



11 July 2025

Company Note

Rating

BUY

(Unchanged)

Company

AEON Thana Sinsap (Thailand)

Bloomberg

AEONTS TB

SET

AEONTS

Exchange

SET

Sector

Finance & Securities

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

12mth price target (THB) 132.00

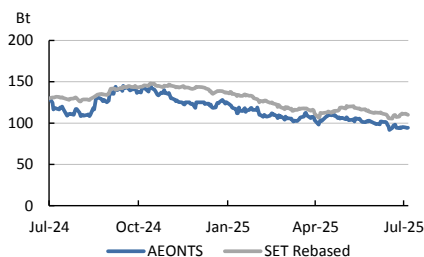
From 153.00

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
	(USD bn)	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

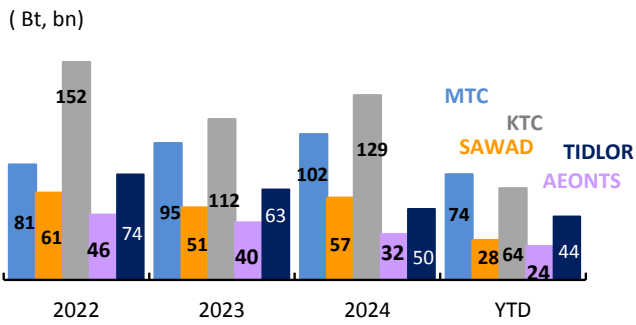
Year-to-date, AEONTS's stock is down 26.2% vs. the sector's 35.5% decline. The stock trades at a trailing P/BV of 0.88x (1QFY25 book value: Bt106.7/sh) with a 1QFY25 ROE of 12%. In FY24, the dividend payout ratio was 48.1%. Assuming a similar payout, we project FY25F DPS of Bt5.96/sh (vs. Bt5.50 in FY24), 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

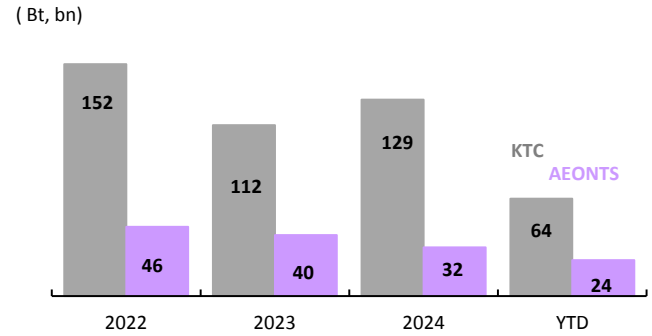
Source: Company data, TISCO Research, *historical multiples based on average prices

Figure 1. . Market Capitalization Comparison (1)



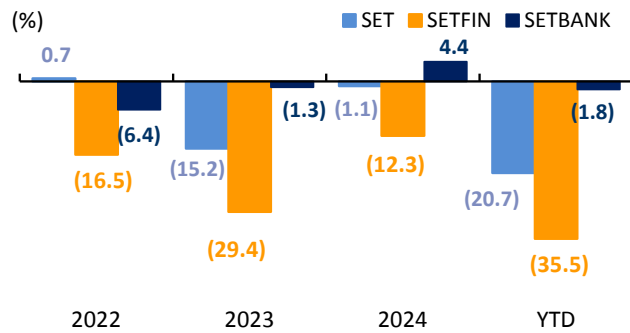
Source: Company data, TISCO Research

Figure 2. Market Capitalization Comparison (2)



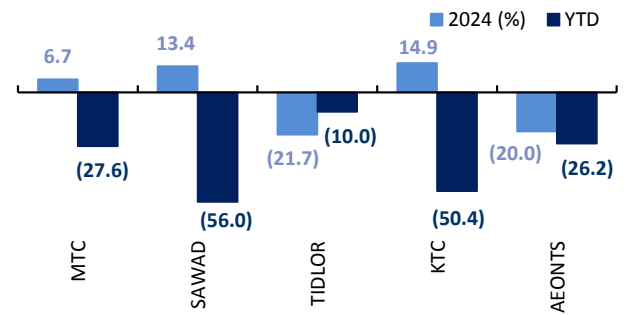
Source: Company data, TISCO Research

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
Profit & Loss (THBm)							
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
Net interest income	4,098	4,126	3,971	3,930	3,925	-0.1	-4.2
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
Gain on sale of written off asset	0	172	0	0	0	-	-
Non-interest expenses	2,187	2,132	2,187	2,266	2,073	-8.5	-5.2
Earnings before tax & provision	2,760	3,024	2,736	2,560	2,778	8.5	0.6
Tax	132	207	114	444	204	-54.0	54.2
Equities & minority interest	-15	-9	-32	-34	-36	n.m.	n.m.
Core pre-provision profit	2,613	2,807	2,590	2,082	2,538	21.9	-2.9
Provision	2,089	1,986	1,802	1,356	1,766	30.2	-15.4
Core net profit	524	822	789	726	772	6.3	47.2
Extra item	0	0	0	0	0	-	-
Recurring profit (exc. gain)	524	684	789	726	772	6.3	47.2
Net profit	524	822	789	726	772	6.3	47.2
Profit exclude sale of bad debt	524	684	789	726	772	6.3	47.2
EPS (Bt)	2.1	3.3	3.2	2.9	3.1	6.3	47.2
Key Balance Sheet items (THBn)							
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		
Credit Quality							
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		
Growth Rates & Key Ratios							
Loan growth YoY (%)	-2.5	-2.7	-4.4	-2.6	-2.8		
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

Current Price (THB)

94.50

52-week Range

108.5 - 166

Market Capitalization

THBm 34,250

USDm 1,041

Fiscal year end 28 Feb

FY22

FY23

FY24

FY25F

FY26F

Financial Summary

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

Valuation Ratios & Profitability Measures

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

Profit & Loss (THBm)

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
Core net profit	3,911	3,259	2,860	3,097	3,410
Extra item	-95	0	0	0	0
Net profit	3,815	3,259	2,860	3,097	3,410
Recurring profit	3,587	3,125	2,723	2,937	3,250

Key Balance Sheet (THBm)

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

Credit Quality

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

Growth Rates & Key Ratios

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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 Corporate Governance Report of Thai Listed Companies 2024	Score Range	Level	Description
	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/R	n.a. 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.

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