

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

Consensus ratings\*: Buy 3 Hold 2 Sell 1

Current price:	RM0.76
Target price:	RM0.90
Previous target:	RM1.00
Up/downside:	18.4%
CGS-CIMB / Consensus:	2.0%

Reuters:	PHMA.KL
Bloomberg:	PHRM MK
Market cap:	US\$237.8m
	RM995.6m
Average daily turnover:	US\$0.60m
	RM2.52m
Current shares o/s:	1,309m
Free float:	33.0%

\*Source: Bloomberg

**Key changes in this note**

- FY22F core EPS raised by 36.7%.
- FY23F core EPS cut by 10.8%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	2.7	-3.8	-22.9
Relative (%)	-1.3	-9	-23.5

Major shareholders	% held
Boustead Holdings Bhd	55.8
Lembaga Tabung Angkatan Tentera	11.2

**Analyst(s)**

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# Pharmaniaga Bhd

## Beneficiary of vaccine rollouts in 1H22F

- 4Q21 core EPS & DPS were a strong beat due to vaccine and L&D earnings.
- We think 1H22F earnings will still be supported by sale of c.4.5m SV doses.
- Reiterate Add with lower RM0.90 TP. PHRM is our top pharmaceutical pick.

### Record 4Q21 core EPS & DPS beat expectations...

Pharmaniaga's (PHRM) 4Q21 core net profit (NP) spiked 21.6x yoy to a record RM102m, driven by better manufacturing and logistics & distribution (L&D) earnings. Qoq, core NP jumped 81.6%, as higher margin more than offset lower revenue. FY21 results substantially beat our expectations again, with core EPS surpassing our/Bloomberg consensus forecasts by 78%/81%, on stronger-than-expected manufacturing and L&D profits. 4Q21 interim DPS of 5 sen (6.6% yield based on current share price; ex-date: 7 Mar 2022) brings FY21 DPS to 9.3 sen (71% payout), also above our projected 6 sen (70% payout).

### ...driven by robust Sinovac Covid-19 vaccine and L&D earnings

4Q21 external manufacturing revenue continued to surge to RM33m (4Q20: RM0.2m) due to the contribution from the supply of filled-and-finished Sinovac Covid-19 vaccine (SV) to the private sector. PHRM supplied c.0.5m doses in 4Q21 (lower than our assumed 2m doses), implying an average selling price (ASP) of c.RM60/dose (in line with our assumption). 4Q21 external manufacturing revenue tanked qoq to RM33m from 3Q21's RM1.3bn, after the peak of the national vaccination drive in 3Q. Hence, manufacturing PAT spiked to RM49m (4Q20: RM0.4m), while it fell by a more moderate 11.5% qoq, thanks to lower selling & distribution/other costs. Higher margins also led to a turnaround in L&D PAT to a sizeable RM37m (4Q20: -RM2m, 3Q21: -RM7m).

### 1H22F to still be buoyed by vaccine sales; concession extended

We raise PHRM's SV sales volume assumption in 1H22F to c.4.5m doses (previous: 3m) to the private sector, Ministry of Health (MOH; under the National Covid-19 Immunisation Programme, from mid-Feb) and potentially export markets. Thus, based on unchanged ASP of c.RM60/dose, we bake in RM270m SV revenue contribution in FY22F (previous: c.RM190m), and estimate c.RM22m-27m PAT contribution (assuming 8-10% margin; 24-30% of FY22F net profit). We have not assumed more SV sales from 2H22F, pending potential new supply agreements. Meanwhile, MOH's in-principle extension of PHRM's concession for 10 years (from Jan 22) is in line with our expectations and bodes well for L&D revenue (67% of FY22F total), though the agreement terms have yet to be finalised.

### Reiterate Add with a lower TP of RM0.90

We raise FY22F core EPS by 37% to factor in higher SV contribution, and cut FY23F by 11% due to housekeeping. Post-FY23F earnings cut, we lower our TP to RM0.90, still based on CY23F P/E of 19x (roughly 1 s.d. above 5-year mean, to reflect potentially higher SV earnings contribution). Reiterate Add as we see PHRM as a beneficiary of the ongoing Covid-19 vaccine rollouts in Malaysia and regionally. Key re-rating catalysts/downside risks: higher/lower-than-expected SV contribution and concession margins.

### Financial Summary

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (RMm)	2,725	4,815	3,605	3,483	3,613
Operating EBITDA (RMm)	126.3	379.2	206.8	168.7	175.0
Net Profit (RMm)	27.5	172.2	90.0	61.6	66.6
Normalised EPS (RM)	0.04	0.15	0.07	0.05	0.05
Normalised EPS Growth	(14%)	330%	(55%)	(31%)	8%
FD Normalised P/E (x)	21.35	4.97	11.06	16.14	14.95
DPS (RM)	0.022	0.093	0.048	0.033	0.036
Dividend Yield	2.9%	12.2%	6.3%	4.3%	4.7%
EV/EBITDA (x)	12.99	4.79	8.77	10.76	10.23
P/FCFE (x)	18.43	13.01	8.05	17.91	16.39
Net Gearing	177%	171%	160%	155%	145%
P/BV (x)	2.94	2.21	2.08	2.01	1.93
ROE	13.8%	50.8%	19.4%	12.7%	13.2%
% Change In Normalised EPS Estimates			36.7%	(10.8%)	
Normalised EPS/consensus EPS (x)			1.49	1.00	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## Beneficiary of vaccine rollouts in 1H22F

**Figure 1: Results comparison**

FYE 31 Dec (RM m)	4Q21	4Q20	yoy % chg	3Q21	qoq % chg	FY21	FY20	yoy % chg	Prev. FY21F
Revenue	712	635	12.2	2,133	(66.6)	4,815	2,725	76.7	4,877
Operating costs	-550	-620	(11.3)	-2,007	(72.6)	-4,437	-2,601	70.6	-4,639
Other income	0	0	(1.2)	0	>100	0	1	(56.1)	1
<b>EBITDA</b>	<b>162</b>	<b>14</b>	<b>&gt;100</b>	<b>126</b>	<b>28.9</b>	<b>378</b>	<b>125</b>	<b>&gt;100</b>	<b>238</b>
EBITDA margin (%)	22.8	2.3	20.5	5.9	16.9	7.9	4.6	3.2	4.9
Depn & amort.	-8	-9	(6.7)	-8	(0.3)	-33	-32	3.2	-32
<b>EBIT</b>	<b>154</b>	<b>5</b>	<b>&gt;100</b>	<b>117</b>	<b>31.0</b>	<b>345</b>	<b>93</b>	<b>&gt;100</b>	<b>206</b>
Interest income	1	0	>100	1	(4.3)	2	1	>100	2
Interest expense	-8	-5	61.8	-12	(32.0)	-33	-34	(1.1)	-38
Exceptionals	-21	-14	48.4	-8	>100	-36	-24	47.9	0
<b>Pretax profit</b>	<b>125</b>	<b>-14</b>	<b>nm</b>	<b>98</b>	<b>27.4</b>	<b>277</b>	<b>36</b>	<b>&gt;100</b>	<b>170</b>
Tax	-40	6	nm	-48	-17	-105	-10	>100	-59
Tax rate (%)	31.9	47.8	(15.9)	48.8	(16.8)	37.8	26.6	11.2	35.0
Net profit	85	-6	nm	50	71.5	172	27	>100	112
<b>Core net profit</b>	<b>102</b>	<b>4</b>	<b>&gt;100</b>	<b>56</b>	<b>81.6</b>	<b>199</b>	<b>46</b>	<b>&gt;100</b>	<b>112</b>
EPS (sen)	6.5	(0.5)	nm	3.8	71.5	13.1	2.1	>100	8.5
<b>Core EPS (sen)</b>	<b>7.8</b>	<b>0.3</b>	<b>&gt;100</b>	<b>4.3</b>	<b>81.5</b>	<b>15.2</b>	<b>3.5</b>	<b>&gt;100</b>	<b>8.5</b>
DPS (sen)	5.0	0.2	>100	2.0	>100	9.3	2.2	>100	6.0

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 2: Segmental breakdown**

FYE 31 Dec (RM m)	4Q21	4Q20	yoy % chg	3Q21	qoq % chg	FY21	FY20	yoy % chg
<b>Total external revenue</b>	<b>712</b>	<b>635</b>	<b>12.2</b>	<b>2,133</b>	<b>(66.6)</b>	<b>4,815</b>	<b>2,725</b>	<b>76.7</b>
Logistics & distribution	462	421	9.8	611	(24.4)	2,276	1,913	19.0
Manufacturing	33	0	>100	1,265	(97.4)	1,646	2	>100
Indonesia	217	213	1.6	256	(15.4)	893	810	10.3
<b>Total revenue composition (%)</b>								
Logistics & distribution	64.9	66.3	(1.4)	28.7	36.3	47.3	70.2	(22.9)
Manufacturing	4.6	0.0	4.6	59.3	(54.7)	34.2	0.1	34.1
Indonesia	30.5	33.6	(3.2)	12.0	18.5	18.5	29.7	(11.2)
<b>Group EBITDA</b>	<b>162</b>	<b>14</b>	<b>&gt;100</b>	<b>126</b>	<b>28.9</b>	<b>378</b>	<b>125</b>	<b>&gt;100</b>
Logistics & distribution	51	1	>100	4	>100	95	62	52.9
Manufacturing (incl. unallocated corp. costs)	87	0	>100	106	(18.0)	227	24	>100
Indonesia	3	-1	nm	7	(55.0)	20	15	37.4
<b>EBITDA margin</b>	<b>22.8</b>	<b>2.3</b>	<b>20.5</b>	<b>5.9</b>	<b>16.9</b>	<b>7.9</b>	<b>4.6</b>	<b>3.2</b>
Logistics & distribution	10.9	0.3	10.7	0.7	10.2	4.2	3.2	0.9
Manufacturing (incl. unallocated corp. costs)	266.0	1.0	265.0	8.4	257.7	13.8	1,112.4	(1,098.6)
Indonesia	1.5	(0.6)	2.1	2.8	(1.3)	2.3	1.8	0.4
<b>Group PAT</b>	<b>85</b>	<b>-6</b>	<b>nm</b>	<b>50</b>	<b>71.5</b>	<b>172</b>	<b>27</b>	<b>&gt;100</b>
Logistics & distribution	37	-2	nm	-7	nm	52	27	90.5
Manufacturing (incl. unallocated corp. costs)	49	0	>100	56	(11.5)	122	7	>100
Indonesia	-1	-5	(73.2)	1	nm	-1	-8	(83.8)
<b>PAT margin</b>	<b>12.0</b>	<b>(1.0)</b>	<b>13.0</b>	<b>2.3</b>	<b>9.7</b>	<b>3.6</b>	<b>1.0</b>	<b>2.6</b>
Logistics & distribution	8.0	(0.5)	8.5	(1.1)	9.2	2.3	1.4	0.9
Manufacturing (incl. unallocated corp. costs)	151.0	205.7	(54.7)	4.4	146.6	7.4	343.7	(336.3)
Indonesia	(0.7)	(2.5)	1.9	0.5	(1.1)	(0.2)	(1.0)	0.9

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 3: Our revised assumptions for the supply of filled-and-finished Sinovac Covid-19 vaccine in FY22F**

FYE 31 Dec (RM m)	FY22F	Basis
Average selling price (RM)	60	Implied based on 4Q21 external manufacturing revenue & sales volume
Sales volume (m doses)	4.5	Assume remaining 4.5m doses left in stock are depleted
<b>Revenue contribution</b>	<b>270</b>	
PBT margin assumption	12%	
<b>Potential PBT contribution</b>	<b>32</b>	
PAT margin assumption	9%	
<b>Potential PAT contribution</b>	<b>24</b>	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 4: Earnings revisions**

FYE 31 Dec (RM m)	FY21	New		Old		% change	
		FY22F	FY23F	FY22F	FY23F	FY22F	FY23F
Revenue	4,815	3,605	3,483	3,431	3,342	5.1	4.2
<i>Chg yoy (%)</i>	76.7	(25.1)	(3.4)	(28.7)	(2.6)		
Logistics & distribution	2,276	2,413	2,533	2,325	2,395	3.8	5.8
Manufacturing	1,646	272	3	188	3	44.6	4.8
Indonesia	893	920	947	917	945	0.3	0.3
Operating costs	-4,437	-3,399	-3,316	-3,271	-3,176	3.9	4.4
Other income	1	1	1	1	1	14.5	14.5
<b>EBITDA</b>	<b>379</b>	<b>207</b>	<b>169</b>	<b>161</b>	<b>167</b>	<b>28.2</b>	<b>0.7</b>
<i>Chg yoy (%)</i>	200.3	(45.5)	(18.4)	(57.5)	3.8		
<i>EBITDA margin (%)</i>	7.9	5.7	4.8	4.7	5.0		
Depn & amort.	-33	-34	-34	-32	-32	5.3	6.1
<b>EBIT</b>	<b>346</b>	<b>173</b>	<b>135</b>	<b>130</b>	<b>136</b>	<b>33.8</b>	<b>(0.5)</b>
Net interest expense	-32	-51	-51	-42	-43	21.9	17.9
Others	-37	0	0	0	0	nm	nm
<b>Pretax profit</b>	<b>277</b>	<b>123</b>	<b>84</b>	<b>88</b>	<b>92</b>	<b>39.4</b>	<b>(9.1)</b>
Tax	-105	-33	-22	-23	-25	39.4	(9.1)
Net profit	172	90	62	66	69	36.7	(10.8)
<i>Chg yoy (%)</i>	526.3	(47.7)	(31.5)	(61.8)	5.0		
<b>Core net profit</b>	<b>200</b>	<b>90</b>	<b>62</b>	<b>66</b>	<b>69</b>	<b>36.7</b>	<b>(10.8)</b>
<i>Chg yoy (%)</i>	330.2	(55.1)	(31.5)	(67.1)	5.0		
EPS (sen)	13.1	6.9	4.7	5.0	5.3	36.7	(10.8)
<i>Chg yoy (%)</i>	525.3	(47.7)	(31.5)	(61.8)	5.0		
<b>Core EPS (sen)</b>	<b>15.3</b>	<b>6.9</b>	<b>4.7</b>	<b>5.0</b>	<b>5.3</b>	<b>36.7</b>	<b>(10.8)</b>
<i>Chg yoy (%)</i>	329.5	(55.1)	(31.5)	(67.1)	5.0		
DPS (sen)	9.3	4.8	3.3	3.5	3.7	36.7	(10.8)
Net gearing ratio (x)	1.78	1.67	1.61	1.41	1.28		
Cash capex	30	30	30	25	25	20.0	20.0

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 5: Our revised TP of RM0.90 for PHRM is based on 19x CY23F P/E (roughly 1 s.d. above 5-year mean)**

FYE 31 Dec (RM m)	Value	Remarks
FY23F core net profit (RM m)	62	
CY23F P/E multiple (x)	19.0	Based on roughly 1 s.d. above 5-year mean
Equity value (RM m)	1,171	
No. of shares (m)	1,309	
Fair value per share (RM)	0.89	
Target price (RM)	0.90	Rounded to the nearest 5 sen

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, BLOOMBERG

**Figure 6: PHRM's 1-year forward P/E trading band**



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, BLOOMBERG

Figure 7: ASEAN healthcare sector comparisons

Company	Bloomberg Ticker	Recom.	Share price (local curr.)	Target price	Market cap (US\$ m)	P/E (x)		EV/EBITDA (x)		3-year CAGR (%)		Dvd yield (%)		ROE (%)		P/B (x)	
						FY21F	FY22F	FY21F	FY22F	EPS	EBITDA	FY21F	FY22F	FY21F	FY22F	FY21F	FY22F
Duopharma Biotech	DBB MK	HOLD	1.61	1.60	362	21.1	17.7	13.8	11.9	4.5	8.3	1.4	4.0	11.4	13.4	2.4	2.3
Pharmaniaga	PHRM MK	ADD	0.76	0.90	238	5.0	11.1	4.8	8.8	9.8	10.1	12.2	6.3	50.8	19.4	2.2	2.1
IHH Healthcare	IHH MK	ADD	6.59	8.30	13,847	37.9	36.9	15.8	14.8	35.3	20.3	1.1	1.1	6.3	6.2	2.3	2.2
KPJ Healthcare	KPJ MK	HOLD	1.09	1.05	1,129	99.9	38.0	12.2	10.3	2.5	6.1	0.9	1.1	2.3	5.9	2.3	2.2
<b>Malaysia overall healthcare average (ex-outliers)</b>						<b>21.3</b>	<b>25.9</b>	<b>11.7</b>	<b>11.5</b>	<b>13.0</b>	<b>11.2</b>	<b>3.9</b>	<b>3.1</b>	<b>17.7</b>	<b>11.2</b>	<b>2.3</b>	<b>2.2</b>
<b>Malaysia hospital average (ex-outliers)</b>						<b>37.9</b>	<b>37.5</b>	<b>14.0</b>	<b>12.6</b>	<b>18.9</b>	<b>13.2</b>	<b>1.0</b>	<b>1.1</b>	<b>4.3</b>	<b>6.0</b>	<b>2.3</b>	<b>2.2</b>
<b>Malaysia pharmaceutical average (ex-outliers)</b>						<b>13.0</b>	<b>14.4</b>	<b>9.3</b>	<b>10.4</b>	<b>7.1</b>	<b>9.2</b>	<b>6.8</b>	<b>5.1</b>	<b>31.1</b>	<b>16.4</b>	<b>2.3</b>	<b>2.2</b>
Raffles Medical Group	RFMD SP	HOLD	1.29	1.44	1,796	30.3	28.4	16.2	14.9	27.4	8.2	2.1	2.1	8.7	9.0	2.6	2.5
<b>Singapore healthcare average (ex-outliers)</b>						<b>30.3</b>	<b>28.4</b>	<b>16.2</b>	<b>14.9</b>	<b>27.4</b>	<b>8.2</b>	<b>2.1</b>	<b>2.1</b>	<b>8.7</b>	<b>9.0</b>	<b>2.6</b>	<b>2.5</b>
Bumrungrad Hospital	BH TB	HOLD	156.00	155.00	3,858	124.8	92.3	53.0	45.7	14.0	11.4	2.1	2.1	5.6	8.2	7.3	7.9
Bangkok Dusit Med Service	BDMS TB	ADD	23.30	27.00	11,523	52.2	39.9	24.6	20.7	19.6	11.8	2.4	2.4	8.1	10.7	4.3	4.3
Bangkok Chain Hospital	BCH TB	ADD	18.40	24.50	1,428	7.8	23.8	5.6	14.3	12.4	7.5	6.4	2.1	70.5	18.7	4.7	4.3
Chularat Hospital	CHG TB	ADD	3.20	4.45	1,095	10.4	21.1	7.9	16.1	20.9	10.5	1.9	7.5	62.7	26.5	5.2	6.1
Ramkhamhaeng Hospital	RAM TB	ADD	33.50	48.80	1,251	11.5	18.2	8.7	13.8	41.9	40.8	2.1	2.1	26.0	14.4	2.7	2.5
Praram 9 Hospital	PR9 TB	ADD	11.20	12.70	274	35.3	30.8	12.7	11.7	16.2	15.4	1.3	1.3	6.0	6.5	2.1	2.0
Mega Lifesciences	MEGA TB	ADD	43.50	57.00	1,180	21.4	20.3	16.1	14.8	12.5	10.1	2.5	2.7	24.2	23.0	4.9	4.4
<b>Thailand healthcare average (ex-outliers)</b>						<b>30.1</b>	<b>25.7</b>	<b>15.5</b>	<b>15.3</b>	<b>19.6</b>	<b>15.3</b>	<b>2.7</b>	<b>2.9</b>	<b>14.0</b>	<b>15.4</b>	<b>4.5</b>	<b>4.5</b>
Mitra Keluarga Karyasehat	MIKA IJ	HOLD	2,250	2,300	2,237	29.4	31.1	18.2	19.2	11.2	13.3	1.6	1.5	21.0	17.9	5.8	5.3
Siloam International Hospitals	SILO IJ	ADD	7,925	12,300	899	20.3	18.8	6.1	5.8	94.0	22.2	1.8	2.0	10.3	10.4	2.0	1.9
Medikaloka Hermina	HEAL IJ	HOLD	1,090	1,100	1,133	18.9	22.1	9.6	11.0	23.9	14.3	0.5	1.4	29.7	21.0	5.0	4.3
Kalbe Farma	KLBF IJ	ADD	1,600	1,950	5,235	24.1	21.5	15.6	14.0	11.3	9.4	1.8	2.0	17.0	17.2	3.9	3.5
<b>Indonesia healthcare average (ex-outliers)</b>						<b>23.1</b>	<b>23.4</b>	<b>12.4</b>	<b>12.5</b>	<b>35.1</b>	<b>14.8</b>	<b>1.4</b>	<b>1.7</b>	<b>19.5</b>	<b>16.6</b>	<b>4.2</b>	<b>3.8</b>
<b>ASEAN hospital average (ex-outliers)</b>						<b>29.5</b>	<b>28.1</b>	<b>13.8</b>	<b>13.9</b>	<b>26.6</b>	<b>15.1</b>	<b>2.0</b>	<b>2.2</b>	<b>12.4</b>	<b>13.0</b>	<b>3.9</b>	<b>3.8</b>
<b>ASEAN pharmaceutical average (ex-outliers)</b>						<b>17.9</b>	<b>17.6</b>	<b>12.6</b>	<b>12.4</b>	<b>9.5</b>	<b>9.5</b>	<b>4.5</b>	<b>3.7</b>	<b>25.8</b>	<b>18.3</b>	<b>3.4</b>	<b>3.1</b>

Note: Share prices as of 17 Feb 2021, EPS & EBITDA CAGR are for FY20-23F  
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, BLOOMBERG



## ESG in a nutshell

Pharmaniaga's (PHRM) sustainability report is prepared in line with Bursa Malaysia's Sustainability Reporting Guide and also in accordance with the Global Reporting Initiative (GRI). The Sustainability Management Committee is responsible for identifying the group's materiality matters and monitors performance of initiatives, helmed by the chairman and assisted by the group's head of sustainability. PHRM has set out a new Sustainability Roadmap 2021-25, having completed its 2016-20 Sustainability Roadmap, with a focus on integrating sustainability in business strategy and linking sustainability targets with executive remuneration, among other things. Material matters include: product quality, safety and accessibility, material and waste management as well as occupational health and safety.

### Keep your eye on

Due to the highly regulated nature of pharmaceutical products, product compliance, safety and efficacy are crucial matters for PHRM. PHRM is subject to at least six acts and has to meet all criteria contained therein to qualify for the annual renewal of its Manufacturing, Wholesale, Import and Pharmacist Type A Poison Licences.

### Implications

Quality assurance is applied across its value chain from research & development (R&D) to procurement while it actively adheres to all the relevant standards and certifications. All its products are tested rigorously before being made available to the market.

### ESG highlights

PHRM is ranked in the top 26-50% by ESG ratings among public listed companies in the FBM EMAS index that have been assessed by FTSE Russell.

### Implications

We do not see any clear empirical correlation between high ESG rankings and share price performance.

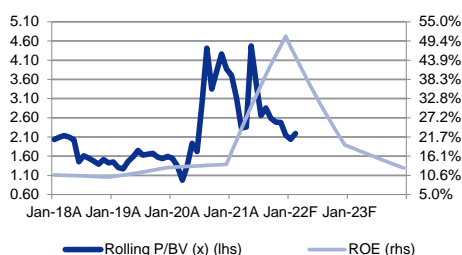
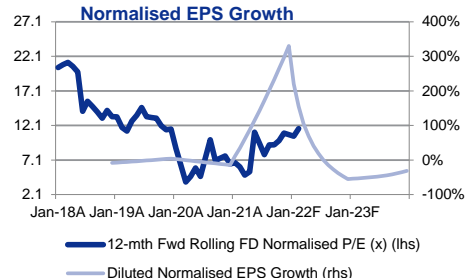
### Trends

Total energy consumption and energy intensity declined by 3.8% and 1.1% yoy, respectively, in 2020.

### Implications

The decline in energy usage arose from the group's energy saving measures implemented across its manufacturing and logistics operations. Non-renewable energy consumed by PHRM in 2020 comprised 67.8% of its total energy consumption. It has installed solar panels at its manufacturing facility to offset non-renewable energy usage.

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, BURSA MALAYSIA, FTSE RUSSELL

**BY THE NUMBERS**
**P/BV vs ROE**

**12-mth Fwd FD Normalised P/E vs FD Normalised EPS Growth**

**Profit & Loss**

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>Total Net Revenues</b>	<b>2,725</b>	<b>4,815</b>	<b>3,605</b>	<b>3,483</b>	<b>3,613</b>
<b>Gross Profit</b>	<b>309</b>	<b>644</b>	<b>412</b>	<b>381</b>	<b>396</b>
<b>Operating EBITDA</b>	<b>126</b>	<b>379</b>	<b>207</b>	<b>169</b>	<b>175</b>
Depreciation And Amortisation	-32	-33	-34	-34	-34
<b>Operating EBIT</b>	<b>94</b>	<b>346</b>	<b>173</b>	<b>135</b>	<b>141</b>
Financial Income/(Expense)	-33	-32	-51	-51	-50
Pretax Income/(Loss) from Assoc.	0	0	0	0	0
Non-Operating Income/(Expense)	-1	1	0	0	0
<b>Profit Before Tax (pre-EI)</b>	<b>60</b>	<b>315</b>	<b>123</b>	<b>84</b>	<b>91</b>
Exceptional Items	-24	-38	0	0	0
<b>Pre-tax Profit</b>	<b>36</b>	<b>277</b>	<b>123</b>	<b>84</b>	<b>91</b>
Taxation	-10	-105	-33	-22	-24
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>26</b>	<b>172</b>	<b>90</b>	<b>62</b>	<b>67</b>
Minority Interests	1	-0	-0	-0	-0
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Preference Dividends (Australia)					
<b>Net Profit</b>	<b>27</b>	<b>172</b>	<b>90</b>	<b>62</b>	<b>67</b>
Normalised Net Profit	45	200	90	62	67
<b>Fully Diluted Normalised Profit</b>	<b>47</b>	<b>200</b>	<b>90</b>	<b>62</b>	<b>67</b>

**Cash Flow**

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>EBITDA</b>	<b>126.3</b>	<b>379.2</b>	<b>206.8</b>	<b>168.7</b>	<b>175.0</b>
Cash Flow from Inv. & Assoc.					
Change In Working Capital	(101.0)	(344.2)	0.0	0.0	0.0
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	(3.6)	(0.2)	0.0	0.0	0.0
Net Interest (Paid)/Received	(37.9)	(31.1)	(50.5)	(50.8)	(50.2)
Tax Paid	(5.5)	(63.9)	(32.6)	(22.4)	(24.2)
<b>Cashflow From Operations</b>	<b>(21.8)</b>	<b>(60.1)</b>	<b>123.7</b>	<b>95.6</b>	<b>100.7</b>
Capex	(9.3)	(30.4)	(30.0)	(30.0)	(30.0)
Disposals Of FAs/subsidiaries	0.0	0.2	0.0	0.0	0.0
Acq. Of Subsidiaries/investments	0.0	0.0	0.0	0.0	0.0
Other Investing Cashflow	(23.4)	(15.4)	0.0	0.0	0.0
<b>Cash Flow From Investing</b>	<b>(32.6)</b>	<b>(45.6)</b>	<b>(30.0)</b>	<b>(30.0)</b>	<b>(30.0)</b>
Debt Raised/(repaid)	108.4	182.1	30.0	(10.0)	(10.0)
Proceeds From Issue Of Shares	0.0	0.0	0.0	0.0	0.0
Shares Repurchased					
Dividends Paid	(26.1)	(58.9)	(85.1)	(63.0)	(43.2)
Preferred Dividends					
Other Financing Cashflow	(10.7)	(2.5)	(0.0)	(0.0)	(0.0)
<b>Cash Flow From Financing</b>	<b>71.5</b>	<b>120.7</b>	<b>(55.2)</b>	<b>(73.0)</b>	<b>(53.2)</b>
Total Cash Generated	17.1	15.0	38.5	(7.5)	17.5
<b>Free Cashflow To Equity</b>	<b>53.9</b>	<b>76.4</b>	<b>123.7</b>	<b>55.6</b>	<b>60.7</b>
<b>Free Cashflow To Firm</b>	<b>(15.9)</b>	<b>(73.1)</b>	<b>145.9</b>	<b>118.4</b>	<b>122.9</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	41	52	87	76	89
Total Debtors	288	298	904	363	951
Inventories	587	1,264	864	1,204	941
Total Other Current Assets	11	7	7	7	7
<b>Total Current Assets</b>	<b>926</b>	<b>1,621</b>	<b>1,862</b>	<b>1,649</b>	<b>1,988</b>
Fixed Assets	366	365	371	376	381
Total Investments	0	0	0	0	0
Intangible Assets	205	208	202	197	192
Total Other Non-Current Assets	83	64	64	64	64
<b>Total Non-current Assets</b>	<b>654</b>	<b>637</b>	<b>637</b>	<b>637</b>	<b>637</b>
Short-term Debt	669	570	600	590	580
Current Portion of Long-Term Debt					
Total Creditors	515	858	966	806	1,032
Other Current Liabilities	9	39	29	28	28
<b>Total Current Liabilities</b>	<b>1,194</b>	<b>1,468</b>	<b>1,596</b>	<b>1,424</b>	<b>1,640</b>
Total Long-term Debt	0	285	285	285	285
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	31	34	121	61	164
<b>Total Non-current Liabilities</b>	<b>31</b>	<b>320</b>	<b>406</b>	<b>346</b>	<b>449</b>
Total Provisions	0	0	0	0	0
<b>Total Liabilities</b>	<b>1,225</b>	<b>1,787</b>	<b>2,002</b>	<b>1,770</b>	<b>2,090</b>
Shareholders' Equity	338	450	477	496	516
Minority Interests	17	20	20	20	20
<b>Total Equity</b>	<b>355</b>	<b>470</b>	<b>497</b>	<b>516</b>	<b>536</b>

**Key Ratios**

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	(3.4%)	76.7%	(25.1%)	(3.4%)	3.7%
Operating EBITDA Growth	(16%)	200%	(45%)	(18%)	4%
Operating EBITDA Margin	4.63%	7.88%	5.74%	4.84%	4.84%
Net Cash Per Share (RM)	-0.48	-0.61	-0.61	-0.61	-0.59
BVPS (RM)	0.26	0.34	0.36	0.38	0.39
Gross Interest Cover	2.79	10.38	3.31	2.55	2.69
Effective Tax Rate	26.6%	37.8%	26.6%	26.6%	26.6%
Net Dividend Payout Ratio	61.8%	60.8%	70.0%	70.0%	70.0%
Accounts Receivables Days	37.27	22.20	60.83	66.36	66.55
Inventory Days	91.2	81.0	121.7	121.7	122.0
Accounts Payables Days	86.5	60.1	104.3	104.3	104.6
ROIC (%)	7.7%	25.9%	10.1%	7.2%	7.8%
ROCE (%)	9.7%	29.6%	12.9%	9.9%	10.3%
Return On Average Assets	4.4%	11.7%	5.4%	4.2%	4.3%

**Key Drivers**

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Logistics & distribution revenue (RM m)	1,913.1	2,276.2	2,412.8	2,533.4	2,634.7
Manufacturing revenue (RM m)	2.2	1,645.7	272.5	2.6	2.7
Indonesia revenue (RM m)	809.8	893.1	919.9	947.5	975.9
Logistics & distribution sales mix (%)	70.2%	47.3%	66.9%	72.7%	72.9%
Manufacturing sales mix (%)	0.1%	34.2%	7.6%	0.1%	0.1%
Indonesia sales mix (%)	29.7%	18.5%	25.5%	27.2%	27.0%

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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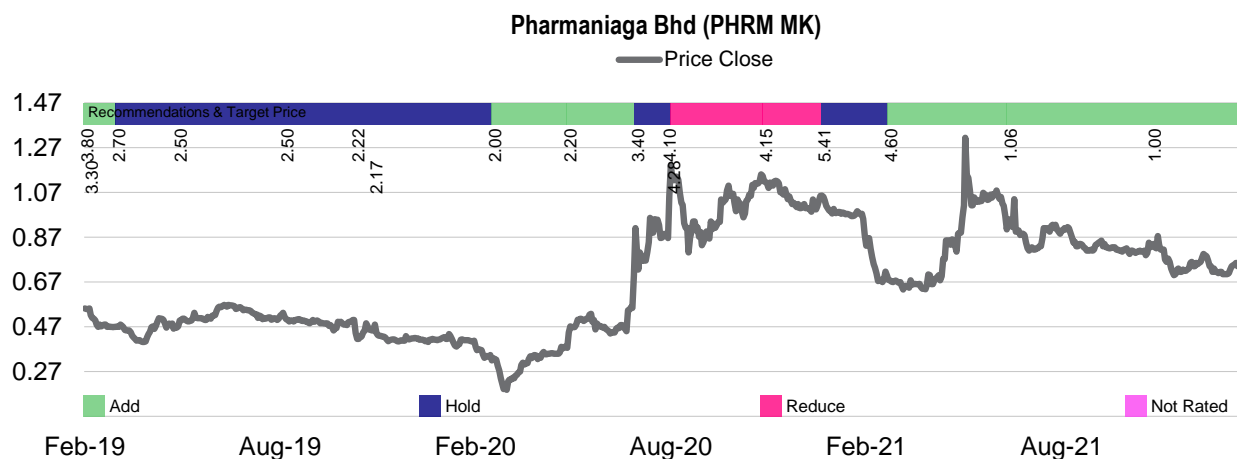
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Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2021		
619 companies under coverage for quarter ended on 31 December 2021		
	Rating Distribution (%)	Investment Banking clients (%)
Add	71.1%	1.5%
Hold	21.8%	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)

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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.

