Tidlor Holdings Pcl (TIDLOR TB)

Cautious Outlook Despite Lower Credit Cost Guidance

Highlights

- TIDLOR revised down its 2026 credit cost target from 2.2-2.8% to 2.0-2.5% given the low credit cost in 1H26.
- Loan growth is likely to track the lower end of the 5-10% target, with title loans remaining the key growth driver in 2H26.
- Maintain BUY with an unchanged target price of Bt25.00.

Analysis

- **Slightly negative tone at meeting.** We attended Tidlor Holdings' (TIDLOR) 2Q26 analyst meeting where the tone was slightly negative, given the uncertainty over whether asset quality can remain strong. The company maintained all of its financial targets, except for its credit cost target which was lowered from 2.2-2.8% to 2.0-2.5%, given the low credit cost in 1H26.
- **Focusing on title loans.** Title loans remain the key focus for loan growth this year, especially for motorcycles and cars. For hire purchase (HP), the truck portfolio remained broadly stable, with the company remaining disciplined in HP lending. Overall, the company focuses on lending according to risk levels and risk-adjusted returns. Management expects loan growth to accelerate in 2H26, potentially driven by improving economic and business activity, with motorcycle and car loans remaining the key growth segments. The average ticket size declined in 1H26, following the decline in used-vehicle prices, along with the higher contribution from motorcycles. Overall, despite management maintaining its 5-10% loan growth target, we expect the loan growth to end at the lower bound given the tone from the meeting along with the cautiousness and focus on motorcycle and cars.
- **Further room to grow insurance brokerage business.** TIDLOR sees further room to gain market share through its broad online and offline distribution channels. While weaker economic conditions have led to some decline in the average premium per policy and a shift from Class 1 to the more affordable Class 2 coverage, the impact remains manageable. We expect insurance to continue growing in 2H26, supported by seasonal increases in business activity, higher auto insurance sales and renewals, and cross-selling opportunities in PA and travel insurance. Management sees room for further growth.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net interest income	15,945.1	16,809.0	17,818.3	19,424.9	20,966.3
Non-Interest Income	3,791.8	4,189.0	4,611.5	4,993.9	5,332.3
Net profit (rep./act.)	4,216.7	5,035.7	5,904.5	6,328.1	7,209.3
Net profit (adj.)	4,216.7	5,035.7	5,904.5	6,328.1	7,209.3
EPS (Bt)	1.5	1.7	2.0	2.2	2.5
PE (x)	13.2	11.1	9.5	8.8	7.8
P/B (x)	1.8	1.6	1.5	1.4	1.2
Dividend yield (%)	2.6	1.8	5.2	5.2	5.2
Net int margin (%)	15.8	15.7	15.7	16.0	16.1
Cost/income Ratio (%)	55.9	55.5	55.0	55.0	54.7
Loan loss cover (%)	242.7	325.0	280.0	300.0	300.0
Consensus net profit	n.a	n.a	5,639.2	6,143.6	6,758.9
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	1.1

Source: Tidlor Holdings Pcl, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	Bt19.40
Target Price	Bt25.00
Upside	28.86%

Stock Data

Sector	Financials
Bloomberg ticker	TIDLOR TB
Shares issued (m)	2,877.0
Market cap (Btm)	55,237.6
Market cap (US$m)	1,658.9
3-mth avg daily t'over (US$m)	15.7

Price Performance (%)

52-week high/low				Bt22.1/Bt14.1
1mth	3mth	6mth	1yr	YTD
7.9	24.7	12.9	25.5	12.9

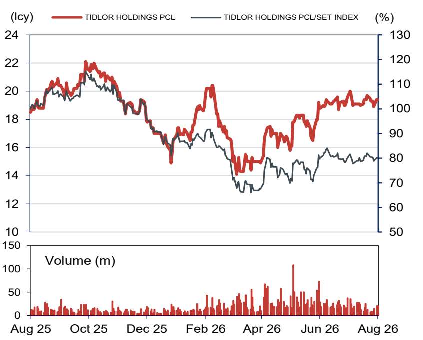
Major Shareholders (%)

Bank of Ayudhya (BAY)	46.51
Thai NVDR	4.87

Balance Sheet Metrics

FY26 NAV/Share (Bt)	12.9
FY26 Net Debt/Share (Bt)	n.a

Price Chart



Source: Bloomberg

Company Description

The non-bank company provides auto-title loans, hire purchase financing services for second-hand used trucks, and other types of non-lending products including life and non-life insurance brokerage services under the brand Ngern Tid Lor.

- **Funding cost could further decline 5-10bp.** TIDLOR expects its cost of funds to gradually decline, with a further 5-10bp reduction possible in 2H26. The company recently issued a JPY16.5b euro-yen bond at a 3.42% coupon rate and fully hedged exposure through a currency swap on a fixed-rate basis, securing a competitive funding cost. While funding costs could ease slightly next year as loans mature, the outlook will depend on the interest-rate environment. Funding strategies will look through various sources of funds. The company continues to diversify the mix of loans and debentures.
- **Uncertainty in asset quality.** TIDLOR expects credit costs and NPL formation to remain manageable in 2H26 and broadly in line with its targets. Management sees collection performance has remained healthy. Credit cost is expected to normalise in 2H26 from the low level in 1Q26, which benefitted from net write-offs related to the sale of debt to Sukhumvit Asset Management (SAM). The company has revised down its credit cost target to 2.0-2.5% from 2.2-2.8%, given the lower credit cost in 1H26. The NPL ratio, which picked up to 2.37% in 2Q26, is not expected to deteriorate further.
- **Continuing share buybacks.** For the buyback programme, TIDLOR intends to continue utilising the approved budget and plans to cancel the repurchased shares after the programme is completed. They also maintained their policy of paying dividends with a more than 20% payout ratio.

2Q26 Results Recap

Year to 31 Dec (Btm)	2Q26	1Q26	2Q25	qoq chg (%)	yoy chg (%)
Total gross loans	112,538	109,926	105,906	2.4	6.3
Net interest income	4,511	4,376	4,118	3.1	9.6
Non-interest income	1,046	1,100	994	(5.0)	5.2
Loan loss provision	(572)	(468)	(692)	22.2	(17.4)
Non-Interest Expenses	(3,064)	(2,981)	(2,789)	2.8	9.9
Pre-provision operating profit	2,103	2,079	1,988	1.1	5.8
Net income	1,533	1,614	1,296	(5.0)	18.3
EPS (Bt)	0.53	1	0.44	(5.0)	19.6
Ratio (%)					
NPL ratio (%)	1.54	1.47	1.78		
Loan loss coverage ratio (%)	322	340	262		
Net interest margin (NIM %)	16.2	15.9	15.6		
Credit cost (bp)	206	171	263		
Cost to income (%)	55.1	54.4	54.6		
Number of network store	1,918	1,892	1,832		
Baseline Total Loans/Store	58.7	58.1	57.8		

Source: TIDLOR, UOB Kay Hian

Valuation/Recommendation

- **Maintain BUY with an unchanged target price of Bt25.00** based on the Gordon Growth Model (cost of equity: 13%, long-term growth: 4%). Our target price implies a 2026F P/B of 1.9x, broadly in line with its five-year average.

Earnings Revision/Risk

- No earnings revision.

Share Price Catalyst

- Government stimulus packages to boost economic recovery.

Environment, Social, Governance (ESG) Updates

CG Report: 4
SET ESG Rating: N/A

Environmental

- Lighting control systems are implemented to adjust the amount of light suitable for each work area.

Social

- TIDLOR started a financial literacy programme in 2013 after launching nano-finance.

Governance

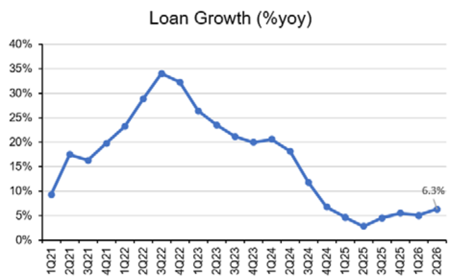
- The company also adheres to a notion of "sustainability" towards all stakeholders.

2026 Financial Targets

	1H26 Actual	2026 Target	2025 Target
Loan growth	2.7% ytd	5-10%	> 6.6%
Cost to income	54.8%	Mid 50s	
NPL ratio	1.54%	1.5-1.8%	< 2.0%
Credit cost	187 bp	220-280 bp	< 300 bp

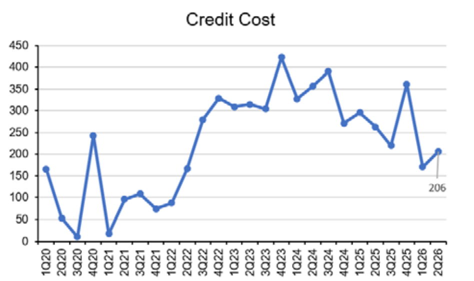
Source: TIDLOR, UOB Kay Hian

Loan Growth (%yoy)



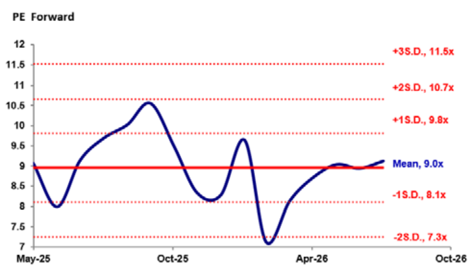
Source: TIDLOR, UOB Kay Hian

Credit Cost (bp)



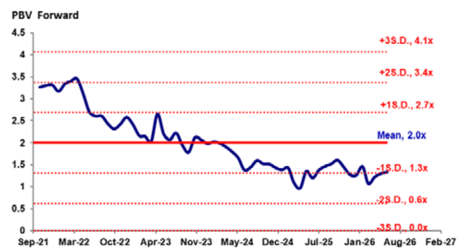
Source: TIDLOR, UOB Kay Hian

PE Band



Source: TIDLOR, UOB Kay Hian

P/B Band



Source: TIDLOR, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Interest income	19,344	20,259	21,930	23,528
Interest expense	(2,535)	(2,441)	(2,505)	(2,562)
Net interest income/(expense)	16,809	17,818	19,425	20,966
Fees & Commissions	4,024	4,414	4,796	5,135
Income From Insurance	0	0	0	0
Net Trading Income	0	0	0	0
Other Income	165	197	197	197
Non-Interest Income	4,189	4,611	4,994	5,332
Total Income	20,998	22,430	24,419	26,299
Staff Costs	(11,648)	(12,343)	(13,436)	(14,376)
Other Operating Expense	0	0	0	0
Pre-Provision Profit	9,350	10,086	10,983	11,923
Loan Loss Provision	(3,031)	(2,691)	(3,071)	(2,909)
Pre-tax profit	6,319	7,396	7,912	9,014
Tax	(1,246)	(1,481)	(1,584)	(1,805)
Minorities	(38)	(10)	0	0
Net profit	5,036	5,905	6,328	7,209
Net profit (adj.)	5,036	5,905	6,328	7,209

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Cash With Central Bank	3,060	3,517	4,043	4,368
Customer Loans	104,086	112,250	120,174	128,708
Properties & Other Fixed Assets	1,944	1,599	1,399	1,324
Goodwill & Intangible Assets	600	587	587	587
Other Assets	3,106	3,087	3,199	3,314
Total assets	112,797	121,040	129,401	138,300
Customer Deposits	41,061	40,793	42,640	44,049
Debts Securities Issued	32,286	38,689	41,591	44,573
Other Liabilities	4,986	2,931	3,151	3,377
Total liabilities	78,334	82,413	87,383	91,999
Shareholders' funds	34,255	37,276	40,668	44,951
Minority interest	208	1,351	1,351	1,351
Total Equity & Liabilities	112,797	121,040	129,401	138,301

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Capital Adequacy				
Total Assets/Equity	3	3	3	3
Tangible Assets/Tangible Common Equity	3	3	3	3
Asset Quality				
NPL Ratio	2	2	2	2
Loan Loss Coverage	325	280	300	300
Loan Loss Reserve/Gross Loans	5	4	5	5
Increase in NPLs	0	0	0	0
Credit Cost (bp)	284	237	252	223
Liquidity				
Liquid Assets/Short-Term Liabilities	7	9	9	10
Liquid Assets/Total Assets	3	3	3	3

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Growth				
Net Interest Income, yoy Chg	5	6	9	8
Fees & Commissions, yoy Chg	8	10	10	7
Pre-Provision Profit, yoy Chg	7	8	9	9
Net Profit, yoy Chg	19	17	7	14
Customer Loans, yoy Chg	5	8	7	7
Profitability				
Net Interest Margin	16	16	16	16
Cost/Income Ratio	55	55	55	55
Adjusted ROA	5	5	5	6
Reported ROE	16	17	17	18
Adjusted ROE	16	17	17	18
Valuation				
P/BV	2	2	1	1
P/NTA	2	2	1	1
Adjusted P/E	11	9	9	8
Dividend Yield	2	5	5	5