Sea Ltd (SE US)

Balancing margins and growth

2Q23E preview: margins likely improved

Sea would announce its 2Q23 results in mid-Aug23. We believe SE will turn a profit for FY23, as it's rapidly improving its cost structure. Margins are likely to have improved further in 2Q23, driven by sharp growth across both its e-commerce (Shopee) and fintech (MariBank) businesses, which we think more than offset weakness in Garena (digital entertainment). While near-term GMV growth could be hamstrung by various cost-cutting measures, we estimate 2Q23E revenue of USD3.57b (+21% YoY) as we assume a higher take rate, with improvement in adjusted EBITDA to USD475m (+6.7% QoQ) and a net profit of USD436m (+73% QoQ). Reiterate BUY and SOTP-based TP of USD105.

Shopee's constant push to improve profitability

Shopee likely raised commission rates across markets in 2Q23E, which should have increased its take rate. E-commerce take rate likely expanded by 0.5% pt QoQ, to 12.7% in 2Q23E. Overall, we estimate Shopee achieved 2Q23E revenue of USD2.4b (+6% QoQ) and improvement in segment EBITDA to USD247m, helped by cost-cutting and a higher take rate. Management has been emphasizing its key focus for FY23 is to solidify efficiency gains and further optimise costs for its key markets, being flexible and nimble amid the macro headwinds.

SE expanding MariBank offerings in Singapore

Growth momentum for SE's DFS segment likely remained solid in 1H23E. MariBank plans to open up to more customers in the coming weeks. Riding on ecosystem synergies, we believe MariBank will be able to rapidly achieve its initial SGD50m deposit cap set by MAS with minimal acquisition costs. In our view, the deposit rate (2.5% pa) offered by MariBank is pretty competitive compared with traditional banks (0.88-3.85%), especially considering the lack of requirements imposed by MariBank. We estimate SeaMoney to see 68% YoY revenue growth to USD2.06b in FY23 while offering segment adjusted EBITDA margin of 22%.

Garena subscriptions likely fell further

We expect subscriptions for Garena fell further in 2Q23, as it continues to be impacted by normalisation in gaming activities post-Covid and a weaker macro economy, which reduces consumer discretionary spending. Hence, we estimate 2Q23 subscriptions for Garena of USD568m (-4.2% QoQ). In terms of margins, we expect a relatively flattish QoQ performance as cost cutting offset operating deleveraging due to lower revenues. We estimate 2Q23E adjusted EBITDA of USD206m from Garena (-11% QoQ).

FYE Dec (USD m)	FY21A	FY22A	FY23E	FY24E	FY25E
Revenue	9,955	12,449	14,675	17,182	19,911
EBITDA	(1,304)	(997)	2,038	2,809	3,940
Core net profit	(2,047)	(1,652)	828	1,390	2,274
Core FDEPS (cts)	(364.1)	(290.6)	140.7	236.4	386.5
Core FDEPS growth(%)	nm	nm	nm	68.0	63.5
Net DPS (cts)	0.0	0.0	0.0	0.0	0.0
Core FD P/E (x)	nm	nm	42.7	25.4	15.6
P/BV (x)	16.9	5.1	4.7	3.6	2.6
Net dividend yield (%)	0.0	0.0	0.0	0.0	0.0
ROAA (%)	(14.0)	(9.2)	4.5	6.6	9.1
EV/EBITDA (x)	nm	nm	14.4	9.3	5.3
Net gearing (%) (incl perps)	net cash				

Kelvin Tan kelvin.tan1@maybank.com (65) 6231 5837



BUY

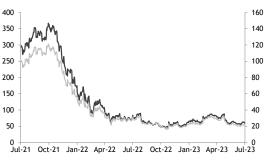
Share Price	USD 60.13
12m Price Target	USD 105.00 (+75%)
Previous Price Target	USD 105.00

Company Description

Sea is an internet company that has businesses in gaming, e-commerce and digital financial services.

Statistics	
52w high/low (USD)	89.97/41.05
3m avg turnover (USDm)	54.0
Free float (%)	98.5
Issued shares (m)	562
Market capitalisation	USD33.8B
	USD33.8B
Major shareholders:	
Tencent	18.6%
Li Xiaodong	17.1%
Gang Ye	6.1%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(0)	(24)	(28)
Relative to index (%)	(4)	(27)	(35)
Source: FactSet			

Abbreviations:

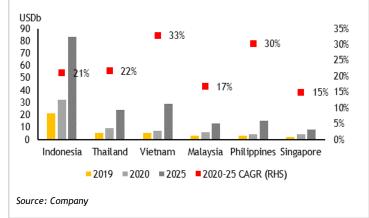
EC: e-commerce DFS: digital financial services DE: digital entertainment GMV: gross merchandise value MAS: Monetary Authority of Singapore



Value Proposition

- Sea is a Singapore-founded internet company with businesses in digital entertainment, e-commerce, and digital financial services.
- Sea is a beneficiary of accelerated digitisation in a post-Covid-19 landscape (e.g. increased usage and stickiness of ecommerce and digital payments).
- Sea believes in prioritising user acquisition and retention through aggressive marketing and providing compelling product propositions, so that it can maximise monetisation later on.
- Sea's strength is also its ability to adapt to local preferences, which helps it excel in regions with heterogeneous cultures such as in Southeast Asia.

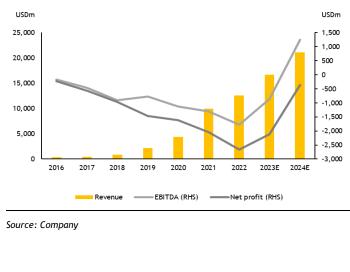
Shopee is exposed to fast-growing ASEAN e-commerce GMV



Financial Metrics

- We forecast FY22-25E revenue CAGR of 26.5%, driven by ecommerce and digital financial services.
- We also expect Sea to achieve breakeven in FY23E.
- We expect Sea to remain in a net cash position through FY24E, and have enough cash to fund investments in ecommerce and digital financial services. Digital entertainment is still an important source of cash flow.

Revenue, EBITDA and net profit projections



Price Drivers

Historical share price trend



Source: Company, Maybank IBG Research

- 1. Strong 4Q18 and 1Q19 results on continued success of Free Fire.
- 2. 2Q19 loss widened despite results beat.
- 3. Sea was beneficiary of Covid-19, and share price rallied alongside e-commerce peers.
- 4. Stronger-than-expected 2Q21 results, driven by Garena and Shopee, and company raising guidance.
- 5. Sell-off due to concerns of normalising growth for Garena Free Fire, as well as broader weakness for pre-earnings growth companies amid hawkish Fed outlook.

Swing Factors

Upside

- Stronger than expected user growth (across all businesses).
- Stronger than expected GMV/TPV growth for ecommerce/ digital financial services.
- Stronger than anticipated monetisation rates across its businesses.

Downside

- If investors are impatient with any delay in Sea's profitability turnaround.
- Slowing user growth metrics, especially if this is due to increasing competition across Sea's offerings.
- Signs of Free Fire losing market share, especially if Garena remains heavily reliant on Free Fire to drive revenue growth.
- Weaker-than-expected consumer spending in the region amid macro uncertainty - hurting Shopee's GMV growth

ESG@MAYBANK IBG

kelvin.tan1@maybank.com

Risk Rating & Score ¹	na
Score Momentum ²	na
Last Updated	na
Controversy Score ³	na

Business Model & Industry Issues

- As an internet business, we believe social issues is the most relevant, followed by governance and then environmental.
- In the e-commerce business, driving social good (e.g. providing and teaching merchants how to use services) is integral to sustainably grow the platform and to retain merchants while monetising them. For instance, in Indonesia, 57% of MSMEs reported that they generated higher profits on Shopee than on other marketplaces.
- We believe the key issues for Garena are: i) addiction; and ii) compliance to local laws. For instance, Bangladesh is reportedly trying to ban Free Fire (alongside other addictive apps like PUBG and Tik Tok). Garena's response to appease authorities is important.
- The financial sector is also a highly regulated one. In our view SeaMoney's growth will be in part influenced by not just adherence to local laws, but how SeaMoney advances government agendas (e.g. facilitate roll-out of financial assistance in Malaysia and regulatory support for digital banking initiatives in ASEAN).
- Data security is also a critical ESG factor. Sea has employed various security measures to ensure this. (e.g. encryption of sensitive data, monitoring for unauthorized access etc).

Material E issues

- Aside from the increased use of packaging materials associated with e-commerce as compared to traditional commerce, we do not see much environmental issues as the remaining businesses are digital based (i.e. gaming and digital financial services).
- We believe carbon emissions from running the computer servers that Sea uses is also a key environmental footprint, although not much has been discussed in Sea's sustainability report pertaining environmental factors.

Material S issues

- Of Sea's >30,000 global workforce, 46% are females.
 Furthermore, 46% of the middle to senior management positions are held by females. SEA also boast a diverse culture of over 50 different nationalities in their company.
- Sea strongly believes in hiring and grooming local talent, and is one of the largest employers of fresh graduates across Southeast Asia.
- During the pandemic, Shopee provided financial support and relief to SMEs by easing operational costs and attracting new customers. Shopee also provided the SMEs with online courses to help them to scale and succeed their business in the long run. Furthermore, SEA Limited committed more than USD35m worth of COVID-19 Seller Support Packages across their markets, and provided monetary donation of more than USD510,000.

Key G metrics and issues

- The board consist of 6 members, out of which 3 are nonexecutive.
- From a data security standpoint, Sea is committed to ensuring that the processing of personal data of consumers, employers and other stakeholders are carried out lawfully. Sea states that it uses its data collected to improve products to better serve its communities.
- Given a large part of Sea's competitive advantage is derived from the network effects from its large user base across multiple markets, compliance with laws is of utmost importance.

<u>1Risk Rating & Score</u> - derived by Sustainalytics and assesses the company's exposure to unmanaged ESG risks. Scores range between 0 - 50 in order of increasing severity with low/high scores & ratings representing negligible/significant risk to the company's enterprise value, respectively, from ESG-driven financial impacts. <u>2Score</u> <u>Momentum</u> - indicates changes to the company's score since the last update - a negative integer indicates a company's improving risk score; a positive integer indicates a deterioration. <u>3Controversy Score</u> - reported periodically by Sustainalytics in the event of material ESG-related incident(s), with the impact severity scores of these events ranging from Category 0-5 (0 - no reports; 1 - negligible risks; ...; 5 - poses serious risks & indicative of potential structural deficiencies at the company).

ESG@MAYBANK IBG

0					
	antitative parameter	s (Score: 58)			
Dentioulene	11	2040	2020	2024	Gra
Particulars	Unit tCO2e	2019 NA	2020 NA	2021 36,333	(Grab US, FY2
Scope 1	tCO2e	NA			10.90
Scope 2 Total	tCO2e	NA NA	NA	112,014 148,347	10,80
	tCO2e	NA	NA NA	146,347 NA	10,80 1,489,20
Scope 3 Total	tCO2e	NA	NA	148,347	1,500,00
Total Energy usage	kWh	NA	NA	148,347 NA	16,651,12
Renewable Energy	kWh	NA	NA	NA	7,127,53
Kenewable Energy	tCo2e	na Na	INA	na na	7,127,55
E Emission per revenue	/USDm	NA	NA	14.9	2222.2
Emission per employee	FTE	NA	NA	2.20	169.0
Net water consumption	m m3	NA	NA	NA	N
Use of recycled water instead of portable	III IIIJ	hA	INA	na Na	
water	m m3	NA	NA	NA	N
Water Intensity	M3/SGDm	NA	NA	NA	N
Waste saved from operation	m tons	NA	NA	NA	77
Customer E-waste Recycling	tons	NA	NA	NA	N
% of women in workforce	%	NA	46%	46%	42
S % of women in management roles	%	NA	46%	44%	34
No. of nationalities among employees	number	NA	50	70	N
CEO salary as % of net profit	%	Nm	Nm	Nm	Ni
Kov management salary as % of profit	%	Nm	Nm	Nm	Nr
Independent director on board	%	0%	0%	0%	67
Women directors on board	%	9 %	9 %	9 %	17
isks for each of the segments) is the senior management salary linked to fulfill o	ling ESG targets?				
Yes) Does the company have a mechanism to capture lo) What are the 2-3 key carbon mitigation/water/w The company has initiated various measures to me he Unilever Green Delivery Project.	e Scope 3 emissions - waste management st anage waste and carb	which parame rategies adop oon emission,	eters are cap ted by the c such as the f	tured? ompany?	icy Programme an
Yes () Does the company have a mechanism to capture ()) What are the 2-3 key carbon mitigation/water/w () Does carbon offset form part of the net zero/carbon mitigation/water/w () No () What are the 2-3 key carbon mitigation/w () No () What a	e Scope 3 emissions - waste management st anage waste and carb	which parame rategies adop oon emission, t of the comp	eters are cap ted by the c such as the f	tured? ompany? Energy Efficien	
 c) Does the company follow the task force of climates e) Does the company have a mechanism to capture No c) What are the 2-3 key carbon mitigation/water/whe company has initiated various measures to methe Unilever Green Delivery Project. g) Does carbon offset form part of the net zero/cation for the set of the set	e Scope 3 emissions - waste management st anage waste and carb urbon neutrality targe	which parame rategies adop oon emission, t of the comp	eters are cap ted by the c such as the f	tured? ompany?	. Achieve
Yes b) Does the company have a mechanism to capture lo c) What are the 2-3 key carbon mitigation/water/w the company has initiated various measures to me he Unilever Green Delivery Project. c) Does carbon offset form part of the net zero/ca yes Particulars	e Scope 3 emissions - waste management st anage waste and carb urbon neutrality targe Target (Score:	which parame rategies adop oon emission, t of the comp	eters are cap ted by the c such as the f	tured? ompany? Energy Efficien Target	: Achieve
Particulars	e Scope 3 emissions - waste management st anage waste and carb urbon neutrality targe Target (Score: Impact	which parame rategies adop oon emission, t of the comp	eters are cap ted by the c such as the f	tured? ompany? Energy Efficien Target	. Achieve
Yes () Does the company have a mechanism to capture ()) What are the 2-3 key carbon mitigation/water/w () Does carbon offset form part of the net zero/carbon mitigation/water/w () No () What are the 2-3 key carbon mitigation/w () No () What a	e Scope 3 emissions - waste management st anage waste and carb urbon neutrality targe Target (Score: Impact NA	which parame rategies adop oon emission, t of the comp 0)	eters are cap ted by the c such as the f	tured? ompany? Energy Efficien Target	: Achieve
Yes (a) Does the company have a mechanism to capture (b) (b) What are the 2-3 key carbon mitigation/water/w (c) What a	e Scope 3 emissions - waste management st anage waste and carb irbon neutrality targe Target (Score: Impact NA Overall score:	which parame rategies adop oon emission, t of the comp 0)	eters are cap ted by the c such as the f	tured? ompany? Energy Efficien Target	: Achieve
Yes b) Does the company have a mechanism to capture lo c) What are the 2-3 key carbon mitigation/water/w the company has initiated various measures to me he Unilever Green Delivery Project. c) Does carbon offset form part of the net zero/ca yes Particulars	e Scope 3 emissions - waste management st anage waste and carb urbon neutrality targe Target (Score: Impact NA Overall score: re of 37.	which parame rategies adop on emission, t of the comp 0) 37	eters are cap ted by the c such as the any?	tured? ompany? Energy Efficien Target NA	: Achieve
As per our ESG matrix, Sea Ltd has an overall score	e Scope 3 emissions - waste management st anage waste and carb urbon neutrality targe Target (Score: Impact NA Overall score: re of 37.	which parame rategies adop on emission, t of the comp 0) 37	eters are cap ted by the c such as the any?	tured? ompany? Energy Efficien Target NA	: Achieve

ESG score	Weights	Scores	Final Score	As per our ESG assessment, Sea Ltd has established sustainabi
Quantitative	50%	58	29	policies but there are no time-based targets set for the period.
Qualitative	25%	33	8	quantitative disclosures on 'E' parameters on emissions, resour usage as well as 'S' parameters on workforce and manageme
Target	25%	0	0	diversity are limited. SE's overall ESG score is 37, which makes
Total			37	ESG rating below average in our view (average ESG rating = 50).

1. FY23 outlook

We expect weaker FY23-24E top line growth due to continued softness at Garena due to reopening/ economic slowdown, and slower GMV growth for Shopee and its stronger focus on unit economics. With Sea's faster-than-expected improvement in cost-cutting and e-commerce and fintech monetisation, the company would break-even in FY23E and sustain its profit growth in the quarters ahead.

In view of macro uncertainty, Shopee is focused on nimble execution, ie, market investments will be decided from a bottom-up perspective, taking into account specific market conditions, including user behaviour, competitive landscape and macro conditions. Management adopted a longterm strategy to: 1) lower ecosystem costs to strengthen its longer-term competitive moat and grow a profitable total addressable market; and 2) enhance user experience with better logistics and customer support.

While we expect subscriptions to decline further for Free Fire due to weaker user trends and reduction in consumer discretionary spending, Sea plans to focus on monetising its core games and promising projects to improve margins this year. Garena has launched two new games via its publishing business in the 1st half of FY23.

For Sea's DFS, we think SE will: 1) remain focused on building a wider user base; 2) find ways to diversify its sources of funding for its credit business as the group still funds the bulk of SeaMoney's loan book using its balance sheet; and 3) deepening the penetration of its consumer credit products.

2. Valuation: outperforming peers

We think Sea will continue to outperform its regional peers given its strong e-commerce (Shopee) leadership in ASEAN and with SeaMoney continuing to grow its fintech offerings and enhance operational capabilities. While the share price may be volatile in the near term as the company aims to rapidly achieve its profitability milestones, which may mean sacrificing its top line, we expect a more sustainable valuation re-rating once its achieves self-sufficiency. Reiterate BUY and SOTP-based TP of USD105.

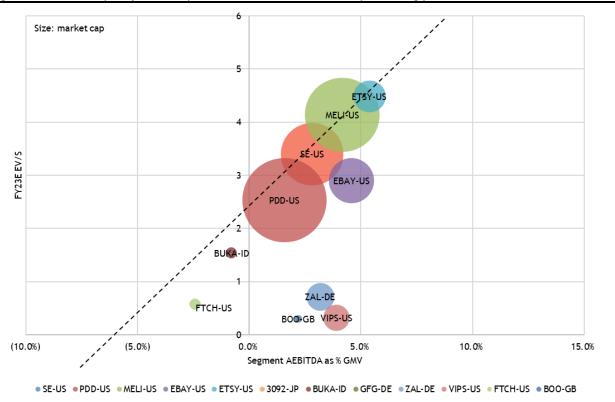


Fig 1: FY23E EV/S and e-commerce adjusted EBITDA as % of GMV of various e-commerce players Maintaining 3.4x EV/S for Shopee, justified by line of best fit, conservative by removing premium for size

Source: Company, FactSet, Bloomberg, Maybank IBG Research

• e-commerce: We continue to apply an FY24E EV/S multiple of 3.4x, based on our analysis in Fig 8, as we think it's the line of best fit to reflect Shopee's profitability being below industry peers (MELI, BABA and PDD).

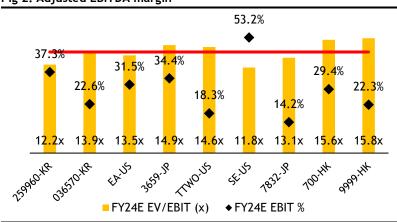


Fig 2: Adjusted EBITDA margin

Note: As of 16 May 2023 Source: FactSet, Maybank IBG Research

• **Digital entertainment:** We are maintaining our multiple of 15% discount to global peers, considering the single-game concentration with Free Fire. We roll forward our valuation from 12.4x FY23E EV/EBIT to 11.8x FY24E EV/EBIT.

Fig 3: SOTP

Business	Methodol ogy	Multiple (x)	Metric	Value of metric (USDm)	Value of business (USDm)	Note
Digital entertainment	EV/EBIT	11.8	FY24E EBIT	1,685	19,882	15% discount to global peers (13.4x) on account of Free Fire concentration.
E-commerce	EV/Sales	3.4	FY24E Revenue	11,825	39,733	Based on cluster analysis in Fig 8.
Digital financial services	EV/TPV	0.1	FY24E TPV	63,197	6,320	
				Net cash (USDm)	4,985	4Q22 balance sheet. Includes short- term investments.
				Equity value (USDm)	70,920	
				Number of shares (m)	631	
				Value per share (USD)	105	

Source: Maybank IBG Research

Downside risks include: 1) weaker-than-expected consumer spending in the region amid macro uncertainty - hurting Shopee's GMV growth; 2) higher-than-expected credit costs for SeaMoney due to slowdown in economic growth; and 3) expectations of further increase in policy rate, impacting valuations.

Fig 4: Peer comparables

Company	FS	MIBG	MIBG TP	Price	Мсар	EV/	S (x)	EV/EE	BIT (x)	EV/T	PV (x)
	Code	Rec	(LC)	(LC)	USDm	FY1	FY2	FY1	FY2	FY1	FY2
Sea	SE-US	BUY	105	60.2	31,357	2.1	1.9	29.0	19.3	0.38	0.35
Digital enterta	inment										
Tencent	700-HK	NR	-	333.0	408,036	5.1	4.6	17.5	15.4		
Netease	9999-HK	NR	-	160.7	67,541	4.8	4.3	20.0	18.0		
Electronic					- /-						
Arts	EA-US	NR	-	137.1	37,315	5.1	4.6	17.9	14.8		
Nexon	3659-JP	NR	-	2708.5	16,487	4.9	4.4	15.1	12.7		
Take Two					,						
Interactive	TTWO-US	NR	-	151.6	25,678	3.7	3.5	nm	18.5		
Bandai	11110 05			15110	23,070	5.7	5.5		10.5		
Namco	7832-JP	NR	-	3177.0	15,079	1.8	1.8	13.9	12.7		
Krafton	259960-KR	NR	-	179200.0	6,825	4.2	3.8	11.0	10.6		
NCSoft	036570-KR	NR	-	283000.0	4,893	3.2	2.6	26.8	13.2		
Netmarble	251270-KR	NR		48150.0		2.3	2.0		nm		
netinaible	ZJIZ/U-KK	INK	-	40100.0	3,259			nm 175			
						3.9	3.5	17.5	14.5		
Marketplace (3	<u>BP) e-commerce</u>	ce									
Alibaba	BABA-US	NR	-	91.9	1,946,468	15.0	13.8	nm	nm	1.71	1.67
Pinduoduo	PDD-US	NR	-	74.9	99,485	3.7	3.1	16.6	12.7	0.18	0.1
MercadoLibre	MELI-US	NR	-	1198.3	60,166	4.6	3.8	nm	31.0	1.53	1.3
eBay	EBAY-US	NR	-	48.8	26,117	3.2	3.1	11.5	10.9	0.45	0.4
Etsy	ETSY-US	NR	-	93.1	11,480	4.7	4.3	34.8	27.6	nm	nm
Rakuten	4755-JP	NR	-	534.8	8,150	1.1	1.0	nm	nm	nm	nm
ZOZO	3092-JP	NR	-	2772.0	6,156	4.1	3.8	13.6	12.6	1.41	1.3
Allegroeu	ALE-PL	NR	-	32.5	8,604	3.7	3.2	28.2	20.4	0.68	0.59
Bukalapak	BUKA-ID	NR	-	234.0	1,609	2.7	2.1	nm	nm	nm	nm
Global	0010110			25 110	1,007	2.7	2				
Fashion	GFG-DE	NR	_								
Group				0.6	151	0.2	0.2	nm	nm	nm	nm
Mean				0.0	151	4.3	3.8	20.9	19.2	1.0	0.9
Medii						4.5	5.0	20.9	17.2	1.0	0.9
B2C (1P) e-con	nmerce										
Amazon	AMZN-US	NR	-	130.0	1,333,436	2.6	2.3	nm	nm	1.93	1.70
JD.com	JD-US	NR	-	36.7	100,161	0.7	0.6	28.1	22.5	0.21	0.20
Coupang	CPNG-US	NR	-	17.1	27,397	1.1	1.0	nm	25.7	nm	nm
Ocado	OCDO-GB	NR	-	6.8	7,262	2.4	2.1	nm	nm	nm	nm
Zalando	ZAL-DE	NR	-	30.2	8,860	0.8	0.7	32.4	19.1	0.52	0.4
Vipshop	VIPS-US	NR	-	16.7	8,114	0.4	0.3	5.4	5.1	0.21	0.20
Farfetch	FTCH-US	NR	-	5.5	1,953	1.0	0.8	nm	nm	0.57	0.38
Baozun	BZUN-US	NR	-	4.1	670	0.7	0.7	nm	27.1	0.09	0.08
Asos	ASC-GB	NR	-	4.0	613	0.3	0.3	nm	19.0	nm	nm
PChome	8044-TW	NR	-	45.7	208	0.4	0.3	nm	nm	nm	nm
Boohoo	BOO-GB	NR	-	0.4	592	0.3	0.3	nm	nm	nm	nm
Mean					0/2	1.0	0.9	22.0	19.8	0.6	0.5
<u>Financial</u>											
services											
Visa	V-US	NR	-	239.6	388,478	11.8	10.6	17.3	15.5	0.03	0.0
Mastercard	MA-US	NR	-	398.1	374,248	15.2	13.4	26.1	22.6	0.06	0.0
PayPal	PYPL-US	NR	-	73.0	81,469	2.9	2.6	12.8	11.4	0.06	0.0
Square	SQ-US	NR	-	76.2	41,456	2.0	1.7	nm	330.4	0.19	0.1
Mean	5205			, ,	, 150	8.0	7.1	18.8	95.0	0.08	0.0

Note: As of 21 Jul 2023, TPV refers to GMV for e-commerce

Source: FactSet

FYE 31 Dec	FY21A	FY22A	FY23E	FY24E	FY25E
Key Metrics					
P/E (reported) (x)	nm	nm	41.3	25.0	15.8
Core P/E (x)	nm	nm	41.3	25.0	15.8
Core FD P/E (x)	nm	nm	42.7	25.4	15.6
P/BV (x)	16.9	5.1	4.7	3.6	2.6
P/NTA (x)	16.9	5.1	4.4	3.4	2.5
Net dividend yield (%)	0.0	0.0	0.0	0.0	0.0
FCF yield (%)	nm	nm	4.8	7.9	11.0
EV/EBITDA (x)	nm	nm	14.4	9.3	5.3
EV/EBIT (x)	nm	nm	22.5	14.5	7.7
INCOME STATEMENT (USD m)	0.055.2	12 440 0	14 675 0	17 101 7	10 011 1
Revenue	9,955.2	12,449.0	14,675.0	17,181.7	19,911.1
EBITDA	(1,304.0)	(996.6)	2,038.3	2,808.5	3,940.1
Depreciation	(279.0)	(490.9)	(738.8)	(998.6)	(1,260.6)
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	(1,583.1)	(1,487.5)	1,299.5	1,810.0	2,679.5
Net interest income / (exp)	(102.9)	70.1	(72.7)	(73.0)	(45.1
Associates & JV	5.0	11.2	11.2	11.2	11.2
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other pretax income	(29.5)	(83.1)	(161.3)	(139.3)	(139.3
Pretax profit	(1,710.4)	(1,489.4)	1,076.6	1,608.8	2,506.2
Income tax	(332.9)	(362.9)	(254.8)	(224.3)	(238.2
Minorities	(3.7)	6.0	6.0	6.0	6.0
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	(2,047.0)	(1,651.8)	827.8	1,390.5	2,274.0
Core net profit	(2,047.0)	(1,651.8)	827.8	1,390.5	2,274.0
BALANCE SHEET (USD m)					
Cash & Short Term Investments	10,799.4	7,579.4	9,575.0	12,285.8	16,195.0
Accounts receivable	388.3	268.8	402.1	470.7	600.1
Inventory	117.5	109.7	118.9	133.6	149.3
Property, Plant & Equip (net)	1,030.0	1,387.9	2,098.3	2,317.5	2,266.5
Intangible assets	52.5	65.0	82.5	97.5	112.5
Investment in Associates & JVs	0.0	0.0	0.0	0.0	0.0
Other assets	6,368.3	7,592.0	7,348.5	7,511.1	7,721.2
Total assets	18,756.0	17,002.8	19,625.3	22,816.2	27,044.5
ST interest bearing debt	100.0	88.4	88.4	88.4	88.4
Accounts payable	213.6	258.6	241.8	278.0	311.9
LT interest bearing debt	3,475.7	3,338.8	3,538.8	2,569.8	0.0
Other liabilities	7,542.0	7,506.0	7,849.0	9,564.0	11,916.0
Total Liabilities	11,331.6	11,192.0	11,718.0	12,500.4	12,315.9
Shareholders Equity	7,398.7	5,715.7	7,322.1	9,736.6	14,155.5
Minority Interest	25.7	95.1	89.1	83.1	77.
Total shareholder equity	7,424.4	5,810.9	7,411.2	9,819.7	14,232.6
Total liabilities and equity	18,756.0	17,002.8	19,625.3	22,816.2	27,044.5
CASH FLOW (USD m)					
Pretax profit	(1,710.4)	(1,489.4)	1,076.6	1,608.8	2,506.2
Depreciation & amortisation	279.0	490.9	738.8	998.6	1,260.6
Adj net interest (income)/exp	0.0	0.0	0.0	0.0	0.0
Change in working capital	1,276.2	(1,306.2)	310.2	520.2	441.
Cash taxes paid	0.0	0.0	0.0	0.0	0.0
Other operating cash flow	363.8	477.7	674.2	836.3	937.4
Cash flow from operations	208.6	(1,827.0)	2,799.8	3,963.9	5,145.
Capex	(722.2)	(1,094.1)	(1,174.0)	(1,202.7)	(1,194.7
Free cash flow	(513.5)	(2,921.0)	1,625.8	2,761.2	3,950.
Dividends paid	0.0	0.0	0.0	0.0	0.0
Equity raised / (purchased)	4,050.1	0.0	0.0	0.0	0.
Change in Debt	2,960.3	(11.6)	0.0	0.0	0.0
Other invest/financing cash flow	226.5	(2,704.9)	191.6	(25.1)	(48.8
Effect of exch rate changes	0.0	0.0	0.0	0.0	0.0
	0.0	0.0	0.0	0.0	5.0

FYE 31 Dec	FY21A	FY22A	FY23E	FY24E	FY25E
Key Ratios					
Growth ratios (%)					
Revenue growth	127.5	25.1	17.9	17.1	15.9
EBITDA growth	nm	nm	nm	37.8	40.3
EBIT growth	nm	nm	nm	39.3	48.0
Pretax growth	nm	nm	nm	49.4	55.8
Reported net profit growth	nm	nm	nm	68.0	63.5
Core net profit growth	nm	nm	nm	68.0	63.5
Profitability ratios (%)					
EBITDA margin	nm	nm	13.9	16.3	19.8
EBIT margin	nm	nm	8.9	10.5	13.5
Pretax profit margin	nm	nm	7.3	9.4	12.6
Payout ratio	0.0	0.0	0.0	0.0	0.0
DuPont analysis					
Net profit margin (%)	nm	nm	5.6	8.1	11.4
Revenue/Assets (x)	0.5	0.7	0.7	0.8	0.7
Assets/Equity (x)	2.5	3.0	2.7	2.3	1.9
ROAE (%)	na	na	na	na	na
ROAA (%)	(14.0)	(9.2)	4.5	6.6	9.1
Liquidity & Efficiency					
Cash conversion cycle	9.0	3.4	1.8	4.0	4.2
Days receivable outstanding	13.6	9.5	8.2	9.1	9.7
Days inventory outstanding	5.4	5.6	5.4	4.9	5.0
Days payables outstanding	10.0	11.7	11.8	10.1	10.5
Dividend cover (x)	nm	nm	nm	nm	nm
Current ratio (x)	2.1	1.8	2.0	2.0	1.9
Leverage & Expense Analysis					
Asset/Liability (x)	1.7	1.5	1.7	1.8	2.2
Net gearing (%) (incl perps)	net cash				
Net gearing (%) (excl. perps)	net cash				
Net interest cover (x)	na	21.2	17.9	24.8	59.5
Debt/EBITDA (x)	nm	nm	1.8	0.9	0.0
Capex/revenue (%)	7.3	8.8	8.0	7.0	6.0
Net debt/ (net cash)	(7,223.7)	(4,152.3)	(5,947.7)	(9,627.6)	(16,106.6

Source: Company; Maybank IBG Research

Research Offices

ECONOMICS

Suhaimi ILIAS Chief Economist Malaysia | Philippines | Global (603) 2297 8682 suhaimi_ilias@maybank-ib.com

CHUA Hak Bin Regional Thematic Macroeconomist (65) 6231 5830 chuahb@maybank.com

Dr Zamros DZULKAFLI Malaysia | Philippines (603) 2082 6818 zamros.d@maybank-ib.com

Brian LEE Shun Rong Singapore | Vietnam | Indonesia (65) 6231 5846 brian.lee1@maybank.com

Fatin Nabila MOHD ZAINI (603) 2297 8685 fatinnabila.mohdzaini@maybank-ib.com

Luong Thu Huong (65) 6231 8467 hana.thuhuong @maybank.com

FΧ

Saktiandi SUPAAT Head of FX Research (65) 6320 1379 saktiandi@maybank.com

Fiona LIM (65) 6320 1374 fionalim@maybank.com

Alan LAU (65) 6320 1378 alanlau@maybank.com

Shaun LIM (65) 6320 1371 shaunlim@maybank.com

STRATEGY

Anand PATHMAKANTHAN ASEAN (603) 2297 8783 anand.pathmakanthan@maybank-ib.com

FIXED INCOME

Winson PHOON, FCA Head of Fixed Income (65) 6340 1079 winsonphoon@maybank.com

SE THO Mun Yi, CFA (603) 2074 7606 munyi.st@maybank-ib.com

PORTFOLIO STRATEGY

ONG Seng Yeow (65) 6231 5839 ongsengyeow@maybank.com

MIBG SUSTAINABILITY RESEARCH

Jigar SHAH Head of Sustainability Research (91) 22 4223 2632 jigars@maybank.com

Neerav DALAL (91) 22 4223 2606 neerav@maybank.com

REGIONAL EQUITIES

Anand PATHMAKANTHAN Head of Regional Equity Research (603) 2297 8783 anand.pathmakanthan@maybank-ib.com

WONG Chew Hann, CA Head of ASEAN Equity Research (603) 2297 8686 wchewh@maybank-ib.com

MALAYSIA

Anand PATHMAKANTHAN Head of Research (603) 2297 8783 anand.pathmakanthan@maybank-ib.com • Strategy

WONG Chew Hann, CA (603) 2297 8686 wchewh@maybank-ib.com • Non-Bank Financials (stock exchange) • Construction & Infrastructure

Desmond CH'NG, BFP, FCA (603) 2297 8680 desmond.chng@maybank-ib.com • Banking & Finance

ONG Chee Ting, CA (603) 2297 8678 ct.ong@maybank-ib.com • Plantations - Regional

YIN Shao Yang, CPA (603) 2297 8916 samuel.y@maybank-ib.com • Gaming - Regional • Media • Aviation • Non-Bank Financials

TAN Chi Wei, CFA (603) 2297 8690 chiwei.t@maybank-ib.com • Power • Telcos

WONG Wei Sum, CFA (603) 2297 8679 weisum@maybank-ib.com • Property • Glove

Jade TAM (603) 2297 8687 jade.tam@maybank-ib.com • Consumer Staples & Discretionary

Nur Farah SYIFAA (603) 2297 8675 nurfarahsyifaa.mohamadfuad@maybank-ib.com • Renewable Energy • REITs

LOH Yan Jin (603) 2297 8687 lohyanjin.loh@maybank-ib.com • Ports • Shipping • Automotive

Arvind JAYARATNAM (603) 2297 8692 arvind.jayaratnam@maybank.com • Petrochemicals • Technology

TEE Sze Chiah Head of Retail Research (603) 2082 6858 szechiah.t@maybank-ib.com • Retail Research

Nik Ihsan RAJA ABDULLAH, MSTA, CFTe (603) 2297 8694 nikmohdihsan.ra@maybank-ib.com • Chartist

Amirah AZMI (603) 2082 8769 amirah.azmi@maybank-ib.com • Retail Research

SINGAPORE

Thilan WICKRAMASINGHE Head of Research (65) 6231 5840 thilanw@maybank.com • Banking & Finance - Regional • Consumer

Eric ONG (65) 6231 5849 ericong@maybank.com • Healthcare • Transport • SMIDs

Kelvin TAN (65) 6231 5837 kelvin.tan1@maybank.com • Telcos • Industrials LI Jialin (65) 6231 5845 jialin.li@maybank.com

• REITS

Jarick SEET (65) 6231 5848 jarick.seet@maybank.com • Technology

Krishna GUHA (65) 6231 5842 krishna.guha@maybank.com • REITs

PHILIPPINES

Jacqui de JESUS Head of Research (63) 2 8849 8840 jacqui.dejesus@maybank.com • Strategy • Conglomerates

Rachelleen RODRIGUEZ, CFA (63) 2 8849 8843 rachelleen.rodriguez@maybank.com • Banking & Finance • Transport • Telcos

Daphne SZE (63) 2 8849 8847 daphne.sze@maybank.com • Consumer

Fiorenzo de JESUS (63) 2 8849 8846 fiorenzo.dejesus@maybank.com • Utilities

Alexa Mae CARVAJAL (63) 2 8849 8838 alexamae.carvajal@maybank.com • Consumer • Gaming • Property • REITs

THAILAND Chak REUNGSINPINYA Head of Research (66) 2658 5000 ext 1399 Chak. reungsinpinya @maybank.com • Strategy • Energy

Jesada TECHAHUSDIN, CFA (66) 2658 5000 ext 1395 jesada.t@maybank.com • Banking & Finance

Wasu MATTANAPOTCHANART (66) 2658 5000 ext 1392 wasu.m@maybank.com • Telcos

Surachai PRAMUALCHAROENKIT (66) 2658 5000 ext 1470 Surachai.p@maybank.com • Auto • Conmat • Contractor • Steel

Suttatip PEERASUB (66) 2658 5000 ext 1430 suttatip.p@maybank.com • Food & Beverage • Commerce

INDONESIA

Jeffrosenberg CHENLIM Head of Research (62) 21 8066 8680 Jeffrosenberg.lim@maybank.com • Strategy • Banking & Finance • Property

Willy GOUTAMA (62) 21 8066 8500 willy.goutama@maybank.com • Consumer

Etta Rusdiana PUTRA (62) 21 8066 8683 etta.putra@maybank.com • Telcos

William Jefferson W (62) 21 8066 8563 william.jefferson@maybank.com • Property

Adi WICAKSONO (62) 21 8066 8686 Adi.Wicaksono@maybank.com • Plantations

Satriawan HARYONO, CEWA, CTA (62) 21 8066 8682 satriawan@maybank.com • Chartist

VIETNAM

Quan Trong Thanh Head of Research (84 28) 44 555 888 ext 8184 thanh.quan@maybank.com • Strategy • Banks

Hoang Huy, CFA (84 28) 44 555 888 ext 8181 hoanghuy@maybank.com • Strategy • Technology

Le Nguyen Nhat Chuyen (84 28) 44 555 888 ext 8082 chuyen.le@maybank.com • Oil & Gas • Logistics

Nguyen Thi Sony Tra Mi (84 28) 44 555 888 ext 8084 trami.nguyen@maybank.com • Consumer Discretionary

Tran Thi Thanh Nhan (84 28) 44 555 888 ext 8088 nhan.tran@maybank.com • Consumer Staples

Nguyen Le Tuan Loi (84 28) 44 555 888 ext 8088 loi.nguyen@maybank.com • Industrials

Nguyen Thi Ngan Tuyen Head of Retail Research (84 28) 44 555 888 ext 8081 tuyen.nguyen@maybank.com • Retail Research

Nguyen Thanh Lam (84 28) 44 555 888 ext 8086 thanhlam.nguyen@maybank.com • Chartist

APPENDIX I: TERMS FOR PROVISION OF REPORT, DISCLAIMERS AND DISCLOSURES

DISCLAIMERS

This research report is prepared for general circulation and for information purposes only and under no circumstances should it be considered or intended as an offer to sell or a solicitation of an offer to buy the securities referred to herein. Investors should note that values of such securities, if any, may fluctuate and that each security's price or value may rise or fall. Opinions or recommendations contained herein are in form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from the relevant jurisdiction's stock exchange in the equity analysis. Accordingly, investors' returns may be less than the original sum invested. Past performance is not necessarily a guide to future performance. This report is not intended to provide personal investment advice and does not take into account the specific investment objectives, the financial situation and the particular needs of persons who may receive or read this report. Investors should therefore seek financial, legal and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

The information contained herein has been obtained from sources believed to be reliable but such sources have not been independently verified by Maybank Investment Bank Berhad, its subsidiary and affiliates (collectively, "Maybank IBG") and consequently no representation is made as to the accuracy or completeness of this report by Maybank IBG and it should not be relied upon as such. Accordingly, Maybank IBG and its officers, directors, associates, connected parties and/or employees (collectively, "Representatives") shall not be liable for any direct, indirect or consequential losses or damages that may arise from the use or reliance of this report. Any information, opinions or recommendations contained herein are subject to change at any time, without prior notice.

This report may contain forward looking statements which are often but not always identified by the use of words such as "anticipate", "believe", "estimate", "intend", "plan", "expect", "forecast", "predict" and "project" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. Such forward looking statements are based on assumptions made and information currently available to us and are subject to certain risks and uncertainties that could cause the actual results to differ materially from those expressed in any forward looking statements. Readers are cautioned not to place undue relevance on these forward-looking statements. Maybank IBG expressly disclaims any obligation to update or revise any such forward looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

Maybank IBG and its officers, directors and employees, including persons involved in the preparation or issuance of this report, may, to the extent permitted by law, from time to time participate or invest in financing transactions with the issuer(s) of the securities mentioned in this report, perform services for or solicit business from such issuers, and/or have a position or holding, or other material interest, or effect transactions, in such securities or options thereon, or other investments related thereto. In addition, it may make markets in the securities mentioned in the material presented in this report. One or more directors, officers and/or employees of Maybank IBG may be a director of the issuers of the securities mentioned in this report to the extent permitted by law.

This report is prepared for the use of Maybank IBG's clients and may not be reproduced, altered in any way, transmitted to, copied or distributed to any other party in whole or in part in any form or manner without the prior express written consent of Maybank IBG and Maybank IBG and its Representatives accepts no liability whatsoever for the actions of third parties in this respect.

This report is not directed to or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for distribution only under such circumstances as may be permitted by applicable law. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Without prejudice to the foregoing, the reader is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

Malaysia

Opinions or recommendations contained herein are in the form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from Bursa Malaysia Securities Berhad in the equity analysis.

Singapore

This report has been produced as of the date hereof and the information herein may be subject to change. Maybank Research Pte. Ltd. ("MRPL") in Singapore has no obligation to update such information for any recipient. For distribution in Singapore, recipients of this report are to contact MRPL in Singapore in respect of any matters arising from, or in connection with, this report. If the recipient of this report is not an accredited investor, expert investor or institutional investor (as defined under Section 4A of the Singapore Securities and Futures Act), MRPL shall be legally liable for the contents of this report, with such liability being limited to the extent (if any) as permitted by law.

Thailand

Except as specifically permitted, no part of this presentation may be reproduced or distributed in any manner without the prior written permission of Maybank Securities (Thailand) Public Company Limited. (MST") accepts no liability whatsoever for the actions of third parties in this respect.

Due to different characteristics, objectives and strategies of institutional and retail investors, the research products of MST Institutional and Retail Research departments may differ in either recommendation or target price, or both. MST reserves the rights to disseminate MST Retail Research reports to institutional investors who have requested to receive it. If you are an authorised recipient, you hereby tacitly acknowledge that the research reports from MST Retail Research are first produced in Thai and there is a time lag in the release of the translated English version.

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey may be changed after that date. MST does not confirm nor certify the accuracy of such survey result.

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, MST does not confirm, verify, or certify the accuracy and completeness of the assessment result.

US

This third-party research report is distributed in the United States ("US") to Major US Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended) only by Wedbush Securities Inc. ("Wedbush"), a broker-dealer registered in the US (registered under Section 15 of the Securities Exchange Act of 1934, as amended). All responsibility for the distribution of this report by Wedbush in the US shall be borne by Wedbush. This report is not directed at you if Wedbush is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that Wedbush is permitted to provide research material concerning investments to you under relevant legislation and regulations. All U.S. persons receiving and/or accessing this report and wishing to effect transactions in any security mentioned within must do so with: Wedbush Securities Inc. 1000 Wilshire Blvd, Los Angeles, California 90017, +1 (646) 604-4232 and not with the issuer of this report.

UK

This document is being distributed by Maybank Securities (London) Ltd ("MSUK") which is authorized and regulated, by the Financial Conduct Authority and is for Informational Purposes only. This document is not intended for distribution to anyone defined as a Retail Client under the Financial Services and Markets Act 2000 within the UK. Any inclusion of a third party link is for the recipients convenience only, and that the firm does not take any responsibility for its comments or accuracy, and that access to such links is at the individuals own risk. Nothing in this report should be considered as constituting legal, accounting or tax advice, and that for accurate guidance recipients should consult with their own independent tax advisers.

DISCLOSURES

Legal Entities Disclosures

Malaysia: This report is issued and distributed in Malaysia by Maybank Investment Bank Berhad (15938- H) which is a Participating Organization of Bursa Malaysia Berhad and a holder of Capital Markets and Services License issued by the Securities Commission in Malaysia. Singapore: This report is distributed in Singapore by MRPL (Co. Reg No 198700034E) which is regulated by the Monetary Authority of Singapore. Indonesia: PT Maybank Sekuritas Indonesia ("PTMSI") (Reg. No. KEP-251/PM/1992) is a member of the Indonesia Stock Exchange and is regulated by the Financial Services Authority (Indonesia). Thailand: MST (Reg. No.0107545000314) is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission. Philippines: Maybank Securities Inc (Reg. No.01-2004-00019) is a member of the Philippines Stock Exchange and is regulated by the Securities and Exchange Commission. Vietnam: Maybank Securities Limited (License Number: 117/GP-UBCK) is licensed under the State Securities Commission of Vietnam. Hong Kong: MIB Securities (Hong Kong) Limited (Central Entity No AAD284) is regulated by the Securities and Futures Commission. India: MIB Securities India Private Limited ("MIBSI") is a participant of the National Stock Exchange of India Limited and the Bombay Stock Exchange and is regulated by Securities and Exchange Board of India ("SEBI") (Reg. No. INZ000010538). MIBSI is also registered with SEBI as Category 1 Merchant Banker (Reg. No. INM 000011708) and as Research Analyst (Reg No: INH000000057). UK: Maybank Securities (London) Ltd (Reg No 2377538) is authorized and regulated by the Financial Conduct Authority.

Disclosure of Interest

Malaysia: Maybank IBG and its Representatives may from time to time have positions or be materially interested in the securities referred to herein and may further act as market maker or may have assumed an underwriting commitment or deal with such securities and may also perform or seek to perform investment banking services, advisory and other services for or relating to those companies.

Singapore: As of 21 July 2023, Maybank Research Pte. Ltd. and the covering analyst do not have any interest in any companies recommended in this research report.

Thailand: MST may have a business relationship with or may possibly be an issuer of derivative warrants on the securities /companies mentioned in the research report. Therefore, Investors should exercise their own judgment before making any investment decisions. MST, its associates, directors, connected parties and/or employees may from time to time have interests and/or underwriting commitments in the securities mentioned in this report.

Hong Kong: As of 21 July 2023, MIB Securities (Hong Kong) Limited and the authoring analyst do not have any interest in any companies recommended in this research report.

India: As of 21 July 2023, and at the end of the month immediately preceding the date of publication of the research report, MIBSI, authoring analyst or their associate / relative does not hold any financial interest or any actual or beneficial ownership in any shares or having any conflict of interest in the subject companies except as otherwise disclosed in the research report. In the past twelve months MIBSI and authoring analyst or their associate did not receive any compensation or other benefits from the subject companies or third party in connection with the research report.

Maybank IBG may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment and may receive compensation for the services provided from the companies covered in this report.

OTHERS

Analyst Certification of Independence

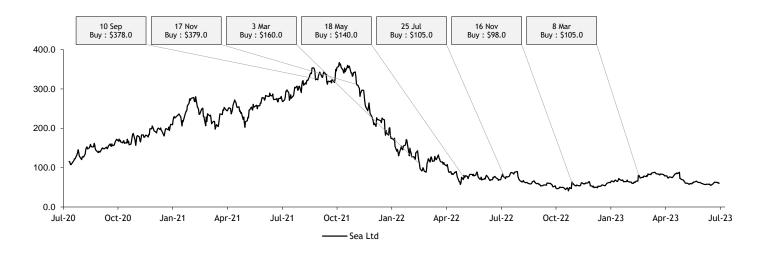
The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

Reminder

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct its own analysis of the product and consult with its own professional advisers as to the risks involved in making such a purchase.

No part of this material may be copied, photocopied or duplicated in any form by any means or redistributed without the prior consent of Maybank IBG.

Historical recommendations and target price: Sea Ltd (SE US)



Definition of Ratings

Maybank IBG Research uses the following rating system

BUY	Return is expected to be above 10% in the next 12 months (including dividends)
HOLD	Return is expected to be between 0% to 10% in the next 12 months (including dividends)
SELL	Return is expected to be below 0% in the next 12 months (including dividends)

Applicability of Ratings

The respective analyst maintains a coverage universe of stocks, the list of which may be adjusted according to needs. Investment ratings are only applicable to the stocks which form part of the coverage universe. Reports on companies which are not part of the coverage do not carry investment ratings as we do not actively follow developments in these companies.

🌏 Malaysia

Maybank Investment Bank Berhad (A Participating Organisation of Bursa Malaysia Securities Berhad) 33rd Floor, Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur Tel: (603) 2059 1888; Fax: (603) 2078 4194

Stockbroking Business: Level 8, Tower C, Dataran Maybank, No.1, Jalan Maarof 59000 Kuala Lumpur Tel: (603) 2297 8888 Fax: (603) 2282 5136

📀 Sales Trading

Indonesia Helen Widjaja helen.widjaja@maybank.com (62) 21 2557 1188

Philippines Keith Roy keith_roy@maybank.com Tel: (63) 2 848-5288 📀 Singapore

Maybank Securities Pte Ltd Maybank Research Pte Ltd 50 North Canal Road Singapore 059304

Tel: (65) 6336 9090

👩 Indonesia

PT Maybank Sekuritas Indonesia Sentral Senayan III, 22nd Floor Jl. Asia Afrika No. 8 Gelora Bung Karno, Senayan Jakarta 10270, Indonesia

Tel: (62) 21 2557 1188 Fax: (62) 21 2557 1189

👩 Thailand

Maybank Securities (Thailand) PCL 999/9 The Offices at Central World, 20th - 21st Floor, Rama 1 Road Pathumwan, Bangkok 10330, Thailand

Tel: (66) 2 658 6817 (sales) Tel: (66) 2 658 6801 (research)

London Greg Smith gsmith@maybank.com Tel: (44) 207-332-0221

India Sanjay Makhija sanjaymakhija@maybank.com Tel: (91)-22-6623-2629 👩 London

Maybank Securities (London) Ltd PNB House 77 Queen Victoria Street London EC4V 4AY, UK

Tel: (44) 20 7332 0221 Fax: (44) 20 7332 0302

🌏 India

MIB Securities India Pte Ltd 1101, 11th floor, A Wing, Kanakia Wall Street, Chakala, Andheri -Kurla Road, Andheri East, Mumbai City - 400 093, India

Tel: (91) 22 6623 2600 Fax: (91) 22 6623 2604

👩 Vietnam

Maybank Securities Limited Floor 10, Pearl 5 Tower, 5 Le Quy Don Street, Vo Thi Sau Ward, District 3 Ho Chi Minh City, Vietnam

Tel : (84) 28 44 555 888 Fax : (84) 28 38 271 030

🐔 Hong Kong

MIB Securities (Hong Kong) Limited 28/F, Lee Garden Three, 1 Sunning Road, Causeway Bay, Hong Kong

Tel: (852) 2268 0800 Fax: (852) 2877 0104

👩 Philippines

Maybank Securities Inc 17/F, Tower One & Exchange Plaza Ayala Triangle, Ayala Avenue Makati City, Philippines 1200

Tel: (63) 2 8849 8888 Fax: (63) 2 8848 5738

www.maybank.com/investment-banking www.maybank-keresearch.com