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### KEY HIGHLIGHTS

#### Company Results

**Astro Malaysia (ASTRO MK/HOLD/RM0.51/Target: RM0.44)** Page 2  
2QFY24: Below expectations mainly due to higher-than-expected operating expenses. Cut FY24-26 earnings by 9-33%. Astro has abolished its 75% dividend policy.

#### Company Update

**Malakoff Corporation (MLK MK/BUY/RM0.605/Target: RM0.70)** Page 5  
Upgrade to BUY on negative fuel margin narrowing in 2H23, potential award of waste-to-energy plant contract, and attractive dividend yield of 7%. Upgrade to BUY.

#### TRADERS' CORNER

Page 8

**Duopharma Biotech (DBB MK):** Technical BUY

**MMS Venture (MMSV MK):** Technical BUY

### KEY INDICES

	Index	pt chg	% chg
FBMKLCI	1,443.45	(6.8)	(0.5)
Bursa Emas	10,704.87	(42.0)	(0.4)
Ind Product	174.18	(0.7)	(0.4)
Finance	16,182.65	(38.0)	(0.2)
Consumer	556.17	(1.2)	(0.2)
Construction	186.25	0.6	0.3
Properties	886.05	(1.7)	(0.2)
Plantations	6,905.20	(22.0)	(0.3)

### BURSA MALAYSIA TRADING & PARTICIPATION

Malaysia Turnover	25-Sep-23	% chg
Volume (m units)	3,334	6.5
Value (RMm)	2,041	(1.7)

By Investor type	(%)	ppt chg
Foreign investors	27.6	0.6
Local retail	29.5	0.7
Local institution	42.9	(1.2)

### TOP VOLUME / GAINERS / LOSERS

Top Volume	Price (RM)	Chg (%)	Volume ('000)
MRCB	0.48	0.0	73,638
UEM Sunrise	0.88	(3.8)	67,809
MY EG Services	0.80	(2.4)	56,199
Velesto Energy	0.26	0.0	32,678
Eastern & Orient	0.71	(1.4)	30,791

#### Top Gainers

Parkson Holdings	0.33	8.3	17,602
POS Malaysia	0.54	2.9	995
Mah Sing Group	0.92	2.8	25,838
Faber Group	1.12	2.8	1,965
Malaysia Building Society	0.75	2.7	13,775

#### Top Losers

UEM Sunrise	0.88	(3.8)	67,809
GD Express Carrier	0.18	(2.8)	274
Bumi Armada	0.55	(2.7)	25,223
MY EG Services	0.80	(2.4)	56,199
Digi.com	4.40	(2.2)	3,448

### OTHER STATISTICS

	25-Sep-23	chg	% chg
RM/US\$	4.69	(0.00)	(0.1)
CPO 3rd mth future (RM/mt)	3,716	35.0	1.0

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

### COMPANY RESULTS

#### Astro Malaysia (ASTRO MK)

2QFY24: Below Expectations, 75% Dividend Policy Terminated

Astro booked 2QFY24 core net profit of RM42m (-60% yoy, -32% qoq), due to lower revenue contributions from all segments as well as higher-than-expected operating costs. 1HFY24 net profit accounts for 31% of our full-year estimate – below expectation. We revised our dividend payout to 50-60% for FY24-25, in line with the group's decision to abolish its 75% dividend policy. We downgrade earnings by 9-33% for FY24-26. Maintain HOLD with a lower target price of RM0.44.

#### 2QFY24 RESULTS

Year to 31 Jan (RMm)	2QFY23	1QFY24	2QFY24	qoq % chg	yoy % chg
<b>Revenue</b>	<b>921.1</b>	<b>891.1</b>	<b>869.8</b>	<b>(2.4)</b>	<b>(5.6)</b>
- Subscription/others	721.8	692.5	680.5	(1.7%)	(5.7%)
- Adex	87.1	99.0	87.4	(11.7)	0.3
- Home shopping	46.2	33.8	32.3	(4.4)	(30.1)
Gross Profit	316.3	281.0	253.4	(9.8)	(19.9)
<b>EBITDA</b>	<b>283.2</b>	<b>247.9</b>	<b>224.7</b>	<b>(9.4)</b>	<b>(20.7)</b>
EBITDA Margin (%)	30.7	27.8	25.8	(7.1)	(16.0)
EBIT	175.9	130.4	96.7	(25.8)	(45.0)
PBT	127.2	20.6	29.6	43.7	(76.7)
Net Profit	98.5	15.9	23.6	48.4	(76.0)
Core Net Profit	104.0	62.0	42.0	(32.3)	(59.6)
	<u>2QFY23</u>	<u>3QFY23</u>	<u>4QFY23</u>	<u>1QFY24</u>	<u>2QFY24</u>
TV ARPU (RM)	97.4	97.4	98.2	98.7	99.1
Subscribers	5,541	5,501	5,490	5,458	5,417

Source: Astro, UOB Kay Hian

#### RESULTS

- 2QFY24 results below expectations.** Astro Malaysia (Astro) delivered a sequentially weaker 2QFY24 core net profit of RM42m (-60% yoy, -32% qoq) mainly due to: a) lower revenue contribution from all segments; b) higher content costs; c) higher staff-related costs; d) higher broadband costs; e) higher marketing and distribution expenses; and f) higher license, copyright and royalty fees. This brings 1HFY24 core net profit to RM105m, down 53% yoy. Accounting for 31% of our full-year earnings, the results are below expectations.
- Dividends.** Due to a consistently weak consumer climate, no interim dividend was declared this quarter. Coupled with ongoing forex fluctuations, the group has decided to abolish its 75% dividend policy. We forecast FY24 net DPS at 2.2 sen/share, translating to a dividend yield of 4.9%.

#### KEY FINANCIALS

Year to 31 Jan (RMm)	2022	2023	2024F	2025F	2026F
Net turnover	4,176	3,800	3,322	2,986	2,734
EBITDA	1,286	1,046	1,117	993	1,047
Operating profit	754	417	418	399	535
Net profit (rep./act.)	461	259	226	209	303
Net profit (adj.)	476	312	226	209	303
EPS (sen)	9.1	6.0	4.3	4.0	5.8
PE (x)	5.6	8.5	11.8	12.7	8.8
P/B (x)	2.4	2.5	2.4	2.3	2.1
EV/EBITDA (x)	4.5	5.6	5.2	5.9	5.6
Dividend yield (%)	15.0	6.7	4.9	5.5	9.9
Net margin (%)	11.0	6.8	6.8	7.0	11.1
Net debt/(cash) to equity (%)	226.1	294.4	235.1	224.1	213.0
Interest cover (x)	7.9	8.2	6.4	5.6	5.6
ROE (%)	41.8	23.6	20.6	18.1	24.9
Consensus net profit	-	-	316	287	328
UOBKH/Consensus (x)	-	-	0.72	0.73	0.93

Source: Astro, Bloomberg, UOB Kay Hian

### HOLD

(Maintained)

Share Price	RM0.51
Target Price	RM0.44
Upside	-13.7%
(Previous TP)	RM0.60

#### COMPANY DESCRIPTION

Pay-TV operator.

#### STOCK DATA

GICS sector	Communication Services
Bloomberg ticker:	ASTRO MK
Shares issued (m):	5,219.0
Market cap (RMm):	2,661.7
Market cap (US\$m):	568.0
3-mth avg daily t'over (US\$m):	0.6

#### Price Performance (%)

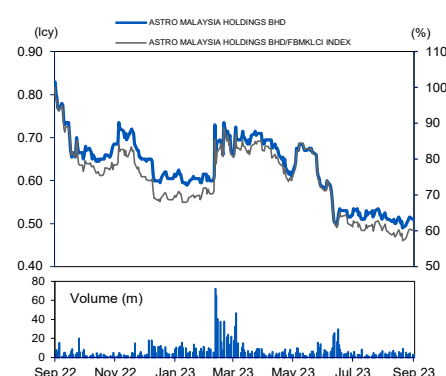
52-week high/low	RM0.830/RM0.490			
<b>1mth</b>	<b>3mth</b>	<b>6mth</b>	<b>1yr</b>	<b>YTD</b>
0.0	(13.6)	(23.9)	(38.9)	(21.5)

#### Major Shareholders

Pantan Cahaya Bulan Ventures Sdn	20.7
All Asia Media Equities Limited	19.4
East Asia Broadcast Network MV	8.1

FY23 NAV/Share (RM)	0.22
FY23 Net Debt/Share (RM)	0.51

#### PRICE CHART



Source: Bloomberg

#### ANALYST(S)

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### STOCK IMPACT

- **2QFY24 revenue fell 6% yoy and 2% qoq to RM870m.** Astro experienced both yoy and qoq declines across all segments. TV subscription revenue fell 6% yoy and 2% qoq to RM681m. Subscriber base fell 2% yoy to 5.42m. Positively, 2QFY24 ARPU rose 1% both yoy and qoq to RM99.1/month as Astro managed to upsell its packages with better value.
- **Soft consumer market affecting home shopping segment.** GoShop revenue (-30% yoy, -5% qoq) saw the steepest decline among the segments due to weak consumer sentiment in the rising interest rate environment.
- **Weak advertising revenue in 2QFY24.** Advertising revenue declined 12% qoq mainly due to weak consumer sentiment, which caused corporates to cut their advertising spending. Management launched Astro addressable advertising in Jun 22 to offer targeted advertising based on AI data analytics. We believe Astro can monetise data well enough to diversify its revenue stream.
- **Astro has launched the Astro Fibre plan** which allows customers to sign up for stand-alone broadband or content plus broadband bundles. Due to a low base, broadband customers increased by 27% yoy. Astro believes that the bundle packages offered to customers will provide better value and encourage take-up in the longer run.
- **Capex outlook.** For FY24, Astro expects capex spending at around RM300m-400m. Key investments in FY23 include: a) technology infrastructure across OOT & digital, TV and video-on-demand, b) customer experience, c) product and service upgrades, and d) set-top boxes (STBs) provided to customers.

### EARNINGS REVISION/RISK

- Downgrade FY24-26 core net profit forecasts by 9-33% to account for lower revenue contribution from all segments and higher operating cost due to the rising interest rate environment.
- We revised our dividend payout forecast from 75% to 50-60% for FY24-25, in line with the change in dividend policy by the group.

### VALUATION/RECOMMENDATION

- **Maintain HOLD with a lower DCF-based target price of RM0.44** (discount rate: 10%, terminal growth rate: -3%) in tandem with our earnings downgrade. Our target price implies 10x FY24F PE, from -1SD five-year mean PE of 15x.
- **Key re-rating catalysts** include: a) higher-than-expected dividend payout for FY24, b) higher-than-expected pay-TV ARPU, and c) favourable regulatory outlook in light of the crackdown on piracy.

### ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG) UPDATES

#### • Environmental

- Harvested 1.7m kWh of photovoltaic energy from 4,780 solar panels, saving 964 tCO<sub>2</sub>e carbon, which is equivalent to planting 24,718 trees. This also helped reduce greenhouse gas emissions by 2% to 25,423 tCO<sub>2</sub>e in FY21.

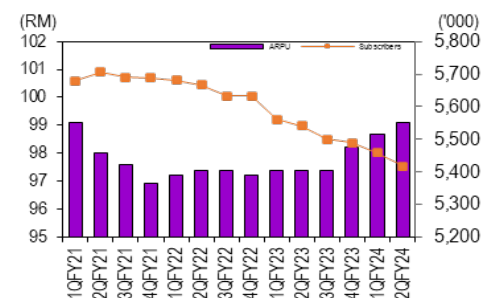
#### • Social

- Broadcasted over 16,000 hours of public service announcements in FY21.
- Produced and commissioned over 9,000 hours of content, worth over RM320m.

#### • Governance

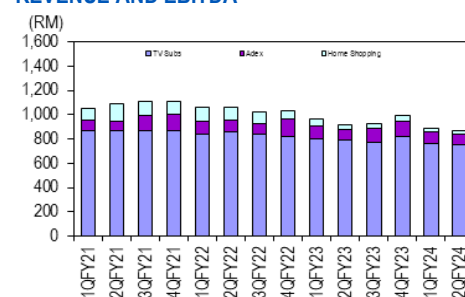
- Good company transparency along with an Anti-Bribery and Anti-Corruption Policy.

### ARPU AND SUBSCRIBERS



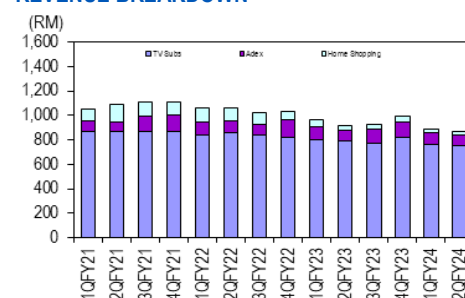
Source: Astro, UOB Kay Hian

### REVENUE AND EBITDA



Source: Astro, UOB Kay Hian

### REVENUE BREAKDOWN



Source: Astro, UOB Kay Hian

### PROFIT & LOSS

Year to 31 Jan (RMm)	2023	2024F	2025F	2026F
<b>Net turnover</b>	<b>3,800</b>	<b>3,322</b>	<b>2,986</b>	<b>2,734</b>
EBITDA	1,046	1,117	993	1,047
Deprec. & amort.	629	698	594	511
EBIT	417	418	399	535
Net interest income/(expense)	(128)	(175)	(178)	(186)
<b>Pre-tax profit</b>	<b>289</b>	<b>244</b>	<b>220</b>	<b>350</b>
Tax	(79)	(66)	(60)	(95)
Minorities	49	49	49	49
<b>Net profit</b>	<b>259</b>	<b>226</b>	<b>209</b>	<b>303</b>
Net profit (adj.)	312	226	209	303

### CASH FLOW

Year to 31 Jan (RMm)	2023	2024F	2025F	2026F
<b>Operating</b>	<b>1,308</b>	<b>994</b>	<b>900</b>	<b>878</b>
Pre-tax profit	289	244	220	350
Tax	(79)	(66)	(60)	(95)
Deprec. & amort.	629	698	594	511
Associates	0	0	0	0
Working capital changes	(68)	(56)	(33)	(73)
Other operating cashflows	128	175	178	186
<b>Investing</b>	<b>(466)</b>	<b>(334)</b>	<b>(302)</b>	<b>(283)</b>
Capex (maintenance)	(316)	(349)	(313)	(287)
Others	(150)	15	11	4
<b>Financing</b>	<b>(847)</b>	<b>(605)</b>	<b>(748)</b>	<b>(626)</b>
Dividend payments	(156)	(169)	(157)	(227)
Issue of shares	0	0	0	0
Proceeds from borrowings	604	0	(157)	0
Others/interest paid	(1,294)	(435)	(435)	(398)
<b>Net cash inflow (outflow)</b>	<b>(5)</b>	<b>56</b>	<b>(150)</b>	<b>(30)</b>
<b>Beginning cash &amp; cash equivalent</b>	<b>166</b>	<b>159</b>	<b>215</b>	<b>65</b>
Changes due to forex impact	(1)	0	0	0
<b>Ending cash &amp; cash equivalent</b>	<b>160</b>	<b>215</b>	<b>65</b>	<b>34</b>

### BALANCE SHEET

Year to 31 Jan (RMm)	2023	2024F	2025F	2026F
Fixed assets	2,238	1,888	1,607	1,383
Other LT assets	2,124	2,124	2,370	2,370
Cash/ST investment	159	215	65	34
Other current assets	1,180	1,113	1,066	1,239
<b>Total assets</b>	<b>5,701</b>	<b>5,340</b>	<b>5,107</b>	<b>5,026</b>
ST debt	712	894	894	894
Other current liabilities	961	837	757	648
LT debt	2,601	1,973	1,816	1,816
Other LT liabilities	329	329	329	329
Shareholders' equity	1,071	1,128	1,180	1,256
Minority interest	27	180	131	83
<b>Total liabilities &amp; equity</b>	<b>5,701</b>	<b>5,340</b>	<b>5,107</b>	<b>5,026</b>

### KEY METRICS

Year to 31 Jan (%)	2023	2024F	2025F	2026F
<b>Profitability</b>				
EBITDA margin	27.5	33.6	33.3	38.3
Pre-tax margin	7.6	7.3	7.4	12.8
Net margin	6.8	6.8	7.0	11.1
ROA	4.7	4.1	4.0	6.0
ROE	23.6	20.6	18.1	24.9
<b>Growth</b>				
Turnover	(9.0)	(12.6)	(10.1)	(8.4)
EBITDA	(18.7)	6.8	(11.1)	5.4
Pre-tax profit	(51.0)	(15.7)	(9.6)	58.6
Net profit	(43.8)	(12.8)	(7.5)	45.0
Net profit (adj.)	(34.5)	(27.5)	(7.5)	45.0
EPS	(34.5)	(27.5)	(7.5)	45.0
<b>Leverage</b>				
Debt to total capital	75.1	68.7	67.4	66.9
Debt to equity	309.3	254.2	229.6	215.8
Net debt/(cash) to equity	294.4	235.1	224.1	213.0
Interest cover (x)	8.2	6.4	5.6	5.6

### COMPANY UPDATE

## Malakoff Corporation (MLK MK)

Driving Growth Through Green Initiatives In The Medium Term

We came away from a recent meeting more sanguine on Malakoff's prospects. The share price has retracted 10% (relative to FBMKLCI) ytd, as negative fuel margins are largely priced in. We upgrade the stock to BUY with a fair value of RM0.70/share. Key re-rating catalysts include: a) stronger 2H23 earnings, b) potential energy exports to Singapore, and c) a new waste-to-energy power plant to be awarded. The stock offers an attractive 7-8% dividend yield.

#### WHAT'S NEW

- **A better 2H, thanks to a potentially narrowing of fuel margins.** We expect negative fuel margin to narrow in 2H23. This indicates better 2H23 earnings, assuming the decline in global coal prices are gradual and/or stable from current levels. Essentially, the gap between average coal price (ACP) and fuel cost has narrowed since Jul 23. The negative fuel margin may even dissipate in 4Q23 as coal prices generally inch up during the cold winter period. We understand the bulk of negative fuel margin comes from Tanjung Bin Power (TBP) given the mix of bituminous and non-bituminous coal mix for its power plant. For 1H23, the negative fuel margin was RM676m vs 1H23 group net loss of RM349m.
- **Attractive dividend yield.** Against a backdrop of a stronger 2H23 and healthy cashflow at company level, we believe Malakoff Corporation (Malakoff) may pay out an absolute dividend of 4.5-5 sen/share. This translates to an attractive net dividend yield of 7-8%.
- **Going green with a bang: Biomass co-firing in TBP...** Under the National Energy Transition Roadmap (NeTR), Malaysia is committed to increase renewable energy (RE) energy mix from 40% to 70% by 2050. One way Malakoff is supporting Malaysia's energy transition is by decarbonising its existing plants using biomass co-firing. As part of this effort, the 2,100MW TBP plant will blend biomass with coal in its operations. Malakoff aims to achieve 15% of generation from biomass by 2027.
- **...and a potential waste-to-energy plant in Peninsular Malaysia.** In addition, we expect Malakoff to participate in building a waste-to-energy (WTE) plant with a potential generation capacity of 20-25MW (with a waste collection of 800 tonnes/day). This project is expected to deliver high single-digit IRRs. More importantly, Malakoff will be able to tap onto the expertise of its wholly-owned Alam Flora in waste collection, recycling and waste management.

#### KEY FINANCIALS

Year to 31 Dec (RMm)	2021	2022	2023F	2024F	2025F
Net turnover	6,463	10,355	10,097	9,795	9,790
EBITDA	2,514	2,955	1,203	2,051	2,051
Operating profit	1,271	1,707	150	1,032	1,064
Net profit (rep./act.)	260	302	(196)	278	325
Net profit (adj.)	486	750	(196)	278	325
EPS (sen)	9.9	15.3	(4.0)	5.7	6.7
PE (x)	6.1	3.9	n.m.	10.6	9.1
P/B (x)	0.5	0.5	0.5	0.5	0.5
EV/EBITDA (x)	4.0	3.4	8.3	4.9	4.9
Dividend yield (%)	8.4	8.7	7.4	7.9	8.3
Net margin (%)	4.0	2.9	(1.9)	2.8	3.3
Net debt/(cash) to equity (%)	133.6	113.3	113.8	97.1	80.9
Interest cover (x)	4.4	5.7	2.4	3.6	3.9
ROE (%)	4.2	4.8	n.a.	4.7	5.4
Consensus net profit	-	-	(124)	267	294
UOBKH/Consensus (x)	-	-	1.59	1.04	1.11

Source: Malakoff, Bloomberg, UOB Kay Hian

## BUY

(Upgraded)

Share Price	RM0.605
Target Price	RM0.70
Upside	+15.7%

#### COMPANY DESCRIPTION

Independent power producer.

#### STOCK DATA

GICS sector	Utilities
Bloomberg ticker:	MLK MK
Shares issued (m):	4,887.0
Market cap (RMm):	2,956.6
Market cap (US\$m):	630.5
3-mth avg daily t'over (US\$m):	0.2

#### Price Performance (%)

52-week high/low	RM0.74/RM0.57			
<b>1mth</b>	<b>3mth</b>	<b>6mth</b>	<b>1yr</b>	<b>YTD</b>
(6.9)	4.3	(11.0)	(9.0)	(6.9)

#### Major Shareholders

Anglo Oriental Annuities Sdn Bhd	20.1
Employees Provident Fund	18.4
MMC Corp Bhd	10.2

FY23 NAV/Share (RM) 1.35

FY23 Net Debt/Share (RM) 1.08

#### PRICE CHART



Source: Bloomberg

#### ANALYST(S)

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### STOCK IMPACT

- Potential energy exports to Singapore.** As part of its future sustainable plan, Malakoff is participating in Singapore's proposal to export energy into Singapore. To recap, Singapore is calling interested parties to submit bid to export up to 4GW of energy into Singapore by 2035. The tender process will close by Dec 23 and evaluation will be done in 1H24 by the Singapore authority (EMA). A key advantage of Malakoff's Johor site includes proximity to intake point, and hence a shorter transmission line to Singapore (approximately 5-15km, depending on the export point).
- Mini hydro power plant in Kelantan.** Separately, Malakoff is developing three small hydropower plants with a total capacity of 84mw in Kelantan. The company has just done its financial closing in July, and this project is a key growth area in its RE portfolio which is aligned with the Malaysia Renewable Energy Roadmap to leverage hydropower's full potential as one of the technology-specific pillars towards achieving a low-carbon economy.
- An understanding of fuel margin.** Two key takeaways from management on fuel margin: a) it is not within Malakoff's control as prices are dictated by offtaker TNB, and b) negative fuel margin may potentially narrow in 2H23. We gathered from the company that negative fuel margin is the difference between fuel income and fuel cost (see RHS). The fuel income is unfortunately, controlled by TNB via the ACP while the fuel cost is the weighted average cost of coal in Malakoff's stockyard. The current coal stock pile is approximately one month (well within the mandate of the power purchase agreement, PPA). When coal prices dropped dramatically in Mar 23, TBP had to book in a negative fuel margin because the average cost of the stockpile is higher than the ACP given by TNB.
- Alam Flora – A healthy concession.** The group aims to achieve a 15-20% recycling rate from waste collected by Alam Flora. The company also aims to reduce its greenhouse gas emissions intensity by 30% by 2031 and, ultimately, become a net-zero emissions organisation by 2050. Based on a projected net profit of RM100m annually, Alam Flora is worth at least RM2b, based on PE of 20x (accounting for 70% of Malakoff's market cap). Alam Flora has been dishing out dividends in the past two years and will likely support dividends in 2023-24.

### EARNINGS REVISION/RISK

- We have adjusted 2023 net loss to RM200m (from a net profit of RM250m) after incorporating net fuel margin loss for full-year 2023. To recap, 1H23 fuel margin loss from TBP and TBE was RM676m.

### VALUATION/RECOMMENDATION

- Upgrade to BUY with a fair value of RM0.70/share.** The stock trades at an attractive single digit PE of 10x vs five-year average PE of 13x. This is 2SD below the stock's mean PE valuation in the past five years.
- Key re-rating catalysts: a) export of power to Singapore, b) new WTE award, and c) stronger 2H23 results.

### ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG) UPDATES

<ul style="list-style-type: none"> <li> <b>Environmental</b> <ul style="list-style-type: none"> <li>No further plant up of coal fired power plants for Malakoff. Committed to achieving net-zero carbon by 2050, in line with the government's ambition. With Alam Flora as the largest waste management company in Malaysia, Malakoff is in a better position to grow its environmental services.</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li> <b>Social</b> <ul style="list-style-type: none"> <li>Cultivate an inclusive culture in an organisation with equal opportunities for all people to grow professionally within a safe and healthy work environment.</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li> <b>Governance</b> <ul style="list-style-type: none"> <li>Observe the highest corporate compliance standards in all units and activities of the group (goal: zero misconduct).</li> </ul> </li> </ul>

### FUEL MARGIN FOR MALAKOFF

How Does Fuel Margin Work?

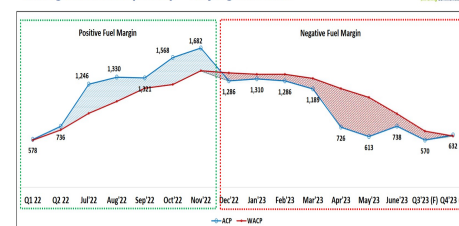


- 1 Fuel Income** Calculated based on the **Applicable Coal Price (ACP)** determined by Single Buyer.
- 2 Fuel Cost** Calculated based on the weighted average cost of coal purchase price.

Source: Malakoff

### DECLINING NEGATIVE FUEL MARGIN

Illustration of Fuel Margin: Applicable Coal Price (ACP) vs Weighted Average Coal Price (WACP) – Tanjung Bin Power



Source: Malakoff

### TBP BIOMASS CO-FIRING PROJECT

<b>Project Owner</b> <b>Tanjung Bin Power Sdn Bhd (TBP)</b> (Malakoff's subsidiary)
<b>Objective</b> Co-firing of biomass with coal at Tanjung Bin Power Plant (TBPP): <ul style="list-style-type: none"> <li>Malakoff's efforts in supporting the nation's aspiration of <b>Net Zero GHG emissions by 2050</b></li> </ul>
<b>Biomass Fuel Source</b> <ul style="list-style-type: none"> <li>Empty Fruit Bunch (EFB) – waste from palm oil production</li> <li>Rice husks pellets</li> <li>Wood chips</li> </ul>
<b>Feasibility</b> Engaged specialist for consultancy support: <ul style="list-style-type: none"> <li>Studies on the detailed technical &amp; commercial assessment</li> </ul>
<b>Co-firing Target</b> Gradually increase the capacity to a minimum 15% <ul style="list-style-type: none"> <li>Scalable to higher capacity biomass cofiring for commercial operation</li> </ul>

Source: Malakoff

### PROFIT & LOSS

Year to 31 Dec (RMm)	2022	2023F	2024F	2025F
<b>Net turnover</b>	<b>10,355</b>	<b>10,097</b>	<b>9,795</b>	<b>9,790</b>
EBITDA	2,955	1,203	2,051	2,051
Deprec. & amort.	1,249	1,053	1,019	986
EBIT	1,707	150	1,032	1,064
Associate contributions	0	0	50	50
Net interest income/(expense)	(523)	(506)	(577)	(523)
<b>Pre-tax profit</b>	<b>737</b>	<b>(356)</b>	<b>505</b>	<b>592</b>
Tax	(351)	107	(151)	(178)
Minorities	(84)	53	(76)	(89)
<b>Net profit</b>	<b>302</b>	<b>(196)</b>	<b>278</b>	<b>325</b>
Net profit (adj.)	750	(196)	278	325

### CASH FLOW

Year to 31 Dec (RMm)	2022	2023F	2024F	2025F
<b>Operating</b>	<b>57</b>	<b>858</b>	<b>1,386</b>	<b>1,352</b>
Pre-tax profit	737	(356)	505	592
Tax	(351)	107	(151)	(178)
Deprec. & amort.	1,249	1,053	1,019	986
Working capital changes	(1,961)	54	64	1
Other operating cashflows	383	0	(50)	(50)
<b>Investing</b>	<b>1,812</b>	<b>(200)</b>	<b>(200)</b>	<b>(201)</b>
Capex (growth)	(298)	(200)	(200)	(201)
Proceeds from sale of assets	0	0	0	0
Others	2,110	0	0	0
<b>Financing</b>	<b>(1,900)</b>	<b>(580)</b>	<b>(595)</b>	<b>(604)</b>
Dividend payments	(257)	(220)	(235)	(244)
Issue of shares	0	0	0	0
Proceeds from borrowings	(1,102)	(360)	(360)	(359)
Others/interest paid	(541)	0	0	0
<b>Net cash inflow (outflow)</b>	<b>(31)</b>	<b>78</b>	<b>592</b>	<b>547</b>
<b>Beginning cash &amp; cash equivalent</b>	<b>1,569</b>	<b>1,538</b>	<b>1,615</b>	<b>2,207</b>
<b>Ending cash &amp; cash equivalent</b>	<b>1,538</b>	<b>1,615</b>	<b>2,207</b>	<b>2,754</b>

### BALANCE SHEET

Year to 31 Dec (RMm)	2022	2023F	2024F	2025F
Fixed assets	11,082	10,549	10,050	9,585
Other LT assets	4,874	4,554	4,284	4,014
Cash/ST investment	1,538	1,615	2,207	2,754
Other current assets	4,485	4,370	4,193	4,191
<b>Total assets</b>	<b>21,979</b>	<b>21,089</b>	<b>20,735</b>	<b>20,544</b>
ST debt	942	942	942	942
Other current liabilities	2,231	2,170	2,057	2,056
LT debt	7,801	7,441	7,081	6,722
Other LT liabilities	4,309	4,309	4,309	4,309
Shareholders' equity	6,361	5,945	5,988	6,069
Minority interest	335	281	357	446
<b>Total liabilities &amp; equity</b>	<b>21,979</b>	<b>21,089</b>	<b>20,735</b>	<b>20,544</b>

### KEY METRICS

Year to 31 Dec (%)	2022	2023F	2024F	2025F
<b>Profitability</b>				
EBITDA margin	28.5	11.9	20.9	20.9
Pre-tax margin	7.1	(3.5)	5.2	6.0
Net margin	2.9	(1.9)	2.8	3.3
ROA	1.3	n.a.	1.3	1.6
ROE	4.8	n.a.	4.7	5.4
<b>Growth</b>				
Turnover	60.2	(2.5)	(3.0)	(0.0)
EBITDA	17.5	(59.3)	70.5	0.0
Pre-tax profit	56.9	(148.4)	n.a.	17.2
Net profit	16.1	(164.9)	n.a.	17.2
Net profit (adj.)	54.4	(126.1)	n.a.	17.2
EPS	54.4	(126.1)	n.a.	17.2
<b>Leverage</b>				
Debt to total capital	56.6	57.4	55.8	54.1
Debt to equity	137.5	141.0	134.0	126.3
Net debt/(cash) to equity	113.3	113.8	97.1	80.9
Interest cover (x)	5.7	2.4	3.6	3.9

### TRADERS' CORNER



### Duopharma Biotech (DBB MK)

Technical BUY on breakout with +18.3% potential return

Last price: RM1.22

Target price: RM1.39, RM1.49

Support: RM1.15

Stop-loss: RM1.14

**BUY on breakout with a target price of RM1.49 and stop-loss at RM1.14.** Based on the daily chart, DBB has formed higher highs and higher lows towards the breakout level of RM1.26 yesterday. Currently, the positive directional index (+DI) has crossed above the negative directional index (-DI). This bullish movement is also supported by a bullish crossover in the MACD. We peg our targets at RM1.39 and RM1.49 if the stock penetrates above the breakout level of RM1.26.

Expected timeframe: Two weeks to two months.

Note: Not available for CFD Trading



### MMS Venture (MMSV MK)

Technical BUY on breakout with +14.2% potential return

Last price: RM0.555

Target price: RM0.625, RM0.645

Support: RM0.51

Stop-loss: RM0.505

**BUY on breakout with a target price of RM0.645 and stop-loss at RM0.505.** Share price has consolidated around the immediate support of RM0.51 before yesterday's positive closing above the BBI set a new tone for the short-term outlook. We expect MMSV to trend up if it penetrates the breakout level of RM0.565. A bullish bias has been established following an uptick in the DMI. We peg our targets at RM0.625 and RM0.645 in the near term.

Expected timeframe: Two weeks to two months.

Note: Not available for CFD Trading

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