

# SP Setia (SPSB MK)

# HOLD

[Prior:BUY]

## Hit by slower work progress

Share Price MYR 1.02  
 12m Price Target MYR 1.06 (+4%)  
 Previous Price Target MYR 1.42

### Profit and sales fell short

SPSB's 1Q22 core net profit of MYR54m (-49% YoY, -56% QoQ) was below expectations. Sales wise, SPSB's 3M22 actual sales of MYR679m only accounted for 16% of its FY22 sales goal of MYR4b (-6% YoY). We lower our FY22-24 earnings forecasts by 19-21% and our TP to MYR1.06 (-36sen) on a lower 0.3x FY22 PBV (from 0.4x) on its relatively high net gearing of 0.63x (vs. industry avg's 0.33x) where earnings will be hurt amid rising interest rate environment. D/G to HOLD.

### Dragged by the shortage of labour and raw materials

Excluding MYR13m one-off (incl. MYR12.8m forex), SPSB reported 1Q22 core net profit of MYR54.4m (-49% YoY, -56% QoQ) or equal to 12%/14% of our/consensus full-year estimates. The earnings gap was due to slower-than-expected work progress on the shortage of raw materials and labour. Also, earnings would be stronger in 2H22 with the handover of Battersea Power Station Phase 2 and 3A as well as Melbourne projects. 1Q22 net gearing continued to inch up to 0.63x, from 0.61x in end-4Q21.

### Maintain MYR4b sales target for 2022

SPSB has managed to lock in property sales of MYR679m in 1Q2022 (61% Klang Valley; 92% of local sales) or 16% of its FY22 sales target of MYR4b (-6% YoY). Despite the slower sales in 1Q22, management is keeping its FY22 sales target and expects sales to pick up significantly in 2H22 with MYR4b worth of new launches (56% of the launches are below MYR1m/unit). As at Mar 2022, SPSB has MYR655m worth of bookings. Unbilled sales stood at MYR9.8b (2.1x our FY22F revenue) as at Mar 2022.

### Earnings adjustments

We lower our FY22/23/24 earnings forecasts by 21%/20%/19% to factor in higher interest rate (+50-75bps). We have also assumed slower work progress and removed the land sales to Scientex for now. Elsewhere, the conversion rate, issue price and entitlement basis for its proposed RCPS-i C (5.43% dividend rate; to raise MYR850m to MYR1.18b in gross proceeds) will only be revealed by 4Q22.

FYE Dec (MYR m)	FY20A	FY21A	FY22E	FY23E	FY24E
Revenue	3,228	3,763	4,792	5,376	5,699
EBITDA	440	734	686	824	851
Core net profit	147	296	350	380	397
Core FDEPS (sen)	3.6	7.3	8.6	9.3	9.7
Core FDEPS growth(%)	(58.7)	101.2	18.1	8.6	4.6
Net DPS (sen)	0.0	0.7	1.0	1.4	1.6
Core FD P/E (x)	27.4	17.8	11.9	11.0	10.5
P/BV (x)	0.3	0.4	0.3	0.3	0.3
Net dividend yield (%)	0.0	0.5	1.0	1.4	1.6
ROAE (%)	(2.7)	2.4	2.9	3.1	3.1
ROAA (%)	0.5	1.0	1.1	1.2	1.2
EV/EBITDA (x)	34.5	23.0	23.2	19.5	19.1
Net gearing (%) (incl perps)	58.6	60.7	60.8	60.7	60.8
Consensus net profit	-	-	381	346	338
MKE vs. Consensus (%)	-	-	(8.2)	9.8	17.5

Wong Wei Sum, CFA  
 weisum@maybank-ib.com  
 (603) 2297 8679

### Company Description

S P Setia Bhd is involved in the real estate businesses. Its reputable projects including Setia Alam and Setia Eco Park.

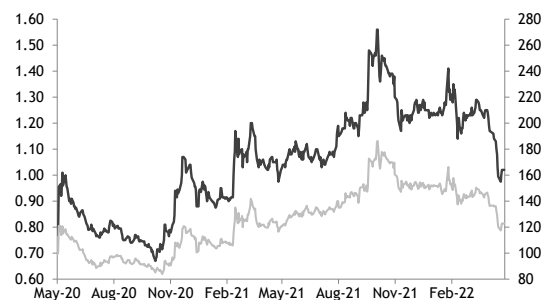
### Statistics

52w high/low (MYR)	1.56/0.98
3m avg turnover (USDm)	0.7
Free float (%)	68.8
Issued shares (m)	4,068
Market capitalisation	MYR4.1B USD945M

### Major shareholders:

Permodalan Nasional Bhd.	24.9%
Bumiputra Investment Foundation	24.8%
Kumpulan Wang Persaraan	9.7%

### Price Performance



	-1M	-3M	-12M
Absolute (%)	(18)	(23)	5
Relative to index (%)	(16)	(21)	5

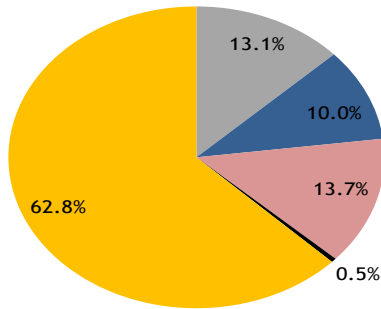
Source: FactSet

## Value Proposition

- A versatile property developer with mid- to high-end projects, which include the reputable *Setia Alam*, *Setia Eco Park* and *Battersea Power Station*.
- Overseas earnings (Melbourne) will boost SPSB's 2022-2023 earnings.
- 63% of its total GDV is derived from Klang Valley followed by international (13%; UK, Vietnam, Japan), Iskandar Malaysia (10%), Penang (14%) and others.

### GDV breakdown by location in 2021

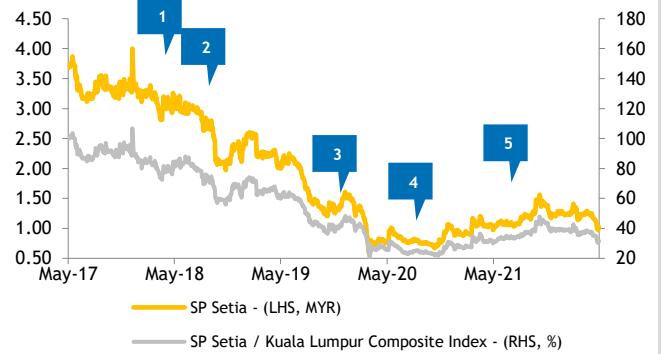
■ International ■ Johor ■ Penang ■ Sabah ■ Klang Valley



Source: Company

## Price Drivers

### Historical share price trend



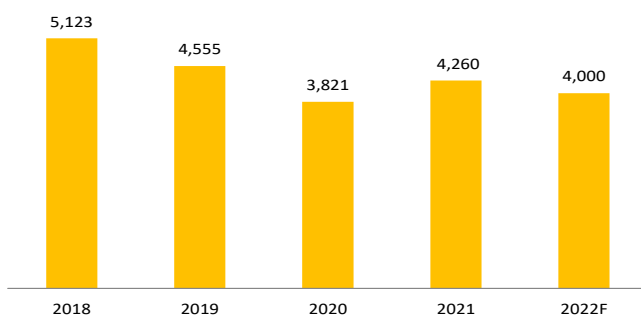
Source: Company, Maybank IBG Research

1. 2017: Talks of potential M&A involving unlisted property company, I&P Group resurfaced.
2. 2018: Merger with I&P Group funded by rights issue and private placement of new shares. Share price was, however, affected by the slower property demand in Malaysia.
3. 2019: Management cut 2019 sales target by 20%.
4. 2020: Management cut 2020 sales target by 17% due to MCO. SBSP reported sizeable impairment losses in FY20.
5. 2021: Strong sales recorded (MYR4.26b; +11.5% YoY) in 2021 despite the imposition of MCO2.0 and MCO3.0.

## Financial Metrics

- SPSB has set a sales target of MYR4.0b for FY22 (-6% YoY).
- Unbilled sales stood at MYR9.8b at end-Mar 2022 (2.1x of our FY22E revenue forecast).

### Sales trend since 2018 (MYRm)



Source: Company

## Swing Factors

### Upside

- Potential RNAV-accretive land acquisitions.
- Stronger-than-expected take-up for its on-going and new projects.

### Downside

- Focus on three stock specific drivers - keep it MICRO
- A prolonged slowdown in the property sector.
- Weaker-than-expected operating margins on higher marketing expenses.
- Currency and country risks.

[weisum@maybank-ib.com](mailto:weisum@maybank-ib.com)

Table 1: Quarterly summary - SP Setia

FY Dec (MYR m)	1Q22	1Q21	Quarterly		% QoQ
			% YoY	4Q21	
Revenue	867.1	1,052.8	-17.6	1,032.6	-16.0
EBIT	159.2	223.4	-28.8	205.6	-22.6
Finance costs	-49.9	-46.9	6.4	-42.9	16.4
Associate	-3.8	-2.0	88.1	27.8	-113.8
Forex	12.8	-32.1	-139.9	-1.7	-867.5
<b>Profit before tax</b>	<b>118.2</b>	<b>142.4</b>	<b>-17.0</b>	<b>188.8</b>	<b>-37.4</b>
Taxation	-38.9	-48.3	-19.4	-62.1	-37.4
Minority interest	-11.8	-18.9	-37.4	-3.3	255.7
<b>Net profit</b>	<b>67.5</b>	<b>75.2</b>	<b>-10.3</b>	<b>123.3</b>	<b>-45.3</b>
<b>Core net profit</b>	<b>54.4</b>	<b>107.3</b>	<b>-49.3</b>	<b>125.0</b>	<b>-56.4</b>
			<i>+/- ppt</i>		<i>+/- ppt</i>
<i>EBIT margin (%)</i>	18.4	21.2	-2.9	19.9	-1.6
<i>Tax rate (%)</i>	32.9	33.9	-1.0	32.9	0.0

Source: Company

## SPSB: RNAV estimate

Landbank	Stake	Remaining landbank Acres	MV (MYRm)	BV (MYRm)	Surplus (MYRm)
<b>Malaysia</b>					
<b>Southern region</b>					
Bukit Indah	100%	43.0	28.1	10.3	17.8
Setia Indah	100%	16.3	10.6	2.0	8.6
Setia Cascadia	100%	116.2	75.9	75.9	0.0
Setia Tropika	100%	185.8	121.4	57.1	64.4
Setia Eco Gardens	70%	228.4	149.2	54.7	66.1
Setia Business Park II	100%	43.4	28.4	20.8	7.6
<b>Central region</b>					
Setia Eco Glades @ Cyberjaya	70%	59.0	97.7	92.5	3.6
Setia Eco Hills	100%	212.4	138.8	120.3	18.5
Semenyih land	100%	870.8	569.0	341.4	227.6
Setia Alam	100%	306.7	400.7	46.6	354.1
Setia Eco Park	50%	130.5	170.6	45.5	62.5
<b>Northern region</b>					
Setia Pearl	100%	16.1	21.0	20.0	1.0
Setia Greens	100%	12.3	29.0	29.0	0.0
Seberang Perai	100%	1,264.0	673.9	561.6	112.3
<b>Sub-total:</b>			<b>2,514.4</b>	<b>1,477.8</b>	<b>944.2</b>
<b>DCF (discount factor: 18-25%)</b>					<b>NPV</b>
<b>Malaysia</b>					<b>(MYRm)</b>
Setia City, Klang Valley	100%				246.7
KL Eco City, Klang Valley	100%				110.0
Setia Federal Hill at Bangsar, Klang Valley	100%				307.5
Seputeh Land, Klang Valley	100%				21.5
Setia V Residences, Penang	100%				1.8
Setia Raintrees Residences	100%				0.0
Aeropod - Tg Aru, Sabah	70%				9.0
Setia Sky 88, Johor Bahru	100%				6.4
Templer Park	100%				42.4
New land in Bangi	100%				78.3
<b>I&amp;P Group</b>					
Bandar Kinrara	51%				63.8
Bayuemas	52%				76.4
Alam Damai	70%				64.0
Alam Sutera	70%				0.8
Alam Impian	100%				287.4
Alam Sari	100%				110.1
Temasya Putra	100%				156.9
Salak Tinggi	100%				47.9
Bandar Baru Seri Petaling	100%				30.0
Semenyih land	100%				234.6
Temasya Glenmarie	66%				117.5
Brogaville	100%				36.7
Taman Perling	100%				12.8
Taman Pelangi	100%				82.3
Taman Rinting	89%				49.0
Taman Pelangi Indah I	100%				111.6
Taman Industri Jaya	100%				10.3
Sg Sedu	70%				15.7
Kota Sri Langat	66%				18.7
Pulau Gadong Road	100%				0.0
Kota Bayuemas	100%				12.3
Taman Pelangi indah	100%				265.6
Mukim Tanjung Kupang	100%				84.1
Mukim Serkat	100%				11.0

## SPSB: RNAV estimate (continued)

Landbank	Stake	Remaining landbank Acres	MV (MYRm)	BV (MYRm)	Surplus (MYRm)
<b>Singapore</b>					
Daintree	100%				50.0
<b>Australia ^</b>					
Prahran, Melbourne	100%				2.5
UNO Melbourne	100%				93.7
308 Exhibition, Melbourne	100%				164.0
<b>United Kingdom*</b>					
Battersea Power Station	40%				176.7
<b>Sub-total:</b>					<b>3,210.2</b>
<b>Grand total</b>					<b>4,154.4</b>
Shareholders fund - 2021					14,175.5
<b>RNAV</b>					<b>18,329.9</b>
RCPS-i A					305.6
RCPS-iB					322.8
Existing share capital (m shares)					3,959.0
Enlarge share capital (m shares)					4,587.4
<b>FD RNAV (MYR/share)</b>					<b>4.00</b>

Sources: Company, Maybank IBG Research

FYE 31 Dec	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Key Metrics</b>					
P/E (reported) (x)	nm	16.1	11.8	10.9	10.4
Core P/E (x)	27.3	17.7	11.8	10.9	10.4
Core FD P/E (x)	27.4	17.8	11.9	11.0	10.5
P/BV (x)	0.3	0.4	0.3	0.3	0.3
P/NTA (x)	0.3	0.4	0.3	0.3	0.3
Net dividend yield (%)	0.0	0.5	1.0	1.4	1.6
FCF yield (%)	nm	13.2	0.4	nm	nm
EV/EBITDA (x)	34.5	23.0	23.2	19.5	19.1
EV/EBIT (x)	34.5	23.0	23.2	19.5	19.1

**INCOME STATEMENT (MYR m)**

Revenue	3,228.1	3,762.7	4,791.9	5,376.0	5,698.8
EBITDA	439.8	733.7	686.1	824.3	850.9
Depreciation	0.0	0.0	0.0	0.0	0.0
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	439.8	733.7	686.1	824.3	850.9
Net interest income / (exp)	(211.7)	(194.1)	(330.6)	(331.6)	(332.6)
Associates & JV	(371.5)	14.5	44.6	6.0	0.0
Exceptionals	(13.1)	(11.6)	0.0	0.0	0.0
Other pretax income	0.0	0.0	129.9	77.7	77.7
Pretax profit	(156.5)	542.5	529.9	576.5	596.0
Income tax	(88.0)	(195.1)	(112.1)	(122.6)	(126.8)
Minorities	(76.2)	(63.0)	(68.1)	(74.2)	(72.0)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	(320.7)	284.4	349.7	379.7	397.2
Core net profit	146.9	296.0	349.7	379.7	397.2

**BALANCE SHEET (MYR m)**

Cash & Short Term Investments	2,919.2	3,071.2	2,929.2	2,747.2	2,530.8
Accounts receivable	1,088.5	972.3	1,238.2	1,389.2	1,472.6
Inventory	1,096.5	1,049.6	1,336.7	1,499.7	1,589.7
Reinsurance assets	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	706.2	727.8	727.8	727.8	727.8
Intangible assets	0.0	0.0	0.0	0.0	0.0
Investment in Associates & JVs	3,346.8	4,103.9	4,103.9	4,103.9	4,103.9
Other assets	21,193.6	21,259.5	21,456.3	21,878.7	22,380.8
<b>Total assets</b>	<b>30,350.8</b>	<b>31,184.4</b>	<b>31,792.1</b>	<b>32,346.4</b>	<b>32,805.6</b>
ST interest bearing debt	2,583.3	3,247.2	3,247.2	3,247.2	3,247.2
Accounts payable	2,255.3	2,299.1	2,708.0	2,940.1	3,068.3
Insurance contract liabilities	0.0	0.0	0.0	0.0	0.0
LT interest bearing debt	9,357.9	9,308.6	9,308.6	9,308.6	9,308.6
Other liabilities	755.0	698.0	697.0	697.0	697.0
<b>Total Liabilities</b>	<b>14,951.2</b>	<b>15,552.6</b>	<b>15,960.4</b>	<b>16,192.5</b>	<b>16,320.7</b>
Shareholders Equity	13,981.2	14,175.5	14,375.5	14,697.7	15,028.7
Minority Interest	0.0	0.0	0.0	0.0	0.0
<b>Total shareholder equity</b>	<b>13,981.2</b>	<b>14,175.5</b>	<b>14,375.5</b>	<b>14,697.7</b>	<b>15,028.7</b>
Perpetual securities	1,418.4	1,456.2	1,456.2	1,456.2	1,456.2
<b>Total liabilities and equity</b>	<b>30,350.8</b>	<b>31,184.4</b>	<b>31,792.1</b>	<b>32,346.4</b>	<b>32,805.6</b>

**CASH FLOW (MYR m)**

Pretax profit	(156.5)	542.5	529.9	576.5	596.0
Depreciation & amortisation	0.0	0.0	0.0	0.0	0.0
Adj net interest (income)/exp	21.4	21.1	(330.6)	(331.6)	(332.6)
Change in working capital	55.7	572.5	144.1	81.8	45.2
Cash taxes paid	(164.0)	(162.8)	(112.1)	(122.6)	(126.8)
Other operating cash flow	678.0	144.9	144.9	144.9	144.9
Cash flow from operations	434.6	1,118.1	416.7	392.8	373.5
Capex	(641.6)	(427.3)	(400.0)	(400.0)	(400.0)
Free cash flow	(207.0)	690.7	16.7	(7.2)	(26.5)
Dividends paid	(40.4)	0.0	(26.4)	(42.5)	(57.5)
Equity raised / (purchased)	0.0	0.3	0.0	0.0	0.0
Change in Debt	772.0	614.7	0.0	0.0	0.0
Perpetual securities distribution	(132.0)	(132.0)	(132.3)	(132.3)	(132.3)
Other invest/financing cash flow	(490.8)	(1,024.2)	0.0	0.0	0.0
Effect of exch rate changes	0.0	0.0	0.0	0.0	0.0
Net cash flow	(98.2)	149.5	(142.0)	(182.0)	(216.3)

FYE 31 Dec	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Key Ratios</b>					
<b>Growth ratios (%)</b>					
Revenue growth	(17.8)	16.6	27.4	12.2	6.0
EBITDA growth	(47.5)	66.8	(6.5)	20.2	3.2
EBIT growth	(47.5)	66.8	(6.5)	20.2	3.2
Pretax growth	nm	nm	(2.3)	8.8	3.4
Reported net profit growth	nm	nm	23.0	8.6	4.6
Core net profit growth	(58.4)	101.5	18.1	8.6	4.6
<b>Profitability ratios (%)</b>					
EBITDA margin	13.6	19.5	14.3	15.3	14.9
EBIT margin	13.6	19.5	14.3	15.3	14.9
Pretax profit margin	nm	14.4	11.1	10.7	10.5
Payout ratio	0.0	9.3	12.1	15.1	16.6
<b>DuPont analysis</b>					
Net profit margin (%)	nm	7.6	7.3	7.1	7.0
Revenue/Assets (x)	0.1	0.1	0.2	0.2	0.2
Assets/Equity (x)	2.2	2.2	2.2	2.2	2.2
ROAE (%)	(2.7)	2.4	2.9	3.1	3.1
ROAA (%)	0.5	1.0	1.1	1.2	1.2
<b>Leverage &amp; Expense Analysis</b>					
Asset/Liability (x)	2.0	2.0	2.0	2.0	2.0
Net gearing (%) (incl perps)	58.6	60.7	60.8	60.7	60.8
Net gearing (%) (excl. perps)	64.5	66.9	67.0	66.7	66.7
Net interest cover (x)	2.1	3.8	2.1	2.5	2.6
Debt/EBITDA (x)	nm	17.1	18.3	15.2	14.8
Capex/revenue (%)	19.9	11.4	8.3	7.4	7.0
Net debt/ (net cash)	9,022.0	9,484.7	9,626.7	9,808.7	10,025.0

Source: Company; Maybank IBG Research

## Research Offices

### ECONOMICS

**Suhaimi ILIAS**  
Chief Economist  
Malaysia | Philippines | Global  
(603) 2297 8682  
suhaimi\_ilias@maybank-ib.com

**CHUA Hak Bin**  
Regional Thematic Macroeconomist  
(65) 6231 5830  
chuahb@maybank.com

**LEE Ju Ye**  
Singapore | Thailand | Indonesia  
(65) 6231 5844  
leejuye@maybank.com

**Dr Zamros DZULKAFLI**  
(603) 2082 6818  
zamros.d@maybank-ib.com

**Fatin Nabila MOHD ZAINI**  
(603) 2297 8685  
fatinnabila.mohdzaini@maybank-ib.com

**Brian LEE Shun Rong**  
(65) 6231 5846  
brian.lee1@maybank.com

**Luong Thu Huong**  
(65) 62315 8467  
hana.thuluong@maybank.com

### FX

**Saktiandi SUPAAT**  
Head of FX Research  
(65) 6320 1379  
saktiandi@maybank.com.sg

**Christopher WONG**  
(65) 6320 1347  
wongkl@maybank.com.sg

**TAN Yanxi**  
(65) 6320 1378  
tanyx@maybank.com.sg

**Fiona LIM**  
(65) 6320 1374  
fionalim@maybank.com.sg

### STRATEGY

**Anand PATHMAKANTHAN**  
ASEAN  
(603) 2297 8783  
anand.pathmakanthan@maybank-ib.com

### FIXED INCOME

**Winson PHOON, FCA**  
(65) 6340 1079  
winsonphoon@maybank.com

**SE THO Mun Yi, CFA**  
(603) 2074 7606  
munyi.st@maybank-ib.com

### REGIONAL EQUITIES

**Anand PATHMAKANTHAN**  
Head of Regional Equity Research  
(603) 2297 8783  
anand.pathmakanthan@maybank-ib.com

**WONG Chew Hann, CA**  
Head of ASEAN Equity Research  
(603) 2297 8686  
wchewh@maybank-ib.com

**ONG Seng Yeow**  
Research, Technology & Innovation  
(65) 6231 5839  
ongsengyeow@maybank.com

### MALAYSIA

**Anand PATHMAKANTHAN** *Head of Research*  
(603) 2297 8783  
anand.pathmakanthan@maybank-ib.com  
• Strategy

**WONG Chew Hann, CA**  
(603) 2297 8686  
wchewh@maybank-ib.com  
• Non-Bank Financials (stock exchange)  
• Construction & Infrastructure

**Desmond CH'NG, BFP, FCA**  
(603) 2297 8680  
desmond.chng@maybank-ib.com  
• Banking & Finance

**LIAW Thong Jung**  
(603) 2297 8688 tjliaw@maybank-ib.com  
• Oil & Gas Services - Regional  
• Automotive

**ONG Chee Ting, CA**  
(603) 2297 8678 ct.ong@maybank-ib.com  
• Plantations - Regional

**YIN Shao Yang, CPA**  
(603) 2297 8916 samuel.y@maybank-ib.com  
• Gaming - Regional  
• Media • Aviation • Non-Bank Financials

**TAN Chi Wei, CFA**  
(603) 2297 8690 chiwei.t@maybank-ib.com  
• Power • Telcos

**WONG Wei Sum, CFA**  
(603) 2297 8679 weisum@maybank-ib.com  
• Property • Glove

**Jade TAM**  
(603) 2297 8687 jade.tam@maybank-ib.com  
• Consumer Staples & Discretionary

**Nur Farah SYIFAA**  
(603) 2297 8675  
nurfarahsyifaa.mohamadfuad@maybank-ib.com  
• Construction • Renewable Energy • REITs

**Arvind JAYARATNAM**  
(603) 2297 8692  
arvind.jayaratnam@maybank.com  
• Petrochemicals • Technology

**Shafiq KADIR**  
(603) 2297 8691  
msshafiqk.abkadir@maybank-ib.com  
• Healthcare • Software

**LOH Yan Jin**  
(603) 2297 8687  
lohyanjin.loh@maybank-ib.com  
• Ports • Shipping

**TEE Sze Chiah** *Head of Retail Research*  
(603) 2082 6858 szechiah.t@maybank-ib.com  
• Retail Research

**Nik Ihsan RAJA ABDULLAH, MSTA, CFTe**  
(603) 2297 8694  
nikmohdihsan.ra@maybank-ib.com  
• Chartist

**Amirah AZMI**  
(603) 2082 8769 amirah.azmi@maybank-ib.com  
• Retail Research

### SINGAPORE

**Thilan WICKRAMASINGHE** *Head of Research*  
(65) 6231 5840 thilanw@maybank.com  
• Banking & Finance - Regional  
• Consumer

**CHUA Su Tye**  
(65) 6231 5842 chuasutye@maybank.com  
• REITs - Regional

**LAI Gene Lih, CFA**  
(65) 6231 5832 laigenelih@maybank.com  
• Technology

**Eric ONG**  
(65) 6231 5924 ericong@maybank.com  
• Healthcare • Transport • SMIDs

**Kelvin TAN**  
(65) 6231 5837 kelvintan1@maybank.com  
• Telcos

**Samuel TAN**  
(65) 6231 5843 samuel.tan@maybank.com  
• Technology

**LI Jialin**  
(65) 6231 5845 jialin.li@maybank.com  
• REITs

### PHILIPPINES

**Jacqui de JESUS** *Head of Research*  
(63) 2 8849 8840  
jacqui.dejesus@maybank.com  
• Strategy • Conglomerates

**Rachelleen RODRIGUEZ, CFA**  
(63) 2 8849 8843  
rachelleen.rodriguez@maybank.com  
• Banking & Finance • Transport • Telcos

**Daphne SZE**  
(63) 2 8849 8847  
daphne.sze@maybank.com  
• Consumer

**Miguel SEVIDAL**  
(63) 2 8849 8844  
miguel.sevidal@maybank.com  
• REITs • Property

**Fiorenzo de JESUS**  
(63) 2 8849 8846  
fiorenzo.dejesus@maybank.com  
• Utilities

### VIETNAM

**Quan Trong Thanh** *Head of Research*  
(84 28) 44 555 888 ext 8184  
thanh.quan@maybank.com  
• Banks

**Hoang Huy, CFA**  
(84 28) 44 555 888 ext 8181  
hoanghuy@maybank.com  
• Strategy • Technology • Industrials

**Le Nguyen Nhat Chuyen**  
(84 28) 44 555 888 ext 8082  
chuyen.le@maybank.com  
• Oil & Gas • Logistics

**Nguyen Thi Sony Tra Mi**  
(84 28) 44 555 888 ext 8084  
trami.nguyen@maybank.com  
• Consumer

**Tyler Manh Dung Nguyen**  
(84 28) 44 555 888 ext 8085  
manhdung.nguyen@maybank.com  
• Utilities • Property

**Tran Thi Thanh Nhan**  
(84 28) 44 555 888 ext 8088  
nhan.tran@maybank.com  
• Consumer

**Nguyen Thi Ngan Tuyen**  
*Head of Retail Research*  
(84 28) 44 555 888 ext 8081  
tuyen.nguyen@maybank.com  
• Retail Research

**Nguyen Thanh Lam**  
(84 28) 44 555 888 ext 8086  
thanhlam.nguyen@maybank.com  
• Chartist

### INDIA

**Jigar SHAH** *Head of Research*  
(91) 22 4223 2632 jigars@maybank.com  
• Strategy • Oil & Gas • Automobile • Cement

**Neerav DALAL**  
(91) 22 4223 2606 neerav@maybank.com  
• Software Technology • Telcos

**Vikram RAMALINGAM**  
(91) 22 4223 2607  
vikram@maybank.com  
• Automobile • Media

### INDONESIA

**Rahmi MARINA**  
(62) 21 8066 8689  
rahmi.marina@maybank.com  
• Banking & Finance

**Willy GOUTAMA**  
(62) 21 8066 8500  
willygoutama@maybank.com  
• Consumer

**Satriawan, CTA**  
(62) 21 8066 8682  
satriawan@maybank.com  
• Chartist

### THAILAND

**Maria LAPIZ** *Head of Institutional Research*  
Dir (66) 2257 0250 | (66) 2658 6300 ext 1399  
maria.l@maybank.com  
• Strategy • Consumer • Materials • Services

**Jesada TECHAHUSDIN, CFA**  
(66) 2658 6300 ext 1395  
jesada.t@maybank.com  
• Banking & Finance

**Vanida GEISLER, CPA**  
(66) 2658 6300 ext 1394  
vanida.g@maybank.com  
• Property • REITs

**Yuwanee PROMMAPORN**  
(66) 2658 6300 ext 1393  
yuwaneep@maybank.com  
• Services • Healthcare

**Surachai PRAMUALCHAROENKIT**  
(66) 2658 5000 ext 1470  
surachai.p@maybank.com  
• Auto • Conmat • Contractor • Steel

**Suttatip PEERASUB**  
(66) 2658 5000 ext 1430  
suttatip.p@maybank.com  
• Food & Beverage • Commerce

**Jaroonpan WATTANAWONG**  
(66) 2658 5000 ext 1404  
jaroonpan.w@maybank.com  
• Transportation • Small cap



## APPENDIX I: TERMS FOR PROVISION OF REPORT, DISCLAIMERS AND DISCLOSURES

### DISCLAIMERS

This research report is prepared for general circulation and for information purposes only and under no circumstances should it be considered or intended as an offer to sell or a solicitation of an offer to buy the securities referred to herein. Investors should note that values of such securities, if any, may fluctuate and that each security's price or value may rise or fall. Opinions or recommendations contained herein are in form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from the relevant jurisdiction's stock exchange in the equity analysis. Accordingly, investors' returns may be less than the original sum invested. Past performance is not necessarily a guide to future performance. This report is not intended to provide personal investment advice and does not take into account the specific investment objectives, the financial situation and the particular needs of persons who may receive or read this report. Investors should therefore seek financial, legal and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

The information contained herein has been obtained from sources believed to be reliable but such sources have not been independently verified by Maybank Investment Bank Berhad, its subsidiary and affiliates (collectively, "Maybank IBG") and consequently no representation is made as to the accuracy or completeness of this report by Maybank IBG and it should not be relied upon as such. Accordingly, Maybank IBG and its officers, directors, associates, connected parties and/or employees (collectively, "Representatives") shall not be liable for any direct, indirect or consequential losses or damages that may arise from the use or reliance of this report. Any information, opinions or recommendations contained herein are subject to change at any time, without prior notice.

This report may contain forward looking statements which are often but not always identified by the use of words such as "anticipate", "believe", "estimate", "intend", "plan", "expect", "forecast", "predict" and "project" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. Such forward looking statements are based on assumptions made and information currently available to us and are subject to certain risks and uncertainties that could cause the actual results to differ materially from those expressed in any forward looking statements. Readers are cautioned not to place undue relevance on these forward-looking statements. Maybank IBG expressly disclaims any obligation to update or revise any such forward looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

Maybank IBG and its officers, directors and employees, including persons involved in the preparation or issuance of this report, may, to the extent permitted by law, from time to time participate or invest in financing transactions with the issuer(s) of the securities mentioned in this report, perform services for or solicit business from such issuers, and/or have a position or holding, or other material interest, or effect transactions, in such securities or options thereon, or other investments related thereto. In addition, it may make markets in the securities mentioned in the material presented in this report. One or more directors, officers and/or employees of Maybank IBG may be a director of the issuers of the securities mentioned in this report to the extent permitted by law.

This report is prepared for the use of Maybank IBG's clients and may not be reproduced, altered in any way, transmitted to, copied or distributed to any other party in whole or in part in any form or manner without the prior express written consent of Maybank IBG and Maybank IBG and its Representatives accepts no liability whatsoever for the actions of third parties in this respect.

This report is not directed to or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for distribution only under such circumstances as may be permitted by applicable law. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Without prejudice to the foregoing, the reader is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

#### Malaysia

Opinions or recommendations contained herein are in the form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from Bursa Malaysia Securities Berhad in the equity analysis.

#### Singapore

This report has been produced as of the date hereof and the information herein may be subject to change. Maybank Research Pte. Ltd. ("MRPL") in Singapore has no obligation to update such information for any recipient. For distribution in Singapore, recipients of this report are to contact MRPL in Singapore in respect of any matters arising from, or in connection with, this report. If the recipient of this report is not an accredited investor, expert investor or institutional investor (as defined under Section 4A of the Singapore Securities and Futures Act), MRPL shall be legally liable for the contents of this report, with such liability being limited to the extent (if any) as permitted by law.

#### Thailand

Except as specifically permitted, no part of this presentation may be reproduced or distributed in any manner without the prior written permission of Maybank Securities (Thailand) Public Company Limited. Maybank Securities (Thailand) Public Company Limited ("MST") accepts no liability whatsoever for the actions of third parties in this respect.

Due to different characteristics, objectives and strategies of institutional and retail investors, the research products of MST Institutional and Retail Research departments may differ in either recommendation or target price, or both. MST reserves the rights to disseminate MST Retail Research reports to institutional investors who have requested to receive it. If you are an authorised recipient, you hereby tacitly acknowledge that the research reports from MST Retail Research are first produced in Thai and there is a time lag in the release of the translated English version.

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey may be changed after that date. MST does not confirm nor certify the accuracy of such survey result.

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, MST does not confirm, verify, or certify the accuracy and completeness of the assessment result.

#### US

This third-party research report is distributed in the United States ("US") to Major US Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended) only by Maybank Securities USA Inc ("MSUS"), a broker-dealer registered in the US (registered under Section 15 of the Securities Exchange Act of 1934, as amended). All responsibility for the distribution of this report by MSUS in the US shall be borne by MSUS. This report is not directed at you if Maybank IBG is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that MSUS is permitted to provide research material concerning investments to you under relevant legislation and regulations. All U.S. persons receiving and/or accessing this report and wishing to effect transactions in any security mentioned within must do so with: Maybank Securities USA Inc. 400 Park Avenue, 11th Floor, New York, New York 10022, 1-(212) 688-8886 and not with, the issuer of this report.

## UK

This document is being distributed by Maybank Securities (London) Ltd (“MSUK”) which is authorized and regulated, by the Financial Conduct Authority and is for Informational Purposes only. This document is not intended for distribution to anyone defined as a Retail Client under the Financial Services and Markets Act 2000 within the UK. Any inclusion of a third party link is for the recipients convenience only, and that the firm does not take any responsibility for its comments or accuracy, and that access to such links is at the individuals own risk. Nothing in this report should be considered as constituting legal, accounting or tax advice, and that for accurate guidance recipients should consult with their own independent tax advisers.

## DISCLOSURES

### Legal Entities Disclosures

**Malaysia:** This report is issued and distributed in Malaysia by Maybank Investment Bank Berhad (15938- H) which is a Participating Organization of Bursa Malaysia Berhad and a holder of Capital Markets and Services License issued by the Securities Commission in Malaysia. **Singapore:** This report is distributed in Singapore by MRPL (Co. Reg No 198700034E) which is regulated by the Monetary Authority of Singapore. **Indonesia:** PT Maybank Sekuritas Indonesia (“PTMSI”) (Reg. No. KEP-251/PM/1992) is a member of the Indonesia Stock Exchange and is regulated by the Financial Services Authority (Indonesia). **Thailand:** MST (Reg. No.0107545000314) is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission. **Philippines:** Maybank Securities Inc (Reg. No.01-2004-00019) is a member of the Philippines Stock Exchange and is regulated by the Securities and Exchange Commission. **Vietnam:** Maybank Securities Limited (License Number: 117/GP-UBCK) is licensed under the State Securities Commission of Vietnam. **Hong Kong:** MIB Securities (Hong Kong) Limited (Central Entity No AAD284) is regulated by the Securities and Futures Commission. **India:** MIB Securities India Private Limited (“MIBSI”) is a participant of the National Stock Exchange of India Limited and the Bombay Stock Exchange and is regulated by Securities and Exchange Board of India (“SEBI”) (Reg. No. INZ000010538). MIBSI is also registered with SEBI as Category 1 Merchant Banker (Reg. No. INM 000011708) and as Research Analyst (Reg No: INH000000057) **US:** Maybank Securities USA Inc is a member of/and is authorized and regulated by the FINRA - Broker ID 27861. **UK:** Maybank Securities (London) Ltd (Reg No 2377538) is authorized and regulated by the Financial Conduct Authority.

### Disclosure of Interest

**Malaysia:** Maybank IBG and its Representatives may from time to time have positions or be materially interested in the securities referred to herein and may further act as market maker or may have assumed an underwriting commitment or deal with such securities and may also perform or seek to perform investment banking services, advisory and other services for or relating to those companies.

**Singapore:** As of 24 May 2022, Maybank Research Pte. Ltd. and the covering analyst do not have any interest in any companies recommended in this research report.

**Thailand:** MST may have a business relationship with or may possibly be an issuer of derivative warrants on the securities /companies mentioned in the research report. Therefore, Investors should exercise their own judgment before making any investment decisions. MST, its associates, directors, connected parties and/or employees may from time to time have interests and/or underwriting commitments in the securities mentioned in this report.

**Hong Kong:** As of 24 May 2022, MIB Securities (Hong Kong) Limited and the authoring analyst do not have any interest in any companies recommended in this research report.

**India:** As of 24 May 2022, and at the end of the month immediately preceding the date of publication of the research report, MIBSI, authoring analyst or their associate / relative does not hold any financial interest or any actual or beneficial ownership in any shares or having any conflict of interest in the subject companies except as otherwise disclosed in the research report. In the past twelve months MIBSI and authoring analyst or their associate did not receive any compensation or other benefits from the subject companies or third party in connection with the research report on any account what so ever except as otherwise disclosed in the research report.

Maybank IBG may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment and may receive compensation for the services provided from the companies covered in this report.

## OTHERS

### Analyst Certification of Independence

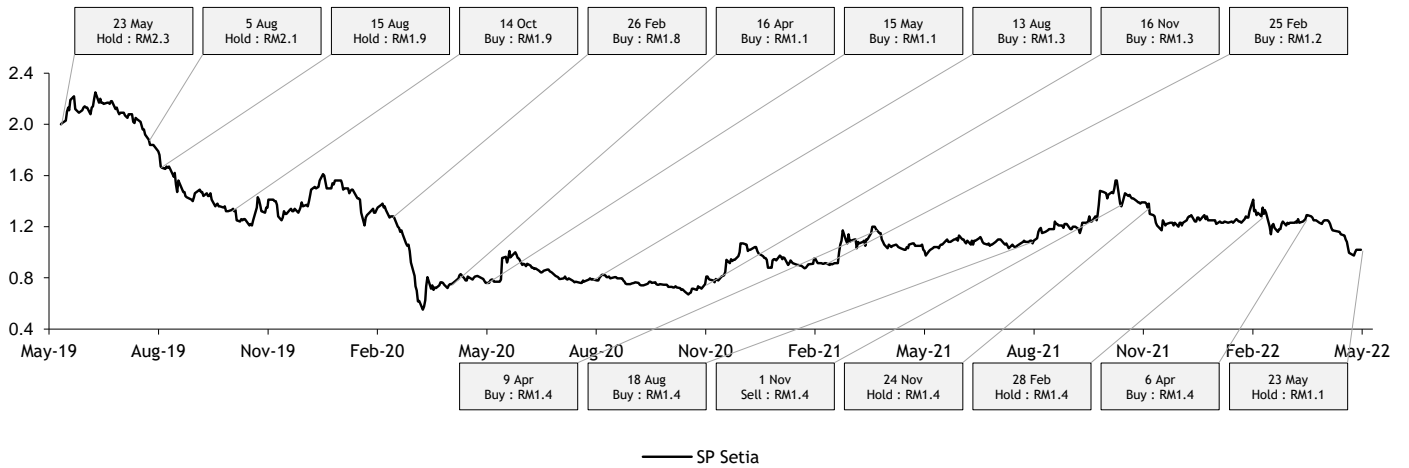
The views expressed in this research report accurately reflect the analyst’s personal views about any and all of the subject securities or issuers; and no part of the research analyst’s compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

### Reminder

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct its own analysis of the product and consult with its own professional advisers as to the risks involved in making such a purchase.

No part of this material may be copied, photocopied or duplicated in any form by any means or redistributed without the prior consent of Maybank IBG.

Historical recommendations and target price: SP Setia (SPSB MK)



**Definition of Ratings**

Maybank IBG Research uses the following rating system

- BUY** Return is expected to be above 10% in the next 12 months (including dividends)
- HOLD** Return is expected to be between 0% to 10% in the next 12 months (including dividends)
- SELL** Return is expected to be below 0% in the next 12 months (including dividends)

**Applicability of Ratings**

The respective analyst maintains a coverage universe of stocks, the list of which may be adjusted according to needs. Investment ratings are only applicable to the stocks which form part of the coverage universe. Reports on companies which are not part of the coverage do not carry investment ratings as we do not actively follow developments in these companies.

### Malaysia

Maybank Investment Bank Berhad  
(A Participating Organisation of  
Bursa Malaysia Securities Berhad)  
33rd Floor, Menara Maybank,  
100 Jalan Tun Perak,  
50050 Kuala Lumpur  
Tel: (603) 2059 1888;  
Fax: (603) 2078 4194  
Stockbroking Business:  
Level 8, Tower C, Dataran Maybank,  
No.1, Jalan Maarof  
59000 Kuala Lumpur  
Tel: (603) 2297 8888  
Fax: (603) 2282 5136

### Singapore

Maybank Securities Pte Ltd  
Maybank Research Pte Ltd  
50 North Canal Road  
Singapore 059304

Tel: (65) 6336 9090

### Hong Kong

MIB Securities (Hong Kong) Limited  
28/F, Lee Garden Three,  
1 Sunning Road, Causeway Bay,  
Hong Kong

Tel: (852) 2268 0800  
Fax: (852) 2877 0104

### London

Maybank Securities (London) Ltd  
PNB House  
77 Queen Victoria Street  
London EC4V 4AY, UK

Tel: (44) 20 7332 0221  
Fax: (44) 20 7332 0302

### Indonesia

PT Maybank Sekuritas Indonesia  
Sentral Senayan III, 22<sup>nd</sup> Floor  
Jl. Asia Afrika No. 8  
Gelora Bung Karno, Senayan  
Jakarta 10270, Indonesia

Tel: (62) 21 2557 1188  
Fax: (62) 21 2557 1189

### New York

Maybank Securities USA Inc  
400 Park Avenue, 11th Floor  
New York, New York 10022,  
U.S.A.

Tel: (212) 688 8886  
Fax: (212) 688 3500

### India

MIB Securities India Pte Ltd  
1101, 11<sup>th</sup> floor, A Wing, Kanakia  
Wall Street, Chakala, Andheri -  
Kurla Road, Andheri East,  
Mumbai City - 400 093, India

Tel: (91) 22 6623 2600  
Fax: (91) 22 6623 2604

### Philippines

Maybank Securities Inc  
17/F, Tower One & Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City, Philippines 1200

Tel: (63) 2 8849 8888  
Fax: (63) 2 8848 5738

### Thailand

Maybank Securities (Thailand) PCL  
999/9 The Offices at Central World,  
20<sup>th</sup> - 21<sup>st</sup> Floor,  
Rama 1 Road Pathumwan,  
Bangkok 10330, Thailand

Tel: (66) 2 658 6817 (sales)  
Tel: (66) 2 658 6801 (research)

### Vietnam

Maybank Securities Limited  
4A-15+16 Floor Vincom Center Dong  
Khoi, 72 Le Thanh Ton St. District 1  
Ho Chi Minh City, Vietnam

Tel : (84) 844 555 888  
Fax : (84) 8 38 271 030

### Sales Trading

Kevin Foy  
Regional Head Sales Trading  
kevinfoy@maybank.com  
Tel: (65) 6636-3620  
US Toll Free: 1-866-406-7447

#### Indonesia

Helen Widjaja  
helen.widjaja@maybank.com  
(62) 21 2557 1188

#### New York

James Lynch  
jlynch@maybank-keusa.com  
Tel: (212) 688 8886

#### Philippines

Keith Roy  
keith\_roy@maybank.com  
Tel: (63) 2 848-5288

#### London

Greg Smith  
gsmith@maybank.co.uk  
Tel: (44) 207-332-0221

#### India

Sanjay Makhija  
sanjaymakhija@maybank.com  
Tel: (91)-22-6623-2629