

Malaysia

**ADD** (no change)

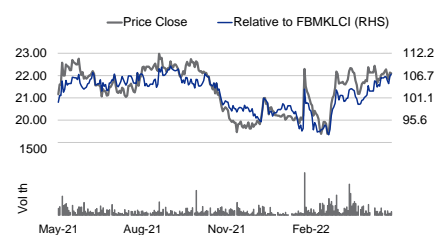
Consensus ratings\*: Buy 8 Hold 3 Sell 1

Current price:	RM22.10
Target price:	RM25.20
Previous target:	RM26.50
Up/downside:	14.0%
CGS-CIMB / Consensus:	9.3%
Reuters:	CBMS.KL
Bloomberg:	CAB MK
Market cap:	US\$1,539m
	RM6,757m
Average daily turnover:	US\$0.74m
	RM3.13m
Current shares o/s:	305.7m
Free float:	49.0%

\*Source: Bloomberg

**Key changes in this note**

- FY22-24F EPS raised by 1.0-2.2% on housekeeping matters



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	1.8	6.6	4.4
Relative (%)	6.2	9.3	7

Major shareholders	% held
Carlsberg Breweries A/S	51.0

**Analyst(s)**



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# Carlsberg Brewery (M)

## To benefit from pick-up in sales volume

- 1Q22 core net profit of RM92.4m (+36.7% yoy) was in line with estimates, with growth driven by higher sales volume and selling price hikes.
- We project 18% growth in FY22F sales volume, to be driven by the easing of lockdown measures, border reopenings, and new product launches.
- Reiterate Add, with lower DDM-based TP of RM25.20.

### 1Q22 core net profit rose 36.7% yoy, within expectations

1Q22 revenue rose 22.9% yoy, from higher sales volume (easing of lockdown measures) and selling price hikes. This led to 1Q22 EBITDA margin rising 1.4% pts yoy to 19.3%, thanks to higher economies of scale and more profitable sales mix. Accordingly, 1Q22 core net profit rose 36.7% yoy to RM92.4m, further aided by higher associate contribution (+70.1% yoy). 1Q22 net profit account for 32% of our and 35% of Bloomberg consensus full-year estimates; we deem this in line as 1Q is typically a stronger quarter. An interim dividend of 22 sen was declared (73.4% payout).

### Stronger qoq results from CNY festivities

On a qoq basis, 1Q22 revenue and core net profit rose 20.6% and 23.3% respectively, driven by strong performance from both Malaysia (revenue/operating profit rose 12.5%/22.3%) and Singapore operations (1Q22 revenue/operating profit rose 35.3%/28.6%). This was thanks to seasonality factors (Chinese New Year, CNY, fell in 1Q22) and gradual easing of lockdown measures in both countries.

### Expecting 18% growth in CAB's FY22F overall sales volume

We expect CAB to post a robust sales volume recovery in FY22F (+18% yoy), to be driven by higher on-trade sales, thanks to: i) gradual easing of lockdown measures in both Malaysia and Singapore since 4Q21, ii) reopening of borders for both countries in 2Q22, iii) new product launches (delayed since 2020), iv) more marketing activities, and v) reopening of night entertainment outlets in Malaysia from 15 May onwards.

### Higher input costs not a concern, in our view

Despite the recent rise in input costs, we do not expect any major impact on CAB's GP margin given that raw material and packaging costs were equivalent to only 8.3% of its FY21 revenue. Instead, we expect CAB to post better FY22F GP margin from selling price hikes (since 4Q21) and more profitable sales mix. Note that we believe that higher on-trade sales (we estimate 50% of CAB's sales pre Covid-19 pandemic) will also drive margin expansion, given on-trade sales fetch higher margins than off-trade sales.

### Maintain Add

We adjust our FY22-24F EPS estimates on minor housekeeping matters (recent release of its FY21 annual report). Our DDM-based TP is lowered to RM25.20 (beta: 0.8x, g: 2.8%) as we adjust our risk-free rate to 4% (previously 3.5%; amid the recent rise in government bond yields). We still like CAB given: i) its attractive valuation (CY23F P/E at a 26% discount to its 5-year mean of 27x), ii) that it benefits from a recovery in economic activity, especially on-trade activities, and iii) strong brand equity in Malaysia.

Financial Summary	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (RMm)	1,785	1,773	2,006	2,230	2,405
Operating EBITDA (RMm)	268.2	312.4	434.5	476.8	522.7
Net Profit (RMm)	187.1	209.3	293.7	345.7	377.4
Core EPS (RM)	0.69	0.68	0.96	1.13	1.23
Core EPS Growth	(26.4%)	(1.3%)	40.3%	17.7%	9.2%
FD Core P/E (x)	31.86	32.29	23.01	19.55	17.90
DPS (RM)	0.40	0.56	0.82	1.07	1.17
Dividend Yield	1.81%	2.53%	3.69%	4.86%	5.31%
EV/EBITDA (x)	24.98	21.22	15.41	13.97	12.68
P/FCFE (x)	30.80	46.36	40.11	19.96	18.17
Net Gearing	16.3%	(17.1%)	9.5%	(4.3%)	(16.5%)
P/BV (x)	40.25	32.00	26.48	24.80	23.19
ROE	134%	110%	126%	131%	134%
% Change In Core EPS Estimates			2.08%	2.22%	0.98%
CGS-CIMB/Consensus EPS (x)			1.13	1.13	1.11

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 1: Results comparison**

FYE Dec	1Q	1Q	yoy %	4Q	qoq %	Prev.	Comments
(RM m)	FY22	FY21	chg	FY21	chg	FY22F	
Revenue	653.9	532.0	22.9	542.3	20.6	2006.1	Mainly driven by strong revenue contribution from both Malaysia (+27.4% yoy) and Singapore (+13.8% yoy)
Operating costs	(539.2)	(447.8)	20.4	(451.6)	19.4	(1571.6)	
<b>EBITDA</b>	<b>126.0</b>	<b>95.0</b>	<b>32.6</b>	<b>108.5</b>	<b>16.1</b>	<b>434.5</b>	
<b>EBITDA margin (%)</b>	<b>19.3</b>	<b>17.9</b>	<b>1.4</b>	<b>20.0</b>	<b>(0.7)</b>	<b>21.7</b>	Impact of higher input costs were more than mitigated by selling price hikes, more profitable sales mix and higher economies of scale
Depn & amort.	(11.3)	(10.8)	4.5	(17.8)	(36.3)	(52.9)	
<b>EBIT</b>	<b>114.7</b>	<b>84.2</b>	<b>36.2</b>	<b>90.8</b>	<b>26.3</b>	<b>381.6</b>	
<b>EBIT margin (%)</b>	<b>17.5</b>	<b>15.8</b>	<b>1.7</b>	<b>16.7</b>	<b>0.8</b>	<b>19.0</b>	
Interest expense	(0.5)	(1.1)	(60.2)	(1.5)	(70.0)	(6.0)	
Interest & invt inc	0.2	0.6	(59.0)	0.9	(74.4)	3.6	
Associates' contrib	6.8	4.0	70.1	5.6	20.8	20.0	Higher contribution from its Sri Lanka associate, Lion Brewery
Exceptionals	(0.9)	(1.2)	(25.6)	(3.6)	(75.9)	0.0	1Q22: Write off of finished goods (RM0.4m), allowance for inventories written down (RM0.7m) and gain on disposal of PPE (RM0.1m)
<b>Pretax profit</b>	<b>120.3</b>	<b>86.4</b>	<b>39.2</b>	<b>92.2</b>	<b>30.5</b>	<b>399.1</b>	
Tax	(27.6)	(18.6)	48.3	(19.5)	41.8	(107.4)	
Tax rate (%)	22.9	21.5	1.4	21.1	1.8	26.9	Lower tax rate for Singapore operations
Minority interests	(1.2)	(1.4)	(14.2)	(1.3)	(13.2)	(4.0)	
<b>Net profit</b>	<b>91.6</b>	<b>66.5</b>	<b>37.8</b>	<b>71.4</b>	<b>28.2</b>	<b>287.7</b>	<b>1Q is typically a stronger quarter due to CNY festivities in the quarter</b>
<b>Core net profit</b>	<b>92.4</b>	<b>67.6</b>	<b>36.7</b>	<b>75.0</b>	<b>23.3</b>	<b>287.7</b>	<b>We deem in-line with expectations (32% of our and 35% of Bloomberg consensus full-year estimates)</b>
EPS (sen)	30.0	21.7	37.8	23.4	28.2	94.1	
Core EPS (sen)	30.2	22.1	36.7	24.5	23.3	94.1	Based on 305.7m outstanding shares

SOURCES: CGS-CIMB, COMPANY REPORTS

**Figure 2: Segmental result comparison**

FYE Dec	1Q	1Q	yoy %	4Q	qoq %	Comments
(RM m)	FY22	FY21	chg	FY21	chg	
Malaysia	466.4	375.2	24.3	414.7	12.5	Higher sales volume (from easing of lockdown measures), more profitable sales mix and increase in selling prices
Singapore	199.7	175.5	13.8	147.6	35.3	
Elimination	(12.3)	(18.6)	(34.0)	(20.0)	(38.6)	
<b>Total revenue</b>	<b>653.9</b>	<b>532.0</b>	<b>22.9</b>	<b>542.3</b>	<b>20.6</b>	
<b>Segmental profit</b>						
FYE Dec	1Q	1Q	yoy %	4Q	qoq %	Comments
(RM m)	FY22	FY21	chg	FY21	chg	
Malaysia	89.5	61.1	46.5	73.2	22.3	In-line with revenue growth
Singapore	21.0	20.9	0.2	16.3	28.6	More marketing spend due to trade activations, in our view
Elimination	3.3	1.0	234.8	(2.3)	242.9	
<b>Total profit</b>	<b>113.8</b>	<b>83.0</b>	<b>37.1</b>	<b>87.2</b>	<b>30.5</b>	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## Downside risks and re-rating catalysts ►


Downside risks: implementation of another movement control order (MCO) period in Malaysia that leads to the suspension of CAB's operations and weaker-than-expected malt liquor market (MLM) sales volume.

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

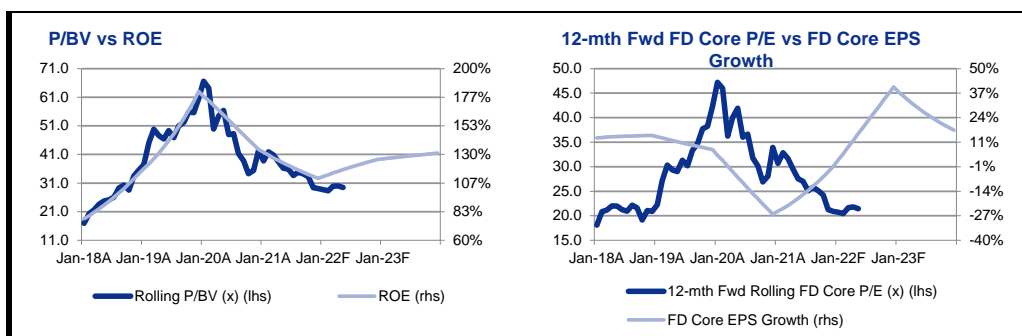
Figure 3: Sector Comparisons (CGS-CIMB's Malaysia consumer sector coverage)

Company	Bloomberg Ticker	Recom.	Share price (local curr)	Target Price (local curr)	Market Cap (US\$ m)	Core P/E (x)		3-year EPS CAGR (%)	P/BV (x)		Recurring ROE (%)		EV/EBITDA (x)		Dividend Yield (%)	
						CY22F	CY23F		CY22F	CY23F	CY22F	CY23F	CY22F	CY23F	CY22F	CY23F
<b>Consumer Staples</b>																
Nestle (Malaysia)	NESZ MK	Hold	133.30	135.00	7,122	52.8	42.7	11.1%	53.1	52.5	101.2%	123.5%	27.8	25.9	1.9%	2.3%
Fraser & Neave Holdings	FNH MK	Add	20.72	29.80	1,731	16.3	15.4	4.8%	2.4	2.2	15.2%	15.0%	9.1	8.3	3.2%	3.5%
QL Resources	QLG MK	Add	4.88	5.40	2,706	44.7	34.7	N/A	4.6	4.2	10.7%	12.7%	19.2	16.0	0.8%	1.1%
Power Root Bhd	PWRT MK	Hold	1.65	1.40	148	28.9	23.7	N/A	2.6	2.6	9.1%	11.0%	15.7	13.5	3.3%	4.0%
Kawan Food	KFB MK	Add	1.66	2.50	136	16.1	13.3	17.0%	1.5	1.4	9.8%	11.0%	8.3	6.8	2.1%	2.4%
MSM Malaysia Holdings	MSM MK	Reduce	0.90	0.93	144	14.7	8.2	43.0%	0.4	0.4	2.6%	4.7%	6.9	5.6	3.4%	6.1%
CCK Consolidated Holdings	CCK MK	Add	0.58	0.76	82	11.4	9.8	13.4%	1.1	1.0	9.9%	10.6%	4.6	4.0	2.4%	3.0%
<b>Weighted Subsector Average</b>						<b>44.3</b>	<b>35.8</b>	<b>8.0%</b>	<b>32.8</b>	<b>32.3</b>	<b>64.6%</b>	<b>78.3%</b>	<b>22.4</b>	<b>20.4</b>	<b>1.9%</b>	<b>2.3%</b>
<b>Consumer Discretionary</b>																
7-Eleven Malaysia Holdings	SEM MK	Add	1.41	1.78	362	25.8	23.0	6.8%	14.7	11.7	64.4%	56.6%	5.3	4.7	2.3%	2.6%
Berjaya Food Berhad	BFD MK	Add	4.35	5.50	357	14.9	14.1	17.7%	3.9	3.6	27.4%	26.5%	4.6	4.1	4.7%	5.0%
Bonia Corporation	BON MK	Add	2.74	3.00	125	14.4	13.4	23.7%	1.4	1.3	9.9%	10.0%	5.8	5.5	2.8%	3.0%
DKSH Holdings (Malaysia)	DKSH MK	Add	4.40	6.20	158	7.9	7.1	9.1%	0.9	0.8	11.4%	11.5%	4.3	3.8	2.3%	2.3%
Lee Swee Kiat Group	LSKG MK	Add	0.83	1.63	31	9.9	6.6	27.2%	1.8	1.5	19.6%	25.0%	4.5	2.9	4.0%	6.0%
Mynews Holdings Berhad	MNHB MK	Reduce	0.65	0.50	101	na	38.7	25.9%	2.0	1.9	-6.5%	5.1%	10.6	6.0	0.1%	0.6%
Panasonic Manufacturing	PMM MK	Hold	28.00	31.20	388	18.0	13.5	N/A	2.2	2.2	12.2%	16.4%	8.7	6.6	6.7%	7.1%
InNature Bhd	NATURE MK	Add	0.61	0.84	98	15.9	14.4	28.5%	2.9	2.8	18.9%	19.6%	7.4	6.4	4.4%	4.8%
Mr D.I.Y. Group (M) Bhd	MRDIY MK	Add	3.43	4.00	4,911	40.8	33.5	15.2%	14.8	11.8	41.6%	39.3%	21.6	18.2	1.1%	1.3%
<b>Weighted Subsector Average</b>						<b>34.8</b>	<b>29.3</b>	<b>14.4%</b>	<b>12.4</b>	<b>10.0</b>	<b>37.9%</b>	<b>36.0%</b>	<b>17.8</b>	<b>15.0</b>	<b>1.8%</b>	<b>2.0%</b>
<b>Sin (Brewers &amp; Tobacco)</b>																
British American Tobacco	ROTH MK	Reduce	12.76	10.53	830	14.3	15.3	-13.9%	9.4	9.3	66.3%	61.1%	9.8	10.4	6.9%	6.4%
<b>Carlsberg Brewery (M)</b>	<b>CAB MK</b>	<b>Add</b>	<b>22.10</b>	<b>25.20</b>	<b>1,539</b>	<b>23.0</b>	<b>19.5</b>	<b>19.4%</b>	<b>26.5</b>	<b>24.8</b>	<b>129.3%</b>	<b>131.0%</b>	<b>15.0</b>	<b>14.0</b>	<b>3.8%</b>	<b>4.9%</b>
Heineken Malaysia Bhd	HEIM MK	Add	25.00	29.00	1,721	24.3	20.2	14.8%	19.0	19.0	80.5%	93.9%	14.2	13.4	4.2%	4.9%
<b>Weighted Subsector Average</b>						<b>21.8</b>	<b>19.0</b>	<b>10.7%</b>	<b>19.9</b>	<b>19.2</b>	<b>96.0%</b>	<b>101.2%</b>	<b>13.6</b>	<b>13.0</b>	<b>4.6%</b>	<b>5.2%</b>
<b>Weighted Average</b>						<b>37.5</b>	<b>30.9</b>	<b>10.3%</b>	<b>24.6</b>	<b>23.5</b>	<b>62.6%</b>	<b>70.3%</b>	<b>19.5</b>	<b>17.5</b>	<b>2.3%</b>	<b>2.7%</b>
<b>Simple Average</b>						<b>23.7</b>	<b>20.6</b>	<b>15.9%</b>	<b>10.0</b>	<b>9.4</b>	<b>35.0%</b>	<b>38.0%</b>	<b>11.6</b>	<b>10.1</b>	<b>3.1%</b>	<b>3.6%</b>

SOURCES: CGS-CIMB, BLOOMBERG

		Refinitiv ESG Scores					
		B- ESG Score	B+ ESG Controversies Score	B- ESG Combined Score	B- ESG Environment Pillar Score	B+ ESG Social Pillar Score	C ESG Government Pillar Score
<p><b>ESG in a nutshell</b></p> <p>CAB is a constituent of the FTSE4Good Bursa Malaysia Index. In accordance with FTSE Russell ESG ratings' methodology, F&amp;NHB is ranked in the top 26% to 50% of ESG ratings among listed companies in FBM EMAS that have been assessed by FTSE Russell (as of Jun 2021). In 2021, CAB remained a counter of note within FTSE Russell's FTSE4GOOD Bursa Malaysia (F4GBM) Index, achieved an improved Morgan Stanley Capital International (MSCI) ESG ratings of "AA", and won the Company of the Year award at the Sustainability &amp; CSR Malaysia Awards 2021.</p>							
<p><b>Keep your eye on</b></p> <p>As CAB's products are predominantly alcohol-based, they could be seen to potentially lead to the impact of irresponsible drinking, such as alcohol abuse and health issues.</p>	<p><b>Implications</b></p> <p>CAB is a strong advocate of responsible drinking, which is aligned with Carlsberg Global's goal of zero irresponsible drinking. Among efforts are plans to introduce more alcohol-free products, for all product packaging to have responsible drinking messages, and more campaigns to educate consumers on responsible alcohol consumption. In FY21, CAB launched #CelebrateResponsibly as its Malaysian operations' annual campaign, advocating responsible consumption in conjunction with Global Be(er) Responsible Day (GBRD).</p>						
<p><b>ESG highlights</b></p> <p>CAB highlighted that its electricity consumption per production (hectoliter) has increased slightly by 4% to 10.6kWh/hl in 2021.</p>	<p><b>Implications</b></p> <p>While this is negative, we understand that it was owing to the impact of lockdown measures during Malaysia's Movement Control Order (MCO) periods. As a result of MCO, brewery output was affected but CAB had to maintain a base electrical load despite zero production.</p>						
<p><b>Trends</b></p> <p>CAB successfully reduced its usage of thermal energy (both renewable and non-renewable) to 19.8 kWh/hl in 2021, from 20.8kWh/hl in 2020.</p>	<p><b>Implications</b></p> <p>We view this positively, as it is a clear indication that the company is making strong efforts to reduce its energy usage. It has also achieved its two-year target (set in 2019) to reduce its thermal energy usage to 19.8 kWh/hl by end-2022 ahead of schedule in 2021.</p> <p style="text-align: right; font-size: small;">SOURCES: CGS-CIMB RESEARCH, REFINITIV</p>						

## BY THE NUMBERS



### Profit & Loss

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>Total Net Revenues</b>	<b>1,785</b>	<b>1,773</b>	<b>2,006</b>	<b>2,230</b>	<b>2,405</b>
<b>Gross Profit</b>	<b>552</b>	<b>590</b>	<b>727</b>	<b>815</b>	<b>889</b>
<b>Operating EBITDA</b>	<b>268</b>	<b>312</b>	<b>435</b>	<b>477</b>	<b>523</b>
Depreciation And Amortisation	(43)	(57)	(49)	(56)	(59)
<b>Operating EBIT</b>	<b>225</b>	<b>255</b>	<b>386</b>	<b>421</b>	<b>464</b>
Financial Income/(Expense)	(5)	(2)	(2)	(2)	(2)
Pretax Income/(Loss) from Assoc.	15	15	22	30	28
Non-Operating Income/(Expense)	0	0	0	0	0
<b>Profit Before Tax (pre-EI)</b>	<b>235</b>	<b>268</b>	<b>405</b>	<b>448</b>	<b>489</b>
Exceptional Items	0	0	0	0	0
<b>Pre-tax Profit</b>	<b>235</b>	<b>268</b>	<b>405</b>	<b>448</b>	<b>489</b>
Taxation	(44)	(55)	(107)	(99)	(108)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>191</b>	<b>213</b>	<b>298</b>	<b>350</b>	<b>381</b>
Minority Interests	(4)	(3)	(4)	(4)	(4)
Preferred Dividends	0	0	0	0	0
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>187</b>	<b>209</b>	<b>294</b>	<b>346</b>	<b>377</b>
Recurring Net Profit	212	209	294	346	377
<b>Fully Diluted Recurring Net Profit</b>	<b>212</b>	<b>209</b>	<b>294</b>	<b>346</b>	<b>377</b>

### Cash Flow

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>EBITDA</b>	<b>268.2</b>	<b>312.4</b>	<b>434.5</b>	<b>476.8</b>	<b>522.7</b>
Cash Flow from Invt. & Assoc.					
Change In Working Capital	11.8	27.3	1.3	10.3	6.7
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	(7.5)	3.6	2.4	2.4	2.4
Net Interest (Paid)/Received	(5.2)	(2.3)	(2.4)	(2.4)	(2.4)
Tax Paid	(55.5)	(65.1)	(107.4)	(98.6)	(107.6)
<b>Cashflow From Operations</b>	<b>211.7</b>	<b>275.9</b>	<b>328.5</b>	<b>388.5</b>	<b>421.8</b>
Capex	(42.7)	(56.8)	(160.0)	(50.0)	(50.0)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	4.3	9.0	0.0	0.0	0.0
<b>Cash Flow From Investing</b>	<b>(38.5)</b>	<b>(47.8)</b>	<b>(160.0)</b>	<b>(50.0)</b>	<b>(50.0)</b>
Debt Raised/(repaid)	46.1	(82.3)	0.0	0.0	0.0
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(190.8)	(152.9)	(249.7)	(328.4)	(358.6)
Preferred Dividends					
Other Financing Cashflow	(5.3)	(4.4)	(3.2)	(3.2)	(3.2)
<b>Cash Flow From Financing</b>	<b>(149.9)</b>	<b>(239.6)</b>	<b>(252.9)</b>	<b>(331.6)</b>	<b>(361.8)</b>
Total Cash Generated	23.3	(11.6)	(84.4)	6.9	10.0
<b>Free Cashflow To Equity</b>	<b>219.4</b>	<b>145.7</b>	<b>168.5</b>	<b>338.5</b>	<b>371.8</b>
<b>Free Cashflow To Firm</b>	<b>180.3</b>	<b>231.1</b>	<b>171.7</b>	<b>341.7</b>	<b>375.0</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

### Balance Sheet

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Cash And Equivalents	94.0	75.6	13.8	51.0	89.5
Total Debtors	135.0	134.9	152.6	169.7	184.0
Inventories	84.8	79.0	85.3	94.4	101.1
Total Other Current Assets	3.1	3.4	3.4	3.4	3.4
<b>Total Current Assets</b>	<b>316.9</b>	<b>292.8</b>	<b>255.1</b>	<b>318.5</b>	<b>378.0</b>
Fixed Assets	208.2	211.1	322.3	316.7	307.8
Total Investments	92.5	94.7	94.7	94.7	94.7
Intangible Assets	7.2	5.5	5.5	5.5	5.5
Total Other Non-Current Assets	14.9	17.3	17.3	17.3	17.3
<b>Total Non-current Assets</b>	<b>322.8</b>	<b>328.7</b>	<b>439.9</b>	<b>434.2</b>	<b>425.4</b>
Short-term Debt	122.5	33.3	33.3	33.3	33.3
Current Portion of Long-Term Debt					
Total Creditors	284.2	315.6	341.1	377.5	405.3
Other Current Liabilities	35.6	33.5	33.5	33.5	33.5
<b>Total Current Liabilities</b>	<b>442.4</b>	<b>382.4</b>	<b>407.9</b>	<b>444.4</b>	<b>472.1</b>
Total Long-term Debt	0.0	5.5	5.5	5.5	5.5
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	0.0	0.0	0.0	0.0	0.0
<b>Total Non-current Liabilities</b>	<b>0.0</b>	<b>5.5</b>	<b>5.5</b>	<b>5.5</b>	<b>5.5</b>
Total Provisions	22.7	17.9	17.9	17.9	17.9
<b>Total Liabilities</b>	<b>465.0</b>	<b>405.9</b>	<b>431.3</b>	<b>467.8</b>	<b>495.6</b>
Shareholders' Equity	167.9	211.1	255.2	272.5	291.3
Minority Interests	6.8	4.5	8.5	12.5	16.5
<b>Total Equity</b>	<b>174.6</b>	<b>215.6</b>	<b>263.6</b>	<b>284.9</b>	<b>307.8</b>

### Key Ratios

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	(20.9%)	(0.7%)	13.2%	11.2%	7.9%
Operating EBITDA Growth	(35.7%)	16.5%	39.1%	9.7%	9.6%
Operating EBITDA Margin	15.0%	17.6%	21.7%	21.4%	21.7%
Net Cash Per Share (RM)	(0.09)	0.12	(0.08)	0.04	0.17
BVPS (RM)	0.55	0.69	0.83	0.89	0.95
Gross Interest Cover	32.3	79.8	120.6	131.7	145.1
Effective Tax Rate	18.6%	20.6%	26.5%	22.0%	22.0%
Net Dividend Payout Ratio	53.0%	64.7%	62.2%	73.9%	73.9%
Accounts Receivables Days	36.12	27.78	26.15	26.37	26.83
Inventory Days	22.51	25.25	23.45	23.18	23.61
Accounts Payables Days	98.56	92.51	93.72	92.65	94.39
ROIC (%)	169%	143%	284%	149%	178%
ROCE (%)	78%	86%	130%	127%	132%
Return On Average Assets	36.2%	42.8%	61.8%	62.2%	63.1%

### Key Drivers

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
M'sia sales volume growth (%)	-22.0%	-6.0%	12.0%	8.0%	5.0%
SG sales volume growth (%)	-16.3%	-3.6%	12.0%	7.5%	6.0%
Average exchange rate (MYR/ SGD)	3.1	3.1	3.1	3.1	3.1
Duties paid (RM m)	(615.5)	(582.3)	(656.5)	(713.0)	(752.1)
M'sia ASPs growth (%)	5.0%	5.0%	5.0%	4.0%	3.3%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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#### Corporate Governance Report:

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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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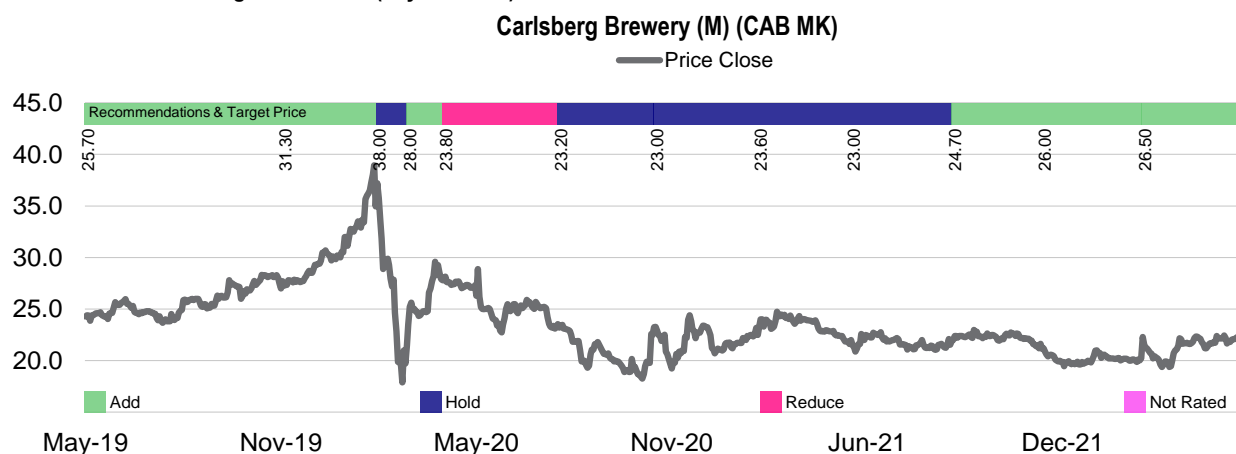
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Distribution of stock ratings and investment banking clients for quarter ended on 31 March 2022		
632 companies under coverage for quarter ended on 31 March 2022		
	Rating Distribution (%)	Investment Banking clients (%)
Add	70.3%	0.8%
Hold	22.0%	0.0%
Reduce	7.8%	0.2%

### Spitzer Chart for stock being researched ( 2 year data )



### Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2021, Anti-Corruption 2021

**ADVANC** – Excellent, Certified, **AMATA** – Excellent, Certified, **ANAN** – Excellent, n/a, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Excellent, n/a, **AWC** – Excellent, Declared, **AU** – Good, n/a, **BAM** – Very Good, Certified, **BAY** – Excellent, Certified, **BBL** – Excellent, Certified, **BCH** – Very Good, Certified, **BCP** - Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Excellent, n/a, **BEAUTY** – Good, n/a, **BEM** – Excellent, n/a, **BH** - Good, n/a, **BJC** – Very Good, n/a, **BLA** – Very Good, Certified, **BTS** - Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – n/a, n/a, **CENTEL** – Excellent, Certified, **CHAYO** – Very Good, n/a, **CHG** – Very Good, n/a, **CK** – Excellent, n/a, **COM7** – Excellent, Certified, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** - Excellent, Certified, **CPNREIT** – n/a, n/a, **CRC** – Excellent, Declared, **DELTA** - Excellent, Certified, **DDD** – Excellent, n/a, **DIF** – n/a, n/a, **DOHOME** – Very Good, Declared, **DREIT** – n/a, n/a, **DTAC** – Excellent, Certified, **ECL** – Excellent, Certified, **EGCO** - Excellent, Certified, **EPG** – Excellent, Certified, **ERW** – Very Good, Certified, **GFPT** - Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Excellent, n/a, **HANA** - Excellent, Certified, **HMPRO** - Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Certified, **III** – Excellent, Declared, **INTUCH** - Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** - Excellent, Certified, **JASIF** – n/a, n/a, **JKN** – n/a, Certified, **JMT** – Very Good, n/a, **KBANK** - Excellent, Certified, **KCE** - Excellent, Certified, **KEX** – Very Good, Declared, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** - Excellent, Certified, **KTC** – Excellent, Certified, **LH** - Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MAKRO** – Excellent, Certified, **MC** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** - Excellent, Certified, **MTC** – Excellent, Certified, **NETBAY** – Very Good, n/a, **NRF** – Very Good, Declared, **OR** – Excellent, n/a, **ORI** – Excellent, Certified, **OSP** – Excellent, n/a, **PLANB** – Excellent, Certified, **PRINC** – Very Good, Certified, **PR9** – Excellent, Declared, **PSH** – Excellent, Certified, **PTT** - Excellent, Certified, **PTTEP** - Excellent, n/a, **PTTGC** - Excellent, Certified, **QH** – Excellent, Certified, **RAM** – n/a, n/a, **RBF** – Very Good, n/a, **RS** – Excellent, Declared, **RSP** – Good, n/a, **S** – Excellent, n/a, **SAK** – Very Good, Declared, **SAPPE** – Very Good, Certified, **SAWAD** – Very Good, n/a, **SCB** - Excellent, Certified, **SCC** – Excellent, Certified, **SCGP** – Excellent, Declared, **SECURE** – n/a, n/a, **SHR** – Excellent, n/a, **SIRI** – Excellent, Certified, **SPA** – Very Good, n/a, **SPALI** - Excellent, Certified, **SPRC** – Excellent, Certified, **SSP** - Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIDLOR** – n/a, Certified, **TISCO** - Excellent, Certified, **TKN** – Very Good, n/a, **TOP** - Excellent, Certified, **TRUE** – Excellent, Certified, **TTB** - Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Certified, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – n/a, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

- CG Score 2021 from Thai Institute of Directors Association (IOD)

- Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of August 5, 2021) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.

Recommendation Framework	
<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.