FINANSIA
FSS INTERNATIONAL INVESTMENT ADVISORY

Thailand Media and Publishing

เลือกเพชรจากในตม

- เราปรับลดประมาณการตัวเลขการเติบโตของค่าใช้จ่ายโฆษณา (adex) ปี 2022 จาก 7.4% เป็น 4.7% จากปัจจัยที่ยังไม่แน่นอนในช่วง 2H22
- แม้ว่าประมาณการ adex จะลดลง เราคิดว่าสถานการณ์ในช่วง 2H22 จะไม่เลวร้ายไปกว่าในช่วง 1H22 อย่างไรก็ดียังมีความเสี่ยงที่สถานการณ์จะไม่ดีขึ้นอย่างมีนัยสำคัญใน 3Q22
- ปรับลดน้ำหนักเป็นเท่ากับตลาดโดยมี ONEE และ PLANB เป็นหุ้นเด่น

คาด adex ในปี 2022 จะโต 4.7%

เราปรับลดประมาณการตัวเลขการเติบโตของ adex ในปี 2022 ลงจาก 7.4% เป็น 4.7% เพื่อสะท้อนแนวโน้มเศรษฐกิจที่อ่อนแอ เงินเฟ้อที่อยู่ในระดับสูงและอำนาจการซื้อของผู้บริโภคที่อ่อนแอ เราคิดว่า adex ของสื่อโทรทัศน์อาจปรับตัวลดลง 2% y-y แต่ adex ของสื่อนอกบ้าน (OOH) อาจเพิ่ม 27% จากการกลับมาของกิจกรรม OOH อย่างไรก็ดีเราคาดว่า adex จะไม่ปรับตัวดีขึ้นอย่างมีนัยสำคัญใน 3Q22 ก่อนการมาถึงของฤดู adex ใน 4Q22 เมื่อกระแสการฟื้นตัวของเศรษฐกิจไทยน่าจะปรากฏให้เห็น ประมาณการ adex ของเราใกล้เคียงกับตัวเลขการเติบโตของ adex รวมของ The Media Agency Association of Thailand (MAAT) ที่คาดไว้ที่ 5-8% y-y ในปี 2022

OTT จะมีบทบาทสำคัญในอนาคต

จากข้อมูลของ The Digital Advertising Association (Thailand) (DAAT) วีดีโอออนไลน์น่าจะเป็นแพลตฟอร์มสื่อที่มีศักยภาพการเติบโตสูงที่สุดในปี 2022 เนื่องจากคนไทยเริ่มดู Content ผ่านสื่อออนไลน์ซึ่งรวมเรียกว่าสื่อ Over the top (OTT) มากยิ่งขึ้น จากตัวเลข OTT ในประเทศไทยที่คาดว่าจะโตอย่างรวดเร็วตั้งแต่ปี 2022 เป็นต้นไป เพดานของสื่อดังกล่าวยังคงสูงเมื่อพิจารณาจากอัตราการเจาะตลาดของสื่อ OTT ในประเทศไทยที่ยังต่ำเมื่อเทียบกับประเทศอื่น ๆ ในเอเชียตะวันออกเฉียงใต้ นอกจากนี้การเติบโตของแพลตฟอร์ม OTT ยังหมายถึงความต้องการ Content เพิ่มขึ้นอีกด้วยโดย Media Partners Asia (MPA) ได้ระบุว่าผู้ชมสื่อ OTT ในเอเชียตะวันออกเฉียงใต้ดู Content ของไทยเพียง 4% ซึ่งต่ำกว่า Content ของเกาหลีและจีนที่ 26% และ 12% ตามลำดับอยู่มาก ด้วยเหตุดังกล่าวเราเชื่อว่านี่จะเป็นโอกาสสำหรับผู้สร้าง Content ชาวไทยที่จะสร้าง Content เพิ่มขึ้นและหันไปให้ความสำคัญกับแพลตฟอร์ม OTT

กำไรและแนวโน้มเป็นปัจจัยสำคัญสำหรับราคาหุ้นในช่วง 2H22

กำไรของบริษัทสื่อที่เราศึกษาในช่วง 1H22 แสดงให้เห็นถึงผลประกอบการที่ตกต่ำจากการแพร่ระบาดของสายพันธุ์โอมิครอนและทำให้เรารวมถึงตลาดปรับลดประมาณการกำไรของกลุ่มฯ ในปี 2022 ปัจจุบันเราเชื่อว่าในขณะที่เรายังไม่เห็นการเติบโตของกำไรของสื่อโทรทัศน์ บริษัท OOH ยังมีศักยภาพในการทำกำไร เพราะฉะนั้นเราจึงเชื่อว่าปัจจัยหนุนสำคัญสำหรับราคาหุ้นของบริษัทสื่อจะอยู่ที่ความชัดเจนและแนวโน้มกำไรในช่วง 2H22.

ปรับลดน้ำหนักเป็นเท่ากับตลาด

ความไม่แน่นอนในด้านเศรษฐกิจไทยน่าจะกดดัน adex อย่างต่อเนื่องในช่วง 2H22 และเราคาดว่าการเคลื่อนไหวของราคาหุ้นบริษัทในกลุ่มสื่อจะไม่โดดเด่นอย่างน้อยใน 3Q22 เพราะฉะนั้นเราจึงปรับลดน้ำหนักของกลุ่มฯ เป็นเท่ากับตลาดจากมากกว่าตลาด เราแนะนำนักลงทุนให้เลือกบริษัทในกลุ่มสื่อจากแนวโน้มการฟื้นตัวในช่วง 2H22 โดยมี Plan B Media (PLANB TB, BUY, TP THB7.60) และ The One Enterprise (ONEE TB, BUY, TP THB12) เป็นหุ้นเด่น โดย PLANB เป็นหุ้นที่มีความชัดเจนของกำไรสูงในขณะที่ ONEE เป็นหุ้นที่ราคาปรับตัวช้ากว่าตลาดพร้อมการประเมินมูลค่าที่มีส่วนลด

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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 2 กันยายน 2022

Adex in July 2022 showed some growth

According to Nielsen, YTD (Jan-Jul) advertising expenditure (adex) grew by 6.4% y-y to THB57b thanks to the recovery in cinema, transit, and outdoor media, driven by the resumption of OOH activity since Apr-22. Meanwhile, TV adex, which is the biggest slice of total adex at 64%, dropped slightly by 0.6% y-y.

However, adex in Jul-22 showed no improvement from the previous month and was flat m-m at THB8.3b. Moreover, since Apr-22, monthly total adex stood at around THB8.3b-8.4b for four consecutive months, and still lower than the THB8.7b seen in Mar-22. OOH media started to grow, but at a decelerating rate m-m after a big jump at the beginning of the year. Consumer activity has almost recovered to normal levels since early 2Q22, and the growth momentum of OOH adex is still better than TV adex.

Exhibit 1: Advertising expenditure

	Jul-21	Jun-22	Jul-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	5,201	5,172	5,322	2.3	2.9	37,288	37,061	(0.6)	63,662	62,389	(2.0)
Radio	282	294	305	8.2	3.7	1,861	1,884	1.2	3,261	3,163	(3.0)
Newspapers	239	224	242	1.3	8.0	1,464	1,409	(3.8)	2,506	2,406	(4.0)
Magazines	48	48	45	(6.3)	(6.3)	352	335	(4.8)	602	566	(6.0)
Cinema	38	704	612	1510.5	(13.1)	1,820	4,148	127.9	3,420	5,814	70.0
Outdoor	460	607	681	48.0	12.2	3,565	4,185	17.4	6,092	7,006	15.0
Transit	338	511	535	58.3	4.7	2,166	3,165	46.1	3,617	5,245	45.0
In store	57	75	81	42.1	8.0	391	503	28.6	676	946	40.0
Digital	595	737	525	(11.8)	(28.8)	4,948	4,619	(6.6)	8,121	8,771	8.0
Total	**7,258**	**8,372**	**8,348**	**15.0**	**(0.3)**	**53,855**	**57,309**	**6.4**	**91,957**	**96,305**	**4.7**
Out of home	855	1,193	1,297	51.7	8.7	6,122	7,853	28.3	10,385	13,197	27.1

Sources: Nielsen; FSSIA estimates

Exhibit 2: Monthly adex
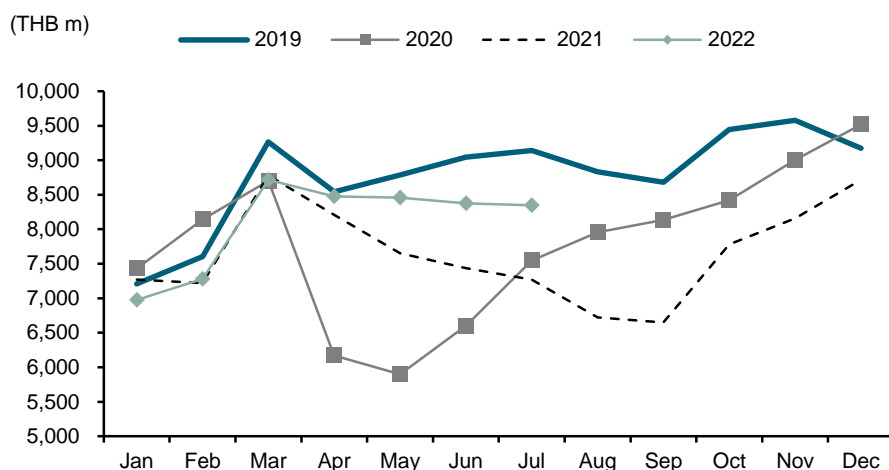
Sources: Nielsen; FSSIA's compilation

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TV adex YTD performance review

TV adex, which is the biggest proportion of total adex at 64% YTD (Jan-Jul), dropped slightly by 0.6% y-y to THB37b. TV adex started softening after Apr-22 onward, especially during June and July due to the weak economic outlook, high inflation, and weak consumer purchasing power. We believe there are three key reasons why TV adex has underperformed even as total adex grew by 6.4% during the same period.

1) **The shift of advertising budgets from TV back to OOH.** This can be explained by the proportion of TV adex compared to total adex last year. In 2021, TV adex accounted for 69% of total adex, higher than the pre-Covid level of around 67%. This indicates that due to the lockdowns imposed during the Delta variant phase of the Covid outbreak, most people stayed home or worked from home. This led to an abnormal situation in which advertisers boosted their TV advertising budgets to access the much larger TV audience and cut back on OOH media.

**Exhibit 3: YTD (Jan-Jul 2021) adex contribution**
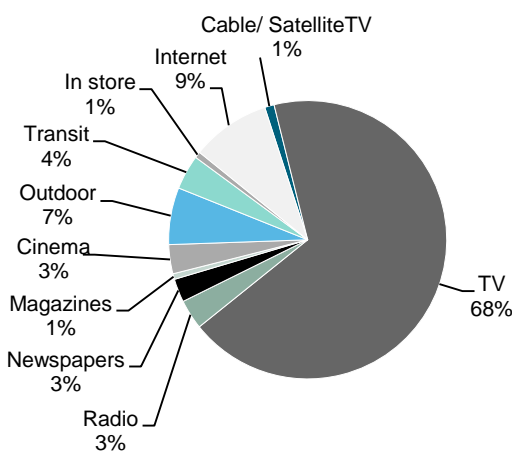
Source: Nielsen

Exhibit 4: YTD (Jan-Jul 2022) adex contribution
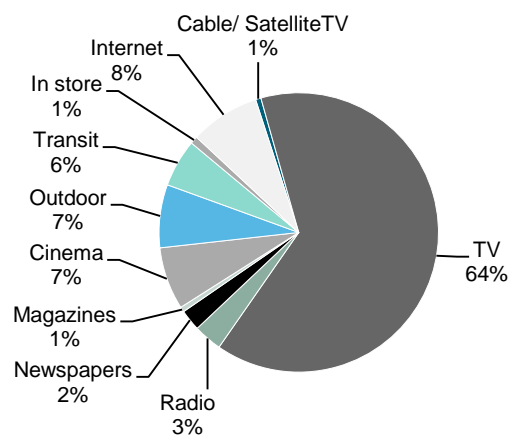
Source: Nielsen

This year, the proportion of TV adex has fallen to 64% YTD, even lower than the pre-Covid level. We believe this shows that some advertisers have shifted their advertising budgets back to OOH media in line with the recovery in OOH activities. This interpretation is backed by the divergent growth trends of OOH media and TV media, with OOH adex showing significant growth from May-22 onward – the first month that OOH activity resumed.

Exhibit 5: TV vs OOH adex

Source: Nielsen

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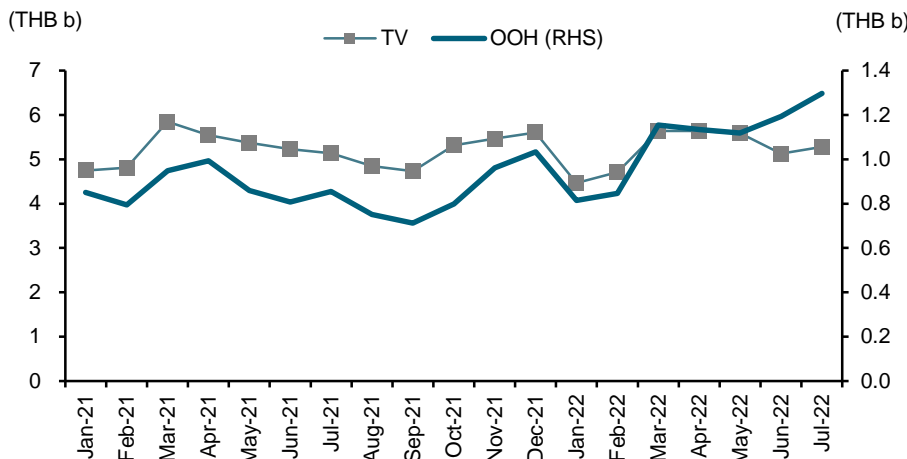
2) **Economic slowdown.** As we mentioned earlier, the weak economic outlook, high inflation, and weak consumer purchasing power have directly impacted TV adex, the biggest proportion of total adex. In our view, there were two reasons for TV adex's decline amid the economic slowdown.

   a. **Fast Moving Consumer Goods.** Most of the products and services that advertise heavily on TV media are from the Fast Moving Consumer Goods (FMCG) segment, which are products that sell quickly and at a relatively low cost. Examples include non-durable household goods such as packaged foods, beverages, toiletries, cosmetics, and others. Therefore, due to weakening consumer purchasing power, households are forced to reduce their consumption to pay off debt, which slows economic growth. Moreover, the rising cost of production may cause some advertisers to lower or postpone spending as they assess the situation.

   In the exhibit below, we can see that spending on some of the top-ranked FMCG product categories slumped YTD, which led to a slowdown in TV adex during the same period.

Exhibit 6: Adex top spending by category

No.	Adex Top Rank Category	Jan - Jun-21 (THB m)	Jan - Jun-22 (THB m)	Change (y-y %)
1	Non-alcoholic beverages	4,237	4,390	4
2	Retail stores*	2,387	2,546	7
3	Motor vehicles	2,395	2,384	(0.5)
4	Skin-care preparations	2,506	2,255	(10)
5	Government	1,229	1,940	58
6	Oral products	1,595	1,884	18
7	Dairy products	1,757	1,837	5
8	Vitamins & Supplementary	1,806	1,718	(5)
9	Toiletries	1,647	1,622	(2)
10	Household cleaners	1,961	1,620	(17)
11	Communications	1,912	1,537	(20)
12	Hair preparations	2,065	1,500	(27)
13	Foodstuffs	1,173	1,197	2
14	Websites & Applications	920	1,129	23
15	Pharmaceuticals	959	1,045	9
16	Electrical non-audio/visual	1,016	879	(13)
17	Seasoning products	761	855	12
18	Snack foods	789	839	6
19	Banks	589	770	31
20	Insurance	786	615	(22)

Note: *Excludes direct sales
Source: MAAT

Exhibit 7: Adex for TV vs digital
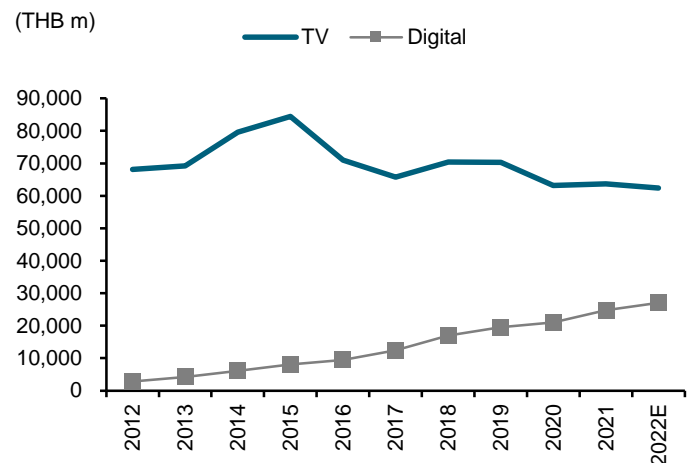

Sources: DAAT; Nielsen

   b. **Advertisers chose cheaper media alternatives.** While TV media is the most powerful mass market advertising tool, it also comes with the highest cost compared to other media such as digital media. Therefore, we believe that amid an economic slowdown, ad spenders may opt to direct a greater proportion of their advertising budgets toward lower-cost alternatives such as digital media. Furthermore, digital media allows more precise audience targeting.

   DAAT projects 9% adex growth in digital media for 2022 at THB27b, while MAAT projects TV adex growth between -2% to +1% this year.

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3) **Total TV ratings are on a declining trend.** We believe there are several key reasons why the total TV rating, which represents the total number of households in Thailand watching TV, is declining. These include:

    a. The resumption of OOH activity;

    b. The growing OTT platform that allows audiences to watch their favourite TV channels on other devices such as their PC, mobile phone, or tablet. Note that TV ratings data collected by Nielsen covers only the TV-viewing audience;

    c. Lack of flagship content. Given that the economic outlook in 1H22 remained precarious, most ad spenders lacked the confidence to advertise heavily in 1H22. This led TV operators to postpone their flagship content to 2H22 in order to maximise their potential to receive the highest advertising price possible.

Exhibit 8: Total TV rating

(points)
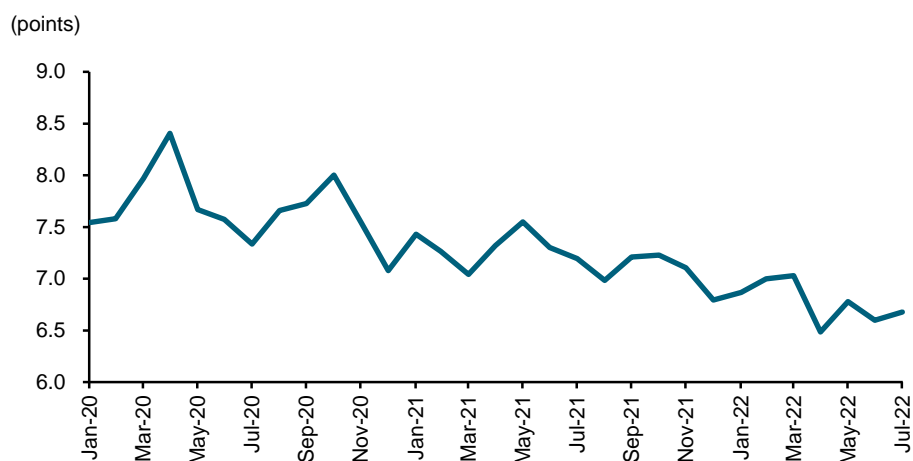
Note: Age 4+; nationwide; 24 hrs
Sources: Nielsen; TV Digital Watch

Exhibit 9: TV channel ratings under our coverage

(points)

Legend: CH3, WORKPOINT TV, ONE, CH8

Sources: Nielsen; TV digital watch

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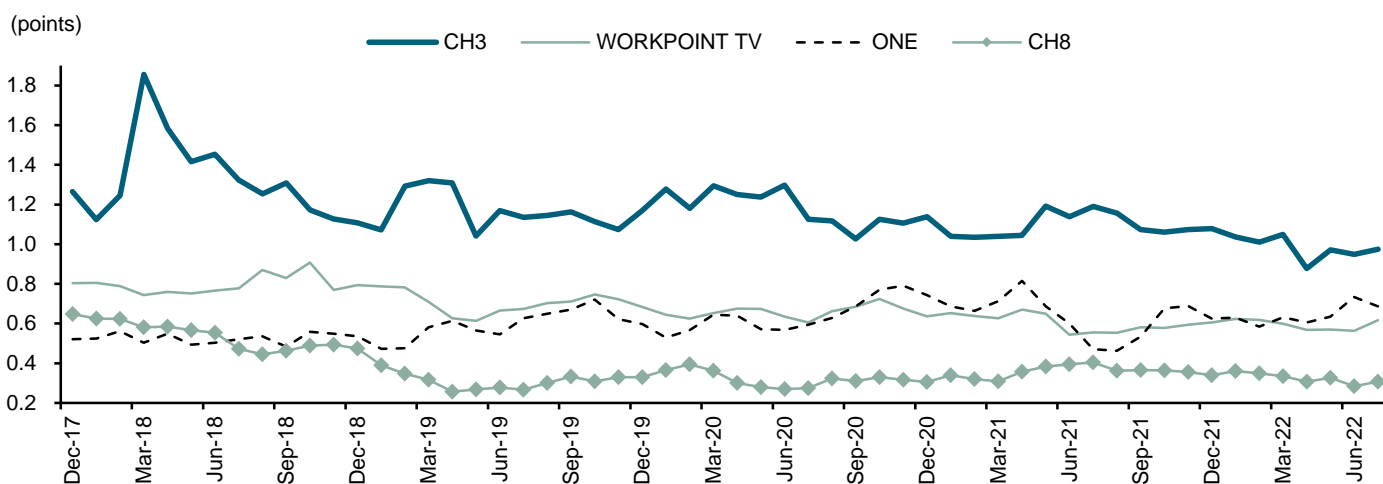
OOH adex YTD performance review

OOH media, which includes outdoor, transit, and in-store media, posted solid growth in adex YTD (Jan-Jul), growing by 24% y-y to THB12b. This was mainly driven by transit media that surged by 46% y-y, following by in-store media which grew by 29% y-y.

Exhibit 10: Transit adex vs mass transit ridership
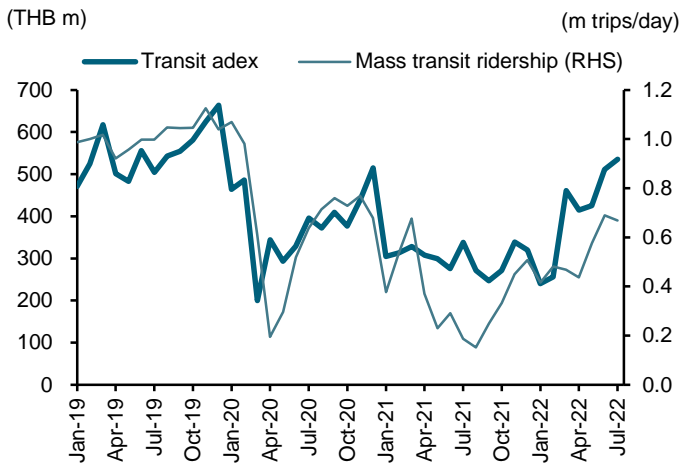
Sources: BTSGIF; BEM; Nielsen; FSSIA compilation

Exhibit 11: Outdoor adex vs expressway traffic
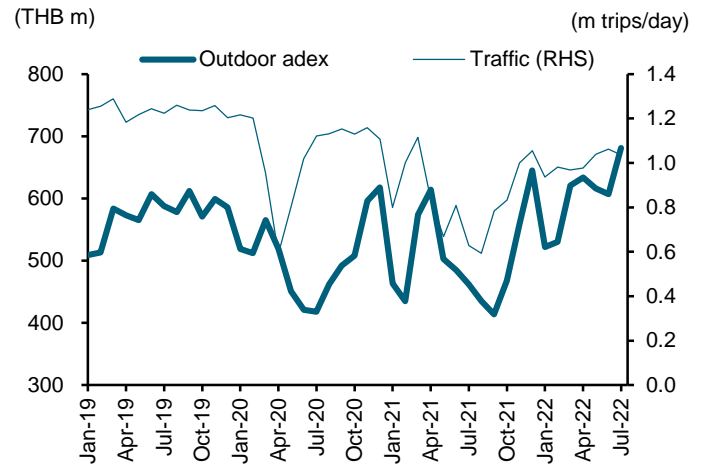
Sources: BEM; Nielsen; FSSIA compilation

Although Thailand was hit hard by the Omicron variant in 1Q22, and the number of daily infections reached a record high, the Omicron variant's reduced severity allowed a significant recovery in the public's mobility that began in May-22. This helped OOH adex to post solid growth both q-q and y-y during 2Q22.

Exhibit 12: Thailand's daily Covid cases
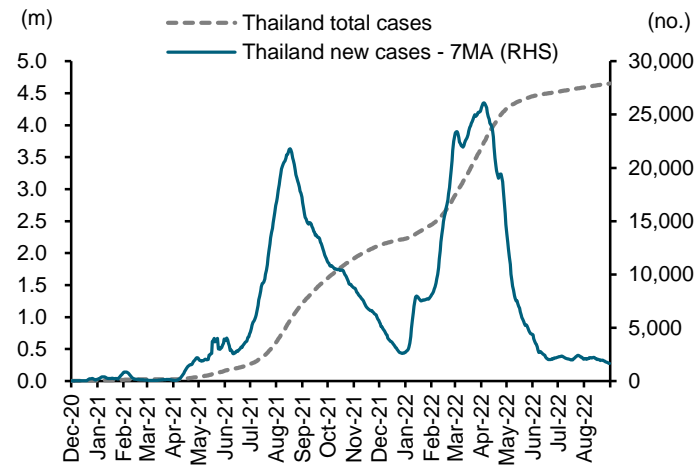
Sources: Worldometers.info; FSSIA compilation

Exhibit 13: Mass transit ridership

Sources: BTSGIF; BEM; FSSIA compilation

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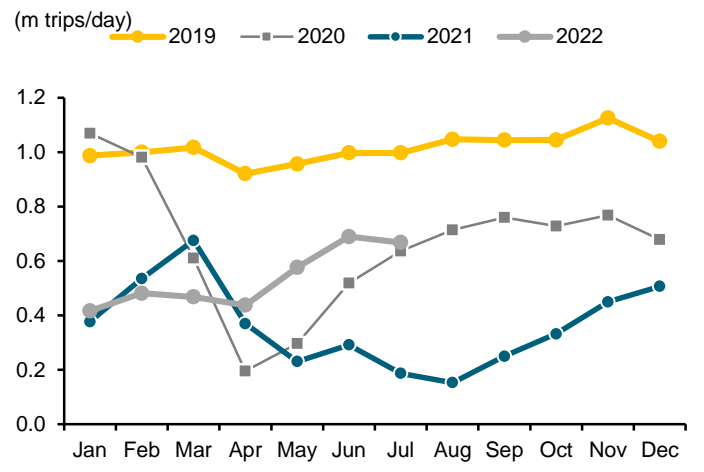
Key takeaways from exclusive interview with MAAT president

On 29 Aug-22, FSSIA was granted an exclusive interview with Dr. Tharaputh Charuvatana, president of the Media Agency Association of Thailand (MAAT), who offered key insights into the advertising expenditure outlook for 2H22.

In MAAT's view, Thailand's economy grew faster than expected in 1Q22 supported by increased exports, rising domestic demand and a recovery in tourism. The recovery was uneven across sectors, with the highest growth in agriculture, accommodation and food, retail, transportation, and communications. While business sentiment and mobility has returned to near-normal levels, the outlook is highly uncertain due to the risk of higher inflation driven by energy prices.

The 5% growth in adex during 1H22 was driven by retail, websites, applications, banking, and government advertising. The most popular media formats continue to be digital and OOH due to the relaxation of the government's lockdown policy and the improvement in the epidemic situation. There are also many advertisers in the market generating more adex through investment in TV advertising media, he added.

Exhibit 14: Post-Covid adex growth by category

	1H22 (h-h %)
Digital lifestyle	
Pay TV/OTT	258
TV	126
E-marketplace	36
OOH activities	
Restaurants	58
Trade/Fair	184
Travel & Tours	30
Financial security	
2nd hand car app	1,127
Commercial loans	1,069
Auto leasing	64

Source: MAAT

Concern over economic outlook

Although the market has a positive outlook, with +3.3% GDP growth forecast by the Bank of Thailand (BoT), MAAT still sees many factors that could slow growth, especially inflation and household debt, which have a direct impact on consumer purchasing power. Consumers may be forced to reduce discretionary spending in order to pay off debt, and inflation may drive production costs higher, forcing some advertisers to slash or postpone ad spending as they wait for signs of improvement.

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MAAT forecasts two adex scenarios for 2022

MAAT's adex forecast for 2022 is based on two scenarios, a worst case and a best case. The key factors include:

Positive factors

1. The softening THB will drive export value growth over the short term, especially for agricultural products and food;

2. Higher inflation and decreased consumer purchasing power. Potential growth categories are loans, leasing and the used car and housing markets;

3. Rising global awareness of green energy and the push for zero carbon emissions will drive growth in alternative energy, electric vehicles (EVs), and corporate social responsibility campaigns;

4. The health-consciousness trend will continue, with health and medical services growth driven by both domestic and in-bound demand;

5. Business activity and mobility have returned to near-normal levels as retail, entertainment, events, fairs and exhibitions continue to recover;

6. In-bound and domestic tourism and hospitality will continue to grow. "Thai Tiew Thai Phase 4" will also stimulate short-term domestic consumption;

7. Digital disruptions will continue in categories such as e-commerce, super applications (mobile phone apps that provide a variety of services such as Grab, or Line Man), OTT, and finance.

Negative factors

1. The inflation rate and production costs may continue to rise;

2. Household debt now exceeds 90% of Thai GDP;

3. Weakening consumer purchasing power as households reduce consumption to pay off debts, which acts as a drag on economic growth;

4. The rising cost of production may force some advertisers to reduce or postpone spending as they assess the situation.

Worst-case scenario: 2022 adex could grow by only 5%

Under MAAT's worst-case scenario, all the negative factors such as inflation and cost of production will continue to rise in 2H22 and cause adex in 2H22 to recover at a slower-than-expected rate. Under this scenario, MAAT expects a mere 5% growth in adex for 2022.

If this happens, MAAT projects TV adex to decline slightly by 2% y-y, while adex in other traditional media including radio, newspapers, and magazines could face double-digit declines. Cinema should enjoy the strongest growth of 62% y-y thanks to the full year of reopened movie theatres and a strong film lineup. OOH media including outdoor, transit, and in-store should also post double-digit growth thanks to business re-openings, the higher mobility rate, and more daily commuters on public transportation.

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Exhibit 15: 2022 adex projection (worst-case scenario)

	2021 (THB m)	1H21 (THB m)	1H22 (THB m)	Change (h-h %)	2022E (THB m)	Change (y-y %)
TV	63,112	31,647	30,607	(3)	62,000	(2)
Radio	3,421	1,688	1,588	(6)	3,000	(12)
Newspapers	3,537	1,341	1,232	(8)	2,500	(29)
Magazines	694	333	304	(9)	500	(28)
Cinema	3,398	1,958	3,739	91	5,500	62
Outdoor	6,042	3,363	3,724	11	7,000	16
Transit	3,594	2,012	2,800	39	5,000	39
In store	672	366	450	23	1,000	49
Digital*	24,766	11,094	12,212	10	28,000	13
Total	**109,236**	**53,802**	**56,655**	**5**	**114,500**	**5**

Note: Adex data collected by MAAT includes data from Nielsen and DAAT, which will differ from the adex data from Nielsen collected by FSSIA
Source: MAAT

Exhibit 16: 2022 adex trend (worst-case scenario)
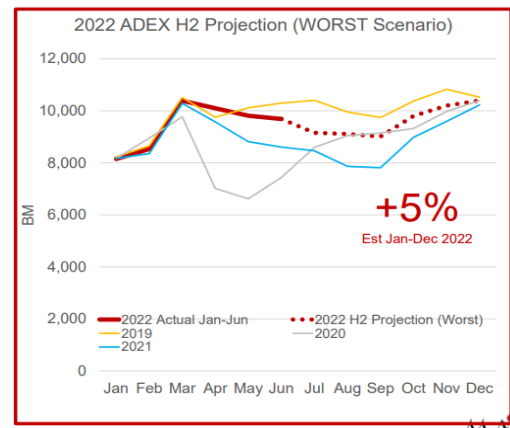
Source: MAAT

Best-case scenario: 2022 adex could grow by 8%

Under MAAT's best-case scenario, all the negative factors such as inflation and cost of production will stabilise in 2H22, and the Thai economic recovery gains strength in 4Q22 as positive factors begin to outweigh the negatives. This would allow adex to grow by 8% in 2022, slightly better than the worst-case scenario of 5% growth.

Under these conditions, MAAT expects TV adex to grow slightly by 1% y-y. TV campaigns for new brands and product launches and the upcoming festive season in 4Q22 should be the key drivers for TV adex outperforming the worst-case scenario. Other traditional media including radio, newspapers, and magazines, however, should continue to see their adex fall at the same rate as in the worst-case scenario. On the other hand, cinema, transit, in-store, and digital adex should enjoy better growth compared to the worst-case scenario.

Exhibit 17: 2022 adex projection (best-case scenario)

	2021 (THB m)	1H21 (THB m)	1H22 (THB m)	Change (h-h %)	2022E (THB m)	Change (y-y %)
TV	63,112	31,647	30,607	(3)	63,500	1
Radio	3,421	1,688	1,588	(6)	3,000	(12)
Newspapers	3,537	1,341	1,232	(8)	2,500	(29)
Magazines	694	333	304	(9)	500	(28)
Cinema	3,398	1,958	3,739	91	5,800	71
Outdoor	6,042	3,363	3,724	11	7,000	16
Transit	3,594	2,012	2,800	39	5,500	53
In store	672	366	450	23	1,200	79
Digital*	24,766	11,094	12,212	10	29,000	17
Total	**109,236**	**53,802**	**56,655**	**5**	**118,000**	**8**

Note: Adex data collected by MAAT includes data from Nielsen and DAAT, which will differ from Nielsen adex data collected by FSSIA
Source: MAAT

**Exhibit 18: 2022 adex trend (best-case scenario)**

Source: MAAT

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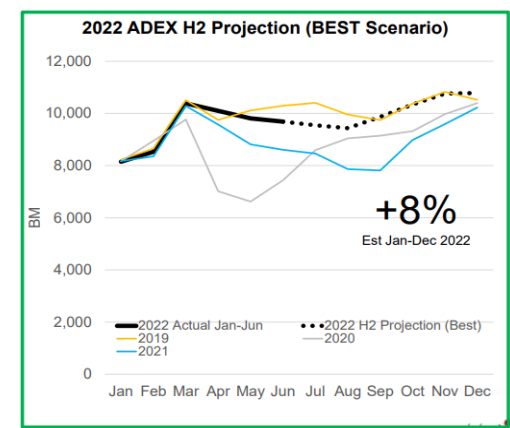
Summary of adex forecast by MAAT

Although there is still a risk of economic uncertainty during 2H22, MAAT projects 2022 adex growth at 5-8%, which is better than the agency's previous expectation at the beginning of the year of 2-5% growth. We think this shows the adex recovery during 1H22 was better than MAAT's expectation.

In our view, the key reason for the change was the less-severe-than-expected impact of the Omicron variant in 1Q22, which led to a significant rise in OOH activity starting from May-22. Although there are new negative factors that affect the adex outlook for 2H22 such as high inflation and the rising of cost of production, MAAT believes there are some better-than-expected positive factors that could partially offset the negatives such as the recovery in tourism and business activity, near-normal mobility rates, and growth in e-commerce and digital services. While MAAT revised up its adex targets for cinema, OOH, and digital media, due to inflation and rising production costs that directly impact FMCG, MAAT reduced its TV adex target for this year from THB64b (+1.4% y-y) to THB62b (-2% y-y).
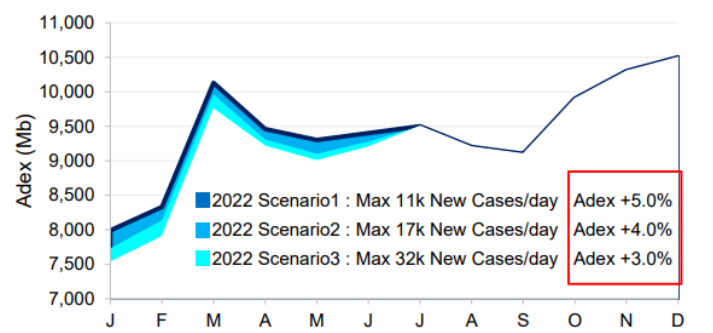
Exhibit 19: Forecast of new daily Covid cases by MAAT
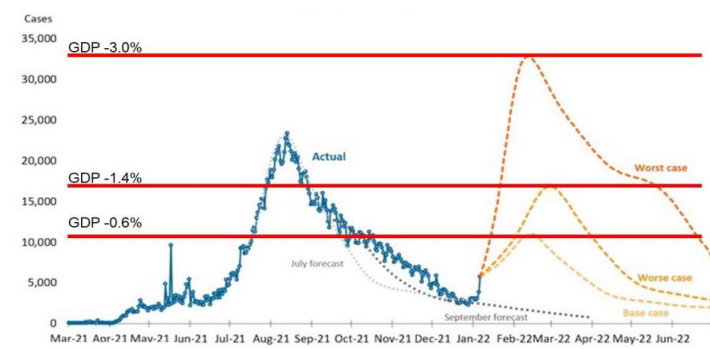
Note: Forecast as of Jan-22
Sources: WHO; Krungsri Research; MAAT

Exhibit 20: 2022 adex projection by MAAT in Mar-22

Source: MAAT

MAAT still positive on 2H22 adex outlook

By comparing the full-year adex projection from MAAT with 1H22's adex performance, we can see that MAAT still has a positive view on adex for 2H22 of 2% growth h-h. MAAT believes that despite the uncertainty in 3Q22, any sign of a recovery in the Thai economy should result in a strong adex rebound on the expectation of an improvement in the economic situation in 4Q22. In addition, the potential for strong purchasing volume during the annual adex high season in 4Q provides a key support for MAAT's confidence in the adex outlook for 2H22.

**Exhibit 21: 2H22 adex outlook projected by MAAT (worst-case)**

	1H22 (THB m)	2H22E (THB m)	*Change (h-h %)*	2021 (THB m)	2022E (THB m)	*Change (y-y %)*
TV	30,607	31,393	*2.6*	63,112	62,000	*(1.8)*
Radio	1,588	1,412	*(11.1)*	3,421	3,000	*(12.3)*
Newspapers	1,232	1,268	*2.9*	3,537	2,500	*(29.3)*
Magazines	304	196	*(35.5)*	694	500	*(28.0)*
Cinema	3,739	1,761	*(52.9)*	3,398	5,500	*61.9*
Outdoor	3,724	3,276	*(12.0)*	6,042	7,000	*15.9*
Transit	2,800	2,200	*(21.4)*	3,594	5,000	*39.1*
In store	450	550	*22.2*	672	1,000	*48.8*
Digital (DAAT)	12,212	15,788	*29.3*	24,766	28,000	*13.1*
Total	**56,655**	**57,845**	***2.1***	**109,236**	**114,500**	***4.8***

Sources: Nielsen; MAAT; FSSIA compilation

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OOH to slow down in 2H22?

The most surprising takeaway from FSSIA's exclusive interview with the MAAT president was the forecast for slower OOH adex growth in 2022, based on the agency's worst-case scenario projections of 12% and 21% lower outdoor and transit media adex in 2H22 compared to 1H22. While MAAT confirmed this view in a follow up, this conflicts with our expectation that outdoor adex should slip by only 2% h-h, while transit adex should grow by 27% h-h.

Exhibit 22: MAAT's TV, digital, and total adex forecast
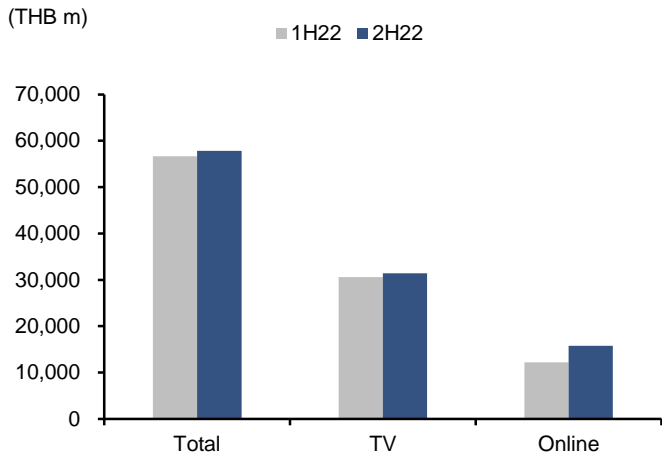
Sources: MAAT; FSSIA's compilation

Exhibit 23: MAAT's OOH adex forecast
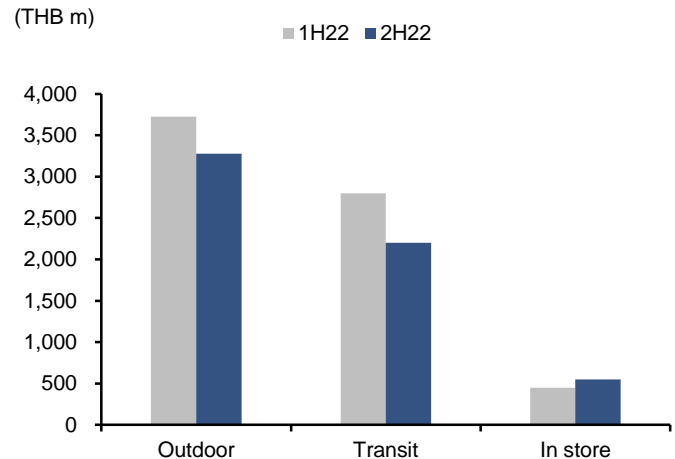
Sources: MAAT; FSSIA's compilation

MAAT anticipates a slowdown in OOH adex during 3Q22 due to the rainy season, and a return by Thai consumers to shopping malls as a priority destination. Therefore, MAAT expects adex to favour in-store media at point of sale as a means of influencing consumer purchasing decisions.

Exhibit 24: Summary of adex forecasts by FSSIA and MAAT

	1H22	1H22	2H22	2H22	---------- Change ----------		2022E	2022E	---------- Change ----------	
	FSSIA	MAAT	FSSIA	MAAT	*FSSIA*	*MAAT*	FSSIA	MAAT	*FSSIA*	*MAAT*
	(THB m)	(THB m)	(THB m)	(THB m)	*(h-h %)*	*(h-h %)*	(THB m)	(THB m)	*(y-y %)*	*(y-y %)*
TV	31,485	30,607	30,904	31,393	*(2)*	*3*	62,389	62,000	*(2)*	*(2)*
Radio	1,583	1,588	1,580	1,412	*(0)*	*(11)*	3,163	3,000	*(3)*	*(12)*
Newspapers	1,162	1,232	1,244	1,268	*7*	*3*	2,406	2,500	*(4)*	*(29)*
Magazines	260	304	306	196	*18*	*(36)*	566	500	*(6)*	*(28)*
Cinema	3,448	3,739	2,366	1,761	*(31)*	*(53)*	5,814	5,500	*70*	*62*
Outdoor	3,530	3,724	3,476	3,276	*(2)*	*(12)*	7,006	7,000	*15*	*16*
Transit	2,308	2,800	2,937	2,200	*27*	*(21)*	5,245	5,000	*45*	*39*
In store	423	450	523	550	*24*	*22*	946	1,000	*40*	*49*
Digital *	4,078	12,212	4,693	15,788	*15*	*29*	8,771	28,000	*9*	*13*
Total	**47,446**	**56,655**	**48,859**	**57,845**	**3**	**2**	**96,305**	**114,500**	**5**	**5**

Note: For digital adex, FSSIA uses data from Nielsen, while MAAT uses data from DAAT
Sources: MAAT; DAAT; FSSIA estimates

Another key reason why MAAT expects a slowdown in OOH adex during 2H22, in our view, could come from its use of different data from a different source. We note that our 1H22 adex figures for outdoor and transit media from Nielsen and those used by MAAT are quite different. We think this could explain why MAAT's 2H22 adex projections indicate a slowdown in 2H22 from the first half of the year.

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Total adex projection by FSSIA may differ from MAAT

The above exhibit shows a difference in the total adex forecast by FSSIA and MAAT that we think is mainly due to the projections on digital media from different sources. We use the monthly data from Nielsen that collects digital adex figures from the top 200 Thai websites. MAAT, on the other hand, uses data from DAAT, which is based on digital advertising data from Kantar. At any rate, we suggest that investors focus mainly on the growth rate – not the total amount of adex.

Adex reported by Nielsen is not 100% accurate

FSSIA's exclusive interview with MAAT also included a discussion of the media mix investigation conducted by MAAT. The agency stated that adex data from Nielsen is not 100% accurate, asserting that achieving 100% accuracy is literally impossible, citing the difference between actual and monitored spending data that varies from brand to brand depending on media mix, brand size, negotiation power and relationship with media owners.

Therefore, MAAT tried to establish how accurate the published figures are via three methods:

1. Comparing Nielsen-monitored adex with ad revenue reported in the annual reports of media owners and financial statements acquired through the Department of Business Development (DBD). This method was applied for TV, outdoor, transit, in-store and cinema adex validation.

2. Comparing Nielsen's reported media rate card with the media agency rate with a percentage discount. This method was applied for newspaper, magazine and radio adex validation.

3. Replacing Nielsen's online monitored adex with digital ad revenue from foreign digital platform providers as reported to the Revenue Department and the DAAT digital advertising report.

MAAT tried to include as many media owners as possible but was unable to cover 100% because its members do not buy from all of them. Instead, roughly 60% coverage was deemed to represent a majority. MAAT then calculated the percentage difference between Nielsen's numbers and those based on figures gleaned from actual financial reports, which was further interpreted to define a discount rate percentage. MAAT recommends applying this formula to Nielsen adex figures to see the real picture of the media spending landscape.

Exhibit 25: TV adjusted adex

TV	Financial Ad	Nielsen	% deduction
Media (Jan-Dec-21)	revenue	Adex	from Nielen Adex
	(THB m)	(THB m)	(%)
TV Total Vendors	**23,887**	**63,661**	
CHANNEL 3*	4,834	15,591	69
MONO29*	1,479	10,629	86
ONE*	3,000	8,834	66
CHANNEL 7**	8,078	8,189	1
WORKPOINT*	2,075	4,993	58
THAIRATH TV**	1,848	2,640	30
CH 8*	755	2,269	67
CHANNEL 9*	475	1,559	70
AMARIN TV*	1,342	1,510	11
Others		7,447	
Total Checked Vendors	**23,887**	**56,213**	*58*
% from total vendors (%)		**88**	

Note: *Media Vendor's Financial Report **Total Revenue from DBD (Department of Business Development)

Exhibit 26: Outdoor adjusted adex

Outdoor	Financial Ad	Nielsen	% deduction
Media (Jan-Dec-21)	revenue	Adex	from Nielsen Adex
	(THB m)	(THB m)	(%)
Outdoor Total Vendors	**2,738**	**6,090**	
PLAN B*	2,638	4,858	46
VGI*	100	264	62
BMN*		3	100
Others		964	
Total Checked Vendors	**2,738**	**5,125**	*47*
% from total vendors (%)		**84**	

Note: *Media Vendor's Financial Report

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According to the above exhibit, we can see that there is a big difference between Nielsen's adex figure of THB63.7b in 2021 compared to the revenue from top TV operators in Thailand that represent 88% of total adex on TV. MAAT found 58% lower total adex than the figures reported by Nielsen when compared to the actual reported revenue from TV companies. The huge discount rate for TV was also found in every other media platform, mainly outdoor, transit, and in-store media.

Exhibit 27: Transit adjusted adex

Transit	Financial Ad revenue (THB m)	Nielsen Adex (THB m)	% deduction from Nielen Adex (%)
Transit Total Vendors	**2,083**	**3,617**	
PLAN B*	274	245	(12)
VGI*	1,480	1,846	20
BMN*	329	942	65
Others		583	
Total Checked Vendors	**2,083**	**3,033**	*31*
% from total vendors (%)		**84**	

Note: *Media Vendor's Financial Report
Source: MAAT

Exhibit 28: In-store adjusted adex

In-Store Media (Jan-Dec-21)	Financial Ad revenue (THB m)	Nielsen Adex (THB m)	% deduction from Nielen Adex (%)
In-Store Total Vendors	**375**	**665**	
PLAN B*	375	458	18
Others		207	
Total Checked Vendors	**375**	**458**	*18*
% from total vendors (%)		**69**	

Note: *Media Vendor's Financial Report
Source: MAAT

Cinema adex has the most discounted rate

Cinema adex had the biggest discount rate compared to other media, with an over 92% discount compared to adex figures reported by Nielsen. In 2021, Nielsen reported total adex from cinema at THB3.4b (there are some differences between FSSIA and MAAT's totals). The same year, Major Cineplex Group (MAJOR TB, BUY, TP THB23), the biggest cinema operator in Thailand with a market share of almost 80%, reported advertising revenue of only THB294m. Therefore, we conclude that there is a big difference between actual advertising revenue and reported cinema adex.

Exhibit 29: Cinema adjusted adex

Cinema	Financial Ad revenue (THB m)	Nielsen Adex (THB m)	% deduction from Nielen Adex (%)
Cinema Total Vendors	**190**	**3,555**	
MAJOR*	190	2,408	92
Others		1,155	
Total Checked Vendors	**190**	**2,401**	*92*
% from total vendors (%)		**68**	

Note: *Media Vendor's Financial Report
Source: MAAT
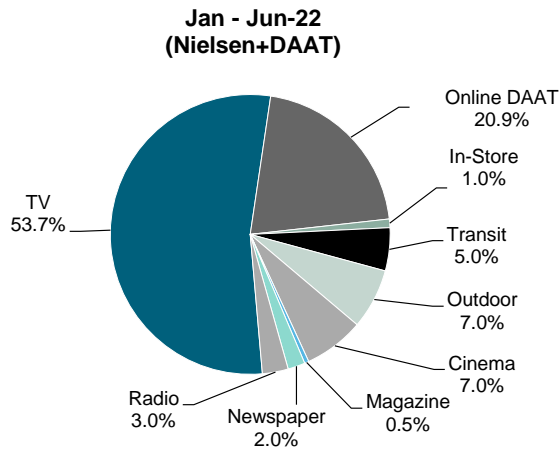
Exhibit 30: Summary of total adex discount rate

	Financial Ad revenue (THB m)	Nielsen Adex (THB m)	% deduction from Nielen Adex (%)
TV	23,887	56,213	58
Outdoor	2,738	5,125	47
Transit	2,083	3,033	31
In-store	375	458	18
Cinema	190	2,401	92
Radio	1,230	1,900	35
Newspaper	1,824	2,463	26
Magazine	307	370	17
Total	**32,634**	**71,963**	*45*

Sources: DAAT; MAAT

In summary, we think that the adex figures reported by Nielsen may exceed the actual revenue gained by media companies due to advertising rate cards not reflecting the actual advertising price. Therefore, this confirms our view that adex estimates can only reflect industry trends, not the magnitude of growth. In our view, monthly adex reports by Nielsen should only be used as a proxy for estimating revenue trends for media companies.

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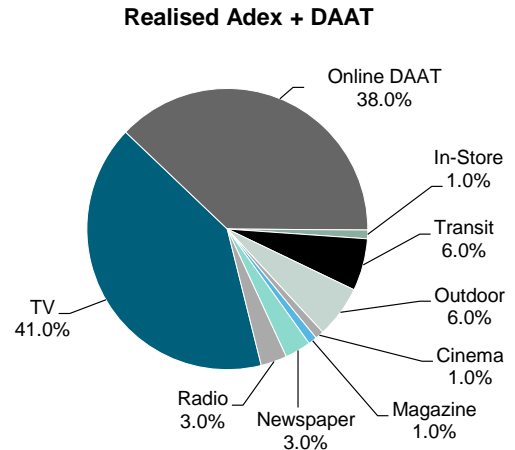## Digital media spending could surpass TV by the end of 2022

If we apply the adex discount rate as calculated by Nielsen and combine it with the digital adex figures from DAAT, the media landscape in Thailand would look entirely different from the current report by Nielsen, with the contribution of digital media jumping from 21% to 38%. On the other hand, TV, the biggest proportion, would fall from 54% to just 41%. Based on this estimate, MAAT expects digital media adex to surpass TV adex by the end of 2022 and become the leading media platform with the highest adex.

Exhibit 31: Media mix landscape

Jan - Jun-22 (Nielsen+DAAT)

TV 53.7%
Online DAAT 20.9%
In-Store 1.0%
Transit 5.0%
Outdoor 7.0%
Cinema 7.0%
Magazine 0.5%
Newspaper 2.0%
Radio 3.0%

Sources: DAAT; MAAT

Exhibit 32: Media mix landscape (adjusted adex)

Realised Adex + DAAT

Online DAAT 38.0%
In-Store 1.0%
Transit 6.0%
Outdoor 6.0%
Cinema 1.0%
Magazine 1.0%
Newspaper 3.0%
Radio 3.0%
TV 41.0%

Sources: DAAT; MAAT

Digital media still growing

In the beginning of 2022, DAAT projected that digital advertising would grow by 9% y-y to THB27b. However, based on 1H22 performance when digital adex grew to THB12b (+10% y-y) as per Exhibit 24, MAAT has a more positive view than DAAT and now expects digital adex to hit THB28b (+13% y-y).

For example, from 2017 until the Covid-19 pandemic began in 2020, the automotive industry was at the top of digital advertising spending. Additional factors boosting digital adex in the post-pandemic era include 1) the arrival in Thailand of various new auto brands promoting their EVs; and 2) the used car market's entry into online sales.

Exhibit 33: Digital advertising growth trend

(THB b)
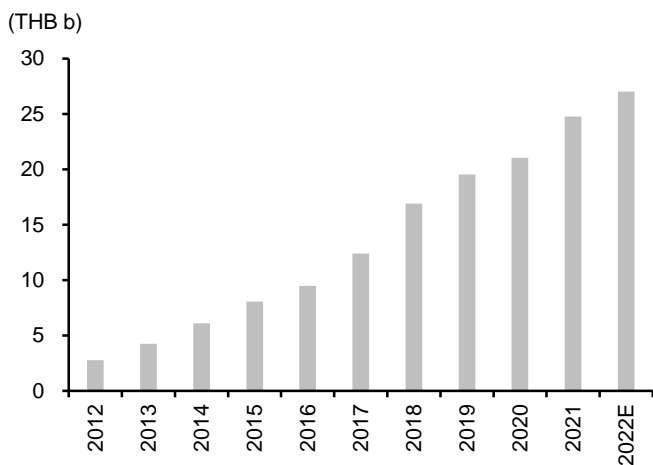
Sources: Kantar; DAAT

Exhibit 34: Top advertising spending by industry

Sources: Kantar; DAAT

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## Online video should post the strongest growth in the future

According to MAAT, the digital platform with the highest growth potential will be online video. The agency expects it to grow by 45% y-y in 2022 to THB2.6b – the highest growth rate of the top 10 platforms – and the proportion of online video spending could jump from 7% to 10%, making it the third highest adex earner in digital media.

We agree with MAAT that online video should dominate future advertising trends, based on our belief that consumers prefer video content, and advertisers – especially those touting expensive brands and products – gain more value and impact from the additional information that the medium provides. In addition, video advertising channels are not limited to key players like Facebook and Youtube anymore, as other channels are developing their own platforms and creating more opportunities to place advertisements, such as WeTV, Viu, 3Plus, and ONED. Furthermore, the technology exists to monetise every touch point of the user, and ad spenders are now able to buy ads using programmatic advertising technology – the automated bidding and placement of ads on a given platform – which allows them to match their target audience needs more accurately.

Exhibit 35: 2021 discipline spending (THB m)
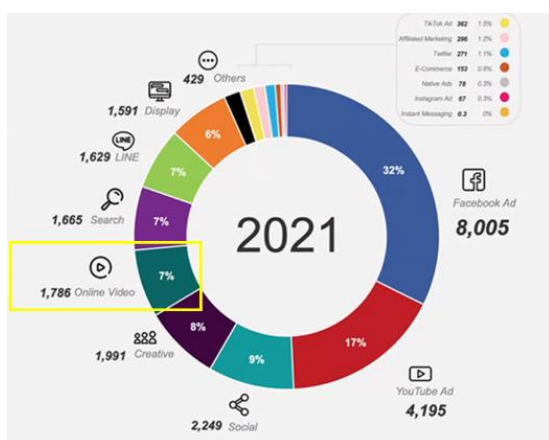
Sources: DAAT; Kantar

Exhibit 36: 2022 discipline spending (THB m)
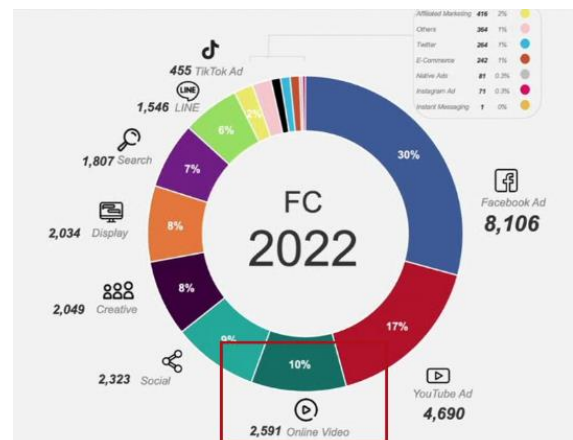
Sources: DAAT; Kantar

According to Amazon, the entertainment landscape is quickly moving beyond cable. Simply put, more people are watching more content in more places than ever before. For example, 90% of Amazon's ad-supported streaming TV audience is watching almost two hours of streaming TV content every day – six times more than they spend eating, drinking, or exercising each day. Streaming TV advertising isn't just a place to reach audiences, it's increasingly becoming the place to turn everyday moments into lasting customer connections, making it an important addition to a brand's media mix.

OTT consumption is growing rapidly

According to the 2022 report, "The Future of TV from Kantar and The Trade Desk," Southeast Asian viewers now stream 9.7b hours of content every month, up from 8b last year. The average viewer now spends 48.6 hours watching OTT every month, a growth rate of 9% y-y, and this figure is already higher than traditional TV's current 42.5 hours per month. The 200m OTT viewers in Southeast Asia (SEA) in 2022 represent an annual growth rate of 11%, or 20 million more new OTT viewers in the past year.

Viewers turn to OTT for their favorite shows — not traditional TV

Younger viewers are driving the growth of OTT: 44% of OTT viewers in SEA are Gen Z or young Millennials, aged 16-34. We think OTT is swiftly disrupting traditional TV in the region. Two major reasons are the availability of quality shows from different regions — typically not found on traditional TV — and the flexibility OTT offers, enabling viewers to watch their favourite shows on their own time, at home or away, on any screen. According to the study, if audiences would like to watch their favourite shows, 56% would tune into OTT compared to only 41% for traditional TV.

Advertising gets more acceptance on OTT platforms

OTT viewers are open to watching ads in exchange for free content. Among the 88% of OTT viewers willing to watch ads in exchange for free content, 89% were willing to watch two or more ads (for a one-hour show).

**Exhibit 37: No. of acceptable ads in one hour of free content**
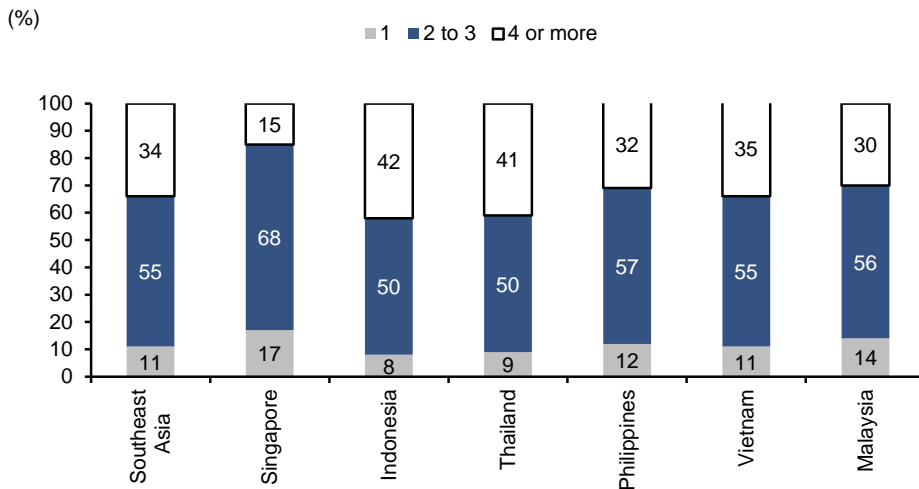
Sources: Trade Desk; Kantar

## Expected solid growth in OTT platforms in Thailand

The Office of The National Broadcasting and Telecommunications Commission (NBTC) has published OTT data collected by Omdia indicating that OTT platforms in Thailand have shown remarkable growth in the past few years with the trend expected to continue in the future. The number of OTT subscribers to subscription video on demand (SVOD) platforms such as Netflix, WeTV, Viu, and others in 2021 is expected to hit 13.3m subs (+12% y-y). For 2022, the NBTC expects an even higher growth rate of 26.5% to 16.8m subs, with 18% further growth expected based on a three-year CAGR from 2021 to 2024 to 21.8m subs.

Exhibit 38: OTT subscriptions
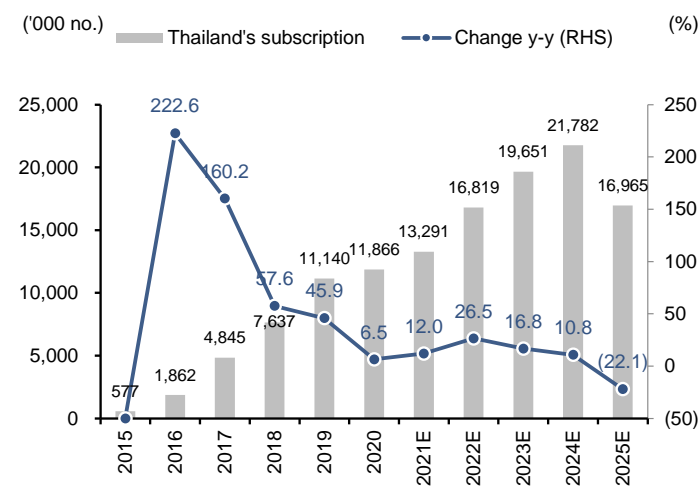
Source: NBTC

Exhibit 39: OTT penetration
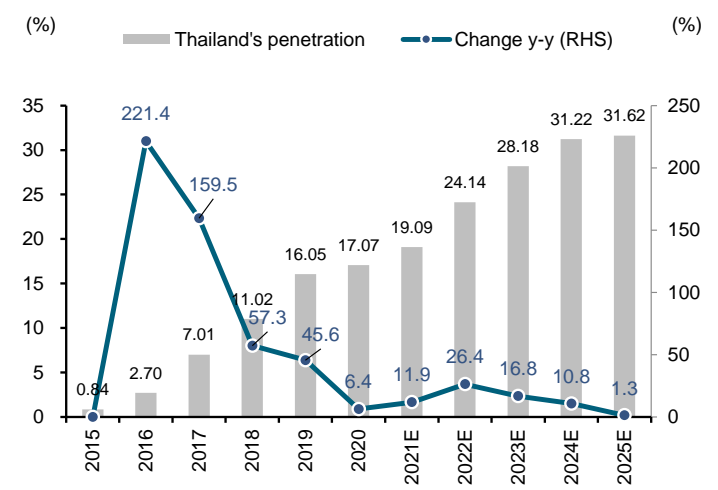
Source: NBTC

As for the penetration rate, Omdia had forecast OTT household penetration in Thailand for 2021 at 19%, which remains low compared to Australia's 85%, and Japan and South Korea at 49% and 42%, respectively, according to data from MPA. Moreover, that figure is also lower than the OTT penetration rate among all consumers surveyed in SEA by Kantar and The Trade Desk at 34%. With the expectation of 26.5% growth in SVOD subscribers in 2022, the household penetration rate in Thailand could jump to 24%.

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OTT could replace traditional TV in the future

Based on all the aforementioned information, in summary, we expect OTT platforms to replace traditional TV in the future. This enormous change in the advertising landscape would see adex from TV shift to online video in the continuation of a trend seen in the past couple years. In our view, all of the data supports our premise that OTT will play a more important role in the future, even though online video, currently at only 4% of TV adex, is still very small compared to TV.

Competition on OTT platforms, especially SVOD, remains high, and there are many new players trying to develop new markets in Thailand such as Amazon Prime. We believe the intense competition will stimulate the adoption rate of OTT and could lead to more rapid changes in consumer behaviour as audiences become more selective in their content choices, which further plays into the strengths of OTT platforms.

Thai content has the potential to grow

MPA also indicated that video content budgets across India, South Korea and Southeast Asia climbed 21% in 2021 to reach USD10.4b and are forecast to grow 15% to US12b in 2022. Verticals included free-to-air (FTA), pay-TV, online video and film with analysis of key players and the production value chain. OTT content was the fastest growing vertical, up 83% y-y to become the second largest vertical with 26% of industry investment. South Korea and India generated particularly strong OTT investment growth, while Thailand and Indonesia contributed significantly. FTA ranked third with 25% of the total.

Some Thai content has succeeded outside of Thailand. Quality production values and strong storylines with a focus on younger online demographics will be the building blocks of future investment strategies, in our view.
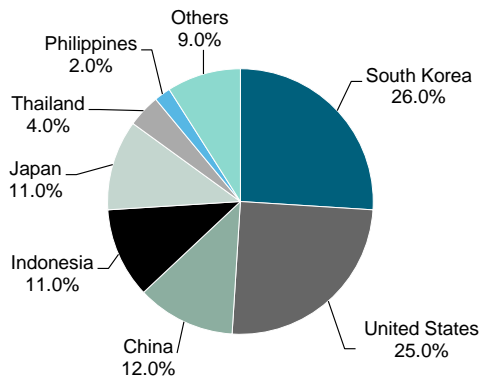
Exhibit 40: Video content investment in India, South Korea, and Southeast Asia
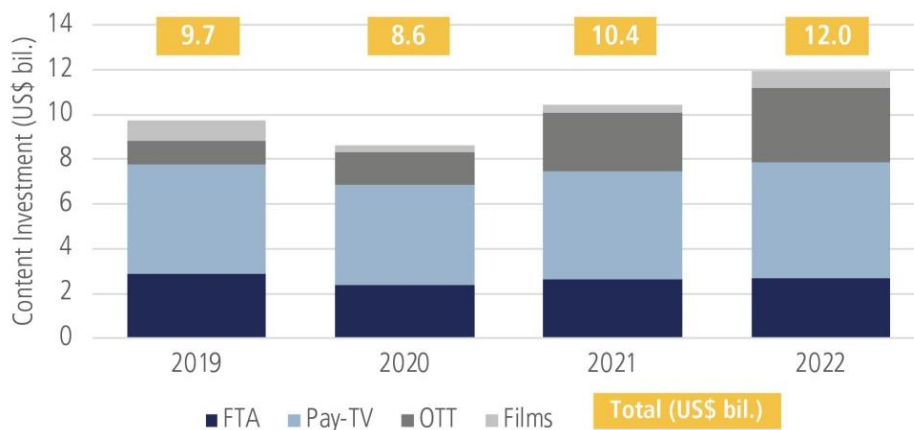
Note: Chart reflects seven markets including India, Indonesia, South Korea, Malaysia, the Philippines, Thailand, and Vietnam
Source: MPA

The data from MPA also indicated that Southeast Asia's premium video consumption was mainly Korean content at 26%. Thai content at 4% was ranked in sixth place, which we think indicates there is still more room to grow. Furthermore, most content producers in Thailand intend to provide more Thai content on international platforms.

Exhibit 41: Southeast Asia premium video consumption by nation of origin (2Q22)

Others 9.0%
Philippines 2.0%
Thailand 4.0%
Japan 11.0%
Indonesia 11.0%
China 12.0%
South Korea 26.0%
United States 25.0%

Note: Aggregate SVOD, AVOD & freemium platform consumption in five SEA markets
Sources: Media Partners Asia; AMPD research

Exhibit 42: Top three platforms' share of premium video streaming minutes in Thailand (1Q22)

Others 41.0%
Netflix 24.0%
WeTV 22.0%
Viu 13.0%
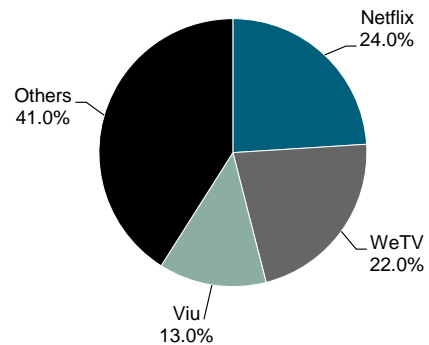
Sources: Media Partners Asia; AMPD research

Moreover, if we combine the total content from this region, we can see that over 66% of Southeast Asian subscribers are watching Asian content, which in our view indicates that the Southeast Asian market supports regional content over US content. Therefore, we believe Thai content should have more opportunity to expand its audience in Southeast Asia. If content creators in Thailand can generate high-quality content, we think it would be accepted by audiences overseas, signalling an opportunity for business expansion that could benefit content creators in Thailand.

BEC and ONEE are moving in the right direction

In our view, all the information mentioned above confirms that the strategy of developing an in-house platform is the right one. Companies with their own platforms should have a better opportunity to gain a new source of revenue, especially via advertising sales on OTT media. Although they may face an opportunity cost in the form of potentially lost sales of their content to other streaming platforms through exclusive content contracts and maximising their selling price, advertising revenue could partially offset the opportunity cost.

BEC World (BEC TB, BUY, TP THB15) launched 3Plus, its own OTT application, in 2020. Current monthly active users (MAUs) number around 11m, while 3Plus memberships have grown to 5m.

Exhibit 43: Monthly active users on 3Plus

12M
3M
11M
Impact from increasing rerun 2021
2020
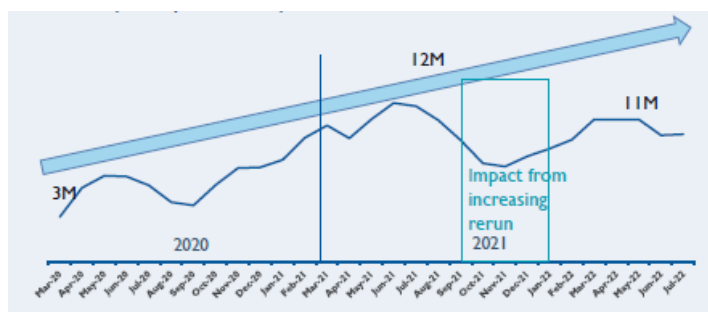
Source: BEC

Exhibit 44: 3Plus memberships

2H/20 - 800K
1H/21 – 1.8M
2H/21 – 3.2M
1H/22 – 4.0M
2H/22 – 5.0M
(Update 31 Jul 22)

Source: BEC

The One Enterprise (ONEE TB, BUY, TP THB12), our top pick in the media sector, recently launched its own OTT platform named ONE D. Within three months, monthly viewership surged from 2.9m in Apr-22 to 35.7m (+1,118%) in Jun-22, while MAU increased to 6.7m from 1.1m (+510%). Total watch time increased to 10m hours, up from 0.72m hours. In our view, ONE D's performance is stellar, with 6.7m MAU gained in just three months, compared to 3Plus, which has gained 11m MAU since its launch in 2020.

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FSSIA: expect 4.7% growth in adex

We revise our adex growth forecast for 2022 down from 7.4% to 4.7% to reflect pressure from the weak economic outlook, high inflation, and weak consumer purchasing power in late 2Q22 and 3Q22. The key revision mainly comes from TV adex as we expect it to fall 2% y-y to THB62.4b, down from our previous expectation of 4% growth this year. On the other hand, we revise up our growth assumption for OOH adex, which includes outdoor, transit, and in-store media, thanks to the recovery in OOH activity following the easing of Covid lockdown rules.

Exhibit 45: Adex growth assumptions by FSSIA

	2021 (THB m)	2022E (THB m)	Change (y-y %)
TV	63,662	62,389	(2.0)
Radio	3,261	3,163	(3.0)
Newspapers	2,506	2,406	(4.0)
Magazines	602	566	(6.0)
Cinema	3,420	5,814	70.0
Outdoor	6,092	7,006	15.0
Transit	3,617	5,245	45.0
In store	676	946	40.0
Digital	8,121	8,771	8.0
Total	**91,957**	**96,305**	**4.7**

Sources: Nielsen; FSSIA estimates

Exhibit 46: 2022 adex growth assumptions by FSSIA vs MAAT

	FSSIA (y-y %)	MAAT (worst case) (y-y %)	MAAT (base case) (y-y %)
TV	(2.0)	(2)	1
Radio	(3.0)	(12)	(12)
Newspapers	(4.0)	(29)	(29)
Magazines	(6.0)	(28)	(28)
Cinema	70.0	62	71
Outdoor	15.0	16	16
Transit	45.0	39	53
In store	40.0	49	79
Digital *	9.2	13	17
Total	**4.7**	**5**	**8**

Note: For digital adex, FSSIA uses data from Nielsen, while MAAT uses data from DAAT
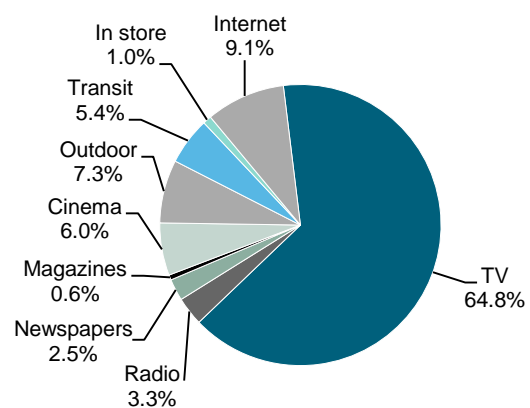Sources: MAAT; FSSIA estimates

More conservative view than MAAT

Our adex growth rate forecast of 4.7% in 2022 is slightly lower than the worst-case scenario projected by MAAT of 5%. However, we believe this is due to the use of different data from difference sources. FSSIA projects adex growth based on Nielsen reports, while MAAT includes digital media adex collected by DAAT in its projections. Therefore, we note that our growth rate projection may be lower than MAAT's due to the non-inclusion of digital media adex from DAAT.

Exhibit 47: Adex outlook
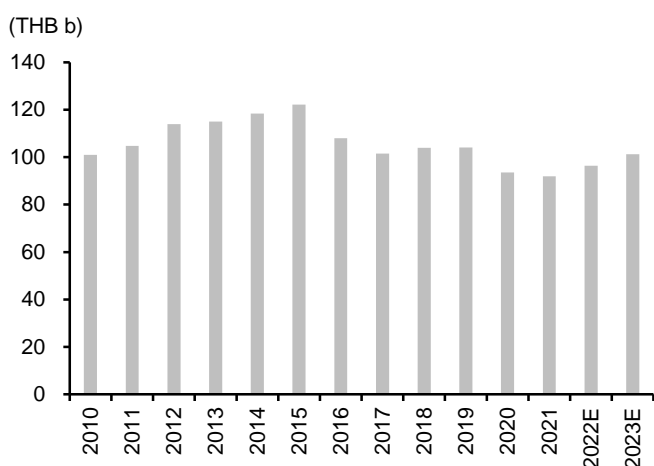
Sources: Nielsen; FSSIA estimates

Exhibit 48: 2022E adex contribution

Sources: Nielsen; FSSIA estimates

FINANSIA

3Q22 outlook

Mixed outlook from management

We asked management at every media company under our coverage about their views regarding adex trends in 3Q22. They responded with widely ranging views, including positive, neutral, and negative outlooks.

On the positive side, BEC favours MAAT's view that 2H22 adex should grow by 3% h-h. However, we think that growth in TV adex should occur in 4Q22, the high season, not 3Q22, which we expect to be flat q-q. BEC is the only TV operator that expects TV adex to grow in 3Q22. ONEE and RS (RS TB, REDUCE, TP THB13.30) expect TV adex to be flat, while Workpoint Entertainment (WORK TB, REDUCE, TP THB16.30) expects it to be flat or slightly negative.

VGI (VGI TB, HOLD, TP THB4.70), on the other hand, believes the recovery in mass transit ridership is still underway, and that adex for transit media should recover gradually throughout this year. We agree with VGI.

For the neutral view, ONEE believes 3Q22 TV adex should be flat from the previous quarter as inflation and economic uncertainty remain the key pressures on TV adex. Note that advertising revenue in Jul-22 was flat from the previous month.

PLANB has a slightly negative view with its utilisation rate for Jul-22 equal to the last two previous months. With Apr-22's utilisation being the highest rate so far this year, pushing the 2Q22 utilisation rate higher to 57%, the utilisation rate for Jul-22 could end up being slightly lower. If the momentum seen in Jul-22 continues throughout 3Q22, we could see flat or slightly negative revenue for PLANB.

Exhibit 49: Adex view from management for each company for 3Q22

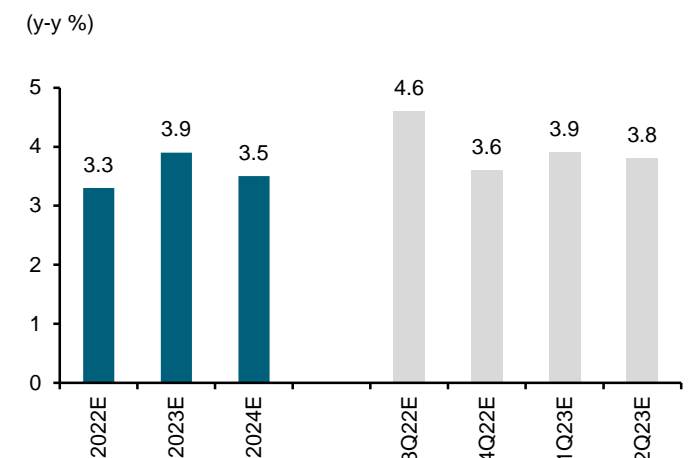| Positive	Neutral	Negative
BEC	ONEE	PLANB
VGI	RS	WORK

Note: Each view based on a different media platform for each company
Sources: BEC; ONEE; WORK; RS; PLANB; VGI

Exhibit 50: GDP growth and adex growth
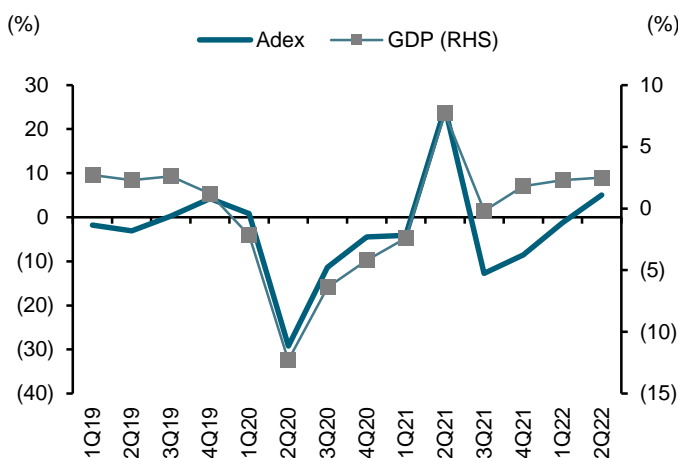
Sources: Bloomberg; Nielsen

Exhibit 51: Bloomberg consensus GDP forecast

Source: Bloomberg

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TV adex expected to be flat

In summary, we conclude that most TV companies have a neutral view on TV adex during 3Q22, which is in line with our expectation. The price of FMCG products is increasing gradually, which could start to affect consumer purchasing power in 3Q22. Although the Bloomberg consensus projects GDP growth during 3Q22 at a high rate of 4.6% y-y, this comes off the low seen in 3Q21 when the Delta variant forced Thailand into a hard lockdown. Therefore, we expect TV adex to be flat in 3Q22, meaning that advertising revenue, which accounts for the highest contribution to total revenue for TV companies (BEC, ONEE, and WORK), would record no growth. Therefore, we think TV company earnings for 3Q22 should be driven by other businesses such as copyright and events.

OOH outlook in 2H22

We believe OOH media could grow at a decelerating rate, especially outdoor and transit adex.

For outdoor adex, we expect a 2% decrease h-h. 3Q22 adex may even be slightly lower than in 2Q22, in line with PLANB's expectation, due to the rainy season, while traffic on the expressways has also started to hit the saturation point at 84-86% compared to the pre-Covid level in 2019. In our view, this means that the number of people traveling around Bangkok has almost reached the ceiling. Moreover, monthly outdoor adex in 2022 has already beat 2019, which seems contradictory because the OOH media revenue of PLANB (excluding the revenue from Aqua (AQUA TB, NR)'s media) is still lower than in 2019. We believe this could be due to the percent discount rate that MAAT mentioned.
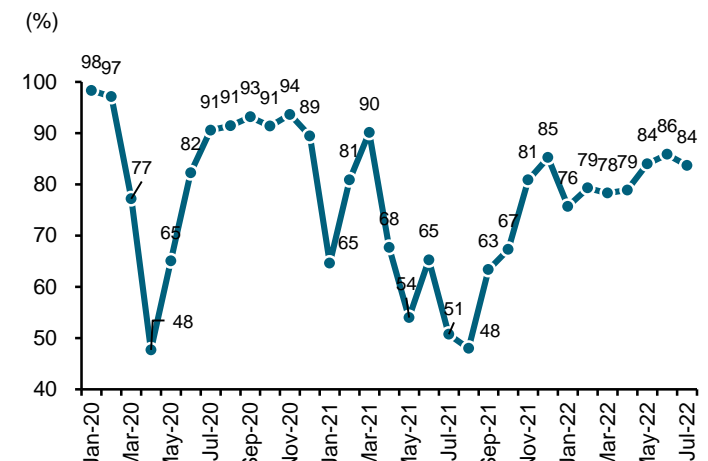
Exhibit 52: Monthly OOH media

Source: Nielsen

Exhibit 53: Percent of expressway traffic compared to pre-Covid
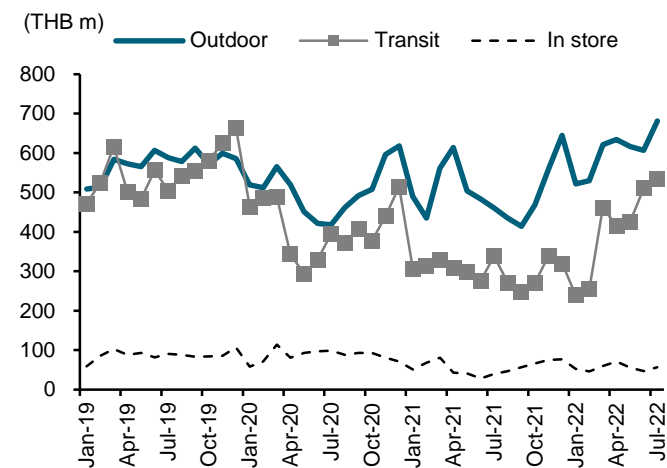
Sources: BEM; FSSIA compilation

For transit adex, we have a slightly more positive view given that mass transit ridership still has room to grow. The current level of ridership on mass transit remains at only 65% of the pre-Covid level, which is a lower recovery rate than other indicators such as expressway traffic and customer traffic in shopping malls.

According to data from Central Pattana (CPN TB, BUY, TP THB85), one of the biggest retail property companies in Thailand, mall traffic during 2Q22 bounced back to almost 85% of the pre-Covid level. This implies that there is pent-up demand for Thai consumers to venture outside their homes. As movement restrictions eased, Thai people tended to visit the shopping malls first. Compared to mass transit services, which mainly serve corporate workers or students, the recovery rate is still far from the normal level. This could imply that many companies are continuing to apply a work-from-anywhere policy. If this trend continues long term, we think it could pose a risk for mass transit services in 2023 as well as for transit media.

Exhibit 54: Percent of mass transit ridership compared to

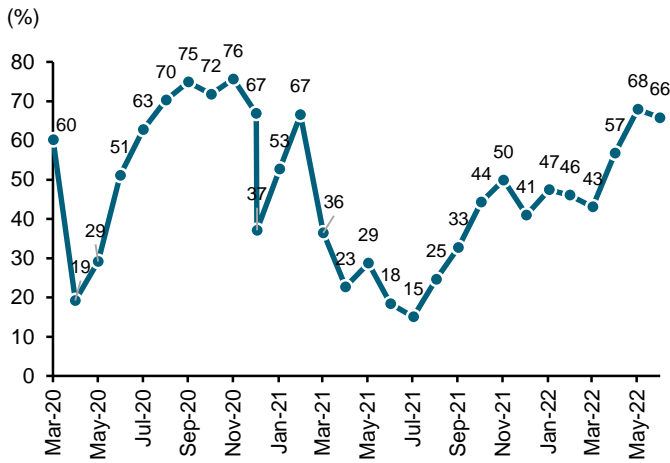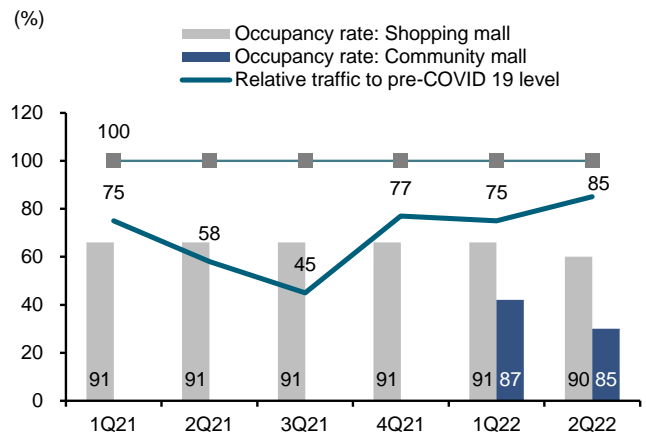**Exhibit 55: Percent of traffic compared to pre-Covid**
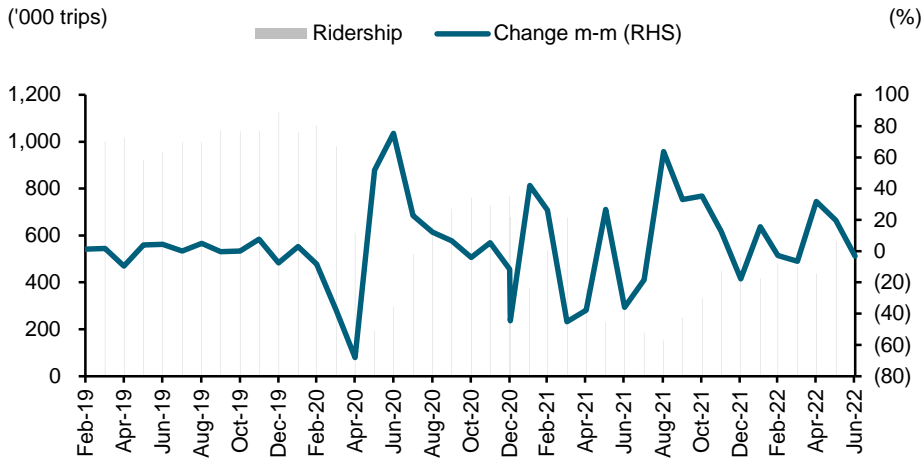
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pre-Covid

Sources: BTSGIF; BEM; FSSIA compilation

Sources: CPN; FSSIA compilation

Exhibit 56: Mass transit ridership and growth

Sources: BTSGIF; BEM; FSSIA compilation

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Media is the most underperforming sector

It took more than three months for the SET index to rebound and get back to 1,663 – where it was at the end of May-22. Since then, the SET index fell to 1,639 (-1.4%) at the end of Aug-22. However, certain industries haven't yet recovered to the levels seen during May-22, and one of the top underperformers is the media sector.

Moreover, all the media companies listed on the SET100, including VGI, PLANB, BEC, ONEE, and MAJOR, are ranked within the bottom 70, which shows that the media sector has taken a big hit since the end of May-22 and still hasn't recovered to its normal level.

In summary, we can conclude that media sector is now a laggard play compared to other sectors. Although its outlook remains unclear due to the economic slowdown, we believe that once it has more visibility, we believe its share price should bounce back significantly.

Exhibit 57: Sector performance

| Sector | ----------- Price -------- | | Change |
	30/08/22	31/05/22	(%)
Electronics	7198.09	5302.89	35.7
Healthcare	7219.43	6706.67	7.6
Fashion	692.96	656.18	5.6
Professional	240.49	230.39	4.4
Banking	386.56	376.56	2.7
Tourism	583.19	568.87	2.5
Property	251.13	246.79	1.8
Energy & Utilities	25704.32	25638.91	0.3
Transport	361.93	363.74	(0.5)
Paper	4726.06	4754.19	(0.6)
Property Fund & REIT	158.43	159.66	(0.8)
Packaging	5504.04	5598.63	(1.7)
Food & Beverage	13174.19	13419.54	(1.8)
Automotive	498.23	510.12	(2.3)
Insurance	14128.01	14529.09	(2.8)
Construction Materials	9381.93	9659.37	(2.9)
Household	29.1	30	(3.0)
Petrochem	1033.64	1090.25	(5.2)
Commerce	36051.65	38477.41	(6.3)
Finance & Securities	4904.2	5354.95	(8.4)
Construction	63.94	70.05	(8.7)
Media	48.94	55.1	(11.2)
Agribusiness	251.1	286.03	(12.2)
ICT	171.24	199.03	(14.0)
Steel	39.75	46.29	(14.1)
Industrial	48.31	56.81	(15.0)
Personal products & pharma	125.32	161.31	(22.3)

Sources: Bloomberg; FSSIA compilation

Exhibit 58: SET100 share price performance (rank 70-100)

| Rank | Stock | Sector | --------- Price -------- | | Chg. |
			30/08/22	31/05/22	(%)
70	CBG	Food & Beverage	101.5	110.5	(8.1)
71	EA	Energy & Utilities	82.25	89.75	(8.4)
72	ONEE	Media & Publishing	10.3	11.3	(8.8)
73	KEX	Transport & Logistic	21.3	23.4	(9.0)
74	BEC	Media & Publishing	14.1	15.5	(9.0)
75	BCPG	Energy & Utilities	10.7	11.8	(9.3)
76	AP	Property Development	10.1	11.2	(9.8)
77	TQM	Insurance	42.75	47.75	(10.5)
78	SUPER	Energy & Utilities	0.76	0.85	(10.6)
79	MAJOR	Media & Publishing	19.1	21.4	(10.7)
80	OSP	Food & Beverage	31	34.75	(10.8)
81	ADVANC	ICT	193.5	217	(10.8)
82	IVL	Petrochem & Chemical	43.75	49.25	(11.2)
83	SINGER	Commerce	46	52.75	(12.8)
84	AEONTS	Finance & Securities	166.5	191	(12.8)
85	SAWAD	Finance & Securities	48.25	55.5	(13.1)
86	PLANB	Media & Publishing	6.75	7.8	(13.5)
87	MTC	Finance & Securities	42.5	49.25	(13.7)
88	GUNKUL	Energy & Utilities	5	5.8	(13.8)
89	RBF	Food & Beverage	13.6	15.8	(13.9)
90	STA	Agribusiness	21.2	24.7	(14.2)
91	TIDLOR	Finance & Securities	28.75	33.5	(14.2)
92	JMART	ICT	51.5	60.75	(15.2)
93	KCE	Electronic Component	55	66	(16.7)
94	VGI	Media & Publishing	4.42	5.35	(17.4)
95	STARK	Ind Material & Machine	4.08	4.96	(17.7)
96	TTA	Transport & Logistic	8.3	10.1	(17.8)
97	DOHOME	Commerce	15.2	19	(20.0)
98	PSL	Transport & Logistic	14.5	19.8	(26.8)
99	RCL	Transport & Logistic	33.5	46.25	(27.6)
100	STGT	Personal Prod&Pharma	13.7	20.1	(31.8)

Sources: Bloomberg; FSSIA compilation

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ONEE and PLANB are our top picks for 2H22

We prefer ONEE and PLANB as our sector top picks for 2H22: ONEE, as a laggard play with a discount valuation, and PLANB as a recovery play. Moreover, both companies have a solid outlook in terms of earnings growth. These two companies' 1H22 earnings account for the highest proportion of our 2022 earnings forecasts on a company-by-company basis, with ONEE at 48% and PLANB at 46% of our full-year forecast.

Moreover, we expect ONEE's earnings in 2022 to reach another record high (+8% y-y), despite the uncertain economic outlook, and PLANB should be able to turn a profit this year compared to its THB24m loss in 2021. Therefore, we are sure that 2H22 will be a crucial period for these two companies' earnings to meet our projections for the entire year. As a result of their decent 1H22 earnings, we think it is safe to state that these two companies have the lowest earnings downsides in the sector and should see the least earnings revisions if unfavourable variables arise, which typically affect all media companies simultaneously.

Exhibit 59: Media company earnings forecasts in 2022 and 1H22 performance

	2022E	Change	1H22	% of full-year estimates
	(THB m)	(%)	(THB m)	(%)
BEC	816	1	318	39
ONEE	895	8	429	48
MAJOR	452	nm	84	19
PLANB	568	nm	264	46
RS	223	75	75	34
VGI	314	nm	(181)	(58)
WORK	156	(53)	60	38
Total	3,424	60.9	1,049	31

Source: FSSIA estimates

Exhibit 60: Media company share price performance

30/08/22	52W Hi Date	52W High	52W Low	-------- Price performance --------				
				1M	3M	6M	1Y	YTD
BEC	3/21/2022	17.90	11.80	13	(10)	(15)	8	-
WORK	4/19/2022	32.50	17.90	(1)	(23)	(17)	(17)	(16)
RS	1/5/2022	22.70	14.70	1	(2)	(8)	(21)	(28)
MAJOR	10/15/2021	23.40	18.10	(7)	(11)	(5)	(10)	(5)
VGI	11/19/2021	6.96	4.18	1	(14)	(24)	(26)	(30)
PLANB	1/12/2022	8.65	5.62	12	(13)	(15)	14	(12)
ONEE	3/25/2022	13.10	8.70	8	(9)	(16)	n/a	(5)

Source: Bloomberg

Key elements that we like about ONEE include:

1. Its TV ratings are on a growth trend. According to Nielsen, ONE31 channel became the third highest rated TV channel in Aug-22 for the first time since its inception. This was due to the weekly TV ratings report by TVdigitalwatch that showed ONE31 ranked third in TV ratings for four consecutive weeks in Aug-22, with a TV rating number ranging from 0.699 to 0.967. Moreover, in the last week of Aug-22, ONE31's rating was 0.967, just short of second-ranked BEC's CH3 rating at 1.089.

Exhibit 61: ONEE's TV rating vs total rating
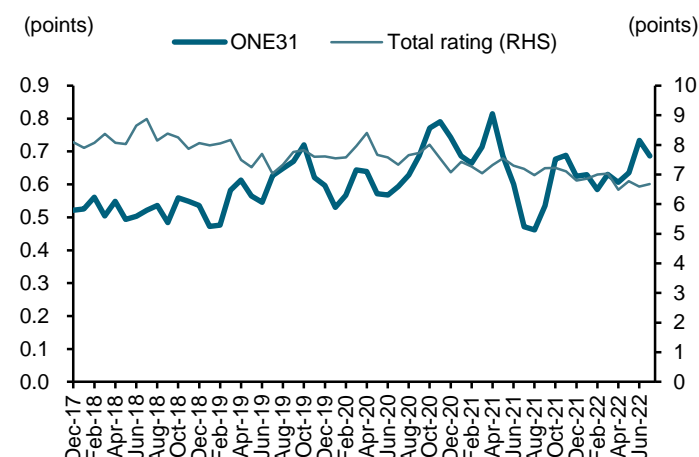
Sources: Nielsen; TV Digital Watch

Exhibit 62: Top 10 TV ratings during Aug-22 (weekly)

	1-7	8-14	15-21	22-28
CH7	1.397	1.425	1.372	1.43
CH3	1.006	1.055	1.076	1.089
ONE31	0.699	0.788	0.843	0.967
MONO 29	0.663	0.689	0.682	0.65
WORKPOINT TV	0.613	0.601	0.633	0.594
THAIRATH TV	0.563	0.538	0.593	0.583
AMARIN TV	0.552	0.517	0.531	0.546
CH8	0.32	0.301	0.295	0.276
TRUE4U	0.191	0.209	0.214	0.192
PPTV	0.169	0.215	0.178	0.184

Sources: Nielsen; TV Digital Watch

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TV rating is the key to almost everything for a TV company. Therefore, the growth in its TV rating should be a key driver for ONEE to demand a higher advertising price and gain more interest from ad spenders.

2. The bright outlook for its OTT platform that we mentioned earlier should also be a key driver for ONEE, as one of the biggest content providers in Thailand. ONEE is the only listed company that has partnered with Netflix to produce a Thai drama series. We think this represents the strength of the company in gaining the trust of one of the biggest OTT platforms. With its own artists, studios, production teams, and scriptwriters, we think ONEE can facilitate and support the growth of its OTT business. Lastly, developing its own OTT platform could be the key to survival for the company long term if the trend of OTT audience growth continues at the expense of TV viewership.

3. The company is still trading at the lowest P/E multiple compared to other TV companies, despite being the company expected to have the highest earnings growth this year.

**Key elements that we like about PLANB include:**

1. Even though PLANB's management expects flat or slightly negative revenue in 3Q22, we expect the decrease in this quarter to be manageable. PLANB's 2Q22 earnings of THB175m were its highest earnings by quarter in the past three years since Covid hit Thailand. If PLANB can achieve the same level of earnings in 3Q22 as it did in 2Q22, its 9M22 earnings would already account for 77% of our full-year forecast, with 4Q typically the high season for adex. Therefore, we have confidence that PLANB's earnings growth target for this year is achievable.

2. We like PLANB's business plan that targets other businesses besides OOH advertising. Sports entertainment such as combat sports and running still has a few organizers. We believe that if PLANB succeeds in hosting more sports events, then the celling would be very high.

3. The synergy with AQUA's media could be a key upside for the company in the long term. Although the current performance of AQUA's media is still unexciting, having just reached the breakeven point in 2Q22, we believe that synergies in the form of new price packages, and non-performing asset write-offs for portions of its OOH media, which is the main business of PLANB, should help it see solid growth in 2023.

Exhibit 63: PLANB's OOH revenue capacity and utilisation rate
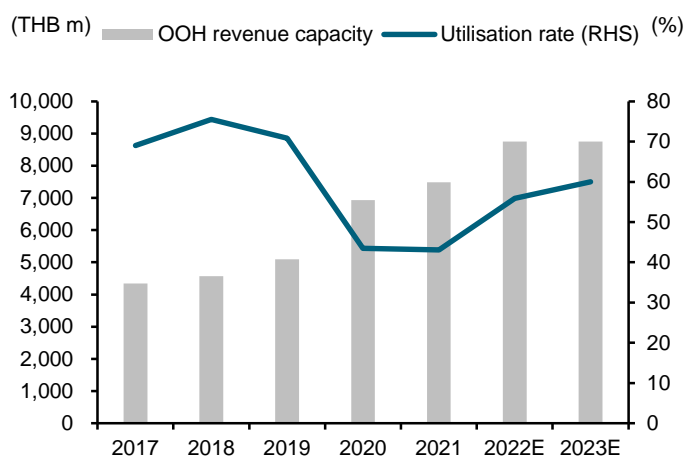
Sources: PLANB; FSSIA estimates

Exhibit 64: PLANB's revenue and core profit

Sources: PLANB; FSSIA estimates

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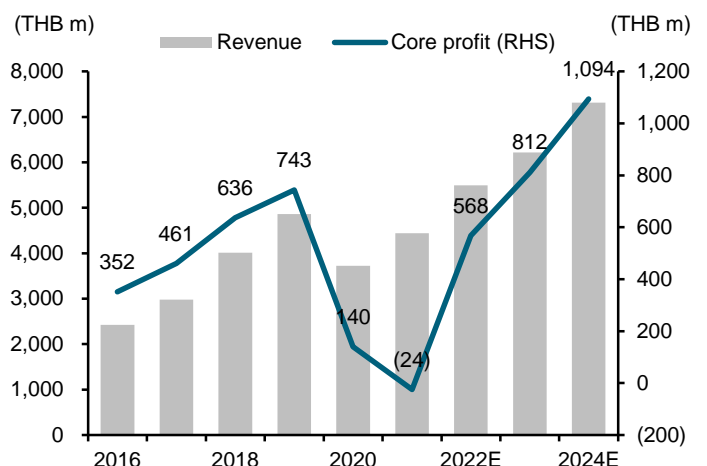
Exhibit 65: Peers comparison

| Company | BBG | ---------- Share price --------- | | | Market Cap | ----- PE ----- | | ----- ROE ----- | | ----- PBV ----- | | -- EVEBITDA -- | |
		Current	Target	Upside		22E	23E	22E	23E	22E	23E	22E	23E
		(LCY)	(LCY)	(%)	(USD m)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
TV													
Bec World	BEC TB	14.00	15.00	7.1	763	34.3	28.1	12.8	14.5	4.2	3.9	8.4	7.7
Workpoint Entertainment	WORK TB	18.60	16.30	(12.4)	224	52.6	28.5	3.4	6.2	1.8	1.7	11.8	8.7
The One Enterprise	ONEE TB	10.00	12.00	20.0	649	26.6	22.4	12.7	14.1	3.3	3.0	9.4	8.2
TV avg.					**1,635**	**37.8**	**26.3**	**9.6**	**11.6**	**3.1**	**2.9**	**9.9**	**8.2**
Out of home													
Vgi	VGI TB	4.28	4.70	9.8	1,305	156.3	49.9	1.1	3.3	1.7	1.6	49.9	35.3
Plan B Media	PLANB TB	6.45	7.60	17.8	752	48.6	34.0	7.2	9.2	3.1	3.1	11.9	11.1
Out of home avg.					**2,057**	**102.4**	**42.0**	**4.1**	**6.2**	**2.4**	**2.3**	**30.9**	**23.2**
Others													
Rs	RS TB	15.30	13.30	(13.1)	400	66.8	37.8	10.0	16.5	6.5	6.0	19.8	16.5
Major Cineplex Group	MAJOR TB	18.90	23.00	21.7	461	37.4	19.0	6.5	13.0	2.5	2.4	10.0	7.9
Overall					**4,553**	**60.4**	**31.4**	**7.7**	**11.0**	**3.3**	**3.1**	**17.3**	**13.6**

Share prices as of 1 Sep 2022
Sources: Bloomberg; FSSIA estimates

Exhibit 66: ONEE - Rolling one-year forward P/E band

ONEE PER (x)
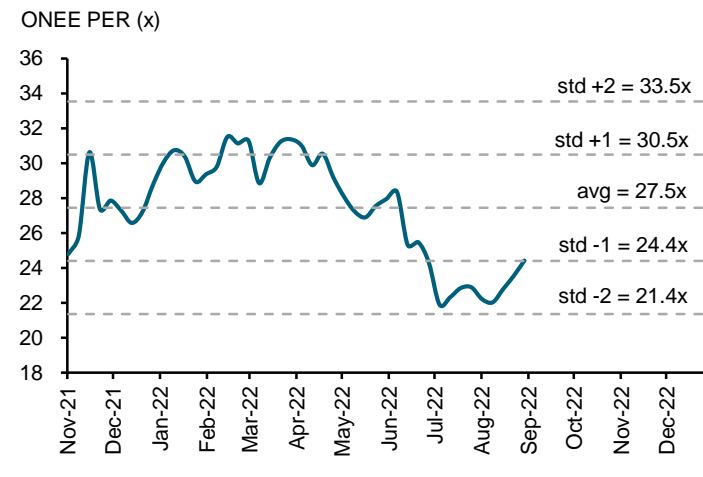
Sources: Bloomberg; FSSIA estimates

Exhibit 67: PLANB - Rolling one-year forward P/E band

PLANB PER (x)

Sources: Bloomberg; FSSIA estimates

FINANSIA
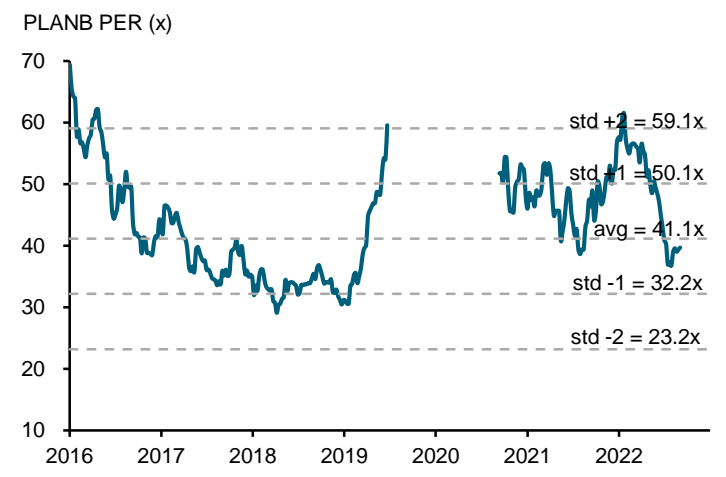
Corporate Governance report of Thai listed companies 2021

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	SSSC	TIPCO	TVO
AH	BGC	CPN	GLAND	KKP	MVP	PPS	SC	SST	TISCO	TWPC
AIRA	BGRIM	CRC	GLOBAL	KSL	NCL	PR9	SCB	STA	TK	U
AKP	BIZ	CSS	GPI	KTB	NEP	PREB	SCC	STEC	TKT	UAC
AKR	BKI	DDD	GPSC	KTC	NER	PRG	SCCC	STI	TMT	UBIS
ALT	BOL	DELTA	GRAMMY	LALIN	NKI	PRM	SCG	SUN	TNDT	UV
AMA	BPP	DEMCO	GULF	LANNA	NOBLE	PROUD	SCGP	SUSCO	TNITY	VGI
AMATA	BRR	DRT	GUNKUL	LH	NSI	PSH	SCM	SUTHA	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SVI	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFCO	SYMC	TPBI	WAVE
AOT	BWG	EA	HMPRO	LPN	NYT	PTT	SEAOIL	SYNTEC	TQM	WHA
AP	CENTEL	EASTW	ICC	MACO	OISHI	PTTEP	SE-ED	TACC	TRC	WHAUP
ARIP	CFRESH	ECF	ICHI	MAJOR	OR	PTTGC	SELIC	TASCO	TRU	WICE
ARROW	CHEWA	ECL	III	MAKRO	ORI	PYLON	SENA	TCAP	TRUE	WINNER
ASP	CHO	EE	ILINK	MALEE	OSP	Q-CON	SHR	TEAMG	TSC	ZEN
AUCT	CIMBT	EGCO	ILM	MBK	OTO	QH	SIRI	TFMAMA	TSR	
AWC	CK	EPG	INTUCH	MC	PAP	QTC	SIS	TGH	TSTE	
AYUD	CKP	ETC	IP	MCOT	PCSGH	RATCH	SITHAI	THANA	TSTH	
BAFS	CM	FPI	IRPC	METCO	PDG	RS	SMK	THANI	TTA	
BANPU	CNT	FPT	ITEL	MFEC	PDJ	S	SMPC	THCOM	TTB	
BAY	COM7	FSMART	IVL	MINT	PG	S & J	SNC	THG	TTCL	
BBL	COMAN	GBX	JSP	MONO	PHOL	SAAM	SONIC	THIP	TTW	
BCP	COTTO	GC	JWD	MOONG	PLANB	SABINA	SPALI		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	WIIK
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	TPIPP	WIN	
B52	CCP	F&D	JAK	M-CHAI	PAF	SABUY	STARK	TPLAS	WORK	
BEAUTY	CGD	FMT	JR	MCS	PF	SF	STC	TPOLY	WPH	

Disclaimer:

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

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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	
AMANAH	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	WIIK	
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)

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 th e 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 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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GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Naruedom Mujjalinkool FSS International Investment Advisory Securities Co., Ltd

Company	Ticker	Price	Rating	Valuation & Risks
BEC World	BEC TB	THB 14.00	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 18.60	REDUCE	The key upside risks to our P/E-based TP are stronger-than-expected TV adex, high risks for high returns in the movie business, and less competitiveness in TV ratings.
The One Enterprise	ONEE TB	THB 10.00	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 4.28	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 6.45	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 15.30	REDUCE	The key upside risks to our SoTP-based TP are 1) if its new commerce products succeed in attracting consumer interest; and 2) the recovery in the Thai economy is faster than our expectation.
Major Cineplex Group	MAJOR TB	THB 18.90	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.
Central Pattana	CPN TB	THB 69.50	BUY	Key downside risks to our DCF-derived TP are deviations to our estimates on rental rate, occupancy rate, returns on its new investments, capex and interest rate.

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-Sep-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.

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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.

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