KGI

COMPANY UPDATE Thailand

Major Cineplex Group

(MAJOR.BK/MAJOR TB)*

รายได้หนังเด็ด (อเวนเจอร์: เผด็จศึก) ผลักดันกำไร 2Q62

Outperform·Maintained

Price as of 23 Jul 2019	29.25
12M target price (Bt/shr)	33.25
Unchanged/Revised up(down)(%)	4.7
Upside/downside (%)	13.7

Key messages

เราคาดกำไรหลักของ MAJOR ใน 2Q62 จะเพิ่มขึ้นเป็น 498 ล้านบาท (+170% QoQ, +4% YoY) ตามรายได้จากธุรกิจโรงภาพยนตร์ที่เพิ่มขึ้น เราคาดว่ากำไรสุทธิใน 2Q62 จะเท่ากับกำไรหลักโดยอยู่ที่ 498 ล้านบาท (+143% QoQ, -7% YoY) เนื่องจากใน 2Q62 ไม่มีกำไรจากการขายเงินลงทุนจากที่เคยมีกำไรจากการขายเงินลงทุน 29 ล้านบาทใน 1Q62 และ 66 ล้านบาทใน 2Q61 เราคาดว่ากำไรหลักใน 2H62 จะโตต่อเนื่อง YoY เรายังคงประมาณการกำไรหลักในปีนี้เอาไว้ที่ 1.28 พันล้านบาทและปีหน้าที่ 1.4 พันล้านบาท เรายังคงคำแนะนำ "ซื้อ" และขยับไปใช้ราคาเป้าหมาย 1H63 ที่ 33.25 บาท

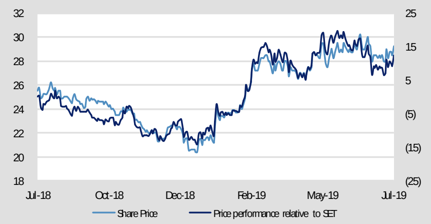
Trading Data

Mkt cap (Btbn/US$mn)			26.1/654
Outstanding shares (mn)			895
Foreign ownership (mn)			361
3M avg. daily trading (mn)			3
52-week trading range (Bt)			20.20 – 30.75
Performance (%)	3M	6M	12M
Absolute	8.3	25.0	11.4
Relative	5.0	17.5	8.2

Quarterly EPS

	1Q	2Q	3Q	4Q
2017	0.29	0.62	0.34	0.08
2018	0.32	0.60	0.23	0.29
2019	0.23	NA	NA	NA

Share price chart



Source: SET

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Event

ประมาณการผลประกอบการงวด 2Q62

Impact

โปรแกรมหนังเด็ดที่ลงโรงใน 2Q62 หนุนให้กำไรหลักโตทั้ง QoQ และ YoY

เราคาดว่ากำไรหลักของ MAJOR ใน 2Q62 จะเพิ่มขึ้นเป็น 498 ล้านบาท (+170% QoQ, +4% YoY) โดยกำไรที่เพิ่มขึ้นอย่างมาก QoQ เป็นเพราะรายได้จากธุรกิจโรงภาพยนตร์ที่จะเพิ่มขึ้นเป็น 2.5 พันล้านบาท (+42% QoQ) จากปัจจัยฤดูกาล และรายได้ที่เพิ่มขึ้นจากภาพยนตร์ที่ได้รับความนิยม ในขณะที่กำไรที่เพิ่มขึ้น YoY มาจากรายได้ที่เพิ่มขึ้นจากโรงภาพยนตร์ (+4% YoY) ตามโปรแกรมหนังเด็ดที่ลงโรงฉายและจำนวนโรงที่เพิ่มขึ้นเป็น 793 โรง (+8% YoY) ทั้งนี้เราคาดว่ากำไรสุทธิใน 2Q62 จะเท่ากับกำไรหลักที่ 498 ล้านบาท (+143% QoQ, -7% YoY) เนื่องจากใน 2Q62 ไม่มีกำไรจากการขายเงินลงทุนเหมือนที่เคยมีกำไรจากการขายเงินทุน 29 ล้านบาทใน 1Q62 และ 66 ล้านบาทใน 2Q61

คาดว่ากำไรจะโตต่อเนื่อง YoY ใน 2H62

เราคาดว่ากำไรหลักใน 3Q626 - 4Q62 จะโตต่อเนื่อง YoY ตามรายได้จากโรงภาพยนตร์ที่จะโตจากการมีฉายหนังเด็ดจากฮอลลีวู้ดอย่างเช่น "Spider-Man: Far From Home", "Lion King" และ "Frozen" บวกกับคาดจำนวนหนังไทยมากขึ้นใน 2H62 ซึ่งน่าจะดึงผู้ชมกลุ่มเป้าหมายในต่างจังหวัดได้ ทั้งนี้รายได้จากการจำหน่ายตั๋วรวมทั้งประเทศของ Spider-Man (ยังฉายอยู่) อยู่ที่ 328 ล้านบาท แซง "Mission Impossible: Fallout" ซึ่งเป็นหนังที่ทำรายได้สูงที่สุดใน 3Q61 ที่ 151 ล้านบาท ในขณะที่รายได้จากการเปิดตัวของ Lion King ก็ติดอับดับ top ten ของปีนี้

คงประมาณการกำไรปี 2562-63 เอาไว้เท่าเดิม

ถึงแม้ว่ากำไรหลักใน 1H62 จะคิดเป็น 53% ของประมาณการกำไรปีนี้ทั้งปีของเรา แต่เรายังคงประมาณการกำไรหลักในปีนี้เอาไว้ที่ 1.28 พันล้านบาท เนื่องจากคาดว่ากำไรจะลดลงเล็กน้อย HoH ใน 2H62 หลังจากที่ถึงจุดสูงสุดไปแล้วใน 2Q62 โดยเราคาดว่ากำไรหลักจะโตต่อเนื่องอีก 10% YoY ในปี 2563 จากการขยายจำนวนโรงภาพยนตร์เพิ่มอีก 50 – 60 โรง/ปี และกลยุทธ์ของบริษัทที่จะกระจายภาพยนตร์ฟอร์มใหญ่ออกไปในทุกไตรมาสแทนที่จะมากระจุกอยู่ใน 2Q

Valuation & Action

เราขยับไปใช้ราคาเป้าหมาย 1H63 ที่ 33.25 บาท (PER 21.3x) โดยยังคงคำแนะนำ "ซื้อ" จากแนวโน้มการเติบโตที่แข็งแกร่งของกำไรหลักในปี 2562-63 เฉลี่ยที่ 13% บวกกับอัตราผลตอบแทนปันผลที่คาดว่าจะสูงถึง 5.0% - 5.3% ในปี 2562 - 2563 ทั้งนี้เราคาด DPS สำหรับงวด 1H62 ที่ 0.70 บาท หรือคิดเป็นอัตราผลตอบแทนที่ 2.4%

Risks

รายได้จากธุรกิจโรงภาพยนตร์ต่ำกว่าที่คาดไว้

Key financials and valuations

	Dec-17A	Dec-18A	Dec-19F	Dec-20F	Dec-21F
Revenue (Btmn)	8,972	9,952	11,010	11,434	11,786
Gross Profit (Btmn)	3,014	3,453	3,829	4,021	4,066
EBIT (Btmn)	651	962	1,274	1,378	1,337
Net Profit (Btmn)	1,193	1,284	1,340	1,461	1,621
Normalized Profit (Btmn)	834	1,098	1,280	1,401	1,561
EPS (Bt)	1.33	1.43	1.50	1.63	1.81
DPS (Bt)	1.25	1.35	1.45	1.55	1.65
EPS growth (%)	0.4	7.6	4.4	9.1	10.9
P/E (x)	21.7	14.4	19.5	17.9	16.1
P/B (x)	3.99	2.78	3.90	3.85	3.79
EV/EBITDA (x)	13.1	8.1	9.9	9.2	9.0
Net debt/Equity (x)	0.6	0.5	0.4	0.4	0.3
Dividend yield (%)	4.3	6.6	5.0	5.3	5.6
Return on Average Equity (%)	18.1	19.6	20.1	21.7	23.7

Source: Company data, KGI Research

Figure 1: 2Q19 earnings preview

Bt mn	2Q19F	2Q18	YoY (%)	1Q19	QoQ (%)	1H19F	1H18	YoY (%)
Revenue	**3,138**	**3,004**	**4.5**	**2,400**	**30.8**	**5,538**	**4,954**	**11.8**
Gross Profit	1,175	1,093	7.5	791	48.5	1,966	1,713	14.8
SG&A	(603)	(577)	4.4	(609)	(1.0)	(1,211)	(1,097)	10.4
Operating Profit	**572**	**515**	**11.0**	**182**	**214.5**	**754**	**616**	**22.4**
Operating EBITDA	-	885	(100.0)	534	(100.0)	534	1,279	(58.2)
Other incomes	85	106	(19.1)	88	(2.5)	173	213	(18.8)
Extra items	-	66	(100.0)	26	(100.0)	26	201	(87.1)
Interest Expense	(26)	(26)	(0.5)	(26)	0.5	(52)	(55)	(5.2)
Pre-tax Profit	631	661	(4.5)	269	134.3	901	975	(7.6)
Current taxation	(126)	(124)	2.1	(58)	118.6	(184)	(151)	22.1
Minorities	(7)	(3)	112.2	(6)	9.3	(13)	(5)	144.3
Net Profit	**498**	**534**	**(6.7)**	**205**	**142.7**	**703**	**818**	**(14.1)**
EPS (Bt)	0.56	1	(6.7)	0.23	142.7	0.79	0.91	(14.1)
Core Profit	**498**	**481**	**3.6**	**185**	**170.0**	**683**	**657**	**4.0**
Percent	2Q19F	2Q18	YoY (ppts)	1Q19	QoQ (ppts)	1H19F	1H18	YoY (ppts)
Gross margin	**37.4**	**36.4**	**1.1**	**33.0**	**4.5**	**35.5**	**34.6**	**0.9**
SG&A/sales	19.2	19.2	(0.0)	25.4	(6.2)	21.9	22.1	(0.3)
Net profit margin	**15.9**	**17.8**	**(1.9)**	**8.6**	**7.3**	**12.7**	**16.5**	**(3.8)**

Source: KGI Research, Company data

Figure 2: Operational statistics

	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19F	Change (%) QoQ	Change (%) YoY
Revenue (Bt mn)	**2,134**	**2,780**	**2,201**	**1,855**	**1,949**	**3,003**	**2,047**	**2,950**	**2,399**	**3,138**	**30.8**	**4.5**
1.Cinema	1,527	2,195	1,553	1,246	1,403	2,383	1,497	2,280	1,746	2,483	42.2	4.2
-Ticket sales	1,164	1,644	1,142	906	1,029	1,761	1,099	1,702	1,295	1,826	41.0	3.7
-Concession sales	363	551	411	340	374	622	398	578	451	657	45.7	5.7
2.Advertising	340	348	345	361	325	357	284	373	387	393	1.5	10.0
3.Bowling	95	98	113	107	99	102	123	114	99	102	3.0	-
4.Rental	113	113	101	106	105	107	107	106	106	107	0.9	-
5.Movie content	59	26	89	35	17	54	36	77	61	53	(12.4)	(1.0)
Breakdown of revenue (Percent)												
Cinema	71.6	79.0	70.6	67.2	72.0	79.4	73.1	77.3	72.8	79.1	6.3	(0.2)
Advertising	15.9	12.5	15.7	19.5	16.7	11.9	13.9	12.6	16.1	12.5	(3.6)	0.6
Bowling	4.4	3.5	5.1	5.8	5.1	3.4	6.0	3.9	4.1	3.3	(0.9)	(0.1)
Rental	5.3	4.1	4.6	5.7	5.4	3.6	5.2	3.6	4.4	3.4	(1.0)	(0.2)
Movie content	2.8	0.9	4.0	1.9	0.9	1.8	1.8	2.6	2.5	1.7	(0.8)	(0.1)
Cinema business												
-Number of screens	678	689	702	719	732	737	747	782	791	793	0.3	7.6
-Number of guest	7.3	10.6	7.9	6.0	6.9	11.1	6.9	11.8	9.2	11.8	29.0	6.8
-Average ticket price	161	170	160	162	156	159	162	162	163	167	2.7	5.3

Source: KGI Research, Company data

Figure 3: Movie line up in 2H19

Source: KGI Research, Company data

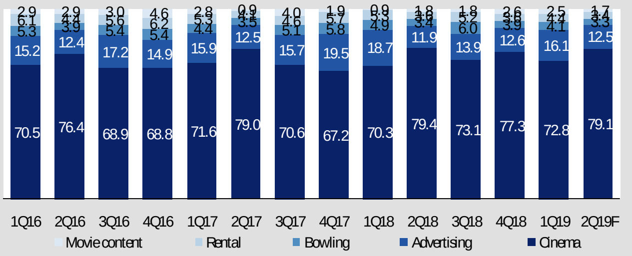
Figure 4: Company profile

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 76% of total sales and services revenue in 2018, followed by advertising business that accounted for 14%.

Source: Company data

Figure 5: Breakdown sales and service revenue by segment

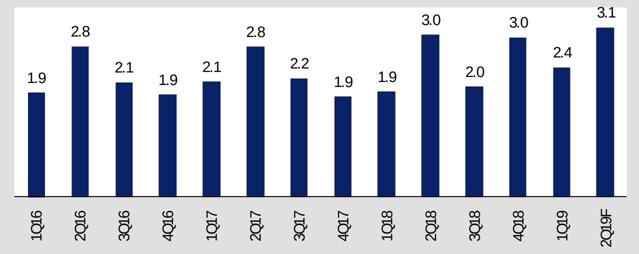
Revenue, percent



Source: KGI Research, Company data

Figure 6: Total sales and service revenue

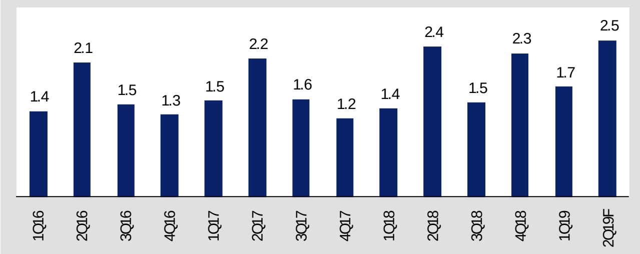
Total revenue, Bt mn



Source: KGI Research, Company data

Figure 7: Cinema revenue

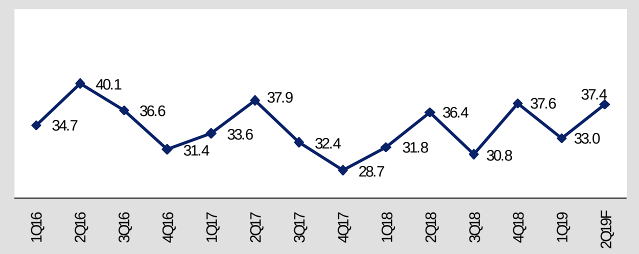
Cinema revenue, Bt mn



Source: KGI Research, Company data

Figure 8: Gross margin

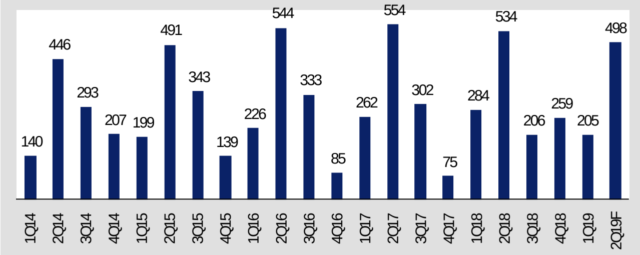
Gross margin, percent



Source: KGI Research, Company data

Figure 9: Net profit

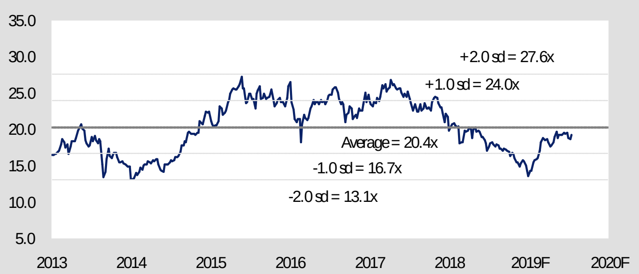
Net profit, Bt mn



Source: KGI Research, Company data

Figure 10: Company's PER

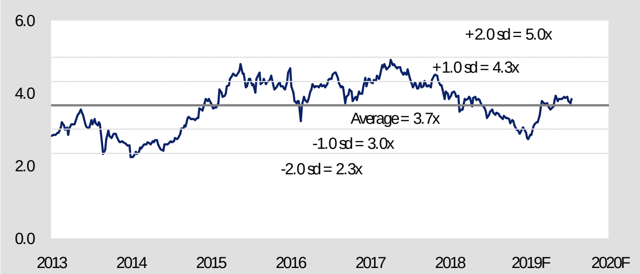
PER, times



Source: KGI Research

Figure 11: Company's PBV

PBV, times



Source: KGI Research

Quarterly Income Statement

	Mar-17A	Jun-17A	Sep-17A	Dec-17A	Mar-18A	Jun-18A	Sep-18A	Dec-18A	Mar-19A	Jun-19F
Income Statement (Bt mn)										
Revenue	**2,134**	**2,779**	**2,200**	**1,858**	**1,950**	**3,004**	**2,048**	**2,951**	**2,400**	**3,138**
Cost of Goods Sold	(1,418)	(1,727)	(1,488)	(1,325)	(1,330)	(1,911)	(1,417)	(1,841)	(1,609)	(1,964)
Gross Profit	**716**	**1,053**	**712**	**533**	**620**	**1,093**	**630**	**1,110**	**791**	**1,175**
Operating Expenses	**(553)**	**(570)**	**(601)**	**(638)**	**(520)**	**(577)**	**(546)**	**(848)**	**(609)**	**(603)**
Other incomes	11	12	13	12	11	11	10	6	10	10
Operating Profit	**174**	**495**	**124**	**(93)**	**111**	**526**	**94**	**268**	**192**	**582**
Depreciation of fixed assets	(354)	(299)	(381)	(302)	(283)	(358)	(320)	(303)	(343)	(358)
Operating EBITDA	**528**	**794**	**504**	**209**	**394**	**885**	**414**	**571**	**534**	**940**
Non-Operating Income	**25**	**24**	**47**	**5**	**26**	**26**	**27**	**5**	**13**	**12**
Interest Income	1	2	1	2	1	2	1	2	2	2
Other Non-op Income	24	22	46	3	25	23	25	3	11	10
Non-Operating Expenses	**(39)**	**(36)**	**(33)**	**(33)**	**(29)**	**(26)**	**(26)**	**(27)**	**(26)**	**(26)**
Interest Expense	(39)	(36)	(33)	(33)	(29)	(26)	(26)	(27)	(26)	(26)
Other Non-op Expenses	-	-	-	-	-	-	-	-	-	-
Net investment Income/(Loss)	**41**	**81**	**83**	**27**	**71**	**69**	**67**	**54**	**65**	**63**
Pre-tax Profit	**201**	**564**	**221**	**(94)**	**179**	**595**	**161**	**301**	**244**	**631**
Current taxation	(53)	(130)	(62)	(33)	(27)	(124)	(36)	(87)	(58)	(126)
Minorities	1	(6)	(4)	5	(2)	(3)	(4)	(6)	(6)	(7)
Extraordinary items	113	127	148	198	134	66	85	51	26	-
Net Profit	**262**	**554**	**302**	**75**	**284**	**534**	**206**	**259**	**205**	**498**
EPS (Bt)	0.29	0.62	0.34	0.08	0.32	0.60	0.23	0.29	0.23	0.56
Margins (%)										
Gross profit margin	33.6	37.9	32.4	28.7	31.8	36.4	30.8	37.6	33.0	37.4
Operating margin	8.1	17.8	5.6	(5.0)	5.7	17.5	4.6	9.1	8.0	18.5
Operating EBITDA margin	24.7	28.6	22.9	11.2	20.2	29.5	20.2	19.4	22.3	29.9
Net profit margin	12.3	20.0	13.7	4.0	14.6	17.8	10.1	8.8	8.6	15.9
Growth (%)										
Revenue growth	10.2	(0.3)	3.5	(2.0)	(8.6)	8.1	(7.0)	58.8	23.1	4.5
Operating growth	2.0	(6.5)	(37.4)	1.6	(36.2)	6.4	(24.2)	(388.2)	72.9	10.6
Operating EBITDA growth	22.1	(5.3)	(0.8)	(12.6)	(25.3)	11.4	(18.0)	173.8	35.6	6.2
Net profit growth	15.7	1.9	(9.1)	(12.2)	8.6	(3.7)	(31.9)	246.9	(27.8)	(6.7)

Source: KGI Research

Peer comparison - Key valuation stats

	Rating	Target price (Bt)	Current price (Bt)	Upside (%)	18A EPS (Bt)	19F EPS (Bt)	20F EPS (Bt)	19F EPS growth (%)	20F EPS growth (%)	19F PER (x)	20F PER (x)	19F PBV (X)	20F PBV (X)	19F Div Yield (%)	19F ROAE (%)
BEC	UR	NA	10.30	NA	(0.17)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
MAJOR*	OP	33.25	29.25	13.7	1.43	1.50	1.63	4.4	9.1	19.5	17.9	3.9	3.9	5.0	20.1
MONO	N	1.70	1.93	(11.9)	(0.1)	0.02	(0.1)	NM	NM	121.0	NA	2.5	2.7	0.0	2.10
PLANB*	OP	8.45	8.80	(4.0)	0.18	0.22	0.25	22.1	11.2	39.6	35.6	5.0	4.7	1.4	19.0
WORK	U	28.75	28.50	0.9	0.78	0.79	1.02	1.4	28.4	36.0	28.0	2.5	2.6	6.2	7.60
Sector	**Neutral**				**2.18**	**2.53**	**2.84**	**16.1**	**12.4**	**51.6**	**35.5**	**3.5**	**3.5**	**3.1**	**12.2**

Source: KGI Research

Balance Sheet

As of 31 Dec (Bt mn)	2017A	2018A	2019F	2020F	2021F
Total Assets	**13,808**	**14,074**	**13,592**	**13,618**	**13,628**
Current Assets	2,263	2,249	2,146	2,642	3,032
Cash & ST Investments	573	596	494	689	1,006
Inventories	141	129	165	172	177
Accounts Receivable	1,182	1,161	1,101	1,372	1,414
Others	367	363	385	409	435
Non-current Assets	11,545	11,825	11,446	10,976	10,597
LT Investments	3,074	3,451	3,451	3,451	3,451
Net fixed Assets	7,186	7,242	6,857	6,406	6,073
Others	1,285	1,133	1,139	1,119	1,073
Total Liabilities	**7,309**	**7,442**	**6,891**	**6,824**	**6,731**
Current Liabilities	3,946	4,671	4,522	4,475	4,400
Accounts Payable	1,675	2,453	2,752	2,630	2,475
ST Borrowings	2,134	2,021	1,557	1,615	1,676
Others	137	197	213	230	249
Long-term Liabilities	3,363	2,771	2,368	2,349	2,331
Long-term Debts	2,605	1,906	1,520	1,518	1,516
Others	758	865	848	831	815
Shareholders' Equity	**6,499**	**6,632**	**6,701**	**6,794**	**6,898**
Common Stock	895	895	895	895	895
Capital Surplus	4,056	4,056	4,056	4,056	4,056
Retained Earnings	1,487	1,648	1,735	1,854	1,999
Others	61	34	16	(11)	(51)

Source: KGI Research

Key Ratios

Year to 31 Dec (Bt mn)	2017A	2018A	2019F	2020F	2021F
Forecast Drivers					
Number of guest (mn)	32.1	37.8	39.7	41.7	43.3
Growth (% YoY)					
Sales	2.6	10.9	10.6	3.9	3.1
OP	(13.6)	47.8	32.5	8.1	(3.0)
EBITDA	1.0	14.7	15.7	7.7	2.0
NP	0.4	7.6	4.4	9.1	10.9
EPS	0.4	7.6	4.4	9.1	10.9
Profitability (%)					
Gross Margin	33.6	34.7	34.8	35.2	34.5
Operating Margin	7.3	9.7	11.6	12.1	11.3
EBITDA Margin	22.1	22.9	24.0	24.8	24.6
Net Profit Margin	13.3	12.9	12.2	12.8	13.7
ROAA	8.4	9.2	9.7	10.7	11.9
ROAE	18.1	19.6	20.1	21.7	23.7
Stability					
Gross Debt/Equity (%)	0.0	0.0	0.0	0.0	0.0
Net Debt/Equity (%)	63.9	50.0	38.4	35.9	31.6
Interest Coverage (x)	4.7	8.9	14.2	16.6	18.1
Interest & ST Debt Coverage (x)	0.3	0.5	0.8	0.8	0.8
Cash Flow Interest Coverage (x)	(17.2)	(29.3)	(33.6)	(30.3)	(37.7)
Cash Flow/Interest & ST Debt (x)	1.2	1.7	2.1	1.6	1.7
Current Ratio (x)	0.6	0.5	0.5	0.6	0.7
Quick Ratio (x)	0.5	0.5	0.4	0.6	0.6
Net Debt (Bt mn)	4,151	3,315	2,572	2,437	2,182
Per Share Data (Bt)					
EPS	1.3	1.4	1.5	1.6	1.8
CFPS	2.7	3.5	3.4	2.8	3.1
BVPS	7.3	7.4	7.5	7.6	7.7
SPS	10.0	11.1	12.3	12.8	13.2
EBITDA/Share	2.2	2.5	2.9	3.2	3.2
DPS	1.3	1.4	1.5	1.6	1.7
Activity					
Asset Turnover (x)	0.6	0.7	0.8	0.8	0.9
Days Receivables	49.6	43.0	37.5	39.5	43.1
Days Inventory	7.3	7.6	7.5	8.3	8.2
Days Payable	(208.1)	(218.2)	(248.1)	(244.3)	(229.1)
Cash Cycle	265.0	268.7	293.1	292.1	280.5

Source: KGI Research

Profit & Loss

Year to 31 Dec (Bt mn)	2017A	2018A	2019F	2020F	2021F
Revenue	**8,972**	**9,952**	**11,010**	**11,434**	**11,786**
Cost of Goods Sold	(5,958)	(6,499)	(7,181)	(7,413)	(7,720)
Gross Profit	**3,014**	**3,453**	**3,829**	**4,021**	**4,066**
Operating Expenses	(2,363)	(2,491)	(2,555)	(2,642)	(2,729)
Other incomes	-	-	-	-	-
Operating Profit	**651**	**962**	**1,274**	**1,378**	**1,337**
Depreciation of fixed assets	1,336	1,317	1,363	1,462	1,560
Operating EBITDA	**1,987**	**2,279**	**2,638**	**2,840**	**2,898**
Non-Operating Income	**735**	**457**	**210**	**222**	**234**
Interest Income	6	6	8	8	8
Other Non-op Income	728	450	203	215	227
Non-Operating Expenses	**(140)**	**(108)**	**(90)**	**(83)**	**(74)**
Interest Expense	(140)	(108)	(90)	(83)	(74)
Other Non-op Expenses	-	-	-	-	-
Equity Income/(Loss)	231	262	302	343	579
Pre-tax Profit	**1,477**	**1,572**	**1,697**	**1,861**	**2,076**
Current taxation	(279)	(273)	(339)	(372)	(415)
Minorities	(4)	(16)	(18)	(27)	(41)
Extraordinary items	-	-	-	-	-
Net Profit	**1,193**	**1,284**	**1,340**	**1,461**	**1,621**
EPS (Bt)	1.33	1.43	1.50	1.63	1.81

Source: KGI Research

Cash Flow

Year to 31 Dec (Bt mn)	2017A	2018A	2019F	2020F	2021F
Operating Cash Flow	2,407	3,167	3,017	2,513	2,787
Net Profit	1,477	1,572	1,697	1,861	2,076
Depreciation & Amortization	1,336	1,310	1,363	1,462	1,560
Change in Working Capital	89	621	260	(466)	(271)
Others	(495)	(336)	(302)	(343)	(579)
Investment Cash Flow	(510)	(1,043)	(891)	(892)	(891)
Net CAPEX	(836)	(947)	(700)	(700)	(700)
Change in LT Investment	208	(44)	-	-	-
Change in Other Assets	118	(52)	(191)	(192)	(191)
Free Cash Flow	1,897	2,123	2,127	1,621	1,896
Financing Cash Flow	(1,654)	(1,930)	(2,102)	(1,286)	(1,417)
Change in Share Capital	-	-	-	-	-
Net Change in Debt	(527)	(812)	(849)	56	59
Change in Other LT Liab.	(1,127)	(1,118)	(1,253)	(1,342)	(1,476)
Net Cash Flow	243	194	25	335	480

Source: KGI Research

Rates of Return on Invested Capital

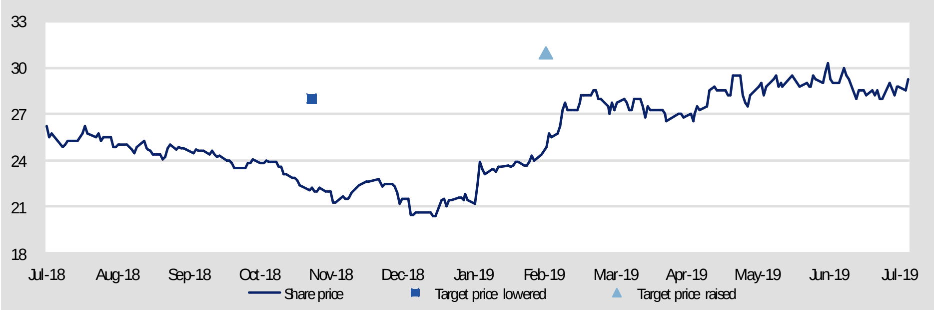
Year	1- COGS / Revenue	+	Depreciation / Revenue	+	Operating Exp. / Revenue	=	Operating Margin
Dec-17A	66.4%		14.9%		26.3%		-7.6%
Dec-18A	65.3%		13.2%		25.0%		-3.6%
Dec-19F	65.2%		12.4%		23.2%		-0.8%
Dec-20F	64.8%		12.8%		23.1%		-0.7%
Dec-21F	65.5%		13.2%		23.2%		-1.9%

Year	1/ Working Capital / Revenue	+	Net PPE / Revenue	+	Other Assets / Revenue	=	Capital Turnover
Dec-17A	0.01		0.80		0.18		1.01
Dec-18A	0.06		0.73		0.15		1.06
Dec-19F	0.02		0.62		0.14		1.27
Dec-20F	-0.04		0.56		0.13		1.53
Dec-21F	-0.02		0.52		0.13		1.61

Year	Operating Margin	x	Capital Turnover	x	Cash Tax Rate	=	After-tax Return on Inv. Capital
Dec-17A	-7.6%		1.0		81.1		-6.2
Dec-18A	-3.6%		1.1		82.6		-3.1
Dec-19F	-0.8%		1.3		80.0		-0.8
Dec-20F	-0.7%		1.5		80.0		-0.9
Dec-21F	-1.9%		1.6		80.0		-2.4

Source: KGI Research

Major Cineplex Group- Recommendation & target price history



Date	Rating	Target	Price
02-May-19	Outperform	31.75	28.50
20-Feb-19	Outperform	31.00	24.90
13-Nov-18	Outperform	28.00	22.20

Source: KGI Research

Corporate Governance Report of Thai Listed Companies

Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	HMPRO	HOME PRODUCT CENTER	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	INTUCH	SHIN CORPORATION	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
AOT	AIRPORTS OF THAILAND	IRPC	IRPC	ROBINS	ROBINSON DEPARTMENT STORE
AP	ASIAN PROPERTY DEVELOPMENT	IVL	INDORAMA VENTURES	SAMART	SAMART CORPORATION
BANPU	BANPU	KBANK	KASIKORNBANK	SAMTEL	SAMART TELCOMS
BCP	THE BANGCHAK PETROLEUM	KCE	KCE ELECTRONICS	SCB	THE SIAM COMMERCIAL BANK
BTS	BTS GROUP HOLDINGS	KKP	KIATNAKIN BANK	SCC	THE SIAM CEMENT
CK	CH. KARNCHANG	KTB	KRUNG THAI BANK	SCCC	SIAM CITY CEMENT
CPF	CHAROEN POKPHAND FOODS	KTC	KRUNGTHAI CARD	SPALI	SUPALAI
CPN	CENTRAL PATTANA	LPN	L.P.N. DEVELOPMENT	SPRC	STAR PETROLEUM REFINING
DELTA	DELTA ELECTRONICS (THAILAND)	MINT	MINOR INTERNATIONAL	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DTAC	TOTAL ACCESS COMMUNICATION	MONO	MONO TECHNOLOGY	SVI	SVI
EASTW	EASTERN WATER RESOURCES DEVELOPMENT AND MANAGE	PLANB	PLAN B MEDIA	TCAP	THANACHART CAPITAL
EGCO	ELECTRICITY GENERATING	PSH	PRUKSA HOLDING	THCOM	THAICOM
GFPT	GFPT	PTT	PTT	TISCO	TISCO FINANCIAL GROUP
GPSC	GLOBAL POWER SYNERGY	PTTEP	PTT EXPLORATION AND PRODUCTION	TMB	TMB BANK
GUNKUL	GUNKUL ENGINEERING	PTTGC	PTT GLOBAL CHEMICAL	TOP	THAI OIL
HANA	HANA MICROELECTRONICS	PYLON	PYLON	TRUE	TRUE CORPORATION

Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERAWAN GROUP	SAWAD	SRISAWAD POWER 1979
AMATA	AMATA CORPORATION	GLOBAL	SIAM GLOBAL HOUSE	SCI	SCI ELECTRIC
BBL	BANGKOK BANK	GLOW	GLOW ENERGY	SCN	SCAN INTER
BCPG	BCPG	LH	LAND AND HOUSES	SEAFCO	SEAFCO
BDMS	BANGKOK DUSIT MEDICAL SERVICES	MAJOR	MAJOR CINEPLEX GROUP	SIRI	SANSIRI
BEM	BANGKOK EXPRESSWAY AND METRO	MAKRO	SIAM MAKRO	SMT	STARS MICROELECTRONICS (THAILAND)
CENTEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	TASCO	TIPCO ASPHALT
CHG	CHULARAT HOSPITAL	MTLS	MUANGTHAI LEASING	TKN	TAOKAENOI FOOD & MARKETING
CKP	CK POWER	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
DCC	DYNASTY CERAMIC	RS	RS	TWPC	THAI WAH

Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AMA	AMA MARINE	BPP	BANPU POWER	SQ	SAHAKOL EQUIPMENT
BA	BANGKOK AIRWAYS	CBG	CARABAO GROUP	TPCH	TPC POWER HOLDING
BCH	BANGKOK CHAIN HOSPITAL	LPH	LADPRAO GENERAL HOSPITAL		
BH	BUMRUNGRAD HOSPITAL	SAPPE	SAPPE		

Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
BGRIM	B.GRIMM POWER	TOA	TOA PAINT (THAILAND)	WHAUP	WHA UTILITIES AND POWER
CPALL	CP ALL	UNIQ	UNIQUE ENGINEERING AND CONSTRUCTION	WORK	WORKPOINT ENTERTAINMENT
THAI	THAI AIRWAYS INTERNATIONAL	WHA	WHA CORPORATION		

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