

Malaysia

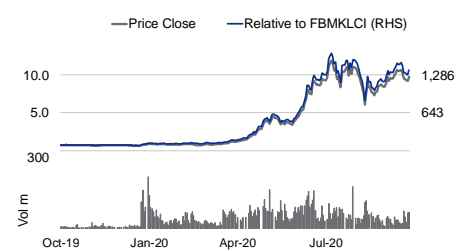
ADD (no change)

Consensus ratings*: Buy 11 Hold 0 Sell 0

Current price:	RM9.78
Target price:	RM13.20
Previous target:	RM13.20
Up/downside:	35.0%
CGS-CIMB / Consensus:	4.5%
Reuters:	SUPM.KL
Bloomberg:	SUCB MK
Market cap:	US\$6,028m RM25,122m
Average daily turnover:	US\$112.1m RM467.8m
Current shares o/s:	2,721m
Free float:	62.5%
*Source: Bloomberg	

Key changes in this note

No change.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	13.9	12.2	1223.4
Relative (%)	14.5	17.9	1227.8

Major shareholders

	% held
Dato' Seri Thai Kim Sim, Stanley	20.7
Datin Seri Tan Bee Geok, Cheryl	15.3
Amanah Saham Nasional	1.5

Analyst(s)

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Supermax Corp

1QFY21: Achieves another historical high

- We deem 1QFY6/21 net profit of RM789.5m in line with our expectations (24.4% of our full-year forecast) but above Bloomberg consensus (40.7%).
- SUCB announced plans to pursue a listing on the Singapore stock exchange. No further details were provided as plans are still in the initial stages.
- Reiterate Add with an unchanged TP of RM13.20 (18.3x CY22F P/E).

1QFY21: Benefitted from higher ASPs and increase in sales volume

1QFY6/21 revenue grew to RM1.4bn (>100% yoy), thanks to increases in both sales volume and average selling prices (ASPs). This also led to a rise in 1QFY6/21 EBITDA margin by 77.9% pts yoy (+64.8% yoy), further aided by higher operating efficiencies and better economies of scale. Thus, 1QFY21 net profit rose to RM789.5m (>100% yoy), aided by lower interest cost (-42.4% yoy) and higher associate profits (>100% yoy).

Better qoq results despite increase in raw material prices

On a qoq basis, 1QFY21 revenue and core net profit rose 45.6% and 97.6%, respectively. This was driven by: i) higher glove sales, mainly from the full commissioning of Block A of Plant 12 (+2.2bn pieces p.a.), ii) a rise in ASPs, and iii) better economies of scale. Note that the 1QFY21 results also captured certain shipment and delivery orders (estimated at RM120m) that were delayed from 4QFY20. Despite higher raw material prices incurred in the quarter, 1QFY21 EBITDA margin still rose 18.8% pts qoq to 77.9%.

Setting the stage for better qoq results in upcoming quarters

With the robust global glove demand, Supermax Corp (SUCB) said its current order book visibility has now been extended to end-CY21F (1HFY6/22F). In addition, its customers have been willing to pay higher ASPs and deposits of 30-50% to secure their supply of gloves. We view this positively as we expect these factors to drive stronger qoq earnings for SUCB in the coming quarters.

Planned glove production plants in UK and US

SUCB announced plans to set up two glove production plants overseas, one in UK and another in the US. In the UK, SUCB has allocated £50m for the construction of a glove plant (2.4bn pieces p.a.). As for the US, SUCB has earmarked US\$550m for a glove plant to be completed in two phases (Phase 1: US\$300m; Phase 2: US\$250m). We understand construction for both plants is slated to begin in 1H2021 (2HFY21F), with the commissioning of new lines beginning in stages from 1H2022 (2HFY22F). We have yet to capture any contributions from these plants in our FY21-23F EPS estimates.

Reiterate Add with a TP of RM13.20 (18.3x CY22F P/E)

As we deem 1QFY6/21 results in line, we make no changes to our EPS, Add call, and TP, which is pegged to a conservative 18.3x CY22F P/E (+0.5 s.d of its 5-year mean), as we expect ASPs to peak in CY21F. Nevertheless, we advocate investors take a position in SUCB for its: i) stronger earnings prospects from current solid global glove demand, and ii) proven OBM business model, which garners better margins vs. its peers.

Financial Summary

	Jun-19A	Jun-20A	Jun-21F	Jun-22F	Jun-23F
Revenue (RMm)	1,538	2,132	6,601	5,856	5,216
Operating EBITDA (RMm)	230	764	4,472	3,204	2,272
Net Profit (RMm)	123	526	3,231	2,286	1,598
Core EPS (RM)	0.04	0.19	1.19	0.84	0.59
Core EPS Growth	9%	351%	515%	(29%)	(30%)
FD Core P/E (x)	228.2	50.6	8.2	11.6	16.6
DPS (RM)	0.02	0.08	0.47	0.34	0.24
Dividend Yield	0.18%	0.79%	4.86%	3.44%	2.40%
EV/EBITDA (x)	115.6	33.5	5.5	7.3	10.0
P/FCFE (x)	389.9	25.5	10.9	13.3	20.1
Net Gearing	19.4%	(53.0%)	(53.4%)	(60.3%)	(61.9%)
P/BV (x)	23.61	16.77	7.34	5.32	4.47
ROE	11%	39%	124%	53%	29%
CGS-CIMB/Consensus EPS (x)			1.58	1.64	1.43

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

1QFY21: Achieves another historical high

Figure 1: Results comparison

FYE Jun	1Q	1Q	yoy %	4Q	qoq %	Prev.	Comments
(RM m)	FY21	FY20	chg	FY20	chg	FY21F	
Revenue	1,352.5	369.9	265.6	929.1	45.6	6,601	Mainly driven by higher ASPs and increase in sales volume
Operating costs	(299.4)	(321.6)	(6.9)	(380.8)	(21.4)	(2,130)	
EBITDA	1,053.1	48.4	2,077.4	548.4	92.0	4,471.5	
EBITDA margin (%)	77.9	13.1	64.8	59.0	18.8	67.7	1QFY21: Margin expansion from higher ASPs, better operating efficiencies and higher economies of scale.
Depn & amort.	(14.0)	(12.5)	12.0	(37.6)	23.5	(87.1)	
EBIT	1,039.0	35.8	2,800.5	510.8	528.3	4,384.4	
Interest expense	(2.4)	(4.2)	(42.4)	(4.8)	(49.5)	(10.5)	Net cash stand at RM2bn as at end-1QFY21, including prepayment received from customers
Interest & invt inc	-	-	-	-	-	34.0	
Associates' contrib	12.6	0.8	(>100)	13.0	(3.2)	45.0	Higher contribution from associate companies (part of distribution business)
Exceptionals	-	-	-	-	-	-	
Pretax profit	1,049	32.4	3,134.1	519.0	503.9	4,452.9	
Tax	(236.8)	(7.5)	3,063.9	(110.7)	113.8	(1,202)	
Tax rate (%)	22.6	23.1	(0.5)	21.3	1.2	27.0	Lower tax rate in tandem with improved profitability of overseas subsidiaries
Minority interests	(23.0)	(0.2)	10,684	(9)	165.5	(20.0)	
Net profit	789.5	24.7	3,090.4	399.6	97.6	3,230.6	We deem to be in-line with our (24.4%) but above Bloomberg consensus (40.7%)
Core net profit	789.5	24.7	3,090.4	399.6	97.6	3,230.6	
EPS (sen)	58.1	1.8	3,090.4	29.4	97.6	19.3	
Core EPS (sen)	58.1	1.8	3,090.4	29.4	97.6	19.3	Based on 2720.6m total outstanding shares

SOURCES: CGS-CIMB, COMPANY REPORTS

Expanding manufacturing wings to US and UK ➤

SUCB has announced plans to construct two manufacturing plants overseas, one each in the US and UK, with the intention of being physically closer to some of its customers. We understand that the capacity from both plants will be mainly used to cater to purchases from government-related organisations in those countries. We understand that both the US and UK governments have been encouraging investors to manufacture PPE, including gloves, domestically, as both governments aim to reduce their reliance on imports of PPE and be self-sufficient domestically. SUCB aims to commence construction of both plants in 1H 2021, so as to be able to gradually commission both plants starting in 2H 2022. At this juncture, we have yet to account for the impact of these plants on our FY21-23F EPS estimates, pending further details on the plan.

1. Glove plant in UK

SUCB plans to build a small glove plant in the UK, with a capex of £50m (RM271m). We gather that SUCB plans to build this plant on a piece of land it owns in the UK. The plant will have an estimated annual production capacity of 2.4bn pieces p.a. As SUCB currently supplies up to 60% of UK NHS's glove supply, SUCB is confident that it will be able to capture a larger market share with a plant located within the country, as well as to export gloves to countries in close vicinity to UK.

2. Glove plant in USA

As US is the largest glove purchasing country globally (SUCB estimates that US imported 120bn gloves in 2019 and has a 10-15% growth rate annually), SUCB believes that it would be beneficial to build a plant there. For this venture, it has earmarked a capex of US\$550m (RM2.3bn) for the plant, which will be developed in two phases (Phase 1: US\$300m and Phase 2: US\$250m). SUCB stated that there are currently only two glove plants in the US, one owned by a Japanese company and one by a Korean company.

At this juncture, we understand that SUCB has yet to finalise plans (i.e. capacity, timeline etc.) for this US glove plant, and it is currently in the midst of identifying a

suitable piece of land (50-100 acres). In the long term, SUCB aims to have sufficient production capacity in the US to supply up to 10% (12bn pieces p.a.) of US's glove imports.

Exploring a potential listing in SGX ►

In a Bursa announcement, SUCB stated its intentions to pursue a proposed listing on the Singapore Exchange (SGX). This is with the intention to: i) raise funds for future business expansion, ii) widen its shareholder base, and iii) improve visibility of the company to more foreign funds. We understand that SUCB is looking to appoint an investment bank (IB) for this exercise, with the target of completion for this exercise in six months. We understand that SUCB intends to provide further details on this potential listing upon the official appointment of the IB.

At this juncture, we remain neutral on this announcement pending further key details, such as whether this is a secondary or a primary listing.

Other briefing highlights ►

We have summarised the other highlights of the SUCB 1QFY3/21 briefing below:

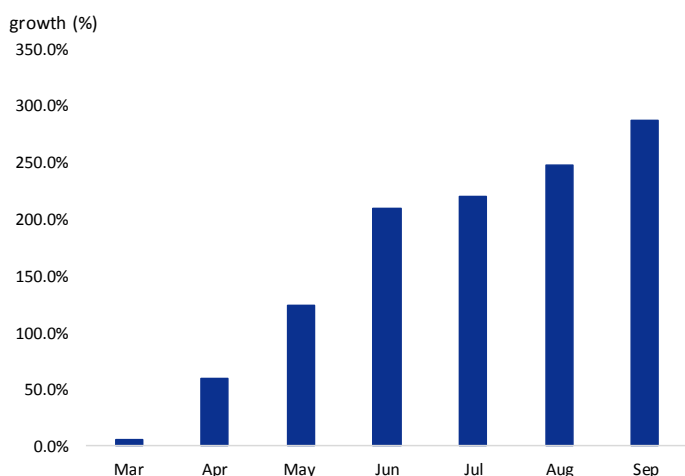
- Due to timing issues and delays, SUCB was not able to capture/recognise orders worth RM224m in this quarter. Nevertheless, we understand that these orders will be captured in the following quarter (2QFY21).
- SUCB expects glove ASPs to continue to increase in the upcoming quarters, driven by an increase in ASPs of latex gloves. This is given that more buyers are purchasing latex gloves due to insufficient nitrile glove supply.
- SUCB continues to remain in an oversold position, with demand of medical gloves and other PPEs expected to remain robust for the next 1.5 to 2 years.
- SUCB's customers continue to be willing to pay deposits of 30-50% to secure their glove supply, especially large-scale buyers (including government agencies).
- SUCB continues to benefit from its business model, where it distributes its OBM products via in-house distribution centres and independent distributors. This allows it to capture two streams of income, both manufacturing and distribution.
- SUCB has already begun to distributing its made-in-Canada face masks in Canada. We understand that SUCB is able to produce 8m face masks a month, but has received orders for up to 10m pieces per month. As a result, SUCB plans to install more mask production machines in its Canada production facility.
- In terms of raw material supply, SUCB highlighted that there is currently a shortage of nitrile butadiene (NBR) supply in the market, leading to a sharp rise in NBR prices. This is given the strong demand from rubber glove makers as well as a lack of expansion of supply in recent years.
- We gather that SUCB expects this situation to persist up to end-2021, which coincides with expectations of new supply of NBR coming on-stream in the global market.
- Going forward, SUCB expect sales of latex powder-free gloves to increase, due to insufficient supply of NBR in the market.
- Currently, OEM orders only make up 2% of SUCB's 1QFY21 sales volume (vs. 30% pre-Covid-19). This is given that most of its OEM customers are willing to purchase SUCB's OBM products, given the shortage of glove supply in the market.
- Despite the conditional movement control order in Klang (where SUCB's new glove plants are located), we understand that SUCB does not expect any delays in its expansion plans as the construction of the new glove plants is still ongoing.

Rerating catalysts and downside risks ►

Potential rerating catalysts include better-than-expected demand for gloves and higher-than-expected increase in selling prices.

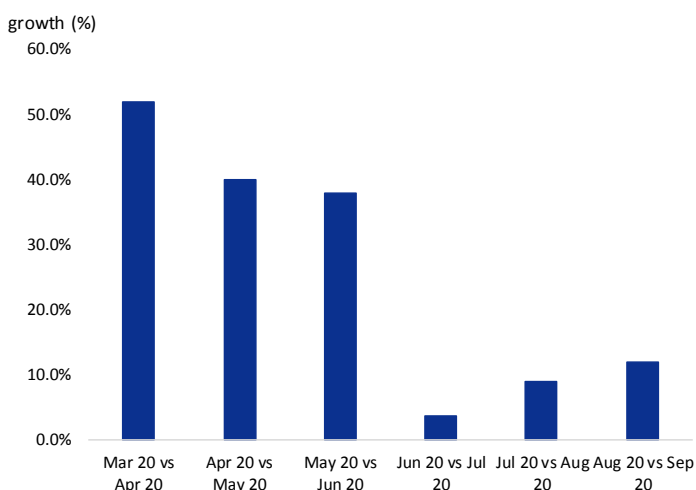
Downside risks: discovery of a cure/vaccine for Covid-19, stiff pricing competition, and a spike in raw material prices.

Figure 2: Changes in manufacturing ASPs – pre-Covid-19 (Feb 20) vs. Covid-19 outbreak period (Mar-Jul-20)



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 3: Changes in manufacturing ASPs mom in CY20



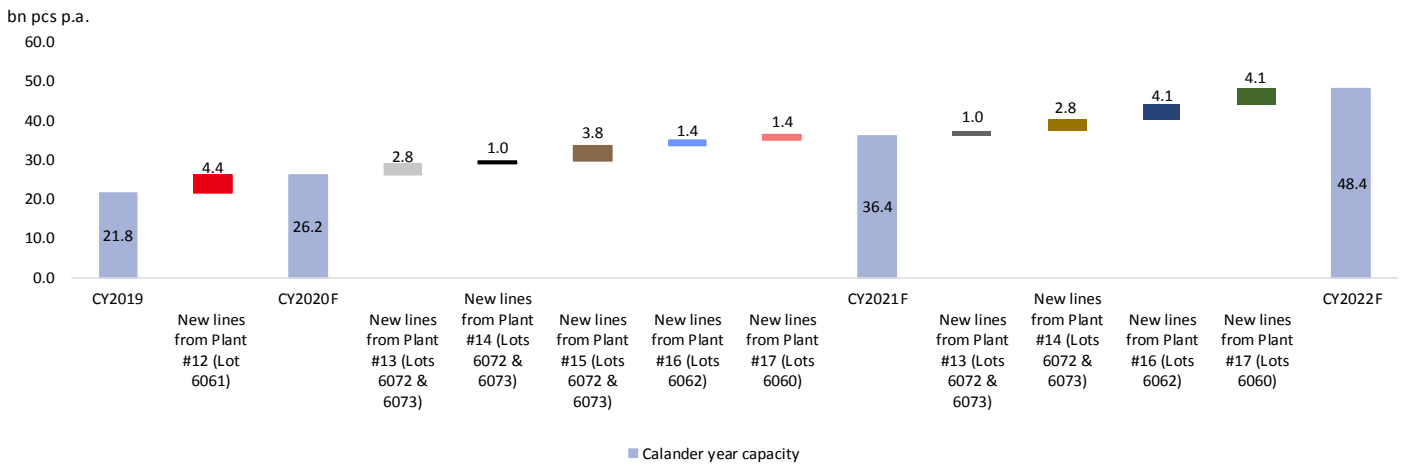
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 4: Capital expenditure of new capacity expansion

New Capacity Expansion	Capex (RM m)	Target Completion Date (Calendar Year)
Plant #12 (Lot 6061)		
- Block B (production machineries only)	65	100%(2020)
Plant #13 (Lots 6072 & 6073)	230	75% (2021) 25% (2022)
Plant #14 (Lots 6072 & 6073)	230	25% (2021) 75% (2022)
Plant #15 (Lot 6062)	250	100% (2021)
Plant #16 & #17 (Lot 6062 & #6060)	520	25% (2021) 75% (2022)
Total Capex (2020-2022F)	1,295	by end-2022F

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 5: New capacity expansion plan



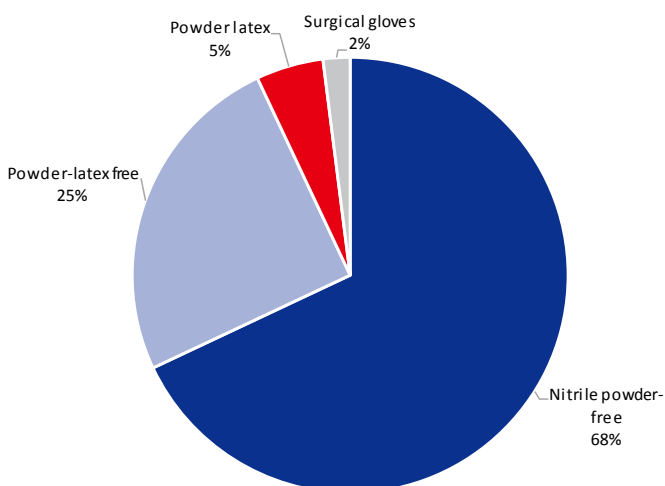
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 6: New capacity expansion plan

	Annual capacity as at 31.12.2018 (Million pcs/line)	New expansion (Million pcs/line)	Annual capacity as at 31.12.2020 (Million pcs/line)	New expansion (Million pcs/line)	Annual capacity as at 31.12.2021 (Million pcs/line)	New expansion (Million pcs/line)	Annual capacity as at 31.12.2022 (Million pcs/line)
Supermax's capacity	21.8bn (174)*		26.2bn (206)		36.4bn (286)		48.4bn (376)
Additional capacity from:							
New lines from Plant #12 (Lot 6061)		4.4bn (32)					
New lines from Plant #13 (Lots 6072 & 6073)				2.8bn (22)		1.0bn (8)	
New lines from Plant #14 (Lots 6072 & 6073)				1.0bn (8)		2.8bn (22)	
New lines from Plant #15 (Lots 6072 & 6073)				3.7bn (30)			
New lines from Plant #16 (Lots 6062)				1.3bn (10)		4.1bn (30)	
New lines from Plant #17 (Lots 6060)				1.3bn (10)		4.1bn (30)	
Total	21,8bn (174)*	4.4bn (32)	26.2bn (206)	10.2bn (80)	36.4bn (286)	12.0bn (90)	48.4bn (376)

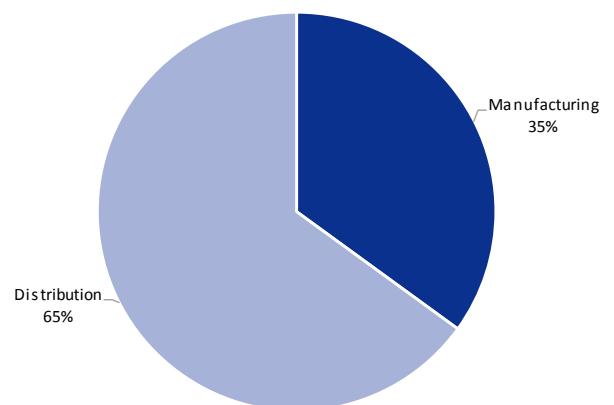
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 7: Product mix by revenue for 1QFY6/21

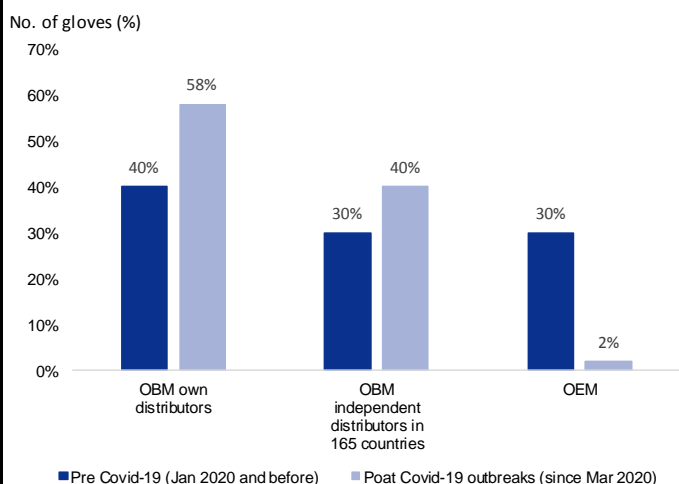


SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

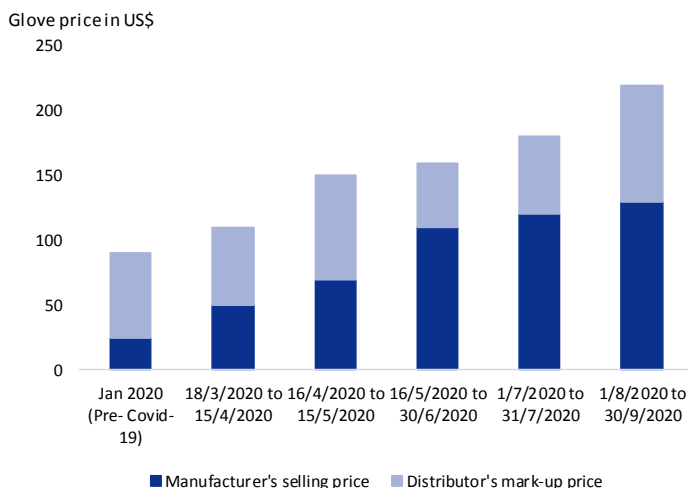
Figure 8: Earnings contribution breakdown for FY6/20



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 9: Pre- and post-Covid-19 total sales contribution


SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 10: Pre- and post-Covid-19 glove price in the market


SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 11: Key assumption table

June year-end	FY6/20F	FY6/21F	yoy % change	FY6/22F	yoy % change	FY6/23F	% yoy change
New Revenue (RM m)	2,131.8	6,601.3	209.7%	5,855.6	-11.3%	5,216.4	-10.9%
Old	2,131.8	4,741.9		4,352.0		4,757.0	
New Total Capacity (bn pcs p.a)	26.2	31.3	19.5%	42.4	35.5%	48.4	14.2%
Old	26.2	31.3		42.4		48.4	
New US\$/RM rate	4.30	4.20	-2.3%	4.20	0.0%	4.20	0.0%
Old	4.30	4.30		4.30		4.30	
New Revenue (US\$)	495.8	1571.7	217.0%	1394.2	-11.3%	1242.0	-10.9%
Old	495.8	1,102.8		1,012.1		1,106.3	
New Total sales volume (bn pieces)	22.3	29.1	34.5%	31.8	7.7%	35.8	9.3%
Old	22.3	29.1		31.8		35.8	
New Average utilisation rate (%)	85.0%	95.0%	10.0%	76.0%	-19.0%	73.0%	-3.0%
Old	85.0%	93.0%		75.0%		74.0%	
New ASP growth (%)		75.0%		-26.5%		-22.0%	
Old		40.0%		-15.0%		-3.0%	
Raw material prices							
New Nitrile (US\$/kg)	1.23	1.57	27.5%	1.65	5.0%	1.61	-2.5%
Old	1.23	1.32		1.39		1.39	
New Latex (RM/kg)	5.00	5.00	0.0%	5.20	4.0%	5.15	-1.0%
Old	5.00	5.00		5.00		5.00	
New EBITDA (RM m)	763.6	4,471.6	485.6%	3,204.3	-28.3%	2,272.3	-29.1%
Old	763.6	2,587.5		2,004.8		2,108.8	
New EBITDA margins (%)	35.8%	67.7%	31.9%	54.7%	-13.0%	43.6%	-11.2%
Old	35.8%	54.6%		46.1%		44.3%	
New Core net profit (RMm)	525.6	3,230.6	514.6%	2,286.4	-29.2%	1,598.4	-30.1%
Old	525.6	1,872.1		1,390.8		1,451.5	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 12: Summary of changes of key assumptions

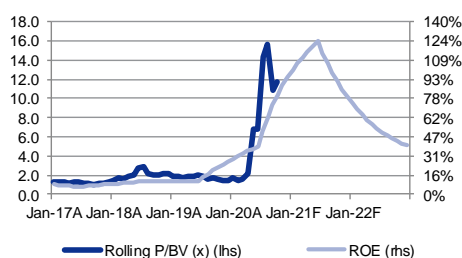
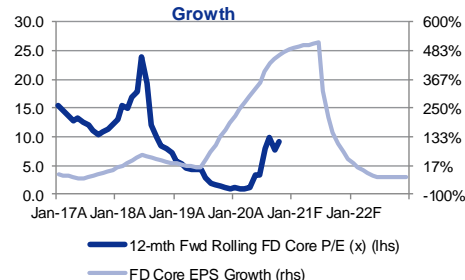
Assumptions (% yoy changes)	New			Previous			Change		
	FY21F	FY22F	FY23F	FY21F	FY22F	FY23F	FY21F	FY22F	FY23F
ASPs increase	75.0%	-26.5%	-22.0%	40.0%	-15.0%	-3.0%	35.0%	-11.5%	-19.0%
Sales volume growth	34.5%	7.7%	9.3%	30.5%	9.3%	12.6%	4.0%	-1.6%	-3.3%
Utilisation rate	95.0%	76.0%	73.0%	93.0%	75.0%	74.0%	2.0%	1.0%	-1.0%
EBITDA margin (pts)	67.7%	54.7%	43.6%	54.6%	46.1%	44.3%	13.1%	8.6%	-0.7%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 13: Sector comparison (CGS-CIMB's Malaysia glove sector coverage)

Company	Bloomberg Ticker	Recom.	Share price (local curr)	Target Price (local curr)	Market Cap (US\$ m)	Core P/E (x)		3-year EPS CAGR (%)	P/BV (x)		Recurring ROE (%)		Dividend Yield (%)	
						CY20F	CY21F		CY20F	CY21F	CY20F	CY21F	CY20F	CY21F
Hartalega Holdings	HART MK	Add	18.28	24.80	15,035	30.3	22.6	71.6%	18.7	14.0	70.2%	70.6%	2.0%	2.6%
Kossan Rubber Industries	KRI MK	Add	7.52	8.50	4,616	27.7	19.8	37.3%	10.5	8.0	42.9%	45.6%	1.5%	2.0%
Supermax Corp	SUCB MK	Add	9.78	13.20	6,028	14.1	9.7	104.3%	10.2	6.2	95.2%	78.8%	2.8%	4.1%
Top Glove Corporation	TOPG MK	Add	8.91	10.00	17,411	15.5	8.4	36.0%	10.9	6.7	92.9%	98.1%	3.3%	6.0%
Weighted average						21.8	14.8	58.1%	13.5	9.3	79.9%	80.2%	2.6%	4.1%

SOURCES: CGS-CIMB, BLOOMBERG

BY THE NUMBERS
P/BV vs ROE

12-mth Fwd FD Core P/E vs FD Core EPS Growth

Profit & Loss

(RMm)	Jun-19A	Jun-20A	Jun-21F	Jun-22F	Jun-23F
Total Net Revenues	1,538	2,132	6,601	5,856	5,216
Gross Profit	469	1,092	4,859	3,644	2,711
Operating EBITDA	230	764	4,472	3,204	2,272
Depreciation And Amortisation	(44)	(76)	(87)	(102)	(122)
Operating EBIT	187	688	4,384	3,102	2,150
Financial Income/(Expense)	(20)	(17)	24	42	52
Pretax Income/(Loss) from Assoc.	6	18	45	30	20
Non-Operating Income/(Expense)	0	0	0	0	0
Profit Before Tax (pre-EI)	172	689	4,453	3,174	2,222
Exceptional Items	0	0	0	0	0
Pre-tax Profit	172	689	4,453	3,174	2,222
Taxation	(49)	(153)	(1,202)	(873)	(611)
Exceptional Income - post-tax					
Profit After Tax	123	536	3,251	2,301	1,611
Minority Interests	0	(10)	(20)	(15)	(13)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	123	526	3,231	2,286	1,598
Recurring Net Profit	117	526	3,231	2,286	1,598
Fully Diluted Recurring Net Profit	117	526	3,231	2,286	1,598

Cash Flow

(RMm)	Jun-19A	Jun-20A	Jun-21F	Jun-22F	Jun-23F
EBITDA	230.2	763.6	4,471.5	3,204.3	2,272.3
Cash Flow from Inv. & Assoc.					
Change In Working Capital	0.0	639.1	(409.2)	93.2	80.8
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	0.0	0.0	0.0	0.0	0.0
Other Operating Cashflow	67.0	(27.0)	89.5	88.4	88.6
Net Interest (Paid)/Received	(19.7)	(17.1)	(10.5)	(8.2)	(8.2)
Tax Paid	(49.3)	(61.9)	(1,202.3)	(873.0)	(611.0)
Cashflow From Operations	228.2	1,296.8	2,939.1	2,504.7	1,822.5
Capex	(115.7)	(192.0)	(500.0)	(500.0)	(500.0)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow					
Cash Flow From Investing	(115.7)	(192.0)	(500.0)	(500.0)	(500.0)
Debt Raised/(repaid)	(44.3)	(63.4)	0.0	0.0	0.0
Proceeds From Issue Of Shares					
Shares Repurchased	(67.2)	0.0	0.0	0.0	0.0
Dividends Paid	(32.8)	0.0	(1,292.3)	(914.6)	(639.4)
Preferred Dividends					
Other Financing Cashflow	(19.7)	(17.1)	(10.5)	(8.2)	(8.2)
Cash Flow From Financing	(164.0)	(80.5)	(1,302.8)	(922.8)	(647.6)
Total Cash Generated	(51.5)	1,024.3	1,136.3	1,081.9	674.9
Free Cashflow To Equity	68.2	1,041.4	2,439.1	2,004.7	1,322.5
Free Cashflow To Firm	132.2	1,121.9	2,449.6	2,012.9	1,330.7

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd
Balance Sheet

(RMm)	Jun-19A	Jun-20A	Jun-21F	Jun-22F	Jun-23F
Total Cash And Equivalents	174	1,181	2,267	3,349	4,024
Total Debtors	197	392	862	765	681
Inventories	183	253	303	385	436
Total Other Current Assets	77	85	176	177	178
Total Current Assets	631	1,910	3,609	4,676	5,320
Fixed Assets	972	1,086	1,522	1,909	2,278
Total Investments	202	225	225	225	225
Intangible Assets	29	29	29	29	29
Total Other Non-Current Assets	1	2	2	2	2
Total Non-current Assets	1,204	1,341	1,778	2,165	2,534
Short-term Debt	350	226	226	226	226
Current Portion of Long-Term Debt					
Total Creditors	229	308	419	497	545
Other Current Liabilities	49	944	944	944	944
Total Current Liabilities	627	1,477	1,589	1,667	1,715
Total Long-term Debt	42	102	102	102	102
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	0	0	0	0	0
Total Non-current Liabilities	42	102	102	102	102
Total Provisions	40	64	64	64	64
Total Liabilities	709	1,643	1,755	1,832	1,881
Shareholders' Equity	1,127	1,586	3,627	4,998	5,958
Minority Interests	0	22	5	10	15
Total Equity	1,127	1,608	3,632	5,009	5,973

Key Ratios

	Jun-19A	Jun-20A	Jun-21F	Jun-22F	Jun-23F
Revenue Growth	18%	39%	210%	(11%)	(11%)
Operating EBITDA Growth	9%	232%	486%	(28%)	(29%)
Operating EBITDA Margin	15.0%	35.8%	67.7%	54.7%	43.6%
Net Cash Per Share (RM)	(0.08)	0.31	0.71	1.11	1.36
BVPS (RM)	0.41	0.58	1.33	1.84	2.19
Gross Interest Cover	9.5	40.2	417.5	378.1	262.0
Effective Tax Rate	28.6%	22.2%	27.0%	27.5%	27.5%
Net Dividend Payout Ratio	27.1%	31.0%	29.2%	28.9%	28.9%
Accounts Receivables Days	40.10	34.11	25.09	38.82	38.74
Inventory Days	63.35	76.75	58.24	56.77	59.78
Accounts Payables Days	61.53	61.74	48.52	53.83	56.69
ROIC (%)	16%	58%	738%	203%	118%
ROCE (%)	12%	39%	147%	67%	38%
Return On Average Assets	11%	28%	103%	51%	30%

Key Drivers

	Jun-19A	Jun-20A	Jun-21F	Jun-22F	Jun-23F
ASP (% chg, main prod./serv.)	20.7%	106.7%	225.6%	126.6%	66.5%
Unit sales grth (% , main prod./serv.)	-8.2%	87.0%	100.0%	62.2%	80.2%
Util. rate (% , main prod./serv.)	79.0%	85.0%	82.5%	73.5%	73.5%
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
Unit raw mat ASP (%chg,main)	N/A	N/A	N/A	N/A	N/A
Unit raw mat ASP (%chg,2ndary)	N/A	N/A	N/A	N/A	N/A

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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 or	No Survey Result
Description:	Excellent	Very Good	Good	N/A	

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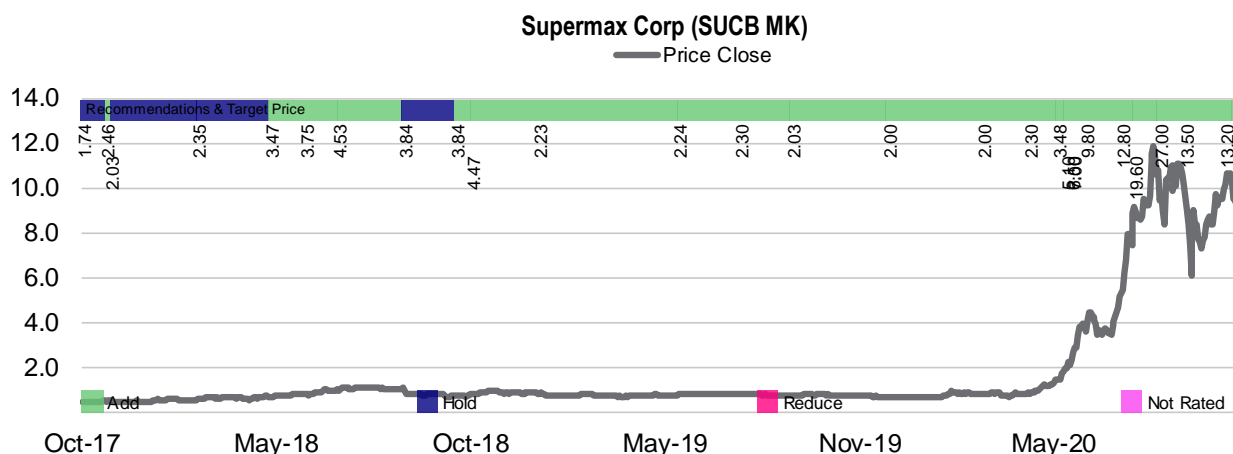
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Distribution of stock ratings and investment banking clients for quarter ended on 30 September 2020		
795 companies under coverage for quarter ended on 30 September 2020		
	Rating Distribution (%)	Investment Banking clients (%)
Add	63.0%	0.5%
Hold	25.2%	0.1%
Reduce	11.8%	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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