

BEC WORLD

BEC TB

THAILAND / MEDIA

BUY

UNCHANGED

Entering the growth stage

- After BEC's solid recovery in 2021, we believe the company will enter the growth stage in 2022.
- The company's earnings outlook remains solid with positive catalysts waiting in the near future.
- Maintain BUY with a higher TP of THB18.6.

TARGET PRICE	THB18.60
CLOSE	THB16.30
UP/DOWNSIDE	+14.1%
PRIOR TP	THB15.00
CHANGE IN TP	+24.0%
TP vs CONSENSUS	+20.2%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	5,680	6,564	7,151	7,562
Net profit	762	1,067	1,302	1,477
EPS (THB)	0.38	0.53	0.65	0.74
vs Consensus (%)	-	4.1	(0.3)	-
EBITDA	3,180	3,423	3,735	3,943
Core net profit	812	1,067	1,302	1,477
Core EPS (THB)	0.41	0.53	0.65	0.74
Chg. In EPS est. (%)	nm	24.3	6.8	nm
EPS growth (%)	nm	31.5	22.0	13.4
Core P/E (x)	40.2	30.5	25.0	22.1
Dividend yield (%)	-	1.6	2.0	3.6
EV/EBITDA (x)	9.7	9.0	8.1	7.6
Price/book (x)	5.3	4.8	4.4	4.2
Net debt/Equity (%)	(27.8)	(24.5)	(29.9)	(33.9)
ROE (%)	14.0	16.5	18.5	19.6

Positive outlook from analyst meeting

Management is targeting THB1b in copyright revenue in 2022 (+18% y-y). They are also aiming for total revenue growth in the high single to double-digits, and expect to maintain the GPM at 33%. Moreover, the company expects to have a new business named BEC Studio, which will support both the pre- and post-production process for its content to have more efficiency. This should help the company save costs.

Positive catalysts are waiting in the near future

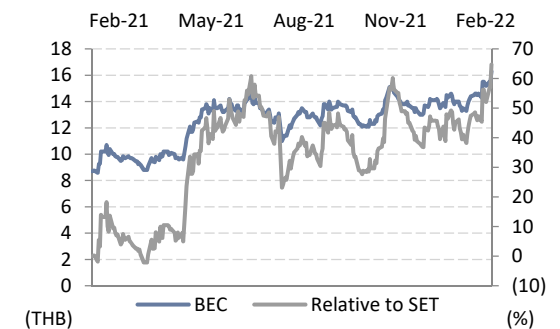
According to the company, BEC will have a board of director's meeting in the middle of Mar-22 in order to approve the 2021 dividend and future investments, including BEC Studio. Management believes the future investments will 1) lead to new sources of revenue; and 2) help the organisation to reduce its costs. We have a positive view on BEC's outlook as its dividend and future investments should be announced in the near future.

Earnings upgrade

We maintain our 2022E revenue of THB6.6b (+16% y-y) but increase our earnings to THB1.1b from our previous expectation of THB859m, thanks to our revised GPM forecast to 33.5% vs 27.3% previously. Although BEC will have more first-run drama programs this year, the production costs should be maintained or slightly increase due to its cost management. Note that we have not yet included the potential profit from the movie business that is expected to launch in 4Q22 into our estimates, as it still has a high risk/reward ratio, in our view.

Maintain BUY with a higher TP of THB18.6

After seeing BEC's stronger-than-expected 4Q21 earnings, as well as the positive outlook from the analyst meeting, we revise our TP up from THB15 to THB18.6, pegged to 35x 2022E P/E (+1SD of its mean P/E). BEC remains our top pick in the media sector as a safe haven company during the Omicron variant. BEC expects to have cash on hand of over THB3b in 2022, ready for the future investments that we expect to be announced within 1Q22. We strongly believe that BEC's future investments will be significant for its growth potential.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	16.4	8.7	86.3
Relative to country (%)	13.4	5.5	64.8
Mkt cap (USD m)	1,009		
3m avg. daily turnover (USD m)	7.6		
Free float (%)	48		
Major shareholder	Maleenont Family (28%)		
12m high/low (THB)	16.50/8.50		
Issued shares (m)	2,000.00		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

BEC is the second biggest TV operator in Thailand in terms of TV ratings. Moreover, its TV rating in Bangkok, which typically has stronger purchasing power than rural areas, is ranked first. BEC has strong drama content that can capture consumer’s interests. Moreover, we believe BEC, as a strong content provider, has an opportunity to sell its content to streaming platforms such as Netflix, which could provide additional revenue. There is still a high demand for Thai content in both local and international markets. This should be the key driver for the company in 2022.

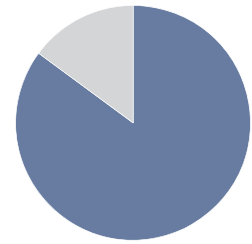
Company profile

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.

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Principal activities (revenue, 2021)

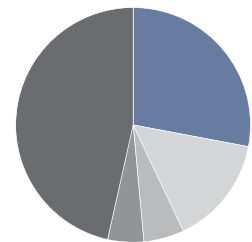
- Advertising income - 85.1 %
- Copyrights & Other services - 14.9 %



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

- The recovery in advertising expenditure after Covid should be under control in 2022;
- If it can expand its market share via global content licensing;
- Future investments.

Risks to our call

The key downside risks to our P/E-based TP are a lower-than-expected adex recovery and a worse-than-expected cost reduction.

Event calendar

Date	Event
May 2022	1Q22 results announcement

Key assumptions

	2021	2022E	2023E	2024E
Ad rate per minute (THB)	82,000	85,280	85,280	85,280
Utilisation (%)	67	72	75	78

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in utilisation rate, we project 2022 earnings to rise by 26%, and vice versa, all else being equal;
- For every 1% increase in advertising rate, we project 2022 earnings to rise by 16%, and vice versa, all else being equal.

Source: FSSIA estimates

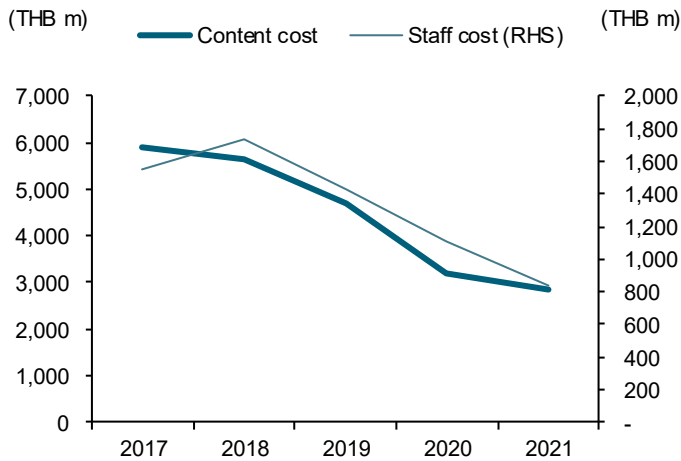
Earnings upgrade

Solid cost optimisation

The company has shown impressive cost management in 2021, especially in 4Q21. Despite the solid growth in BEC’s revenue by over 25% q-q in 4Q21, its operating cost dropped by 2%. BEC’s GPM in 4Q21 at 45% was the highest GPM level by quarter in the past many years. This helped the company to have a 2021 GPM of THB33%.

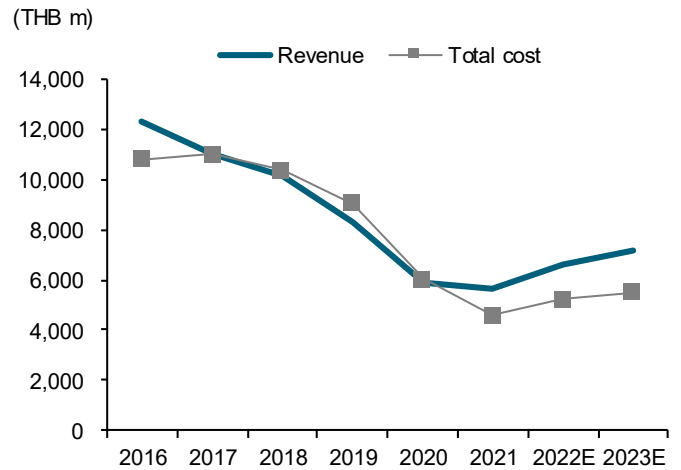
Thanks to the downsizing and aggressive cost management that BEC has undertaken since 2020, its total cost has finally dropped to a lower level compared to its revenue. This helped the company to generate a huge core profit in 2021 at THB812m compared to the loss of THB224m in 2020.

Exhibit 1: BEC’s major expenses



Source: BEC

Exhibit 2: BEC’s revenue vs total cost



Sources: BEC; FSSIA estimates

Conservative on GPM forecast

Because of this, we revise our GPM forecast for BEC in 2022 up to 33.5% vs our previous expectation of 27.3%. We conservatively believe that its GPM should be similar to last year, given that the company will produce more drama series this year, premised on the expectation of an economic recovery after the Covid situation is under control. Having more first-run drama series would give BEC the opportunity to capture higher advertising expenditure (adex).

Moreover, BEC currently has THB3b in bonds that are expected to reach their due date in May-22. Management said in the analyst meeting that the company will roll-over its bonds for THB2b, which should reduce its financial expense by THB20m compared to last year. Therefore, we also trim our financial expense forecast from 2022 onward. As a result, we expect BEC’s earnings in 2022 to post strong growth by 31% to THB1.1b.

Exhibit 3: Assumption and forecast changes

	----- Current -----		----- Previous -----		----- Change -----	
	2022E (THB m)	2023E (THB m)	2022E (THB m)	2023E (THB m)	2022E (%)	2023E (%)
Ad rate (THB)	85,280	85,280	85,000	87,550	0	(3)
Utilisation rate (%)	72	75	75	77	(4)	(3)
Revenue	6,564	7,151	6,913	7,623	(5)	(6)
Gross profit including depreciation and amortisation	2,198	2,522	1,886	2,362	17	7
SG&A expenses	837	872	784	822	7	6
EBIT	1,412	1,706	1,102	1,540	28	11
Core net profit	1,067	1,302	859	1,219	24	7
Margin	(%)	(%)	(%)	(%)	(ppt)	(ppt)
GPM	33.5	35.3	27.3	31.0	6.2	4.3
NPM	16.3	18.2	12.4	16.0	3.8	2.2

Note: Includes other income; Change of items in percentage terms are represented in ppt change
Source: FSSIA estimates

Upside from movie business

BEC has announced a collaboration with a major film producer, M Pictures Entertainment (MPIC TB, NR), the subsidiary of Major Cineplex (MAJOR TB, BUY, TP THB25), the biggest cinema operator in Thailand, to produce movies together for the first time under the name "Big Movies Big Project 2022", starting with the first movie called "Bua Pan Fun Yab". This movie is expected to be shown in cinemas in 4Q22. The company said that it is an equal partnership (50:50) between BEC and MPIC. The movie production cost is expected to be around THB40m-50m.

However, although the movie business may look promising – BEC is the one of the top producers of drama content while MPIC also has long experience in the movie production business – we have not yet factored in this potential upside to our forecast in 2022. The movie business is typically a high-risk and high-return business. Having a production cost of about THB40m-50m means that movies have to gain box office revenue of over THB100m, which is quite challenging in Thailand. There are less than ten Thai movies a year that can typically reach revenue of THB100m at the box office.

Future catalysts are near

According to the company, BEC will have a board of director's meeting in the middle of Mar-22 in order to approve the 2021 dividend and future investments, including BEC Studio. Management believes the future investments will 1) lead to new sources of revenue; and 2) help the organisation to reduce its costs. We have a positive view on BEC's outlook as its dividend and future investments should be announced in the near future.

We expect that BEC may announce a 2021 dividend payment of not less than 50% of its net profit, which would make its DPS no less than THB0.19/shr, reflecting a dividend yield of 1.2% p.a. Although its dividend yield may look unattractive, this would be the first dividend in the past four years.

Moreover, after the roll-over of its bonds, we expect that the company will have cash on hand (after paying the dividend) of over THB3b, ready for future investments, which could generate additional revenue as well as profits.

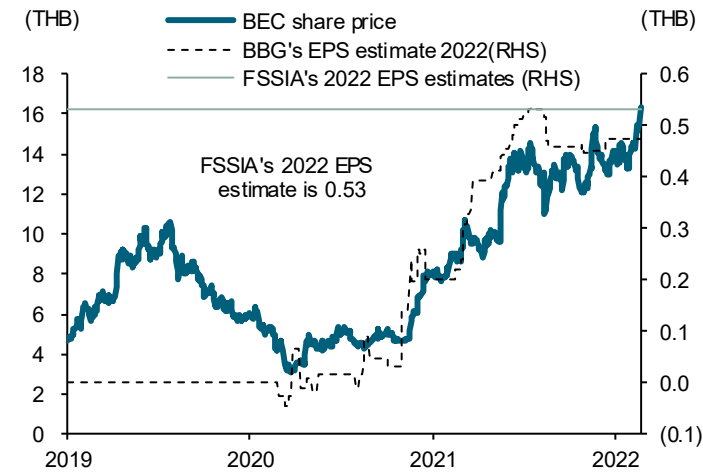
BEC Studio is a project aimed at investing in the drama production business. This business comprises both pre to post production. The company believes that having BEC Studio will provide a higher potential to produce good drama series for both Thai and overseas audiences. Moreover, having their own studio would help the company to reduce its costs, as it won't need to hire third parties to do it.

Potential earnings revision by consensus

After upgrading our 2022 EPS estimate to THB0.53, our EPS is now higher than the current EPS forecast by BBG consensus at THB0.47. We believe the consensus will also upgrade its earnings estimate on BEC following the positive outlook on the company from the analyst meeting. Its earnings outlook is promising thanks to the potential adex recovery and growth in the copyright business.

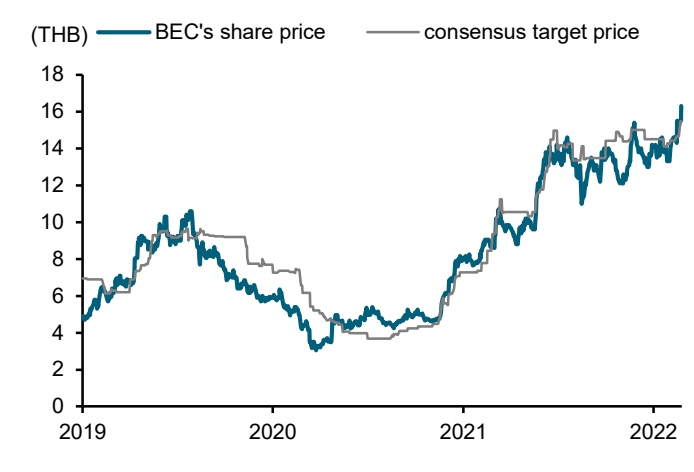
Following an earnings upgrade, the next thing that the consensus would likely revise is BEC's TP. While BEC's share price at the moment may look unattractive, given that the consensus TP is now only at THB15.5, we believe the consensus will also revise BEC's TP up significantly, making BEC's upside attractive.

Exhibit 4: BEC's share price and estimated EPS in 2022



Sources: Bloomberg; FSSIA compilation

Exhibit 5: BEC's 2022 share price vs consensus target price



Sources: Bloomberg; FSSIA compilation

The save haven

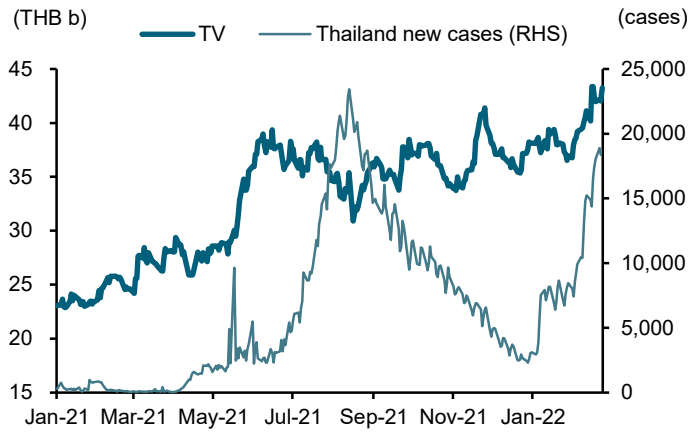
We had previously suggested investing in TV companies over out-of-home (OOH) companies at the end of 2021 in order to avoid the impact of the Omicron variant, see more details in [“Thailand Media and Publishing - Entering the growth stage”](#) dated 15 Dec-21. BEC has been one of the companies with the strongest share price performance in the media sector in 2021.

According to our Omicron variant scenario at the end of last year, the number of infected cases is now in the third scenario (worst case) but there has been no lockdown policy from the government yet. BEC's share price, however, has risen by over 20% since Dec-21.

Looking at the current situation of the Omicron variant, the number of infected cases is still rising. Daily cases have now reached 21k cases per day, with another 18k cases coming from ATK tests. Thailand's daily Covid infection cases have almost hit 40k per day, even higher than the Delta variant.

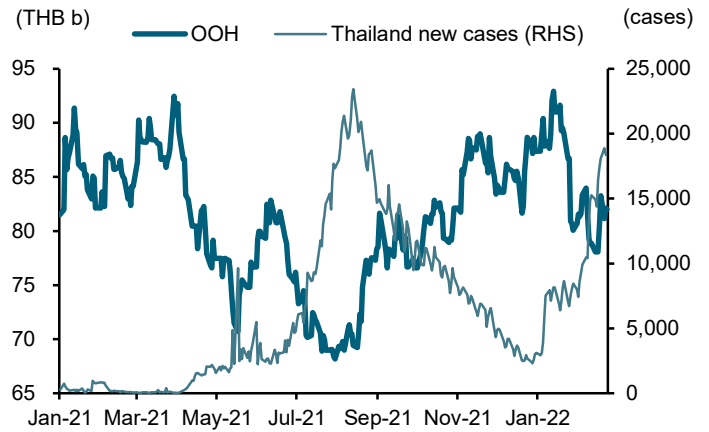
We believe there is still a risk of a restriction policy being implemented in the near future. Therefore, we retain our investment strategy for the media sector to focus on TV companies such as BEC during the first stage. Then, if the number of infected cases nears the expected peak, i.e. the number of daily infected cases stabilises, investors would do well to switch from TV companies to OOH companies in order to capitalise on the re-opening or recovery theme, in our view.

Exhibit 6: TV market cap vs Covid cases



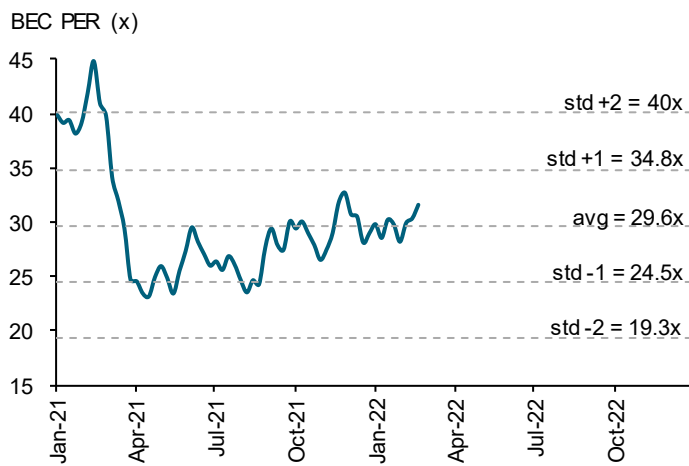
Note: TV market cap includes BEC and WORK
Sources: Bloomberg; Worldometers.info; FSSIA's compilation

Exhibit 7: OOH market cap vs Covid cases



Note: OOH market cap includes PLANB and VGI
Sources: Bloomberg; Worldometers.info; FSSIA's compilation

Exhibit 8: Rolling one-year forward P/E band



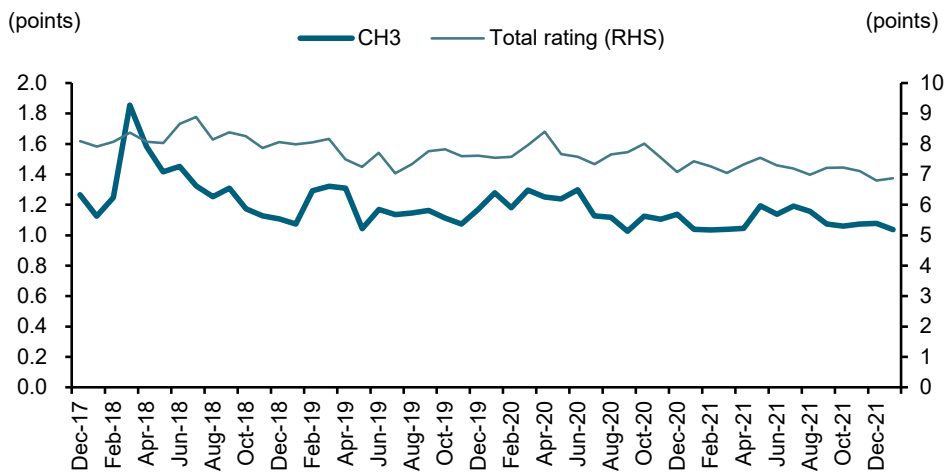
Sources: Bloomberg; FSSIA estimates

Exhibit 9: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 10: BEC's TV ratings vs total TV ratings



Sources: Nielsen; TV Digital Watch

4Q21 results review

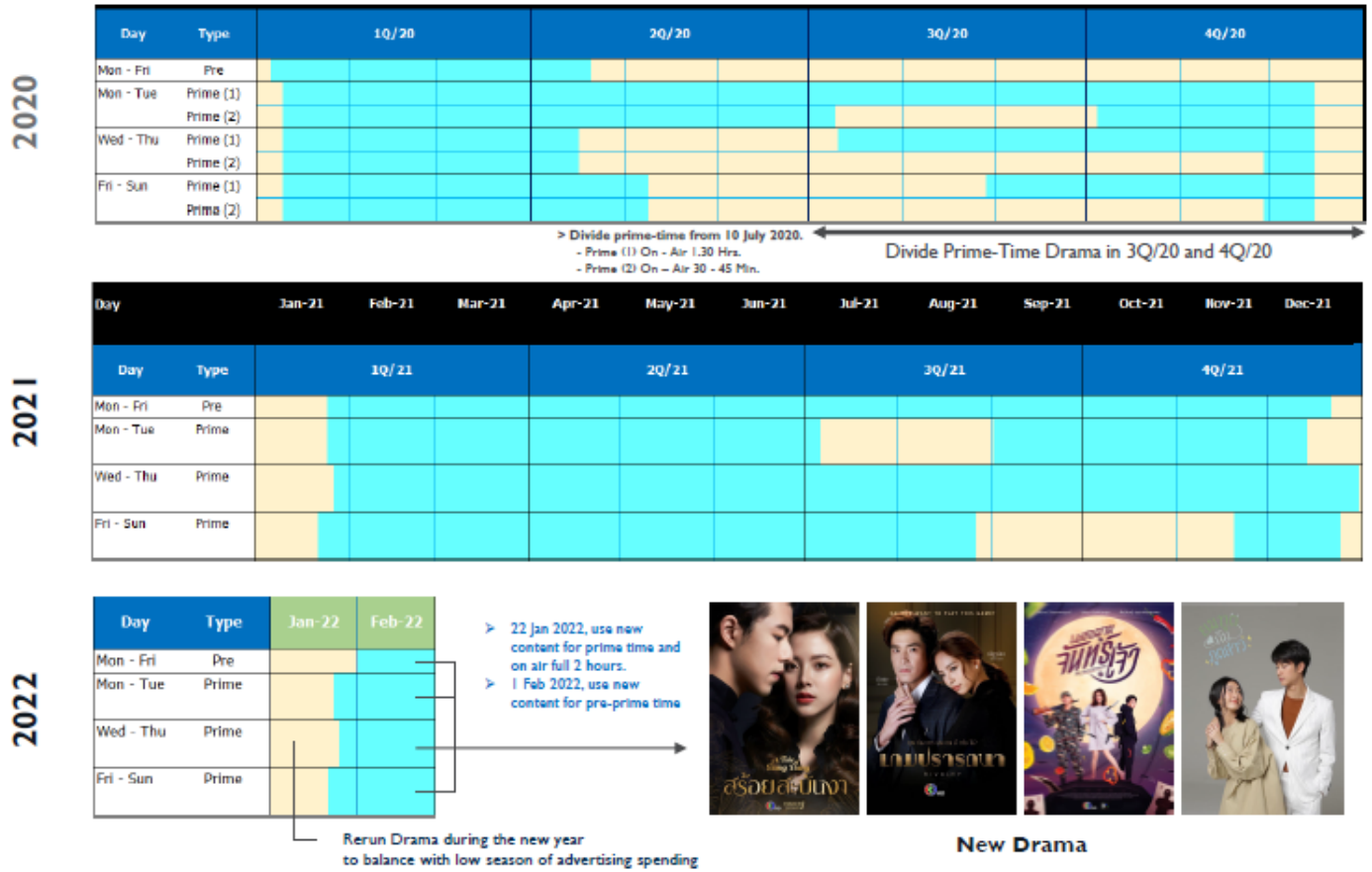
BEC reported 4Q21 core earnings of THB373m (+163% q-q, +15% y-y), the highest quarterly earnings in the past five years. Its earnings were higher than BEG's consensus expectation at THB280m and our expectation of THB301m. BEC's reported net profit was at THB295m (+107% q-q, +10% y-y) in 4Q21 due to extra costs arising from 1) asset impairment and a mark to market investment of THB35.4m; and 2) an impairment loss due to the TFRS9 accounting standard amounting to THB44m. The company's TV revenue grew to THB1.4b (+29% q-q, +4% y-y), in line with our expectation. Thanks to the growth in both TV revenue and copyright revenue, BEC's GPM surprisingly hit 45%, the highest GPM level in the past many years thanks to its cost control during the Covid outbreak. As a result, the company's core profit in 2021 reached THB812m, the highest earnings in the past five years; higher than our expectation of THB641m.

Exhibit 11: 4Q21 results review

	4Q20	3Q21	4Q21	----- Change -----		2020	2021	Chg.	2022E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
TV	1,327	1,063	1,374	29.3	3.5	4,758	4,834	1.6	5,379
Copyrights	380	209	221	5.3	(42.0)	1,053	846	(19.7)	1,085
Others	-	-	-	n.a.	n.a.	50	-	n.a.	100
Revenue	1,707	1,272	1,595	25.4	(6.6)	5,870	5,680	(3.2)	6,564
Operating costs	(1,016)	(894)	(874)	(2.2)	(14.0)	(4,583)	(3,789)	(17.3)	(4,366)
Gross profit	691	378	721	90.6	4.3	1,288	1,891	46.9	2,198
SG&A expenses	(309)	(186)	(227)	21.8	(26.7)	(1,431)	(799)	(44.2)	(837)
EBIT	382	192	495	157.1	29.5	(144)	1,092	n.a.	1,361
Deprn & amort.	475	512	422	(17.6)	(11.2)	2,160	2,050	(5.1)	2,025
EBITDA	857	704	916	30.1	6.9	2,016	3,143	55.9	3,385
<i>EBITDA margin (%)</i>	50	55	57	nm	nm	34	55	nm	52
Interest expense	(28)	(24)	(24)	(0.6)	(13.3)	(117)	(97)	(17.1)	(78)
Other income	14	10	14	32.2	(1.2)	47	47	(0.1)	51
Associates	(0)	-	-	n.a.	n.a.	(2)	-	n.a.	-
Extra items	(69)	1	(77)	n.a.	12.6	19	(50)	n.a.	-
Pretax profit	299	180	407	126.5	36.1	(197)	993	n.a.	1,334
Tax	(46)	(37)	(112)	204.5	140.8	(98)	(231)	135.5	(267)
<i>Tax rate (%)</i>	(15)	(20)	(27)	nm	nm	50	(23)	nm	(20)
Minority interests	(4)	0	-	n.a.	n.a.	(90)	0	n.a.	-
Net profit	257	143	295	106.5	15.0	(205)	762	n.a.	1,067
Core net profit	326	142	373	162.7	14.5	(224)	812	n.a.	1,067
EPS (THB)	0.13	0.07	0.15	106.5	15.0	(0.10)	0.38	n.a.	0.53
Core EPS (THB)	0.16	0.07	0.19	162.7	14.5	(0.11)	0.41	n.a.	0.53

Sources: BEC; FSSIA estimates

Exhibit 12: Drama program broadcasting schedule



Source: BEC

Financial Statements

BEC World

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	5,861	5,680	6,564	7,151	7,562
Cost of goods sold	(2,423)	(1,739)	(2,341)	(2,586)	(2,773)
Gross profit	3,438	3,941	4,222	4,565	4,789
Other operating income	39	37	38	43	55
Operating costs	(1,431)	(799)	(837)	(872)	(900)
Operating EBITDA	2,046	3,180	3,423	3,735	3,943
Depreciation	(2,160)	(2,050)	(2,025)	(2,042)	(2,032)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	(114)	1,129	1,399	1,693	1,911
Net financing costs	(108)	(86)	(65)	(65)	(65)
Associates	(2)	0	0	0	0
Recurring non-operating income	(2)	0	0	0	0
Non-recurring items	19	(50)	0	0	0
Profit before tax	(206)	993	1,334	1,628	1,846
Tax	(98)	(231)	(267)	(326)	(369)
Profit after tax	(304)	762	1,067	1,302	1,477
Minority interests	90	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	(214)	762	1,067	1,302	1,477
Non-recurring items & goodwill (net)	(19)	50	0	0	0
Recurring net profit	(233)	812	1,067	1,302	1,477
Per share (THB)					
Recurring EPS *	(0.12)	0.41	0.53	0.65	0.74
Reported EPS	(0.11)	0.38	0.53	0.65	0.74
DPS	0.00	0.00	0.27	0.33	0.59
Diluted shares (used to calculate per share data)	2,000	2,000	2,000	2,000	2,000
Growth					
Revenue (%)	(29.5)	(3.1)	15.6	8.9	5.8
Operating EBITDA (%)	(15.6)	55.4	7.7	9.1	5.6
Operating EBIT (%)	nm	nm	23.9	21.0	12.9
Recurring EPS (%)	nm	nm	31.5	22.0	13.4
Reported EPS (%)	nm	nm	40.1	22.0	13.4
Operating performance					
Gross margin inc. depreciation (%)	21.8	33.3	33.5	35.3	36.5
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	34.9	56.0	52.2	52.2	52.1
Operating EBIT margin (%)	(2.0)	19.9	21.3	23.7	25.3
Net margin (%)	(4.0)	14.3	16.3	18.2	19.5
Effective tax rate (%)	20.0	20.0	20.0	20.0	120.0
Dividend payout on recurring profit (%)	-	-	50.0	50.0	80.0
Interest cover (X)	(1.1)	13.1	21.6	26.0	29.4
Inventory days	0.5	0.3	-	-	-
Debtor days	67.1	62.6	51.2	55.6	56.4
Creditor days	84.3	90.7	63.5	63.0	62.6
Operating ROIC (%)	(13.8)	167.4	194.2	153.6	(41.0)
ROIC (%)	(1.4)	16.6	22.1	25.0	(7.1)
ROE (%)	(4.2)	14.0	16.5	18.5	19.6
ROA (%)	(2.3)	8.9	11.3	13.7	14.1
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Advertising income	4,758	4,834	5,379	5,603	5,827
Copyrights & Other services	1,053	846	1,085	1,248	1,335
Concerts & Shows	9	0	100	300	400
Sales of Goods	40	0	0	0	0

Sources: BEC World; FSSIA estimates

Financial Statements

BEC World

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	(233)	812	1,067	1,302	1,477
Depreciation	2,160	2,050	2,025	2,042	2,032
Associates & minorities	119	(2)	0	0	0
Other non-cash items	395	370	0	0	0
Change in working capital	(146)	383	(677)	(165)	(20)
Cash flow from operations	2,295	3,614	2,415	3,180	3,489
Capex - maintenance	(709)	(584)	(772)	(788)	(766)
Capex - new investment	(1,064)	(876)	(1,158)	(1,182)	(1,149)
Net acquisitions & disposals	(3)	43	0	0	0
Other investments (net)	82	263	0	0	0
Cash flow from investing	(1,693)	(1,155)	(1,930)	(1,970)	(1,915)
Dividends paid	0	0	(534)	(651)	(1,182)
Equity finance	0	0	0	0	0
Debt finance	0	0	(1,000)	0	0
Other financing cash flows	(109)	(65)	(21)	0	0
Cash flow from financing	(109)	(65)	(1,555)	(651)	(1,182)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	(711)	(274)	0	0	0
Movement in cash	(218)	2,120	(1,070)	558	393
Free cash flow to firm (FCFF)	718.39	2,555.72	562.84	1,287.59	1,652.17
Free cash flow to equity (FCFE)	(217.84)	2,120.35	(535.92)	1,209.59	1,574.17

Per share (THB)	2020	2021	2022E	2023E	2024E
FCFF per share	0.36	1.28	0.28	0.64	0.83
FCFE per share	(0.11)	1.06	(0.27)	0.60	0.79
Recurring cash flow per share	1.22	1.62	1.55	1.67	1.75

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	4,943	1,082	1,142	1,242	1,287
Less: Accumulated depreciation	(4,675)	(897)	(986)	(1,062)	(1,126)
Tangible fixed assets (net)	268	184	156	179	161
Intangible fixed assets (net)	3,673	3,121	3,054	2,959	2,860
Long-term financial assets	54	70	70	70	70
Invest. in associates & subsidiaries	0	0	0	0	0
Cash & equivalents	2,598	4,719	3,649	4,207	4,600
A/C receivable	1,117	830	1,010	1,169	1,169
Inventories	2	0	0	0	0
Other current assets	171	159	160	162	164
Current assets	3,889	5,708	4,819	5,539	5,932
Other assets	1,635	1,241	1,435	1,488	1,525
Total assets	9,519	10,323	9,534	10,234	10,548
Common equity	5,409	6,193	6,727	7,378	7,673
Minorities etc.	0	0	0	0	0
Total shareholders' equity	5,409	6,193	6,727	7,378	7,673
Long term debt	2,999	0	2,000	2,000	2,000
Other long-term liabilities	293	295	295	295	295
Long-term liabilities	3,292	295	2,295	2,295	2,295
A/C payable	474	390	425	468	483
Short term debt	0	3,000	0	0	0
Other current liabilities	344	445	87	93	96
Current liabilities	818	3,835	512	561	579
Total liabilities and shareholders' equity	9,519	10,323	9,534	10,234	10,548
Net working capital	473	154	658	770	753
Invested capital	6,103	4,770	5,373	5,466	5,369

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

Per share (THB)	2020	2021	2022E	2023E	2024E
Book value per share	2.70	3.10	3.36	3.69	3.84
Tangible book value per share	0.87	1.54	1.84	2.21	2.41

Financial strength	2020	2021	2022E	2023E	2024E
Net debt/equity (%)	7.4	(27.8)	(24.5)	(29.9)	(33.9)
Net debt/total assets (%)	4.2	(16.7)	(17.3)	(21.6)	(24.7)
Current ratio (x)	4.8	1.5	9.4	9.9	10.2
CF interest cover (x)	8.8	35.7	10.6	37.8	42.9

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	(139.8)	40.2	30.5	25.0	22.1
Recurring P/E @ target price (x) *	(159.6)	45.8	34.9	28.6	25.2
Reported P/E (x)	(152.1)	42.8	30.5	25.0	22.1
Dividend yield (%)	-	-	1.6	2.0	3.6
Price/book (x)	6.0	5.3	4.8	4.4	4.2
Price/tangible book (x)	18.8	10.6	8.9	7.4	6.8
EV/EBITDA (x) **	16.1	9.7	9.0	8.1	7.6
EV/EBITDA @ target price (x) **	18.4	11.2	10.4	9.4	8.8
EV/invested capital (x)	5.4	6.5	5.8	5.6	5.6

* 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	EAL	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	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	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	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	RICHY	RML	RPC	RWI	RMI	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
GEN	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	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

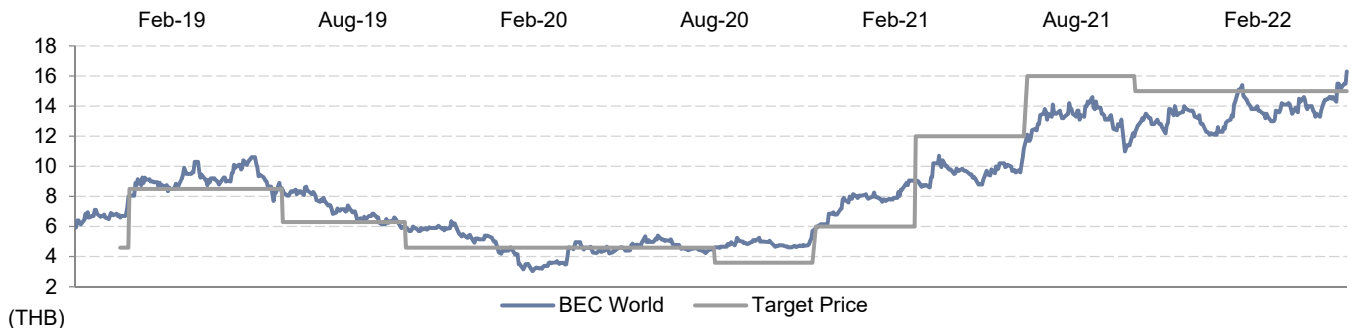
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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)



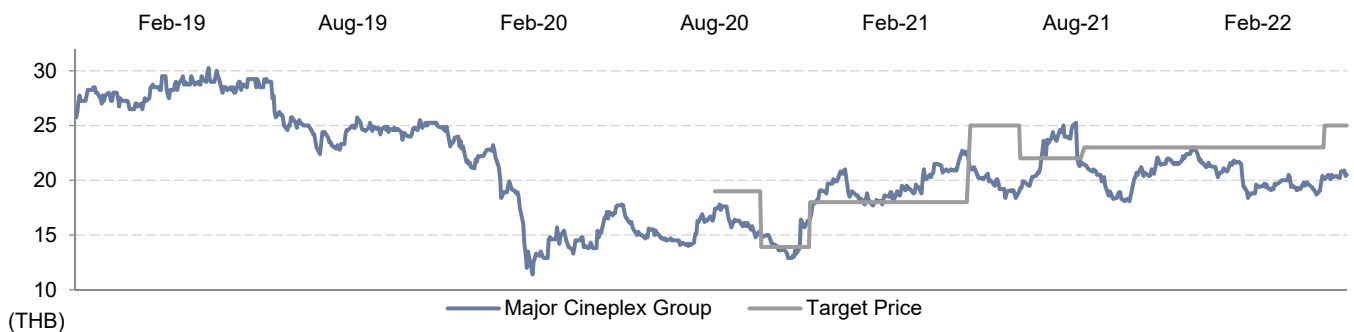
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
04-Apr-2019	REDUCE	4.60	06-Dec-2019	REDUCE	4.60	16-Feb-2021	BUY	12.00
12-Apr-2019	HOLD	8.50	27-Aug-2020	REDUCE	3.60	21-May-2021	BUY	16.00
22-Aug-2019	REDUCE	6.30	20-Nov-2020	HOLD	6.00	24-Aug-2021	BUY	15.00

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

Price and TP are in local currency

Source: FSSIA estimates

Major Cineplex Group (MAJOR TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
27-Aug-2020	BUY	19.00	17-Nov-2020	HOLD	18.00	09-Jul-2021	HOLD	23.00
02-Sep-2020	HOLD	19.00	02-Apr-2021	BUY	25.00	24-Aug-2021	BUY	23.00
06-Oct-2020	HOLD	13.90	17-May-2021	BUY	22.00	03-Feb-2022	BUY	25.00

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 16.30	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.
Major Cineplex Group	MAJOR TB	THB 20.50	BUY	The key downside risks to our DCF-based TP are a slower-than-expected recovery in domestic consumption, the growing popularity of online movies, a delay in the Covid-19 vaccine rollout, and the new wave of Covid.

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 23-Feb-2022 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.