

THE ONE ENTERPRISE

ONEE TB

THAILAND / MEDIA

BUY

หุ้นที่ราคาปรับตัวขึ้นที่สุดในกลุ่มฯ

- ในความเห็นของเรา ONEE มีศักยภาพในการเติบโตสูงที่สุดในธุรกิจ Content จากการผลิตที่มีความหลากหลายสูง
- ธุรกิจที่มีการกระจายความเสี่ยงทำให้ ONEE มีข้อได้เปรียบสำคัญ
- เริ่มด้วยคำแนะนำซื้อที่ราคาเป้าหมาย 14 บาท

TARGET PRICE	THB14.00
CLOSE	THB11.50
UP/DOWNSIDE	+21.7%
TP vs CONSENSUS	+7.4%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	5,347	6,024	6,667	7,131
Net profit	828	1,012	1,239	1,375
EPS (THB)	0.35	0.42	0.52	0.58
vs Consensus (%)	-	(12.5)	(4.9)	(3.3)
EBITDA	2,169	2,471	2,771	2,950
Core net profit	828	1,012	1,239	1,375
Core EPS (THB)	0.35	0.42	0.52	0.58
Chg. In EPS est. (%)	nm	nm	nm	nm
EPS growth (%)	5.0	22.1	22.5	11.0
Core P/E (x)	33.1	27.1	22.1	19.9
Dividend yield (%)	0.6	1.8	2.3	4.0
EV/EBITDA (x)	11.6	10.1	8.8	8.2
Price/book (x)	4.0	3.7	3.4	3.3
Net debt/Equity (%)	(31.4)	(34.3)	(38.6)	(40.4)
ROE (%)	18.5	14.3	16.2	17.0

โอกาสในการเติบโตสูงในธุรกิจ Content ไทย

เราคิดว่า ONEE เป็นหนึ่งในผู้ให้บริการ Content ที่ใหญ่ที่สุดในประเทศไทยด้วยการผลิตรายการบันเทิงที่มีความหลากหลายสูงประกอบด้วยรายการละครโทรทัศน์ ตลก (Sitcoms) ซีรีส์ และบันเทิง/นันทนาการ (Variety) จากการคาดการณ์ของเราที่ว่าธุรกิจ Content ของไทยมีโอกาสดีในการเข้าสู่ตลาดต่างประเทศผ่านการเกิดของแพลตฟอร์ม Streaming ใหม่ ๆ ที่ยังอยู่ในช่วงของการเติบโต ONEE อยู่ในตำแหน่งที่ดีที่จะจับความต้องการ Content ของคนทุกยุคจากวัยรุ่นถึงผู้สูงอายุ และน่าจะมีส่วนได้เปรียบเหนือคู่แข่งในการขาย Content บนแพลตฟอร์มต่าง ๆ ได้เพิ่มขึ้น

ความหลากหลายที่สูงกว่าหมายถึงโอกาสที่สูงขึ้น

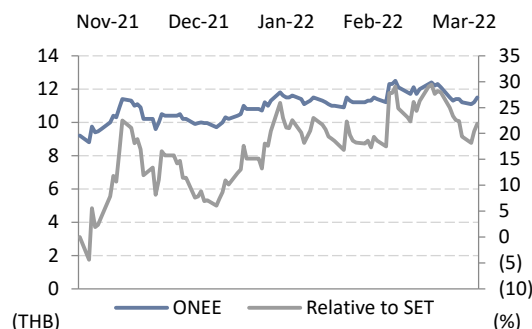
ONEE ไม่ได้เป็นเพียงแค่ผู้ประกอบการสถานีโทรทัศน์หรือผู้สรรสร้าง Content บริษัทฯ ยังมีธุรกิจอีกหลายอย่างที่มีส่วนช่วยอย่างมีนัยสำคัญ นอกจากนี้ธุรกิจหลัก ONEE ยังทำสถานีวิทยุ ธุรกิจผลิต Content ธุรกิจ Event บริหารศิลป์ ขยายสินค้า (Merchandising) และ Studio Production ซึ่งทั้งหมดให้รายได้ประมาณ 21% เราเชื่อว่าธุรกิจที่มีการกระจายความเสี่ยงดังกล่าวมีศักยภาพในการเติบโตสูง นอกจากนี้ธุรกิจ Event และบริหารศิลป์ยังอาจกลายเป็นปัจจัยขับเคลื่อนการเติบโตที่สำคัญได้ในอนาคต

คาดโตต่อเนื่องในปี 2022

จากการฟื้นตัวของค่าใช้จ่ายในด้านการโฆษณาของไทยที่คาดว่าจะโต 7% ในปี 2022 หลังการแพร่ระบาด Covid เราคาดว่ารายได้ของ ONEE จะโตอย่างมีนัยสำคัญถึง 13% เป็น 6 พัน ลบ. พร้อมการเติบโตที่ดีในธุรกิจทั้งหมด นอกจากนี้จากรายได้ที่ปรับตัวดีขึ้น เราเชื่อว่าอัตรากำไรขั้นต้นของ ONEE น่าจะเพิ่มเล็กน้อยเป็น 52.5% จาก 50.7% ในปี 2021 ซึ่งทำให้เราคาดว่ากำไรสุทธิของบริษัทฯ จะเพิ่ม 22% เป็น 1 พัน ลบ. ในปี 2022

เริ่มด้วยคำแนะนำซื้อที่ราคาเป้าหมาย 14 บาท

ปัจจุบันราคาหุ้นของ ONEE มีการซื้อขายโดยมีส่วนลดเมื่อเทียบกับคู่แข่ง กล่าวคือ BEC World (BEC TB, BUY, TP THB18.60) เรามองว่าการเติบโตของกำไรสุทธิของบริษัทฯ ค่อนข้างคล้ายกันแต่มีค่า P/E ต่ำกว่า อันที่จริง ONEE มีค่า P/E ต่ำที่สุดในกลุ่มบริษัทสถานีโทรทัศน์ที่เราทำการศึกษา ดังนั้นเราจึงคิดว่า ONEE ควรจะมีการซื้อขายที่ระดับ P/E ที่ใกล้เคียงกับ BEC ด้วยเหตุผลดังกล่าวเราจึงเริ่มด้วยคำแนะนำซื้อที่ราคาเป้าหมาย 14 บาท ราคาตั้งกล่าวคิดเป็น 33x ของค่า 2022E P/E ซึ่งต่ำกว่าของ BEC ที่เราคาดว่าจะไว้ที่ 35x แม้ว่าปัจจุบันค่า 2022E P/E จะอยู่ที่เพียง 26x เราคิดว่าบริษัทฯ สมควรจะมีการซื้อขายในระดับที่ใกล้เคียงกับคู่แข่งได้ในอนาคต ONEE เป็นหุ้นที่ราคาต่ำที่สุดในกลุ่มสื่อของไทยในความเห็นของเรา



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(6.5)	15.6	n/a
Relative to country (%)	(4.6)	14.0	n/a
Mkt cap (USD m)	821		
3m avg. daily turnover (USD m)	5.7		
Free float (%)	21		
Major shareholder	Poramaporn Prasarttong-Osoth (40%)		
12m high/low (THB)	13.00/8.70		
Issued shares (m)	2,000.00		

Sources: Bloomberg consensus; FSSIA estimates



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PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 17 มีนาคม 2022

Investment thesis

ONEE is a GMM Grammy (GRAMMY TB, NR) subsidiary. GRAMMY is the biggest music company in Thailand. The company owns ONE TV, the top TV channel in Thailand, in terms of TV ratings. ONEE has strong content including traditional Thai dramas, sitcoms, series, and variety shows. Thanks to its strong content, we believe ONEE has an opportunity to sell its content to streaming platforms globally. With continued high demand for Thai content in both local and international markets, we think this should be the key driver for the company in 2022.

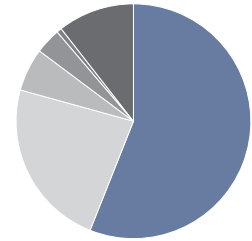
Company profile

A holding company which engages in media and entertainment business and is vertically integrated from being content creator to owning offline and online distribution channels.

www.theoneenterprise.com

Principal activities (revenue, 2021)

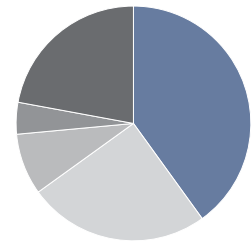
- TV - 56.0 %
- Copyright - 23.3 %
- Content production - 5.9 %
- Radio - 3.5 %
- Event - 0.7 %
- Others - 10.6 %



Source: The One Enterprise

Major shareholders

- Poramaporn Prasarttong-Osoth - 40.0 %
- GMM Grammy - 25.0 %
- Scenario - 8.5 %
- Takonkiet Viravan - 4.4 %
- Others - 22.1 %



Source: The One Enterprise

Catalysts

- High potential growth in its content business;
- The recovery in advertising expenditure.

Risks to our call

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

Event calendar

Date	Event
May-22	1Q22 results announcement

Key assumptions

Growth	2021	2022E	2023E	2024E
	(%)	(%)	(%)	(%)
TV	19	10	7	5
Copyright	26	15	15	10
Content production	(41)	10	5	5
Radio	(30)	5	3	3
Event	(33)	250	100	20
Others	41	10	7	7
Total	12	13	11	7

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in TV revenue, we project ONEE's 2022 earnings to rise by 0.9%, and vice versa, all else being equal;
- For every 10 bps increase in ONEE's GPM, we project ONEE's 2022 earnings to rise by 0.7%, and vice versa, all else being equal.

Source: FSSIA estimates

ONEE: trading at the lowest valuation of all Thai media companies

We can't see any reasonable explanation why ONEE is currently trading at a discounted P/E multiple compared to its peer, BEC. ONEE's forward P/E is now at only 26x compared to BEC, which currently trades at 31x. In our view, the main businesses of these two companies are quite similar. BEC had revenue from TV and copyright licensing at 85% and 15% in 2021, respectively, while ONEE had revenue from TV and copyright licensing at 56% and 23% in 2021, respectively. Therefore, almost 90% of ONEE's business is similar to BEC's.

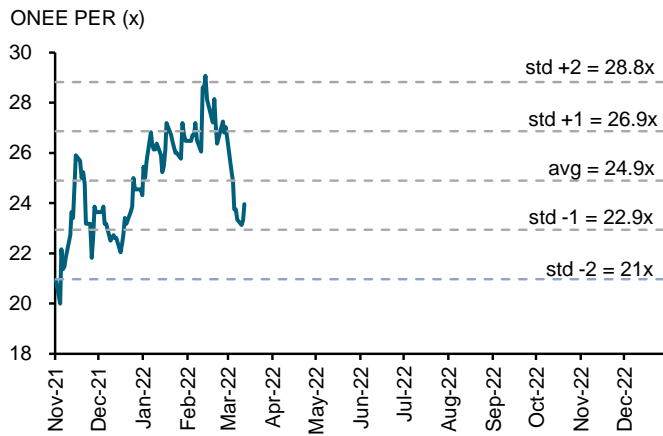
Moreover, if we compare ONEE with BEC in terms of financial performance, growth outlook, and operating performance, we can see that ONEE and BEC have similarities from every perspective. Their future net profit, net profit growth, and NPM look alike. The only difference between these two companies is in the historical data: BEC was a loss-maker from 2017 to 2020 but finally turned a profit in 2021, which may make BEC, from an investment perspective, more interesting as a turnaround theme.

Exhibit 1: Key performance comparison of ONEE vs BEC

Financial performance		2017	2018	2019	2020	2021	2022E	2023E	2024E
		(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)
Revenue	BEC	11,035	10,126	8,310	5,861	5,680	6,564	7,151	7,562
	ONEE	2,144	2,695	2,692	3,127	5,347	6,024	6,667	7,131
Net profit	BEC	(44)	(87)	(556)	(233)	812	1,067	1,302	1,477
	ONEE	(521)	29	178	631	828	1,012	1,239	1,375
Growth		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Revenue growth	BEC	-	(8)	(18)	(29)	(3)	16	9	6
	ONEE	-	26	(0)	16	71	13	11	7
Net profit growth	BEC	n.a.	n.a.	n.a.	n.a.	n.a.	31	22	13
	ONEE	n.a.	n.a.	515	254	31	22	22	11
Operating performance		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
GPM	BEC	16.8	13.2	9.3	21.8	33.3	33.5	35.3	36.5
	ONEE	27.9	36.7	42.5	50.8	50.7	52.5	53.0	53.0
SG&A to sales	BEC	16.3	15.3	17.8	24.4	14.1	12.8	12.2	11.9
	ONEE	35.5	32.8	32.3	29.6	31.9	31.7	30.3	29.6
Operating profit margin	BEC	0.5	(2.1)	(8.5)	(2.6)	19.2	20.7	23.1	24.5
	ONEE	(7.5)	3.9	10.2	21.2	18.8	20.8	22.7	23.4
EBITDA margin	BEC	34.1	35.0	29.2	34.9	56.0	52.2	52.2	52.1
	ONEE	22.1	34.5	43.8	49.9	40.6	41.0	41.6	41.4
NPM	BEC	(0.4)	(0.9)	(6.7)	(4.0)	14.3	16.3	18.2	19.5
	ONEE	(24.3)	1.1	6.6	20.2	15.5	16.8	18.6	19.3

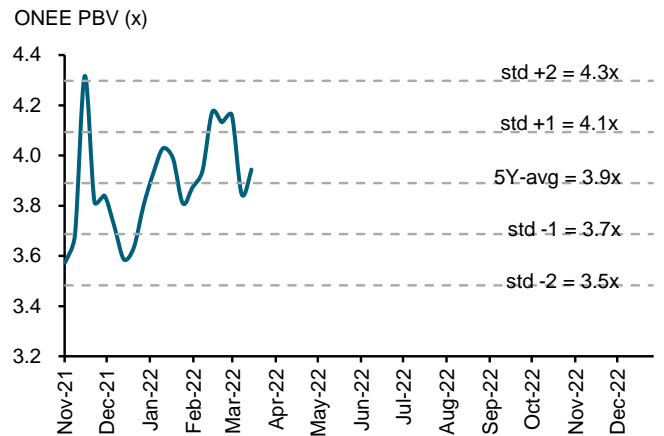
Sources: ONE; BEC; FSSIA estimates

Exhibit 2: ONEE rolling one-year forward P/E band



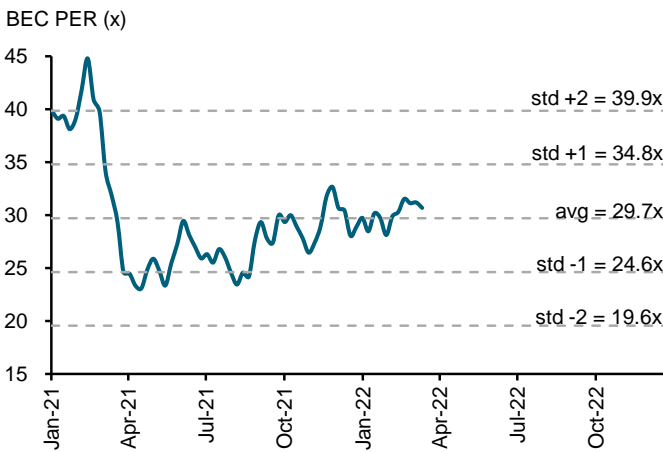
Sources: Bloomberg; FSSIA estimates

Exhibit 3: ONEE rolling one-year forward P/BV band



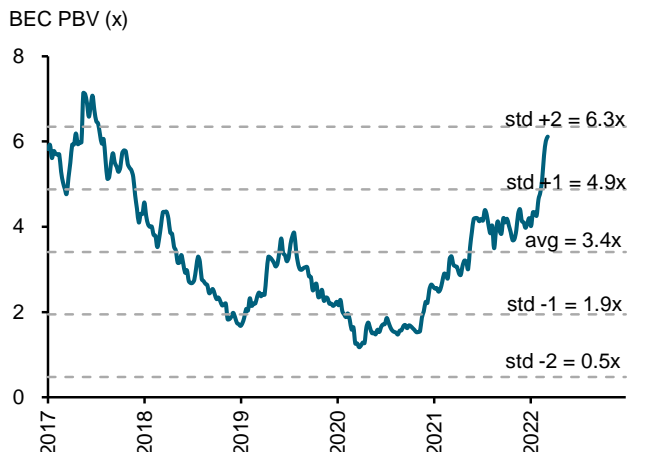
Sources: Bloomberg; FSSIA estimates

Exhibit 4: BEC rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 5: BEC rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

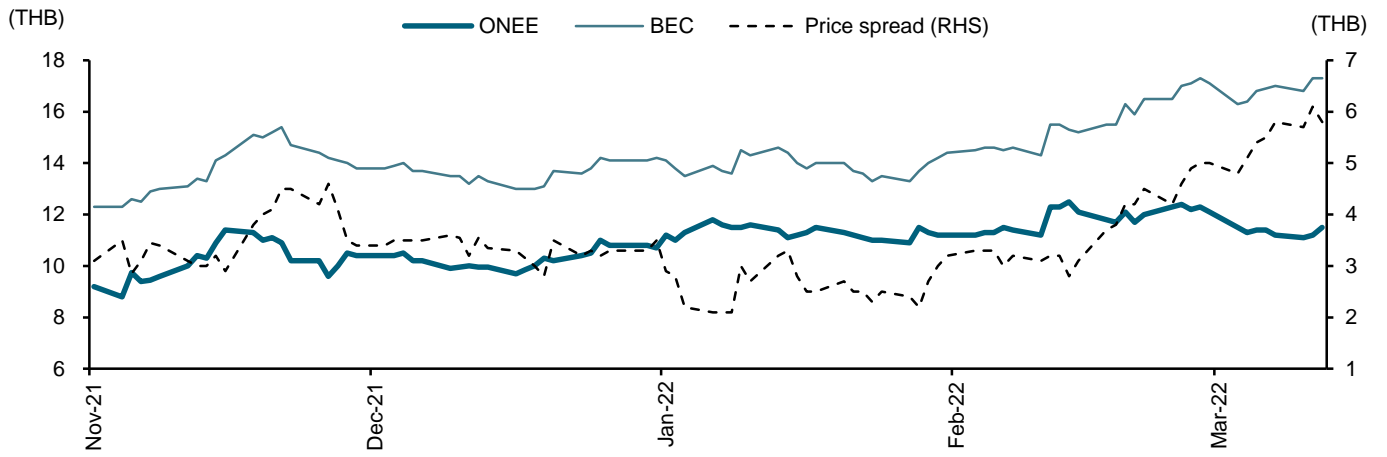
Share price spread is getting wider

The share price spread between ONEE and BEC is also another tool to demonstrate how ONEE is trading at a discount compared to BEC. Since ONEE was listed on the SET in Nov-21, the share price spread between these two companies stood at around THB2-4. However, starting from Feb-22, thanks to the stronger outlook of BEC, BEC's share price surged continuously and the spread widened to THB6, the highest level since ONEE joined the SET. BEC's outlook may be the stronger of the two, with BEC's net profit in 2022 expected to grow by 31% to THB1.1b, while ONEE's net profit in 2022 is expected to grow by 22% to THB1b, based on our estimates.

The growth in net profit of both companies also looks similar. However, BEC's earnings growth may have more visibility, as we can see with the popularity of its news programs such as Morning News and Hone-Krasae, which currently have a utilisation rate of almost 100% and a higher TV rating for news than any other channel in the morning and afternoon time slots. Therefore, we think this could be the reason why BEC's share price has performed better than ONEE since Feb-22.

For ONEE, there is less visibility on its earnings outlook compared to BEC as it provides less information to the market. Furthermore, ONEE's management also has a more conservative view, expecting only 10% growth in revenue, which is lower than BEC's management, which expects about 20% growth.

Exhibit 6: Share price spread between ONEE and BEC



Sources: Bloomberg; FSSIA compilation

One of the cheapest valuations in the Thai media sector

Looking at share price performance, ONEE's share price also underperformed its peers, growing by only 6% YTD compared to BEC and Workpoint Entertainment (WORK TB, BUY, TP THB26), which grew by over 24% and 20%, respectively, despite having an earnings growth outlook in 2022E that is quite similar. In our view, this reflects that ONEE's share price has the lowest performance among TV companies.

Exhibit 7: Media sector share price performance

	52W Hi	52W	52W	Price performance				
	Date	High	Low	1M	3M	6M	1Y	YTD
BEC	3/14/2022	17.50	8.50	14	32	39	78	24
WORK	2/15/2022	28.75	16.10	1	24	24	64	20
RS	3/31/2021	30.00	14.90	(4)	(18)	(5)	(32)	(20)
MAJOR	6/15/2021	26.25	17.90	(1)	4	(7)	(4)	-
VGI	3/30/2021	7.20	5.00	(1)	(16)	(12)	(20)	(16)
PLANB	1/12/2022	8.65	4.89	1	15	23	14	5
ONEE	2/17/2022	13.00	8.70	(9)	15	n/a	n/a	6

Share price as of 16 Mar 2022

Sources: Bloomberg; FSSIA compilation

ONEE not only has a discounted valuation compared to BEC, it is also trading at the lowest P/E level of all the TV companies under our coverage. It is also trading at the one of the lowest P/E levels in the media sector. Major Cineplex (MAJOR TB, BUY, TP THB25) is the only company that trades at a lower P/E.

Exhibit 8: Peers comparison

Company	BBG	Share price			Market Cap (USD m)	PE		ROE		PBV		EVEBITDA	
		Current (LCY)	Target (LCY)	Upside (%)		22E (x)	23E (x)	22E (%)	23E (%)	22E (x)	23E (x)	22E (x)	23E (x)
TV													
Bec World	BEC TB	17.3	18.6	7.5	1,038	nm	32.4	26.6	16.5	18.5	5.1	4.7	9.6
Workpoint Entertainment	WORK TB	27.25	26	(4.6)	361	34.6	28.8	25.5	9.0	9.9	2.6	2.5	12.0
The One Enterprise	ONEE TB	11.5	14	21.7	831	18.4	27.1	22.1	14.3	16.2	3.7	3.4	10.1
TV avg.					2,229	26.0	29.4	24.7	13.3	14.9	3.8	3.5	10.6
Out of home													
Vgi	VGI TB	5.35	6.1	14.0	1,409	74.7	87.9	43.2	3.2	6.4	2.8	2.7	64.7
Plan B Media	PLANB TB	7.9	9.2	16.5	993	83.3	47.4	35.5	11.3	13.1	4.7	4.6	12.4
Out of home avg.					2,402	80.3	67.6	39.4	7.3	9.7	3.7	3.6	38.6
Others													
Rs	RS TB	17.4	21	20.7	500	13.9	28.5	21.7	25.7	28.7	6.7	5.8	16.1
Major Cineplex Group	MAJOR TB	20	25	25.0	537	nm	20.8	17.3	12.2	14.7	2.6	2.5	8.9
Others avg.					1,036	nm	24.6	19.5	18.9	21.7	4.6	4.2	12.5
Overall					5,668	59.5	39.0	27.4	13.2	15.4	4.0	3.7	19.1

Share prices as of 16 Mar 2022

Sources: Bloomberg; FSSIA estimates

No solid reason for trading at a discount

The only possible reasons why ONEE is trading at a discounted P/E multiple, in our view, are:

- 1) ONEE is a newly listed company that had its IPO on the SET in Nov-21;
- 2) ONEE is undercovered; only three equity research firms cover this company compared to BEC, which has 13 firms covering it, according to Bloomberg;
- 3) The company has the lowest free float (20.8%) in the media sector, compared to BEC (49.3%) and WORK (49.1%);
- 4) ONEE provides less information to the market than BEC. Although we were given a revenue breakdown by business, we still lack deeper insights into its TV revenue, advertising rate per minute, or the utilisation rate of its channel. Therefore, we as well as the market, are unable to predict trends as accurately as with BEC, which provides clearer information about its advertising and utilisation rate, including the major items such as TV production costs.
- 5) The wider scope of its business ventures could be another key reason. ONEE's businesses include artist management, merchandising, and content production services, all of which contribute almost 20% of its revenue.

However, none of the reasons listed above are related to the company's fundamentals, nor do they indicate an outlook that is substantially different from its peers.

Exhibit 9: Key advantages comparison



Source: FSSIA compilation

When will ONEE close the gap with its peers?

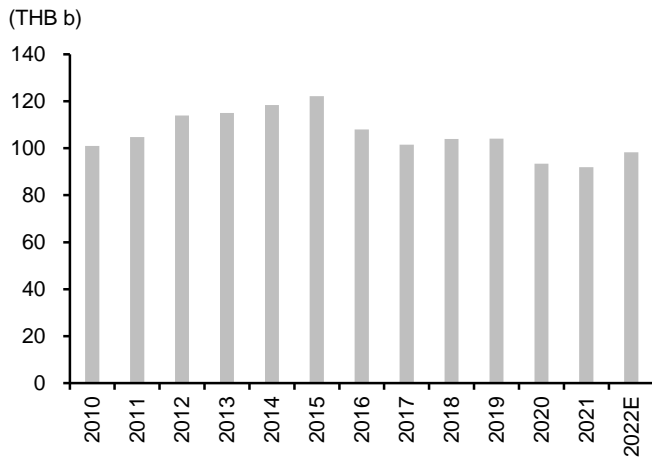
We believe that if the company could provide more details to analysts, the consensus would gain more confidence in projecting ONEE's future growth. Or if the company proves itself able to deliver growth in line with the consensus and our expectations, ONEE should finally trade at a level closer to that of its peers.

Better outlook for every business unit

The recovery in advertising expenditure helps ONEE’s overall revenue

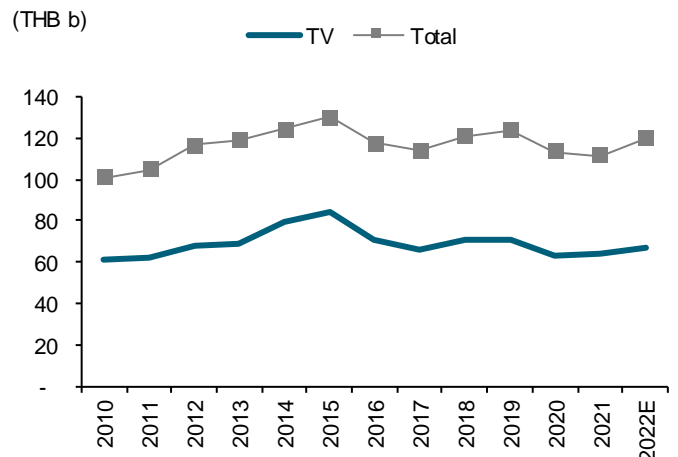
Advertising expenditure (adex) in Thailand has been dampened by Covid since 2020. In 2021, adex fell by 2% y-y to THB92b compared to its normal level (pre-Covid) in 2019 of THB1.04b. Therefore, with the Bloomberg consensus expecting Thai GDP to grow by 3.5% in 2022 alongside a corresponding recovery in consumer confidence and purchasing power, adex in 2022 should recover by 7% to THB98b, in our view.

Exhibit 10: Thailand’s total advertising expenditure



Sources: Nielsen; FSSIA estimates

Exhibit 11: TV adex vs total adex



Sources: Nielsen; FSSIA estimates

TV should enjoy the strongest adex recovery

TV maintains the biggest proportion of adex, and it is expected to contribute about 56% of total adex in 2022. We expect TV adex to grow by 4.5% this year to THB66.5b. We think the marketers of FMCG products still want to advertise their wares to the mass market via TV. This would directly benefit ONEE, for whom revenue from its TV business accounts for over 56% of its total revenue. ONEE also earns revenue from the content that it produces and sells to other TV channels. We think ONEE’s content production business may see increased demand from other TV channel operators hoping to gain more revenue amid the industry’s recovery. Note that content production services contribute about 6% of ONEE’s total revenue with low risk because it’s based on a cost-plus model.

Exhibit 12: Drama series TV programs



Source: ONEE

Exhibit 13: Sitcom TV programs



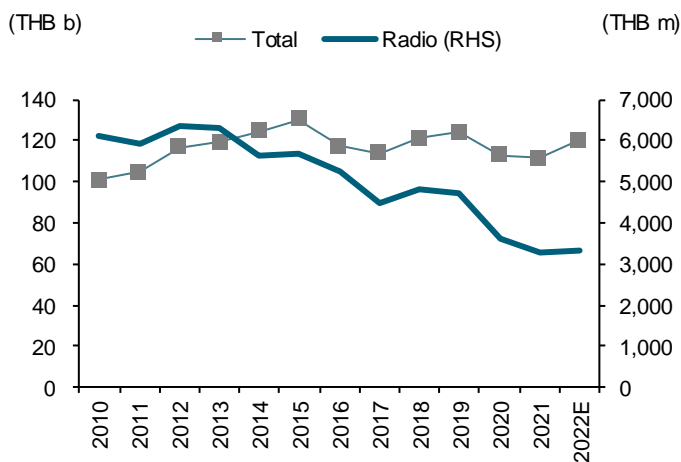
Source: ONEE

Exhibit 14: Variety TV programs



Source: ONEE

Exhibit 15: Radio adex vs total adex



Source: Nielsen; FSSIA estimates

Exhibit 16: Adex forecast

	2021 (THB m)	2022E (THB m)	Change (y-y %)
TV	63,662	66,527	4.5
Radio	3,261	3,326	2.0
Newspapers	2,506	2,531	1.0
Magazines	602	614	2.0
Cinema	3,420	4,788	40.0
Outdoor	6,092	6,823	12.0
Transit	3,617	4,160	15.0
In store	676	730	8.0
Internet	8,121	8,771	8.0
Total	91,957	98,269	6.9

Sources: Nielsen; FSSIA estimates

Conservative view on the radio business

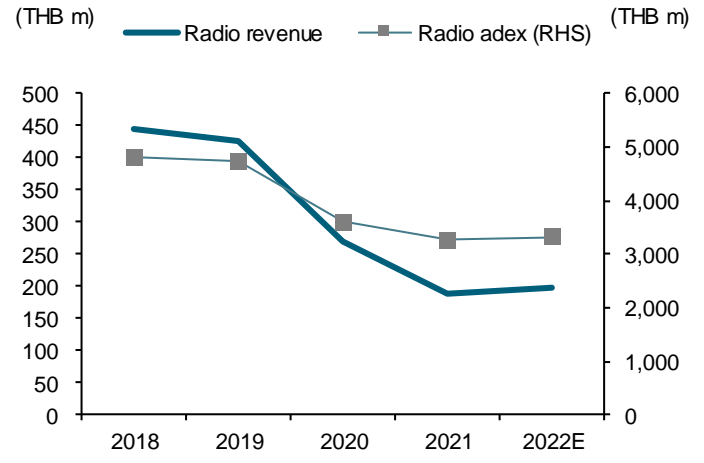
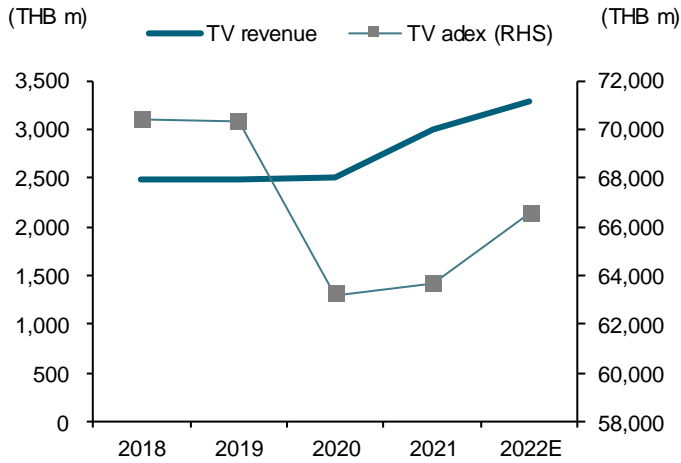
Although radio adex may look unattractive, showing a continuous decline for many years, we still believe it should post a recovery this year in line with total adex. Admittedly, the recovery in radio adex in 2022 does not look strong compared to TV adex, with an expected 2% rise from 2021 to THB3.3b. Nevertheless, given ONEE's strong radio content and the potential for adapting it to capture some audience interest via online channels such as YouTube, this segment could help the company gain additional revenue.

ONEE media can outperform the industry

The exhibit below shows that as one of the top TV and radio operators in Thailand, ONEE’s revenue from these two businesses can outperform the market. Therefore, with the expectation of an adex recovery in 2022, we believe ONEE should continue to grow at least in line with the industry.

Exhibit 17: ONEE’s TV revenue vs TV adex

Exhibit 18: ONEE’s radio revenue vs radio adex



Sources: ONEE; FSSIA estimates

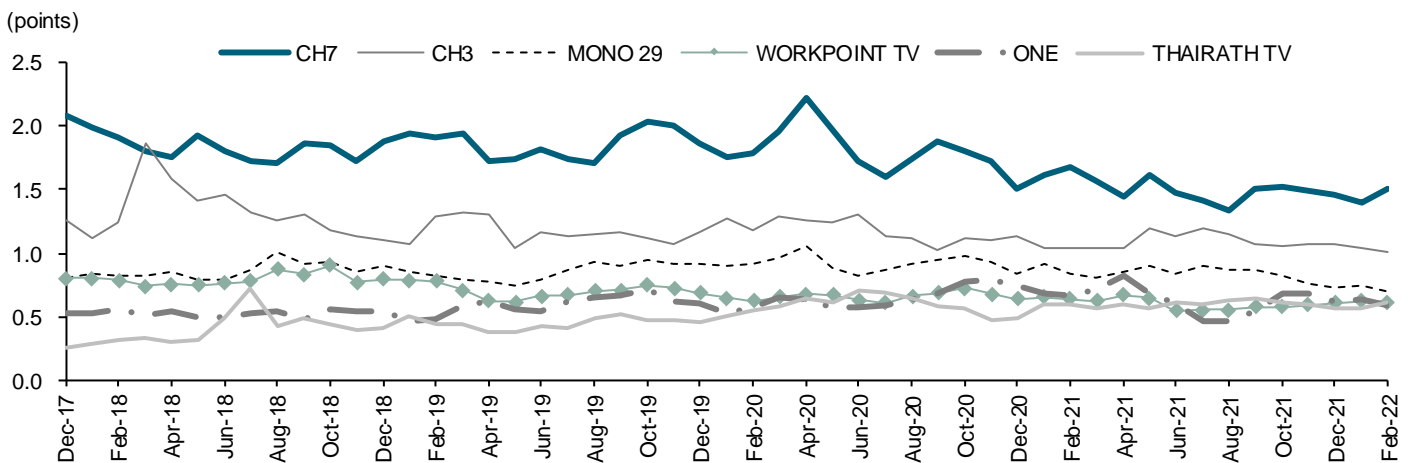
Sources: ONEE; FSSIA estimates

ONE channel is the key contributor

The TV business under ONEE comprises two sub businesses that include: 1) the revenue from ONE channel; and 2) its role as the advertising sales agent for GMM25 channel.

ONE channel had a TV rating of about 0.4-0.7 in 2021 (24 hrs rating, age over 4 years old, nationwide) and got a 0.66 rating point average in 2021. It stayed between 6th and 4th place in terms of its TV ratings ranking in Thailand, competing with Thairath TV, and Workpoint TV under WORK.

Exhibit 19: Top six TV channels by rating in Thailand



Note: 24 hrs rating at age 4+ nationwide
Sources: Nielsen; TV Digital Watch

ONE channel still has room to grow

ONE channel contributed about 88% of ONEE’s TV revenue, for a total of THB2.6b in 2021. Compared to BEC, which has the second most popular TV channel in Thailand and a TV rating of 1.07 and THB4.8b in TV revenue in 2021, ONEE’s average TV rating in 2021 was 0.66. This shows that while one of BEC’s TV rating points can generate revenue of THB4.5b, one of ONEE’s TV rating points can only generate about THB3.4b. This reflects ONE channel’s huge discount in terms of advertising price that the company can charge its customers.

More first-run dramas to be broadcast in 2022

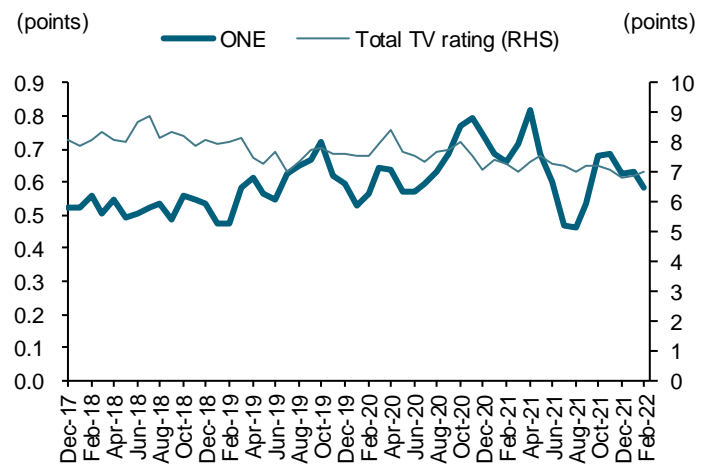
Like other TV channels during Covid, ONEE filled some of its TV programming slots with re-runs of drama series amid the weak, Covid-affected adex situation in order to minimise its costs. Therefore, this year, we expect the company to produce more first-run drama series, premised on the expectation of an economic recovery after the Covid situation is under control. Having more first-run drama series should give ONEE the opportunity to capture higher adex.

Exhibit 20: TV business comparison between BEC and ONEE

	TV rating (points)	Revenue (THB m)	Revenue per 1 rating (THB m)
CH3 (BEC)	1.07	4,834	4,514.90
ONE	0.77	2,636	3,410.14

Sources: Nielsen; TV Digital Watch; BEC; ONEE; FSSIA compilation

Exhibit 21: ONE’s ratings vs total TV ratings



Sources: Nielsen; TV Digital Watch; FSSIA compilation

GMM25’s revenue should be more efficient

An additional 12% of ONEE’s TV revenue comes from the revenue that ONEE gains as the selling agent for all the advertising time slots on GMM25 channel. Under this contract, ONEE has to:

- 1) Procure customers to rent time slots to run TV programs on GMM25;
- 2) Procure customers for contract production and/or co-produce TV programs for GMM25 channel;
- 3) Distribute all advertising time slots of GMM25.

The contract operates in accordance with the principle of best efforts (best-effort basis).

With this model ONEE and GMM25 have agreed to:

- 1) Allocate all income received from the broadcasting of the TV programs jointly produced (between ONEE and GMM25) on all channels, or from the TV time slot rental on GMM25, at a proportion of 30 GMM25:70 ONEE;
- 2) Allocate advertising time (time sharing) for TV programs produced by other parties and broadcast on GMM25 channel at a proportion of 30:70. GMM channel’s share will not exceed 70 million baht per year.

Although GMM25 has weak TV ratings, ranking about 13th place overall in Thailand, and its revenue is also small, at only cTHB360m or 7% of ONEE's total revenue, we still believe GMM25 has more potential to grow after the company's move to position GMM25 as one of its content distribution channels. This means GMM25 will serve as a distribution tool for ONEE's content, for example, programs aimed at teenagers interested in different shows than those broadcast by ONE channel. We think the content broadcast on GMM25 could gain more revenue from other aspects of the business such as copyright, artist management, or merchandising.

Using F4 Thailand as a case study, this drama series has a TV rating of around 0.6, according to TV Digital Watch. That may seem low compared to other drama series from CH7, CH3, or even ONE, because most top drama series in Thailand get a TV rating over 4. However, despite F4 Thailand's below-average rating and low TV revenue, the company can still expect good returns from its online distribution channels, especially from its copyright business. For example, the company can sell F4 Thailand's broadcasting rights to other countries such as Japan, the Philippines, and Indonesia. Also, its YouTube viewership count is similar to other top dramas that got above a 4 TV rating. Furthermore, the popularity of F4 also helped the artist gain more recognition from Thai fans, which helps the company gain more revenue from its artist management and merchandising businesses.

More content similar to F4 in the future

The company said that it considered F4 to be a success, despite its lower-than-average TV rating, because the additional revenue made it as profitable as one of ONEE's top drama series. Therefore, the company expects to produce more content capable of gaining revenue from other, non-traditional distribution channels beyond TV in the future. We think this is a good strategy that creates a key advantage for ONEE in utilising its content from other channels.

Content business is the key driver

We see a key advantage for ONEE as one of the greatest content providers in Thailand, with a wide variety of offerings including traditional Thai dramas, sitcoms, series, and variety shows. With our expectation that Thai content still has an opportunity to enter the overseas market thanks to the emergence of streaming platforms, ONEE is well-positioned to capture the content needs of all generations from teenagers to seniors and should enjoy an advantage over its peers via sales of its content to various platforms.

Event business is a dark horse

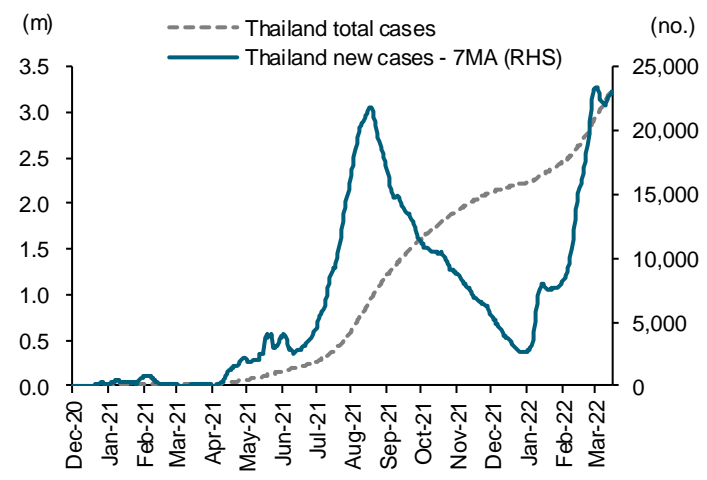
ONEE is a top-earning company in the event business. However, due to Covid, its event revenue dropped dramatically from THB333m in 2019 (pre-Covid) to just THB56m and THB37m in 2020 and 2021, respectively. We believe that if the Covid situation in Thailand improves, possibly in 2H22 onward, and the Thai government changes its assessment of the Covid situation from pandemic to endemic by Jul-22, more out-of-home (OOH) activity should resume. This could be an opportunity for ONEE to resume its event business and generate revenue at its normal level.

Exhibit 22: Thailand Covid endemic timeline

LEARNING TO LIVE WITH COVID <small>A four-stage public health measure plan has been drawn up before Thailand declares Covid-19 an endemic disease from July onwards</small>				
Measures	Phase one (March 12 to early April) Combatting	Phase two (April-May) Plateau	Phase three (the end of May-June) Declining	After June 30 Post pandemic
Surveillance measures on international arrivals	Traveller tests positive D0 >3%, tested with RT-PCR D0 + ATK D5, unvaccinated will be put in 10-day quarantine	Traveller tests positive D0 1-3%, tested with ATK D 0.5, unvaccinated will be put in 5-day quarantine	Traveller tests positive D0 <1%, unvaccinated will be tested with ATKs at airports	There will be no ATK and PCR tests
Domestic surveillance inspections	Case-based: infection cases, IPD, pneumonia the bed occupancy rate 2,3, Event-based: Death, Cluster, New variants, Vaccine-related: AFPI, VF		Case-based: IPD, pneumonia cases per week, Event-based: Death, Cluster, New variants, Vaccine-related: AFPI, VF	
Investigation of disease	Containment of severe clusters, reducing the number of deaths, disease control assessments		Determining the factor that causes severe symptoms and deaths	
Vaccination	Booster ≥ 45% of population	Booster ≥ 50% of population	Booster ≥ 55% of population	Booster ≥ 60% of population
Disease prevention besides vaccination	Controlling large public gatherings, certain venues will be allowed to reopen by order of the committee		Implementing social distancing and wearing masks in risk-prone areas, as well as large public gatherings, most venues will be able to reopen	
Disease control measures	Patient quarantine (depends on vaccine profile), considering restrictions on inter-provincial travel for virus containment, avoiding commuting on public transport, closure of pubs and bars		Patient quarantine (depends on vaccine profile), considering restrictions on inter-provincial travel for virus containment, travelling by public transport under universal prevention measures, reopening pubs and bars	

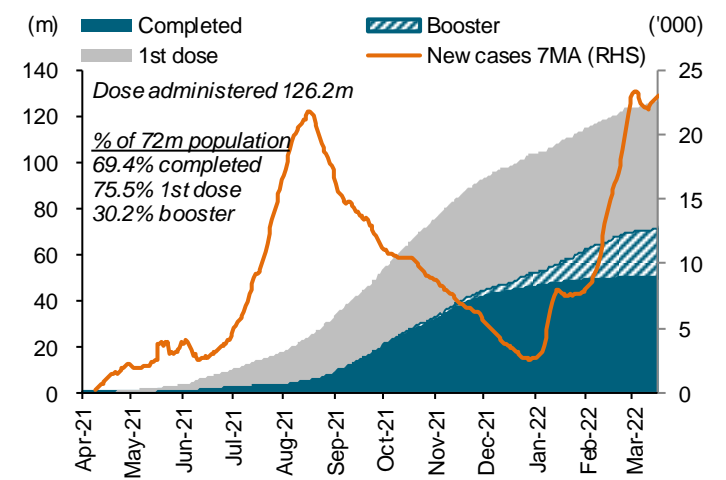
Sources: The Ministry of Public Health; [Bangkok Post](#)

Exhibit 23: Daily Covid cases in Thailand



As of 16 Mar 2022
Source: Worldometers.info

Exhibit 24: Vaccination rollout in Thailand



As of 16 Mar 2022
Source: Worldometers.info

High potential growth from other businesses

The last business of ONEE is other businesses, which in 2021 generated THB564m. These comprise: 1) artist management at THB401m (7% of its total revenue); 2) merchandising at THB141m (3% of its total revenue); and 3) studio services at THB23m (3% of its total revenue).

We believe artist management could be another key driver for the company going forward given that ONEE has over 200 contracted artists, such as Bright Vachirawitare, who recently signed a contract with ONEE in 2019. With 9m Instagram followers, Bright is the second most popular Thai actor on Instagram, according to TNNThailand, and has performed in many drama series and movies. The resumption of content production, including movies, bodes well for ONEE's revenue, especially given the emergence of streaming platforms seeking to offer quality content from Thailand.

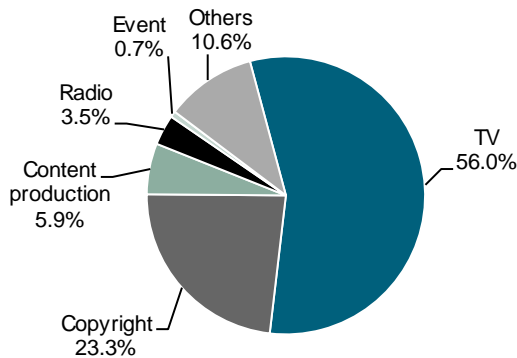
ONEE's merchandising business is expected to grow in line with its artist management business as we expect that a larger fan base for each artist means more opportunities for ONEE to sell merchandising products from their artists to their fans.

Lastly, its studio service business also has an opportunity to grow on the back of resurging demand for content from both ONEE and other companies. Moreover, the company plans to invest about THB40-50m this year to expand its 63-rai film production area in preparation for higher content production demand.

Solid growth expected in 2022

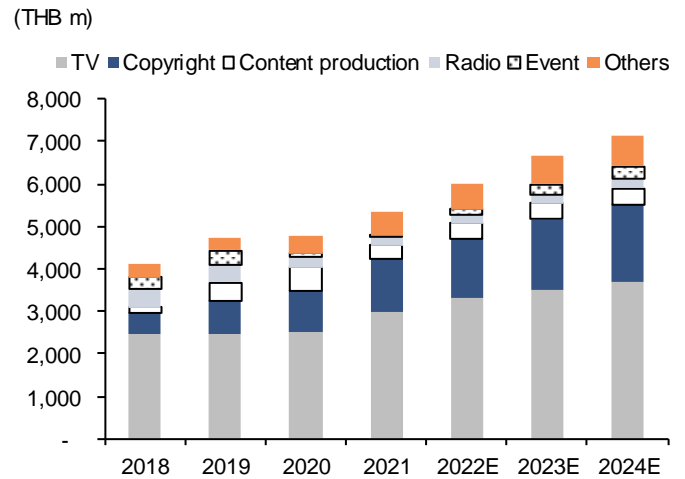
With the expected recovery in adex, the resumption of its event business, and the high potential for growth in its artist management and copyright businesses, we expect ONEE's revenue to grow by 13% y-y to THB6b in 2022. We expect its TV business, which remains the biggest contributor to ONEE's revenue, to grow by 10% y-y to THB3.3b, followed by 15% growth in its copyright business to THB1.4b. Other businesses including radio, events, content production services, and others, which should see continuous growth of 5-10%.

Exhibit 25: ONEE's revenue breakdown by business in 2021



Sources: ONEE; FSSIA estimates

Exhibit 26: ONEE's revenue growth

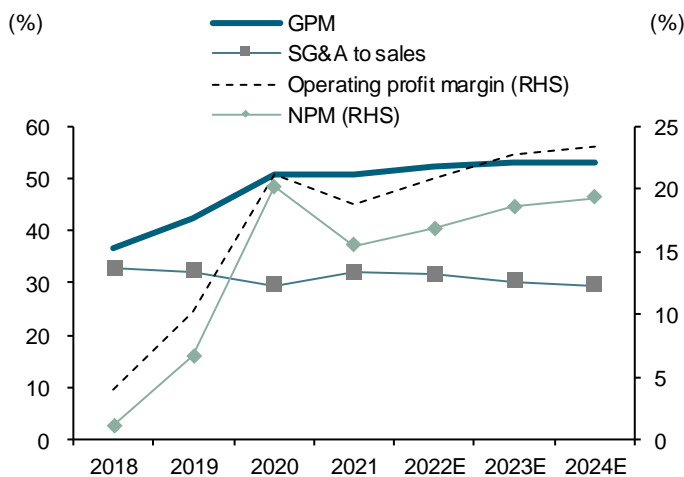


Sources: ONEE; FSSIA estimates

GPM should improve in line with revenue

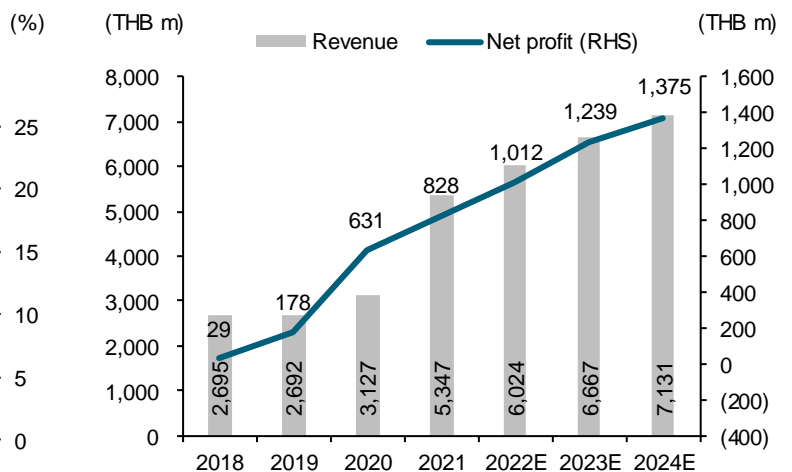
With the expectation that the high margin from its copyright business should have a larger contribution to ONEE's revenue, we expect that the company's GPM should also increase to 52.5% from 50.7% in 2021. Lastly, thanks to the infusion of cTHB4b in cash from its IPO last year, the company was able to repay most of its debt and attain a net cash position in 2022. As a result, its finance expense is expected to drop significantly. Therefore, we expect ONEE's net profit to grow by 22% to THB1b.

Exhibit 27: ONEE's revenue growth



Sources: ONEE; FSSIA estimates

Exhibit 28: ONEE's revenue and net profit



Sources: ONEE; FSSIA estimates

Risks

The key downside risks to our P/E-based TP are:

1) A lower-than-expected adex recovery

Thailand's adex is the key indicator for media companies' revenue. There is a risk that the recovery in adex may be lower than our expectation, possibly due to Covid or high inflation, which may pressure the momentum of the economic recovery or even make it to decline from last year – our worst-case scenario. However, given that adex in 2021 at THB92b was the lowest recorded since 2010, when data from Nielsen first became available, we think the annual adex above THB100b that was recorded during the pre-Covid level represents a normal level. Moreover, despite the Omicron variant pushing daily Covid infections to new all-time highs, Thai consumer behavior remains stable. OOH activity has already resumed as Thai people have better adapted and learned to live with Covid since the initial Delta variant outbreak.

Therefore, we believe that adex should be flattish, in our worst-case scenario, based on our view that advertisers will choose to maintain their brand recognition and awareness to preserve sales volumes.

2) Unable to gain more revenue from copyright business

Copyright sales are a high margin business for every TV operator in Thailand because most resold content has essentially zero cost given that the content's first screening on TV already covers the production cost. The growth of ONEE's copyright business will depend on its ability to sell existing content to streaming platforms or other countries. Therefore, there is a risk that the company might be unable to sell its content to other distribution channels.

However, ONEE is one of the top content providers in Thailand and it has a strong relationship with Netflix, the world's biggest streaming platform. The company has already collaborated with Netflix to produce original content, and we believe the company's relationship with Netflix will strengthen in the future.

Corporate Governance - ONEE

Board structure

Number of Independent Directors (ID)	5 of 15 board members
Percentage of IDs on the board	35.7%
ID participation/attendance at board meetings	92.1% in 2020 and 100% during 1H21
ID participation in audit/remuneration committees	3/3 in audit committee and 4/4 in remuneration committee
ID terms (years of service, re-election/replacement procedures)	Maximum nine consecutive years. The Board of Directors may reasonably consider the necessity of reappointment.

Source: ONEE

Additional comments: ONEE listed on the SET on 5 November 2021.

Audit Practices

Auditor	EY Office Limited
Length of service	Since 2018 (based on available information in IPO prospectus)
Reporting incidents	None
Fee track record	THB 5.32m for FY ending Dec 2021, and THB4.83m for FY ending Dec 2020
Policy on change of audit firm	To review every five years

Source: ONEE

Additional comments: None

Compensation and remuneration

Directors' remuneration vs earnings/ROE/share performance	In 2020, THB 3.74m vs net profit of THB 633.86m, and THB3.40m during 1H21 vs net profit of THB262.18m
Changes/stability in senior management	None
Incidents of termination of senior management	None
Track record on insider sales	None

Source: ONEE

Additional comments: None

Shareholders' rights

Communication - shareholder participation in AGMs/EGMs	AGM once annually, EGM when appropriate and in accordance with SEC guidelines
Related party transactions	In accordance with SEC guidelines
Voting issues - policies, incidents of rejected proposals	None

Source: ONEE

Additional comments: None

Financial Statements

The One Enterprise

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	3,127	5,347	6,024	6,667	7,131
Cost of goods sold	(731)	(1,559)	(1,737)	(1,974)	(2,173)
Gross profit	2,396	3,787	4,287	4,693	4,958
Other operating income	88	89	93	98	103
Operating costs	(925)	(1,707)	(1,910)	(2,020)	(2,111)
Operating EBITDA	1,560	2,169	2,471	2,771	2,950
Depreciation	(809)	(1,078)	(1,125)	(1,160)	(1,179)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	750	1,092	1,346	1,612	1,772
Net financing costs	(86)	(126)	(82)	(63)	(53)
Associates	5	0	0	0	0
Recurring non-operating income	5	0	0	0	0
Non-recurring items	0	0	0	0	0
Profit before tax	669	965	1,265	1,549	1,719
Tax	(38)	(137)	(253)	(310)	(344)
Profit after tax	631	828	1,012	1,239	1,375
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	631	828	1,012	1,239	1,375
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	631	828	1,012	1,239	1,375
Per share (THB)					
Recurring EPS *	0.33	0.35	0.42	0.52	0.58
Reported EPS	0.33	0.35	0.42	0.52	0.58
DPS	0.00	0.07	0.21	0.26	0.46
Diluted shares (used to calculate per share data)	1,905	2,381	2,381	2,381	2,381
Growth					
Revenue (%)	16.1	71.0	12.7	10.7	7.0
Operating EBITDA (%)	32.3	39.1	13.9	12.2	6.5
Operating EBIT (%)	111.0	45.5	23.3	19.7	9.9
Recurring EPS (%)	253.9	5.0	22.1	22.5	11.0
Reported EPS (%)	253.9	5.0	22.1	22.5	11.0
Operating performance					
Gross margin inc. depreciation (%)	50.8	50.7	52.5	53.0	53.0
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	49.9	40.6	41.0	41.6	41.4
Operating EBIT margin (%)	24.0	20.4	22.4	24.2	24.8
Net margin (%)	20.2	15.5	16.8	18.6	19.3
Effective tax rate (%)	20.0	20.0	20.0	20.0	20.0
Dividend payout on recurring profit (%)	-	19.8	50.0	50.0	80.0
Interest cover (X)	8.8	8.6	16.5	25.7	33.6
Inventory days	225.9	136.2	120.4	109.1	102.1
Debtor days	110.6	78.4	74.7	76.1	77.4
Creditor days	300.5	200.9	206.6	200.5	197.0
Operating ROIC (%)	52.9	79.9	113.1	126.9	133.8
ROIC (%)	13.4	16.1	20.8	24.3	26.5
ROE (%)	35.3	18.5	14.3	16.2	17.0
ROA (%)	11.9	11.0	11.4	12.9	13.4
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
TV	2,115	2,996	3,295	3,526	3,702
Copyright	643	1,244	1,431	1,645	1,810
Content production	235	317	348	366	384
Radio	33	189	198	204	210

Sources: The One Enterprise; FSSIA estimates

Financial Statements

The One Enterprise

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	631	828	1,012	1,239	1,375
Depreciation	809	1,078	1,125	1,160	1,179
Associates & minorities	(5)	0	0	0	0
Other non-cash items	(5)	177	0	0	0
Change in working capital	(727)	(550)	(100)	(67)	(37)
Cash flow from operations	703	1,533	2,037	2,332	2,517
Capex - maintenance	(21)	(51)	(464)	(464)	(464)
Capex - new investment	(31)	(77)	(696)	(696)	(696)
Net acquisitions & disposals	0	0	0	0	0
Other investments (net)	(2,044)	30	0	0	0
Cash flow from investing	(2,096)	(98)	(1,160)	(1,160)	(1,160)
Dividends paid	0	0	(506)	(620)	(1,100)
Equity finance	0	3,939	0	0	0
Debt finance	1,645	(3,263)	(311)	0	0
Other financing cash flows	(37)	(62)	0	0	0
Cash flow from financing	1,608	615	(817)	(620)	(1,100)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	215	2,049	59	552	257
Free cash flow to firm (FCFF)	(1,305.69)	1,563.12	960.88	1,237.00	1,411.75
Free cash flow to equity (FCFE)	215.33	(1,889.67)	565.40	1,172.00	1,356.75

Per share (THB)

FCFF per share	(0.65)	0.78	0.48	0.62	0.71
FCFE per share	0.11	(0.94)	0.28	0.59	0.68
Recurring cash flow per share	0.75	0.87	0.90	1.01	1.07

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	1,667	1,694	1,854	2,014	2,174
Less: Accumulated depreciation	(836)	(887)	(1,025)	(1,160)	(1,292)
Tangible fixed assets (net)	831	807	829	854	882
Intangible fixed assets (net)	3,737	3,614	3,628	3,603	3,556
Long-term financial assets	28	5	5	5	5
Invest. in associates & subsidiaries	16	12	12	12	12
Cash & equivalents	413	2,462	2,521	3,074	3,330
A/C receivable	1,153	1,145	1,320	1,461	1,563
Inventories	599	564	581	599	617
Other current assets	96	123	125	126	127
Current assets	2,262	4,294	4,548	5,260	5,637
Other assets	681	574	625	674	710
Total assets	7,555	9,305	9,646	10,407	10,801
Common equity	2,102	6,845	7,351	7,971	8,246
Minorities etc.	0	0	0	0	0
Total shareholders' equity	2,102	6,846	7,351	7,971	8,246
Long term debt	2,975	0	0	0	0
Other long-term liabilities	476	423	430	437	445
Long-term liabilities	3,451	423	430	437	445
A/C payable	786	931	1,035	1,133	1,212
Short term debt	593	311	0	0	0
Other current liabilities	623	795	830	866	899
Current liabilities	2,001	2,037	1,865	1,999	2,111
Total liabilities and shareholders' equity	7,555	9,305	9,646	10,407	10,801
Net working capital	440	106	162	187	196
Invested capital	5,733	5,118	5,260	5,334	5,360

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

Per share (THB)

Book value per share	1.10	2.87	3.09	3.35	3.46
Tangible book value per share	(0.86)	1.36	1.56	1.83	1.97

Financial strength

Net debt/equity (%)	150.1	(31.4)	(34.3)	(38.6)	(40.4)
Net debt/total assets (%)	41.8	(23.1)	(26.1)	(29.5)	(30.8)
Current ratio (x)	1.1	2.1	2.4	2.6	2.7
CF interest cover (x)	3.9	(13.3)	16.4	30.8	40.0

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	34.7	33.1	27.1	22.1	19.9
Recurring P/E @ target price (x) *	42.3	40.2	32.9	26.9	24.2
Reported P/E (x)	34.7	33.1	27.1	22.1	19.9
Dividend yield (%)	-	0.6	1.8	2.3	4.0
Price/book (x)	10.4	4.0	3.7	3.4	3.3
Price/tangible book (x)	(13.4)	8.5	7.4	6.3	5.8
EV/EBITDA (x) **	16.1	11.6	10.1	8.8	8.2
EV/EBITDA @ target price (x) **	19.1	14.4	12.5	10.9	10.2
EV/invested capital (x)	4.4	4.9	4.7	4.6	4.5

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

Sources: The One Enterprise; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PAP	PCSGH	PDJ	PG	PHOL	PLANB
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	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)

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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Company	Ticker	Price	Rating	Valuation & Risks
The One Enterprise	ONEE TB	THB 11.50	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.
BEC World	BEC TB	THB 17.30	BUY	The key downside risks to our P/E based TP are a lower-than-expected adex recovery and a worse-than-expected cost reduction.
Workpoint Entertainment	WORK TB	THB 27.25	BUY	The key downside risks to our P/E-based TP are weaker-than-expected TV adex, digital advertising becoming more popular, and competitiveness in TV ratings.
RS	RS TB	THB 17.40	BUY	The key downside risk to our SoTP-based TP is based on the company potentially failing to maintain the growth momentum of its commerce business if revenue from TV, radio, and music continue to decline.
VGI Pcl.	VGI TB	THB 5.35	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.
Plan B Media	PLANB TB	THB 7.90	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.
Major Cineplex Group	MAJOR TB	THB 20.00	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 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 16-Mar-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.