

Market : mai

SERVICE : SERVICES



AUG /2016

# FSMART

## Forth Smart Service Public Company Limited

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### Company Background

FSMART conducts main business as a service provider for prepaid mobile payments and other online payments via intelligent kiosks under the trademark of "Boonterm". The operating systems are franchise which operate by representatives and cooperation with business partners as a project such as 7-11, Tesco Lotus, Family Mart, Tops, BTS etc. In order to increase new customers and expand number of "Boonterm kiosk" nationwide.

### Key Development of Company

- 2009 Began operating business as a service provider for prepaid mobile payments, other online payments via intelligent kiosks under the trademark of "Boonterm".
- 2014
  - Listed in the MAI, a stock exchange of Thailand on October 14, 2014.
  - Launched "Boonterm Counter Service", bill payment machine for grocery stores.
  - Expanded to advertising business through "Boonterm" network.
- 2015
  - Launched "Boonterm RO Water machine" to serve pure water with Reverse Osmosis and UV filtering systems.
  - Established Forth Vending Co., Ltd., the joint agreement with Forth Corporation PLC., Singha Corporation Co., Ltd. and SNC Former PLC. With registered capital of Bt80mn. In order to operate vending Machine business. FSMART has 10-percent stake in Forth Vending Co., Ltd.
  - Changed Boonterm kiosks from 7 to 10 inch screen.
  - Add a range of services with installation weight scale to Boonterm kiosks.
- Q1/2016 - Was appointed as a sub agent of Krungthai Bank which approve by the Bank of Thailand in order to transfer money via Boonterm kiosks.
- Q2/2016 Launched money transfer service via Boonterm kiosks nationwide.

### Income Statement Summary

(Unit: Million Baht)

	2014	2015	YoY	2Q15	1Q16	2Q16	QoQ	YoY
Income from rendering of top-up service (Commission)	436	640	46.8%	152	205	222	8.3%	46.1%
Income from rendering of services through online top-up machines "Boonterm kiosk" (Service charge)	642	893	39.1%	211	273	293	7.3%	38.9%
Entrance fee income	7	2	-71.4%	1	0	0	0.0%	-100.0%
Advertising income	3	12	300.0%	4	6	5	-16.7%	25.0%
<b>Total revenue from core business</b>	<b>1,088</b>	<b>1,547</b>	<b>42.2%</b>	<b>368</b>	<b>484</b>	<b>520</b>	<b>7.4%</b>	<b>41.3%</b>
Cost of services	803	1,126	40.2%	267	352	385	9.1%	43.8%
<b>Gross profit</b>	<b>285</b>	<b>421</b>	<b>47.7%</b>	<b>101</b>	<b>132</b>	<b>135</b>	<b>2.3%</b>	<b>33.7%</b>
Service & Administrative expenses	131	165	25.9%	38	46	44	-4.4%	15.8%
<b>Operating profit</b>	<b>154</b>	<b>256</b>	<b>66.2%</b>	<b>63</b>	<b>86</b>	<b>91</b>	<b>5.8%</b>	<b>44.4%</b>
Other income <sup>1</sup>	59	98	66.1%	24	29	33	13.8%	37.5%
Finance cost	(19)	(13)	31.6%	(3)	(6)	(6)	0.0%	100.0%
Income tax expenses	(40)	(68)	70.0%	(17)	(22)	(24)	9.1%	41.2%
<b>Net profit</b>	<b>154</b>	<b>272</b>	<b>76.6%</b>	<b>67</b>	<b>88</b>	<b>95</b>	<b>8.0%</b>	<b>41.8%</b>

<sup>1</sup>Other income consists of other revenue and sales profit

### Stock Data

	(25/08/16)		
	YTD	2015	2014
Paid-up (MB.)	400.00	400.00	400.00
Listed share (M.)	800.00	800.00	800.00
Par (B.)	0.50	0.50	0.50
Market Cap (MB.)	12,240.00	12,320.00	6,000.00
Price (B./share)	15.30	15.40	7.50
EPS (B.)	0.23	0.34	0.24

### Statistics (25/08/16)

	P/E	P/BV	Div.Yield
FSMART (x)	37.01	11.33	1.83
SERVICE – mai (x)	N/A	4.51	1.92
SERVICE – SET (x)	44.86	4.30	1.75
mai (x)	62.28	3.52	1.43
SET (x)	22.65	1.97	3.07

### Recent Research

- KTBST (03/08/16)
- CIMB (11/08/16)

### CG Report Score



### THSI List



### Shareholder Structure (26/04/16)

Shareholder	Shares (M.)	%
Forth Corporation PLC.	365.99	45.75
Mr.Pracha Damrongsutthipong	78.90	9.86
Mrs.Monthip Wittayakorn	41.53	5.19
Mr.Pongchai Amatanont	36.67	4.58
Minor Shareholders	196.88	24.61

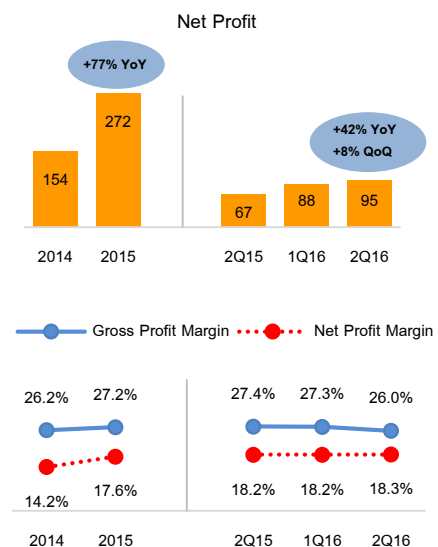
### Financial Ratios

	6M/2016	6M/2015	2015	2014
ROE (%)	32.20	30.15	26.81	22.38
ROA (%)	19.16	19.03	17.57	14.64
D/E (X)	1.53	0.83	1.20	0.77
GP Margin (%)	26.27	26.71	26.61	25.14
EBIT Margin (%)	22.17	21.25	20.98	18.36
NP Margin (%)	16.80	16.30	16.14	13.18

### Capital Structure (MB)

	6M/2016	6M/2015	2015	2014
Current Liabilities	1,216.24	678.70	1,217.82	701.89
Non-Current Liabilities	127.44	31.35	1.95	73.02
Shareholders' Equity	1,105.44	1,067.21	1,017.52	1,009.78

### Financial Summary



## Business Plan

FSMART aims to expand the number of kiosks on annual average of 24,000 kiosks. And projected that the total receipt amount through "Boonterm kiosk" would grow at a CAGR of 29% per year (2016-2018). If implemented as planned, at the end of 2018, the "Boonterm kiosk" will have more than 138,000 kiosks nationwide together with launching of new products and services such as weight scale, Boonterm RO Water machine, money transfer service, e-wallet etc. To drive the total receipt amount through "Boonterm kiosk" increased to Bt33,000mn in 2018.

## Investment Highlight

- FSMART's operating results had continued its momentum because of having the most of transaction points in Thailand with the number of Boonterm kiosks, as of June 2016 was 79,608 kiosks, increased 13,741 kiosks or 57% of 24,000 kiosks, the annual expansion plan. As a result, the total receipt amount increased to Bt10,241mn in the first half of 2016.
- Launching new services in the first half of 2016, weight scale and money transfer have been growing steadily. FSMART planned to develop more services such as ticketing service and e-money. In order to expand services to customer in higher level and diversify the revenue structure from several services.

## Risk Factors

Risk factors and prevention of major risks are as follows:

- Competition in the online top-up machines market. The market competition has risen by the increasing of new competitors. Because of the needs of customers who want to find a quick and easy channel to top-up their prepaid mobile.

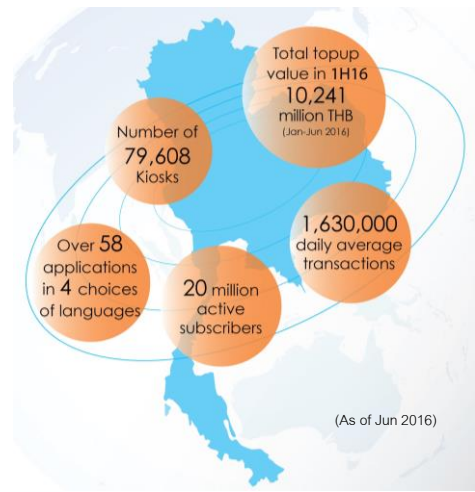
FSMART created a competitive advantage by improving the service efficiency of "Boonterm kiosk" to make it easy, fast and reliable. With the plan to expand the kiosks nationwide, including services offering which is diverse and different from competitors to meet the customer needs, such as weight scale, money transfer services etc. And also has customer service call center is available 24 hours a day.

- Changes in consumer behavior. The customers be able to choose a variety of payment channels for prepaid mobile payments or other online payments through convenience stores, ATMs, internet or prepaid through an application on smart phones. So there may be a risk if the customers change behavior or there is other channels to meet the customer needs over the online top-up machine.

However FSMART expected that the customers may not change their behavior soon. Due to the social and economic conditions and consumer behavior to use technology that has not change. And FSMART still confident that the "Boonterm kiosk" will be able to provide facilities and services to the customers with the most comprehensive transaction points in Thailand. And able to top-up with a minimum of 10 baht.

## Company Structure

## Business Highlight



## Company's Products & Services



**Disclaimer:** เอกสารฉบับนี้จัดทำขึ้นโดยบริษัทจดทะเบียน โดยมีวัตถุประสงค์เพื่อเผยแพร่ข้อมูลของบริษัทต่อผู้ลงทุนเพื่อใช้เป็นข้อมูลประกอบการตัดสินใจลงทุนเท่านั้น มิได้มีวัตถุประสงค์เพื่อชี้ชวนหรือจูงใจให้ซื้อขายหลักทรัพย์ของบริษัท ซึ่งผู้ลงทุนควรใช้ดุลยพินิจในการนำข้อมูลมาใช้ตัดสินใจลงทุนอย่างรอบคอบ โดยบริษัทจะไม่รับผิดชอบต่อความเสียหายใดๆ ที่เกิดจากการนำข้อมูลเหล่านี้ไปใช้ประกอบการตัดสินใจลงทุน หากผู้ลงทุนมีข้อสงสัยเพิ่มเติมเกี่ยวกับข้อมูลของบริษัท สามารถหาข้อมูลเพิ่มเติมได้ที่รายงาน 56-1 รายงานประจำปี หรือสารสนเทศที่บริษัทได้แจ้งผ่านสำนักงานคณะกรรมการกำกับหลักทรัพย์และตลาดหลักทรัพย์ (กลต.) และ/หรือตลาดหลักทรัพย์แห่งประเทศไทย ทั้งนี้ บริษัทขอสงวนสิทธิ์ในการแก้ไขเพิ่มเติมเปลี่ยนแปลงข้อมูลในเอกสารฉบับนี้โดยมิต้องแจ้งให้ผู้ลงทุนทราบล่วงหน้า รวมทั้งห้ามมิให้ผู้ใดนำเอกสารหรือข้อมูลในเอกสารดังกล่าวไปทำซ้ำ ตัดแปลง หรือเผยแพร่ต่อสาธารณชนไม่ว่าทั้งหมดหรือบางส่วนโดยไม่ได้รับอนุญาตจากบริษัท