

3 AUGUST 2021

THAILAND / ASSET MANAGEMENT COMPANIES

JMT NETWORK SERVICES

JMT TB

BUY
 UNCHANGED

TARGET PRICE	THB52.00
CLOSE	THB41.25
UP/DOWNSIDE	+26.1%
PRIOR TP	THB52.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-1.6%

เติบโตชำระระยะสั้น จะกลับมาเป็นปกติใน 4Q21

คาดผลประกอบการ 2Q21 ในระดับดีพอใช้

เราคาดว่า JMT จะรายงานกำไรสุทธิ 2Q21 ที่ 297 ลบ. (+31% y-y, +5% q-q) โดยได้ปัจจัยผลักดันจากรายได้การบริหารสินทรัพย์ต่อคุณภาพที่โตต่อเนื่องอัตราการเรียกเก็บเงิน หรือ Cash collection (CC) ที่ดีพอใช้ เราคาดว่า JMT จะรายงาน CC ที่ 1.1 พัน ลบ. (+22% y-y, +7% q-q) จาก 1) จำนวนหนี้ที่ต้องชำระที่อยู่ในระดับต่ำ ทำให้ลูกค้าสามารถจ่ายคืนสินเชื่อได้ในสภาวะเศรษฐกิจที่อ่อนแอ; และ 2) พอร์ตขนาดใหญ่ ทำให้บริษัทฯ สามารถบริหาร CC ได้ดีกว่ากลุ่ม อย่างไรก็ตามเราคิดว่าอัตรากำไรของบริษัท อาจลดลงเล็กน้อย เนื่องจากการรับชำระหนี้ส่วนมากมาจากพอร์ตที่ทยอยตัดจำหน่ายหรือ amortized portfolio (AP)

การแพร่ระบาด Covid มีผลน้อยต่อ CC แต่มีผลต่อกำไรสุทธิในอัตราสูงกว่า

ปัญหาการแพร่ระบาด Covid ที่ยืดเยื้ออาจส่งผลกระทบต่อ CC ของ JMT เพียงเล็กน้อยเนื่องจากบริษัทฯ มีพอร์ตขนาดใหญ่ที่ประกอบด้วยสินเชื่อหลายประเภท ทำให้บริษัทฯ สามารถเลือกรับชำระหนี้จากลูกค้าแต่ละราย อย่างไรก็ตามผลกระทบต่อกำไรอาจมีมากกว่า JMT วางแผนเร่งปริมาณพอร์ตที่ตัดจำหน่ายเต็มจำนวน หรือ fully amortized (FAP) ใน 1H21 ซึ่งหมายความว่าบริษัทฯ จะต้องยอมเสียการเติบโตของรายได้ดอกเบี้ยจากหนี้ด้วยคุณภาพที่ลดลงใน 1H21 ก่อนได้ประโยชน์เพิ่มจาก FAP ใน 2H21 โดยปกติเราคิดว่าบริษัทฯ สามารถจัดการกำไรโดยทยอยรับชำระหนี้จาก FAP อย่างไรก็ตามปัญหาการแพร่ระบาดได้ทำให้การรับชำระหนี้จากลูกค้า FAP เป็นไปได้ยากมากยิ่งขึ้น โดยการรับชำระหนี้จากพอร์ตที่ค้างอยู่นานจะยากกว่าพอร์ตใหม่ ทำให้เราคิดว่ากำไรจาก FAP จะได้อัตราที่ลดลง ในท้ายที่สุดปัจจัยดังกล่าวจะกระทบการเติบโตของรายได้ดอกเบี้ยสุทธิและกำไรสุทธิ โดยเฉพาะอย่างยิ่งใน 3Q21

กำไรโตช้าลงกว่าที่เคยคาดใน 3Q21

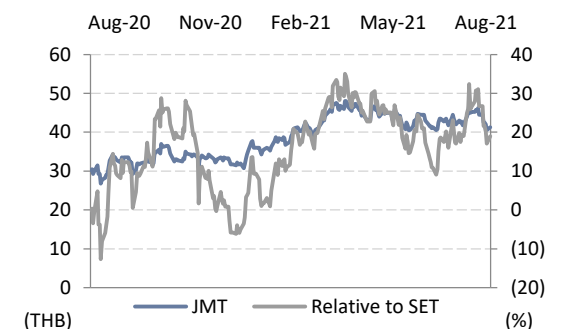
ใน 3Q21 เรายังคาดว่ากำไรจะเพิ่มต่อเนื่อง y-y และ q-q เราเห็นว่า CC จะยังดีกว่าบริษัทอื่นในกลุ่ม อย่างไรก็ตาม CC ส่วนมากอาจมาจาก AP ทำให้การรับรู้รายได้ดอกเบี้ยผ่านงบกำไรขาดทุนโตช้าลง ซึ่งจะทำให้อัตราการเติบโตของกำไรอาจต่ำกว่าที่เราเคยคาดไว้ โดยที่เราคาดว่าผลประกอบการจะโตโดดเด่นอีกครั้งใน 4Q21

สะดุดระยะสั้น แต่โตดีในระยะยาว คาดกำไรสุทธิโต 47% ในปี 2022

เราปรับลดประมาณการกำไรสุทธิปี 2021-23 ลง 13%/8%/2% ตามลำดับ เราปรับการประเมินมูลค่าไปในปี 2022 และได้ราคาเป้าหมายที่ 52 บาท (GGM) แม้ว่ากำไรสุทธิ 3Q21 อาจได้รับผลกระทบเล็กน้อยจาก Covid บริษัทฯ อาจยังสามารถบริหาร CC ได้ดี นอกจากนี้เราคิดว่าเมื่อสามารถเพิ่มปริมาณ FAP ได้สำเร็จ JMT จะรายงานอัตราการเติบโตในระดับสูง ดังนั้นเราจึงคงคำแนะนำซื้อ

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Operating profit	1,210	1,635	2,398	3,073
Net profit	1,047	1,308	1,918	2,459
EPS (THB)	1.05	1.18	1.59	2.03
vs Consensus (%)	-	(14.2)	(9.5)	(11.5)
Core net profit	1,047	1,308	1,918	2,459
Core EPS (THB)	1.05	1.18	1.59	2.03
Chg. In EPS est. (%)	0.0	(12.9)	(8.3)	(18.8)
EPS growth (%)	36.5	12.2	34.5	28.2
Core P/E (x)	39.3	35.0	26.0	20.3
Dividend yield (%)	2.1	1.8	2.2	3.4
Price/book (x)	7.2	5.5	3.8	3.6
ROE (%)	23.0	18.7	17.8	18.0
ROA (%)	8.5	8.1	9.7	10.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(1.8)	(8.3)	33.1
Relative to country (%)	1.7	(4.8)	15.9
Mkt cap (USD m)			1,376
3m avg. daily turnover (USD m)			9.2
Free float (%)			21
Major shareholder			JMART Pcl. (54%)
12m high/low (THB)			49.00/26.00
Issued shares (m)			0

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 3 สิงหาคม 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 resilient growth due to its diversified portfolio and small non-performing loan (NPL) ticket sizes; and 2) we think it will be the beneficiary of an NPL rise that we expect to see in 2022-23. These factors should lead JMT to have remarkable core profit growth. We, therefore, reiterate our BUY call on JMT.

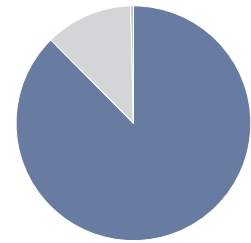
Company profile

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)

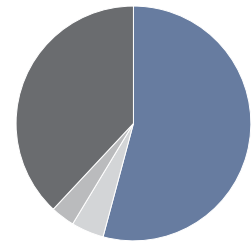
- NPLs management - 87.6 %
- Debt collection - 12.1 %
- Other income - 0.4 %



Source: JMT Network Services

Major shareholders

- JMART Pcl. - 54.2 %
- Sereewattana family - 4.5 %
- Pongsak Tammatatharee - 3.3 %
- Others - 38.0 %



Source: JMT Network Services

Catalysts

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.

Risks 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-Aug 2021	2Q21 results announcement

Key assumptions

	2021E	2022E	2023E
	(THB m)	(THB m)	(THB m)
Norm profit	1,308	1,918	2,459
<i>Norm profit growth (%)</i>	25.0	46.6	28.2
Cash collection	4,552	5,985	7,105
<i>Cash collection ratio (%)</i>	37.5	38.1	38.6
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 -----		
	±50bp	37.0	37.5	38.0
<i>% change in net profit</i>		(3.5)	-	3.5
Cost to income	±1ppt	44.4	45.4	46.4
<i>% change in net profit</i>		(2.3)	-	2.3

Source: FSSIA estimates

Expect decent 2Q21 results

We expect JMT to report a 2Q21 net profit of THB297m (+31% y-y, +5% q-q), driven by the continued growth of its distressed asset management revenue due to decent CC. We expect JMT to have resilient CC of THB1.1b (+22% y-y, +7% q-q) due to 1) the small ticket sizes, allowing its clients to be able to repay their loans amid the weak economy; and 2) its large portfolio, allowing the company to better manage its CC than its peers. However, we think its margin might slightly decline, as collection was mainly on its AP.

Regarding the service income from debt collection (11% of total revenue), we think it will drop slightly q-q due to the partial lockdown. We also expect a decrease in the net insurance premium thanks to the higher number of claims from Covid insurance.

In 2Q21, we expect JMT to purchase NPLs at a slower pace of THB1.3b vs THB1.8b in 1Q21, as most banks still prefer to manage NPLs themselves, resulting in a low NPL supply.

Exhibit 1: JMT – 2Q21E results preview

	2Q20	1Q21	2Q21E		1H21E			2021E	2Q21E Comments	
	(THB m)	(THB m)	(THB m)	(y-y%)	(q-q%)	(THB m)	(y-y%)	%21E		(THB m)
Interest income										
- Interest income from NPLs	387	469	488	26	4	956	28	43	2,199	Increase at a slower pace due to the attempt to accelerate its fully amortised portfolio
- Gain on NPLs+	222	210	217	(2)	3	427	(6)	44	973	
Total interest income	616	679	705	15	4	1,384	16	43	3,200	
Interest expense	77	79	76	(1)	(3)	154	7	49	317	
Net interest income	539	600	629	17	5	1,229	17	43	2,883	
Non-interest income										
- Service income from debt collection services	87	91	90	3	(1)	181	(2)	48	376	
- Net insurance premium	15	20	13	(12)	(33)	33	23	69	48	More claims from Covid outbreak
- Others	2	11	2	10	(85)	13	277	111	12	
Total non-interest income	104	123	105	1	(14)	228	6	52	436	
Total operating income	642	723	734	14	2	1,457	15	44	3,319	
Operating expenses	312	350	340	9	(3)	690	9	46	1,508	
Pre provision operating profit	331	373	394	19	6	767	22	42	1,811	
Expected credit loss	60	23	29	(52)	25	52	(53)	30	176	
Operating profit	270	350	365	35	4	715	37	44	1,635	
Income tax expenses	40	66	68	70	4	134	44	41	327	
Profit before minority interest	230	284	297	29	4	581	36	44	1,308	
Minority	3	1	0	nm	nm	1	nm	nm	0	
Normalised profit	227	283	297	31	5	580	34	44	1,308	
Extra items	0	0	0	nm	nm	0	nm	nm	0	
Net profit	227	283	297	31	5	580	34	44	1,308	
Key financial highlights	(THB m)	(THB m)	(THB m)	(y-y%)	(q-q%)	(THB m)	(y-y%)	%21E	(THB m)	
Gross NPLs outstanding	9,350	11,252	11,962	28	6	11,962			13,460	
Gross NPAs outstanding	122	599	814	565	36	814			435	
NPL & NPA purchases	1,316	1,833	1,283	(2)	(30)	3,116	57	57	5,449	
NPL & NPA cash collection	884	1,005	1,077	22	7	2,082	23	46	4,552	
Cash collection/NPL & NPA (%)	39.3	36.2	35.0						37.5	
Key financial ratio										
Liabilities/equity (x)	2.6	1.1	1.0						1.2	
Interest-bearing debt/equity (x)	1.9	0.9	0.8						1.0	
ROA (%)	7.3	7.4	7.3						8.1	
ROE (%)	26.5	16.7	14.9						18.7	
Cost of funds (%)	4.4	4.4	4.3						4.1	
Cost to income (%)	48.5	48.4	46.3						45.4	

+ Fully amortised;

Sources: JMT; FSSIA estimates

Covid outbreak; little impact on CC, larger on NP

The prolonged Covid pandemic might only slightly affect JMT's CC. However, the impact on its bottom line will be larger, in our view.

Impact on net profit:

Based on our calculation, the interest income recognition of the AP is halved when the company collects the loan agreement at about halfway to 60% of the way through (Ex. 2). JMT planned to accelerate its FAP volume in 1H21, especially from its top three largest investment value portfolios – which currently account for 61% of the money collected from the total investment value. Meaning that it would have to sacrifice the slower interest income growth from NPLs in 1H21 before potentially seeing a surge in gains from its FAP in 2H21.

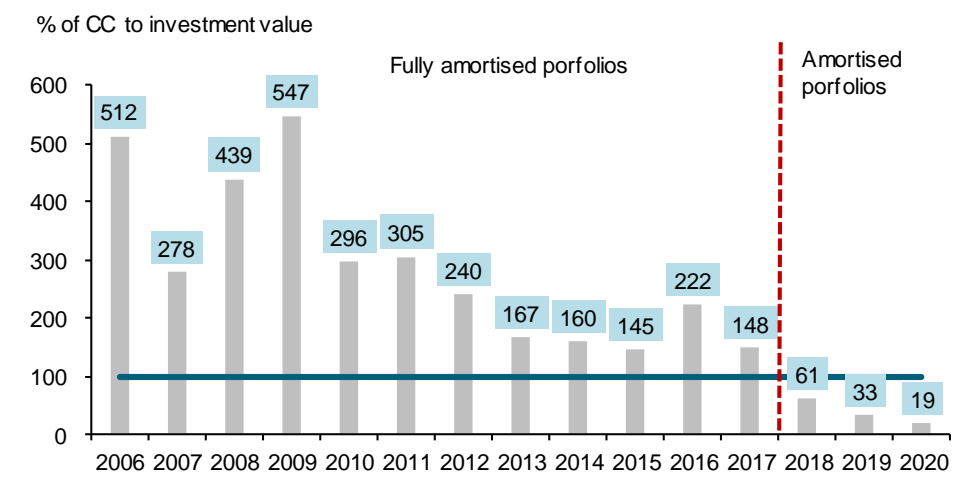
Normally, we think the company could manage its bottom line by gradually collecting money from its FAP. However, the outbreak has led to greater difficulties in collecting money from fully amortised customers – collecting money from long-standing portfolios is harder than from new portfolios. Thus, we see slow growth in gains from the FAP. Eventually, this will impact the growth of its net interest income and net profit, especially in 3Q21.

Exhibit 2: Example of interest income recognition of JMT's amortised portfolio

Assumptions				
Initial loan (THB)		100		
Interest rate per year (%)		6		
Period (years)		5		
Year	Instalment/year (THB)	Principal (THB)	Interest (THB)	Remaining loan (THB)
1	23.7	17.7	6.0	82.3
2	23.7	18.8	4.9	63.5
3	23.7	19.9	3.8	43.5
4	23.7	21.1	2.6	22.4
5	23.7	22.4	1.3	0.0

Source: FSSIA estimates

Exhibit 3: JMT's amortised portfolio is reaching the threshold where interest income would become slower

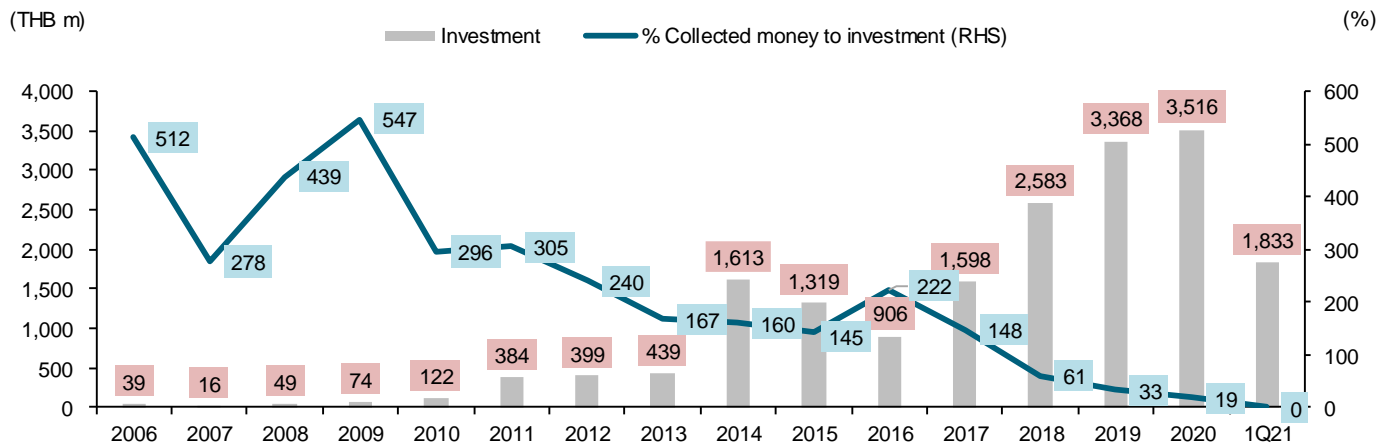


Sources: JMT; FSSIA's compilation

Impact on cash collection:

We believe the impact from the Covid spread on its CC would be smaller than its bottom line, as it has a large and varied combination of portfolios. Therefore, during the weak economic outlook, the company can still manage to selectively collect money from each client.

Exhibit 4: Cash collection and investment value as of 1Q21



Sources: JMT; FSSIA's compilation

Net profit and target price revisions

We lower our 2021-23 net profit forecasts by 13%/8%/2%, mainly to reflect a lower FAP volume. The impacts from this include 1) slower interest income growth; and 2) a lower margin.

Exhibit 5: Change of key assumptions

	-----2021E-----			-----2022E-----			-----2023E-----		
	Old (THB m)	New (THB m)	Change (%)	Old (THB m)	New (THB m)	Change (%)	Old (THB m)	New (THB m)	Change (%)
Interest income	3,483	3,200	(8.1)	4,602	4,198	(8.8)	5,448	5,121	(6.0)
Interest expense	359	317	(11.7)	485	329	(32.2)	562	325	(42.2)
Net interest income	3,124	2,883	(7.7)	4,118	3,869	(6.0)	4,887	4,797	(1.8)
Non-interest income	436	436	0.0	461	461	0.0	505	505	0.0
Total operating income	3,561	3,319	(6.8)	4,579	4,331	(5.4)	5,392	5,302	(1.7)
Operating expense	1,508	1,508	0.0	1,734	1,704	(1.7)	1,995	1,960	(1.7)
Pre-operating profit before tax	2,052	1,811	(11.8)	2,845	2,626	(7.7)	3,398	3,342	(1.6)
Expected credit loss	176	176	(0.1)	230	228	(0.6)	271	269	(0.9)
Taxes expenses	375	327	(12.9)	523	480	(8.3)	625	615	(1.7)
Minority interest	0	0		0	0				
Norm. profit	1,501	1,308	(12.9)	2,092	1,918	(8.3)	2,501	2,459	(1.7)
Extraordinary items	0	0		0	0		0	0	
Net profit	1,501	1,308	(12.9)	2,092	1,918	(8.3)	2,501	2,459	(1.7)
EPS (THB)	1.4	1.2	(12.9)	1.7	1.6	(8.3)	2.1	2.0	(1.7)
Key statistic and ratio									
Leverage ratios (x)									
Liabilities / equity	1.33	1.17		1.06	0.64		1.04	0.69	
Interest-bearing debt / equity	1.16	1.00		0.96	0.53		0.94	0.58	
Profitability ratio (%)									
Cost of funds	4.25	4.10		4.30	4.30		4.30	4.30	
Cost to income	42.36	45.44		37.88	39.35		36.99	36.97	
Specific data for business									
NPL and NPA purchases (THB m)	5,449	5,449	0.00	5,994	5,994	0.00	4,495	4,495	0.00
NPL and NPA cash collection (THB m)	4,981	4,552	(6.2)	6,450	5,985	(7.2)	7,385	7,105	(3.8)
Cash collection to gross NPLs and NPAs (%)	40	38		40	38		40	39	
Change y-y (%)									
Core profit (y-y %)	43.4	25.0		39.3	46.6		19.6	28.2	
NPL and NPA purchases (y-y %)	55.0	55.0		10.0	10.0		(25.0)	(25.0)	
NPL and NPA cash collection (y-y %)	45.2	22.9		26.5	31.5		17.9	18.7	

Sources: JMT; FSSIA estimates

We roll forward our GGM-based TP to 2022, deriving a TP of THB52, the same as our 2021 TP. Although we lower our 2021-22 net profit forecasts, they are fully offset by the rollover to the 2022 book value.

Our ROE target assumption has declined substantially from 20.0% to 17.8%, leading to a drop in our target P/BV to 4.7x from 6.9x, due to the expected full exercise of JMT-W3.

Exhibit 6: JMT – GGM-derived target price

Target price	THB 52 (unchanged)
Recommendation	BUY (unchanged)
Risk-free rate (%)	3.0 (unchanged)
Market risk premium (%)	8.0 (unchanged)
Terminal growth (%)	7.1 (from 7.5)
ROE target (%)	17.8 (from 20)
Target PBV (x)	4.7 (from 6.9)
Risk to TP	Downside risks to our GGM-based TP include 1) lower cash collection from its fully amortised portfolio; 2) lower-than-expected bad debt acquisition; and 3) the prolonged slowdown of the property market.

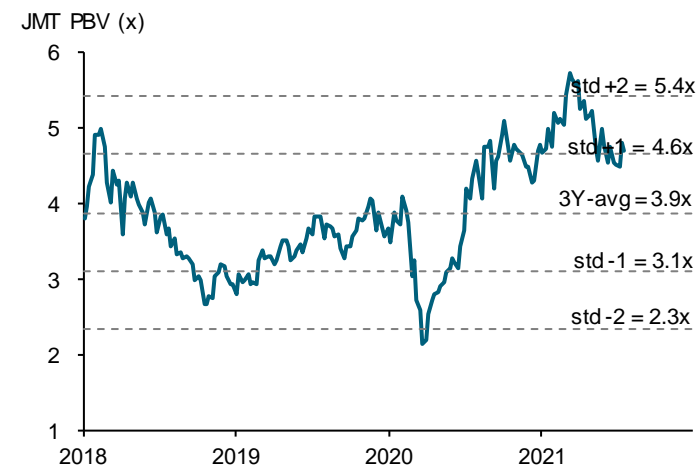
Source: FSSIA estimates

Exhibit 7: JMT’s warrants

	JMT-W2	JMT-W3
Total warrants (m units)	222.0	100.0
Outstanding warrants (m units)	17.67	98.39
Last exercise date	27-Aug-21	16-May-22
Exercise price (THB per share)	18.60	41.96
Exercise ratio (Warrant : Common stock)	1:1.02129	1:1.00096
Cash from conversion (THB m)	328.8	4,128.6

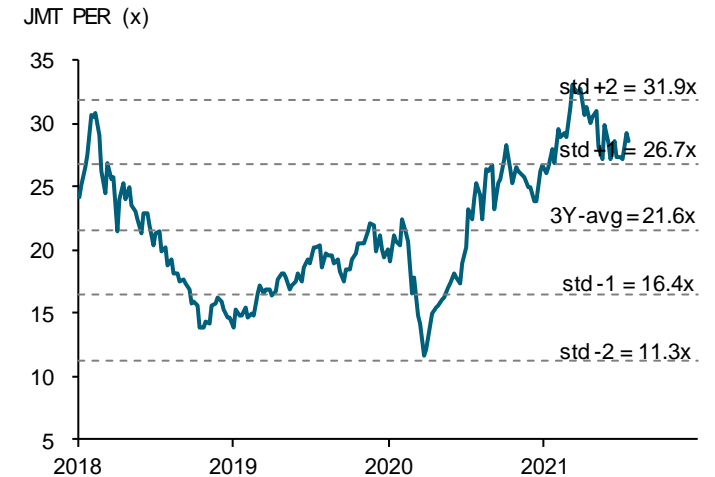
Sources: JMT; FSSIA estimates

Exhibit 8: JMT – one-year prospective P/BV



Sources: Bloomberg; FSSIA estimates

Exhibit 9: 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	3,200	4,198	5,121
Interest expense	(206)	(314)	(317)	(329)	(325)
Net interest income	1,758	2,315	2,883	3,869	4,797
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	2,724	3,319	4,331	5,302
Staff costs	-	-	-	-	-
Other operating costs	(1,258)	(1,311)	(1,508)	(1,704)	(1,960)
Operating costs	(1,258)	(1,311)	(1,508)	(1,704)	(1,960)
Pre provision operating profit	850	1,413	1,811	2,626	3,342
Provision for bad and doubtful debt	(12)	(203)	(176)	(228)	(269)
Other provisions	-	-	-	-	-
Operating profit	839	1,210	1,635	2,398	3,073
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	1,635	2,398	3,073
Tax	(189)	(174)	(327)	(480)	(615)
Profit after tax	649	1,036	1,308	1,918	2,459
Minority interests	32	11	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	681	1,047	1,308	1,918	2,459
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	681	1,047	1,308	1,918	2,459
Per share (THB)					
Recurring EPS *	0.77	1.05	1.18	1.59	2.03
Reported EPS	0.77	1.05	1.18	1.59	2.03
DPS	0.58	0.86	0.74	0.92	1.42
Growth					
Net interest income (%)	29.4	31.7	24.5	34.2	24.0
Non interest income (%)	24.3	16.8	6.7	5.7	9.6
Pre provision operating profit (%)	27.9	66.1	28.2	45.0	27.2
Operating profit (%)	26.1	44.2	35.2	46.6	28.2
Reported net profit (%)	34.8	53.6	25.0	46.6	28.2
Recurring EPS (%)	28.3	36.5	12.2	34.5	28.2
Reported EPS (%)	28.3	36.5	12.2	34.5	28.2
Income Breakdown					
Net interest income (%)	83.4	85.0	86.9	89.4	90.5
Net fees & commission (%)	-	-	-	-	-
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	16.6	15.0	13.1	10.6	9.5
Operating performance					
Gross interest yield (%)	-	-	-	-	-
Cost of funds (%)	4.23	4.84	4.10	4.30	4.30
Net interest spread (%)	(4.23)	(4.84)	(4.10)	(4.30)	(4.30)
Net interest margin (%)	-	-	-	-	-
Cost/income(%)	59.7	48.1	45.4	39.4	37.0
Cost/assets(%)	13.6	10.7	9.4	8.6	8.6
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	18.7	17.8	18.0
ROE - COE (%)	9.3	12.2	7.9	7.0	7.2
ROA (%)	7.0	8.5	8.1	9.7	10.8
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	13,460	17,001	18,812
Total provisions	(107)	(287)	(436)	(630)	(861)
interest in suspense	0	160	269	340	376
Net customer loans	7,921	9,834	13,294	16,711	18,327
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	363	1,366	1,366	1,230	1,168
Cash & equivalents	317	967	787	904	942
Other interesting assets	101	412	432	479	551
Tangible fixed assets	163	411	269	282	296
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	1,277	1,281	1,794	2,178	2,365
Total assets	10,142	14,270	17,942	21,785	23,649
Customer deposits	-	-	-	-	-
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	5,783	7,187	8,265	7,025	8,079
Non interest bearing liabilities	926	1,329	1,395	1,465	1,538
Hybrid Capital	-	-	-	-	-
Total liabilities	6,708	8,516	9,660	8,490	9,617
Share capital	444	488	545	600	600
Reserves	2,952	5,236	7,737	12,694	13,432
Total equity	3,396	5,724	8,282	13,294	14,032
Minority interests	38	30	0	0	0
Total liabilities & equity	10,142	14,270	17,942	21,785	23,649
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	7,726	7,645	7,552
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	7.46	10.99	11.60
Tangible book value per share	3.82	5.75	7.46	10.99	11.60
Growth					
Gross customer loans	34.2	24.1	35.1	26.3	10.7
Average interest earning assets	-	-	-	-	-
Total asset (%)	21.3	40.7	25.7	21.4	8.6
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	-	-	-	-	-
Leverage & capital measures					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	33.5	40.1	46.2	61.0	59.3
Tangible equity/assets (%)	33.5	40.1	46.2	61.0	59.3
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	3.4	4.6
Total provisions/NPL (%)	-	-	-	-	-
Valuation					
Recurring P/E (x) *	53.6	39.3	35.0	26.0	20.3
Recurring P/E @ target price (x) *	67.5	49.5	44.1	32.8	25.6
Reported P/E (x)	53.6	39.3	35.0	26.0	20.3
Dividend yield (%)	1.4	2.1	1.8	2.2	3.4
Price/book (x)	10.8	7.2	5.5	3.8	3.6
Price/tangible book (x)	10.8	7.2	5.5	3.8	3.6
Price/tangible book @ target price (x)	13.6	9.1	7.0	4.7	4.5

* Pre-exceptional, pre-goodwill and fully diluted

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	ICHI	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	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

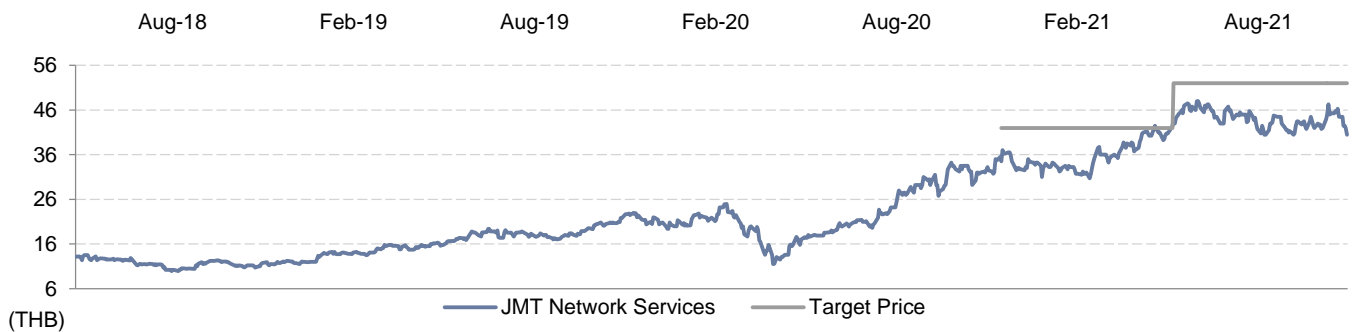
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History of change in investment rating and/or target price

JMT Network Services (JMT TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
05-Oct-2020	BUY	42.00	23-Nov-2020	BUY	42.00	02-Mar-2021	BUY	52.00

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 41.25	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 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 2-Aug-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.