

LAGENDA PROPERTIES

(LAGENDA MK EQUITY, LAGE.KL)

12 Mar 2021



Company report

Jeremie Yap

jeremie-yap@ambankgroup.com

+603-2036 2304

Rationale for report: Initiation

BUY

(Initiation)

Price	RM1.59
Fair Value	RM1.95
52-week High/Low	RM1.80/RM0.50

Key Changes

Fair value	Initiation
EPS	Initiation

YE to Dec	FY20	FY21F	FY22F	FY23F
Revenue (RM mil)	696.1	914.2	1,142.7	1,314.1
Core net profit (RM mil)	140.9	228.5	285.7	328.5
FD Core EPS (sen)	12.4	20.1	25.1	28.9
FD Core EPS growth (%)	-	62.2	25.0	15.0
Consensus Net Profit (RM mil)	-	-	-	-
DPS (sen)	3.7	6.0	7.5	8.7
PE (x)	12.8	7.9	6.3	5.5
EV/EBITDA (x)	5.6	3.5	2.5	1.8
Div yield (%)	2.2	3.6	4.5	5.2
ROE (%)	41.5	29.9	26.0	21.9
Net Gearing (%)	1.8	nm	nm	nm

Stock and Financial Data

Shares Outstanding (million)	818.5
Market Cap (RM mil)	1,301.4
Book Value (RM/share)	1.01
P/BV (x)	1.6
ROE (%)	41.5
Net Gearing (%)	1.8
Major Shareholders	Lagenda Land Sdn Bhd (69.6%) Doh Properties (4.6%) Chew Soon Kui (0.4%)
Free Float	-
Avg Daily Value (RM mil)	5.8

Price performance	3mth	6mth	12mth
Absolute (%)	39.5	92.7	154.4
Relative (%)	44.2	78.0	125.4



Investment Highlights

- We initiate coverage on Lagenda Properties (Lagenda) with a BUY call and fair value of RM1.95/share, based on a 20% discount to its RNAV (Exhibit 13), and after including a 3% premium to reflect our 4-star ESG rating (Exhibit 14). This compares with about a 40% discount to RNAV the market generally accords to affordable property developers of a similar size to take into account Lagenda's defensive customer profile of public servants who are less susceptible to economic cycles and a strong management team.

- Lagenda is a Perak-based property developer that focuses on low-cost/affordable housing in self-sustaining townships. With a price range of RM150K–RM200K/unit, the properties are targeted at the B40 and M40 income groups.

The investment merits of Lagenda are as follows:

- There is a bright spot amidst a multi-year slump in the local property market, i.e. the affordable segment that caters to owner-occupier house buyers, vs. property investors/speculators. This demand for such housing is driven by the increasing number of new households (comprising relatively young population demographics), rapid urbanisation and the trend towards single-person households and nuclear families, vs. extended families in the past.
- Lagenda's townships have a niche market, i.e. civil servants (who make up close of 80% of all buyers) with stable incomes/strong job security that are less susceptible to economic cycles. The high civil servant population in these locations is attributed to the presence of the home base of the Royal Malaysian Navy and various other government institutions and public/private universities in their vicinities.
- A strong management team as reflected in Lagenda's ability to: (i) consistently acquire land at good prices thanks to its deep understanding and extensive networking in its home turf; (ii) keep the construction cost low (without compromising on the quality) thanks to a pool of reliable subcontractors; and (iii) effect fast turnaround due to its strong working relationships with various authorities.

At about 35% discount to its RNAV, we believe Lagenda offers a good proxy to the resilient affordable housing segment, a defensive public servant customer profile and a highly business-savvy management team.

COMPANY BACKGROUND

Lagenda Properties Bhd (Lagenda) started as a family business in the 1980s, focusing on its expertise of developing self-sustainable townships with community-based facilities and public amenities. Its properties, priced at an affordable range of RM150–200K per unit, caters for Malaysian buyers in the B40 and the M40 income groups (see Exhibit 15 for key milestones of the company).

The group was previously known as DBE Gurney Resources Bhd, primarily involved in a poultry business. On 28 Sept 2020, Lagenda announced the disposal of all its stakes in the poultry division to focus on its core business of property development.

Currently, the group has two major affordable township projects, namely **Bandar Baru Setia Awan Perdana (BBSAP)** in Sitiawan and **Lagenda Teluk Intan (LTI)**, both in Perak, spanning over 2,000 acres that can accommodate some 20,000 affordable homes.

Lagenda has completed several smaller residential projects in the past, notably the: **i) Taman Desa Harmoni** (Exhibit 1) – a residential development project located in Seri Iskandar, Perak, comprising 10 units of single-storey semi-detached houses, 85 units of single-storey terraced houses and 19 units of shop houses. The project, launched in September 2017, has been fully sold and completed; and **ii) Pangsapuri Seri Iskandar** (Exhibit 2) – a residential development project also in Seri Iskandar, Perak, comprising 4 blocks of 8-storey building with a total of 780 units of apartments. The project was launched in September 2016 and has been fully sold and completed.

EXHIBIT 1: TAMAN DESA HARMONI, PERAK



Source: AmInvestment Bank, Lagenda Properties

EXHIBIT 2: PANGSAPURI SERI ISKANDAR, PERAK



Source: AmInvestment Bank, Lagenda Properties

KEY MANAGEMENT PERSONNEL

Managing director Datuk Doh Jee Ming (Jimmy)

Datuk Doh Jee Ming is currently the managing director and a member of the Remuneration Committee of the company. He has more than 17 years of top-level management experience in the property development, construction and the trading of building materials businesses with proven execution abilities. He holds a Master of Business Administration from the International Teaching University of Georgia. He also owns and holds directorships in several private limited companies in the housing and property development, provision of hotel & mall services, food and beverages, and education services industry where he has been actively involved in their management and operations.

Group chief financial officer Lee Wei Jin

Lee Wei Jin was appointed group CFO on 1 September 2020. He has more than 14 years of working experience in the financial and accounting divisions of both private and public companies in various industries such as property development, food & beverages and trading companies. He joined a listed property developer in 2012 as an assistant finance manager, responsible for the overall finance and accounting matters in development projects in Penang, Klang Valley and Singapore. He is also a chartered accountant with the Malaysian Institute of Accountants (MIA).

KEY INVESTMENT MERITS

□ A bright spot in the affordable segment underpinned by basic demand for housing

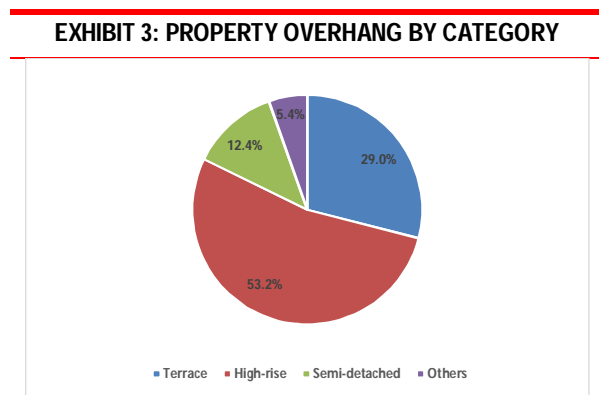
There is a bright spot amidst a multi-year slump in the local property market, i.e. the affordable segment that caters to owner-occupier house buyers, vs. property investors/speculators. This demand for such housing is driven by new/young families (comprising a relatively young population demographics), rapid urbanisation and the trend towards single-person households and nuclear families, vs. extended families.

According to the Department of Statistics Malaysia and Statista (a company specializing in global market and consumer data), the total number of households in Malaysia have increased to 8mil in 2019, from 4.8mil in 2000, indicating a 67% increase, or an average of c.170K new households every year.

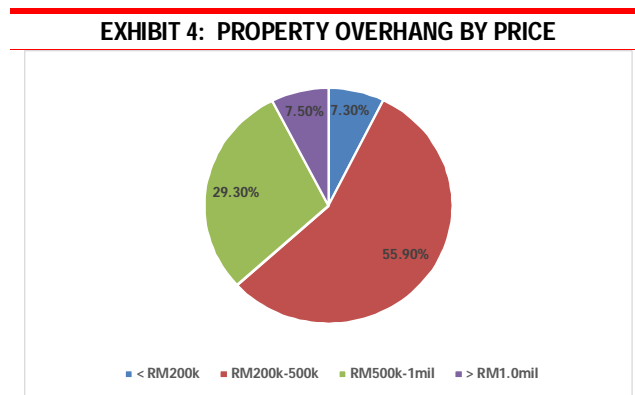
We gather that the increase in the number of households coincides with the decreasing size of Malaysian households. In 2020, the average Malaysian household consisted of 4.5 persons, compared to 5.2 persons in 1980. Based on a study by the National Population and Family Development Board Malaysia, the proportion of nuclear family households has risen to 66.4% of total households, vs. 55.2% in 1980. The increasing number of new households is underpinned by a young population demographics as well as the trend towards single-person households and nuclear families (a family group comprising parents and their children) vs. extended families in the past.

The growing population, coupled with the structural change over the years in the Malaysian households, will continue to fuel the rising demand for housing. Lagenda’s business model of low-cost affordable housing is mainly catered towards first-time home buyers who view a house as a “basic necessity”, rather than a “big-ticket item” for upgrading or investment purposes.

While we note that the property sector is going through a major down cycle due to a supply overhang (mainly from high-rise residential spaces which made up 53.2% in 1H2020), we highlight that the low-cost affordable housing niche has an inelastic demand. Hence Lagenda is able to sustain sales even during the slowdown in the property sector. From our findings, there are only 90–100K units of affordable housing below RM200K available vs. a demand of 130K units of affordable housing annually.



Source: AmInvestment Bank Bhd, Company



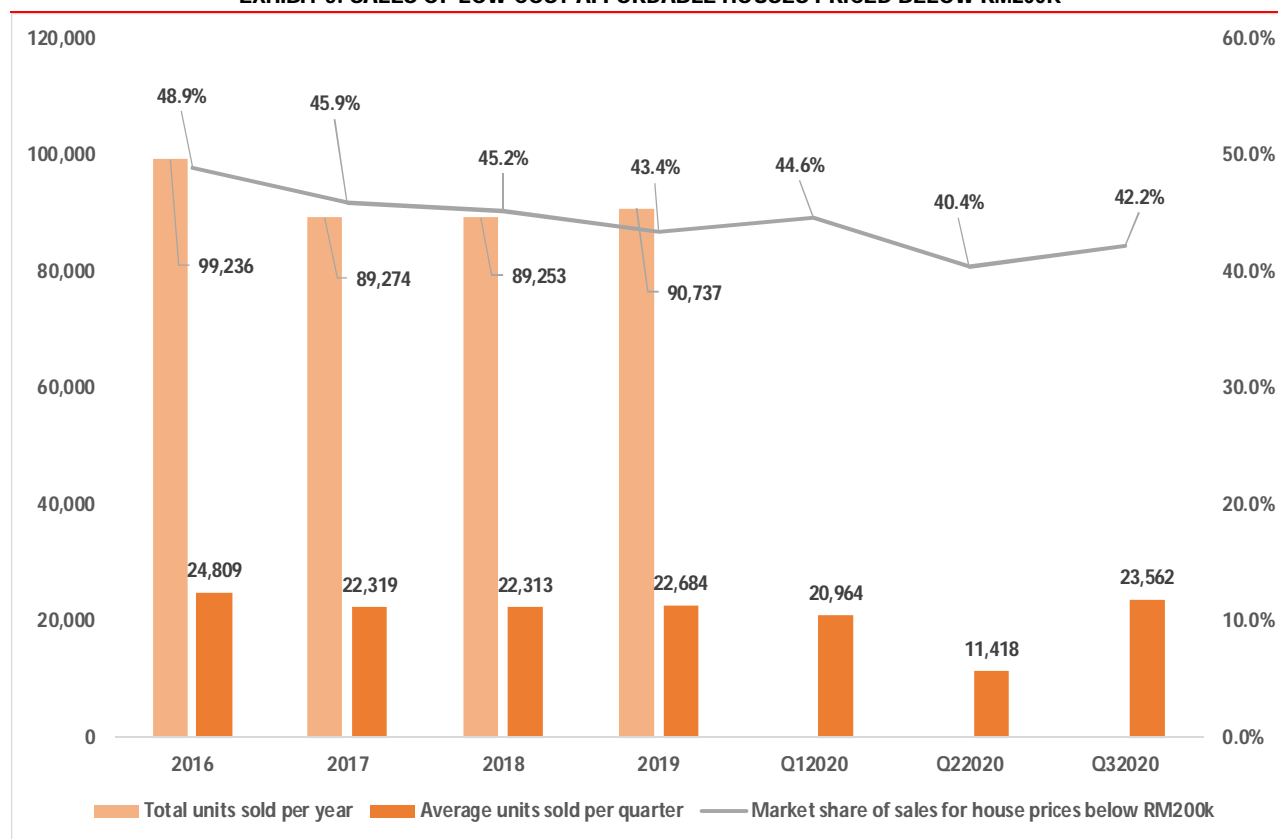
Source: AmInvestment Bank Bhd, Company

A study by Bank Negara Malaysia (BNM), coupled with our checks with Lagenda’s management, indicate there is an estimated shortage of 1.0mil units of affordable housing in 2020. We believe the shortage in affordable housing is due to 2 key reasons:

1) The unaffordable property prices in Malaysia. Most medium-to-low income Malaysians cannot afford new houses, where the average price is >RM410K when the maximum affordable house price nationwide was at c.RM280K (based on the household median income). With housing costs rising faster than average wages, the mismatch between property prices and affordability has worsened the housing problems among the B40 and M40 segments as they are unable to afford a house of their own.

According to findings of the National Property Information Centre (Exhibit 5), there is a strong demand for affordable houses that are priced below RM200K with an average transaction volume of c.23K units per quarter. This <RM200K segment accounted for about 46% of the total transacted volume from 2016 to 2019. And despite the Covid-inflicted economic downturn, 3Q20 showed a strong rebound in sales volume.

EXHIBIT 5: SALES OF LOW-COST AFFORDABLE HOUSES PRICED BELOW RM200K



Source: AmInvestment Bank Bhd, National Property Information Centre (NAPIC)

2) Inadequate supply of affordable housing. From our ground checks, we gather that the risk-to-reward ratio is not attractive enough for most developers due to the capital investment and risks involved in constructing and pricing houses at low/affordable prices for the B40 and M40 house buyers. According to PropertyAdvisor, there was a 24% YoY decline of property transactions in Klang Valley for houses below RM300K in 2019 and we suspect that this is due to the lack of supply of affordable housing.

□ **Townships in catchment areas of civil servants**

Lagenda’s townships have a niche market, i.e. civil servants (who make up close of 80% of all buyers) with stable incomes/strong job security that are less susceptible to economic cycles. The high civil servant population in these locations can be attributed to the presence of the home base of the Royal Malaysian Navy and various government institutions and public/private universities in the vicinity.

Bandar Baru Setia Awan Perdana (BBSAP), Sitiawan

Lagenda’s first major township, BBSAP, is strategically located next to the West Coast Expressway (WCE), a mere 90-minute drive from Kuala Lumpur and 30 minutes away from the duty-free Pangkor Island.

Also, BBSAP is in the vicinity of several key amenities: i) 25km away from the headquarters of the Royal Malaysian Navy in Lumut; and ii) Lumut Port Industrial Park, where large and prominent public-listed companies such as Sapura Energy and Petronas Dagangan set up offices.

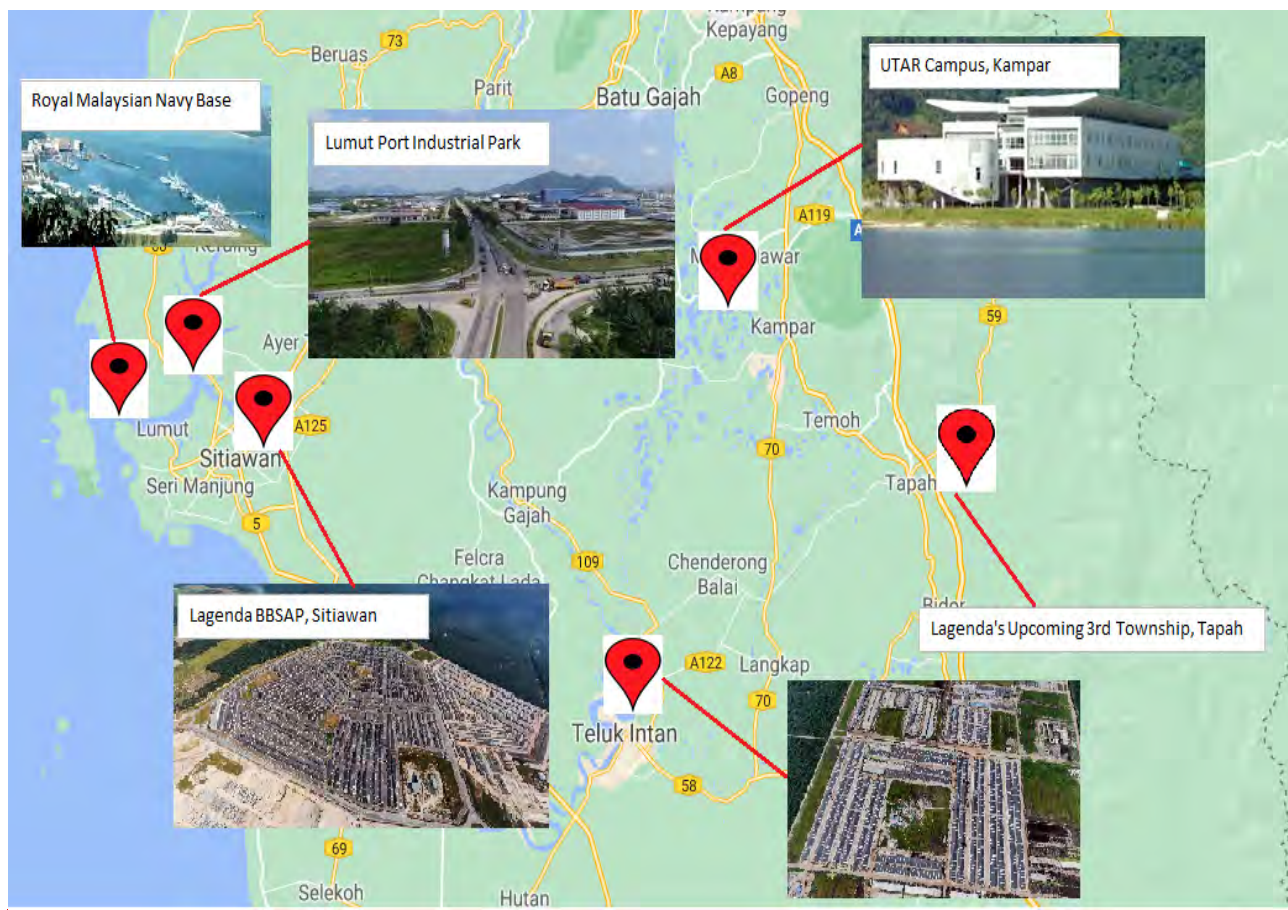
Township in Tapah (to be launched soon)

Lagenda’s 3rd and upcoming township is in Tapah, near Bidor and Kampar. This Tapah township is about 7km from UiTM’s Perak campus and is less than 25km away from Kampar. The combined population of Bidor, Tapah and Kampar is about 350K.

Zooming in on Kampar, the quiet town gained a new lease of life when Universiti Tunku Abdul Rahman (UTAR) set up a campus in 2003. Kampar has an area of 66,997.5 hectares, with only 7.1% utility land for housing, industries, businesses, social institutions, mixed development, infrastructure, utilities and transportation in 2014, with a goal to increase this to 15.2% by 2030. The continuous development of the town will drive the economy and thus its population growth. As an education hub, it will attract other education institutions to set up their campus there with its improved facilities and connectivity.

In 2010, Kampar has a population of 90.3K, with an estimated 11.0K UTAR students. Today, the population of UTAR students alone has grown to ~18.0K, at a CAGR of 2.4% in the past 5 years. The town is also home to other education institutions such as Westlake International School, the new campus for Universiti Teknologi Malaysia (UTM), as well as an upcoming specialist training hospital by UTAR, expected to be completed by the end of this year.

EXHIBIT 6: LAGENDA’S TOWNSHIP & THEIR SURROUNDINGS



Source: AmInvestment Bank Bhd

□ *Strong management team*

Lagenda's management team struck us as highly business-savvy as reflected in Lagenda's ability to consistently acquire land at good prices thanks to its deep understanding and extensive networking in its home turf, keep the construction cost low (without compromising on the quality) thanks to a pool of reliable building subcontractors, and effect fast turnaround due to its strong working relationships with various authorities.

Note that the group started off as a construction company in the 1970s and established a building materials trading company in 1990s as a family business. The group's decades of experience in Perak has enabled them to access key resources such as land costs, reliable and committed contractors (partially internal sourcing), and set a strong foothold in the state.

Lagenda's deep understanding and extensive networking in the locations is a distinct advantage as it has allowed the group to: i) consistently acquire land at a steep discount to the going rates; and 2) sell its houses quicker than peers, translating to lower risk for the company as the group will be able to monetize their products more efficiently.

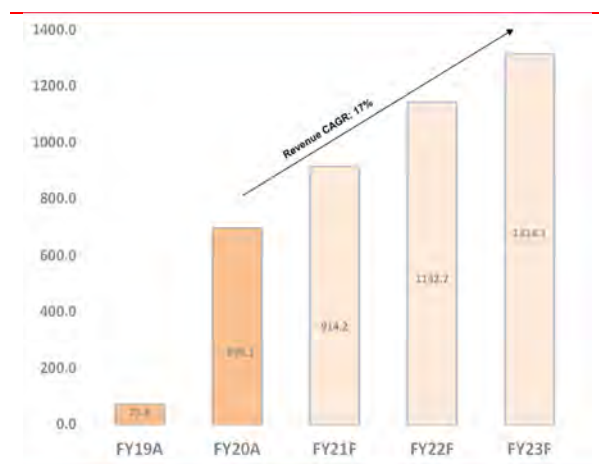
For instance, over the past year, Lagenda has managed to acquire a land parcel at RM1.10 per sq ft, compared to the market price which ranges from RM1.61 to RM18.00 in similar locations (Exhibit 12). The low land cost, coupled with: i) the synergies from internal sourcing of construction and building materials and capabilities; and ii) economies of scale for low infrastructure costs, have contributed to Lagenda's superior PAT margin of over 25% vs. c.18% of comparable developers such as Matrix Concept Holdings.

FINANCIAL PERFORMANCE

Lagenda registered a sharp jump in profits post-asset injection of the property development arm in mid-July 2020, recording profits of RM49.8mil and RM46.5mil in 3Q20 and 4Q20 respectively. Cumulatively in FY20, the group raked in a net profit of RM140.9mil (vs. profits of RM9.8mil in FY19). We expect Lagenda to post outstanding growth in both revenue and profit, with FY20–23F CAGR rates of 17% and 24% respectively, on a conservative basis.

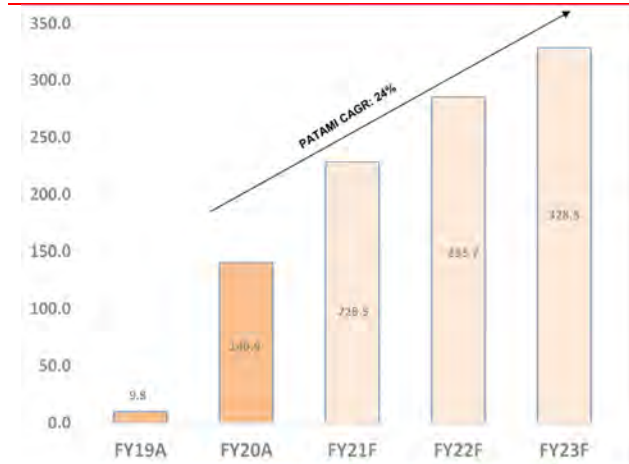
FY20 marks a new chapter for the group in the affordable housing property development business following the disposal of all its stakes in the poultry division.

EXHIBIT 7: REVENUE GROWTH AND CAGR



Source: AmInvestment Bank Bhd

EXHIBIT 8: PATAMI GROWTH AND CAGR



Source: AmInvestment Bank Bhd

We understand that Lagenda plans to launch **one new township in 2021 and two more in 2022** (Exhibits 6 and 9). We estimate each launch to sell about c.2.0K units annually, translating into revenues and profits of RM350–400K and RM87.5-100mil per annum respectively. With a proven track record (Exhibit 15), we expect each township to have a take-up rate of more than 95% within 5 years.

Lagenda is planning to launch phase 1 of its 3rd affordable township in Tapah, Perak in 2Q2021 and phase 2 in 3Q2021. This township will sit on 852.4 acres and has a potential GDV of c.RM2.0bil. Lagenda has also planned a 4th township in Sungai Petani, Kedah with an approximate launch date in 1Q2022. The township will be on a 230-acre land, with a potential GDV of RM1.5–1.8bil. The group expects to sell about c.5.0K units in FY21F, which is in line with our projections.

It is worth noting that Lagenda is able to generate superior profit-after-tax (PAT) margins of over 25% despite selling its houses at an affordable price range of RM150–200K due to following reasons: 1) ability to acquire sizeable lands at low costs of RM2–RM3 psf, about 5–6% of gross development value (GDV); 2) creation of synergies from internal sourcing of construction and building materials and capabilities; and 3) economies of scale for low infrastructure costs.

With that, we are projecting Lagenda’s FY21–23F net profit to grow by 62%, 25% and 15% respectively, representing an FY20–23F CAGR of 24%. This is underpinned by an unbilled sales of c.RM500mil (which should provide earnings visibility for at least two more quarters) and an outstanding GDV of RM9.8bil – which we expect to be fully monetized over the next 5 years. From our findings, we understand that each township launch has an estimated GDV of RM1.5–2.0bil, with 10.0K units of houses per township.

EXHIBIT 9: LAGENDA'S NEW TOWNSHIP LAUNCHESUpcoming launches in FY21 and FY22

Developments	Details	2021			2022		
		Launch Date	Completion Date	GDV (RMmil)	Launch Date	Completion Date	GDV (RMmil)
BBSAP, Perak	Vacant land, 459 acres	2Q2021	2Q2023	RM 380mil	TBD	TBD	TBD
	2,000 units						
LTI, Perak	Vacant land, 673 acres	1Q2021	1Q2023	RM 361mil	1Q2022	2Q2024	RM 760mil
	1,900 units			4,000 units			
Tapah, Perak	Lagenda's 3rd township	Phase 1 - 2Q2021	Phase 1 - 2Q2024	Phase 1 - RM 180mil (1,200 units)	2H2022	2H2023	RM 300mil - 2,000 units
	ASP of c. RM 150k per unit	Phase 2 - 3Q2021	Phase 2 - 3Q2024	Phase 2 - RM 180mil (1,200 units)	TBD	TBD	TBD
Sungai Petani, Kedah	Lagenda's 4th township	-	-	-	1Q2022	1Q2025	RM 330mil
	ASP of c. RM 150k per unit						2,200 units

Source: AmInvestment Bank Bhd1

EXHIBIT 10: BBSAP TOWNSHIP DETAILS**BBSAP Township**

Note: 7,885 units sold since end-2016

Phase	Phase 1A	Phase 1C	Phase 1D	Phase 2B	Phase 2C	Phase 3B	Phase 2D	Phase 3A	Phase 2A
Total GDV (RMmil)	177.4	283.8	282.1	161.6	233.2	247.9	282.5	217.3	63.0
No. of units (residential)	1,147	1,497	1,555	829	1,017	1,243	1,168	1,127	219
Launch Date	End 2016	Feb-17	Feb-17	Feb-18	Oct-18	Jan-19	Feb-20	Jun-20	TBD
Completion Date	Completed	Completed	Completed	Dec-20	May-21	Aug-21	May-22	Jun-22	TBD
Take up rate	100.0%	100.0%	99.2%	94.2%	92.9%	94.7%	49.4%	19.4%	N/A

Source: AmInvestment Bank Bhd

EXHIBIT 11: LTI TOWNSHIP DETAILS**LTI Township**

Note: 2,594 units sold since end-2016

Phase	Phase 1	Phase 2	Phase 3
Total GDV (RMmil)	323.4	484.5	355.3
No. of units (residential)	1,843	2,667	1,873
Launch Date	Mar-19	Jun-20	2HFY21
Completion Date	Jul-21	May-23	Oct-23
Take up rate	94%	33%	N/A

Source: AmInvestment Bank Bhd

DIVIDEND POLICY

We understand that Lagenda has a dividend policy which ranges from 25% to 35%. We are assuming a dividend payout ratio of 30% of its net profits annually, translating to a DPS of 6.0 sen, which implies a decent yield of 3.6–4.5% for FY21–22F (on a fully-diluted enlarged share base post-private placement, full conversion of both company warrants and RCPS).

VALUATION

We value Lagenda at RM1.95/share based on RNAV, implying a 20% discount to its RNAV vs. about a 40% discount to RNAV the market generally applies to affordable property developers of a similar size. This is to take into account: 1) Lagenda's strong management team as reflected in its ability to consistently acquire land at a steep discount to the going rates; and 2) its ability to sell its houses quicker than peers, translating to lower risk for the company as the group will be able to monetize their products more efficiently.

EXHIBIT 12: LAND PARCEL ASKING PRICES IN TAPAH, PERAK**Land Parcels Up for Sale in Tapah, Perak**

No	Land Size (acre)	Land Size (sq ft)	Asking Price (RM)	Asking Price per sq ft (RM)
1	227	9,888,120	50,000,000	5.06
2	430	18,730,800	30,100,000	1.61
3	12	522,720	1,320,000	2.53
4	100	4,356,000	10,000,000	2.30
5	14	609,840	2,240,000	3.67
6	1.4	60,984	1,100,000	18.04
7	2.3	100,000	1,650,000	16.50
8	49	2,134,440	9,800,000	4.59

Source: AmlInvestment Bank Bhd, BSN

EXHIBIT 13: RNAV VALUATION

RNAV Valuation

	Outstanding GDV RM (mil)	NPV @ 8%
Developments		
BBSAP (Phase 1 - 3)	935.9	231.7
BBSAP (Future Phases)	917.3	227.1
Lagenda Teluk Intan (Phase 1 - 3)	1,121.7	277.7
Lagenda Teluk Intan (Future Phases)	1,345.0	333.0
Tapah (3rd township)	2,045.8	506.4
Sg Petani (4th township)	1,800.0	445.6
Pahang Township (5th township)	1,500.0	371.3
Tapah Lot 8746	380.0	94.1
Taman Mulia (Phase 3 - 4)	124.6	30.9
Setia Residence (Phase 6)	4.0	1.0
Taman Bemban Indah	60.7	15.0
Pengkalan Prisma	113.3	28.0
SUBTOTAL		2561.7
Land Banks		
Taman Mulia: Phase 5		14.5
Setia Residence: Plot 438		0.6
Sungai Wangi: 8 parcels of agricultural land		5.3
Kampar: 7 contiguous parcels of agricultural land		13.0
Teluk Rubiah: 2 parcels of agricultural land		2.3
SUBTOTAL		35.7
TOTAL		2597.5
(+) Cash Proceeds from Private Placement		93.5
(+) Net Cash / (Debt): as at 31 Dec 2020		-31.1
(+) Warrant conversion proceeds		29.0
TOTAL RNAV		2688.9
Less 20% discount		-537.8
Fair Value		2151.1
Fully Diluted Outstanding Share Base		1137.9
Fair Value/share (RM)		1.89
(+) 3% premium for 4-star ESG rating		0.06
Fair Value/share (RM) + ESG Premium		1.95

Source: AmInvestment Bank Bhd,

EXHIBIT 14: ESG RATING

Overall	★	★	★	★	
Zero-carbon initiatives	★	★			
Work site safety	★	★	★	★	
Worker welfare	★	★	★	★	
Corporate social responsibility	★	★	★		
Pollution control	★	★	★		
Supply chain auditing	★	★	★	★	
Corruption-free pledge	★	★	★		
Accessibility & transparency	★	★	★	★	★

We accord a discount/premium of -6%, -3%, 0%, +3% and +6% on fundamental fair value based on the overall ESG rating as appraised by us, from 1-star to 5-star

EXHIBIT 15: KEY MILESTONES OF LAGENDA

Year	Key Milestones
1970s	- Established a construction company
1980s	- First venture into affordable homes - Developed more than 400 houses, with prices starting at RM32,000 in Sitiawan, Perak
1990s	- Established trading of building materials and hardware company
2000s	- Completed various property development projects - Residential properties (i.e. apartments, hotel-style residence, bungalows, semi-d, terrace houses and condominiums) - Commercial properties (i.e. hotel, mall, shophouses and office towers)
2014	- Established Taraf Nusantara Sdn Bhd (property development arm) - first venture into the development of affordable township
2016	- Launched 1st phase of maiden flagship affordable township Bandar Baru Setia Awan Perdana (BBSAP)
2019	- Launched 1st phase of second (2nd) affordable township Lagenda Teluk Intan (LTI)
2020	- Completed asset injection exercise and listed on Bursa Malaysia

Source: AmlInvestment Bank Bhd, Company

EXHIBIT 16: FINANCIAL DATA

Income Statement (RMmil, YE 31 Dec)	FY19	FY20	FY21F	FY22F	FY23F
Revenue	71.8	696.1	914.2	1,142.7	1,314.1
EBITDA	20.4	233.0	363.8	460.2	531.3
Depreciation/Amortisation	(6.5)	(2.0)	(2.5)	(3.0)	(3.5)
Operating income (EBIT)	14.0	231.0	361.3	457.2	527.8
Other income & associates	(0.8)	4.6	13.7	13.1	13.6
Net interest	(0.2)	(18.0)	(23.0)	(28.0)	(33.0)
Exceptional items	-	-	-	-	-
Pretax profit	13.7	212.4	337.0	427.7	493.2
Taxation	(3.9)	(62.3)	(80.9)	(102.7)	(118.4)
Minorities/pref dividends	-	-	-	-	-
Net profit	9.8	140.9	228.5	285.7	328.5
Core net profit	9.8	140.9	228.5	285.7	328.5
Balance Sheet (RMmil, YE 31 Dec)	FY19	FY20	FY21F	FY22F	FY23F
Fixed assets	-	14.8	15.0	17.5	19.5
Intangible assets	-	75.3	75.3	75.3	75.3
Other long-term assets	27.4	123.4	123.4	123.4	123.4
Total non-current assets	27.4	230.5	230.7	233.2	235.2
Cash & equivalent	1.8	184.1	215.9	319.0	519.0
Stock	40.0	317.6	470.1	587.6	675.8
Trade debtors	10.4	211.2	312.6	390.8	449.4
Other current assets	49.7	229.7	312.8	445.1	570.9
Total current assets	102.0	942.7	1,311.4	1,742.5	2,215.1
Trade creditors	32.3	186.7	276.4	345.5	397.3
Short-term borrowings	-	31.5	26.5	21.5	16.5
Other current liabilities	34.2	132.3	126.3	126.3	126.3
Total current liabilities	66.5	350.6	429.2	493.3	540.1
Long-term borrowings	-	190.7	185.7	180.7	175.7
Other long-term liabilities	-	7.1	7.1	7.1	7.1
Total long-term liabilities	-	197.8	192.8	187.8	182.8
Shareholders' funds	62.9	617.0	912.2	1,286.7	1,719.5
Minority interests	-	7.8	7.8	7.8	7.8
BV/share (RM)	0.08	1.01	1.36	1.81	2.33
Cash Flow (RMmil, YE 31 Dec)	FY19	FY20	FY21F	FY22F	FY23F
Pretax profit	13.7	212.4	337.0	427.7	493.2
Depreciation/Amortisation	6.5	2.0	2.5	3.0	3.5
Net change in working capital	(9.2)	(13.2)	(184.8)	(143.9)	(87.2)
Others	1.8	(47.3)	(126.9)	(158.7)	(184.4)
Cash flow from operations	12.8	153.9	27.8	128.2	225.1
Capital expenditure	-	-	-	-	-
Net investments & sale of fixed assets	0.3	1.0	-	-	-
Others	(3.1)	(2.2)	(5.0)	(5.0)	(5.0)
Cash flow from investing	(2.9)	7.8	(5.0)	(5.0)	(5.0)
Debt raised/(repaid)	-	-	-	-	-
Equity raised/(repaid)	-	-	-	-	-
Dividends paid	-	-	-	-	-
Others	(5.6)	(13.2)	(20.1)	(20.1)	(20.1)
Cash flow from financing	(5.6)	(13.2)	(20.1)	(20.1)	(20.1)
Net cash flow	4.4	148.5	2.8	103.1	200.1
Net cash/(debt) b/f	5.5	64.6	213.1	215.9	319.0
Net cash/(debt) c/f	9.8	213.1	215.9	319.0	519.0
Key Ratios (YE 31 Dec)	FY19	FY20	FY21F	FY22F	FY23F
Revenue growth (%)	463.7	869.2	31.3	25.0	15.0
EBITDA growth (%)	133.5	1,041.8	56.1	26.5	15.5
Pretax margin (%)	19.1	30.5	36.9	37.4	37.5
Net profit margin (%)	13.6	20.2	25.0	25.0	25.0
Interest cover (x)	57.3	12.8	15.7	16.3	16.0
Effective tax rate (%)	28.7	29.3	24.0	24.0	24.0
Dividend payout (%)	-	30.0	30.0	30.0	30.0
Debtors turnover (days)	59	58	105	112	117
Stock turnover (days)	138	94	157	169	175
Creditors turnover (days)	122	57	92	99	103

Source: Company, AmInvestment Bank Bhd estimates

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