

2 SEPTEMBER 2020

THAILAND / RECREATION FACILITIES &amp; SVCS

MAJOR CINEPLEX GROUP

MAJOR TB

# HOLD

FROM BUY

TARGET PRICE	THB19.00
CLOSE	THB17.80
UP/DOWNSIDE	+6.7%
PRIOR TP	THB19.00
CHANGE IN TP	+0.0%
TP vs CONSENSUS	+5.8%

## เจ็บระยะสั้น แต่ได้ประโยชน์ระยะยาว

### ภาพยนตร์บางเรื่องอาจเลื่อนไปปี 2021

MAJOR พึ่งรายงานความคืบหน้าเกี่ยวกับหน้าหนังของบริษัทฯ ใน 2H20 โดยมี The King's Man ได้ถูกเลื่อนไปในเดือน ก.พ. 2021 ในขณะที่ปัจจุบันยังไม่แน่นอนว่า Top Gun และ GI-Joe จะได้ฉายใน 4Q20 หรือไม่ ปัจจัยดังกล่าวอาจเป็นความเสี่ยงสำหรับกำไรของบริษัทฯ ใน 2H20 และผลประกอบการอาจออกมาต่ำกว่าที่เราหรือตลาดเคยคาดไว้ อย่างไรก็ตาม ความเป็นไปได้เกี่ยวกับการเลื่อนกำหนดฉายภาพยนตร์ไปในปีหน้าดังกล่าวจะทำให้หน้าหนังในปี 2021 น่าสนใจยิ่งขึ้นและมีแนวโน้มทำให้กำไรเพิ่มสูงกว่าที่คาดไว้

### กำไร 2H20 อาจต่ำกว่าคาด

กระแสความร้อนแรงของราคาหุ้นของ MAJOR อาจยังคงแข็งแกร่งไปได้จนถึงสิ้นเดือน ก.ย. 2020 เนื่องจาก Tenet มีกระแสการตอบรับที่ค่อนข้างดีและ Mulan ก็มีกำหนดฉายในสัปดาห์นี้ นอกจากนี้ยังมีภาพยนตร์ระดับ AAA อีกจำนวนหนึ่งที่มีกำหนดฉายใน 4Q20 เช่นกัน อย่างไรก็ตาม เรามีความกังวลเกี่ยวกับหน้าหนังใน 2H20 เนื่องจาก The King's Man ถูกเลื่อนไปในปี 2021 แม้ว่าในตอนแรกจะมีกำหนดฉายในเดือนนี้ ยิ่งไปกว่านั้นยังไม่แน่นอนว่า Top Gun และ GI-Joe ซึ่งเป็นภาพยนตร์ที่เราคาดว่าจะทำรายได้รวมราว 150 ลบ. จะได้ฉายใน 4Q20 หรือไม่ ปัจจัยดังกล่าวอาจเป็นความเสี่ยงต่อรายได้ของ MAJOR ใน 2H20 นอกจากนี้ปัจจัยดังกล่าวเรายังกังวลด้วยว่าภาพยนตร์ทั้งสองอาจไม่ใช่เรื่องสุดท้าย ที่มีโอกาสเลื่อนไปเป็นปี 2021 เนื่องจากในปัจจุบัน อุตสาหกรรมภาพยนตร์โลกยังไม่ปกติเต็ม 100%

### กำไร 2021 มีแนวโน้มดีกว่าที่คาด

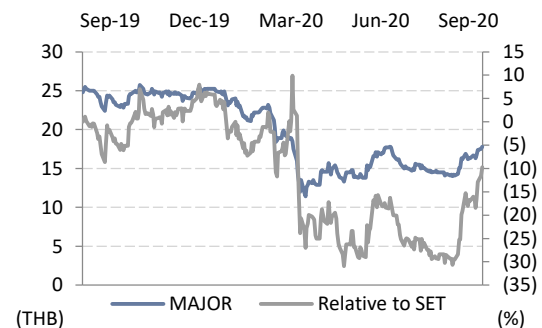
แม้ว่าปี 2020 อาจอ่อนแอ เรามีความมั่นใจในแนวโน้มกำไรของ MAJOR ในปี 2021 เนื่องจากภาพยนตร์ที่ถูกเลื่อนในปี 2020 จะทำให้หน้าหนังในปี 2021 แข็งแกร่งมากยิ่งขึ้น ประกอบกับมาตรการลดต้นทุน ซึ่งอาจทำให้ต้นทุนบางอย่างลดลงอย่างถาวร เราเชื่อว่า MAJOR จะมี Upside สูงขึ้นในปี 2021

### ปรับลดคำแนะนำเป็นถือที่ราคาเป้าหมาย 19 บาท

นับตั้งแต่ 27 ส.ค. 2020 ราคาหุ้นของ MAJOR ได้ปรับตัวขึ้นมากกว่า 10% นอกจากนี้ความไม่แน่นอนเกี่ยวกับหน้าหนังใน 2H20 อาจส่งเสริมให้เกิดบรรยากาศเชิงลบในระยะสั้นต่อผลประกอบการของบริษัทฯ ด้วยเหตุผลดังกล่าวเราจึงปรับลดคำแนะนำของ MAJOR จากซื้อเป็นถือที่ราคาเป้าหมายเดิม 19 บาท เราเชื่อว่าราคาหุ้นยังไม่ได้สะท้อนความเป็นไปได้เกี่ยวกับการเลื่อนกำหนดฉายภาพยนตร์ใน 2H20 และมองว่านักลงทุนควรรอให้ราคาปรับตัวลดลง อย่างไรก็ตาม เราเห็นว่าแนวโน้มในระยะกลางของ MAJOR ยังคงดี เราเชื่อว่าถ้าประเทศไทยสามารถรักษาสถานการณ์การควบคุม COVID-19 ไว้ได้ หน้าหนังที่ดีที่สุดขึ้นในปีหน้าจะให้ Upside จำนวนมากกว่าราคาเป้าหมายของเรา

## 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)	(1.8)	(9.2)
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)	13.9	(18.8)	22.3	16.5
Dividend yield (%)	-	-	4.3	5.8
EV/EBITDA (x)	7.3	264.2	9.2	7.8
Price/book (x)	2.4	2.7	2.4	2.3
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 (%)	24.5	6.0	(30.9)
Relative to country (%)	26.7	9.8	(12.4)
Mkt cap (USD m)	513		
3m avg daily turnover (USD m)	2.4		
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 2 กันยายน 2020

## 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)	2018	2019	2020E	2021E	2022E
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)	2018	2019	2020E	2021E	2022E
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	2018	2019	2020E	2021E	2022E
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>15.0</b>	<b>13.9</b>	<b>(18.8)</b>	<b>22.3</b>	<b>16.5</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)	12.4	13.6	(18.8)	22.3	16.5
Dividend yield (%)	5.6	-	-	4.3	5.8
Price/book (x)	2.4	2.4	2.7	2.4	2.3
Price/tangible book (x)	2.4	2.4	2.7	2.4	2.3
EV/EBITDA (x) **	8.1	7.3	264.2	9.2	7.8
EV/EBITDA @ target price (x) **	8.6	7.7	279.2	9.7	8.2
EV/invested capital (x)	1.8	1.8	1.9	1.9	1.9

\* 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	NKL	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	SEAOIL	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	CENTEL
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	PM	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:**

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\* 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

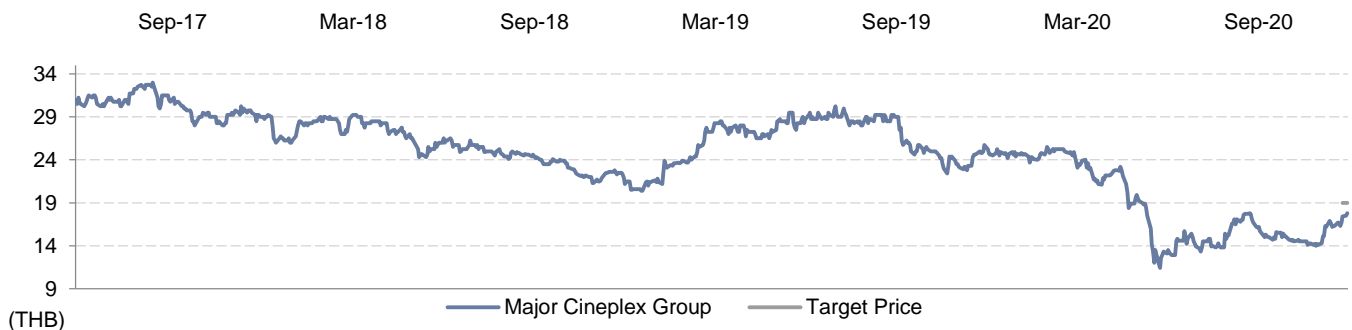
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### History of change in investment rating and/or target price

#### Major Cineplex Group (MAJOR TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
27-Aug-2020	BUY	19.00	-	-	-	-	-	-

Naruedom Mujjalinkool started covering this stock from 27-Aug-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Major Cineplex Group	MAJOR TB	THB 17.80	HOLD	The key downside risks to our DCF-based TP are a slower-than-expected recovery in domestic consumption, the growing popularity of online movies, a delay in the implementation of a COVID-19 vaccine, and a second wave of infections. Upside risks include a faster-than-expected recovery in domestic consumption and the faster-than-expected implementation of a COVID-19 vaccine.

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 01-Sep-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.