Genting Malaysia (GENM MK)

ESG 2.0: Still has room to improve

Maintain BUY call and MYR3.09 DCF-TP

GENM's 2023 Sustainability Report is a lot more detailed than before. Yet, we note a few points for improvement:- (i) Scope 3 emissions ought to be reported; (ii) more waste could be diverted from disposal; (iii) proportion of independent non-executive directors ought to return to \geq 50%; (iv) more women directors could be appointed to its BOD; and (v) equity injections into Empire Resorts ought to be reduced, if not ceased. We reduce our ESG 2.0 score for GENM to 48/100 from 59/100.

'E' - took a back seat as operations recovered

Scope 1 & 2 emissions grew 11% YoY due to more visitors as FY23 was the first full year that all its properties could operate without COVID-19 era restrictions. To be fair, Scope 1 & 2 emissions, energy consumption and water consumption intensity per visitor fell substantially from FY21. Yet, GENM has yet to capture Scope 3 emissions. We also note that while more waste has been diverted from disposal in absolute terms, less waste has been diverted from disposal relative to total amount of waste generated.

'S' - mixed bag, kudos on responsible gambling efforts

Proportion of spending on local suppliers fell to 75% in FY23. That said, GENM does target to raise this proportion back to above 90% this year. On another note, Resorts World Genting (RWG) received the RG Check accreditation from the Responsible Gambling Council in Dec 2023. RG Check is the world's most comprehensive and rigorous responsible gaming accreditation programme, developed by the Responsible Gambling Council Centre for the Advancement of Best Practices.

'G' - needs substantial improvement here

To our surprise, the proportion of independent non-executive directors fell to 36% as at Jan 2024 from 75% in FY22. Women also continue to be underrepresented on its BOD as only 2 of the 10 directors in FY23 were woman (in Jan 2024, another woman director joined its Board). After a brief hiatus in FY23, GENM continued to inject equity into loss-generating 51%-owned (90% if preference shares are fully converted) Empire Resorts (Not Listed) in FY24 to the tune of MYR467.2m. The other shareholder of Empire is linked to the Deputy Chairman & Chief Executive.

FYE Dec (MYR m)	FY22A	FY23A	FY24E	FY25E	FY26E
Revenue	8,603	10,189	10,539	11,491	11,664
EBITDA	2,378	2,810	3,131	3,456	3,509
Core net profit	236	584	725	997	1,096
Core EPS (sen)	4.2	10.3	12.8	17.6	19.3
Core EPS growth (%)	nm	147.1	24.3	37.5	9.9
Net DPS (sen)	15.0	15.0	15.0	17.0	19.0
Core P/E (x)	64.6	26.1	17.4	12.7	11.5
P/BV (x)	1.2	1.2	1.0	1.0	1.0
Net dividend yield (%)	5.6	5.6	6.7	7.6	8.5
ROAE (%)	(3.9)	3.4	5.7	7.8	8.6
ROAA (%)	0.8	2.0	2.5	3.6	4.2
EV/EBITDA (x)	9.6	7.7	6.0	5.0	4.7
Net gearing (%) (incl perps)	82.6	75.9	73.3	62.9	53.9
Consensus net profit	-	-	741	938	1,101
MIBG vs. Consensus (%)	-	-	(2.1)	6.4	(0.4)

Yin Shao Yang samuel.y@maybank-ib.com (603) 2297 8916



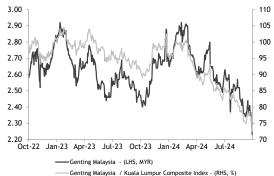
Share PriceMYR 2.2312m Price TargetMYR 3.09 (+44%)Previous Price TargetMYR 3.09

Company Description

Owns and operates Resorts World Genting, the only integrated resort in Malaysia. Also owns casinos in the UK, US and Bahamas.

Statistics

52w high/low (MYR)	2.92/2.23
3m avg turnover (USDm)	4.9
Free float (%)	48.1
Issued shares (m)	5,938
Market capitalisation	MYR13.2B
	USD3.1B
Major shareholders:	
Genting Bhd.	47.1%
Genting Malaysia Bhd.	4.6%
AIA Bhd.	1.6%
Price Performance	



	-1M	-3M	-12M
Absolute (%)	(9)	(14)	(10)
Relative to index (%)	(8)	(14)	(21)
Source: FactSet			

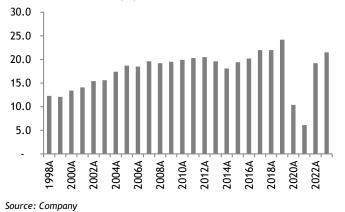




Value Proposition

- Owns and operates Resorts World Genting (RWG), Genting United Kingdom (GENUK), Resorts World New York City (RWNYC) and Resorts World Bimini (RWB).
- RWG is ~80% of group earnings and resilient. RWG is expanding via the Genting Integrated Tourism Plan (GITP).
- GITP involves 1,536 hotel rooms, outdoor theme park, indoor theme park, mall, plaza and new cable car line.
- ROEs fell to <10% after 2013, dragged by start-up losses at RWB.
- ROE may remain below WACC due to the acquisition of the remaining 10% shareholding in Empire Resorts.

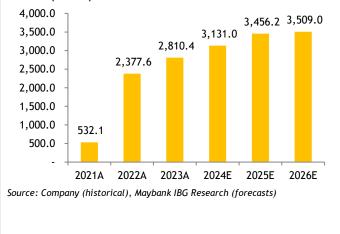
RWG visitor arrivals (m)

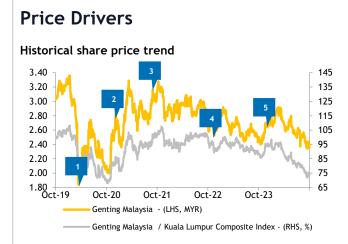


Financial Metrics

- Key financial metric is EBITDA. Most casino operators are valued on EV/EBITDA basis.
- Forecast FY24E EBITDA to grow by 11% YoY as the impact of the COVID-19 pandemic and Batang Kali landslide subsides.
- Forecast FY25E EBITDA to grow by 10% YoY on more foreign visitor arrivals in the lead up to Visit Malaysia Year 2026.
- We expect balance sheet to remain in net debt as GENM has been more progressive in paying dividends.

EBITDA (MYRm)





Source: Company, Maybank IBG Research

- 1. COVID-19 pandemic spreads in Malaysia. RWG was shut from 18 Mar 2020 until 18 Jun 2020.
- 2. Pfizer and AstraZeneca announced that they developed effective COVID-19 vaccines.
- 3. RWG reopened from the Full Movement Control Order on 30 Sep 2021.
- 4. Batang Kali landslide that claimed 31 lives discouraged visits to RWG.
- 5. GENM reported 3Q23 EBITDA that returned to pre-COVID levels.

Swing Factors

Upside

- VIP win rate if it is above theoretical levels, it can positively influence earnings.
- VIP: mass market mix tilt towards mass market will expand margins due to less commissions and rebates.
- Higher visitor arrivals to RWG the purpose of the GITP is to attract more high margin mass market gamblers.

Downside

- Related party transactions (RPT) GENM has a history of executing RPTs that do not favour minority shareholders.
- Regional expansion new jurisdictions often require high capex commitments without guaranteeing returns.
- Politics NFO outlets in states controlled by the opposition have been shut. There is no guarantee that RWG will not be shut if the opposition comes to power.

samuel.y@maybank-ib.com

samuel.y@maybank-ib.com

Business Model & Industry Issues

- Risk Rating & Score 127.2 (Medium)Score Momentum2-1.7Last Updated23 May 2024Controversy Score31- Governance Incidents -
Corporate Governance
- GENM's Resorts World Genting (RWG) has always been the 'cash cow' of the group. With the cash flows generated by RWG, GENM has attempted to expand beyond Malaysia.
- Resorts World New York City (RWNYC) is a successful green-field investment. That said, GENM has not been averse to employing
 related party transactions (RPT) to expand (e.g. acquisition of Genting UK (GENUK) and Empire Resorts).
- To be fair, not all RPTs were negative for minority shareholders. The acquisition of GENUK turned out to be more positive than we expected and we viewed the disposal of 17% of Genting Hong Kong (GENHK) positively.
- Yet, the recurrence of RPTs continues to raise eyebrows with the latest being the acquisition of 49% of loss generating Empire Resorts. On another note, GENM has been a lot more progressive with dividends.
- GENM scores below average in our proprietary scoring methodology (see page 4) with an overall score of 48/100 (59/100 previously).

Material E issues

- RWG sits at the peak of Mount Ulu Kali. Thus, it is not served by municipal or national sewerage companies.
- Although RWG recently increased its gross floor area by ~50%, 94% of its ~10k acre virgin rainforest remains intact.
- RWG has 3 pumping stations which extract raw water from Sungai Cherok to 10 water treatment plants.
- Consumed more energy and water while generating more greenhouse gas emissions in FY23 (see page 4).
- That said, this was due to all properties operating on a full year basis in FY23. FY23 intensity per customer actually fell.
- Invested in a new cable car system called Awana Skyway that can carry 3.6k pax/hour. It opened in 2016.
- Awana Skyway has not only reduced traffic congestion and pollution but also traffic accidents at RWG.
- RWG phased out plastic straws and replaced food boxes with biodegradable and compostable food containers.

Material S issues

- Access to RWG casino is denied to persons below the age of 21 and Malaysian Muslims.
- Bank Negara Malaysia precludes RWG from extending credit to gamblers.
- RWG has a 24 hour Responsible Gaming Hotline and Self Exclusion Programme (SEP).
- GENUK and RWNYC have similar responsible gaming initiatives and SEPs.
- RWG received the RG Check accreditation from the Responsible Gambling Council in Dec 2023.
- In 2020, GENUK was awarded AML Team of the Year Award by Gambling Compliance Global Regulatory Awards.
- GENUK also accorded GamCare's Safer Gambling Standard (Level 3) by Safer Gambling Standard Great Britain.
- GENUK contributes 0.1% of gross gaming revenue (GGR) to responsible gaming causes.
- RWNYC is required to contribute 44% of GGR to the New York State education fund as a form of gaming tax.
- Women account for 39% of GENM's workforce. The ratio of total remuneration for women and men is equal at 1:1.
- RWG operates 11 residential staff complexes with 9,844 rooms that can accommodate 22,488 staff.

Key G metrics and issues

- BOD (@ Jan 2024) comprises Chairman, Deputy Chairman & Chief Executive, President, Deputy Chief Executive, 3 other Non-Independent Non-Executive Directors and 4 Independent Non-Executive Directors (INED; 36% of total).
- Tan Sri Lim Kok Thay (TSLKT), Deputy Chairman & Chief Executive and Mr. Lim Keong Hui, Deputy Chief Executive represent Genting Bhd.
- Mr. Lim Keong Hui, Deputy Chief Executive is a son of TSLKT, Deputy Chairman & Chief Executive.
- Madam Chong Kwai Ying, INED and Puan Norazilla Binti Md Tahir, INED are women directors (18% of total @ Jan 2024).
- FY23 directors remuneration eased to MYR70.5m (-8% YoY) despite GENM turning around and generating a profit.
- Only 1 of the RWG key management personnel is a woman, the Chief Financial Officer.
- PricewaterhouseCoopers LLP is the independent auditor. They have been appointed for >10 years.
- GENM has a history of related party transactions. Last major related party transaction was in 2019.
- Then, GENM acquired 49% of Empire Resorts from Kien Huat Realty III, linked to TSLKT for MYR661.1m.
- Empire Resorts has been generating losses since opening in Feb 2018.
- In 2019, GENM acquired the super yacht, Equanimity from the Malaysian government.
- In 2016, GENM sold 17% of GENHK to Golden Hope, linked to TSLKT for USD415m.
- That said, GENHK was not declaring many dividends and its share price has fallen since the disposal.
- To be sure, GENM had invested >USD750m and impaired >MYR2.0b of its investment in GENHK since 1998.
- In 2010, GENM acquired GENUK from Genting Singapore for GBP340m.
- GENM acquired GENUK at valuation multiples that were higher than its own.
- That said, GENUK EBITDA grew from GBP30.2m in FY09 to a high of GBP50m in FY16.
- In 2008, GENM acquired 10% of Walker Digital Gaming from KH Digital, linked to TSLKT for USD69m.
- GENM's investment in Walker Digital Gaming has since been partially impaired.

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

ESG@MAYBANK IBG

	Quantitative Parameters (Score: 24)							
	Particulars	Unit	2021	2022	2023	LVS US (2023)		
	Scope 1 emissions	tCO2e	19,684	29,797	39,206	119,588		
	Scope 2 emissions	tCO2e	116,355	166,643	178,298	312,144		
	Total	tCO2e	136,039	196,440	217,504	431,732		
	Scope 3 emissions	tCO2e	N/A	N/A	N/A	1,307,370		
5	Total	tCO2e	136,039	196,440	217,504	1,739,102		
	Scope 1 & 2 emissions intensity	kgCO2e/customer	16	8	7	N/A		
	Energy consumption intensity	MJ/customer	134	81	89	N/A		
	Water consumption intensity	li/customer	516	279	272	N/A		
	% of waste diverted away from landfill	%	18%	13%	11%	29 %		
	% of women in workforce	%	40%	40%	39%	49 %		
	% of women in management roles	%	41%	40%	41%	43%		
S	Community investments as % of reported net profit	% of net profit	N/M	N/M	2.0%	0.6%		
3	% of local suppliers	%	92 %	84%	75%	76%		
	Employee attrition rate	%	28%	30%	28%	13%		
	Employee training hours per employee	hours	8	8	25	90		
	Board salary as % of reported net profit	%	N/M	N/M	16%	N/M		
	Independent directors on the Board	%	73%	75%	# 36%	50%		
G	Female directors on the Board	%	10%	17%	# 18%	25%		
	Distribution to shareholders	% of net profit	N/M	N/M	195%	25%		
	Investment in loss generating related companies	MYRm	774.2	440.2	-	N/A		

Qualitative Parameters (Score: 50)

a) Is there an ESG policy in place and whether there is a standalone ESG committee or is it part of a risk committee? Yes. GENM has an ESG policy. It also has a Sustainability Steering Committee and Sustainability Working Committee (in order of hierarchy). The Sustainability Steering Committee reports to the Board Of Directors.

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

Yes.

c) Does the company follow the Task Force on Climate-Related Financial Disclosures (TCFD) framework for ESG reporting? No, but plans to by FY25E.

e) Does the company have a mechanism to capture Scope 3 emissions - which parameters are captured? No.

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

48

Installing LED bulbs, upgrading water pumps, upgrading hot water heating systems (water heater and heat pump), upgrading compressor systems to reduce air leakages, installing rainwater harvesters, replacing single-use toiletry bottles in guest room showers with bigger and pump-topped bottles, installing recycling bins (guests who recycle can collect points that can be redeemed as theme park tickets) and recycle cooking oil.

g) Does carbon offset form part of the net zero/carbon neutrality target of the company? No.

Particulars RWG - 100% of designated employees to complete PDPA awareness, ABAC policy, IT cybersecurity and AMLA training by FY24E RWG - no breach to key terms of casino licenses; full compliance to PDPA, AMLA and ABAC policies; and no material cybersecurity breaches by FY24E	Target 100% N/A >30%	Achieved N/A N/A			
FY24E RWG - no breach to key terms of casino licenses; full compliance to PDPA, AMLA and ABAC policies; and no material	N/A				
RWG - no breach to key terms of casino licenses; full compliance to PDPA, AMLA and ABAC policies; and no material	N/A				
		N/A			
cybersecurity breaches by FY24E		N/A			
	>30%	48.9			
RWG - Crockfords Hotel net promoter score >30% by FY24E					
RWG - theme parks net promoter score >30% by FY24E	>30%	53.5			
RWG - >90% of procurement expenditure allocated to local sources by FY24E	>90%	75%			
RWG - >70% of local procurement expenditure channeled to SMEs by FY24E	>70%	N/A			
RWG - Procurement from >100 micro and small-sized suppliers by FY24E	>100	N/A			
RWG - Upskilling >100 small and medium-sized enterprises through structured training and programmes by FY24E	>100 N/A	N/A N/A			
RWG - To conduct ≥6 S.AV.E environment projects annually to promote environmental protection among employees by FY24E					
RWG - To conduct >150 health and safety programmes to prevent accidents and incidents by FY24E					
RWG - Zero fatalities by FY24E					
RWG - To conduct >24 engagement and wellbeing programmes to enhance the workplace and living environment by FY24E	N/A	N/A			
RWG - All employees are required to attend ≥16 hours of training annually as part of their ongoing development by FY24E	N/A N/A	N/A N/A			
RWG - To introduce \leq 5 community and capacity building programmes for underprivileged youths by FY24E RWG - To achieve \geq 80 youth participation in the Group's engagement programmes by FY24E					
RWG - To recruit 30% of youth participation in the Group's engagement programmes into GENM's workforce by FY24E					
Carbon neutral					
	N/A	N/A			
Impact					
NA					
Overall Score: 48					
As per our ESG matrix, Genting Malaysia (GENM MK) has an overall score of 48.					
ESG score Weights Scores Final Score As per our ESG assessment, GENM has an established f					
Quantitative 50% 24 12 policies, and tangible mid/long-term targets but needs capturing Scope 3 emissions, follow TCFD framework for					
Qualitative 25% 50 13 adopt a net zero/carbon neutral policy. GENM's overa					
Target 25% 94 24 which makes its ESG rating slightly below average, in our rating = 50; refer to Appendix L for our ESC Assessment		verage ESG			

rating = 50; refer to Appendix I for our ESG Assessment Scoring).

Total denotes annualised figures; # as at Jan 2024

Appendix I

Methodology of our proprietary ESG scoring methodology.

We evaluate the ESG ratings based on quantitative, qualitative and ESG targets. We assign a score for each of these three parameters. The overall rating is based on the weighted average of the scores: quantitative (50%), qualitative (25%) and ESG target (25%).

For the quantitative, qualitative and ESG target, the sub-parameters are assigned a score - '0' for data not available, '+1' for improving trajectory, positive change, 'Yes', better than peers or a positive number if historical is not available and '-1' for declining trajectory, negative change, 'No', lower than peers or a negative number. The total of the scores of all the sub-parameters is divided by the total number of sub-parameters, to derive the score of each of the three parameters.

The sub-parameters may be different for different industries depending on the key areas to monitor for each industry. A company should achieve a minimum score of 50 for an average ESG rating.

FYE 31 Dec	FY22A	FY23A	FY24E	FY25E	FY26E
Key Metrics					
P/E (reported) (x)	nm	33.9	17.4	12.7	11.5
Core P/E (x)	64.6	26.1	17.4	12.7	11.5
P/BV (x)	1.2	1.2	1.0	1.0	1.0
P/NTA (x)	1.8	1.8	1.5	1.5	1.5
Net dividend yield (%)	5.6	5.6	6.7	7.6	8.5
FCF yield (%)	10.1	10.4	17.9	20.9	19.9
EV/EBITDA (x)	9.6	7.7	6.0	5.0	4.7
EV/EBIT (x)	20.1	13.8	10.0	8.0	7.3
INCOME STATEMENT (MYR m)					
Revenue	8,603.0	10,189.4	10,538.8	11,491.0	11,663.6
EBITDA	2,377.6	2,810.4	3,131.0	3,456.2	3,509.0
Depreciation	(1,238.8)	(1,241.1)	(1,272.9)	(1,272.9)	(1,272.9
EBIT	1,138.8	1,569.3	1,858.1	2,183.3	2,236.1
Net interest income /(exp)	(563.0)	(528.3)	(525.0)	(465.9)	(374.6)
Associates & JV	(153.3)	(220.0)	(265.1)	(265.1)	(265.1)
Exceptionals	(764.7)	(146.8)	0.0	0.0	(203.1)
Pretax profit	(342.2)	674.2	1,068.0	1,452.2	1,596.4
Income tax	(325.2)	(313.3)	(380.6)	(473.8)	(509.6
Minorities	(325.2) 147.4	(313.3) 75.9	(360.6) 38.0	(473.8) 19.0	9.50
		75.9 436.8	38.0 725.4	19.0 997.4	9.: 1,096.3
Reported net profit Core net profit	(520.0) 235.9	436.8 583.5	725.4 725.4	997.4 997.4	-
core net pront	235.9	203.3	725.4	997.4	1,096.3
BALANCE SHEET (MYR m)					
Cash & Short Term Investments	3,044.3	3,885.5	4,084.6	3,125.0	2,637.6
Accounts receivable	542.1	611.9	632.9	690.1	700.4
Inventory	150.6	179.1	185.2	202.0	205.0
Property, Plant & Equip (net)	15,380.8	14,497.5	13,700.0	12,940.0	12,186.0
Intangible assets	4,083.6	4,253.2	4,253.2	4,253.2	4,253.2
Investment in Associates & JVs	2,105.0	1,977.7	2,169.2	1,904.1	1,639.0
Other assets	3,324.6	3,711.1	3,711.1	3,711.1	3,711.1
Total assets			-		
	28,631.0 973.8	29,116.0 235.2	28,736.3 2,173.2	26,825.4 1,552.3	25,332.3
ST interest bearing debt			-		1,552.3
Accounts payable	2,666.5	2,791.9	2,802.8	3,040.0	3,085.4
LT interest bearing debt	11,926.2	12,766.1	10,592.9	9,040.6	7,488.4
Other liabilities	1,136.0	1,311.0	1,318.0	1,328.0	1,332.0
Total Liabilities	16,702.0	17,103.9	16,886.9	14,961.1	13,458.1
Shareholders Equity	12,635.9	12,827.5	12,702.7	12,736.6	12,756.1
Minority Interest	(706.9)	(815.4)	(853.4)	(872.3)	(881.8)
Total shareholder equity	11,929.0	12,012.1	11,849.4	11,864.3	11,874.3
Total liabilities and equity	28,631.0	29,116.0	28,736.3	26,825.4	25,332.3
CASH FLOW (MYR m)					
Pretax profit	(342.2)	674.2	1,068.0	1,452.2	1,596.4
Depreciation & amortisation	(342.2)	674.2 1,241.1	1,068.0	1,452.2	1,272.9
			-		
Adj net interest (income)/exp	562.8	528.2	525.0	465.9	374.6
Change in working capital	331.9	(26.1)	(16.2)	163.3	31.9
Cash taxes paid	(65.4)	(138.8)	(373.3)	(463.7)	(505.7
Other operating cash flow	637.0	43.3	265.1	265.1	265.
Cash flow from operations	2,362.9	2,321.9	2,741.5	3,155.8	3,035.2
Capex	(831.6)	(738.5)	(475.4)	(512.8)	(518.9
Free cash flow	1,531.3	1,583.4	2,266.1	2,643.0	2,516.
Dividends paid	(848.7)	(850.2)	(850.2)	(963.5)	(1,076.9
Equity raised / (purchased)	0.0	0.0	0.0	0.0	0.0
Change in Debt	(1,478.3)	(370.3)	(235.2)	(2,173.2)	(1,552.3
Other invest/financing cash flow	(837.2)	377.4	(981.6)	(465.9)	(374.6
Effect of exch rate changes	35.6	100.9	0.0	0.0	0.0
Net cash flow	(1,597.3)	841.2	199.1	(959.7)	(487.4

FYE 31 Dec	FY22A	FY23A	FY24E	FY25E	FY26E
Key Ratios					
Growth ratios (%)					
Revenue growth	107.0	18.4	3.4	9.0	1.5
EBITDA growth	346.8	18.2	11.4	10.4	1.5
EBIT growth	nm	37.8	18.4	17.5	2.4
Pretax growth	nm	nm	58.4	36.0	9.9
Reported net profit growth	nm	nm	66.1	37.5	9.9
Core net profit growth	nm	147.3	24.3	37.5	9.9
Profitability ratios (%)					
EBITDA margin	27.6	27.6	29.7	30.1	30.1
EBIT margin	13.2	15.4	17.6	19.0	19.2
Pretax profit margin	nm	6.6	10.1	12.6	13.7
Payout ratio	nm	194.6	117.2	96.6	98.2
DuPont analysis					
Net profit margin (%)	nm	4.3	6.9	8.7	9.4
Revenue/Assets (x)	0.3	0.3	0.4	0.4	0.5
Assets/Equity (x)	2.3	2.3	2.3	2.1	2.0
ROAE (%)	(3.9)	3.4	5.7	7.8	8.6
ROAA (%)	0.8	2.0	2.5	3.6	4.2
Liquidity & Efficiency					
Cash conversion cycle	(114.5)	(104.7)	(105.8)	(101.5)	(104.8)
Days receivable outstanding	26.4	20.4	21.3	20.7	21.5
Days inventory outstanding	8.0	8.0	8.9	8.7	9.0
Days payables outstanding	148.9	133.1	135.9	130.9	135.2
Dividend cover (x)	(0.6)	0.5	0.9	1.0	1.0
Current ratio (x)	1.0	2.0	1.3	1.2	1.1
Leverage & Expense Analysis					
Asset/Liability (x)	1.7	1.7	1.7	1.8	1.9
Net gearing (%) (incl perps)	82.6	75.9	73.3	62.9	53.9
Net gearing (%) (excl. perps)	82.6	75.9	73.3	62.9	53.9
Net interest cover (x)	2.0	3.0	3.5	4.7	6.0
Debt/EBITDA (x)	5.4	4.6	4.1	3.1	2.6
Capex/revenue (%)	9.7	7.2	4.5	4.5	4.4
Net debt/ (net cash)	9,855.7	9,115.8	8,681.5	7,467.9	6,403.1

Source: Company; Maybank IBG Research

Research Offices

ECONOMICS

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

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

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

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

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

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

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

LEE Jia Yu (65) 6231 5843 jiayu.lee@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, 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) 6231 5831 winsonphoon@maybank.com

PORTFOLIO STRATEGY

ONG Seng Yeo (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

WONG Chew Hann, CA Head of Research (603) 2297 8686 (00) JLT/ Book
(00) General States
(00) Experimental States
(00) Experim

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 nurfarahsvifaa.mohamadfuad@mavbank-ib.com Renewable Energy
 REITs

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

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

Nur Natasha ARIZA (603) 2297 8691 natashaariza.aizarizal@maybank-ib.com Healthcare

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.comRetail Research

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

SINGAPORE

Thilan WICKRAMASINGHE Head of Research (65) 6231 5840 (b) 623 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 • SMIDs

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.sisayan@maybank.com
Strategy • Banking & Finance • Telcos

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

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

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

Germaine GUINTO (63) 2 5322 5006 germaine.guinto@maybank.com • Utilities

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 • Oil & Gas • Logistics

Nguven Thi Sonv 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

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

Paulina MARGARETA (62) 21 8066 8690 • Autos • Healthcare

Jocelyn SANTOSO (62) 21 8066 8689 י 2000 מטטט איז 2000 jocelyn.santoso@maybank.com • Consumer

Hasan BARAKWAN (62) 21 8066 2694 hasan.barakwan@maybank.com • Metals & Mining • Oil & Gas

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

THAILAND

Chak REUNGSINPINYA Head of Research (66) 2658 5000 ext 1399 chak.reungsinpinya@mayba • 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 boonvakorn.amornsank@mavbank.com Services

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

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. (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.

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. INX000010538). 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 16 October 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 16 October 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 16 October 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: Genting Malaysia (GENM MK)



Definition of Ratings

Maybank IBG Research uses the following rating system

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

Applicability of Ratings

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

👩 Malaysia

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

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

Sales Trading

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

Philippines Keith Roy 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

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

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

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

🌏 India

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

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

🌏 Vietnam

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

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

👩 Hong Kong

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

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

👩 Philippines

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

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

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