

## Malaysia

**HOLD** (no change)

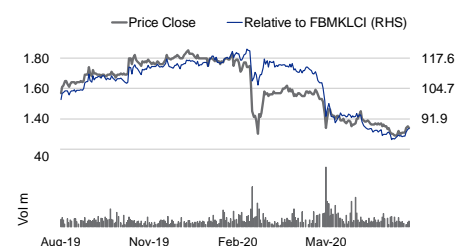
Consensus ratings\*: Buy 9 Hold 2 Sell 0

Current price:	RM1.34
Target price:	RM1.41
Previous target:	RM1.56
Up/downside:	5.3%
CGS-CIMB / Consensus:	-15.4%
Reuters:	SWAY.KL
Bloomberg:	SWB MK
Market cap:	US\$1,576m RM6,568m
Average daily turnover:	US\$1.61m RM6.88m
Current shares o/s:	4,852m
Free float:	36.5%

\*Source: Bloomberg

**Key changes in this note**

- FY20-22F EPS cut by 19-26%.
- TP cut from RM1.56 to RM1.41 (-10%) due to the update of balance sheet items and market cap of listed units. TP remains pegged to a 30% discount to RNAV.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-1.5	-12.4	-18.3
Relative (%)	0.7	-20.6	-14.9

Major shareholders	% held
Tan Sri Dato' Seri Dr. Jeffrey Cheah	58.3
EPF	5.2

**Analyst(s)**

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# Sunway Bhd

## Harder-than-expected hit from MCO

- 1H20 results were below expectations; core net profit fell 74% yoy.
- All divisions were hard hit by MCO/Covid-19; healthcare remained in losses.
- Hold maintained with lower TP; upside capped by weak earnings prospects.

**1HFY20 below expectations; core net profit slumped 74% yoy**

2Q20 results reflected the full impact of the peak of Malaysia's Movement Control Order (MCO) during the Apr-Jun period which weighed on the performance of its key divisions, namely construction, property investment (hospitality and leisure), and trading & manufacturing. 2Q20 revenue declined 43% qoq (48% yoy), driven by a substantial drop in billings for construction due to the stop-work order, weak property sales, subdued hotel occupancy rates, and revenue loss for retail assets (REIT) in view of the rental assistance/rebate. 2Q20 core net profit contracted 95% yoy (88% qoq), resulting in a 74% drop in 1H20 core net profit to RM88.1m (excluding Sunway REIT's asset fair value loss); this made up 20% of our and Bloomberg consensus full-year estimates. This was below expectations, even after considering that 2H20F would be stronger on the back of: 1) recovery in construction billings, albeit lower than pre-MCO productivity levels; and 2) recognition of overseas property development profits upon completion and handover.

**MCO impact more pronounced in 2Q20**

Property investment and construction recorded the biggest drop in revenue in 2Q20, with a 68% yoy decline on the back of the stop-work order and weaker retail/hotel revenue (1H20: 49-51% yoy drop). Trading/manufacturing and others reported a 39-40% yoy fall in 2Q20 revenue (1H20: 26-30% yoy fall) due to weaker domestic and overseas sales, and a slump in building material demand. Just as in 1Q20, the impact of the acquisition of Blacktop boosted 2Q20 revenue for the quarry division (1H20: +10% yoy). Meanwhile the inclusion of Sunway Medical Centre Velocity (SMCV, despite RM21.5m start-up losses in 1H20) in its healthcare segment bumped up 1H20 segment revenue by 3% yoy. The 3% yoy growth in property development revenue was due to higher sales, billings and project handovers. Healthcare division remained in pretax losses in 1H20 (RM20.4m). Overall group pretax margin slipped to 8% in 1H20 (1H19: 20%).

**Cutting FY20-22F EPS by 19-26%; retain Hold with a lower TP**

Going by 1H20's operational performance, we cut FY20-22F EPS by 19-26% to reflect: 1) a weaker earnings outlook for quarry, and property investment; and 2) sustained losses for its healthcare segment. This is partially offset by 1) RM16m-17m p.a. interest savings post asset disposals. Our target price is cut from RM1.56 to RM1.41 (-10%), due to the update of balance sheet items and market cap of listed units. Our TP remains pegged to a 30% discount to RNAV. Maintain Hold as its share price upside could be capped by the weak earnings prospects in FY20F. Upside risks: recovery of rail prospects for Sunway Construction, and stronger property earnings (deferred profit from overseas projects due to MFRS 15). Downside risk: Weaker-than-anticipated 2H20F performance.

**Financial Summary**

	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Revenue (RMm)	5,410	4,780	3,367	3,616	3,863
Operating EBITDA (RMm)	327.0	363.5	327.5	415.2	437.8
Net Profit (RMm)	659.0	766.6	323.4	393.9	372.8
Core EPS (RM)	0.12	0.16	0.07	0.08	0.08
Core EPS Growth	(8.9%)	31.6%	(57.8%)	21.8%	(5.4%)
FD Core P/E (x)	12.61	9.58	22.72	18.65	19.71
DPS (RM)	0.071	0.091	0.042	0.043	0.044
Dividend Yield	5.31%	6.79%	3.14%	3.19%	3.25%
EV/EBITDA (x)	27.55	24.26	24.12	18.45	16.95
P/FCFE (x)	NA	283	26	376	1,204
Net Gearing	43.7%	37.4%	38.3%	35.3%	32.5%
P/BV (x)	0.77	0.68	0.73	0.69	0.66
ROE	7.14%	8.51%	3.50%	4.30%	3.88%
% Change In Core EPS Estimates			(26.4%)	(19.4%)	(24.2%)
CGS-CIMB/Consensus EPS (x)			0.72	0.69	0.59

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 1: Results comparison**

FYE Dec (RM m)	2QFY20	2QFY19	yoy % 1QFY20		qoq % 2QFY20		yoy %		Prev. FY20F	Comments
			chg	chg	Cum	Cum	chg	chg		
Revenue	556.6	1,077.2	(48.3)	971.4	(42.7)	1,528.1	2,200.8	(30.6)	4,330.0	30-49% yoy drop in property investment, construction and trading & manufacturing
Operating costs	(534.2)	(953.5)	(44.0)	(926.7)	(42.4)	(1,460.9)	(1,959.3)	(25.4)	(3,895.9)	
EBIT	22.5	123.7	(81.8)	44.7	(49.7)	67.2	241.4	(72.2)	297.9	
<b>EBIT margin (%)</b>	<b>4.0</b>	<b>11.5</b>	<b>(64.8)</b>	<b>4.6</b>	<b>(12.2)</b>	<b>4.4</b>	<b>11.0</b>	<b>(59.9)</b>	<b>6.9</b>	
Interest expense	(54.7)	(66.8)	(18.1)	(59.1)	(7.5)	(113.8)	(127.7)	(10.9)	(114.7)	Total borrowings of RM9.3bn at end-Jun
Interest & invt inc	59.5	70.6	(15.8)	83.6	(28.9)	143.1	149.3	(4.2)	106.8	Cash stood at RM4.8bn
Associates' contrib	(0.6)	82.1	(100.8)	38.6	(101.7)	38.0	123.9	(69.3)	301.6	
Exceptionals	(16.5)	43.6	(137.8)	-	nm	(16.5)	43.6	(137.8)	-	Fair value loss at Sunway REIT
<b>Pretax profit</b>	<b>10.1</b>	<b>253.2</b>	<b>(96.0)</b>	<b>107.8</b>	<b>(90.6)</b>	<b>117.9</b>	<b>430.5</b>	<b>(72.6)</b>	<b>701.1</b>	Healthcare and property investment in
Tax	(14.7)	9.4	(256.3)	(17.5)	(16.1)	(32.2)	(15.9)	102.3	(114.6)	pretax losses
Tax rate (%)	145.5	(3.7)	4,018.7	16.2	795.5	27.3	3.7	638.6	16.3	Excludes tax payable for associates
Minority interests	(2.1)	(16.2)	(86.9)	(12.0)	(82.3)	(14.1)	(31.7)	(55.4)	(147.0)	and JV
<b>Net profit</b>	<b>(6.7)</b>	<b>246.5</b>	<b>(102.7)</b>	<b>78.3</b>	<b>(108.6)</b>	<b>71.6</b>	<b>382.9</b>	<b>(81.3)</b>	<b>439.5</b>	
Core net profit	9.8	202.9	(95.2)	78.3	(87.5)	88.1	339.3	(74.0)	439.5	1H20 core net profit made up 20% of ours
EPS (sen)	(0.3)	4.7	(107.2)	1.4	(125.2)	1.0	7.4	(86.3)	9.1	and consensus full-year forecasts
Core EPS (sen)	0.5	3.9	(87.2)	1.4	(63.3)	1.3	6.6	(80.9)	9.1	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 2: Earnings revision**

RM m	2019A	2020F			2021F			2022F		
		Old	New	%chg	Old	New	%chg	Old	New	%chg
Revenue	4,780	4,330	3,367	-22%	4,526	3,616	-20%	4,735	3,863	-18%
EBITDA	364	434	328	-25%	475	415	-13%	521	438	-16%
Core pretax profit	914	701	506	-28%	755	603	-20%	762	577	-24%
Core net profit	767	440	323	-26%	489	394	-19%	492	373	-24%

SOURCES: CIMB, COMPANY REPORTS

Figure 3: Segmental comparison

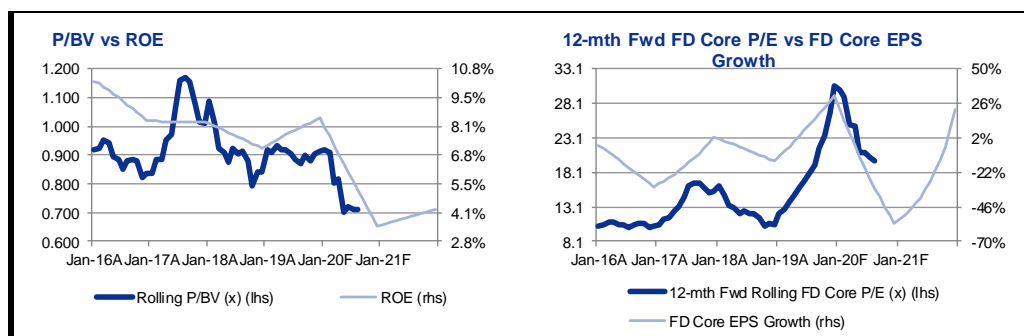
	2QFY20	2QFY19	yoy	1QFY20	qoq	1HFY20	1HFY19	yoy	Comments
Revenue	RM m	RM m	chg	RM m	chg	RM m	RM m	chg	
Property development	68.1	113.6	-40%	139.2	-51%	207.3	201.4	3%	2Q20 faced the full impact of the MCO; mitigated by overseas sales
Property investment	55.5	176.1	-68%	134.3	-59%	189.8	372.8	-49%	Covid-19 and MCO impacted hospitality and leisure assets
Construction	92.6	293.5	-68%	218.0	-58%	310.6	639.6	-51%	Stop work order during MCO impacted billings
Trading & Manufacturing	141.1	230.0	-39%	194.2	-27%	335.3	481.4	-30%	Weaker domestic and overseas sales due to Covid-19
Quarry	31.9	52.6	-39%	74.1	-57%	106.0	96.8	10%	New revenue from Blacktop acquisition
Healthcare	125.1	140.8	-11%	149.2	-16%	274.3	267.6	3%	New revenue from Sunway Medical Centre Velocity (SMCV)
Investment holdings & others	42.3	70.6	-40%	62.4	-32%	104.7	141.1	-26%	Stop work order during MCO impacted building materials segment
<b>Total</b>	<b>556.6</b>	<b>1,077.2</b>	<b>-48%</b>	<b>971.4</b>	<b>-43%</b>	<b>1,528.1</b>	<b>2,200.8</b>	<b>-31%</b>	
	2QFY20	2QFY19	yoy	1QFY20	qoq	1HFY20	1HFY19	yoy	
Pretax profit	RM m	RM m	chg	RM m	chg	RM m	RM m	chg	
Property development	25.9	37.2	-30%	39.1	-34%	65.0	70.1	-7%	2Q20 faced the full impact of the MCO; mitigated by overseas profits
Property investment	(35.8)	122.3	-129%	32.0	-212%	(3.8)	179.7	-102%	Also absence of rental income from Sunway University post-disposal
Construction	6.6	39.4	-83%	22.6	-71%	29.1	83.1	-65%	Stop work order during MCO phase 1 impacted billings
Trading & Manufacturing	6.2	6.6	-6%	0.5	1131%	6.7	13.1	-49%	Weaker domestic and overseas sales due to Covid-19
Quarry	(1.4)	2.1	-167%	3.1	-146%	1.6	3.9	-57%	Boosted by new earnings stream from acquisition
Healthcare	(16.0)	19.3	-183%	(4.5)	259%	(20.4)	34.7	-159%	Drop in admissions and outpatient treatments. SMCV: RM21.5m losses
Investment holdings & others	24.7	26.3	-6%	15.0	64%	39.7	45.9	-14%	Stop work order during MCO phase 1 impacted building materials segment
<b>Total</b>	<b>10.1</b>	<b>253.2</b>	<b>-96%</b>	<b>107.8</b>	<b>-91%</b>	<b>117.9</b>	<b>430.5</b>	<b>-73%</b>	
	2QFY20	2QFY19	yoy	1QFY20	qoq	1HFY20	1HFY19	yoy	
Pretax margin	RM m	RM m	%pts	RM m	%pts	RM m	RM m	%pts	
Property development	38%	33%	5%	28%	10%	31%	35%	-3%	Margin could improve in 2H20F as overseas profits flow through
Property investment	-64%	69%	-134%	24%	-88%	-2%	48%	-50%	Margins to likely to improve post-MCO in 2H20F
Construction	7%	13%	-6%	10%	-3%	9%	13%	-4%	Margins to likely to improve post-MCO in 2H20F
Trading & Manufacturing	4%	3%	2%	0%	4%	2%	3%	-1%	Weaker prices due to weak overall demand
Quarry	-4%	4%	-8%	4%	-9%	2%	4%	-2%	Likely to maintain at these levels in FY20F
Healthcare	-13%	14%	-26%	-3%	-10%	-7%	13%	-20%	Potential lower losses in 2H20 post-MCO
Investment holdings & others	58%	37%	21%	24%	34%	38%	33%	5%	Lumpy contributions
<b>Total</b>	<b>2%</b>	<b>24%</b>	<b>-22%</b>	<b>11%</b>	<b>-9%</b>	<b>8%</b>	<b>20%</b>	<b>-12%</b>	
	2QFY20	2QFY19	yoy	1QFY20	qoq	1HFY20	1HFY19	yoy	
% of revenue	RM m	RM m	%pts	RM m	%pts	RM m	RM m	%pts	
Property development	12%	11%	2%	14%	-2%	14%	9%	4%	
Property investment	10%	16%	-6%	14%	-4%	12%	17%	-5%	
Construction	17%	27%	-11%	22%	-6%	20%	29%	-9%	
Trading & Manufacturing	25%	21%	4%	20%	5%	22%	22%	0%	
Quarry	6%	5%	1%	8%	-2%	7%	4%	3%	
Healthcare	22%	13%	9%	15%	7%	18%	12%	6%	
Investment holdings	8%	7%	1%	6%	1%	7%	6%	0%	
<b>Total</b>	<b>100%</b>	<b>100%</b>		<b>100%</b>	<b>0%</b>	<b>100%</b>	<b>100%</b>		

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 4: RNAV**

Type	Location	Size/units	Area (sq ft)	Price	Stake	Value
<b>Completed buildings</b>						
Sunway Lagoon Theme Park	Petaling, Selangor	59.9 ac	728,326	200.0	100%	145.7
Sunway Hotel Georgetown	Penang	240.0 units	0	150,000.0	100%	36.0
Monash University Sunway Campus	Petaling, Selangor	12.0 ac	754,000	220.0	100%	165.9
Sunway University College	Petaling, Selangor	12.4 ac	615,983	220.0	100%	135.5
Sunway Giza	Sunway Damansara, Selangor	1.4 ac	98,000	500.0	60%	29.4
Lost World of Tambun	Tambun, Perak	39.8 ac	728,326	80.0	65%	37.9
Sunway Hotel Phnom Penh	Phnom Penh, Cambodia	138.0 units	125,313	300,000.0	53%	21.7
Sunway Hotel Hanoi	Hanoi, Vietnam	142.0 units	9,365	300,000.0	100%	42.6
<b>On going developments</b>						
Sunway City Penang	Seberang Perai, Penang	15.8 ac	210,394.8	100.0	100%	21.0
Sunway Grand	Penang	3.8 ac	768,767.9	100.0	100%	76.9
Sg. Ara - new land	Penang	68.3 ac	3,484,800.0	13.0	100%	45.3
Bukit Mertajam - new land	Penang	17.8 ac	7,729,724.0	12.0	100%	92.8
Sunway Damansara	Petaling, Selangor	18.2 ac	1,048,489.2	120.0	60%	75.5
Sunway City Ipoh	Ipoh, Perak	899.2 ac	32,666,515.2	3.0	65%	63.7
Sunway Velocity	Kuala Lumpur	19.5 ac	984,456.0	150.0	50%	73.8
Sunway Tower KL 1	Kuala Lumpur	1.0 ac	43,560.0	1,000.0	100%	43.6
Sunway Kayangan	Bukit Raja, Selangor	5.4 ac	367,646.4	40.0	100%	14.7
Sunway Integrated Resort	Petaling, Selangor	18.5 ac	845,064.0	100.0	100%	84.5
Sunway Semenyih	Ulu Langat, Selangor	398.1 ac	17,341,671.6	5.0	100%	86.7
Sunway Cheras	Selangor	6.9 ac	301,870.8	25.0	100%	7.5
Sunway South Quay	Bandar Sunway, Selangor	52.4 ac	2,517,768.0	740.0	100%	1863.1
Casa Kiara III	Sri Hartamas, KL	2.8 ac	130,680.0	180.0	80%	18.8
Sunway Duta	Kuala Lumpur	3.2 ac	136,342.8	350.0	60%	28.6
Sunway Melawati	Setapak, KL	30.6 ac	1,427,896.8	35.0	100%	50.0
Sunway Alam Suria	Shah Alam, Selangor	14.1 ac	1,045,440.0	40.0	50%	20.9
Sunway OPUS Grand India	Hyderabad, India	23.8 ac	1,524,600.0	20.0	50%	15.2
Sunway MAK Signature Residence	Hyderabad, India	14.0 ac	609,840.0	20.0	60%	7.3
Sunway Guanghao	Jianyin, China	3.7 ac	740,520.0	80.0	39%	23.1
Tianjin Eco City	Tianjin, China	90.9 ac	3,789,720.0	90.0	65%	221.7
Wonderland Business Park	Sydney, Australia	65.5 ac	3,971,800.8	95.0	31%	117.0
Bukit Lenang - new land	Johor	64.0 ac	2,787,840.0	40.0	80%	89.2
Taman Equine	Selangor	33.0 ac	1,437,480.0	20.0	100%	28.7
Bangi	Selangor	3.0 ac	130,680.0	10.0	100%	1.3
Sg. Long	Balakong	111.0 ac	4,835,160.0	25.0	80%	96.7
Mont Putra	Selangor	163.0 ac	7,100,280.0	25.0	100%	177.5
Melawati 2	Selangor	2.0 ac	87,120.0	20.0	100%	1.7
Tampines	Singapore	5.0 ac	217,800.0	740.0	30%	48.4
Sembawang	Singapore	0.8 ac	34,848.0	975.0	100%	34.0
Yuan Ching Road	Singapore	5.0 ac	217,800.0	750.0	30%	49.0
Pasir Ris Rise	Singapore	4.3 ac	187,308.0	780.0	30%	43.8
Medini land	Iskandar	625.0 ac	27,225,000.0	80.0	38%	827.6
Pendas land	Iskandar	1,079.2 ac	47,009,952.0	80.0	60%	2256.5
New Land Novena	Singapore	1.7 ac	71,874.0	500.0	30%	10.8
Penang Land	Penang	156.5 ac	6,815,397.6	290.0	100%	1976.5
New land - Kelana Jaya	Petaling Jaya	17.0 ac	739,039.0	54.0	100%	39.9
New land - Anchorvale Lane	Singapore	5.2 ac	226,076.4	750.0	30%	50.9
New Land - Jalan Peel	Cheras	8.5 ac	368,082.0	200.0	100%	73.6
New land - Jalan Belfield	KL	4.5 ac	196,891.2	836.2	100%	164.6
New land - Subang USJ	Petaling Jaya	14.8 ac	644,557.3	260.0	100%	167.6
New land - Kajang	Selangor	5.3 ac	229,840.0	274.0	100%	63.0
New land - Tampines	Singapore	6.2 ac	268,329.6	800.0	65%	139.5
<b>Total value of properties</b>						<b>10,007.4</b>
		<b>Market cap</b>	<b>Stake</b>			
		<b>Rm m</b>				
Sunway REIT		4,683.0	37%	1,718.7		
		<b>RM m</b>	<b>Stake</b>	<b>P/E</b>		
Sunway Construction (market value)		2,418.0	54%		1,315.4	
Quarry & Trading		20.2	100%	12.0	242.7	
Property investments (2Q20)					2,110.6	
Associates and JCE's (2Q20)					3,955.7	
Total borrowings (2Q20)					<b>(9,335.2)</b>	
<b>Total RNAV</b>						<b>10,015.3</b>
FD no. of shares (m)					5,548.26	
<b>FD RNAV (RM)</b>						<b>11,187.01</b>
<b>RNAV/share (RM)</b>						<b>2.02</b>
Discount to RNAV					30%	
<b>Target price (RM)</b>						<b>1.41</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**BY THE NUMBERS**

**Profit & Loss**

(RMm)	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
<b>Total Net Revenues</b>	<b>5,410</b>	<b>4,780</b>	<b>3,367</b>	<b>3,616</b>	<b>3,863</b>
<b>Gross Profit</b>	<b>5,410</b>	<b>4,780</b>	<b>3,367</b>	<b>3,616</b>	<b>3,863</b>
<b>Operating EBITDA</b>	<b>327</b>	<b>364</b>	<b>328</b>	<b>415</b>	<b>438</b>
Depreciation And Amortisation	(143)	(235)	(236)	(238)	(238)
<b>Operating EBIT</b>	<b>184</b>	<b>128</b>	<b>92</b>	<b>177</b>	<b>200</b>
Financial Income/(Expense)	(38)	88	98	105	53
Pretax Income/(Loss) from Assoc.	229	261	169	172	176
Non-Operating Income/(Expense)	387	437	148	148	148
<b>Profit Before Tax (pre-EI)</b>	<b>762</b>	<b>914</b>	<b>506</b>	<b>603</b>	<b>577</b>
Exceptional Items	89	0	0	0	0
<b>Pre-tax Profit</b>	<b>851</b>	<b>914</b>	<b>506</b>	<b>603</b>	<b>577</b>
Taxation	(122)	(78)	(127)	(151)	(144)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>729</b>	<b>836</b>	<b>380</b>	<b>452</b>	<b>433</b>
Minority Interests	(70)	(69)	(56)	(58)	(60)
Preferred Dividends	0	0	0	0	0
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>659</b>	<b>767</b>	<b>323</b>	<b>394</b>	<b>373</b>
Recurring Net Profit	583	767	323	394	373
<b>Fully Diluted Recurring Net Profit</b>	<b>583</b>	<b>767</b>	<b>323</b>	<b>394</b>	<b>373</b>

**Cash Flow**

(RMm)	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
<b>EBITDA</b>	<b>327.0</b>	<b>363.5</b>	<b>327.5</b>	<b>415.2</b>	<b>437.8</b>
Cash Flow from Inv. & Assoc.					
Change In Working Capital	(75.5)	(79.6)	278.2	(90.5)	(86.8)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	0.0	0.0	0.0	0.0	0.0
Net Interest (Paid)/Received	(214.6)	(233.4)	(236.4)	(229.3)	(281.6)
Tax Paid	(159.3)	(114.2)	(102.6)	(106.8)	(110.4)
<b>Cashflow From Operations</b>	<b>(122.3)</b>	<b>(63.7)</b>	<b>266.7</b>	<b>(11.4)</b>	<b>(41.0)</b>
Capex	(20.0)	(20.0)	(20.0)	(20.0)	(20.0)
Disposals Of FAs/subsidiaries	255.0	261.2	167.9	172.5	177.2
Acq. Of Subsidiaries/investments	0.0	0.0	0.0	0.0	0.0
Other Investing Cashflow	0.0	0.0	0.0	1.0	0.0
<b>Cash Flow From Investing</b>	<b>235.0</b>	<b>241.2</b>	<b>147.9</b>	<b>153.5</b>	<b>157.2</b>
Debt Raised/(repaid)	(168.5)	(151.5)	(136.3)	(122.5)	(110.2)
Proceeds From Issue Of Shares	0.0	0.0	0.0	1.0	2.0
Shares Repurchased	0.0	0.0	0.0	0.0	0.0
Dividends Paid	(126.6)	(126.6)	(123.6)	(126.6)	(126.6)
Preferred Dividends					
Other Financing Cashflow	871.3	(335.6)	(382.0)	(229.8)	(247.4)
<b>Cash Flow From Financing</b>	<b>576.2</b>	<b>(613.8)</b>	<b>(641.9)</b>	<b>(478.0)</b>	<b>(482.2)</b>
Total Cash Generated	688.8	(436.3)	(227.3)	(335.9)	(365.9)
<b>Free Cashflow To Equity</b>	<b>(55.8)</b>	<b>26.0</b>	<b>278.4</b>	<b>19.5</b>	<b>6.1</b>
<b>Free Cashflow To Firm</b>	<b>327.2</b>	<b>410.9</b>	<b>651.0</b>	<b>371.4</b>	<b>397.9</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

### Balance Sheet

(RMm)	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Total Cash And Equivalents	5,199	5,891	5,832	5,774	5,716
Total Debtors	2,109	2,122	2,080	2,038	1,997
Inventories	1,858	2,101	486	522	557
Total Other Current Assets	556	157	159	160	162
<b>Total Current Assets</b>	<b>9,721</b>	<b>10,271</b>	<b>8,556</b>	<b>8,494</b>	<b>8,433</b>
Fixed Assets	2,259	2,753	2,815	2,878	2,941
Total Investments	5,343	6,072	6,893	7,039	7,187
Intangible Assets	332	331	331	331	331
Total Other Non-Current Assets	3,431	4,130	4,211	4,294	4,379
<b>Total Non-current Assets</b>	<b>11,365</b>	<b>13,287</b>	<b>14,251</b>	<b>14,542</b>	<b>14,838</b>
Short-term Debt	6,057	7,417	7,268	7,123	6,981
Current Portion of Long-Term Debt					
Total Creditors	2,423	2,653	2,600	2,548	2,497
Other Current Liabilities	239	137	137	137	137
<b>Total Current Liabilities</b>	<b>8,720</b>	<b>10,207</b>	<b>10,006</b>	<b>9,809</b>	<b>9,615</b>
Total Long-term Debt	2,841	2,154	2,111	2,068	2,027
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	277	1,023	1,023	1,023	1,023
<b>Total Non-current Liabilities</b>	<b>3,118</b>	<b>3,177</b>	<b>3,134</b>	<b>3,092</b>	<b>3,050</b>
Total Provisions	144	0	81	81	81
<b>Total Liabilities</b>	<b>11,982</b>	<b>13,384</b>	<b>13,221</b>	<b>12,982</b>	<b>12,747</b>
Shareholders' Equity	8,485	9,542	8,936	9,385	9,834
Minority Interests	620	631	650	670	690
<b>Total Equity</b>	<b>9,105</b>	<b>10,173</b>	<b>9,586</b>	<b>10,054</b>	<b>10,524</b>

### Key Ratios

	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Revenue Growth	0.7%	(11.6%)	(29.6%)	7.4%	6.8%
Operating EBITDA Growth	(37.9%)	11.2%	(9.9%)	26.8%	5.4%
Operating EBITDA Margin	6.0%	7.6%	9.7%	11.5%	11.3%
Net Cash Per Share (RM)	(0.82)	(0.78)	(0.76)	(0.73)	(0.70)
BVPS (RM)	1.75	1.97	1.84	1.93	2.03
Gross Interest Cover	0.86	0.55	0.39	0.77	0.71
Effective Tax Rate	14.3%	8.6%	25.0%	25.0%	25.0%
Net Dividend Payout Ratio	22.0%	16.4%	64.1%	53.6%	57.6%
Accounts Receivables Days	166.6	155.3	228.4	207.8	190.7
Inventory Days	N/A	N/A	N/A	N/A	N/A
Accounts Payables Days	N/A	N/A	N/A	N/A	N/A
ROIC (%)	2.93%	1.63%	1.04%	2.41%	2.65%
ROCE (%)	2.02%	2.35%	2.18%	2.65%	2.73%
Return On Average Assets	3.28%	3.35%	1.22%	1.51%	1.64%

### Key Drivers

(RMm)	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Outstanding Orderbook	3,100	3,100	3,100	3,100	3,100
Order Book Depletion	1,800	1,800	1,800	1,800	1,800
Orderbook Replenishment	1,800	1,800	1,800	1,800	1,800
ASP (% chg, main prod./serv.)	N/A	N/A	N/A	N/A	N/A
Unit sales grth (% , main prod./serv.)	N/A	N/A	N/A	N/A	N/A
Util. rate (% , main prod./serv.)	N/A	N/A	N/A	N/A	N/A
ASP (% chg, 2ndary prod./serv.)	N/A	N/A	N/A	N/A	N/A
Unit sales grth (% ,2ndary prod/serv)	N/A	N/A	N/A	N/A	N/A
Util. rate (% , 2ndary prod/serv)	N/A	N/A	N/A	N/A	N/A

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

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

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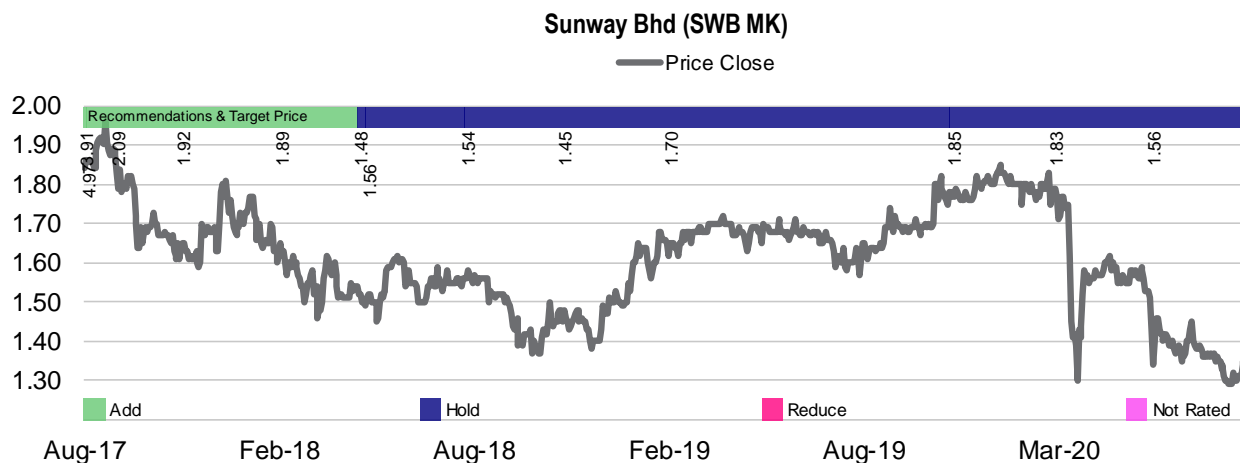
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Distribution of stock ratings and investment banking clients for quarter ended on 30 June 2020		
800 companies under coverage for quarter ended on 30 June 2020		
	Rating Distribution (%)	Investment Banking clients (%)
Add	60.1%	0.4%
Hold	25.9%	0.1%
Reduce	14.0%	0.3%

### 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 2019, Anti-Corruption 2019

**ADVANC** – Excellent, Certified, **AEONTS** – Good, n/a, **AH** – Very Good, n/a, **AMATA** – Excellent, Declared, **ANAN** – Excellent, Declared, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Very Good, Certified, **BAM** – not available, n/a, **BANPU** – Excellent, Certified, **BAY** – Excellent, Certified, **BBL** – Very Good, Certified, **BCH** – Good, Certified, **BCP** – Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Very Good, n/a, **BEAUTY** – Good, n/a, **BEC** – Very Good, n/a, **BGRIM** – Very Good, Declared, **BH** – Good, n/a, **BJC** – Very Good, n/a, **BJCHI** – Very Good, Certified, **BLA** – Very Good, Certified, **BPP** – Very Good, Declared, **BR** – Good, n/a, **BTS** – Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – Good, n/a, **CENDEL** – Very Good, Certified, **CHAYO** – Good, n/a, **CHG** – Very Good, Declared, **CK** – Excellent, n/a, **COL** – Excellent, Declared, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** – Excellent, Certified, **CPNREIT** – not available, n/a, **CRC** – not available, n/a, **DELTA** – Excellent, Declared, **DEMCO** – Excellent, Certified, **DDD** – Very Good, n/a, **DIF** – not available, n/a, **DREIT** – not available, n/a, **DTAC** – Excellent, Certified, **EA** – Excellent, n/a, **ECL** – Very Good, Certified, **EGCO** – Excellent, Certified, **EPG** – Very Good, n/a, **ERW** – Very Good, n/a, **GFPT** – Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Very Good, n/a, **GLOW** – Very Good, Certified, **GPSC** – Excellent, Certified, **GULF** – Very Good, n/a, **GUNKUL** – Excellent, Certified, **HANA** – Excellent, Certified, **HMPRO** – Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Declared, **III** – Excellent, n/a, **INTUCH** – Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** – Excellent, Certified, **JASIF** – not available, n/a, **BJC** – Very Good, n/a, **JMT** – Very Good, n/a, **KBANK** – Excellent, Certified, **KCE** – Excellent, Certified, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** – Excellent, Certified, **KTC** – Excellent, Certified, **LH** – Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MACO** – Very Good, n/a, **MAJOR** – Very Good, n/a, **MAKRO** – Excellent, Certified, **MALEE** – Excellent, Certified, **MC** – Excellent, Certified, **MCOT** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** – Excellent, Certified, **MK** – Very Good, n/a, **MTC** – Excellent, n/a, **NETBAY** – Very Good, n/a, **OSP** – Very Good, n/a, **PLANB** – Excellent, Certified, **PLAT** – Very Good, Certified, **PR9** – Excellent, n/a, **PSH** – Excellent, Certified, **PSTC** – Very Good, Certified, **PTT** – Excellent, Certified, **PTTEP** – Excellent, Certified, **PTTGC** – Excellent, Certified, **QH** – Excellent, Certified, **RATCH** – Excellent, Certified, **ROBINS** – Excellent, Certified, **RS** – Excellent, n/a, **RSP** – not available, n/a, **S** – Excellent, n/a, **SAPPE** – Very Good, Declared, **SAT** – Excellent, Certified, **SAWAD** – Very Good, n/a, **SC** – Excellent, Certified, **SCB** – Excellent, Certified, **SCC** – Excellent, Certified, **SCN** – Excellent, Certified, **SF** – Good, n/a, **SHR** – not available, n/a, **SIRI** – Very Good, Certified, **SPA** – Good, n/a, **SPALI** – Excellent, n/a, **SPRC** – Excellent, Certified, **STA** – Very Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Excellent, Certified, **TASCO** – Excellent, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIPCO** – Very Good, Certified, **TISCO** – Excellent, Certified, **TKN** – Very Good, n/a, **TMB** – Excellent, Certified, **TNR** – Very Good, Certified, **TOP** – Excellent, Certified, **TPCH** – Good, n/a, **TPIPP** – Good, n/a, **TRUE** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Declared, **UNIQ** – not available, n/a, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – not available, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

1 CG Score 2019 from Thai Institute of Directors Association (IOD)

2 AGM Level 2018 from Thai Investors Association

3 Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of November 30, 2018) are categorised into:

companies that have declared their intention to join CAC, and companies certified by CAC.

4 The Stock Exchange of Thailand : the record of listed companies with corporate sustainable development "Thai sustainability Investment 2018" included:

SET and mai listed companies passed the assessment conducted by the Stock Exchange of Thailand: THSI (SET) and THSI (mai)

SET listed companies passed the assessment conducted by the Dow Jones Sustainability Indices (DJSI)



**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.

*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.*

**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.

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