

# Puregold Price Club (PGOLD PM)

## Fast-tracks expansion

# BUY

Share Price PHP 29.00  
12m Price Target PHP 49.00 (+69%)  
Previous Price Target PHP 47.00

### 1H23 earnings growth buoyed by Puregold; BUY

PGOLD's 2Q23/1H23 earnings of PHP2.6b/PHP5.7b (-5%/+3% YoY) are in line with our forecasts. Puregold revenue (68% of total) grew 9.2% YoY, benefitting from contributions from 11 new stores opened in 2Q23 and SSSG of 5.9% YoY. Puregold's gross profit margin was 30bps YoY lower at 15.5% for 2Q23, as it ramped up spending on promotional support for the Tindahan ni Aling Puring convention. Retain BUY at 8.1x FY23E PER, 2SD below its 5-year mean PER of 16.6x. TP raised to PHP49 (+4%) on earnings accretion from Divimart acquisition and strength at Puregold.

### S&R growth slows in 2Q23

Revenue contribution from S&R (32% of revenue) grew 14.8% YoY in 1H23, in line with our forecast. The slowdown in SSSG at S&R to 2.9% YoY in 1H23 from 11.2% YoY in FY22 was due to intensifying competition and cannibalization within its own store network. 1H23 GPM at S&R was 200bps lower YoY at 22.2%, in line with our forecast.

### M&A fast-tracks PGOLD's store expansion in FY23

PGOLD acquired Divimart for an undisclosed amount in Jun'23, with PGOLD allotting PHP1b for the conversion of Divimart shops into Puregold stores. This raises PGOLD's FY23 store count target to 45 (previous: 30) and its topline growth guidance to 8-10% (previous: 7-8%). As at end-Aug 2023, PGOLD has converted all 21 Divimart outlets into Puregold stores. Taking into account the new Divimart stores, we raise our FY23 earnings forecast by 1%. This, along with rolling forward our valuation base to FY24E, raises our DCF-based TP by 4% to PHP49. Maintain BUY.

### Trading at 2SD below 5-year PER

Despite PGOLD's 10ppts underperformance vs the PSEi YTD, it is trading at 8.1x FY23E PER, 2SD below its 5-year mean PER of 16.6x. This is despite Puregold steadily opening new stores and its consistent execution strategy. All said, we like PGOLD's recent acquisition due to: (i) asset-light nature (e.g. only leasehold agreement); and (ii) direct conversion of Divimart stores into Puregold shops as it learns from mistakes (e.g. slow conversion to Puregold brand resulting in lower margins) during the NE Bodega/Budgetlane acquisition. Overall, we expect Divimart to be earnings accretive, once rebranding is fully completed.

FYE Dec (PHP m)	FY21A	FY22A	FY23E	FY24E	FY25E
Revenue	164,125	184,303	201,425	214,320	226,067
EBITDA	17,576	19,046	20,912	21,912	23,170
Core net profit	8,085	9,278	9,809	10,232	11,012
Core EPS (PHP)	2.82	3.24	3.42	3.57	3.84
Core EPS growth (%)	0.2	14.8	5.8	4.3	7.6
Net DPS (PHP)	0.45	0.50	0.50	0.50	0.50
Core P/E (x)	13.9	10.8	8.5	8.1	7.5
P/BV (x)	1.5	1.2	0.9	0.8	0.8
Net dividend yield (%)	1.1	1.4	1.7	1.7	1.7
ROAE (%)	11.4	11.7	11.3	10.7	10.5
ROAA (%)	6.0	6.1	5.9	5.8	6.0
EV/EBITDA (x)	6.2	5.4	4.1	3.6	3.0
Net gearing (%) (incl perps)	net cash	net cash	net cash	net cash	net cash
Consensus net profit	-	-	9,682	10,300	11,449
MIBG vs. Consensus (%)	-	-	1.3	(0.7)	(3.8)

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

### Company Description

Operates supermarkets, hypermarkets and membership warehouse clubs through the Puregold and S&R formats.

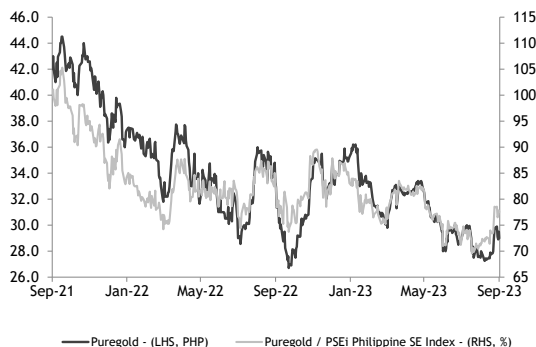
### Statistics

52w high/low (PHP)	36.20/26.70
3m avg turnover (USDm)	0.6
Free float (%)	34.9
Issued shares (m)	2,870
Market capitalisation	PHP83.2B
	USD1.5B

### Major shareholders:

Cosco Capital	48.9%
Co Lucio Lao	7.3%
Co Susan Pe	6.2%

### Price Performance



	-1M	-3M	-12M
Absolute (%)	5	4	(12)
Relative to index (%)	9	9	(6)

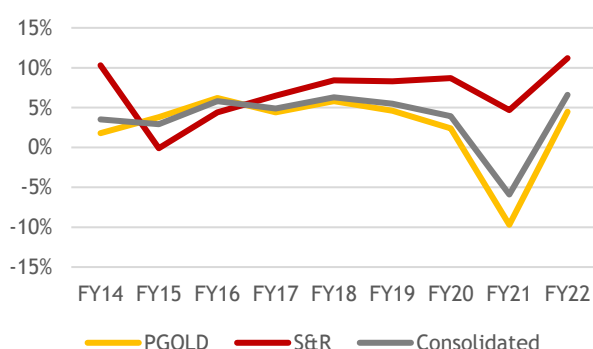
Source: FactSet

**ESG@MAYBANK IBG**  
Tear Sheet Insert

## Value Proposition

- PGOLD is the second-largest modern grocery retailer in the Philippines with 5.7% market share in 2022, in terms of revenue.
- Puregold, which accounts for 75% of revenue, caters to the low- to middle-income segment while S&R caters to the upper middle- to high-income segment.
- A third of Puregold's revenue is accounted for by sari-sari stores, through its Tindahan ni Aling Puring loyalty programme.
- S&R is the No.1 membership shopping store in the country with 79% market share in 2020, according to Euromonitor.

### SSSG trend

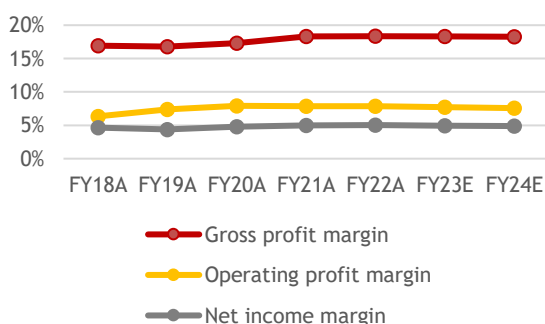


Source: Company

## Financial Metrics

- Revenue CAGR of 7% over FY22-24E on stable contribution from Puregold and S&R.
- FY21A-23E core net income CAGR of 5% will be driven by store expansion and a stable margin trajectory across all formats.
- Net cash position mitigates against interest rate risk and provides capacity for more aggressive expansion.
- Cash flow from operations is sufficient to support forecasted PHP9.1b capex over FY23-24E. Gross gearing levels continue to be low at 0.14x as of end-FY22.

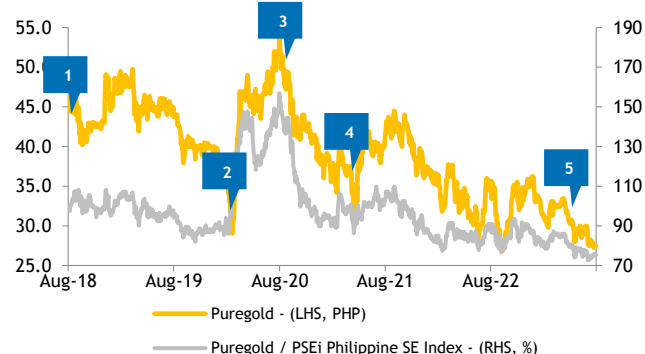
### Profitability ratios



Source: Company

## Price Drivers

### Historical share price trend



Source: Company, Maybank IBG Research

- PGOLD announced it was divesting from the Lawson JV by selling its 70% stake to Lawson Japan.
- Government declared strict nationwide lockdown due to COVID-19 outbreak.
- Sales spiked from panic buying at the onset of the imposition of COVID-19 induced mobility restrictions.
- PGOLD issued a PHP12.0b corporate debt note, and it guided for a much weaker 2H20 after a strong 1H20.
- PGOLD acknowledged intensifying competition in the S&R segment and started prioritising market share grab over margin expansion.

## Swing Factors

### Upside

- Earnings-accretive acquisitions will speed up expansion plans and earnings growth.
- Substantial rise in the contribution of in-house brands to total revenues can provide a lift to margins.
- Sustained marketing and supplier support for the 2H21.

### Downside

- Mobility restrictions pressure foot traffic and basket size.
- Slower-than-expected expansion of Puregold and S&R stores will lower growth.
- Rapid peso appreciation will put pressure on margins, particularly for S&R, which keeps c.60 days of inventory.

[daphne.sze@maybank.com](mailto:daphne.sze@maybank.com)

Risk Rating & Score <sup>1</sup>	28.4
Score Momentum <sup>2</sup>	-0.0
Last Updated	14 Apr 2021
Controversy Score <sup>3</sup> (Updated: 27 Oct 2017)	0

## Business Model & Industry Issues

- In 2021, Puregold Price Club, in cooperation with its parent company, Cosco Capital, launched its 2021 Sustainability Report which focused on its approach to materiality and documented evidence of implementation.
- PGOLD has yet to finalise its stance on: (i) family members on the Board; (ii) composition of Corporate Governance Committee; and (iii) full independence of its non-executive directors, which all contribute to PGOLD's negative corporate governance perception. The surprise equity top-up in Jan 2019 and corporate bond issuance in Sep 2020 further exacerbated this as both fund raising efforts diluted shareholder returns.
- Overall, there is considerable work to be done to improve PGOLD's sustainability initiatives. While identifying risks and opportunities in ESG is a good first step, the formalization of a sustainability framework/roadmap and proper disclosures will enable the investing community to better understand PGOLD's commitments in the ESG space.

### Material E issues

- Use of alternative packaging containers to replace plastic bags is one of the key challenges in the retail industry. More than 400 stores need to further address this topic.
- PGOLD currently has no food waste management programme. Scraps from food preparation go straight to containers of third-party accredited solid waste haulers and then to the landfills but there could be opportunity in minimizing this waste.

### Material S issues

- PGOLD had 12,162 employees as of Dec 2022, with a male to female ratio of 44:56. None of its employees is currently covered by a collective bargaining agreement.
- PGOLD is a key partner of sari-sari stores, through its Tindahan ni Aling Puring (TNAP) loyalty programme. PGOLD provides discounts and special services to TNAP members to support sari-sari owners in running their own stores and earning a livelihood.
- From time to time, PGOLD partners with both government and non-government organizations for its charitable initiatives such as the "Brigada Eskwela" (school brigade) and "Teachers as Partners in Change" projects.

### Key G metrics and issues

- PGOLD has 9 members on its Board of Directors. While 3 are independent directors, 4 are family members and the remaining 2 are professionals.
- PGOLD has a Corporate Governance Committee comprising 4 directors: 2 independent, and 2 executive directors, including one family member.
- PGOLD has an Audit Committee, which double-hats as the Related Party Transactions (RPT) Committee, chaired by an independent director. No family members are part of both the Audit and RPT Committees.
- The non-executive directors (NEDs) currently do not have separate periodic meetings with key committees, without any executive present.
- In 2021, the top five most highly compensated executive officers received PHP17.1m in total compensation (0.20% of reported net income). Meanwhile, aggregate compensation paid to all other senior offices and managers totalled PHP162.4m (1.7% of reported net income).
- R.G. Manabat & Co. has served as PGOLD's external auditor for more than 10 years. PGOLD has a policy of rotating the lead audit partner every five years.
- In 2011, PGOLD has been the subject of media reports that some of its goods were allegedly diverted from authorized customs channels to the company and other retail stores. PGOLD has denied these reports and has secured various certifications from the Bureau of Customs attesting that the company had no outstanding account with the Bureau and not a subject of any pending case.
- In Jan 2019, PGOLD raised PHP4.7b through a top-up equity share placement. This involved i) the sale of Mr. Lucio L. Co of 104.3m of his own shares at PHP45.0/sh to third party investors and ii) the subsequent issuance of new PGOLD shares which it then sold to Mr. Co at the same price Mr. Co sold his shares. The second leg of this transaction led to ownership dilution for other investors.

<sup>1</sup>**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. <sup>2</sup>**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. <sup>3</sup>**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).

Quantitative Parameters (Score: 53)							
	Particulars	Unit	2019	2020	2021	RRHI (2021)	WLCON (2021)
E	Scope 1 GHG emissions	tCO <sub>2</sub> e	N/A	11,785.3	5,094.8	170,387.7	928
	Scope 2 GHG emissions	tCO <sub>2</sub> e	N/A	209,304.1	284,181.6	198,776.3	44,543
	Total	tCO <sub>2</sub> e	N/A	221,089.4	289,276.4	369,164.0	45,471
	Scope 3 GHG emissions	tCO <sub>2</sub> e	N/A	N/A	N/A	N/A	N/A
	Total	tCO <sub>2</sub> e	N/A	N/A	N/A	N/A	N/A
	Scope 1+2 emission intensity	kgCO <sub>2</sub> e/PHP m rev	N/A	0.0013	0.0018	N/A	N/A
	Green energy share of capacity	%	N/A	N/A	N/A	N/A	N/A
	Electricity intensity	MwH/PHP m rev	N/A	1.96	2.74	1.87	2.85
	Water recycled as % of usage	%	N/A	2.8%	3.0%	N/A	N/A
	% of recycled material used	%	N/A	N/A	N/A	N/A	0.0%
S	% of waste diverted away from landfill	%	N/A	N/A	N/A	39.4%	N/A
	% of real estate certified by energy/green rating	%	N/A	N/A	N/A	N/A	N/A
	% of women in workforce	%	56.3%	56.6%	71.2%	47.0%	56.3%
	% of women in management roles	%	68.4%	68.4%	63.0%	46.0%	68.4%
G	Work related injuries	number	0.0	0.0	0.0	0.0	0.0
	Attrition rate	%	14.98%	13.0%	9.0%	6.84%	14.98%
	MD/CEO salary as % of net profit	%	0.2%	0.2%	0.2%	1.1%	4.7%
G	Top 10 employees salary as % of profit	%	2.0%	1.8%	1.7%	2.9%	3.5%
	Independent director tenure <10 years	%	N/A	30%	30%	44%	43%
	Women directors on board	%	N/A	20%	20%	11%	29%

Qualitative Parameters (Score: 17)	
a) Is there an ESG policy in place and is there a standalone ESG committee or is it part of the risk committee?	<b>None.</b>
b) Is the senior management salary linked to fulfilling ESG targets?	<b>No.</b>
c) Does the company follow the task force of climate related disclosures (TCFD) framework for ESG reporting?	<b>No.</b>
e) Does the company have a mechanism to capture Scope 3 emissions - which parameters are captured?	<b>No.</b>
f) What are the 2-3 key carbon mitigation/water/waste management strategies adopted by the company?	<p>1. A solid waste management plan is being developed by various businesses setting a waste reduction target, reviewing existing policies and procedures on waste management.</p> <p>2. S&amp;R group has introduced a recycling programme to reuse and resell carton boxes and plastics and stopped the purchase of plastic since 2H21.</p> <p>3. Puregold stores decreased plastic bag usage by 38% in 2021 compared with the previous year, with 63% of stores using paper bags, and the remaining 37% using biodegradable plastic bags.</p>
g) Does carbon offset form part of the net zero/carbon neutrality target of the company?	<b>N/A</b>

Target (Score: 67)		
Particulars	Target	Achieved
Puregold targets 5-10% energy reduction based on a 3-year rolling average.		N/A
S&R plans to expand its rooftop solar projects to all 22 S&R warehouse clubs by 2023.		52%
Emission reduction/carbon neutral/net zero target	N/A	N/A
Impact		
NA		
Overall Score: 47		
As per our ESG matrix, Puregold Price Club (PGOLD PM) has an overall score of 47.		

ESG score	Weights	Scores	Final Score
Quantitative	50%	53	27
Qualitative	25%	17	4
Target	25%	67	17
<b>Total</b>			<b>47</b>

As per our ESG assessment, PGOLD has certain ESG targets integrated into its daily operations and has itemized medium term targets. PGOLD's overall ESG score is 47, which makes its ESG rating average in our view (average ESG rating = 50).

## 1. 2Q23/1H23 net income in line

PGOLD's 2Q23 net income of PHP2.0b (-3% YoY) took 1H23 net income to PHP4.4b (+5% YoY). In FY17-19A, earnings contribution in Jan-Jun accounted for 42-43% of the full year due to back-ended store expansions for both Puregold & S&R, along with seasonally strong holiday spending in 4Q, such that even if 1H23 accounts for only 45% of our FY23 earnings forecast, our earnings were within expectations.

Consolidated 2Q23/1H23 revenue rose by 7%/11% YoY to PHP46.9b/PHP91.2b, which is equivalent to 46% of our full-year forecasts. Blended SSSG in 2Q23/1H23 were positive, at 3.2%/5.9% and consolidated 1H23 gross profit margin (GPM) of 18.5% was slightly higher than our 18.3% forecast, due to the higher-than-expected GPM of Puregold.

### Puregold (68% of revenue)

- Puregold's revenue reached PHP62.4b (+9.2% YoY) in 1H23 and is in line with our expectation, at 49% of our FY23 forecast.
- 11 stores were added in 2Q23, which puts 1H23 net store adds at 17, on track to meet our forecast of 28 new stores this year.
- Puregold's SSSG reached 5.9% in 1H23, up from 1H22's 0.6%. The improvement was driven by a 6.6% increase in traffic, which more than offset the 0.7% decline in average ticket size.
- GPM was flat at 16.8%, as it was able to sustain vendor marketing and supplier support. Although this is 60bps higher than our 16.2% forecast, we expect this to normalise by year-end as Puregold ramps up on marketing and promotional discounts in 2H23.

### S&R (32% of revenue):

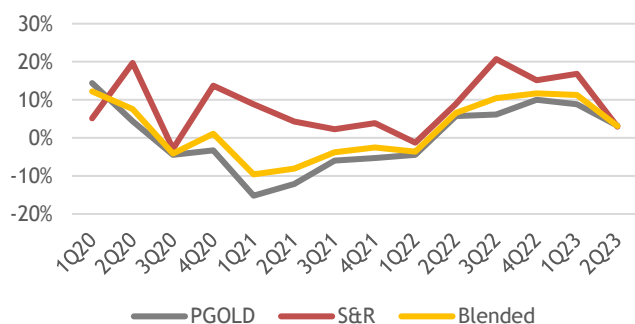
- S&R's revenue reached PHP28.9b (+14.8% YoY) in 1H23. Even though this accounted for 42% of our FY23 forecast, this is within expectations because 2H is a seasonally stronger half due to holiday buying and back-ended store rollouts.
- While no new stores were added in 2Q23 due to delays in construction (1H23: +1 net adds), we expect S&R to rollout 4 new stores by YE23.
- S&R's higher SSSG of 9.5% in 1H23 (1H22: 3.8%) is largely the result of the improvement in foot traffic (+8.1%).
- GPM contracted by 200bps to 22.2% due to S&R's higher inventory costs, which it partially absorbed to defend its market share. This is 10bps lower than our 22.3% forecast.

Fig 1: 1Q23 earnings review

PHPm	2Q23	2Q22	% YoY	1Q23	% QoQ	1H23	1H22	% YoY	MIBG FY23E	% of FY23E
Revenue	46,879	43,729	7%	44,352	6%	91,231	82,236	11%	196,890	46%
Puregold	32,410	30,430	7%	29,960	8%	62,370	57,110	9%	128,040	49%
S&R	14,470	13,310	9%	14,390	1%	28,860	25,130	15%	68,850	42%
Cost of sales	-38,547	-35,751	8%	-35,832	8%	-74,379	-66,560	12%	-160,794	46%
Gross income	8,331	7,978	4%	8,521	-2%	16,852	15,676	8%	36,096	47%
GPM- Puregold	15.5%	15.8%		18.1%		16.8%	16.8%		16.2%	
GPM- S&R	22.8%	23.8%		21.6%		22.2%	24.2%		22.3%	
GPM- conso	17.8%	18.2%		19.2%		18.5%	19.1%		18.3%	
Other op. income	754	758		762		1,516	1,465		3,401	45%
Opex	-5,989	-5,413	11%	-5,705	5%	-11,694	-10,367	13%	-24,267	48%
EBIT	3,097	3,323	-7%	3,577	-13%	6,674	6,774	-1%	15,230	44%
EBIT margin	6.6%	7.6%		8.1%		7.3%	8.2%		7.7%	
Others - net	-515	-618	-17%	-462	12%	-977	-1,226	-20%	-2,393	41%
Income before tax	2,581	2,705	-5%	3,116	-17%	5,697	5,548	3%	12,837	44%
Provision for income tax	-586	-656	-11%	-710	-17%	-1,296	-1,348	-4%	-3,084	42%
Net income	1,995	2,049	-3%	2,406	-17%	4,401	4,200	5%	9,753	45%
NIM	4.3%	4.7%		5.4%		4.8%	5.1%		5.0%	

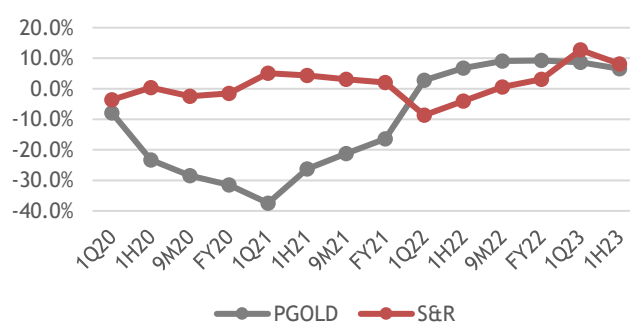
Source: Company, Maybank IBG Research

Fig 2: SSSG trend



Source: Company

Fig 3: Foot traffic trend



Source: Company

## 2. Changes in our forecasts

We raise our FY23 income forecast by 1%, on account of the following:

Fig 4: Summary of changes to our forecasts

PHP m	FY23E Old	FY23E New	% change	FY24E Old	FY24E New	% change	Notes
Puregold	128,040	132,575	4%	133,362	137,851	3%	Factors in PGOLD's acquisition of Divimart, which adds 21 new stores in FY23, resulting in total net adds of 45 for the year. No changes to our 25 store rollout forecasts for FY24.
S&R	68,850	68,850	0%	76,469	76,469	0%	No change in forecasts. Our FY23/24 store rollout assumption of 4/2 is unchanged.
Total Sales	196,890	201,425	2%	209,831	214,320	2%	
Cost of sales	-160,794	-164,594	2%	-171,441	-175,212	2%	
Gross profit	36,096	36,831	2%	38,391	39,109	2%	
GPM- PGOLD	16.20%	16.20%		16.00%	16.00%		
GPM - S&R	22.30%	22.30%		22.30%	22.30%		
GPM - conso	18.30%	18.30%		18.30%	18.20%		
Other operating income	3,401	3,480	2%	3,625	3,702	2%	Increase is a function of the Divimart acquisition.
Opex	-24,267	-24,964	3%	-26,132	-26,840	3%	Factors in opex from Divimart acquisition.
EBIT	15,230	15,347	1%	15,883	15,972	1%	
EBITM	7.70%	7.60%		7.60%	7.50%		
Others- net	-2,393	-2,436	2%	-2,382	-2,504	5%	
Income before tax	12,837	12,911	1%	13,501	13,468	0%	
Income tax expense	-3,084	-3,102	1%	-3,244	-3,236	0%	
Effective tax rate	24.03%	24.03%		24.03%	24.03%		
Net income	9,753	9,809	1%	10,257	10,232	0%	
NIM	5.00%	4.90%		4.90%	4.80%		

Source: Company, Maybank IBG Research



### 3. Valuation

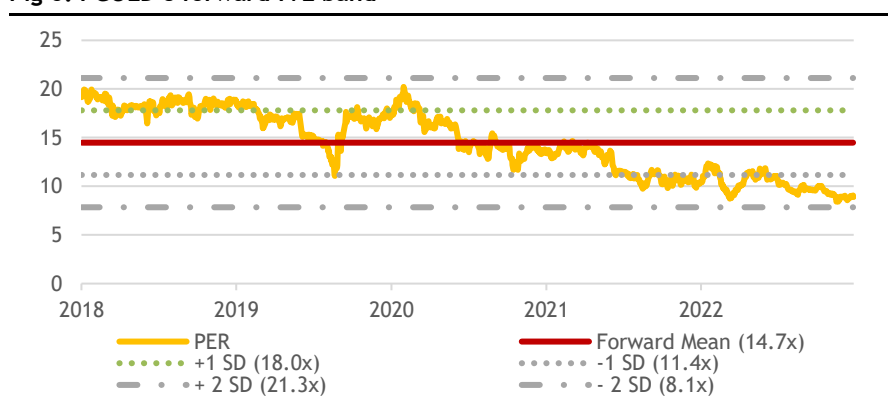
We raise our TP from PHP47 to PHP49 after rolling forward our valuation base to FY24E.

Fig 5: Target price computation

	FY23E (Old)	FY23E (New)	% change
Enterprise value (PHP m)	103,553	103,205	0%
Net debt (PHP m)	31,404	36,213	15%
Value of equity (PHP m)	134,957	139,418	3%
# of outstanding shares (m)	2,870	2,870	0%
<b>Rounded target price (PHP)</b>	<b>47</b>	<b>49</b>	<b>4%</b>

Source: Maybank IBG Research

Fig 6: PGOLD's forward P/E band



Source: Bloomberg, Maybank IBG Research

Fig 7: Peer comparison

Company	Stock code	Mcap USD b	Reco	TP (PHP)	FY23E	P/E (x) FY24E	P/BV (x) FY23E	P/BV (x) FY24E	ROE (%) FY23E	ROE (%) FY24E
Century Pacific Food	CNPF PM	1.8	Hold	28	18.8	16.7	3.1	2.8	16.7%	16.6%
D&L Industries Inc.	DNL PM	0.8	Buy	10.8	11.8	9.4	2.0	1.7	16.6%	18.4%
Jollibee Foods Corp	JFC PM	4.6	Buy	288	29.9	25.3	3.9	3.5	17.1%	18.0%
Puregold Price Club	PGOLD PM	1.5	Buy	49	8.7	8.2	0.9	0.8	10.7%	10.3%
Robinsons Retail Holdings	RRHI PM	1.3	Buy	67	14.9	14.4	1.0	1.0	6.7%	6.7%
Universal Robina Corp	URC PM	4.6	Buy	170	18.9	16.2	2.2	2.0	11.6%	12.3%
Wilcon Depot Inc.	WLCON PM	1.6	Buy	34	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	2.7	Buy	11	21.0	18.2	2.5	2.4	12.1%	13.1%
<b>Weighted Average</b>					<b>20.7</b>	<b>17.8</b>	<b>2.7</b>	<b>2.4</b>	<b>13.7%</b>	<b>14.4%</b>

Source: Bloomberg, Maybank IBG Research, prices as of 14 September 2023

FYE 31 Dec	FY21A	FY22A	FY23E	FY24E	FY25E
<b>Key Metrics</b>					
P/E (reported) (x)	13.8	10.3	8.5	8.1	7.5
Core P/E (x)	13.9	10.8	8.5	8.1	7.5
P/BV (x)	1.5	1.2	0.9	0.8	0.8
P/NTA (x)	2.0	1.6	1.2	1.0	0.9
Net dividend yield (%)	1.1	1.4	1.7	1.7	1.7
FCF yield (%)	9.7	8.4	8.9	16.4	17.5
EV/EBITDA (x)	6.2	5.4	4.1	3.6	3.0
EV/EBIT (x)	8.5	7.1	5.6	4.9	4.2

**INCOME STATEMENT (PHP m)**

Revenue	164,124.8	184,302.9	201,424.8	214,320.5	226,067.4
EBITDA	17,575.8	19,045.7	20,911.8	21,911.8	23,170.4
Depreciation	(4,633.6)	(4,564.4)	(5,565.3)	(5,940.2)	(6,307.4)
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	12,942.2	14,481.3	15,346.5	15,971.7	16,863.0
Net interest income / (exp)	(2,384.9)	(2,229.5)	(2,407.3)	(2,474.1)	(2,337.3)
Associates & JV	0.0	(37.2)	(28.4)	(29.8)	(31.3)
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other pretax income	94.5	9.8	0.0	0.0	0.0
Pretax profit	10,651.8	12,224.5	12,910.8	13,467.7	14,494.5
Income tax	(2,471.8)	(2,937.1)	(3,102.0)	(3,235.8)	(3,482.5)
Minorities	0.0	0.0	0.0	0.0	0.0
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	8,180.0	9,287.4	9,808.8	10,231.9	11,012.0
Core net profit	8,085.5	9,277.6	9,808.8	10,231.9	11,012.0
Distributable Income	8,085.5	9,277.6	9,808.8	10,231.9	11,012.0

**BALANCE SHEET (PHP m)**

Cash & Short Term Investments	41,311.6	39,345.3	40,787.8	47,654.3	54,703.0
Accounts receivable	2,178.9	3,528.5	3,118.8	3,318.5	3,500.4
Inventory	21,558.6	28,214.7	27,220.3	28,976.2	30,549.2
Reinsurance assets	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	23,069.5	30,235.0	34,374.9	36,146.3	37,926.1
Intangible assets	19,703.4	19,690.1	19,637.5	19,585.6	19,533.8
Investment in Associates & JVs	0.0	0.0	0.0	0.0	0.0
Other assets	31,611.8	42,784.0	45,023.6	44,505.5	43,366.7
<b>Total assets</b>	<b>139,433.8</b>	<b>163,797.5</b>	<b>170,162.9</b>	<b>180,186.4</b>	<b>189,579.1</b>
ST interest bearing debt	120.0	120.0	104.7	104.7	104.7
Accounts payable	14,422.7	26,792.8	22,540.2	23,994.2	25,296.7
Insurance contract liabilities	0.0	0.0	0.0	0.0	0.0
LT interest bearing debt	11,650.5	11,545.8	11,441.1	11,336.5	11,231.8
Other liabilities	37,765.0	42,694.0	45,058.0	44,934.0	43,551.0
<b>Total Liabilities</b>	<b>63,957.8</b>	<b>81,152.9</b>	<b>79,143.8</b>	<b>80,369.6</b>	<b>80,184.6</b>
Shareholders Equity	75,476.0	82,644.6	91,019.1	99,816.8	109,394.5
Minority Interest	0.0	0.0	0.0	0.0	0.0
<b>Total shareholder equity</b>	<b>75,476.0</b>	<b>82,644.6</b>	<b>91,019.1</b>	<b>99,816.8</b>	<b>109,394.5</b>
<b>Total liabilities and equity</b>	<b>139,433.8</b>	<b>163,797.5</b>	<b>170,162.9</b>	<b>180,186.4</b>	<b>189,579.1</b>

**CASH FLOW (PHP m)**

Pretax profit	10,651.8	12,224.5	12,910.8	13,467.7	14,494.5
Depreciation & amortisation	4,633.6	4,564.4	5,565.3	5,940.2	6,307.4
Adj net interest (income)/exp	2,384.9	2,229.5	2,407.3	2,474.1	2,337.3
Cash taxes paid	(2,682.4)	(2,937.1)	(3,102.0)	(3,235.8)	(3,482.5)
Other operating cash flow	188.6	295.7	430.9	29.8	31.3
Cash flow from operations	14,596.8	12,537.1	14,454.0	18,550.6	19,728.8
Capex	(3,665.3)	(4,147.4)	(7,049.9)	(4,929.4)	(5,199.6)
Free cash flow	10,931.5	8,389.7	7,404.1	13,621.2	14,529.3
Dividends paid	(1,291.4)	(1,434.3)	(1,434.3)	(1,434.3)	(1,434.3)
Change in Debt	(635.0)	(623.3)	(120.0)	(104.7)	(104.7)
Other invest/financing cash flow	(325.6)	(8,032.0)	(4,407.4)	(5,215.8)	(5,941.7)
Effect of exch rate changes	0.0	0.0	0.0	0.0	0.0
<b>Net cash flow</b>	<b>8,638.3</b>	<b>(1,796.9)</b>	<b>1,442.5</b>	<b>6,866.5</b>	<b>7,048.7</b>



FYE 31 Dec	FY21A	FY22A	FY23E	FY24E	FY25E
<b>Key Ratios</b>					
<b>Growth ratios (%)</b>					
Revenue growth	(2.7)	12.3	9.3	6.4	5.5
EBITDA growth	(0.4)	8.4	9.8	4.8	5.7
EBIT growth	(3.1)	11.9	6.0	4.1	5.6
Pretax growth	(6.8)	14.8	5.6	4.3	7.6
Reported net profit growth	1.4	13.5	5.6	4.3	7.6
Core net profit growth	0.2	14.7	5.7	4.3	7.6
<b>Profitability ratios (%)</b>					
EBITDA margin	10.7	10.3	10.4	10.2	10.2
EBIT margin	7.9	7.9	7.6	7.5	7.5
Pretax profit margin	6.5	6.6	6.4	6.3	6.4
Payout ratio	15.8	15.4	14.6	14.0	13.0
<b>DuPont analysis</b>					
Net profit margin (%)	5.0	5.0	4.9	4.8	4.9
Revenue/Assets (x)	1.2	1.1	1.2	1.2	1.2
Assets/Equity (x)	1.8	2.0	1.9	1.8	1.7
ROAE (%)	11.4	11.7	11.3	10.7	10.5
ROAA (%)	6.0	6.1	5.9	5.8	6.0
<b>Liquidity &amp; Efficiency</b>					
Cash conversion cycle	23.7	15.8	12.6	15.3	15.4
Days receivable outstanding	5.3	5.6	5.9	5.4	5.4
Days inventory outstanding	57.0	59.5	60.6	57.7	58.0
Days payables outstanding	38.6	49.3	54.0	47.8	48.0
Dividend cover (x)	6.3	6.5	6.8	7.1	7.7
Current ratio (x)	3.8	2.6	3.1	3.3	3.4
<b>Leverage &amp; Expense Analysis</b>					
Asset/Liability (x)	2.2	2.0	2.2	2.2	2.4
Net gearing (%) (incl perps)	net cash	net cash	net cash	net cash	net cash
Net gearing (%) (excl. perps)	net cash	net cash	net cash	net cash	net cash
Net interest cover (x)	5.4	6.5	6.4	6.5	7.2
Debt/EBITDA (x)	0.7	0.6	0.6	0.5	0.5
Capex/revenue (%)	2.2	2.3	3.5	2.3	2.3
Net debt/ (net cash)	(29,541.1)	(27,679.5)	(29,242.0)	(36,213.2)	(43,366.5)

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.thuhoang@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  
• Property

**Nguyen Thanh Hai**  
(84 28) 44 555 888 ext 8081  
thanhhai.nguyen@maybank.com  
• Industrials

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

## 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: INH0000000057). **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 15 September 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 15 September 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 15 September 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

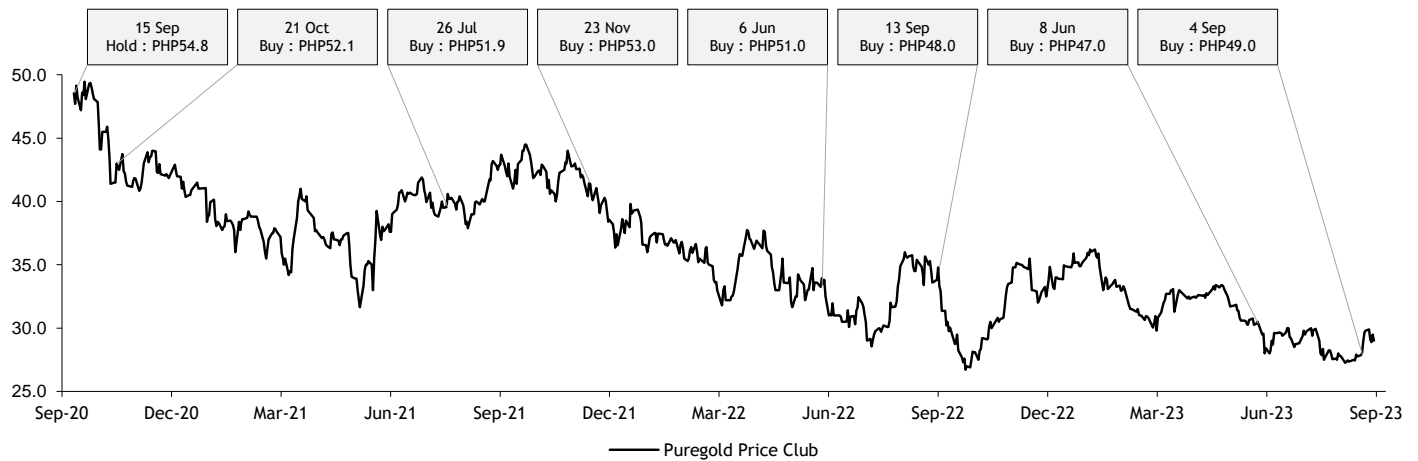
The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed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

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: Puregold Price Club (PGOLD PM)



### Definition of Ratings

Maybank IBG Research uses the following rating system

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

### Indonesia

**PT Maybank Sekuritas Indonesia**  
Sentral Senayan III, 22<sup>nd</sup> 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,  
20<sup>th</sup> - 21<sup>st</sup> Floor,  
Rama 1 Road Pathumwan,  
Bangkok 10330, Thailand

Tel: (66) 2 658 6817 (sales)

Tel: (66) 2 658 6801 (research)

### 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, 11<sup>th</sup> 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

### 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

#### London

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

#### India

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

[www.maybank.com/investment-banking](http://www.maybank.com/investment-banking)  
[www.maybank-keresearch.com](http://www.maybank-keresearch.com)