

# VGI PCL. VGI TB

THAILAND / MEDIA

## BUY

  
 UNCHANGED

## Investment in NINE

- VGI plans to acquire new RO shares in NINE for a total investment of THB3b, required to make a TO for another THB2b.
- The company will spin-off the commercial spaces on BTS skytrain stations to NINE, which is more specialized.
- VGI expects NINE to generate additional revenue in the future.

|                 |         |
|-----------------|---------|
| TARGET PRICE    | THB6.10 |
| CLOSE           | THB5.65 |
| UP/DOWNSIDE     | +8.0%   |
| TP vs CONSENSUS | -2.3%   |

## KEY STOCK DATA

| YE Mar (THB m)      | 2021   | 2022E   | 2023E  | 2024E |
|---------------------|--------|---------|--------|-------|
| Revenue             | 2,480  | 4,309   | 5,747  | 6,818 |
| Net profit          | 980    | (62)    | 463    | 1,069 |
| EPS (THB)           | 0.11   | (0.01)  | 0.05   | 0.12  |
| vs Consensus (%)    | -      | nm      | (34.2) | 7.1   |
| EBITDA              | 592    | 424     | 816    | 1,171 |
| Core net profit     | 185    | (203)   | 463    | 1,069 |
| Core EPS (THB)      | 0.02   | (0.02)  | 0.05   | 0.12  |
| EPS growth (%)      | (85.6) | nm      | nm     | 131.1 |
| Core P/E (x)        | 263.0  | (240.1) | 105.2  | 45.5  |
| Dividend yield (%)  | 1.1    | 0.4     | 0.5    | 1.1   |
| EV/EBITDA (x)       | 82.5   | 130.3   | 67.4   | 46.5  |
| Price/book (x)      | 2.9    | 3.0     | 2.9    | 2.8   |
| Net debt/Equity (%) | (1.5)  | 37.7    | 36.1   | 32.7  |
| ROE (%)             | 1.3    | (1.2)   | 2.8    | 6.3   |

## Investment in NINE

VGI will acquire new rights offering (RO) shares in Nation International Edutainment (NINE TB, NR), which operates printed and online media publishing in the category of e-books and manages and operates merchandising spaces at three BTS skytrain stations. NINE will issue 954m shares at a subscription price of THB3.30/shr, which is equivalent to a total value of THB3b. VGI will own 59.99% of NINE (expected completion in Jun-22). Then, VGI will make a tender offer (TO) for the remaining shares (40.01%) at a TO price of THB3.30 (NINE's current share price is now at THB3.86), with the total amount not exceeding THB2.1b (expected completion in 3Q22).

## Spinning off the merchandising space business

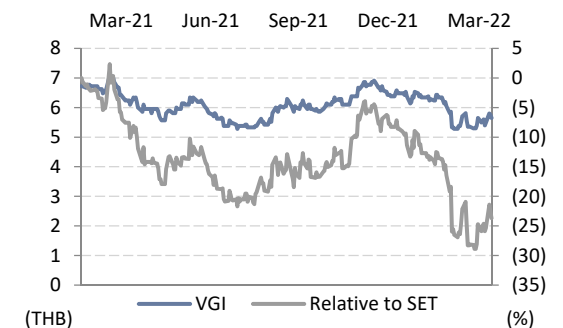
After the transaction, VGI will grant the remaining license to manage and operate merchandising spaces on BTS skytrain stations to NINE, making NINE the operator of the merchandising spaces on all current and future BTS skytrain stations, such as the Yellow and Pink Lines. The company believes that NINE's expertise in managing merchandising spaces will add value to VGI's revenue.

## NINE remains in the red

We have a neutral view on this deal. NINE's main business is book and comic publishing, which is now a sunset business, in our view. NINE made a core loss of over THB40m in 2021. We calculate the additional gain that VGI would receive based on the merchandising space spin-off to NINE at only THB16m per year, compared to its investment of over THB3b, while the synergy or other added value from this deal remains unclear.

## Maintain BUY with the same TP of THB6.10

THB3b of the THB4b that VGI prepared for future investments after its RO will be used for this project. We do not yet see any significant impact on VGI's earnings outlook from this transaction, despite including the potential upside from additional revenue from advertising or O2O solutions. Maintain BUY on VGI with the same TP of THB6.10, based on the expectation of a recovery in advertising expenditure after the Omicron variant is under control, potentially in 2Q22.



| Share price performance        | 1 Month                  | 3 Month | 12 Month |
|--------------------------------|--------------------------|---------|----------|
| Absolute (%)                   | 5.1                      | (12.2)  | (17.1)   |
| Relative to country (%)        | 3.7                      | (17.2)  | (26.2)   |
| Mkt cap (USD m)                | 1,538                    |         |          |
| 3m avg. daily turnover (USD m) | 5.2                      |         |          |
| Free float (%)                 | 25                       |         |          |
| Major shareholder              | BTS Group Holdings (66%) |         |          |
| 12m high/low (THB)             | 7.20/5.18                |         |          |
| Issued shares (m)              | 8,611.17                 |         |          |

Sources: Bloomberg consensus; FSSIA estimates


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### Exhibit 1: Summary of investment in NINE

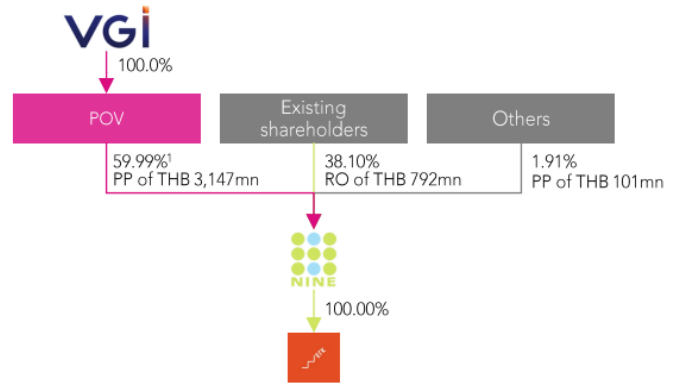
VGI, through its wholly own subsidiary – Point of View (POV) Media Group Company Limited (“POV”), invests 59.99%<sup>1</sup> in Nation International Edutainment PLC. (“NINE”).

| Step 1                   | Purchase NINE's newly ordinary shares under PP |
|--------------------------|--|
| % of investment:         | 59.99% <sup>1</sup>                            |
| No. of shares:           | 953.5mn shares                                 |
| Price:                   | THB 3.30 per share                             |
| Total investment:        | THB 3,147mn                                    |
| Expected completion:     | Within June 2022                               |
| Step 2                   | Make a tender offer in NINE                    |
| % of investment:         | 40.01%   |
| No. of remaining shares: | 636.0mn shares                                 |
| Price:                   | THB 3.30 per share                             |
| Total investment:        | Up to THB 2,099mn                              |
| Expected completion:     | Within 3Q 2022                                 |
| Source of fund:          | Proceeds from VGI's rights offering            |

Source: VGI

### Exhibit 2: Shareholding structure

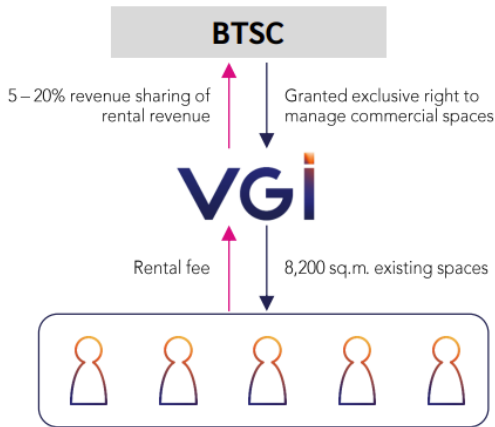
Post shareholding: Total shares of 1,589,549,286 shares



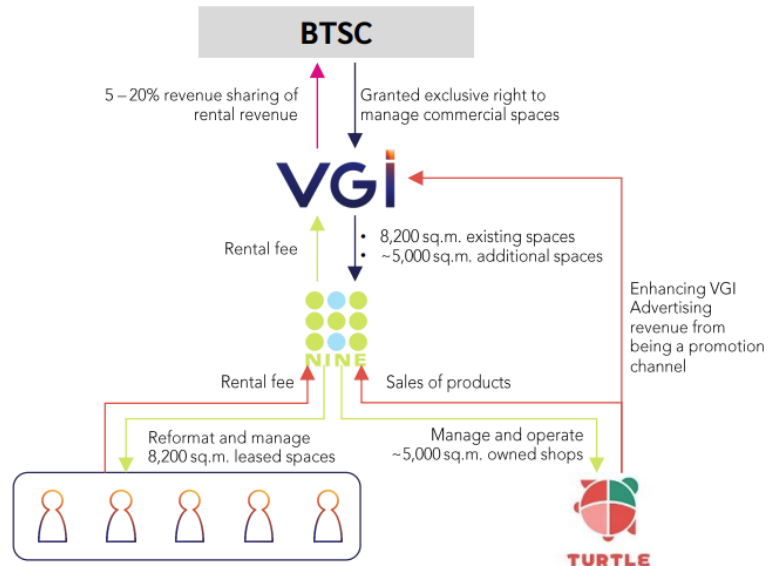
Source: VGI

### Exhibit 3: Commercial space spin-off transaction

#### PRE TRANSACTION



#### POST TRANSACTION



Source: VGI

### Exhibit 4: Additional benefit from merchandising space spin-off to NINE

|      | Space (sq.m.)           | Revenue (THB m) | Revenue per sq.m. per month (THB) | Net profit margin (%) | Net profit (THB m) |                                      |
|------|-------------------------|-----------------|-----------------------------------|-----------------------|--------------------|--------------------------------------|
| VGI  | Current space           | 8,200           | 300                               | 3,049                 | 40                 | 120                                  |
|      | Additional space        | 5,000           | 183                               | 3,049                 | 40                 | 73                                   |
|      | <b>Total net profit</b> |                 |                                   |                       |                    | <b>193</b>                           |
| NINE | Current space           | 8,200           | 480                               | 4,878                 | 45                 | 216                                  |
|      | Additional space        | 5,000           | 293                               | 4,878                 | 45                 | 132                                  |
|      | <b>Total net profit</b> |                 |                                   |                       |                    | <b>348</b>                           |
|      |                         |                 |                                   |                       | 209                | Net profit to VGI (60% shareholding) |
|      |                         |                 |                                   |                       | 15                 | diff                                 |
|      |                         |                 |                                   |                       | 3,000              | Investment value                     |
|      |                         |                 |                                   |                       | 194                | PE                                   |

Sources: VGI; FSSIA estimates

## Financial Statements

VGI Pcl.

| Profit and Loss (THB m) Year Ending Mar           | 2020         | 2021         | 2022E        | 2023E        | 2024E        |
|---|--------------|--------------|--------------|--------------|--------------|
| Revenue   | 4,000        | 2,480        | 4,309        | 5,747        | 6,818        |
| Cost of goods sold                                | (1,328)      | (1,075)      | (2,751)      | (3,591)      | (4,197)      |
| <b>Gross profit</b>                               | <b>2,671</b> | <b>1,405</b> | <b>1,558</b> | <b>2,155</b> | <b>2,621</b> |
| Other operating income                            | 104          | 112          | 121          | 144          | 167          |
| Operating costs                                   | (1,394)      | (926)        | (1,254)      | (1,483)      | (1,617)      |
| <b>Operating EBITDA</b>                           | <b>1,381</b> | <b>592</b>   | <b>424</b>   | <b>816</b>   | <b>1,171</b> |
| Depreciation                                      | (619)        | (469)        | (503)        | (476)        | (447)        |
| Goodwill amortisation                             | 0            | 0            | 0            | 0            | 0            |
| <b>Operating EBIT</b>                             | <b>762</b>   | <b>123</b>   | <b>(78)</b>  | <b>340</b>   | <b>724</b>   |
| Net financing costs                               | (74)         | (73)         | (82)         | (155)        | (192)        |
| Associates  | 131          | 136          | (145)        | 164          | 496          |
| Recurring non-operating income                    | 277          | 195          | (145)        | 252          | 650          |
| Non-recurring items                               | 233          | 795          | 141          | 0            | 0            |
| <b>Profit before tax</b>                          | <b>1,198</b> | <b>1,040</b> | <b>(165)</b> | <b>437</b>   | <b>1,182</b> |
| Tax   | (309)        | (133)        | (16)         | (70)         | (189)        |
| <b>Profit after tax</b>                           | <b>889</b>   | <b>907</b>   | <b>(181)</b> | <b>367</b>   | <b>993</b>   |
| Minority interests                                | 120          | 73           | 119          | 95           | 76           |
| Preferred dividends                               | -            | -            | -            | -            | -            |
| Other items                                       | 415          | 0            | 0            | 0            | 0            |
| <b>Reported net profit</b>                        | <b>1,424</b> | <b>980</b>   | <b>(62)</b>  | <b>463</b>   | <b>1,069</b> |
| <b>Non-recurring items &amp; goodwill (net)</b>   | <b>(138)</b> | <b>(795)</b> | <b>(141)</b> | <b>0</b>     | <b>0</b>     |
| <b>Recurring net profit</b>                       | <b>1,286</b> | <b>185</b>   | <b>(203)</b> | <b>463</b>   | <b>1,069</b> |
| <b>Per share (THB)</b>                            |              |              |              |              |              |
| Recurring EPS *                                   | 0.15         | 0.02         | (0.02)       | 0.05         | 0.12         |
| Reported EPS                                      | 0.17         | 0.11         | (0.01)       | 0.05         | 0.12         |
| DPS   | 0.07         | 0.06         | 0.02         | 0.03         | 0.06         |
| 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)       | 73.8         | 33.4         | 18.6         |
| Operating EBITDA (%)                              | (23.7)       | (57.1)       | (28.3)       | 92.4         | 43.4         |
| Operating EBIT (%)                                | (42.4)       | (83.9)       | nm           | nm           | 112.7        |
| Recurring EPS (%)                                 | 16.0         | (85.6)       | nm           | nm           | 131.1        |
| Reported EPS (%)                                  | 28.5         | (31.2)       | nm           | nm           | 131.1        |
| <b>Operating performance</b>                      |              |              |              |              |              |
| Gross margin inc. depreciation (%)                | 51.3         | 37.7         | 24.5         | 29.2         | 31.9         |
| Gross margin of key business (%)                  | -            | -            | -            | -            | -            |
| Operating EBITDA margin (%)                       | 34.5         | 23.9         | 9.8          | 14.2         | 17.2         |
| Operating EBIT margin (%)                         | 19.0         | 5.0          | (1.8)        | 5.9          | 10.6         |
| Net margin (%)                                    | 32.1         | 7.5          | (4.7)        | 8.0          | 15.7         |
| Effective tax rate (%)                            | 20.0         | 20.0         | 20.0         | 20.0         | 120.0        |
| Dividend payout on recurring profit (%)           | 47.2         | 283.9        | (85.0)       | 50.0         | 50.0         |
| Interest cover (X)                                | 14.0         | 4.3          | (2.7)        | 3.8          | 7.1          |
| Inventory days                                    | -            | 7.8          | 29.2         | 41.1         | 36.9         |
| Debtor days                                       | 118.1        | 136.5        | 73.6         | 70.0         | 71.7         |
| Creditor days                                     | 132.2        | 146.6        | 67.9         | 71.3         | 72.6         |
| Operating ROIC (%)                                | 40.6         | 9.6          | (6.1)        | 26.7         | (14.2)       |
| ROIC (%)  | 5.2          | 1.6          | (0.9)        | 2.0          | (1.2)        |
| ROE (%)   | 9.7          | 1.3          | (1.2)        | 2.8          | 6.3          |
| ROA (%)   | 6.1          | 0.9          | (1.1)        | 1.8          | 3.6          |
| * Pre exceptional, pre-goodwill and fully diluted |              |              |              |              |              |
| <b>Revenue by Division (THB m)</b>                |              |              |              |              |              |
| Transit media                                     | 2,184        | 1,327        | 1,436        | 1,768        | 2,103        |
| Office media                                      | 371          | 213          | 107          | 202          | 304          |
| Digital media                                     | 1,151        | 940          | 1,147        | 1,376        | 1,651        |
| Others  | 294          | 0            | 1,620        | 2,400        | 2,760        |

Sources: VGI Pcl.; FSSIA estimates

## Financial Statements

VGI Pcl.

| Cash Flow (THB m) Year Ending Dec | 2020           | 2021         | 2022E          | 2023E        | 2024E          |
|-----------------------------------|----------------|--------------|----------------|--------------|----------------|
| Recurring net profit              | 1,286          | 185          | (203)          | 463          | 1,069          |
| Depreciation                      | 619            | 469          | 503            | 476          | 447            |
| Associates & minorities           | (164)          | (412)        | (119)          | (95)         | (76)           |
| Other non-cash items              | (718)          | 151          | 161            | 24           | 27             |
| Change in working capital         | (473)          | (227)        | 45             | (17)         | (113)          |
| <b>Cash flow from operations</b>  | <b>550</b>     | <b>166</b>   | <b>388</b>     | <b>850</b>   | <b>1,354</b>   |
| Capex - maintenance               | (273)          | (239)        | (216)          | (216)        | (216)          |
| Capex - new investment            | (182)          | (159)        | (144)          | (144)        | (144)          |
| 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>(6,660)</b> | <b>(360)</b> | <b>(360)</b>   |
| Dividends paid                    | (850)          | (310)        | (172)          | (231)        | (534)          |
| Equity finance                    | 500            | 0            | 0              | 0            | 0              |
| Debt finance                      | (890)          | (689)        | 5,741          | (645)        | (500)          |
| Other financing cash flows        | (303)          | 260          | (110)          | (38)         | (34)           |
| <b>Cash flow from financing</b>   | <b>(1,543)</b> | <b>(739)</b> | <b>5,459</b>   | <b>(914)</b> | <b>(1,068)</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>(813)</b>   | <b>(424)</b> | <b>(74)</b>    |
| Free cash flow to firm (FCFF)     | 348.34         | 1,542.84     | (6,190.38)     | 644.81       | 1,186.07       |
| Free cash flow to equity (FCFE)   | (1,435.94)     | 995.47       | (641.16)       | (193.04)     | 459.85         |

### Per share (THB)

|                               |        |      |        |        |      |
|-------------------------------|--------|------|--------|--------|------|
| FCFF per share                | 0.04   | 0.18 | (0.72) | 0.07   | 0.14 |
| FCFE per share                | (0.17) | 0.12 | (0.07) | (0.02) | 0.05 |
| Recurring cash flow per share | 0.12   | 0.05 | 0.04   | 0.10   | 0.17 |

| Balance Sheet (THB m) Year Ending Mar             | 2020          | 2021          | 2022E         | 2023E         | 2024E         |
|---|---------------|---------------|---------------|---------------|---------------|
| Tangible fixed assets (gross)                     | 2,687         | 3,031         | 3,231         | 3,431         | 3,631         |
| Less: Accumulated depreciation                    | (1,546)       | (1,811)       | (2,102)       | (2,378)       | (2,632)       |
| <b>Tangible fixed assets (net)</b>                | <b>1,142</b>  | <b>1,220</b>  | <b>1,128</b>  | <b>1,053</b>  | <b>998</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         | 602           | 178           | 103           |
| A/C receivable                                    | 1,617         | 1,353         | 1,553         | 1,923         | 2,143         |
| Inventories                                       | 0             | 46            | 395           | 414           | 435           |
| Other current assets                              | 260           | 396           | 302           | 402           | 630           |
| <b>Current assets</b>                             | <b>2,607</b>  | <b>3,210</b>  | <b>2,852</b>  | <b>2,918</b>  | <b>3,312</b>  |
| Other assets                                      | 683           | 6,488         | 6,356         | 6,350         | 6,348         |
| <b>Total assets</b>                               | <b>17,077</b> | <b>20,970</b> | <b>26,648</b> | <b>26,598</b> | <b>26,906</b> |
| Common equity                                     | 12,784        | 16,592        | 16,357        | 16,589        | 17,123        |
| Minorities etc.                                   | 294           | 472           | 353           | 257           | 181           |
| <b>Total shareholders' equity</b>                 | <b>13,078</b> | <b>17,063</b> | <b>16,710</b> | <b>16,846</b> | <b>17,304</b> |
| Long term debt                                    | 1,200         | 0             | 5,355         | 4,855         | 4,555         |
| Other long-term liabilities                       | 140           | 724           | 707           | 697           | 694           |
| <b>Long-term liabilities</b>                      | <b>1,340</b>  | <b>724</b>    | <b>6,062</b>  | <b>5,552</b>  | <b>5,249</b>  |
| A/C payable                                       | 464           | 399           | 624           | 780           | 891           |
| Short term debt                                   | 689           | 1,159         | 1,545         | 1,400         | 1,200         |
| Other current liabilities                         | 1,506         | 1,625         | 1,707         | 2,020         | 2,262         |
| <b>Current liabilities</b>                        | <b>2,660</b>  | <b>3,183</b>  | <b>3,876</b>  | <b>4,200</b>  | <b>4,353</b>  |
| <b>Total liabilities and shareholders' equity</b> | <b>17,077</b> | <b>20,970</b> | <b>26,648</b> | <b>26,598</b> | <b>26,906</b> |
| Net working capital                               | (94)          | (229)         | (82)          | (61)          | 56            |
| Invested capital                                  | 14,376        | 17,531        | 23,715        | 23,620        | 23,650        |

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

### Per share (THB)

|                               |      |      |      |      |      |
|-------------------------------|------|------|------|------|------|
| Book value per share          | 1.48 | 1.93 | 1.90 | 1.93 | 1.99 |
| Tangible book value per share | 1.41 | 1.85 | 1.82 | 1.85 | 1.92 |

### Financial strength

|                           |        |       |       |      |      |
|---------------------------|--------|-------|-------|------|------|
| Net debt/equity (%)       | 8.9    | (1.5) | 37.7  | 36.1 | 32.7 |
| Net debt/total assets (%) | 6.8    | (1.2) | 23.6  | 22.8 | 21.0 |
| Current ratio (x)         | 1.0    | 1.0   | 0.7   | 0.7  | 0.8  |
| CF interest cover (x)     | (16.0) | 16.8  | (5.1) | 0.7  | 4.1  |

| Valuation                                 | 2020        | 2021         | 2022E          | 2023E        | 2024E       |
|---|-------------|--------------|----------------|--------------|-------------|
| <b>Recurring P/E (x) *</b>                | <b>37.8</b> | <b>263.0</b> | <b>(240.1)</b> | <b>105.2</b> | <b>45.5</b> |
| <b>Recurring P/E @ target price (x) *</b> | <b>40.8</b> | <b>283.9</b> | <b>(259.2)</b> | <b>113.6</b> | <b>49.2</b> |
| Reported P/E (x)                          | 34.2        | 49.6         | (784.4)        | 105.2        | 45.5        |
| Dividend yield (%)                        | 1.2         | 1.1          | 0.4            | 0.5          | 1.1         |
| Price/book (x)                            | 3.8         | 2.9          | 3.0            | 2.9          | 2.8         |
| Price/tangible book (x)                   | 4.0         | 3.1          | 3.1            | 3.0          | 2.9         |
| EV/EBITDA (x) **                          | 36.3        | 82.5         | 130.3          | 67.4         | 46.5        |
| EV/EBITDA @ target price (x) **           | 39.1        | 89.1         | 139.5          | 72.1         | 49.9        |
| EV/invested capital (x)                   | 3.5         | 2.8          | 2.3            | 2.3          | 2.3         |

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

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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

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### ANALYST(S) CERTIFICATION

#### Naruedom Mujjalinkool FSS International Investment Advisory Securities Co., Ltd

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

#### VGI Pcl. (VGI TB)



| Date        | Rating | Target price | Date        | Rating | Target price | Date        | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 27-Aug-2020 | HOLD   | 6.70         | 04-Aug-2021 | HOLD   | 5.80         | 18-Feb-2022 | BUY    | 6.10         |
| 15-Jan-2021 | HOLD   | 7.00         | 03-Dec-2021 | HOLD   | 7.00         |             |        |              |
| 02-Jun-2021 | HOLD   | 6.50         | 28-Jan-2022 | 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 5.65 | BUY    | The key downside risks to our SoTP-based TP are if the advertising expenditure recovery is slower than our expectation, and whether Rabbit Line Pay is successful or not. |

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 02-Mar-2022 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.