

# Celcomdigi Berhad

Maintain BUY

(6947 | CDB MK) Telecommunication & media | Telecommunication service providers

## Enacting the 5-Year ESG Roadmap

Unchanged Target Price: RM4.95

### DEVELOPMENT & VIEW

- We are keeping our **BUY** recommendation on Celcomdigi Bhd (CDB) with an unchanged **target price of RM4.95**. CDB hold its first Environmental, Social and Governance (ESG) day since the merger with the unveiling of the five-year strategy. With the tagline of “Trust in the Age of Digital-Everything”, we view that that the ESG commitment reinforces our optimism on the group as it integrates ESG elements into its integration and transformation activities across the business.

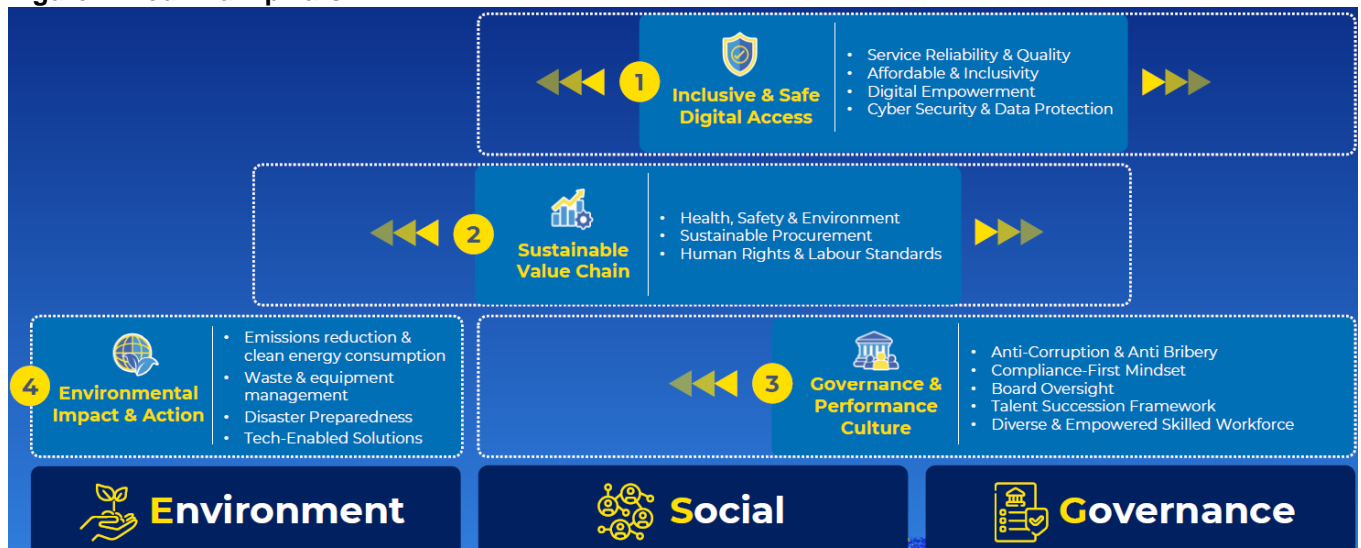
#### Figure 1: Top 15 material matters

Service Reliability & Quality	Online Safety	Digital Inclusion
Customer Satisfaction	Respecting Human Rights & Freedom of Expression	Regulatory Compliance
Data Privacy & Security	Climate Change & Environment	Energy Consumption
Business Ethics & Corporate Governance	Occupational Health & Safety	Supply Chain Management
Crisis management & Response	Business Dev, Expansion & Investments	Talent & Culture


Source: Company

- The group’s ESG strategy is tailored against global ESG standards such as the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), International Sustainability Standards Board (ISSB), and the GSMA’s ESG Metrics for the mobile industry.
- The above is shaped into four main pillars which comprises of: i) enabling an inclusive and safe digital access for all Malaysians; ii) Maintaining a sustainable value chain; iii) building a good governance and performance culture; and iv) managing environmental impact and actions. CDB CEO Datuk Idham Nawawi stresses the importance of these pillars as the group serves as the enabler to the digital society.

#### Figure 2: Four main pillars



Source: Company

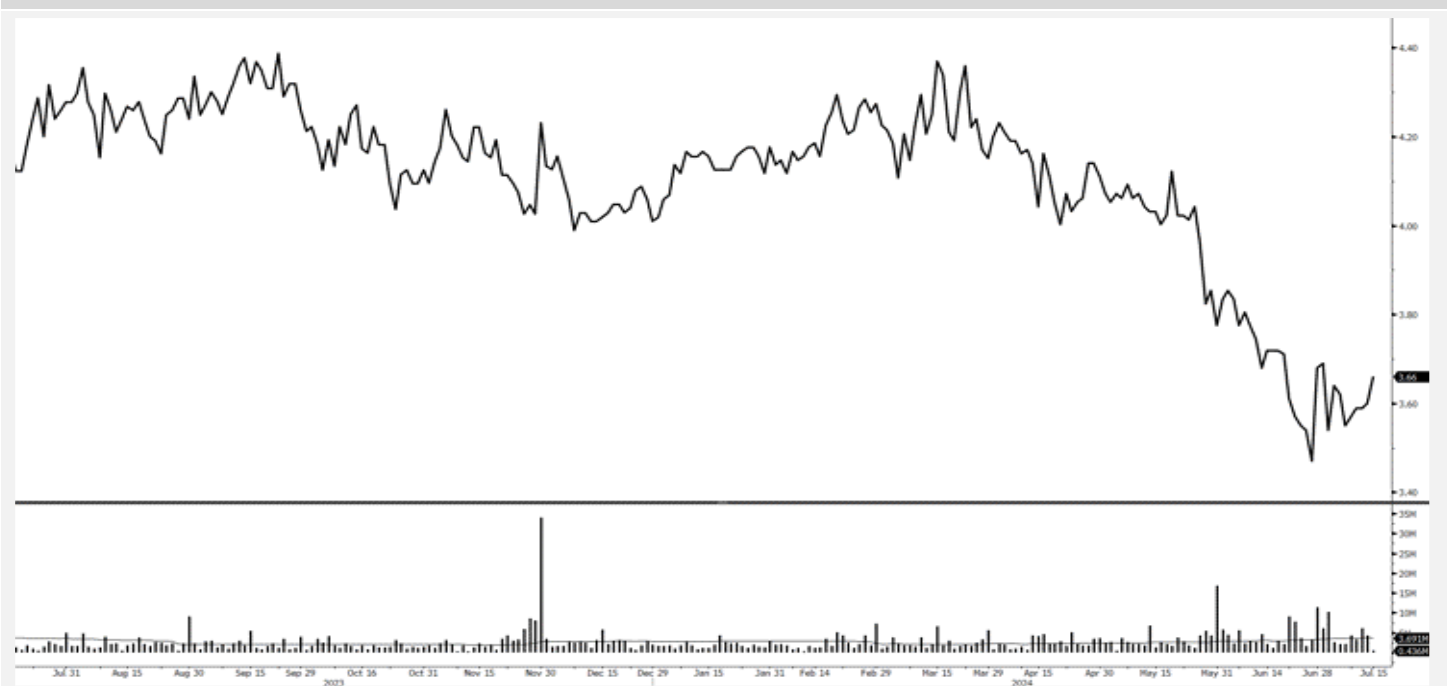
- On a separate note, the group also launched its National Scam Awareness Survey 2024 report during the event. The survey was conducted with This provide insights into the existing scams and fraudulent activities that have become one of the pressing social epidemics today. With this report, the group, along with its partners, is seeking to address specific gaps in scam awareness and protection measures by creating awareness, driving compliance to high security and safety standards internally while supporting enforcement agencies, and leveraging on technology advancements to build safeguards against cybercrime.
- Based on the respondents nationwide, close to two thirds has encounters with scam attempts. Most common scam tactics are phone scams involving callers who were: i) contacted by someone pretending to be a representative from a bank/telecommunications company/government department and request for information, ii) informed that there were problems with their bank account and iii) contacted about receiving government assistance and were required to provided personal/bank details.
- The most common ways through which victims were contacted by scammers were phone calls (76%) and text messages (51%). These findings are consistent with the data held by the Royal Malaysia Force. Generally, the reasoning behind getting scam includes ignorant, greed and desperation. 

## INVESTMENT STATISTICS

Financial year ending 31 <sup>st</sup> December	2022A	2023A	2024E	2025F	2026F
Revenue	6,773	12,682	13,725	13,888	14,186
EBITDA	2,976	5,919	6,494	6,597	6,890
EBIT	1,578	2,689	3,539	3,967	4,315
PBT	1,330	2,181	3,154	3,592	3,943
PATAMI	1,272	2,182	2,334	2,766	3,036
EPS (sen)	16.4	18.6	19.9	23.6	25.9
EPS Growth (%)	12.1	13.7	7.0	18.5	9.8
PER (x)	22	19.4	18.1	15.3	13.9
Dividend Per Share (sen)	12.2	13.2	13.9	16.5	18.1
Dividend yield (%)	3.4	3.7	3.9	4.6	5.0

Source: Company, MIDFR

## SHARE PRICE CHART



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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 <i>rise</i> 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 <i>fall</i> 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\* - source 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

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