

3 DECEMBER 2021

THAILAND / MEDIA

VGI PCL. VGI TB

**HOLD**

UNCHANGED

TARGET PRICE	THB7.00
CLOSE	THB6.70
UP/DOWNSIDE	+4.5%
PRIOR TP	THB5.80
CHANGE IN TP	+20.7%
TP vs CONSENSUS	-6.0%

## One upside one downside

### How might the Omicron variant impact VGI's outlook?

VGI's outlook is being harmed by the Omicron variant of Covid-19, which is spreading more easily than other variants. This could result in a tighter Covid control regime, meaning that there would be fewer people engaging in outdoor activities once again. We think that if the Omicron variant enters Thailand, public concern will return to a high level, similar to the Delta variant when it hit in April 2021, making out-of-home (OOH) the first victim in the media industry, since the outbreak would have a direct impact on OOH companies' financial performance.

### Three possible scenarios for the Omicron variant

In our opinion, there are three scenarios in which the Omicron variant could impact VGI's financial performance and our TP: 1) the Omicron variant does not enter Thailand or has a minimal spread; 2) it spreads in Thailand but can be controlled and maintained, i.e. no lockdown is required; and 3) the Omicron variant spreads across Thailand similar to the Delta variant and a lockdown is required. We estimate that the first scenario would have a minor impact, but the second and third scenarios would have a significant impact. Ceteris paribus, we project VGI's resultant share price in each scenario to be THB6.3/5.6/5.4, respectively.

### Earnings revision after factoring in JMART's outlook

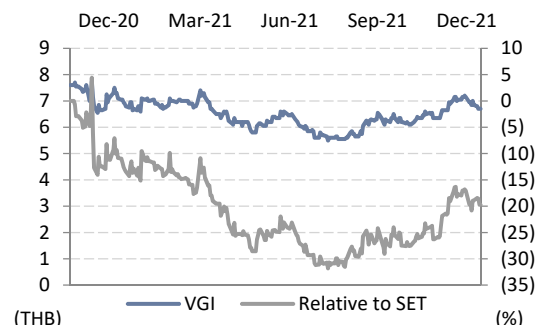
We have factored in the 15% investment in JMART, which should be completed within this year, to VGI's earnings forecast. VGI should receive a share of profit from JMART of around THB295m in FY23. Then, VGI would deduct an interest expense of THB125m, resulting in an additional profit of THB125m in FY23. Therefore, together with Fanslink (not listed)'s financial consolidation, and other minor factors, we upgrade our FY23 earnings estimate for VGI to THB883m from THB699m.

### Maintain HOLD

Although we are upgrading our TP from THB5.80 to THB7, thanks to the contributions from JMART and Fanslink, the unclear outlook in KEX's earnings partially offsets the TP increase. As a result, we maintain HOLD on VGI using SOTP methodology. Our TP is pegged to 68x 2022E P/E (+1.25SD of its mean P/E). In comparison, we believe PLANB, whose TP is pegged to 51x 2022E P/E (+1SD of its mean P/E), is clearly more attractive in terms of valuation.

### KEY STOCK DATA

YE Mar (THB m)	2021	2022E	2023E	2024E
Revenue	2,480	3,943	4,826	5,882
Net profit	980	66	883	1,493
EPS (THB)	0.11	0.01	0.10	0.17
vs Consensus (%)	-	(79.6)	112.8	63.5
EBITDA	592	450	1,123	1,550
Core net profit	185	66	883	1,493
Core EPS (THB)	0.02	0.01	0.10	0.17
Chg. In EPS est. (%)	nm	nm	nm	nm
EPS growth (%)	(85.6)	(64.4)	1,238.7	69.2
Core P/E (x)	311.8	875.0	65.4	38.6
Dividend yield (%)	0.5	0.0	0.8	1.3
EV/EBITDA (x)	97.8	138.7	55.6	39.5
Price/book (x)	3.5	3.5	3.4	3.2
Net debt/Equity (%)	(1.5)	25.1	25.1	17.5
ROE (%)	1.3	0.4	5.2	8.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	0.8	2.3	(11.8)
Relative to country (%)	2.4	5.9	(21.5)
Mkt cap (USD m)	1,703		
3m avg. daily turnover (USD m)	6.5		
Free float (%)	25		
Major shareholder	BTS Group Holdings (66%)		
12m high/low (THB)	7.85/5.45		
Issued shares (m)	8,611.17		

Sources: Bloomberg consensus; FSSIA estimates



Naruedom Mujjalinkool

naruedom.muj@fssia.com  
+66 2611 3566

## Investment thesis

VGI is a unique market leader with exclusive access to behavioural data from its advertising, payment and logistics platforms. The company turns data into meaningful consumer insights, enabling it to offer offline-to-online solutions (O2O). This helps VGI to better understand its audience's behaviour, which allows the company to advertise directly to its target audience. The O2O solutions add to its media value as well as its revenue.

We expect that advertising expenditure (adex) should start to recover in line with the gradual decrease in daily Covid cases in Thailand. Adex has shown significant signs of a recovery since Oct 2021.

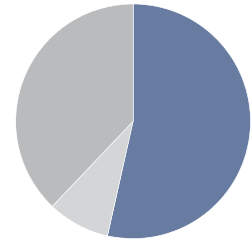
## Company profile

VGI Global Media provides services in advertising media with an emphasis on lifestyle media. Currently, it has three main business units, including transit media, office building media, and digital media.

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

## Principal activities (revenue, 2021)

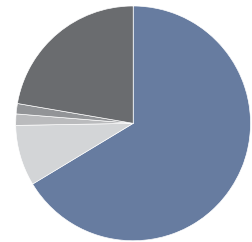
- Transit media - 53.5 %
- Office media - 8.6 %
- Digital media - 37.9 %



Source: VGI Pcl.

## Major shareholders

- BTS Group Holdings - 66.4 %
- Bangkok Bank - 8.4 %
- Bualuang Top - Ten Fund - 1.6 %
- Thai NVDR - 1.4 %
- Others - 22.3 %



Source: VGI Pcl.

## Catalysts

- A gradual recovery in Green Line mass transit ridership and transit adex;
- Entering into a high growth potential financial service business.

## Risks to our call

The key upside and downside risks to our SoTP-based TP are if the advertising expenditure recovery is slower or faster than our expectation, and whether Rabbit Line Pay is successful or not.

## Event calendar

Date	Event
Feb-22	4QFY22 results announcement

## Key assumptions

	FY21 (%)	FY22E (%)	FY23E (%)	FY24E (%)
Outdoor adex growth	(12)	0	9	8
Transit media	16	22	18	23
Office and others	(39)	65	40	30
Digital media	4	20	20	15
Retail	n.a.	20	25	20

Source: FSSIA estimates

## Earnings sensitivity

- For every 1% increase in transit media revenue, we project FY22 earnings to rise by 4%, and vice versa, all else being equal;
- For every 1% increase in gross profit margin, we project FY22 earnings to rise by 14%, and vice versa, all else being equal.

Source: FSSIA estimates

## Earnings revision

### Fanslink impact

The financial consolidation of Fanslink should boost VGI's revenue significantly, given that Fanslink has revenue of around THB1.3b per year and is still in a strong growth trend. Therefore, we expect Fanslink will have FY23 revenue of THB1.6b (+20% y-y), boosting VGI's FY23 revenue by 54% from our previous expectation to THB4.8b. However, due to the low-margin business of Fanslink, which has a GPM of around 10-12%, this would make VGI's GPM drop significantly in FY23, from our previous estimate of 49.5% to 34.9%.

Although Fanslink's revenue may look high, the tiny NPM of around 3-5%, according to VGI, would contribute only a tiny net profit to VGI of around THB23m per year, c3% of our earnings forecast in FY23.

### JMART impact

The 206.2m (15%) new shares subscribed by VGI in Jay Mart (JMART TB, BUY, TP THB55.50) under private placement at a price of THB30.34/shr for a total investment of THB6.3b should boost VGI's earnings significantly in 4QFY22 and FY23. We estimate that JMART's earnings will hit a new record high in 2022 at THB1,957 (+69% y-y). This would allow VGI to receive a share of profit from JMART of around THB295m in FY23. We estimate that 90% of the investment cost of THB6.3b in JMART will come from bank loans. Using 3% as an interest rate, VGI will have about a THB170m additional interest expense in FY23. As a result, VGI would receive a gain from this transaction of about THB125m in FY23, which we expect to grow continuously as we believe that JMART still has a huge growth potential in the future.

### Exhibit 1: Transaction summary

#### TRANSACTION SUMMARY

Company:	Jaymart Public Company Limited ("Jaymart")
% of investment:	15.0% of newly ordinary shares under Private Placement
No. of shares acquisition:	206.2mn shares
Acquisition price:	THB 30.34 per share
Total investment:	Up to THB 6.3bn
Source of fund:	Working Capital 5 – 10% and loan from financial institution 90 – 95%
Transaction:	<ul style="list-style-type: none"> <li>Step 1 – VGI will purchase 15.0% of newly ordinary shares from Jaymart</li> <li>Step 2 – Jaymart will issue 25.3mn units of Jaymart-W6 for the Company</li> <li>This transaction is subject to Jaymart's shareholder meeting</li> </ul>
Expected completion:	Within 3Q 2021/22

#### RATIONALE

- Strengthen VGI ecosystem through the partnership with the leader in retail, consumer finance business and new technology business
- Capture a growth of VGI's offline retail business through Fanslink across Jaymart's nationwide network
- Provide our advertising network for Jaymart products and services
- Potential opportunity to utilise Jaymart's expertise in innovative financial technology

#### SHAREHOLDING STRUCTURE

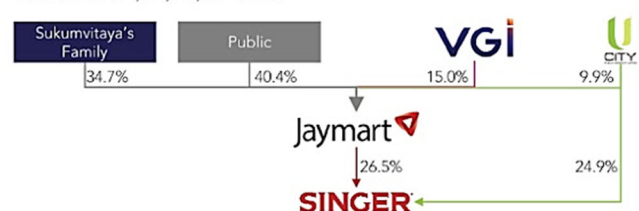
##### Pre shareholding structure

Total shares of 1,032,583,940 shares



##### Post shareholding structure

Total shares of 1,374,945,327\* shares



\* 206,241,800 shares by VGI and 136,119,587 shares by U City

Source: VGI

### KEX impact

The earnings revisions for Kerry Express Thailand (KEX TB, HOLD, TP THB36) in our latest report, [Kerry Express \(Thailand\) \(KEX TB\) – “The big red ocean”, dated 11 Nov 2021](#), drove our 2022E net profit down significantly by 19%. This is due to the intense competition in the parcel delivery market. We believe it will also hurt VGI's net profit as the major shareholder of KEX with an 18% holding. We expect KEX's share of profit from VGI to decrease from THB241m to THB203m in FY23.

Though JMART and KEX should make up the biggest contribution to VGI's share of profits in FY23, the improvement of other businesses with profit sharing should also have a better outlook, such as 1) Master Ad (MACO TB, NR)'s earnings should become more stable or have no further losses after selling most of its advertising assets to PLAN B Media (PLANB TB, BUY, TP THB7.50); 2) Rabbit Line Pay (RLP, not listed) should at least maintain its loss level, in our estimation; and 3) other media such as Demo Power, Aero Media, Ad Chaopraya, etc. should post strong recoveries in FY23. Therefore, we change our expectation on the share of profits contributed to VGI, prompting us to upgrade our FY23E earnings to THB883m (+26%) from our previous expectation of THB699m.

## Exhibit 2: Key assumption changes

	----- Current -----		----- Previous -----		----- Change -----	
	FY22E (THB m)	FY23E (THB m)	FY22E (THB m)	FY23E (THB m)	FY22E (%)	FY23E (%)
Revenue	3,943	4,826	2,793	3,126	41.2	54.4
Gross profit	811	1,683	1,021	1,546	(20.5)	8.9
EBIT	64	1,160	217	863	(70.6)	34.5
Share of profit	120	431	0	45	n.a.	857.9
interest expense	(74)	(185)	(68)	(70)	8.8	163.8
Core net profit	66	883	194	699	(66.0)	26.3
<b>Margin</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>
Gross profit margin	20.6	34.9	36.6	49.5	(15.98)	(14.57)
Net profit margin	1.7	18.3	6.9	22.4	(5.27)	(4.07)

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

## Exhibit 3: SOTP valuation methodology

Cost of equity assumptions		(%)	Cost of debt assumption		(%)
Risk-free rate		3.00	Pretax cost of debt		3.2
Market risk premium		8.0	Marginal tax rate		20.0
Stock beta		1			
Cost of equity, Ke		11.00	Net cost of debt, Kd		2.56
Weight applied		58.0	Weight applied		42
WACC		7.5			
	(THB m)		(THB/share)		Comments
VGI	37,661		4.37		WACC 7.5%, beta 1, 2% terminal growth
PLANB	5,846		0.68		FSSIA TP of THB7.50
KEX	11,313		1.31		FSSIA TP of THB36
JMART	8,579		1.00		FSSIA TP of THB55.50
MACO	1,237		0.14		Market price
Net cash - Net debt	(4,282)		(0.50)		At end-FY21E
<b>Total</b>	<b>60,354</b>				
Share base (m)	8,611				
<b>TP (THB)</b>	<b>7.0</b>				

Sources: VGI; FSSIA estimates

## Omicron variant scenarios

In our opinion, there are three scenarios in which the Omicron variant could impact VGI's financial performance and our TP. All of the scenarios assume that Omicron will knock on the Thai border in 1Q22.

- 1) The Omicron variant does not enter Thailand or has a minimal spread (35% possibility). In this case, which is our best-case scenario, we expect that the number of Covid cases will not rise dramatically compared to the current situation, with Thailand's likely cases per day numbering around 6,000 in 1Q22. We expect the number of people engaging in OOH activities will gradually grow every month starting from Sep 2021.

In this case, there would only be a minimal impact on VGI's earnings in 4FY22 (Jan-Mar 2022) as well as in FY23. We expect about a 10% downside risk to our earnings forecast, making VGI's EPS drop to THB0.1, while pegged to +1.25SD of its mean P/E at 68x. Therefore, all else being equal, we determine the maximum downside risk of this scenario to be a share price of THB6.30.

- 2) The Omicron variant spreads in Thailand but can be controlled and maintained and no lockdown is required (45% possibility). Based on this scenario, our base case, we expect that the number of Covid cases in Thailand will start rising again but number no more than 10,000 cases per day. The government may decide not to implement a full lockdown as in 3Q21.

This case would affect VGI's EPS by 20% of our current forecast to THB0.09. It may hurt its 4QFY22 performance even more than the first scenario but it should start to improve in 1QFY23. Therefore, we maintain our P/E multiple level at 68x (+1.25SD of its mean P/E), making VGI's downside a drop to THB5.60, all else being equal.

- 3) The Omicron variant spreads everywhere in Thailand similar to the Delta variant and a lockdown is required (20% possibility). This is the worst-case scenario. The number of Covid cases may rise significantly to over 15,000 cases per day. The government may consider having at least one month of a full lockdown. However, we think the lockdown period would be similar to the previous lockdown in 3Q21 that was applied for two months.

Although a lockdown may hurt OOH revenue significantly, we believe the recovery would also be strong. Therefore, we expect a 20% downside risk to VGI's EPS to THB0.08, similar to our base case. However, the market may be afraid and be more risk-averse on its outlook. Therefore, we use only +1SD of its mean P/E, implying 66x. As a result, all else being equal, the maximum downside to VGI's share price would be a drop to THB5.40, which is still slightly higher than the Delta variant impact that pulled VGI's share price to the lowest level at around THB5.50.

We believe the second scenario, which is our base case, is the most likely to occur. This scenario has a 45% of happening, in our estimation. However, there is still a chance that Omicron will not enter Thailand at all if the government implements a strict defensive strategy to prevent it from entering Thailand in the first place. Therefore, the decrease in its share price might be an opportunity for investors to re-invest in VGI after its share price hit the highest level in the past seven months on 19 Nov 2021 and since began to soften.

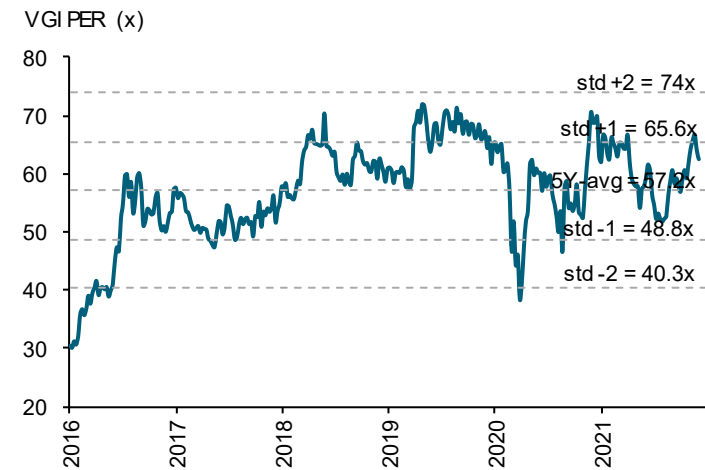
## Exhibit 4: Omicron variant scenarios – sensitivity analysis

	(THB/x)	P/E multiple				
		-0.5SD	Avg	+0.5SD	+1SD	+1.25SD
EPS		53	57	61	66	68
	0.082	4.35	4.67	5.00	5.41***	5.58**
	0.092	4.89	5.26	5.63	6.09	6.27*
	0.103	5.43	5.84	6.25	6.77	6.97

Note: \*First scenario; \*\*Second scenario, \*\*\*Third scenario

Source: FSSIA estimates

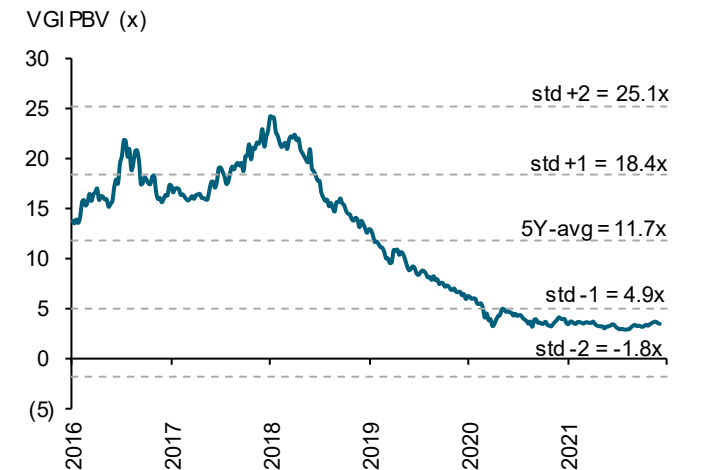
## Exhibit 5: Rolling one-year forward P/E band



Note: Applied EPS 2022 for 2021 and removed an abnormal period

Sources: Bloomberg; FSSIA estimates

## Exhibit 6: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

## Financial Statements

VGI Pcl.

Profit and Loss (THB m) Year Ending Mar	2020	2021	2022E	2023E	2024E
Revenue	4,000	2,480	3,943	4,826	5,882
Cost of goods sold	(1,328)	(1,075)	(2,626)	(2,661)	(3,264)
<b>Gross profit</b>	<b>2,671</b>	<b>1,405</b>	<b>1,317</b>	<b>2,165</b>	<b>2,618</b>
Other operating income	104	112	158	145	176
Operating costs	(1,394)	(926)	(1,025)	(1,186)	(1,244)
<b>Operating EBITDA</b>	<b>1,381</b>	<b>592</b>	<b>450</b>	<b>1,123</b>	<b>1,550</b>
Depreciation	(619)	(469)	(506)	(482)	(457)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>762</b>	<b>123</b>	<b>(56)</b>	<b>642</b>	<b>1,093</b>
Net financing costs	(74)	(73)	(74)	(185)	(173)
Associates	131	136	120	431	610
Recurring non-operating income	277	195	120	519	764
Non-recurring items	233	795	0	0	0
<b>Profit before tax</b>	<b>1,198</b>	<b>1,040</b>	<b>(10)</b>	<b>976</b>	<b>1,683</b>
Tax	(309)	(133)	2	(137)	(236)
<b>Profit after tax</b>	<b>889</b>	<b>907</b>	<b>(9)</b>	<b>839</b>	<b>1,448</b>
Minority interests	120	73	75	44	46
Preferred dividends	-	-	-	-	-
Other items	415	0	0	0	0
<b>Reported net profit</b>	<b>1,424</b>	<b>980</b>	<b>66</b>	<b>883</b>	<b>1,493</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(138)</b>	<b>(795)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>1,286</b>	<b>185</b>	<b>66</b>	<b>883</b>	<b>1,493</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.15	0.02	0.01	0.10	0.17
Reported EPS	0.17	0.11	0.01	0.10	0.17
DPS	0.10	0.04	0.00	0.05	0.09
Diluted shares (used to calculate per share data)	8,611	8,611	8,611	8,611	8,611
<b>Growth</b>					
Revenue (%)	10.8	(38.0)	59.0	22.4	21.9
Operating EBITDA (%)	(23.7)	(57.1)	(24.0)	149.7	38.0
Operating EBIT (%)	(42.4)	(83.9)	nm	nm	70.3
Recurring EPS (%)	16.0	(85.6)	(64.4)	1,238.7	69.2
Reported EPS (%)	28.5	(31.2)	(93.3)	1,238.7	69.2
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	51.3	37.7	20.6	34.9	36.7
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	34.5	23.9	11.4	23.3	26.4
Operating EBIT margin (%)	19.0	5.0	(1.4)	13.3	18.6
Net margin (%)	32.1	7.5	1.7	18.3	25.4
Effective tax rate (%)	20.0	20.0	20.0	20.0	120.0
Dividend payout on recurring profit (%)	66.1	167.5	40.0	50.0	50.0
Interest cover (X)	14.0	4.3	0.9	6.3	10.7
Inventory days	-	-	-	-	-
Debtor days	118.1	136.5	96.7	109.0	109.2
Creditor days	132.2	146.6	81.4	106.1	94.6
Operating ROIC (%)	40.6	9.6	(26.5)	(157.9)	128.3
ROIC (%)	5.2	1.6	0.3	4.2	(1.7)
ROE (%)	9.7	1.3	0.4	5.2	8.6
ROA (%)	6.1	0.9	0.2	3.6	5.1

\* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2020	2021	2022E	2023E	2024E
Transit media	2,184	1,327	1,536	1,878	2,224
Office media	371	213	130	214	300
Digital media	1,151	940	978	1,173	1,408
Others	294	0	1,300	1,560	1,950

Sources: VGI Pcl.; FSSIA estimates



## Financial Statements

VGI Pcl.

Cash Flow (THB m) Year Ending Mar	2020	2021	2022E	2023E	2024E
Recurring net profit	1,286	185	66	883	1,493
Depreciation	619	469	506	482	457
Associates & minorities	(164)	(412)	(75)	(44)	(46)
Other non-cash items	(718)	151	36	45	57
Change in working capital	(473)	(227)	1,744	(606)	455
<b>Cash flow from operations</b>	<b>550</b>	<b>166</b>	<b>2,277</b>	<b>760</b>	<b>2,417</b>
Capex - maintenance	(273)	(239)	(228)	(228)	(258)
Capex - new investment	(182)	(159)	(152)	(152)	(172)
Net acquisitions & disposals	(256)	804	(6,300)	0	0
Other investments (net)	437	898	0	0	0
<b>Cash flow from investing</b>	<b>(275)</b>	<b>1,303</b>	<b>(6,680)</b>	<b>(380)</b>	<b>(430)</b>
Dividends paid	(850)	(310)	(26)	(441)	(747)
Equity finance	500	0	0	0	0
Debt finance	(890)	(689)	4,796	(368)	(354)
Other financing cash flows	(303)	260	(110)	(38)	(34)
<b>Cash flow from financing</b>	<b>(1,543)</b>	<b>(739)</b>	<b>4,660</b>	<b>(847)</b>	<b>(1,135)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>(517)</b>	<b>(45)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(1,786)</b>	<b>685</b>	<b>257</b>	<b>(467)</b>	<b>852</b>
Free cash flow to firm (FCFF)	348.34	1,542.84	(4,328.61)	564.21	2,160.41
Free cash flow to equity (FCFE)	(1,435.94)	995.47	283.61	(26.06)	1,598.87

### Per share (THB)

FCFF per share	0.04	0.18	(0.50)	0.07	0.25
FCFE per share	(0.17)	0.12	0.03	0.00	0.19
Recurring cash flow per share	0.12	0.05	0.06	0.16	0.23

Balance Sheet (THB m) Year Ending Mar	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	2,687	3,031	3,231	3,431	3,681
Less: Accumulated depreciation	(1,546)	(1,811)	(2,102)	(2,378)	(2,636)
<b>Tangible fixed assets (net)</b>	<b>1,142</b>	<b>1,220</b>	<b>1,128</b>	<b>1,053</b>	<b>1,045</b>
<b>Intangible fixed assets (net)</b>	<b>669</b>	<b>693</b>	<b>653</b>	<b>618</b>	<b>589</b>
Long-term financial assets	2,695	137	137	137	137
Invest. in associates & subsidiaries	9,282	9,223	15,523	15,523	15,523
Cash & equivalents	730	1,415	1,673	1,205	2,057
A/C receivable	1,617	1,353	1,883	2,203	2,580
Inventories	0	0	0	0	0
Other current assets	260	442	276	338	412
<b>Current assets</b>	<b>2,607</b>	<b>3,210</b>	<b>3,832</b>	<b>3,746</b>	<b>5,050</b>
Other assets	683	6,488	6,372	6,262	6,157
<b>Total assets</b>	<b>17,077</b>	<b>20,970</b>	<b>27,645</b>	<b>27,339</b>	<b>28,499</b>
Common equity	12,784	16,592	16,631	17,073	17,819
Minorities etc.	294	472	397	353	308
<b>Total shareholders' equity</b>	<b>13,078</b>	<b>17,063</b>	<b>17,028</b>	<b>17,426</b>	<b>18,127</b>
Long term debt	1,200	0	5,355	5,087	4,833
Other long-term liabilities	140	724	722	733	760
<b>Long-term liabilities</b>	<b>1,340</b>	<b>724</b>	<b>6,077</b>	<b>5,821</b>	<b>5,593</b>
A/C payable	464	399	772	775	918
Short term debt	689	1,159	600	500	400
Other current liabilities	1,506	1,625	3,167	2,817	3,462
<b>Current liabilities</b>	<b>2,660</b>	<b>3,183</b>	<b>4,539</b>	<b>4,092</b>	<b>4,779</b>
<b>Total liabilities and shareholders' equity</b>	<b>17,077</b>	<b>20,970</b>	<b>27,645</b>	<b>27,339</b>	<b>28,499</b>
Net working capital	(94)	(229)	(1,780)	(1,052)	(1,387)
Invested capital	14,376	17,531	22,033	22,541	22,062

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

### Per share (THB)

Book value per share	1.48	1.93	1.93	1.98	2.07
Tangible book value per share	1.41	1.85	1.86	1.91	2.00

### Financial strength

Net debt/equity (%)	8.9	(1.5)	25.1	25.1	17.5
Net debt/total assets (%)	6.8	(1.2)	15.5	16.0	11.1
Current ratio (x)	1.0	1.0	0.8	0.9	1.1
CF interest cover (x)	(16.0)	16.8	6.9	1.7	11.2

Valuation	2020	2021	2022E	2023E	2024E
<b>Recurring P/E (x) *</b>	<b>44.9</b>	<b>311.8</b>	<b>875.0</b>	<b>65.4</b>	<b>38.6</b>
<b>Recurring P/E @ target price (x) *</b>	<b>46.9</b>	<b>325.8</b>	<b>914.2</b>	<b>68.3</b>	<b>40.4</b>
Reported P/E (x)	40.5	58.9	875.0	65.4	38.6
Dividend yield (%)	1.5	0.5	0.0	0.8	1.3
Price/book (x)	4.5	3.5	3.5	3.4	3.2
Price/tangible book (x)	4.8	3.6	3.6	3.5	3.3
EV/EBITDA (x) **	42.8	97.8	138.7	55.6	39.5
EV/EBITDA @ target price (x) **	44.7	102.2	144.4	57.9	41.1
EV/invested capital (x)	4.1	3.3	2.8	2.8	2.8

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

Sources: VGI Pcl.; 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	ICHI	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	PCSGH	PDJ	PG	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	SEOIL	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	TTB	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	MITSI	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	TPIPP	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	TTB	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	WIIK	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

#### VGI Pcl. (VGI TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
27-Aug-2020	HOLD	6.70	15-Jan-2021	HOLD	7.00	02-Jun-2021	HOLD	6.50
05-Nov-2020	HOLD	6.70	16-Feb-2021	HOLD	7.00	04-Aug-2021	HOLD	5.80

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

Price and TP are in local currency

Source: FSSIA estimates

#### Jay Mart (JMART TB)



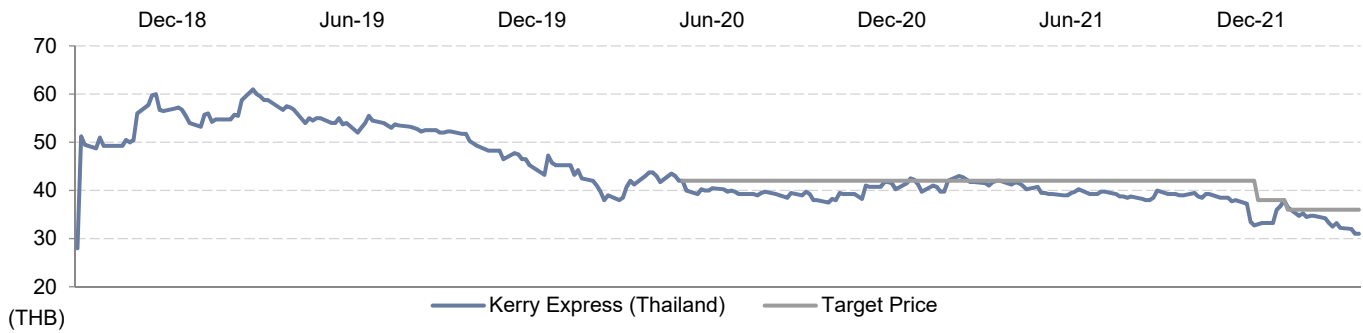
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
10-Aug-2021	BUY	44.00	16-Sep-2021	BUY	48.00	-	-	-
27-Aug-2021	BUY	44.00	25-Nov-2021	BUY	55.50			

Naruedom Mujjalinkool started covering this stock from 10-Aug-2021

Price and TP are in local currency

Source: FSSIA estimates

## Kerry Express (Thailand) (KEX TB)



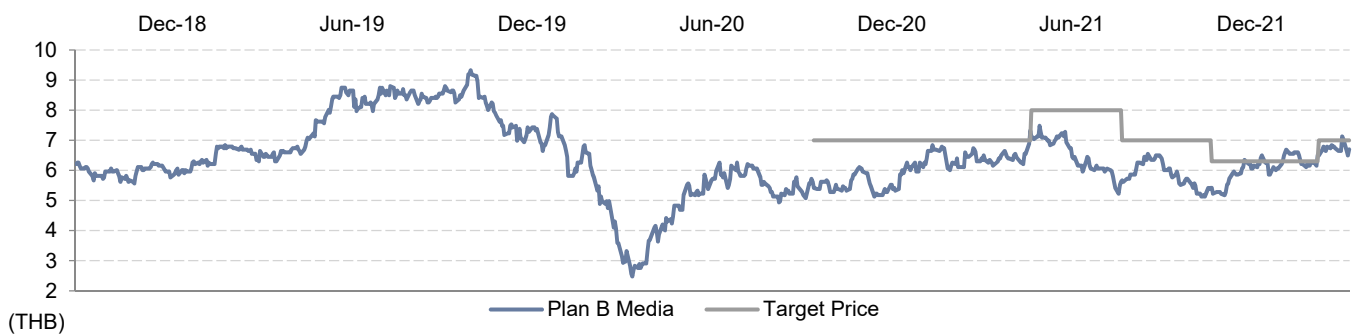
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
02-Jun-2021	HOLD	42.00	03-Nov-2021	BUY	38.00	11-Nov-2021	HOLD	36.00

Naruedom Mujjalinkool started covering this stock from 02-Jun-2021

Price and TP are in local currency

Source: FSSIA estimates

## Plan B Media (PLANB TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
27-Aug-2020	BUY	7.00	22-Apr-2021	BUY	8.00	04-Nov-2021	BUY	7.00
05-Nov-2020	BUY	7.00	19-May-2021	BUY	7.00			
02-Mar-2021	BUY	8.00	04-Aug-2021	BUY	6.30			

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
VGI Pcl.	VGI TB	THB 6.70	HOLD	The key upside and downside risks to our SoTP-based TP are if the advertising expenditure recovery is slower or faster than our expectation, and whether Rabbit Line Pay is successful or not.
Jay Mart	JMART TB	THB 48.50	BUY	Downside risks to our SOTP-based TP include 1) lower-than-expected mobile revenue; 2) lower cash collection from its fully amortised portfolio; and 3) the lower-than-expected acquisition of new bad debt.
Kerry Express (Thailand)	KEX TB	THB 31.25	HOLD	The key downside and upside risks to our DCF-based TP are 1) if the competition is higher or lower than our expectation; and 2) if Covid-19 continues to spread further.
Plan B Media	PLANB TB	THB 6.65	BUY	The key downside risks to our P/E multiple based TP are a slower-than-expected adex recovery and further waves of Covid-19.

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 02-Dec-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.