

MAJOR CINEPLEX GROUP

THAILAND / MEDIA & PUBLISHING

MAJOR TB

BUY

UNCHANGED

| | |
|-----------------|-----------|
| TARGET PRICE | THB22.00 |
| CLOSE | THB18.60 |
| UP/DOWNSIDE | +18.3% |
| PRIOR TP | THB22.00 |
| CHANGE IN TP | UNCHANGED |
| TP vs CONSENSUS | -4.0% |

4Q box office bump thanks to Avatar 2

- We have a neutral view on MAJOR's core earnings in 4Q22, which we expect to hit THB67m (+93% q-q, -20% y-y).
- Cut 2022E earnings by 26% but maintain 2023 forecast as we believe the company should enjoy a strong movie lineup.
- Maintain BUY with the same TP of THB22.

Neutral view on 4Q22E results

While Avatar 2 booked strong box office revenue, the performance of other movies during 4Q22 remained slow, in our view. This should increase MAJOR's 4Q22 box office revenue to THB930m (+8% q-q, +4% y-y), while other businesses should also post some growth. We expect MAJOR's overall revenue to hit THB1.9b in 4Q22 (+10% q-q, +21% y-y). However, the key pressure point on MAJOR's earnings in the quarter was the bonus paid to its employees, which we expect to amount to about THB100m. As a result, we expect MAJOR's core net profit in 4Q22 at THB67m (+93% q-q, -20% y-y).

Cut 2022 earnings forecast but 2023 is maintained

Due to the weaker expected 4Q22 results, we cut our core earnings forecast for 2022 by 26% to THB185m. Although blockbuster films like *Avatar 2* are still performing well, B-grade movies continue to underperform. This continues to raise concerns about consumer caution regarding movie selection. However, we maintain our earnings forecast on MAJOR for 2023 at THB775m (+318% y-y), based on the assumption that the strong blockbusters should continue to perform well.

2023 earnings forecast already conservative

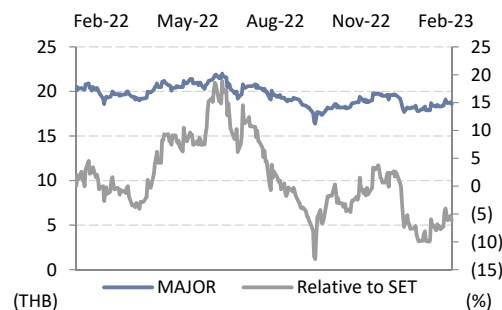
We have confidence that our scenario analysis remains valid – the top 20 movies in the lineup for 2023 have the potential to book at least THB2.4b in box office revenue, based on our estimates. This would be 31% lower than the pre-Covid level in 2019, as most movies in 2023 are sequels continuing on from previous years. We think our earnings forecast of THB775m is already conservative at 9% lower than the BBG consensus.

Maintain BUY with the same TP of THB22

Although MAJOR's 2022 performance may not be as strong as previously expected, we believe that its earnings for 2023 should surge significantly as various blockbusters will be playing from Mar-23 on. However, due to the lack of attractive movies until then, we suggest investors take a wait-and-see approach until the movie season starts in March, beginning with *Khun Pan 3*, *Shazam 2*, and *John Wick 4*. MAJOR's share price usually performs in accordance with the strength of the movies. Maintain BUY with the same SoTP-based TP of THB22.

KEY STOCK DATA

| YE Dec (THB m) | 2021 | 2022E | 2023E | 2024E |
|----------------------|---------|--------|-------|-------|
| Revenue | 3,010 | 6,372 | 7,668 | 9,948 |
| Net profit | 1,581 | 242 | 775 | 1,048 |
| EPS (THB) | 1.77 | 0.27 | 0.87 | 1.17 |
| vs Consensus (%) | - | (34.0) | (7.0) | (4.1) |
| EBITDA | (99) | 1,560 | 1,972 | 2,255 |
| Core net profit | (528) | 185 | 775 | 1,048 |
| Core EPS (THB) | (0.59) | 0.21 | 0.87 | 1.17 |
| Chg. In EPS est. (%) | nm | (26.2) | - | - |
| EPS growth (%) | nm | nm | 318.2 | 35.2 |
| Core P/E (x) | (31.5) | 89.8 | 21.5 | 15.9 |
| Dividend yield (%) | 8.6 | 1.3 | 4.2 | 5.7 |
| EV/EBITDA (x) | (180.8) | 10.8 | 8.4 | 7.3 |
| Price/book (x) | 2.3 | 2.5 | 2.4 | 2.3 |
| Net debt/Equity (%) | 14.9 | 2.5 | (2.8) | (5.1) |
| ROE (%) | (7.7) | 2.7 | 11.5 | 14.9 |



| Share price performance | 1 Month | 3 Month | 12 Month |
|--------------------------------|-------------------------|---------|----------|
| Absolute (%) | 4.5 | (1.1) | (9.3) |
| Relative to country (%) | 4.1 | (4.4) | (9.4) |
| Mkt cap (USD m) | 495 | | |
| 3m avg. daily turnover (USD m) | 2.1 | | |
| Free float (%) | 49 | | |
| Major shareholder | Vicha Poolvaraluk (30%) | | |
| 12m high/low (THB) | 22.40/16.30 | | |
| Issued shares (m) | 894.67 | | |

Sources: Bloomberg consensus; FSSIA estimates


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Investment thesis

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

We expect MAJOR's earnings to improve in every quarter starting from 3Q22 as most of the blockbusters started to show in cinemas in that quarter thanks to the global vaccination rollout and a decline in the number of Covid-19 cases. MAJOR is a dividend play company that typically pays 90% of its payout ratio, reflecting a 4-6% dividend yield p.a.

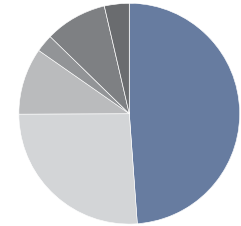
Company profile

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

www.majorcineplex.com

Principal activities (revenue, 2021)

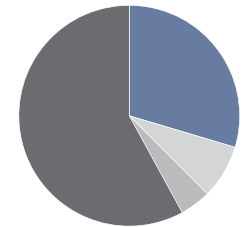
- Cinema - 48.8 %
- Concession - 26.1 %
- Advertisement - 9.8 %
- Entertainment - 2.6 %
- Rental - 9.1 %
- Movie content - 3.6 %



Source: Major Cineplex Group

Major shareholders

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



Source: Major Cineplex Group

Catalysts

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

Risks to our call

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

Event calendar

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

Key assumptions

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

Source: FSSIA estimates

Earnings sensitivity

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

Source: FSSIA estimates

Exhibit 1: 4Q22 results preview

| | 4Q21 | 3Q22 | 4Q22E | Change | | 2021 | 2022E | Change |
|-----------------------------|--------------|--------------|--------------|-------------|-------------|----------------|--------------|-------------|
| | (THB m) | (THB m) | (THB m) | (q-q%) | (y-y%) | (THB m) | (THB m) | (y-y%) |
| Admissions | 890 | 860 | 930 | 8 | 4 | 1,470 | 3,246 | 121 |
| Concession sales | 358 | 474 | 508 | 7 | 42 | 786 | 1,708 | 117 |
| Advertisement | 142 | 174 | 222 | 27 | 57 | 294 | 672 | 129 |
| Bowling | 37 | 100 | 96 | (4) | 160 | 78 | 318 | 309 |
| Rental fee | 63 | 62 | 67 | 7 | 5 | 273 | 235 | (14) |
| Movie content | 66 | 48 | 63 | 31 | (5) | 109 | 193 | 77 |
| Revenue | 1,556 | 1,719 | 1,885 | 10 | 21 | 3,010 | 6,372 | 112 |
| Operating costs | (1,125) | (1,175) | (1,253) | 7 | 11 | (2,858) | (4,631) | 62 |
| Gross profit | 431 | 544 | 633 | 16 | n/a | 151 | 1,741 | n/a |
| SG&A expenses | (444) | (480) | (600) | 25 | 35 | (1,855) | (1,710) | (8) |
| EBIT | (13) | 64 | 33 | (49) | n/a | (1,704) | 32 | n/a |
| Depreciation & amortisation | 360 | 369 | 375 | 2 | 4 | 1,250 | 1,195 | (4) |
| Other income | 100 | 100 | 75 | (25) | (25) | 355 | 334 | (6) |
| EBITDA | 447 | 534 | 483 | (10) | n/a | (99) | 1,560 | n/a |
| <i>EBITDA margin (%)</i> | 29 | 31 | 26 | <i>nm</i> | <i>nm</i> | (3) | 24 | <i>nm</i> |
| Interest expense | (53) | (51) | (52) | 2 | (2) | (258) | (200) | (23) |
| Associates | 42 | (172) | 30 | <i>n/a</i> | <i>n/a</i> | 392 | 85 | (78) |
| Extra items | 17 | 132 | - | (100) | (100) | 3,109 | 57 | (98) |
| Pretax profit | 93 | 74 | 86 | 16 | (7) | 1,894 | 307 | (84) |
| Tax | 8 | (49) | (17) | (65) | <i>n/a</i> | (354) | (51) | (86) |
| <i>Tax rate (%)</i> | 9 | (67) | (20) | <i>nm</i> | <i>nm</i> | (19) | (17) | <i>nm</i> |
| Minority interests | (0) | (4) | (2) | (47) | 369 | 42 | (14) | <i>n/a</i> |
| Net profit | 100 | 21 | 67 | 223 | (34) | 1,581 | 242 | (85) |
| Core net profit | 84 | 34 | 67 | 93 | (20) | (528) | 185 | n/a |
| EPS (THB) | 0.11 | 0.02 | 0.07 | 223 | (34) | 1.77 | 0.27 | (85) |
| Core EPS (THB) | 0.09 | 0.04 | 0.07 | 93 | (20) | (0.59) | 0.21 | <i>n/a</i> |

Sources: MAJOR; FSSIA estimates

Exhibit 2: Key assumption changes

| | Current | | | Previous | | | Change | | |
|-----------------|------------|------------|------------|------------|------------|------------|--------------|--------------|--------------|
| | 2022E | 2023E | 2024E | 2022E | 2023E | 2024E | 2022E | 2023E | 2024E |
| | (THB m) | (THB m) | (THB m) | (THB m) | (THB m) | (THB m) | (THB m) | (THB m) | (THB m) |
| Guest count (m) | 19.0 | 25.0 | 32.5 | 19.0 | 25.0 | 32.5 | 0 | 0 | 0 |
| Revenue | 6,372 | 7,668 | 9,948 | 6,038 | 7,668 | 9,948 | 6 | 0 | 0 |
| Gross profit | 1,741 | 2,413 | 3,199 | 1,571 | 2,413 | 3,199 | 11 | 0 | 0 |
| SG&A expense | (1,710) | (1,879) | (2,338) | (1,534) | (1,879) | (2,338) | 11 | (0) | (0) |
| Share of profit | 85 | 155 | 163 | 98 | 155 | 163 | (13) | 0 | (0) |
| EBIT | 450 | 982 | 1,320 | 426 | 982 | 1,320 | 6 | 0 | 0 |
| Core net profit | 185 | 775 | 1,048 | 251 | 775 | 1,048 | (26) | 0 | 0 |
| Margin | (%) | (%) | (%) | (%) | (%) | (%) | (ppt) | (ppt) | (ppt) |
| GPM | 27.3 | 31.5 | 32.2 | 26.0 | 31.5 | 32.2 | 1.3 | 0.0 | 0.0 |
| NPM | 2.9 | 10.1 | 10.5 | 4.2 | 10.1 | 10.5 | (1.2) | 0.0 | 0.0 |

Source: FSSIA estimates

Exhibit 3: Comparison between 2023 movie lineup and previous movies

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

Sources: MAJOR; FSSIA estimates

Exhibit 4: Box office revenue estimate for 2023 compared with 2018 and 2019

| 2018 Movies | Box office revenue (THB m) | 2019 Movies | Box office revenue (THB m) | 2023E Movies | Box office revenue (THB m) |
|---|-------------------------------|--|-------------------------------|---|-------------------------------|
| Avengers: Infinity War | 477 | Avengers: Endgame | 753 | Transformers: Rise of the Beasts | 340 |
| Jurassic World: Fallen Kingdom | 365 | Spider-Man: Far From Home | 298 | Fast X | 340 |
| Nakee 2 (TH) | 285 | Captain Marvel | 287 | Mission: Impossible - Dead Reckoning - Part One | 160 |
| Aquaman | 280 | Fast & Furious Presents: Hobbs & Shaw | 244 | The Marvels | 160 |
| Black Panther | 219 | Tootsies & The Fake (TH) | 197 | John Wick: Chapter 4 | 140 |
| Brother of the Year (TH) | 175 | Maleficent: Mistress of Evil | 171 | Ant-Man and the Wasp: Quantumania | 120 |
| Mission: Impossible – Fallout | 160 | Frozen II | 149 | Madam Web | 100 |
| Venom | 150 | Friend Zone (TH) | 148 | Aquaman and the Lost Kingdom | 100 |
| Fantastic Beasts: The Crimes of Grindelwald | 150 | John Wick: Chapter 3 – Parabellum | 144 | The Meg 2: The Trench | 100 |
| Deadpool 2 | 144 | How to Train Your Dragon: The Hidden World | 138 | The Little Mermaid | 100 |
| Ant-Man and the Wasp | 138 | Joker | 126 | Guardians of the Galaxy Vol. 3 | 100 |
| Rampage | 135 | Godzilla: King of the Monsters | 119 | Shazam! Fury of the Gods | 84 |
| The Meg | 104 | The Lion King | 113 | Dune: Part Two | 80 |
| Bumblebee | 100 | Alita: Battle Angel | 106 | Haunted Mansion | 80 |
| Maze Runner: The Death Cure | 99 | Pee Nak (TH) | 104 | Spider-Man: Across the Spider-Verse - Part One | 80 |
| Pacific Rim: Uprising | 98 | Aladdin | 93 | The Flash | 80 |
| Jumanji: Welcome to the Jungle | 93 | Shazam! | 84 | Indiana Jones 5 | 80 |
| 9 Satra (TH) | 77 | It Chapter Two | 80 | Blade | 70 |
| Khun Pun 2 (TH) | 73 | Jumanji: The Next Level | 77 | Scream 6 | 50 |
| Bikeman (Bike Mankaraktakin) (TH) | 70 | One Piece: Stampede | 49 | Others | 50 |
| Total top 20 box office revenue | 3,392 | | 3,480 | | 2,414 |
| | | | | Difference from 2019 (%) | (31) |

Sources: MAJOR; FSSIA estimates

Exhibit 5: Scenario analysis for 2023

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

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

Financial Statements

Major Cineplex Group

| Profit and Loss (THB m) Year Ending Dec | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|----------------|----------------|--------------|--------------|--------------|
| Revenue | 3,765 | 3,010 | 6,372 | 7,668 | 9,948 |
| Cost of goods sold | (1,922) | (1,608) | (3,436) | (4,110) | (5,651) |
| Gross profit | 1,843 | 1,401 | 2,936 | 3,558 | 4,297 |
| Other operating income | 168 | 355 | 334 | 293 | 296 |
| Operating costs | (1,900) | (1,855) | (1,710) | (1,879) | (2,338) |
| Operating EBITDA | 111 | (99) | 1,560 | 1,972 | 2,255 |
| Depreciation | (1,242) | (1,250) | (1,195) | (1,145) | (1,098) |
| Goodwill amortisation | 0 | 0 | 0 | - | - |
| Operating EBIT | (1,131) | (1,349) | 365 | 827 | 1,157 |
| Net financing costs | (175) | (258) | (200) | (71) | (51) |
| Associates | 740 | 392 | 85 | 155 | 163 |
| Recurring non-operating income | 740 | 392 | 85 | 155 | 163 |
| Non-recurring items | (67) | 3,109 | 57 | 0 | 0 |
| Profit before tax | (633) | 1,894 | 307 | 911 | 1,269 |
| Tax | 93 | (354) | (51) | (151) | (221) |
| Profit after tax | (540) | 1,539 | 256 | 760 | 1,048 |
| Minority interests | 13 | 42 | (14) | 15 | 0 |
| Preferred dividends | 0 | 0 | - | - | - |
| Other items | - | - | - | - | - |
| Reported net profit | (527) | 1,581 | 242 | 775 | 1,048 |
| Non-recurring items & goodwill (net) | 67 | (2,110) | (57) | 0 | 0 |
| Recurring net profit | (460) | (528) | 185 | 775 | 1,048 |
| Per share (THB) | | | | | |
| Recurring EPS * | (0.51) | (0.59) | 0.21 | 0.87 | 1.17 |
| Reported EPS | (0.59) | 1.77 | 0.27 | 0.87 | 1.17 |
| DPS | 0.00 | 1.60 | 0.24 | 0.78 | 1.05 |
| Diluted shares (used to calculate per share data) | 895 | 895 | 895 | 895 | 895 |
| Growth | | | | | |
| Revenue (%) | (64.8) | (20.1) | 111.7 | 20.3 | 29.7 |
| Operating EBITDA (%) | (96.2) | nm | nm | 26.4 | 14.3 |
| Operating EBIT (%) | nm | nm | nm | 126.4 | 39.9 |
| Recurring EPS (%) | nm | nm | nm | 318.2 | 35.2 |
| Reported EPS (%) | nm | nm | (84.7) | 219.6 | 35.2 |
| Operating performance | | | | | |
| Gross margin inc. depreciation (%) | 16.0 | 5.0 | 27.3 | 31.5 | 32.2 |
| Gross margin of key business (%) | - | - | - | - | - |
| Operating EBITDA margin (%) | 2.9 | (3.3) | 24.5 | 25.7 | 22.7 |
| Operating EBIT margin (%) | (30.0) | (44.8) | 5.7 | 10.8 | 11.6 |
| Net margin (%) | (12.2) | (17.6) | 2.9 | 10.1 | 10.5 |
| Effective tax rate (%) | 20.0 | 20.0 | 20.0 | 120.0 | 220.0 |
| Dividend payout on recurring profit (%) | - | (270.9) | 117.8 | 90.0 | 90.0 |
| Interest cover (X) | (2.2) | (3.7) | 2.3 | 13.8 | 26.0 |
| Inventory days | 22.7 | 26.0 | 11.8 | 9.9 | 7.2 |
| Debtor days | 79.8 | 57.5 | 20.6 | 17.4 | 13.6 |
| Creditor days | 298.1 | 322.0 | 155.1 | 133.0 | 99.1 |
| Operating ROIC (%) | (20.0) | (21.1) | 6.0 | 18.8 | (6.8) |
| ROIC (%) | (2.2) | (6.0) | 3.4 | 8.0 | (2.7) |
| ROE (%) | (6.7) | (7.7) | 2.7 | 11.5 | 14.9 |
| ROA (%) | (1.9) | (2.1) | 2.3 | 5.8 | 7.6 |
| * Pre-exceptional, pre-goodwill and fully diluted | | | | | |
| Revenue by Division (THB m) | | | | | |
| 2020 | 2021 | 2022E | 2023E | 2024E | |
| Cinema | 1,758 | 1,470 | 3,246 | 4,150 | 5,449 |
| Concession | 725 | 786 | 1,708 | 1,868 | 2,501 |
| Advertisement | 573 | 294 | 672 | 875 | 1,203 |
| Entertainment | 203 | 78 | 318 | 308 | 305 |

Sources: Major Cineplex Group; FSSIA estimates

Financial Statements

Major Cineplex Group

| Cash Flow (THB m) Year Ending Dec | 2020 | 2021 | 2022E | 2023E | 2024E |
|-----------------------------------|--------------|----------------|----------------|----------------|----------------|
| Recurring net profit | (460) | (528) | 185 | 775 | 1,048 |
| Depreciation | 1,242 | 1,250 | 1,195 | 1,145 | 1,098 |
| Associates & minorities | (740) | (392) | (85) | (155) | (163) |
| Other non-cash items | 143 | (1,818) | 42 | 0 | 0 |
| Change in working capital | 18 | 944 | 84 | 87 | 91 |
| Cash flow from operations | 202 | (543) | 1,421 | 1,852 | 2,074 |
| Capex - maintenance | (211) | (341) | (345) | (420) | (445) |
| Capex - new investment | (211) | (341) | (345) | (420) | (445) |
| Net acquisitions & disposals | - | - | - | - | - |
| Other investments (net) | 141 | 4,951 | 1,195 | (30) | (40) |
| Cash flow from investing | (281) | 4,268 | 505 | (870) | (930) |
| Dividends paid | 0 | (716) | (825) | (458) | (821) |
| Equity finance | 0 | 0 | 0 | 0 | 0 |
| Debt finance | 669 | (3,337) | 50 | (600) | (400) |
| Other financing cash flows | 6 | 785 | (1,872) | (166) | (450) |
| Cash flow from financing | 675 | (3,268) | (2,647) | (1,224) | (1,670) |
| Non-recurring cash flows | - | - | - | - | - |
| Other adjustments | 0 | 0 | 0 | 0 | 0 |
| Net other adjustments | 0 | 0 | 0 | 0 | 0 |
| Movement in cash | 595 | 457 | (722) | (241) | (526) |
| Free cash flow to firm (FCFF) | 95.53 | 3,982.76 | 2,125.63 | 1,053.63 | 1,194.42 |
| Free cash flow to equity (FCFE) | 595.46 | 1,172.24 | 103.02 | 216.96 | 294.21 |

Per share (THB)

| | | | | | |
|-------------------------------|------|--------|------|------|------|
| FCFF per share | 0.11 | 4.45 | 2.38 | 1.18 | 1.34 |
| FCFE per share | 0.67 | 1.31 | 0.12 | 0.24 | 0.33 |
| Recurring cash flow per share | 0.21 | (1.66) | 1.49 | 1.97 | 2.22 |

| Balance Sheet (THB m) Year Ending Dec | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|---------------|---------------|---------------|---------------|---------------|
| Tangible fixed assets (gross) | 15,932 | 16,210 | 5,650 | 5,525 | 5,483 |
| Less: Accumulated depreciation | (10,465) | (11,160) | (875) | (841) | (810) |
| Tangible fixed assets (net) | 5,467 | 5,050 | 4,775 | 4,683 | 4,674 |
| Intangible fixed assets (net) | 2,663 | 2,693 | 2,464 | 2,250 | 2,052 |
| Long-term financial assets | - | - | - | - | - |
| Invest. in associates & subsidiaries | 6,809 | 1,969 | 1,969 | 1,969 | 1,969 |
| Cash & equivalents | 1,401 | 1,857 | 1,135 | 894 | 368 |
| A/C receivable | 592 | 3,744 | 1,597 | 1,602 | 1,608 |
| Inventories | 118 | 111 | 111 | 111 | 111 |
| Other current assets | 296 | 291 | 305 | 321 | 337 |
| Current assets | 2,406 | 6,003 | 3,148 | 2,928 | 2,423 |
| Other assets | 333 | 804 | 1,847 | 2,032 | 2,235 |
| Total assets | 17,678 | 16,519 | 14,202 | 13,862 | 13,352 |
| Common equity | 6,482 | 7,170 | 6,588 | 6,905 | 7,132 |
| Minorities etc. | 144 | 117 | 117 | 117 | 117 |
| Total shareholders' equity | 6,626 | 7,287 | 6,704 | 7,022 | 7,249 |
| Long term debt | 2,505 | 915 | 1,000 | 400 | 0 |
| Other long-term liabilities | 3,538 | 3,211 | 3,029 | 2,863 | 2,713 |
| Long-term liabilities | 6,043 | 4,126 | 4,029 | 3,263 | 2,713 |
| A/C payable | 1,395 | 1,443 | 1,479 | 1,516 | 1,553 |
| Short term debt | 2,640 | 2,025 | 300 | 300 | 0 |
| Other current liabilities | 974 | 1,639 | 1,691 | 1,762 | 1,836 |
| Current liabilities | 5,009 | 5,107 | 3,469 | 3,577 | 3,390 |
| Total liabilities and shareholders' equity | 17,678 | 16,519 | 14,202 | 13,862 | 13,352 |
| Net working capital | (1,363) | 1,064 | (1,156) | (1,244) | (1,334) |
| Invested capital | 13,909 | 11,581 | 9,898 | 9,690 | 9,594 |

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

Per share (THB)

| | | | | | |
|-------------------------------|------|------|------|------|------|
| Book value per share | 7.25 | 8.02 | 7.36 | 7.72 | 7.97 |
| Tangible book value per share | 4.27 | 5.00 | 4.61 | 5.20 | 5.68 |

Financial strength

| | | | | | |
|---------------------------|------|------|-----|-------|-------|
| Net debt/equity (%) | 56.5 | 14.9 | 2.5 | (2.8) | (5.1) |
| Net debt/total assets (%) | 21.2 | 6.6 | 1.2 | (1.4) | (2.8) |
| Current ratio (x) | 0.5 | 1.2 | 0.9 | 0.8 | 0.7 |
| CF interest cover (x) | 5.6 | 6.9 | 3.2 | 10.0 | 15.6 |

| Valuation | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|---------------|---------------|--------------|-------------|-------------|
| Recurring P/E (x) * | (36.1) | (31.5) | 89.8 | 21.5 | 15.9 |
| Recurring P/E @ target price (x) * | (42.7) | (37.2) | 106.2 | 25.4 | 18.8 |
| Reported P/E (x) | (31.5) | 10.5 | 68.6 | 21.5 | 15.9 |
| Dividend yield (%) | - | 8.6 | 1.3 | 4.2 | 5.7 |
| Price/book (x) | 2.6 | 2.3 | 2.5 | 2.4 | 2.3 |
| Price/tangible book (x) | 4.4 | 3.7 | 4.0 | 3.6 | 3.3 |
| EV/EBITDA (x) ** | 185.0 | (180.8) | 10.8 | 8.4 | 7.3 |
| EV/EBITDA @ target price (x) ** | 212.4 | (211.7) | 12.8 | 9.9 | 8.6 |
| EV/invested capital (x) | 1.5 | 1.5 | 1.7 | 1.7 | 1.7 |

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

Sources: Major Cineplex Group; FSSIA estimates

Corporate Governance report of Thai listed companies 2022

| EXCELLENT LEVEL – Score range 90-100 | | | | | | | | | | | |
|--------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|--------|
| AAV | BAM | CIMBT | ECL | HENG | LALIN | NEP | PRG | SCC | SPRC | THRE | TTW |
| ADVANC | BANPU | CK | EE | HMPRO | LANNA | NER | PRM | SCCC | SPVI | THREL | TU |
| AF | BAY | CKP | EGCO | ICC | LHFG | NKI | PSH | SCG | SSC | TIPCO | TVDH |
| AH | BBIK | CM | EPG | ICHI | LIT | NOBLE | PSL | SCGP | SSSC | TISCO | TVI |
| AIRA | BBL | CNT | ETC | III | LOXLEY | NSI | PTG | SCM | SST | TK | TVO |
| AJ | BCP | COLOR | ETE | ILINK | LPN | NVD | PTA | SCN | STA | TKN | TPWC |
| AKP | BCPG | COM7 | FN | ILM | LRH | NYT | PTTEP | SDC | STEC | TKS | UAC |
| AKR | BDMS | COMAN | FNS | IND | LST | OISHI | PTTGC | SEAFCO | STGT | TKT | UBIS |
| ALLA | BEM | COTTO | FPI | INTUCH | MACO | OR | PYLON | SEAOIL | STI | TMILL | UPOIC |
| ALT | BEYOND | CPALL | FPT | IP | MAJOR | ORI | Q-CON | SE-ED | SUN | TMT | UV |
| AMA | BGC | CPF | FSMART | IRC | MAKRO | OSP | QH | SELIC | SUSCO | TNDT | VCOM |
| AMARIN | BGRIM | CPI | FVC | IRPC | MALEE | OTO | QTC | SENA | SUTHA | TNITY | VGI |
| AMATA | BIZ | CPN | GC | ITEL | MBK | PAP | RABBIT | SENAJ | SVI | TOA | VIH |
| AMATAV | BKI | CRC | GEL | IVL | MC | PCSGH | RATCH | SGF | SYMC | TOP | WACOAL |
| ANAN | BOL | CSS | GFPT | JTS | MCOT | PDG | RBF | SHR | SYNTEC | TPBI | WAVE |
| AOT | BPP | DDD | GFC | JWD | METCO | PDJ | RS | SICT | TACC | TQM | WHA |
| AP | BRR | DELTA | GLAND | K | MFEC | PG | S | SIRI | TASCO | TRC | WHAUP |
| APURE | BTS | DEMCO | GLOBAL | KBANK | MINT | PHOL | S&J | SIS | TCAP | TRUE | WICE |
| ARIP | BTW | DOHOME | GPI | KCE | MONO | PLANB | SAAM | SITHAI | TEAMG | TSC | WINNER |
| ASP | BWG | DRT | GPSC | KEX | MOONG | PLANET | SABINA | SMPC | TFMAMA | TSR | XPG |
| ASW | CENTEL | DTAC | GRAMMY | KGI | MSC | PLAT | SAMART | SNC | THANA | TSTE | ZEN |
| AUCT | CFRESH | DUSIT | GULF | KKP | MST | PORT | SAMTEL | SONIC | THANI | TSTH | |
| AWC | CGH | EA | GUNKUL | KSL | MTC | PPS | SAT | SORKON | THCOM | TTA | |
| AYUD | CHEWA | EASTW | HANA | KTB | MVP | PR9 | SC | SPALI | THG | TTB | |
| BAFS | CHO | ECF | HARN | KTC | NCL | PREB | SCB | SPI | THIP | TTCL | |
| VERY GOOD LEVEL – Score range 80-89 | | | | | | | | | | | |
| 2S | ASIMAR | CHOTI | ESSO | INSURE | LH | NRF | PROEN | SCI | SR | TMC | UMI |
| 7UP | ASK | CHOW | ESTAR | IRCP | LHK | NTV | PROS | SCP | SRICHA | TMD | UOBKH |
| ABM | ASN | CI | FE | IT | M | NUSA | PROUD | SE | SSF | TMI | UP |
| ACE | ATP30 | CIG | FLOYD | ITD | MATCH | NWR | PSG | SECURE | SSP | TNL | UPF |
| ACG | B | CITY | FORTH | J | MBAX | OCC | PSTC | SFLEX | STANLY | TNP | UTP |
| ADB | BA | CIVIL | FSS | JAS | MEGA | OGC | PT | SFP | STC | TNR | VIBHA |
| ADD | BC | CMC | FTE | JCK | META | ONEE | PTC | SFT | STPI | TOG | VL |
| AEONTS | BCH | CPL | GBX | JCKH | MFC | PACO | QLT | SGP | SUC | TPA | VPO |
| AGE | BE8 | CPW | GCAP | JMT | MGT | PATO | RCL | SIAM | SVOA | TPAC | VRANDA |
| AHC | BEC | CRANE | GENCO | JR | MICRO | PB | RICHY | SINGER | SVT | TPCS | WGE |
| AIE | BH | CRD | GJS | KBS | MILL | PICO | RJH | SKE | SWC | TIPLI | WIHK |
| AIT | BIG | CSC | GTB | KCAR | MTSIB | PIMO | ROJNA | SKN | SYNEX | TIPIP | WIN |
| ALUCON | BJC | CSP | GYT | KGEN | MK | PIN | RPC | SKR | TAE | TPLAS | WINMED |
| AMANAH | BJCHI | CV | HEMP | KIAT | MODERN | PJW | RT | SKY | TAKUNI | TPS | WORK |
| AMR | BLA | CWT | HPT | KISS | MTI | PL | RWI | SLP | TCC | TQR | WP |
| APCO | BR | DCC | HTC | KK | NATION | PLE | S11 | SMART | TCMC | TRITN | XO |
| APCS | BRI | DHOUSE | HUMAN | KOOL | NCAP | PM | SA | SMD | TFG | TRT | YUASA |
| AQUA | BROOK | DITTO | HYDRO | KTIS | NCH | PMTA | SABUY | SMIT | TFI | TRU | ZIGA |
| ARIN | BSM | DMT | ICN | KUMWEL | NDR | PPP | SAK | SMT | TFM | TRV | |
| ARROW | BYD | DOD | IFS | KUN | NETBAY | PPPM | SALEE | SNNP | TGH | TSE | |
| AS | CBG | DPAINT | IIG | KWC | NEX | PRAPAT | SAMCO | SNP | TIDLOR | TVT | |
| ASAP | CEN | DV8 | IMH | KWM | NINE | PRECHA | SANKO | SO | TIGER | TWP | |
| ASEFA | CHARAN | EASON | INET | L&E | NNCL | PRIME | SAPPE | SPA | TIPH | UBE | |
| ASIA | CHAYO | EFORL | INGRS | LDC | NOVA | PRIN | SAWAD | SPC | TITLE | UEC | |
| ASIAN | CHG | ERW | INSET | LEO | NPK | PRINC | SCAP | SPCG | TM | UKEM | |
| GOOD LEVEL – Score range 70-79 | | | | | | | | | | | |
| A | BEAUTY | CMAN | EMC | HL | KWI | MORE | PF | RSP | SUPER | TOPP | VARO |
| A5 | BGT | CMO | EP | HTECH | KYE | MPIC | PK | SIMAT | TC | TPCH | W |
| AI | BLAND | CMR | EVER | IHL | LEE | MUD | PPM | SISB | TCCC | TPOLY | WFX |
| ALL | BM | CPANEL | F&D | INOX | LPH | NC | PRAKIT | SK | TCJ | TRUBB | WPH |
| ALPHAX | BROCK | CPT | FMT | JAK | MATI | NEWS | PTECH | SOLAR | TEAM | TTI | YGG |
| AMC | BSBM | CSR | GIFT | JMART | M-CHAI | NFC | PTL | SPACK | THE | TYCN | |
| APP | BTNC | CTW | GLOCON | JSP | MCS | NSL | RAM | SPG | THMUI | UMS | |
| AQ | CAZ | D | GLORY | JUBILE | MDX | NV | ROCK | SQ | TKC | UNIQ | |
| AU | CCP | DCON | GREEN | KASET | MENA | PAF | RP | STARK | TNH | UPA | |
| B52 | CGD | EKH | GSC | KCM | MJD | PEACE | RPH | STECH | TNPC | UREKA | |

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 | BCPG | CPI | GCAP | JR | MCOT | PHOL | RABBIT | SNC | THANI | TTCL |
| 7UP | BE8 | CPL | GEL | K | META | PK | RATCH | SNP | THCOM | TU |
| ADVANC | BEC | CPN | GFPT | KASET | MFC | PL | RML | SORKON | THIP | TVDH |
| AF | BEYOND | CRC | GGC | KBANK | MFEC | PLANB | RWI | SPACK | THRE | TVI |
| AI | BGC | CSC | GJS | KBS | MILL | PLANET | S&J | SPALI | THREL | TVO |
| AIE | BGRIM | DCC | GPI | KCAR | MINT | PLAT | SAAM | SPC | TIDLOR | TWPC |
| AIRA | BKI | DELTA | GPSC | KCE | MONO | PM | SABINA | SPI | TIPCO | UBE |
| AJ | BLA | DEMCO | GSTEEL | KGEN | MOONG | PPP | SAPPE | SPRC | TISCO | UBIS |
| AKP | BPP | DIMET | GULF | KGI | MSC | PPPM | SAT | SRICHA | TKS | UEC |
| AMA | BROOK | DRT | GUNKUL | KKP | MST | PPS | SC | SSF | TKT | UKEM |
| AMANAHA | BRR | DTAC | HANA | KSL | MTC | PR9 | SCB | SSP | TMILL | UOBKH |
| AMATA | BSBM | DUSIT | HARN | KTB | MTI | PREB | SCC | SSSC | TMT | UPF |
| AMATAV | BTS | EA | HEMP | KTC | NEP | PRG | SCCC | SST | TNITY | UV |
| AP | BWG | EASTW | HENG | KWI | NINE | PRINC | SCG | STA | TNL | VGI |
| APCS | CEN | EGCO | HMPRO | L&E | NKI | PRM | SCGP | STGT | TNP | VIH |
| AS | CENDEL | EP | HTC | LANNA | NOBLE | PROS | SCM | STOWER | TNR | WACOAL |
| ASIAN | CFRESH | EPG | ICC | LH | NOK | PSH | SCN | SUSCO | TOG | WHA |
| ASK | CGH | ERW | ICHI | LHFG | NSI | PSL | SEAOIL | SVI | TOP | WHAUP |
| ASP | CHEWA | ESTAR | IFS | LHK | NWR | PSTC | SE-ED | SYMC | TOPP | WICE |
| AWC | CHOTI | ETE | III | LPN | OCC | PT | SELIC | SYNTEC | TPA | WIIK |
| AYUD | CHOW | FE | ILINK | LRH | OGC | PTG | SENA | TAE | TPCS | XO |
| B | CIG | FNS | INET | M | ORI | PTT | SGP | TAKUNI | TPP | YUASA |
| BAFS | CIMBT | FPI | INSURE | MAJOR | PAP | PTTEP | SINGER | TASCO | TRU | ZEN |
| BAM | CM | FPT | INTUCH | MAKRO | PATO | PTTGC | SIRI | TCAP | TRUE | ZIGA |
| BANPU | CMC | FSMART | IRC | MALEE | PB | PYLON | SITHAI | TCMC | TSC | |
| BAY | COM7 | FSS | IRPC | MATCH | PCSGH | Q-CON | SKR | TFG | TSTE | |
| BBL | COTTO | FTE | ITEL | MBAX | PDG | QH | SMIT | TFI | TSTH | |
| BCH | CPALL | GBX | IVL | MBK | PDJ | QLT | SMK | TFMAMA | TTA | |
| BCP | CPF | GC | JKN | MC | PG | QTC | SMPC | TGH | TTB | |

DECLARED

| | | | | | | | | | | |
|------|-----|--------|--------|-------|--------|------|-------|-------|------|-------|
| AH | CHG | DHOUSE | EVER | J | KUMWEL | NRF | RS | SUPER | TQM | VIBHA |
| ALT | CI | DOHOME | FLOYD | JMART | LDC | NUSA | SAK | SVT | TRT | W |
| APCO | CPR | ECF | GLOBAL | JMT | MEGA | OR | SIS | TKN | TSI | WIN |
| ASW | CPW | EKH | ILM | JTS | NCAP | PIMO | SSS | TMD | VARO | |
| B52 | DDD | ETC | INOX | KEX | NOVA | PLE | STECH | TMI | VCOM | |

Level

| | |
|-----------|---|
| Certified | This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties. |
| Declared | This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) |

Disclaimer:

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

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

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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Naruedom Mujjalinkool FSS International Investment Advisory Securities Co., Ltd

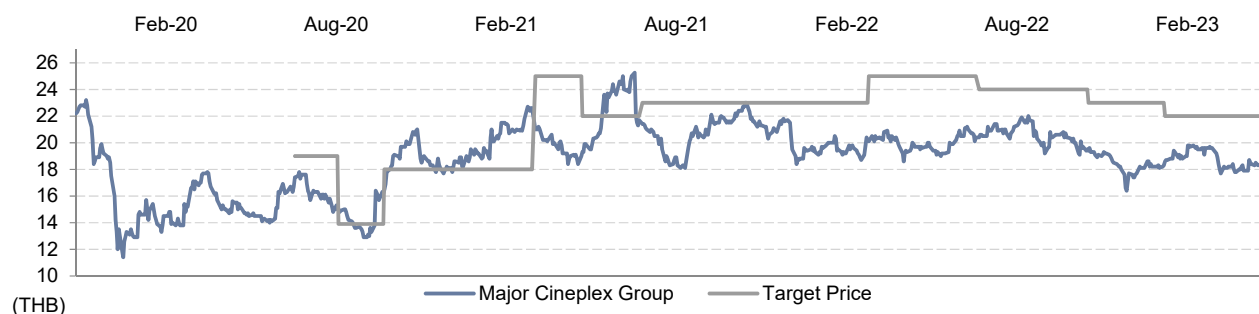
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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History of change in investment rating and/or target price

Major Cineplex Group (MAJOR TB)



| Date | Rating | Target price | Date | Rating | Target price | Date | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 27-Aug-2020 | BUY | 19.00 | 02-Apr-2021 | BUY | 25.00 | 03-Feb-2022 | BUY | 25.00 |
| 02-Sep-2020 | HOLD | 19.00 | 17-May-2021 | BUY | 22.00 | 13-May-2022 | BUY | 24.00 |
| 06-Oct-2020 | HOLD | 13.90 | 09-Jul-2021 | HOLD | 23.00 | 23-Aug-2022 | BUY | 23.00 |
| 17-Nov-2020 | HOLD | 18.00 | 24-Aug-2021 | BUY | 23.00 | 01-Nov-2022 | BUY | 22.00 |

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

Price and TP are in local currency

Source: FSSIA estimates

| Company | Ticker | Price | Rating | Valuation & Risks |
|----------------------|----------|-----------|--------|--|
| Major Cineplex Group | MAJOR TB | THB 18.60 | 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 Finasia 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 Finasia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 07-Feb-2023 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.