

Malaysia

**ADD** (no change)

Consensus ratings\*: Buy 9 Hold 2 Sell 1

Current price:	RM20.36
Target price:	RM28.00 ▲
Previous target:	RM26.70
Up/downside:	37.5%
CGS-CIMB / Consensus:	8.7%
Reuters:	HEIN.KL
Bloomberg:	HEIM MK
Market cap:	US\$1,470m
	RM6,151m
Average daily turnover:	US\$0.46m
	RM1.94m
Current shares o/s:	302.1m
Free float:	49.0%

\*Source: Bloomberg

**Key changes in this note**

- FY22-23F EPS raised by 3.6-6.2% to account for higher sales volume, better cost control and a more profitable sales mix.



Source: Bloomberg

<b>Price performance</b>	1M	3M	12M
Absolute (%)	-4.4	-9.9	-15
Relative (%)	-7.5	-15.2	-14.8

<b>Major shareholders</b>	% held
GAPL Pte Ltd	51.0

**Analyst(s)**



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# Heineken Malaysia Bhd

## More cheers expected in FY22

- FY21 core net profit of RM252m (+38% yoy) beat estimates, due to higher-than-expected sales volume and better-than-expected margins in 4Q21.
- We expect HEIM to post stronger results in FY22, thanks to: i) better sales volume (mainly on-trade), ii) price hikes and iii) higher economies of scale.
- Maintain Add, with a higher DDM-based TP of RM28.00.

### FY21 core net profit rose 38% yoy; beat estimates

4Q21 core net profit came in at RM100m (+42% yoy), after adjusting for one-off losses of RM3.7m (mainly write-off of inventories). This brought FY21 core net profit to RM252m (+38% yoy), which beat estimates (122% of our and 111% of Bloomberg consensus FY21 estimates). The earnings beat in 4Q21 was owing to stronger-than-expected sales volume and better-than-expected margins (higher economies of scale and better cost control). HEIM announced an interim dividend of 66 sen/share, bringing FY21 dividend to 81 sen/share (99.6% payout ratio); within expectations.

### 4Q21: Stronger qoq mainly thanks to lifting of lockdown measures

On a qoq basis, 4Q21 revenue and core net profit rose by 78% and 91%, respectively. This was owing to higher sales volume (especially on-trade sales) from the lifting of lockdown measures and festivities in the quarter. HEIM also recorded 1.0% pts qoq growth in 4Q21 EBIT margin to 18.6%, which we attribute to: i) price increases during the quarter, ii) higher economies of scale and iii) ongoing cost optimisation strategies.

### Expect even better FY22 from higher sales volume and price hikes

We expect HEIM to record stronger results from FY22 onwards. This will mainly be driven by higher sales, especially from on-trade sales channels, thanks to the lifting of lockdown measures and more consumer footfall. In addition, we expect HEIM to benefit from more marketing activities as well as new product launches.

### Also expect margin expansion in spite of higher input costs

Despite the recent surge in input costs, we do not expect this to negatively impact margins. On the contrary, we expect HEIM to record better margins, thanks to: i) price hikes (5% to 10% since 4Q21), ii) higher economies of scale and iii) better cost efficiencies. In addition, we believe HEIM will also record better margins from a more profitable sales mix, as we are of the view that on-trade sales (estimated to be 60% of total sales pre Covid-19 pandemic) have better margins compared to off-trade sales.

### Maintain Add, with a higher DDM-based TP of RM28.00

We raise our FY22-23F EPS to account for higher sales volume and better cost control. We also introduce our FY24 EPS forecast. We keep our Add call with a higher DDM-based TP of RM28.00. We continue to like HEIM for: i) its attractive valuation (CY22F P/E is at a 20.1% discount to its 5-year mean of 27x), ii) benefits from a recovery in economic activity, especially on-trade and iii) strong brand equity. We also like HEIM's attractive dividend yields of 4.7-6.3% (FY22-24F).

Financial Summary	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (RMm)	1,762	1,979	2,249	2,420	2,580
Operating EBITDA (RMm)	301.0	400.6	493.9	544.3	597.0
Net Profit (RMm)	182.7	251.7	288.1	351.0	388.3
Core EPS (RM)	0.70	0.83	0.95	1.16	1.29
Core EPS Growth	(32.5%)	19.2%	14.5%	21.8%	10.6%
FD Core P/E (x)	29.13	24.44	21.35	17.52	15.84
DPS (RM)	0.51	0.81	0.95	1.16	1.28
Dividend Yield	2.50%	3.98%	4.67%	5.68%	6.29%
EV/EBITDA (x)	20.83	15.56	12.57	11.37	10.32
P/FCFE (x)	19.45	42.76	19.59	16.63	14.97
Net Gearing	33.6%	21.1%	14.3%	9.1%	3.1%
P/BV (x)	17.60	15.54	15.50	15.45	15.39
ROE	56.8%	67.6%	72.7%	88.3%	97.3%
% Change In Core EPS Estimates			3.59%	6.16%	
CGS-CIMB/Consensus EPS (x)			1.02	1.05	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 1: Results Comparison**

FYE Dec (RM m)	4QFY21	4QFY20	yoy % chg	qoq % chg	FY21	FY20	yoy % chg	Prev. FY21F	Comments
Revenue	692.3	519.0	33.4	77.6	1979.3	1762.4	12.3	1752.4	FY21: Mainly driven from higher sales volume and price increases undertaken
Operating costs	(563.3)	(434.4)	29.7	75.4	(1649.4)	(1530.3)	7.8	(1478.9)	
<b>EBIT</b>	<b>129.0</b>	<b>84.6</b>	<b>52.5</b>	<b>87.9</b>	<b>329.9</b>	<b>232.1</b>	<b>42.1</b>	<b>273.5</b>	
<b>EBIT margin (%)</b>	<b>18.6</b>	<b>16.3</b>	<b>2.3</b>	<b>1.0</b>	<b>16.7</b>	<b>13.2</b>	<b>3.5</b>	<b>0.2</b>	4Q21: Margin expansion was thanks to price adjustments taken, better economies of scale and more profitable sales mix
Net interest income/expense	(1.0)	(1.3)	(21.6)	162.1	(2.5)	(4.9)	(49.5)	(4.9)	Net borrowings of RM83.7m as at end-4Q21
Associates' contrib	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Exceptionals	(3.7)	(16.0)	(77.1)	91.6	(6.0)	(28.5)	(79.0)	0.0	4Q21: Provision for and write off of inventories of RM4.0m and reversal of impairment gain on trade receivables of RM0.3m
<b>Pretax profit</b>	<b>124.4</b>	<b>67.4</b>	<b>84.6</b>	<b>85.1</b>	<b>321.4</b>	<b>198.7</b>	<b>61.8</b>	<b>268.6</b>	
Tax	(28.6)	(13.2)	116.0	76.3	(75.7)	(44.5)	70.1	(61.8)	
Tax rate (%)	23.0	19.6	3.3	(1.1)	23.6	22.4	1.2	(23.0)	In-line with statutory tax rate
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Net profit / (loss)</b>	<b>95.8</b>	<b>54.2</b>	<b>76.9</b>	<b>87.9</b>	<b>245.7</b>	<b>154.2</b>	<b>59.3</b>	<b>206.8</b>	Above our expectations
<b>Core net profit / (los</b>	<b>99.5</b>	<b>70.2</b>	<b>41.8</b>	<b>91.0</b>	<b>251.7</b>	<b>182.7</b>	<b>37.8</b>	<b>206.8</b>	Accounted for 122% and 111% of ours and Bloomberg FY21 estimates
EPS (sen)	31.7	17.9	76.9	87.9	81.3	51.0	59.3	68.5	
Core EPS (sen)	32.9	23.2	41.8	91.0	83.3	60.5	37.8	68.5	Based on outstanding shares of 302.1m

SOURCE: CIMB RESEARCH, COMPANY

### FY21 briefing highlights ►

- We understand that the quantum of growth in FY21 PBT (+61.8% yoy) was higher compared to revenue growth in FY21 (+12.3% yoy), due to the company's emphasis on cost efficiency, such as right sizing its workforce and cost base. This also includes efforts to ensure more effective commercial and marketing investments.
- On a qoq basis, we believe that HEIM recorded double-digit growth in its 4Q21 sales volume. This is mainly thanks to both higher consumer footfall and improved retail activities.
- Nevertheless, HEIM will continue to invest in its core brands and focus on product innovation. For example, the company continued to conduct global and local campaigns for its core brands throughout 2021 despite various lockdowns in the country.
- In May 2021, the company also launched its new premium wheat beer, Edelweiss. The product is currently available across Peninsular Malaysia in bottles, cans and on draught. We understand that HEIM is witnessing encouraging demand for this new product.
- HEIM highlights that it conducts bi-weekly Covid-19 screening tests for all staff, and 100% of its staff is fully vaccinated. The company is also accelerating booster shots and practicing social distancing on the premises (100% compliant with the government's SOPs). HEIM reiterated that its brewery is highly automated, which requires less manpower.
- HEIM will continue to focus on its sustainability efforts going forward. It aims for production to be carbon neutral in 2030 and the full value chain by 2040F. In terms of water conservation, HEIM has balanced more (for every one litre used in HEIM's products, more than one litre of water is generated for the environment) than 100% of water used in its products since 2020 (ten years ahead of its goal). The company is also spending 10% of Heineken's marketing spend on educating consumers about responsible consumption.
- The company has seen an increase in the availability of illicit products, including on e-commerce channels. HEIM will continue to work with government authorities to ensure enforcement efforts on illicit trade are more effective to reduce the activities.
- HEIM is also focused on digitalising its business and trade channels, with up to 50% of its B2B customers onboarded on its digital systems. Besides

being able to ensure that its B2B customers are well-stocked, digitalising its systems is expected to help HEIM to reduce its workforce.

- HEIM will continue to actively review its selling prices in 2022, depending on input costs as well as profit margins. Hence, it is not discounting any price hikes, if necessary.
- HEIM has seen good demand from Heineken Zero in Malaysia, which is a non-alcoholic beer. We understand that sales of Heineken Zero are growing by the double-digits globally, and HEIM expects sales of Heineken Zero to improve in Malaysia with better awareness and more marketing.

### Downside risks and re-rating catalysts ➤

Downside risks: another MCO in Malaysia that leads to suspension of HEIM's operations and weaker-than-expected malt liquor market (MLM) sales volume.

Potential re-rating catalysts: stronger-than-expected recovery in MLM sales and better-than-expected results from cost-saving measures.

**Figure 1: Earnings revision**

RM m	2021A		FY22F			FY23F			FY24F		
			Old	New	%chg	Old	New	%chg	Old	New	%chg
Revenue	1,979	1,988	2,249	13.1%	2,129	2,420	13.7%	-	2,580	-	
EBITDA	401	479	494	3.1%	512	544	6.3%	-	597	-	
Core pretax profit	327	400	415	3.7%	429	462	7.6%	-	511	-	
Core net profit	252	278	288	3.6%	331	351	6.2%	-	388	-	
Core EPS (sen)	83	92	95	3.6%	109	116	6.2%	-	129	-	

SOURCES: CGS-CIMB, COMPANY REPORTS

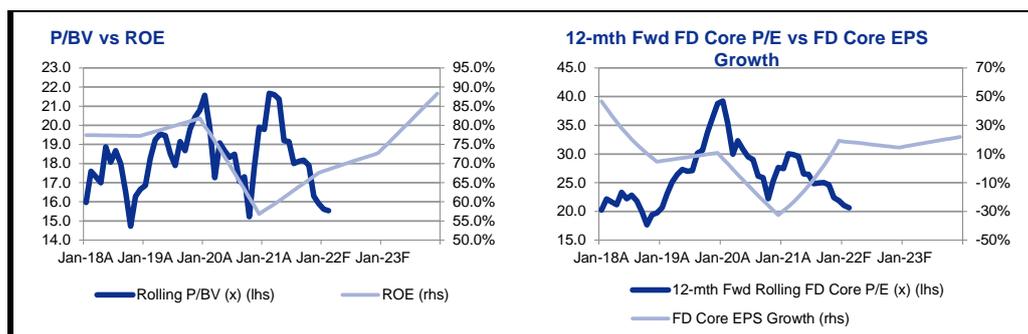
**Figure 2: Sector Comparisons (CGS-CIMB's Malaysia consumer sector coverage)**

Company	Bloomberg Ticker	Recom.	Share price (local curr)	Target Price (local curr)	Market Cap (US\$ m)	Core P/E (x)		3-year EPS CAGR (%)	P/BV (x)		Recurring ROE (%)		EV/EBITDA (x)		Dividend Yield (%)	
						CY21F	CY22F		CY21F	CY22F	CY21F	CY22F	CY21F	CY22F	CY21F	CY22F
<b>Consumer Staples</b>																
Nestle (Malaysia)	NESZ MK	Hold	134.50	136.60	7,537	51.4	49.9	11.7%	55.4	54.2	110.7%	109.8%	31.4	28.2	1.9%	2.0%
Fraser & Neave Holdings	FNH MK	Add	23.84	29.80	2,090	19.7	18.8	4.8%	3.0	2.8	15.6%	15.2%	12.5	11.2	2.7%	2.8%
QL Resources	QLG MK	Add	4.90	5.50	2,850	52.6	41.4	15.9%	4.9	4.5	9.7%	11.4%	21.0	18.7	0.6%	0.8%
Power Root Bhd	PWRT MK	Hold	1.33	1.40	133	26.8	23.3	-5.1%	2.1	2.1	8.0%	9.1%	14.5	13.0	3.7%	4.1%
Kawan Food	KFB MK	Add	1.51	2.70	130	17.3	14.4	18.2%	1.5	1.4	9.0%	10.0%	8.8	7.6	2.4%	2.6%
MSM Malaysia Holdings	MSM MK	Add	1.19	1.57	200	15.2	9.0	37.1%	0.5	0.5	3.5%	5.7%	8.1	6.5	3.4%	5.6%
CCK Consolidated Holdings	CCK MK	Add	0.57	0.84	85	14.1	10.4	15.8%	1.1	1.1	8.5%	10.6%	6.2	4.8	2.5%	3.3%
<b>Weighted Subsector Average</b>						<b>45.2</b>	<b>41.5</b>	<b>11.8%</b>	<b>33.7</b>	<b>32.8</b>	<b>69.0%</b>	<b>68.8%</b>	<b>25.2</b>	<b>22.5</b>	<b>1.8%</b>	<b>1.9%</b>
<b>Consumer Discretionary</b>																
7-Eleven Malaysia Holdings	SEM MK	Add	1.46	1.80	393	44.4	26.7	22.5%	20.1	15.4	51.0%	65.4%	7.3	6.0	1.4%	2.2%
Berjaya Food Berhad	BFD MK	Add	3.10	4.40	268	16.8	13.4	5.8%	3.0	2.8	18.9%	21.9%	4.9	3.8	4.2%	5.2%
Bonia Corporation	BON MK	Add	1.91	2.50	91	19.6	13.1	23.7%	1.0	1.0	5.4%	7.7%	5.9	4.8	1.6%	2.8%
DKSH Holdings (Malaysia)	DKSH MK	Add	4.80	6.20	181	9.7	9.0	22.7%	1.0	0.9	11.4%	11.0%	6.2	5.1	2.1%	2.1%
Lee Swee Kiat Group	LSKG MK	Add	0.87	1.84	33	17.2	8.5	40.8%	2.2	1.8	13.5%	23.3%	9.7	4.9	2.7%	5.3%
Mynews Holdings Berhad	MNHB MK	Add	0.83	1.18	135	na	37.8	25.9%	2.5	2.4	-12.6%	6.4%	26.0	8.0	0.1%	0.7%
Panasonic Manufacturing Malaysia Berhad	PMM MK	Hold	28.40	31.20	412	24.2	18.2	2.6%	2.2	2.2	8.9%	12.2%	12.4	9.6	5.4%	6.6%
InNature Bhd	NATURE MK	Add	0.73	0.84	122	35.8	18.9	12.5%	3.5	3.2	10.1%	17.8%	14.3	9.2	1.4%	2.7%
Mr D.I.Y. Group (M) Bhd	MRDIY MK	Add	3.79	4.20	5,689	55.3	42.6	24.6%	20.7	16.0	42.7%	42.5%	28.8	22.7	0.8%	0.9%
<b>Weighted Subsector Average</b>						<b>48.4</b>	<b>37.5</b>	<b>22.4%</b>	<b>17.5</b>	<b>13.6</b>	<b>37.5%</b>	<b>38.9%</b>	<b>24.6</b>	<b>19.2</b>	<b>1.2%</b>	<b>1.6%</b>
<b>Sin (Brewers &amp; Tobacco)</b>																
British American Tobacco	ROTH MK	Reduce	12.68	9.96	865	9.7	15.0	1.1%	9.5	9.3	99.3%	63.0%	8.7	10.5	7.8%	6.6%
Carlsberg Brewery (M)	CAB MK	Add	20.20	26.00	1,476	29.7	22.5	21.4%	32.7	32.7	118.7%	145.6%	20.4	15.3	3.1%	4.4%
Heineken Malaysia Bhd	HEIM MK	Add	20.36	28.00	1,470	24.4	21.3	18.6%	15.5	15.5	67.9%	72.9%	15.4	12.5	4.0%	4.7%
<b>Weighted Subsector Average</b>						<b>23.1</b>	<b>20.3</b>	<b>15.7%</b>	<b>20.8</b>	<b>20.8</b>	<b>94.7%</b>	<b>98.8%</b>	<b>15.8</b>	<b>13.1</b>	<b>4.5%</b>	<b>5.0%</b>
<b>Weighted Average</b>						<b>42.7</b>	<b>37.0</b>	<b>15.6%</b>	<b>26.7</b>	<b>25.1</b>	<b>63.5%</b>	<b>64.5%</b>	<b>23.5</b>	<b>20.0</b>	<b>2.1%</b>	<b>2.3%</b>
<b>Simple Average</b>						<b>28.9</b>	<b>23.5</b>	<b>16.9%</b>	<b>11.1</b>	<b>10.3</b>	<b>33.7%</b>	<b>36.6%</b>	<b>14.9</b>	<b>11.6</b>	<b>2.6%</b>	<b>3.3%</b>

SOURCES: CGS-CIMB, BLOOMBERG

	
<b>ESG in a nutshell</b>	
<p>Heineken Malaysia Berhad (HEIM) is currently a constituent of the FTSE4Good Bursa Malaysia Index. In accordance with FTSE Russell ESG Ratings methodology, HEIM is ranked in the top 25% of ESG ratings among public-listed companies in FBM EMAS that have been assessed by FTSE Russell (as of Jun 21).</p>	
<b>Keep your eye on</b>	<b>Implications</b>
<p>HEIM's sales are generated mainly via beer products, which are alcohol-based. As a result, high consumption of its products may lead to various impacts of irresponsible drinking, such as alcohol abuse and drunk driving.</p>	<p>Since 2010, HEIM has invested up to RM7.3m in various initiatives to create awareness of responsible drinking. The company also has its in-house Responsible Marketing Code to ensure that consumption and marketing of its products are based on responsible consumption.</p>
<b>ESG highlights</b>	<b>Implications</b>
<p>The company managed to lower its water usage in production to 3.65 litres of water per 1 litre of beer brewed in 2020. This is a 15.5% reduction since 2014. However, this is slightly higher than the company's target of 3.5 litres (per litre of beer produced), due to the MCO period that led to a 46-day production halt.</p>	<p>We view this positively as the company has shown improvements in lowering its water usage, including efforts to reduce water leakage and a review of operations that are water intensive.</p>
<b>Trends</b>	<b>Implications</b>
<p>Due to the impact of the MCO, HEIM saw higher overall energy consumption (per litre of beer) in 2020.</p>	<p>We believe this is a one-off event as HEIM has recorded declining energy consumption since 2014. The higher energy consumption in 2020 was due to idle production during the MCO period.</p>
<small>SOURCES: CGS-CIMB RESEARCH, REFINITIV</small>	

## BY THE NUMBERS



### Profit & Loss

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>Total Net Revenues</b>	<b>1,762</b>	<b>1,979</b>	<b>2,249</b>	<b>2,420</b>	<b>2,580</b>
<b>Gross Profit</b>	<b>601</b>	<b>698</b>	<b>812</b>	<b>892</b>	<b>968</b>
<b>Operating EBITDA</b>	<b>301</b>	<b>401</b>	<b>494</b>	<b>544</b>	<b>597</b>
Depreciation And Amortisation	(69)	(71)	(76)	(79)	(83)
<b>Operating EBIT</b>	<b>232</b>	<b>330</b>	<b>418</b>	<b>465</b>	<b>514</b>
Financial Income/(Expense)	(5)	(2)	(3)	(3)	(3)
Pretax Income/(Loss) from Assoc.	0	0	0	0	0
Non-Operating Income/(Expense)	0	0	0	0	0
<b>Profit Before Tax (pre-EI)</b>	<b>227</b>	<b>327</b>	<b>415</b>	<b>462</b>	<b>511</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>227</b>	<b>327</b>	<b>415</b>	<b>462</b>	<b>511</b>
Taxation	(45)	(76)	(127)	(111)	(123)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>183</b>	<b>252</b>	<b>288</b>	<b>351</b>	<b>388</b>
Minority Interests	0	0	0	0	0
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>183</b>	<b>252</b>	<b>288</b>	<b>351</b>	<b>388</b>
Recurring Net Profit	211	252	288	351	388
<b>Fully Diluted Recurring Net Profit</b>	<b>211</b>	<b>252</b>	<b>288</b>	<b>351</b>	<b>388</b>

### Cash Flow

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>EBITDA</b>	<b>301.0</b>	<b>400.6</b>	<b>493.9</b>	<b>544.3</b>	<b>597.0</b>
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(0.9)	4.5	0.0	(10.5)	(10.5)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	(27.0)	24.0	(0.5)	0.0	0.0
Net Interest (Paid)/Received	(2.3)	(4.9)	(2.5)	(3.0)	(3.0)
Tax Paid	(44.5)	(75.7)	(127.0)	(110.8)	(122.6)
<b>Cashflow From Operations</b>	<b>226.3</b>	<b>348.4</b>	<b>364.0</b>	<b>419.9</b>	<b>460.9</b>
Capex	(61.4)	(112.9)	(50.0)	(50.0)	(50.0)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	4.4	2.4	0.0	0.0	0.0
<b>Cash Flow From Investing</b>	<b>(57.0)</b>	<b>(110.5)</b>	<b>(50.0)</b>	<b>(50.0)</b>	<b>(50.0)</b>
Debt Raised/(repaid)	146.9	(94.1)	0.0	0.0	0.0
Proceeds From Issue Of Shares	0.0	0.0	0.0	0.0	0.0
Shares Repurchased					
Dividends Paid	(199.4)	(199.4)	(287.0)	(349.6)	(386.8)
Preferred Dividends					
Other Financing Cashflow	0.0	0.0	0.0	0.0	0.0
<b>Cash Flow From Financing</b>	<b>(52.5)</b>	<b>(293.5)</b>	<b>(287.0)</b>	<b>(349.6)</b>	<b>(386.8)</b>
Total Cash Generated	116.8	(55.6)	27.0	20.3	24.1
<b>Free Cashflow To Equity</b>	<b>316.2</b>	<b>143.8</b>	<b>314.0</b>	<b>369.9</b>	<b>410.9</b>
<b>Free Cashflow To Firm</b>	<b>172.9</b>	<b>247.1</b>	<b>318.0</b>	<b>372.9</b>	<b>413.9</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	131.9	76.3	103.4	123.7	147.8
Total Debtors	326.6	418.7	418.7	450.6	480.4
Inventories	188.3	151.0	151.0	160.7	169.4
Total Other Current Assets	10.7	15.2	15.2	15.2	15.2
<b>Total Current Assets</b>	<b>657.5</b>	<b>661.2</b>	<b>688.2</b>	<b>750.2</b>	<b>812.7</b>
Fixed Assets	341.9	388.4	362.6	333.1	300.1
Total Investments	0.0	0.0	0.0	0.0	0.0
Intangible Assets	16.5	15.7	15.7	15.7	15.7
Total Other Non-Current Assets	30.7	26.0	26.0	26.0	26.0
<b>Total Non-current Assets</b>	<b>389.2</b>	<b>430.1</b>	<b>404.3</b>	<b>374.8</b>	<b>341.8</b>
Short-term Debt	249.2	160.0	160.0	160.0	160.0
Current Portion of Long-Term Debt					
Total Creditors	400.0	485.0	485.0	516.1	544.0
Other Current Liabilities	9.6	13.4	13.4	13.4	13.4
<b>Total Current Liabilities</b>	<b>658.8</b>	<b>658.4</b>	<b>658.4</b>	<b>689.5</b>	<b>717.4</b>
Total Long-term Debt	0.0	0.0	0.0	0.0	0.0
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	0.0	0.0	0.0	0.0	0.0
<b>Total Non-current Liabilities</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Total Provisions	38.5	37.2	37.2	37.2	37.2
<b>Total Liabilities</b>	<b>697.3</b>	<b>695.7</b>	<b>695.7</b>	<b>726.7</b>	<b>754.7</b>
Shareholders' Equity	349.4	395.7	396.8	398.2	399.8
Minority Interests	0.0	0.0	0.0	0.0	0.0
<b>Total Equity</b>	<b>349.4</b>	<b>395.7</b>	<b>396.8</b>	<b>398.2</b>	<b>399.8</b>

### Key Ratios

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	(24.0%)	12.3%	13.6%	7.6%	6.6%
Operating EBITDA Growth	(35.4%)	33.1%	23.3%	10.2%	9.7%
Operating EBITDA Margin	17.1%	20.2%	22.0%	22.5%	23.1%
Net Cash Per Share (RM)	(0.39)	(0.28)	(0.19)	(0.12)	(0.04)
BVPS (RM)	1.16	1.31	1.31	1.32	1.32
Gross Interest Cover	47.0	132.1	139.4	154.9	171.3
Effective Tax Rate	19.6%	23.1%	30.6%	24.0%	24.0%
Net Dividend Payout Ratio	67.8%	74.7%	69.1%	75.7%	75.7%
Accounts Receivables Days	96.20	68.72	67.97	65.56	66.04
Inventory Days	41.31	48.33	38.37	37.22	37.49
Accounts Payables Days	146.8	126.1	123.2	119.5	120.4
ROIC (%)	33.6%	49.0%	60.7%	71.0%	81.7%
ROCE (%)	39.7%	53.6%	70.4%	78.2%	86.2%
Return On Average Assets	21.5%	30.8%	38.2%	41.9%	45.0%

### Key Drivers

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Sales volume growth (%)	-24.0%	10.0%	10.0%	5.0%	4.0%
Increase in prices (%)	3.0%	6.0%	4.0%	2.5%	2.5%
Increase in excise duties (%)	-24.0%	10.0%	10.0%	5.0%	4.0%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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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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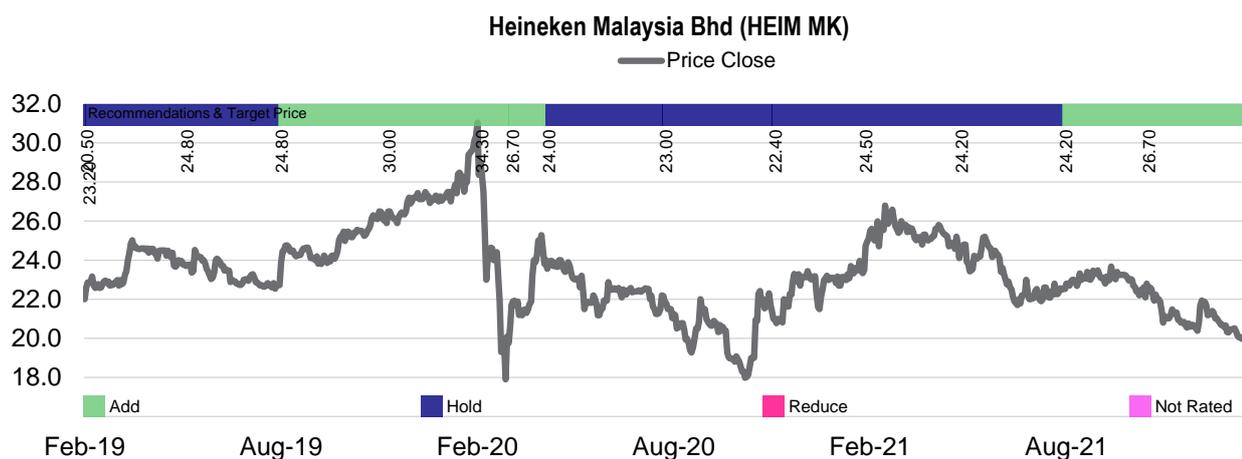
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Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2021		
619 companies under coverage for quarter ended on 31 December 2021		
	Rating Distribution (%)	Investment Banking clients (%)
Add	71.1%	1.5%
Hold	21.8%	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, **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	
<b>Stock Ratings</b>	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.
<i>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.</i>	
<b>Sector Ratings</b>	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.
<b>Country Ratings</b>	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.

