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KEY HIGHLIGHTS

Strategy – Malaysia

Budget 2024 Preview: Births & Taxes Page 2

Budget 2024 is seen to be largely market friendly, giving birth to various new incentives that are positive for FDI, although more taxes would be introduced.

Company Update

Duopharma Biotech (DBB MK/BUY/RM1.14/Target: RM1.71) Page 5

2H23 is likely to experience headwinds as seen in 2Q23. But the perfect storm has been more than priced in at this juncture. Maintain BUY.

TRADERS' CORNER Page 8

Aemulus Holdings (AMLS MK): Technical BUY

Excel Force MSC (EFM MK): Technical BUY

KEY INDICES

	Index	pt chg	% chg
FBMKLCI	1,449.58	(4.0)	(0.3)
Bursa Emas	10,700.46	(5.6)	(0.1)
Ind Product	172.24	0.1	0.0
Finance	16,237.42	(93.5)	(0.6)
Consumer	556.28	(0.0)	(0.0)
Construction	177.87	0.3	0.2
Properties	836.45	6.6	0.8
Plantations	6,965.20	36.3	0.5

BURSA MALAYSIA TRADING & PARTICIPATION

Malaysia Turnover	14-Sep-23	% chg
Volume (m units)	2,964	17.9
Value (RMm)	2,204	17.1

By Investor type	(%)	ppt chg
Foreign investors	36.1	3.3
Local retail	24.4	(2.3)
Local institution	39.4	(0.9)

TOP VOLUME / GAINERS / LOSERS

Top Volume	Price (RM)	Chg (%)	Volume ('000)
MRCB	0.46	7.1	51,852
Bumi Armada	0.55	1.9	45,732
UEM Sunrise	0.69	2.2	43,706
Top Glove	0.82	1.2	37,949
YTL Corp	1.53	4.1	36,339
Top Gainers			
SapuraEnergy	0.06	9.1	6,158
MRCB	0.46	7.1	51,852
Faber Group	1.14	5.6	3,982
Lafarge	3.77	4.7	1,065
Berjaya Auto	2.40	4.3	11,396
Top Losers			
Sports Toto	1.54	(1.9)	2,083
Gamuda	4.33	(1.4)	4,437
Yinson	2.50	(1.2)	2,644
UMW Holdings	4.77	(0.8)	2,605
BAT	9.75	(0.8)	527

OTHER STATISTICS

	14-Sep-23	chg	% chg
RM/US$	4.68	0.00	0.1
CPO 3rd mth future (RM/mt)	3,761	35.0	0.9

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

STRATEGY – MALAYSIA

Budget 2024 Preview: Births & Taxes

Budget 2024 is seen to be largely market-friendly by giving birth to new incentives eg for the New Industrial Master Plan (NIMP 2030) and Iskandar 2.0, although the budget would also spawn new sources of taxes and targeted subsidy mechanism. The pro-growth, pro-FDI and pro-ESG budget should also feature a narrow budget deficit, thus nurturing the ringgit's recovery. Key beneficiary sectors include E&E, property and construction, while gaming could be impacted.

WHAT'S NEW

- **A largely market-friendly budget.** Budget 2024 soundbites are expected to create positive market vibes by: a) promoting FDI (via looser MM2H requirements, and incentives for NIMP 2030 and Iskandar 2.0), b) promoting the ESG (particularly the green and social) agenda, and c) having improved fiscal discipline. Overall, we expect Budget 2024 to be supportive of UOB Economics Team's macro forecasts, in particular for GDP growth and the ringgit's recovery vs the greenback (see RHS table).
- **The biggest beneficiary sectors include E&E…** Recall that during the recent launch of NIMP 2030, the prime minister said that special incentives would be announced in Budget 2024. Being a catalyst for the creation/entrenchment of regional champions and new emerging industry clusters (EV, RE, AI etc.), NIMP 2030 should bsenefit the electrical and electronics (E&E) industry the most, which accounts for around 40% of the country's exports.
- **…and property.** Property companies with Johor developments are big beneficiaries of the various announced measures – the designation of special economic zones (including Forest City), and the loosening of the MM2H retirement scheme requirements. Besides Budget 2024, major boosters for the Iskandar 2.0 investment theme include the formation of cluster iconic developments along the Rapid Transit System alignment (opening in 2027). The construction and building material (cement segment) sectors would also benefit from the expected activation of several mega projects including MRT3.
- **However, a slew of new taxes could affect the casino sector, and throttle down consumption.** We expect the government to introduce a slew of indirect consumption taxes (ie luxury taxes) as well as a "measured" targeted subsidy mechanism for petrol that is designed not to hurt most income earners (taking cue from 2H23's electricity tariff adjustment which impacted only the top 1% of household consumers). New indirect taxes could affect the casino segment. Collectively, measures could collectively soften general consumption trends. Capital gains taxes (for non-listed companies) would be introduced and Budget 2024 could hint at the eventual implementation of GST.

ACTION

- **There could be upside to our end-23 FBMKLCI target of 1,540** (based on 15.6x 2023F PE or -0.50SD to the historical mean), as corporate searnings outlook improves in 2H23.
- **Our top picks are** Hume Cement, Inari Amertron IOI Corporation, Malaysia Airports Holdings, Mr DIY Group, My EG Services, NationGate Holdings and Yinson Holdings.

STOCK PICKS

Company	Ticker	Rec	Share Price (RM)	Target Price (RM)	--------- Net Profit --------- 2022 (RMm)	2023F (RMm)	2024F (RMm)	--------- EPS --------- 2022 (sen)	2023F (sen)	2024F (sen)	----------- PE ----------- 2022 (x)	2023F (x)	2024F (x)	Yield 2024F (%)	ROE 2024F (%)	Market Cap (US$m)	P/B 2024F (x)
Hume Cement	HUME MK	BUY	1.86	2.54	121.5	136.3	123.7	16.9	18.9	17.2	11.0	9.8	10.8	n.a	24.0	203.2	1.0
Inari Amertron	INRI MK	BUY	2.84	3.80	319.5	405.8	450.1	8.6	10.9	12.1	33.1	26.1	23.5	3.5	15.4	2,268.1	4.0
IOI Corporation	IOI MK	BUY	4.08	4.80	1,519.4	1,651.2	1,847.0	24.2	26.3	29.4	16.9	15.5	13.9	3.4	14.0	5,404.0	2.1
Malaysia Airports Holdings	MAHB MK	BUY	7.28	8.11	163.5	416.9	701.1	9.9	25.1	42.3	73.9	29.0	17.2	1.9	6.6	2,593.4	2.1
Mr DIY Group	MRDIY MK	BUY	1.49	2.15	472.9	583.1	685.8	5.0	6.2	7.3	29.7	24.1	20.5	1.9	36.6	3,003.0	8.0
My EG Services	MYEG MK	BUY	0.785	1.18	413.0	433.5	466.7	5.6	5.9	6.3	14.1	13.4	12.5	2.2	18.2	1,239.5	2.3
NationGate Holdings	NATGATE MK	BUY	1.34	1.83	85.3	76.2	151.6	4.1	3.7	7.3	32.7	36.2	18.4	n.a	19.8	593.8	3.3
Yinson Holdings	YNS MK	BUY	2.50	4.05	467.2	765.5	898.3	13.6	22.3	26.2	18.3	11.2	9.5	4.0	12.6	1,551.5	1.9

Source: Bloomberg, UOB Kay Hian

CURRENT FBMKLCI: 1,450
TARGET END-23 FBMKLCI: 1,540

FOCUS OF BUDGET 2024

- Pro-growth, pro-ESG
- Raising Malaysia's competitiveness
- Narrower fiscal deficit of 4.2%
- Optimised development expenditure and managed operating expenses
- Subsidy rationalisation

POSSIBLE MEASURES IN BUDGET 2024

- Introduction of many (mostly indirect) taxes:
  - Details on luxury tax and capital gains tax
  - Potential new progressive taxes eg. consumption tax (and overtures of future GST implementation)
  - The casino subsector may be most impacted
- Targeted subsidy mechanism
- Multi-tiered foreign worker levy
- Measures / Incentives supporting NIMP 2030
- Monitoring of development projects (reduce leakages)
- Targeted cash aid and higher salaries for civil servants

Source: UOB Global Economics & Markets Research, UOB Kay Hian

KEY ECONOMIC ASSUMPTIONS FOR 2024F

- GDP: 4.6% yoy (2023F: 4.4%)
- Fiscal Deficit: -4.2% (2023F: -4.9%)
- Policy Rate: 3.0% (2023F: 3.0%)
- Inflation (CPI): 2.8% (2023F: 2.8%)
- USDMYR: RM4.40 (2023F: RM4.55)

Source: UOB Global Economics & Markets Research

FEDERAL GOVERNMENT REVENUE

(RMb)	2022	2023F	2024F
Total Revenue	294.4	296.5	301.0
Operating Expenditure	292.7	294.2	298.5
Current Account Balance	**1.7**	**2.3**	**2.5**
Net Dev Expenditure	**70.1**	**95.6**	**89.0**
COVID-19 Fund	31.0	-	-
Overall Budget Balance	**(99.5)**	**(93.3)**	**(86.5)**
Deficit (% of GDP)	(5.6)	(4.9)	(4.2)

Source: BNM, MOF, UOB Global Economics & Markets Research

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PRE-BUDGET 2024 EXPECTATIONS

Sector	Wishlist/Expected Measures In Budget 2023 & Impact
Macro/General	
General	**Net Positive Impact.** Budget 2024 is supportive of growth, FDI and the ESG agenda, while maintaining good fiscal discipline. The expected new levy and tax introductions and petrol subsidy reduction is not expected to significantly affect consumption. • A pro-growth green budget with a narrower fiscal deficit target of 4.2% • Focusing mainly on improving Malaysia's competitiveness on a global scale while improving quality of life for citizens • Furthering of the sustainability agenda with objectives aligned with the National Energy Transition Roadmap (NETR) • Targeted subsidy mechanism utilising a comprehensive household database to gauge eligibility • Increased basic development expenditure and monitoring of development projects to reduce spending leakages • Potential new progressive taxes eg consumption tax • Details on luxury tax and capital gains tax on unlisted entities proposed in the last budget • Progressive wage mechanism to help lift middle-income wages • Targeted cash aid and higher salaries for civil servants to tackle rising cost of living
Sector	**Expectations**
Automobile	The recent launch of NIMP 2030 aims to boost the sector's value-added and enhance the economic complexity of the supply chain including the EV ecosystem. In conjunction with the introduction of MITI's Global Leaders BEV programme, this is expected to have a positive influence, allowing EV manufacturers like Tesla and others brands to sell their products with the approved permits (AP) under the programme. Considering these developments, we anticipate that the government may introduce more incentives for both consumers and manufacturers on Budget 2024, thereby enhancing the overall EV ecosystem, not limited solely to consumer benefits.
Aviation	While we anticipate no significant aviation-related measures to be announced in the upcoming Budget 2024, we opine that the aerospace sub-segment may receive some attention given that it was highlighted as one of the high-impact sectors in the New Industrial Master Plan. This may potentially entail further clarity on the upcoming development of KLIA Aeropolis and Subang Airport Regeneration Plan, both of which feature sizeable expansions of the aerospace industry.
Banking	Additional SME guarantee loans by various Government agencies to encompass wider segments of SME rather than the previous Budget which primarily focused on: a) digitalisation, b) tourism, c) O&G, d) sustainable technology, and e) Agro-Food. Broadening the scope of financing will help to foster stronger economic growth and resilience across more industries, indirectly helping to fuel a more robust banking sector loans growth and asset quality. Extension of stamp duty exemption for instruments relating to restructuring and rescheduling of loan agreements by another two years. First time Home ownership tax incentives which will help reduce cost of property acquisition particularly in the current environment of higher interest rate.
Construction	While we are likely to see development expenditure to continue trending higher, having seen the record-high RM95b sum in the revised Budget 2023, we believe key catalysts for the construction sector remain the rollout of mega projects for the likes of MRT3, HSR, Bayan Lepas LRT, etc. That said, we think Budget 2024 may provide more clarity on MRT3 in terms of the revised project costs and potentially project timelines. Meanwhile, the potential mention of HSR and Bayan Lepas LRT, although with low likelihood, may be positive surprises for the sector.
Consumer	**Net Negative Impact** on consumption. The government subsidised RM64.8b in 2022 across fuel, electricity, cooking oil and eggs & chicken. However, a recent reversal of policy to ultimately extend subsidy on eggs & chicken highlights the tough balancing act between keeping a lid on living costs and maintaining fiscal discipline. Therefore, we anticipate the extent of subsidy rationalisation reforms to be limited. We do not expect any excise duty hikes to cigarettes and breweries given the high level of illicits within the country.
Gaming	**Potentially Negative Measures** in the casino segment. Casino segment: Potentially negative. The government may introduce policies which fulfil the twin objectives of raising tax revenue and ensuring social safeguards similar to Singapore's structure. Nevertheless, we rule out further gaming tax hikes, given that Malaysia's gaming tax rate is one of the highest in the region. The gaming taxes were recently revised upwards in 2018. NFO segment: Neutral. Unlikely for the special draw days to be restored back to 22 days in 2024 (currently eight days) after it was recently revised down by the Prime Minister in Dec 22.
Healthcare	**Positive** measures expected - an increased allocation to the Ministry of Health. Budget 2023's allocation to the MoH represented a 12% yoy increase. We continue to expect a double-digit raised allocation as public healthcare spending approaches the 5% of GDP target.
Materials	Wishlist includes tax reliefs for decarbonisation efforts, particularly for OMH and PMetal, recognised as green producers. This aligns with the government's NETR, wherein Malaysia aims to achieve net-zero emissions by 2050.
Oil & Gas	Budget 2023 allowed funding as much as RM10b to support the sector's critical areas of investment, for example the issue of ageing offshore support vessels and the need to replenish by rebuilding >100 of those vessels. Funding that supports ESG and decarbonisation included The High Tech & Green Facility (HTGF) and Low Carbon Transition Facility (LCTF) were created to help smaller players and SMEs to adapt to the energy transition. While past national Budgets do not directly impact the sector as long as the role of Petronas exists, we expect Budget 2024 to at least maintain the said fundings, as the sector is facing greater difficulties to secure funding for fossil fuel projects. Without safeguarding contractors' funding needs will increase the likelihood of Petronas falling short of its 2025F local peak production of 2m bpd.
Plantation	**Wishlist:** If the government is implementing the multi-tier foreign worker levy system, the sector players would like to propose to change the dependency ratio ceiling multi-tier level levy to land- labour ratio multi-tier level levy structure. Given that the plantation sector is always a foreign labour-intensive industry, this would be better to enhance the productivity and encourage mechanization.

Sector	Expectations
Property	**Positive** measures expected. Details to the announced revision (relaxation) of MM2H. More incentives/policy/allocation for affordable homes (the last two budgets and Madani economy speech largely centred around affordable housing schemes). This should benefit affordable housing players like Lagenda Properties, Mah Sing, Matrix Concepts and Scientex Berhad. More clarity on the revival of Forest City and the special economic zone in Johor.
Technology	**Positive** measures expected. Expect more detailed incentives and roll outs (ie reinvestment allowance) related to E&E (ie IC designers, OSAT, SPE) and new emerging trends (EV, RE, AI) as stipulated in the recent NIMP 2030 plans.
Utilities	**Wishlist** includes tax reliefs for decarbonisation efforts. This is in line with the government's NETR – whereby Malaysia aims to be net-zero emission by 2050. New power plant projects will likely focus on large scale solar and potentially increase in capex for TNB's transmission and distribution asset in line with increase intermittency of the gridline. This will materialise from Regulatory Period 4 onwards. TNB is a key enable for NETR – both from generation of green energy to transmission of green energy to demand centre like green data centres.
Telco	**Wishlist** includes investment tax relieves, lower 5G wholesale fee and even fibre costs.
Others - Shipping	Past budget schemes for local maritime shipping were not enough to help the industry cope with COVID-19 issues and rejuvenate the fleet to greener ships. Hence, Anthony Loke has reactivated the National Shipping & Port Council this year, and the upcoming Budget is expected to expedite funding and plans to keep this logistics segment competitive. Trading plays: Shinyang, Harbour Link, etc yard players. A more stable, long-term beneficiary will be MMHE, which is big in the marine repair segment. However, 2023's marine earnings will be below expectations due to rising competition from yards like Seatrium.

Source: UOB Kay Hian

COMPANY UPDATE

Duopharma Biotech (DBB MK)

Perfect Storm More Than Priced In

Duopharma is likely to face challenging headwinds for the remainder of 2023. A perfect storm stemming from a multitude of factors is likely to pare sales. Similarly, margins are due to be muted as well with high input cost, product mix and commencement of a new facility. That said, its valuations have plunged and appear to have more than priced in the earnings normalisation and downside risk. Maintain BUY and target price of RM1.71.

WHAT'S NEW

- **Sales rocked by a perfect storm.** Recall that 2Q23 sales contracted 7.8% yoy and 16.4% qoq. This is attributed to three factors. Firstly, consumer healthcare sales are contracting off a high base yoy, with 2Q22 purchases being induced by the pandemic.
- Secondly, sales were also dragged by public sector sales. Duopharma Biotech's (Duopharma) government contracts expired but without the government determining on its tenders, leaving existing suppliers such as Duopharma to conduct deliverables on a purchase order basis, at a slower pace. The outcome of government contract tenders should be determined by 4Q23. Government-approved products purchase list (APPL) contracts accounted for 25% of 1H23 sales.
- Lastly, Duopharma's government insulin contract continues to be disrupted, stemming from teething issues with its supplier. Duopharma foresees a normalisation of supply eventually but may not come to fruition over the near term. These headwinds are unlikely to dissipate for the rest of 2023.
- **Margins under pressure as well.** 2Q23's core margin declined to 7.5% from 2022's margin of 15.2%. Management indicated that margins are unlikely to improve over the remainder of 2H23 due to: a) higher electricity tariff rates and labour overtime cost kicking in, b) incremental cost associated with the commencement of its new K3 manufacturing facility, c) higher finance cost, and d) a decline in product mix (lower proportionate consumer healthcare sales).
- **Budget wishlist.** Management envisaged for purchases of supplements for personal healthcare to be tax exempted. Investing in primary healthcare such as improved lifestyles will help to reduce overall cost of care. Apart from that, management proposed to de-risk an offtake agreement by the government to future-proof vaccination supply in the future should a COVID-19-like pandemic reoccur. Lastly, allow for the capitalisation of R&D for pre-existing products and align patent expiry in Malaysia to global practices in order to evolve Malaysia into a clinical research hub for the region.

KEY FINANCIALS

Year to 31 Dec (RMm)	2021	2022	2023F	2024F	2025F
Net turnover	639	697	696	767	822
EBITDA	119	129	133	173	189
Operating profit	87	93	94	131	144
Net profit (rep./act.)	66	70	74	99	110
Net profit (adj.)	66	106	74	99	110
EPS (sen)	6.8	11.0	7.7	10.3	11.4
PE (x)	16.8	10.4	15.0	11.2	10.1
P/B (x)	1.8	1.7	1.6	1.4	1.3
EV/EBITDA (x)	11.1	10.3	9.9	7.6	7.0
Dividend yield (%)	1.9	2.0	2.0	2.7	3.0
Net margin (%)	10.3	10.1	10.6	12.9	13.4
Net debt/(cash) to equity (%)	42.1	41.4	30.5	24.9	18.6
Interest cover (x)	20.6	16.0	17.6	25.5	32.7
ROE (%)	10.4	11.0	10.9	13.3	13.5
Consensus net profit	-	-	86	103	110
UOBKH/Consensus (x)	-	-	0.86	0.96	1.00

Source: Duopharma Biotech, Bloomberg, UOB Kay Hian

BUY

(Maintained)

Share Price	RM1.14
Target Price	RM1.71
Upside	+48.4%

COMPANY DESCRIPTION

Duopharma is the leading pharmaceutical producer in Malaysia, with a fast growing export segment.

STOCK DATA

GICS sector	Health Care
Bloomberg ticker:	DBB MK
Shares issued (m):	961.9
Market cap (RMm):	1,106.2
Market cap (US$m):	236.3
3-mth avg daily t'over (US$m):	0.3

Price Performance (%)

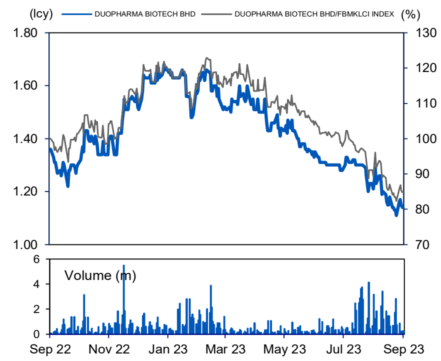
52-week high/low RM1.68/RM1.11

1mth	3mth	6mth	1yr	YTD
(6.5)	(14.2)	(23.8)	(17.9)	(28.6)

Major Shareholders	%
PNB	51.5
EPF	6.9
Billion Victory	2.5

FY23 NAV/Share (RM)	0.73
FY23 Net Debt/Share (RM)	0.22

PRICE CHART



Source: Bloomberg

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STOCK IMPACT

- **Limited forex risk.** Duopharma's US dollar forex exposure is largely limited to its government APPL contracts. Its terms have been set since 2017. Duopharma's government APPL contracts expired in Jun 23 and have been retendered for, with the outcome expected in 4Q23. Given Duopharma's ability to revise its terms in such a timely manner but with its export sales as a natural hedge, the company's 2023 earnings sensitivity to US$/RM is -0.3% for every 1.0% appreciation in the US dollar, based on our estimates.

EARNINGS REVISION/RISK

- **Earnings unchanged.** Key risks include single customer concentration (50% of Duopharma's sales are from the government) and the strengthening of the US dollar.

VALUATION/RECOMMENDATION

- **Maintain BUY and target price of RM1.71.** Our target price is based on a PE peg of 16.7x to 2024's earnings or its five-year pre-pandemic average mean PE. Duopharma's 2023's earnings are expected to contract due to its earnings moderating from the high base that was previously aided by the pandemic. However, earnings growth is expected to resume its normal course of growth beyond that. Coupled with that, Duopharma's current valuation trading close to its -1SD of its five-year mean offers deep value.

ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG)

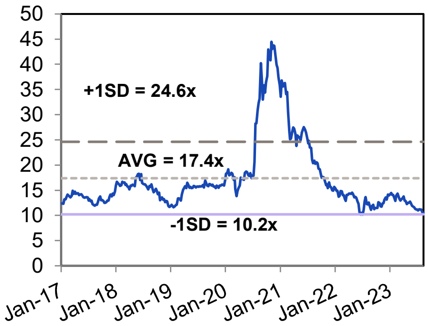
- **Environmental**
  - **Energy management.** Duopharma aims to reduce its energy intensity by 5% every year.
- **Social**
  - **Talent management.** Duopharma has been named one of the Best Companies to Work for in Malaysia by HR Asia for the fifth year running, and won the Most Attractive Graduate Employers to Work For award under Graduates' Choice Award 2020.
- **Governance**
  - **Board balance and composition.** Six of its board members are independent directors, amounting to 67% of the board members, while 33% are female.

ASSUMPTIONS

	2023F	2024F	2025F
Revenue (RMm)	**696.3**	**766.6**	**822.1**
Growth yoy (%)	0	10	7
Local Gov. (RMm)	**364.3**	**384.3**	**404.3**
Growth yoy (%)		5	5
% of revenue	52	50	49
Local Private (RMm)	**239.2**	**275.1**	**294.3**
Growth yoy (%)		15	7
% of revenue	34	36	36
Export (RMm)	**92.8**	**107.2**	**123.5**
Growth yoy (%)		15	15
% of revenue	13	14	15
	2022F	**2023F**	**2024F**
PAT (RMm)	**74.0**	**98.6**	**109.9**
Growth yoy (%)	-30.3	33.3	11.5
3-yr CAGR (%)	8.1	14.5	1.2
Gross Profit Margin (%)	40.2	39.5	43.1
PAT Margin (%)	10.6	12.9	13.4

Source: UOB Kay Hian

FIVE-YEAR FORWARD PE BAND



Source: Bloomberg, UOB Kay Hian

PROFIT & LOSS

Year to 31 Dec (RMm)	2022	2023F	2024F	2025F
Net turnover	**697**	**696**	**767**	**822**
EBITDA	129	133	173	189
Deprec. & amort.	36	39	42	45
EBIT	93	94	131	144
Total other non-operating income	0	1	1	1
Associate contributions	0	0	0	0
Net interest income/(expense)	(8)	(8)	(7)	(6)
Pre-tax profit	**85**	**87**	**125**	**139**
Tax	(15)	(13)	(26)	(29)
Net profit	**70**	**74**	**99**	**110**
Net profit (adj.)	106	74	99	110

BALANCE SHEET

Year to 31 Dec (RMm)	2022	2023F	2024F	2025F
Fixed assets	580	607	635	660
Other LT assets	101	100	100	100
Cash/ST investment	158	208	226	255
Other current assets	381	355	378	403
Total assets	**1,219**	**1,270**	**1,338**	**1,419**
ST debt	134	129	124	119
Other current liabilities	127	131	136	144
LT debt	295	295	295	295
Other LT liabilities	8	8	8	8
Shareholders' equity	655	707	776	853
Total liabilities & equity	**1,219**	**1,270**	**1,338**	**1,419**

CASH FLOW

Year to 31 Dec (RMm)	2022	2023F	2024F	2025F
Operating	**70**	**140**	**119**	**135**
Pre-tax profit	121	87	125	139
Tax	(25)	(13)	(26)	(29)
Deprec. & amort.	36	39	42	45
Associates	0	0	0	0
Working capital changes	(59)	29	(19)	(17)
Other operating cashflows	(4)	(2)	(3)	(4)
Investing	**(69)**	**(63)**	**(67)**	**(67)**
Capex (growth)	(65)	(65)	(70)	(71)
Proceeds from sale of assets	0	0	0	0
Others	(4)	2	3	4
Financing	**18**	**(27)**	**(35)**	**(38)**
Dividend payments	(8)	(22)	(30)	(33)
Issue of shares	0	0	0	0
Proceeds from borrowings	86	0	0	0
Loan repayment	(59)	0	0	0
Others/interest paid	(1)	(5)	(5)	(5)
Net cash inflow (outflow)	**19**	**50**	**18**	**30**
Beginning cash & cash equivalent	**138**	**158**	**208**	**226**
Changes due to forex impact	1	0	0	0
Ending cash & cash equivalent	**158**	**208**	**226**	**255**

KEY METRICS

Year to 31 Dec (%)	2022	2023F	2024F	2025F
Profitability				
EBITDA margin	18.5	19.1	22.6	23.0
Pre-tax margin	12.2	12.5	16.3	16.9
Net margin	10.1	10.6	12.9	13.4
ROA	5.9	5.9	7.6	8.0
ROE	11.0	10.9	13.3	13.5
Growth				
Turnover	9.0	(0.1)	10.1	7.2
EBITDA	8.2	3.2	30.0	9.5
Pre-tax profit	2.3	2.5	43.4	11.5
Net profit	6.8	5.5	33.3	11.5
Net profit (adj.)	61.6	(30.3)	33.3	11.5
EPS	61.6	(30.3)	33.3	11.5
Leverage				
Debt to total capital	39.6	37.5	35.0	32.7
Debt to equity	65.4	59.9	54.0	48.5
Net debt/(cash) to equity	41.4	30.5	24.9	18.6
Interest cover (x)	16.0	17.6	25.5	32.7

TRADERS' CORNER

Source: UOBKH ChartGenie

Aemulus Holdings (AMLS MK)

Technical BUY on breakout with +29.0% potential return

Last price: RM0.33

Target price: RM0.395, RM0.445

Support: RM0.305

Stop-loss: RM0.295

BUY on breakout with a target price of RM0.445 and stop-loss at RM0.295. Share price has consolidated near the immediate support of RM0.305 and yesterday's positive closing above the BBI sets a new tone for the short-term outlook. The uptick in the DMI and the increasing in trading volumes suggest buying momentum is set to continue in the near term. A breakout above RM0.345 will extend the uptrend towards the resistance levels of RM0.395 and RM0.445.

Expected timeframe: Two weeks to two months.

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

Excel Force MSC (EFM MK)

Technical BUY on breakout with +23.3% potential return

Last price: RM0.41

Target price: RM0.51, RM0.53

Support: RM0.36

Stop-loss: RM0.355

BUY on breakout with a target price of RM0.53 and stop-loss at RM0.355. EFM has been on a gradual decline in the last few days and managed to close at RM0.40 yesterday. Nevertheless, the stock appears to have formed a base near the support level of RM0.36. This is supported by an uptick in the RSI and a bullish crossover in the MACD and the DMI. We peg our targets at RM0.51 and RM0.53 once the stock breaks above RM0.43.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

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