

## Malaysia

June 12, 2024 - 7:03 AM

**ADD** (no change)

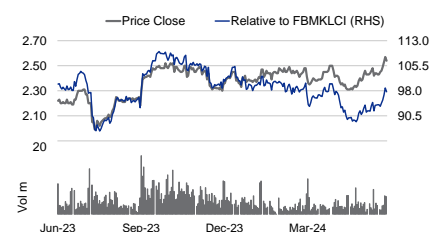
Consensus ratings\*: Buy 10 Hold 4 Sell 1

Current price:	RM2.54
Target price:	RM3.10
Previous target:	RM3.10
Up/downside:	22.0%
CGSI / Consensus:	6.7%
Reuters:	BERA.KL
Bloomberg:	BAUTO MK
Market cap:	US\$628.5m
	RM2,966m
Average daily turnover:	US\$1.35m
	RM6.39m
Current shares o/s	1,168m
Free float:	52.3%

\*Source: Bloomberg

### Key financial forecasts

	Apr-24F	Apr-25F	Apr-26F
Net Profit (RMm)	338.4	294.8	285.7
Core EPS (RM)	0.29	0.25	0.24
Core EPS Growth	10.5%	(12.9%)	(3.1%)
FD Core P/E (x)	8.77	10.07	10.39
Recurring ROE	43.1%	36.5%	34.9%
P/BV (x)	3.68	3.67	3.57
DPS (RM)	0.25	0.22	0.21
Dividend Yield	9.84%	8.46%	8.27%



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	6.7	3.7	13.9
Relative (%)	6	-0.6	-3.2

### Major shareholders

	% held
Dynamic Milestone Sdn Bhd	14.9
Employees Provident Fund	12.9
Amanah Saham Nasional	6.1

### Analyst(s)

**Jeremy MOK**

T (60) 3 2635 9277

E jeremy.mok@cgsi.com

**Prem JEARAJASINGAM**

T (60) 3 2635 9288

E prem.jearajasingam@cgsi.com

# Bermaz Auto Berhad

## Strong end to FY4/24; positive on prospects

- FY4/24 core net profit of RM91.0m beat expectations, at 104% of our FY24F estimates, a result of strong YTD TIVs and better product mix.
- We think the market is overestimating the impact of falling TIVs in 2025-26F. We believe BAUTO can deliver c.35% ROEs, with attractive 8% yields.
- Reiterate Add with a GGM-derived TP of RM3.10, employing a 34.6% CY26F ROE and 9.4% required return, implying 12.6x CY25F P/E (historical mean).

### FY4/24 core net profit beat; c.10% FY24 dividend yield

- Bermaz Auto's (BAUTO) core net profit of RM91.0m was above expectations, at 104.0% of our FY24F estimates and 106.2% of Bloomberg consensus\*. The earnings beat was on the back: 1) strong Malaysian total industry volumes (TIVs) in 2024-YTD, 2) a better product mix with more premium vehicle sales (i.e. Kia brand and higher-spec Mazda models), and 3) greater contribution from BAUTO's Philippines operations.
- BAUTO declared a fourth interim dividend of 4.75 sen and a special dividend of 7 sen, bringing its full-year FY24 DPS to 26 sen (vs. our estimate of 25 sen), translating into a 10.2% dividend yield (as at 11 Jun 2024).

### TIVs to decline, but ROEs of c.35% are sustainable, in our view

- As discussed in our report "[Is the market pricing in the worst?](#)", dated 15 May 2024, we think that the market is underestimating BAUTO's sustainable ROEs. We believe that FY25-26F core net profits of c.RM300m and ROEs of c.35% are achievable, given: 1) a robust consumer spending environment supported by cash handouts, EPF Account 3 and rising fresh graduate/civil servant salaries, 2) normalised TIV levels of c.650k p.a. for 2025-2026F, 3) continued growth in BAUTO's Kia brand in Malaysia and Mazda brand in Philippines, and 4) improving product mix with greater sales of premium vehicles supporting margins.

### Reiterate Add with a TP of RM3.10

- We reiterate our Add recommendation on BAUTO as we expect demand for new vehicles in Malaysia to remain resilient. Our GGM-derived TP of RM3.10 (employing a 34.6% CY26F ROE, 9.4% required return and 2.0% long-term growth) implies a 12.6x CY25F P/E, its historical mean (Fig 5), and is undemanding compared to SEA automotive distributors and the broader Malaysian consumer discretionary space, in our view. FY25-26F dividend yields of c.8% are also attractive. Key re-rating catalysts: 1) continued growth of Kia brand in Malaysia and Mazda brand in the Philippines, and 2) robust Malaysian consumer spending supporting TIVs. Key downside risks: 1) decline in Malaysian consumer spending power, and 2) greater competition from Chinese brands in Malaysia.

**Figure 1: FY4/24 results (RM m)**

Interim Results	4QFY24	4QFY23	yoy % chg	3QFY24	qoq % chg	FY24	FY23	yoy % chg
Revenue	938	1,072	-12.6%	897	4.6%	3,930	3,548	10.8%
EBITDA	118	132	-10.8%	92	27.8%	464	401	15.5%
EBITDA Margin (%)	12.6%	12.3%	0.3%	10.3%	2.3%	11.8%	11.3%	0.5%
EBIT	111	126	-11.7%	86	30.1%	437	378	15.6%
EBIT Margin (%)	11.9%	11.8%	0.1%	9.6%	2.3%	11.1%	10.7%	0.5%
Pre-tax profit	131	140	-6.4%	95	37.3%	489	421	16.1%
Pre-tax profit Margin (%)	13.9%	13.0%	0.9%	10.6%	3.3%	12.4%	11.9%	0.6%
Net Profit	90	101	-10.3%	71	28.0%	351.0	304	15.6%
Net Profit Margin (%)	9.6%	9.4%	0.2%	7.9%	1.8%	8.9%	8.6%	0.4%
Core Net Profit	91	100	-9.3%	69	31.8%	352	305	15.4%
Core Net Profit Margin (%)	9.7%	9.4%	0.3%	7.7%	2.0%	9.0%	8.6%	0.4%
Core EPS (sen) - basic	7.79	8.61	-9.5%	5.91	31.7%	30.18	26.21	15.1%

SOURCES: CGSI RESEARCH, COMPANY REPORTS

**Figure 2: FY4/24 segment breakdown – margin improvements as product mix shifts towards more premium vehicles; Philippines contribution increasing (RM m)**

Continuing Operations	4QFY24	4QFY23	yoy % chg	3QFY24	qoq % chg	FY24	FY23	yoy % chg
<b>Segment Revenues</b>	<b>938</b>	<b>1,072</b>	<b>-12.6%</b>	<b>897</b>	<b>4.6%</b>	<b>3,930</b>	<b>3,548</b>	<b>10.8%</b>
Malaysia	842	1,001	-15.9%	806	4.5%	3,554	3,317	7.2%
Philippines	96	72	33.4%	91	5.7%	376	231	62.5%
<b>Segment EBIT</b>	<b>112</b>	<b>129</b>	<b>-13.6%</b>	<b>88</b>	<b>26.9%</b>	<b>440</b>	<b>383</b>	<b>15.0%</b>
Malaysia	98	121	-18.6%	75	31.5%	383	354	8.1%
Philippines	13	8	58.4%	13	1.0%	57	28	101.4%
<b>Segment EBIT Margin (%)</b>	<b>11.9%</b>	<b>12.0%</b>	<b>-0.1%</b>	<b>9.8%</b>	<b>2.1%</b>	<b>11.2%</b>	<b>10.8%</b>	<b>0.4%</b>
Malaysia	11.7%	12.1%	-0.4%	9.3%	2.4%	10.8%	10.7%	0.1%
Philippines	14.0%	11.8%	2.2%	14.7%	-0.6%	15.3%	12.3%	3.0%

SOURCES: CGSI RESEARCH, COMPANY REPORTS

**Figure 3: Unit sales by region and brand – Kia brand in Malaysia and Mazda brand in Philippines are key growth drivers.**

Sales Volumes	4QFY24	4QFY23	yoy % chg	3QFY24	qoq % chg	FY24	FY23	yoy % chg
<b>Total Units Sold</b>	<b>5,480</b>	<b>6,515</b>	<b>-15.9%</b>	<b>5,463</b>	<b>0.3%</b>	<b>23,775</b>	<b>21,370</b>	<b>11.3%</b>
<b>Malaysia</b>	<b>4,843</b>	<b>5,992</b>	<b>-19.2%</b>	<b>4,857</b>	<b>-0.3%</b>	<b>21,192</b>	<b>19,688</b>	<b>7.6%</b>
Malaysia - Mazda	4,210	4,827	-12.8%	4,267	-1.3%	18,394	15,598	17.9%
Malaysia - Peugeot	228	422	-46.0%	146	56.2%	947	1,896	-50.1%
Malaysia - Kia	405	743	-45.5%	444	-8.8%	1,851	2,194	-15.6%
<b>Philippines</b>	<b>637</b>	<b>523</b>	<b>21.8%</b>	<b>606</b>	<b>5.1%</b>	<b>2,583</b>	<b>1,682</b>	<b>53.6%</b>
PH - Mazda	637	523	21.8%	606	5.1%	2,583	1,682	53.6%

SOURCES: CGSI RESEARCH, COMPANY REPORTS

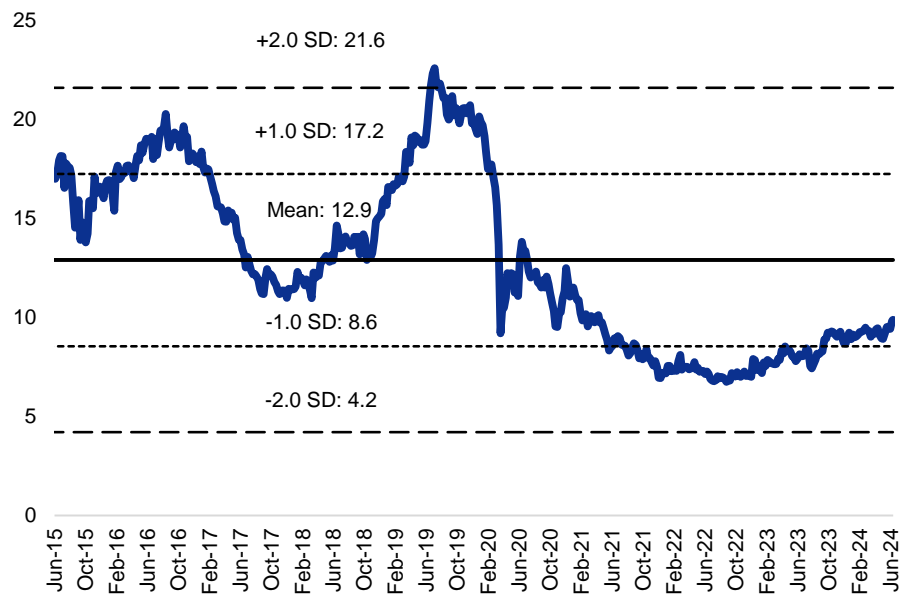
**Figure 4: TIV heatmap – 2024-YTD TIVs have been stronger-than-expected, with Mazda maintaining a 2.3% market share**

Monthly TIVs	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	yoy %
2007	35,072	31,216	38,635	33,571	38,382	43,716	44,876	47,611	44,823	42,908	43,638	42,255	486,703	
2008	45,741	38,446	46,338	50,189	47,873	48,957	53,957	47,213	50,625	37,458	40,825	39,825	547,447	12.5%
2009	38,066	37,361	44,854	41,169	41,829	42,389	48,996	46,263	43,837	44,449	43,546	45,318	518,077	-5.4%
2010	48,255	38,464	53,337	47,010	48,382	51,452	51,332	52,151	41,233	50,263	42,840	52,387	577,106	11.4%
2011	54,696	40,370	63,182	50,898	45,953	41,688	50,165	58,306	44,354	53,591	48,134	47,612	598,949	3.8%
2012	41,212	44,013	53,583	47,774	58,301	56,665	59,459	51,818	45,925	55,447	53,365	60,470	628,032	4.9%
2013	55,066	44,976	57,622	52,489	49,634	53,631	68,431	51,104	54,945	55,078	52,252	60,493	655,721	4.4%
2014	50,273	50,718	58,919	58,732	55,939	58,561	60,267	51,125	47,771	54,187	55,313	64,660	666,465	1.6%
2015	50,602	50,390	67,314	45,187	51,254	57,437	58,646	53,452	51,106	55,754	56,092	69,401	666,635	0.0%
2016	44,591	37,874	48,788	42,202	44,668	57,358	42,471	52,219	48,125	47,879	49,095	64,822	580,092	-13.0%
2017	44,667	42,455	53,718	42,746	50,594	50,273	48,553	51,718	40,956	47,039	49,187	54,719	576,625	-0.6%
2018	44,560	40,563	49,987	47,047	42,977	64,465	68,466	65,550	31,240	47,273	48,282	48,188	598,598	3.8%
2019	48,450	39,814	54,776	49,935	60,760	42,586	50,854	51,148	44,666	53,870	52,584	54,842	604,285	1.0%
2020	42,942	41,087	21,243	145	23,366	44,756	58,878	53,838	57,758	57,695	57,604	68,836	528,148	-12.6%
2021	33,392	43,448	64,876	58,329	47,207	1,926	7,499	17,923	44,227	64,762	60,046	65,184	508,819	-3.7%
2022	41,533	45,064	73,244	57,585	50,661	63,597	49,930	67,599	67,698	61,900	65,201	76,657	720,669	41.6%
2023	50,168	63,561	78,881	47,800	63,154	62,601	64,765	72,836	68,187	76,182	73,270	78,440	799,845	11.0%
2024	66,903	64,290	71,052	57,991	-	-	-	-	-	-	-	-	*740,000	*-7.5%
Avg. (2007-19)	46,250	41,282	53,158	46,842	48,965	51,475	54,344	52,283	45,354	49,630	48,858	54,230	603,660	3.8%
Avg. (2020-23)	42,009	48,290	59,561	40,965	46,097	43,220	45,268	53,049	59,468	65,135	64,030	72,279	632,353	7.5%

Note: The Malaysian Automotive Association (MAA) estimates 2024F TIVs of 740,000 units

SOURCES: CGSI RESEARCH, MAA

**Figure 5: Adj. P/E (1 year forward, as of 11 Jun 2024) – we think current share prices overly penalises BAuto for the expected decline in TIVs**



SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

**Figure 6: Peer comparison**

Company	Bloomberg Tickers	Mkt Cap (US\$ m)	Rec.	Price (LCY)	TP (LCY)	P/E (x) 2024F	P/E (x) 2025F	P/BV (x) 2024F	P/BV (x) 2025F	ROE (%) 2024F	ROE (%) 2025F	Yield (%) 2024F	Yield (%) 2025F
<b>SEA Auto Distributors</b>													
Sime Darby Bhd	SIME MK	3,827	Add	2.65	3.06	12.2	11.1	0.9	0.8	7.6	7.8	4.3	4.9
Bermaz Auto Berhad	BAUTO MK	629	Add	2.54	3.10	9.6	10.3	3.7	3.6	38.9	35.4	8.9	8.3
Astra International	ASII IJ	10,810	Add	4,350	5,500	6.1	5.8	0.9	0.8	14.0	14.1	7.4	7.8
<b>Global Auto Manufacturers</b>													
BYD Co Ltd	1211 HK	93,179	Add	228.40	324.00	19.3	17.2	3.8	3.4	21.5	20.9	1.6	1.7
NIO Inc	9866 HK	10,034	Add	37.55	75.00	na	na	5.7	9.2	(50.7)	(42.5)	na	na
XPeng Inc	9868 HK	7,536	Add	31.15	76.50	na	na	2.0	2.5	(17.9)	(9.2)	na	na
Li Auto Inc	2015 HK	20,608	Add	75.85	200.00	13.5	8.8	2.0	1.8	16.3	21.1	na	na
KIA	000270 KS	35,398	Add	122,000	146,000	4.5	5.1	0.9	0.8	21.2	16.1	3.7	3.7
Hyundai Motor Company	005380 KS	41,181	Add	271,000	300,000	5.4	6.5	0.7	0.7	14.1	10.6	4.8	4.1
<b>Malaysian Consumer Discretionary</b>													
7-Eleven Malaysia Holdings	SEM MK	465	Hold	1.98	1.98	32.4	26.9	5.1	4.7	17.5	18.2	1.8	2.2
Berjaya Food Berhad	BFD MK	223	Add	0.60	1.00	18.4	10.5	2.1	1.9	11.9	19.0	2.1	4.3
Bonia Corporation	BON MK	72	Add	1.70	3.50	5.8	na	0.8	na	14.3	na	15.4	na
Mynews Holdings Berhad	MNHB MK	102	Add	0.64	0.89	38.3	23.4	2.0	1.9	5.0	8.1	0.6	1.4
Panasonic Manufacturing Malaysia Berhad	PMM MK	263	Reduce	20.40	20.10	15.2	na	1.5	na	9.8	na	5.5	na
Mr D.I.Y. Group (M) Bhd	MRDIY MK	3,845	Add	1.92	2.06	28.7	24.4	9.2	8.3	34.4	35.7	2.3	3.1
Beshom Holdings Bhd	BESHOM MK	64	Hold	1.01	0.93	22.5	17.4	1.0	1.0	4.4	5.5	3.6	4.3

DATA AS OF 11 JUN 2024

SOURCES: CGSI RESEARCH ESTIMATES, BLOOMBERG, COMPANY REPORTS

## BY THE NUMBERS

### Profit & Loss

(RMm)	Apr-23A	Apr-24F	Apr-25F	Apr-26F
<b>Total Net Revenues</b>	<b>3,541</b>	<b>4,130</b>	<b>3,576</b>	<b>3,438</b>
<b>Gross Profit</b>	<b>584</b>	<b>679</b>	<b>585</b>	<b>568</b>
<b>Operating EBITDA</b>	<b>403</b>	<b>452</b>	<b>389</b>	<b>379</b>
Depreciation And Amortisation	-23	-25	-26	-28
<b>Operating EBIT</b>	<b>379</b>	<b>427</b>	<b>362</b>	<b>351</b>
Financial Income/(Expense)	3	6	8	8
Pretax Income/(Loss) from Assoc.	41	41	36	34
Non-Operating Income/(Expense)	0	0	0	0
<b>Profit Before Tax (pre-EI)</b>	<b>424</b>	<b>475</b>	<b>406</b>	<b>393</b>
Exceptional Items	-1	0	0	0
<b>Pre-tax Profit</b>	<b>423</b>	<b>475</b>	<b>406</b>	<b>393</b>
Taxation	-94	-114	-97	-94
Exceptional Income - post-tax				
<b>Profit After Tax</b>	<b>329</b>	<b>361</b>	<b>308</b>	<b>299</b>
Minority Interests	-23	-22	-14	-13
Preferred Dividends				
FX Gain/(Loss) - post tax				
Other Adjustments - post-tax				
<b>Net Profit</b>	<b>306</b>	<b>338</b>	<b>295</b>	<b>286</b>
Recurring Net Profit	306	338	295	286
<b>Fully Diluted Recurring Net Profit</b>	<b>306</b>	<b>338</b>	<b>295</b>	<b>286</b>

### Balance Sheet

(RMm)	Apr-23A	Apr-24F	Apr-25F	Apr-26F
Total Cash And Equivalents	538	483	484	498
Total Debtors	208	237	201	188
Inventories	504	677	607	603
Total Other Current Assets	0	0	0	0
<b>Total Current Assets</b>	<b>1,250</b>	<b>1,397</b>	<b>1,293</b>	<b>1,289</b>
Fixed Assets	117	110	102	92
Total Investments	317	358	394	428
Intangible Assets	1	1	1	1
Total Other Non-Current Assets	105	105	105	105
<b>Total Non-current Assets</b>	<b>538</b>	<b>573</b>	<b>601</b>	<b>625</b>
Short-term Debt	100	0	0	0
Current Portion of Long-Term Debt				
Total Creditors	436	598	539	537
Other Current Liabilities	67	82	83	82
<b>Total Current Liabilities</b>	<b>603</b>	<b>680</b>	<b>622</b>	<b>618</b>
Total Long-term Debt	0	0	0	0
Hybrid Debt - Debt Component				
Total Other Non-Current Liabilities	283	314	278	266
<b>Total Non-current Liabilities</b>	<b>283</b>	<b>314</b>	<b>278</b>	<b>266</b>
Total Provisions	61	72	74	73
<b>Total Liabilities</b>	<b>947</b>	<b>1,066</b>	<b>973</b>	<b>958</b>
Shareholders' Equity	765	805	808	831
Minority Interests	77	99	113	126
<b>Total Equity</b>	<b>841</b>	<b>904</b>	<b>921</b>	<b>957</b>

### Cash Flow

(RMm)	Apr-23A	Apr-24F	Apr-25F	Apr-26F
EBITDA	402.8	451.7	388.6	378.9
Cash Flow from Inv. & Assoc.				
Change In Working Capital	(176.2)	(6.0)	13.8	6.8
(Incr)/Decr in Total Provisions				
Other Non-Cash (Income)/Expense				
Other Operating Cashflow	(10.9)	27.9	2.8	(1.5)
Net Interest (Paid)/Received	(9.3)	(5.5)	(3.3)	(3.1)
Tax Paid	(102.5)	(113.9)	(97.4)	(94.4)
<b>Cashflow From Operations</b>	<b>103.9</b>	<b>354.2</b>	<b>304.5</b>	<b>286.6</b>
Capex	(10.5)	(10.0)	(10.0)	(10.0)
Disposals Of FAs/subsidiaries	0.0	0.0	0.0	0.0
Acq. Of Subsidiaries/investments				
Other Investing Cashflow	13.2	11.7	11.1	11.3
<b>Cash Flow From Investing</b>	<b>2.7</b>	<b>1.7</b>	<b>1.1</b>	<b>1.3</b>
Debt Raised/(repaid)	(100.0)	(99.9)	0.0	0.0
Proceeds From Issue Of Shares	8.0	0.0	0.0	0.0
Shares Repurchased				
Dividends Paid	(154.0)	(297.9)	(292.1)	(262.9)
Preferred Dividends				
Other Financing Cashflow	(22.7)	(18.4)	(15.4)	(14.6)
<b>Cash Flow From Financing</b>	<b>(268.7)</b>	<b>(416.2)</b>	<b>(307.5)</b>	<b>(277.5)</b>
Total Cash Generated	(62.0)	238.0	30.1	10.5
<b>Free Cashflow To Equity</b>	<b>6.6</b>	<b>256.0</b>	<b>305.6</b>	<b>287.9</b>
<b>Free Cashflow To Firm</b>	<b>115.9</b>	<b>361.4</b>	<b>308.9</b>	<b>291.1</b>

### Key Ratios

	Apr-23A	Apr-24F	Apr-25F	Apr-26F
Revenue Growth	52.4%	16.6%	(13.4%)	(3.9%)
Operating EBITDA Growth	80.9%	12.1%	(14.0%)	(2.5%)
Operating EBITDA Margin	11.4%	10.9%	10.9%	11.0%
Net Cash Per Share (RM)	0.32	0.36	0.36	0.38
BVPS (RM)	0.65	0.69	0.69	0.71
Gross Interest Cover	41.0	77.4	109.4	111.9
Effective Tax Rate	22.2%	24.0%	24.0%	24.0%
Net Dividend Payout Ratio	50.4%	88.0%	99.1%	92.0%
Accounts Receivables Days	19.13	19.71	22.34	20.66
Inventory Days	44.47	62.62	78.38	76.95
Accounts Payables Days	39.07	46.02	59.08	58.63
ROIC (%)	135%	75%	61%	68%
ROCE (%)	39.7%	44.3%	38.2%	36.2%
Return On Average Assets	19.6%	18.9%	15.7%	15.4%

### 12-mth Fwd FD P/E (x) - Bermaz Auto Berhad



### Key Drivers

	Apr-23A	Apr-24F	Apr-25F	Apr-26F
Malaysia Volume	19,688.0	20,670.0	17,175.6	15,884.5
Philippines Volume	1,682.0	2,315.0	2,366.6	2,484.9

## DISCLAIMER

The content of this report (including the views and opinions expressed therein, and the information comprised therein) has been prepared by and belongs to CGS International. Reports relating to a specific geographical area are produced and distributed by the corresponding CGS International entity as listed in the table below.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.

By accepting this report, the recipient hereof represents and warrants that he is entitled to receive such report in accordance with the restrictions set forth below and agrees to be bound by the limitations contained herein (including the "Restrictions on Distributions" set out below). Any failure to comply with these limitations may constitute a violation of law. This publication is being supplied to you strictly on the basis that it will remain confidential. No part of this report may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means; or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of CGS International.

The information contained in this research report is prepared from data believed to be correct and reliable at the time of issue of this report. CGS International may or may not issue regular reports on the subject matter of this report at any frequency and may cease to do so or change the periodicity of reports at any time. CGS International has no obligation to update this report in the event of a material change to the information contained in this report. CGS International does not accept any obligation to (i) check or ensure that the contents of this report remain current, reliable or relevant, (ii) ensure that the content of this report constitutes all the information a prospective investor may require, (iii) ensure the adequacy, accuracy, completeness, reliability or fairness of any views, opinions and information, and accordingly, CGS International, its affiliates and related corporations shall not be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof. In particular, CGS International disclaims all responsibility and liability for the views and opinions set out in this report.

Unless otherwise specified, this report is based upon sources which CGS International considers to be reasonable. Such sources will, unless otherwise specified, for market data, be market data and prices available from the main stock exchange or market where the relevant security is listed, or, where appropriate, any other market. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information and information resulting from our research.

Whilst every effort is made to ensure that statements 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 as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up and those investing may, depending on the investments in question, lose more than the initial investment. No report shall constitute an offer or an invitation by or on behalf of CGS International or any of its affiliates to any person to buy or sell any investments.

CGS International, its affiliates and related corporations and/or their respective directors, associates, connected parties and/or employees may own or have positions in securities of the company(ies) covered in this research report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities. Further, CGS International, its affiliates and their respective related corporations do and seek to do business with the company(ies) covered in this research report and may from time to time act as market maker or have assumed an underwriting commitment in securities of such company(ies), may sell them to or buy them from customers on a principal basis and may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) as well as solicit such investment, advisory or other services from any entity mentioned in this report.

CGS International or its affiliates may enter into an agreement with the company(ies) covered in this report relating to the production of research reports. CGS International may disclose the contents of this report to the company(ies) covered by it and may have amended the contents of this report following such disclosure.

The analyst 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. No part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations(s) or view(s) in this report. The analyst(s) who prepared this research report is prohibited from receiving any compensation, incentive or bonus based on specific investment banking transactions or for providing a specific recommendation for, or view of, a particular company. Information barriers and other arrangements may be established where necessary to prevent conflicts of interests arising. However, the analyst(s) may receive compensation that is based on his/their coverage of company(ies) in the performance of his/their duties or the performance of his/their recommendations and the research personnel involved in the preparation of this report may also participate in the solicitation of the businesses as described above. In reviewing this research report, an investor should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additional information is, subject to the duties of confidentiality, available on request.

Reports relating to a specific geographical area are produced by the corresponding CGS International entity as listed in the table below. The term "CGS International" shall denote, where appropriate, the relevant entity distributing or disseminating the report in the particular jurisdiction referenced below, or, in every other case except as otherwise stated herein, CGS International Securities Pte. Ltd. and its affiliates, subsidiaries and related corporations.

Jurisdiction	CGS International Entity	Regulated by
Hong Kong	CGS International Securities Hong Kong Limited	Securities and Futures Commission Hong Kong
Indonesia	PT CGS International Sekuritas Indonesia	Financial Services Authority of Indonesia
Malaysia	CGS International Securities Malaysia Sdn. Bhd. (formerly known as CGS-CIMB Securities Sdn. Bhd.)	Securities Commission Malaysia
Singapore	CGS International Securities Singapore Pte. Ltd.	Monetary Authority of Singapore
South Korea	CGS International Securities Hong Kong Limited, Korea Branch	Financial Services Commission and Financial Supervisory Service
Thailand	CGS International Securities (Thailand) Co. Ltd.	Securities and Exchange Commission Thailand

#### Other Significant Financial Interests:

(i) As of June 10, 2024 CGS International has a proprietary position in the securities (which may include but not be limited to shares, warrants, call warrants and/or any other derivatives) in the following company or companies covered or recommended in this report:

(a) Astra International, Sime Darby Bhd

(ii) Analyst Disclosure: As of June 12, 2024, the analyst(s) who prepared this report, and the associate(s), has / have an interest in the securities (which may include but not be limited to shares, warrants, call warrants and/or any other derivatives) in the following company or companies covered or recommended in this report:

(a) -

This report does not purport to contain all the information that a prospective investor may require. Neither CGS International nor any of its affiliates make any guarantee, representation or warranty, express or implied, as to the adequacy, accuracy, completeness, reliability or fairness of any such information and opinion contained in this report. Neither CGS International nor any of its affiliates nor their related corporations shall be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof.

This report is general in nature and has been prepared for information purposes only. It is intended for circulation amongst CGS International's clients generally 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. The information and opinions in this report are not and should not be construed or considered as an offer, recommendation or solicitation to buy or sell the subject securities, related investments or other financial instruments or any derivative instrument, or any rights pertaining thereto.

Investors are advised to make their own independent evaluation of the information contained in this research report, consider their own individual investment objectives, financial situation and particular needs and consult their own professional and financial advisers as to the legal, business, financial, tax and other aspects before participating in any transaction in respect of the securities of company(ies) covered in this research report.

The securities of such company(ies) may not be eligible for sale in all jurisdictions or to all categories of investors.

#### Restrictions on Distributions

**Australia:** Despite anything in this report to the contrary, this research is provided in Australia by CGS International Securities Singapore Pte. Ltd. ("CGS SG") and CGS International Securities Hong Kong Limited ("CGS HK"). This research is only available in Australia to persons who are "wholesale clients" (within the meaning of the Corporations Act 2001 (Cth) and is supplied solely for the use of such wholesale clients and shall not be distributed or passed on to any other person. You represent and warrant that if you are in Australia, you are a "wholesale client". This research is of a general nature only and has been prepared without taking into account the objectives, financial situation or needs of the individual recipient. CGS SG and CGS HK do not hold, and are not required to hold an Australian financial services license. CGS SG and CGS HK rely on "passporting" exemptions for entities appropriately licensed by the Monetary Authority of Singapore (under ASIC Class Order 03/1102) and the Securities and Futures Commission in Hong Kong (under ASIC Class Order 03/1103).

**Canada:** This research report has not been prepared in accordance with the disclosure requirements of Dealer Member Rule 3400 – Research Restrictions and Disclosure Requirements of the Investment Industry Regulatory Organization of Canada. For any research report distributed by CIBC, further disclosures related to CIBC conflicts of interest can be found at <https://researchcentral.cibcwm.com>.

**China:** For the purpose of this report, the People's Republic of China ("PRC") does not include the Hong Kong Special Administrative Region, the Macau Special Administrative Region or Taiwan. The distributor of this report has not been approved or licensed by the China Securities Regulatory Commission or any other relevant regulatory authority or governmental agency in the PRC. This report contains only marketing information. The distribution of this report is not an offer to buy or sell to any person within or outside PRC or a solicitation to any person within or outside of PRC to buy or sell any instruments described herein. This report is being issued outside the PRC to a limited number of institutional investors and may not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose.

**France:** Only qualified investors within the meaning of French law shall have access to this report. This report shall not be considered as an offer to subscribe to, or used in connection with, any offer for subscription or sale or marketing or direct or indirect distribution of financial instruments and it is not intended as a solicitation for the purchase of any financial instrument.

**Germany:** This report is only directed at persons who are professional investors as defined in sec 31a(2) of the German Securities Trading Act (WpHG). This publication constitutes research of a non-binding nature on the market situation and the investment instruments cited here at the time of the publication of the information.

The current prices/yields in this issue are based upon closing prices from Bloomberg as of the day preceding publication. Please note that neither the German Federal Financial Supervisory Agency (BaFin), nor any other supervisory authority exercises any control over the content of this report.

**Hong Kong:** This report is issued and distributed in Hong Kong by CGS HK which is licensed in Hong Kong by the Securities and Futures Commission for Type 1 (dealing in securities) and Type 4 (advising on securities) activities. Any investors wishing to purchase or otherwise deal in the securities covered in this report should contact the Head of Sales at CGS HK. The views and opinions in this research report are our own as of the date hereof and are 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. CGS HK has no obligation to update its opinion or the information in this

research report.

This publication is strictly confidential and is for private circulation only to clients of CGS HK.

CGS HK does not make a market on other securities mentioned in the report.

**Indonesia:** This report is issued and distributed by PT CGS International Sekuritas Indonesia ("CGS ID"). The views and opinions in this research report are our own as of the date hereof and are subject to change. CGS ID has no obligation to update its opinion or the information in this research report. This report is for private circulation only to clients of CGS ID. Neither this report nor any copy hereof may be distributed in Indonesia or to any Indonesian citizens wherever they are domiciled or to Indonesian residents except in compliance with applicable Indonesian capital market laws and regulations.

This research report is not an offer of securities in Indonesia. The securities referred to in this research report have not been registered with the Financial Services Authority (Otoritas Jasa Keuangan) pursuant to relevant capital market laws and regulations, and may not be offered or sold within the territory of the Republic of Indonesia or to Indonesian citizens through a public offering or in circumstances which constitute an offer within the meaning of the Indonesian capital market law and regulations.

**Ireland:** CGS International is not an investment firm authorised in the Republic of Ireland and no part of this document should be construed as CGS International acting as, or otherwise claiming or representing to be, an investment firm authorised in the Republic of Ireland.

**Malaysia:** This report is distributed in Malaysia by CGS International Securities Malaysia Sdn. Bhd. (formerly known as CGS-CIMB Securities Sdn. Bhd.) ("CGS MY") solely for the benefit of and for the exclusive use of our clients. Recipients of this report are to contact CGS MY, at Level 29, Menara Aras Raya, No. 11, Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia, in respect of any matters arising from or in connection with this report. CGS MY has no obligation to update, revise or reaffirm its opinion or the information in this research report after the date of this report.

**New Zealand:** In New Zealand, this report is for distribution only to persons who are wholesale clients pursuant to section 5C of the Financial Advisers Act 2008.

**Singapore:** This report is issued and distributed by CGS SG. CGS SG is a capital markets services licensee under the Securities and Futures Act 2001. Accordingly, it is exempted from the requirement to hold a financial adviser's licence under the Financial Advisers Act 2001 ("FAA") for advising on investment products, by issuing or promulgating research analyses or research reports, whether in electronic, print or other form. CGS SG is subject to the applicable rules under the FAA unless it is able to avail itself to any prescribed exemptions.

Recipients of this report are to contact CGS SG, 10 Marina Boulevard, Marina Bay Financial Centre Tower 2, #09-01, Singapore 018983 in respect of any matters arising from, or in connection with this report. CGS SG has no obligation to update its opinion or the information in this research report. This publication is strictly confidential and is for private circulation only. If you have not been sent this report by CGS SG directly, you may not rely, use or disclose to anyone else this report or its contents.

If the recipient of this research report is not an accredited investor, expert investor or institutional investor, CGS SG accepts legal responsibility for the contents of the report without any disclaimer limiting or otherwise curtailing such legal responsibility. If the recipient is an accredited investor, expert investor or institutional investor, the recipient is deemed to acknowledge that CGS SG is exempt from certain requirements under the FAA and its attendant regulations, and as such, is exempt from complying with the following:

- (a) Section 34 of the FAA (obligation to disclose product information);
- (b) Section 36 (duty not to make recommendation with respect to any investment product without having a reasonable basis where you may be reasonably expected to rely on the recommendation) of the FAA;
- (c) MAS Notice on Information to Clients and Product Information Disclosure [Notice No. FAA-N03];
- (d) MAS Notice on Recommendation on Investment Products [Notice No. FAA-N16];
- (e) Section 45 (obligation on disclosure of interest in specified products), and
- (f) any other laws, regulations, notices, directive, guidelines, circulars and practice notes which are relates to the above, to the extent permitted by applicable laws, as may be amended from time to time, and any other laws, regulations, notices, directive, guidelines, circulars, and practice notes as we may notify you from time to time. In addition, the recipient who is an accredited investor, expert investor or institutional investor acknowledges that as CGS SG is exempt from Section 36 of the FAA, the recipient will also not be able to file a civil claim against CGS SG for any loss or damage arising from the recipient's reliance on any recommendation made by CGS SG which would otherwise be a right that is available to the recipient under Section 36 of the FAA.

CGS SG, its affiliates and related corporations, their directors, associates, connected parties and/or employees may own or have positions in specified products of the company(ies) covered in this research report or any specified products related thereto and may from time to time add to or dispose of, or may be materially interested in, any such specified products. Further, CGS SG, its affiliates and its related corporations do and seek to do business with the company(ies) covered in this research report and may from time to time act as market maker or have assumed an underwriting commitment in specified products of such company(ies), may sell them to or buy them from customers on a principal basis and may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) as well as solicit such investment, advisory or other services from any entity mentioned in this report.

CGS SG does not make a market on the securities mentioned in the report.

**South Korea:** This report is issued and distributed in South Korea by CGS International Securities Hong Kong Limited, Korea Branch ("CGS KR") which is licensed as a cash equity broker, and regulated by the Financial Services Commission and Financial Supervisory Service of Korea. In South Korea, this report is for distribution only to professional investors under Article 9(5) of the Financial Investment Services and Capital Market Act of Korea ("FSCMA").

**Spain:** This document is a research report and it is addressed to institutional investors only. The research report is of a general nature and not personalised and does not constitute investment advice so, as the case may be, the recipient must seek proper advice before adopting any investment decision. This document does not constitute a public offering of securities.

CGS International is not registered with the Spanish Comision Nacional del Mercado de Valores to provide investment services.

**Sweden:** This report contains only marketing information and has not been approved by the Swedish Financial Supervisory Authority. The distribution of this report is not an offer to sell to any person in Sweden or a solicitation to any person in Sweden to buy any instruments described herein and may

not be forwarded to the public in Sweden.

**Switzerland:** This report has not been prepared in accordance with the recognized self-regulatory minimal standards for research reports of banks issued by the Swiss Bankers' Association (Directives on the Independence of Financial Research).

**Thailand:** This report is issued and distributed by CGS International Securities (Thailand) Co. Ltd. ("CGS TH") based upon sources believed to be reliable (but their accuracy, completeness or correctness is not guaranteed). The statements or expressions of opinion herein were arrived at after due and careful consideration for use as information for investment. Such opinions are subject to change without notice and CGS TH has no obligation to update its opinion or the information in this research report.

**Corporate Governance Report (CGR):** ([Thai CGR and Anti-Corruption of Thai Listed Companies - Click here](#))

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. CGS TH does not confirm nor certify the accuracy of such survey result.

<b>Score Range:</b>	90 - 100	80 – 89	70 - 79	Below 70	No Survey Result
<b>Description:</b>	Excellent	Very Good	Good	N/A	N/A

**United Arab Emirates:** The distributor of this report has not been approved or licensed by the UAE Central Bank or any other relevant licensing authorities or governmental agencies in the United Arab Emirates. This report is strictly private and confidential and has not been reviewed by, deposited or registered with UAE Central Bank or any other licensing authority or governmental agencies in the United Arab Emirates. This report is being issued outside the United Arab Emirates to a limited number of institutional investors and must not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose. Further, the information contained in this report is not intended to lead to the sale of investments under any subscription agreement or the conclusion of any other contract of whatsoever nature within the territory of the United Arab Emirates.

**United Kingdom and European Economic Area (EEA):** In the United Kingdom and European Economic Area, this material is also being distributed by CGS International Securities UK Ltd. ("CGS UK"). CGS UK is authorized and regulated by the Financial Conduct Authority and its registered office is at 53 New Broad Street, London EC2M 1JJ. The material distributed by CGS UK has been prepared in accordance with CGS International's policies for managing conflicts of interest arising as a result of publication and distribution of this material. This material is for distribution only to, and is solely directed at, selected persons on the basis that those persons: (a) are eligible counterparties and professional clients of CGS UK; (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Order"), (c) fall within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc") of the Order; (d) are outside the United Kingdom subject to relevant regulation in each jurisdiction, material(all such persons together being referred to as "relevant persons"). This material is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this material relates is available only to relevant persons and will be engaged in only with relevant persons. This material is categorised as non-independent for the purposes of CGS UK and therefore does not provide an impartial or objective assessment of the subject matter and does not constitute independent research. Consequently, this material has not been prepared in accordance with legal requirements designed to promote the independence of research and will not be subject to any prohibition on dealing ahead of the dissemination of research. Therefore, this material is considered a marketing communication.

**United States:** This research report is distributed in the United States of America by CGS International Securities USA Inc, a U.S. registered broker-dealer and an affiliate of CGS MY, CGS SG, CGS ID, CGS TH and CGS HK and is distributed solely to persons who qualify as "U.S. Institutional Investors" as defined in Rule 15a-6 under the Securities and Exchange Act of 1934. This communication is only for Institutional Investors whose ordinary business activities involve investing in shares, bonds, and associated securities and/or derivative securities and who have professional experience in such investments. Any person who is not a U.S. Institutional Investor or Major Institutional Investor must not rely on this communication. The delivery of this research report to any person in the United States of America is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein. CGS International Securities USA, Inc. ("CGS US"), is a FINRA/SIPC member and takes responsibility for the content of this report. For further information or to place an order in any of the above-mentioned securities please contact a registered representative of CGS US.

CGS International Securities USA, Inc. does not make a market on other securities mentioned in the report.

CGS US has not managed or co-managed a public offering of any of the securities mentioned in the past 12 months.

CGS US has not received compensation for investment banking services from any of the company mentioned in the past 12 months.

CGS US neither expects to receive nor intends to seek compensation for investment banking services from any of the company mentioned within the next 3 months.

**United States Third-Party Disclaimer:** If this report is distributed in the United States of America by Raymond James & Associates, Inc ("RJA"), this report is third-party research prepared for and distributed in the United States of America by RJA pursuant to an arrangement between RJA and CGS International Securities Pte. Ltd. ("CGSI"). CGSI is not an affiliate of RJA. This report is distributed solely to persons who qualify as "U.S. Institutional Investors" or as "Major U.S. Institutional Investors" as defined in Rule 15a-6 under the Securities and Exchange Act of 1934, as amended. This communication is only for U.S. Institutional Investors or Major U.S. Institutional Investor whose ordinary business activities involve investing in shares, bonds, and associated securities and/or derivative securities and who have professional experience in such investments. Any person who is not a U.S. Institutional Investor or Major U.S. Institutional Investor must not rely on this communication. The delivery of this report to any person in the U.S. is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein. If you are receiving this report in the U.S from RJA, a FINRA/SIPC member, it takes responsibility for the content of this report. For further information or to place an order in any of the above-mentioned securities please contact a registered representative of CGS US or RJA.

<https://raymondjames.com/InternationalEquityDisclosures>

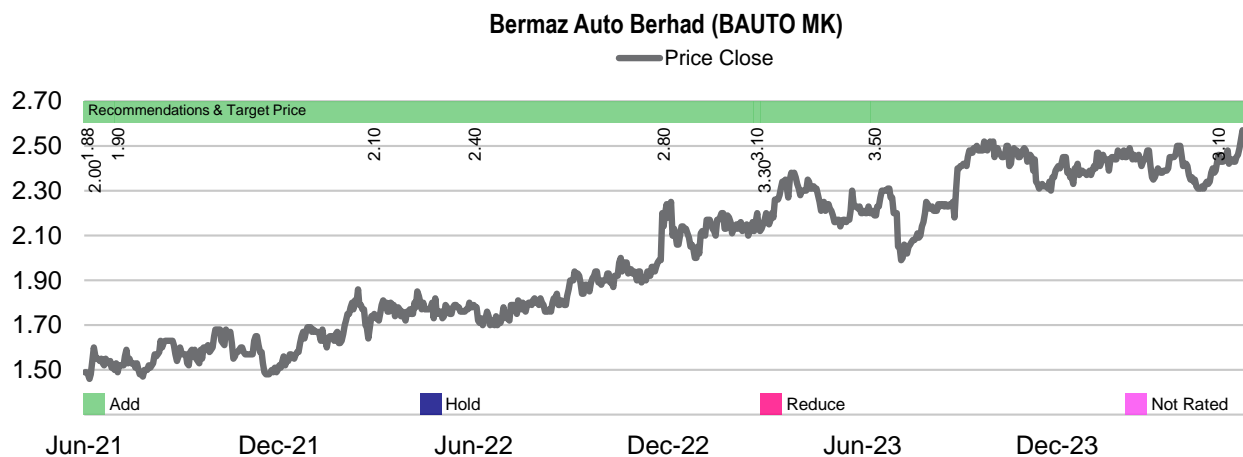
**Other jurisdictions:** In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is only for distribution to professional,



institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

Distribution of stock ratings and investment banking clients for quarter ended on 31 March 2024		
634 companies under coverage for quarter ended on 31 March 2024		
	Rating Distribution (%)	Investment Banking clients (%)
Add	65.5%	1.3%
Hold	24.1%	0.2%
Reduce	10.4%	0.3%

**Spitzer Chart for stock being researched ( 2 year data )**



<b>Recommendation Framework</b>	
<b>Stock Ratings</b>	Definition:
Add	The stock's total return is expected to exceed 10% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce	The stock's total return is expected to fall below 0% or more over the next 12 months.
<i>The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.</i>	
<b>Sector Ratings</b>	Definition:
Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.
<b>Country Ratings</b>	Definition:
Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.