

PLEASE CLICK ON THE PAGE NUMBER TO MOVE TO THE RELEVANT PAGE.

## GREATER CHINA

### Results

**Meituan (3690 HK/HOLD/HK\$129.40/Target: HK\$140.00)** Page 2  
1Q25: Earnings beat; expect margin pressure as FD competition intensifies. Downgrade to HOLD.

## INDONESIA

### Results

**Bumi Serpong Damai (BSDE IJ/BUY/Rp895/Target: Rp1,040)** Page 5  
1Q25: Weak profit; below consensus estimate.

## MALAYSIA

### Results

**AMMB Holdings (AMM MK/BUY/RM5.44/Target: RM6.08)** Page 8  
4QFY25: Net profit in line, supported by improved NIM and strong trading income. Maintain BUY with a lower target price of RM6.08.

**Gas Malaysia (GMB MK/HOLD/RM4.16/Target: RM4.25)** Page 11  
1Q25: Results within expectations. We cut our 2025 net profit by 9% on the back of dimmed near-term outlook.

**ITMAX System (ITMAX MK/BUY/RM3.76/Target: RM4.80)** Page 14  
1Q25: Within expectations. Expect stronger quarters ahead, with increased revenue recognition from SIMS contracts.

**Malayan Banking (MAY MK/HOLD/RM9.92/Target: RM10.30)** Page 17  
1Q25: Results largely in line; earnings supported by lower provisions. Maintain HOLD with a lower target price of RM10.30.

## SINGAPORE

### Strategy

**Market Strategy** Page 20  
Tariff turbulence abates – Stocks to buy in the upcoming S\$5b blitz.

## THAILAND

### Update

**Berli Jucker (BJC TB/BUY/Bt21.00/Target: Bt28.00)** Page 24  
Limited earnings downside with good business progress.

## KEY INDICES

|                        | Prev Close | 1D %  | 1W %  | 1M %  | YTD %  |
|------------------------|------------|-------|-------|-------|--------|
| DJIA                   | 41603.1    | (0.6) | (2.5) | 3.7   | (2.2)  |
| S&P 500                | 5802.8     | (0.7) | (2.6) | 5.0   | (1.3)  |
| FTSE 100               | 8718.0     | (0.2) | 0.4   | 3.6   | 6.7    |
| AS30                   | 8588.8     | 0.0   | 0.8   | 5.1   | 2.0    |
| CSI 300                | 3860.1     | (0.6) | (0.4) | 1.9   | (1.9)  |
| FSSTI                  | 3875.6     | (0.2) | (0.0) | 1.4   | 2.3    |
| HSCEI                  | 8437.6     | (1.7) | (0.3) | 4.4   | 15.7   |
| HSI                    | 23282.3    | (1.4) | (0.2) | 5.9   | 16.1   |
| JCI                    | 7188.4     | (0.4) | 0.7   | 7.6   | 1.5    |
| KLCI                   | 1534.3     | (0.1) | (1.4) | 1.7   | (6.6)  |
| KOSPI                  | 2644.4     | 2.0   | 1.6   | 3.9   | 10.2   |
| Nikkei 225             | 37531.5    | 1.0   | 0.1   | 5.1   | (5.9)  |
| SET                    | 1178.4     | 0.2   | (0.7) | 1.7   | (15.8) |
| TWSE                   | 21536.6    | (0.5) | 0.1   | 8.4   | (3.5)  |
| BDI                    | 1340       | (0.1) | (3.5) | (2.4) | 34.4   |
| CPO (RM/mt)            | 3860       | 0.3   | (0.9) | (6.8) | (21.5) |
| Brent Crude (US\$/bbl) | 65         | (0.1) | (1.2) | (3.2) | (13.3) |

Source: Bloomberg

## TOP PICKS

|                      | Ticker   | CP (lcy) | TP (lcy) | Pot. +/- (%) |
|----------------------|----------|----------|----------|--------------|
| BUY                  |          |          |          |              |
| Anta Sports          | 2020 HK  | 92.25    | 108.80   | 17.9         |
| Bank Tabungan Negara | BBTN IJ  | 1,265.00 | 1,420.00 | 12.3         |
| Hong Leong Bank      | HLBK MK  | 19.94    | 23.60    | 18.4         |
| Centurion            | CENT SP  | 1.34     | 1.48     | 10.4         |
| CP ALL               | CPALL TB | 47.75    | 79.00    | 65.4         |
| Major Cineplex       | MAJOR TB | 9.20     | 10.00    | 8.7          |

## KEY ASSUMPTIONS

| GDP (% yoy)                | 2024  | 2025F | 2026F |
|----------------------------|-------|-------|-------|
| US                         | 2.8   | 1.8   | 2.5   |
| Euro Zone                  | 0.7   | 0.9   | 1.2   |
| Japan                      | 0.1   | 1.0   | 1.5   |
| Singapore                  | 4.4   | 2.5   | 1.8   |
| Malaysia                   | 5.1   | 4.7   | 4.8   |
| Thailand                   | 2.5   | 2.9   | 3.0   |
| Indonesia                  | 5.0   | 5.2   | 5.3   |
| Hong Kong                  | 2.5   | 2.2   | 2.5   |
| China                      | 5.0   | 4.2   | 4.2   |
| CPO (RM/mt)                | 4,180 | 4,500 | 4,000 |
| Brent (Average) (US\$/bbl) | 80.0  | 70.0  | 67.0  |

Source: Bloomberg, UOB ETR, UOB Kay Hian

## CORPORATE EVENTS

|   | Venue     | Begin  | Close  |
|---|-----------|--------|--------|
| Investor Meeting with EXSIM Group                                       | Malaysia  | 03 Jun | 03 Jun |
| Virtual Meeting with Ubtech Robotics Corp Ltd (9880 HK)                 | Hong Kong | 09 Jun | 09 Jun |
| Riverstone Holdings Ltd (RSTON SP)                                      | Malaysia  | 10 Jun | 10 Jun |
| Group Meeting   |           |        |        |
| Group Meeting with UMS Integration Limited (UMSH SP)                    | Malaysia  | 10 Jun | 10 Jun |
| Analyst Marketing on Indonesia Outlook and Strategy by Willinoy Sitorus | Malaysia  | 11 Jun | 13 Jun |

## COMPANY RESULTS

### Meituan (3690 HK)

1Q25: Earnings Beat; Expecting Margin Pressures As FD Competition Intensifies

Meituan's 1Q25 results are in line with expectations. Total revenue grew 18% yoy to Rmb86.6b, in line with our and consensus estimates. Non-IFRS net profit was Rmb10.9b, with net margin expanding 2ppt yoy to 12.6%, beating consensus estimates by 13%. For 2025, we turn cautious on Meituan and expect to see margin pressure stemming from intense competition in the FD business. Downgrade to HOLD with a lower target price of HK\$140.00.

#### 1Q25 RESULTS

| Year to 31 Dec (Rmbm) | 1Q24     | 4Q24     | 1Q25     | qoq %   | yoy % | UOB      | Var     | Cons   | Var     |
|-----------------------|----------|----------|----------|---------|-------|----------|---------|--------|---------|
| TOTAL REVENUE         | 73,276   | 88,487   | 86,557   | (2%)    | 18%   | 85,723   | 1.0%    | 85,443 | 1%      |
| Core local commerce   | 54,626   | 65,567   | 64,325   | (2%)    | 18%   | 64,131   | 0.3%    |        |         |
| New initiatives       | 18,650   | 22,920   | 22,232   | (3%)    | 19%   | 21,592   | 3.0%    |        |         |
| Cost of revenue       | (47,579) | (55,043) | (54,143) | (2%)    | 14%   | (52,562) | 3.0%    |        |         |
| Gross profit          | 25,697   | 33,444   | 32,414   | (3%)    | 26%   | 33,161   | (2.3%)  | 32,195 | 1%      |
| OPEX                  | (21,187) | (25,660) | (23,949) | (7%)    | 13%   | (28,182) | (15.0%) |        |         |
| S&M                   | (13,888) | (17,301) | (15,550) | (10%)   | 12%   | (18,923) | (17.8%) |        |         |
| R&D                   | (5,000)  | (5,420)  | (5,772)  | 6%      | 15%   | (5,829)  | (1.0%)  |        |         |
| G&A                   | (2,298)  | (2,938)  | (2,627)  | (11%)   | 14%   | (3,429)  | (23.4%) |        |         |
| Non-IFRS OP           | 6,228    | 9,286    | 10,118   | 9%      | 62%   | 11,779   | (14.1%) |        |         |
| Non-IFRS OPM          | 8%       | 10%      | 12%      | 1 ppt   | 3 ppt | 14%      | (2 ppt) |        |         |
| Net profit            | 5,369    | 6,222    | 10,057   | 62%     | 87%   | 6,271    | 60.4%   |        |         |
| Non-IFRS net profit   | 7,488    | 9,849    | 10,949   | 11%     | 46%   | 10,624   | 3.1%    | 9,727  | 13%     |
| GPM                   | 35%      | 38%      | 37%      | (0 ppt) | 2 ppt | 39%      | (1 ppt) | 38%    | (0 ppt) |
| Non-IFRS NPM          | 10%      | 11%      | 13%      | 2 ppt   | 2 ppt | 12%      | 0 ppt   | 11%    | 1 ppt   |

Source: Meituan, UOB Kay Hian

#### RESULTS

- Core local commerce momentum remained intact.** In 1Q25, Meituan's core local commerce (CLC) segment recorded a revenue of Rmb64.3b, implying a stable growth of 18% yoy (4Q24: +19% yoy). CLC commission growth remained stable at 24% yoy to reach Rmb24.1b in 1Q25 vs 24% in 4Q24. Food delivery (FD) order volume growth accelerated sequentially in 1Q25, with order growth rebounding to 10% on a daily basis. FD revenue outpaced order growth by a few ppt, fuelled by improved advertising income and reduced subsidies. Meanwhile, FD cost efficiency also improved due to scale effect while FD unit economics (UE) improved both yoy and sequentially. Meituan Instashopping order volume grew over 30% yoy, with revenue outpacing order volume growth. UE reached 1% GTV margin, supported by advertising revenue, reduced subsidies, and scale efficiencies. In-store hotel and travel (ISHT) total GTV surged over 30% yoy, with in-store alone growing in the mid-40% range. Meanwhile, ISHT order volume growth came in at mid-40%, and over 50% for in-store alone. ISHT revenue grew 20% yoy, with the gap vs GTV growth attributable to structural factors, including an average order value (AOV) yoy decline.
- NIO segment.** The new initiatives and others (NIO) segment delivered decelerated revenue growth of 19% yoy to Rmb22.2b in 1Q25 (4Q24: +23% yoy). Operating loss narrowed by 17.5% yoy to Rmb2.3b, while operating margin improved 4.6ppt yoy to -10.2%. The improvements in both operating loss and operating margin were primarily attributable to efforts in improving operating efficiency and marketing efficiency in grocery retail businesses, partially offset by increased costs related to the overseas business.

#### KEY FINANCIALS

| Year to 31 Dec (Rmbm)         | 2023    | 2024    | 2025F    | 2026F    | 2027F    |
|-------------------------------|---------|---------|----------|----------|----------|
| Net turnover                  | 276,745 | 337,592 | 392,861  | 448,166  | 500,625  |
| EBITDA                        | 36,238  | 60,378  | 84,399   | 102,642  | 116,673  |
| Operating profit              | 43,988  | 68,628  | 93,779   | 110,540  | 125,284  |
| Net profit (rep./act.)        | 44,430  | 67,591  | 90,335   | 106,188  | 122,033  |
| Net profit (adj.)             | 23,253  | 43,772  | 54,039   | 63,193   | 77,667   |
| EPS (Fen)                     | 374.3   | 714.6   | 880.5    | 1,027.6  | 1,256.7  |
| PE (x)                        | 0.0     | 0.0     | 0.0      | 0.0      | 0.0      |
| P/B (x)                       | 39.7    | 20.8    | 16.9     | 14.5     | 11.8     |
| EV/EBITDA (x)                 | 6.0     | 5.3     | 4.1      | 3.2      | 2.6      |
| Dividend yield (%)            | 0.0     | 0.0     | 0.0      | 0.0      | 0.0      |
| Net margin (%)                | 16.1    | 20.0    | 23.0     | 23.7     | 24.4     |
| Net debt/(cash) to equity (%) | (8.8)   | (40.3)  | (49.3)   | (55.5)   | (60.3)   |
| ROE (%)                       | 59.8    | 1,334.9 | n.a.     | n.a.     | n.a.     |
| Consensus net profit          | -       | -       | 33,447.3 | 44,914.7 | 56,740.5 |
| UOBKH/Consensus (x)           | -       | -       | 1.07     | 1.01     | 1.02     |

Source: Meituan, Bloomberg, UOB Kay Hian

## HOLD

(Downgraded)

|               |             |
|---------------|-------------|
| Share Price   | HK\$129.40  |
| Target Price  | HK\$140.00  |
| Upside        | +8.2%       |
| (Previous TP) | HK\$216.00) |

#### COMPANY DESCRIPTION

Meituan is a Chinese group buying website for locally found food delivery services, consumer products and retail services.

#### STOCK DATA

|                                 |                        |
|---------------------------------|------------------------|
| GICS sector                     | Consumer Discretionary |
| Bloomberg ticker:               | 3690 HK                |
| Shares issued (m):              | 5,530.3                |
| Market cap (HK\$m):             | 790,602.1              |
| Market cap (US\$m):             | 100,885.9              |
| 3-mth avg daily t'over (US\$m): | 983.5                  |

#### Price Performance (%)

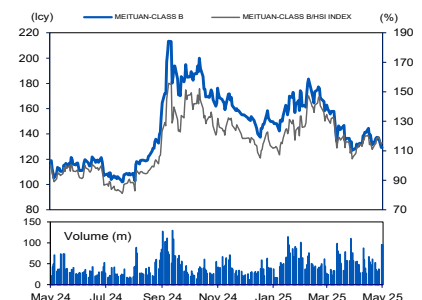
52-week high/low HK\$217.00/HK\$100.1

| 1mth | 3mth   | 1mth   | 3mth | 1mth   |
|------|--------|--------|------|--------|
| 1.4  | (22.3) | (22.6) | 11.3 | (14.7) |

#### Major Shareholders

|                           | %     |
|---------------------------|-------|
| Crown Holdings Asia       | 8.9   |
| BlackRock Inc             | 5.8   |
| Baillie Gifford & Co      | 4.9   |
| FY25 NAV/Share (Rmb)      | 36.46 |
| FY25 Net Cash/Share (Rmb) | 17.99 |

#### PRICE CHART



Source: Bloomberg

#### ANALYST(S)

**Julia Pan Meng Yao**  
+8621 5404 7225 ext 808  
juliapan@uobkayhian.com

**Soong Ming San**  
+603 21471912  
mingsan@uobkayhian.com

## STOCK IMPACT

- **Outlook for 2Q25 and 2025.** We forecast 2Q25/2025 revenue to grow 16%/16% yoy respectively and CLC to expand 18%/16% yoy. CLC EBIT is expected to see 20% yoy decline and 13% yoy growth in 2Q25/2025 respectively.
- **On-demand (FD + Meituan Instashopping) order volume growth should remain stable at low teens yoy in 2Q25**, similar to that seen in 1Q25 and 4Q24. CLC revenue growth is guided at 9-11% yoy, softer than order volume growth, primarily due to a significant decline in advertising and delivery-related income resulting from subsidies reduction. CLC's EBIT is expected to decline meaningfully by double digits yoy, mainly dragged by an increase in FD user subsidies due to intense competition amid strong seasonality in 2Q25. If FD revenue growth remains soft, the CLC EBIT decline is expected to continue in 2Q25.
- **Meituan Instashopping is poised for resilient order volume and revenue growth momentum** stemming from strong seasonality during the 5.28 and 6.18 promotional events in 2Q25. Meituan also guided a continuous narrowing of losses from Meituan Instashopping in 2Q25. It holds a clear value proposition for high-quality fulfilment with fast delivery (within 30 minutes), which is especially crucial for non-grocery categories. With this, Meituan is confident in its ability to capture high-AOV customers and continue to push for breakthroughs.
- **ISHT order volume is projected at high teens in 2Q25**, moderating sequentially from 1Q25, as subsidies previously directed to FD have been shifted offline to categories. In terms of profitability, Meituan expects ISHT margin to improve sequentially, with the mix of restaurants and hotels increasing slightly in 2Q25, while lower-tier cities should see rapid growth, primarily facilitated by Tier 1 cities.
- **Revenue from NIO is guided at low-20% yoy in 2Q25**, and sequential incremental revenue of Rmb200m-300m, primarily boosted by Keeta. However, Keeta's UE is still loss-making but has improved, leading to narrowed losses but still at a relatively small scale. Keeta is now active in five cities and is poised to expand into 50 cities throughout 2025. Keeta has been rolled out in major Tier 1 cities in Brazil, with similar ramp-up trends as iFood (90% market share). However, timelines for additional countries in 2025 remain uncertain.
- **Sensitivity analysis.** For bear-to-base-case scenario, we estimate that a 13-16% take rate and 9.7-12.7% user incentives rate will lead to a negative impact of 4-32% on 2025 EPS. For a bull-case scenario, we assume a 17-18% take rate and 6.7-8.7% user incentives rate will lead to a positive impact of 4-36% on 2025 EPS. By assigning an identical 15x PE to both bear- and bull-case scenarios' EPS of HK\$8.50 and HK\$10.60 respectively, we derive a target price of HK\$119.00 for a bear-case scenario and HK\$149.00 for a bull-case scenario. With a 16.2% take rate for the base-case scenario, we forecast commission revenue to grow 10% yoy to Rmb151.9b, with total revenue growing 16% yoy to Rmb392.8b. With a user incentives rate of 9.7%, we estimate S&M expenses to grow 1% yoy to Rmb64.5b while non-GAAP net profit is projected to grow 13.8% yoy in 2025.

## EARNINGS REVISION/RISK

- We keep our 2Q25 revenue forecast but raised our 2025 revenue estimate by 1% after factoring in the slightly moderated CLC revenue growth outlook in 2Q25. We lower our 2Q25/2025 adjusted net profit forecasts by 19%/13% respectively, stemming from heightened user incentives rates caused by an intensifying FD competitive landscape.
- **Risks.** a) Challenging macro environment, b) increased competition with Douyin and Ele.me, and c) new initiatives achieving profitability at a slower-than-expected rate.

## VALUATION/RECOMMENDATION

- **Downgrade to HOLD with a lower target price of HK\$140.00.** Our target price implies 14.6x 2025F PE against 16% 2025-28 EPS CAGR. We assign a lower 13x 2025F PE for the core local commerce segment but a higher 23x 2025F PE for the NIO segment.

## SHARE PRICE CATALYST

- a) Continued market share expansion in the FD segment and increased penetration rate in the fresh groceries segment, and b) synergies with core businesses and new initiatives.

## FORWARD EV/SALES BAND



Source: UOB Kay Hian, Bloomberg

## SENSITIVITY ANALYSIS

| Sensitivity analysis |        | Take rate |       |       |       |       |       |       |  |
|----------------------|--------|-----------|-------|-------|-------|-------|-------|-------|--|
| EPS 2025F            |        | 13.2%     | 14.2% | 15.2% | 16.2% | 17.2% | 17.7% | 18.2% |  |
| User incentives rate | -12.7% | 6.5       | 6.8   | 7.1   | 7.5   | 7.8   | 8.2   | 8.7   |  |
|                      | -11.7% | 7.2       | 7.5   | 7.8   | 8.2   | 8.5   | 9.0   | 9.4   |  |
|                      | -10.7% | 7.8       | 8.1   | 8.5   | 8.9   | 9.2   | 9.7   | 10.2  |  |
|                      | -9.7%  | 8.4       | 8.8   | 9.2   | 9.6   | 9.9   | 10.4  | 10.9  |  |
|                      | -8.7%  | 9.1       | 9.5   | 9.8   | 10.3  | 10.6  | 11.1  | 11.6  |  |
| User incentives rate |        | 9.7       | 10.1  | 10.5  | 11.0  | 11.4  | 11.8  | 12.3  |  |
|                      |        | 10.4      | 10.8  | 11.2  | 11.7  | 12.1  | 12.6  | 13.1  |  |
| % Impact to EPS      |        | Take rate |       |       |       |       |       |       |  |
| User incentives rate |        | 13.2%     | 14.2% | 15.2% | 16.2% | 17.2% | 17.7% | 18.2% |  |
| User incentives rate | -12.7% | -32%      | -29%  | -26%  | -22%  | -19%  | -14%  | -9%   |  |
|                      | -11.7% | -25%      | -22%  | -18%  | -14%  | -11%  | -6%   | -2%   |  |
|                      | -10.7% | -19%      | -15%  | -11%  | -7%   | -4%   | 1%    | 6%    |  |
|                      | -9.7%  | -12%      | -8%   | -4%   | 0%    | 4%    | 9%    | 14%   |  |
|                      | -8.7%  | -5%       | -1%   | 3%    | 7%    | 11%   | 16%   | 21%   |  |
| User incentives rate |        | 1%        | 6%    | 10%   | 14%   | 18%   | 24%   | 29%   |  |
|                      |        | 8%        | 12%   | 17%   | 22%   | 26%   | 31%   | 36%   |  |

Source: UOB Kay Hian

### PROFIT & LOSS

| Year to 31 Dec (Rmbm)            | 2024      | 2025F     | 2026F     | 2027F     |
|----------------------------------|-----------|-----------|-----------|-----------|
| Net turnover                     | 337,591.6 | 392,861.1 | 448,166.1 | 500,625.0 |
| EBITDA                           | 60,377.5  | 84,399.2  | 102,641.9 | 116,673.2 |
| Deprec. & amort.                 | (8,250.2) | (9,380.2) | (7,897.8) | (8,611.3) |
| EBIT                             | 68,627.8  | 93,779.4  | 110,539.7 | 125,284.4 |
| Total other non-operating income | (0.0)     | 0.0       | 0.0       | 0.0       |
| Associate contributions          | 1,185.7   | 1,304.3   | 1,330.4   | 1,357.0   |
| Net interest income/(expense)    | (45.2)    | 308.2     | 308.2     | 2,322.5   |
| Pre-tax profit                   | 69,768.2  | 95,391.9  | 112,178.3 | 128,963.9 |
| Tax                              | (2,177.1) | (5,057.2) | (5,990.7) | (6,930.7) |
| Minorities                       | 0.0       | 0.0       | 0.0       | 0.0       |
| Net profit                       | 67,591.1  | 90,334.7  | 106,187.6 | 122,033.1 |
| Net profit (adj.)                | 43,772.4  | 54,038.5  | 63,192.5  | 77,666.5  |

### CASH FLOW

| Year to 31 Dec (Rmbm)            | 2024        | 2025F      | 2026F      | 2027F      |
|----------------------------------|-------------|------------|------------|------------|
| Operating                        | 57,146.8    | 56,711.0   | 62,693.7   | 73,092.1   |
| Pre-tax profit                   | 69,768.2    | 95,391.9   | 112,178.3  | 128,963.9  |
| Tax                              | (2,177.1)   | (5,057.2)  | (5,990.7)  | (6,930.7)  |
| Deprec. & amort.                 | (8,250.2)   | (9,380.2)  | (7,897.8)  | (8,611.3)  |
| Working capital changes          | (1,185.7)   | (1,304.3)  | (1,330.4)  | (1,357.0)  |
| Other operating cashflows        | (185.9)     | 0.0        | 0.0        | 0.0        |
| Investing                        | 0.0         | 0.0        | 0.0        | 0.0        |
| Capex (growth)                   | (822.6)     | (22,939.2) | (34,265.7) | (38,972.8) |
| Investments                      | 10,205.3    | (15,975.8) | (15,398.3) | (17,003.6) |
| Proceeds from sale of assets     | (10,999.5)  | (11,645.7) | (13,088.2) | (14,460.6) |
| Others                           | 37,576.5    | 41,811.0   | 44,012.1   | 46,433.3   |
| Financing                        | (249,981.2) | (46,141.2) | (46,322.2) | (48,976.3) |
| Dividend payments                | (30,414.7)  | 0.0        | 0.0        | 0.0        |
| Issue of shares                  | (3.2)       | 0.0        | 0.0        | 0.0        |
| Proceeds from borrowings         | 20,262.4    | 0.0        | 0.0        | 0.0        |
| Loan repayment                   | (21,492.0)  | 0.0        | 0.0        | 0.0        |
| Others/interest paid             | (29,181.9)  | 0.0        | 0.0        | 0.0        |
| Net cash inflow (outflow)        | 36,937.4    | 40,735.2   | 47,295.4   | 56,088.5   |
| Beginning cash & cash equivalent | 33,342.4    | 70,836.7   | 111,571.9  | 158,867.3  |
| Changes due to forex impact      | 557.0       | 0.0        | 0.0        | 0.0        |
| Ending cash & cash equivalent    | 70,836.7    | 111,571.9  | 158,867.3  | 214,955.8  |

### BALANCE SHEET

| Year to 31 Dec (Rmbm)      | 2024      | 2025F     | 2026F     | 2027F     |
|----------------------------|-----------|-----------|-----------|-----------|
| Fixed assets               | 30,238.8  | 24,363.5  | 29,321.3  | 35,239.2  |
| Other LT assets            | 184,251.9 | 200,206.0 | 218,769.5 | 237,209.7 |
| Cash/ST investment         | 70,834.1  | 111,571.9 | 158,867.3 | 214,955.8 |
| Other current assets       | 138,900.8 | 141,856.6 | 145,140.3 | 148,391.7 |
| Total assets               | 424,225.6 | 477,998.0 | 552,098.4 | 635,796.3 |
| ST debt                    | 1.1       | 1.1       | 1.1       | 1.1       |
| Other current liabilities  | 91,367.0  | 105,680.6 | 119,208.4 | 132,828.9 |
| LT debt                    | 1,175.0   | 1,175.0   | 1,175.0   | 1,175.0   |
| Other LT liabilities       | 42,640.2  | 42,640.2  | 42,640.2  | 42,640.2  |
| Shareholders' equity       | 172,662.6 | 223,796.9 | 284,369.4 | 354,446.9 |
| Minority interest          | (58.9)    | (58.9)    | (58.9)    | (58.9)    |
| Total liabilities & equity | 307,787.0 | 373,234.9 | 447,335.2 | 531,033.2 |

### KEY METRICS

| Year to 31 Dec (%)        | 2024    | 2025F  | 2026F  | 2027F  |
|---------------------------|---------|--------|--------|--------|
| Profitability             |         |        |        |        |
| EBITDA margin             | 17.9    | 21.5   | 22.9   | 23.3   |
| Pre-tax margin            | 20.7    | 24.3   | 25.0   | 25.8   |
| Net margin                | 20.0    | 23.0   | 23.7   | 24.4   |
| ROA                       | 18.8    | 20.0   | 20.6   | 20.5   |
| ROE                       | 41.6    | 45.6   | 41.8   | 38.2   |
| Growth                    |         |        |        |        |
| Turnover                  | 22.0    | 16.4   | 14.1   | 11.7   |
| EBITDA                    | 66.6    | 39.8   | 21.6   | 13.7   |
| Pre-tax profit            | 56.4    | 36.7   | 17.6   | 15.0   |
| Net profit                | 52.1    | 33.6   | 17.5   | 14.9   |
| Net profit (adj.)         | 88.2    | 23.5   | 16.9   | 22.9   |
| EPS                       | 90.9    | 23.2   | 16.7   | 22.3   |
| Leverage                  |         |        |        |        |
| Debt to total capital     | 0.7     | 0.5    | 0.4    | 0.3    |
| Debt to equity            | 0.7     | 0.5    | 0.4    | 0.3    |
| Net debt/(cash) to equity | (40.3)  | (49.3) | (55.5) | (60.3) |
| Interest cover (x)        | 1,334.9 | n.a.   | n.a.   | n.a.   |

## COMPANY RESULTS

### Bumi Serpong Damai (BSDE IJ)

1Q25: Weak Profit; Below Consensus Estimate

BSDE posted a weak 1Q25 net profit of Rp321b (-77.7% yoy; -80.7% qoq) due to lower revenue recognition following a handover pull-forward in 4Q24 and limited BSD City shophouse deliveries. We expect stronger earnings from 2Q25 onwards, supported by accelerated handovers ahead of the Jun 25 VAT deadline and potential JV land plot sales worth about Rp1.3t in 2H25. We maintain our BUY call with a lower target price of Rp1,040, based on an 83.2% discount to 2025 RNAV.

#### 1Q25 RESULTS

| Year to 31 Dec (Rpb)    | 1Q25  | 1Q24  | yoy (%) | qoq (%) |
|-------------------------|-------|-------|---------|---------|
| Revenue                 | 2,701 | 3,774 | (28.4)  | (27.6)  |
| Real Estates            | 2,493 | 3,535 | (29.5)  | (18.4)  |
| Property                | 164   | 167   | (2.1)   | (4.1)   |
| Others + Toll Roads     | 44    | 60    | (26.3)  | (90.3)  |
| COGS                    | 1,004 | 1,124 | (10.6)  | (166.8) |
| Gross Profit            | 1,697 | 2,651 | (36.0)  | (23.8)  |
| EBIT                    | 595   | 1,683 | (64.6)  | (32.8)  |
| Interest expense (loan) | (235) | (176) | 33.7    | 5.0     |
| Other income (exp.)     | (39)  | (14)  | 171.7   | (103.7) |
| Associate & JV          | 26    | 48    | (47.4)  | (73.7)  |
| Pre-tax income          | 347   | 1,542 | (77.5)  | (80.8)  |
| Taxes                   | (3)   | (2)   | 67.7    | (43.3)  |
| Minorities              | (24)  | (103) | (76.7)  | (83.7)  |
| Net income (Parent)     | 321   | 1,437 | (77.7)  | (80.7)  |
| Margins (%)             |       |       |         |         |
| Gross Profit Margin     | 62.8  | 70.2  |         |         |
| EBIT margin             | 22.0  | 44.6  |         |         |
| Net Margin              | 11.9  | 38.1  |         |         |

Source: Bumi Serpong Damai, UOB Kay Hian

#### RESULTS

- Bumi Serpong Damai (BSDE) reported a weak net profit of Rp321b (-77.7% yoy; -80.7% qoq) in 1Q25**, mainly due to a 28.4% yoy and 27.6% qoq decline in revenue on lower revenue recognition. In 4Q24, there was a one-off acceleration of handovers in Grand Wisata to meet the VAT discount deadline, resulting in a handover shortfall in 1Q25. Moreover, handovers of BSD City shophouses remained limited during the quarter, further weighing on top-line performance.
- Expect stronger 2Q25 earnings.** We anticipate a rebound in BSDE's earnings starting in 2Q25, supported by a potential acceleration of handovers ahead of the 100% VAT discount deadline in Jun 25. Additionally, potential land plot sales, which are estimated at Rp1.3t, could serve as an upside surprise to 2H25 earnings.
- Lowering our marketing sales target to Rp10.0t (+2.9% yoy), from Rp10.7t.** We revise down our marketing sales target to Rp10t, in line with the company's guidance and considering the softer-than-expected macroeconomic backdrop. Despite the revision, the target still reflects a modest growth of 2.9% yoy, supported by ongoing launches in key townships.

#### KEY FINANCIALS

| Year to 31 Dec (Rpb)          | 2023   | 2024   | 2025F  | 2026F  | 2027F  |
|-------------------------------|--------|--------|--------|--------|--------|
| Net turnover                  | 11,539 | 13,797 | 12,817 | 13,450 | 13,853 |
| EBITDA                        | 3,324  | 4,910  | 4,738  | 4,905  | 4,925  |
| Operating profit              | 2,910  | 4,469  | 4,054  | 4,241  | 4,215  |
| Net profit (rep./act.)        | 1,945  | 4,359  | 2,401  | 2,592  | 2,691  |
| Net profit (adj.)             | 1,945  | 4,359  | 2,401  | 2,592  | 2,691  |
| EPS (Rp)                      | 93.0   | 208.4  | 114.8  | 123.9  | 128.7  |
| PE (x)                        | 9.6    | 4.3    | 7.8    | 7.2    | 7.0    |
| P/B (x)                       | 0.5    | 0.5    | 0.4    | 0.4    | 0.4    |
| EV/EBITDA (x)                 | 7.4    | 6.0    | 6.2    | 5.5    | 5.1    |
| Dividend yield (%)            | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    |
| Net margin (%)                | 16.9   | 31.6   | 18.7   | 19.3   | 19.4   |
| Net debt/(cash) to equity (%) | 0.7    | 5.7    | 6.4    | 0.9    | (3.6)  |
| Interest cover (x)            | 9.7    | 13.5   | 8.8    | 9.8    | 10.2   |
| ROE (%)                       | 5.8    | 12.3   | 6.6    | 6.8    | 6.9    |
| Consensus net profit          | -      | -      | 3,045  | 3,207  | 3,305  |
| UOBKH/Consensus (x)           | -      | -      | 0.8    | 0.8    | 0.8    |

Source: Bumi Serpong Damai, Bloomberg, UOB Kay Hian

## BUY

(Maintained)

|               |          |
|---------------|----------|
| Share Price   | Rp895    |
| Target Price  | Rp1,040  |
| Upside        | +16.2%   |
| (Previous TP) | Rp1,440) |

#### COMPANY DESCRIPTION

The largest developer concentrated in Greater Jakarta area with more than 4,500 ha of total land bank

#### STOCK DATA

|                                 |             |
|---------------------------------|-------------|
| GICS sector                     | Real Estate |
| Bloomberg ticker:               | BSDE IJ     |
| Shares issued (m):              | 21,171.4    |
| Market cap (Rpb):               | 18,948.4    |
| Market cap (US\$m):             | 1,166.1     |
| 3-mth avg daily t'over (US\$m): | 0.9         |

#### Price Performance (%)

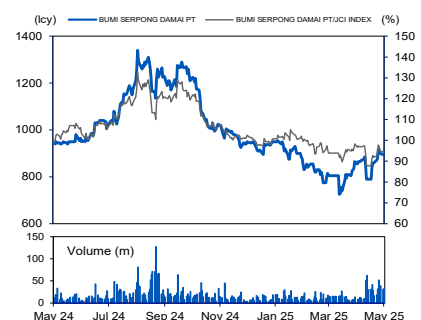
52-week high/low Rp1,340/Rp700

| 1mth | 3mth  | 6mth   | 1yr   | YTD   |
|------|-------|--------|-------|-------|
| 3.5  | (0.6) | (10.5) | (6.3) | (5.3) |

#### Major Shareholders

|                          | %     |
|--------------------------|-------|
| PT. Paraga Artamida      | 39.4  |
| PT. Ekacentra Usahamaju  | 25.6  |
| FY25 NAV/Share (Rp)      | 2,063 |
| FY25 Net Debt/Share (Rp) | n.a   |

#### PRICE CHART



Source: Bloomberg

#### ANALYST(S)

**Benyamin Mikael**  
+6221 2993 3914  
benyaminm@uobkayhian.com



## STOCK IMPACT

### 1Q25 MARKETING SALES

| Marketing sales (Rpm)        | 1Q25             | 1Q24             | yoy (%)     | qoq (%)       |
|------------------------------|------------------|------------------|-------------|---------------|
| Housing (Residential)        | 1,276,821        | 1,255,570        | 1.7%        | -17.7%        |
| Commercial Lot               | 122,126          | 190,938          | -36.0%      | -69.5%        |
| Strata title                 | 149,272          | 147,314          | 1.3%        | -8.1%         |
| Shophouse                    | 746,924          | 626,526          | 19.2%       | -2.0%         |
| Land plots - JV              | 122,126          | 0                | n.a         | n.a           |
| <b>Total marketing sales</b> | <b>2,417,269</b> | <b>2,220,348</b> | <b>8.9%</b> | <b>-16.0%</b> |

Source: BSDE, UOB Kay Hian

### PRODUCT LAUNCHES 2023-25

| Year | Product  | Units Launched | ASP (IDR)   | Take Up Rate *)at date of the announcement | Proceeds (Rpb) |
|------|--|----------------|-------------|--|----------------|
| 2023 | Layton (Housing - Nava Park)                           | 39             | 18 -32.9bn  | 66.7%                                      | 489            |
|      | Tanamas (Housing - Grand Wisata)                       | 33             | 1.4-2.8bn   | 73%  | 35             |
|      | Vermont (Housing - Kota Wisata)                        | 27             | 2.2-3.5 bn  | 55.6%                                      | 34             |
|      | Delrey Business Townhouse (Shophouse - BSD City)       | 73             | 4.1-7.1 bn  | 56.2%                                      | 197            |
|      | Frontrow Studioloft (Shophouse - Kota Wisata)          | 60             | 3-3.5 b     | 100%                                       | 201            |
|      | "Tanakayu" Vasya (Housing - BSD City)                  | 43             | 3-5 bn      | 72%  | 91             |
|      | Namee "Eonna" (Housing - BSD City)                     | 19             | 5.0-5.2 bn  | 63%  | 52             |
|      | Enchante Business Park (Shophouse - BSD City)          | 104            | ~3-5 bn     | 77%  | 248            |
|      | "Terravia" Adora (Housing - BSD City)                  | 48             | ~2-3 bn     | ~70%                                       | 61             |
|      | Iconix Studio Loft (Shophouse - BSD City)              | 26             | ~8.3 bn     | 16 of 26 unit sold                         | 115            |
| 2024 | Devant Studioloft (Shophouse - Kota Wisata)            | 30             | 7.3-10.1 bn | 13 of 30 unit sold                         | 96             |
|      | Klasika "Levante" (Housing - Grand Wisata)             | 56             | 1.6-2.1 bn  | 44 of 56 unit sold                         | 77             |
|      | Cascade Studio Loft - (Shophouse - BSD City)           | 22             | 3.6-8.9 bn  | 18 of 22 unit sold                         | 108            |
|      | 7th Avenue Biztown (Shophouse) - Grand City Balikpapan | 30             | 2.2-4.3 bn  | 18 of 30 unit sold                         | 55             |
|      | Akasha Prominent - (shophouse- BSD)                    | 56             | ~1 bn       | ~52%                                       | ~40            |
|      | West Village - (shophouse - BSD)                       | 72             | 3-9.7 bn    | 54 of 72                                   | 163            |
|      | Tresor - (Housing -BSD)                                | 38             | 12 & 21 bn  | 11 of 38                                   | 192            |
|      | Yara at The Kaia- (Housing Grand Wisata Bekasi)        | 47             | 3.9-7.5     | 22 of 47                                   | 118            |
|      | Townville (Residential - Grand City Balikpapan)        | 32             | 2.5-6.4     | 16 of 32                                   | 52             |
|      | Belova at Terravia (Residential- BSD)                  | 19             | 2.3         | 14 of 19                                   | 27             |
|      | Northridge Ultimate (Shophouse- BSD)                   | 55             | 3.8-10.8    | 37 of 55                                   | 213            |
|      | Wynyard at Hiera (residential- BSD)                    | 89             | 3.7-8.9     | 43 of 89                                   | 225            |
|      | Vincente at Klasika (residential) - Grand Wisata       | 133            | 1.8-3.7     | 45 of 113                                  | 93             |
|      | North Square District (shophouse) - Kota Wisata        | 55             | 2.4-5.9     | 55 of 71                                   | 160            |
|      | 1Q25 XLane Community Complex (shophouse - BSD)         | 58             | 3.9         | 70%  | 158            |
| 1Q25 | Armont Residence (residential - BSD)                   | 22             | 6.4-13      | 70%  | n.a            |
|      | Nava Park Business Suite (shophouse - BSD)             | 45             | 10-84       | 40%  | n.a            |
|      | Richmond (residential - BSD)                           | 32             | 8-18.7      | 25%  | n.a            |

Source: BSDE, UOB Kay Hian

### EARNINGS REVISION

|                      | New    |        | Original |        | Diff (%) |       |
|----------------------|--------|--------|----------|--------|----------|-------|
| (Rp b)               | 2025F  | 2026F  | 2025F    | 2026F  | 2025F    | 2026F |
| Marketing Sales      | 10,000 | 10,632 | 10,687   | 11,273 | -6.4     | -5.7  |
| Revenue              | 12,817 | 13,450 | 12,677   | 13,504 | 1.1      | -0.4  |
| Gross Profit         | 8,658  | 9,091  | 8,757    | 9,345  | -1.1     | -2.7  |
| Operating Profit     | 4,054  | 4,241  | 4,810    | 5,154  | -15.7    | -17.7 |
| Net Income           | 2,401  | 2,592  | 3,625    | 4,103  | -33.8    | -36.8 |
| Gross margin (%)     | 67.6   | 70.9   | 68.3     | 68.8   |          |       |
| Operating margin (%) | 31.6   | 33.1   | 38.0     | 35.9   |          |       |
| Net margin (%)       | 18.7   | 20.2   | 27.9     | 27.0   |          |       |

Source: Bloomberg, UOB Kay Hian

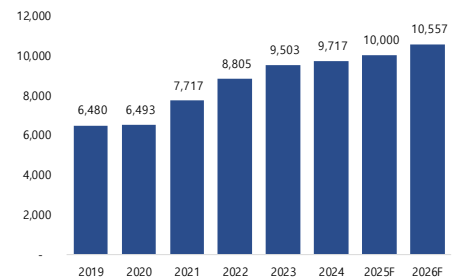
### EARNINGS REVISION/RISK

- Earnings revision.** Following the weaker-than-expected 1Q25 results, we lowered our 2025-26 earnings forecasts by 33.8% and 36.8% respectively, due to higher operating expenses, other expenses, and interest expenses expectation.

### VALUATION/RECOMMENDATION

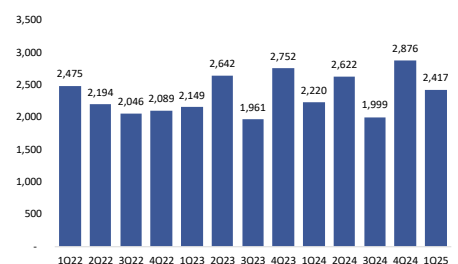
- Maintain BUY with a lower target price of Rp1,040**, based on the stock's five-year average discount or 83.2% discount to 2025 RNAV. The stock currently trades near -1SD to its five-year average discount to 2025 RNAV. We remain positive on BSDE due to: a) a potential further rate cut, b) the continuous development in BSD City, and c) earnings recovery in the coming quarters.

### MARKETING SALES (RPB)



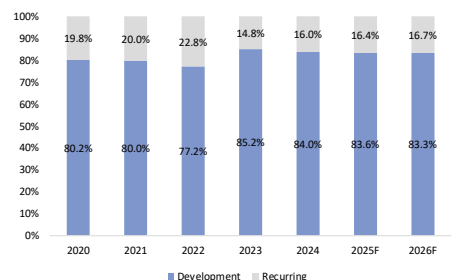
Source: BSDE, UOB Kay Hian

### QUARTERLY MARKETING SALES (RPB)



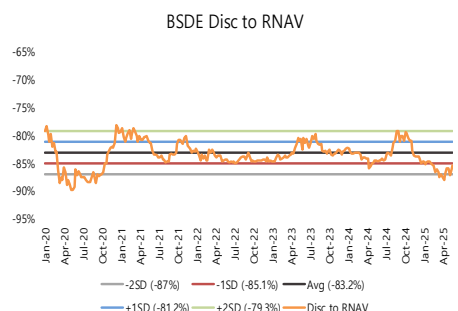
Source: BSDE, UOB Kay Hian

### REAL ESTATES AND RECURRING PORTION (%)



Source: BSDE, UOB Kay Hian

### DISCOUNT TO RNAV



Source: Bloomberg, UOB Kay Hian

### PROFIT & LOSS

| Year to 31 Dec (Rpb)             | 2024   | 2025F   | 2026F   | 2027F   |
|----------------------------------|--------|---------|---------|---------|
| Net turnover                     | 13,797 | 12,817  | 13,450  | 13,853  |
| EBITDA                           | 4,910  | 4,738   | 4,905   | 4,925   |
| Deprec. & amort.                 | 441    | 684     | 664     | 710     |
| EBIT                             | 4,469  | 4,054   | 4,241   | 4,215   |
| Total other non-operating income | 491    | (1,056) | (1,098) | (1,028) |
| Associate contributions          | 348    | 348     | 383     | 441     |
| Net interest income/(expense)    | (363)  | (541)   | (499)   | (485)   |
| Pre-tax profit                   | 4,945  | 2,805   | 3,028   | 3,143   |
| Tax                              | (28)   | (13)    | (13)    | (14)    |
| Minorities                       | (559)  | (391)   | (422)   | (438)   |
| Net profit                       | 4,359  | 2,401   | 2,592   | 2,691   |
| Net profit (adj.)                | 4,359  | 2,401   | 2,592   | 2,691   |

### BALANCE SHEET

| Year to 31 Dec (Rpb)       | 2024   | 2025F  | 2026F  | 2027F  |
|----------------------------|--------|--------|--------|--------|
| Fixed assets               | 12,937 | 13,632 | 14,348 | 15,065 |
| Other LT assets            | 32,190 | 32,506 | 32,767 | 33,093 |
| Cash/ST investment         | 8,884  | 7,408  | 7,737  | 10,160 |
| Other current assets       | 22,013 | 23,906 | 24,036 | 24,439 |
| Total assets               | 76,023 | 77,452 | 78,888 | 82,756 |
| ST debt                    | 2,076  | 2,280  | 0      | 0      |
| Other current liabilities  | 12,257 | 12,810 | 13,424 | 13,998 |
| LT debt                    | 11,007 | 9,846  | 9,846  | 9,846  |
| Other LT liabilities       | 3,363  | 3,694  | 3,863  | 4,114  |
| Shareholders' equity       | 40,861 | 43,166 | 45,758 | 48,449 |
| Minority interest          | 6,458  | 5,657  | 5,997  | 6,349  |
| Total liabilities & equity | 76,023 | 77,452 | 78,888 | 82,756 |

### CASH FLOW

| Year to 31 Dec (Rpb)             | 2024    | 2025F   | 2026F   | 2027F   |
|----------------------------------|---------|---------|---------|---------|
| Operating                        | 4,149   | 2,023   | 3,980   | 3,890   |
| Pre-tax profit                   | 4,387   | 2,414   | 2,606   | 2,705   |
| Tax                              | 28      | 13      | 13      | 14      |
| Deprec. & amort.                 | 684     | 664     | 710     | 781     |
| Working capital changes          | (777)   | (1,307) | 485     | 171     |
| Other operating cashflows        | (173)   | 240     | 166     | 218     |
| Investing                        | (9,074) | (1,609) | (1,711) | (1,820) |
| Capex (growth)                   | (7,535) | (1,559) | (1,661) | (1,770) |
| Others                           | (1,539) | (50)    | (50)    | (50)    |
| Financing                        | 4,375   | (1,890) | (1,940) | 353     |
| Dividend payments                | -       | -       | -       | -       |
| Issue of shares                  | -       | -       | -       | -       |
| Proceeds from borrowings         | 2,624   | (992)   | (2,280) | 0       |
| Others/interest paid             | 1,751   | (898)   | 340     | 353     |
| Net cash inflow (outflow)        | (550)   | (1,476) | 329     | 2,423   |
| Beginning cash & cash equivalent | 9,426   | 8,884   | 7,408   | 7,737   |
| Changes due to forex impact      | 8       | -       | -       | -       |
| Ending cash & cash equivalent    | 8,884   | 7,408   | 7,737   | 10,160  |

### KEY METRICS

| Year to 31 Dec (%)        | 2024  | 2025F  | 2026F | 2027F |
|---------------------------|-------|--------|-------|-------|
| Profitability             |       |        |       |       |
| EBITDA margin             | 35.6  | 37.0   | 36.5  | 35.6  |
| Pre-tax margin            | 35.8  | 21.9   | 22.5  | 22.7  |
| Net margin                | 31.6  | 18.7   | 19.3  | 19.4  |
| ROA                       | 6.4   | 3.5    | 3.7   | 3.7   |
| ROE                       | 12.3  | 6.6    | 6.8   | 6.9   |
| Growth                    |       |        |       |       |
| Turnover                  | 19.6  | (7.1)  | 4.9   | 3.0   |
| EBITDA                    | 47.7  | (3.5)  | 3.5   | 0.4   |
| Pre-tax profit            | 117.9 | (43.3) | 7.9   | 3.8   |
| Net profit                | 124.1 | (44.9) | 7.9   | 3.8   |
| Net profit (adj.)         | 124.1 | (44.9) | 7.9   | 3.8   |
| EPS                       | 124.1 | (44.9) | 7.9   | 3.8   |
| Leverage                  |       |        |       |       |
| Debt to total capital     | 27.6  | 24.8   | 19.0  | 18.0  |
| Debt to equity            | 32.0  | 28.1   | 21.5  | 20.3  |
| Net debt/(cash) to equity | 5.7   | 6.4    | 0.9   | (3.6) |
| Interest cover (x)        | 13.5  | 8.8    | 9.8   | 10.2  |

## COMPANY RESULTS

### AMMB Holdings (AMM MK)

4QFY25: Promising Progress

AMMB's 4QFY25 results were in line with expectations, underpinned by NIM expansion, strong trading income, and stable operating Jaws. Scope for further RWA optimisation provides potential uplift to CET1 ratios. Maintain BUY with a revised target price of RM6.08 (0.94x FY26F P/B, 9.4% ROE), down from RM6.33, after the earnings revision following our revised OPR outlook. The stock trades at compelling valuations, further supported by a dividend yield of 6.8%.

#### RESULTS

- In line.** AMMB Holdings (AMMB) reported 4QFY25 earnings RM513.9m (+7.8% yoy) bringing FY25 net profit to RM2.00b (+7.1% yoy). Earnings were broadly in line with expectations, representing 102%/101% of our and consensus full-year estimates. Excluding one-off items in FY24 (lumpy tax credit, management overlays and restructuring costs), underlying FY25 core earnings rose 15.5% yoy, driven by a 15bp yoy NIM expansion, lower provisions and positive operating Jaws.
- NIM showing resiliency.** NIM held steady at 1.94%, supported by active liability management and a shift towards higher-yielding SME loans over mortgages. 4QFY25 net interest income rose 17% yoy, driven by a 15bp NIM expansion on stronger asset yields and funding optimisation.
- Moderate non-interest income growth.** FY25 non-interest income growth was modest, inching up 1% yoy to RM1.36b, led by stronger insurance, wealth, and business banking fees, and offset by softer trading income. However, NOI rebounded 18% qoq in 4QFY25 to RM387m on improved financial securities gains and insurance income.
- Stable operating Jaws.** Operating expenses rose 7% yoy, mainly due to higher personnel and digital investment costs. However, cost-to-income ratio remained well-contained at 44.6% (FY24: 44.2%). Expenses rose just 1% qoq in 4QFY25, reflecting stable opex control.
- Resilient pre-provision operating profit (PPOP).** FY25 PPOP grew 5% yoy, with a qoq growth of 5% in 4QFY25, reflecting positive Jaws despite the qoq dip in NII. 4QFY25 PPOP expanded a robust 9% yoy, supported by NIM expansion and trading income, partially offset by softer fees and higher provisions.
- Credit cost normalised downwards.** FY25 net impairment dropped 56% yoy to RM144m due to better recoveries and an absence of lumpy management overlays. Net credit cost improved to 16bp (FY24: 52bp, or 27bp ex-overlay). In 4QFY25, net impairment rose slightly to RM49m (18bp) from RM38m (10bp) in 3QFY25 due to additional forward-looking provisions. Management overlays stood at RM439m.

#### KEY FINANCIALS

| Year to 31 Mar (RMm)   | 2024  | 2025  | 2026F | 2027F | 2028F |
|------------------------|-------|-------|-------|-------|-------|
| Net interest income    | 2,137 | 2,358 | 2,396 | 2,525 | 2,696 |
| Non-interest income    | 1,103 | 1,112 | 1,172 | 1,221 | 1,272 |
| Net profit (rep./act.) | 1,868 | 2,001 | 2,031 | 2,160 | 2,323 |
| Net profit (adj.)      | 1,732 | 2,001 | 2,031 | 2,160 | 2,323 |
| EPS (sen)              | 61.9  | 66.3  | 61.3  | 65.1  | 70.0  |
| PE (x)                 | 7.7   | 5.7   | 6.2   | 5.8   | 5.4   |
| P/B (x)                | 0.6   | 0.6   | 0.6   | 0.6   | 0.5   |
| Dividend yield (%)     | 4.2   | 5.6   | 6.8   | 7.2   | 7.8   |
| Net int margin (%)     | 1.82  | 1.97  | 1.94  | 1.92  | 1.90  |
| Cost/income (%)        | 45.0  | 45.6  | 44.9  | 44.8  | 44.1  |
| Loan loss cover (%)    | 90.7  | 82.2  | 79.3  | 76.7  | 77.6  |
| Consensus net profit   |       | -     | 2,044 | 2,190 | 2,361 |
| UOBKH/Consensus (x)    | -     | -     | 0.99  | 0.99  | 0.98  |

Source: AMMB Holdings, Bloomberg, UOB Kay Hian

## BUY

(Maintained)

|               |         |
|---------------|---------|
| Share Price   | RM5.44  |
| Target Price  | RM6.08  |
| Upside        | +11.8%  |
| (Previous TP) | RM6.33) |

#### COMPANY DESCRIPTION

Malaysia's sixth largest domestic bank by assets with the second largest market share in auto financing.

#### STOCK DATA

|                                 |            |
|---------------------------------|------------|
| GICS sector                     | Financials |
| Bloomberg ticker:               | AMM MK     |
| Shares issued (m):              | 3,304.1    |
| Market cap (RMm):               | 17,974.1   |
| Market cap (US\$m):             | 4,258.3    |
| 3-mth avg daily t'over (US\$m): | 7.7        |

#### Price Performance (%)

52-week high/low RM5.94/RM4.10

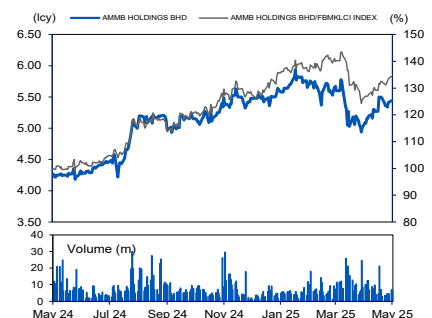
| 1mth | 3mth  | 6mth | 1yr  | YTD   |
|------|-------|------|------|-------|
| 8.6  | (4.7) | 1.9  | 27.4 | (0.7) |

#### Major Shareholders

|                                | %    |
|--------------------------------|------|
| Employees Provident Fund Board | 12.9 |
| Clear Goal Snd Bhd             | 11.8 |
| Amanah Saham                   | 8.4  |

|                     |       |
|---------------------|-------|
| FY26 NAV/Share (RM) | 6.21  |
| FY26 CAR Tier-1 (%) | 12.60 |

#### PRICE CHART



Source: Bloomberg

#### ANALYST(S)

**Keith Wee Teck Keong**  
+603 2147 1981  
keithwee@uobkayhian.com



## STOCK IMPACT

- **Improved asset quality.** The group's GIL ratio improved to 1.54% (from 1.67% in FY24 and 3QFY25), while loan loss coverage remained healthy at 103.6% including regulatory reserves. Stage 3 impaired loans declined across most segments, with notable improvements in wholesale and business banking. Management views the direct impact of the US tariffs as manageable given limited exposure to US-focused exporters, though it remains vigilant about potential second-order effects.
- **Loan growth skewing to higher-yielding segments.** Gross loans rose 4% yoy to RM138.9b, led by strong gains in business banking (+12%) and wholesale banking (+7%), offset by a 2% decline in retail banking, a strategic step to improve lending yields.
- **Deposit trends.** Customer deposits fell 1% yoy to RM141.5b, mainly due to lower CASA balances (-3% yoy). Nonetheless, CASA ratio improved qoq to 36.0% (4QFY24: 32.2%) on stronger non-retail inflows. The loans to deposit ratio stood at 98%.
- **Capital and dividend.** CET1 strengthened to 14.82% (FY24: 13.04%) post-dividend, reflecting foundational internal ratings-based approach (FIRB) adoption and profit accretion. FY25 DPS rose 34% yoy to 30.2 sen (FY24: 22.6 sen), with a payout ratio of 50%. Given its healthy CET1 ratio and moderate loan growth projection of 5-6%, we pencilled in a gradual rise in FY26 dividend payout ratio to 55%, implying a yield of 6.8%.

## EARNINGS REVISION

- Factoring in two OPR cuts in FY26, we trim our FY26-27 earnings by 4% while introducing FY28 earnings of RM2.3b.

## VALUATION/RECOMMENDATION

- **Maintain BUY with a lower target price of RM6.08** (0.94x FY26F P/B, 9.4% ROE) from RM6.33 after the earnings revision. The stock's current valuation, trading at 0.5SD below its historical mean, appears attractive — particularly given its ROE of 9.4%, which is approximately 10% above its 10-year average of 8.5%. A potential re-inclusion into the KLCI could act as a near-term catalyst for a valuation re-rating. Additionally, its compelling dividend yield of 6.8% enhances its overall investment appeal.

## 4QFY25 RESULTS

| Profit & Loss (RMm)        | 4QFY25  | 4QFY24  | yoy % chg | FY25      | yoy % chg |
|----------------------------|---------|---------|-----------|-----------|-----------|
| Net Interest Income        | 584.2   | 518.7   | 12.6      | 2,358.0   | 10.4      |
| Islamic Banking            | 360.4   | 355.7   | 1.3       | 1,350.6   | 2.7       |
| Fees & Commissions         | 161.3   | 175.1   | (7.9)     | 660.4     | 1.1       |
| Net Trading Income         | 128.4   | 85.5    | 50.3      | 422.2     | 2.0       |
| Other Operating Income     | 8.1     | 7.5     | 8.4       | 29.8      | (17.3)    |
| Total Income               | 1,242.5 | 1,142.4 | 8.8       | 4,821.1   | 5.8       |
| Operating Expenses         | (576.4) | (529.7) | 8.8       | (2,197.8) | 7.1       |
| PPOP                       | 666.1   | 612.8   | 8.7       | 2,623.3   | 4.8       |
| Provision                  | (48.8)  | (20.3)  | 140.6     | (143.9)   | (56.6)    |
| PBT                        | 656.2   | 619.7   | 5.9       | 2,587.3   | 52.7      |
| Net Profit                 | 513.9   | 476.5   | 7.8       | 2,001.2   | 7.1       |
| Core Net Profit            | 513.9   | 476.5   | 7.8       | 2,001.2   | 15.5      |
| EPS (sen)                  | 15.5    | 14.4    | 7.8       | 60.5      | 7.1       |
| DPS (sen)                  | 19.9    | 16.6    | 19.9      | 30.2      | 33.6      |
| BVPS (RM)                  | 6.24    | 5.88    | 6.1       | 6.24      | 6.1       |
|                            | 4QFY25  | 4QFY24  | yoy chg   | 3QFY25    | qoq chg   |
| Financial Ratios           | (%)     | (%)     | (ppt)     | (%)       | (ppt)     |
| NIM                        | 1.99    | 1.82    | 0.12      | 1.82      | 0.17      |
| Loan Growth                | 1.3     | 1.9     | (0.8)     | 1.9       | (0.6)     |
| Deposit Growth             | 2.3     | 1.5     | (2.5)     | 1.5       | 0.7       |
| Loan/Deposit Ratio         | 96.9    | 97.6    | 4.1       | 97.6      | (0.7)     |
| Cost/Income Ratio          | 46.4    | 46.8    | 0.0       | 46.8      | (0.4)     |
| ROE                        | 10.1    | 10.1    | (0.2)     | 10.1      | 0.0       |
| Gross Impaired Loans Ratio | 1.5     | 1.7     | (0.1)     | 1.7       | (0.1)     |
| Credit Costs (bp)          | 18.2    | 10.4    | 2.1       | 10.4      | 7.8       |
| CET-1 CAR                  | 14.8    | 13.3    | 1.5       | 13.3      | 1.5       |

Source: AMMB, UOB Kay Hian

## KEY ASSUMPTIONS

| (%)               | 2026F | 2027F | 2028F |
|-------------------|-------|-------|-------|
| Gross Loan Growth | 5.7   | 6.0   | 6.2   |
| Credit Cost (bp)  | 18.0  | 17.0  | 17.0  |
| ROE               | 9.4   | 9.6   | 9.9   |

Source: UOB Kay Hian

## ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG) UPDATES

|   |
|---|
| <ul style="list-style-type: none"> <li>• <b>Environmental</b> <ul style="list-style-type: none"> <li>- <b>Green loan commitment.</b> The bank's credit policy prohibits lending to illegal business activities that cause environmental harm.</li> <li>- <b>Reducing carbon footprint.</b> Installed eco-friendly materials in all its office renovations and digitalisation initiatives helped reduce the use of paper in offices.</li> </ul> </li> <li>• <b>Social</b> <ul style="list-style-type: none"> <li>- <b>Gender diversity.</b> In pursuit of diverse and equal gender participation, 61% of the workforce are women, of which 79% hold management positions (senior executives and above) while 18% are part of senior management (senior vice president and above).</li> <li>- <b>Staff welfare.</b> Conducts an annual employee engagement survey, the Voice of Employee ("VOE"), to gather constructive feedback from employees at all levels of the organisation. The feedback helps to design specific employee engagement initiatives to meet their needs.</li> </ul> </li> <li>• <b>Governance</b> <ul style="list-style-type: none"> <li>- <b>Non-independent board of directors composition.</b> Composition of Independent Non-Executive Directors (INED) – 40%.</li> </ul> </li> </ul> |
|---|

Source: AMMB, UOB Kay Hian

## PROFIT & LOSS

| Year to 31 Mar (RMm)        | 2025         | 2026F        | 2027F        | 2028F        |
|-----------------------------|--------------|--------------|--------------|--------------|
| Interest income             | 6,149        | 5,142        | 5,383        | 5,710        |
| Interest expense            | (3,791)      | (2,746)      | (2,858)      | (3,014)      |
| Net interest income         | 2,358        | 2,396        | 2,525        | 2,696        |
| Fees & commissions          | 660          | 693          | 728          | 765          |
| Other income                | 30           | 31           | 32           | 33           |
| Non-interest income         | 422          | 448          | 461          | 475          |
| Income from Islamic banking | 1,351        | 1,418        | 1,489        | 1,564        |
| <b>Total income</b>         | <b>4,821</b> | <b>4,986</b> | <b>5,235</b> | <b>5,531</b> |
| Staff costs                 | (1,457)      | (1,487)      | (1,576)      | (1,655)      |
| Other operating expense     | (740)        | (754)        | (768)        | (782)        |
| Pre-provision profit        | 2,623        | 2,745        | 2,891        | 3,095        |
| Loan loss provision         | (236)        | (265)        | (265)        | (283)        |
| Other provisions            | 92           | 0            | 0            | 0            |
| Associated companies        | 108          | 124          | 143          | 164          |
| Other non-operating income  | 0            | 0            | 0            | 0            |
| Pre-tax profit              | 2,587        | 2,604        | 2,769        | 2,976        |
| Tax                         | (586)        | (573)        | (609)        | (655)        |
| Minorities                  | (0)          | 0            | 1            | 2            |
| <b>Net profit</b>           | <b>2,001</b> | <b>2,031</b> | <b>2,160</b> | <b>2,323</b> |
| Net profit (adj.)           | 2,001        | 2,031        | 2,160        | 2,323        |

## BALANCE SHEET

| Year to 31 Mar (RMm)                  | 2025           | 2026F          | 2027F          | 2028F          |
|---------------------------------------|----------------|----------------|----------------|----------------|
| Cash with central bank                | 2,774          | 2,944          | 3,121          | 3,324          |
| Govt treasury bills & securities      | 1,771          | 1,806          | 1,843          | 1,879          |
| Interbank loans                       | 0              | 0              | 0              | 0              |
| Customer loans                        | 137,130        | 145,505        | 154,304        | 164,369        |
| Investment securities                 | 43,537         | 47,579         | 51,987         | 56,795         |
| Derivative receivables                | 652            | 730            | 818            | 916            |
| Associates & JVs                      | 1,479          | 1,479          | 1,479          | 1,479          |
| Fixed assets (incl. prop.)            | 268            | 308            | 355            | 408            |
| Other assets                          | 11,432         | 11,811         | 12,244         | 12,749         |
| <b>Total assets</b>                   | <b>199,044</b> | <b>212,163</b> | <b>226,151</b> | <b>241,920</b> |
| Interbank deposits                    | 7,579          | 8,034          | 8,516          | 9,027          |
| Customer deposits                     | 141,560        | 150,053        | 159,056        | 168,600        |
| Derivative payables                   | 608            | 608            | 608            | 608            |
| Debt equivalents                      | 4,395          | 4,395          | 4,395          | 4,395          |
| Other liabilities                     | 24,280         | 27,537         | 31,067         | 35,737         |
| <b>Total liabilities</b>              | <b>178,422</b> | <b>190,627</b> | <b>203,643</b> | <b>218,367</b> |
| Shareholders' funds                   | 20,621         | 21,535         | 22,507         | 23,553         |
| Minority interest - accumulated       | 1              | 1              | 1              | 0              |
| <b>Total equity &amp; liabilities</b> | <b>199,044</b> | <b>212,163</b> | <b>226,151</b> | <b>241,920</b> |

## OPERATING RATIOS

| Year to 31 Mar (%)                         | 2025  | 2026F | 2027F | 2028F |
|--|-------|-------|-------|-------|
| <b>Capital Adequacy</b>                    |       |       |       |       |
| Tier-1 CAR                                 | 14.8  | 14.6  | 14.6  | 14.5  |
| Total CAR                                  | 17.5  | 18.5  | 18.2  | 17.9  |
| Total assets/equity (x)                    | 9.7   | 9.9   | 10.0  | 10.3  |
| Tangible assets/tangible common equity (x) | 9.8   | 10.0  | 10.2  | 10.5  |
| <b>Asset Quality</b>                       |       |       |       |       |
| NPL ratio                                  | 1.5   | 1.5   | 1.5   | 1.4   |
| Loan loss coverage                         | 82.2  | 79.3  | 76.7  | 77.6  |
| Loan loss reserve/gross loans              | 1.3   | 1.2   | 1.1   | 1.1   |
| Increase in NPLs                           | (4.6) | 1.3   | 5.3   | 3.3   |
| Credit cost (bp)                           | 17.0  | 18.0  | 17.0  | 17.0  |
| <b>Liquidity</b>                           |       |       |       |       |
| Loan/deposit ratio                         | 96.9  | 97.0  | 97.0  | 97.5  |
| Liquid assets/short-term liabilities       | 3.0   | 3.0   | 3.0   | 2.9   |
| Liquid assets/total assets                 | 2.3   | 2.2   | 2.2   | 2.2   |

## KEY METRICS

| Year to 31 Mar (%)            | 2025  | 2026F | 2027F | 2028F |
|-------------------------------|-------|-------|-------|-------|
| <b>Growth</b>                 |       |       |       |       |
| Net interest income, yoy chg  | 10.4  | 1.6   | 5.4   | 6.8   |
| Fees & commissions, yoy chg   | 1.1   | 5.0   | 5.0   | 5.0   |
| Pre-provision profit, yoy chg | 4.8   | 4.6   | 5.3   | 7.0   |
| Net profit, yoy chg           | 7.1   | 1.5   | 6.4   | 7.5   |
| Net profit (adj.), yoy chg    | 36.3  | 1.5   | 6.4   | 7.5   |
| Customer loans, yoy chg       | 3.8   | 6.1   | 6.0   | 6.5   |
| Customer deposits, yoy chg    | (0.6) | 6.0   | 6.0   | 6.0   |
| <b>Profitability</b>          |       |       |       |       |
| Net interest margin           | 1.97  | 1.94  | 1.92  | 1.90  |
| Cost/income ratio             | 45.6  | 44.9  | 44.8  | 44.1  |
| Adjusted ROA                  | 1.0   | 1.0   | 1.0   | 1.0   |
| Reported ROE                  | 9.7   | 9.4   | 9.6   | 9.9   |
| Adjusted ROE                  | 9.7   | 9.4   | 9.6   | 9.9   |
| <b>Valuation</b>              |       |       |       |       |
| P/BV (x)                      | 0.6   | 0.6   | 0.6   | 0.5   |
| P/NTA (x)                     | 0.6   | 0.6   | 0.6   | 0.5   |
| Adjusted P/E (x)              | 5.7   | 6.2   | 5.8   | 5.4   |
| Dividend Yield                | 8.0   | 6.8   | 7.2   | 7.8   |
| Payout ratio                  | 45.5  | 55.0  | 55.0  | 55.0  |

## COMPANY RESULTS

### Gas Malaysia (GMB MK)

1Q25: Earnings In Line; Outlook Dampened By Demand And Gas Incident

1Q25 net profit came in at RM100m – a 7% yoy growth but an 11% qoq decline in earnings due to lower NG volumes, prices and retail margins. On a positive note, retail market share has grown to 84% from 80% in 2024. That said, the Putra Heights incident together with trade tension (which may adversely affect near-term demand) led us to cut 2025-27 net profit by 9%/5%/5% respectively. Maintain HOLD with a lower DDM-based target price of RM4.25. The stock offers a 6% dividend yield.

#### 1Q25 RESULTS

| Year to 31 Dec<br>(RMm) | 1Q25<br>(RMm) | 4Q24<br>(RMm) | qoq %<br>Chg | 1Q24<br>(RMm) | yoy %<br>chg |
|-------------------------|---------------|---------------|--------------|---------------|--------------|
| Turnover                | 1,844.7       | 2,055.9       | (10.3)       | 1,872.6       | (1.5)        |
| COGS                    | (1,692.4)     | (1,949.8)     | (13.2)       | (1,718.0)     | (1.5)        |
| EBITDA                  | 158.6         | 175.4         | (9.6)        | 160.3         | (1.1)        |
| Pre-Tax Profit          | 132.9         | 151.2         | (12.1)       | 136.6         | (2.7)        |
| Tax                     | (32.7)        | (38.4)        | (14.8)       | (34.0)        | (3.6)        |
| Reported Net Profit     | 100.1         | 112.7         | (11.1)       | 102.6         | (2.4)        |
| Core net profit         | 100.1         | 112.7         | (11.1)       | 93.6          | 7.0          |
|                         |               |               | +/- ppt      |               | +/- ppt      |
| EBITDA Margin (%)       | 8.6           | 8.5           | 0.1          | 8.6           | 0.0          |
| PBT Margin (%)          | 7.2           | 7.4           | (0.1)        | 7.3           | (0.1)        |
| Net Margin (%)          | 5.4           | 5.5           | (0.1)        | 5.0           | 0.4          |

Source: Gas Malaysia, UOB Kay Hian

#### RESULTS

- **1Q25 net profit came in within expectations.** Gas Malaysia (GMB) reported a 7% yoy hike but 11% qoq fall in 1Q25 net profit to RM100m. The sequential decline was due to a 4% qoq drop in natural gas (NG) prices and 7% qoq reduction in NG volumes. The results accounted for 23% of our full-year estimate – in line with expectations.
- **Key takeaways from 1Q25 results briefing:**
  - **GMB gained retail market share (from 80.1% in 2024 to 83.7%).** In this quarter, GMB regained four customers with an additional 6.3m GJ of NG volume. This was partly offset by the loss of 29 customers with 3.1m GJ of NG volumes.
  - **Potential loss from Putra Heights gas incident.** NG volume loss is approximately 2% and the impact to group 2025 net profit is estimated at less than 1%.

#### KEY FINANCIALS

| Year to 31 Dec (RMm)          | 2023   | 2024   | 2025F  | 2026F | 2027F |
|-------------------------------|--------|--------|--------|-------|-------|
| Net turnover                  | 8,079  | 8,045  | 7,670  | 8,379 | 8,798 |
| EBITDA                        | 590    | 687    | 652    | 704   | 739   |
| Operating profit              | 487    | 577    | 519    | 560   | 584   |
| Net profit (rep./act.)        | 383    | 438    | 400    | 428   | 446   |
| Net profit (adj.)             | 363    | 438    | 400    | 428   | 446   |
| EPS (sen)                     | 28.3   | 34.1   | 31.2   | 33.3  | 34.6  |
| PE (x)                        | 14.7   | 12.2   | 13.4   | 12.5  | 12.0  |
| P/B (x)                       | 3.9    | 3.5    | 3.4    | 3.2   | 3.0   |
| EV/EBITDA (x)                 | 5.4    | 6.2    | 5.9    | 6.1   | 6.3   |
| Dividend yield (%)            | 5.5    | 6.3    | 5.9    | 6.1   | 6.4   |
| Net margin (%)                | 4.7    | 5.4    | 5.2    | 5.1   | 5.1   |
| Net debt/(cash) to equity (%) | (26.2) | (20.7) | (11.2) | (8.9) | (6.5) |
| Interest cover (x)            | n.a.   | n.a.   | n.a.   | n.a.  | n.a.  |
| ROE (%)                       | 29.0   | 30.5   | 25.8   | 26.8  | 27.0  |
| Consensus net profit          |        |        | 415.1  | 422.9 | 443.7 |
| UOBKH/Consensus (x)           |        |        | 0.96   | 1.01  | 1.00  |

Source: Gas Malaysia, Bloomberg, UOB Kay Hian

## HOLD

(Maintained)

|               |         |
|---------------|---------|
| Share Price   | RM4.16  |
| Target Price  | RM4.25  |
| Upside        | 2.2%    |
| (Previous TP) | RM4.40) |

#### COMPANY DESCRIPTION

Supplies natural gas to industries in Peninsular Malaysia.

#### STOCK DATA

|                                 |           |
|---------------------------------|-----------|
| GICS sector                     | Utilities |
| Bloomberg ticker:               | GMB MK    |
| Shares issued (m):              | 1,284.0   |
| Market cap (RMm):               | 5,611.1   |
| Market cap (US\$m):             | 1,326.0   |
| 3-mth avg daily t'over (US\$m): | 0.7       |

#### Price Performance (%)

52-week high/low RM4.55/RM3.42

| 1mth | 3mth | 6mth | 1yr  | YTD |
|------|------|------|------|-----|
| 4.5  | 6.3  | 14.7 | 22.1 | 1.9 |

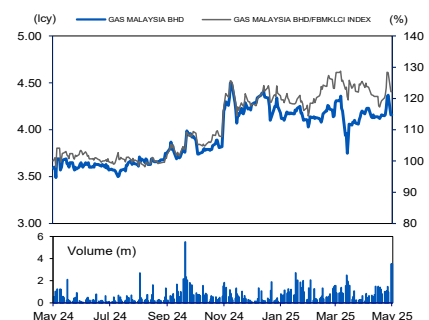
#### Major Shareholders

|                          | %    |
|--------------------------|------|
| Anglo Oriental Annuities | 30.9 |
| Tokyo Gas-Mitsuit        | 18.5 |
| Petronas Gas             | 14.8 |

FY25 NAV/Share (RM) 1.25

FY25 Net Cash/Share (RM) 0.24

#### PRICE CHART



Source: Bloomberg

#### ANALYST(S)

**Chong Lee Len**  
+603-2147 1992  
leelen@uobkayhian.com

- **NG prices are lower in 2Q25 at RM39.70/mmbtu** but might see a slight rebound in 3Q25 before dipping again in 4Q25. Overall, the sense is that NG prices to be realised by GMB will be lower yoy.

- **NG volume for 2025** is dampened by trade tension and gas curtailment from the Putra Heights incident. Management expects overall NG volume to continue its growth trajectory, but likely within the range of 2-4% vs 2024's robust 9% yoy NG volume growth.

### STOCK IMPACT

• **1Q25 revenue fell 2% yoy and 10% qoq** on the back of lower NG volumes. NG volumes for the quarter came in at 38.8m GJ (+1% yoy; -7% qoq). In addition to lower NG volumes yoy, NG prices were also lower in the quarter – falling 3% yoy and 4% qoq to RM40.30/mmbtu. The rubber glove segment remains the biggest contributor in terms of NG volume sold by GMB (see RHS chart).

• **EBITDA margin stable at 8.6% in the quarter.** There was higher regulated revenue in the quarter which helped to offset lower NG margins from the retail side, Gas Malaysia Energy and Services.

### EARNINGS REVISION/RISK

• **We cut our 2025-27 net profit forecasts by 9%/5%/5% respectively** to account for the dampened NG volume outlook in the upcoming quarters alongside lower NG prices.

### VALUATION/RECOMMENDATION

• **Maintain HOLD with a lower DDM-based target price of RM4.25**, in tandem with the lowered earnings and dividend per share. The stock offers a 6% dividend yield for 2025, and cash flow remains healthy.

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

#### • Environmental

- NG is among the cleanest forms of fossil fuels, emitting up to 50% less carbon dioxide than coal.
- Apart from that, the group generates electricity through gas-powered combined heat and power systems (CHP) through its JV entities, which are highly efficient and produce less emissions. CHP systems utilise 32% less fuel and have 50% less annual carbon emissions than coal.

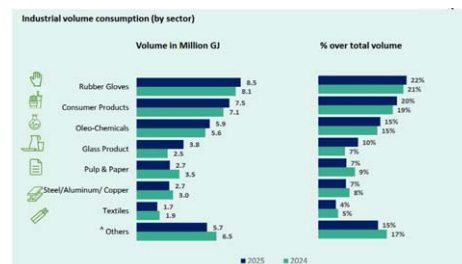
#### • Social

- Organised a CSR programme in collaboration with the local community at Kampung Pos Bersih, Behrang, Perak. Activities included planting fruit saplings, cleaning the river and distributing Bakul Rezeki to approximately 40 underprivileged families, with a focus on the Orang Asli community. GMB contributed RM14,212.45 to this initiative.
- Established a collaborative partnership with YPM to provide support for the education of underprivileged B40 students. GMB contributed RM407,000 to this initiative, benefitting 1,100 B40 students.

#### • Governance

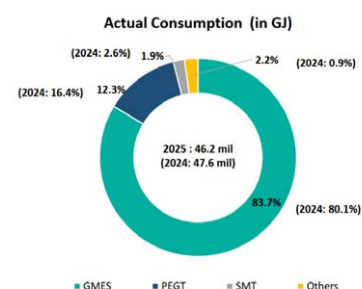
- Good company transparency along with an anti-bribery and anti-corruption policy.

### INDUSTRIAL CUSTOMER BREAKDOWN



Source: GMB

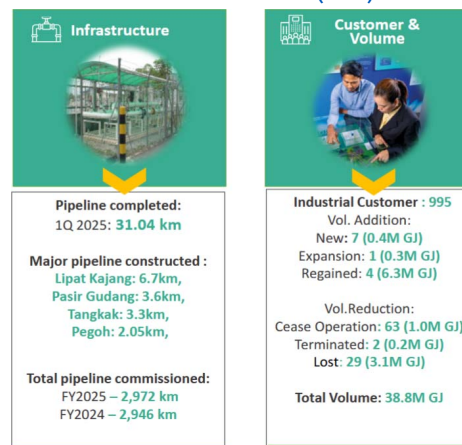
### RETAIL MARKET SHARE



Overall actual consumption is 78% (2024: 78%) of the total RFC.

Source: GMB

### KEY OPERATIONAL HIGHLIGHTS (1Q25)



Source: GMB

### PROFIT & LOSS

| Year to 31 Dec (RMm)          | 2024  | 2025F | 2026F | 2027F |
|-------------------------------|-------|-------|-------|-------|
| Net turnover                  | 8,045 | 7,670 | 8,379 | 8,798 |
| EBITDA                        | 687   | 652   | 704   | 739   |
| Deprec. & amort.              | 109   | 133   | 144   | 155   |
| EBIT                          | 577   | 519   | 560   | 584   |
| Associate contributions       | 4     | 4     | 4     | 4     |
| Net interest income/(expense) | 9     | 11    | 7     | 6     |
| Pre-tax profit                | 590   | 534   | 570   | 594   |
| Tax                           | (152) | (133) | (143) | (149) |
| Minorities                    | 0     | 0     | 0     | 0     |
| Net profit                    | 438   | 400   | 428   | 446   |
| Net profit (adj.)             | 438   | 400   | 428   | 446   |

### BALANCE SHEET

| Year to 31 Dec (RMm)       | 2024  | 2025F | 2026F | 2027F |
|----------------------------|-------|-------|-------|-------|
| Fixed assets               | 1,889 | 2,081 | 2,262 | 2,431 |
| Other LT assets            | 220   | 220   | 220   | 220   |
| Cash/ST investment         | 744   | 659   | 683   | 698   |
| Other current assets       | 822   | 789   | 863   | 908   |
| Total assets               | 3,674 | 3,749 | 4,027 | 4,257 |
| ST debt                    | 152   | 152   | 152   | 152   |
| Other current liabilities  | 1,486 | 1,424 | 1,553 | 1,629 |
| LT debt                    | 280   | 330   | 380   | 430   |
| Other LT liabilities       | 251   | 251   | 251   | 251   |
| Shareholders' equity       | 1,506 | 1,592 | 1,692 | 1,796 |
| Minority interest          | 0     | 0     | 0     | 0     |
| Total liabilities & equity | 3,674 | 3,749 | 4,027 | 4,257 |

### CASH FLOW

| Year to 31 Dec (RMm)             | 2024  | 2025F | 2026F | 2027F |
|----------------------------------|-------|-------|-------|-------|
| Operating                        | 519   | 505   | 626   | 631   |
| Pre-tax profit                   | 593   | 534   | 570   | 594   |
| Tax                              | (152) | (133) | (143) | (149) |
| Deprec. & amort.                 | 109   | 133   | 144   | 155   |
| Associates                       | (4)   | (4)   | (4)   | (4)   |
| Working capital changes          | 78    | (24)  | 58    | 34    |
| Other operating cashflows        | (105) | 0     | 0     | 0     |
| Investing                        | (222) | (325) | (325) | (325) |
| Capex (growth)                   | (222) | (325) | (325) | (325) |
| Others                           | 0     | 0     | 0     | 0     |
| Financing                        | (237) | (265) | (278) | (291) |
| Dividend payments                | (335) | (315) | (328) | (341) |
| Issue of shares                  | (3)   | 0     | 0     | 0     |
| Proceeds from borrowings         | 101   | 50    | 50    | 50    |
| Others/interest paid             | 0     | 0     | 0     | 0     |
| Net cash inflow (outflow)        | 60    | (85)  | 24    | 15    |
| Beginning cash & cash equivalent | 692   | 744   | 659   | 683   |
| Changes due to forex impact      | 0     | 0     | 0     | 0     |
| Ending cash & cash equivalent    | 752   | 659   | 683   | 698   |

### KEY METRICS

| Year to 31 Dec (%)        | 2024 | 2025F  | 2026F  | 2027F |
|---------------------------|------|--------|--------|-------|
| Profitability             |      |        |        |       |
| EBITDA margin             |      | 8.5    | 8.5    | 8.4   |
| Pre-tax margin            |      | 7.3    | 7.0    | 6.8   |
| Net margin                |      | 5.4    | 5.2    | 5.1   |
| ROA                       |      | 12.7   | 10.8   | 11.1  |
| ROE                       |      | 30.5   | 25.8   | 26.8  |
| Growth                    |      |        |        |       |
| Turnover                  |      | (0.4)  | (4.7)  | 9.2   |
| EBITDA                    |      | 16.3   | (5.1)  | 8.0   |
| Pre-tax profit            |      | 13.8   | (9.6)  | 6.9   |
| Net profit                |      | 14.3   | (8.7)  | 6.9   |
| Net profit (adj.)         |      | 20.6   | (8.7)  | 6.8   |
| EPS                       |      | 20.6   | (8.7)  | 6.8   |
| Leverage                  |      |        |        |       |
| Debt to total capital     |      | 28.7   | 30.3   | 31.4  |
| Debt to equity            |      | 28.7   | 30.3   | 31.4  |
| Net debt/(cash) to equity |      | (20.7) | (11.2) | (8.9) |
| Interest cover (x)        |      | n.a.   | n.a.   | n.a.  |



## COMPANY RESULTS

### ITMAX System (ITMAX MK)

1Q25: Within Expectations; Anticipating Stronger Quarters Ahead

ITMAX's 1Q25 earnings came in firmer yoy at RM20.4m (+13% yoy, -4% qoq) mainly due to a robust contribution from DIS (+34% qoq, +64% yoy). We expect stronger quarters ahead, with increased revenue recognition from SIMS contracts. We still foresee ample growth opportunities in Kuala Lumpur and Johor, as well as new market opportunities in Penang, which could support its prolonged multi-year growth. Maintain BUY with a higher target price of RM4.80.

#### 1Q25 RESULTS

| Year to 31 Dec (RMm) | 1Q25  | qoq% chg    | yoy % chg   | 1Q25  | yoy % chg   |
|----------------------|-------|-------------|-------------|-------|-------------|
| Revenue              | 50.7  | (19.6)      | 10.7        | 50.7  | 10.7        |
| EBITDA               | 36.4  | 1.0         | 21.4        | 36.4  | 21.4        |
| EBIT                 | 31.6  | 0.1         | 20.1        | 31.6  | 20.1        |
| PBT                  | 27.3  | (2.0)       | 16.4        | 27.3  | 16.4        |
| Tax expense          | (6.7) | (5.4)       | 19.1        | (6.7) | 19.1        |
| PATAMI               | 20.1  | (4.5)       | 11.7        | 20.1  | 11.7        |
| Core PATAMI          | 20.4  | (4.2)       | 13.3        | 20.4  | 13.3        |
| Margins (%)          |       | qoq ppt chg | yoy ppt chg |       | yoy ppt chg |
| EBITDA               | 71.7  | 14.7        | 6.3         | 71.7  | 6.3         |
| EBIT                 | 62.3  | 12.3        | 4.9         | 62.3  | 4.9         |
| PBT                  | 53.9  | 9.7         | 2.6         | 53.9  | 2.6         |
| Core Net Profit      | 40.2  | 6.5         | 0.9         | 40.2  | 0.9         |

Source: ITMAX, UOB Kay Hian

#### RESULTS

- **Within expectations.** ITMAX System (ITMAX) reported a 1Q25 core net profit of RM20.4m (-4% qoq, +13% yoy) on revenue of RM50.7m (-20% qoq, +11% yoy), accounting for 22% of our and consensus expectations. We deem the results within expectations as 1Q is typically a softer quarter (1Q earnings accounted for 22-24% of full-year earnings during 2023-24).
- **Qoq, the drop in earnings was due to a lower contribution from the supply, installation and maintenance services (SIMS) segment (-63% qoq),** as the first quarter typically falls within the pre-implementation phase of traffic light and street lighting contracts, resulting in limited contract recognition during this time. Hence, we expect stronger quarters ahead, as these contracts are usually executed and recognised over the rest of the year.
- **1Q25 revenue rose 11% yoy,** driven by a stronger contribution from the digital infrastructure solutions (DIS) segment (+34% qoq, +64% yoy) arising from revenue recognition from its Johor CCTV contracts. Core net profit grew by a wider quantum of 13% yoy due to a higher contribution from the DIS segment which typically has a higher gross margin.

#### KEY FINANCIALS

| Year to 31 Dec (RMm)          | 2023   | 2024   | 2025F  | 2026F  | 2027F  |
|-------------------------------|--------|--------|--------|--------|--------|
| Net turnover                  | 149.7  | 220.2  | 239.4  | 268.1  | 295.5  |
| EBITDA                        | 92.6   | 120.0  | 136.0  | 169.1  | 197.0  |
| Operating profit              | 13.4   | 15.9   | 15.9   | 22.3   | 30.0   |
| Net profit (rep./act.)        | 63.2   | 80.4   | 94.6   | 114.9  | 130.8  |
| Net profit (adj.)             | 63.9   | 80.5   | 94.6   | 114.9  | 130.8  |
| EPS (sen)                     | 6.2    | 7.8    | 9.2    | 11.2   | 12.7   |
| PE (x)                        | 60.4   | 48.0   | 40.9   | 33.7   | 29.6   |
| P/B (x)                       | 11.2   | 9.6    | 8.2    | 6.9    | 5.9    |
| EV/EBITDA (x)                 | 81.5   | 55.6   | 49.3   | 39.7   | 34.0   |
| Dividend yield (%)            | 0.3    | 0.5    | 0.6    | 0.7    | 0.8    |
| Net margin (%)                | 42.7   | 36.5   | 39.5   | 42.8   | 44.2   |
| Net debt/(cash) to equity (%) | (56.5) | (38.6) | (30.6) | (34.2) | (39.0) |
| Interest cover (x)            | 4.2    | 33.7   | 27.6   | 33.2   | 32.8   |
| ROE (%)                       | 18.6   | 20.0   | 20.0   | 20.6   | 19.9   |
| UOBKH/Consensus (x)           |        |        | 1.03   | 0.96   | 0.95   |

Source: ITMAX, Bloomberg, UOB Kay Hian

## BUY

(Maintained)

|               |         |
|---------------|---------|
| Share Price   | RM3.76  |
| Target Price  | RM4.80  |
| Upside        | +27.6%  |
| (Previous TP) | RM4.30) |

#### COMPANY DESCRIPTION

ITMAX Systems is a provider of public space network systems, focused on lighting, video surveillance, and traffic management, as well as communications network services. The group is involved in some of Kuala Lumpur's smart city initiatives.

#### STOCK DATA

|                                 |                        |
|---------------------------------|------------------------|
| GICS sector                     | Information Technology |
| Bloomberg ticker:               | ITMAX MK               |
| Shares issued (m):              | 1,031.6                |
| Market cap (RMm):               | 3,878.8                |
| Market cap (US\$m):             | 919.4                  |
| 3-mth avg daily t'over (US\$m): | 1.5                    |

#### Price Performance (%)

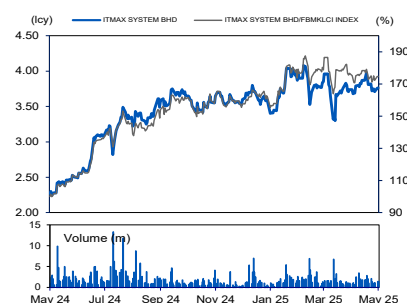
|                  |       |      |               |     |
|------------------|-------|------|---------------|-----|
| 52-week high/low |       |      | RM4.16/RM2.22 |     |
| 1mth             | 3mth  | 6mth | 1yr           | YTD |
| 0.5              | (6.7) | 5.6  | 64.9          | 1.9 |

#### Major Shareholders

|                   | %     |
|-------------------|-------|
| SENA HLD SDN      | 53.08 |
| GENDA SENSASI SDN | 4.57  |
| GREAT EASTERN     | 3.18  |

|                          |      |
|--------------------------|------|
| FY25 NAV/Share (RM)      | 0.39 |
| FY25 Net Cash/Share (RM) | 0.11 |

#### PRICE CHART



Source: Bloomberg

#### ANALYST(S)

**Ku Wei Xiang**  
+603 2147 1916  
weixiang@uobkayhian.com

## STOCK IMPACT

- Significant potential remains in KL despite recent contract win for 5,000 CCTVs.** ITMAX recently secured a major contract from Dewan Bandaraya Kuala Lumpur for the installation of 5,000 additional CCTVs across KL. This will double the current number of CCTVs in KL to 10,000. While the government's target is 20,000 CCTVs in KL by 2028, management believes this is sufficient only for traffic and safety purposes. To fully support traffic, safety and city management functions, at least 50,000 CCTVs would be needed in KL. This view is reinforced by comparisons with Singapore, which has around 109,000 CCTVs, and Bangkok with 78,000, highlighting the significant potential for expansion in KL.
- Penang and Johor in focus, surprises possible.** ITMAX currently holds contracts with only five out of 16 councils in Johor. To date, the company has secured 1,835 CCTV units (compared with 10,000 in Kuala Lumpur), 65 junctions of networked traffic management systems (vs 600 in Kuala Lumpur), and 61,776 smart parking spaces. Additionally, ITMAX has expanded into Penang, securing a CCTVs contract with a total value of RM41.6m. Management expects strong demand for CCTVs in both Penang and Johor, with Penang projected to require at least 10,000 units and Johor Bahru alone needing 34,000 units. Note that the installation phase of its existing CCTV contracts in Johor has already been completed. We expect more contract awards from the state for the rest of the year. The group is currently in discussions with several other states, including Kota Kinabalu and Selangor. Any positive outcome from these engagements could serve as a significant catalyst, propelling ITMAX to its next phase of growth.
- Smart parking ramping up gradually.** ITMAX started its new business – smart parking solutions – in Johor in 2024. However, revenue contribution from this segment was minimal in 2024 as: a) ITMAX was setting up the enforcement solution (ie CCTVs mounted on motorbikes and enforcers), and b) physical parking coupons could still be used in 2024. Nevertheless, the utilisation rate of the smart parking system has increased gradually since 2025 to an occupancy rate of 10-20% as physical coupons have been phased out since Jan 25, and the enforcement system is now fully operational. ITMAX has secured 61,776 smart parking spaces to date, and we believe the company has the potential to double this figure by securing an additional 60,000 spaces in Johor Bahru once its existing contract ends by end-25 (total addressable market (TAM) of entire Johor 200,000-300,000 parking spaces). This is in line with the state's planned transition to a unified, single-system policy that integrates CCTV, traffic lights, and smart parking.

## EARNINGS REVISION/RISK

- Earnings revision:** None.

## VALUATION/RECOMMENDATION

- Maintain BUY with a rollover higher target price of RM4.80**, based on 43x 2026F PE (from 45x, which is 1.5SD above its mean), to reflect broad-based PE derating and higher risk premium in global markets. We believe such valuation is justified given its multi-year growth potential in multiple markets (Kuala Lumpur, Johor and Penang) on the back of a solid orderbook. ITMAX is a company that leverages AI technologies and its unique database as key competitive advantages to offer superior solutions.

## ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG) UPDATES

|   |
|---|
| <b>Environmental</b>  |
| <ul style="list-style-type: none"> <li>- Replacing halogen streetlights in KL with more energy-efficient LED streetlights.</li> </ul>   |
| <b>Social</b>   |
| <ul style="list-style-type: none"> <li>- Maintaining a 50% male-female composition among its employees.</li> <li>- The group recorded zero work fatalities in 2023.</li> </ul>  |
| <b>Governance</b>   |
| <ul style="list-style-type: none"> <li>- Zero cases of bribery, corruption or disciplinary action reported in 2023.</li> <li>- Zero substantiated complaints concerning breaches of customer privacy and losses of customer data.</li> <li>- About 90% spending on local suppliers for 2023.</li> </ul> |

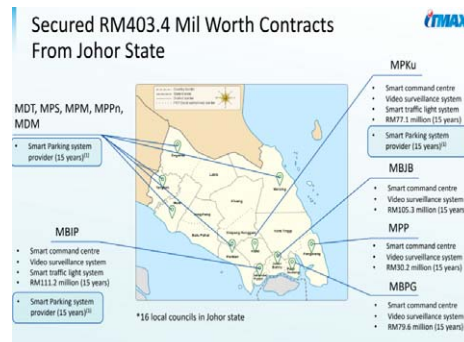
## ORDERBOOK (AS OF 26 MAR 25)

| Revenue Segment                                       | Contract Value (RM Mil) | Unbilled Contract Value (RM Mil) | Completion Date |
|---|-------------------------|----------------------------------|-----------------|
| Digital infrastructure solutions                      | 1,705.7                 | 1,402.8                          | Up to Mar 2040  |
| Telecommunication and network infrastructure services | 23.5                    | 11.3                             | Up to Mar 2032  |
| Supply, installation and maintenance services         | 480.5                   | 73.7                             | Up to Jul 2026  |
| Parking solutions                                     | Revenue sharing model*  |                                  | Up to Jan 2040  |
| <b>TOTAL</b>  | <b>2,209.7</b>          | <b>1,487.8</b>                   | -               |

\*Revenue sharing model at the rate of 70% (ITMAX) and 30% (local council) and included in our Digital Infrastructure solutions revenue segment in our interim report and financial statements. To date, ITMAX has secured 7 parking solutions contracts.

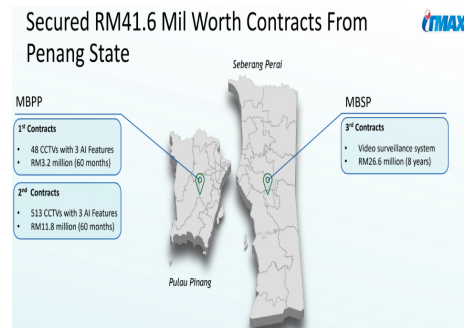
Source: ITMAX

## CONTRACTS SECURED FROM JOHOR



Source: ITMAX

## CONTRACTS SECURED FROM PENANG



Source: ITMAX

### PROFIT & LOSS

| Year to 31 Dec (RMm)          | 2024  | 2025F | 2026F | 2027F |
|-------------------------------|-------|-------|-------|-------|
| Net Turnover                  | 220.2 | 239.4 | 268.1 | 295.5 |
| EBITDA                        | 120.0 | 136.0 | 169.1 | 197.0 |
| Depreciation & Amortisation   | (16)  | (16)  | (22)  | (30)  |
| EBIT                          | 104.1 | 120.1 | 146.7 | 167.0 |
| Associate Contributions       | 0.0   | 0.0   | 0.0   | 1.0   |
| Net Interest Income/(Expense) | 3.1   | 4.4   | 4.4   | 5.1   |
| Pre-tax Profit                | 107.2 | 124.5 | 151.1 | 172.1 |
| Tax                           | (27)  | (30)  | (36)  | (41)  |
| Minorities                    | 0.1   | 0.0   | 0.0   | 0.0   |
| Net Profit                    | 80.4  | 94.6  | 114.9 | 130.8 |
| Net Profit (Adjusted)         | 80.5  | 94.6  | 114.9 | 130.8 |

### BALANCE SHEET

| Year to 31 Dec (RMm)                  | 2024         | 2025F        | 2026F        | 2027F        |
|---------------------------------------|--------------|--------------|--------------|--------------|
| Fixed Assets                          | 171.8        | 261.0        | 318.6        | 368.6        |
| Other LT Assets                       | 17.7         | 13.0         | 15.4         | 14.2         |
| Cash/ST Investment                    | 154.9        | 209.8        | 257.6        | 320.7        |
| Others                                | 164.4        | 122.7        | 106.4        | 107.7        |
| <b>Total Assets</b>                   | <b>508.9</b> | <b>606.4</b> | <b>698.0</b> | <b>811.2</b> |
| ST Debt                               | 21.1         | 44.4         | 45.4         | 43.7         |
| Other Current Liabilities             | 51.9         | 51.9         | 51.9         | 63.7         |
| LT Debt                               | 21.0         | 21.0         | 21.0         | 21.0         |
| Other LT Liabilities                  | 13.4         | 17.8         | 22.2         | 27.3         |
| Shareholders' Equity                  | 401.5        | 472.4        | 558.6        | 656.6        |
| Minority Interest                     | 0.0          | 0.0          | 0.0          | 1.0          |
| <b>Total Liabilities &amp; Equity</b> | <b>508.9</b> | <b>606.4</b> | <b>698.0</b> | <b>811.2</b> |

### CASH FLOW

| Year to 31 Dec (RMm)                     | 2024          | 2025F          | 2026F         | 2027F         |
|--|---------------|----------------|---------------|---------------|
| <b>Operating</b>                         | <b>48.2</b>   | <b>179.3</b>   | <b>152.0</b>  | <b>170.8</b>  |
| Pre-tax Profit                           | 107.2         | 124.5          | 151.1         | 172.1         |
| Tax                                      | (25.0)        | (29.9)         | (36.3)        | (41.3)        |
| Depreciation & Amortisation              | 15.9          | 15.9           | 22.3          | 30.0          |
| Associates                               |               |                |               |               |
| Working Capital Changes                  | (53.7)        | 55.2           | (0.9)         | (7.4)         |
| Other Operating Cashflows                | (49.9)        | 13.6           | 15.7          | 17.5          |
| <b>Investing</b>                         | <b>(60.4)</b> | <b>(105.0)</b> | <b>(80.0)</b> | <b>(80.0)</b> |
| Capex (Growth)                           | (51.3)        | (105.0)        | (80.0)        | (80.0)        |
| Investments                              |               |                |               |               |
| Proceeds from Sale of Assets             | 0.1           | 0.0            | 0.0           | 0.0           |
| Others                                   | (9.2)         | 0.0            | 0.0           | 0.0           |
| <b>Financing</b>                         | <b>(45.4)</b> | <b>(19.3)</b>  | <b>(24.3)</b> | <b>(27.6)</b> |
| Dividend Payments                        | (26.8)        | (23.6)         | (28.7)        | (32.7)        |
| Issue of Shares                          | 1.9           | 0.0            | 0.0           | 0.0           |
| Proceeds from Borrowings                 | 0.0           | 0.0            | 0.0           | 0.0           |
| Loan Repayment                           | (19.3)        | 0.0            | 0.0           | 0.0           |
| Others/Interest Paid                     | (0.2)         | 4.4            | 4.4           | 5.1           |
| <b>Net Cash Inflow (Outflow)</b>         | <b>(57.6)</b> | <b>55.0</b>    | <b>47.7</b>   | <b>63.2</b>   |
| Beginning Cash & Cash Equivalent         | 206.9         | 154.9          | 209.8         | 257.6         |
| Changes Due to Forex Impact              | 5.6           | 0.0            | 0.0           | 0.0           |
| <b>Ending Cash &amp; Cash Equivalent</b> | <b>154.9</b>  | <b>209.8</b>   | <b>257.6</b>  | <b>320.7</b>  |

### KEY METRICS

| Year to 31 Dec (%)        | 2024   | 2025F  | 2026F  | 2027F  |
|---------------------------|--------|--------|--------|--------|
| <b>Profitability</b>      |        |        |        |        |
| EBITDA Margin             | 54.5   | 56.8   | 63.1   | 66.7   |
| Pre-tax Margin            | 48.7   | 52.0   | 56.4   | 58.2   |
| Net Margin                | 36.5   | 39.5   | 42.8   | 44.2   |
| ROA                       | 15.8   | 15.6   | 16.5   | 16.1   |
| ROE                       | 20.0   | 20.0   | 20.6   | 19.9   |
| <b>Growth</b>             |        |        |        |        |
| Turnover                  | 105.3  | 8.7    | 12.0   | 10.2   |
| EBITDA                    | 29.6   | 13.3   | 24.3   | 16.5   |
| Pre-tax Profit            | 90.4   | 16.1   | 21.4   | 13.8   |
| Net Profit                | 98.1   | 17.7   | 21.4   | 13.8   |
| Net Profit (Adjusted)     | 80.8   | 17.5   | 21.4   | 13.8   |
|                           | 80.8   | 17.5   | 21.4   | 13.8   |
| <b>Leverage</b>           |        |        |        |        |
| Debt to Total Capital     | 8.3    | 10.8   | 9.5    | 8.0    |
| Debt to Equity            | 10.5   | 13.8   | 11.9   | 9.8    |
| Net Debt/(Cash) to Equity | (38.6) | (30.6) | (34.2) | (39.0) |
| Interest Cover (x)        | 33.7   | 27.6   | 33.2   | 32.8   |

## COMPANY RESULTS

### Malayan Banking (MAY MK)

1Q25: Supported By Lower Provisions

Maybank's 1Q25 net profit was in line, underpinned primarily by lower provisions, while pre-provision operating profit growth remained subdued. We maintain our HOLD call with a lower target price of RM10.30 (1.19x 2025F P/B, 10.6% ROE) after the earnings revision. The stock is trading near its historical mean P/BV, which we view as fair, reflecting modest earnings growth expectations of 2-3%, balanced by healthy provision buffers and an attractive 6.8% dividend yield

#### RESULTS

- In line.** Malayan Banking (Maybank) posted a 1Q25 net profit of RM2.6b (+4.0% yoy, +2.2% qoq), broadly in line with expectations, representing 25% of both our and consensus full-year estimates. 1Q25 yoy earnings growth was supported by lower provisions while qoq growth was underpinned by lower provisions, sequential recovery in non-interest income and positive operating Jaws.
- Subdued net interest income growth.** Net interest income rose 2.3% yoy to RM4.9b on the back of a 3.2% loan growth, though it declined 1.6% qoq. NIM narrowed 2bp qoq to 2.04% driven by lower asset yields and still-elevated deposit competition. Factoring in two overnight policy rate (OPR) cuts in 2H25, we now expect a 2bp NIM compression in 2025 vs a stable trend previously.
- Sequential rebound in non-interest income.** Non-interest income rose modestly by 0.8% yoy to RM2.76b and rebounded 15.5% qoq, supported by stronger wealth management fees (+28% yoy) and treasury-related income. The rebound helped offset weaker insurance and investment banking contributions.
- Solid operating cost discipline.** Operating expenses increased 2.3% yoy and 1.5% qoq, reflecting higher personnel and marketing costs. Nonetheless, cost discipline remained intact, with the group maintaining its cost-to-income ratio at 48.5% (1Q24: 48.3%, 4Q24: 49.7%). Management continues to drive digitalisation and productivity improvements to anchor cost efficiency.
- Muted PPOP growth.** Pre-provision operating profit (PPOP) rose 1.3% yoy and 6.3% qoq, driven by stronger sequential recovery in NOI and disciplined expense control.
- Moderation in loan growth.** Loan growth momentum slowed down further, moderating to 3.2% yoy from 5.3% in 4Q24. Overall growth was anchored by domestic loans which grew 8% yoy, particularly in mortgages (+12.1% yoy) and commercial banking (+15.1% yoy). This was however offset by a 4% yoy contraction in overseas loans.

#### KEY FINANCIALS

| Year to 31 Dec (RMm)   | 2023   | 2,024  | 2025F  | 2026F  | 2027F  |
|------------------------|--------|--------|--------|--------|--------|
| Net interest income    | 12,792 | 12,807 | 12,797 | 13,017 | 13,415 |
| Non-interest income    | 6,992  | 8,419  | 8,718  | 9,060  | 9,408  |
| Net profit (rep./act.) | 9,350  | 10,089 | 10,250 | 10,516 | 11,032 |
| Net profit (adj.)      | 9,350  | 10,089 | 10,250 | 10,516 | 11,032 |
| EPS (sen)              | 83.2   | 89.7   | 91.2   | 93.5   | 98.1   |
| PE (x)                 | 11.9   | 11.1   | 10.9   | 10.6   | 10.1   |
| P/B (x)                | 1.2    | 1.2    | 1.1    | 1.1    | 1.1    |
| Dividend yield (%)     | 6.0    | 6.1    | 6.9    | 7.1    | 7.4    |
| Net int margin (%)     | 2.22   | 2.17   | 2.14   | 2.12   | 2.13   |
| Cost/income (%)        | 48.9   | 48.9   | 50.6   | 51.4   | 52.2   |
| Loan loss cover (%)    | 120.1  | 122.4  | 140.6  | 140.8  | 143.5  |
| Consensus net profit   | -      | -      | 10,089 | 10,466 | 10,910 |
| UOBKH/Consensus (x)    | -      | -      | 1.02   | 1.00   | 1.01   |

Source: Malayan Banking, Bloomberg, UOB Kay Hian

## HOLD

(Maintained)

|               |         |
|---------------|---------|
| Share Price   | RM9.92  |
| Target Price  | RM10.30 |
| Upside        | +3.8%   |
| (Previous TP) | RM10.56 |

#### COMPANY DESCRIPTION

The largest banking group in Malaysia in terms of asset size. Maybank also has sizeable exposure to foreign markets, with foreign loans, mainly in Singapore and Indonesia, making up 33% of its loan base

#### STOCK DATA

|                                 |            |
|---------------------------------|------------|
| GICS sector                     | Financials |
| Bloomberg ticker:               | MAY MK     |
| Shares issued (m):              | 12,080.7   |
| Market cap (RMm):               | 119,840.9  |
| Market cap (US\$m):             | 28,398.3   |
| 3-mth avg daily t'over (US\$m): | 29.4       |

#### Price Performance (%)

52-week high/low RM11.04/RM9.32

| 1mth | 3mth  | 6mth  | 1yr   | YTD   |
|------|-------|-------|-------|-------|
| 0.5  | (7.3) | (2.9) | (0.6) | (3.1) |

#### Major Shareholders

|                                | %    |
|--------------------------------|------|
| Amanah Saham Nasional          | 36.1 |
| Employees Provident Fund Board | 12.9 |
| Yayasan Perlaburan Bumiputra   | 6.6  |

|                     |      |
|---------------------|------|
| FY25 NAV/Share (RM) | 8.64 |
| FY25 CAR Tier-1 (%) | 18.0 |

#### PRICE CHART



Source: Bloomberg

#### ANALYST(S)

**Keith Wee Teck Keong**  
+603 2147 1981  
keithwee@uobkayhian.com

### STOCK IMPACT

- **Benign credit cost.** Provisions declined 17.9% yoy and 13.6% qoq to RM384m. Net credit charge-off rate improved to 23bp (1Q24: 29bp; 4Q24: 28bp), supported by sustained recoveries and healthy management overlays amounting to RM1.7b. The decline in 1Q25 net credit cost was partially driven by a RM100m release in management overlays.
- **Slight uptick in GIL ratio.** Gross impaired loans (GIL) ratio ticked up to 1.27% (1Q24: 1.32%; 4Q24: 1.23%), mainly due to stress in auto loans and select international exposures. Loan loss coverage remained healthy at 122.9% (1Q24: 127.3%; 4Q24: 126.9%), with sufficient buffers to absorb asset quality volatility.
- **2025 outlook.** Management's key 2025 guidance are: a) ROE of 11.3%, b) loan growth of 5-6%, c) net credit cost below 30bp, and d) cost to income ratio of less than 49%.

### EARNINGS REVISION

- Factoring in lower NIM from the expected OPR cuts in 2H25, we lower our 2025-27 earnings by 2-3%.

### VALUATION/RECOMMENDATION

- **Maintain HOLD with a lower target price of RM10.30 (1.19x 2025F P/B, 10.6% ROE)** from RM10.56 after the earnings revision. The stock is currently trading at its historical mean P/B which we deem to be fair as ROE output is broadly in line with its historical mean levels. Current dividend yield of 6.8% is also comparable with its historical implied average yield of 6.5-6.8%.

### 1Q25 RESULTS

| Profit & Loss (RMm)         | 1Q25      | 1Q24      | yoy % chg     | 4Q24      | qoq % chg     |
|-----------------------------|-----------|-----------|---------------|-----------|---------------|
| Net Interest Income         | 3,222.2   | 3,154.1   | 2.2           | 3,352.6   | (3.9)         |
| Islamic Banking             | 2,064.4   | 2,090.3   | (1.2)         | 2,016.9   | 2.4           |
| Fees & Commissions          | 939.1     | 947.0     | (0.8)         | 946.5     | (0.8)         |
| Net insurance income        | 325.7     | (535.5)   | >100          | 100.7     | 223.6         |
| Net trading income          | 85.4      | 1,244.6   | (>100)        | 944.3     | (91.0)        |
| Other Operating Income      | 1,075.4   | 676.8     | 58.9          | 61.1      | 1,660.1       |
| Total Income                | 7,712.2   | 7,577.3   | 1.8           | 7,422.0   | 3.9           |
| Operating Expenses          | (3,742.9) | (3,657.5) | 2.3           | (3,687.5) | 1.5           |
| PPOP                        | 3,969.2   | 3,919.8   | 1.3           | 3,734.6   | 6.3           |
| Provisions                  | (384.2)   | (467.8)   | (17.9)        | (444.8)   | (13.6)        |
| Writeback/(Impairment)      | (42.2)    | (76.5)    | (44.8)        | 71.5      | (159.1)       |
| Associate                   | 51.3      | 66.9      | (23.2)        | 52.9      | (3.0)         |
| PBT                         | 3,594.2   | 3,442.4   | 4.4           | 3,414.1   | 5.3           |
| Net Profit                  | 2,588.9   | 2,488.5   | 4.0           | 2,532.2   | 2.2           |
| EPS (sen)                   | 23.0      | 22.1      | 4.0           | 22.5      | 2.2           |
| DPS (sen)                   | 0.0       | 0.0       | n.a.          | 32.0      | n.a.          |
| Financial Ratios (%)        | 1Q25      | 1Q24      | yoy chg (ppt) | 4Q24      | qoq chg (ppt) |
| Loan Growth, yoy            | 0.6       | 2.7       | (2.1)         | 1.6       | (1.0)         |
| Loan/Deposit Ratio          | 93.3      | 94.9      | (1.5)         | 93.0      | 0.4           |
| Cost/Income Ratio           | 48.5      | 48.3      | 0.3           | 49.7      | (1.1)         |
| ROE                         | 11.1      | 10.6      | 0.5           | 11.0      | 0.1           |
| Gross Impairment Loan Ratio | 1.3       | 1.3       | (0.0)         | 1.2       | 0.0           |
| Credit Costs (bp)           | 22.7      | 28.5      | (5.8)         | 27.8      | (3.7)         |

Source: Maybank, UOB Kay Hian

### KEY ASSUMPTIONS

| (%)              | 2025F | 2026F | 2027F |
|------------------|-------|-------|-------|
| Loan Growth      | 5.5   | 6.0   | 6.0   |
| Credit Cost (bp) | 23.0  | 23.0  | 20.0  |
| ROE              | 10.6  | 10.5  | 10.8  |

Source: Maybank, UOB Kay Hian

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

|  |
|--|
| <ul style="list-style-type: none"> <li>• <b>Environmental</b> <ul style="list-style-type: none"> <li>- Green loan commitment. To provide RM50b in sustainable financing by 2025.</li> <li>- Zero new coal financing. Transition all stakeholders to zero carbon emission by 2050.</li> </ul> </li> </ul>   |
| <ul style="list-style-type: none"> <li>• <b>Social</b> <ul style="list-style-type: none"> <li>- Board and upper management gender diversity. Maintained 25% female directors on the Board and 40% females in senior management.</li> <li>- Enhanced financial inclusion to B40. Provide greater financial inclusion for vulnerable communities (affordable housing financing) and welfare assistance to vulnerable communities, especially the B40 consumers.</li> </ul> </li> </ul> |
| <ul style="list-style-type: none"> <li>• <b>Governance</b> <ul style="list-style-type: none"> <li>- Composition of independent directors. Composition of Independent Directors (INED) – 75%.</li> </ul> </li> </ul>  |



## PROFIT & LOSS

| Year to 31 Dec (RMm)        | 2024          | 2025F         | 2026F         | 2027F         |
|-----------------------------|---------------|---------------|---------------|---------------|
| Interest income             | 32,770        | 32,983        | 34,652        | 36,218        |
| Interest expense            | (19,962)      | (20,186)      | (21,635)      | (22,803)      |
| Net interest income         | 12,807        | 12,797        | 13,017        | 13,415        |
| Fees & commissions          | 3,830         | 3,983         | 4,183         | 4,392         |
| Other income                | 4,588         | 4,735         | 4,878         | 5,016         |
| Non-interest income         | 8,419         | 8,718         | 9,060         | 9,408         |
| Income from islamic banking | 8,346         | 9,098         | 9,916         | 10,809        |
| <b>Total income</b>         | <b>29,573</b> | <b>30,612</b> | <b>31,994</b> | <b>33,632</b> |
| Staff costs                 | (8,596)       | (9,456)       | (10,212)      | (11,132)      |
| Other operating expense     | (5,864)       | (6,043)       | (6,230)       | (6,423)       |
| Pre-provision profit        | 15,112        | 15,113        | 15,551        | 16,077        |
| Loan loss provision         | (1,671)       | (1,633)       | (1,723)       | (1,580)       |
| Other provisions            | 24            | 0             | 0             | 0             |
| Associated companies        | 236           | 250           | 266           | 281           |
| Other non-operating income  | 0             | 0             | 0             | 0             |
| Pre-tax profit              | 13,702        | 13,731        | 14,094        | 14,778        |
| Tax                         | (3,195)       | (3,196)       | (3,287)       | (3,440)       |
| Minorities                  | (418)         | (284)         | (292)         | (306)         |
| <b>Net profit</b>           | <b>10,089</b> | <b>10,250</b> | <b>10,516</b> | <b>11,032</b> |
| Net profit (adj.)           | 10,089        | 10,250        | 10,516        | 11,032        |

## BALANCE SHEET

| Year to 31 Dec (RMm)                  | 2024             | 2025F            | 2026F            | 2027F            |
|---------------------------------------|------------------|------------------|------------------|------------------|
| Cash with central bank                | 15,740           | 17,167           | 21,298           | 22,470           |
| Govt treasury bills & securities      | 50,531           | 51,541           | 52,572           | 53,623           |
| Interbank loans                       | 13,472           | 22,275           | 22,498           | 22,723           |
| Customer loans                        | 628,923          | 662,741          | 697,099          | 735,277          |
| Investment securities                 | 215,385          | 202,223          | 216,619          | 232,006          |
| Derivative receivables                | 21,648           | 23,418           | 23,418           | 23,418           |
| Associates & JVs                      | 2,106            | 1,858            | 1,858            | 1,858            |
| Fixed assets (incl. prop.)            | 3,945            | 3,740            | 3,927            | 4,123            |
| Other assets                          | 75,927           | 90,362           | 95,704           | 101,531          |
| <b>Total assets</b>                   | <b>1,027,675</b> | <b>1,075,323</b> | <b>1,134,993</b> | <b>1,197,028</b> |
| Interbank deposits                    | 44,677           | 47,051           | 48,463           | 49,917           |
| Customer deposits                     | 696,835          | 741,897          | 782,702          | 825,750          |
| Derivative payables                   | 25,083           | 27,494           | 27,494           | 27,494           |
| Debt equivalents                      | 12,975           | 12,735           | 12,735           | 12,735           |
| Other liabilities                     | 150,457          | 148,937          | 162,989          | 177,039          |
| <b>Total liabilities</b>              | <b>930,026</b>   | <b>978,115</b>   | <b>1,034,382</b> | <b>1,092,935</b> |
| Shareholders' funds                   | 94,642           | 93,971           | 97,090           | 100,280          |
| Minority interest - accumulated       | 3,007            | 3,237            | 3,521            | 3,814            |
| <b>Total equity &amp; liabilities</b> | <b>1,027,675</b> | <b>1,075,322</b> | <b>1,134,993</b> | <b>1,197,028</b> |

## OPERATING RATIOS

| Year to 31 Dec (%)                         | 2024  | 2025F | 2026F | 2027F |
|--|-------|-------|-------|-------|
| <b>Capital Adequacy</b>                    |       |       |       |       |
| Tier-1 CAR                                 | 16.1  | 18.0  | 17.6  | 17.3  |
| Total CAR                                  | 19.0  | 23.2  | 22.6  | 22.1  |
| Total assets/equity (x)                    | 11.4  | 11.6  | 11.9  | 12.1  |
| Tangible assets/tangible common equity (x) | 12.2  | 12.5  | 12.7  | 13.0  |
| <b>Asset Quality</b>                       |       |       |       |       |
| NPL ratio                                  | 1.2   | 1.3   | 1.3   | 1.3   |
| Loan loss coverage                         | 122.4 | 140.6 | 140.8 | 143.5 |
| Loan loss reserve/gross loans              | 1.8   | 1.8   | 1.8   | 1.8   |
| Increase in NPLs                           | (3.2) | 9.7   | 6.7   | 3.3   |
| Credit cost (bp)                           | 24.8  | 23.0  | 23.0  | 20.0  |
| <b>Liquidity</b>                           |       |       |       |       |
| Loan/deposit ratio                         | 89.3  | 89.1  | 89.0  | 89.0  |
| Liquid assets/short-term liabilities       | 11.5  | 11.6  | 11.3  | 11.0  |
| Liquid assets/total assets                 | 8.5   | 8.5   | 8.3   | 8.1   |

## KEY METRICS

| Year to 31 Dec (%)            | 2024 | 2025F | 2026F | 2027F |
|-------------------------------|------|-------|-------|-------|
| <b>Growth</b>                 |      |       |       |       |
| Net interest income, yoy chg  | 0.1  | (0.1) | 1.7   | 3.1   |
| Fees & commissions, yoy chg   | 9.0  | 4.0   | 5.0   | 5.0   |
| Pre-provision profit, yoy chg | 8.2  | 0.0   | 2.9   | 3.4   |
| Net profit, yoy chg           | 7.9  | 1.6   | 2.6   | 4.9   |
| Net profit (adj.), yoy chg    | 7.9  | 1.6   | 2.6   | 4.9   |
| Customer loans, yoy chg       | 5.4  | 5.2   | 5.5   | 5.5   |
| Customer deposits, yoy chg    | 6.5  | 5.5   | 5.5   | 5.5   |
| <b>Profitability</b>          |      |       |       |       |
| Net interest margin           | 2.17 | 2.14  | 2.12  | 2.13  |
| Cost/income ratio             | 48.9 | 50.6  | 51.4  | 52.2  |
| Adjusted ROA                  | 1.0  | 0.9   | 0.9   | 0.9   |
| Reported ROE                  | 10.7 | 10.6  | 10.5  | 10.8  |
| Adjusted ROE                  | 10.7 | 10.6  | 10.5  | 10.8  |
| <b>Valuation</b>              |      |       |       |       |
| P/BV (x)                      | 1.2  | 1.1   | 1.1   | 1.1   |
| P/NTA (x)                     | 1.3  | 1.2   | 1.2   | 1.2   |
| Adjusted P/E (x)              | 11.1 | 10.9  | 10.6  | 10.1  |
| Dividend Yield                | 6.1  | 6.9   | 7.1   | 7.4   |
| Payout ratio                  | 68.0 | 75.0  | 75.0  | 75.0  |

## STRATEGY – SINGAPORE

## Market Strategy

Tariff Turbulence Abates – Stocks To Buy In The Upcoming S\$5b Blitz

Singapore's market outlook has improved following the US backing down from its tariffs and the upcoming MAS liquidity support. The S\$5b EQDP will boost non-index mid caps and in that vein, we like CENT, CSSC, CD, CSE, FEH, FRKN, HLA, OTEK, PROP, SSG, SIE and VALUE. In the meantime, the STI's strong defensive nature and undervalued metrics support a revised 2025 target of 4,054. Our top large-cap picks are CLAS, CICT, FR, KEP, OCBC, SATS, SE, SCI, ST and YZJSGD.

- **A more constructive view.** In light of the US backing down from a full-scale tariff war with China, as well as the injection of liquidity from the MAS in 2H25, we have become more bullish on the Singapore market. Ytd, the STI has done well and outperformed most of its regional peers by 3-16ppt. We point to the prevalence of blue-chip defensive stocks in the STI that have strong cash flow generation and relatively high dividends which should see them through most tariff-related market turbulence and exit in a strong position.
- **Mid-cap stocks to take the limelight in 2H25.** With the imminent disbursement of S\$5b to selected fund managers in 2H25, we believe that our selection of 12 small-/mid-cap companies (see table on RHS) could see heightened interest given their quality management, earnings growth, robust business models and largely domestically-focused revenue streams. We note that in our universe of small-/mid-cap coverage, 19 stocks are in a net cash position with their net cash ranging from 6-73% of their market capitalisation.
- **Key details of the MAS' Equity Market Development Programme (EQDP).** The goal of the S\$5b that will be allocated to asset managers to "enhance market liquidity and support Singapore's fund management ecosystem" will come from the MAS' own investment portfolio and the Financial Sector Development Fund. We understand that the final proposals will be submitted to the MAS on Friday 30 May with the shortlist of fund managers to be announced in 3Q25 and funds likely to be deployed as soon as 4Q25 in our view. In prior announcements, the MAS has stated that the focus will clearly be on Singapore's non-index stocks with preference given to actively managed strategies. We also understand that REITs will not be preferred.
- **We have raised our forecast STI target to 4,054 by end-25** (previously 3,720) using an aggregate of both top-down and bottom-up methodology, implying about 5% upside from current levels. Our 2025 STI target is based on our forecast 1.2% earnings growth for the index stocks and implies a PE multiple of 13.4x which we do not view as stretched for a Singapore market that is long on quality defensive names.

STI 2025 YEAR-END TARGET: 4,054  
(PREVIOUSLY 3,720)

## KEY STOCK PICKS

| Company            | Rec | Price (\$S) |        |
|--------------------|-----|-------------|--------|
|                    |     | 26 May      | Target |
| <u>Large caps</u>  |     |             |        |
| CapitaLand Ascott  | BUY | 0.86        | 1.38   |
| CICT               | BUY | 2.06        | 2.37   |
| First Resources    | BUY | 1.45        | 1.65   |
| Keppel             | BUY | 6.75        | 9.25   |
| OCBC               | BUY | 16.17       | 19.30  |
| SATS               | BUY | 3.05        | 3.22   |
| Sea Ltd (US\$)     | BUY | 164.06      | 181.64 |
| Sembcorp Ind       | BUY | 6.65        | 8.00   |
| SingTel            | BUY | 3.84        | 4.58   |
| Yangzijiang S'bldg | BUY | 2.04        | 3.29   |
| <u>Mid-caps</u>    |     |             |        |
| Centurion          | BUY | 1.34        | 1.48   |
| ChinaSunsine       | BUY | 0.57        | 0.63   |
| ComfortDelGro      | BUY | 1.46        | 1.71   |
| CSE Global         | BUY | 0.43        | 0.61   |
| Food Empire        | BUY | 1.77        | 1.98   |
| Frencken           | BUY | 1.12        | 1.40   |
| Hong Leong Asia    | BUY | 1.17        | 1.46   |
| Oiltek             | BUY | 0.53        | 0.48   |
| PropNex            | BUY | 1.05        | 1.30   |
| Sheng Siong        | BUY | 1.83        | 1.97   |
| SIA Engineering    | BUY | 2.57        | 2.70   |
| Valuetronics       | BUY | 0.68        | 0.78   |

Source: Bloomberg, UOB Kay Hian

## ANALYST(S)

**Adrian Loh**  
+65 6590 6633  
adrianloh@uobkayhian.com

**John Cheong**  
+65 6590 6623  
johncheong@uobkayhian.com

**Singapore Research Team**  
+65 6535 6868  
Research@uobkayhian.com

## PEER COMPARISON

| Company         | Ticker   | Rec | Price (\$S) |        | Upside to TP (%) | PE (x) |       |       | 2025F (%) |      | M.cap \$m | P/B (x) |
|-----------------|----------|-----|-------------|--------|------------------|--------|-------|-------|-----------|------|-----------|---------|
|                 |          |     | 26 May      | Target |                  | 2024   | 2025F | 2026F | Yield     | ROE  |           |         |
| Centurion       | CENT SP  | BUY | 1.34        | 1.48   | 10.45            | 3.3    | 11.4  | 10.5  | 2.6       | 8.3  | 1,127     | 1.0     |
| ChinaSunsine    | CSSC SP  | BUY | 0.57        | 0.63   | 11.50            | 6.9    | 6.9   | 6.6   | 5.2       | 9.9  | 539       | 0.7     |
| ComfortDelGro   | CD SP    | BUY | 1.46        | 1.71   | 17.12            | 15.0   | 13.9  | 12.4  | 5.9       | 8.7  | 3,163     | 1.2     |
| CSE Global      | CSE SP   | BUY | 0.43        | 0.61   | 43.53            | 10.9   | 7.6   | 7.3   | 5.6       | 14.1 | 300       | 1.2     |
| Food Empire     | FEH SP   | BUY | 1.77        | 1.98   | 11.86            | 13.3   | 13.4  | 12.5  | 4.3       | 17.2 | 935       | 2.3     |
| Frencken        | FRKN SP  | BUY | 1.12        | 1.40   | 25.00            | 12.9   | 12.0  | 11.3  | 2.5       | 8.9  | 478       | 1.1     |
| Hong Leong Asia | HLA SP   | BUY | 1.17        | 1.46   | 24.79            | 10.0   | 19.1  | 21.4  | 4.3       | 10.7 | 875       | 0.9     |
| Oiltek          | OTEK SP  | BUY | 0.53        | 0.48   | -9.43            | 26.3   | 21.9  | 19.8  | 2.0       | 36.2 | 227       | 8.9     |
| PropNex         | PROP SP  | BUY | 1.05        | 1.30   | 23.81            | 19.0   | 14.6  | 13.8  | 5.7       | 41.4 | 777       | 6.3     |
| Sheng Siong     | SSG SP   | BUY | 1.83        | 1.97   | 7.65             | 20.0   | 18.3  | 17.6  | 3.8       | 27.0 | 2,751     | 5.1     |
| SIA Engineering | SIE SP   | BUY | 2.57        | 2.70   | 5.06             | 20.6   | 19.0  | 17.5  | 4.1       | 8.7  | 2,873     | 1.7     |
| Valuetronics    | VALUE SP | BUY | 0.68        | 0.78   | 14.71            | 10.1   | 9.5   | 9.0   | 6.9       | 12.1 | 276       | 1.2     |

Source: UOB Kay Hian

• **Why implement the EQDP and why now?** In our view, the Singapore stock market has waned in quality in the past 10 years with lower daily trading volume seen over this time, as well as fewer listed stocks with the number of delistings and privatisations overwhelming IPOs. Ytd, we have seen only four IPOs but four completed delistings and another 14 announced. Instead, Singaporean companies have chosen other exchanges to list on Nasdaq, Bursa Malaysia, Taiwan Stock Exchange etc. Given Singapore's goal to be one of Asia's key financial hubs, it was imperative for the authorities to bolster the local market and compete since regional financial centres have implemented various strategies to enhance their own markets in the past few years. To this end, non-index stocks on the SGX were targeted to raise their valuations and thus encourage more IPOs on the SGX in the future.

• **Hurdles ahead.** Given that the MAS has emphasised the importance of higher liquidity, we note that there was an absence of any role for market makers which we believe is integral in maintaining liquidity and efficiency in a well-functioning stock market. Going forward, it will be critical for the authorities to ensure that the S\$5b is not a one-off and that as the market grows, it will be able and willing to continue to lend its support.

• **Our top large-cap picks** are CapitaLand Ascott REIT, CapitaLand Integrated Commercial Trust, First Resources, Keppel Ltd, Oversea-Chinese Banking Corp, SATS, Sea Ltd, Sembcorp Industries, Singapore Telecommunications and Yangzijiang Shipbuilding.

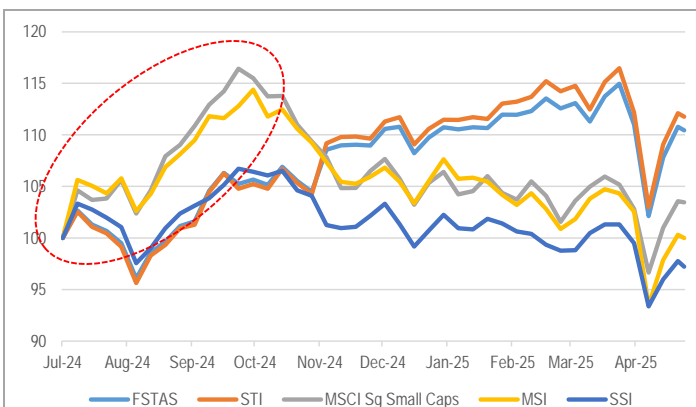
• **Trading well below long-term valuations.** In our view, the STI's valuations are not stretched at present, trading at 2025F PE and P/B of 12.2x and 1.3x respectively and paying a yield of over 5.5%. We highlight that these multiples are meaningful discounts to the STI's long-term averages, and inexpensive vs its peers in the region and vs its own 10th to 90th percentile range.

#### SMALL/MID-CAPS: KEY INVESTMENT HIGHLIGHTS

| Company         | Why we like the stock  |
|-----------------|--|
| Centurion       | Inelastic demand for its assets; construction spending tailwinds in Singapore                            |
| ChinaSunsine    | Market leadership as #1 global rubber accelerator globally; net cash at 72% of market cap                |
| ComfortDelGro   | Defensive business model with strong overseas growth; attractive 6.1% yield                              |
| CSE Global      | Healthy forecast revenue growth to 2027; strong orderbook of S\$616m                                     |
| Food Empire     | Cost control cushioned high coffee prices; well-executed expansion in Vietnam; expansion in Central Asia |
| Frencken        | Stable to higher revenue forecasts in all segments; better semiconductor outlook                         |
| Hong Leong Asia | Increased construction demand across Singapore & Malaysia; strong profit growth outlook                  |
| Oilttek         | Asset-light business model with high ROE; exposure to sustainable aviation fuel                          |
| PropNex         | Favourable property market outlook in 2025; forecast strong 1H25 results; special dividend               |
| Sheng Siong     | Volume growth via six new openings in 2025; strong management  |
| SIA Engineering | Strong MRO demand; limited impact from tariff war; net cash at 23% of market cap                         |
| Valuetronics    | Able to capitalise on AI boom; potential growth in Vietnam; net cash at >73% of market cap               |

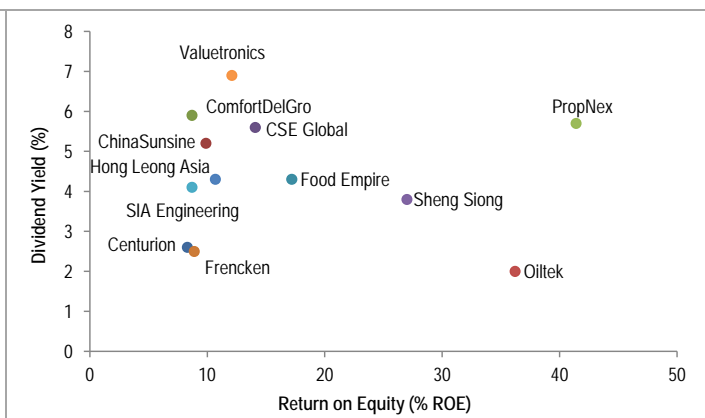
Source: UOB Kay Hian

#### SHORT PERIOD OF OUTPERFORMANCE AFTER MARKET REVIEW ANNOUNCEMENT – WE BELIEVE MORE TO COME IN 2H25



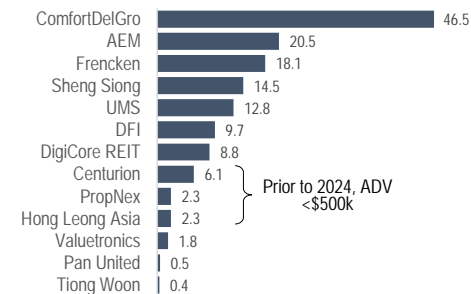
Source: Bloomberg, UOB Kay Hian

#### KEY MID/SMALL-CAP STOCK PICKS: 2025 YIELD VS ROE



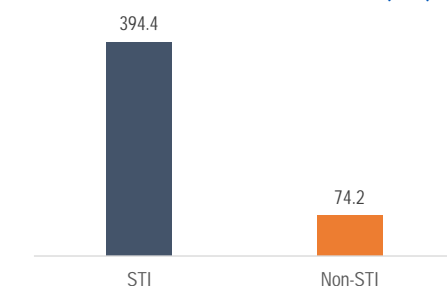
Bloomberg, UOB Kay Hian

#### AVERAGE DAILY TRADING VOLUME – JAN 24 TO CURRENT (\$M)



Source: Bloomberg, UOB Kay Hian

#### FREE-FLOAT MARKET CAPITALISATION (\$B)



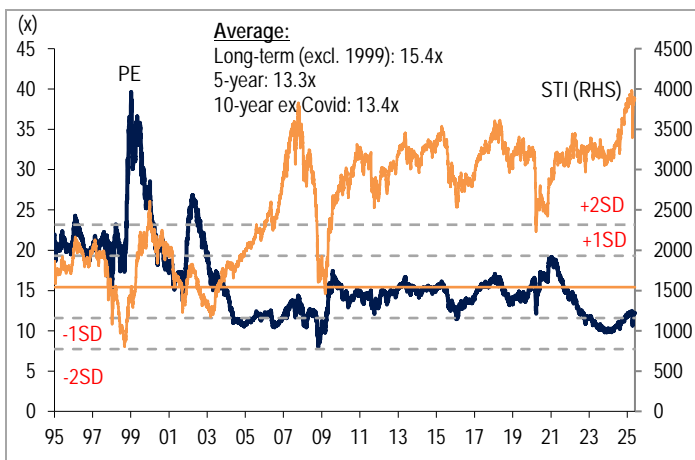
Source: Bloomberg, UOB Kay Hian estimates (as at 13 May 2025)

#### VALUATION PREMIUM/DISCOUNT VS EMERGING MARKET/DEVELOPED MARKET PEERS (%)

|                 | PE  | EV/EBITDA |
|-----------------|-----|-----------|
| Centurion       | -50 | -27       |
| ChinaSunsine    | -57 | -86       |
| ComfortDelGro   | 15  | 0         |
| CSE Global      | -54 | -62       |
| Food Empire     | -56 | -6        |
| Frencken        | -42 | -36       |
| Hong Leong Asia | -14 | 35        |
| Oilttek         | -28 | -10       |
| PropNex         | -27 | -15       |
| Sheng Siong     | 9   | 12        |
| SIA Engineering | -4  | 183       |
| Valuetronics    | -47 | -70       |

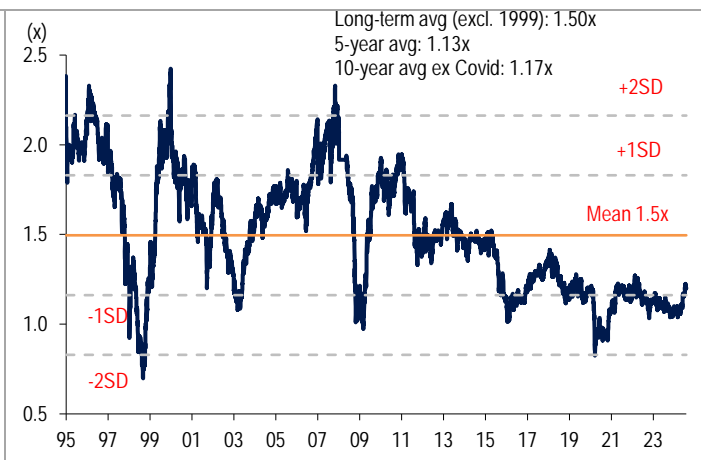
Source: Bloomberg

### STRAITS TIMES INDEX: PE CHART



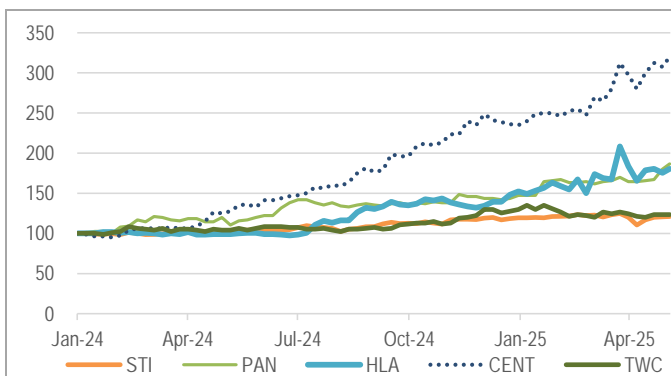
Source : Bloomberg, UOB Kay Hian

### STRAITS TIMES INDEX: P/B CHART



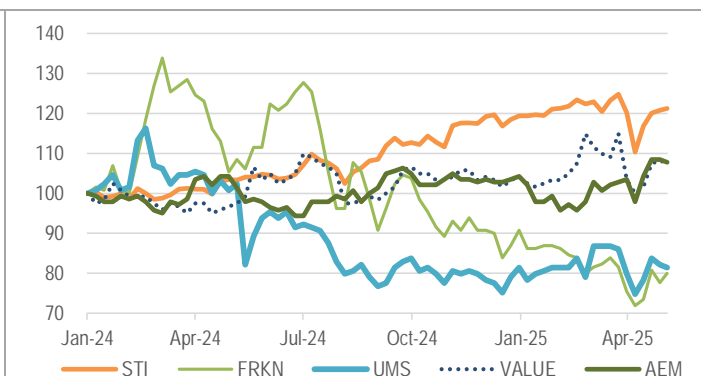
Bloomberg, UOB Kay Hian

### STI VS SMALL- AND MID-CAP CONSTRUCTION SECTOR



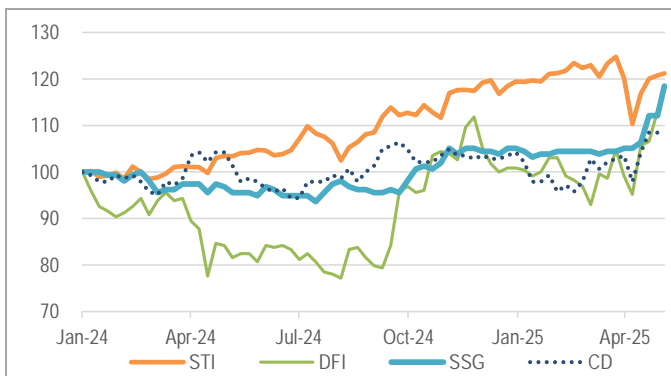
Source : Bloomberg, UOB Kay Hian

### STI VS MID-CAP TECHNOLOGY SECTOR



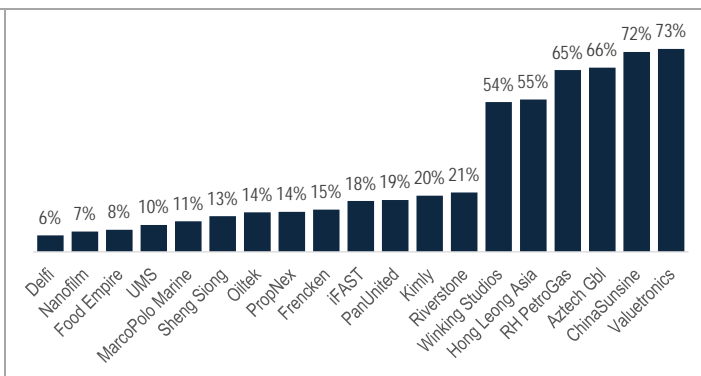
Bloomberg, UOB Kay Hian

### STI VS LARGE- AND MID-CAP CONSUMER STOCKS



Source : Bloomberg, UOB Kay Hian

### SMALL/MID-CAPS: NET CASH AS A % OF MARKET CAPITALISATION



Bloomberg, UOB Kay Hian

## PEER COMPARABLE COMPANIES: SINGAPORE

| Company           | Ticker     | Rec  | Price (S\$) |        | Upside to<br>TP (%) | PE (x) |       |       | 2025F (%) |      | M.cap<br>S\$m | P/NAV<br>(x) |
|-------------------|------------|------|-------------|--------|---------------------|--------|-------|-------|-----------|------|---------------|--------------|
|                   |            |      | 26 May      | Target |                     | 2024   | 2025F | 2026F | Yield     | ROE  |               |              |
| AVIATION          |            |      |             |        |                     |        |       |       |           |      |               |              |
| S I A             | SIA SP     | HOLD | 7.08        | 6.63   | -6.36               | 7.9    | 14.6  | 16.7  | 4.2       | 9.2  | 21,036        | 1.3          |
| SIA Engineering   | SIE SP     | BUY  | 2.57        | 2.70   | 5.06                | 20.6   | 19.0  | 17.5  | 4.1       | 8.7  | 2,873         | 1.7          |
| SATS              | SATS SP    | BUY  | 3.05        | 3.22   | 5.57                | 18.6   | 17.7  | 15.9  | 2.0       | 9.7  | 4,532         | 1.8          |
| ST Engineering    | STE SP     | HOLD | 7.56        | 7.37   | -2.51               | 33.6   | 29.2  | 25.4  | 2.4       | 28.9 | 23,602        | 8.8          |
| FINANCE           |            |      |             |        |                     |        |       |       |           |      |               |              |
| DBS               | DBS SP     | HOLD | 44.28       | 45.45  | 2.64                | 11.2   | 11.8  | 11.5  | 6.8       | 15.6 | 125,736       | 1.9          |
| iFAST             | OCBC SP    | BUY  | 16.17       | 19.30  | 19.36               | 9.7    | 10.4  | 9.8   | 6.2       | 11.6 | 72,746        | 1.3          |
| O C B C           | SGX SP     | HOLD | 14.00       | 12.58  | -10.14              | 25.0   | 25.1  | 23.5  | 2.6       | 29.4 | 14,971        | 7.7          |
| SGX               | UOB SP     | NR   | 35.30       | n.a.   | n.a.                | 9.9    | 9.8   | 9.4   | 6.2       | 12.1 | 58,878        | 1.3          |
| U O B @           | DBS SP     | HOLD | 44.28       | 45.45  | 2.64                | 11.2   | 11.8  | 11.5  | 6.8       | 15.6 | 125,736       | 1.9          |
| HEALTHCARE        |            |      |             |        |                     |        |       |       |           |      |               |              |
| Raffles Medical   | RFMD SP    | BUY  | 1.00        | 1.06   | 6.00                | 29.9   | 26.3  | 23.0  | 2.7       | 6.7  | 1,851         | 1.8          |
| LAND TRANSPORT    |            |      |             |        |                     |        |       |       |           |      |               |              |
| ComfortDelGro     | CD SP      | BUY  | 1.46        | 1.71   | 17.12               | 15.0   | 13.9  | 12.4  | 5.9       | 8.7  | 3,163         | 1.2          |
| PLANTATION        |            |      |             |        |                     |        |       |       |           |      |               |              |
| Bumitama          | BAL SP     | HOLD | 0.74        | 0.78   | 6.12                | 6.6    | 7.7   | 8.0   | 7.8       | 14.0 | 1,275         | 1.1          |
| FirstRes          | FR SP      | BUY  | 1.45        | 1.65   | 13.79               | 6.9    | 7.3   | 7.2   | 7.1       | 16.4 | 2,247         | 1.2          |
| Wilmar            | WIL SP     | BUY  | 3.05        | 3.45   | 13.11               | 12.2   | 10.0  | 8.8   | 4.6       | 7.3  | 19,040        | 0.7          |
| PROPERTY          |            |      |             |        |                     |        |       |       |           |      |               |              |
| CapitaLandInvest  | CLI SP     | BUY  | 2.53        | 3.42   | 35.18               | 26.6   | 18.6  | 15.7  | 3.2       | 5.1  | 12,618        | 0.9          |
| CityDev           | CIT SP     | HOLD | 4.75        | 4.60   | -3.16               | 22.3   | 11.0  | 9.6   | 2.7       | 4.3  | 4,244         | 0.5          |
| SHIPYARD          |            |      |             |        |                     |        |       |       |           |      |               |              |
| Keppel            | KEP SP     | BUY  | 6.75        | 9.25   | 37.04               | 13.1   | 13.1  | 12.5  | 5.0       | 8.5  | 12,250        | 1.1          |
| Sembcorp Ind      | SCI SP     | BUY  | 6.65        | 8.00   | 20.30               | 11.7   | 10.6  | 10.8  | 3.8       | 20.4 | 11,830        | 2.2          |
| Seatrium          | STM SP     | BUY  | 2.04        | 2.96   | 45.10               | 44.3   | 24.1  | 18.1  | 1.3       | 4.5  | 6,907         | 1.1          |
| YZJ ShipBldg SGD  | YZJSGD SP  | BUY  | 2.04        | 3.29   | 61.27               | 6.5    | 5.7   | 5.4   | 5.2       | 25.0 | 8,029         | 1.6          |
| TECHNOLOGY        |            |      |             |        |                     |        |       |       |           |      |               |              |
| Sea Ltd (in US\$) | SE US      | BUY  | 164.06      | 181.64 | 10.72               | 212.3  | 65.8  | 54.3  | 0.0       | 15.3 | 89,657        | 11.4         |
| Venture Corp      | VMS SP     | HOLD | 11.06       | 12.01  | 8.59                | 13.1   | 14.1  | 13.6  | 6.8       | 7.8  | 3,181         | 1.1          |
| TELECOMS          |            |      |             |        |                     |        |       |       |           |      |               |              |
| NetLink NBN Tr    | NETLINK SP | BUY  | 0.90        | 0.98   | 8.89                | 36.7   | 35.2  | 32.7  | 6.0       | 4.3  | 3,507         | 1.5          |
| SingTel           | ST SP      | BUY  | 3.84        | 4.58   | 19.27               | 15.8   | 23.4  | 21.4  | 4.7       | 10.3 | 63,365        | 2.5          |
| StarHub           | STH SP     | HOLD | 1.14        | 1.26   | 10.53               | 12.8   | 13.3  | 11.6  | 6.0       | 23.7 | 1,963         | 3.2          |
| OTHERS            |            |      |             |        |                     |        |       |       |           |      |               |              |
| DFIRG USD         | DFI SP     | BUY  | 2.71        | 2.80   | 3.32                | n.a.   | 15.7  | 14.7  | 3.8       | 34.0 | 4,712         | 5.9          |
| Genting SP        | GENS SP    | BUY  | 0.70        | 0.90   | 28.57               | 14.6   | 14.6  | 13.2  | 5.7       | 6.9  | 8,458         | 1.0          |
| ThaiBev           | THBEV SP   | HOLD | 0.46        | 0.51   | 10.87               | 11.3   | 10.9  | 10.3  | 5.3       | 17.2 | 11,560        | 1.9          |
| SingPost          | SPOST SP   | BUY  | 0.56        | 0.66   | 17.86               | 5.4    | 36.3  | 33.5  | 1.1       | 2.4  | 1,261         | 1.0          |
| Emperador Inc.    | EMI SP     | SELL | 0.31        | 0.30   | -1.64               | 26.4   | 23.7  | 20.6  | 2.3       | 8.7  | 4,800         | 2.2          |
| Genting SP        | GENS SP    | BUY  | 0.675       | 1.12   | 65.9                | 14.1   | 11.4  | 11.1  | 6.7       | 8.5  | 8,156         | 1.0          |
| Riverstone        | RSTON SP   | HOLD | 0.69        | 0.82   | 18.84               | 12.2   | 14.2  | 13.2  | 8.4       | 15.6 | 1,023         | 2.1          |
| Sheng Siong       | SSG SP     | BUY  | 1.83        | 1.97   | 7.65                | 20.0   | 18.3  | 17.6  | 3.8       | 27.0 | 2,751         | 5.1          |
| REITS             |            |      |             |        |                     |        |       |       |           |      |               |              |
| CL Ascendas Reit  | CLAR SP    | BUY  | 2.60        | 3.51   | 35.00               | 17.0   | 17.9  | 16.8  | 5.9       | 6.2  | 11,441        | 1.1          |
| CL Ascott T       | CLAS SP    | BUY  | 0.86        | 1.38   | 61.40               | 24.2   | 20.6  | 19.6  | 7.1       | 3.3  | 3,266         | 0.7          |
| CL IntCom T       | CICT SP    | BUY  | 2.06        | 2.37   | 15.05               | 18.9   | 18.0  | 17.6  | 5.3       | 5.4  | 15,073        | 1.0          |
| Far East HTrust   | FEHT SP    | BUY  | 0.56        | 0.71   | 27.93               | 18.6   | 16.7  | 14.7  | 6.7       | 3.7  | 1,122         | 0.6          |
| Frasers Cpt Tr    | FCT SP     | BUY  | 2.17        | 2.73   | 25.81               | 19.6   | 18.4  | 18.4  | 5.8       | 4.8  | 4,389         | 1.0          |
| Frasers L&C Tr    | FLT SP     | BUY  | 0.80        | 1.10   | 38.36               | 15.8   | 17.0  | 16.9  | 7.7       | 4.2  | 2,997         | 0.7          |
| Keppel DC Reit    | KDCREIT SP | BUY  | 2.20        | 2.55   | 15.91               | 26.1   | 20.2  | 19.0  | 4.9       | 7.1  | 4,964         | 1.4          |
| Kep REIT          | KREIT SP   | BUY  | 0.86        | 1.06   | 23.98               | 22.1   | 20.1  | 20.2  | 6.7       | 3.2  | 3,318         | 0.7          |
| Lendlease REIT    | LREIT SP   | BUY  | 0.48        | 0.72   | 50.00               | 16.4   | 24.1  | 21.1  | 7.8       | 2.2  | 1,174         | 0.6          |
| M'tree PanAsia Tr | MPACT SP   | BUY  | 1.18        | 1.62   | 37.29               | 14.5   | 15.6  | 15.8  | 7.2       | 4.2  | 6,220         | 0.7          |
| Mapletree Ind Tr  | MINT SP    | BUY  | 1.92        | 2.73   | 42.19               | 15.4   | 14.6  | 14.5  | 6.9       | 7.2  | 5,475         | 1.1          |
| Mapletree Log Tr  | MLT SP     | HOLD | 1.10        | 1.31   | 19.09               | 20.0   | 20.9  | 21.3  | 7.2       | 3.7  | 5,583         | 0.8          |
| PLife REIT        | PREIT SP   | BUY  | 4.09        | 4.85   | 18.58               | 23.2   | 23.7  | 24.0  | 3.6       | 6.9  | 2,668         | 1.7          |

Source : UOB Kay Hian, Bloomberg



## COMPANY UPDATE

### Berli Jucker (BJC TB)

Limited Earnings Downside With Good Business Progress

Although we foresee a slower yoy earnings growth for 2Q-4Q25, we still expect a 5.0-10% yoy earnings growth. Therefore, we project limited downside to BJC's earnings for 2025-26. Management also guided that SSS momentum is expected to improve in May 25 compared with Apr 25. Maintain BUY. Target price: Bt28.00.

#### WHAT'S NEW

- **Updated financial targets for 2025.** Berli Jucker's (BJC) management guided for top-line growth momentum of 3-5% yoy, with sales in the modern trade business growing 5% yoy and same-store sales (SSS) rising 3-4%. Gross profit margin is expected to improve by 20-40bp, mainly driven by its manufacturing businesses. The effective tax rate is expected to come at 20-24% for 2025.

#### STOCK IMPACT

- **A slight improvement in May 25's SSS.** BJC guided that the company saw signs of recovery in SSS mtd, with a narrower negative range compared with Apr 25. Management expects 2Q25 SSS to be flattish or grow by 1-2% yoy, driven primarily by a lower base effect due to fewer rainy days.
- **Maintain our 2025-26 earnings forecasts.** Although we expect slower yoy bottom line growth in 2Q-4Q25 compared with 1Q25, we still forecast a 5.0-10% yoy earnings improvement for the full year. We maintain our 2025-26 core profit growth estimates at 9% yoy. Key drivers include improved gross profit margins in the manufacturing businesses, supported by lower raw material costs in both the packaging and consumer supply chain segments. Also, effective cost control is expected to keep the SGA-to-sales ratio stable yoy. Overall, we see limited downside risk to our and consensus earnings forecasts for 2025-26.
- **Modern trade business strategy.** The company maintains its focus of improving the fresh food and private label categories to enhance profitability and gain market share. Currently, 42 out of 100 shoppers purchase fresh food items, up from 39 in 1Q24. This could imply better progress in promoting fresh food sales. However, we remain partly concerned about the sales momentum of non-food products – particularly high-margin categories such as softline and homeline – which have been impacted by weaker consumer spending and an influx of Chinese products.

#### KEY FINANCIALS

| Year to 31 Dec (Btm)          | 2023    | 2024    | 2025F   | 2026F   | 2027F   |
|-------------------------------|---------|---------|---------|---------|---------|
| Net turnover                  | 167,902 | 170,814 | 179,643 | 186,797 | 194,268 |
| EBITDA                        | 20,608  | 22,102  | 23,813  | 24,272  | 24,580  |
| Operating profit              | 11,624  | 12,977  | 13,575  | 13,986  | 14,235  |
| Net profit (rep./act.)        | 4,795   | 4,001   | 5,089   | 5,429   | 5,589   |
| Net profit (adj.)             | 4,880   | 4,660   | 5,089   | 5,429   | 5,589   |
| EPS (Bt)                      | 1.2     | 1.2     | 1.3     | 1.4     | 1.4     |
| PE (x)                        | 17.0    | 17.8    | 16.3    | 15.3    | 14.8    |
| P/B (x)                       | 0.7     | 0.7     | 0.7     | 0.7     | 0.7     |
| EV/EBITDA (x)                 | 12.0    | 11.2    | 10.4    | 10.2    | 10.1    |
| Dividend yield (%)            | 3.9     | 3.1     | 3.9     | 4.2     | 4.3     |
| Net margin (%)                | 2.9     | 2.3     | 2.8     | 2.9     | 2.9     |
| Net debt/(cash) to equity (%) | 134.9   | 129.9   | 127.9   | 125.4   | 123.0   |
| Interest cover (x)            | 3.9     | 3.9     | 4.3     | 4.5     | 4.6     |
| Consensus net profit          | 4.0     | 3.3     | 4.2     | 4.4     | 4.5     |
| UOBKH/Consensus (x)           | -       | -       | 5,070   | 5,533   | 5,965   |

Source: Berli Jucker, Bloomberg, UOB Kay Hian

## BUY

(Maintained)

|              |         |
|--------------|---------|
| Share Price  | Bt21.00 |
| Target Price | Bt28.00 |
| Upside       | +33.33% |

#### COMPANY DESCRIPTION

Berli Jucker is a conglomerate that operates in: a) packaging supply chain, b) consumer supply chain, c) healthcare and technical supply chains, and d) modern retail supply chain.

#### STOCK DATA

|                                 |                  |
|---------------------------------|------------------|
| GICS sector                     | Consumer Staples |
| Bloomberg ticker:               | BJC TB           |
| Shares issued (m):              | 4,007.8          |
| Market cap (Btm):               | 84,163.8         |
| Market cap (US\$m):             | 2,589.7          |
| 3-mth avg daily t'over (US\$m): | 2.3              |

#### Price Performance (%)

52-week high/low Bt25.75/Bt19.20

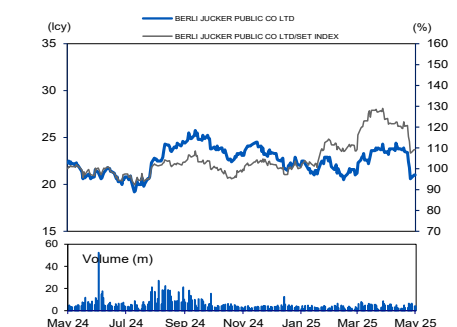
| 1mth | 3mth | 6mth  | 1yr   | YTD |
|------|------|-------|-------|-----|
| 10.4 | 5.9  | (1.7) | (5.6) | 0.4 |

#### Major Shareholders

|                                | %     |
|--------------------------------|-------|
| TCC Corporation                | 45.68 |
| TCC Holding (1995)             | 29.32 |
| RAFFLES NOMINEES (PTE) LIMITED | 4.07  |

|                          |       |
|--------------------------|-------|
| FY24 NAV/Share (Bt)      | 30.33 |
| FY24 Net Debt/Share (Bt) | 38.81 |

#### PRICE CHART



Source: Bloomberg

#### ANALYST(S)

**Kampon Akaravarinchai**

+662 659 8031

kampon@uobkayhian.co.th

**Tanapon Cholkadidamrongkul**

+662 659 8030

tanapon.c@uobkayhian.co.th

#### ASSISTANT ANALYST(S)

**Nichapa Ratchabandit**

### EARNINGS REVISION/RISK

- **Earnings revision:** None.

### VALUATION/RECOMMENDATION

- **Maintain BUY with a target price of Bt28.00.** Our 2025 target price is pegged to 21x 2025F PE, which is equivalent to -1SD to its five-year mean from 2017-19 and 2022-24 as we have excluded the abnormal period of the COVID-19 pandemic in 2020-21. We keep BJC's PE target at -1SD to its mean to reflect its slower earnings growth compared with its grocery retailer peers.

### SHARE PRICE CATALYST

- Better-than-expected SSSG recovery and gross margin improvement.

### ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG)

#### CG Report: 5

#### SET ESG Rating: AA

#### • Environmental

- **Net zero.** BJC aims to become a net zero company by 2050. It is committed to developing the business to be sustainable in accordance with sustainable development frameworks, in order to comply with Sustainable Development Goals.

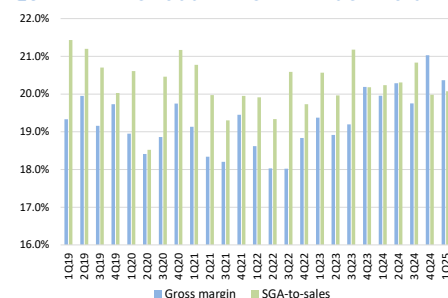
#### • Social

- The company emphasises business operations with social responsibility in every operation by treating every stakeholder with respect for human rights as a basis, emphasises fair and equal treatment of workers, and strictly complies with relevant laws.

#### • Governance

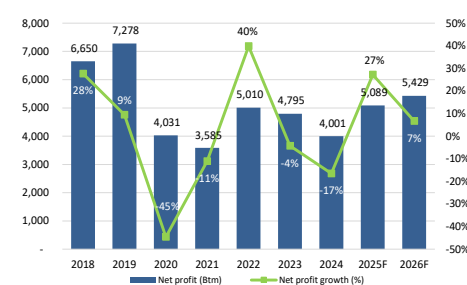
- **Good governance practices.** BJC is committed to operating its business in accordance with good corporate governance policy and management excellence. BJC received the "Excellent" rating on good corporate governance from the Thai Institute of Directors.

### QUARTERLY GROSS MARGIN AND SGA-TO-SALES



Source: BJC, UOB Kay Hian

### NET PROFIT AND GROWTH



Source: BJC, UOB Kay Hian

### PROFIT & LOSS

| Year to 31 Dec (Btm)             | 2024    | 2025F   | 2026F   | 2027F   |
|----------------------------------|---------|---------|---------|---------|
| Net turnover                     | 170,814 | 179,643 | 186,797 | 194,268 |
| EBITDA                           | 22,102  | 23,813  | 24,272  | 24,580  |
| Deprec. & amort.                 | 9,126   | 10,238  | 10,286  | 10,345  |
| EBIT                             | 12,977  | 13,575  | 13,986  | 14,235  |
| Total other non-operating income | (614)   | 0       | 0       | 0       |
| Associate contributions          | (84)    | (22)    | (18)    | (14)    |
| Net interest income/(expense)    | (5,603) | (5,555) | (5,394) | (5,394) |
| Pre-tax profit                   | 6,676   | 7,998   | 8,574   | 8,826   |
| Tax                              | (1,686) | (1,604) | (1,718) | (1,768) |
| Minorities                       | (989)   | (1,264) | (1,353) | (1,393) |
| Net profit                       | 4,001   | 5,089   | 5,429   | 5,589   |
| Net profit (adj.)                | 4,660   | 5,089   | 5,429   | 5,589   |

### CASH FLOW

| Year to 31 Dec (Btm)             | 2024    | 2025F   | 2026F    | 2027F   |
|----------------------------------|---------|---------|----------|---------|
| Operating                        | 15,744  | 10,207  | 13,985   | 12,676  |
| Pre-tax profit                   | 6,676   | 7,998   | 8,574    | 8,826   |
| Tax                              | (1,686) | (1,604) | (1,718)  | (1,768) |
| Deprec. & amort.                 | 9,126   | 10,238  | 10,286   | 10,345  |
| Associates                       | 84      | 22      | 18       | 14      |
| Working capital changes          | 1,389   | (6,022) | (3,419)  | (4,766) |
| Non-cash items                   | 240     | (404)   | 262      | 38      |
| Other operating cashflows        | (84)    | (22)    | (18)     | (14)    |
| Investing                        | (5,545) | (7,801) | (10,081) | (8,706) |
| Capex (growth)                   | (7,584) | (9,226) | (9,439)  | (9,749) |
| Investments                      | 2,630   | 2,621   | 2,614    | 2,609   |
| Others                           | (591)   | (1,197) | (3,256)  | (1,566) |
| Financing                        | (8,330) | (3,562) | (3,378)  | (3,563) |
| Dividend payments                | (3,206) | (3,557) | (3,378)  | (3,563) |
| Proceeds from borrowings         | (5,229) | (5)     | 0        | 0       |
| Others/interest paid             | 0       | 0       | 0        | 0       |
| Net cash inflow (outflow)        | 105     | 0       | 0        | 0       |
| Beginning cash & cash equivalent | 1,870   | (1,157) | 525      | 408     |
| Ending cash & cash equivalent    | 4,857   | 6,727   | 5,569    | 6,095   |

### BALANCE SHEET

| Year to 31 Dec (Btm)       | 2024    | 2025F   | 2026F   | 2027F   |
|----------------------------|---------|---------|---------|---------|
| Fixed assets               | 284,384 | 283,372 | 282,526 | 281,929 |
| Other LT assets            | 5,534   | 5,648   | 5,793   | 5,915   |
| Cash/ST investment         | 5,144   | 5,569   | 6,095   | 6,502   |
| Other current assets       | 41,950  | 46,830  | 52,012  | 57,785  |
| Total assets               | 337,012 | 341,419 | 346,425 | 352,131 |
| ST debt                    | 33,112  | 33,107  | 33,107  | 33,107  |
| Other current liabilities  | 35,522  | 33,977  | 36,003  | 37,049  |
| LT debt                    | 127,917 | 127,917 | 127,917 | 127,917 |
| Other LT liabilities       | 14,258  | 15,796  | 15,300  | 16,464  |
| Shareholders' equity       | 119,999 | 121,594 | 123,719 | 125,821 |
| Minority interest          | 6,203   | 9,027   | 10,380  | 11,773  |
| Total liabilities & equity | 337,012 | 341,419 | 346,425 | 352,131 |

### KEY METRICS

| Year to 31 Dec (%)        | 2024   | 2025F | 2026F | 2027F |
|---------------------------|--------|-------|-------|-------|
| Profitability             | 12.9   | 13.3  | 13.0  | 12.7  |
| EBITDA margin             | 3.9    | 4.5   | 4.6   | 4.5   |
| Pre-tax margin            | 2.3    | 2.9   | 2.9   | 2.9   |
| Net margin                | 1.2    | 1.5   | 1.6   | 1.6   |
| ROA                       | 3.3    | 4.2   | 4.5   | 4.5   |
| Growth                    |        |       |       |       |
| Turnover                  | 1.7    | 5.2   | 4.0   | 4.0   |
| EBITDA                    | 7.2    | 7.7   | 1.9   | 1.3   |
| Pre-tax profit            | 7.4    | 19.8  | 7.2   | 2.9   |
| Net profit                | (16.5) | 28.2  | 7.3   | 3.0   |
| Net profit (adj.)         | (4.5)  | 10.1  | 7.3   | 3.0   |
| EPS                       | (4.5)  | 10.1  | 7.3   | 3.0   |
| Leverage                  |        |       |       |       |
| Debt to total capital     | 56.1   | 55.2  | 54.6  | 53.9  |
| Debt to equity            | 134.2  | 132.4 | 130.2 | 128.0 |
| Net debt/(cash) to equity | 129.9  | 127.8 | 125.2 | 122.8 |
| Interest cover (x)        | 3.9    | 4.3   | 4.5   | 4.6   |

## Disclosures/Disclaimers

This report is prepared by UOB Kay Hian Private Limited ("UOBKH"), which is a holder of a capital markets services licence and an exempt financial adviser in Singapore.

This report is provided for information only and is not an offer or a solicitation to deal in securities or to enter into any legal relations, nor an advice or a recommendation with respect to such securities.

**This report is prepared for general circulation.** It does not have regard to the specific investment objectives, financial situation and the particular needs of any recipient hereof. Advice should be sought from a financial adviser regarding the suitability of the investment product, taking into account the specific investment objectives, financial situation or particular needs of any person in receipt of the recommendation, before the person makes a commitment to purchase the investment product.

This report is confidential. This report may not be published, circulated, reproduced or distributed in whole or in part by any recipient of this report to any other person without the prior written consent of UOBKH. This report is not directed to or intended for distribution to or use by any person or any entity who is a citizen or resident of or located in any locality, state, country or any other jurisdiction as UOBKH may determine in its absolute discretion, where the distribution, publication, availability or use of this report would be contrary to applicable law or would subject UOBKH and its connected persons (as defined in the Financial Advisers Act, Chapter 110 of Singapore) to any registration, licensing or other requirements within such jurisdiction.

The information or views in the report ("Information") has been obtained or derived from sources believed by UOBKH to be reliable. However, UOBKH makes no representation as to the accuracy or completeness of such sources or the Information and UOBKH accepts no liability whatsoever for any loss or damage arising from the use of or reliance on the Information. UOBKH and its connected persons may have issued other reports expressing views different from the Information and all views expressed in all reports of UOBKH and its connected persons are subject to change without notice. UOBKH reserves the right to act upon or use the Information at any time, including before its publication herein.

Except as otherwise indicated below, (1) UOBKH, its connected persons and its officers, employees and representatives may, to the extent permitted by law, transact with, perform or provide broking, underwriting, corporate finance-related or other services for or solicit business from, the subject corporation(s) referred to in this report; (2) UOBKH, its connected persons and its officers, employees and representatives may also, to the extent permitted by law, transact with, perform or provide broking or other services for or solicit business from, other persons in respect of dealings in the securities referred to in this report or other investments related thereto; (3) the officers, employees and representatives of UOBKH may also serve on the board of directors or in trustee positions with the subject corporation(s) referred to in this report. (All of the foregoing is hereafter referred to as the "Subject Business"); and (4) UOBKH may otherwise have an interest (including a proprietary interest) in the subject corporation(s) referred to in this report.

As of the date of this report, no analyst responsible for any of the content in this report has any proprietary position or material interest in the securities of the corporation(s) which are referred to in the content they respectively author or are otherwise responsible for.

## IMPORTANT DISCLOSURES FOR U.S. PERSONS

This research report was prepared by UOBKH, a company authorized, as noted above, to engage in securities activities in Singapore. UOBKH is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution by UOBKH (whether directly or through its US registered broker dealer affiliate named below) to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). All US persons that receive this document by way of distribution from or which they regard as being from UOBKH by their acceptance thereof represent and agree that they are a major institutional investor and understand the risks involved in executing transactions in securities.

Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through UOB Kay Hian (U.S.) Inc ("UOBKHUS"), a registered broker-dealer in the United States. Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through UOBKH.

UOBKHUS accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to and intended to be received by a U.S. person other than a major U.S. institutional investor.

The analyst whose name appears in this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA") and may not be an associated person of UOBKHUS and, therefore, may not be subject to applicable restrictions under FINRA Rules on communications with a subject company, public appearances and trading securities held by a research analyst account.

**Analyst Certification/Regulation AC**

Each research analyst of UOBKH who produced this report hereby certifies that (1) the views expressed in this report accurately reflect his/her personal views about all of the subject corporation(s) and securities in this report; (2) the report was produced independently by him/her; (3) he/she does not carry out, whether for himself/herself or on behalf of UOBKH or any other person, any of the Subject Business involving any of the subject corporation(s) or securities referred to in this report; and (4) he/she has not received and will not receive any compensation that is directly or indirectly related or linked to the recommendations or views expressed in this report or to any sales, trading, dealing or corporate finance advisory services or transaction in respect of the securities in this report. However, the compensation received by each such research analyst is based upon various factors, including UOBKH's total revenues, a portion of which are generated from UOBKH's business of dealing in securities.

Reports are distributed in the respective countries or jurisdictions by the respective entities and are subject to the additional restrictions listed in the following table.

|                                   |   |
|-----------------------------------|---|
| General                           | This report is not intended for distribution, publication to or use by any person or entity who is a citizen or resident of or located in any country or jurisdiction where the distribution, publication or use of this report would be contrary to applicable law or regulation.  |
| Hong Kong                         | This report is distributed in Hong Kong by UOB Kay Hian (Hong Kong) Limited ("UOBKHHK"), which is regulated by the Securities and Futures Commission of Hong Kong. Neither the analyst(s) preparing this report nor his associate, has trading and financial interest and relevant relationship specified under Para. 16.4 of Code of Conduct in the listed corporation covered in this report. UOBKHHK does not have financial interests and business relationship specified under Para. 16.5 of Code of Conduct with the listed corporation covered in this report. Where the report is distributed in Hong Kong and contains research analyses or reports from a foreign research house, please note:<br>(i) recipients of the analyses or reports are to contact UOBKHHK (and not the relevant foreign research house) in Hong Kong in respect of any matters arising from, or in connection with, the analysis or report; and<br>(ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Hong Kong who is not a professional investor, or institutional investor, UOBKHHK accepts legal responsibility for the contents of the analyses or reports only to the extent required by law. |
| Indonesia                         | This report is distributed in Indonesia by PT UOB Kay Hian Sekuritas, which is regulated by Financial Services Authority of Indonesia ("OJK"). Where the report is distributed in Indonesia and contains research analyses or reports from a foreign research house, please note recipients of the analyses or reports are to contact PT UOBKH (and not the relevant foreign research house) in Indonesia in respect of any matters arising from, or in connection with, the analysis or report.  |
| Malaysia                          | Where the report is distributed in Malaysia and contains research analyses or reports from a foreign research house, the recipients of the analyses or reports are to contact UOBKHM (and not the relevant foreign research house) in Malaysia, at +603-21471988, in respect of any matters arising from, or in connection with, the analysis or report as UOBKHM is the registered person under CMSA to distribute any research analyses in Malaysia.  |
| Singapore                         | This report is distributed in Singapore by UOB Kay Hian Private Limited ("UOBKH"), which is a holder of a capital markets services licence and an exempt financial adviser regulated by the Monetary Authority of Singapore. Where the report is distributed in Singapore and contains research analyses or reports from a foreign research house, please note:<br>(i) recipients of the analyses or reports are to contact UOBKH (and not the relevant foreign research house) in Singapore in respect of any matters arising from, or in connection with, the analysis or report; and<br>(ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Singapore who is not an accredited investor, expert investor or institutional investor, UOBKH accepts legal responsibility for the contents of the analyses or reports only to the extent required by law.   |
| Thailand                          | This report is distributed in Thailand by UOB Kay Hian Securities (Thailand) Public Company Limited, which is regulated by the Securities and Exchange Commission of Thailand.  |
| United Kingdom                    | This report is being distributed in the UK by UOB Kay Hian (U.K.) Limited, which is an authorised person in the meaning of the Financial Services and Markets Act and is regulated by The Financial Conduct Authority. Research distributed in the UK is intended only for institutional clients.   |
| United States of America ('U.S.') | This report cannot be distributed into the U.S. or to any U.S. person or entity except in compliance with applicable U.S. laws and regulations. It is being distributed in the U.S. by UOB Kay Hian (US) Inc, which accepts responsibility for its contents. Any U.S. person or entity receiving this report and wishing to effect transactions in any securities referred to in the report should contact UOB Kay Hian (US) Inc. directly.   |

Copyright 2025, UOB Kay Hian Pte Ltd. All rights reserved.

<http://research.uobkayhian.com>

RCB Regn. No. 197000447W