

MCOT - MCOT

Market Stock Exchange of Thailand
Sector Media and Publishing
Reuters MCOT.BK
Bloomberg MCOT TB

BUY
(Unchanged)

Closing Price
Bt30.75
12-month target price
Bt36 (+17.1%)

Price
Last Price 30.75
52wk High (07/03/2011) 30.75
52wk Low (24/05/2010) 22.20
Shares Outstanding (mil) 687.10
Market Cap (Btm) 21,128.30
Avg. Daily Turnover (Btm) 22.86
Free float (%) 22.71
PE (X) 12.81
PB (X) 2.64

Price performance %

	1M	3M	6M
Absolute	5.1%	6.0%	8.8%
Relative	4.6%	-3.1%	3.3%



Major Shareholders (21/03/11)

	%
1 MOF	65.80
2 Government Saving Bank	11.48
3 Thai NVDR Co., Ltd.	2.23

CG Report - 2010



Mounting expenses to limit 1Q11 profit growth to 4.51% YoY

- We forecast state-run broadcaster MCOT to report a meager growth of 10.84% YoY in 1Q11 total revenue due chiefly to the adoption of the new International Financial Reporting Standards (IFRS). Costs and SG&A expenses would edge higher. Overall we estimate MCOT will post a 1Q11 net profit of Bt363.76m, up a mere 4.51% YoY.
- Even though MCOT is expected to post meager earnings growth in 1Q11, the outlook however brightens in 2Q11 on seasonal factors and the prospect of higher ad budgets during the upcoming election. The likely absence of early retirement expenses should also bode well for its earnings in 3Q11.
- We leave our 2011 net profit outlook for MCOT unchanged at Bt1,651.23m. We reiterate a 'BUY' stance on MCOT with a price target of Bt36/share.

Mounting expenses to limit 1Q11 profit growth to 4.51% YoY

The data compiled by Nielsen Media Research (Thailand) showed ad expenditures at MCOT were up 11.99% YoY but down 8.53% QoQ in 1Q11. MCOT's primetime utilization rate was full and non-primetime utilization rate was 80% in 1Q11. Overall utilization rate was 90% in 1Q11. MCOT had also raised its ad rates for about 40 TV programs since the start of 2011. There were also popular seasonal programs in 1Q11 including the likes of The Star 7 but there were virtually no events and activities during the period. On this basis, TV and radio revenues are projected to grow 12% and 14.5% YoY respectively in 1Q11. Joint venture revenue is forecast to be up 3% YoY. The top-line revenue is however expected to be hurt by the adoption of the new International Financial Reporting Standards (IFRS) in 1Q11. On balance we forecast MCOT to report a meager growth of 10.84% YoY in 1Q11 total revenue to Bt1,327.05m. Costs and SG&A expenses are predicted to be up 15.58% and 7.78% YoY respectively on the back of annual pay rise and increased staff levels. Overall we estimate MCOT will post a 1Q11 net profit of Bt363.76m, up a mere 4.51% YoY but down 4.72% QoQ due to seasonal factors.

2011 earnings outlook unchanged at Bt1,651.23m

Even though MCOT is expected to post meager earnings growth in 1Q11, the outlook however brightens in 2Q11 on seasonal factors and the prospect of higher ad budgets during the upcoming election. We also believe MCOT will reap more benefit from growing ad budgets during the upcoming election than other TV channels as MCOT is a state-run broadcaster. The likely absence of early retirement expenses should also bode well for its earnings in 3Q11. We leave our 2011 net profit outlook for MCOT unchanged at Bt1,651.23m. We also reiterate a 'BUY' stance on MCOT with a price target of Bt36/share based on a P/E multiple of 15x.

Conso' Ending	Profits (Btm)	EPS (Bt)	DPS (Bt)	BV (Bt)	ROE (%)	P/E (x)	Yield (%)	P/BV (x)
12/08 A	1,228	1.79	1.43	10.47	17.32	17.18	4.65	2.94
12/09 A	1,390	2.02	1.80	10.90	18.92	15.22	5.85	2.82
12/10 A	1,423	2.07	1.80	11.15	18.78	14.86	5.85	2.76
12/11 E	1,651	2.40	2.09	11.66	21.07	12.81	6.80	2.64
12/12 E	1,822	2.65	2.30	12.21	22.22	11.60	7.48	2.52

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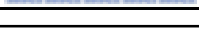
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Results Presentation

Score Range	Number of Logo
Less than 50	No logo given
50 - 59	
60 - 69	
70 - 79	
80 - 89	
90 - 100	

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