

# Axiata Group (AXIATA MK)

## Sri Lanka developments

### Further market consolidation

We view Dialog's merger with Airtel Lanka as an overall healthy market development, while generating longer-term synergies. However, there are integration costs to be borne which could defer Axiata's net profit recovery in the initial years. We continue to view Axiata's overall risk-reward as being positive, with net profit recovery and balance sheet repair being potential re-rating catalysts. Reiterate BUY with an unchanged MYR3.50 SOP-based TP.

### Merger to proceed

Recall Dialog Axiata had entered into a binding term sheet to merge with Airtel Lanka in May 2023. Dialog has now entered into a Share Sale Agreement (SSA) to acquire 100% of Airtel Lanka, via the issuance of 952.7m new Dialog shares (representing 10.4% of Dialog's enlarged share base). Axiata's stake in Dialog post-merger would be diluted to 73.7% (from 82.3% currently pre-merger). The transaction has been approved by Sri Lanka's telecom regulator, but is subject to Dialog's shareholders' approval and completion of specific conditions in the SSA.

### Initial integration drag for Dialog?

The transaction would see the largest operator (Dialog) merging with the smallest (Airtel Lanka, currently loss-making), with the aim of achieving economies of scale and reducing infrastructure duplication. In our view, the transaction resembles that of Bangladesh, where Robi Axiata and Airtel Bangladesh had explored and completed a merger in 2015-16. The enlarged Robi endured a few years of losses during the integration phase before enjoying the longer-term synergies.

### Reiterate BUY

Dialog's management will host a call this afternoon, which would likely provide more colour on timelines and financial impact. Our earnings forecasts and MYR3.50 TP for Axiata (derived from a sum-of-parts with each op-co valued on DCF) are unchanged, with associate CelcomDigi being the largest contributor of both earnings and SOP.

| FYE Dec (MYR m)              | FY22A  | FY23A  | FY24E  | FY25E  | FY26E  |
|------------------------------|--------|--------|--------|--------|--------|
| Revenue                      | 27,522 | 23,489 | 22,704 | 23,430 | 24,157 |
| EBITDA                       | 12,434 | 10,560 | 10,864 | 11,348 | 11,769 |
| Core net profit              | 1,587  | 542    | 700    | 1,271  | 1,703  |
| Core EPS (sen)               | 17.3   | 5.9    | 7.6    | 13.8   | 18.5   |
| Core EPS growth (%)          | 19.6   | (65.8) | 29.0   | 81.7   | 33.9   |
| Net DPS (sen)                | 14.0   | 10.0   | 10.0   | 10.0   | 10.0   |
| Core P/E (x)                 | 17.9   | 40.3   | 33.5   | 18.4   | 13.7   |
| P/BV (x)                     | 1.2    | 1.0    | 1.1    | 1.1    | 1.0    |
| Net dividend yield (%)       | 4.5    | 4.2    | 3.9    | 3.9    | 3.9    |
| ROAE (%)                     | 46.6   | (8.7)  | 3.2    | 5.8    | 7.5    |
| ROAA (%)                     | 2.1    | 0.7    | 0.9    | 1.6    | 2.1    |
| EV/EBITDA (x)                | 5.1    | 5.7    | 5.7    | 5.5    | 5.3    |
| Net gearing (%) (incl perps) | 92.8   | 114.5  | 117.4  | 115.1  | 108.8  |
| Consensus net profit         | -      | -      | 657    | 800    | 976    |
| MIBG vs. Consensus (%)       | -      | -      | 6.5    | 58.9   | 74.4   |

Tan Chi Wei, CFA  
chiwei.t@maybank-ib.com  
(603) 2297 8690

# BUY

|                       |                 |
|-----------------------|-----------------|
| Share Price           | MYR 2.55        |
| 12m Price Target      | MYR 3.50 (+40%) |
| Previous Price Target | MYR 3.50        |

### Company Description

Axiata Group owns a portfolio of mobile telcos, network infrastructure and digital internet companies in 10 countries across Asia.

### Statistics

|                        |                     |
|------------------------|---------------------|
| 52w high/low (MYR)     | 3.09/2.18           |
| 3m avg turnover (USDm) | 3.9                 |
| Free float (%)         | 43.2                |
| Issued shares (m)      | 9,179               |
| Market capitalisation  | MYR23.4B<br>USD4.9B |

### Major shareholders:

|  |       |
|--|-------|
| Khazanah Nasional Bhd. (Investment Compa | 36.7% |
| Employees Provident Fund                 | 18.0% |
| Permodalan Nasional Bhd.                 | 16.6% |

### Price Performance



— Axiata - (LHS, MYR) — Axiata / Kuala Lumpur Composite Index - (RHS, %)

|                       | -1M | -3M | -12M |
|-----------------------|-----|-----|------|
| Absolute (%)          | (8) | 1   | (16) |
| Relative to index (%) | (7) | (3) | (21) |

Source: FactSet

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Tear Sheet Insert

# ESG@MAYBANK IBG

chiwei.t@maybank-ib.com

|   |  |
|---|--|
| <b>Risk Rating &amp; Score<sup>1</sup></b>                    | 29.9 (Medium)                              |
| <b>Score Momentum<sup>2</sup></b>                             | +2.0                                       |
| <b>Last Updated</b>   | 13 Apr 2023                                |
| <b>Controversy Score<sup>3</sup></b><br>(Updated: 3 Apr 2023) | 2 - Business ethics (acc. & tax) incidents |

## Business Model & Industry Issues

- The ESG pressure faced by telcos is overall benign. Telcos are not major emitters and thus do not pose a significant threat to the environment. Major social issues relate to digital inclusion and data protection, and can generally be well-managed from an operational perspective. Axiata however also operates in frontier markets, and thus faces relatively higher operating risks.
- We see telcos are potential ESG beneficiaries. Given the industry’s extensive population reach and core speciality in connectivity, telcos are well-positioned to serve as ESG enablers, helping other industries address their respective ESG issues. Axiata has already invested tangibly in a digital business arm, which at the moment is scaling up and is thus still loss-making. Axiata has demonstrated the monetisation potential of the business through divestment of minority stakes.
- Given its conglomerate-like structure, Axiata is possibly more inclined on a relative basis to participate in M&As. Axiata has initiated a number of M&As in recent years, both at the holding-co level and among its op-cos. Results have unfortunately been mixed, with the supposed accretion not materialising for some transactions.
- Axiata scores above-average in our proprietary scoring methodology (see next page) with an overall score of 68/100.

### Material E issues

- Environmental risks are inherently less pertinent for telcos, with operations being neither energy nor emission intensive. Globally, GSMA (the industry body) has committed to a “Zero by 2050” carbon emission target, which Axiata is aiming to align to.
- The net zero target is potentially a challenge for Axiata as it is operating in regions where subscribers and networks are still growing. Axiata recorded a 3% increase in energy consumption in 2022, with networks accounting for 98% of total energy consumption.
- Measures undertaken include investing in new energy efficient equipment, transferring sites from diesel to grid, installing outdoor cabinets which do not require air conditioning units and building renewable energy capacity. edotco, its tower arm, has reduced its GHG emissions through innovative tower designs.

### Material S issues

- Internet connectivity is deemed as an essential service. Axiata’s op-cos in Malaysia, Nepal, Indonesia and Sri Lanka had offered discounted/free data to subscribers during the COVID-19 pandemic, which affected monetisation.
- The emphasis on digital inclusion and rural connectivity means telcos could be pressured to invest in areas that are not commercially-viable. In Malaysia, the regulator funds such investments through the USP fund (telcos contribute 6% of revenue to the fund annually).
- Axiata operates in emerging and frontier markets, where many have no access to formal financial services. Axiata has developed digital financial services platforms.
- The male-female split of Axiata’s workforce stood at 68%-32% as at 2022. Female representation at senior management is at 24%.

### Key G metrics and issues

- Axiata is a government-linked company. Khazanah Nasional, the national sovereign fund, owns 36.8% of Axiata and has board representation.
- The Board currently has 12 Directors, comprising 1 Managing Director (CEO), 1 Executive Director, 3 Non-Independent Non-Executive Directors and 7 Independent Non-Executive Directors (including the chairman).
- There are presently 3 women on the Board. The search for additional female Directors is in progress, with the Board aiming to comply with the 30% female representation target.
- Axiata does not disclose the remuneration details of senior management for confidentiality reasons.
- Axiata has been audited by PricewaterhouseCoopers for at least the past decade.
- Axiata’s track record with dividends is average, given that capex requirements (due to growth opportunities) are still high in many markets that it operates in.
- Axiata had in 2019, announced it was in talks with Telenor to merge their respective Asian operations, but talks were subsequently terminated. Their respective Malaysia entities (Celcom and Digi) were eventually merged in 2022.
- Axiata’s last major transaction was the acquisition of Ncell in 2017. This transaction was unfortunately mired with issues as capital gains tax was subsequently imposed on Ncell (instead of the seller) following a change of government. Axiata disposed its stake in Ncell in 2023.
- Axiata’s has initiated a number of M&As at its op-cos (Smart-Hello in Cambodia, XL-Axis in Indonesia, Robi-Airtel in Bangladesh), mainly on the basis of market consolidation. Results have unfortunately been mixed, with the supposed accretion not materialising for some transactions.

<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: 62) |  |                |                |                |                |                  |
|-------------------------------------|--|----------------|----------------|----------------|----------------|------------------|
|                                     | Particulars                              | Unit           | 2020           | 2021           | 2022           | Maxis (MAXIS MK) |
| E                                   | Scope 1 emissions                        | k tCO2e        | 77.89          | 74.02          | 69.11          | 4.70             |
|                                     | Scope 2 emissions                        | k tCO2e        | 1240.56        | 1287.78        | 1322.58        | 220.51           |
|                                     | Scope 3 emissions                        | k tCO2e        | N/A            | N/A            | N/A            | N/A              |
|                                     | <b>Total</b>                             | <b>k tCO2e</b> | <b>1318.45</b> | <b>1361.80</b> | <b>1391.69</b> | <b>225.21</b>    |
|                                     | Carbon intensity per data usage          | tCO2e/TB       | 0.12           | 0.09           | 0.09           | N/A              |
|                                     | Energy Usage per Data Terabyte (MWh)     | GJ/TB          | 0.67           | 0.52           | 0.50           | N/A              |
|                                     | Solar adoption at sites (edotco)         | Number         | 1,677          | 2,208          | 2,556          | N/A              |
| Op-cos publishing waste data        | Number                                   | 0              | 4              | 3              | N/A            |                  |
| S                                   | % of women in workforce                  | %              | 31.0%          | 32.0%          | 32.0%          | 43.6%            |
|                                     | % of women in management roles           | %              | 17.0%          | 20.0%          | 24.0%          | 33.3%            |
|                                     | Average training hours per employee      | Hours          | 22.0           | 33.1           | 27.2           | 32.1             |
|                                     | Lost time injury frequency (LTIF)        | Number         | 0 - 0.55       | 0 - 0.4        | 0 - 0.55       | 0.18             |
| G                                   | Key management salary as % of net profit | %              | 5.3%           | 0.6%           | 0.01%          | 4.7%             |
|                                     | Independent directors on the Board       | %              | 55.6%          | 60.0%          | 58.3%          | 40%              |
|                                     | Female directors on the Board            | %              | 22%            | 20%            | 25%            | 20%              |
|                                     | Number of top-ranked op-cos by NPS       | Number         | 4              | 4              | 4              | N/A              |

| Qualitative Parameters (Score: 83)  |   |
|---|---|
| a) Is there an ESG policy in place and whether there is a standalone ESG committee or is it part of a risk committee? | <i>Yes. Axiata has a Sustainability Steering Committee to oversee its sustainability agenda.</i>  |
| b) Is the senior management salary linked to fulfilling ESG targets?  | <i>Yes. Sustainability-related key performance indicators (KPIs) have been included in Axiata's Group CEO and OpCo CEOs' annual KPIs.</i>   |
| c) Does the company follow the task force of climate related disclosures (TCFD) framework for ESG reporting?          | <i>Yes</i>  |
| e) Does the company have a mechanism to capture Scope 3 emissions - which parameters are captured?                    | <i>No. Axiata is undertaking Scope 3 screening of its suppliers to determine its areas of control towards developing a Scope 3 inventory and baseline, with the aim of identifying a science-based Scope 3 target for 2030.</i> |
| f) What are the 2-3 key carbon mitigation/water/waste management strategies adopted by the company?                   | <i>Remote monitoring sensor (RMS) technology deployed at tower sites, pursuing green building certification, phase-out of diesel consumption for backup generators</i>  |
| g) Does carbon offset form part of the net zero/carbon neutrality target of the company?                              | <i>Yes</i>  |

| Target (Score: 67)  |        |          |
|---|--------|----------|
| Particulars   | Target | Achieved |
| Reduce emission in 2030 (from 2020 baseline) by 45%       | 45%    | N/A      |
| Net-zero carbon emissions by 2050                         | 2050   | N/A      |
| To achieve 30% female directors at the Board              | 30%    | 25%      |
| <b>Impact</b>   |        |          |
| NA  |        |          |
| <b>Overall Score: 68</b>                                  |        |          |
| As per our ESG matrix, Axiata has an overall score of 68. |        |          |

| ESG score    | Weights | Scores | Final Score |
|--------------|---------|--------|-------------|
| Quantitative | 50%     | 62     | 31          |
| Qualitative  | 25%     | 83     | 21          |
| Target       | 25%     | 67     | 17          |
| <b>Total</b> |         |        | <b>68</b>   |

As per our ESG assessment, Axiata has an established framework, internal policies, and tangible mid/long-term targets. Axiata's overall ESG score is 68, which makes its ESG rating above average in our view (average ESG rating = 50; refer to Appendix I for our ESG Assessment Scoring).

**Fig 1: Axiata: Revenue, EBITDA and net profit split**

| (MYR m)      | Revenue       |     | Revenue       |     | EBITDA        |     | EBITDA        |     | Net profit |       | Net profit |      |
|--------------|---------------|-----|---------------|-----|---------------|-----|---------------|-----|------------|-------|------------|------|
|              | 2023          | %   | 2024E         | %   | 2023          | %   | 2024E         | %   | 2023       | %     | 2024E      | %    |
| Indonesia    | 9,664         | 41% | 9,893         | 44% | 4,777         | 45% | 4,847         | 45% | 172        | 32%   | 237        | 34%  |
| Bangladesh   | 4,200         | 18% | 4,426         | 19% | 1,923         | 18% | 2,036         | 19% | 110        | 20%   | 102        | 15%  |
| Sri Lanka    | 2,624         | 11% | 2,675         | 12% | 859           | 8%  | 963           | 9%  | 111        | 20%   | 155        | 22%  |
| Nepal        | 1,173         | 5%  | -             | -   | 651           | 6%  | -             | -   | 86         | 16%   | -          | -    |
| Cambodia     | 1,721         | 7%  | 1,756         | 8%  | 919           | 9%  | 931           | 9%  | 313        | 58%   | 312        | 45%  |
| Linknet      | 1,174         | 5%  | 1,234         | 5%  | 489           | 5%  | 481           | 4%  | -127       | -23%  | -134       | -19% |
| edotco       | 2,791         | 12% | 2,972         | 13% | 1,876         | 18% | 1,932         | 18% | 64         | 12%   | 53         | 8%   |
| CelcomDigi   | -             | -   | -             | -   | -             | -   | -             | -   | 514        | 95%   | 523        | 75%  |
| Others       | 141           | 1%  | -250          | -1% | -933          | -9% | -325          | -3% | -700       | -129% | -548       | -78% |
| <b>Total</b> | <b>23,489</b> |     | <b>22,704</b> |     | <b>10,560</b> |     | <b>10,864</b> |     | <b>542</b> |       | <b>700</b> |      |

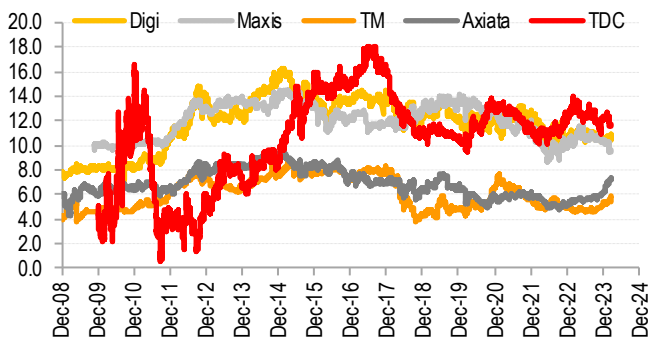
Source: Maybank IBG Research

**Fig 2: Axiata: Target price derivation**

| (MYR m)                   | Value  | Stake | Attri. value  | per share   | %           |
|---------------------------|--------|-------|---------------|-------------|-------------|
| Malaysia                  | 52,846 | 33%   | 17,492        | 1.91        | 54%         |
| Indonesia                 | 11,534 | 61%   | 7,091         | 0.77        | 22%         |
| Bangladesh                | 7,982  | 62%   | 4,933         | 0.54        | 15%         |
| Sri Lanka                 | 2,784  | 83%   | 2,319         | 0.25        | 7%          |
| Cambodia                  | 7,863  | 73%   | 5,701         | 0.62        | 18%         |
| Linknet                   | -2,889 | 92%   | -2,652        | -0.29       | -8%         |
| Edotco                    | 10,404 | 63%   | 6,555         | 0.71        | 20%         |
| Digital businesses        |        |       | 1,898         | 0.21        | 6%          |
| Residual net cash         |        |       | -11,240       | -1.22       | -35%        |
| <b>Total equity value</b> |        |       | <b>32,096</b> | <b>3.50</b> | <b>100%</b> |

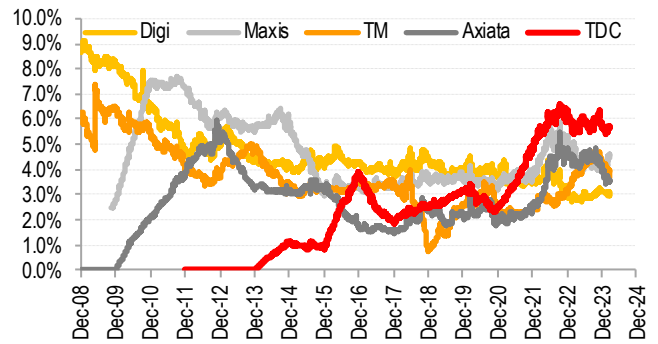
Source: Maybank IBG Research

**Fig 3: EV/EBITDA - Malaysia telcos**



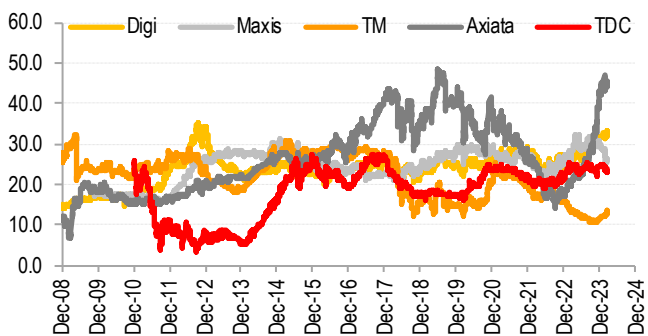
Source: Bloomberg, Maybank IBG Research

**Fig 4: Net dividend yield - Malaysia telcos**



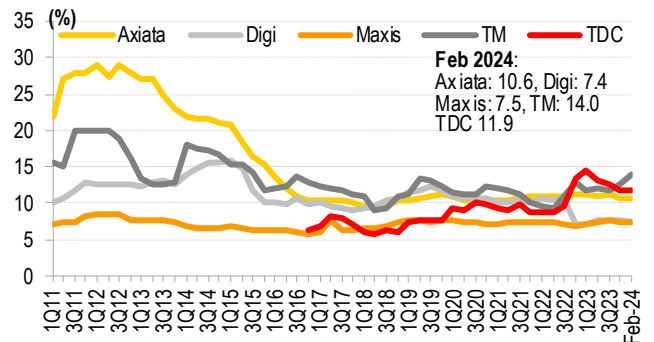
Source: Bloomberg, Maybank IBG Research

**Fig 5: PER - Malaysia telcos**



Source: Bloomberg, Maybank IBG Research

**Fig 6: Foreign shareholding**



Source: Companies

## Risk statement

There are several risk factors for our earnings estimates, price target, and rating for Axiata. Competitive developments such as price wars would adversely affect monetisation and thus profitability. Regulatory developments pertaining to spectrum fees, taxation or product pricing also pose a risk to Axiata's earnings. Axiata is also exposed to currency risk.

| FYE 31 Dec                          | FY22A           | FY23A           | FY24E           | FY25E           | FY26E           |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Key Metrics</b>                  |                 |                 |                 |                 |                 |
| P/E (reported) (x)                  | 3.0             | nm              | 33.5            | 18.4            | 13.7            |
| Core P/E (x)                        | 17.9            | 40.3            | 33.5            | 18.4            | 13.7            |
| P/BV (x)                            | 1.2             | 1.0             | 1.1             | 1.1             | 1.0             |
| P/NTA (x)                           | 28.9            | (16.5)          | (65.4)          | 22.7            | 8.6             |
| Net dividend yield (%)              | 4.5             | 4.2             | 3.9             | 3.9             | 3.9             |
| FCF yield (%)                       | 2.7             | 16.2            | 20.4            | 22.9            | 25.2            |
| EV/EBITDA (x)                       | 5.1             | 5.7             | 5.7             | 5.5             | 5.3             |
| EV/EBIT (x)                         | 14.1            | 20.6            | 18.4            | 15.9            | 14.3            |
| <b>INCOME STATEMENT (MYR m)</b>     |                 |                 |                 |                 |                 |
| Revenue                             | 27,521.7        | 23,489.5        | 22,704.3        | 23,430.4        | 24,156.9        |
| EBITDA                              | 12,433.7        | 10,560.3        | 10,864.5        | 11,348.2        | 11,768.7        |
| Depreciation                        | (7,922.5)       | (7,626.6)       | (7,476.1)       | (7,414.7)       | (7,434.2)       |
| Amortisation                        | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             |
| EBIT                                | 4,511.2         | 2,933.7         | 3,388.4         | 3,933.5         | 4,334.5         |
| Net interest income / (exp)         | (1,713.9)       | (2,121.7)       | (2,282.7)       | (2,218.2)       | (2,144.5)       |
| Associates & JV                     | (50.8)          | 531.8           | 527.3           | 789.3           | 991.1           |
| Exceptionals                        | 8,348.3         | (3,534.0)       | (92.6)          | (92.6)          | (92.6)          |
| Other pretax income                 | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             |
| Pretax profit                       | 11,094.7        | (2,190.3)       | 1,540.4         | 2,412.1         | 3,088.5         |
| Income tax                          | (1,061.4)       | (266.9)         | (483.2)         | (624.8)         | (745.6)         |
| Minorities                          | (267.7)         | 462.4           | (357.4)         | (516.2)         | (640.4)         |
| Discontinued operations             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             |
| Reported net profit                 | 9,765.6         | (1,994.8)       | 699.7           | 1,271.1         | 1,702.5         |
| Core net profit                     | 1,586.7         | 542.2           | 699.7           | 1,271.1         | 1,702.5         |
| <b>BALANCE SHEET (MYR m)</b>        |                 |                 |                 |                 |                 |
| Cash & Short Term Investments       | 7,452.2         | 4,612.1         | 4,056.3         | 4,130.1         | 4,808.1         |
| Accounts receivable                 | 6,863.4         | 4,808.7         | 4,354.3         | 4,493.5         | 4,632.8         |
| Inventory                           | 221.6           | 218.9           | 211.7           | 213.7           | 217.2           |
| Property, Plant & Equip (net)       | 27,201.0        | 27,439.8        | 28,968.2        | 30,436.3        | 31,758.6        |
| Intangible assets                   | 22,916.9        | 23,388.9        | 22,203.8        | 21,168.0        | 20,262.7        |
| Investment in Associates & JVs      | 15,610.8        | 15,652.6        | 15,682.8        | 15,765.3        | 15,868.0        |
| Other assets                        | 1,369.1         | 2,321.0         | 2,321.0         | 2,321.0         | 2,321.0         |
| <b>Total assets</b>                 | <b>81,635.1</b> | <b>78,442.0</b> | <b>77,797.9</b> | <b>78,527.8</b> | <b>79,868.5</b> |
| ST interest bearing debt            | 8,935.6         | 4,752.5         | 4,752.5         | 4,752.5         | 4,752.5         |
| Accounts payable                    | 10,534.3        | 9,317.4         | 8,890.6         | 9,134.1         | 9,449.6         |
| LT interest bearing debt            | 26,942.4        | 32,191.7        | 32,191.7        | 32,191.7        | 32,191.7        |
| Other liabilities                   | 4,579.0         | 3,945.0         | 3,945.0         | 3,945.0         | 3,945.0         |
| <b>Total Liabilities</b>            | <b>50,991.7</b> | <b>50,206.7</b> | <b>49,779.9</b> | <b>50,023.5</b> | <b>50,338.9</b> |
| Shareholders Equity                 | 23,896.7        | 22,064.1        | 21,845.9        | 22,199.2        | 22,983.8        |
| Minority Interest                   | 6,746.7         | 6,171.2         | 6,172.0         | 6,305.2         | 6,545.8         |
| <b>Total shareholder equity</b>     | <b>30,643.4</b> | <b>28,235.3</b> | <b>28,018.0</b> | <b>28,504.4</b> | <b>29,529.6</b> |
| <b>Total liabilities and equity</b> | <b>81,635.1</b> | <b>78,442.0</b> | <b>77,797.9</b> | <b>78,527.8</b> | <b>79,868.5</b> |
| <b>CASH FLOW (MYR m)</b>            |                 |                 |                 |                 |                 |
| Pretax profit                       | 11,094.7        | (2,190.3)       | 1,540.4         | 2,412.1         | 3,088.5         |
| Depreciation & amortisation         | 7,922.5         | 7,626.6         | 7,476.1         | 7,414.7         | 7,434.2         |
| Adj net interest (income)/exp       | 1,713.9         | 2,121.7         | 2,282.7         | 2,218.2         | 2,144.5         |
| Change in working capital           | (4,822.0)       | 840.5           | 34.9            | 102.3           | 172.5           |
| Cash taxes paid                     | (875.5)         | (675.5)         | (483.2)         | (624.8)         | (745.6)         |
| Other operating cash flow           | (4,602.2)       | 2,755.3         | (30.2)          | (82.5)          | (102.7)         |
| Cash flow from operations           | 10,431.4        | 10,478.3        | 10,820.6        | 11,439.9        | 11,991.4        |
| Capex                               | (9,652.0)       | (6,949.4)       | (6,056.5)       | (6,084.2)       | (6,088.5)       |
| Free cash flow                      | 779.4           | 3,528.9         | 4,764.1         | 5,355.7         | 5,902.9         |
| Dividends paid                      | (504.7)         | (1,743.9)       | (917.9)         | (917.9)         | (917.9)         |
| Equity raised / (purchased)         | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             |
| Change in Debt                      | 7,029.3         | (1,581.3)       | 0.0             | 0.0             | 0.0             |
| Other invest/financing cash flow    | (6,019.6)       | (2,727.4)       | (4,402.1)       | (4,363.9)       | (4,307.0)       |
| Effect of exch rate changes         | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             |
| Net cash flow                       | 1,284.4         | (2,523.7)       | (555.9)         | 73.9            | 678.0           |

| FYE 31 Dec                             | FY22A    | FY23A    | FY24E    | FY25E    | FY26E    |
|--|----------|----------|----------|----------|----------|
| <b>Key Ratios</b>                      |          |          |          |          |          |
| <b>Growth ratios (%)</b>               |          |          |          |          |          |
| Revenue growth                         | 6.3      | (14.7)   | (3.3)    | 3.2      | 3.1      |
| EBITDA growth                          | 9.0      | (15.1)   | 2.9      | 4.5      | 3.7      |
| EBIT growth                            | 18.2     | (35.0)   | 15.5     | 16.1     | 10.2     |
| Pretax growth                          | 410.4    | nm       | nm       | 56.6     | 28.0     |
| Reported net profit growth             | 1,092.5  | nm       | nm       | 81.7     | 33.9     |
| Core net profit growth                 | 19.7     | (65.8)   | 29.0     | 81.7     | 33.9     |
| <b>Profitability ratios (%)</b>        |          |          |          |          |          |
| EBITDA margin                          | 45.2     | 45.0     | 47.9     | 48.4     | 48.7     |
| EBIT margin                            | 16.4     | 12.5     | 14.9     | 16.8     | 17.9     |
| Pretax profit margin                   | 40.3     | nm       | 6.8      | 10.3     | 12.8     |
| Payout ratio                           | 13.2     | nm       | 131.2    | 72.2     | 53.9     |
| <b>DuPont analysis</b>                 |          |          |          |          |          |
| Net profit margin (%)                  | 35.5     | nm       | 3.1      | 5.4      | 7.0      |
| Revenue/Assets (x)                     | 0.3      | 0.3      | 0.3      | 0.3      | 0.3      |
| Assets/Equity (x)                      | 3.4      | 3.6      | 3.6      | 3.5      | 3.5      |
| ROAE (%)                               | 46.6     | (8.7)    | 3.2      | 5.8      | 7.5      |
| ROAA (%)                               | 2.1      | 0.7      | 0.9      | 1.6      | 2.1      |
| <b>Liquidity &amp; Efficiency</b>      |          |          |          |          |          |
| Cash conversion cycle                  | nm       | nm       | nm       | nm       | nm       |
| Days receivable outstanding            | 78.0     | 89.4     | 72.6     | 68.0     | 68.0     |
| Days inventory outstanding             | nm       | nm       | nm       | nm       | nm       |
| Days payables outstanding              | nm       | nm       | nm       | nm       | nm       |
| Dividend cover (x)                     | 7.6      | (2.2)    | 0.8      | 1.4      | 1.9      |
| Current ratio (x)                      | 0.7      | 0.7      | 0.6      | 0.7      | 0.7      |
| <b>Leverage &amp; Expense Analysis</b> |          |          |          |          |          |
| Asset/Liability (x)                    | 1.6      | 1.6      | 1.6      | 1.6      | 1.6      |
| Net gearing (%) (incl perps)           | 92.8     | 114.5    | 117.4    | 115.1    | 108.8    |
| Net gearing (%) (excl. perps)          | 92.8     | 114.5    | 117.4    | 115.1    | 108.8    |
| Net interest cover (x)                 | 2.6      | 1.4      | 1.5      | 1.8      | 2.0      |
| Debt/EBITDA (x)                        | 2.9      | 3.5      | 3.4      | 3.3      | 3.1      |
| Capex/revenue (%)                      | 35.1     | 29.6     | 26.7     | 26.0     | 25.2     |
| Net debt/ (net cash)                   | 28,425.8 | 32,332.0 | 32,887.9 | 32,814.0 | 32,136.0 |

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

**LEE Jia Yu**  
(65) 6231 5843  
jiayu.lee@maybank.com

### FX

**Saktiandi SUPAAT**  
Head of FX Research  
(65) 6230 1379  
saktiandi@maybank.com

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

**Alan LAU, CFA**  
(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  
ongsenyeow@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

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

**Anand PATHMAKANTHAN**  
(603) 2297 8783  
anand.pathmakanthan@maybank-ib.com  
• Equity Strategy

**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 • Automotive • Technology (EMS)

**Jeremie YAP**  
(603) 2297 8688  
jeremie.yap@maybank-ib.com  
• Oil & Gas • Petrochemicals

**Arvind JAYARATNAM**  
(603) 2297 8692  
arvind.jayaratnam@maybank.com  
• Technology (Semicon & Software)

**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

**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 • Industrials

**Hussaini SAIFEE**  
(65) 6231 5837  
hussaini.saifee@maybank.com  
• Telecommunications

### PHILIPPINES

**Daphne SZE**  
(63) 2 5322 5008  
daphne.sze@maybank.com  
• Consumer

**Raffy MENDOZA**  
(63) 2 5322 5010  
joseraphael.mendoza@maybank.com  
• Property • REITs • Gaming

### 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 • Technology • REITs • Property  
• Consumer Discretionary

**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

**Natchaphon RODJANAROWAN**  
(66) 2658 5000 ext 1393  
natchaphon.rodjanarowan@maybank.com  
• Utilities

**Boonyakorn AMORNSANK**  
(66) 2658 5000 ext 1394  
boonyakorn.amornsank@maybank.com  
• Services

### 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 • Internet • Construction

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

**Paulina MARGARETA**  
(62) 21 8066 8690  
paulina.tjoa@maybank.com  
• Autos

**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



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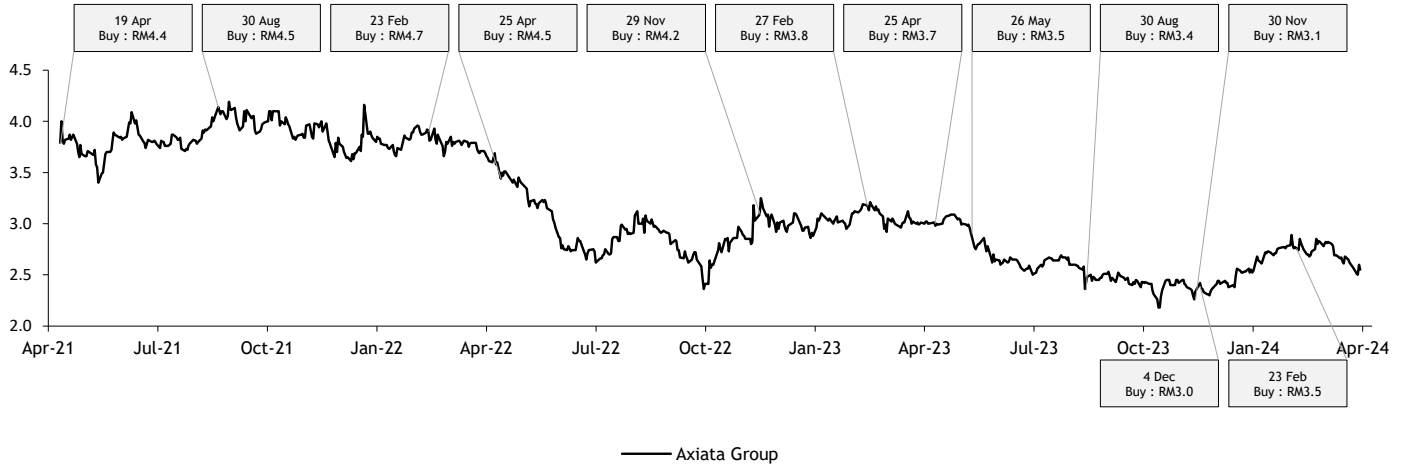
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 **Malaysia**

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)