

Malaysia

**HOLD** (no change)

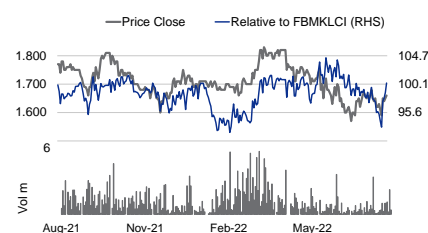
Consensus ratings\*: Buy 8 Hold 4 Sell 0

Current price:	RM1.66
Target price:	RM1.80
Previous target:	RM1.86
Up/downside:	8.4%
CGS-CIMB / Consensus:	-11.5%
Reuters:	SWAY.KL
Bloomberg:	SWB MK
Market cap:	US\$1,809m
	RM8,116m
Average daily turnover:	US\$0.24m
	RM1.07m
Current shares o/s:	4,934m
Free float:	30.6%

\*Source: Bloomberg

**Key changes in this note**

- FY22-24F EPS raised by 4.9-7.4%.
- TP lowered to RM1.80.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	1.2	-5.2	-7.8
Relative (%)	1.1	-1	-2.2

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

**Analyst(s)**



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# Sunway Bhd

## Stronger earnings recovery pace in 2QFY22

- 1HFY22 results were above expectations; core net profit surged 190% yoy.
- All divisions saw sustained earnings recovery momentum, led by construction, property development, property investment and healthcare.
- We retain our Hold rating with a lower TP of RM1.80 (20% RNAV discount).

### 1HFY22 results above expectations on lower tax rate

Sunway's strong recovery indicators since 1QFY22 continued in 2QFY22, with 1HFY22 core net profit of RM255m (excluding RM14.4m remeasurement gain and RM26.6m gain on investments, among others) at 54-60% of our and consensus full-year estimates. While 1HFY22 revenue was broadly in line, core net profit was above expectations on lower effective tax rate of 12.9% vs. our overestimated forecast of 25%. Key revenue drivers were: 1) strong billings for domestic construction and property development (including two JVs that became subsidiaries in 1QFY22), 2) progressive profit from a Singapore high-rise project, 3) reversal in the overprovision of property development cost, and 4) turnaround in domestic tourism and hospitality activities. This was offset by weak earnings for trading and manufacturing due to China's lockdown. In 1HFY22, the group recognised RM64m in pretax profit for its Sunway Healthcare Group (SHG, 84% stake) post divestment of its partial stake. 2QFY22 revenue climbed 67% yoy (+15.1% qoq) while core net profit surged 230% yoy (+255% qoq) on EBITDA margin expansion. Overall, 1HFY22 revenue advanced 48.3% yoy, with core net profit growth of 190% yoy (1HFY22 EBITDA margin expanded 1.4% pts yoy to 10.4% as a result of this and strong growth in associate earnings).

### Operational recovery momentum sustained

In line with strong billings, property sales, and the recovery in tourism and hospitality sectors, all key divisions recorded double-digit yoy revenue growth in 1HFY22, with the property investment division chalking up a 124% yoy increase, property development +82% yoy and construction +27% yoy. The construction division booked higher pretax margin of 13% (1H21: 7%) on stronger billings, although margins in the quarters ahead could be capped by increased building material prices. Outstanding order book remained at a healthy level of RM4.2bn (RM2bn targeted wins in FY22F). The property development division's performance was driven by robust domestic sales and billings and high progressive profit recognition from condo projects in Singapore. Sunway achieved RM807m in effective property sales in 1HFY22 and targets RM2.2bn in property sales in FY22F. Trading and manufacturing was the weakest performer due to sluggish overseas sales due to the China lockdown (pretax profit declined 10% yoy in 1HFY22).

### Reiterate Hold with a lower TP of RM1.80

We raise FY22-24F EPS on lower tax rates. We retain our Hold rating with a lower TP of RM1.80 (unchanged 20% RNAV discount) as we update for balance sheet items. Upside risks: larger-value contract wins for Sunway Construction from RM31bn 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	4,541	4,764	4,956
Operating EBITDA (RMm)	(24.5)	145.1	530.1	572.6	576.0
Net Profit (RMm)	357	2,665	456	486	496
Core EPS (RM)	0.07	0.08	0.09	0.10	0.10
Core EPS Growth	(50.5%)	3.9%	22.9%	6.5%	2.0%
FD Core P/E (x)	25.67	24.89	20.25	19.01	18.64
DPS (RM)	0.015	0.015	0.015	0.020	0.025
Dividend Yield	0.90%	0.90%	0.90%	1.20%	1.51%
EV/EBITDA (x)	NA	92.69	24.60	22.49	22.07
P/FCFE (x)	NA	9.17	10.06	10.12	10.51
Net Gearing	50.8%	44.9%	41.8%	39.7%	37.8%
P/BV (x)	0.86	0.68	0.65	0.63	0.61
ROE	4.22%	3.79%	4.01%	4.10%	4.05%
% Change In Core EPS Estimates			7.34%	4.89%	4.83%
CGS-CIMB/Consensus EPS (x)			1.04	0.90	0.87

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 1: Results comparison

FYE Dec (RM m)	2QFY22	2QFY21	yoy %	1QFY22	qoq %	2QFY22	2QFY21	yoy %	Prev.	
			chg		chg	Cum	Cum	chg	FY22F	Comments
Revenue	1,280.4	767.3	66.9	1,112.5	15.1	2,392.8	1,613.4	48.3	4,541.2	1) Property investment grew 124% yoy
Operating costs	(1,107.9)	(707.1)	56.7	(1,028.0)	7.8	(2,143.4)	(1,468.6)	46.0	(4,011.1)	2) Property development increased 82% yoy
EBITDA	172.4	60.2	186.6	84.5	104.0	249.4	144.9	72.2	530.1	3) Construction grew 27% yoy
<b>EBITDA margin (%)</b>	<b>13.5%</b>	<b>7.8%</b>	<b>71.8</b>	<b>7.6%</b>	<b>77.3</b>	<b>10.4%</b>	<b>9.0%</b>	<b>16.1</b>	<b>11.7%</b>	
Depreciation	(32.8)	(53.6)	(38.9)	(32.8)	(0.0)	(65.5)	(106.4)	(38.4)	(238.0)	
EBIT	139.7	6.5	>100	51.7	170.0	183.9	38.5	378.1	385.9	
Interest expense	(61.0)	(20.3)	199.7	(29.7)	105.5	(90.6)	(38.8)	133.6	(119.4)	Borrowings of RM8.5bn (excl. PERPS) at end-Jun
Interest & invt inc	32.8	42.7	(23.2)	45.5	(27.8)	78.3	78.8	(0.7)	173.0	Cash of RM2.3bn at end-Jun
Associates' contrib	76.9	22.6	240.4	99.2	(22.4)	176.1	46.2	280.8	93.7	
Exceptionals	26.6	-	nm	20.4	30.4	54.5	-	nm	-	1) RM14.4m gain from remeasurement of stakes
<b>Pretax profit</b>	<b>215.0</b>	<b>51.5</b>	<b>317.6</b>	<b>187.1</b>	<b>14.9</b>	<b>402.1</b>	<b>124.7</b>	<b>222.5</b>	<b>634.1</b>	in Sunway Velocity Two & Sunway Artessa
Tax	(23.8)	(7.8)	203.8	(27.9)	(14.7)	(51.7)	(24.6)	110.1	(158.5)	2) RM26.6m gain on disposal of start-up
Tax rate (%)	11.1	15.2	(27.2)	14.9	(25.8)	12.9	19.7	(34.9)	25.0	investments
Minority interests	(22.4)	(0.5)	>100	(19.1)	17.2	(41.4)	(12.3)	237.6	(50.6)	
<b>Net profit</b>	<b>168.9</b>	<b>43.2</b>	<b>291.2</b>	<b>140.1</b>	<b>20.5</b>	<b>309.0</b>	<b>87.8</b>	<b>251.9</b>	<b>425.0</b>	1HFY22 core net profit made up 54-60% of
Core net profit	142.3	43.2	229.6	119.7	18.8	254.5	87.8	189.8	425.0	our and consensus full-year forecasts
EPS (sen)	2.9	0.7	294.5	2.4	20.5	5.3	1.5	251.3	8.6	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 2: Segmental breakdown 1HFY22

	2QFY22	2QFY21	yoy	1QFY22	qoq	1HFY22	1HFY21	yoy	Comments
	RM m	RM m	chg	RM m	chg	RM m	RM m	chg	
Revenue	286.4	147.4	94%	158.2	81%	444.6	244.5	82%	Higher sales and progress billings for local projects
Property development	286.4	147.4	94%	158.2	81%	444.6	244.5	82%	Higher sales and progress billings for local projects
Property investment	149.6	62.3	140%	121.1	24%	270.7	121.0	124%	Driven by reopening social and tourism activities
Construction	316.8	218.1	45%	368.6	-14%	685.5	539.4	27%	Stronger progress billings
Trading & Manufacturing	264.8	198.9	33%	205.0	29%	469.8	423.4	11%	In line with demand recovery
Quarry	101.1	70.5	43%	76.2	33%	177.2	147.7	20%	Higher sales volume and higher ASPs for premix
Investment holdings & others	161.6	70.2	130%	183.4	-12%	345.0	137.3	151%	Driven by building materials and Multicare Health Pharmacy Group
<b>Total</b>	<b>1,280.4</b>	<b>767.3</b>	<b>67%</b>	<b>1,112.5</b>	<b>15%</b>	<b>2,392.8</b>	<b>1,613.4</b>	<b>48%</b>	
	2QFY22	2QFY21	yoy	1QFY22	qoq	1HFY22	1HFY21	yoy	
	RM m	RM m	chg	RM m	chg	RM m	RM m	chg	
Pretax profit	25.7	22.9	12%	23.4	10%	49.1	43.6	13%	Higher profit for Singapore condo project; reversal of overprovision of cost
Property development	25.7	22.9	12%	23.4	10%	49.1	43.6	13%	Higher profit for Singapore condo project; reversal of overprovision of cost
Property investment	53.4	(16.0)	-433%	45.0	19%	98.4	(32.9)	-399%	Profit turnaround for hotels and retail malls
Construction	44.4	8.6	415%	47.8	-7%	92.2	36.3	154%	Stronger progress billings
Trading & Manufacturing	9.7	10.0	-3%	10.3	-6%	20.0	22.2	-10%	China market still impacted by lockdowns
Quarry	1.8	(0.5)	-432%	4.9	-63%	6.7	2.5	165%	RM6m one-off compensation from a court case in 1QFY22
Healthcare (share of profit)	35.3	0.0	nm	28.2	25%	63.5	0.0	nm	Sunway Medical Centre (SMC) and Sunway Medical Centre Velocity (SMCV)
Investment holdings & others	44.7	26.6	68%	27.4	63%	72.1	53.0	36%	Driven by building materials and Multicare Health Pharmacy Group
<b>Total</b>	<b>215.0</b>	<b>51.5</b>	<b>318%</b>	<b>187.1</b>	<b>15%</b>	<b>402.1</b>	<b>124.7</b>	<b>223%</b>	
	2QFY22	2QFY21	yoy	1QFY22	qoq	1HFY22	1HFY21	yoy	
	RM m	RM m	%-pts	RM m	%-pts	RM m	RM m	%-pts	
Pretax margin	9%	16%	-7%	15%	-6%	11%	18%	-7%	Margins should be fairly stable in the coming quarters
Property development	9%	16%	-7%	15%	-6%	11%	18%	-7%	Margins should be fairly stable in the coming quarters
Property investment	36%	-26%	61%	37%	-1%	36%	-27%	64%	Recovery continues for hotels and retail malls
Construction	14%	4%	10%	13%	1%	13%	7%	7%	Margins lifted by tail-end profit from completed projects
Trading & Manufacturing	4%	5%	-1%	5%	-1%	4%	5%	-1%	Likely higher margin for domestic sales
Quarry	2%	-1%	3%	6%	-5%	4%	2%	2%	Included RM6m one-off compensation from a court case
Investment holdings & others	28%	38%	-10%	15%	13%	21%	39%	-18%	Lumpy contributions
<b>Total</b>	<b>17%</b>	<b>7%</b>	<b>10%</b>	<b>17%</b>	<b>0%</b>	<b>17%</b>	<b>8%</b>	<b>9%</b>	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 3: Earnings revision**

RM m	2021A	2022F			2023F			2024F		
		Old	New	%chg	Old	New	%chg	Old	New	%chg
Revenue	3,714	4,541	4,541	0%	4,764	4,764	0%	4,956	4,956	0%
EBITDA	145	530	530	0%	573	573	0%	576	576	0%
Core pretax profit	594	634	634	0%	687	687	0%	702	702	0%
Core net profit	371	425	456	7%	463	486	5%	473	496	5%

SOURCES: CIMB, COMPANY REPORTS

**Figure 4: RNAV**

	Value (RM m)	Stake	Value (RM m)
Property development	3,326.1	100%	3,326.1
Sunway REIT (Listed)	5,206.0	41%	2,129.3
Sunway Construction (Listed)	2,017.0	54%	1,097.2
Trading and manufacturing	198.8	100%	198.8
Quarry	56.3	100%	56.3
Investment holdings & others	398.4	100%	398.4
JV & other investments (2QFY22)			6,478.8
Net cash/(debt) at holding co.			(862.3)
<b>Total</b>			<b>12,822.5</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>14,844.7</b>
FD no. of shares (includes ICPS & warrants)			6,581.2
<b>FD RNAV (RM/share)</b>			<b>2.26</b>
RNAV discount			20%
<b>RNAV/share</b>			<b>1.80</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



## ESG in a nutshell

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.

### Keep your eye on

- 1) 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.
- 2) 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.
- 3) Opportunities to participate in sustainable developments by building green buildings and promoting integrated mobility via transit-oriented developments (TODs).

### Implications

- 1) 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.
- 2) 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.
- 3) Opportunities for listed subsidiary Sunway Construction to further grow its order book, leveraging on its strong track record in rail projects in the past.

### ESG highlights

- 1) 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 (UN-SDGs).
- 2) 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%.
- 3) 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.

### Implications

- 1) 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.
- 2) 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).
- 3) Sunway City Kuala Lumpur and Sunway City Iskandar Puteri have been green certified by the Green Building Index (GBI).

### Trends

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.

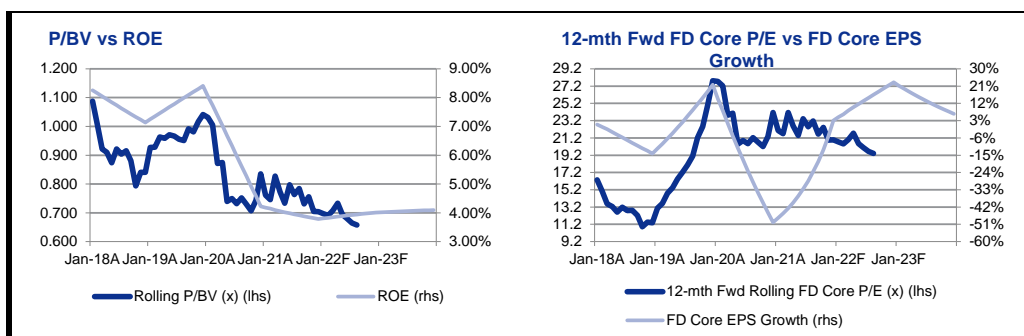
Sunway ranks among the top 15% percentile of its Industry Classification Benchmark (ICB) Supersector that has been assessed by FTSE Russell and has been accorded in Mar-22 an ESG rating of "A" by Morgan Stanley Capital International (MSCI) from "BBB" previously.

### Implications

Notable recognitions in ESG:

- 1) 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.
- 2) Sunway Iskandar received Special Awards on Sustainable Development Goals and Best Green Product & Technology at the Malaysia Green Building Council's Leadership in Sustainability Awards 2020.
- 3) Sunway Berhad was awarded Gold in the category of Asia's Best Sustainability Report (Digital) at the Asia Sustainability Reporting Awards (ASRA) in 2020.

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>4,541</b>	<b>4,764</b>	<b>4,956</b>
<b>Gross Profit</b>	<b>3,209</b>	<b>3,714</b>	<b>4,541</b>	<b>4,764</b>	<b>4,956</b>
<b>Operating EBITDA</b>	<b>(25)</b>	<b>145</b>	<b>530</b>	<b>573</b>	<b>576</b>
Depreciation And Amortisation	(235)	(216)	(238)	(238)	(238)
<b>Operating EBIT</b>	<b>(260)</b>	<b>(71)</b>	<b>292</b>	<b>335</b>	<b>338</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	195	205	217
<b>Profit Before Tax (pre-EI)</b>	<b>490</b>	<b>466</b>	<b>634</b>	<b>687</b>	<b>702</b>
Exceptional Items	0	0	0	0	0
<b>Pre-tax Profit</b>	<b>490</b>	<b>466</b>	<b>634</b>	<b>687</b>	<b>702</b>
Taxation	(103)	(116)	(95)	(117)	(119)
Exceptional Income - post-tax		2,391			
<b>Profit After Tax</b>	<b>387</b>	<b>2,740</b>	<b>539</b>	<b>570</b>	<b>583</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>456</b>	<b>486</b>	<b>496</b>
Recurring Net Profit	357	371	456	486	496
<b>Fully Diluted Recurring Net Profit</b>	<b>357</b>	<b>371</b>	<b>456</b>	<b>486</b>	<b>496</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>530.1</b>	<b>572.6</b>	<b>576.0</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)	(95.1)	(116.8)	(119.3)
<b>Cashflow From Operations</b>	<b>886.5</b>	<b>1,038.4</b>	<b>1,180.4</b>	<b>1,171.6</b>	<b>1,134.7</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	84.6	76.5	77.9
<b>Free Cashflow To Equity</b>	<b>(744.5)</b>	<b>1,007.5</b>	<b>918.1</b>	<b>912.6</b>	<b>878.8</b>
<b>Free Cashflow To Firm</b>	<b>224.2</b>	<b>(182.1)</b>	<b>1,199.7</b>	<b>1,192.2</b>	<b>1,156.5</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%	22.3%	4.9%	4.0%
Operating EBITDA Growth	(107%)	N/A	265%	8%	1%
Operating EBITDA Margin	(0.8%)	3.9%	11.7%	12.0%	11.6%
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)	2.45	2.77	2.78
Effective Tax Rate	20.9%	25.0%	15.0%	17.0%	17.0%
Net Dividend Payout Ratio	20.7%	26.9%	16.2%	15.2%	14.9%
Accounts Receivables Days	310.7	241.6	197.6	184.6	174.4
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%)	3.40%	3.85%	3.84%
ROCE (%)	(0.54%)	0.43%	2.10%	2.25%	2.24%
Return On Average Assets	1.77%	1.27%	1.92%	2.02%	2.06%

### Key Drivers

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue growth (%)	-32.9%	15.8%	22.3%	4.9%	4.0%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



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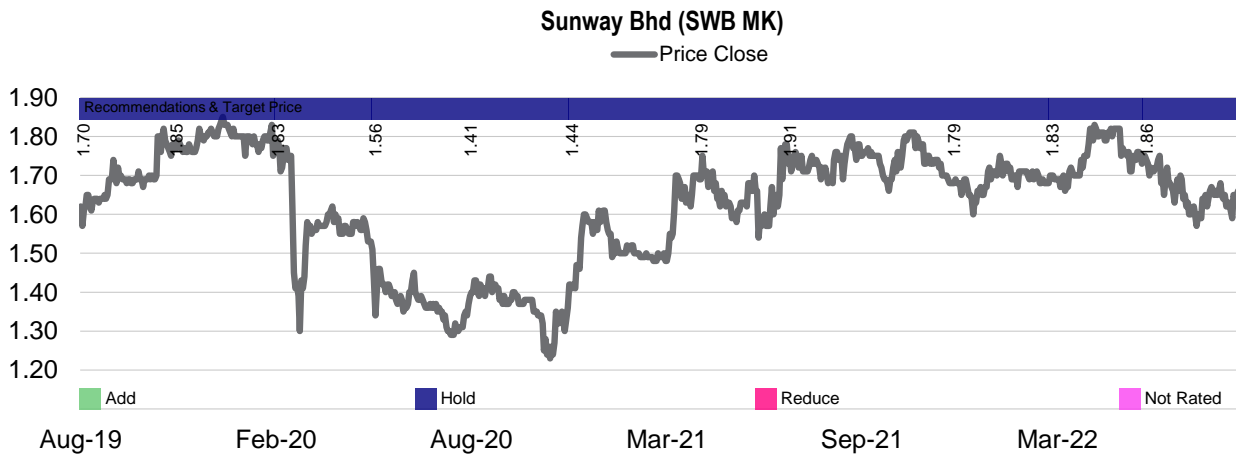
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Distribution of stock ratings and investment banking clients for quarter ended on 30 June 2022		
643 companies under coverage for quarter ended on 30 June 2022		
	Rating Distribution (%)	Investment Banking clients (%)
Add	68.4%	0.8%
Hold	24.6%	0.0%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