

## Company Note

### Singapore

#### ADD (no change)

Consensus ratings\*: Buy 2 Hold 0 Sell 0

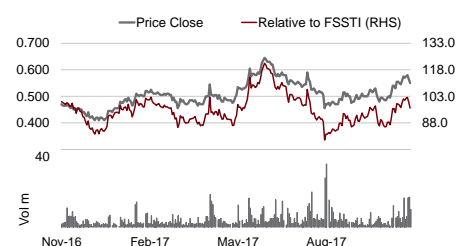
Current price:	S\$0.55
Target price:	S\$0.76
Previous target:	S\$0.58
Up/downside:	37.9%
CIMB / Consensus:	15.8%

Reuters:	MM2A.SI
Bloomberg:	MM2 SP
Market cap:	US\$470.3m
	S\$639.5m
Average daily turnover:	US\$1.99m
	S\$2.74m
Current shares o/s:	1,163m
Free float:	36.4%

\*Source: Bloomberg

#### Key changes in this note

- ▶ FY18F EPS increased by 5.5%.
- ▶ FY19F EPS increased by 16.3%.
- ▶ FY20F EPS increased by 16.4%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	14.6	6.8	17
Relative (%)	10.4	5.6	-3.7

#### Major shareholders

	% held
Wee Chye Ang	45.9
Yeo Khee Seng	9.2
Starhub Ltd	8.6

#### Analyst(s)



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## mm2 Asia

### Home run, finally

- The proposed 100% stake acquisition in Cathay Cineplexes gives mm2 a strong foothold in Singapore and enhanced bargaining power with suppliers.
- S\$230m purchase consideration implies 13.8x EV/EBITDA, pricey relative to previous deals, but in exchange for rare SG assets, full ownership and an established brand.
- 1HFY3/18 PATMI (+65% yoy) was in line at 45% of our FY18F estimate; synergistic M&As as key potential catalysts.
- Unusual also gains traction with North Asia and new product line for "Disney On Ice".
- Our SOP-based TP is now higher on EPS upgrades and as we roll over to CY19F.

#### Fourth cinema acquisition, first in Singapore

mm2 proposed to acquire 100% of Cathay Cineplexes ("Cathay") for S\$230m, expected to be completed by end Nov-17. As the 2<sup>nd</sup> largest cinema exhibitor in Singapore with 27% market share (in terms of box office receipts), Cathay currently operates 64 screens and 11,569 seats across eight locations in Singapore, including its flagship cinema at Cineleisure Orchard and the newly-opened Parkway Parade theatre. This marks mm2's 4<sup>th</sup> cinema purchase but the 1<sup>st</sup> outside Malaysia, after the aborted GV Singapore deal.

#### Cathay offers rare SG assets, 100% stake and household brand

The S\$230m purchase consideration implies 13.8x adjusted FY16 EBITDA of S\$16.7m, which is higher than the 10.5x EBITDA previously offered for GV Singapore and 9.8x paid for 13 Lotus Fivestar cinemas. We think this includes a premium for full ownership (vs. 50% of GV Singapore) and substantial goodwill for the Cathay brand (estimated S\$24m-S\$30m), in exchange for exposure to the local cinema exhibition scene. This also allows mm2 to enlarge its regional presence and elevate its bargaining power with suppliers.

#### Unusual: expanding product offering and building scale

We also saw improved earnings from Unusual Limited (Not rated), a 41.9%-owned subsidiary of mm2. Excluding a one-off gain in 1HFY3/17, its 1HFY18 core net profit grew by 65% yoy on the back of higher revenue (+79%) but lower margins. We remain positive on its pipeline of concerts and events, as Unusual penetrates North Asia and adds a new product line with the upcoming collaboration to present 48 "Disney On Ice" shows in Korea and Taiwan.

#### 1HFY18 results within expectations; more catalysts ahead

mm2 continued to exhibit strong earnings growth in its 1HFY18 results, with topline and core PATMI up 60% and 55% yoy, respectively, largely led by Unusual Limited's 6-month contribution (vs. 2-month in 1HFY17). We see future opportunities for the company not only in core production extending to other forms of content (such as original web series and short form content) and more regional distribution platforms to capture higher advertising dollar, but also in synergistic M&As.

#### Raise FY18-20F EPS by 5.5-16.4% and TP to S\$0.76

We assume a 65% debt financing structure for the Cathay deal (at 3.5% interest), as mm2 still has c.S\$37.3m remaining proceeds from its IPO and share placements, which will possibly raise its net gearing to 85% by end-FY19F. Our FY18-20F EPS also rises by 5.5-16.4%, after adjusting for earnings contribution from Cathay and higher financing charges. Maintain Add with a higher SOP-based TP as we roll over to CY19F. Downside risks are unexpected production delays or cost overruns, and poor M&A execution.

#### Financial Summary

	Mar-16A	Mar-17A	Mar-18F	Mar-19F	Mar-20F
Revenue (S\$m)	38.3	95.4	166.8	263.9	287.3
Operating EBITDA (S\$m)	19.07	40.93	62.60	87.74	96.94
Net Profit (S\$m)	8.18	18.82	26.21	36.29	41.23
Core EPS (S\$)	0.009	0.018	0.023	0.031	0.035
Core EPS Growth	50.3%	94.3%	28.7%	35.0%	13.6%
FD Core P/E (x)	61.98	30.63	23.80	17.62	15.51
DPS (S\$)	-	-	-	-	-
Dividend Yield	0%	0%	0%	0%	0%
EV/EBITDA (x)	25.47	13.89	9.88	9.80	8.88
P/FCFE (x)	NA	NA	NA	NA	73.11
Net Gearing	(4.6%)	(14.9%)	(9.1%)	84.5%	66.7%
P/BV (x)	13.44	6.67	3.61	2.99	2.51
ROE	29.5%	30.7%	19.9%	18.6%	17.6%
% Change In Core EPS Estimates			5.5%	16.3%	16.4%
CIMB/consensus EPS (x)			1.05	1.01	1.18

SOURCE: COMPANY DATA, CIMB FORECASTS

Figure 1: Results Comparison

FYE March (S\$m)	2QFY18	2QFY17	yoq % chg	qoq % chg	2QFY18 Cum	2QFY17 Cum	yoq % chg	Prev FY18F	Comments
Revenue	31	22	45.4	27.6	56	35	59.9	142	Deemed in line as we expect stronger production pipeline in 2HFY18
Operating costs	(21)	(16)	37.4	59.4	(35)	(21)	64.7	(83)	
EBITDA	10	6	66.5	(10.9)	21	14	52.4	59	
EBITDA margin (%)	32	28	14.5	(30.1)	37	39	(4.7)	41	Slightly below due to sales mix changes
Depn & amort.	(2)	(2)	11.3	31.9	(3)	(3)	12.5	(16)	
EBIT	8	4	87.3	(16.9)	18	11	62.8	43	
Interest expense	(0)	(1)	(77.8)	34.2	(0)	(1)	(66.7)	(3)	
Interest & invt inc	0	0	na	na	0	0	na	-	
Associates' contrib	(0)	-	na	na	(0)	-	na	(0)	Losses from Rings.TV and Cinema Pro (HK)
Exceptionals	0	(0)	na	na	(0)	(0)	na	-	FX-related
Pretax profit	8	3	136.0	(16.5)	17	10	77.9	40	
Tax	(2)	(1)	132.1	(7.7)	(3)	(2)	73.5	(8)	
Tax rate (%)	21	21	(1.7)	10.6	19	20	(2.5)	20	In line
Minority interests	2	0.7	166.8	25.9	3	1	na	7	In line
<b>Net profit</b>	<b>4.6</b>	<b>2.0</b>	<b>127.4</b>	<b>(28.2)</b>	<b>10.9</b>	<b>6.9</b>	<b>57.8</b>	<b>25</b>	
<b>Core net profit</b>	<b>4.5</b>	<b>2.2</b>	<b>105.0</b>	<b>(31.6)</b>	<b>11.0</b>	<b>7.1</b>	<b>54.5</b>	<b>25</b>	<b>In line, 1H18 core net profit formed 45% of our full-year numbers.</b>
EPS (cts)	0.40	0.20	104.2	(27.6)	0.99	0.71	40.5	2.2	
Core EPS (cts)	0.39	0.21	84.2	(31.0)	1.00	0.73	37.6	2.2	

SOURCE: CIMB RESEARCH, COMPANY

Figure 2: Earnings Revision Table

Earnings Revision mm2 (FYE March)	FY2018F			FY2019F			FY2020F		
	Old	New	% change	Old	New	% change	Old	New	% change
Revenue (S\$m)	141.8	166.8	17.6%	168.6	263.9	56.6%	187.0	287.3	53.6%
Production & distribution related (S\$m)	67.6	67.6	0.0%	84.7	84.7	0.0%	97.4	97.4	0.0%
Post-production (S\$m)	6.0	6.0	0.0%	6.0	6.0	0.0%	6.0	6.0	0.0%
Cinema (S\$m)	33.2	53.2	60.2%	34.9	113.2	224.5%	36.6	118.9	224.5%
Unusual/ Entertainment (S\$m)	35.0	40.0	14.3%	43.0	60.0	39.5%	47.0	65.0	38.3%
Gross Margin (%)	47%	46%	0%	47%	47%	0%	47%	47%	0%
Core PATMI (S\$m)	24.8	26.2	5.5%	31.2	36.3	16.3%	35.4	41.2	16.4%

SOURCE: CIMB RESEARCH, COMPANY

Figure 3: Summary of cinema acquisitions by mm2

Cinemas	Place	Capacity	Purchase price (S\$m)	Transaction multiple (x)
Cathay Cineplex, Malaysia	Johor Bahru, Damansara	30 screens, 5298 seats	13.3	15.2x P/E
Mega Cineplex, Malaysia	Penang, Langkawi, Bertam	13 screens, 2712 seats	7.2	12.9x P/E
Lotus Fivestar Cinemas, Malaysia	13 locations	90 screens, 15818 seats	32.4	9.8x EV/EBITDA
Cathay Cineplex, Singapore [100% stake]	8 locations, including Cineleisure Orchard, Jem	64 screens, 11569 seats	230.0	13.8x EV/EBITDA
Golden Village, Singapore [50% stake]	11 locations	91 screens	Aborted deal (S\$184.3m)	10.5x EV/EBITDA

SOURCE: CIMB RESEARCH, COMPANY

Figure 4: SOP-based valuation (including Cathay Cineplexes contribution)

Net profit breakdown by segment	Stake	FY3/18 (S\$m)	FY3/19 (S\$m)	CY19 (S\$m)	Applied PE multiple (x)	Valuation basis	CY19F Value (S\$m)	Per share (S\$)
Core production and distribution	100.0%	18.3	22.9	25.5	22	10% premium to average	561.6	0.48
Post-production	51.0%	2.0	2.0	2.0	22	10% premium to average	22.2	0.02
Cinema operations	100.0%	3.3	6.9	7.2	20	On par with peers' average	143.3	0.12
Unusual Productions	41.9%	8.5	13.0	14.2	26	40% discount to average	155.0	0.13
<b>Total</b>		<b>32.1</b>	<b>44.9</b>	<b>48.9</b>			<b>882.1</b>	<b>0.76</b>
Core PATMI		26.2	36.3	40.0				
Shares outstanding (m)							1,162.8	
Equity Value per share (S\$)								<b>0.76</b>
Implied CY19 P/E based on TP								22.1

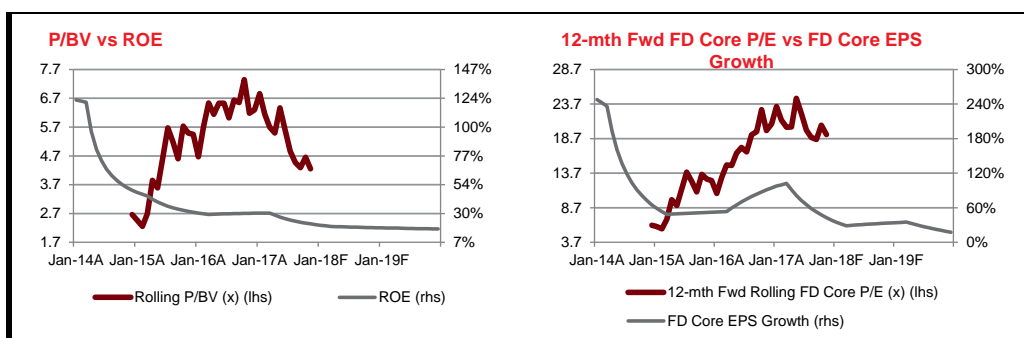
SOURCES: CIMB, COMPANY REPORTS

Figure 5: Peers Comparison

Company	Bloomberg Ticker	Recom.	Price (lcl curr)	Target Price (lcl curr)	Market Cap (US\$ m)	Core P/E (x)		3-year EPS CAGR (%)	P/BV (x)		Recurring ROE (%)		Dividend Yield (%)	
						CY17F	CY18F		CY17F	CY18F	CY17F	CY18F	CY17F	CY18F
<b>Movie/ TV production</b>														
Spackman Entertainment Group L	SEG SP	Not rated	0.12	na	44	8.4	8.4	na	2.9	2.1	21.1%	27.1%	1.2%	1.2%
Alibaba Pictures Group Ltd	1060 HK	Not rated	1.27	na	4,133	na	na	na	na	na	na	na	na	na
Zhejiang Talent Television & F	300426 CH	Not rated	23.64	na	1,427	25.1	18.8	58.2%	6.8	4.9	27.5%	29.8%	0.3%	0.4%
Zhejiang Huace Film & TV Co Lt	300133 CH	Not rated	10.37	na	2,769	28.6	22.8	25.3%	2.6	2.4	9.1%	10.0%	0.4%	0.4%
HMV Digital China Group Ltd	8078 HK	Not rated	0.25	na	427	117.6	na	na	na	na	na	na	na	na
Huayi Brothers Media Corp	300027 CH	Not rated	8.49	na	3,554	27.7	22.8	11.8%	2.4	2.2	8.4%	9.5%	0.5%	0.6%
CJ E&M Corp	130960 KS	Not rated	83,500	na	2,903	7.3	20.6	42.3%	1.5	1.5	25.5%	7.3%	0.3%	0.3%
<b>Simple average</b>						<b>35.8</b>	<b>18.7</b>	<b>34.4%</b>	<b>3.3</b>	<b>2.6</b>	<b>18.3%</b>	<b>16.7%</b>	<b>0.5%</b>	<b>0.6%</b>
<b>Cinema Theatres</b>														
Wanda Film Holding Co Ltd	002739 CH	Not rated	52.04	na	9,221	34.3	26.3	na	5.1	4.3	16.1%	18.0%	0.6%	0.7%
IMAX China Holding Inc	1970 HK	Reduce	22.70	14.46	1,038	29.6	27.2	4.3%	4.6	3.9	16.8%	15.4%	0.0%	0.0%
Orange Sky Golden Harvest Ente	1132 HK	Not rated	0.56	na	206	na	na	na	na	na	na	na	na	na
Major Cineplex Group PCL	MAJOR TB	Add	32.75	34.07	885	27.5	21.4	23.8%	4.3	4.2	15.4%	19.9%	3.6%	4.2%
SHOWBOX Corp	086980 KS	Not rated	5540	na	311	45.2	28.4	na	2.7	2.5	6.0%	9.1%	0.9%	0.9%
Regal Entertainment Group	RGC US	Not rated	15.98	na	2,509	16.7	15.1	na	na	na	-19.3%	-22.5%	5.5%	5.7%
<b>Simple average</b>						<b>30.6</b>	<b>23.7</b>	<b>14.0%</b>	<b>4.2</b>	<b>3.7</b>	<b>7.0%</b>	<b>8.0%</b>	<b>2.1%</b>	<b>2.3%</b>
<b>Concert/ Events production</b>														
Live Nation Entertainment Inc	LYV US	Not rated	40.92	na	8,462	221.2	82.5	na	6.2	5.3	4.1%	6.6%	0.0%	0.0%
YG Entertainment Inc	122870 KS	Not rated	29800	na	486	20.5	22.3	18.9	1.7	1.6	8.8%	7.5%	0.8%	0.8%
Media Asia Group Holdings Ltd	8075 HK	Not rated	0.21	na	57	na	na	na	na	na	na	na	na	na
SMC Entertainment Inc	SMCE US	Not rated	0.01	na	0	na	na	na	na	na	na	na	na	na
SM Entertainment Co	041510 KS	Not rated	32100	na	627	69.5	23.9	113.7	2.1	2.0	2.7%	9.2%	0.0%	0.0%
FNC Entertainment Co Ltd	173940 KS	Not rated	7890	na	102	na	na	na	na	na	na	na	na	na
<b>Simple average</b>						<b>103.7</b>	<b>42.9</b>	<b>66.3%</b>	<b>3.4</b>	<b>3.0</b>	<b>5.2%</b>	<b>7.8%</b>	<b>0.3%</b>	<b>0.3%</b>
<b>Simple average (overall excluding mm2)</b>						<b>56.7</b>	<b>28.4</b>	<b>38.2%</b>	<b>3.6</b>	<b>3.1</b>	<b>10.2%</b>	<b>10.8%</b>	<b>1.0%</b>	<b>1.1%</b>

SOURCES: CIMB, COMPANY REPORTS, BLOOMBERG

## BY THE NUMBERS



### Profit & Loss

(\$m)	Mar-16A	Mar-17A	Mar-18F	Mar-19F	Mar-20F
<b>Total Net Revenues</b>	<b>38.34</b>	<b>95.37</b>	<b>166.85</b>	<b>263.90</b>	<b>287.26</b>
<b>Gross Profit</b>	<b>18.39</b>	<b>45.25</b>	<b>76.87</b>	<b>125.14</b>	<b>135.68</b>
<b>Operating EBITDA</b>	<b>19.07</b>	<b>40.93</b>	<b>62.60</b>	<b>87.74</b>	<b>96.94</b>
Depreciation And Amortisation	(8.98)	(14.84)	(18.94)	(24.21)	(26.07)
<b>Operating EBIT</b>	<b>10.09</b>	<b>26.09</b>	<b>43.66</b>	<b>63.53</b>	<b>70.87</b>
Financial Income/(Expense)	(0.39)	(0.62)	(3.00)	(7.00)	(7.00)
Pretax Income/(Loss) from Assoc.	0.00	(0.01)	(0.50)	(0.50)	(0.50)
Non-Operating Income/(Expense)	0.29	0.43	0.00	0.00	0.00
<b>Profit Before Tax (pre-EI)</b>	<b>9.99</b>	<b>25.90</b>	<b>40.16</b>	<b>56.03</b>	<b>63.37</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>9.99</b>	<b>25.90</b>	<b>40.16</b>	<b>56.03</b>	<b>63.37</b>
Taxation	(1.10)	(3.85)	(8.03)	(11.21)	(12.67)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>8.90</b>	<b>22.05</b>	<b>32.13</b>	<b>44.82</b>	<b>50.70</b>
Minority Interests	(0.72)	(3.23)	(5.92)	(8.53)	(9.47)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>8.18</b>	<b>18.82</b>	<b>26.21</b>	<b>36.29</b>	<b>41.23</b>
Recurring Net Profit	8.18	18.82	26.21	36.29	41.23
<b>Fully Diluted Recurring Net Profit</b>	<b>8.18</b>	<b>18.82</b>	<b>26.21</b>	<b>36.29</b>	<b>41.23</b>

### Cash Flow

(\$m)	Mar-16A	Mar-17A	Mar-18F	Mar-19F	Mar-20F
EBITDA	19.07	40.93	62.60	87.74	96.94
Cash Flow from Inv. & Assoc.	0.00	0.01	0.50	0.50	0.50
Change In Working Capital	(22.57)	(30.77)	(34.32)	(59.00)	(55.65)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	0.12	(0.02)	0.00	0.00	0.00
Other Operating Cashflow					
Net Interest (Paid)/Received	(0.38)	(0.60)	(3.00)	(7.00)	(7.00)
Tax Paid	(0.09)	(1.96)	(8.03)	(11.21)	(12.67)
<b>Cashflow From Operations</b>	<b>(3.84)</b>	<b>7.58</b>	<b>17.75</b>	<b>11.04</b>	<b>22.11</b>
Capex	(0.59)	(5.80)	(6.00)	(9.00)	(10.00)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/Investments	(7.71)	(20.04)	(71.79)	(218.30)	(3.30)
Other Investing Cashflow	(0.23)	(0.19)	0.00	0.00	0.00
<b>Cash Flow From Investing</b>	<b>(8.53)</b>	<b>(26.03)</b>	<b>(77.79)</b>	<b>(227.30)</b>	<b>(13.30)</b>
Debt Raised/(repaid)	2.30	17.76	39.94	159.94	(0.06)
Proceeds From Issue Of Shares	9.10	18.04	64.00	0.00	0.00
Shares Repurchased					
Dividends Paid					
Preferred Dividends					
Other Financing Cashflow					
<b>Cash Flow From Financing</b>	<b>11.39</b>	<b>35.80</b>	<b>103.94</b>	<b>159.94</b>	<b>(0.06)</b>
Total Cash Generated	(0.97)	17.35	43.90	(56.33)	8.75
<b>Free Cashflow To Equity</b>	<b>(10.07)</b>	<b>(0.69)</b>	<b>(20.10)</b>	<b>(56.33)</b>	<b>8.75</b>
<b>Free Cashflow To Firm</b>	<b>(11.98)</b>	<b>(17.84)</b>	<b>(57.03)</b>	<b>(209.27)</b>	<b>15.81</b>

SOURCE: CIMB RESEARCH, COMPANY DATA

## BY THE NUMBERS... cont'd

<b>Balance Sheet</b>					
<b>(\$m)</b>	<b>Mar-16A</b>	<b>Mar-17A</b>	<b>Mar-18F</b>	<b>Mar-19F</b>	<b>Mar-20F</b>
Total Cash And Equivalents	4.74	25.76	69.16	12.33	20.57
Total Debtors	24.42	46.39	65.82	104.11	113.33
Inventories	0.26	0.58	0.58	0.58	0.58
Total Other Current Assets	9.83	23.26	39.17	66.23	92.11
<b>Total Current Assets</b>	<b>39.25</b>	<b>95.98</b>	<b>174.73</b>	<b>183.25</b>	<b>226.60</b>
Fixed Assets	3.65	11.25	11.25	11.25	11.25
Total Investments	0.00	1.49	1.49	1.49	1.49
Intangible Assets	25.28	53.14	132.86	367.72	383.13
Total Other Non-Current Assets	0.80	1.14	1.33	1.14	3.09
<b>Total Non-current Assets</b>	<b>29.73</b>	<b>67.02</b>	<b>146.93</b>	<b>381.60</b>	<b>398.97</b>
Short-term Debt	0.20	11.12	11.12	11.12	11.12
Current Portion of Long-Term Debt					
Total Creditors	24.41	49.02	70.89	108.98	118.99
Other Current Liabilities	3.61	6.93	6.93	6.93	6.93
<b>Total Current Liabilities</b>	<b>28.22</b>	<b>67.06</b>	<b>88.93</b>	<b>127.02</b>	<b>137.03</b>
Total Long-term Debt	2.85	0.58	40.58	200.58	200.58
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	0.00	0.00	0.00	0.00	0.00
<b>Total Non-current Liabilities</b>	<b>2.85</b>	<b>0.58</b>	<b>40.58</b>	<b>200.58</b>	<b>200.58</b>
Total Provisions	0.75	0.97	0.97	1.26	1.26
<b>Total Liabilities</b>	<b>31.82</b>	<b>68.60</b>	<b>130.48</b>	<b>328.85</b>	<b>338.86</b>
Shareholders' Equity	36.19	86.46	177.32	213.60	254.83
Minority Interests	0.98	7.94	13.86	22.40	31.87
<b>Total Equity</b>	<b>37.17</b>	<b>94.40</b>	<b>191.18</b>	<b>236.00</b>	<b>286.70</b>

<b>Key Ratios</b>					
	<b>Mar-16A</b>	<b>Mar-17A</b>	<b>Mar-18F</b>	<b>Mar-19F</b>	<b>Mar-20F</b>
Revenue Growth	58%	149%	75%	58%	9%
Operating EBITDA Growth	93%	115%	53%	40%	10%
Operating EBITDA Margin	49.8%	42.9%	37.5%	33.2%	33.7%
Net Cash Per Share (S\$)	0.00	0.01	0.02	(0.17)	(0.16)
BVPS (S\$)	0.04	0.08	0.15	0.18	0.22
Gross Interest Cover	26.07	42.42	14.55	9.08	10.12
Effective Tax Rate	11.0%	14.9%	20.0%	20.0%	20.0%
Net Dividend Payout Ratio	NA	NA	NA	NA	NA
Accounts Receivables Days	214.8	135.5	122.7	117.5	138.5
Inventory Days	2.42	3.07	2.35	1.52	1.40
Accounts Payables Days	356.1	262.9	240.6	234.9	273.7
ROIC (%)	64.5%	72.0%	54.7%	36.7%	16.3%
ROCE (%)	32.4%	35.2%	24.9%	18.3%	14.9%
Return On Average Assets	17.4%	19.5%	14.5%	11.7%	9.7%

<b>Key Drivers</b>					
	<b>Mar-16A</b>	<b>Mar-17A</b>	<b>Mar-18F</b>	<b>Mar-19F</b>	<b>Mar-20F</b>
TV Adex Rate (% Change)	N/A	N/A	N/A	N/A	N/A
Average Utilisation Rate (%)	N/A	N/A	N/A	N/A	N/A
Prime Time Utilisation Rate (%)	N/A	N/A	N/A	N/A	N/A
Non Prime Time Utilisation Rate (%)	N/A	N/A	N/A	N/A	N/A
Programming Costs (% Change)	28.5%	85.3%	22.3%	25.2%	15.0%
Newsppr adex rev. grth (%)	0.0%	158.1%	322.5%	112.7%	5.0%
Newspaper ASP (% Change)	N/A	N/A	N/A	N/A	N/A
Newsppr circulation grth (%)	N/A	N/A	N/A	N/A	N/A
Newsprint Cost (% Change)	N/A	N/A	N/A	N/A	N/A

SOURCE: CIMB RESEARCH, COMPANY DATA

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#01

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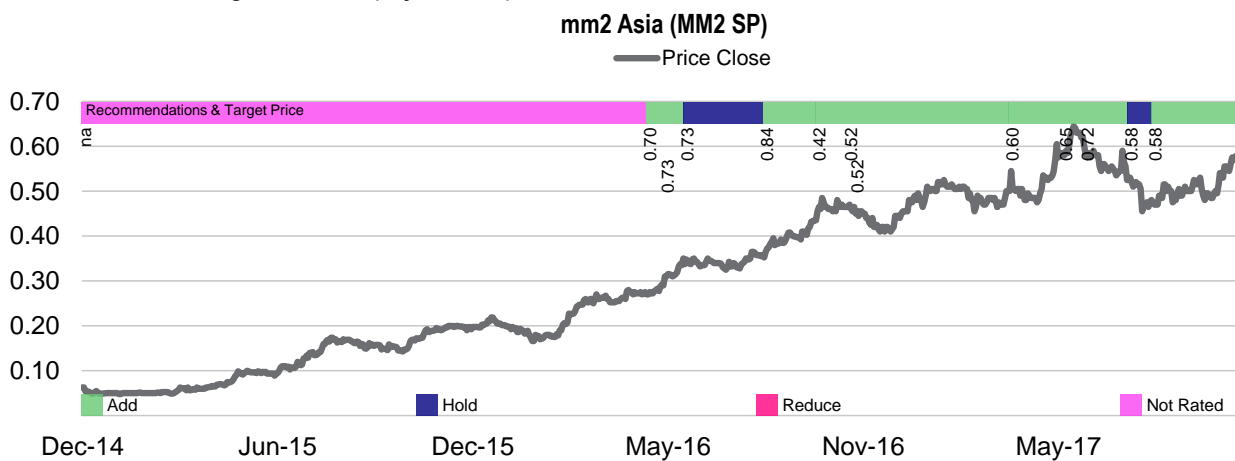
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Spitzer Chart for stock being researched ( 2 year data )



## Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2017, Anti-Corruption 2017

**AAV** – Very Good, n/a, **ADVANC** – Excellent, Certified, **AEONTS** – Good, n/a, **AMATA** – Very Good, n/a, **ANAN** – Excellent, n/a, **AOT** – Excellent, Declared, **AP** – Excellent, Declared, **ASK** – Very Good, Declared, **ASP** – Very Good, Certified, **BANPU** – Excellent, Certified, **BAY** – Excellent, Certified, **BBL** – Very Good, Certified, **BCH** – Good, Declared, **BCP** - Excellent, Certified, **BCPG** – Very Good, n/a, **BEM** – Very Good, n/a, **BDMS** – Very Good, n/a, **BEAUTY** – Good, n/a, **BEC** – Very Good, n/a, , **BGRIM** – not available, n/a, **BH** - Good, n/a, **BJC** – Very Good, Declared, **BJCHI** – Very Good, Declared, **BLA** – Very Good, Certified, **BPP** – Good, n/a, **BR** - Good, Declared, **BTS** - Excellent, Certified, **CBG** – Good, n/a, **CCET** – Good, n/a, **CENTEL** – Very Good, Certified, **CHG** – Very Good, Declared, **CK** – Excellent, n/a, **COL** – Very Good, Declared, **CPALL** – not available, Declared, **CPF** – Excellent, Declared, **CPN** - Excellent, Certified, **DELTA** - Excellent, n/a, **DEMCO** – Excellent, Certified, **DIF** – not available, n/a, **DTAC** – Excellent, Certified, **EA** – Very Good, n/a, **ECL** – Very Good, Certified, **EGCO** - Excellent, Certified, **EPG** – Very Good, n/a, **GFPT** - Excellent, Declared, **GGC** – not available, Declared, **GLOBAL** – Very Good, Declared, **GLOW** – Very Good, Certified, **GPSC** – Excellent, Declared, **GRAMMY** - Excellent, n/a, **GUNKUL** – Excellent, Declared, **HANA** - Excellent, Certified, **HMPRO** - Excellent, Certified, **ICHI** – Excellent, n/a, **III** – not available, n/a, **INTUCH** - Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** - Excellent, Certified, **JAS** – not available, Declared, **JASIF** – not available, n/a, **JUBILE** – Good, Declared, **KAMART** – not available, n/a, **KBANK** - Excellent, Certified, **KCE** - Excellent, Certified, **KGI** – Very Good, Certified, **KKP** – Excellent, Certified, **KSL** – Very Good, Certified, **KTB** - Excellent, Certified, **KTC** – Excellent, Certified, **LH** - Very Good, n/a, **LPN** – Excellent, Certified, **M** – Very Good, n/a, **MACO** – Very Good, n/a, **MAJOR** – Very Good, n/a, **MAKRO** – Very Good, Declared, **MALEE** – Very Good, n/a, **MBKET** – Very Good, Certified, **MC** – Very Good, Declared, **MCOT** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** - Excellent, Certified, **MTLS** – Very Good, Declared, **NYT** – Excellent, n/a, **OISHI** – Very Good, n/a, **PLANB** – Excellent, Declared, **PLAT** – Very Good, Certified, **PSH** – Excellent, Certified, **PSL** - Excellent, Certified, **PTT** - Excellent, Certified, **PTTEP** - Excellent, Certified, **PTTGC** - Excellent, Certified, **QH** – Excellent, Certified, **RATCH** – Excellent, Certified, **ROBINS** – Excellent, Certified, **RS** – Very Good, n/a, **SAMART** - Excellent, n/a, **SAPPE** - Good, n/a, **SAT** – Excellent, Certified, **SAWAD** – Very Good, n/a, **SC** – Excellent, Declared, **SCB** - Excellent, Certified, **SCBLIF** – not available, n/a, **SCC** – Excellent, Certified, **SCN** – Very Good, Declared, **SCCC** - Excellent, Declared, **SIM** - Excellent, n/a, **SIRI** – Very Good, Declared, **SPA** - Good, n/a, **SPALI** - Excellent, n/a, **SPRC** – Excellent, Declared, **STA** – Very Good, Declared, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **TASCO** – Very Good, n/a, **TCAP** – Excellent, Certified, **THAI** – Very Good, n/a, **THANI** – Very Good, Certified, **THCOM** – Excellent, Certified, **THRE** – Very Good, Certified, **THREL** – Excellent, Certified, **TICON** – Very Good, Declared, **TIPCO** – Very Good, Certified, **TISCO** - Excellent, Certified, **TK** – Very Good, n/a, **TKN** – Very Good, Declared, **TMB** - Excellent, Certified, **TNR** – Good, n/a, **TOP** - Excellent, Certified, **TPCH** – Good, n/a, **TIPIP** – not available, n/a, **TRUE** – Excellent, Declared, **TTW** – Very Good, n/a, **TU** – Excellent, Declared, **TVO** – Excellent, Declared, **UNIQ** – not available, Declared, **VGI** – Excellent, Declared, **WHA** – not available, Declared, **WHART** – not available, n/a, **WORK** – not available, n/a.

**Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of October 28, 2016) are categorized into:**

- Companies that have declared their intention to join CAC, and
- Companies certified by CAC

### CIMB Recommendation Framework

#### Stock Ratings

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

*The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.*

#### Sector Ratings

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

#### Country Ratings

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.