

Bluebik Group (BBIK TB)

U/G to BUY thanks to bright prospects in 4Q23E and FY24E

U/G to BUY with a higher TP of THB123

We upgrade the rating on BBIK to BUY from HOLD due to i) strong core profit growth of 38% in FY24E and ii) lowest PEG ratio (0.9x) among tech peers. We raise our DCF-based TP to THB123 (9.4% WACC, 3.4% terminal growth) from THB119 after rolling forward our valuation base to end-FY24E. BBIK showed in-line strong 3Q23 core profit (+108% YoY, +7% QoQ), and we expect strong profit growth to continue in 4Q23E (+107% YoY, +4% QoQ) thanks to revenue recognition of a sizable project outside Thailand.

3Q23 core profit grew 108% YoY and 7% QoQ

3Q23 core profit was THB76m (+108% YoY, +7% QoQ), in line with our forecast and the consensus. 3Q23 revenue grew by 85% YoY thanks to the acquisitions of Vulcan and Innviz in Feb'23. However, the topline dropped by 1% QoQ due to a project delay outside Thailand. Despite the QoQ revenue drop, core profit grew by 7% QoQ due to a decrease in the effective tax rate from 18% in 2Q23 to 8% in 3Q23 (more revenue contribution from projects with tax privileges).

Strong growth to continue in 4Q23E

We forecast 4Q23E core profit of THB79m (+107% YoY, +4% QoQ) on the back of THB371m revenue (+166% YoY, +11% QoQ) thanks to revenue recognition from the overseas project that was delayed from 3Q23. We expect this project to contribute THB36m revenue in 4Q23E (10% of 4Q23E revenue).

Fine-tune FY23-25E core profit

We raise FY23E core profit by 9% after increasing gross margin by 2.3ppts to reflect the strong margin in 9M23. On the other hand, we trim FY24-25E core profit by 5-6%; we have turned more cautious toward the long-term outlook due to a QoQ decline in 3Q23 backlog. BBIK ended 3Q23 with a THB692m backlog (+61% YoY, -12% QoQ). We now forecast core profit growth of 94%/38% in FY23/24E.

| FYE Dec (THB m) | FY21A | FY22A | FY23E | FY24E | FY25E |
|------------------------------|----------|----------|----------|----------|----------|
| Revenue | 304 | 564 | 1,312 | 1,663 | 2,097 |
| EBITDA | 78 | 132 | 323 | 438 | 563 |
| Core net profit | 66 | 135 | 284 | 392 | 550 |
| Core EPS (THB) | 0.66 | 1.35 | 2.60 | 3.60 | 5.05 |
| Core EPS growth (%) | na | 102.4 | 93.5 | 38.1 | 40.3 |
| Net DPS (THB) | 0.38 | 0.40 | 0.77 | 1.08 | 1.51 |
| Core P/E (x) | 122.2 | 99.2 | 36.1 | 26.1 | 18.6 |
| P/BV (x) | 14.9 | 21.1 | 5.3 | 4.6 | 3.8 |
| Net dividend yield (%) | 0.5 | 0.3 | 0.8 | 1.1 | 1.6 |
| ROAE (%) | na | 21.6 | 21.8 | 18.8 | 22.4 |
| ROAA (%) | na | 18.5 | 17.6 | 15.0 | 18.0 |
| EV/EBITDA (x) | 100.7 | 97.7 | 30.3 | 22.6 | 17.4 |
| Net gearing (%) (incl perps) | net cash | net cash | net cash | net cash | net cash |
| Consensus net profit | - | - | 283 | 402 | 511 |
| MIBG vs. Consensus (%) | - | - | (1.0) | (2.6) | 7.5 |

Wasu Mattanapotchanart
wasu.m@maybank.com
(66) 2658 5000 ext 1392

BUY

[Prior:HOLD]

Share Price THB 94.00
12m Price Target THB 123.00 (+32%)
Previous Price Target THB 119.00

Company Description

Bluebik is a functional consulting house, specialising in digital transformation projects for corporate clients.

Statistics

| | |
|------------------------|---------------------|
| 52w high/low (THB) | 139.50/91.25 |
| 3m avg turnover (USDm) | 0.7 |
| Free float (%) | 48.6 |
| Issued shares (m) | 109 |
| Market capitalisation | THB10.2B USD285M |

Major shareholders:

| | |
|-----------------------|-------|
| Bluebik Group Holding | 25.7% |
| Pochara Arayakarnkul | 13.8% |
| Pakorn Jiemsakul | 8.2% |

Price Performance



| | | | |
|-----------------------|------|------|------|
| | -1M | -3M | -12M |
| Absolute (%) | (10) | (20) | (24) |
| Relative to index (%) | (8) | (12) | (11) |

Source: FactSet

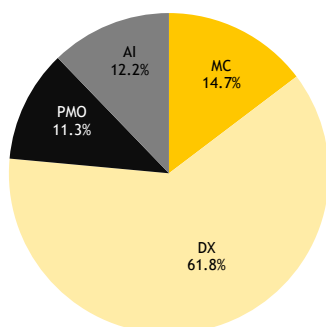
ESG@MAYBANK IBG

Tear Sheet Insert

Value Proposition

- BBIK is a functional consulting house, specialising in digital transformation projects for corporate clients.
- The company offers five key services: i) management consulting; ii) digital excellence and delivery; iii) project management; iv) big data and artificial intelligence; and v) IT staff augmentation.
- Given the low base of digital adoption in Thailand, we believe the digital transformation industry still has plenty of room to grow.
- The two co-founders of BBIK are the CEO and CTO.
- BBIK is the only Thai company that can deliver end-to-end digital transformation solutions that meet global standards.

BBIK's revenue breakdown (FY22)

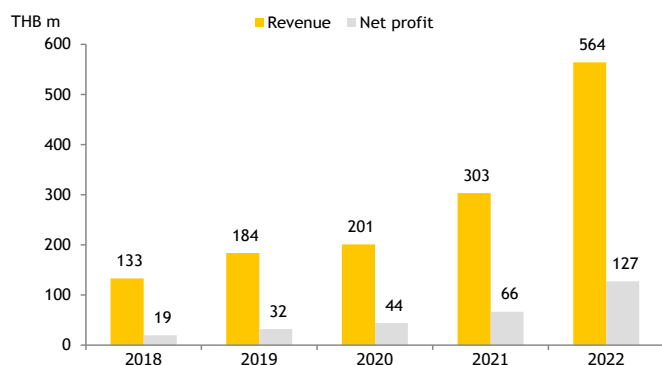


Source: Company

Financial Metrics

- BBIK posted FY17-22 revenue CAGR of 73%. Management aims for similar rates of growth over the next few years.
- Its net profit margin moved in a tight range of 22-23% in FY20-22.
- ROE dropped from 50% in FY20 to 20%/22% in FY21/22 due to capital raising in FY21 (THB17m from rights offering and THB450m from an IPO).
- With only THB3m of interest-bearing debt in 4Q22, BBIK was in a net cash position of THB424m.

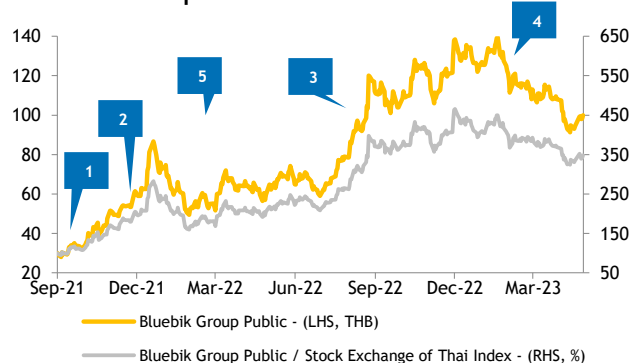
Revenue and net profit



Source: Company

Price Drivers

Historical share price trend



Source: Company, MST

1. BBIK started trading on the Stock Exchange of Thailand on 16 Sep 2021.
2. 3Q21 net profit grew 153% YoY. Management was confident of outlook for 4Q21 and FY22.
3. Strong quarterly earnings performance, overseas expansion and consensus' earnings upgrades boosted its share price during 2H22.
4. On 13 Feb 2023, shareholders approved a capital raising (8.9m new shares at the selling price of THB121/sh), resulting in 8% share dilution. The THB1.1b proceeds have been used to finance the acquisitions of Vulcan Digital and Innoviz.

Swing Factors

Upside

- Stronger-than-expected revenue growth outside Thailand.
- More joint ventures and M&A deals.

Downside

- Recession and lower budget for digital transformation projects.
- Shortage of skilled labour (consultants, software engineers and tech staff).
- Intense competition from global and local firms.

| | |
|---|-------------|
| Risk Rating & Score ¹ | 22.4 |
| Score Momentum ² | NA |
| Last Updated | 13 Apr 2023 |
| Controversy Score ³ (Updated: 1 Apr 2023) | 0 |

Business Model & Industry Issues

- BBIK has integrated some sustainability aspects, under the framework of United Nation Development Goals (SDGs) into its business strategy.
- We believe BBIK is an enabler of environmentally friendly way of conducting business because it delivers digital transformation projects to clients, resulting in higher adoption of digital platforms and potentially lower paper uses.
- The company was still in the early stage of studying and setting concrete sustainability goals in 2022. We will likely see more concrete goals in the next One Report in 2023.

Material E issues

- BBIK aims to conduct business in an environmentally friendly way and reduce greenhouse gas emission. As a consulting firm, the company is an asset-light company with a low base of carbon emission.
- On the financing side, the likelihood of issuing green bond is low due to: i) the lack of concrete environmental target; and ii) sufficient amount of cash from the IPO (Sep 2021) and capital raising (Feb 2023).
- BBIK has reduced paper usage by 3% after switching information sharing with third-party organisations from paper to electronic files/cloud. Approximately 88,000 sheets of papers were used in the head office in 2022.
- BBIK encourages employees to reduce electricity consumption by walking up and down two floors, turning off electricity during lunch breaks, and replacing long-distance business trips with teleconferences.

Key G metrics and issues

- At the end of 2022, BBIK had nine board members, four of which were executives. Four board members were independents. Only one director on the board was female.
- Three board members, including Pochara (CEO), Pakorn (CTO) and Phiphat (director of AI unit), are also major shareholders.
- The top five executives (CEO, CTO, CFO, CMO and Accounting Manager), received THB66m compensation in FY22 (+30% YoY). Compensation to executives was 49% of FY22 net profit, down from 76% in FY21.
- BBIK has used Proud in Pro as an auditor (Certified Public Accountant) since 2018.
- As of 31 Dec 2022, BBIK was not engaged in any material litigations greater than 5% of shareholders' equity or any other legal disputes that might have significant impact on the company's operation.

Material S issues

- BBIK is aiming for best practices for workers and supporting employees' upskilling. At the end of 2022, the company had 334 employees divided into 146 females (44% of total) and 188 males (56% of total). It has a policy of fair compensation and equal opportunity for all employees.
- During the past three years, the company had one labour dispute with a former employee. The Court of First Instance (under The Central Labour Court) ruled that BBIK had to pay wages for annual holidays and compensation, which amounted to THB240k, to the plaintiff. BBIK already paid the compensation to the former employee.
- It educates communities about skills development and expertise related to the company's operation.
- On the customer front, focuses on product innovation to create maximum benefit for customers.

¹**Risk Rating & Score** - derived by Sustainalytics and assesses the company's exposure to unmanaged ESG risks. Scores range between 0 - 50 in order of increasing severity with low/high scores & ratings representing negligible/significant risk to the company's enterprise value, respectively, from ESG-driven financial impacts. ²**Score Momentum** - indicates changes to the company's score since the last update - a **negative** integer indicates a company's improving risk score; a **positive** integer indicates a deterioration. ³**Controversy Score** - reported periodically by Sustainalytics in the event of material ESG-related incident(s), with the impact severity scores of these events ranging from Category 0-5 (0 - no reports; 1 - negligible risks; ...; 5 - poses serious risks & indicative of potential structural deficiencies at the company).

| Quantitative Parameters (Score: 53) | | | | | | |
|-------------------------------------|--|---------------------------|------------|------------|------------|-----------------|
| | Particulars | Unit | 2020 | 2021 | 2022 | HUMAN TB (2022) |
| E | Scope 1 GHG emissions | m tCO ₂ e | N/A | N/A | N/A | NA |
| | Scope 2 GHG emissions | m tCO ₂ e | N/A | N/A | N/A | NA |
| | Total | m tCO₂e | N/A | N/A | N/A | NA |
| | Scope 3 GHG emissions | m tCO ₂ e | N/A | N/A | N/A | NA |
| | Total | m tCO₂e | N/A | N/A | N/A | NA |
| | Scope 1 & 2 emission intensity | tCO ₂ e/THBm | N/A | N/A | N/A | NA |
| | Green energy share of usage | % | N/A | N/A | N/A | 22% |
| | Water recycling as % of usage | % | N/A | N/A | N/A | NA |
| | Use of paper at HQ | sheets | N/A | N/A | 87,500 | NA |
| | Green building certified | sqm | N/A | N/A | N/A | 6,392 |
| S | % of women in workforce | % | 35% | 48% | 44% | 51% |
| | % of women in management roles | % | 38% | 57% | 57% | 58% |
| | % employee turnover | % | 31.18% | 49.56% | 33.3% | NA |
| | Average training hours | hours/person/year | 53.0 | 72.0 | 180.5 | 13.8 |
| | Privacy & data security breach instances | number | N/A | N/A | N/A | N/A |
| G | Directors' and management's compensations as % of net profit | % | 113.1% | 111.6% | 89.5% | 23.8% |
| | CG score by National CG Committee | stars | N/A | N/A | 5 | 4 |
| | Top 10 employees salary as % of profit | % | 46.2% | 40.1% | 29.8% | N/A |
| | Independent director tenure | % | 44% | 44% | 44% | 57% |
| | Women directors on board | % | 11% | 11% | 11% | 14% |

| Qualitative Parameters (Score: 17) | |
|------------------------------------|---|
| a) | Is there an ESG policy in place? Is there a standalone ESG Committee or is it part of the Risk committee? <i>BBIK developed a framework of ESG practices in the CSR policy and it is planning to either i) appoint an ESG Committee or ii) increase responsibility of Risk Policy Committee.</i> |
| b) | Is the senior management salary linked to fulfilling ESG targets? <i>No.</i> |
| c) | Does the company follow TCFD framework for ESG reporting? <i>No.</i> |
| d) | Has the company been involved in the controversies which have impacted their management/stock price performance? <i>No.</i> |
| e) | What are the 2-3 key carbon mitigation/water/waste management strategies adopted by the company? <i>1. BBIK has applied the waste management framework according to the 3Rs, including Reduce, Reuse and Recycle. 2. BBIK has organized campaigns to reduce electricity usage in the head office building. 3. BBIK uses cloud storage and file sharing instead of paper.</i> |
| g) | Does carbon offset form part of the net zero/carbon neutrality target of the company? <i>No.</i> |

| Target (Score: 75) | | |
|--|-------------|------------------|
| Particulars | Target | Achieved in 2022 |
| Top performer turnover | 1-10% | 9% |
| Staff development achievement | 75-90% | 77% |
| Customer satisfaction score | 8-9 of (10) | 8.5 |
| GHG emissions reduction/net zero | N/A | N/A |
| Impact | | |
| NA | | |
| Overall Score: 49 | | |
| As per our ESG matrix, BBIK (BBIK TB) has overall score of 49. | | |

| ESG score | Weights | Scores | Final Score |
|--------------|---------|--------|-------------|
| Quantitative | 50% | 53 | 26 |
| Qualitative | 25% | 17 | 4 |
| Target | 25% | 75 | 19 |
| Total | | | 49 |

As per our ESG assessment, BBIK's lack of data collection and long-term goals in the environmental aspects have offset the high scores in its social and governance aspects. BBIK's overall ESG score is 49, slightly below Maybank universe's average ESG rating of 50.

Fig 1: 3Q23 core profit was THB76m (+108% YoY, +7% QoQ)

| Unit: THB m | 3Q22 | 2Q23 | 3Q23 | YoY | QoQ | 2022 | 2023E | YoY | 9M23 as % of FY23E |
|---|--------------|--------------|--------------|---------------|--------------|------------|--------------|---------------|--------------------|
| INCOME STATEMENT | | | | | | | | | |
| Revenue from services | 181.4 | 339.8 | 335 | 84.6% | -1.4% | 564 | 1,312 | 132.7% | 71.8% |
| Revenue from services and sales | 181.4 | 339.8 | 334.9 | 84.6% | -1.4% | 564 | 1,312 | 132.7% | 71.8% |
| Cost of services | - 96.7 | - 159.3 | - 157.4 | 62.7% | -1.2% | - 266 | - 629 | 136.3% | 72.2% |
| Total costs of sales and services | - 96.7 | - 159.3 | - 157.4 | 62.7% | -1.2% | - 266 | - 629 | 136.3% | 72.2% |
| Gross profit | 84.7 | 180.5 | 177.6 | 109.6% | -1.6% | 298 | 683 | 129.5% | 71.3% |
| SG&A | - 48.3 | - 106.3 | - 102.4 | 112.0% | -3.7% | - 171 | - 391 | 128.7% | 72.1% |
| EBIT | 38.6 | 75.9 | 77.4 | 100.4% | 1.9% | 128 | 293 | 128.6% | 71.4% |
| Finance income | 0.4 | 1.5 | 0.4 | 9.0% | -70.5% | 2 | 3 | 29.2% | 73.5% |
| Finance cost | - 0.2 | - 1.4 | - 1.5 | 630.0% | 5.2% | - 1 | - 6 | 634.1% | 74.4% |
| Share of profit from investment in associates and JVs | 6.9 | 12.1 | 9.0 | 30.6% | -25.5% | 19 | 45 | 133.2% | 69.9% |
| EBT | 45.7 | 88.2 | 85.4 | 86.8% | -3.2% | 149 | 336 | 125.1% | 71.2% |
| Income tax expenses | - 7.7 | - 13.3 | - 5.7 | -25.5% | -57.0% | - 19 | - 35 | 88.2% | 62.4% |
| Net profit for the year | 38.0 | 74.8 | 79.6 | 109.4% | 6.4% | 131 | 301 | 130.3% | 72.2% |
| Non-controlling interest | 1.7 | 7.8 | 3.9 | 134.8% | -50.1% | 4 | 21 | 498.3% | 76.3% |
| Net profit of the parent company | 36.4 | 67.0 | 75.7 | 108.3% | 13.0% | 127 | 280 | 120.1% | 71.9% |
| Extra item | - | 3.8 | - | NA | NA | - 7.50 | - 3.84 | -48.8% | 100.0% |
| Core net profit | 36.37 | 70.9 | 75.7 | 108.3% | 6.9% | 135 | 284 | 110.7% | 72.2% |
| Gross profit margin | 46.7% | 53.1% | 53.0% | | | 52.8% | 52.0% | | |
| Other income as % of revenue | 0.1% | 0.1% | 0.2% | | | 0.3% | 0.1% | | |
| SG&A to revenue | -26.6% | -31.3% | -30.6% | | | -30.3% | -29.8% | | |
| Effective tax rate | -19.8% | -17.5% | -7.5% | | | -14.3% | -12.0% | | |
| Net margin | 21.0% | 22.0% | 23.8% | | | 23.2% | 22.9% | | |
| Net margin excluding share of profit | 17.2% | 18.5% | 21.1% | | | 19.7% | 19.5% | | |

Source: Company, MST

Fig 2: Changes in earnings forecasts

| | Reported | Current | | | Previous | | | % Changes in forecasts | | |
|-------------------------------------|------------|------------|------------|-------------|------------|------------|-------------|------------------------|--------------|--------------|
| | | 2022A | 2023E | 2024E | 2025E | 2023E | 2024E | 2025E | 2023E | 2024E |
| Unit (THB m) | 2022A | 2023E | 2024E | 2025E | 2023E | 2024E | 2025E | 2023E | 2024E | 2025E |
| Revenue | 564 | 1312 | 1663 | 2097 | 1329 | 1828 | 2316 | -1.3% | -9.0% | -9.5% |
| Cost of services | -266 | -629 | -829 | -1036 | -653 | -917 | -1149 | -3.7% | -9.5% | -9.8% |
| Gross profit | 298 | 683 | 834 | 1061 | 676 | 911 | 1167 | 1.0% | -8.4% | -9.1% |
| Gross margin % | 52.8% | 52.0% | 50.1% | 50.6% | 50.9% | 49.8% | 50.4% | 2.3% | 0.6% | 0.4% |
| Other income | 1 | 1 | 0 | 0 | 1 | 0 | 0 | 0.0% | #DIV/0! | #DIV/0! |
| SG&A expenses | -171 | -391 | -462 | -572 | -399 | -512 | -637 | -1.9% | -9.6% | -10.1% |
| Share of profit from associates | 19 | 45 | 77 | 99 | 45 | 77 | 99 | 0.0% | 0.0% | 0.0% |
| EBIT | 128 | 293 | 371 | 488 | 279 | 399 | 530 | 5.2% | -6.9% | -7.9% |
| EBITDA | 134 | 324 | 438 | 563 | 310 | 465 | 604 | 4.7% | -5.9% | -6.9% |
| Share of profit from associates | 19 | 45 | 77 | 99 | 45 | 77 | 99 | 0.0% | 0.0% | 0.0% |
| Finance cost | -1 | -6 | -9 | -8 | -6 | -9 | -8 | 0.0% | 0.0% | 0.0% |
| EBT | 149 | 336 | 438 | 579 | 321 | 466 | 621 | 4.5% | -5.9% | -6.7% |
| Income tax revenue (expenses) | -19 | -35 | -36 | -24 | -33 | -39 | -26 | 5.3% | -7.1% | -8.0% |
| Effective tax rate | -14.3% | -12.0% | -10.0% | -5.0% | -12.0% | -10.0% | -5.0% | 0.0% | 0.0% | 0.0% |
| Profit for the year | 127 | 280 | 392 | 550 | 257 | 411 | 587 | 8.9% | -4.8% | -6.3% |
| Core net profit for the year | 135 | 284 | 392 | 550 | 261 | 411 | 587 | 8.8% | -4.8% | -6.3% |
| EPS | 1.27 | 2.57 | 3.60 | 5.05 | 2.36 | 3.78 | 5.39 | 8.9% | -4.8% | -6.3% |
| Core EPS | 1.35 | 2.60 | 3.60 | 5.05 | 2.39 | 3.78 | 5.39 | 8.8% | -4.8% | -6.3% |

Source: Company, MST

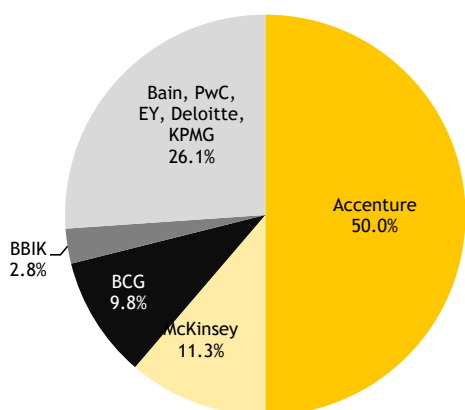
1. The industry tailwind to boost long-term growth

1.1 Digital transformation was a THB20b industry in 2022

BBIK’s management estimated 2022 market size of digital transformation projects at THB20b, comprising revenues from global strategy houses (Boston Consulting Group, McKinsey, and Bain), global functional consulting houses (Accenture, PwC, EY, Deloitte and KPMG), and BBIK. Strategy houses offer only management consulting services while global functional houses tend to focus on both consulting and digital excellence services.

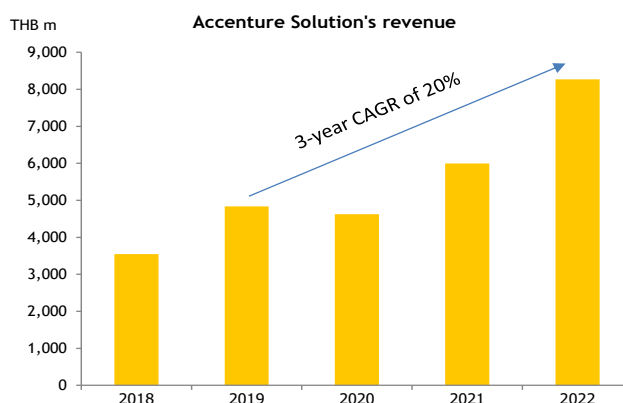
The No.1 player in the industry by far is Accenture. Accenture Solution in Thailand and Accenture in Singapore generated a combined c.TH10b revenue from Thai corporate clients last year (according to BBIK’s management), implying 50% market share. The remaining market share went to McKinsey (11%), Boston Consulting Group (10%), BBIK (3%) and others (26%); the others included Bain, PwC, EY, Deloitte and KPMG.

Fig 3: Accenture dominated the industry with 50% market share in 2022



Source: BOL, Company, MST

Fig 4: Accenture Solution, Accenture’s Thai unit, generated FY19-22 revenue CAGR of 20% (fiscal year ending 31 Aug)



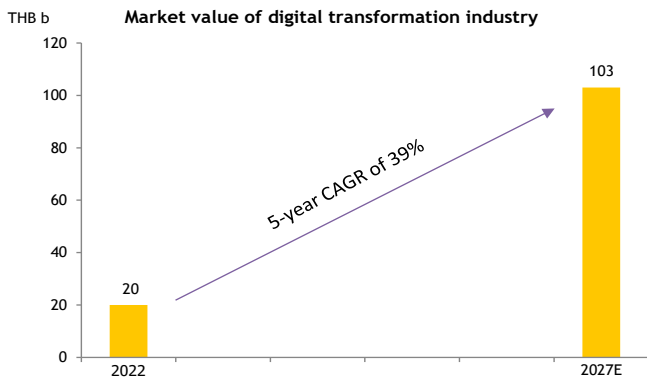
Source: BOL, MST

1.2 We estimate THB103b addressable market for Thailand

We estimate THB103b addressable market for digital transformation industry in Thailand. Market expansion from the spending value of THB20b in 2022 to THB103b in 2027 implies a 5-year CAGR of 39% for the industry (we use 5-year period as BBIK’s management expects the industry to remain in high-growth phase over the next five years). Hence, our FY22-27E revenue CAGR of 40% for BBIK is on par with the industry’s 5-year CAGR .

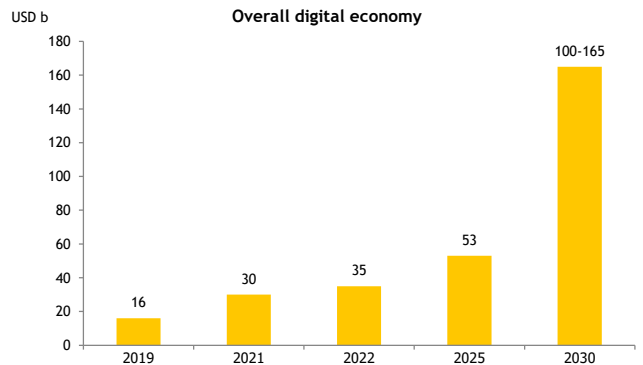
On the consumers’ side, Bain forecasts the digital economy in Thailand to rise from USD35b in 2022 to USD100b - THB165b in 2030E.

Fig 5: THB103b addressable market of digital transformation projects implies 5-year revenue CAGR of 39% for the industry



Source: World Bank, Bank of Thailand, MarketsandMarkets Research, Company, MST

Fig 6: Bain forecasts digital economy in Thailand (e-commerce, transport and food, online travel and online media) to reach USD100b - USD165b gross market value in FY30E



Source: Bain analysis, MST

Calculation of THB103b addressable market for Thailand

We have arrived at THB103b addressable market for Thailand (or 0.6% of FY22 Thai GDP), based on the global market size and world GDP. In FY22, global spending on digital transformation totaled USD595b, or 0.6% of the global GDP. Multiplying 0.6% by 2022 Thai GDP of THB17.4b equals to a THB103b addressable market for Thailand’s digital transformation industry.

The actual market value in 2022 was still far below the addressable market value due to low digital adoption, in our view. On a scale of 0 to 100, Thailand had a digital competitiveness score of 68.19 in FY20, resulting in 40th rank out of 63 countries under the World Bank’s analysis. Thailand’s score is behind Malaysia’s 76.42 (No.31), China’s 86.42 (No. 17), and Singapore’s 99.48 (No.4).

Fig 7: The spending value of digital transformation was equivalent to 0.6% of world GDP in 2022

| | 2022 | Remark |
|--|---------|-----------|
| World GDP (USD b) | 100,220 | (1) |
| Global spending value of digital transformation industry (USD b) | 595 | (2) |
| Digital transformation industry as % of world GDP | 0.6% | (2) / (1) |

Source: IMF, MarketsandMarkets Research, MST

Fig 8: We estimate a THB103b addressable market for digital transformation projects in Thailand

| | Value (THB b) | Remark |
|--|---------------|-----------|
| Thailand GDP at current prices (THB b) in 2022 | 17,367 | (1) |
| Key assumption: addressable market as % of GDP | 0.6% | (2) |
| Addressable market of digital transformation in Thailand (THB b) | 103 | (1) x (2) |

Source: IMF, Bank of Thailand, MarketsandMarkets Research, Company, MST

2. Healthy revenue visibility

We see healthy earnings visibility as 50% of FY22 revenue was recurring, and 70-80% of customers have been repeat customers over the past three years. We expect banks and insurance companies (38% of FY22 revenue) to continue being major customers over the next three years.

Recurring revenues include maintenance and managed services, advisory on retainer (i.e. CEO office as a service), squad outsourcing (i.e. open-ended capacity for project implementation).

3. Valuation and recommendation

We upgrade the rating on BBIK to BUY from HOLD due to i) strong core profit growth of 38% in FY24E and ii) lowest PEG ratio among tech peers. We raise our DCF-based TP to THB123 (9.4% WACC, 3.4% terminal growth) from THB119 after rolling forward our valuation base to end-FY24E.

Fig 9: We have a DCF-based TP of THB123 (9.4% WACC, 3.4% terminal growth) for BBIK

| Unit: THB m | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E |
|---|------------|--------------|------------|------------|------------|------------|------------|--------------|
| Cashflow from operation | 254 | 363 | 474 | 595 | 724 | 841 | 956 | 1,053 |
| Payment for lease liabilities | - | 26 | 24 | 22 | 19 | 15 | 19 | 18 |
| Net cashflow from operation | 228 | 339 | 452 | 576 | 706 | 826 | 937 | 1,035 |
| Capex | | | | | | | | |
| fixed assets | - | 80 | 5 | 5 | 50 | 10 | 10 | 10 |
| software | - | 35 | 20 | 10 | 10 | 10 | 30 | 10 |
| M&A and JVs | - | 930 | 384 | 230 | - | - | - | - |
| Total capex | - | 1,045 | 409 | 245 | 60 | 20 | 40 | 60 |
| Free cashflow to firm (FCFF) | - | 817 | 70 | 207 | 516 | 686 | 786 | 1,015 |
| Terminal value | | | | | | | | 16,919 |
| Discount period | | 0 | 1 | 2 | 3 | 4 | 5 | 6 |
| Present value of FCFF | | | 190 | 431 | 524 | 548 | 559 | 592 |
| Present value of FCFF | | | | | | | | 9,869 |
| Sum of present value of FCFF | | 12,714 | | | | | | |
| Net debt (cash) at end-FY23E | - | 625 | | | | | | |
| Equity value | | 13,339 | | | | | | |
| Number of share at end-FY23E (million shares) | | 109 | | | | | | |
| TP (THB/sh) | | 123.0 | | | | | | |
| Upside/(downside) from the market price | | 30.9% | | | | | | |
| WACC | 9.4% | | | | | | | |
| Terminal growth rate | 3.4% | | | | | | | |
| WACC assumptions | | | | | | | | |
| Rf | 3% | | | | | | | |
| Rm | 10.4% | | | | | | | |
| Beta | 0.87 | | | | | | | |
| Cost of equity | 9.4% | | | | | | | |
| Equity weight | 100% | | | | | | | |
| Debt weight | 0% | | | | | | | |

Source: Company, MST

Lowest PEG among tech peers

We calculate PEG ratios based on FY23E P/E and FY23-25E EPS CAGR. BBIK has a PEG ratio of 0.9x, lowest among technology service providers in Thailand. Four tech plays in Thailand have an average PEG ratio of 2.2x (see Figure 10).

BBIK's PEG ratio is also much lower than Accenture's 3.3x.

Fig 10: Peer comparison

| Company | BB ticker | Market cap (USD m) | MST rating | Target price | Market price | P/E ratio (x) | | | PEG (x) | ROE (%) | | Div yield (%) | |
|---------------------------|-----------|-----------------------|------------|--------------|--------------|---------------|-------------|--------------------------|-----------------------------------|-------------|-------------|---------------|------------|
| | | | | (local curr) | (local curr) | FY23E | FY24E | FY23-25E EPS CAGR (%) | divided by FY23- 25E EPS CAGR) | FY23E | FY24E | FY23E | FY24E |
| Bluebik Group | BBIK TB | 284 | HOLD | 123.0 | 94.0 | 36.1 | 26.1 | 39.2 | 0.9 | 21.8 | 18.8 | 0.8 | 1.1 |
| I&I group | IIG TB | 39 | NA | 20.44 | 13.00 | NA | 20.6 | NA | NA | -8.5 | 10.7 | 1.7 | 0.4 |
| Beryl 8 Plus | BE8 TB | 237 | NA | 49.73 | 32.25 | 27.4 | 19.9 | 17.4 | 1.6 | 11.3 | 14.5 | 0.0 | 0.0 |
| Humanica | HUMAN TB | 223 | BUY | 14.20 | 9.25 | 27.8 | 22.6 | 17.6 | 1.6 | 8.3 | 9.9 | 3.0 | 3.5 |
| Netbay | NETBAY TB | 98 | HOLD | 21.50 | 17.70 | 20.2 | 20.5 | 4.4 | 4.6 | 26.2 | 25.3 | 4.7 | 4.6 |
| Thailand - average | | | | | | 27.9 | 22.0 | 19.6 | 2.2 | 11.8 | 15.8 | 2.0 | 1.9 |
| Accenture | ACN US | 212,749 | NA | 328.6 | 319.69 | 26.2 | 24.0 | 7.9 | 3.3 | 28.0 | 27.7 | 1.6 | 1.7 |

 = MST's target prices
 = Bloomberg consensus

Source: Bloomberg, Company, MST

| FYE 31 Dec | FY21A | FY22A | FY23E | FY24E | FY25E |
|-------------------------------------|--------------|--------------|----------------|----------------|----------------|
| Key Metrics | | | | | |
| P/E (reported) (x) | 69.0 | 65.8 | 36.6 | 26.1 | 18.6 |
| Core P/E (x) | 122.2 | 99.2 | 36.1 | 26.1 | 18.6 |
| P/BV (x) | 14.9 | 21.1 | 5.3 | 4.6 | 3.8 |
| P/NTA (x) | 15.0 | 21.2 | 5.3 | 4.6 | 3.8 |
| Net dividend yield (%) | 0.5 | 0.3 | 0.8 | 1.1 | 1.6 |
| FCF yield (%) | 0.9 | 0.3 | 1.4 | 3.3 | 4.5 |
| EV/EBITDA (x) | 100.7 | 97.7 | 30.3 | 22.6 | 17.4 |
| EV/EBIT (x) | nm | nm | 33.5 | 26.7 | 20.1 |
| INCOME STATEMENT (THB m) | | | | | |
| Revenue | 303.7 | 563.8 | 1,312.0 | 1,663.1 | 2,096.9 |
| EBITDA | 78.3 | 132.5 | 322.8 | 437.7 | 562.7 |
| Depreciation | (2.3) | (3.8) | (13.0) | (22.7) | (23.8) |
| Amortisation | (1.6) | (2.1) | (18.0) | (43.6) | (50.8) |
| EBIT | 74.4 | 126.6 | 291.8 | 371.4 | 488.1 |
| Net interest income / (exp) | (0.0) | 1.6 | (2.6) | (9.4) | (7.9) |
| Associates & JV | 3.3 | 19.3 | 45.0 | 76.5 | 98.7 |
| Exceptionals | 0.3 | 0.2 | 0.0 | 0.0 | 0.0 |
| Other pretax income | 2.1 | 1.4 | 1.4 | 0.0 | 0.0 |
| Pretax profit | 80.2 | 149.1 | 335.7 | 438.5 | 578.8 |
| Income tax | (13.7) | (18.5) | (34.9) | (36.2) | (24.0) |
| Minorities | (0.0) | (3.5) | (21.1) | (10.5) | (5.3) |
| Discontinued operations | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Reported net profit | 66.5 | 127.1 | 279.7 | 391.7 | 549.6 |
| Core net profit | 66.5 | 134.6 | 283.6 | 391.7 | 549.6 |
| BALANCE SHEET (THB m) | | | | | |
| Cash & Short Term Investments | 253.8 | 426.5 | 625.2 | 471.4 | 561.2 |
| Accounts receivable | 55.8 | 103.0 | 207.3 | 262.8 | 331.3 |
| Inventory | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Property, Plant & Equip (net) | 10.7 | 12.8 | 78.5 | 60.8 | 42.0 |
| Intangible assets | 0.0 | 4.1 | 37.6 | 44.5 | 34.7 |
| Investment in Associates & JVs | 18.3 | 51.3 | 96.3 | 172.8 | 271.5 |
| Other assets | 312.3 | 208.2 | 1,380.5 | 1,778.1 | 2,060.7 |
| Total assets | 651.0 | 805.9 | 2,425.5 | 2,790.4 | 3,301.4 |
| ST interest bearing debt | 0.0 | 2.6 | 0.0 | 0.0 | 0.0 |
| Accounts payable | 70.8 | 115.8 | 220.6 | 290.8 | 363.3 |
| LT interest bearing debt | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other liabilities | 36.0 | 51.0 | 251.0 | 244.0 | 239.0 |
| Total Liabilities | 107.1 | 169.7 | 471.9 | 534.9 | 602.7 |
| Shareholders Equity | 543.9 | 631.5 | 1,933.4 | 2,233.7 | 2,666.6 |
| Minority Interest | 0.0 | 4.6 | 20.1 | 21.7 | 32.0 |
| Total shareholder equity | 543.9 | 636.2 | 1,953.5 | 2,255.5 | 2,698.7 |
| Total liabilities and equity | 651.0 | 805.9 | 2,425.5 | 2,790.4 | 3,301.4 |
| CASH FLOW (THB m) | | | | | |
| Pretax profit | 80.2 | 149.1 | 335.7 | 438.5 | 578.8 |
| Depreciation & amortisation | 3.9 | 5.9 | 31.0 | 66.3 | 74.6 |
| Adj net interest (income)/exp | 2.6 | 9.4 | 7.9 | 6.6 | 5.5 |
| Change in working capital | (37.9) | (126.4) | (216.1) | (122.3) | (151.1) |
| Cash taxes paid | (34.9) | (36.2) | (24.0) | (30.6) | (36.7) |
| Other operating cash flow | (14.9) | (18.1) | (34.9) | (36.2) | (24.0) |
| Cash flow from operations | 80.6 | 48.7 | 254.3 | 363.0 | 473.9 |
| Capex | (7.1) | (8.8) | (115.0) | (25.0) | (15.0) |
| Free cash flow | 73.5 | 39.9 | 139.3 | 338.0 | 458.9 |
| Dividends paid | (92.5) | (37.5) | (43.6) | (83.9) | (117.5) |
| Equity raised / (purchased) | 455.0 | 0.8 | 1,061.8 | 0.0 | 0.0 |
| Change in Debt | 0.0 | 2.6 | (2.6) | 0.0 | 0.0 |
| Other invest/financing cash flow | (244.0) | 168.6 | (956.2) | (407.9) | (251.6) |
| Effect of exch rate changes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net cash flow | 192.0 | 174.5 | 198.7 | (153.8) | 89.8 |

| FYE 31 Dec | FY21A | FY22A | FY23E | FY24E | FY25E |
|--|----------|----------|----------|----------|----------|
| Key Ratios | | | | | |
| Growth ratios (%) | | | | | |
| Revenue growth | na | 85.6 | 132.7 | 26.8 | 26.1 |
| EBITDA growth | na | 69.2 | 143.6 | 35.6 | 28.6 |
| EBIT growth | na | 70.1 | 130.5 | 27.3 | 31.4 |
| Pretax growth | na | 85.9 | 125.1 | 30.6 | 32.0 |
| Reported net profit growth | na | 91.1 | 120.1 | 40.0 | 40.3 |
| Core net profit growth | na | 102.4 | 110.7 | 38.1 | 40.3 |
| Profitability ratios (%) | | | | | |
| EBITDA margin | 25.8 | 23.5 | 24.6 | 26.3 | 26.8 |
| EBIT margin | 24.5 | 22.5 | 22.2 | 22.3 | 23.3 |
| Pretax profit margin | 26.4 | 26.5 | 25.6 | 26.4 | 27.6 |
| Payout ratio | 56.4 | 31.5 | 30.0 | 30.0 | 30.0 |
| DuPont analysis | | | | | |
| Net profit margin (%) | 21.9 | 22.5 | 21.3 | 23.6 | 26.2 |
| Revenue/Assets (x) | 0.5 | 0.7 | 0.5 | 0.6 | 0.6 |
| Assets/Equity (x) | 1.2 | 1.3 | 1.3 | 1.2 | 1.2 |
| ROAE (%) | na | 21.6 | 21.8 | 18.8 | 22.4 |
| ROAA (%) | na | 18.5 | 17.6 | 15.0 | 18.0 |
| Liquidity & Efficiency | | | | | |
| Cash conversion cycle | na | (75.5) | nm | nm | nm |
| Days receivable outstanding | na | 50.7 | 42.6 | 50.9 | 51.0 |
| Days inventory outstanding | na | 0.0 | nm | nm | nm |
| Days payables outstanding | na | 126.2 | 96.2 | 111.0 | 113.6 |
| Dividend cover (x) | 1.8 | 3.2 | 3.3 | 3.3 | 3.3 |
| Current ratio (x) | 6.3 | 4.5 | 4.2 | 3.2 | 3.2 |
| Leverage & Expense Analysis | | | | | |
| Asset/Liability (x) | 6.1 | 4.7 | 5.1 | 5.2 | 5.5 |
| Net gearing (%) (incl perps) | net cash | net cash | net cash | net cash | net cash |
| Net gearing (%) (excl. perps) | net cash | net cash | net cash | net cash | net cash |
| Net interest cover (x) | nm | na | 113.7 | 39.4 | 61.4 |
| Debt/EBITDA (x) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Capex/revenue (%) | 2.3 | 1.6 | 8.8 | 1.5 | 0.7 |
| Net debt/ (net cash) | (253.8) | (423.8) | (625.2) | (471.4) | (561.2) |

Source: Company; Maybank IBG Research

Research Offices

ECONOMICS

Suhaimi ILIAS
Chief Economist
Malaysia | Philippines | Global
(603) 2297 8682
suhaimi_iliast@maybank-ib.com

CHUA Hak Bin
Regional Thematic Macroeconomist
(65) 6231 5830
chuahb@maybank.com

Dr Zamros DZULKAFI
Malaysia | Philippines
(603) 2082 6818
zamros.d@maybank-ib.com

Erica TAY
China | Thailand
(65) 6231 5844
erica.tay@maybank.com

Brian LEE Shun Rong
Indonesia | Singapore | Vietnam
(65) 6231 5846
brian.lee1@maybank.com

Fatin Nabila MOHD ZAINI
(603) 2297 8685
fatinnabila.mohdzaini@maybank-ib.com

Luong Thu Huong
(65) 6231 8467
hana.thuhuon@maybank.com

FX

Saktiandi SUPAAT
Head of FX Research
(65) 6320 1379
saktiandi@maybank.com

Fiona LIM
(65) 6320 1374
fionallim@maybank.com

Alan LAU
(65) 6320 1378
alanlau@maybank.com

Shaun LIM
(65) 6320 1371
shaunlim@maybank.com

STRATEGY

Anand PATHMAKANTHAN
ASEAN
(603) 2297 8783
anand.pathmakanthan@maybank-ib.com

FIXED INCOME

Winson PHOON, FCA
Head of Fixed Income
(65) 6340 1079
winsonphoon@maybank.com

SE THO Mun Yi, CFA
(603) 2074 7606
munyi.st@maybank-ib.com

PORTFOLIO STRATEGY

ONG Seng Yeow
(65) 6231 5839
ongsengyeow@maybank.com

MIBG SUSTAINABILITY RESEARCH

Jigar SHAH
Head of Sustainability Research
(91) 22 4223 2632
jigars@maybank.com

Neerav DALAL
(91) 22 4223 2606
neerav@maybank.com

REGIONAL EQUITIES

Anand PATHMAKANTHAN
Head of Regional Equity Research
(603) 2297 8783
anand.pathmakanthan@maybank-ib.com

WONG Chew Hann, CA
Head of ASEAN Equity Research
(603) 2297 8686
wchewh@maybank-ib.com

MALAYSIA

WONG Chew Hann, CA Head of Research
(603) 2297 8686
wchewh@maybank-ib.com
• Equity Strategy
• Non-Bank Financials (stock exchange)
• Construction & Infrastructure

Anand PATHMAKANTHAN
(603) 2297 8783
anand.pathmakanthan@maybank-ib.com
• Equity Strategy

Desmond CH'NG, BFP, FCA
(603) 2297 8680
desmond.chng@maybank-ib.com
• Banking & Finance

ONG Chee Ting, CA
(603) 2297 8678
ct.ong@maybank-ib.com
• Plantations - Regional

YIN Shao Yang, CPA
(603) 2297 8916
samuel.y@maybank-ib.com
• Gaming - Regional
• Media • Aviation • Non-Bank Financials

TAN Chi Wei, CFA
(603) 2297 8690
chiwei.t@maybank-ib.com
• Power • Telcos

WONG Wei Sum, CFA
(603) 2297 8679
weisum@maybank-ib.com
• Property • Glove

Jade TAM
(603) 2297 8687
jade.tam@maybank-ib.com
• Consumer Staples & Discretionary

Nur Farah SYIFAA
(603) 2297 8675
nurfarahsyifaa.mohamadfuad@maybank-ib.com
• Renewable Energy • REITs

LOH Yan Jin
(603) 2297 8687
lohyanjin.loh@maybank-ib.com
• Ports • Automotive • Technology (EMS)

Jeremie YAP
(603) 2297 8688
jeremie.yap@maybank-ib.com
• Oil & Gas • Petrochemicals

Arvind JAYARATNAM
(603) 2297 8692
arvind.jayaratnam@maybank.com
• Technology (Semicon & Software)

TEE Sze Chiah Head of Retail Research
(603) 2082 6858
szechiah.t@maybank-ib.com
• Retail Research

Nik Ihsan RAJA ABDULLAH, MSTA, CFTe
(603) 2297 8694
nikmohdihsan.ra@maybank-ib.com
• Chartist

Amirah AZMI
(603) 2082 8769
amirah.azmi@maybank-ib.com
• Retail Research

SINGAPORE

Thilan WICKRAMASINGHE Head of Research
(65) 6231 5840
thilanw@maybank.com
• Banking & Finance - Regional
• Consumer

Eric ONG
(65) 6231 5849
ericong@maybank.com
• Healthcare • Transport • SMIDs

Kelvin TAN
(65) 6231 5837
kelvin.tan1@maybank.com
• Telcos • Industrials

LI Jialin
(65) 6231 5845
jialin.li@maybank.com
• REITs

Jarick SEET
(65) 6231 5848
jarick.seet@maybank.com
• Technology

Krishna GUHA
(65) 6231 5842
krishna.guha@maybank.com
• REITs

PHILIPPINES

Rachelleen RODRIGUEZ, CFA Head of Research
(63) 2 8849 8843
rachelleen.rodriguez@maybank.com
• Banking & Finance • Transport • Telcos
• Utilities

Daphne SZE
(63) 2 8849 8847
daphne.sze@maybank.com
• Consumer

Alexa Mae CARVAJAL
(63) 2 8849 8838
alexamae.carvajal@maybank.com
• Consumer • Gaming • Property • REITs

THAILAND

Chak REUNGSINPINYA Head of Research
(66) 2658 5000 ext 1399
chak.reungsinpinya@maybank.com
• Strategy • Energy

Jesada TECHAHUSDIN, CFA
(66) 2658 5000 ext 1395
jesada.t@maybank.com
• Banking & Finance

Wasu MATTANAPOTCHANART
(66) 2658 5000 ext 1392
wasu.m@maybank.com
• Telcos • Technology • REITs • Property
• Consumer Discretionary

Surachai PRAMUALCHAROENKIT
(66) 2658 5000 ext 1470
surachai.p@maybank.com
• Auto • Conmat • Contractor • Steel

Suttatip PEERASUB
(66) 2658 5000 ext 1430
suttatip.p@maybank.com
• Food & Beverage • Commerce

Natchaphon RODJANAROWAN
(66) 2658 5000 ext 1393
natchaphon.rodjanarowan@maybank.com
• Utilities

INDONESIA

Jeffrosenberg CHENLIM Head of Research
(62) 21 8066 8680
jeffrosenberg.lim@maybank.com
• Strategy • Banking & Finance • Property

Willy GOUTAMA
(62) 21 8066 8500
willy.goutama@maybank.com
• Consumer

Etta Rusdiana PUTRA
(62) 21 8066 8683
etta.putra@maybank.com
• Telcos • Internet • Construction

William Jefferson W
(62) 21 8066 8563
william.jefferson@maybank.com
• Property

Adi WICAKSONO
(62) 21 8066 8686
adi.wicaksono@maybank.com
• Plantations

Satriawan HARYONO, CEWA, CTA
(62) 21 8066 8682
satriawan@maybank.com
• Chartist

VIETNAM

Quan Trong Thanh Head of Research
(84 28) 44 555 888 ext 8184
thanh.quan@maybank.com
• Strategy • Banks

Hoang Huy, CFA
(84 28) 44 555 888 ext 8181
hoanghuy@maybank.com
• Strategy • Technology

Le Nguyen Nhat Chuyen
(84 28) 44 555 888 ext 8082
chuyen.le@maybank.com
• Oil & Gas • Logistics

Nguyen Thi Sony Tra Mi
(84 28) 44 555 888 ext 8084
trami.nguyen@maybank.com
• Consumer Discretionary

Tran Thi Thanh Nhan
(84 28) 44 555 888 ext 8088
nhan.tran@maybank.com
• Consumer Staples

Nguyen Le Tuan Loi
(84 28) 44 555 888 ext 8182
loi.nguyen@maybank.com
• Property

Nguyen Thanh Hai
(84 28) 44 555 888 ext 8081
thanhhai.nguyen@maybank.com
• Industrials

Nguyen Thanh Lam
(84 28) 44 555 888 ext 8086
thanhlam.nguyen@maybank.com
• Retail Research

APPENDIX I: TERMS FOR PROVISION OF REPORT, DISCLAIMERS AND DISCLOSURES

DISCLAIMERS

This research report is prepared for general circulation and for information purposes only and under no circumstances should it be considered or intended as an offer to sell or a solicitation of an offer to buy the securities referred to herein. Investors should note that values of such securities, if any, may fluctuate and that each security's price or value may rise or fall. Opinions or recommendations contained herein are in form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from the relevant jurisdiction's stock exchange in the equity analysis. Accordingly, investors' returns may be less than the original sum invested. Past performance is not necessarily a guide to future performance. This report is not intended to provide personal investment advice and does not take into account the specific investment objectives, the financial situation and the particular needs of persons who may receive or read this report. Investors should therefore seek financial, legal and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

The information contained herein has been obtained from sources believed to be reliable but such sources have not been independently verified by Maybank Investment Bank Berhad, its subsidiary and affiliates (collectively, "Maybank IBG") and consequently no representation is made as to the accuracy or completeness of this report by Maybank IBG and it should not be relied upon as such. Accordingly, Maybank IBG and its officers, directors, associates, connected parties and/or employees (collectively, "Representatives") shall not be liable for any direct, indirect or consequential losses or damages that may arise from the use or reliance of this report. Any information, opinions or recommendations contained herein are subject to change at any time, without prior notice.

This report may contain forward looking statements which are often but not always identified by the use of words such as "anticipate", "believe", "estimate", "intend", "plan", "expect", "forecast", "predict" and "project" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. Such forward looking statements are based on assumptions made and information currently available to us and are subject to certain risks and uncertainties that could cause the actual results to differ materially from those expressed in any forward looking statements. Readers are cautioned not to place undue relevance on these forward-looking statements. Maybank IBG expressly disclaims any obligation to update or revise any such forward looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

Maybank IBG and its officers, directors and employees, including persons involved in the preparation or issuance of this report, may, to the extent permitted by law, from time to time participate or invest in financing transactions with the issuer(s) of the securities mentioned in this report, perform services for or solicit business from such issuers, and/or have a position or holding, or other material interest, or effect transactions, in such securities or options thereon, or other investments related thereto. In addition, it may make markets in the securities mentioned in the material presented in this report. One or more directors, officers and/or employees of Maybank IBG may be a director of the issuers of the securities mentioned in this report to the extent permitted by law.

This report is prepared for the use of Maybank IBG's clients and may not be reproduced, altered in any way, transmitted to, copied or distributed to any other party in whole or in part in any form or manner without the prior express written consent of Maybank IBG and Maybank IBG and its Representatives accepts no liability whatsoever for the actions of third parties in this respect.

This report is not directed to or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for distribution only under such circumstances as may be permitted by applicable law. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Without prejudice to the foregoing, the reader is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

Malaysia

Opinions or recommendations contained herein are in the form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from Bursa Malaysia Securities Berhad in the equity analysis.

Singapore

This report has been produced as of the date hereof and the information herein may be subject to change. Maybank Research Pte. Ltd. ("MRPL") in Singapore has no obligation to update such information for any recipient. For distribution in Singapore, recipients of this report are to contact MRPL in Singapore in respect of any matters arising from, or in connection with, this report. If the recipient of this report is not an accredited investor, expert investor or institutional investor (as defined under Section 4A of the Singapore Securities and Futures Act), MRPL shall be legally liable for the contents of this report, with such liability being limited to the extent (if any) as permitted by law.

Thailand

Except as specifically permitted, no part of this presentation may be reproduced or distributed in any manner without the prior written permission of Maybank Securities (Thailand) Public Company Limited. Maybank Securities (Thailand) Public Company Limited ("MST") accepts no liability whatsoever for the actions of third parties in this respect.

Due to different characteristics, objectives and strategies of institutional and retail investors, the research products of MST Institutional and Retail Research departments may differ in either recommendation or target price, or both. MST reserves the rights to disseminate MST Retail Research reports to institutional investors who have requested to receive it. If you are an authorised recipient, you hereby tacitly acknowledge that the research reports from MST Retail Research are first produced in Thai and there is a time lag in the release of the translated English version.

The disclosure of the survey result 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 may be changed after that date. MST does not confirm nor certify the accuracy of such survey result.

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, MST does not confirm, verify, or certify the accuracy and completeness of the assessment result.

US

This third-party research report is distributed in the United States ("US") to Major US Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended) only by Wedbush Securities Inc. ("Wedbush"), a broker-dealer registered in the US (registered under Section 15 of the Securities Exchange Act of 1934, as amended). All responsibility for the distribution of this report by Wedbush in the US shall be borne by Wedbush. This report is not directed at you if Wedbush is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that Wedbush is permitted to provide research material concerning investments to you under relevant legislation and regulations. All U.S. persons receiving and/or accessing this report and wishing to effect transactions in any security mentioned within must do so with: Wedbush Securities Inc. 1000 Wilshire Blvd, Los Angeles, California 90017, +1 (646) 604-4232 and not with the issuer of this report.

UK

This document is being distributed by Maybank Securities (London) Ltd (“MSUK”) which is authorized and regulated, by the Financial Conduct Authority and is for Informational Purposes only. This document is not intended for distribution to anyone defined as a Retail Client under the Financial Services and Markets Act 2000 within the UK. Any inclusion of a third party link is for the recipients convenience only, and that the firm does not take any responsibility for its comments or accuracy, and that access to such links is at the individuals own risk. Nothing in this report should be considered as constituting legal, accounting or tax advice, and that for accurate guidance recipients should consult with their own independent tax advisers.

DISCLOSURES

Legal Entities Disclosures

Malaysia: This report is issued and distributed in Malaysia by Maybank Investment Bank Berhad (15938- H) which is a Participating Organization of Bursa Malaysia Berhad and a holder of Capital Markets and Services License issued by the Securities Commission in Malaysia. **Singapore:** This report is distributed in Singapore by MRPL (Co. Reg No 198700034E) which is regulated by the Monetary Authority of Singapore. **Indonesia:** PT Maybank Sekuritas Indonesia (“PTMSI”) (Reg. No. KEP-251/PM/1992) is a member of the Indonesia Stock Exchange and is regulated by the Financial Services Authority (Indonesia). **Thailand:** MST (Reg. No.0107545000314) is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission. **Philippines:** Maybank Securities Inc (Reg. No.01-2004-00019) is a member of the Philippines Stock Exchange and is regulated by the Securities and Exchange Commission. **Vietnam:** Maybank Securities Limited (License Number: 117/GP-UBCK) is licensed under the State Securities Commission of Vietnam. **Hong Kong:** MIB Securities (Hong Kong) Limited (Central Entity No AAD284) is regulated by the Securities and Futures Commission. **India:** MIB Securities India Private Limited (“MIBSI”) is a participant of the National Stock Exchange of India Limited and the Bombay Stock Exchange and is regulated by Securities and Exchange Board of India (“SEBI”) (Reg. No. INZ000010538). MIBSI is also registered with SEBI as Category 1 Merchant Banker (Reg. No. INM 000011708) and as Research Analyst (Reg No: INH000000057). **UK:** Maybank Securities (London) Ltd (Reg No 2377538) is authorized and regulated by the Financial Conduct Authority.

Disclosure of Interest

Malaysia: Maybank IBG and its Representatives may from time to time have positions or be materially interested in the securities referred to herein and may further act as market maker or may have assumed an underwriting commitment or deal with such securities and may also perform or seek to perform investment banking services, advisory and other services for or relating to those companies.

Singapore: As of 13 November 2023, Maybank Research Pte. Ltd. and the covering analyst do not have any interest in any companies recommended in this research report.

Thailand: MST may have a business relationship with or may possibly be an issuer of derivative warrants on the securities /companies mentioned in the research report. Therefore, Investors should exercise their own judgment before making any investment decisions. MST, its associates, directors, connected parties and/or employees may from time to time have interests and/or underwriting commitments in the securities mentioned in this report.

Hong Kong: As of 13 November 2023, MIB Securities (Hong Kong) Limited and the authoring analyst do not have any interest in any companies recommended in this research report.

India: As of 13 November 2023, and at the end of the month immediately preceding the date of publication of the research report, MIBSI, authoring analyst or their associate / relative does not hold any financial interest or any actual or beneficial ownership in any shares or having any conflict of interest in the subject companies except as otherwise disclosed in the research report.

In the past twelve months MIBSI and authoring analyst or their associate did not receive any compensation or other benefits from the subject companies or third party in connection with the research report on any account what so ever except as otherwise disclosed in the research report.

Maybank IBG may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment and may receive compensation for the services provided from the companies covered in this report.

OTHERS

Analyst Certification of Independence

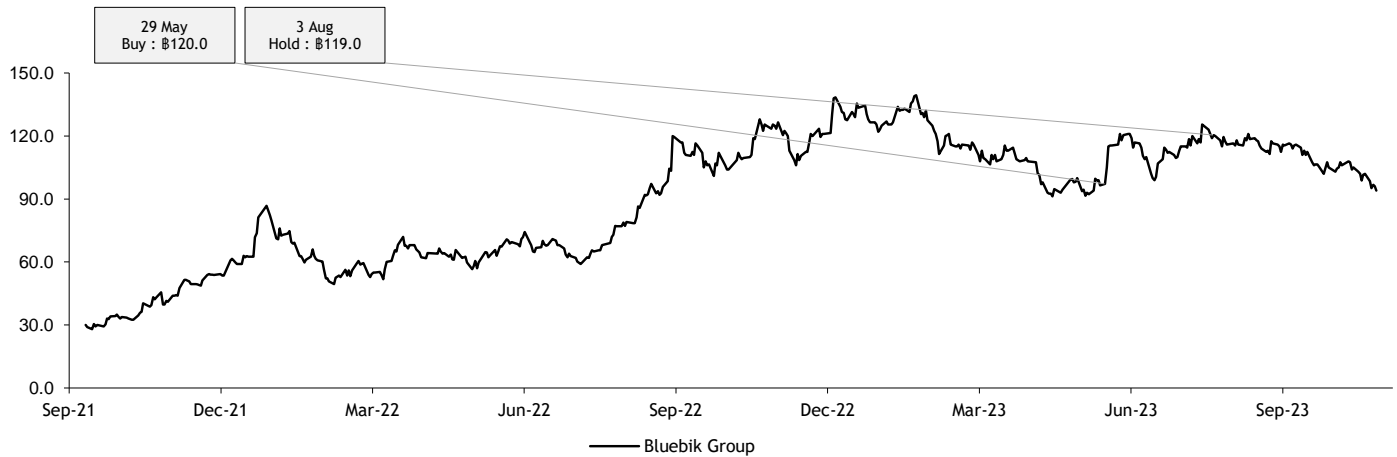
The views expressed in this research report accurately reflect the analyst’s personal views about any and all of the subject securities or issuers; and no part of the research analyst’s compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

Reminder

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct its own analysis of the product and consult with its own professional advisers as to the risks involved in making such a purchase.

No part of this material may be copied, photocopied or duplicated in any form by any means or redistributed without the prior consent of Maybank IBG.

Historical recommendations and target price: Bluebik Group (BBIK TB)



Definition of Ratings

Maybank IBG Research uses the following rating system

| | |
|-------------|--|
| BUY | Return is expected to be above 10% in the next 12 months (including dividends) |
| HOLD | Return is expected to be between 0% to 10% in the next 12 months (including dividends) |
| SELL | Return is expected to be below 0% in the next 12 months (including dividends) |

Applicability of Ratings

The respective analyst maintains a coverage universe of stocks, the list of which may be adjusted according to needs. Investment ratings are only applicable to the stocks which form part of the coverage universe. Reports on companies which are not part of the coverage do not carry investment ratings as we do not actively follow developments in these companies.

Malaysia

Maybank Investment Bank Berhad
(A Participating Organisation of
Bursa Malaysia Securities Berhad)
33rd Floor, Menara Maybank,
100 Jalan Tun Perak,
50050 Kuala Lumpur
Tel: (603) 2059 1888;
Fax: (603) 2078 4194

Stockbroking Business:
Level 8, Tower C, Dataran Maybank,
No.1, Jalan Maarof
59000 Kuala Lumpur
Tel: (603) 2297 8888
Fax: (603) 2282 5136

Singapore

Maybank Securities Pte Ltd
Maybank Research Pte Ltd
50 North Canal Road
Singapore 059304

Tel: (65) 6336 9090

Indonesia

PT Maybank Sekuritas Indonesia
Sentral Senayan III, 22nd Floor
Jl. Asia Afrika No. 8
Gelora Bung Karno, Senayan
Jakarta 10270, Indonesia

Tel: (62) 21 2557 1188
Fax: (62) 21 2557 1189

Thailand

Maybank Securities (Thailand) PCL
999/9 The Offices at Central World,
20th - 21st Floor,
Rama 1 Road Pathumwan,
Bangkok 10330, Thailand

Tel: (66) 2 658 6817 (sales)
Tel: (66) 2 658 6801 (research)

London

Maybank Securities (London) Ltd
PNB House
77 Queen Victoria Street
London EC4V 4AY, UK

Tel: (44) 20 7332 0221
Fax: (44) 20 7332 0302

India

MIB Securities India Pte Ltd
1101, 11th floor, A Wing, Kanakia
Wall Street, Chakala, Andheri -
Kurla Road, Andheri East,
Mumbai City - 400 093, India

Tel: (91) 22 6623 2600
Fax: (91) 22 6623 2604

Vietnam

Maybank Securities Limited
Floor 10, Pearl 5 Tower,
5 Le Quy Don Street,
Vo Thi Sau Ward, District 3
Ho Chi Minh City, Vietnam

Tel : (84) 28 44 555 888
Fax : (84) 28 38 271 030

Hong Kong

MIB Securities (Hong Kong)
Limited
28/F, Lee Garden Three,
1 Sunning Road, Causeway Bay,
Hong Kong

Tel: (852) 2268 0800
Fax: (852) 2877 0104

Philippines

Maybank Securities Inc
17/F, Tower One & Exchange
Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines 1200

Tel: (63) 2 8849 8888
Fax: (63) 2 8848 5738

Sales Trading

Indonesia

Helen Widjaja
helen.widjaja@maybank.com
(62) 21 2557 1188

Philippines

Keith Roy
keith_roy@maybank.com
Tel: (63) 2 848-5288

London

Greg Smith
gsmith@maybank.com
Tel: (44) 207-332-0221

India

Sanjay Makhija
sanjaymakhija@maybank.com
Tel: (91)-22-6623-2629

www.maybank.com/investment-banking
www.maybank-keresearch.com