



TA SECURITIES

A MEMBER OF THE TA GROUP

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RESULTS UPDATE

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FBM KLCI: 1,563.8

Asia Media Group Berhad

4QFY11 results in line

Wednesday, February 22, 2012

TP: RM0.51 (+30.8%)

Business Summary : Largest Transit-TV network operator in Malaysia
Major Shareholders (%) : Wong SK Holdings Sdn Bhd (45.61)
Company Website : www.asiamedia.net.my
IR Contact : Kelly Ang (603 5882 7788)

Recommendation: Buy
Market Capitalisation (RMmn): RM88.9
Current Price: RM0.39
Market/ Sector: ACE/Media
Stock Code: 0159

TA Research Team Coverage

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Key Stock Statistics

FYE 31 Dec		2011	2012F
EPS	(sen)	6.1	10.1
PER	(x)	6.4	3.9
Gross div/ share	(sen)	-	-
NTA/share	(RM)	0.23	0.29
Book value/ share	(RM)	0.24	0.30
Issued capital	(mn shares)	228.0	
52 weeks share price range	(RM)	0.21 / 0.43	

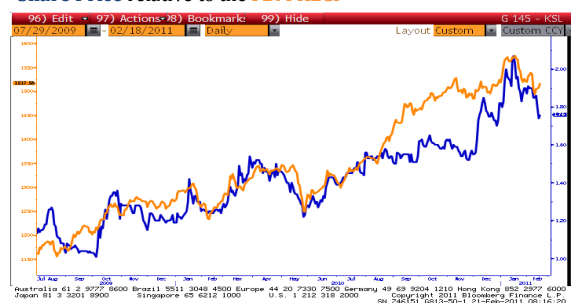
Per Share Data

FYE 31 Dec		2010*	2011	2012F	2013F
Book Value	(RM)	0.09	0.24	0.30	0.43
Cash Flow	(ser)	0.6	(4.6)	(14.5)	7.9
Earnings	(ser)	4.1	6.1	10.1	12.7
Dividend	(ser)	-	-	-	2.5
Payout Ratio		-	-	-	0.2
PER (x)	(x)	9.5	6.4	3.9	3.1
P/ Cash Flow	(x)	na	(0.1)	(0.0)	0.0
P/ Book Value	(x)	4.2	1.6	1.3	0.9
Dividend Yield	(%)	-	-	-	6.4
ROE	(%)	44.2	36.7	37.4	34.7
Net Gearing	(%)	Net cash	Net cash	0.4	0.1

P&L Analysis (RM mil)

FYE 31 Dec		2010*	2011	2012F	2013F
Revenue		16.6	36.5	63.6	84.5
Operating Profit		10.3	15.3	26.1	32.1
Depreciation		(1.0)	(2.3)	(3.9)	(4.6)
Interest Expenses		(0.1)	(0.0)	(0.7)	(0.2)
Pre-tax Profit		10.3	15.2	25.4	31.9
Effective Tax Rate (%)	(%)	0.0	0.0	0.0	0.0
Net Profit		10.3	15.2	25.4	31.9
Operating Margin (%)	(%)	62.4	41.8	41.0	37.9
Pre-tax Margin (%)	(%)	62.1	41.7	40.0	37.7
Net-Margin (%)	(%)	62.1	41.7	40.0	37.7

Share Price relative to the FBM KLCI



Source: Bloomberg

1. 4QFY11 Result Review

P&L Analysis (RM mn)

FYE 31 Dec		4Q 2010	4Q 2011
Revenue		7.0	8.6
Operating Profit		2.2	3.5
Depreciation		(0.0)	(0.0)
Interest Expenses		-	-
Pre-tax Profit		2.2	3.5
Net Profit		2.2	3.5
Operating Margin (%)	(%)	31.4	40.8
Pre-tax Margin (%)	(%)	31.2	40.7
Net-Margin (%)	(%)	31.1	40.6

P&L Analysis (RM mn)

FYE 31 Dec		4Q 2010	4Q 2011	% Change
Revenue		7.0	8.6	23.3
Pre-tax Profit		2.2	3.5	60.8
Revenue		7.0	8.6	23.3
Net Profit		2.2	3.5	60.9

2. 4QFY11 Result Highlights

Asia Media Group's (AMGB) FY11 net profit of RM15.2mn was within our expectations, at 98% of our FY11 net profit forecast of RM15.6mn. All business segments registered sales growth, with programme sponsorship, creative and production expanding by more than 100%.

Group pretax profit rose by 48% YoY driven by 238% increase in the programme sponsorship and 25% growth in airtime divisions. Pretax margin for the creative division expanded by 17% offsetting the dip in airtime sales pretax margin due to customers relocating advertising budget from airtime sales to programme sponsorship.

AMGB did not declare any dividends for FY11 which was within expectation as it is still in the early stages of growth and has intensive capex requirements.

3. Recent Developments

Roll-out of Digital Terrestrial Television Broadcasting (DTTB) remains on-track for 1HFY12. RM25mn has already spent on DTTB facilities as transmission towers and equipment. Any further DTTB capex will be funded by the 10% private placement proposed in January 2011.

The group is still in advanced negotiations with Syarikat Prasarana regarding the LRT concession.

4. Earnings Outlook

Positive outlook on AMGB's earnings in FY12-13. WE have projected a 74% YoY increase in FY12 net profit and 33% in FY13, premised on organic expansion in distribution network with greater number of RapidKL buses, and potential upside from new concessions.

5. Valuation & Recommendation

Reiterate Buy recommendation with revised target price of RM.051 based on 5x FY12 PER. The target PER expansion is warranted given the stock's aggressive growth prospects from government's upgrading of the public network system, expansion to new modes of public transport and greater advertiser demand with introduction of live broadcast.

6. Other charts

Segmental Analysis

FYE: 31 Dec (RMm)	4Q10	3Q11	4Q11	YoY (%)	QoQ (%)	12M10	12M11	YoY (%)
Airtime	1.7	1.2	1.3	(23.3)	8.0	3.9	5.3	35.0
Programme sponsorship	1.7	3.0	3.7	118.8	21.7	4.0	13.6	240.1
Creative & Production	3.6	4.2	3.6	0.2	(13.9)	8.6	17.6	104.4
Group Revenue	7.0	8.4	8.6	23.3	2.1	16.6	36.5	120.8
Airtime	1.3	0.9	1.0	(24.5)	8.4	3.3	4.2	24.9
Programme sponsorship	2.2	1.9	2.4	10.4	27.0	2.6	8.9	237.9
Creative & Production	0.6	0.5	(0.0)	(106.5)	(107.8)	(0.6)	1.7	(388.9)
Other operating income	0.1	0.1	0.1	(9.0)	2.0	4.9	0.4	(91.5)
Group pretax profit	4.2	3.4	3.5	(16.5)	2.9	10.3	15.2	48.1
Airtime	78.6	77.1	77.4	(1.2)	0.3	84.8	78.4	(6.4)
Programme sponsorship	129.9	62.8	65.5	(64.3)	2.7	65.8	65.4	(0.4)
Creative & Production	15.3	11.1	(1.0)	(16.3)	(12.1)	(7.0)	9.9	16.9
Group pretax profit margin	60.1	40.4	40.7	(19.4)	0.3	62.1	41.7	(20.4)

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