

7 SEPTEMBER 2021

THAILAND / ASSET MANAGEMENT COMPANIES

JMT NETWORK SERVICES

JMT TB

BUY

UNCHANGED

TARGET PRICE	THB57.00
CLOSE	THB48.00
UP/DOWNSIDE	+18.8%
PRIOR TP	THB52.00
CHANGE IN TP	+9.6%
TP vs CONSENSUS	+9.5%

เจ้าตลาดบริษัทบริหารสินทรัพย์ (AMC) ลูกผสม

3 ข้อดีจากการเพิ่มทุน

JMT ประกาศเพิ่มทุนผ่านการเสนอขายหุ้นให้แก่ผู้ถือหุ้นเดิม (RO) และใบสำคัญแสดงสิทธิ JMT-W4 ซึ่งคาดว่าจะสำเร็จภายในต้นปี 2022 บริษัทฯ น่าจะได้รับเงินสดประมาณ 10 พัน ลบ. จาก RO และอีก 6.3 พัน ลบ. จาก W4 เรามองเห็นข้อดี 3 ประการที่จะมีแก่ JMT ประการแรก เราคิดว่า JMT จะสามารถเร่งการซื้อสินทรัพย์ด้วยคุณภาพโดยไม่มีต้นทุนทางการเงินเพื่อเป็นผู้นำในกลุ่ม AMC ลูกผสม ประการที่สองเราคาดว่าบริษัทฯ จะสามารถประหยัดดอกเบี้ยได้จากการชำระคืนหนี้พร้อมความเป็นไปได้ที่ TRIS จะปรับ Credit Rating ของบริษัทฯ ขึ้น ประการที่สามเราคาดว่าบริษัทฯ จะได้ประโยชน์จาก BTS ในด้านธุรกิจประกันภัย อย่างไรก็ตามเนื่องจากแผนธุรกิจยังไม่ชัดเจน เรายังไม่ได้รวมไว้ในประมาณการ

การเติบโตที่ดีและยั่งยืนจากพอร์ตที่มีความสมดุล

JMT เป็นที่รู้จักกันในฐานะที่เป็นเจ้าตลาด AMC ประเภทหนี้ด้วยคุณภาพที่ไม่มีหลักทรัพย์ค้ำประกัน (Unsecured NPL) หลังบริษัทฯ ปลดข้อจำกัดในด้านแหล่งเงินทุน เราเชื่อว่าบริษัทฯ จะเร่งซื้อ Secured NPL มากขึ้น จากข้อมูลของผู้บริหาร บริษัทฯ ตั้งเป้าซื้อ NPL ใหม่รวมในปี 2021-23 ไว้สูงมากถึง 7/15/20 พัน ลบ. ตามลำดับเทียบกับ 3.5 พัน ลบ. ที่เคยซื้อในปี 2020 แต่เราประมาณการเชิงอนุรักษ์นิยมกว่าบริษัทที่ 5.5/10/15 พัน ลบ. ในช่วงดังกล่าว เราเชื่อว่าภายในปี 2023 JMT จะเป็นหนึ่งในผู้นำตลาดในการซื้อ NPL และจะเปลี่ยนสถานะเป็นเจ้าตลาด NPL ลูกผสม จากพอร์ตที่มีความสมดุลย์ เราเชื่อว่ากำไรจะโตในอัตราที่สูงและยั่งยืนมากขึ้นเมื่อเทียบกับบริษัทอื่นในกลุ่มฯ

RO จะทำให้ส่วนของผู้ถือหุ้นโตขึ้นในปี 2023

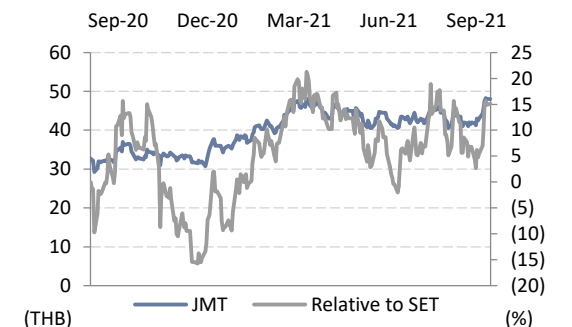
เราเชื่อว่า JMT จะยังสามารถบริหารพอร์ต NPL ที่กำลังโตขึ้นได้อย่างรวดเร็วโดยเฉพาะอย่างยิ่งพอร์ตหนี้ด้วยคุณภาพที่มีหลักทรัพย์ค้ำประกัน (Secured NPL) ได้อย่างมีประสิทธิภาพเหมือนในอดีต เราเชื่อว่า JMT จะสามารถเริ่มเรียกเก็บเงินจากลูกหนี้ได้ในระยะเวลาที่สั้นกว่าคู่แข่ง (ประมาณ 6 เดือน) พร้อมกับมี payback period ที่สั้นกว่าบริษัทอื่นในกลุ่ม (ประมาณ 2-4 ปี) เราปรับเพิ่มประมาณการกำไรสุทธิปี 2022-23 อีก 15%/31% เพื่อสะท้อนผลกระทบของการเพิ่มทุน ซึ่งอาจทำให้บริษัทฯ สามารถซื้อ NPL ได้เพิ่มขึ้น กำไรต่อหุ้นในปี 2022 อาจลดลงเล็กน้อยราว 4% จากประมาณการเดิมของเรา แต่เราคาดว่ากำไรต่อหุ้นในปี 2023 จะสูงขึ้น 9% เมื่อเทียบกับประมาณการเดิม ทำให้เราคาดว่ากำไรต่อหุ้นในปี 2022-23 อาจเพิ่มในระดับสูงถึง 29%/45% y-y

คงคำแนะนำซื้อในฐานะที่เป็นหุ้นเด่นในกลุ่ม AMC

เราปรับเพิ่มราคาเป้าหมายเป็น 57 บาท (GGM) เราเชื่อว่าบริษัทฯ จะรายงานกำไรสุทธิที่โดดเด่นเมื่อเทียบกับบริษัทอื่นในกลุ่มฯ ทั้งในระยะสั้น (โดยเฉพาะอย่างยิ่งใน 4Q21) และในระยะยาว เรามองว่า JMT เป็นหนึ่งในหุ้นที่ป้องกันความเสี่ยงจากสภาวะเศรษฐกิจซบเซาโดยจะได้แรงหนุนจากพอร์ตที่ไม่มีหลักทรัพย์ค้ำประกัน (Unsecured Portfolio) นอกจากนี้บริษัทฯ น่าจะโตตามการฟื้นตัวของเศรษฐกิจผ่านพอร์ตที่มีหลักทรัพย์ค้ำประกัน (Secured Portfolio) ของบริษัทฯ

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Operating profit	1,210	1,635	2,759	4,013
Net profit	1,047	1,308	2,208	3,210
EPS (THB)	1.09	1.18	1.52	2.21
vs Consensus (%)	-	(8.7)	(8.6)	9.6
Core net profit	1,047	1,308	2,208	3,210
Core EPS (THB)	1.09	1.18	1.52	2.21
Chg. In EPS est. (%)	4.1	0.0	(4.0)	8.9
EPS growth (%)	42.0	7.8	29.1	45.4
Core P/E (x)	43.9	40.7	31.5	21.7
Dividend yield (%)	1.8	1.5	1.8	3.2
Price/book (x)	8.0	6.4	3.0	2.8
ROE (%)	23.0	18.7	13.9	13.3
ROA (%)	8.5	8.6	9.5	9.9



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	9.1	11.6	43.3
Relative to country (%)	0.7	9.2	14.0
Mkt cap (USD m)	1,624		
3m avg. daily turnover (USD m)	10.5		
Free float (%)	21		
Major shareholder	JMART Pcl. (54%)		
12m high/low (THB)	49.25/28.25		
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 7 กันยายน 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.

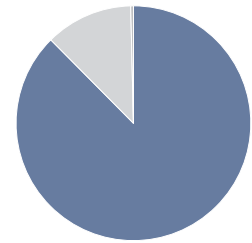
Company profile

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)

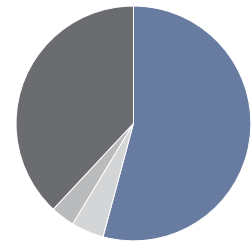
- NPLs management - 87.6 %
- Debt collection - 12.1 %
- Other income - 0.4 %



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) aggressive NPL acquisitions; 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-Nov 2021	3Q21 results announcement

Key assumptions

	2021E	2022E	2023E
	(THB m)	(THB m)	(THB m)
Net profit	1,308	2,208	3,210
<i>Net profit growth (%)</i>	25.0	68.7	45.4
Cash collection	4,552	6,417	8,986
<i>Cash collection ratio (%)</i>	37.5	36.5	33.3
NPL + NPA purchases	5,449	10,000	15,000
<i>NPL + NPA purchase growth (%)</i>	55.0	83.5	50.0

Source: FSSIA estimates

Earnings sensitivity

		----- 2021E -----		
Cash collection ratio	±50bp	37.0	37.5	38.0
% change in net profit		(3.5)	-	3.5
Cost to income	±1ppt	44.4	45.4	46.4
% change in net profit		(2.3)	-	2.3

Source: FSSIA estimates

Three benefits from capital increase

On 27 Aug-21, the same day as the announcement of the partnership between Jay Mart (JMART TB, BUY, TP THB44) and BTS Group Holdings (BTS TB, BUY, TP THB11), JMT announced a capital increase via an RO and JMT-W4, which is expected to be completed within early 2022. The company will receive cTHB10b from the RO and THB6.3b from W4, in the case it is fully exercised. However, as W4 is still out-of-money, we have not factored this in. We think JMT might take around two years to fully utilise its new capital from the RO. The remaining cash in 2022 would be parked in low-risk financial instruments then totally used in 2023, in our view.

Exhibit 1: Summary of JMT's recent capital increase

Detail	No. of shares	Capital
	(m share)	(THB m)
Current no. of shares (including JMT-W2, W3, ESOP)	1,217	
RO @ THB41.5b/share	240.96	10,000
W4 @ exercise price of THB90/share	70.5	6,345
Total after deal completion	1,529	16,345

Sources: JMT; FSSIA's compilation

Exhibit 2: JMT's outstanding debentures

No.	Issued date	Maturity date	Amount	Int. rate	Rating
			(THB m)	(%)	
1	04-Oct-18	04-Oct-21	1,075	4.30	BBB
2	06-Jun-19	06-Jun-22	1,498	4.50	BBB
3	10-Jul-19	10-Jul-22	200	4.50	BBB
4	05-Mar-20	05-Mar-23	2,000	4.00	BBB
5	02-Sep-20	02-Sep-23	149	4.00	BBB
6	02-Sep-20	02-Mar-24	1,849	4.40	BBB

Source: ThaiBMA

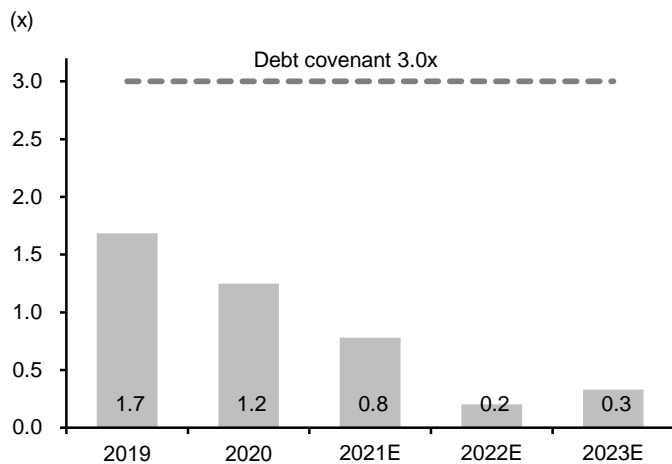
Exhibit 3: JMT's capital utilisation as estimated by FSSIA

	2021E	2022E	2023E	2024E
	(THB m)	(THB m)	(THB m)	(THB m)
Cash flow				
Cash inflow				
1) Cash collection	4,552	6,417	8,986	13,775
2) Capital increase	2,152	14,200	-	6,345
- RO*		10,000		
- W2 (exercise @ THB18.6/share, expire 27/08/2021)	2,152			
- W3 (exercise @ THB42/share, expire 16/05/2022)		4,200		
- W4*				6,345
Cash outflow				
1) Distressed asset acquisition	(5,449)	(10,000)	(15,000)	(15,750)
2) Debenture repayment	(1,075)	(1,698)	(2,149)	(1,849)
Net cash flow per year	181	8,919	(8,163)	2,521
Accumulated net cash flow	181	9,100	937	3,458

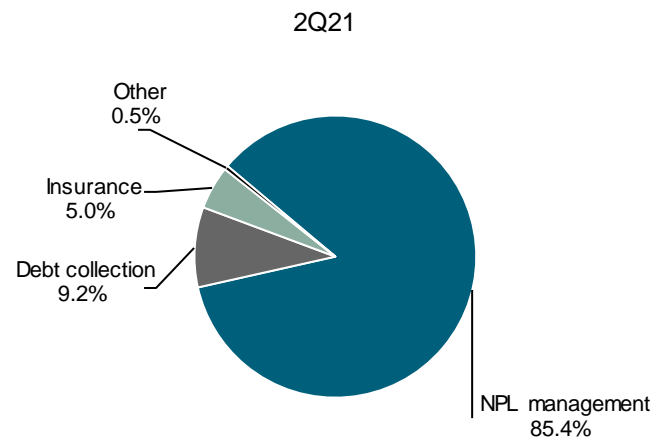
*Recent capital increase

Source: FSSIA estimates

We see three benefits to JMT. First, we think JMT can accelerate its distressed asset acquisition, with no financial cost, to be the leader of hybrid AMCs in Thailand vs being the AMC king of unsecured non-performing loans (NPLs) currently. Second, we expect to see interest savings due to its stronger capital base. JMT will gradually repay its debentures, according to management. Its 2022E D/E ratio would reduce to 0.3x from 1.1x currently vs its debt covenant at 3.0x. Also, the Thai Rating and Information Services (TRIS) could potentially upgrade JMT's rating in the future from BBB currently. Third, we expect synergy with BTS for its insurance business (5% of total revenue). BTS will indirectly hold JMT via JMART (54% ownership of JMT) after the partnership deal is completed. According to management, of these two groups, they might consider consolidating the insurance businesses at JMT, SINGER (SINGER TB, BUY, TP THB51), and U City (U TB, not rated). However, due to the unclear business plan, we leave this an upside.

Exhibit 4: A substantial decline in its D/E ratio

Source: FSSIA estimates

Exhibit 5: Revenue contribution from insurance business was 5% as of 2Q21

Source: FSSIA's compilation

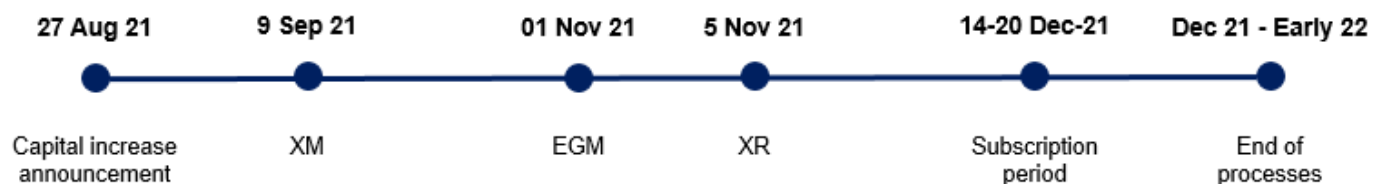
Capital reform deal summary

JMT announced a capital increase via RO and JMT-W4. Details are as below:

1) To not exceed 240.96m shares via RO. The RO allocation ratio would be 4.558-5.042 existing shares to 1 newly issued share, with a price of THB41.5/share.;

2) To not exceed 70.5m shares via warrant. These will be allocated to existing shareholders at a ratio of 3.418 shares to 1 warrant, with an exercise price of THB90/share and a conversion ratio of 1:1 (warrant : stock). W4 will expire in three years after the issuance.

The XM is 9 Sep-21. An EGM is on 1 Nov-21 and the XR date is 5 Nov-21.

Exhibit 6: Capital reform timeline

Source: FSSIA's compilation

Accelerating secured NPL acquisitions

JMT is known as the AMC “king of unsecured NPLs” due to having the highest unsecured NPL management market share. The company has penetrated secured NPLs since 2018. However, its secured portfolio size is not ranked in the top three market shares, in our view. The pace of acquisition has not been that aggressive due to the capital limitation.

Thus, after unlocking its source of funds, we believe JMT will accelerate its secured NPL acquisitions. According to management, its 2021-23 total new NPL purchase target is very aggressive at THB7b/THB15b/THB20b vs its 2020 purchase of THB3.5b. We believe that within 2023, JMT will be one of the market leaders of NPL acquisitions. Bangkok Commercial Asset Management (BAM, BUY, TP THB19.4) has the highest market share currently. According to BAM, its NPL purchase target in 2022-23 is around THB12b-15b per year.

Exhibit 7: Summary of key assumptions

	2021E	2022E	2023E
1) Distressed asset acquisition (THB m)			
JMT	7,000	15,000	20,000
FSSIA	5,449	10,000	15,000
% diff (%)	(22)	(33)	(25)
2) Cash collection (THB m)	4,552	6,417	8,986
3) Cash collection ratio (%)	37.5	36.5	33.3
4) Cost to income (%)	45.4	37.2	33.1

Sources: FSSIA estimates

However, we believe that the supply of NPLs might be lower in 2021-22 before surging again in 2023 due to the new financial support measures to extend the relaxed loan classification rules until 2023 vs 2021 previously.

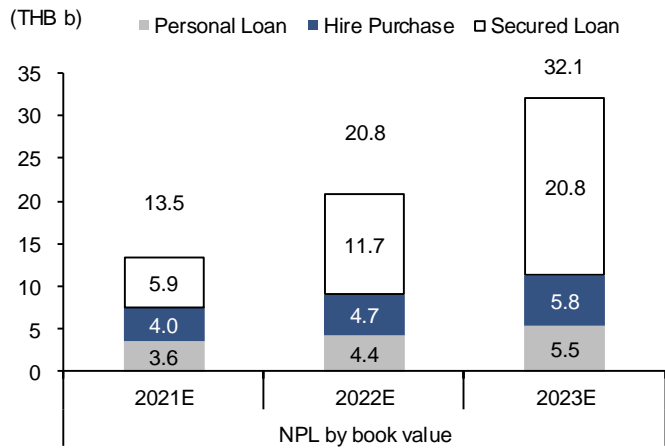
We, therefore, conservatively forecast JMT's 2021-23 NPL acquisitions at THB5.5b/THB10b/THB15b. If the company can expand its NPL acquisitions more aggressively vs our current forecast, ceteris paribus, for every THB1b increase in NPL acquisitions, its 2022-23 net profit would rise 3.3%/5.1%. Our 2022 TP would also increase by 3.5%.

We believe that JMT will become the “king of hybrid NPLs”, with a projected outstanding gross book value of distressed assets at THB32.1b vs THB98.3b for BAM and THB5.1b for Chayo Group (CHAYO, BUY, TP THB18.8) in 2023.

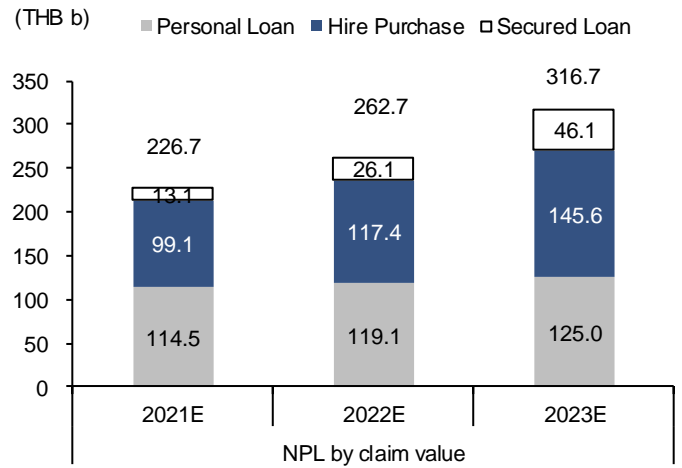
Exhibit 8: Sensitivity analysis for every THB1b increase in NPL purchases

	2022E	2023E
	(THB m)	(THB m)
Current assumptions		
Distressed asset purchase	10,000	15,000
Net profit	2,208	3,210
2022 target price (THB/share)	57	
Every increase of THB1000m		
Distressed asset purchase	11,000	16,000
Net profit	2,280	3,375
% change	3.3	5.1
2022 target price (THB/share)	59	
% change	3.5	

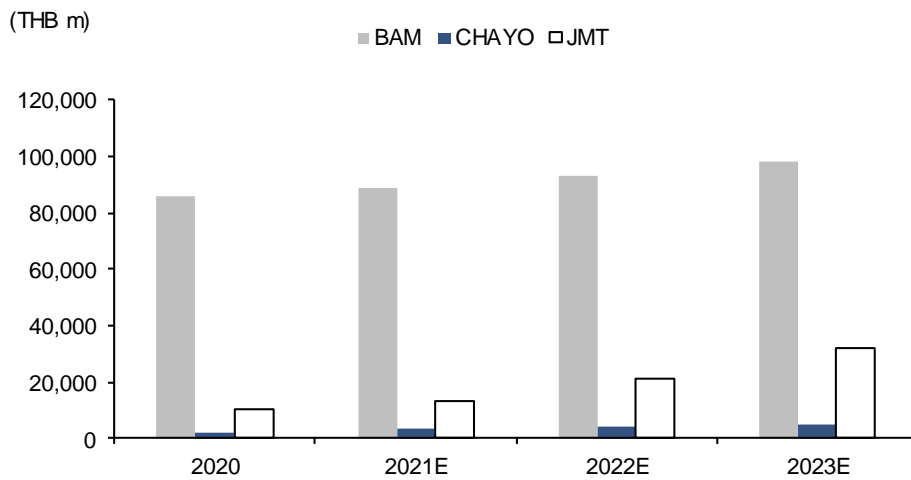
Sources: FSSIA's estimates

Exhibit 9: JMT's NPLs outstanding by book value

Sources: JMT; FSSIA's compilation

Exhibit 10: JMT's NPLs outstanding by claim value

Sources: JMT; FSSIA's compilation

Exhibit 11: Comparing outstanding gross book value of distressed assets of AMCs under our coverage

Sources: Company data; FSSIA estimates

Banks should accelerate NPL sales again in 2023

The banking sector's NPLs have increased insignificantly for four consecutive quarters since 2Q20. Moreover, some of the bad asset quality will potentially continue to be frozen in stage 1 and 2 thanks to the extended relaxed loan classification. Thus, we think that most banks might continue to delay the sale of NPLs in 2021-22. The sale of NPLs might rise again in 2023 before the end of the financial measures.

Exhibit 12: Summary of new financial measures

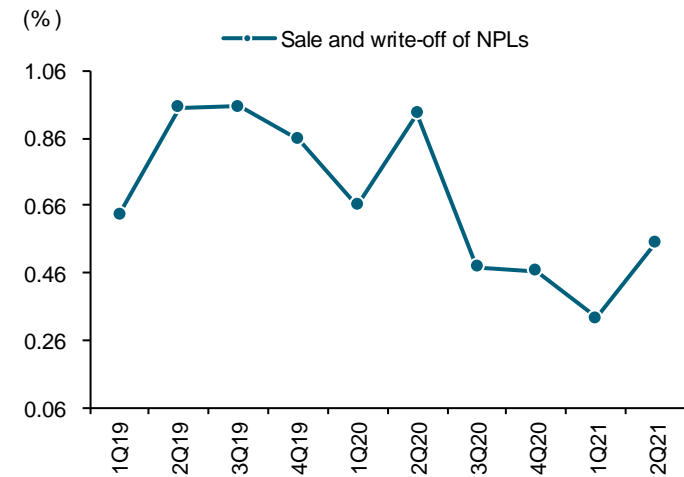
New measures		Previous measures
1. Liquidity preservation and injection measures		
For SME clients		
1. New debtors	BoT raising credit lines up to THB50m.	Credit lines were up to THB20m.
2. Existing debtors	For credit lines not over 30% of outstanding loans (outstanding loans not over THB150m) or for clients who have outstanding loans of less than THB150m, they can borrow at a maximum of not over THB50m.	Credit lines not over 30% of outstanding loans (outstanding loans not over THB150m).
The Bank of Thailand (BoT) will also ease credit guarantee conditions to accept higher credit risk for both new and existing debtors.		
For retail clients		
1. Credit card	BoT extended the 5% minimum repayment to 2022.	5% minimum repayment in 2020-21, 8% in 2022 and 10% (normal rate before Covid) in 2023.
2. Personal loans	BoT allows no limit for lenders to 2022.	Limited to 3 lenders.
3. Credit card and personal loans	BoT extending an increase in credit lines up to 2x income for THB30k income customers to 2022.	An increase in credit lines of up to 2x income for THB30k income customers ending in 2021.
4. Digital personal loans	BoT increasing credit lines up to THB40k and repayment terms to 12 months.	Credit lines of up to THB20k and repayment terms not over 6 months.
2. Comprehensive long-term debt restructuring (CDR)		
1. Relaxation of loan classification	An extension of the relaxation of loan classification and provision setting measure if financial institutions provide additional assistance to debtors in addition to extending the repayment period alone to Dec-23 from Dec-21 (note that to allow financial institutions to have sufficient time to consider appropriate L-T debt restructuring, the BoT temporarily extended the relaxation of loan classification to Mar-22).	Relaxation of loan classification would end in Dec-21.
2. FIDF fee	BoT extending the reduction of the Financial Institutions Development Fund (FIDF) fee at 0.23% to Dec-22.	FIDF fee is at 0.23% in 2020-21 and would be back to the normal rate of 0.46% in 2022.

Sources: BoT; FSSIA's compilation

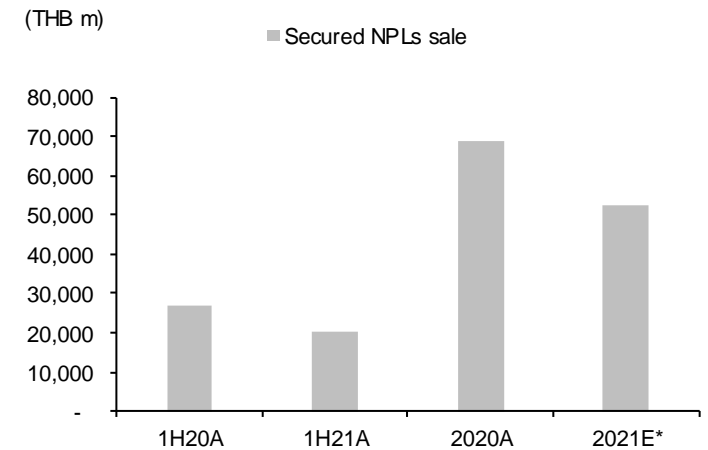
There is a sufficient NPL supply for AMCs in 2021-22

According to BAM, secured NPL sales in 1H21 were at THB20.3b, a 24% y-y decline. We assume that the pace of the decline in NPL sales in 2021 would be the same as the 1H21 level. Thus, total secured NPL sales would be THB52.2b in 2021. For the sale of unsecured NPLs, there is no public official data. We guestimate that the value of unsecured NPL sales would be THB5b-20b per year. Thus, the total NPL sales would be cTHB57b-72b in 2021-22, based on our assumptions.

This level is still over the NPL purchase budget of AMCs under our coverage, for which we expect their NPL acquisition market share to be c50-60%. Therefore, we believe there are enough NPLs to supply every AMC in 2021-22.

Exhibit 13: % of NPL sales and write-offs to total loans for the banking sector has declined since 3Q20

Sources: Bank of Thailand (BoT); FSSIA's compilation

Exhibit 14: NPL breakdown*Estimated by FSSIA
Source: BAM**Exhibit 15: Distressed asset acquisition budgets for AMCs under our coverage**

AMCs	Asset type	FSSIA's expectation for the acquisition of distressed assets		Implied distressed assets appraised/claim value	
		2021E	2022E	2021E	2022E
		(THB m)	(THB m)	(THB m)	(THB m)
BAM	Secured	9,540	11,162	21,200	24,804
	Unsecured				
CHAYO	Secured	1,374	909	3,052	2,021
	Unsecured	316	273	6,314	5,460
JMT	Secured	4,359	8,000	9,687	17,778
	Unsecured	1,090	2,000	21,796	40,000
Total NPL purchase	Secured	15,273	20,071	33,940	44,603
	Unsecured	1,406	2,273	28,110	45,460
Combined total NPL purchase		16,678	22,344	62,050	90,063

Source: FSSIA's compilation

Strong and sustainable growth due to well-balanced portfolio

We think that JMT's earnings growth outlook will be noticeably outstanding vs its peers due to its well-balanced portfolio. Both secured and unsecured NPLs have their pros and cons, in our view. In the bleak economic outlook, JMT's earnings would mainly be cushioned by its unsecured portfolio. When the economy sees a strong recovery, we think the property market will be in an upcycle again. JMT might settle some of its secured portfolio to receive a lumpy cash flow. We believe JMT can still manage its rapidly growing NPL portfolio, especially secured NPLs, as efficiently as in the past, and thus its earnings should grow strongly and sustainably.

Exhibit 16: Summary of pros and cons of unsecured and secured NPLs

	Secured NPLs	Unsecured NPLs
Pros	1 There is collateral, i.e. land, to protect from the downside of debt collection risks	1 Small ticket size, allows clients to easier service debt
	2 The price of land has steadily increased	2 Require low investment (5-10% of claim valued)
	3 Normally generates lumpy cash flow	3 Normally generate recurring cash flow
		4 Shorter payback period (2-4 years)
		5 It takes a shorter time to start collecting cash from customers after the acquisition (3-4 months)
Cons	1 Requires a high investment (40-50% of appraisal value)	1 There is no collateral
	2 Longer payback period (3-7 years)	
	3 It takes a longer time to start collecting cash from customers after the acquisition (at least 6 months)	

Sources: FSSIA estimates

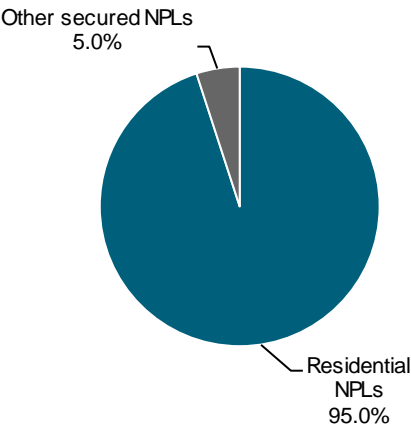
RO to lead to a surge in 2023 shareholder’s wealth

Some investors may be concerned regarding JMT’s cash collection efficiency following aggressive secured NPL purchases. We believe JMT will deliver effective cash collection continuously, supported by two factors.

First, JMT will utilise its expertise in unsecured NPL management, including its staff and IT system, to manage secured NPLs. The company would rather offer debt restructuring programs to its clients than sell NPLs, resulting in small monthly instalments to better match clients’ cash flow during the slow economic recovery.

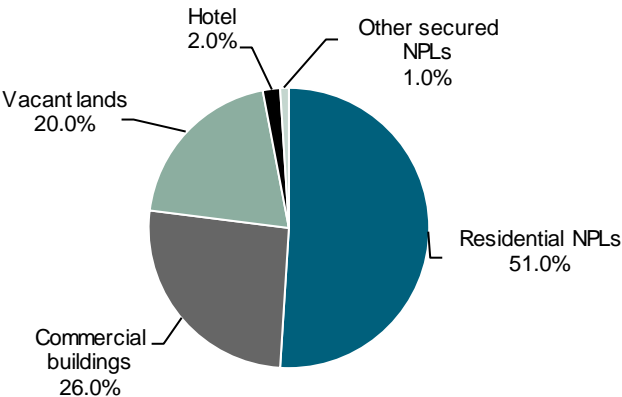
Second, most of its secured NPL portfolio consists of the residential segment vs 50% of the portfolio for BAM. Generally, homeowners tend to love their property more than other types of real estate owners. Thus, homeowners should service debts as best they can, in our view.

Exhibit 17: JMT’s secured portfolio breakdown



Source: JMT

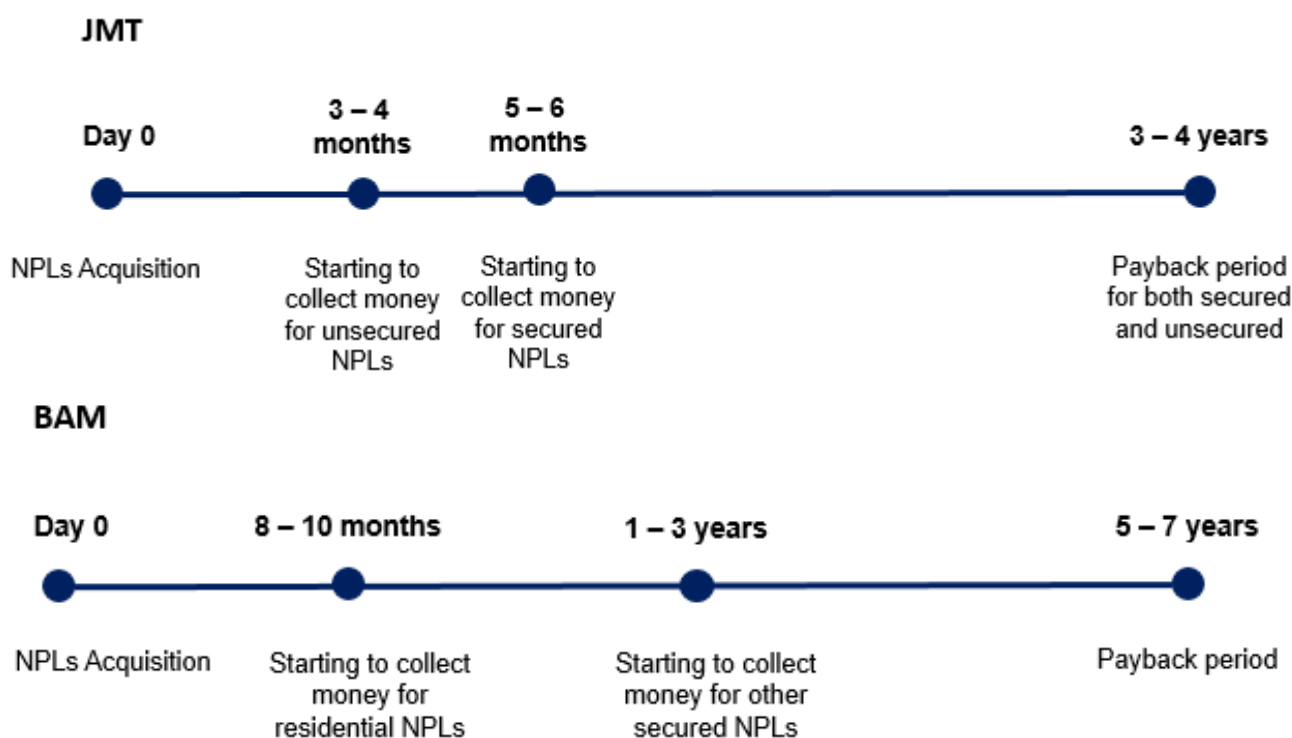
Exhibit 18: BAM’s secured portfolio breakdown



Source: BAM

Therefore, we believe JMT would have a shorter time to start collecting money from debtors and could achieve shorter payback periods than its peers. According to management, it takes only 6 months to start collecting cash from its customers after the acquisition vs 3-4 months for unsecured NPLs. The expected payback period for secured NPLs is 3-4 years. Regarding BAM, it takes around 18-24 months to start money collection and 8-10 months for residential NPLs. The payback period for BAM is longer at 5-7 years.

Exhibit 19: NPL management time for JMT vs BAM

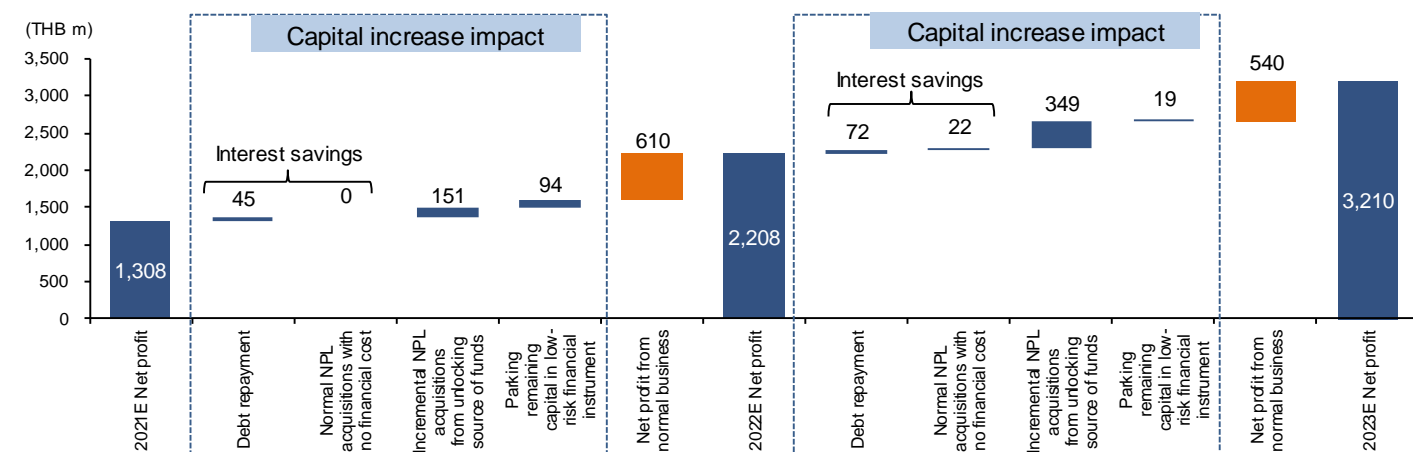


Source: Company data; FSSIA estimates

We think the RO might only slightly reduce existing shareholders' wealth in 2022, with shareholders' wealth potentially increasing substantially starting from 2023.

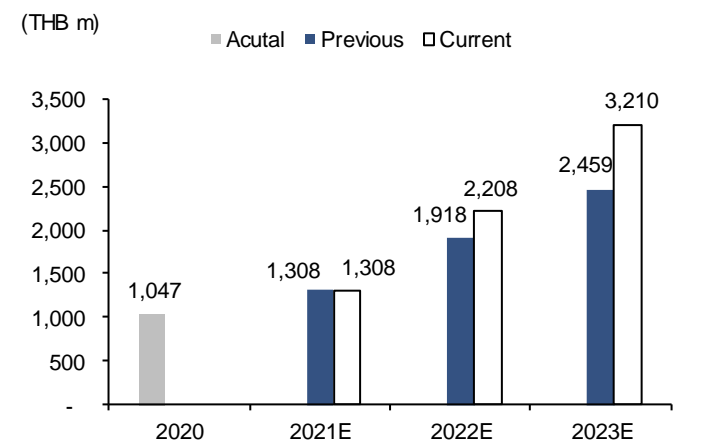
We expect its 2022-23 net profit after the capital increase to be THB2.21b/THB3.21b, a 15%/31% increase from our previous assumptions. Our 2022-23 EPS assumptions after the capital increase are THB1.52/THB2.21 per share; only a 4% decrease from our previous assumption in 2022 but a 9% increase for 2023. We project its 2022-23 EPS to rise substantially by 29%/45% y-y.

Exhibit 20: JMT – net profit forecasts



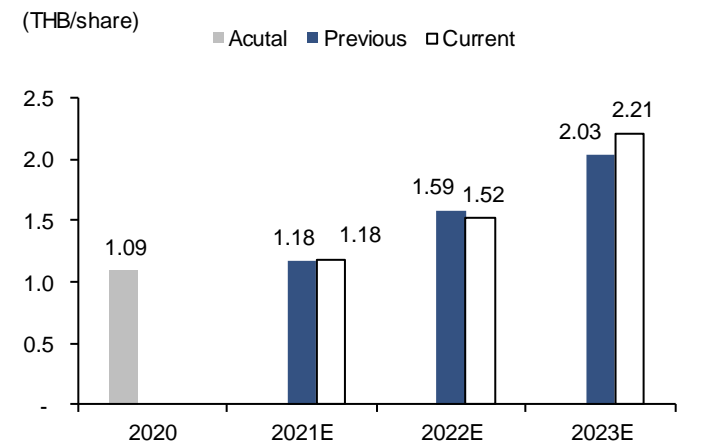
Source: FSSIA estimates

Exhibit 21: Comparing JMT’s net profit before and after capital increase



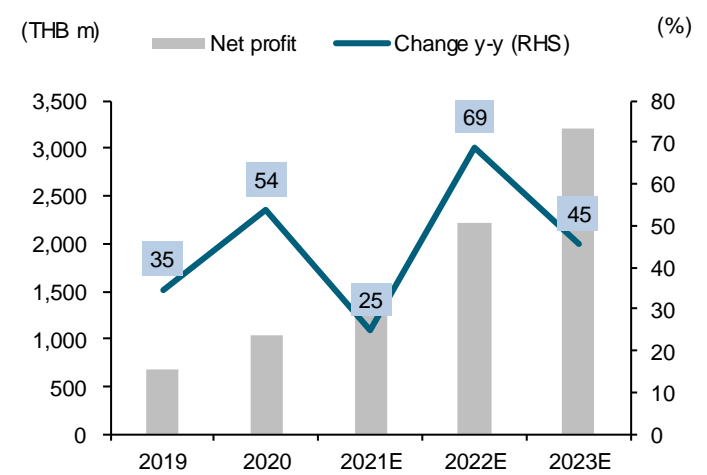
Source: FSSIA estimates

Exhibit 22: Comparing JMT’s EPS before and after capital increase



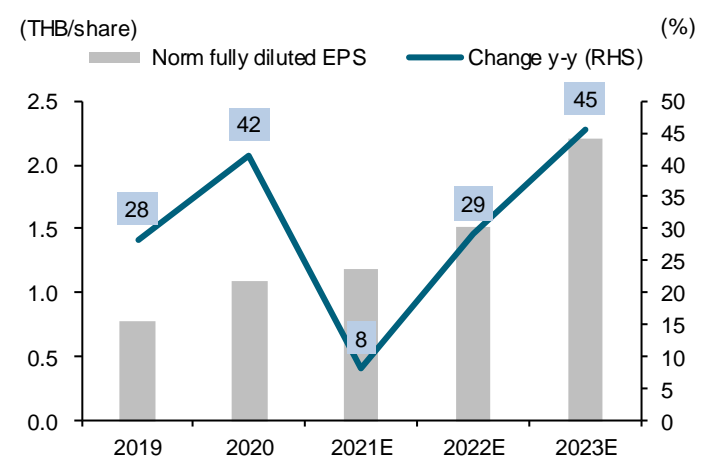
Source: FSSIA estimates

Exhibit 23: JMT’s net profit growth



Source: FSSIA estimates

Exhibit 24: JMT’s EPS growth



Source: FSSIA estimates

Earnings revisions and valuation

We increase our 2022-23 net profit forecasts by 15%/31%, mainly to reflect the capital increase. The impacts from this include 1) a significant increase in NPL purchases; 2) lower interest expenses; and 3) an increase in the returns from investments from parking the remaining capital in low-risk financial instruments.

Exhibit 25: Change of key assumptions

	-----2021E-----			-----2022E-----			-----2023E-----		
	Old	New	Change	Old	New	Change	Old	New	Change
	(THB m)	(THB m)	(%)	(THB m)	(THB m)	(%)	(THB m)	(THB m)	(%)
Interest income	3,200	3,200	0.0	4,198	4,596	9.5	5,121	6,255	22.1
Interest expense	317	317	0.0	329	278	(15.4)	325	313	(3.6)
Net interest income	2,883	2,883	(0.0)	3,869	4,318	11.6	4,797	5,942	23.9
Non-interest income	436	436	0.0	461	461	0.0	505	505	0.0
Total operating income	3,319	3,319	(0.0)	4,331	4,779	10.4	5,302	6,448	21.6
Operating expense	1,508	1,508	0.0	1,704	1,780	4.4	1,960	2,131	8.7
Pre-operating profit before tax	1,811	1,811	(0.0)	2,626	2,999	14.2	3,342	4,317	29.2
Expected credit loss	176	176	0.0	228	240	5.0	269	304	13.2
Taxes expenses	327	327	(0.0)	480	552	15.1	615	803	30.6
Minority interest	0	0		0	0				
Norm. profit	1,308	1,308	(0.0)	1,918	2,208	15.1	2,459	3,210	30.6
Extraordinary items	0	0		0	0		0	0	
Net profit	1,308	1,308	(0.0)	1,918	2,208	15.1	2,459	3,210	30.6
EPS (THB)	1.18	1.18	(0.0)	1.59	1.52	(4.0)	2.03	2.21	8.9
Key statistic and ratio									
Leverage ratios (x)									
Liabilities / equity	1.17	0.95		0.64	0.28		0.69	0.42	
Interest-bearing debt / equity	1.00	0.78		0.53	0.20		0.58	0.33	
Profitability ratio (%)									
Cost of funds	4.10	4.64		4.30	4.30		4.30	4.30	
Cost to income	45.44	45.44		39.35	37.24		36.97	33.05	
Specific data for business									
NPL and NPA purchases (THB m)	5,449	5,449	0.0	5,994	10,000	66.8	4,495	15,000	233.7
NPL and NPA cash collection (THB m)	4,552	4,552	0.0	5,985	6,417	7.2	7,105	8,986	26.5
Cash collection to gross NPLs and NPAs (%)	38	38		38	36		39	33	
Change y-y (%)									
Core profit (y-y %)	25.0	25.0		46.6	68.7		28.2	45.4	
NPL and NPA purchases (y-y %)	55.0	55.0		10.0	83.5		(25.0)	50.0	
NPL and NPA cash collection (y-y %)	22.9	22.9		31.5	41.0		18.7	40.0	

Sources: JMT; FSSIA estimates

We revise up our 2022 GGM-based TP to THB57 from THB52. Although our 2022 target P/BV is lower at 3.5x from 4.8x, as we decrease our long-term ROE assumption to 14.0% from 17.8% due to the influx of capital, the 2022E BVPS has risen due to the capital increase.

Our TP of THB57 implies a 37.5x 2022E P/E, which is higher than the P/E of our previous target price at 32.8x due to the higher estimated net profit growth at a 45% CAGR from 2021-23 vs 33% previously.

Exhibit 26: JMT – GGM-derived target price

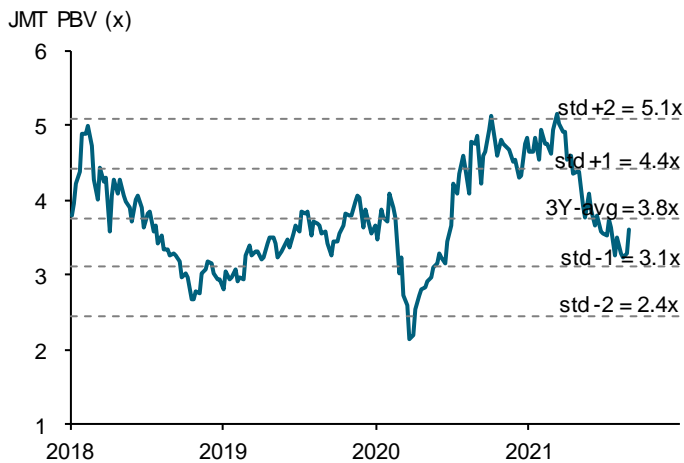
Target price	THB 57 (from 52)
Recommendation	BUY (unchanged)
Risk-free rate (%)	3.0 (unchanged)
Market risk premium (%)	8.0 (unchanged)
Terminal growth (%)	7.4 (from 7.1)
ROE target (%)	14.0 (from 17.8)
Target PBV (x)	3.5 (from 4.8)
Implied P/E (x)	37.5 (from 32.8)
Risk to TP	Downside risks to our GGM-based 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

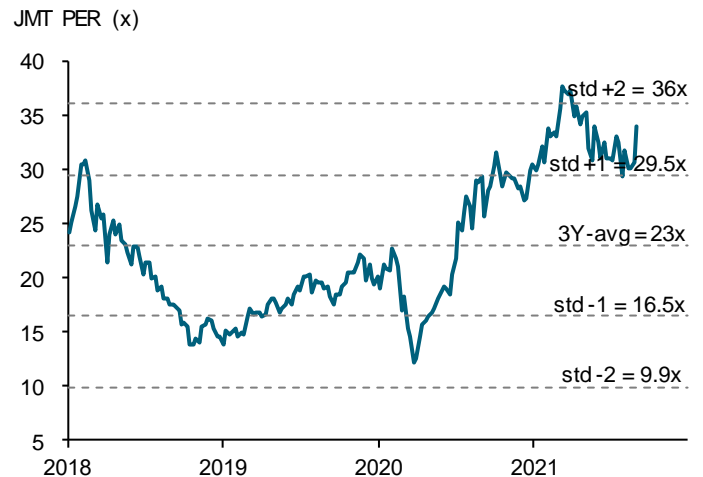
Exhibit 27: JMT's outstanding warrants

	JMT-W3	JMT-W4
Total warrants (m units)	100.0	70.5
Outstanding warrants (m units)	98.39	70.5
Last exercise date	16-May-22	3 years after the issuance
Exercise price (THB per share)	41.96	90
Exercise ratio (Warrant : Common stock)	1:1.00096	1:1
Cash from conversion (THB m)	4,128.6	6,345.0

Sources: JMT; FSSIA estimates

Exhibit 28: JMT – one-year prospective P/BV

Sources: Bloomberg; FSSIA estimates

Exhibit 29: JMT – one-year prospective P/E

Sources: Bloomberg; FSSIA estimates

Exhibit 30: Thailand diversified financials – peers comparison

	BBG	Rec	---Share price---		Up	Market	EPS growth		---- P/E ----		---- ROE ----		---- PBV ----	
	code		Current	Target	side	Cap	21E	22E	21E	22E	21E	22E	21E	22E
			(THB)	(THB)	(%)	(USD m)	(%)	(%)	(x)	(x)	(%)	(%)	(x)	(x)
Diversified financials						24,155	10.8	17.3	21.8	18.6	14.4	14.9	2.9	2.5
Unsecured-loan lender						6,841	23.8	15.0	19.9	17.3	25.6	25.0	4.7	4.0
Aeon Thana Sinsap (Thailand)	AEONTS TB	BUY	200.00	274.00	37	1,540	20.9	14.3	11.2	9.8	24.0	23.2	2.5	2.1
Krungthai Card	KTC TB	HOLD	66.75	73.00	9	5,301	25.8	15.4	25.6	22.2	26.9	26.3	6.3	5.4
Auto-title lender						10,264	6.6	21.5	23.6	19.4	20.6	20.7	4.3	3.7
Muangthai Capital	MTC TB	BUY	61.50	67.00	9	4,016	3.1	23.5	24.3	19.6	23.4	23.8	5.2	4.3
Srisawad Corp	SAWAD TB	BUY	69.25	86.00	24	2,929	7.1	18.6	19.5	16.4	20.7	22.1	3.8	3.4
Saksiam Leasing	SAK TB	BUY	9.10	12.20	34	587	(17.3)	40.0	31.3	22.3	12.9	16.3	3.9	3.4
Ngern Tid Lor	TIDLOR TB	BUY	38.25	47.00	23	2,732	22.0	19.5	27.3	22.9	18.7	16.4	3.9	3.5
Truck lender						1,640	(10.3)	3.7	19.9	19.2	14.6	13.5	2.9	2.3
Micro Leasing	MICRO TB	BUY	8.25	10.70	30	238	23.1	33.5	37.9	28.4	10.8	13.2	3.9	3.6
Singer Thailand	SINGER TB	BUY	43.00	51.00	19	660	24.8	2.4	31.6	30.9	13.0	9.8	3.5	2.3
Ratchthani Leasing	THANI TB	BUY	4.26	5.20	22	743	(20.9)	15.8	13.4	11.6	16.0	17.0	2.1	1.9
Asset management						3,876	11.6	31.7	34.7	26.4	6.9	8.3	2.2	2.0
Bangkok Commercial Asset Mngt.	BAM TB	BUY	18.90	19.40	3	1,881	13.5	37.8	29.2	21.2	4.8	6.2	1.3	1.3
Chayo Group	CHAYO TB	BUY	12.60	18.80	49	370	18.5	39.6	49.1	35.2	12.8	11.7	4.4	3.5
JMT Network Services	JMT TB	BUY	48.00	57.00	19	1,624	7.8	29.1	40.7	31.5	18.7	13.9	6.4	3.0
Other						1,179	8.1	11.6	9.3	8.3	6.4	6.8	0.6	0.6
Thanachart Capital	TCAP TB	HOLD	36.50	35.00	(4)	1,179	8.1	11.6	9.3	8.3	6.4	6.8	0.6	0.6
Hire purchase motorcycle						355	55.9	33.4	36.6	27.4	17.4	19.8	5.9	5.0
Next Capital	NCAP TB	BUY	12.80	16.80	31	355	55.9	33.4	36.6	27.4	17.4	19.8	5.9	5.0

Share prices as of 6 Sep 2021

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	4,596	6,255
Interest expense	(206)	(314)	(317)	(278)	(313)
Net interest income	1,758	2,315	2,883	4,318	5,942
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	4,779	6,448
Staff costs	-	-	-	-	-
Other operating costs	(1,258)	(1,311)	(1,508)	(1,780)	(2,131)
Operating costs	(1,258)	(1,311)	(1,508)	(1,780)	(2,131)
Pre provision operating profit	850	1,413	1,811	2,999	4,317
Provision for bad and doubtful debt	(12)	(203)	(176)	(240)	(304)
Other provisions	-	-	-	-	-
Operating profit	839	1,210	1,635	2,759	4,013
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	2,759	4,013
Tax	(189)	(174)	(327)	(552)	(803)
Profit after tax	649	1,036	1,308	2,208	3,210
Minority interests	32	11	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	681	1,047	1,308	2,208	3,210
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	681	1,047	1,308	2,208	3,210
Per share (THB)					
Recurring EPS *	0.77	1.09	1.18	1.52	2.21
Reported EPS	0.77	1.09	1.18	1.52	2.21
DPS	0.58	0.86	0.74	0.88	1.55
Growth					
Net interest income (%)	29.4	31.7	24.5	49.8	37.6
Non interest income (%)	24.3	16.8	6.7	5.7	9.6
Pre provision operating profit (%)	27.9	66.1	28.2	65.6	43.9
Operating profit (%)	26.1	44.2	35.2	68.7	45.4
Reported net profit (%)	34.8	53.6	25.0	68.7	45.4
Recurring EPS (%)	28.3	42.0	7.8	29.1	45.4
Reported EPS (%)	28.3	42.0	7.8	29.1	45.4
Income Breakdown					
Net interest income (%)	83.4	85.0	86.9	90.4	92.2
Net fees & commission (%)	-	-	-	-	-
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	16.6	15.0	13.1	9.6	7.8
Operating performance					
Gross interest yield (%)	-	-	-	-	-
Cost of funds (%)	4.23	4.84	4.64	4.30	4.30
Net interest spread (%)	(4.23)	(4.84)	(4.64)	(4.30)	(4.30)
Net interest margin (%)	-	-	-	-	-
Cost/income(%)	59.7	48.1	45.4	37.2	33.1
Cost/assets(%)	13.6	10.7	9.9	7.7	6.6
Effective tax rate (%)	22.6	14.4	20.0	20.0	20.0
Dividend payout on recurring profit (%)	75.3	78.6	63.1	57.9	70.0
ROE (%)	20.1	23.0	18.7	13.9	13.3
ROE - COE (%)	9.3	12.2	7.9	3.1	2.5
ROA (%)	7.0	8.5	8.6	9.5	9.9
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	20,803	32,058
Total provisions	(107)	(287)	(436)	(634)	(874)
interest in suspense	0	160	269	416	641
Net customer loans	7,921	9,834	13,294	20,585	31,825
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	363	1,366	820	6,558	656
Cash & equivalents	317	967	39	1,059	402
Other interesting assets	101	412	432	479	588
Tangible fixed assets	163	411	269	282	296
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	1,277	1,281	1,292	1,207	1,044
Total assets	10,142	14,270	16,145	30,169	34,812
Customer deposits	-	-	-	-	-
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	5,783	7,187	6,468	4,768	8,085
Non interest bearing liabilities	926	1,329	1,395	1,814	2,177
Hybrid Capital	-	-	-	-	-
Total liabilities	6,708	8,516	7,864	6,582	10,262
Share capital	444	488	545	891	891
Reserves	2,952	5,236	7,737	22,696	23,659
Total equity	3,396	5,724	8,281	23,587	24,550
Minority interests	38	30	0	0	0
Total liabilities & equity	10,142	14,270	16,145	30,169	34,812
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	6,828	6,468	7,277
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	5.98	7.46	16.26	16.92
Tangible book value per share	3.82	5.98	7.46	16.26	16.92
Growth					
Gross customer loans	34.2	24.1	35.1	54.5	54.1
Average interest earning assets	-	-	-	-	-
Total asset (%)	21.3	40.7	13.1	86.9	15.4
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	-	-	-	-	-
Leverage & capital measures					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	33.5	40.1	51.3	78.2	70.5
Tangible equity/assets (%)	33.5	40.1	51.3	78.2	70.5
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	2.0	2.7
Total provisions/NPL (%)	-	-	-	-	-
Valuation					
Recurring P/E (x) *	62.3	43.9	40.7	31.5	21.7
Recurring P/E @ target price (x) *	74.0	52.1	48.4	37.5	25.8
Reported P/E (x)	62.3	43.9	40.7	31.5	21.7
Dividend yield (%)	1.2	1.8	1.5	1.8	3.2
Price/book (x)	12.6	8.0	6.4	3.0	2.8
Price/tangible book (x)	12.6	8.0	6.4	3.0	2.8
Price/tangible book @ target price (x)	14.9	9.5	7.6	3.5	3.4

* 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	TTB	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	WIIK	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	AMANA	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	SEAOL	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	TTB	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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Company	Ticker	Price	Rating	Valuation & Risks
JMT Network Services	JMT TB	THB 48.00	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.
Aeon Thana Sinsap (Thailand)	AEONTS TB	THB 200.00	BUY	Downside risks to our GGM-derived TP include 1) intense competition that could push marketing expenses higher; 2) regulatory actions to curb industry growth; and 3) deteriorating asset quality.
Krungthai Card	KTC TB	THB 66.75	HOLD	Upside risks to our GGM-derived TP include 1) stronger-than-expected KTBL growth; and 2) a better-than-expected bad debt recovery. Downside risks are 1) regulatory actions to curb industry growth; and 2) deteriorating asset quality.
Muangthai Capital	MTC TB	THB 61.50	BUY	Downside risks to our GGM-based TP include the expansion into auto-title loans by the Government Savings Bank; further weakening asset quality could potentially hit both loan yield and credit cost.
Srisawad Corp	SAWAD TB	THB 69.25	BUY	Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; and 2) changes in financial regulations by the Bank of Thailand.
Saksiam Leasing	SAK TB	THB 9.10	BUY	Downside risks to our GGM-derived TP include 1) competition from existing and new players; 2) regulatory changes by the BoT; and 3) a slower-than-expected reduction in its cost of funds due to a shift toward more long-term loans.
Ngern Tid Lor	TIDLOR TB	THB 38.25	BUY	Downside risks to our GGM-based TP include 1) the expansion into auto-title loans by the Government Savings Bank; 2) further weakening asset quality could potentially hit both loan yield and credit cost; and 3) tighter supervision from related regulators.
Micro Leasing	MICRO TB	THB 8.25	BUY	Downside risks to our GGM-derived TP include 1) an economic slowdown, especially for logistics activities and private investment; 2) deteriorating asset quality; and 3) a slower-than-expected reduction in the cost of funds due to a shift toward more long-term loans.
Singer Thailand	SINGER TB	THB 43.00	BUY	Downside risks to our GGM-derived TP include 1) an economic slowdown leading to slower loan growth and lower sales of electrical products and home appliances; and 2) deteriorating asset quality.
Ratchthani Leasing	THANI TB	THB 4.26	BUY	Downside risks to our GGM-derived TP include 1) an economic slowdown, especially for logistics activities and private investment; 2) deteriorating asset quality; and 3) changes in financial regulations from the Bank of Thailand.
Bangkok Commercial Asset Mngt.	BAM TB	THB 18.90	BUY	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.
Chayo Group	CHAYO TB	THB 12.60	BUY	Downside risks to our GGM-based TP include 1) lower-than-expected bad debt acquisition; and 2) higher-than-expected operating expenses.
Thanachart Capital	TCAP TB	THB 36.50	HOLD	Upside risks to our GGM-based target price are M&A completions and long-term synergy gained, leading to a higher contribution to its earnings. Downside risks are impacts from a prolonged weak macro outlook on loan growth and asset quality which could lead to higher provisions for both TMB and THANI.
Next Capital	NCAP TB	THB 12.80	BUY	Downside risks to our GGM-derived TP include 1) an economic slowdown, especially for food delivery and logistics activities; 2) deteriorating asset quality; and 3) tighter competition from new players.
BTS Group Holdings	BTS TB	THB 9.35	BUY	The key downside risks to our SOTP-based TP include a slower-than-expected recovery of the Thai economic outlook and the company not being able to win new mass transit projects.
Jay Mart	JMART TB	THB 40.25	BUY	Downside risks to our SOTP-based TP include 1) lower-than-expected mobile revenue; 2) lower cash collection from its fully amortised portfolio; and 3) 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

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 Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 06-Sep-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.