

8 JUNE 2021

THAILAND / TECHNOLOGY

DITTO (THAILAND) DITTO TB

BUY

TARGET PRICE	THB21.00
CLOSE	THB16.70
UP/DOWNSIDE	+25.7%
TP vs CONSENSUS	-19.2%

From paper-based to paperless

การผสมผสานที่ีระหว่างธุรกิจเดิบทอสูงและธุรกิจที่สร้างรายได้สม่ำเสมอ DITTO เป็นบริษัทเทคโนโลยีและนวัตกรรมที่กำลังเปลี่ยนแปลงการทำธุรกิจไปสู่ธุรกิจที่มีโอกาสในการเติบโตสูงอย่างการแปลงและจัดการเอกสารที่พิมพ์บนกระดาษเป็นเอกสารออนไลน์ แม้ว่ากระแสรายได้อาจไม่สม่ำเสมอในช่วงการเปลี่ยนแปลงดังกล่าว บริษัท ยังมีจุดแข็งในแง่ที่ว่าบริษัท ยังมีธุรกิจที่โอกาสเติบโตต่ำ แต่รายได้สม่ำเสมอ เช่น ธุรกิจให้เช่าเครื่องถ่ายเอกสาร ซึ่งน่าจะสร้างกระแสเงินสดที่สม่ำเสมอในช่วง 3 ปีข้างหน้า นอกจากนี้บริษัท ยังเป็นหนึ่งในผู้นำรับเหมางานโครงการวิศวกรรมที่เน้นการใช้เทคโนโลยี ซึ่งทำให้บริษัท มีรายได้ต่อเนื่องจากโครงการเหล่านี้ ปัจจัยดังกล่าวจะทำให้บริษัท สามารถรายงานอัตราการเติบโตของกำไรที่โดดเด่น โดยคาดว่ากำไรสุทธิจะโต 44% y-y ในปี 2022 และ 38% CAGR ในช่วงปี 2021-23

เกาะกระแสดิจิทัลด้วยธุรกิจบริการบริหารจัดการเอกสารและข้อมูล (DDM)

ความสำเร็จของบริษัท ในด้าน DDM ชี้ให้เห็นว่า DITTO ได้รับความเชื่อถือจากลูกค้าของบริษัท กล่าวคือ หน่วยงานรัฐบาล (เช่น ศาลยุติธรรม) และบริษัทขนาดใหญ่ (เช่น Central group) และสามารถบริหารจัดการโครงการขนาดใหญ่ได้ ฐานลูกค้าที่ติดตั้งแล้ว โดยเฉพาะหน่วยงานรัฐบาล น่าจะให้งานที่ต่อเนื่องแก่ DITTO จากทั้งหน่วยงานรัฐบาลเดิมและหน่วยงานอื่น ๆ เราเห็นว่าหน่วยงานรัฐบาลจะเป็นหนึ่งในตลาดที่ต้องการแปลงเอกสารให้สามารถใช้ออนไลน์ได้มากที่สุด

ประวัติผลงานดีพร้อมโอกาสในการขยายฐานลูกค้า

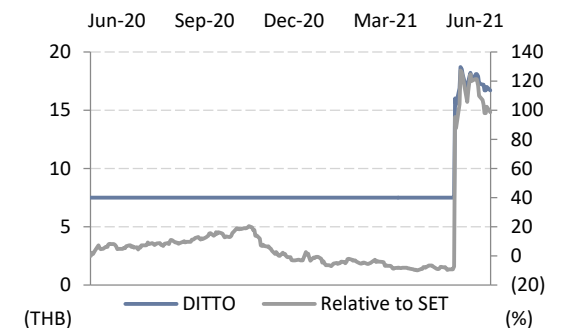
ความสำเร็จของบริษัท ในด้าน DDM ชี้ให้เห็นว่า DITTO ได้รับความเชื่อถือจากลูกค้าของบริษัท กล่าวคือ หน่วยงานรัฐบาล (เช่น ศาลยุติธรรม) และบริษัทขนาดใหญ่ (เช่น Central group) และสามารถบริหารจัดการโครงการขนาดใหญ่ได้ ฐานลูกค้าที่ติดตั้งแล้ว โดยเฉพาะหน่วยงานรัฐบาล น่าจะให้งานที่ต่อเนื่องแก่ DITTO จากทั้งหน่วยงานรัฐบาลเดิมและหน่วยงานอื่น ๆ เราเห็นว่าหน่วยงานรัฐบาลจะเป็นหนึ่งในตลาดที่ต้องการแปลงเอกสารให้สามารถใช้ออนไลน์ได้มากที่สุด

เริ่มด้วยคำแนะนำซื้อจากอัตรการเติบโตที่อยู่ในระดับสูงและข้อได้เปรียบในแง่ผู้ให้บริการที่มีน้อย

เราเริ่มรายงาน DITTO ด้วยคำแนะนำซื้อที่ราคาเป้าหมาย 21 บาท (41x ของค่า 2022E P/E ซึ่งคิดเป็น 0.9x ของค่า PEG) เราเชื่อว่าระดับการประเมินมูลค่าที่สูงกว่าของบริษัท สมเหตุสมผลโดยมีเหตุผลจาก 1) การเติบโตของกำไรที่โดดเด่นพร้อมอัตราผลตอบแทนจากส่วนผู้ถือหุ้นและอัตรการกำไรที่กำล้งปรับตัวขึ้น; และ 2) โครงสร้างธุรกิจที่เป็นเอกลักษณ์ที่สามารถเกาะกระแสความต้องการเอกสารที่ไม่ใช้กระดาษ

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	986	1,090	1,336	1,678
Net profit	114	157	226	298
EPS (THB)	0.35	0.38	0.51	0.68
vs Consensus (%)	-	8.6	4.1	-
EBITDA	208	252	344	447
Core net profit	114	157	226	298
Core EPS (THB)	0.35	0.38	0.51	0.68
Chg. In EPS est. (%)	nm	nm	nm	nm
EPS growth (%)	100.5	9.5	35.5	31.9
Core P/E (x)	48.3	44.1	32.5	24.7
Dividend yield (%)	1.9	1.1	1.6	2.2
EV/EBITDA (x)	27.8	20.4	15.3	11.8
Price/book (x)	16.6	5.4	4.8	4.1
Net debt/Equity (%)	84.6	(36.0)	(22.3)	(18.6)
ROE (%)	38.4	23.1	20.7	23.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	7.7	n/a	n/a
Relative to country (%)	5.9	n/a	n/a
Mkt cap (USD m)	236		
3m avg. daily turnover (USD m)	n/a		
Free float (%)	66		
Major shareholder	Ratanakamolporn family (64%)		
12m high/low (THB)	20.10/15.00		
Issued shares (m)	3,145.90		

Sources: Bloomberg consensus; FSSIA estimates


Yuvanart Suwanumphai

 yuvanart.suw@fssia.com
 +66 2611 3554

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

บทความวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 8 มิถุนายน 2021

Investment thesis

DITTO is a technology and innovation company which is in the process of transforming itself into more of a star business, like converting and managing paper-based documents to online documents. Although the income stream might be inconsistent during the transformation, the company's strength is that it still has cash cow businesses which can generate a recurring cash flow stream over the next three years. DITTO is also one of the leaders in innovative technology engineering projects, providing it with continuous income from these projects. This should allow it to deliver outstanding bottom-line growth with 2022E net profit growth of 44% y-y and a projected 38% 3-yr CAGR from 2020-23.

We initiate coverage on DITTO with a BUY rating and a TP of THB21 pegged at 41x 2022E P/E, implying a 0.9x PEG. We believe its premium valuation is justified by 1) its outstanding bottom-line growth; and 2) its unique business structure which can ride the paperless trend.

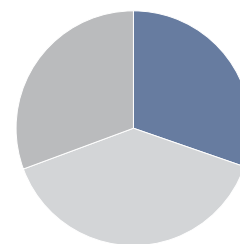
Company profile

DITTO is a technology and innovation company. Its main business can be divided into three groups: 1) document and data management solutions; 2) technology & engineering services; and 3) document services & other solutions.

www.dittothailand.com

Principal activities (revenue, 2020)

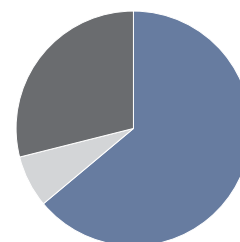
- Document service and other solutions - 30.3 %
- Document and data management solutions - 39.0 %
- Technology and engineering services - 30.6 %



Source: Ditto (THAILAND)

Major shareholders

- Ratanakamolporn family - 63.9 %
- Suamornrattanukul family - 7.2 %
- Others - 28.9 %



Source: Ditto (THAILAND)

Catalysts

Potential share price catalysts for DITTO include:

- Getting new data management service jobs from large corporates or government agencies;
- Getting new technology engineering projects;
- Effective cost control.

Risks to our call

Downside risks to our PEG-based TP include 1) technological changes that will affect competitiveness; and 2) income and gross margin inconsistency due to the nature of the project service business.

Event calendar

Date	Event
Mid-Aug 2021	2Q21 results announcement

Key assumptions

	2021E	2022E	2023E
	(%)	(%)	(%)
Net profit (THB m)	157	226	298
Net profit growth	37.1	44.2	31.9
Sales growth	10.5	22.6	25.6
Gross margin	29.3	31.7	32.7
EBITDA margin	23.2	25.8	26.7
Net margin	14.4	16.9	17.7

Source: FSSIA estimates

Earnings sensitivity

		2021E		2021E	
Sales growth (%)	±1ppt	9.5	10.5	11.5	
% change in net profit		(2.0)	-	(2.0)	
Gross margin (%)	±1ppt	28.3	29.3	30.3	
% change in net profit		(6.0)	-	6.0	
SG&A to sales (%)	±1ppt	10.0	11.0	12.0	
% change in net profit		(5.0)	-	(5.0)	

Source: FSSIA estimates

DITTO at first glance

Ditto (Thailand) Public Company Limited (DITTO) was established on October 1, 2013 as a result of a merger between Siam Royal Industry Company Limited, Copy Man Rental Company Limited and the Ditto (Thailand) Company.

The Company's main business can be divided into three groups:

1. Document and data management solutions (DDM) – 50% of total GP

The company focuses on providing comprehensive document and data management services for organisations. DITTO converts its customers' paper-based documents to online documents (document digitisation) and creates a table of contents for easy searching (document indexing). Then, these online documents are stored in a system so that customers can more efficiently use them as needed. Optionally, the company is also able to create customised software to manage its clients' data for use according to the specified work process.

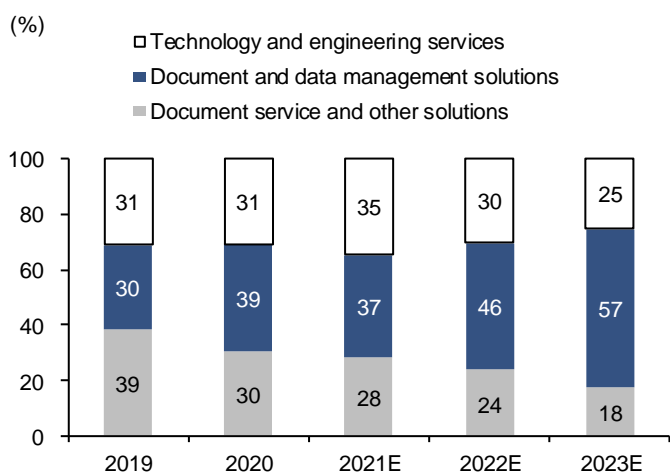
2. Technology & engineering services (TES) – 29% of total GP

DITTO offers technology engineering for government agency projects, which can be divided according to the service system, such as planetarium and museum systems, telemetry (supervisory control and data acquisition (SCADA)) systems, indoor technology systems, and other types of projects.

3. Document services & other solutions (DS) – 21% of total GP

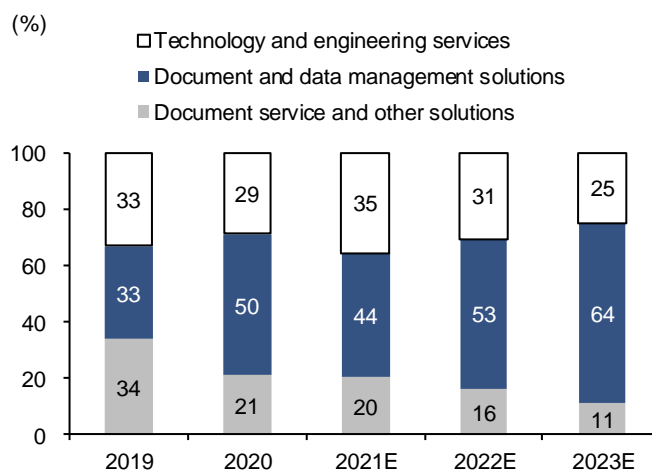
This is DITTO's original business. The company provides photocopier rental services, copier and printer sales, and sales of related printing equipment. DITTO also provides copier and printer maintenance services. Additionally, the company has expanded its business to sell drive-through and point of sale (POS) systems.

Exhibit 1: DITTO's revenue structure



Sources: DITTO; FSSIA estimates

Exhibit 2: DITTO's gross margin structure



Sources: DITTO; FSSIA estimates

DDM business – riding the digital trend

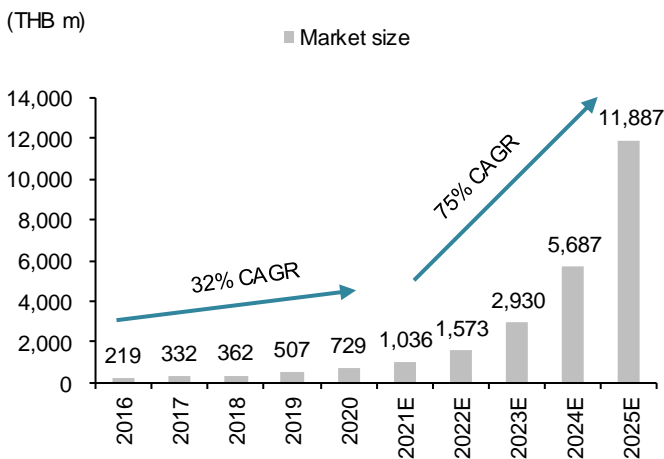
DITTO originally started its business from copier rentals. Since 2015, it has entered into the DDM business (converting and managing paper-based documents to online documents), as management recognised the digital transformation trend, paperless in particular, in large organisations and government agencies.

Digital transformation trend

In the past, Thai companies and government agencies collected paper-based data. However, nowadays, especially amid the spread of Covid-19, many of them have changed to collect extremely large data sets on online platforms. Therefore, to achieve a seamless workflow, they need to change from paper-based to paperless data.

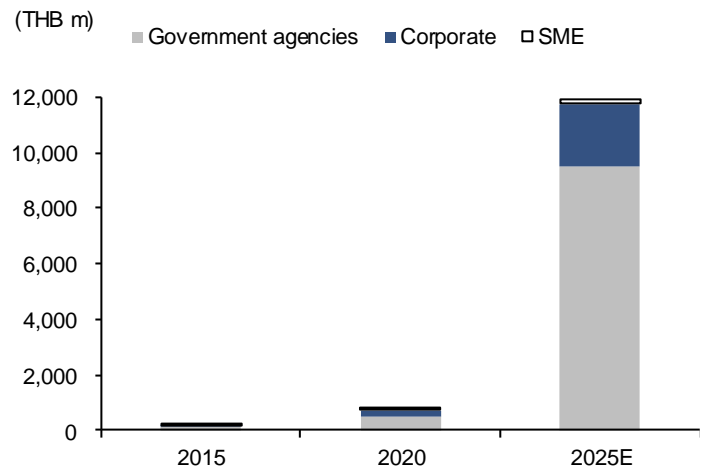
According to Frost and Sullivan, the market size of digital data management in Thailand could increase significantly at a 75% 5-yr CAGR from 2021-25 to THB11.9b from THB729m in 2020. The government agency segment will likely post the fastest growth as they tended to collect large amounts of data in paper-based form. For example, the nationwide courts of justice have at least 2 billion pages of legal documents that need to be transformed to online documents.

Exhibit 3: Expected digital data management market size during 2015-25



Source: Frost and Sullivan

Exhibit 4: Expected 2025 digital data management market size by segment

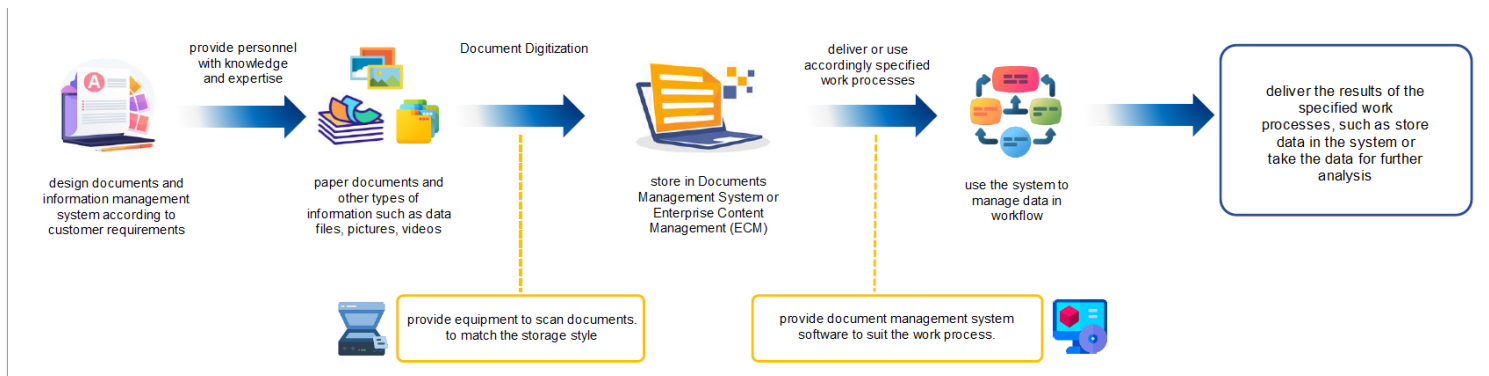


Source: Frost and Sullivan

More than ready to grab the opportunity

DITTO offers a comprehensive range of services, including 1) digitising documents by scanning documents; 2) preparing a table of contents or document indexing for easy and effective use of these online data sets; and 3) (optionally) providing customised software to match each organisation’s needs.

Exhibit 5: DITTO offers comprehensive data management services



Sources: DITTO; FSSIA's compilation

According to Frost and Sullivan, the market for only document scanning services or only document management software services is relatively fragmented. However, there are limited players who have the capability of both software services and document management systems. This is because it is necessary to have expertise in designing document management systems to support the variety of needs that customers might have, as well as having a large team of personnel to manage large volumes of documents and facilitate the customers' use. This makes DITTO more outstanding than its peers, with the company ranking number one in the market.

Exhibit 6: The top three companies with revenue from digital information management >THB100m in 2020

Company name		2020 revenue
		(THB m)
1	Ditto (Thailand)	343.43
2	KDC (Krungthep Document)	108.16
3	SO Next	103.36

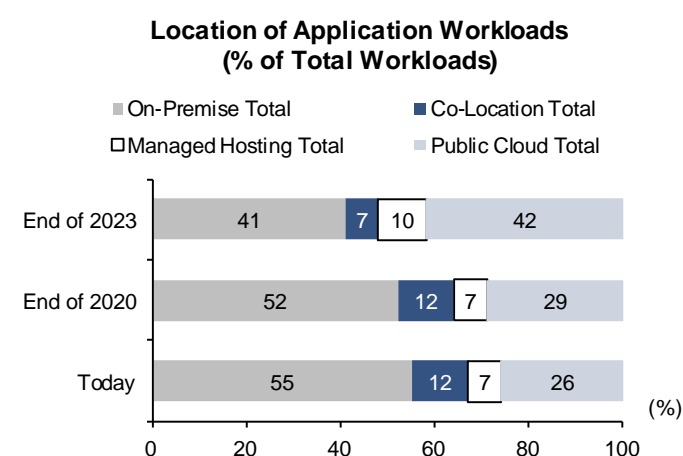
Source: Frost and Sullivan

Solid track record with plenty of opportunities to expand its client base

Its achievements indicate that the company has gained the trust of its customers, both from large companies and government agencies, in its data management services. Examples of its corporate clients include the Central group, Siam Commercial Bank (SCB TB, BUY, TP THB140), Bank of Ayudhya (BAY TB, not rated), The Siam Cement (SCC TB, BUY, TP THB494), etc. Regarding government agencies, take the courts of justice, which has a very complex working structure, as an example. We believe there are at least 1 billion pages of paper lawsuits coming in annually (including the original archives for several years). We think that this project cannot be completed within one phase, but there would be consequent phases required. DITTO has an advantage over its competitors in that it has proven its work in the first phase. Furthermore, it could control costs and work more effectively as a result of lessons learned. Therefore, the chance of getting consecutive phases of work for the courts of justice is quite high, in our view.

In addition, the digital transformation penetration rate of government agencies in Thailand is very low, and thus there are plenty of opportunities to expand to other agencies. DITTO was recently assigned by the Department of Lands to convert land documents attached to the title deed to online documents.

Exhibit 7: Survey of working on cloud systems of 100 CIOs in the US and EU



Source: AlphaWise

Exhibit 8: Worldwide market size of cloud services (USD m)

	2019	2020	2021E	2022E
	(USD m)	(USD m)	(USD m)	(USD m)
Cloud business process service (BPaaS)	45,212	43,438	46,287	49,509
Cloud application infrastructure service (PaaS)	37,512	43,498	57,337	72,022
Cloud application services (SaaS)	102,064	104,672	120,990	140,629
Cloud management and security services	12,836	14,663	16,089	18,387
Cloud system infrastructure services (IaaS)	44,457	50,393	64,294	80,980
Desktop as a service (DaaS)	616	1,203	1,951	2,535
Total market	242,697	257,867	306,948	364,062

Source: Gartner

The company plans to develop a document management system to provide cloud-based services in the form of software as a service (SaaS). We think the expansion into SaaS will enable the company to expand its customer base to SMEs, which are considered a large group of customers in Thailand. SaaS would allow SMEs to work more efficiently without having to invest in hardware and software themselves. They just pay a monthly/yearly subscription fee to DITTO.

We think this business model would generate recurring income and provide an earnings upside for DITTO.

Lower churn rate

The contract period for DDM services is around three to seven years. We believe that most clients would renew their contracts, as the switching costs, including investing in new software and training costs for their staffs, are quite high. Moreover, DDM operations are not the customers' main business operations. The company's services, therefore, reduce the burden on customers in terms of management and human resources.

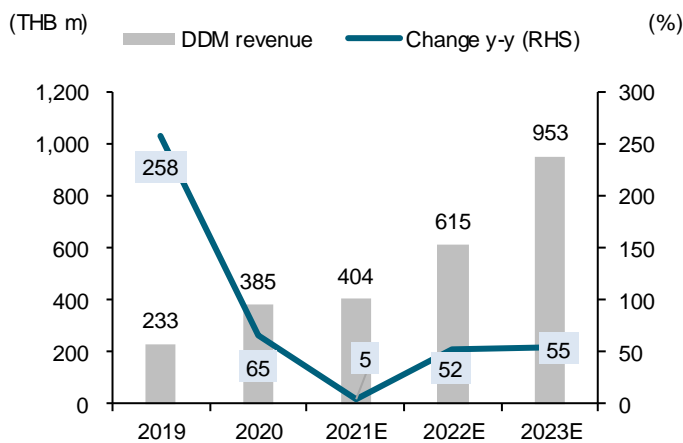
Vertical growth opportunity

We think that the company can expand its business from providing upstream services to converting and storing data in electronic systems to provide midstream or downstream services, such as data analytics, big data, and cyber-security. DITTO has recently been assigned by Krung Thai Bank (KTB TB, HOLD, TP THB12.7) to develop a cyber-security system. The project value is around THB500m, to be delivered within five years.

Solid revenue growth and profitability improving

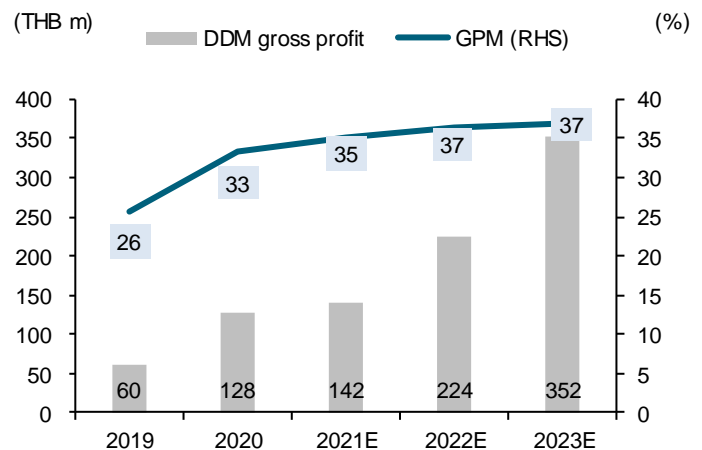
Due to the digitalisation trend and DITTO's readiness to grab this opportunity, we expect the company's DDM's revenue to increase substantially at a 35% 3-yr CAGR from 2021-23. Its profitability margin should also increase thanks to the greater operating leverage and the lessons learned from past projects.

Exhibit 9: DDM revenue and growth rate



Sources: DITTO; FSSIA estimates

Exhibit 10: DDM gross profit



Sources: DITTO; FSSIA estimates

Exhibit 11: Unrealised revenue of DDM business (as of Dec 2020)

Type of product and project	Contract period	Project value (THB m)	Realised revenue (THB m)	Unrealised revenue (THB m)
Business process outsourcing	Oct 2018 - Dec 2025	> 116.42	19	97
Business process outsourcing	Jan 2020 - Dec 2021	31	15	16
Business process outsourcing	Aug 2020 - Jul 2021	5	2	3
The courts of justice project	Jun 2019- May 2022	280	138	142

Sources: DITTO; FSSIA's compilation

TES business – expert in innovative technology engineering

DITTO is one of the leaders in the TES business. Due to its outstanding and reliable past projects, its high product quality, skilled personnel, and having good relations with government agencies, the company has continuously received projects from government agencies.

Its accomplished projects include:

1) A planetarium and museum: Bangkok Planetarium and the Fossil Geology and Natural Sciences Museum in Surathani province. DITTO was responsible for the design, procurement and installation of a sky system/museum. These are specific systems requiring innovative expertise to complete the projects.

Exhibit 12: Bangkok Planetarium



Source: Time Out Bangkok

Exhibit 13: Museum in Surathani province



Source: Company data

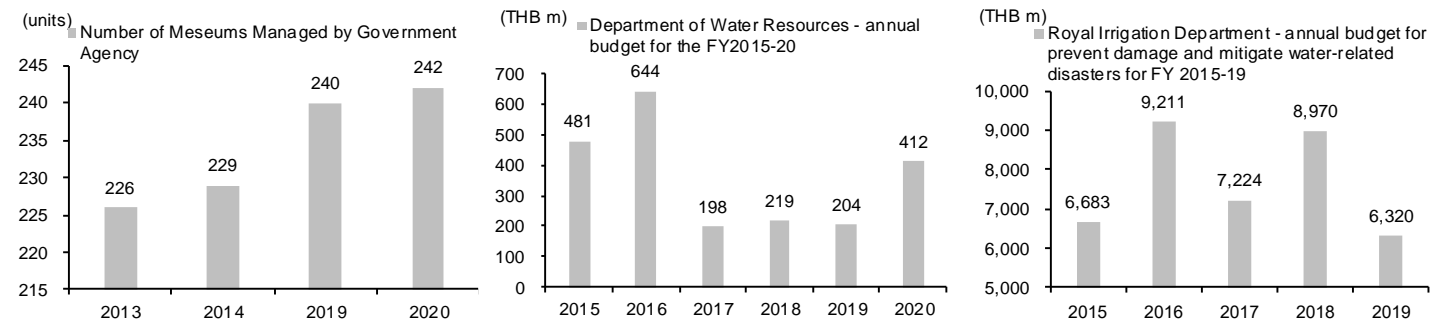
2) Supervisory control and data acquisition (SCADA) systems: A long-distance automatic water condition monitoring system in various river basins or an early warning system for areas prone to flooding or landslides. Its main clients are the Royal Irrigation Department and Water Resources Department. DITTO's service range includes area surveys, design, equipment procurement, and installation of control stations. In addition, the company also provides maintenance and repair services for telemetry systems.

Exhibit 14: SCADA system



Source: Company data

Exhibit 15: Plenty of opportunities to expand its TES as the number of museums and the budgets of the Department of Water Resources and Royal Irrigation Department are expected to increase



Source: DITTO's filing

Projects undertaken by DITTO are mostly government agency projects that require specialised knowledge and skills, especially innovative engineering knowledge. We think undertaking these projects has many advantages.

First, there are few competitors, leading to low price competition. As a result, the company would potentially have a relatively high profit margin. Second, government agencies normally assign the same company to complete successive works. Additionally, they may assign the same company to do new projects that has similar job characteristics. We, therefore, believe DITTO has a very high chance to get these jobs in the future. Lastly, as the projects that the company normally chooses to do have similar work characteristics, we expect that the company's learning curve would continue to increase. As a result, it could potentially work more efficiently, resulting in higher profit margins in the future.

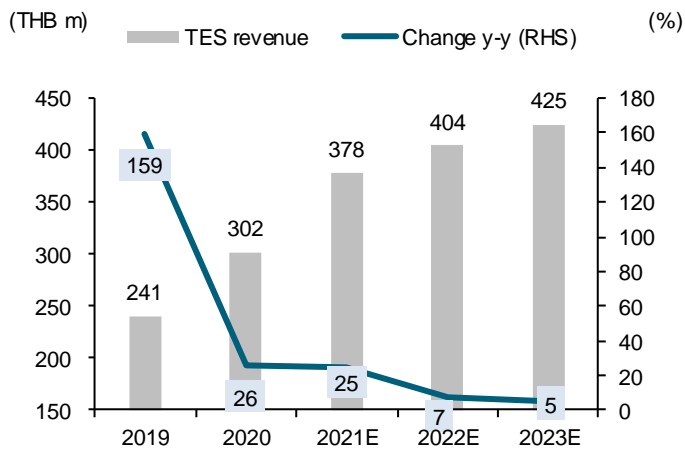
Exhibit 16: DITTO's GM was higher than other system integrators as it focused on innovation and technology projects

BBG	Company Name	Gross Profit	
		2019	2020
AT	Advanced Information Technology PCL	15.4	17.4
ALT	ALT Telecom PCL	9.3	6.3
CSS	Communication & System Solution PCL	13.6	13.6
FORTH	Forth Corp PCL	23.6	23.6
ICN	Information & Communication Networks PCL	15.9	15.9
ILINK	Interlink Communication PCL	17.7	15.1
INET	Internet Thailand PCL	27.6	27.6
INSET	Infrasnet PCL	17.5	17.5
ITEL	Interlink Telecom PCL	20.1	22.9
SATEL	Samart Telcoms PCL	14.2	14.2
SCI	SCI Electric PCL	8.1	13.6
Average		16.6	17.0
DITTO	Ditto (Thailand)	25.0	24.0

Sources: Bloomberg; FSSIA's compilation

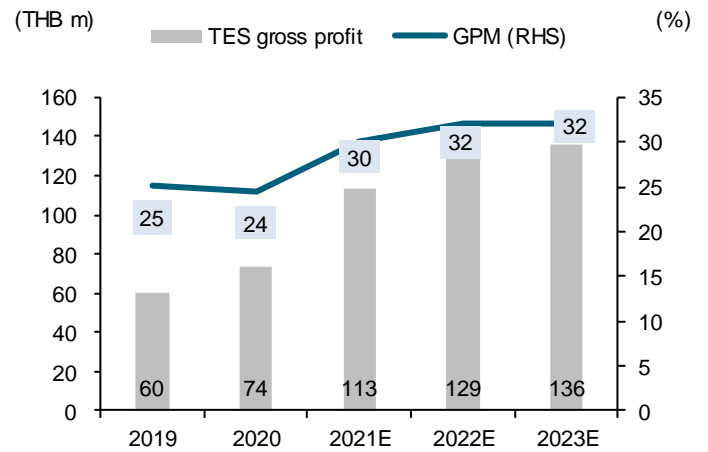
We, therefore, expect its revenue and margin from the TES business to continue to increase continuously over the next three years. Its TES revenue and gross profit should rank the second highest out of its total revenue and gross profit.

Exhibit 17: TES revenue and growth rate



Sources: DITTO; FSSIA estimates

Exhibit 18: TES gross profit



Sources: DITTO; FSSIA estimates

Exhibit 19: Unrealised revenue of TSE business (as of Dec 2020)

Type of product and project	Contract period	Project value	Realised revenue	Unrealised revenue
		(THB m)	(THB m)	(THB m)
Early warning system installation	May 2020 - Mar 2021	126	62	64
Planetarium projector and accessories acquisition	Sep 2019 - Jan 2021	55	36	19
Automatic remote flood monitoring system	May 2020 - Mar 2021	69	56	14
Refuse-derived fuel system	Nov 2018 - Apr 2021	159	152	8

Sources: DITTO; FSSIA's compilation

DS business – cash cow to generate recurring revenue stream

We can see that the copier and printer rental business has low growth prospects, due to the increasing paperless and work-from-anywhere trends. However, we think DITTO's revenue from this rental business would only slightly drop during 2021-23 due to two reasons. First, the company has been providing this business for a long time. Therefore, it has gained trust from its customers who are large companies that have been using the its services. Moreover, from its long experience, we expect that the company will be able to meet the needs of new potential customers. Second, most of the business models consist of lease contracts averaging three to five years.

Exhibit 20: Examples of rental copier brands – Canon, OKI, Samsung, etc.



Source: Company data

Exhibit 21: Examples of drive-through equipment

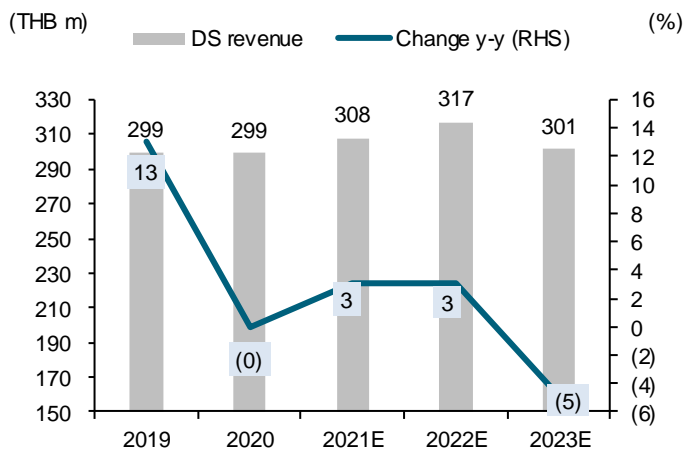


Source: Company data

DITTO has also expanded into selling electronic equipment, e.g. drive-through equipment. The company has been appointed as a distributor of drive-through equipment and systems under the HME brand, one of the world's largest manufacturers and distributors of drive-through systems. Most drive-through chains in Thailand use this brand to operate, according to management. Hence, we expect the potential increase in selling electronics equipment to offset the decline in rental copier and printer revenue in the future.

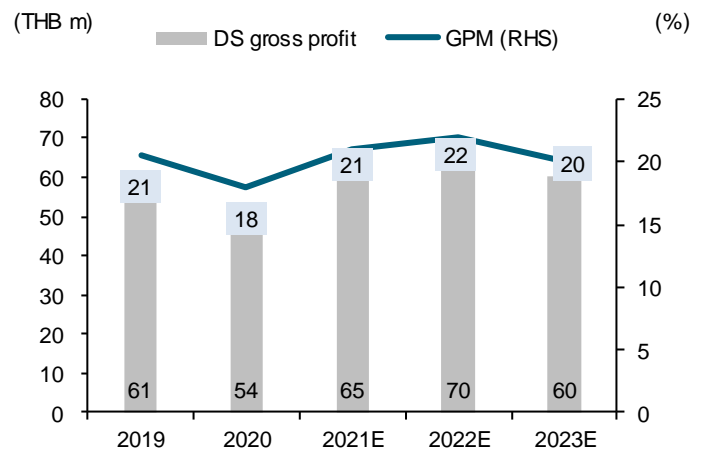
We, therefore, believe that the DS business could generate a recurring cash flow stream over the next three years, which is during the transition to the digital age when the income from the DDM business may not be very consistent.

Exhibit 22: DS revenue and growth rate



Sources: DITTO; FSSIA estimates

Exhibit 23: DS gross profit



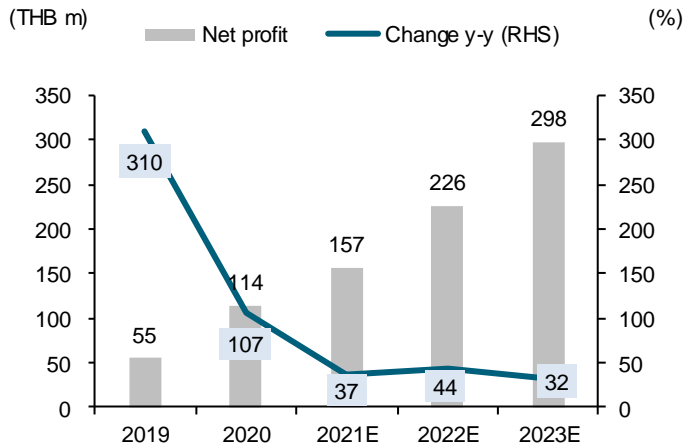
Sources: DITTO; FSSIA estimates

Financial highlights

Earnings could more than double in the next three years

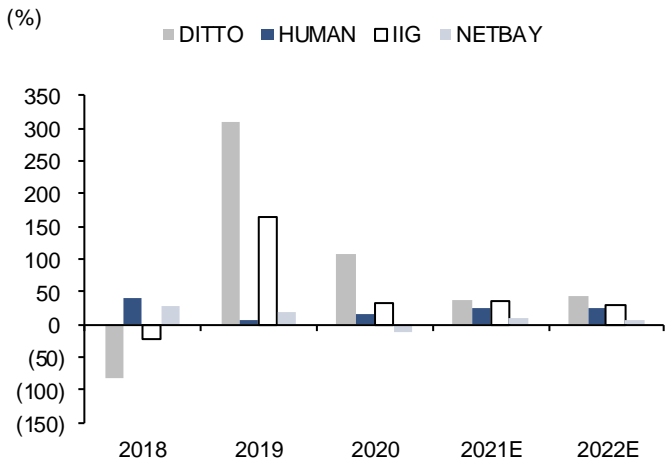
We expect DITTO to deliver solid net profit growth of 44% y-y in 2022 and project a 38% 3-yr CAGR from 2021-23, backed by 1) strong top line growth, mainly from the DDM business; and 2) an improvement in its profitability margin due to a significant rise in its high-margin business, along with an increase in its operating leverage.

Exhibit 24: DITTO could deliver solid net profit growth



Source: Company data; FSSIA estimates

Exhibit 25: DITTO net profit growth vs peers



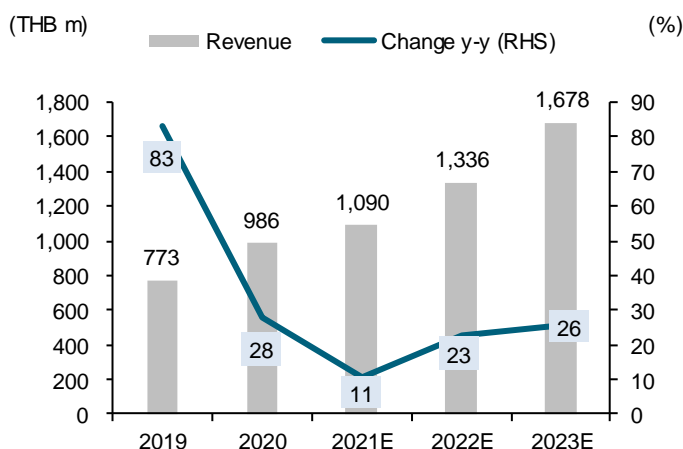
Source: Company data; FSSIA estimates

1) Robust revenue growth

We expect DITTO to post robust revenue growth of 23% in 2022 with a 19% 3-yr CAGR from 2021-23. DDM revenue will likely increase at the highest rate due to the digital transformation trend along with the company's strong reputation, potentially leading to acquiring more DDM projects from both large companies and government agencies. The TSE business should post the second highest growth over the next three years, while we think the revenue from DS will be only relatively stable due to the increasing paperless trend.

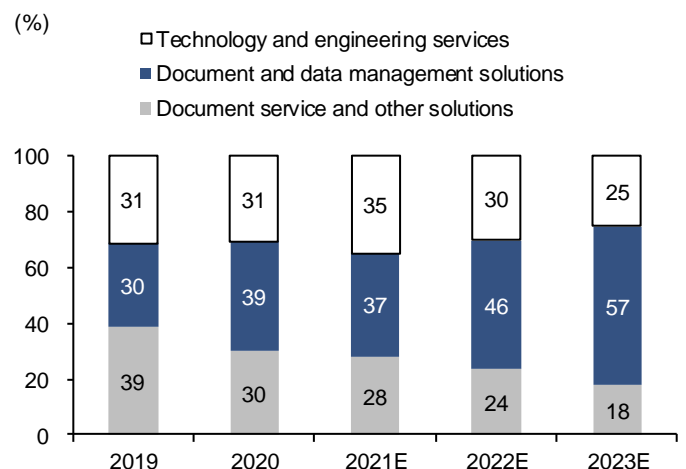
We expect that DITTO's revenue structure will change substantially. The DDM business will likely play the most important role, with 57% of total revenue in 2023 vs 39% in 2020, based on our estimate.

Exhibit 26: DITTO's total revenue growth



Source: Company data; FSSIA estimates

Exhibit 27: DITTO's revenue breakdown



Source: Company data; FSSIA estimates

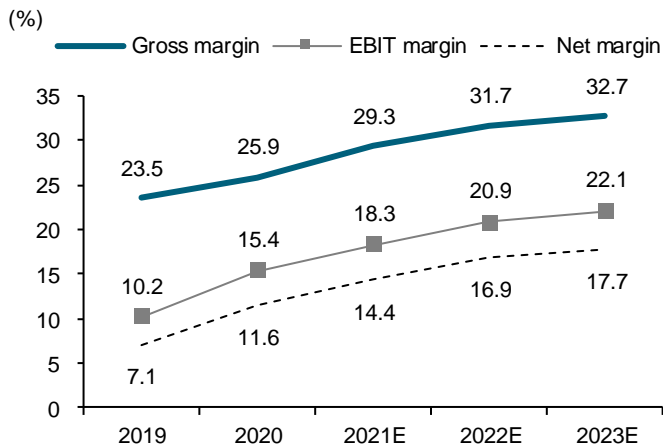
2) Significant margin improvement

We expect DITTO's net margin to continuously improve to 17.7% in 2023 from 11.6% in 2020, driven by an increase in its gross margin and a stable SG&A to sales ratio.

We forecast DITTO's gross margin to surge to 32.7% in 2023 from 25.9% in 2020 due to two reasons. First, we expect DITTO to gain more experience from delivering many more projects, resulting in more effective cost management. Accordingly, its DDM and TES businesses would have a higher gross margin. Second, we expect its higher-margin business' revenue, like DDM, to increase noticeably.

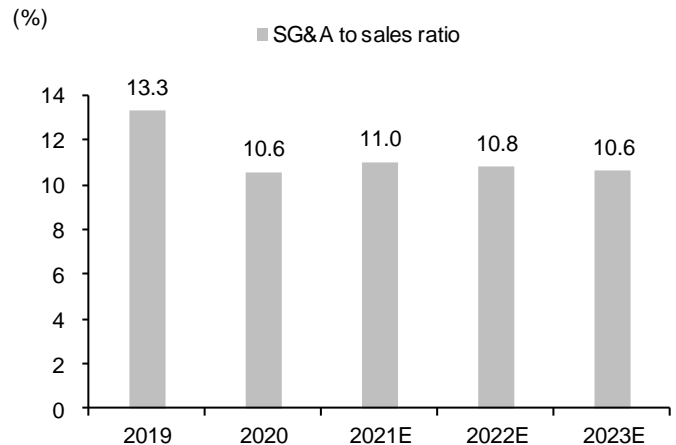
We project its SG&A to sales ratio to be maintained at the low level of 10.6% in 2023 due to an increase in its operating leverage.

Exhibit 28: DITTO's margins are in an improving trend



Source: Company data; FSSIA estimates

Exhibit 29: DITTO's SG&A to sales ratio

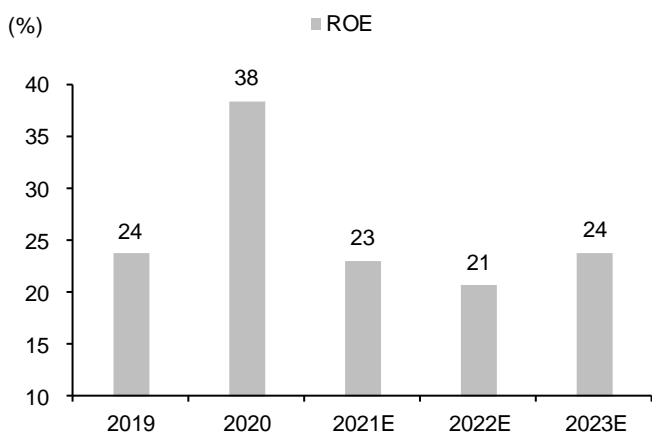


Source: Company data; FSSIA estimates

3) Improving ROE in 2023

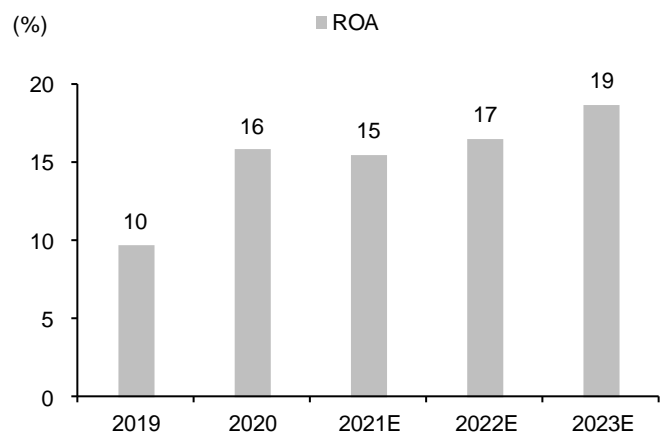
We forecast DITTO's ROE to reach the lowest point at 21% in 2022 due to the capital increase from its IPO. However, we think its ROE should noticeably improve to 24% in 2023 due to an increase in its bottom line coupled with a greater utilisation of its capital to generate revenue.

Exhibit 30: DITTO's ROE



Source: Company data; FSSIA estimates

Exhibit 31: DITTO's ROA



Source: Company data; FSSIA estimates

Stronger earnings growth momentum expected in 2H21

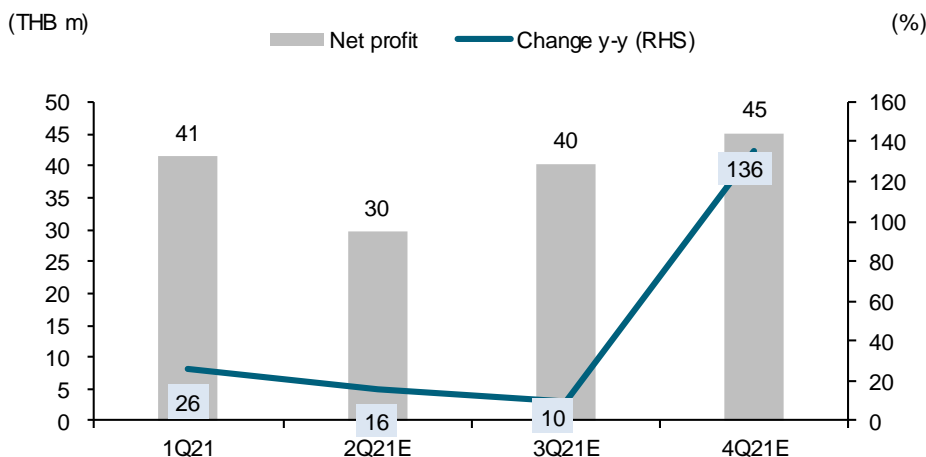
We expect DITTO to deliver stronger earnings growth momentum in 2H21, supported by its new DDM project from the Department of Lands and its cyber-security project from KTB. However, we expect DITTO to deliver soft earnings in 2Q21 at THB30m, a decline by 28% q-q due mainly to a drop in its revenue.

Exhibit 32: DITTO – 2Q21E earnings preview

Year to Dec 31	2Q20	1Q21	2Q21E	----- Change -----		1H21E	2020	2021E	Change
	(THB m)	(THB m)	(THB m)	(y-y%)	(q-q%)	%21E	(THB m)	(THB m)	(y-y%)
Sales	201	258	220	9	(15)	44	986	1,090	11
Gross profit	53	80	62	16	(23)	45	256	320	25
Operating costs	(18)	(27)	(23)	n/a	n/a	42	(104)	(120)	15
Operating profit	35	53	39	11	(27)	46	152	200	32
Operating EBITDA	35	67	52	47	(22)	47	208	252	21
Other income	(0)	1	0	n/a	n/a	25	2	2	16
Other expense	0	0	0	n/a	n/a		0	0	
Interest expense	(3)	(2)	(2)	n/a	n/a	51	(12)	(8)	(34)
Profit before tax	32	52	37	16	(28)	46	141	194	37
Tax	(6)	(10)	(7)	n/a	n/a	47	(27)	(37)	37
Non-recurring items	0	0	0	n/a	n/a		0	0	n/a
Reported net profit	26	41	30	16	(28)	45	114	157	37
Recurring net profit	26	41	30	16	(28)	45	114	157	37
Key Ratios (%)									
Gross margin	26.6	31.1	28.2	1.6	(3.0)		25.9	29.3	3.4
Operating margin	17.5	20.6	17.7	0.2	(2.9)		15.4	18.3	2.9
Recurring net margin	12.7	16.1	13.5	0.8	(2.6)		11.6	14.4	2.8
SG&A / Sales	9.1	10.5	10.5	1.4	(0.1)		10.6	11.0	0.4
Effective tax rate	19.7	19.9	19.9	0.2	0.0		19.3	19.3	(0.0)
Interest coverage (EBITDA) (x)	11.6	33.3	26.0				17.4	32.2	
Net debt/equity (x)	0.0	0.7	n/a				0.8	(0.4)	

Sources: DITTO; FSSIA estimates

Exhibit 33: DITTO's earnings momentum



Sources: DITTO; FSSIA estimates

Valuation and TP

We initiate coverage on DITTO with a BUY rating and a TP of THB21 pegged at 41x 2022E P/E, implying a 0.9x PEG. We think DITTO deserves to trade at a premium valuation as we think that DITTO is not a general systems integrator but is a technology and innovation company. This should allow the company to deliver outstanding bottom-line growth with an improving ROE and margin. Moreover, we think there is no listed direct peer in the ICT sector to compare with DITTO due to the difference in business structures. DITTO's unique structure should allow it to ride the digitalisation and paperless trend. Therefore, DITTO would have scarcity premium.

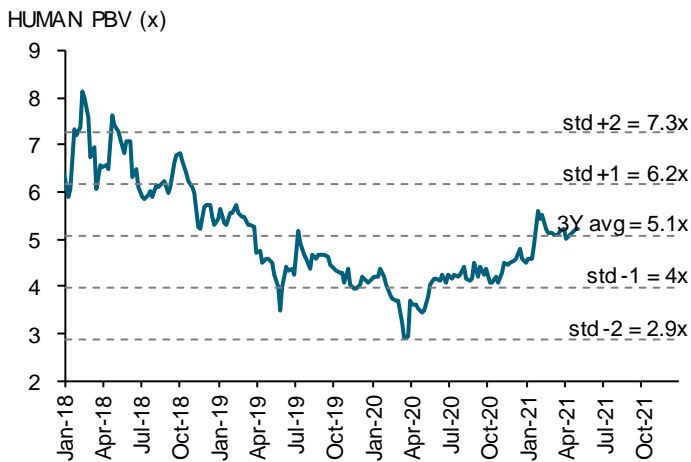
Note, we think three technology and innovation companies, namely Humanica (HUMAN TB, not rated), I&I Group (IIG TB, not rated), and Netbay (NETBAY TB; not rated), could be the best representatives to compare valuations with.

Exhibit 34: DITTO's peers comparison as of 7 Jun 2021

Company	BBG	Rec	Share price		Up side	Market Cap	PE		DivYld		ROE		PBV		EVEBITDA	
			Current (LCY)	Target (LCY)			21E (x)	22E (x)	21E (%)	22E (%)	21E (%)	22E (%)	21E (x)	22E (x)	21E (x)	22E (x)
DITTO THAILAND	DITTO TB	BUY	16.7	21	25.7	236	44.1	32.5	1.1	1.6	23.1	20.7	5.4	4.8	20.4	15.3
HUMANICA	HUMAN TB	NR	9.70	n/a	n/a	211	33.7	26.6	1.7	2.2	14.8	17.3	4.9	4.5	21.6	17.8
I&I GROUP	IIG TB	NR	25.25	n/a	n/a	81	29.0	22.6	1.3	1.8	16.2	18.6	4.6	4.1	21.6	16.6
NETBAY	NETBAY TB	NR	26.50	n/a	n/a	170	31.5	29.3	3.1	3.2	36.4	37.7	11.1	10.8	26.3	23.0
Average						698	34.6	27.8	1.8	2.2	22.6	23.6	6.5	6.0	22.5	18.2

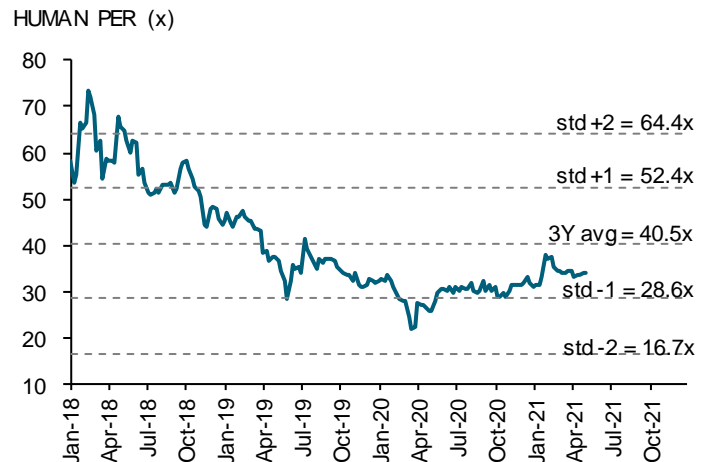
Sources: Company data; Bloomberg

Exhibit 35: HUMAN – one-year forward rolling P/BV



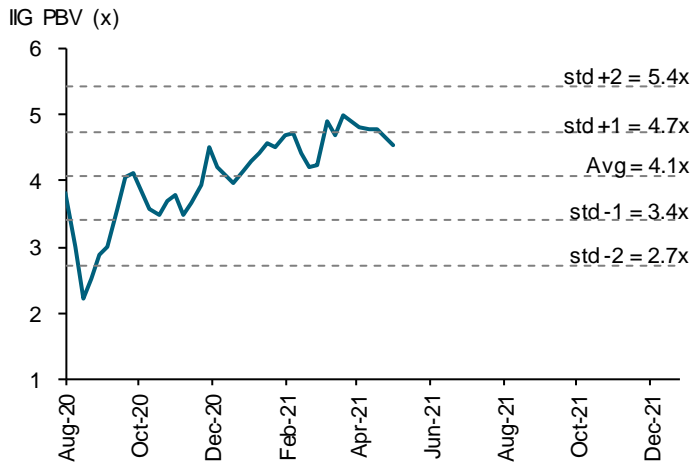
Source: Bloomberg

Exhibit 36: HUMAN – one-year forward rolling P/E



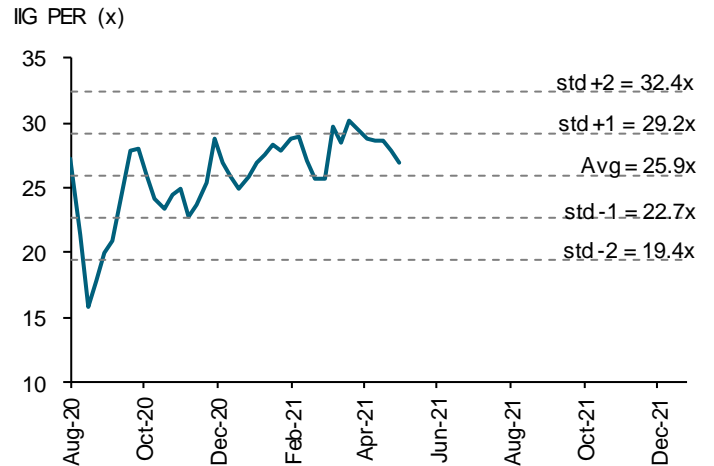
Source: Bloomberg

Exhibit 37: IIG – one-year forward rolling P/BV



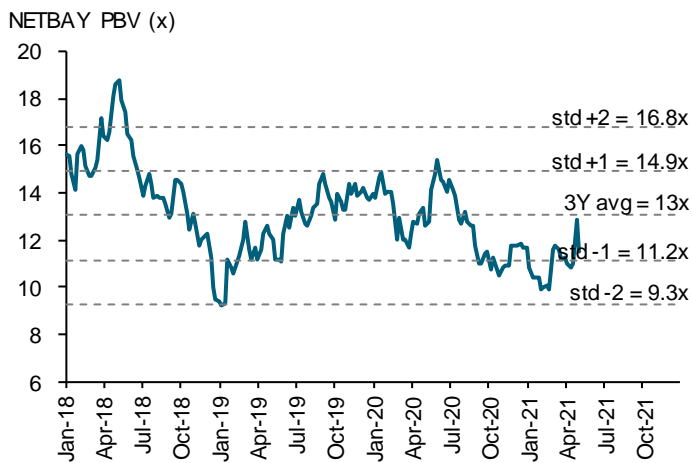
Source: Bloomberg

Exhibit 38: IIG – one-year forward rolling P/E



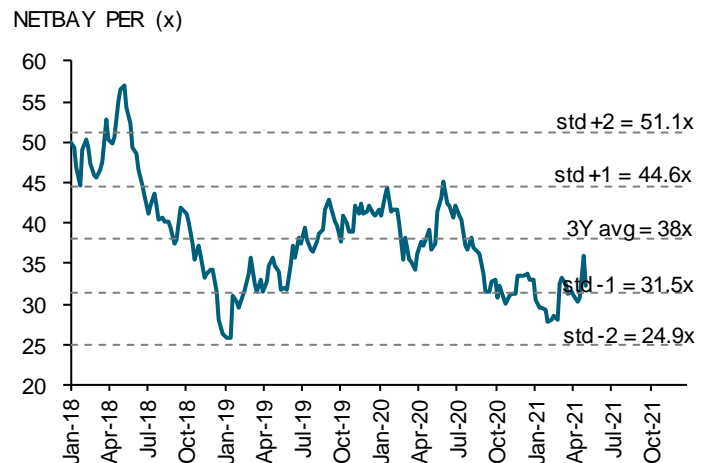
Source: Bloomberg

Exhibit 39: NETBAY – one-year forward rolling P/BV



Source: Bloomberg

Exhibit 40: NETBAY – one-year forward rolling P/E



Source: Bloomberg

Corporate Governance - DITTO

Board structure

Number of Independent Directors (ID)	4 / 9 board members
Percentage of IDs on the board	44.4%
ID participation/attendance at board meetings	100%
ID participation in audit/remuneration committees	4 in 4 audit committee
ID terms (years of service, re-election/replacement procedures)	9 years continuously and can be re-elected upon Board's justification

Source: DITTO

Additional comments: One independent director is also Chairman of the Board.

Audit Practices

Auditor	Siam Truth Audit Company Limited
Length of service	Since 2018
Reporting incidents	None
Fee track record	n.m.
Policy on change of audit firm	To review every five years

Source: DITTO

Additional comments: Before listing, in 2017, auditor is BPR Audit and Advisory Co., Ltd.

Compensation and remuneration

Directors' remuneration vs earnings/ROE/share performance	In 2020, THB 0.23m for four independent directors and THB7.87m for five executives in the board vs THB114.2m of net profit for the year
Changes/stability in senior management	There have been no additions to the management team since 2018, before listing on the SET
Incidents of termination of senior management	None
Track record on insider sales	None

Source: DITTO

Additional comments: DITTO has just listed on the Stock Exchange of Thailand on 6 May 2021

Shareholders' rights

Communication - shareholder participation in AGMs/EGMs	AGMs annually/EGMs as appropriate
Related party transactions	In accordance with SEC guidance
Voting issues - policies, incidents of rejected proposals	None

Source: DITTO

Additional comments: None

Financial Statements

Ditto (THAILAND)

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	773	986	1,090	1,336	1,678
Cost of goods sold	(540)	(674)	(718)	(847)	(1,053)
Gross profit	233	312	372	489	625
Other operating income	0	0	0	0	0
Operating costs	(103)	(104)	(120)	(144)	(178)
Operating EBITDA	130	208	252	344	447
Depreciation	(52)	(57)	(53)	(65)	(77)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	79	152	200	279	371
Net financing costs	(13)	(12)	(8)	(3)	(5)
Associates	0	0	0	0	0
Recurring non-operating income	2	2	2	3	3
Non-recurring items	0	0	0	0	0
Profit before tax	68	141	194	278	369
Tax	(13)	(27)	(37)	(53)	(71)
Profit after tax	55	114	157	226	298
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	55	114	157	226	298
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	55	114	157	226	298
Per share (THB)					
Recurring EPS *	0.17	0.35	0.38	0.51	0.68
Reported EPS	0.17	0.35	0.38	0.51	0.68
DPS	0.13	0.31	0.19	0.27	0.36
Diluted shares (used to calculate per share data)	320	330	413	440	440
Growth					
Revenue (%)	83.0	27.6	10.5	22.6	25.6
Operating EBITDA (%)	82.1	59.6	21.2	36.5	29.9
Operating EBIT (%)	333.4	92.1	31.7	39.9	32.8
Recurring EPS (%)	310.4	100.5	9.5	35.5	31.9
Reported EPS (%)	310.4	100.5	9.5	35.5	31.9
Operating performance					
Gross margin inc. depreciation (%)	23.5	25.9	29.3	31.7	32.7
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	16.9	21.1	23.2	25.8	26.7
Operating EBIT margin (%)	10.2	15.4	18.3	20.9	22.1
Net margin (%)	7.1	11.6	14.4	16.9	17.7
Effective tax rate (%)	19.1	19.3	19.3	18.9	19.3
Dividend payout on recurring profit (%)	72.5	89.7	50.1	53.3	53.3
Interest cover (X)	6.4	12.8	25.7	81.5	74.5
Inventory days	48.5	40.6	32.5	39.7	38.8
Debtor days	50.6	56.9	59.5	52.7	52.1
Creditor days	58.6	61.0	51.8	52.6	51.4
Operating ROIC (%)	17.6	26.3	28.7	33.2	34.2
ROIC (%)	15.4	22.8	24.9	28.5	29.4
ROE (%)	23.7	38.4	23.1	20.7	23.8
ROA (%)	11.5	17.1	16.1	16.7	18.9
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Document service and other solutions	299	299	308	317	301
Document and data management solutions	233	385	404	615	953
Technology and engineering services	241	302	378	404	425

Sources: Ditto (THAILAND); FSSIA estimates

Financial Statements

Ditto (THAILAND)

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	55	114	157	226	298
Depreciation	52	57	53	65	77
Associates & minorities	0	0	0	0	0
Other non-cash items	7	(2)	0	0	1
Change in working capital	4	(79)	4	(34)	(47)
Cash flow from operations	118	90	213	257	328
Capex - maintenance	(42)	(43)	(100)	(150)	(80)
Capex - new investment	0	0	0	0	0
Net acquisitions & disposals	(87)	(100)	2	(127)	(139)
Other investments (net)	0	0	0	0	0
Cash flow from investing	(130)	(143)	(98)	(277)	(219)
Dividends paid	(40)	(102)	(63)	(90)	(119)
Equity finance	41	60	598	0	0
Debt finance	31	84	(256)	69	(15)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	32	42	279	(22)	(134)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	21	(11)	394	(41)	(25)
Free cash flow to firm (FCFF)	1.32	(40.97)	122.51	(15.82)	114.40
Free cash flow to equity (FCFE)	19.50	31.47	(140.87)	49.34	94.44

Per share (THB)

FCFF per share	0.00	(0.01)	0.04	(0.01)	0.04
FCFE per share	0.01	0.01	(0.04)	0.02	0.03
Recurring cash flow per share	0.36	0.51	0.51	0.66	0.85

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed assets (gross)	551	477	577	727	807
Less: Accumulated depreciation	(306)	(246)	(298)	(364)	(440)
Tangible fixed assets (net)	245	232	279	364	367
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	0	0	0	0	0
Cash & equivalents	24	13	408	367	342
A/C receivable	125	182	173	212	267
Inventories	106	43	84	100	124
Other current assets	91	229	193	310	435
Current assets	347	468	858	989	1,168
Other assets	81	74	109	134	168
Total assets	674	774	1,246	1,486	1,702
Common equity	261	333	1,024	1,160	1,339
Minorities etc.	0	0	0	0	0
Total shareholders' equity	261	333	1,024	1,160	1,339
Long term debt	23	15	2	5	5
Other long-term liabilities	9	15	22	27	34
Long-term liabilities	32	30	24	32	38
A/C payable	133	92	112	133	164
Short term debt	188	280	37	102	88
Other current liabilities	59	40	49	59	73
Current liabilities	380	411	198	294	326
Total liabilities and shareholders' equity	674	774	1,246	1,486	1,702
Net working capital	130	324	290	430	588
Invested capital	457	630	678	928	1,123

* Includes convertibles and preferred stock which is being treated as debt

Per share (THB)

Book value per share	0.82	1.01	3.10	3.51	4.05
Tangible book value per share	0.82	1.01	3.10	3.51	4.05

Financial strength

Net debt/equity (%)	71.3	84.6	(36.0)	(22.3)	(18.6)
Net debt/total assets (%)	27.7	36.4	(29.6)	(17.4)	(14.6)
Current ratio (x)	0.9	1.1	4.3	3.4	3.6
CF interest cover (x)	2.5	3.6	(16.9)	15.3	19.8

Valuation	2019	2020	2021E	2022E	2023E
Recurring P/E (x) *	96.8	48.3	44.1	32.5	24.7
Recurring P/E @ target price (x) *	121.7	60.7	55.5	40.9	31.0
Reported P/E (x)	96.8	48.3	44.1	32.5	24.7
Dividend yield (%)	0.7	1.9	1.1	1.6	2.2
Price/book (x)	20.4	16.6	5.4	4.8	4.1
Price/tangible book (x)	20.4	16.6	5.4	4.8	4.1
EV/EBITDA (x) **	42.4	27.8	20.4	15.3	11.8
EV/EBITDA @ target price (x) **	52.9	34.6	26.0	19.4	14.9
EV/invested capital (x)	12.1	9.2	7.6	5.7	4.7

* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income

Sources: Ditto (THAILAND); 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	PAP	PCSGH	PDJ	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	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	AMANAHA	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

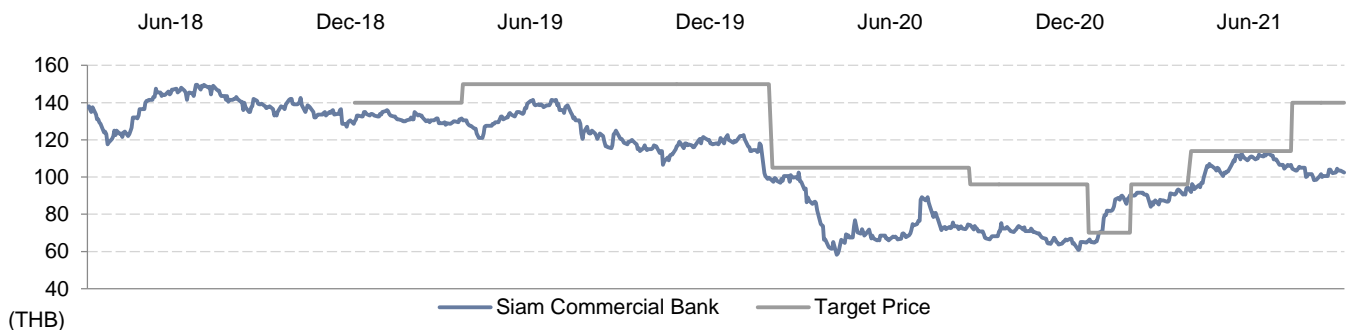
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

This report has been prepared by FSS International Investment Advisory Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSS makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSS has no intention to solicit investors to buy or sell any security in this report. In addition, FSS does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

History of change in investment rating and/or target price

Siam Commercial Bank (SCB TB)



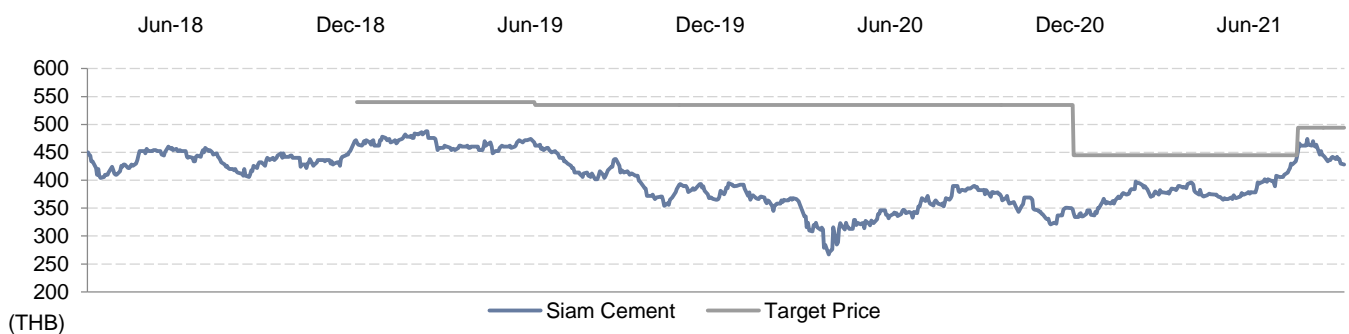
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
29-Jan-2019	HOLD	140.00	02-Apr-2020	HOLD	105.00	03-Dec-2020	HOLD	96.00
03-May-2019	BUY	150.00	16-Jul-2020	BUY	96.00	22-Jan-2021	BUY	114.00
27-Jan-2020	HOLD	105.00	27-Oct-2020	HOLD	70.00	22-Apr-2021	BUY	140.00

Yuvanart Suwanumphai started covering this stock from 16-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

Siam Cement (SCC TB)



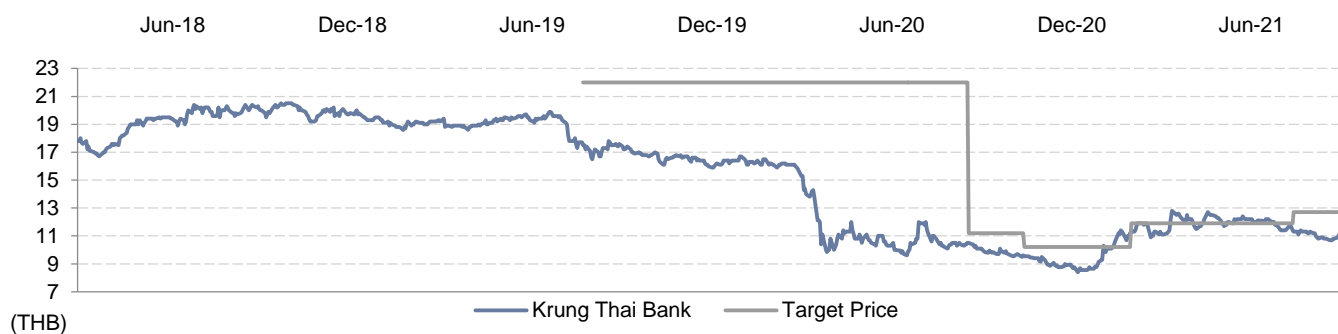
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
31-Jan-2019	BUY	540.00	02-Apr-2020	BUY	535.00	28-Jan-2021	BUY	445.00
05-Jul-2019	BUY	535.00	14-Oct-2020	BUY	445.00	27-Apr-2021	BUY	494.00

Suwat Sinsadok started covering this stock from 14-Oct-2020

Price and TP are in local currency

Source: FSSIA estimates

Krung Thai Bank (KTB TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
20-Aug-2019	BUY	22.00	02-Sep-2020	HOLD	10.20	22-Apr-2021	HOLD	12.70
02-Apr-2020	BUY	22.00	03-Dec-2020	HOLD	11.90			
16-Jul-2020	HOLD	11.20	22-Jan-2021	HOLD	11.90			

Yuvanart Suwanumphai started covering this stock from 16-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Ditto (THAILAND)	DITTO TB	THB 16.70	BUY	Downside risks to our PEG-based TP include 1) technological changes that will affect competitiveness; and 2) income and gross margin inconsistency due to the nature of the project service business.
Siam Commercial Bank	SCB TB	THB 102.50	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and further waves of the Covid-19 pandemic affecting loan growth and asset quality; and 2) the impact of further interest rate cuts on its NIM
Siam Cement	SCC TB	THB 428.00	BUY	Downside risks to our SOTP based TP include 1) a lower-than-expected demand for chemicals, CBM, and packaging; 2) rising coal costs for its cement and packaging units; and 3) weaker demand from the automobile industry that could erode the demand for SCC's chemical unit and its dividend contributions.
Krung Thai Bank	KTB TB	THB 11.00	HOLD	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and further waves of the Covid-19 pandemic affecting loan growth and asset quality; and 2) the impact of further interest rate cuts on NIM and potential new regulations from the Bank of Thailand on debt-servicing programs. The upside risk is the better-than-expected ability to control cost of funds.

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 Finasia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finasia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 07-Jun-2021 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

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.