

Malaysia

**HOLD** (no change)

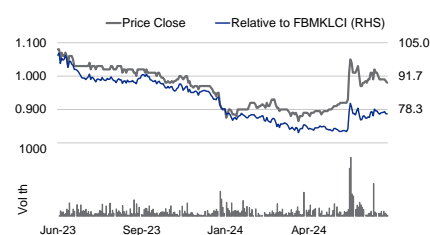
Consensus ratings\*: Buy 0 Hold 1 Sell 1

Current price:	RM0.98
Target price:	RM0.95
Previous target:	RM0.93
Up/downside:	-3.1%
CGSI / Consensus:	0.5%
Reuters:	BESH.KL
Bloomberg:	BESHOM MK
Market cap:	US\$62.31m
	RM294.0m
Average daily turnover:	US\$0.02m
	RM0.10m
Current shares o/s:	300.1m
Free float:	55.4%

\*Source: Bloomberg

**Key changes in this note**

- ▶ We revise our FY25-26F core EPS estimates upwards by 2.0-4.9% and introduce our FY27F estimates.



Source: Bloomberg

<b>Price performance</b>	1M	3M	12M
Absolute (%)	-4.9	10.1	-6.7
Relative (%)	-2.8	6.5	-21

<b>Major shareholders</b>	% held
Estate of Tan Kai Hee	10.9
Akintan Sdn Bhd	8.8
Excellant Communications Sdn Bhd	5.4

**Analyst(s)**



**Jeremy MOK**

T (60) 3 2635 9277

E jeremy.mok@cgsi.com

**Prem JEARAJASINGAM**

T (60) 3 2635 9288

E prem.jearajasingam@cgsi.com

# Beshom Holdings Bhd

## Improving consumer spending power to help

- FY4/24 core net profit of RM11.4m was above expectations at 107.2% of our estimate, mainly due to a lower-than-expected tax expense in 4QFY23.
- We think improving spending power of Malaysia's lower income groups will help earnings ahead, but returning to peak profits will need an MLM recovery.
- Reiterate Hold with TP of RM0.95, based on 16x CY25F P/E (0.5 s.d. below historical mean, given challenges faced by its MLM business).

### FY4/24 core net profit exceeded our expectations

Beshom reported a FY4/24 core net profit of RM11.4m, which was above expectations at 107.2% of our estimate and 100.8% of Bloomberg consensus. The earnings beat was largely due to lower-than-expected tax expenses in 4Q24. Beshom's multilevel marketing (MLM) segment continued to see stiff competition from new MLM players, resulting in suboptimal member response to its promotional campaigns in FY24. MLM revenue fell 26.4% yoy to RM52.1m in FY24, and we think the segment is currently at breakeven point. Further MLM sales declines could result in the segment slipping into losses, in our view.

### Stronger consumer spending environment to support earnings

We think the improving policy direction will be positive for Malaysia's economic growth, with CGSI Research's economics team forecasting GDP growth of 5.2% and 4.4% in 2024F and 2025F, respectively. We see an improvement in the consumer spending environment on the back of: 1) flexible withdrawals from EPF Account 3, 2) monthly cash handouts targeted at lower income households, and 3) higher civil servant and fresh graduate salaries. These measures will, in our view, improve spending in discretionary items, such as those sold by Beshom.

### MLM needs compelling product for a return to peak level earnings

The MLM segment was key to Beshom achieving record earnings in FY18. In a blue-sky scenario, where one of Beshom's new products goes viral, coupled with a better economic environment for low-income households, a repeat of FY18's peak profits of c.RM70m may be possible, in our view. At a 20x P/E multiple (its historical mean), Beshom's shares could be valued at RM4.60. However, until we see the emergence of such a product, we maintain our more conservative sales growth estimate of 8.1% CAGR over FY24-27F.

### Reiterate Hold with TP of RM0.95

We reiterate our Hold recommendation on Beshom as we think the earnings growth outlook has already been priced in. We revise our TP upwards to RM0.95 (from RM0.93 previously) as we tweak our earnings estimates to account for an overall stronger consumer spending outlook in Malaysia. Our TP is based on a 16x CY25F P/E multiple (0.5 s.d. below its historical mean). Key upside risks include stronger stimulus policies and cash handouts targeting the B40 and M40 income groups, and emergence of a strong product to drive MLM revenue. Key downside risks: weaker consumer spending, higher-than-expected input costs, and increased competition in the MLM segment.

### Financial Summary

	Apr-23A	Apr-24A	Apr-25F	Apr-26F	Apr-27F
Revenue (RMm)	174.2	150.8	165.5	177.8	190.3
Operating EBITDA (RMm)	27.30	19.89	26.47	31.11	34.26
Net Profit (RMm)	16.29	10.86	15.53	19.06	21.47
Core EPS (RM)	0.049	0.037	0.052	0.064	0.072
Core EPS Growth	(44.6%)	(25.5%)	41.3%	22.7%	12.7%
FD Core P/E (x)	19.95	26.77	18.94	15.43	13.70
DPS (RM)	0.050	0.030	0.040	0.050	0.055
Dividend Yield	5.10%	3.06%	4.08%	5.10%	5.61%
EV/EBITDA (x)	10.02	13.81	10.53	8.96	8.14
P/FCFE (x)	81.92	42.42	22.18	18.77	17.22
Net Gearing	(10.2%)	(9.7%)	(8.5%)	(8.4%)	(8.3%)
P/BV (x)	0.95	0.95	0.95	0.94	0.92
ROE	4.70%	3.55%	5.02%	6.12%	6.80%
% Change In Core EPS Estimates			4.95%	1.97%	
EPS/Consensus EPS (x)			0.96	0.99	0.99

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

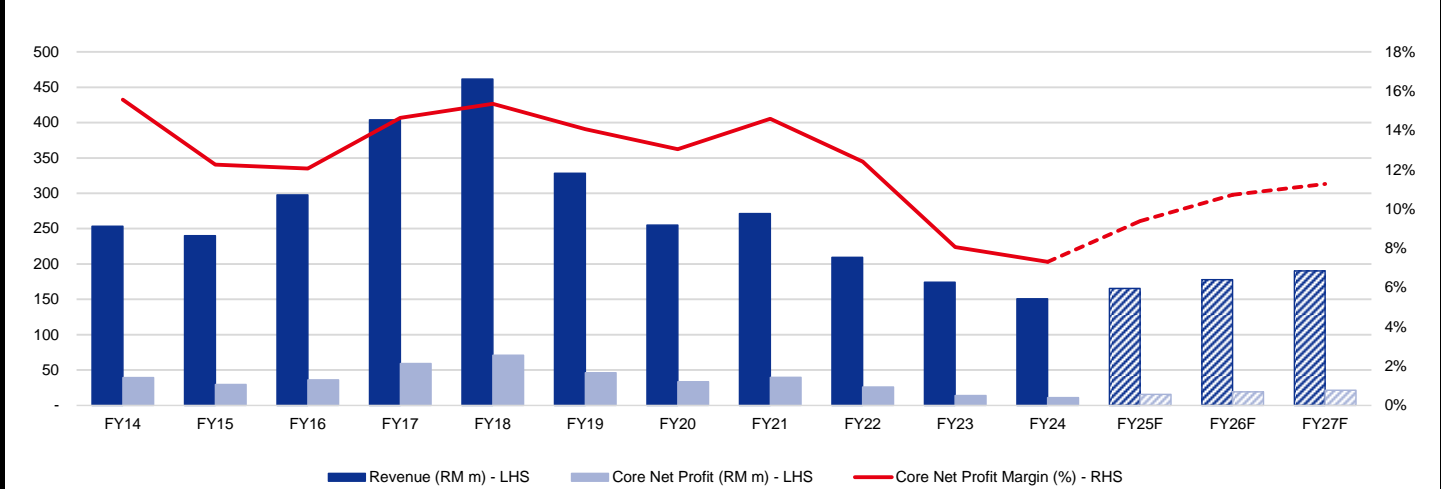
## Improving consumer spending power to help

**Figure 1: Earnings revisions – we lift our FY25-26F estimates to account for an overall stronger consumer spending outlook in Malaysia and introduce our FY27F estimates**

Earnings Revisions (RM m)	Old			New			% change		
	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F
Revenue	165	177	na	165	178	190	0.4%	0.6%	nm
Core EBITDA	26	31	na	26	31	34	3.1%	1.6%	nm
Core EBIT	20	25	na	21	26	29	2.6%	0.6%	nm
Core Net Profit	15	19	na	16	19	21	4.9%	2.0%	nm
Core EPS (sen)	4.9	6.2	na	5.2	6.4	7.2	4.9%	2.0%	nm

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

**Figure 2: We think an overall stronger Malaysian economy coupled with cash handouts will support earnings recovery in FY25-27F**



SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

**Figure 3: FY4/24 results and segmental breakdown – the MLM segment has continued to be hampered by member recruitment challenges**

Results (RM m)	4QFY24	4QFY23	yoy %	3QFY24	qoq %	FY24	FY23	yoy %
Revenue	35.5	39.0	(8.9%)	42.2	(15.7%)	150.8	174.2	(13.5%)
Core EBITDA	5.4	6.5	(17.6%)	5.6	(4.5%)	20.3	27.9	(27.4%)
Core EBITDA Margin (%)	15.1%	16.7%	(1.6%)	13.4%	1.8%	13.4%	16.0%	(2.6%)
Core EBIT	4.0	5.1	(22.4%)	4.3	(6.3%)	14.7	22.4	(34.3%)
Core EBIT Margin (%)	11.2%	13.2%	(1.9%)	10.1%	1.1%	9.8%	12.9%	(3.1%)
Pretax Profit	3.4	5.2	(34.1%)	4.3	(21.5%)	14.5	24.3	(40.3%)
Pretax Profit Margin (%)	9.6%	13.3%	(3.7%)	10.3%	(0.7%)	9.6%	13.9%	(4.3%)
Net Profit	3.1	2.8	10.3%	3.0	1.6%	10.9	16.3	(33.3%)
Net Profit Margin (%)	8.6%	7.1%	1.5%	7.2%	1.5%	7.2%	9.3%	(2.1%)
Core Net Profit	3.7	2.7	35.9%	3.0	23.2%	11.4	14.7	(22.3%)
Core Net Profit Margin (%)	10.4%	7.0%	3.4%	7.1%	3.3%	7.6%	8.4%	(0.9%)
EPS (sen)	1.02	0.93	10.3%	1.00	1.6%	3.62	5.43	(33.3%)
Core EPS (sen)	1.23	0.91	35.9%	1.00	23.2%	3.80	4.89	(22.3%)

Segment Revenue (RM m)	4QFY24	4QFY23	yoy %	3QFY24	qoq %	FY24	FY23	yoy %
Multi-Level Marketing	13.0	15.4	(15.6%)	13.3	(2.4%)	52.1	70.7	(26.4%)
Wholesale	12.0	14.5	(17.2%)	17.3	(30.6%)	58.3	59.6	(2.2%)
Retail	9.1	7.9	14.8%	10.2	(11.0%)	34.7	39.0	(11.0%)
Others	1.5	1.1	28.2%	1.3	9.2%	5.7	4.8	18.3%

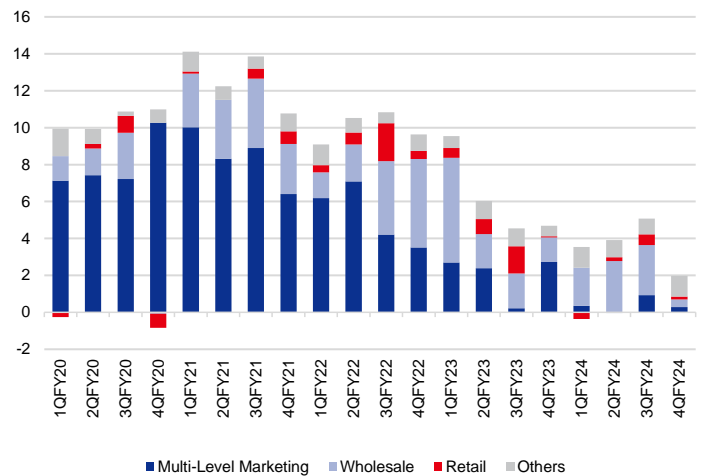
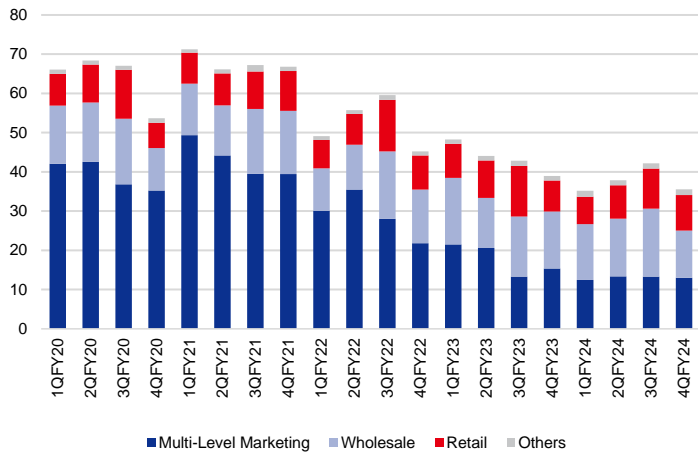
  

Segment Profit (RM m)	4QFY24	4QFY23	yoy %	3QFY24	qoq %	FY24	FY23	yoy %
Multi-Level Marketing	0.3	2.7	(89.6%)	0.9	(69.5%)	1.3	8.0	(83.3%)
Wholesale	0.4	1.3	(69.1%)	2.7	(84.9%)	7.9	10.7	(25.8%)
Retail	0.2	0.1	156.3%	0.6	(71.7%)	0.6	2.9	(79.4%)
Others	1.1	0.6	94.0%	0.9	32.0%	4.0	3.2	27.5%

SOURCES: CGSI RESEARCH, COMPANY REPORTS

**Figure 4: Segment revenues (RM m) – MLM sales have continued to fall owing to the entry of new competitors and relatively weak consumer sentiment**

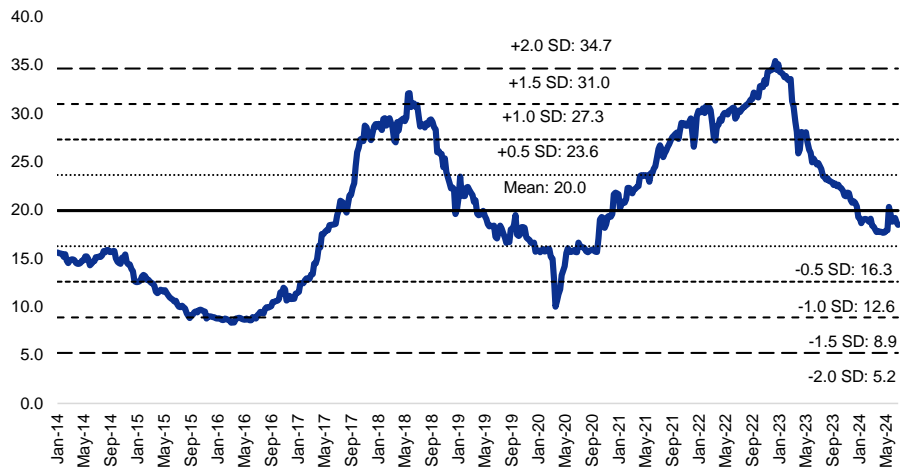
**Figure 5: Segment Operating Profit (RM m) – the MLM segment appears to be at breakeven point; any further declines in MLM sales could see the segment slip into losses**



SOURCES: CGSI RESEARCH, COMPANY REPORTS

SOURCES: CGSI RESEARCH, COMPANY REPORTS

**Figure 6: Adj. 1Y forwards P/E (as of 27 Jun 24) – our TP is based on a 16x CY25F P/E multiple, 0.5 s.d. below its historical mean. In a blue-sky scenario that requires the emergence of a strong product to drive MLM sales, we think Beshom could return to a 20x P/E multiple.**




SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

**Figure 7: Peer comparison.**

Company	Bloomberg Tickers	Mkt Cap (US\$ m)	Rec.	Price (LCY)	TP (LCY)	P/E (x)		P/BV (x)		ROE (%)		Yield (%)	
						2024F	2025F	2024F	2025F	2024F	2025F	2024F	2025F
<b>Malaysian Consumer Discretionary</b>													
7-Eleven Malaysia Holdings	SEM MK	463	Hold	1.97	1.98	32.3	26.8	5.1	4.7	17.5	18.2	1.9	2.2
Berjaya Food Berhad	BFD MK	203	Add	0.54	1.00	16.7	9.6	1.9	1.7	12.0	19.0	2.3	4.7
Mynews Holdings Berhad	MNHB MK	109	Add	0.69	1.18	26.2	15.3	2.0	1.9	7.7	12.8	0.9	2.0
Mr D.I.Y. Group (M) Bhd	MRDIY MK	3,807	Add	1.90	2.06	28.4	24.1	9.1	8.2	34.4	35.7	2.3	3.1
Beshom Holdings Bhd	BESHOM MK	62	Hold	0.98	0.95	20.9	16.4	1.0	0.9	4.6	5.8	3.8	4.8

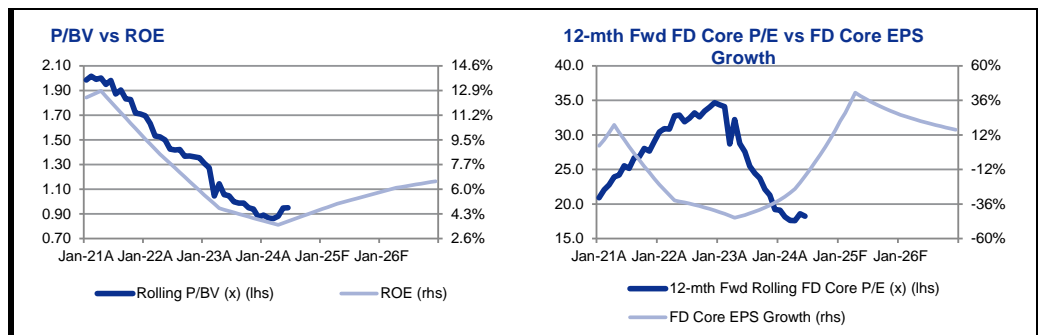
DATA AS OF 27 JUNE 2024

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG

		Refinitiv ESG Scores					
ESG in a nutshell		B+	A+	B+	C-	A	A-
		ESG Score	ESG Controversies Score	ESG Combined Score	ESG Environment Pillar Score	ESG Social Pillar Score	ESG Governance Pillar Score
<p>In 2009, Beshom launched Hai-O Foundation to enhance its corporate social responsibility, focusing on reaching out to local communities, especially underprivileged groups, by championing educational and cultural causes. The foundation has since 2010 organised fundraising campaigns in aid of selected schools. Beshom also established the Hai-O Arts and Culture Grants to encourage the participation of all races in support of Malaysia’s arts and culture. Beshom also spearheaded programmes such as “21st Century Smart Classrooms Education”, which provide contemporary education tools and equipment to selected schools, and “Clothes of Confidence”, supplying school uniforms to underserved communities. In this respect, we believe Beshom has done relatively well in the Social (S) pillar. We are also encouraged by its environmentally-friendly initiatives and corporate governance measures as highlighted below. That said, further improvements could be made to strengthen its Environment (E) and Governance (G) aspects, which could re-rate the stock from an ESG standpoint.</p>							
<p><b>Keep your eye on</b></p> <p>As of FY23, Beshom had three female directors (37.5%), which exceeds the Malaysian Code of Corporate Governance’s (MCCG) minimum recommendation of at least 30% women directors. The group’s six independent directors (75%) also surpasses the Main Market Listing Requirement of at least one-third of the board comprising independent directors and the MCCG practice of having independent directors account for at least half the board.</p>	<p><b>Implications</b></p> <p>We view Beshom’s board composition positively. Beshom has made the necessary efforts to appoint additional female directors compared to previous years to meet the MCCG recommendation. We believe Beshom’s overall ESG performance is decent, especially in its Governance (G) and Social (S) aspects, given its high composition of independent directors and its long-term track record of substantial contributions to community development and wellbeing since the establishment of its corporate social responsibility arm, Hai-O Foundation, in 2009 (e.g. organising charity campaigns to raise funds for selected schools since 2010).</p>						
<p><b>ESG highlights</b></p> <p>The group established eight Socioeconomic Sustainability KPIs in FY23, which include targets such as sponsoring programmes for teachers and students and maintaining a Gender Wage Parity Index of 1:0.91 among employees.</p>	<p><b>Implications</b></p> <p>In FY23, the group was able to meet all the Socioeconomic KPIs with the exception of having 80,000 transactions via its e-commerce platform. The group was able to achieve 94% of this target (which translates to c.15% of sales in the MLM and retail segments).</p>						
<p><b>Trends</b></p> <p>In FY23, the group was able to meet all its Environmental Sustainability KPIs. These included: i) saving 20,000 reams of A4 paper, ii) prioritising usage of eco-friendly packaging, iii) commissioning of solar energy projects, and iv) usage of LED lighting for all new outlets.</p>	<p><b>Implications</b></p> <p>We are positive on Beshom’s efforts in environmental sustainability. During FY23, the group recorded: i) saving 24,854 reams of A4 paper, ii) usage of grey pack packing in 4 products launched in the year, iii) installation of solar panel systems at 3 locations, and iv) installation of LED lighting at 1 new outlet and 1 relocated branch.</p>						

SOURCES: CGSI RESEARCH, REFINITIV

## BY THE NUMBERS



### Profit & Loss

(RMm)	Apr-23A	Apr-24A	Apr-25F	Apr-26F	Apr-27F
<b>Total Net Revenues</b>	<b>174.2</b>	<b>150.8</b>	<b>165.5</b>	<b>177.8</b>	<b>190.3</b>
<b>Gross Profit</b>	<b>73.2</b>	<b>62.6</b>	<b>69.5</b>	<b>75.6</b>	<b>80.9</b>
<b>Operating EBITDA</b>	<b>27.3</b>	<b>19.9</b>	<b>26.5</b>	<b>31.1</b>	<b>34.3</b>
Depreciation And Amortisation	(5.5)	(5.5)	(5.6)	(5.5)	(5.4)
<b>Operating EBIT</b>	<b>21.8</b>	<b>14.4</b>	<b>20.8</b>	<b>25.6</b>	<b>28.9</b>
Financial Income/(Expense)	0.4	0.4	0.4	0.4	0.4
Pretax Income/(Loss) from Assoc.	(0.2)	(0.1)	(0.2)	(0.2)	(0.2)
Non-Operating Income/(Expense)	0.0	0.0	0.0	0.0	0.0
<b>Profit Before Tax (pre-EI)</b>	<b>22.0</b>	<b>14.7</b>	<b>21.1</b>	<b>25.8</b>	<b>29.1</b>
Exceptional Items	2.2	(0.2)	0.0	0.0	0.0
<b>Pre-tax Profit</b>	<b>24.3</b>	<b>14.5</b>	<b>21.1</b>	<b>25.8</b>	<b>29.1</b>
Taxation	(7.5)	(3.6)	(5.4)	(6.6)	(7.4)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>16.8</b>	<b>10.9</b>	<b>15.7</b>	<b>19.3</b>	<b>21.7</b>
Minority Interests	(0.5)	(0.1)	(0.2)	(0.2)	(0.2)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>16.3</b>	<b>10.9</b>	<b>15.5</b>	<b>19.1</b>	<b>21.5</b>
Recurring Net Profit	14.7	11.0	15.5	19.1	21.5
<b>Fully Diluted Recurring Net Profit</b>	<b>14.7</b>	<b>11.0</b>	<b>15.5</b>	<b>19.1</b>	<b>21.5</b>

### Cash Flow

(RMm)	Apr-23A	Apr-24A	Apr-25F	Apr-26F	Apr-27F
<b>EBITDA</b>	<b>27.30</b>	<b>19.89</b>	<b>26.47</b>	<b>31.11</b>	<b>34.26</b>
Cash Flow from Inv. & Assoc.					
Change In Working Capital	-5.22	1.06	-4.91	-5.70	-6.39
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	-0.71	-1.81	0.00	0.00	0.00
Net Interest (Paid)/Received	-0.22	-0.22	-0.26	-0.19	-0.14
Tax Paid	-10.18	-4.89	-5.37	-6.59	-7.42
<b>Cashflow From Operations</b>	<b>10.97</b>	<b>14.02</b>	<b>15.93</b>	<b>18.64</b>	<b>20.31</b>
Capex	-3.28	-3.11	-3.31	-3.56	-3.81
Disposals Of FAs/subsidiaries	1.87	1.95	0.00	0.00	0.00
Acq. Of Subsidiaries/investments	-0.05	-0.04	0.00	0.00	0.00
Other Investing Cashflow	-5.91	-5.89	0.64	0.59	0.58
<b>Cash Flow From Investing</b>	<b>-7.38</b>	<b>-7.09</b>	<b>-2.67</b>	<b>-2.97</b>	<b>-3.23</b>
Debt Raised/(repaid)	0.00	0.00	0.00	0.00	0.00
Proceeds From Issue Of Shares	0.00	-0.12	0.00	0.00	0.00
Shares Repurchased					
Dividends Paid	-24.25	-6.00	-16.51	-15.01	-16.51
Preferred Dividends					
Other Financing Cashflow	-1.56	-1.49	-1.52	-1.11	-0.85
<b>Cash Flow From Financing</b>	<b>-25.81</b>	<b>-7.61</b>	<b>-18.03</b>	<b>-16.12</b>	<b>-17.36</b>
Total Cash Generated	-22.22	-0.68	-4.77	-0.45	-0.28
<b>Free Cashflow To Equity</b>	<b>3.59</b>	<b>6.93</b>	<b>13.26</b>	<b>15.67</b>	<b>17.08</b>
<b>Free Cashflow To Firm</b>	<b>3.81</b>	<b>7.16</b>	<b>13.52</b>	<b>15.86</b>	<b>17.23</b>

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

## BY THE NUMBERS... cont'd

### Balance Sheet

(RMm)	Apr-23A	Apr-24A	Apr-25F	Apr-26F	Apr-27F
Total Cash And Equivalents	35.2	34.3	29.6	29.1	28.8
Total Debtors	18.2	19.2	20.0	21.8	23.8
Inventories	87.5	76.9	82.8	86.8	91.5
Total Other Current Assets	64.1	72.8	72.8	72.8	72.8
<b>Total Current Assets</b>	<b>205.0</b>	<b>203.3</b>	<b>205.2</b>	<b>210.6</b>	<b>216.9</b>
Fixed Assets	135.3	133.3	131.3	129.7	128.5
Total Investments	9.1	9.3	9.1	9.0	8.8
Intangible Assets	0.1	0.1	0.1	0.1	0.1
Total Other Non-Current Assets	3.7	3.6	3.6	3.6	3.6
<b>Total Non-current Assets</b>	<b>148.2</b>	<b>146.3</b>	<b>144.1</b>	<b>142.3</b>	<b>140.9</b>
Short-term Debt	0.0	0.0	0.0	0.0	0.0
Current Portion of Long-Term Debt					
Total Creditors	26.4	22.3	24.0	24.2	24.4
Other Current Liabilities	1.9	1.7	1.4	1.1	1.0
<b>Total Current Liabilities</b>	<b>28.3</b>	<b>24.0</b>	<b>25.4</b>	<b>25.3</b>	<b>25.4</b>
Total Long-term Debt	0.0	0.0	0.0	0.0	0.0
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	2.8	3.2	2.4	1.9	1.6
<b>Total Non-current Liabilities</b>	<b>2.8</b>	<b>3.2</b>	<b>2.4</b>	<b>1.9</b>	<b>1.6</b>
Total Provisions	0.3	0.4	0.4	0.4	0.4
<b>Total Liabilities</b>	<b>31.4</b>	<b>27.6</b>	<b>28.2</b>	<b>27.6</b>	<b>27.3</b>
Shareholders' Equity	309.7	310.1	309.1	313.2	318.1
Minority Interests	12.1	11.8	12.0	12.2	12.4
<b>Total Equity</b>	<b>321.8</b>	<b>321.9</b>	<b>321.1</b>	<b>325.4</b>	<b>330.5</b>

### Key Ratios

	Apr-23A	Apr-24A	Apr-25F	Apr-26F	Apr-27F
Revenue Growth	(16.9%)	(13.5%)	9.7%	7.5%	7.1%
Operating EBITDA Growth	(37.9%)	(27.1%)	33.1%	17.5%	10.1%
Operating EBITDA Margin	15.7%	13.2%	16.0%	17.5%	18.0%
Net Cash Per Share (RM)	0.11	0.10	0.09	0.09	0.09
BVPS (RM)	1.03	1.03	1.03	1.04	1.06
Gross Interest Cover	98.6	64.7	80.8	135.6	199.2
Effective Tax Rate	30.9%	24.5%	25.5%	25.5%	25.5%
Net Dividend Payout Ratio	107%	82%	77%	79%	77%
Accounts Receivables Days	40.98	45.40	43.23	42.95	43.73
Inventory Days	319.5	341.4	303.8	302.9	297.3
Accounts Payables Days	110.3	99.1	86.6	84.7	79.7
ROIC (%)	6.08%	3.89%	5.62%	6.83%	7.58%
ROCE (%)	6.83%	4.62%	6.62%	8.05%	8.93%
Return On Average Assets	3.94%	3.07%	4.41%	5.40%	6.01%

### Key Drivers

	Apr-23A	Apr-24A	Apr-25F	Apr-26F	Apr-27F
Multi-Level Marketing Growth (%)	-38.8%	-26.3%	10.0%	10.5%	11.0%
Wholesale Growth (%)	12.5%	-2.4%	10.0%	6.0%	5.0%
Retail Growth (%)	5.6%	-11.0%	10.0%	6.0%	5.0%
Others Growth (%)	17.8%	18.2%	3.0%	3.0%	3.0%

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS



## DISCLAIMER

This report has been prepared by CGS International pursuant to the Research Incentive Program under Bursa Research Incentive Scheme ("Bursa RISE") administered by Bursa Malaysia Berhad. This report has been produced independent of any influence from Bursa Malaysia Berhad or the subject company. Bursa Malaysia Berhad and its group of companies disclaims any and all liability, howsoever arising, out of or in relation to the administration of Bursa Research Incentive Program and/or this report.

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

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

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

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

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

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

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

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

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

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

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

#### Other Significant Financial Interests:

(i) As of June 26, 2024 CGS International has a proprietary position in the securities (which may include but not be limited to shares, warrants, call warrants and/or any other derivatives) in the following company or companies covered or recommended in this report:

(a) -

(ii) Analyst Disclosure: As of June 28, 2024, the analyst(s) who prepared this report, and the associate(s), has / have an interest in the securities (which may include but not be limited to shares, warrants, call warrants and/or any other derivatives) in the following company or companies covered or recommended in this report:

(a) -

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

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

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

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

#### Restrictions on Distributions

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

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

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

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

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

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

**Hong Kong:** This report is issued and distributed in Hong Kong by CGS HK which is licensed in Hong Kong by the Securities and Futures Commission for Type 1 (dealing in securities) and Type 4 (advising on securities) activities. Any investors wishing to purchase or otherwise deal in the securities covered in this report should contact the Head of Sales at CGS HK. The views and opinions in this research report are our own as of the date hereof and are subject to change. If the Financial Services and Markets Act of the United Kingdom or the rules of the Financial Conduct Authority apply to a recipient, our obligations owed to such recipient therein are unaffected. CGS HK has no obligation to update its opinion or the information in this



research report.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

not be forwarded to the public in Sweden.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

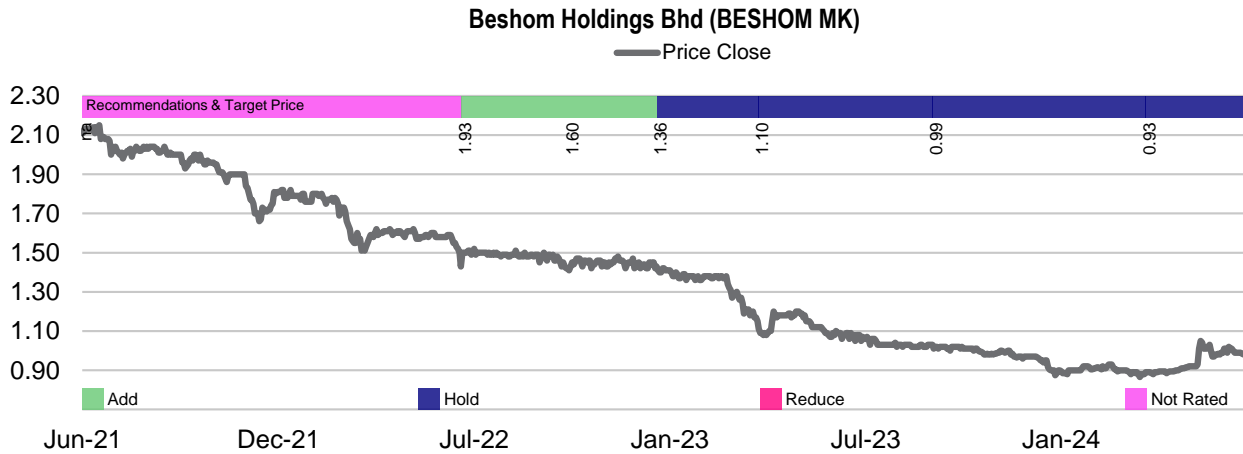
<https://raymondjames.com/InternationalEquityDisclosures>

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

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

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

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



**Recommendation Framework**

**Stock Ratings**

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

**Sector Ratings**

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

**Country Ratings**

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.