

**MALAYSIA**

SCGB MK Outperform

Price (at 10:52, 02 Sep 2016 GMT) RM1.64

Valuation RM 1.57-2.34
- PER

12-month target RM 1.90

Upside/Downside % +15.9

12-month TSR % +18.4

Volatility Index Low

GICS sector Capital Goods

Market cap RMm 2,121

Market cap US\$m 520

Free float % 35

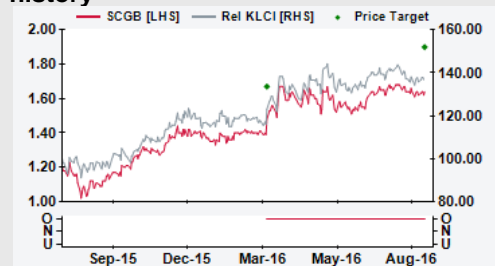
30-day avg turnover US\$m 0.9

Foreign ownership % 11.0

Number shares on issue m 1,293

Investment fundamentals

Year end 31 Dec		2015A	2016E	2017E	2018E
Revenue	m	1,916.9	1,809.5	2,236.7	2,429.1
EBITDA	m	178.2	196.0	248.3	279.4
EBITDA growth	%	10.1	10.0	26.7	12.5
EBIT	m	136.3	150.6	198.1	223.8
EBIT growth	%	13.4	10.5	31.5	12.9
Adjusted profit	m	127.2	123.1	158.8	180.2
EPS adj	sen	9.8	9.5	12.3	13.9
EPS adj growth	%	-79.6	-3.2	29.0	13.5
PER adj	x	16.7	17.2	13.3	11.8
Total DPS	sen	5.4	4.0	4.3	4.9
Total div yield	%	3.3	2.4	2.6	3.0
ROA	%	9.6	10.3	12.8	12.5
ROE	%	30.6	25.3	27.7	26.3
EV/EBITDA	x	10.0	9.1	7.2	6.4
Net debt/equity	%	-73.4	-66.1	-72.7	-77.5
P/BV	x	4.7	4.1	3.4	2.9

SCGB MK rel KLCI performance, & rec history

Note: Recommendation timeline - if not a continuous line, then there was no Macquarie coverage at the time or there was an embargo period.

Source: FactSet, Macquarie Research, September 2016
(all figures in MYR unless noted)

Analyst(s)

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5 September 2016

Macquarie Capital Securities (Malaysia)
Sdn. Bhd.

Sunway Construction Group

KVMRT2 to bolster margins in FY17

Event

- We caught up with Sunway Construction Group's (SunCon) management post 2Q16 results announcement. We maintain our Outperform rating on SunCon with an increased TP of RM1.90 (+14% from previous TP of RM1.67), pegging an implied PER of 15.5x to its FY17E EPS.
- SunCon has established itself as one of the dominant forces in the Malaysian construction sector, by bagging one of the biggest above-ground packages in the KVMRT2 project. We gathered from SunCon that its KVMRT2 package, which makes up 24% of its current orderbook size, will fetch a PBT margin of at least 10%. We are raising our earnings forecasts for FY17-18E, as we revise upward the EBIT margin for its KVMRT2 project to 11% from 6.5%. We also adjust the earnings for the RM1.2bn KVMRT2 contract size, from our previous estimate of RM900mn. We believe the project will begin to contribute to SunCon's earnings starting 2Q17 onwards.

Impact

- **Potential margin upside from KVMRT2:** The RM1.2bn KVMRT2 package awarded to SunCon consists of RM800mn of viaduct works and RM400mn of station works. The RM800mn is a guaranteed contract sum to SunCon, while the remaining RM400mn is still open for tender to nominated subcontractors. In its current contract, SunCon is entitled to a 3% (RM12mn) over-riding fee from the RM400mn station works. SunCon can bid for the station works and if it manages to win the package, SunCon will get a PBT margin of c.10%, which will translate into a total PBT margin of 13.3% from the KVMRT2 project. In our estimates we place this possibility in our best case scenario.
- **Lowering FY16E orderbook replenishment to RM3bn:** Given its track record, SunCon is very confident to bag a civil package from the LRT3 project. However, the company believes that the awards for LRT3 will only start in 1Q17. In light of this, we have trimmed our FY16E orderbook replenishment target for SunCon to RM3bn from RM3.5bn. However, we have imputed in our best case scenario should the LRT3 awards take place in FY16E. We assumed RM2bn orderbook replenishment for FY17E and FY18E. SunCon has a RM4.9bn (2.4x market cap) outstanding orderbook and we estimate a burn rate of c.RM950mn in 2H16.

Earnings and target price revision

- We are lowering FY16E EPS to 9.5sen (-7%) but raising FY17-18E EPS to 12.0sen (+3%) and 14sen (+13%), respectively. This is mostly attributed by earnings recognition adjustments and revised margins from the KVMRT2 and Putrajaya projects. TP revised to RM1.90 with an implied PER multiple of 15.5x from the previous 14x.

Price catalyst

- 12-month price target: RM1.90 based on a PER methodology.
- Catalyst: awards of major infra contracts

Action and recommendation

- Maintain Outperform.

Analysis

We are raising our TP by 14% to RM1.90 from RM1.67 based on an implied PER multiple of 15.5x versus our previous valuation of 14x fwd PER. SunCon currently trades at 15.5x fwd PER (1 s.d above its average fwd PER). We adjusted the PER multiple due to sector-wide multiple rerating, especially among the top 4 (by market cap) construction companies in Malaysia. Given SunCon’s previous participation in the LRT2, KVMRT1 and Sunway BRT projects, we are confident that SunCon could potentially bag a few infra projects in FY17E such as the LRT3 and KL-Klang BRT projects, and hence deserves the implied multiple of 15.5x.

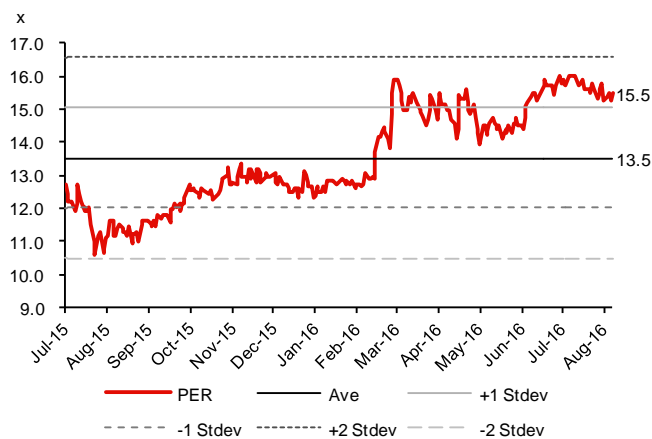
We placed a discount of 10% to SunCon’s SOTP valuation to account for the risks of reduction in property construction orders from its parent, Sunway Berhad given the slowdown in the Malaysian property sector. The 10% discount is also attributed to the potential slowdown in precast orders from the Singapore HDB, due to the challenging property market conditions in Singapore.

Fig 1 SunCon sum-of-the-parts (SOTP) at RM1.90 brings an implied PER of 15.5x

Business Segment	Valuation Method	Stake	Value
Construction and Precast (RM 'mil)	PER of 15x in FY17	100%	2,382
FY16E estimated net cash (RM 'mil)			346
Sum of the parts (RM 'mil)			2,728
No. Of shares ('mil)			1,293
SOTP/share (RM)			2.11
Discount to SOTP (RM)	10%		-0.21
Target Price (RM)			1.90
<hr/>			
Current share price (RM)			1.64
Upside / (downside)			15.9%
FY16E dividend yield			2.4%
Total Shareholders' Return			18.4%

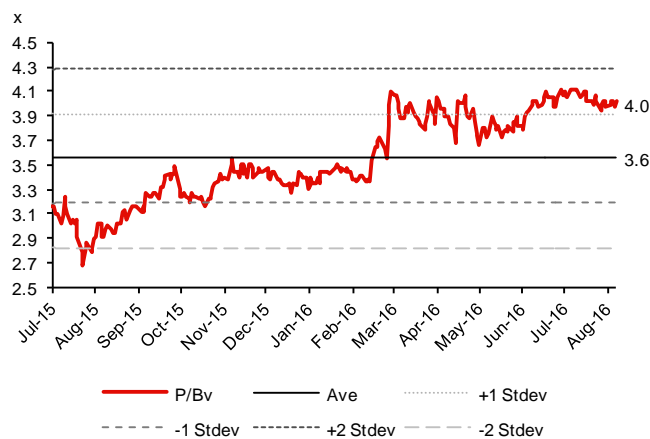
Share price as at 2 September 2016 – RM1.64
 Source: Bloomberg, Macquarie Research, September 2016

Fig 2 SunCon fwd-PER chart is above 1 s.d



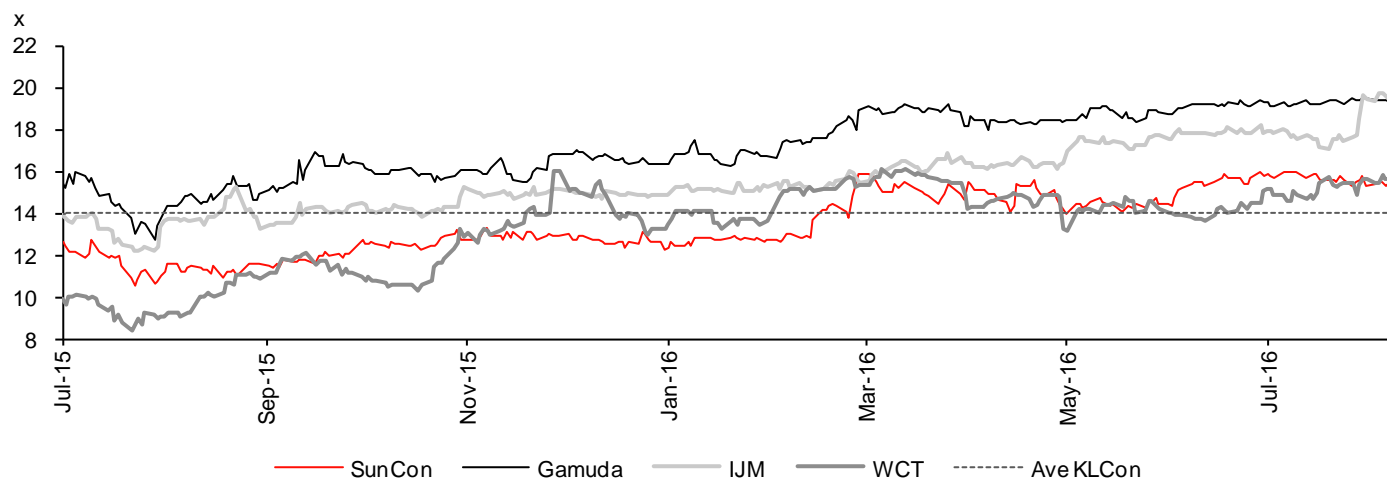
Source: Bloomberg, Macquarie Research, September 2016

Fig 3 SunCon P/Bv trading at 1 s.d above average



Source: Bloomberg, Macquarie Research, September 2016

Fig 4 Fwd PER of the top 4 construction companies in Malaysia (by market cap) vs. KLCon average



Source: Bloomberg, Macquarie Research, September 2016

Fig 5 Scenario analysis on SunCon valuation

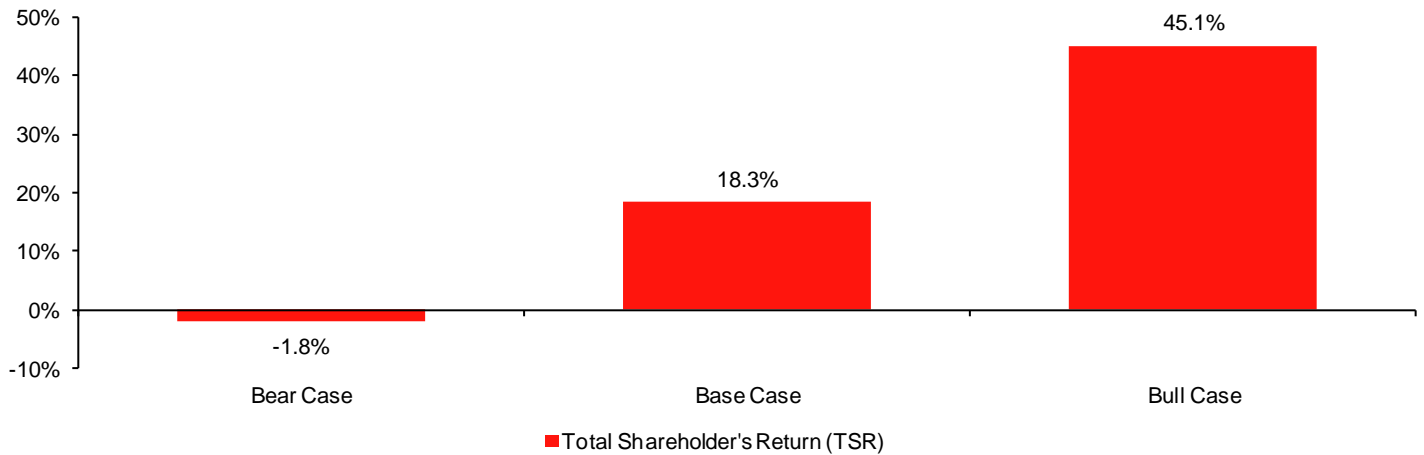
	Bear Case	Base Case	Bull Case
Fair value	1.57	1.90	2.34
Upside/(Downside)	-4.3%	15.7%	42.7%
Dividend Yield	2.4%	2.4%	2.4%
Total Shareholder's Return (TSR)	-1.8%	18.4%	45.1%

	Bear Case	Base Case	Bull Case
Orderbook replenishment of	RM2.5bn in FY16	RM3bn in FY16	RM4bn in FY16E
Scenarios	SunCon don't win the KVMRT2 station works	SunCon don't win the KVMRT2 station works	SunCon wins the KVMRT2 station works
LRT3 awards happen in	FY17	FY17	FY16
Orderbook replenishment of	RM1.5bn in FY17-18E	RM2.0bn in FY17-18E	RM2.5bn in FY17-18E
Construction PER multiple of	12x	15x	17x

Share price as at 2 September 2016 – RM1.64

Source: Bloomberg, Macquarie Research, September 2016

Fig 6 Scenario analysis outcome on SunCon's TSR

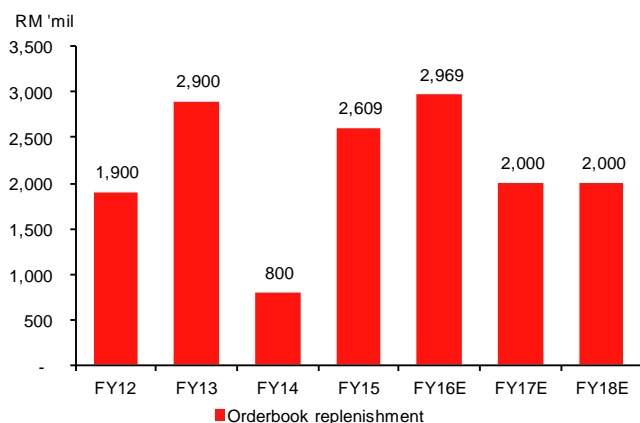


Source: Bloomberg, Macquarie Research, September 2016

We reduced our orderbook replenishment assumption for FY16E to RM3bn from RM3.5bn to account for SunCon's inability to secure any packages from the Sarawak Pan Borneo Highway, SUKE and DASH highway projects. We also have pushed the potential order wins from LRT3 project to FY17E from FY16E. In our FY16-18E estimates, we assumed another RM500mn of order wins to come in 2H16 and RM2bn of fresh order assumptions in FY17-18E, respectively. We believe new internal orders from Sunway Berhad and Singapore HDB will take SunCon's orderbook replenishment to our FY16E target of RM3bn.

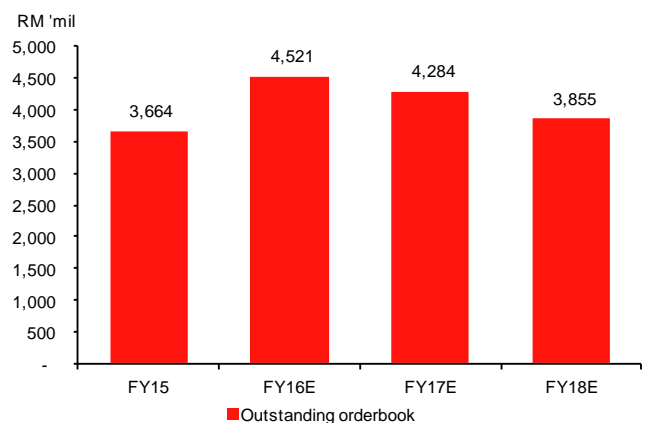
SunCon indicated that it is less interested to participate in the Sabah Pan Borneo Highway project due to the potentially small sizes of the contract value. Generally, our orderbook replenishment target of RM2bn in FY17E and FY18E is mainly due to the exhaustion of the awards from the mega infrastructure projects in Malaysia, post the awards of the Pan Borneo Highway, KVMRT2 and LRT3 projects. We believe that SunCon currently has the capacity to handle an outstanding orderbook size of RM6bn, at a given time.

Fig 7 MQ's orderbook replenishment assumptions



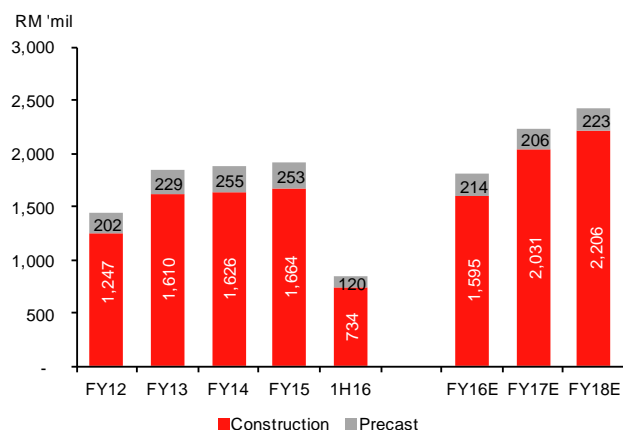
Source: Company data, Macquarie Research, September 2016

Fig 8 MQ's forecast of SunCon's orderbook FY16-18E



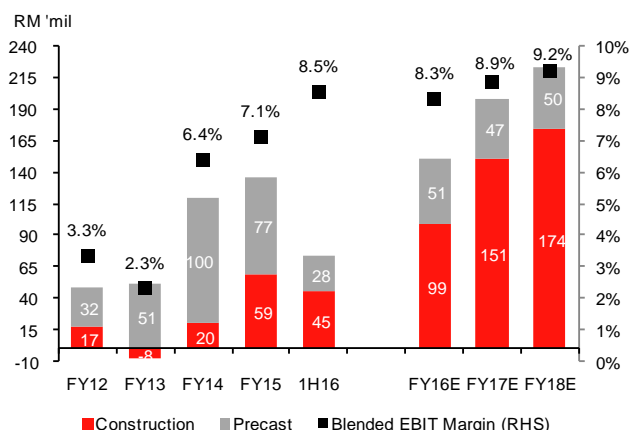
Source: Company data, Macquarie Research, September 2016

Fig 9 SunCon revenue breakdown for FY16-18E



Source: Company data, Macquarie Research, September 2016

Fig 10 SunCon EBIT breakdown for FY16-18E



Source: Company data, Macquarie Research, September 2016

We are lowering our earnings estimates for FY16E given the burn rate that we have seen in 1H16. We increased the margins for the key projects such as KVMRT2, KLCC and Putrajaya projects in FY16-18E based on the latest guidance from SunCon. We have also adjusted the earnings for SunCon's increased internal orders recorded in 1H16.

Fig 11 Changes in estimates

RM 'mil	New estimates			Old estimates			Change in estimates		
	FY16E	FY17E	FY18E	FY16E	FY17E	FY18E	FY16E	FY17E	FY18E
Revenue	1,809	2,237	2,429	2,031	2,342	2,335	-10.9%	-4.5%	4.0%
EBITDA	196	248	279	194	224	234	1.2%	11.0%	19.4%
EBIT	151	198	224	148	173	178	1.8%	14.6%	25.9%
Profit before tax	156	204	231	157	184	191	-0.4%	10.7%	20.7%
Adjusted net profit	123	159	180	131.5	154.5	160.8	-6.4%	2.8%	12.1%
Diluted EPS (sen)	9.6	12.4	14.0	10.2	12.0	12.4	-5.6%	3.8%	12.6%

Source: Macquarie Research, September 2016

Fig 12 Macquarie vs. Consensus – broadly in line

RM 'mil	Macquarie			Consensus			Difference		
	FY16E	FY17E	FY18E	FY16E	FY17E	FY18E	FY16E	FY17E	FY18E
Revenue	1,809	2,237	2,429	2,055	2,280	2,359	-12.0%	-1.9%	3.0%
EBITDA	196	248	279	208	236	252	-5.7%	5.2%	10.8%
EBIT	151	198	224	166	188	201	-9.5%	5.5%	11.6%
Profit before tax	156	204	231	172	201	212	-9.3%	1.4%	9.1%
Adjusted net profit	123	159	180	136	157	167	-9.7%	1.0%	7.8%
Diluted EPS (sen)	9.6	12.4	14.0	10.6	12.5	12.9	-9.4%	-0.8%	8.5%

Source: Bloomberg, Macquarie Research, September 2016

Fig 13 SunCon vs. peers under MQ's coverage

Company	Ticker	Rec.	CP (RM)	TP (RM)	Upside	YTD (%)	Mkt Cap (USDm)	2016E PER (x)	2017E PER (x)	FY16E Yield (%)	Net gearing (%)	FY16E ROE (%)	FY17E ROE (%)	FY16E P/Bv (x)	FY17E P/Bv (x)
Malaysia															
SunCon	SCGB MK	OP	1.64	1.90	16%	17%	517	17.2	13.3	2.4	-66.1	25.3	27.7	4.1	3.4
Gamuda	GAM MK	OP	4.85	5.36	11%	4%	2,862	17.6	14.4	2.6	31.5	9.3	10.7	1.6	1.5
IJM Corp	IJM MK	OP	3.37	3.87	15%	1%	2,959	17.4	17.5	3.3	40.6	6.5	6.9	1.2	1.2
Weighted Average								17.5	15.8	2.9	27.8	9.3	10.4	1.6	1.5

Source: Bloomberg, Macquarie Research, September 2016, prices as of 2 September

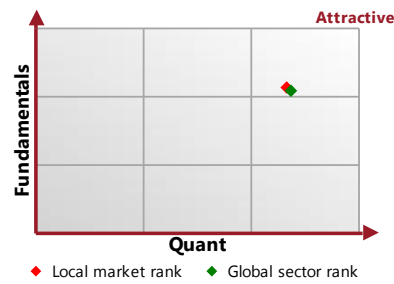
Macquarie Quant View

The quant model currently holds a reasonably positive view on Sunway Construction Group. The strongest style exposure is Growth, indicating this stock has good historic and/or forecast growth. Growth metrics focus on both top and bottom line items. The weakest style exposure is Earnings Momentum, indicating this stock has received earnings downgrades and is not well liked by sell side analysts.

404/1906

Global rank in Capital Goods

% of BUY recommendations 78% (7/9)
Number of Price Target downgrades 0
Number of Price Target upgrades 2

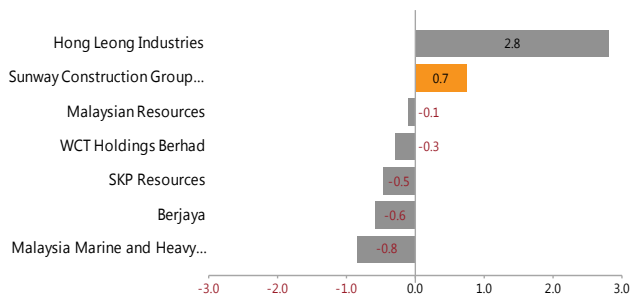


Displays where the company's ranked based on the fundamental consensus Price Target and Macquarie's Quantitative Alpha model.

Two rankings: Local market (Malaysia) and Global sector (Capital Goods)

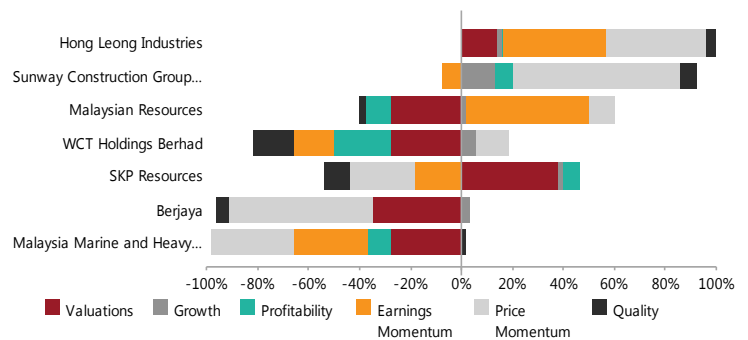
Macquarie Alpha Model ranking

A list of comparable companies and their Macquarie Alpha model score (higher is better).



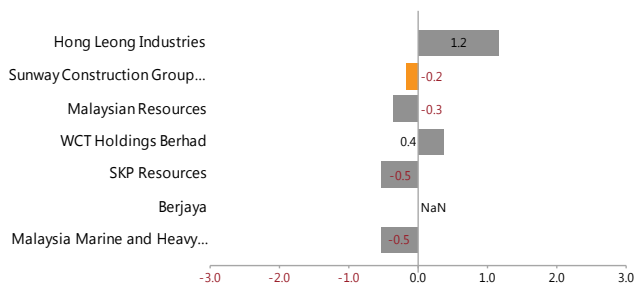
Factors driving the Alpha Model

For the comparable firms this chart shows the key underlying styles and their contribution to the current overall Alpha score.



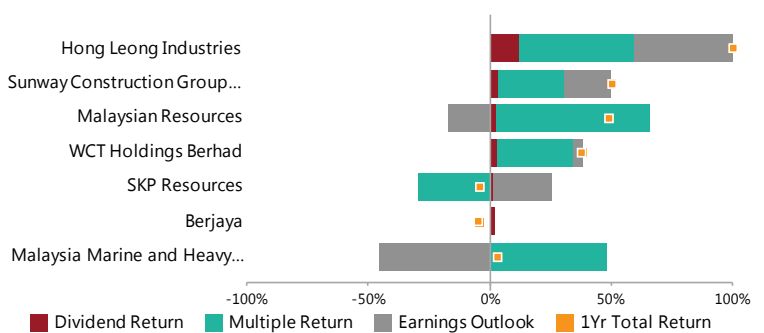
Macquarie Earnings Sentiment Indicator

The Macquarie Sentiment Indicator is an enhanced earnings revisions signal that favours analysts who have more timely and higher conviction revisions. Current score shown below.



Drivers of Stock Return

Breakdown of 1 year total return (local currency) into returns from dividends, changes in forward earnings estimates and the resulting change in earnings multiple.

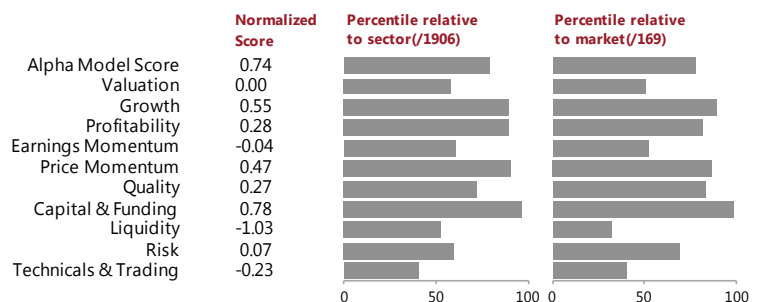


What drove this Company in the last 5 years

Which factor score has had the greatest correlation with the company's returns over the last 5 years.

How it looks on the Alpha model

A more granular view of the underlying style scores that drive the alpha (higher is better) and the percentile rank relative to the sector and market.



Source (all charts): FactSet, Thomson Reuters, and Macquarie Research. For more details on the Macquarie Alpha model or for more customised analysis and screens, please contact the Macquarie Global Quantitative/Custom Products Group (cpg@macquarie.com)

Sunway Construction Group (SCGB MK, Outperform, Target Price: RM1.90)

Interim Results					Profit & Loss						
	1H/16A	2H/16E	1H/17E	2H/17E		2015A	2016E	2017E	2018E		
Revenue	m	869	941	1,074	1,163	Revenue	m	1,917	1,809	2,237	2,429
Gross Profit	m	94	102	119	129	Gross Profit	m	178	196	248	279
Cost of Goods Sold	m	774	839	954	1,034	Cost of Goods Sold	m	1,739	1,613	1,988	2,150
EBITDA	m	94	102	119	129	EBITDA	m	178	196	248	279
Depreciation	m	22	24	24	26	Depreciation	m	42	45	50	56
Amortisation of Goodwill	m	0	0	0	0	Amortisation of Goodwill	m	0	0	0	0
Other Amortisation	m	0	0	0	0	Other Amortisation	m	0	0	0	0
EBIT	m	72	78	95	103	EBIT	m	136	151	198	224
Net Interest Income	m	-2	-2	-2	-2	Net Interest Income	m	-4	-4	-4	-5
Associates	m	-0	-0	-0	-0	Associates	m	-0	-0	-0	-0
Exceptionals	m	0	0	0	0	Exceptionals	m	0	0	0	0
Forex Gains / Losses	m	0	0	0	0	Forex Gains / Losses	m	0	0	0	0
Other Pre-Tax Income	m	4	5	5	5	Other Pre-Tax Income	m	8	9	10	12
Pre-Tax Profit	m	75	81	98	106	Pre-Tax Profit	m	141	156	204	231
Tax Expense	m	-16	-17	-22	-23	Tax Expense	m	-13	-33	-45	-51
Net Profit	m	59	64	76	83	Net Profit	m	128	123	159	180
Minority Interests	m	-0	-0	-0	-0	Minority Interests	m	-1	-0	-0	-0
Reported Earnings	m	59	64	76	83	Reported Earnings	m	127	123	159	180
Adjusted Earnings	m	59	64	76	83	Adjusted Earnings	m	127	123	159	180
EPS (rep)	sen	4.6	5.0	5.9	6.4	EPS (rep)	sen	9.8	9.5	12.3	13.9
EPS (adj)	sen	4.6	5.0	5.9	6.4	EPS (adj)	sen	9.8	9.5	12.3	13.9
EPS Growth yoy (adj)	%	-18.1	16.4	29.0	29.0	EPS Growth (adj)	%	-79.6	-3.2	29.0	13.5
						PE (rep)	x	16.7	17.2	13.3	11.8
						PE (adj)	x	16.7	17.2	13.3	11.8
EBITDA Margin	%	10.8	10.8	11.1	11.1	Total DPS	sen	5.4	4.0	4.3	4.9
EBIT Margin	%	8.3	8.3	8.9	8.9	Total Div Yield	%	3.3	2.4	2.6	3.0
Earnings Split	%	48.0	52.0	48.0	52.0	Basic Shares Outstanding	m	1,293	1,293	1,293	1,293
Revenue Growth	%	-12.8	2.2	23.6	23.6	Diluted Shares Outstanding	m	1,293	1,293	1,293	1,293
EBIT Growth	%	-10.2	40.4	31.5	31.5						
Profit and Loss Ratios					Cashflow Analysis						
		2015A	2016E	2017E	2018E		2015A	2016E	2017E	2018E	
Revenue Growth	%	1.9	-5.6	23.6	8.6	EBITDA	m	178	196	248	279
EBITDA Growth	%	10.1	10.0	26.7	12.5	Tax Paid	m	-30	-33	-45	-51
EBIT Growth	%	13.4	10.5	31.5	12.9	Chgs in Working Cap	m	-112	-65	3	-1
Gross Profit Margin	%	9.3	10.8	11.1	11.5	Net Interest Paid	m	-5	5	6	7
EBITDA Margin	%	9.3	10.8	11.1	11.5	Other	m	204	0	0	0
EBIT Margin	%	7.1	8.3	8.9	9.2	Operating Cashflow	m	236	103	212	235
Net Profit Margin	%	6.6	6.8	7.1	7.4	Acquisitions	m	-65	0	0	0
Payout Ratio	%	55.0	42.0	35.0	35.0	Capex	m	-39	-38	-47	-51
EV/EBITDA	x	10.0	9.1	7.2	6.4	Asset Sales	m	15	0	0	0
EV/EBIT	x	13.1	11.8	9.0	8.0	Other	m	25	0	0	0
Balance Sheet Ratios					Investing Cashflow						
ROE	%	30.6	25.3	27.7	26.3	Dividend (Ordinary)	m	-70	-52	-56	-63
ROA	%	9.6	10.3	12.8	12.5	Equity Raised	m	0	0	0	0
ROIC	%	55.3	99.1	87.1	102.1	Debt Movements	m	2	-50	0	0
Net Debt/Equity	%	-73.4	-66.1	-72.7	-77.5	Other	m	0	0	0	0
Interest Cover	x	38.9	41.5	48.1	48.5	Financing Cashflow	m	-68	-102	-56	-63
Price/Book	x	4.7	4.1	3.4	2.9	Net Chg in Cash/Debt	m	177	-36	110	121
Book Value per Share		0.3	0.4	0.5	0.6	Free Cashflow	m	197	66	165	184
					Balance Sheet						
						2015A	2016E	2017E	2018E		
					Cash	m	468	432	542	663	
					Receivables	m	835	744	919	998	
					Inventories	m	17	35	44	47	
					Investments	m	0	0	0	0	
					Fixed Assets	m	163	155	151	146	
					Intangibles	m	4	4	4	4	
					Other Assets	m	28	28	28	28	
					Total Assets	m	1,515	1,398	1,688	1,886	
					Payables	m	913	751	926	1,001	
					Short Term Debt	m	137	87	87	87	
					Long Term Debt	m	0	0	0	0	
					Provisions	m	0	0	0	0	
					Other Liabilities	m	13	37	49	55	
					Total Liabilities	m	1,063	875	1,062	1,143	
					Shareholders' Funds	m	489	560	664	781	
					Minority Interests	m	1	1	1	1	
					Other	m	-38	-38	-38	-38	
					Total S/H Equity	m	452	523	626	743	
					Total Liab & S/H Funds	m	1,515	1,398	1,688	1,887	

All figures in MYR unless noted.

Source: Company data, Macquarie Research, September 2016

Important disclosures:

Recommendation definitions

Macquarie - Australia/New Zealand

Outperform – return >3% in excess of benchmark return
 Neutral – return within 3% of benchmark return
 Underperform – return >3% below benchmark return

Benchmark return is determined by long term nominal GDP growth plus 12 month forward market dividend yield

Macquarie – Asia/Europe

Outperform – expected return >+10%
 Neutral – expected return from -10% to +10%
 Underperform – expected return <-10%

Macquarie – South Africa

Outperform – expected return >+10%
 Neutral – expected return from -10% to +10%
 Underperform – expected return <-10%

Macquarie - Canada

Outperform – return >5% in excess of benchmark return
 Neutral – return within 5% of benchmark return
 Underperform – return >5% below benchmark return

Macquarie - USA

Outperform (Buy) – return >5% in excess of Russell 3000 index return
 Neutral (Hold) – return within 5% of Russell 3000 index return
 Underperform (Sell)– return >5% below Russell 3000 index return

Volatility index definition*

This is calculated from the volatility of historical price movements.

Very high–highest risk – Stock should be expected to move up or down 60–100% in a year – investors should be aware this stock is highly speculative.

High – stock should be expected to move up or down at least 40–60% in a year – investors should be aware this stock could be speculative.

Medium – stock should be expected to move up or down at least 30–40% in a year.

Low–medium – stock should be expected to move up or down at least 25–30% in a year.

Low – stock should be expected to move up or down at least 15–25% in a year.

* Applicable to Asia/Australian/NZ/Canada stocks only

Recommendations – 12 months

Note: Quant recommendations may differ from Fundamental Analyst recommendations

Financial definitions

All "Adjusted" data items have had the following adjustments made:

Added back: goodwill amortisation, provision for catastrophe reserves, IFRS derivatives & hedging, IFRS impairments & IFRS interest expense

Excluded: non recurring items, asset revals, property revals, appraisal value uplift, preference dividends & minority interests

EPS = adjusted net profit / efpowa*

ROA = adjusted ebit / average total assets

ROA Banks/Insurance = adjusted net profit / average total assets

ROE = adjusted net profit / average shareholders funds

Gross cashflow = adjusted net profit + depreciation

*equivalent fully paid ordinary weighted average number of shares

All Reported numbers for Australian/NZ listed stocks are modelled under IFRS (International Financial Reporting Standards).

Recommendation proportions – For quarter ending 30 June 2016

	AU/NZ	Asia	RSA	USA	CA	EUR	
Outperform	45.17%	56.00%	36.36%	43.16%	63.39%	45.91%	(for global coverage by Macquarie, 6.27% of stocks followed are investment banking clients)
Neutral	36.21%	28.59%	40.26%	50.38%	29.46%	36.96%	(for global coverage by Macquarie, 6.33% of stocks followed are investment banking clients)
Underperform	18.62%	15.41%	23.38%	6.46%	7.14%	17.12%	(for global coverage by Macquarie, 5.38% of stocks followed are investment banking clients)

SCGB MK vs KLCI, & rec history



(all figures in MYR currency unless noted)

GAM MK vs KLCI, & rec history



(all figures in MYR currency unless noted)

IJM MK vs KLCI, & rec history



(all figures in MYR currency unless noted)

Note: Recommendation timeline – if not a continuous line, then there was no Macquarie coverage at the time or there was an embargo period.

Source: FactSet, Macquarie Research, September 2016

12-month target price methodology

SCGB MK: RM1.90 based on a PER methodology

GAM MK: RM5.36 based on a Sum of Parts methodology

IJM MK: RM3.87 based on a Sum of Parts methodology

Company-specific disclosures:

GAM MK: Macquarie may be an Issuer of Structured Warrants on securities mentioned in this report **IJM MK:** Macquarie may be an Issuer of Structured Warrants on securities mentioned in this report

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Date	Stock Code (BBG code)	Recommendation	Target Price
11-Mar-2016	SCGB MK	Outperform	RM1.67

Target price risk disclosures:

SCGB MK: Any inability to compete successfully in their markets may harm the business. This could be a result of many factors which may include geographic mix and introduction of improved products or service offerings by competitors. The results of operations may be materially affected by global economic conditions generally, including conditions in financial markets. The company is exposed to market risks, such as changes in interest rates, foreign exchange rates and input prices. From time to time, the company will enter into transactions, including transactions in derivative instruments, to manage certain of these exposures.

GAM MK: Any inability to compete successfully in their markets may harm the business. This could be a result of many factors which may include geographic mix and introduction of improved products or service offerings by competitors. The results of operations may be materially affected by global economic conditions generally, including conditions in financial markets. The company is exposed to market risks, such as changes in interest rates, foreign exchange rates and input prices. From time to time, the company will enter into transactions, including transactions in derivative instruments, to manage certain of these exposures.

IJM MK: Any inability to compete successfully in their markets may harm the business. This could be a result of many factors which may include geographic mix and introduction of improved products or service offerings by competitors. The results of operations may be materially affected by global economic conditions generally, including conditions in financial markets. The company is exposed to market risks, such as changes in interest rates, foreign exchange rates and input prices. From time to time, the company will enter into transactions, including transactions in derivative instruments, to manage certain of these exposures. Updated Sum of parts RNAV. The DCF valuation is subject to changes to the WACC given the expectation of higher interest rates.

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