



## ABOUT COMPANY

- **Company** **MM2 ASIA LTD**
- **About** mm2 Asia Ltd is a media content provider. The Company produces movies and infotainment programs for television stations, advertisers and online media. mm2 also finances, produces and distributes commercial content.

For additional information regarding the company, please contact Investor Relations team:



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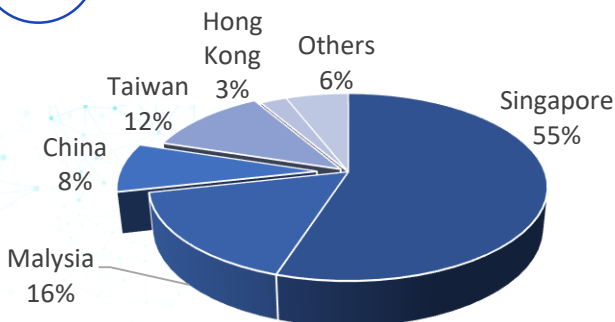
## STOCK INFO

Price	0.171	52 wk high/low	0.31/0.103	Consensus rating	3.00
Market cap (SGD m)	198.8	YTD % change	-43.9%	BUY : HOLD : SELL	0 : 2 : 0
YE	03/2021	Free float %	38.4%	Consensus TP	0.12
Earnings release date (Est)	15/11/2020	Insiders holding %	61.6%		

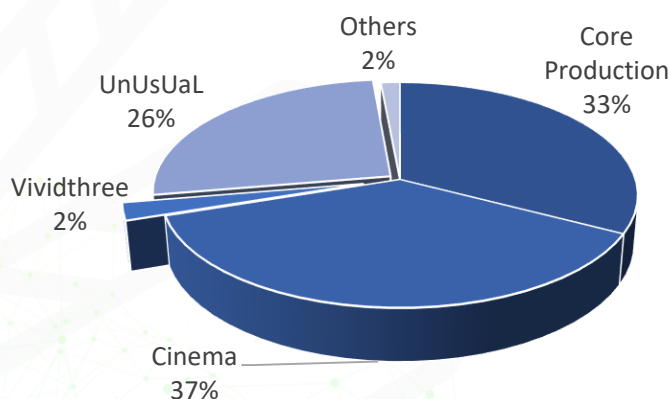
Key Highlights	2017	2018	2019	2020
Revenue	96	192	266	236
Net Profit	18	22	19	3.5
P/E	11.3	8.9	10.4	56.8
P/B	2.1	1.1	0.9	0.9
Return on equity	21.1%	14.2%	10.8%	2.4%
Net D/E	-14.6%	-13.1%	76.7%	83.4%



## FY2020 SALES BY GEOGRAPHY



## FY2020 SALES BY SEGMENT



## LATEST CORPORATE UPDATES

- [mm2 Asia reports FY2020 EBITDA S\\$98.3 million and net profit S\\$6.6 million despite challenging environment](#)
- [Voluntary update regarding the impact of the Novel Coronavirus outbreak on the Group](#)
- [Cessation of quarterly briefing](#)
- [mm2 to launch video streaming service 'mPlay Asia' in Asia](#)



## SIMPLIFIED GROUP'S STRUCTURE

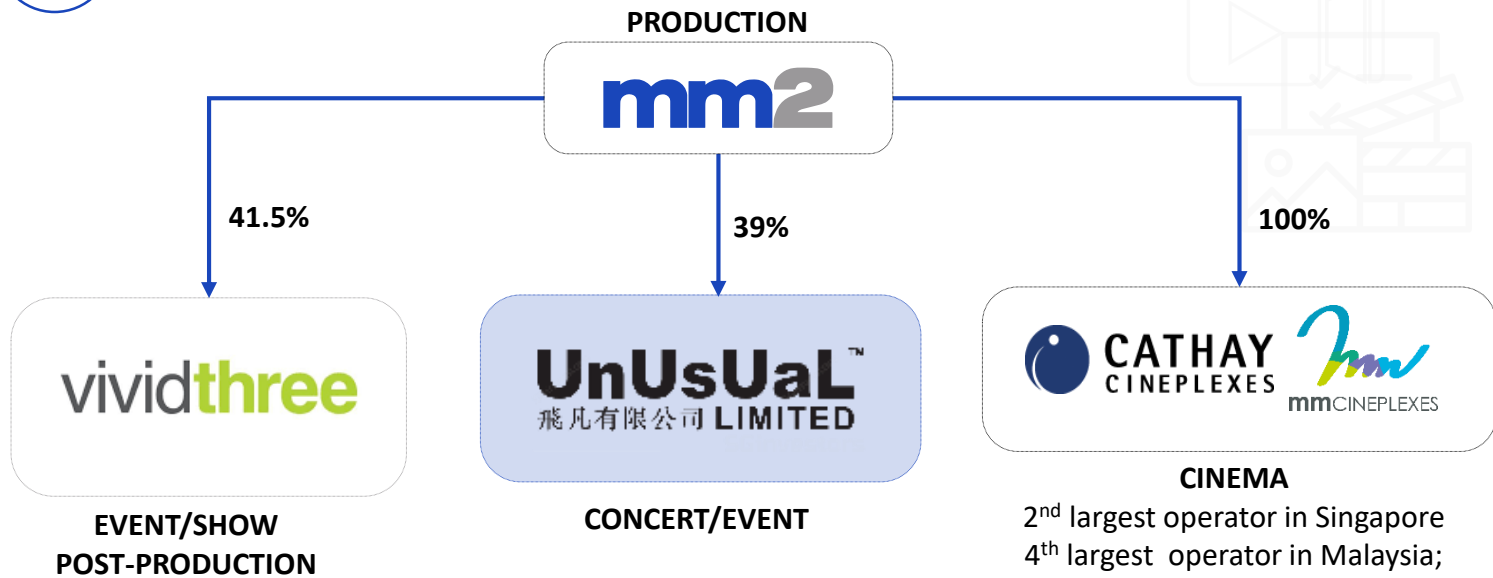


Fig. 1: MM2's core business appears to be free

Year ended 31 March (SGDmn)

## MM2's stub valuation

As at 03/20	Value (SGDmn)	Remarks
mm2's mkt cap	199	Based on share price of S\$0.171
Less:		
mm2's 39% stake in UnUsUaL	(54)	Forms about 27% of mm2's current mkt cap
Mm2's 41% stake in vividthree	(6.8)	Forms about 3% of mm2's current market cap
Book value of cinemas	(272)	As per acquisition price less any impairment
<b>Market's attributable implied value to mm2's core business</b>	<b>(135)</b>	

**mm2 has 4 main business segments:**

- 1) Core business (Production, distribution, sponsorship)
- 2) UnUsUaL
- 3) Vividthree
- 4) Cinemas

We updated Nomura's stub core valuation, using mm2's current market cap and subtracting mm2's stake in UnUsUaL (based on UnUsUaL's market cap), mm2's stake in Vividthree (based on Vividthree's market cap) and the Cinema's book value on mm2's balance sheet. The analysis suggests that market is essentially implying mm2's core business to be free.



## ANALYSTS' CONSENSUS

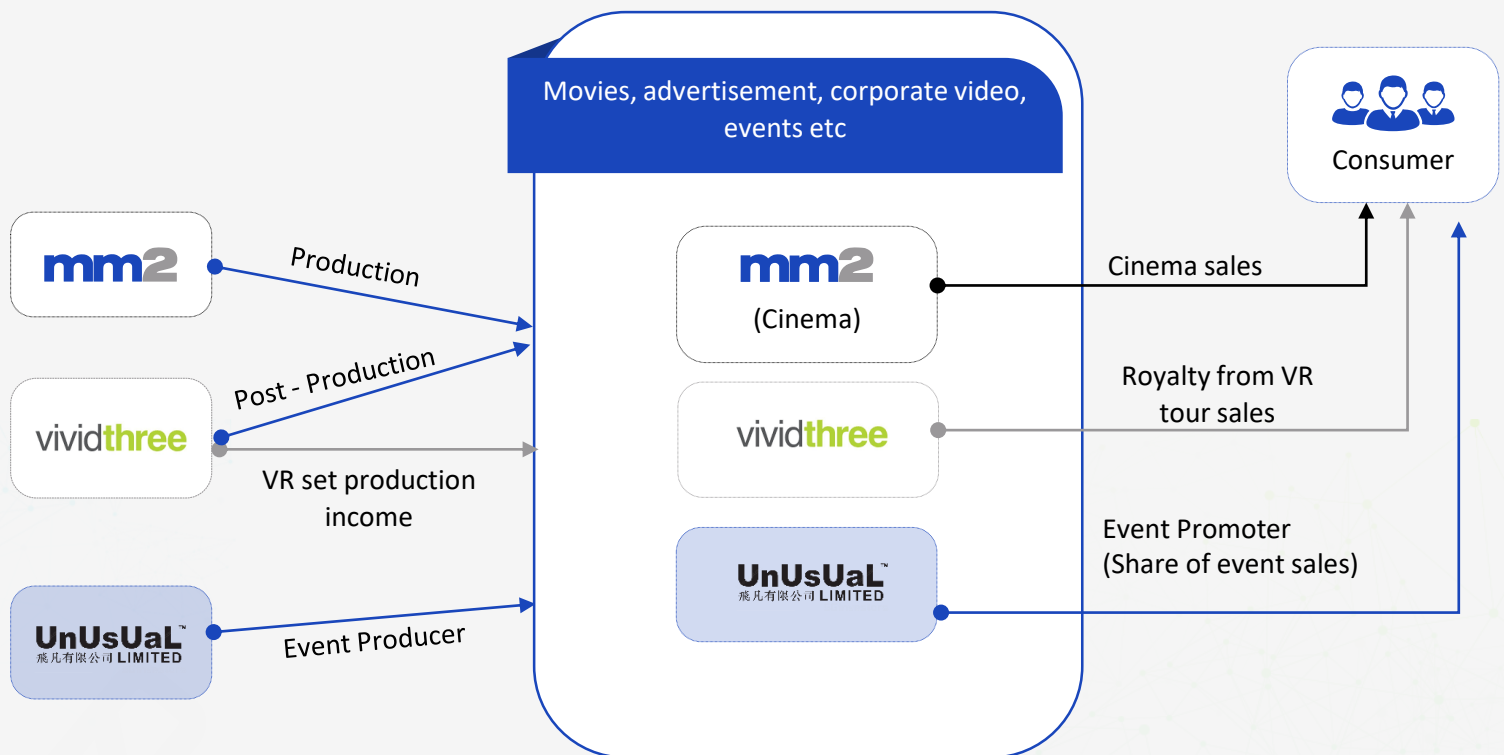
Broker	Valuation	Key investment merits	Risks
 TP: S\$0.11	<ul style="list-style-type: none"> <li>Production: 6x PE</li> <li>UnUsUaL: Market value</li> <li>Cinema: 2x P/EBITDA</li> <li>Vividthree: Market value</li> </ul>	<ul style="list-style-type: none"> <li>The market is valuing the core production and cinema segment at below S\$200m, which works out to 3x P/EBITDA (vs what mm2 paid of 13.8x P/EBITDA)</li> <li>Recurring income base from Cathay</li> <li>Value chain of content creation</li> </ul>	<ul style="list-style-type: none"> <li>No long-term financing arrangements for productions</li> <li>In need of deleveraging</li> <li>Unavailability of good scripts.</li> </ul>
 TP: S\$0.13	<ul style="list-style-type: none"> <li>Production: 6x PE</li> <li>UnUsUaL: Market value</li> <li>Cinema: 6x PE</li> <li>Vividthree: Market value</li> </ul>	<ul style="list-style-type: none"> <li>Value in mm2's assets</li> <li>Catalysts include faster recovery from COVID-19 and successful asset restructuring</li> </ul>	<ul style="list-style-type: none"> <li>Unexpected production delays</li> <li>Balance sheet mismanagement.</li> </ul>
Consensus: S\$0.12			





**IN TERMS OF REVENUE GENERATED  
– B2B2C**

mm2 Asia focuses on providing an excellent, consistent experience for both their consumer and partners/investors. By leveraging best-of-breed technologies and techniques, mm2 can start bringing these experiences together providing a unified message and experience to every customer who interacts with the brand.



The Group has expanded across the value chain from production to distribution, across different formats from cinemas to concerts and the upcoming virtual reality (VR) experiences to become an integrated digital content platform.

This factsheet was created for the purpose of providing decisions. It was not created to solicit investors. The final decision and responsibility for investments rests solely with the user of this factsheet and its content. Furthermore, opinions, forecasts and other content found on this factsheet are based on assumptions and beliefs of mm2 at the time of preparation. Please also be aware that information on this factsheet may be changed, modified, added or removed at any time without prior notice. While every effort is made to ensure the accuracy of information written on this factsheet, mm2 and the IR representatives assume no responsibility, whatsoever, for any damages resulting from the use of this content such as, but not limited to, that related to the use of erroneous information or the downloading of data.

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