

# VGI PCL. VGI TB

THAILAND / MEDIA

## HOLD

FROM BUY

TARGET PRICE	THB5.70
CLOSE	THB5.30
UP/DOWNSIDE	+7.5%
PRIOR TP	THB5.70
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-7.9%

## The recovery may not be strong

- VGI faces key challenges such as higher revenue sharing with BTS and more losses from its new businesses.
- We expect the recovery in its bottom line to be slow in 1QFY23.
- Downgrade to HOLD with the same TP of THB5.70.

### Higher costs from mass transit revenue sharing

VGI has an agreement with BTS Group Holdings (BTS TB, BUY, TP THB11.80) to share the revenue from its mass transit media, which will rise from 10% currently to 15% in FY23 before rising to 20% within the next five years. Hence, based on our expectation that its mass transit revenue will recover to THB1.9b in FY23, we expect VGI to pay a higher share of revenue of THB96m. This could pressure VGI's growth outlook.

### 1QFY23 bottom line recovery approaches the breakeven point

Management admits that the recovery in advertising expenditure (adex) during 1QFY23 (Apr-Jun) remains slow. The key drivers for this quarter include 1) the improvement in KEX's performance; 2) the larger earnings contribution from JMART; and 3) a lower financial expense thanks to the capital increase that helped the company repay its debt. However, all three may not be enough for the company to turn a profit this quarter as its advertising revenue, which is the key business for VGI, remains weak.

### New investment still in the early stages of growth

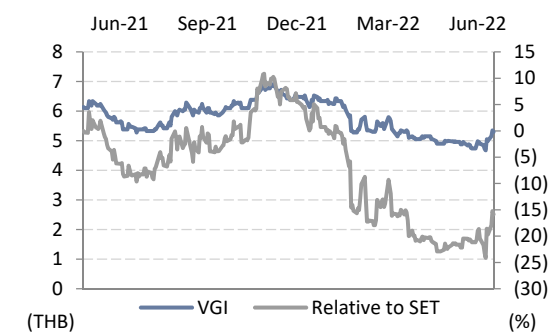
Rabbit Cash, its micro loan business, has started up, however, the company expects this business to record losses for the first three years. Moreover, VGI's investment in Nation International Edutainment (NINE TB, not rated), a publishing business than it aims to transform into a commercial management business by the end of Jun-22, is expected to report a loss of THB33m in 4QFY22. We think this adds another burden to VGI's outlook in the short term. Therefore, we see further pressure on the company's future earnings.

### Downgrade to HOLD with the same TP of THB5.70

Although VGI's FY23 revenue target is attractive at THB6.5-7b with an NPM of over 10%, we believe this target has a downside risk. We expect the company's revenue to slip below management's target to THB6b with a net profit of THB601m. The company's share price has risen by 13% from its bottom in May-22, while its outlook remains unchanged. The catalysts for VGI include 1) a recovery in mass transit ridership and adex; 2) the improvement in its associate companies, especially for KEX and Master Ad (MACO TB, not rated); and 3) the strong revenue recognition from JMART. We believe these catalysts are not enough for us to maintain our BUY recommendation. Therefore, we downgrade our call on VGI to HOLD from Buy with the same SoTP-TP of THB5.70.

### KEY STOCK DATA

YE Mar (THB m)	2022	2023E	2024E	2025E
Revenue	4,098	6,039	7,077	8,237
Net profit	(120)	601	1,230	1,805
EPS (THB)	(0.01)	0.05	0.11	0.16
vs Consensus (%)	-	nm	52.8	49.5
EBITDA	338	1,067	1,399	1,905
Core net profit	(321)	601	1,230	1,805
Core EPS (THB)	(0.03)	0.05	0.11	0.16
Chg. In EPS est. (%)	nm	14.3	17.6	nm
EPS growth (%)	nm	nm	104.6	46.8
Core P/E (x)	(184.9)	98.7	48.3	32.9
Dividend yield (%)	0.4	0.6	0.8	1.5
EV/EBITDA (x)	198.6	52.5	39.5	28.6
Price/book (x)	2.0	2.0	2.0	1.9
Net debt/Equity (%)	23.3	(13.8)	(16.1)	(18.1)
ROE (%)	(1.4)	2.1	4.1	5.9



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	6.9	(7.8)	(13.7)
Relative to country (%)	7.3	(5.9)	(15.9)
Mkt cap (USD m)	1,749		
3m avg. daily turnover (USD m)	4.6		
Free float (%)	25		
Major shareholder	BTS Group Holdings (66%)		
12m high/low (THB)	6.96/4.64		
Issued shares (m)	11,194.52		

Sources: Bloomberg consensus; FSSIA estimates


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## Investment thesis

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

We expect that advertising expenditure (adex) should start to recover. The synergy with Jay Mart (JMART TB, BUY, TP THB62) should add value to the operation, especially for its distribution business, which could be the key driver for the company in FY23.

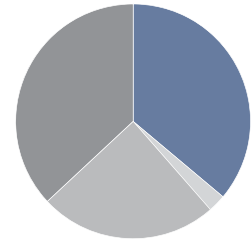
## Company profile

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

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

## Principal activities (revenue, 2022)

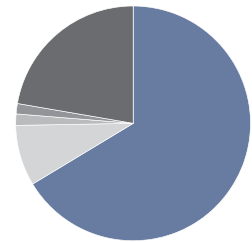
- Transit media - 36.1 %
- Office media - 2.4 %
- Digital media - 24.5 %
- Others - 36.9 %



Source: VGI Pcl.

## Major shareholders

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



Source: VGI Pcl.

## Catalysts

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

## Risks to our call

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

## Event calendar

Date	Event
Aug-22	1QFY23 results announcement

## Key assumptions

	FY21	FY22E	FY23E	FY24E
	(%)	(%)	(%)	(%)
Transit adex growth	(25)	(26)	15	7
Transit media	(39)	(5)	25	15
Office and others	(43)	(50)	90	50
Digital media	(18)	22	20	20
Retail	n.a.	n.a.	20	15

Source: FSSIA estimates

## Earnings sensitivity

- For every 1% increase in transit media revenue, we project FY23 earnings to rise by 2%, and vice versa, all else being equal;
- For every 1% increase in gross profit margin, we project FY23 earnings to rise by 13%, and vice versa, all else being equal.

Source: FSSIA estimates

## Cuts to earnings estimates

We maintain our revenue target for VGI in FY23 at THB6b but cut our SG&A expense assumption significantly after seeing good cost management in 4QFY22. VGI targets capping its SG&A expense to around 20-25% of total revenue this year. We think the company should continue to maintain its costs at the current level despite the declining revenue we're projecting in 1QFY23. However, we cut our share of profits from associates estimate by 24% to THB128m in order to reflect our new earnings estimate for Kerry Express (Thailand) (KEX TB, REDUCE, TP THB18.20) that projects a higher loss than previously expected. Overall, we expect VGI's FY23 earnings to be higher than our previous expectation by 14% at THB601m.

### Exhibit 1: Changes to key assumptions

	----- New -----		----- Previous -----		----- Change-----	
	FY23E (THB m)	FY24E (THB m)	FY23E (THB m)	FY24E (THB m)	FY23E (%)	FY24E (%)
Revenue	6,039	7,077	6,020	7,053	0.3	0.3
Gross profit	1,627	2,035	1,707	2,170	(4.7)	(6.2)
SG&A expense	(1,243)	(1,328)	(1,523)	(1,749)	(18.4)	(24.1)
EBIT	762	1,481	590	1,245	29.2	19.0
Share of profits	128	448	168	497	(23.8)	(9.9)
Core net profit	601	1,230	526	1,046	14.3	17.6
<b>Margin</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>
Gross profit margin	26.9	28.8	28.4	30.8	(1.41)	(2.01)
Net profit margin	10.0	17.4	8.7	14.8	1.22	2.54

Source: FSSIA estimates

We also revise down the fair value contribution from its subsidiary and associate companies due to our TP revisions for those firms, including 1) Plan B Media (PLANB TB, BUY, TP THB8.80)'s TP down from THB9.20 to THB8.80; and 2) KEX's TP down from THB19 to THB18.20. However, we increase the enterprise value of VGI thanks to the earnings revision.

### Exhibit 2: SoTP valuation methodology

Cost of equity assumptions	(%)	Cost of debt assumption	(%)
Risk-free rate	3.00	Pretax cost of debt	3.2
Market risk premium	8.0	Marginal tax rate	20.0
Stock beta	1		
Cost of equity, Ke	11.00	Net cost of debt, Kd	2.56
Weight applied	61	Weight applied	39
WACC	7.7		
	(THB m)	(THB/share)	Comments
VGI Enterprise value	32,951	2.94	WACC 7.7%, beta 1, 2% terminal growth
PLANB Enterprise value	6,860	0.61	FSSIA TP of THB8.80 (from THB9.20) P/E multiple-based valuation
KEX Enterprise value	5,719	0.51	FSSIA TP of THB18.20 (from THB19) DCF-based valuation
JMART Enterprise value	12,787	1.14	FSSIA TP of THB62 (unchanged) SoTP-based valuation
MACO Enterprise value	1,021	0.09	@ market price of THB0.71 as of 1 Jun-22
Net debt	4,170	0.37	At end-FY23E
<b>Total</b>	<b>63,508</b>		
Share base (m)	11,195		
<b>TP (THB)</b>	<b>5.7</b>		

Sources: VGI; FSSIA estimates

## 4QFY22 results review

VGI's core loss in 4QFY22 (Jan-Mar 2022) decreased to THB106m, marking an improvement over the previous quarter's loss of THB125m. Its net profit was lower than the Bloomberg consensus estimate and our expectation of a cTHB80m loss. The company booked an extra gain from MACO-W3, which added another THB60m in this quarter.

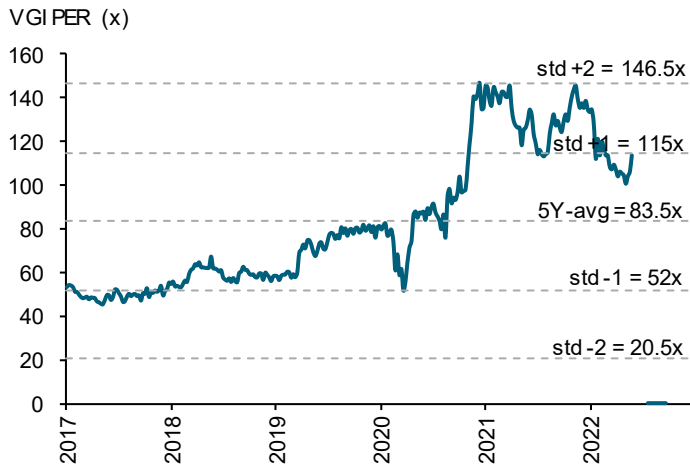
The company's revenue fell to THB1.15b (-20% q-q), lower than our expectation of THB1.36b due to the weaker-than-expected revenue from Fanslink. We think this was due to the retail business low season. Moreover, the company also booked a THB90m share of loss from associates, higher than our expectation of a THB51m loss, due to the weak contribution from KEX, despite the company's recognition of the share of profit from Jay Mart (JMART TB, BUY, TP THB62).

### Exhibit 3: 4QFY22 results review

	4QFY21	3QFY22	4QFY22	----- Change -----		FY2021	FY2022	Change	FY2023E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
Transit media	292	412	448	8.7	53.4	1,327	1,480	12	1,924
Office and others	44	24	24	0.0	(45.5)	213	100	(53)	190
Digital media	302	312	202	(35.3)	(33.1)	940	1,004	7	1,305
Retail	0	681	476	(30.1)	n/a	-	1,514	n/a	2,620
<b>Total revenue</b>	<b>638</b>	<b>1,429</b>	<b>1,150</b>	<b>(19.5)</b>	<b>80.3</b>	<b>2,480</b>	<b>4,098</b>	<b>65</b>	<b>6,039</b>
Operating costs	(423)	(1,105)	(938)	(15.1)	121.7	(1,544)	(3,209)	108	(4,412)
<b>Gross profit</b>	<b>215</b>	<b>324</b>	<b>212</b>	<b>(34.5)</b>	<b>(1.2)</b>	<b>936</b>	<b>889</b>	<b>(5)</b>	<b>1,627</b>
SG&A expenses	(231)	(367)	(268)	(26.9)	16.2	(926)	(1,164)	26	(1,243)
<b>EBIT</b>	<b>(16)</b>	<b>(43)</b>	<b>(56)</b>	<b>30.4</b>	<b>250.6</b>	<b>10</b>	<b>(275)</b>	<b>n/a</b>	<b>384</b>
Depn & amort.	131	122	121	(0.3)	(7.5)	469	486	4	520
EBITDA	115	79	65	(17.0)	(43.3)	480	211	(56)	904
<i>EBITDA margin (%)</i>	<i>18</i>	<i>6</i>	<i>6</i>	<i>nm</i>	<i>nm</i>	<i>19</i>	<i>5</i>	<i>nm</i>	<i>15</i>
Interest expense	(19)	(24)	(46)	91.0	145.6	(73)	(100)	37	(48)
Other income	39	38	42	11.9	8.2	171	128	(25)	250
Associates	(129)	(119)	(90)	(24.4)	(72.9)	136	(194)	n/a	128
Extra items	593	49	60	22.2	(89.9)	795	201	(75)	-
<b>Pretax profit</b>	<b>469</b>	<b>(99)</b>	<b>(90)</b>	<b>(9.5)</b>	<b>n/a</b>	<b>1,040</b>	<b>(241)</b>	<b>n/a</b>	<b>714</b>
Tax	(111)	(13)	(22)	64.9	(80.0)	(133)	(34)	(74)	(114)
<i>Tax rate (%)</i>	<i>(24)</i>	<i>14</i>	<i>25</i>	<i>nm</i>	<i>nm</i>	<i>(13)</i>	<i>14</i>	<i>nm</i>	<i>(16)</i>
Minority interests	135	(37)	(66)	77.8	n/a	(73)	(156)	113	(1)
<b>Net profit</b>	<b>224</b>	<b>(75)</b>	<b>(46)</b>	<b>(39.3)</b>	<b>n/a</b>	<b>980</b>	<b>(120)</b>	<b>n/a</b>	<b>601</b>
<b>Core net profit</b>	<b>(88)</b>	<b>(125)</b>	<b>(106)</b>	<b>(15.3)</b>	<b>19.8</b>	<b>185</b>	<b>(321)</b>	<b>n/a</b>	<b>601</b>
EPS (THB)	0.02	(0.01)	(0.00)	(39.3)	n/a	0.09	(0.01)	n/a	0.05
Core EPS (THB)	(0.01)	(0.01)	(0.01)	(15.3)	19.8	0.02	(0.03)	n/a	0.05

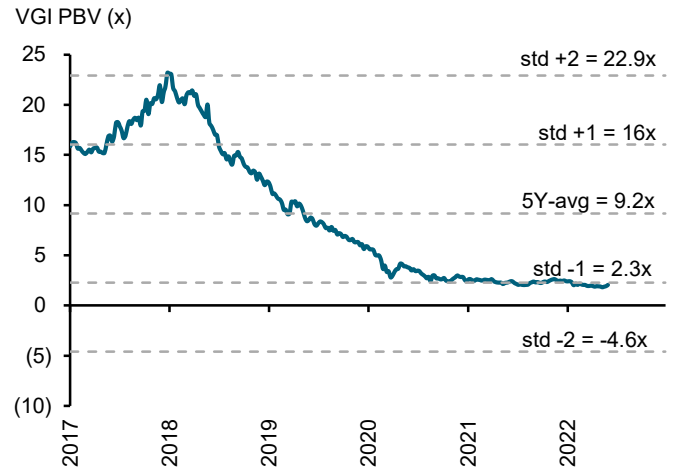
Sources: VGI; FSSIA estimates

**Exhibit 4: Rolling one-year forward P/E band**



Sources: Bloomberg; FSSIA estimates

**Exhibit 5: Rolling one-year forward P/BV band**



Sources: Bloomberg; FSSIA estimates

**Exhibit 6: Summary of key valuations of companies mentioned in this report**

Company	BBG	Rec	--- Share price ---			Up side (%)	----- Recur profit -----			Rec profit grth 22E 23E	P/E 22E	DivYld 22E	ROE 22E	PBV 22E
			Current (THB)	Target (THB)	Target (%)		21A (THB m)	22E (THB m)	23E (THB m)					
VGI Pcl.*	VGI TB	HOLD	5.30	5.70	8	185	(321)	601	nm	nm	(184.9)	0.4	(1.4)	2.0
Plan B Media	PLANB TB	BUY	7.65	8.80	15	(24)	681	967	nm	42.0	48.1	1.5	8.6	3.7
BTS Group Holdings*	BTS TB	BUY	8.80	11.80	34	1,909	2,718	3,541	42.4	30.3	42.6	1.9	4.5	1.9
Kerry Express (TH)	KEX TB	REDUCE	23.70	18.20	(23)	47	(656)	556	nm	nm	(63.0)	0.0	(7.3)	4.8
Jay Mart	JMART TB	BUY	59.50	62.00	4	1,108	1,983	2,649	79.0	33.6	42.1	1.9	11.3	4.7

Share prices as of 1 Jun 2022

\*FY22 is actual

Source: FSSIA estimates

## Financial Statements

VGI Pcl.

Profit and Loss (THB m) Year Ending Mar	2021	2022	2023E	2024E	2025E
Revenue	2,480	4,098	6,039	7,077	8,237
Cost of goods sold	(1,075)	(2,723)	(3,892)	(4,523)	(5,110)
<b>Gross profit</b>	<b>1,405</b>	<b>1,375</b>	<b>2,147</b>	<b>2,554</b>	<b>3,127</b>
Other operating income	112	128	163	173	198
Operating costs	(926)	(1,164)	(1,243)	(1,328)	(1,420)
<b>Operating EBITDA</b>	<b>592</b>	<b>338</b>	<b>1,067</b>	<b>1,399</b>	<b>1,905</b>
Depreciation	(469)	(486)	(520)	(519)	(515)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>123</b>	<b>(148)</b>	<b>547</b>	<b>880</b>	<b>1,390</b>
Net financing costs	(73)	(100)	(48)	0	0
Associates	136	(194)	128	448	610
Recurring non-operating income	195	(194)	215	601	784
Non-recurring items	795	201	0	0	0
<b>Profit before tax</b>	<b>1,040</b>	<b>(241)</b>	<b>714</b>	<b>1,481</b>	<b>2,175</b>
Tax	(133)	(34)	(114)	(252)	(370)
<b>Profit after tax</b>	<b>907</b>	<b>(276)</b>	<b>600</b>	<b>1,230</b>	<b>1,805</b>
Minority interests	73	156	1	0	0
Preferred dividends	-	-	-	-	-
Other items	0	0	0	0	0
<b>Reported net profit</b>	<b>980</b>	<b>(120)</b>	<b>601</b>	<b>1,230</b>	<b>1,805</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(795)</b>	<b>(201)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>185</b>	<b>(321)</b>	<b>601</b>	<b>1,230</b>	<b>1,805</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.02	(0.03)	0.05	0.11	0.16
Reported EPS	0.09	(0.01)	0.05	0.11	0.16
DPS	0.05	0.02	0.03	0.04	0.08
Diluted shares (used to calculate per share data)	11,195	11,195	11,195	11,195	11,195
<b>Growth</b>					
Revenue (%)	(38.0)	65.2	47.4	17.2	16.4
Operating EBITDA (%)	(57.1)	(42.9)	215.5	31.1	36.2
Operating EBIT (%)	(83.9)	nm	nm	60.9	58.0
Recurring EPS (%)	(85.6)	nm	nm	104.6	46.8
Reported EPS (%)	(31.2)	nm	nm	104.6	46.8
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	37.7	21.7	26.9	28.8	31.7
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	23.9	8.3	17.7	19.8	23.1
Operating EBIT margin (%)	5.0	(3.6)	9.1	12.4	16.9
Net margin (%)	7.5	(7.8)	10.0	17.4	21.9
Effective tax rate (%)	20.0	20.0	20.0	20.0	120.0
Dividend payout on recurring profit (%)	283.9	(69.8)	60.0	40.0	50.0
Interest cover (X)	4.3	(3.4)	15.9	-	-
Inventory days	7.8	28.5	36.5	33.0	30.7
Debtor days	136.5	82.7	72.1	72.1	68.6
Creditor days	146.6	75.1	80.4	85.8	85.7
Operating ROIC (%)	9.6	(1.5)	5.6	(14.0)	(104.4)
ROIC (%)	1.6	(1.0)	1.9	(1.1)	(9.7)
ROE (%)	1.3	(1.4)	2.1	4.1	5.9
ROA (%)	0.9	(1.3)	1.7	3.6	5.1
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Transit media	1,327	1,480	1,924	2,213	2,766
Office media	213	100	190	285	356
Digital media	940	1,004	1,305	1,566	1,801
Others	0	1,514	2,620	3,013	3,314

Sources: VGI Pcl.; FSSIA estimates

## Financial Statements

VGI Pcl.

Cash Flow (THB m) Year Ending Mar	2021	2022	2023E	2024E	2025E
Recurring net profit	185	(321)	601	1,230	1,805
Depreciation	469	486	520	519	515
Associates & minorities	(412)	38	(1)	0	0
Other non-cash items	151	(246)	10	8	9
Change in working capital	(227)	(203)	14,030	87	(135)
<b>Cash flow from operations</b>	<b>166</b>	<b>(247)</b>	<b>15,160</b>	<b>1,844</b>	<b>2,194</b>
Capex - maintenance	(239)	(219)	(306)	(306)	(276)
Capex - new investment	(159)	(146)	(204)	(204)	(184)
Net acquisitions & disposals	804	(6,456)	(3,000)	0	0
Other investments (net)	898	248	0	0	0
<b>Cash flow from investing</b>	<b>1,303</b>	<b>(6,573)</b>	<b>(3,510)</b>	<b>(510)</b>	<b>(460)</b>
Dividends paid	(310)	(525)	(361)	(492)	(902)
Equity finance	0	0	0	0	0
Debt finance	(689)	6,934	(8,150)	0	0
Other financing cash flows	260	145	(119)	(38)	(34)
<b>Cash flow from financing</b>	<b>(739)</b>	<b>6,554</b>	<b>(8,630)</b>	<b>(529)</b>	<b>(936)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>(45)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>685</b>	<b>(266)</b>	<b>3,021</b>	<b>804</b>	<b>798</b>
Free cash flow to firm (FCFF)	1,542.84	(6,719.37)	11,698.25	1,333.83	1,733.70
Free cash flow to equity (FCFE)	995.47	259.01	3,381.28	1,296.32	1,699.94

### Per share (THB)

FCFF per share	0.14	(0.60)	1.04	0.12	0.15
FCFE per share	0.09	0.02	0.30	0.12	0.15
Recurring cash flow per share	0.04	0.00	0.10	0.16	0.21

Balance Sheet (THB m) Year Ending Mar	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	3,031	3,046	3,396	3,746	4,046
Less: Accumulated depreciation	(1,811)	(1,985)	(2,273)	(2,573)	(2,876)
<b>Tangible fixed assets (net)</b>	<b>1,220</b>	<b>1,062</b>	<b>1,123</b>	<b>1,173</b>	<b>1,170</b>
<b>Intangible fixed assets (net)</b>	<b>693</b>	<b>1,002</b>	<b>941</b>	<b>889</b>	<b>846</b>
Long-term financial assets	137	216	216	216	216
Invest. in associates & subsidiaries	9,223	15,265	18,265	18,265	18,265
Cash & equivalents	1,415	1,149	4,170	4,974	5,772
A/C receivable	1,353	1,624	1,935	2,139	2,351
Inventories	46	380	399	419	440
Other current assets	396	13,210	423	708	988
<b>Current assets</b>	<b>3,210</b>	<b>16,363</b>	<b>6,926</b>	<b>8,240</b>	<b>9,551</b>
Other assets	6,488	6,941	6,280	5,981	5,694
<b>Total assets</b>	<b>20,970</b>	<b>40,848</b>	<b>33,751</b>	<b>34,764</b>	<b>35,742</b>
Common equity	16,592	29,133	29,374	30,112	31,014
Minorities etc.	472	849	850	850	850
<b>Total shareholders' equity</b>	<b>17,063</b>	<b>29,983</b>	<b>30,224</b>	<b>30,962</b>	<b>31,864</b>
Long term debt	0	20	0	0	0
Other long-term liabilities	724	809	780	755	733
<b>Long-term liabilities</b>	<b>724</b>	<b>829</b>	<b>780</b>	<b>755</b>	<b>733</b>
A/C payable	399	722	992	1,134	1,265
Short term debt	1,159	8,130	0	0	0
Other current liabilities	1,625	1,185	1,755	1,914	1,880
<b>Current liabilities</b>	<b>3,183</b>	<b>10,036</b>	<b>2,747</b>	<b>3,047</b>	<b>3,144</b>
<b>Total liabilities and shareholders' equity</b>	<b>20,970</b>	<b>40,848</b>	<b>33,751</b>	<b>34,764</b>	<b>35,742</b>
Net working capital	(229)	13,307	9	218	634
Invested capital	17,531	37,793	26,834	26,742	26,826

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

### Per share (THB)

Book value per share	1.48	2.60	2.62	2.69	2.77
Tangible book value per share	1.42	2.51	2.54	2.61	2.69

### Financial strength

Net debt/equity (%)	(1.5)	23.3	(13.8)	(16.1)	(18.1)
Net debt/total assets (%)	(1.2)	17.1	(12.4)	(14.3)	(16.1)
Current ratio (x)	1.0	1.6	2.5	2.7	3.0
CF interest cover (x)	16.8	5.0	75.7	-	-

Valuation	2021	2022	2023E	2024E	2025E
<b>Recurring P/E (x) *</b>	<b>320.7</b>	<b>(184.9)</b>	<b>98.7</b>	<b>48.3</b>	<b>32.9</b>
<b>Recurring P/E @ target price (x) *</b>	<b>344.9</b>	<b>(198.9)</b>	<b>106.2</b>	<b>51.9</b>	<b>35.4</b>
Reported P/E (x)	60.5	(493.3)	98.7	48.3	32.9
Dividend yield (%)	0.9	0.4	0.6	0.8	1.5
Price/book (x)	3.6	2.0	2.0	2.0	1.9
Price/tangible book (x)	3.7	2.1	2.1	2.0	2.0
EV/EBITDA (x) **	100.6	198.6	52.5	39.5	28.6
EV/EBITDA @ target price (x) **	108.1	211.9	56.7	42.7	30.9
EV/invested capital (x)	3.4	1.8	2.1	2.1	2.0

\* 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	SEAOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	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)

**Disclaimer:**

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; \* FSSIA's compilation

## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

Naruedom Mujjalinkool FSS International Investment Advisory Securities Co., Ltd

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

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

#### VGI Pcl. (VGI TB)



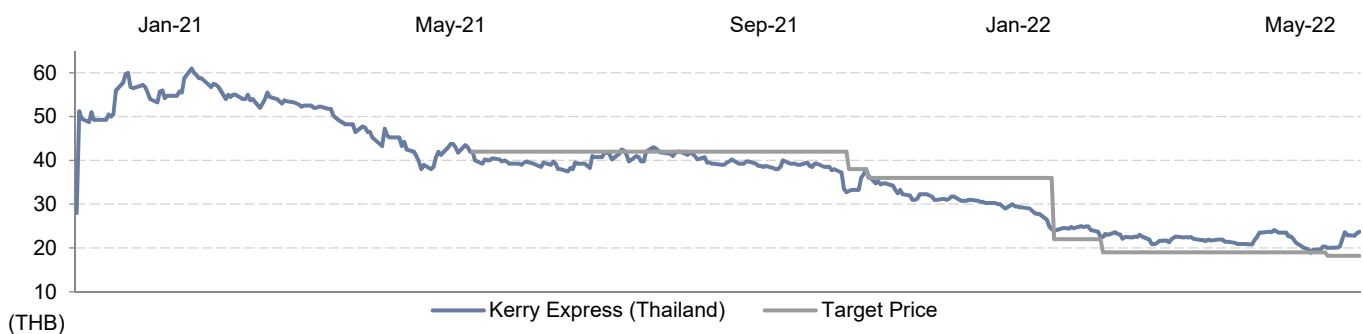
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
27-Aug-2020	HOLD	6.70	04-Aug-2021	HOLD	5.80	18-Feb-2022	BUY	6.10
15-Jan-2021	HOLD	7.00	03-Dec-2021	HOLD	7.00	22-Apr-2022	BUY	5.70
02-Jun-2021	HOLD	6.50	28-Jan-2022	BUY	6.30			

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

Price and TP are in local currency

Source: FSSIA estimates

#### Kerry Express (Thailand) (KEX TB)



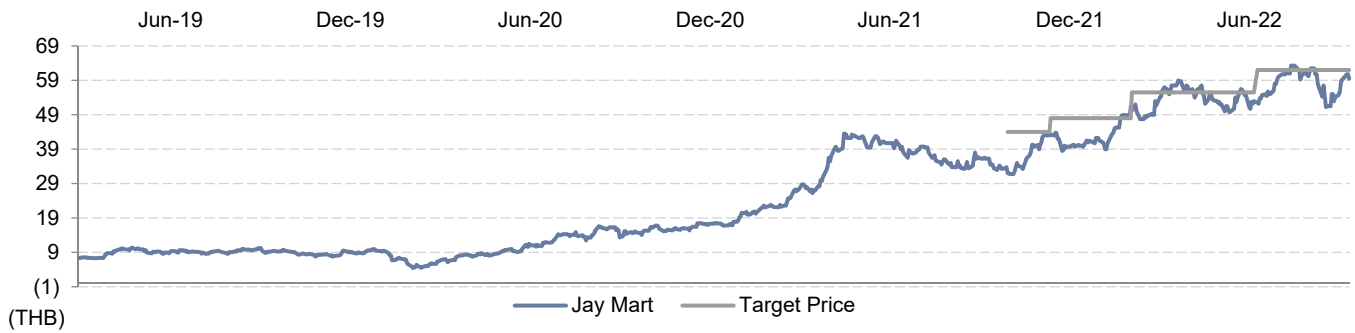
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
02-Jun-2021	HOLD	42.00	11-Nov-2021	HOLD	36.00	15-Feb-2022	REDUCE	19.00
03-Nov-2021	BUY	38.00	26-Jan-2022	REDUCE	22.00	18-May-2022	REDUCE	18.20

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

Price and TP are in local currency

Source: FSSIA estimates

## Jay Mart (JMART TB)



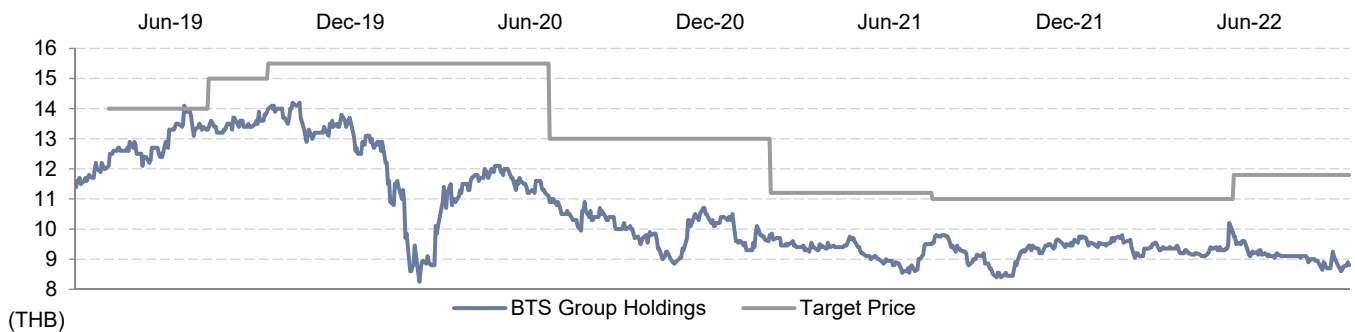
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
10-Aug-2021	BUY	44.00	25-Nov-2021	BUY	55.50	-	-	-
16-Sep-2021	BUY	48.00	11-Mar-2022	BUY	62.00	-	-	-

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

Price and TP are in local currency

Source: FSSIA estimates

## BTS Group Holdings (BTS TB)



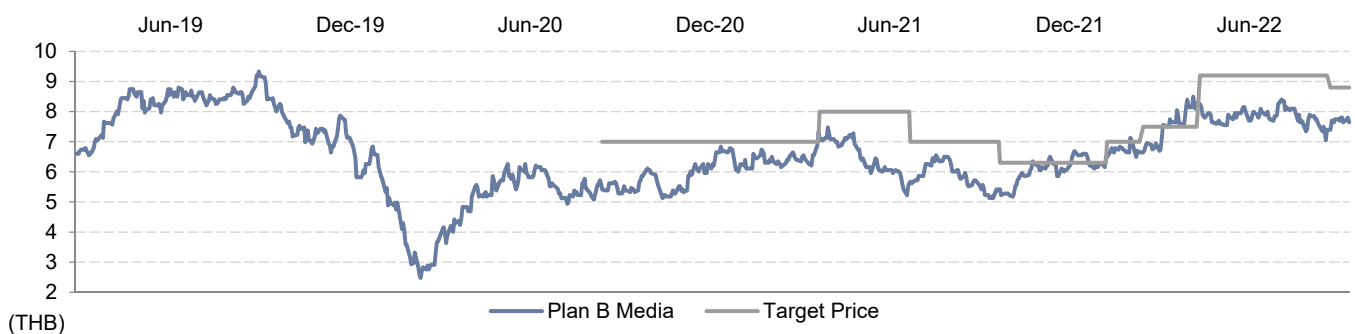
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
01-Jul-2019	BUY	14.00	13-Jul-2020	BUY	13.00	21-Feb-2022	BUY	11.80
25-Sep-2019	BUY	15.00	19-Jan-2021	BUY	11.20			
15-Nov-2019	BUY	15.50	07-Jun-2021	BUY	11.00			

Naruedom Mujjalinkool started covering this stock from 13-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

## Plan B Media (PLANB TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
27-Aug-2020	BUY	7.00	04-Aug-2021	BUY	6.30	21-Jan-2022	BUY	9.20
02-Mar-2021	BUY	8.00	04-Nov-2021	BUY	7.00	13-May-2022	BUY	8.80
19-May-2021	BUY	7.00	03-Dec-2021	BUY	7.50			

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 5.30	HOLD	The key upside and downside risks to our SoTP-based TP are if the advertising expenditure recovery is slower or faster than our expectation, and whether Rabbit Line Pay is successful or not.
Kerry Express (Thailand)	KEX TB	THB 23.70	REDUCE	The key upside risks to our DCF-based TP are 1) if the competition is lower than our expectation; and 2) if the Covid-19 situation is under control
Jay Mart	JMART TB	THB 59.50	BUY	Downside risks to our SoTP-based TP include 1) lower-than-expected mobile revenue; 2) lower cash collection from its fully amortised portfolio; and 3) the lower-than-expected acquisition of new bad debt.
BTS Group Holdings	BTS TB	THB 8.80	BUY	The key downside risks to our SOTP-based TP include a slower-than-expected recovery of the Thai economic outlook and the company not being able to win new mass transit projects.
Plan B Media	PLANB TB	THB 7.65	BUY	The key downside risks to our P/E multiple-based TP are 1) a slower-than-expected adex recovery; 2) further waves of Covid-19; and 3) the future billboard tax.

Source: FSSIA estimates

### Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 01-Jun-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.