

FORTH SMART SERVICE

THAILAND / SERVICES

FSMART TB

BUY

Disappointing 4Q22 performance

- A 4Q22 net profit of THB54m, -35% q-q, -33% y-y, falling by half in two years.
- Taobin sold 46 cups per kiosk per day in 4Q22, below the company's target of 50.
- 2023-25E net profit cut by 51%-65%, TP revised down to THB15.

TARGET PRICE	THB15.00
CLOSE	THB12.00
UP/DOWNSIDE	+25.0%
TP vs CONSENSUS	n/a

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	2,213	2,324	2,313	2,229
Net profit	302	425	478	500
EPS (THB)	0.39	0.54	0.61	0.64
vs Consensus (%)	-	(14.3)	(45.0)	(61.0)
EBITDA	788	792	655	640
Core net profit	302	425	478	500
Core EPS (THB)	0.39	0.54	0.61	0.64
EPS growth (%)	(24.5)	40.7	12.6	4.6

Disappointing 4Q22 performance

FSMART reported a disappointing net profit of THB54m in 4Q22, representing a 35% q-q and 33% y-y decline – falling by half in two years. The contraction in 4Q22 earnings was the result of 1) the 4% q-q and 17% y-y decline in service revenue; 2) the lower gross margin to 16.9%, 2.1% less than in 4Q21 but flat q-q, partially helped by fully depreciated kiosks; 3) higher expected credit losses (ECL) which amounted to THB24m, escalating SG&A expenses by 35% q-q and 25% y-y; and 4) an increase of just 7% q-q in the share of profit from Taobin.

Taobin faded

The number of Taobin machines rapidly increased by 1,370 in 4Q22, but the average number of cups sold dipped to 46 cups per kiosk per day from 60 cups per kiosk per day in 3Q22 and below the company's target of 50 for the first time last year. FSMART recognised a share of profit from Taobin of just THB18m, implying only a 12.5% net margin.

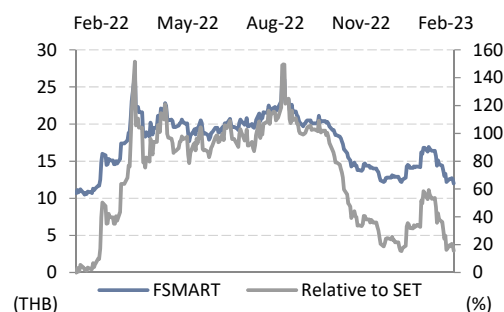
Earnings revisions

We revise down our net profit estimates for 2023-25 by 51%-65%, mainly reflecting a lower number of Taobin machines installed each year. The company targets expanding the number of its machines to 20,000 kiosks with 50 cups per kiosk per day, or 1m cups per day in total, and sales of THB10b per year within 2024. We expect that 20,000 kiosks will be installed in 2025, one year later than the company's target.

BUY maintained with lower SoTP-based TP to THB15

We cut our SoTP-based TP to THB15 from THB21 following the downward revisions of our earnings forecasts. The new TP comprises a THB10.24 value for Boonterm and a THB4.71 value for Taobin. We maintain our 25x 2023E P/E for Taobin, equal to the country's beverage industry. The value for Boonterm is derived via DCF method with a 7.3% WACC and 3.0% long-term growth. We maintain our BUY call as its share price has fallen to a level where there is more than a 20% upside to our TP. In addition, the stock is trading at 22x 2023E P/E, below its three-year historical average of 25x. FSMART's financial status is in good shape with an IBD/E of only 0.3x and an interest expense of only 1% of total costs. This report represents a continuation of FSSIA's coverage of FSMART, which was previously published under FSS Research.

Core P/E (x)	31.0	22.0	19.6	18.7
Dividend yield (%)	3.0	3.4	3.8	4.0
EV/EBITDA (x)	12.1	11.8	14.3	14.3
Price/book (x)	8.3	7.6	6.9	6.3
Net debt/Equity (%)	15.7	(0.1)	(1.6)	(13.7)
ROE (%)	26.8	35.9	36.9	35.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(25.9)	(13.0)	14.3
Relative to country (%)	(23.7)	(13.5)	16.3
Mkt cap (USD m)	259		
3m avg. daily turnover (USD m)	2.9		
Free float (%)	36		
Major shareholder	Forth Corporation Pcl. (51%)		
12m high/low (THB)	28.00/10.00		
Issued shares (m)	780.00		

Sources: Bloomberg consensus; FSSIA estimates


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Investment thesis

We maintain our BUY call with a lower SoTP-based TP to THB15 as we have trimmed our assumptions for the Taobin business, given its disappointing 4Q22 performance. Despite the deteriorating profit from the Boonterm business, the company is still seeking new services to provide to its customers. The stock price is currently trading at 22x 2023E P/E, below its three-year historical average of 25x. The company's financial status is in good shape with an IBD/E of only 0.3x and an interest expense of only 1% of total costs.

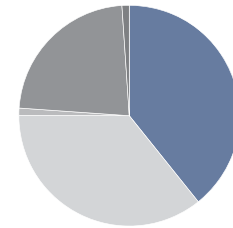
Company profile

FSMART operates as a service provider for prepaid mobile top-up, online payments, electronic money transfers, e-money and financial services via kiosks under the trademark of "Boonterm". Customers can access various services by themselves 24 hours a day via approximately 130,000 Boonterm kiosks covering all regions of Thailand.

www.boonterm.com

Principal activities (revenue, 2022)

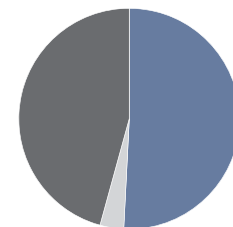
- Mobile Top-up - 39.2 %
- E-wallet, VAS (Data) - 35.8 %
- Bill payment - 1.1 %
- Money transfer - 22.8 %
- Others - 1.1 %



Source: Forth Smart Service

Major shareholders

- Forth Corporation Pcl. - 50.8 %
- Mr. Pongchai Amatanon - 3.5 %
- Others - 45.7 %



Source: Forth Smart Service

Catalysts

Key potential catalysts include 1) an expedited domestic economic recovery; 2) the success of new financial services offered to customers; and 3) the popularity of the Taobin business.

Risks to our call

Downside risks to our SoTP-based TP include 1) the delayed recovery of the domestic economy; 2) technology disruptions; 3) fierce competition; and 4) the failure of vending machines.

Event calendar

Date	Event
April 2023	Annual General Meeting
May 2023	1Q23 results announcement

Key assumptions

	2023E (THB m)	2024E (THB m)	2025E (THB m)
Revenue from Boonterm	2,324	2,313	2,229
Gross margin (%)	17.5	17.4	17.8
Taobin kiosks at year-end (no.)	9,942	17,942	20,942
Cups per kiosk per day (no.)	50	50	50
Average price per cup (THB)	30	30	31

Source: FSSIA estimates

Earnings sensitivity

- For every 1% change in revenue, we project FSMART's 2023 net profit to change by 4%, all else being equal.
- For every 1% change in gross profit, we project FSMART's 2023 net profit to change by 5%, all else being equal.
- For every 5 cups sold per day for Taobin, we project FSMART's 2023 net profit to rise by 4%, and vice versa, all else being equal.

Source: FSSIA estimates

Weak Boonterm and Taobin services led to disappointing 4Q22 performance

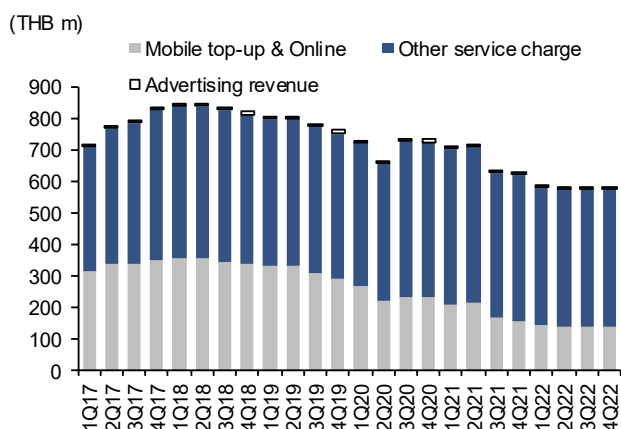
FSMART report a disappointing net profit of THB54m in 4Q22, representing a 35% q-q and 33% y-y decline – falling by half in two years. Without the share of profit from its vending machine business, Taobin, FSMART generated a net profit of THB36m from its Boonterm services, a decline of 46% q-q and 56% y-y. The sharp contraction in 4Q22 earnings was the result of 1) the 4% q-q and 17% y-y decline in service revenue; 2) the lower gross margin to 16.9%, 2.1% less than in 4Q21 but flat q-q, partially helped by fully depreciated kiosks; and 3) higher expected credit losses which amounted to THB24m, escalating SG&A expenses by 35% q-q and 25% y-y.

Exhibit 1: 4Q22/2022 results summary

Year to Dec 31	4Q21	1Q22	2Q22	3Q22	4Q22	----- Change -----		2021	2022	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Sales	624	584	577	536	517	(3.6)	(17.2)	2,670	2,213	(17.1)
Cost of sales	(506)	(481)	(479)	(447)	(429)	(4.0)	(15.1)	(2,143)	(1,837)	(14.3)
Gross profit	118	102	98	89	87	(1.7)	(26.3)	527	376	(28.6)
Operating costs	(76)	(62)	(65)	(71)	(95)	35.3	25.1	(281)	(293)	4.3
Operating profit	195	165	163	159	183	14.7	(6.1)	808	670	(17.2)
Operating EBITDA	231	226	217	205	165	(19.3)	(28.4)	1,010	813	(19.5)
Other income	64	67	65	69	59	(14.4)	(7.8)	257	260	1.2
Interest expense	(5)	(4)	(4)	(4)	(5)	14.0	(4.1)	(20)	(17)	(16.8)
Profit before tax	101	103	94	83	46	(44.4)	(54.4)	483	327	(32.4)
Tax	(20)	(22)	(20)	(17)	(10)	(38.8)	(49.2)	(83)	(69)	(16.7)
Associates - Taobin	0	0	9	17	18	7.2	nm	0	44	nm
Minority interests	(1)	0	0	0	0	0.0	100.3	(0)	0	(250.6)
Reported net profit	81	81	83	84	54	(34.9)	(33.0)	400	302	(24.5)
Core profit	81	81	83	84	54	(34.9)	(33.0)	400	302	(24.5)
Reported EPS (THB)	0.07	0.11	0.11	0.11	0.07	(36.6)	3.1	0.51	0.39	(24.5)
Core EPS (THB)	0.07	0.10	0.11	0.11	0.07	(34.9)	3.1	0.51	0.39	(24.5)
Key ratios (%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Gross margin	19.0	17.5	17.0	16.6	16.9	0.3	(2.1)	19.7	17.0	(2.7)
Operating margin	17.0	18.4	17.0	16.2	9.8	(6.4)	(7.2)	18.8	15.5	(3.3)
EBITDA margin	37.0	38.7	37.6	38.2	32.0	(6.2)	(5.0)	37.8	36.7	(1.1)
Recurring net margin	13.0	13.9	14.4	15.6	10.5	(5.1)	(2.5)	15.0	13.6	(1.3)
SG&A / Sales	12.2	10.7	11.2	13.2	18.5	5.3	6.3	30.3	25.3	(4.7)
Revenue by services	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Mobile top-up	159	148	141	130	122	(6.7)	(23.6)	750	541	(27.8)
Online top-up	461	436	435	406	385	(5.1)	(16.4)	1,910	1,662	(13.0)
Others	4	0	0	0	10	nm	122.7	10	10	(0.5)

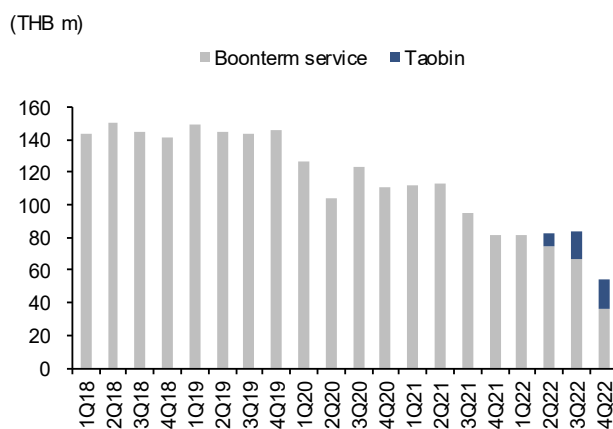
Source: FSMART

Exhibit 2: Service revenue by segment



Sources: FSMART; FSSIA's compilation

Exhibit 3: Profit by business



Sources: FSMART; FSSIA's compilation

Low spenders still feeling the pain

The company's service revenue came in at THB517m in 4Q22, down 4% q-q and 17% y-y. The majority of that came from prepaid mobile top-up and payment services, which have been affected by higher living costs for customers and the intense competition from mobile service operators pushing their customers to switch from prepaid to postpaid packages, including internet calling, thereby reducing prepaid mobile top-up commission revenue for FSMART. Although the company has been adding new services, they were unable to compensate for the disrupted services.

At end Dec-22, FSMART had 129,918 Boonterm kiosks and more than 1,800 cashier counters nationwide. The total transaction amount, however, was THB8.7b in 4Q22, falling by 1% q-q and 10% y-y, as the Thai economy has not fully recovered from the pandemic, and its customers' purchasing power has been pressured by rising inflation. Since FSMART's major customers are mid-to-low-income earners, its slow recovery is expected. Apart from that, most of the company's revenues have already been disrupted due to the emergence of mobile technology.

In order to provide a full range of financial services and compensate for its disrupted revenue, FSMART has been consistently adding new services such as money and deposit transfers, cash withdrawals, and electronic know-your-customer (E-KYC) services. The average number of money deposit-transfer transactions in 4Q22 was 1.4m per month, slightly higher from 3Q21, but the average amount of money transferred was lower as customers were cautious about their spending.

Exhibit 4: Operating statistics of services through Boonterm kiosks

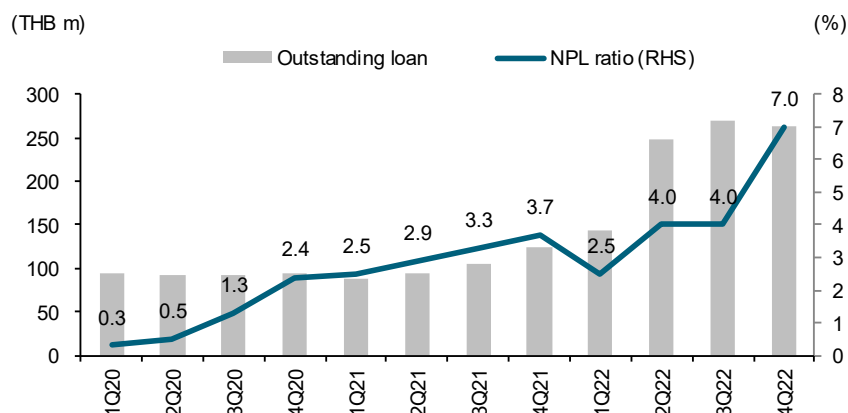
	Unit	4Q21	1Q22	2Q22	3Q22	4Q22	2021	2022	Change (y-y %)
Total number of Boonterm kiosks	Kiosk	129,907	130,045	129,967	130,012	129,918	129,907	129,918	0.0
Net additions	Kiosk	460	138	(78)	45	(94)	(487)	11	nm
Total usage amount through Boonterm	THB m	9,681	9,221	9,162	8,790	8,689	37,981	35,862	(5.6)
- Total usage amount for top-up & bill payment	THB m	6,597	6,302	6,342	6,250	6,257	25,186	25,151	(0.1)
- Total usage amount for money transfer	THB m	3,084	2,919	2,820	2,540	2,432	12,795	10,711	(16.3)
- The average money deposit-transfer per month	Transaction	1,743,712	1,669,090	1,526,997	1,397,016	1,464,730	1,743,712	1,464,730	(16.0)

Sources: FSMART; FSSIA's compilation

Non-performing loans pressured expenses

FSMART started a lending business three years ago, seeking growth opportunities. The company focuses only on personal loans at its Boonterm kiosk agents in order to control credit quality efficiently. At end-4Q22, the outstanding loan value was THB263m (-2.6% q-q, +112% y-y) with interest income of THB8.5m, (+4% q-q, +124% y-y). Its NPL ratio rose to 7% from 4% in 3Q22, resulting in an increase in ECL, and thus higher SG&A to revenue of 18.5% from 13.2% in 3Q22 12.2% in 4Q21.

Exhibit 5: Outstanding loan value and NPL ratio



Source: FSMART

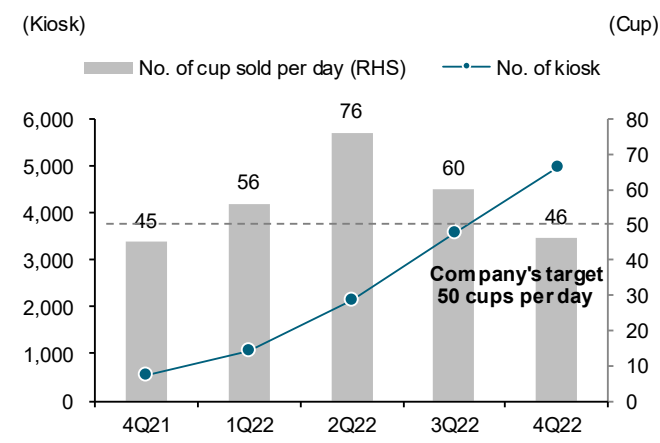
Taobin faded

For the vending machine business, Taobin, the number of machines rapidly increased by 1,370 during the quarter to 4,942 kiosks nationwide at end-2022. However, the average number of cups sold dipped to 46 cups per kiosk per day in 4Q22 from 60 cups per kiosk per day in 3Q22 and below the company’s target of 50 for the first time last year. The average price per cup was THB32, insignificantly changed from previous quarters, which matched the company’s intention to offer beverages at affordable prices.

Beverage sales in 4Q22 registered THB550m, which made up full-year sales of THB1.5b. FSMART, through its 26.7% holding, recognised a share of profit from Taobin of THB18m in 4Q22, implying that Taobin’s net profit was THB69m, with a net profit margin of only 12.5%. Taobin’s net margin in 4Q22 was significantly lower than the 20.3% in 3Q22. Note that in 3Q22, Taobin applied TFRS 15 accounting standards about sales points collected by customers and its profit reduced to THB64m instead of THB98m. This contributed to FSMART’s share of profit at THB17m instead of THB26m.

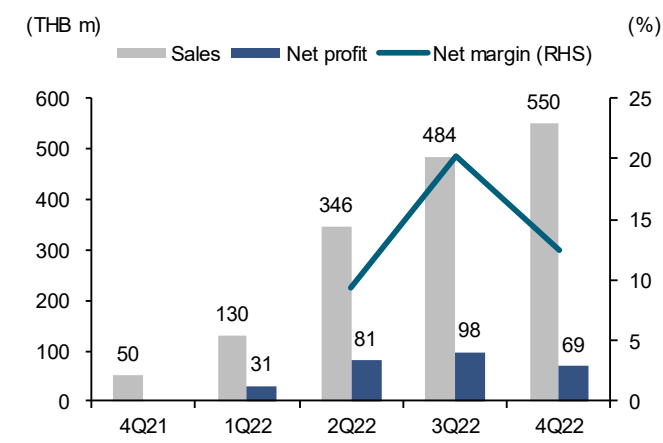
For 2022, FSMART realised a THB44m share of profit from Taobin, contributing 15% to its total net profit.

Exhibit 6: Taobin’s performance



Source: FSMART

Exhibit 7: Revenue and profit of Taobin



Source: FSMART

Earnings and TP revisions

FSMART's revenue and profit have declined for four consecutive years along with the Covid-19 pandemic's spread. One of the main services Boonterm kiosks provide is mobile top-up services and bill payments, which have been disrupted by smart phones for several years and will likely continue to be for the foreseeable future. These services should pressure the group's profit further. Despite new services added, it would be difficult to push Boonterm's revenue into an upward trend in the near future, as revenue from online top-up services and bill payments contribute approximately 40% of total revenue.

For Taobin vending machines, the company targets expanding the number of its machines to 20,000 kiosks with 50 cups per kiosk per day, or 1m cups per day in total, and sales of THB10b per year within 2024. We now believe these targets are too aggressive given the disappointing performance in 4Q22 and the intensified competition. We expect that 20,000 kiosks will be fully installed in 2025, one year later than the company's target. The slow installation rate would be to avoid adding more supply in the market too quickly, which could result in pressuring its selling prices, in our view.

We revise down our net profit estimates for 2023-25 by 51%-65%, mainly reflecting a lower number of Taobin machines installed each year.

Exhibit 8: Key assumption changes

	Current			Previous			Change		
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
FSMART business	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Revenue	2,324	2,313	2,229	2,767	2,834	2,919	(16.0)	(18.4)	(23.7)
Gross profit	407	401	397	685	887	905	(40.6)	(54.7)	(56.1)
EBITDA	792	655	640	1,135	1,199	1,203	(30.2)	(45.4)	(46.8)
Net profit	425	478	500	868	1,282	1,423	(51.1)	(62.7)	(64.9)
EPS (THB/shr)	0.54	0.61	0.64	1.11	1.64	1.82	(51.1)	(62.7)	(64.9)
Taobin business	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Revenue	3,618	5,129	5,739	8,129	13,423	16,189	(55.5)	(61.8)	(64.6)
Net profit	550	780	872	1,463	2,483	3,076	(62.4)	(68.6)	(71.6)
Net profit margin (%)	15.2	15.2	15.2	18.0	18.5	19.0	(15.6)	(17.8)	(20.0)
Profit sharing to FSMART	147	208	233	390	663	821	(62.3)	(68.6)	(71.6)
Per share value to FSMART	0.19	0.27	0.30	0.50	0.85	1.05	(62.3)	(68.6)	(71.6)
Target P/E ratio	25	25	25						
Taobin value	4.71	6.67	7.47						
Key assumptions									
Taobin kiosks at year-end	9,942	17,942	20,942	12,600	20,600	24,600	(21.1)	(12.9)	(14.9)
Cup per kiosk per day	50	50	50	50	50	50	0.0	0.0	0.0
Average price per cup	30	30	31	35	36	36	(14.3)	(15.8)	(15.0)

Source: FSSIA estimates

Exhibit 9: DCF-based valuation for Boonterm business

Cost of equity assumptions	(%)	Cost of debt assumptions	(%)
Risk-free rate	3.0	Pre-tax cost of debt	2.9
Market risk premium	10.0	Tax rate	20.0
Stock beta	0.8		
Cost of equity, Ke	10.0	Cost of debt, Kd	2.3
Weight applied	66.7	Weight applied	33.3
WACC	7.3		
Terminal growth	3.0		
NPV of FCF	7,860		
Net debt	129		
Equity value	7,990		
No. of shares	780		
Equity value per share	10.24		

Source: FSSIA estimates

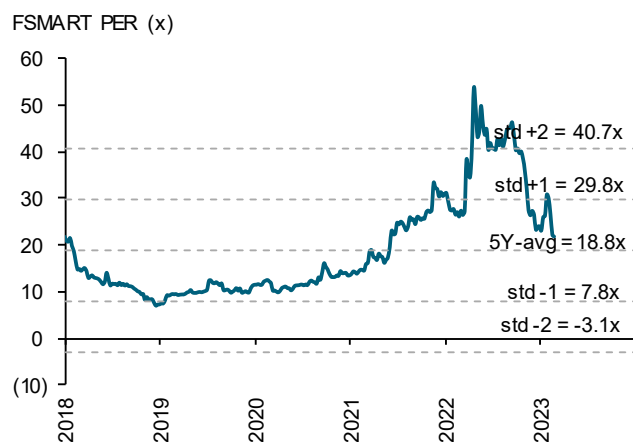
We cut our SoTP-based TP to THB15 from THB21 following the downward revisions of our earnings forecasts. The new TP comprises a THB10.24 value for the Boonterm business and a THB4.71 value for the Taobin business. We maintain our 25x 2023E P/E for the Taobin business, equal to the country’s beverage industry. The value for Boonterm is derived via DCF method with a 7.3% WACC and 3.0% long-term growth. We maintain our BUY call as its share price has fallen to a level where there is more than a 20% upside to our TP. In addition, the stock is currently trading at 22x 2023E P/E, below its three-year historical average of 25x. The company’s financial status is in good shape with an IBD/E of only 0.3x and an interest expense of only 1% of total costs.

Exhibit 10: SoTP valuation

	(THB m)	(THB/shr)	Methodology
Boonterm business	7,987	10.2	DCF, WACC 7.3%, terminal value 3% (from WACC 7.3% and terminal value 0%)
Taobin business	3,672	4.7	At 25x FY23E P/E (from 30x P/E)
Total value	11,660	15.0	(from THB21/share)

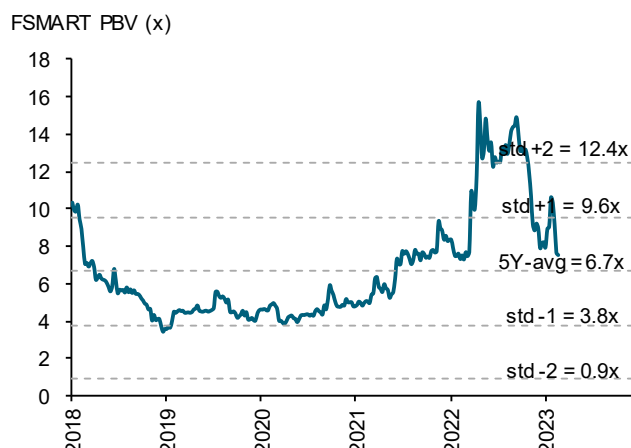
Source: FSSIA estimates

Exhibit 11: One-year forward rolling P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 12: One-year forward rolling P/BV band



Sources: Bloomberg; FSSIA estimates

Financial Statements

Forth Smart Service

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	2,670	2,213	2,324	2,313	2,229
Cost of goods sold	(1,636)	(1,367)	(1,461)	(1,584)	(1,516)
Gross profit	1,034	846	863	729	713
Other operating income	245	235	237	234	226
Operating costs	(281)	(293)	(308)	(308)	(299)
Operating EBITDA	997	788	792	655	640
Depreciation	(507)	(470)	(456)	(328)	(315)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	490	318	336	327	324
Net financing costs	(7)	9	11	10	9
Associates	0	44	147	208	233
Recurring non-operating income	0	44	147	208	233
Non-recurring items	0	0	0	0	0
Profit before tax	483	371	494	546	567
Tax	(83)	(69)	(69)	(67)	(67)
Profit after tax	400	302	425	478	500
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	400	302	425	478	500
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	400	302	425	478	500
Per share (THB)					
Recurring EPS *	0.51	0.39	0.54	0.61	0.64
Reported EPS	0.51	0.39	0.54	0.61	0.64
DPS	0.54	0.36	0.41	0.46	0.48
Diluted shares (used to calculate per share data)	780	780	780	780	780
Growth					
Revenue (%)	(6.7)	(17.1)	5.0	(0.5)	(3.7)
Operating EBITDA (%)	(6.8)	(21.0)	0.6	(17.3)	(2.3)
Operating EBIT (%)	(7.9)	(35.2)	5.7	(2.6)	(0.9)
Recurring EPS (%)	(11.4)	(24.5)	40.7	12.6	4.6
Reported EPS (%)	(11.4)	(24.5)	40.7	12.6	4.6
Operating performance					
Gross margin inc. depreciation (%)	19.7	17.0	17.5	17.4	17.8
Gross margin of key business (%)	19.7	17.0	17.5	17.4	17.8
Operating EBITDA margin (%)	37.3	35.6	34.1	28.3	28.7
Operating EBIT margin (%)	18.4	14.4	14.5	14.1	14.6
Net margin (%)	15.0	13.6	18.3	20.7	22.4
Effective tax rate (%)	17.2	18.6	14.1	12.4	11.8
Dividend payout on recurring profit (%)	105.4	93.0	75.0	75.0	75.0
Interest cover (X)	66.7	(41.2)	(43.1)	(53.2)	(59.4)
Inventory days	10.4	10.5	10.3	9.4	9.6
Debtor days	108.7	129.1	125.5	129.4	131.5
Creditor days	140.3	157.8	140.0	123.8	120.3
Operating ROIC (%)	35.5	33.8	44.0	41.9	(10.0)
ROIC (%)	26.4	22.6	30.3	33.2	(8.5)
ROE (%)	35.2	26.8	35.9	36.9	35.2
ROA (%)	12.7	10.2	14.5	16.5	17.5
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Mobile Top-up	1,163	869	669	522	417
E-wallet, VAS (Data)	782	792	935	1,022	1,020
Bill payment	36	23	26	26	23
Money transfer	634	506	607	635	651

Sources: Forth Smart Service; FSSIA estimates

Financial Statements

Forth Smart Service

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	400	302	425	478	500
Depreciation	507	470	456	328	315
Associates & minorities	-	-	-	-	-
Other non-cash items	84	69	0	0	0
Change in working capital	35	(239)	(129)	(168)	(6)
Cash flow from operations	1,026	601	752	638	810
Capex - maintenance	-	-	-	-	-
Capex - new investment	(121)	(159)	(258)	(258)	(253)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(34)	(188)	0	0	0
Cash flow from investing	(155)	(347)	(258)	(258)	(253)
Dividends paid	(422)	(301)	(318)	(359)	(375)
Equity finance	0	0	0	0	0
Debt finance	(522)	(22)	24	(2)	(17)
Other financing cash flows	0	0	3	0	0
Cash flow from financing	(944)	(323)	(292)	(360)	(392)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(72)	(68)	201	20	164
Free cash flow to firm (FCFF)	890.93	271.24	506.28	392.83	568.70
Free cash flow to equity (FCFE)	349.27	232.94	519.66	378.20	539.19

Per share (THB)					
FCFF per share	1.14	0.35	0.65	0.50	0.73
FCFE per share	0.45	0.30	0.67	0.48	0.69
Recurring cash flow per share	1.27	1.08	1.13	1.03	1.05

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	4,650	3,815	3,161	2,763	2,386
Less: Accumulated depreciation	(3,507)	(2,981)	(2,525)	(2,198)	(1,882)
Tangible fixed assets (net)	1,143	834	636	566	504
Intangible fixed assets (net)	206	189	189	189	189
Long-term financial assets	68	115	115	115	115
Invest. in associates & subsidiaries	102	335	335	335	335
Cash & equivalents	364	296	497	516	681
A/C receivable	827	869	915	911	881
Inventories	37	42	41	41	39
Other current assets	169	129	129	129	129
Current assets	1,397	1,336	1,582	1,598	1,730
Other assets	21	26	26	26	26
Total assets	2,937	2,835	2,883	2,828	2,899
Common equity	1,127	1,128	1,237	1,356	1,481
Minorities etc.	0	0	0	0	0
Total shareholders' equity	1,127	1,128	1,237	1,356	1,481
Long term debt	122	106	112	112	108
Other long-term liabilities	4	5	5	5	5
Long-term liabilities	127	112	117	117	114
A/C payable	625	557	564	510	489
Short term debt	367	366	384	383	369
Other current liabilities	691	672	581	462	447
Current liabilities	1,683	1,595	1,529	1,355	1,304
Total liabilities and shareholders' equity	2,937	2,835	2,883	2,828	2,899
Net working capital	(283)	(189)	(60)	109	114
Invested capital	1,257	1,310	1,241	1,339	1,283

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

Per share (THB)					
Book value per share	1.45	1.45	1.59	1.74	1.90
Tangible book value per share	1.18	1.20	1.34	1.50	1.66

Financial strength					
Net debt/equity (%)	11.1	15.7	(0.1)	(1.6)	(13.7)
Net debt/total assets (%)	4.3	6.2	0.0	(0.8)	(7.0)
Current ratio (x)	0.8	0.8	1.0	1.2	1.3
CF interest cover (x)	65.0	(43.5)	(68.4)	(62.2)	(83.4)

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	23.4	31.0	22.0	19.6	18.7
Recurring P/E @ target price (x) *	29.2	38.8	27.6	24.5	23.4
Reported P/E (x)	23.4	31.0	22.0	19.6	18.7
Dividend yield (%)	4.5	3.0	3.4	3.8	4.0
Price/book (x)	8.3	8.3	7.6	6.9	6.3
Price/tangible book (x)	10.2	10.0	8.9	8.0	7.2
EV/EBITDA (x) **	9.5	12.1	11.8	14.3	14.3
EV/EBITDA @ target price (x) **	11.9	15.1	14.8	17.8	18.0
EV/invested capital (x)	7.5	7.3	7.5	7.0	7.1

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

Sources: Forth Smart Service; FSSIA estimates

Corporate Governance report of Thai listed companies 2022

EXCELLENT LEVEL – Score range 90-100											
AAV	BAM	CIMBT	ECL	HENG	LALIN	NEP	PRG	SCC	SPRC	THRE	TTW
ADVANC	BANPU	CK	EE	HMPRO	LANNA	NER	PRM	SCCC	SPVI	THREL	TU
AF	BAY	CKP	EGCO	ICC	LHFG	NKI	PSH	SCG	SSC	TIPCO	TVDH
AH	BBIK	CM	EPG	ICHI	LIT	NOBLE	PSL	SCGP	SSSC	TISCO	TVI
AIRA	BBL	CNT	ETC	III	LOXLEY	NSI	PTG	SCM	SST	TK	TVO
AJ	BCP	COLOR	ETE	ILINK	LPN	NVD	PTA	SCN	STA	TKN	TPWC
AKP	BCPG	COM7	FN	ILM	LRH	NYT	PTTEP	SDC	STEC	TKS	UAC
AKR	BDMS	COMAN	FNS	IND	LST	OISHI	PTTGC	SEAFCO	STGT	TKT	UBIS
ALLA	BEM	COTTO	FPI	INTUCH	MACO	OR	PYLON	SEAOIL	STI	TMILL	UPOIC
ALT	BEYOND	CPALL	FPT	IP	MAJOR	ORI	Q-CON	SE-ED	SUN	TMT	UV
AMA	BGC	CPF	FSMART	IRC	MAKRO	OSP	QH	SELIC	SUSCO	TNDT	VCOM
AMARIN	BGRIM	CPI	FVC	IRPC	MALEE	OTO	QTC	SENA	SUTHA	TNITY	VGI
AMATA	BIZ	CPN	GC	ITEL	MBK	PAP	RABBIT	SENAJ	SVI	TOA	VIH
AMATAV	BKI	CRC	GEL	IVL	MC	PCSGH	RATCH	SGF	SYMC	TOP	WACOAL
ANAN	BOL	CSS	GFPT	JTS	MCOT	PDG	RBF	SHR	SYNTEC	TPBI	WAVE
AOT	BPP	DDD	GGC	JWD	METCO	PDJ	RS	SICT	TACC	TQM	WHA
AP	BRR	DELTA	GLAND	K	MFEC	PG	S	SIRI	TASCO	TRC	WHAUP
APURE	BTS	DEMCO	GLOBAL	KBANK	MINT	PHOL	S&J	SIS	TCAP	TRUE	WICE
ARIP	BTW	DOHOME	GPI	KCE	MONO	PLANB	SAAM	SITHAI	TEAMG	TSC	WINNER
ASP	BWG	DRT	GPSC	KEX	MOONG	PLANET	SABINA	SMPC	TFMAMA	TSR	XPG
ASW	CENTEL	DTAC	GRAMMY	KGI	MSC	PLAT	SAMART	SNC	THANA	TSTE	ZEN
AUCT	CFRESH	DUSIT	GULF	KKP	MST	PORT	SAMTEL	SONIC	THANI	TSTH	
AWC	CGH	EA	GUNKUL	KSL	MTC	PPS	SAT	SORKON	THCOM	TTA	
AYUD	CHEWA	EASTW	HANA	KTB	MVP	PR9	SC	SPALI	THG	TTB	
BAFS	CHO	ECF	HARN	KTC	NCL	PREB	SCB	SPI	THIP	TTCL	

VERY GOOD LEVEL – Score range 80-89											
2S	ASIMAR	CHOTI	ESSO	INSURE	LH	NRF	PROEN	SCI	SR	TMC	UMI
7UP	ASK	CHOW	ESTAR	IRCP	LHK	NTV	PROS	SCP	SRICHA	TMD	UOBKH
ABM	ASN	CI	FE	IT	M	NUSA	PROUD	SE	SSF	TMI	UP
ACE	ATP30	CIG	FLOYD	ITD	MATCH	NWR	PSG	SECURE	SSP	TNL	UPF
ACG	B	CITY	FORTH	J	MBAX	OCC	PSTC	SFLEX	STANLY	TNP	UTP
ADB	BA	CIVIL	FSS	JAS	MEGA	OGC	PT	SFP	STC	TNR	VIBHA
ADD	BC	CMC	FTE	JCK	META	ONEE	PTC	SFT	STPI	TOG	VL
AEONTS	BCH	CPL	GBX	JCKH	MFC	PACO	QLT	SGP	SUC	TPA	VPO
AGE	BE8	CPW	GCAP	JMT	MGT	PATO	RCL	SIAM	SVOA	TPAC	VRANDA
AHC	BEC	CRANE	GENCO	JR	MICRO	PB	RICHY	SINGER	SVT	TPCS	WGE
AIE	BH	CRD	GJS	KBS	MILL	PICO	RJH	SKE	SWC	TIPLI	WIHK
AIT	BIG	CSC	GTB	KCAR	MITSI	PIMO	ROJNA	SKN	SYNEX	TIPIP	WIN
ALUCON	BJC	CSP	GYT	KGEN	MK	PIN	RPC	SKR	TAE	TPLAS	WINMED
AMANAH	BJCHI	CV	HEMP	KIAT	MODERN	PJW	RT	SKY	TAKUNI	TPS	WORK
AMR	BLA	CWT	HPT	KISS	MTI	PL	RWI	SLP	TCC	TQR	WP
APCO	BR	DCC	HTC	KK	NATION	PLE	S11	SMART	TCMC	TRITN	XO
APCS	BRI	DHOUSE	HUMAN	KOOL	NCAP	PM	SA	SMD	TFG	TRT	YUASA
AQUA	BROOK	DITTO	HYDRO	KTIS	NCH	PMTA	SABUY	SMIT	TFI	TRU	ZIGA
ARIN	BSM	DMT	ICN	KUMWEL	NDR	PPP	SAK	SMT	TFM	TRV	
ARROW	BYD	DOD	IFS	KUN	NETBAY	PPPM	SALEE	SNNP	TGH	TSE	
AS	CBG	DPAINT	IIG	KWC	NEX	PRAPAT	SAMCO	SNP	TIDLOR	TVT	
ASAP	CEN	DV8	IMH	KWM	NINE	PRECHA	SANKO	SO	TIGER	TWP	
ASEFA	CHARAN	EASON	INET	L&E	NNCL	PRIME	SAPPE	SPA	TIPH	UBE	
ASIA	CHAYO	EFORL	INGRS	LDC	NOVA	PRIN	SAWAD	SPC	TITLE	UEC	
ASIAN	CHG	ERW	INSET	LEO	NPK	PRINC	SCAP	SPCG	TM	UKEM	

GOOD LEVEL – Score range 70-79											
A	BEAUTY	CMAN	EMC	HL	KWI	MORE	PF	RSP	SUPER	TOPP	VARO
A5	BGT	CMO	EP	HTECH	KYE	MPIC	PK	SIMAT	TC	TPCH	W
AI	BLAND	CMR	EVER	IHL	LEE	MUD	PPM	SISB	TCCC	TPOLY	WFX
ALL	BM	CPANEL	F&D	INOX	LPH	NC	PRAKIT	SK	TCJ	TRUBB	WPH
ALPHAX	BROCK	CPT	FMT	JAK	MATI	NEWS	PTECH	SOLAR	TEAM	TTI	YGG
AMC	BSBM	CSR	GIFT	JMART	M-CHAI	NFC	PTL	SPACK	THE	TYCN	
APP	BTNC	CTW	GLOCON	JSP	MCS	NSL	RAM	SPG	THMUI	UMS	
AQ	CAZ	D	GLORY	JUBILE	MDX	NV	ROCK	SQ	TKC	UNIQ	
AU	CCP	DCON	GREEN	KASET	MENA	PAF	RP	STARK	TNH	UPA	
B52	CGD	EKH	GSC	KCM	MJD	PEACE	RPH	STECH	TNPC	UREKA	

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

DECLARED										
AH	CHG	DHOUSE	EVER	J	KUMWEL	NRF	RS	SUPER	TQM	VIBHA
ALT	CI	DOHOME	FLOYD	JMART	LDC	NUSA	SAK	SVT	TRT	W
APCO	CPR	ECF	GLOBAL	JMT	MEGA	OR	SIS	TKN	TSI	WIN
ASW	CPW	EKH	ILM	JTS	NCAP	PIMO	SSS	TMD	VARO	
B52	DDD	ETC	INOX	KEX	NOVA	PLE	STECH	TMI	VCOM	

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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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

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ANALYST(S) CERTIFICATION

Jitra Amornthum FSS International Investment Advisory Securities Co., Ltd

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Company	Ticker	Price	Rating	Valuation & Risks
Forth Smart Service	FSMART TB	THB 12.00	BUY	Downside risks to our SoTP-based TP include 1) the delayed recovery of the domestic economy; 2) technology disruptions; 3) fierce competition; and 4) the failure of vending machines.

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 24-Feb-2023 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.