

# JAY MART JMART TB

THAILAND / ICT

BUY

UNCHANGED

## พลังของ Synergy

- JMART รายงานกำไรปกติเพิ่มขึ้นเป็น 346 ลบ. (+34% q-q, +18% y-y) ใน 1Q22 สูงกว่าที่เราคาดไว้ที่ 320 ลบ.
- แนวโน้มในช่วง 2H22 ยังดี เรามั่นใจว่า JMART จะรายงานกำไรโตดีในปี 2022
- คงแนะนำซื้อที่ราคาเป้าหมายเดิมที่ 62 บาท

TARGET PRICE	THB62.00
CLOSE	THB55.00
UP/DOWNSIDE	+12.7%
PRIOR TP	THB62.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+48.4%

## KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	11,793	15,622	18,423	20,833
Net profit	2,468	1,983	2,649	3,265
EPS (THB)	1.77	1.41	1.85	2.26
vs Consensus (%)	-	0.2	(1.8)	5.4
EBITDA	3,047	4,443	5,772	6,806
Core net profit	1,108	1,983	2,649	3,265
Core EPS (THB)	0.79	1.41	1.85	2.26
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	(18.7)	77.8	31.3	21.8
Core P/E (x)	69.3	39.0	29.7	24.4
Dividend yield (%)	2.7	2.1	2.7	3.3
EV/EBITDA (x)	27.6	20.7	17.5	15.9
Price/book (x)	4.4	4.3	4.2	4.0
Net debt/Equity (%)	(8.1)	8.0	22.6	28.3
ROE (%)	10.5	11.3	14.4	17.0

## ผลประกอบการ 1Q22 ออกมาดี โดยปรับตัวขึ้นสูงเป็นประวัติการณ์อีกครั้ง

JMART รายงานรายได้ 1Q22 เพิ่มขึ้น 22% y-y เป็น 3.5 พัน ลบ. (-5% q-q) จากผลประกอบการที่ดีของ Jaymart Mobile (JMB, not listed) ซึ่งโต 22% y-y เป็น 2.4 พัน ลบ. แม้ว่าตลาดมือถือจะชะลอตัวเมื่อเทียบกับปีที่แล้ว JMART ระบุว่ากำไรเติบโตดังกล่าวเกิดจากพลังของ Synergy ที่ช่วย JMB ให้สามารถขายผลิตภัณฑ์มือถือผ่านช่องทางทางการจัดจำหน่ายอื่น ๆ ยอดขายมือถือผ่าน Singer Thailand (SINGER TB, BUY, TP THB74) กระโดดเพิ่มเป็น 412 ลบ. เทียบกับที่เพียง 64 ลบ. ใน 1Q21 กำไรสุทธิของ JMB เพิ่มจาก 43 ลบ. ใน 1Q21 เป็น 110 ลบ. ใน 1Q22 ซึ่งทำให้กำไรปกติของ JMART โตเป็น 346 ลบ. (+34% q-q, +18% y-y) เมื่อรวมกับการเติบโตอย่างต่อเนื่องในธุรกิจอื่น ๆ

## คาดผลประกอบการจะโตในทุกไตรมาส

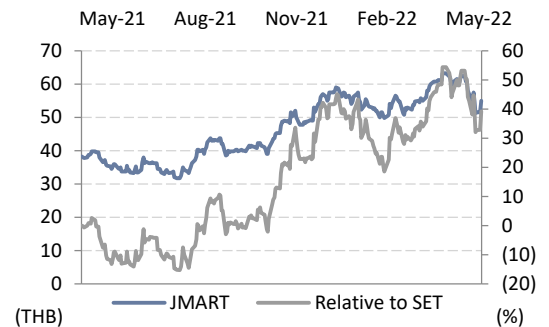
แม้ว่ากำไรสุทธิของ JMART ใน 1Q22 อาจดูเหมือนต่ำเมื่อเทียบกับประมาณการทั้งปีของเราเนื่องจากกำไรดังกล่าวคิดเป็นเพียง 17% ของ 1.98 พัน ลบ. (+79%) เราเชื่อว่ากำไรของบริษัทฯ น่าจะปรับตัวดีขึ้นอย่างต่อเนื่องในทุกไตรมาสตั้งแต่บัดนี้เป็นต้นไป โดยมีปัจจัยหนุนสำคัญประกอบด้วย 1) แนวโน้มของ JMT Network Services (JMT TB, BUY, TP THB80) ซึ่งยังคงดี โดยธุรกิจบริหารสินทรัพย์น่าจะรายงานผลประกอบการที่ดีพร้อมการเรียกร้องสินไหมในธุรกิจประกันภัยที่ลดลงใน 2Q22 จากใน 1Q22 หลังบริษัทฯ หยุดขายประกันโควิดใน 2Q21; และ 2) กำไรสุทธิของ SINGER น่าจะโตในทุกไตรมาส โดยเราคาดว่าปริมาณสินค้าที่มีคุณภาพจะเพิ่มในระดับสูง ยอดขายเครื่องใช้ภายในบ้านน่าจะโตดีจากการขยายแฟรนไชส์ นอกจากนี้ JMB ยังมีศักยภาพในด้านการเติบโตสูงหลังการขยายสาขาและผลิตภัณฑ์ใหม่ที่มีความหลากหลายมากยิ่งขึ้น เช่น Laptop และอุปกรณ์อิเล็กทรอนิกส์

## Upside risk กำลังรออยู่ใน 3Q22

การเติบโตของกำไรที่โตไม่ช้าปัจจัยบวกเพียงประการเดียวของ JMART เนื่องจากบริษัทฯ ยังมีศักยภาพในการขยายธุรกิจผ่านกิจการร่วมค้าและการเป็นพันธมิตร บริษัทฯ คงเข้ากิจการร่วมค้า/การเป็นพันธมิตรไว้ที่กว่า 20 รายในปีนี้ ส่วนมากน่าจะสรุปได้ในช่วง 2H22 เป็นต้นไป เราเชื่อว่าการร่วมค้าหรือการเป็นพันธมิตรในอนาคตจะช่วยเสริมสร้างพลังของ Synergy ของบริษัทฯ ให้ได้อย่างมีนัยสำคัญมากยิ่งขึ้นในระยะยาว

## คงแนะนำซื้อที่ราคาเป้าหมายเดิมที่ 62 บาท

เราเห็นว่าราคาหุ้นของ JMART ที่ลดลงหลังแตะระดับสูงสุดที่ 64 บาทในเดือน เม.ย. 22 เป็นโอกาสที่สองในการสะสมหุ้น ด้วยเหตุดังกล่าวเราคงแนะนำซื้อ JMART ที่ราคาเป้าหมายเดิมที่ 62 บาท (SoTP) JMART ยังเป็นหุ้นเด่นของเราในกลุ่ม ICT



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(13.0)	8.9	50.7
Relative to country (%)	(10.2)	15.6	46.2
Mkt cap (USD m)	2,256		
3m avg. daily turnover (USD m)	15.9		
Free float (%)	55		
Major shareholder	Sukhumvitaya family (28%)		
12m high/low (THB)	64.00/30.50		
Issued shares (m)	1,395.47		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 18 พฤษภาคม 2022

## 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 16 years, with more than 28 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.

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 in 2022, backed by 1) remarkable 2022E 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.

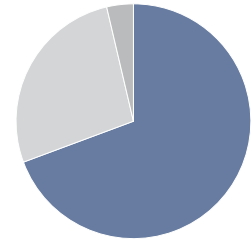
## Company profile

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 THB80), 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](http://www.jaymart.co.th)

## Principal activities (revenue, 2021)

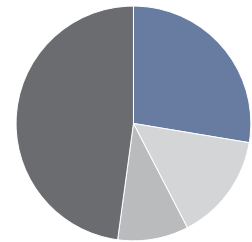
- Revenue from contract with customers - 69.3 %
- Loan - 27.0 %
- Others - 3.7 %



Source: Jay Mart

## Major shareholders

- Sukhumvitaya family - 27.6 %
- VGI - 14.8 %
- U City - 9.8 %
- Others - 47.9 %



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
Aug-22	2Q22 results announcement

## Key assumptions

	2021	2022E	2023E	2024E
	(%)	(%)	(%)	(%)
Mobile revenue growth	18	20	7	5
JMT net profit growth	34	68	49	23
SINGER net profit growth	58	78	37	24
JMART net profit growth	23	79	34	23

Source: FSSIA estimates

## Earnings sensitivity

- For every 1% increase in JMT's net profit, we project JMART's 2022 earnings to rise by 0.6%, and vice versa, all else being equal;
- For every 1% increase in SINGER's net profit, we project JMART's 2022 earnings to rise by 0.1%, and vice versa, all else being equal.

Source: FSSIA estimates



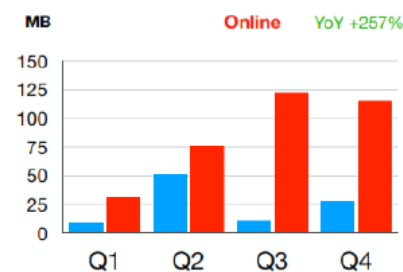
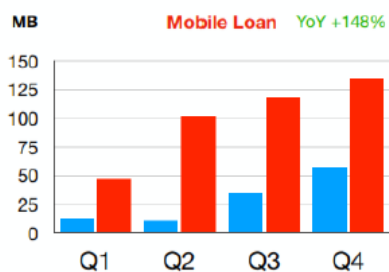
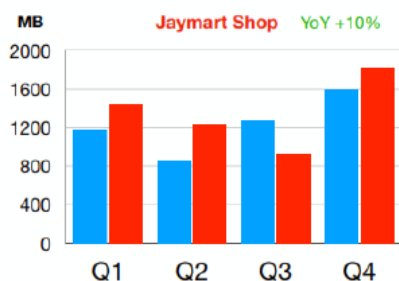
## Exhibit 1: 1Q22 results review

	1Q21	4Q21	1Q22	Change		2022E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)
<b>Revenue</b>	<b>2,883</b>	<b>3,683</b>	<b>3,513</b>	<b>(5)</b>	<b>22</b>	<b>15,622</b>
Operating costs	(1,988)	(2,628)	(2,447)	(7)	23	(10,299)
<b>Gross profit</b>	<b>895</b>	<b>1,055</b>	<b>1,066</b>	<b>1</b>	<b>19</b>	<b>5,323</b>
SG&A expenses	(466)	(459)	(581)	27	25	(2,031)
<b>EBIT</b>	<b>429</b>	<b>596</b>	<b>485</b>	<b>(19)</b>	<b>13</b>	<b>3,292</b>
Depreciation & amortisation	128	158	158	(0)	24	520
<b>EBITDA</b>	<b>556</b>	<b>754</b>	<b>644</b>	<b>(15)</b>	<b>16</b>	<b>3,812</b>
EBITDA margin (%)	19	20	18	nm	nm	24.4
Interest expense	(173)	(184)	(160)	(13)	(7)	(765)
Other income	137	164	218	33	59	632
Associates	69	80	42	(47)	(39)	380
Extra items	40	1,374	(21)	n.a.	n.a.	0
<b>Pretax profit</b>	<b>502</b>	<b>2,030</b>	<b>564</b>	<b>(72)</b>	<b>12</b>	<b>3,538</b>
Tax	(62)	(144)	(92)	(36)	49	(425)
Tax rate (%)	(12)	(7)	(16)	nm	nm	(12)
Minority interests	107	253	148	(42)	38	1,130
<b>Net profit</b>	<b>333</b>	<b>1,632</b>	<b>325</b>	<b>(80)</b>	<b>(3)</b>	<b>1,983</b>
<b>Core net profit</b>	<b>293</b>	<b>258</b>	<b>346</b>	<b>34</b>	<b>18</b>	<b>1,983</b>
EPS (THB)	0.24	1.17	0.23	(80)	(3)	1.41
Core EPS (THB)	0.21	0.19	0.25	34	18	1.41

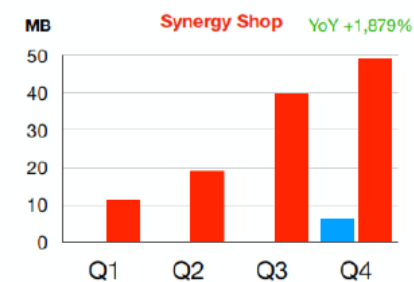
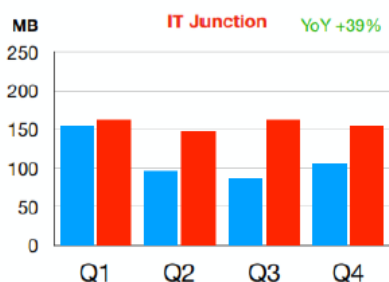
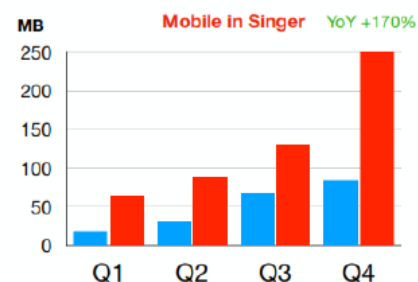
Sources: JMART; FSSIA estimates

## Exhibit 2: Jaymart Mobile's revenue – 2020 vs 2021

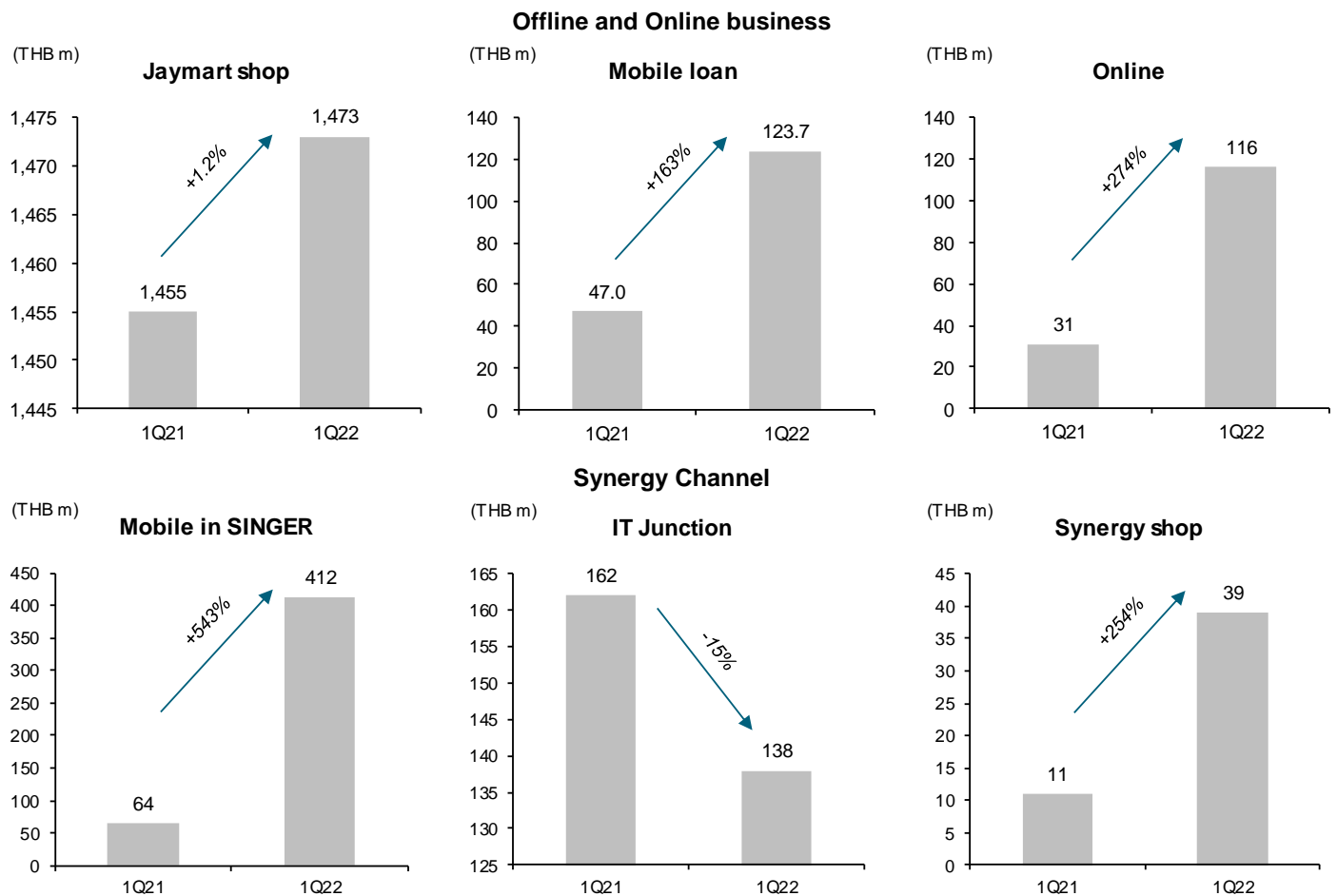
## Offline and Online Business



## Synergy Channel



Source: JMART

**Exhibit 3: Jaymart Mobile's revenue – 1Q21 vs 1Q22**

Sources: JMART; FSSIA's compilation

**Investment in NINE is questionable in our view**

JMART has invested in 25m shares of Nation International Edutainment (NINE TB, NR) (6.8% of total shares outstanding), which operates printed and online media publishing in the category of e-books and manages and operates merchandising spaces at three BTS skytrain stations, with a total investment cost of THB138m (THB5.5 per share). Moreover, the company will subscribe to NINE's future rights offering (RO) at 1.5232 current shares to 1 newly issued share at the subscription price of THB3.30 per share. The total expected investment for the RO should be around THB54m. As a result, JMART's total expected investment in NINE is about THB192m.

NINE was previously the target for VGI (VGI TB, BUY, TP THB5.70) as VGI is JMART's partner and shareholder. VGI is in the process to acquire new shares in NINE and become a major shareholder. VGI intends to own 59.99% of NINE. The expected completion date is in 3Q22. For more information, please see our VGI report, "[VGI Pcl. \(VGI TB\) - Investment in NINE](#)", dated 3 Mar-22.

JMART said that it believes NINE's new management group could help NINE to turn around from the sunset business like publishing to something with a higher growth potential like the merchandising space business. JMART expects that by investing in NINE, it would benefit by having JMART stores in BTS skytrain stations, which could be another synergy for the company in the future.

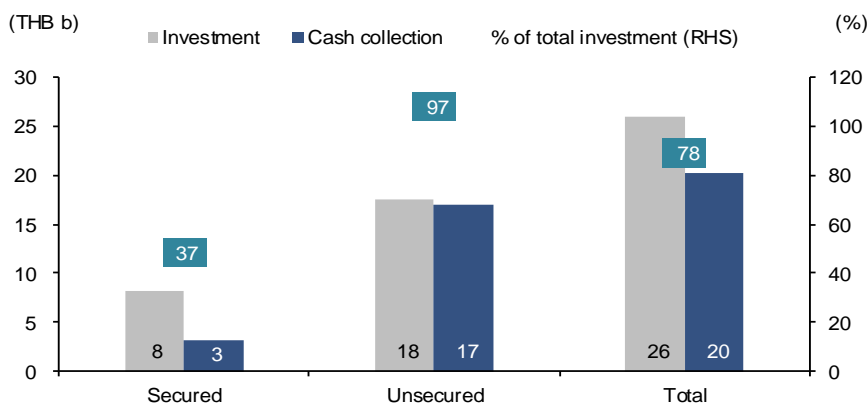
However, we have a neutral view on this deal. NINE's main business remains publishing, which is a burden to the company. NINE's merchandising space is in a very early stage, and there is no track record or any proof that the company will be successful in this new business yet. In addition, NINE made a core loss of over THB40m in 2021. It also reported a big loss in 1Q22 at THB34m. Hence, we haven't included the contribution or synergy from NINE into our forecasts on JMART yet.

## JMT: Strong cash collection should continue in 2Q22

This section has been excerpted from our financial analyst’s report on “[JMT Network Services \(JMT TB\) - Back on track starting from 2Q22](#)”, dated 18 May-22”

At its 1Q22 post-results meeting, JMT stated that the total accumulated value of its NPL investments since its first acquisition in 2006 was THB26b as of 1Q22, of which 32% was secured NPLs and 68% was unsecured NPLs. JMT’s accumulated total NPL cash collection was 78% of its total NPL investment and its accumulated secured NPL cash collection was at 38% of the total secured investment value, according to JMT. We think this should allay investors’ concerns over JMT’s ability to manage secured NPLs. Regarding its accumulated cash collection from unsecured NPLs, it was excellent at nearly 100% of its total investment, based on our calculation.

**Exhibit 4: Comparing the accumulated cash collection of each NPL portfolio with the total investment**



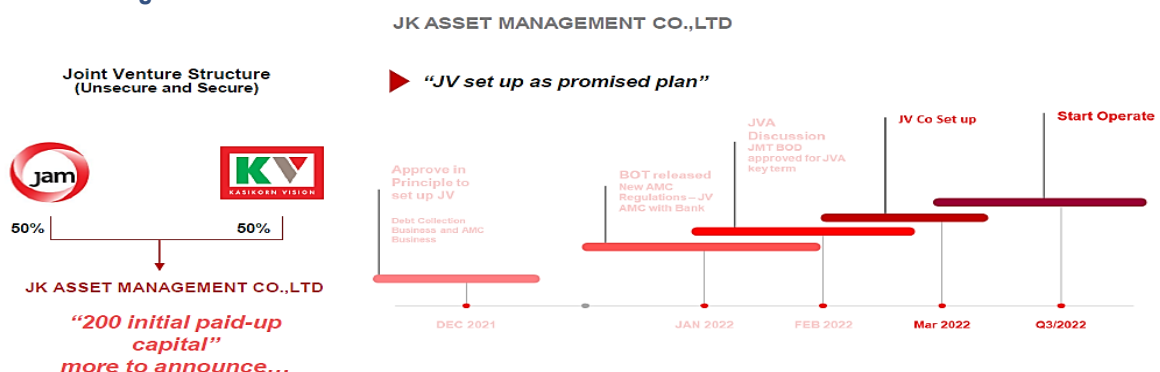
Sources: JMT; FSSIA estimates

Management has a strong conviction that its cash collection from both secured and unsecured NPLs should continue to be strong in 2Q22 in line with the economic recovery and thanks to its highly experienced NPL management. Given the strong trend in cash collection, there could be an expected credit loss reversal in 2Q22 or 4Q22 depending on the auditor’s adjustment, according to management.

Regarding its insurance business, there were some Covid claims in Apr-22, which should be the last, as JMT stopped selling Covid insurance in 2Q21. JMT believes claims in 2Q22 will be lower than in 1Q22.

As for its AMC JV with Kasikornbank (KBANK, BUY, TP THB180), JMT announced that it would be setting up a JV AMC with KBANK named “JK Asset Management” (JK) with registered capital of THB200m. JK will start operations in 3Q22. The expected initial gearing ratio would be 3x, according to JMT. Thus, the initial investment cost for JK would be cTHB0.8b-1b, based on our calculation. If JK can deliver satisfactory performance, we believe KBANK will sell more NPLs to JK in the future. As we have already added the THB1b cost of JK’s NPL management to our assumptions, it does not affect our estimates.

**Exhibit 5: JK Asset Management’s timeline**



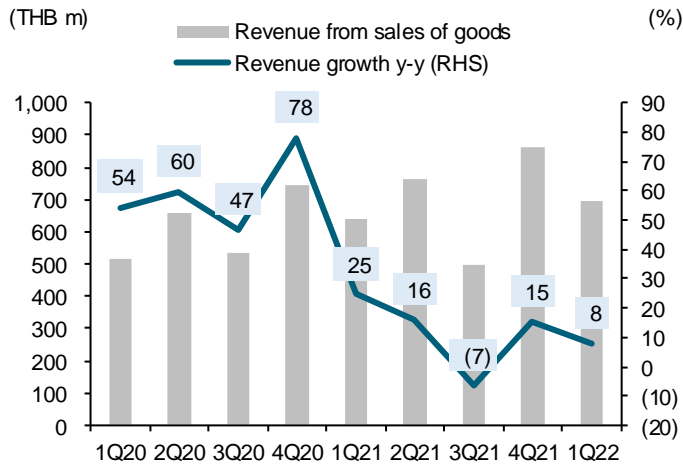
Source: JMT

## SINGER: Expect unprecedented high net profit in 2Q22

This section has been excerpted from our financial analyst’s report on “[Singer Thailand \(SINGER TB\) - Glittery outlook lies ahead](#),” dated 12 May-22”

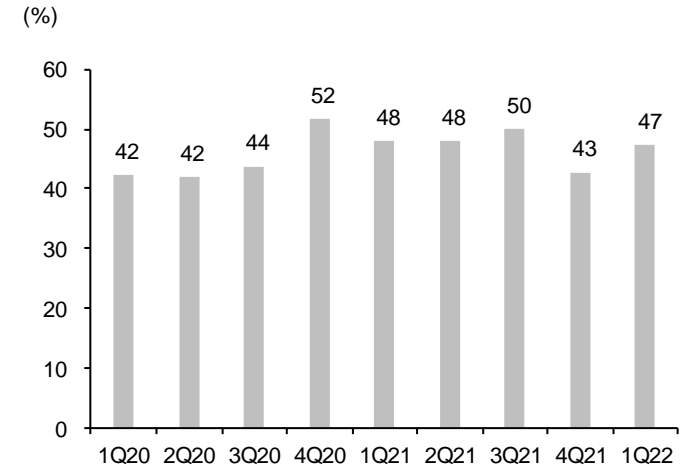
In 2Q22, we believe SINGER’s net profit could break its all-time high again. We expect its quality loan volume to increase substantially y-y and q-q. Moreover, its home appliance sales should rise y-y and q-q due to its franchisee expansion. Thus, we expect its operating income to increase strongly while OPEX increases at a slower pace from the greater economies of scale. On top of that, we believe SINGER should maintain its asset quality effectively, resulting in stable provisions q-q.

**Exhibit 6: Home appliance sales**



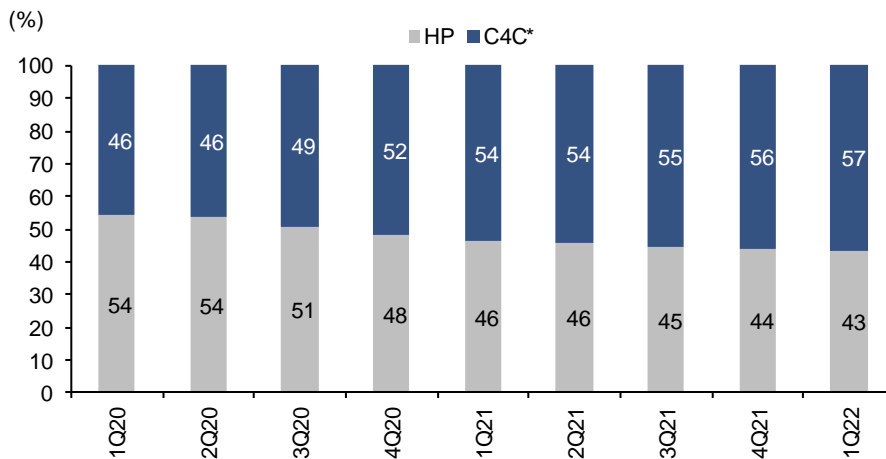
Source: SINGER

**Exhibit 7: Home appliance gross margin**



Source: SINGER

**Exhibit 8: Loan portfolio mix**



Source: SINGER

## Financial Statements

Jay Mart

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	11,204	11,793	15,622	18,423	20,833
Cost of goods sold	(6,946)	(7,515)	(9,780)	(10,911)	(12,057)
<b>Gross profit</b>	<b>4,258</b>	<b>4,278</b>	<b>5,842</b>	<b>7,513</b>	<b>8,776</b>
Other operating income	510	547	632	654	675
Operating costs	(2,131)	(1,778)	(2,031)	(2,395)	(2,646)
<b>Operating EBITDA</b>	<b>2,637</b>	<b>3,047</b>	<b>4,443</b>	<b>5,772</b>	<b>6,806</b>
Depreciation	(539)	(592)	(520)	(489)	(471)
Goodwill amortisation	0	0	0	0	-
<b>Operating EBIT</b>	<b>2,098</b>	<b>2,454</b>	<b>3,923</b>	<b>5,283</b>	<b>6,334</b>
Net financing costs	(635)	(696)	(765)	(759)	(744)
Associates	133	301	380	544	702
Recurring non-operating income	133	301	380	544	702
Non-recurring items	(102)	1,360	0	0	0
<b>Profit before tax</b>	<b>1,494</b>	<b>3,420</b>	<b>3,538</b>	<b>5,068</b>	<b>6,292</b>
Tax	(200)	(302)	(425)	(710)	(944)
<b>Profit after tax</b>	<b>1,294</b>	<b>3,118</b>	<b>3,113</b>	<b>4,358</b>	<b>5,348</b>
Minority interests	(496)	(650)	(1,130)	(1,710)	(2,083)
Preferred dividends	0	0	0	0	-
Other items	0	0	0	0	-
<b>Reported net profit</b>	<b>798</b>	<b>2,468</b>	<b>1,983</b>	<b>2,649</b>	<b>3,265</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>102</b>	<b>(1,360)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>900</b>	<b>1,108</b>	<b>1,983</b>	<b>2,649</b>	<b>3,265</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.98	0.79	1.41	1.85	2.26
Reported EPS	0.87	1.77	1.41	1.85	2.26
DPS	0.69	1.46	1.13	1.48	1.81
Diluted shares (used to calculate per share data)	921	1,395	1,404	1,429	1,446
<b>Growth</b>					
Revenue (%)	(1.2)	5.3	32.5	17.9	13.1
Operating EBITDA (%)	48.4	15.5	45.8	29.9	17.9
Operating EBIT (%)	47.2	17.0	59.8	34.7	19.9
Recurring EPS (%)	76.1	(18.7)	77.8	31.3	21.8
Reported EPS (%)	47.1	104.2	(20.2)	31.3	21.8
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	33.2	31.3	34.1	38.1	39.9
Gross margin of key business (%)	33.2	31.3	34.1	38.1	39.9
Operating EBITDA margin (%)	23.5	25.8	28.4	31.3	32.7
Operating EBIT margin (%)	18.7	20.8	25.1	28.7	30.4
Net margin (%)	8.0	9.4	12.7	14.4	15.7
Effective tax rate (%)	13.4	8.8	12.0	14.0	15.0
Dividend payout on recurring profit (%)	70.6	183.9	80.0	80.0	80.0
Interest cover (X)	3.5	4.0	5.6	7.7	9.5
Inventory days	52.2	52.6	48.5	49.9	50.4
Debtor days	12.7	23.6	27.4	26.7	25.4
Creditor days	26.7	26.8	28.2	28.3	27.9
Operating ROIC (%)	68.1	230.2	109.8	60.7	(14.3)
ROIC (%)	10.7	9.9	11.4	12.1	(3.0)
ROE (%)	25.3	10.5	11.3	14.4	17.0
ROA (%)	8.2	6.5	7.9	9.8	9.4
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Revenue from contract with customers	7,343	8,177	10,468	11,251	11,867
Loan	3,374	3,184	4,581	6,533	8,274
Others	487	432	573	639	692

Sources: Jay Mart; FSSIA estimates



## Financial Statements

Jay Mart

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	900	1,108	1,983	2,649	3,265
Depreciation	539	592	520	489	471
Associates & minorities	496	650	1,130	1,710	2,083
Other non-cash items	879	183	(29)	(32)	(37)
Change in working capital	(3,544)	(7,454)	(6,712)	(8,356)	(6,391)
<b>Cash flow from operations</b>	<b>(730)</b>	<b>(4,921)</b>	<b>(3,108)</b>	<b>(3,540)</b>	<b>(609)</b>
Capex - maintenance	(116)	(137)	(180)	(180)	(180)
Capex - new investment	(173)	(205)	(270)	(270)	(270)
Net acquisitions & disposals	0	0	0	0	0
Other investments (net)	129	(8,136)	6,945	1,037	342
<b>Cash flow from investing</b>	<b>(160)</b>	<b>(8,478)</b>	<b>6,495</b>	<b>587</b>	<b>(108)</b>
Dividends paid	(626)	(812)	(1,586)	(2,119)	(2,612)
Equity finance	1,155	17,888	242	326	228
Debt finance	2,517	(1,156)	(331)	709	0
Other financing cash flows	(1,370)	(1,404)	1,519	1,020	1,021
<b>Cash flow from financing</b>	<b>1,676</b>	<b>14,515</b>	<b>(156)</b>	<b>(64)</b>	<b>(1,363)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	872	9,482	0	0	0
<b>Net other adjustments</b>	<b>872</b>	<b>9,482</b>	<b>(7,454)</b>	<b>(1,597)</b>	<b>(958)</b>
<b>Movement in cash</b>	<b>1,659</b>	<b>10,598</b>	<b>(4,224)</b>	<b>(4,614)</b>	<b>(3,038)</b>
Free cash flow to firm (FCFF)	(254.31)	(12,703.44)	4,151.79	(2,193.30)	27.61
Free cash flow to equity (FCFE)	1,129.97	(6,477.26)	(2,879.19)	(2,820.94)	(653.99)

### Per share (THB)

FCFF per share	(0.18)	(9.10)	2.98	(1.57)	0.02
FCFE per share	0.81	(4.64)	(2.06)	(2.02)	(0.47)
Recurring cash flow per share	3.05	1.82	2.57	3.37	4.00

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	1,780	1,938	2,091	2,241	2,391
Less: Accumulated depreciation	(987)	(1,060)	(1,225)	(1,383)	(1,536)
<b>Tangible fixed assets (net)</b>	<b>793</b>	<b>878</b>	<b>867</b>	<b>858</b>	<b>856</b>
<b>Intangible fixed assets (net)</b>	<b>1,400</b>	<b>1,165</b>	<b>1,110</b>	<b>1,080</b>	<b>1,061</b>
Long-term financial assets	9,716	16,187	17,463	23,455	28,121
Invest. in associates & subsidiaries	1,268	5,091	5,600	6,160	6,776
Cash & equivalents	2,547	13,145	8,921	4,307	1,270
A/C receivable	463	1,065	1,284	1,413	1,484
Inventories	979	1,186	1,411	1,574	1,759
Other current assets	4,831	2,578	7,812	9,900	11,553
<b>Current assets</b>	<b>8,821</b>	<b>17,974</b>	<b>19,428</b>	<b>17,194</b>	<b>16,066</b>
Other assets	3,902	3,984	4,112	4,244	4,381
<b>Total assets</b>	<b>25,901</b>	<b>45,278</b>	<b>48,580</b>	<b>52,991</b>	<b>57,260</b>
Common equity	3,739	17,264	17,903	18,758	19,640
Minorities etc.	3,027	9,558	12,189	14,898	17,982
<b>Total shareholders' equity</b>	<b>6,766</b>	<b>26,823</b>	<b>30,091</b>	<b>33,657</b>	<b>37,621</b>
Long term debt	8,038	8,765	7,513	7,888	7,888
Other long-term liabilities	1,550	1,602	1,669	1,716	1,763
<b>Long-term liabilities</b>	<b>9,588</b>	<b>10,367</b>	<b>9,182</b>	<b>9,604</b>	<b>9,652</b>
A/C payable	830	1,388	1,605	1,643	1,832
Short term debt	4,362	2,207	3,827	4,018	4,018
Other current liabilities	4,355	4,495	3,875	4,069	4,136
<b>Current liabilities</b>	<b>9,547</b>	<b>8,089</b>	<b>9,308</b>	<b>9,731</b>	<b>9,987</b>
<b>Total liabilities and shareholders' equity</b>	<b>25,901</b>	<b>45,278</b>	<b>48,580</b>	<b>52,991</b>	<b>57,260</b>
Net working capital	1,088	(1,053)	5,027	7,175	8,828
Invested capital	18,169	26,251	34,179	42,972	50,022

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

### Per share (THB)

Book value per share	4.06	12.37	12.75	13.13	13.58
Tangible book value per share	2.54	11.54	11.96	12.37	12.85

### Financial strength

Net debt/equity (%)	145.6	(8.1)	8.0	22.6	28.3
Net debt/total assets (%)	38.0	(4.8)	5.0	14.3	18.6
Current ratio (x)	0.9	2.2	2.1	1.8	1.6
CF interest cover (x)	3.1	(8.0)	(2.4)	(2.4)	0.5

Valuation	2020	2021	2022E	2023E	2024E
<b>Recurring P/E (x) *</b>	<b>56.3</b>	<b>69.3</b>	<b>39.0</b>	<b>29.7</b>	<b>24.4</b>
<b>Recurring P/E @ target price (x) *</b>	<b>63.5</b>	<b>78.1</b>	<b>43.9</b>	<b>33.4</b>	<b>27.5</b>
Reported P/E (x)	63.5	31.1	39.0	29.7	24.4
Dividend yield (%)	1.3	2.7	2.1	2.7	3.3
Price/book (x)	13.6	4.4	4.3	4.2	4.0
Price/tangible book (x)	21.7	4.8	4.6	4.4	4.3
EV/EBITDA (x) **	24.1	27.6	20.7	17.5	15.9
EV/EBITDA @ target price (x) **	26.5	30.8	22.9	19.2	17.4
EV/invested capital (x)	3.5	3.2	2.7	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	PASGH	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	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	TPIPP	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

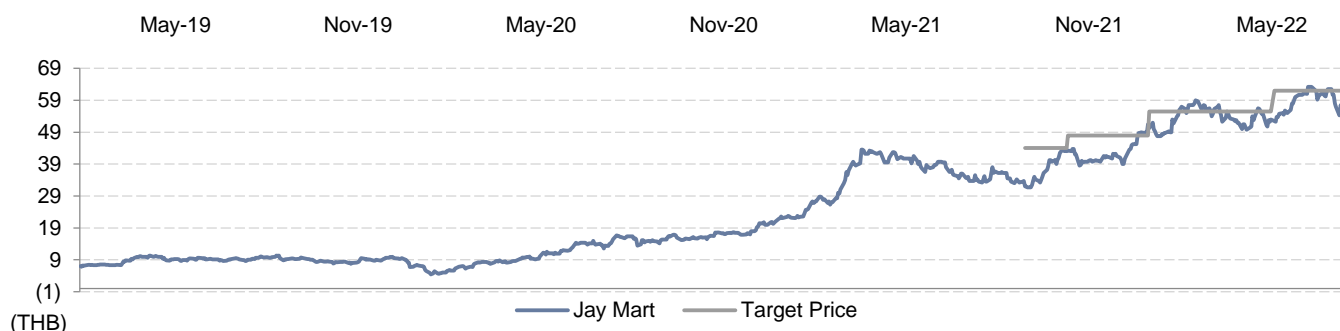
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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### History of change in investment rating and/or target price

#### Jay Mart (JMART TB)



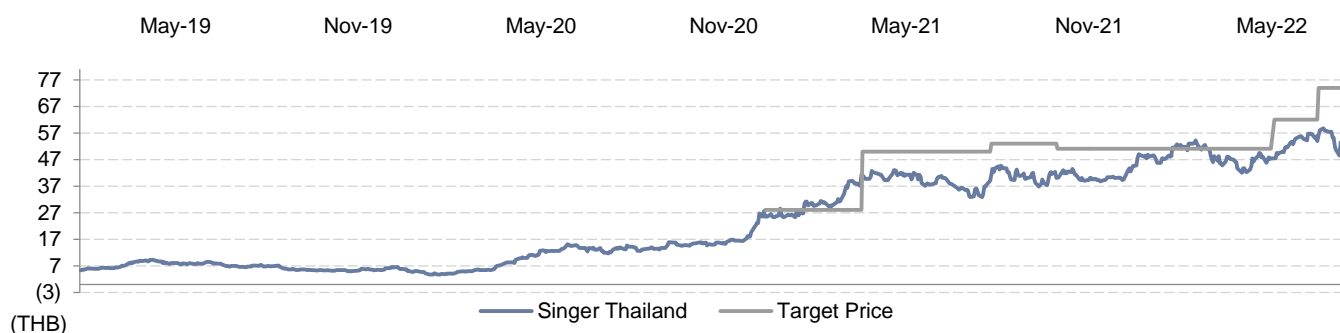
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
10-Aug-2021	BUY	44.00	25-Nov-2021	BUY	55.50	-	-	-
16-Sep-2021	BUY	48.00	11-Mar-2022	BUY	62.00			

Naruedom Mujjalinkool started covering this stock from 10-Aug-2021

Price and TP are in local currency

Source: FSSIA estimates

#### Singer Thailand (SINGER TB)



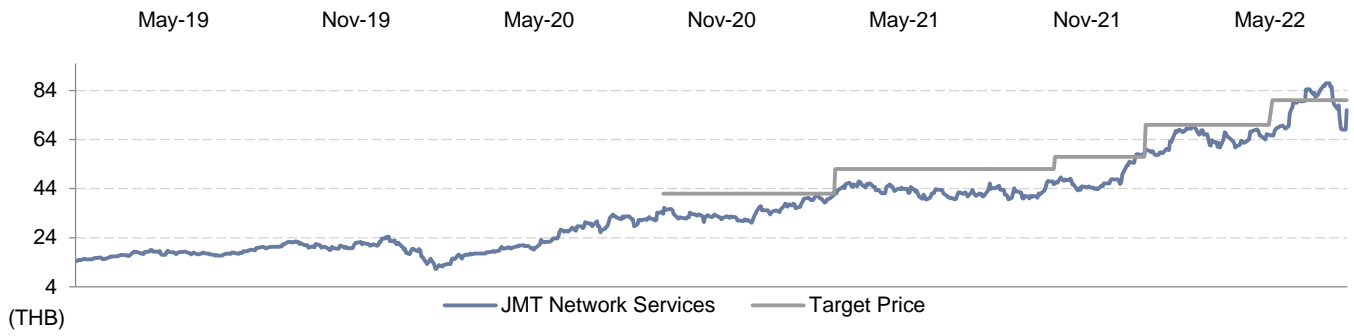
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
29-Dec-2020	HOLD	28.00	12-Jul-2021	BUY	53.00	11-Mar-2022	BUY	62.00
23-Mar-2021	BUY	50.00	07-Sep-2021	BUY	51.00	20-Apr-2022	BUY	74.00

Yuvanart Suwanumphai started covering this stock from 29-Dec-2020

Price and TP are in local currency

Source: FSSIA estimates

**JMT Network Services (JMT TB)**



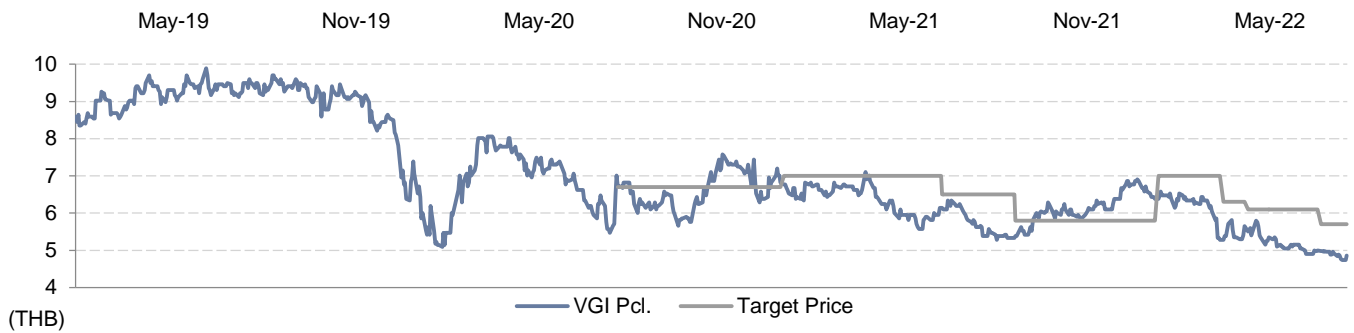
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
05-Oct-2020	BUY	42.00	07-Sep-2021	BUY	57.00	11-Mar-2022	BUY	80.00
02-Mar-2021	BUY	52.00	24-Nov-2021	BUY	70.00			

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

Price and TP are in local currency

Source: FSSIA estimates

**VGI Pcl. (VGI TB)**



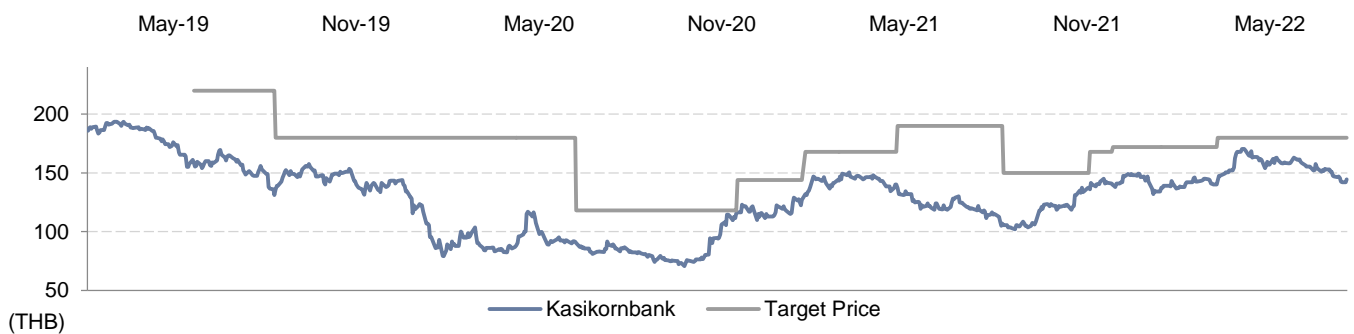
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
27-Aug-2020	HOLD	6.70	04-Aug-2021	HOLD	5.80	18-Feb-2022	BUY	6.10
15-Jan-2021	HOLD	7.00	03-Dec-2021	HOLD	7.00	22-Apr-2022	BUY	5.70
02-Jun-2021	HOLD	6.50	28-Jan-2022	BUY	6.30			

Naruedom Mujjalinkool started covering this stock from 27-Aug-2020

Price and TP are in local currency

Source: FSSIA estimates

**Kasikornbank (KBANK TB)**



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
20-Aug-2019	BUY	220.00	29-Jan-2021	BUY	168.00	25-Oct-2021	BUY	172.00
30-Oct-2019	BUY	180.00	21-Apr-2021	BUY	190.00	24-Jan-2022	BUY	180.00
16-Jul-2020	BUY	118.00	22-Jul-2021	BUY	150.00			
03-Dec-2020	BUY	144.00	05-Oct-2021	BUY	168.00			

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Jay Mart	JMART TB	THB 55.00	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.
Singer Thailand	SINGER TB	THB 51.75	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.
JMT Network Services	JMT TB	THB 76.00	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.
VGI Pcl.	VGI TB	THB 4.86	BUY	The key downside risks to our SoTP-based TP are if the advertising expenditure recovery is slower than our expectation, and whether Rabbit Line Pay is successful or not.
Kasikornbank	KBANK TB	THB 144.50	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and further waves of the Covid-19 pandemic affecting loan growth and asset quality; and 2) the impact of further interest rate cuts on NIM and potential new regulations from the Bank of Thailand on debt-servicing programs.

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 17-May-2022 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

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

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

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

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

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

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

### Industry Recommendations

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

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

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

### Country (Strategy) Recommendations

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

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

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