

## Malaysia

### ADD (no change)

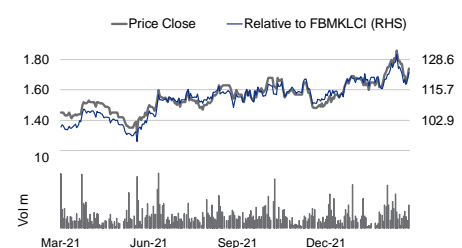
Consensus ratings\*: Buy 9 Hold 2 Sell 1

Current price:	RM1.74
Target price:	RM1.90
Previous target:	RM1.90
Up/downside:	9.2%
CGS-CIMB / Consensus:	5.5%
Reuters:	BERA.KL
Bloomberg:	BAUTO MK
Market cap:	US\$482.9m
	RM2,022m
Average daily turnover:	US\$0.72m
	RM3.01m
Current shares o/s:	1,155m
Free float:	29.2%

\*Source: Bloomberg

#### Key changes in this note

➤ No change.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	6.7	16.8	28.9
Relative (%)	6	10.6	32.5

Major shareholders	% held
Employees Provident Fund	20.0
Dynamic Milestone	13.8
Permodalan Nasional Berhad	12.5

#### Analyst(s)


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# Bermaz Auto Berhad

## Expecting margin acceleration in 4QFY22F

- 9MFY4/22 results were in line at 59% of our and Bloomberg consensus FY22F PAT forecasts as we expect a stronger earnings delivery in 4QFY22F.
- We expect a stronger 4QFY4/22F, driven by healthy order backlog, resilient demand ahead of Hari Raya and lower advertising and promotion expenses.
- Reiterate Add with an unchanged RM1.90 TP, still based on 14x CY23F P/E.

### 3QFY4/22 core net profit grew 52% qoq

Bermaz Auto's (BAuto) 3QFY4/22 revenue rose 29% qoq, due to stronger contribution from Malaysia (+29% qoq) and the Philippines (+25% qoq) on the back of higher sales volume, which grew by 27% and 56% qoq, respectively. In addition, the group also attributed stronger sales in Malaysia to the maiden launch of the Kia Carnival complete built-up (CBU) model in Jan 22. 3QFY22 EBIT margin expanded 1.5% pts to 7.8%. Overall, core net profit in 3QFY22 rose 52% qoq to RM40.7m (vs. RM26.8m in 2QFY22). The group also declared 2.25 sen interim DPS in the quarter (vs. 1.5 sen in 2QFY22), which is in line with our expectation.

### EBIT margin expanded by 1.6% pts yoy in 9MFY22

BAuto's EBIT margin 9MFY22 expanded by 1.6% pts yoy to 6.6%, despite the 13% yoy decline in revenue due to 1) discontinuation of aggressive promotional campaigns, 2) better sales mix from locally-assembled units, which offer higher margins and 3) better cost saving initiatives such as fewer advertising and promotions. Overall, BAuto posted 14% yoy core net profit growth in 9MFY22. The group also declared a higher 4.25 sen total DPS in 9MFY22 (vs. 3.25 sen total DPS in 9MFY21), which implied a total dividend payout of 64% in 9MFY22 (vs. 56% in 9MFY21).

### Projecting a stronger sales delivery in 4QFY4/22F

We project BAuto to deliver stronger net profit in 4QFY4/22F, driven by higher sales volume on the back of 1) healthy order backlog, 2) seasonal demand improvement ahead of Hari Raya festivities in May 22, 3) ongoing sales tax holiday and 4) new models such as Mazda CX-30, Kia Carnival and Peugeot 2008. We gathered from management that Bermaz currently has over 3.5k units of order backlog. The group is targeting 13k sales volume in FY4/22F from all three marques – Mazda, Kia and Peugeot. Moreover, we estimate that over 55% of the order backlog come from completely knocked-down (CKD) units, which offer relatively higher margins than CBU models. In addition, we do not see a material impact from the ongoing Russian-Ukraine war given that Bermaz does not source any components for its CKD and CBU models from the impacted region.

### Reiterate Add with an unchanged RM1.90 TP

We keep our earnings forecasts and retain our Add rating on the stock with an unchanged RM1.90 TP, still based on 14x CY23F P/E, in line with our target sector P/E. The stock trades at 14.2x CY22F P/E, which is below its 3-year historical mean P/E of 15x. Bermaz also offers a decent CY22-23F dividend yield of 4.2-4.5%.

Financial Summary	Apr-20A	Apr-21A	Apr-22F	Apr-23F	Apr-24F
Revenue (RMm)	1,755	2,288	2,485	2,774	3,034
Operating EBITDA (RMm)	124.1	175.7	178.9	190.4	205.8
Net Profit (RMm)	100.8	133.9	133.9	144.8	162.9
Normalised EPS (RM)	0.09	0.12	0.12	0.13	0.14
Normalised EPS Growth	(61.8%)	32.8%	(0.0%)	8.1%	12.5%
FD Normalised P/E (x)	19.92	15.00	15.00	13.87	12.33
DPS (RM)	0.075	0.065	0.065	0.078	0.080
Dividend Yield	4.28%	3.74%	3.74%	4.45%	4.60%
EV/EBITDA (x)	15.21	8.36	7.83	6.98	6.04
P/FCFE (x)	NA	3.94	28.86	14.07	12.32
Net Gearing	7.2%	(57.6%)	(60.2%)	(63.1%)	(66.2%)
P/BV (x)	4.27	3.54	3.11	2.81	2.52
ROE	19.5%	25.8%	22.1%	21.3%	21.5%
% Change In Normalised EPS Estimates			0%	0%	0%
Normalised EPS/consensus EPS (x)			1.00	0.86	0.81

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## Key catalysts and downside risks ►

We see potential new localisation projects, stronger contribution from new Kia and Peugeot models, a higher take-up during the sales tax holiday, and higher dividend payout as potential re-rating catalysts. Intensifying competition in the SUV market and depreciation of the ringgit vs. US\$ and JPY are key downside risks.

**Figure 1: Results comparison**

FYE Apr (RM m)	3QFY22	3QFY21	yoy % chg	2QFY22	qoq % chg	3QFY22 Cum	3QFY21 Cum	yoy % chg	Prev. FY22F	Comments
Revenue	623	598	4.2	484	28.8	1,428	1,647	(13.3)	2,485	Higher sales volume in Malaysia and the Philippines in 3QFY22
Operating costs	(568)	(558)	1.9	(446)	27.3	(1,313)	(1,544)	(15.0)	(2,306)	
<b>EBITDA</b>	<b>55</b>	<b>40</b>	<b>35.4</b>	<b>37</b>	<b>46.0</b>	<b>115</b>	<b>102</b>	<b>12.0</b>	<b>179</b>	<b>In line</b>
<i>EBITDA margin (%)</i>	8.8	6.8		7.7		8.0	6.2		7.2	
Depn & amort.	(5.1)	(3.9)	30.6	(5.1)	0.3	(15.0)	(12.0)	24.9	(16.4)	
<b>EBIT</b>	<b>49.6</b>	<b>36.5</b>	<b>35.9</b>	<b>32.4</b>	<b>53.2</b>	<b>100</b>	<b>90</b>	<b>10.3</b>	<b>163</b>	
Interest expense	(2.6)	(2.4)	7.2	(2.3)	12.9	(7.7)	(9.7)	(20.3)	(10.1)	Total borrowings of RM199.8m as at end-Jan 22
Interest & invt inc	1.5	1.7	(10.7)	1.3	15.6	4.7	3.7	26.1	14.4	Total cash of RM525m as at end-Jan 22
Associates	6.6	7.4	(10.7)	2.9	> 100	8.6	7.2	19.6	15.0	
Exceptionals	0.1	(0.9)	> 100	(0.7)	> 100	(2.2)	(2.4)	(9.7)	-	
<b>Pretax profit</b>	<b>55.1</b>	<b>42.2</b>	<b>30.6</b>	<b>33.5</b>	<b>64.3</b>	<b>103</b>	<b>89</b>	<b>15.6</b>	<b>181.9</b>	<b>In line</b>
Tax	(12.4)	(9.6)	28.5	(8.6)	43.6	(25.2)	(23.5)	6.9	(45.5)	Above expectation
<i>Tax rate (%)</i>	22.5	22.8		25.7		24.4	26.4		25.0	
Minority interests	(2.0)	0.5	> 100	1.1	> 100	(1.0)	1.4	> 100	(2.5)	
Net profit	40.7	33.1	23.1	26.0	56.3	77.0	67.1	14.8	133.9	In line
<b>Core net profit</b>	<b>40.7</b>	<b>34.0</b>	<b>19.7</b>	<b>26.8</b>	<b>51.8</b>	<b>79.2</b>	<b>69.5</b>	<b>13.9</b>	<b>133.9</b>	<b>9MFY4/22 results made up 59% of CGS-CIMB</b>
EPS (sen)	3.5	2.8	23.0	2.2	56.3	6.6	5.8	14.7	11.7	and Bloomberg consensus full-year estimates
Core EPS (sen)	3.5	2.9	19.6	2.3	51.8	6.8	6.0	13.8	11.7	
Net DPS (sen)	2.3	1.5	50.0	1.5	50.0	4.3	3.3	30.8	6.5	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 2: Revenue and pre-tax profit breakdown**

Revenue breakdown (RM m)	3QFY22	3QFY21	yoy % chg	2QFY22	qoq % chg	3QFY22 Cum	3QFY21 Cum	yoy % chg	Comments
Malaysia	580	550	5.5	450	29.1	1,301	1,530	(15.0)	Sales volume in Malaysia rose 27% qoq in 3QFY22
Philippines	43	48	(11.1)	34	25.0	127	117	8.9	Sales volume in the Philippines rose 56% qoq in 3QFY22
<b>Total</b>	<b>623</b>	<b>598</b>	<b>4.2</b>	<b>484</b>	<b>28.8</b>	<b>1,428</b>	<b>1,647</b>	<b>(13.3)</b>	

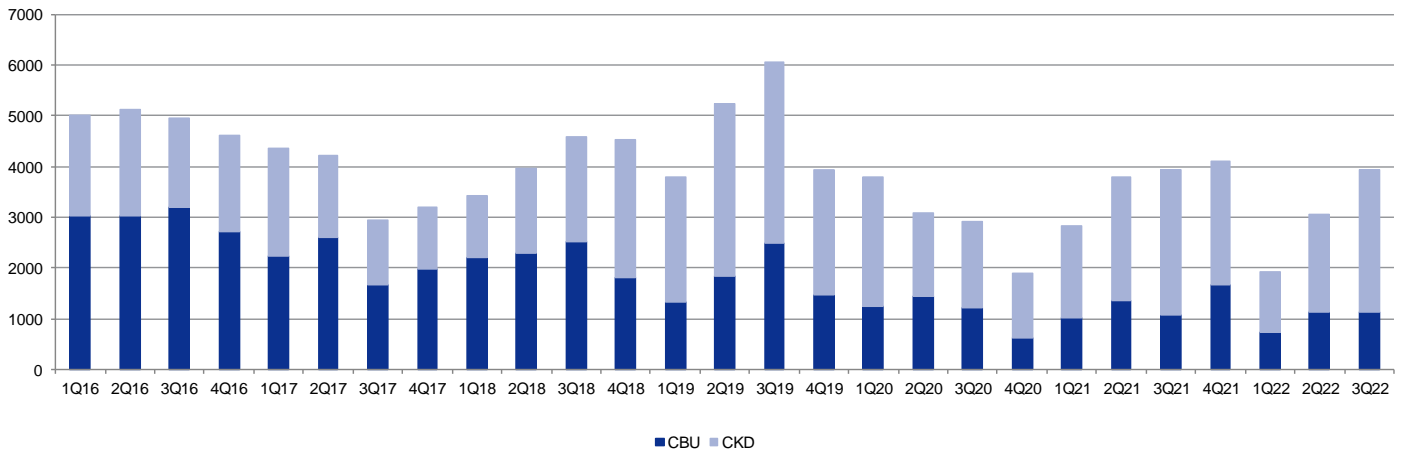
Revenue contribution (%)	3QFY22	3QFY21	yoy % chg	2QFY22	qoq % chg	3QFY22 Cum	3QFY21 Cum	yoy % chg
Malaysia	93.1	92.0	1.2	92.9	0.2	91.1	92.9	(1.8)
Philippines	6.9	8.0	(1.2)	7.1	(0.2)	8.9	7.1	1.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>		<b>100.0</b>		<b>100.0</b>	<b>100.0</b>	

Pretax profit (RM m)	3QFY22	3QFY21	yoy % chg	2QFY22	qoq % chg	3QFY22 Cum	3QFY21 Cum	yoy % chg
Malaysia	47.8	37.0	29.1	29.9	59.9	93.9	83.9	12.0
Philippines	0.7	(0.9)	> 100	0.8	(2.9)	2.2	(0.6)	> 100
Mazda Malaysia	5.0	4.8	3.8	0.1	> 100	3.2	0.8	> 100
Inokom	2.2	2.5	(10.7)	2.8	(19.7)	6.0	6.3	(5.3)
Others	(0.6)	(1.3)	(49.4)	(0.0)	> 100	(2.1)	(1.1)	88.0
<b>Total</b>	<b>55.1</b>	<b>42.2</b>	<b>30.6</b>	<b>33.5</b>	<b>64.3</b>	<b>103.1</b>	<b>89.2</b>	<b>15.6</b>

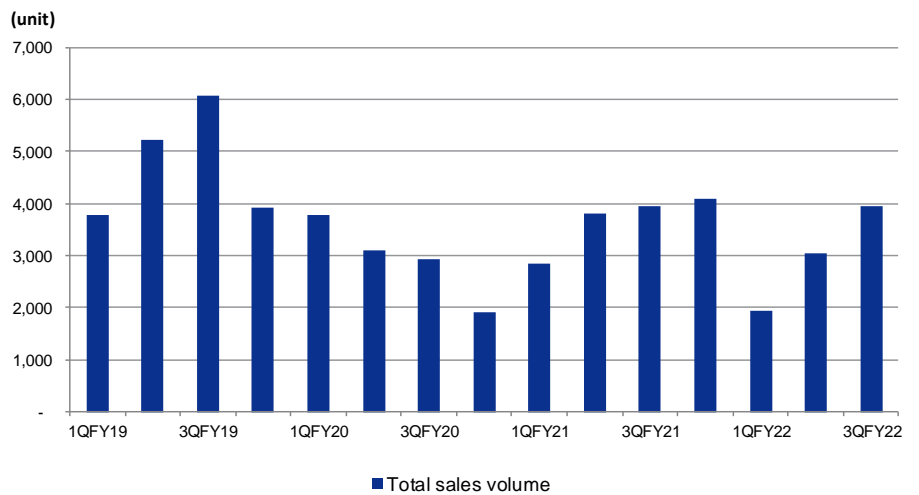
SOURCE: CGS-CIMB RESEARCH, COMPANY

**Figure 3: Historical quarterly sales volume (CBU vs. CKD units)**



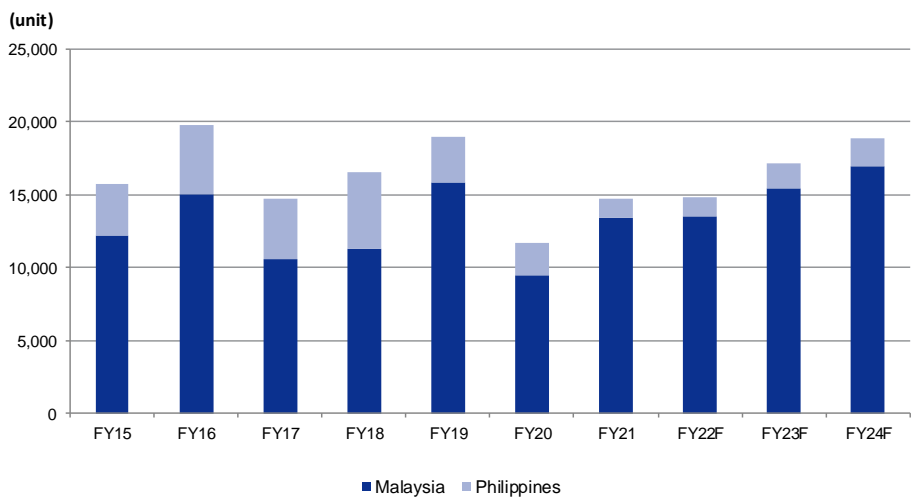
SOURCE: CGS-CIMB RESEARCH, COMPANY

**Figure 4: Quarterly historical sales volume (unit)**



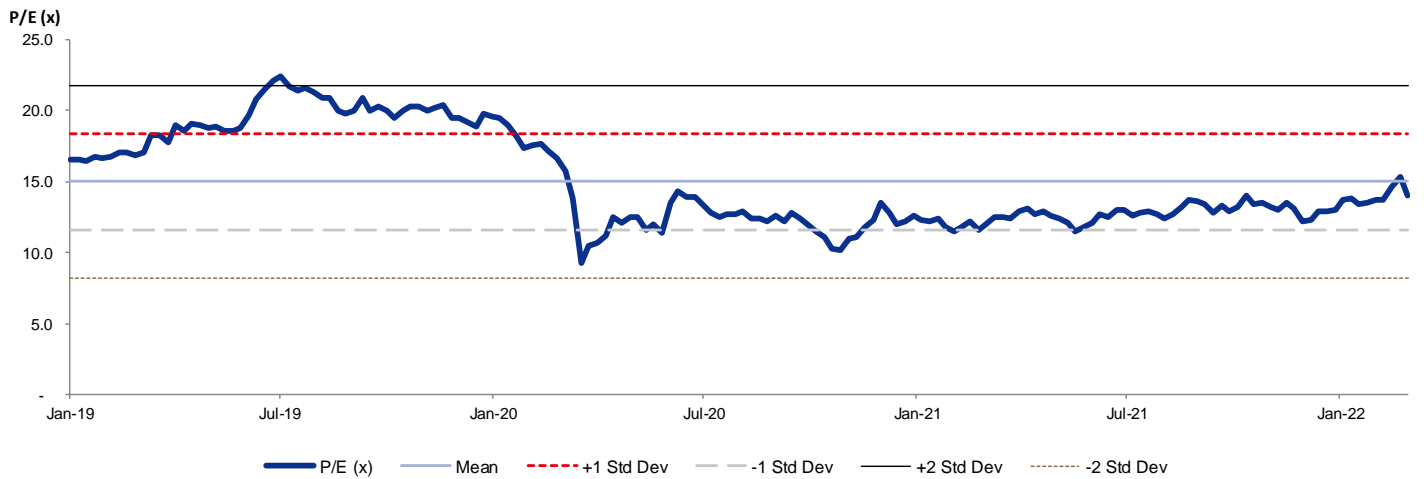
SOURCE: CGS-CIMB RESEARCH, COMPANY

**Figure 5: Historical and projected sales volume (unit)**



SOURCE: CGS-CIMB RESEARCH, COMPANY

Figure 6: Bermaz's 1-year forward P/E




SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

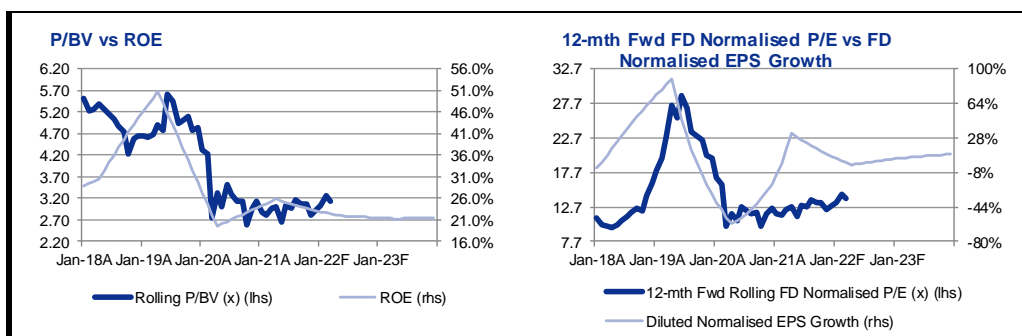
Figure 7: Sector comparison

Company	Ticker	Recom.	Price (RM)	Target Price (RM)	Mkt Cap (US\$ m)	P/E (x)		P/BV (x)		Recurring ROE (%)		EV/EBITDA (x)		Dividend Yield (%)	
						CY22F	CY23F	CY22F	CY23F	CY22F	CY23F	CY22F	CY23F	CY22F	CY23F
Bermaz Auto Berhad	BAUTO	MK Add	1.74	1.90	483	14.2	12.8	2.9	2.6	21.6%	21.4%	7.3	6.4	4.2%	4.5%
DRB-Hicom	DRB	MK Add	1.43	1.70	660	16.2	12.3	0.4	0.4	2.3%	3.0%	4.4	3.9	0.0%	0.0%
Tan Chong Motor Holdings	TCM	MK Hold	1.12	1.13	174	39.3	48.6	0.3	0.3	0.7%	0.5%	6.8	6.7	1.8%	1.3%
UMW Holdings	UMWH	MK Add	3.08	4.00	859	12.5	10.9	0.8	0.8	6.9%	7.7%	7.7	7.7	2.6%	2.9%
Sime Darby Bhd	SIME	MK Add	2.28	2.55	3,708	13.1	13.3	0.9	0.9	7.3%	7.0%	4.4	4.2	4.6%	3.7%
<b>Sector average</b>						<b>13.7</b>	<b>13.0</b>	<b>0.8</b>	<b>0.8</b>	<b>5.8%</b>	<b>5.9%</b>	<b>5.0</b>	<b>4.7</b>	<b>3.7%</b>	<b>3.2%</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Refinitiv ESG Scores							
	<table border="1"> <tr> <td style="background-color: #90EE90;">B- ESG Score</td> <td style="background-color: #3CB371;">A+ ESG Controversies Score</td> <td style="background-color: #90EE90;">B- ESG Combined Score</td> <td style="background-color: #3CB371;">B ESG Environment Pillar Score</td> <td style="background-color: #3CB371;">A- ESG Social Pillar Score</td> <td style="background-color: #FF8C00;">D+ ESG Government Pillar Score</td> </tr> </table>	B- ESG Score	A+ ESG Controversies Score	B- ESG Combined Score	B ESG Environment Pillar Score	A- ESG Social Pillar Score	D+ ESG Government Pillar Score
B- ESG Score	A+ ESG Controversies Score	B- ESG Combined Score	B ESG Environment Pillar Score	A- ESG Social Pillar Score	D+ ESG Government Pillar Score		
<b>ESG in a nutshell</b>							
<p>Bermaz Auto is principally involved in the distribution of CKD and CBU Mazda vehicles in Malaysia and the Philippines. Bernaz has been recently appointed as the franchised holder for Kia and Peugeot in Malaysia.</p> <p>Its sustainability activities are focused on improving safety standards for consumers, climate protection, green technology via Energy Efficient Vehicle (EEVs), local content vendor development, high value-added manufacturing and promotion of exports of value-added products as outlined in the National Automotive Policy (NAP). Bernaz has been included in the FTSE4Good Bursa Malaysia Index since Jun 2020.</p>							
<b>Keep your eye on</b>	<b>Implications</b>						
<p>Global automakers are increasing their efforts to achieve cleaner exhaust emissions and improve fuel economy in order to reduce CO2 emissions and the world's dependence on fossil fuels. The Malaysian government announced its plan to waive excise duties and taxes under Budget 2022 incentives. This is part of the government's strategy to promote electric vehicle (EV) adoption in the domestic market.</p>	<p>We think Bernaz is well positioned to capitalise on the structural change in the automotive industry, from internal combustion engines (ICE) to EVs, given that its principal partner, Mazda, has announced plans to introduce 13 electrified models by 2025. Moreover, Bermaz is in discussions with its principal partners to introduce hybrid and BEV models, such as Mazda MX-30, Peugeot 2008 SUV EV and Kia EV6, from 2HCY22F onwards.</p>						
<b>ESG highlights</b>	<b>Implications</b>						
<p>For the environmental aspect, Bernaz complies with regulatory requirements for scheduled waste disposal. All scheduled wastes are removed from the site within 180 days. Bernaz's total scheduled waste rose 36% yoy to 212.6 tonnes in FY4/20, mainly due to higher lubricating oil usage.</p>	<p>As the group sells more ICE vehicles, it will consume higher lubricating oil for its after-sales service requirement. If Bernaz starts to sell more EV models, this could potentially reduce lubricating oil consumption; however, it may pose an earnings risk due to lower demand for after sales service.</p>						
<b>Trends</b>	<b>Implications</b>						
<p>In terms of product responsibility, Bernaz is one the few auto distributors in the country that offer five years of free service and maintenance to its customers. The group carried out an aggressive promotional campaign offering six years of free service and maintenance to its customers during the initial phase of the sales tax holiday (Jul-Dec 2020) to drive sales recovery. The free service maintenance package provides owners with free scheduled maintenance, inclusive of the cost of labour, parts and lubricants.</p>	<p>The initiatives received favourable market reception. We believe this kind of initiative helps to differentiate Bermaz from the competition. Although it may bring near-term impact to its profit margin, we believe this should help to build brand loyalty among its customers.</p>						
<small>SOURCES: CGS-CIMB RESEARCH, REFINITIV</small>							

## BY THE NUMBERS



### Profit & Loss

(RMm)	Apr-20A	Apr-21A	Apr-22F	Apr-23F	Apr-24F
<b>Total Net Revenues</b>	<b>1,755</b>	<b>2,288</b>	<b>2,485</b>	<b>2,774</b>	<b>3,034</b>
<b>Gross Profit</b>	<b>229</b>	<b>313</b>	<b>328</b>	<b>357</b>	<b>388</b>
<b>Operating EBITDA</b>	<b>124</b>	<b>176</b>	<b>179</b>	<b>190</b>	<b>206</b>
Depreciation And Amortisation	(16)	(16)	(16)	(20)	(18)
<b>Operating EBIT</b>	<b>108</b>	<b>160</b>	<b>163</b>	<b>171</b>	<b>188</b>
Financial Income/(Expense)	(3)	(7)	4	11	18
Pretax Income/(Loss) from Assoc.	27	21	15	18	20
Non-Operating Income/(Expense)	0	0	0	0	0
<b>Profit Before Tax (pre-EI)</b>	<b>132</b>	<b>173</b>	<b>182</b>	<b>200</b>	<b>226</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>132</b>	<b>173</b>	<b>182</b>	<b>200</b>	<b>226</b>
Taxation	(28)	(41)	(45)	(50)	(57)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>104</b>	<b>132</b>	<b>136</b>	<b>150</b>	<b>170</b>
Minority Interests	(3)	2	(2)	(5)	(7)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Preference Dividends (Australia)					
<b>Net Profit</b>	<b>101</b>	<b>134</b>	<b>134</b>	<b>145</b>	<b>163</b>
Normalised Net Profit	104	132	136	150	170
<b>Fully Diluted Normalised Profit</b>	<b>101</b>	<b>134</b>	<b>134</b>	<b>145</b>	<b>163</b>

### Cash Flow

(RMm)	Apr-20A	Apr-21A	Apr-22F	Apr-23F	Apr-24F
<b>EBITDA</b>	<b>124.1</b>	<b>175.7</b>	<b>178.9</b>	<b>190.4</b>	<b>205.8</b>
Cash Flow from Inv. & Assoc.					
Change In Working Capital					
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	(215.4)	314.9	6.8	6.3	10.8
Net Interest (Paid)/Received	(6.7)	(12.8)	(10.1)	(5.1)	(0.1)
Tax Paid	(54.7)	(37.5)	(45.5)	(49.9)	(56.6)
<b>Cashflow From Operations</b>	<b>(152.7)</b>	<b>440.3</b>	<b>130.2</b>	<b>141.7</b>	<b>160.0</b>
Capex	(15.0)	(3.6)	(25.0)	(15.0)	(15.0)
Disposals Of FAs/subsidiaries	0.0	0.0	0.0	0.0	0.0
Acq. Of Subsidiaries/investments	0.0	0.0	0.0	0.0	0.0
Other Investing Cashflow	3.8	5.4	14.4	16.1	18.2
<b>Cash Flow From Investing</b>	<b>(11.2)</b>	<b>1.8</b>	<b>(10.6)</b>	<b>1.1</b>	<b>3.2</b>
Debt Raised/(repaid)	137.7	67.7	(50.0)	0.0	0.0
Proceeds From Issue Of Shares	0.7	0.0	0.0	0.0	0.0
Shares Repurchased					
Dividends Paid	(191.7)	(37.2)	(54.8)	(76.2)	(79.2)
Preferred Dividends					
Other Financing Cashflow	(2.7)	(8.1)	(10.1)	(5.1)	(0.1)
<b>Cash Flow From Financing</b>	<b>(56.0)</b>	<b>22.4</b>	<b>(114.9)</b>	<b>(81.3)</b>	<b>(79.3)</b>
Total Cash Generated	(219.8)	464.4	4.7	61.5	83.8
<b>Free Cashflow To Equity</b>	<b>(26.2)</b>	<b>509.8</b>	<b>69.6</b>	<b>142.8</b>	<b>163.1</b>
<b>Free Cashflow To Firm</b>	<b>(157.2)</b>	<b>454.9</b>	<b>129.7</b>	<b>147.8</b>	<b>163.2</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

### Balance Sheet

(RMm)	Apr-20A	Apr-21A	Apr-22F	Apr-23F	Apr-24F
Total Cash And Equivalents	100.2	561.3	576.1	642.7	726.6
Total Debtors	107.5	131.3	142.6	159.2	174.1
Inventories	684.6	239.1	259.7	289.9	317.1
Total Other Current Assets	10.4	0.0	0.0	0.0	0.0
<b>Total Current Assets</b>	<b>902.7</b>	<b>931.8</b>	<b>978.4</b>	<b>1,091.8</b>	<b>1,217.7</b>
Fixed Assets	109.2	100.9	109.5	104.8	102.1
Total Investments	213.2	236.2	243.7	252.7	262.7
Intangible Assets	0.5	0.5	0.5	0.5	0.5
Total Other Non-Current Assets	62.8	73.7	73.7	73.7	73.7
<b>Total Non-current Assets</b>	<b>385.7</b>	<b>411.3</b>	<b>427.5</b>	<b>431.7</b>	<b>439.0</b>
Short-term Debt	137.7	105.7	55.7	55.7	55.7
Current Portion of Long-Term Debt					
Total Creditors	349.5	183.1	198.9	222.1	242.8
Other Current Liabilities	94.2	98.4	98.4	98.4	98.4
<b>Total Current Liabilities</b>	<b>581.4</b>	<b>387.2</b>	<b>352.9</b>	<b>376.1</b>	<b>396.9</b>
Total Long-term Debt	0.0	99.8	99.8	99.8	99.8
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	185.8	238.8	254.3	275.2	297.0
<b>Total Non-current Liabilities</b>	<b>185.8</b>	<b>338.5</b>	<b>354.0</b>	<b>374.9</b>	<b>396.7</b>
Total Provisions	0.0	0.0	0.0	0.0	0.0
<b>Total Liabilities</b>	<b>767.2</b>	<b>725.7</b>	<b>707.0</b>	<b>751.0</b>	<b>793.6</b>
Shareholders' Equity	470.1	567.2	646.2	715.0	798.8
Minority Interests	51.2	50.2	52.7	57.6	64.4
<b>Total Equity</b>	<b>521.2</b>	<b>617.4</b>	<b>698.9</b>	<b>772.6</b>	<b>863.1</b>

### Key Ratios

	Apr-20A	Apr-21A	Apr-22F	Apr-23F	Apr-24F
Revenue Growth	(30.3%)	30.3%	8.6%	11.6%	9.4%
Operating EBITDA Growth	(56.8%)	41.6%	1.8%	6.4%	8.1%
Operating EBITDA Margin	7.07%	7.68%	7.20%	6.86%	6.79%
Net Cash Per Share (RM)	(0.03)	0.31	0.36	0.42	0.49
BVPS (RM)	0.41	0.49	0.56	0.62	0.69
Gross Interest Cover	16	12	16	34	2,160
Effective Tax Rate	21.2%	23.8%	25.0%	25.0%	25.0%
Net Dividend Payout Ratio	118%	41%	41%	53%	49%
Accounts Receivables Days	21.44	19.04	20.12	19.85	20.11
Inventory Days	116.2	85.4	42.2	41.5	42.0
Accounts Payables Days	62.23	49.22	32.33	31.78	32.16
ROIC (%)	38.6%	22.5%	46.2%	44.3%	45.8%
ROCE (%)	17.7%	22.3%	21.1%	21.0%	21.2%
Return On Average Assets	9.4%	10.4%	9.7%	9.7%	9.8%

### Key Drivers

	Apr-20A	Apr-21A	Apr-22F	Apr-23F	Apr-24F
Malaysian sales volume	9,484.0	13,439.0	13,500.3	15,420.6	16,931.0
Philippines sales volume	2,227.0	1,245.0	1,300.0	1,700.0	1,900.0

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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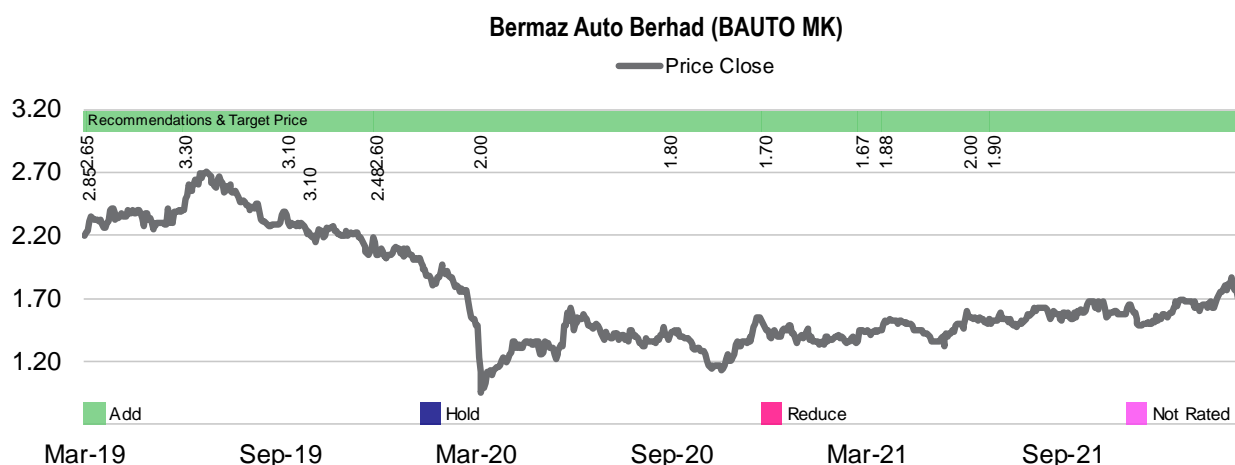
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Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2021		
619 companies under coverage for quarter ended on 31 December 2021		
	Rating Distribution (%)	Investment Banking clients (%)
Add	71.1%	1.5%
Hold	21.8%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

