

MAJOR CINEPLEX GROUP

THAILAND / RECREATION FACILITIES & SVCS

MAJOR TB

BUY

UNCHANGED

The time has come

- Expected softer 3Q22 core earnings at THB59m (-28% q-q).
- We are confident about MAJOR's earnings growth in 2023, driven by numerous blockbusters.
- The decline in MAJOR's share price is an opportunity to re-invest. Maintain BUY with a new 2023 TP of THB22.

TARGET PRICE	THB22.00
CLOSE	THB18.20
UP/DOWNSIDE	+20.9%
PRIOR TP	THB23.00
CHANGE IN TP	-4.3%
TP vs CONSENSUS	-9.8%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	3,010	6,038	7,668	9,948
Net profit	1,581	251	775	1,048
EPS (THB)	1.77	0.28	0.87	1.17
vs Consensus (%)	-	(48.7)	(18.2)	(8.5)
EBITDA	(99)	1,522	1,972	2,255
Core net profit	(528)	251	775	1,048
Core EPS (THB)	(0.59)	0.28	0.87	1.17
Chg. In EPS est. (%)	nm	(44.4)	(12.7)	(2.5)
EPS growth (%)	nm	nm	208.8	35.2
Core P/E (x)	(30.8)	64.9	21.0	15.5
Dividend yield (%)	8.8	1.4	4.3	5.8
EV/EBITDA (x)	(177.2)	10.9	8.2	7.1
Price/book (x)	2.3	2.5	2.4	2.3
Net debt/Equity (%)	14.9	2.4	(2.8)	(5.1)
ROE (%)	(7.7)	3.6	11.5	14.9

Expected softer 3Q22 earnings

Given that there is a lack of notable movies in 3Q22, we expect MAJOR's core earnings to soften q-q to THB59m (-28% q-q). However, we expect the company's revenue to grow by 3% q-q to THB1.7b – even though cinema revenue could fall – as all other businesses should see continuous growth. Its operating profit should also improve thanks to its cost control, from a loss in 2Q22 of THB1m to a THB29m profit in 3Q22. Note that in 3Q22 MAJOR should book three key extra items: 1) a gain from the share divestment of Thai Ticket Major; 2) an insurance claim; and 3) a potential loss from a non-cash item relating to the Major Cineplex Lifestyle Leasehold Property Fund (MJLF TB, NR) contract.

2023 outlook remains strong

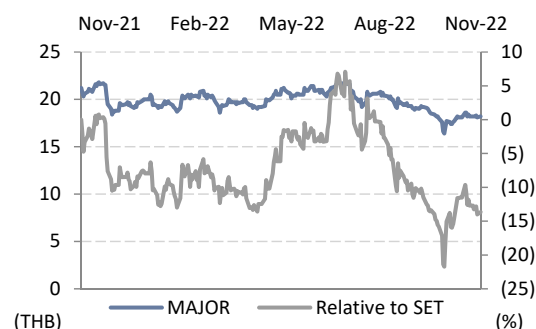
We believe that MAJOR should post a solid earnings improvement in 2023, despite the uncertainty over the box office performance and consumer purchasing power. According to our scenario analysis, the top 20 movies in the lineup for 2023 have the potential to book at least THB2.4b in box office revenue. This would be 31% lower than the pre-Covid level in 2019 as most movies in 2023 are sequels continuing on from previous years.

Earnings estimate cut for 2023

Following our 2023 box office revenue analysis, according to our base case scenario, we are more confident in MAJOR's revenue growth potential. Thus, we increase our 2023 revenue forecast by 18% to THB7.7b, mainly due to cinema revenue. However, we expect the company's 2023 GPM to be lower than our previous expectation due to the revenue sharing model and higher electricity cost. As a result, we cut our earnings estimate for 2023 by 13% to THB775m. Despite our earnings cut for 2023, we still believe MAJOR should perform strongly starting from 1Q23.

An opportunity to BUY on weakness with a new TP of THB22

In our previous report, we had recommended a wait-and-see approach, with the possibility of re-investing in MAJOR in early Nov-22. Accordingly, we believe this is a good time to re-invest in MAJOR, and expect movies in 4Q22 to post solid box office returns. MAJOR's potential net profit of THB775m in 2023 could result in a dividend yield of 4.3% p.a., which would make its share price at this level more attractive, in our view. Maintain BUY with a new 2023 SoTP-based TP of THB22.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	2.8	(11.7)	(14.6)
Relative to country (%)	1.6	(13.4)	(13.8)
Mkt cap (USD m)	427		
3m avg. daily turnover (USD m)	2.3		
Free float (%)	49		
Major shareholder	Vicha Poolvaraluk (30%)		
12m high/low (THB)	22.40/16.30		
Issued shares (m)	894.67		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

Major Cineplex (MAJOR) is Thailand's leading lifestyle entertainment company and was established in 1995 with cinema ownership and operations as its core business. The company is the biggest cinema operator in Thailand, with a total of 833 screens and 177 locations nationwide and internationally.

We expect MAJOR to turn a solid profit starting from 4Q22 onward – most of the blockbusters should start to show in cinemas in that quarter thanks to the global vaccination rollout and a decline in the number of Covid-19 cases. MAJOR is a dividend play company that typically pays 90% of its payout ratio, reflecting a 4-6% dividend yield p.a.

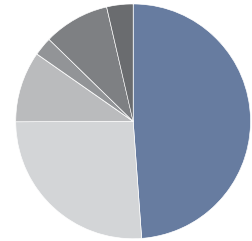
Company profile

MAJOR operates five core businesses, namely 1) cinemas; 2) entertainment; 3) retail space bowling; 4) film distribution; and 5) advertising media.

www.majorcineplex.com

Principal activities (revenue, 2021)

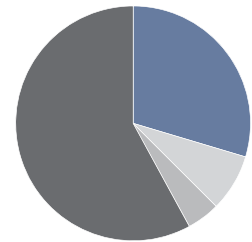
- Cinema - 48.8 %
- Concession - 26.1 %
- Advertisement - 9.8 %
- Entertainment - 2.6 %
- Rental - 9.1 %
- Movie content - 3.6 %



Source: Major Cineplex Group

Major shareholders

- Vicha Poolvaraluk - 29.6 %
- Nortrust Nominees LTD-CL AC - 7.9 %
- GIC Private Limited - 4.6 %
- Others - 58.0 %



Source: Major Cineplex Group

Catalysts

- Its financial results should improve significantly in 2022 and 2023;
- A lot of blockbusters in 4Q22 and 2023;
- Solid dividend yield track record at 4-6% p.a.

Risks to our call

The key downside risks to our SoTP-based TP are a slower-than-expected recovery in domestic consumption, the growing popularity of online movies, and the new wave of Covid.

Event calendar

Date	Event
Nov-22	3Q22 results announcement

Key assumptions

	2021	2022E	2023E	2024E
Average ticket price (THB)	166	166	166	168
Guest count (m)	8.9	19.0	25.0	32.5

Source: FSSIA estimates

Earnings sensitivity

- For every 1 million increase in cinema guest count, we project 2023 earnings to rise by 2.6%, and vice versa, all else being equal;
- For every 1% increase in cinema profit margin, we project 2023 earnings to rise by 4.5%, and vice versa, all else being equal.

Source: FSSIA estimates

2023 movies have the potential to compete with golden years like 2018 & 2019

Looking back to 2018 and 2019, the years when MAJOR posted the all-time highest box office revenues of THB5.6b and THB5.9b, respectively, there were several blockbusters that generated strong box office revenues. If we look forward to the movie lineup next year, most of the top movies with the highest performance potential in 2023 are sequels continuing on from previous years. That legacy should be the base for the box office revenue estimate for 2023.

Exhibit 1: Comparison between 2023 movie lineup and previous movies

Year	Previous movies	Box office revenue (THB m)	2023 movie lineup	Box office revenue estimates (THB m)
2017	Transformers: The Last Knight	441	Transformers: Rise of the Beasts	340
2017	The Fate of The Furious: Fast & Furious 8	441	Fast X	340
2018	Mission: Impossible: Fallout	160	Mission: Impossible - Dead Reckoning - Part One	160
2019	Captain Marvel	287	The Marvels	160
2019	John Wick: Chapter 3	144	John Wick: Chapter 4	140
2018	Ant-Man and the Wasp	138	Ant-Man and the Wasp: Quantumania	120
2018	Aquaman	280	Aquaman and the Lost Kingdom	100
2018	The Meg	104	The Meg 2: The Trench	100
2017	Guardians of the Galaxy Vol. 2	139	Guardians of the Galaxy Vol. 3	100
2019	Shazam	86	Shazam! Fury of the Gods	84
2019	Spider-Man: Into the Spider-Verse	56	Spider-Man: Across the Spider-Verse - Part One	80
2008	Indiana Jones and the Kingdom of the Crystal Skull	51	Indiana Jones 5	80
Total		2,327	Total	1,804
			Discount (%)	(22.5)

Sources: MAJOR; FSSIA estimates

Exhibit 2: Box office revenue estimate for 2023 compared with 2018 and 2019

2018	2019	2023E
Movies	Movies	Movies
Box office revenue (THB m)	Box office revenue (THB m)	Box office revenue (THB m)
Avengers: Infinity War	Avengers: Endgame	Transformers: Rise of the Beasts
753	753	340
Jurassic World: Fallen Kingdom	Spider-Man: Far From Home	Fast X
365	298	340
Nakee 2 (TH)	Captain Marvel	Mission: Impossible - Dead Reckoning - Part One
285	287	160
Aquaman	Fast & Furious Presents: Hobbs & Shaw	The Marvels
280	244	160
Black Panther	Tootsies & The Fake (TH)	John Wick: Chapter 4
219	197	140
Brother of the Year (TH)	Maleficent: Mistress of Evil	Ant-Man and the Wasp: Quantumania
175	171	120
Mission: Impossible – Fallout	Frozen II	Madam Web
160	149	100
Venom	Friend Zone (TH)	Aquaman and the Lost Kingdom
150	148	100
Fantastic Beasts: The Crimes of Grindelwald	John Wick: Chapter 3 – Parabellum	The Meg 2: The Trench
150	144	100
Deadpool 2	How to Train Your Dragon: The Hidden World	The Little Mermaid
144	138	100
Ant-Man and the Wasp	Joker	Guardians of the Galaxy Vol. 3
138	126	100
Rampage	Godzilla: King of the Monsters	Shazam! Fury of the Gods
135	119	84
The Meg	The Lion King	Dune: Part Two
104	113	80
Bumblebee	Alita: Battle Angel	Haunted Mansion
100	106	80
Maze Runner: The Death Cure	Pee Nak (TH)	Spider-Man: Across the Spider-Verse - Part One
99	104	80
Pacific Rim: Uprising	Aladdin	The Flash
98	93	80
Jumanji: Welcome to the Jungle	Shazam!	Indiana Jones 5
93	84	80
9 Satra (TH)	It Chapter Two	Blade
77	80	70
Khun Pun 2 (TH)	Jumanji: The Next Level	Scream 6
73	77	50
Bikeman (Bike Mankarakatakin) (TH)	One Piece: Stampede	Others
70	49	50
Total top 20 box office revenue	3,392	2,414
		Difference from 2019 (%)
		(31)

Sources: MAJOR; FSSIA estimates

If we compare and estimate the box office revenue for the top movie lineup during 2023, the top 20 movies have the potential to generate at least THB2.4b. That figure is 31% lower than in 2019, which is the year that MAJOR's cinema revenue hit an all-time high, as well as its core profit. We believe our estimate is already conservative because we have not yet included the wildcard Thai movies that also have the potential to reach the top 20 in terms of box office revenue in 2023. In the past, about 3-5 Thai movies per year usually made it to the top 20. Moreover, there was always at least one movie that earned THB100m in box office revenue or more. Therefore, we leave this expectation as an upside to our estimate.

Exhibit 3: Scenario analysis for 2023

	2019	Worst case	Base case	Best case
% guest count vs pre-Covid (%)	100	60	73	80
Guest count (m)	34.2	21	25	27
ATP (THB)	173	166	166	166
Cinema revenue (THB m)	5,856	3,486	4,150	4,544
Concession revenue (THB m)	2,097	1,569	1,868	2,045
Advertising revenue (THB m)	1,584	735	875	958
Total cinema-related revenue (THB m)	9,536	5,790	6,893	7,548
Others revenue (THB m)	1,161	775	775	775
Total revenue (THB m)	10,697	6,565	7,668	8,323
Cinema GPM (%)	14.6	10	12	14
GPM (%)	36	30.2	31.5	32.1
Core profit (THB m)	1,397	645	775	884
2023 TP (THB)		20.4	22	23.1
EPS (THB)	1.57	0.72	0.87	0.99
Dividend yield (%)	5.68	3.57	4.28	4.89

Note: Analysis made with the assumption of all else being equal
Sources: MAJOR; FSSIA estimates

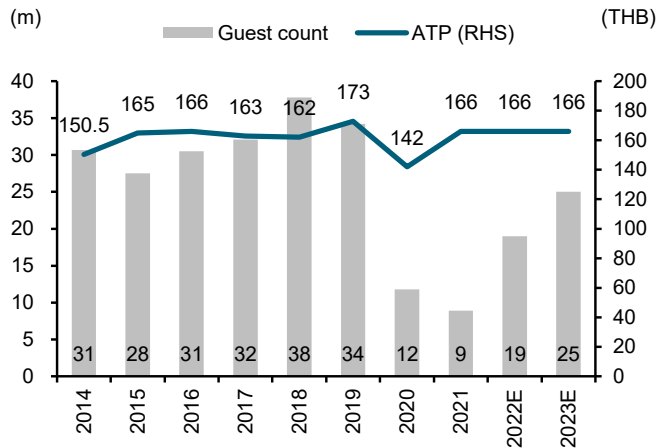
We use the potential top 20 box office revenue performing movies as the base for our estimations. For our base case, given our conservative expectation that the top 20 box office revenue in 2023 will come in 31% lower than in 2019, we arrive at an assumption of a guest count of 25m – the lowest guest count since 2012, excluding Covid years. Our 2023 guest count assumption is 27% lower than 2019's guest count of 34m, which is in line with our top 20 box office revenue estimate. We expect an average ticket price (ATP) of THB166 (5-year ATP during 2015-19), which is lower than the THB187 ATP in 1H22.

With these assumptions, we expect MAJOR's cinema revenue in 2023 to amount to THB4.15b – 29% lower than its peak in 2019 at THB5.9b, and lower than its 5-year average cinema revenue during 2015-19 at THB5.1b. The concession and advertising revenue, which is related to guest count, would also grow in line with the strong guest count recovery that we expect. As a result, we project MAJOR's revenue in 2023 to hit THB7.7b.

Meanwhile, we expect the cinema GPM to be at 12% in 2023, lower than the 5-year average cinema GPM of 14.7% during 2015-19. This would drive MAJOR's GPM in 2023 to 31.5%. As a result, we expect the company's 2023 core profit to amount to THB775m – 47% lower than its peak despite only a 27% lower guest count than the peak. Hence, we believe our expectation is already conservative.

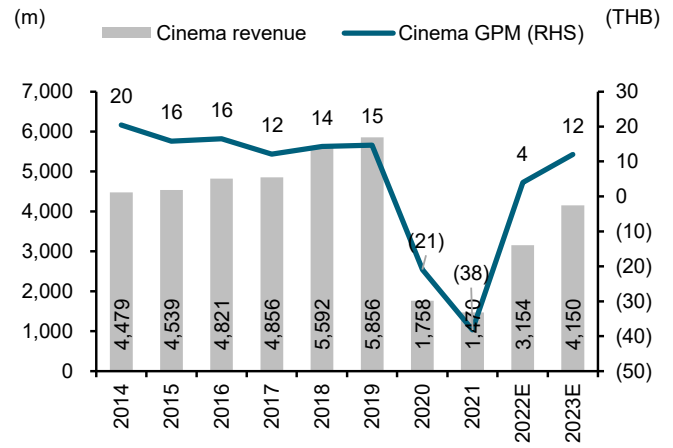
For the worst-case scenario, we expect only a 60% recovery in the guest count to 21m, while we have the same ATP assumption at THB166. This would result in MAJOR generating 2023 revenue of THB6.6b. In this case, our cinema GPM assumption is lower at 10% vs 12% in our base case scenario. This would drop MAJOR's 2023 core profit to THB645m, 17.6% lower than our base-case scenario.

Exhibit 4: Cinema guest count and ATP forecast



Sources: MAJOR; FSSIA estimates

Exhibit 5: Cinema revenue and cinema GPM forecast



Sources: MAJOR; FSSIA estimates

Earnings estimate cuts

Given that 1) we project MAJOR's performance in 3Q22 to be slightly lower than our previous expectation; and 2) the flooding in Thailand during Oct-22 caused over 40 of MAJOR's cinemas to have a low guest count, despite the presence of the blockbuster movie *Black Adam*, we cut our core earnings estimate for 2022 by 44% to THB251m. Note that our 9M22 earnings estimate for MAJOR at THB143m means that we still have a positive view on MAJOR's earnings potential during 4Q22, when we expect the company to post the highest earnings by quarter this year.

For 2023, we are confident in a strong guest count and cinema revenue performance, according to our scenario analysis. This is the key reason why we increase our guest count forecast in 2023 to 25m from 20.8m. The company's 2023 revenue should exceed our previous expectation by 18% to reach THB7.7b.

Exhibit 6: 3Q22 results preview

	3Q21	2Q22	3Q22	Change		9M21	9M22E	Change	2022E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
Admissions	8	918	836	(9)	10,403	1,103	2,291	108	3,154
Concession sales	98	430	482	12	391	445	1,207	171	1,545
Advertisement	6	141	171	22	2,842	403	447	11	627
Bowling	0	73	100	37	nm	130	222	70	267
Rental fee	49	47	62	30	25	243	168	(31)	235
Movie content	2	31	46	50	1,941	103	128	25	210
Revenue	164	1,639	1,696	3	937	2,426	4,464	84	6,038
Operating costs	(412)	(1,201)	(1,212)	1	194	(2,235)	(3,415)	53	(4,467)
Gross profit	(248)	439	484	10	nm	191	1,049	nm	1,571
SG&A expenses	(722)	(440)	(455)	3	(37)	(1,329)	(1,085)	(18)	(1,534)
EBIT	(971)	(1)	29	nm	nm	(1,139)	(36)	(97)	38
Depreciation & amortisation	277	314	323	3	17	909	978	8	1,195
Other income	81	95	51	(46)	(37)	128	209	64	290
EBITDA	(613)	408	403	(1)	nm	(102)	1,151	nm	1,522
<i>EBITDA margin (%)</i>	<i>(375)</i>	<i>25</i>	<i>24</i>	<i>nm</i>	<i>nm</i>	<i>(4)</i>	<i>26</i>	<i>nm</i>	<i>25</i>
Interest expense	(66)	(47)	(44)	(7)	(33)	(120)	(141)	18	(175)
Associates	45	47	45	(4)	(0)	323	110	(66)	98
Extra items	3,136	65	15	(77)	(100)	(64)	102	nm	-
Pretax profit	2,225	159	96	(40)	(96)	(872)	244	nm	251
Tax	(415)	(21)	(16)	(24)	(96)	5	(1)	nm	(31)
<i>Tax rate (%)</i>	<i>(19)</i>	<i>(13)</i>	<i>(17)</i>	<i>nm</i>	<i>nm</i>	<i>(1)</i>	<i>(0)</i>	<i>nm</i>	<i>(12)</i>
Minority interests	9	(6)	(6)	(7)	nm	11	(14)	nm	31
Net profit	1,819	131	74	(44)	(96)	(855)	229	nm	251
Core net profit	(389)	82	59	(28)	n.a.	(744)	143	n.a.	251
EPS (THB)	2.03	0.15	0.08	(44)	(96)	(0.96)	0.26	n.a.	0.28
Core EPS (THB)	(0.43)	0.09	0.07	(28)	n.a.	(0.83)	0.16	n.a.	0.28

Sources: MAJOR; FSSIA estimates

Although we have a positive view on MAJOR's performance in 2023, we still have some concerns over the company's costs in terms of both operating cost and SG&A expenses. There is currently no evidence about what the new cinema business' GPM might be. The revenue sharing model could hurt MAJOR's cinema GPM when box office revenue recovers back to the pre-Covid level. Therefore, we cut our cinema GPM assumption from 14% to 12%, thus lowering our GPM expectation in 2023 to 31.5% vs our previous expectation of 34.7%. We also increase our SG&A expense assumption due to the rising cost of electricity and higher labour costs. Moreover, we cut the share of profits from associates following the divestment of its entire share in Thai Ticket Major in 3Q22. As a result, we cut our earnings estimate for 2023 by 13% to THB775m.

Exhibit 7: Key assumption changes

	Current			Previous			Change		
	2022E (THB m)	2023E (THB m)	2024E (THB m)	2022E (THB m)	2023E (THB m)	2024E (THB m)	2022E (THB m)	2023E (THB m)	2024E (THB m)
Guest count (m)	19.0	25.0	32.5	20.0	20.8	27.0	(5)	20	20
Revenue	6,038	7,668	9,948	5,756	6,524	8,338	5	18	19
Gross profit	1,571	2,413	3,199	1,656	2,267	2,898	(5)	6	10
EBIT	426	982	1,320	661	1,120	1,350	(36)	(12)	(2)
Net profit	251	775	1,048	452	888	1,075	(44)	(13)	(3)
Margin	(%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(ppt)
GPM	26.0	31.5	32.2	28.8	34.7	34.8	(2.7)	(3.3)	(2.6)
NPM	4.2	10.1	10.5	7.9	13.6	12.9	(3.7)	(3.5)	(2.4)

Source: FSSIA estimates

Exhibit 8: DCF valuation

		2023E (THB m)	2024E (THB m)	2025E (THB m)	2026E (THB m)	2027E (THB m)
EBITDA		1,972	2,255	2,384	2,415	2,417
(less) tax on EBIT		(151)	(221)	(257)	(272)	(281)
decrease in working cap		(87)	(91)	(95)	(99)	(103)
(less) capex & investments		(750)	(800)	(800)	(800)	(930)
Free cash flow		1,158	1,325	1,422	1,442	1,259
WACC (%)	9.1					
Terminal growth (%)	1					
PV of FCF		1,158	1,214	1,194	1,110	889
Total PV of FCF	5,566					
Terminal value	11,079					
Enterprise value	16,645					
No. of shares (m)	895					
Enterprise value / share (THB)	18.60					

Sources: MAJOR; FSSIA estimates

Exhibit 9: SOTP valuation

Cost of Equity assumptions	(%)	Cost of debt assumption	(%)
Risk-free rate	3.00	Pretax cost of debt	4.2
Market risk premium	8.0	Marginal tax rate	20.0
Stock beta	1.05		
Cost of equity, Ke	11.40	Net cost of debt, Kd	3.36
Weight applied	70.0	Weight applied	30
WACC	9.1		
	(THB m)	(THB/share)	Comments
MAJOR	16,645	18.60	WACC 9.1%, beta 1.05, 1% terminal growth
WORK	638	0.71	8.86% share in WORK at FSSIA's TP of THB16.30
TKN	957	1.07	9.91% share in TKN at market price of THB7.0 as of 31 Oct-22
Net cash - Net debt	1,430	1.60	At end-FY23E
MI	(117)	(0.13)	
Total	19,670		
Share base (m)	895		
TP (THB)	22		

Sources: MAJOR; FSSIA estimates

Financial Statements

Major Cineplex Group

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	3,765	3,010	6,038	7,668	9,948
Cost of goods sold	(1,922)	(1,608)	(3,272)	(4,110)	(5,651)
Gross profit	1,843	1,401	2,766	3,558	4,297
Other operating income	168	355	290	293	296
Operating costs	(1,900)	(1,855)	(1,534)	(1,879)	(2,338)
Operating EBITDA	111	(99)	1,522	1,972	2,255
Depreciation	(1,242)	(1,250)	(1,195)	(1,145)	(1,098)
Goodwill amortisation	0	0	0	-	-
Operating EBIT	(1,131)	(1,349)	328	827	1,157
Net financing costs	(175)	(258)	(175)	(71)	(51)
Associates	740	392	98	155	163
Recurring non-operating income	740	392	98	155	163
Non-recurring items	(67)	3,109	0	0	0
Profit before tax	(633)	1,894	251	911	1,269
Tax	93	(354)	(31)	(151)	(221)
Profit after tax	(540)	1,539	220	760	1,048
Minority interests	13	42	31	15	0
Preferred dividends	0	0	-	-	-
Other items	-	-	-	-	-
Reported net profit	(527)	1,581	251	775	1,048
Non-recurring items & goodwill (net)	67	(2,110)	0	0	0
Recurring net profit	(460)	(528)	251	775	1,048
Per share (THB)					
Recurring EPS *	(0.51)	(0.59)	0.28	0.87	1.17
Reported EPS	(0.59)	1.77	0.28	0.87	1.17
DPS	0.00	1.60	0.25	0.78	1.05
Diluted shares (used to calculate per share data)	895	895	895	895	895
Growth					
Revenue (%)	(64.8)	(20.1)	100.6	27.0	29.7
Operating EBITDA (%)	(96.2)	nm	nm	29.6	14.3
Operating EBIT (%)	nm	nm	nm	152.5	39.9
Recurring EPS (%)	nm	nm	nm	208.8	35.2
Reported EPS (%)	nm	nm	(84.1)	208.8	35.2
Operating performance					
Gross margin inc. depreciation (%)	16.0	5.0	26.0	31.5	32.2
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	2.9	(3.3)	25.2	25.7	22.7
Operating EBIT margin (%)	(30.0)	(44.8)	5.4	10.8	11.6
Net margin (%)	(12.2)	(17.6)	4.2	10.1	10.5
Effective tax rate (%)	20.0	20.0	20.0	120.0	220.0
Dividend payout on recurring profit (%)	-	(270.9)	90.0	90.0	90.0
Interest cover (X)	(2.2)	(3.7)	2.4	13.8	26.0
Inventory days	22.7	26.0	12.4	9.9	7.2
Debtor days	79.8	57.5	21.7	17.4	13.6
Creditor days	298.1	322.0	162.9	133.0	99.1
Operating ROIC (%)	(20.8)	(21.8)	5.6	19.6	(7.2)
ROIC (%)	(2.2)	(6.1)	3.2	8.2	(2.8)
ROE (%)	(6.7)	(7.7)	3.6	11.5	14.9
ROA (%)	(1.9)	(2.1)	2.4	5.9	7.7
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Cinema	1,758	1,470	3,154	4,150	5,449
Concession	725	786	1,545	1,868	2,501
Advertisement	573	294	627	875	1,203
Entertainment	203	78	267	308	305

Sources: Major Cineplex Group; FSSIA estimates

Financial Statements

Major Cineplex Group

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	(460)	(528)	251	775	1,048
Depreciation	1,242	1,250	1,195	1,145	1,098
Associates & minorities	(740)	(392)	(98)	(155)	(163)
Other non-cash items	143	(1,818)	(16)	0	0
Change in working capital	18	944	84	87	91
Cash flow from operations	202	(543)	1,416	1,852	2,074
Capex - maintenance	(211)	(341)	(345)	(420)	(445)
Capex - new investment	(211)	(341)	(345)	(420)	(445)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	141	4,951	1,208	(30)	(40)
Cash flow from investing	(281)	4,268	518	(870)	(930)
Dividends paid	0	(716)	(829)	(462)	(821)
Equity finance	0	0	0	0	0
Debt finance	669	(3,337)	50	(600)	(400)
Other financing cash flows	6	785	(1,872)	(166)	(450)
Cash flow from financing	675	(3,268)	(2,651)	(1,227)	(1,670)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	595	457	(717)	(245)	(526)
Free cash flow to firm (FCFF)	95.53	3,982.76	2,109.33	1,053.63	1,194.42
Free cash flow to equity (FCFE)	595.46	1,172.24	111.57	216.96	294.21

Per share (THB)	2020	2021	2022E	2023E	2024E
FCFF per share	0.11	4.45	2.36	1.18	1.34
FCFE per share	0.67	1.31	0.12	0.24	0.33
Recurring cash flow per share	0.21	(1.66)	1.49	1.97	2.22

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	15,776	16,054	5,494	5,368	5,327
Less: Accumulated depreciation	(10,465)	(11,160)	(875)	(841)	(810)
Tangible fixed assets (net)	5,311	4,894	4,618	4,527	4,517
Intangible fixed assets (net)	2,663	2,693	2,464	2,250	2,052
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	6,809	1,969	1,969	1,969	1,969
Cash & equivalents	1,401	1,857	1,140	895	369
A/C receivable	592	3,744	1,597	1,602	1,608
Inventories	118	111	111	111	111
Other current assets	296	291	305	321	337
Current assets	2,406	6,003	3,153	2,929	2,424
Other assets	333	804	1,847	2,032	2,235
Total assets	17,522	16,363	14,051	13,706	13,197
Common equity	6,482	7,170	6,592	6,905	7,133
Minorities etc.	144	117	117	117	117
Total shareholders' equity	6,626	7,287	6,709	7,022	7,250
Long term debt	2,505	915	1,000	400	0
Other long-term liabilities	3,538	3,211	3,029	2,863	2,713
Long-term liabilities	6,043	4,126	4,029	3,263	2,713
A/C payable	1,395	1,443	1,479	1,516	1,553
Short term debt	2,640	2,025	300	300	0
Other current liabilities	974	1,639	1,691	1,762	1,836
Current liabilities	5,009	5,107	3,469	3,577	3,390
Total liabilities and shareholders' equity	17,678	16,519	14,207	13,863	13,353
Net working capital	(1,363)	1,064	(1,156)	(1,244)	(1,334)
Invested capital	13,752	11,424	9,741	9,534	9,438

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

Per share (THB)	2020	2021	2022E	2023E	2024E
Book value per share	7.25	8.02	7.37	7.72	7.97
Tangible book value per share	4.27	5.00	4.62	5.20	5.68

Financial strength	2020	2021	2022E	2023E	2024E
Net debt/equity (%)	56.5	14.9	2.4	(2.8)	(5.1)
Net debt/total assets (%)	21.4	6.6	1.1	(1.4)	(2.8)
Current ratio (x)	0.5	1.2	0.9	0.8	0.7
CF interest cover (x)	5.6	6.9	3.6	10.0	15.6

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	(35.4)	(30.8)	64.9	21.0	15.5
Recurring P/E @ target price (x) *	(42.7)	(37.2)	78.4	25.4	18.8
Reported P/E (x)	(30.9)	10.3	64.9	21.0	15.5
Dividend yield (%)	-	8.8	1.4	4.3	5.8
Price/book (x)	2.5	2.3	2.5	2.4	2.3
Price/tangible book (x)	4.3	3.6	3.9	3.5	3.2
EV/EBITDA (x) **	181.8	(177.2)	10.9	8.2	7.1
EV/EBITDA @ target price (x) **	212.4	(211.7)	13.1	9.9	8.6
EV/invested capital (x)	1.5	1.5	1.7	1.7	1.7

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

Sources: Major Cineplex Group; 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	DRSH	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFECO	SVI	TPBI	WAVE
AOT	BWG	EA	HMPRO	LPN	NYT	PTT	SEAOL	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	WIJK
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)

Disclaimer:

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

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of 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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Naruedom Mujjalinkool FSS International Investment Advisory Securities Co., Ltd

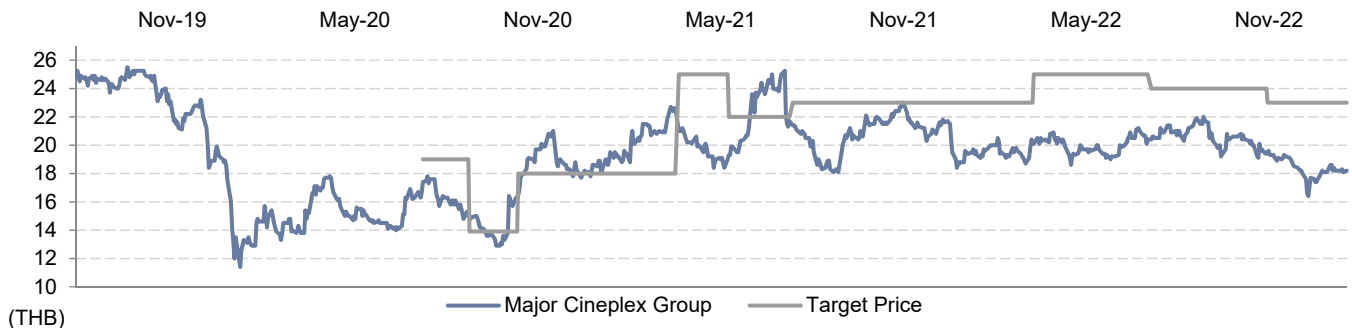
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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History of change in investment rating and/or target price

Major Cineplex Group (MAJOR TB)



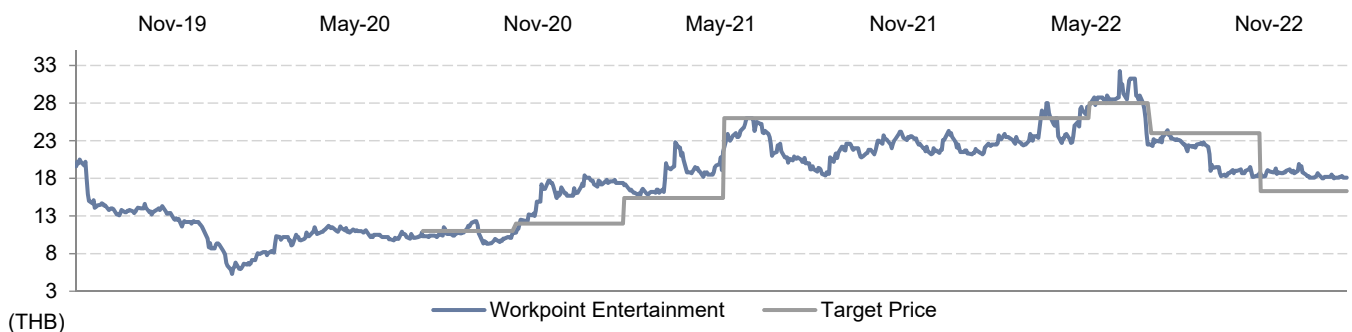
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
27-Aug-2020	BUY	19.00	02-Apr-2021	BUY	25.00	03-Feb-2022	BUY	25.00
02-Sep-2020	HOLD	19.00	17-May-2021	BUY	22.00	13-May-2022	BUY	24.00
06-Oct-2020	HOLD	13.90	09-Jul-2021	HOLD	23.00	23-Aug-2022	BUY	23.00
17-Nov-2020	HOLD	18.00	24-Aug-2021	BUY	23.00			

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

Price and TP are in local currency

Source: FSSIA estimates

Workpoint Entertainment (WORK TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
27-Aug-2020	HOLD	11.00	13-May-2021	BUY	26.00	17-Aug-2022	REDUCE	16.30
13-Nov-2020	BUY	12.00	23-Mar-2022	HOLD	28.00			
16-Feb-2021	HOLD	15.40	13-May-2022	HOLD	24.00			

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Major Cineplex Group	MAJOR TB	THB 18.20	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.
Workpoint Entertainment	WORK TB	THB 18.10	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.

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 31-Oct-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.