

Malaysia

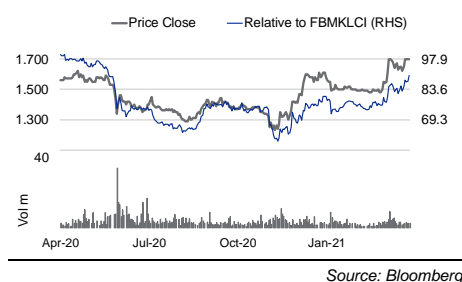
**HOLD** (no change)

Consensus ratings\*: Buy 8 Hold 3 Sell 0

Current price:	RM1.70
Target price:	RM1.79
Previous target:	RM1.44
Up/downside:	5.3%
CGS-CIMB / Consensus:	2.6%
Reuters:	SWAY.KL
Bloomberg:	SWB MK
Market cap:	US\$2,005m
	RM8,311m
Average daily turnover:	US\$0.92m
	RM3.74m
Current shares o/s:	4,934m
Free float:	29.9%
*Source: Bloomberg	

**Key changes in this note**

► We raise FY21-22F EPS by 32-34%. We project higher EBITDA margin of 13-14% (9-10% previously), raise associate earnings and lower tax rates to reflect the performance in FY20. We introduce FY23F.



Price performance	1M	3M	12M
Absolute (%)	13.3	5.6	9.7
Relative (%)	13.6	8.9	-6.8

Major shareholders	% held
Tan Sri Dato' Seri Dr. Jeffrey Cheah	60.5
EPF	9.7

**Analyst(s)**



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# Sunway Bhd

## FY20 bumped up by overseas profits

- FY20 results were above expectations; core net profit fell 37% yoy.
- 4Q20 earnings were boosted by deferred profit recognition from overseas property ventures, while property investment reported losses in FY20.
- Reiterate Hold due to limited upside to share price, which ran ahead of the strong results. TP is raised to RM1.79.

### FY20 above expectations; core net profit fell 37% yoy

FY20 core net profit of RM400m (excluding RM64.4m total fair value loss, among others) exceeded ours and consensus full-year forecasts by 10-42%. The results were above our expectations due to higher-than-expected deferred profit (due to MFRS 15) recognition from property development ventures in Singapore and China in 4Q20, amounting to RM182.5m. This increased 4Q20 core net profit by 47% yoy, offsetting the 5.5% yoy drop in revenue due to the Conditional Movement Control Order (CMCO). FY20 revenue also came in above our projections (at 112%) while EBITDA margin of 13.4% was slightly higher than our forecast of 13%. Overall FY20 core net profit fell 37% yoy, due to the disruptions caused by Covid-19 in all operating divisions (particularly property investment and construction) in FY20. The group declared a single-tier DPS of 1.5 sen vs. our full-year forecast of 4 sen.

### Covid-19 impacted all segments; losses for property investments

Property investment and construction recorded the biggest drop in revenue in FY20, with a 22-58% yoy decline due to the stop-work order in 2Q20 for construction and weaker retail/hotel revenue due to rental rebates/assistance and subdued occupancy rates. Construction pretax profit fell 35% yoy in FY20 due to weaker billings while pretax margin slipped 2% pts yoy to 11%; pretax margin should stabilise at these levels in FY21F as billings improve. Property investment division reported a pretax loss of RM31m in FY20 (FY19: RM323m pretax profit), dragged by RM47.9m fair value loss but partially offset by RM16m gain from the disposal of the Pinnacle Sunway. Healthcare division's 72% yoy fall in pretax profit in FY20 was due to sustained operating losses at Sunway Medical Centre Velocity (SMCV); losses narrowed to RM3.9m in 4Q20 (4Q19: RM11.7m).

### FY21-22F EPS raised by 32-34%; Hold retained with higher TP

We raise FY21-22F EPS by 32-34% as we have been too conservative in our revenue assumptions, backed by RM5.1bn outstanding construction order book and RM1.9bn in effective unbilled sales. We project a higher EBITDA margin of 13-14% (9-10% previously), raise associate earnings and lower tax rates to reflect the performance in FY20. We also introduce FY23F. We raise our RNAV-based TP to RM1.79 (unchanged 30% discount) as we update for balance sheet items (lower borrowings) and market cap of listed units. Reiterate Hold rating due to limited upside to share price, which ran ahead of the strong results. Upside risks: a recovery in job flows and stronger property earnings. Downside risk: sustained losses for the property investment division.

### Financial Summary

	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Revenue (RMm)	4,780	3,833	4,595	4,841	5,064
Operating EBITDA (RMm)	363.5	440.8	625.4	673.6	688.1
Net Profit (RMm)	709.2	359.6	484.9	524.9	539.9
Core EPS (RM)	0.15	0.07	0.10	0.11	0.11
Core EPS Growth	21.7%	(50.1%)	34.8%	8.2%	2.9%
FD Core P/E (x)	13.14	26.11	19.51	18.02	17.52
DPS (RM)	0.091	0.015	0.043	0.044	0.044
Dividend Yield	5.35%	0.88%	2.52%	2.56%	2.56%
EV/EBITDA (x)	34.60	28.84	19.59	17.78	17.01
P/FCFE (x)	24.09	NA	18.43	13.66	13.76
Net Gearing	60.9%	50.7%	46.6%	43.6%	40.9%
P/BV (x)	0.98	0.88	0.82	0.79	0.75
ROE	8.41%	4.24%	5.46%	5.56%	5.45%
% Change In Core EPS Estimates			32.3%	34.6%	
CGS-CIMB/Consensus EPS (x)			0.93	0.89	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 1: Results comparison**

FYE Dec (RM m)	4QFY20	4QFY19	yoy %	3QFY20	qoq %	4QFY20	4QFY19	yoy %	Prev.	
			chg		chg	Cum	Cum	chg	FY20F	Comments
Revenue	1,278.0	1,353.0	(5.5)	1,027.2	24.4	3,833.3	4,780.3	(19.8)	3,409.3	Property investment and construction the
Operating costs	(1,161.7)	(1,216.6)	(4.5)	(877.5)	32.4	(3,318.0)	(4,054.2)	(18.2)	(2,965.5)	most impacted by Covid-19 and
EBITDA	116.3	136.4	(14.8)	149.7	(22.3)	515.4	726.1	(29.0)	443.8	various MCOs in FY20
<b>EBITDA margin (%)</b>	<b>9.1%</b>	<b>10.1%</b>	<b>(9.8)</b>	<b>14.6%</b>	<b>(37.6)</b>	<b>13.4%</b>	<b>15.2%</b>	<b>(11.5)</b>	<b>13.0%</b>	
Depreciation	(47.1)	(61.1)	(22.9)	(56.0)	(15.9)	(223.8)	(235.1)	(4.8)	(235.6)	
EBIT	69.2	75.4	(8.2)	93.7	(26.1)	291.5	491.0	(40.6)	208.2	
Interest expense	(7.2)	(26.1)	(72.5)	(45.1)	(84.1)	(141.2)	(168.3)	(16.1)	(236.4)	Total borrowings of RM7.5bn at end-Dec
Interest & invt inc	52.3	78.0	(33.0)	50.9	2.6	169.7	202.3	(16.1)	258.6	Cash stood at RM2.2bn
Associates' contrib	161.6	89.3	80.9	30.4	431.4	230.0	261.2	(12.0)	91.3	
Exceptionals	(24.2)	35.5	(168.2)	41.4	(158.5)	(40.7)	79.1	(151.5)	-	RM64.4m total FV loss in FY20
<b>Pretax profit</b>	<b>251.7</b>	<b>252.1</b>	<b>(0.2)</b>	<b>171.3</b>	<b>46.9</b>	<b>509.3</b>	<b>865.3</b>	<b>(41.1)</b>	<b>451.1</b>	
Tax	(44.8)	(41.5)	8.0	(25.0)	78.9	(102.0)	(78.4)	30.0	(112.8)	
Tax rate (%)	17.8	16.4	8.1	14.6	21.8	20.0	9.1	120.9	25.0	Excludes tax payable for associates
Minority interests	(13.9)	(27.2)	(48.9)	(13.5)	2.9	(47.7)	(77.7)	(38.6)	(56.5)	and JV
<b>Net profit</b>	<b>193.1</b>	<b>183.5</b>	<b>5.2</b>	<b>132.8</b>	<b>45.4</b>	<b>359.6</b>	<b>709.2</b>	<b>(49.3)</b>	<b>281.9</b>	
Core net profit	217.3	148.0	46.8	91.4	137.6	400.3	630.1	(36.5)	281.9	FY20 core net profit exceeded our full-year
EPS (sen)	3.8	3.8	(1.1)	2.5	49.4	7.3	14.6	(50.2)	5.8	forecast by 42% and made up 110% of
Core EPS (sen)	4.2	3.1	38.1	1.7	144.2	8.1	12.9	(37.6)	5.8	consensus full-year estimates

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 2: Segmental breakdown FY20**

	4QFY20	4QFY19	yoy	FY20	FY19	yoy	Comments
	RM m	RM m	chg	RM m	RM m	chg	
Revenue	184.3	218.2	-16%	495.0	545.9	-9%	Weaker sales and billings for local development projects
Property development	46.1	220.9	-79%	334.0	803.5	-58%	Covid-19 and MCO impacted hospitality and leisure assets
Property investment	424.6	318.0	34%	990.2	1,273.3	-22%	4Q20 driven by higher progress billings during CMCO period
Construction	245.8	232.2	6%	812.1	959.7	-15%	Higher overseas sales in 4Q20 (weak domestic sales overall in FY20)
Trading & Manufacturing	109.8	136.4	-20%	321.4	348.1	-8%	Lower ASPs for aggregates and premix
Quarry	178.0	162.9	9%	620.3	584.8	6%	New revenue from Sunway Medical Centre Velocity (SMCV)
Healthcare	89.5	64.4	39%	260.3	265.0	-2%	Stop work order during MCO impacted building materials segment
Investment holdings & others	<b>1,278.0</b>	<b>1,353.0</b>	<b>-6%</b>	<b>3,833.3</b>	<b>4,780.2</b>	<b>-20%</b>	
<b>Total</b>							
	4QFY20	4QFY19	yoy	FY20	FY19	yoy	
	RM m	RM m	chg	RM m	RM m	chg	
Pretax profit	218.6	111.5	96%	297.0	228.5	30%	RM182.5m balance development profits from Singapore and China in 4Q20
Property development	(82.6)	85.3	-197%	(30.8)	323.1	-110%	1) RM47.9m FV loss, 2) RM16m gain from disposal of The Pinnacle in 4Q20
Property investment	39.0	42.1	-8%	105.1	162.3	-35%	Stop work order during MCO phase 1 impacted billings
Construction	11.4	4.2	173%	24.9	30.0	-17%	Weaker domestic and overseas sales due to Covid-19
Trading & Manufacturing	5.6	7.8	-29%	14.8	16.1	-8%	Impacted by RM2.2m FV loss for a piece of quarry land in 4Q20
Quarry	22.5	11.1	103%	17.4	61.5	-72%	Lower operating loss of RM3.9m for SMCV in 4Q20 (4Q19: RM11.7m loss)
Healthcare	37.4	(9.9)	-477%	81.0	43.7	85%	Stop work order during MCO phase 1 impacted building materials segment
Investment holdings & others	<b>251.7</b>	<b>252.1</b>	<b>0%</b>	<b>509.3</b>	<b>865.3</b>	<b>-41%</b>	
<b>Total</b>							
	4QFY20	4QFY19	yoy	FY20	FY19	yoy	
	RM m	RM m	%-pts	RM m	RM m	%-pts	
Pretax margin	119%	51%	68%	60%	42%	18%	One-off margin boost from Singapore and China ventures in 4Q20
Property development	-179%	39%	-218%	-9%	40%	-49%	Dragged by hospitality and leisure businesses
Property investment	9%	13%	-4%	11%	13%	-2%	Overall weaker billings in FY20 impacted margins
Construction	5%	2%	3%	3%	3%	0%	Weaker prices due to weak overall demand
Trading & Manufacturing	5%	6%	-1%	5%	5%	0%	Likely to maintain at these levels in FY21F
Quarry	13%	7%	6%	3%	11%	-8%	Gradual recovery in FY21F expected
Healthcare	42%	-15%	57%	31%	16%	15%	Lumpy contributions
Investment holdings & others	<b>20%</b>	<b>19%</b>	<b>1%</b>	<b>13%</b>	<b>18%</b>	<b>-5%</b>	
<b>Total</b>							

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 3: RNAV**

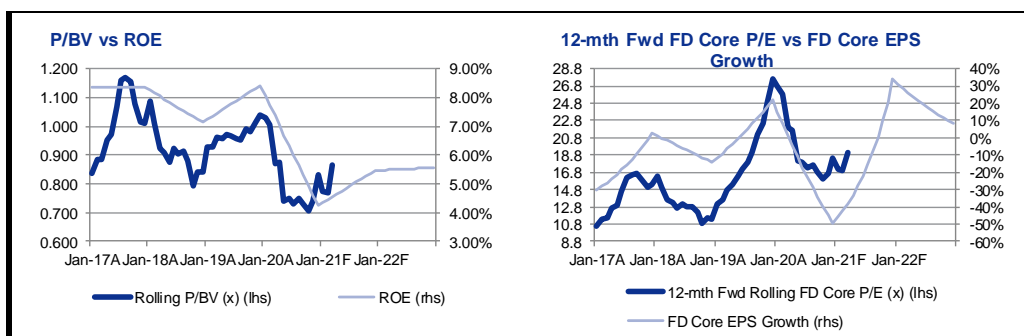
Type	Location	Size/units	Area (sq ft)	Price	Stake	Value
<b>Completed buildings</b>						
Sunway Lagoon Theme Park	Petaling, Selangor	59.9 ac	728,326	200.0	100%	145.7
Sunway Hotel Georgetown	Penang	240.0 units	0	150,000.0	100%	36.0
Monash University Sunway Campus	Petaling, Selangor	12.0 ac	754,000	220.0	100%	165.9
Sunway University College	Petaling, Selangor	12.4 ac	615,983	220.0	100%	135.5
Sunway Giza	Sunway Damansara, Selangor	1.4 ac	98,000	500.0	60%	29.4
Lost World of Tambun	Tambun, Perak	39.8 ac	728,326	80.0	65%	37.9
Sunway Hotel Phnom Penh	Phnom Penh, Cambodia	138.0 units	125,313	300,000.0	53%	21.7
Sunway Hotel Hanoi	Hanoi, Vietnam	142.0 units	9,365	300,000.0	100%	42.6
<b>On going developments</b>						
Sunway City Penang	Seberang Perai, Penang	15.8 ac	210,394.8	100.0	100%	21.0
Sunway Grand	Penang	3.8 ac	768,767.9	100.0	100%	76.9
Sg. Ara - new land	Penang	68.3 ac	3,484,800.0	13.0	100%	45.3
Bukit Mertajam - new land	Penang	17.8 ac	7,729,724.0	12.0	100%	92.8
Sunway Damansara	Petaling, Selangor	18.2 ac	1,048,489.2	120.0	60%	75.5
Sunway City Ipoh	Ipoh, Perak	899.2 ac	32,666,515.2	3.0	65%	63.7
Sunway Velocity	Kuala Lumpur	19.5 ac	984,456.0	150.0	50%	73.8
Sunway Tower KL 1	Kuala Lumpur	1.0 ac	43,560.0	1,000.0	100%	43.6
Sunway Kayangan	Bukit Raja, Selangor	5.4 ac	367,646.4	40.0	100%	14.7
Sunway Integrated Resort	Petaling, Selangor	18.5 ac	845,064.0	100.0	100%	84.5
Sunway Semenyih	Ulu Langat, Selangor	398.1 ac	17,341,671.6	5.0	100%	86.7
Sunway Cheras	Selangor	6.9 ac	301,870.8	25.0	100%	7.5
Sunway South Quay	Bandar Sunway, Selangor	52.4 ac	2,517,768.0	900.0	100%	2266.0
Casa Kiara III	Sri Hartamas, KL	2.8 ac	130,680.0	180.0	80%	18.8
Sunway Duta	Kuala Lumpur	3.2 ac	136,342.8	350.0	60%	28.6
Sunway Melawati	Setapak, KL	30.6 ac	1,427,896.8	35.0	100%	50.0
Sunway Alam Suria	Shah Alam, Selangor	14.1 ac	1,045,440.0	40.0	50%	20.9
Sunway OPUS Grand India	Hyderabad, India	23.8 ac	1,524,600.0	20.0	50%	15.2
Sunway MAK Signature Residence	Hyderabad, India	14.0 ac	609,840.0	20.0	60%	7.3
Sunway Guanghao	Jiayin, China	3.7 ac	740,520.0	80.0	39%	23.1
Tianjin Eco City	Tianjin, China	90.9 ac	3,789,720.0	90.0	65%	221.7
Wonderland Business Park	Sydney, Australia	65.5 ac	3,971,800.8	95.0	31%	117.0
Bukit Lenang - new land	Johor	64.0 ac	2,787,840.0	40.0	80%	89.2
Taman Equine	Selangor	33.0 ac	1,437,480.0	20.0	100%	28.7
Bangi	Selangor	3.0 ac	130,680.0	10.0	100%	1.3
Sg. Long	Balakong	111.0 ac	4,835,160.0	25.0	80%	96.7
Mont Putra	Selangor	163.0 ac	7,100,280.0	25.0	100%	177.5
Melawati 2	Selangor	2.0 ac	87,120.0	20.0	100%	1.7
Tampines	Singapore	5.0 ac	217,800.0	740.0	30%	48.4
Sembawang	Singapore	0.8 ac	34,848.0	975.0	100%	34.0
Yuan Ching Road	Singapore	5.0 ac	217,800.0	750.0	30%	49.0
Pasir Ris Rise	Singapore	4.3 ac	187,308.0	780.0	30%	43.8
Medini land	Iskandar	625.0 ac	27,225,000.0	80.0	38%	827.6
Pendas land	Iskandar	1,079.2 ac	47,009,952.0	100.0	60%	2820.6
New Land Novena	Singapore	1.7 ac	71,874.0	500.0	30%	10.8
Penang Land	Penang	156.5 ac	6,815,397.6	295.0	100%	2010.5
New land - Kelana Jaya	Petaling Jaya	17.0 ac	739,039.0	54.0	100%	39.9
New land - Anchorvale Lane	Singapore	5.2 ac	226,076.4	750.0	30%	50.9
New Land - Jalan Peel	Cheras	8.5 ac	368,082.0	200.0	100%	73.6
New land - Jalan Belfield	KL	4.5 ac	196,891.2	836.2	100%	164.6
New land - Subang USJ	Petaling Jaya	14.8 ac	644,557.3	260.0	100%	167.6
New land - Kajang	Selangor	5.3 ac	229,840.0	274.0	100%	63.0
New land - Tampines	Singapore	6.2 ac	268,329.6	900.0	65%	157.0
<b>Total value of properties</b>						<b>11,025.9</b>
		<b>Market cap</b>	<b>Stake</b>			
		<b>Rm m</b>				
Sunway REIT		5,103.0	37%	1,872.8		
		<b>RM m</b>	<b>Stake</b>	<b>P/E</b>		
Sunway Construction (market value)		2,327.0	54%		1,265.9	
Quarry & Trading		20.2	100%	12.0	242.7	
Property investments (4Q20)					2,033.4	
Associates and JCE's (4Q20)					4,346.2	
Total borrowings (4Q20)					<b>(7,506.2)</b>	
Total RNAV						13,280.6
<b>FD RNAV (RM)</b>						<b>14,325.1</b>
<b>RNAV/share (RM)</b>						<b>2.56</b>
Discount to RNAV						30%
<b>Target price (RM)</b>						<b>1.79</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 4: Earnings revision**

RM m	2020A	2021F			2022F			2023F		
		Old	New	%chg	Old	New	%chg	Old	New	%chg
Revenue	3,833	3,660	4,595	26%	3,907	4,841	24%	#N/A	5,064	#N/A
EBITDA	515	538	625	16%	581	674	16%	#N/A	688	#N/A
Core pretax profit	509	558	712	28%	591	767	30%	#N/A	789	#N/A
Core net profit	400	366	485	32%	390	525	35%	#N/A	540	#N/A

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**BY THE NUMBERS**

**Profit & Loss**

(RMm)	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
<b>Total Net Revenues</b>	<b>4,780</b>	<b>3,833</b>	<b>4,595</b>	<b>4,841</b>	<b>5,064</b>
<b>Gross Profit</b>	<b>4,780</b>	<b>3,833</b>	<b>4,595</b>	<b>4,841</b>	<b>5,064</b>
<b>Operating EBITDA</b>	<b>364</b>	<b>441</b>	<b>625</b>	<b>674</b>	<b>688</b>
Depreciation And Amortisation	(235)	(224)	(238)	(238)	(238)
<b>Operating EBIT</b>	<b>128</b>	<b>217</b>	<b>387</b>	<b>436</b>	<b>450</b>
Financial Income/(Expense)	88	(67)	(57)	(59)	(61)
Pretax Income/(Loss) from Assoc.	261	230	246	248	251
Non-Operating Income/(Expense)	388	129	136	142	149
<b>Profit Before Tax (pre-EI)</b>	<b>865</b>	<b>509</b>	<b>712</b>	<b>767</b>	<b>789</b>
Exceptional Items	0	0	0	0	0
<b>Pre-tax Profit</b>	<b>865</b>	<b>509</b>	<b>712</b>	<b>767</b>	<b>789</b>
Taxation	(78)	(102)	(178)	(192)	(197)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>787</b>	<b>407</b>	<b>534</b>	<b>576</b>	<b>592</b>
Minority Interests	(78)	(48)	(49)	(51)	(52)
Preferred Dividends	0	0	0	0	0
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>709</b>	<b>360</b>	<b>485</b>	<b>525</b>	<b>540</b>
Recurring Net Profit	709	360	485	525	540
<b>Fully Diluted Recurring Net Profit</b>	<b>709</b>	<b>360</b>	<b>485</b>	<b>525</b>	<b>540</b>

**Cash Flow**

(RMm)	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
<b>EBITDA</b>	<b>364</b>	<b>441</b>	<b>625</b>	<b>674</b>	<b>688</b>
Cash Flow from Inv. & Assoc.					
Change In Working Capital	(354)	67	(234)	(87)	(91)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	667	954	334	317	301
Net Interest (Paid)/Received	88	(67)	(57)	(59)	(61)
Tax Paid	(114)	(102)	(95)	(99)	(103)
<b>Cashflow From Operations</b>	<b>650</b>	<b>1,293</b>	<b>574</b>	<b>746</b>	<b>735</b>
Capex	(406)	(553)	(150)	(150)	(150)
Disposals Of FAs/subsidiaries	539	457	228	232	236
Acq. Of Subsidiaries/investments	(447)	(222)	0	0	0
Other Investing Cashflow	(1,078)	(566)		0	0
<b>Cash Flow From Investing</b>	<b>(1,392)</b>	<b>(885)</b>	<b>78</b>	<b>82</b>	<b>86</b>
Debt Raised/(repaid)	1,129	(877)	(138)	(135)	(133)
Proceeds From Issue Of Shares	11	978	0	0	0
Shares Repurchased	(98)	(21)	0	0	0
Dividends Paid	(306)	(254)	(127)	(127)	(127)
Preferred Dividends					
Other Financing Cashflow	(237)	(5)	(444)	(425)	(434)
<b>Cash Flow From Financing</b>	<b>499</b>	<b>(178)</b>	<b>(709)</b>	<b>(687)</b>	<b>(694)</b>
Total Cash Generated	(243)	230	(57)	141	127
<b>Free Cashflow To Equity</b>	<b>387</b>	<b>(469)</b>	<b>513</b>	<b>693</b>	<b>688</b>
<b>Free Cashflow To Firm</b>	<b>(508)</b>	<b>644</b>	<b>881</b>	<b>1,060</b>	<b>1,054</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**BY THE NUMBERS... cont'd**
**Balance Sheet**

(RMm)	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Total Cash And Equivalents	2,557	2,269	2,246	2,224	2,202
Total Debtors	3,015	2,441	2,392	2,344	2,297
Inventories	2,102	2,101	2,091	2,081	2,070
Total Other Current Assets	532	260	263	265	268
<b>Total Current Assets</b>	<b>8,206</b>	<b>7,071</b>	<b>6,992</b>	<b>6,914</b>	<b>6,838</b>
Fixed Assets	2,749	2,607	2,665	2,724	2,783
Total Investments	6,413	6,380	6,764	6,967	7,172
Intangible Assets	332	351	351	351	351
Total Other Non-Current Assets	3,796	4,707	4,799	4,894	4,991
<b>Total Non-current Assets</b>	<b>13,289</b>	<b>14,044</b>	<b>14,579</b>	<b>14,936</b>	<b>15,297</b>
Short-term Debt	7,025	5,132	5,030	4,929	4,831
Current Portion of Long-Term Debt					
Total Creditors	2,671	2,457	2,408	2,360	2,312
Other Current Liabilities	135	239	239	239	239
<b>Total Current Liabilities</b>	<b>9,830</b>	<b>7,829</b>	<b>7,677</b>	<b>7,528</b>	<b>7,382</b>
Total Long-term Debt	874	1,774	1,738	1,704	1,669
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	1,227	1,063	1,039	1,017	997
<b>Total Non-current Liabilities</b>	<b>2,100</b>	<b>2,836</b>	<b>2,778</b>	<b>2,721</b>	<b>2,666</b>
Total Provisions	130	122	116	111	105
<b>Total Liabilities</b>	<b>12,061</b>	<b>10,788</b>	<b>10,571</b>	<b>10,360</b>	<b>10,153</b>
Shareholders' Equity	8,389	9,535	10,179	10,645	11,110
Minority Interests	1,044	797	821	846	871
<b>Total Equity</b>	<b>9,434</b>	<b>10,332</b>	<b>11,000</b>	<b>11,490</b>	<b>11,981</b>

**Key Ratios**

	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Revenue Growth	(11.6%)	(19.8%)	19.9%	5.4%	4.6%
Operating EBITDA Growth	11.2%	21.3%	41.9%	7.7%	2.2%
Operating EBITDA Margin	7.6%	11.5%	13.6%	13.9%	13.6%
Net Cash Per Share (RM)	(1.18)	(1.06)	(1.04)	(1.02)	(0.99)
BVPS (RM)	1.73	1.93	2.06	2.16	2.25
Gross Interest Cover	0.55	0.92	1.69	1.88	1.92
Effective Tax Rate	9.1%	20.0%	25.0%	25.0%	25.0%
Net Dividend Payout Ratio	17.7%	57.6%	43.5%	40.9%	39.8%
Accounts Receivables Days	189.4	260.4	191.9	178.5	167.2
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 (%)	1.63%	2.23%	3.97%	4.39%	4.47%
ROCE (%)	2.48%	2.16%	3.07%	3.26%	3.28%
Return On Average Assets	3.28%	2.23%	2.77%	2.92%	2.97%

**Key Drivers**

	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Revenue growth (%)	-11.6%	-19.8%	19.9%	5.4%	4.6%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The

result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

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 or	No Survey Result
<b>Description:</b>	Excellent	Very Good	Good	N/A	

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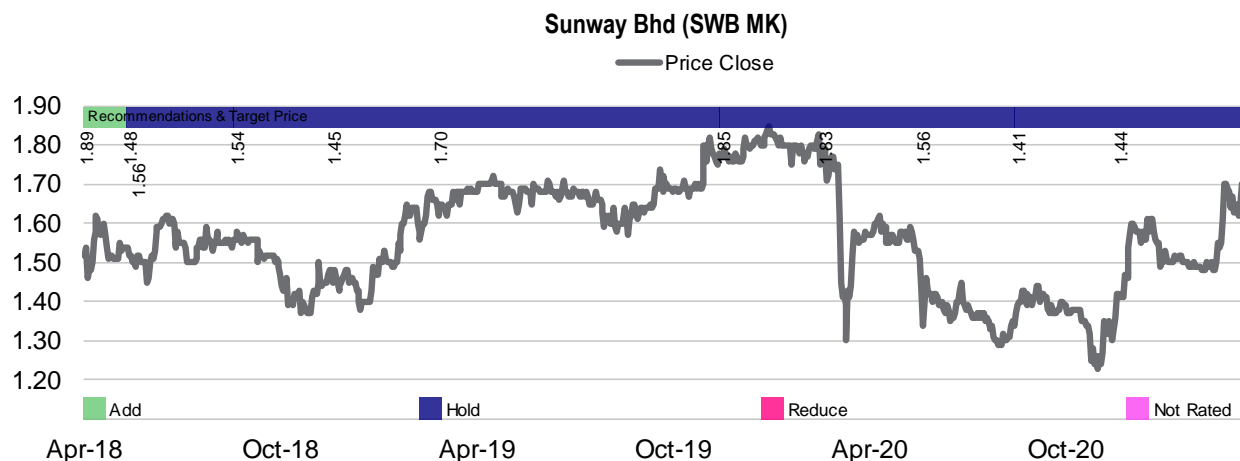
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Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2020		
688 companies under coverage for quarter ended on 31 December 2020		
	Rating Distribution (%)	Investment Banking clients (%)
Add	67.0%	0.9%
Hold	21.7%	0.0%
Reduce	11.3%	0.3%

### Spitzer Chart for stock being researched ( 2 year data )



### Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2020, Anti-Corruption 2020

**ADVANC** – Excellent, Certified, **AEONTS** – Good, n/a, **AH** – Very Good, n/a, **AMATA** – Excellent, Declared, **ANAN** – Excellent, Declared, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Very Good, Certified, **AU** – Good, n/a, **BAM** – not available, n/a, **BANPU** – Excellent, Certified, **BAY** – Excellent, Certified, **BBL** – Very Good, Certified, **BCH** – Good, Certified, **BCP** - Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Very Good, n/a, **BEAUTY** – Good, n/a, **BEC** – Very Good, n/a, **BEM** – Excellent, n/a, **BGRIM** – Very Good, Certified, **BH** - Good, n/a, **BJC** – Very Good, n/a, **BJCHI** – Very Good, Certified, **BLA** – Very Good, Certified, **BPP** – Very Good, Certified, **BR** - Good, n/a, **BTS** - Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – Good, n/a, **CENDEL** – Very Good, Certified, **CHAYO** - Good, n/a, **CHG** – Very Good, n/a, **CK** – Excellent, n/a, **COL** – Excellent, Certified, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** - Excellent, Certified, **CPNREIT** – not available, n/a, **CRC** – not available, n/a, **DELTA** - Excellent, Certified, **DEMCO** – Excellent, Certified, **DDD** – Very Good, Declared, **DIF** – not available, n/a, **DOHOME** – not available, n/a, **DREIT** – not available, n/a, **DTAC** – Excellent, Certified, **EA** – Excellent, Declared, **ECL** – Very Good, Certified, **EGCO** - Excellent, Certified, **EPG** – Very Good, n/a, **ERW** – Very Good, Declared, **GFPT** - Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Very Good, n/a, **GPSC** – Excellent, Certified, **GULF** – Very Good, n/a, **GUNKUL** – Excellent, Certified, **HANA** - Excellent, Certified, **HMPRO** - Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Certified, **III** – Excellent, n/a, **INTUCH** - Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** - Excellent, Certified, **JASIF** – not available, n/a, **JKN** – Excellent, Declared, **KBANK** - Excellent, Certified, **KCE** - Excellent, Certified, **KEX** – not available, n/a, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** - Excellent, Certified, **KTC** – Excellent, Certified, **LH** - Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MACO** – Very Good, n/a, **MAJOR** – Very Good, Declared, **MAKRO** – Excellent, Certified, **MALEE** – Excellent, Certified, **MC** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** - Excellent, Certified, **MTC** – Excellent, Certified, **NETBAY** – Very Good, n/a, **NRF** – not available, n/a, **OSP** – Very Good, n/a, **PLANB** – Excellent, Certified, **PLAT** – Very Good, Certified, **PRINC** – Very Good, Certified, **PR9** – Excellent, n/a, **PSH** – Excellent, Certified, **PSTC** – Very Good, Certified, **PTT** - Excellent, Certified, **PTTEP** - Excellent, Certified, **PTTGC** - Excellent, Certified, **PTTOR** – not available, n/a, **QH** – Excellent, Certified, **RATCH** – Excellent, Certified, **RBF** – not available, n/a, **RS** – Excellent, n/a, **RSP** – not available, n/a, **S** – Excellent, n/a, **SAK** – not available, n/a, **SAPPE** – Very Good, Declared, **SAT** – Excellent, Certified, **SAWAD** – Very Good, n/a, **SC** – Excellent, Certified, **SCB** - Excellent, Certified, **SCC** – Excellent, Certified, **SCGP** – not available, n/a, **SCN** – Excellent, Certified, **SF** – Good, n/a, **SHR** – not available, n/a, **SIRI** – Very Good, Certified, **SPA** - Good, n/a, **SPALI** - Excellent, n/a, **SPRC** – Excellent, Certified, **SSP** - Good, Declared, **STA** – Very Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **TASCO** – Excellent, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **THCOM** – Excellent, Certified, **TIPCO** – Very Good, Certified, **TISCO** - Excellent, Certified, **TKN** – Very Good, n/a, **TMB** - Excellent, Certified, **TNR** – Very Good, Certified, **TOP** - Excellent, Certified, **TPCH** – Good, n/a, **TPIPP** – not available, n/a, **TRUE** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Certified, **UNIQ** – not available, n/a, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – not available, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

1 CG Score 2020 from Thai Institute of Directors Association (IOD)

2 AGM Level 2019 from Thai Investors Association

3 Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into:

companies that have declared their intention to join CAC, and companies certified by CAC.

4 The Stock Exchange of Thailand : the record of listed companies with corporate sustainable development "Thai sustainability Investment 2019" included:

SET and mai listed companies passed the assessment conducted by the Stock Exchange of Thailand: THSI (SET) and THSI (mai)

SET listed companies passed the assessment conducted by the Dow Jones Sustainability Indices (DJSI)

xx

**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.

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