RHB

# Singapore Results Review

1 November 2022

Agriculture | Plantation

# Wilmar International (WIL SP)

**Buy** (Maintained)

## 9M22 Surpasses All Historical Full Year Earnings

| | |
|---|---|
| Target Price (Return): | SGD5.40 (+39%) |
| Price (Market Cap): | SGD3.88 (USD17,145m) |
| ESG score: | 3.11 (out of 4) |
| Avg Daily Turnover (SGD/USD) | 26.1m/18.1m |

- **Still BUY, with new SGD5.40 TP from SGD4.95, 39% upside and c.5% FY23F yield.** 9M22 earnings surpassed expectations, at 102-104% of forecasts. Wilmar International remains severely undervalued – trading at 7.9x 2023F P/E, especially as its combined stake in Yihai-Kerry and Adani Wilmar is almost double the value of its own market capitalisation.
- **Beat expectations.** 9M22 earnings exceeded both our and consensus expectations, coming in at 102-104% of FY22F projections. If we were to exclude the gain on the sale of Adani Wilmar of USD175.6m, 9M22 earnings would have been at 93-95% of our and consensus earnings. The main discrepancy came from significant QoQ improvements in sales volumes of food products, and feed and industrial products in 3Q22 as well as better trading profit.
- **In 3Q22, food product sales volume grew 3.2% YoY and 11.4% QoQ**, bringing 9M22 sales volume to 21.5m tonnes (+3.6% YoY), despite COVID-19 restrictions in China. Management noted that while total consumer expenditure on basic food products has not declined in China, downtrading activities have begun, resulting in higher volume of lower margin products being sold. Nevertheless, revenue and profit for this division still rose QoQ in 3Q22, on the back of higher ASPs as well as lower raw material prices. Going forward, margins should remain relatively robust as the full impact of WIL's ASP increases will only be felt in 4Q22, while commodity prices remain lower in 4Q22 vis-à-vis 2021.
- **Feed and industrial division saw YoY volume declining 0.6% in 9M22,** although on a QoQ basis, volume rose by 14.2%, driven by the tropical oils and sugar segments. Volume growth for these segments were likely driven by stronger sales from Indonesia (post-lifting of the export ban) as well as buoyant demand from India. However, we understand that the China crushing business returned to the red in 3Q22 (after one quarter of profitability in 2Q22), due to negative farming margins. However, pork prices have since risen, which, together with WIL's adequate supply of soymeal purchased from government reserves, could translate to positive crushing margin in 4Q22.
- **Improved FFB output** likely helped to mitigate lower sugar milling volume and lower CPO prices in 3Q22. Going forward, margins may continue to be affected by lower CPO prices, although this should be offset somewhat by higher FY22F FFB output of 9-10% YoY in Indonesia. Management expects CPO prices to remain rangebound at +/-USD100/tonne.
- **We raise our FY22F-24F by 8-14%** after raising sales volumes for food products as well as for the feed and industrial division, while reducing our crushing margin slightly for FY22F.
- **Still BUY, with a higher SOP-based TP of SGD5.40,** which includes a 2% ESG premium, based on an ESG score of 3.1. We continue to believe WIL is undervalued, as its combined stakes in Yihai-Kerry and Adani Wilmar are almost double its current market cap.

| Forecasts and Valuation | Dec-20 | Dec-21 | Dec-22F | Dec-23F | Dec-24F |
|---|---|---|---|---|---|
| Total turnover (USDm) | 50,527 | 65,794 | 75,260 | 69,326 | 70,663 |
| Recurring net profit (USDm) | 1,485 | 1,842 | 2,191 | 2,197 | 2,300 |
| Recurring net profit growth (%) | 18.2 | 24.0 | 18.9 | 0.3 | 4.7 |
| Recurring P/E (x) | 11.68 | 9.39 | 7.93 | 7.91 | 7.56 |
| P/B (x) | 0.9 | 0.9 | 0.8 | 0.8 | 0.7 |
| P/CF (x) | 26.16 | na | 11.06 | 3.41 | 4.74 |
| Dividend Yield (%) | 3.4 | 4.2 | 4.5 | 4.6 | 4.8 |
| EV/EBITDA (x) | 10.23 | 10.09 | 9.42 | 8.27 | 7.66 |
| Return on average equity (%) | 8.6 | 9.7 | 10.6 | 10.0 | 9.8 |
| Net debt to equity (%) | 80.5 | 100.8 | 99.9 | 88.0 | 82.2 |

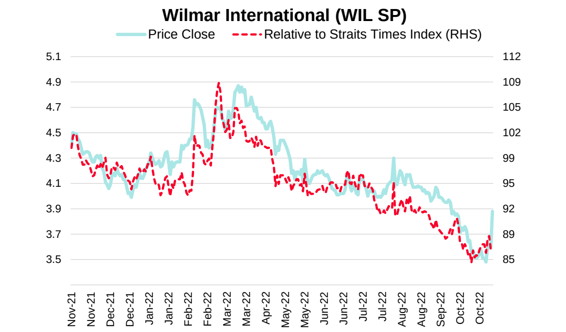
*Source: Company data, RHB*

**Analyst**

Singapore Research
sg.research@rhbgroup.com

**Share Performance (%)**

| | YTD | 1m | 3m | 6m | 12m |
|---|---|---|---|---|---|
| Absolute | (6.3) | 1.0 | (3.5) | (12.6) | (10.2) |
| Relative | (4.2) | 3.3 | 1.3 | (3.7) | (5.8) |
| 52-wk Price low/high (SGD) | | | | | 3.48 – 4.87 |




*Source: Bloomberg*

**Overall ESG Score: 3.11 (out of 4)**

**E: GOOD**

Wilmar had a GHG emissions intensity of 0.66 CO2e/tonne on its CPO in 2021, as compared to 0.72 CO2e/tonne in 2018. This was achieved by building 25 methane capture facilities at its CPO mills, avoiding 598,435 tCO2e of GHG/year. It also has 78% RSPO certification at its estates and 79% at its mills, and targets to hit the 100% mark by 2025.

**S: GOOD**

It has policies guided by international standards as set out in the United Nations (UN) Guiding Principles on Business and Human Rights, UN Global Compact, International Labour Organisation conventions, the UK Modern Slavery Act and the Universal Declaration of Human Rights and its covenants. It is working with other plantation players to find a solution under the Decent Rural Living initiative, convened by Forum for the Future.

**G: EXCELLENT**

53% of Board members are independent directors, with full disclosure on director remuneration including salaries and bonuses. Only two out of 15 directors are women. Wilmar has an in-house investor relations team and holds investor meetings regularly, embodying good transparency and disclosure practices.

# Financial Exhibits

**Asia**
Singapore
Agriculture
**Wilmar International**
WIL SP
Buy

**Valuation basis**

SOP

**Key drivers**

i. CPO prices and FFB production output;
ii. Soybean crush margins;
iii. Improved profitability of rice and flour business;
iv. Favourable tax regime.

**Key risks**

i. Volatilities in oilseeds earnings;
ii. Slower-than-expected recovery in vegetable oil demand

**Company Profile**

Wilmar International is an agribusiness company. It has over 500 manufacturing plants and an extensive distribution network covering China, India, Indonesia and some 50 other countries. The company is involved in three main commodities which are palm oil, soybean and sugar.

| Financial summary (USD) | Dec-20 | Dec-21 | Dec-22F | Dec-23F | Dec-24F |
|---|---|---|---|---|---|
| Recurring EPS | 0.24 | 0.29 | 0.35 | 0.35 | 0.36 |
| DPS | 0.09 | 0.11 | 0.12 | 0.13 | 0.13 |
| BVPS | 2.95 | 3.11 | 3.33 | 3.55 | 3.77 |
| Return on average equity (%) | 8.6 | 9.7 | 10.6 | 10.0 | 9.8 |

| Valuation metrics | Dec-20 | Dec-21 | Dec-22F | Dec-23F | Dec-24F |
|---|---|---|---|---|---|
| Recurring P/E (x) | 11.68 | 9.39 | 7.93 | 7.91 | 7.56 |
| P/B (x) | 0.9 | 0.9 | 0.8 | 0.8 | 0.7 |
| FCF Yield (%) | (7.6) | (14.6) | (4.7) | 15.5 | 7.2 |
| Dividend Yield (%) | 3.4 | 4.2 | 4.5 | 4.6 | 4.8 |
| EV/EBITDA (x) | 10.23 | 10.09 | 9.42 | 8.27 | 7.66 |
| EV/EBIT (x) | 14.64 | 14.07 | 12.41 | 11.01 | 10.34 |

| Income statement (USDm) | Dec-20 | Dec-21 | Dec-22F | Dec-23F | Dec-24F |
|---|---|---|---|---|---|
| Total turnover | 50,527 | 65,794 | 75,260 | 69,326 | 70,663 |
| Gross profit | 5,598 | 7,191 | 7,902 | 7,279 | 7,420 |
| EBITDA | 3,274 | 3,851 | 4,270 | 4,660 | 4,989 |
| Depreciation and amortisation | (986) | (1,088) | (1,030) | (1,161) | (1,293) |
| Operating profit | 2,289 | 2,763 | 3,241 | 3,499 | 3,697 |
| Net interest | (232) | (253) | (372) | (604) | (604) |
| Pre-tax profit | 2,310 | 2,766 | 3,121 | 3,170 | 3,395 |
| Taxation | (620) | (700) | (687) | (729) | (781) |
| Reported net profit | 1,533 | 1,890 | 2,191 | 2,197 | 2,300 |
| Recurring net profit | 1,485 | 1,842 | 2,191 | 2,197 | 2,300 |

| Cash flow (USDm) | Dec-20 | Dec-21 | Dec-22F | Dec-23F | Dec-24F |
|---|---|---|---|---|---|
| Change in working capital | (2,443) | (3,100) | (1,492) | 1,764 | 51 |
| Cash flow from operations | 663 | (4) | 1,571 | 5,101 | 3,669 |
| Capex | (1,980) | (2,519) | (2,396) | (2,410) | (2,410) |
| Cash flow from investing activities | (1,807) | (2,356) | (2,259) | (2,600) | (2,600) |
| Dividends paid | (619) | (968) | (795) | (803) | (851) |
| Cash flow from financing activities | 1,789 | 2,405 | (138) | (976) | (948) |
| Cash at beginning of period | 2,113 | 2,706 | 2,693 | 1,867 | 3,392 |
| Net change in cash | 645 | 45 | (826) | 1,525 | 121 |
| Ending balance cash | 2,648 | 2,710 | 1,867 | 3,392 | 3,513 |

| Balance sheet (USDm) | Dec-20 | Dec-21 | Dec-22F | Dec-23F | Dec-24F |
|---|---|---|---|---|---|
| Total cash and equivalents | 5,928 | 6,342 | 3,867 | 5,392 | 5,513 |
| Tangible fixed assets | 13,472 | 14,869 | 16,328 | 17,670 | 18,881 |
| Total investments | 3,350 | 3,507 | 3,848 | 4,214 | 4,606 |
| Total assets | 51,020 | 58,718 | 59,415 | 60,644 | 62,404 |
| Short-term debt | 17,146 | 22,292 | 22,000 | 22,000 | 22,000 |
| Total long-term debt | 6,004 | 6,823 | 6,000 | 6,000 | 6,000 |
| Total liabilities | 29,637 | 36,116 | 35,261 | 34,942 | 35,054 |
| Total equity | 21,383 | 22,602 | 24,154 | 25,702 | 27,349 |
| Total liabilities & equity | 51,020 | 58,718 | 59,415 | 60,644 | 62,404 |

| Key metrics | Dec-20 | Dec-21 | Dec-22F | Dec-23F | Dec-24F |
|---|---|---|---|---|---|
| Revenue growth (%) | 18.5 | 30.2 | 14.4 | (7.9) | 1.9 |
| Recurrent EPS growth (%) | 18.7 | 24.4 | 18.3 | 0.3 | 4.7 |
| Gross margin (%) | 11.1 | 10.9 | 10.5 | 10.5 | 10.5 |
| Operating EBITDA margin (%) | 6.5 | 5.9 | 5.7 | 6.7 | 7.1 |
| Net profit margin (%) | 3.0 | 2.9 | 2.9 | 3.2 | 3.3 |
| Dividend payout ratio (%) | 39.4 | 38.9 | 36.3 | 36.6 | 37.0 |
| Capex/sales (%) | 3.9 | 3.8 | 3.2 | 3.5 | 3.4 |
| Interest cover (x) | 3.51 | 4.70 | 4.63 | 4.46 | 4.71 |

*Source: Company data, RHB*

### Figure 1: WIL's results review

| FYE Dec (USD) | 3Q21 | 2Q22 | 3Q22 | QoQ (%) | YoY (%) | 9M21 | 9M22 | YoY (%) | Comments |
|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | 17,135 | 18,558 | 18,877 | (1.7) | 10.2 | 46,669 | 55,011 | 17.9 | Better performance in feed and industrial products, supported by higher volumes in plantation, oilseeds and grains and sugar milling segments. |
| **EBITDA** | 1,140 | 1,242 | 1,292 | (3.8) | 13.3 | 3,024 | 3,641 | 20.4 | Higher due to increased ASP for consumer products and lower raw material costs |
| *EBITDA margin (%)* | *6.7* | *6.7* | *6.8* | | | *6.5* | *6.6* | | |
| **Net profit** | 569 | 635 | 766 | (17.2) | 34.7 | 1,320 | 1,931 | 46.3 | Higher than all its previous full-year results since listing. |
| Net margin (%) | | | | | | | | | |
| **Core profit** | 576 | 652 | 797 | (18.2) | 38.2 | 1,309 | 1,952 | 49.2 | |
| *Core net margin (%)* | *3.4* | *3.5* | *4.2* | | | *2.8* | *3.5* | | |

*Source: Company data, RHB*

### Figure 2: Operational statistics

| FYE Dec ('000 tonnes) | 3Q21 | 2Q22 | 3Q22 | QoQ (%) | YoY (%) | 9M21 | 9M22 | YoY (%) |
|---|---|---|---|---|---|---|---|---|
| **Food products** | **7,468** | **6,920** | **7,706** | 11.4 | 3.2 | **20,784** | **21,531** | *3.6* |
| - Consumer products | 2,231 | 1,941 | 2,169 | 11.7 | (2.8) | 6,334 | 6,440 | *1.7* |
| - Medium pack and bulk | 5,237 | 4,979 | 5,537 | 11.2 | 5.7 | 14,450 | 15,091 | *4.4* |
| Feed & industrial products | **13,581** | **12,900** | **14,731** | 14.2 | 8.5 | **39,757** | **39,505** | *(0.6)* |
| - Tropical oils | 5,875 | 4,890 | 6,061 | 23.9 | 3.2 | 16,844 | 16,009 | *(5.0)* |
| - Oilseeds and grains | 4,992 | 5,519 | 5,628 | 2.0 | 12.7 | 14,066 | 15,245 | *8.4* |
| - Sugar | 2,714 | 2,491 | 3,042 | 22.1 | 12.1 | 8,847 | 8,251 | *(6.7)* |

*Source: Company data, RHB*

### Figure 3: SOP valuation

| SOP valuation | Value (USDm) | Valuation basis |
|---|---|---|
| Plantation and sugar milling business | 3,333 | 10x FY23F P/E |
| Consumer products | 15,181 | 13x blended FY23F P/E |
| Feed and industrial products | 7,106 | 10x blended FY23F P/E |
| Others | 269 | DCF: Ce 7.7%, Rf 4%, Beta 1.0, Rm 7.7%, TG 0% |
| JV & associates | 2,107 | 0.5x P/BV |
| **SOP value** | **27,997** | |
| Value per share (USD) | 4.42 | |
| Exchange rate | 1.41 | |
| Conglomerate discount | -15% | |
| ESG premium/(discount) | 2.00% | |
| **SOP** | **5.41** | |

*Source: RHB*

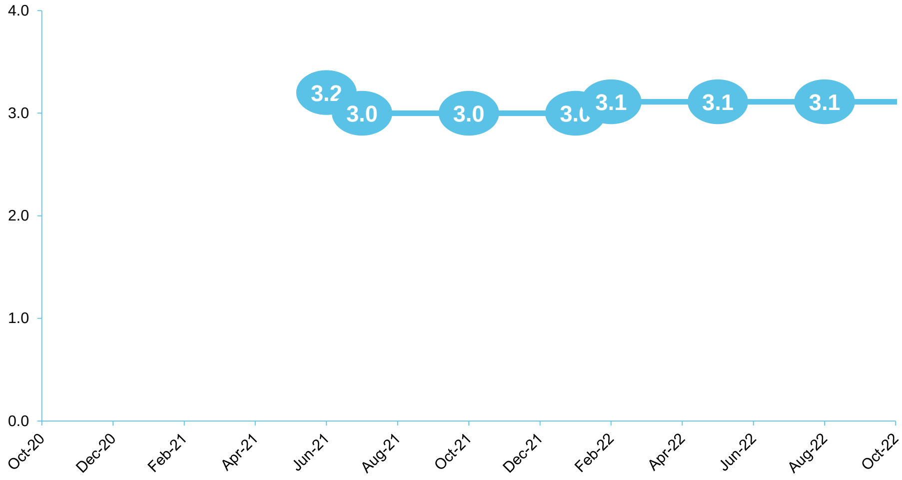
# Recommendation Chart


*Source: RHB, Bloomberg*

| Date | Recommendation | Target Price | Price |
|---|---|---|---|
| 2022-08-10 | Buy | 4.95 | 4.15 |
| 2022-08-08 | Buy | 5.05 | 4.09 |
| 2022-05-04 | Buy | 5.10 | 4.41 |
| 2022-02-23 | Buy | 5.30 | 4.56 |
| 2021-12-12 | Buy | 5.05 | 4.18 |
| 2021-11-01 | Buy | 5.60 | 4.41 |
| 2021-08-12 | Buy | 5.45 | 4.51 |
| 2021-07-29 | Buy | 5.75 | 4.38 |
| 2021-04-21 | Buy | 6.45 | 5.38 |
| 2021-02-22 | Buy | 6.30 | 5.51 |
| 2021-01-06 | Buy | 6.00 | 4.95 |
| 2020-11-02 | Buy | 5.85 | 4.25 |
| 2020-11-01 | Buy | 5.60 | 4.04 |
| 2020-08-13 | Buy | 5.45 | 4.87 |
| 2020-08-07 | Buy | 5.45 | 4.80 |

*Source: RHB, Bloomberg*

# ESG Rating History




*Source: RHB*

## 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 – Oct 2022 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 – Oct 2022 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
1. *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 – Oct 2022 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 – Oct 2022 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