

THE ONE ENTERPRISE

ONEE TB

THAILAND / MEDIA

BUY

UNCHANGED

Neutral view from analyst meeting

- We have a neutral view from ONEE's analyst meeting. Adex is expected to be flat in 4Q22, according to the company.
- Although management has a conservative outlook, we still have a positive view on ONEE's earnings outlook and valuation.
- Maintain BUY with the same TP of THB11.10.

| | |
|-----------------|-----------|
| TARGET PRICE | THB11.10 |
| CLOSE | THB9.50 |
| UP/DOWNSIDE | +16.8% |
| PRIOR TP | THB11.10 |
| CHANGE IN TP | UNCHANGED |
| TP vs CONSENSUS | -3.7% |

KEY STOCK DATA

| YE Dec (THB m) | 2021 | 2022E | 2023E | 2024E |
|----------------------|--------|--------|--------|--------|
| Revenue | 5,347 | 6,304 | 7,035 | 7,511 |
| Net profit | 828 | 783 | 983 | 1,109 |
| EPS (THB) | 0.35 | 0.33 | 0.41 | 0.47 |
| vs Consensus (%) | - | (4.9) | (8.3) | (11.3) |
| EBITDA | 2,169 | 2,106 | 2,389 | 2,565 |
| Core net profit | 828 | 783 | 983 | 1,109 |
| Core EPS (THB) | 0.35 | 0.33 | 0.41 | 0.47 |
| Chg. In EPS est. (%) | - | - | - | - |
| EPS growth (%) | 5.0 | (5.5) | 25.6 | 12.8 |
| Core P/E (x) | 27.3 | 28.9 | 23.0 | 20.4 |
| Dividend yield (%) | 0.7 | 1.7 | 2.2 | 3.9 |
| EV/EBITDA (x) | 9.4 | 9.5 | 8.2 | 7.6 |
| Price/book (x) | 3.3 | 3.1 | 2.9 | 2.8 |
| Net debt/Equity (%) | (31.4) | (36.3) | (39.6) | (40.9) |
| ROE (%) | 18.5 | 11.1 | 13.1 | 14.1 |

Expect no high season in 4Q22

Management thinks that TV advertising expenditure (adex) in 4Q22 could remain flat or slightly decline q-q due to global economic uncertainty. The company added that advertising budgets so far in Nov-22 appear to show no improvement from Oct-22. As a result, we have a more negative view on the TV outlook, as we had previously expected to see some recovery in adex during the traditional 4Q high season following the weak performance in 3Q22. The company also admitted that the copyright business is now facing lower demand, with most streaming platforms reining in spending. This could pose a limitation for ONEE going forward.

Slower momentum could continue in 1Q23

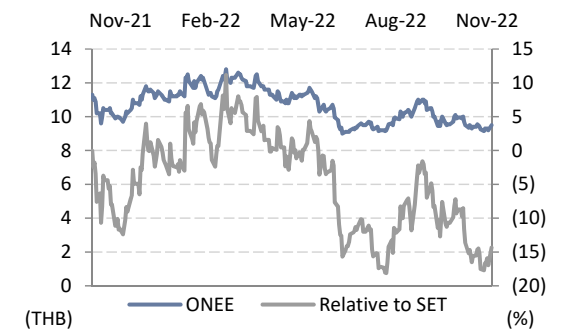
Of all the TV companies under our coverage, we have found that ONEE's management typically offers the most unbiased and realistic guidance. In our view, this implies that all the other TV companies may face unexciting outlooks in 4Q22, too. Moreover, we are afraid that this trend could continue in 1Q23 given that 1Q is typically the low season for adex, with most ad spenders cautiously weighing consumer purchasing power at the beginning of the year.

ONEE has the lowest downside risk of all TV companies

Despite the worse-than-expected outlook from ONEE, we maintain our 2022 earnings forecast for the company at THB783m (-5.5% y-y). Its 9M22 earnings account for 76% of our full-year forecast. In comparison, we project BEC World (BEC TB, BUY, TP THB11.50)'s net profit in 2022 to fall by 24% y-y to THB621m, and its 9M22 earnings account for only 69% of our full-year forecast. As a result, we believe ONEE has the lowest earnings downside risk in the TV sector.

Maintain BUY with the same TP of THB11.10

Despite management's negative view on the TV and copyright outlook, which contributed over 70% of ONEE's total 2022E revenue, we still like ONEE. As the most diversified TV company under our coverage, we think this could be the key support for its earnings over the next two quarters. ONEE has had the lowest earnings decline for 2022, while its valuation remains the cheapest. Maintain BUY with the same TP of THB11.10, pegged to 27x 2023E P/E (-0.5SD of its mean).



| Share price performance | 1 Month | 3 Month | 12 Month |
|--------------------------------|------------------------------------|---------|----------|
| Absolute (%) | (4.5) | (0.5) | (16.7) |
| Relative to country (%) | (6.1) | (0.1) | (15.3) |
| Mkt cap (USD m) | 624 | | |
| 3m avg. daily turnover (USD m) | 1.4 | | |
| Free float (%) | 21 | | |
| Major shareholder | Poramaporn Prasarttong-Osoth (40%) | | |
| 12m high/low (THB) | 13.10/8.85 | | |
| Issued shares (m) | 2,000.00 | | |

Sources: Bloomberg consensus; FSSIA estimates


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Investment thesis

ONEE is a subsidiary of GMM Grammy (GRAMMY TB, NR). GRAMMY is the biggest music company in Thailand. The company owns ONE TV, currently the top-rated TV channel in Thailand. ONEE has strong content including traditional Thai dramas, sitcoms, series, and variety shows. Thanks to its strong content, we believe ONEE has an opportunity to sell its content to streaming platforms globally. With continued high demand for Thai content in both local and international markets, we think this should be the key driver for the company in 2022 and 2023.

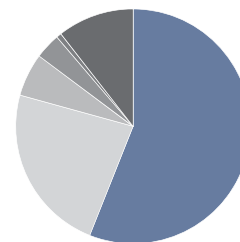
Company profile

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

www.theoneenterprise.com

Principal activities (revenue, 2021)

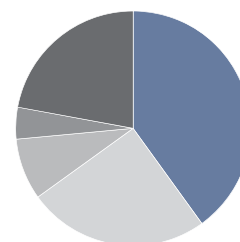
- TV - 56.0 %
- Copyright - 23.3 %
- Content production - 5.9 %
- Radio - 3.5 %
- Event - 0.7 %
- Others - 10.6 %



Source: The One Enterprise

Major shareholders

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



Source: The One Enterprise

Catalysts

- High potential growth in its content business;
- The recovery of advertising expenditure in 2023.

Risks to our call

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

Event calendar

| Date | Event |
|--------|---------------------------|
| Feb-23 | 2022 results announcement |

Key assumptions

| Revenue growth | 2021 (%) | 2022E (%) | 2023E (%) | 2024E (%) |
|--------------------|-----------|-----------|-----------|-----------|
| TV | 19 | 3 | 7 | 5 |
| Copyright | 26 | 15 | 10 | 10 |
| Content production | (41) | 26 | 5 | 5 |
| Radio | (30) | 3 | 3 | 3 |
| Event | (33) | 800 | 80 | 10 |
| Others | 41 | 52 | 9 | 7 |
| Total | 12 | 18 | 12 | 7 |

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in TV revenue, we project ONEE's 2023 earnings to rise by 0.8%, and vice versa, all else being equal.
- For every 10 bps increase in ONEE's GPM, we project ONEE's 2023 earnings to rise by 0.6%, and vice versa, all else being equal.

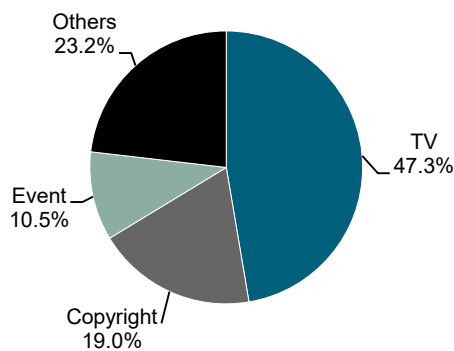
Source: FSSIA estimates

Event business to play an important role in the future

ONEE’s 3Q22 results offer a good snapshot of ONEE’s business. The company’s event business resumed in 3Q22, and we can see that its contribution jumped from 0.7% in 2021 to 10.5% in 3Q22. We expect this momentum to continue based on management’s 4Q22 event schedule, which features various types of events as well as big concerts. Management expects revenue from the event business in 4Q22 to exceed THB150m, similar to 3Q22.

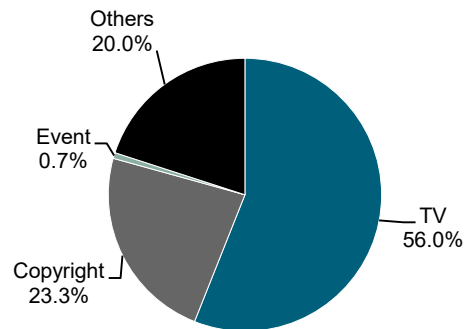
ONEE’s revenue from its non-TV and copyright businesses was over 33% in 3Q22 – the industry’s highest. In comparison, BEC and Workpoint Entertainment (WORK TB, REDUCE, TP THB16.30)’s revenue from TV and copyrights accounted for over 95% of their total revenue. Therefore, based on ONEE’s guidance that its outlook for TV and copyright remains unclear, we believe BEC and WORK could be facing a higher downside risk compared to ONEE.

Exhibit 1: Revenue contribution by business (9M22)



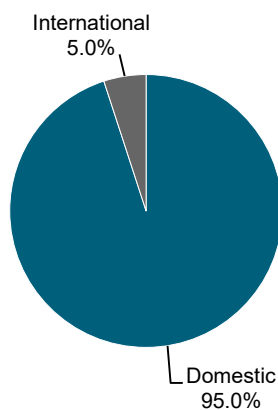
Source: ONEE

Exhibit 2: Revenue contribution by business (2022)



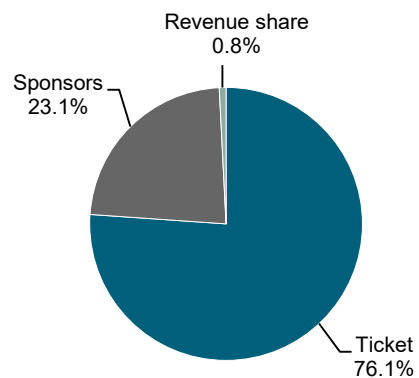
Source: ONEE

Exhibit 3: 3Q22 event revenue contribution by territory



Source: ONEE

Exhibit 4: 3Q22 event revenue breakdown by channel



Source: ONEE

Exhibit 5: 4Q22 event and show biz schedule



Source: ONEE

3Q22 results review

In-line earnings

ONEE reported its 3Q22 earnings at THB164m (-8.4% q-q, -2.3% y-y), exactly in line with our expectation. The company’s revenue in 3Q22 was also in line, growing by 9.2% q-q and 50% y-y to THB1.6b thanks to the higher revenue contribution from its event and artist management businesses. Event revenue in 3Q22 surged to THB171m from THB18m in 2Q22. Events in the quarter included Love Out Loud Fan Fest 2022, F4 Shooting Star, The Cassette Festival, Si Yak Pak Wan and O-N Friend City.

However, the higher contribution from the low-margin event business dragged down ONEE’s GPM from 44.2% in 2Q22 to 40.7% in 3Q22. Its SG&A expense also increased by 7.3% q-q. The company indicated that this was due to the higher employee expense and from investments in developing various systems in the company to support future growth.

Exhibit 6: 3Q22 results review

| | 3Q21 | 2Q22 | 3Q22 | Change | | 9M21 | 9M22 | Change | 2022E |
|-----------------------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|---------------|--------------|
| | (THB m) | (THB m) | (THB m) | (q-q%) | (y-y%) | (THB m) | (THB m) | (y-y%) | (THB m) |
| TV | 629 | 770 | 770 | 0.1 | 22.5 | 2,225 | 2,263 | 1.7 | 3,085 |
| Copyright | 240 | 339 | 309 | (8.7) | 29.0 | 847 | 1,104 | 30.4 | 1,431 |
| Others | 217 | 382 | 548 | 43.5 | 152.5 | 750 | 1,322 | 76.3 | 1,788 |
| Revenue | 1,086 | 1,490 | 1,628 | 9.2 | 49.9 | 3,822 | 4,689 | 22.7 | 6,304 |
| Operating costs | (522) | (832) | (965) | 16.1 | 85.0 | (1,846) | (2,652) | 43.7 | (3,562) |
| Gross profit | 564 | 659 | 662 | 0.6 | 17.5 | 1,976 | 2,037 | 3.1 | 2,742 |
| SG&A expenses | (371) | (450) | (483) | 7.3 | 30.1 | (1,186) | (1,368) | 15.3 | (1,860) |
| EBIT | 193 | 209 | 180 | (13.9) | (6.8) | 790 | 669 | (15.3) | 883 |
| Depreciation & amortisation | 204 | 361 | 386 | 6.9 | 88.9 | 777 | 1,085 | 39.6 | 1,125 |
| EBITDA | 397 | 570 | 566 | (0.7) | 42.5 | 1,567 | 1,753 | 11.9 | 2,007 |
| EBITDA margin (%) | 37 | 38 | 35 | nm | nm | 41 | 37 | (3.6) | 32 |
| Interest expense | (35) | (3) | (2) | (4.5) | (92.9) | (110) | (12) | (89.4) | (12) |
| Other income | 23 | 46 | 29 | (37.3) | 25.5 | 69 | 91 | 31.6 | 108 |
| Associates | (1) | (0) | 0 | n.a. | n.a. | (2) | 1 | n.a. | - |
| Pretax profit | 179 | 252 | 206 | (18.1) | 15.0 | 747 | 750 | 0.3 | 979 |
| Tax | (12) | (73) | (42) | (42.0) | 265.4 | (125) | (156) | 25.6 | (196) |
| Tax rate (%) | (6) | (29) | (21) | nm | nm | (17) | (21) | nm | (20) |
| Net profit | 168 | 179 | 164 | (8.4) | (2.3) | 623 | 593 | (4.7) | 783 |
| EPS (THB) | 0.08 | 0.09 | 0.08 | (8.4) | (2.3) | 0.31 | 0.30 | (4.7) | 0.33 |

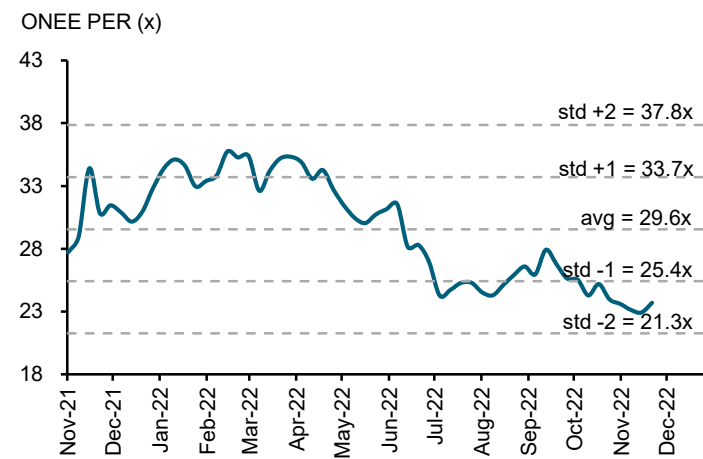
Sources: ONEE; FSSIA estimates

Exhibit 7: Peers comparison as of 21 Nov-22

| Company | BBG | Share price | | | Market Cap (USD m) | PE | | ROE | | PBV | | EVEBITDA | |
|-------------------------|----------|---------------|--------------|------------|--------------------|--------------|-------------|------------|-------------|------------|------------|-------------|-------------|
| | | Current (LCY) | Target (LCY) | Upside (%) | | 22E (x) | 23E (x) | 22E (%) | 23E (%) | 22E (x) | 23E (x) | 22E (x) | 23E (x) |
| TV | | | | | | | | | | | | | |
| BEC World | BEC TB | 10.50 | 11.50 | 9.5 | 580 | 33.8 | 24.0 | 9.8 | 13.0 | 3.2 | 3.0 | 6.7 | 5.9 |
| Workpoint Entertainment | WORK TB | 18.50 | 16.30 | (11.9) | 225 | 52.3 | 28.4 | 3.4 | 6.2 | 1.8 | 1.7 | 11.7 | 8.6 |
| The One Enterprise | ONEE TB | 9.50 | 11.10 | 16.8 | 624 | 28.9 | 23.0 | 11.1 | 13.1 | 3.1 | 2.9 | 9.5 | 8.2 |
| TV avg. | | | | | 1,429 | 38.3 | 25.1 | 8.1 | 10.8 | 2.7 | 2.6 | 9.3 | 7.5 |
| Out of home | | | | | | | | | | | | | |
| VGI | VGI TB | 4.22 | 4.70 | 11.4 | 1,605 | 154.8 | 49.5 | 1.1 | 3.3 | 1.7 | 1.6 | 49.5 | 34.9 |
| Plan B Media | PLANB TB | 8.10 | 8.00 | (1.2) | 957 | 54.9 | 40.7 | 8.0 | 9.6 | 3.9 | 3.9 | 14.7 | 13.8 |
| Out of home avg. | | | | | 2,561 | 104.8 | 45.1 | 4.5 | 6.4 | 2.8 | 2.7 | 32.1 | 24.4 |
| Others | | | | | | | | | | | | | |
| RS | RS TB | 17.00 | 13.30 | (21.8) | 451 | 74.3 | 42.0 | 10.0 | 16.5 | 7.2 | 6.6 | 21.7 | 18.0 |
| Major Cineplex Group | MAJOR TB | 19.00 | 22.00 | 15.8 | 469 | 67.7 | 21.9 | 3.6 | 11.5 | 2.6 | 2.5 | 11.3 | 8.6 |
| Overall | | | | | 4,911 | 66.7 | 32.8 | 6.7 | 10.5 | 3.4 | 3.2 | 17.9 | 14.0 |

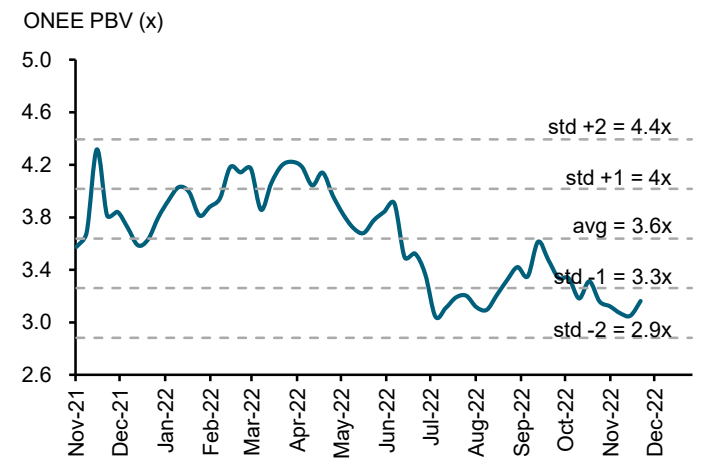
Sources: Bloomberg; FSSIA estimates

Exhibit 8: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 9: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Financial Statements

The One Enterprise

| Profit and Loss (THB m) Year Ending Dec | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|--------------|--------------|--------------|--------------|--------------|
| Revenue | 3,127 | 5,347 | 6,304 | 7,035 | 7,511 |
| Cost of goods sold | (731) | (1,559) | (2,437) | (2,759) | (2,945) |
| Gross profit | 2,396 | 3,787 | 3,867 | 4,276 | 4,566 |
| Other operating income | 88 | 89 | 99 | 104 | 109 |
| Operating costs | (925) | (1,707) | (1,860) | (1,991) | (2,111) |
| Operating EBITDA | 1,560 | 2,169 | 2,106 | 2,389 | 2,565 |
| Depreciation | (809) | (1,078) | (1,125) | (1,160) | (1,179) |
| Goodwill amortisation | 0 | 0 | 0 | 0 | 0 |
| Operating EBIT | 750 | 1,092 | 982 | 1,230 | 1,386 |
| Net financing costs | (86) | (126) | (3) | (1) | 0 |
| Associates | 5 | 0 | 0 | 0 | 0 |
| Recurring non-operating income | 5 | 0 | 0 | 0 | 0 |
| Non-recurring items | 0 | 0 | 0 | 0 | 0 |
| Profit before tax | 669 | 965 | 979 | 1,229 | 1,386 |
| Tax | (38) | (137) | (196) | (246) | (277) |
| Profit after tax | 631 | 828 | 783 | 983 | 1,109 |
| Minority interests | 0 | 0 | 0 | 0 | 0 |
| Preferred dividends | 0 | 0 | 0 | 0 | 0 |
| Other items | - | - | - | - | - |
| Reported net profit | 631 | 828 | 783 | 983 | 1,109 |
| Non-recurring items & goodwill (net) | 0 | 0 | 0 | 0 | 0 |
| Recurring net profit | 631 | 828 | 783 | 983 | 1,109 |
| Per share (THB) | | | | | |
| Recurring EPS * | 0.33 | 0.35 | 0.33 | 0.41 | 0.47 |
| Reported EPS | 0.33 | 0.35 | 0.33 | 0.41 | 0.47 |
| DPS | 0.00 | 0.07 | 0.16 | 0.21 | 0.37 |
| Diluted shares (used to calculate per share data) | 1,905 | 2,381 | 2,381 | 2,381 | 2,381 |
| Growth | | | | | |
| Revenue (%) | 16.1 | 71.0 | 17.9 | 11.6 | 6.8 |
| Operating EBITDA (%) | 32.3 | 39.1 | (2.9) | 13.4 | 7.3 |
| Operating EBIT (%) | 111.0 | 45.5 | (10.1) | 25.3 | 12.7 |
| Recurring EPS (%) | 253.9 | 5.0 | (5.5) | 25.6 | 12.8 |
| Reported EPS (%) | 253.9 | 5.0 | (5.5) | 25.6 | 12.8 |
| Operating performance | | | | | |
| Gross margin inc. depreciation (%) | 50.8 | 50.7 | 43.5 | 44.3 | 45.1 |
| Gross margin of key business (%) | - | - | - | - | - |
| Operating EBITDA margin (%) | 49.9 | 40.6 | 33.4 | 34.0 | 34.1 |
| Operating EBIT margin (%) | 24.0 | 20.4 | 15.6 | 17.5 | 18.5 |
| Net margin (%) | 20.2 | 15.5 | 12.4 | 14.0 | 14.8 |
| Effective tax rate (%) | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 |
| Dividend payout on recurring profit (%) | - | 19.8 | 50.0 | 50.0 | 80.0 |
| Interest cover (X) | 8.8 | 8.6 | 327.2 | 1,229.6 | - |
| Inventory days | 225.9 | 136.2 | 85.8 | 78.1 | 75.3 |
| Debtor days | 110.6 | 78.4 | 73.1 | 75.8 | 77.5 |
| Creditor days | 300.5 | 200.9 | 166.2 | 179.0 | 180.2 |
| Operating ROIC (%) | 52.9 | 79.9 | 94.4 | 128.4 | 137.6 |
| ROIC (%) | 13.4 | 16.1 | 15.5 | 19.4 | 21.6 |
| ROE (%) | 35.3 | 18.5 | 11.1 | 13.1 | 14.1 |
| ROA (%) | 11.9 | 11.0 | 8.2 | 9.7 | 10.4 |
| * Pre-exceptional, pre-goodwill and fully diluted | | | | | |
| Revenue by Division (THB m) | | | | | |
| TV | 2,115 | 2,996 | 3,085 | 3,301 | 3,466 |
| Copyright | 643 | 1,244 | 1,431 | 1,574 | 1,731 |
| Content production | 235 | 317 | 399 | 419 | 440 |
| Radio | 33 | 189 | 194 | 200 | 206 |

Sources: The One Enterprise; FSSIA estimates

Financial Statements

The One Enterprise

| Cash Flow (THB m) Year Ending Dec | 2020 | 2021 | 2022E | 2023E | 2024E |
|-----------------------------------|----------------|--------------|----------------|----------------|----------------|
| Recurring net profit | 631 | 828 | 783 | 983 | 1,109 |
| Depreciation | 809 | 1,078 | 1,125 | 1,160 | 1,179 |
| Associates & minorities | (5) | 0 | 0 | 0 | 0 |
| Other non-cash items | (5) | 177 | 0 | 0 | 0 |
| Change in working capital | (727) | (550) | 120 | (56) | (46) |
| Cash flow from operations | 703 | 1,533 | 2,027 | 2,086 | 2,241 |
| Capex - maintenance | (21) | (51) | (464) | (464) | (464) |
| Capex - new investment | (31) | (77) | (696) | (696) | (696) |
| Net acquisitions & disposals | 0 | 0 | 0 | 0 | 0 |
| Other investments (net) | (2,044) | 30 | 0 | 0 | 0 |
| Cash flow from investing | (2,096) | (98) | (1,160) | (1,160) | (1,160) |
| Dividends paid | 0 | 0 | (391) | (491) | (887) |
| Equity finance | 0 | 3,939 | 0 | 0 | 0 |
| Debt finance | 1,645 | (3,263) | (311) | 0 | 0 |
| Other financing cash flows | (37) | (62) | 0 | 0 | 0 |
| Cash flow from financing | 1,608 | 615 | (703) | (491) | (887) |
| Non-recurring cash flows | - | - | - | - | - |
| Other adjustments | 0 | 0 | 0 | 0 | 0 |
| Net other adjustments | 0 | 0 | 0 | 0 | 0 |
| Movement in cash | 215 | 2,049 | 165 | 435 | 194 |
| Free cash flow to firm (FCFF) | (1,305.69) | 1,563.12 | 879.50 | 936.30 | 1,090.16 |
| Free cash flow to equity (FCFE) | 215.33 | (1,889.67) | 556.02 | 926.30 | 1,081.16 |

| Per share (THB) | 2020 | 2021 | 2022E | 2023E | 2024E |
|-------------------------------|--------|--------|-------|-------|-------|
| FCFF per share | (0.65) | 0.78 | 0.44 | 0.47 | 0.55 |
| FCFE per share | 0.11 | (0.94) | 0.28 | 0.46 | 0.54 |
| Recurring cash flow per share | 0.75 | 0.87 | 0.80 | 0.90 | 0.96 |

| Balance Sheet (THB m) Year Ending Dec | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|--------------|--------------|--------------|---------------|---------------|
| Tangible fixed assets (gross) | 1,667 | 1,694 | 1,854 | 2,014 | 2,174 |
| Less: Accumulated depreciation | (836) | (887) | (1,025) | (1,160) | (1,292) |
| Tangible fixed assets (net) | 831 | 807 | 829 | 854 | 882 |
| Intangible fixed assets (net) | 3,737 | 3,614 | 3,628 | 3,603 | 3,556 |
| Long-term financial assets | 28 | 5 | 5 | 5 | 5 |
| Invest. in associates & subsidiaries | 16 | 12 | 12 | 12 | 12 |
| Cash & equivalents | 413 | 2,462 | 2,627 | 3,061 | 3,256 |
| A/C receivable | 1,153 | 1,145 | 1,382 | 1,542 | 1,646 |
| Inventories | 599 | 564 | 581 | 599 | 617 |
| Other current assets | 96 | 123 | 125 | 126 | 127 |
| Current assets | 2,262 | 4,294 | 4,714 | 5,328 | 5,646 |
| Other assets | 681 | 574 | 647 | 702 | 739 |
| Total assets | 7,555 | 9,305 | 9,834 | 10,503 | 10,839 |
| Common equity | 2,102 | 6,845 | 7,237 | 7,728 | 7,950 |
| Minorities etc. | 0 | 0 | 0 | 0 | 0 |
| Total shareholders' equity | 2,102 | 6,846 | 7,237 | 7,728 | 7,950 |
| Long term debt | 2,975 | 0 | 0 | 0 | 0 |
| Other long-term liabilities | 476 | 423 | 430 | 437 | 445 |
| Long-term liabilities | 3,451 | 423 | 430 | 437 | 445 |
| A/C payable | 786 | 931 | 1,288 | 1,417 | 1,491 |
| Short term debt | 593 | 311 | 0 | 0 | 0 |
| Other current liabilities | 623 | 795 | 879 | 921 | 953 |
| Current liabilities | 2,001 | 2,037 | 2,167 | 2,338 | 2,444 |
| Total liabilities and shareholders' equity | 7,555 | 9,305 | 9,834 | 10,503 | 10,839 |
| Net working capital | 440 | 106 | (79) | (71) | (54) |
| Invested capital | 5,733 | 5,118 | 5,040 | 5,104 | 5,139 |

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

| Per share (THB) | 2020 | 2021 | 2022E | 2023E | 2024E |
|-------------------------------|--------|------|-------|-------|-------|
| Book value per share | 1.10 | 2.87 | 3.04 | 3.25 | 3.34 |
| Tangible book value per share | (0.86) | 1.36 | 1.52 | 1.73 | 1.85 |

| Financial strength | 2020 | 2021 | 2022E | 2023E | 2024E |
|---------------------------|-------|--------|--------|---------|--------|
| Net debt/equity (%) | 150.1 | (31.4) | (36.3) | (39.6) | (40.9) |
| Net debt/total assets (%) | 41.8 | (23.1) | (26.7) | (29.1) | (30.0) |
| Current ratio (x) | 1.1 | 2.1 | 2.2 | 2.3 | 2.3 |
| CF interest cover (x) | 3.9 | (13.3) | 418.3 | 1,623.3 | - |

| Valuation | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|-------------|-------------|-------------|-------------|-------------|
| Recurring P/E (x) * | 28.7 | 27.3 | 28.9 | 23.0 | 20.4 |
| Recurring P/E @ target price (x) * | 33.5 | 31.9 | 33.8 | 26.9 | 23.8 |
| Reported P/E (x) | 28.7 | 27.3 | 28.9 | 23.0 | 20.4 |
| Dividend yield (%) | - | 0.7 | 1.7 | 2.2 | 3.9 |
| Price/book (x) | 8.6 | 3.3 | 3.1 | 2.9 | 2.8 |
| Price/tangible book (x) | (11.1) | 7.0 | 6.3 | 5.5 | 5.1 |
| EV/EBITDA (x) ** | 13.6 | 9.4 | 9.5 | 8.2 | 7.6 |
| EV/EBITDA @ target price (x) ** | 15.6 | 11.2 | 11.3 | 9.8 | 9.0 |
| EV/invested capital (x) | 3.7 | 4.0 | 4.0 | 3.8 | 3.8 |

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

Sources: The One Enterprise; FSSIA estimates

Corporate Governance report of Thai listed companies 2021

| EXCELLENT LEVEL – Score range 90-100 | | | | | | | | | | |
|--------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|-------|--------|
| AAV | BCPG | CPALL | GCAP | K | MSC | PLANET | SAMART | SPI | THRE | TVD |
| ADVANC | BDMS | CPF | GFPT | KBANK | MST | PLAT | SAMTEL | SPRC | THREL | TVI |
| AF | BEM | CPI | GGC | KCE | MTC | PORT | SAT | SPVI | TIPCO | TVO |
| AH | BGC | CPN | GLAND | KKP | MVP | PPS | SC | SSSC | TISCO | TWPC |
| AIRA | BGRIM | CRC | GLOBAL | KSL | NCL | PR9 | SCB | SST | TK | U |
| AKP | BIZ | CSS | GPI | KTB | NEP | PREB | SCC | STA | TKT | UAC |
| AKR | BKI | DDD | GPSC | KTC | NER | PRG | SCCC | STEC | TMT | UBIS |
| ALT | BOL | DELTA | GRAMMY | LALIN | NKI | PRM | SCG | STI | TNDT | UV |
| AMA | BPP | DEMCO | GULF | LANNA | NOBLE | PROUD | SCGP | SUN | TNITY | VGI |
| AMATA | BRR | DRT | GUNKUL | LH | NSI | DRS | SCM | SUSCO | TOA | VIH |
| AMATAV | BTS | DTAC | HANA | LHFG | NVD | PSL | SDC | SUTHA | TOP | WACOAL |
| ANAN | BTW | DUSIT | HARN | LIT | NWR | PTG | SEAFCO | SVI | TPBI | WAVE |
| AOT | BWG | EA | HMPRO | LPN | NYT | PTT | SEAOIL | SYMC | TQM | WHA |
| AP | CENTEL | EASTW | ICC | MACO | OISHI | PTTEP | SE-ED | SYNTEC | TRC | WHAUP |
| ARIP | CFRESH | ECF | ICHI | MAJOR | OR | PTTGC | SELIC | TACC | TRU | WICE |
| ARROW | CHEWA | ECL | III | MAKRO | ORI | PYLON | SENA | TASCO | TRUE | WINNER |
| ASP | CHO | EE | ILINK | MALEE | OSP | Q-CON | SHR | TCAP | TSC | ZEN |
| AUCT | CIMBT | EGCO | ILM | MBK | OTO | QH | SIRI | TEAMG | TSR | |
| AWC | CK | EPG | INTUCH | MC | PAP | QTC | SIS | TFMAMA | TSTE | |
| AYUD | CKP | ETC | IP | MCOT | PCSGH | RATCH | SITHAI | TGH | TSTH | |
| BAFS | CM | FPI | IRPC | METCO | PDG | RS | SMK | THANA | TTA | |
| BANPU | CNT | FPT | ITEL | MFEC | PDJ | S | SMPC | THANI | TTB | |
| BAY | COM7 | FSMART | IVL | MINT | PG | S & J | SNC | THCOM | TTCL | |
| BBL | COMAN | GBX | JSP | MONO | PHOL | SAAM | SONIC | THG | TTW | |
| BCP | COTTO | GC | JWD | MOONG | PLANB | SABINA | SPALI | THIP | TU | |
| VERY GOOD LEVEL – Score range 80-89 | | | | | | | | | | |
| 2S | ASIMAR | CHOW | FLOYD | IT | LOXLEY | OCC | RPC | SKY | TCC | TVT |
| 7UP | ASK | CI | FN | ITD | LRH | OGC | RT | SLP | TCMC | TWP |
| ABICO | ASN | CIG | FNS | J | LST | PATO | RWI | SMIT | TEAM | UEC |
| ABM | ATP30 | CMC | FORTH | JAS | M | PB | S11 | SMT | TFG | UMI |
| ACE | B | COLOR | FSS | JCK | MATCH | PICO | SA | SNP | TFI | UOBKH |
| ACG | BA | CPL | FTE | JCKH | MBAX | PIMO | SAK | SO | TIGER | UP |
| ADB | BAM | CPW | FVC | JMART | MEGA | PJW | SALEE | SORKON | TITLE | UPF |
| AEONTS | BC | CRD | GEL | JMT | META | PL | SAMCO | SPA | TKN | UPOIC |
| AGE | BCH | CSC | GENCO | KBS | MFC | PM | SANKO | SPC | TKS | UTP |
| AHC | BEC | CSP | GJS | KCAR | MGT | PMTA | SAPPE | SPCG | TM | VCOM |
| AIT | BEYOND | CWT | GYT | KEX | MICRO | PPP | SAWAD | SR | TMC | VL |
| ALL | BFIT | DCC | HEMP | KGI | MILL | PPP | 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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| Company | Ticker | Price | Rating | Valuation & Risks |
|-------------------------|----------|-----------|--------|--|
| The One Enterprise | ONEE TB | THB 9.50 | BUY | The key downside risks to our P/E-based TP are a lower-than-expected adex recovery and a worse-than-expected cost reduction result by the company. |
| BEC World | BEC TB | THB 10.50 | BUY | The key downside risks to our P/E based TP are a lower-than-expected adex recovery and a worse-than-expected cost reduction. |
| Workpoint Entertainment | WORK TB | THB 18.50 | 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. |
| VGI Pcl. | VGI TB | THB 4.22 | 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 8.10 | BUY | The key downside risks to our P/E multiple-based TP are 1) a slower-than-expected adex recovery; 2) further waves of Covid-19; and 3) the future billboard tax. |
| RS | RS TB | THB 17.00 | 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 19.00 | 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, and the new wave of Covid. |

Source: FSSIA estimates

Additional Disclosures

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

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 21-Nov-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.