



# Sunpower Group Ltd.

Full steam ahead

4 May 2022

SINGAPORE | INDUSTRIAL | NON-RATED

- Steam sales volume grew at a CAGR of 31% over FY18-21 to 7.93 mn tons. In 4Q21, the Shantou Project Phase 1 began full production; the Tongshan Project commenced trial production; while the Shanxi Xinjiang project is expected to be completed by 2022.
- China's urban steam demand is expected to grow at a CAGR of 3.6% from 2020 to 2025, to 4.88bn GJ in 2025, with steam being the non-discretionary input for production by industrial customers.

## Company Background

Sunpower's main business segment is Green Investments (GI), under which it supplies industrial steam to a wide range of industries. The company has strong R&D capabilities, having been granted 163 patents, including 61 invention patents.

Green Investment (GI) portfolio consists of a total of 11 projects, including nine in operation, one in trial production and one under construction. The company's projects are all long-term, with recurring high-quality income and cash flows expected, on typically 30-year concessions.

## Key Highlights

- 1. Strong growth in steam sales volume.** Steam sales volume increased at CAGR of 31% from FY18 to 7.93mn tons in FY21. Sunpower's GI portfolio consists of 11 projects. For the Changrun Project, steam supply to its new large customer Sanli started in May 2021 and it will continue to connect to new customers. For Xinyuan Project, Sunpower further expanded the clean heating supply coverage area by 2mn sqm in Jimo International Trade Park. Shantou Project Phase 1 is now at full production level, with one boiler of Phase 2 in trial production. The Tongshan Project has commenced trial production, while construction on the Shanxi Xinjiang Project is expected to be completed by 2022. Sunpower continuously ramps up their GI projects, including expanding coverage areas and customer base.
- 2. China's urban steam demand is expected to grow at CAGR of 3.6% from 2020 to 2025, from 4.09bn GJ in 2020 to 4.88bn GJ in 2025.** According to the National Bureau Statistics of China, the total area covered by central heating grew at CAGR of 7.7% from 7.39bn sqm in 2016 to 9.95bn sqm in 2020. The GI business can provide "clean and green, ultra-low emission" steam supply to enterprises in industrial parks, where Sunpower is the exclusive supplier. Steam is also the non-discretionary input for production by industrial customers situated in industrial parks. The length of project pipelines grew 23% YoY to 372km and is expected to continue expanding with new projects, supported by the strong demand for urban steam.
- 3. High entry barriers.** Sunpower has 30-year exclusive concession rights for most of their projects with the first right of refusal. The company has an extensive network of steam pipelines covering a total of 300km. Sunpower is also able to maintain high-quality cash flows. With its fuel cost pass-through mechanism, it allows long-term stable profitability when viewed across cycles.

## NON-RATED

|               |          |
|---------------|----------|
| CLOSING PRICE | SGD 0.43 |
| FORECAST DIV  | N.A.     |
| TARGET PRICE  | N.A.     |
| TOTAL RETURN  | N.A.     |

## COMPANY DATA

|                                |             |
|--------------------------------|-------------|
| Bloomberg CODE:                | SPWG SP     |
| O/S SHARES (MN) :              | 793.1       |
| MARKET CAP (USD mn / SGD mn) : | 244 / 337   |
| 52 - WK HI/LO (SGD) :          | 0.82 / 0.42 |
| 3M Average Daily T/O (mn) :    | 0.49        |

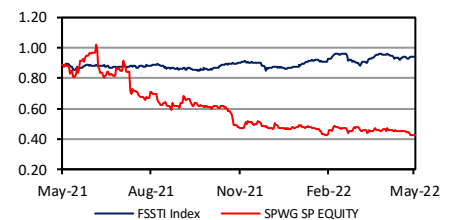
## MAJOR SHAREHOLDERS

|              |       |
|--------------|-------|
| Guo Hong Xin | 19.3% |
| Ma Ming      | 17.3% |

## PRICE PERFORMANCE (%)

|            | 1MTH  | 3MTH | YTD    |
|------------|-------|------|--------|
| COMPANY    | (7.6) | 0.0  | (11.5) |
| STI RETURN | (0.8) | 4.4  | 8.3    |

## PRICE VS. STI



Source: Bloomberg, PSR

## KEY FINANCIALS

| Y/E Dec, RMB (mn)   | FY18    | FY19    | FY20    | FY21    |
|---------------------|---------|---------|---------|---------|
| Revenue             | 3,262.9 | 3,604.6 | 1,335.1 | 2,902.3 |
| EBITDA              | 496.0   | 709.2   | 484.2   | 1,386.1 |
| PATMI               | 253.6   | 352.2   | 377.0   | 453.4   |
| Adj PATMI           | 253.6   | 352.2   | 198.8   | 135.7   |
| Adj EPS (SGD cents) | 7.0     | 9.6     | 5.4     | 3.6     |
| P/E (x)             | 6.4     | 4.7     | 8.4     | 12.4    |
| Dividend yield (%)  | 0.4%    | 0.6%    | 0.7%    | 53.6%   |
| ROE                 | 14.6%   | 16.6%   | 19.0%   | 24.5%   |
| ROA                 | 3.8%    | 4.6%    | 4.6%    | 6.9%    |

Source: Company, PSR

## VALUATION METHOD

N.A.

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## REVENUE

**Green Investments (GI).** Sunpower invests in and operates centralized facilities to supply:

1. Clean industrial steam to a diverse range of industries supported by structural demand
2. Pollution-free civil heating to a large base of households
3. Electricity to the State Grid

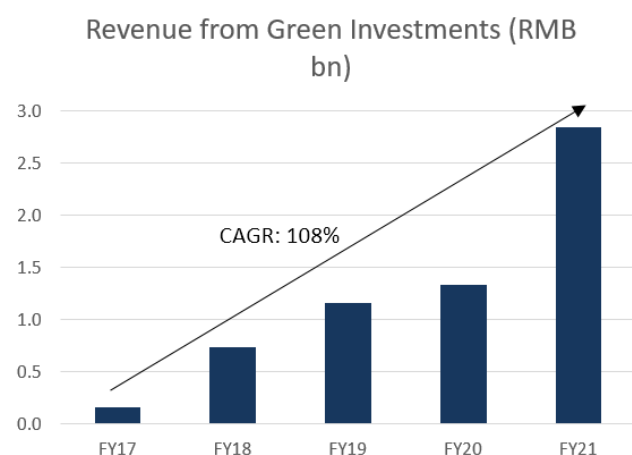
With the disposal of its Manufacturing and Services (M&S) segment, GI has been the sole contributor of revenue from 3Q21, and all revenue is derived from the People's Republic of China. Other than the provision of utilities including steam and electricity, Sunpower also sells heating products for residential use and other waste produced as a by-product of steam production.

The steam sales volume has grown at a CAGR of 31% over the past four financial years, from 3.53mn tons in FY18 to 7.93mn tons in FY21.

**Disposal of Manufacturing & Services (M&S) segment.** As of 21 May 2021, Sunpower has received the Tranche 1 Consideration out of the escrowed amount from the Onshore Escrow Account, and the Tranche 1 Consideration amounts to 70% of the Consideration. As of 2 July 2021, Sunpower has received the Tranche 2 Consideration, which is the balance 30% of the Consideration.

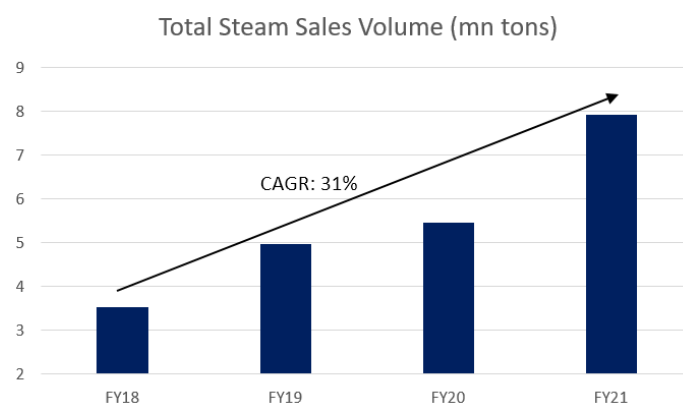
The M&S business is a manufacturing and services-based, order book-driven business, whereas the GI business is a stable asset-based business where Sunpower owns and operates industrial infrastructure projects which generate recurring income and cash flow through typically exclusive long-term concessions of approximately 30 years.

**Figure 1: GI revenue contribution grew at a CAGR of 108%**



Source: Company, PSR

**Figure 2: Total steam sales volume grew at a CAGR of 31% over past four years**



Source: Company, PSR

## EXPENSES

Cost of sales mainly includes feedstock costs, for example, coal. The Circular Economy model has been able to partly alleviate cost pressures on the production operations of the GI projects. Costs are reduced through measures such as blending sludge as a coal substitute and also the use of treated recycled water.

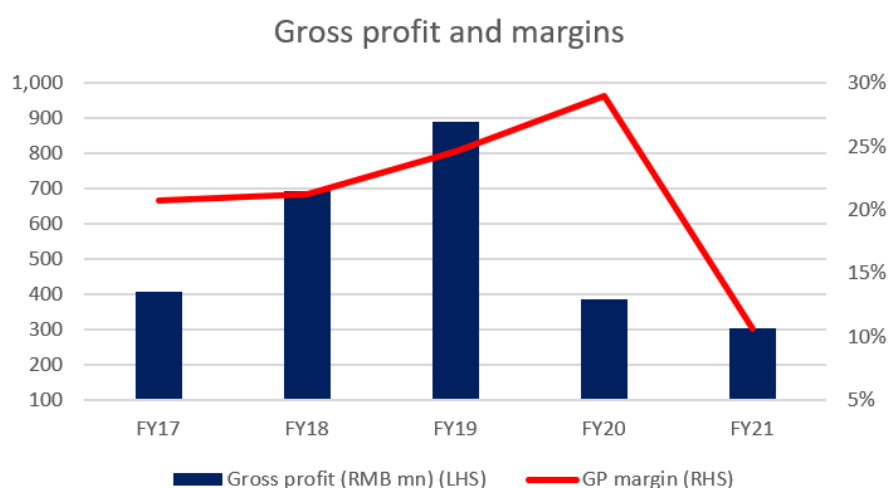
## MARGINS

Gross profit margins ranged from 20% to 29% over FY17-20 (Figure 3). Gross profit first fell in FY20 due to the disposal of the M&S business. Sunpower faced compressed margins in FY21 due to high feedstock costs, as coal prices surged almost five times in 2H21 but have since returned to close to pre-pandemic levels.

EBITDA margins ranged from 12% to 20% over the same period.

Despite the compressed margins, GI recurring PATMI stayed positive at RMB135.7mn in FY21, down 31.7% from RMB198.8mn in FY20.

**Figure 3: Gross margins impacted due to GI expansion**



Source: Company, PSR

## BALANCE SHEET

**Assets.** As of FY21, 58% of its RMB6.6bn worth of assets were intangible assets, consisting of service concession agreements, technical know-how, trademark and licenses (Figure 4). Sunpower entered into service concession agreements with the local government authorities pursuant to the construction and operation of centralised steam and electricity facilities during the concession period of up to 38.5 years. Intangible assets arise from costs incurred during the construction phase which are projected to be recoverable during the operating period.

Trade receivables decreased from RMB1.8bn in 4Q20 to RMB782.7mn in 4Q21 due to the disposal of the M&S business.

Property, plant and equipment decreased from RMB999.5mn in 4Q20 to RMB 647.2mn in 4Q21 for the same reason (Figure 5).

**Liabilities.** Sunpower has been in a net debt position over the past five financial years, more recently recording net debt of RMB2.34bn for FY21. Its total borrowings were at RMB2.7bn in the same period, but this compares to RMB3.8bn of Intangible assets, which are expected to generate cash flow in future operating periods.

Figure 4: Comparison of asset breakdown

| FY21 asset breakdown      | % of assets |
|---------------------------|-------------|
| Intangible assets         | 58%         |
| Trade & other receivables | 12%         |
| Cash                      | 6%          |
| PPE                       | 10%         |

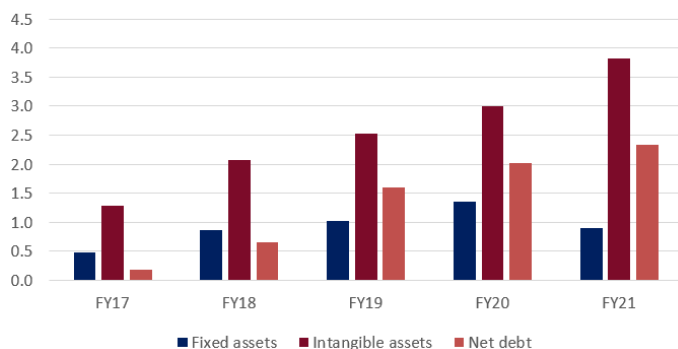
Source: Company, PSR

## CASH FLOW

Operating and free cash flows were positive from FY17 to FY21 (Figure 6). Operating cash flow increased to RMB223.2mn, while free cash flow decreased to RMB214mn in FY21, mainly due to lower recurring profit, as a result of higher raw material costs.

Figure 5: Intangible assets have been rising steadily

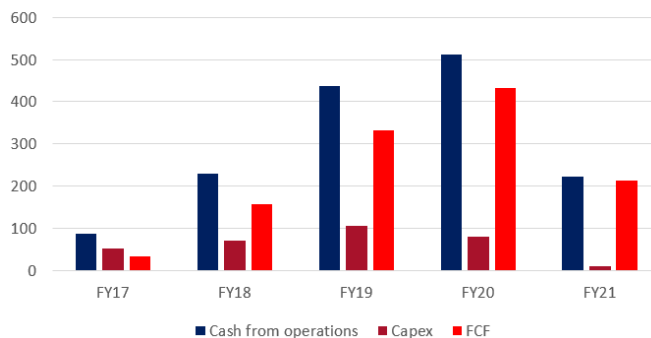
Balance Sheet Snapshot (RMB bn)



Source: Company, PSR

Figure 6: Historical record of generating positive FCF from FY17 to FY21

Cash-flow Snapshot (RMB mn)



Source: Company, PSR

## Key Highlights

- 1. Strong growth in steam sales volume.** Steam sales volume increased at CAGR of 31% from FY18 to 7.93 mn tons in FY21. Sunpower's GI portfolio consists of 11 projects. For the Changrun Project, steam supply to its new large customer Sanli started in May 2021 and it will continue to connect to new customers. For Xinyuan Project, Sunpower further expanded clean heating supply coverage area by 2mn sqm in Jimo International Trade Park. Shantou Project Phase 1 is now at full production level, with one boiler of Phase 2 in trial production. The Tongshan Project has commenced trial production, while construction on the Shanxi Xinjiang Project is expected to be completed by 2022. Sunpower continuously ramps up their GI projects, including expanding coverage areas and customer base.
- 2. China's urban steam demand expected to grow at a CAGR of 3.6% from 2020 to 2025, from 4.09bn GJ in 2020 to 4.88bn GJ in 2025.** According to the National Bureau Statistics of China, the total area covered by central heating grew at CAGR of 7.7% from 7.39bn sqm in 2016 to 9.95bn sqm in 2020. The GI business can provide "clean and green, ultra-low emission" steam supply to enterprises in industrial parks, where Sunpower is the exclusive supplier. Steam is also the non-discretionary input for production by industrial customers situated in industrial parks. The length of project pipelines grew 23% YoY to 372km, and is expected to continue expanding with new projects, supported by the strong demand for urban steam.
- 3. High entry barriers.** Sunpower has 30-year exclusive concession rights for most of their projects with first right of refusal. The company has an extensive network of steam pipelines covering a total of 300km. Sunpower is also able to maintain high-quality cash flows. With its fuel cost pass-through mechanism, it allows long-term stable profitability when viewed across cycles.

## Key Risks

- 1. High coal prices.** Coal is the main raw material for Sunpower, and the record prices negatively impacted Sunpower's results in 2H21. Gross profit margins declined from 27% in 2Q21 to 10% in 3Q21, and 5% in 4Q21. Coal prices surged almost five times but have since softened. Even though Sunpower takes steps to mitigate impact of high raw material costs including using sludge as a substitute of coal, they are prone to be affected during times of huge changes of commodity prices.
- 2. High finance costs.** Not considering the one-off finance costs following the disposal of the M&S business in FY21, Sunpower's finance costs have averaged RMB82.6mn from FY18 to FY20. With total borrowings increasing 7% to RMB2.7bn in FY21, finance costs could continue to increase.

## BUSINESS SEGMENT

**Green Investments.** Anti-pollution investment projects generate long-term intrinsic value in the form of recurring income and cash flows. This segment focuses on the development and operation of centralised heat, steam and electricity generation plants and investment.

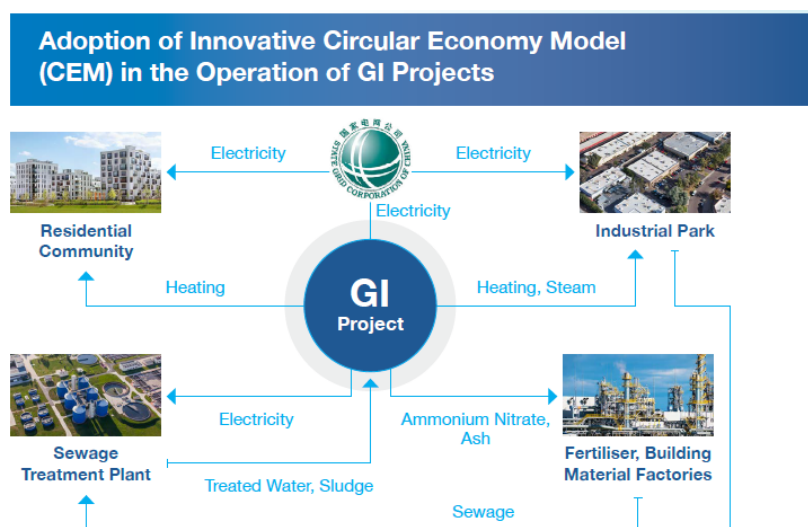
A small proportion of the steam produced is also used to drive electrical turbines, to generate electricity. Besides, Sunpower sells steam for heating and waste from steam production.

Changrun Project's total pipeline network has been extended from 50km to 80km, with the connection of the new pipeline network to Sanli (Hebei Sanli Group and Hebei Sanli Wool Spinning), one of the largest towel and blanket manufacturing enterprises in China.

There are currently nine plants in operation and two plants under construction, Tongshan project which Phase 1 construction is expected to be completed in 2021 and Shanxi Xinjiang Project which construction is expected to be completed in 2022.

A part of the new facility of the Xintai Zhengda Project has started commercial operation and the remainder is under construction. The old facility is still in operation and will remain operational until the commissioning (bringing into working condition) of the new plant.

**Figure 7: Adoption of Innovative Circular Economy Model (CEM) in Operation of GI Projects**



Source: Company

Such a closed-loop production model cuts resource waste and pollution to a minimum. The reusing, repurposing and recycling of products and materials, help Sunpower to reduce cost while achieving ultra-low emissions in industrial parks where GI projects are located.

**Adoption of innovative technologies.** Sunpower makes use of long distance steam distribution pipeline technology. This increases geographical reach and also increases the economies of scale. With the new technology, the company is thus able to reduce feedstock, with minimal temperature and pressure lost during transmission.

For its production process, Sunpower uses environmental protection technologies including low nitrogen combustion, desulphurisation and denitrification. With these technologies, the company can keep emissions far below the approved limit (Figure 8).

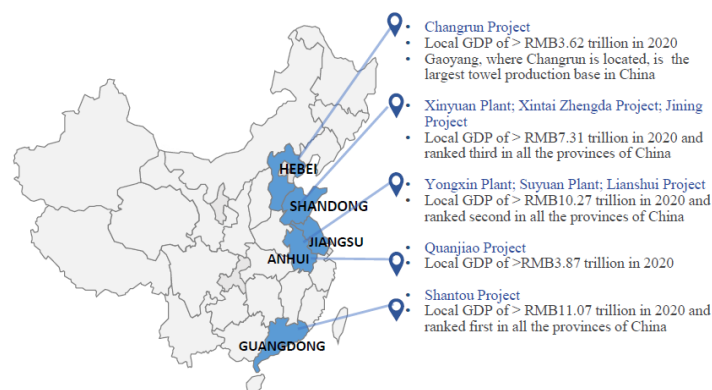
Other technologies include energy saving technologies, like high efficiency heat exchange technology.

**Figure 8: Sunpower is able to keep emissions lower than national standards**

Ability to meet or even be lower than emission standard of natural gas

| Emission Limit (mg/m <sup>3</sup> ) | Newly-built Coal-fired Boilers <sup>(1)</sup> | Newly-built Coal-fired Power Generation Boilers <sup>(2)</sup> | Coal-fired Power Generation Boilers in Key Areas* <sup>(2)</sup> | Natural Gas Boilers & Gas Turbines <sup>(2)</sup> | Sunpower's Capabilities |
|-------------------------------------|-----------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------|---------------------------------------------------|-------------------------|
| Dust                                | 50                                            | 30                                                             | 20                                                               | 5                                                 | < 5                     |
| SO <sub>2</sub>                     | 300                                           | 100                                                            | 50                                                               | 35                                                | < 35                    |
| NO <sub>x</sub>                     | 300                                           | 100                                                            | 100                                                              | 50                                                | < 50                    |

**Figure 9: Locations of Sunpower's projects**



Source: Company

**Figure 10: Updates announced in 2021 and further expansion plans**

| 2021 Updates            | Remarks                                                                                            |
|-------------------------|----------------------------------------------------------------------------------------------------|
| Changrun Project        | Steam supply to new customer Sanli started in May 2021 following completion of pipeline connection |
| Yongxing Project        | Commencement of blended sludge combustion in 1Q21 improved efficiency and increased revenue        |
| Shantou Project         | Phase 1 commenced full production in 3Q21                                                          |
| Tongshan Project        | Commenced trial production in 4Q21                                                                 |
| Shantou Project         | Phase 1 commenced full production in 3Q21<br>Phase 2 with one boiler in trial production           |
| Xinyuan Project         | Expanded clean heating supply coverage by 2mn sqm in Jimo International Trade Park                 |
| Xintai Zhengda Project  | Two additional boilers commenced operations in early 2022                                          |
| Expansion Plans         | Remarks                                                                                            |
| Shanxi Xinjiang Project | Construction expected to complete in 2022                                                          |

Source: Company, PSR

## INDUSTRY

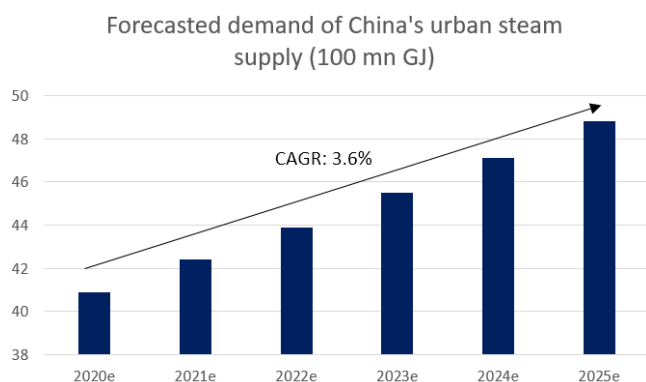
The Chinese government continues to combat air pollution and implement environmental protection policies in cities across China. The GI business can provide “clean and green, ultra-low emission” steam supply to enterprises in industrial parks, where Sunpower is the exclusive supplier. Steam is also the non-discretionary input for production by industrial customers situated in the industrial parks.

GI projects have helped eliminate more than 600 high energy consumption, pollutive coal-fired boilers and reduced the emissions of dust, sulfur dioxide and nitrogen oxide by over 60,000 tons every year.

On 7 July 2021, the National Development and Reform Commission released the 14<sup>th</sup> Five Year Plan for Circular Economy Development, covering 2021 to 2025. The Plan promotes the circular economy and centralised steam facilities as part of China’s efforts to achieve its carbon neutral goals.

According to a report released by Zhiyan Consulting, the total demand for urban steam supply in China is forecasted to grow at CAGR of 3.6% to 4.88 bn GJ from 2020e to 2025e (Figure 12). This is expected to provide enormous growth potential and opportunities for the GI business. According to the National Bureau of Statistics of China, the total area covered by central heating grew at a CAGR of 7.7% to from 7.39bn sqm in 2016 to 9.95bn sqm in 2020.

**Figure 12: China’s urban steam supply to increase by 3.6% from 2020-2025**



Source: Company, PSR

Sunpower has a robust pipeline of projects in different stages of evaluation including a couple of projects in late stages of evaluation.

The GI business can provide “clean and green, ultra-low emission” steam supply to enterprises in industrial parks, where Sunpower is the exclusive supplier. Steam is also the non-discretionary input for production by industrial customers situated in the industrial parks.

**Coal prices.** Coal is a crucial raw material for Sunpower’s operations, as it uses coal to generate steam. Coal prices were on the uptrend since the start of 2021, and surged to record levels of about RMB 2,500/tonne, almost five times normalised levels (Figure 13). This was a result of tight supply due to various factors, including low stocks and supplies hit by extreme weather and transport-related disruptions. China stopped importing coal from Australia since late 2020. The Chinese government stepped in to mitigate the cost pressures, by enforcing power rationing in certain regions in 2021, and coal prices have since normalized, but are still relatively volatile.

Coal production in 2021 reached a record high of 4.13bn tonnes, which was up 5.9% YoY (Figure 14). YTD Mar22, coal production was up 11.7% YoY to 1083.9mn tons. China is still expecting coal output to grow further albeit at a slower pace, as the country is still looking to balance energy security and climate targets. The country’s state planner in early March said that it will keep coal output at a record level of more than 12mn tonnes per day.

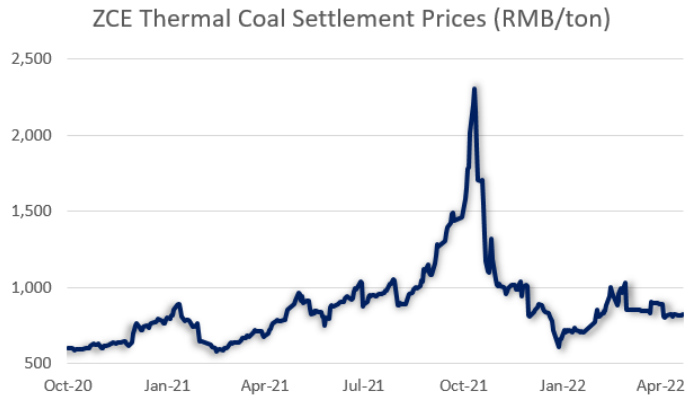
**Figure 11: Approximate locations of pipeline under evaluation**



Source: Company

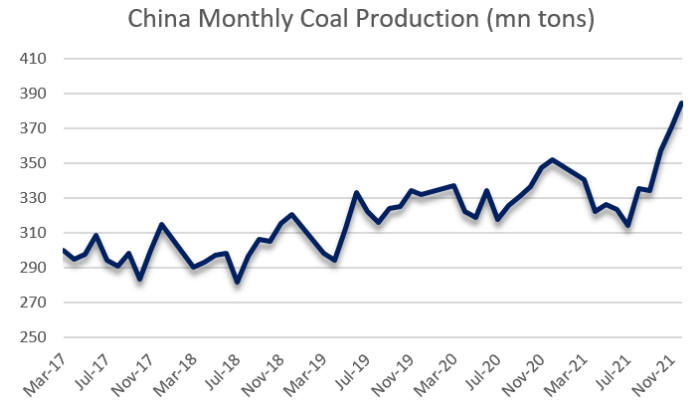


**Figure 13: Coal futures price rose to record levels of almost five times normalised levels in 2H21**



Source: CEIC, PSR

**Figure 14: Monthly coal production in China hit record high in December 2021**



Source: CEIC, PSR

## Financials

### Income Statement

| Y/E Dec, RMB '000             | FY18             | FY19             | FY20             | FY21             |
|-------------------------------|------------------|------------------|------------------|------------------|
| <b>Revenue</b>                | <b>3,262,893</b> | <b>3,604,632</b> | <b>1,335,133</b> | <b>2,902,319</b> |
| Cost of sales                 | (2,569,081)      | (2,716,075)      | (948,919)        | (2,557,549)      |
| <b>Gross profit</b>           | <b>693,812</b>   | <b>888,557</b>   | <b>386,214</b>   | <b>344,770</b>   |
| Selling & distri expenses     | (58,052)         | (53,752)         | -                | (40,022)         |
| Admin expenses                | (271,152)        | (269,335)        | (85,809)         | (131,255)        |
| Other opex                    | (30,003)         | (83,672)         | (4,505)          | (42,812)         |
| Gain on disposal of discontir | -                | -                | -                | 934,334          |
| <b>EBITDA</b>                 | <b>495,977</b>   | <b>709,161</b>   | <b>484,219</b>   | <b>1,386,081</b> |
| Depreciation & amortisation   | (106,419)        | (142,502)        | (169,452)        | (175,683)        |
| <b>EBIT</b>                   | <b>389,558</b>   | <b>564,124</b>   | <b>310,580</b>   | <b>1,209,956</b> |
| Finance costs                 | (61,824)         | (109,912)        | (76,056)         | (530,216)        |
| <b>Profit before tax</b>      | <b>327,734</b>   | <b>454,212</b>   | <b>234,524</b>   | <b>679,740</b>   |
| Taxation                      | (62,147)         | (90,708)         | (75,309)         | (241,914)        |
| Minority interest             | 12,035           | 11,302           | 27,386           | 12,013           |
| <b>PATMI</b>                  | <b>253,552</b>   | <b>352,202</b>   | <b>377,026</b>   | <b>453,372</b>   |
| <b>Adj. PATMI</b>             | <b>253,552</b>   | <b>352,202</b>   | <b>198,800</b>   | <b>135,700</b>   |

### Per share data

| Y/E Dec             | FY18  | FY19  | FY20  | FY21  |
|---------------------|-------|-------|-------|-------|
| EPS (RMB cents)     | 33.1  | 45.2  | 18.0  | 51.5  |
| Adj EPS (RMB cents) | 33.1  | 45.2  | 25.2  | 17.1  |
| Adj EPS (SGD cents) | 7.0   | 9.6   | 5.4   | 3.6   |
| DPS (SGD cents)     | 0.2   | 0.3   | 0.3   | 24.1  |
| BVPS (RMB cents)    | 195.1 | 268.3 | 321.2 | 252.1 |
| BVPS (SGD cents)    | 40.7  | 56.0  | 67.1  | 52.6  |

### Cash Flow

| Y/E Dec, RMB '000                | FY18             | FY19               | FY20             | FY21             |
|----------------------------------|------------------|--------------------|------------------|------------------|
| <b>CFQ</b>                       |                  |                    |                  |                  |
| <b>Profit before tax</b>         | <b>327,734</b>   | <b>454,212</b>     | <b>234,524</b>   | <b>679,740</b>   |
| Adjustments                      | 173,610          | 299,030            | 316,750          | 380,425          |
| WC changes                       | (174,409)        | (168,315)          | (123,436)        | (898,314)        |
| <b>Cash generated from ops</b>   | <b>326,935</b>   | <b>584,927</b>     | <b>709,249</b>   | <b>434,469</b>   |
| Income tax paid                  | (46,641)         | (83,421)           | (128,537)        | (83,033)         |
| <b>Cashflow from ops</b>         | <b>229,251</b>   | <b>436,559</b>     | <b>512,650</b>   | <b>223,208</b>   |
| <b>CFI</b>                       |                  |                    |                  |                  |
| CAPEX, net                       | (71,105)         | (104,664)          | (79,027)         | (90,000)         |
| Others                           | (695,606)        | (1,139,191)        | (702,043)        | 562,204          |
| <b>Cashflow from investments</b> | <b>(766,711)</b> | <b>(1,243,855)</b> | <b>(781,070)</b> | <b>472,204</b>   |
| <b>CFE</b>                       |                  |                    |                  |                  |
| Loans, net of repayments         | 170,517          | 877,481            | 263,817          | 451,724          |
| Dividends paid                   | (4,239)          | (7,302)            | (10,001)         | (936,609)        |
| Others                           | 153,764          | (57,747)           | (141,214)        | (346,578)        |
| <b>Cashflow from financing</b>   | <b>320,042</b>   | <b>812,432</b>     | <b>112,602</b>   | <b>(831,463)</b> |
| Net change in cash               | (217,418)        | 5,136              | (155,818)        | (136,051)        |
| <b>CCE, end</b>                  | <b>685,306</b>   | <b>690,482</b>     | <b>534,495</b>   | <b>398,399</b>   |

Source: Company, PSR

### Balance Sheet

| Y/E Dec, RMB '000                    | FY18             | FY19             | FY20             | FY21             |
|--------------------------------------|------------------|------------------|------------------|------------------|
| <b>ASSETS</b>                        |                  |                  |                  |                  |
| Trade and other receivables          | 1,581,719        | 1,693,174        | 1,759,771        | 1,317,197        |
| Cash                                 | 685,306          | 690,481          | 534,491          | 398,399          |
| Inventories                          | 499,862          | 545,015          | 541,003          | 122,706          |
| <b>Total current assets</b>          | <b>2,982,368</b> | <b>3,234,381</b> | <b>3,354,419</b> | <b>1,367,572</b> |
| PPE & IA                             | 2,943,541        | 3,539,689        | 4,006,566        | 4,620,883        |
| Land use rights                      | 285,513          | 294,217          | -                | -                |
| Others                               | 411,979          | 551,876          | 924,132          | 616,271          |
| <b>Total non-current assets</b>      | <b>3,641,033</b> | <b>4,385,782</b> | <b>4,930,698</b> | <b>5,237,154</b> |
| <b>Total Assets</b>                  | <b>6,623,401</b> | <b>7,620,163</b> | <b>8,285,117</b> | <b>6,604,726</b> |
| <b>LIABILITIES</b>                   |                  |                  |                  |                  |
| Trade and other payables             | 2,499,235        | 2,093,828        | 2,130,790        | 664,243          |
| Bank borrowings                      | 492,904          | 1,009,611        | 766,378          | 766,378          |
| Others                               | 72,709           | 88,398           | 71,743           | 45,853           |
| <b>Total current liabilities</b>     | <b>3,064,848</b> | <b>3,191,837</b> | <b>2,968,911</b> | <b>1,476,474</b> |
| Long-term borrowings                 | 839,429          | 1,272,203        | 1,783,137        | 2,142,726        |
| Convertible bonds                    | 836,803          | 816,978          | 1,326,284        | 909,727          |
| Others                               | 148,190          | 221,255          | 222,314          | 225,004          |
| <b>Total non-current liabilities</b> | <b>1,824,422</b> | <b>2,310,436</b> | <b>3,331,735</b> | <b>3,277,457</b> |
| <b>Total Liabilities</b>             | <b>4,889,270</b> | <b>5,502,273</b> | <b>6,300,646</b> | <b>4,753,931</b> |
| <b>Net assets</b>                    | <b>1,734,131</b> | <b>2,117,890</b> | <b>1,984,471</b> | <b>1,850,795</b> |
| <b>Represented by:</b>               |                  |                  |                  |                  |
| Share capital                        | 55,439           | 57,251           | 57,251           | 57,662           |
| Retained earnings                    | 1,026,344        | 1,308,380        | 1,011,993        | 1,028,665        |
| Others                               | 411,931          | 485,689          | 601,909          | 500,297          |
| Non-controlling interest             | 240,417          | 266,570          | 313,318          | 264,171          |
| <b>Total Equity</b>                  | <b>1,734,131</b> | <b>2,117,890</b> | <b>1,984,471</b> | <b>1,850,795</b> |

### Valuation Ratios

| Y/E Dec            | FY18 | FY19 | FY20 | FY21  |
|--------------------|------|------|------|-------|
| P/E (x)            | 6.4  | 4.7  | 8.4  | 12.4  |
| P/B (x)            | 1.10 | 0.80 | 0.67 | 0.86  |
| EV/EBITDA (X)      | 5.0  | 5.0  | 8.3  | 3.1   |
| Dividend Yield (%) | 0.4% | 0.6% | 0.7% | 53.6% |

### Growth & Margins

| <b>Growth</b>     |        |       |        |        |
|-------------------|--------|-------|--------|--------|
| Revenue           | 66.0%  | 10.5% | -63.0% | 117.4% |
| EBITDA            | 113.5% | 43.0% | -31.7% | 186.3% |
| EBIT              | 113.8% | 44.8% | -44.9% | 289.6% |
| Net profit, adj.  | 117.5% | 38.9% | -43.6% | -31.7% |
| <b>Margins</b>    |        |       |        |        |
| Gross margin      | 21.3%  | 24.7% | 28.9%  | 11.9%  |
| EBITDA margin     | 15.2%  | 19.7% | 36.3%  | 47.8%  |
| EBIT margin       | 11.9%  | 15.6% | 23.3%  | 41.7%  |
| Net profit margin | 7.8%   | 9.8%  | 28.2%  | 15.6%  |

### Key Ratios

|                     |       |       |        |        |
|---------------------|-------|-------|--------|--------|
| ROE (%)             | 14.6% | 16.6% | 19.0%  | 24.5%  |
| ROA (%)             | 3.8%  | 4.6%  | 4.6%   | 6.9%   |
| Net Gearing (%)     | 37.3% | 75.1% | 101.5% | 135.7% |
| Net Debt/EBITDA (X) | 1.3   | 2.2   | 4.2    | 1.8    |

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