

13 MAY 2021

THAILAND / MEDIA

## WORKPOINT ENTERTAINMENT

BUY

FROM HOLD

## The king of content is back

## ผลประกอบการ 1Q21 ดี

WORK รายงานกำไรสุทธิจากการดำเนินงานไตรมาส 1Q21 เพิ่มขึ้นเป็น 117 ลบ. (+93% y-y, +168% q-q) สูงกว่าที่ตลาดและเราคาด กำไรดังกล่าวสูงสุดนับตั้งแต่ 3Q18 รายได้ลดลง 4% y-y มาอยู่ที่ 580 ลบ. จากรายได้คอนเสิร์ตและกิจกรรมพิเศษที่ลดลงจากปัญหาการแพร่ระบาด Covid-19 อย่างไรก็ดีรายได้โทรทัศน์เพิ่ม 11% y-y จากรายการโทรทัศน์ใหม่ที่มีความนิยมและได้รับการตอบรับดี อัตราค่าโฆษณายังทรงตัวที่ระดับเดียวกับใน 4Q20 ที่ 55,000 บาท ต่อหน้าพร้อมอัตราการใช้จ่ายหลังการผลิตที่ดีขึ้นเป็น 55% เทียบกับ 48% ในไตรมาสก่อนหน้า

## การบริหารต้นทุนเป็นกุญแจสำคัญ

ใน 1Q21 ต้นทุนการดำเนินงานของ WORK ดีขึ้นอย่างมีนัยสำคัญจากการบริหารต้นทุนการผลิตโทรทัศน์ที่มีประสิทธิผลและค่าตัดจำหน่ายรายการลิขสิทธิ์ ที่ลดลง อัตราค่าไรซ์ขึ้นต้นเพิ่มเป็น 47% สูงที่สุดในรอบ 3 ปี ค่าใช้จ่ายการขายและการบริหารลดลงกว่าคาดเหลือเพียง 153 ลบ. ต่ำที่สุดในรอบ 6 ปีจากค่าใช้จ่ายสำนักงานและพนักงานที่ลดลงตามนโยบายการลดต้นทุนของบริษัทฯ หลังได้รับผลกระทบจาก Covid-19

## ปรับเพิ่มประมาณการกำไร

จากการประหยัดต้นทุนที่ดีใน 1Q21 เราปรับเพิ่มประมาณการกำไรในปี 2021 จาก 197 ลบ. เป็น 329 ลบ. (+106% y-y) เพื่อสะท้อนการควบคุมต้นทุนที่มีประสิทธิภาพ แม้ว่าเราจะปรับลดประมาณการรายได้ปี 2021 ส่วนมากจากธุรกิจคอนเสิร์ตและกิจกรรมพิเศษหลังการแพร่ระบาด Covid-19 เป็นหลักจาก 2.6 พัน ลบ. เหลือ 2.4 พัน ลบ. เราเชื่อว่า WORK ควรสามารถควบคุมต้นทุนได้เช่นเดียวกับใน 1Q21 ตลอดปีนี้ ในขณะที่การลดลงของต้นทุนการผลิตโทรทัศน์และค่าใช้จ่ายการขายและการบริหารควรช่วยเพิ่มกำไรอย่างมีนัยสำคัญ

## ปรับเพิ่มคำแนะนำเป็นซื้อหลังปรับราคาเป้าหมายขึ้นเป็น 26 บาท

แม้ว่ากำไร 2Q21 มีแนวโน้มชะลอจากปัญหาการแพร่ระบาด Covid-19 ในรอบที่ 3 เรามองว่าบริษัทฯ น่าจะควบคุมต้นทุนได้ดียิ่งขึ้นและคาดว่าบริษัทฯ จะควบคุมต้นทุนอย่างเข้มงวดตลอดปีนี้ ถ้าโครงสร้างต้นทุนใหม่ของบริษัทฯ เป็นไปดังกล่าว เมื่อค่าใช้จ่ายด้านโฆษณาเริ่มฟื้นตัวใน 2H21 และ 2022 เราเชื่อว่าบริษัทฯ จะสามารถพลิกมาทำกำไรได้ในระดับสูง เราปรับเพิ่มคำแนะนำเป็นซื้อหลังปรับราคาเป้าหมายเป็น 26 บาท (35x ของค่า 2021E P/E) คิดเป็น -0.5SD ของค่า P/E เฉลี่ยย้อนหลัง 5 ปี ค่า PE ดังกล่าวต่ำกว่าของ BEC World (BEC TB, BUY, TP THB12) ที่ 40x บริษัทฯ มีฐานะทางการเงินที่ดีและไม่มีหนี้ นอกจากนี้บริษัทฯ ยังมีเงินสดและเงินลงทุนระยะสั้นอีกกว่า 2.3 พัน ลบ. หรือ 5.2 บาทต่อหุ้น



Naruedom Mujjalinkool

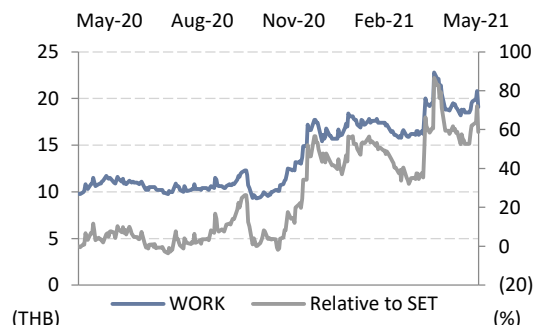
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## WORK TB

|                 |          |
|-----------------|----------|
| TARGET PRICE    | THB26.00 |
| CLOSE           | THB19.10 |
| UP/DOWNSIDE     | +36.1%   |
| PRIOR TP        | THB15.40 |
| CHANGE IN TP    | +68.8%   |
| TP vs CONSENSUS | +79.3%   |

## KEY STOCK DATA

| YE Dec (THB m)       | 2020   | 2021E  | 2022E  | 2023E  |
|----------------------|--------|--------|--------|--------|
| Revenue              | 2,277  | 2,412  | 2,743  | 2,895  |
| Net profit           | 159    | 329    | 418    | 473    |
| EPS (THB)            | 0.36   | 0.74   | 0.95   | 1.07   |
| vs Consensus (%)     | -      | 48.6   | 55.0   | 40.8   |
| EBITDA               | 659    | 670    | 788    | 856    |
| Core net profit      | 194    | 329    | 418    | 473    |
| Core EPS (THB)       | 0.44   | 0.74   | 0.95   | 1.07   |
| Chg. In EPS est. (%) | -      | 69.3   | 48.9   | 41.6   |
| EPS growth (%)       | 21.4   | 69.6   | 27.4   | 13.0   |
| Core P/E (x)         | 43.5   | 25.7   | 20.2   | 17.8   |
| Dividend yield (%)   | 1.6    | 2.7    | 3.9    | 4.4    |
| EV/EBITDA (x)        | 9.3    | 8.9    | 7.4    | 6.6    |
| Price/book (x)       | 1.9    | 1.8    | 1.8    | 1.8    |
| Net debt/Equity (%)  | (50.7) | (54.1) | (54.8) | (56.8) |
| ROE (%)              | 4.3    | 7.2    | 9.0    | 9.9    |



| Share price performance        | 1 Month | 3 Month               | 12 Month   |
|--------------------------------|---------|-----------------------|------------|
| Absolute (%)                   | 1.6     | 9.8                   | 87.3       |
| Relative to country (%)        | (0.4)   | 5.3                   | 54.8       |
| Mkt cap (USD m)                |         |                       | 270        |
| 3m avg. daily turnover (USD m) |         |                       | 2.8        |
| Free float (%)                 |         |                       | 50         |
| Major shareholder              |         | Phanya Nirunkul (24%) |            |
| 12m high/low (THB)             |         |                       | 22.80/9.10 |
| Issued shares (m)              |         |                       | 441.56     |

Sources: Bloomberg consensus; FSSIA estimates

## Investment thesis

Workpoint Entertainment mainly operates a free TV channel named Workpoint TV Ch23. Its channel hosts variety programs, quiz shows, game shows, and reality shows that focus on providing entertainment to audiences.

Workpoint TV is the no. 1 entertainment channel in Thailand. Its programming mainly consists of variety shows, while other channels mainly focus on drama series.

We see the company's strengths as: 1) a solid earnings outlook; 2) it is one of the most popular TV channels in Thailand; 3) it has zero debt and holds more than THB2.3b in cash, equal to THB5.2 per share; and 4) it has a reasonable valuation with an average P/E compared to its peers.

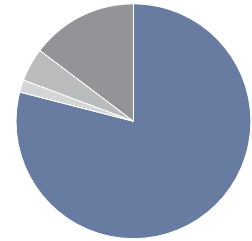
## Company profile

The company's business is in the entertainment industry, consisting of television shows, concerts and showbiz, event marketing, and sales of products.

[www.workpoint.co.th](http://www.workpoint.co.th)

## Principal activities (revenue, 2020)

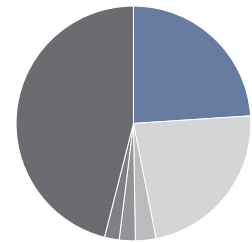
- Digital TV - 79.0 %
- Concerts - 1.7 %
- Event marketing - 4.6 %
- Sale of goods and rendering of other services - 14.7 %



Source: Workpoint Entertainment

## Major shareholders

- Phanya Nirunkul - 24.0 %
- Prapas Cholsaranon - 22.9 %
- Dentsu X (Thailand) - 2.8 %
- South East Asia UK (Type C) Nominees - 2.2 %
- Thai NVDR - 2.0 %



Source: Workpoint Entertainment

## Catalysts

- The expectation of an adex recovery in 2021;
- TV ratings that could increase (by reallocating TV programs);
- Cost improvement.

## Risks to our call

The key downside risks to our P/E-based TP are weaker-than-expected TV adex, digital advertising becoming more popular, and competitiveness in TV ratings.

## Event calendar

| Date     | Event                     |
|----------|---------------------------|
| Aug 2021 | 2Q21 results announcement |

## Key assumptions

|                             | 2020 | 2021E | 2022E | 2023E | 2024E |
|-----------------------------|------|-------|-------|-------|-------|
| Advertising rate ('000 THB) | 56   | 56    | 59    | 62    | 62    |
| Utilisation rate (THB)      | 48   | 55    | 55    | 55    | 55    |

Source: FSSIA estimates

## Earnings sensitivity

- For every 1% increase in advertising rate, we project 2021 earnings to rise by 9%, and vice versa, all else being equal;
- For every 100 bps increase in TV utilisation rate, we project 2021 earnings to rise by 18%, and vice versa, all else being equal.

Source: FSSIA estimates

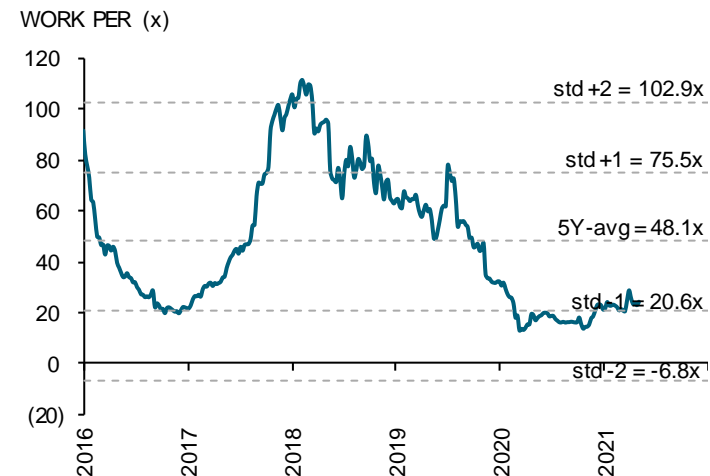


## Exhibit 1: 1Q21 results review

|                          | 1Q20       | 4Q20       | 1Q21       | Change      |            | 2021E        |
|--------------------------|------------|------------|------------|-------------|------------|--------------|
|                          | (THB m)    | (THB m)    | (THB m)    | (q-q%)      | (y-y%)     | (THB m)      |
| TV                       | 500        | 526        | 556        | 10          | 11         | 2,024        |
| Concerts                 | 11         | 11         | 3          | (74)        | (75)       | 28           |
| Event marketing          | 27         | 46         | 8          | (83)        | (70)       | 80           |
| Others                   | 67         | 59         | 13         | (83)        | (81)       | 280          |
| <b>Revenue</b>           | <b>605</b> | <b>642</b> | <b>580</b> | <b>(10)</b> | <b>(4)</b> | <b>2,412</b> |
| Operating costs          | (348)      | (405)      | (306)      | (24)        | (12)       | (1,339)      |
| <b>Gross profit</b>      | <b>257</b> | <b>237</b> | <b>274</b> | <b>16</b>   | <b>6</b>   | <b>1,073</b> |
| SG&A expenses            | (198)      | (216)      | (153)      | (29)        | (23)       | (726)        |
| Other income             | 10         | 14         | 19         | 35          | 102        | 53           |
| <b>EBIT</b>              | <b>68</b>  | <b>35</b>  | <b>140</b> | <b>299</b>  | <b>105</b> | <b>400</b>   |
| Deprn & amort.           | 111        | 114        | 91         | (20)        | (18)       | 269          |
| <b>EBITDA</b>            | <b>179</b> | <b>149</b> | <b>231</b> | <b>55</b>   | <b>29</b>  | <b>670</b>   |
| <i>EBITDA margin (%)</i> | 29.6       | 23.2       | 39.8       | 16.6        | 10.2       | 27.8         |
| Interest expense         | (1)        | (3)        | (2)        | (44)        | 78         | (9)          |
| Associates               | (2)        | 27         | 3          | (90)        | n.a.       | 11           |
| Extra items              | (14)       | (9)        | 1          | n.a.        | n.a.       | 0            |
| Pretax profit            | 51         | 50         | 142        | 184         | 180        | 402          |
| Tax                      | (7)        | (15)       | (23)       | 49          | 245        | (80)         |
| <i>Tax rate (%)</i>      | (13)       | (31)       | (16)       | 14.5        | (3.0)      | (20)         |
| Minority interests       | (2)        | (0)        | 1          | n.a.        | n.a.       | (7)          |
| <b>Net profit</b>        | <b>46</b>  | <b>35</b>  | <b>118</b> | <b>237</b>  | <b>155</b> | <b>329</b>   |
| <b>Core net profit</b>   | <b>61</b>  | <b>44</b>  | <b>117</b> | <b>168</b>  | <b>93</b>  | <b>329</b>   |
| EPS (THB)                | 0.10       | 0.08       | 0.27       | 237         | 155        | 0.74         |
| Core EPS (THB)           | 0.14       | 0.10       | 0.26       | 168         | 93         | 0.74         |

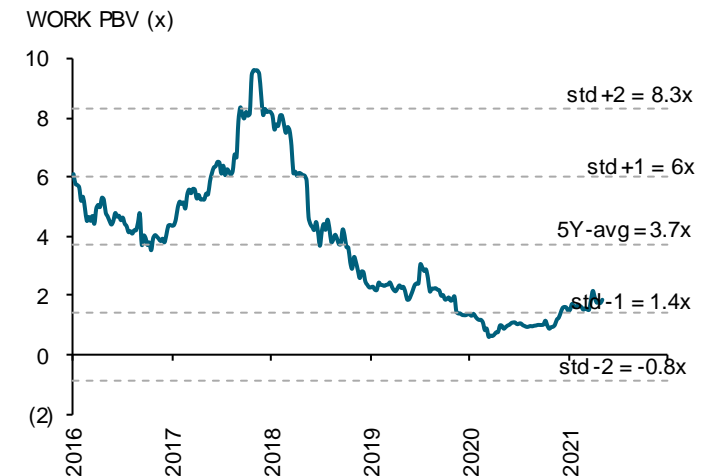
Sources: WORK; FSSIA estimates

## Exhibit 2: WORK - one-year prospective P/E band



Sources: Bloomberg; FSSIA estimates

## Exhibit 3: WORK - one-year prospective P/BV band



Sources: Bloomberg; FSSIA estimates

## Exhibit 4: Assumption and forecast changes

| (THB m)                 | New        |            | Previous   |            | Change (%)   |              |
|-------------------------|------------|------------|------------|------------|--------------|--------------|
|                         | 2021E      | 2022E      | 2021E      | 2022E      | 2021E        | 2022E        |
| Revenue                 | 2,412      | 2,743      | 2,638      | 2,858      | (9)          | (4)          |
| Operating costs         | (1,339)    | (1,548)    | (1,540)    | (1,649)    | (13)         | (6)          |
| Gross profit            | 1,073      | 1,194      | 1,098      | 1,209      | (2)          | (1)          |
| SG&A expenses           | (725.83)   | (736.72)   | (863.68)   | (876.63)   | (16)         | (16)         |
| EBIT                    | 411        | 518        | 234        | 338        | 75           | 53           |
| Net profit              | 329        | 418        | 194        | 281        | 69           | 49           |
| <b>Margin</b>           | <b>(%)</b> | <b>(%)</b> | <b>(%)</b> | <b>(%)</b> | <b>(ppt)</b> | <b>(ppt)</b> |
| Gross profit margin     | 44.50      | 43.55      | 41.62      | 42.30      | 2.87         | 1.25         |
| Operating profit margin | 17.05      | 18.89      | 8.89       | 11.81      | 8.17         | 7.08         |
| Net profit margin       | 13.62      | 15.26      | 7.36       | 9.83       | 6.27         | 5.42         |

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Source: FSSIA estimates

## Financial Statements

### Workpoint Entertainment

| Profit and Loss (THB m) Year Ending Dec           | 2019         | 2020         | 2021E        | 2022E        | 2023E        |
|---|--------------|--------------|--------------|--------------|--------------|
| Revenue   | 2,772        | 2,277        | 2,412        | 2,743        | 2,895        |
| Cost of goods sold                                | (1,268)      | (890)        | (1,069)      | (1,278)      | (1,355)      |
| <b>Gross profit</b>                               | <b>1,504</b> | <b>1,388</b> | <b>1,342</b> | <b>1,465</b> | <b>1,540</b> |
| Other operating income                            | 64           | 60           | 53           | 60           | 64           |
| Operating costs                                   | (837)        | (788)        | (726)        | (737)        | (748)        |
| <b>Operating EBITDA</b>                           | <b>731</b>   | <b>659</b>   | <b>670</b>   | <b>788</b>   | <b>856</b>   |
| Depreciation                                      | (487)        | (451)        | (269)        | (270)        | (273)        |
| Goodwill amortisation                             | 0            | 0            | 0            | 0            | 0            |
| <b>Operating EBIT</b>                             | <b>244</b>   | <b>208</b>   | <b>400</b>   | <b>518</b>   | <b>583</b>   |
| Net financing costs                               | (23)         | (6)          | (9)          | (9)          | (9)          |
| Associates  | (29)         | 29           | 11           | 0            | 2            |
| Recurring non-operating income                    | (29)         | 29           | 11           | 0            | 2            |
| Non-recurring items                               | 0            | (35)         | 0            | 0            | 0            |
| <b>Profit before tax</b>                          | <b>192</b>   | <b>196</b>   | <b>402</b>   | <b>509</b>   | <b>576</b>   |
| Tax   | (43)         | (43)         | (80)         | (102)        | (115)        |
| <b>Profit after tax</b>                           | <b>149</b>   | <b>153</b>   | <b>322</b>   | <b>407</b>   | <b>461</b>   |
| Minority interests                                | 11           | 6            | 7            | 11           | 12           |
| Preferred dividends                               | 0            | 0            | 0            | 0            | 0            |
| Other items                                       | -            | -            | -            | -            | -            |
| <b>Reported net profit</b>                        | <b>160</b>   | <b>159</b>   | <b>329</b>   | <b>418</b>   | <b>473</b>   |
| <b>Non-recurring items &amp; goodwill (net)</b>   | <b>0</b>     | <b>35</b>    | <b>0</b>     | <b>0</b>     | <b>0</b>     |
| <b>Recurring net profit</b>                       | <b>160</b>   | <b>194</b>   | <b>329</b>   | <b>418</b>   | <b>473</b>   |
| <b>Per share (THB)</b>                            |              |              |              |              |              |
| Recurring EPS *                                   | 0.36         | 0.44         | 0.74         | 0.95         | 1.07         |
| Reported EPS                                      | 0.36         | 0.36         | 0.74         | 0.95         | 1.07         |
| DPS   | 0.45         | 0.30         | 0.51         | 0.74         | 0.84         |
| Diluted shares (used to calculate per share data) | 442          | 442          | 442          | 442          | 442          |
| <b>Growth</b>                                     |              |              |              |              |              |
| Revenue (%)                                       | (22.9)       | (17.8)       | 5.9          | 13.7         | 5.6          |
| Operating EBITDA (%)                              | (38.5)       | (9.9)        | 1.7          | 17.7         | 8.6          |
| Operating EBIT (%)                                | (55.6)       | (14.7)       | 92.3         | 29.4         | 12.6         |
| Recurring EPS (%)                                 | (53.8)       | 21.4         | 69.6         | 27.4         | 13.0         |
| Reported EPS (%)                                  | (53.8)       | (0.2)        | 106.5        | 27.4         | 13.0         |
| <b>Operating performance</b>                      |              |              |              |              |              |
| Gross margin inc. depreciation (%)                | 36.7         | 41.2         | 44.5         | 43.6         | 43.8         |
| Gross margin of key business (%)                  | -            | -            | -            | -            | -            |
| Operating EBITDA margin (%)                       | 26.4         | 28.9         | 27.8         | 28.7         | 29.6         |
| Operating EBIT margin (%)                         | 8.8          | 9.1          | 16.6         | 18.9         | 20.1         |
| Net margin (%)                                    | 5.8          | 8.5          | 13.6         | 15.3         | 16.3         |
| Effective tax rate (%)                            | 20.0         | 20.0         | 20.0         | 20.0         | 20.0         |
| Dividend payout on recurring profit (%)           | 124.6        | 68.4         | 68.6         | 77.9         | 78.0         |
| Interest cover (X)                                | 9.4          | 40.9         | 46.8         | 58.9         | 66.6         |
| Inventory days                                    | 32.9         | 41.2         | 30.7         | 30.7         | 34.0         |
| Debtor days                                       | 55.1         | 61.3         | 53.6         | 50.6         | 54.0         |
| Creditor days                                     | 103.4        | 124.5        | 93.8         | 79.0         | 83.7         |
| Operating ROIC (%)                                | 14.6         | 11.6         | 24.3         | 31.8         | 35.7         |
| ROIC (%)  | 5.6          | 7.4          | 13.7         | 17.0         | 19.3         |
| ROE (%)   | 3.5          | 4.3          | 7.2          | 9.0          | 9.9          |
| ROA (%)   | 3.0          | 3.8          | 6.4          | 7.8          | 8.6          |
| * Pre-exceptional, pre-goodwill and fully diluted |              |              |              |              |              |
| <b>Revenue by Division (THB m)</b>                |              |              |              |              |              |
| Digital TV  | 2,193        | 1,799        | 2,024        | 2,125        | 2,231        |
| Concerts  | 118          | 39           | 28           | 130          | 140          |
| Event marketing                                   | 243          | 105          | 80           | 180          | 194          |
| Sale of goods and rendering of other services     | 218          | 335          | 280          | 308          | 330          |

Sources: Workpoint Entertainment; FSSIA estimates

## Financial Statements

### Workpoint Entertainment

| Cash Flow (THB m) Year Ending Dec | 2019         | 2020         | 2021E        | 2022E        | 2023E        |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|
| Recurring net profit              | 160          | 194          | 329          | 418          | 473          |
| Depreciation                      | 487          | 451          | 269          | 270          | 273          |
| Associates & minorities           | 19           | (35)         | (7)          | (11)         | (12)         |
| Other non-cash items              | 29           | 39           | 160          | 0            | 0            |
| Change in working capital         | (69)         | (11)         | (145)        | (62)         | (11)         |
| <b>Cash flow from operations</b>  | <b>625</b>   | <b>637</b>   | <b>606</b>   | <b>616</b>   | <b>723</b>   |
| Capex - maintenance               | (49)         | (61)         | (68)         | (84)         | (84)         |
| Capex - new investment            | (74)         | (92)         | (102)        | (126)        | (126)        |
| Net acquisitions & disposals      | (124)        | 23           | 4            | 0            | 0            |
| Other investments (net)           | 452          | (3)          | 0            | 0            | 0            |
| <b>Cash flow from investing</b>   | <b>205</b>   | <b>(132)</b> | <b>(166)</b> | <b>(210)</b> | <b>(210)</b> |
| Dividends paid                    | (199)        | (132)        | (225)        | (326)        | (369)        |
| Equity finance                    | 0            | 0            | 0            | 0            | 0            |
| Debt finance                      | (659)        | 0            | 0            | 0            | 0            |
| Other financing cash flows        | (27)         | (15)         | (11)         | 0            | 0            |
| <b>Cash flow from financing</b>   | <b>(885)</b> | <b>(148)</b> | <b>(237)</b> | <b>(326)</b> | <b>(369)</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>(55)</b>  | <b>357</b>   | <b>203</b>   | <b>80</b>    | <b>144</b>   |
| Free cash flow to firm (FCFF)     | 853.00       | 510.17       | 448.50       | 414.64       | 521.77       |
| Free cash flow to equity (FCFE)   | 143.94       | 489.17       | 428.45       | 405.85       | 512.98       |

#### Per share (THB)

|                               |      |      |      |      |      |
|-------------------------------|------|------|------|------|------|
| FCFF per share                | 1.93 | 1.16 | 1.02 | 0.94 | 1.18 |
| FCFE per share                | 0.33 | 1.11 | 0.97 | 0.92 | 1.16 |
| Recurring cash flow per share | 1.57 | 1.47 | 1.70 | 1.53 | 1.66 |

| Balance Sheet (THB m) Year Ending Dec             | 2019         | 2020         | 2021E        | 2022E        | 2023E        |
|---|--------------|--------------|--------------|--------------|--------------|
| Tangible fixed assets (gross)                     | 2,499        | 2,533        | 2,603        | 2,713        | 2,823        |
| Less: Accumulated depreciation                    | (1,167)      | (1,334)      | (1,471)      | (1,602)      | (1,732)      |
| <b>Tangible fixed assets (net)</b>                | <b>1,333</b> | <b>1,199</b> | <b>1,132</b> | <b>1,111</b> | <b>1,091</b> |
| <b>Intangible fixed assets (net)</b>              | <b>856</b>   | <b>671</b>   | <b>639</b>   | <b>600</b>   | <b>557</b>   |
| Long-term financial assets                        | 74           | 62           | 62           | 62           | 62           |
| Invest. in associates & subsidiaries              | 80           | 121          | 121          | 121          | 121          |
| Cash & equivalents                                | 1,928        | 2,285        | 2,488        | 2,568        | 2,712        |
| A/C receivable                                    | 402          | 363          | 346          | 414          | 443          |
| Inventories                                       | 116          | 85           | 95           | 120          | 133          |
| Other current assets                              | 40           | 33           | 19           | 25           | 24           |
| <b>Current assets</b>                             | <b>2,486</b> | <b>2,765</b> | <b>2,947</b> | <b>3,127</b> | <b>3,311</b> |
| Other assets                                      | 191          | 174          | 323          | 347          | 362          |
| <b>Total assets</b>                               | <b>5,019</b> | <b>4,994</b> | <b>5,226</b> | <b>5,369</b> | <b>5,505</b> |
| Common equity                                     | 4,484        | 4,506        | 4,609        | 4,701        | 4,805        |
| Minorities etc.                                   | 11           | (1)          | (8)          | (19)         | (30)         |
| <b>Total shareholders' equity</b>                 | <b>4,494</b> | <b>4,504</b> | <b>4,601</b> | <b>4,683</b> | <b>4,775</b> |
| Long term debt                                    | 0            | 0            | 0            | 0            | 0            |
| Other long-term liabilities                       | 173          | 314          | 323          | 332          | 342          |
| <b>Long-term liabilities</b>                      | <b>173</b>   | <b>314</b>   | <b>323</b>   | <b>332</b>   | <b>342</b>   |
| A/C payable                                       | 312          | 295          | 255          | 299          | 322          |
| Short term debt                                   | 0            | 0            | 0            | 0            | 0            |
| Other current liabilities                         | 39           | 41           | 47           | 56           | 66           |
| <b>Current liabilities</b>                        | <b>351</b>   | <b>335</b>   | <b>302</b>   | <b>355</b>   | <b>389</b>   |
| <b>Total liabilities and shareholders' equity</b> | <b>5,019</b> | <b>5,154</b> | <b>5,226</b> | <b>5,369</b> | <b>5,505</b> |
| Net working capital                               | 207          | 145          | 158          | 204          | 211          |
| Invested capital                                  | 2,740        | 2,374        | 2,436        | 2,447        | 2,405        |

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

#### Per share (THB)

|                               |       |       |       |       |       |
|-------------------------------|-------|-------|-------|-------|-------|
| Book value per share          | 10.15 | 10.20 | 10.44 | 10.65 | 10.88 |
| Tangible book value per share | 8.22  | 8.68  | 8.99  | 9.29  | 9.62  |

#### Financial strength

|                           |        |        |        |        |        |
|---------------------------|--------|--------|--------|--------|--------|
| Net debt/equity (%)       | (42.9) | (50.7) | (54.1) | (54.8) | (56.8) |
| Net debt/total assets (%) | (38.4) | (45.7) | (47.6) | (47.8) | (49.3) |
| Current ratio (x)         | 7.1    | 8.2    | 9.8    | 8.8    | 8.5    |
| CF interest cover (x)     | 10.5   | 101.3  | 61.4   | 61.5   | 73.7   |

| Valuation                                 | 2019        | 2020        | 2021E       | 2022E       | 2023E       |
|---|-------------|-------------|-------------|-------------|-------------|
| <b>Recurring P/E (x) *</b>                | <b>52.9</b> | <b>43.5</b> | <b>25.7</b> | <b>20.2</b> | <b>17.8</b> |
| <b>Recurring P/E @ target price (x) *</b> | <b>72.0</b> | <b>59.3</b> | <b>34.9</b> | <b>27.4</b> | <b>24.3</b> |
| Reported P/E (x)                          | 52.9        | 53.0        | 25.7        | 20.2        | 17.8        |
| Dividend yield (%)                        | 2.4         | 1.6         | 2.7         | 3.9         | 4.4         |
| Price/book (x)                            | 1.9         | 1.9         | 1.8         | 1.8         | 1.8         |
| Price/tangible book (x)                   | 2.3         | 2.2         | 2.1         | 2.1         | 2.0         |
| EV/EBITDA (x) **                          | 8.9         | 9.3         | 8.9         | 7.4         | 6.6         |
| EV/EBITDA @ target price (x) **           | 13.1        | 14.0        | 13.4        | 11.3        | 10.2        |
| EV/invested capital (x)                   | 2.4         | 2.6         | 2.4         | 2.4         | 2.4         |

\* Pre-exceptional, pre-goodwill and fully diluted \*\* EBITDA includes associate income and recurring non-operating income

Sources: Workpoint Entertainment; FSSIA estimates

## Corporate Governance report of Thai listed companies 2020

| EXCELLENT LEVEL |        |        |       |       |       |        |        |        |        |        |
|-----------------|--------|--------|-------|-------|-------|--------|--------|--------|--------|--------|
| AAV             | ADVANC | AF     | AIRA  | AKP   | AKR   | ALT    | AMA    | AMATA  | AMATAV | ANAN   |
| AOT             | AP     | ARIP   | ARROW | ASP   | BAFS  | BANPU  | BAY    | BCP    | BCPG   | BDMS   |
| BEC             | BEM    | BGRIM  | BIZ   | BKI   | BLA   | BOL    | BPP    | BRR    | BTS    | BWG    |
| CENTEL          | CFRESH | CHEWA  | CHO   | CIMBT | CK    | CKP    | CM     | CNT    | COL    | COMAN  |
| COTTO           | CPALL  | CPF    | CPI   | CPN   | CSS   | DELTA  | DEMCO  | DRT    | DTAC   | DTC    |
| DV8             | EA     | EASTW  | ECF   | ECL   | EGCO  | EPG    | ETE    | FNS    | FPI    | FPT    |
| FSMART          | GBX    | GC     | GCAP  | GEL   | GFPT  | GGC    | GPSC   | GRAMMY | GUNKUL | HANA   |
| HARN            | HMPRO  | ICC    | ICI   | III   | ILINK | INTUCH | IRPC   | IVL    | JKN    | JSP    |
| JWD             | K      | KBANK  | KCE   | KKP   | KSL   | KTB    | KTC    | LANNA  | LH     | LHFG   |
| LIT             | LPN    | MAKRO  | MALEE | MBK   | MBKET | MC     | MCOT   | METCO  | MFEC   | MINT   |
| MONO            | MOONG  | MSC    | MTC   | NCH   | NCL   | NEP    | NKI    | NOBLE  | NSI    | NVD    |
| NYT             | OISHI  | ORI    | OTO   | PAP   | PAP   | PCSGH  | PDJ    | PHOL   | PLANB  | PLANET |
| PLAT            | PORT   | PPS    | PR9   | PREB  | PRG   | PRM    | PSH    | PSL    | PTG    | PTT    |
| PTTEP           | PTTGC  | PYLON  | Q-CON | QH    | QTC   | RATCH  | RS     | S      | S & J  | SAAM   |
| SABINA          | SAMART | SAMTEL | SAT   | SC    | SCB   | SCC    | SCCC   | SCG    | SCN    | SDC    |
| SEAFCO          | SEAOIL | SE-ED  | SELIC | SENA  | SIRI  | SIS    | SITHAI | SMK    | SMPC   | SNC    |
| SONIC           | SORKON | SPALI  | SPI   | SPRC  | SPVI  | SSSC   | SST    | STA    | SUSCO  | SUTHA  |
| SVI             | SYMC   | SYNTEC | TACC  | TASCO | TCAP  | TFMAMA | THANA  | THANI  | THCOM  | THG    |
| THIP            | THRE   | THREL  | TIP   | TIPCO | TISCO | TK     | TKT    | TMB    | TMILL  | TNDT   |
| TNL             | TOA    | TOP    | TPBI  | TQM   | TRC   | TSC    | TSR    | TSTE   | TSTH   | TTA    |
| TTCL            | TTW    | TU     | TVD   | TVI   | TVO   | TWPC   | U      | UAC    | UBIS   | UV     |
| VGI             | VIH    | WACOAL | WAVE  | WHA   | WHAUP | WICE   | WINNER | TRUE   |        |        |

| VERY GOOD LEVEL |         |        |       |        |       |        |        |        |        |       |
|-----------------|---------|--------|-------|--------|-------|--------|--------|--------|--------|-------|
| 2S              | ABM     | ACE    | ACG   | ADB    | AEC   | AEONTS | AGE    | AH     | AHC    | AIT   |
| ALLA            | AMANAHA | AMARIN | APCO  | APCS   | APURE | AQUA   | ASAP   | ASEFA  | ASIA   | ASIAN |
| ASIMAR          | ASK     | ASN    | ATP30 | AUCT   | AWC   | AYUD   | B      | BA     | BAM    | BBL   |
| BFIT            | BGC     | BJC    | BJCHI | BROOK  | BTW   | CBG    | CEN    | CGH    | CHARAN | CHAYO |
| CHG             | CHOTI   | CHOW   | CI    | CIG    | CMC   | COLOR  | COM7   | CPL    | CRC    | CRD   |
| CSC             | CSP     | CWT    | DCC   | DCON   | DDD   | DOD    | DOHOME | EASON  | EE     | ERW   |
| ESTAR           | FE      | FLOYD  | FN    | FORTH  | FSS   | FTE    | FVC    | GENCO  | GJS    | GL    |
| GLAND           | GLOBAL  | GLOCON | GPI   | GULF   | GYT   | HPT    | HTC    | ICN    | IFS    | ILM   |
| IMH             | INET    | INSURE | IRC   | IRCP   | IT    | ITD    | ITEL   | J      | JAS    | JCK   |
| JCKH            | JMART   | JMT    | KBS   | KCAR   | KGI   | KIAT   | KOOL   | KTIS   | KWC    | KWM   |
| L&E             | LALIN   | LDC    | LHK   | LOXLEY | LPH   | LRH    | LST    | M      | MACO   | MAJOR |
| MBAX            | MEGA    | META   | MFC   | MGT    | MILL  | MITSIB | MK     | MODERN | MTI    | MVP   |
| NETBAY          | NEX     | NINE   | NTV   | NWR    | OCC   | OGC    | OSP    | PATO   | PB     | PDG   |
| PDI             | PICO    | PIMO   | PJW   | PL     | PM    | PPP    | PRIN   | PRINC  | PSTC   | PT    |
| QLT             | RCL     | RICHY  | RML   | RPC    | RWI   | S11    | SALEE  | SAMCO  | SANKO  | SAPPE |
| SAWAD           | SCI     | SCP    | SE    | SEG    | SFP   | SGF    | SHR    | SIAM   | SINGER | SKE   |
| SKR             | SKY     | SMIT   | SMT   | SNP    | SPA   | SPC    | SPCG   | SR     | SRICHA | SSC   |
| SSF             | STANLY  | STI    | STPI  | SUC    | SUN   | SYNEX  | T      | TAE    | TAKUNI | TBSP  |
| TCC             | TCMC    | TEAM   | TEAMG | TFG    | TIGER | TITLE  | TKN    | TKS    | TM     | TMC   |
| TMD             | TMI     | TMT    | TNITY | TNP    | TNR   | TOG    | TPA    | TPAC   | TPCORP | TPOLY |
| TPS             | TRITN   | TRT    | TRU   | TSE    | TVT   | TWP    | UEC    | UMI    | UOBKH  | UP    |
| UPF             | UPOIC   | UT     | UTP   | UWC    | VL    | VNT    | VPO    | WIJK   | WP     | XO    |
| YUASA           | ZEN     | ZIGA   | ZMICO |        |       |        |        |        |        |       |

| GOOD LEVEL |      |        |        |       |        |       |       |        |        |       |
|------------|------|--------|--------|-------|--------|-------|-------|--------|--------|-------|
| 7UP        | A    | ABICO  | AJ     | ALL   | ALUCON | AMC   | APP   | ARIN   | AS     | AU    |
| B52        | BC   | BCH    | BEAUTY | BGT   | BH     | BIG   | BKD   | BLAND  | BM     | BR    |
| BROCK      | BSBM | BSM    | BTNC   | CAZ   | CCP    | CGD   | CITY  | CMAN   | CMO    | CMR   |
| CPT        | CPW  | CRANE  | CSR    | D     | EKH    | EP    | ESSO  | FMT    | GIFT   | GREEN |
| GSC        | GTB  | HTECH  | HUMAN  | IHL   | INOX   | INSET | IP    | JTS    | JUBILE | KASET |
| KCM        | KKC  | KUMWEL | KUN    | KWG   | KYE    | LEE   | MATCH | MATI   | M-CHAI | MCS   |
| MDX        | MJD  | MM     | MORE   | NC    | NDR    | NER   | NFC   | NNCL   | NPK    | NUSA  |
| OCEAN      | PAF  | PF     | PK     | PLE   | PMTA   | POST  | PPM   | PRAKIT | PRECHA | PRIME |
| PROUD      | PTL  | RBF    | RCI    | RJH   | ROJNA  | RP    | RPH   | RSP    | SF     | SFLEX |
| SGP        | SISB | SKN    | SLP    | SMART | SOLAR  | SPG   | SQ    | SSP    | STARK  | STC   |
| SUPER      | SVOA | TC     | TCCC   | THMUI | TIW    | TNH   | TOPP  | TPCH   | TIPIP  | TPLAS |
| TTI        | TYCN | UKEM   | UMS    | VCOM  | VRANDA | WIN   | WORK  | WPH    |        |       |

## Description

## Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

## Disclaimer:

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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 2020

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

| DECLARED |       |       |        |        |       |        |       |       |       |        |
|----------|-------|-------|--------|--------|-------|--------|-------|-------|-------|--------|
| 7UP      | ABICO | AF    | ALT    | AMARIN | AMATA | AMATAV | ANAN  | APURE | B52   | BKD    |
| BM       | BROCK | BUI   | CHO    | CI     | COTTO | DDD    | EA    | EFORL | EP    | ERW    |
| ESTAR    | ETE   | EVER  | FSMART | GPI    | ILINK | IRC    | J     | JKN   | JMART | JMT    |
| JSP      | JTS   | KWG   | LDC    | MAJOR  | META  | NCL    | NOBLE | NOK   | PK    | PLE    |
| ROJNA    | SAAM  | SAPPE | SCI    | SE     | SHANG | SINGER | SKR   | SPALI | SSP   | STANLY |
| SUPER    | SYNEX | THAI  | TKS    | TOPP   | TRITN | TTA    | UPF   | UV    | WIN   | ZIGA   |

| 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)  |

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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

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### ANALYST(S) CERTIFICATION

Naruedom Mujjalinkool FSS International Investment Advisory Securities Co., Ltd

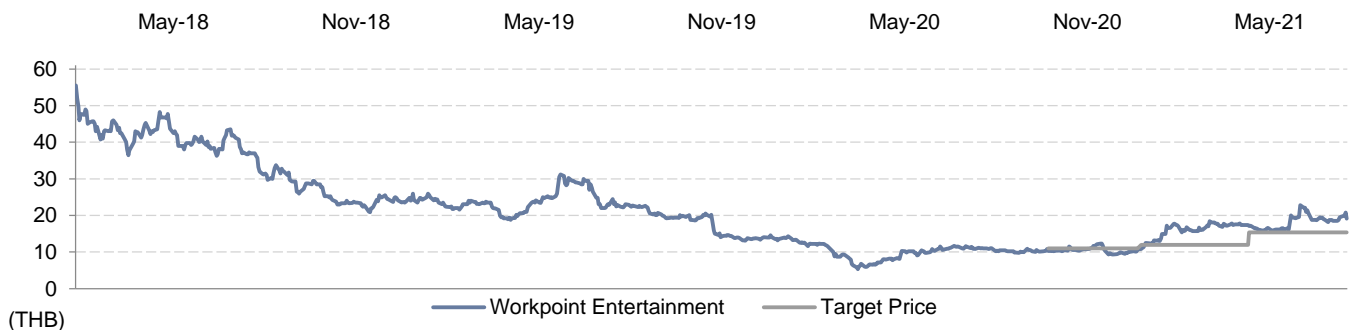
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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

#### Workpoint Entertainment (WORK TB)



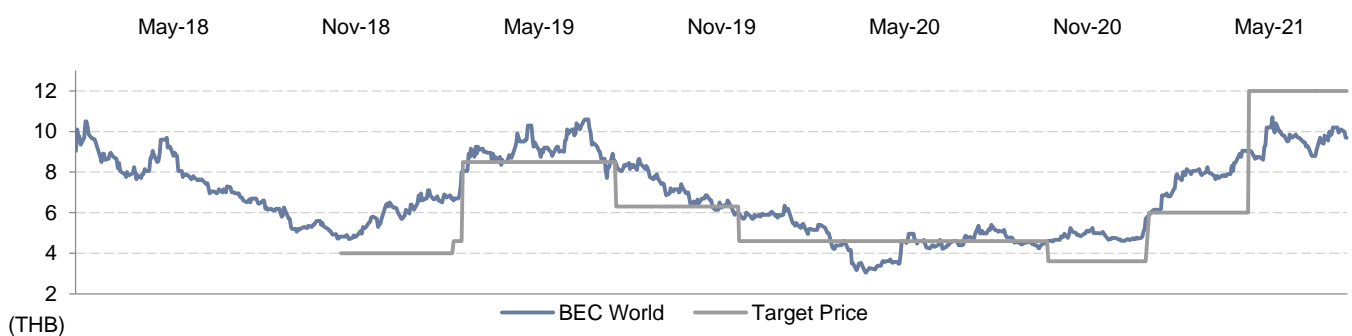
| Date        | Rating | Target price | Date        | Rating | Target price | Date | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|------|--------|--------------|
| 27-Aug-2020 | HOLD   | 11.00        | 13-Nov-2020 | BUY    | 12.00        | -    | -      | -            |
| 05-Nov-2020 | HOLD   | 11.00        | 16-Feb-2021 | HOLD   | 15.40        |      |        |              |

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

Price and TP are in local currency

Source: FSSIA estimates

#### BEC World (BEC TB)



| Date        | Rating | Target price | Date        | Rating | Target price | Date        | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 28-Dec-2018 | REDUCE | 4.00         | 06-Dec-2019 | REDUCE | 4.60         | 20-Nov-2020 | HOLD   | 6.00         |
| 04-Apr-2019 | REDUCE | 4.60         | 02-Apr-2020 | REDUCE | 4.60         | 16-Feb-2021 | BUY    | 12.00        |
| 12-Apr-2019 | HOLD   | 8.50         | 27-Aug-2020 | REDUCE | 3.60         |             |        |              |
| 22-Aug-2019 | REDUCE | 6.30         | 05-Nov-2020 | REDUCE | 3.60         |             |        |              |

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  |
|-------------------------|---------|-----------|--------|--|
| Workpoint Entertainment | WORK TB | THB 19.10 | BUY    | The key downside risks to our P/E-based TP are weaker-than-expected TV adex, digital advertising becoming more popular, and competitiveness in TV ratings. |
| BEC World               | BEC TB  | THB 9.70  | BUY    | The key downside risks to our P/E-based TP are a lower-than-expected adex recovery and the company's worse-than-expected cost reduction.                   |

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

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 12-May-2021 unless otherwise stated.

**RECOMMENDATION STRUCTURE****Stock ratings**

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

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.