

## Singapore

**HOLD** (no change)

Consensus ratings\*: Buy 0 Hold 3 Sell 2

|                         |            |
|-------------------------|------------|
| Current price:          | S\$1.05    |
| Target price:           | S\$1.10    |
| Previous target:        | S\$1.35    |
| Up/downside:            | 4.7%       |
| CGS-CIMB / Consensus:   | -5.7%      |
| Reuters:                | SPRM.SI    |
| Bloomberg:              | SPH SP     |
| Market cap:             | US\$1,229m |
|                         | S\$1,670m  |
| Average daily turnover: | US\$5.35m  |
|                         | S\$7.34m   |
| Current shares o/s:     | 1,596m     |
| Free float:             | 95.7%      |

\*Source: Bloomberg

**Key changes in this note**

- FY21F EPS decreased by 18.4%
- FY22F EPS decreased by 11.1%



Source: Bloomberg

| Price performance | 1M   | 3M    | 12M   |
|-------------------|------|-------|-------|
| Absolute (%)      | -1   | -16.7 | -50.9 |
| Relative (%)      | -4.1 | -14.3 | -33.3 |

**Major shareholders**

|                      | % held |
|----------------------|--------|
| Vanguard Group       | 2.2    |
| Blackrock            | 1.9    |
| Toronto-Dominion Ban | 0.8    |

**Analyst(s)**

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# Singapore Press Holdings

## A year to forget

- SPH sank into FY20 net loss of S\$83.7m due to S\$245.6m exceptional items, below our/consensus full-year forecasts. DPS of 2.5 Scts was also a miss.
- Media posted its first PBT loss of S\$11.4m; property offers recovery and inorganic growth opportunities to drive higher earnings and dividends.
- We see value in its property portfolio, and believe the higher net gearing and cautious outlook are largely in the price at 0.45x FY20 P/BV. Reiterate Hold.

**FY20 miss on net profit and DPS**

SPH reported FY20 PATMI loss of S\$83.7m, which was a miss against our/consensus full-year forecasts, no thanks to S\$245.6m exceptional items, which consisted of S\$232m fair value loss on investment properties, S\$27.5m impairment charges and S\$25.7m divestment gain (a testament to the group's capital recycling strategy). Excluding these, FY20 core operating profit of S\$139.5m would have been in line with our but below consensus. Overall topline fell 9.8% yoy on the back of a 22.8% decline in media revenue, mitigated by 10.3% rise in property contribution (acquisitions of Westfield Marion, Student Castle portfolio and Galileo Residenz) and 8.7% higher other revenue (mainly from aged care). The group declared final DPS of 1 Scts, bringing FY20 DPS to only 2.5 Scts (or 2.4% yield), below our and consensus expectations.

**Media registered its first core loss**

SPH continued to face advertising headwinds in FY20. Its newspaper print and digital ad revenue dropped 32.9% and 6.2% yoy, respectively, as marketing budgets were scaled back, while circulation revenue was largely stable. Multiple rightsizing exercises (S\$16.6m retrenchment costs) and a S\$28.1m job support scheme (JSS) could not save the media segment from its first PBT loss of S\$11.4m. We expect it to remain loss-making in the near-term until revenue growth returns.

**Mixed outlook for the property segment**

While the retail environment for its malls in Singapore and Australia remains challenging, SPH benefitted from a bigger aged care portfolio, encouraging sales of its Woodleigh Residences (56% sold as at 4 Oct) and improving traction at its >S\$1.4bn PBSA that has achieved 88% of AY20/21 target revenue.

**Reiterate Hold with lower EPS and SOP-based TP of S\$1.10**

We cut our FY21-22F EPS by 11.1-18.4% to reflect further pressure on media earnings and a more gradual recovery in retail malls. Our SOP-based TP falls to S\$1.10, now pegged to 30% group discount (prev. 25%) and includes S\$0.21/shr worth of media business. Despite the earnings miss, limited catalysts in the near-term and higher net gearing of 0.53x as of end-FY20, we think most of the negative news has been largely priced in at 0.45x FY20 P/BV and retain our Hold rating. Upside/downside risks: Covid-19 containment/resurgence and value unlocking of its asset portfolio.

**Financial Summary**

|                                | Aug-19A | Aug-20A | Aug-21F | Aug-22F | Aug-23F |
|--------------------------------|---------|---------|---------|---------|---------|
| Revenue (S\$m)                 | 959.3   | 865.7   | 850.6   | 872.3   | 895.6   |
| Operating EBITDA (S\$m)        | 263.6   | 215.9   | 247.0   | 269.8   | 294.2   |
| Net Profit (S\$m)              | 213.2   | (83.7)  | 100.5   | 119.8   | 140.4   |
| Core EPS (S\$)                 | 0.13    | (0.07)  | 0.06    | 0.07    | 0.09    |
| Core EPS Growth                | (23%)   | (151%)  |         | 19%     | 17%     |
| FD Core P/E (x)                | 7.96    | NA      | 16.89   | 14.18   | 12.09   |
| DPS (S\$)                      | 0.12    | 0.03    | 0.04    | 0.05    | 0.06    |
| Dividend Yield                 | 11.4%   | 2.4%    | 3.8%    | 4.8%    | 5.7%    |
| EV/EBITDA (x)                  | 14.64   | 23.79   | 20.82   | 18.86   | 17.11   |
| P/FCFE (x)                     | 176.7   | 9.2     | 17.1    | 10.0    | 9.0     |
| Net Gearing                    | 31.0%   | 52.8%   | 53.4%   | 52.8%   | 52.1%   |
| P/BV (x)                       | 0.47    | 0.45    | 0.45    | 0.45    | 0.44    |
| ROE                            | 6.00%   | (2.95%) | 2.66%   | 3.16%   | 3.68%   |
| % Change In Core EPS Estimates |         |         | (18.4%) | (11.1%) |         |
| CGS-CIMB/Consensus EPS (x)     |         |         | 0.75    | 0.82    |         |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 1: Significant items impacting FY20 PBT**

| Gain / (Loss)   | FY2020<br>S\$'000 |
|---|-------------------|
| Jobs Support Scheme   | 33,411            |
| Other Covid-19 related grants: Income                             | 35,097            |
| Gain on divestment of a property                                  | 25,712            |
| Retrenchment costs  | (17,416)          |
| Other Covid-19 related grants: Expense                            | (28,255)          |
| Impairment of goodwill and intangibles (OV, PBSA and Exhibitions) | (17,451)          |
| Impairment of an associate (MindChamps)                           | (10,008)          |
| Fair value change on investment properties                        | (232,013)         |
| <b>Total</b>  | <b>(210,923)</b>  |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 2: Fair value adjustments to investment properties**

| Investment Properties | FV Change (S\$'m)<br>from Book Value | FV Change from<br>Book Value (%) |
|-----------------------|--------------------------------------|----------------------------------|
| Paragon               | (114.0)                              | (3.9)                            |
| The Clementi Mall     | (14.6)                               | (2.4)                            |
| The Rail Mall         | (2.5)                                | (3.9)                            |
| Westfield Marion      | (31.6)                               | (4.6)                            |
| Figtree Grove         | (16.0)                               | (7.7)                            |
| The Seletar Mall      | (17.8)                               | (3.6)                            |
| PBSA Portfolio        | (31.9)                               | (2.2)                            |
| Others                | (3.6)                                | (1.7)                            |
| <b>Total</b>          | <b>(232.0)</b>                       | <b>(3.5)</b>                     |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 3: Results Comparison**

| FYE Aug (S\$m)      | 2HFY20  | 2HFY19  | yoy %<br>chg | hoh %<br>chg | FY20<br>Cum | FY19<br>Cum | yoy %<br>chg | Prev.<br>FY20F | Comments  |
|---------------------|---------|---------|--------------|--------------|-------------|-------------|--------------|----------------|---|
| Revenue             | 394.2   | 481.6   | -18%         | -16%         | 865.7       | 959.3       | -10%         | 807            | FY20 formed 107%/98% of our/consensus full-year numbers respectively. Media -22.8% yoy, Property +10.3% yoy, Others +8.7% yoy |
| Operating costs     | (292.3) | (344.5) | -15%         | -8%          | (610.5)     | (682.5)     | -11%         | (514.0)        | Includes one-off S\$17.4m restructuring costs, and government subsidies   |
| EBITDA              | 101.9   | 137.1   | -26%         | -33%         | 255.2       | 276.8       | -8%          | 293.1          |   |
| EBITDA margin (%)   | 26%     | 28%     | -9%          | -20%         | 29%         | 29%         | 2%           | 36%            | Below   |
| Depn & amort.       | (20.5)  | (14.2)  | 44%          | 1%           | (40.6)      | (27.4)      | 48%          | (40.0)         |   |
| EBIT                | 81.5    | 122.9   | -34%         | -39%         | 214.6       | 249.4       | -14%         | 253.0          |   |
| Interest expense    | (35.0)  | (26.3)  | 33%          | 16%          | (65.1)      | (49.3)      | 32%          | (65.0)         | In line   |
| Interest & int inc  | 9.8     | 7.4     | 32%          | 29%          | 17.4        | 9.8         | 77%          | (10.0)         | Above   |
| Associates' contrib | (9.1)   | 9.7     | nm           | -466%        | (6.6)       | 19.1        | -134%        | 1.0            | Below   |
| Exceptionals        | (255.8) | 64.3    | nm           | nm           | (245.6)     | 69.2        | -455%        | 0.0            | FV loss on investment properties  |
| Pretax profit       | (208.6) | 178.0   | -217%        | -269%        | (85.3)      | 298.3       | -129%        | 179.1          |   |
| Tax                 | (5.7)   | (18.1)  | -69%         | -74%         | (27.2)      | (38.7)      | -30%         | (27.7)         |   |
| Tax rate (%)        | 3%      | -10%    | -127%        | -115%        | 32%         | -13%        | -346%        | -15%           |   |
| Minority interests  | 52.9    | (32.4)  | -264%        | -320%        | 28.8        | (46.3)      | -162%        | (36.8)         |   |
| Net profit          | (161.3) | 127.6   | -226%        | -308%        | (83.7)      | 213.2       | -139%        | 114.6          | FY20 reported net loss was a miss against our/consensus expectations  |
| Core net profit     | 94.5    | 63.3    | 49%          | 40%          | 133.1       | 144.0       | -8%          | 114.6          |   |
| EPS (cts)           | (10.0)  | 7.9     | -226%        | -308%        | (5.2)       | 13.2        | -139%        | 7.1            |   |
| Core EPS (cts)      | 5.8     | 3.9     | 49%          | 40%          | 8.2         | 8.9         | -8%          | 7.1            |   |

SOURCES: CGS-CIMB, COMPANY REPORTS

**Figure 4: Earnings revision table**

| S\$m                  | FY20F  | New   |       | Old   |       | % Change |        |
|-----------------------|--------|-------|-------|-------|-------|----------|--------|
|                       |        | FY21F | FY22F | FY21F | FY22F | FY21F    | FY22F  |
| <b>Revenue</b>        | 866    | 851   | 872   | 881   | 920   | -3.5%    | -5.2%  |
| Media                 | 445    | 417   | 403   | 413   | 404   | 0.9%     | -0.3%  |
| Property              | 327    | 339   | 372   | 382   | 428   | -11.4%   | -13.1% |
| Others                | 93     | 95    | 97    | 86    | 88    | 10.9%    | 10.9%  |
| <b>Total expenses</b> | (844)  | (748) | (733) | (715) | (737) | 4.6%     | -0.5%  |
| <b>Net profit</b>     | (84)   | 101   | 120   | 123   | 135   | -18.4%   | -11.1% |
| <b>EPS (Scts)</b>     | (0.07) | 0.06  | 0.07  | 0.08  | 0.08  | -18.4%   | -11.1% |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 5: Sum of Parts valuation**

|                          | Stake | Valuation Methodology       | Valuation (S\$m) | Per share (S\$) |
|--------------------------|-------|-----------------------------|------------------|-----------------|
| Core media operations    | 100%  | DCF (WACC: 7%; g: 0%)       | 336              | 0.21            |
| Aged care                | 100%  | Carrying value              | 203              | 0.13            |
| SPH REIT                 | 63%   | CIMB TP                     | 1,880            | 1.18            |
| Seletar Mall             | 70%   | Carrying value              | 335              | 0.21            |
| Bidadari Development     | 50%   | 40% discount to RNAV        | 367              | 0.23            |
| Mindchamps               | 20%   | Market value                | 14               | 0.01            |
| UK PBSA                  | 100%  | Carrying value              | 584              | 0.37            |
| Investments and net cash |       | As of end FY21F             | (768)            | -0.48           |
| Less: Perps securities   |       | As of end FY21F             | 452              | -0.28           |
| <b>CIMB Target Price</b> |       | <b>30% holding discount</b> | <b>1,749</b>     | <b>1.10</b>     |

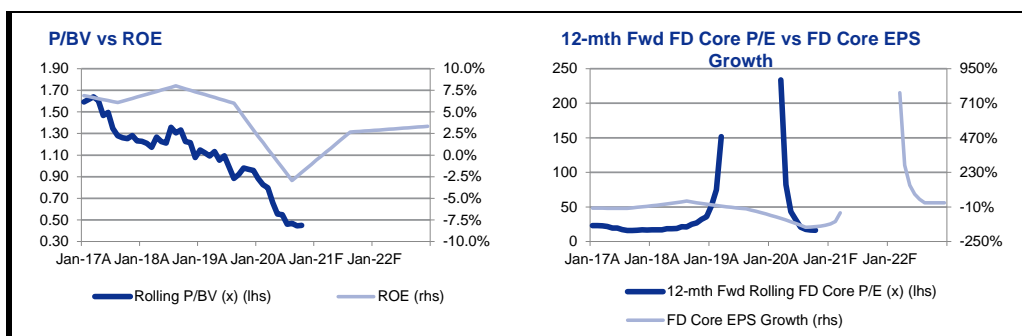
SOURCES: CGS-CIMB, COMPANY REPORTS

**Figure 6: Peers comparison table**

| 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 (%) |        | EV/EBITDA (x) |        | Dividend Yield (%) |        |
|--------------------------|------------------|--------|------------------|-------------------------|---------------------|--------------|--------|---------------------|----------|--------|-------------------|--------|---------------|--------|--------------------|--------|
|                          |                  |        |                  |                         |                     | CY2020       | CY2021 |                     | CY2020   | CY2021 | CY2020            | CY2021 | CY2020        | CY2021 | CY2020             | CY2021 |
| Singapore Press Holdings | SPH SP           | HOLD   | 1.05             | 1.10                    | 1,229               | na           | 15.9   | na                  | 0.45     | 0.45   | -1.0%             | 2.8%   | 22.9          | 20.0   | 2.9%               | 4.1%   |
| Media Chinese Int'l      | MCIL MK          | Add    | 0.15             | 0.20                    | 61                  | na           | na     | -49.9%              | 0.38     | 0.38   | -2.6%             | -2.2%  | 1.9           | 2.9    | 1.8%               | 0.0%   |
| Media Prima Bhd          | MPR MK           | Add    | 0.17             | 0.55                    | 46                  | na           | 20.6   | na                  | 0.49     | 0.48   | -11.7%            | 2.3%   | -1.6          | -1.9   | 0.0%               | 0.0%   |
| Star Media Group Bhd     | STAR MK          | Add    | 0.32             | 0.52                    | 56                  | na           | na     | -232.6%             | 0.30     | 0.31   | -3.3%             | -2.2%  | na            | na     | 1.6%               | 1.6%   |
| <b>Simple average</b>    |                  |        |                  |                         |                     | #DIV/0!      | 18.2   | -141.3%             | 0.40     | 0.40   | -4.7%             | 0.2%   | 7.7           | 7.0    | 1.6%               | 1.4%   |
| <b>Weighted average</b>  |                  |        |                  |                         |                     | na           | 19.3   | 10.6%               | 0.44     | 0.44   | -1.7%             | 2.3%   | 20.7          | 16.5   | 2.6%               | 3.7%   |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, BLOOMBERG (as of 13 Oct 2020)

## BY THE NUMBERS



### Profit & Loss

| (\$m)                                     | Aug-19A      | Aug-20A        | Aug-21F      | Aug-22F      | Aug-23F      |
|---|--------------|----------------|--------------|--------------|--------------|
| <b>Total Net Revenues</b>                 | <b>977.7</b> | <b>954.6</b>   | <b>887.1</b> | <b>894.2</b> | <b>918.0</b> |
| <b>Gross Profit</b>                       | <b>977.7</b> | <b>954.6</b>   | <b>887.1</b> | <b>894.2</b> | <b>918.0</b> |
| <b>Operating EBITDA</b>                   | <b>263.6</b> | <b>215.9</b>   | <b>247.0</b> | <b>269.8</b> | <b>294.2</b> |
| Depreciation And Amortisation             | (27.4)       | (40.6)         | (41.6)       | (41.9)       | (41.6)       |
| <b>Operating EBIT</b>                     | <b>236.2</b> | <b>175.3</b>   | <b>205.3</b> | <b>227.9</b> | <b>252.6</b> |
| Financial Income/(Expense)                | (49.3)       | (65.1)         | (66.0)       | (66.4)       | (66.7)       |
| Pretax Income/(Loss) from Assoc.          | 19.1         | (6.6)          | 22.0         | 29.0         | 35.0         |
| Non-Operating Income/(Expense)            | 92.2         | (214.6)        | 0.0          | 0.0          | 0.0          |
| <b>Profit Before Tax (pre-EI)</b>         | <b>298.3</b> | <b>(111.0)</b> | <b>161.3</b> | <b>190.5</b> | <b>220.8</b> |
| Exceptional Items                         | 0.0          | 25.7           | 0.0          | 0.0          | 0.0          |
| <b>Pre-tax Profit</b>                     | <b>298.3</b> | <b>(85.3)</b>  | <b>161.3</b> | <b>190.5</b> | <b>220.8</b> |
| Taxation                                  | (38.7)       | (27.2)         | (27.9)       | (32.3)       | (37.2)       |
| Exceptional Income - post-tax             |              |                |              |              |              |
| <b>Profit After Tax</b>                   | <b>259.5</b> | <b>(112.5)</b> | <b>133.4</b> | <b>158.2</b> | <b>183.7</b> |
| Minority Interests                        | (46.3)       | 28.8           | (32.9)       | (38.4)       | (43.2)       |
| Preferred Dividends                       |              |                |              |              |              |
| FX Gain/(Loss) - post tax                 |              |                |              |              |              |
| Other Adjustments - post-tax              |              |                |              |              |              |
| <b>Net Profit</b>                         | <b>213.2</b> | <b>(83.7)</b>  | <b>100.5</b> | <b>119.8</b> | <b>140.4</b> |
| Recurring Net Profit                      | 213.2        | (109.4)        | 100.5        | 119.8        | 140.4        |
| <b>Fully Diluted Recurring Net Profit</b> | <b>213.2</b> | <b>(109.4)</b> | <b>100.5</b> | <b>119.8</b> | <b>140.4</b> |

### Cash Flow

| (\$m)                            | Aug-19A        | Aug-20A          | Aug-21F        | Aug-22F        | Aug-23F        |
|----------------------------------|----------------|------------------|----------------|----------------|----------------|
| <b>EBITDA</b>                    | <b>263.6</b>   | <b>215.9</b>     | <b>247.0</b>   | <b>269.8</b>   | <b>294.2</b>   |
| Cash Flow from Inv. & Assoc.     |                |                  |                |                |                |
| Change In Working Capital        | (13.8)         | (5.7)            | (51.3)         | 1.8            | 1.9            |
| (Incr)/Decr in Total Provisions  |                |                  |                |                |                |
| Other Non-Cash (Income)/Expense  |                |                  |                |                |                |
| Other Operating Cashflow         | 37.1           | 13.5             | 0.0            | 0.0            | 0.0            |
| Net Interest (Paid)/Received     | (49.3)         | (65.1)           | (66.0)         | (66.4)         | (66.7)         |
| Tax Paid                         | (49.3)         | (32.3)           | (27.9)         | (32.3)         | (37.2)         |
| <b>Cashflow From Operations</b>  | <b>188.2</b>   | <b>126.5</b>     | <b>101.8</b>   | <b>172.9</b>   | <b>192.2</b>   |
| Capex                            | (25.8)         | (12.2)           | (12.3)         | (13.1)         | (13.4)         |
| Disposals Of FAs/subsidiaries    | 536.3          | 231.8            | 0.0            | 0.0            | 0.0            |
| Acq. Of Subsidiaries/investments | (684.7)        | (879.3)          | 0.0            | 0.0            | 0.0            |
| Other Investing Cashflow         | (491.5)        | (729.3)          | 0.0            | 0.0            | 0.0            |
| <b>Cash Flow From Investing</b>  | <b>(665.6)</b> | <b>(1,389.1)</b> | <b>(12.3)</b>  | <b>(13.1)</b>  | <b>(13.4)</b>  |
| Debt Raised/(repaid)             | 487.0          | 1,447.6          | 10.0           | 10.0           | 10.0           |
| Proceeds From Issue Of Shares    | 148.8          | 298.4            | 0.0            | 0.0            | 0.0            |
| Shares Repurchased               | (9.2)          | (9.3)            | 0.0            | 0.0            | 0.0            |
| Dividends Paid                   | (255.0)        | (140.6)          | (87.9)         | (103.8)        | (119.7)        |
| Preferred Dividends              |                |                  |                |                |                |
| Other Financing Cashflow         | 251.4          | (58.8)           | (66.0)         | (66.4)         | (66.7)         |
| <b>Cash Flow From Financing</b>  | <b>623.0</b>   | <b>1,537.2</b>   | <b>(143.9)</b> | <b>(160.2)</b> | <b>(176.4)</b> |
| Total Cash Generated             | 145.6          | 274.7            | (54.4)         | (0.5)          | 2.3            |
| <b>Free Cashflow To Equity</b>   | <b>9.6</b>     | <b>185.0</b>     | <b>99.5</b>    | <b>169.8</b>   | <b>188.8</b>   |
| <b>Free Cashflow To Firm</b>     | <b>(428.1)</b> | <b>(1,197.5)</b> | <b>155.5</b>   | <b>226.2</b>   | <b>245.5</b>   |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

### Balance Sheet

| (S\$m)                               | Aug-19A      | Aug-20A      | Aug-21F      | Aug-22F      | Aug-23F      |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Cash And Equivalents           | 598          | 865          | 839          | 867          | 899          |
| Total Debtors                        | 147          | 144          | 110          | 112          | 115          |
| Inventories                          | 23           | 20           | 19           | 19           | 20           |
| Total Other Current Assets           | 0            | 0            | 0            | 0            | 0            |
| <b>Total Current Assets</b>          | <b>769</b>   | <b>1,029</b> | <b>967</b>   | <b>999</b>   | <b>1,034</b> |
| Fixed Assets                         | 188          | 226          | 196          | 168          | 139          |
| Total Investments                    | 5,756        | 7,217        | 7,239        | 7,268        | 7,303        |
| Intangible Assets                    | 141          | 132          | 132          | 132          | 132          |
| Total Other Non-Current Assets       | 253          | 246          | 246          | 246          | 246          |
| <b>Total Non-current Assets</b>      | <b>6,338</b> | <b>7,821</b> | <b>7,813</b> | <b>7,814</b> | <b>7,820</b> |
| Short-term Debt                      | 411          | 1,286        | 1,277        | 1,277        | 1,277        |
| Current Portion of Long-Term Debt    |              |              |              |              |              |
| Total Creditors                      | 228          | 286          | 198          | 203          | 209          |
| Other Current Liabilities            | 38           | 23           | 23           | 23           | 23           |
| <b>Total Current Liabilities</b>     | <b>677</b>   | <b>1,595</b> | <b>1,499</b> | <b>1,504</b> | <b>1,509</b> |
| Total Long-term Debt                 | 1,646        | 2,191        | 2,210        | 2,220        | 2,230        |
| Hybrid Debt - Debt Component         |              |              |              |              |              |
| Total Other Non-Current Liabilities  | 43           | 70           | 70           | 70           | 70           |
| <b>Total Non-current Liabilities</b> | <b>1,689</b> | <b>2,261</b> | <b>2,280</b> | <b>2,290</b> | <b>2,300</b> |
| Total Provisions                     | 34           | 42           | 42           | 42           | 42           |
| <b>Total Liabilities</b>             | <b>2,400</b> | <b>3,898</b> | <b>3,820</b> | <b>3,835</b> | <b>3,851</b> |
| Shareholders' Equity                 | 3,639        | 3,766        | 3,784        | 3,806        | 3,832        |
| Minority Interests                   | 1,068        | 1,186        | 1,176        | 1,171        | 1,171        |
| <b>Total Equity</b>                  | <b>4,707</b> | <b>4,952</b> | <b>4,960</b> | <b>4,977</b> | <b>5,003</b> |

### Key Ratios

|                           | Aug-19A | Aug-20A | Aug-21F | Aug-22F | Aug-23F |
|---------------------------|---------|---------|---------|---------|---------|
| Revenue Growth            | (2.37%) | (9.76%) | (1.74%) | 2.55%   | 2.67%   |
| Operating EBITDA Growth   | (4.9%)  | (18.1%) | 14.4%   | 9.3%    | 9.0%    |
| Operating EBITDA Margin   | 27.5%   | 24.9%   | 29.0%   | 30.9%   | 32.8%   |
| Net Cash Per Share (S\$)  | (0.90)  | (1.62)  | (1.64)  | (1.63)  | (1.61)  |
| BVPS (S\$)                | 2.25    | 2.33    | 2.34    | 2.35    | 2.37    |
| Gross Interest Cover      | 4.79    | 2.69    | 3.11    | 3.43    | 3.78    |
| Effective Tax Rate        | 13.0%   | 0.0%    | 17.3%   | 17.0%   | 16.8%   |
| Net Dividend Payout Ratio | 94.6%   | NA      | 81.9%   | 82.1%   | 81.3%   |
| Accounts Receivables Days | 83.76   | 61.67   | 54.46   | 46.41   | 46.39   |
| Inventory Days            | N/A     | N/A     | N/A     | N/A     | N/A     |
| Accounts Payables Days    | N/A     | N/A     | N/A     | N/A     | N/A     |
| ROIC (%)                  | 34.6%   | 36.0%   | 44.7%   | 47.4%   | 56.0%   |
| ROCE (%)                  | 3.88%   | 2.52%   | 2.42%   | 2.68%   | 2.96%   |
| Return On Average Assets  | 4.64%   | (0.92%) | 2.26%   | 2.55%   | 2.83%   |

### Key Drivers

|   | Aug-19A | Aug-20A | Aug-21F | Aug-22F | Aug-23F |
|---|---------|---------|---------|---------|---------|
| Adex rev. grth (% , main newsppr)       | -12.3%  | -31.5%  | -10.0%  | -7.0%   | -2.8%   |
| ASP (% chg, main newsppr)               | N/A     | N/A     | N/A     | N/A     | N/A     |
| Circulation grth (% , main newsppr)     | -7.5%   | 0.8%    | 1.0%    | 1.0%    | 1.0%    |
| Adex rev. grth (% , 2ndary newsppr)     | N/A     | N/A     | N/A     | N/A     | N/A     |
| ASP (% chg, 2ndary newsppr)             | N/A     | N/A     | N/A     | N/A     | N/A     |
| Circulation grth (% , 2ndary newsppr)   | N/A     | N/A     | N/A     | N/A     | N/A     |
| Adex rev. grth (% , tertiary newsppr)   | N/A     | N/A     | N/A     | N/A     | N/A     |
| ASP (% chg, tertiary ppr)               | N/A     | N/A     | N/A     | N/A     | N/A     |
| Circulation grth (% , tertiary newsppr) | N/A     | N/A     | N/A     | N/A     | N/A     |
| Newsprint Cost (% Change)               | -5.5%   | -11.2%  | -12.0%  | -6.0%   | -1.0%   |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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|                     |           |           |         |             |                  |
|---------------------|-----------|-----------|---------|-------------|------------------|
| <b>Score Range:</b> | 90 - 100  | 80 – 89   | 70 - 79 | Below 70 or | No Survey Result |
| <b>Description:</b> | Excellent | Very Good | Good    | N/A         |                  |

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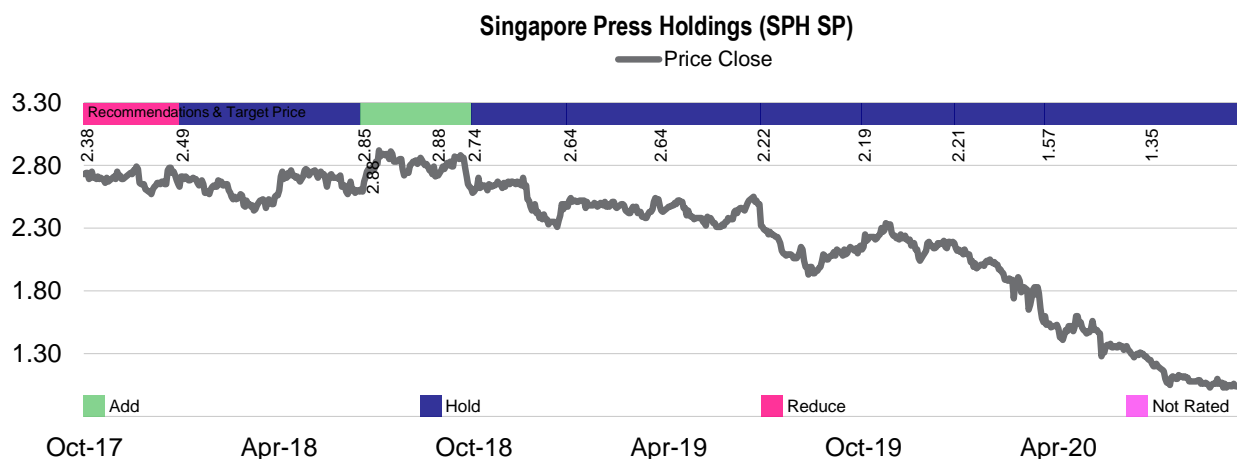
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| Distribution of stock ratings and investment banking clients for quarter ended on 30 September 2020 |                         |                                |
|---|-------------------------|--------------------------------|
| 795 companies under coverage for quarter ended on 30 September 2020                                 |                         |                                |
|   | Rating Distribution (%) | Investment Banking clients (%) |
| Add   | 63.0%                   | 0.5%                           |
| Hold  | 25.2%                   | 0.1%                           |
| Reduce  | 11.8%                   | 0.3%                           |

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 2019, Anti-Corruption 2019**

**ADVANC** – Excellent, Certified, **AEONTS** – Good, n/a, **AH** – Very Good, n/a, **AMATA** – Excellent, Declared, **ANAN** – Excellent, Declared, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Very Good, Certified, **BAM** – not available, n/a, **BANPU** – Excellent, Certified, **BAY** – Excellent, Certified, **BBL** – Very Good, Certified, **BCH** – Good, Certified, **BGP** – Excellent, Certified, **BPCG** – Excellent, Certified, **BDMS** – Very Good, n/a, **BEAUTY** – Good, n/a, **BEC** – Very Good, n/a, **BGRIM** – Very Good, Declared, **BH** - Good, n/a, **BJC** – Very Good, n/a, **BJCHI** – Very Good, Certified, **BLA** – Very Good, Certified, **BPP** – Very Good, Declared, **BR** - Good, n/a, **BTS** - Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – Good, n/a, **CENDEL** – Very Good, Certified, **CHAYO** - Good, n/a, **CHG** – Very Good, Declared, **CK** – Excellent, n/a, **COL** – Excellent, Declared, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** - Excellent, Certified, **CPNREIT** – not available, n/a, **CRC** – not available, n/a, **DELTA** - Excellent, Declared, **DEMCO** – Excellent, Certified, **DDD** – Very Good, n/a, **DIF** – not available, n/a, **DREIT** – not available, n/a, **DTAC** – Excellent, Certified, **EA** – Excellent, n/a, **ECL** – Very Good, Certified, **EGCO** - Excellent, Certified, **EPG** – Very Good, n/a, **ERW** – Very Good, n/a, **GFPT** - Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Very Good, n/a, **GLOW** – Very Good, Certified, **GPSC** – Excellent, Certified, **GULF** – Very Good, n/a, **GUNKUL** – Excellent, Certified, **HANA** - Excellent, Certified, **HMPRO** - Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Declared, **III** – Excellent, n/a, **INTUCH** - Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** - Excellent, Certified, **JASIF** – not available, n/a, **BJC** – Very Good, n/a, **JMT** – Very Good, n/a, **KBANK** - Excellent, Certified, **KCE** - Excellent, Certified, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** - Excellent, Certified, **KTC** – Excellent, Certified, **LH** - Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MACO** – Very Good, n/a, **MAJOR** – Very Good, n/a, **MAKRO** – Excellent, Certified, **MALEE** – Excellent, Certified, **MC** – Excellent, Certified, **MCOT** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** - Excellent, Certified, **MK** – Very Good, n/a, **MTC** – Excellent, n/a, **NETBAY** – Very Good, n/a, **OSP** – Very Good, n/a, **PLANB** – Excellent, Certified, **PLAT** – Very Good, Certified, **PR9** – Excellent, n/a, **PSH** – Excellent, Certified, **PSTC** – Very Good, Certified, **PTT** – Excellent, Certified, **PTTEP** - Excellent, Certified, **PTTGC** - Excellent, Certified, **QH** – Excellent, Certified, **RATCH** – Excellent, Certified, **ROBINS** – Excellent, Certified, **RS** – Excellent, n/a, **RSP** – not available, n/a, **S** – Excellent, n/a, **SAPPE** – Very Good, Declared, **SAT** – Excellent, Certified, **SAWAD** – Very Good, n/a, **SC** – Excellent, Certified, **SCB** - Excellent, Certified, **SCC** – Excellent, Certified, **SCN** – Excellent, Certified, **SF** – Good, n/a, **SHR** – not available, n/a, **SIRI** – Very Good, Certified, **SPA** - Good, n/a, **SPALI** - Excellent, n/a, **SPRC** – Excellent, Certified, **STA** – Very Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Excellent, Certified, **TASCO** – Excellent, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIPCO** – Very Good, Certified, **TISCO** - Excellent, Certified, **TKN** – Very Good, n/a, **TMB** - Excellent, Certified, **TNR** – Very Good, Certified, **TOP** - Excellent, Certified, **TPCH** – Good, n/a, **TPIPP** – Good, n/a, **TRUE** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Declared, **UNIQ** – not available, n/a, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – not available, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

1 CG Score 2019 from Thai Institute of Directors Association (IOD)

2 AGM Level 2018 from Thai Investors Association

3 Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of November 30, 2018) are categorised into:

companies that have declared their intention to join CAC, and companies certified by CAC.

4 The Stock Exchange of Thailand : the record of listed companies with corporate sustainable development "Thai sustainability Investment 2018" included:

SET and mai listed companies passed the assessment conducted by the Stock Exchange of Thailand: THSI (SET) and THSI (mai)

SET listed companies passed the assessment conducted by the Dow Jones Sustainability Indices (DJSI)

**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.

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