Consumer Staples

Philippines

Jollibee Foods (JFC PM)

Jolly good earnings

BUY

Share Price	PHP 239.00
12m Price Target	PHP 288.00 (+21%)
Previous Price Target	*PHP 285.00*

Strong domestic business drives bottomline

JFC's 2Q23/1H23 revenue grew 17%/22% YoY to PHP60.8b/PHP115.9b, driven by the Philippines market (61% of total). The improving operating leverage and lower-than-expected A&P costs in the Philippines business boosted 1H23 EBIT margin to 6.6%, ahead of our 4.4% forecast. This was offset by more expensive debt for working capital, such that JFC's 2Q23/1H23 earnings of PHP2.3b/PHP4.4b (-17%/-12% YoY) were 51%/53% of our/consensus FY23 forecasts. We make no changes to our FY23/24E earnings forecasts but raise our DCF-based TP slightly by 1% to PHP288 after rolling forward our valuation base to FY24E. Maintain BUY.

Philippines drives revenue/EBITDA growth

The Philippines (61% of SWS) remains the main growth engine, posting SWS growth/SSSG of 24%/20% YoY in 1H23. The sustained SSSG was underpinned by strong volumes, which accounted for 7ppt of 2Q23's 11.3% SSSG. On top of this, JFC added 165 stores (net) in 1H23, on track to achieving our 375 net addition forecast in FY23.

International 1H23 EBITDA more than doubled

1H23 EBITDA of the international business grew by 135% YoY, underpinned by improvements at *Smashburger*, restaurants in China and *Jollibee* outlets in the US, Vietnam and the Middle East. There was a notable slowdown in China, US and in *Highland Coffee*, which opened in Vietnam in 2Q23, which was due to a pullback in consumer spending due to a reallocation in household spending. Nonetheless, JFC expects recovery in Vietnam and China in late-2H23, as consumer sentiment should improve due to improving macroeconomic backdrop (e.g. lower inflation, higher mobility).

JFC our Top Pick in the consumer sector

Although the stock has outperformed the PSEi by 10ppts YTD, JFC's earnings growth momentum in 1H23, which we believe will be sustainable in 2H23 due to seasonal factors, reinforces our positive view on the stock. We forecast 2H23 earnings to grow by 73% YoY, led by the Philippines, which should benefit from holiday spending and JFC's back-ended store rollouts. Downside risks to our earnings include raw material price volatility and slower-than-expected recovery in China.

FYE Dec (PHP m)	FY21A	FY22A	FY23E	FY24E	FY25E
Revenue	153,576	211,902	250,450	278,321	305,080
EBITDA	19,757	25,540	27,642	30,522	33,851
Core net profit	5,982	7,559	8,644	10,217	11,274
Core EPS (PHP)	5.39	6.79	7.76	9.17	10.12
Core EPS growth (%)	nm	25.8	14.4	18.2	10.3
Net DPS (PHP)	1.66	2.52	2.59	3.06	3.37
Core P/E (x)	40.1	33.9	30.8	26.1	23.6
P/BV (x)	4.3	4.1	4.0	3.6	3.3
Net dividend yield (%)	0.8	1.1	1.1	1.3	1.4
ROAE (%)	14.8	17.1	17.9	18.9	18.7
ROAA (%)	2.9	3.4	3.7	4.4	4.6
EV/EBITDA (x)	15.3	12.7	11.7	10.0	9.2
Net gearing (%) (incl perps)	19.0	20.0	9.1	net cash	net cash
Consensus net profit	-	-	8,355	10,172	11,776
MIBG vs. Consensus (%)	-	-	3.5	0.4	(4.3)

Daphne Sze
daphne.sze@maybank.com
(63) 2 8849 8847

Company Description

Engaged in the development, operation, and franchising of quick-service restaurants in the Philippines and worldwide

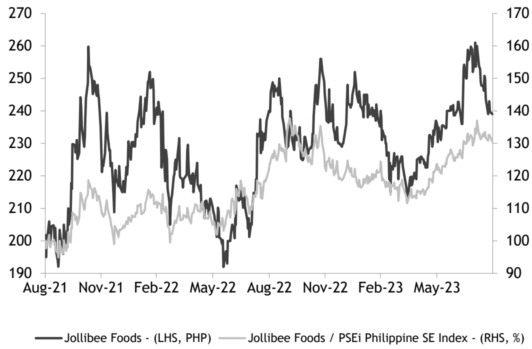
Statistics

52w high/low (PHP)	261.00/212.20
3m avg turnover (USDm)	2.5
Free float (%)	45.6
Issued shares (m)	1,103
Market capitalisation	PHP263.7B
	USD4.7B

Major shareholders:

Hyper Dynamic Corp.	43.3%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(5)	1	1
Relative to index (%)	1	7	9

Source: FactSet

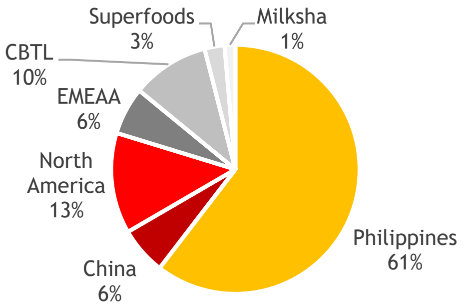
Acronyms used:
CBTL- Coffee Bean and Tea Leaf
EMEA - Europe, Middle East and Asia
GPM - Gross profit margin
SWS- System wide sales

ESG@MAYBANK IBG
Tear Sheet Insert

Value Proposition

- JFC is the country's biggest QSR operator in the PH with 3,285 stores and 3,195 outlets overseas as of 31 Dec 2022.
- Euromonitor estimates JFC's market share in the Philippines at 42% in 2022, beating global QSRs, including McDonald's and KFC.
- JFC's growth strategy is centred on: (i) the expansion of core brands both locally and internationally; and (ii) acquisitions of established businesses (e.g. Smashburger and The Coffee Bean & Tea Leaf).
  It aims for a 50:50 Philippines:international revenue split by FY28.

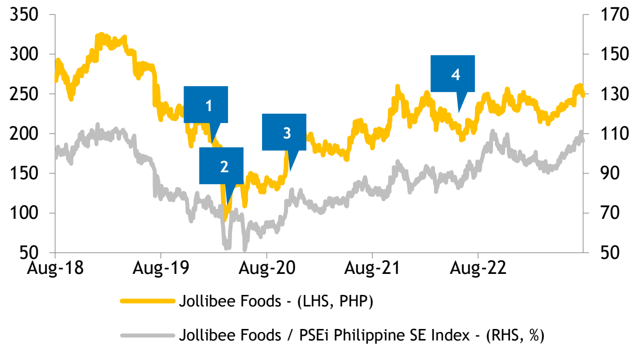
System-wide sales breakdown (FY22)



Source: Company

Price Drivers

Historical share price trend



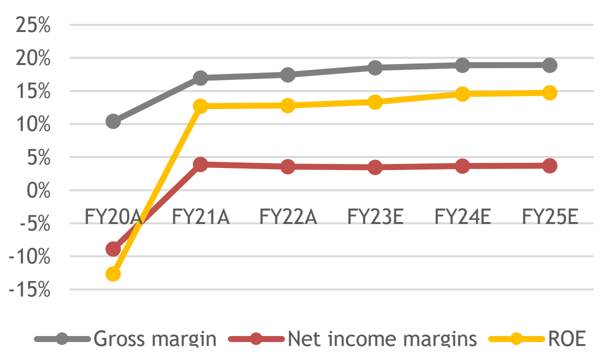
Source: Company, Maybank IBG Research

1. In Sept'19 JFC acquired The Coffee Bean & Tea Leaf for USD350m.
2. COVID-19 forced most domestic restaurant outlets to close down for at least two months in 2020.
3. Announced plans to spend PHP7.0b for business restructuring to adjust to the new normal.
4. Higher-than-expected domestic inflation dampened investor sentiment.

Financial Metrics

- We expect FY22-25E revenue CAGR of 13% on the back of 500/500 new store additions and the recovery of basket sizes in PH and in China.
- JFC's cash-based operations and underleveraged balance sheet should be sufficient to fund its capex requirements and planned acquisitions.
- We believe JFC's core ROE may have bottomed out at 8.6% in FY19 and should recover to 17.9% by YE23E.

Profitability ratios



Source: Company

Swing Factors

Upside

- Faster-than-expected turnaround of Smashburger and The Coffee Bean and Tea Leaf, which we estimate to account for c.10-13%% of revenue.
- Sustained momentum in the Philippines business, resulting in stronger-than-expected EBIT margin expansion.
- Acquisition that is value and earnings-accretive.

Downside

- Worsening of operating losses for Smashburger and The Coffee Bean and Tea Leaf.
- Higher-than-expected inflation, which could dampen consumer spending, especially for discretionary items such as JFC's offerings.
- Unexpected supply chain or logistics issues that could adversely affect sales and/or increase costs.

daphne.sze@maybank.com

ESG@MAYBANK IBG

daphne.sze@maybank.com

Risk Rating & Score[1]	33.9
Score Momentum[2]	+1.0
Last Updated	01 Mar 2023
Controversy Score[3] (Updated: 24 May 2022)	2

Business Model & Industry Issues

- JFC's long-term goals of being a top five restaurant operator (in terms of market capitalisation) in the world and achieving a 50:50 domestic/international revenue split have been under heavy scrutiny from investors given the negative impact to profitability in the past few years. JFC remains committed to these goals and the company is planning to achieve these via a three-pronged approach: i) continuous domestic store expansion; ii) international expansion of core brands in areas with a strong Filipino base; and iii) acquisitions of businesses. The latter presents risk of earnings-dilutive and mispriced acquisitions.
- Overall, JFC has some catching up to do in its ESG initiatives. On the ESG front, JFC has just launched its first sustainability report titled 'Joy for Tomorrow'' in 2023, with limited details on its long-term initiatives. The company has just formalized an Environmental, Social and Governance (ESG) Council to oversee their sustainability efforts. In our view, more concrete targets and formalisation of a sustainability roadmap will greatly improve ESG perception for JFC.

Material E issues

- JFC has been consciously increasing its use of renewable materials, especially for packaging. In 2022, JFC used renewable packaging materials for 30% of its SKUs. JFC has also been in compliance with various sustainability programs initiated by local government units (e.g. the prohibition of plastic straws and plastic bags).
- JFC was able to reduce energy use ratio by 21.5% in 2022 (vs. 2020 baseline). JFC's Solar Rooftop Project which will begin in 2023 is aimed at installing 9 MWp solar PV across four big commissaries and is expected to cover 19% of the total electricity requirement in the Philippines.
- In the past four years, there were a couple of isolated cases of temporary store closures due to non-compliant wastewater disposal (i.e. one in Calapan City, Oriental Mindoro; one in Manila Bay). The stores have already re-opened as JFC fixed its wastewater disposal to comply with local government rules and the Clean Water Act.

Material S issues

- JFC had 19,224 employees in the Philippines as of end-2022with a male-to-female ratio of 49:51. Out of Philippine-based employees, only 11% are covered with collective bargaining agreements.
- In 2018, the Department of Labour and Employment accused JFC of engaging in illegal labour-only contracting with 14,690 workers yet to be regularised. JFC argued that all of its employees are regularised and the issue was on what roles can be outsourced. In 2019, House Bill 4444 or more popularly known as the "Security of Tenure" bill intended to totally prohibit labour outsourcing. However, President Duterte vetoed the bill on 26 Jul 2019.
- JFC's charitable initiatives are mostly done through the Jollibee Group Foundation (JGF). Currently, two key programmes of JGF include the: i) Farmer Entrepreneurship Program; and ii) Access, Curriculum, Employability Programme.

Key G metrics and issues

- JFC has nine directors on its board all of which are men. Three out of nine directors are independent. Five out of nine directors have been part of the board for more than 30 years.
- Tony Tan Caktiong serves as JFC's Chairman with his brothers (Ernesto Tanmantiong and William Tan Untiong) also being part of the board. Two other directors (Ang Cho Sit, Antonio Chua Poe Eng) also share familial relationships with the brothers.
- In 2022, the top five most highly compensated executive officers received PHP253.2m (0.1%/3.3% of reported FY22sales/net income). Meanwhile, all officers and directors as a group received PHP1.016b (0.4%/13.4% of reported FY22 sales/net income).
- Sycip, Gorres, Velayo & Co. (SGV & Co.) has served as JFC's auditor for more than 10 years.
- JFC's overseas expansion has been one of the main concerns for investors, especially as its most recent big acquisitions (i.e. Smashburger, The Coffee Bean & Tea Leaf) have been drags to profitability. JFC paid a total of USD210.3m/USD100.0m for 100%/80% stake in Smashburger/CBTL.
- JFC had no material related-party transactions that negatively affected minority interests in the past.

[1]***Risk Rating & Score*** - 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. [2]***Score Momentum*** - 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. [3]***Controversy Score*** - 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

	Quantitative Parameters (Score: 20)					
	Particulars	Unit	2020	2021	2022	URC (2021)
E	Scope 1 GHG emissions	m tCO2e	30.75	17.41	46.30	294.7
	Scope 2 GHG emissions	m tCO2e	177.45	209.58	440.56	260.6
	Total	**m tCO2e**	208.2	227.0	486.9	555.3
	Scope 3 GHG emissions	m tCO2e	N/A	N/A	N/A	
	Total	**m tCO2e**	N/A	N/A	N/A	555.3
	RE share of energy consumption	kgCO2e/MWh	N/A	N/A	N/A	N/A
	Water recycled as % of usage	%	N/A	N/A	0.2%	N/A
	% of recycled material used	%	N/A	N/A	N/A	16%
	% of packaging from reusable/recyclable/renewable material	%	N/A	N/A	N/A	6.0%
	% of palm oil sourced from RSPO certified	%	N/A	25.0%	54.0%	51%
S	% of women in workforce	%		47.9%	49.0%	51.0%
	% of women in management roles	%		60.0%	60.0%	59.0%
	Lost time injury frequency rate	Number		5	5	13
	CPMT (complaints per million transactions)	Number		N/A	N/A	181
G	MD/CEO salary as % of net profit	%		-1.5%	3.0%	3.4%
	Top 10 employees salary as % of profit	%		-5.0%	10.1%	13.4%
	Independent director tenure <10 years	%		20%	38%	33%
	Women directors on board	%		0%	0%	11%

Qualitative Parameters (Score: 100)

a) is there an ESG policy in place and whether there is a standalone ESG committee or is it part of a risk committee?

Yes - as of FY21, it has an established framework and a working sustainability committee that reports quarterly to the Board.

b) is the senior management salary linked to fulfilling ESG targets?

Yes - in FY21, sustainability KPIs were introduced in top management performance appraisals.

c) Does the company follow the task force of climate related disclosures (TCFD) framework for ESG reporting?

Yes

e) Does the company have a mechanism to capture Scope 3 emissions - which parameters are captured?

Yes - purchased goods and services (Cat. I) and use of sold products (Cat. II); calculated using Simplified IPCC Tier 1 method.

f) What are the 2-3 key carbon mitigation/water/waste management strategies adopted by the company?

It has a framework to reduce 20%/80% of emissions by 2030/40 based on the 2020 baseline, in line with its 2050 NCZE aspiration. It conducted a feasibility study with a private firm to turn non-recyclable plastic waste into crude naphtha and also invested MYR40m in a plant that produces Bio-MEG from palm biomass. To reduce air emissions, it utilises UHPM fuel cell applications (24% lower CO_2 emissions) while for water mgmt, it deployed mobile reverse osmosis tech to reduce raw water consumption by 16% and has invested MYR3m in an automated water quality management system powered by renewable energy.

g) Does carbon offset form part of the net zero/carbon neutrality target of the company?

Yes

Target (Score: 100)

Particulars	Target	Achieved
5% reduction every year in water usage in Philippines logistics site	5% p.a.	45%
Reduce energy use ratio (EUR) by 5% annually.	5% p.a.	21.5% over 2020
CO2 emissions reduction target / net zero	N/A	N/A

Impact

NA

Overall Score: 44

As per our ESG matrix, Jollibee Foods Corporation (JFC PM) has an overall score of 44.

ESG score	Weights	Scores	Final Score
Quantitative	50%	29	15
Qualitative	25%	50	13
Target	25%	67	17
Total			**44**

As per our ESG assessment, JFC has yet to fully establish its ESG policy and integrate it into its daily operations. JFC's overall ESG score is 44, which makes its ESG rating below average in our view (average ESG rating of stocks under our coverage = 50).

1. 1H23 earnings ahead of consensus

2Q23/1H23 net income of PHP2.3b/PHP4.4b (-17%/-12% YoY) is in line with our forecast, but ahead of consensus, at 51%/53% of FY23E.

2Q23/1H23 revenue grew 17%/22% YoY to PHP60.8b/PHP115.9b. The Philippines accounts for 61% of total SWS, followed by North America, at 13%.

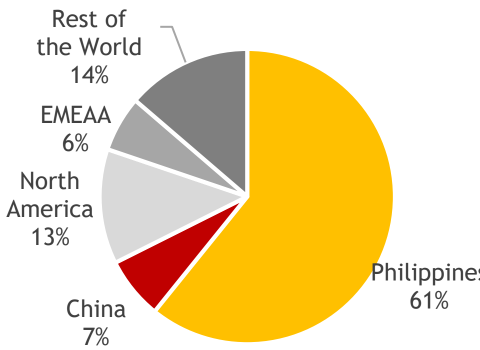
GPM is within our 18.5% forecast, at 18.1%. Lower-than-expected manpower and A&P costs in the Philippines improved JFC's operating leverage and boosted 1H23 EBIT margin to 6.6%, ahead of our 4.4% expectation. These were offset by more expensive debt for working capital (with an effective interest rate of 6.0% in 1H23 vs our 4.4% forecast), such that JFC's 1H23 earnings were just in line with our expectation.

Fig 1: 2Q23/1H23 earnings review

PHPm	2Q23	2Q22	*% YoY*	1Q23	*%QoQ*	1H23	1H22	% YoY	MIBG FY23E	% of FY23E
Revenue	60,787	52,051	16.8%	55,091	10.3%	115,879	94,908	22.1%	250,450	46.3%
Cost of inventories	(28,786)	(24,466)	17.7%	(25,547)	12.7%	(54,333)	(43,989)	23.5%	(118,341)	45.9%
Store and manufacturing costs	(21,077)	(18,256)	15.5%	(19,536)	7.9%	(40,612)	(34,679)	17.1%	(85,688)	47.4%
Gross income	**10,924**	**9,330**	**17.1%**	**10,009**	**9.1%**	**20,933**	**16,240**	**28.9%**	**46,422**	**45.1%**
Gross profit margin	*18.0%*	*17.9%*		*18.2%*		*18.1%*	*17.1%*		*18.5%*	
G&Aex	(5,918)	(5,397)	9.7%	(5,761)	2.7%	(11,679)	(9,889)	18.1%	(29,936)	39.0%
Advertising and promotions	(1,009)	(881)	14.5%	(652)	54.7%	(1,661)	(1,313)	26.5%	(6,134)	27.1%
EBIT	**3,997**	**3,051**	**31.0%**	**3,597**	**11.1%**	**7,594**	**5,039**	**50.7%**	**10,352**	**73.4%**
EBIT margin	*6.6%*	*5.9%*		*6.5%*		*6.6%*	*5.3%*		*4.1%*	
Interest income	199	54	265.2%	165	20.1%	364	91	299.6%	399	91.3%
Interest expense	(1,229)	(1,007)	22.0%	(1,195)	2.8%	(2,424)	(2,090)	16.0%	(4,260)	56.9%
Others - net	436	1,236	-64.7%	332	31.4%	768	2,947	-73.9%	4,959	15.5%
Income before tax	3,403	3,334	2.1%	2,899	17.4%	6,302	5,987	5.3%	11,450	55.0%
Provision for income tax	(900)	(608)	48.0%	(707)	27.3%	(1,608)	(997)	61.3%	(2,863)	56.2%
Net income	**2,503**	**2,726**	**-8.2%**	**2,191**	**14.2%**	**4,694**	**4,990**	**-5.9%**	**8,588**	**54.7%**
Net income margin	*4.1%*	*5.2%*		*4.0%*		*4.1%*	*5.3%*		*3.4%*	
Net income to parent	**2,325**	**2,788**	**-16.6%**	**2,063**	**12.7%**	**4,388**	**5,097**	**-13.9%**	**8,644**	**50.8%**

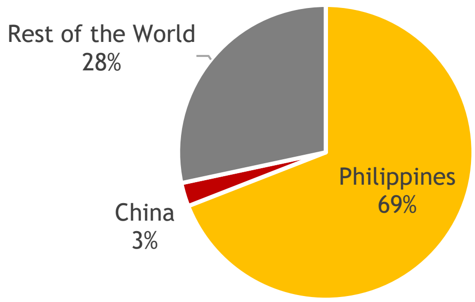
Source: Maybank IBG Research, Company

Fig 2: Systemwide sales contribution (1H23)



Source: Company

Fig 3: EBITDA mix (1H23)



Source: Company;

Rest of the World includes: North America brands, Superfood, Milksha, CBTL and Smashburger

Earnings notes:

- SWS, which includes all sales to consumers both from company-owned and franchised stores, reached PHP164.1b (+23% YoY) in 1H23, with all markets posting positive SWS/same-store sales growths:

Fig 4: JFC's SWS growth and SSSg breakdown per region/brand

Market	1H23 SWS growth % YoY	SSSG %
Philippines	14.5	11.3
China	76.9	35.3
North America	15.1	2.6
EMEA	16.1	5.1
CBTL, which is present in the US, Philippines, South Korea, Singapore and Malaysia	10.3	-0.4
SuperFoods, which owns Highlands Coffee in Vietnam	7.6	-8.2

Source: Company

- Philippines: The Philippines was the best-performing market in 1H23, driven by higher transaction count, scalable operations and strong brand equity.

- China: The high pre-operating expenses and higher cost of delivery were offset by the strong revenue growth (low base in 1H22) in China such that EBITDA contributions from China rose by 39% YoY to PHP411m. However, China's recovery has been slower than expected as consumer sentiment remains cautious and this has translated to weak foot traffic in malls, which negatively impacts JFC's *YongHe King* (c.40% are in malls) and *Tim Ho Wan* (100% of stores are in malls) in China.

- *Smashburger:* For 1H23, Smashburger in the US posted EBITDA of PHP241.2b (+238% YoY), driven by double-digit sales growth with SSSG of 11.8% YoY in 1H23. This was offset by high operating expenses from: (i) higher cost from audit and professional fees; (ii) digital marketing investments in 2Q23; and (iii) sub-optimal cost of delivery from both aggregators and its own platform such that delivery/commission costs are high.

JFC opened 165 new stores (net) in 1H23, on track to achieving our forecast of 375 new stores by YE23. It operates 6,617 outlets (Philippines 3,287, abroad 3,330), as of Jun'23.

2. Valuation

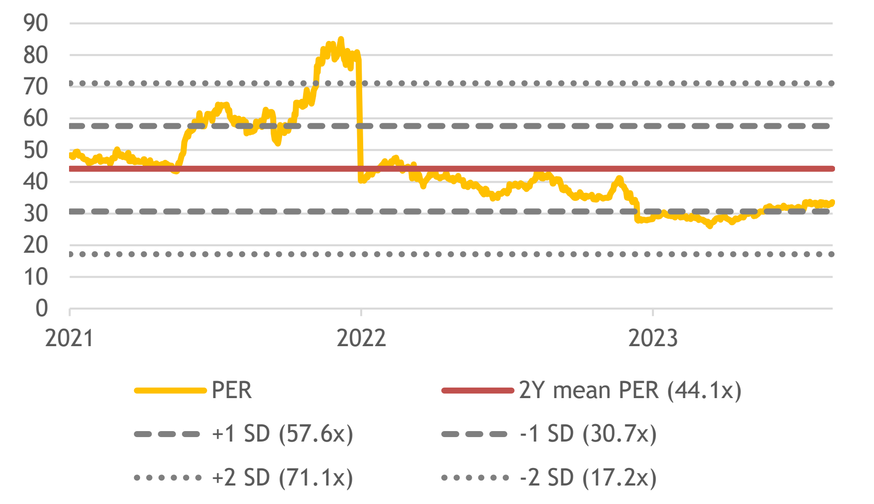
We raise our TP from PHP285 to PHP288 after rolling forward our valuation base to FY24E.

Fig 5: Target price computation

PHP m	FY23E (Old)	FY23E (New)	change %
Enterprise value	321,175	332,869	4%
Net debt	16,674	8,039	-52%
Perpetual securities	(20,265)	(20,265)	0%
Value of equity	317,584	320,643	1%
# of outstanding shares (m)	1,114	1,114	0%
Target price (PHP)	**285**	**288**	**1%**

Source: Maybank IBG Research

Fig 6: JFC's P/E band



Source: Bloomberg, Maybank IBG Research

Fig 7: Peer comparison

Company	Stock code	Mcap USD b	Reco	TP (PHP)	P/E (x) FY23E	P/E (x) FY24E	P/BV (x) FY23E	P/BV (x) FY24E	ROE (%) FY23E	ROE (%) FY24E
Century Pacific Food	CNPF PM	1.7	Hold	28.0	17.4	15.4	2.9	2.6	16.7%	16.6%
D&L Industries Inc.	DNL PM	0.9	Buy	10.8	12.4	10.0	2.1	1.8	16.6%	18.4%
Jollibee Foods Corp	JFC PM	5.0	Buy	288.0	30.9	26.1	4.0	3.6	17.1%	18.0%
Puregold Price Club	PGOLD PM	1.5	Buy	47.0	8.0	7.6	0.9	0.8	10.7%	10.3%
Robinsons Retail Holdings	RRHI PM	1.2	Buy	67.0	15.0	14.4	1.0	1.0	6.7%	6.7%
Universal Robina Corp	URC PM	4.8	Buy	170.0	18.3	15.7	2.1	1.9	11.6%	12.3%
Wilcon Depot Inc.	WLCON PM	1.7	Buy	34.0	22.0	18.5	3.8	3.3	17.2%	17.9%
AllHome Corp.	HOME PM	0.1	Buy	2.8	5.8	5.1	0.4	0.3	6.3%	6.8%
Monde Nissin Corp.	MONDE PM	2.6	Buy	11.0	16.5	14.3	2.0	1.9	12.1%	13.1%
Weighted Average					***20.2***	***17.4***	***2.6***	***2.4***	***13.8%***	***14.5%***

Source: Bloomberg, Maybank IBG Research, prices as of 25 August 2023

FYE 31 Dec	FY21A	FY22A	FY23E	FY24E	FY25E
Key Metrics					
P/E (reported) (x)	37.1	33.3	30.8	26.1	23.6
Core P/E (x)	40.1	33.9	30.8	26.1	23.6
P/BV (x)	4.3	4.1	4.0	3.6	3.3
P/NTA (x)	48.1	24.4	17.1	12.2	9.3
Net dividend yield (%)	0.8	1.1	1.1	1.3	1.4
FCF yield (%)	5.8	6.2	5.5	5.8	6.7
EV/EBITDA (x)	15.3	12.7	11.7	10.0	9.2
EV/EBIT (x)	48.2	32.7	31.1	26.1	24.1
INCOME STATEMENT (PHP m)					
Revenue	153,575.6	211,902.2	250,450.4	278,320.7	305,079.6
EBITDA	19,756.9	25,540.0	27,641.9	30,522.0	33,851.3
Depreciation	(13,482.3)	(15,598.6)	(17,289.9)	(18,798.8)	(20,955.2)
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	6,274.6	9,941.4	10,352.0	11,723.2	12,896.1
Net interest income /(exp)	(3,980.8)	(4,427.5)	(3,860.8)	(3,623.9)	(3,953.4)
Associates & JV	(43.4)	4.1	(50.0)	(50.0)	(50.0)
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other pretax income	3,893.0	5,669.7	5,009.0	5,566.4	6,101.6
Pretax profit	6,143.4	11,187.6	11,450.2	13,615.7	14,994.3
Income tax	(641.4)	(3,849.1)	(2,862.5)	(3,403.9)	(3,748.6)
Minorities	479.7	220.0	56.1	5.1	28.3
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	5,981.7	7,558.5	8,643.8	10,216.9	11,274.1
Core net profit	5,981.7	7,558.5	8,643.8	10,216.9	11,274.1
Preferred Dividends	(112.8)	(451.2)	(790.3)	(790.3)	(790.3)
Distributable Income	5,868.8	7,107.3	7,853.5	9,426.6	10,483.8
BALANCE SHEET (PHP m)					
Cash & Short Term Investments	39,185.3	37,739.4	37,560.8	43,414.6	44,147.7
Accounts receivable	7,246.0	9,627.4	9,971.5	11,081.1	12,146.5
Inventory	9,355.3	17,297.6	15,541.8	17,192.3	18,841.8
Reinsurance assets	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	30,608.8	36,485.7	40,379.0	44,420.0	48,623.5
Intangible assets	50,610.9	51,715.5	51,583.0	51,451.8	51,321.9
Investment in Associates & JVs	15,426.6	18,111.3	18,020.4	17,929.6	17,838.7
Other assets	58,405.3	62,425.6	58,232.9	50,319.6	65,520.0
Total assets	**210,838.2**	**233,402.7**	**231,289.5**	**235,809.1**	**258,440.2**
ST interest bearing debt	5,460.6	9,047.9	4,981.0	3,229.9	2,346.9
Accounts payable	32,952.8	43,243.7	44,431.5	49,150.0	53,865.5
Insurance contract liabilities	0.0	0.0	0.0	0.0	0.0
LT interest bearing debt	47,835.8	44,880.0	40,383.8	39,353.9	30,307.1
Other liabilities	50,405.0	55,316.0	55,662.0	52,228.0	73,375.0
Total Liabilities	**136,654.1**	**152,487.7**	**145,458.1**	**143,961.6**	**159,894.9**
Shareholders Equity	55,601.5	62,220.8	67,193.2	73,214.5	79,940.6
Minority Interest	(1,682.2)	(1,570.5)	(1,626.7)	(1,631.8)	(1,660.2)
Total shareholder equity	**53,919.4**	**60,650.2**	**65,566.6**	**71,582.7**	**78,280.5**
Perpetual securities	20,264.8	20,264.8	20,264.8	20,264.8	20,264.8
Total liabilities and equity	**210,838.2**	**233,402.7**	**231,289.5**	**235,809.1**	**258,440.2**
CASH FLOW (PHP m)					
Pretax profit	6,143.4	11,187.6	11,450.2	13,615.7	14,994.3
Depreciation & amortisation	13,482.3	15,598.6	17,289.9	18,798.8	20,955.2
Adj net interest (income)/exp	3,980.8	4,427.5	3,860.8	3,623.9	3,953.4
Change in working capital	(133.5)	(2,296.6)	2,599.6	1,958.4	2,000.7
Cash taxes paid	(2,077.4)	(3,337.3)	(2,862.5)	(3,403.9)	(3,748.6)
Other operating cash flow	(1,677.7)	(1,963.5)	(8,087.8)	(8,087.8)	(8,087.8)
Cash flow from operations	19,717.8	23,616.3	24,250.2	26,505.0	30,067.1
Capex	(7,863.8)	(9,682.7)	(11,116.5)	(12,228.2)	(13,451.0)
Free cash flow	13,841.1	15,752.5	14,567.5	15,388.5	17,839.0
Dividends paid	(1,839.6)	(2,804.3)	(2,881.0)	(3,405.3)	(3,757.7)
Equity raised / (purchased)	12,243.5	1,597.9	0.0	0.0	0.0
Change in Debt	(23,451.8)	(2,535.1)	(8,563.1)	(2,781.0)	(9,929.9)
Perpetual securities distribution	(1,245.2)	(835.2)	(790.3)	(790.3)	(790.3)
Other invest/financing cash flow	5,743.3	(5,177.9)	(1,077.9)	(1,446.4)	(1,405.2)
Effect of exch rate changes	27.1	(2.5)	0.0	0.0	0.0
Net cash flow	3,331.2	4,176.6	(178.6)	5,853.8	733.1

FYE 31 Dec	FY21A	FY22A	FY23E	FY24E	FY25E
Key Ratios					
Growth ratios (%)					
Revenue growth	18.6	38.0	18.2	11.1	9.6
EBITDA growth	1,254.1	29.3	8.2	10.4	10.9
EBIT growth	nm	58.4	4.1	13.2	10.0
Pretax growth	nm	82.1	2.3	18.9	10.1
Reported net profit growth	nm	26.4	14.4	18.2	10.3
Core net profit growth	nm	26.4	14.4	18.2	10.3
Profitability ratios (%)					
EBITDA margin	12.9	12.1	11.0	11.0	11.1
EBIT margin	4.1	4.7	4.1	4.2	4.2
Pretax profit margin	4.0	5.3	4.6	4.9	4.9
Payout ratio	30.8	37.1	33.3	33.3	33.3
DuPont analysis					
Net profit margin (%)	3.9	3.6	3.5	3.7	3.7
Revenue/Assets (x)	0.7	0.9	1.1	1.2	1.2
Assets/Equity (x)	3.8	3.8	3.4	3.2	3.2
ROAE (%)	14.8	17.1	17.9	18.9	18.7
ROAA (%)	2.9	3.4	3.7	4.4	4.6
Liquidity & Efficiency					
Cash conversion cycle	(51.1)	(36.6)	(34.3)	(34.9)	(35.0)
Days receivable outstanding	16.8	14.3	14.1	13.6	13.7
Days inventory outstanding	24.9	27.4	29.0	26.1	26.2
Days payables outstanding	92.8	78.4	77.3	74.6	75.0
Dividend cover (x)	3.3	2.7	3.0	3.0	3.0
Current ratio (x)	1.4	1.2	1.3	1.3	1.3
Leverage & Expense Analysis					
Asset/Liability (x)	1.5	1.5	1.6	1.6	1.6
Net gearing (%) (incl perps)	19.0	20.0	9.1	net cash	net cash
Net gearing (%) (excl. perps)	26.2	26.7	11.9	net cash	net cash
Net interest cover (x)	1.6	2.2	2.7	3.2	3.3
Debt/EBITDA (x)	2.7	2.1	1.6	1.4	1.0
Capex/revenue (%)	5.1	4.6	4.4	4.4	4.4
Net debt/ (net cash)	14,111.0	16,188.4	7,804.0	(830.8)	(11,493.8)

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

Erica TAY
China | Thailand
(65) 6231 5844
erica.tay@maybank.com

Brian LEE Shun Rong
Indonesia | Singapore | Vietnam
(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

FX

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 • REITs

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 8182
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. 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 29 August 2023, Maybank Research Pte. Ltd. and the covering analyst do not have any interest in any companies rec16 August 2023ommended 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 29 August 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 29 August 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 on any account what so ever except as otherwise disclosed in 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

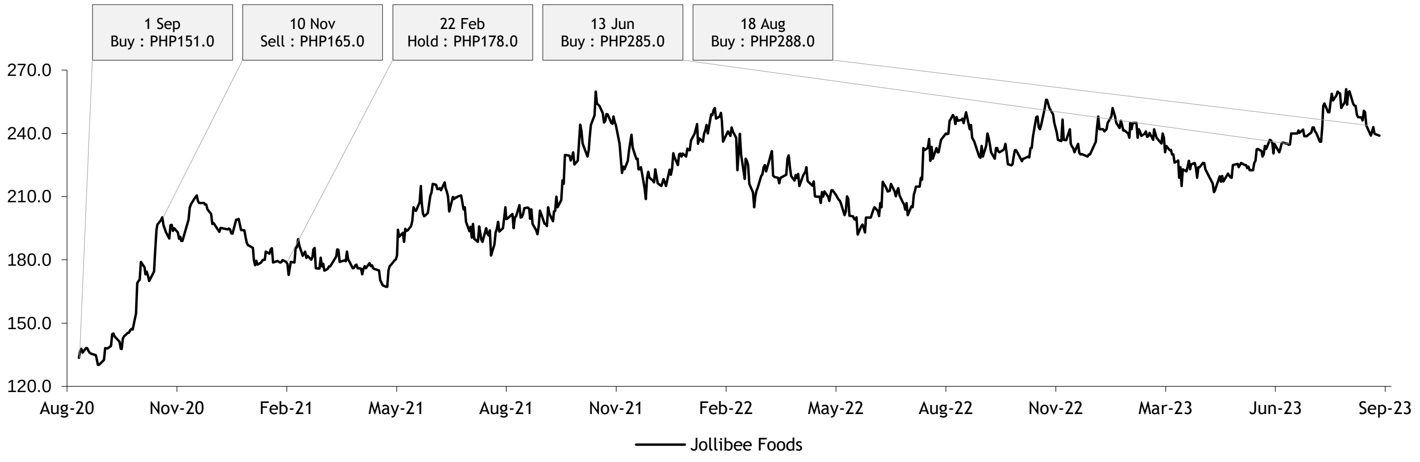
Analyst Certification of Independence

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.

Historical recommendations and target price: Jollibee Foods (JFC PM)



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

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

Tel: (65) 6336 9090

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

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

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

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

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

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)

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

Sales Trading

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

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

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

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

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