

Plan B Media (PLANB TB) – BUY, Price Bt7.00, TP Bt8.20**Results Comment**

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3Q24 results slightly beat our forecast

- PLANB reported a normalized profit of Bt282m in 3Q24, up 8% y-y and 7% q-q. The results were slightly higher than what we had expected. Its earnings growth was mainly due to its revenue growth driven by the out-of-home media ad spending and engagement marketing activities.
- We expect its earnings in 4Q24F to continue to grow y-y and q-q as 4Q is normally the highest season for PLANB.
- We reiterate our BUY call on PLANB given **1)** its record-high earnings with a 15% earnings CAGR in 2024-26F, **2)** its decent profitability with over 40% EBITDA margin and 12% ROE, **3)** its net cash position, and **4)** attractive valuation at 30x PE this year before falling to 25x next year.
- PLANB's total revenue increased by 19% y-y in 3Q24 driven by its OOH media revenue growth of 11% y-y (72% of total revenue) driven by the OOH media ad spending growth. Its utilization rate improved to 77% in 3Q24 from 73% in 3Q23.
- Its engagement marketing revenue grew strongly by 46% y-y in 3Q24. While its sport marketing revenue grew by 53% y-y mainly due to Bt400m one-time revenue from marketing right management for the Olympic Game, artist management revenue decreased by 16% y-y and there was no more online marketing revenue due to the discontinuation of the business.
- Its gross margin fell to 27% in 3Q24 from 31% in 3Q23 due to higher proportion of the low-margin revenue from the Olympic Game. Its SG&A expenses increased by 7% y-y following its higher revenue.

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	2,141	2,480	1,940	2,221	2,553	Revenue	15	19	75	8,925	9,253
Gross profit	654	796	567	710	691	Gross profit	(3)	6	75	2,641	2,873
SG&A	265	354	292	310	283	SG&A	(9)	7	76	1,160	1,157
Operating profit	389	442	276	400	407	Operating profit	2	5	73	1,481	1,717
EBITDA	995	1,052	890	1,029	1,044	EBITDA	1	5	74	3,990	4,267
Other income	16	22	32	20	26	Other income	30	64	73	107	111
Other expense	0	0	0	0	0	Other expense					
Interest expense	68	65	60	57	56	Interest expense	(1)	(17)	75	229	219
Profit before tax	337	398	247	364	377	Profit before tax	4	12	73	1,358	1,609
Income tax	68	78	53	78	79	Income tax	1	16	78	272	322
Equity & invest. income	(2)	3	2	(1)	0	Equity & invest. income	na	na	(31)	(5)	(3)
Minority interests	(6)	(33)	(15)	(21)	(16)	Minority interests	na	na	na	(70)	(73)
Extraordinary items	0	1	0	0	0	Extraordinary items					
Net profit	261	291	181	264	282	Net profit	7	8	72	1,012	1,211
Normalized profit	261	290	181	264	282	Normalized profit	7	8	72	1,012	1,211
EPS (Bt)	0.06	0.07	0.04	0.06	0.07	EPS (Bt)	7	8	72	0.24	0.28
Normalized EPS (Bt)	0.06	0.07	0.04	0.06	0.07	Normalized EPS (Bt)	7	8	72	0.24	0.28

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	1,167	1,096	1,163	832	1,107	Sales grow th	23.5	22.8	12.2	10.2	19.3
A/C receivable	2,174	2,761	2,102	2,430	2,665	Operating profit grow th	53.5	45.6	24.0	18.9	4.7
Inventory	511	329	390	614	428	EBITDA grow th	15.6	17.1	11.6	10.1	4.9
Other current assets	195	142	205	219	222	Norm profit grow th	55.3	22.9	20.7	17.2	8.2
Investment	0	0	0	0	0	Norm EPS grow th	55.3	22.9	20.7	17.2	8.2
Fixed assets	4,429	4,296	4,314	4,254	4,258	Gross margin	30.6	32.1	29.2	32.0	27.0
Other assets	7,714	7,620	7,980	8,080	8,048	Operating margin	18.2	17.8	14.2	18.0	15.9
Total assets	16,191	16,245	16,154	16,429	16,727	EBITDA margin	46.5	42.4	45.9	46.3	40.9
S-T debt	1,173	815	265	165	165	Norm net margin	12.2	11.7	9.3	11.9	11.1
A/C payable	1,376	1,842	1,536	1,573	1,672	D/E (x)	0.1	0.1	0.0	0.0	0.0
Other current liabilities	1,589	1,570	1,817	1,714	1,626	Net D/E (x)	0.0	(0.0)	(0.1)	(0.1)	(0.1)
L-T debt	0	0	0	0	0	Interest coverage (x)	14.7	16.2	14.8	18.1	18.6
Other liabilities	3,230	3,068	3,272	3,279	3,188	Interest rate	23.2	26.2	44.4	105.5	136.0
Minority interest	254	278	288	301	255	Effective tax rate	20.2	19.7	21.4	21.5	21.0
Shareholders' equity	8,569	8,672	8,977	9,397	9,821	ROA	6.5	7.2	4.5	6.5	6.8
Working capital	1,309	1,248	956	1,471	1,421	ROE	12.4	13.5	8.2	11.5	11.8
Total debt	1,173	815	265	165	165						
Net debt	6	(281)	(898)	(667)	(942)						

Sources: Company data, Thanachart estimates

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