



Corporate Update | Thursday, 20 July 2023

# **Upgrade to TRADING BUY**

Previously NEUTRAL

## **Revised Target Price: RM1.91**

Previously RM1.65

## **UOA Development Berhad**

(5200 | UOAD MK) Main | Property

### **Bumper Dividend of 20sen per Share**

#### **KEY INVESTMENT HIGHLIGHTS**

- Bumper dividend of 20sen per share
- Dividend yield of 12%
- Minimal impact to balance sheet
- Raised FY23 dividend forecast to 30sen per share
- Upgrade to Trading Buy with a revised TP of RM1.91

**Bumper dividend of 20sen per share.** UOA Development announced that the Board of Directors of the company has on 18<sup>th</sup> July 2023 proposed first interim dividend in respect of FY23 of 20sen per share. Shareholders will be given an option to elect to reinvest the entire dividend into new ordinary shares in UOA Development.

**Dividend yield of 12%.** We are positively surprised by the bumper dividend pay-out as UOA Development typically declares dividend in the final quarter of financial year. Historically, UOA Development has been paying dividend of 10sen to 15sen in the past 10 years. We opine that the surprise dividend pay-out could be due to the rising cash pile of UOA Development. Note that total cash and short-term investments of UOA Development stood at RM2.2b as of 1QFY23, increasing from RM1.8b as of FY21. As most of the money is sitting as cash, management of UOA Development decided to make the distribution to the shareholders. Meanwhile, the bumper first interim dividend of 20sen per share translates into whopping dividend yield of 12% based on last closing price of RM1.61.

**Minimal impact to balance sheet.** Impact to balance sheet from the bumper dividend pay-out is expected to be minimal. As shareholders will be given to option to elect to reinvest the entire dividend into new ordinary shares in UOA Development, impact to cash flow is expected to be minimal. Meanwhile, we estimate balance sheet of UOA Development to remain healthy at net cash position in the event that all dividend is paid in cash. Corresponding the announcement of the first interim dividend, we raised our dividend forecast per share for FY23 from 10sen to 30sen which translates into whopping dividend yield of 18.6% for FY23.

**Upgrade to TRADING BUY with a revised TP of RM1.91.** We raised our **TP** for UOA Development to **RM1.91** from RM1.65 as we narrow RNAV discount to 30% from 44% to reflect the high dividend yield of UOA Development. We upgrade our call on UOA Development to **TRADING BUY** from NEUTRAL as we expect the bumper dividend to serve as catalyst to UOA Development. Meanwhile, balance sheet is expected to remain healthy at net cash position with cash flow coming in from ongoing development and its investment properties.

RETURN STATISTICS	
Price @ 18th July 2023 (RM)	1.61
Expected share price return (%)	18.6
Expected dividend yield (%)	18.6
Expected total return (%)	37.2



Price performance (%)	Absolute	Relative
1 month	2.5	1.4
3 months	3.2	-4.9
1.9	1.9	3.8

INVESTMENT STATISTI	cs		
FYE Dec	2023E	2024F	2025F
Revenue	594	654	647
Operating Profit	306	312	305
Profit Before Tax	287	292	284
Core PATAMI	208	212	206
Core EPS	8.70	8.87	8.62
DPS	30.00	10.00	10.00
Dividend Yield	18.63%	6.21%	6.21%

KEY STATISTICS	
FBM KLCI	1,403.03
Issue shares (m)	2,406.32
Estimated free float (%)	12.21
Market Capitalisation (RM'm)	3,913.59
52-wk price range	RM1.56-RM1.77
3-mth average daily volume (m)	0.20
3-mth average daily value (RM'm)	0.35
Top Shareholders (%)	
UOA Holdings Sdn Bhd	71.45
EPF	10.22

## Analyst

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# **UOADEV RNAV**

Landbank/Buildings	Location	Stake	Size (sq ft)	Price (RM/sqft)	Value (RM m)
Completed Buildings					
Nexus Bangsar South	Bangsar South, KL	100%	6 768,252	250	192.0
The Vertical Bangsar South	Bangsar South, KL	100%	6 124,700	1,330	165.8
Camelia Service Apartments	Bangsar South, KL	100%	6 249,884	511	127.8
Bangsar South	Bangsar South, KL	100%	44,692	1,865	83.4
The Vertical Bangsar South Car Park	Bangsar South, KL	100%	6 32,367	1,858	60.1
Vertical Corporate Tower A	Bangsar South, KL				550.0
Ongoing Projects and unbilled sales					
Desa Green	Taman Desa, KL	85%	6	DCF @ WACC 10%	56.02
UOA Business Park	Selangor	74%	6	DCF @ WACC 10%	51.86
South View Serviced Apartments	Bangsar South, KL	100%	6	DCF @ WACC 10%	96.52
SouthBank Residence	Old Klang Road	60%	6	DCF @ WACC 10%	29.68
Desa Sentul (Phase 1)	Sentul	100%	6	DCF @ WACC 10%	33.19
Vertical Corporate Tower	Bangsar South, KL	100%	6	DCF @ WACC 10%	53.89
Suria @ North Kiara	KL	100%	6	DCF @ WACC 10%	15.04
United Point	Kepong	100%	6	DCF @ WACC 10%	188.42
Danau Kota Suite	KL	100%	6	DCF @ WACC 10%	41.95
Sentul Point	Sentul	100%	6	DCF @ WACC 10%	207.79
The Sphere	Bangsar South, KL	100%	6	DCF @ WACC 10%	134.25
South Link	Bangsar South, KL	100%	6	DCF @ WACC 10%	80.19
Desa Center	Taman Desa, KL	100%	6	DCF @ WACC 10%	46.53
Future Projects			Assumed Dura	ation (Yrs)	
Jalan Ipoh Land	Jalan Ipoh	100%	6 6	DCF @ WACC 10%	1,115.14
Desa Business Suites	Taman Desa	100%	6 4	DCF @ WACC 10%	63.39
Bandar Tun Razak Land	Cheras	100%	6 3	DCF @ WACC 10%	46.15
Desa III	Taman Desa	70%	6 2	DCF @ WACC 10%	1.66
Bangsar South Land (Commercial)	Bangsar South, KL	100%	6 6	DCF @ WACC 10%	410.36



Landbank/Buildings	Location	Stake	Size (	sq ft)	Price (RM/sqft)	Value (RM m)
Bangsar South Land (Residential)	Bangsar South, KL	1	100%	6	DCF @ WACC 10%	351.74
Sri Petaling land	Sri Petaling	1	100%	5	DCF @ WACC 10%	117.96
Land around Bangsar South	Kerinchi	1	100%	5	DCF @ WACC 10%	143.23
UOA Business Park II	Selangor		74%	3	DCF @ WACC 10%	18.98
Total landbank value						4483.0
Fixed Assets						162
Cash						2213
Total Liabilities (excl. deferred tax & construction re	elated payables)					294
Total RNAV						6564
Fully Diluted No of shares (m)						2406
RNAV per share (RM)						2.73
Discount						30%
Target Price (RM)						1.91



## **FINANCIAL SUMMARY**

Income Statement (NWm)		2021	2222		00045	00055
EBIT	Income Statement (RM'm)	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	2024F	<b>2025F</b>
PBT						
Net Income						
Core Net Income         195         221         208         212         206           Core EPS (sen)         8.4         9.2         8.7         8.9         8.6           Core EPS (sen)         19.2         17.5         18.5         18.2         18.7           NTA/share         2.42         2.38         2.43         2.46         2.48           P/NTA         0.67         0.68         0.66         0.65         0.65           Balance Sheet (RM'm)         2021A         2022A         2023E         204F         2025F           Investment properties         1,608         1,624         1,648         1,665         1,673           Total non-current assets         2,683         2,526         2,554         2,582         2,611           Inventories         1,316         1,422         1,208         1,184         1,014           Short term investments         835         1,316         1,329         1,757         1,978           Fixed deposits         390         232         518         380         377           Cash of term investments         616         342         312         106         178           Total Liability         60         6,454						
Core PER (sen)						
Dote   Per   (x)   19.2   17.5   18.5   18.2   18.7   NTA/share   2.42   2.38   2.43   2.46   2.48   P/NTA   0.67   0.68   0.66   0.66   0.66   0.65						
NTA/share   2.42   2.38   2.43   2.46   2.48   P/NTA   0.67   0.68   0.66   0.65   0.67   0.65   0.67   0.65   0	` ,					
PINTA	` '					
Balance Sheet (RM'm)						
Investment properties	P/NTA	0.67	0.68	0.66	0.66	0.65
Investment properties	Palanca Shoot (PM'm)	2024 A	20224	2022E	2024E	20255
Total Capital						
Inventories						
Short term investments   835						
Fixed deposits   390   232   518   380   377   Cash and bank balances   569   615   635   606   619   615   635   606   619   616   635   616   619   616   6342   312   106   6178   616   342   312   106   6178   616   6776   6178   616   6342   312   106   6178   616   6176   6178   616   6176   6178   6179   6175   617					•	
Cash and bank balances         569         615         635         606         619           Other assets         616         342         312         106         178           Total Assets         6,409         6,454         6,536         6,616         6,776           LT Borrowings         0         0         0         0         0         0         0           Other Liabilities         604         536         552         564         657         70tal Liability         605         537         553         564         657         71tal Liability         605         537         553         564         657         75hare capital         2,822         2,954						
Other assets	·					
Total Assets						
LT Borrowings						
ST Borrowings		•			•	
Other Liabilities         604         536         552         564         657           Total Liability         605         537         553         564         657           Share capital         2,822         2,954         <	_					
Total Liability	<u> </u>					
Share capital   2,822   2,954   2,954   2,954   2,954   2,954   2,954   2,954   2,954   2,983   2,983   3,029   3,098   3,166   Total Equity   5,805   5,917   5,983   6,052   6,119   Equity + Liability   6,409   6,454   6,536   6,616   6,776   Cash Flow (RM'm)   2021A   2022A   2023E   2024F   2025F   Cash flows from operating activities   196   489   426   404   386   Cash flows from investing activities   196   489   426   404   386   Cash flows from investing activities   196   489   426   404   386   Cash flows from investing activities   -128   -16   -16   -15   -11   Cash flows from financing activities   -128   -16   -16   -15   -11   Cash flows from financing activities   -35   -104   -111   -107   -145   activities   -128   -16   -16   -15   -11   Cash flows from financing activities   -128   -104   -111   -107   -145   activities   -128   -16   -16   -15   -11   Cash flows from financing activities   -128   -104   -111   -107   -145   activities   -128   -104   -111   -107   -145   -15   -11   -107   -145   -15   -11   -107   -145   -15   -11   -107   -145   -15   -11   -107   -145   -15   -11   -107   -145   -15   -11   -107   -145   -15   -11   -107   -145   -15   -11   -107   -145   -15   -11   -107   -145   -15   -11   -107   -145   -15   -11   -107   -145   -15   -11   -107   -145   -15   -11   -107   -145   -15   -11   -107   -145   -15   -11   -107   -145   -15   -11   -107   -145   -15   -11   -107   -145   -15   -11   -107   -145   -11   -10						
Other Equity         2,983         2,963         3,029         3,098         3,166           Total Equity         5,805         5,917         5,983         6,052         6,119           Equity + Liability         6,409         6,454         6,536         6,616         6,776           Cash Flow (RM'm)         2021A         2022A         2023E         2024F         2025F           Cash flows from operating activities         8         7         290         295         287           Net cash from operating activities         196         489         426         404         386           Cash flows from investing activities         -161         -18         -18         -14         -17           Net cash used in investing activities         -128         -16         -16         -15         -11           Cash flows from financing activities         -128         -16         -16         -15         -11           Cash flows from financing activities         -128         -16         -16         -15         -11           Cash flows from financing activities         -128         -104         -111         -107         -145           Net cash from/(used in) financing activities         -28         -298         28	•					
Total Equity	·					
Equity + Liability         6,409         6,454         6,536         6,616         6,776           Cash Flow (RM'm)         2021A         2022A         2023E         2024F         2025F           Cash flows from operating activities         317         287         290         295         287           Net cash from operating activities         196         489         426         404         386           Cash flows from investing activities         -161         -18         -18         -14         -17           Net cash used in investing activities         -128         -16         -16         -15         -11           Cash flows from financing activities         -128         -10         -16         -15         -11           Net cash from/(used in) financing activities         -35         -104         -111         -107         -145           Net increase/(decrease) in cash and cash equivalent at 1 January         34         369         298         282         230           Cash and cash equivalent at 1 January         1760         1794         2163         2461         2744           Cash and cash equivalent at 1         1794         2163         2461         2744         2974           Pecember         Profitabilit						
Cash Flow (RM'm)         2021A         2022A         2028E         2024F         2025F           Cash flows from operating activities         317         287         290         295         287           Net cash from operating activities         196         489         426         404         386           Cash flows from investing activities         -161         -18         -18         -14         -17           Net cash used in investing activities         -128         -16         -16         -15         -11           Cash flows from financing activities         -128         -16         -16         -15         -11           Cash flows from financing activities         -35         -104         -111         -107         -145           Net cash from/(used in) financing activities         -35         -104         -111         -107         -145           Net increase/(decrease) in cash and cash equivalents         34         369         298         282         230           Cash and cash equivalent at 1 January         1760         1794         2163         2461         2744         2974           Cash and cash equivalent at 1         1794         2163         2461         2744         2974           Part margin	, ,					
Cash flows from operating activities         317         287         290         295         287           Net cash from operating activities         196         489         426         404         386           Cash flows from investing activities         -161         -18         -18         -14         -17           Net cash used in investing activities         -128         -16         -16         -15         -11           Cash flows from financing activities         -128         -16         -16         -15         -11           Cash flows from financing activities         -128         -16         -16         -15         -11           Cash flows from financing activities         -128         -104         -111         -107         -145           Net cash from/(used in) financing activities         -35         -104         -111         -107         -145           Net cash from/(used in) financing activities         -35         -104         -111         -107         -145           Net cash from/(used in) financing activities         -35         -104         -111         -107         -145           Net increase/(decrease) in cash and cash activities         -298         282         230         282         282         230      <	Equity + Liability			การก	n n'in	
Cash flows from operating activities         317         287         290         295         287           Net cash from operating activities         196         489         426         404         386           Cash flows from investing activities         -161         -18         -18         -14         -17           Net cash used in investing activities         -128         -16         -16         -15         -11           Cash flows from financing activities         -128         -16         -16         -15         -11           Cash flows from financing activities         -128         -16         -16         -15         -11           Cash flows from financing activities         -128         -104         -111         -107         -145           Net cash from/(used in) financing activities         -35         -104         -111         -107         -145           Net cash from/(used in) financing activities         -35         -104         -111         -107         -145           Net cash from/(used in) financing activities         -35         -104         -111         -107         -145           Net increase/(decrease) in cash and cash activities         -298         282         230         282         282         230      <		0,403	0,737	0,550	0,010	0,770
Net income before taxation         317         287         290         295         287           Net cash from operating activities         196         489         426         404         386           Cash flows from investing activities         -161         -18         -18         -14         -17           Net cash used in investing activities         -128         -16         -16         -15         -11           Cash flows from financing activities         -128         -104         -111         -107         -145           Net cash from/(used in) financing activities         -35         -104         -111         -107         -145           Net increase/(decrease) in cash and cash equivalents         34         369         298         282         230           Cash and cash equivalent at 1 January         1760         1794         2163         2461         2744           Cash and cash equivalent at 1 January         1794         2163         2461         2744         2974           Profitability Margins         2021A         2022A         2023E         2024F         2025F           EBIT margin         53.0%         65.1%         51.5%         47.7%         47.1%           PAT margin         40.6% <td< td=""><td></td><td></td><td></td><td>,</td><td>•</td><td></td></td<>				,	•	
Net cash from operating activities	Cash Flow (RM'm)			,	•	
Cash flows from investing activities Addition to investment properties -161 -18 -18 -18 -14 -17 Net cash used in investing activities -128 -16 -16 -16 -15 -11  Cash flows from financing activities Net cash from/(used in) financing activities Net increase/(decrease) in cash and cash equivalents Cash and cash equivalent at 1 January 1760 1794 2163 2461 2744 Cash and cash equivalent at 1 1794 2163 2461 2744 December  Profitability Margins 2021A 2022A 203E 2024F 2025F EBIT margin 53.0% 65.1% 51.5% 47.7% 47.1% PBT margin 52.9% 63.9% 48.3% 44.7% 44.0% PAT margin 40.6% 29.8% 35.5% 32.9% 32.3% Core PATAMI margin 35.7% 49.0% 35.0% 35.0% 32.4% 31.9% ROE 3.5% 3.9% 3.6% 3.6% 3.6% 3.5% ROA 3.0% 3.4% 3.2% 3.2% 3.0%	Cash Flow (RM'm) Cash flows from operating activities	2021A	2022A	2023E	2024F	2025F
Addition to investment properties	Cash Flow (RM'm) Cash flows from operating activities Net income before taxation	<b>2021A</b> 317	<b>2022A</b> 287	<b>2023E</b> 290	<b>2024F</b> 295	<b>2025F</b> 287
Addition to investment properties	Cash Flow (RM'm) Cash flows from operating activities Net income before taxation	<b>2021A</b> 317	<b>2022A</b> 287	<b>2023E</b> 290	<b>2024F</b> 295	<b>2025F</b> 287
Net cash used in investing activities         -128         -16         -16         -15         -11           Cash flows from financing activities         Net cash from/(used in) financing activities         -35         -104         -111         -107         -145           Net increase/(decrease) in cash and cash equivalents         34         369         298         282         230           Cash and cash equivalent at 1 January         1760         1794         2163         2461         2744           Cash and cash equivalent at 1         1794         2163         2461         2744         2974           December         Profitability Margins         2021A         2022A         2023E         2024F         2025F           EBIT margin         53.0%         65.1%         51.5%         47.7%         47.1%           PAT margin         52.9%         63.9%         48.3%         44.7%         44.0%           PAT margin         40.6%         29.8%         35.5%         32.9%         32.3%           Core PATAMI margin         35.7%         49.0%         35.0%         32.4%         31.9%           ROE         3.5%         3.9%         3.6%         3.6%         3.5%           ROA         3.0%         <	Cash Flow (RM'm) Cash flows from operating activities Net income before taxation Net cash from operating activities	<b>2021A</b> 317	<b>2022A</b> 287	<b>2023E</b> 290	<b>2024F</b> 295	<b>2025F</b> 287
Cash flows from financing activities  Net cash from/(used in) financing	Cash Flow (RM'm) Cash flows from operating activities Net income before taxation Net cash from operating activities Cash flows from investing activities	<b>2021A</b> 317 196	<b>2022A</b> 287 489	<b>2023E</b> 290 426	<b>2024F</b> 295 404	<b>2025F</b> 287 386
Net cash from/(used in) financing activities         -35         -104         -111         -107         -145           Net increase/(decrease) in cash and cash equivalents         34         369         298         282         230           Cash and cash equivalent at 1 January         1760         1794         2163         2461         2744           Cash and cash equivalent at 1 December         1794         2163         2461         2744         2974           Profitability Margins         2021A         2022A         2023E         2024F         2025F           EBIT margin         53.0%         65.1%         51.5%         47.7%         47.1%           PBT margin         52.9%         63.9%         48.3%         44.7%         44.0%           PAT margin         40.6%         29.8%         35.5%         32.9%         32.3%           Core PATAMI margin         35.7%         49.0%         35.0%         3.6%         3.6%           ROE         3.5%         3.9%         3.6%         3.6%         3.5%           ROA         3.0%         3.4%         3.2%         3.2%         3.0%	Cash Flow (RM'm) Cash flows from operating activities Net income before taxation Net cash from operating activities Cash flows from investing activities Addition to investment properties	2021A 317 196	2022A 287 489	2023E 290 426	<b>2024F</b> 295 404	2025F 287 386
Net cash from/(used in) financing activities         -35         -104         -111         -107         -145           Net increase/(decrease) in cash and cash equivalents         34         369         298         282         230           Cash and cash equivalent at 1 January         1760         1794         2163         2461         2744         2974           Cash and cash equivalent at 1 December         1794         2163         2461         2744         2974           Profitability Margins         2021A         2022A         2023E         2024F         2025F           EBIT margin         53.0%         65.1%         51.5%         47.7%         47.1%           PBT margin         52.9%         63.9%         48.3%         44.7%         44.0%           PAT margin         40.6%         29.8%         35.5%         32.9%         32.3%           Core PATAMI margin         35.7%         49.0%         35.0%         3.6%         3.6%         3.5%           ROA         3.0%         3.4%         3.2%         3.2%         3.0%	Cash Flow (RM'm) Cash flows from operating activities Net income before taxation Net cash from operating activities Cash flows from investing activities Addition to investment properties	2021A 317 196	2022A 287 489	2023E 290 426	<b>2024F</b> 295 404	2025F 287 386
Net increase/(decrease) in cash and cash equivalents   298   298   282   230   230   231   2461   2744   2461	Cash Flow (RM'm) Cash flows from operating activities Net income before taxation Net cash from operating activities  Cash flows from investing activities Addition to investment properties Net cash used in investing activities	2021A 317 196	2022A 287 489	2023E 290 426	<b>2024F</b> 295 404	2025F 287 386
Net increase/(decrease) in cash and cash equivalents         34         369         298         282         230 cash equivalents           Cash and cash equivalent at 1 January         1760         1794         2163         2461         2744           Cash and cash equivalent at 1 December         1794         2163         2461         2744         2974           Profitability Margins         2021A         2022A         2023E         2024F         2025F           EBIT margin         53.0%         65.1%         51.5%         47.7%         47.1%           PBT margin         52.9%         63.9%         48.3%         44.7%         44.0%           PAT margin         40.6%         29.8%         35.5%         32.9%         32.3%           Core PATAMI margin         35.7%         49.0%         35.0%         32.4%         31.9%           ROE         3.5%         3.9%         3.6%         3.6%         3.5%           ROA         3.0%         3.4%         3.2%         3.2%         3.0%	Cash Flow (RM'm) Cash flows from operating activities Net income before taxation Net cash from operating activities  Cash flows from investing activities Addition to investment properties Net cash used in investing activities  Cash flows from financing activities	2021A 317 196 -161 -128	2022A 287 489 -18 -16	290 426 -18 -16	2024F 295 404 -14 -15	2025F 287 386 -17 -11
cash equivalents         Cash and cash equivalent at 1 January       1760       1794       2163       2461       2744         Cash and cash equivalent at 1 December       1794       2163       2461       2744       2974         Profitability Margins       2021A       2022A       2023E       2024F       2025F         EBIT margin       53.0%       65.1%       51.5%       47.7%       47.1%         PBT margin       52.9%       63.9%       48.3%       44.7%       44.0%         PAT margin       40.6%       29.8%       35.5%       32.9%       32.3%         Core PATAMI margin       35.7%       49.0%       35.0%       32.4%       31.9%         ROE       3.5%       3.9%       3.6%       3.6%       3.5%         ROA       3.0%       3.4%       3.2%       3.2%       3.0%	Cash Flow (RM'm) Cash flows from operating activities Net income before taxation Net cash from operating activities  Cash flows from investing activities Addition to investment properties Net cash used in investing activities  Cash flows from financing activities Net cash from/(used in) financing	2021A 317 196 -161 -128	2022A 287 489 -18 -16	290 426 -18 -16	2024F 295 404 -14 -15	2025F 287 386 -17 -11
cash equivalents         Cash and cash equivalent at 1 January       1760       1794       2163       2461       2744         Cash and cash equivalent at 1 December       1794       2163       2461       2744       2974         Profitability Margins       2021A       2022A       2023E       2024F       2025F         EBIT margin       53.0%       65.1%       51.5%       47.7%       47.1%         PBT margin       52.9%       63.9%       48.3%       44.7%       44.0%         PAT margin       40.6%       29.8%       35.5%       32.9%       32.3%         Core PATAMI margin       35.7%       49.0%       35.0%       32.4%       31.9%         ROE       3.5%       3.9%       3.6%       3.6%       3.5%         ROA       3.0%       3.4%       3.2%       3.2%       3.0%	Cash Flow (RM'm) Cash flows from operating activities Net income before taxation Net cash from operating activities  Cash flows from investing activities Addition to investment properties Net cash used in investing activities  Cash flows from financing activities Net cash from/(used in) financing	2021A 317 196 -161 -128	2022A 287 489 -18 -16	290 426 -18 -16	2024F 295 404 -14 -15	2025F 287 386 -17 -11
Cash and cash equivalent at 1 December         1794         2163         2461         2744         2974           Profitability Margins         2021A         2022A         2023E         2024F         2025F           EBIT margin         53.0%         65.1%         51.5%         47.7%         47.1%           PBT margin         52.9%         63.9%         48.3%         44.7%         44.0%           PAT margin         40.6%         29.8%         35.5%         32.9%         32.3%           Core PATAMI margin         35.7%         49.0%         35.0%         32.4%         31.9%           ROE         3.5%         3.9%         3.6%         3.6%         3.5%           ROA         3.0%         3.4%         3.2%         3.2%         3.0%	Cash Flow (RM'm) Cash flows from operating activities Net income before taxation Net cash from operating activities  Cash flows from investing activities Addition to investment properties Net cash used in investing activities  Cash flows from financing activities Net cash from/(used in) financing activities	2021A 317 196 -161 -128	2022A 287 489 -18 -16	290 426 -18 -16	2024F 295 404 -14 -15	2025F 287 386 -17 -11
Profitability Margins         2021A         2022A         2023E         2024F         2025F           EBIT margin         53.0%         65.1%         51.5%         47.7%         47.1%           PBT margin         52.9%         63.9%         48.3%         44.7%         44.0%           PAT margin         40.6%         29.8%         35.5%         32.9%         32.3%           Core PATAMI margin         35.7%         49.0%         35.0%         32.4%         31.9%           ROE         3.5%         3.9%         3.6%         3.6%         3.5%           ROA         3.0%         3.4%         3.2%         3.2%         3.0%	Cash Flow (RM'm) Cash flows from operating activities Net income before taxation Net cash from operating activities  Cash flows from investing activities Addition to investment properties Net cash used in investing activities  Cash flows from financing activities Net cash from/(used in) financing activities  Net increase/(decrease) in cash and	2021A 317 196 -161 -128	2022A 287 489 -18 -16	290 426 -18 -16	2024F 295 404 -14 -15	2025F 287 386 -17 -11
Profitability Margins         2021A         2022A         2023E         2024F         2025F           EBIT margin         53.0%         65.1%         51.5%         47.7%         47.1%           PBT margin         52.9%         63.9%         48.3%         44.7%         44.0%           PAT margin         40.6%         29.8%         35.5%         32.9%         32.3%           Core PATAMI margin         35.7%         49.0%         35.0%         32.4%         31.9%           ROE         3.5%         3.9%         3.6%         3.6%         3.5%           ROA         3.0%         3.4%         3.2%         3.2%         3.0%	Cash Flow (RM'm) Cash flows from operating activities Net income before taxation Net cash from operating activities  Cash flows from investing activities Addition to investment properties Net cash used in investing activities  Cash flows from financing activities Net cash from/(used in) financing activities  Net increase/(decrease) in cash and cash equivalents Cash and cash equivalent at 1 January	2021A  317 196  -161 -128  -35  34 1760	2022A  287 489  -18 -16  -104  369 1794	290 426 -18 -16 -111	2024F  295 404  -14 -15  -107  282 2461	2025F  287 386  -17 -11  -145  230 2744
EBIT margin       53.0%       65.1%       51.5%       47.7%       47.1%         PBT margin       52.9%       63.9%       48.3%       44.7%       44.0%         PAT margin       40.6%       29.8%       35.5%       32.9%       32.3%         Core PATAMI margin       35.7%       49.0%       35.0%       32.4%       31.9%         ROE       3.5%       3.9%       3.6%       3.6%       3.5%         ROA       3.0%       3.4%       3.2%       3.2%       3.0%	Cash Flow (RM'm) Cash flows from operating activities Net income before taxation Net cash from operating activities  Cash flows from investing activities Addition to investment properties Net cash used in investing activities  Cash flows from financing activities Net cash from/(used in) financing activities  Net increase/(decrease) in cash and cash equivalents Cash and cash equivalent at 1 January Cash and cash equivalent at 1	2021A  317 196  -161 -128  -35  34 1760	2022A  287 489  -18 -16  -104  369 1794	2023E  290 426  -18 -16  -111  298 2163	2024F  295 404  -14 -15  -107  282 2461	2025F  287 386  -17 -11  -145  230 2744
EBIT margin       53.0%       65.1%       51.5%       47.7%       47.1%         PBT margin       52.9%       63.9%       48.3%       44.7%       44.0%         PAT margin       40.6%       29.8%       35.5%       32.9%       32.3%         Core PATAMI margin       35.7%       49.0%       35.0%       32.4%       31.9%         ROE       3.5%       3.9%       3.6%       3.6%       3.5%         ROA       3.0%       3.4%       3.2%       3.2%       3.0%	Cash Flow (RM'm) Cash flows from operating activities Net income before taxation Net cash from operating activities  Cash flows from investing activities Addition to investment properties Net cash used in investing activities  Cash flows from financing activities Net cash from/(used in) financing activities  Net increase/(decrease) in cash and cash equivalents Cash and cash equivalent at 1 January Cash and cash equivalent at 1	2021A  317 196  -161 -128  -35  34 1760	2022A  287 489  -18 -16  -104  369 1794	2023E  290 426  -18 -16  -111  298 2163	2024F  295 404  -14 -15  -107  282 2461	2025F  287 386  -17 -11  -145  230 2744
PBT margin       52.9%       63.9%       48.3%       44.7%       44.0%         PAT margin       40.6%       29.8%       35.5%       32.9%       32.3%         Core PATAMI margin       35.7%       49.0%       35.0%       32.4%       31.9%         ROE       3.5%       3.9%       3.6%       3.6%       3.5%         ROA       3.0%       3.4%       3.2%       3.2%       3.0%	Cash Flow (RM'm) Cash flows from operating activities Net income before taxation Net cash from operating activities  Cash flows from investing activities Addition to investment properties Net cash used in investing activities  Cash flows from financing activities  Net cash from/(used in) financing activities  Net increase/(decrease) in cash and cash equivalents Cash and cash equivalent at 1 January Cash and cash equivalent at 1 December	2021A  317 196  -161 -128  -35  34 1760 1794	2022A  287 489  -18 -16  -104  369 1794 2163	290 426 -18 -16 -111 298 2163 2461	2024F  295 404  -14 -15  -107  282 2461 2744	2025F  287 386  -17 -11  -145  230 2744 2974
PAT margin       40.6%       29.8%       35.5%       32.9%       32.3%         Core PATAMI margin       35.7%       49.0%       35.0%       32.4%       31.9%         ROE       3.5%       3.9%       3.6%       3.6%       3.5%         ROA       3.0%       3.4%       3.2%       3.2%       3.0%	Cash Flow (RM'm) Cash flows from operating activities Net income before taxation Net cash from operating activities  Cash flows from investing activities Addition to investment properties Net cash used in investing activities  Cash flows from financing activities  Net cash from/(used in) financing activities  Net increase/(decrease) in cash and cash equivalents Cash and cash equivalent at 1 January Cash and cash equivalent at 1 December  Profitability Margins	2021A  317 196  -161 -128  -35  34 1760 1794	2022A  287 489  -18 -16  -104  369 1794 2163	2023E  290 426  -18 -16  -111  298 2163 2461  2023E	2024F  295 404  -14 -15  -107  282 2461 2744	2025F  287 386  -17 -11  -145  230 2744 2974  2025F
Core PATAMI margin         35.7%         49.0%         35.0%         32.4%         31.9%           ROE         3.5%         3.9%         3.6%         3.6%         3.5%           ROA         3.0%         3.4%         3.2%         3.2%         3.0%	Cash Flow (RM'm) Cash flows from operating activities Net income before taxation Net cash from operating activities  Cash flows from investing activities Addition to investment properties Net cash used in investing activities  Cash flows from financing activities  Net cash from/(used in) financing activities  Net increase/(decrease) in cash and cash equivalents Cash and cash equivalent at 1 January Cash and cash equivalent at 1 December  Profitability Margins EBIT margin	2021A  317 196  -161 -128  -35  34 1760 1794  2021A 53.0%	2022A  287 489  -18 -16  -104  369 1794 2163  2022A 65.1%	2023E  290 426  -18 -16  -111  298 2163 2461  2023E 51.5%	2024F  295 404  -14 -15  -107  282 2461 2744  2024F 47.7%	2025F  287 386  -17 -11  -145  230 2744 2974  2025F 47.1%
ROE       3.5%       3.9%       3.6%       3.6%       3.5%         ROA       3.0%       3.4%       3.2%       3.2%       3.0%	Cash Flow (RM'm) Cash flows from operating activities Net income before taxation Net cash from operating activities Cash flows from investing activities Addition to investment properties Net cash used in investing activities Cash flows from financing activities Net cash from/(used in) financing activities Net increase/(decrease) in cash and cash equivalents Cash and cash equivalent at 1 January Cash and cash equivalent at 1 December  Profitability Margins EBIT margin PBT margin	2021A  317 196  -161 -128  -35  34  1760 1794  2021A  53.0% 52.9%	2022A  287 489  -18 -16  -104  369 1794 2163  2022A 65.1% 63.9%	2023E  290 426  -18 -16  -111  298  2163 2461  2023E  51.5% 48.3%	2024F  295 404  -14 -15  -107  282 2461 2744  2024F 47.7% 44.7%	2025F  287 386  -17 -11  -145  230 2744 2974  2025F 47.1% 44.0%
ROA 3.0% 3.4% 3.2% 3.2% 3.0%	Cash Flow (RM'm) Cash flows from operating activities Net income before taxation Net cash from operating activities Cash flows from investing activities Addition to investment properties Net cash used in investing activities Cash flows from financing activities Net cash from/(used in) financing activities Net increase/(decrease) in cash and cash equivalents Cash and cash equivalent at 1 January Cash and cash equivalent at 1 January Cash and cash equivalent at 1 December  Profitability Margins EBIT margin PBT margin PAT margin	2021A  317 196  -161 -128  -35  34  1760 1794  2021A 53.0% 52.9% 40.6%	2022A  287 489  -18 -16  -104  369 1794 2163  2022A 65.1% 63.9% 29.8%	2023E  290 426  -18 -16  -111  298  2163 2461  2023E  51.5% 48.3% 35.5%	2024F  295 404  -14 -15  -107  282 2461 2744  2024F 47.7% 44.7% 32.9%	2025F  287 386  -17 -11  -145  230 2744 2974  2025F 47.1% 44.0% 32.3%
	Cash Flow (RM'm) Cash flows from operating activities Net income before taxation Net cash from operating activities Cash flows from investing activities Addition to investment properties Net cash used in investing activities Cash flows from financing activities Net cash from/(used in) financing activities Net increase/(decrease) in cash and cash equivalents Cash and cash equivalent at 1 January Cash and cash equivalent at 1 January Cash and cash equivalent at 1 December  Profitability Margins EBIT margin PBT margin PAT margin Core PATAMI margin	2021A  317 196  -161 -128  -35  34  1760 1794  2021A  53.0% 52.9% 40.6% 35.7%	2022A  287 489  -18 -16  -104  369 1794 2163  2022A 65.1% 63.9% 29.8% 49.0%	2023E  290 426  -18 -16  -111  298  2163 2461  2023E  51.5% 48.3% 35.5% 35.0%	2024F  295 404  -14 -15  -107  282 2461 2744  2024F 47.7% 44.7% 32.9% 32.4%	2025F  287 386  -17 -11  -145  230 2744 2974  2025F 47.1% 44.0% 32.3% 31.9%
	Cash Flow (RM'm) Cash flows from operating activities Net income before taxation Net cash from operating activities  Cash flows from investing activities Addition to investment properties Net cash used in investing activities  Cash flows from financing activities  Net cash from/(used in) financing activities  Net increase/(decrease) in cash and cash equivalents Cash and cash equivalent at 1 January Cash and cash equivalent at 1 December  Profitability Margins EBIT margin PBT margin PAT margin Core PATAMI margin ROE	2021A  317 196  -161 -128  -35  34  1760 1794  2021A 53.0% 52.9% 40.6% 35.7% 3.5%	2022A  287 489  -18 -16  -104  369 1794 2163  2022A 65.1% 63.9% 29.8% 49.0% 3.9%	2023E  290 426  -18 -16  -111  298  2163 2461  2023E 51.5% 48.3% 35.5% 35.0% 3.6%	2024F  295 404  -14 -15  -107  282  2461 2744  2024F 47.7% 44.7% 32.9% 32.4% 3.6%	2025F  287 386  -17 -11  -145  230 2744 2974  2025F 47.1% 44.0% 32.3% 31.9% 3.5%

Source: Bloomberg, MIDFR



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MIDF AMANAH INVESTMENT BANK: GUIDE TO RECOMMENDATIONS				
STOCK RECOMMENDATIONS				
BUY	Total return is expected to be >10% over the next 12 months.			
TRADING BUY	Stock price is expected to $\textit{rise}$ by >10% within 3-months after a Trading Buy rating has been assigned due to positive newsflow.			
NEUTRAL	Total return is expected to be between -10% and +10% over the next 12 months.			
SELL	Total return is expected to be <-10% over the next 12 months.			
TRADING SELL	Stock price is expected to fall by >10% within 3-months after a Trading Sell rating has been assigned due to negative newsflow.			
SECTOR RECOMMENDATIONS				
POSITIVE	The sector is expected to outperform the overall market over the next 12 months.			
NEUTRAL	The sector is to perform in line with the overall market over the next 12 months.			
NEGATIVE	The sector is expected to underperform the overall market over the next 12 months.			
ESG RECOMMENDATIONS* - sour	rce Bursa Malaysia and FTSE Russell			
***	Top 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell			
***	Top 26-50% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell			
☆☆	Top 51%- 75% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell			
☆	Bottom 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell			

<sup>\*</sup> ESG Ratings of PLCs in FBM EMAS that have been assessed by FTSE Russell in accordance with FTSE Russell ESG Ratings Methodology