

5 August 2024

Consumer Non-cyclical | Food & Beverage Products

Japfa Comfeed (JPFA IJ)

Buy (Maintained)

Healthier Supply And Demand Conditions; Keep BUY

Target Price (Return): IDR2,100 (31.3%)
 Price (Market Cap): IDR1,600 (USD1,158m)
 ESG score: 3.1 (out of 4)
 Avg Daily Turnover (IDR/USD) 32,061m/1.98m

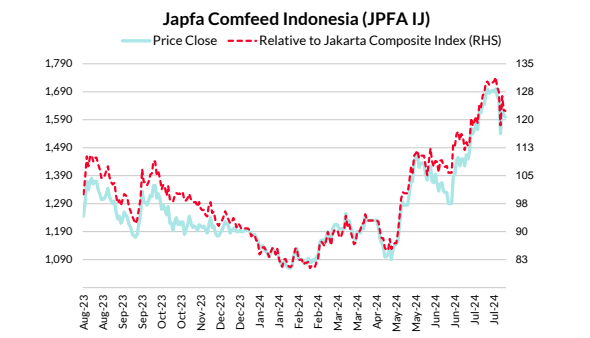
- **Maintain BUY, with new IDR2,100 TP from IDR1,760, 31% upside.** We raise Japfa Comfeed's FY24-26F earnings by 25%, 8%, and 8% following its solid 2Q24 results driven by lower raw material costs and higher poultry prices. The current supply correction among breeders is expected to maintain a healthy balance of supply and demand, supporting day-old chick (DOC) prices. Additionally, declining prices of domestic corn – a major feed component – should sustain healthy feed margins. The domestic corn harvest expected in Sep and Oct 2024 should support national supply.
- **Supply correction to support poultry prices.** We expect the balance of supply and demand for broilers and DOC to be maintained through culling measures aimed at preventing oversupply. The ongoing voluntary culling at the parent stock (PS) level between 50-54 weeks should be a key factor to help stabilise DOC prices in the upcoming months. In July, the average DOC price in West Java was c.IDR7.2k/chick (-5.6% MoM). The price remained above IDR7k since May – indicating a balanced supply and demand. Meanwhile, July's average broiler price in the same area decreased to IDR19,068/kg (-1.5% MoM), which we attribute to lower broiler demand during *Bulan Suro*. Typically, prices recover following this seasonal period.
- **Attractive valuation post earnings estimate upgrades.** JPFA is trading at 8.4x FY24F P/E, -0.4 SD from the 5-year mean, post adjusting our FY24F earnings to c. IDR2.2trn. Our ground checks indicate domestic corn prices at the producer level have declined post-harvest season starting in March, with July prices in East Java averaging c.IDR4,200/kg (-3% MoM) – similar to early last year. This should benefit feed millers, especially with the next harvest expected in Sep and Oct 2024. We expect the poultry breeding and feed segment to drive JPFA's earnings, supported by voluntary culling that may maintain favourable DOC prices. Note that in 2Q24, the poultry breeding and feed segments accounted for 24% and 36% of JPFA's EBIT.
- **Solid 2Q24 results driven by solid poultry prices and lower raw material costs.** 2Q24 earnings came at IDR814bn (+22.5% QoQ, +145.4% YoY), bringing 1H24 earnings to IDR1.48trn (c.+17x YoY). This translates to 82% and 87% of our and Street's FY24 estimates. The strong results in 2Q24 were mainly driven by higher poultry breeding and feed EBIT margins, which expanded 20.8ppts and 1.6ppts YoY. Poultry breeding segment EBIT jumped to IDR462bn (+97% QoQ, vs IDR4bn EBIT loss in 2Q23), while feed segment EBIT grew 32% YoY, despite declining 7% QoQ. This leads to the consolidated operating margin to rise 3.2ppts QoQ and 5.1ppts YoY.
- **Valuation basis.** Our new IDR2,100 TP is based on a 10-year DCF valuation, with 2% premium added based on its 3.1 ESG score. Key risks include chicken price volatility and rising raw material prices.

Analyst

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

Share Performance (%)

	YTD	1m	3m	6m	12m
Absolute	35.6	10.3	37.9	45.5	29.0
Relative	35.1	7.7	35.2	44.5	22.4
52-wk Price low/high (IDR)				1,060	-1,700



Source: Bloomberg

Forecasts and Valuation	Dec-22	Dec-23	Dec-24F	Dec-25F	Dec-26F
Total turnover (IDRb)	48,972	51,176	54,747	57,297	59,721
Recurring net profit (IDRb)	1,468	957	2,234	2,129	2,343
Recurring net profit growth (%)	(17.6)	(34.8)	133.4	(4.7)	10.1
Recurring P/E (x)	12.78	19.60	8.40	8.81	8.01
P/B (x)	1.4	1.4	1.2	1.1	1.0
P/CF (x)	17.05	9.20	6.37	6.79	5.93
Dividend Yield (%)	3.7	3.1	na	6.0	5.7
EV/EBITDA (x)	8.03	9.28	5.76	6.06	5.63
Return on average equity (%)	11.0	6.9	15.2	13.1	13.4
Net debt to equity (%)	80.9	80.0	64.3	62.8	58.7

Source: Company data, RHB

Overall ESG Score: 3.1 (out of 4)

E: GOOD

JPFA launched two main initiatives of rainwater harvesting and reverse osmosis filtration. In March 2021, the company placed the first USD-denominated Sustainability-Linked Bond (SLB) from South East Asia.

S: GOOD

JPFA formed Japfa Peduli programme in 2017 to provide disaster relief such as providing essential food packages during flash flood and distributed aid during Semeru Volcano eruption.

G: EXCELLENT

JPFA has implemented good corporate governance by always being transparent and disclosed all of its activities to its investors and giving rights for its shareholders.

5 August 2024

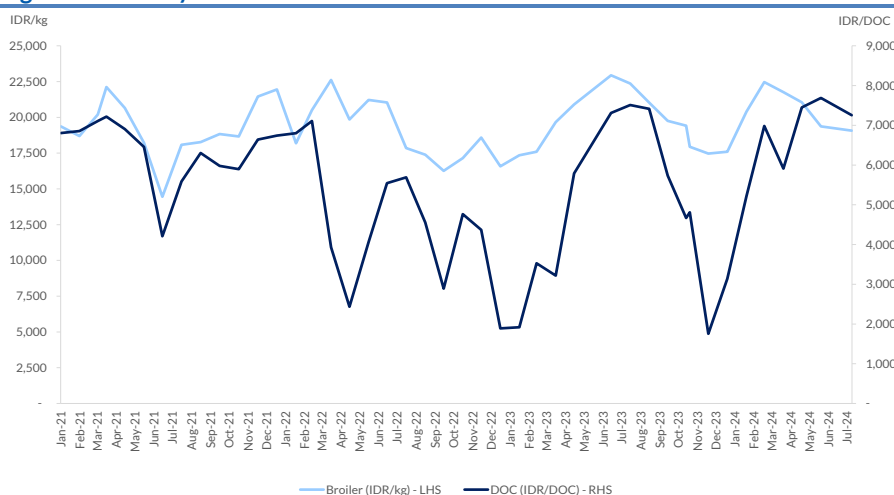
Consumer Non-cyclical | Food & Beverage Products

Financial Exhibits

Asia	Financial summary (IDR)	Dec-22	Dec-23	Dec-24F	Dec-25F	Dec-26F
Indonesia	Recurring EPS	125.19	81.63	190.49	181.55	199.84
Consumer Non-cyclical	DPS	59.46	49.55	-	95.25	90.77
Japfa Comfeed	BVPS	1,130.68	1,156.89	1,347.39	1,433.69	1,542.76
JPFA IJ	Return on average equity (%)	11.0	6.9	15.2	13.1	13.4
Buy						
	Valuation metrics	Dec-22	Dec-23	Dec-24F	Dec-25F	Dec-26F
Valuation basis	Recurring P/E (x)	12.78	19.60	8.40	8.81	8.01
Our 12M TP of IDR2,100 is based on a 10-year DCF valuation.	P/B (x)	1.4	1.4	1.2	1.1	1.0
	FCF Yield (%)	(4.5)	0.5	5.0	3.0	4.6
	Dividend Yield (%)	3.7	3.1	-	6.0	5.7
	EV/EBITDA (x)	8.03	9.28	5.76	6.06	5.63
	EV/EBIT (x)	10.75	13.41	7.22	7.83	7.28
Key drivers						
i. Underpenetrated poultry consumption;						
ii. Softening commodity prices;						
iii. Improving margins, especially for feed segment.						
	Income statement (IDRb)	Dec-22	Dec-23	Dec-24F	Dec-25F	Dec-26F
Key risks	Total turnover	48,972	51,176	54,747	57,297	59,721
i. Volatility in broiler prices;	Gross profit	7,683	7,511	9,549	9,761	10,508
ii. Higher-than-expected oversupply conditions due to softer-than-expected demand;	EBITDA	3,753	3,272	5,154	4,989	5,399
iii. Regulatory risks;	Depreciation and amortisation	(950)	(1,008)	(1,041)	(1,129)	(1,221)
iv. Rising raw material prices.	Operating profit	2,803	2,264	4,113	3,860	4,178
	Net interest	(737)	(946)	(891)	(789)	(798)
	Pre-tax profit	1,955	1,261	3,222	3,070	3,380
	Taxation	(464)	(315)	(902)	(860)	(946)
	Reported net profit	1,420	930	2,234	2,129	2,343
	Recurring net profit	1,468	957	2,234	2,129	2,343
Company Profile						
Japfa Comfeed, together with its subsidiaries, engages in the business of animal feed, DOC, commercial farms, consumer products, aquaculture, cattle, trading, and other businesses in Indonesia.						
	Cash flow (IDRb)	Dec-22	Dec-23	Dec-24F	Dec-25F	Dec-26F
	Change in working capital	(1,170)	264	(332)	(495)	(399)
	Cash flow from operations	1,101	2,040	2,944	2,763	3,165
	Capex	(1,937)	(1,954)	(2,013)	(2,194)	(2,304)
	Cash flow from investing activities	(2,112)	(2,047)	(2,389)	(2,233)	(2,341)
	Cash flow from financing activities	1,737	(301)	347	(718)	(861)
	Cash at beginning of period	1,085	1,811	1,503	2,405	2,216
	Net change in cash	726	(308)	902	(189)	(36)
	Ending balance cash	1,811	1,503	2,405	2,216	2,180
	Balance sheet (IDRb)	Dec-22	Dec-23	Dec-24F	Dec-25F	Dec-26F
	Total cash and equivalents	1,811	1,503	2,405	2,216	2,180
	Tangible fixed assets	12,497	13,395	14,367	15,432	16,515
	Total investments	601	677	677	677	677
	Total assets	32,691	34,109	36,892	38,558	40,228
	Short-term debt	4,435	4,917	5,000	4,900	4,900
	Total long-term debt	8,426	7,915	8,000	8,350	8,400
	Total liabilities	19,036	19,942	20,405	20,977	21,278
	Total equity	13,655	14,167	16,487	17,581	18,950
	Total liabilities & equity	32,691	34,109	36,892	38,558	40,228
	Key metrics	Dec-22	Dec-23	Dec-24F	Dec-25F	Dec-26F
	Revenue growth (%)	9.1	4.5	7.0	4.7	4.2
	Recurrent EPS growth (%)	(17.6)	(34.8)	133.4	(4.7)	10.1
	Gross margin (%)	15.7	14.7	17.4	17.0	17.6
	Operating EBITDA margin (%)	7.7	6.4	9.4	8.7	9.0
	Net profit margin (%)	2.9	1.8	4.1	3.7	3.9
	Dividend payout ratio (%)	49.1	62.5	0.0	52.5	45.4
	Capex/sales (%)	4.0	3.8	3.7	3.8	3.9
	Interest cover (x)	3.75	2.29	4.39	4.48	4.83

Source: Company data, RHB

Figure 1: Monthly ASPs for DOC and broiler in West Java areas



Source: Company data, RHB

Figure 2: 2Q24 results summary

JPFA IDRbn	2Q23	1Q24	2Q24	QoQ (%)	YoY (%)	6M23	6M24	YoY (%)	2024F RHB	2024F Cons
Sales	12,394	13,925	13,723	(1.5)	10.7	24,156	27,649	14.5	50.9	50.5
COGS	10,323	11,451	10,841	(5.3)	5.0	20,797	22,292	7.2		
Gross profit	2,071	2,474	2,882	16.5	39.1	3,358	5,357	59.5	59.8	60.5
Selling expense	537	515	514	(0.1)	(4.3)	1,061	1,029	(3.0)		
G&A expense	786	845	833	(1.4)	6.0	1,614	1,678	4.0		
Operating expenses	1,323	1,360	1,347	(0.9)	1.8	2,675	2,707	1.2		
Operating profit	748	1,115	1,535	37.7	105.2	683	2,650	287.7	76.2	81.9
Net interest income/(expense)	(258)	(177)	(239)	35.0	(7.5)	(481)	(416)	(13.7)		
Interest income	12	13	11	(16.2)	(9.9)	19	23	20.9		
Interest expense	(270)	(190)	(249)	31.6	(7.6)	(501)	(439)	(12.3)		
Forex gain (expense)	(8)	13	(4)	nm	(54.9)	(12)	9	nm		
Other income/ (expense)	(2)	(56)	(11)	(79.9)	563.6	(11)	(67)	516.4		
Total other income (costs)	(268)	(220)	(254)	15.6	(5.4)	(504)	(474)	(6.1)		
Pretax profit	480	895	1,281	43.1	167.0	179	2,176	1,115.1		
Taxation	(126)	(180)	(406)	125.9	223.6	(67)	(586)	778.7		
Minority interest	(22)	(50)	(60)	19.1	170.0	(30)	(110)	263.4		
Net profit	332	665	814	22.5	145.4	82	1,479	1,704.5	82.5	86.8
Margin (%)										
Gross margin (%)	16.7	17.8	21.0			13.9	19.4			
Operating margin (%)	6.0	8.0	11.2			2.8	9.6			
Pretax margin (%)	3.9	6.4	9.3			0.7	7.9			
Net margin (%)	2.7	4.8	5.9			0.3	5.4			

Source: Company data, RHB

Figure 3: Changes in earnings estimates

Income statement (IDRbn)	New			Old			New/Old (%)		
	2024F	2025F	2026F	2024F	2025F	2026F	2024F	2025F	2026F
Total turnover	54,747	57,297	59,721	54,324	56,727	58,986	0.8	1.0	1.2
Gross profit	9,549	9,761	10,508	8,963	9,424	10,197	6.5	3.6	3.1
EBITDA	5,154	4,989	5,399	4,518	4,767	5,166	14.1	4.7	4.5
NPAT	2,234	2,129	2,343	1,793	1,966	2,175	24.6	8.3	7.8

Source: Company data, RHB

Figure 4: RHB vs Street's estimates

Income statement (IDRbn)	RHB			Cons			RHB/Street (%)		
	2024F	2025F	2026F	2024F	2025F	2026F	2024F	2025F	2026F
Net revenue	54,747	57,297	59,721	54,711	57,795	65,240	100.1	99.1	91.5
Gross profit	9,549	9,761	10,508	8,857	9,339	10,204	107.8	104.5	103.0
EBITDA	5,154	4,989	5,399	4,303	4,729	4,511	119.8	105.5	119.7
EBIT	4,113	3,860	4,178	3,235	3,555	3,819	127.1	108.6	109.4
Pre-tax profit	3,222	3,070	3,380	2,434	2,749	2,814	132.4	111.7	120.1
NPAT	2,234	2,129	2,343	1,705	1,899	2,018	131.0	112.1	116.1

Source: Company data, Bloomberg, RHB

Figure 5: DCF valuation

IDRbn	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F
EBIT	4,113	3,860	4,178	4,458	4,882	5,183	5,424	5,521	5,610	5,843	5,999
EBIT (1-t)	2,961	2,779	3,008	3,210	3,515	3,731	3,905	3,975	4,040	4,207	4,320
Depreciation & amortisation	1,041	1,129	1,221	1,483	1,597	1,717	1,845	1,983	2,126	2,277	2,435
Change in working capital	(252)	(459)	(373)	(336)	(348)	(360)	(368)	(377)	(391)	(406)	(421)
Capex	(2,013)	(2,194)	(2,304)	(2,419)	(2,540)	(2,667)	(2,854)	(3,054)	(3,185)	(3,344)	(3,511)
Net free cash flow to firm	1,737	1,255	1,553	1,937	2,224	2,422	2,529	2,527	2,590	2,734	2,822
Terminal value											42,162
PV	1,737	1,162	1,332	1,539	1,636	1,650	1,596	1,477	1,402	1,371	20,887
WACC	8.0%										
Total discounted firm value	35,789										
Less: net debt	10,595										
Less: minority interest	1,027										
Equity value	24,167										
Number of shares (bn)	11.7										
Equity value per share (IDR)	2,061										
ESG premium	2%										
Rounded TP	2,100										
Assumptions											
Risk free rate	7%										
Beta	0.6										
Equity market premium	6%										
WACC	8.0%										
Terminal growth	1.2%										

Source: Company data, Bloomberg, RHB

Emissions And ESG

Trend analysis

Increase in total emissions are caused by among others an increase of the company's production volume.

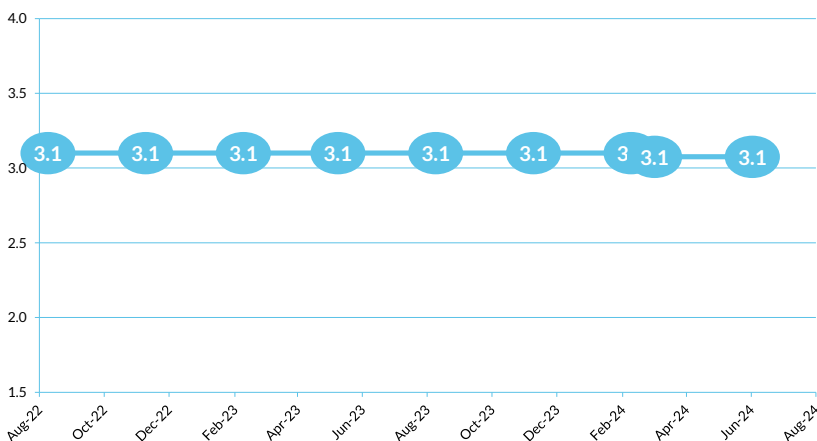
Emissions (tCO2e)	Dec-21	Dec-22	Dec-23
Scope 1	88,246	85,301	85,340
Scope 2	491,525	507,697	556,533
Scope 3	10,825,139	11,872,506	11,867,807
Total emissions	11,404,910	12,465,504	12,509,680

Source: Company data, RHB

Latest ESG-Related Developments

- In 2021, Japfa successfully established two water recycling facilities that have been audited internally and conducted an external audit in April 2022.
- In line with the company's commitment, it established three new facilities that were audited externally in 2022.

ESG Rating History



Source: RHB

Recommendation Chart



Source: RHB, Bloomberg

Date	Recommendation	Target Price	Price
2024-05-20	Buy	1,760	1,460
2024-03-05	Buy	1,320	1,165
2023-03-21	Buy	1,600	1,095
2021-11-01	Buy	2,750	1,750
2021-06-23	Buy	2,750	1,875
2021-04-30	Buy	2,200	2,110
2021-03-02	Buy	2,000	1,580
2020-11-02	Buy	1,300	1,055
2020-04-20	Buy	1,500	915
2020-03-02	Buy	2,350	1,460
2020-02-17	Buy	2,050	1,515
2020-02-14	Buy	2,350	1,495
2019-10-31	Buy	2,050	1,720
2019-06-19	Buy	2,250	1,440
2019-06-12	Buy	2,600	1,605

Source: RHB, Bloomberg

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 – Jul 2024](#) 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 – Jul 2024](#) 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 – Jul 2024](#) 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 – Jul 2024](#) 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 2302 8100
Fax : +603 2302 8134

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