

Malaysia

ADD (no change)

Consensus ratings*: Buy 12 Hold 2 Sell 1

| | |
|-------------------------|------------|
| Current price: | RM1.10 |
| Target price: | RM1.43 |
| Previous target: | RM1.45 |
| Up/downside: | 30.1% |
| CGS-CIMB / Consensus: | 12.5% |
| Reuters: | ASTR.KL |
| Bloomberg: | ASTRO MK |
| Market cap: | US\$1,364m |
| | RM5,736m |
| Average daily turnover: | US\$0.60m |
| | RM2.54m |
| Current shares o/s: | 5,202m |
| Free float: | 31.4% |

*Source: Bloomberg

Key changes in this note

- FY1/23-24F EPS cut by 4-12% on the back of lower subscription revenue.
- FY1/25F numbers are introduced.



Source: Bloomberg

| Price performance | 1M | 3M | 12M |
|-------------------|------|------|------|
| Absolute (%) | 11.1 | 15.8 | 14.6 |
| Relative (%) | 12.4 | 14.5 | 13.7 |

| Major shareholders | % held |
|--------------------------|--------|
| T.Ananda Krishnan | 41.3 |
| Khazanah Nasional | 20.7 |
| Employees Provident Fund | 6.6 |

Analyst(s)



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Astro Malaysia

Never underestimate this nimble giant

- Astro Malaysia's FY1/22 core net profit was slightly above our expectation, thanks to a lower effective tax rate and overall operating costs.
- The group tried to temper expectations of a marked yoy earnings recovery in FY1/23F, since the socio-economic landscape is still on the mend.
- However, we are of the view that Astro's strategy of bringing in more streaming services could lure cord-cutters back to the fold.

FY1/22 core net profit a tad ahead of our expectation

Astro Malaysia's FY1/22 core net profit fell by 27.6% yoy to RM474.9m, after deducting RM18m worth of unrealised foreign exchange losses. While Astro's FY1/22 bottomline contracted yoy, core net profit exceeded our expectations by 3% and made up 99% of Bloomberg consensus's full-year forecast. Astro's FY1/22 turnover receded by 15% yoy, as Malaysians' declining incomes during the 2020-21 lockdown hurt the group's subscription revenue and home-shopping division. What saved Astro were the 9.4% yoy savings in its FY1/22 operating costs and its effective tax rate falling to 22%. Astro's FY1/22 6.75 sen total DPS was, however, lower than our expectation of 7 sen.

Every cloud has its silver lining, even with gloomy skies ahead

During its FY1/22 earnings call, Astro highlighted the headwinds it could face in FY1/23F. It cited the big content fee for the 2022 FIFA World Cup and Commonwealth Games. The group emphasised the risk of its FY1/23F revenue buckling under the pressure of Malaysians' declining incomes as inflation creeps up. However, Astro also listed the initiatives it is carrying out that we believe could power its future earnings. It just launched its own broadband service last week. With the lower total price and Astro throwing in free WiFi meshes, we notice that Astro's broadband service has generated some interest on social media. More important to its earnings upside is Astro's commitment to distribute at least six more subscription-based video-on-demand (SVOD) services by end-CY22F. It seems that the market still does not appreciate the streaming-integration strategy, whereby Astro is building the foundations to win over viewers once the streaming market becomes extremely fragmented. In the future, TV shows and films will be dispersed across various streaming services and it will be too expensive for viewers to subscribe to all of them. We expect Astro's live TV-streaming-broadband bundle to be cheaper in the future, compared to subscribing to the different services piecemeal.

Reiterate Add

We cut our FY1/23-24F EPS by 4-12% on account of lower subscription revenue. While we still like Astro's streaming-integration strategy, we are cognisant of the impact of economic conditions on purchasing power. Our DCF-based TP inches down to RM1.43 (WACC: 9.3%). The stock offers CY22-23F yields of 6.2-6.4%, which we believe should be enough to compensate for the spike in inflation. Downside risks are high-income cord-cutters sticking to piracy, and advertising sales turning south.

| Financial Summary | Jan-21A | Jan-22A | Jan-23F | Jan-24F | Jan-25F |
|--------------------------------|---------|---------|---------|---------|---------|
| Revenue (RMm) | 4,360 | 4,176 | 4,265 | 4,666 | 4,792 |
| Operating EBITDA (RMm) | 1,472 | 1,286 | 1,196 | 1,312 | 1,317 |
| Net Profit (RMm) | 531.3 | 469.4 | 475.7 | 594.5 | 637.9 |
| Core EPS (RM) | 0.10 | 0.09 | 0.09 | 0.11 | 0.12 |
| Core EPS Growth | (18.0%) | (11.7%) | 1.3% | 25.0% | 7.3% |
| FD Core P/E (x) | 10.80 | 12.22 | 12.06 | 9.65 | 8.99 |
| DPS (RM) | 0.080 | 0.067 | 0.070 | 0.090 | 0.100 |
| Dividend Yield | 7.25% | 6.11% | 6.38% | 8.18% | 9.09% |
| EV/EBITDA (x) | 5.24 | 6.06 | 6.33 | 5.68 | 5.60 |
| P/FCFE (x) | 6.48 | 6.27 | 9.53 | 9.67 | 9.75 |
| Net Gearing | 166% | 165% | 136% | 117% | 103% |
| P/BV (x) | 5.32 | 5.10 | 4.71 | 4.31 | 3.94 |
| ROE | 55.0% | 42.6% | 40.6% | 46.6% | 45.8% |
| % Change In Core EPS Estimates | | | (4.3%) | (12.2%) | |
| CGS-CIMB/Consensus EPS (x) | | | 0.89 | 0.99 | |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 1: Results comparison

| FYE Jan (RM m) | 4QFY22 | 4QFY21 | yoy % chg | 3QFY22 | qoq % chg | 4QFY22 Cum | 4QFY21 Cum | yoy % chg | Prev. FY22F | Comments |
|-----------------------|--------------|--------------|---------------|--------------|--------------|---------------|---------------|---------------|----------------|---|
| Revenue | 1,031 | 1,226 | (15.9) | 1,022 | 0.9 | 4,176 | 4,912 | (15.0) | 4,338 | Hit by falling subscription revenue and home-shopping |
| Operating costs | (725.8) | (841.3) | (13.7) | (726.3) | (0.1) | (2,890) | (3,189) | (9.4) | (3,096) | Proactive in recalibrating costs |
| EBITDA | 305.5 | 384.3 | (20.5) | 296.1 | 3.2 | 1,286 | 1,723 | (25.3) | 1,242 | Above expectation |
| EBITDA margin (%) | 29.6 | 31.4 | | 29.0 | | 30.8 | 35.1 | | 28.6 | |
| Depn & amort. | (111.6) | (175.9) | (36.6) | (150.1) | (25.6) | (518) | (650) | (20.3) | (488) | Below expectation |
| EBIT | 193.9 | 208.4 | (7.0) | 146.0 | 32.8 | 768 | 1,073 | (28.4) | 754 | In line |
| Interest expense | 4.2 | (39.2) | 110.7 | (27.1) | 115.5 | 17 | (239) | 107.2 | (190) | Total borrowings of RM2.7bn as at end-Jan 2021 |
| Interest & invt inc | (39.8) | 7.7 | (616.9) | 3.4 | n.m. | (181) | 29 | (715.0) | 37 | Total cash of RM726.7m as at end-Jan 2021 |
| Associates' contrib | - | - | - | 0.1 | (100.0) | 0.1 | 0.1 | - | 2.0 | |
| Exceptionals | (6.0) | 19.0 | | 12.0 | | (14) | (1) | | - | Solely consisted of unrealised forex loss |
| Pre-tax profit | 152.3 | 195.9 | (22.3) | 134.4 | 13.3 | 591 | 863 | (31.5) | 603 | Within expectation |
| Tax | (27.3) | (58.2) | (53.1) | (29.3) | (6.8) | (130) | (218) | (40.3) | (145) | Above expectation |
| Tax rate (%) | 17.9 | 29.7 | | 21.8 | | 22.0 | 25.3 | | 24.0 | Offset by tax allowance and deferred over-provision |
| Minority interests | 1.6 | 1.2 | 33.3 | 0.8 | 100.0 | 0 | 11 | (97.2) | 3 | From DTH satellite TV operations in Brunei |
| Net profit | 126.6 | 138.9 | (8.9) | 105.9 | 19.5 | 461 | 655 | (29.7) | 461 | |
| Core net profit | 132.6 | 119.9 | 10.6 | 93.9 | 41.2 | 474.9 | 656.3 | (27.6) | 461 | Above expectation |
| EPS (sen) | 2.4 | 2.7 | (8.9) | 2.0 | 19.5 | 8.8 | 12.6 | (29.7) | 8.9 | FY1/22 core net profit made up 103% of our full-year |
| Core EPS (sen) | 2.5 | 2.3 | 10.6 | 1.8 | 41.2 | 9.1 | 12.6 | (27.6) | 8.9 | forecast, and 99% of Bloomberg consensus's estimates |
| Net DPS (sen) | 2.3 | 1.5 | 50.0 | 1.5 | 50.0 | 6.8 | 7.5 | (10.0) | 7.1 | Below expectation |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 2: Segmental breakdown

| | 4QFY22 | 4QFY21 | yoy % chg | 3QFY22 | qoq % chg | 4QFY22 cum. | 4QFY21 cum. | yoy % chg | Comments |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|--------------|---|
| Revenue breakdown (RM m) | | | | | | | | | |
| TV | 907.9 | 952.2 | (4.7) | 896.1 | 1.3 | 3,630 | 3,738 | (2.9) | |
| - Subscription revenue | 741.8 | 797.5 | (7.0) | 763.4 | (2.8) | 3,061 | 3,247 | (5.7) | Subscribers' incomes pressured by the lockdown |
| - Advertising revenue | 90.0 | 83.9 | 7.3 | 61.7 | 45.9 | 284.7 | 267.0 | 6.6 | Ad sales rebounded with the economic re-opening |
| - Others | 76.1 | 70.8 | 7.5 | 71.0 | 7.2 | 283.8 | 223.8 | 26.8 | |
| Radio | 56.5 | 46.1 | 22.6 | 32.5 | 73.8 | 164.5 | 160.6 | 2.4 | Benefited from cars filing back up roads |
| Home shopping | 66.9 | 110.5 | (39.5) | 93.8 | (28.7) | 381.2 | 461.2 | (17.3) | Basket of goods shrank as the economy was in a downturn |
| Total revenue | 1,031 | 1,109 | (7.0) | 1,053 | (2.1) | 4,175 | 4,360 | (4.2) | |

| | 4QFY22 | 4QFY21 | yoy % chg | 3QFY22 | qoq % chg | 4QFY22 cum. | 4QFY21 cum. | yoy % chg | |
|--|--------------|--------------|---------------|--------------|--------------|----------------|----------------|---------------|--|
| Pre-tax profit breakdown (RM m) | | | | | | | | | |
| TV | 133.7 | 174.4 | (23.3) | 127.3 | 5.0 | 526.7 | 621.4 | (15.2) | |
| Radio | 43.3 | 21.8 | 98.6 | 6.4 | 576.6 | 81.7 | 58.1 | 40.6 | |
| Home shopping | (4.9) | 4.3 | (214.0) | (1.2) | 308.3 | (0.4) | (16.6) | (97.6) | |
| Others/elimination | (19.8) | 1.2 | (1,750.0) | 1.9 | (1,142.1) | (17.3) | 29.9 | (157.9) | |
| Total pre-tax profit | 152.3 | 201.7 | (24.5) | 134.4 | 13.3 | 590.7 | 692.8 | (14.7) | |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS


Figure 3: Earnings revision

| | Previous | | Revised | | Changes in (%) | |
|----------------|----------|-------|---------|-------|----------------|-------|
| | FY23F | FY24F | FY23F | FY24F | FY23F | FY24F |
| Revenue | 4641 | 5200 | 4265 | 4666 | -8 | -10 |
| EBITDA | 1239 | 1443 | 1196 | 1312 | -3 | -9 |
| EBIT | 785.7 | 1030 | 750.1 | 911.5 | -5 | -12 |
| Pre-tax profit | 676.3 | 921.2 | 622.7 | 784.4 | -8 | -15 |
| Net profit | 497.1 | 677.1 | 475.7 | 594.5 | -4 | -12 |
| EPS (sen) | 9.5 | 13.0 | 9.1 | 11.4 | -4 | -12 |
| DPS (sen) | 7.6 | 11.0 | 7.0 | 9.0 | -8 | -18 |

SOURCE: CGS-CIMB RESEARCH ESTIMATES

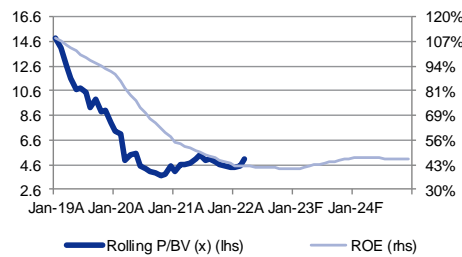
Figure 4: Sector comparisons

| CGS-CIMB Research's Malaysia media sector coverage | | | | | | | | | | | | | | | | |
|---|------------------|--------|--------------------------|---------------------------|---------------------|--------------|-------------|---------------------|------------|------------|-------------------|--------------|---------------|-------------|--------------------|-------------|
| Company | Bloomberg Ticker | Recom. | Share price (local curr) | Target Price (local curr) | Market Cap (US\$ m) | Core P/E (x) | | 3-year EPS CAGR (%) | P/BV (x) | | Recurring ROE (%) | | EV/EBITDA (x) | | Dividend Yield (%) | |
| | | | | | | CY22F | CY23F | | CY22F | CY23F | CY22F | CY23F | CY22F | CY23F | CY22F | CY23F |
| Media Chinese Int'l | MCIL MK | Add | 0.160 | 0.21 | 64 | 373.8 | 158.8 | 47.3% | 0.39 | 0.39 | 0.4% | 0.9% | 0.9 | 1.8 | 1.5% | 1.1% |
| Media Prima Bhd | MPR MK | Add | 0.635 | 0.96 | 168 | 9.9 | 9.2 | na | 1.11 | 1.06 | 11.8% | 11.9% | 2.4 | 2.2 | 2.4% | 4.4% |
| Star Media Group Bhd | STAR MK | Add | 0.35 | 0.42 | 60 | na | na | na | 0.40 | 0.41 | -4.7% | -0.6% | na | -12.8 | 0.0% | 5.7% |
| Weighted Average | | | | | | 87.8 | 40.2 | 10.4% | 0.8 | 0.8 | 5.9% | 6.9% | 1.6 | -1.0 | 1.7% | 3.9% |
| Simple Average | | | | | | na | na | na | 0.6 | 0.6 | 2.5% | 4.0% | 1.6 | -2.9 | 1.3% | 3.7% |
| Global pay-TV and streaming industry | | | | | | | | | | | | | | | | |
| Company | Bloomberg Ticker | Recom. | Share price (local curr) | Target Price (local curr) | Market Cap (US\$ m) | Core P/E (x) | | 3-year EPS CAGR (%) | P/BV (x) | | Recurring ROE (%) | | EV/EBITDA (x) | | Dividend Yield (%) | |
| | | | | | | CY22F | CY23F | | CY22F | CY23F | CY22F | CY23F | CY22F | CY23F | CY22F | CY23F |
| Astro Malaysia | ASTRO MK | Add | 1.10 | 1.43 | 1,364 | 12.1 | 12.1 | -4.2% | 5.12 | 4.74 | 43.7% | 40.9% | 5.9 | 6.3 | 6.2% | 6.4% |
| Charter | CHTR US | NR | 570.12 | NA | 121,279 | 21.8 | 19.6 | 22.0% | 8.20 | 9.07 | 30.6% | 34.2% | 9.9 | 9.4 | NA | NA |
| CJ ENM | 035760 KS | Add | 131,400 | 180,000 | 2,378 | 13.2 | 12.3 | 60.1% | 0.79 | 0.76 | 6.2% | 6.3% | 4.1 | 3.8 | 6.4% | 4.1% |
| Comcast | CMCSA US | NR | 47.69 | NA | 215,102 | 13.4 | 12.4 | 19.2% | 2.11 | 2.01 | 16.3% | 17.6% | 8.5 | 8.1 | 2.1% | 2.3% |
| DISH Network | DISH US | NR | 31.88 | NA | 16,497 | 9.8 | 13.5 | -15.9% | 1.73 | 1.66 | 10.5% | 7.7% | 10.7 | 11.5 | NA | NA |
| KT Skylife | 053210 KS | NR | 8,890 | NA | 350 | 6.4 | 6.0 | 5.5% | 0.51 | 0.48 | 8.3% | 8.7% | 2.1 | 2.1 | 3.9% | 4.3% |
| Shaw Communication | SJR US | NR | 31.15 | NA | 15,506 | 24.9 | 24.1 | 0.8% | 1.90 | 1.89 | 12.8% | 13.2% | 9.9 | 9.7 | NA | NA |
| SKY Network Television | SKT NZ | NR | 2.90 | NA | 351 | 11.1 | 9.7 | 7.4% | 1.05 | 1.00 | NA | NA | 3.3 | 3.2 | NA | 5.4% |
| SKY Perfect | 9412 JT | NR | 414.00 | NA | 1,011 | 8.9 | 8.5 | 2.6% | 0.49 | 0.47 | 5.8% | 6.0% | 3.2 | 3.1 | 4.3% | 4.3% |
| Starhub | STH SP | Hold | 1.29 | 1.40 | 1,650 | 15.2 | 28.1 | -8.7% | 3.80 | 3.85 | 26.4% | 13.6% | 6.0 | 8.0 | 5.0% | 3.9% |
| Discovery Inc | DISCA US | NR | 25.70 | NA | 16,788 | 8.6 | 8.0 | 21.8% | 4.46 | 5.03 | 14.6% | 15.6% | 7.4 | 7.0 | NA | NA |
| Fox Corp | FOXA US | NR | 40.14 | NA | 21,841 | 12.0 | 11.6 | 0.5% | 3.22 | 3.02 | 15.9% | 16.5% | 8.1 | 7.9 | 0.7% | 0.7% |
| Netflix Inc | NFLX US | NR | 381.47 | NA | 166,422 | 31.4 | 24.3 | 23.8% | 8.33 | 6.63 | 33.4% | 43.2% | 24.4 | 19.5 | NA | NA |
| Paramount Global | PARA US | NR | 38.10 | NA | 24,643 | 13.0 | 15.6 | -15.1% | 1.15 | 1.06 | 8.2% | 6.9% | 10.0 | 10.7 | 4.7% | 2.4% |
| Walt Disney Co | DIS US | NR | 140.96 | NA | 253,796 | 31.3 | 24.9 | 22.0% | 2.57 | 2.37 | 7.8% | 9.8% | 18.6 | 15.9 | NA | 0.7% |
| Weighted average | | | | | | 23.4 | 19.7 | 18.9% | 4.3 | 4.1 | 18.7% | 21.9% | 14.8 | 12.9 | 0.7% | 0.9% |
| Simple average | | | | | | 15.5 | 15.4 | 9.4% | 3.0 | 2.9 | 17.2% | 17.1% | 8.8 | 8.4 | 4.2% | 3.4% |
| NOTE: FORECASTS FOR NON-RATED (NR) COMPANIES ARE BASED ON BLOOMBERG CONSENSUS ESTIMATES | | | | | | | | | | | | | | | | |
| AS AT 31 MAR 2022 | | | | | | | | | | | | | | | | |
| SOURCES: CGS-CIMB RESEARCH ESTIMATES, BLOOMBERG, COMPANY REPORTS | | | | | | | | | | | | | | | | |

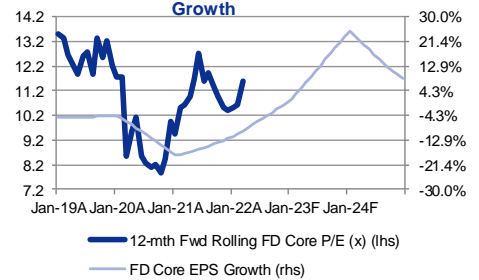
| ESG in a nutshell | | Refinitiv ESG Scores | | | | | |
|--|--|---|--|--|--|--|--|
| | |  <div> <div>B- ESG Score</div> <div>A+ ESG Controversies Score</div> <div>B- ESG Combined Score</div> <div>C+ ESG Environment Pillar Score</div> <div>B- ESG Social Pillar Score</div> <div>B ESG Government Pillar Score</div> </div> | | | | | |
| <p>As the biggest entertainment-based media player and broadcaster in terms of revenue, Astro doubles as the biggest investor in Malaysia's entertainment and arts industry. The group's digital convergence strategy has freed up much of its content cost allocation for international television stations, which will be reinvested in its local content segment. The group vows to elevate the local content industry by enhancing its production quality and capitalising on the digital media's unfettered field to bring fresh storytelling. Apart from entertaining Malaysians, Astro champions quality education and public information; it has a 24-hour virtual classroom channel and constantly airs public service announcements on material social issues.</p> | | | | | | | |
| Keep your eye on <p>Astro's digital convergence strategy, which mostly encompasses replacing its international TV channels with trendy subscription-based video-on-demand (SVOD) services, is more than a necessity to transform its business model. The rejigging of its content costs will benefit local productions as more allocation will be channeled to produce local content.</p> | | Implications <p>While the bulk of the investing community may only be drawn to Hollywood and Korean productions, over 75% of Astro's subscribers and customers tune in for local language programmes. Investing more in new local content will give Astro the adhesive to hook audiences and provide more jobs to Malaysia's entertainment and arts talent. The unregulated nature of the Internet may also give local talent and Astro room to experiment with new storytelling formulas that could bring Malaysia's entertainment industry to new heights.</p> | | | | | |
| ESG highlights <p>Astro is an advocate of the government's social agendas. It does not just promote the local entertainment and arts industry, it also actively uses its broadcasting space to air public service announcements that inform and educate Malaysians on various matters. Astro is also neither owned by a political party nor is it a government-linked corporation (GLC).</p> | | Implications <p>According to Astro, its Astro Awani channel and app are one of the most followed news outlets in Malaysia. We attribute this to Astro's stance of being politically neutral, giving it a measure of credibility in the digital age.</p> | | | | | |
| Trends <p>The group's digital convergence strategy was put into motion in FY1/22 and will be a work in progress for years to come. Long stigmatised as a demoded satellite broadcaster, Astro is working on bringing back lapsed subscribers with an unrivalled slate of SVOD services.</p> | | Implications <p>Astro tends to be valued at a significant EV/EBITDA discount to its global broadcasting and video streaming peers. However, we are of the view that its digital convergence strategy will give it a leg up to narrow the discount.</p> | | | | | |
| | | SOURCES: CGS-CIMB RESEARCH, REFINITIV | | | | | |

BY THE NUMBERS

P/BV vs ROE



12-mth Fwd FD Core P/E vs FD Core EPS Growth



Profit & Loss

| (RMm) | Jan-21A | Jan-22A | Jan-23F | Jan-24F | Jan-25F |
|---|--------------|--------------|--------------|--------------|--------------|
| Total Net Revenues | 4,360 | 4,176 | 4,265 | 4,666 | 4,792 |
| Gross Profit | 2,446 | 2,442 | 2,424 | 2,654 | 2,707 |
| Operating EBITDA | 1,472 | 1,286 | 1,196 | 1,312 | 1,317 |
| Depreciation And Amortisation | (579) | (514) | (446) | (401) | (347) |
| Operating EBIT | 893 | 772 | 750 | 911 | 970 |
| Financial Income/(Expense) | (208) | (173) | (111) | (111) | (110) |
| Pretax Income/(Loss) from Assoc. | (0) | 0 | 2 | 2 | 2 |
| Non-Operating Income/(Expense) | 0 | 0 | 0 | 0 | 0 |
| Profit Before Tax (pre-EI) | 684 | 599 | 641 | 802 | 861 |
| Exceptional Items | 0 | 0 | 0 | 0 | 0 |
| Pre-tax Profit | 684 | 599 | 641 | 802 | 861 |
| Taxation | (165) | (130) | (168) | (212) | (228) |
| Exceptional Income - post-tax | 0 | 0 | 0 | 0 | 0 |
| Profit After Tax | 519 | 469 | 473 | 591 | 634 |
| Minority Interests | 12 | 0 | 3 | 4 | 4 |
| Preferred Dividends | 0 | 0 | 0 | 0 | 0 |
| FX Gain/(Loss) - post tax | 0 | 0 | 0 | 0 | 0 |
| Other Adjustments - post-tax | 0 | 0 | 0 | 0 | 0 |
| Net Profit | 531 | 469 | 476 | 595 | 638 |
| Recurring Net Profit | 531 | 469 | 476 | 595 | 638 |
| Fully Diluted Recurring Net Profit | 531 | 469 | 476 | 595 | 638 |

Cash Flow

| (RMm) | Jan-21A | Jan-22A | Jan-23F | Jan-24F | Jan-25F |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|
| EBITDA | 1,472 | 1,286 | 1,196 | 1,312 | 1,317 |
| Cash Flow from Inv. & Assoc. | | | | | |
| Change In Working Capital | 13 | (221) | 54 | 39 | 25 |
| (Incr)/Decr in Total Provisions | | | | | |
| Other Non-Cash (Income)/Expense | | | | | |
| Other Operating Cashflow | 570 | 549 | (2) | (2) | 0 |
| Net Interest (Paid)/Received | (208) | (173) | (111) | (111) | (110) |
| Tax Paid | (165) | (130) | (168) | (212) | (228) |
| Cashflow From Operations | 1,681 | 1,311 | 968 | 1,027 | 1,004 |
| Capex | (401) | (594) | (256) | (280) | (288) |
| Disposals Of FAs/subsidiaries | 6 | 287 | 0 | 0 | 0 |
| Acq. Of Subsidiaries/investments | | | | | |
| Other Investing Cashflow | (139) | 1 | 1 | 1 | 1 |
| Cash Flow From Investing | (534) | (306) | (255) | (279) | (287) |
| Debt Raised/(repaid) | (262) | (90) | (112) | (155) | (129) |
| Proceeds From Issue Of Shares | 0 | 0 | 0 | 0 | 0 |
| Shares Repurchased | 0 | 0 | 0 | 0 | 0 |
| Dividends Paid | (416) | (350) | (366) | (461) | (496) |
| Preferred Dividends | | | | | |
| Other Financing Cashflow | 0 | 0 | 0 | 0 | 0 |
| Cash Flow From Financing | (678) | (440) | (478) | (616) | (625) |
| Total Cash Generated | 469 | 565 | 236 | 132 | 92 |
| Free Cashflow To Equity | 885 | 915 | 602 | 593 | 588 |
| Free Cashflow To Firm | 1,379 | 1,195 | 862 | 896 | 865 |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd

Balance Sheet

| (RMm) | Jan-21A | Jan-22A | Jan-23F | Jan-24F | Jan-25F |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Cash And Equivalents | 1,107 | 727 | 946 | 1,062 | 1,139 |
| Total Debtors | 572 | 723 | 738 | 808 | 830 |
| Inventories | 13 | 20 | 20 | 22 | 23 |
| Total Other Current Assets | 50 | 49 | 49 | 49 | 49 |
| Total Current Assets | 1,741 | 1,518 | 1,754 | 1,941 | 2,040 |
| Fixed Assets | 599 | 614 | 553 | 560 | 629 |
| Total Investments | 0 | 0 | 0 | 0 | 0 |
| Intangible Assets | 1,934 | 2,005 | 2,005 | 2,005 | 2,005 |
| Total Other Non-Current Assets | 1,511 | 1,188 | 1,188 | 1,188 | 1,188 |
| Total Non-current Assets | 4,044 | 3,807 | 3,745 | 3,753 | 3,822 |
| Short-term Debt | 323 | 894 | 894 | 894 | 894 |
| Current Portion of Long-Term Debt | | | | | |
| Total Creditors | 1,247 | 1,122 | 1,192 | 1,303 | 1,350 |
| Other Current Liabilities | 71 | 11 | 11 | 11 | 11 |
| Total Current Liabilities | 1,641 | 2,027 | 2,096 | 2,207 | 2,254 |
| Total Long-term Debt | 2,691 | 1,816 | 1,816 | 1,816 | 1,816 |
| Hybrid Debt - Debt Component | | | | | |
| Total Other Non-Current Liabilities | 305 | 278 | 294 | 267 | 268 |
| Total Non-current Liabilities | 2,996 | 2,094 | 2,110 | 2,083 | 2,084 |
| Total Provisions | 0 | 0 | 0 | 0 | 0 |
| Total Liabilities | 4,637 | 4,121 | 4,207 | 4,291 | 4,339 |
| Shareholders' Equity | 1,078 | 1,125 | 1,217 | 1,332 | 1,456 |
| Minority Interests | 71 | 78 | 75 | 71 | 67 |
| Total Equity | 1,149 | 1,204 | 1,292 | 1,404 | 1,523 |

Key Ratios

| | Jan-21A | Jan-22A | Jan-23F | Jan-24F | Jan-25F |
|---------------------------|---------|---------|---------|---------|---------|
| Revenue Growth | (11.2%) | (4.2%) | 2.1% | 9.4% | 2.7% |
| Operating EBITDA Growth | (14.6%) | (12.6%) | (7.0%) | 9.7% | 0.4% |
| Operating EBITDA Margin | 33.8% | 30.8% | 28.0% | 28.1% | 27.5% |
| Net Cash Per Share (RM) | (0.37) | (0.38) | (0.34) | (0.32) | (0.30) |
| BVPS (RM) | 0.21 | 0.22 | 0.23 | 0.26 | 0.28 |
| Gross Interest Cover | 3.85 | 4.06 | 5.04 | 6.14 | 6.56 |
| Effective Tax Rate | 24.1% | 21.7% | 26.2% | 26.4% | 26.4% |
| Net Dividend Payout Ratio | 59.7% | 58.4% | 56.9% | 57.2% | 57.3% |
| Accounts Receivables Days | 52.08 | 56.58 | 62.52 | 60.46 | 62.52 |
| Inventory Days | 2.48 | 3.42 | 3.95 | 3.82 | 3.92 |
| Accounts Payables Days | 241.5 | 249.5 | 229.4 | 226.2 | 232.8 |
| ROIC (%) | 17.5% | 17.9% | 15.8% | 19.9% | 21.3% |
| ROCE (%) | 21.3% | 19.6% | 19.9% | 23.4% | 24.1% |
| Return On Average Assets | 14.1% | 13.2% | 13.3% | 15.8% | 16.3% |

Key Drivers

| | Jan-21A | Jan-22A | Jan-23F | Jan-24F | Jan-25F |
|------------------------------|---------|---------|---------|---------|---------|
| TV subscription growth (%) | -10.4% | -5.7% | 1.5% | 12.1% | 3.6% |
| TV advertising growth (%) | -27.3% | 6.6% | 3.0% | 4.5% | 5.4% |
| TV others growth (%) | -19.8% | 26.8% | -2.0% | 0.0% | -10.1% |
| Radio advertising growth (%) | -41.3% | 2.4% | 15.0% | 0.0% | 0.0% |
| Home-shopping growth (%) | 25.5% | -17.3% | 4.2% | 3.0% | 3.0% |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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| | | | | | |
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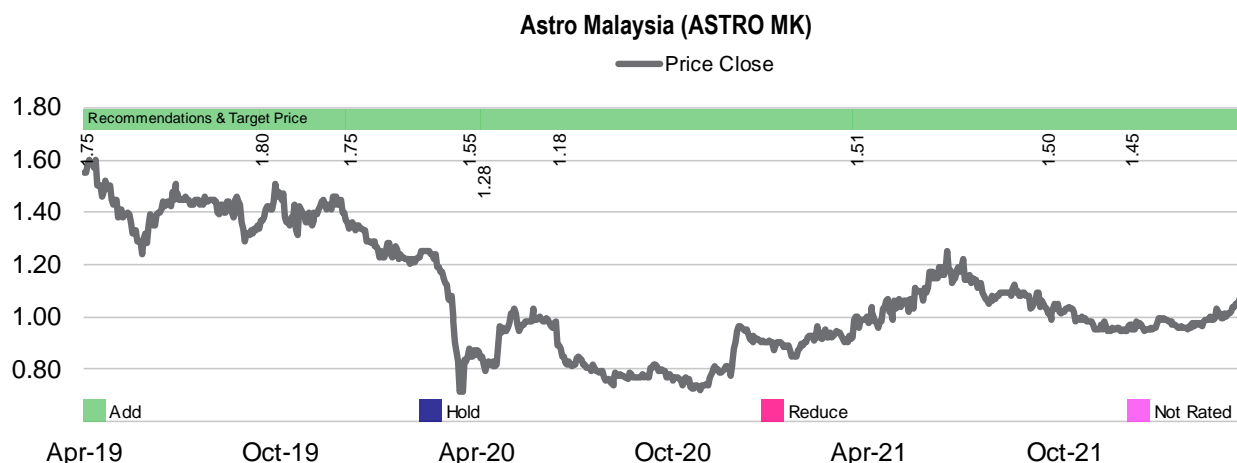
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| Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2021 | | |
|--|-------------------------|--------------------------------|
| 619 companies under coverage for quarter ended on 31 December 2021 | | |
| | Rating Distribution (%) | Investment Banking clients (%) |
| Add | 71.1% | 1.5% |
| Hold | 21.8% | 0.0% |
| Reduce | 7.1% | 0.0% |

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 2021, Anti-Corruption 2021

ADVANC – Excellent, Certified, **AMATA** – Excellent, Certified, **ANAN** – Excellent, n/a, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Excellent, n/a, **AWC** – Excellent, Declared, **AU** – Good, n/a, **BAM** – Very Good, Certified, **BAY** – Excellent, Certified, **BBL** – Excellent, Certified, **BCH** – Very Good, Certified, **BCP** – Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Excellent, n/a, **BEAUTY** – Good, n/a, **BEM** – Excellent, n/a, **BH** – Good, n/a, **BJC** – Very Good, n/a, **BLA** – Very Good, Certified, **BTS** – Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – n/a, n/a, **CENTEL** – Excellent, Certified, **CHAYO** – Very Good, n/a, **CHG** – Very Good, n/a, **CK** – Excellent, n/a, **COM7** – Excellent, Certified, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** – Excellent, Certified, **CPNREIT** – n/a, n/a, **CRC** – Excellent, Declared, **DELTA** – Excellent, Certified, **DDD** – Excellent, n/a, **DIF** – n/a, n/a, **DOHOME** – Very Good, Declared, **DREIT** – n/a, n/a, **DTAC** – Excellent, Certified, **ECL** – Excellent, Certified, **EGCO** – Excellent, Certified, **EPG** – Excellent, Certified, **ERW** – Very Good, Certified, **GFPT** – Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Excellent, n/a, **HANA** – Excellent, Certified, **HMPRO** – Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Certified, **III** – Excellent, Declared, **INTUCH** – Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** – Excellent, Certified, **JASIF** – n/a, n/a, **JKN** – n/a, Certified, **JMT** – Very Good, n/a, **KBANK** – Excellent, Certified, **KCE** – Excellent, Certified, **KEX** – Very Good, Declared, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** – Excellent, Certified, **KTC** – Excellent, Certified, **LH** – Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MAKRO** – Excellent, Certified, **MC** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** – Excellent, Certified, **MTC** – Excellent, Certified, **NETBAY** – Very Good, n/a, **NRF** – Very Good, Declared, **OR** – Excellent, n/a, **ORI** – Excellent, Certified, **OSP** – Excellent, n/a, **PLANB** – Excellent, Certified, **PRINC** – Very Good, Certified, **PR9** – Excellent, Declared, **PSH** – Excellent, Certified, **PTT** – Excellent, Certified, **PTTEP** – Excellent, n/a, **PTTGC** – Excellent, Certified, **QH** – Excellent, Certified, **RAM** – n/a, n/a, **RBF** – Very Good, n/a, **RS** – Excellent, Declared, **RSP** – Good, n/a, **S** – Excellent, n/a, **SAK** – Very Good, Declared, **SAPPE** – Very Good, Certified, **SAWAD** – Very Good, n/a, **SCB** – Excellent, Certified, **SCC** – Excellent, Certified, **SCGP** – Excellent, Declared, **SECURE** – n/a, n/a, **SHR** – Excellent, n/a, **SIRI** – Excellent, Certified, **SPA** – Very Good, n/a, **SPALI** – Excellent, Certified, **SPRC** – Excellent, Certified, **SSP** – Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIDLOR** – n/a, Certified, **TISCO** – Excellent, Certified, **TKN** – Very Good, n/a, **TOP** – Excellent, Certified, **TRUE** – Excellent, Certified, **TTB** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Certified, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – n/a, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

- CG Score 2021 from Thai Institute of Directors Association (IOD)

- Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of August 5, 2021) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.

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. |

