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KEY HIGHLIGHTS

Company Update

Farm Fresh (FFB MK/HOLD/RM1.19/Target: RM1.10) Page 2

Input cost remains favourable relative to Farm Fresh's hedged cost. However, its resurgent earnings recovery has been priced in by its current valuations. Maintain HOLD.

Asian Gems Corporate Highlights

Petronas Dagangan (PETD MK/HOLD/RM22.64/Target: RM24.70) Page 5

We commend PETD for embracing peak fossil fuel risk. PETD may become a major enabler of EV adoption, even if share price sentiment is weighed by subsidy rationalisation.

TRADERS' CORNER

Page 8

Shangri-La Hotels Malaysia (SHMB MK): Technical BUY

Mr DIY Group (MRDIY MK): Technical BUY

KEY INDICES

	Index	pt chg	% chg
FBMKLCI	1,436.49	1.3	0.1
Bursa Emas	10,638.85	9.6	0.1
Ind Product	172.21	(0.6)	(0.4)
Finance	16,180.55	70.9	0.4
Consumer	551.99	(0.8)	(0.1)
Construction	187.52	0.3	0.1
Properties	869.58	4.2	0.5
Plantations	6,873.64	(25.1)	(0.4)

BURSA MALAYSIA TRADING & PARTICIPATION

Malaysia Turnover	11-Oct-23	% chg
Volume (m units)	3,007	(11.3)
Value (RMm)	2,180	7.8

By Investor type	(%)	ppt chg
Foreign investors	38.8	8.3
Local retail	24.4	(3.4)
Local institution	36.8	(4.9)

TOP TRADING TURNOVER / GAINERS / LOSERS

Top Trading Turnover	Price (RM)	Chg (%)	5-day ADT (RM'000)
Malayan Banking	8.90	0.1	105,149
CIMB Group	5.60	0.9	102,122
Public Bank	4.15	0.5	70,103
YTL Corp	1.49	0.0	54,135
UEM Sunrise	0.87	(1.7)	48,994

Top Gainers			
SapuraEnergy	0.06	10.0	3,221
IOI Properties	1.79	5.3	17,251
WCT Bhd	0.59	3.5	4,110
Bank Islam	2.24	2.8	4,266
Jaya Tiasa Holdings	0.92	2.2	1,896

Top Losers			
Astro Malaysia	0.45	(3.2)	2,546
Dayang Enterprise	1.86	(2.1)	7,459
Sunway	1.91	(2.1)	18,533
Berjaya Corp	0.28	(1.8)	595
UEM Sunrise	0.86	(1.7)	48,994

OTHER STATISTICS

	11-Oct-23	chg	% chg
RM/US\$	4.72	(0.01)	(0.3)
CPO 3rd mth future (RM/mt)	3,551	(14.0)	(0.4)

Top volume, gainers and losers are based on FBM100 component stocks

COMPANY UPDATE

Farm Fresh (FFB MK)

Easing Cost Pressures But Valuations Remain Lofty

Over the coming quarters, both top-line and earnings should improve sequentially. A host of new products, increased capacity and full quarter's contribution from Inside Scoop will provide an uplift to sales. Meanwhile, revised ASPs and lower hedged input costs bode well for margins. This is captured by FY25 earnings close to doubling. Despite that, valuations are trading in line with its peers', thus leaving limited upside at this juncture. Maintain HOLD and target price of RM1.10.

WHAT'S NEW

- **WMP still trending favourably.** Current whole milk powder (WMP) prices have inched up recently but at US\$2,931/MT, it is still 9.5% lower vis-à-vis Farm Fresh's current hedge of US\$3,240/MT. Global demand, driven by China is only expected to firm up in 2H24 and therefore it still bodes favourably for Farm Fresh at this juncture when it rolls over its WMP hedge in late-23. WMP accounts for close to 49% of FY24 milk requirements. We estimate for every -1.0% to its hedge cost, FY25 earnings are positively impacted by +0.9%. Meanwhile, Australia farmgate milk prices have only softened marginally as demand has remained robust arising from extreme competition among dairy processors in Australia. Global dairy prices could place external pressure on domestic pricing. But given the duration of Farm Fresh's farmgate milk hedge till mid-24 and the insignificant fluctuations in pricing, it does not necessitate a change in our FY25 assumptions at this juncture.
- **Sequentially, earnings should be on a significantly stronger footing.** This is owing to:
 - Full quarter's contribution from Inside Scoop.** Contributions from Inside Scoop were only consolidated in the month of June during the 1QFY24 quarter. Inside Scoop's sales contribution was estimated to have accounted for 2% of revenue from a single month's contribution. Furthermore, its gross margins are accretive at 10-11% higher vis-à-vis Farm Fresh's margins.
 - Higher ASPs.** +5% ASP revision for its chilled products, effective mid-July.
 - Lower input cost.** Lower raw milk and WMP costs. Farm Fresh's raw milk and WMP hedged cost is 4% and 15% lower respectively than its previous hedge cost. Following the complete exhaustion of costlier inventory over the course of 2QFY24, Farm Fresh will be able to fully enjoy lower input cost.
 - Relief of capacity constrain.** Increased throughput with an additional UHT processing line in mid-August and early-September. Recall that Farm Fresh was previously supply capped in FY23 until additional capacity kicked in with its Taiping and Muadzam Shah in 1QFY24.

KEY FINANCIALS

Year to 31 Mar (RMm)	2022	2023	2024F	2025F	2026F
Net turnover	502	630	739	857	981
EBITDA	86	88	113	180	192
Operating profit	61	54	71	133	140
Net profit (rep./act.)	86	59	65	126	137
Net profit (adj.)	86	59	65	126	137
EPS (sen)	4.6	3.2	3.5	6.8	7.4
PE (x)	25.8	37.2	33.8	17.6	16.2
P/B (x)	3.6	3.5	3.2	2.8	2.5
EV/EBITDA (x)	29.4	28.9	22.5	14.1	13.2
Dividend yield (%)	0.2	0.7	0.7	1.4	1.5
Net margin (%)	17.1	9.4	8.8	14.7	13.9
Net debt/(cash) to equity (%)	42.0	49.3	42.3	32.1	24.3
Interest cover (x)	9.4	7.7	6.1	10.5	12.1
ROE (%)	20.1	9.5	9.9	17.0	16.2
Consensus net profit	-	-	67	111	144
UOBKH/Consensus (x)	-	-	0.98	1.14	0.95

Source: Farm Fresh, Bloomberg, UOB Kay Hian

HOLD

(Maintained)

Share Price	RM1.19
Target Price	RM1.10
Upside	-7.6%

COMPANY DESCRIPTION

Homegrown Farm Fresh is the largest integrated dairy producer in Malaysia. Farm Fresh commands more than half of the RTD fresh milk segment. It also looks to expand its exports to the likes of Singapore, Indonesia and the Philippines.

STOCK DATA

GICS sector	Consumer Staples
Bloomberg ticker:	FFB MK
Shares issued (m):	1,871.9
Market cap (RMm):	2,227.6
Market cap (US\$m):	472.6
3-mth avg daily t'over (US\$m):	1.2

Price Performance (%)

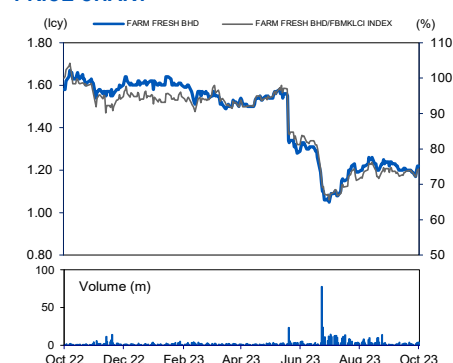
52-week high/low			RM1.67/RM1.05	
1mth	3mth	6mth	1yr	YTD
(4.8)	8.2	(21.7)	(25.2)	(26.1)

Major Shareholders

	%
Loi Tuan Ee and family	44.5
Agrifood Resources	11.8
EPF	5.4

FY24 NAV/Share (RM)	0.37
FY24 Net Debt/Share (RM)	0.16

PRICE CHART



Source: Bloomberg

ANALYST(S)

Philip Wong
+603 2147 1996
philipwong@uobkayhian.com

- **Exciting launches on the horizon.** Farm Fresh has a host of product launches in its pipeline over the next few months. For dairy products, this includes plant-base spoonable yogurt, organic milk, juniors culture milk and growing up milk (GUM). The latter is of particular significance seeing that it takes aim at a currently untapped RM2.2b segment. In addition, Farm Fresh is due to commence operations in the Philippines and introduce consumer package goods (CPG) for its Inside Scoop ice cream.

STOCK IMPACT

- **Competition over the medium-term horizon.** F&N and a JV between Baladna (largest dairy group in Qatar), FGV Holdings and Touch Group are expected to make significant investments into upstream dairy activity. Over the next 10 years, both these initiatives target to produce 200m and 300m litres of fresh milk, a combined 500m litres of fresh milk locally.

EARNINGS REVISION/RISK

- No changes to earnings. Downside risks: Elevated raw material prices as well as milk quality and yield.

VALUATION/RECOMMENDATION

- **Maintain HOLD and target price of RM1.10.** While Farm Fresh offers more exciting growth and avenues of growth relative to its domestic peers, it is balanced by impending competition kicking-in over the medium term and potentially displacing Farm Fresh's strangle hold on dominant market share. Our valuation PE peg to 18.3x is based on 2024. The current PE peg is based on the average valuations of its direct peers.

ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG)

<ul style="list-style-type: none"> • Environmental <ul style="list-style-type: none"> - Climate action. A target for a reduction of 25% of greenhouse gas emissions in five years. Also a target of 21% total Scope 1 and Scope 2 emissions reduction by 2026, primarily through the use of renewable energy. Scope 3 emissions represent less than 1% of its GHG emissions and therefore its environmental impact is considered less significant.
<ul style="list-style-type: none"> • Social <ul style="list-style-type: none"> - Animal health and welfare. Farm Fresh is the first dairy farm operator in Asia who has earned the internationally recognised Certified Humane certification by Humane Farm Animal Care for its on-farm operations.
<ul style="list-style-type: none"> • Governance <ul style="list-style-type: none"> - Board balance and composition. 4 of 7 directors are independent directors, amounting to 57% of its board members.

KEY ASSUMPTIONS

	2023F	2024F	2025F
Revenue (RMm)	621.3	726.4	837.7
Growth yoy (%)	23.8	16.9	15.3
PATAMI (RMm)	74.8	99.4	120.4
Growth yoy (%)	(12.6)	32.9	21.1
3-yr CAGR (%)	36.6	11.8	12.0
Gross margin (%)	26.8	28.1	28.2
EBITDA margin (%)	20.3	22.5	22.6
ASPs - Malaysia (dairy) (RM/litre)	6.35	6.41	6.47
ASPs - Malaysia (Plant based) (RM/litre)	7.06	7.13	7.21
Volume (m litres)	98	113	129
Growth yoy (%)	15.0	15.8	14.2

Source: UOB Kay Hian

PROFIT & LOSS

Year to 31 Mar (RMm)	2023	2024F	2025F	2026F
Net turnover	630	739	857	981
EBITDA	88	113	180	192
Deprec. & amort.	33	42	47	52
EBIT	54	71	133	140
Total other non-operating income	9	13	15	17
Associate contributions	0	0	0	0
Net interest income/(expense)	(11)	(18)	(17)	(16)
Pre-tax profit	52	65	130	141
Tax	(2)	(5)	(10)	(11)
Minorities	0	5	6	7
Net profit	59	65	126	137
Net profit (adj.)	59	65	126	137

CASH FLOW

Year to 31 Mar (RMm)	2023	2024F	2025F	2026F
Operating	(20)	146	157	160
Pre-tax profit	52	65	130	141
Tax	(2)	(5)	(10)	(11)
Deprec. & amort.	33	42	47	52
Associates	0	0	0	0
Working capital changes	(114)	25	(28)	(37)
Other operating cashflows	10	18	17	16
Investing	1	(90)	(70)	(75)
Capex (growth)	(147)	(90)	(70)	(75)
Proceeds from sale of assets	148	0	0	0
Others	0	0	0	0
Financing	15	(7)	(99)	(50)
Dividend payments	(20)	(16)	(31)	(34)
Issue of shares	0	0	0	0
Proceeds from borrowings	0	0	0	0
Loan repayment	11	59	(50)	0
Others/interest paid	24	(49)	(17)	(16)
Net cash inflow (outflow)	(3)	50	(12)	35
Beginning cash & cash equivalent	28	23	73	61
Changes due to forex impact	(2)	0	0	0
Ending cash & cash equivalent	23	73	61	96

BALANCE SHEET

Year to 31 Mar (RMm)	2023	2024F	2025F	2026F
Fixed assets	414	537	561	587
Other LT assets	163	196	206	206
Cash/ST investment	23	73	61	96
Other current assets	464	369	404	463
Total assets	1,063	1,175	1,232	1,352
ST debt	93	62	62	62
Other current liabilities	68	97	104	121
LT debt	243	302	252	252
Other LT liabilities	23	23	23	17
Shareholders' equity	636	690	790	900
Total liabilities & equity	1,063	1,175	1,232	1,352

KEY METRICS

Year to 31 Mar (%)	2023	2024F	2025F	2026F
Profitability				
EBITDA margin	13.9	15.3	21.1	19.6
Pre-tax margin	8.3	8.9	15.2	14.4
Net margin	9.4	8.8	14.7	13.9
ROA	5.7	5.8	10.5	10.6
ROE	9.5	9.9	17.0	16.2
Growth				
Turnover	25.5	17.3	16.0	14.5
EBITDA	1.7	28.7	59.7	6.6
Pre-tax profit	(20.6)	25.5	99.2	8.3
Net profit	(30.6)	10.0	92.6	8.6
Net profit (adj.)	(30.6)	10.0	92.6	8.6
EPS	(30.6)	10.0	92.6	8.6
Leverage				
Debt to total capital	34.6	34.6	28.5	25.9
Debt to equity	52.9	52.8	39.8	35.0
Net debt/(cash) to equity	49.3	42.3	32.1	24.3
Interest cover (x)	7.7	6.1	10.5	12.1

ASIAN GEMS CONFERENCE HIGHLIGHTS

Petronas Dagangan (PETD MK)

Look Beyond Targeted Fuel Subsidy, To The Role Of EV Adoption Enabler

PETD is optimistic on growth in certain fuel segments, although we remain more conservative for 2H23. We commend PETD for embracing peak fossil fuel demand risk, as it has invested across the circular economy, biodiesel and renewable fuels, and green mobility. Share price sentiment may be weighed by fuel subsidy rationalisation, but investors should look beyond this once PETD becomes a major enabler of EV adoption. Maintain HOLD. Target price: RM24.70.

WHAT'S NEW

- **Peak fossil fuel demand may come...** Petronas Dagangan (PETD) recorded 11% fuel volume growth in 1H23, and noted that most fuel segments (including jet fuel) had seen volumes recovering almost to pre-pandemic levels. Positively, Malaysia's new auto sales had been encouraging at 10.3% growth in 1H23 (Aug 23: 13%), prompting the auto association to upgrade their end-23 targets. Beyond 2024, consultants like BMI expects Malaysia's refined fuel consumption growth to slow to 1.5% p.a. (vs GDP growth of >4%). This is driven by a sticky high inflation, emissions abatement and maturing green technologies (to substitute the growth of new combustion engine vehicles), which depend on the pace of consumer adaption and sustainable government policies.
- **...but there are still pockets of growth.** Even if PETD regained its dominant market share as a jet fuel supplier, management remains optimistic on growth, as more aviation customers are looking to set up base in local airports. Hence, it is possible for jet fuel mix to surge beyond pre-COVID-19's 19%. PETD will also focus on enhancing its non-fuel avenues. PETD had mobilised 41 Café Mesra within its existing 800 Kedai Mesra network, and expanded in-brand "Mesra" offerings from 41 to 85 in 2022. PETD has plans to open 100 Café Mesra, even outside Petronas stations. More importantly, it is embracing green mobility/fuels and circular economy, and maturing digital apps like SETEL will enable the advancement of traditional and "transition" businesses.
- **Capex may mirror parent company's direction, though having RM10b Wakalah programme helps.** Currently, PETD's steady-state yearly capex is about RM0.4b, vs our more conservative forecasts of RM0.5b, which also mirrors Petronas' higher capex allocation ie additional 20-25% of capex (to RM60b p.a.) for green/"transition" projects. PETD had made various "transition" investments, but none of them are material. Also, there are no plans for major overseas expansion. But, having access to the RM10b Wakalah line (despite being FCF positive) signals to us that PETD is ready for any inorganic M&A or major investments. While this is not likely a near-term event, we are not ruling out such scenarios (of a major shift in capex plans).

KEY FINANCIALS

Year to 31 Dec (RMm)	2021	2022	2023F	2024F	2025F
Net turnover	22,674	36,749	35,924	36,110	37,963
EBITDA	1,134	1,588	1,877	2,010	2,082
Operating profit	751	1,149	1,429	1,507	1,584
Net profit (rep./act.)	530	777	1,064	1,116	1,169
Net profit (adj.)	549	753	1,064	1,116	1,169
EPS (sen)	55.2	75.8	107.1	112.4	117.7
PE (x)	41.0	29.9	21.1	20.1	19.2
P/B (x)	4.0	3.9	3.8	3.7	3.7
EV/EBITDA (x)	18.0	12.8	10.9	10.1	9.8
Dividend yield (%)	3.1	3.4	4.2	4.4	4.6
Net margin (%)	2.3	2.1	3.0	3.1	3.1
Net debt/(cash) to equity (%)	(32.1)	(47.1)	(36.7)	(37.9)	(38.9)
Interest cover (x)	97.4	63.0	135.0	95.3	75.9
ROE (%)	9.4	13.7	18.3	18.8	19.2
Consensus net profit	-	-	1,015	1,039	1,103
UOBKH/Consensus (x)	-	-	1.05	1.07	1.06

Source: Petronas Dagangan, Bloomberg, UOB Kay Hian

HOLD

(Maintained)

Share Price	RM22.64
Target Price	RM24.70
Upside	+9.1%

COMPANY DESCRIPTION

The principal domestic marketing arm of Petronas for downstream products, in retail, commercial, liquefied petroleum gas (LPG) and lubricants.

STOCK DATA

GICS sector	Energy
Bloomberg ticker:	PETD MK
Shares issued (m):	993.5
Market cap (RMm):	22,491.8
Market cap (US\$m):	4,768.0
3-mth avg daily t'over (US\$m):	2.6

Price Performance (%)

52-week high/low RM23.62/RM19.77

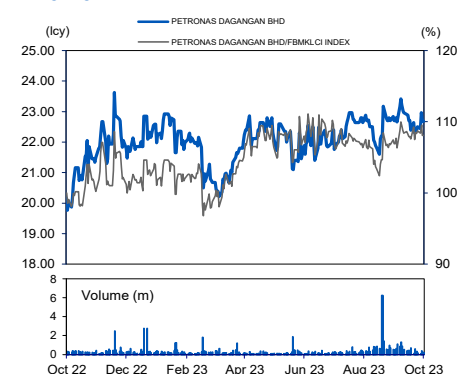
1mth	3mth	6mth	1yr	YTD
(2.3)	2.0	6.1	13.8	(0.9)

Major Shareholders

	%
Petronas	63.9
EPF	12.4

FY23 NAV/Share (RM)	5.91
FY23 Net Cash/Share (RM)	2.17

PRICE CHART



Source: Bloomberg

ANALYST(S)

Kong Ho Meng
+603 2147 1987
homeng@uobkayhian.com

STOCK IMPACT

- Green mobility: PETD's partnership with Blueshark may be an area to watch out for.** Recent national policies and industrial roadmaps enable an accelerated customer adoption of EV. For instance, the National Transition Roadmap (NETR) targets for EVs to form 20%/50%/80% of total industry volume (TIV) by 2030/40/50. PETD is already providing its avenues for EV chargers, with about 32 Direct Current (DC) charge points installed at major highways. The government pledged to make EV ownership accessible to all citizens, and this may involve targeted subsidies. While the four-wheeled EVs may still be perceived to be big-tickets items for the rich, the two-wheeled EVs and battery swaps systems may be the segments that require the most attention.
- The Blueshark partnership officially begun in Nov 22. Today, Blueshark has commercialised its revolutionary R1 Smart Electric scooters which cost RM7,190 (excluding battery) or RM12,600 (including battery). Interestingly, the battery packs can be easily swapped and can cover a distance of 110km at full charge, which makes this vehicle ideal for B2C/gig-economy/delivery drivers. We believe this is among PETD's more promising green mobility ventures, and observed that Blueshark had secured clientele like Pos Malaysia, Tenaga Nasional and Maxis. We will not discount a likelihood of PETD injecting further investments, and if this materialises, PETD may become a major enabler of EV adoption alongside Gentari (another potential green mobility player).
- We still expect a slightly weaker 2H23 outlook (vs 1H23),** as factors such as inflation and GDP downgrades will impact consumption. For instance, many local F&B restaurants and tourism businesses were closed, as costs continued to go up. In this case, it may impact PETD's commercial and LPG volumes. Transition-related projects will not be earnings accretive at early development stages.
- Targeted diesel subsidy may be implemented by Jan 24.** This may be of national importance as according to the Auditor General 2022 report, the nation's fuel subsidy had reached RM46b mark in 2022 (2021: RM13b), and this was based on subsidy receipts of 15 manufacturers for Dec 21-Oct 22. The mode of implementation is unclear. In our view, the most seamless adoption with the least earnings hiccups is to enable the fleet card system for commercial vehicles, as PETD already has existing "Skim Kawalan Diesel Bersubsidi" for its commercial customers to use unsubsidised diesel. The targeted petrol subsidy may take time to implement later alongside the nationwide database (PADU) that will look at net disposable income, rather than income level segregation.

EARNINGS REVISION/RISK

- Retain 2023-25 earnings.**

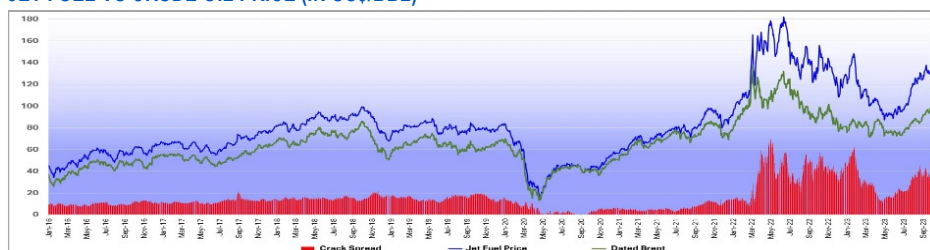
VALUATION/ RECOMMENDATION

- Maintain HOLD with DCF-based target price of RM24.70.** This implies 2024F PE and dividend yields of 22x (in line with past five-year average) and 4% respectively. There is opportunity to accumulate at low prices. Near-term sentiment may be weighed by targeted fuel subsidy, but its potential role in green mobility may influence longer-term valuations.

ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG) UPDATES

- Environmental**
 - Green energy in its fuel stations.** Installing solar panels, and collaborating with GreenTech to provide ChargeEV facilities
 - Circular economy.** Reduce single-use plastics. Collect recycled items at stations.
- Social**
 - Supply chain.** Support enterprises as station dealers or Kedai Mesra suppliers
 - Donations.** Regularly sponsors community services, provided COVID-19 donations.
- Governance**
 - 6 out of 10 board members are independent**

JET FUEL VS CRUDE OIL PRICE (IN US\$/BBL)



Source: IATA, Platts, UOB Kay Hian

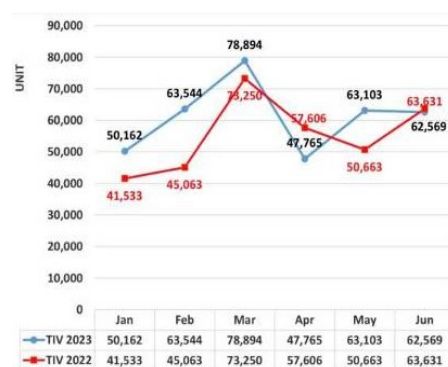
SNAPSHOT, QOQ AND YOY CHANGES (2Q23)

	qoq	yoy
Retail volume (%)	+6	+9
Commercial volume (%)	+10	+21
Liquefied Petroleum Gas (LPG) volume (%)	-2	+1
Lubricant volume (%)	-2	+6
Opex (RM709m) (%)	+3	+2

Source: PETD

MALAYSIA AUTO TOTAL INDUSTRY VOLUME (TIV)

Fig. 2: TIV January to June 2023 vs 2022; trend by month



Source: Malaysia Auto Association (MAA)

EARNINGS, CASH FLOW AND FCF FORECASTS

	2022	2023F	2024F
Revenue (RMb)	35,924	36,110	37,963
Sales Volume (m litres)	15,033.7	14,696.4	14,772.4
Core Profit (RMm)	776.6	1,063.7	1,116.2
Receivable days*	40.00	40.50	34.85
Payable days*	43.83	39.83	35.83
Inventory days*	1.50	1.20	0.90
Capex (RMm)	(434.8)	(481.8)	(530.0)
FCF (RMm)	505.1	1,225.1	1,264.2
Dividend (RMb)	(755.0)	(936.0)	(982.3)
DPS (RM)	0.76	0.94	0.98
ROE (%)	13.7	18.3	18.8
Cash (RMb)	2.9	2.5	2.7

* Excludes other receivables and payables to related companies

Source: PETD, UOB Kay Hian

DCF-BASED VALUATION

	Current
Risk-free Rate	Implied 5%
Beta	0.9x
Risk Premium	6.5%
Long-term Growth	4.0%
EBITDA p.a.	RM1.8-2.0b
Capex p.a.	RM482-530m
Working Capital p.a.	RM0.6b loss to RM0.1b
Target Price	RM24.70

Source: UOB Kay Hian

BLUESHARK'S SMART R1 E-SCOOTERS



Source: Blueshark

PROFIT & LOSS

Year to 31 Dec (RMm)	2022	2023F	2024F	2025F
Net turnover	36,749	35,924	36,110	37,963
EBITDA	1,588	1,877	2,010	2,082
Deprec. & amort.	439	449	503	498
EBIT	1,149	1,429	1,507	1,584
Associate contributions	11	11	11	11
Net interest income/(expense)	(25)	(14)	(21)	(27)
Pre-tax profit	1,135	1,426	1,497	1,568
Tax	(347)	(357)	(374)	(392)
Minorities	(11)	(6)	(6)	(7)
Net profit	777	1,064	1,116	1,169
Net profit (adj.)	753	1,064	1,116	1,169

CASH FLOW

Year to 31 Dec (RMm)	2022	2023F	2024F	2025F
Operating	1,995	987	1,755	1,794
Pre-tax profit	1,135	1,426	1,497	1,568
Tax	347	357	374	392
Deprec. & amort.	439	448	502	529
Associates	11	11	11	11
Working capital changes	853	(520)	141	101
Other operating cashflows	(790)	(736)	(771)	(807)
Investing	(321)	(445)	(493)	(493)
Capex (growth)	(435)	(482)	(530)	(530)
Investments	(14)	(14)	(14)	(14)
Proceeds from sale of assets	77	0	0	0
Others	52	52	52	52
Financing	(696)	(953)	(1,033)	(1,079)
Dividend payments	(755)	(936)	(982)	(1,029)
Loan repayment	59	(17)	(50)	(50)
Others/interest paid	0	0	0	0
Net cash inflow (outflow)	978	(410)	230	222
Beginning cash & cash equivalent	1,911	2,889	2,479	2,708
Changes due to forex impact	0	0	0	0
Ending cash & cash equivalent	2,889	2,479	2,708	2,931

BALANCE SHEET

Year to 31 Dec (RMm)	2022	2023F	2024F	2025F
Fixed assets	4,115	4,502	4,702	4,877
Other LT assets	86	7	7	7
Cash/ST investment	2,889	2,479	2,708	2,931
Other current assets	4,167	4,095	3,530	3,166
Total assets	11,258	11,083	10,948	10,980
ST debt	49	50	50	50
Other current liabilities	5,156	4,747	4,363	4,138
LT debt	135	272	381	490
Other LT liabilities	129	93	93	93
Shareholders' equity	5,743	5,870	6,004	6,145
Minority interest	45	51	57	64
Total liabilities & equity	11,258	11,083	10,948	10,980

KEY METRICS

Year to 31 Dec (%)	2022	2023F	2024F	2025F
Profitability				
EBITDA margin	4.3	5.2	5.6	5.5
Pre-tax margin	3.1	4.0	4.1	4.1
Net margin	2.1	3.0	3.1	3.1
ROA	7.4	9.5	10.1	10.7
ROE	13.7	18.3	18.8	19.2
Growth				
Turnover	62.1	(2.2)	0.5	5.1
EBITDA	40.0	18.2	7.0	3.6
Pre-tax profit	53.2	25.7	4.9	4.7
Net profit	46.6	37.0	4.9	4.7
Net profit (adj.)	37.2	41.3	4.9	4.7
EPS	37.2	41.3	4.9	4.7
Leverage				
Debt to total capital	3.1	5.2	6.6	8.0
Debt to equity	3.2	5.5	7.2	8.8
Net debt/(cash) to equity	(47.1)	(36.7)	(37.9)	(38.9)
Interest cover (x)	63.0	135.0	95.3	75.9

TRADERS' CORNER

SHANG (5517) 11/10/2023* O=2.12 H=2.28 L=2.11 C=2.18 V=3.52M Chg=+0.07 (+3.3%)



Source: UOBKH ChartGenie

MRDIY (5296) 11/10/2023* O=1.54 H=1.6 L=1.54 C=1.59 V=20.1M Chg=+0.04 (+2.6%)



Source: UOBKH ChartGenie

Shangri-La Hotels Malaysia (SHMB MK)

Technical BUY with +41.7% potential return

Last price: RM2.18

Target price: RM2.52, RM3.09

Support: RM2.09

Stop-loss: RM2.08

BUY with a target price of RM3.09 and stop-loss at RM2.08. Following a pullback from the recent high, SHMB established support at RM2.08 before gradually recovering to the higher level yesterday. Currently, both MACD and DMI indicators have also made a golden cross which indicates positive signal. The positive RSI reading also suggests that the overall bullish bias is intact. We peg our targets at RM2.52 and RM3.09 in the near term.

Expected timeframe: Two weeks to two months.

Note: Not available for CFD Trading

Mr DIY Group (MRDIY MK)

Technical BUY with +36.5% potential return

Last price: RM1.59

Target price: RM1.87, RM2.17

Support: RM1.45

Stop-loss: RM1.44

BUY with a target price of RM2.17 and stop-loss at RM1.44. Based on the daily chart, MRDIY has just exited the consolidation phase and on yesterday's movement, the share price managed to penetrate above the 7- and 21-day EMAs with higher trading volume. The uptick in the RSI, together with the increase in trading volume and bullish crossover in the DMI, suggests that buying momentum is set to continue in the near term. We peg our targets at RM1.87 and RM2.17 in the near term.

Expected timeframe: Two weeks to two months.

Note: Not available for CFD Trading

ANALYST

Malaysia Retail Research Team
+603 2147 1998
research@uobkayhian.com

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