

16 SEPTEMBER 2021

THAILAND / ICT

JAY MART JMART TB

BUY

UNCHANGED

TARGET PRICE	THB48.00
CLOSE	THB43.25
UP/DOWNSIDE	+11.0%
PRIOR TP	THB44.00
CHANGE IN TP	+9.1%
TP vs CONSENSUS	+5.1%

กำลังเข้าสู่ระยะการเติบโตแบบทวีคูณ

ประโยชน์ 3 ประการจากการเพิ่มทุน

JMART ประกาศแผนเพิ่มทุน 10 พัน ลบ. โดยจะขายหุ้นเป็นการเฉพาะเจาะจง (PP) ให้แก่ VGI และ U City ซึ่งบริษัทฯ คาดว่าสำเร็จภายในปีนี้ เราเห็นว่าการเพิ่มทุนดังกล่าวจะให้ประโยชน์ 3 ประการแก่ JMART ประการแรกการเพิ่มทุนจะช่วยเสริมความสามารถของบริษัทฯ ในการลงทุนในหุ้นเพิ่มทุนของ JMT และ SINGER ประการที่สองเราคาดว่าบริษัทฯ จะประหยัดดอกเบี้ยได้ ซึ่งจะช่วยให้กำไรสุทธิเพิ่มขึ้น ประการที่สามการมี BTS group เป็นพันธมิตรใหม่จะช่วยเสริมสร้างธุรกิจของบริษัทฯ ให้แข็งแกร่งมากยิ่งขึ้นและช่วยให้บริษัทฯ ทำแผนการเติบโตแบบทวีคูณให้เป็นจริง

ธุรกิจโลจิสติกส์และนายหน้าประกันภัยมีความชัดเจนมากยิ่งขึ้น

ธุรกิจที่ JMART วางแผนไว้ กล่าวคือโลจิสติกส์และนายหน้าประกันภัยจะเป็นความจริงได้ในอนาคตอันใกล้ด้วยความช่วยเหลือของ BTS group โดยบริษัทแม่สำหรับธุรกิจโลจิสติกส์ที่ JMART มองไว้ว่าจะเป็น KEX ซึ่งเป็นบริษัทย่อยของ VGI KEX เป็นหนึ่งในผู้นำในธุรกิจขนส่งพัสดุ ส่วนธุรกิจนายหน้าประกันภัยน่าจะโตได้ในระดับสูงหลังร่วมมือกับ U City เราขอความเป็นไปได้ในด้านการเติบโตและประโยชน์ระหว่างบริษัทต่าง ๆ แผนดังกล่าวอาจเป็นปัจจัยผลักดันสำคัญของ JMART ในระยะยาว อย่างไรก็ตามเรายังไม่ได้รวมธุรกิจใหม่และประโยชน์ที่อาจจะได้ไว้ในประมาณการของเรา ซึ่งจะเป็นความเสี่ยงขาขึ้นสำหรับ JMART

กำไรสุทธิจะดีขึ้นอย่างมีนัยสำคัญ

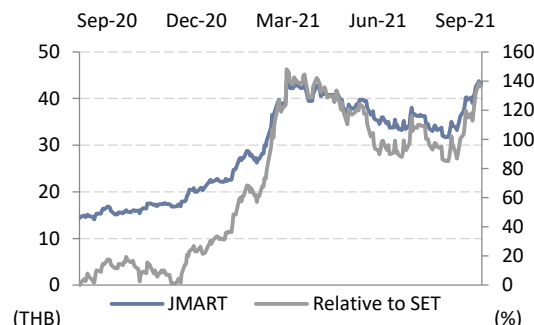
เราปรับเพิ่มประมาณการกำไรสุทธิปี 2022 และ 2023 เพื่อสะท้อนการเติบโตที่คาดว่าจะได้สำหรับ JMT และ SINGER ในปี 2022 เราเพิ่มประมาณการกำไรสุทธิของ JMART อีก 11% จากเดิมที่ 1.69 พัน ลบ. กำไรสุทธิที่เพิ่มขึ้นเกิดจาก 1) ส่วนแบ่งกำไรสุทธิปี 2022E ที่เพิ่มจาก JMT เป็น 157 ลบ.; 2) ดอกเบี้ยที่ประหยัดได้หลัง JMART จ่ายคืนหนี้จำนวน 52 ลบ.; และ 3) หักส่วนแบ่งกำไรที่ลดลง 15 ลบ. ของ SINGER จากจำนวนหุ้นที่เพิ่มขึ้น ทำให้เราคาดว่ากำไรสุทธิของ JMART ในปี 2022 จะสูงขึ้น 59% เป็น 1.88 พัน ลบ. ซึ่งจะเป็นระดับสูงสุดตลอดกาล

คำแนะนำซื้อที่ราคาเป้าหมายใหม่ที่ 48 บาท

เราเพิ่มราคาเป้าหมายเป็น 48 จาก 44 บาท (SOTP) เพื่อรวม 1) ราคาเป้าหมายที่เพิ่มขึ้นของ JMT เป็น 57 บาทและ SINGER เป็น 51 บาท; และ 2) ค่า P/E-multiple ที่สูงขึ้นของธุรกิจอื่นที่เหลือของ JMART, ประกอบด้วย J Mobile, J Ventures, และร้านค้าแฟรนไชส์ 25x เพื่อสะท้อนประโยชน์ใหม่ที่คาดว่าจะได้จากการลงทุนร่วมกับ BTS group หมายเหตุราคาเป้าหมายใหม่ของเราที่ 48 บาทยังไม่รวมความเสี่ยงขาขึ้นที่อาจได้จากธุรกิจโลจิสติกส์และนายหน้าขายประกัน ด้วยเหตุดังกล่าวเรามุ่งมองเชิงบวกต่อ JMART ซึ่งน่าจะมีปัจจัยบวกที่น่าสนใจในปีหน้า

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	11,204	12,434	14,525	17,019
Net profit	798	1,161	1,878	2,576
EPS (THB)	0.87	1.10	1.33	1.82
vs Consensus (%)	-	1.6	15.7	12.8
EBITDA	2,637	3,111	4,214	5,461
Core net profit	900	1,161	1,878	2,576
Core EPS (THB)	0.98	1.10	1.33	1.82
Chg. In EPS est. (%)	-	0.6	(14.9)	(4.8)
EPS growth (%)	76.1	13.1	20.3	37.1
Core P/E (x)	44.3	39.2	32.6	23.7
Dividend yield (%)	1.6	1.9	2.4	3.3
EV/EBITDA (x)	20.0	19.2	17.3	14.2
Price/book (x)	10.7	8.0	3.7	3.5
Net debt/Equity (%)	145.6	115.6	32.6	42.9
ROE (%)	25.3	24.7	16.8	15.0



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	36.2	25.4	186.4
Relative to country (%)	28.1	25.1	127.6
Mkt cap (USD m)	1,359		
3m avg. daily turnover (USD m)	14.5		
Free float (%)	55		
Major shareholder	Sukhumvitaya family (38%)		
12m high/low (THB)	44.50/14.00		
Issued shares (m)	1,051.09		

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 16 กันยายน 2021

Investment thesis

JMART is a holding company with investments in six subsidiaries and one associated company, focusing on retailing and retail finance via synergies and technology.

JMT has been in the distressed asset management business for more than 14 years, with more than 26 years in the debt collection business. We expect the company to deliver remarkable core profit growth at a 33% 3-yr 2021-23 CAGR – with an especially large increase of 47% y-y in 2022.

SINGER is one of the major players in electrical and home appliance sales and providing instalment loans. We expect SINGER to deliver a record high net profit of THB659m (+49% y-y) in 2021, backed by 1) remarkable 2021E loan growth; 2) an increase in electrical and home appliance sales; and 3) a stable gross profit margin for its electrical products and home appliances.

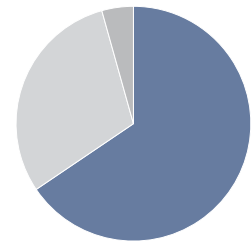
Company profile

JMART is a holding company and operates a retail and wholesale business for mobile phones. The company holds JMT Network Services (JMT TB, BUY, TP THB57), which operates bad debt collection, bad debt management, and an insurance business. It also holds Jas Asset (J TB, NR), a retail space rental business.

www.jaymart.co.th

Principal activities (revenue, 2020)

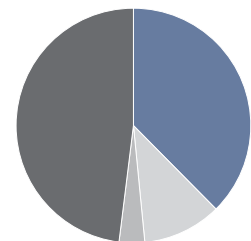
- Revenue from contract with customers - 65.5 %
- Loan - 30.1 %
- Others - 4.3 %



Source: Jay Mart

Major shareholders

- Sukhumvitaya family - 37.6 %
- Yuvadee Pong-acha - 10.9 %
- Thai NVDR - 3.5 %
- Others - 48.0 %



Source: Jay Mart

Catalysts

- The synergy between JMART and BTS should strengthen every business unit;
- JMT: the announcement of M&A deals and an increase in its fully amortised portfolio volume;
- SINGER: the spin-off of its lending business and stronger-than-expected loan growth.

Risks to our call

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.

Event calendar

Date	Event
Nov-21	3Q21 results announcement

Key assumptions

	2020	2021E	2022E	2023E
	(%)	(%)	(%)	(%)
Mobile revenue growth	(5)	9	7	7
JMT net profit growth	54	25	69	45
SINGER net profit growth	167	49	37	19
JMART net profit growth	49	45	59	32

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in JMT's net profit, we project JMART's 2021 earnings to rise by 0.7%, and vice versa, all else being equal;
- For every 1% increase in SINGER's net profit, we project JMART's 2021 earnings to rise by 0.2%, and vice versa, all else being equal.

Source: FSSIA estimates

Valuation and recommendation

We derive JMART's target price by using the SOTP methodology, given that JMART is a holding company. SOTP details on each business are as follows:

1. We use FSSIA's 2022 TPs for JMT Network Services (JMT TB, BUY, TP THB57) and Singer Thailand (SINGER TB, BUY, TP THB51) at THB57 and THB51, respectively, from the previous TPs of THB52 and THB53, respectively. Note that due to the share price dilution on SINGER after the company makes a private placement (PP) to U City (U TB, NR), the percent held in SINGER by JMART will reduce from 35.5% to 26.5%.
2. We value Jas Asset using its current market price of THB3.20 (as of 16 Sep 2021).
3. Maintain our valuation of KB J Capital (KB J, not listed) by using a P/E multiple of 25x with the expectation of a 2022 net profit of THB155m.
4. We increase our P/E multiple for the rest of JMART's businesses, including J Mobile, J Ventures, and its coffee shops, to 25x from 20x in order to reflect the new synergy potential with BTS Group Holdings (BTS TB, BUY, TP THB11). J Mobile and J Ventures should receive various benefits by partnering with the leading mass transit operator and out-of-home media provider.

Hence, we recommend BUY on JMART with a TP of THB48. Note that our new TP does not yet include the potential upside on the new logistics and centralised broker businesses. Therefore, we have a bullish view on JMART, which should have an attractive catalyst next year.

Exhibit 1: KB J Capital's P/E multiple

Net profit (THB m)	PE				
	21 (x)	23 (x)	25 (x)	27 (x)	29 (x)
126	2,636	2,887	3,138	3,389	3,640
139	2,928	3,207	3,486	3,765	4,044
155	3,254	3,564	3,874	4,183	4,493
170	3,579	3,920	4,261	4,602	4,943
187	3,937	4,312	4,687	5,062	5,437

Source: FSSIA estimates

Exhibit 2: P/E multiple for the rest of JMART's businesses

Net profit (THB m)	PE				
	15 (x)	20 (x)	25 (x)	30 (x)	35 (x)
245	6,375	6,865	6,130	7,846	8,336
272	7,083	7,628	6,811	8,718	9,263
303	7,870	8,476	7,567	9,081	10,594
333	8,657	9,323	8,324	10,655	11,321
366	9,523	10,255	9,157	11,720	12,453

Note: The rest of JMART's businesses include J Mobile, coffee shops, and J Ventures
Source: FSSIA estimates

Exhibit 3: JMART's SOTP valuation

	(THB m)	(THB/share)	Comments
JMT	45,019	31.83	54% holding, FSSIA TP of THB57
SINGER	11,326	8.01	26.5% holding, FSSIA TP of THB51
KB J	1,933	1.37	45% holding 25x P/E
Jas Asset	1,964	1.54	66% holding, market price at THB3.20 as of 16 Sep 2021
Total investment value	60,241	42.59	
The rest of JMART's businesses	7,567	5.35	25X P/E
Total	67,809		
Share base (m)	1,414		
TP (THB)	48		

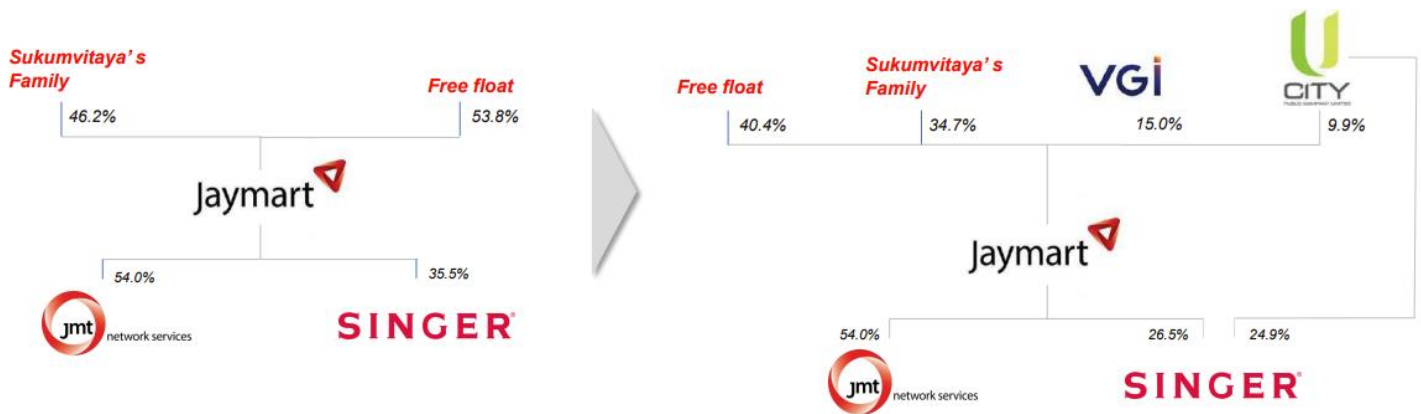
Note: Our 2022 TP at THB48 already includes the share dilution for JMART-W3 and W4, expected to be exercised in 2022
Sources: JMART; FSSIA estimates

JMART

Earnings improvement from subsidiaries' capital raising

After JMART's subsidiaries, JMT and SINGER, conclude their capital raising at over THB10b for each company, FSSIA expects JMT's and SINGER's earnings to improve significantly starting from 2022. JMT's growth should come from 1) the acceleration of its distressed asset acquisitions, with no financial cost; 2) interest savings due to its stronger capital base; and 3) synergy with BTS for its insurance business. SINGER will likely grow by 1) accelerating its loan growth, with no financial cost; 2) interest savings due to its stronger capital base; and 3) the synergy with U.

Exhibit 4: Pre- vs post-transaction structure



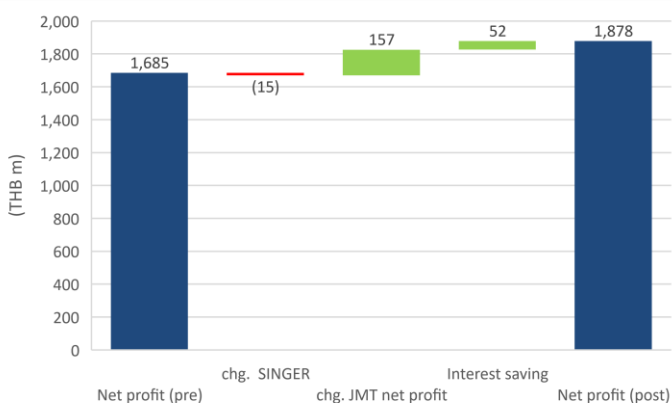
Source: JMART

FSSIA's new net profit forecast for JMT in 2022 represents a 15% increase from our previous expectation, to THB2.2b. We estimate this would add a net profit of THB157m to JMART in 2022. However, the PP by SINGER to U will create shareholder dilution for JMART. This will reduce JMART's percent held in SINGER from 35.5% to 26.5%, making the company recognise a lower share of profits from SINGER, despite SINGER's net profit being projected to improve significantly by 26% from FSSIA's previous expectation, to THB1.1b in 2022.

Interest savings

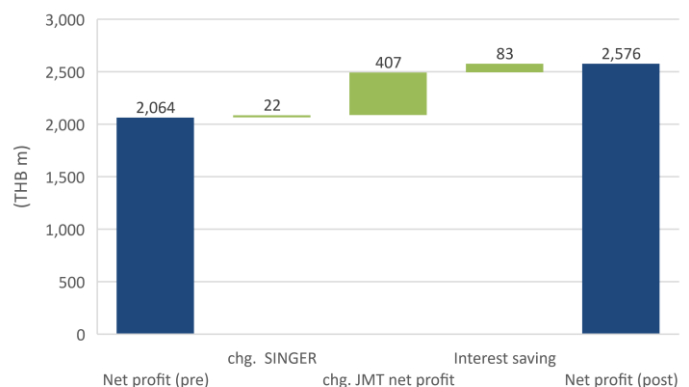
Another direct benefit that JMART should gain is interest savings due to its stronger capital base. The company expects to use THB3.77b from its latest capital raising of THB10.4b to repay its debt through 2022-24. We expect the company to repay about THB1.3b of its debt next year. This would save cTHB66m on its interest expense in 2022 (based on a 4% interest rate). Its interest savings should continue through 2024.

Exhibit 5: 2022 net profit forecast changes



Sources: JMT, SINGER, FSSIA estimates

Exhibit 6: 2023 net profit forecast changes



Sources: JMT, SINGER, FSSIA estimates

Exhibit 7: Changes in key assumptions

	----- Current -----		----- Previous -----		----- Change -----	
	2022E	2023E	2022E	2023E	2022E	2023E
	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)
Revenue	14,525	17,019	14,221	15,933	2	7
Gross profit	5,538	7,046	5,292	6,221	5	13
EBIT	4,027	5,398	4,161	5,074	(3)	6
Net profit	1,878	2,576	1,685	2,064	11	25
EPS	1.33	1.82	1.56	1.91	(15)	(5)
Margin	(%)	(%)	(%)	(%)	(ppt)	(ppt)
Gross profit margin	38.1	41.4	37.2	39.0	0.9	2.4
Net profit margin	12.9	15.1	11.8	13.0	1.1	2.2

Source: FSSIA estimates

Strong net profit growth

As a result of the capital increases for JMART, JMT, and SINGER, we expect JMART’s net profit in 2022 to grow higher than our previous expectation by 11% to THB1.9b, mainly due to the projected improvement of JMT’s net profit and interest savings. However, the 11% increase in JMART’s net profit will likely not be able to offset the increase in the number of shares from the PPs to VGI (VGI TB, HOLD, TP THB5.8) and U. We estimate that the increase in JMART’s shares will create a 15% EPS dilution in 2022, from THB1.56 to THB1.33/share.

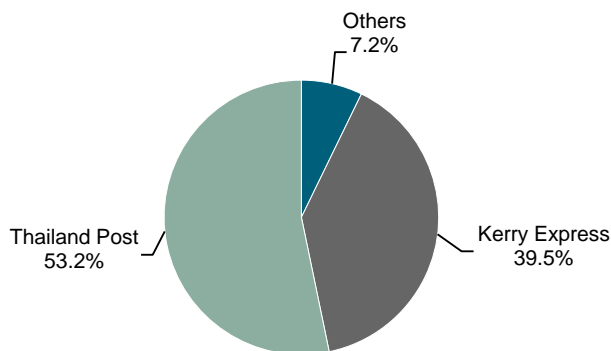
The power of new synergy

The PPs by JMART to VGI and U should significantly dilute JMART’s EPS, despite its earnings likely increasing in the future. Even so, we have not yet included the potential synergy between BTS and JMART into our forecast. JMART still has a potential upside on the synergy with its new partner which could create sustainable and value-added net profits for the company in the future.

Logistics business

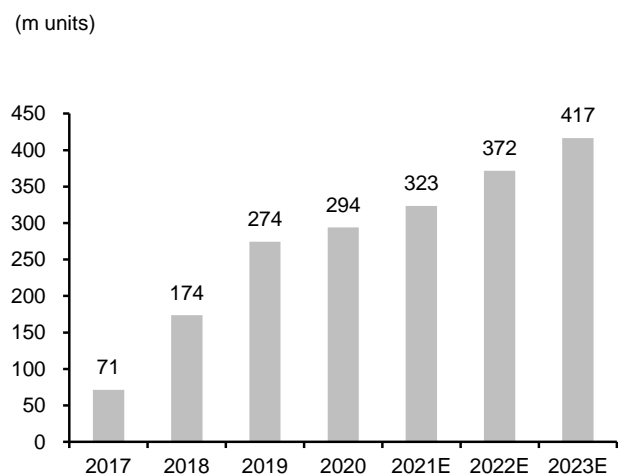
After the PP with VGI, we believe that the logistics partner that JMART has been looking for should be Kerry Express (KEX TB, HOLD, TP THB42), one of the leading parcel delivery service providers in Thailand. KEX is 18% held by VGI. KEX has over 16,000 service locations covering all 77 provinces in Thailand. The company also has 9 sorting hubs, over 1,000 distribution centres, and a fleet of over 20,000 delivery vehicles.

Exhibit 8: 2019 revenue market share in the parcel delivery service



Note: Accounting for only six main parcel delivery companies
Sources: KEX, Department of Business Development

Exhibit 9: Parcel delivery forecast (m units) for KEX



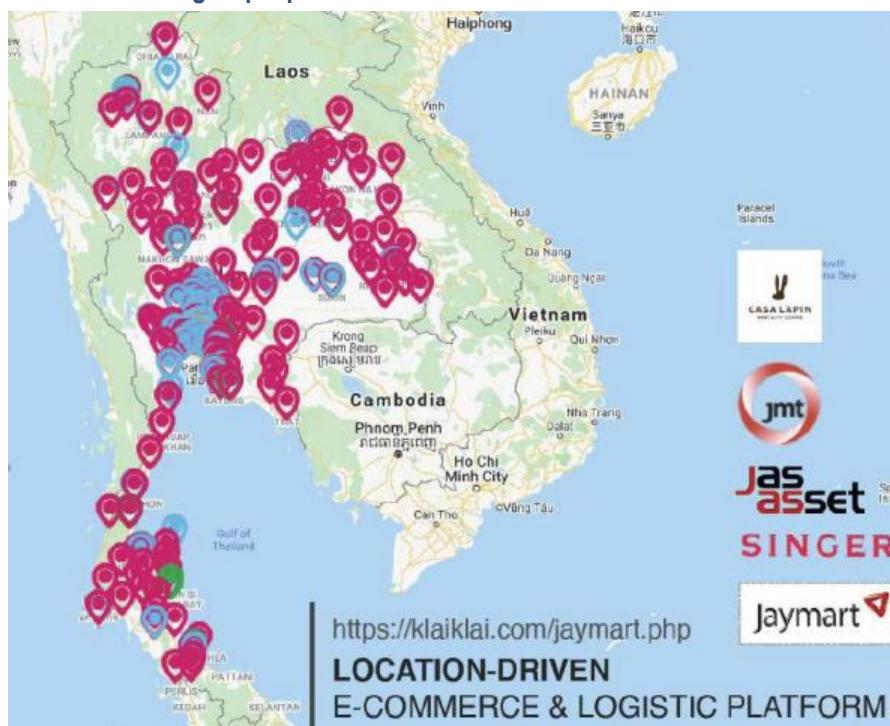
Sources: KEX, FSSIA estimates

As stated in our initiation report, “[Jay Mart \(JMART TB\) - The power of synergy](#)”, dated 10 Aug 2021, the points of service under the JMART group can cover almost every area in Thailand. This has led to JMART planning an entry into logistics, as the company has an advantage by having a footprint in every province of Thailand. The points of service under the group include:

1. 200 J Mobile branches;
2. 7,000 points of service under SINGER;
3. 40 IT Junction locations;
4. 50 synergy branches.

The company is not aiming to be just a logistics provider, but also a supply chain solutions provider that can support every angle of the logistics business. Target customer groups will include business-to-business (B2B), business-to-consumer (B2C) and consumer-to-consumer (C2C). The service will include 1) door to door; 2) last mile; 3) cash on delivery; and 4) pick-up points. The company expects to find a well-known logistics provider to partner with and strengthen the business. JMART plans to finalise this business by 4Q21.

Exhibit 10: JMART group's points of service



Source: JMART

Partnering with KEX should strengthen and fulfil JMART's vision, and could help JMART enter the logistics business more easily. This deal would create a win-win situation for both companies, in our view. KEX would be able to expand its service points with the JMART group to over 7,000 locations next year at a lower cost. KEX also has the potential to utilise the technologies from J Ventures to create better service and cost management efficiency.

On the JMART side, we expect that the company will be able to create a JV with KEX to have wider service coverage for its logistics business. Since KEX is now mainly focused on parcel deliveries, especially in the C2C and B2C segments, having JMART as a partner would help the new JV company enter the B2B segment and other logistics services that KEX currently doesn't have.

We like JMART's intention to be a logistics provider as it already has many points of service that cover almost every province in Thailand, including their employees at each point of service who can facilitate the new logistics business. This will be an advantage for JMART as it requires a relatively low investment compared with that of its competitors.

Centralised broker business

Given that JP Insurance, KB J and SINGER have selling agents and are commission-related businesses, they require a huge amount of data collection and customer touchpoints. The company aims to utilise the data it has on more than 6.7m customers to allow them access to all of JMART’s services, including insurance, personal loans, and credit cards (the future business under KB J). Therefore, the company will set up a centralised agent broker that can sell all of its JMART services, as well as non-JMART services, to its customers.

This business will be supported by J Ventures, a technology company that should be able to help each of JMART’s businesses share resources and synergise more efficiently. This business is expected to launch in 4Q21.

By having BTS as a new partner, the centralised broker business could have a larger growth potential, contingent upon more businesses joining and utilising this infrastructure. Rabbit Finance, the insurance selling agent under VGI, and Advance Life (not listed), an insurance company that specialises in life insurance and personal accident insurance under U, have the potential to join and utilise the facilities of the new centralised broker business. This could help the group have more sales and potentially increase cost efficiency.

Other synergies

We see the logistics and centralised broker businesses as the key synergies that could manifest and provide a large contribution to both BTS and JMART. Moreover, we expect to see many other synergies that could provide other contributions to the group, such as:

1. Beans & Brown, the coffee shop which could potentially open new stores at BTS’ stations;
2. Utilising J Fincoin in BTS’ network, especially for mass transit. JMART also expects to plug in a block chain system via J Ventures for the BTS group;
3. SINGER, JMART’s subsidiary, could have more commission revenue if Fanslink (not listed), an ecommerce company and VGI’s subsidiary, places its products in SINGER’s shops;
4. KB J could utilise the customer data from the BTS group to gain more personal loan customers.

Exhibit 11: JMART and BTS network



Source: JMART

Exhibit 12: The key synergies



Source: JMART

All the potential synergies between JMART and BTS will need time to manifest – at least 6-12 months in our opinion. We expect to see the first synergy of integrating J Fincoin into BTS’ network in the next six months, based on management’s expectations.

As a result, we think that all of the potential synergies could drive both JMART’s and BTS’ earnings growth in the long term. We have not yet included the potential benefits from all of the future synergies into our forecast and TP. They could be an upside risk in the future.

The following paragraphs are excerpted from our financial analyst’s report on [JMT Network Services \(JMT TB\) – “Chasing the hybrid AMC crown,”](#) dated 7 September 2021

Accelerating secured NPL acquisitions

JMT is known as the AMC “king of unsecured NPLs” due to having the highest unsecured non-performing loan (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 13: 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

Source: FSSIA estimates

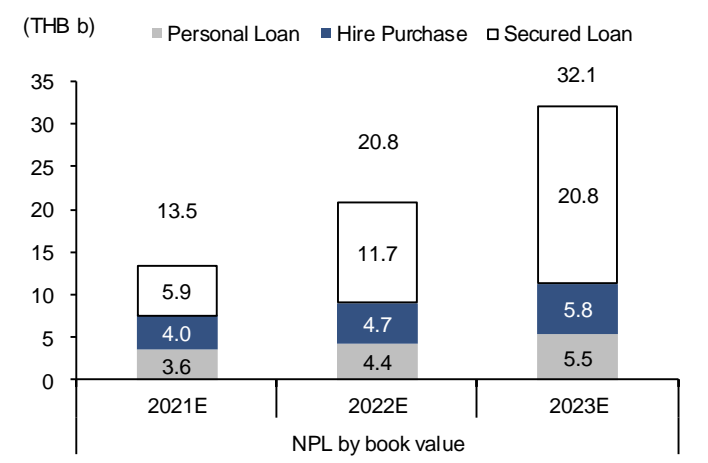
Exhibit 14: Sensitivity analysis for every THB1b increase in NPL purchases

	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	

Source: FSSIA estimates

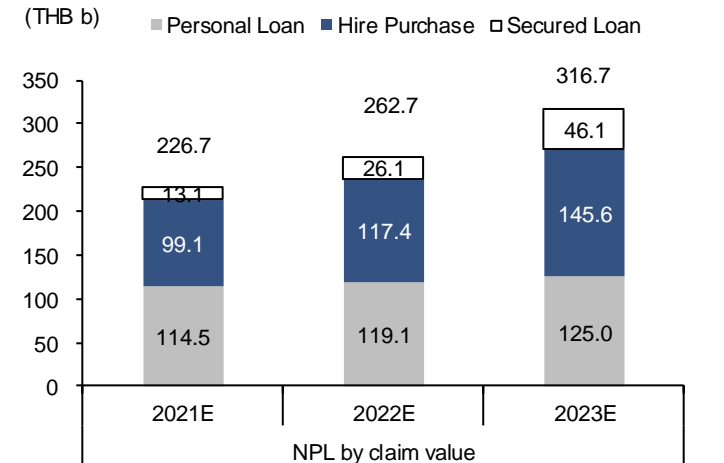
However, we believe that the supply of NPLs might be lower in 2021-22 before surging again in 2023 due to the new financial support measures to extend the relaxed loan classification rules until 2023 vs 2021 previously.

Exhibit 15: JMT’s NPLs outstanding by book value



Sources: JMT, FSSIA’s compilation

Exhibit 16: JMT’s NPLs outstanding by claim value



Sources: JMT, FSSIA’s compilation

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.

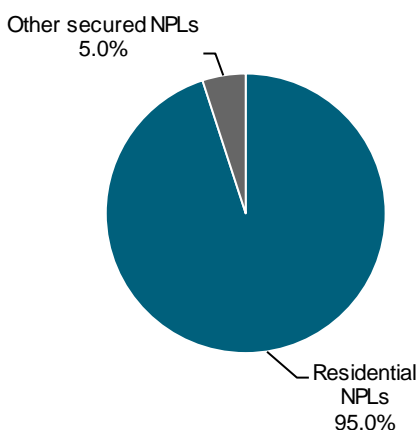
RO to lead to a surge in 2023 shareholder's wealth

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 flows during the slow economic recovery.

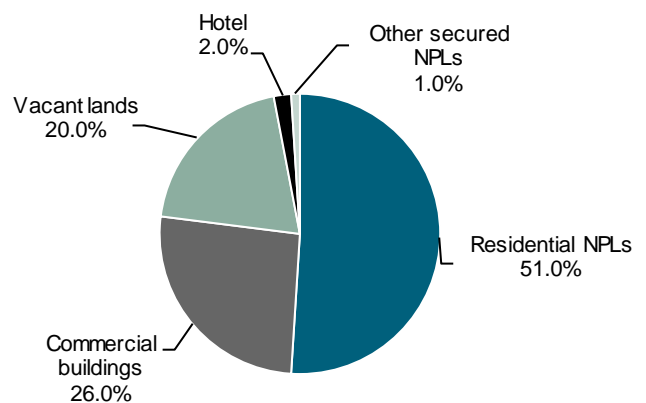
Second, most of its secured NPL portfolio consists of the residential segment vs 50% of the portfolio for BAM. Generally, homeowners tend to value their property more than other types of real estate owners. Thus, homeowners should service debts as best they can, in our view.

Exhibit 17: JMT's secured portfolio breakdown



Source: JMT

Exhibit 18: BAM's secured portfolio breakdown



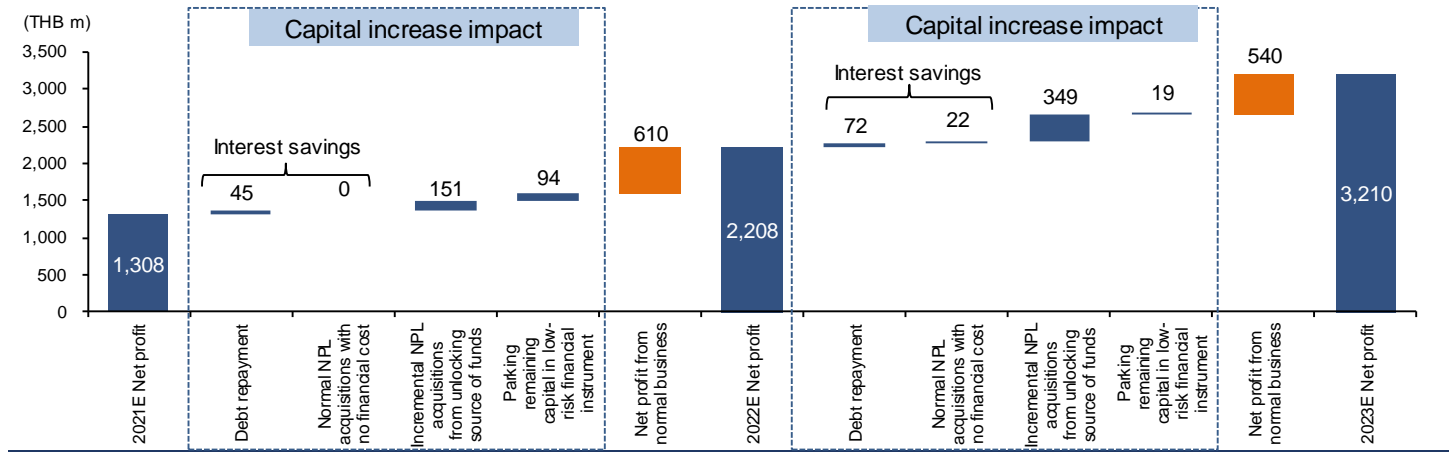
Source: BAM

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.

We think the rights offering (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 19: JMT – net profit forecasts



Source: FSSIA estimates

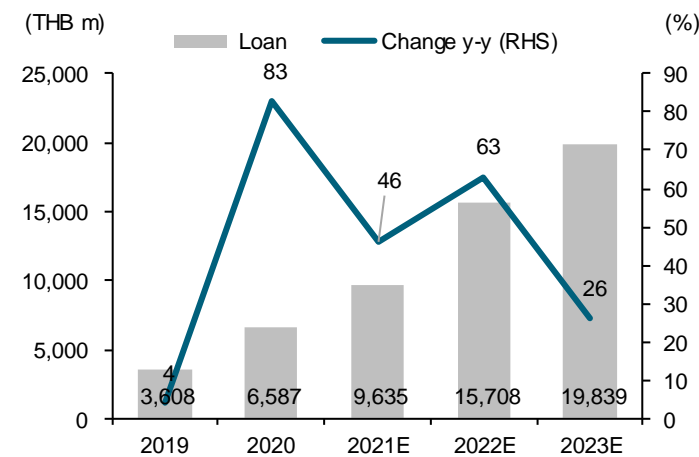
The following paragraphs are excerpted from our financial analyst’s report on [Singer Thailand \(SINGER TB\) – “Capital reform to unlock L-T growth”, dated 7 September 2021](#)

Expanding lending business to be no. 1 in truck title loans

We raise our 2022-23E outstanding loan volume for SINGER to THB15.7b/THB19.8b vs our previous estimates of THB13.5b/THB16.2b, driven mainly by a significant rise in car for cash (C4C) loans. We forecast its loan volume to surge at a 44% CAGR over 2021-23. After unlocking its source of funds, we think the company will 1) expand to untapped clients; and 2) increase the loan volume to its existing customers by asking for more collateral. We expect its C4C to increase to 71% of total loans in 2023 from 54% currently. Regarding its electric appliance hire purchase (HP) loans, those will likely increase moderately following an increase in electric appliance sales.

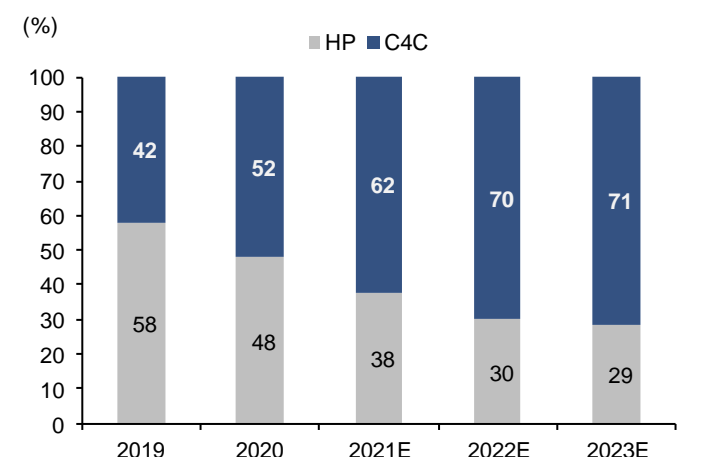
Truck for cash loans in Thailand are very demanding. SINGER has had to limit its lending as it would possibly cause its D/E ratio to exceed the debt covenant. To unlock its source of funds, the company plans to IPO its 100%-owned subsidiary, SG Capital (SGC), on the Thai stock market in 2Q-3Q22. This means the company may have to wait two more quarters to accelerate its loan growth. According to management, SINGER plans to be the leader in truck title loans. The RO and PP should allow SINGER to expand its lending business expeditiously. The microfinance business in Thailand is very competitive. Thus, the faster SINGER can gain more market share, the more it would support long-term growth.

Exhibit 20: SINGER’s outstanding loan growth



Source: FSSIA estimates

Exhibit 21: SINGER’s loan breakdown

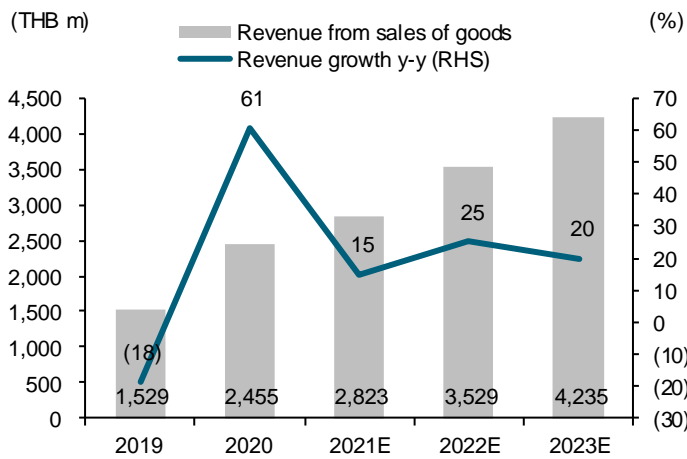


Source: FSSIA estimates

Accelerating electric appliance sales due to synergy

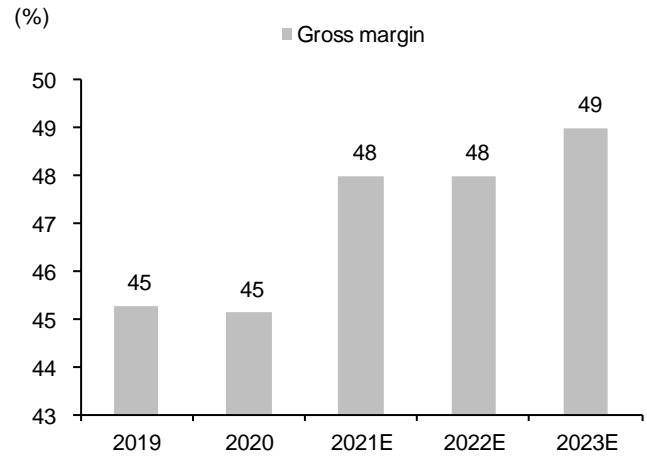
According to management, SINGER’s 2022 electric appliance sales should rise 30% y-y vs its previous target of 15-20% y-y, supported by the synergies between SINGER and BTS and its subsidiaries, in terms of increasing its client base and sales channel. We think that partnering with the BTS group will allow SINGER to achieve its online sales target of 30% of total sales faster. Thus, we raise our 2022-23 electric appliance sales estimates by 4%/4%, implying growth of 25% y-y/20% y-y in 2022-23.

Exhibit 22: SINGER's electric appliance sales



Source: FSSIA estimates

Exhibit 23: Gross margin of electric appliance sales business

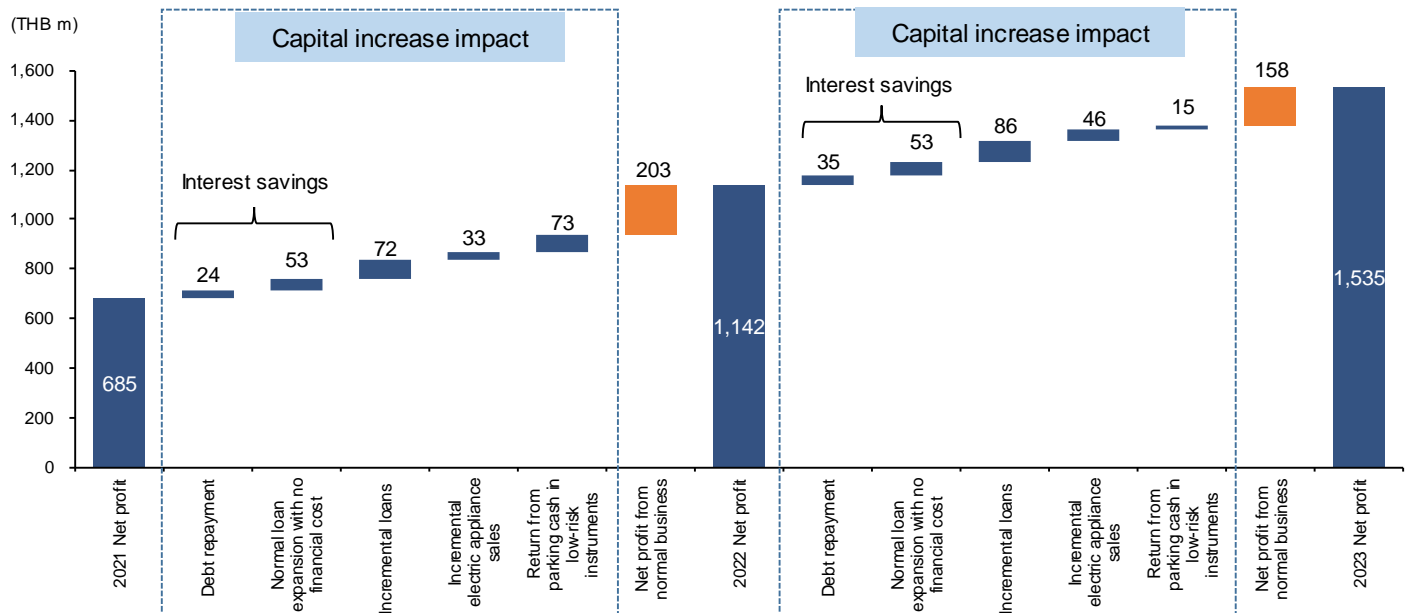


Source: FSSIA estimates

Shareholders will be repaid by greater growth in the L-T

SINGER has expanded its loan volume aggressively. Normally, it needs to issue new debentures of around THB3b-4b per year, with a high interest rate cost of 5.5-6%. We expect that the capital structure reform will save its 2022-23 interest expenses by THB77m/THB88m. Moreover, we expect its loan volume to increase higher than our original expectation, implying a net benefit after tax of THB72m/THB86m in 2022-23. Also, its net profit from selling electric appliances in 2022-23 could increase THB33m/THB46m. Additionally, the net return from parking the remaining cash in low-risk financial instruments could amount to THB73m/THB15m in 2022-23.

Exhibit 24: SINGER – net profit forecasts

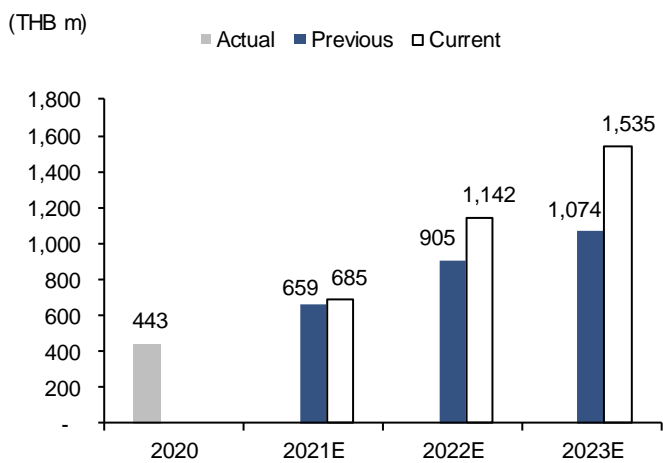


Source: FSSIA estimates

We think that existing shareholders might sacrifice their wealth in the short term, based on our assumed cost of SINGER's equity at 10.6% vs its cost of debt at c5.5-6%. However, once its new capital is gradually utilised and the synergies kick in, shareholders should reap greater benefits than their short-term loss.

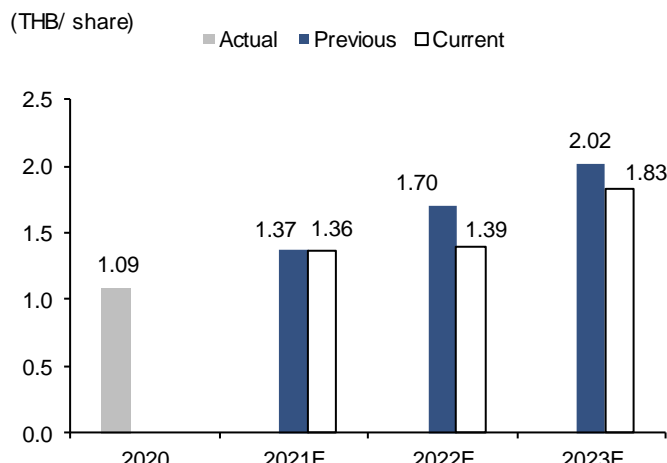
We expect SINGER's 2022-23 net profit after the capital increase would be THB1.14b/THB1.54b – a 26%/43% increase from our previous assumptions. However, we project its 2022-23 EPS after the capital increase to be THB1.39/1.83 per share – an 18%/10% decrease from our previous assumptions. Its 2022 EPS might slightly increase by 2% y-y, with its 2023E EPS skyrocketing 32% y-y.

Exhibit 25: Comparing SINGER's net profit before and after capital increase



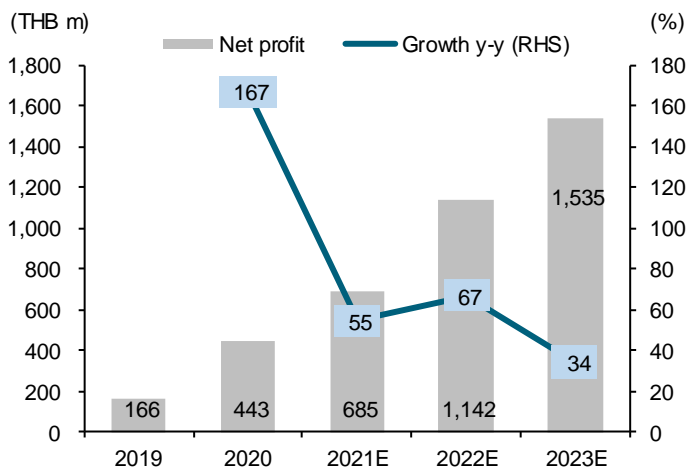
Source: FSSIA estimates

Exhibit 26: Comparing SINGER's EPS before and after capital increase



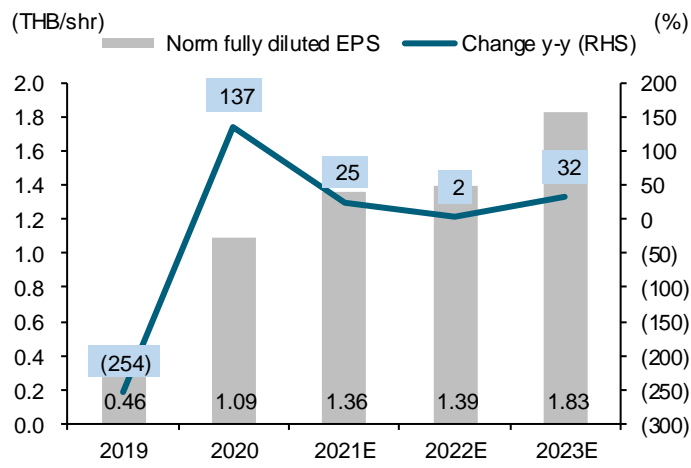
Source: FSSIA estimates

Exhibit 27: SINGER's net profit growth



Source: FSSIA estimates

Exhibit 28: SINGER's EPS growth



Source: FSSIA estimates

Financial Statements

Jay Mart

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	11,335	11,204	12,434	14,525	17,019
Cost of goods sold	(7,741)	(6,946)	(7,642)	(8,465)	(9,480)
Gross profit	3,594	4,258	4,792	6,060	7,540
Other operating income	516	510	589	651	721
Operating costs	(2,334)	(2,131)	(2,270)	(2,496)	(2,800)
Operating EBITDA	1,777	2,637	3,111	4,214	5,461
Depreciation	(352)	(539)	(544)	(522)	(494)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	1,425	2,098	2,567	3,692	4,967
Net financing costs	(530)	(635)	(790)	(666)	(691)
Associates	45	133	270	335	431
Recurring non-operating income	45	133	270	335	431
Non-recurring items	31	(102)	0	0	0
Profit before tax	971	1,494	2,047	3,361	4,706
Tax	(178)	(200)	(287)	(470)	(659)
Profit after tax	793	1,294	1,760	2,890	4,047
Minority interests	(259)	(496)	(600)	(1,012)	(1,471)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	534	798	1,161	1,878	2,576
Non-recurring items & goodwill (net)	(31)	102	0	0	0
Recurring net profit	503	900	1,161	1,878	2,576
Per share (THB)					
Recurring EPS *	0.55	0.98	1.10	1.33	1.82
Reported EPS	0.59	0.87	1.10	1.33	1.82
DPS	0.02	0.68	0.84	1.02	1.43
Diluted shares (used to calculate per share data)	907	921	1,051	1,414	1,414
Growth					
Revenue (%)	(9.8)	(1.2)	11.0	16.8	17.2
Operating EBITDA (%)	122.2	48.4	18.0	35.5	29.6
Operating EBIT (%)	215.1	47.2	22.4	43.8	34.5
Recurring EPS (%)	nm	76.1	13.1	20.3	37.1
Reported EPS (%)	nm	47.1	27.5	20.3	37.1
Operating performance					
Gross margin inc. depreciation (%)	28.6	33.2	34.2	38.1	41.4
Gross margin of key business (%)	28.6	33.2	34.2	38.1	41.4
Operating EBITDA margin (%)	15.7	23.5	25.0	29.0	32.1
Operating EBIT margin (%)	12.6	18.7	20.6	25.4	29.2
Net margin (%)	4.4	8.0	9.3	12.9	15.1
Effective tax rate (%)	18.3	13.4	14.0	14.0	14.0
Dividend payout on recurring profit (%)	3.8	69.5	75.8	76.9	78.6
Interest cover (X)	2.8	3.5	3.6	6.0	7.8
Inventory days	55.1	52.2	49.0	48.0	47.2
Debtor days	10.8	12.7	14.3	13.9	13.9
Creditor days	36.7	26.7	29.2	31.5	27.7
Operating ROIC (%)	29.7	68.1	100.1	82.8	71.4
ROIC (%)	7.9	10.7	11.4	12.5	13.2
ROE (%)	16.1	25.3	24.7	16.8	15.0
ROA (%)	6.0	8.2	8.4	9.6	11.0
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Revenue from contract with customers	7,895	7,343	7,943	8,559	9,216
Loan	2,773	3,374	3,984	5,347	7,115
Others	667	487	507	618	688

Sources: Jay Mart; FSSIA estimates

Financial Statements

Jay Mart

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	503	900	1,161	1,878	2,576
Depreciation	352	539	544	522	494
Associates & minorities	259	496	600	1,012	1,471
Other non-cash items	1,124	879	(38)	(47)	(57)
Change in working capital	(2,183)	(3,544)	(3,624)	(7,593)	(5,403)
Cash flow from operations	55	(730)	(1,359)	(4,228)	(919)
Capex - maintenance	(92)	(116)	(180)	(180)	(180)
Capex - new investment	(138)	(173)	(270)	(270)	(270)
Net acquisitions & disposals	0	0	0	0	0
Other investments (net)	(406)	129	(312)	(213)	(399)
Cash flow from investing	(636)	(160)	(762)	(663)	(849)
Dividends paid	(19)	(626)	(880)	(1,445)	(2,024)
Equity finance	55	1,155	1,654	10,643	339
Debt finance	617	2,517	2,343	(3,000)	748
Other financing cash flows	(809)	(1,370)	20	21	22
Cash flow from financing	(156)	1,676	3,136	6,218	(915)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	58	872	58	61	64
Net other adjustments	58	872	58	61	64
Movement in cash	(679)	1,659	1,074	1,388	(2,619)
Free cash flow to firm (FCFF)	(50.29)	(254.31)	(1,330.33)	(4,225.33)	(1,076.89)
Free cash flow to equity (FCFE)	(714.21)	1,129.97	300.54	(7,809.31)	(933.95)

Per share (THB)

FCFF per share	(0.05)	(0.24)	(1.27)	(4.02)	(1.02)
FCFE per share	(0.68)	1.08	0.29	(7.43)	(0.89)
Recurring cash flow per share	2.47	3.05	2.16	2.38	3.17

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed assets (gross)	1,792	1,780	1,930	2,080	2,230
Less: Accumulated depreciation	(947)	(987)	(1,156)	(1,319)	(1,478)
Tangible fixed assets (net)	845	793	774	760	752
Intangible fixed assets (net)	2,226	1,400	1,326	1,267	1,231
Long-term financial assets	7,451	9,716	12,516	17,934	21,808
Invest. in associates & subsidiaries	1,357	1,268	1,522	1,674	2,009
Cash & equivalents	888	2,547	3,621	5,009	2,390
A/C receivable	318	463	511	597	699
Inventories	1,006	979	1,071	1,157	1,298
Other current assets	5,059	4,831	5,859	7,760	9,155
Current assets	7,271	8,821	11,062	14,523	13,542
Other assets	1,223	3,902	4,037	4,177	4,322
Total assets	20,373	25,901	31,238	40,336	43,665
Common equity	3,385	3,739	5,673	16,749	17,640
Minorities etc.	1,847	3,027	3,627	4,638	6,109
Total shareholders' equity	5,232	6,766	9,300	21,388	23,750
Long term debt	7,069	8,038	9,521	7,931	8,328
Other long-term liabilities	613	1,550	1,572	1,613	1,666
Long-term liabilities	7,682	9,588	11,093	9,545	9,994
A/C payable	700	830	1,197	1,109	1,218
Short term debt	3,278	4,362	4,851	4,041	4,243
Other current liabilities	3,480	4,355	4,798	4,254	4,461
Current liabilities	7,458	9,547	10,845	9,404	9,922
Total liabilities and shareholders' equity	20,373	25,901	31,238	40,336	43,665
Net working capital	2,203	1,088	1,447	4,150	5,473
Invested capital	15,304	18,169	21,623	29,964	35,596

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

Per share (THB)

Book value per share	3.73	4.06	5.40	11.84	12.47
Tangible book value per share	1.28	2.54	4.14	10.95	11.60

Financial strength

Net debt/equity (%)	180.8	145.6	115.6	32.6	42.9
Net debt/total assets (%)	46.4	38.0	34.4	17.3	23.3
Current ratio (x)	1.0	0.9	1.0	1.5	1.4
CF interest cover (x)	(0.1)	3.1	1.7	(10.3)	0.0

Valuation	2019	2020	2021E	2022E	2023E
Recurring P/E (x) *	78.0	44.3	39.2	32.6	23.7
Recurring P/E @ target price (x) *	86.5	49.1	43.5	36.1	26.4
Reported P/E (x)	73.4	49.9	39.2	32.6	23.7
Dividend yield (%)	0.0	1.6	1.9	2.4	3.3
Price/book (x)	11.6	10.7	8.0	3.7	3.5
Price/tangible book (x)	33.8	17.0	10.5	4.0	3.7
EV/EBITDA (x) **	28.4	20.0	19.2	17.3	14.2
EV/EBITDA @ target price (x) **	30.9	21.7	20.8	18.9	15.4
EV/invested capital (x)	3.3	2.9	2.8	2.4	2.2

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

Sources: Jay Mart; 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	SEAOIL	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	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	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

Naruedom Mujjalinkool 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
Jay Mart	JMART TB	THB 43.25	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.
VGI Pcl.	VGI TB	THB 6.35	HOLD	The key upside and downside risks to our SoTP-based TP are if the advertising expenditure recovery is slower or faster than our expectation, and whether Rabbit Line Pay is successful or not.
BTS Group Holdings	BTS TB	THB 9.45	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.
JMT Network Services	JMT TB	THB 48.50	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.
Singer Thailand	SINGER TB	THB 43.25	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.
Kerry Express (Thailand)	KEX TB	THB 39.50	HOLD	The key upside and downside risks to our DCF-based TP are 1) if the competition is higher or lower than our expectation; 2) if Covid-19 continues to spread further; and 3) if M&A deals can boost the company's earnings above or below our expectation.
Bangkok Commercial Asset Mngt.	BAM TB	THB 18.80	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 13.40	BUY	Downside risks to our GGM-based TP include 1) lower-than-expected bad debt acquisition; and 2) higher-than-expected operating expenses.

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 15-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.