

# Singapore Company Guide

## mm2 Asia

Version 6 | Bloomberg: MM2 SP | Reuters: MM2A.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

13 Sep 2016

### BUY

Last Traded Price ( 9 Sep 2016): S\$0.77 (STI : 2,873.33)

Price Target 12-mth: S\$0.95 (23% upside) (Prev S\$0.83)

Potential Catalyst: Earnings-accretive acquisitions

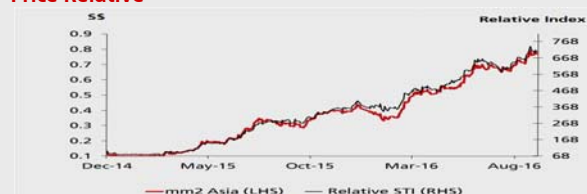
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### What's New

- **Rising contribution from Advertising, another component of core business**
- **Presence in entire film creation value chain opens up numerous avenues to venture further**
- **Expect North Asia to account for >70% of core revenue from FY17F**
- **Maintain BUY with higher TP of S\$0.95**

#### Price Relative



#### Forecasts and Valuation

FY Mar (\$\$ m)	2015A	2016A	2017F	2018F
Revenue	24.3	38.3	154	187
EBITDA	9.92	19.4	31.5	37.9
Pre-tax Profit	6.58	9.99	22.1	28.6
Net Profit	5.08	8.90	18.4	23.7
Net Pft (Pre Ex.)	5.13	8.90	18.4	23.7
Net Pft Gth (Pre-ex) (%)	68.1	73.4	106.3	29.2
EPS (S cts)	1.23	1.97	3.51	4.53
EPS Pre Ex. (S cts)	1.24	1.97	3.51	4.53
EPS Gth Pre Ex (%)	68	59	78	29
Diluted EPS (S cts)	1.23	1.97	3.51	4.53
Net DPS (S cts)	0.0	0.0	0.0	0.0
BV Per Share (S cts)	4.64	8.01	13.9	18.4
PE (X)	62.6	39.1	21.9	17.0
PE Pre Ex. (X)	62.1	39.1	21.9	17.0
P/Cash Flow (X)	nm	nm	28.8	14.0
EV/EBITDA (X)	31.6	17.9	12.2	9.5
Net Div Yield (%)	0.0	0.0	0.0	0.0
P/Book Value (X)	16.6	9.6	5.5	4.2
Net Debt/Equity (X)	CASH	CASH	CASH	CASH
ROAE (%)	44.5	32.1	33.7	28.1
Earnings Rev (%)			0	0
Consensus EPS (S cts):			3.50	4.30
Other Broker Recs:		B: 2	S: 0	H: 0

Source of all data on this page: Company, DBS Bank, Bloomberg Finance L.P

### Growing presence in North Asia

**North Asia to account for >70% of core revenue.** We expect North Asia, including China, Hong Kong and Taiwan, to contribute >70% of core revenue from FY17F, up from 23% in FY16. Upside to earnings could come from more projects, especially in China where the budget is much higher.

We project mm2 to grow at an EPS CAGR of 54% from FY15-FY18, underpinned by growth in productions, expansion into the China market, and contributions from cinema operations and newly acquired entertainment company, UnUsUal Group. The entry of StarHub with a 9.05% stake could raise its profile and pave the way for bigger opportunities ahead. We maintain our BUY call on mm2 with a higher target price of S\$0.95.

**UnUsUal listing.** The successful listing of UnUsUal, which mm2 acquired at 10.2x PE back in February 2016, would enable mm2 to crystallise gains and to unlock value, and allow UnUsUal to tap on public funds for expansion.

#### Valuation:

**Maintain BUY with higher TP of S\$0.95.** mm2 is trading at 22x FYMar17F PE and 17x FY18F PE, based on its enlarged share capital, compared to peers' 24x FY17F PE. Using peers' average of 24x, we derive a higher target price of S\$0.95 (Prev S\$0.83) before factoring the 1-for-2 stock split announced on 1 September, after rolling our valuation to blended FYMar17F and FY Mar18F EPS. The stock offers potential upside of 23%, and trades at an attractive PEG of 0.28x. Maintain BUY.

#### Key Risks to Our View:

**No long-term financing arrangements for productions.** The commencement of each production is dependent on mm2's ability to secure funding.

**Availability of good scripts.** Lack of good scripts for production may lead to less support from stakeholders.

#### At A Glance

Issued Capital (m shrs)	514
Mkt. Cap (S\$m/US\$m)	396 / 292
Major Shareholders (%)	
Wee Chye Ang	47.0
Yeo Khee Seng	7.1
Yeo Khee Seng	6.0
Free Float (%)	33.0
3m Avg. Daily Val (US\$m)	1.0

ICB Industry : Consumer Services / Media

**WHAT'S NEW**

**KL conference takeaway**

mm2 participated in our Pulse of Asia Conference – KL Corporate Access Day last week. The response was overwhelming, with about 30 attendees.

**Key takeaways:**

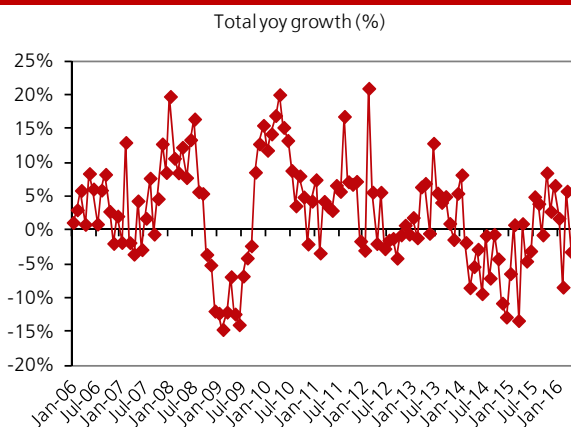
**Rising contribution from Advertising, another component of core business**

Content Production and Distribution are the key components of mm2's core business. mm2 derives 78% of revenue and 71% in terms of gross profit from its core business in FY16. Besides these, another rising contributor is Advertising revenue.

Advertising revenue jumped threefold from about S\$1.1m in FY15 to S\$3.3m in FY16. One of the key contributors to this rising trend is the growing digital platform. Demand for digital content will continue to grow, and mm2 is well positioned to benefit from this growth trend, not just for content but also in terms of more advertising revenue.

Traditional media companies are operating in a challenging environment, with public broadcasters in many countries facing difficulties due to competition from online media and falling advertising revenues. Advertising expenditure for Singapore was flat in the past one year but mm2 was able to increase Ad revenue by threefold.

**Singapore Advertising revenue growth (y-o-y %)**



Source: DBS Bank

**Presence in entire film creation value chain opens up numerous avenues to venture further**

As a one-stop shop that provides services in relation to content creation, distribution, post-production services and cinemas, there are still numerous avenues for mm2 to venture. Besides the acquisition of cinemas and UnUsUal, a promoter and organiser of shows and entertainment acts, the group can also venture into other areas like setting up an artiste management company, to discover and groom new artistes.

**Growing presence in North Asia**

North Asia, including China, Hong Kong and Taiwan, accounts for 23% of FY16's revenue, vs 77% for Singapore and Malaysia. Going forward, we expect this trend to reverse, as the group gains more traction in North Asia. Given the much bigger budget in China, it makes more economical sense to produce more films in China as compared to Singapore and Malaysia. A typical production in China is about RMB30m to RMB50m, vs S\$1m to S\$3m in Singapore and RM1m to RM3m in Malaysia. However, the duration of each production is quite similar across the region. We project revenue contribution from North Asia to increase to 74% in FY17F and 77% in FY18F.

Upside to earnings could come from more projects, especially in China where the budget is much higher.

**Geographical breakdown for core business**

Production + Distribution	% total revenue		
	FY16A	FY17F	FY18F
Singapore	58%	18%	16%
Malaysia	19%	8%	7%
North Asia (China, HK, Taiwan)	23%	74%	77%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: DBS Bank

**How fast can the core business expand?**

mm2 derived about 77% of its revenue for FY16 from Singapore and Malaysia and the balance 23% from North Asia, which includes China, Taiwan and Hong Kong.

Theoretically, there is no capacity constraint for the group as mm2 outsources most of the services. Assuming mm2 can produce six projects in one country, and with its presence in all the five key Chinese markets – Singapore, Malaysia, China, Hong Kong and Taiwan, mm2 can produce 30 projects in one year. We are projecting a total of 37 productions from April 2016 to September 2017, with five productions in China.

**Production pipeline from April 2016 to September 2017**

Country	SG	MY	HK	TW	CN	Total
No. of productions	14	5	5	8	5	37

Source: DBS Bank, company

The limitations, however, are finding the right scripts, and to match them with good directors, artistes, etc. To overcome the constraints of finding the right scripts, mm2 has been producing adaptations of successful movies, which is basically remaking movies to suit the local setting and culture, which would be more appealing to the locals there.

**Benefitting from changing landscape in the media industry**

Amidst a challenging media environment with increased competition from online sources, the changing media landscape has led Mediacorp to review its operations to better position the company to attract viewers by producing quality local content. mm2 is in a good position to be part of the solution for Mediacorp as it is already the leader in producing local content. mm2 can also help to market the content with its regional presence.

**Potential for M&A?**

mm2 has made several acquisitions in the past one year plus, to maintain its competitive advantage. For the cinema segment, it has already acquired five cinemas in Malaysia, with a market share of about 4%. We would not rule out further acquisitions in Malaysia to increase its market share further. Other than Malaysia, mm2 could also consider entering China, especially the 3<sup>rd</sup> tier cities where cinemas are lacking, and also in Singapore.

For the core business segment, mm2 has been working with its local partners in China to produce movies and dramas, and also on adaptation of movies. Further collaboration with partners from other regions like China could result in more cost savings.

**Valuation**

mm2 is trading at 22x FYMar17F PE and 17x FY18F PE, based on its enlarged share capital, compared to peers' 24x FY17F PE. Using peers' average of 24x, we derive a higher target price of S\$0.95 (Prev S\$0.83) before factoring the 1-for-2 stock split announced on 1 September, after rolling our valuation to blended FYMar17F and FY Mar18F EPS. The stock offers potential upside of 23%, and trades at an attractive PEG of 0.28x. Maintain BUY.

**CRITICAL DATA POINTS TO WATCH**

**Earnings Drivers:**

**Acquisitions to strengthen competitive edge and build income base**

mm2 has made several acquisitions to maintain its competitive advantage. In April 2015, mm2 acquired a 51% stake in a 3D animation company, Vividthree Productions, to strengthen its competitive advantage as a movie producer. Subsequent to that, mm2 acquired five cineplexes in Malaysia. The ownership of cinemas will provide a source of recurring income to the group and cost savings in the longer term, as mm2 usually has to pay about 50% of its gross intake for rental of cinemas. Cinema operation is a profitable business, and could be profitable even with less than 50% of the seats occupied. In December 2015, mm2 acquired a majority stake in a tech set-up that develops interactive solutions for digital users. The most recent one is UnUsUal Group for S\$26m. This will enable mm2 to better project its presence in the Southeast Asia and North Asia markets.

**Consolidating its position in local market; tapping on StarHub's strong brand name**

As the industry leader, mm2 is poised for more opportunities ahead. With the recent entry of StarHub with a 9.05% stake, mm2 can tap on the former's strong brand name and this could raise its profile and pave the way for bigger opportunities ahead. mm2 could also leverage on StarHub to attract more sponsorship for its productions. StarHub can choose to tap on mm2's cineplex business to showcase its content, as well as gain access to top-rated concerts and artistes through UnUsUal, in which mm2 owns a 51% stake.

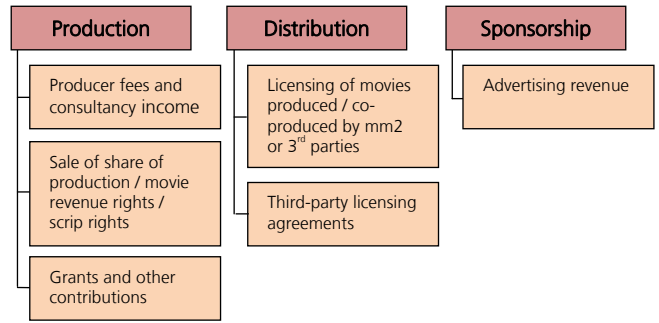
**Going for niche markets in North Asia; adaptation of successful movies.**

In terms of strategy in China, instead of competing directly with the local big boys, mm2's strategy is to go for small, niche markets and replicate its proven business model that it has in Singapore. For example, remaking successful titles like "The Journey" or Jack Neo's "I not Stupid" movie in a specific province like Sichuan, which has a population of about 80m, which is >10x bigger than Singapore. mm2 can adapt the movie to the local setting, which would be more appealing to the locals there.

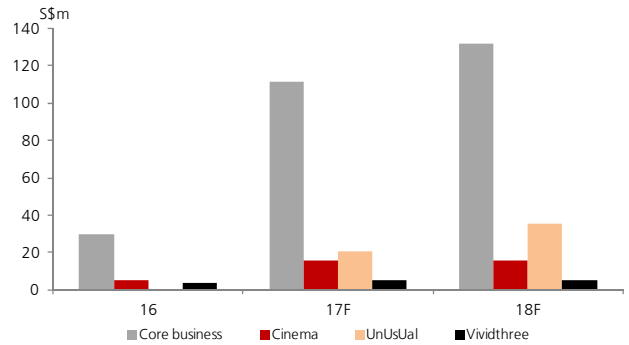
Besides production of movies, mm2 can also produce variety shows, either on its own or tie-ups with one of its shareholders, Hesheng Media, which is one of the largest integrated media companies in China.

Distribution of movies, another core competency of mm2 other than production and advertising, is also another channel that can broaden mm2's income in China.

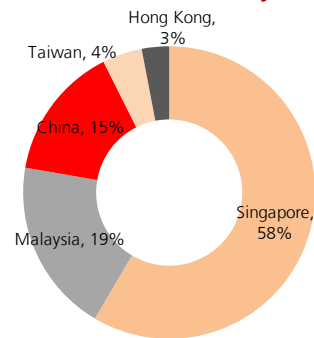
**Revenue Contribution**



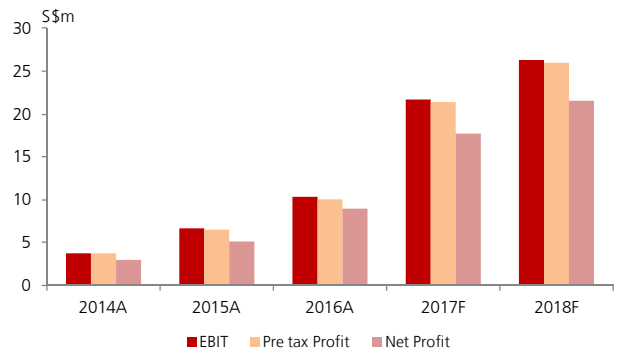
**Revenue Breakdown by Segment**



**FY16 Revenue Breakdown by Country**



**Profitability Trend**



Source: Company, DBS Bank

**Balance Sheet:**

**Net cash position.** mm2 was in a net cash position as at March 2016. Though we do not rule out the possibility of the group taking on more debt, as it is constantly on the lookout for acquisitions that can complement its existing business and also to build its recurring income base, the full impact from its recent acquisitions should lead to stronger earnings and equity base.

**Asset-light business model.** More than half of its assets are current assets, comprising mainly cash and receivables, even with the acquisition of cinemas and UnUsUal.

**Share Price Drivers:**

**UnUsUal listing.** The successful listing of UnUsUal, which mm2 acquired at 10.2x PE back in February 2016, would enable mm2 to crystallise gains and to unlock value, and allow UnUsUal to tap on public funds for expansion.

**Growing production and distribution income.**

Its core business, which includes production, distribution and sponsorship, is expected to account for at least 70% of total revenue going forward. In terms of production project pipeline, we expect more than half of the production to come from North Asia. In China, we are expecting the group to also produce dramas, which will have a much bigger production budget than movies. Even for movies in China, their production budgets and margins are also better than local productions. mm2, together with Clover Films, has also recently clinched the distribution rights for 19 movies in Singapore and Malaysia. Though distribution margins are much lower than production, at about 3% vs ~40%, it is very scalable.

**Key Risks:**

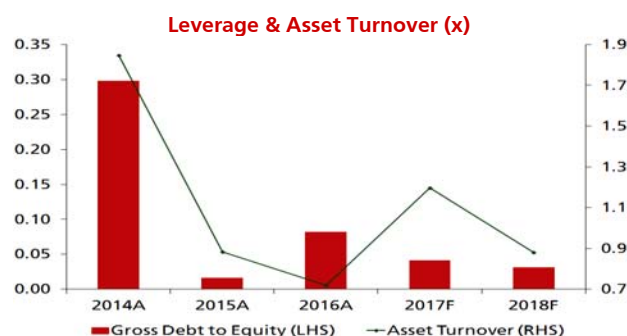
**No long-term financing arrangements for productions.** The commencement of each production is dependent on mm2's ability to secure funding.

**Availability of good scripts.** Lack of good scripts for production may lead to less support from stakeholders.

**Unable to predict the commercial success of movies produced.** The commercial success of its productions is primarily determined by inherently unpredictable audience reactions.

**Company Background**

mm2 Asia is a leading producer of films and TV/online content in Asia. As a producer, mm2 provides services over the entire film-making process – from financing and production to marketing and distribution, and thus has diversified revenue streams.

**Number of Titles (Production & Distribution)**

Year	Number of Titles (Production)	Number of Titles (Distribution)
FY Mar 2012	3	2
FY Mar 2013	6	8
FY Mar 2014	6	18
FY Mar 2015	9	26
FY Mar 2016	14	24
Apr 16 to Sep 17*	37	

\* projection

**Details of cinemas acquired**

Cinema	Place	Capacity
Cathay Cineplex City Square	Johor Bahru	14 screens, 2,826 seats
Cathay Cineplex Damansara	Damansara	16 screens, 2,472 seats
Mega Cineplex Prai	Penang	6 screens, 1,420 seats
Mega Cineplex Langkawi	Langkawi	3 screens 536 seats
Mega Cineplex Bertam	Bertam	4 screens 756 seats



Source: Company, DBS Bank

## Segmental Breakdown

Source: Company, DBS Bank

FY Mar	2014A	2015A	2016A	2017F	2018F
<b>Revenues (\$m)</b>					
<b>Core Business</b>	<b>16.1</b>	<b>24.3</b>	<b>29.8</b>	<b>112.5</b>	<b>130.4</b>
Production				51.9	59.9
Distribution				47.6	56.5
Sponsorship				3.0	4.0
TV Content				10.0	10.0
<b>Cinema</b>			<b>4.9</b>	<b>16.0</b>	<b>16.0</b>
<b>UnUsUal</b>				<b>20.6</b>	<b>35.8</b>
<b>Vividthree</b>			<b>3.6</b>	<b>5.0</b>	<b>5.0</b>
<b>Total</b>	<b>16.1</b>	<b>24.3</b>	<b>38.3</b>	<b>154.1</b>	<b>187.1</b>
<b>Gross profit (\$m)</b>					
<b>Core Business</b>	<b>5.1</b>	<b>9.6</b>	<b>13.1</b>	<b>24.1</b>	<b>27.7</b>
Production				20.8	23.9
Distribution				1.4	1.7
Sponsorship				0.5	0.6
TV Content				1.5	1.5
<b>Cinema</b>			<b>2.8</b>	<b>8.8</b>	<b>8.8</b>
<b>UnUsUal</b>				<b>7.6</b>	<b>13.2</b>
<b>Vividthree</b>			<b>2.5</b>	<b>3.5</b>	<b>3.5</b>
<b>Total</b>	<b>5.1</b>	<b>9.6</b>	<b>18.4</b>	<b>44.1</b>	<b>53.3</b>
<b>Gross profit Margins (%)</b>					
<b>Core Business</b>	<b>32</b>	<b>39</b>	<b>44</b>	<b>21</b>	<b>21</b>
Production				40	40
Distribution				3	3
Sponsorship				15	15
TV Content				15	15
<b>Cinema</b>			<b>57</b>	<b>55</b>	<b>55</b>
<b>UnUsUal</b>				<b>37</b>	<b>37</b>
<b>Vividthree</b>			<b>69</b>	<b>70</b>	<b>70</b>
<b>Total</b>	<b>31.6</b>	<b>39.5</b>	<b>48.0</b>	<b>28.6</b>	<b>28.5</b>

Full-year contributions from the five cinemas

Partial contributions from UnUsUal

Much lower margin of about 3% for distribution business; vs about 40% for production

## Income Statement (\$m)

FY Mar	2014A	2015A	2016A	2017F	2018F
Revenue	16.1	24.3	38.3	154	187
Cost of Goods Sold	(11.0)	(14.7)	(20.0)	(110)	(134)
<b>Gross Profit</b>	<b>5.09</b>	<b>9.58</b>	<b>18.4</b>	<b>44.1</b>	<b>53.3</b>
Other Opng (Exp)/Inc	(1.4)	(3.0)	(8.0)	(21.6)	(24.3)
<b>Operating Profit</b>	<b>3.72</b>	<b>6.62</b>	<b>10.4</b>	<b>22.5</b>	<b>28.9</b>
Other Non Opng (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	0.0	0.0	0.0	0.0	0.0
Net Interest (Exp)/Inc	0.0	0.0	(0.4)	(0.4)	(0.4)
Exceptional Gain/(Loss)	0.0	(0.1)	0.0	0.0	0.0
<b>Pre-tax Profit</b>	<b>3.70</b>	<b>6.58</b>	<b>9.99</b>	<b>22.1</b>	<b>28.6</b>
Tax	(0.7)	(1.5)	(1.1)	(3.8)	(4.9)
Minority Interest	0.0	0.0	0.0	0.0	0.0
Preference Dividend	0.0	0.0	0.0	0.0	0.0
<b>Net Profit</b>	<b>3.04</b>	<b>5.08</b>	<b>8.90</b>	<b>18.4</b>	<b>23.7</b>
Net Profit before Except.	3.05	5.13	8.90	18.4	23.7
EBITDA	7.16	9.92	19.4	31.5	37.9
<b>Growth</b>					
Revenue Gth (%)	N/A	50.7	57.9	302.0	21.4
EBITDA Gth (%)	nm	38.5	95.2	62.6	20.5
Opg Profit Gth (%)	nm	78.3	56.7	116.7	28.7
Net Profit Gth (Pre-ex) (%)	nm	68.1	73.4	106.3	29.2
<b>Margins &amp; Ratio</b>					
Gross Margins (%)	31.6	39.5	48.0	28.6	28.5
Opg Profit Margin (%)	23.0	27.3	27.1	14.6	15.5
Net Profit Margin (%)	18.8	20.9	23.2	11.9	12.7
ROAE (%)	166.5	44.5	32.1	33.7	28.1
ROA (%)	34.8	18.5	16.7	14.3	11.2
ROCE (%)	104.8	37.7	27.3	30.4	26.1
Div Payout Ratio (%)	0.0	0.0	0.0	0.0	0.0
Net Interest Cover (x)	NM	NM	26.8	58.1	74.8



**Quarterly / Interim Income Statement (\$m)**

FY Mar	1H15	2H15	1H16	2H16
Revenue	9.7	14.6	12.7	25.6
Cost of Goods Sold	(4.0)	(10.7)	(4.3)	(15.6)
<b>Gross Profit</b>	<b>5.7</b>	<b>3.9</b>	<b>8.4</b>	<b>10.0</b>
Other Oper. (Exp)/Inc	(1.2)	(1.8)	(3.0)	(5.4)
<b>Operating Profit</b>	<b>4.5</b>	<b>2.1</b>	<b>5.4</b>	<b>4.6</b>
Other Non Opg (Exp)/Inc	0.0	(0.0)	0.0	(0.0)
Associates & JV Inc	0.0	0.0	0.0	0.0
Net Interest (Exp)/Inc	0.0	0.0	0.0	0.0
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0
<b>Pre-tax Profit</b>	<b>4.5</b>	<b>2.0</b>	<b>5.4</b>	<b>4.6</b>
Tax	(0.9)	(0.6)	(0.9)	(0.2)
Minority Interest	0.0	0.0	0.0	0.0
<b>Net Profit</b>	<b>3.6</b>	<b>1.5</b>	<b>4.5</b>	<b>4.4</b>
Net profit bef Except.	3.6	1.5	4.5	4.4
EBITDA	5.3	4.6	6.7	4.6

**Growth**

Revenue Gth (%)		51	(13)	102
EBITDA Gth (%)		(13)	45	(31)
Opg Profit Gth (%)		(54)	161	(15)
Net Profit Gth (Pre-ex) (%)		(60)	208	(2)

**Margins**

Gross Margins (%)	58.7	26.7	66.1	39.0
Opg Profit Margins (%)	46.7	14.1	42.4	17.9
Net Profit Margins (%)	37.4	10.0	35.5	17.1

Volatile margins mainly due to different stages of revenue recognition

**Balance Sheet (\$m)**

FY Mar	2014A	2015A	2016A	2017F	2018F
Net Fixed Assets	0.10	0.10	3.65	18.1	22.6
Invt in Associates & JVs	0.0	0.0	0.0	0.0	0.0
Other LT Assets	3.90	6.36	26.1	17.6	9.18
Cash & ST Invt	0.60	5.76	4.74	21.7	45.4
Inventory	1.49	4.77	9.83	40.3	49.0
Debtors	11.4	20.6	24.4	90.5	110
Other Current Assets	0.0	0.0	0.26	0.26	0.26
<b>Total Assets</b>	<b>17.5</b>	<b>37.6</b>	<b>69.0</b>	<b>188</b>	<b>236</b>
ST Debt	0.10	0.22	0.20	0.20	0.20
Creditor	11.4	14.7	23.8	106	129
Other Current Liab	0.24	1.46	4.21	4.92	6.02
LT Debt	1.02	0.09	2.85	2.85	2.85
Other LT Liabilities	0.94	1.92	0.75	0.75	0.75
Shareholder's Equity	3.65	19.2	36.2	72.6	96.3
Minority Interests	0.13	0.0	0.98	0.98	0.98
<b>Total Cap. &amp; Liab.</b>	<b>17.5</b>	<b>37.6</b>	<b>69.0</b>	<b>188</b>	<b>236</b>
Non-Cash Wkg. Capital	1.23	9.19	6.49	19.9	23.9
Net Cash/(Debt)	(0.5)	5.45	1.69	18.7	42.4
Debtors Turn (avg days)	128.6	240.0	214.2	136.0	195.3
Creditors Turn (avg days)	273.9	417.3	640.7	234.8	344.0
Inventory Turn (avg days)	35.9	100.2	243.0	90.5	130.5
Asset Turnover (x)	1.8	0.9	0.7	1.2	0.9
Current Ratio (x)	1.1	1.9	1.4	1.4	1.5
Quick Ratio (x)	1.0	1.6	1.0	1.0	1.1
Net Debt/Equity (X)	0.1	CASH	CASH	CASH	CASH
Net Debt/Equity ex MI (X)	0.1	CASH	CASH	CASH	CASH
Capex to Debt (%)	46.0	645.4	279.3	492.0	164.0
Z-Score (X)	15.8	12.3	8.1	3.8	3.6

Source: Company, DBS Bank

Cash Flow Statement (S\$m)

FY Mar	2014A	2015A	2016A	2017F	2018F
Pre-Tax Profit	3.70	6.58	9.99	22.1	28.6
Dep. & Amort.	3.45	3.29	8.98	8.98	8.98
Tax Paid	(0.7)	(1.5)	(1.1)	(3.1)	(3.8)
Assoc. & JV Inc/(loss)	0.0	0.0	0.0	0.0	0.0
Chg in Wkg.Cap.	(7.0)	(12.0)	(22.6)	(14.1)	(5.1)
Other Operating CF	1.00	1.00	0.0	0.0	0.0
<b>Net Operating CF</b>	<b>0.53</b>	<b>(2.6)</b>	<b>(4.7)</b>	<b>14.0</b>	<b>28.7</b>
Capital Exp.(net)	(0.5)	(2.0)	(8.5)	(15.0)	(5.0)
Other Invt.(net)	0.0	0.0	0.0	0.0	0.0
Invt in Assoc. & JV	0.0	0.0	0.0	0.0	0.0
Div from Assoc & JV	0.0	0.0	0.0	0.0	0.0
Other Investing CF	0.0	0.0	0.0	0.0	0.0
<b>Net Investing CF</b>	<b>(0.5)</b>	<b>(2.0)</b>	<b>(8.5)</b>	<b>(15.0)</b>	<b>(5.0)</b>
Div Paid	0.0	0.0	0.0	0.0	0.0
Chg in Gross Debt	0.0	2.94	2.35	0.0	0.0
Capital Issues	0.0	7.75	9.10	18.0	0.0
Other Financing CF	0.46	(1.7)	(0.7)	0.0	0.0
<b>Net Financing CF</b>	<b>0.46</b>	<b>9.05</b>	<b>10.7</b>	<b>18.0</b>	<b>0.0</b>
Currency Adjustments	0.0	0.0	0.0	0.0	0.0
Chg in Cash	0.47	4.44	(2.5)	17.0	23.7
Opg CFPS (\$ cts)	1.81	2.27	3.96	5.36	6.46
Free CFPS (\$ cts)	0.00	(1.1)	(2.9)	(0.2)	4.53

Acquisition of five cinemas, a 3D company and UnUsUal

Issue of shares to finance recent acquisitions

Proceeds from IPO

Source: Company, DBS Bank

Target Price & Ratings History



Note: Share price and Target price are adjusted for corporate actions.

S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	06 Oct 15	0.34	0.42	NOT RATED
2:	05 Jan 16	0.39	0.52	BUY
3:	04 Feb 16	0.36	0.52	BUY
4:	23 Mar 16	0.54	0.52	BUY
5:	24 Mar 16	0.52	0.63	BUY
6:	25 May 16	0.62	0.75	BUY
7:	10 Jun 16	0.70	0.75	BUY
8:	01 Jul 16	0.69	0.83	BUY

Source: DBS Bank

Analyst: Lee Keng LING



DBS Bank recommendations are based on an Absolute Total Return\* Rating system, defined as follows:

**STRONG BUY** (>20% total return over the next 3 months, with identifiable share price catalysts within this time frame)

**BUY** (>15% total return over the next 12 months for small caps, >10% for large caps)

**HOLD** (-10% to +15% total return over the next 12 months for small caps, -10% to +10% for large caps)

**FULLY VALUED** (negative total return i.e. > -10% over the next 12 months)

**SELL** (negative total return of > -20% over the next 3 months, with identifiable catalysts within this time frame)

*Share price appreciation + dividends*

Completed Date: 13 Sep 2016 08:03:06

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