COMPANY UPDATE Thailand

Major Cineplex Group

(MAJOR.BK/MAJOR TB)*

Neutral·Maintained

Price as of 25 Jul 2018	25.50
12M target price (Bt/shr)	31.50
Unchanged/Revised up(down)(%)	Unchanged
Upside/downside (%)	23.5

Key messages

เราคาดว่ากำไรหลักใน 2Q61 จะอยู่ที่ 464 ล้านบาท (+2% YoY) จากรายได้ที่แข็งแกร่งจากภาพยนตร์ Hollywood ขณะที่คาดกำไรสุทธิที่ 512 ล้านบาท (+80% QoQ,-8% YoY) เนื่องจากกำไรพิเศษลดลง เราคาดว่ากำไรจะลดลง HoH ใน 2H61 หลังจากผ่านจุดสูงสุดไปแล้วใน 2Q61 ถึงแม้เราจะยังคงคำแนะนำถือ และให้ราคาเป้าหมายที่ 31.50 บาท แต่ก็มองว่ายังมีโอกาสให้เก็งกำไรได้จากแนวโน้มกำไรหลักที่แข็งแกร่งใน 2Q61 บวกกับคาดหมายอัตราผลตอบแทนจากเงินปันผลสำหรับงวด 1H61 ที่จูงใจราว 2.5%

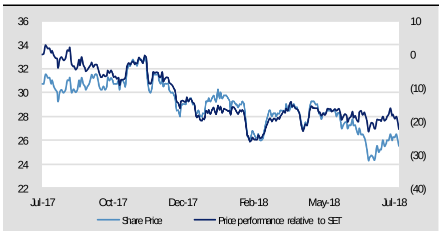
Trading data

Mkt cap (Btbn/US$mn)			23/570
Outstanding shares (mn)			895
Foreign ownership (mn)			371
3M avg. daily trading (mn)			2
52-week trading range (Bt)			24.30 – 33.50
Performance (%)	3M	6M	12M
Absolute	-8.9	-15.0	-15.0
Relative	-4.4	-8.0	-20.4

Quarterly EPS

Bt	1Q	2Q	3Q	4Q
2016	0.25	0.61	0.37	0.10
2017	0.29	0.62	0.34	0.08
2018	0.57	NA	NA	NA

Share price chart



Source: SET

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ประมาณการ 2Q61: คาดกำไรจากธุรกิจหลักจะดีตามฤดูกาล

Event

ประมาณการผลประกอบการงวด 2Q61

Impact

คาดว่ากำไรจากธุรกิจหลักใน 2Q61 จะเพิ่มขึ้น แต่กำไรสุทธิจะถูกกระทบจากรายการพิเศษ

เราคาดว่ารายได้ของ MAJOR ใน 2Q61 จะเพิ่มขึ้นเป็น 3.0 พันล้านบาท (+7% YoY) จากการเติบโตของธุรกิจโรงภาพยนตร์ (ธุรกิจหลัก) ซึ่งคาดว่ารายได้จะเพิ่มขึ้นเป็น 2.4 พันล้านบาท (+8% YoY) จากการเติบโตของทั้งรายได้จากการขายตั๋ว และยอดขายเครื่องดื่มและขนมขบเคี้ยว ทั้งนี้หนัง 5 อันดับแรกที่มีรายได้สูงสุดใน 2Q61 (The Avengers 3, Jurassic World, น้องพี่ที่รัก, Deadpool 2 และ Rampage) สร้างรายได้ให้บริษัทมากกว่าหนัง 5 อันดับแรกใน 2Q60 ในขณะที่คาดว่าต้นทุน รวมทั้งค่าใช้จ่ายในการขายและบริหารจะเพิ่มขึ้น 11% YoY และ 2% YoY ตามลำดับ ตามจำนวนจอหนังที่เพิ่มขึ้นจาก 689 จอเป็น 737 จอ และการกิจกรรมส่งเสริมการตลาดที่เพิ่มขึ้น ดังนั้นเราจึงคาดว่ากำไรหลักใน 2Q61 จะอยู่ที่ 464 ล้านบาท (+2% YoY) แต่อย่างไรก็ตามคาดว่ากำไรสุทธิใน 2Q61 จะลดลง 8% YoY เหลือ 512 ล้านบาท เนื่องจากใน 2Q60 บริษัทมีกำไรพิเศษจากการขายการลงทุน126 ล้านบาท ในขณะที่คาดว่าใน 2Q61 จะมีกำไรส่วนนี้แค่ 60 ล้านบาทเท่านั้น แต่เมื่อเทียบ QoQ คาดว่ากำไรหลัก และกำไรสุทธิจะได้อานิสงส์จากปัจจัยฤดูกาล โดยคาดจะเติบโต 164% QoQ และ 80% QoQ ตามลำดับ

คาดว่ากำไรใน 2H61 จะกลับมาโต YoY แต่จะลดลงจาก 1H61

ถึงแม้เราจะคาดว่ากำไรของ MAJOR ใน 2H61 จะกลับมาเพิ่มขึ้นจาก 2H60 ซึ่งถูกกระทบจากการงดกิจกรรมรื่นเริงในช่วงพระราชพิธีถวายพระเพลิงพระบรมศพในเดือนตุลาคม 2560 แต่เราคิดว่ากำไรใน 2H61 ก็น่าจะยังคงต่ำกว่าใน 1H61 เนื่องจาก i) กำไรของบริษัทใน 2Q มักจะสูงสุดในรอบปี ii) ภาพยนตร์ที่จ่อลงโรงฉายใน 2H61 ไม่น่าจะทำรายได้ดีเท่ากับใน 1H61 และ iii) สัดส่วนค่าใช้จ่ายในการขายและบริหาร/ยอดขายของบริษัทมักจะเพิ่มขึ้นใน 4Q ของทุกปี ดังนั้น เราจึงคาดว่าผลประกอบการใน 2H61 จะชะลอลง HoH

คงประมาณการกำไรจากธุรกิจหลักปี 2561-62 เอาไว้เท่าเดิม

กำไรจากธุรกิจหลักใน 1H61 จะคิดเป็น 57% ของประมาณการกำไรปีนี้ของเรา แต่เรายังคงประมาณการกำไรจากธุรกิจหลักปีนี้เอาไว้ที่ 1.1 พันล้านบาท (+34% YoY) และปีหน้าที่ 1.2 พันล้านบาท (+12% YoY) เนื่องจากคาดว่าผลประกอบการจะอ่อนลง HoH ใน 2H61

Valuation & Action

ถึงแม้ว่าจะยังเหลือ upside ถึงราคาเป้าหมายของเราที่ 31.50 บาทอีกมาก เรายังคงแนะนำเพียงถือ เนื่องจากคาดว่าผลประกอบการจะลดลง HoH ใน 2H61 แต่อย่างไรก็ตามเรามองว่ายังมีโอกาสให้เก็งกำไรได้จากแนวโน้มกำไรจากธุรกิจหลักที่แข็งแกร่งใน 2Q61 บวกกับความคาดหมายว่าบริษัทจะจ่ายปันผล 0.65 บาท/หุ้นสำหรับงวด 1H61 ซึ่งคิดเป็นอัตราผลตอบแทนจากเงินปันผลที่จูงใจที่ 2.5%

Risks

รายได้จากยอดขายตั๋วต่ำกว่าที่คาดไว้

Key financials and valuations

	Dec-15A	Dec-16A	Dec-17A	Dec-18F	Dec-19F
Revenue (Btmn)	8,580	8,745	8,972	9,976	10,581
Gross Profit (Btmn)	3,028	3,165	3,014	3,581	3,866
EBIT (Btmn)	1,015	753	651	1,124	1,276
Net Profit (Btmn)	1,171	1,188	1,193	1,173	1,258
Normalized Profit (Btmn)	981	924	834	1,120	1,258
EPS (Bt)	1.31	1.33	1.33	1.31	1.41
DPS (Bt)	1.15	1.20	1.25	1.26	1.30
EPS growth (%)	7.5	1.2	0.4	(1.7)	7.2
P/E (x)	26.9	24.7	21.7	19.4	18.1
P/B (x)	4.73	4.36	3.99	3.48	3.40
EV/EBITDA (x)	14.0	14.9	13.1	9.1	8.2
Net debt/Equity (x)	0.7	0.7	0.6	0.6	0.5
Dividend yield (%)	3.3	3.7	4.3	4.9	5.1
Return on Average Equity (%)	18.0	17.8	18.1	18.0	19.0

Source: Company data, KGI Research

Figure 1: MAJOR's 2Q18 earnings preview

Bt mn	2Q18F	2Q17	YoY (%)	1Q18	QoQ (%)	1H18F	1H17	YoY (%)
Revenue	**2,984**	**2,779**	**7.4**	**1,950**	**53.0**	**4,934**	**4,913**	**0.4**
Gross Profit	1,063	1,053	1.0	620	71.5	1,683	1,769	(4.8)
Operating Expenses	(579)	(570)	1.5	(520)	11.4	(1,099)	(1,123)	(2.2)
Operating Profit	**484**	482	0.4	100	382.7	585	645	(9.4)
Operating EBITDA	791	794	(0.3)	394	100.9	1,185	1,322	(10.3)
Other incomes	126	117	7.1	106	18.4	232	194	19.5
Extra items	60	127	(52.7)	136	(55.8)	196	240	(18.3)
Interest Expense	(27)	(36)	(24.9)	(29)	(6.9)	(56)	(74)	(25.0)
Pre-tax Profit	643	691	(6.9)	313	105.1	957	1,005	(4.8)
Current taxation	(129)	(130)	(1.1)	(27)	377.0	(156)	(184)	(15.2)
Minorities	(3)	(6)	(59.0)	(2)	14.2	(5)	(5)	(3.6)
Net Profit	**512**	**554**	**(7.7)**	**284**	**80.1**	**796.3**	**816.3**	**(2.5)**
EPS (Bt)	0.57	0.62	(7.7)	0.32	80.1	0.89	0.91	(2.5)
Norm Profit	**464**	**453**	**2.4**	**176**	**164.2**	**640**	**624**	**2.4**
Percent	2Q18F	2Q17	YoY (ppts)	1Q18	QoQ (ppts)	1H18F	1H17	YoY (ppts)
Gross margin	**35.6**	**37.9**	**(2.2)**	**31.79**	**3.8**	**34.1**	**36.0**	**(1.9)**
SG&A/sales	19.4	20.5	(1.1)	26.65	(7.2)	22.3	22.9	(0.6)
Net profit margin	**17.2**	**20.0**	**(2.8)**	**14.58**	**2.6**	**16.1**	**16.6**	**(0.5)**

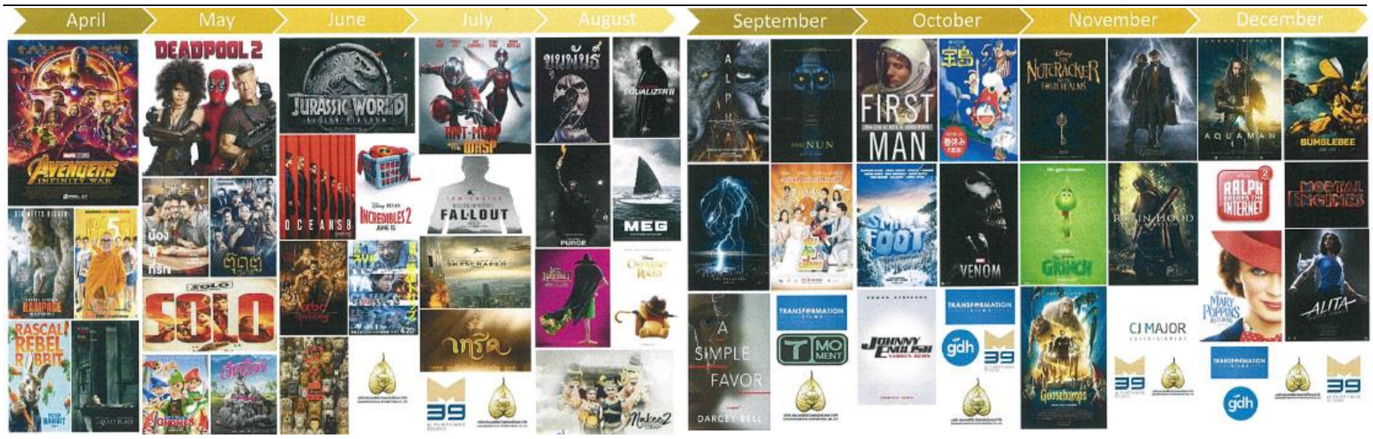
Source: Company data, KGI Research

Figure 2: Key assumptions

	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18F	Change (%)	
							QoQ	YoY
Revenue (Btmn)	**2,134**	**2,780**	**2,201**	**1,855**	**1,949**	**2,984**	**53.1**	**7.3**
1.Cinema	1,527	2,195	1,553	1,246	1,403	2,377	69.4	8.3
-Ticket sales	1,164	1,644	1,142	906	1,029	1,764	71.5	7.3
-Concession sales	363	551	411	340	374	612	63.7	11.1
2.Advertising	340	348	345	361	325	351	8.1	1.0
3.Bowling	95	98	113	107	99	100	1.0	2.0
4.Rental	113	113	101	106	105	104	(1.0)	(8.0)
5.Movie content	59	26	89	35	17	52	204.4	99.0
Revenue (Percent)								
Cinema	71.6	79.0	70.6	67.2	72.0	79.7	4.8	0.4
Advertising	15.9	12.5	15.7	19.5	16.7	11.8	(2.8)	0.7
Bowling	4.4	3.5	5.1	5.8	5.1	3.4	(0.7)	0.7
Rental	5.3	4.1	4.6	5.7	5.4	3.5	(0.3)	0.1
Movie content	2.8	0.9	4.0	1.9	0.9	1.7	(1.0)	(1.9)
Cinema business								
-Number of screens	678	689	702	719	732	737	0.7	7.0
-Number of guest	7.3	10.6	7.9	6.0	6.9	10.7	55.1	1.4
-Average ticket price	161	170	160	162	154	165	7.1	(3.0)

Source: Company data, KGI Research

Figure 3: Movie line up in 2Q18 – 4Q18



Source: Company data

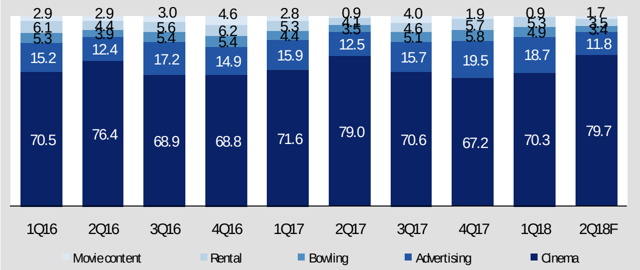
Figure 4: Company profile

Major Cineplex Group Public Company Limited (MAJOR) is a leading cinema service provider in Thailand with largest market share of more than 70%. The company also provides other businesses that are advertising business, bowling business, rental business and movie content business. The company's core revenue comes from cinema business which represented 73% of total sales and services revenue in 2017, followed by advertising business that accounted for 16%.

Source: Company data

Figure 5: Breakdown of sales and service revenue

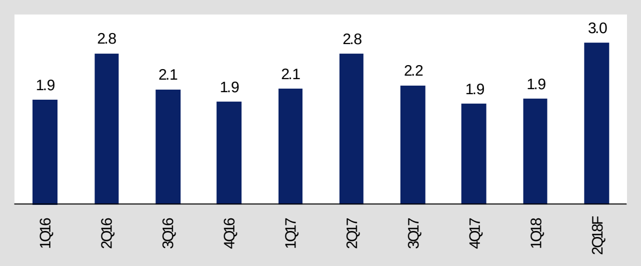
Revenue, percent



Source: Company data, KGI Research

Figure 6: Total sales and service revenue

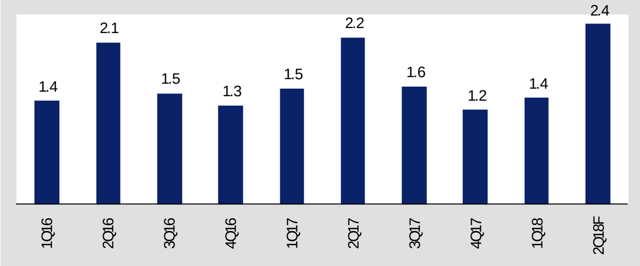
Total revenue, Bt bn



Source: Company data, KGI Research

Figure 7: Cinema revenue

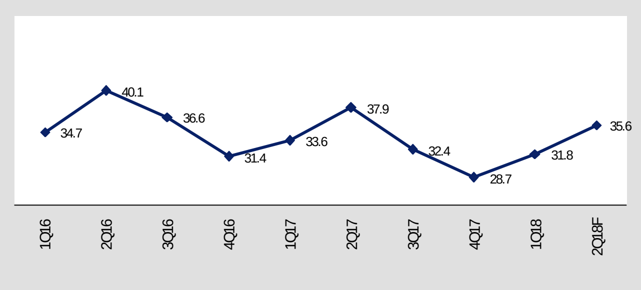
Cinema revenue, Bt bn



Source: Company data, KGI Research

Figure 8: Gross margin

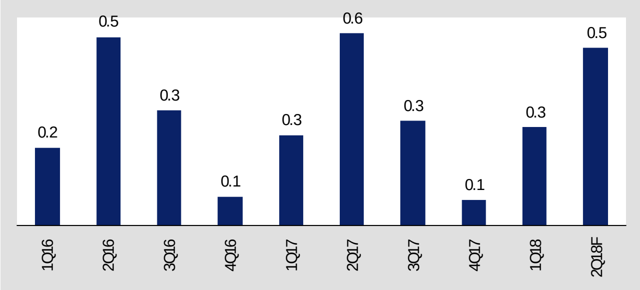
Gross margin, percent



Source: Company data, KGI Research

Figure 9: Net profit

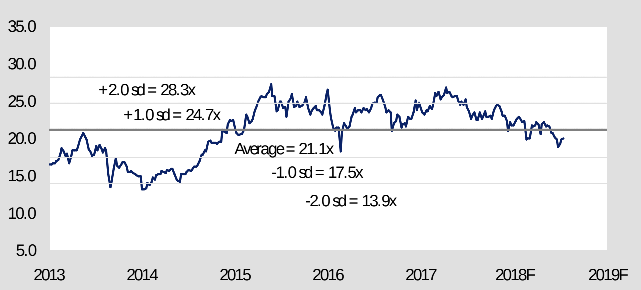
Net profit, Bt bn



Source: Company data, KGI Research

Figure 10: PER band

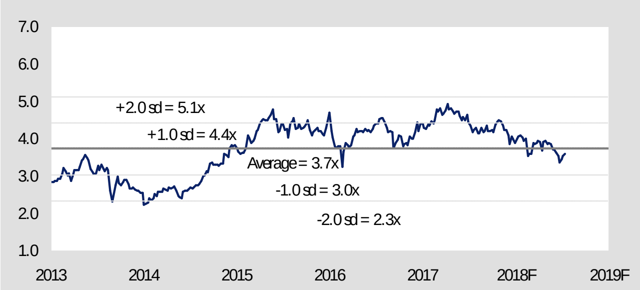
PER, Times



Source: KGI Research

Figure 11: PBV band

PBV, Times



Source: KGI Research

Quarterly Income Statement

	Mar-16A	Jun-16A	Sep-16A	Dec-16A	Mar-17A	Jun-17A	Sep-17A	Dec-17A	Mar-18A	Jun-18F
Income Statement (Bt mn)										
Revenue	**1,936**	**2,787**	**2,127**	**1,896**	**2,134**	**2,779**	**2,200**	**1,858**	**1,950**	**2,984**
Cost of Goods Sold	(1,265)	(1,669)	(1,347)	(1,300)	(1,418)	(1,727)	(1,488)	(1,325)	(1,330)	(1,921)
Gross Profit	**672**	**1,118**	**779**	**596**	**716**	**1,053**	**712**	**533**	**620**	**1,063**
Operating Expenses	**(514)**	**(601)**	**(595)**	**(701)**	**(553)**	**(570)**	**(601)**	**(638)**	**(520)**	**(579)**
Other incomes	13	12	13	13	11	12	13	12	11	12
Operating Profit	**170**	**529**	**197**	**(92)**	**174**	**495**	**124**	**(93)**	**111**	**496**
Depreciation of fixed assets	(262)	(310)	(311)	(330)	(354)	(299)	(381)	(302)	(283)	(295)
Operating EBITDA	**432**	**839**	**509**	**239**	**528**	**794**	**504**	**209**	**394**	**791**
Non-Operating Income	**14**	**25**	**30**	**9**	**25**	**24**	**47**	**5**	**24**	**27**
Interest Income	1	2	0	2	1	2	1	2	1	2
Other Non-op Income	14	23	30	7	24	22	46	3	23	25
Non-Operating Expenses	**(38)**	**(35)**	**(34)**	**(37)**	**(39)**	**(36)**	**(33)**	**(33)**	**(29)**	**(27)**
Interest Expense	(38)	(35)	(34)	(37)	(39)	(36)	(33)	(33)	(29)	(27)
Other Non-op Expenses	-	-	-	-	-	-	-	-	-	-
Net investment Income/(Loss)	**58**	**77**	**69**	**53**	**41**	**81**	**83**	**27**	**71**	**87**
Pre-tax Profit	**205**	**595**	**262**	**(66)**	**201**	**564**	**221**	**(94)**	**178**	**583**
Current taxation	(37)	(119)	(73)	(8)	(53)	(130)	(62)	(33)	(27)	(129)
Minorities	(7)	(12)	(5)	5	1	(6)	(4)	5	(2)	(3)
Extraordinary items	65	80	149	154	113	127	148	198	136	60
Net Profit	**226**	**544**	**333**	**85**	**262**	**554**	**302**	**75**	**284**	**512**
EPS (Bt)	0.25	0.61	0.37	0.10	0.29	0.62	0.34	0.08	0.32	0.57
Margins (%)										
Gross profit margin	34.7	40.1	36.6	31.4	33.6	37.9	32.4	28.7	31.8	35.6
Operating margin	8.8	19.0	9.3	(4.8)	8.1	17.8	5.6	(5.0)	5.7	16.6
Operating EBITDA margin	22.3	30.1	23.9	12.6	24.7	28.6	22.9	11.2	20.2	26.5
Net profit margin	11.7	19.5	15.6	4.5	12.3	20.0	13.7	4.0	14.6	17.2
Growth (%)										
Revenue growth	10.7	4.5	(2.9)	(4.1)	10.2	(0.3)	3.5	(2.0)	(8.6)	7.4
Operating growth	(0.8)	6.2	(13.5)	(153.8)	2.0	(6.5)	(37.4)	1.6	(36.2)	0.3
Operating EBITDA growth	(10.1)	6.8	(10.2)	(48.3)	22.1	(5.3)	(0.8)	(12.6)	(25.3)	(0.3)
Net profit growth	13.8	10.9	(3.0)	(38.6)	15.7	1.9	(9.1)	(12.2)	8.6	(7.7)

Source: KGI Research

Peer comparison - Key valuation stats

	Rating	Target price (Bt)	Current price (Bt)	Upside (%)	17 EPS (Bt)	18F EPS (Bt)	19F EPS (Bt)	18F EPS growth (%)	19F EPS growth (%)	18F PER (x)	19F PER (x)	18F PBV (X)	19F PBV (X)	18F Div Yield (%)	18F ROAE (%)
BEC	N	10.00	8.95	11.7	0.03	0.15	0.25	386.4	67.2	60.3	36.1	2.6	2.5	1.5	4.4
MAJOR*	N	31.50	25.50	23.5	1.33	1.31	1.41	(1.7)	7.2	19.4	18.1	3.5	3.4	4.9	18.0
MONO	OP	3.90	2.50	56.0	0.02	0.11	0.11	565.3	(3.8)	21.9	22.8	2.8	3.2	2.3	13.7
PLANB	OP	7.95	6.55	21.4	0.13	0.20	0.24	52.3	19.1	33.0	27.7	5.6	5.1	1.5	18.1
RS*	OP	37.00	18.10	104.4	0.33	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
WORK*	N	49.50	48.25	2.6	2.06	1.91	2.22	(7.5)	16.7	25.3	21.7	4.3	4.0	2.8	17.8
Sector	**Overweight**				**3.90**	**3.68**	**4.22**	**(5.7)**	**14.9**	**26.6**	**21.5**	**4.0**	**3.9**	**2.9**	**16.5**

Source: KGI Research

Balance Sheet

As of 31 Dec (Bt mn)	2015A	2016A	2017A	2018F	2019F
Total Assets	**14,246**	**14,725**	**13,808**	**14,308**	**14,699**
Current Assets	2,030	2,350	2,263	3,076	3,912
Cash & ST Investments	312	531	573	991	1,700
Inventories	183	98	141	200	212
Accounts Receivable	1,181	1,256	1,182	1,496	1,587
Others	355	465	367	390	414
Non-current Assets	12,216	12,375	11,545	11,232	10,787
LT Investments	3,575	3,553	3,074	3,071	3,067
Net fixed Assets	7,358	7,591	7,186	6,853	6,376
Others	1,283	1,231	1,285	1,309	1,343
Total Liabilities	**7,598**	**8,007**	**7,309**	**7,747**	**7,995**
Current Liabilities	5,480	6,420	3,946	5,838	6,118
Accounts Payable	1,908	1,761	1,675	2,195	2,328
ST Borrowings	3,389	4,494	2,134	3,496	3,631
Others	183	165	137	148	160
Long-term Liabilities	2,118	1,587	3,363	1,909	1,877
Long-term Debts	1,287	764	2,605	1,166	1,149
Others	831	823	758	743	728
Shareholders' Equity	**6,648**	**6,718**	**6,499**	**6,562**	**6,704**
Common Stock	893	895	895	895	895
Capital Surplus	4,015	4,053	4,056	4,056	4,056
Retained Earnings	1,295	1,412	1,487	1,542	1,673
Others	445	359	61	69	81

Source: KGI Research

Key Ratios

Year to 31 Dec (Bt mn)	2015A	2016A	2017A	2018F	2019F
Forecast Drivers					
Number of guest (mn)	28.5	29.7	31.9	33.5	35.5
Growth (% YoY)					
Sales	(0.5)	1.9	2.6	11.2	6.1
OP	(6.4)	(25.8)	(13.6)	72.6	13.6
EBITDA	(2.4)	(12.3)	1.0	26.9	10.5
NP	7.8	1.5	0.4	(1.7)	7.2
EPS	7.5	1.2	0.4	(1.7)	7.2
Profitability (%)					
Gross Margin	35.3	36.2	33.6	35.9	36.5
Operating Margin	11.8	8.6	7.3	11.3	12.1
EBITDA Margin	26.1	22.5	22.1	25.3	26.3
Net Profit Margin	13.6	13.6	13.3	11.8	11.9
ROAA	8.3	8.2	8.4	8.3	8.7
ROAE	18.0	17.8	18.1	18.0	19.0
Stability					
Gross Debt/Equity (%)	0.0	0.0	0.0	0.0	0.0
Net Debt/Equity (%)	65.3	70.1	63.9	55.8	45.8
Interest Coverage (x)	6.6	5.2	4.7	7.5	8.4
Interest & ST Debt Coverage (x)	0.3	0.2	0.3	0.3	0.3
Cash Flow Interest Coverage (x)	15.3	14.8	17.2	18.1	18.4
Cash Flow/Interest & ST Debt (x)	0.7	0.5	1.2	0.8	0.8
Current Ratio (x)	0.4	0.4	0.6	0.5	0.6
Quick Ratio (x)	0.3	0.4	0.5	0.5	0.6
Net Debt (Bt mn)	4,341	4,708	4,151	3,660	3,073
Per Share Data (Bt)					
EPS	1.3	1.3	1.3	1.3	1.4
CFPS	2.7	2.4	2.7	3.0	3.1
BVPS	7.4	7.5	7.3	7.3	7.5
SPS	9.6	9.8	10.0	11.2	11.8
EBITDA/Share	2.5	2.2	2.2	2.8	3.1
DPS	1.2	1.2	1.3	1.3	1.3
Activity					
Asset Turnover (x)	0.6	0.6	0.6	0.7	0.7
Days Receivables	52.9	50.9	49.6	49.0	53.2
Days Inventory	11.1	9.2	7.3	9.7	11.2
Days Payable	(229.5)	(211.6)	(208.1)	(197.2)	(213.5)
Cash Cycle	293.5	271.6	265.0	255.9	277.9

Source: KGI Research

Profit & Loss

Year to 31 Dec (Bt mn)	2015A	2016A	2017A	2018F	2019F
Revenue	**8,580**	**8,745**	**8,972**	**9,976**	**10,581**
Cost of Goods Sold	(5,553)	(5,580)	(5,958)	(6,396)	(6,715)
Gross Profit	**3,028**	**3,165**	**3,014**	**3,581**	**3,866**
Operating Expenses	(2,013)	(2,412)	(2,363)	(2,457)	(2,590)
Other incomes	-	-	-	-	-
Operating Profit	**1,015**	**753**	**651**	**1,124**	**1,276**
Depreciation of fixed assets	1,226	1,214	1,336	1,397	1,510
Operating EBITDA	**2,241**	**1,967**	**1,987**	**2,521**	**2,786**
Non-Operating Income	**384**	**579**	**735**	**241**	**188**
Interest Income	7	4	6	7	8
Other Non-op Income	378	574	728	234	180
Non-Operating Expenses	**(155)**	**(144)**	**(140)**	**(149)**	**(151)**
Interest Expense	(155)	(144)	(140)	(149)	(151)
Other Non-op Expenses	-	-	-	-	-
Equity Income/(Loss)	237	256	231	243	255
Pre-tax Profit	**1,482**	**1,444**	**1,477**	**1,458**	**1,568**
Current taxation	(300)	(237)	(279)	(277)	(298)
Minorities	(11)	(19)	(4)	(8)	(12)
Extraordinary items	-	-	-	-	-
Net Profit	**1,171**	**1,188**	**1,193**	**1,173**	**1,258**
EPS (Bt)	1.31	1.33	1.33	1.31	1.41

Source: KGI Research

Cash Flow

Year to 31 Dec (Bt mn)	2015A	2016A	2017A	2018F	2019F
Operating Cash Flow	2,365	2,127	2,410	2,690	2,781
Net Profit	1,482	1,444	1,477	1,458	1,568
Depreciation & Amortization	1,226	1,214	1,336	1,397	1,510
Change in Working Capital	(58)	(193)	(81)	78	(42)
Others	(285)	(337)	(321)	(243)	(255)
Investment Cash Flow	(1,480)	(1,239)	(510)	(1,006)	(992)
Net CAPEX	(1,434)	(1,258)	(836)	(700)	(700)
Change in LT Investment	1	18	208	-	-
Change in Other Assets	(46)	1	118	(306)	(292)
Free Cash Flow	886	888	1,900	1,684	1,789
Financing Cash Flow	(841)	(476)	(1,664)	(1,196)	(1,009)
Change in Share Capital	-	-	-	-	-
Net Change in Debt	103	566	(537)	(78)	118
Change in Other LT Liab.	(944)	(1,042)	(1,127)	(1,118)	(1,127)
Net Cash Flow	45	412	236	488	780

Source: KGI Research

Rates of Return on Invested Capital

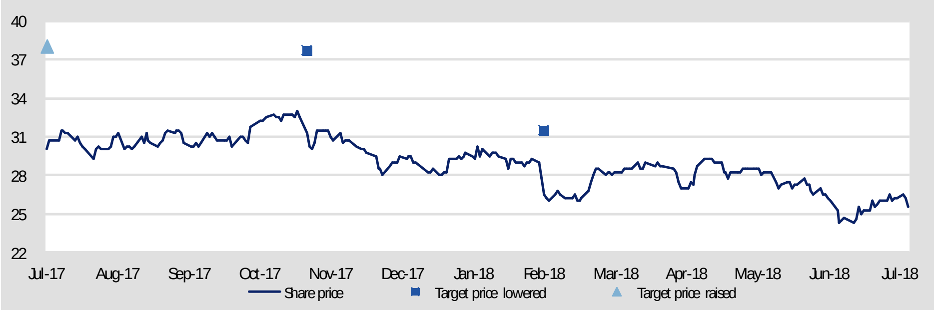
Year	1- COGS / Revenue	+ Depreciation / Revenue	+ Operating Exp. / Revenue	= Operating Margin
Dec-15A	64.7%	14.3%	23.5%	-2.5%
Dec-16A	63.8%	13.9%	27.6%	-5.3%
Dec-17A	66.4%	14.9%	26.3%	-2.5%
Dec-18F	64.1%	14.0%	24.6%	-7.6%
Dec-19F	63.5%	14.3%	24.5%	-2.7%

Year	1/ Working Capital / Revenue	+ Net PPE / Revenue	+ Other Assets / Revenue	= Capital Turnover
Dec-15A	-0.01	0.86	0.19	0.96
Dec-16A	-0.02	0.87	0.19	0.96
Dec-17A	-0.01	0.80	0.18	1.02
Dec-18F	0.01	0.69	0.17	1.16
Dec-19F	0.00	0.60	0.17	1.31

Year	Operating Margin	x Capital Turnover	x Cash Tax Rate	= After-tax Return on Inv. Capital
Dec-15A	-2.5%	1.0	120.3	-2.8
Dec-16A	-5.3%	1.0	116.4	-5.9
Dec-17A	-7.6%	1.0	118.9	-9.3
Dec-18F	-2.7%	1.2	100.0	-3.2
Dec-19F	-2.2%	1.3	100.0	-2.9

Source: KGI Research

Major Cineplex Group- Recommendation & target price history



Date	Rating	Target	Price
21-Feb-18	Neutral	31.50	26.50
13-Nov-17	Outperform	37.75	31.25
26-Jul-17	Outperform	38.00	30.00

Source: KGI Research

Corporate Governance Report of Thai Listed Companies

Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
EGCO	ELECTRICITY GENERATING	KTB	KRUNG THAI BANK	TISCO	TISCO FINANCIAL GROUP
KBANK	KASIKORNBANK	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING		
KKP	KIATNAKIN BANK	SCB	THE SIAM COMMERCIAL BANK		

Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	ERW	THE ERAWAN GROUP	SCC	THE SIAM CEMENT
AOT	AIRPORTS OF THAILAND	GFPT	GFPT	SPALI	SUPALAI
AP	ASIAN PROPERTY DEVELOPMENT	IFEC	INTER FAR EAST ENGINEERING	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
BBL	BANGKOK BANK	LPN	L.P.N. DEVELOPMENT	SVI	SVI
BH	BUMRUNGRAD HOSPITAL	MINT	MINOR INTERNATIONAL	TASCO	TIPCO ASPHALT
BIGC	BIG C SUPERCENTER	PS	PRUKSA REAL ESTATE	TCAP	THANACHART CAPITAL
CK	CH. KARNCHANG	QH	QUALITY HOUSES	TMB	TMB BANK
CPALL	CP ALL	ROBINS	ROBINSON DEPARTMENT STORE	TRUE	TRUE CORPORATION
CPN	CENTRAL PATTANA	RS	RS		
DRT	DIAMOND ROOFING TILES	SAMART	SAMART CORPORATION		

Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
CENTEL	CENTRAL PLAZA HOTEL	HMPRO	HOME PRODUCT CENTER	MAKRO	SIAM MAKRO
DCC	DYNASTY CERAMIC	ILINK	INTERLINK COMMUNICATION	MODERN	MODERNFORM GROUP
GL	GROUP LEASE	KTC	KRUNGTHAI CARD	TRT	TIRATHAI
GLOW	GLOW ENERGY	MAJOR	MAJOR CINEPLEX GROUP	TVO	THAI VEGETABLE OIL

Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	CHG	CHULARAT HOSPITAL	NOK	NOK AIRLINES
ANAN	ANANDA DEVELOPMENT	CKP	CK POWER	PACE	PACE DEVELOPMENT CORPORATION
BA	BANGKOK AIRWAYS	DTAC	TOTAL ACCESS COMMUNICATION	SAWAD	SRISAWAD POWER 1979
BCH	BANGKOK CHAIN HOSPITAL	GLOBAL	SIAM GLOBAL HOUSE	TMT	THAI METAL TRADE
BDMS	BANGKOK DUSIT MEDICAL SERVICES	GPSC	GLOBAL POWER SYNERGY	TPCH	TPC POWER HOLDING
BEM	BANGKOK EXPRESSWAY AND METRO	GUNKUL	GUNKUL ENGINEERING	WHA	WHA CORPORATION
BJCHI	BJC HEAVY INDUSTRIES	LPH	LADPRAO GENERAL HOSPITAL	WORK	WORKPOINT ENTERTAINMENT
CBG	CARABAO GROUP	MTLS	MUANGTHAI LEASING		

Source: www.thai-iod.com

Disclaimer: The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an assessment of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.

Anti-corruption Progress Indicator

Level 5: Extended

Stock	Company name	Stock	Company name	Stock	Company name
CPN	CENTRAL PATTANA	SCC	THE SIAM CEMENT		

Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	IFEC	INTER FAR EAST ENGINEERING	SVI	SVI
BBL	BANGKOK BANK	KBANK	KASIKORNBANK	TCAP	THANACHART CAPITAL
DCC	DYNASTY CERAMIC	KKP	KIATNAKIN BANK	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	KTB	KRUNG THAI BANK	TMB	TMB BANK
EGCO	ELECTRICITY GENERATING	MINT	MINOR INTERNATIONAL		
ERW	THE ERAWAN GROUP	SCB	THE SIAM COMMERCIAL BANK		

Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	DTAC	TOTAL ACCESS COMMUNICATION	PACE	PACE DEVELOPMENT CORPORATION
ANAN	ANANDA DEVELOPMENT	GFPT	GFPT	PS	PRUKSA REAL ESTATE
AP	ASIAN PROPERTY DEVELOPMENT	GL	GROUP LEASE	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BA	BANGKOK AIRWAYS	GLOW	GLOW ENERGY	ROBINS	ROBINSON DEPARTMENT STORE
BDMS	BANGKOK DUSIT MEDICAL SERVICES	GPSC	GLOBAL POWER SYNERGY	SAMART	SAMART CORPORATION
BIGC	BIG C SUPERCENTER	HMPRO	HOME PRODUCT CENTER	SPALI	SUPALAI
BJCHI	BJC HEAVY INDUSTRIES	KTC	KRUNGTHAI CARD	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
CENTEL	CENTRAL PLAZA HOTEL	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CHG	CHULARAT HOSPITAL	MAKRO	SIAM MAKRO	TMT	THAI METAL TRADE
CK	CH. KARNCHANG	MODERN	MODERNFORM GROUP	TPCH	TPC POWER HOLDING
CKP	CK POWER	NOK	NOK AIRLINES	WHA	NOK AIRLINES

Level 2: Declared

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	GUNKUL	GUNKUL ENGINEERING	QH	QUALITY HOUSES
BH	BUMRUNGRAD HOSPITAL	ILINK	INTERLINK COMMUNICATION	TRT	TIRATHAI
GLOBAL	SIAM GLOBAL HOUSE	MTLS	MUANGTHAI LEASING	TVO	THAI VEGETABLE OIL

Level 1: Committed

Stock	Company name	Stock	Company name	Stock	Company name
CBG	CARABAO GROUP	RS	RS	SAWAD	SRISAWAD POWER 1979
MAJOR	MAJOR CINEPLEX GROUP				

No progress

Stock	Company name	Stock	Company name	Stock	Company name
BCH	BANGKOK CHAIN HOSPITAL	CPALL	CP ALL	WORK	WORKPOINT ENTERTAINMENT
BEM	BANGKOK EXPRESSWAY AND METRO	LPH	LADPRAO GENERAL HOSPITAL		

Source: www.cgthailand.org

Disclaimer: The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company . The assessment result is therefore made from the perspective of a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.

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KGI's Ratings

Rating	**Definition**
Outperform (OP)	The stock's excess return over the next twelve months is ranked in the top 40% of KGI's coverage universe in the related market (e.g. Taiwan)..
Neutral (N)	The stock's excess return over the next twelve months is ranked in the range between the top 40% and the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan)
Under perform (U)	The stock's excess return over the next twelve months is ranked in the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan).
Not Rated (NR)	The stock is not rated by KGI.
Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances. *Excess return = 12M target price/current price-*
Note	When an analyst publishes a new report on a covered stock, we rank the stock's excess return with those of other stocks in KGI's coverage universe in the related market. We will assign a rating based on its ranking. If an analyst does not publish a new report on a covered stock, its rating will not be changed automatically.

Disclaimer