

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% |

มีธุรกิจที่มีปัญหามากเกินไป

- เรามีความกังวลเกี่ยวกับแนวโน้มของ VGI เนื่องจากการลงทุนใน Rabbit Cash, NINE, และ KEX ต่างไม่สามารถสร้างกำไร
- เราคาดว่าบริษัท จะรายงานผลขาดทุนปกติ 252 ลบ. ใน FY23 และปรับลดประมาณการกำไรสำหรับ FY24 ลง 39% มาอยู่ที่ 602 ลบ.
- คงแนะนำถือที่ราคาเป้าหมาย FY24 ที่ 4.3 บาท

กิจการที่ไม่ทำกำไรถ่วงแนวโน้มรอบ 6 เดือน

แม้ว่า VGI จะมีการลงทุนและขยายธุรกิจอย่างมีนัยสำคัญ ความสามารถในการทำกำไรของทั้ง 3 กิจการใหม่ของบริษัท ยังเป็นเรื่องพูดยาก หุ้น 60% ใน Nation International Entertainment (NINE TB, NR) อาจทำให้ VGI ต้องรับรู้ผลขาดทุนกว่า 90 ลบ. ต่อปี ธุรกิจสินเชื่อบุคคล Rabbit Cash (RC) ที่เพิ่งเริ่มต้นก็อาจก่อให้เกิดผลขาดทุน ในขณะที่เรคาดว่า Kerry Express (Thailand) (KEX TB, REDUCE, TP 16 บาท) จะยังไม่ถึงจุดคุ้มทุนจนกว่าจะถึงกลางปี 2023 ด้วยเหตุผลดังกล่าวเรามองว่าธุรกิจทั้ง 3 จะเป็นภาระแก่ VGI อย่างน้อยไปอีก 6 เดือนข้างหน้า

การฟื้นตัวในธุรกิจสื่อออนไลน์ (OOH) อาจไม่มากพอ

เราจะมีมุมมองเป็นบวกต่อสื่อ OOH และคาดว่าธุรกิจดังกล่าวจะทำให้ได้ดีกว่าสื่ออื่น ๆ ในปี 2023 จากการฟื้นตัวของตัวเลขผู้โดยสารรถไฟฟ้ นอกจากนี้ธุรกิจดังกล่าวยังอาจช่วยกระตุ้นรายได้จากธุรกิจหลักของ VGI ในอนาคต อย่างไรก็ตามมันอาจยังไม่มากพอที่จะช่วยชดเชยผลประกอบการที่ตกต่ำของการลงทุนของบริษัทฯ หมายเหตุเรคาดว่า การฟื้นตัวของสื่อ OOH ของ VGI อาจช้ากว่า Plan B Media (PLANB TB, BUY, TP 9 บาท)

ปรับลดประมาณการกำไร

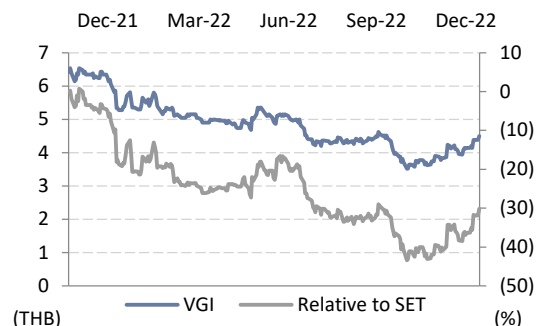
การรวมผลการดำเนินงานทางการเงินของ NINE ไว้ในประมาณการของเราแสดงให้เห็นว่ากำไรของ VGI อาจมีแรงกดดันในอนาคต ในขณะที่ผลขาดทุนปกติของ VGI ใน 1HFY23 สูงถึง 287 ลบ. ไปแล้ว เราคิดว่าบริษัท อาจรายงานผลขาดทุนต่อเนื่องใน 3QFY23 เพราะฉะนั้นเราจึงคาดว่าผลการดำเนินงานปกติของ VGI ใน FY23 จะขาดทุน 252 ลบ. แล้งจากที่เคยคาดว่าจะมีกำไร 314 ลบ. นอกจากนี้เรายังคาดว่าด้วยว่า NINE จะไม่มีกำไรใน FY24 ในขณะที่ RC น่าจะรายงานผลขาดทุนเพียงเล็กน้อย เราได้ปรับลดประมาณการกำไรของเราสำหรับ KEX ไปแล้ว ด้วยเหตุผลดังกล่าวเราปรับลดประมาณการกำไรสำหรับ FY24 ลง 39% มาอยู่ที่ 602 ลบ.

คงแนะนำถือที่ราคาเป้าหมายใหม่ที่ 4.3 บาท

เราคงแนะนำถือหลังปรับราคาเป้าหมายไป FY24 ที่ 4.30 บาท (SoTP) ราคาดังกล่าวต่ำกว่าเดิมที่ 4.7 บาทจากการปรับมูลค่าการลงทุนและธุรกิจหลักที่ฟื้นตัวอย่างช้า ๆ ปัจจุบันราคาหุ้นของ VGI มีการซื้อขายที่ 90x ของค่า FY24E P/E ซึ่งเราเห็นว่าสูงมากเนื่องจากยังไม่หลักฐานที่เห็นเด่นชัดว่าธุรกิจ OOH ของ VGI จะฟื้นตัวได้ใน 2HFY23 เราคิดว่า PLANB เป็นทางเลือกที่ดีกว่าเนื่องจากราคาหุ้นถูกกว่า 50% พร้อมการเติบโตของกำไรที่ชัดเจนมากกว่า

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


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PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 14 ธันวาคม 2022

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.

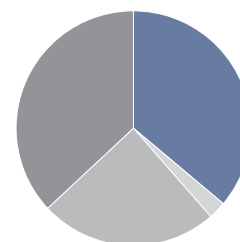
Company profile

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)

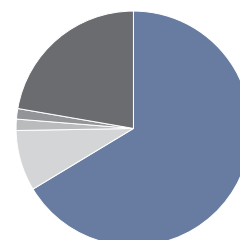
- Transit media - 36.1 %
- Office media - 2.4 %
- Digital media - 24.5 %
- Others - 36.9 %



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

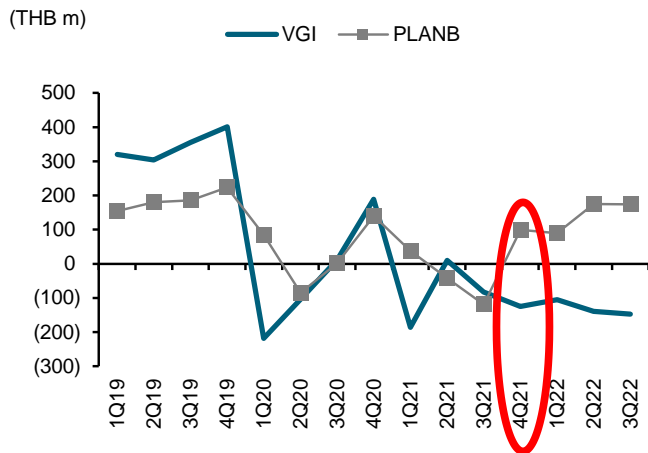
- For every 1% increase in transit media revenue, we project FY23 earnings to rise by 2%, and vice versa, all else being equal;
- For every 1% increase in gross profit margin, we project FY23 earnings to rise by 13%, and vice versa, all else being equal.

Source: FSSIA estimates

Why is VGI underperforming PLANB?

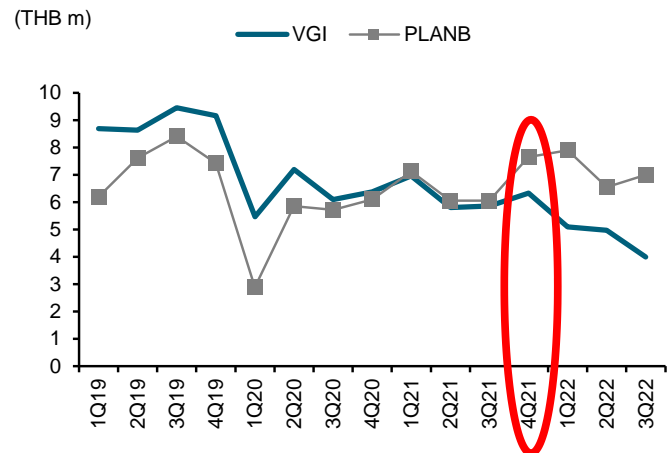
In the past, the share prices of VGI and PLANB usually followed the same trend line, given that both are OOH media operators and changes in advertising expenditure (adex) always had the same impact on both companies. However, since 4Q21, we can clearly see that the spread between the share prices of 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

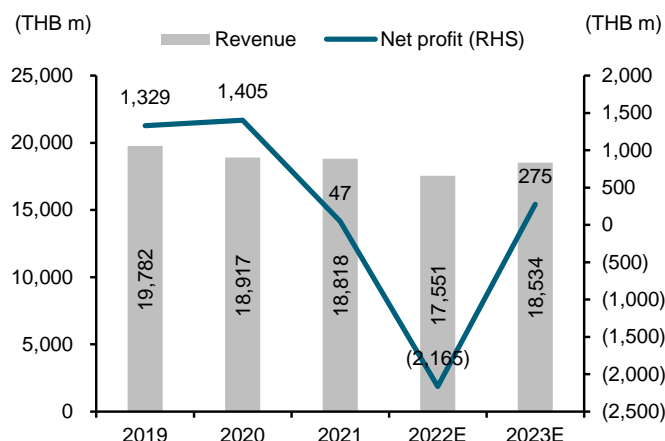


Sources: Bloomberg; FSSIA's compilation

The key turning point was the poor earnings of its subsidiaries

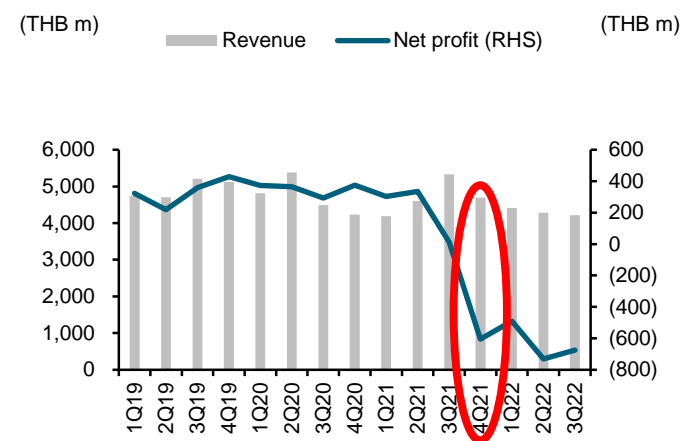
PLANB has become a purer OOH business play compared to VGI, with almost 80% of its total revenue in 2022E coming from OOH. VGI, on the other hand, is more diversified due to its various investments in non-advertising related businesses such as Fanslink, Rabbit Care, and RC. VGI's revenue from its OOH 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

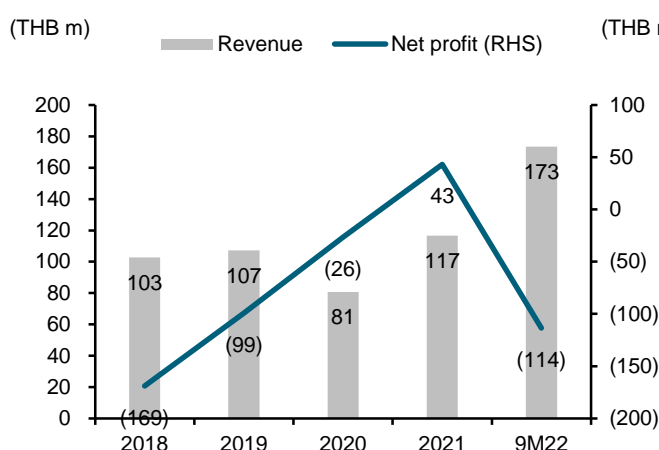
Therefore, we can see that the key turning point for VGI's underperforming share price was mainly the poor performance from KEX, as it started to recognise big losses from 4Q21 onward. Moreover, we have not seen any improvement in KEX's losses since then, and the company lost THB675m in 3Q22. KEX's management 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:

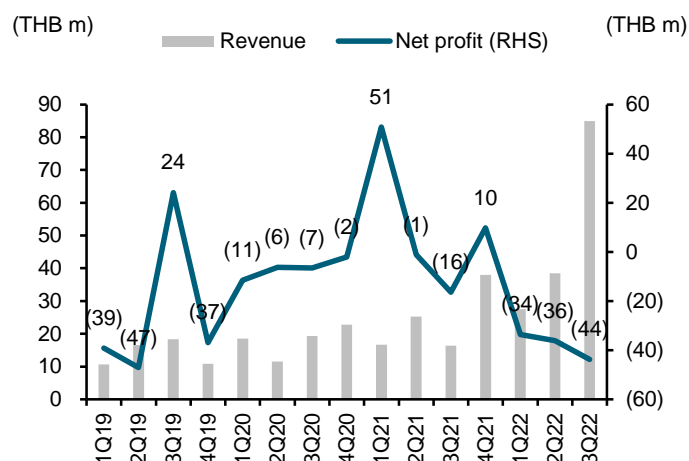
- 1) KEX: is dealing with a slowdown in the e-commerce market. The volume on big e-commerce platforms in Thailand is showing slower growth compared to previous years. Moreover, its efforts at cost reduction are still not sufficient.
- 2) NINE: NINE's main business is book and comic publishing, which 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



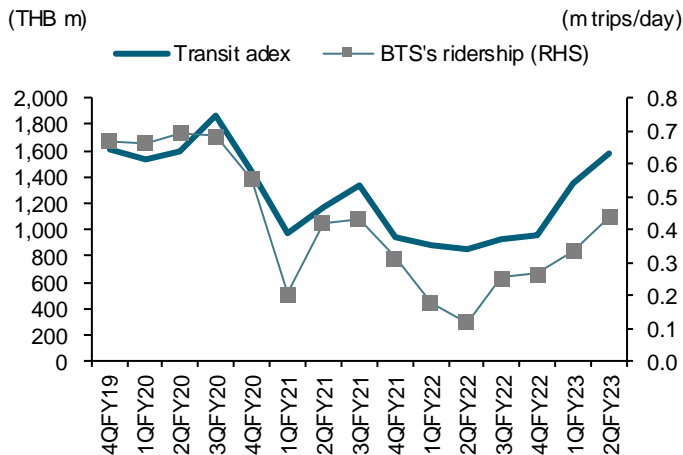
Source: VGI

- 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

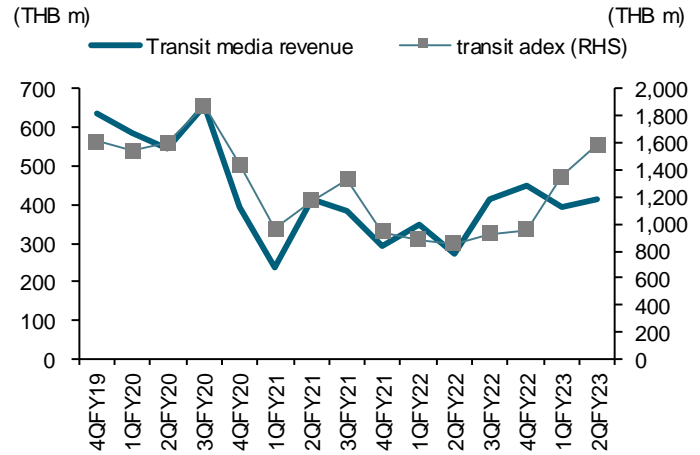
There has been a clear improvement in BTS ridership since 1QFY23 (Apr-Jun 2023), growing from just 267k trips in the previous quarter to 337k (+26.2% q-q). The 438k trips in 2QFY23 constitute the highest ridership figure in the past 10 quarters since Covid hit Thailand in 1Q20. However, VGI's transit 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



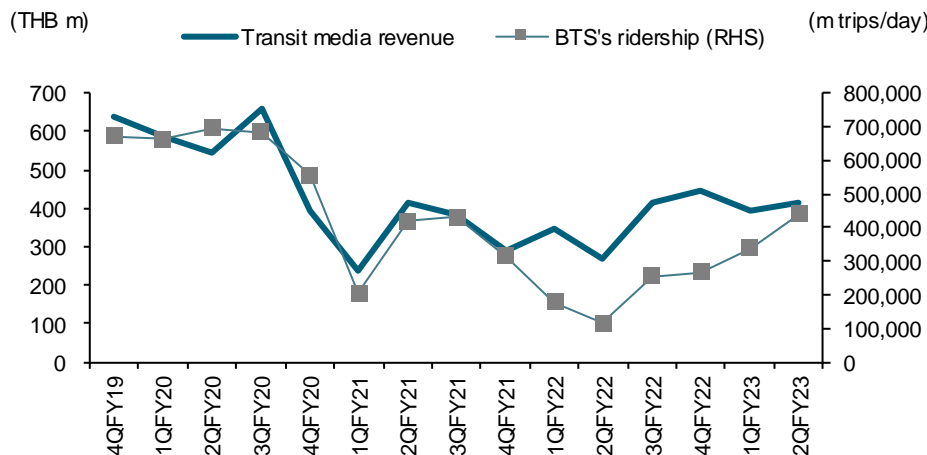
Sources: Nielsen; BTSGIF; FSSIA's compilation

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

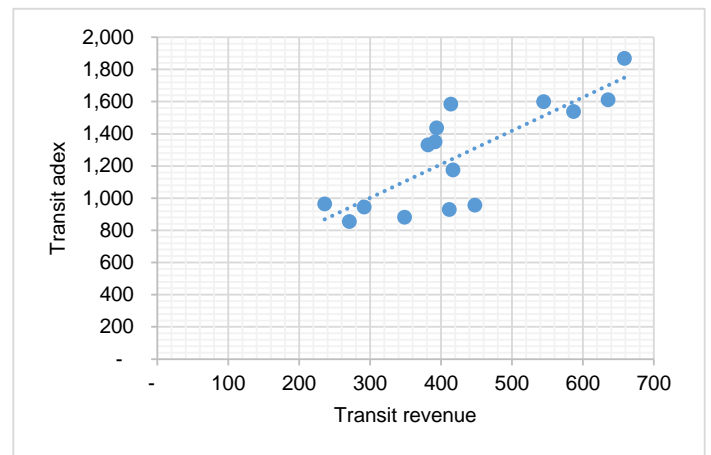
Our research shows that since 4QFY19, VGI's transit revenue, transit adex, and BTS ridership usually follow the same trend line. Furthermore, the level of correlation at over 0.85 during 4QFY19-4QFY22 (three years) is considered strongly positive. However, looking at the latest two quarters, the correlation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

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.

Exhibit 13: Correlation between transit adex and transit revenue

Sources: VGI; Nielsen; FSSIA's compilation

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.

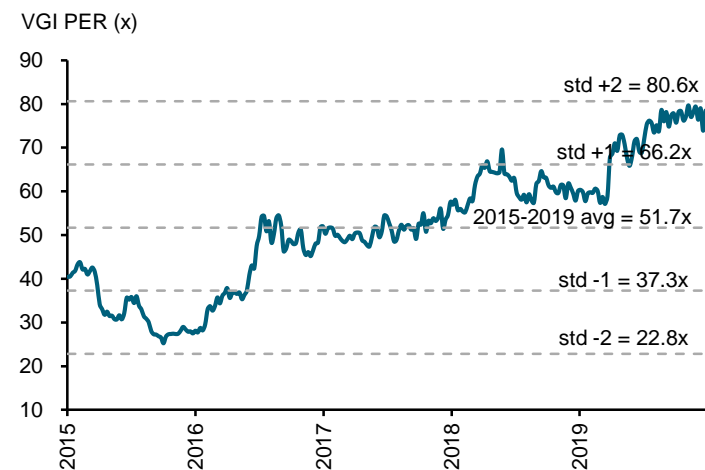
Exhibit 15: SoTP valuation methodology

| 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

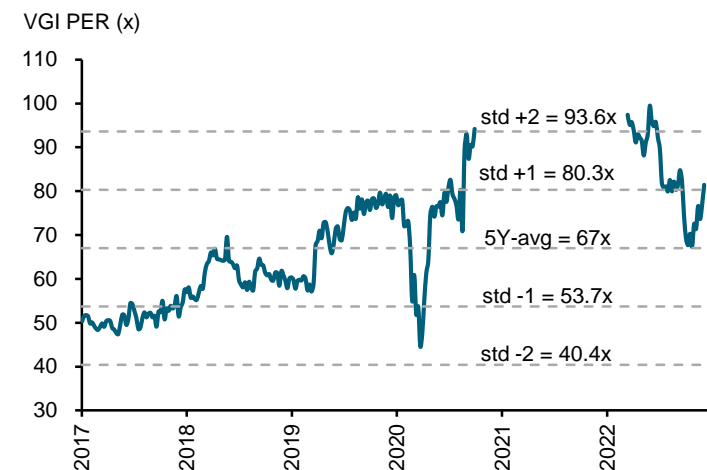
Our new TP of THB4.30 is pegged to 80x FY24E P/E. VGI's current share price is now trading at 90x FY24E P/E, which still extremely high in our view. At this level of P/E, VGI is trading at +2SD of its historical mean P/E during FY15-FY19 (pre-Covid), and +1SD of its mean including the Covid year. Therefore, 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 | PE | | ROE | | PBV | | EVEBITDA | |
|-------------------------|----------|-------------|--------|--------|------------|---------|------|-------|------|-----|-----|----------|------|
| | | Current | Target | Upside | | 22E | 23E | 22E | 23E | 22E | 23E | 22E | 23E |
| | | (LCY) | (LCY) | (%) | | (USD m) | (x) | (x) | (%) | (%) | (x) | (x) | (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 | BCPG | CPALL | GCAP | K | MSC | PLANET | SAMART | SPI | THRE | TVD |
| ADVANC | BDM5 | 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 | 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 | MTSIB | 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 | TIPIPP | 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 | SEAOL | 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:

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

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

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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

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 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.