

24 AUGUST 2021

THAILAND / MEDIA

BEC WORLD BEC TB

BUY

UNCHANGED

TARGET PRICE	THB15.00
CLOSE	THB12.20
UP/DOWNSIDE	+23.0%
PRIOR TP	THB16.00
CHANGE IN TP	-6.3%
TP vs CONSENSUS	+5.1%

## ความเสี่ยงขาลงมีจำกัด

### ผลประกอบการ 2Q21 ไม่ได้แย่มาก

แม้ว่าผลประกอบการ 2Q21 ของ BEC จะต่ำกว่าที่ตลาดและเรคาด และแนวโน้มใน 3Q21 อาจดูอ่อนแอ เราเชื่อว่าหุ้นมีความเสี่ยงขาลงจำกัด เราคาดว่า BEC น่าจะรับรู้กำไรประมาณ 127 ลบ. ใน 3Q21 หรือไม่ต่ำกว่า 100 ลบ. ในกรณีเลวร้าย แม้ว่ารายได้รวมจะตกต่ำ ต้นทุนของ BEC น่าจะยังลดลงหลังบริษัท เริ่มนำละครเก่ามาฉายใหม่ นอกจากนี้บริษัท ยังคาดหวังว่าค่าใช้จ่ายการขายและการบริหารจะลดลง 10% q-q

### ปรับลดประมาณการกำไร

เราปรับลดประมาณการกำไรปี 2021 ลง 20% มาอยู่ที่ 641 ลบ. เพื่อสะท้อนผลกระทบของ Covid ซึ่งน่าจะกดดันค่าใช้จ่ายโฆษณา (adex) ใน 3Q21 และทำให้บริษัท ไม่สามารถผลิตรายการละครตามนโยบายรักษาระยะห่างทางสังคมที่รัฐบาลกำหนด เราปรับลดสมมติฐานรายได้ปี 2021 ลง 16% ส่วนมากจากประมาณการรายได้โทรทัศน์ที่ลดลง โดยคาดว่าจะรายได้โทรทัศน์จะทรงตัวในปีนี้อย่างไรก็ดีรายได้ดังกล่าวน่าจะปรับตัวได้ดีกว่าค่า adex ทางโทรทัศน์ซึ่งอาจลดลง 4% ในปี 2021 ตามที่สมาคมมีเดียเอเยนซีและธุรกิจสื่อแห่งประเทศไทยได้คาดการณ์ไว้

### กำลังเข้าสู่ฤดูการขายใน 2H21

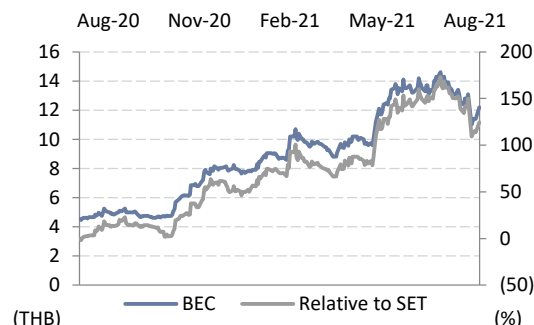
ในช่วง 1H21 รายได้จากขายคอนเทนต์ไปตลาดต่างประเทศ (Global Content Licensing หรือ GCL) และจากธุรกิจดิจิทัลอยู่ที่ 400 ลบ. คิดเป็นเพียง 40% ของประมาณการทั้งปีของบริษัทที่ 1 พัน ลบ. BEC เชื่อว่ารายได้ดังกล่าวจะโดยมีนัยสำคัญในช่วง 2H21 จากรายการละครที่ออกอากาศดูขานในประเทศจีน ซึ่งโดยปกติจะได้ราคาที่สูงกว่า นอกจากนี้จากข้อมูลในอดีต 3 ปีย้อนหลังรายได้ GCL และรายได้จากธุรกิจดิจิทัลโดยปกติจะพุ่งสูงสุดใน 4Q ทำให้เราเชื่อว่ารายได้ GCL และรายได้จากธุรกิจดิจิทัลในช่วง 2H21 น่าจะดีขึ้นกว่าใน 1H21

### คงคำแนะนำซื้อที่ราคาเป้าหมายใหม่ที่ 15 บาท

หลังการประชุมนักวิเคราะห์กับผู้บริหารของ BEC ตลาดปรับลดประมาณการกำไรของบริษัทลง 7% และ 9% ในปี 2021 และ 2022 ตามลำดับ เมื่อพิจารณาจากราคาหุ้นของ BEC ที่ลดลงจากจุดสูงสุดถึงกว่า 19% ตลาดดูเหมือนจะแสดงความผิดหวังต่อผลประกอบการ 2Q21 ของ BEC ไร่มากเกินไป นอกจากนี้เราคิดว่าหุ้นมีปัจจัยบวกในด้านการพลิกฟื้นในระดับสูง ในขณะที่กำไรน่าจะมีความเสี่ยงขาลงจำกัด เนื่องจาก BEC ยังมีแนวโน้มที่ดีในธุรกิจ GCL และดิจิทัลใน 2H21 เราคงคำแนะนำซื้อที่ราคาเป้าหมายปี 2022 ใหม่ที่ 15 บาท ซึ่งคิดเป็น 35x ของค่า P/E (+1SD ของค่า P/E เฉลี่ย)

## KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	5,861	5,778	6,592	7,340
Net profit	(214)	641	859	1,219
EPS (THB)	(0.11)	0.32	0.43	0.61
vs Consensus (%)	-	(15.1)	(11.0)	(2.4)
EBITDA	2,046	3,096	3,392	3,842
Core net profit	(233)	641	859	1,219
Core EPS (THB)	(0.12)	0.32	0.43	0.61
Chg. In EPS est. (%)	nm	(20.3)	(13.0)	8.9
EPS growth (%)	nm	nm	34.1	42.0
Core P/E (x)	(104.7)	38.1	28.4	20.0
Dividend yield (%)	-	-	-	2.5
EV/EBITDA (x)	12.1	7.7	6.8	5.9
Price/book (x)	4.5	4.0	3.5	3.2
Net debt/Equity (%)	7.4	(10.4)	(17.8)	(23.5)
ROE (%)	(4.2)	11.2	13.3	16.9



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(12.2)	8.9	181.1
Relative to country (%)	(14.3)	6.9	130.9
Mkt cap (USD m)			731
3m avg. daily turnover (USD m)			11.7
Free float (%)			48
Major shareholder		Maleenont Family (28%)	
12m high/low (THB)			15.00/4.36
Issued shares (m)			2,000.00

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 24 สิงหาคม 2021

### Investment thesis

BEC used to be the second biggest TV operator in Thailand, and regularly enjoyed profits of more than THB4b per year. However, changes in consumer behaviour, more competitors, and a continuous decline in advertising expenditure (adex) have hurt BEC, which has booked a loss for three consecutive years.

However, we believe that 2021 will be the first profitable year for the company, given its recent adex recovery and efficient cost cutting, and believe its financial performance could improve significantly next year.

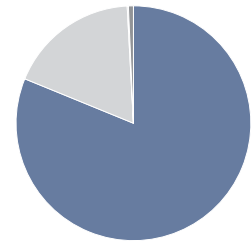
### Company profile

BEC’s principal business operations are its 1) content business – TV, online, global content licensing, program sourcing, production distribution; and 2) supporting businesses – the production of variety shows and content and promotional campaign activities.

[www.becworld.com](http://www.becworld.com)

### Principal activities (revenue, 2020)

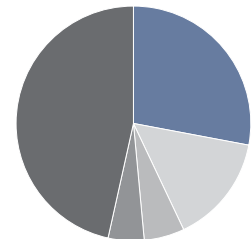
- Advertising income - 81.2 %
- Copyrights & Other services - 18.0 %
- Concerts & Shows - 0.2 %
- Sales of Goods - 0.7 %



Source: BEC World

### Major shareholders

- Maleenont Family - 28.0 %
- Jurangkool Family - 15.0 %
- Nortrust Nominees LTD-CL AC - 5.6 %
- BTS Group Holdings PCL - 5.0 %
- Others - 46.5 %



Source: BEC World

### Catalysts

- A strong recovery in 2021 should boost the company’s revenue;
- A huge cost reduction;
- If it can expand its market share via global content licensing.

### Risks to our call

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.

### Event calendar

Date	Event
Nov 2021	3Q21 results announcement

### Key assumptions

	2020	2021E	2022E	2023E
Ad rate per minute (THB)	85,900	80,500	83,720	83,720
Utilisation (%)	63	67	72	77

Source: FSSIA estimates

### Earnings sensitivity

- For every 1% increase in utilisation rate, we project 2021 earnings to rise by 26%, and vice versa, all else being equal;
- For every 1% increase in advertising rate, we project 2021 earnings to rise by 16%, and vice versa, all else being equal.

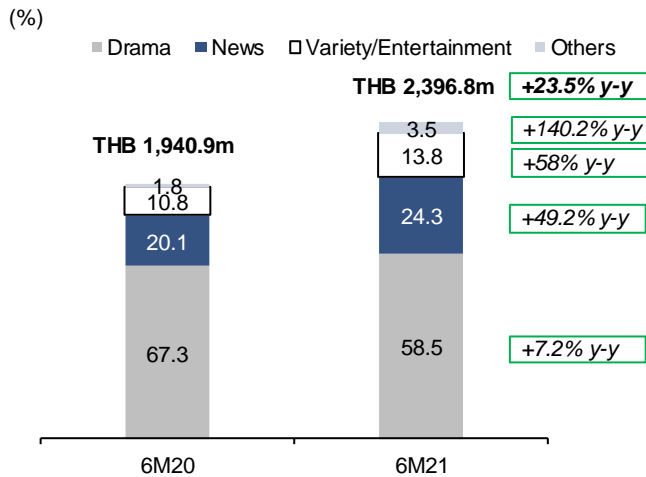
Source: FSSIA estimates



### News is the key driver for TV revenue

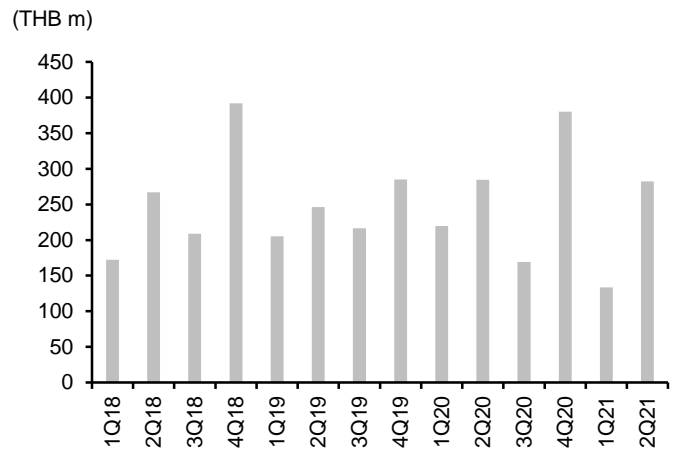
TV revenue in 1H21 showed a strong improvement thanks to 1) better adex; and 2) an improvement in BEC’s TV programs. News programs made a bigger contribution to TV revenue, growing by 49% y-y and contributing over 24% of BEC’s TV revenue. This was thanks to the improvement of all of the news program slots, along with featuring highly popular news anchors like Mr. Sorayuth, who returned to BEC in May-21. We believe that news programs will be the key driver for BEC’s revenue in 2H21 and 2022.

#### Exhibit 1: Adjusted advertising income



Note: Excluding BEC-Tero’s revenue from advertising Income  
Source: BEC, FSSIA compilation

#### Exhibit 2: Quarterly copyright revenue

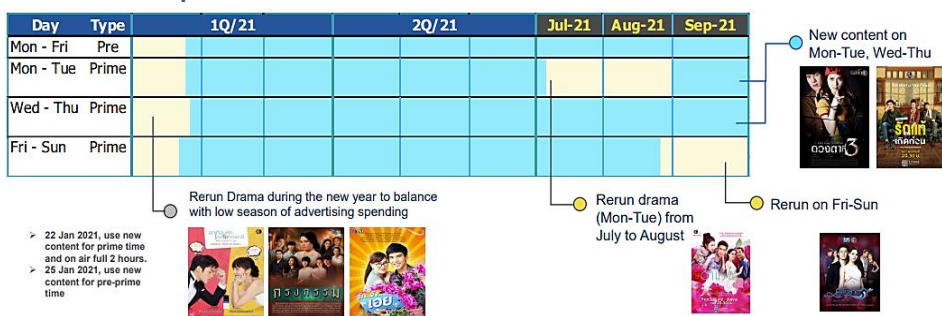


Note: Copyright revenue includes GCL, digital, and other revenue  
Source: BEC

### Re-running dramas should save some costs

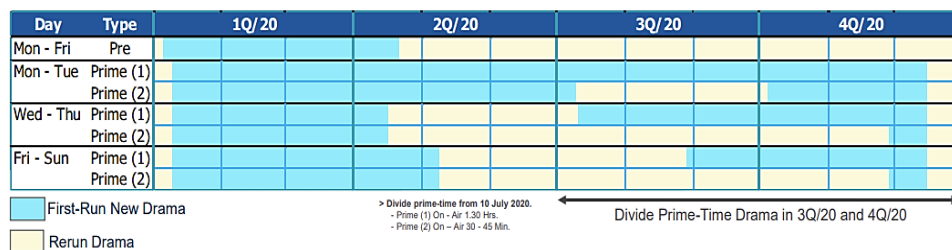
Similar to last year, when adex is weak due to the Covid impact, BEC tends to re-run drama series to save on production costs. The company stated that first-run dramas should receive over THB400k in advertising revenue per minute, while re-run dramas can still gain decent revenue of around THB200k per minute. In addition, re-run dramas have much lower costs, as most of the costs are already amortised when they are broadcast for the first time. We believe this strategy should help BEC save some costs in 3Q21.

#### Exhibit 3: 2021 prime-time drama schedule



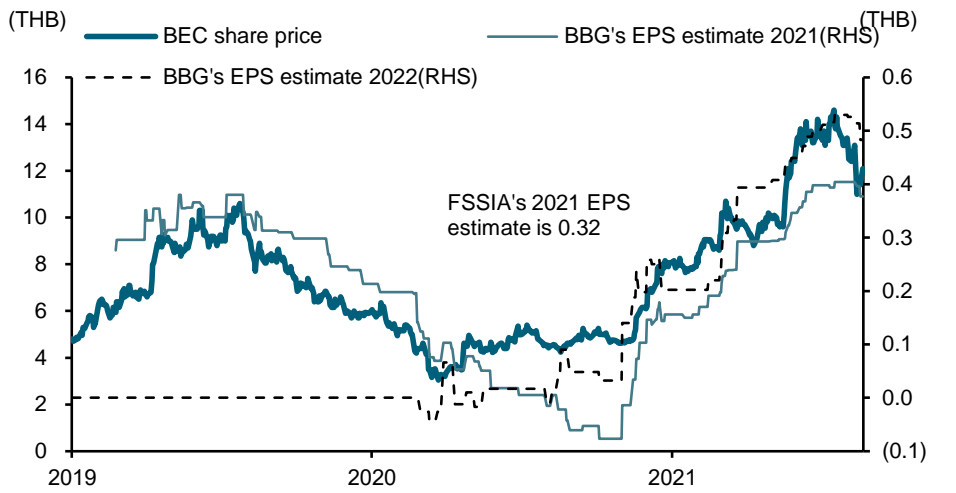
Source: BEC

#### Exhibit 4: 2020 prime-time drama schedule



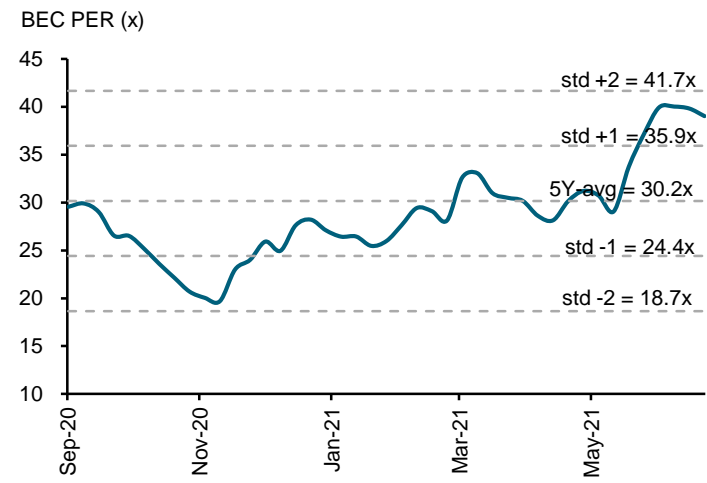
Source: BEC

**Exhibit 5: BEC's share price and EPS estimates by consensus**



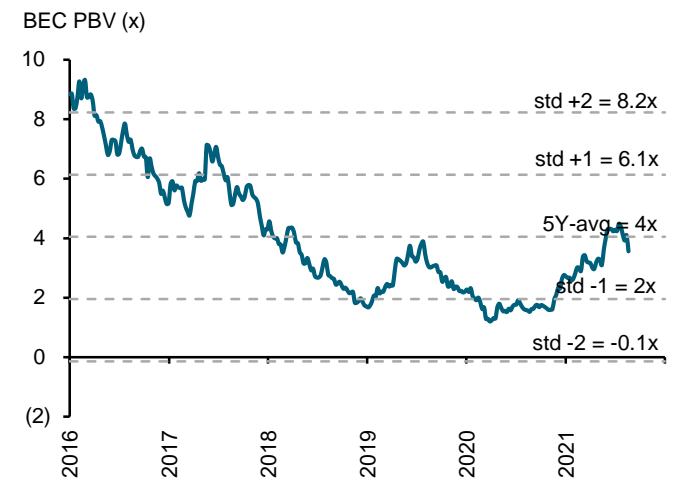
Sources: Bloomberg, FSSIA's compilation

**Exhibit 6: Rolling one-year forward P/E band**



Sources: Bloomberg, FSSIA estimates

**Exhibit 7: Rolling one-year forward P/BV band**



Sources: Bloomberg, FSSIA estimates

**Exhibit 8: Assumption and forecast changes**

	----- New -----		----- Previous -----		----- Change -----	
	2021E	2022E	2021E	2022E	2021E	2022E
	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)
Ad rate (THB)	80,500	83,720	85,000	87,550	(5)	(4)
Utilisation rate (%)	67	72	75	77	(11)	(6)
<b>Revenue</b>	<b>5,778</b>	<b>6,592</b>	<b>6,913</b>	<b>7,623</b>	<b>(16)</b>	<b>(14)</b>
<b>Gross profit</b>	<b>1,577</b>	<b>1,886</b>	<b>1,771</b>	<b>2,056</b>	<b>(11)</b>	<b>(8)</b>
<b>SG&amp;A expenses</b>	<b>(735)</b>	<b>(784)</b>	<b>(809)</b>	<b>(872)</b>	<b>(9)</b>	<b>(10)</b>
<b>EBIT</b>	<b>898</b>	<b>1,163</b>	<b>1,028</b>	<b>1,261</b>	<b>(13)</b>	<b>(8)</b>
<b>Core net profit</b>	<b>641</b>	<b>859</b>	<b>804</b>	<b>987</b>	<b>(20)</b>	<b>(13)</b>
<b>Margin</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>
GPM	27.3	28.6	25.6	27.0	1.7	1.6
NPM	11.1	13.0	11.6	12.9	(0.5)	0.1

Note: Change of items in percentage terms are represented in ppt change  
Source: FSSIA estimates

## Financial Statements

### BEC World

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	8,310	5,861	5,778	6,592	7,340
Cost of goods sold	(4,481)	(2,423)	(1,987)	(2,461)	(2,726)
<b>Gross profit</b>	<b>3,829</b>	<b>3,438</b>	<b>3,791</b>	<b>4,131</b>	<b>4,614</b>
Other operating income	77	39	40	45	50
Operating costs	(1,482)	(1,431)	(735)	(784)	(822)
<b>Operating EBITDA</b>	<b>2,424</b>	<b>2,046</b>	<b>3,096</b>	<b>3,392</b>	<b>3,842</b>
Depreciation	(3,054)	(2,160)	(2,214)	(2,245)	(2,252)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>(631)</b>	<b>(114)</b>	<b>882</b>	<b>1,147</b>	<b>1,590</b>
Net financing costs	(107)	(108)	(82)	(74)	(66)
Associates	28	(2)	0	0	0
Recurring non-operating income	28	(2)	0	0	0
Non-recurring items	199	19	0	0	0
<b>Profit before tax</b>	<b>(511)</b>	<b>(206)</b>	<b>801</b>	<b>1,073</b>	<b>1,524</b>
Tax	62	(98)	(160)	(215)	(305)
<b>Profit after tax</b>	<b>(449)</b>	<b>(304)</b>	<b>641</b>	<b>859</b>	<b>1,219</b>
Minority interests	52	90	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>(397)</b>	<b>(214)</b>	<b>641</b>	<b>859</b>	<b>1,219</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(159)</b>	<b>(19)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>(556)</b>	<b>(233)</b>	<b>641</b>	<b>859</b>	<b>1,219</b>
<b>Per share (THB)</b>					
Recurring EPS *	(0.28)	(0.12)	0.32	0.43	0.61
Reported EPS	(0.20)	(0.11)	0.32	0.43	0.61
DPS	0.00	0.00	0.00	0.00	0.30
Diluted shares (used to calculate per share data)	2,000	2,000	2,000	2,000	2,000
<b>Growth</b>					
Revenue (%)	(17.9)	(29.5)	(1.4)	14.1	11.4
Operating EBITDA (%)	(31.6)	(15.6)	51.4	9.6	13.3
Operating EBIT (%)	nm	nm	nm	30.0	38.6
Recurring EPS (%)	nm	nm	nm	34.1	42.0
Reported EPS (%)	nm	nm	nm	34.1	42.0
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	9.3	21.8	27.3	28.6	32.2
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	29.2	34.9	53.6	51.5	52.3
Operating EBIT margin (%)	(7.6)	(2.0)	15.3	17.4	21.7
Net margin (%)	(6.7)	(4.0)	11.1	13.0	16.6
Effective tax rate (%)	20.0	20.0	20.0	20.0	20.0
Dividend payout on recurring profit (%)	-	-	-	-	50.0
Interest cover (X)	(5.6)	(1.1)	10.8	15.6	24.1
Inventory days	0.3	0.5	0.4	0.4	0.4
Debtor days	50.9	67.1	62.2	51.7	55.2
Creditor days	53.2	84.3	77.6	59.7	60.6
Operating ROIC (%)	(74.5)	(13.8)	132.6	197.2	186.4
ROIC (%)	(5.6)	(1.4)	11.9	15.7	21.2
ROE (%)	(9.5)	(4.2)	11.2	13.3	16.9
ROA (%)	(4.1)	(2.3)	7.3	9.2	12.1
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Advertising income	6,743	4,758	4,725	5,280	5,647
Copyrights & Other services	953	1,053	1,053	1,211	1,393
Concerts & Shows	557	9	0	100	300
Sales of Goods	56	40	0	0	0

Sources: BEC World; FSSIA estimates

## Financial Statements

### BEC World

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	(556)	(233)	641	859	1,219
Depreciation	3,054	2,160	2,214	2,245	2,252
Associates & minorities	(80)	119	0	0	0
Other non-cash items	(185)	395	0	0	0
Change in working capital	208	(146)	200	(376)	(165)
<b>Cash flow from operations</b>	<b>2,442</b>	<b>2,295</b>	<b>3,055</b>	<b>2,728</b>	<b>3,306</b>
Capex - maintenance	(991)	(709)	(780)	(850)	(864)
Capex - new investment	(1,486)	(1,064)	(1,170)	(1,275)	(1,296)
Net acquisitions & disposals	26	(3)	0	0	0
Other investments (net)	620	82	0	0	0
<b>Cash flow from investing</b>	<b>(1,831)</b>	<b>(1,693)</b>	<b>(1,950)</b>	<b>(2,125)</b>	<b>(2,160)</b>
Dividends paid	0	0	0	0	(610)
Equity finance	0	0	0	0	0
Debt finance	(28)	0	(499)	(200)	(200)
Other financing cash flows	(34)	(109)	(77)	0	0
<b>Cash flow from financing</b>	<b>(62)</b>	<b>(109)</b>	<b>(576)</b>	<b>(200)</b>	<b>(810)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	99	0	0	0	0
<b>Net other adjustments</b>	<b>99</b>	<b>(711)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>648</b>	<b>(218)</b>	<b>529</b>	<b>403</b>	<b>336</b>
Free cash flow to firm (FCFF)	738.05	718.39	1,202.57	692.80	1,228.04
Free cash flow to equity (FCFE)	647.80	(217.84)	529.35	403.10	946.14

#### Per share (THB)

FCFF per share	0.37	0.36	0.60	0.35	0.61
FCFE per share	0.32	(0.11)	0.26	0.20	0.47
Recurring cash flow per share	1.12	1.22	1.43	1.55	1.74

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed assets (gross)	6,682	4,943	1,157	1,217	1,317
Less: Accumulated depreciation	(6,300)	(4,675)	(943)	(1,039)	(1,123)
<b>Tangible fixed assets (net)</b>	<b>382</b>	<b>268</b>	<b>214</b>	<b>178</b>	<b>195</b>
<b>Intangible fixed assets (net)</b>	<b>3,832</b>	<b>3,673</b>	<b>3,463</b>	<b>3,379</b>	<b>3,270</b>
Long-term financial assets	99	54	54	54	54
Invest. in associates & subsidiaries	29	0	0	0	0
Cash & equivalents	2,816	2,598	3,128	3,531	3,867
A/C receivable	1,037	1,117	851	1,017	1,204
Inventories	4	2	2	3	3
Other current assets	838	171	173	175	176
<b>Current assets</b>	<b>4,695</b>	<b>3,889</b>	<b>4,154</b>	<b>4,724</b>	<b>5,250</b>
Other assets	2,317	1,635	1,874	1,930	1,961
<b>Total assets</b>	<b>11,354</b>	<b>9,519</b>	<b>9,759</b>	<b>10,266</b>	<b>10,731</b>
Common equity	5,623	5,409	6,050	6,908	7,518
Minorities etc.	95	0	0	0	0
<b>Total shareholders' equity</b>	<b>5,718</b>	<b>5,409</b>	<b>6,050</b>	<b>6,908</b>	<b>7,518</b>
Long term debt	2,998	2,999	2,500	2,300	2,100
Other long-term liabilities	634	293	293	293	293
<b>Long-term liabilities</b>	<b>3,632</b>	<b>3,292</b>	<b>2,793</b>	<b>2,593</b>	<b>2,393</b>
A/C payable	645	474	370	435	471
Short term debt	330	0	0	0	0
Other current liabilities	1,029	344	546	329	348
<b>Current liabilities</b>	<b>2,004</b>	<b>818</b>	<b>916</b>	<b>764</b>	<b>820</b>
<b>Total liabilities and shareholders' equity</b>	<b>11,354</b>	<b>9,519</b>	<b>9,759</b>	<b>10,266</b>	<b>10,731</b>
Net working capital	205	473	110	429	563
Invested capital	6,865	6,103	5,715	5,971	6,044

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

#### Per share (THB)

Book value per share	2.81	2.70	3.02	3.45	3.76
Tangible book value per share	0.90	0.87	1.29	1.76	2.12

#### Financial strength

Net debt/equity (%)	9.0	7.4	(10.4)	(17.8)	(23.5)
Net debt/total assets (%)	4.5	4.2	(6.4)	(12.0)	(16.5)
Current ratio (x)	2.3	4.8	4.5	6.2	6.4
CF interest cover (x)	21.0	8.8	21.9	23.8	35.0

Valuation	2019	2020	2021E	2022E	2023E
<b>Recurring P/E (x) *</b>	<b>(43.9)</b>	<b>(104.7)</b>	<b>38.1</b>	<b>28.4</b>	<b>20.0</b>
<b>Recurring P/E @ target price (x) *</b>	<b>(53.9)</b>	<b>(128.7)</b>	<b>46.8</b>	<b>34.9</b>	<b>24.6</b>
Reported P/E (x)	(61.4)	(113.9)	38.1	28.4	20.0
Dividend yield (%)	-	-	-	-	2.5
Price/book (x)	4.3	4.5	4.0	3.5	3.2
Price/tangible book (x)	13.6	14.1	9.4	6.9	5.7
EV/EBITDA (x) **	10.3	12.1	7.7	6.8	5.9
EV/EBITDA @ target price (x) **	12.6	14.9	9.5	8.5	7.3
EV/invested capital (x)	3.6	4.1	4.2	3.9	3.7

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

Sources: BEC World; 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:

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 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANAH	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)

**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

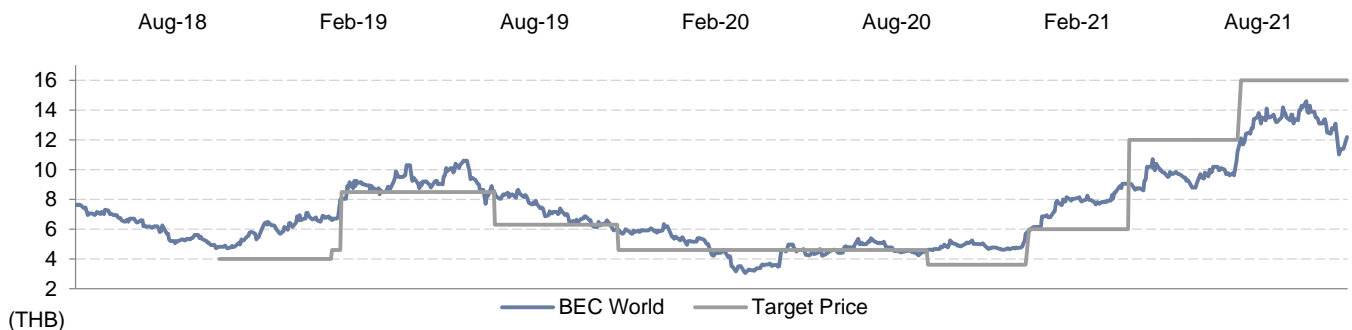
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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

#### 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	04-Mar-2021	BUY	12.00
22-Aug-2019	REDUCE	6.30	05-Nov-2020	REDUCE	3.60	21-May-2021	BUY	16.00

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
BEC World	BEC TB	THB 12.20	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 Finasia 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 Finasia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 23-Aug-2021 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.