

LIFESTYLE entertainment



MAJOR CINEPLEX GROUP PLC.

2Q18 Analyst Meeting
Paragon Cineplex, 14th August 2018

MAJOR CINEPLEX GROUP



AGENDA

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MAJOR CINEPLEX GROUP



About Major Cineplex



- **Currently operating 738 Screens in 142 Locations (Thailand: 705 Screens/ International: 33 Screens)**
- **Dominate 70% Market Share in Thailand (Cinema Revenue).**
- **The Biggest Cinema Operator in Thailand, Cambodia, Laos.**

Major Cineplex at a glance





- **The Most Advanced Cinema High Technology and Newest Innovation.**
- **Focusing on provincial expansion especially greenfield area with reasonable revenue sharing contract.**
- **With the new model of investment in upcountry, MAJOR expects to spend less capital expenditure (capex) to maintain the same period of cash payback.**
- **Use technology to replace Manpower.**

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Exclusive with IMAX, 4DX, ScreenX (270 degree screen), LED Screen (first in S/E Asia), IMAX VR (first in S/E Asia), Laser Projector in Thailand.



4DX

					
Motion	Water	Rain	Fog	Wind	Ticklers
					
Air	Lightning	Bubbles	Scents	Vibration	

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New Innovation



KID CINEMA

Kid Cinema by Kodomo Kids, Mega Bangna and Central Westgate



LOUNGER SEAT

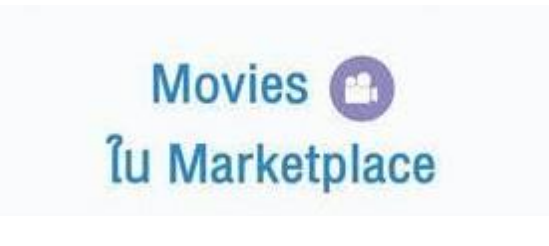
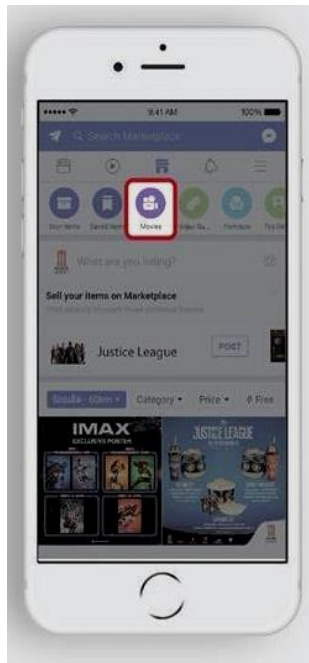
Lounger seat (Changing first 3 rows to sofa seat) to utilize seat occupancy.

MAJOR GROUP **ซื้อง่าย จ่ายคล่อง**
ช่องทางชำระเงิน **มากที่สุด**

Payment Channel

- M cash
- QR Scan
- Credit Debit
- Online Banking
- e wallet
- Point

MAJOR GROUP, PromptPay, VISA OR PAYMENT, JCB, mastercard, citi, BluePay Wallet, rabbit LINE Pay, K+, m pay



Online ticketing through Banking Application, Facebook, and other channels to serve customer's convenience.



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Major leverage by using social media and loyalty program to create frequency movie as well as nurture movie culture.

	Mobile Application	7,500,000 Download
	Facebook: www.facebook.com/MajorGroup	4,700,000 Fan page
	ID line: MajorFriends 15,650,000 Friends	
	Twitter: MajorGroup 2,610,000 Followers	
	M Generation (Loyalty Program)	3,400,000 Members
	Instagram: MajorFriends 309,000 Followers	
	Youtube: Major Group 278,000 Subscribers	
	Email Subscribers: 1,000,000 Members	
		http://www.majorcineplex.com 2,000,000 Visits / Month

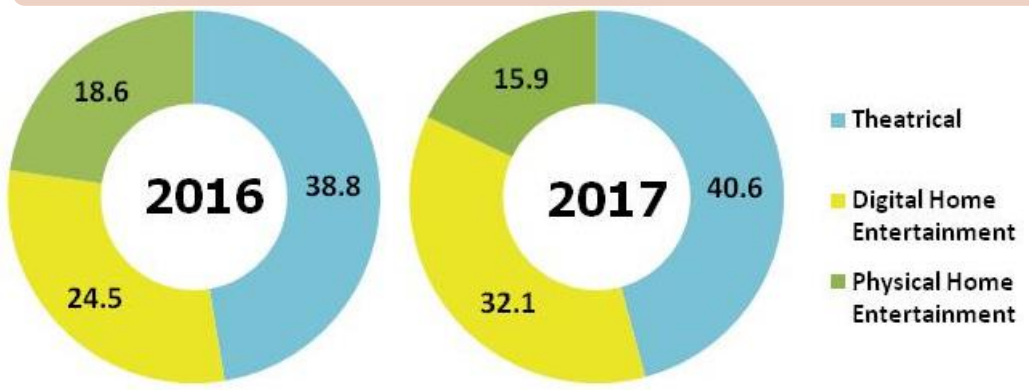
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Global Market : Theatrical Statistics Highlights

In Year 2017

- Global Box Office Hits Record High Up to 5% and Oversea Box Office Up 7%
- Box Office in Asia Pacific increased 6% (in USD currency), The primary driver of this growth was China, with 21% increase in box office compared to 2016.

Global Theatrical VS Digital Home Entertainment Consumer Spending (Annual basis in USD)



Steaming Platforms is disrupting what's happen in the home NOT out of home activities.

Key Highlight From Research of National Association of Theatre Owners (NATO):

- Among the people who didn't go to the movies, 48% said they didn't stream.
- Steaming services had an impact on cable subscriptions and television, however for Theatrical industry, the revenue and number of screens have been increased every year.
- Contents will remain exclusivity in Theatrical platform before release in other channels.

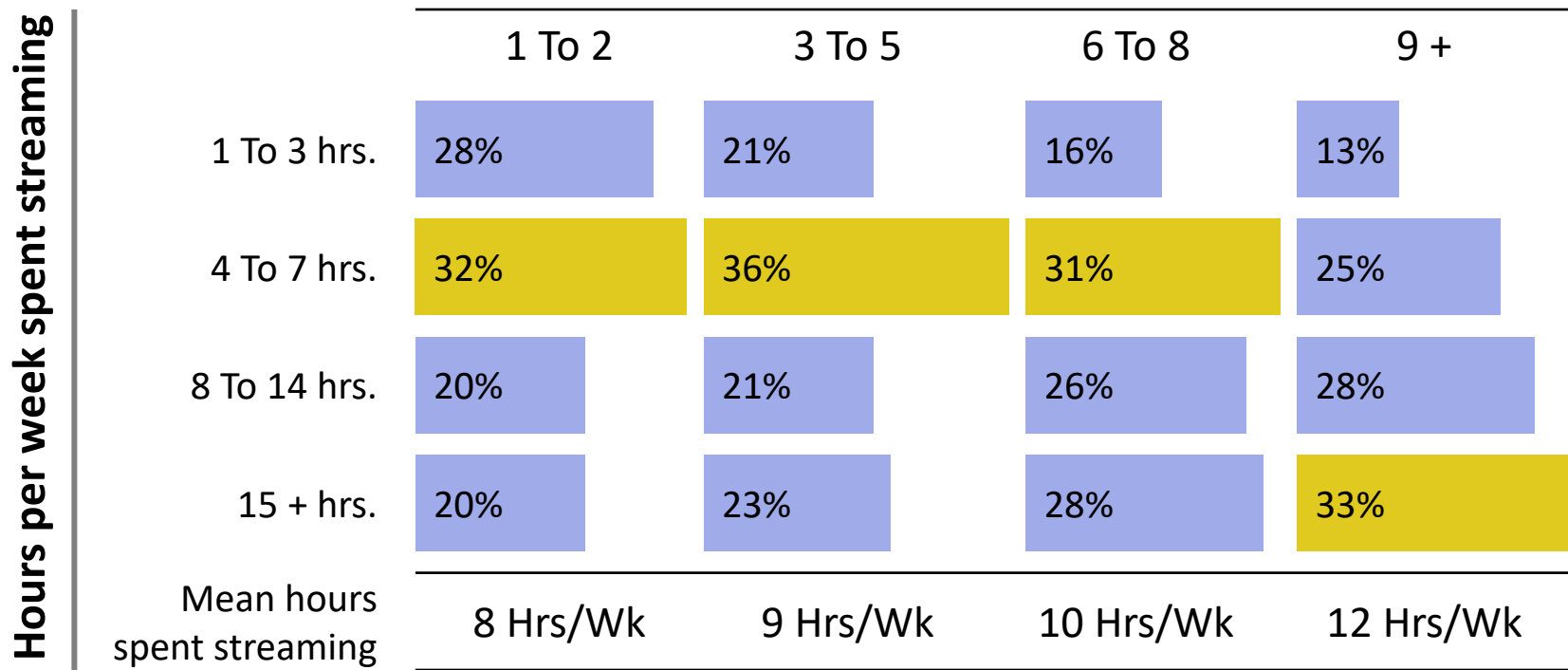


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The relationship between Movie Theater attendance and Streaming Behavior

Positive relationship between movie attendance and streaming behavior - Consumers who attend movies in Theaters more frequently also tend to consume streaming content more frequently

Number of visits to a movie theater in 2017



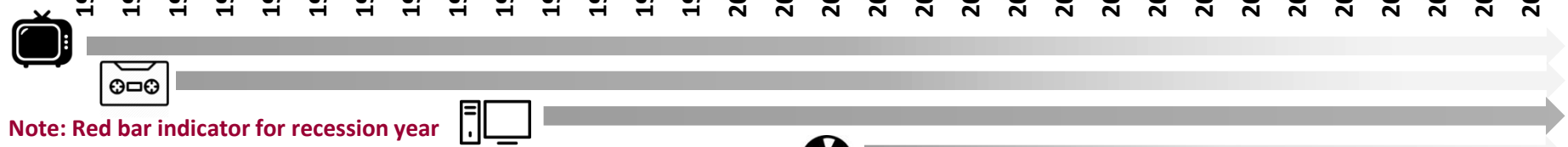
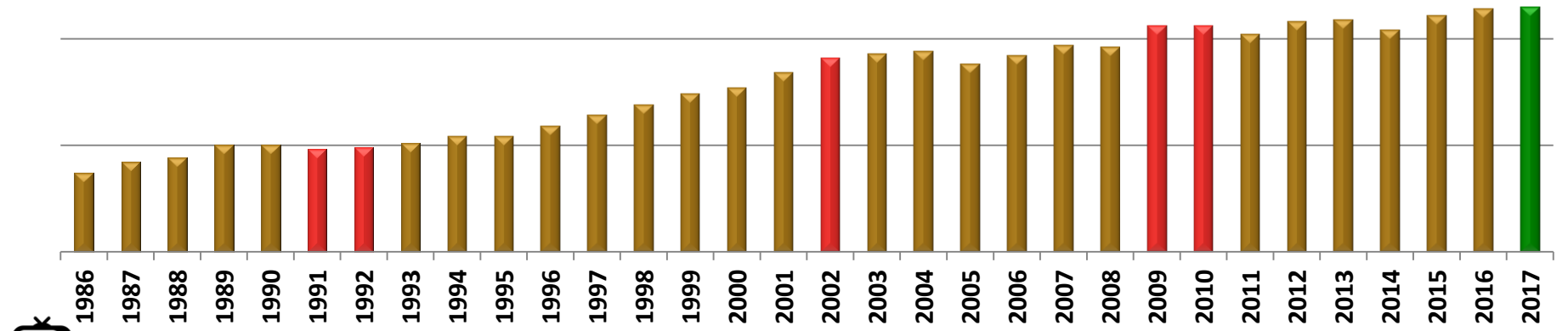
“The study is that people who love movies will consume them on as many platforms as possible”

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Global Market: Industry Overview (Cinema growth vs. Interruption)

Global Cinema revenue is sustainable growth, Major studios produce more movies to serve Asia's market

Studio is in cinema industry more than 100 years. Streaming platform is not threat to cinemas because watching a film in small screen is totally difference experience than watching it on large screen with full-scale sound system. The cinema offers an immersive experience that people cannot duplicate at home. Also contents are different from movie contents.



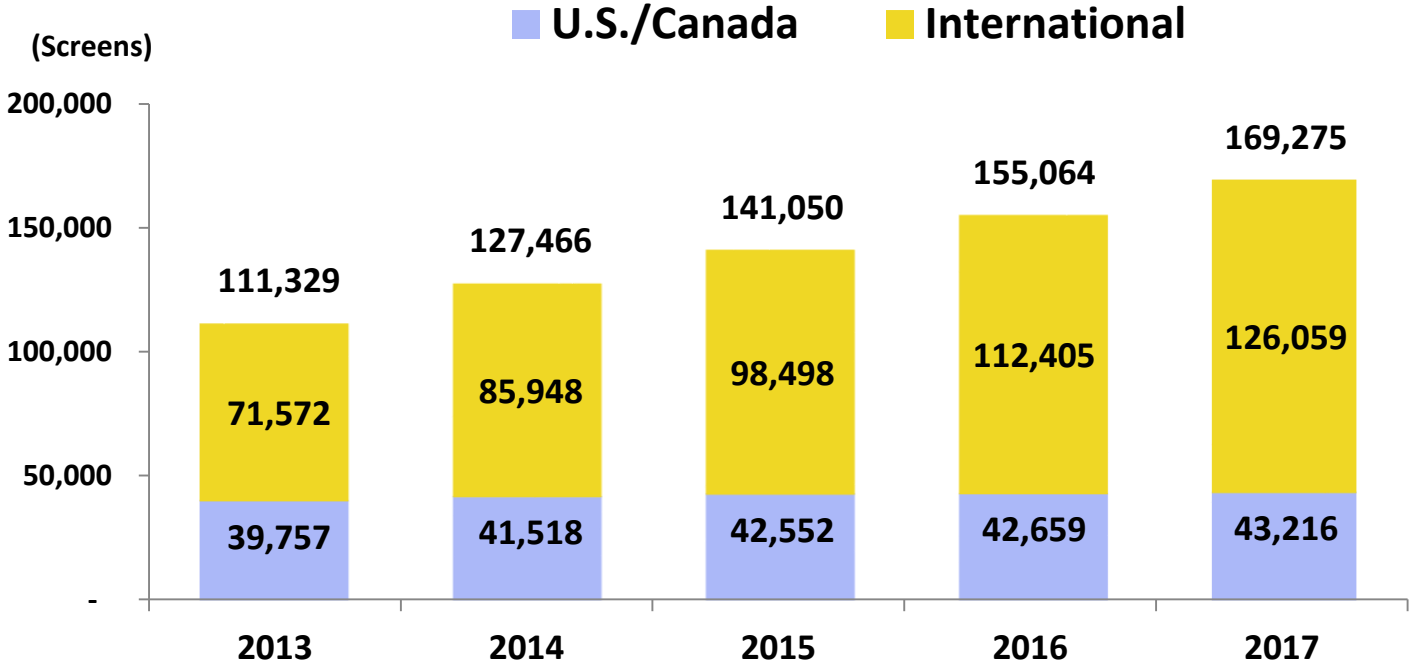
Note: Red bar indicator for recession year

Estimated number of active streaming subscribers to Netflix in Thailand 2017 was 105,000 members (included with free trial) and based in capital area via movie ticket was sold 50 million across nationwide.

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Global Market : Industry Overview

Global Screens



The most cinema screens increased from Asia Pacific Region (+16%)

Global Screens	2013	2014	2015	2016	2017	% Change YoY
U.S./Canada	39,757	41,518	42,552	42,659	43,216	1%
International	71,572	85,948	98,498	112,405	126,059	12%
Total	111,329	127,466	141,050	155,064	169,275	9%

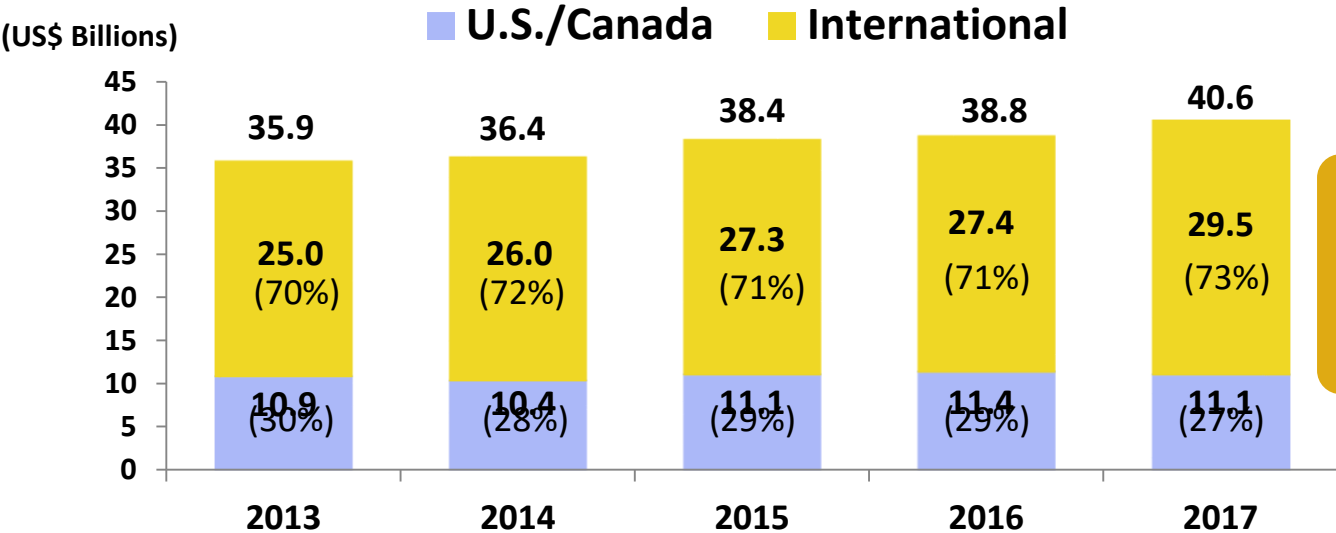


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Global Market : Industry Overview

Global Box Office – All Films (US\$ Billions)

The global box office in 2017 reached a new record high of \$40.6 billion – up five percent from 2016. International box office is up seven percent to \$29.5 billion, in large part due to growth in China. Cinema screens are up eight percent globally.



International box office is contributed 73%, mainly from Asia market (Esp. China)

Global Box Office	2013	2014	2015	2016	2017	% Change YoY
U.S./Canada	10.9	10.4	11.1	11.4	11.1	-2%
International	25.0	26.0	27.3	27.4	29.5	7%
Total	35.9	36.4	38.4	38.8	40.6	5%

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Global Market : Industry Overview

The number of screens in Asia Pacific Region grew more year on year and Box office still grew relatively along with more blockbusters with fit for Asian, However in developed country that the market is matured, percentage of local films box office is raising overall box office for both local films and Hollywood films. And it shows the continuous in positive momentum.

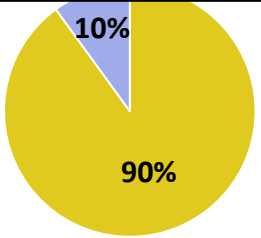
MAJOR has presence in only 54 out of 77 provinces in Thailand, still further room to grow.

Developing Countries

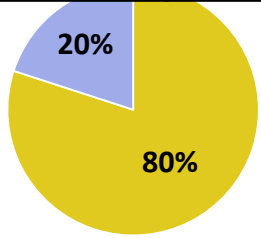
Developed Countries

Country	Malaysia	Thailand	India	China
Number of Screens	991	1,164	11,179	51,000
Total Guest Counts	72	40	2,015	1,370
Population (million population)	32	65	1,342	1,388
Average admission per capita	2.26	0.77	1.50	0.99

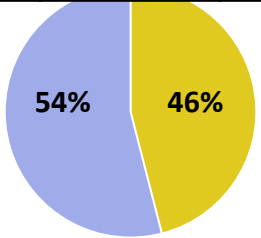
Country	South Korea	Japan	US
Number of Screens	2,492	3,472	40,392
Total Guest Counts	217	180	1,200
Population (million population)	51	127	324
Average admission per capita	4.27	1.42	3.70



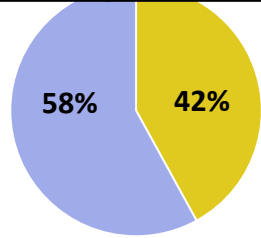
Malaysia



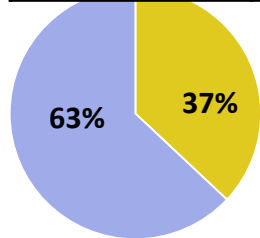
Thailand



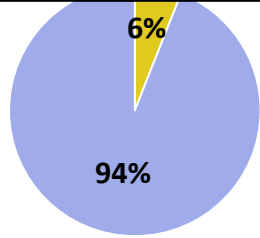
South Korea



China



Japan



US

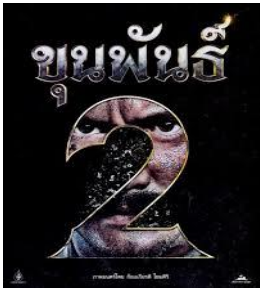
Local Films (Blue) Hollywood (Other) Films (Yellow)



MOVIE LINE UP 3Q18

Movie Attraction in 3Q18, Total 22 Thai Movies in 2H18

Ant-Man and the Wasp ★
Mission Impossible 6 ★
Alpha ★
Skyscraper ★
The Meg ★
Slender Man ★
Christopher Robin
Hotel Transylvania 3
The Equalizer 2
The Nun
The First Purge
The Predator
Mama Mia: Here We go again
Khunpan 2 - Action
Bike Man
BNK48 The Documentary
Krut: The Himmaphan Warriors - Warrior
App War - Romantic/Comedy
The Pool - Survival
Love Score - Romantic/Comedy
7 Days - Romantic

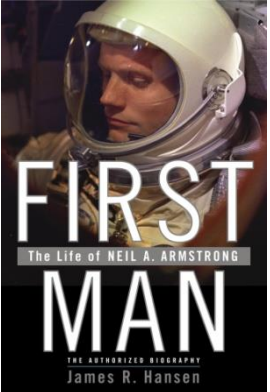


*Please note that release dates are subject to change.

MOVIE LINE UP 4Q18

Movie Attraction in 4Q18, Total 22 Thai Movies in 2H18

Bumblebee ★
Aquaman ★
Fantastic Beast and where to find them 2★
Venom ★
Ralph Breaks the Internet: Wreck-It Ralph 2★
Alita: Battle Angel ★
The Girl in the Spider's Web
Mary Poppins Returns
First Man
Goosebumps 2
GDH - Thriller/Fantasy
Krasue Inhuman Kiss - Romantic/Horror
Crown 2 - Drama
Transformation Film - Comedy
M39 - Romantic/Comedy
M39 - Comedy
Nakee - Drama
Mania folksinger - Comedy
Sister - Drama/Horror
White Shadow - Documentary

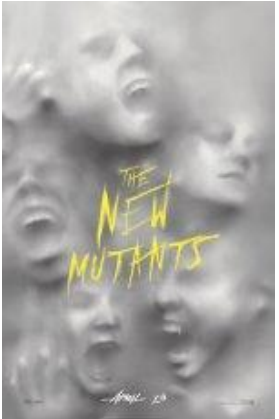


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MOVIE LINE UP 2019 - 2020

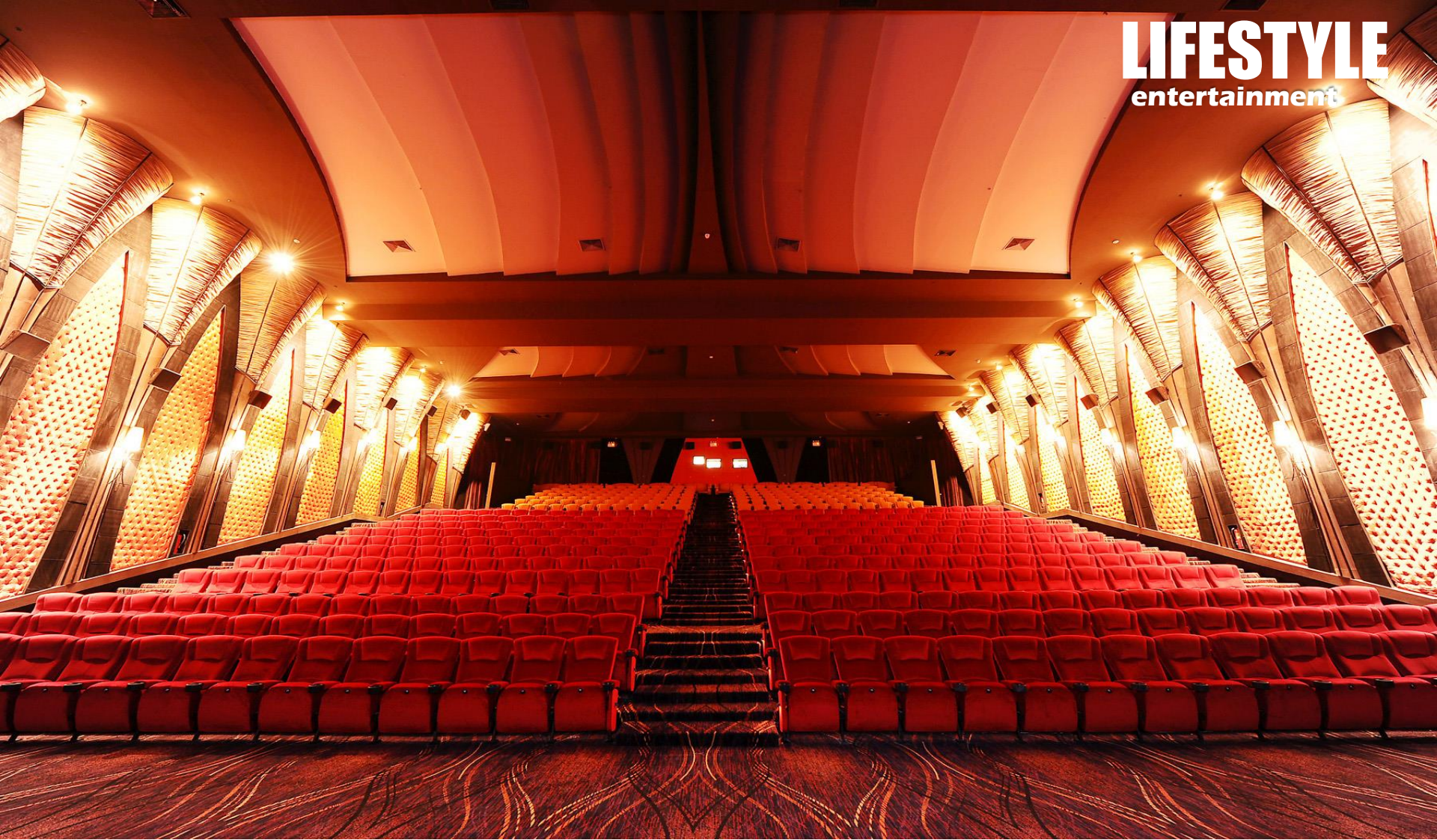
2019 & 2020 Coming Attraction Movies and Avatar is coming back!

Avatar 2
Avengers 4
Transformers 7
Fast & Furious 9
Captain Marvel
Fate of the Furious spinoff
Spider Man: Homecoming 2
Star Wars: Episode IX Minecraft
Frozen 2
Toy Story 4
Godzilla: King of the Monsters
How to train Dragon 3
The Lion King
Fantastic Beasts and Where to Find Them 3
Minions 2
The Flash: Flashpoint
Godzilla vs Kong
Green Lantern Corps
X-Men: Dark Phoenix
Jumanji 3
The New Mutants
Wonder Woman 2
IT: Chapter Two
G.I.Joe
Mulan
15 Untitled movies from Marvel, Disney, DC



Source: Movieinsider, BoxofficeMojo.

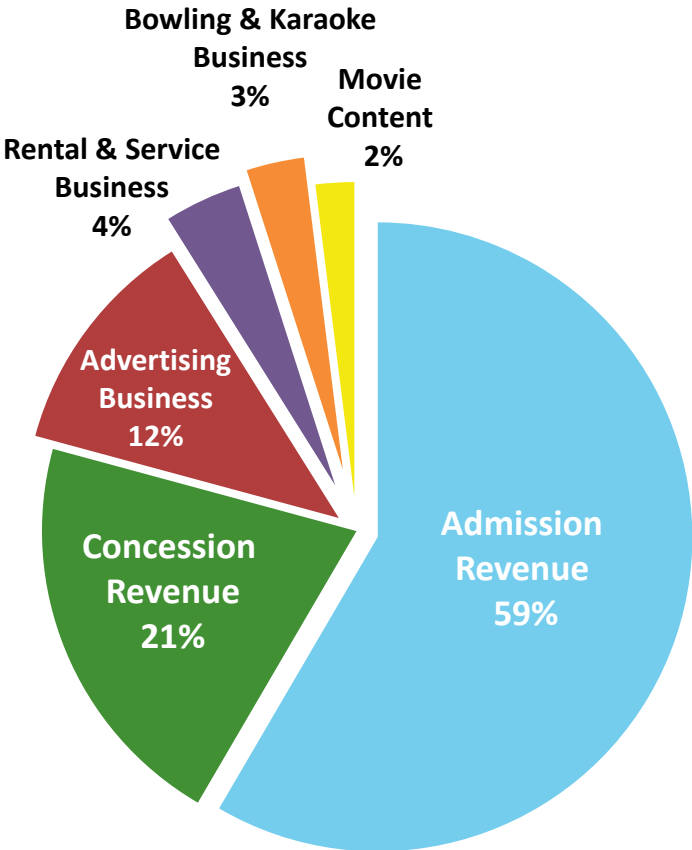
*Please note that release dates are subject to change. 16



BUSINESS REVIEW

BUSINESS REVIEW

Revenue Breakdown by segment



Major Group's Revenue Breakdown	2Q18	Margin
Cinema	79%	32%
<i>Admission Revenue</i>	59%	20%
<i>Concession Revenue</i>	21%	68%
Advertising Business	12%	85%
Bowling & Karaoke Business	3%	34%
Rental & Service Business	4%	7%
Movie Content <i>(Content Provider & Local Production)</i>	2%	-49%
Total Revenue	100%	36%

BUSINESS REVIEW: EXPANSION MODEL

Major has deploy four expansion models to expand cinemas in nationwide.

EXPANSION MODELS

Standalone



Shopping Malls



Lifestyle mall



Hyper Markets



5 Standalone

- Major Pinklao
- Major Sukhumvit
- Major Ratchayothin
- Major Rangsit
- Esplanade Ngamwongwan

50 Shopping Malls

(Central Group, The Mall Group, Robinson, Local developer)

6 Lifestyle Malls

Unique type located near by residential area, the biggest project is Mega Bangna (JV with IKEA).

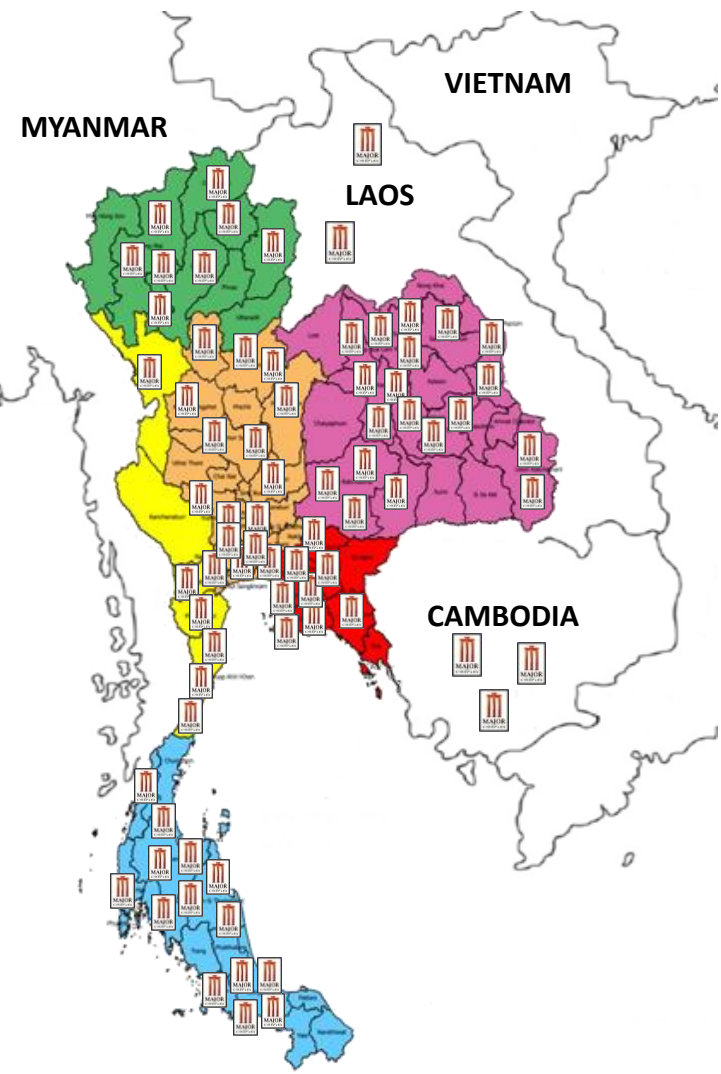
75 Hypermarket

Tesco Lotus, Big C—with full function of retails space, banks, restaurants and cinemas. Expand in every type of cities.

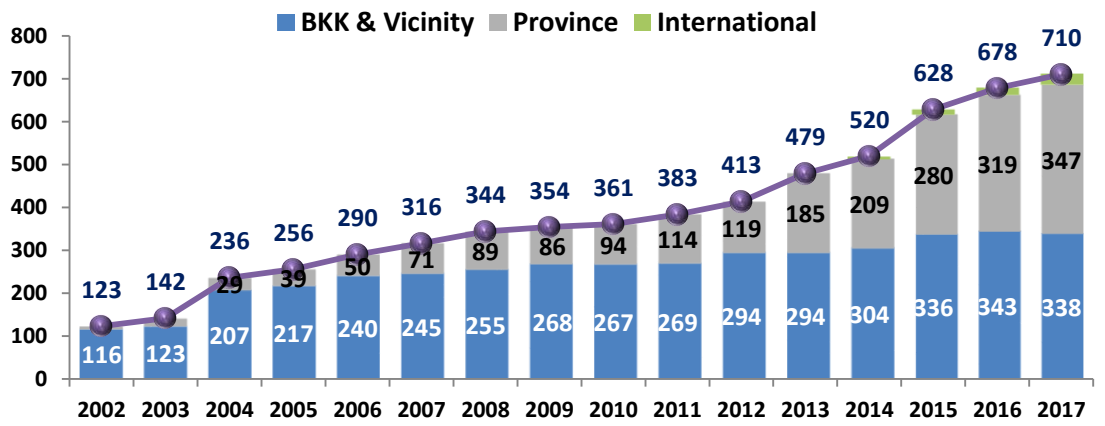


BUSINESS REVIEW: EXPANSION PLAN

MAJOR targets to expand 60 - 70 additional screens nationwide and international in year 2018, Most of the screens are located in upcountry area with Tesco Lotus and Big C (Hypermarket).



No.	Location	Screens	Location No.	BKK& Vicinity	UPC	Inter	Opening Period
1	Big C Sukhothai (Opened 1 Feb)	2	133		X		1Q18 (13 Screens)
2	Sahathai Nakhonsithamarat (Opened 7 Feb)	3	134		X		
3	Lotus Phatthalung (Opened 13 Feb)	3	135		X		
4	Sripong Park Uttaradit (Opened 3 Mar)	3	136		X		
5	Big C Phang Khon - Sakon Nakhon (Opened 28 Mar)	1	137		X		2Q18 (15 Screens)
6	Big C Kham Ta Kla - Sakon Nakhon (Opened 30 Mar)	1	138		X		
7	Big C Chaiyaphum (Opened 1 Apr)	2	139		X		
8	Big C Sattahip (Opened 4 Apr)	3	140		X		2H18 (30 Screens)
9	Aoen Mall 2 - Phnom Penh (Opened 30 May) BluO - 14 Bowling Lanes	8	141			X	
10	Lotus Suphan Buri (Opened 1 Jun)	2	142		X		
11	Big C Nong Bua (Opened 15 Jul)	1	143		X		2H18 (30 Screens)
12	Icon Siam	13	144	X			
Additional screen with Big C and Tesco Lotus around ~20 screens in 2H18 (Location: To be announced)				X	X		



BUSINESS REVIEW: INTERNATIONAL PROJECT



Major is aiming to expand cinemas in Cambodia, Laos, Myanmar, Vietnam (CLMV) with reasonable term and strong advantage on Thai movies which are popular among Asia Regional.

Cambodia (24 screens, 4 locations)

June 2014: Opened Major Platinum at Aeon Mall, Phnom Penh with 7 screens and 14 bowling lanes.

November 2017: Opened Major Platinum at Siem Reap with 3 screens.

December 2017: Opened Major Platinum at Sorya with 6 screens.

May 2018 : Opened Major Platinum at Aeon Mall 2, Phnom Penh with 8 screens and 14 bowling lanes.



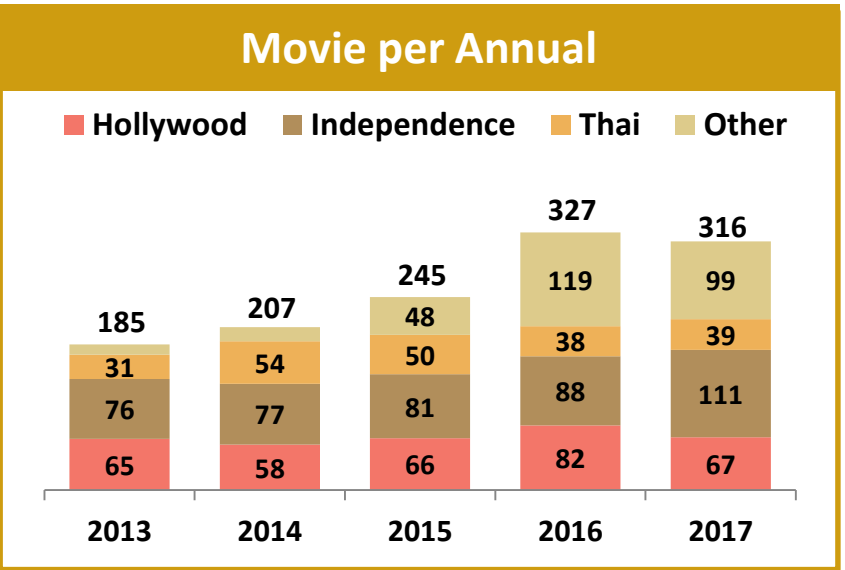
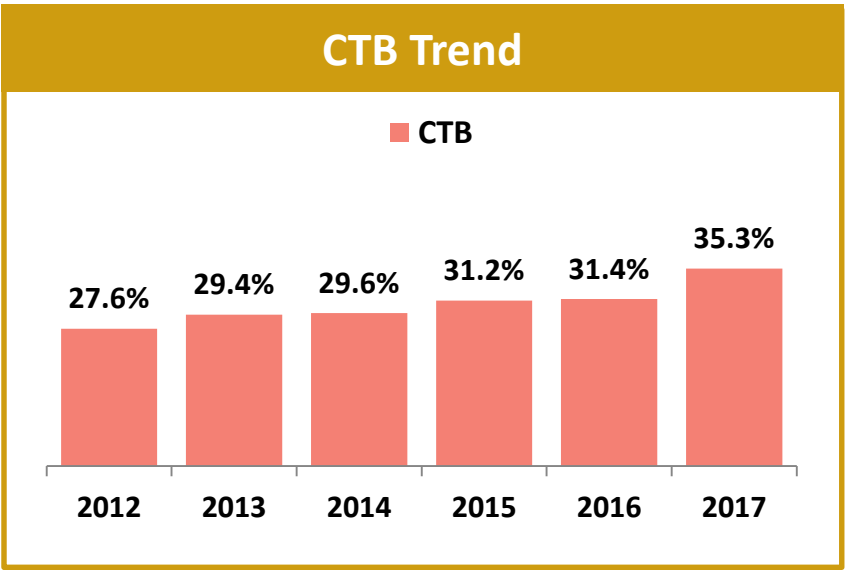
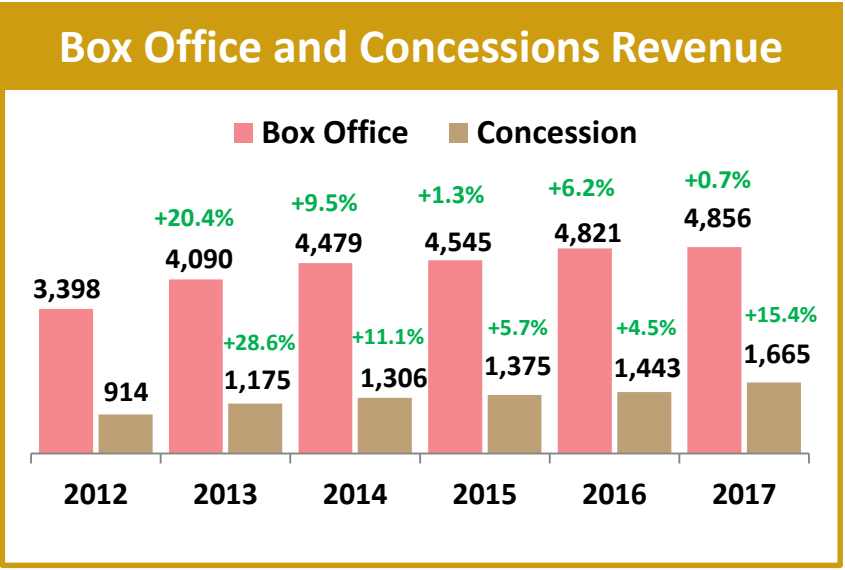
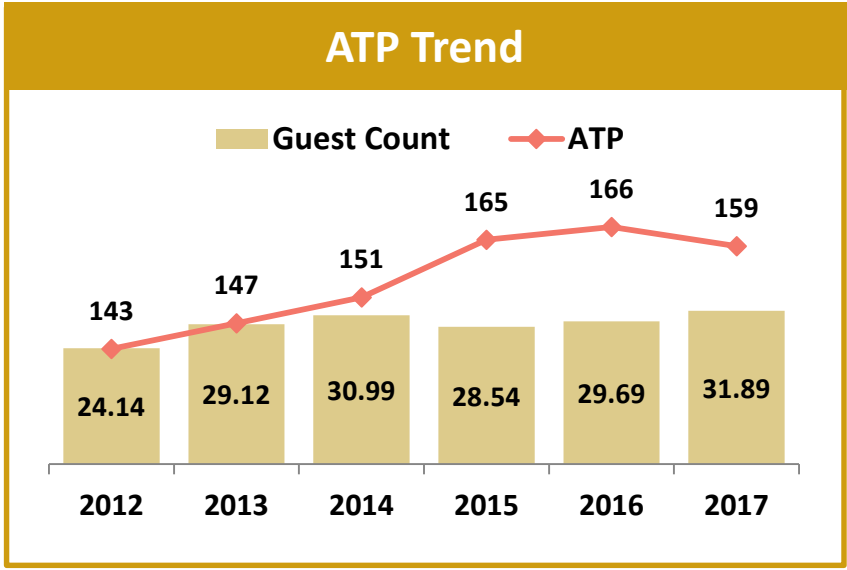
Laos (9 screens, 2 locations)

August 2016: Opened Major Cineplex Pakse at Friendship Mall, Pakse with 4 screens.

August 2015: Opened Major Platinum Cineplex at Vientiane center, Vientiane with 5 screens and 8 bowling lanes.



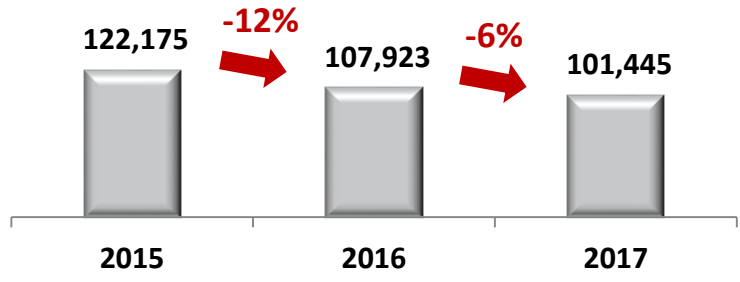
BUSINESS REVIEW: CINEMA



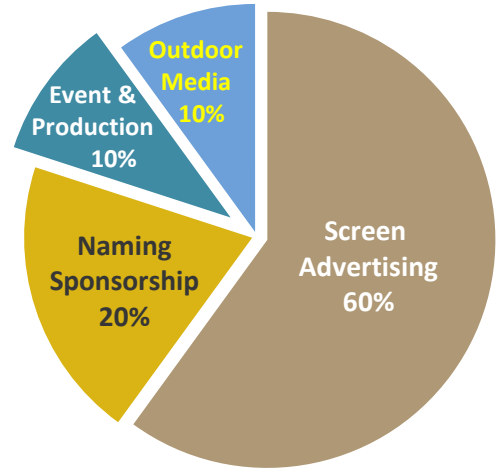
BUSINESS REVIEW: ADVERTISING

The advertising business is one of MAJOR's growth driver and it also company's advertising revenue growth against a drop in industry ADEX in the last three years.

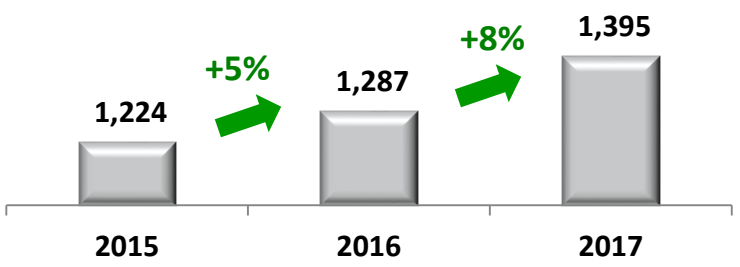
Advertising Expenditure by AC Nielsen



Advertising Revenue Mix



Major Cineplex Advertising Revenue



Categories	Ratio
Screen Advertising	60%
Naming Sponsorship	20%
Production (Royal Anthem, Sound Check) and Events	10%
Out of home media (Digital Media, LED, Billboard, etc.)	10%

Advertising: With additional screens, digital projectors platform and flexibility packages to suit particular geography, Major and media buyer will **create their own Engagement packages which specific customize to match with their target group** (by movie line up or locations) including with interactive marketing activities **by using Major's social media, cross promotion, event** to increases more advertising revenue. MAJOR also has a recurring naming sponsorship at screens itself to give special benefit to their own customers.

STRATEGIC INVESTMENT

Strategic investment to synergy Major Group's core business.

LANDLORD

26.19 % Siam Future Development Plc. (SF)
Lifestyle Shopping Malls, synergy Major Cineplex in term for expansion.



OTHERS

40.00% ThaiTicketMajor Co., Ltd.
JV with BEC-Tero for Ticket Master Business (Concert, Sport, Liveshow, Transportation, etc.)
33.00% Major Cineplex Lifestyle Leasehold Property Fund (MJLF)



MOVIE CONTENT

92.46% M Pictures Entertainment Plc. (MPIC)

- M Pictures: Distribution Movie License
- M39: Production House
- Transformation Film (Holding 28%) Production house JV with 3 Media channel and Cable TV
- MVD: Rights Management, Content provider for DVD, Cable, Television, Digital platform.
- Major Kantana Broadcasting (M Channel) JV with Kantana for Cable Business

49.00% CJ Major Entertainment
JV with CJ Entertainment to produce local content.

STRATEGIC INVESTMENT

Strategic investment and hidden profit

Closing price as on 30 June 2018

Bt.million

Investments	%Share	Cost per Share	Major's Cost	Market Value	Unrealized Gain (Loss)
Siam Future	26.19%	4.20	1,955	3,653	1,697
MJLF	33.00%	10.00	1,089	1,339	250
MPIC	92.46%	1.67	2,003	2,044	41
Total			5,047	7,036	1,989

Investment portfolio as of 30th June, 2018:

- 26.19% in Siam Future Development Plc. (SF)
- 33.00% in Major Cineplex Lifestyle Leasehold Property Fund (MJLF)
- 92.46% in M Pictures Entertainment Plc. (MPIC)
- 40.00% in Thai Ticket Major Co., Ltd.
- 69.97% in Major Platinum Cineplex Co., Ltd. (Cambodia)
- 59.98% in Major Platinum Cineplex Co., Ltd. (Lao)
- 99.99% in Cineplex (Lao) Sole Co., Ltd.
- 49.00% in CJ Major Entertainment





FINANCIAL OVERVIEW

2Q18 QUARTERLY BRIEFING

Financial Highlights



Bt. Million	2Q17		2Q18		Growth		
					Amt.	%	
Revenue	2,779	100%	3,004	100%	225	8%	
Gross Margin	1,053	38%	1,093	36%	40	4%	
EBITDA	996	36%	967	32%	(29)	(3%)	
EBIT	726	26%	688	23%	(39)	(5%)	
Net Profit	554	20%	534	18%	(20)	(4%)	
Net Core Profit (exclude divestment)	428	15%	468	16%	40	9.4%	

Net core profit improved from core businesses and cost efficiency management

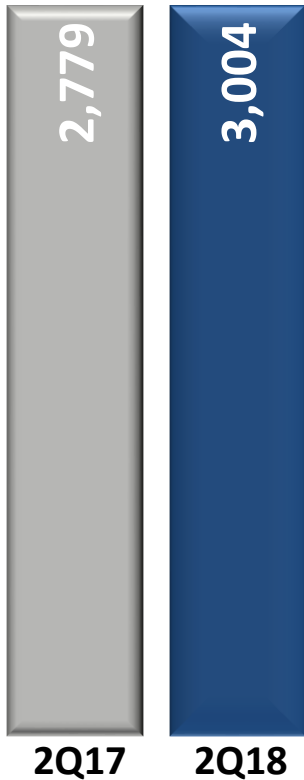
2Q18 QUARTERLY BRIEFING

Revenue Breakdown



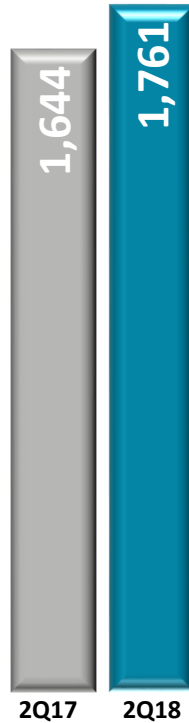
Total Revenue

+8%
(+225mb.)



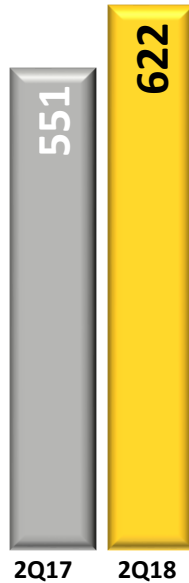
Admission Revenue

+7%
(+117mb.)



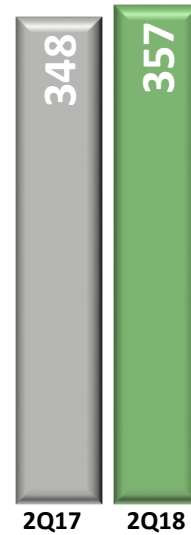
Concession

+13%
(+71mb.)



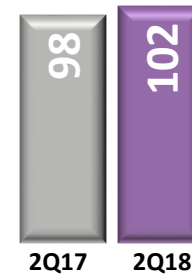
Advertising

+3%
(+10mb.)



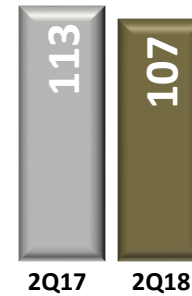
Bowling group

+5%
(+5mb.)



Retails

(5%)
(6mb.)



Movie Content

+111%
(+28mb.)



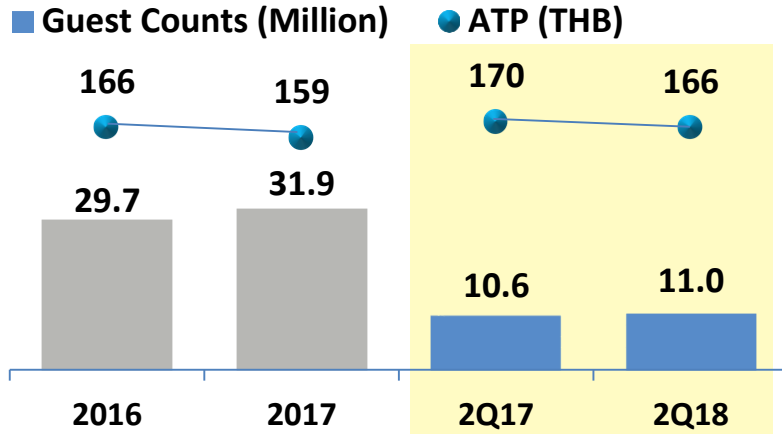
- Admission sale growth from blockbuster movies.
- Concession sale growth from product variety.

2Q18 QUARTERLY BRIEFING

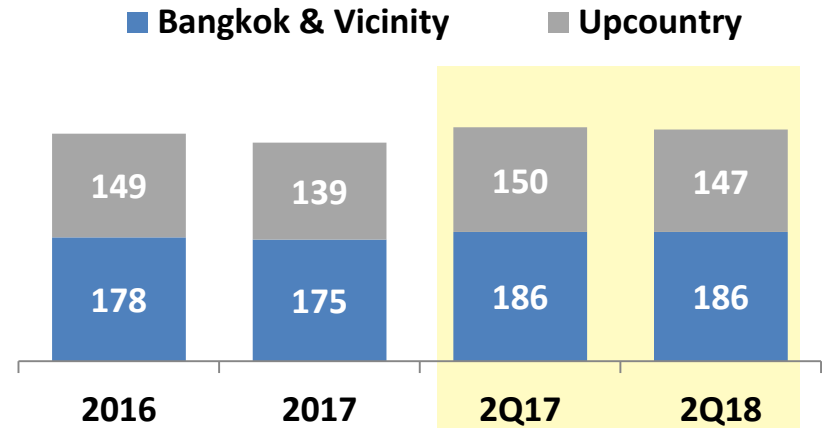


Revenue : Admissions

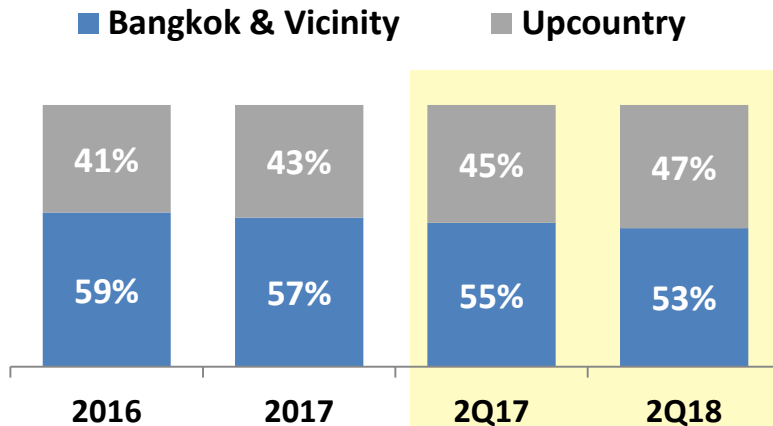
ATP & Guest Counts



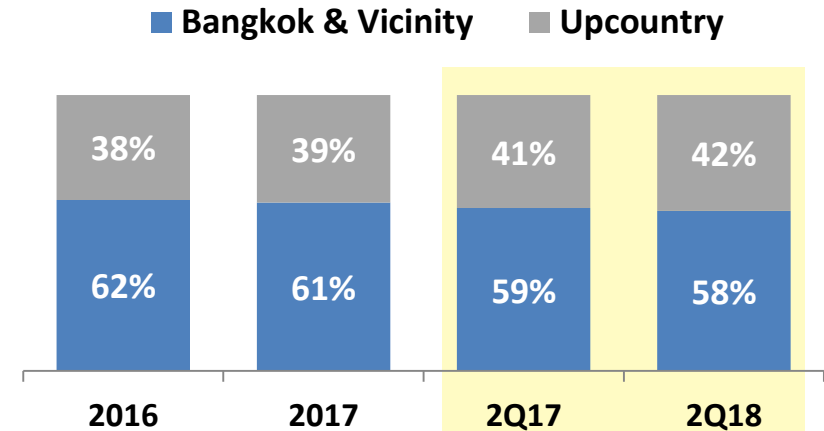
ATP Breakdown (THB)



Guest Counts Breakdown by Regional



Cinema Breakdown by Regional

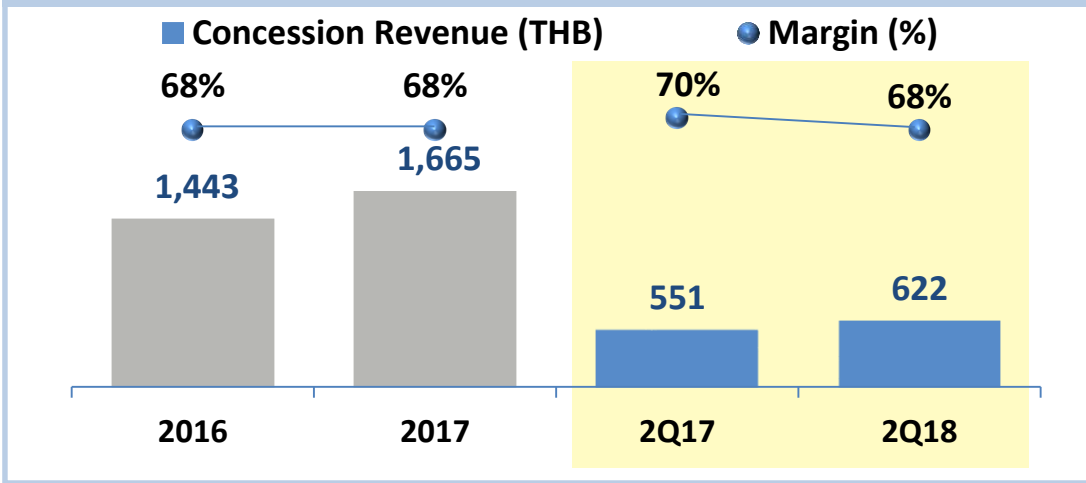


2Q18 QUARTERLY BRIEFING

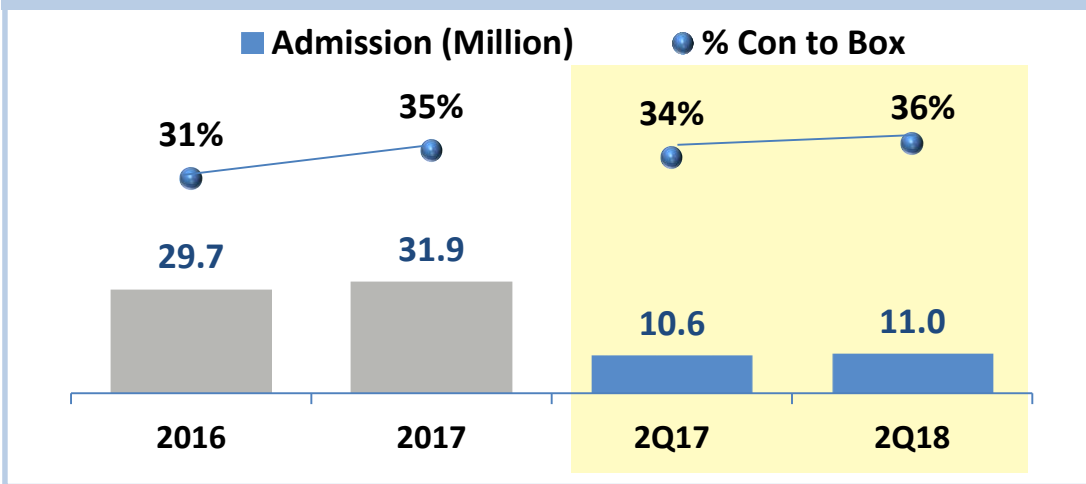


Revenue : Concession

Concession Revenue & Margin



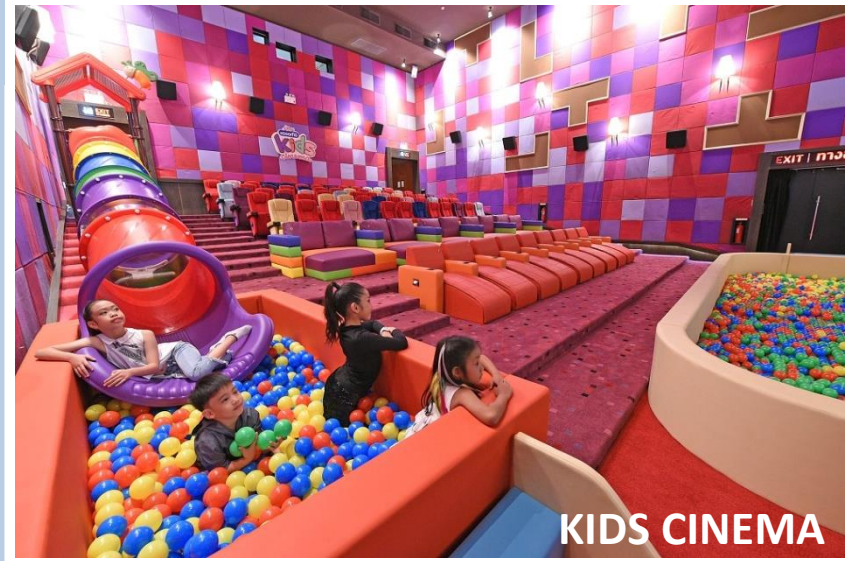
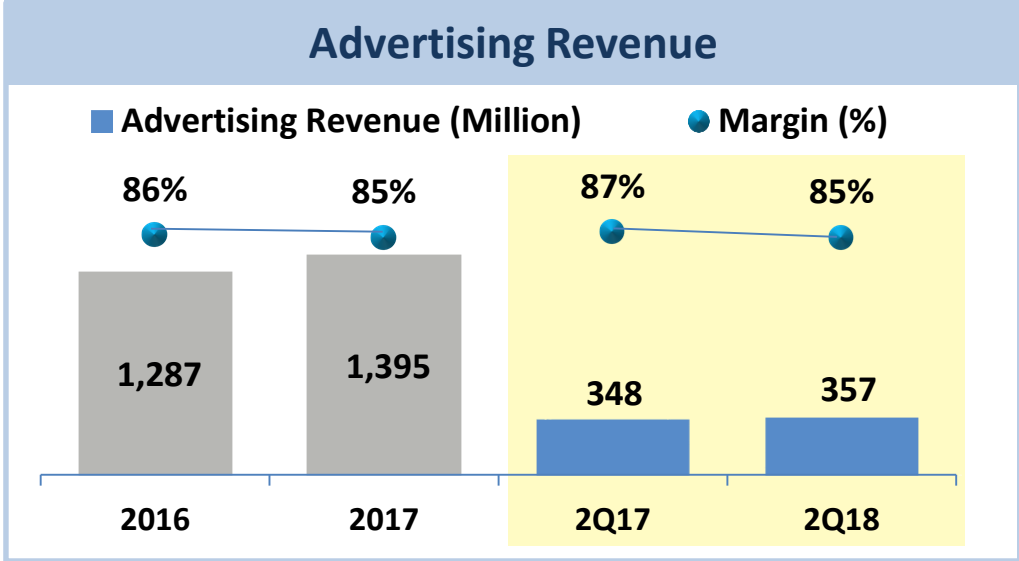
% Con to Box Ratio



2Q18 QUARTERLY BRIEFING



Revenue : Advertising



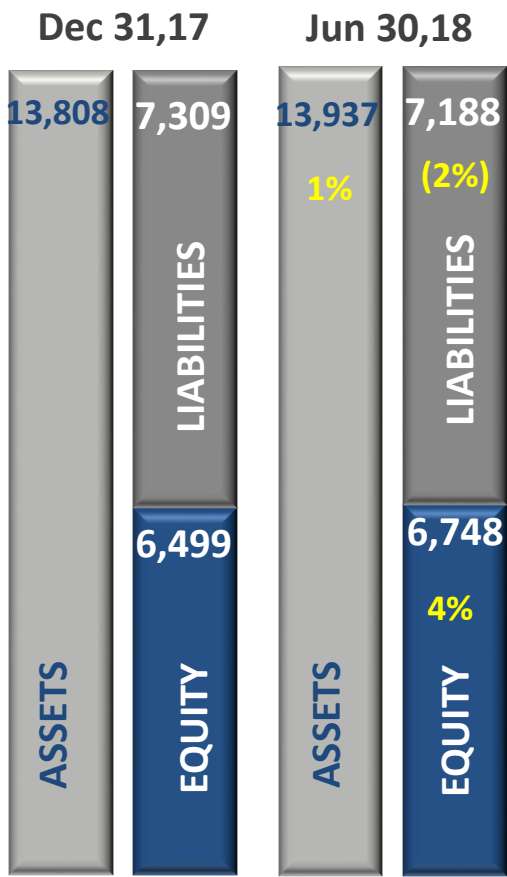
2Q18 QUARTERLY BRIEFING

Balance Sheet Snapshot

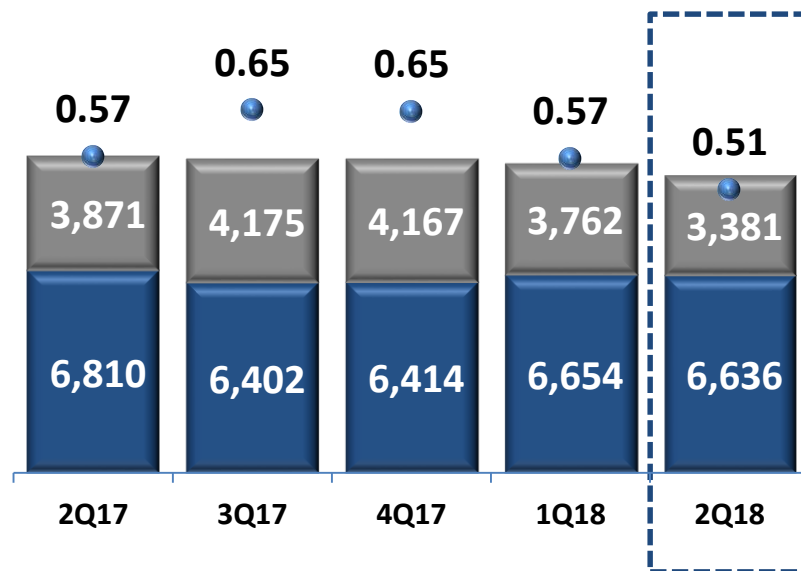


Bt.million	Dec 31,17	Jun 30, 18	%chg
Assets	13,808	13,937	1%
Liabilities	7,309	7,188	(2%)
Equity	6,499	6,748	4%

Net D/E declined even though Major expand more screens.



■ Net interest-bearing debts ■ Equity ● Net D/E





THANK YOU