

JMT Network Services Pcl (JMT TB) - SELL, Price Bt9.35, TP Bt8.50

Results Comment

Rawisara Suwanumphai | Email: rawisara.suw@thanachartsec.co.th

Weak 4Q25 from slow cash collection

- JMT reported a **weak 4Q25** net profit of Bt221m (-45% y-y, -4% q-q), pressured by 1) soft cash collection; 2) a higher expected credit loss (ECL); 3) poorer profit contribution from JK AMC; and 4) a slower new NPL acquisition.
- 2025 net profit came in at Bt1.0bn, -36% y-y, primarily dragged down by lower cash collections, which also led to higher ECL.
- JMT announced 2H25 DPS of Bt0.43, implying 4.6% yield. XD on 2 Mar-26. Including 1H25 DPS of Bt0.24, implying 2025 yield of 7.1%.
- Key highlights from 4Q25 include:

(-) **Total cash collection amounted to Bt2.1bn (-11% y-y)**, weighed down by the weak macro environment, with both JMT and JK recording soft collections

(-) **Elevated ECL (+201% y-y, -34% q-q)**, reflecting higher provisions for NPL portfolios whose collections underperformed prior estimates, driven by the ongoing unfavorable economy.

(-) **A sharp drop in contribution from JK to only Bt9m** from Bt108m in 4Q24, and Bt50m in 3Q25. We think this might come from higher ECL.

(-) **Portfolio expansion remained slow**, with new NPL acquisitions of Bt43m in 4Q25, bringing 2025 total acquisitions to only Bt426m.

- We maintain our **SELL** rating. The company remains in a weak cycle, with cash collections likely to stay subdued amid a soft macro backdrop, while NPL acquisitions are constrained by reduced supply from the "Clear Debt, Move Forward" program and JMT's tight financial position. With 2026F ROE of only 4.6%, we view the stock's 0.5x P/BV valuation as demanding.

Income Statement						Income Statement					
(consolidated)						12M as					
Yr-end Dec (Bt m)	4Q24	1Q25	2Q25	3Q25	4Q25	(Bt m)	q-q%	y-y%	% 2025F	2025A	2026F
Total Income	1,337	1,266	1,209	1,175	1,152	Total Income	(2)	(14)	98	4,802	4,994
Gross profit	816	768	772	770	727	Gross profit	(6)	(11)	101	3,037	3,001
SG&A	330	354	457	460	373	SG&A	(19)	13	107	1,644	1,530
Operating profit	486	413	315	310	355	Operating profit	14	(27)	94	1,393	1,471
Cash collection (JMT only)	1,464	1,345	1,277	1,226	1,242	Cash collection	1	(15)	99	5,090	5,186
Non-operating income	23	23	30	30	31	Non-operating income	6	36	155	115	75
Gain (loss) on financial assets	7	33	6	7	(1)	Gain (loss) on financial assets	na	na	300	45	15
Interest expense	(135)	(135)	(122)	(124)	(122)	Interest expense	na	na	101	(504)	(449)
Profit before tax	382	334	230	222	263	Profit before tax	18	(31)	98	1,049	1,112
Income tax	86	79	52	44	61	Income tax	39	(29)	105	236	222
Equity & invest. income	108	77	67	50	9	Equity & invest. income	(82)	(92)	54	203	396
Minority interests	(4)	(3)	2	3	11	Minority interests	308	na	(64)	13	(20)
Extraordinary items	0	0	0	0	0	Extraordinary items			na	0	0
Net profit	400	330	246	231	222	Net profit	(4)	(45)	85	1,030	1,265
Normalized profit	400	330	246	231	222	Normalized profit	(4)	(45)	85	1,030	1,265
EPS (Bt)	0.27	0.23	0.17	0.16	0.15	EPS (Bt)	(4)	(45)	86	0.70	0.86
Normalized EPS (Bt)	0.27	0.23	0.17	0.16	0.15	Normalized EPS (Bt)	(4)	(45)	86	0.70	0.86

Balance Sheet						Financial Ratios					
(consolidated)						12M as					
Yr-end Dec (Bt m)	4Q24	1Q25	2Q25	3Q25	4Q25	(%)	4Q24	1Q25	2Q25	3Q25	4Q25
Cash & ST investment	3,364	5,021	2,302	5,351	2,375	Total Income grow th	(3.0)	(11.3)	(11.5)	(12.8)	(13.9)
A/C receivable	428	430	457	378	254	Operating profit grow th	(20.8)	(24.6)	(22.6)	(34.1)	(27.1)
Properties foreclosed	2,779	2,834	2,982	3,049	3,035	Cash collection grow th	(3.6)	(7.2)	(2.4)	(12.2)	(15.2)
Other current assets	2,161	2,466	2,569	2,559	0	Norm profit grow th	(25.9)	(21.1)	(32.8)	(46.2)	(44.6)
Investment	26,259	25,851	25,609	25,531	25,355	Norm EPS grow th	(25.9)	(21.1)	(32.8)	(46.2)	(44.6)
Fixed assets	507	484	469	476	480	Gross margin	61.0	60.6	63.9	65.6	63.1
Other assets	4,790	4,531	4,207	3,895	3,624	Operating margin	36.3	32.6	26.0	26.4	30.8
Total assets	40,288	41,618	38,594	41,238	37,913	Norm net margin	29.9	26.1	20.4	19.7	19.2
S-T debt	7,621	7,131	5,013	5,585	3,238	D/E (x)	0.4	0.5	0.4	0.5	0.3
A/C payable	404	320	158	238	239	Net D/E (x)	0.3	0.3	0.3	0.3	0.2
Other current liabilities	514	492	430	354	509	Interest coverage (x)	3.9	3.4	3.0	2.9	3.7
L-T debt	3,938	5,506	4,985	7,204	5,859	Interest rate	4.8	4.5	4.3	4.4	4.5
Other liabilities	161	186	190	160	152	Effective tax rate	22.4	23.5	22.8	19.7	23.2
Minority interest	771	774	772	769	792	ROA	4.0	3.2	2.5	2.3	2.2
Shareholders' equity	26,879	27,209	27,047	26,928	27,125	ROE	6.0	4.9	3.6	3.4	3.3
Working capital	2,803	2,944	3,281	3,190	3,050						
Total debt	11,559	12,636	9,998	12,789	9,097						
Net debt	8,195	7,615	7,697	7,438	6,722						

Sources: Company data, Thanachart estimates

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