

VGI PCL. VGI TB

THAILAND / MEDIA

HOLD

UNCHANGED

TARGET PRICE	THB4.30
CLOSE	THB4.50
UP/DOWNSIDE	-4.4%
PRIOR TP	THB4.70
CHANGE IN TP	-8.5%
TP vs CONSENSUS	-13.5%

Too many questionable businesses

- We have concerns about VGI's outlook as its investments in Rabbit Cash, NINE, and KEX have failed to generate profits.
- We project a core loss of THB252m for FY23 and cut our earnings estimate for FY24 by 39% to THB602m.
- Maintain HOLD with a new FY24 TP of THB4.30.

Unprofitable ventures weigh on six-month outlook

Despite significant investment and business expansion, profitability remains elusive for three of VGI's new ventures. The 60% stake in Nation International Edutainment (NINE TB, NR) could cause VGI to recognise a loss of over THB90m per year. Fledgling personal loan business Rabbit Cash (RC) could also incur losses. Kerry Express (Thailand) (KEX TB, REDUCE, TP THB16) is not expected to break even until mid-2023, based on our estimates. Therefore, we see these three businesses as creating a burden for VGI for at least for the next six months.

The recovery in OOH media may not be enough

Although we have a positive view on out-of-home (OOH) media and expect it to outperform all other media in 2023 thanks to the recovery in mass transit ridership – and boost VGI's core business revenue going forward – it may not be enough to offset the sluggish performance of its investments. Note that we also think the recovery for VGI's OOH media could be slower than for Plan B Media (PLANB TB, BUY, TP THB9).

Earnings estimates cut

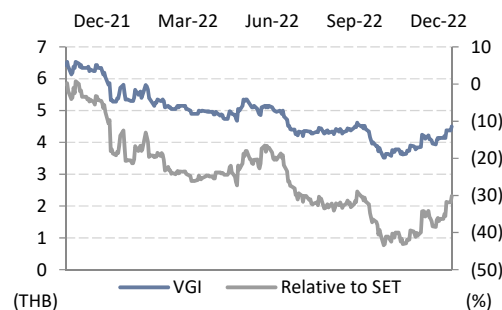
The inclusion of NINE's financial performance into our forecast shows that there could be pressure on VGI's earnings going forward. While VGI's core loss in 1HFY23 already hit THB287m, we think this could continue in 3QFY23. Therefore, we expect VGI's core bottom line in FY23 to show a loss of THB252m, down from our previous expectation of a THB314m profit. Furthermore, we do not expect NINE to generate a profit in FY24. While RC should report a tiny loss, we have already cut our earnings estimates for KEX. Therefore, we cut our projection for VGI's earnings in FY24 by 39% to THB602m.

Maintain HOLD with a new TP of THB4.30

We maintain HOLD and roll over our SoTP-TP to FY24 at THB4.30, lower than our previous TP of THB4.70 due to the investment value adjustment and the slow recovery momentum of its core business. VGI's current share price is now trading at 90x FY24E P/E, which is extremely high, in our view, as there is no clear evidence that VGI's OOH business will see a solid recovery in 2HFY23. We think PLANB is a better choice as its share price is 50% lower, with more earnings growth visibility.

KEY STOCK DATA

YE Mar (THB m)	2022	2023E	2024E	2025E
Revenue	4,098	5,044	5,978	7,055
Net profit	(120)	247	602	1,189
EPS (THB)	(0.01)	0.02	0.05	0.11
vs Consensus (%)	-	11.1	(25.4)	12.2
EBITDA	338	70	595	1,140
Core net profit	(321)	(252)	602	1,189
Core EPS (THB)	(0.03)	(0.02)	0.05	0.11
Chg. In EPS est. (%)	nm	nm	(38.7)	(23.2)
EPS growth (%)	nm	nm	nm	97.6
Core P/E (x)	(157.0)	(199.7)	83.7	42.4
Dividend yield (%)	0.4	0.3	0.5	1.2
EV/EBITDA (x)	172.2	674.3	78.7	40.6
Price/book (x)	1.7	1.7	1.7	1.7
Net debt/Equity (%)	23.3	(14.1)	(15.7)	(17.4)
ROE (%)	(1.4)	(0.9)	2.0	4.0



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	17.2	0.0	(30.6)
Relative to country (%)	18.0	2.4	(30.9)
Mkt cap (USD m)	1,781		
3m avg. daily turnover (USD m)	3.5		
Free float (%)	25		
Major shareholder	BTS Group Holdings (66%)		
12m high/low (THB)	6.62/3.46		
Issued shares (m)	11,194.52		

Sources: Bloomberg consensus; FSSIA estimates



Naruedom Mujjalinkool

naruedom.muj@fssia.com
+66 2611 3566

Investment thesis

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

We expect that advertising expenditure (adex) should start to recover. The synergy with Jay Mart (JMART TB, BUY, TP THB60) should add value to the operation, especially for its distribution business, which could be the key driver for the company in FY24.

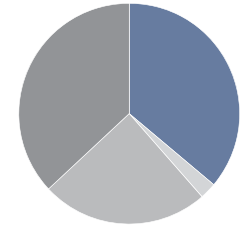
Company profile

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

www.vgi.co.th

Principal activities (revenue, 2022)

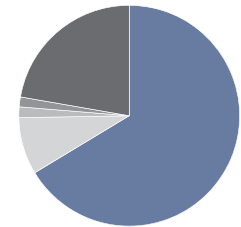
- Transit media - 36.1 %
- Office media - 2.4 %
- Digital media - 24.5 %
- Others - 36.9 %



Source: VGI Pcl.

Major shareholders

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



Source: VGI Pcl.

Catalysts

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

Risks to our call

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

Event calendar

Date	Event
Feb-23	3QFY23 results announcement

Key assumptions

	FY21	FY22E	FY23E	FY24E
	(%)	(%)	(%)	(%)
Transit adex growth	(25)	(26)	30	7
Transit media growth	(39)	12	30	15
Office and others growth	(43)	(53)	25	60
Digital media growth	(18)	7	21	25
Retail growth	n/a	n/a	23	12

Source: FSSIA estimates

Earnings sensitivity

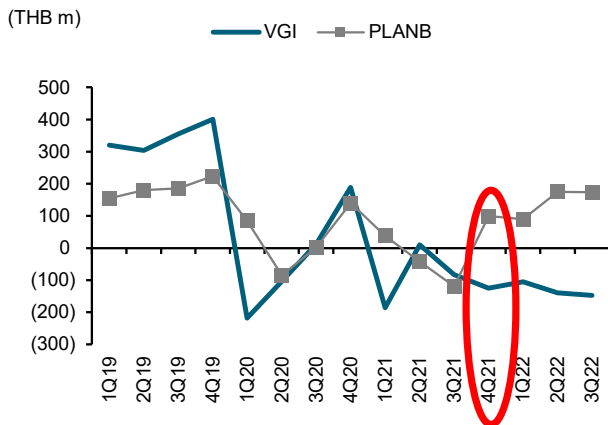
- For every 1% increase in transit media revenue, we project FY23 earnings to rise by 2%, and vice versa, all else being equal;
- For every 1% increase in gross profit margin, we project FY23 earnings to rise by 13%, and vice versa, all else being equal.

Source: FSSIA estimates

Why is VGI underperforming PLANB?

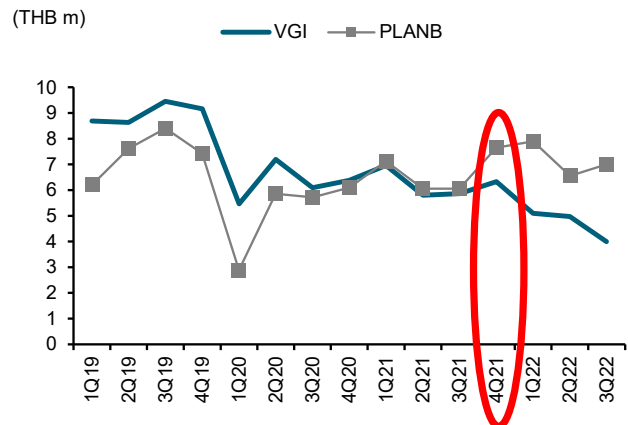
In the past, the share prices of VGI and PLANB usually followed the same trend line, given that both are OOH media operators and changes in advertising expenditure (adex) always had the same impact on both companies. However, since 4Q21, we can clearly see that the spread between the share prices of VGI and PLANB has gotten wider. Moreover, before Covid in 2019, VGI's share price always stayed higher than PLANB's share price.

Exhibit 1: VGI and PLANB quarterly results



Sources: VGI; PLANB; FSSIA's compilation

Exhibit 2: VGI and PLANB share prices

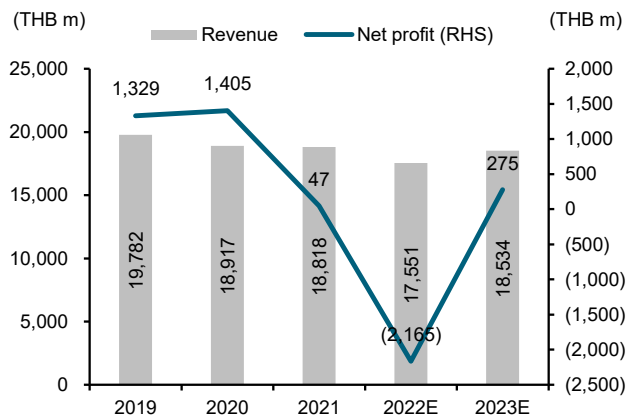


Sources: Bloomberg; FSSIA's compilation

The key turning point was the poor earnings of its subsidiaries

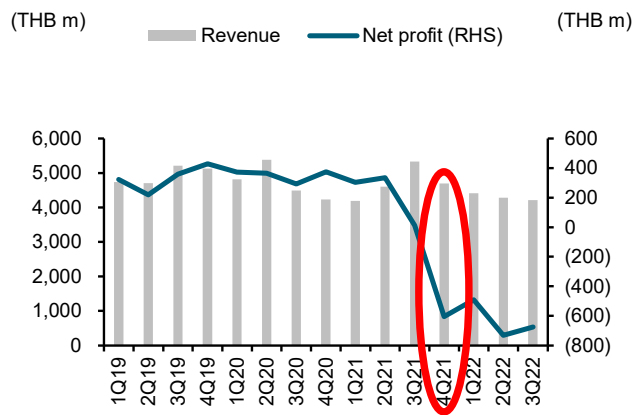
PLANB has become a purer OOH business play compared to VGI, with almost 80% of its total revenue in 2022E coming from OOH. VGI, on the other hand, is more diversified due to its various investments in non-advertising related businesses such as Fanslink, Rabbit Care, and RC. VGI's revenue from its OOH business should account for around 60% of its total revenue in FY23. Moreover, the bulk of PLANB's earnings come from OOH and its engagement business, which are currently generating a profit for the company. VGI, on the other hand, should recognise losses from NINE, RC, a share of the loss from logistics company KEX, and Rabbit Line Pay, an e-payment business.

Exhibit 3: KEX's revenue and net profit forecast



Sources: KEX; FSSIA estimates

Exhibit 4: KEX's quarterly performance



Source: KEX

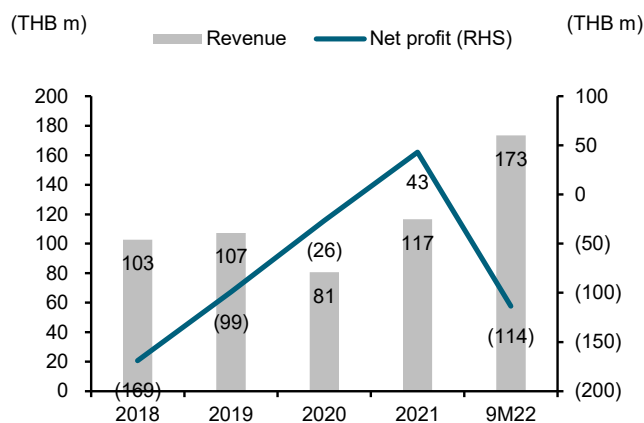
Therefore, we can see that the key turning point for VGI's underperforming share price was mainly the poor performance from KEX, as it started to recognise big losses from 4Q21 onward. Moreover, we have not seen any improvement in KEX's losses since then, and the company lost THB675m in 3Q22. KEX's management expects to see a gradual recovery on a quarterly basis before reaching the breakeven point in 2Q23 or 3Q23.

Identify the cause and the solution becomes clear

We believe the key driver for sending VGI's share price back to its pre-Covid level would be improvement in the performance of its subsidiaries. KEX, NINE, and RC, therefore, must prove that they can generate a sustainable profit for the company. In our view, we expect that it would take at least six months before this could happen, based on the following reasons:

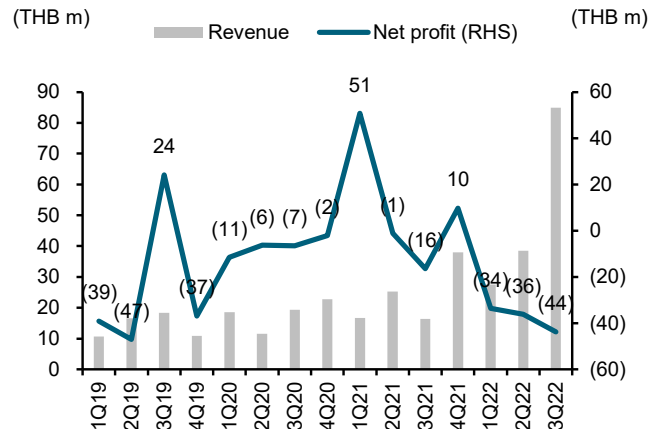
- 1) KEX: is dealing with a slowdown in the e-commerce market. The volume on big e-commerce platforms in Thailand is showing slower growth compared to previous years. Moreover, its efforts at cost reduction are still not sufficient.
- 2) NINE: NINE's main business is book and comic publishing, which is now a sunset business. This business has generated a net loss for the company for many years. Now, the company has transformed into a commercial area developer that focuses on retail businesses in BTS stations. Currently, NINE has three Turtle shops in BTS sky train stations and nine Turtle Coffee shops. However, due to the lagging post-Covid BTS ridership recovery, the revenue from these businesses remains low, while the initial cost of investment and operations has already been recognised. NINE is now facing an even bigger loss from its new business for 2022.

Exhibit 5: NINE's yearly performance



Source: NINE

Exhibit 6: NINE's quarterly performance



Source: NINE

Moreover, VGI also stated that it expects NINE to reach its breakeven point in the next three years, meaning that the company should continue to be a burden on VGI's earnings for at least the next three years. VGI expects the losses to peak in FY24, when the company increases the number of its Turtle shops by expanding into more BTS sky train stations.

Exhibit 7: Turtle shop



Source: VGI

Exhibit 8: Turtle shop at BTS Saint Louis station



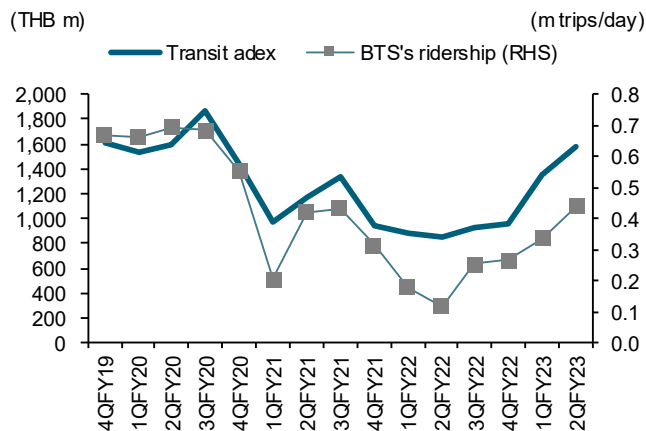
Source: VGI

- 3) Rabbit Cash: RC is a joint venture between AEON Thana Sinsap (AEON TB, NR) (18%), Humanica (HUMAN TB, NR) (5%), and VGI, via Rabbit Business (77%). This company operates digital lending services, mainly in the form of micro loans for employees covered by HUMAN's database. However, the company admits that this business is expected to be a loss maker in FY24 before reaching breakeven in FY25. Most of the Rabbit brand businesses such as Rabbit Cash, Rabbit Line Pay, and Rabbit Care are all currently generating losses. Looking ahead to next year, we think Rabbit Cash should remain in the red along with Rabbit Line Pay, and Rabbit Care should have no significant impact on VGI's earnings.

Lead time in transit revenue

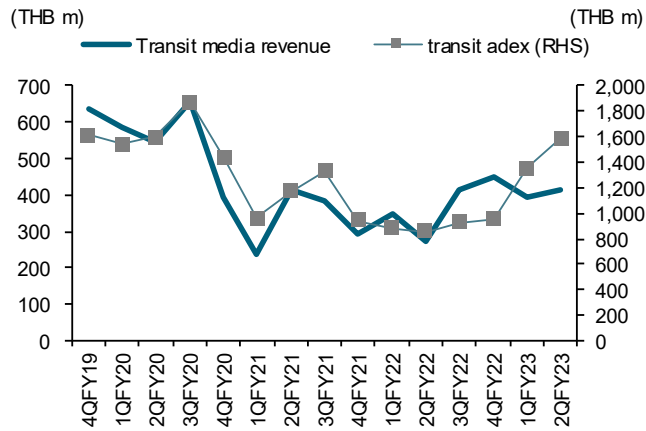
There has been a clear improvement in BTS ridership since 1QFY23 (Apr-Jun 2023), growing from just 267k trips in the previous quarter to 337k (+26.2% q-q). The 438k trips in 2QFY23 constitute the highest ridership figure in the past 10 quarters since Covid hit Thailand in 1Q20. However, VGI's transit revenue in 2QFY23 remained weak at THB414m, 7.6% lower than the THB448m it recorded in 4QFY22 – despite the 64% higher ridership in 2QFY23. The company attributed the lagging performance to cautious ad spenders who preferred to wait and see if ridership had stabilised.

Exhibit 9: Transit adex vs BTS ridership



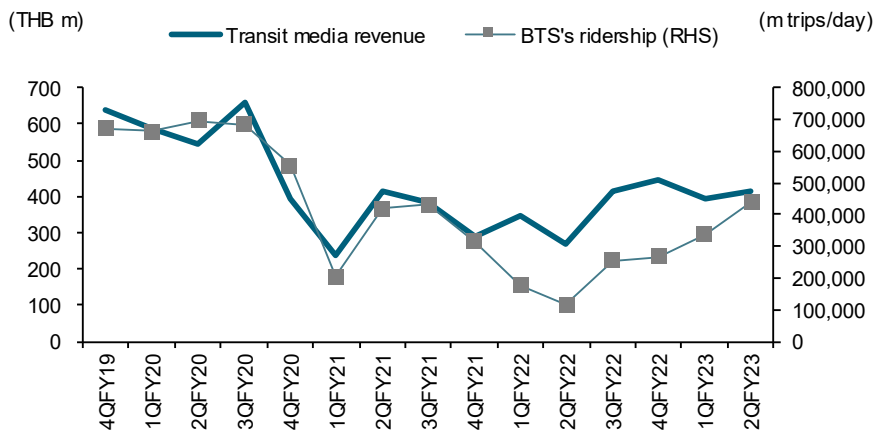
Sources: Nielsen; BTSGIF; FSSIA's compilation

Exhibit 10: VGI's transit revenue vs transit adex



Sources: Nielsen; VGI; FSSIA's compilation

Exhibit 11: VGI's transit revenue vs BTS ridership



Sources: VGI; BTSGIF; FSSIA's compilation

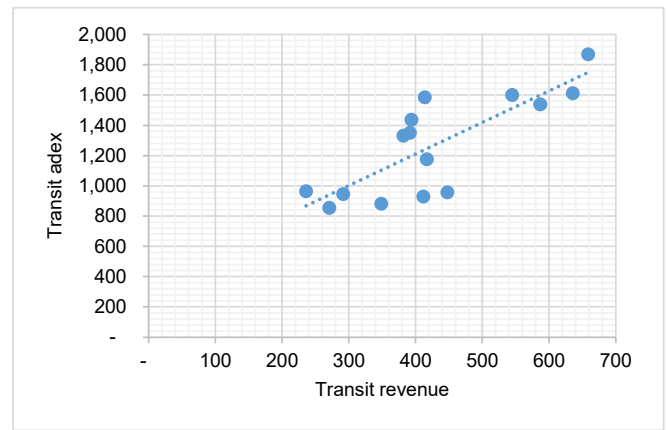
Our research shows that since 4QFY19, VGI's transit revenue, transit adex, and BTS ridership usually follow the same trend line. Furthermore, the level of correlation at over 0.85 during 4QFY19-4QFY22 (three years) is considered strongly positive. However, looking at the latest two quarters, the correlation between VGI's transit revenue and both transit adex and BTS ridership are at only 0.4 and 0.71, representing only a low and moderate correlation, respectively.

Exhibit 12: Correlation table

	4QFY19-4QFY22	4QFY19-2QFY23	1QFY22-2QFY23
Transit revenue and transit adex	0.85	0.80	0.40
Transit adex and BTS ridership	0.96	0.92	0.92
Transit revenue and BTS ridership	0.86	0.86	0.71

Sources: VGI; Nielsen; BTSGIF; FSSIA's compilation

Exhibit 13: Correlation between transit adex and transit revenue



Sources: VGI; Nielsen; FSSIA's compilation

3QFY23 will be a very important quarter for VGI as ridership continued rising along with transit adex. Now, with the average BTS ridership hitting 473k trips during Sep-Oct 2022, higher than the 438k trips in 2QFY23, we expect that its transit revenue should start to show some improvement in this quarter. If not, we will continue to have a negative view on VGI's outlook.

Earnings revisions

As a result of 1) the sluggish performance of VGI's subsidiaries, and 2) the lagging revenue from its mass transit-related business, we turn our projection for VGI's bottom line in FY23 to a core loss of THB252m vs our previous expectation of a THB314m profit. We also cut our projected earnings for FY24 down from THB982m to THB602m.

For VGI's organic business, we lower our revenue forecast due to the sluggish performance of its mass transit media, the slow growth of Fanslink, and the inclusion of NINE's performance into our forecast. We also trim VGI's GPM and increase its SG&A expense to reflect the expected losses contributed by NINE and Rabbit Cash, and increase the share of profit and loss from associate companies, mainly based on the earnings revisions from KEX and JMART.

Exhibit 14: Key assumption changes

	Current			Previous			Change		
	FY23E (THB m)	FY24E (THB m)	FY25E (THB m)	FY23E (THB m)	FY24E (THB m)	FY25E (THB m)	FY23E (%)	FY24E (%)	FY25E (%)
Revenue	5,044	5,978	7,055	5,509	6,463	7,440	(8.4)	(7.5)	(5.2)
Gross profit	1,290	1,841	2,399	1,492	1,932	2,459	(13.6)	(4.7)	(2.4)
SG&A expense	(1,876)	(1,908)	(1,940)	(1,243)	(1,328)	(1,420)	50.9	43.7	36.6
Operating profit	(586)	(67)	459	249	604	1,035	n/a	n/a	(55.6)
Share of profit	(178)	323	495	(81)	373	513	120.0	(13.5)	(3.4)
Core net profit	(252)	602	1,189	314	982	1,549	n/a	(38.7)	(23.2)
Margin	(%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(ppt)
Gross profit margin	25.57	30.80	34.01	27.08	29.89	33.05	(1.51)	0.90	0.96
Net profit margin	(5.00)	10.07	16.86	5.70	15.19	20.82	(10.70)	(5.13)	(3.96)

Source: FSSIA estimates

Valuation

We roll over our SoTP-based TP to FY24 but cut it to THB4.30 from THB4.70 in order to reflect the 1) TP cut on KEX from THB18 to THB16; 2) JMART's TP cut from THB66 to THB60, as well as VGI's reduced shareholding in JMART from 15% to 14%; 3) the increase in PLANB's TP from THB8 to THB9; and 4) the cut to VGI's enterprise value, mainly from the lower earnings forecast going forward.

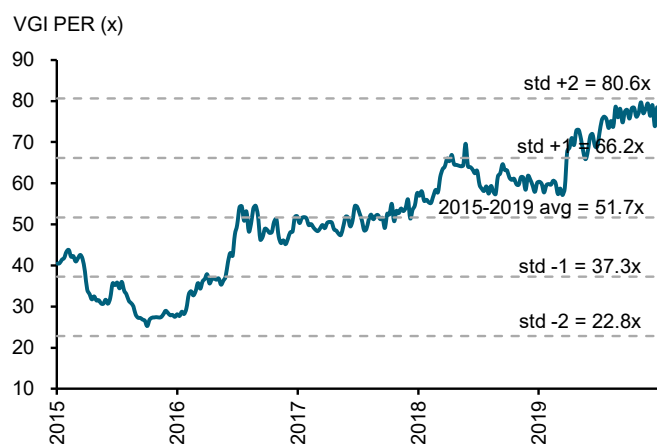
Exhibit 15: SoTP valuation methodology

Cost of equity assumptions	(%)	Cost of debt assumption	(%)
Risk-free rate	3.00	Pretax cost of debt	3.2
Market risk premium	8.0	Marginal tax rate	20.0
Stock beta	1		
Cost of equity, Ke	11.00	Net cost of debt, Kd	2.56
Weight applied	74	Weight applied	26
WACC (from 7.5%)	8.8		
	(THB m)	(THB/share)	Comments
PLANB Enterprise value	7,160	2.20	FSSIA TP of THB9 (from THB8) P/E multiple-based valuation
KEX Enterprise value	4,847	0.64	FSSIA TP of THB16 (from THB18) DCF-based valuation
JMART Enterprise value	11,988	0.53	FSSIA TP of THB60 (from THB66) DCF-based valuation
Total investment	23,995	2.31	
VGI Enterprise value	18,525	1.65	WACC 8.8%, beta 1, 2% terminal growth
MACO Enterprise value	719	0.06	@ market price as of 13 Dec-22
Net debt	4,846	0.43	At end-FY23E
Total	48,085		
Share base (m)	11,195		
TP (THB)	4.3		

Sources: VGI; FSSIA estimates

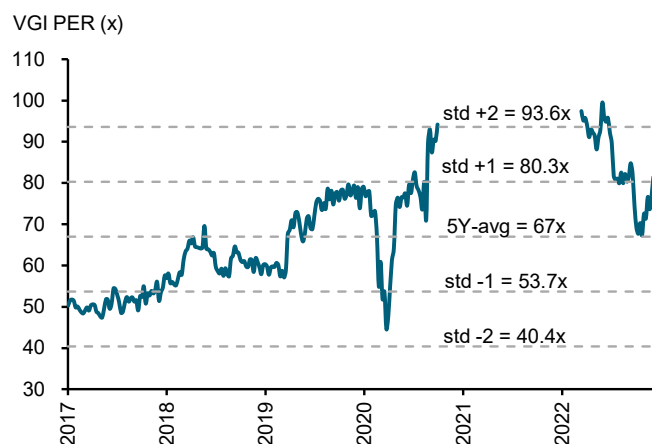
Our new TP of THB4.30 is pegged to 80x FY24E P/E. VGI's current share price is now trading at 90x FY24E P/E, which still extremely high in our view. At this level of P/E, VGI is trading at +2SD of its historical mean P/E during FY15-FY19 (pre-Covid), and +1SD of its mean including the Covid year. Therefore, its outlook and the recovery momentum remain unclear, despite the company's losses potentially having bottomed out in 2QFY23, and the rich valuation. We maintain our HOLD recommendation on VGI. We prefer PLANB, our top pick, over VGI as the company is trading at only 40x P/E, while its outlook and growth is more solid.

Exhibit 16: P/E band (historical)



Sources: Bloomberg; FSSIA estimates

Exhibit 17: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 18: Peers comparison

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	10.90	11.50	5.5	626	35.1	24.9	9.8	13.0	3.4	3.1	6.9	6.1
Workpoint Entertainment	WORK TB	18.70	16.30	(12.8)	237	52.9	28.7	3.4	6.2	1.8	1.8	11.9	8.7
The One Enterprise	ONEE TB	9.30	11.10	19.4	636	28.3	22.5	11.1	13.1	3.1	2.9	9.3	8.0
TV avg.					1,499	38.8	25.4	8.1	10.8	2.7	2.6	9.4	7.6
Out of home													
VGI	VGI TB	4.50	4.30	(4.4)	1,781	(199.7)	83.7	(0.9)	2.0	1.7	1.7	674.3	78.7
Plan B Media	PLANB TB	8.05	9.00	11.8	989	54.5	40.5	8.0	9.6	3.9	3.8	14.6	13.7
Out of home avg.					2,770	(72.6)	62.1	3.5	5.8	2.8	2.8	344.5	46.2
Others													
RS	RS TB	16.30	13.30	(18.4)	450	71.2	40.2	10.0	16.5	6.9	6.4	20.9	17.4
Major Cineplex Group	MAJOR TB	19.70	22.00	11.7	506	70.2	22.7	3.6	11.5	2.7	2.6	11.8	8.9
Overall					5,226	26.0	37.3	6.4	10.3	3.3	3.2	104.4	19.9

Share prices as of 13 Dec 2022

Sources: Bloomberg; FSSIA estimates

Financial Statements

VGI Pcl.

Profit and Loss (THB m) Year Ending Mar	2021	2022	2023E	2024E	2025E
Revenue	2,480	4,098	5,044	5,978	7,055
Cost of goods sold	(1,075)	(2,723)	(3,234)	(3,622)	(4,144)
Gross profit	1,405	1,375	1,810	2,356	2,910
Other operating income	111	128	136	146	169
Operating costs	(924)	(1,164)	(1,876)	(1,908)	(1,940)
Operating EBITDA	592	338	70	595	1,140
Depreciation	(469)	(486)	(520)	(515)	(511)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	123	(148)	(450)	80	629
Net financing costs	(73)	(100)	(48)	0	0
Associates	136	(194)	(178)	323	495
Recurring non-operating income	195	(194)	(99)	443	652
Non-recurring items	795	201	624	0	0
Profit before tax	1,040	(241)	27	523	1,281
Tax	(133)	(34)	(4)	(89)	(218)
Profit after tax	907	(276)	22	434	1,063
Minority interests	73	156	224	168	126
Preferred dividends	-	-	-	-	-
Other items	0	0	0	0	0
Reported net profit	980	(120)	247	602	1,189
Non-recurring items & goodwill (net)	(795)	(201)	(499)	0	0
Recurring net profit	185	(321)	(252)	602	1,189
Per share (THB)					
Recurring EPS *	0.02	(0.03)	(0.02)	0.05	0.11
Reported EPS	0.09	(0.01)	0.02	0.05	0.11
DPS	0.05	0.02	0.01	0.02	0.05
Diluted shares (used to calculate per share data)	11,195	11,195	11,195	11,195	11,195
Growth					
Revenue (%)	(38.0)	65.2	23.1	18.5	18.0
Operating EBITDA (%)	(57.1)	(42.9)	(79.3)	749.6	91.7
Operating EBIT (%)	(83.9)	nm	nm	nm	687.1
Recurring EPS (%)	(85.6)	nm	nm	nm	97.6
Reported EPS (%)	(31.2)	nm	nm	144.0	97.6
Operating performance					
Gross margin inc. depreciation (%)	37.7	21.7	25.6	30.8	34.0
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	23.9	8.3	1.4	9.9	16.2
Operating EBIT margin (%)	5.0	(3.6)	(8.9)	1.3	8.9
Net margin (%)	7.5	(7.8)	(5.0)	10.1	16.9
Effective tax rate (%)	20.0	20.0	20.0	20.0	120.0
Dividend payout on recurring profit (%)	283.9	(69.8)	(58.7)	40.0	50.0
Interest cover (X)	4.3	(3.4)	(11.4)	-	-
Inventory days	7.8	28.5	43.9	41.2	37.8
Debtor days	136.5	82.7	78.5	71.7	68.2
Creditor days	146.6	75.1	88.4	89.4	87.1
Operating ROIC (%)	9.6	(1.5)	(4.6)	(1.3)	(47.7)
ROIC (%)	1.6	(1.0)	(1.4)	(0.4)	(5.7)
ROE (%)	1.3	(1.4)	(0.9)	2.0	4.0
ROA (%)	0.9	(1.3)	(1.2)	1.3	3.1
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Transit media	1,327	1,480	1,924	2,213	2,766
Office media	213	100	125	200	250
Digital media	940	1,004	1,215	1,519	1,746
Others	0	1,514	1,780	2,047	2,293

Sources: VGI Pcl.; FSSIA estimates

Financial Statements

VGI Pcl.

Cash Flow (THB m) Year Ending Mar	2021	2022	2023E	2024E	2025E
Recurring net profit	185	(321)	(252)	602	1,189
Depreciation	469	486	520	515	511
Associates & minorities	(412)	38	(224)	(168)	(126)
Other non-cash items	151	(246)	507	8	9
Change in working capital	(227)	(203)	14,037	33	(93)
Cash flow from operations	166	(247)	14,587	990	1,490
Capex - maintenance	(239)	(219)	(306)	(276)	(276)
Capex - new investment	(159)	(146)	(204)	(184)	(184)
Net acquisitions & disposals	804	(6,456)	(3,000)	0	0
Other investments (net)	898	248	0	0	0
Cash flow from investing	1,303	(6,573)	(3,510)	(460)	(460)
Dividends paid	(310)	(525)	(148)	(241)	(595)
Equity finance	0	0	0	0	0
Debt finance	(689)	6,934	(8,150)	0	0
Other financing cash flows	260	145	329	299	218
Cash flow from financing	(739)	6,554	(7,969)	58	(376)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	(45)	0	0	0	0
Movement in cash	685	(266)	3,109	588	654
Free cash flow to firm (FCFF)	1,542.84	(6,719.37)	11,125.39	529.87	1,029.85
Free cash flow to equity (FCFE)	995.47	259.01	3,256.84	828.68	1,248.33

Per share (THB)

FCFF per share	0.14	(0.60)	0.99	0.05	0.09
FCFE per share	0.09	0.02	0.29	0.07	0.11
Recurring cash flow per share	0.04	0.00	0.05	0.09	0.14

Balance Sheet (THB m) Year Ending Mar	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	3,031	3,046	3,396	3,696	3,996
Less: Accumulated depreciation	(1,811)	(1,985)	(2,273)	(2,569)	(2,869)
Tangible fixed assets (net)	1,220	1,062	1,123	1,127	1,127
Intangible fixed assets (net)	693	1,002	941	889	846
Long-term financial assets	137	216	216	216	216
Invest. in associates & subsidiaries	9,223	15,265	18,265	18,265	18,265
Cash & equivalents	1,415	1,149	4,258	4,846	5,500
A/C receivable	1,353	1,624	1,716	1,911	2,117
Inventories	46	380	399	419	440
Other current assets	396	13,210	353	598	847
Current assets	3,210	16,363	6,726	7,773	8,903
Other assets	6,488	6,941	6,280	5,981	5,694
Total assets	20,970	40,848	33,551	34,251	35,052
Common equity	16,592	29,133	29,232	29,593	30,188
Minorities etc.	472	849	1,074	1,242	1,368
Total shareholders' equity	17,063	29,983	30,306	30,835	31,556
Long term debt	0	20	0	0	0
Other long-term liabilities	724	809	780	755	733
Long-term liabilities	724	829	780	755	733
A/C payable	399	722	844	930	1,047
Short term debt	1,159	8,130	0	0	0
Other current liabilities	1,625	1,185	1,622	1,731	1,717
Current liabilities	3,183	10,036	2,466	2,661	2,763
Total liabilities and shareholders' equity	20,970	40,848	33,551	34,251	35,052
Net working capital	(229)	13,307	2	266	640
Invested capital	17,531	37,793	26,827	26,744	26,789

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

Per share (THB)

Book value per share	1.48	2.60	2.61	2.64	2.70
Tangible book value per share	1.42	2.51	2.53	2.56	2.62

Financial strength

Net debt/equity (%)	(1.5)	23.3	(14.1)	(15.7)	(17.4)
Net debt/total assets (%)	(1.2)	17.1	(12.7)	(14.1)	(15.7)
Current ratio (x)	1.0	1.6	2.7	2.9	3.2
CF interest cover (x)	16.8	5.0	73.1	-	-

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	272.3	(157.0)	(199.7)	83.7	42.4
Recurring P/E @ target price (x) *	260.2	(150.0)	(190.8)	80.0	40.5
Reported P/E (x)	51.4	(418.9)	204.2	83.7	42.4
Dividend yield (%)	1.0	0.4	0.3	0.5	1.2
Price/book (x)	3.0	1.7	1.7	1.7	1.7
Price/tangible book (x)	3.2	1.8	1.8	1.8	1.7
EV/EBITDA (x) **	85.4	172.2	674.3	78.7	40.6
EV/EBITDA @ target price (x) **	81.7	165.5	642.3	74.9	38.6
EV/invested capital (x)	2.9	1.5	1.8	1.7	1.7

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

Sources: VGI Pcl.; FSSIA estimates

Corporate Governance report of Thai listed companies 2021

EXCELLENT LEVEL – Score range 90-100										
AAV	BPCG	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	PSH	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	SEAOIL	SYMC	TQM	WHA
AP	CENTEL	EASTW	ICC	MACO	OISHI	PTTEP	SE-ED	SYNTEC	TRC	WHAUP
ARIP	CFRESH	ECF	ICHI	MAJOR	OR	PTTGC	SELIC	TACC	TRU	WICE
ARROW	CHEWA	ECL	III	MAKRO	ORI	PYLON	SENA	TASCO	TRUE	WINNER
ASP	CHO	EE	ILINK	MALEE	OSP	Q-CON	SHR	TCAP	TSC	ZEN
AUCT	CIMBT	EGCO	ILM	MBK	OTO	QH	SIRI	TEAMG	TSR	
AWC	CK	EPG	INTUCH	MC	PAP	QTC	SIS	TFMAMA	TSTE	
AYUD	CKP	ETC	IP	MCOT	PCSGH	RATCH	SITHAI	TGH	TSTH	
BAFS	CM	FPI	IRPC	METCO	PDG	RS	SMK	THANA	TTA	
BANPU	CNT	FPT	ITEL	MFEC	PDJ	S	SMPC	THANI	TTB	
BAY	COM7	FSMART	IVL	MINT	PG	S & J	SNC	THCOM	TTCL	
BBL	COMAN	GBX	JSP	MONO	PHOL	SAAM	SONIC	THG	TTW	
BCP	COTTO	GC	JWD	MOONG	PLANB	SABINA	SPALI	THIP	TU	
VERY GOOD LEVEL – Score range 80-89										
2S	ASIMAR	CHOW	FLOYD	IT	LOXLEY	OCC	RPC	SKY	TCC	TVT
7UP	ASK	CI	FN	ITD	LRH	OGC	RT	SLP	TCMC	TWP
ABICO	ASN	CIG	FNS	J	LST	PATO	RWI	SMIT	TEAM	UEC
ABM	ATP30	CMC	FORTH	JAS	M	PB	S11	SMT	TFG	UMI
ACE	B	COLOR	FSS	JCK	MATCH	PICO	SA	SNP	TFI	UOBKH
ACG	BA	CPL	FTE	JCKH	MBAX	PIMO	SAK	SO	TIGER	UP
ADB	BAM	CPW	FVC	JMART	MEGA	PJW	SALEE	SORKON	TITLE	UPF
AEONTS	BC	CRD	GEL	JMT	META	PL	SAMCO	SPA	TKN	UPOIC
AGE	BCH	CSC	GENCO	KBS	MFC	PM	SANKO	SPC	TKS	UTP
AHC	BEC	CSP	GJS	KCAR	MGT	PMTA	SAPPE	SPCG	TM	VCOM
AIT	BEYOND	CWT	GYT	KEX	MICRO	PPP	SAWAD	SR	TMC	VL
ALL	BFIT	DCC	HEMP	KGI	MILL	PPPM	SCI	SRICHA	TMD	VPO
ALLA	BJC	DCON	HPT	KIAT	MITSIB	PRIME	SCN	SSC	TMI	VRANDA
ALUCON	BJCHI	DHOUSE	HTC	KISS	MK	PRIN	SCP	SSF	TMILL	WGE
AMANAH	BLA	DOD	HYDRO	KOOL	MODERN	PRINC	SE	STANLY	TNL	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	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:

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	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 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

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Company	Ticker	Price	Rating	Valuation & Risks
VGI Pcl.	VGI TB	THB 4.50	HOLD	The key upside and downside risks to our SoTP-based TP are if the advertising expenditure recovery is slower or faster than our expectation, and whether Rabbit Line Pay is successful or not.
Kerry Express (Thailand)	KEX TB	THB 19.20	REDUCE	The key upside risks to our DCF-based TP are 1) if the competition is lower than our expectation; and 2) if the Covid-19 situation is under control
Plan B Media	PLANB TB	THB 8.05	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.
Jay Mart	JMART TB	THB 42.00	BUY	Downside risks to our SoTP-based TP include 1) lower-than-expected mobile revenue; 2) lower cash collection from its fully amortised portfolio; and 3) the lower-than-expected acquisition of new bad debt.
BEC World	BEC TB	THB 10.90	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 18.70	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 9.30	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.
RS	RS TB	THB 16.30	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 19.70	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

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All share prices are as at market close on 13-Dec-2022 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

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.