

## Malaysia

### ADD (no change)

Consensus ratings\*: Buy 15 Hold 3 Sell 2

Current price:	RM25.90
Target price:	RM28.64
Previous target:	RM29.57
Up/downside:	10.6%
CGS-CIMB / Consensus:	-7.0%
Reuters:	KLKK.KL
Bloomberg:	KLK MK
Market cap:	US\$6,352m
	RM27,924m
Average daily turnover:	US\$15.82m
	RM67.24m
Current shares o/s:	1,081m
Free float:	31.9%

\*Source: Bloomberg

#### Key changes in this note

- FY22F-24F EPS raised by 9.3-13% to reflect higher CPO price assumptions. We are now assuming KLK achieves blended CPO price of RM4,151/tonne for 2022F and RM3,351/tonne for 2023F.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-7.5	2	16.2
Relative (%)	-3.1	4.7	18.8

Major shareholders	% held
Batu Kawan	47.6
Employees Provident Fund	14.5
Amanah Saham Bumiputera	6.0

#### Analyst(s)



#### Ivy NG Lee Fang, CFA

T (60) 3 2635 9292  
E ivy.ng@cgs-cimb.com

#### Nagulan RAVI

T (60) 3 2635 9264  
E nagulan.ravi@cgs-cimb.com

# Kuala Lumpur Kepong

## Indonesia's export policy a risk for 2HFY22F

- KLK's 1HFY9/22 core net profit was in line, at 50% of our full-year forecast.
- Indonesia plans to impose Domestic Market Obligation; higher export levies are likely to affect KLK's sales volumes and price achievements in Indonesia.
- We raise our SOP discount from 10% to 15%, mainly to reflect export policy risk in Indonesia, which lowers our TP to RM28.64. Reiterate Add.

### 1HFY22 benefits from higher CPO price and acquisition of IJMPlant

Kuala Lumpur Kepong (KLK) reported a 90%/95% yoy jump in its 2QFY22/1HFY22 core net profit (excluding write-back of inventories, forex gain and derivatives gain) to RM570m/RM1,116m. The results were broadly in line, as 1HFY22 core net profit made up 50% of our and Bloomberg consensus' full-year estimates. The sharp jump in core net profit was driven mainly by higher CPO price, profit contribution from IJM Plantations, and stronger oleochemical margins. On a qoq basis, 2QFY22 core net profit grew 5% due to a lower effective tax rate of 22% (vs. 29% in 1QFY22). At pretax level, 2QFY22 profit fell 18% qoq due to lower FFB output and absence of farming profit of RM59.7m in 1QFY22. Our estimated core net profit for 2QFY22 was higher by RM23m as we added back provision for inventories of RM39m and loss on derivatives of RM11m but deducted forex gain of RM31m. The group declared a flat interim dividend of 20 sen.

### Higher CPO prices benefitted upstream business in 2QFY22

2QFY22 plantation EBIT grew 33% yoy to RM435m due to higher ASPs for crude palm oil (CPO) of RM4,378 (+46% yoy) and palm kernel (PK) of RM3,860 per tonne (+71% yoy), as well as a 23% rise in FFB output due to contributions from IJM Plantations. On a qoq basis, 2QFY22 plantation EBIT fell 27% due to a 12% qoq drop in FFB output due to seasonal factors. The blended average CPO price for 2QFY22 of RM4,378 per tonne is below the MPOB's average of RM6,050 per tonne, as the group sold forward some of its production at lower CPO prices earlier and its Indonesian estates achieved lower average CPO price than Malaysia due to Indonesia's palm oil export levy and taxes. Manufacturing EBIT rose 331% yoy/13% qoq to RM376m, thanks to higher contributions from the oleochemicals, refineries and PK crushing activities in 2QFY22.

### Lowering TP to reflect the Indonesia export policy uncertainty

We raise our EPS forecasts by 10-13% for FY22-FY24F to reflect higher CPO price assumptions. We expect KLK to deliver higher 2HFY22 net profit, driven by seasonally higher FFB output. However, this could be partially offset by lower sales volumes from Indonesia due to changes to its export policy, which may have affected its processing volumes, and higher export levy. In view of the policy uncertainty, which we estimate could potentially affect around 50% of its FFB output, we are raising the discount accorded to its SOP to 15% from 10% to arrive at our target price. Reiterate Add as it offers a 10.6% upside to our target price and trades at an FY9/22 P/E of 11.2x (discount to its 10-year mean P/E of 24.5x). Key catalysts include better CPO price achieved in Indonesia..

#### Financial Summary

	Sep-20A	Sep-21A	Sep-22F	Sep-23F	Sep-24F
Revenue (RMm)	15,596	19,916	26,337	24,823	24,211
Operating EBITDA (RMm)	1,906	3,476	4,932	3,762	3,530
Net Profit (RMm)	773	2,258	2,426	1,747	1,556
Core EPS (RM)	0.71	1.56	2.24	1.62	1.44
Core EPS Growth	18%	118%	44%	(28%)	(11%)
FD Core P/E (x)	36.01	16.64	11.54	16.02	17.99
DPS (RM)	0.50	1.00	0.99	0.70	0.70
Dividend Yield	1.92%	3.84%	3.84%	2.69%	2.69%
EV/EBITDA (x)	15.67	9.70	6.72	8.67	9.16
P/FCFE (x)	49.85	11.69	34.26	19.64	31.62
Net Gearing	21.9%	37.5%	26.9%	22.0%	18.9%
P/BV (x)	2.59	2.36	1.98	1.89	1.79
ROE	7.3%	14.8%	18.7%	12.1%	10.2%
% Change In Core EPS Estimates			9.3%	9.7%	13.0%
CGS-CIMB/Consensus EPS (x)			1.11	0.96	0.97

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## Key charts

**Figure 1: Results comparison**

FYE Sep 30	2Q		2Q	yoy %	1Q	qoq %	2QFY22	2QFY21	yoy %	Prev.	Comments
(RM m)	FY22	FY21	chg	FY22	chg	cum	cum	chg	FY22F		
Revenue	6,385	4,509	42	6,827	(6)	13,211	8,809	50	25,360		Stronger revenue contributed by plantation and manufacturing division
Operating costs	(5,284)	(3,877)	36	(5,661)	(7)	(10,946)	(7,587)	44	(20,760)		Higher yoy costs driven by higher raw material prices
EBITDA	1,100	632	74	1,166	(6)	2,266	1,221	86	4,599		Above, making up 52% of our full year forecasts
EBITDA margin (%)	17	14	23	17	1	17	14	24	18		Higher palm products ASPs led to higher margins
Depn & amort.	(245)	(153)	60	(217)	13	(461)	(303)	52	(868)		Depreciation expenses increased due to further acquisition in IJM plantations
EBIT	856	479	78	949	(10)	1,804	918	97	3,731		Mainly driven by better plantation and manufacturing contribution
Interest expense	(80)	(57)	39	(75)	6	(155)	(116)	34	(374)		Higher interest expenses from higher borrowings
Interest & invt inc	13	12	12	11	19	25	26	(7)	47		Slight fall in interest income as compared to 2H21 owing to lower cash balances
Associates' contrib	18	25	(28)	16	10	34	38	(10)	150		Lower contribution from associate, Synthomer and downstream JV
Exceptionals	(24)	191	(112)	54	(144)	30	277	(89)	-		Mainly relating to write-off of inventories, forex and derivative gains
<b>Pretax profit</b>	<b>783</b>	<b>649</b>	<b>21</b>	<b>955</b>	<b>(18)</b>	<b>1,738</b>	<b>1,143</b>	<b>52</b>	<b>3,554</b>		<b>Broadly in line, making up 49% of our full-year forecast</b>
Tax	(171)	(129)	32	(278)	(38)	(449)	(215)	108	(1,004)		
Tax rate (%)	22	20	10	29	(25)	26	19	37	28		
Minority interests	(66)	(30)	122	(78)	(16)	(144)	(80)	80	(332)		Higher MI due to higher yoy profit from subsidiaries
<b>Net profit</b>	<b>547</b>	<b>490</b>	<b>11</b>	<b>599</b>	<b>(9)</b>	<b>1,146</b>	<b>848</b>	<b>35</b>	<b>2,219</b>		<b>Above, making up 52% of our full-year forecast</b>
<b>Core net profit</b>	<b>570</b>	<b>300</b>	<b>90</b>	<b>546</b>	<b>5</b>	<b>1,116</b>	<b>571</b>	<b>95</b>	<b>2,219</b>		<b>Above, making up 50% of our full year forecast due mainly to high ASPs</b>
EPS (sen)	51	45	11	56	(9)	106	79	35	205		<b>for palm products</b>
Core EPS (sen)	53	28	90	51	5	103	53	95	205		

SOURCE: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 2: Segmental breakdown**

FYE Sep 30 (RM m)	2Q		2Q	yoy %	1Q	qoq %	2QFY22	2QFY21	yoy %
	FY22	FY21	chg	FY22	chg	cum	cum	chg	
Plantation	435	326	33	598	(27)	1,033	556	86	
Manufacturing	376	157	>100	331	13	707	352	>100	
Property dev	16	14	11	17	(8)	33	34	(3)	
Investment Holdings	9	3	>100	72	(88)	81	56	43	
Net int. expense	(66)	(46)	45	(64)	4	-130	-89	46	
Corporate income/ (exp)	(4)	170	nm	(15)	(77)	-19	197	nm	
Associates	18	25	(28)	16	10	34	38	(10)	
<b>Total PBT</b>	<b>783</b>	<b>649</b>	<b>21</b>	<b>955</b>	<b>(18)</b>	<b>1,738</b>	<b>1,143</b>	<b>52</b>	

SOURCE: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 3: Plantation statistics**

FYE Sep 30	2Q		2Q	yoy %	1Q	qoq %	2QFY22	2QFY21	yoy %
	FY22	FY21	chg	FY22	chg	cum	cum	chg	
FFB output ('000 tonnes)	1,111	900	23	1,266	(12)	2,377	1,874	27	
CPO output ('000 tonnes)	277	216	28	315	(12)	592	427	39	
CPO price (RM/tonne ex-mill)	4,378	2,997	46	4,063	7.8	4,378	2,846	54	
PK price (RM/tonne, ex-mill)	3,860	2,259	71	2,864	34.8	3,860	1,976	95	

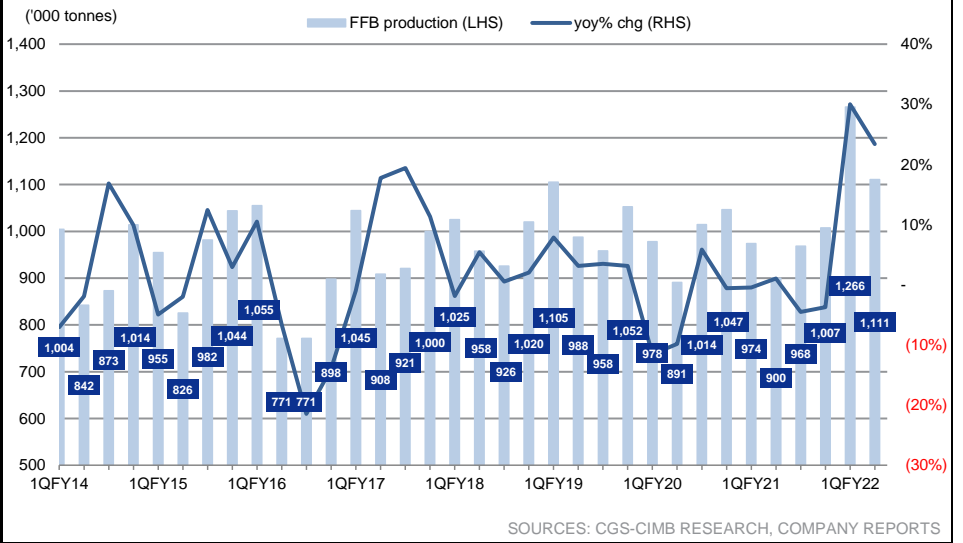
SOURCE: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 4: Quarterly earnings trend**

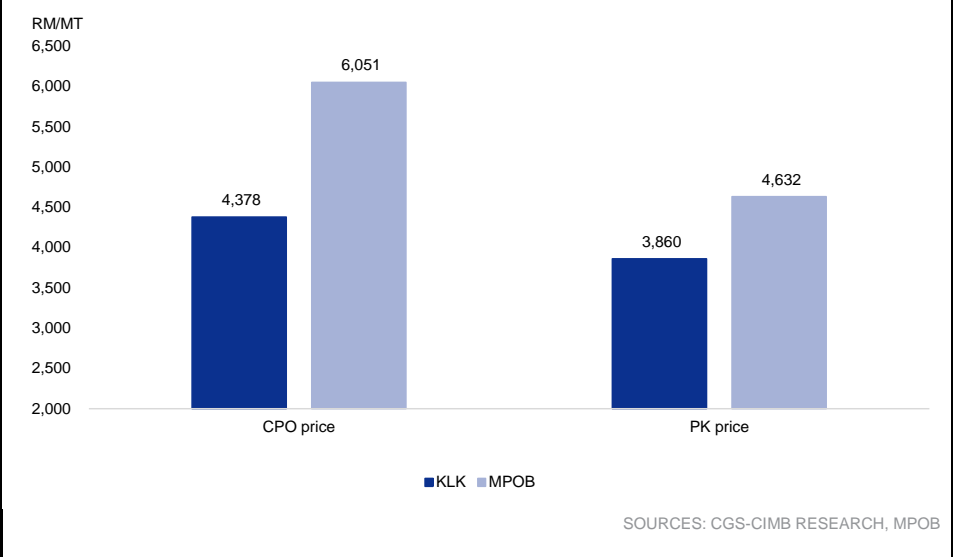
FYE Sep 30	1Q		2Q		3Q		4Q		1Q		2Q		3Q		4Q	
(RM m)	FY19	FY19	FY19	FY19	FY20	FY20	FY20	FY20	FY21	FY21	FY21	FY21	FY21	FY21	FY21	FY21
Plantation	122.1	110.4	42.3	125.5	159.8	161.0	216.8	195.2	230.0	326.1	427.2	559.5	597.6	435.0		
Manufacturing	110.2	106.5	111.8	106.0	91.6	108.3	118.5	130.1	194.5	157.4	219.1	156.1	331.4	375.6		
Property dev	10.5	6.4	9.7	17.4	12.7	3.1	6.3	29.8	19.7	14.2	14.2	11.2	17.1	15.8		
Inv Hldgs	58.7	(8.4)	21.8	0.4	10.5	(5.4)	(3.8)	(4.4)	53.7	2.6	9.4	1.7	71.6	8.9		
Net int. exp.	(25.9)	(24.1)	(18.2)	(29.7)	(29.4)	(31.6)	(32.6)	(34.3)	(43.7)	(45.6)	(47.1)	(49.1)	(63.8)	(66.3)		
Corporate	51.0	11.3	(123.1)	22.7	13.2	(156.1)	166.3	36.1	27.0	169.7	322.4	(73.3)	(15.1)	(3.5)		
Associates	9.9	(6.1)	0.5	4.4	1.3	23.1	15.4	(16.2)	12.8	24.9	8.0	273.8	16.2	17.8		
<b>Total PBT</b>	<b>336.4</b>	<b>196.1</b>	<b>44.8</b>	<b>246.7</b>	<b>259.8</b>	<b>102.6</b>	<b>487.1</b>	<b>336.3</b>	<b>493.9</b>	<b>649.3</b>	<b>953.3</b>	<b>880.0</b>	<b>955.1</b>	<b>783.3</b>		

SOURCE: CGS-CIMB RESEARCH, COMPANY REPORTS

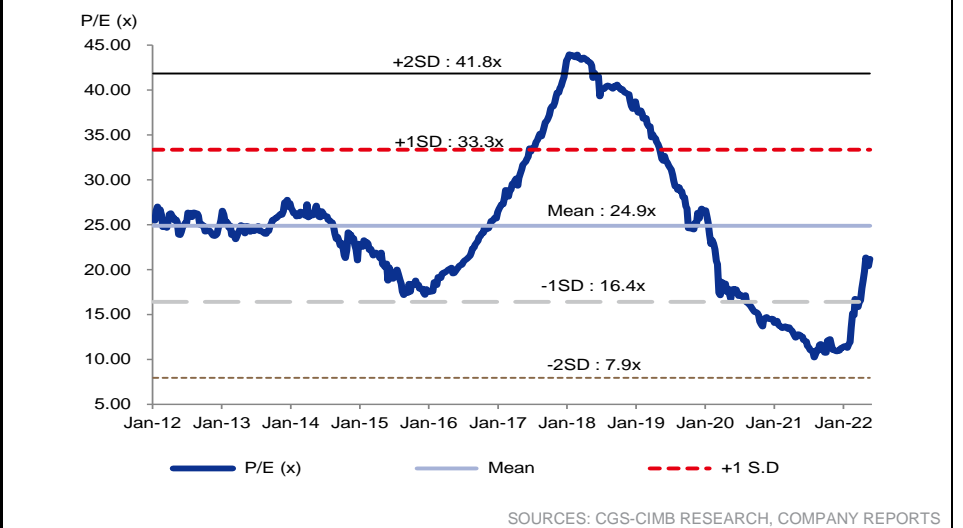
**Figure 5: Quarterly FFB production and yoy growth**



**Figure 6: KLK's achieved CPO ASP in 2QFY22 was 28% lower than MPOB prices due to lower CPO price achieved by its Indonesian estates and forward sales**



**Figure 7: KLK's 12M forward rolling core P/E(x)**



**Figure 8: FFB output comparison among listed planters**


FFB production ('000 tonnes)	1Q FY22	1Q FY21	yoy % chg	4Q FY21	qoq % chg	3M 2022	3M 2021	yoy chg
Sime Darby Plantation	1,910	2,207	(13%)	2,124	(10%)	1,910	2,207	(13%)
IOI	600	551	9%	769	(22%)	600	551	9%
KLK	1,111	900	23%	1,266	(12%)	1,111	900	23%
FGV	826	742	11%	1,053	(22%)	826	742	11%
Genting Plantations	437	441	(1%)	515	(15%)	437	441	(1%)
Hap Seng Plantations	136	130	5%	165	(17%)	136	130	5%
TH Plantations	130	139	(7%)	182	(29%)	130	139	(7%)
United Malacca	70	66	6%	85	(17%)	70	66	6%
Cepatwawasan Group Bhd	22	20	12%	30	(28%)	22	20	12%
Far East Holdings	61	60	2%	85	(29%)	61	60	2%
Sarawak Plantation	62	69	(10%)	85	(27%)	62	69	(10%)
Sarawak Oil Palms Bhd	254	294	(14%)	315	(20%)	254	294	(14%)
Ta Ann Holdings Bhd	132	137	(3%)	204	(35%)	132	137	(3%)
Jaya Tiasa	151	150	1%	203	(25%)	151	150	1%
Boustead Plantations	196	180	9%	248	(21%)	196	180	9%
<b>Total</b>	<b>6,099</b>	<b>6,086</b>	<b>0%</b>	<b>7,330</b>	<b>(17%)</b>	<b>6,099</b>	<b>6,086</b>	<b>0%</b>
MPOB Peninsular CPO production	2,092	2,031	3%	2,503	(16%)	2,092	2,031	3%
MPOB Sabah CPO production	933	794	17%	1,236	(25%)	933	794	17%
MPOB Sarawak CPO production	778	834	(7%)	1,073	(28%)	778	834	(7%)
<b>MPOB Malaysia CPO production</b>	<b>3,802</b>	<b>3,658</b>	<b>4%</b>	<b>4,812</b>	<b>(21%)</b>	<b>3,802</b>	<b>3,658</b>	<b>4%</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 9: SOP valuation**

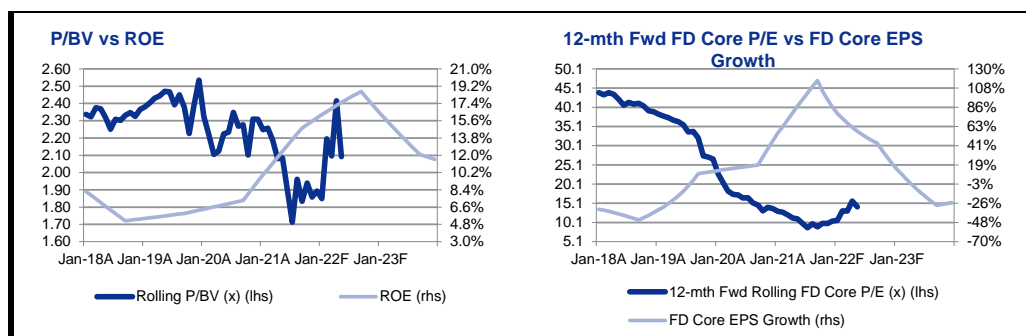
Segments	Stake	Method	Value (RM'm)	KLK's share (RMm)
Plantations	95.0%	2023 P/E of 20x	30,184	30,184
Manufacturing	100.0%	1.5x NBV	6,924	6,924
Synthomers	21.3%	Market value	8,030	1,710
Property	100%	0.5x RNAV for property land	2,426	1,213
Associates and jv (ex-Synthomer)	100%	1x NBV	324	324
Cash at co level				1,676
Debt at co level				(5,600)
<b>SOP value for KL Kepong</b>				<b>36,432</b>
No of shares (m)				1,081
<b>SOP price for KLK (RM/share)</b>				<b>33.7</b>
15% discount				(5.1)
<b>Target price for KLK (RM/share)</b>				<b>28.64</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

ESG in a nutshell		Refinitiv ESG Scores							
				C+ ESG Score	A+ ESG Controversies Score	C+ ESG Combined Score	C+ ESG Environment Pillar Score	B ESG Social Pillar Score	C ESG Government Pillar Score
		<p>KLK's ESG Combined Score, as rated by Refinitiv in 2021, was C+, broken down into C+ for Environmental, B for Social, and C for Governance. The group is also a member of FTSE4Good Bursa Malaysia Index and is ranked among the top 25% by ESG ratings among PLCs in FBM Emas that have been assessed by FTSE Russell.</p>							
<b>Keep your eye on</b>	<p>KLK had acquired a 95% stake in IJM Plantations (IJMP) in Feb 2022. KLK is a member of the Roundtable of Sustainable Palm Oil (RSPO), but IJMP is not. KLK will be integrating its ESG practices into IJMP within three years of completing its acquisition of the latter, as per its sustainability commitment for newly acquired operations.</p>	<b>Implications</b>	<p>KLK may need to incur additional costs and resources in order to implement the principles and criteria Of the RSPO in IJMP post the acquisition. Also, if the ESG practices of the group do not meet the expectations of its stakeholders, that could result in it losing market share in the palm oil market, narrow its access to financing, and cause a potential share price de-rating due to investor concerns over the ESG risk. As at end-2020, 85% of KLK's total landbank was RSPO-certified</p>						
<b>ESG highlights</b>	<p>KLK was ranked 15th by SPOTT out of 100 palm oil producers, processors and traders. It achieved a score of 77.9% in the latest assessment in Nov 2021. In FY2020, a potential buyer of the group's products engaged BSR, a global non-profit sustainable business consultancy to conduct a Human Rights Assessment on three of its operations in Sabah. KLK published the recommendations from the BSR report.</p>	<b>Implications</b>	<p>KLK has taken actions to rectify or improve on its labour practices in line with the recommendations from BSR. We are positive on this as it reduces the risks of alleged forced labour issues occurring. However, given the ongoing industry concerns over potential gaps in labour practices among Malaysian planters, we had added a 10% discount to KLK's SOP to reflect this concern.</p>						
<b>Trends</b>	<p>KLK's plantations and palm oil mills recorded average emissions of 592.09kg CO2 eq/dry mt CPO in FY20, which translated into 68% greenhouse gas (GHG) savings compared to fossil fuel emissions, meeting the target it set for the year. For FY21, its new target for GHG savings is 69%. The group initiated two interventions to affect the reduction in GHG emissions, namely the installation of biogas power plants and filter belt press systems.</p>	<b>Implications</b>	<p>We are positive that the group has set targets and taken initiatives to reduce its GHG emissions.</p>						

SOURCES: CGS-CIMB RESEARCH, REFINITIV, COMPANY REPORTS

## BY THE NUMBERS



### Profit & Loss

(RMm)	Sep-20A	Sep-21A	Sep-22F	Sep-23F	Sep-24F
<b>Total Net Revenues</b>	<b>15,596</b>	<b>19,916</b>	<b>26,337</b>	<b>24,823</b>	<b>24,211</b>
<b>Gross Profit</b>	<b>2,622</b>	<b>3,422</b>	<b>5,476</b>	<b>4,323</b>	<b>4,108</b>
<b>Operating EBITDA</b>	<b>1,906</b>	<b>3,476</b>	<b>4,932</b>	<b>3,762</b>	<b>3,530</b>
Depreciation And Amortisation	-616	-634	-868	-911	-956
<b>Operating EBIT</b>	<b>1,290</b>	<b>2,842</b>	<b>4,064</b>	<b>2,851</b>	<b>2,574</b>
Financial Income/(Expense)	-128	-185	-327	-339	-351
Pretax Income/(Loss) from Assoc.	24	319	150	150	150
Non-Operating Income/(Expense)	0	0	0	0	0
<b>Profit Before Tax (pre-EI)</b>	<b>1,186</b>	<b>2,976</b>	<b>3,887</b>	<b>2,662</b>	<b>2,373</b>
Exceptional Items	0	0	0	0	0
<b>Pre-tax Profit</b>	<b>1,186</b>	<b>2,976</b>	<b>3,887</b>	<b>2,662</b>	<b>2,373</b>
Taxation	-329	-524	-1,099	-653	-584
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>857</b>	<b>2,452</b>	<b>2,788</b>	<b>2,009</b>	<b>1,789</b>
Minority Interests	-84	-194	-362	-261	-233
Preferred Dividends	0	0	0	0	0
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>773</b>	<b>2,258</b>	<b>2,426</b>	<b>1,747</b>	<b>1,556</b>
Recurring Net Profit	773	1,683	2,426	1,747	1,556
<b>Fully Diluted Recurring Net Profit</b>	<b>773</b>	<b>1,683</b>	<b>2,426</b>	<b>1,747</b>	<b>1,556</b>

### Cash Flow

(RMm)	Sep-20A	Sep-21A	Sep-22F	Sep-23F	Sep-24F
<b>EBITDA</b>	<b>1,906</b>	<b>3,476</b>	<b>4,932</b>	<b>3,762</b>	<b>3,530</b>
Cash Flow from Inv. & Assoc.					
Change In Working Capital	-81	-539	-1,068	413	25
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	-50	-856	-50	-50	-50
Net Interest (Paid)/Received	-128	-185	-327	-339	-351
Tax Paid	-329	-524	-1,099	-653	-584
<b>Cashflow From Operations</b>	<b>1,319</b>	<b>1,370</b>	<b>2,388</b>	<b>3,133</b>	<b>2,570</b>
Capex	-800	-958	-1,500	-1,500	-1,500
Disposals Of FAs/subsidiaries	0	0	0	0	0
Acq. Of Subsidiaries/investments	0	0	0	0	0
Other Investing Cashflow	0	0	0	0	0
<b>Cash Flow From Investing</b>	<b>-800</b>	<b>-958</b>	<b>-1,500</b>	<b>-1,500</b>	<b>-1,500</b>
Debt Raised/(repaid)	39	1,982	-71	-207	-185
Proceeds From Issue Of Shares	306	2	0	0	0
Shares Repurchased	0	0	0	0	0
Dividends Paid	-534	-592	-1,076	-1,076	-753
Preferred Dividends					
Other Financing Cashflow	0	0	0	0	0
<b>Cash Flow From Financing</b>	<b>-189</b>	<b>1,392</b>	<b>-1,147</b>	<b>-1,283</b>	<b>-938</b>
Total Cash Generated	330	1,805	-259	350	132
<b>Free Cashflow To Equity</b>	<b>558</b>	<b>2,395</b>	<b>817</b>	<b>1,426</b>	<b>885</b>
<b>Free Cashflow To Firm</b>	<b>762</b>	<b>650</b>	<b>1,262</b>	<b>2,015</b>	<b>1,459</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

### Balance Sheet

(RMm)	Sep-20A	Sep-21A	Sep-22F	Sep-23F	Sep-24F
Total Cash And Equivalents	3,873	3,459	4,186	4,586	4,768
Total Debtors	2,134	3,168	3,514	3,303	3,226
Inventories	1,973	2,991	3,365	3,127	3,072
Total Other Current Assets	294	404	404	404	404
<b>Total Current Assets</b>	<b>8,274</b>	<b>10,023</b>	<b>11,469</b>	<b>11,420</b>	<b>11,470</b>
Fixed Assets	7,657	11,015	11,651	12,244	12,791
Total Investments	3,431	5,036	5,182	5,328	5,475
Intangible Assets	349	348	348	348	348
Total Other Non-Current Assets	1,236	1,655	1,655	1,655	1,655
<b>Total Non-current Assets</b>	<b>12,673</b>	<b>18,055</b>	<b>18,837</b>	<b>19,576</b>	<b>20,269</b>
Short-term Debt	1,311	3,152	3,082	2,874	2,690
Current Portion of Long-Term Debt	41	19	19	19	19
Total Creditors	1,213	2,734	2,386	2,350	2,243
Other Current Liabilities	223	580	580	580	580
<b>Total Current Liabilities</b>	<b>2,787</b>	<b>6,485</b>	<b>6,067</b>	<b>5,823</b>	<b>5,531</b>
Total Long-term Debt	5,110	5,613	5,613	5,613	5,613
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	792	806	806	806	806
<b>Total Non-current Liabilities</b>	<b>5,902</b>	<b>6,419</b>	<b>6,419</b>	<b>6,419</b>	<b>6,419</b>
Total Provisions	453	966	966	966	966
<b>Total Liabilities</b>	<b>9,142</b>	<b>13,870</b>	<b>13,452</b>	<b>13,208</b>	<b>12,916</b>
Shareholders' Equity	10,827	11,859	14,144	14,816	15,619
Minority Interests	977	2,348	2,710	2,971	3,204
<b>Total Equity</b>	<b>11,804</b>	<b>14,207</b>	<b>16,854</b>	<b>17,787</b>	<b>18,823</b>

### Key Ratios

	Sep-20A	Sep-21A	Sep-22F	Sep-23F	Sep-24F
Revenue Growth	0.2%	27.7%	32.2%	(5.8%)	(2.5%)
Operating EBITDA Growth	29.3%	82.3%	41.9%	(23.7%)	(6.2%)
Operating EBITDA Margin	12.2%	17.5%	18.7%	15.2%	14.6%
Net Cash Per Share (RM)	-2.40	-4.93	-4.19	-3.63	-3.29
BVPS (RM)	10.02	10.97	13.08	13.71	14.45
Gross Interest Cover	5.32	11.96	10.86	7.47	6.61
Effective Tax Rate	27.7%	17.6%	28.3%	24.5%	24.6%
Net Dividend Payout Ratio	69.6%	47.7%	44.3%	43.1%	48.4%
Accounts Receivables Days	29.15	29.56	28.26	30.21	29.79
Inventory Days	57.79	54.92	55.60	57.80	56.43
Accounts Payables Days	17.49	17.73	16.89	18.20	17.85
ROIC (%)	10.3%	23.3%	25.0%	15.9%	14.2%
ROCE (%)	7.6%	13.6%	16.3%	10.8%	9.4%
Return On Average Assets	4.8%	10.8%	10.7%	7.7%	6.8%

### Key Drivers

	Sep-20A	Sep-21A	Sep-22F	Sep-23F	Sep-24F
Planted Estates (ha)	213,411.0	275,037.0	275,037.0	275,037.0	275,037.0
Mature Estates (ha)	177,710.0	235,583.0	235,583.0	235,583.0	235,583.0
FFB Yield (tonnes/ha)	22.0	21.4	20.5	20.8	21.0
FFB Output Growth (%)	-4.3%	0.5%	22.3%	1.5%	1.0%
CPO Price (US\$/tonne)	556.0	778.6	968.1	763.4	716.0

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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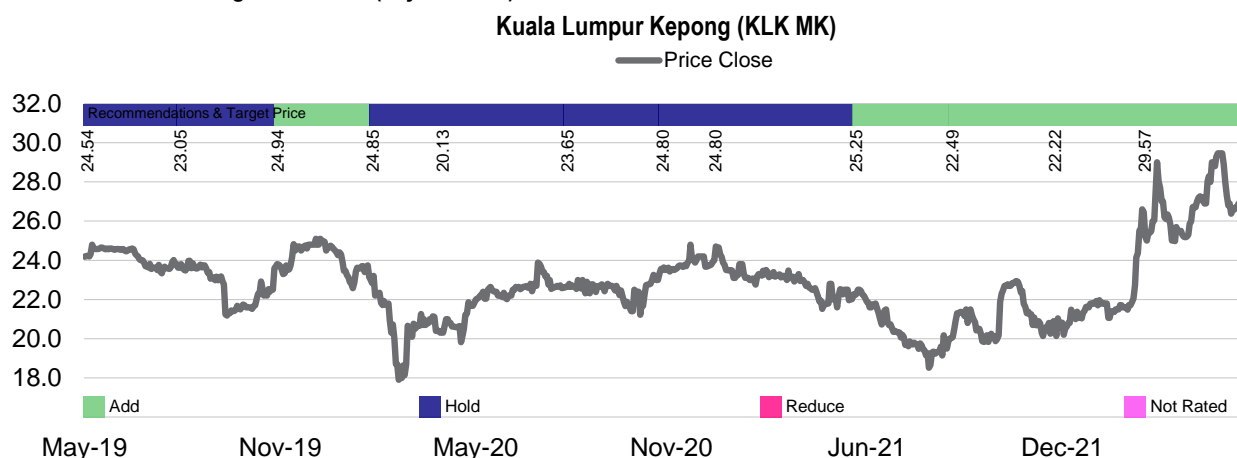
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Distribution of stock ratings and investment banking clients for quarter ended on 31 March 2022		
632 companies under coverage for quarter ended on 31 March 2022		
	Rating Distribution (%)	Investment Banking clients (%)
Add	70.3%	0.8%
Hold	22.0%	0.0%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