

## Malaysia

**HOLD** (no change)

Consensus ratings\*: Buy 8 Hold 4 Sell 0

Current price:	RM1.68
Target price:	RM1.79
Previous target:	RM1.91
Up/downside:	6.5%
CGS-CIMB / Consensus:	-14.5%

Reuters:	SWAY.KL
Bloomberg:	SWB MK
Market cap:	US\$1,942m
	RM8,214m
Average daily turnover:	US\$0.55m
	RM2.29m
Current shares o/s:	4,934m
Free float:	30.6%

\*Source: Bloomberg

**Key changes in this note**

- TP lowered to RM1.79



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-6.7	-5.1	29.2
Relative (%)	-2.3	-1.8	34.2

**Major shareholders**

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

**Analyst(s)**

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# Sunway Bhd

## Recovery numbers flow through 9MFY21

- 9MFY21 results were in line; core net profit of RM230m grew 19.7% yoy.
- Stronger property billings and substantial rise in healthcare earnings were key drivers. Property investment booked sequentially lower pretax losses.
- Retain Hold with lower TP, based on an unchanged 20% discount to RNAV.

### 3QFY21 core net profit growth included a new acquisition

Sunway's 3QFY21 overall performance showed clear recovery signs with all divisions reporting growth in revenue, with the exception of the property investment segment which continues to be impacted by Covid-19 and lockdown disruptions. In 3QFY21, despite the peak of the lockdown period in Jun-Jul, billings and handovers for property development managed to catch up in Sep, while the healthcare division benefitted from a rise in hospital activities, higher admissions and outpatient treatments throughout the quarter. This underpinned the 3.7% yoy (+34% qoq) revenue growth in 3Q21, despite the revenue decline for other divisions. Robust 3Q21 core net profit growth of 25% yoy outpaced revenue, due to lower interest cost and higher finance income and maiden contribution from the newly acquired Multicare Pharmacy Group.

### 9MFY21 results broadly in line; set for a recovery phase in 4QFY21F

9MFY21 core net profit of RM229.5m (+19.7% yoy) made up 72% of our full-year forecast and 79% of consensus. The results were in line with our forecast as we expect 4QFY21F earnings to benefit from the full economic reopening. 9MFY21 revenue grew 19.3% yoy on stronger billings for construction (+29% yoy) and property development (+42% yoy). Other segments with double-digit yoy revenue growth were quarry, healthcare, and investment holdings (including Multicare). The property investment (retail malls and hotels) segment remains the main drag on earnings; 9M21 pretax loss of RM45.2m showed a sequential decline from RM16.9m in 1Q21, RM16m in 2Q21 and RM12.3m in 3Q21. Healthcare division pretax profit improved significantly to RM71m in 9M21 vs. RM5.1m pretax loss in 9M20, which included lower operating losses (down 68% yoy to RM9m) for Sunway Medical Centre Velocity (SMCV). As at end-Sep, effective property unbilled sales stood at RM3.4bn, supported by the group's effective FY21F sales target of RM1.9bn. It achieved property sales of RM2.1bn in 9MFY21, while construction outstanding order book stood at RM4.7bn.

### Hold call maintained, with lower TP

Despite rolling over to end-CY22F, our TP is lowered to RM1.79 (unchanged 20% RNAV discount) as we update for balance sheet items and market capitalisation of listed units. Retain Hold as further upside to share price hinges on the turnaround of the retail and hospitality space (property investment). While we are positive on Sunway's recent RM2.5bn land acquisition in Singapore (30:70 JV with Hoi Hup Realty, RM6.2bn GDV), earnings contribution will be from mid-FY23F. Upside risks: contract wins and turnaround in property investment division. Downside risks: weaker earnings.

**Financial Summary**

	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Revenue (RMm)	4,780	3,833	4,195	4,541	4,764
Operating EBITDA (RMm)	363.5	440.8	445.9	530.1	572.6
Net Profit (RMm)	709.2	359.6	319.0	438.1	478.1
Core EPS (RM)	0.15	0.07	0.06	0.09	0.10
Core EPS Growth	21.7%	(50.1%)	(11.3%)	37.3%	9.1%
FD Core P/E (x)	12.99	25.81	29.31	21.34	19.55
DPS (RM)	0.091	0.015	0.043	0.044	0.044
Dividend Yield	5.42%	0.89%	2.55%	2.59%	2.59%
EV/EBITDA (x)	34.33	28.62	27.52	22.84	20.88
P/FCFE (x)	23.81	NA	23.57	17.46	16.30
Net Gearing	60.9%	50.7%	47.0%	44.5%	42.1%
P/BV (x)	0.97	0.87	0.82	0.80	0.77
ROE	8.41%	4.24%	3.62%	4.73%	4.97%
% Change In Core EPS Estimates			0%	0%	0%
CGS-CIMB/Consensus EPS (x)			1.13	0.95	0.84

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 1: Results comparison**

FYE Dec (RM m)	3QFY21	3QFY20	yoy %	2QFY21	qoq %	3QFY21	3QFY20	yoy %	Prev.	
			chg		chg	Cum	Cum	chg	FY21F	Comments
Revenue	1,065.0	1,027.2	3.7	967.9	10.0	3,049.7	2,555.3	19.3	4,194.6	Property investment fell 38% yoy due to MCO
Operating costs	(914.8)	(876.4)	4.4	(872.1)	4.9	(2,700.5)	(2,132.2)	26.6	(3,748.7)	Revenue growth for all other divisions
EBITDA	150.2	150.9	(0.5)	95.9	56.7	349.2	423.1	(17.5)	445.9	
<b>EBITDA margin (%)</b>	<b>14.1%</b>	<b>14.7%</b>	<b>(4.0)</b>	<b>9.9%</b>	<b>42.4</b>	<b>11.5%</b>	<b>16.6%</b>	<b>(30.8)</b>	<b>10.6%</b>	
Depreciation	(54.6)	(56.0)	(2.5)	(52.7)	3.7	(160.9)	(176.8)	(9.0)	(237.9)	
EBIT	95.6	94.9	0.7	43.2	121.2	188.3	246.3	(23.5)	207.9	
Interest expense	(34.0)	(42.5)	(20.0)	(25.7)	32.2	(84.0)	(148.1)	(43.3)	(118.2)	Borrowings of RM8.4bn at end-Sep
Interest & invt inc	43.7	34.2	28.0	45.6	(4.0)	128.1	118.4	8.2	172.8	Cash stood at RM2.5bn at end-Sep
Associates' contrib	20.7	28.4	(26.9)	22.6	(8.3)	67.0	66.2	1.2	92.8	
Exceptionals	(12.2)	41.4	>100	(6.7)	82.3	(19.4)	(33.8)	(42.5)	-	
<b>Pretax profit</b>	<b>113.8</b>	<b>156.3</b>	<b>(27.2)</b>	<b>79.0</b>	<b>44.1</b>	<b>280.0</b>	<b>248.9</b>	<b>12.5</b>	<b>490.9</b>	Property investment's pretax loss of RM45m
Tax	(18.7)	(25.1)	(25.5)	(7.9)	>100	(43.4)	(57.3)	(24.3)	(122.7)	in 9MFY21
Tax rate (%)	16.4	16.0	2.3	10.0	64.8	15.5	23.0	(32.7)	25.0	Excludes tax payable for associates
Minority interests	(14.1)	(15.3)	(8.0)	(0.6)	>100	(26.6)	(33.6)	(21.0)	(49.1)	and JV
<b>Net profit</b>	<b>81.1</b>	<b>116.0</b>	<b>(30.1)</b>	<b>70.5</b>	<b>15.0</b>	<b>210.1</b>	<b>158.0</b>	<b>33.0</b>	<b>319.0</b>	
Core net profit	93.3	74.6	25.1	77.2	20.8	229.5	191.8	19.7	319.0	9MFY21 core net profit made up 72-79%
EPS (sen)	1.4	2.4	(41.8)	1.2	15.0	3.6	3.2	11.2	6.5	of our and consensus full-year forecasts
Core EPS (sen)	1.6	1.5	4.2	1.3	20.9	3.9	3.9	0.1	6.5	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 2: 9MFY21 segmental**

	3QFY21	3QFY20	yoy	2QFY21	qoq	9MFY21	9MFY20	yoy	Comments
Revenue	RM m	RM m	chg	RM m	chg	RM m	RM m	chg	
Property development	197.1	103.4	91%	147.4	34%	441.6	310.8	42%	Higher progress billings for local development projects
Property investment	58.0	98.1	-41%	62.3	-7%	179.0	287.9	-38%	Unfavorable conditions for hospitality and leisure assets under MCO
Construction	192.7	255.0	-24%	218.1	-12%	732.1	565.6	29%	Stronger progress billings as site disruptions eased; despite at lower capacity
Trading & Manufacturing	186.4	231.0	-19%	198.9	-6%	609.9	566.3	8%	Stronger domestic sales in Sep
Quarry	84.3	105.6	-20%	70.5	20%	232.0	211.6	10%	Higher sales volumes of aggregates and premix; higher ASPs
Healthcare	208.1	168.0	24%	200.6	4%	579.3	442.3	31%	Recovery in hospital activities, higher admissions and outpatient treatments
Investment holdings & others	138.4	66.1	109%	70.2	97%	275.7	170.8	61%	Newly acquired Multicare Health Pharmacy Group
<b>Total</b>	<b>1,065.0</b>	<b>1,027.2</b>	<b>4%</b>	<b>967.9</b>	<b>10%</b>	<b>3,049.7</b>	<b>2,555.3</b>	<b>19%</b>	
Pretax profit	RM m	RM m	chg	RM m	chg	RM m	RM m	chg	
Property development	44.6	16.9	165%	22.9	95%	88.2	69.7	27%	Stronger rate of completion and handover of projects
Property investment	(12.3)	60.5	>100	(16.0)	-23%	(45.2)	51.9	-187%	Challenging operating conditions; disposal of The Pinnacle
Construction	21.4	37.0	-42%	8.6	148%	57.7	66.1	-13%	In line with improved billings; stop work order impacted 2QFY20
Trading & Manufacturing	6.7	7.2	-7%	10.0	-33%	28.8	13.5	114%	Stronger sales and better operating margins
Quarry	2.5	7.7	-68%	(0.5)	>100	5.0	9.2	-46%	Lower margins for aggregates
Healthcare	29.5	15.4	91%	27.5	7%	71.0	(5.1)	>100	Lower operating loss of RM9m for SMCV in 9M21 (9M20: RM28.1m loss)
Investment holdings & others	21.5	11.6	85%	26.6	-19%	74.5	43.6	71%	Newly acquired Multicare Health Pharmacy Group
<b>Total</b>	<b>113.8</b>	<b>156.3</b>	<b>-27%</b>	<b>79.0</b>	<b>44%</b>	<b>280.0</b>	<b>248.9</b>	<b>12%</b>	
Pretax margin	RM m	RM m	%pts	RM m	%pts	RM m	RM m	%pts	
Property development	23%	16%	6%	16%	7%	20%	22%	-2%	Margins should be fairly stable in the coming quarters
Property investment	-21%	62%	-83%	-26%	5%	-25%	18%	-43%	Dragged by hospitality and leisure businesses
Construction	11%	14%	-3%	4%	7%	8%	12%	-4%	Dented by higher building material cost
Trading & Manufacturing	4%	3%	0%	5%	-1%	5%	2%	2%	Stronger sales and better operating margins
Quarry	3%	7%	-4%	-1%	4%	2%	4%	-2%	In line with market conditions
Healthcare	14%	9%	5%	14%	0%	12%	-1%	13%	Gradual recovery in FY22F expected
Investment holdings & others	16%	18%	-2%	38%	-22%	27%	26%	2%	Lumpy contributions
<b>Total</b>	<b>11%</b>	<b>15%</b>	<b>-5%</b>	<b>8%</b>	<b>3%</b>	<b>9%</b>	<b>10%</b>	<b>-1%</b>	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 3: Contribution to revenue and profit (%)**

	3QFY21	3QFY20	yoy	2QFY21	qoq	9MFY21	9MFY20	yoy
% of revenue	RM m	RM m	%pts	RM m	%pts	RM m	RM m	%pts
Property development	19%	10%	8%	15%	3%	14%	12%	2%
Property investment	5%	10%	-4%	6%	-1%	6%	11%	-5%
Construction	18%	25%	-7%	23%	-4%	24%	22%	2%
Trading & Manufacturing	18%	22%	-5%	21%	-3%	20%	22%	-2%
Quarry	8%	10%	-2%	7%	1%	8%	8%	-1%
Healthcare	20%	16%	3%	21%	-1%	19%	17%	2%
Investment holdings	13%	6%	7%	7%	6%	9%	7%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>		<b>100%</b>	<b>0%</b>	<b>100%</b>	<b>100%</b>	

	3QFY21	3QFY20	yoy	2QFY21	qoq	9MFY21	9MFY20	yoy
% of pretax profit	%	%	%pts	%	%pts	%	%	%pts
Property development	39%	11%	28%	29%	10%	31%	28%	3%
Property investment	-11%	39%	-50%	-20%	9%	-16%	21%	-37%
Construction	19%	24%	-5%	11%	8%	21%	27%	-6%
Trading & Manufacturing	6%	5%	1%	13%	-7%	10%	5%	5%
Quarry	2%	5%	-3%	-1%	3%	2%	4%	-2%
Healthcare	26%	10%	16%	35%	-9%	25%	-2%	27%
Investment holdings	19%	7%	11%	34%	-15%	27%	18%	9%
<b>Total</b>	<b>100%</b>	<b>100%</b>		<b>100%</b>	<b>0%</b>	<b>100%</b>	<b>100%</b>	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 4: RNAV**

	Value (RM m)	Stake	Value (RM m)	Methodology
Property development	3,326.1	100%	3,326.1	NBV of land as at end-FY20
Sunway REIT (Listed)	4,932.0	41%	2,017.2	Market capitalisation
Sunway Construction (Listed)	2,017.0	54%	1,097.2	Market capitalisation
Trading and manufacturing	143.6	100%	143.6	10x CY23 P/E
Quarry	124.1	100%	124.1	10x CY23 P/E
Healthcare	985.3	84%	827.6	30x CY23 P/E
Investment holdings & others	593.0	100%	593.0	10X CY23 P/E
JV & other investments (3QFY21)			2,019.7	
Associates (excluding Sunway REIT)			693.8	
Property investments (3QFY21)			2,093.6	
Net cash/(debt) at holding co.			(862.3)	
Surplus value from the 16% healthcare stake sale			592.4	RM750m vs our implied value of RM168m
<b>Total</b>			<b>12,666.0</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>14,688.2</b>	
FD no. of shares (includes ICPS & warrants)			6,581.2	
<b>FD RNAV (RM/share)</b>			<b>2.23</b>	
RNAV discount			20%	
<b>RNAV/share</b>			<b>1.79</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

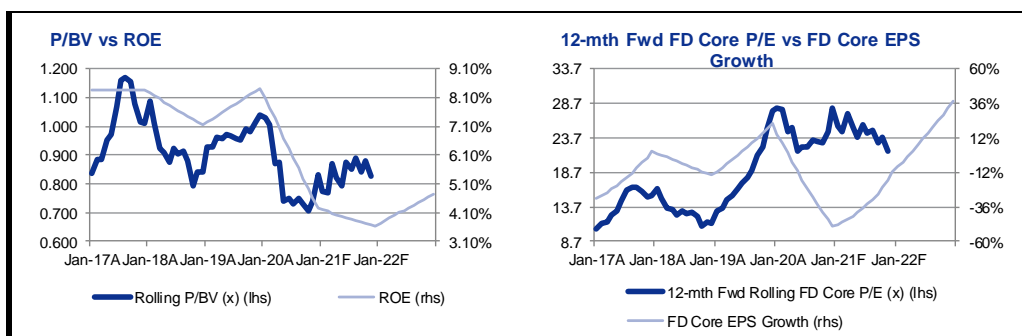
Sunway Berhad is a constituent of the FTSE4Good Bursa Malaysia Index and achieved a 4-star rating under the FTSE Russell grading band (as per Jun 2021 review) – an improvement from the 3-star rating in 2020. The group is a FTSE4Good index constituent since 2014.

### 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-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
<b>Total Net Revenues</b>	<b>4,780</b>	<b>3,833</b>	<b>4,195</b>	<b>4,541</b>	<b>4,764</b>
<b>Gross Profit</b>	<b>4,780</b>	<b>3,833</b>	<b>4,195</b>	<b>4,541</b>	<b>4,764</b>
<b>Operating EBITDA</b>	<b>364</b>	<b>441</b>	<b>446</b>	<b>530</b>	<b>573</b>
Depreciation And Amortisation	(235)	(224)	(238)	(238)	(238)
<b>Operating EBIT</b>	<b>128</b>	<b>217</b>	<b>208</b>	<b>292</b>	<b>335</b>
Financial Income/(Expense)	88	(67)	55	54	53
Pretax Income/(Loss) from Assoc.	261	230	93	94	95
Non-Operating Income/(Expense)	388	129	136	142	149
<b>Profit Before Tax (pre-EI)</b>	<b>865</b>	<b>509</b>	<b>491</b>	<b>582</b>	<b>631</b>
Exceptional Items	0	0	0	0	0
<b>Pre-tax Profit</b>	<b>865</b>	<b>509</b>	<b>491</b>	<b>582</b>	<b>631</b>
Taxation	(78)	(102)	(123)	(93)	(101)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>787</b>	<b>407</b>	<b>368</b>	<b>489</b>	<b>530</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>319</b>	<b>438</b>	<b>478</b>
Recurring Net Profit	709	360	319	438	478
<b>Fully Diluted Recurring Net Profit</b>	<b>709</b>	<b>360</b>	<b>319</b>	<b>438</b>	<b>478</b>

**Cash Flow**

(RMm)	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
<b>EBITDA</b>	<b>364</b>	<b>441</b>	<b>446</b>	<b>530</b>	<b>573</b>
Cash Flow from Inv. & Assoc.					
Change In Working Capital	(354)	67	(173)	(102)	(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)	55	54	53
Tax Paid	(114)	(102)	(90)	(94)	(98)
<b>Cashflow From Operations</b>	<b>650</b>	<b>1,293</b>	<b>572</b>	<b>705</b>	<b>737</b>
Capex	(406)	(553)	(150)	(150)	(150)
Disposals Of FAs/subsidiaries	539	457	113	116	119
Acq. Of Subsidiaries/investments	(447)	(222)	0	0	0
Other Investing Cashflow	(1,078)	(566)	0	0	0
<b>Cash Flow From Investing</b>	<b>(1,392)</b>	<b>(885)</b>	<b>(37)</b>	<b>(34)</b>	<b>(31)</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	(174)	(17)	13
<b>Free Cashflow To Equity</b>	<b>387</b>	<b>(469)</b>	<b>397</b>	<b>535</b>	<b>574</b>
<b>Free Cashflow To Firm</b>	<b>(508)</b>	<b>644</b>	<b>653</b>	<b>790</b>	<b>827</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	6,649	6,736	6,824
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>14,465</b>	<b>14,705</b>	<b>14,950</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	10,065	10,414	10,763
Minority Interests	1,044	797	821	846	871
<b>Total Equity</b>	<b>9,434</b>	<b>10,332</b>	<b>10,886</b>	<b>11,260</b>	<b>11,634</b>

### Key Ratios

	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Revenue Growth	(11.6%)	(19.8%)	9.4%	8.3%	4.9%
Operating EBITDA Growth	11.2%	21.3%	1.1%	18.9%	8.0%
Operating EBITDA Margin	7.6%	11.5%	10.6%	11.7%	12.0%
Net Cash Per Share (RM)	(1.18)	(1.06)	(1.04)	(1.02)	(0.99)
BVPS (RM)	1.73	1.93	2.04	2.11	2.18
Gross Interest Cover	0.55	0.92	1.76	2.45	2.77
Effective Tax Rate	9.1%	20.0%	25.0%	16.0%	16.0%
Net Dividend Payout Ratio	17.7%	57.6%	66.2%	49.0%	44.9%
Accounts Receivables Days	189.4	260.4	210.2	190.3	177.8
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%	2.13%	2.95%	3.33%
ROCE (%)	2.48%	2.16%	2.10%	2.52%	2.71%
Return On Average Assets	3.28%	2.23%	1.47%	2.02%	2.20%

### Key Drivers

	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Revenue growth (%)	-11.6%	-19.8%	9.4%	8.3%	4.9%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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<b>Description:</b>	Excellent	Very Good	Good	N/A	N/A

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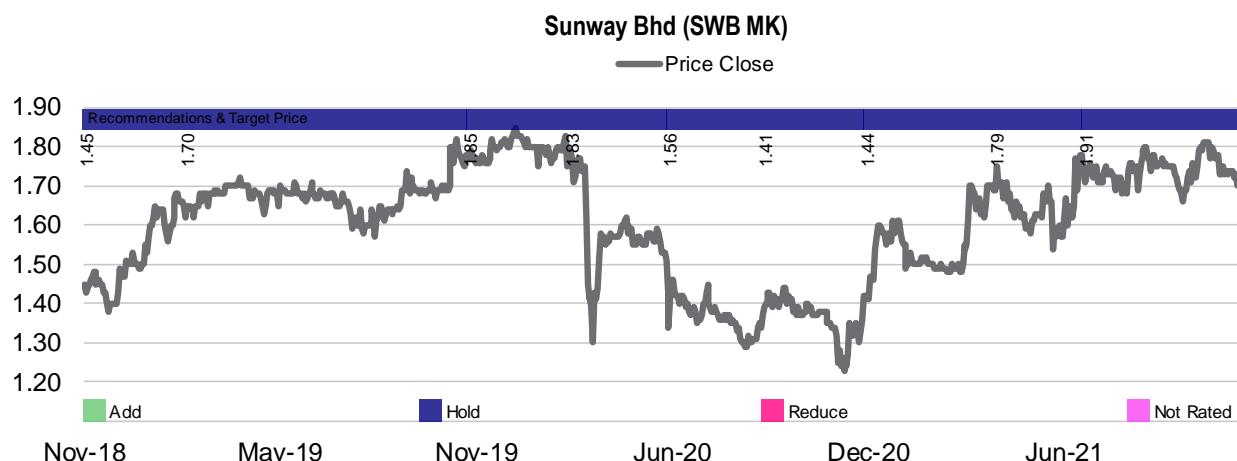
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Distribution of stock ratings and investment banking clients for quarter ended on 30 September 2021		
623 companies under coverage for quarter ended on 30 September 2021		
	Rating Distribution (%)	Investment Banking clients (%)
Add	72.4%	1.1%
Hold	20.1%	0.0%
Reduce	7.5%	0.0%

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 2021, Anti-Corruption 2021**

**ADVANC** – Excellent, Certified, **AMATA** – Excellent, Certified, **ANAN** – Excellent, n/a, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Excellent, n/a, **AWC** – Excellent, Declared, **AU** – Good, n/a, **BAM** – Very Good, Certified, **BAY** – Excellent, Certified, **BBL** – Excellent, Certified, **BCH** – Very Good, Certified, **BCP** – Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Excellent, n/a, **BEAUTY** – Good, n/a, **BEM** – Excellent, n/a, **BH** – Good, n/a, **BJC** – Very Good, n/a, **BLA** – Very Good, Certified, **BTS** – Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – n/a, n/a, **CENDEL** – Excellent, Certified, **CHAYO** – Very Good, n/a, **CHG** – Very Good, n/a, **CK** – Excellent, n/a, **COM7** – Excellent, Certified, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** – Excellent, Certified, **CPNREIT** – n/a, n/a, **CRC** – Excellent, Declared, **DELTA** – Excellent, Certified, **DDD** – Excellent, n/a, **DIF** – n/a, n/a, **DOHOME** – Very Good, Declared, **DREIT** – n/a, n/a, **DTAC** – Excellent, Certified, **ECL** – Excellent, Certified, **EGCO** – Excellent, Certified, **EPG** – Excellent, Certified, **ERW** – Very Good, Certified, **GFPT** – Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Excellent, n/a, **HANA** – Excellent, Certified, **HMPRO** – Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Certified, **III** – Excellent, Declared, **INTUCH** – Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** – Excellent, Certified, **JASIF** – n/a, n/a, **JKN** – n/a, Certified, **JMT** – Very Good, n/a, **KBANK** – Excellent, Certified, **KCE** – Excellent, Certified, **KEX** – Very Good, Declared, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** – Excellent, Certified, **KTC** – Excellent, Certified, **LH** – Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MAKRO** – Excellent, Certified, **MC** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** – Excellent, Certified, **MTC** – Excellent, Certified, **NETBAY** – Very Good, n/a, **NRF** – Very Good, Declared, **OR** – Excellent, n/a, **ORI** – Excellent, Certified, **OSP** – Excellent, n/a, **PLANB** – Excellent, Certified, **PRINC** – Very Good, Certified, **PR9** – Excellent, Declared, **PSH** – Excellent, Certified, **PTT** – Excellent, Certified, **PTTEP** – Excellent, n/a, **PTTGC** – Excellent, Certified, **QH** – Excellent, Certified, **RAM** – n/a, n/a, **RBF** – Very Good, n/a, **RS** – Excellent, Declared, **RSP** – Good, n/a, **S** – Excellent, n/a, **SAK** – Very Good, Declared, **SAPPE** – Very Good, Certified, **SAWAD** – Very Good, n/a, **SCB** – Excellent, Certified, **SCC** – Excellent, Certified, **SCGP** – Excellent, Declared, **SECURE** – n/a, n/a, **SHR** – Excellent, n/a, **SIRI** – Excellent, Certified, **SPA** – Very Good, n/a, **SPALI** – Excellent, Certified, **SPRC** – Excellent, Certified, **SSP** – Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIDLOR** – n/a, Certified, **TISCO** – Excellent, Certified, **TKN** – Very Good, n/a, **TOP** – Excellent, Certified, **TRUE** – Excellent, Certified, **TTB** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Certified, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – n/a, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

- CG Score 2021 from Thai Institute of Directors Association (IOD)

- Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of August 5, 2021) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.

**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.

