

Plan B Media (PLANB TB) – SELL, Price Bt7.65, TP Bt6.00**Results Comment**

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3Q22 results in line

- PLANB reported a normalized profit of Bt174m in 3Q22 vs. a normalized loss of Bt119m in 3Q21 and down 1% q-q. The results were in line with what we had expected. The earnings turnaround year on year was mainly due to an ad spend recovery in both out-of-home and engagement marketing businesses.
- PLANB's 9M22 earnings make up 68% of our full-year earnings forecast.
- We expect the high season to continue to drive PLANB's earnings in 4Q22F. However, we maintain a SELL call on PLANB due to its expensive valuation at 51x PE this year and 38x next year.
- PLANB's total revenue increased 58% y-y in 3Q22 given higher OOH media revenue (80% of total revenue) by 119% y-y from a recovery in ad spends and realization of revenue from the investment in static billboards of AQUA. Its utilization rate improved to 62% in 3Q22 from 34% in 3Q21.
- However, this was partly offset by lower engagement marketing revenue by 26% y-y in 3Q22. The sport marketing revenue fell by 41% y-y due to no revenue from the marketing right management of the Olympic Games while artist management revenue grew 111% y-y due to a resumption of BNK48 activities after the COVID-19 crisis.
- Given its high operating leverage business, gross margin improved to 26% in 3Q22 from 3% in 3Q21 while SG&A expenses increased by 37% y-y following higher revenue.

Income Statement						Income Statement					
(consolidated)						9M as					
Yr-end Dec (Bt m)	3Q21	4Q21	1Q22	2Q22	3Q22	(Bt m)	q-q%	y-y%	% 2022F	2022F	2023F
Revenue	1,098	1,224	1,209	1,627	1,734	Revenue	7	58	74	6,140	7,348
Gross profit	32	316	337	468	455	Gross profit	(3)	1,330	73	1,733	2,171
SG&A	142	165	167	205	195	SG&A	(5)	37	73	780	933
Operating profit	(110)	151	170	264	261	Operating profit	(1)	na	73	953	1,238
EBITDA	479	686	732	899	876	EBITDA	(3)	83	75	3,357	3,769
Other income	20	5	9	25	14	Other income	(45)	(29)	74	65	70
Other expense	0	0	0	0	0	Other expense					
Interest expense	47	43	37	43	46	Interest expense	9	(1)	77	165	168
Profit before tax	(138)	112	142	246	228	Profit before tax	(7)	na	72	854	1,141
Income tax	(8)	17	51	54	49	Income tax	(11)	na	90	171	228
Equity & invest. income	(3)	(7)	(6)	(3)	(5)	Equity & invest. income	na	na	na	0	0
Minority interests	13	12	4	(14)	(1)	Minority interests	na	na	27	(40)	(48)
Extraordinary items	65	52	15	(1)	10	Extraordinary items	na	(84)	na	0	0
Net profit	(54)	151	104	174	184	Net profit	6	na	72	643	865
Normalized profit	(119)	100	89	175	174	Normalized profit	(1)	na	68	643	865
EPS (Bt)	(0.01)	0.04	0.03	0.04	0.05	EPS (Bt)	6	na	79	0.15	0.20
Normalized EPS (Bt)	(0.03)	0.03	0.02	0.05	0.04	Normalized EPS (Bt)	(1)	na	75	0.15	0.20

Balance Sheet						Financial Ratios					
(consolidated)						9M as					
Yr-end Dec (Bt m)	3Q21	4Q21	1Q22	2Q22	3Q22	(%)	3Q21	4Q21	1Q22	2Q22	3Q22
Cash & ST investment	491	2,059	1,120	424	479	Sales grow th	26.6	(0.8)	18.0	48.3	57.9
A/C receivable	1,124	1,371	1,296	1,821	2,129	Operating profit grow th	na	(9.5)	155.9	na	na
Inventory	193	460	294	384	506	EBITDA grow th	(22.9)	(16.0)	7.6	56.5	82.6
Other current assets	240	140	153	264	275	Norm profit grow th	na	(27.7)	140.7	na	na
Investment	0	0	0	0	0	Norm EPS grow th	na	(27.7)	140.7	na	na
Fixed assets	2,970	3,665	3,621	4,803	4,700	Gross margin	2.9	25.8	27.9	28.8	26.3
Other assets	6,923	6,069	6,217	7,587	7,368	Operating margin	(10.0)	12.3	14.1	16.2	15.0
Total assets	11,941	13,764	12,700	15,283	15,458	EBITDA margin	43.7	56.1	60.6	55.2	50.5
S-T debt	617	967	302	492	995	Norm net margin	(10.8)	8.1	7.4	10.7	10.0
A/C payable	962	1,636	866	2,224	1,852	D/E (x)	0.1	0.1	0.0	0.1	0.1
Other current liabilities	1,293	1,138	1,263	1,626	1,589	Net D/E (x)	0.0	(0.1)	(0.1)	0.0	0.1
L-T debt	1	1	0	0	0	Interest coverage (x)	10.2	15.8	19.6	21.1	18.8
Other liabilities	3,576	2,662	2,562	2,712	2,721	Interest rate	60.3	21.9	23.5	42.8	25.0
Minority interest	290	307	302	313	312	Effective tax rate	5.8	15.1	36.1	22.1	21.3
Shareholders' equity	5,203	7,053	7,405	7,916	7,988	ROA	(4.0)	3.1	2.7	5.0	4.5
Working capital	355	195	724	(19)	784	ROE	(9.0)	6.5	4.9	9.1	8.7
Total debt	618	968	302	492	995						
Net debt	127	(1,091)	(818)	68	516						

Sources: Company data, Thanachart estimates

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