

JMT NETWORK SERVICES

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ดีที่สุดเท่าที่จะเป็นไปได้

- เราคาดว่ากำไรสุทธิ 4Q23 จะเพิ่มขึ้น 4.9% q-q แต่ทรงตัว y-y โดยได้ปัจจัยหนุนจากปัจจัยด้านฤดูกาลในด้านการเก็บเงินสดและผลขาดทุนทางเครดิตที่คาดว่าจะเกิดขึ้น (ECL) ที่ลดลง
- เราปรับประมาณการกำไรสุทธิปี 2023-25 เล็กน้อยเพื่อสะท้อนการเก็บเงินสดที่คาดว่าจะลดลงและพอร์ตที่มีขนาดใหญ่ขึ้น
- คงคำแนะนำถือหลังปรับราคาเป้าหมายปี 2024 ลงเหลือ 25.70 บาท

TARGET PRICE	THB25.70
CLOSE	THB22.60
UP/DOWNSIDE	+13.7%
PRIOR TP	THB30.50
CHANGE IN TP	-15.7%
TP vs CONSENSUS	-24.7%

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Operating profit	1,792	1,879	2,189	2,535
Net profit	1,746	1,960	2,400	2,820
EPS (THB)	1.20	1.34	1.64	1.93
vs Consensus (%)	-	(2.0)	2.4	1.8
Recurring net profit	1,746	1,960	2,400	2,820
Core EPS (THB)	1.20	1.34	1.64	1.93
Chg. In EPS est. (%)	-	(4.6)	1.6	1.3
EPS growth (%)	16.8	12.2	22.5	17.5
Core P/E (x)	18.9	16.8	13.7	11.7
Dividend yield (%)	4.8	4.8	5.8	6.8
Price/book (x)	1.4	1.3	1.2	1.2
ROE (%)	8.3	8.0	9.1	10.5
ROA (%)	5.4	5.1	5.1	5.4

คาดการณ์การเก็บเงินสดที่เพิ่มขึ้นและ ECL ที่ลดลงจะผลักดันกำไร 4Q23

เราคาดว่า JMT จะรายงานกำไรสุทธิ 4Q23 อยู่ที่ 489 ลบ. (+4.9% q-q, ทรงตัว y-y) จาก 1) การเก็บเงินสดที่ฟื้นตัวในระดับปานกลางตามฤดูกาล ในขณะที่การติดตามหนี้ด้วยคุณภาพประเภที่มีหลักทรัพย์ค้ำประกันน่าจะเป็นปัจจัยหนุนอย่างต่อเนื่องจากอุปสรรคด้านการปล่อยสินเชื่อของสถาบันการเงิน (FI) ให้แก่ลูกหนี้ที่เข้มงวดมากขึ้น; 2) ECL ที่ลดลง 37.3% q-q จากการกลับรายการซึ่งน่าจะมีผลแค่ในระดับปานกลางจากสำรองใหม่สำหรับหนี้ด้วยคุณภาพประเภที่มีหลักทรัพย์ค้ำประกันที่อยู่ในระดับสูงต่อเนื่อง; และ 3) ค่าใช้จ่ายในการดำเนินงานที่เพิ่มขึ้น q-q จากปัจจัยด้านฤดูกาลซึ่งทำให้สัดส่วนค่าใช้จ่ายในการดำเนินงานต่อรายได้เพิ่มขึ้นเป็น 20% จาก 15.6% ใน 3Q23 กำไรสุทธิปี 2023 น่าจะอยู่ที่ 1.96 พัน ลบ. ปรับขึ้น 12.3% y-y ซึ่งต่ำกว่าเป้าหมายการปี 2023 ของบริษัท ที่คาดว่าจะโต 20-30% y-y

แผนการซื้อหนี้ในปี 2023 ไม่น่ากังวล

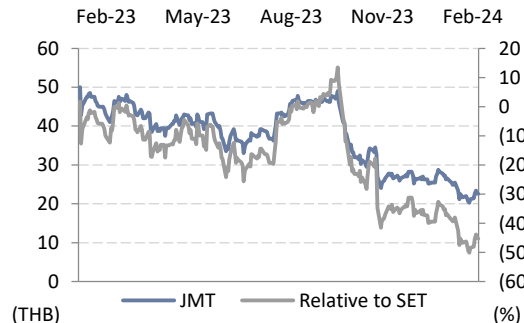
เราคาดว่าตัวเลขเงินลงทุนในบัญชีลูกหนี้สินเชื่อของบริษัท ใน 4Q23 จะอยู่ที่ 1.8 พัน ลบ. (+22.1% q-q, +38.4% y-y) ซึ่งจะทำให้เงินลงทุนทั้งปีในสินทรัพย์ดังกล่าวอยู่ที่ 13.7 พัน ลบ. (8.2 พัน ลบ. จาก JMT และอีก 5.6 พัน ลบ. จาก JK AMC) สอดคล้องกับเป้าหมายการของบริษัท ที่ 10-15 พัน ลบ. สำหรับในปี 2024-25 เราคงสมมติฐานเงินลงทุนไว้ที่ 9 พัน ลบ. ต่อปี (5 พัน ลบ. จาก JMT และ 4 พัน ลบ. จาก JK AMC) ภายใต้สภาวะอุปทานหนี้ด้วยคุณภาพมีมากและการบริหารจัดการคุณภาพสินทรัพย์เชิงรุกของ FI ซึ่งเราได้เน้นย้ำตลอดปีที่ผ่านมา

ปรับลดประมาณการกำไรสุทธิปี 2023 เพิ่มจากการเก็บเงินสดที่ต่ำกว่าคาด

เราคาดว่ากำไรสุทธิปี 2023 จะอยู่ที่ 1.96 พัน ลบ. ปรับขึ้นเพียง 12.3% y-y และต่ำกว่าประมาณการเดิมของเราที่ 2.05 พัน ลบ. อยู่ 4.6% จากสมมติฐานการเก็บเงินสดที่ลดลงและ ECL ที่สูงขึ้น อย่างไรก็ตามปัจจัยดังกล่าวน่าจะชดเชยได้บางส่วนจากค่าใช้จ่ายในการดำเนินงานที่ลดลงภายใต้สมมติฐานค่าใช้จ่ายในการดำเนินงานต่อรายได้ปี 2023 ที่ 17% นอกจากนี้เรายังปรับประมาณการกำไรปี 2024-25 ขึ้น 1.3-1.6% จากฐานของพอร์ตปี 2023 ที่ใหญ่ขึ้นซึ่งทำให้ประมาณการเก็บเงินสดเพิ่มขึ้นในขณะที่เราคาดว่าจะมีแรงกดดันจากอำนาจในการจัดจ่ายใช้สอยของครัวเรือนที่ชะลอตัว

คงคำแนะนำถือหลังปรับราคาเป้าหมายปี 2024 ลงเหลือ 25.70 บาท (GGM)

เราคงคำแนะนำถือ JMT หลังปรับราคาเป้าหมายปี 2024 ลงเหลือ 25.70 บาท (GGM) (จากเป้าหมายที่ 30.50 บาท อิงอ้าง 2SD ต่ำกว่าค่าเฉลี่ยในอดีตและค่า P/BV ที่ต่ำกว่าค่าเฉลี่ย 5 ปีย้อนหลัง) วิธีการประเมินมูลค่าใหม่ของเราสมมติฐานจากค่า ROE ที่ 12.5%, COE ที่ 10.5%, และ Equity beta ที่ 1.5 ซึ่งคิดเป็นค่า P/BV ได้ที่ 1.36x (จาก 1.67x ก่อนหน้า) ซึ่งยังคงเท่ากับ 2SD ต่ำกว่าค่าเฉลี่ยในอดีต



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(17.1)	(31.0)	(56.5)
Relative to country (%)	(15.5)	(30.2)	(47.7)
Mkt cap (USD m)	919		
3m avg. daily turnover (USD m)	15.7		
Free float (%)	21		
Major shareholder	JMART Pcl. (54%)		
12m high/low (THB)	53.25/20.30		
Issued shares (m)	1,460		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 12 กุมภาพันธ์ 2024

Investment thesis

We maintain our HOLD call on JMT for factors including:

- We expect JMT’s performance to remain under pressure by the sluggish macroeconomic trends and high level of household debt.
- We maintain our view on the high NPL supply level in 2023-25, leading JMT and other AMC operators to accelerate their investment activities throughout the period.
- We expect JMT’s 4Q23 results to have supporting factors from moderate improvement in cash collection on seasonal factors and a smaller ECL burden from a reversal transaction during the period.

We lower our 2024 TP to THB25.70 (from THB30.50), under GGM methodology, which yields a target P/BV ratio of 1.36x from 1.67x previously, remaining near 2SD below its 5Y average.

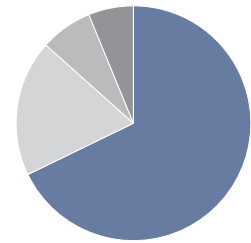
Company profile

JMT provides three main types of services: 1) bad debt collection; 2) bad debt management - the company manages and collects bad debt purchased from financial institutions and corporations; and 3) an insurance business - the company provides both insurance brokerage services and non-life insurance services.

www.jmntnetwork.co.th

Principal activities (revenue, 9M23)

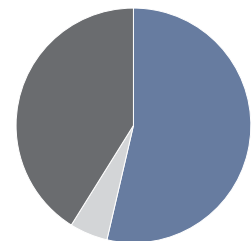
- Debt management - 67.8 %
- Gains from purchase of A/R - 18.8 %
- Debt collection - 7.2 %
- Net insurance income - 6.2 %
- Dividend income - 0.0 %



Source: JMT Network Services

Major shareholders

- JMART Pcl. - 53.6 %
- Thai NVDR - 5.3 %
- Others - 41.1 %



Source: JMT Network Services

Catalysts

- Higher-than-expected supply of bad debt;
- Lower-than-expected debt-purchasing price;
- Higher-than-expected cash collection from both debt management and debt tracking services;
- Faster-than-expected debt collection.

Risks to our call

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; and 2) lower-than-expected operating and financing expense.

Event calendar

Date	Event
12 Feb 2024	2023 results announcement

Key assumptions

	2023E (THB m)	2024E (THB m)	2025E (THB m)
Net profit	1,960	2,400	2,820
<i>Growth (%)</i>	12.2	22.5	17.5
Cash collection	7,195	9,629	11,204
<i>Growth (%)</i>	11.2	33.8	16.4
Purchased loan receivables	26,846	30,278	33,862
<i>Growth (%)</i>	34.8	12.8	11.8
Cost to income (%)	17.0	17.0	17.0

Note: Cash collection includes estimated amount from JK AMC

Source: FSSIA estimates

Earnings sensitivity

		----- 2024E -----		
Cash collection ratio	±1ppt	24.3	25.3	26.3
<i>% change in net profit</i>		(7)	-	7
Cost to income	±1ppt	16.0	17.0	18.0
<i>% change in net profit</i>		2	-	(2)

Source: FSSIA estimates

An uptick in cash collection with declining ECL pushed 4Q23E profit

We expect JMT to report a 4Q23 net profit of THB489m, increasing 4.9% q-q and flat y-y. Key highlights are 1) a moderate pick up in cash collection on seasonality; 2) the ECL reversal during the quarter; and 3) an offset from higher operating expenses.

NPL management performance

We forecast the revenue from NPL management to rise moderately along with the effect of a portfolio expansion and seasonality for cash collection during the quarter. We expect 4Q23 cash collection to finish at THB1.4b, improving 4.8% q-q and 4.2% y-y due to seasonal factors, but secured NPL collection should continue to drag from the obstruction of the refinancing process with FIs, especially in the housing segment, fueling financing stress for secured NPL debtors. We expect the share of profit from JK AMC to remain stable q-q but increase 82.4% y-y to THB114m, aligning with a brief mention during KBANK's 4Q23 analyst meeting.

ECL reversal

We forecast the 4Q23 ECL expense at THB105m, dropping 37.3% q-q because of a reversal transaction. However, we only expect a moderate magnitude for the reversal (compared to a net ECL gain of THB59m in 4Q22), as we maintain our cautious view on high additional provisions for secured NPLs coupled with the overall disappointing collection performance seen in 3Q23.

In 2023, JMT started booking ECL reversals for the gap between cash collection and realized IRR revenue on a semi-annual basis (in 2Q and 4Q) from an annual basis in 2020-22, leading to lower volatility in net profit. From 2024 onward, the firm intends to increase the frequency of the transaction on a quarterly basis, aiming to smooth out its bottom-line results. Therefore, we view the 4Q23 ECL expense as representing a near-normalized quarterly level, given the current state of the economic recovery.

Rising OPEX pressure

Our estimates suggest a higher level of pressure from operating expenses on a q-q basis, mostly from staff costs, following the portfolio expansion and additional recruitment, resulting in our expectation of an increasing cost-to-income ratio to 20% in 4Q23 from 15.6% in 3Q23.

Exhibit 1: JMT – 4Q23 earnings preview

	4Q22	1Q23	2Q23	3Q23	4Q23E	Change		2023E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(y-y%)
Total revenue	1,142	1,150	1,250	1,308	1,400	7.1	22.6	5,107	15.8
Cost of services	(401)	(370)	(371)	(392)	(418)	6.7	4.3	(1,551)	6.3
Gross profit	742	780	878	916	982	7.2	32.4	3,557	20.5
Other income	22	20	24	36	45	24.1	99.2	124	111.4
Operating expenses	(242)	(187)	(196)	(205)	(280)	37.0	15.7	(868)	10.0
Share of profit from subsidiaries	63	134	130	114	114	0.1	82.4	491	402.2
Expected credit loss	59	(113)	(57)	(167)	(105)	(37.3)	n/a	(442)	205.4
Financial cost	(94)	(95)	(109)	(130)	(159)	22.5	68.7	(493)	74.2
Profit before tax	550	538	670	565	597	5.7	8.7	2,370	25.4
Income tax	(63)	(81)	(95)	(86)	(93)	8.9	47.9	(356)	70.4
NCI	(3)	3	23	13	15	12.1	n/a	55	n/a
Net profit	490	453	551	466	489	4.9	(0.1)	1,960	12.3
EPS (THB)	0.34	0.31	0.38	0.32	0.34	4.8	(0.1)	1.34	12.2
Cash collection	1,337	1,369	1,561	1,330	1,394	4.8	4.2	5,654	1.9
Additional investment	2,903	1,384	2,702	2,294	1,787	(22.1)	(38.4)	8,167	78.2
Key financial ratios									
Cost-to-income ratio	21.20	16.28	15.71	15.64	20.01			17.00	
ECL/revenue from debt management	(8.71)	15.62	6.70	17.78	10.00			12.40	
Gross margin	64.93	67.82	70.29	70.06	70.16			69.64	
Gross margin (x insurance)	69.56	71.05	73.51	73.70	73.12			72.90	
Average cost of funds	5.11	4.41	4.44	4.52	4.60			3.81	
Net margin	42.87	39.40	44.10	35.65	34.94			34.24	
ROE	8.60	7.34	8.41	7.17	7.50			7.97	
ROA	6.26	5.12	5.69	4.61	4.56			0.05	
D/E (x)	0.47	0.38	0.53	0.52	0.71			0.71	
Interest bearing debt/equity (x)	0.41	0.30	0.45	0.42	0.63			0.63	

Sources: JMT; FSSIA estimates

Exhibit 2: JMT – Revenue breakdown

	4Q22	1Q23	2Q23	3Q23	4Q23E	Change		2023E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(y-y%)
Total revenue	1,142	1,150	1,250	1,308	1,400	7.1	22.6	5,107	15.8
Debt collection	102	94	84	88	100	14.0	(1.3)	366	11.9
Debt management	681	724	851	938	1,047	11.6	53.7	3,560	36.1
Gain on loans receivable from purchase of A/R	266	257	238	204	162	(20.4)	(39.2)	861	(27.5)
Insurance income	93	75	76	78	91	16.7	(2.1)	321	15.0
Dividend income	0	0	0	0	(0)	n/a	n/a	0	n/a
Cost of services	(401)	(370)	(371)	(392)	(418)	6.7	4.3	(1,551)	6.3
Cost of services	(319)	(311)	(311)	(323)	(352)	8.8	10.2	(1,297)	18.1
Insurance expense	(81)	(59)	(60)	(68)	(66)	(3.4)	(18.9)	(253)	(29.8)
Gross profit	742	780	878	916	982	7.2	32.4	3,557	20.5

Sources: JMT; FSSIA estimates

Expect debt acquisition to finish in line with 2023 guidance

We forecast the investment in loan receivables of the firm during 4Q23 to finish at THB1.8b, increasing 22.1% q-q and 38.4% y-y, resulting in a full-year investment in receivables of THB13.7b (THB8.2b from JMT and THB5.6b from JK AMC), finishing within management's guidance of THB10b-15b. For 2024-25, we maintain our assumption on JMT's investment at THB9b p.a. (THB5b from JMT and THB4b from JK AMC) against the backdrop of an NPL supply glut and proactive balance sheet clean-up from FIs, which we had highlighted throughout last year.

Exhibit 3: Historical investment and cash collection performance (excluding JK AMC)

	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23E	----- Change -----		2021	2022	2023E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y%)	(THB m)	(THB m)	(THB m)	(y-y%)
Investment	728	375	536	2,903	1,384	2,702	2,294	1,787	(22.1)	(38.4)	8,701	4,582	8,167	78.2
Cash collection	1,458	1,337	1,416	1,337	1,369	1,561	1,330	1,394	4.8	4.2	4578	5,548	5,654	1.9

Note: Figures presented in the table exclude contributions from JK AMC

Sources: JMT; FSSIA estimates

Further 2023E net profit cut from lower expected collection

We expect 2023 net profit to finish at THB1.96b, rising only 12.3% y-y and 4.6% lower than our previous estimate of THB2.05b due to a lower cash collection assumption and higher ECL estimate, but partially offset by lower OPEX, under our 2023 cost-to-income ratio assumption of 17%.

In addition, we marginally adjust our 2024-25 earnings forecasts up by 1.3-1.6% from a larger ending portfolio base in 2023 leading to higher cash collection estimates amid our view on the pressure from slowing household spending power.

Exhibit 4: 2023-25E earnings revisions

	----- Current -----			----- Previous -----			----- Change -----		
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)
Net profit	1,960	2,400	2,820	2,054	2,362	2,783	-4.6%	1.6%	1.3%
Growth (%)	12.2	22.5	17.5	17.6	15.0	17.8			
Cash collection	7,195	9,629	11,204	7,564	9,351	10,993	-4.9%	3.0%	1.9%
Growth (%)	11.2	33.8	16.4	19.2	23.6	17.6			
Purchased receivables	26,846	30,278	33,862	24,406	27,718	31,085	10.0%	9.2%	8.9%
Growth (%)	34.8	12.8	11.8	27.8	14.1	12.6			
Revenue from debt management	3,560	4,813	5,545	3,476	4,135	4,766	2.4%	16.4%	16.3%
Gains on loans receivable									
from purchase of A/R	861	844	1,119	870	856	1,122	-1.1%	-1.4%	-0.3%

Note: Cash collection figures include estimated contribution from JK AMC

Source: FSSIA estimates

Maintain HOLD call at a lower 2024 TP of THB25.7

Although the share price has declined by over 16% following the 3Q23 results announcement, reaching the current P/BV of 1.2x, we retain our HOLD call on JMT given our view on 1) 2024-25E net profit growth of 19% CAGR – lower than management’s medium-term guidance of around 20-30%; 2) the slowing economic momentum to affect the firm’s cash collection performance; and 3) a limited upside from our GGM-based 2024 TP of THB25.70 (from our prior target of THB30.50 at 2SD below historical average and a P/BV ratio below its 5Y average). Our new valuation methodology assumes ROE at 12.5%, COE at 10.5%, and equity beta of 1.5, yielding a P/BV ratio of 1.36x (from 1.67x previously), which remains at 2SD below its historical average.

Exhibit 5: GGM-based 2024 TP

Gordon Growth model	2024E
ROE - sustainable	12.50
Terminal growth rate	5.00
Cost of equity	10.50
Expected market return	8.00
Risk-free	3.00
Market risk premium	5.00
Beta	1.50
(ROE - g) / (COE - g)	1.36
Fair price	25.70

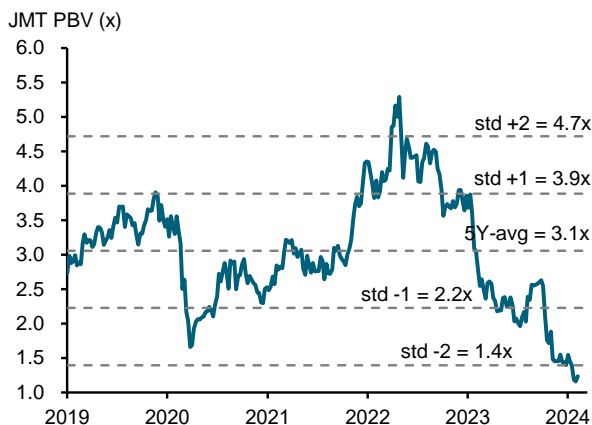
Source: FSSIA estimates

Exhibit 6: Share price performance of non-bank under coverage, as of 9 February 2024

	Price performance				
	1M (%)	3M (%)	6M (%)	1Y (%)	YTD (%)
TIDLOR TB	(2.98)	7.55	5.07	(12.31)	1.33
MTC TB	(3.24)	7.83	16.99	23.45	(0.56)
SAWAD TB	(3.64)	(11.67)	(17.62)	(28.38)	(1.85)
AEONTS TB	(0.32)	(0.32)	(3.46)	(24.75)	(4.06)
KTC TB	(1.12)	(3.83)	(6.88)	(23.14)	1.15
JMT TB	(13.96)	(15.56)	(47.28)	(54.85)	(10.59)
BAM TB	(1.19)	2.47	(20.95)	(47.47)	1.84
CHAYO TB	(8.85)	(6.36)	(29.49)	(45.05)	(5.50)
SETFIN	(3.59)	(1.05)	(10.80)	(28.77)	(1.34)
SET	(1.63)	0.06	(9.43)	(16.47)	(1.79)

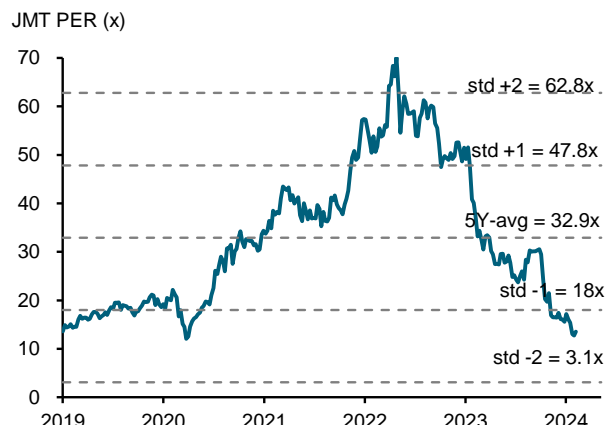
Source: Bloomberg

Exhibit 7: JMT – one-year prospective P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 8: JMT – one-year prospective PER band



Sources: Bloomberg; FSSIA estimates

Exhibit 9: Peer comparisons, as of 9 February 2024

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)
AEON Thana Sinsap (Thailand)	AEONTS TB	HOLD	154.00	169.00	10	12.4	11.5	1.6	1.5	13.1	13.2	3.6	4.1
Krungthai Card	KTC TB	HOLD	44.00	49.00	11	15.6	14.3	3.2	2.8	21.8	20.7	2.3	2.6
Muangthai Capital	MTC TB	HOLD	45.00	43.00	(4)	20.0	16.0	3.0	2.6	15.6	17.2	0.8	0.9
Srisawad Corp	SAWAD TB	BUY	39.75	54.00	36	10.2	8.7	1.9	1.7	19.7	20.7	4.5	5.0
Ngern Tid Lor	TIDLOR TB	BUY	22.70	28.00	23	16.7	13.8	2.2	2.0	14.2	15.2	1.2	1.5
JMT Network services	JMT TB	HOLD	22.60	25.70	14	16.8	13.7	1.3	1.2	8.0	9.1	4.8	5.8
Bangkok Commercial Asset Mgmt.	BAM TB	HOLD	8.35	8.75	5	18.4	15.2	0.6	0.6	3.4	4.1	3.8	4.5
Chayo Group	CHAYO TB	HOLD	5.15	5.70	11	15.6	15.0	1.7	1.5	11.6	10.7	0.7	1.0
Average						15.7	13.5	1.9	1.7	13.4	13.9	2.7	3.2

Sources: Bloomberg; FSSIA estimates

Financial Statements

JMT Network Services

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Interest Income	3,130	3,803	4,420	5,657	6,663
Interest expense	(345)	(283)	(493)	(674)	(845)
Net interest income	2,785	3,520	3,928	4,983	5,818
Net fees & commission	26	(82)	67	104	135
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	0	0	0	0	0
Other income	332	386	491	459	489
Non interest income	357	304	558	563	624
Total income	3,143	3,825	4,486	5,546	6,442
Staff costs	(865)	(1,098)	(1,297)	(1,695)	(1,981)
Other operating costs	(601)	(789)	(868)	(1,091)	(1,284)
Operating costs	(1,466)	(1,888)	(2,166)	(2,786)	(3,265)
Pre provision operating profit	1,676	1,937	2,320	2,760	3,177
Expected credit loss	(56)	(145)	(442)	(571)	(641)
Other provisions	-	-	-	-	-
Operating profit	1,620	1,792	1,879	2,189	2,535
Recurring non operating income	0	98	491	705	861
Associates	-	-	-	-	-
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	1,620	1,890	2,370	2,894	3,396
Tax	(241)	(209)	(356)	(434)	(509)
Profit after tax	1,379	1,682	2,015	2,460	2,887
Non-controlling interest	21	64	(55)	(61)	(67)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	1,400	1,746	1,960	2,400	2,820
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	1,400	1,746	1,960	2,400	2,820
Per share (THB)					
Recurring EPS *	1.02	1.20	1.34	1.64	1.93
Reported EPS	1.02	1.20	1.34	1.64	1.93
DPS	0.82	1.08	1.07	1.32	1.55
Growth					
Net interest income (%)	20.3	26.4	11.6	26.9	16.8
Non interest income (%)	(12.6)	(14.9)	83.5	0.9	10.8
Pre provision operating profit (%)	18.6	15.6	19.8	19.0	15.1
Operating profit (%)	33.9	10.6	4.8	16.5	15.8
Reported net profit (%)	33.7	24.7	12.3	22.5	17.5
Recurring EPS (%)	(4.5)	16.8	12.2	22.5	17.5
Reported EPS (%)	(4.5)	16.8	12.2	22.5	17.5
Income Breakdown					
Net interest income (%)	88.6	92.0	87.6	89.8	90.3
Net fees & commission (%)	0.8	(2.1)	1.5	1.9	2.1
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	10.6	10.1	10.9	8.3	7.6
Operating performance					
Gross interest yield (%)	23.88	21.92	19.57	19.81	20.78
Cost of funds (%)	4.66	3.35	3.81	3.65	3.76
Net interest spread (%)	19.22	18.57	15.76	16.16	17.02
Net interest margin (%)	21.2	20.3	17.4	17.4	18.1
Cost/income(%)	46.7	49.4	48.3	50.2	50.7
Cost/assets(%)	6.9	6.1	5.5	5.8	6.1
Effective tax rate (%)	14.9	11.0	15.0	15.0	15.0
Dividend payout on recurring profit (%)	80.1	90.3	80.0	80.0	80.0
ROE (%)	11.3	8.3	8.0	9.1	10.5
ROE - COE (%)	0.5	(2.5)	(2.8)	(1.7)	(0.3)
ROA (%)	6.5	5.4	5.1	5.1	5.4
RORWA (%)	-	-	-	-	-

* Pre-exceptional, pre-goodwill and fully diluted

Sources: JMT Network Services; FSSIA estimates

Financial Statements

JMT Network Services

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Gross customer loans	16,382	18,322	26,846	30,278	33,862
Allowance for expected credit loss interest in suspense	-	-	-	-	-
Net customer loans	16,382	18,322	26,846	30,278	33,862
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	-	-	-	-	-
Cash & equivalents	2,080	2,797	2,477	3,305	4,088
Other interesting assets	-	-	-	-	-
Tangible fixed assets	194	226	249	274	301
Associates	-	-	-	-	-
Goodwill	144	112	124	136	150
Other intangible assets	165	106	120	130	140
Other assets	9,071	12,299	15,733	16,364	17,227
Total assets	28,036	33,862	45,548	50,487	55,768
Customer deposits	-	-	-	-	-
Bank deposits	300	0	1,000	0	0
Other interest bearing liabilities	7,206	9,368	15,482	20,431	24,500
Non interest bearing liabilities	1,453	1,405	2,080	2,550	3,154
Hybrid Capital	-	-	-	-	-
Total liabilities	8,959	10,773	18,562	22,981	27,655
Share capital	684	730	730	730	730
Reserves	18,348	22,287	25,446	25,926	26,490
Total equity	19,032	23,016	26,176	26,656	27,220
Non-controlling interest	46	72	810	851	893
Total liabilities & equity	28,036	33,862	45,548	50,487	55,768
Supplementary items					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	13,108	17,352	22,584	28,562	32,070
Average interest bearing liabilities	7,403	8,437	12,925	18,456	22,466
CET 1 capital	n/a	n/a	n/a	n/a	n/a
Total capital	0	0	0	0	0
Gross non performing loans (NPL)	n/a	n/a	n/a	n/a	n/a
Per share (THB)					
Book value per share	13.92	15.77	17.93	18.26	18.65
Tangible book value per share	13.69	15.62	17.77	18.08	18.45
Growth					
Gross customer loans	66.6	11.8	46.5	12.8	11.8
Average interest earning assets	47.7	32.4	30.2	26.5	12.3
Total asset (%)	96.5	20.8	34.5	10.8	10.5
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	-	-	-	-	-
Leverage & capital measures					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	67.9	68.0	57.5	52.8	48.8
Tangible equity/assets (%)	66.8	67.3	56.9	52.3	48.3
RWA/assets (%)	-	-	-	-	-
CET 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
Asset Quality (FSSIA's calculation)					
Change in NPL (%)	-	-	-	-	-
NPL/gross loans (%)	-	-	-	-	-
Allowance for ECL/gross loans (%)	-	-	-	-	-
Allowance for ECL/NPL (%)	-	-	-	-	-
Valuation					
Recurring P/E (x) *	22.1	18.9	16.8	13.7	11.7
Recurring P/E @ target price (x) *	25.1	21.5	19.1	15.6	13.3
Reported P/E (x)	22.1	18.9	16.8	13.7	11.7
Dividend yield (%)	3.6	4.8	4.8	5.8	6.8
Price/book (x)	1.6	1.4	1.3	1.2	1.2
Price/tangible book (x)	1.7	1.4	1.3	1.2	1.2
Price/tangible book @ target price (x)	1.9	1.6	1.4	1.4	1.4

Sources: JMT Network Services; FSSIA estimates

JMT Network Services PCL (JMT TB)

FSSIA ESG rating

★★

35.60 /100

Exhibit 10: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

Exhibit 11: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
BAM	55.19	--	Y	Y	5.00	4.00	Certified	Medium	47.11	B	--	49.29	14.00	2.88	54.79
CHAYO	13.00	--	--	--	4.00	4.00	--	--	--	--	--	--	--	--	--
JMT	35.60	--	--	--	4.00	5.00	Declared	Medium	--	BBB	--	12.70	13.00	--	39.90

Sources: SETTRADE.com; FSSIA's compilation

Exhibit 12: ESG score by Bloomberg

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	—	—	—	—
BESG environmental pillar score	—	—	—	—
BESG social pillar score	—	—	—	—
BESG governance pillar score	—	—	3.47	3.38
ESG disclosure score	26.04	26.04	38.38	39.90
Environmental disclosure score	0.42	0.42	11.81	13.23
Social disclosure score	9.55	9.55	16.35	19.50
Governance disclosure score	68.00	68.00	86.79	86.79
Environmental				
Emissions reduction initiatives	No	No	No	No
Climate change policy	No	No	No	No
Climate change opportunities discussed	No	No	No	No
Risks of climate change discussed	No	No	No	No
GHG scope 1	—	—	0	0
GHG scope 2 location-based	—	—	0	0
GHG Scope 3	—	—	—	0
Carbon per unit of production	—	—	—	—
Biodiversity policy	No	No	No	No
Energy efficiency policy	Yes	Yes	Yes	Yes
Total energy consumption	—	—	1	1
Renewable energy use	—	—	—	—
Electricity used	—	—	1	1
Fuel used - natural gas	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 13: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No
Waste reduction policy	No	No	No	No
Hazardous waste	—	—	—	—
Total waste	—	—	—	—
Waste recycled	—	—	—	—
Waste sent to landfills	—	—	—	—
Environmental supply chain management	No	No	No	No
Water policy	No	No	No	No
Water consumption	—	—	6	9
Social				
Human rights policy	Yes	Yes	Yes	Yes
Policy against child labor	No	No	No	No
Quality assurance and recall policy	No	No	No	No
Consumer data protection policy	No	No	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No
Pct women in workforce	—	—	—	4
Pct disabled in workforce	—	—	—	1
Business ethics policy	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes
Health and safety policy	No	No	No	No
Lost time incident rate - employees	—	—	—	—
Total recordable incident rate - employees	—	—	—	—
Training policy	No	No	Yes	Yes
Fair remuneration policy	No	No	No	No
Number of employees – CSR	2,023	2,008	1,684	1,902
Employee turnover pct	—	—	—	—
Total hours spent by firm - employee training	—	—	26,944	45,648
Social supply chain management	No	No	No	No
Governance				
Board size	7	7	7	7
No. of independent directors (ID)	3	3	3	3
No. of women on board	1	1	1	1
No. of non-executive directors on board	4	4	3	3
Company conducts board evaluations	No	No	No	No
No. of board meetings for the year	4	8	8	7
Board meeting attendance pct	100	100	100	100
Board duration (years)	—	—	3	3
Director share ownership guidelines	No	No	No	No
Age of the youngest director	42	43	46	47
Age of the oldest director	64	65	65	66
No. of executives / company managers	5	5	5	4
No. of female executives	2	2	2	1
Executive share ownership guidelines	No	No	No	No
Size of audit committee	3	3	3	3
No. of ID on audit committee	3	3	3	3
Audit committee meetings	4	4	4	4
Audit meeting attendance %	100	100	100	100
Size of compensation committee	3	3	3	3
No. of ID on compensation committee	1	1	1	1
No. of compensation committee meetings	2	3	2	2
Compensation meeting attendance %	100	100	100	100
Size of nomination committee	3	3	3	3
No. of nomination committee meetings	2	3	2	2
Nomination meeting attendance %	100	100	100	100
Sustainability governance				
Verification type	No	No	No	No

Sources: Bloomberg; FSSIA's compilation

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 include: 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%). <i>(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.)</i>	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. <i>(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.)</i>	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 Sustainability	The Sustainability's 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. <i>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.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+																		
NEGL	Low	Medium	High	Severe																										
0-10	10-20	20-30	30-40	40+																										
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. <table border="0" style="margin-left: 20px;"> <tr> <td style="vertical-align: top;">AAA</td> <td style="vertical-align: top;">8.571-10.000</td> <td style="vertical-align: top;">Leader:</td> <td style="vertical-align: top;">leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td style="vertical-align: top;">AA</td> <td style="vertical-align: top;">7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td style="vertical-align: top;">A</td> <td style="vertical-align: top;">5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td style="vertical-align: top;">BBB</td> <td style="vertical-align: top;">4.286-5.713</td> <td style="vertical-align: top;">Average:</td> <td style="vertical-align: top;">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td style="vertical-align: top;">BB</td> <td style="vertical-align: top;">2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td style="vertical-align: top;">B</td> <td style="vertical-align: top;">1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td style="vertical-align: top;">CCC</td> <td style="vertical-align: top;">0.000-1.428</td> <td style="vertical-align: top;">Laggard:</td> <td style="vertical-align: top;">lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570			A	5.714-7.142			BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285			B	1.429-2.856			CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks	
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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. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																													
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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Company	Ticker	Price	Rating	Valuation & Risks
JMT Network Services	JMT TB	THB 22.60	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
Aeon Thana Sinsap (Thailand)	AEONTS TB	THB 154.00	HOLD	Downside risks are: 1) regulatory actions to curb industry growth; 2) a higher-than-expected policy rate; and 3) deteriorating asset quality. Upside risks are: 1) better-than-estimated economic improvement; 2) stronger-than-estimated improvement in the overall asset quality; and 3) less pressure from the market yield and cost of funds.
Krungthai Card	KTC TB	THB 44.00	HOLD	Downside risks are: 1) regulatory actions to curb industry growth; 2) a higher-than-expected policy rate; and 3) deteriorating asset quality. Upside risks are: 1) better-than-estimated economic improvement; 2) stronger-than-estimated improvement in the overall asset quality; and 3) less pressure from the market yield and cost of funds.
Muangthai Capital	MTC TB	THB 45.00	HOLD	Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; and 2) changes in financial regulations by the Bank of Thailand and the Office of Consumer Protection Board. Upside risks are 1) a positive development of asset quality which could bring down its credit costs and 2) a decreasing market interest rate which could alleviate its cost of funds burden.
Srisawad Corp	SAWAD TB	THB 39.75	BUY	Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; and 2) changes in financial regulations by the Bank of Thailand and the Office of Consumer Protection Board.
Ngern Tid Lor	TIDLOR TB	THB 22.70	BUY	Downside risks to our GGM-based TP include 1) the expansion into auto-title loans by the Government Savings Bank and Auto X (subsidiary of SCB X); 2) further weakening asset quality could potentially hit both loan yield and credit cost; and 3) tighter supervision from related regulators.
Bangkok Commercial Asset Mngt.	BAM TB	THB 8.35	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.
Chayo Group	CHAYO TB	THB 5.15	HOLD	Downside risks to our GGM-based TP include 1) lower-than-expected bad debt acquisition; and 2) higher-than-expected operating expenses. Upside risks include 1) better-than-expected cash collection performance and lower pressure from ECL, 2) stronger-than-expected loan growth, and 3) better cost control than expected.

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 09-Feb-2024 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.