

BEC World Pcl (BEC TB) - SELL, Price Bt4.02, TP Bt3.80**Results Comment**

Rata Limsuthiwanpoom | Email: rata.lim@thanachartsec.co.th

Weak 3Q24 profit, a miss

- BEC's normalized profit in 3Q24 was Bt47m, dropped 34% q-q and up 27% y-y. This was below our expectation due to weaker-than-expected advertising revenue.
- Advertising revenue (76% of 3Q24 total revenue) dropped by 11% y-y and q-q to Bt816m in 3Q24.
- Revenue of content sales to overseas and online platforms (24% of total revenue) increased by 28% y-y and 36% q-q to Bt249m.
- Operating profit margin was 6.0% in the quarter vs. 8.4% in 2Q24 and 5.6% in 3Q23.
- 9M24 normalized profit accounted for 45% of our full year forecast. We see downside risk to our number and maintain our SELL call.

Income Statement						Income Statement					
(consolidated)						9M as					
Yr-end Dec (Bt m)	3Q23	4Q23	1Q24	2Q24	3Q24	(Bt m)	q-q%	y-y%	% 2024F	2024F	2025F
Revenue	1,114	1,338	984	1,110	1,068	Revenue	(4)	(4)	67	4,744	4,569
Gross profit	292	402	190	267	248	Gross profit	(7)	(15)	56	1,263	1,188
SG&A	230	258	172	173	184	SG&A	6	(20)	59	897	867
Operating profit	62	144	17	93	65	Operating profit	(31)	3	48	366	322
EBITDA	529	602	394	401	530	EBITDA	32	0	74	1,794	1,548
Other income	12	16	28	14	15	Other income	7	30	329	18	18
Other expense	0	0	0	0	0	Other expense					
Interest expense	28	28	27	27	27	Interest expense	0	(3)	80	101	106
Profit before tax	47	133	18	81	53	Profit before tax	(34)	14	54	282	234
Income tax	10	106	5	16	2	Income tax	(86)	(77)	41	56	47
Equity & invest. income	0	61	4	6	(4)	Equity & invest. income	na	na	8	74	70
Minority interests	0	(0)	0	0	0	Minority interests					
Extraordinary items	1	6	(3)	1	(1)	Extraordinary items	na	na	na	(3)	0
Net profit	38	93	14	71	46	Net profit	(36)	21	44	297	257
Normalized profit	37	88	17	71	47	Normalized profit	(34)	27	45	300	257
EPS (Bt)	0.02	0.05	0.01	0.04	0.02	EPS (Bt)	(36)	21	44	0.15	0.13
Normalized EPS (Bt)	0.02	0.04	0.01	0.04	0.02	Normalized EPS (Bt)	(34)	27	45	0.15	0.13
Balance Sheet						Financial Ratios					
(consolidated)						9M as					
Yr-end Dec (Bt m)	3Q23	4Q23	1Q24	2Q24	3Q24	(%)	3Q23	4Q23	1Q24	2Q24	3Q24
Cash & ST investment	3,634	3,819	4,046	4,054	4,323	Sales grow th	(14.4)	9.3	(1.2)	(7.9)	(4.1)
A/C receivable	642	694	623	650	560	Operating profit grow th	(59.8)	(18.7)	(5.5)	(12.0)	3.5
Inventory	0	0	0	0	0	EBITDA grow th	(16.9)	(1.1)	(9.1)	(15.0)	0.2
Other current assets	100	147	61	106	136	Norm profit grow th	(66.1)	(39.8)	663.9	(0.9)	27.4
Investment	0	0	0	0	0	Norm EPS grow th	(66.1)	(39.8)	663.9	(0.9)	27.4
Fixed assets	238	234	248	293	283	Gross margin	26.2	30.1	19.3	24.0	23.3
Other assets	4,661	4,547	4,522	4,274	4,084	Operating margin	5.6	10.8	1.8	8.4	6.0
Total assets	9,275	9,441	9,500	9,377	9,386	EBITDA margin	47.5	45.0	40.0	36.1	49.6
S-T debt	0	0	0	1,244	1,244	Norm net margin	3.3	6.6	1.7	6.4	4.4
A/C payable	392	458	503	435	446	D/E (x)	0.3	0.3	0.3	0.3	0.3
Other current liabilities	276	304	310	312	354	Net D/E (x)	(0.3)	(0.3)	(0.3)	(0.3)	(0.4)
L-T debt	1,994	1,995	1,996	753	753	Interest coverage (x)	19.1	21.9	14.6	14.9	19.7
Other liabilities	575	538	530	522	511	Interest rate	5.5	5.5	5.4	5.4	5.4
Minority interest	0	0	0	0	0	Effective tax rate	21.5	79.8	27.5	19.9	4.3
Shareholders' equity	6,038	6,147	6,161	6,112	6,078	ROA	1.6	3.8	0.7	3.0	2.0
Working capital	251	236	120	215	114	ROE	2.4	5.8	1.1	4.6	3.1
Total debt	1,994	1,995	1,996	1,996	1,997						
Net debt	(1,639)	(1,824)	(2,050)	(2,058)	(2,326)						

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 Derivative Warrants underlying securities before making investment decisions.

Note: Thanachart Capital Pcl (TCAP) holds an 89.96% of Thanachart Securities (TNS). TCAP holds a 100% of Thanachart SPV1 Co. Ltd. TCAP and Thanachart SPV1 combinedly hold a 60% stake in THANI.

Note: Thanachart Capital Public Company Limited (TCAP), TMBThanachart Bank Public Company Limited (TTB), are related companies to Thanachart Securities Public Company Limited (TNS). Thanachart Securities Pcl is a subsidiary of Thanachart Capital Pcl (TCAP) which holds 24.35% of the shareholding in TMBThanachart Bank Pcl.

Note: Thanachart Capital Public Company Limited (TCAP), Ratchthani Leasing Public Company Limited (THANI), 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.

Note: Thanachart Securities Public Company Limited (TNS) acts as an underwriter of “Debentures of Srisawad Corporation Public Company Limited (SAWAD) No. 4/2024 (B.E. 2567) tranche 1-3 which its maturity at 2027-29 (B.E. 2570-72), therefore investors need to be aware that there could be conflicts of interest in this research.

Note: Thanachart Securities Public Company Limited (TNS) acts as an underwriter of “Debentures of MUANGTHAI CAPITAL PUBLIC COMPANY LIMITED No. 7/2024 (B.E. 2567) tranche 1-3 which its maturity at 2026-28 (B.E. 2569-71)”, therefore investors need to be aware that there could be conflicts of interest in this research.

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: Euroasia Total Logistics Pcl (ETL TB).