

BLUEBIK GROUP

BBIK TB

THAILAND / TECHNOLOGY - MAI

BUY

ผู้สร้างการเติบโตในระดับสูงรายใหม่

- BBIK เป็นบริษัทให้คำปรึกษาขนาดเล็กที่เติบโตอย่างรวดเร็ว บริษัทฯ มุ่งเน้นในด้านการแปรรูปธุรกิจให้เป็นระบบดิจิทัลและ Megatrend เพื่อการเอาตัวรอดและการเติบโต
- เราคาดว่ากำไรสุทธิรอบ 3 ปีในช่วงปี 2021-24 ของบริษัทฯ จะโตในอัตรา 50% CAGR
- เริ่มต้นด้วยคำแนะนำซื้อที่ราคาเป้าหมาย 100 บาท

TARGET PRICE	THB100.00
CLOSE	THB78.75
UP/DOWNSIDE	+27.0%
TP vs CONSENSUS	+23.6%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	304	499	693	826
Net profit	66	126	200	223
EPS (THB)	0.66	1.26	2.00	2.23
vs Consensus (%)	-	21.5	27.4	10.8
EBITDA	78	120	162	184
Core net profit	66	126	200	223
Core EPS (THB)	0.66	1.26	2.00	2.23
Chg. In EPS est. (%)	nm	nm	nm	nm
EPS growth (%)	(39.0)	90.5	58.7	11.4
Core P/E (x)	119.1	62.5	39.4	35.3
Dividend yield (%)	0.5	1.0	1.5	1.7
EV/EBITDA (x)	94.8	62.0	45.8	40.3
Price/book (x)	14.5	13.3	11.7	10.3
Net debt/Equity (%)	(84.0)	(71.5)	(65.7)	(61.9)
ROE (%)	20.2	22.1	31.5	31.0

ผู้เล่นขนาดเล็กในธุรกิจให้คำปรึกษาแต่มีการเติบโตอย่างรวดเร็ว

BBIK เป็นหนึ่งในบริษัทให้คำปรึกษาการบวกรวมที่มีการเติบโตอย่างรวดเร็ว บริษัทฯ มีความเชี่ยวชาญในด้าน Digital Modernisation, Strategic Growth Implementations และ Operational Efficiency นอกจากนี้บริษัทฯ ยังประกอบกิจการร่วมกับ PTT Oil and Retail Business (OR TB, BUY, TP THB32) กล่าวคือ Orbit Digital ซึ่งเป็นบริษัทที่มุ่งเน้นให้คำปรึกษาภายใต้มีจุดประสงค์เพื่อสร้างเสริมและปรับปรุงยุทธศาสตร์ กระบวนการ และโครงสร้างทางธุรกิจของ OR ให้มีความคล่องตัวผ่านเทคโนโลยี นวัตกรรม และแพลตฟอร์มดิจิทัลที่ดีกว่า

บริษัทที่มีความเสี่ยงต่ำและผลประกอบการสูงพร้อมประวัติการเติบโตอย่างรวดเร็ว

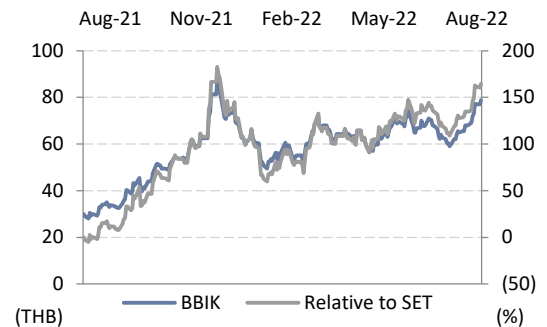
นับตั้งแต่เริ่มก่อตั้ง BBIK มีประวัติการเติบโตที่ดี บริษัทฯ รายงานกำไรปกติรอบ 3 ปีโต 54% CAGR ในช่วงปี 2018-21 แม้ว่าอยู่ในช่วงการแพร่ระบาดโควิดในปี 2020-21 การเติบโตที่ยั่งยืนดังกล่าวเป็นจุดแข็งสำคัญของ BBIK และเป็นส่วนสำคัญของแผนการแปรรูปธุรกิจและการเติบโตทั้งในด้านเศรษฐกิจและยุทธศาสตร์ ความปรารถนาที่รวดเร็วและการมุ่งเน้นในการเสริมสร้างธุรกิจของ BBIK ผ่านการบริหารโครงการที่ดีกว่า การวางแผนกลยุทธ์ และการวิเคราะห์ข้อมูลจะช่วยให้บริษัทฯ ไม่เพียงแต่โดดเด่นกว่าคู่แข่งในระดับโลกแต่ยังจะช่วยให้บริษัทฯ และมีโอกาสในการเข้าสู่อุตสาหกรรมที่ปรึกษาที่มีกำไรสูงซึ่งมีมูลค่าประมาณ 10 พันลบ. จากประมาณการของ BBIK จากส่วนแบ่งตลาดที่มีเพียงเล็กน้อย BBIK ยังมีโอกาสทำกำไรเพิ่มอย่างมีนัยสำคัญในช่วงปี 2022-24

โตดีทั้งในระยะสั้นและระยะยาว

เราคาดว่ากำไรปกติจะโต 90% y-y ในปี 2022 ไปแตะ 126 ลบ. จาก 1) กำไรที่ยั่งยืนและสูงขึ้นของ Orbit; 2) ประโยชน์ทางภาษีจาก BOI; 3) การได้สัญญาจากลูกค้ามากขึ้นหลังเพิ่มจำนวนพนักงาน ในระยะยาวเราคาดว่า BBIK จะรายงานกำไรรอบ 3 ปีโต 50% CAGR ในช่วงปี 2021-24 จากส่วนแบ่งตลาดที่เพิ่มขึ้นตามการเติบโตของอุตสาหกรรม.

เริ่มด้วยคำแนะนำซื้อที่ราคาเป้าหมาย 100 บาท

เราเริ่ม BBIK ด้วยคำแนะนำซื้อที่ราคาเป้าหมาย 100 บาท (50x ของค่า 2023E P/E และ 1x ของค่า 2023E PEG) เราคิดว่าลักษณะของบริการมูลค่าเพิ่มของ BBIK ในองค์กรปัจจุบันนี้น่าจะช่วยรักษาการเติบโตของบริษัทฯ ไว้ได้ในท่ามกลางการแข่งขันในอุตสาหกรรมที่ทวีความรุนแรงมากยิ่งขึ้น ซึ่งทำให้จำเป็นต้องมีประสิทธิภาพในการดำเนินงานที่ดีขึ้นอย่างต่อเนื่องในอุตสาหกรรมให้คำปรึกษาที่ยังใหม่และมีการแข่งขันต่ำ ในฐานะที่เป็นธุรกิจที่ใช้คนเป็นทุน เราคิดว่า การเพิ่มจำนวนพนักงานของ BBIK น่าจะสร้างพื้นฐานที่ดีสำหรับการเติบโตในอนาคต



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	25.5	39.4	n/a
Relative to country (%)	20.8	38.1	n/a
Mkt cap (USD m)			222
3m avg. daily turnover (USD m)			2.0
Free float (%)			38
Major shareholder		Bluebik Group Holding (25%)	
12m high/low (THB)			90.00/27.50
Issued shares (m)			100.00

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 10 สิงหาคม 2022

Investment thesis

We like BBIK's business. The company provides necessities that every organisation needs in order to 1) overcome the disruption from every possible direction; 2) exceed the competition; 3) create efficiency; and 4) generate sustainable growth. We believe that BBIK's growth is at a very early stage. The market for the consulting business is still a blue ocean. The expansion of its workforce should help the company acquire more contracts in the long run.

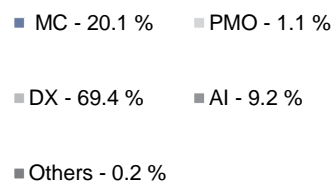
The company has an impressive growth track record. Its core earnings at a 54% 3-year CAGR during 2018-21. We also believe the company is still in the growth stage, expecting a 50% 3-year CAGR over the next three years.

Company profile

Bluebik is a leading consultancy firm focusing on comprehensive advice on digital transformation to improve the capabilities of Thai businesses through technological application.

www.bluebik.com

Principal activities (revenue, 2021)



Source: Bluebik Group

Major shareholders



Source: Bluebik Group

Catalysts

- JV business with PTT Oil and Retail Business (OR TB, BUY, TP THB32) should create a solid earnings growth;
- Demand for consulting and business transformation remains high;
- Expanding its workforce could mean a greater capability to gain more contracts.

Risks to our call

The key downside risks to our TP are 1) if the company is unable to secure new projects from customers; 2) a lack of human resources; and 3) higher competition.

Event calendar

Date	Event
Aug-22	2Q22 results announcement

Key assumptions

Growth	2020 (%)	2021 (%)	2022E (%)	2023E (%)	2024E (%)
MC	176	(0)	89	39	19
PMO	(78)	(86)	1,133	56	32
DX	170	102	30	39	19
AI	(29)	146	149	29	10
Total	9	51	65	39	19

Source: FSSIA estimates

Earnings sensitivity

- For every 10-employee increase, we project 2023 earnings to rise by 1.8%, and vice versa, all else being equal.
- For every 1% increase in revenue per employee, we project 2023 earnings to rise by 3.4%, and vice versa, all else being equal.

Source: FSSIA estimates

Key drivers and catalysts

We see two drivers that should boost BBIK’s net profit growth in 2022-24, including 1) a higher number of contracts secured, supported by the expansion of its workforce; and 2) sustainable earnings from Orbit and the JV business with PTT Oil and Retail Business (OR TB, BUY, TP THB32).

Solid business expansion plan

BBIK is a consulting firm that focuses on digital transformation to improve the capability of businesses by using technological applications. Founded in 2013, BBIK is a new kid on the consulting block with a proven track record of strong earnings growth to penetrate the high-entry barrier consulting market currently dominated by global players.

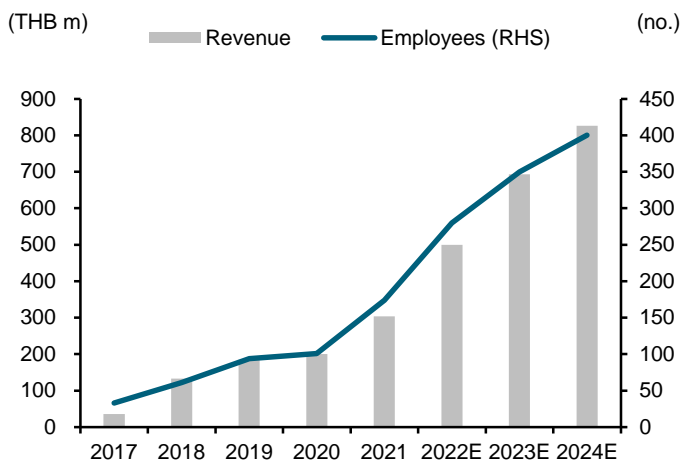
BBIK’s success factors are its “cost plus” model, which enables the company to lock in profitability for every service it delivers to customers, thanks to its unique and high value-added service that creates high pricing power.

Given that BBIK is still in the early growth stage, we believe its net profit growth outlook remains highly visible thanks to the long and proven experience of its founders and nimble management team. This should attract talented consultants to compete in the human capital-intensive consulting business, with an expansion in its workforce to continue to accommodate its growth strategy.

At the end of 2017, the company had only 33 employees, and that number kept rising every year. It reached 174 employees in 2021, showing that the company is still in the early growth stage and has the potential to increase its revenue generation capability. BBIK’s revenue also grew in line with the increase in employees.

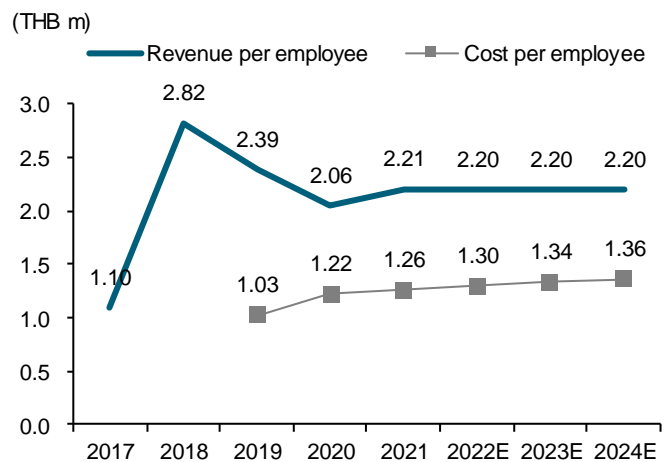
We found that the historical revenue per employee has stayed above THB2m per year since 2018-21. This is a promising number as the company can prove that although it has increased its employee count quite aggressively, its employees are still be able to generate efficient revenues.

Exhibit 1: BBIK’s revenue and employees



Sources: BBIK; FSSIA estimates

Exhibit 2: Revenue and cost per employee



Sources: BBIK; FSSIA estimates

Effective workforce expansion is key

According to the company, it currently has almost 220 employees as of Jun-22, reflecting that BBIK can recruit a new staff headcount of over seven per month. The company aims to increase its workforce by a headcount of at least 106 this year, meaning that at the end of 2022, the company should have a workforce of over 280 employees. We think this target is not aggressive because BBIK just needs to have at least ten more employees per month in order to achieve its target.

Moreover, BBIK recently set up Bluebik Global, a company that will recruit foreign personnel to increase the strength of the group and support business expansion in the future.

We have a positive view on this staff recruiting approach. Having an international firm that can recruit new staff around the world means more opportunities to gain efficient staff members. Therefore, we believe the company should continue to increase its workforce by a solid amount in the next three years

Workforce expansion should continue in the next three years

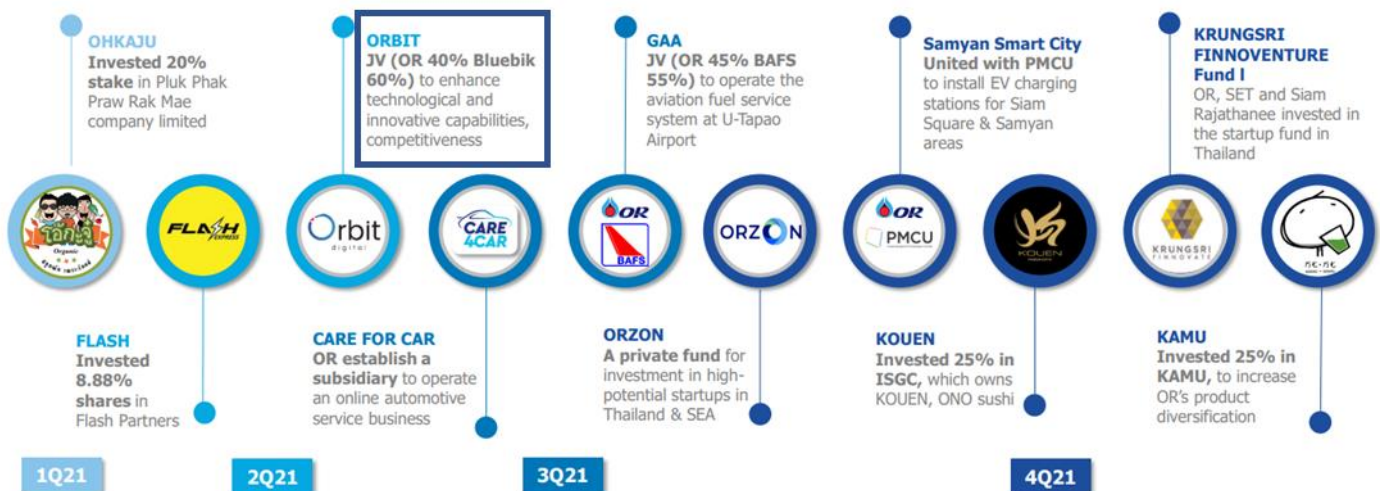
We conservatively estimate that BBIK should have 280 employees at the end of 2022, in line with the company's target. We also conservatively project only 400 employees at the end of 2024, reflecting a 120-headcount increase for the next two years.

Orbit should generate sustainable growth

Orbit Digital is the JV company between BBIK and OR – the flagship oil and retail company of PTT Group (PTT TB, BUY, TP THB50) – at a ratio of 60:40, with a total investment of THB50m. Orbit was set up for the purpose of serving the digital transformation of OR.

Orbit's business is similar to BBIK's but serving only OR because OR has invested heavily in the new business in order to improve its business and seek new S-curve growth.

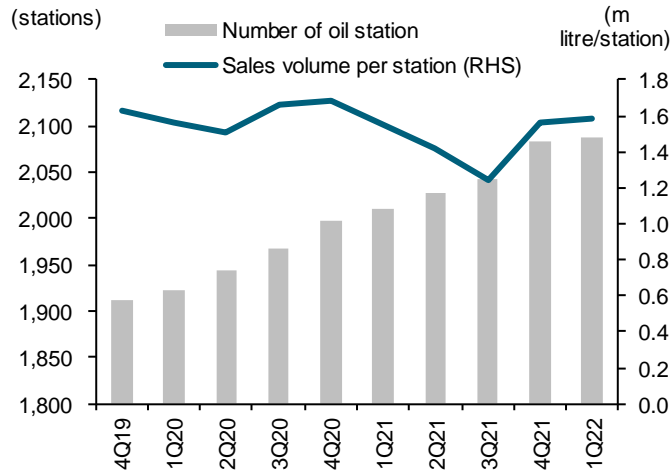
Exhibit 3: OR's investment timeline as of 2021



Source: OR

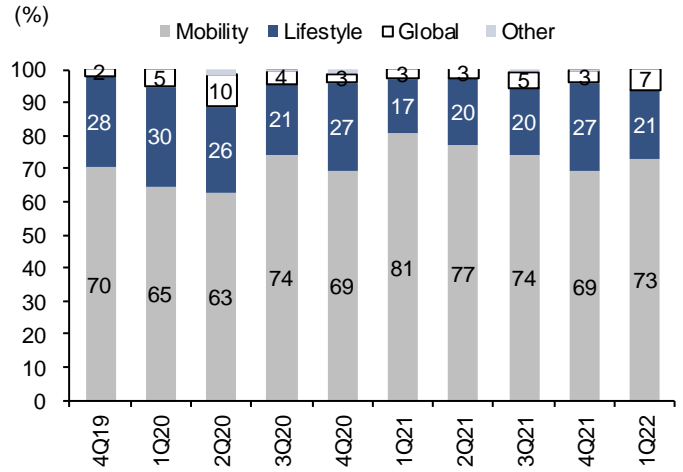
Orbit will be a key mechanism for OR to upgrade its information technology capabilities and digital platforms for consumers, and to use digital innovations to further develop its business via three missions: 1) to enhance competitiveness with new technologies and innovations; 2) to use information to increase value; and 3) to develop new businesses, accumulate knowledge and produce innovation-related personnel within the organisation.

Exhibit 4: OR's number of oil stations vs oil sales volume per station



Source: OR

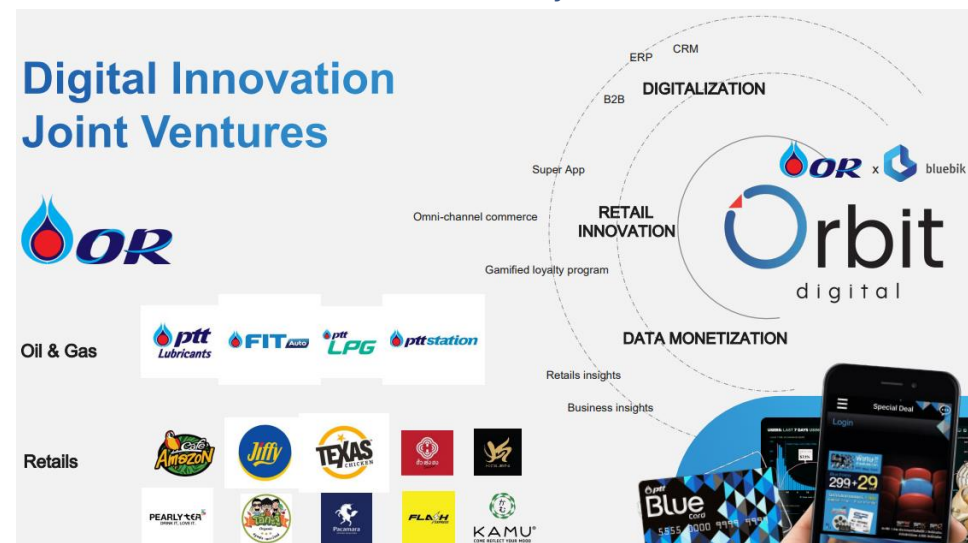
Exhibit 5: OR's EBITDA breakdown by segment (%)



Sources: OR; FSSIA estimates

There are three key milestones in order to achieve those missions, including 1) digitalisation; 2) innovation; and 3) data monetisation. BBIK will send its staff to Orbit to serve OR in order to find new opportunities to enhance OR's growth in the long term. Orbit will receive OR's tasks and deliver its service to OR.

Exhibit 6: OR's current business and Orbit's key milestones



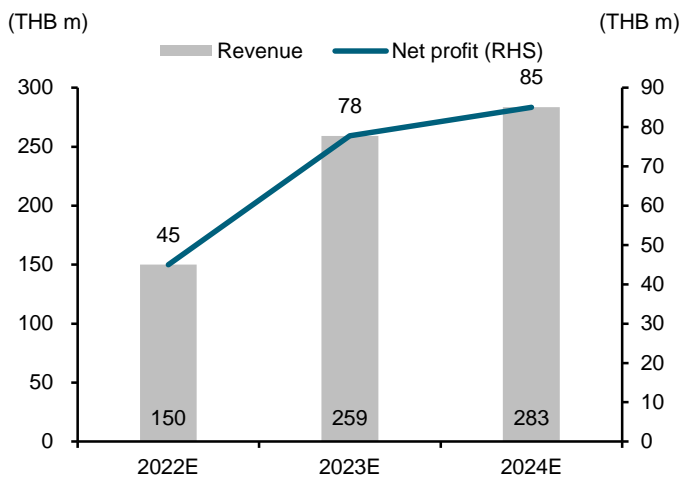
Source: BBIK

Strong growth outlook

In 1Q22, Orbit already booked revenue and net profit of THB31m and THB11m, respectively, with an NPM of 34%. In 2022, BBIK expects Orbit to reach over THB150m in revenue with around THB50m in net profit. Orbit currently has about 100 employees, up from 70 employees in Apr-22, which means that the revenue per employee is around THB2.5m per year. This number is slightly higher than the revenue BBIK can generate. We believe this is because Orbit does not have to seek out new projects or customers. The company just need to fulfil OR's tasks, which results in greater employee efficiency.

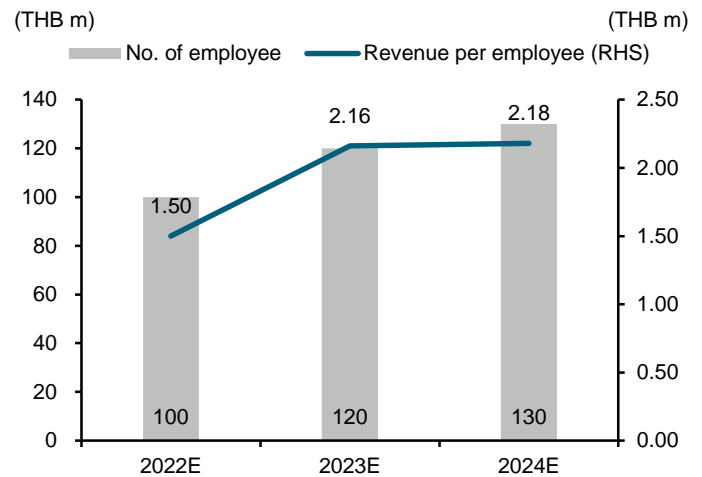
With this expectation from BBIK, the company should recognise about a THB27m share of profit from Orbit this year. At this level of net profit, it would be a significant contribution to BBIK, given that the company only made THB66m in net profit in 2021.

Exhibit 7: Orbit's revenue and net profit



Sources: BBIK; FSSIA estimates

Exhibit 8: Orbit's no. of employees and revenue per employee



Sources: BBIK; FSSIA estimates

The recurring profit generator

Given that most of BBIK's revenue is project based, its services will depend on the length of the contracts from customers. After the contract ends, BBIK will have to seek out more contracts to maintain its revenue and growth potential. We like this JV model with OR because Orbit can secure most of OR's future projects relating to digital transformation and data monetisation, meaning that if OR is still seeking growth or new S-curve projects, Orbit will keep getting tasks from OR, thereby securing revenue and generating a sustainable profit.

Orbit, a successful JV model as a forerunner for growth via a JV platform

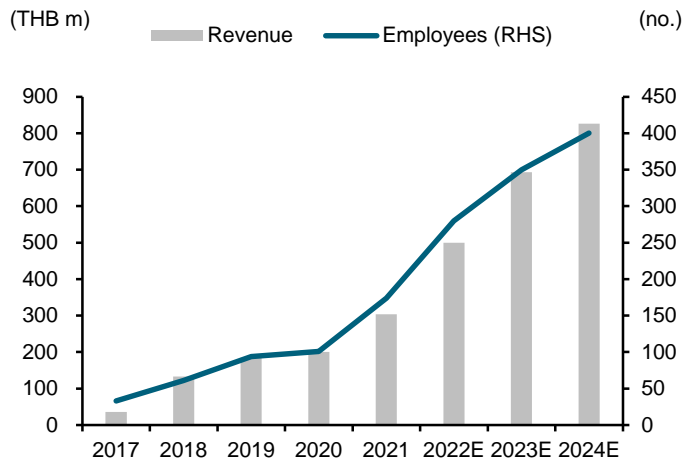
BBIK is quite a new company in the consulting business, and having a good reputation and trust is an essential element for this business. We see Orbit as proving that BBIK has the potential and capability to service any business regardless of how big its customer base is because OR is the biggest oil retailer in Thailand. This should help BBIK to gain consumer trust and believe in BBIK's service.

Moreover, the JV model like Orbit is an excellent model for BBIK's customers, in our view. The consulting, data analytics and monetisation, etc. always come with a cost to the organisation because it has to hire a consulting firm. The JV model like Orbit will minimise costs as its consumers will at less get some return from the investment. For example, BBIK expects that Orbit will get about THB150m in revenue and at least THB50m in net profit in 2022. This means that OR is expected to spend about THB150m for the consulting business. Under a 40% investment in Orbit by OR, the company would get about THB20m profit in return.

Strong earnings growth outlook for the next three years

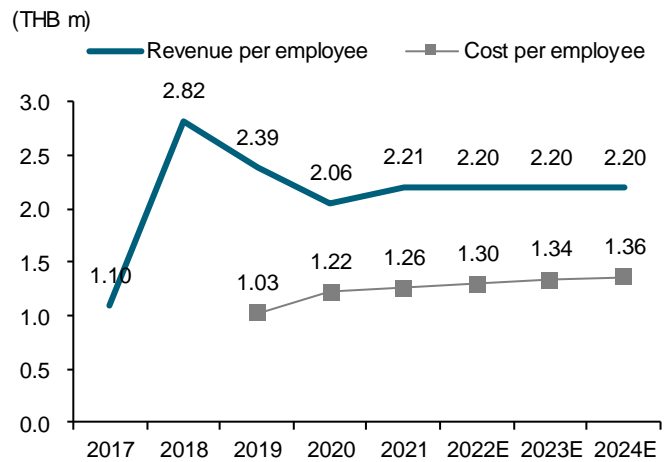
Under BBIK’s growth expansion plan and the Orbit JV, we have identified four key catalysts to drive BBIK’s earnings growth in 2022-24, even under the challenging environment of the global and Thai economic slowdown – a high secured backlog, low fixed cost structure, and recurring profits from Orbit. We expect BBIK’s revenue in 2022 to grow by 64% to THB499m thanks to the expectation that its employees could hit a headcount of 280 at the end of this year vs the current headcount of around 220. We conservatively project the 2022 revenue per employee at THB2.20m per headcount, slightly lower than in 2021 at THB2.21m per headcount.

Exhibit 9: BBIK revenue and employees



Sources: BBIK; FSSIA estimates

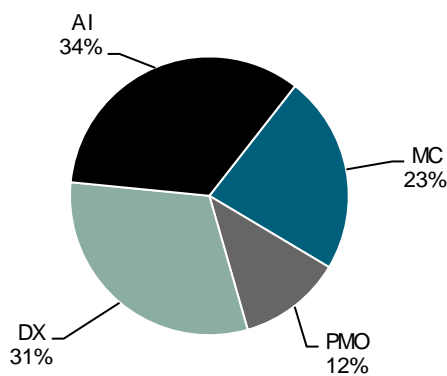
Exhibit 10: Revenue and cost per employee



Sources: BBIK; FSSIA estimates

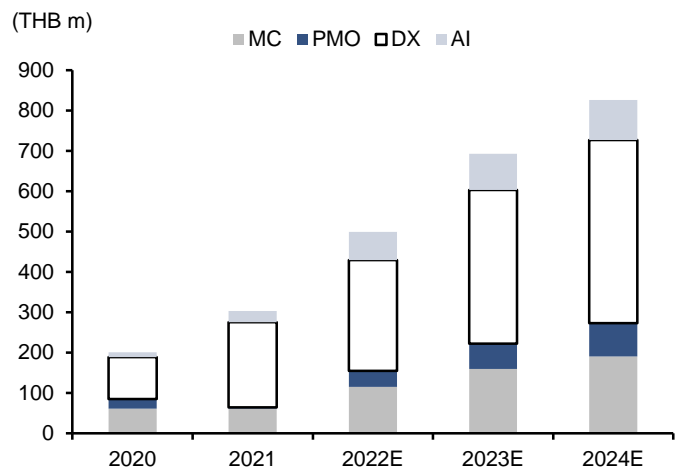
Driver #1: Current backlog supports our expectation. At the end of 1Q22, management reported a backlog of THB458m, meaning that the company has already secured revenue close to our full-year forecast in 2022. Note that all of its backlog may not be fully realised within 2022, but it indicates that the company should have solid revenue growth in the future.

Exhibit 11: Current backlog of THB458m as of Mar-22



Source: BBIK

Exhibit 12: Revenue breakdown by business



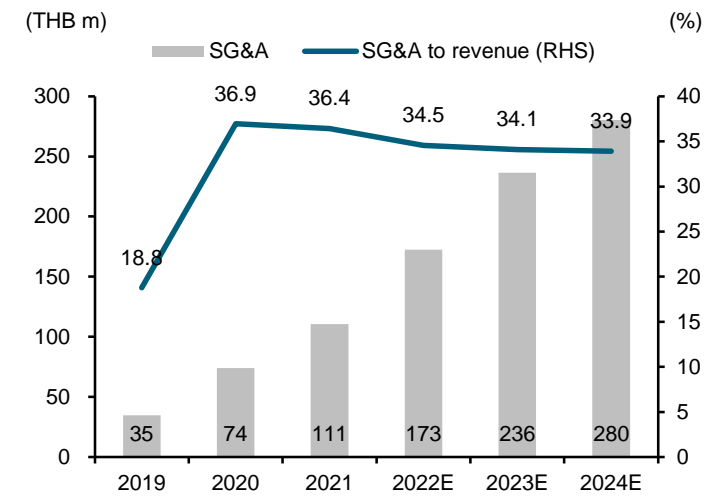
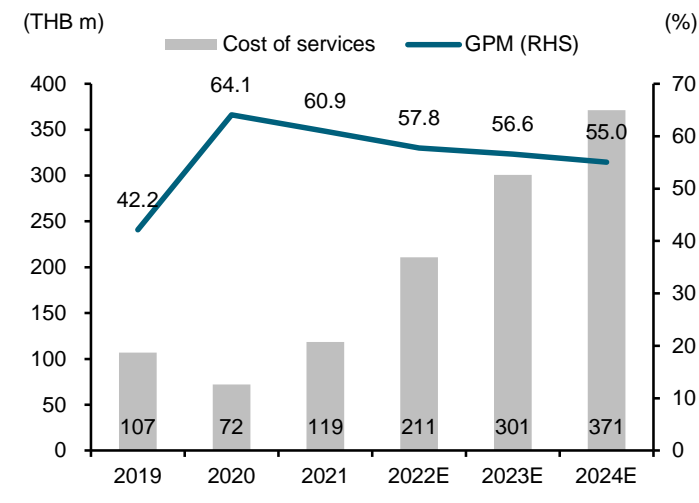
Sources: BBIK; FSSIA estimates

Driver #2: Low fixed cost. Most of BBIK’s costs are in the form of employee expenses, making up about 75% of its total cost in 2022, based on our estimate. The cost per employee at THB1.26m in 2021, increased from THB1.22m in 2020. Employees in the technology field are in high demand at the moment. The company may need to spend more to hire more employees in the future. Therefore, we conservatively expect that the cost per employee should continue to increase, as employees are the key element for BBIK’s growth, from THB1.26m in 2021 to THB1.3m in 2022E. Together with the number of employees that we expect to increase to 280 at the end of this year, we believe the employee cost will jump from THB173m in 2021 to THB294m in 2022.

With this conservative expectation, we estimate that the company’s operating profit margin in 2022 may slightly decrease to 23.2% vs 24.5% in 2021. Besides this expense, we expect that BBIK’s other expenses such as utilities and depreciation and amortisation may be stable, helping the company to expand its growth.

Exhibit 13: Cost of service and GPM

Exhibit 14: SG&A and SG&A to revenue



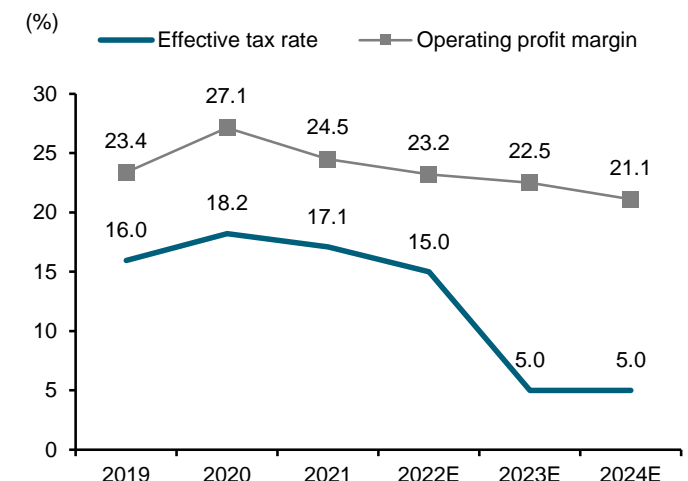
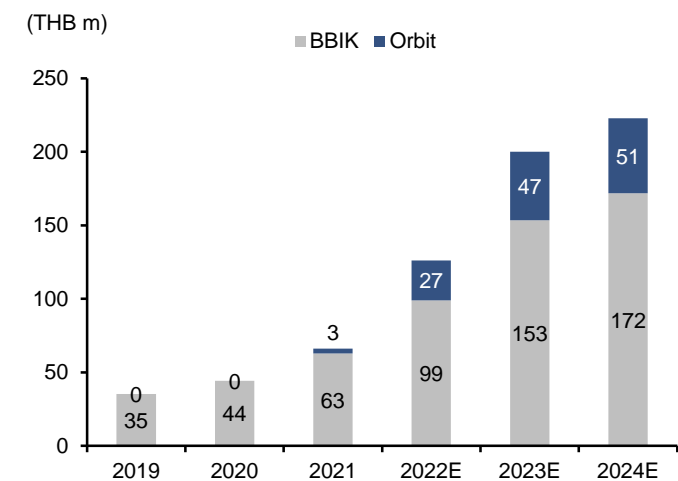
Sources: BBIK; FSSIA estimates

Sources: BBIK; FSSIA estimates

Driver #3: Significant and sustainable profit contribution from Orbit. We expect Orbit’s revenue in 2022 to be at THB150m, in line with management’s expectation, with its NPM at 30%. This would translate into Orbit generating a net profit of THB45m this year. Hence, with its 60% share of Orbit, we believe BBIK should recognise a share of profit from Orbit of THB27m this year, higher than just THB3m last year as Orbit just start operating at the end of last year.

Exhibit 15: Share of profit from Orbit and BBIK’s net profit

Exhibit 16: Operating profit margin and tax rate



Sources: BBIK; FSSIA estimates

Sources: BBIK; FSSIA estimates

Driver #4: Tax benefit from BOI privilege. In 1H22, BBIK was awarded a tax privilege from The Board of Investment of Thailand (BOI) for Orbit, Bluebik DX, and Bluebik Consulting. DX and the consulting business focus on digital service and software implementation. These two businesses generated the highest revenue contributions to BBIK at over 70% last year. As a result, we expect that almost 70% of BBIK's revenue in 2022 will get a BOI tax incentive for eight years, and we expect it to gain full benefits in 2023. The company expects the effective tax rate from 2023 onward to be at only 5% compared to 17% in 2021.

Expect 86% growth in net profit in 2022...

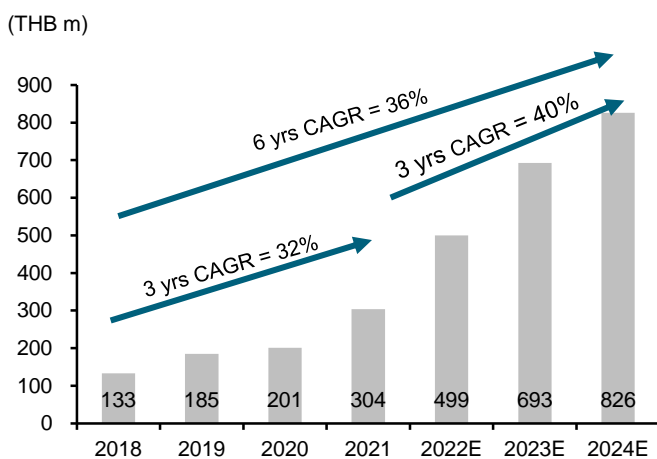
For all of the reasons we mentioned above, we expect BBIK's core profit in 2022 to surge from THB66m in 2021 to THB126m (+90% y-y) in 2022. The company has already booked a net profit in 1Q22 of THB29m, 23% of our full-year forecast. We believe our earnings estimate is achievable given that the company is still expanding its employee numbers and it will get tax benefits from the BOI.

... With continued earnings growth post 2022

As long as BBIK's customers are still seeking growth, survival in the market, finding new S-curve projects, and business transformation, we strongly believe that BBIK still has room to grow continuously in the future. In 2023, we expect the company's revenue to grow by 39% y-y to THB693m thanks to its planned employee expansion to a headcount of 350 from 280 in 2022. Moreover, we also expect that Orbit's revenue should continue to grow. OR still needs to transform its business and wants to enter more retailing businesses. Therefore, we expect that Orbit should grow its revenue by 73% y-y in 2023 to THB259m, thanks to the aggressive employee expansion that already hit 100 employees in Jul-22 compared to just 70 employees in Apr-22. Moreover, we expect Orbit to continue to grow its employee headcount to 120 in 2023.

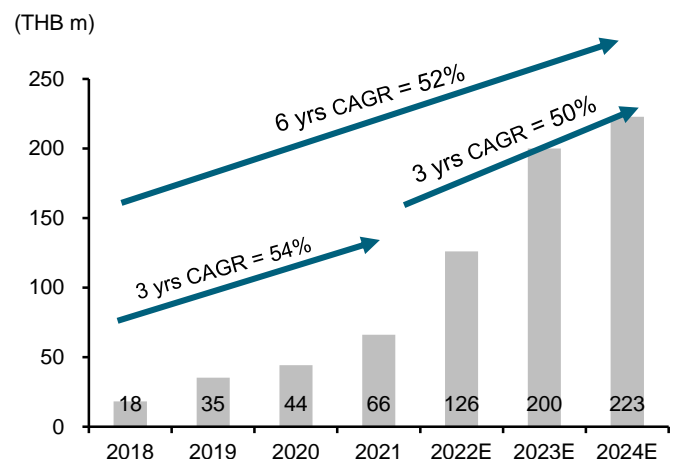
On top of that, the full-year recognition of the BOI tax privilege will occur in 2023. We expect only a 5% effective tax rate compared to 15% in 2022E. As a result, we expect BBIK's net profit to continue to grow by 59% in 2023 to THB200m.

Exhibit 17: BBIK's revenue growth



Sources: BBIK; FSSIA estimates

Exhibit 18: BBIK's core profit growth



Sources: BBIK; FSSIA estimates

High CAGR track record

Based on our forecast, we believe BBIK's revenue growth momentum should remain solid until 2024. The company should be able to maintain its revenue growth at above a 40% level on average. This is the key strength for BBIK – its ability to maintain its revenue growth over the past three years, as well as over the next three years, in our view. For its net profit, we also expect the company to have solid growth given the additional profit from Orbit. We expect a 3-year CAGR from 2021 to 2024 at 50%. We expect its revenue growth from 2022 onward to be even stronger than in the past thanks to its recent IPO, listing on the stock market in 2021, and receiving a capital increase of over THB450m, ready for new investments that should generate new growth drivers.

Key highlights

We can split BBIK's key highlights into three categories: 1) business highlights; 2) industry highlights; and 3) financial highlights.

Business highlights

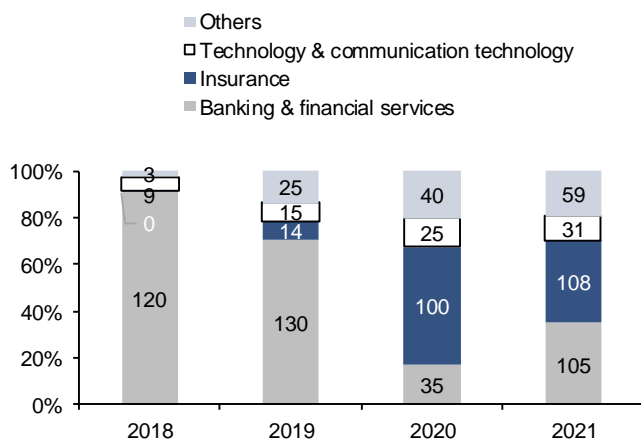
1. Customer diversification and business diversification

BBIK's customers are in various industries. The company's key focus was mainly in banking and financial services. In 2018, the banking and finance sector in Thailand aimed to transform the business from traditional banking into digital banking services. There have been numerous improvements in banking services over the past five years. Banking applications have improved significantly. Moreover, BBIK was in high demand from the insurance industry thanks to the Covid pandemic that stimulated the demand for insurance from consumers. Health consciousness during Covid-19 prompted the insurance industry to transform its business to be more digital.

We believe that although the biggest revenue contribution will still mainly come from banking, financial services, and insurance in the future, other market segments such as technology, communication technology, and retail business should grow in line with the digital transformation trend.

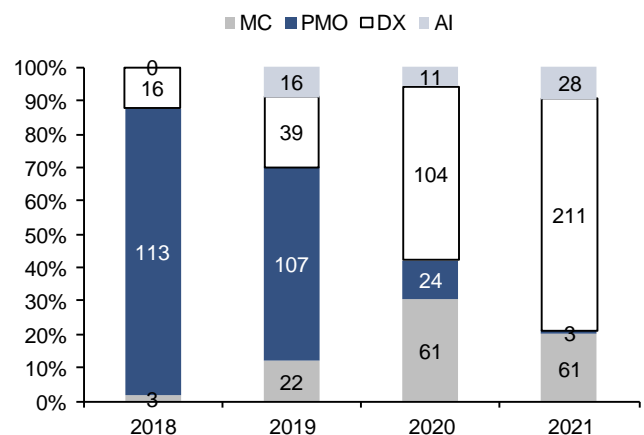
Moreover, most of BBIK's customers are big firms that are listed on the SET. It shows that the company can secure high-profile customers and gain the trust of big firms.

Exhibit 19: Revenue breakdown by customer segment



Note: Data in each bar indicates value of revenue from each customer segment
Source: BBIK

Exhibit 20: Revenue breakdown by business



Note: Data in each bar indicates value of revenue in each business
Source: BBIK

2. More services

Beside its consulting service, which is the key business of BBIK, the company also provides platforms that can facilitate customers' needs.

- 1) **HumanOS.** BBIK recently acquired a 40% shareholding in IT-CAT to expand its services to cloud-based human resource management. IT-CAT's HR cloud solution named HumanOS should generate recurring income and underline BBIK's digital transformation leadership. IT-CAT has served large-scale clients for over 10 years and has more than 100k users of its HumanOS. The company believes HumanOS will increase the competitiveness of BBIK, enabling it to expand its client base to medium and small-scale customers.

The share of profit from IT-CAT may be insignificant, with the company having about only THB3m in net profit during 2018-21, while BBIK has made an investment only 40% of IT-CAT. However, we believe this platform should have a bright outlook.

- 2) **LISMA.** BBIK acquired an 80% shareholding in GMVPI, which is an experienced SAP consultancy, in Feb-22 and has officially launched its SAP consulting. For the new service, BBIK emphasises ERP maximization which focuses on the design and development of SAP-based programs. BBIK also unveiled “LISMA (Line as SAP Mobile Application)” which links SAP and Line to bring SAP up to date and make it easy to use. With the service upgrade, the company is targeting the medium-size and large-scale organizations that already use SAP.

Although these two additional platforms may not contribute significant earnings to the company, having platforms that can facilitate consumers’ needs helps BBIK to provide more well-rounded services. Moreover, these platforms are suitable for small to medium-sized customers and could present an opportunity for the company to gain more customers in the future. Moreover, these platforms were one-time investments that can potentially generate unlimited revenue.

3. One-stop service

BBIK provides four main types of services:

- 1) Management consulting, specialising in strategy development, customer experience management, process improvement and marketing transformation (Management Consulting: MC);
- 2) Strategic program management office (Strategic PMO);
- 3) The development of digital systems and technological consulting (Digital Excellence and Delivery: DX);
- 4) The management of big data and the advanced analysis of data with artificial intelligence (Big Data, Advanced Analytics and Artificial Intelligence: AI).

With all of these services that BBIK has, we can say that the company is most likely to be a one-stop shop for consulting services in Thailand. BBIK provides a full range of services for customers above what its competitors listed on the SET can provide. Its service level is equal the four largest consulting firms, including Deloitte, Ernst & Young (EY), PricewaterhouseCoopers (PwC), and Klynveld Peat Marwick Goerdeler (KPMG). We believe this will be a key strength for BBIK in the long term.

Exhibit 21: Consulting service comparison

Listed firm	MC	PMO	DX	AI
BBIK				
BE8				
COMAN				
HUMAN				
IIG				
NETBAY				
MFEC				
International firm				
Accenture Solution				
Mckinsey				
KPMG				
EY				
PWC				
BCG				

Sources: BBIK; FSSIA compilation

Industry highlights

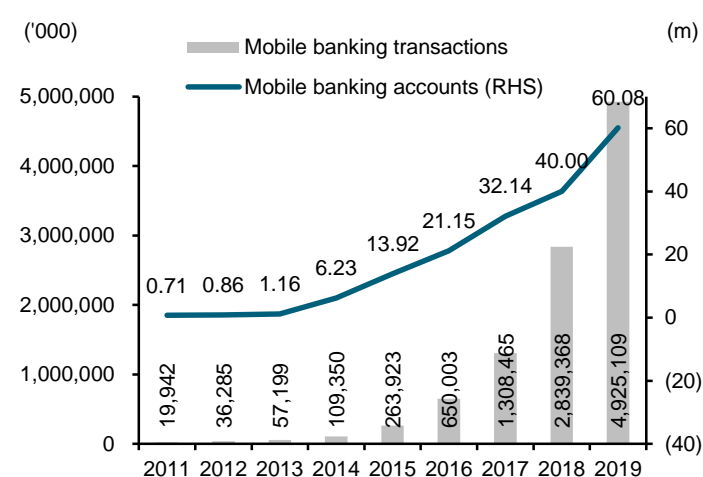
Changes in consumer behaviour prompting every company to transform

We can see that consumer behaviour has changed rapidly due to Covid. Consumers tend to use the internet more for entertainment and purchasing products and services. Mobile applications have become more necessary to facilitate consumer needs. Looking at the banking service, for example, we can see that most banking services can be accessed via mobile banking applications.

According to the data from the Bank of Thailand (BOT), the number of mobile banking users is steadily increasing. People have started to open mobile banking accounts. Mobile banking users rose from 0.7m in 2011 to 60.1m in 2019 with a CAGR of 74.3%. The number of mobile banking transactions went up from 19m in 2011 to 4.9 billion in 2019 with a CAGR of 99.1%. This resulted from banks actively introducing applications that are user-friendly, convenient, secure and compatible with more types of transactions.

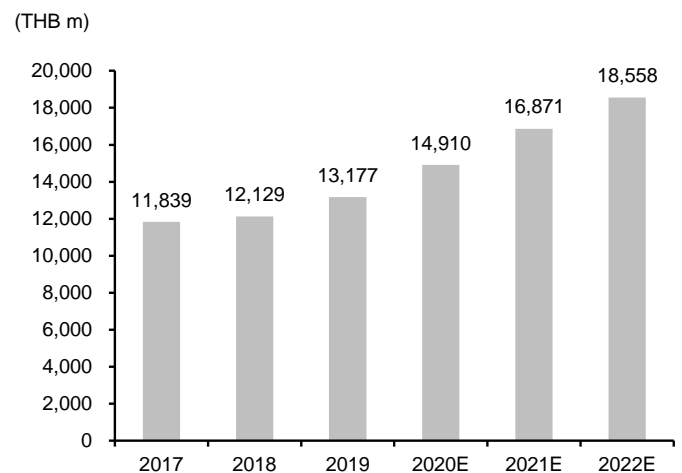
We believe that the use of mobile banking applications is still in a growing trend. This would result in banks needing to develop and improve their applications all the time in order to serve consumer needs. This could be an opportunity for BBIK which mainly serves the banking, financial, and insurance businesses.

Exhibit 22: The number of mobile banking accounts and transactions



Sources: Bank of Thailand (BoT)

Exhibit 23: The value of the big data market in Thailand



Sources: DEPA's surveys on the status of the digital industry in 2018 and 2019 with three-year projections

Not just banking services, e-commerce has also grown significantly thanks to Covid. Most traditional retail businesses have had to transform their selling channels to e-commerce to follow the trend of consumer behaviour. According to Frost & Sullivan, a research & consulting firm, e-commerce in Thailand is projected to grow at a 26.7% CAGR from 2019-24.

Big data is needed for every organisation

Organisations attach greater importance to data about customers and the accurate analysis of data means the good performance of the organisation. The value of the big data market in Thailand, according to the Digital Economy Promotion Agency (DEPA), will rise from THB11.8b in 2017 to THB18.6b in 2022 with a CAGR of 9.4% because data are growing on the expansion of digital businesses and consumers are increasingly using digital services.

BBIK has a professional team of data engineers and scientists to establish a security-enhanced and robust data infrastructure, translate data into measurable value, and gain actionable, profound knowledge for businesses to attain operational excellence. This could be a main driver to promote the continued growth of this business for BBIK.

Technology disruption is coming

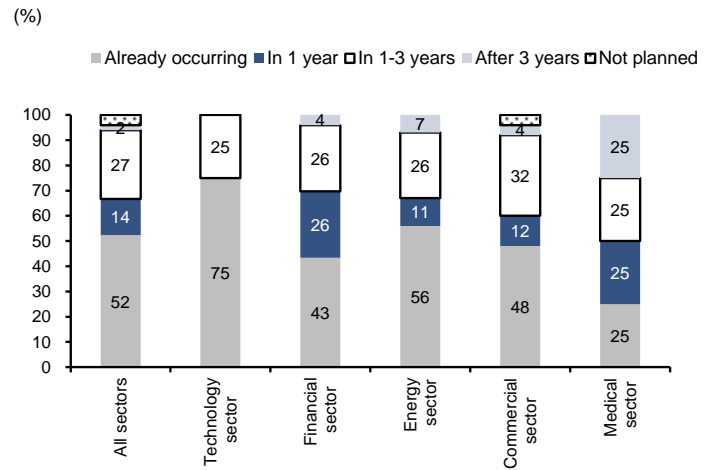
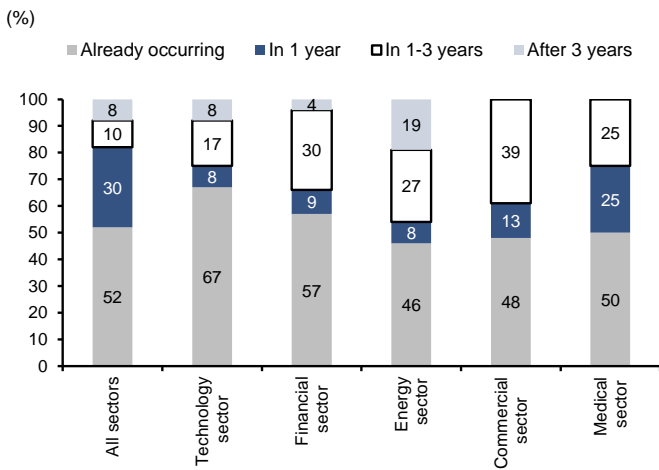
According to BBIK, “digital disruption” means the revolution or changes that result from the application of new business models and technologies and their impact on existing businesses, products and services. To survive and maintain market shares, organisations need digital transformation to adjust their business operations.

The timeframe when 91 sampled organisations started to invest in digital transformation shows that many organisations have realised the importance of digital transformation. Of the 91 organisations, 52% have invested in digital transformation, 14% will do so in 1 year and 27% will do so in 1-3 years. When disruptions occur in the near future, every organisation will be required to transform and adapt to the changing trend in order to survive in the market.

Another exhibit also shows that most organisations in the study have planned to invest in digital transformation in the future. Therefore, this indicates that in the next 1-3 years, BBIK still has the opportunity to consult and help its customers and grow its business.

Exhibit 24: The timeframe when technology disruption impacts have occurred or will occur to different industries

Exhibit 25: The timeframe when digital transformation investment has occurred or will occur to different industries

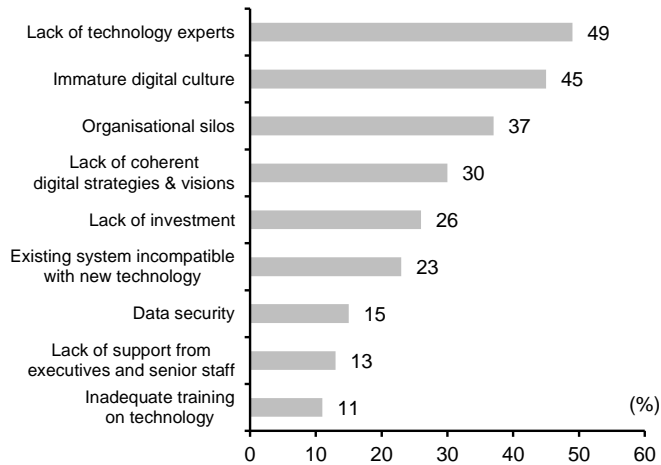


Sources: The Thailand Digital Transformation survey report 2020

Sources: The Thailand Digital Transformation survey report 2020

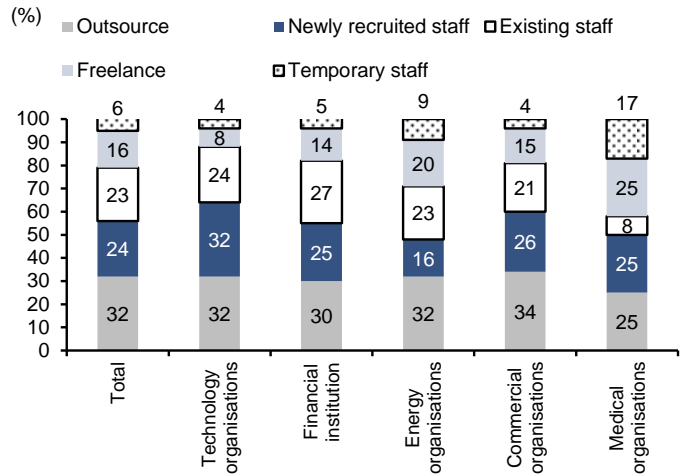
Moreover, it is not an easy task for a company to digitally transform if it doesn't have any expertise or specialization in the digital and technology field. Deloitte identified the chief obstacles at 87 organisations that tried to reform their business through digital means. They are 1) the lack of internal and external expertise; 2) their immature digital culture; 3) their organisational silos; and 4) their lack of coherent digital strategies and visions. These obstacles will cause organisations in many industries to increasingly demand IT experts.

Exhibit 26: Key challenges for digital transformation



Sources: The Thailand Digital Transformation survey report 2020; BBIK

Exhibit 27: Employee landscape by business

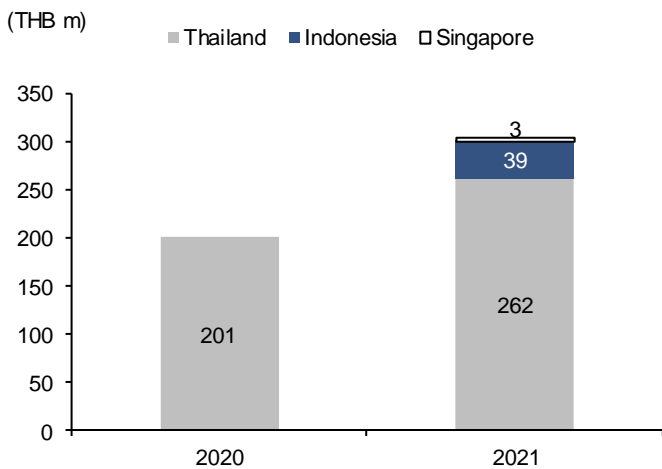


Sources: The Thailand Digital Transformation survey report 2020; BBIK

Overseas opportunities

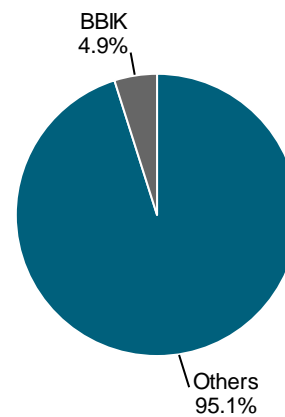
In 2021, BBIK entered the overseas market for the first time. The company secured service contracts with firms from Indonesia and Singapore. Although the contribution from these two countries may look small, we still have a positive view on the overseas expansion. This can prove that BBIK’s services can apply not only to local businesses but also to the international market, meaning that the market opportunity for BBIK’s services remains strong.

Exhibit 28: BBIK’s revenue by geography



Source: BBIK

Exhibit 29: BBIK’s market share



Source: BBIK

Gaining more market share

According to BBIK, the market size of consulting services and digital transformation in Thailand is about THB10b per year. Looking at the expectation of BBIK’s revenue in 2022, it reflects that BBIK has only a 5% market share, which could grow to 8% in 2024. This indicates that the market is still a blue ocean. BBIK has the potential to capture more customers and gain more market share in the future.

Financial highlights

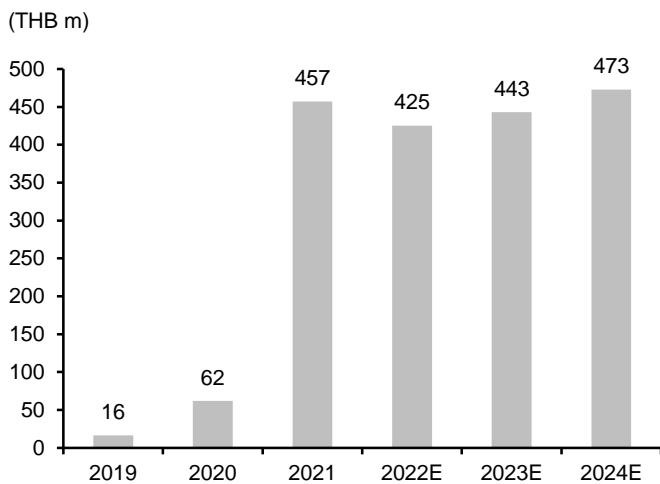
Resilient balance sheet

The company has a very light balance sheet given that the nature of the business is workforce intensive. The company don't need to invest in any fixed assets in order to run its business. It just needs to have a huge workforce in order to generate revenue. For this reason, we think BBIK has a resilient balance sheet with light fixed assets and no debt.

Huge amount of cash on hand ready for future investments

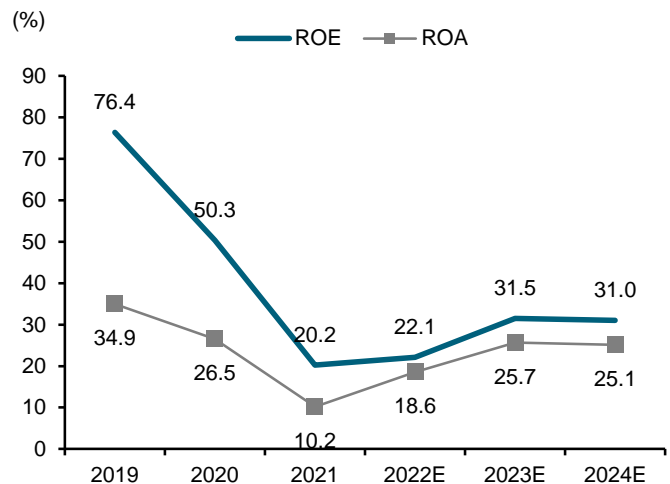
Thanks to BBIK's IPO, listing on the stock market in 2021, it received a capital increase of over THB450m. The THB450m cash on hand is the key for its future investments which could help the company to have sustainable growth in the long term. We believe BBIK will not need a loan or any capital increase for the next 3-5 years. This amount of cash should help the company expand its business by having more technology, applications, and services in the future. Moreover, the successful Orbit model proves that this kind of investment is a great move for the company, in our view. BBIK may decide to have more JVs like Orbit in the future, for which cash amounting to THB450m would be more than enough for that.

Exhibit 30: BBIK's cash and short-term investments



Sources: BBIK; FSSIA estimates

Exhibit 31: BBIK's ROE and ROA



Sources: BBIK; FSSIA estimates

Key ratio is on the way to improving

Before listing on stock market in 2021, BBIK had a solid number of key ratios such as ROA and ROE. The ROE of BBIK in the past was extremely high at 40% in 2020 before dropping to only 20% in 2021 due to the IPO. However, we believe this number will surge in the next three years. We expect its ROE to bounce back to 32% in 2023 onward.

A fine valuation compared to its peers

Although BBIK has a high valuation compared to its local peers, the company also has the highest growth potential in the future, in our view. The company is trading at a high 39x 2023E P/E, while its peers are trading at only 30x. However, we believe BBIK deserves to trade at a premium as it is the only company that has full consulting services and is still in a growth stage. Looking at its earnings growth at a 3-year CAGR in 2021-24, we expect BBIK to have the highest growth at 50%, while we expect its peers to grow only 20% on average. This reflects why we think BBIK deserves to trade at a premium, plus its PEG is only at 1x.

Exhibit 32: Peers comparison as of 9 Aug-22

Company	BBG	Market Cap (USD m)	3Y EPS CAGR (%)	PE		ROE		PBV		EV/EBITDA		Dividend	
				22E (x)	23E (x)	22E (%)	23E (%)	22E (%)	23E (%)	22E (x)	23E (x)	22E (x)	23E (x)
Thailand													
Bluebik group	BBIK TB	222	49.9	62.5	39.4	22.1	31.5	13.3	11.7	62.0	45.8	1.0	1.5
Beryl 8 plus	BE8 TB	314	18.6	80.8	56.3	21.3	28.1	16.7	15.1	73.0	51.6	0.9	1.2
MFEC	MFEC TB	111	n/a	13.7	11.8	14.1	15.7	1.9	1.8	10.8	9.3	4.6	5.6
Humanica	HUMAN TB	300	31.4	41.0	29.5	15.3	20.0	6.2	5.8	32.4	23.9	1.9	2.1
I&I group	IIG TB	118	27.3	38.5	29.5	18.3	21.2	6.8	6.0	29.1	22.5	1.2	1.5
Netbay	NETBAY TB	145	1.5	31.8	24.5	33.3	41.9	10.4	10.2	24.6	19.4	3.0	3.9
Thailand avg.		1,210	55.2	44.7	31.8	20.7	26.4	9.2	8.4	38.6	28.7	2.1	2.6
Regional													
Accenture	ACN US	206,056	14.8	28.9	25.6	32.3	31.1	8.6	7.7	17.5	16.2	1.3	1.4
Quess corporation	QUESS IN	1,061	110.7	30.2	19.7	11.6	16.5	3.4	3.1	13.9	11.1	1.1	1.5
Beijing career international	300662 CH	1,209	24.9	25.0	19.2	14.1	16.1	3.5	3.0	15.5	11.7	0.7	0.7
Regional avg		208,326	16.2	28.1	21.5	19.3	21.2	5.2	4.6	15.7	13.0	1.0	1.2

Sources: Bloomberg; FSSIA estimates

Risks

Inability to expand its workforce

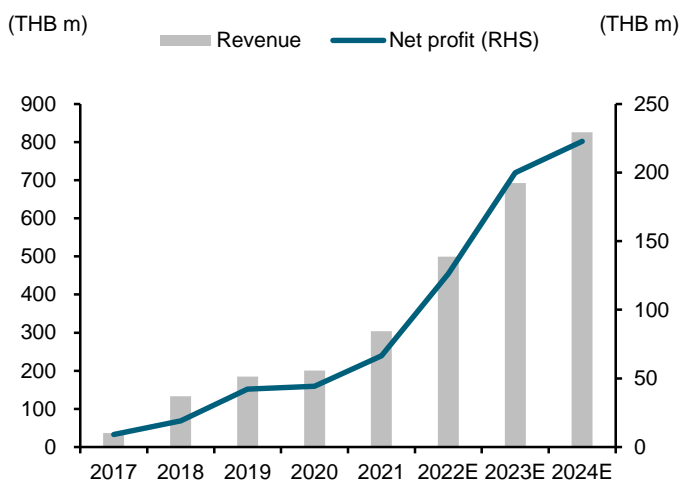
The most important element for BBIK's growth is its workforce as its services require a high level of technical skills. One employee can handle only one project at a time. Since the revenue per employee is around THB2m-2.2m per year, this means that there is a limit to the increase in revenue generation efficiency for each employee. Therefore, the key risk of the company is if it can't expand its workforce continuously – its revenue and earnings growth would be limited. The company admits that its employees as well as the technology market has a high turnover ratio, at about 20-30% due to the high demand on the market.

Moreover, with the expectation that employees in the technology field are in high demand from the market, that would increase employee expenses. We can see that BBIK's cost per employee has increased continuously from 2019 at THB1.03m to THB1.26m in 2021. There is also the risk that BBIK may need to spend a higher cost per employee to hire more employees in the future.

However, we believe this risk is controllable. The company has a solid track record on employee acquisition in the past as well as in 2022. Gaining a better reputation thanks to its business expansion should support the company to gain more trust and should make future employees believe in the growth of company. Moreover, Bluebik International mainly focuses on employee recruitment overseas, especially in India which has a lot of expertise in the technology field. This should be a key support for the company.

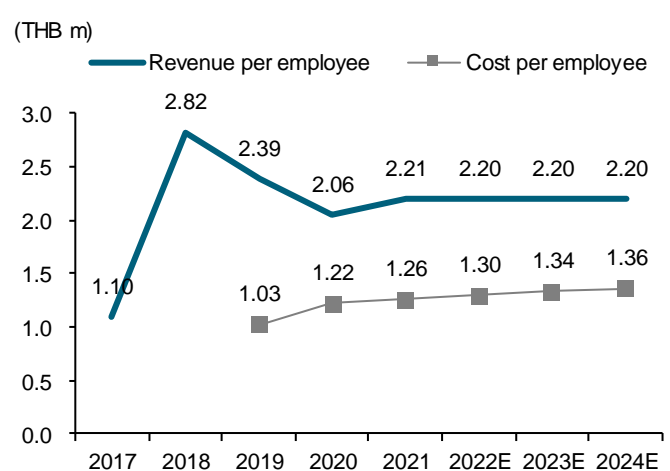
We have already included the risk of potentially increasing employee costs into our forecast. We expect the cost per employee to continue to increase from 2022 onward at a rate of 3% p.a. Therefore, we believe our assumption is already conservative.

Exhibit 33: BBIK's revenue and employees



Sources: BBIK; FSSIA estimates

Exhibit 34: Revenue and cost per employee



Sources: BBIK; FSSIA estimates

Competition

Although the consultant market size for digital and technology transformation is very big and is expected to grow continuously in line with the development in technology, there are only a few big players in the market for both local international firms. Given that BBIK is a new player in the market which can offer a lower service price compared to the big players, in order to get any projects from customers, most of will have to go through a bidding process. Therefore, there is the risk that BBIK's competitors may start to lower their service prices in order to gain more projects, leading to higher competition, which could impact BBIK as it may also need to reduce its service price in order to win contracts, which would hurt its margin, or BBIK may lose the bidding and be unable to get more projects.

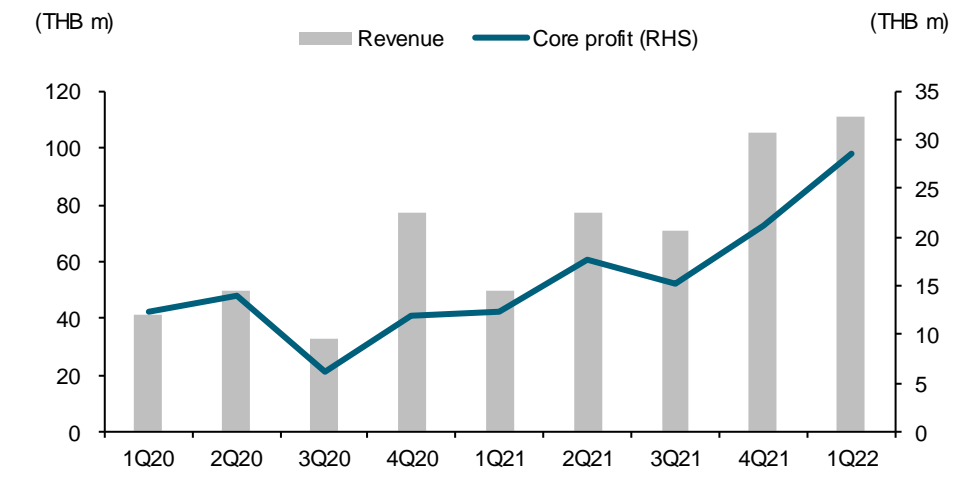
Although the risk of competition could hurt BBIK's growth outlook, we believe there is a low chance that its competitors may initiate a price war in this market as we expect BBIK's revenue to hit only THB499m in 2022. The company's revenue compared to the total market size of over THB10b is minimal. Big players may not yet want to hurt their margins and initiate a price war at this moment, or even in the near future.

No recurring income

Given that most of BBIK's revenue is project based, its services will depend on the length of contracts from customers. After the contract ends, BBIK has to seek more projects to maintain its revenue and growth potential. Therefore, this means that BBIK has no recurring income and has to stay active to acquire more projects all the time. This is the reason why BBIK's quarterly revenue fluctuated quite a bit in the past.

However, we see this risk as controllable. Its customers still need consulting services for digital transformation. We believe the demand should remain solid in the future. Moreover, this risk was a reason why BBIK initiated Orbit, the JV model with OR. Orbit can secure all of the projects coming from OR and is a recurring profit generator for the company. We believe BBIK should have more JVs through this model in the future because it is a win-win for both companies.

Exhibit 35: BBIK's quarterly revenue



Source: BBIK

Business type

BBIK is a consultancy firm focusing on comprehensive advice on digital transformation to improve the capabilities of businesses through technological application. The company provides transformation consulting services consisting of:

1. **Management Consulting** – advice on strategies and management.

BBIK helps organisations fuel their growth by enabling successful strategic directions, combining local expertise with global consulting tools to identify key success factors, and crafting strategic directions with where to participate and how to win. The company helps its clients by:

- Making critical decisions about how to grow and reinvent core business, identifying and building new engines of growth, allocating resources, and achieving cost efficiencies.
- Designing an omnichannel strategy to develop a better means of communication for clients, which also includes the operation of IT architecture and a clickable prototype.
- Developing a digital and physical customer experience blueprint and implementation roadmap.
- Establishing a business strategy model for a prototype restaurant and designing their Loyalty Program with featured gamification to penetrate new markets.
- Building a strategic plan, operational plan, reorganisational plan, and human development plan.

2. **Strategic PMO** – advice on tangible benefits and significant cost saving through clients' business process. Strategic PMO services assist an organisation to identify and prioritise operational improvement initiatives based on business value and organisational readiness, including helping the organization develop business architectures for future growth. The company helps its clients by:

- Leveraging operations to achieve business growth with reliability and consistent professional execution.
- Providing speed and ability to adapt to changing business conditions.
- Developing true operational insights through meaningful milestones and objectives.

3. **Digital Excellence & Delivery** covering in-depth recommendations on digital and technological development within organisations.

BBIK digital delivery resources provide end-to-end, tailor-made IT consulting services starting from scratch to cash and battle-tested digital solutions that transform the way of business functions. The company helps its clients by:

- Translating business ambitions into a clear technology strategy and identifying the specific requirements needed to turn that strategy into results.
- Modernising clients' systems and architecture with a detailed roadmap grounded in clients' unique needs.
- Embracing modern operating models and ways of working to increase productivity, quality and efficiency.

4. Big Data & Advanced Analytics – provide end to end solutions for Big Data & Advanced Analytics from strategy to implementation and IT Staff Augmentation. With a professional team of data engineers and scientists, BBIK helps clients to establish a security-enhanced and robust data infrastructure, translate data into measurable value, and gain actionable, profound knowledge for clients' business to attain operational excellence.

- Developing advanced analytics strategies that transform clients' data assets into a true competitive advantage. This enables the customer to minimise the cost through appropriate tools and a methodology which is most suitable to the customer's company usability.
- Deploying advanced analytics approaches to support decision-making and improve clients' operational effectiveness and efficiency, as well as test the results of clients' customer-facing digital initiatives to ensure the maximum impact.
- Designing and developing big data platforms with analytics capabilities using machine-learning algorithms and data visualisation techniques to support management decisions.

Corporate Governance - BBIK

Board structure

Number of Independent Directors (ID)	4 of 9 board members
Percentage of IDs on the board	44.44%
ID participation/attendance at board meetings	98.41%
ID participation in audit/remuneration committees	3/3 in audit committee and 3/3 in remuneration committee
ID terms (years of service, re-election/replacement procedures)	Three years and can be re-appointed with consent from shareholders' meeting

Source: BBIK's 2021 One Report

Additional comments: BBIK's Board of Directors consists of not less than 5 directors, each shall be appointed by the shareholders' meeting or by the Board of Directors' meeting depending on the case. At least one-third of the Board and not less than 3 must be independent directors. At least half of the directors shall reside within the Kingdom of Thailand. The Company has set in the good corporate governance policy that the Board of Directors must have self-assessment at least once a year by using the Board Self-Assessment form. This is an assessment form that is consistent with the revised guidelines of the Stock Exchange of Thailand.

Audit Practices

Auditor	Proud in Pro Co., Ltd
Length of service	Since 2019 *
Reporting incidents	None
Fee track record	THB1.5m for auditing financial statement of the company, subsidiaries, and joint venture
Policy on change of audit firm	To review every five years

Source: * based on available data in BBIK's IPO prospectus

Additional comments: In 2021, BBIK paid THB900,000/270,000/30,000, respectively to Prod in Pro Co., Ltd. for auditing the Bluebik Group PCL, Ingenio Co., Ltd., and Addenda Co., Ltd; and THB300,000 to EY Office Limited for auditing Orbit Digital Co., Ltd. BBIK listed on 16 Sep-21

Compensation and remuneration

Directors' remuneration vs earnings/ROE/share performance	In 2021, THB 3.75m vs net profit of THB 66.5m
Changes/stability in senior management	None
Incidents of termination of senior management	None
Track record on insider sales	None

Source: BBIK's 2021 One Report

Additional comments: None

Shareholders' rights

Communication - shareholder participation in AGMs/EGMs	AGM once annually, EGM when appropriated and in accordance with SEC guidelines
Related party transactions	In accordance with SEC guidelines
Voting issues - policies, incidents of rejected proposals	None

Source: BBIK's 2021 One Report

Additional comments: None

Financial Statements

Bluebik Group

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	201	304	499	693	826
Cost of goods sold	(69)	(115)	(207)	(294)	(362)
Gross profit	131	189	293	399	464
Other operating income	-	-	-	-	-
Operating costs	(74)	(111)	(173)	(236)	(280)
Operating EBITDA	57	78	120	162	184
Depreciation	(3)	(4)	(4)	(6)	(9)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	54	74	116	156	174
Net financing costs	0	(1)	(1)	(1)	(1)
Associates	0	3	29	49	54
Recurring non-operating income	0	6	33	55	61
Non-recurring items	0	0	0	0	0
Profit before tax	54	80	148	211	235
Tax	(10)	(14)	(22)	(11)	(12)
Profit after tax	44	66	126	200	223
Minority interests	-	-	-	-	-
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	44	66	126	200	223
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	44	66	126	200	223
Per share (THB)					
Recurring EPS *	1.09	0.66	1.26	2.00	2.23
Reported EPS	1.09	0.66	1.26	2.00	2.23
DPS	0.00	0.38	0.76	1.20	1.34
Diluted shares (used to calculate per share data)	41	100	100	100	100
Growth					
Revenue (%)	8.4	51.4	64.4	38.8	19.2
Operating EBITDA (%)	28.1	36.6	53.6	34.9	13.2
Operating EBIT (%)	25.9	36.7	55.8	34.4	11.9
Recurring EPS (%)	22.8	(39.0)	90.5	58.7	11.4
Reported EPS (%)	2.7	(38.7)	89.5	58.7	11.4
Operating performance					
Gross margin inc. depreciation (%)	64.1	60.9	57.8	56.6	55.0
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	28.6	25.8	24.1	23.4	22.2
Operating EBIT margin (%)	27.1	24.5	23.2	22.5	21.1
Net margin (%)	22.1	21.8	25.2	28.9	27.0
Effective tax rate (%)	(1,821.7)	(1,710.5)	(1,500.0)	(500.0)	(500.0)
Dividend payout on recurring profit (%)	-	56.7	60.0	60.0	60.0
Interest cover (X)	128.3	140.6	248.1	351.9	391.9
Inventory days	1.5	0.9	0.0	0.0	0.0
Debtor days	101.0	64.1	53.4	56.8	60.7
Creditor days	175.9	169.4	103.4	69.5	74.2
Operating ROIC (%)	85.4	126.1	120.5	101.2	94.9
ROIC (%)	77.5	79.3	83.1	78.2	67.8
ROE (%)	50.8	20.2	22.1	31.5	31.0
ROA (%)	31.0	16.3	19.0	27.5	26.8
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
MC	61	61	115	159	190
PMO	24	3	40	62	83
DX	104	211	275	381	454
AI	11	28	70	90	99

Sources: Bluebik Group; FSSIA estimates

Financial Statements

Bluebik Group

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	44	66	126	200	223
Depreciation	3	4	4	6	9
Associates & minorities	-	-	-	-	-
Other non-cash items	0	0	0	0	0
Change in working capital	1	12	(60)	(16)	(10)
Cash flow from operations	48	82	70	190	222
Capex - maintenance	(8)	(10)	(11)	(17)	(22)
Capex - new investment	(2)	(3)	(3)	(4)	(6)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	4	(97)	(13)	(31)	(31)
Cash flow from investing	(5)	(109)	(27)	(52)	(59)
Dividends paid	0	(38)	(76)	(120)	(134)
Equity finance	0	457	0	0	0
Debt finance	0	0	0	0	0
Other financing cash flows	2	2	0	0	0
Cash flow from financing	2	422	(76)	(120)	(134)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	45	395	(32)	18	30
Free cash flow to firm (FCFF)	43.32	(26.35)	44.16	138.58	164.03
Free cash flow to equity (FCFE)	44.50	(24.77)	43.56	137.98	163.43
Per share (THB)					
FCFF per share	0.43	(0.26)	0.44	1.39	1.64
FCFE per share	0.44	(0.25)	0.44	1.38	1.63
Recurring cash flow per share	1.16	0.70	1.30	2.06	2.32
Balance Sheet (THB m) Year Ending Dec					
Tangible fixed assets (gross)	10	17	27	42	62
Less: Accumulated depreciation	(4)	(7)	(10)	(16)	(24)
Tangible fixed assets (net)	6	11	17	27	39
Intangible fixed assets (net)	8	9	13	18	24
Long-term financial assets	0	28	30	31	33
Invest. in associates & subsidiaries	0	18	30	60	90
Cash & equivalents	62	457	425	443	473
A/C receivable	51	56	90	125	149
Inventories	1	0	0	0	0
Other current assets	38	69	71	74	76
Current assets	152	582	587	642	698
Other assets	2	2	2	2	2
Total assets	167	651	678	780	886
Common equity	110	544	594	674	763
Minorities etc.	0	0	0	0	0
Total shareholders' equity	110	544	594	674	763
Long term debt	-	-	-	-	-
Other long-term liabilities	12	15	15	16	17
Long-term liabilities	12	15	15	16	17
A/C payable	36	71	46	66	81
Short term debt	0	0	0	0	0
Other current liabilities	9	21	22	23	25
Current liabilities	45	92	69	89	106
Total liabilities and shareholders' equity	167	651	678	780	886
Net working capital	45	33	93	110	119
Invested capital	60	102	185	247	307
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	2.70	5.44	5.94	6.74	7.63
Tangible book value per share	2.50	5.35	5.82	6.57	7.39
Financial strength					
Net debt/equity (%)	(56.1)	(84.0)	(71.5)	(65.7)	(61.9)
Net debt/total assets (%)	(36.9)	(70.2)	(62.6)	(56.8)	(53.3)
Current ratio (x)	3.4	6.3	8.6	7.2	6.6
CF interest cover (x)	110.2	(37.9)	78.3	238.0	282.7
Valuation					
Recurring P/E (x) *	72.6	119.1	62.5	39.4	35.3
Recurring P/E @ target price (x) *	92.2	151.2	79.3	50.0	44.9
Reported P/E (x)	72.6	118.4	62.5	39.4	35.3
Dividend yield (%)	-	0.5	1.0	1.5	1.7
Price/book (x)	29.2	14.5	13.3	11.7	10.3
Price/tangible book (x)	31.5	14.7	13.5	12.0	10.7
EV/EBITDA (x) **	55.0	94.8	62.0	45.8	40.3
EV/EBITDA @ target price (x) **	70.1	121.9	79.6	58.9	51.9
EV/invested capital (x)	52.1	72.9	40.3	30.0	24.1
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Bluebik Group; FSSIA estimates

Corporate Governance report of Thai listed companies 2021

EXCELLENT LEVEL – Score range 90-100										
AAV	BCPG	CPALL	GCAP	K	MSC	PLANET	SAMART	SPI	THRE	TVD
ADVANC	BDMS	CPF	GFPT	KBANK	MST	PLAT	SAMTEL	SPRC	THREL	TVI
AF	BEM	CPI	GGC	KCE	MTC	PORT	SAT	SPVI	TIPCO	TVO
AH	BGC	CPN	GLAND	KKP	MVP	PPS	SC	SSSC	TISCO	TWPC
AIRA	BGRIM	CRC	GLOBAL	KSL	NCL	PR9	SCB	SST	TK	U
AKP	BIZ	CSS	GPI	KTB	NEP	PREB	SCC	STA	TKT	UAC
AKR	BKI	DDD	GPSC	KTC	NER	PRG	SCCC	STEC	TMT	UBIS
ALT	BOL	DELTA	GRAMMY	LALIN	NKI	PRM	SCG	STI	TNDT	UV
AMA	BPP	DEMCO	GULF	LANNA	NOBLE	PROUD	SCGP	SUN	TNITY	VGI
AMATA	BRR	DRT	GUNKUL	LH	NSI	DRS	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFCO	SVI	TPBI	WAVE
AOT	BWG	EA	HMPRO	LPN	NYT	PTT	SEAOL	SYMC	TQM	WHA
AP	CENTEL	EASTW	ICC	MACO	OISHI	PTTEP	SE-ED	SYNTEC	TRC	WHAUP
ARIP	CFRESH	ECF	ICHI	MAJOR	OR	PTTGC	SELIC	TACC	TRU	WICE
ARROW	CHEWA	ECL	III	MAKRO	ORI	PYLON	SENA	TASCO	TRUE	WINNER
ASP	CHO	EE	ILINK	MALEE	OSP	Q-CON	SHR	TCAP	TSC	ZEN
AUCT	CIMBT	EGCO	ILM	MBK	OTO	QH	SIRI	TEAMG	TSR	
AWC	CK	EPG	INTUCH	MC	PAP	QTC	SIS	TFMAMA	TSTE	
AYUD	CKP	ETC	IP	MCOT	PCSGH	RATCH	SITHAI	TGH	TSTH	
BAFS	CM	FPI	IRPC	METCO	PDG	RS	SMK	THANA	TTA	
BANPU	CNT	FPT	ITEL	MFEC	PDJ	S	SMPC	THANI	TTB	
BAY	COM7	FSMART	IVL	MINT	PG	S & J	SNC	THCOM	TTCL	
BBL	COMAN	GBX	JSP	MONO	PHOL	SAAM	SONIC	THG	TTW	
BCP	COTTO	GC	JWD	MOONG	PLANB	SABINA	SPALI	THIP	TU	
VERY GOOD LEVEL – Score range 80-89										
2S	ASIMAR	CHOW	FLOYD	IT	LOXLEY	OCC	RPC	SKY	TCC	TVT
7UP	ASK	CI	FN	ITD	LRH	OGC	RT	SLP	TCMC	TWP
ABICO	ASN	CIG	FNS	J	LST	PATO	RWI	SMIT	TEAM	UEC
ABM	ATP30	CMC	FORTH	JAS	M	PB	S11	SMT	TFG	UMI
ACE	B	COLOR	FSS	JCK	MATCH	PICO	SA	SNP	TFI	UOBKH
ACG	BA	CPL	FTE	JCKH	MBAX	PIMO	SAK	SO	TIGER	UP
ADB	BAM	CPW	FVC	JMART	MEGA	PJW	SALEE	SORKON	TITLE	UPF
AEONTS	BC	CRD	GEL	JMT	META	PL	SAMCO	SPA	TKN	UPOIC
AGE	BCH	CSC	GENCO	KBS	MFC	PM	SANKO	SPC	TKS	UTP
AHC	BEC	CSP	GJS	KCAR	MGT	PMTA	SAPPE	SPCG	TM	VCOM
AIT	BEYOND	CWT	GYT	KEX	MICRO	PPP	SAWAD	SR	TMC	VL
ALL	BFIT	DCC	HEMP	KGI	MILL	PPPM	SCI	SRICHA	TMD	VPO
ALLA	BJC	DCON	HPT	KIAT	MITSIB	PRIME	SCN	SSC	TMI	VRANDA
ALUCON	BJCHI	DHOUSE	HTC	KISS	MK	PRIN	SCP	SSF	TMILL	WGE
AMANAH	BLA	DOD	HYDRO	KOOL	MODERN	PRINC	SE	STANLY	TNL	WIJK
AMARIN	BR	DOHOME	ICN	KTIS	MTI	PSG	SFLEX	STGT	TNP	WP
APCO	BROOK	DV8	IFS	KUMWEL	NBC	PSTC	SFP	STOWER	TOG	XO
APCS	CBG	EASON	IMH	KUN	NCAP	PT	SFT	STPI	TPA	XPG
APURE	CEN	EFORL	IND	KWC	NCH	QLT	SGF	SUC	TPAC	YUASA
AQUA	CGH	ERW	INET	KWM	NETBAY	RBF	SIAM	SWC	TPCS	
ASAP	CHARAN	ESSO	INSET	L&E	NEX	RCL	SINGER	SYNEX	TPS	
ASEFA	CHAYO	ESTAR	INSURE	LDC	NINE	RICHY	SKE	TAE	TRITN	
ASIA	CHG	ETE	IRC	LEO	NRF	RML	SKN	TAKUNI	TRT	
ASIAN	CHOTI	FE	IRCP	LHK	NTV	ROJNA	SKR	TBSP	TSE	
GOOD LEVEL – Score range 70-79										
A	BGT	CITY	GIFT	JTS	MDX	PK	SGP	SUPER	TQR	YGG
AI	BH	CMAN	GLOCON	JUBILE	MJD	PLE	SICT	SVOA	TTI	ZIGA
AIE	BIG	CMO	GREEN	KASET	MORE	PPM	SIMAT	TC	TYCN	
AJ	BLAND	CMR	GSC	KCM	MUD	PRAKIT	SISB	TCCC	UKEM	
ALPHAX	BM	CPT	GTB	KK	NC	PRAPAT	SK	THMUI	UMS	
AMC	BROCK	CRANE	HTECH	KKC	NDR	PRECHA	SMART	TNH	UNIQ	
APP	BSBM	CSR	HUMAN	KWI	NFC	PTL	SOLAR	TNR	UPA	
AQ	BSM	D	IHL	KYE	NNCL	RJH	SPACK	TOPP	UREKA	
ARIN	BTNC	EKH	IIG	LEE	NOVA	RP	SPG	TPCH	VIBHA	
AS	BYD	EMC	INGRS	LPH	NPK	RPH	SQ	TPIPL	W	
AU	CAZ	EP	INOX	MATI	NUSA	RSP	SSP	TIPIP	WIN	
B52	CCP	F&D	JAK	M-CHAI	PAF	SABUY	STARK	TPLAS	WORK	
BEAUTY	CGD	FMT	JR	MCS	PF	SF	STC	TPOLY	WPH	

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

Sources: Thai Institute of Directors Association (IOD); FSSIA's compilation; data as of 26 October 2021

Anti-corruption Progress Indicator

CERTIFIED										
2S	BCH	CPALL	GC	K	MFC	PE	QLT	SNP	THCOM	TU
7UP	BCP	CPF	GCAP	KASET	MFEC	PG	QTC	SORKON	THIP	TVD
ADVANC	BCPG	CPI	GEL	KBANK	MILL	PHOL	RATCH	SPACK	THRE	TVI
AF	BE8	CPN	GFPT	KBS	MINT	PK	RML	SPALI	THREL	TVO
AI	BEYOND	CSC	GGC	KCAR	MONO	PL	RWI	SPC	TIDLOR	TWPC
AIE	BGC	DCC	GJS	KCE	MOONG	PLANB	S & J	SPI	TIPCO	U
AIRA	BGRIM	DELTA	GPI	KGI	MSC	PLANET	SAAM	SPRC	TISCO	UBE
AKP	BJCHI	DEMCO	GPSC	KKP	MST	PLAT	SABINA	SRICHA	TKS	UBIS
ALPHAX	BKI	DIMET	GSTEEL	KSL	MTC	PM	SAPPE	SSF	TKT	UEC
AMA	BLA	DRT	GUNKUL	KTB	MTI	PPP	SAT	SSP	TMD	UKEM
AMANAHA	BPP	DTAC	HANA	KTC	NBC	PPPM	SC	SSSC	TMILL	UOBKH
AMATA	BROOK	DUSIT	HARN	KWC	NEP	PPS	SCB	SST	TMT	UPF
AMATAV	BRR	EA	HEMP	KWI	NINE	PR9	SCC	STA	TNITY	UV
AP	BSBM	EASTW	HENG	L&E	NKI	PREB	SCCC	STOWER	TNL	VGI
APCS	BTS	ECL	HMPRO	LANNA	NMG	PRG	SCG	SUSCO	TNP	VIH
AQUA	BWG	EGCO	HTC	LH	NNCL	PRINC	SCN	SVI	TNR	WACOAL
ARROW	CEN	EP	ICC	LHFG	NOBLE	PRM	SEAOIL	SYMC	TOG	WHA
AS	CENTEL	EPG	ICHI	LHK	NOK	PROS	SE-ED	SYNTEC	TOP	WHAUP
ASIAN	CFRESH	ERW	IFEC	LPN	NSI	PSH	SELIC	TAE	TOPP	WICE
ASK	CGH	ESTAR	IFS	LRH	NWR	PSL	SENA	TAKUNI	TPA	WIJK
ASP	CHEWA	ETE	ILINK	M	OCC	PSTC	SGP	TASCO	TPP	XO
AWC	CHOTI	FE	INET	MAKRO	OGC	PT	SINGER	TBSP	TRU	ZEN
AYUD	CHOW	FNS	INSURE	MALEE	ORI	PTG	SIRI	TCAP	TRUE	
B	CIG	FPI	INTUCH	MATCH	PAP	PTT	SITHAI	TCMC	TSC	
BAFS	CIMBT	FPT	IRC	MBAX	PATO	PTTEP	SKR	TFG	TSTE	
BAM	CM	FSMART	IRPC	MBK	PB	PTTGC	SMIT	TFI	TSTH	
BANPU	CMC	FSS	ITEL	MC	PCSGH	PYLON	SMK	TFMAMA	TTA	
BAY	COM7	FTE	IVL	MCOT	PDG	Q-CON	SMPC	TGH	TTB	
BBL	COTTO	GBX	JKN	META	PDJ	QH	SNC	THANI	TTCL	
DECLARED										
AJ	CHG	DDD	ETC	JR	MAJOR	NUSA	RS	SSS	TQM	YUASA
ALT	CPL	DHOUSE	FLOYD	JTS	NCAP	NYT	SAK	STECH	TSI	ZIGA
APCO	CPR	DOHOME	GULF	KEX	NCL	OR	SCGP	STGT	VARO	
B52	CPW	ECF	III	KUMWEL	NOVA	PIMO	SCM	TKN	VCOM	
BEC	CRC	EKH	INOX	LDC	NRF	PLE	SIS	TMI	VIBHA	

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 26 October 2021) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Sources: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Naruedom Mujjalinkool FSS International Investment Advisory Securities Co., Ltd

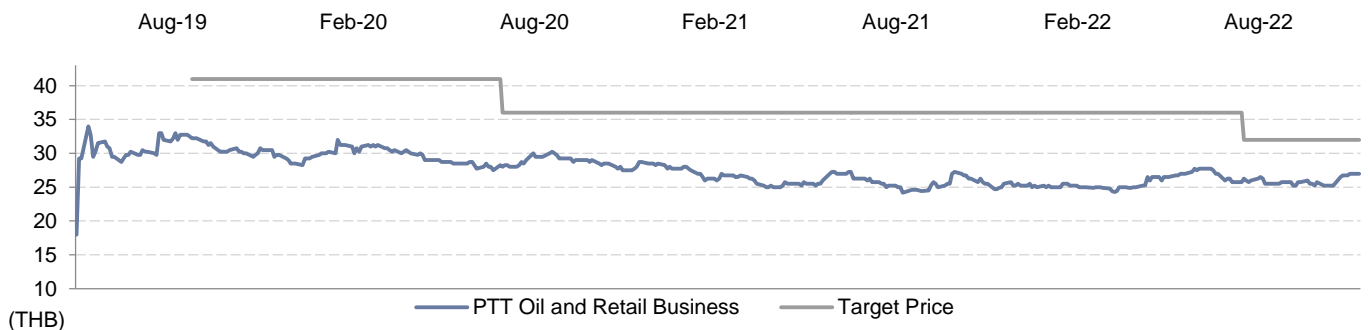
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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

PTT Oil and Retail Business (OR TB)



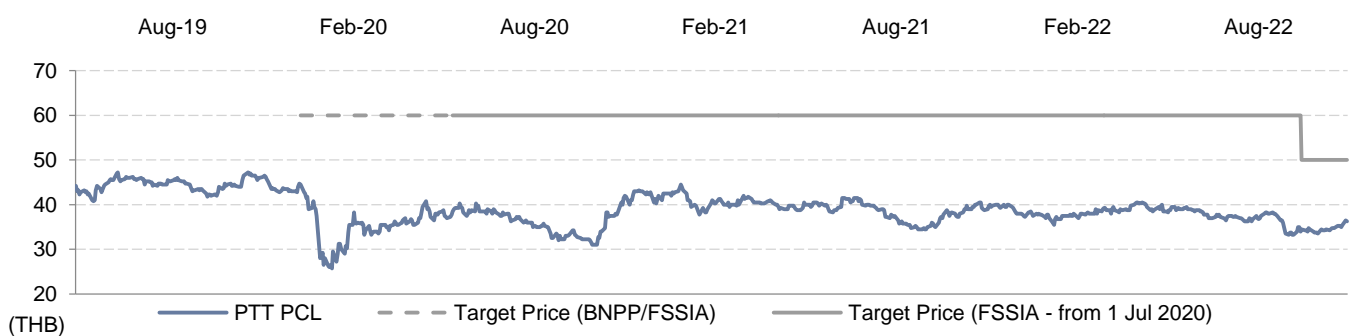
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
30-Mar-2021	BUY	41.00	09-Aug-2021	BUY	36.00	20-Jun-2022	BUY	32.00

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 30-Mar-2021

Price and TP are in local currency

Source: FSSIA estimates

PTT PCL (PTT TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
21-Feb-2020	BUY	60.00	30-Jun-2022	BUY	50.00	-	-	-

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 12-May-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Bluebik Group	BBIK TB	THB 78.75	BUY	The key downside risks to our TP are 1) if the company is unable to secure new projects from customers; 2) a lack of human resource; and 3) higher competition.
PTT Oil and Retail Business	OR TB	THB 27.00	BUY	The downside risks to our SOTP-based TP include: 1) lower-than-expected demand for petroleum products; 2) a lower marketing margin; and 3) weaker-than-expected jet demand.
PTT PCL	PTT TB	THB 36.25	BUY	Risks to our SoTP-based valuation are the oil price and potential earnings downsides from government intervention.

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 09-Aug-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.