

**Malaysia**
**ADD** (no change)

Consensus ratings\*: Buy 5 Hold 0 Sell 0

Current price:	RM0.91
Target price:	RM1.06
Previous target:	RM1.06
Up/downside:	16.5%
CGS-CIMB / Consensus:	6.9%
Reuters:	TWRK.KL
Bloomberg:	TWK MK
Market cap:	US\$438.3m
	RM1,834m
Average daily turnover:	US\$0.23m
	RM0.95m
Current shares o/s:	2,016m
Free float:	41.0%

\*Source: Bloomberg

**Key changes in this note**

➤ N/A



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	1.1	5.2	10.3
Relative (%)	-2.2	1.9	9.9

**Major shareholders**

	% held
L.G.B. Holding Sdn Bhd	50.0
Vijay Vijendra Sethu	9.0

**Analyst(s)**

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# Taliworks Corporation

## Delivering its dividend commitment in FY21

- FY21 results were in line; core net profit grew 35% yoy, driven by toll compensation and stronger associate earnings.
- Renewed water infra tender outlook in 1H22 and solar deal completion by end-1Q22 are key potential positive developments on the horizon.
- Add rating and RM1.06 TP intact; attractive 7.3% dividend yield.

### FY21 results in line; core net profit surged 35% yoy

Taliworks Corporation's FY21 core net profit was in line, at 97-100% of our and consensus' full-year estimates. The overall performance was anchored by: 1) stronger earnings performance by associate SWM Environment (SWMH), on lower subcontract costs and lower depreciation, and 2) RM43.5m toll compensation from the government (recognised in 3QFY21), following a non-increase in a scheduled toll hike in 2020 for subsidiary Grand Saga Highway. This helped mitigate the weaker performance of its water division, on account of the expiry of Taliworks Langkawi's water supply contract in Oct 2020. The weaker 4QFY21 revenue and core net profit (qoq and yoy) was reflective of toll compensation in 3QFY21. Overall, FY21 revenue fell 4.9%, due to the prolonged Covid-19 lockdowns and weaker construction billings. However, core net profit of RM75.6m surged 35% yoy, driven by toll compensation, stronger associate contribution and lower tax rates.

### Delivered on its dividend commitment of 6.6 sen in FY21F

The group declared its fourth interim single-tier DPS of 1.65 sen, consistent with its guided quarterly DPS payouts. FY21 total DPS amounted to 6.6 sen, in line with our expectations. Our DPS forecasts for FY22-23F remain intact at 6.6 sen p.a. and is supported by end-4Q21 cash and investments of RM457m (23 sen/share).

### Positive water infra prospects; highway traffic volume normalises

Taliworks guided that it will be pursuing more water contracts in FY22F, which could provide more job flow upside following the RM896m total wins from the Sg. Rasau water supply scheme in Dec 21. We understand that the remaining package 1 tender (worth c.RM2bn, 700 MLD capacity) of the Rasau project, of which Taliworks is among the four shortlisted candidates, has been delayed. We expect the award to be announced by mid-2022 as it is a priority project in the state of Selangor. Separately, we understand that highway traffic volumes YTD for both Grand Saga and Grand Sepadu highways have recovered to 91-96% of pre-pandemic levels (FY21: 3% to 7% fall in traffic volume).

### 7.3% dividend yield remains attractive; Add call and TP intact

We maintain our FY22-23F EPS and DPS forecasts and introduce FY24F numbers. We retain our Add call and RNAV-based TP of RM1.06 (unchanged 10% discount), backed by attractive dividend yields of 7.3% (FY22-24F). Key catalysts: 1) contract wins from Sg. Rasau and other water tenders, and 2) completion of the solar acquisition deal by end-1QCY22. Downside risks: weaker earnings and further delays in solar deal.

**Financial Summary**

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (RMm)	317.9	302.3	371.8	379.3	386.8
Operating EBITDA (RMm)	76.9	104.8	126.2	122.7	127.2
Net Profit (RMm)	59.49	78.50	76.22	81.76	85.27
Core EPS (RM)	0.030	0.039	0.038	0.041	0.042
Core EPS Growth	(22.2%)	32.0%	(2.9%)	7.3%	4.3%
FD Core P/E (x)	30.84	23.37	24.07	22.44	21.51
DPS (RM)	0.066	0.066	0.066	0.066	0.066
Dividend Yield	7.25%	7.25%	7.25%	7.25%	7.25%
EV/EBITDA (x)	24.19	17.98	14.72	14.94	14.21
P/FCFE (x)	9.82	10.78	7.56	7.08	7.41
Net Gearing	(5.20%)	(4.33%)	(4.40%)	(4.68%)	(4.97%)
P/BV (x)	1.91	2.03	2.01	1.94	1.89
ROE	5.97%	8.42%	8.38%	8.79%	8.90%
% Change In Core EPS Estimates			0%	0%	
CGS-CIMB/Consensus EPS (x)			0.99	1.01	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 1: Results comparison**

FYE Dec (RM m)	4QFY21	4QFY20	yoy %	3QFY21	qoq %	4QFY21	4QFY20	yoy %	Prev.	
			chg		chg	Cum	Cum	chg	FY21F	Comments
Revenue	72.4	74.9	(3.3)	102.3	(29.2)	302.3	317.9	(4.9)	298.8	1) Highway ADT fell by 3-7% in FY21
Operating costs	(43.5)	(47.4)	(8.1)	(30.9)	40.8	(154.2)	(194.4)	(20.7)	(229.7)	2) Expiry of Taliworks Langkawi
EBITDA	28.9	27.5	5.1	71.4	(59.5)	148.1	123.5	19.9	69.1	3) Higher metered sales for SSP1 in 4Q21
<b>EBITDA margin (%)</b>	<b>39.9</b>	<b>36.7</b>	<b>8.7</b>	<b>69.8</b>	<b>(42.8)</b>	<b>49.0</b>	<b>38.8</b>	<b>26.1</b>	<b>23.1</b>	
Depn & amort.	(12.4)	(10.2)	20.8	(7.6)	62.8	(33.5)	(32.0)	4.5	(29.9)	
EBIT	16.5	17.3	(4.3)	63.8	(74.1)	116.7	94.2	23.9	39.2	
Interest expense	(4.8)	(5.2)	(8.3)	(4.9)	(1.0)	(19.1)	(21.2)	(9.9)	(20.9)	Redemption of IMTN's 1st and 2nd tranches
Interest & invt inc	0.8	0.7	20.8	0.5	66.1	2.1	2.7	(23.7)	4.0	Cash and investments of RM457m
Associates' contrib	1.3	6.4	(79.8)	7.8	(83.5)	14.3	2.8	406.0	5.5	
Exceptionals	0.6	1.5	(63.7)	2.8	(79.9)	2.9	3.6	(17.6)	-	
<b>Pretax profit</b>	<b>13.8</b>	<b>19.1</b>	<b>(27.4)</b>	<b>67.2</b>	<b>(79.4)</b>	<b>114.0</b>	<b>78.5</b>	<b>45.2</b>	<b>96.0</b>	Includes RM43.5m toll compensation for
Tax	(1.9)	(3.7)	(50.6)	(3.9)	(52.3)	(11.6)	(15.0)	(22.5)	(16.3)	Grand Saga Highway in 3Q21
Tax rate (%)	13.4	19.7	(31.9)	5.8	131.8	10.2	19.1	(46.6)	17.0	
Minority interests	0.2	0.4	(47.8)	(22.0)	100.9	(23.9)	(4.0)	490.0	(4.2)	
<b>Net profit</b>	<b>12.2</b>	<b>15.7</b>	<b>(22.4)</b>	<b>41.4</b>	<b>(70.5)</b>	<b>78.5</b>	<b>59.5</b>	<b>32.0</b>	<b>75.6</b>	FY2 core net profit made up 100% of our
Core net profit	11.6	14.2	(17.9)	38.6	(69.9)	75.6	55.9	35.1	75.6	full-year forecast and 97% of consensus
EPS (sen)	0.6	0.8	(23.1)	2.1	(70.7)	3.9	3.0	31.9	3.7	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 2: FY21 segmental**

	4Q21	4Q20	YoY	3Q21	QoQ	FY21	FY20	YoY	
	RM m	RM m	%	RM m	%	RM m	RM m	%	Comments
<b>Revenue</b>									
Water treatment, supply and distribution	43.2	49.8	-13.3%	41.7	4%	169.1	225.5	-25.0%	Expiry of Taliworks Langkawi on 31 Oct 2020
Construction	6.5	4.5	44.9%	1.4	364%	14.5	12.7	14.8%	Contributions from Rasau project picking up
Toll Highway	21.5	19.3	11.4%	58.0	-63%	113.7	74.4	52.7%	RM43.5m toll compensation for Grand Saga Highway
Others	1.3	1.3	-5.0%	1.3	0%	5.0	5.3	-5.0%	-
<b>Total</b>	<b>72.4</b>	<b>74.9</b>	<b>-3.3%</b>	<b>102.3</b>	<b>-29%</b>	<b>302.3</b>	<b>317.9</b>	<b>-4.9%</b>	
	4Q21	4Q20	YoY	3Q21	QoQ	FY21	FY20	YoY	
	RM m	RM m	%	RM m	%	RM m	RM m	%	
<b>Operating profit/EBIT</b>									
Water treatment, supply and distribution	11.5	13.8	-16.6%	17.6	-35%	58.6	74.8	-21.6%	Expiry of Taliworks Langkawi on 31 Oct 2020
Construction	0.8	1.1	-28.5%	(0.5)	-266%	(1.0)	0.5	-287.2%	Margin mark-down, higher overheads and higher steel prices
Toll Highway	5.1	5.6	-9.9%	50.8	-90%	70.0	31.0	125.4%	RM43.5m toll compensation for Grand Saga Highway
Others	(0.0)	(2.6)	-99.4%	(3.6)	-100%	(8.8)	(9.5)	-6.7%	-
<b>Total</b>	<b>17.4</b>	<b>18.0</b>	<b>-3.3%</b>	<b>64.3</b>	<b>-73%</b>	<b>118.8</b>	<b>96.9</b>	<b>22.6%</b>	
Finance cost	(4.8)	(5.2)	-8.3%	(4.9)	-1%	(19.1)	(21.2)	-9.9%	-
Share of results of JV	0.4	4.0	-91.1%	5.0	-93%	6.0	4.7	27.8%	
Share of results of associate	0.9	2.4	-60.6%	2.8	-66%	8.3	(1.9)	-546.1%	Lower depreciation and reduction in subcontractors' related costs
<b>Pretax profit</b>	<b>13.8</b>	<b>19.1</b>	<b>-27.4%</b>	<b>67.2</b>	<b>-79%</b>	<b>114.0</b>	<b>78.5</b>	<b>45.2%</b>	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 3: RNAV**

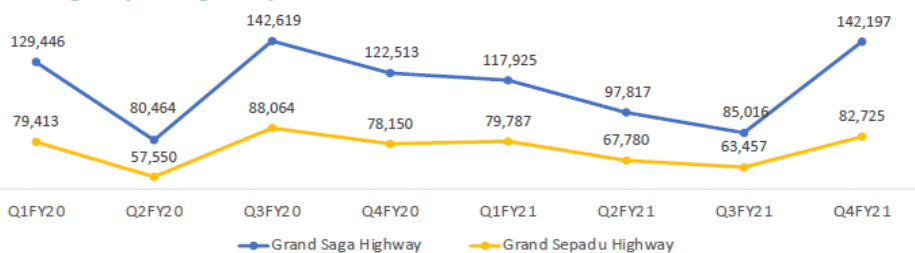
	Basis	Full value (RM m)	Stake (%)	Value (RM m)
<b>Concession assets</b>				
Grand Saga Highway (24 years remaining concession life)	DCF value	824.0	51%	420.2
Grand Sepadu Highway (12 years remaining concession life)	Takeover value	265.0	38%	100.7
<b>Other segments</b>				
	Equity DCF value		Disc. rate (%)	Stake (%)
	(RM m)			
SSP1 - Sungai Harmoni O&M (18 years incl. extension)	932.5	10%	100%	932.5
	FY23F Net profit		P/E (x)	Stake (%)
	(RM m)			
Construction (Sg. Rasau package 2 & 3)	25.8	15	100%	386.3
Solid Waste Management (SWM) - acquisition value	700.0	-	35%	245.0
Investment in associate & JVs (as at end-Dec 21)				200.7
Cash & equivalents (as at end-Dec 21)				457.1
Borrowings as at end-Dec 21				(358.5)
<b>Total RNAV</b>				<b>2,384.0</b>
No. of shares (m)				2,015.8
<b>RNAV/share</b>				<b>1.18</b>
RNAV discount (%)				10%
<b>Target price (RM/share)</b>				<b>1.06</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 4: Overview of Grand Saga and Grand Sepadu highways**

Highway	Connectivity	Scheduled Toll Hike	Length	Effective Stake	Concession Expiry
<b>Grand Saga Highway</b> - Grand Saga Sdn. Bhd.	<ul style="list-style-type: none"> <li>11.5 km four-lane dual carriageways, stretching from the Connaught Interchange in Cheras to Saujana Impian Interchange in Kajang.</li> </ul>	<ul style="list-style-type: none"> <li>2015 – 30%</li> <li>Every 5 years – Between 25% and 45% toll increase</li> </ul>	<ul style="list-style-type: none"> <li>11.5 km</li> </ul>	<ul style="list-style-type: none"> <li>51%</li> <li>49% held by EPF</li> </ul>	<ul style="list-style-type: none"> <li>September 2045</li> </ul>
<b>Grand Sepadu Highway</b> - Grand Sepadu (NK) Sdn. Bhd.	<ul style="list-style-type: none"> <li>17.5 km two-lane dual and three-lane carriageway highway linking from North Port to Bukit Raja, Klang.</li> <li>Partly parallel to the old tolled North Klang Straits Bypass (which became a non-tolled road after Grand Sepadu Highway became operational) and is linked to the Federal Highway, the New Klang Valley Expressway ("NKVE") and the new upcoming West Coast Expressway.</li> </ul>	<ul style="list-style-type: none"> <li>2016, 2020 and 2025 – Between 20% and 30% toll increase</li> </ul>	<ul style="list-style-type: none"> <li>17.5 km</li> </ul>	<ul style="list-style-type: none"> <li>37.5%</li> <li>37.5% held by EPF</li> <li>Economic benefit of 45%</li> </ul>	<ul style="list-style-type: none"> <li>December 2032</li> </ul>

**Toll Highway Average Daily Traffic**



**2020**  
Q1FY20 : MCO 1.0 (18 March 2020)  
Q2FY20 : Various phases of MCOs  
Q3FY20 : MCO, RMCO (10 June 2020)  
Q4FY20 : CMCO (14 October 2020)

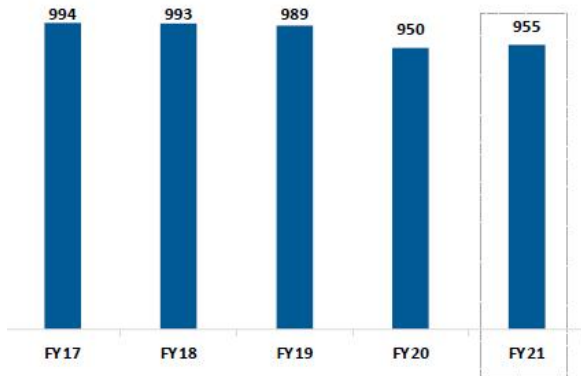
**2021**  
Q1FY21 : MCO 2.0 (13 January 2021)  
Q2FY21 : MCO 3.0 (6 May 2021)  
Q3FY21 : National Lockdown (1 June 2021)  
- Continuation of National Recovery Plan  
- Phase 2 (10 September 2021)  
- Phase 3 (1 October 2021)  
Q4FY21 : Phase 4 (18 October 2021)

SOURCES: CGS-CIMB RESEARCH, COMPANY SLIDES

**Figure 5: Overview of water operations under Sungai Harmoni**

Company	Supply Location	Design Capacity	Contract Type	Contract Expiry
Sungai Harmoni Sdn. Bhd. ("Sungai Harmoni")	<ul style="list-style-type: none"> <li>Large areas of Kuala Lumpur, Petaling Jaya, Klang, Kuala Selangor, Kuang and Kundang</li> </ul>	<ul style="list-style-type: none"> <li>950 MLD</li> </ul>	<ul style="list-style-type: none"> <li>Operations and Maintenance</li> </ul>	<ul style="list-style-type: none"> <li>December 2036</li> </ul>

**Sungai Harmoni's annual average water production (millions litres per day/MLD)**



**SSP1 (Sungai Harmoni) – One of the biggest water treatment plant in Malaysia**



SOURCES: CGS-CIMB RESEARCH, COMPANY SLIDES



## ESG in a nutshell

In 2020, Taliworks undertook the development of a sustainability framework to guide its efforts in incorporating sustainability into its business model. This framework is benchmarked against sustainability best practices in industries both within and beyond the scope of operations. This framework should enable the group to create time-bound goals that are strategically aligned with the United Nations' Sustainable Development Goals (UNSDG) targets.

### Keep your eye on

- 1) In 2021, the group began developing a sustainability framework that contains time-bound goals to guide its sustainability journey over the longer term, all of which would be incorporated into the group's Enterprise Risk Management (ERM) Framework, which would cover all segments of businesses, i.e. 1) water treatment, supply and distribution, 2) waste management, 3) construction and 4) toll highways.
- 2) Budget 2022 and the 12<sup>th</sup> Malaysia Plan (12MP) have cited water infrastructure projects as among the "Green Infrastructure" initiatives. Taliworks' construction division could see a recovery in water contract tenders.

### Implications

- 1) Key operational metrics for the water division address the quality and quantity of water to end-users and meeting demand, while managing water loss, in the distribution network: Taliworks achieved above 99% water treatment compliance rates in 2018-20.
- 2) Non-revenue water (NRW), or volume of water loss as a percentage of total volume of water produced, stood at 42.1% in 2020.
- 3) Toll highway safety performance is guided under the Malaysian Highway Authority (MHA). Taliworks met the safety performance and regulatory standards of not exceeding 3.15 accidents per 1m vehicles in 2020.

### ESG highlights

- 1) Taliworks' proposed RM180.4m investment into the solar business, via an acquisition of several operating solar companies, is in line with its vision of balancing environmental, social and governance elements.
- 2) Its waste management operations span 28,500km<sup>2</sup> and employ over 8,000 workers: To ensure a sustainable approach to business processes and the managing of a large-scale waste management operation, the division employs risk-based decision-making, daily monitoring, proactive action, incentive systems, and strategic target-setting.
- 3) Taliworks seeks to ensure the quality of operations of its entire supply chain/subcontractors with commitment to quality, environmental and occupational safety standards. The group conducts annual assessments of its entire supply chain. Water divisions' regulatory compliance of its supply chain, for example, is governed under the Water Services Industries Act 2006 (WSIA).

### Implications

- 1) Taliworks' renewable energy (RE) acquisition is a long-term positive in that it replaces the loss of income from the expiry of Taliworks Langkawi in Oct 20. RE M&As strengthen its ability to pay out our FY21-23F 6.6 sen DPS p.a.
- 2) The consolidation of the new solar projects is earnings accretive from FY21F (+6% to +8%), supported by a base-case post-M&A RE EBITDA of RM22m — this is not factored into our forecasts as the deal completion has been delayed, pending approval from the Energy Commission (EC).
- 3) Some initiatives by the waste management division, SWM Environment, in promoting sustainability awareness include improving public perception in waste management, empowering communities to improve surrounding environment, and collaborative educational programmes with the Ministry of Education (MOE).

### Trends

- 1) In 2020, Grand Saga (subsidiary) and Grand Sepadu (associate) Highways maintained a full four-star rating from the MHA.
- 2) Grand Sepadu has been certified a Silver Rating by the Malaysia Green Highway Index (MGHI) since 2019, while Grand Saga's status remains, pending an audit by the MGHI.
- 3) All plans/strategies for its water division are aligned with the Task Force on Climate-Related Financial Disclosure (TCFD), endorsed by Bursa Malaysia.

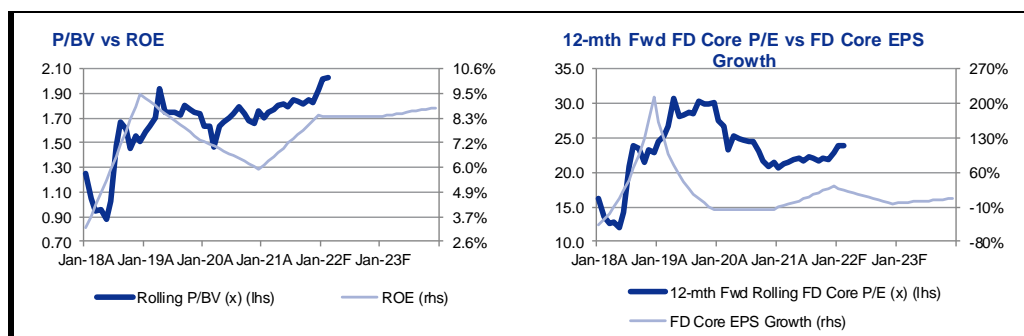
### Implications

- 1) Although Taliworks does not have a formal climate risk management process, climate change-related issues have been recognised as part of its risk identification processes at the division level.
- 2) While Taliworks is not a constituent of the FTSE4Good Bursa Malaysia Index and not rated under the FTSE Russell, we would regard Taliworks' business model as one with comprehensive elements directly contributing to the area of sustainability under the environmental and social components of the ESG sphere.

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>317.9</b>	<b>302.3</b>	<b>371.8</b>	<b>379.3</b>	<b>386.8</b>
<b>Gross Profit</b>	<b>117.5</b>	<b>139.7</b>	<b>168.5</b>	<b>165.7</b>	<b>171.2</b>
<b>Operating EBITDA</b>	<b>76.9</b>	<b>104.8</b>	<b>126.2</b>	<b>122.7</b>	<b>127.2</b>
Depreciation And Amortisation	(43.9)	(33.5)	(37.2)	(37.9)	(38.7)
<b>Operating EBIT</b>	<b>33.0</b>	<b>71.3</b>	<b>89.1</b>	<b>84.7</b>	<b>88.6</b>
Financial Income/(Expense)	(21.1)	(17.0)	(21.9)	(22.2)	(22.5)
Pretax Income/(Loss) from Assoc.	2.8	14.3	5.8	6.1	6.4
Non-Operating Income/(Expense)	63.7	45.4	42.4	43.2	44.1
<b>Profit Before Tax (pre-EI)</b>	<b>78.5</b>	<b>114.0</b>	<b>115.3</b>	<b>111.9</b>	<b>116.5</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>78.5</b>	<b>114.0</b>	<b>115.3</b>	<b>111.9</b>	<b>116.5</b>
Taxation	(15.0)	(11.6)	(34.8)	(25.7)	(26.7)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>63.5</b>	<b>102.4</b>	<b>80.5</b>	<b>86.2</b>	<b>89.8</b>
Minority Interests	(4.0)	(23.9)	(4.3)	(4.4)	(4.6)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>59.5</b>	<b>78.5</b>	<b>76.2</b>	<b>81.8</b>	<b>85.3</b>
Recurring Net Profit	59.5	78.5	76.2	81.8	85.3
<b>Fully Diluted Recurring Net Profit</b>	<b>59.5</b>	<b>78.5</b>	<b>76.2</b>	<b>81.8</b>	<b>85.3</b>

### Cash Flow

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>EBITDA</b>	<b>76.9</b>	<b>104.8</b>	<b>126.2</b>	<b>122.7</b>	<b>127.2</b>
Cash Flow from Inv. & Assoc.					
Change In Working Capital	(148.1)	(78.1)	(13.9)	6.1	2.3
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	146.4	134.9	121.4	109.2	98.3
Net Interest (Paid)/Received	(21.1)	(17.0)	(21.9)	(22.2)	(22.5)
Tax Paid	(15.0)	(11.6)	(34.8)	(25.7)	(26.7)
<b>Cashflow From Operations</b>	<b>39.1</b>	<b>132.9</b>	<b>177.0</b>	<b>190.2</b>	<b>178.7</b>
Capex	(0.5)	(1.2)	(1.2)	(1.2)	(1.2)
Disposals Of FAs/subsidiaries	0.1	1.2	1.5	1.5	1.5
Acq. Of Subsidiaries/investments	0.0	0.0	0.0	0.0	0.0
Other Investing Cashflow	230.4	69.8	69.8	69.8	69.8
<b>Cash Flow From Investing</b>	<b>230.0</b>	<b>69.9</b>	<b>70.2</b>	<b>70.2</b>	<b>70.2</b>
Debt Raised/(repaid)	(82.4)	(32.6)	(4.5)	(1.2)	(1.3)
Proceeds From Issue Of Shares	0.0	0.0	0.0	0.0	0.0
Shares Repurchased	0.0	0.0	0.0	0.0	0.0
Dividends Paid	(133.0)	(133.0)	(133.0)	(133.0)	(133.0)
Preferred Dividends	0.0	0.0	0.0	0.0	0.0
Other Financing Cashflow	(61.6)	(39.5)	(108.4)	(124.8)	(106.6)
<b>Cash Flow From Financing</b>	<b>(277.1)</b>	<b>(205.1)</b>	<b>(245.9)</b>	<b>(259.1)</b>	<b>(240.9)</b>
Total Cash Generated	(7.9)	(2.4)	1.2	1.3	8.0
<b>Free Cashflow To Equity</b>	<b>186.7</b>	<b>170.1</b>	<b>242.7</b>	<b>259.1</b>	<b>247.6</b>
<b>Free Cashflow To Firm</b>	<b>294.1</b>	<b>221.8</b>	<b>273.2</b>	<b>286.9</b>	<b>276.0</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	451	409	413	418	423
Total Debtors	116	75	80	85	86
Inventories	3	3	3	3	3
Total Other Current Assets	11	7	7	7	7
<b>Total Current Assets</b>	<b>581</b>	<b>493</b>	<b>503</b>	<b>513</b>	<b>519</b>
Fixed Assets	9	6	7	8	9
Total Investments	224	221	222	222	223
Intangible Assets	1,174	1,146	1,145	1,144	1,143
Total Other Non-Current Assets	88	77	78	78	79
<b>Total Non-current Assets</b>	<b>1,494</b>	<b>1,450</b>	<b>1,451</b>	<b>1,452</b>	<b>1,453</b>
Short-term Debt	30	30	31	32	34
Current Portion of Long-Term Debt					
Total Creditors	68	59	81	82	84
Other Current Liabilities	21	20	21	22	23
<b>Total Current Liabilities</b>	<b>119</b>	<b>110</b>	<b>134</b>	<b>137</b>	<b>141</b>
Total Long-term Debt	358	329	332	332	332
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	155	114	112	111	110
<b>Total Non-current Liabilities</b>	<b>513</b>	<b>442</b>	<b>444</b>	<b>443</b>	<b>442</b>
Total Provisions	235	234	234	234	234
<b>Total Liabilities</b>	<b>867</b>	<b>786</b>	<b>812</b>	<b>815</b>	<b>817</b>
Shareholders' Equity	959	905	915	946	971
Minority Interests	248	253	227	205	184
<b>Total Equity</b>	<b>1,208</b>	<b>1,157</b>	<b>1,142</b>	<b>1,151</b>	<b>1,155</b>

### Key Ratios

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	(15.7%)	(4.9%)	23.0%	2.0%	2.0%
Operating EBITDA Growth	559%	36%	20%	(3%)	4%
Operating EBITDA Margin	24.2%	34.7%	34.0%	32.3%	32.9%
Net Cash Per Share (RM)	0.031	0.025	0.025	0.027	0.028
BVPS (RM)	0.48	0.45	0.45	0.47	0.48
Gross Interest Cover	1.32	3.73	3.42	3.19	3.27
Effective Tax Rate	19.1%	10.2%	30.2%	23.0%	22.9%
Net Dividend Payout Ratio	224%	169%	175%	163%	156%
Accounts Receivables Days	114.6	85.9	52.2	56.0	58.0
Inventory Days	3.71	6.16	4.64	4.42	4.39
Accounts Payables Days	120.9	93.1	94.0	109.1	110.5
ROIC (%)	1.88%	3.97%	5.27%	5.08%	5.30%
ROCE (%)	1.93%	4.10%	5.34%	5.11%	5.32%
Return On Average Assets	3.56%	5.71%	4.95%	5.22%	5.40%

### Key Drivers

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue growth (%)	-15.7%	-4.9%	23.0%	2.0%	2.0%

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<b>Score Range:</b>	90 - 100	80 – 89	70 - 79	Below 70	No Survey Result
<b>Description:</b>	Excellent	Very Good	Good	N/A	N/A

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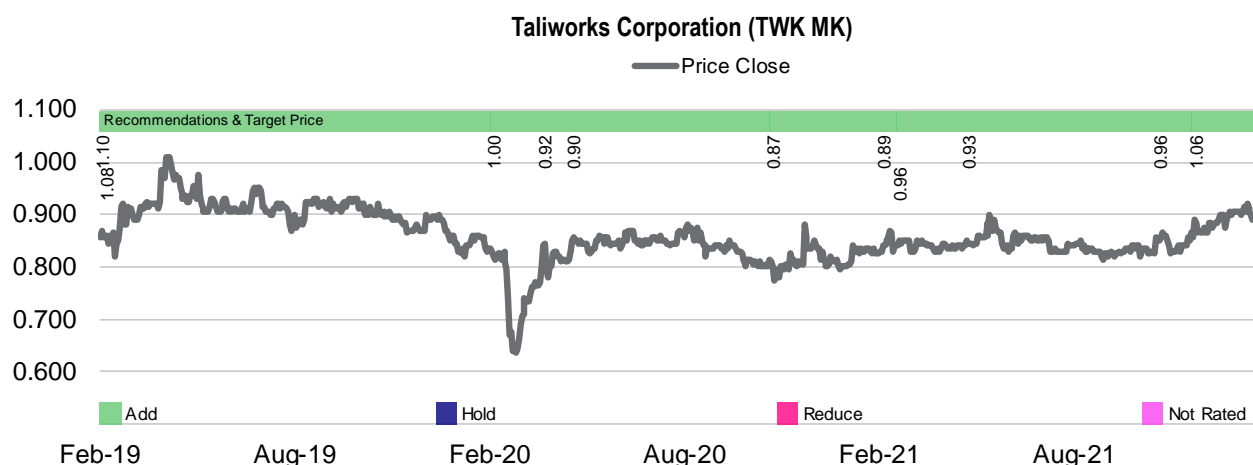
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Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2021		
619 companies under coverage for quarter ended on 31 December 2021		
	Rating Distribution (%)	Investment Banking clients (%)
Add	71.1%	1.5%
Hold	21.8%	0.0%
Reduce	7.1%	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, **CENTEL** – 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.

