# **UOBKayHian**

#### Hong Kong

Friday, 28 June 2019

#### **IPO FACT SHEET**

## Platt Nera International Limited (1949)

#### **ISSUE STATISTICS**

| Offer Size:                   | HK\$125m – HK\$155m       |
|-------------------------------|---------------------------|
| Placement Tranche:            | 100m                      |
| Price:                        | HK\$1.25 - HK\$1.55       |
| Board lot:                    | 2,000                     |
| Entry fee:                    | HK\$3,131.24              |
| Historical PE                 | 17.8x – 22.0x             |
| Net tangible asset per share: | HK\$0.30 – HK\$0.37       |
| Market Cap (post-IPO):        | HK\$500m - HK\$650m       |
| Open:                         | 28 June 2019              |
| Close:                        | 12.00 noon on 9 July 2019 |
| Trading:                      | 16 Jul 2019               |
| Sponsor:                      | Altus Capital Limited     |

| Year ended 31 Dec          | (THB\$'000) | yoy % chg |
|----------------------------|-------------|-----------|
| Revenue                    |             |           |
| 2017                       | 298,804     | -18.8%    |
| 2018                       | 772,133     | 158.4%    |
| (Loss)/profit for the year |             |           |
| 2017                       | 78,668      | -16.3%    |
| 2018                       | 113,545     | 44.3%     |

#### BACKGROUND

- Their Group provides IT solutions to Thai financial institutions, government departments and agencies predominantly in administrative, telecommunications and utilities sectors.
- Since their establishment in 2004, they have secured a number of sizable projects including the ATM Project in 2006, tsunami detection system in 2010 and satellite system project in 2014.
- Their top customer is BAAC, a government-owned bank established in 1966 that focuses on providing banking services in the rural area
  of Thailand, where they provided an ATM IT solutions that allowed BAAC to set up and thereafter operate its ATM network to serve their
  unique rural customer base.
- In 2018, their Group supported BAAC in operating (i) approximately 2,000 ATMs mainly located in rural areas of Thailand, representing approximately 2.9% of the total ATMs in Thailand; and (ii) approximately 8.7 million active ATM cards, representing approximately 9.8% of the total active ATM cards in Thailand.
- According to the Euromonitor Report, their Group occupies a unique market position for the ATM Project with BAAC as none of the industry players offer the same level of ATM IT solutions as us.

#### **BUSINESS STRATEGIES**

- Expanding their services offered to the banking and financial sector.
- Enhancing their reach to customer in telecommunications and utilities and government administrative sectors.
- Offer the latest technology solutions relevant to their customers.

#### **COMPETITIVE STRENGTHS**

- Their timely delivery of integrated customer-centric solutions.
- Their established reputation and business relationship with their customers.
- Their strong and stable management team with extensive expertise and industry experience in serving the government departments and agencies.

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#### **KEY RISKS**

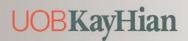
- Their reliance on the contracts awarded by their major customers.
- Their financial performance may fluctuate from year to year due to its project-based nature.
- Their projects require significant upfront capital investment and cash outflow and they cannot ensure that they will be able to raise sufficient capital in a timely manner.
- Their actual implementation of the project may not accord with their estimation due to cost overruns and/or other related risks.
- They may fail to exercise sufficient control over their subcontractors in the event of projects involving significant construction and installation work.
- Their Group's business and shareholding structure are subject to the regulatory risks in Thailand.

#### **DIVIDEND POLICY**

• No fixed dividend Policy.

#### USE OF PROCEEDS

|   | HK mn | As a percentage of gross proceeds from the Invitation |
|---|-------|---|
| Project financing.                      | 88.7  | 83.1%   |
| Repayment of their existing borrowings. | 11.8  | 11.0%   |
| Working capital.                        | 6.2   | 5.9%  |
| Total:                                  | 106.7 | 100.0%  |



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