Thailand Asset Management Companies

Broad-based pressure from macro factors

- The 3Q23 AMC industry data showed signs of soft operating performance for companies despite the effect of seasonality, reflecting broad-based pressure from the muted economic recovery.
- The flush NPL supply this year has led operators to achieve growth in their loan-invested A/Rs, leading to a rise in gearing ratio and tight liquidity, which could limit the potential investment growth in A/Rs in 2024.
- We have a NEUTRAL view on the AMC sector and retain our HOLD call for JMT and BAM.

Dull operating performance in 3Q23

According to quarterly data from the Bank of Thailand (BoT), in 3Q23 an aggregation of 80 asset management companies (AMCs) in Thailand showed revenue from NPL management at THB6.37b, rising 1.76% q-q but dropping 1.77%. This implies an IRR on the aggregate loan investment (pre-allowance for ECL) of 8.56%, stable from 8.57% in 2Q23 despite 3Q usually being a strong quarter due to seasonality, and falling from 9.44% in 3Q22. The gain on NPAs was THB1.47b, exhibiting a decrease of 1.54% q-q but still achieving 15.52% y-y growth, showing signs of a q-q slowdown in NPA sales. The operating expense for the sector was THB2.45b (up 2.68% q-q and 11.7% y-y), mainly from a rise in staff costs (for business expansion). Meanwhile, the 3Q23 interest expense was at THB1.76b (up 1.38% q-q and 5.06% y-y), with the cost of funds at 4.16%, increasing from 3.93% in 3Q22 due to the market rate hikes. Excluding other income items, GPM and NPM were at 59.6% and 9.83%, respectively, significantly dropping from 63.54% and 24.15% a year ago on rising OPEX, a higher cost of funds, and flat revenue growth. The aggregate ROE, excluding other income, was 2.51%.

Growth in invested NPLs but with tight leverage

Total investment in loan A/Rs (before ECL adjustment) for the industry was THB296b in 3Q23, increasing 2.75% q-q and 8.67% y-y amid the backdrop of the abundant NPL supply throughout the year, causing a noticeable drop in companies' cash and equivalents. In 3Q23, companies' level of interest-bearing debt stood at THB170b, despite growth in loan receivables. We presume this was due to a financing trend via organic cash flow streams due to the plateaued levels of the aggregate D/E and IBD/E, which were at 1.94x and 1.77x, respectively, remaining relatively stable q-q but falling slightly y-y. We assume the average debt covenant for AMCs in Thailand to be within the range of 2-3x D/E, which we think will make companies more cautious in their gearing and put a specific limit on investment growth in 4Q23.

Negative 4Q23-2024 outlook for JMT and BAM persists

We have a NEUTRAL view of Thailand's AMC sector. The negative outlook on the industry-level data also showed in the performance of companies under our coverage. JMT and BAM experienced a q-q drop in net profit in 3Q23, rooted mainly in disappointing cash collection performance, especially within the secured loan segment. We expect AMCs under our coverage to deliver q-q growth in cash collection performance in 4Q23 from the seasonal effect, but post a y-y drop. We are concerned that the cash collection trend could continue to be vulnerable in 2024 due to the adverse impact of the disappointing pace of the domestic economic recovery. This, coupled with the stricter lending policy from commercial banks, should pressure companies' NPA sales and affect the bottom-line results.

Maintain HOLD call for JMT and BAM

We maintain our forecasts and our HOLD call on both JMT and BAM to reflect the persistent pressure on the industry's outlook. Our GGM-based valuation for JMT indicates a 2024 TP of THB30.5 based on -2 SD of its 5-year average P/BV, while for BAM, our NAV-based valuation yields a 2024 TP of THB8.75, implying a P/BV ratio of 0.7x.

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Dull sector performance in 3Q23

According to quarterly data from the BoT, in 3Q23 an aggregation of 80 AMCs in Thailand showed a revenue total of THB8.02b, flat q-q and up 27.26% y-y, mainly due to a spike in non-AMC-related income, causing PPOP to finish at THB5.56b (decreased by 1.96% q-q but increased by 35% y-y). Excluding non-AMC-related income of THB1.94b, the industry's 3Q23 aggregate revenue was THB6.08b, with the revenue from NPL management (interest income + gain on investment in receivables) at THB6.37b, rising 1.76% q-q but dropping 1.77% y-y. This implies an IRR on the aggregate loan investment (pre-allowance for ECL) of 8.56%, stable from 8.57% in 2Q23 despite 3Q usually being a strong quarter due to seasonality, and falling from 9.44% in 3Q22. The gain on NPAs was THB1.47b, exhibiting a decrease of 1.54% q-q but still achieving 15.52% y-y growth, showing signs of a q-q slowdown in NPA sales. The operating expense for the sector was THB2.45b (up 2.68% q-q and 11.7% y-y), mainly from a rise in staff costs (for business expansion). Meanwhile, the 3Q23 interest expense was at THB1.76b (up 1.38% q-q and 5.06% y-y), with the cost of funds at 4.16%, increasing from 3.93% in 3Q22 due to the market rate hikes. From now on, we expect cost of funding pressure to continue due to the maturity of vintage debentures (AMCs typically issue debentures that mature over three years) and higher rates on new issues.

The overall CIR finished at 30.61%, increasing from 29.64% in 2Q23 but falling significantly from 34.88% for non-AMC-related income, which also led to a rise in the GPM and NPM of the aggregate to 69.39% and 31.66%, respectively, compared to 65.12% and 27.43% in 3Q22. Excluding other income items, both ratios were at 59.6% and 9.83%, significantly dropping from 63.54% and 24.15% a year ago on rising OPEX, a higher cost of funds, and flat revenue growth. The aggregate ROE was 10.69%, excluding other income, was 2.51%.

Exhibit 1: Aggregate operating performance

Operating performance	3Q22	4Q22	1Q23	2Q23	3Q23
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)
Revenue	6,026	7,504	5,134	6,006	6,075
Interest income from loan A/Rs	6,050	7,479	5,138	5,860	6,069
Gain from NPLs	376	462	179	280	193
Gain from NPAs	1,269	1,242	1,354	1,489	1,466
Interest expense	1,679	1,751	1,628	1,740	1,764
Operating expense	2,197	2,829	1,897	2,390	2,454

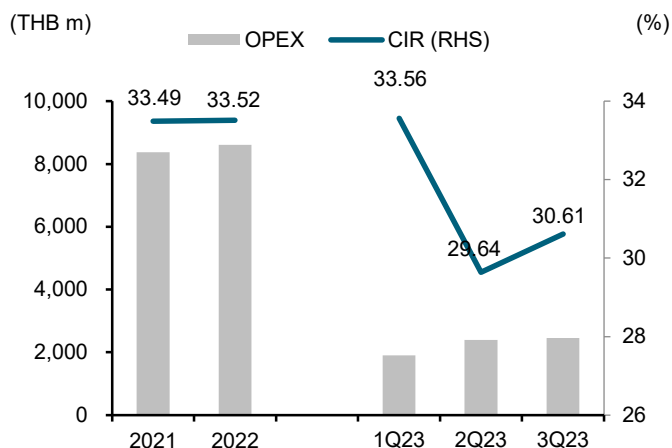Sources: BoT; FSSIA's compilation

Exhibit 2: Key operating performance (including non-AMC income)

	3Q22	4Q22	1Q23	2Q23	3Q23
	(%)	(%)	(%)	(%)	(%)
Gross profit margin	65.12	68.30	66.44	70.36	69.39
Net profit margin	27.43	36.16	21.76	30.22	31.66
Cost-to-income	34.88	31.70	33.56	29.64	30.61
Return on assets	2.57	4.73	1.78	3.51	3.64
Return on equity	7.83	14.25	5.25	10.29	10.69

Sources: BoT; FSSIA's compilation

Exhibit 3: Key operating performance (excluding non-AMC income)

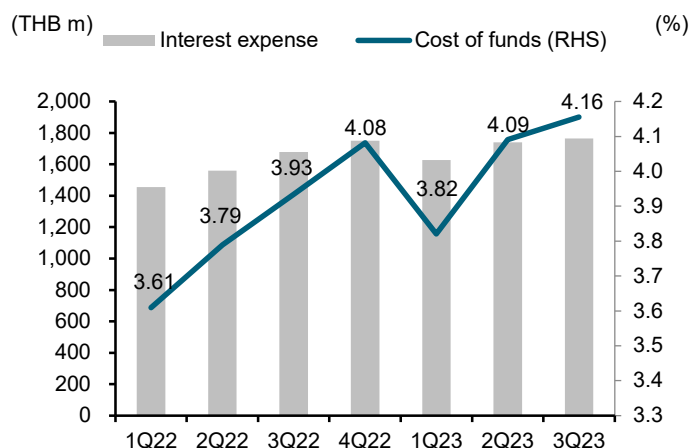|	3Q22	4Q22	1Q23	2Q23	3Q23
	(%)	(%)	(%)	(%)	(%)
Gross profit margin	63.54	62.30	63.05	60.21	59.60
Net profit margin	24.15	24.09	13.87	6.33	9.83
Cost-to-income	36.46	37.70	36.95	39.79	40.40
Return on assets	2.16	2.65	1.03	0.55	0.86
Return on equity	6.59	7.98	3.04	1.60	2.51

Sources: BoT; FSSIA's compilation

Exhibit 4: OPEX and CIR ratio

Sources: BoT; FSSIA's compilation

**Exhibit 5: Interest expense and cost of funds**

Sources: BoT; FSSIA's compilation

## Growth in invested NPLs but with tight leverage

Total investment in loan A/Rs (before ECL adjustment) for the industry was THB296b in 3Q23, increasing 2.75% q-q and 8.67% y-y amid the backdrop of the abundant NPL supply throughout the year, causing a noticeable drop in companies' cash and equivalents, which finished at THB13.7b (dropped 12.32% q-q and 35.03% y-y). In 3Q23, companies' level of interest-bearing debt stood at THB170b, despite growth in loan receivables. We presume this was due to a financing trend via organic cash flow streams due to the plateaued levels of the aggregate D/E and IBD/E, which were at 1.94x and 1.77x, respectively, remaining relatively stable q-q but falling slightly y-y. We assume the average debt covenant for AMCs in Thailand to be within the range of 2-3x D/E, which we think will make companies more cautious in their gearing and put a specific limit on investment growth in 4Q23.

Exhibit 6: Accumulated investment in loans
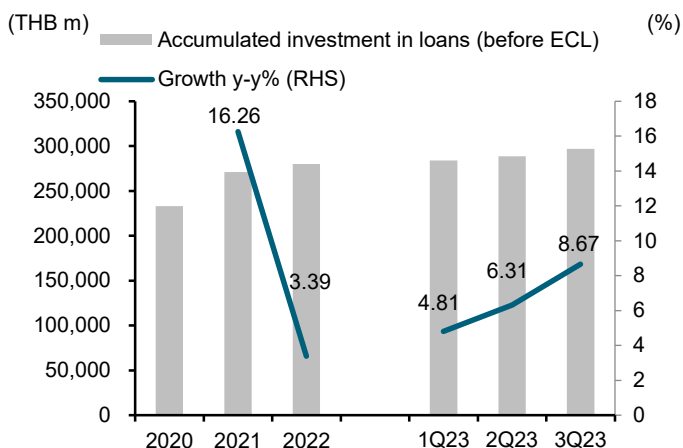
Sources: BoT; FSSIA's compilation

Exhibit 7: Interest-bearing debt and leverage ratios
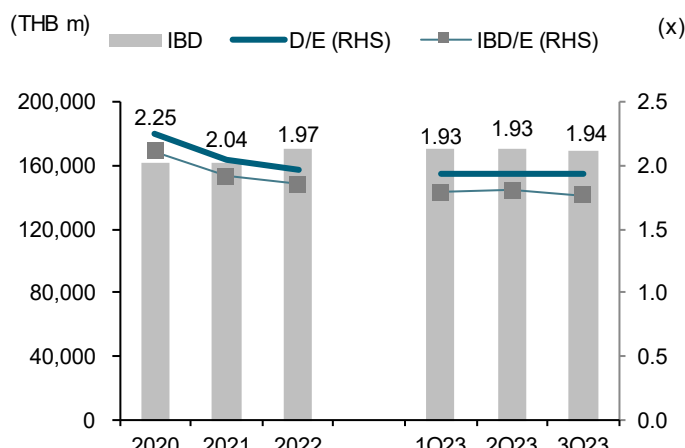
Sources: BoT; FSSIA's compilation

Negative 4Q23-2024 outlook for JMT and BAM persists

We have a NEUTRAL view of Thailand's AMC sector. The negative outlook on the industry-level data also showed in the performance of companies under our coverage. JMT and BAM experienced a q-q drop in net profit in 3Q23, rooted mainly in disappointing cash collection performance, especially within the secured loan segment. We expect AMCs under our coverage to deliver q-q growth in cash collection performance in 4Q23 from the seasonal effect, but post a y-y drop. We are concerned that the cash collection trend could continue to be vulnerable in 2024 due to the adverse impact of the disappointing pace of the domestic economic recovery, weighing on household's purchasing power and debt repayment capability. This, coupled with the stricter lending policy from commercial banks, should pressure companies' NPA sales and affect the bottom-line results, especially BAM's with its secured loan-heavy portfolio (25% of NPA income in 9M23).

Exhibit 8: Peer comparison of AMCs under coverage

| | ---------- JMT ---------- | | | | | ---------- BAM ---------- | | | | |
| | 3Q22 | 4Q22 | 1Q23 | 2Q23 | 3Q23 | 3Q22 | 4Q22 | 1Q23 | 2Q23 | 3Q23 |
Year-end Dec 31	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)
Revenue	**1,101**	**1,142**	**1,150**	**1,250**	**1,308**	**2,612**	**2,788**	**2,005**	**2,391**	**2,328**
Change q-q %	1.24	3.78	0.64	8.67	4.67	(4.42)	6.74	(28.07)	19.25	(2.63)
Change y-y %	16.01	8.73	6.58	14.91	18.81	(0.54)	(10.27)	(1.16)	(12.49)	(10.86)
Interest expense	**51**	**94**	**95**	**109**	**130**	**672**	**694**	**693**	**722**	**735**
Change q-q %	(22.03)	83.30	0.87	14.91	18.87	3.16	3.22	(0.10)	4.18	1.80
Change y-y %	(39.61)	(5.42)	32.96	65.66	152.54	4.34	10.20	11.82	10.82	9.37
Operating expense	**175**	**242**	**187**	**196**	**205**	**692**	**861**	**684**	**742**	**777**
Change q-q %	(10.87)	38.44	(22.71)	4.83	4.23	(6.02)	24.42	(20.54)	8.40	4.79
Change y-y %	19.64	29.81	6.41	(0.02)	16.91	(3.09)	13.56	14.48	0.71	12.30
Net profit	**456**	**490**	**453**	**551**	**466**	**716**	**866**	**267**	**425**	**383**
Change q-q %	5.13	7.52	(7.50)	21.62	(15.38)	(13.82)	21.04	(69.24)	59.50	(9.96)
Change y-y %	29.53	2.67	23.47	27.16	2.36	24.21	(12.18)	(14.52)	(48.81)	(46.52)
Key financial highlights										
Investment during period	**536**	**2,903**	**1,384**	**2,702**	**2,294**	**379**	**4,962**	**2,650**	**4,723**	**5,431**
Change q-q %	42.91	442.01	(52.32)	95.21	(15.08)	(72.75)	1,209.23	(46.59)	78.23	14.99
Change y-y %	(85.84)	84.46	90.22	620.93	328.39	(72.50)	35.46	96.73	239.54	1,332.98
Cash collection	**1,416**	**1,337**	**1,369**	**1,561**	**1,330**	**4,429**	**5,293**	**3,221**	**4,127**	**3,862**
Change q-q %	5.91	(5.58)	2.39	14.02	(14.80)	12.08	19.51	(39.14)	28.14	(6.44)
Change y-y %	14.10	(2.41)	(6.10)	16.75	(6.07)	13.58	7.63	1.99	4.45	(12.81)
Key financial ratio										
D/E (x)	0.27	0.47	0.38	0.53	0.52	2.01	2.04	2.06	2.10	2.15
IBD/E (x)	0.24	0.41	0.30	0.45	0.42	1.94	1.96	1.94	2.03	2.00
Cost-to-income ratio (x)	15.89	21.20	16.28	15.71	15.64	26.50	30.90	34.13	31.02	33.39

Sources: Company data; FSSIA's compilation

### Exhibit 9: Peer comparison of leverage ratios and covenants

| | ----------- JMT ----------- | | | | | ----------- BAM ----------- | | |
| | 2022 | 2Q23 | 3Q23 | | | 2022 | 2Q23 | 3Q23 |
	(x)	(x)	(x)			(x)	(x)	(x)
Covenant on debentures (IBD/E)	3.00	3.00	3.00		Covenant on debentures	n/a	n/a	n/a
Covenant on loans	n/a	n/a	n/a		Covenant on loans (D/E)	3.00	3.00	3.00
D/E	0.47	0.53	0.52		D/E	2.04	2.10	2.15
IBD/E	0.41	0.45	0.42		IBD/E	1.96	2.03	2.00

Sources: Company data; FSSIA's compilation

## Maintain HOLD call for both JMT and BAM

We maintain our forecasts and our HOLD call on both JMT and BAM to reflect the persistent pressure on the industry's outlook. Our GGM-based valuation for JMT indicates a 2024 TP of THB30.5 based on -2 SD of its 5-year average P/BV, while for BAM, our NAV-based valuation yields a 2024 TP of THB8.75, implying a P/BV ratio of 0.7x.

Exhibit 10: JMT – one-year prospective P/BV band

JMT PBV (x)

std +2 = 4.7x
std +1 = 4x
5Y-avg = 3.2x
std -1 = 2.4x
std -2 = 1.6x
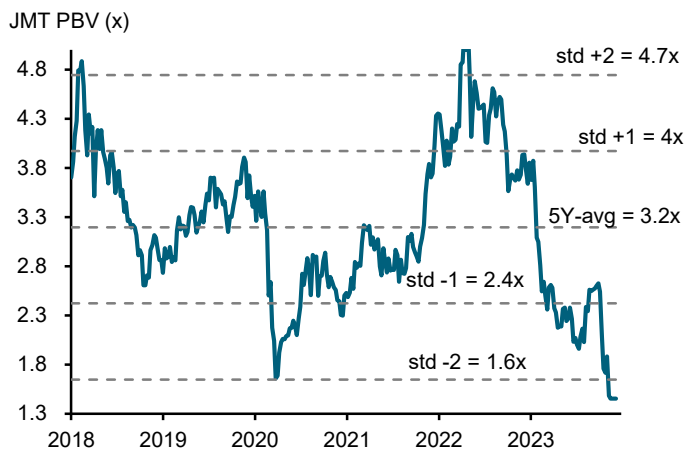
Sources: Bloomberg; FSSIA estimates

Exhibit 11: JMT – one-year prospective PER band

JMT PER (x)

std +2 = 59.2x
std +1 = 45.2x
5Y-avg = 31.1x
std -1 = 17.1x
std -2 = 3.1x
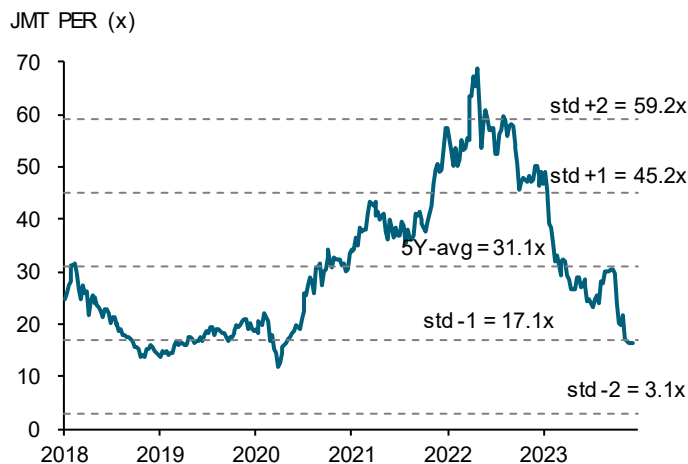
Sources: Bloomberg; FSSIA estimates

Exhibit 12: BAM – one-year prospective P/BV band

BAM PBV (x)

std +2 = 2.1x
std +1 = 1.7x
4y -avg = 1.4x
std -1 = 1x
std -2 = 0.7x

Sources: Bloomberg; FSSIA estimates

Exhibit 13: BAM – one-year prospective PER band

BAM PER (x)

std +2 = 40.2x
std +1 = 34.5x
avg = 28.7x
std -1 = 23x
std -2 = 17.2x
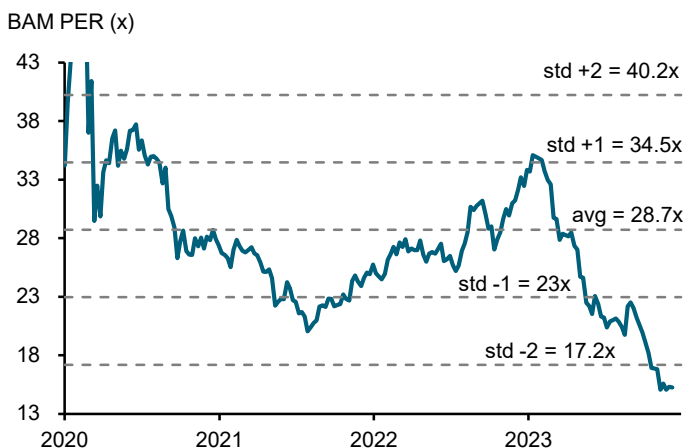
Sources: Bloomberg; FSSIA estimates

Exhibit 14: Price performance comparison table, as of 4 December 2023

	Last close	5D	1M	3M	6M	YTD
	(THB)*	(%)	(%)	(%)	(%)	(%)
SET	1,385.11	(1.16)	(2.43)	(10.51)	(9.53)	(16.99)
SET FIN	3,379.17	(0.04)	(0.22)	(12.66)	(16.70)	(27.38)
JMT	27.25*	0.00	(19.26)	(40.76)	(30.57)	(60.51)
BAM	8.45*	0.60	(2.31)	(25.22)	(21.03)	(46.52)

Sources: Bloomberg; FSSIA's compilation

Exhibit 15: Price performance comparison chart, as of 4 December 2023
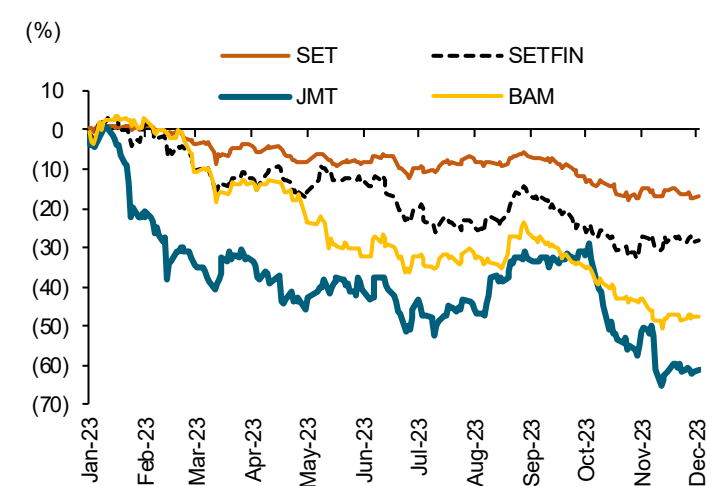
Sources: Bloomberg; FSSIA's compilation

Exhibit 16: Peer comparison, as of 4 December 2023

Company name	BBG code	Rec	Share price (LCY)	Target price (LCY)	Up side (%)	------- PE --------		------ PBV ------		------- ROE ------		----- Div yld ----	
						23E (x)	24E (x)	23E (x)	24E (x)	23E (%)	24E (%)	23E (x)	24E (x)
JMT Network Services	JMT TB	HOLD	27.00	30.50	13	19.2	16.7	1.5	1.5	8.3	8.9	4.2	4.8
Bangkok Commercial AM	BAM TB	HOLD	8.30	8.75	5	18.0	15.0	0.6	0.6	3.5	4.1	3.9	4.5
Chayo Group*	CHAYO TB	n/a	5.45	n/a	n/a	18.0	14.7	1.3	1.2	8.5	8.3	2.1	2.5
Knight Club Capital AM*	KCC TB	n/a	4.16	n/a	n/a	23.0	15.9	2.2	1.9	9.6	12.4	n/a	n/a
Chase Asia PCL*	CHASE TB	n/a	1.97	n/a	n/a	28.1	19.7	1.2	1.1	5.3	5.8	1.5	2.0
Average						**21.3**	**16.4**	**1.4**	**1.3**	**7.0**	**7.9**	**2.9**	**3.5**

Sources: *Bloomberg; FSSIA estimates

Disclaimer for ESG scoring

ESG score	Methodology	Rating
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria are: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for **THSI inclusion**, verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. **SETTHSI Index** is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). *(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)*	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. *(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)*	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. *Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.*	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored.

	NEGL	Low	Medium	High	Severe
	0-10	10-20	20-30	30-40	40+

ESG score	Methodology	Rating
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers.	

		Leader:	leading its industry in managing the most significant ESG risks and opportunities
AAA	8.571-10.000		
AA	7.143-8.570		
A	5.714-7.142	**Average:**	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers
BBB	4.286-5.713		
BB	2.857-4.285		
B	1.429-2.856	**Laggard:**	lagging its industry based on its high exposure and failure to manage significant ESG risks
CCC	0.000-1.428		

ESG score	Methodology	Rating
Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.	
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. *(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)*	
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.	
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "CG Score"; 2) "AGM Level"; 3) "Thai CAC"; and 4) THSI. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

### Usanee Liurut, CISA FSS International Investment Advisory Securities Co., Ltd

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History of change in investment rating and/or target price

Bangkok Commercial Asset Mngt. (BAM TB)
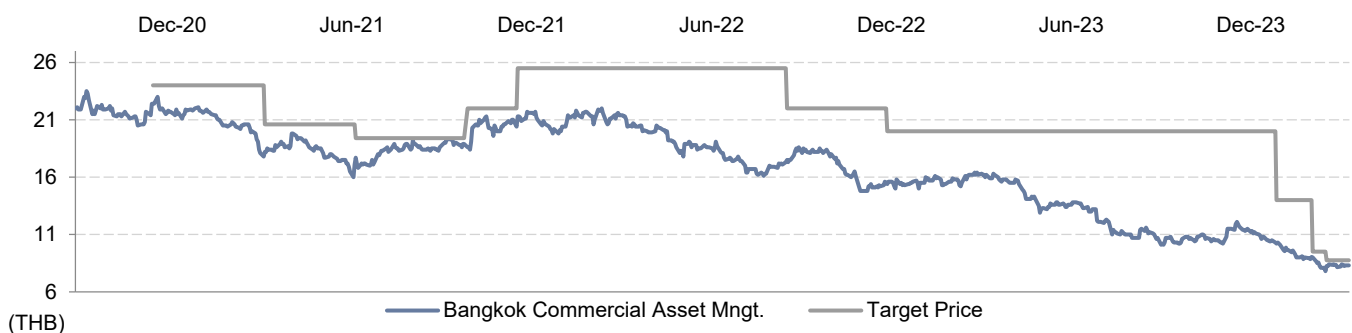
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
10-Feb-2021	BUY	24.00	20-Dec-2021	BUY	25.50	02-Nov-2023	HOLD	9.50
17-May-2021	BUY	20.60	08-Aug-2022	BUY	22.00	14-Nov-2023	HOLD	8.75
03-Aug-2021	BUY	19.40	02-Nov-2022	BUY	20.00			
05-Nov-2021	BUY	22.00	02-Oct-2023	BUY	14.00			

Usanee Liurut, CISA started covering this stock from 02-Oct-2023

Price and TP are in local currency

Source: FSSIA estimates

JMT Network Services (JMT TB)
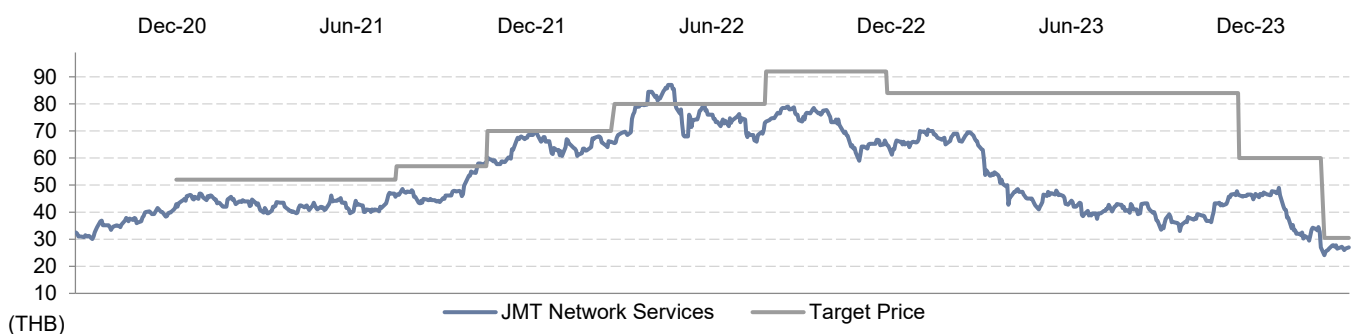
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
02-Mar-2021	BUY	52.00	11-Mar-2022	BUY	80.00	31-Aug-2023	BUY	60.00
07-Sep-2021	BUY	57.00	21-Jul-2022	BUY	92.00	10-Nov-2023	HOLD	30.50
24-Nov-2021	BUY	70.00	02-Nov-2022	BUY	84.00			

Usanee Liurut, CISA started covering this stock from 31-Aug-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Commercial Asset Mngt.	BAM TB	THB 8.30	HOLD	Downside risks to our NAV-based TP include 1) lower cash collection than estimated; 2) lower-than-expected bad debt acquisition; and 3) a slowdown in the property market. Upsides include 1) better-than-expected economic conditions and debt repayment momentum; and 2) an acceleration in the demand for NPAs.
JMT Network Services	JMT TB	THB 27.00	HOLD	Downside risks to our P/BV-based TP include 1) lower cash collection from both debt management and debt tracking collection services; and 2) higher-than-expected funding costs and operating expenses. Upside risks includes 1) better-than-expected purchasing power and cash collection 2) lower-than-expected operating and financing expense

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.

All share prices are as at market close on 04-Dec-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.