

2 MARCH 2021

THAILAND / ASSET MANAGEMENT COMPANIES

JMT NETWORK SERVICES

JMT TB

BUY

UNCHANGED

TARGET PRICE	THB52.00
CLOSE	THB42.00
UP/DOWNSIDE	+23.8%
PRIOR TP	THB42.00
CHANGE IN TP	+23.8%
TP vs CONSENSUS	+16.9%

หนทางข้างหน้าโรยด้วยกลีบกุหลาบ

การเติบโตจะดีต่อเนื่อง

หลังกำไรสุทธิปี 2020 กระโดด 54% y-y เราคาดว่า JMT จะรายงานกำไรจากการดำเนินงานโตในระดับสูงถึง 34% CAGR ในรอบ 3 ปี (2021-23) โดยมีการเติบโตสูงเป็นพิเศษถึง 43% y-y ในปี 2021 จาก 1) การรับชำระหนี้ที่ค้างจากพอร์ต IRR และ พอร์ต fully amortised; 2) แผนซื้อหนี้ไม่ก่อให้เกิดรายได้ (NPL) ที่เพิ่มขึ้นอย่างมีนัยสำคัญ; 3) กำไรที่สูงขึ้นจากธุรกิจประกันภัย (6% ของรายได้); และ 4) การบริหารต้นทุนอย่างได้ผล โดย JMT ได้บริหารต้นทุนบริการอย่างมีประสิทธิภาพผ่านการผสมผสานเทคโนโลยีไว้ในกระบวนการรับชำระหนี้ให้มากยิ่งขึ้น

การรับชำระหนี้และอัตรากำไรดี

ในช่วงที่เศรษฐกิจค่อย ๆ ฟื้นตัว เราคาดว่า JMT จะรายงานการรับชำระหนี้ (cash collection) โตในระดับสูงถึง 45% ในปี 2021 พร้อมอัตราการเติบโตที่ 29% CAGR ในรอบ 3 ปี (2021-23) เนื่องจากบริษัท มีขนาด NPL ที่มี ticket size ไม่ใหญ่ ซึ่งทำให้ลูกค้าสามารถชำระหนี้ได้ง่ายขึ้น นอกจากนี้ เรายังคาดว่า พอร์ต fully amortised จะเพิ่มอีก 1 หมื่น ลบ. เป็น 53 พัน ลบ. ในปี 2021 พร้อมอัตราการเติบโตที่ 15% CAGR ในรอบ 3 ปี (2021-23) ดังนั้นเราจึงคาดว่ารายได้จาก พอร์ต fully amortised จะเพิ่มเป็น 1.07 พัน ลบ. ในปี 2021 จาก 0.9 พัน ลบ. ในปี 2020 การเพิ่มของปริมาณ fully amortised portfolio จะไม่เพียงแต่ทำให้รายได้เพิ่มอย่างมีนัยสำคัญ แต่จะทำให้ความสามารถในการทำกำไรเพิ่มขึ้นอีกด้วย เนื่องจากการรับชำระหนี้จากพอร์ตดังกล่าวสามารถบันทึกเป็นรายได้เต็มจำนวน

พร้อมสำหรับการไหลบ่าของหนี้ที่ไม่ก่อให้เกิดรายได้และโอกาสสำหรับ

การควมรวมและซื้อกิจการ

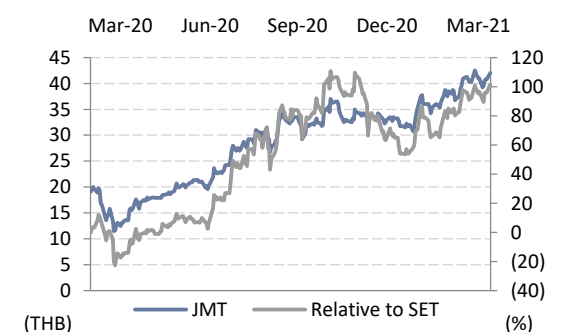
เราคาดว่า JMT จะสามารถเพิ่มการซื้อหนี้ที่ไม่ก่อให้เกิดรายได้ใหม่อย่างเห็นได้ชัดเป็น 6 พัน ลบ. ในปี 2021 จาก 3.5 พัน ลบ. ในปี 2020 เพื่อรองรับการไหลบ่าของหนี้ที่ไม่ก่อให้เกิดรายได้ JMT ได้เตรียมตัวไว้ล่วงหน้าโดยบริษัท ได้ออกหุ้นกู้มูลค่า 1.8 พัน ลบ. ใน 3Q20 และแปลงสภาพ JMT-W2 มูลค่า 2 พัน ลบ. ใน 3-4Q20 ทำให้ค่า 2020 IBD/E ของบริษัท ลดลงเหลือ 1.2x จาก 1.7x ในปี 2019 (เทียบกับ IBD/E covenant ของบริษัท ที่ 3.0x) เพราะฉะนั้นเราจึงไม่มีความกังวลใด ๆ ในด้านเงินทุนของบริษัท นอกจากนี้ JMT ยังมีแผนควมรวมและซื้อกิจการผ่านการแลกหุ้นกับหุ้นส่วนทางยุทธศาสตร์ เราเชื่อว่าแผนดังกล่าวอาจเป็นอีกปัจจัยสำคัญในการเพิ่มกำไรของบริษัท แม้ว่าเราจะไม่ได้รวมปัจจัยดังกล่าวไว้ในประมาณการของเรา

คงคำแนะนำซื้อหลังปรับราคาเป้าหมายขึ้นเป็น 52 บาท (GGM)

เราคงคำแนะนำซื้อหลังปรับราคาเป้าหมายของเราขึ้นเป็น 52 บาท (GGM) เพื่อสะท้อนการปรับประมาณการกำไรปี 2021-22 ขึ้น 12%/20% ตามลำดับ ราคาเป้าหมายใหม่ของเราคิดเป็นค่า 2021E P/E ที่ 38.4x เราเชื่อว่า JMT สมควรได้รับการประเมินมูลค่าในระดับสูงกว่าปกติ โดยมีเหตุผลรับรองจากแนวโน้มการเติบโตของกำไรที่อยู่ในระดับสูง

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Operating profit	1,210	1,877	2,615	3,127
Net profit	1,047	1,501	2,092	2,501
EPS (THB)	1.05	1.35	1.73	2.50
vs Consensus (%)	-	4.7	5.3	-
Core net profit	1,047	1,501	2,092	2,501
Core EPS (THB)	1.05	1.35	1.73	2.50
Chg. In EPS est. (%)	-	11.9	19.5	-
EPS growth (%)	36.5	28.7	27.8	44.8
Core P/E (x)	40.0	31.1	24.3	16.8
Dividend yield (%)	2.0	2.0	2.4	4.2
Price/book (x)	7.3	5.6	3.8	3.0
ROE (%)	23.0	21.3	19.2	18.1
ROA (%)	8.5	8.9	8.9	8.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	12.0	26.3	130.8
Relative to country (%)	12.9	20.6	110.1
Mkt cap (USD m)			1,386
3m avg. daily turnover (USD m)			10.2
Free float (%)			21
Major shareholder			JMART Pcl. (53%)
12m high/low (THB)			42.75/10.80
Issued shares (m)			0

Sources: Bloomberg consensus; FSSIA estimates



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PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 2 มีนาคม 2021

Investment thesis

JMT has been in the distressed asset management business for more than 14 years, with more than 26 years in the debt collection business. Its longstanding experience and effective working processes have enabled it to maintain its position as the market leader in both businesses.

Under the economic downturn, we believe JMT is a good hedge against recession, as 1) we expect it to deliver stronger cash collection growth due to its diversified portfolio and small NPL ticket sizes; and 2) we think it will be the prime beneficiary of an NPL surge that we expect to see in 2021. These factors should lead JMT to have remarkable core profit growth. We, therefore, reiterate our BUY call on JMT.

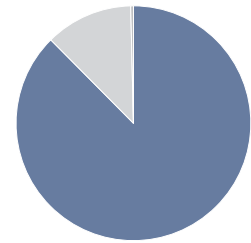
Company profile

JMT provides three main types of services: 1) bad debt collection; 2) bad debt management – the company manages and collects bad debt purchased from financial institutions and corporations; and 3) an insurance business – the company provides both insurance brokerage services and non-life insurance services.

www.jmntnetwork.co.th

Principal activities (revenue, 2020)

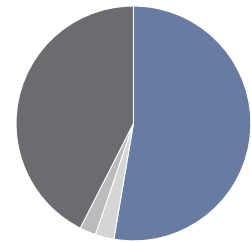
- NPLs management - 87.6 %
- Debt collection - 12.1 %
- Other income - 0.4 %



Source: JMT Network Services

Major shareholders

- JMART Pcl. - 52.7 %
- Piboon Sereewattana - 2.6 %
- Sompong Silsomboon - 2.2 %
- Others - 42.5 %



Source: JMT Network Services

Catalyst

Potential catalysts to drive JMT's share price include 1) the announcement of M&A deals; and 2) an increase in its fully amortised portfolio volume.

Risk to our call

Downside risks to our GGM-based TP include 1) lower cash collection from its fully amortised portfolio; and 2) the lower-than-expected acquisition of new bad debt.

Event calendar

Date	Event
Mid-May 2021	1Q21 results announcement

Key assumptions

	2021E	2022E	2023E
	(THB m)	(THB m)	(THB m)
Norm profit	1,501	2,092	2,501
<i>Norm profit growth (%)</i>	43.4	39.3	19.6
Cash collection	5,377	6,802	8,022
<i>Cash collection ratio (%)</i>	44.3	43.1	43.2
NPL + NPA purchases	5,449	5,994	4,495
<i>NPL + NPA purchase growth (%)</i>	55.0	10.0	(25.0)

Source: FSSIA estimates

Earnings sensitivity

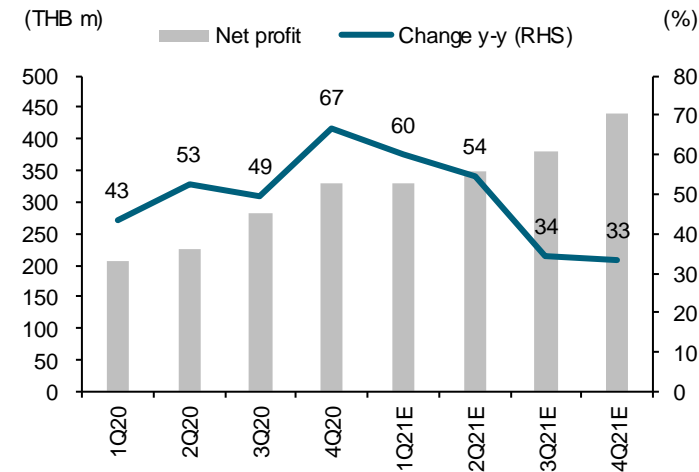
		----- 2021E -----		
Cash collection ratio	±50bp	43.8	44.3	44.8
<i>% change in net profit</i>		(3.5)	-	3.5
Cost to income	±1ppt	41.4	42.4	43.4
<i>% change in net profit</i>		(2.3)	-	2.3

Source: FSSIA estimates

Robust growth to continue

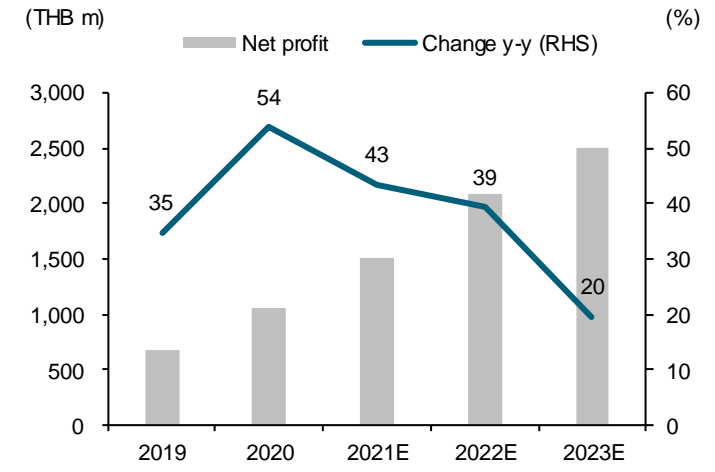
After its 2020 net profit surged by 54% y-y, we believe JMT’s substantial earnings momentum will continue. We expect the company to deliver remarkable core profit growth at a 34% 3-yr 2021-23 CAGR – with an especially large increase of 43% y-y in 2021 – driven by 1) strong cash collection from both its existing IRR and fully amortised portfolio; 2) an aggressive NPL purchase plan; 3) higher earnings from its insurance business (6% of revenue) due to a higher proportion of lower loss-ratio products; and 4) its effective cost management. JMT has effectively managed its service costs by integrating more technology into its debt collection process. Even so, there is still more room to reduce its costs, according to management.

Exhibit 1: Quarterly net profit



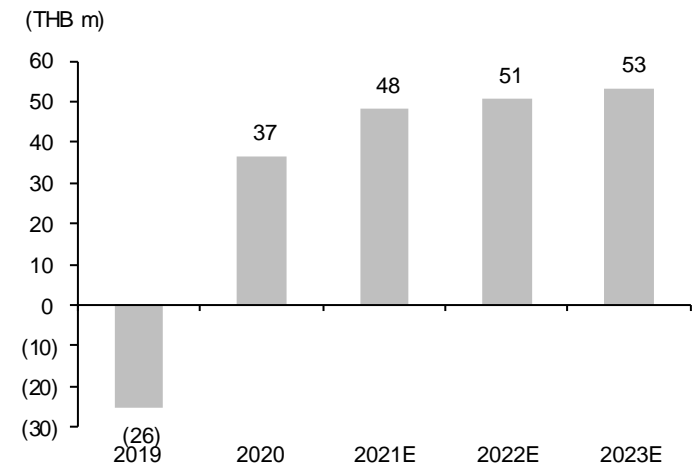
Sources: JMT; FSSIA estimates

Exhibit 2: Yearly net profit



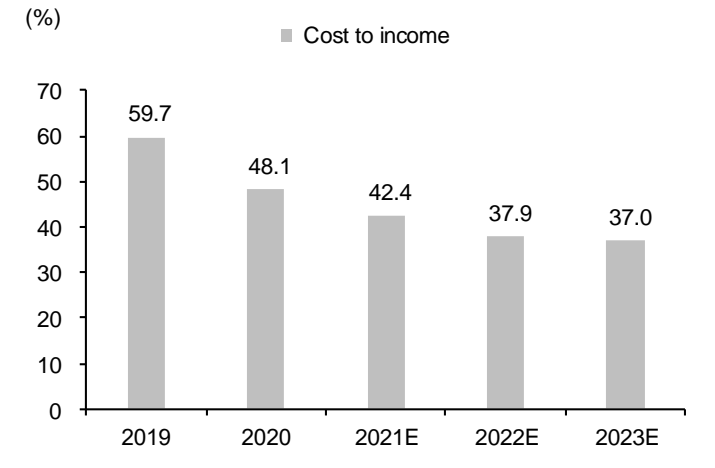
Sources: JMT; FSSIA estimates

Exhibit 3: Net insurance premium turnaround from 2020 onward



Sources: JMT; FSSIA estimates

Exhibit 4: Lower cost to income ratio

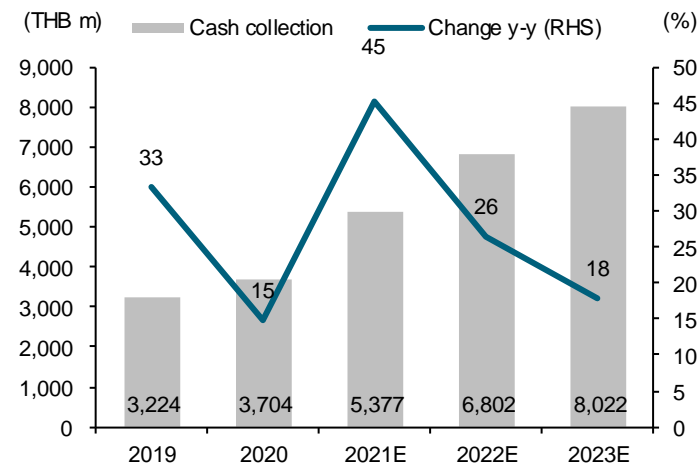


Sources: JMT; FSSIA estimates

Strong cash collection and solid margin

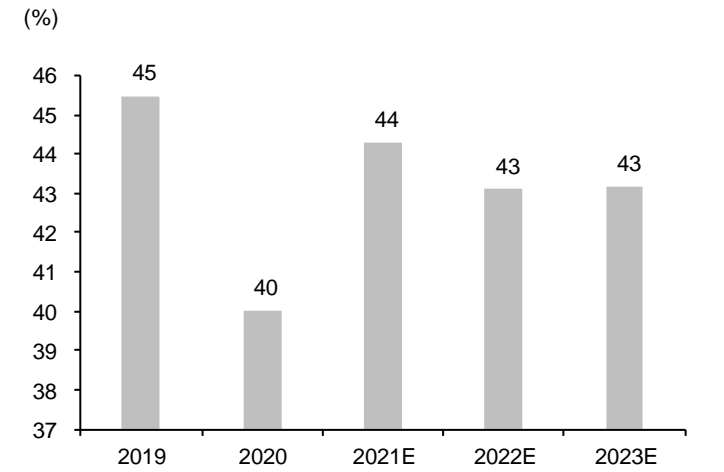
During the slow recovery of the economy, we expect JMT to deliver stronger cash collection growth at 45% in 2021 with a 29% 3-yr 2021-23 CAGR, as it has small NPL ticket sizes that allow customers to more easily service their debt. Moreover, we expect that its fully amortised portfolio will increase by THB10b to THB53b in 2021 at a 15% 3-yr 2020-22 CAGR. We, therefore, expect the revenue from its fully amortised portfolio to increase to THB1.07b in 2021 from THB0.9b in 2020. A rise in its fully amortised portfolio volume would not only lead to a significant revenue upsurge, but also higher profitability, as the cash collection from that portfolio can be recorded as 100% revenue.

Exhibit 5: Yearly cash collection



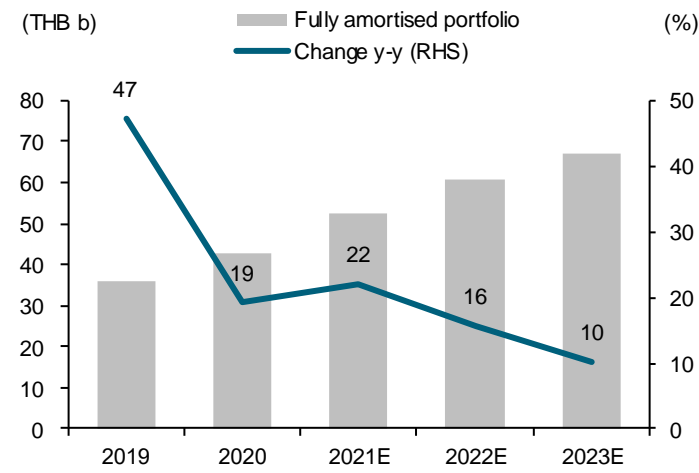
Sources: JMT; FSSIA estimates

Exhibit 6: Cash collection ratio



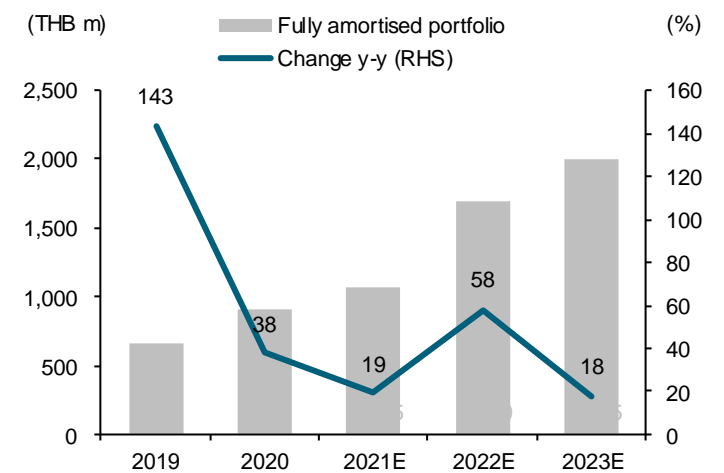
Sources: JMT; FSSIA estimates

Exhibit 7: Fully amortised portfolio



Sources: JMT; FSSIA estimates

Exhibit 8: Revenue from fully amortised portfolio



Sources: JMT; FSSIA estimates

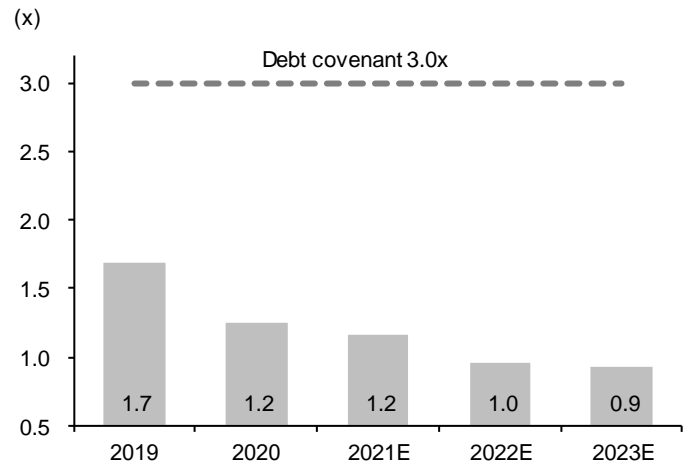
Ready for a flood of NPLs with a potential M&A deal

- We estimate that JMT could increase its new NPL acquisitions noticeably to THB6b in 2021, from THB3.5b in 2020, with a 9% 3-yr 2021-23 CAGR to capture the anticipated NPL influx. In our view, the company would benefit almost immediately from a significant NPL acquisition owing to the short cash cycle, only 3-4 months, before starting to collect cash from clients.
- JMT has already prepared itself by issuing a debenture worth THB1.8b in 3Q20 and by converting its JMT-W2 worth THB2b (49% of total warrants outstanding) in 3-4Q20. This brought its 2020 IBD/E down to 1.2x from 1.7x in 2019, vs its IBD/E covenant of 3.0x. JMT also issued a JMT-W3 warrant in Sep 2020. Therefore, we do not have any concerns about its capital position.
- Additionally, JMT has an M&A plan via a share swap with its strategic partners. We believe it could be another key factor to boost its bottom line, though we have not included it in our forecast.

Exhibit 9: Outstanding warrants

Warrant	Outstanding units	Exercise price	Expiration	Cash proceeds from outstanding warrants
	(m)	(THB)	Date	(THB m)
JMT-W2	113	18.2	Aug-21	2,060
JMT-W3	100	42.0	2Q22	4,200
Total				6,260

Source: JMT; FSSIA's compilation

Exhibit 10: IBD/E ratio remains below its debt covenant

Sources: JMT; FSSIA estimates

Record high net profit in 4Q20

JMT reported a record high 4Q20 net profit of THB330m (+67% y-y, +17% q-q), driven by 1) robust distressed asset management revenue growth due to its strong cash collection amounting to THB990m (+6% y-y, -2% q-q) from its IRR and fully amortised portfolios; and 2) efficient cost control thanks to the implementation of its digital debt collection platform. Moreover, the company had a solid balance sheet, with a contraction of its IBD/E from 1.7x in 2019 to 1.2x due to the warrant conversion.

2020 net profit was THB1.05b, increasing significantly by 54% y-y, supported by 1) noticeable distressed asset management revenue growth (82% of total revenue) due to its strong cash collection at THB3,704m (+15% y-y) from its IRR and fully amortised portfolios; 2) the recovery of its insurance business (6% of total revenue); and 3) effective cost control resulting in a substantial decline in its cost to income ratio to 48% from 60% in 2019.

JMT announced a 2H20 dividend payment at THB0.41/share (totalling THB0.86/share for 2020), implying a dividend yield of 1%. The XD date is 20 Apr 2021.

Exhibit 11: JMT – summary of 4Q20/2020 results

	4Q19	3Q20	4Q20	---- Change ----		2020	Change	4Q20 Comments
	(THB m)	(THB m)	(THB m)	(y-y %)	(q-q %)	(THB m)	(y-y %)	
Interest income								
- Interest income from NPLs	196	421	555	183	32	1,726	33	
- Gain on NPLs (fully amortised)	347	220	229	(34)	4	903	38	
Total interest income	538	641	794	48	24	2,629	34	
Interest expense	62	79	90	45	13	314	52	
Net interest income	476	562	705	48	25	2,315	32	
Non-interest income							nm	
- Gain on properties for sale	94	93	85	(10)	(9)	362	(0)	
- Service income from debt collection	(10)	20	(10)	nm	nm	37	nm	
- Others	(1)	2	5	nm	175	10	(13)	
Total non-interest income	82	115	80	(3)	(30)	409	17	
Total operating income	558	676	785	41	16	2,725	29	
Operating expenses	317	312	366	16	17	1,311	4	Efficient cost control
Pre-provision operating profit	242	364	419	73	15	1,413	66	
Expected credit loss	1	39	54	4,798	39	203	1,646	
Operating profit	240	325	364	51	12	1,210	44	
Income tax expenses	55	39	41	(25)	4	174	(8)	
Profit before minority interests	185	286	323	74	13	1,036	60	
Minority	(13)	3	(7)	nm	nm	(11)	nm	
Normalised profit	198	283	330	67	17	1,047	54	
Extra items	0	0	0	nm	nm	0	nm	
Net profit	198	283	330	67	17	1,047	54	
Key financial highlights								
Gross NPL (THB m)	8,028	9,395	9,961	24	6	9,961	24	
Gross NPA (THB m)	99	233	419	323	80	419	323	
NPL & NPA purchase (THB m)	1,018	541	992	(3)	83	3,516	4	
NPL & NPA cash collection (THB m)	931	1,015	990	6	(2)	3,704	15	
Cash collection/NPL & NPA (%)	47.8	42.5	39.6			40.0		
Key financial ratios								
Liabilities/equity (x)	2.0	1.9	1.5			1.5		
Interest-bearing debt/equity (x)	1.7	1.7	1.2			1.2		Warrant conversion
ROA (%)	8.1	8.2	9.1			8.6		
ROE (%)	24.1	26.4	24.6			23.0		
Cost of funds (%)	4.4	4.1	4.6			4.8		
Cost to income (%)	56.7	46.1	46.6			48.1		

Sources: JMT; FSSIA

Net profit and target price revisions

We increase our 2021-22 net profit forecast by 12%/20%. The key changes in our assumptions are 1) NPL cash collection; 2) interest expenses; and 3) cost to income.

1) We revise up our 2021-22 cash collection ratio (cash collection to gross NPLs) assumptions from 31%/27% to 44%/43% due to JMT's effective debt collection.

2) We revise down our interest expense assumptions for 2021-22 by 26%/33% due to the warrant conversion which should provide sufficient cash to acquire distressed assets.

3) We revise down our cost to income assumptions in 2021-22 to 42.4%/37.9% from 43.8%/40.2% to reflect the company's efficient operating cost management.

Exhibit 12: Change of key assumptions

	2020	2021E			2022E			2023E
	Actual	Old	New	Change	Old	New	Change	New
	(THB m)	(THB m)	(THB m)	(%)	(THB m)	(THB m)	(%)	(THB m)
Interest income	2,629	3,437	3,483	1.3	4,476	4,602	2.8	5,448
Interest expense	314	482	359	(25.6)	722	485	(32.8)	562
Net interest income	2,315	2,955	3,124	5.7	3,754	4,118	9.7	4,887
Non-interest income	409	467	436	(6.5)	527	461	(12.6)	505
Total operating income	2,725	3,421	3,561	4.1	4,282	4,579	6.9	5,392
Operating expense	1,311	1,498	1,508	0.7	1,723	1,734	0.7	1,995
Pre-operating profit before tax	1,413	1,923	2,053	6.7	2,559	2,845	11.2	3,398
Expected credit loss	203	249	176	(29.5)	374	230	(38.5)	271
Tax expenses	174	335	375	12.1	437	523	19.7	625
Minority interest	(11)		0			0		
Norm. profit	1,047	1,339	1,501	12.1	1,748	2,092	19.7	2,501
Extraordinary items	0	0	0		0	0		0
Net profit	1,047	1,339	1,501	12.1	1,748	2,092	19.7	2,501
EPS (THB)	1.1	1.2	1.4	11.9	1.4	1.7	19.5	2.5
Key statistics and ratios								
Leverage ratios (x)								
Liabilities/equity	1.48	1.93	1.33		1.61	1.06		1.04
Interest-bearing debt/equity	1.25	1.81	1.16		1.53	0.96		0.94
Profitability ratio								
Cost of funds (%)	4.84	4.10	4.25		4.10	4.30		4.30
Cost to income (%)	48.14	43.79	42.36		40.24	37.88		36.99
Specific data for business								
NPL and NPA cash collection (THB m)	3,704	5,176	5,377		6,743	6,802		8,022
Cash collection to gross NPL and NPA (%)	40	31	44		27	43		43
Change y-y								
Core profit (y-y %)	61.2	45.0	43.4		30.5	39.3		19.6
NPL and NPA purchase (y-y %)	4.4	55.0	55.0		20.0	10.0		(25.0)
NPL and NPA cash collection (y-y %)	14.9	33.7	45.2		30.3	26.5		17.9

Sources: JMT; FSSIA's estimates

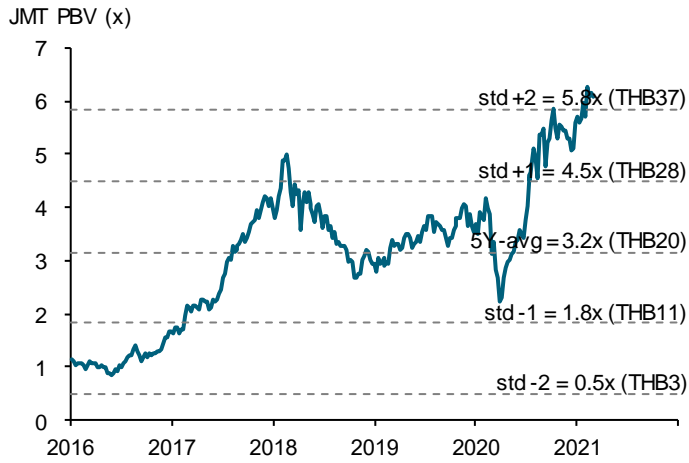
We revise up our GGM-based TP to THB52 from THB42, as we 1) increase our EPS forecast, leading to a higher book value; and 2) revise up our target 2021E P/BV from 5.6x to 6.9x to reflect our ROE target increase to 20% from 18%.

Exhibit 13: JMT – GGM-derived target price

Target price	THB 52
Recommendation	BUY (unchanged)
Risk-free rate (%)	3 (unchanged)
Market risk premium (%)	8 (unchanged)
Cost to equity (%)	9.4 (unchanged)
Terminal growth (%)	7.5 (unchanged)
ROE target (%)	20 (from 18)
Target PBV (x)	6.9 (from 5.6)
Risk to TP	Downside risks to our GGM-based TP include 1) lower cash collection from its fully amortised portfolio; and 2) the lower-than-expected acquisition of new bad debt.

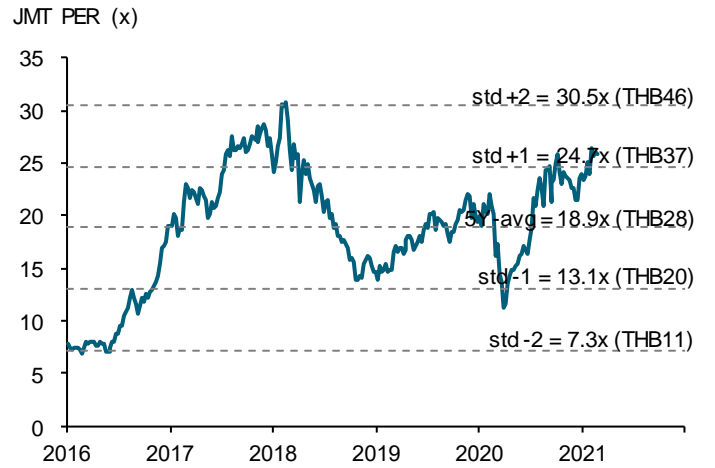
Source: FSSIA estimates

Exhibit 14: JMT – one-year prospective P/BV



Sources: Bloomberg; FSSIA estimates

Exhibit 15: JMT – one-year prospective P/E



Sources: Bloomberg; FSSIA estimates

Financial Statements

JMT Network Services

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Interest Income	1,965	2,629	3,483	4,602	5,448
Interest expense	(206)	(314)	(359)	(485)	(562)
Net interest income	1,758	2,315	3,124	4,118	4,887
Net fees & commission	-	-	-	-	-
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	0	0	0	0	0
Other income	350	409	436	461	505
Non interest income	350	409	436	461	505
Total income	2,108	2,725	3,561	4,579	5,392
Staff costs	-	-	-	-	-
Other operating costs	(1,258)	(1,311)	(1,508)	(1,734)	(1,995)
Operating costs	(1,258)	(1,311)	(1,508)	(1,734)	(1,995)
Pre provision operating profit	850	1,413	2,053	2,845	3,398
Provision for bad and doubtful debt	(12)	(203)	(176)	(230)	(271)
Other provisions	-	-	-	-	-
Operating profit	839	1,210	1,877	2,615	3,127
Recurring non operating income	0	0	0	0	0
Associates	-	-	-	-	-
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	839	1,210	1,877	2,615	3,127
Tax	(189)	(174)	(375)	(523)	(625)
Profit after tax	649	1,036	1,501	2,092	2,501
Minority interests	32	11	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	681	1,047	1,501	2,092	2,501
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	681	1,047	1,501	2,092	2,501
Per share (THB)					
Recurring EPS *	0.77	1.05	1.35	1.73	2.50
Reported EPS	0.77	1.05	1.35	1.73	2.50
DPS	0.58	0.86	0.85	1.00	1.75
Growth					
Net interest income (%)	29.4	31.7	34.9	31.8	18.7
Non interest income (%)	24.3	16.9	6.7	5.7	9.6
Pre provision operating profit (%)	27.9	66.1	45.3	38.6	19.4
Operating profit (%)	26.1	44.2	55.1	39.3	19.6
Reported net profit (%)	34.8	53.7	43.4	39.3	19.6
Recurring EPS (%)	28.3	36.5	28.7	27.8	44.8
Reported EPS (%)	28.3	36.5	28.7	27.8	44.8
Income Breakdown					
Net interest income (%)	83.4	85.0	87.7	89.9	90.6
Net fees & commission (%)	-	-	-	-	-
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	16.6	15.0	12.3	10.1	9.4
Operating performance					
Gross interest yield (%)	-	-	-	-	-
Cost of funds (%)	4.23	4.84	4.25	4.30	4.30
Net interest spread (%)	(4.23)	(4.84)	(4.25)	(4.30)	(4.30)
Net interest margin (%)	-	-	-	-	-
Cost/income(%)	59.7	48.1	42.4	37.9	37.0
Cost/assets(%)	13.6	10.7	8.9	7.4	7.0
Effective tax rate (%)	22.6	14.4	20.0	20.0	20.0
Dividend payout on recurring profit (%)	75.3	81.8	63.1	57.9	70.0
ROE (%)	20.1	23.0	21.3	19.2	18.1
ROE - COE (%)	9.3	12.2	10.5	8.4	7.3
ROA (%)	7.0	8.5	8.9	8.9	8.8
RORWA (%)	-	-	-	-	-

* Pre-exceptional, pre-goodwill and fully diluted

Sources: JMT Network Services; FSSIA estimates

Financial Statements

JMT Network Services

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Gross customer loans	8,028	9,961	13,474	17,173	18,961
Total provisions	(107)	(287)	(436)	(632)	(865)
interest in suspense	0	160	269	343	379
Net customer loans	7,921	9,834	13,308	16,885	18,475
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	363	1,366	2,732	6,831	6,489
Cash & equivalents	317	967	764	489	298
Other interesting assets	101	412	432	479	553
Tangible fixed assets	163	411	269	282	296
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	1,277	1,281	1,945	2,774	2,901
Total assets	10,142	14,270	19,451	27,740	29,013
Customer deposits	-	-	-	-	-
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	5,783	7,187	9,702	12,836	13,286
Non interest bearing liabilities	926	1,329	1,395	1,465	1,538
Hybrid Capital	-	-	-	-	-
Total liabilities	6,708	8,516	11,098	14,301	14,824
Share capital	444	488	545	600	600
Reserves	2,952	5,236	7,808	12,839	13,589
Total equity	3,396	5,724	8,353	13,439	14,189
Minority interests	38	30	0	0	0
Total liabilities & equity	10,142	14,270	19,451	27,740	29,013
Supplementary items					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	n/a	n/a	n/a	n/a	n/a
Average interest bearing liabilities	4,874	6,485	8,445	11,269	13,061
Tier 1 capital	n/a	n/a	n/a	n/a	n/a
Total capital	0	0	0	0	0
Gross non performing loans (NPL)	n/a	n/a	n/a	n/a	n/a
Per share (THB)					
Book value per share	3.82	5.75	7.52	11.11	14.20
Tangible book value per share	3.82	5.75	7.52	11.11	14.20
Growth					
Gross customer loans	34.2	24.1	35.3	27.4	10.4
Average interest earning assets	-	-	-	-	-
Total asset (%)	21.3	40.7	36.3	42.6	4.6
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	-	-	-	-	-
Leverage & capital measures					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	33.5	40.1	42.9	48.4	48.9
Tangible equity/assets (%)	33.5	40.1	42.9	48.4	48.9
RWA/assets (%)	-	-	-	-	-
Tier 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
Asset Quality					
Change in NPL (%)	-	-	-	-	-
NPL/gross loans (%)	-	-	-	-	-
Total provisions/gross loans (%)	1.3	2.9	3.2	3.3	4.6
Total provisions/NPL (%)	-	-	-	-	-
Valuation					
Recurring P/E (x) *	54.5	40.0	31.1	24.3	16.8
Recurring P/E @ target price (x) *	67.5	49.5	38.4	30.1	20.8
Reported P/E (x)	54.5	40.0	31.1	24.3	16.8
Dividend yield (%)	1.4	2.0	2.0	2.4	4.2
Price/book (x)	11.0	7.3	5.6	3.8	3.0
Price/tangible book (x)	11.0	7.3	5.6	3.8	3.0
Price/tangible book @ target price (x)	13.6	9.1	6.9	4.7	3.7

Sources: JMT Network Services; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PTG	PTT	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TMB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TSC	TSR	TSTE	TSTH	TTA
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

Description

Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

Disclaimer:

The disclosure of the survey results 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 results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; ** delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

Anti-corruption Progress Indicator 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANAH	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOIL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TMB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO
ZEN	TRUE									

DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

Disclaimer:

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, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Yuvanart Suwanumphai FSS International Investment Advisory Securities Co., Ltd

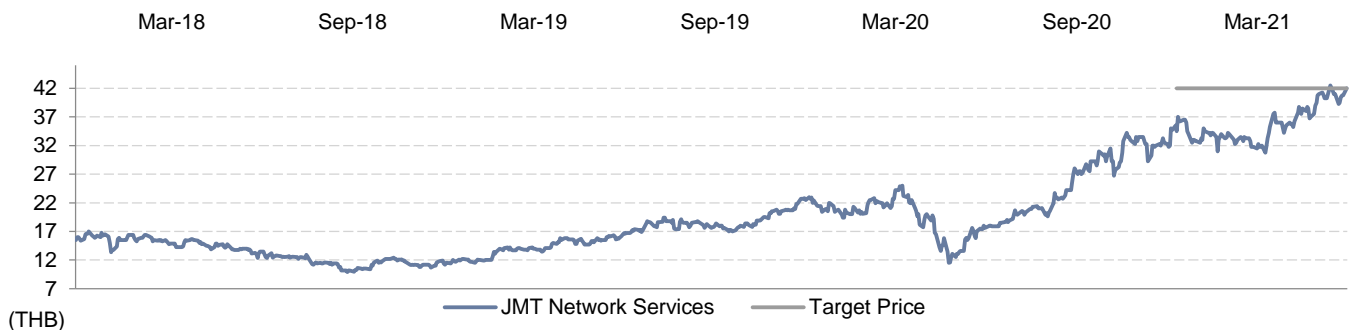
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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History of change in investment rating and/or target price

JMT Network Services (JMT TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
05-Oct-2020	BUY	42.00	-	-	-	-	-	-

Yuvanart Suwanumphai started covering this stock from 05-Oct-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
JMT Network Services	JMT TB	THB 42.00	BUY	Downside risks to our GGM-based TP include 1) lower cash collection from its fully amortised portfolio; and 2) the lower-than-expected acquisition of new bad debt.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

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All share prices are as at market close on 01-Mar-2021 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.