

Thailand Media and Publishing

Uncertain outlook ahead

- Adex in May-22 grew by 11% y-y but remained flattish m-m.
- 2Q22 earnings for media companies may be unattractive; likewise for 3Q22.
- Maintain OVERWEIGHT. Our sensitivity analysis indicates that the downside on earnings and TP is limited.

Advertising expenditure up y-y due to last year's plunge

According to Nielsen, total advertising expenditure (adex) during May-22 was flat m-m but grew by 11% y-y to THB8.5b. YTD adex grew by 4% y-y thanks to the recovery in out-of-home (OOH). The strong y-y growth was due to May-21 being the first month to suffer an impact from the Delta variant. TV adex fell 1% m-m but grew 3% y-y. OOH adex surged by 30% y-y but also fell 1% m-m. We also found that the total adex of THB8.5b in May-22 has shown no improvement for two consecutive months, which indicates that although the Covid situation in Thailand has already improved, the sluggish economic outlook in 2Q22 and 3Q22 suggests that further adex growth is unlikely.

Short-term concerns about the state of Thailand's economy

Adex has a high correlation with the economic outlook. When inflation is manageable amid high GDP growth, consumer confidence and purchasing power, ad spenders typically increase their advertising budgets for products or services. However, at this moment, all the drivers seem to be operating in reverse. The high inflation rate and economic slowdown in Thailand started to pinch consumers in mid-2Q22, and the current situation appears to be getting worse. It could continue into 3Q22, in our view. Thus, we have some concerns about the health of the Thai economy over the next three months as well as how fast it will improve in 4Q22.

2Q22 earnings may be unattractive

Most of the companies in the media sector have a similar view and anticipate that adex during 2Q22 could remain weak. We also believe that earnings for media companies look unattractive. TV companies (BEC, WORK, and ONEE) could be flat or slightly decline q-q due to TV adex's tendency to reflect consumer purchasing power. OOH companies (MAJOR, PLANB, and VGI) could see a slight improvement thanks to Thailand's re-opening, as more OOH activity could result in a significant increase in OOH adex in 2Q22.

Sensitivity analysis indicates a limited downside; maintain OVERWEIGHT

Due to our concern about adex's growth potential during 2H22, we conducted a sensitivity analysis of media company earnings and their potential TP downsides. Based on our first scenario, which is our base case, if adex growth in 2022 is at 4%, lower than our current projection of 7%, we expect a manageable earnings and TP downside in 2022 of around 4-8%. However, with the expectation of no improvement in 2Q22 earnings, which could continue into 3Q22, we admit that while the media sector may be unattractive in the short term, earnings should improve from 4Q22 onward. ONEE remains our top pick.



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Adex in May-22 shows some growth

According to Nielsen, total adex during May-22 was flat m-m but grew by 11% y-y to THB8.5b. YTD (Jan-May) adex grew by 4% y-y thanks to the recovery in OOH adex. The strong y-y growth was due to May-21 being the first month to suffer an impact from the Delta variant. TV adex fell 1% m-m but grew 3% y-y. OOH adex surged by 30% y-y but also fell by 1% m-m. We also found that the total adex of THB8.5b in May-22 has shown no improvement for two consecutive months. This indicates that although the Covid situation in Thailand has already improved, the sluggish economic outlook in 2Q22 is still pressuring further adex growth.

Exhibit 1: Advertising expenditure

| | May-21 | Apr-22 | May-22 | ----- Change ----- | | YTD'21 | YTD'22 | Change | 2021 | 2022E | Change |
|--------------------|--------------|--------------|--------------|--------------------|------------|---------------|---------------|------------|---------------|---------------|-----------|
| | (THB m) | (THB m) | (THB m) | (y-y %) | (m-m %) | (THB m) | (THB m) | (y-y %) | (THB m) | (THB m) | (y-y %) |
| TV | 5,445 | 5,686 | 5,627 | 3 | (1) | 26,792 | 26,566 | (1) | 63,662 | 66,527 | 4 |
| Radio | 280 | 286 | 288 | 3 | 1 | 1,304 | 1,285 | (1) | 3,261 | 3,326 | 2 |
| Newspapers | 186 | 193 | 209 | 12 | 8 | 1,002 | 939 | (6) | 2,506 | 2,531 | 1 |
| Magazines | 47 | 44 | 43 | (9) | (2) | 255 | 231 | (9) | 602 | 614 | 2 |
| Cinema | 79 | 502 | 506 | 541 | 1 | 1,671 | 2,807 | 68 | 3,420 | 4,788 | 40 |
| Outdoor | 504 | 634 | 616 | 22 | (3) | 2,623 | 2,905 | 11 | 6,092 | 6,823 | 12 |
| Transit | 299 | 415 | 425 | 42 | 2 | 1,556 | 2,118 | 36 | 3,617 | 4,160 | 15 |
| In store | 56 | 86 | 78 | 39 | (9) | 286 | 347 | 21 | 676 | 730 | 8 |
| Internet | 755 | 631 | 664 | (12) | 5 | 3,685 | 3,363 | (9) | 8,121 | 8,771 | 8 |
| Total | 7,651 | 8,477 | 8,456 | 11 | (0) | 39,174 | 40,561 | 4 | 91,957 | 98,269 | 7 |
| Out of home | 859 | 1,135 | 1,119 | 30 | (1) | 5,391 | 5,253 | (3) | 10,385 | 11,713 | 13 |

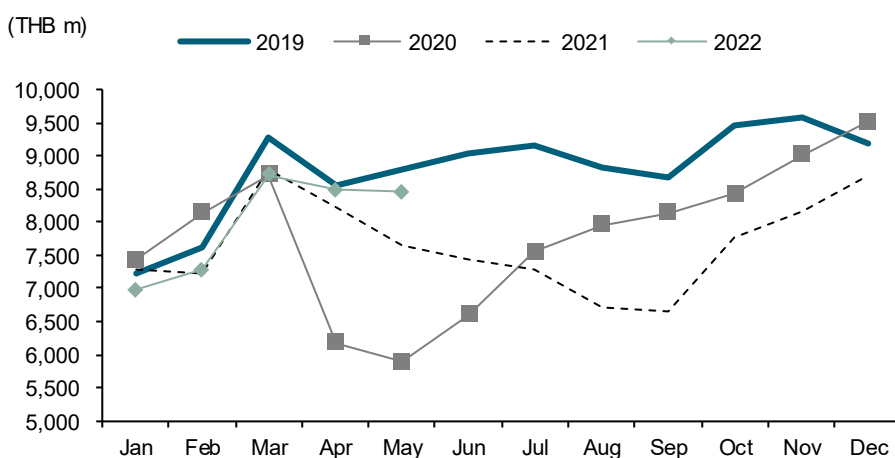
Sources: Nielsen; FSSIA estimates

Still confident in 6.9% growth in adex

We have some concerns that adex growth from Jun-22 and into 3Q22 may slow down due to the weak economic outlook, high inflation, low purchasing power and weak consumer confidence. However, we believe the sector should still be able to post y-y growth, despite the slowdown m-m, due to the plunge in adex from May-21 to Nov-21 from the impact of the Delta variant.

Therefore, with YTD adex already up by 4% y-y, and the expectation that the next four months of adex should continue to grow y-y, we maintain our assumption of 6.9% adex growth in 2022 to THB98.3b.

Exhibit 2: Monthly adex



Sources: Nielsen; FSSIA's compilation

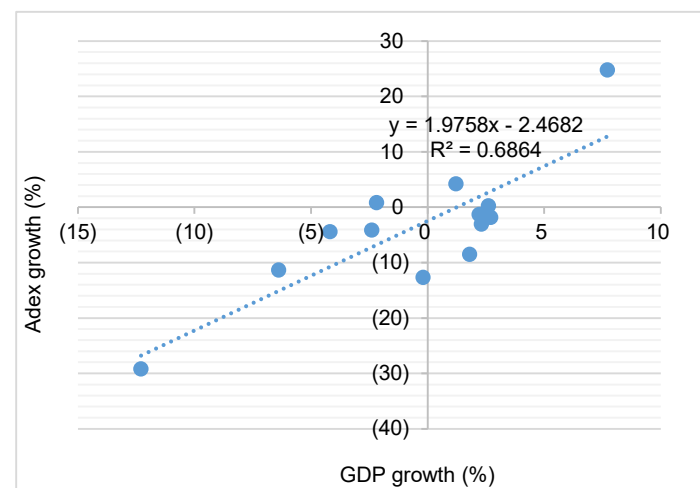
Concerns about the economic outlook’s impact on adex

Adex has a strong correlation with economic outlook. When inflation is manageable amid high GDP growth, consumer confidence and purchasing power, ad spenders typically increase their advertising budgets for products or services. Typically, when economic conditions are good and purchasing power is high, there is a strong return on investment in advertising in the form of higher revenue. Currently, however, all the drivers we mentioned above seem to be running in reverse. High inflation and the economic slowdown in Thailand began to affect consumer purchasing power in mid-2Q22, and the situation may worsen over the next few months and possibly into 3Q22, in our view. Thus, we have some concerns about the Thai economic outlook for the next three months as well as the speed of the economic recovery in 4Q22.

Adex growth is tied to GDP growth

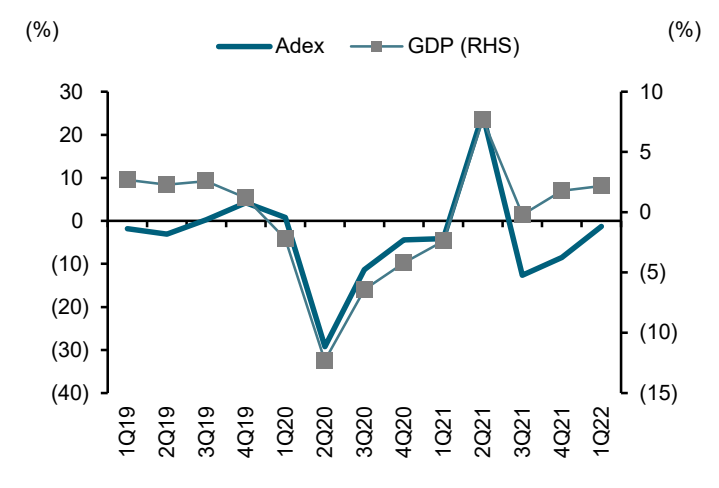
Based on our study, we found that there is a strong relationship (correlation coefficient = 0.83) between adex growth and GDP growth. We can summarise that when there is high GDP growth – which indicates that the economy is strong – adex should also post strong growth.

Exhibit 3: Relationship between adex and GDP



Sources: Nielsen; Office of the National Economic and Social Development Council; FSSIA's compilation

Exhibit 4: Adex and GDP y-y growth rate



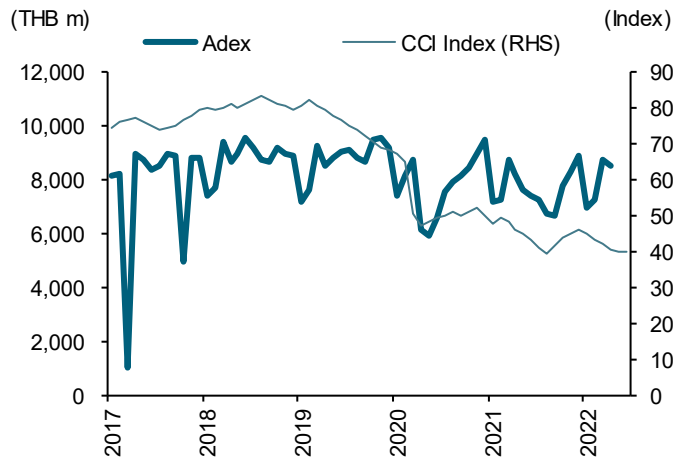
Sources: Nielsen; Office of the National Economic and Social Development Council; FSSIA's compilation

Low consumer confidence and high inflation reflects the economic slowdown

The consumer confidence index (CCI) measures and compares how consumers view the overall economy, business conditions, and the labour market presently and over the next six months. The Thai CCI is conducted by the University of the Thai Chamber of Commerce. In May-22, the CCI was at 40.2, close to the lowest level seen during the Delta variant in Aug-22. Hence, the low level of CCI right now could indicate that Thai consumers are very concerned about Thailand’s economic outlook.

Amid high inflation, the cost of products and services increases due to rising raw material prices and the higher cost of living. However, when the cost of production increases, producers are unable to increase prices to compensate because it would affect their sales volumes. As a result, most producers typically maintain their selling prices despite the adverse impact on their margins. Therefore, advertising budgets are often the first to be cut as producers seek ways to preserve their bottom line. With inflation likely to stay at a high level until 3Q22, there could be some impact on adex, in our view.

Exhibit 5: Adex vs consumer confidence index (CCI)



Sources: University of the Thai Chamber of Commerce; Nielsen

Exhibit 6: Inflation in Thailand



Source: Bank of Thailand

Impact of adex on media company earnings and TPs

With the concerns mentioned above, we conducted a sensitivity analysis of the impact of advertising expenditure (adex) movements in 2022 on media companies' earnings and our target prices. Our current estimate of adex growth in 2022 is 6.9% y-y to THB98.3b. We calculated only the impact from adex changes and defined the revenue contribution that comes from advertising revenue only, which is mainly from TV, outdoor, transit, cinema, and radio businesses. High inflation and low purchasing power that could impact retailers, commerce, or cinema is not included in our calculation.

Exhibit 7: Scenario analysis regarding adex growth in 2022

| | ----- Current estimates ----- | | | ---- First scenario ---- | | -- Second scenario -- | |
|--------------|-------------------------------|-----------------|---------------|--------------------------|---------------|-----------------------|---------------|
| | 2021 (THB m) | 2022 (THB m) | Change (%) | 2022 (THB m) | Change (%) | 2022 (THB m) | Change (%) |
| TV | 63,662 | 66,527 | 4.5 | 65,254 | 2.5 | 63,662 | 0.0 |
| Radio | 3,261 | 3,326 | 2.0 | 3,261 | 0.0 | 3,261 | 0.0 |
| Newspapers | 2,506 | 2,531 | 1.0 | 2,506 | 0.0 | 2,506 | 0.0 |
| Magazines | 602 | 614 | 2.0 | 602 | 0.0 | 602 | 0.0 |
| Cinema | 3,420 | 4,788 | 40.0 | 4,275 | 25.0 | 3,420 | 0.0 |
| Outdoor | 6,092 | 6,823 | 12.0 | 6,610 | 8.5 | 6,092 | 0.0 |
| Transit | 3,617 | 4,160 | 15.0 | 4,015 | 11.0 | 3,617 | 0.0 |
| In store | 676 | 730 | 8.0 | 710 | 5.0 | 676 | 0.0 |
| Internet | 8,121 | 8,771 | 8.0 | 8,446 | 4.0 | 8,121 | 0.0 |
| Total | 91,957 | 98,269 | 6.9 | 95,678 | 4.0 | 91,957 | 0.0 |

Sources: Nielsen; FSSIA estimates

First scenario

Under this scenario, we project adex to grow only 4% this year, lower than our current expectation of 6.9%, for a total adex in 2022 of around THB95.7b. Based on this assumption, we expect that with the impact of high inflation, weak purchasing power, low consumer confidence, and a dull economic outlook, adex should stay at a low level until mid-3Q22 and then should start to pick up afterward. This indicates that although adex in 3Q22 has the potential to slightly decline from 2Q22, there remains the potential of high-season growth in 4Q22. We think most advertising buyers should have more confidence in unloading the rest of their advertising budgets in 4Q22 after reining in spending since the beginning of this year. TV adex has the greatest potential for a decrease in terms of overall adex. Traditional media like radio, newspaper, and magazine adex could be flat from last year. OOH adex, which includes outdoor, transit, and in-store media, may even be lower than TV as it represents the biggest contribution to total adex.

With this scenario of only 4% growth in adex, we expect most companies' earnings in the media sector to see declines of 4-8%, which could translate into a decrease in our FY22 TPs at the same level as our P/E multiples.

Second scenario

For the second scenario, which is our worst-case scenario, we project no growth in adex at all in 2022, with total spending stagnant at the same level as in 2021 at THB92b. Based on this assumption, we expect the impact of high inflation, weak purchasing power, low consumer confidence, and a dark economic outlook to last until the end of 3Q22. In this case, adex in 3Q22 could fall a lot lower than in 2Q22, while 4Q22 adex may show no improvement over 3Q22, despite the high season, as most ad buyers may decide to postpone spending their advertising budgets until next year. In this case, we expect no growth in all media – including OOH, which should have improved from last year due to the reduced impact from Covid-19.

With no growth in adex, we expect most companies' earnings in the media sector to see a decline from 7-15%. The impact of the potential earnings downsides depends on how much advertising revenue contributes to total revenue for each company. Moreover, under this scenario, we also trim our P/E multiples down slightly by about 2-3x from our current P/E multiples. As a result, we expect our target prices for media companies under our worst-case scenario to fall anywhere from 10-21%.

Exhibit 8: Scenario analysis regarding adex growth in 2022 and the potential impacts on media company earnings estimates

| Ads revenue contribution | ----- Second scenario ----- | | | | | | ----- First scenario ----- | | | | | ----- Current estimates ----- | | |
|--------------------------|-----------------------------|-------------------|---------------|-----------|-------------|---------------|----------------------------|---------------|-----------|-------------|---------------|-------------------------------|-----------|-------------|
| | ----- 0% growth ----- | | | | | | ----- 4% growth ----- | | | | | ----- 7% growth ----- | | |
| | Net profit (%) | Change (THB m) | Change (%) | PE (x) | TP (THB) | Change (%) | Net profit (THB m) | Change (%) | PE (x) | TP (THB) | Change (%) | Net profit (THB m) | PE (x) | TP (THB) |
| BEC | 82 | 910 | (14.7) | 33 | 14.7 | (21.2) | 986 | (7.6) | 35 | 17.2 | (7.6) | 1,067 | 35 | 18.6 |
| WORK | 84 | 312 | (15.1) | 27 | 18.9 | (21.4) | 340 | (7.4) | 29 | 22.2 | (7.4) | 367 | 29 | 24 |
| ONEE | 58 | 930 | (8.1) | 31 | 12.3 | (12.1) | 968 | (4.3) | 33 | 13.4 | (4.3) | 1,012 | 33 | 14 |
| PLANB | 77 | 598 | (12.2) | 52 | 7.2 | (18.6) | 631 | (7.3) | 55 | 8.2 | (7.3) | 681 | 55 | 8.8 |
| VGI | 39 | 532 | (11.5) | 100 | 4.7 | (16.8) | 565 | (6.0) | 114 | 5.4 | (6.0) | 601 | 114 | 5.7 |
| MAJOR | 14 | 681 | (6.6) | 28 | 21.6 | (10.1) | 701 | (3.8) | 30 | 23.1 | (3.8) | 729 | 30 | 24 |
| RS | 19 | 495 | (7.8) | 34 | 17.6 | (12.2) | 511 | (4.8) | 36 | 19.0 | (4.8) | 537 | 36 | 20 |

Source: FSSIA estimates

Summary of sensitivity analysis

We can see that the companies with a high contribution from advertising revenue have a higher downside or upside based on changes in adex, and that their earnings and TP downside is higher than companies with a lower contribution from advertising revenue. We are still confident that adex has the potential to grow by 6.9% this year, despite the weak economic outlook. However, if adex is really in decline, we believe it should only fall from 6.9% to 4%, as it does under our first scenario. Furthermore, although adex could drop in 3Q22, it still has the potential to grow y-y from the low point when Thailand was first hit by the Delta variant.

Therefore, we expect a small downside impact on our earnings and TP estimates of only 4-8%. Some companies may still have an upside as we expect their earnings to grow this year.

Exhibit 9: Peers comparison as of 17 Jun-22

| 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 | 14.50 | 18.60 | 28.3 | 824 | 27.2 | 22.3 | 16.5 | 18.5 | 4.3 | 3.9 | 8.0 | 7.2 |
| Workpoint Entertainment | WORK TB | 22.40 | 24.00 | 25.0 | 281 | 26.9 | 21.8 | 7.9 | 9.6 | 2.1 | 2.1 | 10.2 | 8.6 |
| The One Enterprise | ONEE TB | 10.30 | 14.00 | 35.9 | 697 | 24.2 | 19.8 | 14.3 | 16.2 | 3.3 | 3.1 | 8.9 | 7.7 |
| TV avg. | | | | | 1,801 | 26.1 | 21.3 | 12.9 | 14.7 | 3.3 | 3.0 | 9.0 | 7.8 |
| Out of home | | | | | | | | | | | | | |
| Vgi | VGI TB | 5.10 | 5.70 | 11.8 | 1,629 | 87.9 | 43.2 | 3.2 | 6.4 | 2.8 | 2.7 | 64.7 | 44.7 |
| Plan B Media | PLANB TB | 7.10 | 8.80 | 23.9 | 863 | 44.6 | 31.4 | 8.6 | 10.9 | 3.5 | 3.4 | 12.2 | 11.2 |
| Out of home avg. | | | | | 2,492 | 66.3 | 37.3 | 5.9 | 8.7 | 3.1 | 3.0 | 38.5 | 28.0 |
| Others | | | | | | | | | | | | | |
| Rs | RS TB | 15.10 | 20.00 | 32.5 | 411 | 27.4 | 21.0 | 23.1 | 26.1 | 5.8 | 5.1 | 13.7 | 11.8 |
| Major Cineplex Group | MAJOR TB | 21.20 | 24.00 | 13.2 | 539 | 26.0 | 18.5 | 10.4 | 14.7 | 2.8 | 2.7 | 9.6 | 8.2 |
| Overall | | | | | 5,242 | 37.8 | 25.4 | 12.0 | 14.6 | 3.5 | 3.3 | 18.2 | 14.2 |

Sources: Bloomberg; FSSIA estimates

Corporate Governance report of Thai listed companies 2021

| EXCELLENT LEVEL – Score range 90-100 | | | | | | | | | | |
|--------------------------------------|--------|--------|--------|--------|--------|--------|---------|--------|-------|--------|
| AAV | BCPG | CPALL | GCAP | K | MSC | PLANET | SAMART | SPI | THRE | TVD |
| ADVANC | BDMS | CPF | GFPT | KBANK | MST | PLAT | SAMTEL | SPRC | THREL | TVI |
| AF | BEM | CPI | GGC | KCE | MTC | PORT | SAT | SPVI | TIPCO | TVO |
| AH | BGC | CPN | GLAND | KKP | MVP | PPS | SC | SSSC | TISCO | TWPC |
| AIRA | BGRIM | CRC | GLOBAL | KSL | NCL | PR9 | SCB | SST | TK | U |
| AKP | BIZ | CSS | GPI | KTB | NEP | PREB | SCC | STA | TKT | UAC |
| AKR | BKI | DDD | GPSC | KTC | NER | PRG | SCCC | STEC | TMT | UBIS |
| ALT | BOL | DELTA | GRAMMY | LALIN | NKI | PRM | SCG | STI | TNDT | UV |
| AMA | BPP | DEMCO | GULF | LANNA | NOBLE | PROUD | SCGP | SUN | TNITY | VGI |
| AMATA | BRR | DRT | GUNKUL | LH | NSI | DRS | SCM | SUSCO | TOA | VIH |
| AMATAV | BTS | DTAC | HANA | LHFG | NVD | PSL | SDC | SUTHA | TOP | WACOAL |
| ANAN | BTW | DUSIT | HARN | LIT | NWR | PTG | SEAFCCO | SVI | TPBI | WAVE |
| AOT | BWG | EA | HMPRO | LPN | NYT | PTT | SEAOIL | SYMC | TQM | WHA |
| AP | CENTEL | EASTW | ICC | MACO | OISHI | PTTEP | SE-ED | SYNTEC | TRC | WHAUP |
| ARIP | CFRESH | ECF | ICHI | MAJOR | OR | PTTGC | SELIC | TACC | TRU | WICE |
| ARROW | CHEWA | ECL | III | MAKRO | ORI | PYLON | SENA | TASCO | TRUE | WINNER |
| ASP | CHO | EE | ILINK | MALEE | OSP | Q-CON | SHR | TCAP | TSC | ZEN |
| AUCT | CIMBT | EGCO | ILM | MBK | OTO | QH | SIRI | TEAMG | TSR | |
| AWC | CK | EPG | INTUCH | MC | PAP | QTC | SIS | TFMAMA | TSTE | |
| AYUD | CKP | ETC | IP | MCOT | PCSGH | RATCH | SITHAI | TGH | TSTH | |
| BAFS | CM | FPI | IRPC | METCO | PDG | RS | SMK | THANA | TTA | |
| BANPU | CNT | FPT | ITEL | MFEC | PDJ | S | SMPC | THANI | TTB | |
| BAY | COM7 | FSMART | IVL | MINT | PG | S & J | SNC | THCOM | TTCL | |
| BBL | COMAN | GBX | JSP | MONO | PHOL | SAAM | SONIC | THG | TTW | |
| BCP | COTTO | GC | JWD | MOONG | PLANB | SABINA | SPALI | THIP | TU | |
| VERY GOOD LEVEL – Score range 80-89 | | | | | | | | | | |
| 2S | ASIMAR | CHOW | FLOYD | IT | LOXLEY | OCC | RPC | SKY | TCC | TVT |
| 7UP | ASK | CI | FN | ITD | LRH | OGC | RT | SLP | TCMC | TWP |
| ABICO | ASN | CIG | FNS | J | LST | PATO | RWI | SMIT | TEAM | UEC |
| ABM | ATP30 | CMC | FORTH | JAS | M | PB | S11 | SMT | TFG | UMI |
| ACE | B | COLOR | FSS | JCK | MATCH | PICO | SA | SNP | TFI | UOBKH |
| ACG | BA | CPL | FTE | JCKH | MBAX | PIMO | SAK | SO | TIGER | UP |
| ADB | BAM | CPW | FVC | JMART | MEGA | PJW | SALEE | SORKON | TITLE | UPF |
| AEONTS | BC | CRD | GEL | JMT | META | PL | SAMCO | SPA | TKN | UPOIC |
| AGE | BCH | CSC | GENCO | KBS | MFC | PM | SANKO | SPC | TKS | UTP |
| AHC | BEC | CSP | GJS | KCAR | MGT | PMTA | SAPPE | SPCG | TM | VCOM |
| AIT | BEYOND | CWT | GYT | KEX | MICRO | PPP | SAWAD | SR | TMC | VL |
| ALL | BFIT | DCC | HEMP | KGI | MILL | PPPM | SCI | SRICHA | TMD | VPO |
| ALLA | BJC | DCON | HPT | KIAT | MITSIB | PRIME | SCN | SSC | TMI | VRANDA |
| ALUCON | BJCHI | DHOUSE | HTC | KISS | MK | PRIN | SCP | SSF | TMILL | WGE |
| AMANAH | BLA | DOD | HYDRO | KOOL | MODERN | PRINC | SE | STANLY | TNL | WIK |
| AMARIN | BR | DOHOME | ICN | KTIS | MTI | PSG | SFLEX | STGT | TNP | WP |
| APCO | BROOK | DV8 | IFS | KUMWEL | NBC | PSTC | SFP | STOWER | TOG | XO |
| APCS | CBG | EASON | IMH | KUN | NCAP | PT | SFT | STPI | TPA | XPG |
| APURE | CEN | EFORL | IND | KWC | NCH | QLT | SGF | SUC | TPAC | YUASA |
| AQUA | CGH | ERW | INET | KWM | NETBAY | RBF | SIAM | SWC | TPCS | |
| ASAP | CHARAN | ESSO | INSET | L&E | NEX | RCL | SINGER | SYNEX | TPS | |
| ASEFA | CHAYO | ESTAR | INSURE | LDC | NINE | RICHY | SKE | TAE | TRITN | |
| ASIA | CHG | ETE | IRC | LEO | NRF | RML | SKN | TAKUNI | TRT | |
| ASIAN | CHOTI | FE | IRCP | LHK | NTV | ROJNA | SKR | TBSP | TSE | |
| GOOD LEVEL – Score range 70-79 | | | | | | | | | | |
| A | BGT | CITY | GIFT | JTS | MDX | PK | SGP | SUPER | TQR | YGG |
| AI | BH | CMAN | GLOCON | JUBILE | MJD | PLE | SICT | SVOA | TTI | ZIGA |
| AIE | BIG | CMO | GREEN | KASET | MORE | PPM | SIMAT | TC | TYCN | |
| AJ | BLAND | CMR | GSC | KCM | MUD | PRAKIT | SISB | TCCC | UKEM | |
| ALPHAX | BM | CPT | GTB | KK | NC | PRAPAT | SK | THMUI | UMS | |
| AMC | BROCK | CRANE | HTECH | KKC | NDR | PRECHA | SMART | TNH | UNIQ | |
| APP | BSBM | CSR | HUMAN | KWI | NFC | PTL | SOLAR | TNR | UPA | |
| AQ | BSM | D | IHL | KYE | NNCL | RJH | SPACK | TOPP | UREKA | |
| ARIN | BTNC | EKH | IIG | LEE | NOVA | RP | SPG | TPCH | VIBHA | |
| AS | BYD | EMC | INGRS | LPH | NPK | RPH | SQ | TPIPL | W | |
| AU | CAZ | EP | INOX | MATI | NUSA | RSP | SSP | TIPIP | WIN | |
| B52 | CCP | F&D | JAK | M-CHAI | PAF | SABUY | STARK | TPLAS | WORK | |
| BEAUTY | CGD | FMT | JR | MCS | PF | SF | STC | TPOLY | WPH | |

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

Sources: Thai Institute of Directors Association (IOD); FSSIA's compilation; data as of 26 October 2021

Anti-corruption Progress Indicator

| CERTIFIED | | | | | | | | | | |
|-----------|--------|--------|--------|--------|-------|--------|--------|--------|--------|--------|
| 2S | BCH | CPALL | GC | K | MFC | PE | QLT | SNP | THCOM | TU |
| 7UP | BCP | CPF | GCAP | KASET | MFEC | PG | QTC | SORKON | THIP | TVD |
| ADVANC | BCPG | CPI | GEL | KBANK | MILL | PHOL | RATCH | SPACK | THRE | TVI |
| AF | BE8 | CPN | GFPT | KBS | MINT | PK | RML | SPALI | THREL | TVO |
| AI | BEYOND | CSC | GGC | KCAR | MONO | PL | RWI | SPC | TIDLOR | TWPC |
| AIE | BGC | DCC | GJS | KCE | MOONG | PLANB | S & J | SPI | TIPCO | U |
| AIRA | BGRIM | DELTA | GPI | KGI | MSC | PLANET | SAAM | SPRC | TISCO | UBE |
| AKP | BJCHI | DEMCO | GPSC | KKP | MST | PLAT | SABINA | SRICHA | TKS | UBIS |
| ALPHAX | BKI | DIMET | GSTEEL | KSL | MTC | PM | SAPPE | SSF | TKT | UEC |
| AMA | BLA | DRT | GUNKUL | KTB | MTI | PPP | SAT | SSP | TMD | UKEM |
| AMANAHA | BPP | DTAC | HANA | KTC | NBC | PPPM | SC | SSSC | TMILL | UOBKH |
| AMATA | BROOK | DUSIT | HARN | KWC | NEP | PPS | SCB | SST | TMT | UPF |
| AMATAV | BRR | EA | HEMP | KWI | NINE | PR9 | SCC | STA | TNITY | UV |
| AP | BSBM | EASTW | HENG | L&E | NKI | PREB | SCCC | STOWER | TNL | VGI |
| APCS | BTS | ECL | HMPRO | LANNA | NMG | PRG | SCG | SUSCO | TNP | VIH |
| AQUA | BWG | EGCO | HTC | LH | NNCL | PRINC | SCN | SVI | TNR | WACOAL |
| ARROW | CEN | EP | ICC | LHFG | NOBLE | PRM | SEAOIL | SYMC | TOG | WHA |
| AS | CENTEL | EPG | ICHI | LHK | NOK | PROS | SE-ED | SYNTEC | TOP | WHAUP |
| ASIAN | CFRESH | ERW | IFEC | LPN | NSI | PSH | SELIC | TAE | TOPP | WICE |
| ASK | CGH | ESTAR | IFS | LRH | NWR | PSL | SENA | TAKUNI | TPA | WIJK |
| ASP | CHEWA | ETE | ILINK | M | OCC | PSTC | SGP | TASCO | TPP | XO |
| AWC | CHOTI | FE | INET | MAKRO | OGC | PT | SINGER | TBSP | TRU | ZEN |
| AYUD | CHOW | FNS | INSURE | MALEE | ORI | PTG | SIRI | TCAP | TRUE | |
| B | CIG | FPI | INTUCH | MATCH | PAP | PTT | SITHAI | TCMC | TSC | |
| BAFS | CIMBT | FPT | IRC | MBAX | PATO | PTTEP | SKR | TFG | TSTE | |
| BAM | CM | FSMART | IRPC | MBK | PB | PTTGC | SMIT | TFI | TSTH | |
| BANPU | CMC | FSS | ITEL | MC | PCSGH | PYLON | SMK | TFMAMA | TTA | |
| BAY | COM7 | FTE | IVL | MCOT | PDG | Q-CON | SMPC | TGH | TTB | |
| BBL | COTTO | GBX | JKN | META | PDJ | QH | SNC | THANI | TTCL | |
| DECLARED | | | | | | | | | | |
| AJ | CHG | DDD | ETC | JR | MAJOR | NUSA | RS | SSS | TQM | YUASA |
| ALT | CPL | DHOUSE | FLOYD | JTS | NCAP | NYT | SAK | STECH | TSI | ZIGA |
| APCO | CPR | DOHOME | GULF | KEX | NCL | OR | SCGP | STGT | VARO | |
| B52 | CPW | ECF | III | KUMWEL | NOVA | PIMO | SCM | TKN | VCOM | |
| BEC | CRC | EKH | INOX | LDC | NRF | PLE | SIS | TMI | VIBHA | |

| 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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Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of 26 October 2021) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

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

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Naruedom Mujjalinkool FSS International Investment Advisory Securities Co., Ltd

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| Company | Ticker | Price | Rating | Valuation & Risks |
|-------------------------|----------|-----------|--------|--|
| BEC World | BEC TB | THB 14.50 | 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 22.40 | HOLD | The key downside and upside risks to our P/E-based TP are weaker or stronger-than-expected TV adex, digital advertising becoming more popular, high risks for high returns in the movie business, and competitiveness in TV ratings. |
| The One Enterprise | ONEE TB | THB 10.30 | BUY | The key downside risks to our P/E-based TP are a lower-than-expected adex recovery and the company's worse-than-expected cost reduction. |
| VGI Pcl. | VGI TB | THB 5.10 | 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. |
| Plan B Media | PLANB TB | THB 7.10 | 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. |
| RS | RS TB | THB 15.10 | 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 revenues from TV, radio, and music continue to decline. |
| Major Cineplex Group | MAJOR TB | THB 21.20 | BUY | The key downside risks to our SoTP-based TP are a slower-than-expected recovery in domestic consumption, the growing popularity of online movies, a delay in the Covid-19 vaccine rollout, and the new wave of Covid. |

Source: FSSIA estimates

Additional Disclosures

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

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All share prices are as at market close on 17-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.