

# Netlink NBN Trust (NETLINK SP)

# Foundation of stability

## 1Q25 review: Stable on the surface

1Q25 earnings fell by 9% YoY, whereas revenue and EBITDA declined by 3%/2% YoY. Revenue decline was mainly owing to lower low-margin and often bumpy ancillary projects revenue whereas its key regulated asset base (RAB) revenue was stable despite the lower regulatory pricing kicking in from Apr'24. EBITDA decline was mainly due to the absence of one-off gain of SGD1.1m, which lifted 1Q24 EBITDA. We estimate adjusted EBITDA fell by just 1% YoY. Maintain BUY on Netlink Trust.

## Operating metrics - mild surprises but not concerning

Netlink posted stable RAB revenue YoY despite reduction in its regulated pricing from Apr'24. Residential connections increased by a strong 17,375 vs a run rate of ~6,000 in previous quarters. Management attributed this to telcos' promotions of 10Gbps fibre offerings and WiFi7 router offerings, which might have attracted new take-ups without terminating existing lower speed contracts (to avoid termination penalties). Management is unsure how many more such upgrades could happen in coming quarters (which in turn could lead to increase in connections/revenue). On the other hand, NBAP (non-building address point) connections surprisingly fell 1% QoQ. Management expects the rise in residential connections to reverse and expects growth momentum in NBAP connections to resume.

# Maintain TP and BUY; Key beneficiary of interest rate downcycle

We trim our FY25-26 earnings forecasts by 1-3% to factor in FY24 results, mainly on the back of our higher D&A assumption by imputing higher FY24 capex while our EBITDA forecasts remain relatively unchanged. While revenue/EBITDA are expected to slightly decline due to downward revision in the regulated pricing, management underscored dividend stability and consistency. We see Netlink as a bigger beneficiary as and when the interest rate cycle turns (refer to <u>link</u>). The stock has 71% negative correlation to the 10-year US bond yield while its 6% dividend yield remains highly visible and stable. Maintain BUY and DDM-based TP of SGD0.97.

FYE Mar (SGD m)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue	403	411	418	424	430
EBITDA	291	286	291	295	298
Core net profit	109	103	107	109	111
Core EPS (cts)	2.8	2.7	2.8	2.8	2.8
Core EPS growth (%)	19.7	(5.5)	4.0	2.0	1.2
Net DPS (cts)	5.2	5.3	5.0	5.1	5.4
Core P/E (x)	30.6	32.2	30.8	30.2	29.9
P/BV (x)	1.3	1.3	1.4	1.4	1.5
Net dividend yield (%)	6.0	6.2	5.9	6.0	6.4
ROAE (%)	4.1	4.0	4.3	4.5	4.7
ROAA (%)	2.7	2.6	2.8	2.9	3.0
EV/EBITDA (x)	13.3	13.6	13.4	13.1	13.0
Net gearing (%) (incl perps)	20.2	23.0	23.5	24.1	24.9
Consensus net profit	-	-	107	113	na
MIBG vs. Consensus (%)	-	-	0.1	(2.8)	na

Hussaini Saifee hussaini saifee@maybank.com (65) 6231 5837

# **BUY**

Share Price SGD 0.85

12m Price Target SGD 0.97 (+14%)

Previous Price Target SGD 0.97

## **Company Description**

NetLink NBN Trust designs, builds, owns and operates the passive fibre network infrastructure of Singapore.

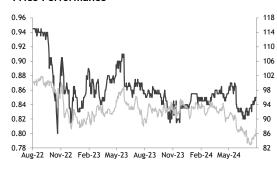
### Statistics

52w high/low (SGD)	0.87/0.82
3m avg turnover (USDm)	3.2
Free float (%)	75.2
Issued shares (m)	3,897
Market capitalisation	SGD3.3B
	USD2.5B

### Major shareholders:

Singapore Telecommunications Ltd.	24.8%
M&G Investment Management Ltd.	2.8%
The Vanguard Group, Inc.	1.9%

#### **Price Performance**



Netlink Trust - (LHS, SGD) Netlink Trust / Straits Times Index - (RHS, %)

	-1M	-3M	-12M
Absolute (%)	2	(1)	(1)
Relative to index (%)	2	(3)	(3)

Source: FactSet



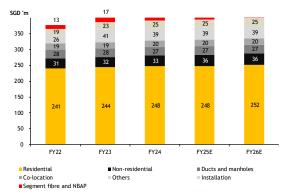
**Netlink NBN Trust** 

## Maybank

## **Value Proposition**

- Netlink operates the sole passive backbone for Singapore's nationwide fibre network with a mandated 100% of homes passed.
- As it has a virtual monopoly, EBITDA margin is high at 70%.
- More than 90% of revenue falls under a return on asset base tariff regime based on a 7% pre-tax WACC. Tariffs are set over a five-year period with the current rate lasting until Mar 2029. ICO pricing review is currently underway and the new pricing will be reflected by April 2024.
- Residential connection revenue, which follows regulated rate structure, represents the bulk (~62.5%) of the business.
- Non-residential, NBAP, and ducts and manholes services (under RAB framework) are the next largest revenue components at 18.6% combined.

## Revenue breakdown (SGD m) - residential matters the most

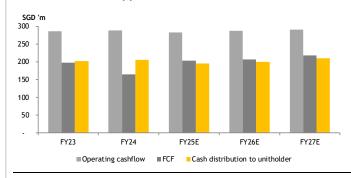


Source: Company, Maybank IBG Research

## **Financial Metrics**

- Healthy balance sheet and free cashflow can support 100% payout of its cash available for distribution.
- Following capex of SGD140m in FY23, management guided FY24E capex is in the range of SGD140-150m. We assume that this will be the run rate until FY26E.

### Free cashflow to support DPU



Source: Company, Maybank IBG Research

## **Price Drivers**

## Historical share price trend



Source: Company, Maybank IBG Research

- 1. FY18 profit was 6% below the prospectus estimate due to shortfall in installation revenue.
- 2. FY19 profit above prospectus forecasts.
- Share price plunged due to market sell-down amid COVID-19 outbreak.
- 4Q20 EBITDA declined 11.2% following a one-time writeoff of capitalised project cost from a discontinued IT system replacement project, market responded with a sell off
- 5. Share price has appreciated 6% in the past three months, likely on the back of resilient top-line, good cost control and attractive dividend yield on a low interest rate environment

## **Swing Factors**

## Upside

- Stronger-than-expected demand may enable Netlink to increase its regulated capex, which in turn provides additional guaranteed returns.
- Acceleration of office decentralisation from CBD area could provide growth in non-residential connections. Higher-than-expected residential household broadband penetration rate.
- Market risk-aversion could boost investment interest in NetLink given its defensive and stable business.
- Low interest rate environment could cause yield compression for NetLink.

## **Downside**

- Reduction in the regulated returns for the next review period would impact long-term fair value.
- Pricing competition in non-residential segment.
- Rising interest rate cycle would reduce the attractiveness of dividend-yielding stocks such as NetLink.

hussaini.saifee@maybank.com

**Netlink NBN Trust** 





hussaini.saifee@maybank.com

Risk Rating & Score <sup>1</sup>	27.0
Score Momentum <sup>2</sup>	-1.1
Last Updated	01 Apr 2022
Controversy Score <sup>3</sup> (Updated: 01 Apr 2022)	0 - No reported incident

## **Business Model & Industry Issues**

- NetLink provides fibre network services. This exposes it to environmental risks. In particular, energy is consumed to provide power to co-location rooms but NetLink has no direct control over energy consumed by its customers' equipment.
- Its densification of network within data centres exposes it to data centres' environmental risks, as many Singapore data centres, in the middle of their lifespan, were designed without sustainability and energy conservation in mind. That said, NetLink has no direct control over its customers' power consumption.
- The National Climate Secretariat under the Prime Minister's Office laid out a roadmap in 2014 to improve data centre sustainability by improving energy efficiency. SS564 aims to benchmark energy efficiency of data centres and provide the best practices for the industry. BCA-IDA Green Mark has also been implemented. It is a rating system to encourage the adoption of energy efficient data centre design.
- In terms of governance, NetLink is adopting industry best practices, evidenced by its "Most Transparent REITs & Business Trust" award. Its constant disclosure and engagement with stakeholders helped the market to understand its opportunities and risks perception.

## Material E issues

- Generated and disposed an average of 0.44% of fibre scraps (excess fibre too short to be reused) against fibre cables issued. This is below its 2.5% FY21 target.
- Recovered 391.4 tonnes of fibre cables from cable diversion. These recovered fibre cables cannot be reused and will be disposed of at National Environment Agency approved facilities for incineration.
- In FY20, NetLink invested SGD0.85m to replace fan coil units in co-location rooms to improve energy efficiency of cooling system by 30%.
- Going forward, more initiatives will be rolled out across its co-location rooms to reduce energy consumption. One example is "blanking" project - reduce power consumed for cooling based on containment concept. This will be gradually implemented across all co-location rooms.

## Material S issues

- Achieved 5,413 learning hours with an average of 15.4 learning hours per employee.
- Zero incidents of discrimination during FY19.
- Zero work-related incidents resulting in fatalities or permanent disabilities.
- Staff turnover rate of 17.7% is higher than high-tech industry's norm of 15.9%.
- NetLink aims to achieve annual employee turnover rate lower than industry norm in FY21 by investing in employees' skills development and building internal capabilities.
- 71:29 male to female employee ratio. Females make up 36% of "managers and executive" category.
- 64% of workforce is between 30 and 50 years old.

## Key G metrics and issues

- Awarded "Most Transparent REITs & Business Trust" by SIAS 20th Investors' Choice Awards in 2019.
- The board consists of eight directors, of which one is executive director (CEO), one is non-executive, non-independent director and six are independent (75%). Two directors are female (25%).
- The nominating, audit and remuneration committees are chaired by independent directors.
- Seven directors have served on the board since 2017 and one since 2018.
- Professional background of independent directors includes accounting, banking, consultancy and law.
- Total remuneration of CEO and top five key management personnel amounts to SGD4.3m, or 5.5% of FY20 PAT and 15.5% of staff cost.
- Independent auditor is Deloitte & Touche LLP since listing in 2017.
- No material contracts were entered into by NetLink or subsidiaries that involved the CEO, any directors or controlling shareholders.

1Risk 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. 2Score 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. 3Controversy 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: 28)								
	Q	uantitative Paramei	ters (Score: A	28)					
	Particulars	Unit	2020	2021	2022	Singtel (ST SP, FY22)			
	Scope 1	tCO2e	NA	NA	619	6,000			
	Scope 2	tCO2e	NA	NA	344	490,000			
	Total	tCO2e	NA	NA	963	496,000			
	Scope 3	tCO2e	NA	NA	33,372	7,300,000			
	Total	tCO2e	NA	NA	34,335	7,796,000			
Ļ	Scope 1 emission intensity	tCO2e/ revenue m	NA	NA	NA	0.0077			
Ε	Green energy share of capacity	%	NA	NA	NA	22.5%			
	Net water consumption	m m <sup>3</sup>	NA	NA	NA	0.933			
	Total Hazardous and Non-Hazardous Waste	tons	266	214	487	3,952			
	Fibre scraps	tons	NA	19.2	17	NA			
	Recovered fibre cables	tons	NA	194.8	470	NA			
	Percentage of fibre waste generated in proportion to total fibre cable issued	%	0.92%	1.35%	1%	NA			
	% of women in workforce	%	30%	29%	31%	54.4%			
S	% of women in management roles	%	25%	25%	25%	32%			
	Number of reported work injuries	number	0	0	0	0.3			
	CEO salary as % of net profit	%	1.17%	1.55%	1.98%	0.18%			
G	Top 5 Management salary as % of profit	%	0.65%	2.92%	3.38%	0.71%			
G	Independent director on board	%	50%	63%	63%	85%			
	Women directors on board	%	25%	25%	25%	31%			

## Qualitative Parameters (Score: 83)

a) Is there an ESG policy in place and is there a standalone ESG Committee or is it part of the Risk committee?

Yes, the group has established a Board Sustainability Committee chaired by the CEO. This is supported by the Group Sustainability Council comprising of pillar heads. There are KPIs, business objectives, governance enablers and risks for each of the segments.

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

No

c) Does the company follow TCFD framework for ESG reporting?

Yes

- e) Does the company have a mechanism to capture Scope 3 emissions which parameters are captured? Yes
- f) What are the 2-3 key carbon mitigation/water/waste management strategies adopted by the company?

Netlink Trust has various waste-reduction initiatives, such as: a) keeping fibre scrap within 2.5% of the total fibre cables issued for the year; b) maintain good cable practice to limit the amount of fibre scraps; and c) reduction of the use of packaging.

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

Yes

Target (Score: 80)					
Particulars	Target	Achieved			
50% reduction in Scope 1 and 2 GHG emissions by 2030	50%	0%			
Maintain 100% island wide coverage	100%	100%			
Zero incidents of significant non-compliance with laws and regulations	0	0			
Limiting the percentage of fibre scraps disposed to total fibre issued to less than 2.5%	2.5%	1.0%			
To maintain zero work-related incidents	0	0			
Impact					
NA					
Overall Score: 55					
As per our ESG matrix Netlink Trust (Netlink SP) has an overall score of 55					

ESG score	Weights	Scores	Final Score
Quantitative	50%	28	14
Qualitative	25%	83	21
Target	25%	80	20
Total			55

As per our ESG assessment, Netlink Trust has established sustainability policies and time-bound targets. The company has quantitative disclosures on 'E' parameters on emissions, resource usage as well as 'S' parameters on workforce and management diversity. Netlink's overall ESG score is 55, which makes its ESG rating above average in our view (average ESG rating = 50).

Fig 1: Summary of 1Q25 results

## Fig 2: Operating details

(end-Mar, SGD 000)	1QFY24	4QFY24	1QFY25	YoY	QoQ
Revenue	103,935	101,829	100,915	-3%	-1%
EBITDA	75,221	63,925	73,380	-2%	15%
Margins	72.4%	62.8%	72.7%		
D&A	-43,149	-43,291	-43,835	2%	1%
Finance costs	-4,575	-4,595	-4,495	-2%	-2%
NPAT	28,241	18,103	25,663	-9%	42%

Operating Stats	1QFY24	4QFY24	1QFY25	YoY	QoQ
Residential connections (000)	1,489	1,507	1,524	2%	1%
Non-Residential connections (000)	52.5	53.5	53.4	2%	0%
NBAP	2,757	2,979	2,944	7%	-1%
Segment connections	3,003	3,542	3,646	21%	3%

Source: Maybank IBG Research, Company, Bloomberg

Source: Maybank IBG Research, Company, Bloomberg

FYE 31 Mar	FY23A	FY24A	FY25E	FY26E	FY27E
Key Metrics	22.4	22.2	20.0	20.2	20.0
P/E (reported) (x)	32.4	32.3	30.8	30.2	29.9
Core P/E (x)	30.6	32.2	30.8	30.2	29.9
P/BV (x)	1.3	1.3	1.4	1.4	1.5
P/NTA (x)	1.3	1.3	1.4	1.4	1.5
Net dividend yield (%)	6.0	6.2	5.9	6.0	6.4
FCF yield (%)	5.9	4.9	6.1	6.3	6.6
EV/EBITDA (x) EV/EBIT (x)	13.3 32.3	13.6 34.4	13.4 33.8	13.1 33.1	13.0 32.7
INCOME STATEMENT (SGD m)	402.5	444.5	447.0	10.1.1	420.4
Revenue	403.5	411.3	417.9	424.4	430.1
EBITDA	290.7	286.5	290.7	294.7	297.8
Depreciation	(170.6)	(172.9)	(175.8)	(177.7)	(179.4)
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	120.1	113.5	114.9	117.0	118.3
Net interest income /(exp)	(16.7)	(21.8)	(20.7)	(20.7)	(20.7)
Associates & JV	0.0	0.0	0.0	0.0	0.0
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other pretax income	5.9	9.3	9.3	9.3	9.3
Pretax profit	109.2	101.1	103.5	105.6	106.9
Income tax	0.0	2.1	3.9	3.9	3.9
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	109.3	103.2	107.4	109.5	110.8
Core net profit	109.3	103.2	107.4	109.5	110.8
Preferred Dividends	0.0	1.0	2.0	2.0	2.0
BALANCE SHEET (SGD m)					
Cash & Short Term Investments	200.7	182.9	200.1	217.4	234.7
Accounts receivable	95.8	80.5	81.8	83.1	84.2
Inventory	6.8	4.3	4.4	4.5	4.5
Property, Plant & Equip (net)	2,734.3	2,679.1	2,583.2	2,485.6	2,378.6
Intangible assets	903.5	898.0	898.0	898.0	898.0
Investment in Associates & JVs	0.0	0.0	0.0	0.0	0.0
Other assets	71.8	71.7	71.7	71.7	71.7
Total assets	4,012.8	3,916.6	3,839.3	3,760.2	3,671.8
ST interest bearing debt	0.0	0.0	0.0	0.0	0.0
Accounts payable	60.0	54.3	55.3	56.5	57.6
LT interest bearing debt	732.0	763.1	773.1	783.1	793.1
Other liabilities	589.0	576.0	576.0	576.0	576.0
Total Liabilities	1,380.9	1,393.9	1,404.9	1,416.1	1,427.2
Shareholders Equity	2,631.8	2,522.7	2,434.4	2,344.2	2,244.7
Minority Interest	0.0	0.0	0.0	0.0	0.0
Total shareholder equity	2,631.8				2,244.7
Total liabilities and equity	4,012.8	2,522.7 3,916.6	2,434.4 3,839.3	2,344.2 3,760.2	3,671.8
CASH FLOW (CCD. )					
CASH FLOW (SGD m)	400.0	404 4	402 5	405.4	404.0
Pretax profit	109.2	101.1	103.5	105.6	106.9
Depreciation & amortisation	170.6	172.9	175.8	177.7	179.4
Adj net interest (income)/exp	16.7	21.8	20.7	20.7	20.7
Change in working capital	1.9	12.0	(0.3)	(0.2)	(0.1)
Cash taxes paid	2.1	3.9	3.9	3.9	3.9
Other operating cash flow	(18.8)	(22.5)	(18.7)	(18.7)	(18.7)
Cash flow from operations	281.8	289.1	284.9	289.0	292.2
Capex	(88.6)	(124.3)	(80.0)	(80.0)	(72.5)
Free cash flow	197.1	164.3	202.9	207.0	217.7
Dividends paid	(202.3)	(205.4)	(195.7)	(199.7)	(210.3)
Equity raised / (purchased)	0.0	0.0	0.0	0.0	0.0
Change in Debt	67.4	29.9	10.0	10.0	10.0
	0.0	0.0	0.0	0.0	0.0
Other invest/financing cash flow	0.0	0.0	0.0	0.0	
Other invest/financing cash flow Effect of exch rate changes	0.0	1.0	2.0	2.0	2.0

FYE 31 Mar	FY23A	FY24A	FY25E	FY26E	FY27E
Key Ratios					
Growth ratios (%)					
Revenue growth	6.8	1.9	1.6	1.6	1.3
EBITDA growth	10.1	(1.5)	1.5	1.4	1.0
EBIT growth	27.3	(5.4)	1.2	1.8	1.2
Pretax growth	25.4	(7.5)	2.4	2.0	1.3
Reported net profit growth	19.7	(5.5)	4.0	2.0	1.2
Core net profit growth	19.7	(5.5)	4.0	2.0	1.2
Profitability ratios (%)					
EBITDA margin	72.1	69.7	69.6	69.4	69.2
EBIT margin	29.8	27.6	27.5	27.6	27.5
Pretax profit margin	27.1	24.6	24.8	24.9	24.9
Payout ratio	184.9	198.8	182.0	182.2	189.6
DuPont analysis					
Net profit margin (%)	27.1	25.1	25.7	25.8	25.8
Revenue/Assets (x)	0.1	0.1	0.1	0.1	0.1
Assets/Equity (x)	1.5	1.6	1.6	1.6	1.6
ROAE (%)	4.1	4.0	4.3	4.5	4.7
ROAA (%)	2.7	2.6	2.8	2.9	3.0
Liquidity & Efficiency					
Cash conversion cycle	nm	nm	nm	nm	nm
Days receivable outstanding	85.4	77.1	69.9	69.9	70.0
Days inventory outstanding	nm	nm	nm	nm	nm
Days payables outstanding	nm	nm	nm	nm	nm
Dividend cover (x)	0.5	0.5	0.5	0.5	0.5
Current ratio (x)	2.2	2.0	2.1	2.2	2.3
Leverage & Expense Analysis					
Asset/Liability (x)	2.9	2.8	2.7	2.7	2.6
Net gearing (%) (incl perps)	20.2	23.0	23.5	24.1	24.9
Net gearing (%) (excl. perps)	20.2	23.0	23.5	24.1	24.9
Net interest cover (x)	7.2	5.2	5.6	5.7	5.7
Debt/EBITDA (x)	2.5	2.7	2.7	2.7	2.7
Capex/revenue (%)	22.0	30.2	19.1	18.8	16.9
Net debt/ (net cash)	531.3	580.2	573.0	565.7	558.4

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** 

gional Thematic Macroeconomist 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.

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

Luong Thu Huong (65) 6231 8467

hana.thuhuong@maybank.com

(65) 6231 5843 jiayu.lee@maybank.com

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

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

Alan I All CFA (65) 6320 1378 alanlau@maybank.com

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

### STRATEGY

Anand PATHMAKANTHAN

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

### FIXED INCOME

Winson PHOON, FCA Head of Fixed Income (65) 6231 5831 winsonphoon@maybank.com

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

## PORTFOLIO STRATEGY

**ONG Seng Yeow** (65) 6231 5839

## MIBG SUSTAINABILITY RESEARCH

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

Neeray DALAL (91) 22 4223 2606 neerav@mavbank.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

#### ΜΑΙ ΔΥSΙΔ

WONG Chew Hann, CA Head of Research (603) 2297 8686 wchewhl@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 • 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

(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

(603) 2082 8769 amirah.azmi@maybank-ib.com

Retail Research

Amirah AZMI

### SINGAPORE

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

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
• Telcos • Internet

**PHILIPPINES** 

Kervin Laurence SISAYAN Head of Research (63) 2 5322 5005

kervin.sisavan@mavbank.com

• Strategy • Banking & Finance

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

Raffv MENDOZA

(63) 2 5322 5010 joserafael.mendoza@maybank.com • Property • REITs • Gaming

(63) 2 5322 5007 michelxavier.alonso@maybank.com Conglomerates

Germaine GUINTO (63) 2 5322 5006

germaine.guinto@maybank.com
• Utilities

### THAILAND

Michel Al ONSO

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.rodianarowan@maybank.com Utilities

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

Nontapat SAHAKITPINYO (66) 2658 5000 ext 2352 nontapat.sahakitpinyo@maybank.com
• Healthcare

#### INDONESIA

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

Willy GOUTAMA (62) 21 8066 8688 willy.goutama@maybank.com • Consumer

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

William JEFFERSON (62) 21 8066 8687 william.jefferson@maybank.com

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

· Property · Materials

 Autos Jocelyn SANTOSO (62) 21 8066 8689 iocelvn.santoso@mavbank.com

Hasan BARAKWAN

(62) 21 8066 2694 hasan.barakwan@maybank.com Metals & Mining

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.

Consumer Staples

Nguven 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 2001), MRPL shall be legally liable for the contents of this report.

## 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. 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 result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, MST does not confirm, verify, or certify the accuracy and completeness of the assessment result.

### US

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



### UK

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

### **DISCLOSURES**

### **Legal Entities Disclosures**

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

## **Disclosure of Interest**

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

Singapore: As of 5 August 2024, 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 5 August 2024, 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 5 August 2024, 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**

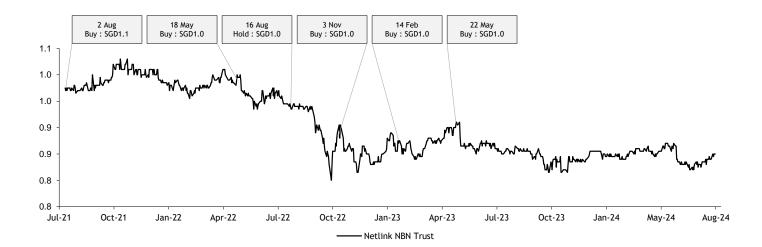
The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed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



## **Definition of Ratings**

Maybank IBG Research uses the following rating system

BUY Return is expected to be above 10% in the next 12 months (including dividends)

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

SELL Return is expected to be below 0% in the next 12 months (including dividends)

## Applicability of Ratings

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



## Malaysia

Maybank Investment Bank Berhad (A Participating Organisation of Bursa Malaysia Securities Berhad) 33rd Floor, Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur

Tel: (603) 2059 1888; Fax: (603) 2078 4194

Stockbroking Business: Level 8, Tower C, Dataran Maybank,

No.1, Jalan Maarof 59000 Kuala Lumpur Tel: (603) 2297 8888 Fax: (603) 2282 5136

Sales Trading

Indonesia

Helen Widjaja

**Philippines** Keith Roy

helen.widjaja@maybank.com Tel: (62) 21 2557 1188

keith\_roy@maybank.com Tel: (63) 2 5322 3184

## Singapore

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

Tel: (65) 6336 9090

## Indonesia

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

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

## Thailand

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

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

### London

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

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

## London

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

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

## India

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

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

## Vietnam

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

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

## Hong Kong

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

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

## Philippines

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

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

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