

## Singapore

**ADD** (no change)

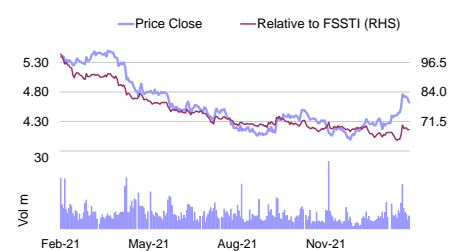
Consensus ratings\*: Buy 13 Hold 0 Sell 0

Current price:	S\$4.62
Target price:	S\$5.69
Previous target:	S\$6.15
Up/downside:	23.2%
CGS-CIMB / Consensus:	-5.7%
Reuters:	WLIL.SI
Bloomberg:	WIL SP
Market cap:	US\$21,614m S\$29,086m
Average daily turnover:	US\$16.45m S\$22.28m
Current shares o/s:	6,403m
Free float:	31.0%

\*Source: Bloomberg

**Key changes in this note**

- FY22-FY23F net profit raised by 1-7% to reflect higher CPO prices and refining profit assumptions.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	6.2	7.2	-16.2
Relative (%)	3	2.1	-34.2

Major shareholders	% held
PPB Group & Kuok group	33.9
Archer Daniels Midland	22.3
Kuok Khoo Hong	12.8

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# Wilmar International

## A record-breaking net profit for FY21

- Wilmar's final FY21 core net profit beat expectations, thanks to higher CPO prices and refining margins. However, final dividend was broadly in line.
- We project FY22F core net profit to fall 3% due to weaker crush margins.
- Reiterate Add, but with a lower TP of S\$5.69. We like Wilmar due to its attractive valuations and plans to unlock its value for shareholders.

### Final results above expectation thanks to higher refining margin

Wilmar posted a 31% yoy rise in its 2H21 core net profit to US\$1.1bn, driven by good processing margins as well as higher palm oil and sugar prices. This brought FY21 core net profit to a record high of US\$1.84bn (+24% yoy), above our and Bloomberg consensus estimates by 16% and 5%, respectively. The better-than-expected 2H earnings were driven by stronger-than-expected refining margin and CPO prices which more than offset the weaker results from its food products and associates. 90%-owned YKA posted a 31% yoy fall in net profit to US\$647m (34% of Wilmar's FY21 net profit). The record core net profit of RM1.84bn achieved in FY21 is 49% higher than its historical 10-year average net profit of RM1.23bn. A final dividend of S\$0.105 was declared, bringing full-year dividend to S\$0.155, broadly in line with expectations.

### Integrated business model delivers record earnings

Wilmar posted a 24% rise in core net profit in FY21, driven by higher downstream margins and CPO prices. The feed and industrial segment (tropical oils, oilseeds and grains and sugar) pretax profit grew 58% in FY21, thanks to higher processing margins and stronger demand for tropical oils products but this was partially offset by thin soybean crushing margins. The group's plantation and sugar milling pretax profit jumped more than fivefold to US\$564m in FY21 due to higher CPO and sugar prices. However, these were partially offset by the 41% decline in PBT from its food products segment due to the time lag in passing on rising raw material costs to the selling prices of its consumer products.

### Mixed signals for 2022F earnings

We are positive on Wilmar's upstream palm oil business as it benefits from high CPO prices. Its mid-to-downstream palm business could benefit from the higher volatility in commodity prices if it continues to execute timely purchase of raw materials. However, the food products segment could be affected by higher raw material prices, slower demand growth and government regulations to limit price hikes on essential food items. On top of this, the group expects soybean crushing to be challenging in view of high soybean prices and poor hog farming margins in China. We raise our earnings forecasts for FY22 to reflect higher CPO price and processing margins. Our SOP-based TP is cut to S\$5.69, after we revised it to reflect the market capitalisation of YKA and Adani Wilmar. The implied FY22F P/E at our revised TP is 15x. Maintain Add as Wilmar offers attractive FY22F P/E valuation of 12.3x and dividend yield of 3.6% for FY22F; these could re-rate its stock. Key downside risks: inability to pass on rising costs and lower processing margin.

**Financial Summary**

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (US\$m)	50,527	65,794	65,969	60,314	59,767
Operating EBITDA (US\$m)	3,390	3,931	3,958	4,027	4,235
Net Profit (US\$m)	1,534	1,869	1,791	1,797	1,950
Core EPS (US\$)	0.23	0.29	0.28	0.28	0.30
Core EPS Growth	16.6%	23.9%	(2.8%)	0.3%	8.5%
FD Core P/E (x)	14.79	11.93	12.28	12.24	11.27
DPS (US\$)	0.14	0.11	0.13	0.13	0.14
Dividend Yield	4.20%	3.27%	3.67%	3.68%	3.99%
EV/EBITDA (x)	11.23	11.09	11.18	10.57	9.93
P/FCFE (x)	15.61	27.90	7.10	15.65	54.86
Net Gearing	79.2%	99.3%	97.3%	86.4%	80.4%
P/BV (x)	1.16	1.10	1.05	1.00	0.96
ROE	8.34%	9.49%	8.77%	8.39%	8.69%
% Change In Core EPS Estimates			7.10%	0.25%	
CGS-CIMB/Consensus EPS (x)			1.00	0.93	0.85

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## A record-breaking net profit for FY21

**Figure 1: Results comparison**

FYE Dec (US\$ m)	2H		yoy % chg	2HFY21		yoy % chg	Prev. FY21F	Comments
	FY21	FY20		cum	cum			
Revenue	36,259	27,869	30	65,794	50,527	30	57,126	Higher revenue from higher commodity prices and food products sales volumes
Operating costs	(34,132)	(25,902)	32	(61,906)	(47,186)	31	(53,063)	Higher operating costs rose in tandem with higher raw material prices
EBITDA	2,127	1,967	8	3,888	3,341	16	4,063	Higher yoy EBITDA driven by better results from all except food products segment
EBITDA margin (%)	6	7	-17	6	7	(11)	7.1	
Depn & amort.	(593)	(564)	5	(1,147)	(1,058)	8	(1,087)	Higher yoy depreciation
EBIT	1,535	1,403	9	2,741	2,283	20	2,975	Higher contribution from all segments except food products
Interest expense	(316)	(250)	26	(588)	(651)	(10)	(956)	Weaker interest expenses in line with decreasing interest rates globally
Interest & invt inc	175	183	-5	335	420	(20)	267	Weaker yoy interest income from lower deposit rates
Associates' contrib	80	118	-32	219	202	9	212	Mainly owing to strong contribution from Africa
Exceptionals	77	33	>100	58	58	1	-	Mainly investment income from investment securities and fair value gains in bio assets
<b>Pretax profit</b>	<b>1,550</b>	<b>1,487</b>	<b>4</b>	<b>2,766</b>	<b>2,311</b>	<b>20</b>	<b>2,499</b>	<b>Above, making up 111% of our full year forecasts</b>
Tax	(350)	(444)	-21	(700)	(620)	13	(625)	Higher-than-expected tax expenses due to higher profits recorded in higher tax
Tax rate (%)	23	30	-25	25	27	(6)	25	jurisdictions
Minority interests	(61)	(119)	-49	(176)	(157)	12	(281)	Higher profit attributable to minority interests resulting from the 10% dilution of YKA
<b>Net profit</b>	<b>1,139</b>	<b>924</b>	<b>23</b>	<b>1,890</b>	<b>1,534</b>	<b>23</b>	<b>1,593</b>	<b>Above, making up 119% of our full year forecasts</b>
<b>Core net profit</b>	<b>1,110</b>	<b>851</b>	<b>31</b>	<b>1,842</b>	<b>1,486</b>	<b>24</b>	<b>1,593</b>	<b>Above, making up 116% of our full year forecasts owing to higher contribution from plantation and sugar milling and feed and industrial segment</b>
EPS (US\$ cent)	18.0	14.6	23	29.9	24.2	23	24.9	
Core EPS (US\$ cent)	17.5	13.4	31	29.1	23.5	24	24.9	

SOURCE: CGS-CIMB RESEARCH, COMPANY

**Figure 2: Results comparison (US\$ m)**

FYE Dec (US\$ m)	4Q		yoy % chg	qoq % chg	4QFY21		yoy % chg
	FY21	FY20			cum	cum	
Revenue	19,124	14,552	31	12	65,794	50,527	30
Operating costs	(18,260)	(13,787)	32	14	(61,906)	(47,186)	31
EBITDA	864	764	13	(24)	3,888	3,341	16
EBITDA margin (%)	5	5	(14)	(32)	6	7	(11)
<b>Net profit</b>	<b>571</b>	<b>387</b>	<b>47</b>	<b>0</b>	<b>1,890</b>	<b>1,534</b>	<b>23</b>
<b>Core net profit</b>	<b>534</b>	<b>349</b>	<b>53</b>	<b>(7)</b>	<b>1,842</b>	<b>1,486</b>	<b>24</b>
<b>Core net profit*</b>	<b>534</b>	<b>349</b>	<b>53</b>	<b>(7)</b>	<b>1,842</b>	<b>1,486</b>	<b>24</b>
EPS (US\$ cent)	9.0	6.1	47	0	29.9	24.2	23
Core EPS (US\$ cent)	8.4	5.5	53	(7)	29.1	23.5	24

SOURCE: CGS-CIMB RESEARCH, COMPANY

**Figure 3: Pre-tax profit breakdown (US\$ m)**

FYE Dec (US\$ m)	2H		yoy % chg	hoh% chg	2HFY21		yoy % chg
	FY21	FY20			cum	cum	
Food Products	253	657	(62)	(41)	681	1,152	-41
Feed and Industrial Products	782	425	84	63	1,261	796	58
Plantation and Sugar Milling	400	188	>100	>100	564	105	>100
Others	38	101	(62)	>100	47	59	-20
Share of results of associates	80	118	(32)	(42)	220	202	9
Unallocated expenses	(3)	(3)	30	(8)	-7	-3	100
<b>Total profit before tax</b>	<b>1,550</b>	<b>1,487</b>	<b>4</b>	<b>28</b>	<b>2,766</b>	<b>2,311</b>	<b>20</b>

SOURCE: CGS-CIMB RESEARCH, COMPANY

**Figure 4: Revenue breakdown (US\$ m)**

FY End Dec US\$ m	2H		yoy % chg	hoh% chg	2HFY21		yoy % chg
	FY21	FY20			cum	cum	
<b>Food Products</b>							
- Consumer products	6,454	5,864	10	13	12,172	11,168	9
- Medium Pack and Bulk	9,409	7,355	28	19	17,337	12,429	39
<b>Feed and Industrial products</b>							
- Tropical oils	13,709	8,716	57	30	24,219	16,240	49
- Oilseeds and grains	5,184	4,585	13	28	9,243	8,131	14
- Sugar	2,837	2,714	5	9	5,433	4,562	19
<b>Plantation and Sugar Milling</b>							
- Oil Palm Plantation	1,417	653	>100	39	2,435	1,138	>100
- Sugar Milling	788	560	41	84	1,216	1,017	20
<b>Others</b>	162	424	(62)	18	298	781	(62)
<b>Eliminations</b>	<b>(3,700)</b>	<b>(3,002)</b>	<b>23</b>	<b>29</b>	<b>(6,558)</b>	<b>(4,937)</b>	<b>33</b>
<b>Total Revenue</b>	<b>36,259</b>	<b>27,869</b>	<b>30</b>	<b>23</b>	<b>65,794</b>	<b>50,527</b>	<b>30</b>

SOURCE: CGS-CIMB RESEARCH, COMPANY

**Figure 5: Sales volumes ('000 tonnes)**

FY End Dec	4Q	4Q	yoy %	qoq %	4QFY21	4QFY20	yoy %
'000 tonnes	FY21	FY20	chg	chg	cum	cum	chg
<b>Food Products</b>							
- Consumer Products	2,205	2,243	(1.7)	(1)	8,539	9,423	(9)
- Medium Pack and Bulk	5,276	5,292	(0.3)	1	19,726	17,794	11
<b>Feed and Industrial Products</b>							
- Tropical Oils	5,964	5,909	1	2	22,808	22,226	3
- Oilseeds and Grains	6,133	5,580	10	23	20,199	22,071	(8)
- Sugar	3,140	3,795	(17)	16	11,987	13,787	(13)
<b>Total</b>	<b>22,718</b>	<b>22,819</b>	<b>(0)</b>	<b>8</b>	<b>86,559</b>	<b>88,828</b>	<b>(3)</b>

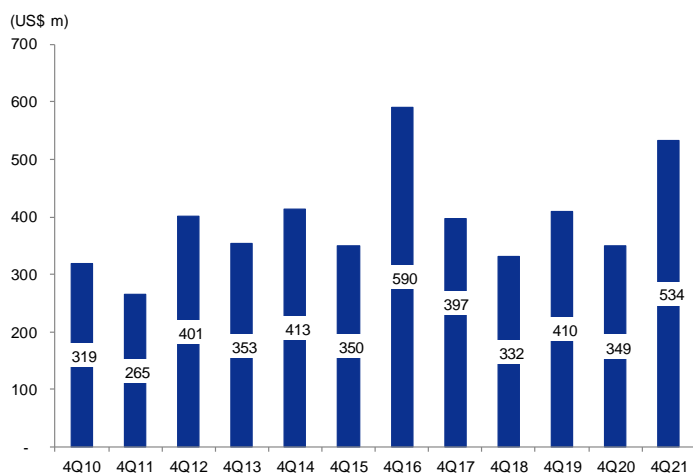
SOURCE: CGS-CIMB RESEARCH, COMPANY

**Figure 6: Pre-tax profit per tonne (US\$)**

FY End Dec	2H	2H	yoy %	hoh%	2HFY21	2HFY20	yoy %
	FY21	FY20	chg	chg	cum	cum	chg
Food Products	17	44	(62)	(47)	24.1	42.3	(43)
Feed and Industrial Products	27	13	>100	48	22.9	13.7	67
Plantation and Sugar Milling	178	85	>100	15	170.9	29.7	>100

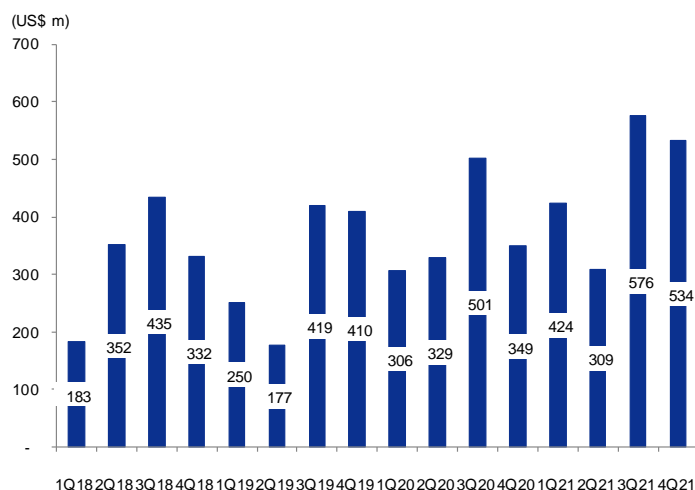
SOURCE: CGS-CIMB RESEARCH, COMPANY

**Figure 7: Historical 4Q core net profit**



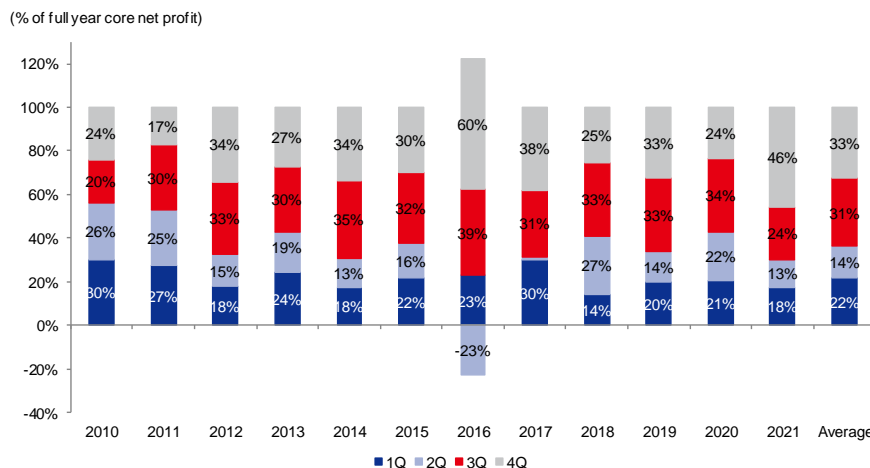
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 8: 4Q21 core net profit resilient, thanks to higher CPO price**



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 9: Historical earnings breakdown % by quarter**



SOURCE: CGS-CIMB RESEARCH, COMPANY

**Figure 10: Wilmar International SOP (US\$m)**

Companies	Stake	Valuations	Market value (US\$m)
Yihai Kerry Arawana	89%	Latest market price	43,085
Adani Wilmar	44%	Latest market price	2,337
Shree Renuka	62%	Latest market price	541
Palm and laurics (ex palm oil estates)	100%	1x NBV as at 31 Dec 2019	5,859
Palm oil estates	100%	EV/ha of US\$8k per planted ha	1,844
Sugar operations	100%	5x NBV as at 31 Dec 2019	261
Associates and jv (ex Adani Wilmar)		As at 31 Dec 2020	397
Net debt at company level		As at 31 Dec 2021	-308
<b>Total SOP</b>			<b>54,016</b>
Discount to SOP			-50.0%
<b>Total SOP (US\$m)</b>			<b>27,008</b>
No of shares (m)			6,403
Ex-rate from USD to SGD			1.35
<b>Target price for Wilmar (S\$)</b>			<b>5.69</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



## ESG in a nutshell

Wilmar is a member of the FTSE4Good Developed Index, FTSE4Good ASEAN 5 Index and Dow Jones Sustainability Indices (under Asia Pacific for the Food, Beverage and Tobacco industry grouping). We believe its entry into the global sustainability indices is a recognition of the group's strong ESG practices and transparency. Wilmar was also ranked number one in the 2021 assessment by the Sustainability Policy Transparency Toolkit (SPOTT) with a total score of 91.3% on ESG matters. Wilmar's scores by other external ESG assessors are as follows: (1) B for its ESG Combined Score by Refinitiv; (2) 3.7 for FTSE Russell ESG rating, (3) A for MSCI rating; (4) High Risk under Sustainalytics ESG Rating; and (5) 70 for S&P Global ESG score.

### Keep your eye on

In 2020, the US Customs and Border Protection issued a Withhold Release Order (WRO) against Sime Darby Plantation in Malaysia, based on information that reasonably indicated the presence of all 11 of the International Labour Organisation's forced labour indicators in Sime Darby's production process. This negatively affected sentiment on Malaysian palm oil players given concerns over their labour practices.

### Implications

There are concerns that this sentiment could spill over to Wilmar, which owns 59,700 ha of planted oil palm estates in Malaysia (26% of total planted area). Wilmar said it prohibits any form of forced, trafficked or bonded labour within its operations or supply chains. The group directly recruits workers in Indonesia and Malaysia for its palm oil operations and directly pays for all recruitment fees. The group uses recruitment agencies mainly to support their documentation process. This eliminates the risks of forced or bonded labour, which can happen via coercion or contract misrepresentation or through collecting recruitment fees from workers. We believe these measures will help reduce the risk of forced labour allegations at its operations.

### ESG highlights

In 2020, Wilmar made its debut on the Dow Jones Sustainability Index for Asia Pacific. Other sustainability milestones include ranking number 1 globally in SPOTT by Zoological Society of London, ranking first in the agriculture sector in the 2020 Corporate Human Rights Benchmark and scoring the highest in Asia in the 2020 KnowTheChain benchmark. The group is also the best performing company for protecting children's rights in the Global Child Forum. On 4 Jan 2022, Wilmar was upgraded from BBB to an A rating for its ESG performance assessment by MSCI.

### Implications

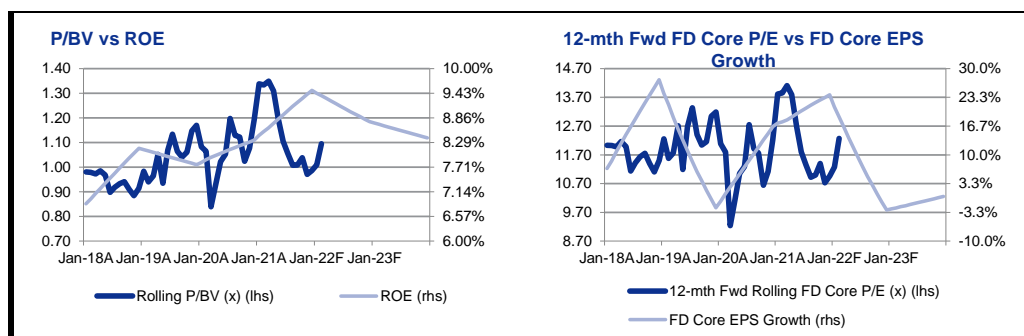
The group's inclusion into global sustainability indices and various accolades demonstrates that it is progressing in the right direction regarding its sustainability commitments and efforts.

### Trends

Its business segments focus on reducing reduce greenhouse gas (GHG) emissions through various initiatives. Wilmar has set a target to reduce its GHG emissions intensity by 15% for all its palm oil mills by 2023, against its 2016 baseline of 0.82 metric tonnes of CO<sub>2</sub>e. This target applies to all its mills in Indonesia, Malaysia, Ghana and Nigeria.

### Implications

We are optimistic about the group's commitment to progressively GHG emissions from its operations to manage climate-related transition risks.

**BY THE NUMBERS**

**Profit & Loss**

(US\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>Total Net Revenues</b>	<b>50,527</b>	<b>65,794</b>	<b>65,969</b>	<b>60,314</b>	<b>59,767</b>
<b>Gross Profit</b>	<b>5,598</b>	<b>7,191</b>	<b>7,210</b>	<b>6,592</b>	<b>6,532</b>
<b>Operating EBITDA</b>	<b>3,390</b>	<b>3,931</b>	<b>3,958</b>	<b>4,027</b>	<b>4,235</b>
Depreciation And Amortisation	-1,056	-1,143	-1,177	-1,213	-1,249
<b>Operating EBIT</b>	<b>2,334</b>	<b>2,788</b>	<b>2,780</b>	<b>2,814</b>	<b>2,986</b>
Financial Income/(Expense)	-231	-253	-387	-424	-382
Pretax Income/(Loss) from Assoc.	202	209	230	242	254
Non-Operating Income/(Expense)	0	0	0	0	0
<b>Profit Before Tax (pre-EI)</b>	<b>2,305</b>	<b>2,745</b>	<b>2,623</b>	<b>2,633</b>	<b>2,857</b>
Exceptional Items	6	0	0	0	0
<b>Pre-tax Profit</b>	<b>2,311</b>	<b>2,745</b>	<b>2,623</b>	<b>2,633</b>	<b>2,857</b>
Taxation	-620	-700	-656	-658	-714
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>1,691</b>	<b>2,045</b>	<b>1,968</b>	<b>1,974</b>	<b>2,143</b>
Minority Interests	-157	-176	-177	-178	-193
Preferred Dividends	0	0	0	0	0
FX Gain/(Loss) - post tax	0	0	0	0	0
Other Adjustments - post-tax	0	0	0	0	0
<b>Net Profit</b>	<b>1,534</b>	<b>1,869</b>	<b>1,791</b>	<b>1,797</b>	<b>1,950</b>
Recurring Net Profit	1,487	1,842	1,791	1,797	1,950
<b>Fully Diluted Recurring Net Profit</b>	<b>1,487</b>	<b>1,842</b>	<b>1,791</b>	<b>1,797</b>	<b>1,950</b>

**Cash Flow**

(US\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>EBITDA</b>	<b>3,390</b>	<b>3,931</b>	<b>3,958</b>	<b>4,027</b>	<b>4,235</b>
Cash Flow from Inv. & Assoc.	0	0	0	0	0
Change In Working Capital	160	-3,097	-618	1,659	463
(Incr)/Decr in Total Provisions	0	0	0	0	0
Other Non-Cash (Income)/Expense	0	0	0	0	0
Other Operating Cashflow	0	0	0	0	0
Net Interest (Paid)/Received	-231	-253	-387	-424	-382
Tax Paid	-620	-700	-656	-658	-714
<b>Cashflow From Operations</b>	<b>2,699</b>	<b>-119</b>	<b>2,297</b>	<b>4,604</b>	<b>3,601</b>
Capex	-1,200	-1,200	-1,200	-1,200	-1,200
Disposals Of FAs/subsidiaries	-45	53	0	0	-0
Acq. Of Subsidiaries/investments	-45	53	0	0	-0
Other Investing Cashflow	0	0	0	0	0
<b>Cash Flow From Investing</b>	<b>-1,290</b>	<b>-1,093</b>	<b>-1,200</b>	<b>-1,200</b>	<b>-1,200</b>
Debt Raised/(repaid)	0	2,000	2,000	-2,000	-2,000
Proceeds From Issue Of Shares	0	0	0	0	0
Shares Repurchased	0	0	0	0	0
Dividends Paid	-922	-720	-806	-809	-878
Preferred Dividends	0	0	0	0	0
Other Financing Cashflow	0	0	0	0	0
<b>Cash Flow From Financing</b>	<b>-922</b>	<b>1,280</b>	<b>1,194</b>	<b>-2,809</b>	<b>-2,878</b>
Total Cash Generated	486	68	2,291	596	-477
<b>Free Cashflow To Equity</b>	<b>1,408</b>	<b>788</b>	<b>3,097</b>	<b>1,404</b>	<b>401</b>
<b>Free Cashflow To Firm</b>	<b>2,060</b>	<b>-623</b>	<b>1,874</b>	<b>4,278</b>	<b>3,214</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

### Balance Sheet

(US\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Cash And Equivalents	6,215	6,668	7,984	7,568	6,043
Total Debtors	9,826	11,017	11,840	10,885	10,507
Inventories	9,436	11,739	11,770	10,761	10,663
Total Other Current Assets	2,446	2,391	2,391	2,391	2,391
<b>Total Current Assets</b>	<b>27,924</b>	<b>31,815</b>	<b>33,985</b>	<b>31,604</b>	<b>29,604</b>
Fixed Assets	12,774	14,192	15,192	16,192	17,192
Total Investments	3,350	3,507	3,737	3,979	4,233
Intangible Assets	5,446	5,394	5,394	5,394	5,394
Total Other Non-Current Assets	1,527	3,811	3,811	3,811	3,811
<b>Total Non-current Assets</b>	<b>23,096</b>	<b>26,903</b>	<b>28,134</b>	<b>29,376</b>	<b>30,630</b>
Short-term Debt	17,146	22,292	24,292	22,292	20,292
Current Portion of Long-Term Debt	0	0	0	0	0
Total Creditors	3,698	4,383	4,620	4,314	4,302
Other Current Liabilities	1,990	1,718	1,718	1,718	1,718
<b>Total Current Liabilities</b>	<b>22,833</b>	<b>28,393</b>	<b>30,630</b>	<b>28,324</b>	<b>26,312</b>
Total Long-term Debt	6,004	6,823	6,823	6,823	6,823
Hybrid Debt - Debt Component	0	0	0	0	0
Total Other Non-Current Liabilities	501	533	533	533	533
<b>Total Non-current Liabilities</b>	<b>6,505</b>	<b>7,355</b>	<b>7,355</b>	<b>7,355</b>	<b>7,355</b>
Total Provisions	299	368	368	368	368
<b>Total Liabilities</b>	<b>29,637</b>	<b>36,116</b>	<b>38,353</b>	<b>36,047</b>	<b>34,034</b>
Shareholders' Equity	18,882	19,924	20,910	21,899	22,972
Minority Interests	2,501	2,678	2,856	3,033	3,226
<b>Total Equity</b>	<b>21,383</b>	<b>22,602</b>	<b>23,765</b>	<b>24,932</b>	<b>26,199</b>

### Key Ratios

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	18.5%	30.2%	0.3%	(8.6%)	(0.9%)
Operating EBITDA Growth	18.4%	16.0%	0.7%	1.7%	5.2%
Operating EBITDA Margin	6.71%	5.98%	6.00%	6.68%	7.09%
Net Cash Per Share (US\$)	-2.64	-3.51	-3.61	-3.36	-3.29
BVPS (US\$)	2.95	3.11	3.27	3.42	3.59
Gross Interest Cover	3.58	4.74	3.57	3.22	3.67
Effective Tax Rate	26.8%	25.5%	25.0%	25.0%	25.0%
Net Dividend Payout Ratio	60.4%	38.5%	45.0%	45.0%	45.0%
Accounts Receivables Days	34.51	33.59	37.64	39.41	38.07
Inventory Days	70.90	65.94	73.02	76.54	73.65
Accounts Payables Days	13.46	11.28	13.21	14.22	13.30
ROIC (%)	6.69%	7.80%	6.55%	6.39%	6.88%
ROCE (%)	6.35%	6.45%	5.91%	5.95%	6.32%
Return On Average Assets	3.91%	4.19%	3.90%	3.90%	4.17%

### Key Drivers

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Planted Estates (ha)	232,053.0	230,480.0	230,480.0	230,480.0	230,480.0
Mature Estates (ha)	197,304.0	204,277.0	204,277.0	204,277.0	204,277.0
FFB Yield (tonnes/ha)	20.4	19.6	19.8	19.8	19.8
FFB Output Growth (%)	3.0%	-0.6%	1.0%	0.0%	0.0%
CPO Price (US\$/tonne)	625.1	1,200.0	1,000.0	785.7	785.7

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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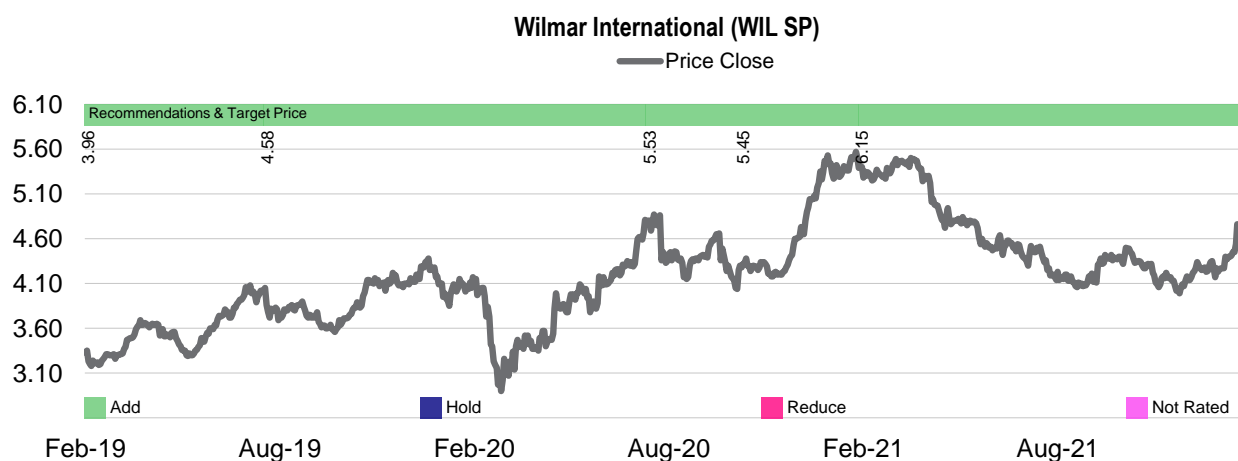
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Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2021		
619 companies under coverage for quarter ended on 31 December 2021		
	Rating Distribution (%)	Investment Banking clients (%)
Add	71.1%	1.5%
Hold	21.8%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

