

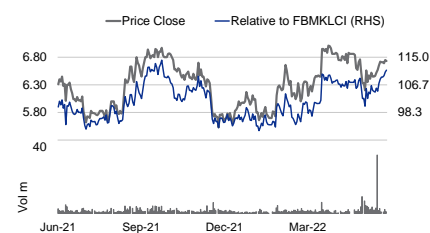
Malaysia
HOLD (no change)

Consensus ratings*: Buy 10 Hold 8 Sell 1

Current price:	RM6.73
Target price:	RM6.93
Previous target:	RM6.93
Up/downside:	3.0%
CGS-CIMB / Consensus:	-6.0%
Reuters:	MAHB.KL
Bloomberg:	MAHB MK
Market cap:	US\$2,542m
	RM11,166m
Average daily turnover:	US\$3.48m
	RM15.09m
Current shares o/s:	1,659m
Free float:	36.2%
*Source: Bloomberg	

Key changes in this note

➤ No change



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	2.4	6.7	10.5
Relative (%)	5	10.1	15

Major shareholders

	% held
Khazanah Nasional	36.7
Employees Provident Fund	15.3
Permodalan Nasional Berhad	11.8

Analyst(s)

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Malaysia Airports Holdings

Potentially slower-than-expected recovery

- Our bottom-up analysis of forward airline schedules and forecast seat load factors suggests that traffic may fall short of our current top-down estimates.
- We downgraded MAHB from Add to Hold on 31 May and we reiterate our recommendation in view of our analysis of the data.
- Our SOP-based TP remains at RM6.93, with downside sensitivity to RM6.77 if the lower bottom-up traffic estimates turn out to be more accurate.

International travel picks up pace from Apr 2022...

International airline seat capacity data to/from Malaysia picked up pace from 1 Apr 2022 onwards, due to the reopening of Malaysia's international borders to quarantine-free travel for fully-vaccinated travellers. During May 2022, international seat capacity amounted to 27% of the May 2019 base, up from 14.7% in March 2022 (vs. the March 2019 base). On a regional basis, up to the month of May 2022, the Middle East region recovered the fastest, due to the umrah pilgrims visiting Saudi Arabia, followed by the South Asia region, due to foreign worker traffic. In third place is Western Europe, followed by Southeast Asia in fourth place. Traffic to Southwest Pacific underperformed the overall average rate of recovery, with Northeast Asia underperforming significantly due to the continued travel restrictions to China, Hong Kong, Taiwan, South Korea and Japan.

...but may fall short of our current estimates for 2022F

In this report, we analyse forward airline schedules to assess seat capacity for the rest of 2022F, make assumptions for expected passenger traffic loads from May 2022 onwards (MAHB already disclosed Apr 2022 data), in order to derive bottom-up estimates of passenger traffic for 2022F. Our top-down estimate of Malaysia's international passenger traffic recovery in 2022F currently stands at 40% of the 2019 base, but our bottom-up analysis suggests that potentially only 31% can be achieved. Meanwhile, our top-down estimate for Malaysia's domestic sector is for a recovery in 2022F to 85% of the 2019 passenger traffic base, but a bottom-up analysis suggests that 75% could be more realistic. Airline seat capacity has been recovering slower than hoped for, because the process of restoring cabin crew strength is slowing own airlines' plans to reinstate flights. The unfavourable effect on passenger traffic is compounded by lower-than-expected seat load factors; 4M22 seat load factors trended lower against 4Q19.

SOP downside sensitivity of 2.3% using lower bottom-up estimates

The upside risk is if North Asia opens its borders convincingly, which may trigger a faster restoration of airline capacity, or a surge in passenger travel demand that will lift load factors to above equivalent 2019 levels. However, with downside risks to travel arising from China's firm zero-Covid policy, cost-of-living inflation affecting spending power, and high airfares, the probability of such upside surprises is fading. A sensitivity analysis of the unfavourable gap between our current top-down and new bottom-up estimates of Malaysia's passenger traffic in 2022F suggests a 2.3% downside to our SOP-based target price to RM6.77 (from RM6.93 now).

Financial Summary

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (RMm)	1,866	1,673	3,437	5,200	5,792
Operating EBITDA (RMm)	-164	11	1,257	2,301	2,679
Net Profit (RMm)	-1,116	-766	-175	481	757
Core EPS (RM)	-0.39	-0.41	-0.05	0.37	0.56
Core EPS Growth	(193%)	6%	(88%)		52%
FD Core P/E (x)	NA	NA	NA	18.21	12.02
DPS (RM)	0.00	0.00	0.00	0.14	0.23
Dividend Yield	0.00%	0.00%	0.00%	2.15%	3.39%
EV/EBITDA (x)	NA	1,700	16	8	7
P/FCFE (x)	112.9	NA	21.4	23.3	13.1
Net Gearing	91%	113%	117%	102%	103%
P/BV (x)	1.38	1.52	1.56	1.48	1.59
ROE	(7.4%)	(8.9%)	(1.1%)	8.3%	12.7%
% Change In Core EPS Estimates			0%	0%	0%
CGS-CIMB/Consensus EPS (x)			1.25	1.15	1.22

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

MAHB may achieve international passenger traffic amounting to 31% of the 2019 base this year, rather than the 40% which we have pencilled into our forecasts ➤

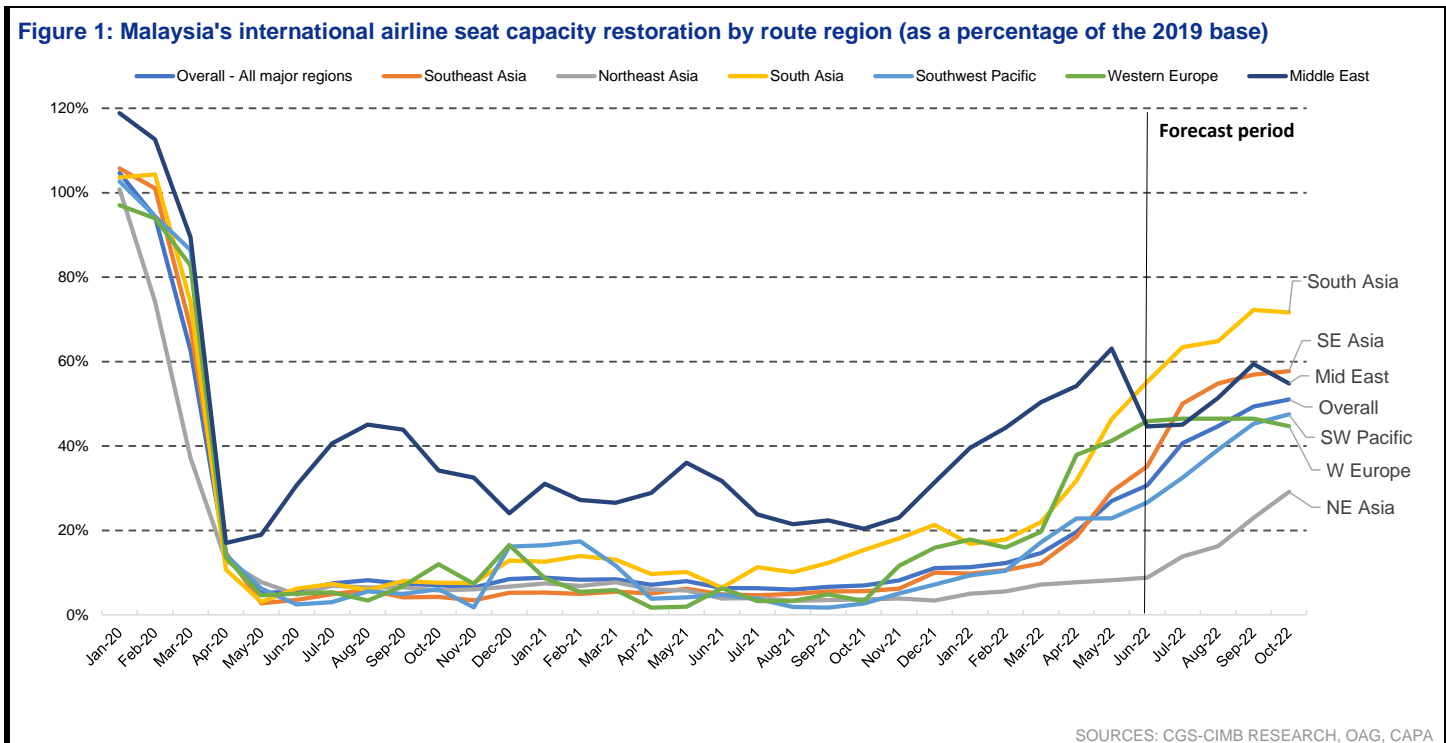
In order to determine the pace of international passenger traffic recovery over the course of 2022, we look at airline seat capacity schedules reported to airline data provider OAG. The schedule data is analysed up to late-October 2022 only, which is the end of the Northern Summer period for which airline schedules have been announced. Schedules for the Northern Winter period beginning late-October 2022 to late-March 2023 have not yet been reported by the airlines, so we are unable to analyse the data beyond late-October 2022.

Schedule data is more useful to investors as it is a forward-looking indicator, in contrast to actual passenger traffic data reported by MAHB on a one-month lag basis, which is a backward-looking indicator.

As shown in Figure 1, international airline seat capacity data to/from Malaysia picked up pace from 1 April 2022 onwards, in conjunction with the reopening of Malaysia's international borders to quarantine-free travel for fully-vaccinated travellers.

Overall, for the month of May 2022, international seat capacity amounted to 27% of the May 2019 base, up from 14.7% in March 2022 (vs. the March 2019 base).

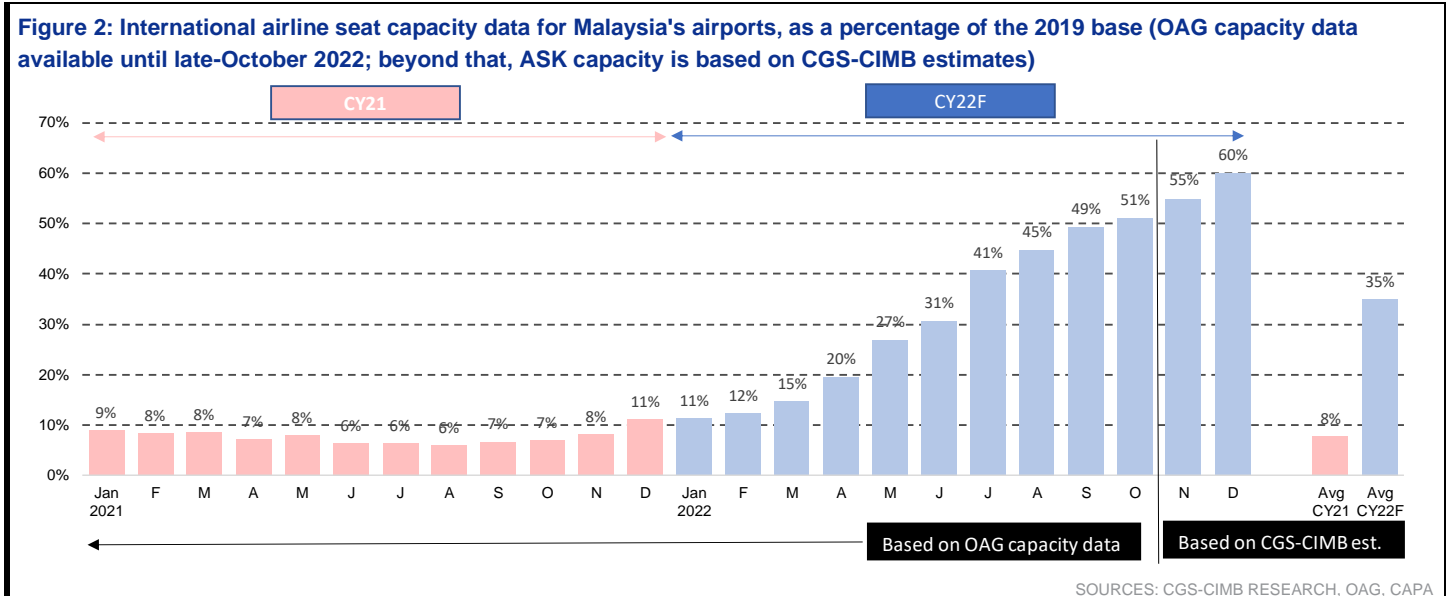
On a regional basis, up to the month of May 2022, the Middle East region recovered the fastest, due to the umrah pilgrims visiting Saudi Arabia, followed by the South Asia region, due to foreign worker traffic. In third place is Western Europe, followed by Southeast Asia in fourth place. Traffic to Southwest Pacific underperformed the overall average rate of recovery, with Northeast Asia underperforming significantly due to the continued travel restrictions to China, Hong Kong, Taiwan, South Korea and Japan.



As noted earlier, for the month of May 2022, international seat capacity amounted to 27% of the May 2019 base.

As shown in Figure 2, international airline seat capacity (as a percentage of the 2019 base) based on the airline schedules reported to OAG, is expected to rise to 31% in June, 41% in July, 45% in August, 49% in September and 51% in October 2022, which is the end of this year's Northern Winter schedule.

If we pencil in a 55% recovery in November and 60% in December 2022 in our assumptions, this will bring the 2022F average international airline seat capacity recovery to 35% of the 2019 base, vs. just 8% in 2021.



How does this stack up against our international passenger traffic estimates for MAHB's airports in Malaysia?

At 35% of the 2019 base, Malaysia's international seat capacity is lower than our current forecast that MAHB will achieve in 2022F, 40% of its 2019 international passenger traffic (Figures 9 and 10).

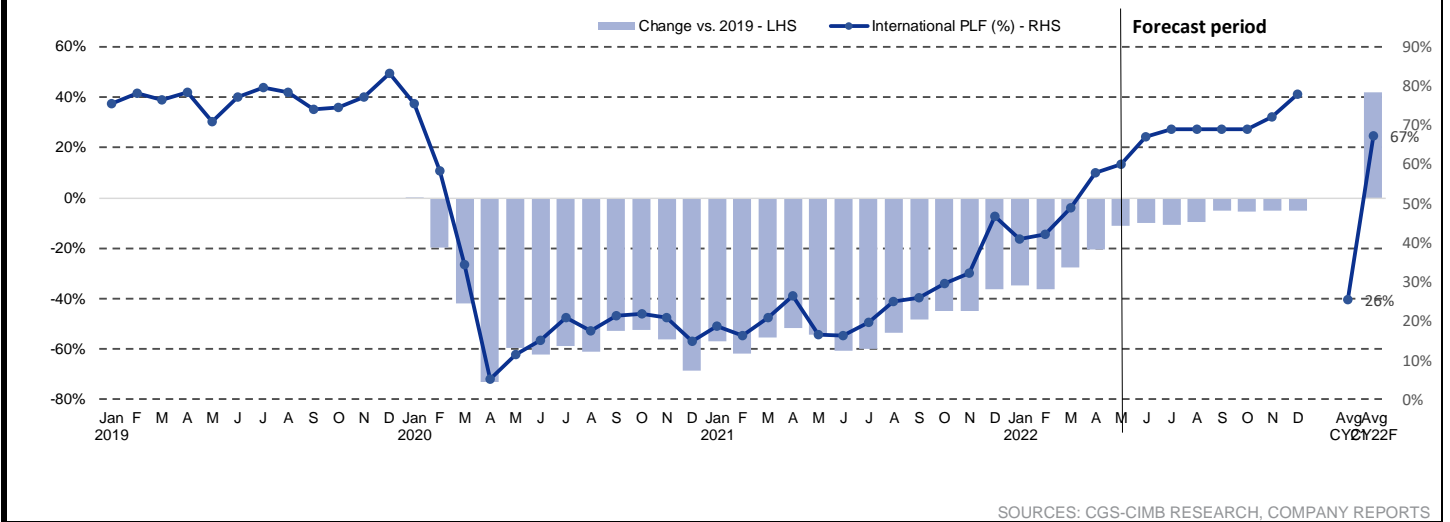
For our '40% of 2019' international passenger traffic forecast to be achieved in 2022F, either:

- Airline seat capacity will have to pick up significantly from this month onwards to above the levels currently planned and declared to OAG up to end-October, as well as a significant increase in the planned capacity levels for November and December 2022 (the first two months of the Northern Winter season); or
- Seat load factors (SLF) will have to be higher in 2022F vs. the historical level in 2019.

Our target for MAHB's international passenger traffic in 2022F now looks like a stretch target, in our view, because:

- Airlines are in the process of recruiting new cabin crew and pilots, or retraining the ones that were furloughed, and this process takes time. Without sufficient crewing, airlines will not be able to reinstate capacity to the extent that they wish to; and
- SLF was particularly low prior to Malaysia's border reopening on 1 April 2022, and was only 55.9% in April, according to MAHB, although our own estimate is more generous at 58% (Figure 3). According to MAHB, SLF rose to 63.3% in the first nine days of May, based on the latest-available data from MAHB, in part driven by the Aidil Fitri celebrations, but is still likely to be below average SLF levels in 2019, in all probability.

Figure 3: International passenger load factors (%) at Malaysian airports continue to trend lower in 2022 against the 2019 base

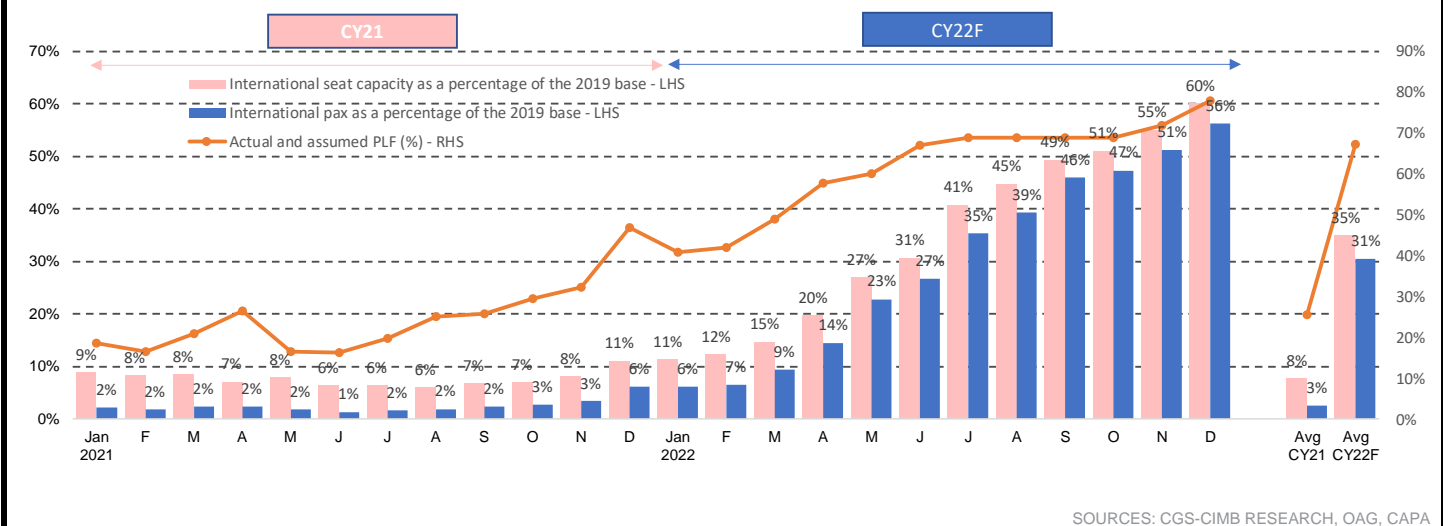


SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

On the balance of probabilities, based on existing OAG capacity data and our current estimates for international seat capacity and forward SLF (Figure 4), we think that in 2022F, MAHB may achieve **international passenger traffic amounting to 31% of the 2019 base**, rather than the 40% which we have pencilled into our financial model and DCF valuation.

However, things may change for the better; if North Asian countries open up their borders convincingly in 2H22F, Malaysia’s international passenger numbers may rise higher than we have estimated above.

Figure 4: International pax for Malaysia's airports may average 31% of the 2019 base, according to our estimates for May-December 2022



SOURCES: CGS-CIMB RESEARCH, OAG, CAPA

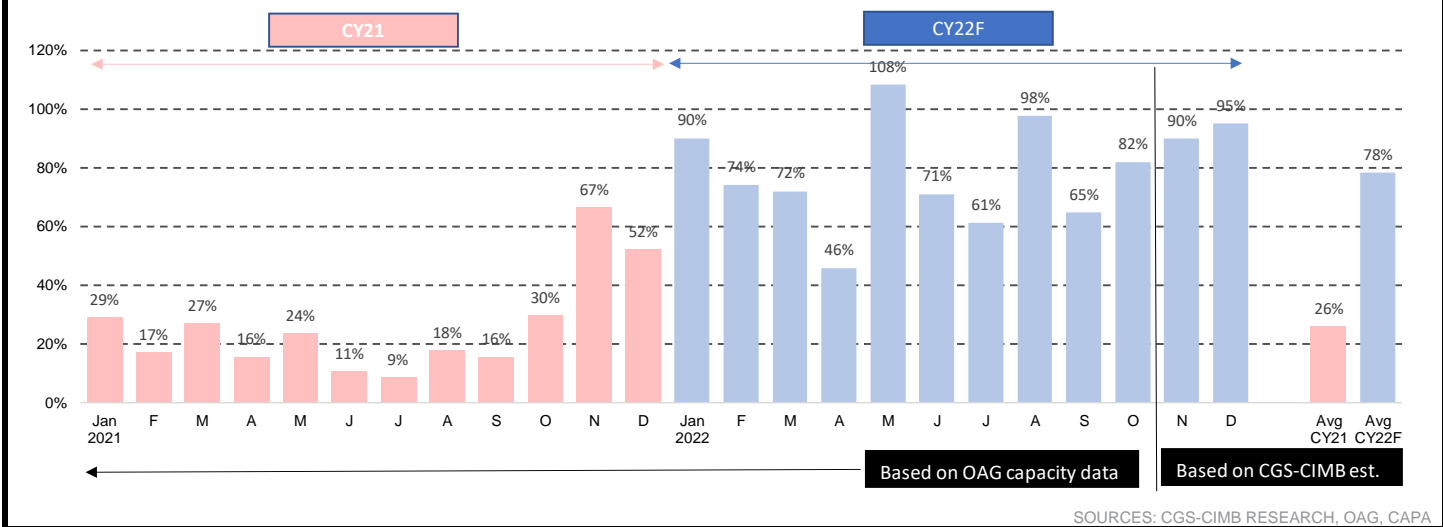
MAHB may achieve domestic passenger traffic amounting to 75% of the 2019 base this year, rather than the 85% which we have pencilled into our forecasts

On the domestic side, airline seat capacity data from OAG until late-October 2022, and our internal estimates of seat capacity data for the last two months of this year (as shown in Figure 5) suggest that 2022F may see 78% of the 2019 domestic seat capacity restored.

With domestic PLF expected to remain for the most part below equivalent 2019 (Figure 6), we estimate that MAHB's domestic passengers in Malaysia may reach about 75% of the 2019 base in 2022F (Figure 7).

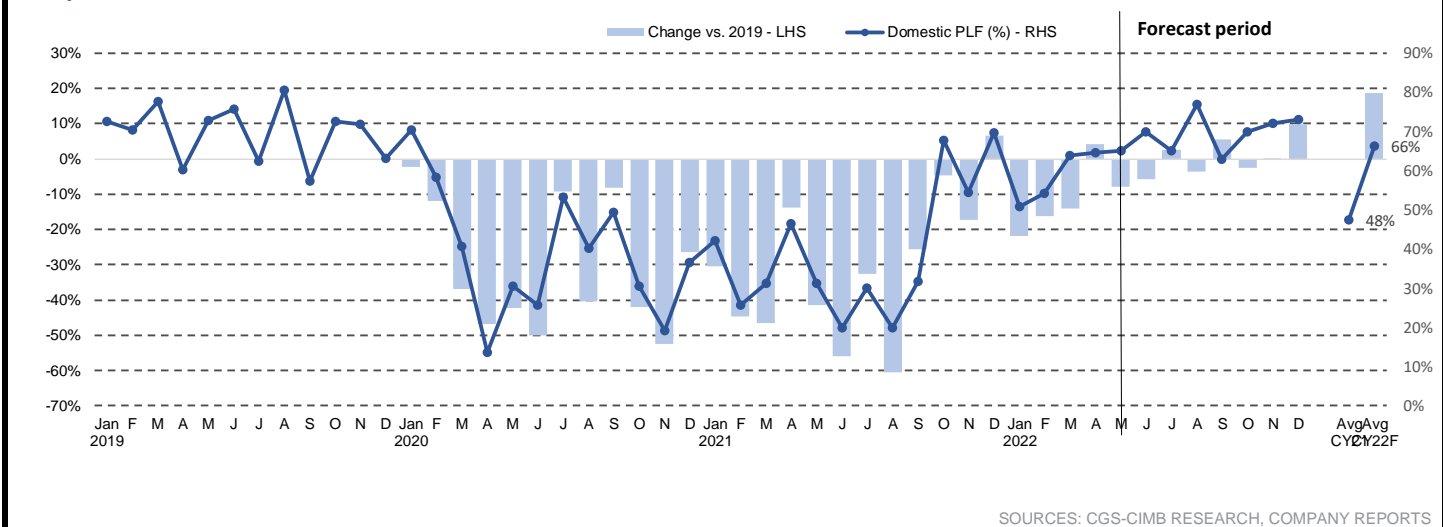
If the above estimate is correct, it will fall short of our current estimate that MAHB may see 85% of its 2019 domestic passenger traffic restored in 2022F.

Figure 5: Domestic airline seat capacity data for Malaysia's airports, as a percentage of the 2019 base (OAG capacity data available until late-October 2022; beyond that, ASK capacity is based on CGS-CIMB estimates)



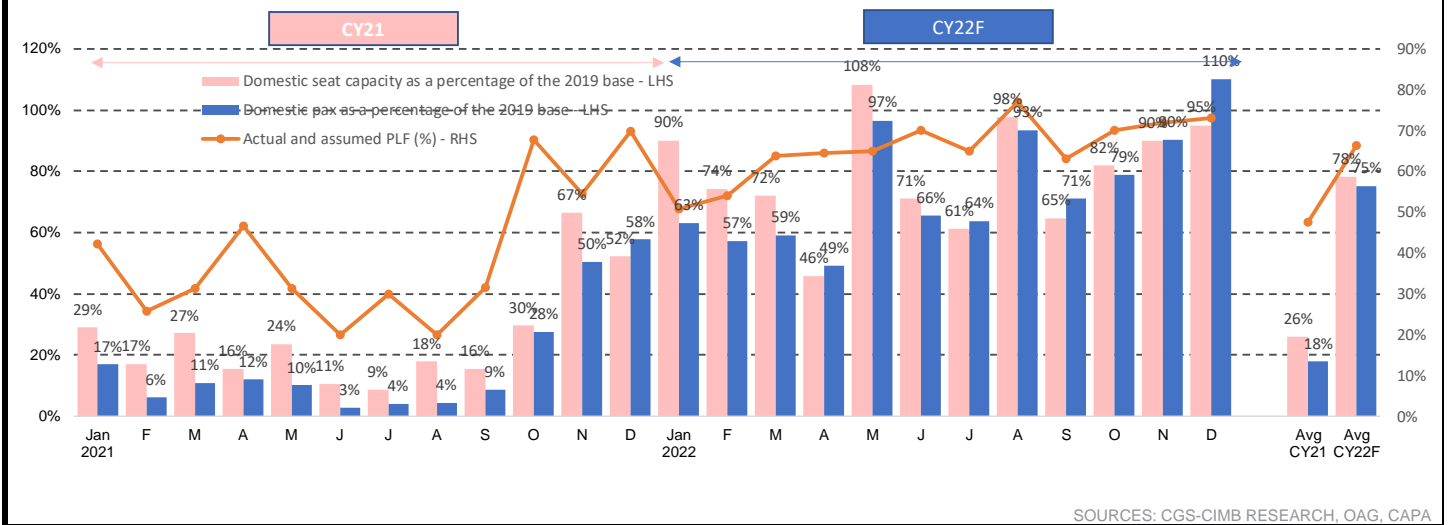
SOURCES: CGS-CIMB RESEARCH, OAG, CAPA

Figure 6: Domestic passenger load factors (%) at Malaysian airports still broadly lower in 2022 against the 2019 base, with the exception of one or two months



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 7: Domestic pax for Malaysia's airports may average 75% of the 2019 base, according to our estimates for May-December 2022



In conclusion, we think that there is potential downside risk to our current estimates for MAHB's international and domestic passenger traffic forecasts for 2022F.

Our top-down estimate of Malaysia's **international** passenger traffic recovery in 2022F currently stands at **40%** of the 2019 base, but our bottom-up analysis suggests that potentially only **31%** can be achieved.

Meanwhile, our top-down estimate for Malaysia's **domestic** sector is for a recovery in 2022F to **85%** of the 2019 passenger traffic base, but a bottom-up analysis suggests that **75%** could be more realistic.

Passenger traffic forecasts: Malaysia ➤

Figure 8: MAHB's domestic passenger traffic recovery as a percentage of the CY19 base (in Malaysia)

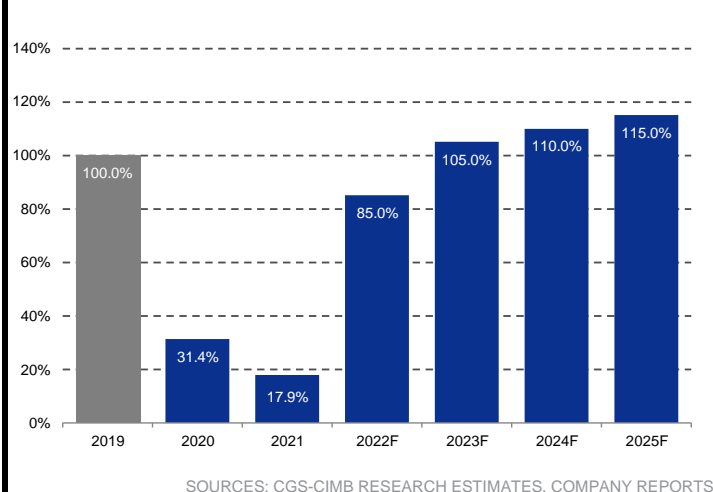


Figure 9: MAHB's international passenger traffic recovery as a percentage of the CY19 base (in Malaysia)

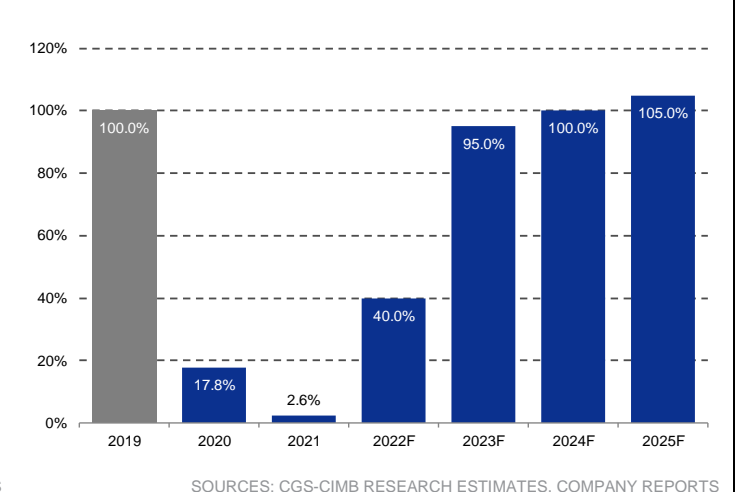


Figure 10: Medium-term estimates for MAHB passenger traffic (in Malaysia)

	Number of passengers			Yoy change		
	International	Domestic	Total	International	Domestic	Total
2019	53,286,000	51,975,000	105,261,000			
2020	9,496,349	16,334,000	25,830,349	-82.2%	-68.6%	-75.5%
2021	1,359,850	9,323,000	10,682,850	-85.7%	-42.9%	-58.6%
2022F	21,314,400	44,178,750	65,493,150	1467.4%	373.9%	513.1%
2023F	50,621,700	54,573,750	105,195,450	137.5%	23.5%	60.6%
2024F	53,286,000	57,172,500	110,458,500	5.3%	4.8%	5.0%
2025F	55,950,300	59,771,250	115,721,550	5.0%	4.5%	4.8%

	As a percentage of the 2019 base			Proportion of total traffic	
	International	Domestic	Total	International	Domestic
2019	100.0%	100.0%	100.0%	50.6%	49.4%
2020	17.8%	31.4%	24.5%	36.8%	63.2%
2021	2.6%	17.9%	10.1%	12.7%	87.3%
2022F	40.0%	85.0%	62.2%	32.5%	67.5%
2023F	95.0%	105.0%	99.9%	48.1%	51.9%
2024F	100.0%	110.0%	104.9%	48.2%	51.8%
2025F	105.0%	115.0%	109.9%	48.3%	51.7%

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Figure 11: Malaysia's total air traffic passengers as a percentage of the 2019 base

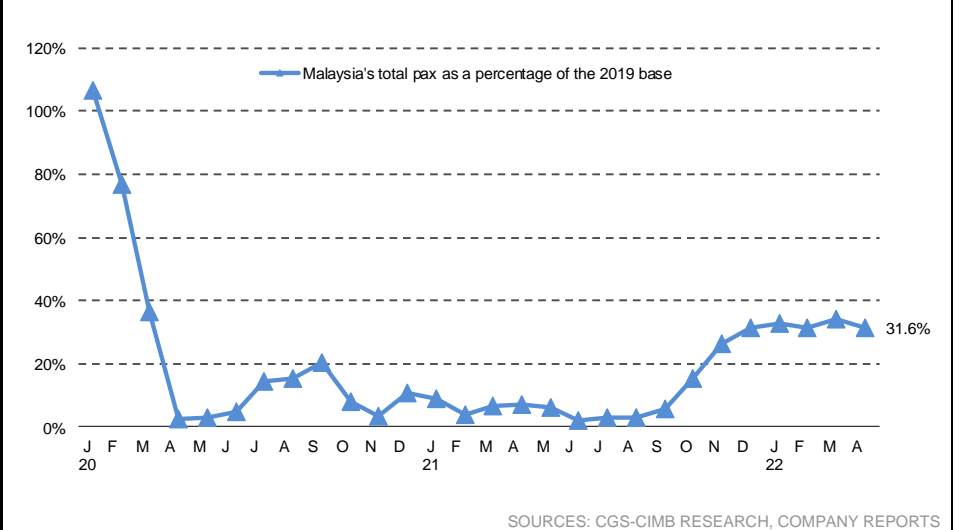


Figure 12: Malaysia's domestic air traffic passengers as a percentage of the 2019 base

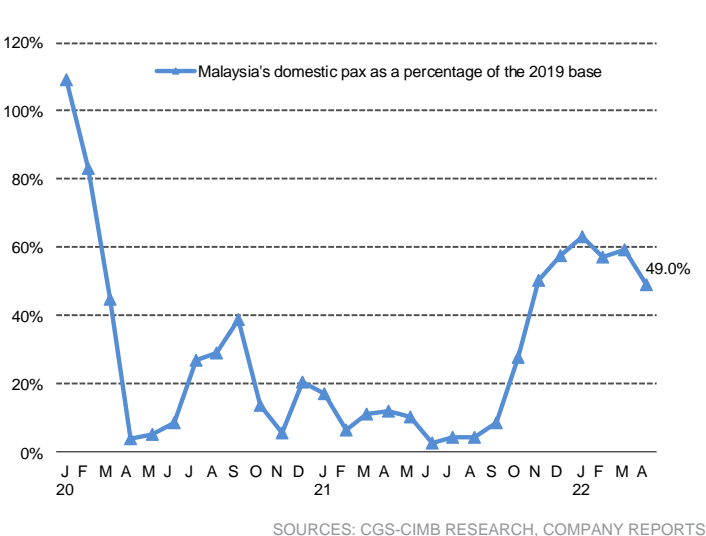
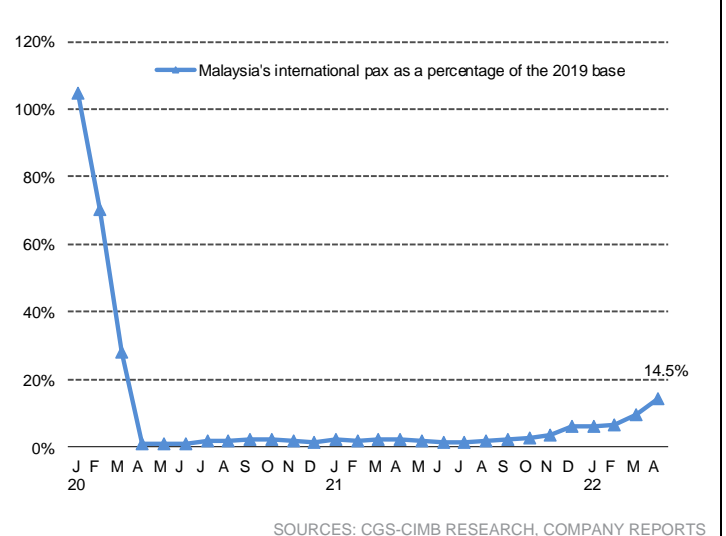
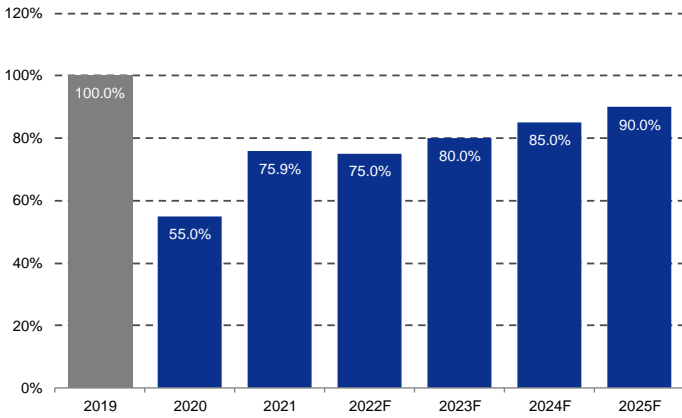


Figure 13: Malaysia's international air traffic passengers as a percentage of the 2019 base



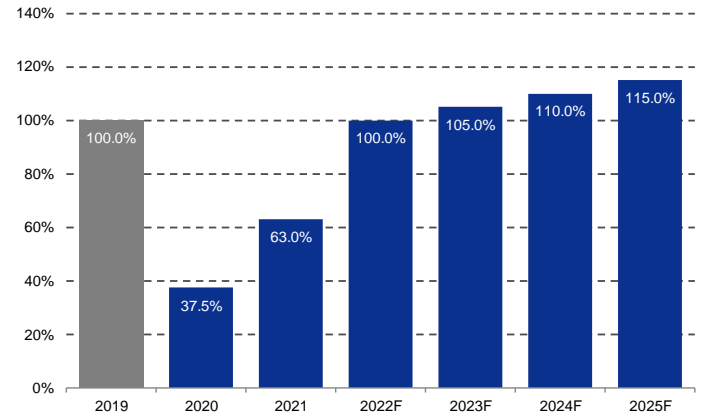
Passenger traffic forecasts: Istanbul Sabiha Gokcen (ISG) ►

Figure 14: ISG's domestic passenger traffic recovery as a percentage of the CY19 base



SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Figure 15: ISG's international passenger traffic recovery as a percentage of the CY19 base



SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

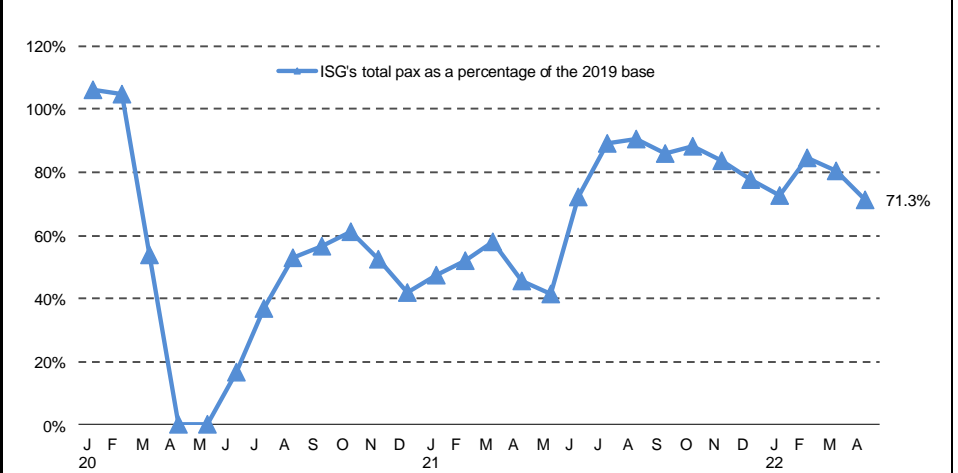
Figure 16: Medium-term estimates for ISG passenger traffic

	Number of passengers			Yoy change		
	International	Domestic	Total	International	Domestic	Total
2019	14,235,000	21,718,000	35,953,000			
2020	5,335,900	11,870,060	17,205,960	-62.5%	-45.3%	-52.1%
2021	8,973,000	16,384,000	25,357,000	68.2%	38.0%	47.4%
2022F	14,235,000	16,288,500	30,523,500	58.6%	-0.6%	20.4%
2023F	14,946,750	17,374,400	32,321,150	5.0%	6.7%	5.9%
2024F	15,658,500	18,460,300	34,118,800	4.8%	6.3%	5.6%
2025F	16,370,250	19,546,200	35,916,450	4.5%	5.9%	5.3%

	As a percentage of the 2019 base			Proportion of total traffic	
	International	Domestic	Total	International	Domestic
2019	100.0%	100.0%	100.0%	39.6%	60.4%
2020	37.5%	54.7%	47.9%	31.0%	69.0%
2021	63.0%	75.4%	70.5%	35.4%	64.6%
2022F	100.0%	75.0%	84.9%	46.6%	53.4%
2023F	105.0%	80.0%	89.9%	46.2%	53.8%
2024F	110.0%	85.0%	94.9%	45.9%	54.1%
2025F	115.0%	90.0%	99.9%	45.6%	54.4%

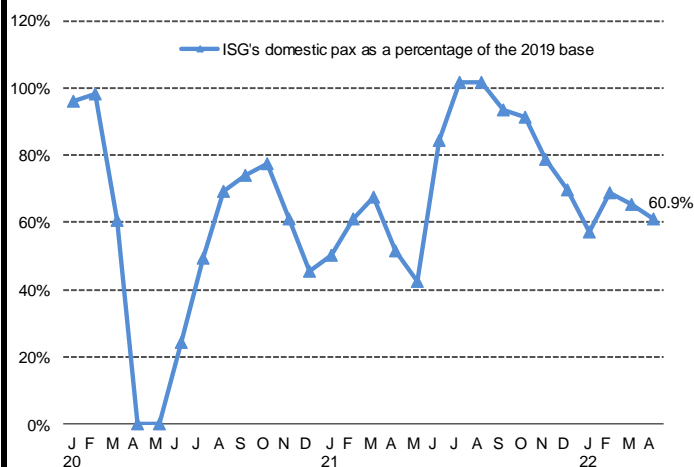
SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Figure 17: ISG's total air traffic passengers as a percentage of the 2019 base



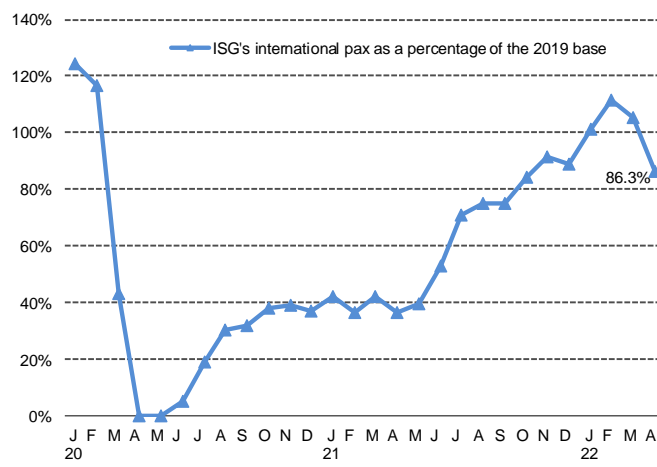
P@ SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 18: ISG's domestic air traffic passengers as a percentage of the 2019 base



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 19: ISG's international air traffic passengers as a percentage of the 2019 base



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

DCF valuation ➤

Figure 20: Discounted cashflow valuation (RM m)

	End-2022F	End-2022F
	RM m	RM/share
Malaysia - PV of cashflows to equity (2023F-2034F)	4,045	
Malaysia - PV of cashflows to equity (2035F-2069F)	3,416	
DCF value of Malaysia business (RM m)	7,461	
Add: Cash balance - End-2022F (RM m)	1,725	
DCF value of Malaysia business (RM m)	9,186	5.54
ISG - PV of cashflows to equity (2023F-2032F) (€ m)	102	
Add: Cash balance (ISG) - End-2022F (€ m)	391	
DCF value of Turkey business (€ m)	492	
RM:€1	4.70	
DCF value of 100% of ISG (RM m)	2,314	1.39
Total DCF value of the MAHB group (RM m)	11,501	6.93
Less: SOP discount	0	
Revised DCF value of the MAHB group (RM m)	11,501	6.93
No of shares (m)	1,659	
Target price (RM/share)	6.93	

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS


Figure 21: Cost of equity assumptions - CGS-CIMB

	Malaysia	Turkey
Risk Free Rate (%)	4.25%	9.20%
Market Risk Premium (%)	6.00%	19.40%
Beta (x)	1.20	1.20
Cost of equity (%)	11.45%	32.48%

SOURCES: CGS-CIMB RESEARCH ESTIMATES, BLOOMBERG

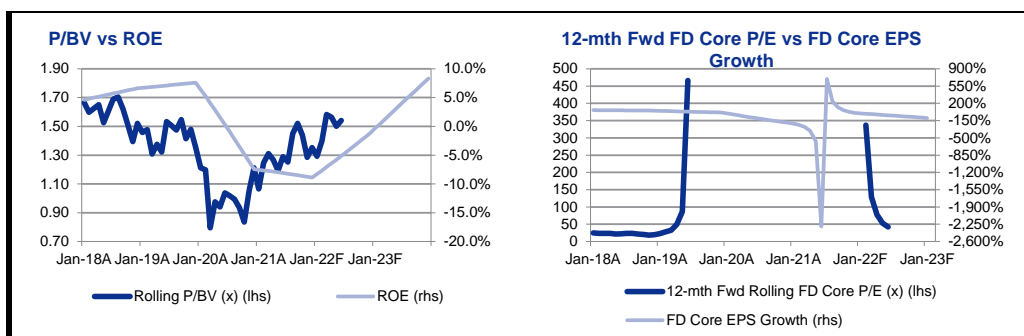
Upside risks for MAHB include improved terms for the new Operating Agreement with the government of Malaysia, new airline entrants to the Malaysian aviation scene that could stimulate traffic, if North Asia opens its borders convincingly, which may trigger a faster restoration of airline capacity, or a surge in passenger travel demand that will lift load factors to above equivalent 2019 levels.

Downside risks include the potential for China to keep its international borders shut into late-2022F or into 2023F due to concerns over Covid-19, and the possibly slower-than-expected recovery of international travel in Malaysia due to insufficient airline seat capacity, high airfares, and other impediments, such as the administrative hassle of renewing expired passports.

Refinitiv ESG Scores	
	<div style="display: flex; justify-content: space-around;"> <div style="background-color: #90EE90; padding: 5px; text-align: center;">B- ESG Score</div> <div style="background-color: #3CB371; padding: 5px; text-align: center;">A+ ESG Controversies Score</div> <div style="background-color: #90EE90; padding: 5px; text-align: center;">B- ESG Combined Score</div> <div style="background-color: #FFD700; padding: 5px; text-align: center;">C ESG Environment Pillar Score</div> <div style="background-color: #90EE90; padding: 5px; text-align: center;">B ESG Social Pillar Score</div> <div style="background-color: #90EE90; padding: 5px; text-align: center;">B- ESG Government Pillar Score</div> </div>
<p>ESG in a nutshell</p> <p>RAM Sustainability assigned the MAHB group an overall Gold rating, the highest of three available ratings, with Gold ratings for the Social and Governance spheres but a Silver rating for the Environment sphere. The latter was on account of MAHB reporting carbon emissions and waste management metrics for KLIA only, with the relevant information for its other non-KLIA airports in Malaysia and ISG not measured or reported. MAHB is also a constituent of the FTSE4Good Bursa Malaysia Index. We expect MAHB to improve its carbon disclosures in the years ahead.</p>	
<p>Keep your eye on</p> <p>MAHB has done well to improve the user experience at the airports it operates in Malaysia, and KLIA was ranked among the top 10 airports of the world based on Airports Council International's Airport Service Quality (ASQ) rankings for airports with capacity of more than 40m pax p.a., achieving a score of 4.98 out of a possible 5.00 in 2020 vs. a score of 4.76 in 2019 (ranked 17th). In 2Q21, KLIA achieved a perfect ASQ score of 5.00 and was ranked the top airport globally in its category. Since 2019, MAHB had renovated its airport restrooms to address passenger complaints.</p>	<p>Implications</p> <p>In order to protect the health and safety of passengers during the Covid-19 pandemic, MAHB spent RM15m in 2020 at its airports, including introducing a contactless experience for airport users in 2020 via the introduction of the Single Token Journey initiative and facial recognition technology (part of MAHB's Airports 4.0 digitalisation initiatives). MAHB has also started using ultraviolet light to sanitise arriving baggage, handrails, escalators, walkalators and restrooms at its airports.</p>
<p>ESG highlights</p> <p>MAHB did not furlough its employees in 2020 despite the full blow of the Covid-19 pandemic, with departures due to natural attrition and non-performance. There were no salary cuts either. In 2020, MAHB assisted its commercial airport tenants and airline customers by deferring rental payments with a 6-month moratorium (which later resulted in a 100% rental rebate for six months), extending credit terms and extending the tenure of tenancy contracts.</p>	<p>Implications</p> <p>MAHB's assistance towards its employees and customers came despite its own financial difficulties. MAHB recognises that helping its business partners is a win-win situation that will ultimately help it to thrive over the long run as these airport tenants stand a better chance of surviving into the post-pandemic era. MAHB's employees have declined from 10,200 strong at the start of 2020 to 9,400 strong presently due to retirements and resignations.</p>
<p>Trends</p> <p>MAHB is a signatory to the Aviation Industry Commitment to Action on Climate Change, where it will strive to pursue carbon-neutral growth. MAHB's target is to achieve carbon neutrality at the KLIA complex by 2030F and to achieve the same for its other airports in Malaysia by 2050F. No carbon emissions target has been set for ISG as yet.</p> <p>MAHB disclosed its Scope 1 and Scope 2 carbon emissions for KLIA from 2015 to 2018 under the Airports Council International's Airport Carbon Accreditation methodology. KLIA's carbon emissions data for 2019 or 2020 were not disclosed, purportedly because it had not yet been audited and because MAHB had chosen to forgo the audit in order to save costs during the pandemic, according to the company.</p> <p>Carbon emissions data for Malaysian airports (apart from KLIA) and for ISG were not disclosed because measurement has not commenced; MAHB will strive to improve its disclosures in the future.</p>	<p>Implications</p> <p>MAHB targets to reduce KLIA's absolute 2015 carbon emissions by at least 50% by 2030F. This means that carbon intensity at KLIA is targeted to fall by 2030F by more than 50%, assuming pax traffic also grows. Based on MAHB's disclosures, KLIA reduced its carbon intensity by 30% between 2015 and 2018; carbon intensity likely fell yoy in 2019 but then likely rose significantly in 2020 due to the 79% yoy fall in pax numbers and the inability of KLIA to reduce its energy consumption by much as the airport complex still needed to be operated, cooled and lit.</p> <p>Airport emission reductions will have to be achieved operationally as MAHB does not plan to buy carbon credits. Residual emissions will be addressed by MAHB through investment in carbon removal and storage. The phases and pathways towards carbon neutrality for KLIA were set out in MAHB's 2019 Sustainability Report but were no longer mentioned in detail in the 2020 report, as MAHB had to urgently address the financial impact of the Covid-19 pandemic.</p>

SOURCES: CGS-CIMB RESEARCH, REFINITIV

BY THE NUMBERS



Profit & Loss

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Net Revenues	1,866	1,673	3,437	5,200	5,792
Gross Profit	-164	12	1,257	2,301	2,679
Operating EBITDA	-164	11	1,257	2,301	2,679
Depreciation And Amortisation	-514	-458	-868	-932	-943
Operating EBIT	-678	-447	389	1,369	1,735
Financial Income/(Expense)	-599	-595	-658	-649	-631
Pretax Income/(Loss) from Assoc.	-12	-12	0	0	0
Non-Operating Income/(Expense)	150	151	102	116	130
Profit Before Tax (pre-EI)	-1,139	-902	-167	836	1,234
Exceptional Items	-525	-138	-150	-190	-230
Pre-tax Profit	-1,664	-1,041	-317	646	1,004
Taxation	547	275	143	-166	-247
Exceptional Income - post-tax					
Profit After Tax	-1,116	-766	-175	481	757
Minority Interests	0	0	0	0	0
Preferred Dividends	0	0	0	0	0
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	-1,116	-766	-175	481	757
Recurring Net Profit	-649	-685	-82	613	929
Fully Diluted Recurring Net Profit	-649	-685	-82	613	929

Cash Flow

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
EBITDA	-164	11	1,257	2,301	2,679
Cash Flow from Invt. & Assoc.					
Change In Working Capital	-24	-91	-187	-116	-48
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	329	219	159	173	187
Net Interest (Paid)/Received	-455	-652	-715	-706	-689
Tax Paid	-57	-26	-7	-8	-58
Cashflow From Operations	-372	-539	506	1,644	2,071
Capex	-190	-397	-564	-920	-326
Disposals Of FAs/subsidiaries	1,047	0	0	0	0
Acq. Of Subsidiaries/investments	49	0	0	0	0
Other Investing Cashflow	0	0	0	0	0
Cash Flow From Investing	906	-397	-564	-920	-326
Debt Raised/(repaid)	-436	751	580	-245	-894
Proceeds From Issue Of Shares	0	0	0	0	0
Shares Repurchased	0	0	0	0	0
Dividends Paid	-166	0	0	-84	-289
Preferred Dividends					
Other Financing Cashflow					
Cash Flow From Financing	-601	751	580	-329	-1,183
Total Cash Generated	-67	-185	521	395	562
Free Cashflow To Equity	99	-185	521	479	851
Free Cashflow To Firm	989	-284	657	1,430	2,433

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd

Balance Sheet

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Cash And Equivalents	1,694	1,878	2,262	2,520	1,836
Total Debtors	395	354	727	1,101	1,226
Inventories	164	164	164	164	164
Total Other Current Assets	170	170	170	170	170
Total Current Assets	2,422	2,565	3,323	3,954	3,395
Fixed Assets	434	434	434	434	434
Total Investments	328	328	328	328	328
Intangible Assets	15,894	15,685	15,231	15,029	14,182
Total Other Non-Current Assets	1,200	1,488	1,638	1,481	1,292
Total Non-current Assets	17,856	17,935	17,631	17,272	16,236
Short-term Debt	94	221	245	894	1,536
Current Portion of Long-Term Debt	0	562	562	656	656
Total Creditors	728	595	781	1,039	1,116
Other Current Liabilities	656	656	656	656	656
Total Current Liabilities	1,478	2,034	2,244	3,245	3,964
Total Long-term Debt	4,550	5,175	5,730	4,836	3,300
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	6,151	5,958	5,821	5,590	5,342
Total Non-current Liabilities	10,702	11,133	11,551	10,426	8,642
Total Provisions	0	0	0	0	0
Total Liabilities	12,180	13,167	13,795	13,671	12,606
Shareholders' Equity	8,099	7,333	7,158	7,555	7,025
Minority Interests	0	0	0	0	0
Total Equity	8,099	7,333	7,158	7,555	7,025

Key Ratios

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	(64%)	(10%)	105%	51%	11%
Operating EBITDA Growth	(108%)	N/A	10872%	83%	16%
Operating EBITDA Margin	(8.8%)	0.7%	36.6%	44.2%	46.2%
Net Cash Per Share (RM)	-4.44	-5.01	-5.04	-4.66	-4.38
BVPS (RM)	4.88	4.42	4.31	4.55	4.23
Gross Interest Cover	-1.08	-0.69	0.55	1.94	2.55
Effective Tax Rate	0.0%	0.0%	0.0%	25.6%	24.6%
Net Dividend Payout Ratio	NA	NA	NA	28.7%	30.7%
Accounts Receivables Days	104.9	81.7	57.4	64.2	73.5
Inventory Days	30.05	35.96	27.40	20.61	19.24
Accounts Payables Days	95.2	145.3	115.2	114.6	126.6
ROIC (%)	(2.97%)	(1.99%)	1.71%	6.06%	7.80%
ROCE (%)	(3.6%)	(2.3%)	2.5%	8.0%	10.5%
Return On Average Assets	(3.25%)	(2.24%)	1.57%	6.27%	8.36%

Key Drivers

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Malaysia - Total pax	25.8	10.7	65.5	105.2	110.5
Malaysia - Domestic pax	16.3	9.3	44.2	54.6	57.2
Malaysia - International pax	9.5	1.4	21.3	50.6	53.3
Turkey - Total pax	17.2	25.4	30.5	32.3	34.1
Turkey - Domestic pax	11.9	16.4	16.3	17.4	18.5
Turkey - International pax	5.3	9.0	14.2	14.9	15.7

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Corporate Governance Report:

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. CGS-CIMB Thailand does not confirm nor certify the accuracy of such survey result.

Score Range:	90 - 100	80 – 89	70 - 79	Below 70	No Survey Result
Description:	Excellent	Very Good	Good	N/A	N/A

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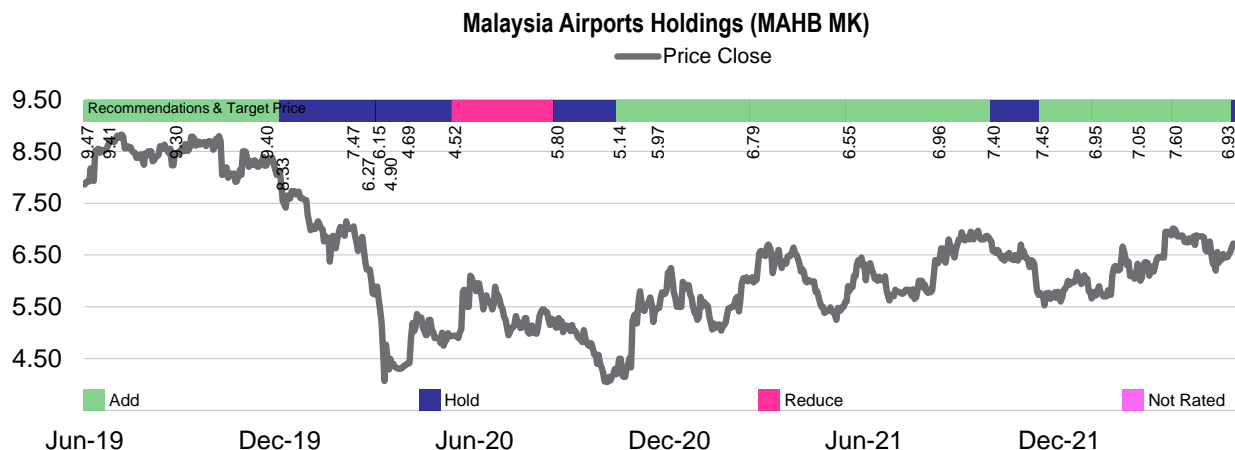
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Distribution of stock ratings and investment banking clients for quarter ended on 31 March 2022		
632 companies under coverage for quarter ended on 31 March 2022		
	Rating Distribution (%)	Investment Banking clients (%)
Add	70.3%	0.8%
Hold	22.0%	0.0%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