

## Malaysia

### ADD (no change)

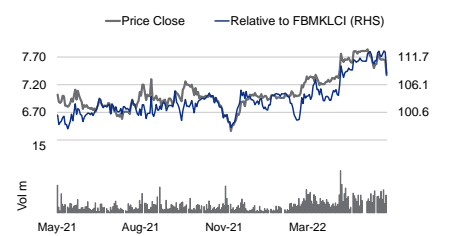
Consensus ratings\*: Buy 14 Hold 2 Sell 0

Current price:	RM7.37
Target price:	RM8.00
Previous target:	RM8.36
Up/downside:	8.5%
CGS-CIMB / Consensus:	-0.2%
Reuters:	MISC.KL
Bloomberg:	MISC MK
Market cap:	US\$7,482m
	RM32,898m
Average daily turnover:	US\$5.29m
	RM22.60m
Current shares o/s:	4,464m
Free float:	8.8%

\*Source: Bloomberg

#### Key changes in this note

- FY22-23F core EPS forecasts reduced by 16-26% on the back of lower construction profits assumed for the FPSO Mero-3 project due to potential cost overruns.
- FY24F core EPS forecast reduced by 6% on the back of higher interest expense due to higher assumed debt levels.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-5.5	1.7	7.9
Relative (%)	-2	4.9	10.2

Major shareholders	% held
Petronas	57.6
EPF	11.1
PNB	8.8

#### Analyst(s)


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# MISC Bhd

## FPSO delays hit 1Q; tankers to see 2Q lift

- 1Q22 core net profit was below expectations at 13%/19% of our/consensus FY22F forecasts, due to FPSO Mero-3 construction cost overruns.
- AET's tanker earnings should see a large uplift in 2Q22F, and we reiterate our Add recommendation on the basis of this re-rating catalyst.
- Nevertheless, we lower our SOP-based TP to RM8, as we raise the Mero-3's capex costs and factor in a lower contribution to MISC's SOP value.

### FPSO Mero-3 cost provisions weighed down 1Q22

1Q22 core net profit of US\$87m was 23% lower qoq, due mainly to cost provisions for the FPSO Mero-3 construction project that is progressing slower than expected and with cost overruns. MISC already made some cost provisions for the Mero-3 in 4Q21, but the provisions were likely higher in 1Q22, though the amounts were not disclosed. Another key reason for the weaker qoq performance is because during 4Q21, MISC booked in upfront finance lease profits from the extension of several FPSO projects in the normal course of business, which did not recur in 1Q22. Also, MISC refinanced RM3bn of its project finance debt via the issue of US\$1bn medium-term notes, which caused it to expense off US\$11.4m in upfront financing fees in 1Q22. Partially offsetting the above negatives are better LNG profits qoq due to lower maintenance expenses, and MMHE's recoupment of certain Covid-19 cost items from its clients, as well as the absence of kitchen-sinking provisions at MMHE in 4Q21 for foreseeable contract losses.

### FPSO Mero-3 project delays are our main concern...

The key concern that we have with respect to MISC is the FPSO Mero-3 project that it is undertaking at the CIMC Raffles yard in Yantai, China for charter to Petrobras over 22 years. As at end-Apr 2022, the Mero-3 was 40% completed vs. the targeted 44%, representing a 3-month delay, with capex costs having overrun by 5-7% due to engineering delays, yard delays caused by China's Covid-19 lockdown, and commodity price inflation, according to MISC. MISC awarded the project to CIMC Raffles in Jan 2021, with just 18 months to go before the deadline for delivery to Petrobras by late-2023F. In our view, it may be difficult for MISC to deliver the project on time and within budget; we raise our capex estimate from US\$1.8bn to US\$2.2bn, which reduces its contribution to MISC's target price. The downside risk to MISC is that should it be necessary to make additional cost provisions, its quarterly earnings may be affected. We are also unsure if Petrobras will impose late-delivery penalties in 4Q23F or FY24F.

### ...but tanker rates should perform better in future quarters

On the bright side, AET should report healthy quarterly profits from 2Q22F onwards, on the back of much stronger crude tanker freight rates. AET merely broke even in 1Q22 as it had greater 35% spot exposure in 1Q22 vs. 29% in 4Q21, and it faced negative VLCC TCE earnings in 1Q22 (positive in 4Q21). VLCC TCE rates recovered to positive territory in 2Q22F, while suezmax and aframax TCE rates rose sharply too. AET usually benefits with a lag, and we are confident of AET's performance going forward.

#### Financial Summary

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (US\$m)	2,237	2,575	3,117	2,964	2,461
Operating EBITDA (US\$m)	914	848	1,039	1,056	1,044
Net Profit (US\$m)	(10.7)	434.3	488.0	508.3	507.7
Core EPS (US\$)	0.11	0.10	0.11	0.11	0.11
Core EPS Growth	23.2%	(2.9%)	4.4%	4.2%	(0.1%)
FD Core P/E (x)	15.53	16.00	15.33	14.72	14.74
DPS (US\$)	0.079	0.080	0.077	0.077	0.077
Dividend Yield	4.69%	4.76%	4.58%	4.58%	4.58%
EV/EBITDA (x)	9.98	11.30	9.11	8.27	7.34
P/FCFE (x)	15.12	66.60	5.64	5.38	6.15
Net Gearing	19.9%	26.0%	24.8%	16.3%	4.1%
P/BV (x)	0.93	0.91	0.90	0.88	0.86
ROE	5.83%	5.76%	5.90%	6.03%	5.91%
% Change In Core EPS Estimates			(25.5%)	(15.6%)	(6.4%)
CGS-CIMB/Consensus EPS (x)			1.06	1.06	1.01

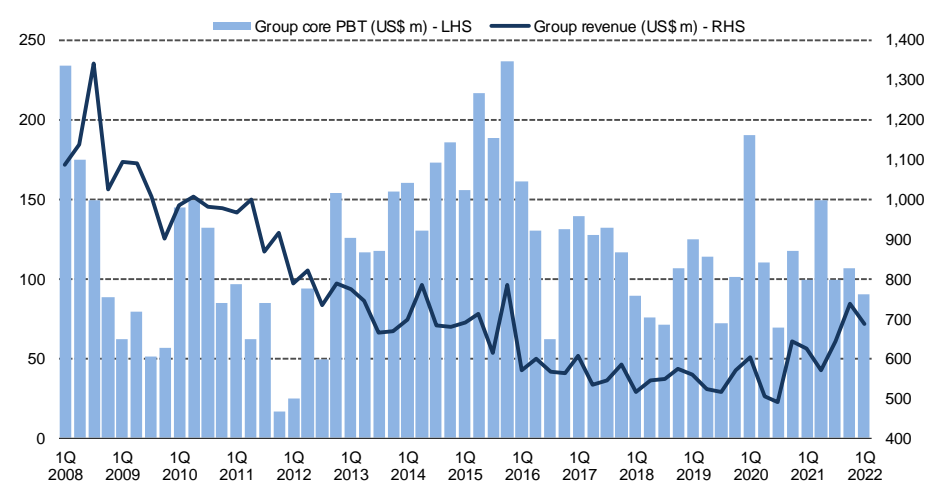
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## Results comparison table ►

**Figure 1: Results comparison**

FYE Dec (US\$ m)	1QFY22	1QFY21	yoy % chg	4QFY21	qoq % chg	Prev. FY22F	Comments
Revenue	684.1	625.0	9.5	737.9	(7.3)	3,145	1Q22 revenue fell qoq due to lower recognition of FPSO Mero-3 construction revenue as a result of lockdowns in China, partially offset by higher tanker revenue on higher freight rates.
Operating costs	(462.8)	(416.9)	11.0	(543.0)	(14.8)	(1,962.1)	1Q22 EBITDA rose qoq due to higher LNG earnings due to lower maintenance costs, kitchen-sinking provisions at MMHE in 4Q21, partially offset by higher cost provisions for the FPSO Mero-3 construction project in 1Q22 vs. 4Q21.
EBITDA	221.3	208.1	6.3	194.9	13.6	1,182.6	
EBITDA margin (%)	32.4	33.3		26.4		37.6	
Depn & amort.	(113.0)	(122.0)	(7.3)	(119.2)	(5.1)	(461.8)	
EBIT	108.3	86.1	25.7	75.7	43.0	720.8	
EBIT margin (%)	15.8	13.8		10.3		22.9	
Interest expense	(36.5)	(22.9)	59.3	(29.3)	24.6	(119.7)	Interest exp rose due to borrowings taken to fund FPSO Mero-3, and because US\$11.4m in upfront financing fees were expensed off.
Interest & invt inc	13.3	21.6	(38.3)	20.5	(35.1)	22.0	
Associates' contrib	4.5	14.6	(69.2)	39.4	(88.6)	44.9	Lower assc profits in 1Q22 qoq, as during 4Q21, MISC recognised upfront finance lease profits from the extension of the FPSO Kikeh and Ruby II contracts.
Exceptionals	2.6	(8.0)	132.8	(3.2)	181.1	0.0	
<b>Pretax profit</b>	<b>92.2</b>	<b>91.4</b>	<b>0.9</b>	<b>103.1</b>	<b>(10.6)</b>	<b>668.0</b>	
Tax	(2.8)	(2.5)	11.4	(2.3)	20.6	(20.0)	
Tax rate (%)	3.0	2.7		2.2		(3.0)	
Minority interests	0.3	8.4	nm	9.3	nm	7.5	
<b>Net profit</b>	<b>89.8</b>	<b>97.3</b>	<b>(7.7)</b>	<b>110.2</b>	<b>(18.5)</b>	<b>655.4</b>	1Q22 core net profit fell yoy due to cost provisions for the FPSO Mero-3 construction project, lower associate profits, and higher interest expense; partially offset by absence of MMHE's kitchen sinking, and higher LNG earnings.
<b>Core net profit</b>	<b>87.2</b>	<b>105.3</b>	<b>(17.2)</b>	<b>113.4</b>	<b>(23.1)</b>	<b>655.4</b>	
<b>EPS (US cents)</b>	<b>2.0</b>	<b>2.2</b>	<b>(7.7)</b>	<b>2.5</b>	<b>(18.5)</b>	<b>14.7</b>	
Core EPS (US cts)	2.0	2.4	(17.2)	2.5	(23.1)	14.7	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 2: Group revenue and core PBT trends (US\$m)**


SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

### Abbreviations

IEA: International Energy Agency

OPEC: Organization of the Petroleum Exporting Countries

OPEC+: OPEC and its key non-OPEC collaborators, principally Russia

OECD: The Organisation for Economic Co-operation and Development

AET: MISC's wholly-owned petroleum and chemical tanker shipping subsidiary

MMHE: Malaysia Marine and Heavy Engineering Holdings Bhd, MISC's 66%-owned heavy engineering subsidiary

FPSO: Floating Production Storage and Offload vessels

LNG: Liquefied Natural Gas

VLCC: Very Large Crude Carriers

VLEC: Very Large Ethane Carriers

TCE: Time Charter Equivalent rates, expressed in US\$/day  
mbpd: million barrels per day

### SOP and target price calculation ➤

Figure 3: MISC's SOP and target price, end-2022F

	Current portfolio of assets	Value (US\$ m)	Value (RM m)	Per share (RM)	Notes
<b>1</b>	<b>LNG business</b>	<b>3,487.2</b>	<b>14,995.0</b>	<b>3.36</b>	
	- Existing LNG carriers	1,832.2	7,878.6	1.77	DCF, discounted using Ke of 7.3% on 27 LNG vessels; Year 1 WACC of 4.4% on newer LNG ships rising to Ke of 7.3% in Year 13
	- FSU Lekas (x 2)	339.7	1,460.7	0.33	Estimated finance lease receivable on the two FSU Lekas vessels
	- MISC-Mitsubishi JV	103.8	446.5	0.10	Assume 25.5% stake for two 174,000 cbm LNG vessels delivered in 2021
	- MISC-Avenir JV	24.6	105.8	0.02	51% stake for one 7,500 cbm LNG bunkering vessel delivered in 1Q20
	- ExxonMobil charter	316.7	1,361.6	0.31	100% stake for two LNG vessels to be delivered in 1Q23F
	- VLEC tankers	870.2	3,741.8	0.84	DCF on 6 VLEC tankers; Year 1 WACC of 4.4% rising to Ke of 7.3% in Year 13
<b>2</b>	<b>Offshore business</b>	<b>2,803.3</b>	<b>12,054.1</b>	<b>2.70</b>	
	- Traditional assets	237.2	1,019.8	0.23	DCF, discounted using Ke of 7.3% on six offshore assets
	- FPSO Cendor	166.0	713.9	0.16	Estimated finance lease receivable
	- FPS Gumusut	1,610.3	6,924.4	1.55	Estimated finance lease receivable
	- FSO Benchamas 2	31.5	135.5	0.03	Estimated finance lease receivable
	- FSO Mekar Bergading	94.3	405.3	0.09	Estimated finance lease receivable
	- FSO Idemitsu	13.2	56.7	0.01	Estimated finance lease receivable
	- FPSO Mero-3	650.8	2,798.4	0.63	DCF, Ke 9.7% on US\$2bn capex, project IRR of c.7.2% over 22 years contract period
<b>3</b>	<b>Tanker shipping business</b>	<b>3,919.2</b>	<b>16,852.6</b>	<b>3.78</b>	
	- Petroleum tankers	1,697.2	7,297.9	1.63	Expected end-2022F values; assume 20% higher than end-2021 values
	- Petroleum tankers under construction	209.2	899.6	0.20	Capex to be spent in 2020-2022F that is not reflected in fleet value
	- Shuttle tankers	2,012.8	8,655.2	1.94	DCF on 17 shuttle tankers; Year 1 WACC of 4.4% rising to Ke of 7.3% in Year 13
4	Heavy Engineering	96.5	415.0	0.09	66.5% stake, based on price of RM0.39/share
5	Other fixed assets	453.6	1,950.6	0.44	Book value as at 31 December 2022F
6	Net cash/(debt)	-2,111.4	-9,079.1	-2.03	Forecast as at 31 December 2022F
7	Other net assets/(liabilities)	-343.5	-1,477.1	-0.33	
	<b>SOP of current asset portfolio</b>	<b>8,304.9</b>	<b>35,711.0</b>	<b>8.00</b>	

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Our SOP-based target price of RM8.00 is largely based on the DCF value of MISC's LNG and offshore businesses, but we have incorporated the value of MISC's petroleum tanker business based on the expected liquidation value of its tanker fleet at the end of 2022F.

Our target price has been reduced from RM8.36 previously, because we cut the value of the FPSO Mero-3 project to MISC's SOP by 25% from RM0.84/share to RM0.63/share, as we raise the project capex assumption from US\$1.8bn to US\$2.2bn.

Our target price of RM8.00 is close to MISC's current BVPS of RM7.79, which represents a P/BV of 1.03x and lower than MISC's average P/BV since 2010 of 1.09x.

We reiterate our Add recommendation, with potential re-rating catalysts being:

- A strong recovery in tanker rates in 2022F, as Europe will import crude oil from more distant sources (rather than buy from Russia), thereby raising annual tonne-mile demand for tankers for the first time after three consecutive annual declines; OPEC+ and non-OPEC nations are likely to raise output this year on the back of very strong price stimulus; China may import more crude this year; and Iran may reenter the export markets if it comes to an agreement with the US on its nuclear programme.

- The reopening of Malaysia's international borders on 1 April 2022 could also help boost the marine service and repair volumes of MISC's Malaysian Marine and Heavy Engineering (MMHE) shipyard.
- MISC also said that it was working on several FPSO, LNG and ethane carrier time charter contracts.

Downside risks include the potential for MISC to be unable to meet the FPSO Mero-3 delivery timeline, as this is MISC's first major overseas FPSO construction project, on behalf of Brazil's Petrobras. Petrobras had awarded MISC the time charter contract for the FPSO Mero-3 in August 2020, and MISC had awarded the FPSO conversion project to China's CIMC Raffles in January 2021. The FPSO must be delivered to Petrobras by late-2023F, in our estimate. By end-April 2022, MISC estimated that it had completed c.40% of the project against the 44% target, which is three months behind schedule, and with 5-7% cost overruns.

## Segmental breakdown and earnings revision tables ►

Figure 4: MISC's revenue, PBT and net profit (US\$ m) by division

	2019	2020	2021	2022F	2023F	2024F
<b>Revenue (US\$ m)</b>	<b>2,163.6</b>	<b>2,237.4</b>	<b>2,575.0</b>	<b>3,117.0</b>	<b>2,964.0</b>	<b>2,461.2</b>
LNG	623.3	631.3	695.4	721.9	738.7	599.8
AET (Crude, clean, shuttle and chemical tankers)	1,039.2	919.5	771.9	904.0	955.9	978.2
Offshore subsidiaries	262.3	306.6	732.9	1,119.4	879.2	473.6
Heavy engineering	243.8	373.0	353.9	371.6	390.2	409.7
Liner	0.0	0.0	0.0	0.0	0.0	0.0
Others	-5.0	7.0	20.9	0.0	0.0	0.0
<b>Profit before tax and one-offs (US\$ m)</b>	<b>410.1</b>	<b>486.9</b>	<b>453.8</b>	<b>495.4</b>	<b>517.3</b>	<b>516.4</b>
LNG	251.7	249.5	276.6	300.4	302.5	224.8
AET (Crude, clean, shuttle and chemical tankers)	37.7	81.7	38.0	135.6	143.4	146.7
Offshore (including JVs) ^	126.6	190.9	222.3	101.6	110.9	185.3
- Offshore subsidiaries	77.0	87.6	149.8	56.7	81.6	166.9
- Offshore associates	49.6	103.3	72.5	44.9	29.3	18.4
Heavy engineering (MMHE) *	-9.5	-24.8	-63.9	-22.3	-19.5	-20.5
Liner	0.0	0.0	0.0	0.0	0.0	0.0
Others	3.5	-10.5	-19.2	-20.0	-20.0	-20.0
<b>Core PBT margin (%)</b>	<b>19.0%</b>	<b>21.8%</b>	<b>17.6%</b>	<b>15.9%</b>	<b>17.5%</b>	<b>21.0%</b>
LNG	40.4%	39.5%	39.8%	41.6%	41.0%	37.5%
AET (Crude, clean, shuttle and chemical tankers)	3.6%	8.9%	4.9%	15.0%	15.0%	15.0%
Offshore subsidiaries	29.3%	28.6%	20.4%	5.1%	9.3%	35.3%
Heavy engineering (MMHE) *	-3.9%	-6.6%	-18.1%	-6.0%	-5.0%	-5.0%

^ Offshore JVs include FPSO Espirito Santo (49%), FPSO Ruby II (40%), FPSO Kikeh (51%), and FSO Orkid (51%).  
\* PBT prior to 33.5% minority interest

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Figure 5: Earnings revision

US\$ m	2021A	2022F			2023F			2024F		
		Old	New	chg	Old	New	chg	Old	New	chg
Revenue	2,575	3,145	3,117	-1%	2,990	2,964	-1%	2,521	2,461	-2%
EBITDA	848	1,183	1,039	-12%	1,134	1,056	-7%	1,059	1,044	-1%
Reported PBT	421	668	495	-26%	614	517	-16%	552	516	-6%
Core pretax profit	455	668	495	-26%	614	517	-16%	552	516	-6%
Reported net profit	434	655	488	-26%	603	508	-16%	542	508	-6%
Reported EPS	0.10	0.15	0.11	-26%	0.13	0.11	-16%	0.12	0.11	-6%
Core net profit	467	655	488	-26%	603	508	-16%	542	508	-6%
Core EPS	0.10	0.15	0.11	-26%	0.13	0.11	-16%	0.12	0.11	-6%

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

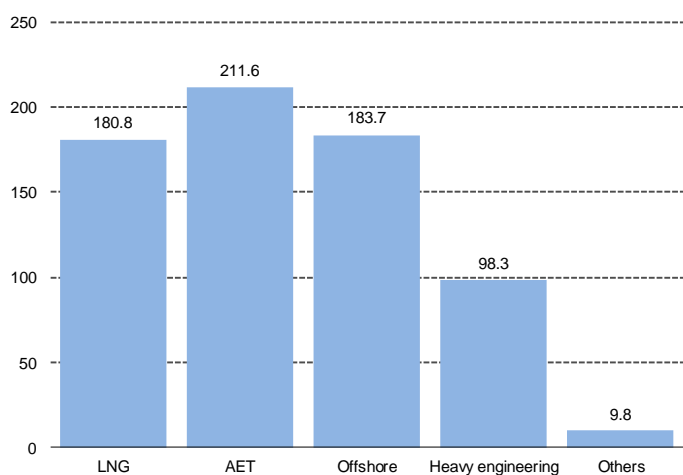
## Further information on the results ►

**Figure 6: Segmental earnings**

FYE Dec (US\$ m)	1QFY22	1QFY21	yoy % chg	4QFY21	qoq % chg	Comments
<b>Revenue</b>	<b>684.1</b>	<b>625.0</b>	<b>9.5</b>	<b>737.9</b>	<b>(7.3)</b>	
- LNG	180.8	168.6	7.2	182.9	(1.2)	LNG rev rose yoy due to contribution from five additional VLECs.
- AET	211.6	195.4	8.3	201.2	5.2	AET rev rose yoy and qoq due to higher tanker freight rates.
- Offshore subs	183.7	171.1	7.4	245.8	(25.3)	Offshore rev rose yoy on more construction revenue on FPSO Mero-3,
- Heavy engineering	98.3	84.5	16.3	103.3	(4.9)	but fell qoq as construction progress was hampered by China's
- Others	9.8	5.4	80.5	4.7	107.6	lockdowns in 1Q22.
<b>Core PBT</b>	<b>89.6</b>	<b>99.4</b>	<b>(9.8)</b>	<b>106.4</b>	<b>(15.8)</b>	
- LNG	84.0	66.0	27.3	72.8	15.4	LNG profits rose yoy due to higher revenue and lower maintenance cost.
- AET	-	0.7	(100.0)	3.6	(100.0)	AET broke-even in 1Q22 due to higher spot exposure to low VLCC rates.
- Offshore	11.0	65.9	(83.3)	55.4	(80.1)	Offshore profit fell qoq due to provision of additional construction cost on
* Offshore subs	6.5	51.3	(87.3)	16.0	(59.2)	FPSO Mero-3 (subsidiary). Offshore associates in 4Q21 benefitted
* Offshore assoc	4.5	14.6	(69.2)	39.4	(88.6)	from FPSO Kikeh and FPSO Ruby II contract extension, which did not
- Heavy engineering	1.0	(25.7)	103.9	(25.8)	nm	recur in 1Q22.
- Others	(6.4)	(7.5)	(15.0)	0.4	nm	MMHE registered profit in 1Q22 due to cost recovery from clients, and
						absence of kitchen-sinking provisions which hit 1Q21 and 4Q21.
<b>Margin (%)</b>	<b>13.1%</b>	<b>15.9%</b>	<b>-2.8%</b>	<b>14.4%</b>	<b>-1.3%</b>	
- LNG	46.5%	39.1%	7.3%	39.8%	6.7%	
- AET	0.0%	0.4%	-0.4%	1.8%	-1.8%	
- Offshore subs	3.5%	30.0%	-26.5%	6.5%	-3.0%	
- Heavy engineering	1.0%	-30.4%	31.4%	-25.0%	26.0%	

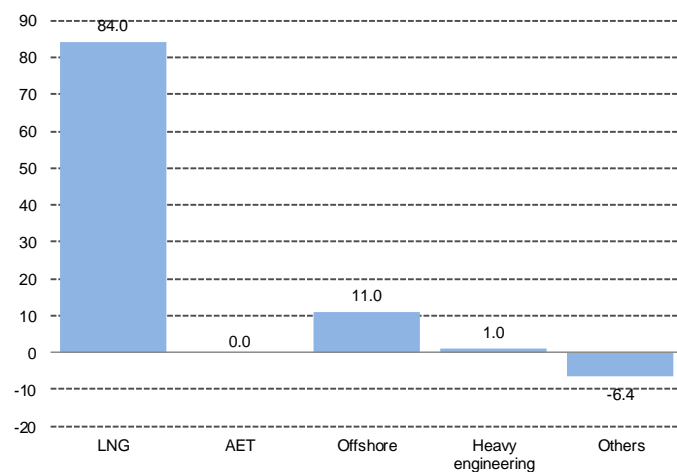
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 7: 1Q22 revenue breakdown (US\$ m)**



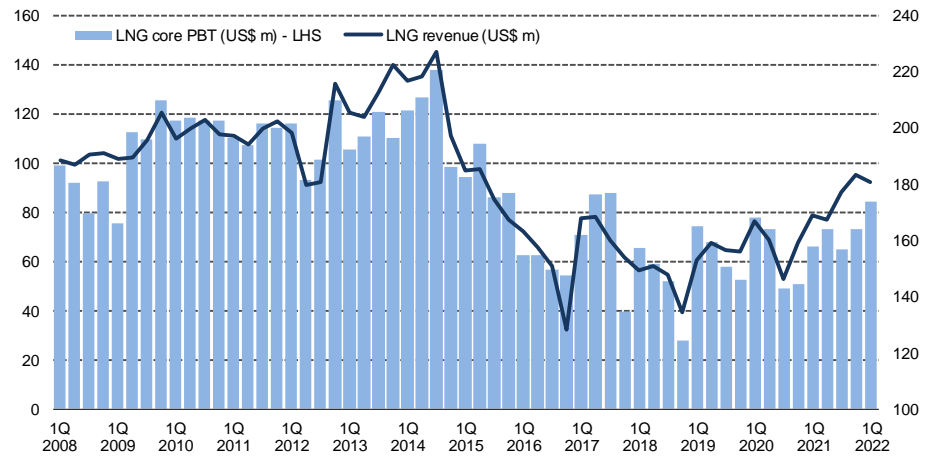
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 8: 1Q22 core PBT breakdown (US\$ m)**



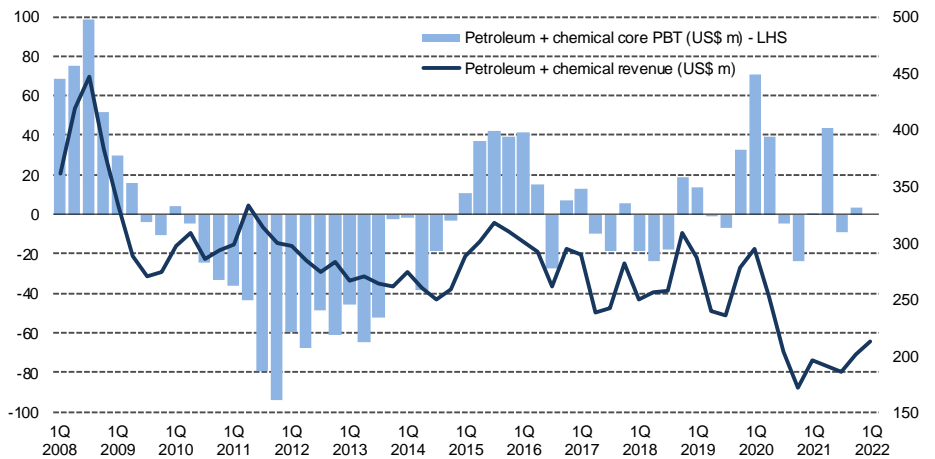
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 9: LNG shipping revenue and core PBT trends (US\$ m)**



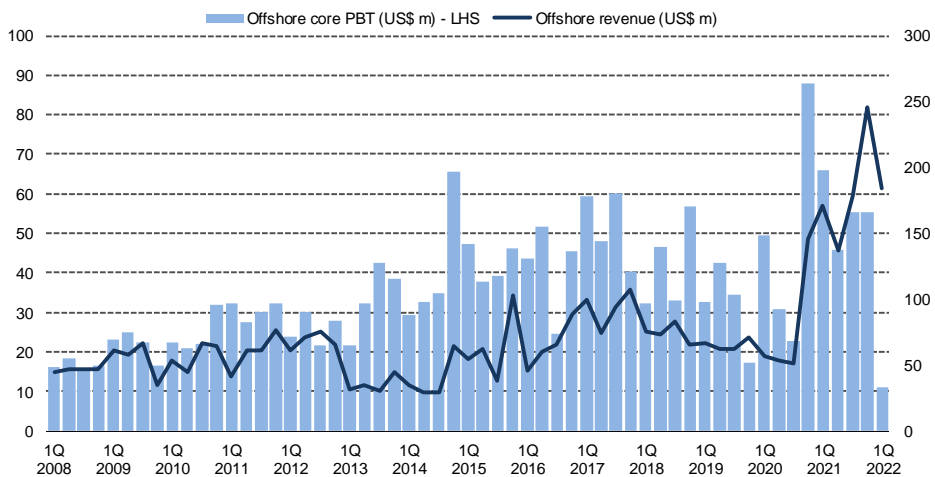
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 10: Petroleum and chemical (AET) shipping revenue and core PBT trends (US\$ m)**



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

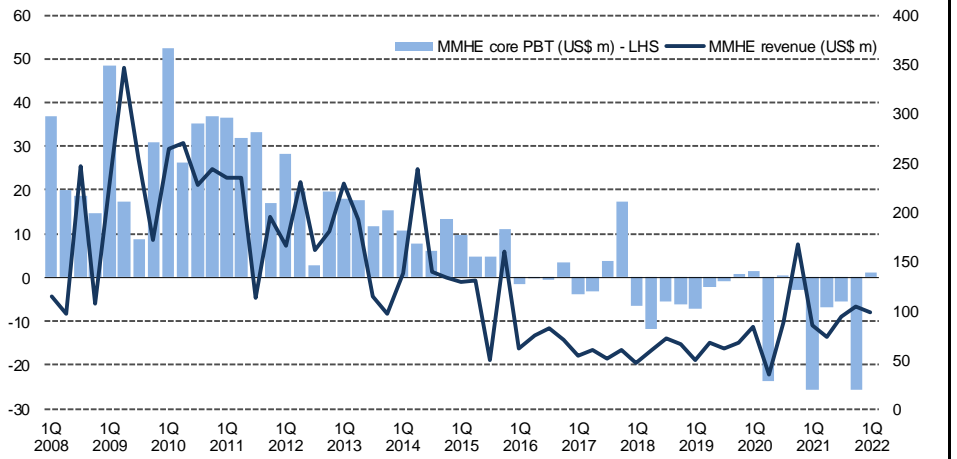
**Figure 11: Offshore revenue and core PBT trends (US\$ m)**



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



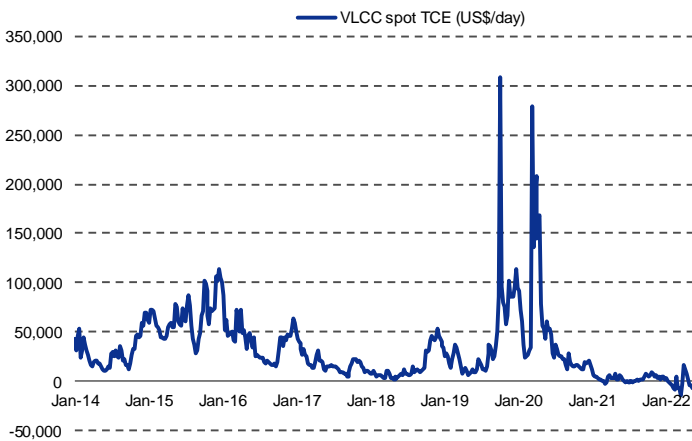
**Figure 12: Heavy engineering revenue and core PBT trends (US\$ m)**



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

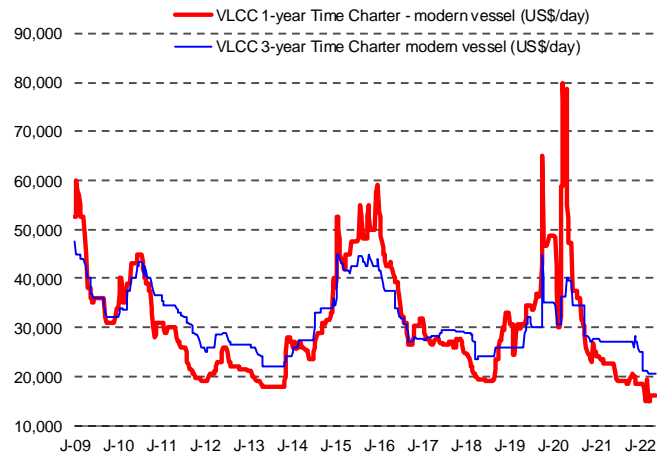
**Tanker spot freight rates and time charter rates ▶**

**Figure 13: VLCC crude tanker spot TCE rates (US\$/day)**



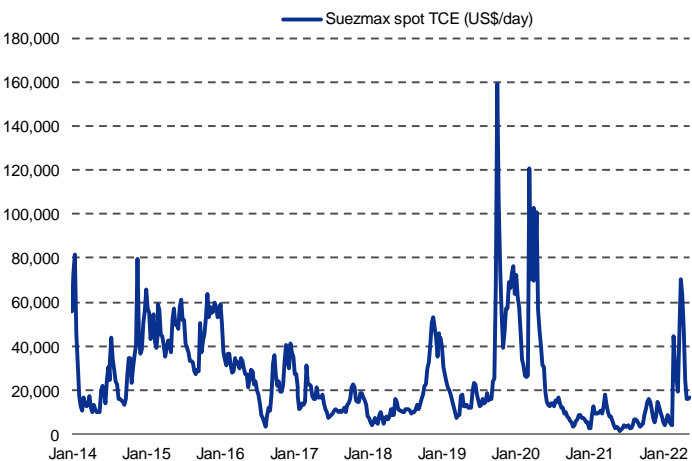
SOURCES: CGS-CIMB RESEARCH, CLARKSON RESEARCH SERVICES

**Figure 14: VLCC crude tanker time charter rates (US\$/day)**



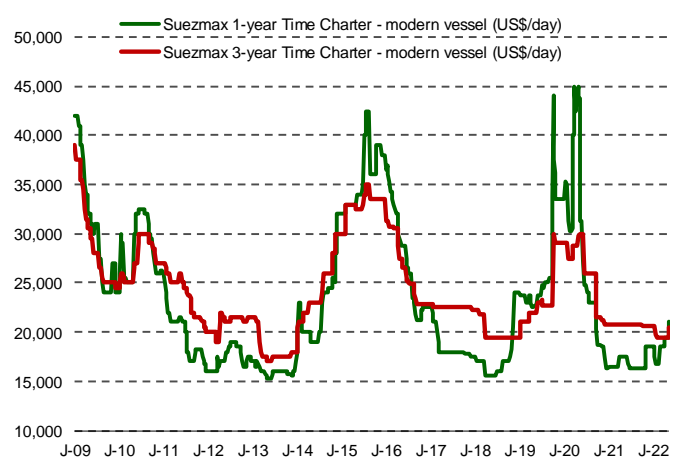
SOURCES: CGS-CIMB RESEARCH, CLARKSON RESEARCH SERVICES

**Figure 15: Suezmax crude tanker spot TCE rates (US\$/day)**



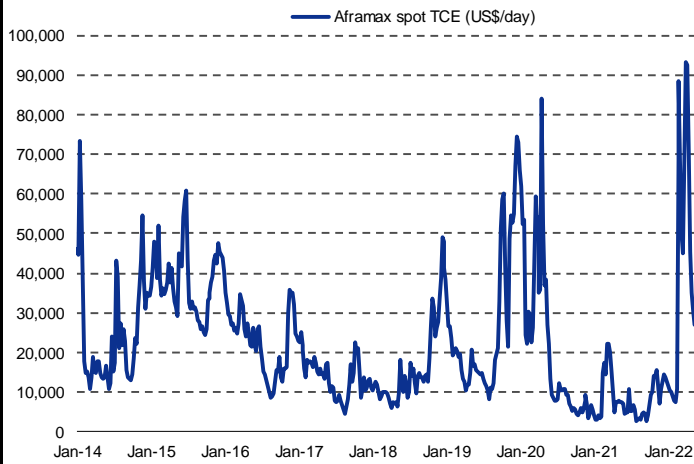
SOURCES: CGS-CIMB RESEARCH, CLARKSON RESEARCH SERVICES

**Figure 16: Suezmax crude tanker time charter rates (US\$/day)**



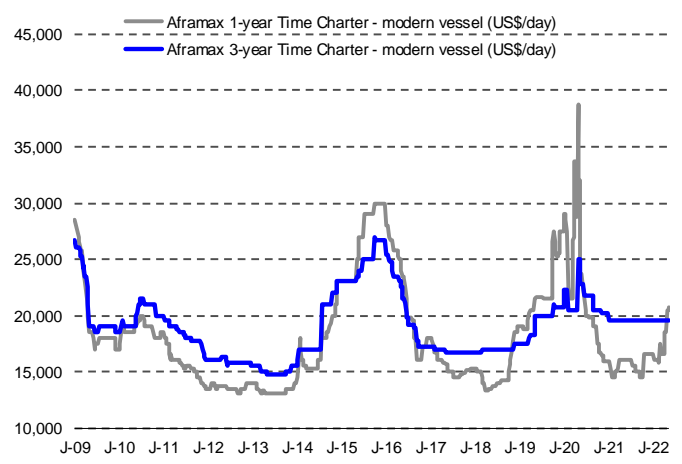
SOURCES: CGS-CIMB RESEARCH, CLARKSON RESEARCH SERVICES

**Figure 17: Aframax crude tanker spot TCE rates (US\$/day)**



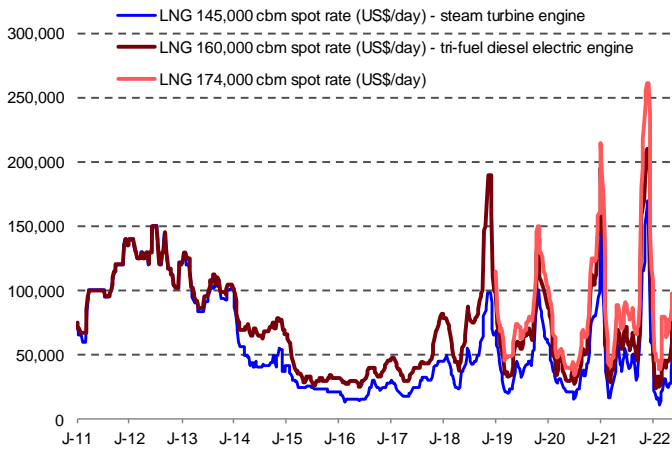
SOURCES: CGS-CIMB RESEARCH, CLARKSON RESEARCH SERVICES

**Figure 18: Aframax crude tanker time charter rates (US\$/day)**



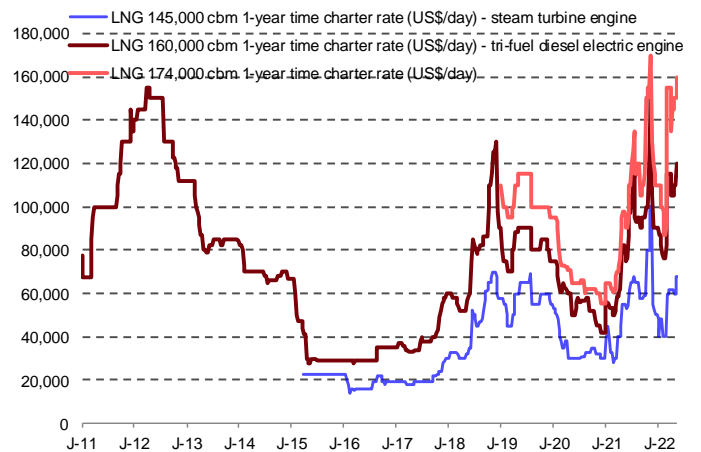
SOURCES: CGS-CIMB RESEARCH, CLARKSON RESEARCH SERVICES

**Figure 19: LNG spot rates (US\$/day)**



SOURCES: CGS-CIMB RESEARCH, CLARKSON RESEARCH SERVICES

**Figure 20: LNG 1-year time charter rates (US\$/day)**



SOURCES: CGS-CIMB RESEARCH, CLARKSON RESEARCH SERVICES



**Figure 21: Dirty Tanker Time Charter Equivalent Rates (US\$/day)**

	VLCC spot average (US\$/day)					Suezmax spot average (US\$/day)					Aframax spot average (US\$/day)				
	1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q	4Q	Full year
2009	45,134	20,955	16,850	30,799	28,434	38,011	22,703	13,828	28,391	25,733	22,227	12,395	6,401	16,458	14,370
2010	48,964	48,078	19,065	20,132	33,797	33,035	34,799	18,073	25,548	27,820	21,807	21,109	12,333	15,512	17,649
2011	24,680	14,793	7,567	16,119	18,263	24,599	15,728	10,151	23,251	18,154	16,574	10,931	7,252	14,756	12,199
2012	26,194	27,441	4,860	14,942	21,187	24,569	19,782	10,276	13,005	16,908	14,501	14,087	10,359	11,216	12,541
2013	7,115	11,209	11,674	34,870	18,621	14,576	11,987	11,704	23,777	15,511	12,934	12,659	12,612	18,318	14,131
2014	29,398	13,824	22,090	43,948	30,015	31,041	15,940	23,330	40,851	27,791	29,173	15,182	22,386	32,078	24,705
2015	55,239	60,940	55,811	87,395	64,846	50,455	46,923	37,123	52,352	46,713	39,715	42,542	30,006	39,643	37,977
2016	58,367	42,969	19,659	46,639	41,488	37,914	28,222	15,508	29,554	27,567	30,197	24,483	13,741	24,148	22,965
2017	26,518	18,229	10,092	16,334	17,794	19,690	14,452	10,646	16,957	15,436	18,591	13,404	9,238	14,260	13,873
2018	6,701	5,301	9,909	40,331	15,561	6,588	10,364	11,489	37,422	16,466	9,829	9,662	13,562	31,646	16,175
2019	25,625	11,565	25,504	102,761	41,364	21,391	15,425	16,602	72,822	31,560	22,661	14,636	14,748	52,853	26,225
2020	84,557	88,907	23,711	15,404	53,145	55,001	47,275	12,229	6,455	30,240	41,610	32,624	8,698	5,713	22,161
2021	3,989	2,837	503	5,378	3,177	9,156	5,177	4,173	10,547	7,263	10,527	7,648	4,281	11,093	8,387
2022	-3,590	2,387			-602	16,666	37,363			27,014	32,266	57,970			45,118
<i>Change yoy (%)</i>															
2010	8.5%	129.4%	13.1%	-34.6%	18.9%	-13.1%	53.3%	30.7%	-10.0%	8.1%	-1.9%	70.3%	92.7%	-5.8%	22.8%
2011	-49.6%	-69.2%	-60.3%	-19.9%	-46.0%	-25.5%	-54.8%	-43.8%	-9.0%	-34.7%	-24.0%	-48.2%	-41.2%	-4.9%	-30.9%
2012	6.1%	85.5%	-35.8%	-7.3%	16.0%	-0.1%	25.8%	1.2%	-44.1%	-6.9%	-12.5%	28.9%	42.8%	-24.0%	2.8%
2013	-72.8%	-59.2%	140.2%	133.4%	-12.1%	-40.7%	-39.4%	13.9%	82.8%	-8.3%	-10.8%	-10.1%	21.8%	63.3%	12.7%
2014	313.2%	23.3%	89.2%	26.0%	61.2%	113.0%	33.0%	99.3%	71.8%	79.2%	125.5%	19.9%	77.5%	75.1%	74.8%
2015	87.9%	340.8%	152.7%	98.9%	116.0%	62.5%	194.4%	59.1%	28.2%	68.1%	36.1%	180.2%	34.0%	23.6%	53.7%
2016	5.7%	-29.5%	-64.8%	-46.6%	-36.0%	-24.9%	-39.9%	-58.2%	-43.5%	-41.0%	-24.0%	-42.5%	-54.2%	-39.1%	-39.5%
2017	-54.6%	-57.6%	-48.7%	-65.0%	-57.1%	-48.1%	-48.8%	-31.3%	-42.6%	-44.0%	-38.4%	-45.2%	-32.8%	-40.9%	-39.6%
2018	-74.7%	-70.9%	-1.8%	146.9%	-12.5%	-66.5%	-28.3%	7.9%	120.7%	6.7%	-47.1%	-27.9%	46.8%	121.9%	16.6%
2019	282.4%	118.2%	157.4%	154.8%	165.8%	224.7%	48.8%	44.5%	94.6%	91.7%	130.5%	51.5%	8.7%	67.0%	62.1%
2020	230.0%	668.8%	-7.0%	-85.0%	28.5%	157.1%	206.5%	-26.3%	-91.1%	-4.2%	83.6%	122.9%	-41.0%	-89.2%	-15.5%
2021	-95.3%	-96.8%	-97.9%	-65.1%	-94.0%	-83.4%	-89.0%	-65.9%	63.4%	-76.0%	-74.7%	-76.6%	-50.8%	94.2%	-62.2%
2022	-190.0%	-15.9%			-118.9%	82.0%	621.8%			271.9%	206.5%	657.9%			437.9%

SOURCES: CGS-CIMB RESEARCH, BALTIC EXCHANGE, CLARKSON RESEARCH SERVICES

**Figure 22: LNG Tanker Time Charter Equivalent Rates (US\$/day)**

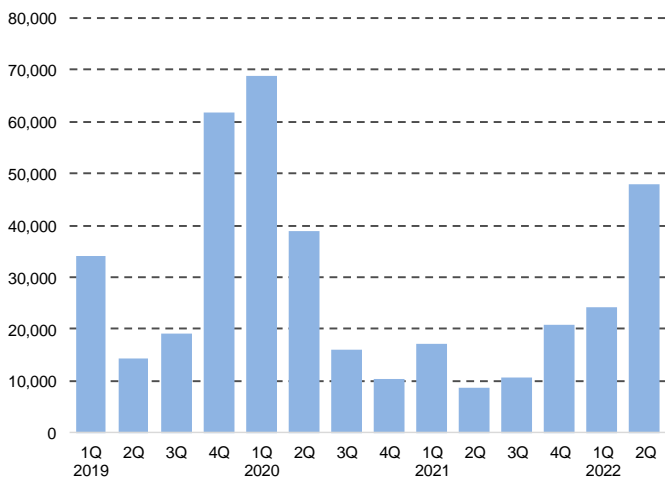
	LNG 160,000 cbm spot rate (US\$/day) <i>Tri-fuel diesel electric engine</i>					LNG 145,000 cbm spot rate (US\$/day) <i>Steam turbine engine</i>					LNG 174,000 cbm spot rate (US\$/day)				
	1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q	4Q	Full year
2011	72,292	100,000	101,250	126,538	100,577	68,125	100,000	101,286	126,538	99,625					
2012	132,692	132,692	133,462	110,654	127,375	132,692	132,692	134,000	110,231	127,404					
2013	119,154	90,154	106,769	101,308	104,346	114,538	87,385	101,462	97,077	100,115					
2014	77,769	68,462	67,846	73,692	71,942	65,615	43,500	41,423	46,731	49,317					
2015	50,615	32,154	29,538	31,846	36,038	34,077	25,154	23,308	21,462	26,000					
2016	29,308	28,615	36,571	39,385	33,528	17,154	14,846	23,429	24,923	20,151					
2017	40,846	34,462	42,538	66,385	46,058	23,385	21,000	29,615	40,385	28,596					
2018	65,385	58,000	82,000	149,385	88,692	39,385	36,692	48,846	83,077	52,000					
2019	55,615	48,577	65,269	107,885	69,337	37,397	32,731	42,769	77,885	47,695	67,851	61,192	74,808	123,808	81,915
2020	56,923	34,615	41,115	104,423	59,269	39,923	23,269	27,923	73,077	41,048	70,192	43,500	52,500	118,500	71,173
2021	84,423	57,962	58,788	150,804	89,179	59,962	44,654	41,692	109,000	64,679	101,500	74,327	77,942	189,429	112,283
2022	34,844	50,438			42,641	21,750	31,688			26,719	56,646	76,719			66,682
<i>Change yoy (%)</i>															
2012	83.6%	32.7%	31.8%	-12.6%	26.6%	94.8%	32.7%	32.3%	-12.9%	27.9%					
2013	-10.2%	-32.1%	-20.0%	-8.4%	-18.1%	-13.7%	-34.1%	-24.3%	-11.9%	-21.4%					
2014	-34.7%	-24.1%	-36.5%	-27.3%	-31.1%	-42.7%	-50.2%	-59.2%	-51.9%	-50.7%					
2015	-34.9%	-53.0%	-56.5%	-56.8%	-49.9%	-48.1%	-42.2%	-43.7%	-54.1%	-47.3%					
2016	-42.1%	-11.0%	23.8%	23.7%	-7.0%	-49.7%	-41.0%	0.5%	16.1%	-22.5%					
2017	39.4%	20.4%	16.3%	68.6%	37.4%	36.3%	41.5%	26.4%	62.0%	41.9%					
2018	60.1%	68.3%	92.8%	125.0%	92.6%	68.4%	74.7%	64.9%	105.7%	81.8%					
2019	-14.9%	-16.2%	-20.4%	-27.8%	-21.8%	-5.0%	-10.8%	-12.4%	-6.3%	-8.3%					
2020	2.4%	-28.7%	-37.0%	-3.2%	-14.5%	6.8%	-28.9%	-34.7%	-6.2%	-13.9%	3.4%	-28.9%	-29.8%	-4.3%	-13.1%
2021	48.3%	67.4%	43.0%	44.4%	50.5%	50.2%	91.9%	49.3%	49.2%	57.6%	44.6%	70.9%	48.5%	59.9%	57.8%
2022	-58.7%	-13.0%			-52.2%	-63.7%	-29.0%			-58.7%	-44.2%	3.2%			-40.6%

SOURCES: CGS-CIMB RESEARCH, CLARKSON RESEARCH SERVICES

### Aframax spot TCE earnings ex-US Gulf and ex-SE Asia ➤

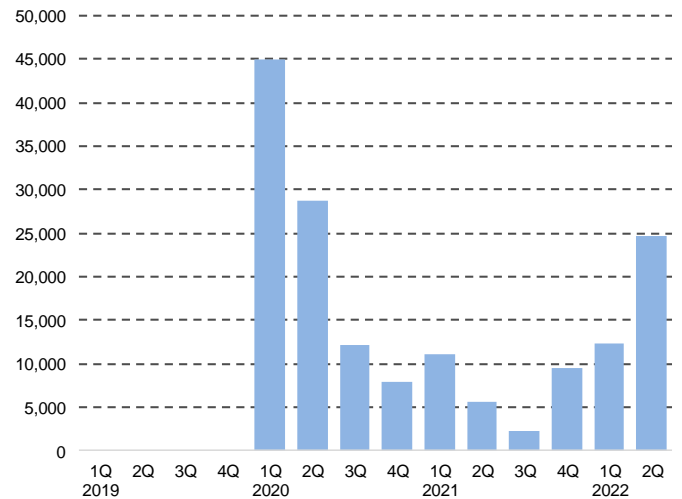
AET's aframax tankers are primarily based in the US Gulf and Latin America, but also in Southeast Asia. In all these regions, aframax TCE rates moved higher qoq in 1Q22, but not by much. A much sharper sequential improvement was seen in 2Q22F, hence, we expect AET to show better results in the present quarter on a qoq and yoy basis.

**Figure 23: Aframax average quarterly TCE rates (US\$/day) - Curacao (Latin America) to Hamburg (Europe)**



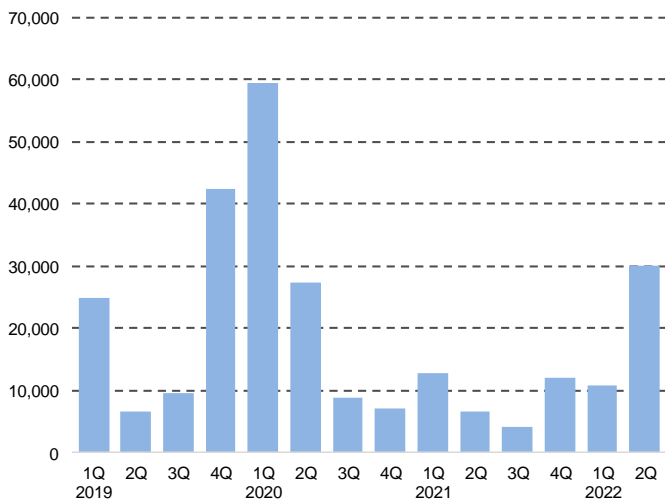
SOURCES: CGS-CIMB RESEARCH, CLARKSON RESEARCH SERVICES

**Figure 24: Aframax average quarterly TCE rates (US\$/day) - Corpus Christi (US) to Rotterdam (Europe)**



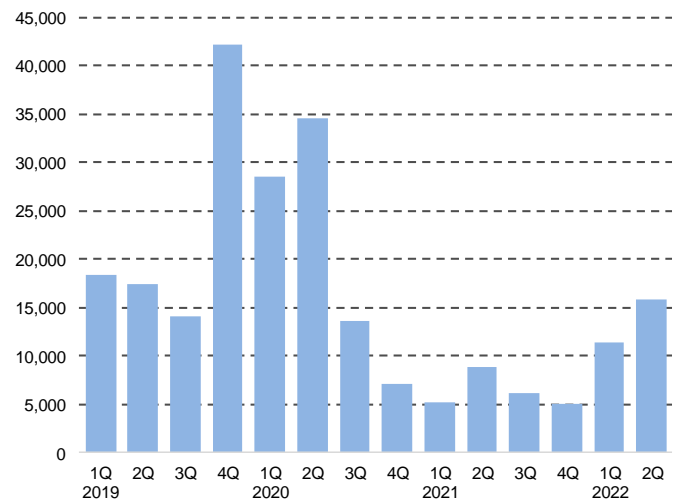
SOURCES: CGS-CIMB RESEARCH, CLARKSON RESEARCH SERVICES

**Figure 25: Aframax average quarterly TCE rates (US\$/day) - Curacao (Latin America) to Texas (US)**



SOURCES: CGS-CIMB RESEARCH, CLARKSON RESEARCH SERVICES

**Figure 26: Aframax average quarterly TCE rates (US\$/day) - Singapore (SEAsia) to Chiba (Japan)**



SOURCES: CGS-CIMB RESEARCH, CLARKSON RESEARCH SERVICES

## Sequential quarterly tables ►

**Figure 27: Quarterly results**


FYE Dec (US\$ m)	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22
Revenue	601.1	504.8	490.3	641.2	625.0	570.3	641.8	737.9	684.1
Operating costs	(301.0)	(268.7)	(300.8)	(452.5)	(416.9)	(347.7)	(419.1)	(543.0)	(462.8)
EBITDA	300.1	236.1	189.5	188.7	208.1	222.6	222.7	194.9	221.3
EBITDA margin (%)	49.9	46.8	38.7	29.4	33.3	39.0	34.7	26.4	32.4
Depn & amort.	(125.0)	(123.1)	(123.9)	(125.7)	(122.0)	(113.8)	(116.4)	(119.2)	(113.0)
EBIT	175.1	112.9	65.6	63.0	86.1	108.8	106.3	75.7	108.3
EBITmargin (%)	29.1	22.4	13.4	9.8	13.8	19.1	16.6	10.3	15.8
Interest expense	(22.9)	(23.3)	(18.5)	(22.9)	(22.9)	(23.7)	(24.9)	(29.3)	(36.5)
Interest & invt inc	16.4	9.2	13.0	15.9	21.6	53.1	9.9	20.5	13.3
Associates' contrib	21.5	11.1	9.2	61.5	14.6	11.2	7.3	39.4	4.5
Exceptionals	(464.3)	(43.2)	(2.3)	17.5	(8.0)	(19.8)	(2.2)	(3.2)	2.6
<b>Pretax profit</b>	<b>(274.2)</b>	<b>66.7</b>	<b>66.9</b>	<b>135.1</b>	<b>91.4</b>	<b>129.5</b>	<b>96.5</b>	<b>103.1</b>	<b>92.2</b>
Tax	(1.3)	(5.0)	(5.0)	0.5	(2.5)	(2.6)	(2.6)	(2.3)	(2.8)
Tax rate (%)	(0.5)	7.5	7.4	(0.3)	2.7	2.0	2.7	2.2	3.0
Minority interests	(1.4)	7.6	(0.5)	(0.1)	8.4	3.6	2.3	9.3	0.3
<b>Net profit</b>	<b>(276.9)</b>	<b>69.3</b>	<b>61.5</b>	<b>135.4</b>	<b>97.3</b>	<b>130.5</b>	<b>96.3</b>	<b>110.2</b>	<b>89.8</b>
<b>Core net profit</b>	<b>187.4</b>	<b>112.6</b>	<b>63.8</b>	<b>117.9</b>	<b>105.3</b>	<b>150.4</b>	<b>98.4</b>	<b>113.4</b>	<b>87.2</b>
EPS (sen)	(6.2)	1.6	1.4	3.0	2.2	2.9	2.2	2.5	2.0
Core EPS (sen)	4.2	2.5	1.4	2.6	2.4	3.4	2.2	2.5	2.0

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 28: Segmental breakdown**

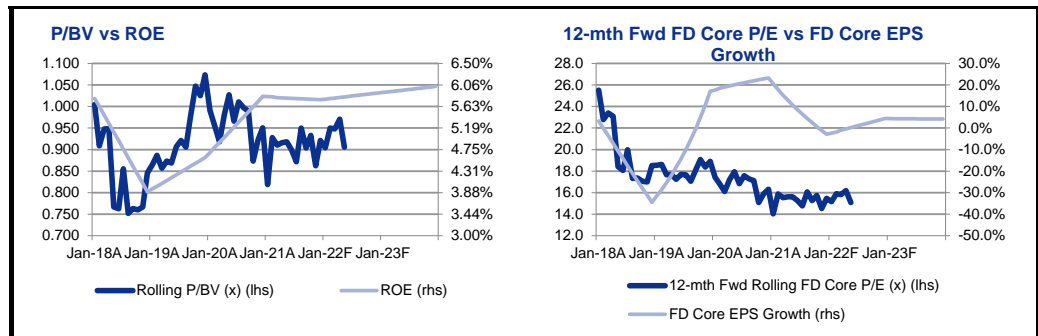
FYE Dec (US\$ m)	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22
<b>Revenue</b>	<b>601.1</b>	<b>504.8</b>	<b>490.3</b>	<b>641.2</b>	<b>625.0</b>	<b>570.3</b>	<b>641.8</b>	<b>737.9</b>	<b>684.1</b>
- LNG	166.4	160.2	146.0	158.7	168.6	167.2	176.7	182.9	180.8
- AET	293.7	251.8	202.9	171.1	195.4	190.6	184.7	201.2	211.6
- Offshore subs	56.9	53.4	51.1	145.2	171.1	137.1	178.9	245.8	183.7
- Heavy engineering	82.8	35.2	87.7	167.3	84.5	73.2	92.9	103.3	98.3
- Liner logistics	-	-	-	-	-	-	-	-	-
- Others	1.3	4.2	2.6	(1.1)	5.4	2.2	8.6	4.7	9.8
<b>Core PBT</b>	<b>190.1</b>	<b>109.9</b>	<b>69.2</b>	<b>117.6</b>	<b>99.4</b>	<b>149.4</b>	<b>98.7</b>	<b>106.4</b>	<b>89.6</b>
- LNG	77.5	72.8	48.6	50.6	66.0	72.9	64.9	72.8	84.0
- AET	71.0	39.4	(4.9)	(23.8)	0.7	43.2	(9.5)	3.6	-
- Offshore	49.6	30.8	22.6	87.9	65.9	45.8	55.2	55.4	11.0
* Offshore subs	28.1	19.7	13.4	26.4	51.3	34.6	47.9	16.0	6.5
* Offshore assoc	21.5	11.1	9.2	61.5	14.6	11.2	7.3	39.4	4.5
- Heavy engineering	1.4	(23.6)	0.2	(2.8)	(25.7)	(7.0)	(5.4)	(25.8)	1.0
- Liner logistics	-	-	-	-	-	-	-	-	-
- Tank terminals	-	-	-	-	-	-	-	-	-
- Others	(9.4)	(9.5)	2.7	5.7	(7.5)	(5.6)	(6.5)	0.4	(6.4)
<b>Margin (%)</b>	<b>31.6%</b>	<b>21.8%</b>	<b>14.1%</b>	<b>18.3%</b>	<b>15.9%</b>	<b>26.2%</b>	<b>15.4%</b>	<b>14.4%</b>	<b>13.1%</b>
- LNG	46.6%	45.4%	33.3%	31.9%	39.1%	43.6%	36.7%	39.8%	46.5%
- AET	24.2%	15.6%	-2.4%	-13.9%	0.4%	22.7%	-5.1%	1.8%	0.0%
- Offshore subs	49.4%	36.9%	26.2%	18.2%	30.0%	25.2%	26.7%	6.5%	3.5%
- Heavy engineering	1.7%	-67.0%	0.2%	-1.7%	-30.4%	-9.6%	-5.8%	-25.0%	1.0%
- Liner logistics	na	na	na	na	na	na	na	na	na

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Refinitiv ESG Scores	
	
<h2>ESG in a nutshell</h2> <p>MISC may be doubly impacted by the energy transition. In the short term, the International Maritime Organization (IMO) has set in motion the Energy Efficiency Existing Ship Index (EEXI) and the Carbon Intensity Index (CII) regulations to come into effect from 1 January 2023F, which may require MISC to take measures to progressively improve its shipping fleet's energy efficiency. While we believe that MISC's petroleum tanker fleet is likely to outperform its competitors once the EEXI/CII rules come into effect, MISC may be forced to accept discounts on the time charter rates of its ageing fuel-inefficient steam turbine LNG tanker fleet. Potential carbon taxes and a longer-term decline in fossil fuel demand may require MISC to revamp its business model in the transportation of fossil fuels and ownership of floating production assets. With a strong balance sheet and Petronas' target for net zero carbon emissions by 2050F, MISC is well-positioned to tap into these opportunities.</p>	
<h3>Keep your eye on</h3> <p>The IMO's EEXI and CII regulations will come into effect from 1 January 2023F, with the requirements to be tightened gradually to meet the IMO's goal of a 40% reduction in shipping's carbon intensity by 2030F.</p> <p>MISC has signed up to own a zero-carbon, ammonia fuelled ship by 2025F, or 2030F at the latest.</p>	<h3>Implications</h3> <p>Most of MISC's petroleum tanker vessels will have no problem meeting the challenges of the incoming rules, with lower carbon intensity than global averages. MISC stands to benefit from higher petroleum tanker freight rates if its competitors are forced to reduce sailing speeds. Conversely, steam turbine LNG tankers face greater challenges to meet the future requirements and MISC may have to slow down their sailing speeds materially, which could negatively impact its time charter rates. MISC's future ammonia-fuelled ship could help bolster its ESG credentials, as well as outperform regulatory requirements in the next decade.</p>
<h3>ESG highlights</h3> <p>MISC has some of the best ESG disclosures among shipping companies, in our view, with disclosures improving significantly in Annual Report 2019 and Annual Report 2020. Notably, MISC discloses operating carbon intensity data for its petroleum and LNG tanker vessels with significantly more detail than we have seen from its peers.</p>	<h3>Implications</h3> <p>We expect MISC to improve its ESG disclosures further in Annual Report 2021, which is likely to be released in April 2022F, with a sharper focus on key environmental and regulatory issues. The transparency of MISC's disclosures should hopefully translate into better investor confidence.</p>
<h3>Trends</h3> <p>MISC faces an existential threat from the world's effort to decarbonise, as it is a transporter of fossil fuels like crude oil and LNG and also an owner of floating production assets.</p>	<h3>Implications</h3> <p>MISC has time to respond to the existential threat, as global oil demand may continue to grow in the 2020s and plateau in the 2030Fs, before declining in the 2040s. MISC has already ventured into very large ethane carrier (VLEC) and LNG bunker vessel (LBV) segments; we expect these ship types to be resilient amid the energy transition.</p>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, REFINITIV

## BY THE NUMBERS



### Profit & Loss

(US\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>Total Net Revenues</b>	<b>2,237</b>	<b>2,575</b>	<b>3,117</b>	<b>2,964</b>	<b>2,461</b>
<b>Gross Profit</b>	<b>914</b>	<b>848</b>	<b>1,039</b>	<b>1,056</b>	<b>1,044</b>
<b>Operating EBITDA</b>	<b>914</b>	<b>848</b>	<b>1,039</b>	<b>1,056</b>	<b>1,044</b>
Depreciation And Amortisation	-498	-471	-462	-452	-439
<b>Operating EBIT</b>	<b>417</b>	<b>377</b>	<b>577</b>	<b>605</b>	<b>605</b>
Financial Income/(Expense)	-61	-76	-127	-117	-107
Pretax Income/(Loss) from Assoc.	103	73	45	29	18
Non-Operating Income/(Expense)	28	80	-0	0	0
<b>Profit Before Tax (pre-EI)</b>	<b>487</b>	<b>454</b>	<b>495</b>	<b>517</b>	<b>516</b>
Exceptional Items	-492	-33	0	0	0
<b>Pre-tax Profit</b>	<b>-5</b>	<b>421</b>	<b>495</b>	<b>517</b>	<b>516</b>
Taxation	-11	-10	-15	-16	-15
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>-16</b>	<b>411</b>	<b>481</b>	<b>502</b>	<b>501</b>
Minority Interests	6	24	7	7	7
Preferred Dividends	0	0	0	0	0
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>-11</b>	<b>434</b>	<b>488</b>	<b>508</b>	<b>508</b>
Recurring Net Profit	482	467	488	508	508
<b>Fully Diluted Recurring Net Profit</b>	<b>482</b>	<b>467</b>	<b>488</b>	<b>508</b>	<b>508</b>

### Cash Flow

(US\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>EBITDA</b>	<b>914</b>	<b>848</b>	<b>1,039</b>	<b>1,056</b>	<b>1,044</b>
Cash Flow from Inv. & Assoc.					
Change In Working Capital	371	-235	-310	188	541
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	167	103	342	346	336
Net Interest (Paid)/Received	-108	-2	-127	-117	-107
Tax Paid	-15	-11	-15	-16	-15
<b>Cashflow From Operations</b>	<b>1,330</b>	<b>703</b>	<b>930</b>	<b>1,458</b>	<b>1,799</b>
Capex	-1,152	-1,472	-393	-300	-300
Disposals Of FAs/subsidiaries	118	132	0	0	0
Acq. Of Subsidiaries/investments	0	0	0	0	0
Other Investing Cashflow	70	22	0	0	0
<b>Cash Flow From Investing</b>	<b>-964</b>	<b>-1,317</b>	<b>-393</b>	<b>-300</b>	<b>-300</b>
Debt Raised/(repaid)	128	726	790	233	-283
Proceeds From Issue Of Shares	0	0	0	0	0
Shares Repurchased	0	0	0	0	0
Dividends Paid	-351	-362	-343	-343	-343
Preferred Dividends					
Other Financing Cashflow	-108	-2	-127	-117	-107
<b>Cash Flow From Financing</b>	<b>-331</b>	<b>362</b>	<b>321</b>	<b>-226</b>	<b>-733</b>
Total Cash Generated	36	-252	857	932	766
<b>Free Cashflow To Equity</b>	<b>495</b>	<b>112</b>	<b>1,327</b>	<b>1,391</b>	<b>1,216</b>
<b>Free Cashflow To Firm</b>	<b>474</b>	<b>-612</b>	<b>663</b>	<b>1,274</b>	<b>1,606</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

### Balance Sheet

(US\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Cash And Equivalents	1,705	1,909	2,766	3,698	4,464
Total Debtors	1,303	1,129	1,298	1,251	1,093
Inventories	23	29	35	32	24
Total Other Current Assets	43	16	16	16	16
<b>Total Current Assets</b>	<b>3,074</b>	<b>3,082</b>	<b>4,115</b>	<b>4,996</b>	<b>5,596</b>
Fixed Assets	5,798	6,169	6,430	6,047	5,260
Total Investments	393	594	639	669	687
Intangible Assets	204	255	255	255	255
Total Other Non-Current Assets	3,421	3,706	3,490	3,261	3,032
<b>Total Non-current Assets</b>	<b>9,816</b>	<b>10,724</b>	<b>10,814</b>	<b>10,231</b>	<b>9,233</b>
Short-term Debt	499	1,994	1,280	1,280	1,280
Current Portion of Long-Term Debt					
Total Creditors	852	960	1,155	1,060	788
Other Current Liabilities	29	29	29	29	29
<b>Total Current Liabilities</b>	<b>1,380</b>	<b>2,983</b>	<b>2,464</b>	<b>2,369</b>	<b>2,096</b>
Total Long-term Debt	2,844	2,093	3,597	3,831	3,547
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	419	348	348	348	348
<b>Total Non-current Liabilities</b>	<b>3,263</b>	<b>2,441</b>	<b>3,945</b>	<b>4,178</b>	<b>3,895</b>
Total Provisions	0	0	0	0	0
<b>Total Liabilities</b>	<b>4,644</b>	<b>5,423</b>	<b>6,409</b>	<b>6,547</b>	<b>5,992</b>
Shareholders' Equity	8,028	8,199	8,345	8,511	8,676
Minority Interests	218	183	175	169	162
<b>Total Equity</b>	<b>8,246</b>	<b>8,382</b>	<b>8,520</b>	<b>8,679</b>	<b>8,838</b>

### Key Ratios

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	3.4%	15.1%	21.0%	(4.9%)	(17.0%)
Operating EBITDA Growth	(6.2%)	(7.2%)	22.5%	1.7%	(1.2%)
Operating EBITDA Margin	40.9%	32.9%	33.3%	35.6%	42.4%
Net Cash Per Share (US\$)	-0.37	-0.49	-0.47	-0.32	-0.08
BVPS (US\$)	1.80	1.84	1.87	1.91	1.94
Gross Interest Cover	4.76	3.74	3.84	4.06	4.09
Effective Tax Rate	0.00%	2.36%	3.00%	3.00%	3.00%
Net Dividend Payout Ratio	71.2%	74.6%	68.1%	65.4%	65.5%
Accounts Receivables Days	129.3	126.8	104.2	117.1	126.2
Inventory Days	8.74	5.45	5.58	6.36	7.17
Accounts Payables Days	189.2	191.5	185.7	211.9	238.6
ROIC (%)	3.11%	2.85%	4.20%	4.38%	4.65%
ROCE (%)	3.77%	3.34%	4.64%	4.68%	4.71%
Return On Average Assets	4.16%	3.83%	4.11%	4.01%	3.97%

### Key Drivers

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
LNG vessels (no)	33.0	39.0	39.0	41.0	41.0
Petroleum and chemical vessels (no)	66.0	59.0	63.0	66.0	66.0

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



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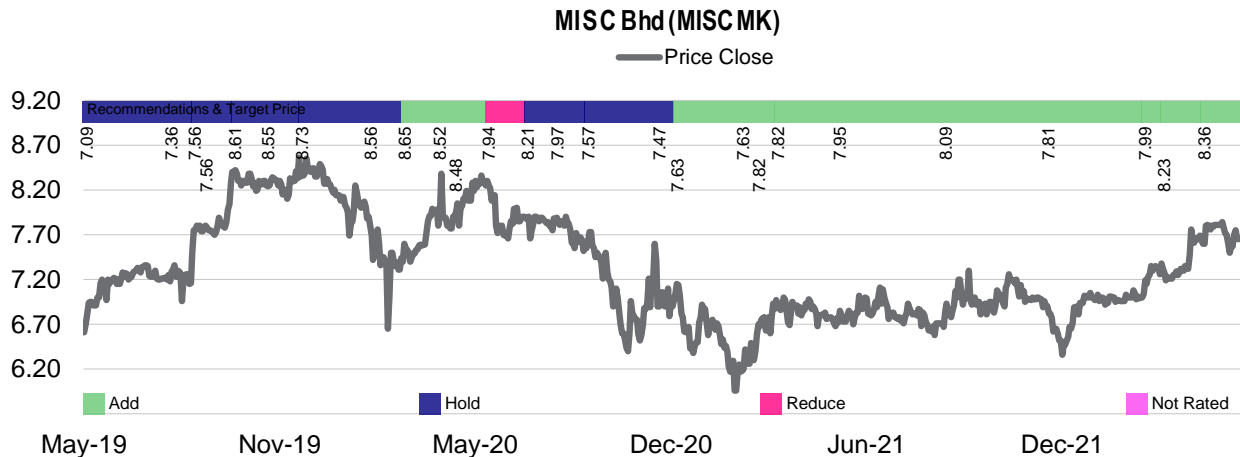
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Distribution of stock ratings and investment banking clients for quarter ended on 31 March 2022		
632 companies under coverage for quarter ended on 31 March 2022		
	Rating Distribution (%)	Investment Banking clients (%)
Add	70.3%	0.8%
Hold	22.0%	0.0%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