

27 AUGUST 2020

THAILAND / RECREATION FACILITIES &amp; SVCS

## MAJOR CINEPLEX GROUP

## MAJOR TB

BUY

|                 |          |
|-----------------|----------|
| TARGET PRICE    | THB19.00 |
| CLOSE           | THB16.30 |
| UP/DOWNSIDE     | +16.6%   |
| TP vs CONSENSUS | +8.1%    |

## ผ่านจุดต่ำสุดไปแล้ว

## ผลประกอบการ 2Q20 ควรเป็นจุดต่ำสุด

เราเชื่อว่าผลขาดทุนสุทธิ 475 ลบ. ใน 2Q20 ควรเป็นจุดต่ำสุดของ MAJOR ในปีนี้ จากการหยุดการดำเนินงานธุรกิจชั่วคราวตั้งแต่ 18 มี.ค. - 31 พ.ค. 2020 เนื่องจากการระบาดของ COVID-19 รายได้ 208 ลบ. ของ MAJOR ใน 2Q20 เท่ากับผลประกอบการเพียง 1 เดือน ดังนั้นแม้ว่าบริษัท จะไม่มีแผนฉายภาพยนตร์ที่เป็น Blockbuster ใน 3Q20 เราเชื่อว่ารายได้จะเพิ่มอย่างมีนัยสำคัญ q-q ในขณะที่ผลขาดทุนสุทธิควรลดลงหลังกลับมาประกอบกิจการตามปกติ

## ควรเท่าทุนหรือพลิกเป็นบวกได้ใน 4Q20 ในกรณี Best-case

ผลประกอบการ 3Q20 มีแนวโน้มอ่อนแอต่อเนื่องและยังคงขาดทุน ในขณะที่เราคาดว่า 4Q20 จะเท่าทุนหรือเป็นบวกเล็กน้อยในกรณี Best-case หากหน้าหนึ่งใน 4Q20 เป็นไปตามกำหนด เราเชื่อว่า 007 Black Widow และ Wonder Woman จะเป็นปัจจัยหนุนรายได้สำคัญ โดยปกติภาพยนตร์ระดับ AAA จะสร้างรายได้มากกว่า 100 ลบ. ปัจจัยดังกล่าวควรช่วย MAJOR ซึ่งจากข้อมูลของผู้บริหารได้ลดต้นทุนอย่างเต็มความสามารถใน 2Q20-3Q20 ให้พลิกกลับมาทำกำไรได้ใน 4Q20

## 2021: ปีทองของ MAJOR

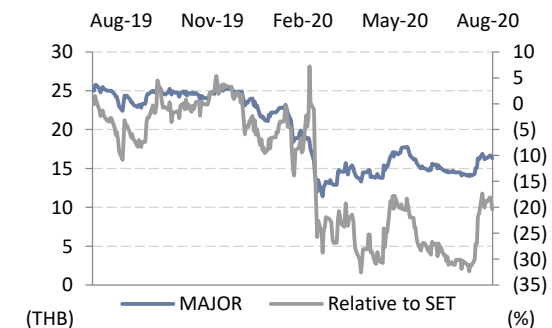
หากสมมติให้สถานการณ์ในด้าน COVID-19 ดีขึ้นใน 2021 จากความเป็นไปได้ที่จะมีวัคซีน ซึ่งจะทำให้ความมั่นใจและการใช้จ่ายของผู้บริโภคเพิ่มขึ้น เราคาดว่าตัวเลขผู้เข้าชมภาพยนตร์จะฟื้นตัวใน 2021 นอกจากนี้ส่วนใหญ่ของภาพยนตร์จำนวนมากที่ควรจะเข้าฉายใน 2020 ถูกเลื่อนไป 2021 ซึ่งอาจกระตุ้นให้เกิดความต้องการในระดับสูงจากผู้ชมภาพยนตร์ จากเหตุผลดังกล่าวเราจึงมั่นใจว่า 2021 จะเป็นปีทองสำหรับ MAJOR โดยเราคาดว่ากำไรของบริษัทจะฟื้นตัวเป็น 713 ลบ. แม้ว่าจะต่ำกว่ากำไรดังกล่าวจะยังต่ำกว่าค่าเฉลี่ย 5 ปีก่อน COVID-19 ที่ 972 ลบ. แต่จะพลิกจากผลขาดทุนจำนวนมากถึง 845 ลบ. ใน 2020E

## เริ่มด้วยคำแนะนำซื้อที่ราคาเป้าหมาย 19 บาท

เราเริ่มรายงาน MAJOR ด้วยคำแนะนำซื้อที่ราคาเป้าหมาย 19 บาท (DCF, WACC 8.1%, TG 1.5%) แม้เราคาดว่าบริษัท จะรายงานผลการดำเนินงานอ่อนแอใน 2020 ผลประกอบการมีแนวโน้มสูงที่จะดีขึ้นใน 2021 จากหน้าหนึ่งที่ดี นอกจากนี้เรายังคิดเป็น FY21E P/E ที่เพียง 20x ต่ำกว่าค่า PE เฉลี่ยก่อน COVID-19 ที่ 21x MAJOR ควรสามารถกลับมาจ่ายเงินปันผลใน 2021 โดยเราคาดว่าบริษัท จะจ่าย 70% ของกำไรเป็นเงินปันผล เทียบกับอัตราปกติที่ 90% นอกจากนี้เรายังคาดอีกว่าบริษัท จะให้ผลตอบแทนในรูปแบบเงินปันผลที่น่าสนใจที่ 5-6% ต่อปี

## KEY STOCK DATA

| YE Dec (THB m)       | 2019   | 2020E   | 2021E   | 2022E |
|----------------------|--------|---------|---------|-------|
| Revenue              | 10,697 | 4,093   | 9,053   | 9,787 |
| Net Profit           | 1,170  | (845)   | 713     | 968   |
| EPS (THB)            | 1.31   | (0.94)  | 0.80    | 1.08  |
| vs Consensus (%)     | -      | (100.0) | 0.6     | (9.9) |
| EBITDA               | 2,567  | 72      | 1,932   | 2,199 |
| Core net profit      | 1,144  | (845)   | 713     | 968   |
| Core EPS (THB)       | 1.28   | (0.94)  | 0.80    | 1.08  |
| Chg. In EPS est. (%) | -      | -       | -       | -     |
| EPS growth (%)       | 7.8    | (173.9) | (184.4) | 35.6  |
| Core P/E (x)         | 12.7   | (17.3)  | 20.4    | 15.1  |
| Dividend yield (%)   | -      | -       | 4.7     | 6.4   |
| EV/EBITDA (x)        | 6.8    | 245.5   | 8.5     | 7.1   |
| Price/book (x)       | 2.2    | 2.5     | 2.2     | 2.1   |
| Net debt/Equity (%)  | 38.4   | 47.7    | 24.7    | 13.7  |
| ROE (%)              | 17.2   | (13.3)  | 11.4    | 14.3  |



| Share price performance       | 1 Month                     | 3 Month | 12 Month |
|-------------------------------|-----------------------------|---------|----------|
| Absolute (%)                  | 12.4                        | (1.8)   | (33.7)   |
| Relative to country (%)       | 14.0                        | (0.8)   | (18.7)   |
| Mkt cap (USD m)               | 465                         |         |          |
| 3m avg daily turnover (USD m) | 2.7                         |         |          |
| Free float (%)                | 53                          |         |          |
| Major shareholder             | Mr. Vicha Poolvaraluk (30%) |         |          |
| 12m high/low (THB)            | 26.00/11.20                 |         |          |
| Issued shares (m)             | 894.67                      |         |          |

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 27 สิงหาคม 2020

## Financial Statements

Major Cineplex Group

| Profit and Loss (THB m) Year Ending Dec           | 2018         | 2019         | 2020E          | 2021E        | 2022E        |
|---|--------------|--------------|----------------|--------------|--------------|
| Revenue   | 9,952        | 10,697       | 4,093          | 9,053        | 9,787        |
| Cost of goods sold                                | (5,235)      | (5,686)      | (2,021)        | (4,987)      | (5,276)      |
| <b>Gross profit</b>                               | <b>4,717</b> | <b>5,011</b> | <b>2,072</b>   | <b>4,066</b> | <b>4,511</b> |
| Other operating income                            | 127          | 118          | 100            | 113          | 115          |
| Operating costs                                   | (2,439)      | (2,561)      | (2,100)        | (2,247)      | (2,427)      |
| <b>Operating EBITDA</b>                           | <b>2,405</b> | <b>2,567</b> | <b>72</b>      | <b>1,932</b> | <b>2,199</b> |
| Depreciation                                      | (1,265)      | (1,320)      | (1,294)        | (1,258)      | (1,222)      |
| Goodwill amortization                             | 0            | 0            | 0              | 0            | 0            |
| <b>Operating EBIT</b>                             | <b>1,141</b> | <b>1,247</b> | <b>(1,222)</b> | <b>674</b>   | <b>977</b>   |
| Net financing costs                               | (108)        | (98)         | (98)           | (88)         | (80)         |
| Associates  | 262          | 294          | 270            | 284          | 298          |
| Recurring non operating income                    | 262          | 294          | 270            | 284          | 298          |
| Non recurring items                               | 277          | 33           | 0              | 0            | 0            |
| <b>Profit before tax</b>                          | <b>1,572</b> | <b>1,476</b> | <b>(1,049)</b> | <b>870</b>   | <b>1,194</b> |
| Tax   | (273)        | (278)        | 237            | (117)        | (179)        |
| <b>Profit after tax</b>                           | <b>1,299</b> | <b>1,198</b> | <b>(812)</b>   | <b>753</b>   | <b>1,015</b> |
| Minority interests                                | (16)         | (28)         | (33)           | (40)         | (48)         |
| Preferred dividends                               | 0            | 0            | 0              | 0            | 0            |
| Other items                                       | -            | -            | -              | -            | -            |
| <b>Reported net profit</b>                        | <b>1,284</b> | <b>1,170</b> | <b>(845)</b>   | <b>713</b>   | <b>968</b>   |
| <b>Non recurring items &amp; goodwill (net)</b>   | <b>(222)</b> | <b>(26)</b>  | <b>0</b>       | <b>0</b>     | <b>0</b>     |
| <b>Recurring net profit</b>                       | <b>1,062</b> | <b>1,144</b> | <b>(845)</b>   | <b>713</b>   | <b>968</b>   |
| <b>Per share (THB)</b>                            |              |              |                |              |              |
| Recurring EPS *                                   | 1.19         | 1.28         | (0.94)         | 0.80         | 1.08         |
| Reported EPS                                      | 1.43         | 1.31         | (0.94)         | 0.80         | 1.08         |
| DPS   | 1.00         | 0.00         | 0.00           | 0.77         | 1.04         |
| Diluted shares (used to calculate per share data) | 895          | 895          | 895            | 895          | 895          |
| <b>Growth</b>                                     |              |              |                |              |              |
| Revenue (%)                                       | 10.9         | 7.5          | (61.7)         | 121.2        | 8.1          |
| Operating EBITDA (%)                              | 10.4         | 6.7          | (97.2)         | 2,590.1      | 13.8         |
| Operating EBIT (%)                                | 28.5         | 9.3          | (198.0)        | (155.2)      | 44.8         |
| Recurring EPS (%)                                 | 33.5         | 7.8          | (173.9)        | (184.4)      | 35.6         |
| Reported EPS (%)                                  | 7.6          | (8.8)        | (172.2)        | (184.4)      | 35.6         |
| <b>Operating performance</b>                      |              |              |                |              |              |
| Gross margin inc depreciation (%)                 | 34.7         | 34.5         | 19.0           | 31.0         | 33.6         |
| Gross margin of key business (%)                  | -            | -            | -              | -            | -            |
| Operating EBITDA margin (%)                       | 24.2         | 24.0         | 1.8            | 21.3         | 22.5         |
| Operating EBIT margin (%)                         | 11.5         | 11.7         | (29.9)         | 7.5          | 10.0         |
| Net margin (%)                                    | 10.7         | 10.7         | (20.6)         | 7.9          | 9.9          |
| Effective tax rate (%)                            | 20.0         | 20.0         | 20.0           | 20.0         | 20.0         |
| Dividend payout on recurring profit (%)           | 84.3         | -            | -              | 96.0         | 95.8         |
| Interest cover (X)                                | 13.0         | 15.7         | (9.8)          | 10.9         | 15.9         |
| Inventory days                                    | 9.4          | 8.0          | 21.9           | 8.9          | 8.4          |
| Debtor days                                       | 43.0         | 37.8         | 94.8           | 43.5         | 40.8         |
| Creditor days                                     | 143.9        | 134.7        | 319.0          | 132.5        | 128.4        |
| Operating ROIC (%)                                | 13.3         | 16.2         | (18.1)         | 11.2         | 18.2         |
| ROIC (%)  | 10.0         | 11.5         | (7.5)          | 7.9          | 11.0         |
| ROE (%)   | 16.4         | 17.2         | (13.3)         | 11.4         | 14.3         |
| ROA (%)   | 8.3          | 8.8          | (5.3)          | 6.0          | 7.7          |
| * Pre exceptional, pre-goodwill and fully diluted |              |              |                |              |              |
| <b>Revenue By Division (THB m)</b>                |              |              |                |              |              |
| Cinema  | 5,592        | 5,856        | 2,030          | 5,279        | 5,509        |
| Concession  | 1,972        | 2,097        | 711            | 1,857        | 1,957        |
| Advertisement                                     | 1,340        | 1,584        | 713            | 980          | 1,348        |
| Entertainment                                     | 438          | 419          | 150            | 322          | 311          |

Sources: Major Cineplex Group; FSSIA estimates

## Financial Statements

Major Cineplex Group

| Cash Flow (THB m) Year Ending Dec | 2018           | 2019         | 2020E        | 2021E        | 2022E           |
|-----------------------------------|----------------|--------------|--------------|--------------|-----------------|
| Recurring net profit              | 1,062          | 1,144        | (845)        | 713          | 968             |
| Depreciation                      | 1,265          | 1,320        | 1,294        | 1,258        | 1,222           |
| Associates & minorities           | (262)          | (294)        | (270)        | (284)        | (298)           |
| Other non-cash items              | (246)          | 366          | 0            | 0            | 0               |
| Change in working capital         | 875            | 30           | 51           | 53           | 55              |
| <b>Cash flow from operations</b>  | <b>2,693</b>   | <b>2,567</b> | <b>230</b>   | <b>1,740</b> | <b>1,947</b>    |
| Capex - maintenance               | (430)          | (431)        | (350)        | (375)        | (400)           |
| Capex - new investment            | (430)          | (431)        | (350)        | (375)        | (400)           |
| Net acquisitions & disposals      | -              | -            | -            | -            | -               |
| Other investments (net)           | (134)          | 25           | 186          | 191          | 195             |
| <b>Cash flow from investing</b>   | <b>(994)</b>   | <b>(836)</b> | <b>(514)</b> | <b>(559)</b> | <b>(605)</b>    |
| Dividends paid                    | (1,163)        | (895)        | 0            | 0            | (685)           |
| Equity finance                    | 0              | 0            | 0            | 0            | 0               |
| Debt finance                      | (742)          | 317          | (41)         | (400)        | (300)           |
| Other financing cash flows        | 36             | (180)        | (52)         | 46           | 48              |
| <b>Cash flow from Financing</b>   | <b>(1,869)</b> | <b>(758)</b> | <b>(93)</b>  | <b>(354)</b> | <b>(937)</b>    |
| Non recurring cash flows          | -              | -            | -            | -            | -               |
| Other adjustments                 | 0              | 0            | 0            | 0            | 0               |
| <b>Net other adjustments</b>      | <b>0</b>       | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>        |
| <b>Movement in cash</b>           | <b>(170)</b>   | <b>973</b>   | <b>(378)</b> | <b>827</b>   | <b>406</b>      |
| Free cash flow to firm (FCFF)     | 1,806.89       | 1,828.47     | (187.47)     | 1,268.30     | 1,422.53        |
| Free cash flow to equity (FCFE)   | 993.01         | 1,867.32     | (378.01)     | 826.82       | <b>1,090.85</b> |

### Per share (THB)

|                               |      |      |        |      |      |
|-------------------------------|------|------|--------|------|------|
| FCFF per share                | 2.02 | 2.04 | (0.21) | 1.42 | 1.59 |
| FCFE per share                | 1.11 | 2.09 | (0.42) | 0.92 | 1.22 |
| Recurring cash flow per share | 2.03 | 2.84 | 0.20   | 1.89 | 2.12 |

| Balance Sheet (THB m) Year Ending Dec             | 2018          | 2019          | 2020E         | 2021E         | 2022E         |
|---|---------------|---------------|---------------|---------------|---------------|
| Tangible fixed asset (gross)                      | 17,089        | 8,078         | 7,458         | 6,914         | 6,457         |
| Less: Accumulated depreciation                    | (9,531)       | (1,320)       | (1,294)       | (1,258)       | (1,222)       |
| <b>Tangible fixed assets (Net)</b>                | <b>7,557</b>  | <b>6,758</b>  | <b>6,164</b>  | <b>5,657</b>  | <b>5,234</b>  |
| <b>Intangible fixed assets (Net)</b>              | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      |
| Long-term financial assets                        | -             | -             | -             | -             | -             |
| Invest. In associates & subsidiaries              | 3,451         | 3,885         | 3,885         | 3,885         | 3,885         |
| Cash & equivalents                                | 403           | 1,376         | 998           | 1,824         | 2,230         |
| A/C receivable                                    | 1,161         | 1,055         | 1,071         | 1,087         | 1,103         |
| Inventories                                       | 129           | 121           | 121           | 121           | 121           |
| Other current assets                              | 363           | 282           | 296           | 311           | 327           |
| <b>Current assets</b>                             | <b>2,056</b>  | <b>2,834</b>  | <b>2,486</b>  | <b>3,344</b>  | <b>3,781</b>  |
| Other assets                                      | 1,010         | 845           | 929           | 1,022         | 1,124         |
| <b>Total assets</b>                               | <b>14,074</b> | <b>14,322</b> | <b>13,465</b> | <b>13,908</b> | <b>14,025</b> |
| Common equity                                     | 6,510         | 6,772         | 5,927         | 6,641         | 6,923         |
| Minorities etc                                    | 123           | 151           | 151           | 151           | 151           |
| <b>Total Shareholders' equity</b>                 | <b>6,632</b>  | <b>6,923</b>  | <b>6,078</b>  | <b>6,792</b>  | <b>7,074</b>  |
| Long term debt                                    | 1,906         | 1,522         | 2,000         | 1,500         | 1,200         |
| Other long-term liabilities                       | 865           | 877           | 920           | 966           | 1,015         |
| <b>Long-term liabilities</b>                      | <b>2,771</b>  | <b>2,399</b>  | <b>2,920</b>  | <b>2,466</b>  | <b>2,215</b>  |
| A/C payable                                       | 2,453         | 1,745         | 1,788         | 1,833         | 1,879         |
| Short term debt                                   | 2,021         | 2,515         | 1,900         | 2,000         | 2,000         |
| Other current liabilities                         | 197           | 741           | 778           | 817           | 858           |
| <b>Current liabilities</b>                        | <b>4,671</b>  | <b>5,000</b>  | <b>4,466</b>  | <b>4,650</b>  | <b>4,737</b>  |
| <b>Total liabilities and shareholders' equity</b> | <b>14,074</b> | <b>14,322</b> | <b>13,465</b> | <b>13,908</b> | <b>14,025</b> |
| Net working capital                               | (997)         | (1,027)       | (1,078)       | (1,131)       | (1,185)       |
| Invested capital                                  | 11,021        | 10,461        | 9,901         | 9,433         | 9,058         |

\* Includes convertibles and preferred stock which is being treated as debt

### Per share (THB)

|                               |      |      |      |      |      |
|-------------------------------|------|------|------|------|------|
| Book value per share          | 7.28 | 7.57 | 6.63 | 7.42 | 7.74 |
| Tangible book value per share | 7.28 | 7.57 | 6.63 | 7.42 | 7.74 |

### Financial strength

|                           |      |      |      |      |      |
|---------------------------|------|------|------|------|------|
| Net debt/Equity (%)       | 53.1 | 38.4 | 47.7 | 24.7 | 13.7 |
| Net debt/total assets (%) | 25.0 | 18.6 | 21.6 | 12.0 | 6.9  |
| Current ratio (x)         | 0.4  | 0.6  | 0.6  | 0.7  | 0.8  |
| CF interest cover (x)     | 14.2 | 24.4 | 0.7  | 14.7 | 19.6 |

| Valuation                                 | 2018        | 2019        | 2020E         | 2021E       | 2022E       |
|---|-------------|-------------|---------------|-------------|-------------|
| <b>Recurring P/E (x) *</b>                | <b>13.7</b> | <b>12.7</b> | <b>(17.3)</b> | <b>20.4</b> | <b>15.1</b> |
| <b>Recurring P/E @ target price (x) *</b> | <b>16.0</b> | <b>14.9</b> | <b>(20.1)</b> | <b>23.8</b> | <b>17.6</b> |
| Reported P/E (x)                          | 11.4        | 12.5        | (17.3)        | 20.4        | 15.1        |
| Dividend yield (%)                        | 6.1         | -           | -             | 4.7         | 6.4         |
| Price/book (x)                            | 2.2         | 2.2         | 2.5           | 2.2         | 2.1         |
| Price/tangible book (x)                   | 2.2         | 2.2         | 2.5           | 2.2         | 2.1         |
| EV/EBITDA (x) **                          | 7.6         | 6.8         | 245.5         | 8.5         | 7.1         |
| EV/EBITDA @ target price (x) **           | 8.6         | 7.7         | 279.2         | 9.7         | 8.2         |
| EV/invested capital (x)                   | 1.7         | 1.7         | 1.8           | 1.7         | 1.7         |

\* Pre exceptional &amp; pre-goodwill are fully diluted \*\* EBITDA includes associate income and recurring non operating income

Sources: Major Cineplex Group; FSSIA estimates

## Corporate Governance report of Thai listed companies 2019

| EXCELLENT LEVEL |                |         |        |        |        |              |        |        |        |        |
|-----------------|----------------|---------|--------|--------|--------|--------------|--------|--------|--------|--------|
| AAV             | ADVANC         | AIRA    | AKP    | AKR    | AMA    | AMATA        | AMATAV | ANAN   | AOT    | AP     |
| ARROW           | BAFS           | BANPU   | BAY    | BCP    | BCPG   | BOL          | BRR    | BTS    | BTW    | BWG    |
| CFRESH          | CHEWA          | CHO     | CK     | CKP    | CM     | CNT          | COL    | COMAN  | CPALL  | CPF    |
| CPI             | CPN            | CSS     | DELTA  | DEMCO  | DRT    | DTAC         | DTC    | EA     | EASTW  | ECF    |
| EGCO            | GBX            | GC      | GCAP   | GEL    | GGP    | GGC          | GOLD   | GPSC   | GRAMMY | GUNKUL |
| HANA            | HARN           | HMPRO   | ICC    | ICHI   | III    | ILINK        | INTUCH | IRPC   | IVL    | JKN    |
| JSP             | K              | KBANK   | KCE    | KKP    | KSL    | KTB          | KTC    | KTIS   | LH     | LHFG   |
| LIT             | LPN            | MAKRO   | MALEE  | MBK    | MBKET  | MC           | MCOT   | MFEC   | MINT   | MONO*  |
| MTC             | NCH            | NCL     | NKI    | NSI    | NVD    | NYT          | OISHI  | OTO    | PAP    | PCSGH  |
| PDJ             | PG             | PHOL    | PJW    | PLANB  | PLANET | PORT         | PPS    | PR9    | PREB   | PRG    |
| PRM             | PSH            | PSL     | PTG    | PTT    | PTTEP  | PTTGC        | PYLON  | Q-CON  | QH     | QTC    |
| RATCH           | ROBINS**       | RS      | S      | S & J  | SABINA | SAMART       | SAMTEL | SAT    | SC     | SCB    |
| SCC             | SCCC           | SCN     | SDC    | SEAFCO | SEAOL  | SE-ED        | SELIC  | SENA   | SIS    | SITHAI |
| SNC             | SORKON         | SPALI   | SPI    | SPRC   | SSSC   | STA          | STEC   | SVI    | SYNTEC | TASCO  |
| TCAP            | THAI           | THANA   | THANI  | THCOM  | THIP   | THREL        | TIP    | TISCO  | TK     | TKT    |
| TMB             | TMILL          | TNDT    | TOA    | TOP    | TRC    | TRU          | TRUE   | TSC    | TSR    | TSTH   |
| TTA             | TTCL           | TTW     | TU     | TVD    | TVO    | U            | UAC    | UV     | VGI    | VIH    |
| WACOAL          | WAVE           | WHA     | WHAUP  | WICE   | WINNER |              |        |        |        |        |
| VERY GOOD LEVEL |                |         |        |        |        |              |        |        |        |        |
| 2S              | ABM            | ADB     | AF     | AGE    | AH     | AHC          | AIT    | ALLA   | ALT    | AMANA  |
| AMARIN          | APCO           | APCS    | AQUA   | ARIP   | ASAP   | ASIA         | ASIAN  | ASIMAR | ASK    | ASN    |
| ASP             | ATP30          | AUCT    | AYUD   | B      | BA     | BBL          | BDMS   | BEC    | BEM    | BFIT   |
| BGC             | BGRIM          | BIZ     | BJC    | BJCHI  | BLA    | BPP          | BROOK  | CBG    | CEN    | CENDEL |
| CGH             | CHG            | CHOTI   | CHOW   | CI     | CIMBT  | CNS          | COLOR  | COM7   | COTTO  | CRD    |
| CSC             | CSP            | DCC     | DCON   | DDD    | DOD    | EASON        | ECL    | EE     | EPG    | ERW    |
| ESTAR           | ETE            | FLOYD   | FN     | FNS    | FORTH  | FPI          | FPT    | FSMART | FSS    | FVC    |
| GENCO           | GJS            | GL      | GLOBAL | GLOW** | GULF   | HPT          | HTC    | HYDRO  | ICN    | IFS    |
| INET            | INSURE         | IRC     | IRCP   | IT     | ITD*** | ITEL         | J      | JAS*   | JCK    | JCKH   |
| JMART           | JMT            | JWD     | KBS    | KCAR   | KGI    | KIAT         | KOOL   | KWC    | KWM    | L&E    |
| LALIN           | LANNA          | LDC     | LHK    | LOXLEY | LRH    | LST          | M      | MACO   | MAJOR  | MBAX   |
| MEGA            | METCO          | MFC     | MK     | MODERN | MOONG  | MPG          | MSC    | MTI    | NEP    | NETBAY |
| NEX             | NINE           | NOBLE   | NOK    | NTV    | NWR    | OCC          | OGC    | ORI    | OSP    | PATO   |
| PB              | PDG            | PDI     | PL     | PLAT   | PNR    | PPP          | PRECHA | PRIN   | PRINC  | PSTC   |
| PT              | QLT            | RCL     | RICHY  | RML    | RWI    | S11          | SAAM   | SALEE  | SAMCO  | SANKO  |
| SAPPE           | SAWAD          | SCG     | SCI    | SCP    | SE     | SFP          | SIAM   | SINGER | SIRI   | SKE    |
| SKR             | SKY            | SMIT    | SMK    | SMP    | SMT    | SNP          | SONIC  | SPA    | SPC    | SPCG   |
| SPVI            | SR             | SRICHA  | SSC    | SSF    | SST    | STANLY       | STPI   | SUC    | SUN    | SUSCO  |
| SUTHA           | SWC            | SYMC    | SYNEX  | T      | TACC   | TAE          | TAKUNI | TBSP   | TCC    | TCMC   |
| TEAM            | TEAMG          | TFG     | TFMAMA | THG    | THRE   | TIPCO        | TITLE  | TIW    | TKN    | TKS    |
| TM              | TMC            | TMD     | TMI    | TMT    | TNITY  | TNL          | TNP    | TNR    | TOG    | TPA    |
| TPAC            | TPBI           | TPCORP  | TPOLY  | TRITN  | TRT    | TSE          | TSTE   | TVI    | TVT    | TWP    |
| TWPC            | UBIS           | UEC     | UMI    | UOBKH  | UP     | UPF          | UPOIC  | UT     | UWC    | VNT    |
| WIIK            | XO             | YUASA   | ZEN    | ZMICO  |        |              |        |        |        |        |
| GOOD LEVEL      |                |         |        |        |        |              |        |        |        |        |
| A               | ABICO          | ACAP*** | AEC    | AEONTS | AJ     | ALUCON       | AMC    | APURE  | AS     | ASEFA  |
| AU              | B52            | BCH     | BEAUTY | BGT    | BH     | BIG          | BLAND  | BM     | BR     | BROCK  |
| BSBM            | BSM            | BTNC    | CCET   | CCP    | CGD    | CHARAN       | CHAYO  | CITY   | CMAN   | CMC    |
| CMO             | CMR            | CPL     | CPT    | CSR    | CTW    | CWT          | D      | DIMET  | EKH    | EMC    |
| EPCO            | ESSO           | FE      | FTE    | GIFT   | GLAND  | GLOCON       | GPI    | GREEN  | GTB    | GYT    |
| HTECH           | HUMAN          | IHL     | INGRS  | INOX   | JTS    | JUBILE       | KASET  | KCM    | KKC    | KWG    |
| KYE             | LEE            | LPH     | MATCH  | MATI   | M-CHAI | MCS          | MDX    | META   | MGT    | MJD    |
| MM              | MVP            | NC      | NDR    | NER    | NNCL   | NPK          | NUSA   | OCEAN  | PAF    | PF     |
| PICO            | PIMO           | PK      | PLE    | PMTA   | POST   | PPM          | PROUD  | PTL    | RCI    | RJH    |
| ROJNA           | RPC            | RPH     | SF     | SGF    | SGP    | SKN          | SLP    | SMART  | SOLAR  | SPG    |
| SQ              | SSP            | STI     | SUPER  | SVOA   | TCCC   | THE          | THMUI  | TIC    | TIGER  | TNH    |
| TOPP            | TPCH           | TPIPP   | TPLAS  | TQM    | TTI    | TYCN         | UTP    | VCOM   | VIBHA  | VPO    |
| WIN             | WORK           | WP      | WPH    | ZIGA   |        |              |        |        |        |        |
| Score Range     | Number of Logo |         |        |        |        | Description  |        |        |        |        |
| 90-100          |                |         |        |        |        | Excellent    |        |        |        |        |
| 80-89           |                |         |        |        |        | Very Good    |        |        |        |        |
| 70-79           |                |         |        |        |        | Good         |        |        |        |        |
| 60-69           |                |         |        |        |        | Satisfactory |        |        |        |        |
| 50-59           |                |         |        |        |        | Pass         |        |        |        |        |
| Less than 50    | No logo given  |         |        |        |        | -            |        |        |        |        |

**Disclaimer:**

The disclosure of the survey results 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 results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

\* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; \*\* delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

## Anti-corruption Progress Indicator

| CERTIFIED |        |        |         |       |        |        |        |        |       |        |
|-----------|--------|--------|---------|-------|--------|--------|--------|--------|-------|--------|
| ADVANC    | AIE    | AKP    | AMANAHA | AP    | APCS   | AQUA   | ARROW  | ASK    | ASP   | AYUD   |
| BAFS      | BANPU  | BAY    | BBL     | BCH   | BCP    | BCPG   | BGRIM  | BJCHI  | BKI   | BLA    |
| BROOK     | BRR    | BSBM   | BTS     | BWG   | CEN    | CENTEL | CFRESH | CGH    | CHEWA | CIG    |
| CIMBT     | CM     | COM7   | CPALL   | CPF   | CPI    | CPN    | CSC    | DCC    | DEMCO | DIMET  |
| DRT       | DTAC   | DTC    | EASTW   | ECL   | EGCO   | FE     | FNS    | FSS    | GBX   | GC     |
| GCAP      | GEL    | GFPT   | GGC     | GJS   | GOLD   | GPSC   | GSTEEL | GUNKUL | HANA  | HARN   |
| HMPRO     | HTC    | ICC    | IFS     | INET  | INSURE | INTUCH | IRPC   | IVL    | K     | KASET  |
| KBANK     | KBS    | KCAR   | KCE     | KGI   | KKP    | KSL    | KTB    | KTC    | KWC   | L&E    |
| LANNA     | LHK    | LPN    | LRH     | M     | MAKRO  | MALEE  | MBAX   | MBK    | MBKET | MC     |
| MCOT      | MFC    | MINT   | MONO    | MOONG | MSC    | MTI    | NBC    | NINE   | NKI   | NMG    |
| NNCL      | NSI    | OCC    | OCEAN   | OGC   | PAP    | PATO   | PB     | PCSGH  | PDG   | PDI    |
| PDJ       | PE     | PG     | PHOL    | PL    | PLANB  | PLANET | PLAT   | PM     | PPP   | PPS    |
| PREB      | PRG    | PRINC  | PSH     | PSTC  | PT     | PTG    | PTT    | PTTEP  | PTTGC | PYLON  |
| Q-CON     | QH     | QLT    | QTC     | RATCH | RML    | S & J  | SABINA | SAT    | SC    | SCB    |
| SCC       | SCCC   | SCG    | SCN     | SE-ED | SELIC  | SENA   | SGP    | SIRI   | SIS   | SITHAI |
| SMIT      | SMK    | SMPC   | SNC     | SNP   | SORKON | SPACK  | SPC    | SPI    | SPRC  | SRICHA |
| SSF       | SSI    | SSSC   | SST     | STA   | SUSCO  | SVI    | SYNTEC | TASCO  | TCAP  | TFG    |
| TFI       | TFMAMA | THANI  | THCOM   | THIP  | THRE   | THREL  | TIP    | TIPCO  | TISCO | TKT    |
| TMB       | TMD    | TMILL  | TMT     | TNITY | TNL    | TNP    | TNR    | TOG    | TOP   | TPA    |
| TPCORP    | TRU    | TRUE   | TSC     | TSTH  | TTCL   | TU     | TVD    | TVI    | TWPC  | U      |
| UBIS      | UEC    | UKEM   | UOBKH   | VGI   | VIH    | VNT    | WACOAL | WHA    | WICE  | WIIK   |
| DECLARED  |        |        |         |       |        |        |        |        |       |        |
| 2S        | ABICO  | AF     | AI      | AIRA  | ALT    | AMA    | AMARIN | AMATA  | ANAN  | B      |
| BM        | BPP    | BUI    | CHG     | CHO   | CHOTI  | CHOW   | CI     | CMC    | COL   | DDD    |
| DELTA     | EFORL  | EPCO   | ESTAR   | ETE   | FPI    | FTE    | ICHI   | INOX   | IRC   | ITEL   |
| JAS       | JSP    | JTS    | KWG     | LDC   | LIT    | META   | MFEC   | MPG    | NEP   | NOK    |
| NWR       | ORI    | PRM    | PSL     | ROJNA | RWI    | SAAM   | SAPPE  | SCI    | SEOIL | SHANG  |
| SKR       | SPALI  | STANLY | SYNEX   | TAE   | TAKUNI | TMC    | TOPP   | TPP    | TRITN | TVO    |
| UV        | UWC    | WHAUP  | XO      | YUASA | ZEN    |        |        |        |       |        |

| Level     |   |
|-----------|---|
| Certified | This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties. |
| Declared  | This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)  |

### Disclaimer:

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, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; \* FSSIA's compilation

## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

#### Naruedom Mujjalinkool FSS International Investment Advisory Securities Co., Ltd

The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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| Company                 | Ticker   | Price     | Rating | Valuation & Risks   |
|-------------------------|----------|-----------|--------|---|
| Major Cineplex Group    | MAJOR TB | THB 16.30 | BUY    | The key downside risks to our DCF-based TP are a slower-than-expected recovery in domestic consumption and the growing popularity of online movies.   |
| BEC World               | BEC TB   | THB 4.46  | REDUCE | The key upside risks to our DCF-based TP are a stronger-than-expected adex recovery and the company's better-than-expected cost reduction.  |
| Plan B Media            | PLANB TB | THB 5.85  | BUY    | The key downside risks to our DCF-based TP are a slower-than-expected recovery in adex and the second wave of COVID-19.   |
| RS                      | RS TB    | THB 19.60 | BUY    | The key downside risk to our DCF-based TP is if the company is unable to maintain the growth momentum from its commerce business if revenues from TV, radio, and music continue to decline.   |
| Workpoint Entertainment | WORK TB  | THB 10.30 | HOLD   | The key downside risks to our DCF-based TP are weaker than expected TV adex, digital advertising becoming more popular, and competitiveness in TV ratings. Upside risks are stronger-than-expected TV adex, and its new TV programs becoming popular, which would boost its TV ratings. |
| VGI                     | VGI TB   | THB 6.80  | HOLD   | The key upside and downside risks to our SoTP-based TP are if the advertising expenditure recovery is slower or faster than our expectation, and whether Rabbit Line Pay is successful or not.  |

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 26-Aug-2020 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price\* - current price) / 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.