

11 August 2023

Basic Materials | Mining

Trimegah Bangun Persada (NCKL IJ)

Not Rated

Decent Profitability From An Integrated Business

Fair Value (Return):	IDR1,380 (48%)
Price:	IDR935
Market Cap:	USD3,884m
Avg Daily Turnover (IDR/USD)	49,335m/3.33m

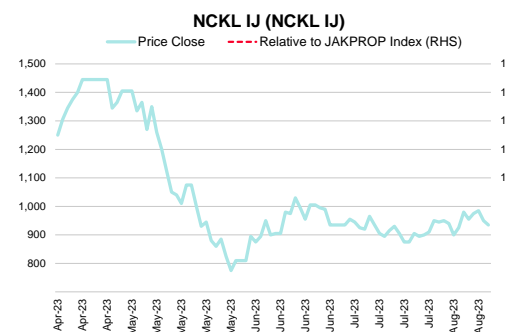
- IDR1,380 FV (48% upside) based on medium-term DCF calculations, with c.9x FY24F target EV/EBITDA (6.5x currently).** Trimegah Bangun Persada's aggressive output growth should secure its profitability going forward, in addition to its ability to maintain cash costs. NCKL is a pioneer in high-pressure acid leaching (HPAL) smelters in Indonesia. We see short-term downward pressure from the sideways movement of commodity prices as an opportunity to accumulate the stock. Downside risks: Commodity price fluctuations and negative developments in the global economy.
- Integrated nickel business with diversified products.** NCKL's consolidated topline is derived from two segments (Figure 7) – ore mining (sapolite and limonite) with production of c.7m tonnes pa (c.13 years of mine life based on proven-and-probable resources) and nickel processing, focused on Fe-Ni production (with c.115k-tonne annual capacity through consolidated rotary kiln-electric furnace (RKEF) smelters; Figure 5). NCKL also has recurring income from JVs (Figure 6; c.17% of pre-tax income) in HPAL smelters with processed nickel products (mainly mixed hydroxide precipitate (MHP)). One of its main ventures, Halmahera Persada Lygend (HPL), is also Indonesia's first company to produce nickel sulfate (NiSO₄; since 1H23; China is the main market for the product) which can be utilised in the production of EV batteries.
- Operational efficiencies result in fair margins.** NCKL's cash costs are among the lowest in the region (based on Ministry of Energy and Mineral Resources' data; c.USD3.5/lbs vs average of USD5-6/lbs), owing to its own feedstock near its processing facility. The only raw material that the company imports is sulphide acid, which is used in processing MHP.
- Well-managed tailing system; minimum impact on the environment.** NCKL's HPAL smelter utilises a dry stack method to manage its tailing waste – the non-poisonous leftovers are placed back into the ore mining spot. On the other hand, waste produced from RKEF smelters (in the form of nickel slag) is applied as building materials for roads and concrete for the company's infrastructure in the surrounding community areas.
- Valuation.** We plot reasonable assumptions on NCKL's operational targets (based on management's statements), including scenarios of enhanced capacity for Fe-Ni and MHP products. We also have a conservative nickel benchmark assumption for the next five years, at USD19,500-20,000/tonne). Our back-of-the-envelope calculations found a probability of net earnings growth of c.30% YoY for 2023 (NPM of c.27%), which justifies its currently still-below-industry multiples (EV/EBITDA), which are attractive (Figure 2). NCKL has distributed its first dividend since its IPO (2.5% total yield) and its balance sheet remains manageable (net gearing of 0.07x; 1H23's net debt at IDR1.9trn vs FY22's IDR7trn). NCKL's ROE is also among the highest (at c.30%) compared to its peers.

Analyst

Indonesia Research
 +6221 5093 9888
rhb.id.research@rhbgroup.com

Share Performance (%)

	YTD	1m	3m	6m	12m
Absolute	0.0	0.0	(22.1)	0.0	0.0
Relative	0.0	0.0	(22.1)	0.0	0.0
52-wk Price low/high (IDR)	775 – 1,445				



Source: Bloomberg

Forecasts and Valuation	Dec-20	Dec-21	Dec-22
Total turnover (IDRb)	4,072	8,229	9,568
Recurring net profit (IDRb)	284	1,969	4,667
Recurring net profit growth (%)	-	592.6	137.1
Recurring P/E (x)	207.56	29.97	12.64
P/B (x)	15.0	10.5	6.2
P/CF (x)	105.06	127.49	na
Dividend Yield (%)	na	na	na
EV/EBITDA (x)	89.21	21.51	18.72
Return on average equity (%)	-	41.2	61.7
Net debt to equity (%)	63.3	30.5	50.2

Source: Company data, RHB

Financial Exhibits

Asia	Financial summary (IDR)	Dec-20	Dec-21	Dec-22
Indonesia	Recurring EPS	4.50	31.20	73.96
Basic Materials	BVPS	62.13	89.40	150.30
Trimegah Bangun Persada	Return on average equity (%)	-	41.2	61.7
NCKL IJ				
Not Rated				
Valuation basis	Valuation metrics	Dec-20	Dec-21	Dec-22
DCF based	Recurring P/E (x)	207.56	29.97	12.64
	P/B (x)	15.0	10.5	6.2
	FCF Yield (%)	(11.4)	(12.6)	(16.1)
	EV/EBITDA (x)	89.21	21.51	18.72
	EV/EBIT (x)	55.49	17.45	16.04
Key drivers	Income statement (IDRb)	Dec-20	Dec-21	Dec-22
i. Steady growth in production volume;	Total turnover	4,072	8,229	9,568
ii. Diversified business from various nickel products;	Gross profit	1,957	4,514	4,675
iii. Costs efficiency.	EBITDA	773	2,895	3,414
	Depreciation and amortisation	470	672	570
	Operating profit	1,242	3,567	3,984
	Net interest	(188)	(307)	(275)
	Pre-tax profit	1,054	3,975	6,650
	Taxation	(974)	(1,898)	(2,061)
	Reported net profit	284	1,969	4,667
	Recurring net profit	284	1,969	4,667
Key risks	Cash flow (IDRb)	Dec-20	Dec-21	Dec-22
i. Sudden halt in operations;	Change in working capital	(147)	(330)	(1,736)
ii. Hike in fuel price;	Cash flow from operations	562	463	(801)
iii. Economic downtrend hampers demand for base metal.	Capex	(7,270)	(7,924)	(8,715)
	Cash flow from investing activities	(5,821)	679	(11,471)
	Dividends paid	0	0	(1,819)
	Cash flow from financing activities	2,970	(3,813)	9,981
	Cash at beginning of period	1,921	1,993	2,578
	Net change in cash	(2,289)	(2,671)	(2,292)
	Ending balance cash	1,993	2,578	1,277
Company Profile	Balance sheet (IDRb)	Dec-20	Dec-21	Dec-22
Trimegah Bangun Persada is the holding company with technological capabilities to increase the added value of nickel.	Total cash and equivalents	1,993	2,578	1,277
	Tangible fixed assets	14,612	10,972	20,668
	Total investments	0	3,553	6,990
	Total assets	20,260	21,002	34,605
	Short-term debt	5,437	4,335	117
	Total long-term debt	1,923	1,151	8,309
	Total liabilities	11,780	11,460	20,376
	Total equity	8,480	9,542	14,229
	Total liabilities & equity	20,260	21,002	34,605
	Key metrics	Dec-20	Dec-21	Dec-22
	Revenue growth (%)	0.0	102.1	16.3
	Recurrent EPS growth (%)	0.0	592.6	137.1
	Gross margin (%)	48.1	54.9	48.9
	Operating EBITDA margin (%)	19.0	35.2	35.7
	Net profit margin (%)	7.0	23.9	48.8
	Capex/sales (%)	178.6	96.3	91.1
	Interest cover (x)	5.59	11.03	13.53

Source: Company data, RHB

Figure 1: DCF calculation

(IDRbn)	2023F	2024F	2025F	2026F	2027F	2028F
EBIT	7,508	7,754	7,979	8,444	8,599	8,761
Tax on EBIT	-2,102	-2,171	-2,234	-2,364	-2,408	-2,453
Depreciation and amortisation	1,732	1,818	1,907	1,999	2,094	2,191
Changes in net working capital	1,266	-5,840	-615	-3,426	-2,891	2,834
Capex	-1,200	-1,236	-1,273	-1,311	-1,351	-1,391
FCFF	7,203	325	5,764	3,342	4,044	9,941
Terminal value						120,879
Discounted value	7,203	296	4,777	2,521	2,778	81,794
Total FCFF	99,369					
Net debt	7,357					
Minority interest	4,811					
Equity value	87,202					
o/s shares (m units)	63,099					
DCF/share (IDR; rounded up)	1,380					
Upside	48%					
Last price	935					

Note: *WACC at 9.8% with 2% terminal growth value

Note 2: Assumption on EBIT was based on our back-of-envelope observations of the company's existing and future business

Source: Company data, RHB

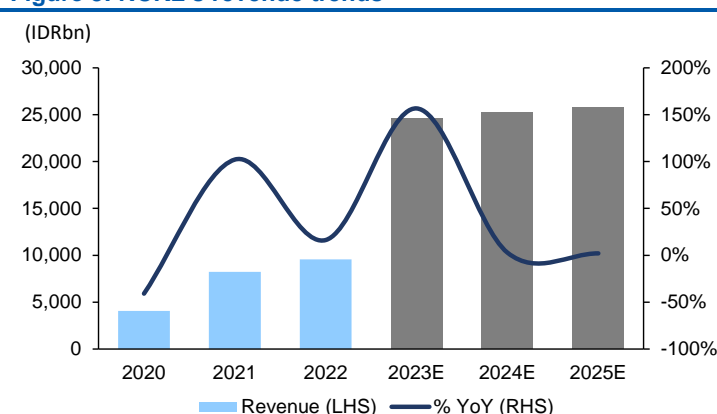
Figure 2: Peer comparison – nickel-related players

Company	Price (IDR)	Market cap (IDRbn)	P/E (x)		EPS growth (%)		EV/EBITDA (x)		Div yield (%)		ROE (%)	
			FY23F	FY24F	FY23F	FY24F	FY23F	FY24F	FY23F	FY24F	FY23F	FY24F
Merdeka Copper	3,390	81,736	103.7	44.5	-9.2	133.2	15.3	8.8	0.0	0.0	4.8	9.0
Aneka Tambang	2,030	48,782	11.4	10.9	10.2	5.0	9.3	8.8	3.4	4.0	16.2	15.6
Vale Indonesia	6,575	65,331	15.8	16.8	39.2	-6.0	9.0	9.3	0.7	1.2	10.8	9.2
Trimegah Bangun Persada	970	61,206	10.2	7.0	29.0	45.7	8.1	5.8	3.1	4.8	32.6	30.2
Merdeka Battery Materials	735	79,377	100.6	25.8	145.8	289.4	23.1	10.4	0.0	0.0	4.0	12.0
Simple avg.			*12.5	*11.5	43.0	93.5	13.0	8.6	1.4	2.0	13.7	15.2
Weighted avg.			*12.6	*11.7	46.5	108.5	13.7	8.7	1.2	1.7	12.5	14.5

Note: *Projection figures were taken from consensus; excluding outliers

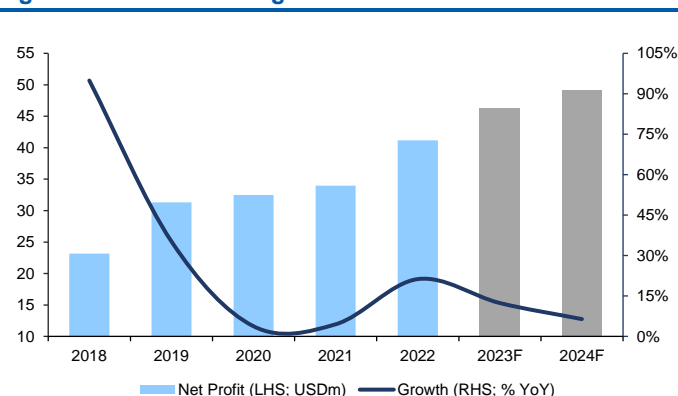
Source: Bloomberg, RHB

Figure 3: NCKL's revenue trends



Source: Company data, RHB

Figure 4: NCKL's earnings trends



Source: Company data, RHB

Figure 5: NCKL's main subsidiaries – consolidated to the company's topline

No	Subs.	Subsidiary name	Segment	Ownership		Notable business	Output capacity
				Direct	Indirect (through)		
1	GPS	Gane Permai Sentosa	Comprises of mining subs	70%	-	-	-
2	OMJ	Obira Mitra Jaya	Consultant	64%	-	-	-
3	MSP	Megah Surya Pertiwi	Nickel Processing	50%	10% (GPS)	RKEF	c.25,000 tonnes
4	JMP	Jikodolong Megah Pertiwi	Nickel Mining	-	99.6% (GPS)	Ore producer	c.2m tonnes (saprolite) c.6m tonnes (limonite)
5	OAM	Obi Anugerah Mineral	Nickel Mining	-	-	-	-
6	HJF	Halmahera Jaya Feronikel	Nickel Processing	-	63.1% (OMJ)	RKEF	c.90,000 tonnes
7	Ningbo	HJF International Trading (Ningbo)	Trading	-	100% (HJF)	-	-

Note: RKEF (Rotary Kiln-Electric Furnace); output on Fe-Ni. HPAL (High Pressure Acid Leach); output on MHP (mixed hydroxide precipitate) and NiSO4 (nickel sulphate). All ore feedstock needed (saprolite for RKEF (1.3-1.6% Ni content), limonite (1.0-1.2% Ni content) for HPAL) will be from NCKL's concession area which is c.99% owned by the company.

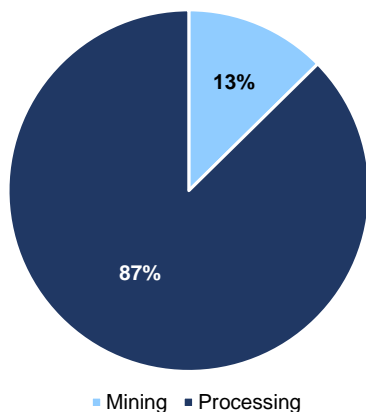
Source: Company data, RHB

Figure 6: NCKL's minority ownership on joint ventures

No	Subs.	Subsidiary name	Segment	Ownership - direct	Notable business	Output capacity
1	HPL	Halmahera Persada Lygend	Nickel processing	45%	HPAL	c.55,000 tonnes
2	OSS	Obi Stainless Steel	Stainless steel	35%	-	-
3	KPS	Karunia Permai Sentosa	Feronickel	35%	RKEF	c.185,000 tonnes (ready in 2025)
4	DCM	Dharma Cipta Mulia	Industrial area	40%	-	-
5	ONC	Obi Nickel Cobalt	Nickel	10%	HPAL	c.65,000 tonnes (ready in 2024)

Source: Company data, RHB

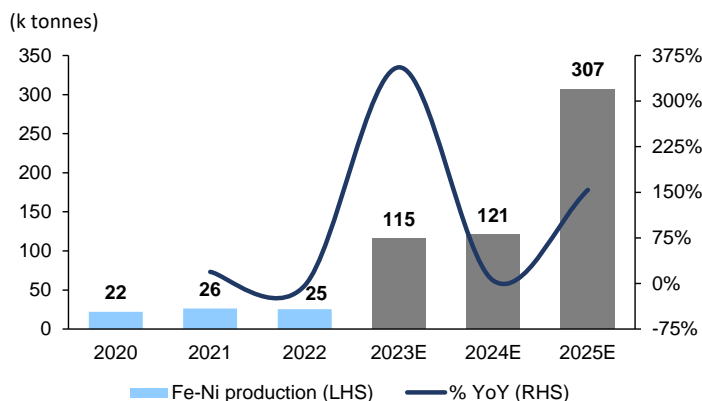
Figure 7: NCKL's revenue contributions



◆ NCKL's main topline contributors are RKEF facilities (with Fe-Ni as the final product for the stainless steel industry) and ore mining sales. Its HPAL business is booked under profit from associates (c.17% of the company's pre-tax income).

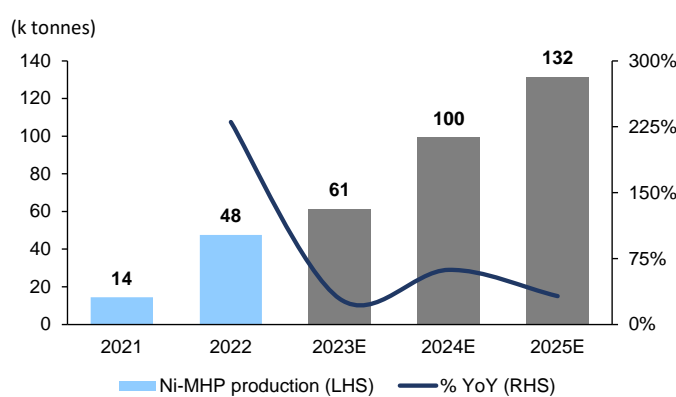
Source: Company data, RHB

Figure 8: NCKL's Fe-Ni production from existing RKEFs



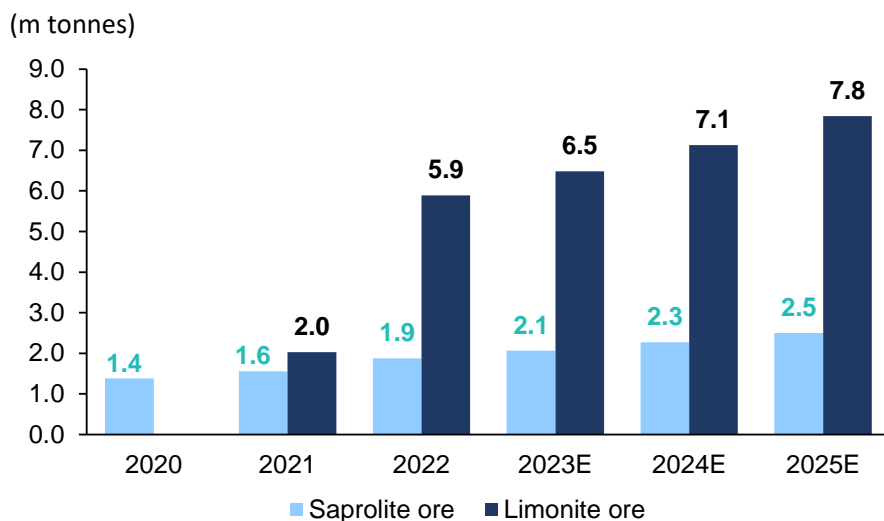
Source: Company data, RHB

Figure 9: NCKL's MHP production from existing HPALs



Source: Company data, RHB

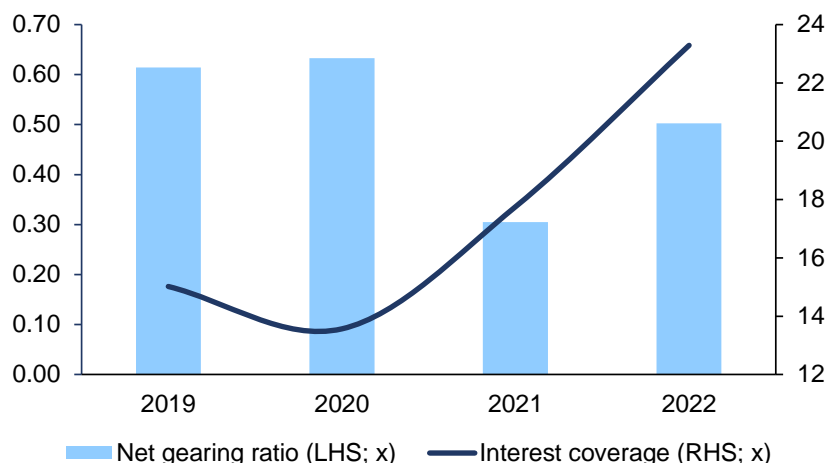
Figure 10: NCKL's ore mining capacity



- ◆ The company has ramped up its ore mining capacity to match higher demand from its own smelters and adjacent industries.
- ◆ Based on management's latest disclosures, the total resources are equivalent to c.14 years of mine life.

Source: Company data, RHB

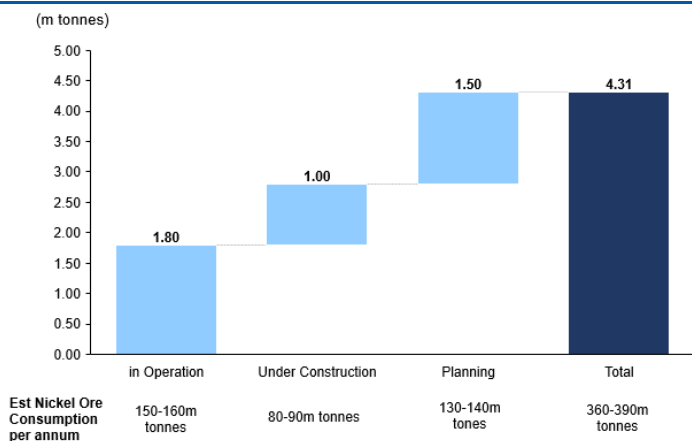
Figure 11: NCKL's manageable balance sheet and well-covered interest ratio



- ◆ NCKL's balance sheet is covered with a fair amount of cash, owing to its successful IPO (Apr 2023), with c.IDR10trn of funds raised.

Source: Company data, RHB

Figure 12: Rising domestic demand for nickel ore



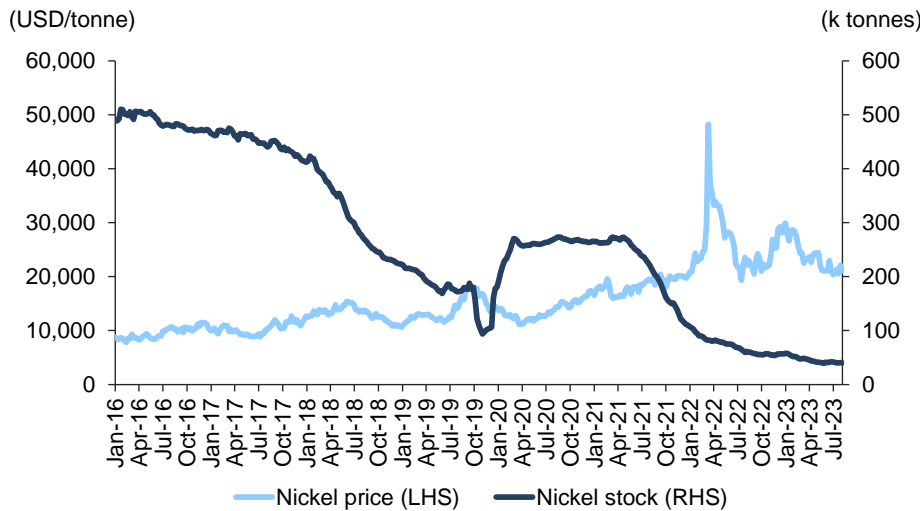
Source: ESDM, RHB

Figure 13: Stable nickel demand from steel production



Source: various, RHB

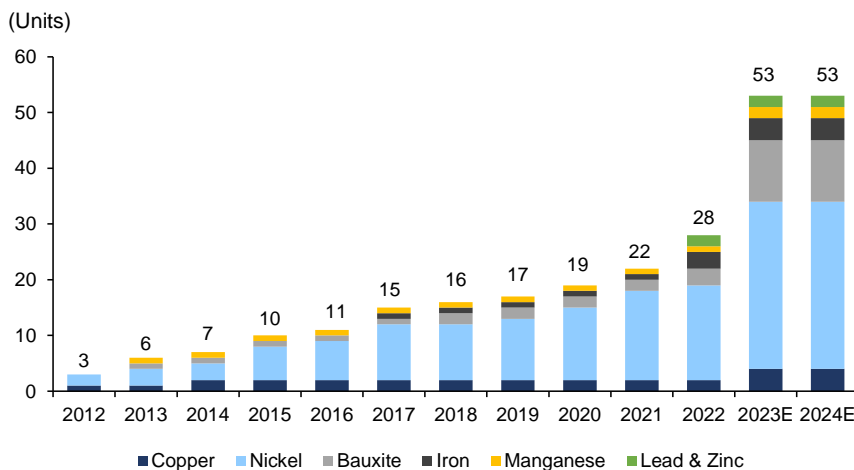
Figure 14: LME nickel price vs inventory levels



Source: Bloomberg, RHB

◆ Although concerns of oversupply still linger, given the additional capacity coming from Indonesia (dominated by Class-2 nickel products; suitable for stainless steel) and China (in the form of nickel sulphate; suitable for EVs), the availability of ready stock (in LME and SHFE warehouses) remains close to record lows in the past years – a fundamental reason for nickel prices to remain supported at above c.USD21,000/tonne, in our view.

Figure 15: Development of national smelters

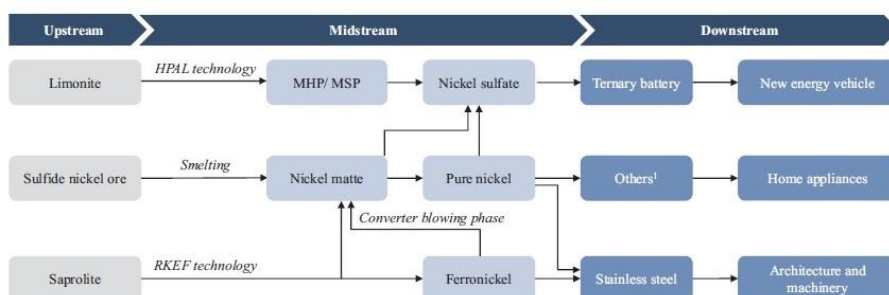


Source: ESDM, RHB

◆ The number of smelters in Indonesia has jumped from 16 in 2018 to 28 in 2022, with 17 of it being nickel smelters. More are in the pipeline, with the Government planning to have 53 smelters by the end of 2023, with 30 of it nickel smelters.

◆ Nickel smelting has expanded in Indonesia since the Government imposed a permanent ban on nickel ore exports in Jan 2020 to attract foreign investors and encourage domestic processing and further downstream use of its raw materials.

Figure 16: Simplified nickel downstream



Source: Various, RHB

◆ The development of HPAL is crucial to tap into more value from Indonesia's massive limonite ore resources, to be transformed into a more useful substance (MHP), which is crucial in EV battery manufacturing. MHP is mainly shipped to China.

RHB Guide to Investment Ratings

Buy:	Share price may exceed 10% over the next 12 months
Trading Buy:	Share price may exceed 15% over the next 3 months, however longer-term outlook remains uncertain
Neutral:	Share price may fall within the range of +/- 10% over the next 12 months
Take Profit:	Target price has been attained. Look to accumulate at lower levels
Sell:	Share price may fall by more than 10% over the next 12 months
Not Rated:	Stock is not within regular research coverage

Investment Research Disclaimers

RHB has issued this report for information purposes only. This report is intended for circulation amongst RHB and its affiliates' clients generally or such persons as may be deemed eligible by RHB to receive this report and does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. This report is not intended, and should not under any circumstances be construed as, an offer or a solicitation of an offer to buy or sell the securities referred to herein or any related financial instruments.

This report may further consist of, whether in whole or in part, summaries, research, compilations, extracts or analysis that has been prepared by RHB's strategic, joint venture and/or business partners. No representation or warranty (express or implied) is given as to the accuracy or completeness of such information and accordingly investors should make their own informed decisions before relying on the same.

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 the applicable laws or regulations. By accepting this report, the recipient hereof (i) represents and warrants that it is lawfully able to receive this document under the laws and regulations of the jurisdiction in which it is located or other applicable laws and (ii) acknowledges and agrees to be bound by the limitations contained herein. Any failure to comply with these limitations may constitute a violation of applicable laws.

All the information contained herein is based upon publicly available information and has been obtained from sources that RHB believes to be reliable and correct at the time of issue of this report. However, such sources have not been independently verified by RHB and/or its affiliates and this report does not purport to contain all information that a prospective investor may require. The opinions expressed herein are RHB's present opinions only and are subject to change without prior notice. RHB is not under any obligation to update or keep current the information and opinions expressed herein or to provide the recipient with access to any additional information. Consequently, RHB does not guarantee, represent or warrant, expressly or impliedly, as to the adequacy, accuracy, reliability, fairness or completeness of the information and opinion contained in this report. Neither RHB (including its officers, directors, associates, connected parties, and/or employees) nor does any of its agents accept any liability for any direct, indirect or consequential losses, loss of profits and/or damages that may arise from the use or reliance of this research report and/or further communications given in relation to this report. Any such responsibility or liability is hereby expressly disclaimed.

Whilst every effort is made to ensure that statement of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable and must not be construed as a representation that the matters referred to therein will occur. Different assumptions by RHB or any other source may yield substantially different results and recommendations contained on one type of research product may differ from recommendations contained in other types of research. The performance of currencies may affect the value of, or income from, the securities or any other financial instruments referenced in this report. Holders of depositary receipts backed by the securities discussed in this report assume currency risk. Past performance is not a guide to future performance. Income from investments may fluctuate. The price or value of the investments to which this report relates, either directly or indirectly, may fall or rise against the interest of investors.

This report may contain comments, estimates, projections, forecasts and expressions of opinion relating to macroeconomic research published by RHB economists of which should not be considered as investment ratings/advice and/or a recommendation by such economists on any securities discussed in this report.

This report does not purport to be comprehensive or to contain all the information that a prospective investor may need in order to make an investment decision. The recipient of this report is making its own independent assessment and decisions regarding any securities or financial instruments referenced herein. Any investment discussed or recommended in this report may be unsuitable for an investor depending on the investor's specific investment objectives and financial position. The material in this report is general information intended for recipients who understand the risks of investing in financial instruments. This report does not take into account whether an investment or course of action and any associated risks are suitable for the recipient. Any recommendations contained in this report must therefore not be relied upon as investment advice based on the recipient's personal circumstances. Investors should make their own independent evaluation of the information contained herein, consider their own investment objective, financial situation and particular needs and seek their own financial, business, legal, tax and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

This report may contain forward-looking statements which are often but not always identified by the use of words such as "believe", "estimate", "intend" and "expect" and statements that an event or result "may", "will" or "might" occur or be achieved and other similar expressions. Such forward-looking statements are based on assumptions made and information currently available to RHB and are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement to be materially different from any future results, performance or achievement, expressed or implied by such forward-looking statements. Caution should be taken with respect to such statements and recipients of this report should not place undue reliance on any such forward-looking statements. RHB expressly disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

The use of any website to access this report electronically is done at the recipient's own risk, and it is the recipient's sole responsibility to take precautions to ensure that it is free from viruses or other items of a destructive nature. This report may also provide the addresses of, or contain hyperlinks to, websites. RHB takes no responsibility for the content contained therein. Such addresses or hyperlinks (including addresses or hyperlinks to RHB own website material) are provided solely for the recipient's convenience. The information and the content of the linked site do not in any way form part of this report. Accessing such website or following such link through the report or RHB website shall be at the recipient's own risk.

This report may contain information obtained from third parties. Third party content providers do not guarantee the accuracy, completeness, timeliness or availability of any information and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such content. Third party content providers give no express or implied warranties, including, but not limited to, any warranties of merchantability or fitness for a particular purpose or use. Third party content providers shall not be liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs) in connection with any use of their content.

The research analysts responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously. The research analysts that authored this report are precluded by RHB in all circumstances from trading in the securities or other financial instruments referenced in the report, or from having an interest in the company(ies) that they cover.

The contents of this report is strictly confidential and may not be copied, reproduced, published, distributed, transmitted or passed, in whole or in part, to any other person without the prior express written consent of RHB and/or its affiliates. This report has been delivered to RHB and its affiliates' clients for information purposes only and upon the express understanding that such parties will use it only for the purposes set forth above. By electing to view or accepting a copy of this report, the recipients have agreed that they will not print, copy, videotape, record, hyperlink, download, or otherwise attempt to reproduce or re-transmit (in any form including hard copy or electronic distribution format) the contents of this report. RHB and/or its affiliates accepts no liability whatsoever for the actions of third parties in this respect.

The contents of this report are subject to copyright. Please refer to Restrictions on Distribution below for information regarding the distributors of this report. Recipients must not reproduce or disseminate any content or findings of this report without the express permission of RHB and the distributors.

The securities mentioned in this publication may not be eligible for sale in some states or countries or certain categories of investors. The recipient of this report should have regard to the laws of the recipient's place of domicile when contemplating transactions in the securities or other financial instruments referred to herein. The securities discussed in this report may not have been registered in such jurisdiction. Without prejudice to the foregoing, the recipient is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

The term "RHB" shall denote, where appropriate, the relevant entity distributing or disseminating the report in the particular jurisdiction referenced below, or, in every other case, RHB Investment Bank Berhad and its affiliates, subsidiaries and related companies.

RESTRICTIONS ON DISTRIBUTION

Malaysia

This report is issued and distributed in Malaysia by RHB Investment Bank Berhad ("RHBIB"). The views and opinions in this report are our own as of the date hereof and is subject to change. If the Financial Services and Markets Act of the United Kingdom or the rules of the Financial Conduct Authority apply to a recipient, our obligations owed to such recipient therein are unaffected. RHBIB has no obligation to update its opinion or the information in this report.

Thailand

This report is issued and distributed in the Kingdom of Thailand by RHB Securities (Thailand) PCL, a licensed securities company that is authorised by the Ministry of Finance, regulated by the Securities and Exchange Commission of Thailand and is a

member of the Stock Exchange of Thailand. The Thai Institute of Directors Association has disclosed the Corporate Governance Report of Thai Listed Companies made pursuant to the policy of the Securities and Exchange Commission of Thailand. RHB Securities (Thailand) PCL does not endorse, confirm nor certify the result of the Corporate Governance Report of Thai Listed Companies.

Indonesia

This report is issued and distributed in Indonesia by PT RHB Sekuritas Indonesia. This research does not constitute an offering document and it should not be construed as an offer of securities in Indonesia. Any securities offered or sold, directly or indirectly, in Indonesia or to any Indonesian citizen or corporation (wherever located) or to any Indonesian resident in a manner which constitutes a public offering under Indonesian laws and regulations must comply with the prevailing Indonesian laws and regulations.

Singapore

This report is issued and distributed in Singapore by RHB Bank Berhad (through its Singapore branch) which is an exempt capital markets services entity and an exempt financial adviser regulated by the Monetary Authority of Singapore. RHB Bank Berhad (through its Singapore branch) may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, RHB Bank Berhad (through its Singapore branch) accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact RHB Bank Berhad (through its Singapore branch) in respect of any matter arising from or in connection with the report.

United States

This report was prepared by RHB is meant for distribution solely and directly to "major" U.S. institutional investors as defined under, and pursuant to, the requirements of Rule 15a-6 under the U.S. Securities and Exchange Act of 1934, as amended (the "Exchange Act") via a registered U.S. broker-dealer as appointed by RHB from time to time. Accordingly, any access to this report via Bursa Marketplace or any other Electronic Services Provider is not intended for any party other than "major" US institutional investors (via a registered U.S broker-dealer), nor shall be deemed as solicitation by RHB in any manner. RHB is not registered as a broker-dealer in the United States and currently has not appointed a U.S. broker-dealer. Additionally, RHB does not offer brokerage services to U.S. persons. Any order for the purchase or sale of all securities discussed herein must be placed with and through a registered U.S. broker-dealer as appointed by RHB from time to time as required by the Exchange Act Rule 15a-6. For avoidance of doubt, RHB reiterates that it has not appointed any U.S. broker-dealer during the issuance of this report. This report is confidential and not intended for distribution to, or use by, persons other than the recipient and its employees, agents and advisors, as applicable. Additionally, where research is distributed via Electronic Service Provider, the analysts whose names appear in this report are not registered or qualified as research analysts in the United States and are not associated persons of any registered U.S. broker-dealer as appointed by RHB from time to time and therefore may not be subject to any applicable restrictions under Financial Industry Regulatory Authority ("FINRA") rules on communications with a subject company, public appearances and personal trading. Investing in any non-U.S. securities or related financial instruments discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in the United States. The financial instruments discussed in this report may not be suitable for all investors. Transactions in foreign markets may be subject to regulations that differ from or offer less protection than those in the United States.

DISCLOSURE OF CONFLICTS OF INTEREST

RHB Investment Bank Berhad, its subsidiaries (including its regional offices) and associated companies, ("RHBIB Group") form a diversified financial group, undertaking various investment banking activities which include, amongst others, underwriting, securities trading, market making and corporate finance advisory.

As a result of the same, in the ordinary course of its business, any member of the RHBIB Group, may, from time to time, have business relationships with, hold any positions in the securities and/or capital market products (including but not limited to shares, warrants, and/or derivatives), trade or otherwise effect transactions for its own account or the account of its customers or perform and/or solicit investment, advisory or other services from any of the subject company(ies) covered in this research report.

While the RHBIB Group will ensure that there are sufficient information barriers and internal controls in place where necessary, to prevent/manage any conflicts of interest to ensure the independence of this report, investors should also be aware that such conflict of interest may exist in view of the investment banking activities undertaken by the RHBIB Group as mentioned above and should exercise their own judgement before making any investment decisions.

In Singapore, investment research activities are conducted under RHB Bank Berhad (through its Singapore branch), and the disclaimers above similarly apply.

Malaysia

Save as disclosed in the following link [RHB Research Conflict Disclosures - Aug 2023](#) and to the best of our knowledge, RHBIB hereby declares that:

1. RHBIB does not have a financial interest in the securities or other capital market products of the subject company(ies) covered in this report.
2. RHBIB is not a market maker in the securities or capital market products of the subject company(ies) covered in this report.
3. None of RHBIB's staff or associated person serve as a director or board member* of the subject company(ies) covered in this report
**For the avoidance of doubt, the confirmation is only limited to the staff of research department*
4. RHBIB did not receive compensation for investment banking or corporate finance services from the subject company in the past 12 months.
5. RHBIB did not receive compensation or benefit (including gift and special cost arrangement e.g. company/issuer-sponsored and paid trip) in relation to the production of this report.

Thailand

Save as disclosed in the following link [RHB Research Conflict Disclosures - Aug 2023](#) and to the best of our knowledge, RHB Securities (Thailand) PCL hereby declares that:

1. RHB Securities (Thailand) PCL does not have a financial interest in the securities or other capital market products of the subject company(ies) covered in this report.
2. RHB Securities (Thailand) PCL is not a market maker in the securities or capital market products of the subject company(ies) covered in this report.
3. None of RHB Securities (Thailand) PCL's staff or associated person serve as a director or board member* of the subject company(ies) covered in this report
**For the avoidance of doubt, the confirmation is only limited to the staff of research department*
4. RHB Securities (Thailand) PCL did not receive compensation for investment banking or corporate finance services from the subject company in the past 12 months.
5. RHB Securities (Thailand) PCL did not receive compensation or benefit (including gift and special cost arrangement e.g. company/issuer-sponsored and paid trip) in relation to the production of this report.

Indonesia

Save as disclosed in the following link [RHB Research Conflict Disclosures - Aug 2023](#) and to the best of our knowledge, PT RHB Sekuritas Indonesia hereby declares that:

1. PT RHB Sekuritas Indonesia and its investment analysts, does not have any interest in the securities of the subject company(ies) covered in this report.
For the avoidance of doubt, interest in securities include the following:
 - a) Holding directly or indirectly, individually or jointly own/hold securities or entitled for dividends, interest or proceeds from the sale or exercise of the subject company's securities covered in this report*;
 - b) Being bound by an agreement to purchase securities or has the right to transfer the securities or has the right to pre subscribe the securities*.
 - c) Being bound or required to buy the remaining securities that are not subscribed/placed out pursuant to an Initial Public Offering*.
 - d) Managing or jointly with other parties managing such parties as referred to in (a), (b) or (c) above.
2. PT RHB Sekuritas Indonesia is not a market maker in the securities or capital market products of the subject company(ies) covered in this report.
3. None of PT RHB Sekuritas Indonesia's staff** or associated person serve as a director or board member* of the subject company(ies) covered in this report.
4. PT RHB Sekuritas Indonesia did not receive compensation for investment banking or corporate finance services from the subject company in the past 12 months.
5. PT RHB Sekuritas Indonesia** did not receive compensation or benefit (including gift and special cost arrangement e.g. company/issuer-sponsored and paid trip) in relation to the production of this report:

Notes:

**The overall disclosure is limited to information pertaining to PT RHB Sekuritas Indonesia only.*

***The disclosure is limited to Research staff of PT RHB Sekuritas Indonesia only.*

Singapore

Save as disclosed in the following link [RHB Research Conflict Disclosures - Aug 2023](#) and to the best of our knowledge, the Singapore Research department of RHB Bank Berhad (through its Singapore branch) hereby declares that:

1. RHB Bank Berhad, its subsidiaries and/or associated companies do not make a market in any issuer covered by the Singapore research analysts in this report.
2. RHB Bank Berhad, its subsidiaries and/or its associated companies and its analysts do not have a financial interest (including a shareholding of 1% or more) in the issuer covered by the Singapore research analysts in this report.
3. RHB Bank Berhad's Singapore research staff or connected persons do not serve on the board or trustee positions of the issuer covered by the Singapore research analysts in this report.
4. RHB Bank Berhad, its subsidiaries and/or its associated companies do not have and have not within the last 12 months had any corporate finance advisory relationship with the issuer covered by the Singapore research analysts in this report or any other relationship that may create a potential conflict of interest.
5. RHB Bank Berhad's Singapore research analysts, or person associated or connected to it do not have any interest in the acquisition or disposal of, the securities, specified securities based derivatives contracts or units in a collective investment scheme covered by the Singapore research analysts in this report.
6. RHB Bank Berhad's Singapore research analysts do not receive any compensation or benefit in connection with the production of this research report or recommendation on the issuer covered by the Singapore research analysts.

Analyst Certification

The analyst(s) who prepared this report, and their associates hereby, certify that:

(1) they do not have any financial interest in the securities or other capital market products of the subject companies mentioned in this report, except for:

Analyst	Company
-	-

(2) no part of his or her compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.



KUALA LUMPUR

RHB Investment Bank Bhd
Level 3A, Tower One, RHB Centre
Jalan Tun Razak
Kuala Lumpur 50400
Malaysia
Tel : +603 9280 8888
Fax : +603 9200 2216

JAKARTA

PT RHB Sekuritas Indonesia
Revenue Tower, 11th Floor, District 8 - SCBD
Jl. Jendral Sudirman Kav 52-53
Jakarta 12190
Indonesia
Tel : +6221 509 39 888
Fax : +6221 509 39 777

BANGKOK

RHB Securities (Thailand) PCL
10th Floor, Sathorn Square Office Tower
98, North Sathorn Road, Silom
Bangrak, Bangkok 10500
Thailand
Tel: +66 2088 9999
Fax :+66 2088 9799

SINGAPORE

RHB Bank Berhad (Singapore branch)
90 Cecil Street
#04-00 RHB Bank Building
Singapore 069531
Fax: +65 6509 0470