

## Malaysia

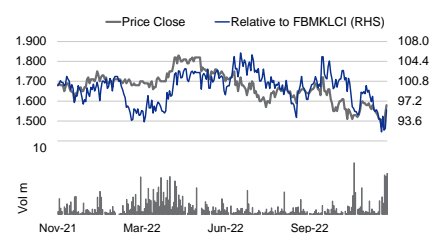
**HOLD** (no change)

Consensus ratings\*: Buy 9 Hold 3 Sell 0

Current price:	RM1.58
Target price:	RM1.73
Previous target:	RM1.80
Up/downside:	9.5%
CGS-CIMB / Consensus:	-14.5%
Reuters:	SWAY.KL
Bloomberg:	SWB MK
Market cap:	US\$1,724m
	RM7,725m
Average daily turnover:	US\$0.35m
	RM1.61m
Current shares o/s:	4,934m
Free float:	30.6%
*Source: Bloomberg	

**Key changes in this note**

- FY22-24F EPS raised by 5.4-11%.
- TP lowered to RM1.73.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	3.9	-4.8	-6
Relative (%)	1	-4.2	-3.9

Major shareholders	% held
Tan Sri Dato' Seri Dr. Jeffrey Cheah	60.5
EPF	9.0

**Analyst(s)**

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# Sunway Bhd

## Strong post-pandemic earnings recovery

- 9MFY22 results were above expectations; core net profit surged 190% yoy.
- Property investment and associate/JV anchored results outperformance.
- Maintain Hold rating with a lower TP (20% discount to RNAV).

**9MFY22 results above expectations; core earnings surged**

Sunway's 9MFY22 core net profit of RM398.4m (excluding RM30m gain on disposal of PPE, RM114.4m gain on remeasurement of stakes and RM26.6m gain on disposal of investments, among others) beat expectations at 81-87% of our and consensus full-year estimates. The results outperformance was due to: 1) stronger-than-expected revenue, at 80% of our full-year estimate, driven by the property investment segment, and 2) higher-than-expected associate/JV earnings (healthcare). 3QFY22 revenue grew 48.3% yoy on a weaker revenue base in 3QFY21 given the negative lockdown impact but dipped 1% qoq (dragged by trading and manufacturing segment due to China's lockdowns). In 3QFY22, the group recognised RM41.4m in pretax profit for Sunway Healthcare Group (SHG, 84% stake). This led to the over four-fold yoy increase in associates/JV profits and, in turn, a 256% yoy jump in 3QFY22 core net profit. 9MFY22 revenue rose 48.3% yoy while EBITDA margin expanded from 4.6% in 9MFY21 to 10.6% in 9MFY22 and were in line with our full-year estimates. 9MFY22 core net profit grew 190% yoy.

**Robust recovery for property investment segment**

Increases in theme park visitations and hotel occupancy rates were the two key drivers for property investment's revenue growth in 3QFY22 and 9MFY22 (+225% yoy and +157% yoy, respectively) while pretax profit posted a strong turnaround in 3QFY22 and 9MFY22 vs. losses in both periods prior, albeit still lower than pre-pandemic levels of c.RM200m in 9MFY19 on limited tourist arrivals. We expect this recovery trend to sustain in 4QFY22 due to the year-end festivity period. For the construction division, progress billings likely normalised to pre-pandemic levels while the higher pretax margin of 13% in 9MFY22 vs. 8% in 9MFY21 was due to tail-end profit for completed projects. Outstanding order book remained healthy at RM4bn. The property development division's performance was driven by strong domestic sales and billings and high progressive profit recognition from condo projects in Singapore. Sunway achieved RM1.2m in effective property sales in 9MFY22 and targets RM2.2bn in property sales in FY22F.

**Reiterate Hold with lower TP**

We raise FY22-24F EPS by 5.4-11% on stronger construction billings and property investment revenue and higher associate/JV profits. We retain our Hold rating. Despite rolling over to end-CY23F and imputing a higher FY24F earnings expectation for SHG, our TP is reduced to RM1.73 (unchanged 20% RNAV discount) as we update for the net debt position as at end-Sep. Upside risks: larger-value contract wins for Sunway Construction from RM32bn MRT 3 civil works tenders and strong property sales. Downside risk: weaker earnings.

**Financial Summary**

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (RMm)	3,209	3,714	4,768	4,931	5,125
Operating EBITDA (RMm)	(24.5)	145.1	527.2	562.6	603.5
Net Profit (RMm)	357	2,665	507	514	523
Core EPS (RM)	0.07	0.08	0.10	0.10	0.11
Core EPS Growth	(50.5%)	3.9%	36.6%	1.4%	1.7%
FD Core P/E (x)	24.43	23.69	17.34	17.10	16.82
DPS (RM)	0.015	0.015	0.015	0.020	0.025
Dividend Yield	0.95%	0.95%	0.95%	1.27%	1.58%
EV/EBITDA (x)	NA	89.97	23.99	22.18	20.41
P/FCFE (x)	NA	8.73	9.70	9.80	9.76
Net Gearing	50.8%	44.9%	41.8%	39.7%	37.8%
P/BV (x)	0.82	0.65	0.62	0.60	0.58
ROE	4.22%	3.79%	4.46%	4.33%	4.27%
% Change In Core EPS Estimates			11.1%	5.8%	5.4%
CGS-CIMB/Consensus EPS (x)			1.10	0.93	0.88

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 1: Results comparison**

FYE Dec (RM m)	3QFY22	3QFY21	yoy %	2QFY22	qoq %	3QFY22	3QFY21	yoy %	Prev.	
			chg		chg	Cum	Cum	chg	FY22F	Comments
Revenue	1,270.5	856.9	48.3	1,280.4	(0.8)	3,663.4	2,470.3	48.3	4,541.2	1) Property investment grew 157% yoy
Operating costs	(1,130.9)	(762.4)	48.3	(1,107.9)	2.1	(3,273.5)	(2,356.2)	38.9	(4,011.1)	2) Property development increased 64% yoy
EBITDA	139.6	94.6	47.7	172.4	(19.0)	389.9	114.1	241.7	530.1	3) Construction grew 35% yoy
<b>EBITDA margin (%)</b>	<b>11.0%</b>	<b>11.0%</b>	<b>(0.4)</b>	<b>13.5%</b>	<b>(18.4)</b>	<b>10.6%</b>	<b>4.6%</b>	<b>130.4</b>	<b>11.7%</b>	
Depreciation	(28.8)	(54.5)	(47.1)	(32.8)	(12.0)	(94.5)	(160.9)	(41.3)	(238.0)	
EBIT	110.8	40.0	176.8	139.7	(20.7)	295.5	(46.8)	731.5	385.9	
Interest expense	(49.3)	(28.6)	72.6	(61.0)	(19.1)	(139.9)	67.4	(307.7)	(119.4)	Borrowings of RM8.3bn at end-Sep
Interest & invt inc	47.8	40.7	17.5	32.8	45.8	126.1	119.5	5.5	173.0	Cash of RM2.2bn at end-Sep
Associates' contrib	92.9	20.7	348.0	76.9	20.8	269.0	67.0	301.6	93.7	
Exceptionals	21.6	11.5	87.4	26.6	(19.0)	75.3	2.0	>100	-	1) RM30m gain on disposal of PPE
<b>Pretax profit</b>	<b>223.8</b>	<b>84.4</b>	<b>165.2</b>	<b>215.0</b>	<b>4.1</b>	<b>625.9</b>	<b>209.1</b>	<b>199.4</b>	<b>634.1</b>	2) RM14.4m gain on remeasurement of stakes
Tax	(41.6)	(18.6)	123.9	(23.8)	74.8	(93.3)	(43.2)	116.1	(95.1)	2) RM26.6m gain on disposal of start-up investments
Tax rate (%)	18.6	22.0	(15.6)	11.1	68.0	14.9	20.6	(27.8)	15.0	
Minority interests	(17.5)	(14.1)	24.2	(22.4)	(21.9)	(58.9)	(26.3)	123.8	(82.8)	
<b>Net profit</b>	<b>164.7</b>	<b>51.8</b>	<b>218.2</b>	<b>168.9</b>	<b>(2.5)</b>	<b>473.7</b>	<b>139.6</b>	<b>239.4</b>	<b>456.2</b>	9MFY22 core net profit made up 81-87% of our and consensus full-year forecasts
Core net profit	143.2	40.3	255.6	142.3	0.6	398.4	137.5	189.7	456.2	
EPS (sen)	2.8	0.9	218.2	2.9	(2.8)	8.1	2.4	239.1	9.2	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 2: 9MFY22 segmental breakdown**

	3QFY22	3QFY21	yoy	2QFY22	qoq	9MFY22	9MFY21	yoy	Comments
	RM m	RM m	chg	RM m	chg	RM m	RM m	chg	
Revenue	278.1	197.1	41%	286.4	-3%	722.7	441.6	64%	Higher sales and billings for local projects; 2 JV's became subsidiaries
Property development	188.6	58.0	225%	149.6	26%	459.3	179.0	157%	Contribution from theme parks, higher hotel occupancy rates and other assets
Property investment	305.1	192.7	58%	316.8	-4%	990.6	732.1	35%	Stronger progress billings; RM4bn outstanding order book
Construction	198.8	186.4	7%	264.8	-25%	668.7	609.9	10%	Sequentially weaker revenue on slower construction activities/demand
Trading & Manufacturing	105.6	84.3	25%	101.1	4%	282.8	232.0	22%	Higher sales volume and higher ASPs for premix
Quarry	194.3	138.4	40%	161.6	20%	539.3	275.8	96%	Driven by building materials and Multicare Health Pharmacy Group
Investment holdings & others	<b>1,270.5</b>	<b>856.9</b>	<b>48%</b>	<b>1,280.4</b>	<b>-1%</b>	<b>3,663.4</b>	<b>2,470.4</b>	<b>48%</b>	
<b>Total</b>									
	3QFY22	3QFY21	yoy	2QFY22	qoq	9MFY22	9MFY21	yoy	
	RM m	RM m	chg	RM m	chg	RM m	RM m	chg	
Pretax profit	35.8	44.6	-20%	25.7	39%	84.9	88.2	-4%	Higher proportion of completed and handed over local projects
Property development	85.7	(12.3)	-799%	53.4	60%	184.1	(45.2)	-508%	Included RM16.6m gain on asset disposal; strong recovery for Sunway REIT
Property investment	35.6	21.4	67%	44.4	-20%	127.8	57.7	122%	In line with improved billings; back to pre-pandemic level in 9MFY19
Construction	12.4	6.7	86%	9.7	28%	32.4	28.8	12%	China market still impacted by lockdowns; recovery in other overseas markets
Trading & Manufacturing	1.9	2.5	-24%	1.8	4%	8.6	5.0	71%	RM6m one-off compensation from a court case in 1QFY22
Quarry	41.4	0.0	nm	35.3	17%	105.0	0.0	nm	Sunway Medical Centre (SMC) and Sunway Medical Centre Velocity (SMCV)
Healthcare (share of profit)	11.0	21.5	-49%	44.7	-75%	83.1	74.6	11%	Driven by building materials and Multicare Health Pharmacy Group
Investment holdings & others	<b>223.8</b>	<b>84.4</b>	<b>165%</b>	<b>215.0</b>	<b>4%</b>	<b>625.9</b>	<b>209.1</b>	<b>199%</b>	
<b>Total</b>									
	3QFY22	3QFY21	yoy	2QFY22	qoq	9MFY22	9MFY21	yoy	
	RM m	RM m	%-pts	RM m	%-pts	RM m	RM m	%-pts	
Pretax margin	13%	23%	-10%	9%	4%	12%	20%	-8%	Margins should be fairly stable in the coming quarters
Property development	45%	-21%	67%	36%	10%	40%	-25%	65%	Recovery continues for hotels and retail malls
Property investment	12%	11%	1%	14%	-2%	13%	8%	5%	Margins lifted by tail-end profit from completed projects
Construction	6%	4%	3%	4%	3%	5%	5%	0%	Likely higher margin for domestic sales
Trading & Manufacturing	2%	3%	-1%	2%	0%	3%	2%	1%	Included RM6m one-off compensation from a court case
Quarry	6%	16%	-10%	28%	-22%	15%	27%	-12%	Lumpy contributions
Investment holdings & others	<b>18%</b>	<b>10%</b>	<b>8%</b>	<b>17%</b>	<b>1%</b>	<b>17%</b>	<b>8%</b>	<b>9%</b>	
<b>Total</b>									

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 3: RNAV**


	Value (RM m)	Stake	Value (RM m)
Property development	3,326.1	100%	3,326.1
Sunway REIT (Listed)	4,932.0	41%	2,017.2
Sunway Construction (Listed)	2,056.0	54%	1,118.5
Trading and manufacturing	284.8	100%	284.8
Quarry	75.3	100%	75.3
Healthcare (based on 18x CY24 EV-EBITDA)	3,114.0	84%	2,615.8
JV & other investments (3QFY22)			7,419.6
Investment properties (3QFY22)			2,128.8
Total debt (end-Sep)			(8,894.9)
Total cash (end-Sep)			2,152.9
<b>Total</b>			<b>12,243.9</b>
No. of shares			4,933.9
Outstanding warrants (2017/2024) (m)			669.5
Warrants exercise price (RM/share)			1.56
Proceeds from warrants (RM m)			1,044.4
ICPS in issue (m)			977.8
Proceeds from ICPS@RM1/share			977.8
<b>FD RNAV</b>			<b>14,266.1</b>
FD no. of shares (includes ICPS & warrants)			6,581.2
<b>FD RNAV (RM/share)</b>			<b>2.17</b>
RNAV discount			20%
<b>RNAV/share</b>			<b>1.73</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 4: Earnings revision**

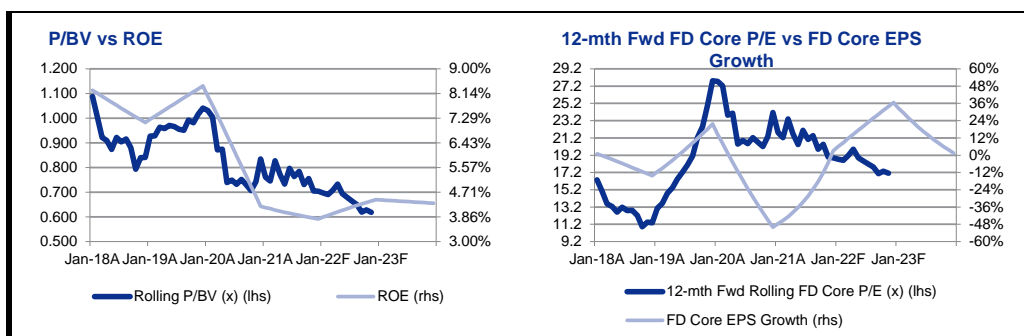
RM m	2021A	2022F			2023F			2024F		
		Old	New	%chg	Old	New	%chg	Old	New	%chg
Revenue	3,714	4,541	4,768	5%	4,764	4,931	3%	4,956	5,125	3%
EBITDA	145	530	527	-1%	573	563	-2%	576	603	5%
Core pretax profit	594	634	694	9%	687	721	5%	702	735	5%
Core net profit	371	456	507	11%	486	514	6%	496	523	5%

SOURCES: CIMB, COMPANY REPORTS

		Refinitiv ESG Scores					
ESG in a nutshell		B ESG Score	A+ ESG Controversies Score	B ESG Combined Score	B- ESG Environment Pillar Score	A ESG Social Pillar Score	C+ ESG Government Pillar Score
<p>Sunway's ESG targets cover five key areas: 1) transforming the group's portfolio of property developments into low-carbon sustainable cities, 2) advocating a responsible value chain, 3) developing a safe, equal and dignified workforce, 4) investing in community inclusivity, and 5) respecting ethical principles. The group adopts a holistic approach to ensure sustainable long-term growth by leveraging innovation and technology to create value.</p>							
<p><b>Keep your eye on</b></p> <ol style="list-style-type: none"> <li>As a conglomerate, Sunway's ESG initiatives are adopted across all its nine key business activities: property development, construction, trading and manufacturing, quarry, building materials, hospitality, property investment, healthcare, and leisure.</li> <li>The government's potential repackaging of new mega public infrastructure projects as "green infrastructure", e.g. the RM20bn-30bn MRT 3 project, as this would be supportive in increasing the nation's share of public transport usage.</li> <li>Opportunities to participate in sustainable developments by building green buildings and promoting integrated mobility via transit-oriented developments (TODs).</li> </ol>	<p><b>Implications</b></p> <ol style="list-style-type: none"> <li>All its ESG initiatives will be aligned with five global megatrends i.e. rapid urbanisation, social change, technological breakthroughs, resource scarcity, and shifting economic power. These will be more in focus over the span of the post-Covid 19 pandemic recovery period in 2022, in our view.</li> <li>Sunway could contribute to nation-building through its various business divisions. The nation's focus in 2022 would be on economic recovery and the 12<sup>th</sup> Malaysia Plan (12MP) which would directly benefit cyclical divisions such as property development, construction and quarry.</li> <li>Opportunities for listed subsidiary Sunway Construction to further grow its order book, leveraging on its strong track record in rail projects in the past.</li> </ol>						
<p><b>ESG highlights</b></p> <ol style="list-style-type: none"> <li>Sunway aims to be carbon neutral by 2050 and targets to achieve its ESG goals by 2030, in line with the targeted achievement year of the United Nations Sustainable Development Goals (UIN-SDGs).</li> <li>Tree planting, energy efficiency, renewable energy (RE) and waste management enabled the group to reduce 11,611 tonnes of CO<sub>2</sub>e emissions in 2020. In the same year, its solar energy consumption increased from 1% to 3%.</li> <li>In 2020, it reduced its water consumption by 28% compared to 2019 and recorded 538,706 m<sup>3</sup> of water sourced from water treatment plants; it also achieved zero reported incidents of human rights violations and discrimination, including forced labour and child labour.</li> </ol>	<p><b>Implications</b></p> <ol style="list-style-type: none"> <li>Sunway City Kuala Lumpur has been designated as one of the three overarching United Nations Sustainable Development Solutions Network (UN-SDSN) centres alongside New York City and Paris.</li> <li>The group targets that by 2030, it would have achieved green building certification for all Sunway-owned and/or managed townships and buildings completed from 2025 onwards (currently six building are in the process of green building certification).</li> <li>Sunway City Kuala Lumpur and Sunway City Iskandar Puteri have been green certified by the Green Building Index (GBI).</li> </ol>						
<p><b>Trends</b></p> <p>Sunway Berhad is a constituent of the FTSE4Good Bursa Malaysia Index and achieved a 4-star rating under the FTSE Russell grading band (as per Jun 2021 review) – an improvement from the 3-star rating in 2020. The group is a FTSE4Good index constituent since 2014.</p> <p>Sunway ranks among the top 15% percentile of its Industry Classification Benchmark (ICB) Supersector that has been assessed by FTSE Russell and has been accorded in Mar-22 an ESG rating of "A" by Morgan Stanley Capital International (MSCI) from "BBB" previously.</p>	<p><b>Implications</b></p> <p>Notable recognitions in ESG:</p> <ol style="list-style-type: none"> <li>Listed associate Sunway REIT was awarded Bronze in the category of Asia's Best Integrated Report (Design) at the Asia Sustainability Reporting Awards (ASRA) in 2020.</li> <li>Sunway Iskandar received Special Awards on Sustainable Development Goals and Best Green Product &amp; Technology at the Malaysia Green Building Council's Leadership in Sustainability Awards 2020.</li> <li>Sunway Berhad was awarded Gold in the category of Asia's Best Sustainability Report (Digital) at the Asia Sustainability Reporting Awards (ASRA) in 2020.</li> </ol>						

SOURCES: CGS-CIMB RESEARCH, REFINITIV

## BY THE NUMBERS



### Profit & Loss

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>Total Net Revenues</b>	<b>3,209</b>	<b>3,714</b>	<b>4,768</b>	<b>4,931</b>	<b>5,125</b>
<b>Gross Profit</b>	<b>3,209</b>	<b>3,714</b>	<b>4,768</b>	<b>4,931</b>	<b>5,125</b>
<b>Operating EBITDA</b>	<b>(25)</b>	<b>145</b>	<b>527</b>	<b>563</b>	<b>603</b>
Depreciation And Amortisation	(235)	(216)	(238)	(238)	(238)
<b>Operating EBIT</b>	<b>(260)</b>	<b>(71)</b>	<b>289</b>	<b>325</b>	<b>365</b>
Financial Income/(Expense)	27	55	54	53	52
Pretax Income/(Loss) from Assoc.	231	84	94	95	96
Non-Operating Income/(Expense)	492	398	257	249	222
<b>Profit Before Tax (pre-EI)</b>	<b>490</b>	<b>466</b>	<b>694</b>	<b>721</b>	<b>735</b>
Exceptional Items	0	0	0	0	0
<b>Pre-tax Profit</b>	<b>490</b>	<b>466</b>	<b>694</b>	<b>721</b>	<b>735</b>
Taxation	(103)	(116)	(104)	(123)	(125)
Exceptional Income - post-tax		2,391			
<b>Profit After Tax</b>	<b>387</b>	<b>2,740</b>	<b>590</b>	<b>599</b>	<b>610</b>
Minority Interests	(47)	(75)	(83)	(84)	(87)
Preferred Dividends	0	0	0	0	0
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax	17				
<b>Net Profit</b>	<b>357</b>	<b>2,665</b>	<b>507</b>	<b>514</b>	<b>523</b>
Recurring Net Profit	357	371	507	514	523
<b>Fully Diluted Recurring Net Profit</b>	<b>357</b>	<b>371</b>	<b>507</b>	<b>514</b>	<b>523</b>

### Cash Flow

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>EBITDA</b>	<b>(24.5)</b>	<b>145.1</b>	<b>527.2</b>	<b>562.6</b>	<b>603.5</b>
Cash Flow from Invt. & Assoc.					
Change In Working Capital	66.8	(172.8)	(102.1)	(90.8)	(89.9)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	920.2	1,127.4	793.9	754.2	716.4
Net Interest (Paid)/Received	26.6	54.9	53.6	52.6	51.5
Tax Paid	(102.6)	(116.2)	(104.1)	(122.6)	(124.9)
<b>Cashflow From Operations</b>	<b>886.5</b>	<b>1,038.4</b>	<b>1,168.5</b>	<b>1,155.9</b>	<b>1,156.7</b>
Capex	(741.4)	(722.6)	(150.0)	(150.0)	(150.0)
Disposals Of FAs/subsidiaries	772.2	70.7	50.0	50.0	50.0
Acq. Of Subsidiaries/investments	(404.2)	(689.9)	0.0	0.0	0.0
Other Investing Cashflow	(425.1)	19.0	0.0	0.0	0.0
<b>Cash Flow From Investing</b>	<b>(798.5)</b>	<b>(1,322.9)</b>	<b>(100.0)</b>	<b>(100.0)</b>	<b>(100.0)</b>
Debt Raised/(repaid)	(832.4)	1,292.0	(162.3)	(159.1)	(155.9)
Proceeds From Issue Of Shares	977.8	0.2	0.0	0.0	0.0
Shares Repurchased	(21.0)	0.0	0.0	0.0	0.0
Dividends Paid	(253.6)	(179.8)	(74.0)	(74.0)	(74.0)
Preferred Dividends					
Other Financing Cashflow	(142.2)	(279.9)	(759.4)	(762.1)	(726.9)
<b>Cash Flow From Financing</b>	<b>(271.5)</b>	<b>832.6</b>	<b>(995.8)</b>	<b>(995.2)</b>	<b>(956.8)</b>
Total Cash Generated	(183.5)	548.1	72.7	60.7	99.9
<b>Free Cashflow To Equity</b>	<b>(744.5)</b>	<b>1,007.5</b>	<b>906.2</b>	<b>896.8</b>	<b>900.8</b>
<b>Free Cashflow To Firm</b>	<b>224.2</b>	<b>(182.1)</b>	<b>1,187.9</b>	<b>1,176.5</b>	<b>1,178.5</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

### Balance Sheet

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Cash And Equivalents	2,270	2,817	2,788	2,761	2,733
Total Debtors	2,433	2,484	2,434	2,385	2,338
Inventories	2,075	2,423	2,411	2,399	2,387
Total Other Current Assets	260	279	282	284	287
<b>Total Current Assets</b>	<b>7,038</b>	<b>8,002</b>	<b>7,915</b>	<b>7,829</b>	<b>7,745</b>
Fixed Assets	2,621	1,277	1,308	1,339	1,370
Total Investments	6,383	11,083	11,450	11,584	11,718
Intangible Assets	351	433	433	433	433
Total Other Non-Current Assets	4,700	4,306	4,391	4,478	4,566
<b>Total Non-current Assets</b>	<b>14,055</b>	<b>17,099</b>	<b>17,582</b>	<b>17,833</b>	<b>18,088</b>
Short-term Debt	5,261	4,094	4,012	3,932	3,853
Current Portion of Long-Term Debt					
Total Creditors	2,453	2,471	2,421	2,373	2,325
Other Current Liabilities	234	141	141	141	141
<b>Total Current Liabilities</b>	<b>7,948</b>	<b>6,706</b>	<b>6,574</b>	<b>6,446</b>	<b>6,320</b>
Total Long-term Debt	1,651	4,022	3,941	3,862	3,785
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	1,061	1,127	1,101	1,076	1,052
<b>Total Non-current Liabilities</b>	<b>2,712</b>	<b>5,149</b>	<b>5,042</b>	<b>4,938</b>	<b>4,837</b>
Total Provisions	122	109	104	98	93
<b>Total Liabilities</b>	<b>10,783</b>	<b>11,963</b>	<b>11,720</b>	<b>11,482</b>	<b>11,250</b>
Shareholders' Equity	9,513	12,049	12,656	13,025	13,393
Minority Interests	797	1,089	1,121	1,155	1,190
<b>Total Equity</b>	<b>10,311</b>	<b>13,138</b>	<b>13,777</b>	<b>14,180</b>	<b>14,583</b>

### Key Ratios

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	(32.9%)	15.8%	28.4%	3.4%	3.9%
Operating EBITDA Growth	(107%)	N/A	263%	7%	7%
Operating EBITDA Margin	(0.8%)	3.9%	11.1%	11.4%	11.8%
Net Cash Per Share (RM)	(1.06)	(1.20)	(1.17)	(1.14)	(1.12)
BVPS (RM)	1.93	2.44	2.57	2.64	2.71
Gross Interest Cover	(1.91)	(0.70)	2.42	2.69	3.00
Effective Tax Rate	20.9%	25.0%	15.0%	17.0%	17.0%
Net Dividend Payout Ratio	20.7%	26.9%	14.6%	14.4%	14.2%
Accounts Receivables Days	310.7	241.6	188.2	178.4	168.7
Inventory Days	N/A	N/A	N/A	N/A	N/A
Accounts Payables Days	N/A	N/A	N/A	N/A	N/A
ROIC (%)	(2.67%)	(0.73%)	3.37%	3.73%	4.15%
ROCE (%)	(0.54%)	0.43%	2.08%	2.21%	2.36%
Return On Average Assets	1.77%	1.27%	2.12%	2.13%	2.17%

### Key Drivers

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue growth (%)	-32.9%	15.8%	28.4%	3.4%	3.9%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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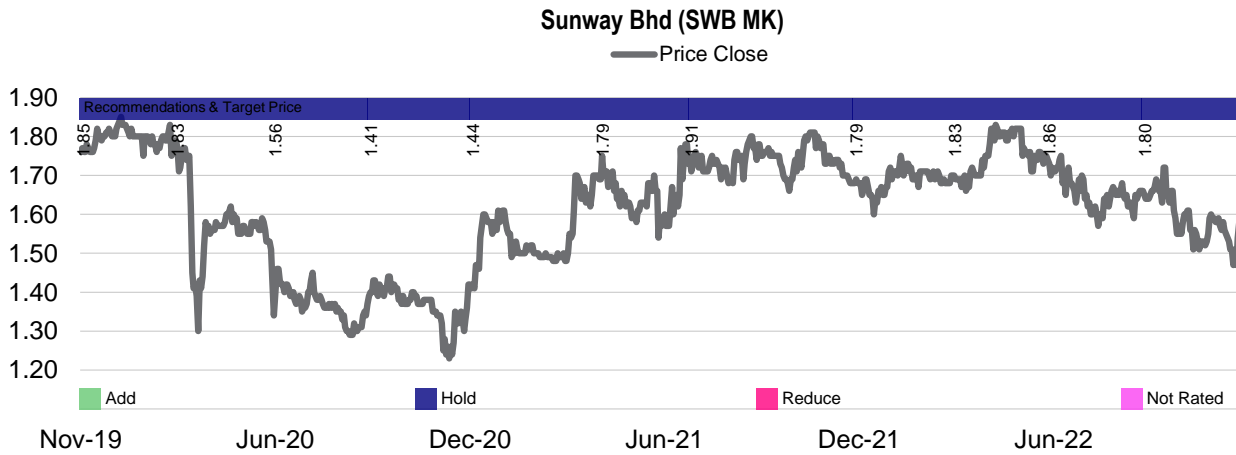
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Distribution of stock ratings and investment banking clients for quarter ended on 30 September 2022		
646 companies under coverage for quarter ended on 30 September 2022		
	Rating Distribution (%)	Investment Banking clients (%)
Add	66.7%	0.6%
Hold	25.2%	0.2%
Reduce	8.0%	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.