

11 July 2025

## Company Note

Rating

**BUY**

(Unchanged)

Company

# AEON Thana Sinsap (Thailand)

Bloomberg

SET

Exchange

Sector

AEONTS TB

AEONTS

SET

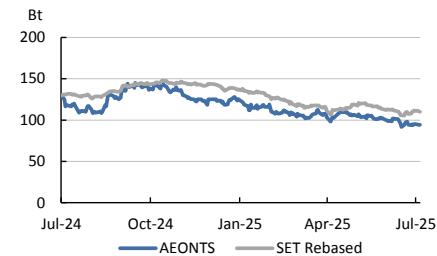
Finance &amp; Securities

**1QFY25 results in-line; stock trades below book with 12% ROE**

12mth price target (THB)	132.00
	From 153.00
Current price (09/07/2025)	94.50
Upside/Downside	40%
CG rating	4
ESG rating	N/A
Thai CAC	n/a

**Share summary**

Issued shares :	(m shrs)	250.0
Market capitalization:	(THB bn)	23.6
	(USDbn)	0.7
Avg. Daily Turnover:	(THBm)	35.2
	(USDm)	1.1
Foreign Limit/Actual	(%)	49/47
Free Float:	(%)	30.9
NVDR:	(%)	5.8

**Share price / rel. to SET**


Source: Bloomberg Finance LP

Performance (%)	1m	3m	12m
AEONTS	(4.06)	(12.50)	(18.88)
SET	(2.19)	(4.42)	(15.87)

**Major Shareholders**

	%
AEON Financial Service Co Ltd	35.1
ACS Capital Corporation Ltd	19.2
AEON Holding (Thailand) Ltd	8.8

Source: Company data

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**1QFY25 (March–May 2025) results: strong as expected**

AEON Thana Sinsap (AEONTS) reported a net profit of Bt772m for the quarter ended May 2025, up 6.3% QoQ, exceeding our estimated range of Bt700–750m. Despite flat loan growth (total portfolio at Bt88.9bn), quarterly profit was supported by a 9.4% QoQ increase in bad debt recovery income to Bt567m and an 8.5% QoQ decline in SG&A expenses. Profit growth YoY of 47.2% was largely due to a low profit base last year.

**Asset quality improved for second consecutive quarter**

Non-performing loans (NPLs) continued their downtrend, falling 12.1% QoQ in the previous quarter to Bt4,641m, and a further 2.7% this quarter to Bt4,516m. This led to a decline in the NPL ratio from 5.22% to 5.08% in 1QFY25. Stage 2 ratio remained flat QoQ. In line with historical trends and AEONTS's conservative approach to building an earnings buffer (in our view), the coverage ratio rose from 153.8% to 161.8%, as the company increased its credit cost from 6.10% in 4QFY24 to 7.95% in 1QFY25—still below the 9.14% level in 1QFY24.

**FY25F profit forecast: Bt3,097m (+8.3% YoY)**

Following our economic team's downgrade of Thailand's GDP outlook for this year and next (due to global uncertainty from tariffs), we have revised our assumptions: 1) loan growth for FY25F/FY26F lowered to 2.1%/2.0% (from 3.4%/4.2%), 2) credit cost raised to 8.0%/8.5% (from 7.9%/7.7%), and 3) income from asset sales reduced to Bt200m p.a. (from Bt300m). These changes result in a c.9% p.a. cut in net profit forecasts for FY25F/FY26F.

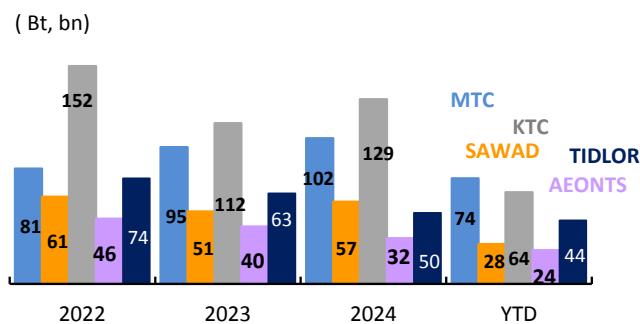
**Valuation: trading below book with 6.3% dividend yield forecast**

Year-to-date, AEONTS's stock is down 26.2% vs. the sector's 35.5% decline. The stock trades at a trailing P/BV of 0.88x (1QFY25 book value: Bt106.7/sh) with a 1QFY25 ROE of 12%. In FY24, the dividend payout ratio was 48.1%. Assuming a similar payout, we project FY25F DPS of Bt5.96/sh (vs. Bt5.50 in FY24), implying a 6.3% dividend yield. We lower our FY25F valuation to Bt132/sh, reflecting earnings cuts and weaker economic growth in 2H25 and 2026.

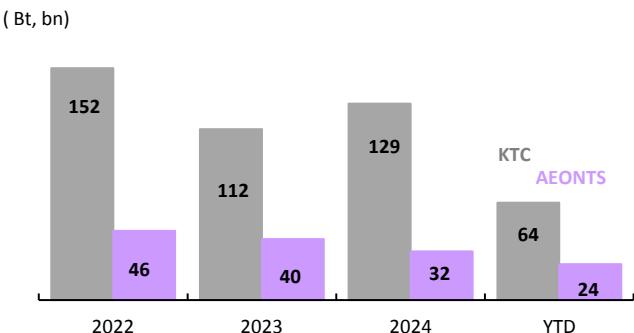
**Forecasts and ratios**

Year end Feb (following year)	FY22	FY23	FY24	FY25F	FY26F
Recurring profit (Bt, m)	3,587	3,125	2,723	2,937	3,250
Net profit (Bt, m)	3,815	3,259	2,860	3,097	3,410
Core Profit (% from prev)	-	-	-	-9.0	-9.1
EPS (Bt)	15.3	13.0	11.4	12.4	13.6
EPS growth (%)	7.4	(14.6)	(12.2)	8.3	10.1
EPS vs Cons (%)	-	-	-	1.7	2.3
PER (X)	11.4	13.5	12.2	7.6	6.9
P/BV (X)	2.0	1.8	1.3	0.9	0.8
ROE (%)	18.3	13.8	11.3	11.5	11.8
Yield (%)	3.1	3.1	4.0	6.3	6.9

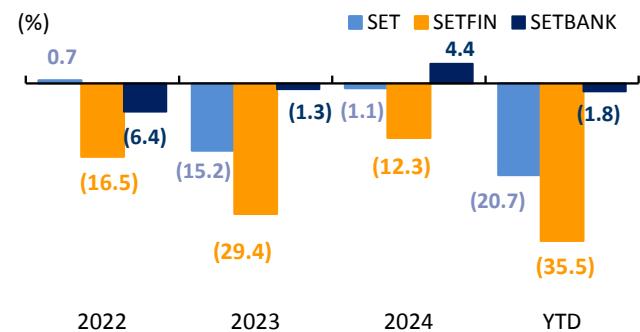
Source: Company data, TISCO Research, \*historical multiples based on average prices

**Figure 1.. Market Capitalization Comparison (1)**


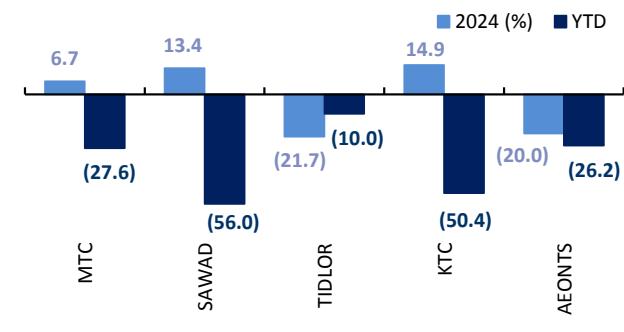
Source: Company data, TISCO Research

**Figure 2. Market Capitalization Comparison (2)**


Source: Company data, TISCO Research

**Figure 3: Sectors Relative Performance year to date (YTD)**


Source: Company data, TISCO Research

**Figure 4. Stock performance in 2024 and year to date (YTD)**


Source: Company data, TISCO Research

## AEONTS - First look at 1QFY25 (Mar -May '25) results , A.M on 11 July

(Year ended Feb 29)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	% QoQ	% YoY
<b>Profit &amp; Loss (THBm)</b>							
Interest income	4,657	4,684	4,571	4,459	4,462	0.1	-4.2
Interest expense	558	558	600	529	537	1.4	-3.9
<b>Net interest income</b>	<b>4,098</b>	<b>4,126</b>	<b>3,971</b>	<b>3,930</b>	<b>3,925</b>	<b>-0.1</b>	<b>-4.2</b>
Non-interest income	324	320	421	378	360	-4.8	11.2
Bad debt recovery income	525	537	532	518	567	9.4	7.8
<b>Gain on sale of written off asset</b>	<b>0</b>	<b>172</b>	<b>0</b>	<b>0</b>	<b>0</b>	-	-
Non-interest expenses	2,187	2,132	2,187	2,266	2,073	-8.5	-5.2
<b>Earnings before tax &amp; provision</b>	<b>2,760</b>	<b>3,024</b>	<b>2,736</b>	<b>2,560</b>	<b>2,778</b>	<b>8.5</b>	<b>0.6</b>
Tax	132	207	114	444	204	-54.0	54.2
Equities & minority interest	-15	-9	-32	-34	-36	n.m.	n.m.
<b>Core pre-provision profit</b>	<b>2,613</b>	<b>2,807</b>	<b>2,590</b>	<b>2,082</b>	<b>2,538</b>	<b>21.9</b>	<b>-2.9</b>
Provision	2,089	1,986	1,802	1,356	1,766	30.2	-15.4
<b>Core net profit</b>	<b>524</b>	<b>822</b>	<b>789</b>	<b>726</b>	<b>772</b>	<b>6.3</b>	<b>47.2</b>
Extra item	0	0	0	0	0	-	-
<b>Recurring profit (exc. gain)</b>	<b>524</b>	<b>684</b>	<b>789</b>	<b>726</b>	<b>772</b>	<b>6.3</b>	<b>47.2</b>
<b>Net profit</b>	<b>524</b>	<b>822</b>	<b>789</b>	<b>726</b>	<b>772</b>	<b>6.3</b>	<b>47.2</b>
<b>Profit exclude sale of bad debt</b>	<b>524</b>	<b>684</b>	<b>789</b>	<b>726</b>	<b>772</b>	<b>6.3</b>	<b>47.2</b>
<b>EPS (Bt)</b>	<b>2.1</b>	<b>3.3</b>	<b>3.2</b>	<b>2.9</b>	<b>3.1</b>	<b>6.3</b>	<b>47.2</b>
<b>Key Balance Sheet items (THBm)</b>							
Gross loans	91,453	91,388	89,771	88,948	88,870		
HP Loans	7,567	8,217	8,171	9,060	9,643		
Personal loans	43,639	43,679	43,069	42,549	42,461		
Credit card loans	40,177	39,424	38,468	37,280	36,703		
<b>Credit Quality</b>							
NPL (Bt m)	4,931	5,296	5,278	4,641	4,516		
NPLs/Total loans(%)	5.39	5.79	5.88	5.22	5.08		
NPLs/Total loans(%) - Thailand only	5.32	5.76	5.80	5.01	4.85		
Stage 1 (%)	91.6	91.2	91.3	92.1	92.3		
Stage 2 (%)	3.06	3.00	2.82	2.69	2.63		
LLR/NPLs(%)	168.1	158.7	151.6	153.8	161.8		
Provision/ Total loans (%)	9.14	8.69	8.03	6.10	7.95		
<b>Growth Rates &amp; Key Ratios</b>							
<b>Loan growth YoY (%)</b>	<b>-2.5</b>	<b>-2.7</b>	<b>-4.4</b>	<b>-2.6</b>	<b>-2.8</b>		
Loan growth QoQ (%)	0.2	-0.1	-1.8	-0.9	-0.1		
Yield on earn'g assets (%)	20.38	20.50	20.18	20.16	21.16		
Cost to income ratio (%)	49.5	47.9	49.8	52.6	48.4		

Source: Company data, TISCO Research

## AEON Thana Sinsap Thailand (AEONTS)

**Rating : BUY**

Bloomberg: AEONTS TB		Target price (THB)		132.00	Market Capitalization
		Current Price (THB)		94.50	THBm 34,250
		52-week Range		108.5 - 166	USDm 1,041
Fiscal year end 28 Feb	FY22	FY23	FY24	FY25F	FY26F
<b>Financial Summary</b>					
EPS (THB)	15.64	13.04	11.44	12.39	13.64
EPS growth (%)	10.1	-16.7	-12.2	8.3	10.1
DPS (THB)	5.50	5.50	5.50	5.96	6.56
BVPS (THB)	91.29	97.89	104.20	110.64	121.33
Average market cap	44,513	44,090	34,792	23,625	23,625
Share in issue (m)	250	250	250	250	250
<b>Valuation Ratios &amp; Profitability Measures</b>					
P/E (x)	11.4	13.5	12.2	7.6	6.9
P/BV (x)	1.95	1.80	1.34	0.85	0.78
ROE (%)	18.3	13.8	11.3	11.5	11.8
ROA (%)	4.21	3.47	3.11	3.37	3.60
Dividend yield (%)	3.09	3.12	3.95	6.30	6.94
Dividend cover (x)	2.84	2.37	2.08	2.08	2.08
Payout Ratio (%)	35.2	42.2	48.1	48.1	48.1
<b>Profit &amp; Loss (THBm)</b>					
Interest income	19,055	18,767	18,370	18,080	18,413
Interest expense	1,904	2,162	2,245	2,343	2,309
Net interest income	17,151	16,605	16,125	15,737	16,104
Non-interest income	1,173	1,174	1,443	1,353	1,351
Bad debt recovery income	1,696	1,849	2,113	2,493	2,942
Gain on sale of written off asset	405	167	172	200	200
Non-interest expenses	8,117	8,394	8,772	8,596	8,424
Earnings before tax & provision	12,308	11,402	11,081	11,187	12,171
Tax	996	824	897	784	860
Equities & minority interest	-139	-79	-90	-40	-30
Core pre-provision profit	11,173	10,499	10,093	10,363	11,281
Provision	7,263	7,240	7,233	7,266	7,871
<b>Core net profit</b>	<b>3,911</b>	<b>3,259</b>	<b>2,860</b>	<b>3,097</b>	<b>3,410</b>
Extra item	-95	0	0	0	0
<b>Net profit</b>	<b>3,815</b>	<b>3,259</b>	<b>2,860</b>	<b>3,097</b>	<b>3,410</b>
<b>Recurring profit</b>	<b>3,587</b>	<b>3,125</b>	<b>2,723</b>	<b>2,937</b>	<b>3,250</b>
<b>Key Balance Sheet (THBm)</b>					
Cash	3,816	2,797	3,571	1,566	7,761
Gross loans	93,937	91,305	88,948	90,821	92,601
Loan loss reserve	10,125	8,288	7,140	8,907	11,279
Net loans	83,812	83,017	81,808	81,914	81,322
Total assets	95,207	92,499	91,464	92,262	97,083
Borrowings	66,055	62,434	58,920	61,222	63,593
Total liabilities	71,859	67,437	64,410	63,966	66,115
Paid-up capital	250	250	250	250	250
Total Equities	22,821	24,472	26,051	27,659	30,332
<b>Credit Quality</b>					
NPLs (Bt m)	5,340	4,534	4,851	4,800	5,040
NPLs/Total loans(%)	5.7	5.0	5.5	5.3	5.4
LLR/NPLs(%)	190	183	147	186	224
LLR/Total loans (%)	10.8	9.1	8.0	9.8	12.2
Provision/Total loans (%)	7.7	7.9	8.1	8.0	8.5
<b>Growth Rates &amp; Key Ratios</b>					
Growth in interest income (%)	6.4	-1.5	-2.1	-1.6	1.8
Growth in interest expense(%)	9.1	13.6	3.9	4.3	-1.4
Growth in non-interest income (%)	19.2	9.0	14.3	18.0	18.0
Growth in costs (%)	3.6	3.4	4.5	-2.0	-2.0
Pre-provision earnings growth (%)	9.9	-7.4	-2.8	1.0	8.8
Growth in provisions (%)	9.6	-0.3	-0.1	0.4	8.3
Growth in core profit (%)	10.1	-16.7	-12.2	8.3	10.1
Growth in loans (%)	3.2	-2.8	-2.6	2.1	2.0
Yield on earn'g assets (%)	20.6	20.3	20.4	20.3	20.2
Cost on int-bear'g liab (%)	2.9	3.4	3.7	3.8	3.7
Spread (%)	17.7	16.9	16.7	16.5	16.5
Net interest margin(%)	18.5	17.9	17.9	17.5	17.6
Cost to income ratio (%)	39.7	42.4	44.2	43.5	40.9
D/E (x)	2.89	2.55	2.26	2.21	2.10

Source: Company data, TISCO Research

### Company profile

AEON Thana Sinsap (AEONTS) was incorporated in 1992 by AEON Financial Service (formerly AEON Credit Service) which is listed as a holding company on the Tokyo stock exchange. The core credit card and personal loan businesses of AEONTS represent 40% and 53% of the company's total revenue, respectively, while the hire purchase business represents 7% of total revenue.

### Valuation

Our TP of Bt132/sh is based on GGM (implies a LT PBV of 1.2x and L-T ROE of 11.5%)

### Risk

Risk factors include slower-than-expected recovery in domestic consumption which may hinder loan growth and raise NPLs for AEONTS and increase of minimum payment to normal levels.

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	<b>Score Range</b>	<b>Level</b>	<b>Description</b>
  <b>Corporate Governance Report of Thai Listed Companies 2024</b>	90 - 100	5	Excellent
	80 - 89	4	Very Good
	70 - 79	3	Good
	60 - 69	2	Satisfactory
	50 - 59	1	Pass
	< 50	n.a.	n.a.
		N/R	Does not appear in the CGR report

### **Anti-Corruption Progress Indicator :**

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of October 28, 2024) are categorised into :

Certified :	Companies certified by CAC.
Declared :	Companies that have declared their intention to join CAC.
Ensure its compliance by parent company	Ensure its compliance by parent company The company declares that its parent company is under the Bribery Act or other similar laws that required parent company to be responsible for bribery act of its overseas subsidiaries. Such responsibilities shall include the establishment of policy, practices and investigation and ensure that its subsidiaries regularly comply with the policy and practices.
n.a.	Not intention to join CAC. / no policy

### **Disclaimer**

The disclosure of the Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of October 28, 2024)

Since this survey or assessment result is only the survey or assessment result as of the date appearing in the survey or assessment result only, it may be changed after that date or when there is any change to the relevant information. Nevertheless, TISCO Securities Company Limited does not confirm, verify, or certify the accuracy and completeness of the survey or assessment result.

### **ESG Rating**

The Thaipat ESG Index is designed to represent the performance of the selected Thai listed companies that are constituents of the ESG100 Universe, the 100 outstanding performers in terms of Environmental, Social and Governance (ESG) listed in Thai stock market (Both SET and mai), assessed by ESG Rating company, a whole subsidiary of Thaipat Institute.

The information, statements, forecasts and projections contained herein, including any expression of opinion, are based upon sources believed to be reliable but their accuracy completeness or correctness are not guaranteed. Expressions of opinion herein were arrived at after due and careful consideration and they were based upon the best information then known to us, and in our opinion are fair and reasonable in the circumstances prevailing at the time. Expressions of opinion contained herein are subject to change without notice. This document is not, and should not be construed as, an offer or the solicitation of an offer to buy or sell any securities. TISCO and other companies in the TISCO Group and/or their officers, directors and employees may have positions and may affect transactions in securities of companies mentioned herein and may also perform or seek to perform investment banking services for these companies. No person is authorized to give any information or to make any representation not contained in this document and any information or representation not contained in this document must not be relied upon as having been authorized by or on behalf of TISCO. This document is for private circulation only and is not for publication in the press or elsewhere. TISCO accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or its content. The use of any information, statements forecasts and projections contained herein shall be at the sole discretion and risk of the user.