

Singapore

ADD (no change)

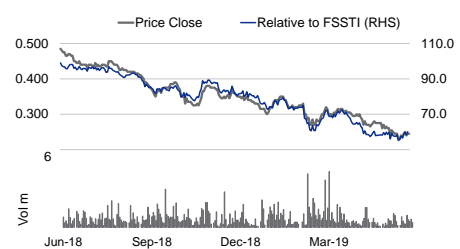
Consensus ratings*: Buy 2 Hold 1 Sell 0

| | |
|-------------------------|------------|
| Current price: | S\$0.25 |
| Target price: | S\$0.37 |
| Previous target: | S\$0.37 |
| Up/downside: | 51.3% |
| CGS-CIMB / Consensus: | 9.0% |
| Reuters: | MM2A.SI |
| Bloomberg: | MM2 SP |
| Market cap: | US\$206.6m |
| | S\$284.9m |
| Average daily turnover: | US\$0.15m |
| | S\$0.20m |
| Current shares o/s: | 1,163m |
| Free float: | 36.4% |

*Source: Bloomberg

Key changes in this note

- FY20F EPS decreased by 3.4%
- FY21F EPS decreased by 3.8%



Source: Bloomberg

| Price performance | 1M | 3M | 12M |
|-------------------|-------|-------|-----|
| Absolute (%) | -10.9 | -15.5 | -49 |
| Relative (%) | -2.8 | -12.3 | -40 |

Major shareholders

| | % held |
|---------------|--------|
| Wee Chye Ang | 45.9 |
| Yeo Khee Seng | 9.2 |
| Starhub Ltd | 8.6 |

Analyst(s)

NGOH Yi Sin

T (65) 6210 8604

E yisin.ngoh@cgs-cimb.com

mm2 Asia

Look for organic growth in FY20F

- FY3/19 core PATMI of S\$19.1m met our and consensus expectations; down 14.5% yoy due to higher financing costs, despite 38.6% yoy topline growth.
- We estimate cinema restructuring to add S\$1m-1.5m EBITDA in FY20F, with tailwinds from strong blockbuster pipeline and more active sales initiatives.
- We like mm2 for its earnings recovery, cheap valuation of 9.9x FY21F P/E and as a proxy for rising Asian content.

4QFY19 within expectations; financing costs the main drag

mm2 reported 4QFY19 PATMI of S\$6.2m, bringing FY19 PATMI to S\$19.1m, in line with our and Bloomberg consensus forecasts. While FY19 topline surged 38.6% yoy on the back of full-year contribution from its Cathay cinema and higher sales from 39%-owned Unusual, bottomline was impacted by substantially higher financing expenses, and hence declined 14.5% yoy. While its past three years had largely been driven by M&As, we see FY20F as the year when mm2 focuses on organic growth.

The rise of Asian content

According to management, Hollywood content historically contributed 80% to total box office revenue in Singapore, but Asian titles are gaining traction in recent years, just like in neighbouring countries. Rising content investments in the region, such as Turner Sports's deal with ONE Championship and Netflix doubling down on Asia, could benefit mm2 not only in terms of higher North Asia core production revenue contribution (FY18: 57%, FY19: 71%), but also cost-savings in film rental. mm2 also saw some success in its recent "More than Blue" movie, which recorded US\$153m in box office revenue.

Cinema restructuring to add at least S\$1m-1.5m EBITDA in FY20F

In FY19, mm2's cinema operations saw higher ticketing revenue (average ticket price +2.4% yoy, no. of paid admissions +11.7% yoy) and lower cost of sales for F&B. We believe the cost-savings initiatives could add at least S\$1m-1.5m to its FY20F EBITDA, on top of a stronger box office performance from 2019's robust pipeline of blockbusters and more active selling. We note that plans to partially divest its cinema subsidiary to deleverage its balance sheet remains on the cards; timing is subject to market conditions.

Strong growth trajectory for Unusual; good start to Vividthree

Unusual posted 31.7% yoy growth in FY19 net profit, thanks to rising overseas concert promotions. We expect the launch of family-themed entertainment shows and bigger overseas concerts to be Unusual's FY20-21F earnings drivers. Vividthree continues to secure new locations for its "Train to Busan" virtual reality show.

No change to Add call and SOP-based TP of S\$0.37

We cut our FY20-21F EPS by 3.4-3.8% on more conservative revenue assumptions for Unusual and Vividthree; maintain Add with S\$0.37 TP. Downside risks: production delays and balance sheet mismanagement. Catalysts: cinema turnaround and movie success.

Financial Summary

| | Mar-18A | Mar-19A | Mar-20F | Mar-21F | Mar-22F |
|--------------------------------|---------|---------|---------|---------|---------|
| Revenue (S\$m) | 192.0 | 266.2 | 297.2 | 326.4 | 350.0 |
| Operating EBITDA (S\$m) | 62.9 | 75.1 | 91.5 | 105.1 | 111.5 |
| Net Profit (S\$m) | 22.40 | 19.14 | 21.93 | 28.76 | 31.71 |
| Core EPS (S\$) | 0.020 | 0.016 | 0.019 | 0.025 | 0.027 |
| Core EPS Growth | 14.5% | (16.8%) | 14.6% | 31.1% | 10.2% |
| FD Core P/E (x) | 12.38 | 14.89 | 12.99 | 9.91 | 8.98 |
| DPS (S\$) | - | - | - | - | - |
| Dividend Yield | 0% | 0% | 0% | 0% | 0% |
| EV/EBITDA (x) | 4.41 | 7.17 | 6.18 | 5.13 | 4.58 |
| P/FCFE (x) | 62.76 | 2.27 | NA | 6.85 | 6.38 |
| Net Gearing | (13.1%) | 76.7% | 72.3% | 51.1% | 33.6% |
| P/BV (x) | 1.60 | 1.33 | 1.21 | 1.08 | 0.96 |
| ROE | 17.0% | 9.7% | 9.7% | 11.5% | 11.3% |
| % Change In Core EPS Estimates | | | (3.37%) | (3.76%) | |
| CIMB/consensus EPS (x) | | | 0.82 | 0.85 | |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 1: Results comparison table

| FYE March (S\$m) | 4QFY19 | 4QFY18 | yoy % chg | qoq % chg | 4QFY19 Cum | 4QFY18 Cum | yoy % chg | Prev FY19F | Comments |
|------------------------|------------|------------|--------------|--------------|-------------|-------------|---------------|------------|---|
| Revenue | 78 | 84 | (6.5) | 5.6 | 266 | 192 | 38.6 | 276 | 4Q/12MFY19 formed 28%/97% of our/consensus full-year numbers; in line |
| Operating costs | (53) | (55) | (3.2) | (5.7) | (188) | (128) | 46.3 | (188) | |
| EBITDA | 25 | 29 | (12.7) | 42.0 | 78 | 64 | 23.0 | 87 | |
| EBITDA margin (%) | 32 | 34 | (2.3) | 8.2 | 29 | 33 | (3.7) | 32 | Broadly in line |
| Deprn & amort. | (8) | (15) | (45.5) | 31.8 | (21) | (23) | (8.1) | (28) | |
| EBIT | 17 | 14 | 23.0 | 47.5 | 57 | 41 | 40.2 | 59 | |
| Interest expense | (5) | (3) | 41.6 | 13.5 | (18) | (5) | 262.4 | (18) | In line |
| Interest & invt inc | 0 | 0 | na | na | 0 | 0 | na | - | |
| Associates' contrib | 0 | 0 | na | na | 0 | 0 | na | (0) | |
| Exceptionals | - | - | na | na | - | - | na | - | |
| Pretax profit | 12 | 11 | 14.2 | 68.0 | 40 | 37 | 8.8 | 41 | |
| Tax | (3) | (2) | 32.4 | 5.6 | (11) | (7) | 56.5 | (12) | |
| Tax rate (%) | 22 | 19 | 3.0 | (12.8) | 28 | 19 | 8.5 | 30 | In line |
| Minority interests | 3 | 2 | 68.1 | 18.1 | 10 | 7 | 34.6 | 10 | |
| Net profit | 6.2 | 6.6 | (6.7) | 216.2 | 19.1 | 22.4 | (14.5) | 18 | 4Q/12MFY19 formed 34%/105% of our full-year numbers |
| Core net profit | 6.2 | 6.6 | (6.7) | 216.2 | 19.1 | 22.4 | (14.5) | 18 | 4Q/12MFY19 formed 33%/101% of consensus full-year numbers |
| EPS (cts) | 0.53 | 0.57 | (6.7) | 216.2 | 1.65 | 2.00 | (17.6) | 1.6 | |
| Core EPS (cts) | 0.53 | 0.57 | (6.7) | 216.2 | 1.65 | 2.00 | (17.6) | 1.6 | |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 2: Earnings revision table

| Earnings Revision | FY2019A | | | FY2020F | | | FY2021F | | |
|--|-----------------|-------|-------|----------|-------|-------|----------|--|--|
| | mm2 (FYE March) | Old | New | % change | Old | New | % change | | |
| Revenue (S\$m) | 264.4 | 306.4 | 297.2 | -3.0% | 336.6 | 326.4 | -3.0% | | |
| Production & distribution related (S\$m) | 98.2 | 108.4 | 108.4 | 0.0% | 119.2 | 119.2 | 0.0% | | |
| Post-production (S\$m) | 9.3 | 16.0 | 11.0 | -31.3% | 20.0 | 14.0 | -30.0% | | |
| Cinema (S\$m) | 100.7 | 107.0 | 107.8 | 0.7% | 112.4 | 113.2 | 0.7% | | |
| Unusual/ Entertainment (S\$m) | 56.2 | 75.0 | 70.0 | -6.7% | 85.0 | 80.0 | -5.9% | | |
| Gross Margin (%) | 47% | 46% | 46% | 0% | 46% | 46% | 0% | | |
| Core net profit (S\$m) | 28.7 | 35.7 | 34.9 | -2.1% | 44.9 | 43.8 | -2.5% | | |
| Core PATMI (S\$m) | 19.1 | 22.7 | 21.9 | -3.4% | 29.9 | 28.8 | -3.8% | | |

SOURCE: CIMB RESEARCH, COMPANY

Figure 3: SOP-based valuation

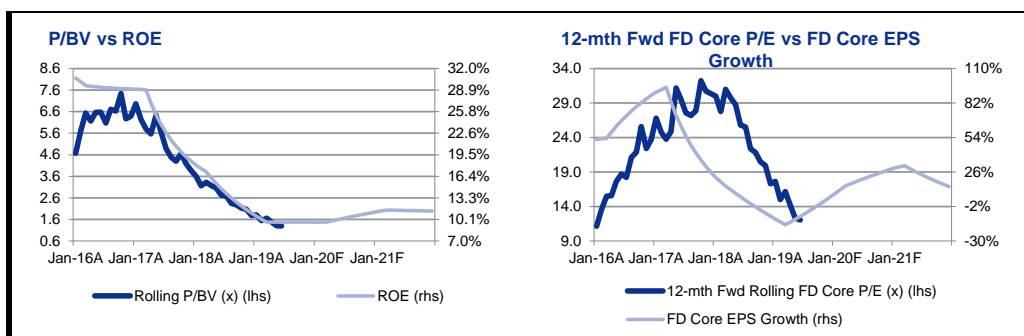
| Net profit breakdown by segment | Stake | FY3/20 (S\$m) | FY3/21 (S\$m) | CY20 (S\$m) | Applied PE multiple (x) | Valuation basis | CY20F Value (S\$m) | Per share (S\$) |
|----------------------------------|--------|---------------|---------------|-------------|-------------------------|--------------------------------|--------------------|-----------------|
| Core production and distribution | 100.0% | 12.2 | 16.8 | 15.7 | 15 | 25% discount to sector average | 235.1 | 0.20 |
| Vividthree | 41.5% | 3.9 | 4.9 | 4.6 | - | Market value | 24.5 | 0.02 |
| Cinema operations | 100.0% | 3.2 | 4.1 | 3.9 | 12 | 40% discount to sector average | 46.4 | 0.04 |
| Unusual Productions | 39.2% | 15.4 | 17.6 | 17.1 | - | Market value | 124.9 | 0.11 |
| Total | | 34.7 | 43.4 | 41.2 | | | 430.9 | 0.37 |
| Core PATMI | | 21.9 | 28.8 | 27.1 | | | | |
| Shares outstanding (m) | | | | | | | 1,162.8 | |
| Equity Value per share (S\$) | | | | | | | | 0.37 |
| Implied CY20F P/E based on TP | | | | | | | | 15.9 |

SOURCES: CGS-CIMB, COMPANY REPORTS

Figure 4: Peer comparison

| Company | Bloomberg Ticker | Recom. | Price (Icl curr) | Target Price (Icl curr) | Market Cap (US\$ m) | Core P/E (x) | | 3-year EPS CAGR (%) | P/BV (x) | | Recurring ROE (%) | | Dividend Yield (%) | |
|---|------------------|-----------|------------------|-------------------------|---------------------|--------------|-------------|---------------------|------------|------------|-------------------|--------------|--------------------|-------------|
| | | | | | | CY19F | CY20F | | CY19F | CY20F | CY19F | CY20F | CY19F | CY20F |
| mm2 Asia | mm2 SP | ADD | 0.25 | 0.37 | 207 | 13.4 | 10.5 | 14.9% | 1.2 | 1.1 | 9.8% | 11.1% | na | na |
| Movie/ TV production | | | | | | | | | | | | | | |
| Spackman Entertainment Group L | SEG SP | Not rated | 0.02 | na | 12 | na | na | na | na | na | na | na | na | na |
| Alibaba Pictures Group Ltd | 1060 HK | Not rated | 1.59 | na | 5,402 | na | 38.8 | na | 2.4 | 2.3 | na | 6.1% | na | na |
| Zhejiang Talent Television & F | 300426 CH | Not rated | 6.90 | na | 414 | na | na | na | na | na | na | na | na | na |
| Zhejiang Huace Film & TV Co Lt | 300133 CH | Not rated | 6.24 | na | 1,602 | 16.2 | 13.3 | 54.6% | 1.4 | 1.3 | 8.1% | 8.8% | 0.6% | 0.8% |
| Studio Dragon Corp | 253450 KS | Add | 66,900 | 130,000 | 1,576 | 32.5 | 19.6 | 59.3% | 4.1 | 3.4 | 13.4% | 18.9% | 0.0% | 0.0% |
| CJ ENM | 035760 KS | Add | 187,500 | 275,000 | 3,453 | 15.4 | 12.1 | 27.1% | 1.4 | 1.2 | 9.2% | 10.6% | 0.9% | 1.1% |
| Huayi Brothers Media Corp | 300027 CH | Not rated | 5.25 | na | 2,125 | 19.6 | 16.4 | na | 1.4 | 1.3 | 9.3% | 10.6% | 0.5% | 0.5% |
| Simple average | | | | | | 20.9 | 20.0 | 47.0% | 2.1 | 1.9 | 10.0% | 11.0% | 0.5% | 0.6% |
| Cinema Theatres | | | | | | | | | | | | | | |
| Wanda Film Holding Co Ltd | 002739 CH | Not rated | 18.50 | na | 5,568 | 21.5 | 19.3 | na | 2.2 | 2.0 | 11.2% | 10.5% | 0.9% | 1.0% |
| Orange Sky Golden Harvest Ente | 1132 HK | Not rated | 0.25 | na | 88 | na | na | na | na | na | na | na | na | na |
| Major Cineplex Group PCL | MAJOR TB | Add | 28.75 | 30.00 | 813 | 27.4 | 23.8 | na | 3.9 | 3.9 | 14.4% | 16.5% | 4.1% | 4.1% |
| Simple average | | | | | | 24.5 | 21.5 | na | 3.1 | 3.0 | 12.8% | 13.5% | 2.5% | 2.6% |
| Concert/ Events production | | | | | | | | | | | | | | |
| Live Nation Entertainment Inc | LYV US | Not rated | 60.82 | na | 12,871 | na | 95.6 | na | 9.0 | 6.8 | 6.3% | 11.1% | 0.0% | 0.0% |
| YG Entertainment Inc | 122870 KS | Not rated | 31800 | na | 489 | 28.9 | 18.1 | 25.8 | 1.7 | 1.5 | 5.4% | 8.1% | 0.5% | 0.5% |
| Media Asia Group Holdings Ltd | 8075 HK | Not rated | 0.09 | na | 23 | na | na | na | na | na | na | na | na | na |
| SMC Entertainment Inc | SMCE US | Not rated | 0.00 | na | 0 | na | na | na | na | na | na | na | na | na |
| SM Entertainment Co Ltd | 041510 KS | Not rated | 43150 | na | 853 | 30.1 | 21.6 | 18.3 | 2.2 | 2.0 | 7.6% | 9.7% | 0.0% | 0.3% |
| FNC Entertainment Co Ltd | 173940 KS | Not rated | 8030 | na | 98 | na | na | na | na | na | na | na | na | na |
| Simple average | | | | | | 29.5 | 45.1 | 22.0% | 4.3 | 3.4 | 6.4% | 9.6% | 0.2% | 0.3% |
| Simple average (overall excluding mm2) | | | | | | 24.9 | 28.9 | 34.5% | 3.2 | 2.8 | 9.8% | 11.4% | 1.1% | 1.1% |

SOURCES: CGS-CIMB, COMPANY REPORTS, BLOOMBERG (as of 3 June 2019)

BY THE NUMBERS

Profit & Loss

| (\$m) | Mar-18A | Mar-19A | Mar-20F | Mar-21F | Mar-22F |
|---|--------------|--------------|--------------|--------------|--------------|
| Total Net Revenues | 192.0 | 266.2 | 297.2 | 326.4 | 350.0 |
| Gross Profit | 87.3 | 124.2 | 136.5 | 148.9 | 159.0 |
| Operating EBITDA | 62.9 | 75.1 | 91.5 | 105.1 | 111.5 |
| Depreciation And Amortisation | (22.7) | (20.8) | (27.0) | (31.0) | (34.0) |
| Operating EBIT | 40.3 | 54.3 | 64.5 | 74.1 | 77.5 |
| Financial Income/(Expense) | (4.9) | (17.9) | (16.0) | (15.0) | (13.0) |
| Pretax Income/(Loss) from Assoc. | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Non-Operating Income/(Expense) | 1.2 | 3.4 | 0.0 | 0.0 | 0.0 |
| Profit Before Tax (pre-EI) | 36.6 | 39.8 | 48.5 | 59.1 | 64.5 |
| Exceptional Items | | | | | |
| Pre-tax Profit | 36.6 | 39.8 | 48.5 | 59.1 | 64.5 |
| Taxation | (7.1) | (11.1) | (13.6) | (15.4) | (16.8) |
| Exceptional Income - post-tax | | | | | |
| Profit After Tax | 29.5 | 28.7 | 34.9 | 43.8 | 47.7 |
| Minority Interests | (7.1) | (9.6) | (13.0) | (15.0) | (16.0) |
| Preferred Dividends | | | | | |
| FX Gain/(Loss) - post tax | | | | | |
| Other Adjustments - post-tax | | | | | |
| Net Profit | 22.4 | 19.1 | 21.9 | 28.8 | 31.7 |
| Recurring Net Profit | 22.4 | 19.1 | 21.9 | 28.8 | 31.7 |
| Fully Diluted Recurring Net Profit | 22.4 | 19.1 | 21.9 | 28.8 | 31.7 |

Cash Flow

| (\$m) | Mar-18A | Mar-19A | Mar-20F | Mar-21F | Mar-22F |
|----------------------------------|---------------|---------------|---------------|--------------|--------------|
| EBITDA | 62.9 | 75.1 | 91.5 | 105.1 | 111.5 |
| Cash Flow from Inv. & Assoc. | (0.1) | (0.0) | 0.0 | 0.0 | 0.0 |
| Change In Working Capital | (57.3) | (55.0) | (67.3) | (28.2) | (32.1) |
| (Incr)/Decr in Total Provisions | | | | | |
| Other Non-Cash (Income)/Expense | (0.0) | (2.2) | 0.0 | 0.0 | 0.0 |
| Other Operating Cashflow | | | | | |
| Net Interest (Paid)/Received | (4.5) | (17.6) | (16.0) | (15.0) | (13.0) |
| Tax Paid | (5.2) | (9.8) | (13.6) | (15.4) | (16.8) |
| Cashflow From Operations | (4.1) | (9.5) | (5.4) | 46.6 | 49.6 |
| Capex | (10.2) | (4.1) | (5.0) | (5.0) | (5.0) |
| Disposals Of FAs/subsidiaries | | | | | |
| Acq. Of Subsidiaries/investments | (41.4) | 10.3 | (3.3) | 0.0 | 0.0 |
| Other Investing Cashflow | (0.0) | (22.9) | 0.0 | 0.0 | 0.0 |
| Cash Flow From Investing | (51.6) | (16.8) | (8.3) | (5.0) | (5.0) |
| Debt Raised/(repaid) | 60.2 | 151.7 | 0.0 | 0.0 | 0.0 |
| Proceeds From Issue Of Shares | 64.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Shares Repurchased | | | | | |
| Dividends Paid | | | | | |
| Preferred Dividends | | | | | |
| Other Financing Cashflow | | | | | |
| Cash Flow From Financing | 124.2 | 151.7 | 0.0 | 0.0 | 0.0 |
| Total Cash Generated | 68.5 | 125.4 | (13.7) | 41.6 | 44.6 |
| Free Cashflow To Equity | 4.4 | 125.4 | (13.7) | 41.6 | 44.6 |
| Free Cashflow To Firm | (50.8) | (8.4) | 2.3 | 56.6 | 57.6 |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd
Balance Sheet

| (S\$m) | Mar-18A | Mar-19A | Mar-20F | Mar-21F | Mar-22F |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Cash And Equivalents | 93.2 | 18.6 | 4.9 | 46.5 | 91.1 |
| Total Debtors | 107.9 | 180.7 | 135.4 | 141.2 | 150.9 |
| Inventories | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| Total Other Current Assets | 34.7 | 88.0 | 101.0 | 104.4 | 106.4 |
| Total Current Assets | 236.3 | 287.6 | 241.6 | 292.4 | 348.8 |
| Fixed Assets | 42.1 | 36.4 | 29.4 | 20.4 | 11.4 |
| Total Investments | 2.6 | 2.8 | 2.8 | 2.8 | 2.8 |
| Intangible Assets | 299.2 | 333.3 | 366.6 | 374.7 | 383.4 |
| Total Other Non-Current Assets | 2.0 | 5.6 | 5.6 | 5.6 | 5.6 |
| Total Non-current Assets | 345.9 | 378.1 | 404.4 | 403.5 | 403.2 |
| Short-term Debt | 5.0 | 36.8 | 36.8 | 36.8 | 36.8 |
| Current Portion of Long-Term Debt | | | | | |
| Total Creditors | 273.0 | 131.4 | 76.7 | 82.9 | 91.2 |
| Other Current Liabilities | 13.0 | 27.4 | 27.4 | 27.4 | 27.4 |
| Total Current Liabilities | 291.0 | 195.6 | 140.9 | 147.1 | 155.4 |
| Total Long-term Debt | 61.0 | 186.2 | 186.2 | 186.2 | 186.2 |
| Hybrid Debt - Debt Component | | | | | |
| Total Other Non-Current Liabilities | 10.5 | 5.9 | 5.9 | 5.9 | 5.9 |
| Total Non-current Liabilities | 71.4 | 192.1 | 192.1 | 192.1 | 192.1 |
| Total Provisions | 11.3 | 11.5 | 11.5 | 11.5 | 11.5 |
| Total Liabilities | 373.7 | 399.1 | 344.5 | 350.6 | 358.9 |
| Shareholders' Equity | 178.6 | 214.2 | 236.1 | 264.9 | 296.6 |
| Minority Interests | 29.9 | 52.5 | 65.5 | 80.5 | 96.5 |
| Total Equity | 208.5 | 266.6 | 301.6 | 345.3 | 393.0 |

Key Ratios

| | Mar-18A | Mar-19A | Mar-20F | Mar-21F | Mar-22F |
|---------------------------|---------|---------|---------|---------|---------|
| Revenue Growth | 101% | 39% | 12% | 10% | 7% |
| Operating EBITDA Growth | 52.1% | 19.4% | 21.8% | 14.9% | 6.0% |
| Operating EBITDA Margin | 32.8% | 28.2% | 30.8% | 32.2% | 31.8% |
| Net Cash Per Share (S\$) | 0.02 | (0.18) | (0.19) | (0.15) | (0.11) |
| BVPS (S\$) | 0.15 | 0.18 | 0.20 | 0.23 | 0.26 |
| Gross Interest Cover | 8.17 | 3.04 | 4.03 | 4.94 | 5.96 |
| Effective Tax Rate | 19.4% | 27.9% | 28.0% | 26.0% | 26.0% |
| Net Dividend Payout Ratio | NA | NA | NA | NA | NA |
| Accounts Receivables Days | 146.6 | 197.9 | 194.7 | 154.7 | 152.3 |
| Inventory Days | 1.86 | 1.00 | 0.83 | 0.75 | 0.69 |
| Accounts Payables Days | 557.1 | 519.8 | 237.0 | 164.1 | 166.3 |
| ROIC (%) | 48.6% | 27.1% | 13.3% | 13.9% | 14.4% |
| ROCE (%) | 20.6% | 14.0% | 12.6% | 13.4% | 12.9% |
| Return On Average Assets | 9.21% | 7.47% | 7.77% | 8.76% | 8.39% |

Key Drivers

| | Mar-18A | Mar-19A | Mar-20F | Mar-21F | Mar-22F |
|-------------------------------------|---------|---------|---------|---------|---------|
| TV Adex Rate (% Change) | N/A | N/A | N/A | N/A | N/A |
| Average Utilisation Rate (%) | N/A | N/A | N/A | N/A | N/A |
| Prime Time Utilisation Rate (%) | N/A | N/A | N/A | N/A | N/A |
| Non Prime Time Utilisation Rate (%) | N/A | N/A | N/A | N/A | N/A |
| Programming Costs (% Change) | 65.4% | 4.9% | 10.3% | 10.0% | 5.0% |
| Newsppr adex rev. grth (%) | 257.6% | 123.7% | 7.0% | 5.0% | 5.0% |
| Newspaper ASP (% Change) | N/A | N/A | N/A | N/A | N/A |
| Newsppr circulation grth (%) | N/A | N/A | N/A | N/A | N/A |
| Newsprint Cost (% Change) | N/A | N/A | N/A | N/A | N/A |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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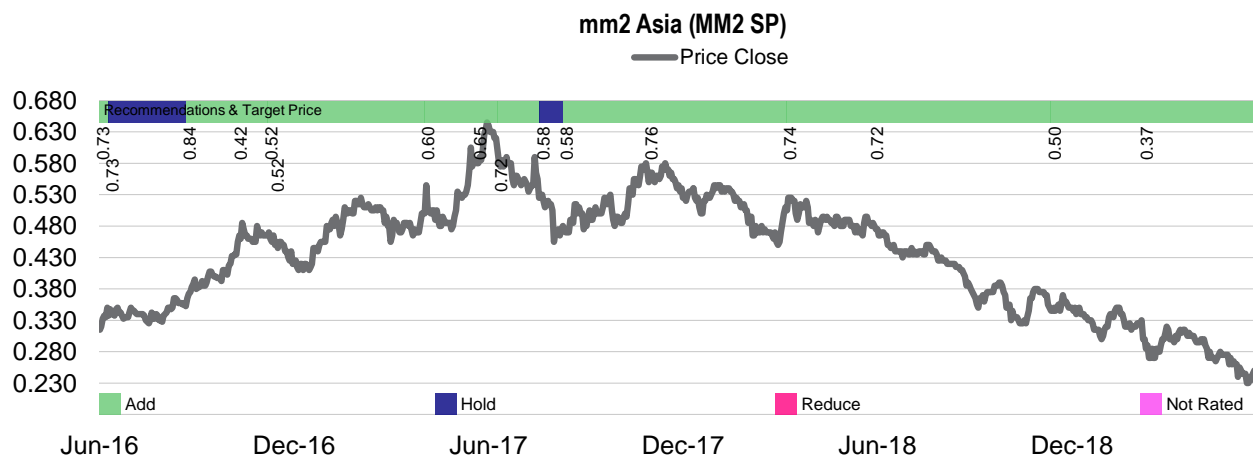
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| | Rating Distribution (%) | Investment Banking clients (%) |
| Add | 57.8% | 4.0% |
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| Reduce | 15.2% | 0.4% |

Spitzer Chart for stock being researched (2 year data)



Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2018, Anti-Corruption 2018

ADVANC – Excellent, Certified, **AEONTS** – Good, n/a, **AH** – Very Good, n/a, **AMATA** – Excellent, Declared, **ANAN** – Excellent, Declared, **AOT** – Excellent, Declared, **AP** – Excellent, Certified, **ASP** – Very Good, Certified, **BANPU** – Excellent, Certified, **BAY** – Excellent, Certified, **BBL** – Very Good, Certified, **BCH** – Good, Certified, **BCP** - Excellent, Certified, **BCPG** – Excellent, Certified, **BEM** – Very Good, n/a, **BDMS** – Very Good, n/a, **BEAUTY** – Good, n/a, **BEC** – Very Good, n/a, **BGRIM** – Very Good, Declared, **BH** - Good, n/a, **BJC** – Very Good, Declared, **BJCHI** – Very Good, Certified, **BLA** – Very Good, Certified, **BPP** – Very Good, Declared, **BR** - Good, Declared, **BTS** - Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – Good, n/a, **CENDEL** – Very Good, Certified, **CHG** – Very Good, Declared, **CK** – Excellent, n/a, **COL** – Excellent, Declared, **CPALL** – Very Good, Certified, **CPF** – Excellent, Certified, **CPN** - Excellent, Certified, **DELTA** - Excellent, n/a, **DEMCO** – Excellent, Certified, **DDD** – Very Good, Declared, **DIF** – not available, n/a, **DREIT** – not available, n/a, **DTAC** – Excellent, Certified, **EA** – Excellent, n/a, **ECL** – Very Good, Certified, **EGCO** - Excellent, Certified, **EPG** – Very Good, n/a, **ERW** – Very Good, n/a, **GFPT** - Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Very Good, n/a, **GLOW** – Very Good, Certified, **GPSC** – Excellent, Certified, **GULF** – Very Good, n/a, **GUNKUL** – Excellent, Certified, **HANA** - Excellent, Certified, **HMPRO** - Excellent, Certified, **HREIT** - Excellent, Certified, **ICHI** – Excellent, Declared, **HUMAN** – not available, n/a, **III** – Good, n/a, **INTUCH** - Excellent, Certified, **IRPC** – Excellent, Certified, **ITD*** – Very Good, n/a, **IVL** - Excellent, Certified, **JASIF** – not available, n/a, **JWD** – Very Good, n/a, **KBANK** - Excellent, Certified, **KCE** - Excellent, Certified, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** - Excellent, Certified, **KTC** – Excellent, Certified, **LH** - Very Good, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MACO** – Very Good, n/a, **MAJOR** – Very Good, n/a, **MAKRO** – Excellent, Declared, **MALEE** – Very Good, Certified, **MC** – Very Good, Certified, **MCOT** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** - Excellent, Certified, **MTC** – Excellent, Declared, **NETBAY** – Good, n/a, **OSP** – not available, n/a, **PLANB** – Excellent, Declared, **PLAT** – Very Good, Certified, **PR9** – not available, n/a, **PSH** – Excellent, Certified, **PSTC** – Good, Certified, **PTT** - Excellent, Certified, **PTTEP** - Excellent, Certified, **PTTGC** - Excellent, Certified, **QH** – Excellent, Certified, **RATCH** – Excellent, Certified, **ROBINS** – Excellent, Certified, **RS** – Very Good, n/a, **RSP** – not available, n/a, **S** – Very Good, n/a, **SAMART** - Excellent, n/a, **SAPPE** – Very Good, Declared, **SAT** – Excellent, Certified, **SAWAD** – Very Good, n/a, **SC** – Excellent, Declared, **SCB** - Excellent, Certified, **SCC** – Excellent, Certified, **SCN** – Very Good, Certified, **SF** – Good, n/a, **SIRI** – Very Good, Certified, **SPA** - Good, n/a, **SPALI** - Excellent, n/a, **SPRC** – Excellent, Certified, **STA** – Very Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, Declared, **TASCO** – Excellent, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIPCO** – Very Good, Certified, **TISCO** - Excellent, Certified, **TKN** – Very Good, Declared, **TMB** - Excellent, Certified, **TNR** – Very Good, Declared, **TOP** - Excellent, Certified, **TPCH** – Good, n/a, **TPIPP** – Good, n/a, **TRUE** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Very Good, Declared, **UNIQ** – Good, n/a, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – not available, n/a, **WICE** – Very Good, Certified, **WORK** – Good, n/a.

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of August 31, 2018) are categorized into:

- Companies that have declared their intention to join CAC, and
- Companies certified by CAC

* The company, its director or management had been reportedly accused for breaching proper corporate governance such as violation of the SEC's regulations or charged with corruption.

Recommendation Framework

Stock Ratings

Definition:

- Add The stock's total return is expected to exceed 10% over the next 12 months.
- Hold The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

- Overweight An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings

Definition:

- Overweight An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

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