

Plan B Media (PLANB TB) – SELL, Price Bt6.80, TP Bt5.00**Results Comment**

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Higher-than-expected 3Q loss

- PLANB reported a normalized loss of Bt119m in 3Q21 versus a profit of Bt1m in 3Q20 and a loss of Bt42m in 2Q21. The loss was higher than what we had expected. Including a Bt41m gain on changes in fair value of derivatives and a Bt25m gain on cancellation of lease liabilities, it reported a net loss of Bt54m in 3Q21.
- Despite the easing of the lockdown in late 3Q21, we expect PLANB's earnings to gradually recover in 4Q21F given the ongoing COVID-19 and weak economy.
- We have a SELL on PLANB. Even though we expect its earnings turnaround next year, the share looks expensive in our view at a PE of 54x in 2022F PE. Vs. a three-year average PE of 45x during the pre-COVID years in 2016-19. We are also concerned on the work-from-home trend beyond this year and continued ad spending market share gains by online media.
- PLANB's total revenue were up 27% y-y in 3Q21. Revenue from OOH media (58% of total revenue) decreased 12% y-y because of the impacts of the COVID-19 third wave. Its OOH utilization was at 34% in 3Q21 versus 40% in 3Q20.
- Revenue from engagement marketing (42% of total revenue) rose by 229% y-y mainly due to revenue recognition from marketing right management from the Olympic Games and the Football Association of Thailand.
- Its gross margin dropped to 3% in 3Q21 from 16% in 3Q20 due to lower utilization rate and higher depreciation expenses from the expansion of media in 7-11 stores.
- SG&A expenses increased 12% y-y in 3Q21 following higher revenue while interest expenses rose 78% y-y due to the impact of IFRS16.

Income Statement						Income Statement					
(consolidated)						9M as					
Yr-end Dec (Bt m)	3Q20	4Q20	1Q21	2Q21	3Q21	(Bt m)	q-q%	y-y%	% 2021F	2021F	2022F
Revenue	867	1,233	1,024	1,097	1,098	Revenue	0	27	77	4,198	4,744
Gross profit	140	370	187	109	32	Gross profit	(71)	(77)	59	556	1,307
SG&A	127	204	120	136	142	SG&A	5	12	76	525	569
Operating profit	13	166	67	(27)	(110)	Operating profit	na	na	na	31	737
EBITDA	622	817	681	574	479	EBITDA	(17)	(23)	79	2,203	2,898
Other income	21	5	22	10	20	Other income	106	(5)	102	50	57
Other expense	0	0	0	0	0	Other expense					
Interest expense	26	26	52	46	47	Interest expense	1	78	71	205	176
Profit before tax	8	146	37	(64)	(138)	Profit before tax	na	na	na	(123)	618
Income tax	1	24	13	(4)	(8)	Income tax	na	na	na	0	117
Equity & invest. income	(3)	(3)	(10)	(8)	(3)	Equity & invest. income	na	na	na	0	0
Minority interests	(3)	22	23	26	13	Minority interests	(49)	na	104	60	(20)
Extraordinary items	1	0	0	(29)	65	Extraordinary items	na	na	na	0	0
Net profit	2	140	37	(71)	(54)	Net profit	na	na	na	(63)	481
Normalized profit	1	140	37	(42)	(119)	Normalized profit	na	na	na	(63)	481
EPS (Bt)	0.00	0.04	0.01	(0.02)	(0.01)	EPS (Bt)	na	na	na	(0.02)	0.11
Normalized EPS (Bt)	0.00	0.04	0.01	(0.01)	(0.03)	Normalized EPS (Bt)	na	na	na	(0.02)	0.11
Balance Sheet						Financial Ratios					
(consolidated)						%					
Yr-end Dec (Bt m)	3Q20	4Q20	1Q21	2Q21	3Q21		3Q20	4Q20	1Q21	2Q21	3Q21
Cash & ST investment	997	651	538	391	491	Sales grow th	(26.2)	(9.0)	6.2	66.4	26.6
A/C receivable	1,147	1,428	1,296	1,148	1,124	Operating profit grow th	(94.1)	(38.3)	(36.7)	na	na
Inventory	188	253	232	183	193	EBITDA grow th	48.7	102.6	22.2	57.0	(22.9)
Other current assets	226	131	159	198	240	Norm profit grow th	(99.4)	(37.1)	(55.6)	na	na
Investment	0	0	0	0	0	Norm EPS grow th	(99.4)	(37.1)	(55.6)	na	na
Fixed assets	2,959	3,011	2,880	2,922	2,970	Gross margin	16.2	30.0	18.2	9.9	2.9
Other assets	6,890	6,776	7,614	7,171	6,923	Operating margin	1.5	13.5	6.5	(2.5)	(10.0)
Total assets	12,408	12,250	12,719	12,012	11,941	EBITDA margin	71.7	66.2	66.5	52.3	43.7
S-T debt	3	2	302	2	617	Norm net margin	0.1	11.4	3.6	(3.8)	(10.8)
A/C payable	964	971	957	877	962	D/E (x)	0.0	0.0	0.1	0.0	0.1
Other current liabilities	1,841	2,048	1,500	1,662	1,293	Net D/E (x)	(0.2)	(0.1)	(0.0)	(0.1)	0.0
L-T debt	4	3	2	2	1	Interest coverage (x)	23.7	31.7	13.1	12.4	10.2
Other liabilities	3,743	3,572	4,203	3,832	3,576	Interest rate	1,344.8	1,840.5	134.5	120.6	60.3
Minority interest	414	374	351	321	290	Effective tax rate	10.3	16.8	35.7	6.0	5.8
Shareholders' equity	5,439	5,280	5,404	5,316	5,203	ROA	0.0	4.5	1.2	(1.4)	(4.0)
Working capital	371	710	571	454	355	ROE	0.1	10.5	2.8	(3.1)	(9.0)
Total debt	7	5	304	4	618						
Net debt	(991)	(647)	(234)	(387)	127						

Sources: Company data, Thanachart estimates

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