

## Malaysia

**ADD** (no change)

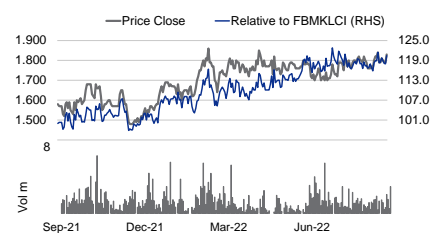
Consensus ratings\*: Buy 12 Hold 2 Sell 0

|                         |            |
|-------------------------|------------|
| Current price:          | RM1.83     |
| Target price:           | RM2.40     |
| Previous target:        | RM2.40     |
| Up/downside:            | 31.1%      |
| CGS-CIMB / Consensus:   | 9.6%       |
| Reuters:                | BERA.KL    |
| Bloomberg:              | BAUTO MK   |
| Market cap:             | US\$472.1m |
|                         | RM2,126m   |
| Average daily turnover: | US\$0.62m  |
|                         | RM2.73m    |
| 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 (%)      | 1.7 | 1.7 | 14.4 |
| Relative (%)      | 2.3 | 1.4 | 19.3 |

| 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

## Accelerating growth in 1QFY4/23

- 1QFY23 core NP was in line at 28%/29% of our/consensus FY23F core NP.
- Core net profit rose 4.4x yoy on stronger sales volume and higher share of associate profit. 3.0 sen first interim DPS declared for 1QFY23.
- We expect BAUTO to maintain a healthy sales volume in 2QFY23F on the back of robust order backlog. Reiterate Add with an unchanged RM2.40 TP.

### 1QFY4/23 sales rose 2.2x yoy, core net profit up 4.4x yoy

Bermaz Auto's (BAuto) 1QFY4/23 revenue surged 2.2x yoy to RM717m, driven by stronger sales volume from its Malaysian and Philippine operations, which jumped 2.4x and 34% yoy respectively. It attributed the higher sales to 1) expansion in its new models offering following the addition of Kia and Peugeot marques, and 2) Malaysian consumers rushing to register new vehicles before the expiry of the sales and service tax (SST) exemption grace period. 1QFY23 EBIT margin expanded 5% pts yoy to 9.8%, mainly due to: 1) better operating leverage from higher sales volume, 2) a turnaround in its Philippine operation, 3) higher share of profit from 30%-owned Mazda Malaysia Sdn Bhd (MMSB) on the back of higher sales volume, and 4) favourable forex movement following the appreciation of ringgit against the Japanese yen. Overall, 1QFY23 core net profit jumped 4.4x yoy to RM51.3m (1QFY22: RM11.7m). It declared its first interim DPS of 3.0 sen for the quarter (1QFY22: 0.5 sen).

### Sequentially lower sales volume due to ongoing parts shortages

Revenue in 1QFY4/23 slid 20% qoq mainly due to the ongoing shortages of semiconductor chips and components, extended lockdown in China and disruption in global supply chain which had impacted Mazda sales volume. However, this was partially offset by higher sales from new marques like Kia with the introduction of Carnival CKD programme in the quarter.

### Projecting 24% sales volume growth in FY23F

We expect BAUTO to maintain its growth momentum in FY4/23F, driven by its robust order backlog. BAUTO had an outstanding order backlog of about 8.5k units for Mazda as of 12 Sep. In addition, the group is also absorbing 50% of the SST increase from Jul till year-end for new bookings under Mazda, Kia and Peugeot. We believe this will provide a healthy order bank going into CY23F. Overall, we project the group to deliver 13k sales volume for Mazda, and 4k for Kia and Peugeot combined, translating to 24% volume growth in FY4/23F. Moreover, we see upside to BAUTO's sales volume once it kicks off the local assembly of new sports utility vehicles (SUVs) for Mazda and Kia at Inokom by 4QCY22F.

### Reiterate Add with an unchanged RM2.40 TP

Reiterate Add rating on BAUTO with an unchanged RM2.40 TP, based on 14x CY23F P/E, in line with our target sector P/E. The stock trades at an attractive CY23F P/E of 10.7x, more than 0.5 s.d. below its 5-year mean P/E of 14x. BAUTO also offers a decent 5.2-5.8% dividend yield for CY22-23F, supported by strong free cash flow and net cash position of RM462m or RM0.40/share as at end-Jul 22.

| Financial Summary                    | Apr-21A | Apr-22A | Apr-23F | Apr-24F | Apr-25F |
|--------------------------------------|---------|---------|---------|---------|---------|
| Revenue (RMm)                        | 2,288   | 2,325   | 2,785   | 3,018   | 3,160   |
| Operating EBITDA (RMm)               | 172.0   | 225.4   | 262.7   | 287.8   | 293.6   |
| Net Profit (RMm)                     | 133.8   | 155.7   | 184.7   | 204.8   | 209.7   |
| Normalised EPS (RM)                  | 0.12    | 0.13    | 0.16    | 0.18    | 0.18    |
| Normalised EPS Growth                | 32.7%   | 16.3%   | 18.6%   | 10.9%   | 2.4%    |
| FD Normalised P/E (x)                | 15.79   | 13.57   | 11.44   | 10.32   | 10.08   |
| DPS (RM)                             | 0.07    | 0.09    | 0.10    | 0.11    | 0.11    |
| Dividend Yield                       | 3.55%   | 4.78%   | 5.46%   | 6.01%   | 5.74%   |
| EV/EBITDA (x)                        | 9.12    | 6.20    | 4.94    | 4.13    | 3.63    |
| P/FCFE (x)                           | 4.13    | 8.62    | 11.51   | 10.35   | 10.05   |
| Net Gearing                          | (58.5%) | (71.7%) | (74.3%) | (76.4%) | (78.3%) |
| P/BV (x)                             | 3.74    | 3.33    | 2.88    | 2.50    | 2.19    |
| ROE                                  | 25.9%   | 26.0%   | 27.0%   | 26.0%   | 23.2%   |
| % Change In Normalised EPS Estimates |         |         | 0%      | 0%      | 0%      |
| Normalised EPS/consensus EPS (x)     |         |         | 1.04    | 1.00    | 0.93    |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## Key catalysts and risks >

We see potential new localisation projects, stronger contributions from new Kia and Peugeot models, and higher dividend payouts as re-rating catalysts. Intensifying competition in the SUV market, extended delay in semiconductor chip and component shortages, and depreciation of the ringgit vs. US\$ and JPY are key downside risks.

**Figure 1: Results comparison**

| FYE Apr (RM m)           | 1QFY23      | 1QFY22      | yoy %<br>chg    | 4QFY22       | qoq %<br>chg  | Prev.<br>FY23F | Comments   |
|--------------------------|-------------|-------------|-----------------|--------------|---------------|----------------|--|
| Revenue                  | 717         | 321         | > 100           | 897          | (20.1)        | 2,785          | Driven by higher sales from Malaysia and the Philippines in 1QFY23 |
| Operating costs          | (640)       | (298)       | > 100           | (784)        | (18.4)        | (2,522)        |  |
| <b>EBITDA</b>            | <b>77</b>   | <b>23</b>   | <b>&gt; 100</b> | <b>113</b>   | <b>(31.9)</b> | <b>263</b>     | <b>Above expectation</b>   |
| <i>EBITDA margin (%)</i> | 10.7        | 7.0         |                 | 12.6         |               | 9.4            |  |
| Depn & amort.            | (5.5)       | (4.8)       | 13.9            | (5.9)        | (6.1)         | (21.6)         | In line  |
| <b>EBIT</b>              | <b>71.4</b> | <b>17.7</b> | <b>&gt; 100</b> | <b>107.0</b> | <b>(33.3)</b> | <b>241</b>     |  |
| Interest expense         | (2.5)       | (2.7)       | (7.8)           | (2.8)        | (9.3)         | (13.0)         | Total borrowings of RM199.9m as at end-Jul 22                      |
| Interest & invt inc      | 2.9         | 1.9         | 54.2            | 1.9          | 49.9          | 9.5            | Total cash of RM662m as at end-Jul 22                              |
| Associates               | 4.0         | (0.9)       | > 100           | 9.5          | (57.6)        | 20.0           |  |
| Exceptionals             | (1.2)       | (1.5)       | (19.5)          | (0.2)        | > 100         | -              |  |
| <b>Pretax profit</b>     | <b>74.6</b> | <b>14.5</b> | <b>&gt; 100</b> | <b>115.4</b> | <b>(35.4)</b> | <b>257.6</b>   | <b>Above expectation</b>   |
| Tax                      | (18.0)      | (4.1)       | > 100           | (34.6)       | (48.1)        | (64.4)         | Above expectation  |
| <i>Tax rate (%)</i>      | 24.1        | 28.6        |                 | 30.0         |               | 25.0           |  |
| Minority interests       | (6.5)       | (0.1)       | > 100           | (2.1)        | > 100         | (8.4)          |  |
| Net profit               | 50.2        | 10.3        | > 100           | 78.7         | (36.3)        | 184.7          | In line  |
| <b>Core net profit</b>   | <b>51.3</b> | <b>11.7</b> | <b>&gt; 100</b> | <b>78.9</b>  | <b>(34.9)</b> | <b>184.7</b>   | <b>1QFY23 results made up 28% of CGS-CIMB</b>                      |
| EPS (sen)                | 4.3         | 0.9         | > 100           | 6.8          | (36.3)        | 16.1           | and 29% of Bloomberg consensus full-year forecast                  |
| Core EPS (sen)           | 4.4         | 1.0         | > 100           | 6.8          | (35.0)        | 16.1           |  |
| Net DPS (sen)            | 3.0         | 0.5         | > 100           | 4.5          | (33.3)        | 10.0           |  |

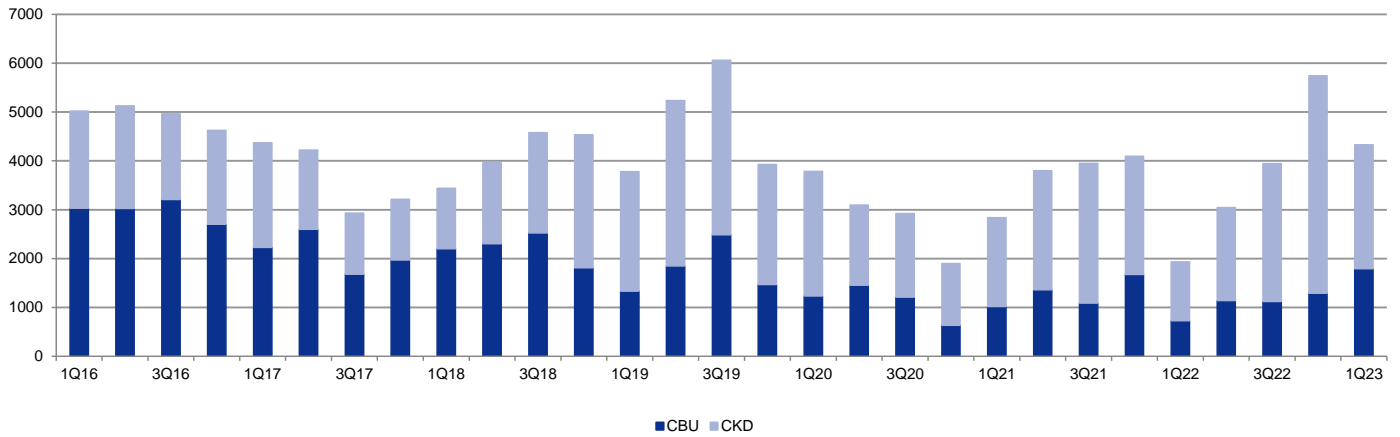
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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

| Revenue breakdown (RM m) | 1QFY23      | 1QFY22      | yoy %<br>chg    | 4QFY22       | qoq %<br>chg  | Comments   |
|--------------------------|-------------|-------------|-----------------|--------------|---------------|--|
| Malaysia                 | 658         | 271         | > 100           | 840          | (21.7)        | Sales volume in Malaysia rose 2.4x yoy in 1QFY23       |
| Philippines              | 59          | 50          | 17.4            | 57           | 2.9           | Sales volume in the Philippines rose 34% yoy in 1QFY23 |
| <b>Total</b>             | <b>717</b>  | <b>321</b>  | <b>&gt; 100</b> | <b>897</b>   | <b>(20.1)</b> |  |
| Revenue contribution (%) | 1QFY23      | 1QFY22      | yoy %<br>chg    | 4QFY22       | qoq %<br>chg  |  |
| Malaysia                 | 91.8        | 84.4        | 7.4             | 93.6         | (1.8)         |  |
| Philippines              | 8.2         | 15.6        | (7.4)           | 6.4          | 1.8           |  |
| Total                    | 100.0       | 100.0       |                 | 100.0        |               |  |
| Pretax profit (RM m)     | 1QFY23      | 1QFY22      | yoy %<br>chg    | 4QFY22       | qoq %<br>chg  |  |
| Malaysia                 | 63.9        | 14.5        | > 100           | 104.0        | (38.6)        |  |
| Philippines              | 7.1         | 0.7         | > 100           | 1.1          | > 100         |  |
| Mazda Malaysia           | 2.9         | (1.9)       | > 100           | 7.9          | (63.6)        |  |
| Inokom                   | 1.0         | 0.9         | 9.0             | 2.0          | (49.5)        |  |
| Others                   | (0.3)       | 0.3         | > 100           | 0.3          | > 100         |  |
| <b>Total</b>             | <b>74.6</b> | <b>14.5</b> | <b>&gt; 100</b> | <b>115.4</b> | <b>(35.4)</b> |  |

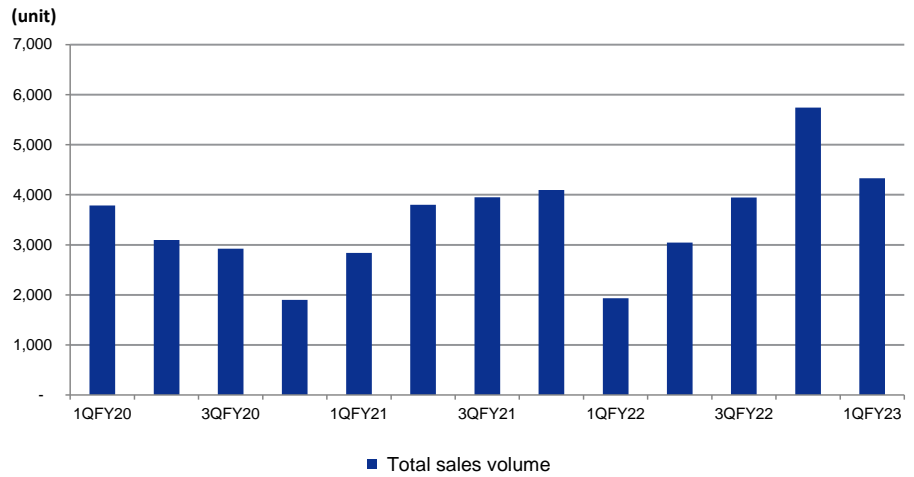
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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



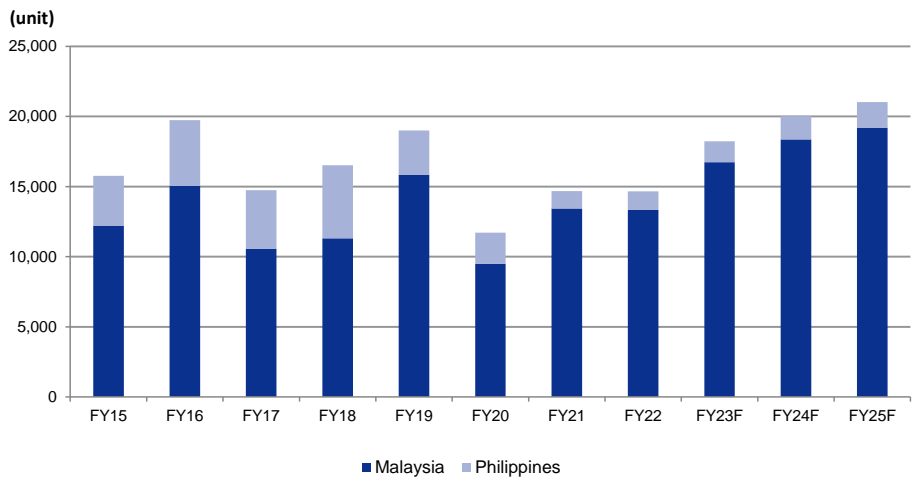
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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


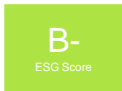

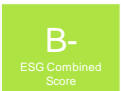





SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 6: Sector comparison

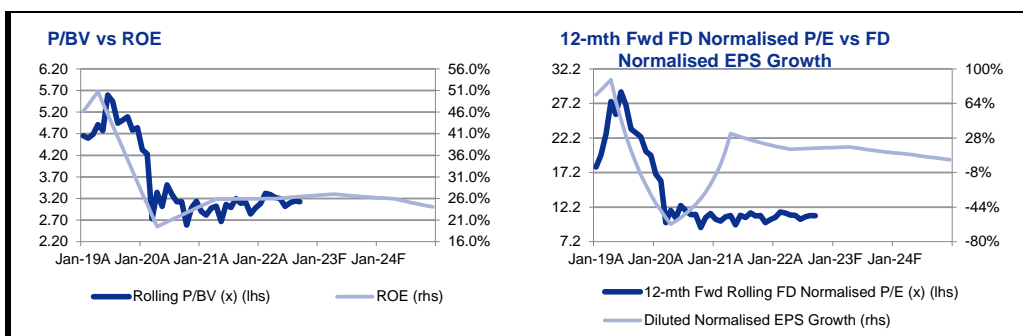
| Company               | Ticker   | Recom. | Price<br>(RM) | Target<br>Price<br>(RM) | Mkt Cap<br>(US\$ m) | P/E (x)     |             | P/BV (x)   |            | Recurring ROE (%) |             | EV/EBITDA (x) |            | Dividend Yield (%) |             |
|-----------------------|----------|--------|---------------|-------------------------|---------------------|-------------|-------------|------------|------------|-------------------|-------------|---------------|------------|--------------------|-------------|
|                       |          |        |               |                         |                     | CY22F       | CY23F       | CY22F      | CY23F      | CY22F             | CY23F       | CY22F         | CY23F      | CY22F              | CY23F       |
| Bermaz Auto Berhad    | BAUTO MK | Add    | 1.83          | 2.40                    | 473                 | 12.0        | 10.7        | 3.0        | 2.6        | 27.3%             | 26.3%       | 5.0           | 4.2        | 5.2%               | 5.8%        |
| DRB-Hicom             | DRB MK   | Hold   | 1.59          | 1.50                    | 683                 | 25.7        | 24.7        | 0.4        | 0.4        | 1.7%              | 1.7%        | 4.8           | 4.7        | 1.3%               | 1.3%        |
| Tan Chong Motor       | TCM MK   | Reduce | 1.13          | 0.98                    | 164                 | na          | na          | 0.3        | 0.3        | -1.1%             | 0.0%        | 8.6           | 7.5        | 1.8%               | 1.3%        |
| UMW Holdings          | UMWH MK  | Add    | 3.08          | 4.40                    | 799                 | 10.3        | 9.9         | 0.8        | 0.8        | 8.6%              | 8.3%        | 7.9           | 7.2        | 2.6%               | 2.9%        |
| Sime Darby Bhd        | SIME MK  | Hold   | 2.23          | 2.40                    | 3,376               | 13.4        | 13.5        | 0.9        | 0.9        | 7.2%              | 6.9%        | 5.5           | 5.2        | 5.2%               | 5.3%        |
| <b>Sector average</b> |          |        |               |                         |                     | <b>14.1</b> | <b>13.7</b> | <b>0.8</b> | <b>0.8</b> | <b>5.8%</b>       | <b>5.8%</b> | <b>5.7</b>    | <b>5.4</b> | <b>4.2%</b>        | <b>4.4%</b> |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

| Refinitiv ESG Scores   |  |
|--|--|
|   |       |
| <h2>ESG in a nutshell</h2>   |  |
| <p>Bermaz Auto (BAuto) is principally involved in the distribution of completely knocked down (CKD) and completely built up (CBU) Mazda vehicles in Malaysia and the Philippines. BAuto was appointed as the franchised holder in Malaysia for Kia in Apr 2021 and Peugeot in Dec 2020.</p> <p>Its sustainability activities are focused on improving safety standards for consumers, climate protection, green technology via energy efficient vehicles (EEVs), local content vendor development, high value-added manufacturing and promotion of exports of value-added products as outlined under Malaysia's National Automotive Policy (NAP). BAuto has been included in the FTSE4Good Bursa Malaysia Index since Jun 2020.</p>                    |  |
| <p><b>Keep your eye on</b></p> <p>Global automakers are increasing their efforts on achieving cleaner exhaust emissions and better fuel economy in order to reduce CO2 emissions and the world's dependence on fossil fuels. The Malaysian government in Budget 2022 announced its plan to waive excise duties and taxes for electric vehicles (EVs) until 2023 for CBU models and 2025 for CKD models. This is part of the government's strategy to promote EV adoption in the domestic market.</p>   | <p><b>Implications</b></p> <p>We think BAuto 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, BAuto has launched new hybrid and battery EV (BEV) models, such as Mazda MX-30 and Kia EV6 in 2022.</p>  |
| <p><b>ESG highlights</b></p> <p>BAuto has seven Board members, including four independent non-executive directors. Currently, it has two female directors on its Board, which represents about 29% of the Board composition.</p>   | <p><b>Implications</b></p> <p>BAuto's board composition is in compliance with the requirement under Practice 5.2 of Malaysian Code of Corporate Governance (MCCG), i.e. the Board of a large company should have independent directors as the majority. However, we are negative on the Board's gender diversity as it falls short of 30% women directors requirement.</p>   |
| <p><b>Trends</b></p> <p>In terms of product responsibility, BAuto is one the few auto distributors in the country that offer at least 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 Malaysia's auto sales tax holiday in 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. In addition, BAuto has also implemented a similar five years of free service and maintenance for its customers under Kia from Feb 2022 and Peugeot beginning Jun 2022.</p> | <p><b>Implications</b></p> <p>The initiative received favourable market reception. We believe this kind of initiative helps to differentiate BAuto from the competition. Although this may impact near-term profit margin, we believe it should help build brand loyalty among BAuto's customers.</p>  |

SOURCES: CGS-CIMB RESEARCH, REFINITIV

## BY THE NUMBERS



### Profit & Loss

| (RMm)                                  | Apr-21A      | Apr-22A      | Apr-23F      | Apr-24F      | Apr-25F      |
|--|--------------|--------------|--------------|--------------|--------------|
| <b>Total Net Revenues</b>              | <b>2,288</b> | <b>2,325</b> | <b>2,785</b> | <b>3,018</b> | <b>3,160</b> |
| <b>Gross Profit</b>                    | <b>309</b>   | <b>365</b>   | <b>430</b>   | <b>469</b>   | <b>483</b>   |
| <b>Operating EBITDA</b>                | <b>172</b>   | <b>225</b>   | <b>263</b>   | <b>288</b>   | <b>294</b>   |
| Depreciation And Amortisation          | (16)         | (21)         | (22)         | (22)         | (22)         |
| <b>Operating EBIT</b>                  | <b>156</b>   | <b>204</b>   | <b>241</b>   | <b>266</b>   | <b>271</b>   |
| Financial Income/(Expense)             | (7)          | (4)          | (3)          | (2)          | (1)          |
| Pretax Income/(Loss) from Assoc.       | 21           | 18           | 20           | 24           | 26           |
| Non-Operating Income/(Expense)         | 0            | 0            | 0            | 0            | 0            |
| <b>Profit Before Tax (pre-EI)</b>      | <b>169</b>   | <b>219</b>   | <b>258</b>   | <b>288</b>   | <b>297</b>   |
| Exceptional Items                      |              |              |              |              |              |
| <b>Pre-tax Profit</b>                  | <b>169</b>   | <b>219</b>   | <b>258</b>   | <b>288</b>   | <b>297</b>   |
| Taxation                               | (40)         | (60)         | (64)         | (72)         | (74)         |
| Exceptional Income - post-tax          |              |              |              |              |              |
| <b>Profit After Tax</b>                | <b>129</b>   | <b>159</b>   | <b>193</b>   | <b>216</b>   | <b>222</b>   |
| Minority Interests                     | 5            | (3)          | (8)          | (11)         | (13)         |
| Preferred Dividends                    |              |              |              |              |              |
| FX Gain/(Loss) - post tax              |              |              |              |              |              |
| Other Adjustments - post-tax           |              |              |              |              |              |
| Preference Dividends (Australia)       |              |              |              |              |              |
| <b>Net Profit</b>                      | <b>134</b>   | <b>156</b>   | <b>185</b>   | <b>205</b>   | <b>210</b>   |
| Normalised Net Profit                  | 129          | 159          | 193          | 216          | 222          |
| <b>Fully Diluted Normalised Profit</b> | <b>134</b>   | <b>156</b>   | <b>185</b>   | <b>205</b>   | <b>210</b>   |

### Cash Flow

| (RMm)                            | Apr-21A      | Apr-22A        | Apr-23F       | Apr-24F        | Apr-25F        |
|----------------------------------|--------------|----------------|---------------|----------------|----------------|
| EBITDA                           | 172.0        | 225.4          | 262.7         | 287.8          | 293.6          |
| Cash Flow from Invt. & Assoc.    |              |                |               |                |                |
| Change In Working Capital        |              |                |               |                |                |
| (Incr)/Decr in Total Provisions  |              |                |               |                |                |
| Other Non-Cash (Income)/Expense  |              |                |               |                |                |
| Other Operating Cashflow         | 323.1        | 127.4          | 3.8           | 5.5            | 6.5            |
| Net Interest (Paid)/Received     | (12.8)       | (10.6)         | (13.0)        | (13.0)         | (13.0)         |
| Tax Paid                         | (40.1)       | (61.7)         | (64.4)        | (71.9)         | (74.1)         |
| <b>Cashflow From Operations</b>  | <b>442.1</b> | <b>280.5</b>   | <b>189.1</b>  | <b>208.4</b>   | <b>213.0</b>   |
| Capex                            | (3.6)        | (10.6)         | (15.0)        | (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         | 5.4          | 6.6            | 9.5           | 10.8           | 12.3           |
| <b>Cash Flow From Investing</b>  | <b>1.8</b>   | <b>(4.0)</b>   | <b>(5.5)</b>  | <b>(4.2)</b>   | <b>(2.7)</b>   |
| Debt Raised/(repaid)             | 67.7         | (31.5)         | 0.0           | 0.0            | 0.0            |
| Proceeds From Issue Of Shares    | 0.0          | 0.0            | 0.0           | 0.0            | 0.0            |
| Shares Repurchased               |              |                |               |                |                |
| Dividends Paid                   | (37.2)       | (78.4)         | (85.3)        | (94.5)         | (88.4)         |
| Preferred Dividends              |              |                |               |                |                |
| Other Financing Cashflow         | (7.7)        | (6.1)          | (13.0)        | (13.0)         | (13.0)         |
| <b>Cash Flow From Financing</b>  | <b>22.8</b>  | <b>(115.9)</b> | <b>(98.3)</b> | <b>(107.5)</b> | <b>(101.4)</b> |
| Total Cash Generated             | 466.7        | 160.6          | 85.3          | 96.8           | 108.9          |
| <b>Free Cashflow To Equity</b>   | <b>511.6</b> | <b>245.0</b>   | <b>183.6</b>  | <b>204.2</b>   | <b>210.3</b>   |
| <b>Free Cashflow To Firm</b>     | <b>456.7</b> | <b>287.1</b>   | <b>196.6</b>  | <b>217.2</b>   | <b>223.3</b>   |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

### Balance Sheet

| (RMm)                                | Apr-21A      | Apr-22A        | Apr-23F        | Apr-24F        | Apr-25F        |
|--------------------------------------|--------------|----------------|----------------|----------------|----------------|
| Total Cash And Equivalents           | 563.4        | 693.9          | 792.2          | 902.0          | 1,023.9        |
| Total Debtors                        | 148.5        | 142.5          | 170.7          | 185.0          | 193.7          |
| Inventories                          | 277.8        | 230.4          | 275.9          | 299.1          | 313.1          |
| Total Other Current Assets           | 2.5          | 0.4            | 0.4            | 0.4            | 0.4            |
| <b>Total Current Assets</b>          | <b>992.2</b> | <b>1,067.2</b> | <b>1,239.2</b> | <b>1,386.4</b> | <b>1,531.1</b> |
| Fixed Assets                         | 100.9        | 121.3          | 114.7          | 107.6          | 100.3          |
| Total Investments                    | 233.4        | 275.7          | 285.7          | 297.7          | 310.7          |
| Intangible Assets                    | 0.5          | 1.3            | 1.3            | 1.3            | 1.3            |
| Total Other Non-Current Assets       | 74.7         | 82.2           | 82.2           | 82.2           | 82.2           |
| <b>Total Non-current Assets</b>      | <b>409.6</b> | <b>480.5</b>   | <b>483.9</b>   | <b>488.8</b>   | <b>494.5</b>   |
| Short-term Debt                      | 105.7        | 100.0          | 100.0          | 100.0          | 100.0          |
| Current Portion of Long-Term Debt    |              |                |                |                |                |
| Total Creditors                      | 247.6        | 253.0          | 303.0          | 328.4          | 343.9          |
| Other Current Liabilities            | 97.9         | 108.6          | 108.6          | 108.6          | 108.6          |
| <b>Total Current Liabilities</b>     | <b>451.1</b> | <b>461.6</b>   | <b>511.6</b>   | <b>537.0</b>   | <b>552.4</b>   |
| Total Long-term Debt                 | 99.8         | 99.8           | 99.8           | 99.8           | 99.8           |
| Hybrid Debt - Debt Component         |              |                |                |                |                |
| Total Other Non-Current Liabilities  | 238.8        | 297.2          | 314.5          | 319.9          | 320.7          |
| <b>Total Non-current Liabilities</b> | <b>338.5</b> | <b>397.1</b>   | <b>414.4</b>   | <b>419.8</b>   | <b>420.6</b>   |
| Total Provisions                     | 0.0          | 0.0            | 0.0            | 0.0            | 0.0            |
| <b>Total Liabilities</b>             | <b>789.7</b> | <b>858.6</b>   | <b>926.0</b>   | <b>956.8</b>   | <b>973.0</b>   |
| Shareholders' Equity                 | 565.4        | 634.3          | 733.9          | 844.4          | 965.7          |
| Minority Interests                   | 46.7         | 54.8           | 63.2           | 74.1           | 86.8           |
| <b>Total Equity</b>                  | <b>612.1</b> | <b>689.1</b>   | <b>797.1</b>   | <b>918.5</b>   | <b>1,052.5</b> |

### Key Ratios

|                           | Apr-21A | Apr-22A | Apr-23F | Apr-24F | Apr-25F |
|---------------------------|---------|---------|---------|---------|---------|
| Revenue Growth            | 30.3%   | 1.6%    | 19.8%   | 8.4%    | 4.7%    |
| Operating EBITDA Growth   | 38.6%   | 31.0%   | 16.6%   | 9.6%    | 2.0%    |
| Operating EBITDA Margin   | 7.52%   | 9.69%   | 9.43%   | 9.54%   | 9.29%   |
| Net Cash Per Share (RM)   | 0.31    | 0.43    | 0.51    | 0.61    | 0.71    |
| BVPS (RM)                 | 0.49    | 0.55    | 0.64    | 0.73    | 0.84    |
| Gross Interest Cover      | 12.16   | 19.35   | 18.56   | 20.46   | 20.88   |
| Effective Tax Rate        | 23.7%   | 27.3%   | 25.0%   | 25.0%   | 25.0%   |
| Net Dividend Payout Ratio | 41.0%   | 47.0%   | 46.2%   | 46.1%   | 42.1%   |
| Accounts Receivables Days | 20.41   | 22.84   | 20.53   | 21.57   | 21.88   |
| Inventory Days            | 88.77   | 47.31   | 39.24   | 41.28   | 41.74   |
| Accounts Payables Days    | 55.07   | 46.61   | 43.09   | 45.33   | 45.84   |
| ROIC (%)                  | 22.0%   | 59.1%   | 83.5%   | 85.3%   | 85.3%   |
| ROCE (%)                  | 21.8%   | 24.7%   | 26.6%   | 26.2%   | 23.9%   |
| Return On Average Assets  | 10.0%   | 11.0%   | 12.0%   | 12.1%   | 11.4%   |

### Key Drivers

|                          | Apr-21A  | Apr-22A  | Apr-23F  | Apr-24F  | Apr-25F  |
|--------------------------|----------|----------|----------|----------|----------|
| Malaysian sales volume   | 13,439.0 | 13,362.0 | 16,735.0 | 18,355.0 | 19,200.0 |
| Philippines sales volume | 1,245.0  | 1,304.0  | 1,500.0  | 1,670.0  | 1,820.0  |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



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The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. CGS-CIMB Thailand does not confirm nor certify the accuracy of such survey result.

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

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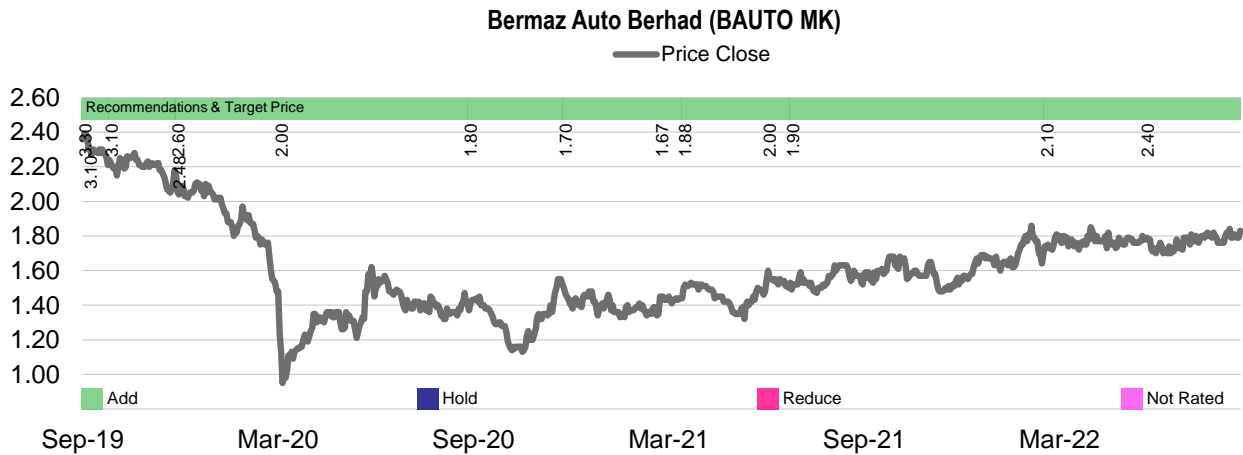
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| Distribution of stock ratings and investment banking clients for quarter ended on 30 June 2022 |                         |                                |
|--|-------------------------|--------------------------------|
| 643 companies under coverage for quarter ended on 30 June 2022                                 |                         |                                |
|  | Rating Distribution (%) | Investment Banking clients (%) |
| Add  | 68.4%                   | 0.8%                           |
| Hold   | 24.6%                   | 0.0%                           |
| Reduce   | 7.0%                    | 0.2%                           |



Spitzer Chart for stock being researched ( 2 year data )



**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.