

BLUEBIK GROUP BBIK TB

THAILAND / TECHNOLOGY - MAI

BUY

UNCHANGED

กำลังเข้าสู่บทใหม่

- การซื้อ Innoviz และ VDD น่าจะช่วยให้กำไรของ BBIK เพิ่มขึ้นในปี 2023
- นอกจากกำไรที่สูงขึ้นแล้ว เรายังเห็น Upside เพิ่มเติมอีกหลายประการ เช่น ประโยชน์จากการควบรวมธุรกิจ ประสิทธิภาพที่สูงขึ้น และสิทธิประโยชน์จาก BOI
- คงแนะนำซื้อหลังปรับราคาเป้าหมายเป็น 155 บาท (60x ของค่า P/E)

TARGET PRICE	THB155.00
CLOSE	THB125.50
UP/DOWNSIDE	+23.5%
PRIOR TP	THB135.00
CHANGE IN TP	+14.8%
TP vs CONSENSUS	+1.5%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	304	560	1,439	1,695
Net profit	66	126	290	367
EPS (THB)	0.66	1.26	2.63	3.33
vs Consensus (%)	-	0.8	16.2	7.1
EBITDA	78	125	290	355
Core net profit	66	126	290	367
Core EPS (THB)	0.66	1.26	2.63	3.33
Chg. In EPS est. (%)	-	(0.3)	17.0	21.1
EPS growth (%)	(39.0)	90.0	109.5	26.6
Core P/E (x)	189.7	99.9	47.7	37.7
Dividend yield (%)	0.3	0.6	1.4	1.6
EV/EBITDA (x)	154.5	96.9	46.1	38.1
Price/book (x)	23.1	21.1	8.1	7.5
Net debt/Equity (%)	(84.0)	(71.6)	(25.6)	(14.2)
ROE (%)	20.2	22.1	25.3	20.7

ประโยชน์หลายด้านจากการซื้อ Innoviz และ VDD

เรามองการซื้อกิจการใหม่ 2 แห่งที่ BBIK ประกาศในเดือน ธ.ค. 22 เป็นบวก Innoviz เป็นผู้ให้บริการ ERP Development Consulting ในขณะที่ VDD เป็นผู้เชี่ยวชาญในด้าน Digital Delivery, IT Systems, และ Software Application Development รายการดังกล่าวซึ่งรวมถึงการขายหุ้นเป็นการเฉพาะเจาะจง (PP) น่าจะสำเร็จได้ในเดือน ก.พ. 23 เราคิดว่าบริษัททั้ง 2 จะช่วยเพิ่มกำไรสุทธิให้แก่ BBIK ได้ในปี 2023 ถึง 65 ลบ. ซึ่งสูงกว่าประมาณการเดิมของเราถึง 29% เรามองว่าการซื้อทั้ง 2 รายการจะช่วยเสริมศักยภาพการเติบโตของ BBIK จาก 1) การเพิ่มศักยภาพของบริษัท ในการเข้าร่วมในโครงการที่ใหญ่ขึ้นซึ่งจำเป็นต้องใช้แรงงานจำนวนมาก; 2) การเพิ่มการให้บริการกับลูกค้าที่ครบวงจรมากขึ้น; และ 3) สัดส่วนรายได้ประจำที่สูงขึ้น

3 Upside ที่อาจเกิดขึ้น

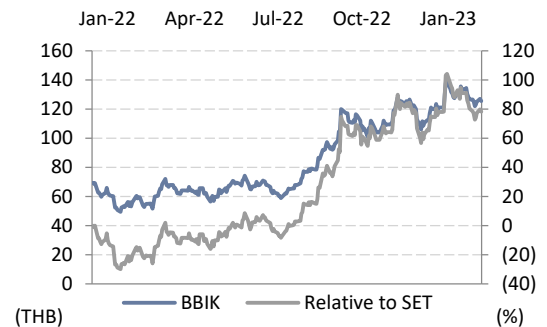
นอกจากรายได้เพิ่มเติมและกำไรสุทธิจากทั้งสองบริษัทแล้ว ยังมี Upside ที่เรายังไม่ได้รวมไว้ในประมาณการของเราประกอบด้วย 1) สิทธิประโยชน์จาก BOI ที่อาจเกิดขึ้น; 2) ประโยชน์จากการควบรวมกิจการ; และ 3) ประสิทธิภาพในด้านแรงงานที่สูงขึ้น เราเชื่อว่า Upside ดังกล่าวอาจเกิดขึ้นตั้งแต่ 3Q23 เป็นต้นไป

ปรับเพิ่มประมาณการกำไร

ปัจจุบันเราได้รวมกำไรเพิ่มเติมจาก Innoviz และ VDD ไว้ในประมาณการของเราเรียบร้อยแล้ว ทั้งสองบริษัทน่าจะสร้างกำไรเพิ่มเติมให้แก่ BBIK ในปี 2023/24 ที่ 65 ลบ./92 ลบ. คิดเป็น Upside 29%/33% จากประมาณการกำไรก่อนหน้าของเรา ด้วยเหตุดังกล่าวเราคาดว่ากำไรปี 2023 จะเพิ่มเท่าตัวเป็น 290 ลบ. (+130% y-y)

คงแนะนำซื้อที่ราคาเป้าหมายใหม่ที่ 155 บาท

เราคิดว่า การซื้อทั้งสองรายการจะไม่เพียงแต่ช่วยเพิ่มกำไรของ BBIK ในปี 2023E เป็นต้นไป แต่ยังจะสร้างประโยชน์ที่อาจได้จากการควบรวมกิจการซึ่งจะให้ Upside แก่ประมาณการกำไรต่อหุ้น (EPS) และราคาเป้าหมายในปัจจุบันของเรา เรายังมอง BBIK เป็นบวกและคงแนะนำซื้อที่ราคาเป้าหมายใหม่ที่ 155 บาท (60x ของค่า 2023E P/E คงเดิม) นอกจากนี้เรายังคิดว่า EPS ที่ลดลงจาก PP ในอนาคตจะต่ำกว่า 10% ในขณะที่ศักยภาพการเติบโตจะเพิ่มเป็นจำนวนมาก ที่ราคาปัจจุบันค่า P/E น่าจะลดลงอย่างมีนัยสำคัญในปี 2023 เหลือเพียง 48x ใกล้เคียงกับคู่แข่ง ในขณะที่เราคาดว่าอัตราการเติบโตของกำไรใน 3 ปีข้างหน้าของบริษัท จะเป็นหนึ่งในตัวเลขที่สูงที่สุดในอุตสาหกรรม



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(9.4)	15.7	70.7
Relative to country (%)	(12.7)	8.1	70.3
Mkt cap (USD m)			379
3m avg. daily turnover (USD m)			1.7
Free float (%)			38
Major shareholder	Bluebik Group Holding (25%)		
12m high/low (THB)	143.50/48.25		
Issued shares (m)	110.00		

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

บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 18 มกราคม 2023

Investment thesis

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

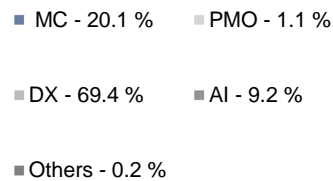
The company has an impressive growth track record, with core earnings up 54% at a three-year CAGR during 2018-21. We believe the company is still in a very early growth stage and forecast a 77% three-year CAGR over 2021-24.

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

- Potential synergy with Innoviz and VDD;
- Demand for consulting and business transformation services remains high;
- Expanding its workforce could improve its ability 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
Feb-23	2022 results announcement

Key assumptions

Growth	2020	2021	2022E	2023E	2024E
	(%)	(%)	(%)	(%)	(%)
MC	176	(0)	111	157	18
PMO	(78)	(86)	1,282	189	31
DX	170	102	46	157	18
AI	(29)	146	179	139	9
Total	9	51	85	157	18

Source: FSSIA estimates

Earnings sensitivity

- For every 10-employee increase, we project 2023 earnings to rise by 1.1%, and vice versa, all else being equal.
- For every 1% increase in revenue per employee, we project 2023 earnings to rise by 3.6%, and vice versa, all else being equal.

Source: FSSIA estimates

The investment in Innoviz will be separated into three tranches comprised of:

- 1) Tranche A (55%) will occur after approval from the shareholders' meeting of the company and the purchase of Tranche A shares will be made within three months from the date of signing an agreement. The payment for the purchase of Tranche A shares is divided into two instalments, with the first instalment being paid in cash in the amount of THB264m on the date of the 55% share purchase completion.

The second instalment will be paid in cash within seven days from the date of the annual general meeting of Innoviz to approve the financial statements for the year 2022. The second instalment is based on Innoviz's net profit as shown in the year 2022 multiplied by P/E at a rate of 12 times. If the share purchase price after adjustment is less than THB264m, the price of THB264m shall be taken as the purchase price of Tranche A shares.

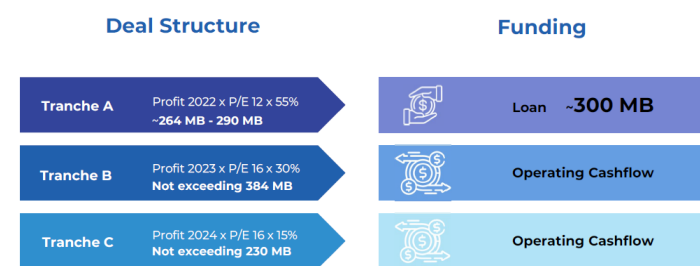
- 2) The additional 30% (Tranche B) share purchase price is equal to Innoviz's net profit in the year 2023 multiplied by P/E at the rate of 16 times multiplied by 30%, but not exceeding THB384m.
- 3) The additional 15% (Tranche C) share purchase price is equal to Innoviz's net profit in the year 2024 multiplied by P/E at the rate of 16 times multiplied by 15%, but not exceeding THB230m.

Exhibit 1: Innoviz purchase price scenarios

2022		2023		2024		Total
Net profit	Purchase price Tranche A	Net profit	Purchase price Tranche B	Net profit	Purchase price Tranche C	
(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)
30	264	30	144	30	72	480
40	264	40	192	40	96	552
50	290	50	240	50	120	650
60	290	60	288	60	144	722
70	290	70	336	70	168	794
80	290	80	384	80	192	866
90	290	90	384	90	216	890
100	290	100	384	100	230	904

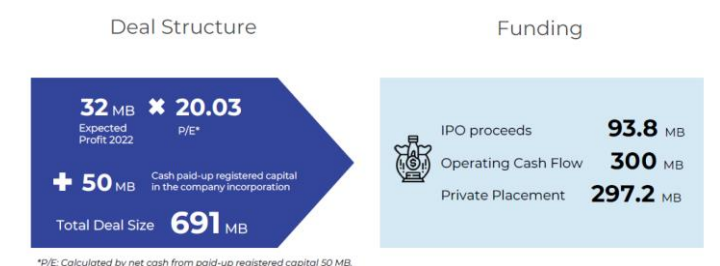
Source: BBIK

Exhibit 2: Innoviz deal structure and funding



Source: BBIK

Exhibit 3: VDD deal structure and funding



*P/E: Calculated by net cash from paid-up registered capital 50 MB.

Source: BBIK

Future PP would cover these two investments

We expect the total investment in Innoviz based on the deal structure in Exhibit 2 would be THB673m, comprising three installments of THB290m/THB243m/THB140m in 2023/24/25, while the investment in VDD requires about THB691m in cash. Hence, BBIK needs about THB981m for these two acquisitions in 2023.

Currently, the company has cash and operating cash flow of about THB430m. We expect the company to seek a private placement (PP) worth 10% of its shares outstanding at a discount to the market price of not less than 10%. As such, we conservatively expect the company to announce a PP of 10m share at the price of THB100/shr (a 21% discount from the current market price). This would give the company THB1b in funding to pay for these two projects for the next three years, with no need for additional loans.

In case the company's PP is lower than our expectation, a bank loan could offer an alternative. Due to its status as a net cash company, we think it could easily secure a bank loan of around THB600m based on the assumption of D/E at 1x.

Exhibit 4: Summary of potential funding sources

	2023E	2024E	2025E
	(THB m)	(THB m)	(THB m)
Innoviz	290	243	140
VDD	691		
Total investment (1)	981	243	140
Source of fund			
Cash at beginning of the year	430	449	206
PP	1,000		
Total (2)	1,430	449	206
Cash at the end of the year (2) - (1)	449	206	66

Sources: BBIK; FSSIA estimates

Acquisitions should boost earnings significantly

Based on BBIK's assumption that Innoviz's and VDD's earnings could hit THB44m and THB32m, respectively, for 2022, we project that these two companies' earnings should grow by 15% over the next three years. We believe this growth rate is credible as BBIK (core business) is expected to grow at a 35% three-year CAGR from 2022-2025 and, in our view, the two businesses should grow at least half as fast as BBIK.

Exhibit 5: Summary of additional earnings contribution to BBIK

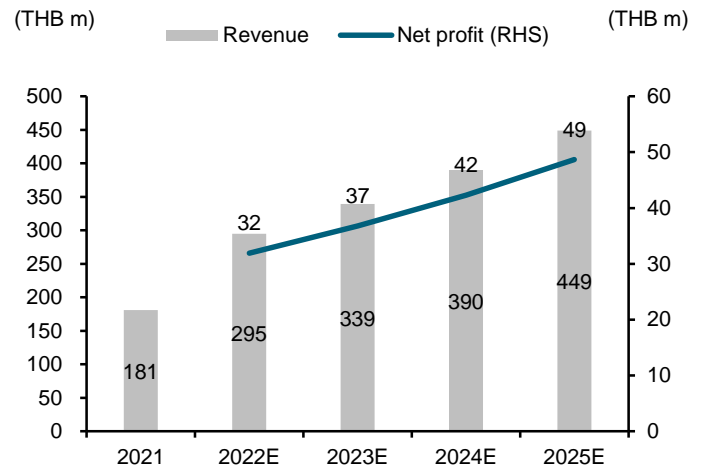
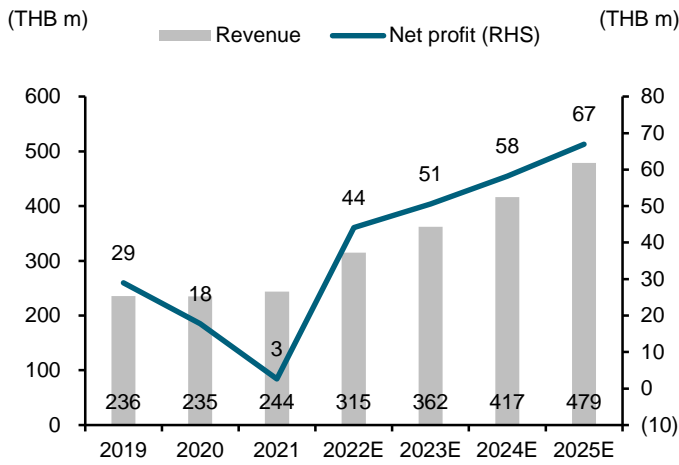
	2019	2020	2021	2022E	2023E	2024E	2025E
Innoviz							
Net profit (THB m) (1)	29	18	3	44	51	58	67
Net profit growth (%)	n.a.	(38)	(83)	1,367	15	15	15
Total share (%) (2)					55	85	100
Net profit to BBIK (THB m) (1)*(2)=(3)					28	49	67
VDD							
Net profit (THB m)				32	37	42	49
Net profit growth (%)					15	15	15
Total share (%)					100	100	100
Net profit to BBIK (THB m) (4)					37	42	49
Total net profit to BBIK (THB m) (3)+(4)=(5)					65	92	116
BBIK previous net profit (THB m) (6)	42	44	66	126	225	275	343
BBIK new net profit (THB m) (5)+(6)	42	44	66	126	290	367	459
EPS after 10% dilution (THB)					2.63	3.33	4.17

Sources: BBIK; FSSIA estimates

Therefore, we expect an additional earnings contribution to BBIK starting from 2023 of THB65m, or a 29% increase from our previous expectation. This would make BBIK's earnings forecast for 2023 jump from THB225m to THB290m, up 29% y-y. For 2024, the additional earnings from these two businesses will continue to improve to THB92m thanks to the increase in the proportion of shares in Innoviz from 55% to 85%. Hence, BBIK's earnings would improve from our previous expectation of THB275m to THB367m, up 33% y-y.

Exhibit 6: Innoviz's revenue and net profit

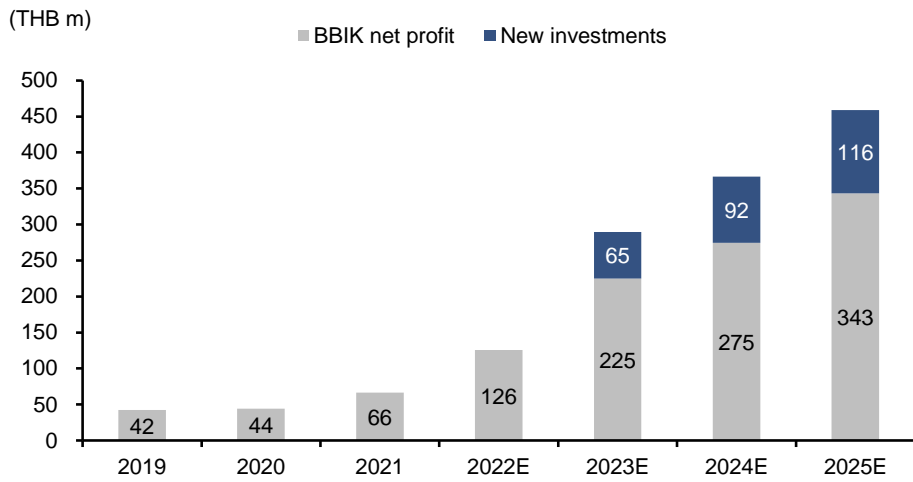
Exhibit 7: VDD's revenue and net profit



Sources: BBIK; FSSIA estimates

Sources: BBIK; FSSIA estimates

Exhibit 8: BBIK's net profit forecast after recognising the two new investments



Sources: BBIK; FSSIA estimates

More upside risk ahead

Besides the additional earnings contribution to BBIK's bottom line from 2023 onward, we still see some upside risk from this transaction that could generate more earnings for BBIK outside of regular operations, including:

- 1) **Potential for BOI tax savings incentives.** According to BBIK, after the company acquires the two business in 1Q23, one of the key priorities is to apply for tax benefits from Thailand's Board of Investment (BOI). This would help the two new companies save about 20% per year in tax expenses for eight years. We expect the company to gain BOI approval in late 2023. Note that we haven't yet included the potential BOI incentives for these two companies into our new forecast.
- 2) **Synergy.** Despite being an all-around digital transformation service and consulting firm, BBIK still lacks a digital platform service, including enterprise resource planning (ERP) development. By acquiring Innoviz, a company with 17 years of experience and a corporate client base of 200 customers, BBIK gains end-to-end digital transformation support to help companies expand their customer base. The company can then benefit from cross selling and up selling to both their existing customers and their new customers from Innoviz.
- 3) **Increased workforce efficiency.** Both companies have a total of around 430 employees, with 130 at Innoviz and 300 at VDD. According to BBIK, the revenue generated by the two companies is lower than for BBIK and has a lot of room to improve. The average revenue per employee for Innoviz is about THB2m, while VDD generates revenue per employee of only THB1m. These figures are much lower than for BBIK, which generates more than THB2.2m per employee – a figure management expects to increase in the future.

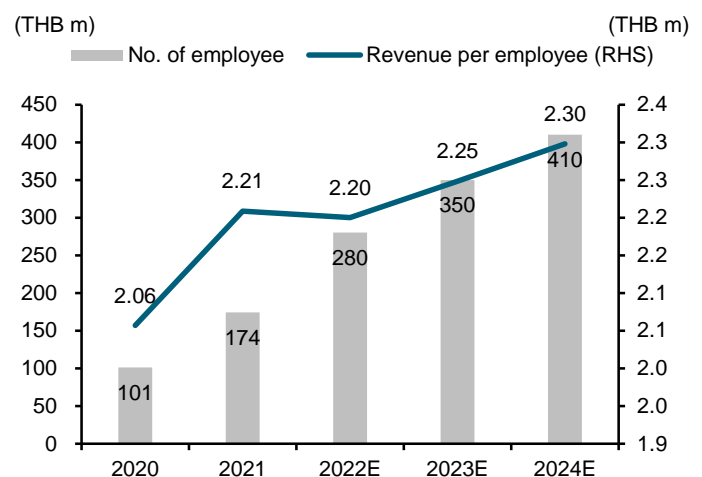
Therefore, having an additional 430 employees should not only increase BBIK's potential for additional revenue and net profit, but also increase its capability for taking on bigger projects based on the additional workforce and increased employee efficiency in the future. This could be done by rotating some employees between the two companies, especially from VDD to BBIK, which could double the revenue generation potential, in our view.

Exhibit 9: Revenue per employee comparison

	No. of employee (no.)	Revenue per employee (THB m)
BBIK	350	2.5
Innoviz	130	2.0
VDD	300	1.0

Sources BBIK

Exhibit 10: BBIK's no. of employees and revenue/employee



Sources: BBIK; FSSIA estimates

Earnings upgrade

For 2022, we increase BBIK's revenue by 12% thanks to its better-than-expected 9M22 performance but still maintain our net profit forecast at THB126m (+90% y-y) due to the earnings from Orbit was lower than expectation as most of the projects has not yet delivered.

For 2023, we maintain our projections for BBIK's core business including revenue and net profit for 2023 onward and include the operations of Innoviz and VDD into our forecast. We expect the additional revenue from Innoviz and VDD to be cTHB671m for 2023. This would double BBIK's revenue for this year over our previous expectation. Our new revenue estimates for BBIK in 2023/24 are for a THB1.4b/1.7b increase, 103%/94% higher than our previous expectations. As for net profit, given that the company will hold 55% of Innoviz's shares this year, allowing BBIK to recognize the minority interest during 2023/24, we increase the company's net profit estimates over this period by 29%/33% to THB290m/367m.

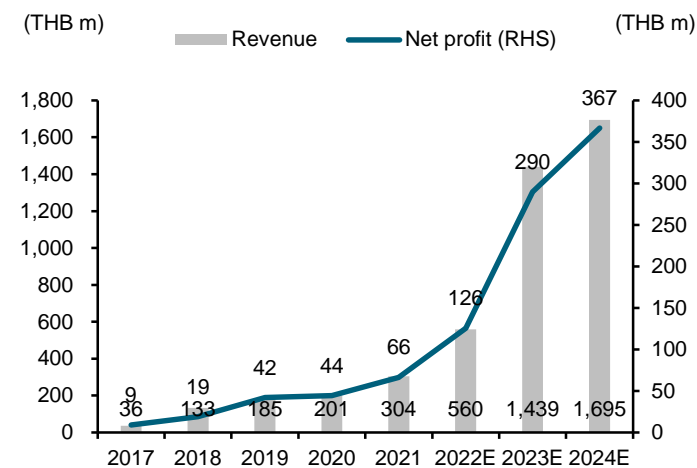
Exhibit 11: Changes in key assumptions

	Current			Previous			Change		
	2022E (THB m)	2023E (THB m)	2024E (THB m)	2022E (THB m)	2023E (THB m)	2024E (THB m)	2022E (%)	2023E (%)	2024E (%)
Revenue	560	1,439	1,695	499	708	873	12.1	103.2	94.1
Gross profit*	296	750	887	289	411	504	2.7	82.2	76.0
EBIT	148	347	415	149	237	290	(0.3)	46.0	43.1
Net profit	126	290	367	126	225	275	(0.3)	28.7	33.2
Margin	(%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(ppt)
Gross profit margin*	53.0	52.1	52.3	57.8	58.1	57.7	(4.8)	(6.0)	(5.4)
Net profit margin	22.5	20.1	21.6	25.2	31.8	31.5	(2.8)	(11.6)	(9.9)

Note: Gross profit margin includes depreciation and amortisation.

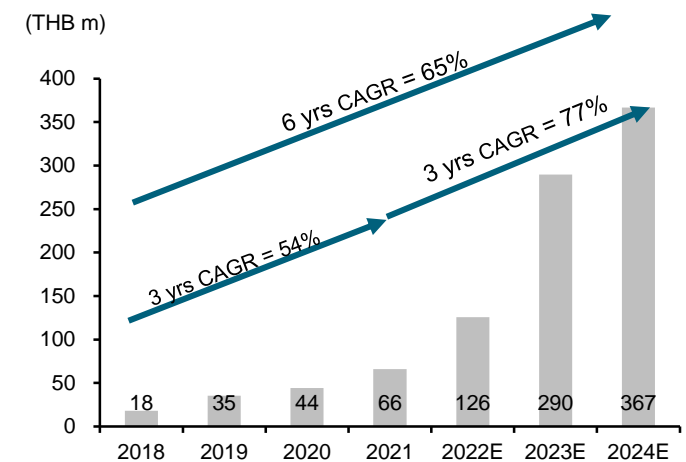
Source: FSSIA estimates

Exhibit 12: BBIK's revenue and net profit



Sources: BBIK; FSSIA estimates

Exhibit 13: BBIK's core profit growth



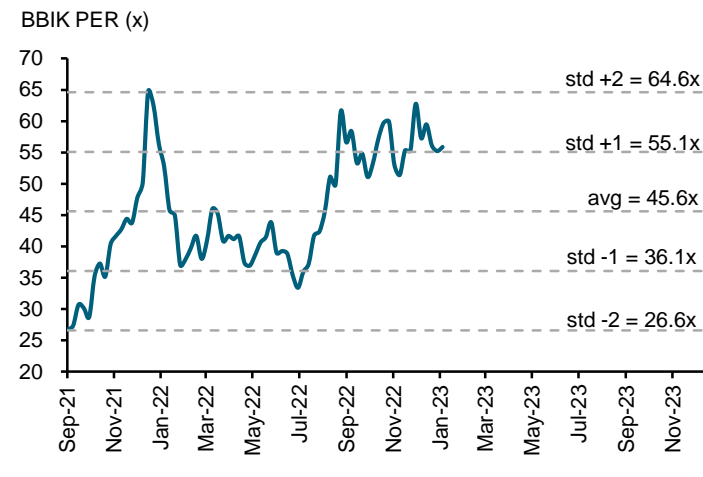
Sources: BBIK; FSSIA estimates

Exhibit 14: Peers comparison as of 17 Jan-23

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	379	71.4	99.9	47.7	22.1	25.3	21.1	8.1	96.9	46.1	0.6	1.4
Beryl 8 plus	BE8 TB	459	37.8	96.9	50.4	21.6	41.1	20.0	19.1	96.8	44.0	0.7	1.4
MFEC	MFEC TB	107	17.7	12.4	10.5	13.8	15.8	1.7	1.6	10.9	9.4	5.1	6.3
Humanica	HUMAN TB	305	21.8	47.0	33.1	10.5	15.0	6.2	5.9	31.9	24.3	1.1	1.8
I&I Group	IIG TB	113	32.0	36.9	27.4	17.1	21.5	6.1	5.3	28.0	17.4	1.2	1.6
Netbay	NETBAY TB	160	7.7	32.7	25.1	33.3	42.2	10.7	10.5	25.3	19.8	3.1	4.0
Thailand avg.		1,523	39.0	54.3	32.4	19.7	26.8	11.0	8.4	48.3	26.9	2.0	2.7
Regional													
Accenture	ACN US	187,835	12.5	26.6	24.8	32.3	30.3	7.9	6.9	16.0	15.4	1.4	1.5
Quess Corporation	QUESS IN	717	128.1	21.0	21.5	11.6	10.8	2.3	2.2	10.0	9.8	1.6	2.5
Beijing Career International	300662 CH	1,504	21.8	34.6	26.2	13.0	14.7	4.4	3.8	21.5	16.1	0.5	0.6
Regional avg		190,057	13.7	27.4	24.2	18.9	18.6	4.9	4.3	15.8	13.8	1.2	1.6

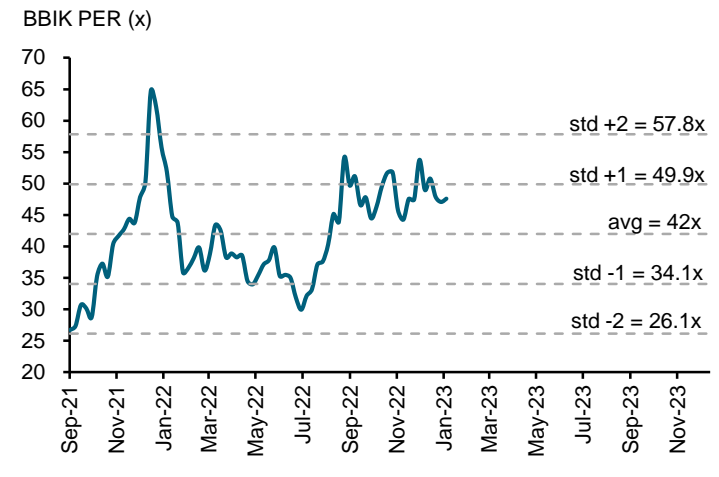
Sources: Bloomberg; FSSIA estimates

Exhibit 15: Rolling one-year forward P/E band (pre-transaction)



Sources: Bloomberg; FSSIA estimates

Exhibit 16: Rolling one-year forward P/E band (post-transaction)



Sources: Bloomberg; FSSIA estimates

Financial Statements

Bluebik Group

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	201	304	560	1,439	1,695
Cost of goods sold	(69)	(115)	(259)	(683)	(799)
Gross profit	131	189	301	756	896
Other operating income	-	-	-	-	-
Operating costs	(74)	(111)	(176)	(466)	(541)
Operating EBITDA	57	78	125	290	355
Depreciation	(3)	(4)	(4)	(6)	(9)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	54	74	121	283	346
Net financing costs	0	(1)	(1)	(1)	(1)
Associates	0	3	23	53	57
Recurring non-operating income	0	6	28	63	70
Non-recurring items	0	0	0	0	0
Profit before tax	54	80	148	346	415
Tax	(10)	(14)	(22)	(34)	(40)
Profit after tax	44	66	126	312	375
Minority interests	-	-	-	(23)	(9)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	44	66	126	290	367
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	44	66	126	290	367
Per share (THB)					
Recurring EPS *	1.09	0.66	1.26	2.63	3.33
Reported EPS	1.09	0.66	1.26	2.63	3.33
DPS	0.00	0.38	0.75	1.70	2.05
Diluted shares (used to calculate per share data)	41	100	100	110	110
Growth					
Revenue (%)	8.4	51.4	84.3	157.1	17.8
Operating EBITDA (%)	28.1	36.6	59.8	131.6	22.6
Operating EBIT (%)	25.9	36.7	62.4	134.6	22.0
Recurring EPS (%)	22.8	(39.0)	90.0	109.5	26.6
Reported EPS (%)	2.7	(38.7)	89.0	109.5	26.6
Operating performance					
Gross margin inc. depreciation (%)	64.1	60.9	53.0	52.1	52.3
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	28.6	25.8	22.4	20.1	21.0
Operating EBIT margin (%)	27.1	24.5	21.6	19.7	20.4
Net margin (%)	22.1	21.8	22.5	20.1	21.6
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	64.7	61.4
Interest cover (X)	128.3	140.6	247.4	577.8	692.4
Inventory days	1.5	0.9	0.0	0.0	0.0
Debtor days	101.0	64.1	51.2	45.8	61.0
Creditor days	175.9	169.4	90.6	55.8	75.0
Operating ROIC (%)	85.4	126.1	126.0	153.4	136.6
ROIC (%)	77.5	79.3	83.0	37.9	23.1
ROE (%)	50.8	20.2	22.1	25.3	20.7
ROA (%)	31.0	16.3	18.8	24.3	19.1
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
MC	61	61	129	331	390
PMO	24	3	45	130	169
DX	104	211	308	791	932
AI	11	28	78	187	203

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	290	367
Depreciation	3	4	4	6	9
Associates & minorities	-	-	-	-	-
Other non-cash items	0	0	0	0	0
Change in working capital	1	12	(60)	(67)	(21)
Cash flow from operations	48	82	70	229	355
Capex - maintenance	(8)	(10)	(11)	(17)	(22)
Capex - new investment	(2)	(3)	(3)	(4)	(6)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	4	(97)	(13)	(1,012)	(274)
Cash flow from investing	(5)	(109)	(27)	(1,033)	(302)
Dividends paid	0	(38)	(75)	(187)	(225)
Equity finance	0	457	0	1,000	0
Debt finance	0	0	0	0	0
Other financing cash flows	2	2	0	0	0
Cash flow from financing	2	422	(75)	813	(225)
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)	8	(173)
Free cash flow to firm (FCFF)	43.32	(26.35)	44.37	(803.52)	53.24
Free cash flow to equity (FCFE)	44.50	(24.77)	43.77	(804.12)	52.64

Per share (THB)

FCFF per share	0.39	(0.24)	0.40	(7.30)	0.48
FCFE per share	0.40	(0.23)	0.40	(7.31)	0.48
Recurring cash flow per share	1.16	0.70	1.30	2.69	3.42

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
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	1,041	1,314
Cash & equivalents	62	457	425	434	261
A/C receivable	51	56	101	260	306
Inventories	1	0	0	0	0
Other current assets	38	69	71	74	76
Current assets	152	582	598	768	644
Other assets	2	2	2	2	2
Total assets	167	651	690	1,887	2,056
Common equity	110	544	594	1,696	1,838
Minorities etc.	0	0	0	0	0
Total shareholders' equity	110	544	594	1,696	1,838
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	58	151	177
Short term debt	0	0	0	0	0
Other current liabilities	9	21	22	23	25
Current liabilities	45	92	80	175	202
Total liabilities and shareholders' equity	167	651	690	1,887	2,056
Net working capital	45	33	93	159	181
Invested capital	60	102	184	1,279	1,593

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

Per share (THB)

Book value per share	2.70	5.44	5.94	15.42	16.71
Tangible book value per share	2.50	5.35	5.82	15.26	16.48

Financial strength

Net debt/equity (%)	(56.1)	(84.0)	(71.6)	(25.6)	(14.2)
Net debt/total assets (%)	(36.9)	(70.2)	(61.7)	(23.0)	(12.7)
Current ratio (x)	3.4	6.3	7.5	4.4	3.2
CF interest cover (x)	110.2	(37.9)	78.6	(1,332.2)	98.1

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	115.7	189.7	99.9	47.7	37.7
Recurring P/E @ target price (x) *	142.9	234.3	123.4	58.9	46.5
Reported P/E (x)	115.7	188.7	99.9	47.7	37.7
Dividend yield (%)	-	0.3	0.6	1.4	1.6
Price/book (x)	46.5	23.1	21.1	8.1	7.5
Price/tangible book (x)	50.2	23.5	21.6	8.2	7.6
EV/EBITDA (x) **	88.3	154.5	96.9	46.1	38.1
EV/EBITDA @ target price (x) **	109.3	192.2	120.5	57.3	47.3
EV/invested capital (x)	83.7	118.8	65.8	10.5	8.5

* 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	SEAOIL	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)

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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

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Naruedom Mujjalinkool FSS International Investment Advisory Securities Co., Ltd

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History of change in investment rating and/or target price

Bluebik Group (BBIK TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
10-Aug-2022	BUY	100.00	27-Sep-2022	BUY	135.00	-	-	-

Naruedom Mujjalinkool started covering this stock from 10-Aug-2022

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Bluebik Group	BBIK TB	THB 125.50	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 resources; and 3) higher competition.

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

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All share prices are as at market close on 17-Jan-2023 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

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

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

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

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

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

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

Industry Recommendations

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

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

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

Country (Strategy) Recommendations

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

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

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