

Malaysia

**ADD** (no change)

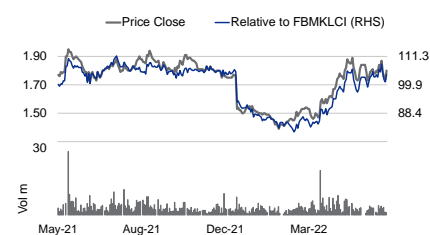
Consensus ratings\*: Buy 12 Hold 4 Sell 4

Current price:	RM1.80
Target price:	RM2.09
Previous target:	RM1.79
Up/downside:	16.1%
CGS-CIMB / Consensus:	12.5%
Reuters:	IJMS.KL
Bloomberg:	IJM MK
Market cap:	US\$1,451m
	RM6,355m
Average daily turnover:	US\$1.36m
	RM5.81m
Current shares o/s:	3,624m
Free float:	67.7%

\*Source: Bloomberg

**Key changes in this note**

- TP raised to RM2.09 on lower RNAV discount of 10% (20% previously).



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	3.4	17.6	5.3
Relative (%)	5.9	20.4	8.3

Major shareholders	% held
EPF	16.9
KWAP	9.3
Urusharta Jamaah	6.2

**Analyst(s)**



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# IJM Corp Bhd

## Reviving growth prospects post FY22

- FY3/22 results were in line despite one-offs; core net profit fell 45% yoy.
- Post the results, there is now greater clarity on MRT 3 tenders, highway deal timeline (within 2HCY22) and land sale plans to enhance cash.
- Add rating intact with higher TP (lowered RNAV discount to 10%).

### 4QFY3/22 hit by one-off impairments; still profitable at core level

IJM Corp's 4QFY6/22 net profit of a mere RM1m was largely the result of several negative one-off charges. The two main items were: 1) RM66m impairment on the value of industrial land related to the Malaysia-China Kuantan Industrial Park, MCKIP, and 2) RM77m impairment on highway assets being the Lekas Highway (Malaysia) and a toll highway in India, mainly relating to weakness in traffic volume during lockdowns. Stripping these out and other items, we arrive at a core net profit of RM128m, 28% lower than 4QFY3/21 (+25.1% qoq on higher EBITDA margin). The main drag in the yoy decline in core net profit was the higher tax rates due to a larger proportion of impairments in 4QFY22 that was non-tax deductible. At the revenue level, the -9% yoy and -2.8% qoq contractions were in line with the impact of the various lockdowns in CY21, which affected all business divisions. The group declared a final DPS of 4 sen. The full-year DPS of 21 sen (above our forecast of 17 sen), includes the 15 sen special dividend from the sale of IJM Plantations.

### Full-year FY3/22 results were in line; core net profit fell 45% yoy

Excluding the one-off items, FY3/22 core net profit of RM178m was in line at 102-104% of our and consensus full-year forecasts. Full-year revenue of RM4.4bn was also within expectations, with the industry division's (manufacturing of piles and quarrying) 24% yoy revenue growth mitigating the 21% yoy fall in construction and weaker overseas property sales. Construction pretax profit fell 12% yoy due to the three quarters of productivity disruptions from various lockdowns in CY21. Property development core pretax margin (ex-RM66m impairment) only slipped 1% pt yoy to 13% in FY22 and is likely to stabilise at these levels in FY3/23F as the impact from rising building material cost since end-CY21 is still manageable over the next 12 months, as guided during the results conference call. We have not seen a full recovery in the revenue and earnings for ports and highway assets (infrastructure division). 4QFY22 data show that highway traffic at Lekas and Besraya highways rose above pre-pandemic levels while New Pantai Expressway's (NPE) traffic is near pre-pandemic levels. Overall, FY3/22 core net profit declined 45% yoy on lower EBITDA margin, higher associate losses (Hexagon, Singapore) and higher tax rates.

### MRT 3, highway deal and asset sale; Add retained with higher TP

We maintain FY23-24F EPS and introduce FY25F numbers. Post-conference call, we turn more optimistic on MRT 3 civil works tenders, clearer highway deal timeline (within 2HCY22) and RM600m land sale plans to enhance cash (key potential re-rating catalysts). We raise TP to RM2.09 (narrowing RNAV discount from 20% to 10%) to reflect stronger sentiment for the share price. Our Add rating is intact. Downside risk: weaker earnings.

Financial Summary	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Revenue (RMm)	5,623	4,409	4,816	5,182	5,576
Operating EBITDA (RMm)	618.9	296.6	853.5	920.5	988.4
Net Profit (RMm)	431.7	102.1	281.1	292.6	346.6
Core EPS (RM)	0.092	0.049	0.078	0.081	0.096
Core EPS Growth	143%	(47%)	58%	4%	18%
FD Core P/E (x)	19.48	36.63	23.21	22.29	18.82
DPS (RM)	0.06	0.21	0.07	0.07	0.07
Dividend Yield	3.3%	11.7%	3.6%	3.9%	3.9%
EV/EBITDA (x)	19.67	29.89	10.16	9.21	8.38
P/FCFE (x)	9.37	NA	3.02	2.52	2.67
Net Gearing	35.5%	22.4%	17.6%	15.7%	13.9%
P/BV (x)	0.65	0.60	0.51	0.50	0.48
ROE	3.42%	1.72%	2.39%	2.26%	2.60%
% Change In Core EPS Estimates			0%	0%	
CGS-CIMB/Consensus EPS (x)			0.83	0.77	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## Conference call highlights

### Investment in a network infrastructure company ►

IJM will acquire a 60% equity stake in GlobalComm Solutions Sdn Bhd for RM35m. GlobalComm is essentially involved in the provision of: 1) Network architecture development: Fiber-To-The-Home/office, cabling structure and network systems, 2) Dedicated Network Services (DNS): telecommunications connectivity and cyber security services, and 3) Telco infra structure solutions: Underground duct, cable lease and telco towers, among others. The decision to venture into this space is based on the objective of enhancing IJM's competitive advantage and ability to leverage on Smart development projects that encompass digital highway and ducting leasing. These can be applied to the group's existing township developments.

Based on GlobalComm's FY21 net profit of RM3.9m and the acquisition cost of RM35m, this implies a decent acquisition P/E of 8.9x and a prospective FY24 acquisition P/E of 6.8x, based on IJM's preliminary forecast pretax profit of RM7m (implied net profit of RM5.2m) in FY24 for GlobalComm. GlobalComm's FY21 revenue was RM23m, of which 23% was project-based and the balance 77% recurring. While potential earnings contribution will not be substantial and immediate accretion to IJM's FY23-25F EPS will not be material, we take a positive long-term view in terms of the possible synergies with IJM's property and toll highway divisions, as per depicted below.

**Figure 1: Possible synergies with property division**

#### Telco Infrastructure Contributions

- Potential savings in telecommunications infrastructure work in new developments

#### Commercial Buildings

- Added value services to IJM commercial building for bandwidth, in-building mobile coverage, WiFi and etc

#### Township Network Coverage

- Improve network coverage for remote developments
- Multi-telco support to enhance property value

#### Asset Utilisation for Recurring Revenue

- Smart poles with ads billboard
- Telco infrastructure structure
- Fiber infrastructure

SOURCES: CGS-CIMB RESEARCH, IJM CORP SLIDES

**Figure 2: Possible synergies with toll highway division**

#### Highway Network Grid Leasing

- Turning highway network grid into recurring revenue by leasing ducting and fiber to telcos.

#### Smart Highway Infrastructure

- Smart services to enhance highway capabilities on monitoring, improve efficiency, and safety.

#### Smart Poles & Advertisement Billboard

- Additional revenues on telco infrastructures by adding smart services and billboard to telco towers.



SOURCES: CGS-CIMB RESEARCH, IJM CORP SLIDES

### Positioning for MRT 3 civil works tenders ►

MRT Corp has opened tenders for three civil works packages for the RM31bn MRT 3 project. The packages are not of equal value, length and scope. Two of the three packages are earmarked for only local contractors/consortium/JV and include varying distances of underground tunneling scope for each. The third package (with underground tunnelling scope) can be tendered with a foreign contractor/partner (not more than 49% equity stake). Based on preliminary guidance, IJM will be positioning for one of three tender packages and has guided that the value for each package could be in the range of RM3bn-9bn. Each of the MRT 3 packages comes with a private finance scheme/proposal for the first two years of construction prior reverting to government funding and a compulsory participation of a bumiputera contractor/partner. IJM views its track record in MRT 1 and MRT 2 as well as strong balance sheet (26% net gearing at end-FY22) as key advantages. For FY23F, the group targets RM3bn worth of new order book.

As at end-FY22, outstanding order book stood at RM4.3bn (RM1.7bn total wins in FY22).

## Highway restructuring deal to progress in CY22 ▶

IJM Corp's proposal to the government for a restructuring of its highway concession assets is expected to make some progress in CY22. Although the mechanics and details of the proposal are not available, the general structure of the deal will not be similar to the Gamuda-ALR proposal, in that: 1) IJM will still retain a stake in the restructured highways, 2) IJM will not exit the highway concession business completely, and 3) There could be opportunities to grow construction order book from highway extension works. Timeline-wise, the group clarified that the government intended to finalise the plans by end-CY22. At the moment, the deal will not include West Coast Expressway (WCE) as it is under construction and about 70% completed. The restructuring will focus on Besraya Highway, Lekas Highway, and New Pantai Expressway (NPE).

**Figure 3: Results comparison**

FYE Mar (RM m)	4QFY22	4QFY21	yoy %	3QFY22	qoq %	4QFY22	4QFY21	yoy %	Prev.	
			chg		chg	Cum	Cum	chg	FY22F	Comments
Revenue	1,232.5	1,354.8	(9.0)	1,268.0	(2.8)	4,409.0	4,687.2	(5.9)	4,451.1	1) Industries division grew 24% yoy
Operating costs	(932.5)	(1,042.0)	(10.5)	(1,044.1)	36.8	(3,631)	(3,731)	(2.7)	(3,746.0)	2) Construction segment fell 21% yoy
EBITDA	300.0	312.8	(4.1)	224.0	34.0	778.4	955.8	(18.6)	705.1	3) Property declined 2% yoy
<b>EBITDA margin (%)</b>	<b>24.3</b>	<b>23.1</b>	<b>5.4</b>	<b>17.7</b>	<b>37.8</b>	<b>17.7</b>	<b>20.4</b>	<b>(13.4)</b>	<b>15.8</b>	4) Infrastructure (highways and ports) was flat yoy
Depn & amort.	(86.0)	(72.4)	18.7	(77.3)	11.3	(316.1)	(295.8)	6.8	(416.9)	
EBIT	214.0	240.3	(11.0)	146.6	45.9	462.3	660.0	(29.9)	288.2	
Interest expense	(50.0)	(51.6)	(3.1)	(44.4)	12.7	(188.3)	(198.3)	(5.0)	(207.9)	RM5.5bn total debt at end-FY22 (net gearing of 0.26.4x)
Interest & invt inc	54.8	45.5	20.5	41.2	33.1	151.2	130.1	16.2	160.1	RM2.9bn cash at end-FY22
Associates' contrib	(23.0)	(25.8)	(11)	19.2	>100	(31.3)	(74.2)	(57.8)	(42.6)	Losses for construction associate Hexagon (Singapore)
Exceptionals	(127.0)	(22.9)	455	(3.9)	>100	(76.0)	(6.5)	>100	-	1) RM66m impairment at MCKIP (industrial properties)
<b>Pretax profit</b>	<b>68.8</b>	<b>185.6</b>	<b>(62.9)</b>	<b>158.6</b>	<b>(56.6)</b>	<b>317.9</b>	<b>511.1</b>	<b>(37.8)</b>	<b>399.4</b>	2) RM77m impairment for Vijayawada and Lekas tollways
Tax	(79.0)	20.4	>100	(45.1)	75.2	(182.9)	(78.9)	131.9	(139.8)	
Tax rate (%)	114.8	(11.0)	>100	28.4	304.0	57.6	15.4	272.9	35.0	Higher expense in 4Q22 not deductible for tax
Minority interests	22.6	(40.7)	155.7	(3.4)	765.6	13.7	(67.1)	120.4	(87.7)	
<b>Net profit</b>	<b>1.0</b>	<b>153.9</b>	<b>(99.3)</b>	<b>98.4</b>	<b>(99.0)</b>	<b>102.1</b>	<b>318.6</b>	<b>(68.0)</b>	<b>171.9</b>	FY3/22 core net profit mad up 102-104% of our and consensus full-year estimates
Core net profit	128.0	176.7	(27.6)	102.4	25.1	178.1	325.1	(45.2)	171.9	
EPS (sen)	0.0	4.2	(99.3)	2.7	(98.9)	2.9	8.8	(67.6)	4.7	
Core EPS (sen)	3.8	4.9	(22.2)	2.8	33.4	5.0	9.0	(44.6)	4.7	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 4: Segmental comparison (RM m)**


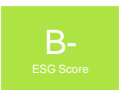

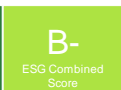



Revenue	FY22	FY21	YoY	Comments
Construction	1,529.3	1,947.9	-21%	Impacted by various lockdown phases; new contracts still at early stages
Property	1,273.7	1,296.8	-2%	Lower sales of completed units for Royal Mint Gardens (UK); higher domestic sales
Manufacturing & quarrying	856.9	691.0	24%	Increased delivery of piles, quarry products and ready-mix concrete
Infrastructure	748.5	751.0	0%	Weaker highway traffic volume and cargo throughput during CY21 lockdown periods
Investment & others	0.6	0.6	4%	-
<b>Total</b>	<b>4,409.0</b>	<b>4,687.2</b>	<b>-6%</b>	
Pretax profit	FY22	FY21	YoY	
Construction	121.7	137.7	-12%	Impacted by lockdown in CY21 and higher associate losses (Singapore)
Property	99.2	180.3	-45%	4QFY22: RM66m impairment of inventories for industrial dev't in Kuantan
Manufacturing & quarrying	68.5	68.2	0%	4QFY22: RM6.9m gain from disposal of Kemena; 4QFY21: RM78.6m gain from disposal of an overseas unit
Infrastructure	21.6	117.1	-82%	4QFY22: RM77m impairment in Lekas Highway (M'sia) and Vijayawada Tollway (India)
Investment & others	6.8	7.9	-14%	-
<b>Total</b>	<b>317.9</b>	<b>511.1</b>	<b>-38%</b>	
Pretax margins	FY22	FY21	%-pts	
Construction	8%	7%	1%	Material cost increases since end-CY21 are manageable over the next 12 months
Property	8%	14%	-6%	13% pretax margin excluding RM66m impairment
Manufacturing & quarrying	8%	10%	-2%	Margins are expected to be stable in FY6/23F
Infrastructure	3%	16%	-13%	13% pretax margin excluding RM77m impairment
<b>Total</b>	<b>7%</b>	<b>11%</b>	<b>-4%</b>	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 5: RNAV**

<b>Concessions (DCF values)</b>		<b>IJM's stake</b>	<b>Value (RM'm)</b>	
Kaseh Highway		50%	463.3	
Besraya		100%	887.8	
New Pantai Expressway		100%	899.9	
Kuantan Port		60%	830.7	
Kemaman Port		39%	562.5	
Rewa, Madya Pradesh		100%	232.4	
Binh An Water Corp		36%	97.3	
Jaipur-Mahua, Rajashtan (divestment value)		26%	59.3	
Gautami, Andra Pradesh		20%	70.6	
Western Access Tollway, Buenos Aires		20%	181.6	
West Coast Expressway		20%	539.3	
<b>Total value of concessions</b>			<b>4,824.6</b>	
<b>Other divisions</b>				
	<b>Market price (RM)</b>	<b>Market cap (RM)</b>	<b>IJM's Stake</b>	<b>Value (RM m)</b>
IJM Land (privatisation value)	nm	5,511.0	100.0%	5,511.0
			<b>IJM's stake</b>	<b>Value (RM m)</b>
	<b>CY23 net profit (RM'm)</b>	<b>P/E (x)</b>		
Construction	117.0	15.0	100%	1,755.0
Concrete products	32.2	12.0	98%	378.8
Investment properties (4QFY22)				618.1
JVs and associates (4QFY22)				898.8
Total debt (4QFY22)				(5,529.6)
<b>Total RNAV - IJM</b>				<b>8,456.6</b>
No. of shares (m)				3,641.1
<b>RNAV/share (RM)</b>				<b>2.32</b>
Discount to RNAV				10%
<b>Target price (RM)</b>				<b>2.09</b>

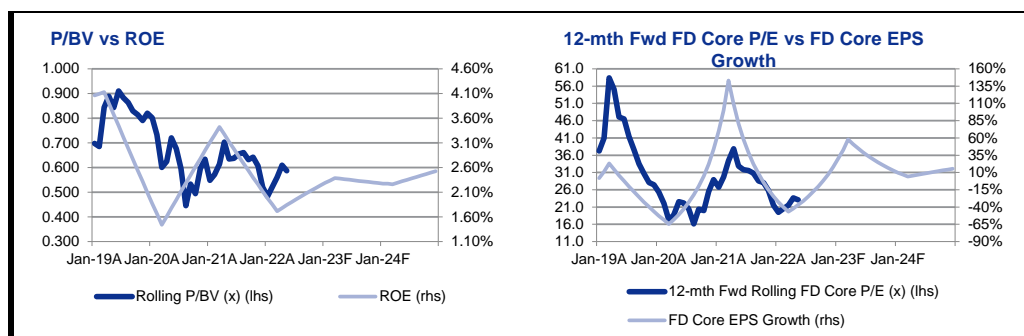
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Refinitiv ESG Scores	
	
     	
<b>ESG in a nutshell</b>	
<p>In 2022, IJM Corp is strengthening its ESG agenda by enhancing its best practices in sustainability through the development of a Group Sustainability Roadmap for 2022-2024. Key milestones in 2020 included strengthening the framework for compliance and risk management, where it implemented an anti-bribery and corruption system. A dedicated Chief Risk Management and Integrity Officer has been appointed to drive robust risk management across the group. IJM Corp first established its group-wide sustainability framework in 2017.</p>	
<p><b>Keep your eye on</b></p> <ol style="list-style-type: none"> <li>1) The government potentially repackaging public transport projects as “green infrastructure” under the 12<sup>th</sup> Malaysia Plan (12MP), beginning with the rollout of the RM20bn-30bn MRT 3 project.</li> <li>2) New tenders for the East Coast Rail Link (ECRL) project, particularly Section C. IJM recently secured a RM258m ECRL package.</li> <li>3) Recovery of supply chain, which has been disrupted by various lockdowns, and how construction productivity normalises in a post-pandemic world.</li> </ol>	<p><b>Implications</b></p> <ol style="list-style-type: none"> <li>1) Opportunities to improve job replenishment and secure new urban rail contracts categorised as sustainable infrastructure projects. IJM Corp has a strong track record in MRT contracts.</li> <li>2) Opportunity to tender for more packages in the East Coast Rail Link (ECRL) project, which will be built to address the expected increase in the demand for logistics and freight between the East and West coasts of Peninsular Malaysia via Kuantan Port and ports in Selangor’s west coast. .</li> </ol>
<p><b>ESG highlights</b></p> <ol style="list-style-type: none"> <li>1) Kuantan Port has been pursuing green and energy saving solutions by adopting solar energy, shore power and the usage of four hybrid rubber tyred gantry cranes (RTGs). It also kicked off its digital transformation initiative.</li> <li>2) The construction division implements a self-regulated assessment system, IJM Quality and Safety Assessment System (IQSAS), for civil engineering projects. The adoption of building information modelling (BIM) will be expanded over time.</li> <li>3) IJM commissioned its fully automated Industry 4.0 Industrialised Building System (IBS) in April 2021 with an annual capacity of 500k square metres.</li> <li>4) New Pantai Expressway (NPE) Kuchai Link 2 was assessed with an IQSAS score of 87%, above the target score of 85%.</li> <li>5) 46% of IJM Corp’s energy use is from renewable sources (biomass and solar). Plantation, industry and port divisions collectively constituted 81% of the total consumption.</li> </ol>	<p><b>Implications</b></p> <ol style="list-style-type: none"> <li>6) As one of the leading diversified contractors in Malaysia, IJM has been playing a leading role in building sustainable infrastructure in collaboration with various agencies. IJM is part of working groups and committees to advance sustainability rating tools in the areas of environmental management and green technology, such as the Sustainable Infrastructure Rating Tool (Sustainable INFRASTAR).</li> <li>7) The group invests in water treatment systems at projects with high water discharge to manage its water footprint and meet environmental standards.</li> <li>8) In FY2021, IJM Group generated a total of 64,402 tonnes of scheduled and non-scheduled waste, mainly from the construction, industry and toll divisions. About 13% of waste footprint was reused or recycled.</li> <li>9) Under the group’s Community Investment Policy, IJM aims to help build sustainable and vibrant communities, focusing on community development, sports and education.</li> </ol>
<p><b>Trends</b></p> <p>Although IJM Corp is not a constituent of the FTSE4Good Bursa Malaysia Index, the group received a 4-star rating from FTSE Russell at the end-Jun 2021 review, maintaining its achievement in 2020.</p>	<p><b>Implications</b></p> <p>We project improved transparency in the group’s overall ESG initiatives as the group finalises and refines its Group Sustainability Roadmap 2022-2024, which will be featured in FY22’s annual report.</p>

SOURCES: CGS-CIMB RESEARCH, REFINITIV



## BY THE NUMBERS



### Profit & Loss

(RMm)	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
<b>Total Net Revenues</b>	<b>5,623</b>	<b>4,409</b>	<b>4,816</b>	<b>5,182</b>	<b>5,576</b>
<b>Gross Profit</b>	<b>1,184</b>	<b>762</b>	<b>1,493</b>	<b>1,560</b>	<b>1,628</b>
<b>Operating EBITDA</b>	<b>619</b>	<b>297</b>	<b>854</b>	<b>920</b>	<b>988</b>
Depreciation And Amortisation	(413)	(316)	(421)	(425)	(429)
<b>Operating EBIT</b>	<b>206</b>	<b>(19)</b>	<b>433</b>	<b>495</b>	<b>559</b>
Financial Income/(Expense)	(6)	(37)	(48)	(49)	(49)
Pretax Income/(Loss) from Assoc.	(71)	(31)	(34)	(27)	(22)
Non-Operating Income/(Expense)	650	406	112	59	59
<b>Profit Before Tax (pre-EI)</b>	<b>780</b>	<b>318</b>	<b>462</b>	<b>478</b>	<b>546</b>
Exceptional Items	0	0	0	0	0
<b>Pre-tax Profit</b>	<b>780</b>	<b>318</b>	<b>462</b>	<b>478</b>	<b>546</b>
Taxation	(134)	(183)	(92)	(96)	(109)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>645</b>	<b>135</b>	<b>370</b>	<b>382</b>	<b>437</b>
Minority Interests	(167)	14	(89)	(89)	(90)
Preferred Dividends	0	0	0	0	0
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax	(47)	(47)			
<b>Net Profit</b>	<b>432</b>	<b>102</b>	<b>281</b>	<b>293</b>	<b>347</b>
Recurring Net Profit	335	178	281	293	347
<b>Fully Diluted Recurring Net Profit</b>	<b>335</b>	<b>178</b>	<b>281</b>	<b>293</b>	<b>347</b>

### Cash Flow

(RMm)	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
<b>EBITDA</b>	<b>619</b>	<b>297</b>	<b>854</b>	<b>920</b>	<b>988</b>
Cash Flow from Invt. & Assoc.					
Change In Working Capital	869	338	207	207	206
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	(9)	803	201	195	189
Net Interest (Paid)/Received	(6)	(37)	(48)	(49)	(49)
Tax Paid	(134)	(183)	(92)	(96)	(109)
<b>Cashflow From Operations</b>	<b>1,339</b>	<b>1,217</b>	<b>1,120</b>	<b>1,177</b>	<b>1,225</b>
Capex	(631)	(415)	(150)	(150)	(150)
Disposals Of FAs/subsidiaries	518	2,288	137	145	141
Acq. Of Subsidiaries/investments	(5)	(24)	(10)	(10)	(10)
Other Investing Cashflow	(454)	(3,051)	(31)	(31)	(31)
<b>Cash Flow From Investing</b>	<b>(572)</b>	<b>(1,202)</b>	<b>(54)</b>	<b>(45)</b>	<b>(50)</b>
Debt Raised/(repaid)	(70)	(418)	1,092	1,452	1,272
Proceeds From Issue Of Shares	0	0	0	0	0
Shares Repurchased	(19)	(153)	0	0	0
Dividends Paid	(217)	(751)	(236)	(254)	(254)
Preferred Dividends					
Other Financing Cashflow	(154)	(588)	(1,864)	(2,271)	(2,133)
<b>Cash Flow From Financing</b>	<b>(460)</b>	<b>(1,909)</b>	<b>(1,008)</b>	<b>(1,073)</b>	<b>(1,115)</b>
Total Cash Generated	306	(1,894)	58	59	61
<b>Free Cashflow To Equity</b>	<b>696</b>	<b>(403)</b>	<b>2,158</b>	<b>2,584</b>	<b>2,447</b>
<b>Free Cashflow To Firm</b>	<b>972</b>	<b>203</b>	<b>1,276</b>	<b>1,344</b>	<b>1,389</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

### Balance Sheet

(RMm)	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Total Cash And Equivalents	2,406	2,909	2,967	3,026	3,087
Total Debtors	1,708	1,302	1,276	1,250	1,225
Inventories	7,346	7,037	7,108	7,179	7,251
Total Other Current Assets	1,145	1,111	1,122	1,133	1,145
<b>Total Current Assets</b>	<b>12,605</b>	<b>12,359</b>	<b>12,473</b>	<b>12,589</b>	<b>12,707</b>
Fixed Assets	2,636	1,045	2,676	2,710	2,744
Total Investments	2,390	2,048	2,057	2,066	2,075
Intangible Assets	95	94	93	92	91
Total Other Non-Current Assets	5,768	5,467	5,517	5,568	5,619
<b>Total Non-current Assets</b>	<b>10,889</b>	<b>8,653</b>	<b>10,343</b>	<b>10,435</b>	<b>10,528</b>
Short-term Debt	1,840	1,610	1,545	1,483	1,424
Current Portion of Long-Term Debt					
Total Creditors	3,256	2,903	2,874	2,845	2,817
Other Current Liabilities	51	50	50	50	50
<b>Total Current Liabilities</b>	<b>5,147</b>	<b>4,562</b>	<b>4,469</b>	<b>4,379</b>	<b>4,291</b>
Total Long-term Debt	4,892	3,862	3,785	3,709	3,635
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	987	854	846	837	829
<b>Total Non-current Liabilities</b>	<b>5,880</b>	<b>4,716</b>	<b>4,630</b>	<b>4,546</b>	<b>4,464</b>
Total Provisions	271	273	273	273	273
<b>Total Liabilities</b>	<b>11,298</b>	<b>9,551</b>	<b>9,372</b>	<b>9,197</b>	<b>9,027</b>
Shareholders' Equity	9,979	10,785	12,754	13,124	13,492
Minority Interests	2,218	675	689	703	717
<b>Total Equity</b>	<b>12,196</b>	<b>11,461</b>	<b>13,443</b>	<b>13,826</b>	<b>14,208</b>

### Key Ratios

	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Revenue Growth	(14.9%)	(21.6%)	9.2%	7.6%	7.6%
Operating EBITDA Growth	6%	(52%)	188%	8%	7%
Operating EBITDA Margin	11.0%	6.7%	17.7%	17.8%	17.7%
Net Cash Per Share (RM)	(1.19)	(0.71)	(0.65)	(0.60)	(0.54)
BVPS (RM)	2.75	2.98	3.52	3.62	3.72
Gross Interest Cover	1.00	(0.10)	2.06	2.33	2.61
Effective Tax Rate	17.2%	57.6%	20.0%	20.0%	20.0%
Net Dividend Payout Ratio	50%	746%	84%	87%	73%
Accounts Receivables Days	116.0	124.6	97.7	89.2	81.0
Inventory Days	618.0	719.8	776.8	721.8	667.0
Accounts Payables Days	249.3	280.7	292.5	266.4	241.3
ROIC (%)	1.38%	(0.13%)	3.30%	3.33%	3.72%
ROCE (%)	2.17%	0.73%	3.33%	3.49%	3.78%
Return On Average Assets	2.57%	0.56%	1.91%	1.88%	2.10%

### Key Drivers

	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Revenue growth (%)	-14.9%	-21.6%	9.2%	7.6%	7.6%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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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 result may be changed after that date. CGS-CIMB Thailand does not confirm nor certify the accuracy of such survey result.

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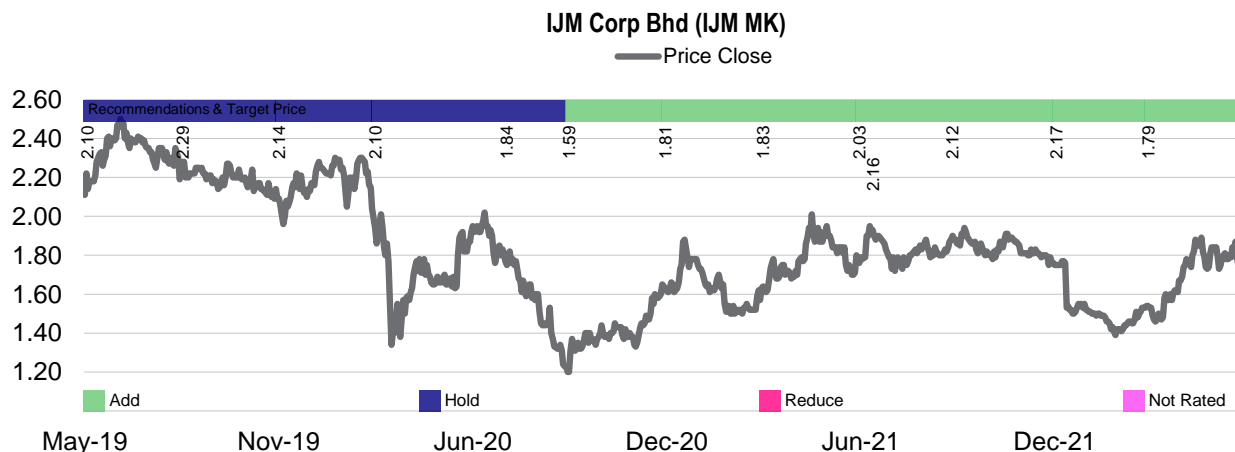
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Distribution of stock ratings and investment banking clients for quarter ended on 31 March 2022		
632 companies under coverage for quarter ended on 31 March 2022		
	Rating Distribution (%)	Investment Banking clients (%)
Add	70.3%	0.8%
Hold	22.0%	0.0%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