

**HOLD** (Unchanged)

Change in Numbers

**TP: Bt 6.40**

Upside : 9.4%

(From: Bt 7.00)

2 JULY 2021

Small Cap Research

# VGI Public Co Ltd (VGI TB)

## Glimmers of recovery

The ongoing COVID-19 outbreak and the recent semi-lockdown measures look set to delay a recovery in out-of-home ad spend to next year and we cut our earnings estimates for VGI by 16-42% in FY22-24F. We maintain our HOLD rating on the stock with a lower SOTP DCF-based TP (FY22F base year) of Bt6.4.

**SAKSID PHADTHANANARAK**

662 – 779 9112

saksid.pha@thanachartsec.co.th

### Cutting our earnings

Out-of-home (OOH) media has been a victim of the third COVID wave and semi-lockdown measures. OOH ad spend fell by 19% in 2020 and another 11% y-y in 5M21. VGI is the largest OOH player in Thailand and saw normalized earnings collapse by 86% in FY21 (ending March 2021). With the prolonged third wave of infections and the recently announced month-long partial lockdown, we push out VGI's business recovery to next year and cut our earnings by 16-42% in FY22-24F (please see the key assumption changes in Exhibit 1). We still estimate VGI to make a Bt24m loss in 1QFY22F (April-June 2021) with the weak momentum continuing into next quarter.

### New venture not yet a key contributor

VGI has been expanding its businesses outside OOH media. Its revenue breakdown in FY21 was 62% from OOH media and 38% from digital services, including online advertising, e-payment, online insurance broker and its latest investment in digital lending services called Rabbit Cash. VGI holds a 77% stake in Rabbit Cash, which plans to launch employee welfare loan services this month and nano financing services in December. Out of the Bt1bn loan target (70% welfare loan and 30% nano financing) in its first operating year, Rabbit Cash expects to make around Bt100m of interest income. Assuming a 10% net margin, its profit would be still small at Bt10m.

### Still a direct reopening play when it comes

VGI is a direct play on post-COVID reopening story, though this has yet to materialize. It is the largest OOH media firm holding a 20% direct market share and 31% indirect market share via 19%-owned Plan B Media (PLANB TB, Bt5.9, HOLD) and 27%-owned Master Ad (MACO TB, Bt0.72, Unrated) before COVID-19 emerged in FY20. VGI is a high operating leverage play and profitability should return to high levels when the market normalizes. Its gross margin stood at 51% and EBITDA margin was at 37% in the pre-COVID year in FY20. Since it is 52%-owned by BTS Group (BTS TB, Bt9.3, BUY), VGI has monopolistic power and captive OOH media growth along with the BTS Skytrain network expansion.

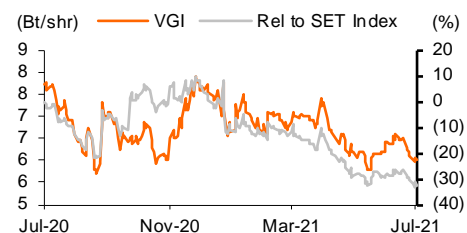
### Fairly valued, in our view

Using SOTP DCF-based methodology, we value VGI at Bt6.4 (down from Bt7 due to our earnings cuts) and maintain a HOLD rating. Out of the TP, Bt4.7 comes from its core business and Bt1.7 from investments in associates (Exhibit 2). VGI has been trading at high PEs (five-year pre-COVID average of 55x) which we believe is due to its monopolistic power, captive growth along BTS lines and high profitability.

### COMPANY VALUATION

Y/E Mar (Bt m)	2021A	2022F	2023F	2024F
Sales	2,480	2,854	3,729	4,417
Net profit	980	449	958	1,392
Consensus NP	—	842	1,173	1,695
Diff frm cons (%)	—	(46.6)	(18.3)	(17.8)
Norm profit	184	449	958	1,392
Prev. Norm profit	—	776	1,226	1,661
Chg frm prev (%)	—	(42.1)	(21.8)	(16.2)
Norm EPS (Bt)	0.02	0.05	0.11	0.2
Norm EPS grw (%)	(85.7)	144.5	113.3	45.3
Norm PE (x)	274.1	112.1	52.6	36.2
EV/EBITDA (x)	126.2	87.4	46.9	33.4
P/BV (x)	3.0	3.0	2.8	2.7
Div yield (%)	0.3	0.2	0.4	2.1
ROE (%)	1.3	2.7	5.5	7.7
Net D/E (%)	(1.8)	1.1	(1.2)	(3.0)

### PRICE PERFORMANCE



### COMPANY INFORMATION

Price as of 2-Jul-21 (Bt)	5.85
Market Cap (US\$ m)	1,564.2
Listed Shares (m shares)	8,611.2
Free Float (%)	24.7
Avg Daily Turnover (US\$ m)	6.0
12M Price H/L (Bt)	7.90/5.70
Sector	Media
Major Shareholder	BTS & BTSC 66.2%

Sources: Bloomberg, Company data, Thanachart estimates



**Ex 1: Key Assumption Changes**

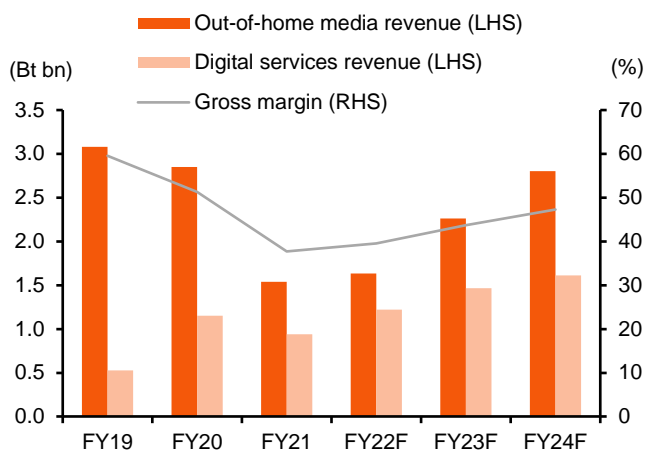
FY ending March	FY22F	FY23F	FY24F
<b>Sales (Bt m)</b>			
New	2,854	3,729	4,417
Old	3,427	3,953	4,470
Change (%)	(16.7)	(5.7)	(1.2)
<b>Gross margin (%)</b>			
New	39.5	43.7	47.3
Old	51.3	55.3	57.9
Change (pp)	(11.8)	(11.6)	(10.6)

Source: Thanachart estimates

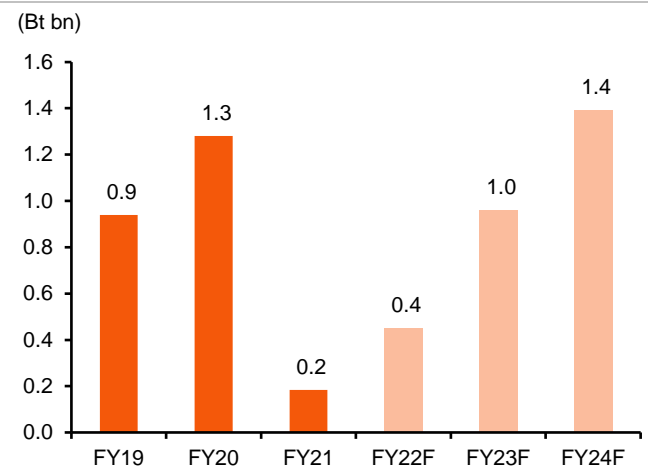
**Ex 2: Our SOTP value Of VGI's investments in associates**

	% holding	Our fair value (Bt m)	Share price (Bt/share)	Market value (Bt m)
KEX	18.1%	9,533	38.5	12,098
PLANB	18.6%	4,477	6.0	4,333
MACO	26.6%	1,007	0.7	1,050
<b>Total</b>		<b>15,018</b>		<b>17,481</b>
<b>Per VGI share (Bt)</b>		<b>1.7</b>		<b>2.0</b>

Sources: Company data, Thanachart estimates

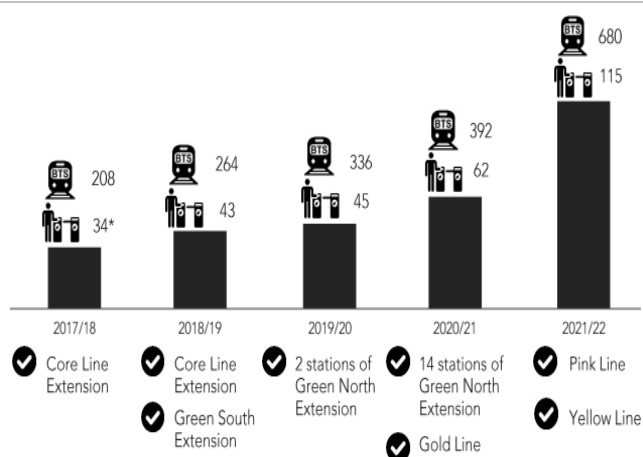
**Ex 3: VGI's Revenue Breakdown Vs. Gross Margin**

Sources: Company data, Thanachart estimates

**Ex 4: VGI's Normalized Earnings**

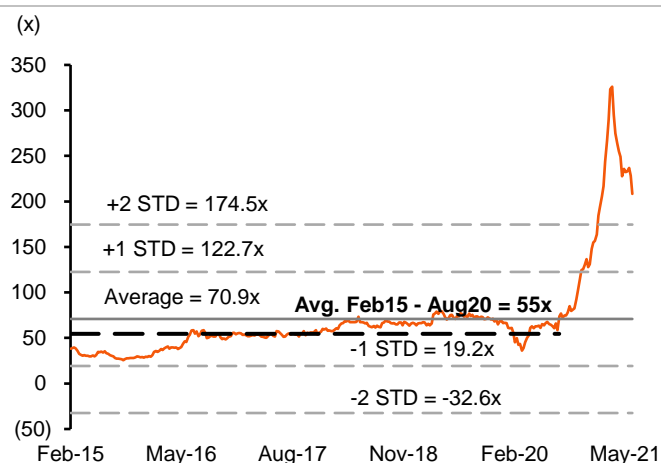
Sources: Company data, Thanachart estimates

## Ex 5: Increase In Train And Station Capacity



Source: Company data

## Ex 6: VGI's PE Standard Deviation



Sources: Bloomberg, Thanachart estimates

## Ex 7: 12-month DCF-based TP Calculation, Using a Base Year of FY22F

(Bt m)	FY22F	FY23F	FY24F	FY25F	FY26F	FY27F	FY28F	FY29F	FY30F	FY31F	FY32F	Terminal Value
EBITDA excl. depre from right of use	578	1,070	1,490	1,763	2,064	2,395	2,546	2,915	3,312	3,777	4,280	—
Free cash flow	18	304	664	916	1,163	1,419	1,584	1,822	2,131	2,501	2,900	92,513
PV of free cash flow	18	264	537	678	798	904	935	998	1,082	1,128	1,208	23,900
Risk-free rate (%)	2.5											
Market risk premium (%)	8.0											
Beta	0.9											
WACC (%)	7.4											
Terminal growth (%)	2.0											
Enterprise value - add investments	40,786											
Net debt (FY20)	196											
Minority interest	422											
Equity value	40,169											
# of shares (m)	8,611											
<b>Target price/share (Bt)</b>	<b>4.66</b>											

Sum-of-the-parts	% holding	(Bt m)
Enterprise value from media business		40,786
Investment equity value		15,018
KEX	18.1%	9,533
PLANB	18.6%	4,477
MACO	26.6%	1,007
<b>Total enterprise value</b>		<b>55,804</b>
(Less) Net debt		196
(Less) Minority interest		422
<b>Total enterprise value</b>		<b>55,187</b>
# of shares (fully diluted) (m shares)		8,611
<b>Sum-of-the-parts (Bt/share)</b>		<b>6.4</b>

Sources: Company data, Thanachart estimates

## Valuation Comparison

## Ex 8: Valuation Comparison With Regional Peers

Name	BBG code	Country	EPS growth		PE		P/BV		EV/EBITDA		Div. yield	
			21F (%)	22F (%)	21F (x)	22F (x)	21F (x)	22F (x)	21F (x)	22F (x)	21F (%)	22F (%)
Entertainment Ne	ENIL IN	India	na	na	488.7	20.0	1.0	0.9	7.0	5.0	0.8	1.4
Sun TV Network	SUNTV IN	India	3.2	8.0	13.2	12.2	2.8	2.5	7.1	6.5	4.2	4.7
Zee Entertainment	Z IN	India	84.5	16.1	14.1	12.2	1.9	1.7	8.7	7.6	1.8	2.1
Surya Citra Media	SCMA IJ	Indonesia	7.2	16.4	21.0	18.0	5.4	4.7	15.8	13.9	3.0	2.8
Media Nusantara	MNCN IJ	Indonesia	30.5	15.0	5.1	4.4	0.7	0.6	4.8	4.4	4.0	5.7
Beijing Gehua	600037 CH	China	196.6	14.3	26.0	22.8	1.0	0.9	5.2	4.7	1.3	1.5
Media Prima Bhd	MPR MK	Malaysia	na	61.5	18.5	11.4	0.8	0.8	3.4	3.2	0.0	0.0
BEC World*	BEC TB	Thailand	na	44.9	36.0	24.8	4.6	4.4	8.8	7.7	2.5	3.6
MAJOR Cineplex*	MAJOR TB	Thailand	na	34.1	28.3	21.1	3.2	3.0	15.9	12.7	2.1	3.8
Plan B Media*	PLANB TB	Thailand	44.6	173.3	112.9	41.3	4.2	3.9	8.8	7.3	0.3	1.3
RS Pcl*	RS TB	Thailand	8.7	54.9	38.1	24.6	9.3	8.3	16.5	11.4	2.1	3.5
VGI Pcl**	VGI TB	Thailand	144.5	113.3	112.1	52.6	3.0	2.8	87.4	46.9	0.2	0.4
Workpoint Ent**	WORK TB	Thailand	na	na	na	265.7	2.2	2.1	15.0	12.6	0.0	0.2
<b>Average</b>			<b>65.0</b>	<b>50.2</b>	<b>76.2</b>	<b>40.9</b>	<b>3.1</b>	<b>2.8</b>	<b>15.7</b>	<b>11.1</b>	<b>1.7</b>	<b>2.4</b>

Source: Bloomberg

Note: \* Thanachart estimates using normalized EPS growth

\*\* VGI's fiscal year ends in March

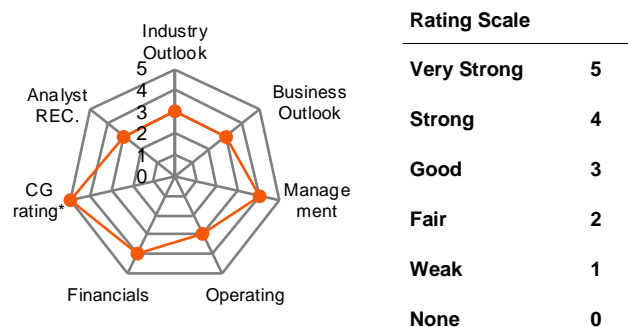
Based on 2-Jul-2021 closing prices

## COMPANY DESCRIPTION

VGI Pcl (VGI) is a part of BTS Group Holdings Pcl (BTS). It is Thailand's largest out-of-home media company, responsible for managing the ad space on the BTS Skytrain network, including stations and trains. In return, VGI pays license fees of 5% of its BTS-related revenues to BTS Group with an incremental increase of 5% every five years until it reaches 20%. It has also secured exclusive contracts with major modern trade retailers such as Big C and Tesco Lotus to manage ad space in their stores nationwide.

Source: Thanachart

## COMPANY RATING



Source: Thanachart; \* CG Rating

## THANACHART'S SWOT ANALYSIS

### S — Strength

- Low-risk business model as most of its income is from running the media business for its parent BTS.
- Dominating BTS's ad space, VGI has significant economies of scale which makes it highly competitive vs. other out-of-home media types.
- Its cash-generative business allows VGI to maintain a low debt position.

### O — Opportunity

- Demand for ad space in the out-of-home media sector is growing strongly as people in Bangkok are spending more and more time away from their homes.
- Expansion of the skytrain network and modern-trade retailers offer VGI future growth opportunities.
- VGI's strong financial status provides it with opportunities for acquisitions and overseas expansion.

### W — Weakness

- Given that the majority of its business relies on its parent BTS, there is naturally a risk over transparency.
- The BTS Skytrain is exposed to the risk of political unrest that could result in the halting of skytrain services and therefore have an indirect impact on VGI's media business.

### T — Threat

- Potential strong adex growth in out-of-home media could draw more competitors into the market, thereby eroding VGI's future profitability.
- Ad spending cuts due to the economic and consumption slowdown could pose a threat to VGI's occupancy rate and ad rate hikes over the short term.

## CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
<b>Target price (Bt)</b>	7.46	6.40	-14%
<b>Net profit 22F (Bt m)</b>	842	449	-47%
<b>Net profit 23F (Bt m)</b>	1,173	958	-18%
<b>Consensus REC</b>	<b>BUY: 12</b>	<b>HOLD: 2</b>	<b>SELL: 2</b>

## HOW ARE WE DIFFERENT FROM THE STREET?

- Our earnings estimates for FY22-23F are 18-47% lower than the Bloomberg consensus numbers, which we attribute to our view on VGI's earnings being hit by the new wave of COVID-19 this year with a gradual recovery next year.
- Accordingly, our TP is also lower than the Street's.

Sources: Bloomberg consensus, Thanachart estimates

## RISKS TO OUR INVESTMENT CASE

- The key downside risk is a longer-than-expected period to contain the COVID-19 outbreak than we currently expect, which would put more pressure on advertisers' confidence and advertising expenditure.
- Advertising expenditure is dependent on the economic situation. The key upside risk is the economy recovering faster than we currently expect and positively impacting VGI's occupancy rates.

Source: Thanachart

## INCOME STATEMENT

*We forecast VGI's earnings to take three years to get back to the pre-COVID level*

FY ending Mar (Bt m)	2020A	2021A	2022F	2023F	2024F
Sales	4,000	2,480	2,854	3,729	4,417
Cost of sales	1,948	1,544	1,726	2,098	2,328
<b>Gross profit</b>	<b>2,052</b>	<b>936</b>	<b>1,128</b>	<b>1,631</b>	<b>2,089</b>
% gross margin	51.3%	37.7%	39.5%	43.7%	47.3%
Selling & administration expenses	984	926	942	969	1,016
<b>Operating profit</b>	<b>1,068</b>	<b>10</b>	<b>187</b>	<b>661</b>	<b>1,073</b>
% operating margin	26.7%	0.4%	6.5%	17.7%	24.3%
Depreciation & amortization	411	386	392	409	417
<b>EBITDA</b>	<b>1,479</b>	<b>397</b>	<b>578</b>	<b>1,070</b>	<b>1,490</b>
% EBITDA margin	37.0%	16.0%	20.3%	28.7%	33.7%
Non-operating income	250	171	162	193	223
Non-operating expenses	0	0	0	0	0
Interest expense	(74)	(73)	(77)	(61)	(54)
<b>Pre-tax profit</b>	<b>1,244</b>	<b>108</b>	<b>272</b>	<b>793</b>	<b>1,242</b>
Income tax	214	8	54	159	248
<b>After-tax profit</b>	<b>1,030</b>	<b>100</b>	<b>218</b>	<b>634</b>	<b>994</b>
% net margin	25.7%	4.0%	7.6%	17.0%	22.5%
Shares in affiliates' Earnings	131	10	182	259	321
Minority interests	120	73	50	65	77
Extraordinary items	143	796	0	0	0
<b>NET PROFIT</b>	<b>1,424</b>	<b>980</b>	<b>449</b>	<b>958</b>	<b>1,392</b>
<b>Normalized profit</b>	<b>1,281</b>	<b>184</b>	<b>449</b>	<b>958</b>	<b>1,392</b>
EPS (Bt)	0.2	0.1	0.1	0.1	0.2
Normalized EPS (Bt)	0.1	0.0	0.1	0.1	0.2

## BALANCE SHEET

*Despite the impact from the COVID crisis...  
...we don't expect VGI to face any financial difficulties*

FY ending Mar (Bt m)	2020A	2021A	2022F	2023F	2024F
<b>ASSETS:</b>					
Current assets:	2,607	3,210	3,013	3,630	4,115
Cash & cash equivalent	730	1,461	1,000	1,000	1,000
Account receivables	1,061	794	914	1,194	1,414
Inventories	0	0	0	0	0
Others	816	955	1,099	1,436	1,701
Investments & loans	11,851	9,223	9,223	9,223	9,223
Net fixed assets	1,142	1,220	1,278	1,319	1,353
Other assets	1,478	7,755	7,881	7,891	7,901
<b>Total assets</b>	<b>17,077</b>	<b>21,408</b>	<b>21,395</b>	<b>22,063</b>	<b>22,592</b>
<b>LIABILITIES:</b>					
Current liabilities:	2,660	3,183	3,102	2,886	2,612
Account payables	464	399	446	542	602
Bank overdraft & ST loans	450	0	0	0	0
Current LT debt	239	1,159	1,196	787	444
Others current liabilities	1,506	1,625	1,460	1,556	1,566
<b>Total LT debt</b>	<b>1,200</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Others LT liabilities	140	1,161	962	1,094	1,199
<b>Total liabilities</b>	<b>3,999</b>	<b>4,345</b>	<b>4,064</b>	<b>3,979</b>	<b>3,811</b>
Minority interest	294	472	422	356	279
Preferreds shares	0	0	0	0	0
Paid-up capital	861	861	861	861	861
Share premium	12,730	12,730	12,730	12,730	12,730
Warrants	0	0	0	0	0
Surplus	(2,847)	32	32	32	32
<b>Retained earnings</b>	<b>2,039</b>	<b>2,969</b>	<b>3,287</b>	<b>4,104</b>	<b>4,879</b>
Shareholders' equity	12,784	16,592	16,910	17,728	18,502
<b>Liabilities &amp; equity</b>	<b>17,077</b>	<b>21,408</b>	<b>21,395</b>	<b>22,063</b>	<b>22,592</b>

Sources: Company data, Thanachart estimates

**CASH FLOW STATEMENT**

<b>FY ending Mar (Bt m)</b>	<b>2020A</b>	<b>2021A</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>
Earnings before tax	1,244	108	272	793	1,242
Tax paid	(312)	110	(109)	(63)	(238)
Depreciation & amortization	411	386	392	409	417
Chg In working capital	434	202	(73)	(184)	(161)
Chg In other CA & CL / minorities	(2,750)	(6)	(72)	(78)	56
<b>Cash flow from operations</b>	<b>(973)</b>	<b>800</b>	<b>409</b>	<b>877</b>	<b>1,316</b>
Capex	429	(465)	(450)	(450)	(450)
Right of use	0	(438)	(127)	(10)	(10)
ST loans & investments	83	141	0	0	0
LT loans & investments	153	2,628	0	0	0
Adj for asset revaluation	65	115	0	0	0
Chg In other assets & liabilities	2,195	(4,471)	238	132	106
<b>Cash flow from investments</b>	<b>2,925</b>	<b>(2,489)</b>	<b>(339)</b>	<b>(328)</b>	<b>(354)</b>
Debt financing	(1,339)	(730)	37	(408)	(344)
Capital increase	543	0	0	0	0
Dividends paid	(850)	(310)	(131)	(141)	(618)
Warrants & other surplus	(2,092)	3,023	0	0	0
<b>Cash flow from financing</b>	<b>(3,738)</b>	<b>1,983</b>	<b>(94)</b>	<b>(549)</b>	<b>(962)</b>
<b>Free cash flow</b>	<b>(543)</b>	<b>335</b>	<b>(41)</b>	<b>427</b>	<b>866</b>

**VALUATION**

<b>FY ending Mar</b>	<b>2020A</b>	<b>2021A</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>
Normalized PE (x)	39.3	274.1	112.1	52.6	36.2
Normalized PE - at target price (x)	43.0	299.9	122.7	57.5	39.6
PE (x)	35.4	51.4	112.1	52.6	36.2
PE - at target price (x)	38.7	56.2	122.7	57.5	39.6
EV/EBITDA (x)	34.8	126.2	87.4	46.9	33.4
EV/EBITDA - at target price (x)	38.0	138.1	95.6	51.3	36.6
P/BV (x)	3.9	3.0	3.0	2.8	2.7
P/BV - at target price (x)	4.3	3.3	3.3	3.1	3.0
P/CFO (x)	(51.8)	63.0	123.0	57.4	38.3
Price/sales (x)	12.6	20.3	17.7	13.5	11.4
Dividend yield (%)	1.0	0.3	0.2	0.4	2.1
FCF Yield (%)	(1.1)	0.7	(0.1)	0.8	1.7
<b>(Bt)</b>					
Normalized EPS	0.1	0.0	0.1	0.1	0.2
EPS	0.2	0.1	0.1	0.1	0.2
DPS	0.1	0.0	0.0	0.0	0.1
BV/share	1.5	1.9	2.0	2.1	2.1
CFO/share	(0.1)	0.1	0.0	0.1	0.2
FCF/share	(0.1)	0.0	(0.0)	0.0	0.1

Sources: Company data, Thanachart estimates

*VGI has always traded at high valuations due to...*

*...its high profitability and secured media capacity expansion but...*

*...its PE multiples of 36-53x in FY23-24F look fairly valued*

**FINANCIAL RATIOS**

<b>FY ending Mar</b>	<b>2020A</b>	<b>2021A</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>
<b>Growth Rate</b>					
Sales (%)	10.8	(38.0)	15.1	30.6	18.5
Net profit (%)	29.3	(31.2)	(54.1)	113.3	45.3
EPS (%)	18.3	(31.2)	(54.1)	113.3	45.3
Normalized profit (%)	36.4	(85.7)	144.5	113.3	45.3
Normalized EPS (%)	24.8	(85.7)	144.5	113.3	45.3
Dividend payout ratio (%)	36.9	17.6	20.0	20.0	75.0
<b>Operating performance</b>					
Gross margin (%)	51.3	37.7	39.5	43.7	47.3
Operating margin (%)	26.7	0.4	6.5	17.7	24.3
EBITDA margin (%)	37.0	16.0	20.3	28.7	33.7
Net margin (%)	25.7	4.0	7.6	17.0	22.5
D/E (incl. minor) (x)	0.1	0.1	0.1	0.0	0.0
Net D/E (incl. minor) (x)	0.1	(0.0)	0.0	(0.0)	(0.0)
Interest coverage - EBIT (x)	14.4	0.1	2.4	10.8	20.0
Interest coverage - EBITDA (x)	20.0	5.4	7.5	17.5	27.7
ROA - using norm profit (%)	6.4	1.0	2.1	4.4	6.2
ROE - using norm profit (%)	9.7	1.3	2.7	5.5	7.7
<b>DuPont</b>					
ROE - using after tax profit (%)	7.8	0.7	1.3	3.7	5.5
- asset turnover (x)	0.2	0.1	0.1	0.2	0.2
- operating margin (%)	32.9	7.3	12.2	22.9	29.3
- leverage (x)	1.5	1.3	1.3	1.3	1.2
- interest burden (%)	94.4	59.7	78.0	92.9	95.9
- tax burden (%)	82.8	92.5	80.0	80.0	80.0
WACC (%)	0.0	0.0	7.4	7.4	7.4
ROIC (%)	6.1	0.1	0.9	3.1	4.9
NOPAT (Bt m)	884	10	149	529	859
invested capital (Bt m)	13,943	16,289	17,105	17,515	17,946

Sources: Company data, Thanachart estimates

### General Disclaimers And Disclosures:

This report is prepared and issued by Thanachart Securities Public Company Limited (TNS) as a resource only for clients of TNS, Thanachart Capital Public Company Limited (TCAP) and its group companies. Copyright © Thanachart Securities Public Company Limited. All rights reserved. The report may not be reproduced in whole or in part or delivered to other persons without our written consent.

This report is prepared by analysts who are employed by the research department of TNS. While the information is from sources believed to be reliable, neither the information nor the forecasts shall be taken as a representation or warranty for which TNS or TCAP or its group companies or any of their employees incur any responsibility. This report is provided to you for informational purposes only and it is not, and is not to be construed as, an offer or an invitation to make an offer to sell or buy any securities. Neither TNS, TCAP nor its group companies accept any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

The information and opinions contained herein have been compiled or arrived at from sources believed reliable. However, TNS, TCAP and its group companies make no representation or warranty, express or implied, as to their accuracy or completeness. Expressions of opinion herein are subject to change without notice. The use of any information, forecasts and opinions contained in this report shall be at the sole discretion and risk of the user.

TNS, TCAP and its group companies perform and seek to perform business with companies covered in this report. TNS, TCAP, its group companies, their employees and directors may have positions and financial interest in securities mentioned in this report. TNS, TCAP or its group companies may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any entity mentioned in this report. Therefore, investors should be aware of conflict of interest that may affect the objectivity of this report.

Note: Thanachart Securities Public Company Limited act as a Market Maker and Derivative Warrants Issuer. At present, TNS has issued 74 Derivative Warrants which are ADVA16C2107A, AEON16C2108A, AOT16C2109A, AOT16C2106A, BAM16C2110A, BAM16C2107A, BANP16C2109A, BANP16C2107A, BBL16C2106A, BCH16C2109A, BDMS16C2109A, BDMS16C2107A, BGRI16C2110A, BH16C2109A, BPP16C2106A, CBG16C2109B, CBG16C2109A, CBG16C2109A, CBG16C2108A, COM716C2107A, CPAL16C2109A, CPAL16C2106A, CPF16C2108A, CPF16C2107A, CPN16C2109A, DELT16C2109A, DELT16C2108A, EA16C2108A, EA16C2107A, EPG16C2109A, GPSC16C2109A, GPSC16C2109A, GPSC16C2106A, GULF16C2107A, GUNK16C2108A, HANA16C2107A, IRPC16C2108A, IVL16C2107A, KBAN16C2109A, KBAN16C2108A, KBAN16C2107A, KCE16C2109A, KTC16C2110A, IVL16C2109A, KCE16C2106A, KTC16C2106A, MINT16C2109A, MINT16C2107A, MTC16C2109A, MTC16C2108A, OR16C2109A, OR16C2108A, OR16C2106A, OR16C2107A, PRM16C2109A, PTG16C2109A, PTG16C2107A, PTT16C2109A, PTT16C2109A, PTTG16C2108A, RS16C2109A, RS16C2108A, S5016C2109A, S5016P2109A, S5016P2109A, S5016C2109A, S5016C2106B, S5016P2106C, S5016C2106A, S5016P2106A, S5016P2106B, SAWA16C2107A, SCB16C2106A, SCGP16C2109A, SCGP16C2107A, STA16C2107A, TASC16C2109A, TASC16C2107A, TQM16C2108A (underlying securities are ADVANC, AEONTS, AOT, BAM, BANPU, BBL, BCH, BDMS, BGRIM, BH, BPP, CBG, COM7, CPALL, CPF, CPN, DELTA, EA, EPG, GLOBAL, GPSC, GULF, GUNKUL, HANA, IRPC, IVL, KBANK, KCE, KKP, KTC, MINT, MTC, OR, PRM, PTG, PTT, PTTGC, RS, SAWAD, SCB, SCGP, STA, SET50, TASCO, TQM).. Since TNS covers those underlying securities in research report, consequently TNS incurs conflicts of interest. Moreover, Investors are advised to carefully review the details and information in the prospectus before making investment decisions.

**Note:** Thanachart Securities has an indirect financial interest in Ratchthani Leasing Pcl (THANI). Thanachart Securities Pcl is a subsidiary of Thanachart Capital Pcl (TCAP) which holds more than 56% of the shareholding in Ratchthani Leasing Pcl (THANI).

**Note:** Thanachart Capital Public Company Limited (TCAP), TMB Bank Public Company Limited (TMB), are related companies to Thanachart Securities Public Company Limited (TNS). Thanachart Securities Pcl is a subsidiary of Thanachart Capital Pcl (TCAP) which holds 20.1% of the shareholding in TMB Bank Pcl.

Thanachart Capital Public Company Limited (TCAP), Ratchthani Leasing Public Company Limited (THANI), TMB Public Company Limited, MBK PUBLIC COMPANY LIMITED (MBK) and PATUM RICE MILL AND GRANARY PUBLIC COMPANY LIMITED (PRG ) are related companies to Thanachart Securities Public Company Limited (TNS) . Since TNS covers those securities in research report, consequently TNS incurs conflicts of interest.

### Disclosure of Interest of Thanachart Securities

#### Investment Banking Relationship

Within the preceding 12 months, Thanachart Securities has lead-managed public offerings and/or secondary offerings (excluding straight bonds) of the securities of the following companies: Saksiam Leasing Pcl. (SAK TB), SCG Packaging Pcl (SCGP TB)

### Recommendation Structure:

Recommendations are based on absolute upside or downside, which is the difference between the target price and the current market price. If the upside is 10% or more, the recommendation is BUY. If the downside is 10% or more, the recommendation is SELL. For stocks where the upside or downside is less than 10%, the recommendation is HOLD. 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 the market price and the formal recommendation.

For sectors, an "Overweight" sector weighting is used when we have BUYs on majority of the stocks under our coverage by market cap. "Underweight" is used when we have SELLs on majority of the stocks we cover by market cap. "Neutral" is used when there are relatively equal weightings of BUYs and SELLs.

**Thanachart Securities Pcl.**

Research Team

19 Floor, MBK Tower

444 Phayathai Road, Pathumwan Road, Bangkok 10330

Tel: 662 - 779-9119

Email: thanachart.res@thanachartsec.co.th

**Pimpaka Nichgaroon, CFA**

Head of Research

Tel: 662-779-9199

pimpaka.nic@thanachartsec.co.th

**Pattarawan Wangmingmat**

Senior Technical Analyst

Tel: 662-779-9105

pattarawan.wan@thanachartsec.co.th

**Phannarai Tiyapittayarut**

Property, Retail

Tel: 662-779-9109

phannarai.von@thanachartsec.co.th

**Sarachada Sornsong**

Bank, Finance, Insurance

Tel: 662-779-9106

sarachada.sor@thanachartsec.co.th

**Sittichet Rungrassameephat**

Analyst, Quantitative

Tel: 662-483-8303

sittichet.run@thanachartsec.co.th

**Adisak Phupiphathirungul, CFA**

Retail Market Strategy

Tel: 662-779-9120

adisak.phu@thanachartsec.co.th

**Nuttapop Prasitsuksant**

Telecom, Utilities

Tel: 662-483-8296

nuttapop.pra@thanachartsec.co.th

**Rata Limsuthiwanoom**

Auto, Industrial Estate, Media, Prop. Fund

Tel: 662-483-8297

rata.lim@thanachartsec.co.th

**Siriporn Arunothai**

Small Cap, Healthcare, Hotel

Tel: 662-779-9113

siriporn.aru@thanachartsec.co.th

**Thaloengsak Kucharoenpaisan**

Analyst, Retail Market

Tel: 662-483-8304

thaloengsak.kuc@thanachartsec.co.th

**Chak Reungsinpinya**

Energy, Petrochemical, Paper

Tel: 662-779-9104

chak.reu@thanachartsec.co.th

**Pattadol Bunnak**

Electronics, Food &amp; Beverage, Shipping

Tel: 662-483-8298

pattadol.bun@thanachartsec.co.th

**Saksid Phadthananarak**

Construction, Transportation

Tel: 662-779-9112

saksid.pha@thanachartsec.co.th

**Witchanan Tambamroong**

Technical Analyst

Tel: 662-779-9123

witchanan.tam@thanachartsec.co.th