09 January 2020

TSH Resources Berhad

Time To Shine

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We walked away from a meeting with TSH's management, reassured of TSH and the plantation sector's FY20 prospects. Expecting FY20 earnings to return with a vengeance (+116% YoY) on (i) higher FY20 CPO price of RM2,700/MT (+27% YoY), (ii) sturdy FFB growth (management: 8-12%; ours: 4.5%) as c.4k Ha of palms come into maturity, and (iii) production cost under control at c.RM1,600/MT. Consensus' implied 4QFY19 earnings (-58% QoQ) appears too conservative (vs. our +30% QoQ). No changes to our above consensus earnings estimate. Reiterate OUTPERFORM with a TP of RM1.90 (+1.0SD level).

Our above consensus CY20 CPO forecast of RM2,700/MT remains. The company visit reassured us of TSH and the plantation sector's prospects. Current CPO prices should be supported by weak production in FY20 (arising from dry weather impact, lower fertilizer application and replanting activities) while demand remains robust. In addition, it appears that management is also comfortable with our CPO forecast of RM2,700/MT.

Sturdy FY20 FFB growth + production cost under control = FY20 earnings returning with a vengeance. Despite industry-wide expectations of weaker production in FY20 (arising from dry weather impact, lower fertilizer application and replanting), management continues to expect sturdy FFB growth of 8-12% in FY20 as c.4k Ha of palms are coming into maturity. However, we are maintaining our conservative FY20 FFB growth of 4.5% premised on our view of weaker production in 1HFY20. Meanwhile, having locked in fertilizer requirements for FY20 (6-7% higher than FY19), management appears confident to keep FY20 cost under control at c.RM1,600/MT. This is in line with our FY20 production cost of RM1,560/MT. Alongside improved CPO price outlook, we expect earnings to return with a vengeance in FY20.

4QFY19 earnings likely to surprise consensus. TSH is scheduled to release its 4QFY19 results in the last week of February. With higher CPO price (+23% QoQ) and only a slight sequential dip in 4QFY19 FFB output (our expectation for 4QFY19 FFB output: c.240k MT), we expect TSH's 4QFY19 earnings to improve significantly to register around RM15m (+30% QoQ). For 9MFY19, TSH already registered CNP of RM34.2m (87% of consensus) and we highlight that consensus' FY19E CNP of RM39.1m appears too conservative, implying (-58% QoQ), when in fact, CPO price has risen 23% QoQ.

No changes to our above consensus earnings estimates as updates were consistent with expectations. We underscore that our FY19-20E earnings are 26-48% higher than consensus.

Reiterate OUTPERFORM with an unchanged TP of RM1.90 based on an unchanged Fwd. PER of 24.4x applied on FY20E EPS of 7.69 sen, reflecting +1.0SD valuation basis, justified by: (i) current CPO price of c.RM3,060/MT (TSH was also traded at +1.0SD levels when CPO prices were at RM2,700-2,900/MT in 2017), and (ii) the likelihood of significant sequential earnings improvement ahead. Valuations of other planters under our coverage are pegged at mean to +1.0SD levels.

Risks to our call include sharp falls in CPO prices and a precipitous rise in labour/fertiliser/transportation costs.

$OUTPERFORM \leftrightarrow$

Price: RM1.54
Target Price: RM1.90 \leftrightarrow



KLCI	1,589.10
YTD KLCI chg	0.02%
YTD stock price chg	0.00%

Stock Information

Shariah Compliant	Yes
Bloomberg Ticker	TSH MK Equity
Market Cap (RM m)	2,125.5
Shares Outstanding	1,380.2
52-week range (H)	1.59
52-week range (L)	0.87
3-mth avg daily vol:	755,048
Free Float	32%
Beta	0.6

Major Shareholders

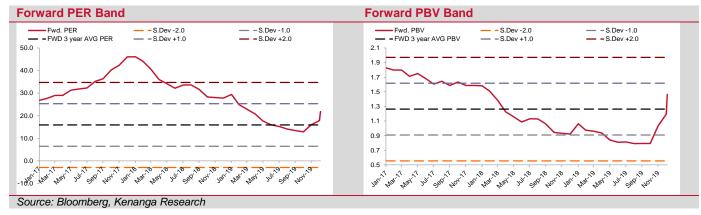
Tan Aik Pen	13.9%
Employees Provident Fund Board	7.1%
Tunas Lestari Sdn Bhd	5.2%

Summary Earnings Table

FYE Dec (RM m)	2018A	2019E	2020E
Turnover	906.3	915.5	1143.8
EBIT	127.6	105.7	209.2
PBT	81.3	89.4	193.2
Net Profit (NP)	40.1	49.2	106.3
Core NP	49.8	49.2	106.3
Consensus (CNP)	N.A.	39.1	71.9
Earnings Revision	N.A.	0%	0%
Core EPS (sen)	3.58	3.56	7.69
Core EPS grwth (%)	-50.8	-1.2	116.1
NDPS (sen)	1.0	1.0	2.3
NTA/Share (RM)	1.04	1.08	1.15
Core PER (x)	43.0	43.3	20.0
Price/NTA (x)	1.48	1.43	1.34
Net Gearing (x)	0.98	0.96	0.88
Dividend Yield (%)	0.6	0.6	1.5

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Revenue	Income Statement	Statement Financial Data & Ratios										
EBITDA 204 281 201 192 297 Revenue (10,8) 23.1 (15,6) 1.0 24 24 24 24 23 24 24 24	FY Dec (RM m)	2016A	2017A	2018A	2019E	2020E	FY Dec	2016A	2017A	2018A	2019E	2020E
Depreciation 70 76 74 87 88 EBITDA (32.8) 37.7 (28.2) (4.5) 5.5	Revenue	872	1074	906	916	1144	Growth (%)					
Operating Profit 133 205 128 106 209 Operating Profit (45.9) 53.3 (37.6) (17.1) 97 Interest Expense -21	EBITDA	204	281	201	192	297	Revenue	(10.8)	23.1	(15.6)	1.0	24.9
Interest Expense	Depreciation	70	76	74	87	88	EBITDA	(32.8)	37.7	(28.2)	(4.5)	54.3
Interest Income	Operating Profit	133	205	128	106	209	Operating Profit	(45.9)	53.3	(37.6)	(17.1)	97.9
Associate 7 9 2 0 0 0 Jointly Chi Entity 11 8 5 5 5 5 PBT 1114 192 81 89 193 Imministry Interest 9 -29 -111 -12 -27 Net Profit 58 114 40 49 106 Core Net Profit 80 101 50 49 106 Core Net Margin 9.1 9.4 5.5 5.4 5 ROA 7.3 5 1.2 1.5 5 Balance Sheet FY Dec (RM m) 2016A 2017A 2018A 2019E 2020E Pixed Assets 1917 1937 1946 1954 1950 Other FA 442 426 375 362 347 Inventiories 81 4 49 139 1774 199 Other CA 36 38 38 38 38 38 Cash 139 108 90 103 170 Core Net Margin 9.1 9.4 5.5 5.4 5 Cash 139 108 90 103 170 Core Net Margin (%) 9.1 9.4 5.5 5.4 5 Core Net Margin (%) 9.1 9.4 5.5 5.5 7.2 3.6 3.5 7 Core Net Margin (%) 9.1 9.4 5.5 5.5 7.2 3.6 3.5 7 Core Net Margin (%) 9.1	Interest Expense	-21	-42	-44	-24	-23	Pre-tax Income	(45.9)	53.3	(37.6)	(17.1)	97.9
Jointly Ctrl Entity	Interest Income	0	0	0	2	2	Core Net Income	(54.4)	26.7	(50.8)	(1.2)	116.1
PBT	Associate	7	9	2	0	0						
Taxation	Jointly Ctrl Entity	11	8	5	5	5	Profitability (%)					
Minority Interest -9 -29 -11 -12 -27 PBT Margin 13.0 17.9 9.0 9.8 16 Net Profit 58 114 40 49 106 Core Net Margin 9.1 9.4 5.5 5.4 5 ROA 1.7 3.5 1.2 1.5 3 ROB 191 1937 1946 1954 1960 PFY Dec (RM m) 2016A 2017A 2018A 2019E 2020E Fixed Assets 1917 1937 1946 1954 1960 Dilancingical Assets 391 401 419 437 456 Core Net Margin (%) 9.1 9.4 5.5 5.4 5 Dilancories 212 200 192 240 234 ROE (%) 5.5 7.2 3.6 3.5 7 Roceivables 84 449 139 174 169 Other CA 36 38 38 38 38 38 38 Cash 139 108 90 103 170 Debl/Asset 3269 3214 3255 3364 3430 Debl/Equity (x) 0.95 0.94 0.97 0.93 Debl/Asset 108 98 124 154 151 Payables 108 98 773 753 753 753 753 753 ST Borrowings 793 793 773 753 753 753 753 Dilancities Int. 125 131 137 143 149 Net Assets 1414 1370 1405 1498 1581 Net Assets 1414 1370 1405 1498 1581 Net Assets 1414 1370 1405 1498 1581 Poperating CF 168 143 141 164 236 Net Cashflow Statement FY Dec (RM m) 2016A 2017A 2018A 2019E 2020E Poperating CF 168 143 141 164 236 Poperating CF -113 -142 -142 -142 -142 Financing CF -150 -23 -9 -9 -27	PBT	114	192	81	89	193	EBITDA Margin	23.4	26.1	22.2	21.0	26.0
Net Profit S8	Taxation	-47	-50	-30	-28	-60	Operating Margin	15.3	19.1	14.1	11.5	18.3
Balance Sheet	Minority Interest	-9	-29	-11	-12	-27		13.0	17.9	9.0	9.8	16.9
ROA	Net Profit	58	114	40	49	106	Core Net Margin	9.1	9.4	5.5	5.4	9.3
Balance Sheet PY Dec (RM m) 2016A 2017A 2018A 2019E 2020E Fixed Assets 1917 1937 1946 1954 1960 1954 1960 2020E 2020	Core Net Profit	80	101	50	49	106	Effective Tax Rate	41.0	25.8	36.6	31.2	31.2
FY Dec (RM m) Fixed Assets 1917 1937 1946 1954 1960 Biological Assets 391 401 419 437 456 Core Net Margin (%) 9.1 9.4 5.5 5.4 5.5 Intangible Assets 50 56 56 56 56 56 56 Assets Turnover (x) 0.3 0.3 0.3 0.3 0.3 0.3 Cother FA 442 426 375 362 347 Leverage Factor (x) 2.4 2.3 2.3 2.3 2.3 Inventories 212 200 192 240 234 ROE (%) 5.5 7.2 3.6 3.5 7 Receivables 84 49 139 174 169 Other CA 36 38 38 38 38 Leverage Cash 139 108 90 103 170 Debt/Asset (x) 0.44 0.44 0.45 0.44 0.45 Total Assets 3269 3214 3255 3364 3430 Debt/Equity (x) 0.95 0.94 0.97 0.93 0. Net Cash/(Debt) (1399) (1303) (1348) (1346) (131 Payables 108 98 124 154 151 Net Debt/Equity (x) 0.96 0.92 0.98 0.96 0. ST Borrowings 649 663 663 663 663 Other ST Liability 14 3 3 3 3 3 Valuations LT Borrowings 793 793 773 753 733 EPS (sen) 4.30 8.35 2.89 3.56 7.0 Other LT Liability 167 156 150 150 150 Core EPS (sen) 5.93 7.41 3.58 3.56 7.0 Met Assets 1414 1370 1405 1498 1581 NTA (RM) 1.16 1.09 1.04 1.08 1. Net Assets 1414 1370 1405 1498 1581 NTA (RM) 1.16 1.09 1.04 1.08 1. PER (x) 35.8 18.4 53.4 43.3 2.0 Cashflow Statement FY Dec (RM m) Operating CF 168 143 141 164 236 Core Net Margin (%) 9.1 9.4 5.5 5.5 5.4 5.8 DuPont Analysis DuPont Analysis Core Net Margin (%) 9.1 9.4 5.5 5.5 5.4 5.8 Core Net Margin (%) 9.1 9.4 5.5 5.5 5.4 5.8 DuPont Analysis Core Net Margin (%) 9.1 9.4 5.5 5.5 5.4 5.8 DuPont Analysis Core Net Margin (%) 9.1 9.4 5.5 5.5 5.4 5.8 DuPont Analysis Core Net Margin (%) 9.1 9.4 5.5 5.5 5.4 5.8 Set Turnover (x) 0.3 0.3 0.3 0.3 0.3 0.3 0.3 0.3 0.3 0.3 0.3 0.3 0.3 0.3 0.3 0.3 0.3 0.3 0.3 0.5 0.5 Fixed Asset Turnover (x) 0.3 0.5 5.5 T.2 3.6 3.5 7.2 Set Turnover (x) 0.3 0.5 0.5 T.2 3.6 3.5 7.2 Set Turnover (x) 0.3 0.3 0.3 0.3 0.3 0.3 0.3 0.3 0.3 0.3 0.3 0.3 0.3 0.5 0.5 T.2 0.6 (%) 0.44 0.44 0.45 0.44 0.44 0.45 0.44 0.45 0.44 0.46 0.45 0.44 0.46 0.45 0.44 0.47 0.49 0.40 0.40 0.40 0.41 0.40 0.40 0.41 0.40 0.40 0.42 0.44 0.45 0.44 0.45 0.44 0.45 0.44 0.46 0.45 0.44 0.46 0.45 0.44 0.45 0.44 0.45 0.44 0.46 0.45 0.44 0.45 0.44 0.45 0.44							ROA	1.7	3.5	1.2	1.5	3.2
Fixed Assets 1917 1937 1946 1954 1960 DuPont Analysis Siological Assets 391 401 419 437 456 Core Net Margin (%) 9.1 9.4 5.5 5.	Balance Sheet						ROE	5.5	7.2	3.6	3.5	7.1
Biological Assets 391 401 419 437 456 Core Net Margin (%) 9.1 9.4 5.5 5.4 5.5 5.4 5.5 Intangible Assets 50 56 56 56 56 56 56 Assets Turnover (x) 0.3	FY Dec (RM m)	2016A	2017A	2018A	2019E	2020E						
Intangible Assets	Fixed Assets	1917	1937	1946	1954	1960	DuPont Analysis					
Other FA 442 426 375 362 347 Leverage Factor (x) 2.4 2.3 2.5 3.6 3.5 7.0 Other CA 36 38 38 38 38 Leverage 4 0.44 0.44 0.44 0.44 0.44 0.44 0.44 0.44 0.44 0.45 0.44 0.5 0.44 0.5 0.44 0.0 0.99	Biological Assets	391	401	419	437	456	Core Net Margin (%)	9.1	9.4	5.5	5.4	9.3
Inventories	Intangible Assets	50	56	56	56	56	Assets Turnover (x)	0.3	0.3	0.3	0.3	0.3
Receivables	Other FA	442	426	375	362	347	Leverage Factor (x)	2.4	2.3	2.3	2.3	2.2
Other CA 36 38 38 38 38 Leverage Cash 139 108 90 103 170 Debt/Asset (x) 0.44 0.44 0.45 0.44 0. Total Assets 3269 3214 3255 3364 3430 Debt/Equity (x) 0.95 0.94 0.97 0.93 0. Payables 108 98 124 151 Net Cash/(Debt) (1399) (1303) (1348) (1346) (131 ST Borrowings 649 663 669 430 430	Inventories	212	200	192	240	234	ROE (%)	5.5	7.2	3.6	3.5	7.1
Cash 139 108 90 103 170 Debt/Asset (x) 0.44 0.44 0.45 0.44 0. Total Assets 3269 3214 3255 3364 3430 Debt/Equity (x) 0.95 0.94 0.97 0.93 0.00 Net Cash/(Debt) (1399) (1303) (1348) (1346	Receivables	84	49	139	174	169						
Total Assets 3269 3214 3255 3364 3430 Debt/Equity (x) 0.95 0.94 0.97 0.93 0.00 Net Cash/(Debt) (1399) (1303) (1348) (1346) (1314) Payables 108 98 124 154 151 Net Debt/Equity (x) 0.96 0.92 0.98 0.96 0.95 ST Borrowings 649 663 663 663 663 Cother ST Liability 14 3 3 3 3 3 Valuations LT Borrowings 793 793 773 753 753 September 150 150 Core EPS (sen) 4.30 8.35 2.89 3.56 7.0 Cother LT Liability 167 156 150 150 150 Core EPS (sen) 5.93 7.41 3.58 3.56 7.0 Minorities Int. 125 131 137 143 149 NDPS (sen) 2.0 2.0 1.0 1.0 2.0 Net Assets 1414 1370 1405 1498 1581 NTA (RM) 1.16 1.09 1.04 1.08 1.09 PER (x) 35.8 18.4 53.4 43.3 20.0 PER (x) 35.8 18.4 53.4 43.3 30.0 PER (Other CA	36	38	38	38	38	Leverage					
Net Cash/(Debt)	Cash	139	108	90	103	170	Debt/Asset (x)	0.44	0.44	0.45	0.44	0.42
Payables 108 98 124 154 151 Net Debt/Equity (x) 0.96 0.92 0.98 0.96 0.95 ST Borrowings 649 663 663 663 663 663 663 663 0.96 0.92 0.98 0.96 0.92 0.98 0.96 0.92 0.98 0.96 0.92 0.98 0.96 0.92 0.98 0.96 0.92 0.98 0.96 0.92 0.98 0.96 0.92 0.98 0.96 0.92 0.98 0.98 0.98 0.98 0.98 0.98 0.98 0.98 0.98 0.89 0.88 0.89 0.88 0.895 9.88 1.01 0.00	Total Assets	3269	3214	3255	3364	3430	Debt/Equity (x)	0.95	0.94	0.97	0.93	0.86
ST Borrowings 649 663 663 663 663 663 Cher ST Liability 14 3 3 3 3 3 Valuations LT Borrowings 793 793 773 753 733 EPS (sen) 4.30 8.35 2.89 3.56 7.0 Cher LT Liability 167 156 150 150 150 Core EPS (sen) 5.93 7.41 3.58 3.56 7.0 Minorities Int. 125 131 137 143 149 NDPS (sen) 2.0 2.0 1.0 1.0 2.0 Net Assets 1414 1370 1405 1498 1581 NTA (RM) 1.16 1.09 1.04 1.08 1.0 PER (x) 35.8 18.4 53.4 43.3 20.0 Share Capital 741 741 741 741 741 Core PER (x) 26.0 20.8 43.0 43.3 20.0 Cher Reserves -173 -230 -230 -230 -230 P/NTA (x) 1.33 1.41 1.48 1.43 1.0 Equity 1414 1370 1405 1498 1581 EV/EBITDA (x) 6.9 4.6 6.7 7.0 44.0 Cashflow Statement FY Dec (RM m) 2016A 2017A 2018A 2019E 2020E Operating CF 168 143 141 164 236 Investing CF -113 -142 -142 -142 -142 Financing CF -50 -23 -9 -9 -9 -27							Net Cash/(Debt)	(1399)	(1303)	(1348)	(1346)	(1313)
Other ST Liability 14 3 3 3 773 753 733 EPS (sen) 4.30 8.35 2.89 3.56 7.0 (1.20	Payables	108	98	124	154	151	Net Debt/Equity (x)	0.96	0.92	0.98	0.96	0.88
LT Borrowings 793 793 773 753 733 EPS (sen) 4.30 8.35 2.89 3.56 7. Other LT Liability 167 156 150 150 150 Core EPS (sen) 5.93 7.41 3.58 3.56 7. Minorities Int. 125 131 137 143 149 NDPS (sen) 2.0 2.0 1.0 1.0 2.0 Net Assets 1414 1370 1405 1498 1581 NTA (RM) 1.16 1.09 1.04 1.08 1. PER (x) 35.8 18.4 53.4 43.3 20.00 Share Capital 741 741 741 741 741 Core PER (x) 26.0 20.8 43.0 43.3 20.00 Retained Earnings 846 860 895 988 1071 Net Div. Yield (%) 1.3 1.3 0.6 0.6 1.00 Other Reserves -173 -230 -230 -230 -230 P/NTA (x) 1.33 1.41 1.48 1.43 1.00 Equity 1414 1370 1405 1498 1581 EV/EBITDA (x) 6.9 4.6 6.7 7.0 40.00 Cashflow Statement FY Dec (RM m) 2016A 2017A 2018A 2019E 2020E Operating CF 168 143 141 164 236 Investing CF -113 -142 -142 -142 Financing CF -50 -23 -9 -9 -27	•			663	663	663						
Other LT Liability 167 156 150 150 150 Core EPS (sen) 5.93 7.41 3.58 3.56 7.4 Minorities Int. 125 131 137 143 149 NDPS (sen) 2.0 2.0 1.0 1.0 2.0 Net Assets 1414 1370 1405 1498 1581 NTA (RM) 1.16 1.09 1.04 1.08 1.09 PER (x) 35.8 18.4 53.4 43.3 20 Share Capital 741 741 741 741 741 Core PER (x) 26.0 20.8 43.0 43.3 20 Retained Earnings 846 860 895 988 1071 Net Div. Yield (%) 1.3 1.3 0.6 0.6 10 Other Reserves -173 -230 -230 -230 -230 P/NTA (x) 1.33 1.41 1.48 1.43 1.2 Equity 1414 1370 1405 1498 1581 EV/EBITDA (x) 6.9 4.6 6.7 7.0 4 Cashflow Statement FY Dec (RM m) 2016A 2017A 2018A 2019E 2020E Operating CF 168 143 141 164 236 Investing CF -113 -142 -142 -142 -142 Financing CF -50 -23 -9 -9 -9 -27	Other ST Liability	14										
Minorities Int. 125 131 137 143 149 NDPS (sen) 2.0 2.0 1.0 1.0 2.0 Net Assets 1414 1370 1405 1498 1581 NTA (RM) 1.16 1.09 1.04 1.08 1.0 PER (x) 35.8 18.4 53.4 43.3 20.0 PER (x) 26.0 20.8 43.0 PER (x) 26.0 20.8 43.0 PER (x) 26.0 20.8 PER (x) 26.0 20.0 PER (x) 26.0 20.0 PER (x) 26.0 20.0 PER (x) 26.0			793		753		, ,	4.30	8.35		3.56	7.69
Net Assets 1414 1370 1405 1498 1581 NTA (RM) 1.16 1.09 1.04 1.08 1. Share Capital 741 741 741 741 741 741 26.0 20.8 43.0 43.3 20 Retained Earnings 846 860 895 988 1071 Net Div. Yield (%) 1.3 1.3 0.6 0.6 1 Other Reserves -173 -230 -230 -230 P/NTA (x) 1.33 1.41 1.48 1.43 1. Equity 1414 1370 1405 1498 1581 EV/EBITDA (x) 6.9 4.6 6.7 7.0 4 Cashflow Statement FY Dec (RM m) 2016A 2017A 2018A 2019E 2020E Operating CF 168 143 141 164 236 Investing CF -113 -142 -142 -142 -142 Financing CF -						150	` '			3.58		7.69
PER (x) 35.8 18.4 53.4 43.3 20	Minorities Int.	125					` '	2.0				2.3
Share Capital 741 741 741 741 741 Core PER (x) 26.0 20.8 43.0 43.3 20 Retained Earnings 846 860 895 988 1071 Net Div. Yield (%) 1.3 1.3 0.6 0.6 10 Other Reserves -173 -230 -230 -230 -230 P/NTA (x) 1.33 1.41 1.48 1.43 1.5 Equity 1414 1370 1405 1498 1581 EV/EBITDA (x) 6.9 4.6 6.7 7.0 4 Cashflow Statement FY Dec (RM m) 2016A 2017A 2018A 2019E 2020E Operating CF 168 143 141 164 236 Investing CF -113 -142 -142 -142 Financing CF -50 -23 -9 -9 -9 -27	Net Assets	1414	1370	1405	1498	1581						1.15
Retained Earnings 846 860 895 988 1071 Net Div. Yield (%) 1.3 1.3 0.6 0.6 1 Other Reserves -173 -230 -230 -230 -230 P/NTA (x) 1.33 1.41 1.48 1.43 1. Equity 1414 1370 1405 1498 1581 EV/EBITDA (x) 6.9 4.6 6.7 7.0 4 Cashflow Statement FY Dec (RM m) 2016A 2017A 2018A 2019E 2020E Operating CF 168 143 141 164 236 Investing CF -113 -142 -142 -142 Financing CF -50 -23 -9 -9 -27												20.0
Other Reserves -173 -230 -230 -230 P/NTA (x) 1.33 1.41 1.48 1.43 1.5 Equity 1414 1370 1405 1498 1581 EV/EBITDA (x) 6.9 4.6 6.7 7.0 4 Cashflow Statement FY Dec (RM m) 2016A 2017A 2018A 2019E 2020E Operating CF 168 143 141 164 236 Investing CF -113 -142 -142 -142 -142 Financing CF -50 -23 -9 -9 -27		741				741	· · · · · · · · · · · · · · · · · · ·		20.8	43.0		20.0
Equity 1414 1370 1405 1498 1581 EV/EBITDA (x) 6.9 4.6 6.7 7.0 4 Cashflow Statement FY Dec (RM m) 2016A 2017A 2018A 2019E 2020E Operating CF 168 143 141 164 236 Investing CF -113 -142 -142 -142 Financing CF -50 -23 -9 -9 -27												1.5
Cashflow Statement FY Dec (RM m) 2016A 2017A 2018A 2019E 2020E Operating CF 168 143 141 164 236 Investing CF -113 -142 -142 -142 Financing CF -50 -23 -9 -9 -27	Other Reserves				-230				1.41		1.43	1.34
FY Dec (RM m) 2016A 2017A 2018A 2019E 2020E Operating CF 168 143 141 164 236 Investing CF -113 -142 -142 -142 Financing CF -50 -23 -9 -9 -27	Equity	1414	1370	1405	1498	1581	EV/EBITDA (x)	6.9	4.6	6.7	7.0	4.4
Operating CF 168 143 141 164 236 Investing CF -113 -142 -142 -142 Financing CF -50 -23 -9 -9 -27												
Investing CF -113 -142 -142 -142 -142 Financing CF -50 -23 -9 -9 -27												
Financing CF -50 -23 -9 -9 -27												
	~	-113		-142								
Change In Cash 6 -22 -10 13 67		-50										
	_											
Free CF 56 1 -1 22 94		56	1	-1	22	94						





Source: Kenanga Research

TSH Resources Berhad Company Update

09 January 2020

Peer Comparison																	
Name	Last Price	Market Cap	Shariah Compliant	Current FYE	Revenue	Growth	Core Ea Gro			R (x) - Co Earnings		PB\	/ (x)	ROE (%)	Net Div. Yld. (%)	Target Price (RM)	Rating
	(RM)	(RM'm)			1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	Hist.	1-Yr. Fwd.	2-Yr. Fwd.	Hist.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	(,	
STOCKS UNDER COVERAGE																	
CB INDUSTRIAL PRODUCT HLDG	1.08	545.4	Υ	12/2019	-23.4%	16.0%	-57.2%	89.9%	10.8	25.3	13.3	0.8	0.7	3.0%	1.9%	1.00	MP
FGV HOLDINGS BHD	1.47	5,362.8	Υ	12/2019	3.8%	6.0%	-1000.3%	5.0%	N.A.	N.A.	13.3	1.2	1.2	-0.5%	0.0%	1.70	OP
GENTING PLANTATIONS BHD	10.60	9,510.3	Υ	12/2019	1.5%	23.5%	-17.0%	194.0%	59.7	73.6	25.0	2.1	2.1	2.9%	0.8%	12.10	OP
HAP SENG PLANTATIONS HLDGS	1.94	1,551.4	Υ	12/2019	2.1%	29.1%	-61.0%	643.3%	53.4	136.7	18.4	0.9	0.9	0.7%	0.5%	2.50	OP
IJM PLANTATIONS BHD	2.25	1,981.3	N	03/2020	10.0%	18.0%	34.5%	192.8%	N.A.	64.8	22.1	1.2	1.1	1.8%	0.9%	2.90	OP
IOI CORP BHD	4.67	29,349.5	Υ	06/2020	3.6%	11.2%	37.2%	16.6%	38.6	28.1	24.1	3.2	3.0	11.0%	2.1%	5.40	OP
KUALA LUMPUR KEPONG BHD	24.50	26,091.7	Υ	09/2020	20.4%	16.3%	70.9%	14.7%	42.3	24.7	21.5	2.5	2.4	9.9%	1.8%	32.90	OP
PPB GROUP BERHAD	18.76	26,688.0	Υ	12/2019	5.4%	5.6%	17.3%	9.4%	28.3	24.1	22.0	1.3	1.2	5.3%	1.8%	19.60	MP
SIME DARBY PLANTATION BHD	5.43	37,383.2	Υ	12/2019	86.1%	17.5%	-6.7%	412.6%	167.1	179.0	34.9	2.8	2.8	1.6%	0.4%	5.60	MP
SOUTHERN ACIDS MALAYSIA BHD	3.82	523.1	Υ	03/2020	18.4%	14.8%	63.1%	46.0%	30.2	18.5	12.7	0.9	0.8	4.6%	1.6%	4.10	MP
TA ANN HOLDINGS BERHAD	3.25	1,431.5	Υ	12/2019	1.9%	25.3%	-22.4%	115.2%	17.5	22.5	10.5	1.1	1.1	4.7%	1.5%	4.15	OP
TSH RESOURCES BHD	1.54	2,125.5	Υ	12/2019	1.0%	24.9%	-1.2%	116.1%	43.0	43.3	20.0	1.5	1.4	3.4%	0.6%	1.90	OP
UNITED MALACCA BHD	5.30	1,111.8	Υ	04/2020	26.2%	17.8%	-133.7%	157.0%	N.A.	N.A.	68.9	0.7	0.7	-1.5%	1.5%	5.55	MP
Simple Average					12.1%	17.4%	-82.8%	154.8%	49.1	58.2	23.6	1.5	1.5	3.6%	1.2%		

Source: Bloomberg, Kenanga Research



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Stock Ratings are defined as follows:

Stock Recommendations

OUTPERFORM : A particular stock's Expected Total Return is MORE than 10%

MARKET PERFORM : A particular stock's Expected Total Return is WITHIN the range of -5% to 10%

UNDERPERFORM : A particular stock's Expected Total Return is LESS than -5%

Sector Recommendations***

OVERWEIGHT : A particular sector's Expected Total Return is MORE than 10%

NEUTRAL : A particular sector's Expected Total Return is WITHIN the range of -5% to 10%

UNDERWEIGHT : A particular sector's Expected Total Return is LESS than -5%

***Sector recommendations are defined based on market capitalisation weighted average expected total return for stocks under our coverage.

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