

# LEONG HUP INTERNATIONAL

(LHIB MK EQUITY, LEOG.KL)

31 May 2024

Positive outlook despite lower QoQ earnings

BUY

### Tan Jia Hui

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(Maintained)

Rationale for Report: Company Result

# Price RM0.55 Fair Value RM0.95 52-week High/Low RM0.75/RM0.48

**Company Report** 

#### **Key Changes**

Fair value ⇔ EPS ⇔

YE to Dec	FY23	FY24F	FY25F	FY26F
Revenue (RM mil)	9,539.5	10,261.4	10,888.9	11,182.3
Core net profit (RM mil)	301.7	314.2	329.0	347.8
FD Core EPS (sen)	8.3	8.6	9.0	9.5
FD Core EPS growth (%)	37.9	4.1	4.7	5.7
Consensus Net Profit (RM mil)	-	266.4	295.8	330.6
DPS (sen)	-	2.4	2.5	2.7
PE (x)	6.7	6.4	6.1	5.8
EV/EBITDA (x)	3.6	4.7	4.4	4.2
Div yield (%)	-	3.4	3.5	3.7
ROE (%)	14.2	13.3	12.3	11.4
Net Gearing (%)	78.6	82.4	67.1	60.6

#### Stock and Financial Data

Shares Outstanding (million)	3,650.0
Market Cap (RM mil)	2,007.5
Book Value (RM/Share)	0.61
P/BV (x)	0.9
ROE (%)	14.2
Net Gearing (%)	78.6

Major Shareholders

Emerging Glory (52.8%)

Amanah Saham Nasional Bhd
(7.1%)

Clarinden Inv Pte. (6.2%)

Free Float 33.9 Avg Daily Value (RM mil) 4.1

Price performance	3mth	6mth	12mth
Absolute (%)	(13.4)	(16.0)	(4.3)
Relative (%)	(16.2)	(24.0)	(16.7)



#### **Investment Highlights**

- We reiterate BUY call on Leong Hup International (LHI) with an unchanged fair value of RM0.95/share, pegged to FY24F P/E of 11x, in line with its 3-year mean. We make no adjustment to our neutral ESG rating of 3 stars.
- We deem LHI's 1QFY24 earnings of RM57mil as within our expectations, reflecting 18% of our full-year estimate and 21% of consensus forecast. We expect 2QFY24 earnings to be stronger due to robust demand from Indonesia and Philippines. Hence, we made no changes to FY24F-FY26F earnings.
- YoY, 1QFY24 revenue improved by 10% on the back of higher revenue contribution from: (i) livestock & poultry operation (+10%) mainly on higher average selling price (ASP) and sales volume of day-old-chicks (DOC) in Indonesia, (ii) higher ASP of broiler chickens in Indonesia, Vietnam and increased sales volume of broiler chickens in Philippines, and (iii) improved feedmill operation (+10%) due to higher ASP and volume in Indonesia and Philippines.
- 1QFY24 core net profit increased by 2.6x YoY in tandem with a 58% EBITDA growth, thanks to better margins from livestock/poultry and feedmill (+10% YoY) segments. This is due to better margin from higher ASP of broiler chickens and DOC in Indonesia and Vietnam as well as reduction of raw material cost.
- QoQ, 1QFY24 net profit slid by 31% due to lower government subsidies on chickens (-91% QoQ) and reduced revenue contribution in Vietnam, in which group's EBITDA margin dropped significantly by 2.6%-points to 10%.
- We remain positive on LHI premised on:
  - expectation of the group to continue gaining market share from smaller players exiting the business due to elevated operational costs,
  - (ii) gradual increase in revenue from an expansion in production capacities to supply more poultry to Indonesia and Philippines, and
  - (iii)better average EBITDA margin with an assumption of 10%-12% from feedmill segment due to easing of major raw material cost (corn and soybeans meal).
- The stock currently trades at a compelling FY24F PE of 6x, below its 3-year average of 11x.

Exhibit 1: RESULTS SUMMARY							
FYE Dec (RM mil)	1QFY23	4QFY23	1QFY24	QoQ (%)	YoY (%)		
Revenue	2,196.2	2,413.0	2,411.0	(0.1)	9.8		
EBITDA	152.4	303.4	240.6	(20.7)	57.9		
D&A	77.4	83.5	79.5	(4.8)	2.7		
EBIT	75.0	219.8	161.1	(26.7)	>100		
Operating profit	30.2	183.2	124.9	(31.8)	>100		
PBT	30.3	183.3	124.9	(31.8)	>100		
Tax	(13.3)	(38.5)	(30.0)	(22.2)	>100		
PAT	17.0	144.7	94.9	(34.4)	>100		
MI	5.2	(63.1)	(38.3)	(39.3)	(>100)		
Net profit	22.1	81.6	56.6	(30.7)	>100		
Core net profit	22.1	81.6	56.6	(30.7)	>100		
ED EDS (con)	0.61	2.24	1.55	(20.7)	>100		
FD EPS (sen)	0.00	0.00	1.20	(30.7)	>100		
Gross DPS (sen)	6.9	12.6	10.0	2 6nnt	2 Onnt		
EBITDA margin (%)	1.4	7.6	5.2	-2.6ppt	3.0ppt		
PBT margin (%)	-44.0			-2.4ppt	3.8ppt		
Effective tax rate (%)		-21.0	-24.0	-3.0ppt	20.0ppt		
Core net profit margin (%)	1.0	3.4	2.3	-1.0ppt	1.3ppt		
Livestock and poultry							
Revenue	1,199.4	1,263.7	1,315.8	4.1	9.7		
EBITDA	5.9	83.6	79.0	(5.6)	>100		
EBITDA margin (%)	0.5	6.6	6.0	-0.6ppt	5.5ppt		
Feedmill							
Revenue	993.5	1,146.0	1,092.3	(4.7)	9.9		
EBITDA	149.2	228.2	164.6	(27.9)	10.3		
EBITDA margin (%)	15.0	19.9	15.07	-4.8ppt	0.1ppt		
Geographical Revenue							
Malaysia	594.2	587.3	584.2	-0.5	-1.7		
Singapore	204.6	202.0	210.0	4.0	2.6		
Vietnam	486.9	534.5	471.7	-11.8	-3.1		
Indonesia	780.2	927.0	974.9	5.2	24.9		
Philippines	126.9	158.9	167.3	5.3	31.8		
Geographical EBITDA							
Malaysia	122.0	184.1	104.6	-43.2	-14.2		
Singapore	20.9	20.6	19.7	-4.1	-5.7		
Vietnam	24.0	43.7	29.9	-31.5	24.5		
Indonesia	-28.9	35.1	65.9	87.7	>100		
Philippines	14.4	19.9	20.4	2.4	41.9		
Source: Ambrocotment Bank Bhd							

Source: AmInvestment Bank Bhd

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**EXHIBIT 2: PB BAND CHART** 



**EXHIBIT 3: PE BAND CHART** 



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## **EXHIBIT 4: ESG MATRIX**

	Environmental assessment	Parameters	Weightage	Rating		Rationale			
1	Flock management	% of flocks managed in CHS	33%	*	*	*	*		99.2%, 1% decrease from 2021
2	Air, noise & water quality	on-site water treatment plans	33%	*	*	*			remove harmful chemical prior disopsal
3	Waste management	disposed in accordance with local laws and regulations	33%	*	*	*			cleaned and reused plastic container
	Weighted score for environmental assessment		100%	*	*				
	Social assessment								
1	Health, safety & well-being	Recorded injuries	25%	*	*	*			0 injury recorded
2	Women in workforce	% of total workforce	25%	*	*	*			27%
3	Investment in employee training	Hours	25%	*	*	*			188,523 hours
4	CSR programmes	No. of school bags donated	25%	*	*	*	*		5,900 units of school bags to support 17 elementary schools
	Weighted score for social assessment		100%	*	*	*			
	Governance assessment							1	
1	Board age diversity	% under 60 years old	20%	*	*	*			36%
2	Board women representation	% of total board directors	20%	*	*	*			27% representation
3	Directors with tenure below 6 years	% below 6 years category	20%	*	*	*	*		64%
4	Independent board directors	% of total board directors	20%	*	*	*			45.5% - independent non- exec
5	Remuneration to directors	% of total staff costs	20%	*	*	*	*		RM33.5mil - 5.2% of 2022 staff costs
	Weighted score for governance assessment		100%	*	*	*			
	Environmental score		40%	*	*	*			
	Social score		30%	*	*	*			
	Governance score		30%	*	*	*			
	Overall ESG Score		100%	*	*	*			

 $We \ accord \ a \ discount/premium \ of \ -6\%, \ -3\%, \ 0\%, \ +3\% \ and \ +6\% \ on \ fundamental \ fair \ value \ based \ on \ the \ overall \ ESG \ rating \ as \ appraised \ by \ us, \ from \ 1-star \ to \ 5-star.$ 

Source: AmInvestment Bank

Revenue 9,042.7 9,539.5 10,261.4 10,888.9 11 EBITIDA 765.3 1,043.4 873.1 884.2 Depreciation/Amortisation (301.2) (319.4) (297.3) (290.0) (Operating income (EBIT) 464.0 724.0 575.8 594.2 Other income & associates 0.4 0.3 0.4 0.4 Not interest (137.9) (169.6) (123.1) (143.3) (Exceptional items	EXHIB	SIT 5: FINA	ANCIAL DA	ATA		
EBITDA 765.3 1,043.4 873.1 884.2 Depreciation/Amortisation (301.2) (319.4) (297.3) (290.0) (0 pereinting income (EBIT) 464.0 724.0 575.8 594.2 0ther income & associates 0.4 0.3 0.4 0.4 Not higher the foliation of the common of	Income Statement (RM mil, YE 31 Dec)	FY22	FY23	FY24F	FY25F	FY26F
Depreciation/Amortisation   (301.2)   (319.4)   (297.3)   (290.0)   (00 perating income (EBIT)   (44.0)   (724.0)   (575.8)   (594.2)   (114.3)   (123.1)   (114.3)   (125.1)   (125.1)	Revenue	9,042.7	9,539.5	10,261.4	10,888.9	11,182.3
Depresidation/Amortisation   (301.2)   (319.4)   (297.3)   (290.0)   (0.297.3)   (290.0)   (0.297.3)   (290.0)   (0.297.3)   (290.0)   (0.297.3)   (290.0)   (0.297.3)   (290.0)   (0.297.3)   (290.0)   (0.297.3)   (290.0)   (0.297.3)   (290.0)   (0.297.3)   (290.0)   (0.297.3)   (123.1)   (114.3)   (123.1)   (123.	EBITDA	765.3	1.043.4	873.1	884.2	941.5
Derenting income (EBIT)   464.0   724.0   575.8   594.2     Dither income & associates   0.4   0.3   0.4   0.4     Vet interest   (137.9   (169.6   (123.1)   (114.3)     Vet profit   326.6   554.7   453.2   480.2     Vet auxiliary   (128.9   301.7   314.2   329.0     Vet profit   218.9   301.7   314.2   329.0     Vet profit   218.9   301.7   314.2   329.0     Vet profit   218.9   301.7   314.2   329.0     Vet auxiliary   (130.0   (128.1)   (130.0   (136.0)   (136.0)     Vet profit   218.9   301.7   314.2   329.0     Vet auxiliary   (128.9   301.7			,			(308.5)
Other income & associates         0.4         0.3         0.4         0.4           Vek interest         (137.9)         (169.6)         (123.1)         (114.3)         (Exceptional items         -		, ,	, ,	` ,	,	633.0
Vel. Interest	. ,					
Exceptional items						0.4
Pretax profit (axation (82.7) (124.9) (109.0) (115.3) (109.0) (115.3) (109.0) (115.3) (109.0) (115.3) (109.0) (115.3) (109.0) (115.3) (109.0) (115.3) (109.0) (115.3) (109.0) (115.3) (109.0) (115.3) (109.0) (115.3) (109.0) (115.3) (109.0) (115.3) (109.0) (115.3) (109.0) (109.0) (115.3) (109.0) (109.0) (115.3) (109.0)		(137.9)	(169.6)	(123.1)	(114.3)	(105.1)
Taxatation   (32.7)   (124.9)   (109.0)   (115.3)   (100)   (115.3)   (100)   (100)   (136.0)   (128.1)   (30.0)   (36.0)   (36.0)   (218.9)   301.7   314.2   329.0   (36.0)   (218.9)   301.7   314.2   329.0   (36.0)   (218.9)   301.7   314.2   329.0   (36.0)	Exceptional items	-	-	-	-	-
Withoritiss/pref dividends   (25.0)   (128.1)   (30.0)   (36.0)	Pretax profit	326.6	554.7	453.2	480.2	528.3
Wilnorities/pref dividends         (25.0)         (128.1)         (30.0)         (36.0)           Vete profit         218.9         301.7         314.2         329.0           Ozer en et profit         218.9         301.7         314.2         329.0           Balance Sheet (RM mil, YE 31 Dec)         FY22         FY23         FY24F         FY25F         I           Eixed assets         2,784.5         2,730.3         3,027.6         3,317.6         3           Tatal non-current assets         548.1         582.5         455.7         461.9           Other long-term assets         548.1         582.5         455.7         461.9           Cash & equivalent         840.3         3,415.3         3,585.7         3,882.0         4           Cash & equivalent         840.3         699.5         304.4         332.2         300.0         302.7         419.9           Clock         1,025.9         978.8         1,196.7         1,140.2         1         771.1         748.8         1,196.7         1,440.2         1         771.1         748.8         1,196.7         1,440.2         1         745.8         1         745.8         1,196.7         1,140.2         1         745.8         1	Taxation	(82.7)	(124.9)	(109.0)	(115.3)	(137.4)
Net profit   218.9   301.7   314.2   329.0	Minorities/pref dividends		(128 1)	, ,		(43.2)
Sealance Sheet (RM mil, YE 31 Dec)		٠,	, ,	, ,	٠,	347.8
Fixed assets   2,784.5   2,730.3   3,027.6   3,317.5   3,317.5	•					347.8
Fixed assets	Sore het prolit	210.9	301.7	314.2	329.0	347.0
Intangible assets	Balance Sheet (RM mil, YE 31 Dec)	FY22	FY23	FY24F	FY25F	FY26F
Description   Section	Fixed assets	2,784.5	2,730.3	3,027.6	3,317.6	3,626.1
Total non-current assets Cash & equivalent Saturation Stock 1,025,9 Fired edebtors 649,9 Fired edebtors 644,4 Fired edebtors 649,9 Fired edebtors 644,4 Fired edebtors 762,1 Fire	intangible assets	99.2	102.5	102.5	102.5	102.5
Total non-current assets Cash & equivalent Saturation Stock 1,025,9 Fired edebtors 649,9 Fired edebtors 644,4 Fired edebtors 649,9 Fired edebtors 644,4 Fired edebtors 762,1 Fire		548.1	582.5	455.7	461.9	468.3
Cash & equivalent    840.3   699.5   304.4   332.2     Stock						4,196.9
Stock		,	,	,	,	168.8
Trade debtors 649.9 729.4 777.1 745.8 Other current assets 644.4 703.6 762.1 768.2 Total current assets 3,160.4 3,111.3 3,040.3 2,986.5 2 Trade creditors 358.9 359.6 398.5 425.7 Short-term borrowings 1,986.3 1,587.3 1,619.1 1,431.8 1 Other current liabilities 317.9 411.3 322.5 338.7 Total current liabilities 2,663.1 2,358.2 2,340.1 2,196.1 2 (2,196.1 2) (2,196.1 2	•					
Other current assets         644.4         703.6         762.1         768.2           Total current assets         3,160.4         3,111.3         3,040.3         2,986.5         2           Trade creditors         358.9         359.6         398.5         425.7           Short-term borrowings         1,986.3         1,587.3         1,619.1         1,431.8         1           Other current liabilities         317.9         411.3         322.5         338.7           Total current liabilities         2,663.1         2,358.2         2,340.1         2,196.1         2           Long-term borrowings         1,046.4         870.8         914.3         960.0         1           Other long-term liabilities         293.1         342.5         190.3         202.0         1           Shareholders' funds         2,005.0         2,236.7         2,492.9         2,857.9         3           Minority interests         584.5         718.4         688.4         652.5           BV/share (RM)         0.5         0.6         0.7         0.8           Cash Flow (RM mil, YE 31 Dec)         FY22         FY23         FY24F         FY25F         I           Pretax profit         36.6         554.7		,		,	,	1,121.3
Total current assets   3,160.4   3,111.3   3,040.3   2,986.5   2						890.1
Trade creditors	Other current assets	644.4	703.6	762.1	768.2	775.9
Trade creditors 358.9 359.6 398.5 425.7 Short-term borrowings 1,986.3 1,587.3 1,619.1 1,431.8 1 Other current liabilities 317.9 411.3 322.5 338.7 Total current liabilities 2,663.1 2,356.2 2,340.1 2,196.1 2 (2,540.1 2,196.1 2) 2,196.1 2 (2,540.1 2,196.1 2) (2,540.1 2,196.1 2,196.1 2) (2,540.1 2,196.1 2,196.1 2) (2,540.1 2,196.1 2,196.1 2,196.1 2) (2,540.1 2,196.1 2,196.1 2,196.1 2) (2,540.1 2,196.1 2,196.1 2,196.1 2,196.1 2,196.1 2) (2,540.1 2,196	Total current assets	3,160.4	3,111.3	3,040.3	2,986.5	2,956.1
Short-term borrowings	Trade creditors		359.6			434.5
Other current liabilities         317.9         411.3         322.5         338.7           Total current liabilities         2,663.1         2,358.2         2,340.1         2,196.1         2           Long-term borrowings         1,046.4         870.8         914.3         960.0         1           Other long-term liabilities         293.1         342.5         190.3         202.0         1           Total long-term liabilities         1,339.5         1,213.2         1,104.6         1,162.0         1           Shareholders' funds         2,005.0         2,236.7         2,492.9         2,857.9         3           Minority interests         584.5         718.4         688.4         652.5         8           BV/share (RM)         0.5         0.6         0.7         0.8         0.8         652.5         8           BV/share (RM)         0.5         0.6         0.7         0.8         6         554.7         453.2         480.2         2         2         2         3         226.7         115.0         0         0.0         0         0         0         0         0         0         0         0         0         0         0         0         0         0						1.293.8
Total current liabilities	ŭ	,	,	,	,	,
Depreciation/Amortisation   Cash Flow (RM mil, YE 31 Dec)   FY22   FY23   FY24F   FY25F   FY						355.6
Other long-term liabilities         293.1         342.5         190.3         202.0           Total long-term liabilities         1,339.5         1,213.2         1,104.6         1,162.0         1           Shareholders' funds         2,005.0         2,236.7         2,492.9         2,857.9         3           Minority interests         584.5         718.4         688.4         652.5         60.7         0.8           Cash Flow (RM mil, YE 31 Dec)         FY22         FY23         FY24F         FY25F         I           Pretax profit         326.6         554.7         453.2         480.2         20.0		•	•			2,083.9
Total long-term liabilities	Long-term borrowings	1,046.4	870.8	914.3	960.0	1,008.0
Shareholders' funds   2,005.0   2,236.7   2,492.9   2,857.9   3	Other long-term liabilities	293.1	342.5	190.3	202.0	203.0
Shareholders' funds   2,005.0   2,236.7   2,492.9   2,857.9   3	Total long-term liabilities	1.339.5	1.213.2	1.104.6	1.162.0	1,211.0
Minority interests		•		,	,	3,248.8
Pretax profit   326.6   554.7   453.2   480.2		•				
Cash Flow (RM mil, YE 31 Dec)         FY22         FY23         FY24F         FY25F         I           Pretax profit         326.6         554.7         453.2         480.2         290.0						609.3 0.9
Depreciation/Amortisation 301.2 319.4 297.3 290.0 Delet change in working capital 58.2 20.3 -226.7 115.0 Delet change in working capital 51.3 98.7 14.1 -0.9 Cash flow from operations 620.9 993.1 537.9 884.3 Capital expenditure -291.1 -227.0 -200.0 -200.0 Delet investments & sale of fixed assets		FY22	FY23	FY24F	FY25F	FY26F
Depreciation/Amortisation   301.2   319.4   297.3   290.0     Net change in working capital   -58.2   20.3   -226.7   115.0     Others   51.3   98.7   14.1   -0.9     Cash flow from operations   620.9   993.1   537.9   884.3     Capital expenditure   -291.1   -227.0   -200.0   -200.0     Net investments & sale of fixed assets   -             Others   13.5   62.5   0.0   0.0     Cash flow from investing   -277.6   -164.5   -200.0   -200.0     Debt raised/(repaid)   -                     Dividends paid   0.0   -77.0   -88.0   -92.1     Others   -65.0   -353.4   -299.0   -298.6     Cash flow from financing   -362.1   -773.0   -661.1   -656.5     Net cash flow   -18.8   55.6   -323.2   27.9     Net cash/(debt) b/f   575.1   556.1   627.5   304.4     Net cash/(debt) c/f   556.1   627.5   304.4   332.2      Key Ratios (YE 31 Dec)   FY22   FY23   FY24F   FY25F   FY25F     Revenue growth (%)   26.4   5.5   7.6   6.1     EBITDA growth (%)   26.4   5.5   7.6   6.1     EBITDA growth (%)   26.4   5.5   7.6   6.1     EBITDA growth (%)   24.8   36.3   (16.3)   1.3     Pretax margin (%)   3.6   5.8   4.4   4.4     Net profit margin (%)   3.4   4.3   4.7   5.2     Effective tax rate (%)   25.3   22.5   24.1   24.0     Dividend payout (%)   -   28.0   28.0     Debtors turnover (days)   26   28   28   25	Pretax profit	326.6	554 7	453.2	480.2	528.3
Net change in working capital Others						308.5
Others         51.3         98.7         14.1         -0.9           Cash flow from operations         620.9         993.1         537.9         884.3           Capital expenditure         -291.1         -227.0         -200.0         -200.0           Net investments & sale of fixed assets         -         -         -         -           Others         13.5         62.5         0.0         0.0           Cash flow from investing         -277.6         -164.5         -200.0         -200.0           Debt raised/(repaid)         -297.1         -496.6         -450.0         -450.0           Equity raised/(repaid)         -         -         -         -           Dividends paid         0.0         -77.0         -88.0         -92.1           Others         -65.0         -353.4         -299.0         -298.6           Cash flow from financing         -362.1         -773.0         -661.1         -656.5           Net cash flow         -18.8         55.6         -323.2         27.9           Net cash/(debt) b/f         575.1         556.1         627.5         304.4           Net cash/(debt) c/f         556.1         627.5         304.4         332.2	•					
Cash flow from operations         620.9         993.1         537.9         884.3           Capital expenditure         -291.1         -227.0         -200.0         -200.0           Net investments & sale of fixed assets         -         -         -         -           Others         13.5         62.5         0.0         0.0           Cash flow from investing         -277.6         -164.5         -200.0         -200.0           Debt raised/(repaid)         -297.1         -496.6         -450.0         -450.0           Equity raised/(repaid)         -         -         -         -         -           Dividends paid         0.0         -77.0         -88.0         -92.1         -92.1         -92.1         -92.1         -98.6         -299.0         -298.6         -228.6         -233.4         -299.0         -298.6         -236.1         -773.0         -661.1         -656.5         -661.1         -656.5         -861.1         -656.5         -323.2         27.9         -279.1         -661.1         -656.5         -304.4         -332.2         27.9         -279.1         -279.1         -279.1         -279.1         -279.1         -279.1         -279.1         -279.1         -279.1         -279.1	0 .					-116.5
Capital expenditure -291.1 -227.0 -200.0 -200.0 Net investments & sale of fixed assets	Others	51.3	98.7	14.1	-0.9	-32.2
Net investments & sale of fixed assets  Others  13.5 62.5 0.0 0.0 Cash flow from investing -277.6 -164.5 -200.0 -200.0 Debt raised/(repaid) -297.1 -496.6 -450.0 -450.0 Equity raised/(repaid)	Cash flow from operations	620.9	993.1	537.9	884.3	688.1
Net investments & sale of fixed assets  Others  13.5 62.5 0.0 0.0 Cash flow from investing -277.6 -164.5 -200.0 -200.0 Debt raised/(repaid) -297.1 -496.6 -450.0 -450.0 Equity raised/(repaid)		-291.1	-227.0	-200.0	-200.0	-199.0
Others       13.5       62.5       0.0       0.0         Cash flow from investing       -277.6       -164.5       -200.0       -200.0         Debt raised/(repaid)       -297.1       -496.6       -450.0       -450.0         Equity raised/(repaid)       -       -       -       -         Dividends paid       0.0       -77.0       -88.0       -92.1         Others       -65.0       -353.4       -299.0       -298.6         Cash flow from financing       -362.1       -773.0       -661.1       -656.5         Net cash flow       -18.8       55.6       -323.2       27.9         Net cash/(debt) b/f       575.1       556.1       627.5       304.4         Net cash/(debt) c/f       556.1       627.5       304.4       332.2         Key Ratios (YE 31 Dec)       FY22       FY23       FY24F       FY25F       I         Revenue growth (%)       26.4       5.5       7.6       6.1       6.1       EBITDA growth (%)       42.8       36.3       (16.3)       1.3       1.3       1.3       1.3       1.3       1.3       1.3       1.3       1.3       1.3       1.3       1.3       1.3       1.3       1.3       1.		-				-
Cash flow from investing         -277.6         -164.5         -200.0         -200.0           Debt raised/(repaid)         -297.1         -496.6         -450.0         -450.0           Equity raised/(repaid)         -         -         -         -           Dividends paid         0.0         -77.0         -88.0         -92.1           Others         -65.0         -353.4         -299.0         -298.6           Cash flow from financing         -362.1         -773.0         -661.1         -656.5           Net cash flow         -18.8         55.6         -323.2         27.9           Net cash/(debt) b/f         575.1         556.1         627.5         304.4           Net cash/(debt) c/f         556.1         627.5         304.4         332.2           Key Ratios (YE 31 Dec)         FY22         FY23         FY24F         FY25F         I           Revenue growth (%)         26.4         5.5         7.6         6.1           EBITDA growth (%)         42.8         36.3         (16.3)         1.3           Pretax margin (%)         3.6         5.8         4.4         4.4           Net profit margin (%)         2.4         3.2         3.1         3.0     <		13.5	62.5	0.0	0.0	0.0
Debt raised/(repaid)  Equity raised/(repaid)  -297.1 -496.6 -450.0 -450.0  Equity raised/(repaid)						-199.0
Equity raised/(repaid)  Dividends paid  0.0 -77.0 -88.0 -92.1  Others  -65.0 -353.4 -299.0 -298.6  Cash flow from financing  -362.1 -773.0 -661.1 -656.5  Net cash flow  -18.8 55.6 -323.2 27.9  Net cash/(debt) b/f  575.1 556.1 627.5 304.4  Net cash/(debt) c/f  556.1 627.5 304.4 332.2  Key Ratios (YE 31 Dec)  FY22 FY23 FY24F FY25F I  Revenue growth (%)  26.4 5.5 7.6 6.1  EBITDA growth (%)  42.8 36.3 (16.3) 1.3  Pretax margin (%)  3.6 5.8 4.4 4.4  Net profit margin (%)  2.4 3.2 3.1 3.0  Interest cover (x)  3.4 4.3 4.7 5.2  Effective tax rate (%)  Dividend payout (%)  - 28.0 28.0  Debtors turnover (days)  26 28 28 25						-450.0
Dividends paid       0.0       -77.0       -88.0       -92.1         Others       -65.0       -353.4       -299.0       -298.6         Cash flow from financing       -362.1       -773.0       -661.1       -656.5         Net cash flow       -18.8       55.6       -323.2       27.9         Net cash/(debt) b/f       575.1       556.1       627.5       304.4         Net cash/(debt) c/f       556.1       627.5       304.4       332.2         Key Ratios (YE 31 Dec)       FY22       FY23       FY24F       FY25F       I         Revenue growth (%)       26.4       5.5       7.6       6.1       6.1       EBITDA growth (%)       42.8       36.3       (16.3)       1.3       1.3       Pretax margin (%)       3.6       5.8       4.4       4.4       4.4       Net profit margin (%)       2.4       3.2       3.1       3.0       Interest cover (x)       3.4       4.3       4.7       5.2       Effective tax rate (%)       25.3       22.5       24.1       24.0       24.0       20.0       28.0       28.0       28.0       28.0       28.0       28.0       28.0       28.0       28.0       28.0       28.0       28.0       28.0       28.0		-231.1	-430.0	-430.0	-430.0	-430.0
Others       -65.0       -353.4       -299.0       -298.6         Cash flow from financing       -362.1       -773.0       -661.1       -656.5         Net cash flow       -18.8       55.6       -323.2       27.9         Net cash/(debt) b/f       575.1       556.1       627.5       304.4         Net cash/(debt) c/f       556.1       627.5       304.4       332.2         Key Ratios (YE 31 Dec)       FY22       FY23       FY24F       FY25F       I         Revenue growth (%)       26.4       5.5       7.6       6.1       6.1       EBITDA growth (%)       42.8       36.3       (16.3)       1.3       1.3       Pretax margin (%)       3.6       5.8       4.4       4.4       4.4       Net profit margin (%)       2.4       3.2       3.1       3.0       Interest cover (x)       3.4       4.3       4.7       5.2       Effective tax rate (%)       25.3       22.5       24.1       24.0       Dividend payout (%)       -       -       28.0       28.0       28.0       Debtors turnover (days)       26       28       28       25					<del>-</del>	
Cash flow from financing         -362.1         -773.0         -661.1         -656.5           Net cash flow         -18.8         55.6         -323.2         27.9           Net cash/(debt) b/f         575.1         556.1         627.5         304.4           Net cash/(debt) c/f         556.1         627.5         304.4         332.2           Key Ratios (YE 31 Dec)         FY22         FY23         FY24F         FY25F         I           Revenue growth (%)         26.4         5.5         7.6         6.1         6.1         EBITDA growth (%)         42.8         36.3         (16.3)         1.3         1.3         Pretax margin (%)         3.6         5.8         4.4         4.4         4.4         Net profit margin (%)         2.4         3.2         3.1         3.0         Interest cover (x)         3.4         4.3         4.7         5.2         Effective tax rate (%)         25.3         22.5         24.1         24.0         Dividend payout (%)         -         -         28.0         28.0         28.0         Debtors turnover (days)         26         28         28         25	Dividends paid	0.0	-77.0	-88.0	-92.1	-97.4
Net cash flow         -18.8         55.6         -323.2         27.9           Net cash/(debt) b/f         575.1         556.1         627.5         304.4           Net cash/(debt) c/f         556.1         627.5         304.4         332.2           Key Ratios (YE 31 Dec)         FY22         FY23         FY24F         FY25F         F           Revenue growth (%)         26.4         5.5         7.6         6.1           EBITDA growth (%)         42.8         36.3         (16.3)         1.3           Pretax margin (%)         3.6         5.8         4.4         4.4           Net profit margin (%)         2.4         3.2         3.1         3.0           Interest cover (x)         3.4         4.3         4.7         5.2           Effective tax rate (%)         25.3         22.5         24.1         24.0           Dividend payout (%)         -         -         28.0         28.0           Debtors turnover (days)         26         28         28         25	Others	-65.0	-353.4	-299.0	-298.6	-299.9
Net cash flow         -18.8         55.6         -323.2         27.9           Net cash/(debt) b/f         575.1         556.1         627.5         304.4           Net cash/(debt) c/f         556.1         627.5         304.4         332.2           Key Ratios (YE 31 Dec)         FY22         FY23         FY24F         FY25F         F           Revenue growth (%)         26.4         5.5         7.6         6.1           EBITDA growth (%)         42.8         36.3         (16.3)         1.3           Pretax margin (%)         3.6         5.8         4.4         4.4           Net profit margin (%)         2.4         3.2         3.1         3.0           Interest cover (x)         3.4         4.3         4.7         5.2           Effective tax rate (%)         25.3         22.5         24.1         24.0           Dividend payout (%)         -         -         28.0         28.0           Debtors turnover (days)         26         28         28         25	Cash flow from financing	-362.1	-773.0	-661.1	-656.5	-652.5
Net cash/(debt) b/f         575.1         556.1         627.5         304.4           Net cash/(debt) c/f         556.1         627.5         304.4         332.2           Key Ratios (YE 31 Dec)         FY22         FY23         FY24F         FY25F         I           Revenue growth (%)         26.4         5.5         7.6         6.1           EBITDA growth (%)         42.8         36.3         (16.3)         1.3           Pretax margin (%)         3.6         5.8         4.4         4.4           Net profit margin (%)         2.4         3.2         3.1         3.0           Interest cover (x)         3.4         4.3         4.7         5.2           Effective tax rate (%)         25.3         22.5         24.1         24.0           Dividend payout (%)         -         -         28.0         28.0           Debtors turnover (days)         26         28         28         25						-163.4
Net cash/(debt) c/f         556.1         627.5         304.4         332.2           Key Ratios (YE 31 Dec)         FY22         FY23         FY24F         FY25F         I           Revenue growth (%)         26.4         5.5         7.6         6.1           EBITDA growth (%)         42.8         36.3         (16.3)         1.3           Pretax margin (%)         3.6         5.8         4.4         4.4           Net profit margin (%)         2.4         3.2         3.1         3.0           Interest cover (x)         3.4         4.3         4.7         5.2           Effective tax rate (%)         25.3         22.5         24.1         24.0           Dividend payout (%)         -         -         28.0         28.0           Debtors turnover (days)         26         28         28         25						332.2
Revenue growth (%) 26.4 5.5 7.6 6.1 EBITDA growth (%) 42.8 36.3 (16.3) 1.3 Pretax margin (%) 3.6 5.8 4.4 4.4 Net profit margin (%) 2.4 3.2 3.1 3.0 Interest cover (x) 3.4 4.3 4.7 5.2 Effective tax rate (%) 25.3 22.5 24.1 24.0 Dividend payout (%) - 28.0 28.0 Debtors turnover (days) 26 28 28 25						168.8
EBITDA growth (%) 42.8 36.3 (16.3) 1.3 Pretax margin (%) 3.6 5.8 4.4 4.4 let profit margin (%) 2.4 3.2 3.1 3.0 Interest cover (x) 3.4 4.3 4.7 5.2 Effective tax rate (%) 25.3 22.5 24.1 24.0 Dividend payout (%) - 28.0 28.0 Debtors turnover (days) 26 28 28 25	Key Ratios (YE 31 Dec)	FY22	FY23	FY24F	FY25F	FY26F
EBITDA growth (%) 42.8 36.3 (16.3) 1.3  Pretax margin (%) 3.6 5.8 4.4 4.4  Net profit margin (%) 2.4 3.2 3.1 3.0  Interest cover (x) 3.4 4.3 4.7 5.2  Effective tax rate (%) 25.3 22.5 24.1 24.0  Dividend payout (%) - 28.0 28.0  Debtors turnover (days) 26 28 28 25	Payanua growth (%)	26.4	5.5	7.6	6.1	2.7
Pretax margin (%)       3.6       5.8       4.4       4.4         Net profit margin (%)       2.4       3.2       3.1       3.0         Interest cover (x)       3.4       4.3       4.7       5.2         Effective tax rate (%)       25.3       22.5       24.1       24.0         Dividend payout (%)       -       -       28.0       28.0         Debtors turnover (days)       26       28       28       25	• ,					
Net profit margin (%)     2.4     3.2     3.1     3.0       Interest cover (x)     3.4     4.3     4.7     5.2       Effective tax rate (%)     25.3     22.5     24.1     24.0       Dividend payout (%)     -     -     28.0     28.0       Debtors turnover (days)     26     28     28     25	. ,			, ,		6.5
Interest cover (x)     3.4     4.3     4.7     5.2       Effective tax rate (%)     25.3     22.5     24.1     24.0       Dividend payout (%)     -     -     28.0     28.0       Debtors turnover (days)     26     28     28     25						4.7
Interest cover (x)     3.4     4.3     4.7     5.2       Effective tax rate (%)     25.3     22.5     24.1     24.0       Dividend payout (%)     -     -     28.0     28.0       Debtors turnover (days)     26     28     28     25	Net profit margin (%)	2.4	3.2	3.1	3.0	3.1
Effective tax rate (%)       25.3       22.5       24.1       24.0         Dividend payout (%)       -       -       28.0       28.0         Debtors turnover (days)       26       28       28       25		3.4	4.3	4.7	5.2	6.0
Dividend payout (%) 28.0 28.0  Debtors turnover (days) 26 28 28 25	* /					26.0
Debtors turnover (days) 26 28 25		20.0	22.0			
	Dividenti payout (70)	-	-			28.0
						29
\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	Stock turnover (days)	40	38	39	39	37
Creditors turnover (days) 13 14 13 14	Creditors turnover (days)	13	14	13	14	14

SOURCE: COMPANY, AMINVESTMENT BANK BHD ESTIMATES

Leong Hup International 31 May 2024

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