns (%)					
ROAE	19.2	17.9	14.1	14.2	14.3
ROAA	4.0	4.1	3.4	3.6	3.7
Shareholders equity/assets	22.0	24.0	24.9	25.7	26.6

Source: Company; Maybank IBG Research

Research Offices

ECONOMICS

Suhaimi ILIAS
Chief Economist
Malaysia | Philippines | Global
(603) 2297 8682
suhaimi_ili@maybank-ib.com

CHUA Hak Bin
Regional Thematic Macroeconomist
(65) 6231 5830
chuahb@maybank.com

Dr Zamros DZULKAFLI
Malaysia | Philippines
(603) 2082 6818
zamros.d@maybank-ib.com

Erica TAY
China | Thailand
(65) 6231 5844
erica.tay@maybank.com

Brian LEE Shun Rong
Indonesia | Singapore | Vietnam
(65) 6231 5846
brian.lee1@maybank.com

Fatin Nabila MOHD ZAINI
(603) 2297 8685
fatinnabila.mohdzaini@maybank-ib.com

Luong Thu Huong
(65) 6231 8467
hana.thu@maybank.com

FX

Saktiandi SUPAAT
Head of FX Research
(65) 6320 1379
saktiandi@maybank.com

Fiona LIM
(65) 6320 1374
fionalim@maybank.com

Alan LAU
(65) 6320 1378
alanlau@maybank.com

Shaun LIM
(65) 6320 1371
shaunlim@maybank.com

STRATEGY

Anand PATHMAKANTHAN
ASEAN
(603) 2297 8783
anand.pathmakanthan@maybank-ib.com

FIXED INCOME

Winston PHOON, FCA
Head of Fixed Income
(65) 6340 1079
winsonphoon@maybank.com

SE THO Mun Yi, CFA
(603) 2074 7606
munyi.st@maybank-ib.com

PORTFOLIO STRATEGY

ONG Seng Yeow
(65) 6231 5839
ongsengyeow@maybank.com

MIBG SUSTAINABILITY RESEARCH

Jigar SHAH
Head of Sustainability Research
(91) 22 4223 2632
jigars@maybank.com

Neerav DALAL
(91) 22 4223 2606
neerav@maybank.com

REGIONAL EQUITIES

Anand PATHMAKANTHAN
Head of Regional Equity Research
(603) 2297 8783
anand.pathmakanthan@maybank-ib.com

WONG Chew Hann, CA
Head of ASEAN Equity Research
(603) 2297 8686
wchewh@maybank-ib.com

MALAYSIA

Anand PATHMAKANTHAN *Head of Research*
(603) 2297 8783
anand.pathmakanthan@maybank-ib.com
• Strategy

WONG Chew Hann, CA
(603) 2297 8686
wchewh@maybank-ib.com
• Non-Bank Financials (stock exchange)
• Construction & Infrastructure

Desmond CH'NG, BFP, FCA
(603) 2297 8680
desmond.chng@maybank-ib.com
• Banking & Finance

ONG Chee Ting, CA
(603) 2297 8678 ct.ong@maybank-ib.com
• Plantations - Regional

YIN Shao Yang, CPA
(603) 2297 8916 samuel.y@maybank-ib.com
• Gaming - Regional
• Media • Aviation • Non-Bank Financials

TAN Chi Wei, CFA
(603) 2297 8690 chiwei.t@maybank-ib.com
• Power • Telcos

WONG Wei Sum, CFA
(603) 2297 8679 weisum@maybank-ib.com
• Property • Glove

Jade TAM
(603) 2297 8687 jade.tam@maybank-ib.com
• Consumer Staples & Discretionary

Nur Farah SYIFAA
(603) 2297 8675
nurfarahsyifaa.mohamadfuad@maybank-ib.com
• Renewable Energy • REITs

LOH Yan Jin
(603) 2297 8687
lohyanjin.loh@maybank-ib.com
• Ports • Shipping • Automotive

Arvind JAYARATNAM
(603) 2297 8692
arvind.jayaratnam@maybank.com
• Petrochemicals • Technology

TEE Sze Chiah *Head of Retail Research*
(603) 2082 6858 szechiah.t@maybank-ib.com
• Retail Research

Nik Ihsan RAJA ABDULLAH, MSTA, CFTE
(603) 2297 8694
nikmohdihsan.ra@maybank-ib.com
• Chartist

Amirah AZMI
(603) 2082 8769 amirah.azmi@maybank-ib.com
• Retail Research

SINGAPORE

Thilan WICKRAMASINGHE *Head of Research*
(65) 6231 5840 thilanw@maybank.com
• Banking & Finance - Regional
• Consumer

Eric ONG
(65) 6231 5849 ericong@maybank.com
• Healthcare • Transport • SMIDs

Kelvin TAN
(65) 6231 5837 kelvin.tan1@maybank.com
• Telcos • Industrials

LI Jialin
(65) 6231 5845 jialin.li@maybank.com
• REITs

Jarick SEET
(65) 6231 5848 jarick.seet@maybank.com
• Technology

Krishna GUHA
(65) 6231 5842 krishna.guha@maybank.com
• REITs

PHILIPPINES

Jacqui de JESUS *Head of Research*
(63) 2 8849 8840
jacqui.dejesus@maybank.com
• Strategy • Conglomerates

Rachelleen RODRIGUEZ, CFA
(63) 2 8849 8843
rachelleen.rodriguez@maybank.com
• Banking & Finance • Transport • Telcos

Daphne SZE
(63) 2 8849 8847
daphne.sze@maybank.com
• Consumer

Fiorenzo de JESUS
(63) 2 8849 8846
fiorenzo.dejesus@maybank.com
• Utilities

Alexa Mae CARVAJAL
(63) 2 8849 8838
alexamae.carvajal@maybank.com
• Consumer • Gaming • Property • REITs

THAILAND

Chak REUNGSINPINYA *Head of Research*
(66) 2658 5000 ext 1399
chak.reungsinpinya@maybank.com
• Strategy • Energy

Jesada TECHAHUSDIN, CFA
(66) 2658 5000 ext 1395
jesada.t@maybank.com
• Banking & Finance

Wasu MATTANAPOTCHANART
(66) 2658 5000 ext 1392
wasu.m@maybank.com
• Telcos • REITs

Surachai PRAMUALCHAROENKIT
(66) 2658 5000 ext 1470
surachai.p@maybank.com
• Auto • Conmat • Contractor • Steel

Suttatip PEERASUB
(66) 2658 5000 ext 1430
suttatip.p@maybank.com
• Food & Beverage • Commerce

INDONESIA

Jeffro Rosenberg CHENLIM *Head of Research*
(62) 21 8066 8680
jeffro.rosenberg.lim@maybank.com
• Strategy • Banking & Finance • Property

Willy GOUTAMA
(62) 21 8066 8500
willy.goutama@maybank.com
• Consumer

Etta Rusdiana PUTRA
(62) 21 8066 8683
etta.putra@maybank.com
• Telcos

William Jefferson W
(62) 21 8066 8563
william.jefferson@maybank.com
• Property

Adi WICAKSONO
(62) 21 8066 8686
Adi.Wicaksono@maybank.com
• Plantations

Satriawan HARYONO, CEWA, CTA
(62) 21 8066 8682
satriawan@maybank.com
• Chartist

VIETNAM

Quan Trong Thanh *Head of Research*
(84 28) 44 555 888 ext 8184
thanh.quan@maybank.com
• Strategy • Banks

Hoang Huy, CFA
(84 28) 44 555 888 ext 8181
hoanghuy@maybank.com
• Strategy • Technology

Le Nguyen Nhat Chuyen
(84 28) 44 555 888 ext 8082
chuyen.le@maybank.com
• Oil & Gas • Logistics

Nguyen Thi Sony Tra Mi
(84 28) 44 555 888 ext 8084
trami.nguyen@maybank.com
• Consumer Discretionary

Tran Thi Thanh Nhan
(84 28) 44 555 888 ext 8088
nhan.tran@maybank.com
• Consumer Staples

Nguyen Le Tuan Loi
(84 28) 44 555 888 ext 8182
loi.nguyen@maybank.com
• Property

Nguyen Thanh Hai
(84 28) 44 555 888 ext 8081
thanhhai.nguyen@maybank.com
• Industrials

Nguyen Thanh Lam
(84 28) 44 555 888 ext 8086
thanhlam.nguyen@maybank.com
• Retail Research

APPENDIX I: TERMS FOR PROVISION OF REPORT, DISCLAIMERS AND DISCLOSURES

DISCLAIMERS

This research report is prepared for general circulation and for information purposes only and under no circumstances should it be considered or intended as an offer to sell or a solicitation of an offer to buy the securities referred to herein. Investors should note that values of such securities, if any, may fluctuate and that each security's price or value may rise or fall. Opinions or recommendations contained herein are in form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from the relevant jurisdiction's stock exchange in the equity analysis. Accordingly, investors' returns may be less than the original sum invested. Past performance is not necessarily a guide to future performance. This report is not intended to provide personal investment advice and does not take into account the specific investment objectives, the financial situation and the particular needs of persons who may receive or read this report. Investors should therefore seek financial, legal and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

The information contained herein has been obtained from sources believed to be reliable but such sources have not been independently verified by Maybank Investment Bank Berhad, its subsidiary and affiliates (collectively, "Maybank IBG") and consequently no representation is made as to the accuracy or completeness of this report by Maybank IBG and it should not be relied upon as such. Accordingly, Maybank IBG and its officers, directors, associates, connected parties and/or employees (collectively, "Representatives") shall not be liable for any direct, indirect or consequential losses or damages that may arise from the use or reliance of this report. Any information, opinions or recommendations contained herein are subject to change at any time, without prior notice.

This report may contain forward looking statements which are often but not always identified by the use of words such as "anticipate", "believe", "estimate", "intend", "plan", "expect", "forecast", "predict" and "project" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. Such forward looking statements are based on assumptions made and information currently available to us and are subject to certain risks and uncertainties that could cause the actual results to differ materially from those expressed in any forward looking statements. Readers are cautioned not to place undue relevance on these forward-looking statements. Maybank IBG expressly disclaims any obligation to update or revise any such forward looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

Maybank IBG and its officers, directors and employees, including persons involved in the preparation or issuance of this report, may, to the extent permitted by law, from time to time participate or invest in financing transactions with the issuer(s) of the securities mentioned in this report, perform services for or solicit business from such issuers, and/or have a position or holding, or other material interest, or effect transactions, in such securities or options thereon, or other investments related thereto. In addition, it may make markets in the securities mentioned in the material presented in this report. One or more directors, officers and/or employees of Maybank IBG may be a director of the issuers of the securities mentioned in this report to the extent permitted by law.

This report is prepared for the use of Maybank IBG's clients and may not be reproduced, altered in any way, transmitted to, copied or distributed to any other party in whole or in part in any form or manner without the prior express written consent of Maybank IBG and Maybank IBG and its Representatives accepts no liability whatsoever for the actions of third parties in this respect.

This report is not directed to or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for distribution only under such circumstances as may be permitted by applicable law. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Without prejudice to the foregoing, the reader is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

Malaysia

Opinions or recommendations contained herein are in the form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from Bursa Malaysia Securities Berhad in the equity analysis.

Singapore

This report has been produced as of the date hereof and the information herein may be subject to change. Maybank Research Pte. Ltd. ("MRPL") in Singapore has no obligation to update such information for any recipient. For distribution in Singapore, recipients of this report are to contact MRPL in Singapore in respect of any matters arising from, or in connection with, this report. If the recipient of this report is not an accredited investor, expert investor or institutional investor (as defined under Section 4A of the Singapore Securities and Futures Act), MRPL shall be legally liable for the contents of this report, with such liability being limited to the extent (if any) as permitted by law.

Thailand

Except as specifically permitted, no part of this presentation may be reproduced or distributed in any manner without the prior written permission of Maybank Securities (Thailand) Public Company Limited. Maybank Securities (Thailand) Public Company Limited ("MST") accepts no liability whatsoever for the actions of third parties in this respect.

Due to different characteristics, objectives and strategies of institutional and retail investors, the research products of MST Institutional and Retail Research departments may differ in either recommendation or target price, or both. MST reserves the rights to disseminate MST Retail Research reports to institutional investors who have requested to receive it. If you are an authorised recipient, you hereby tacitly acknowledge that the research reports from MST Retail Research are first produced in Thai and there is a time lag in the release of the translated English version.

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey may be changed after that date. MST does not confirm nor certify the accuracy of such survey result.

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, MST does not confirm, verify, or certify the accuracy and completeness of the assessment result.

US

This third-party research report is distributed in the United States ("US") to Major US Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended) only by Wedbush Securities Inc. ("Wedbush"), a broker-dealer registered in the US (registered under Section 15 of the Securities Exchange Act of 1934, as amended). All responsibility for the distribution of this report by Wedbush in the US shall be borne by Wedbush. This report is not directed at you if Wedbush is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that Wedbush is permitted to provide research material concerning investments to you under relevant legislation and regulations. All U.S. persons receiving and/or accessing this report and wishing to effect transactions in any security mentioned within must do so with: Wedbush Securities Inc. 1000 Wilshire Blvd, Los Angeles, California 90017, +1 (646) 604-4232 and not with the issuer of this report.

UK

This document is being distributed by Maybank Securities (London) Ltd ("MSUK") which is authorized and regulated, by the Financial Conduct Authority and is for Informational Purposes only. This document is not intended for distribution to anyone defined as a Retail Client under the Financial Services and Markets Act 2000 within the UK. Any inclusion of a third party link is for the recipients convenience only, and that the firm does not take any responsibility for its comments or accuracy, and that access to such links is at the individuals own risk. Nothing in this report should be considered as constituting legal, accounting or tax advice, and that for accurate guidance recipients should consult with their own independent tax advisers.

DISCLOSURES

Legal Entities Disclosures

Malaysia: This report is issued and distributed in Malaysia by Maybank Investment Bank Berhad (15938-H) which is a Participating Organization of Bursa Malaysia Berhad and a holder of Capital Markets and Services License issued by the Securities Commission in Malaysia. **Singapore:** This report is distributed in Singapore by MRPL (Co. Reg No 198700034E) which is regulated by the Monetary Authority of Singapore. **Indonesia:** PT Maybank Sekuritas Indonesia ("PTMSI") (Reg. No. KEP-251/PM/1992) is a member of the Indonesia Stock Exchange and is regulated by the Financial Services Authority (Indonesia). **Thailand:** MST (Reg. No.0107545000314) is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission. **Philippines:** Maybank Securities Inc (Reg. No.01-2004-00019) is a member of the Philippines Stock Exchange and is regulated by the Securities and Exchange Commission. **Vietnam:** Maybank Securities Limited (License Number: 117/GP-UBCK) is licensed under the State Securities Commission of Vietnam. **Hong Kong:** MIB Securities (Hong Kong) Limited (Central Entity No AAD284) is regulated by the Securities and Futures Commission. **India:** MIB Securities India Private Limited ("MIBSI") is a participant of the National Stock Exchange of India Limited and the Bombay Stock Exchange and is regulated by Securities and Exchange Board of India ("SEBI") (Reg. No. INZ000010538). MIBSI is also registered with SEBI as Category 1 Merchant Banker (Reg. No. INM 000011708) and as Research Analyst (Reg No: INH0000000057). **UK:** Maybank Securities (London) Ltd (Reg No 2377538) is authorized and regulated by the Financial Conduct Authority.

Disclosure of Interest

Malaysia: Maybank IBG and its Representatives may from time to time have positions or be materially interested in the securities referred to herein and may further act as market maker or may have assumed an underwriting commitment or deal with such securities and may also perform or seek to perform investment banking services, advisory and other services for or relating to those companies.

Singapore: As of 22 September 2023, Maybank Research Pte. Ltd. and the covering analyst do not have any interest in any companies recommended in this research report.

Thailand: MST may have a business relationship with or may possibly be an issuer of derivative warrants on the securities /companies mentioned in the research report. Therefore, Investors should exercise their own judgment before making any investment decisions. MST, its associates, directors, connected parties and/or employees may from time to time have interests and/or underwriting commitments in the securities mentioned in this report.

Hong Kong: As of 22 September 2023, MIB Securities (Hong Kong) Limited and the authoring analyst do not have any interest in any companies recommended in this research report.

India: As of 22 September 2023, and at the end of the month immediately preceding the date of publication of the research report, MIBSI, authoring analyst or their associate / relative does not hold any financial interest or any actual or beneficial ownership in any shares or having any conflict of interest in the subject companies except as otherwise disclosed in the research report.

In the past twelve months MIBSI and authoring analyst or their associate did not receive any compensation or other benefits from the subject companies or third party in connection with the research report on any account what so ever except as otherwise disclosed in the research report.

Maybank IBG may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment and may receive compensation for the services provided from the companies covered in this report.

OTHERS

Analyst Certification of Independence

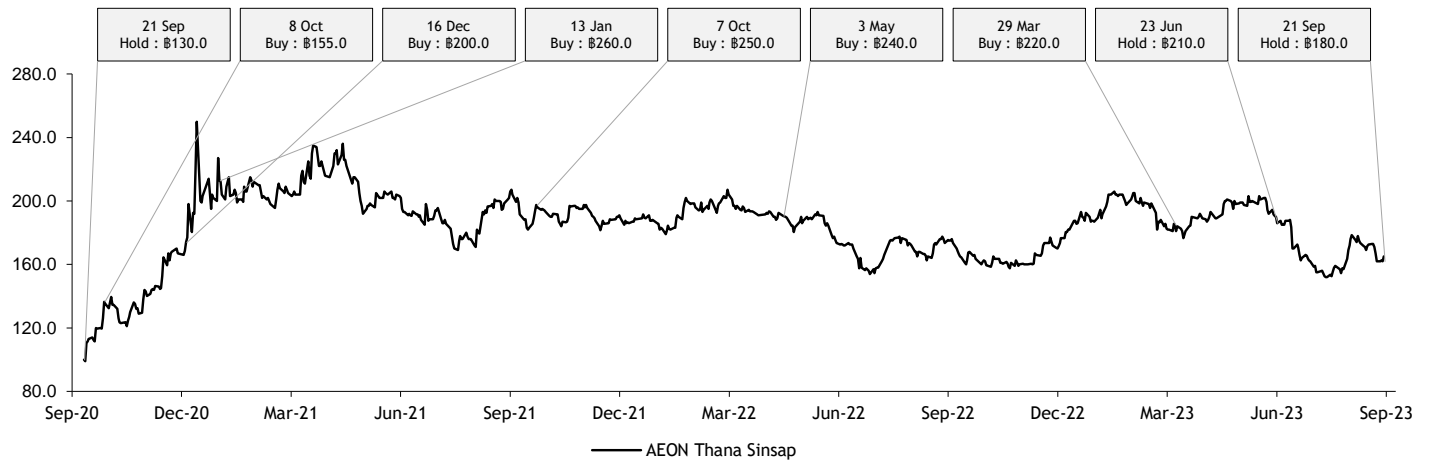
The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

Reminder

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct its own analysis of the product and consult with its own professional advisers as to the risks involved in making such a purchase.

No part of this material may be copied, photocopied or duplicated in any form by any means or redistributed without the prior consent of Maybank IBG.

Historical recommendations and target price: AEON Thana Sinsap (AEONTS TB)



Definition of Ratings

Maybank IBG Research uses the following rating system

BUY	Return is expected to be above 10% in the next 12 months (including dividends)
HOLD	Return is expected to be between 0% to 10% in the next 12 months (including dividends)
SELL	Return is expected to be below 0% in the next 12 months (including dividends)

Applicability of Ratings

The respective analyst maintains a coverage universe of stocks, the list of which may be adjusted according to needs. Investment ratings are only applicable to the stocks which form part of the coverage universe. Reports on companies which are not part of the coverage do not carry investment ratings as we do not actively follow developments in these companies.

Malaysia

Maybank Investment Bank Berhad
(A Participating Organisation of
Bursa Malaysia Securities Berhad)
33rd Floor, Menara Maybank,
100 Jalan Tun Perak,
50050 Kuala Lumpur
Tel: (603) 2059 1888;
Fax: (603) 2078 4194

Stockbroking Business:
Level 8, Tower C, Dataran Maybank,
No.1, Jalan Maarof
59000 Kuala Lumpur
Tel: (603) 2297 8888
Fax: (603) 2282 5136

Singapore

Maybank Securities Pte Ltd
Maybank Research Pte Ltd
50 North Canal Road
Singapore 059304

Tel: (65) 6336 9090

Indonesia

PT Maybank Sekuritas Indonesia
Sentral Senayan III, 22nd Floor
Jl. Asia Afrika No. 8
Gelora Bung Karno, Senayan
Jakarta 10270, Indonesia

Tel: (62) 21 2557 1188
Fax: (62) 21 2557 1189

Thailand

Maybank Securities (Thailand) PCL
999/9 The Offices at Central World,
20th - 21st Floor,
Rama 1 Road Pathumwan,
Bangkok 10330, Thailand

Tel: (66) 2 658 6817 (sales)
Tel: (66) 2 658 6801 (research)

London

Maybank Securities (London) Ltd
PNB House
77 Queen Victoria Street
London EC4V 4AY, UK

Tel: (44) 20 7332 0221
Fax: (44) 20 7332 0302

India

MIB Securities India Pte Ltd
1101, 11th floor, A Wing, Kanakia
Wall Street, Chakala, Andheri -
Kurla Road, Andheri East,
Mumbai City - 400 093, India

Tel: (91) 22 6623 2600
Fax: (91) 22 6623 2604

Vietnam

Maybank Securities Limited
Floor 10, Pearl 5 Tower,
5 Le Quy Don Street,
Vo Thi Sau Ward, District 3
Ho Chi Minh City, Vietnam

Tel : (84) 28 44 555 888
Fax : (84) 28 38 271 030

Hong Kong

**MIB Securities (Hong Kong)
Limited**
28/F, Lee Garden Three,
1 Sunning Road, Causeway Bay,
Hong Kong

Tel: (852) 2268 0800
Fax: (852) 2877 0104

Philippines

Maybank Securities Inc
17/F, Tower One & Exchange
Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines 1200

Tel: (63) 2 8849 8888
Fax: (63) 2 8848 5738

Sales Trading

Indonesia

Helen Widjaja
helen.widjaja@maybank.com
(62) 21 2557 1188

Philippines

Keith Roy
keith_roy@maybank.com
Tel: (63) 2 848-5288

London

Greg Smith
gsmith@maybank.com
Tel: (44) 207-332-0221

India

Sanjay Makhija
sanjaymakhija@maybank.com
Tel: (91)-22-6623-2629

www.maybank.com/investment-banking
www.maybank-keresearch.com