MR D.I.Y.

Serving the Remote

OUTPERFORM

Price :	RM3.48
Target Price :	RM4.10

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We initiate coverage on MR D.I.Y with an OUTPERFORM rating and TP of RM4.10. MR D.I.Y is Malaysia's largest home improvement retailer with a market share c.29% with 788 stores covering the whole of Malaysia and Brunei. We are positive on the Group for: (i) robust growth, driven by burgeoning market demand as urbanisation spread and stores expansion, and (ii) strong GP margins (above 40%). We estimate FY21E/FY22E net profits of RM451m/RM707m (+34%/+56%) with a 3-year CAGR (2019-22) of 31%. Our TP is based on a 36x PER of FY22E EPS of 11.2 sen.

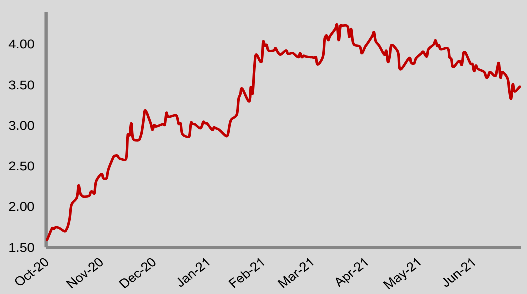
Sustainable business model, despite the ongoing pandemic, MR D.I.Y. saw +13% QoQ/+63% YoY top-line growth, underpinned by its large network all over Malaysia and Brunei – 783 stores (+25% YoY). Only 33% of its stores are located in the Central Region followed by the Southern, Northern and East Coast Region at 21%, 18% and 14%, respectively. The home improvement retail space in Malaysia is expected to chalk a CAGR of 10.2% (FY19-24) and is still largely under-penetrated, thus offering the Group the opportunity to open new stores and new catchment areas – as such it is targeting to open 175 stores each year for FY21/FY22 (FY20: 141 stores opened). This ambitious target includes the opening of 50 MR DOLLAR stores – offering popular everyday essentials at RM2 and RM5 - and 25 stores for MR TOY – supplying value-for-money toys for the under-served. We expect MR D.I.Y. to achieve a net cash position in 2021, comfortable enough to comply with its 40% dividend payout policy and fund further expansion in FY22.

Robust margins. Gross Margins have been stable and robust, with gross margin averaging 43% (2017-2020) despite having >72% of its products sourced from China which economies of scale have kept imported products' costs low and helped further by a favourable Ringgit against the Renminbi. The introduction of MR TOY is likely to sustain margins further Its product mix are reviewed every quarter and changes are made if needed to maintain these robust margins.

Initiate OUTPERFORM rating with a Target Price of RM4.10 based on FY22E PER of 36x. We believe it deserves a high premium as: (i) MR D.I.Y.'s 3-year average (FY19-FY22E) net profit CAGR of 31% is higher against its regional peer average of 10%, (ii) MR D.I.Y. is operating in an under-penetrated home improvement retail market, and iii) it is the largest home improvement retailer in Malaysia with no major domestic competitor in sight. We are positive on MR D.I.Y. for its: (i) robust growth potential, driven by both higher market demand for its products and stores expansion, (ii) strong GP margins (above 40%) with the absence of near-and long-term margin volatility thanks to its supply source, China's massive economies of scale, (iii) robust balance sheet, providing it ample cash for expansion, and (iv) net cash position ahead, allowing MR D.I.Y. to deliver sustainable dividends.

Risks to our call include: (i) a dominant import source, (ii) foreign labour issue, (iii) unfavourable Ringgit and (iv) prolonged lockdown

Share Price Performance



KLCI	1,519.97
YTD KLCI chg	-6.6%
YTD stock price chg	11.5%

Stock Information

Shariah Compliant	Yes
Bloomberg Ticker	MRDIY MK Equity
Market Cap (RM m)	21,842.6
Shares Outstanding	6,276.6
52-week range (H)	4.38
52-week range (L)	1.50
3-mth avg daily vol:	7,331,177
Free Float	27%
Beta	N/A

Major Shareholders

Bee Family Ltd	51.0%
Hyptis	15.3%
Platinum Alphabet Sdn Bhd	6.9%

Summary Earnings Table

FY Dec (RM m)	2020A	2021E	2022E
Turnover	**2,559**	**3,260**	**4,486**
EBITDA	**697**	**869**	**1,263**
EBIT	525	652	998
PBT	458	613	959
Net Profit	**337**	**451**	**707**
Core PATAMI	**337**	**451**	**707**
Consensus (NP)	0.0	525	641
Earnings Revision	-	-	-
Core EPS (sen)	5.4	7.2	11.2
Core EPS growth (%)	-100.0%	33.9%	56.3%
NDPS (sen)	0.8	2.9	4.6
BVPS (RM)	0.14	0.19	0.25
PER (x)	64.8	48.4	31.0
PBV (x)	24.9	18.7	13.7
Net Gearing (x)	0.2	(0.0)	(0.2)
Net Div. Yield (%)	0.2%	0.8%	1.3%

Investment merits

Network all over Malaysia. MR D.I.Y Group Berhad (MR DIY.) is Malaysia's largest home improvement retailer with an estimated market share of 29% (in 2019). Its top-line 4-year CAGR (201-2020) is 28%, largely due to its affordable products catering to price-sensitive customers holding true to its motto – **"ÁLWAYS LOW PRICES".** Despite the pandemic, top-line was still robust with FY20 ending at +12% (vs FY19: +28%). It began FY21 impressively with a surging top-line at +13% QoQ/+63% YoY. The robust growth is underpinned by its network – 783 stores servicing all the way into the remotest part of Malaysia- from Arau, Pauh, Tumpat in Northern Malaysia to Balung, Tawau in Sabah in the East. 33% of its stores located in the Central Region, followed by the Southern Region (21%), Northern Region at 18%, East Coast at 14% with East Malaysia (including Brunei) at 15%. As compared to other matured markets, the under-penetrated supply of retail space and retail sales of home improvement offers opportunity to open new stores and serve new catchment areas in low penetration states such as Kedah, Perlis, Kelantan and Sabah.

Relentless expansion. Since opening its 100th store in 2014, store expansion has been impressive. As at 1QFY21, MR DIY has around 783 stores with locations all over Malaysia and 5 in Brunei. It ended with 734 stores for FY20 and added 54 (1QFY21) more while at the same time closed 8 outlets due to poor location/traffic. In the last three years, average stores opening were at least 127 stores or CAGR of 28%. Despite the pandemic 141 stores opened in FY20 (vs FY19: 126). The Malaysian home improvement retail sector is forecasted to grow at a CAGR of 10.2% for FY19-24 (Frost & Sullivan) and management is set to continue it expansionary phase, targeting 175 stores each for the next two years (2021-22). The expansion is largely due to its pursuing new store concepts to cater to the unmet needs of different customer segments. In 2019, it introduced MR TOY; supplying value-for-money toys - a non-branded segment for the under-served. MR DOLLAR followed a year later – offering popular everyday essentials at RM2 and RM5. MR Dollar is modelled on dollar stores popular in Japan and the United States. Of the 175 stores per year, 100 stores will be MR DIY, 50 will be MR DOLLAR and the remainder will be MR TOY.

Robust margins. MR DIYs gross margins have been impressive; averaging (for 2017-2020) at 43%. Source of products are mainly from China making up 72% of total with the remainder sourced locally and the ASEAN region. The Ringgit were favourable against the Renminbi during this 2017-2020 period. MR TOY's products are sourced mainly from China and gross margins are better at 40-50%. Products sourced from China have better margins due cost advantages from economies of scale. Another plus factor in keeping margins higher is due to its product mix. New products are introduced every quarter and all products are reviewed quarterly with changes made in terms of location, positioning and prices (if needed). Margins are similar whether the outlet is in a mall or a stand-alone - rentals in malls are expensive but offset by higher footfalls while the reverse is true for stand-alone stores.

Robust Balance Sheet ahead. For FY20A, gearing stood at 0.2x (FY19: 1.42x). The Business is cash generative by itself – historically Free Cash Flow cash averages c. RM314mwith working capital needs in the tune of <RM50m. Internally generated cash are adequate enough to fund its store expansion. Note that capex for FY20 was at RM122m with the expansion of 141 stores or RM0.86m/store. As such capex for FY21E is expected to be in the tune of RM150m. We believe Mr DIY will have a net cash position from FY21E onwards, comfortable enough to comply with its 40% dividend payout policy and further expansion in FY22E.

Financial performance

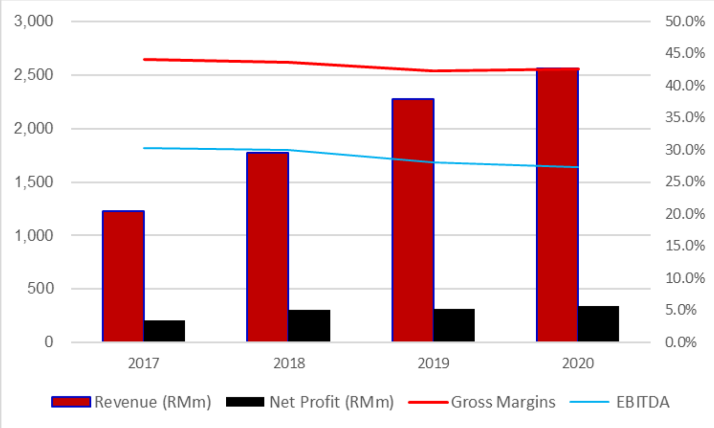
Historical Earnings. Mr DIY has been growing robustly with a 3-year CAGR of +28%/+17% for its topline/bottomline. The wide variance between its topline/bottomline is attributed to higher opex coming from its expansion plans. Its EBIT margin which was at 24% in FY17 saw a 4ppts declined by FY2020 given the capital expansion. Gross margins were largely stable but saw a 140bps compression to 43% (in the same period) due to i) expansion into East Malaysia and ii) SST costs. Due to better product mix average value/transaction (or basket size) were much more positive at +18% YoY to RM26 in FY20 despite average sales/store/day falling 8% to RM10,530. This led to average transaction for FY20 falling 5% to RM96m. Average transaction/store/day fell 22% to 402 for FY20, not surprisingly given the prevailing restrictive movements in 2020. Despite the challenges of 2020, 3-Year CAGR (2017-2020) were positive for both average value/transaction and average transaction/year at 8% and 18% respectively.

Historical Value

	2017	2018	2019	2020
Average Value/Transaction (RM)	21	21.8	22.2	26.2
Average Sales/Store/Day (RM)	11,341	11,731	11,463	10,530
Average transactions/month (Mil)	4.861	6.744	8.443	8.00
Average X transactions/Year (Mil)	58.332	80.928	101.316	96.000
Average X transactions/store/day	537	541	513	402
Average X transactions/store/Year	193,320	194,760	184,680	144,687

Source: Company, Kenanga Research

Historical Earnings



Source: Company, Kenanga Research

Moving forward, we are anticipating a topline of RM3.2b/RM4.5b/RM5.2b for FY21E/FY22E/FY23E or a +27%/+39%/+15% growth. We believe its doable given the i) the targeted outlets expansion ii) the unpenetrated market in the North and East Coast Region as well as in East Malaysia and iii) the largest home improvement retailer in Malaysia and the only one offering a variety of products at affordable prices. We expect a core net profit growth of +33%/+59% and +13% for FY23E premised on a constant GP and EBITDA margins of 43% and 28% respectively with EBIT to the tune of 21%

Valuation

Initiate coverage with an OUTPERFORM rating and TP of RM4.10. We derived the target price by applying a PER of 36x on FY22E earnings. Our target PER multiple implies a 50% premium to its FY22E regional peers' average of 24x on the basis of: (i) MR DIYs higher 3-year average (FY19-FY22E) net profit CAGR of 31% against its regional peers' average of 10%, ii) MR DIY business model of low prices but better gross margins and (iii) MR DIY is operating in an under-penetrated home improvement retail market - according to Frost & Sullivan, the home improvement retail sector in Malaysia is under-penetrated, with approximately 216 home improvement stores per million capita (2019) vs Thailand, Japan and Australia at 231, 236 and 405, respectively. We are positive on MR D.I.Y. for its: (i) robust growth, driven by both higher demand for its products and store expansion, (ii) strong GP margins (above 40%) with the absence of near-and long-term margin volatility thanks to China's supply chains' economies of scale, (iii) robust balance sheet, providing it ample cash for expansion, and (iv) net cash position allowing MR D.I.Y. to deliver sustainable dividends.

Regional Peers

We base our basket of regional peers on: (i) ACE Hardware (Indonesia), (ii) All Home (Philippines), (iii) Home Product (Thailand), (iv) Siam Global (Thailand), and (v) Wilcon Depot (Philippines).

Comparison of Regional Peer Financials

	FYE	Revenue (RMm)			Net Profit (RMm)			Gross Margins %			Net (Cash) / Debt	ROE %
Company		2018	2019	2020	2018	2019	2020	2018	2019	2020	2020	2020
MR D.I.Y.	Dec	1,771	2,276	2,559	308	318	337	*44*	*42*	*43*	173	*55*
Ace Hardware (INDO)	Dec	2,052	2,385	2,139	271	301	212	*48*	*48*	*49*	(641)	*15*
AllHome (PHP)	Dec	N.a	965	1,052	N.a	84	84	N.a	*30*	*32*	404	*8*
Home Product (THAI)	Dec	7,691	8,415	7,837	696	825	699	*28*	*26*	*25*	807	*24*
Siam Global (THAI)	Dec	3,172	3,748	3,614	251	282	267	*21*	*21*	*24*	1,644	*12*
Wilcon Depot (PHP)	Dec	1,613	1,958	1,917	141	170	123	*31*	*33*	*34*	(386)	*10*

Source: Bloomberg, Kenanga Research

Key Risks include:

One dominant import source. China is MR D.I.Y.'s primary import source contributing 72% of total, thus the Group might be sensitive to changes in domestic Chinese export policy. Primary attraction in engaging China is their value proposition of their products due to their massive economies of scale. MR D.I.Y. is also engaged with a Chinese freight management service provider to consolidate and coordinate import purchases from end-suppliers in China. While there is only one dominant import country, the Group is engaged in with almost 800 suppliers (locally and abroad) with its largest end-supplier accounting for only <5% of total purchases.

Foreign labour risks. Across the manufacturing industry, firms have been facing labour shortages due to: (i) government policies aimed at reducing reliance on foreign workers, (ii) lack of foreign workers due to the closure of borders, and (iii) rising pandemic among foreign workers. From MR D.I.Y.'s perspective, 13% of its workers are foreigners (or 1,530 workers) and most are located at its warehouses. Although there are plans to reduce the dependency on foreign labour by making the warehouses more automated, we understand that certain workloads require manual labour in which foreign workers are more suitable. Treatment of foreign workers are on par with locals; incentives, wages/bonuses equal to domestic workers.

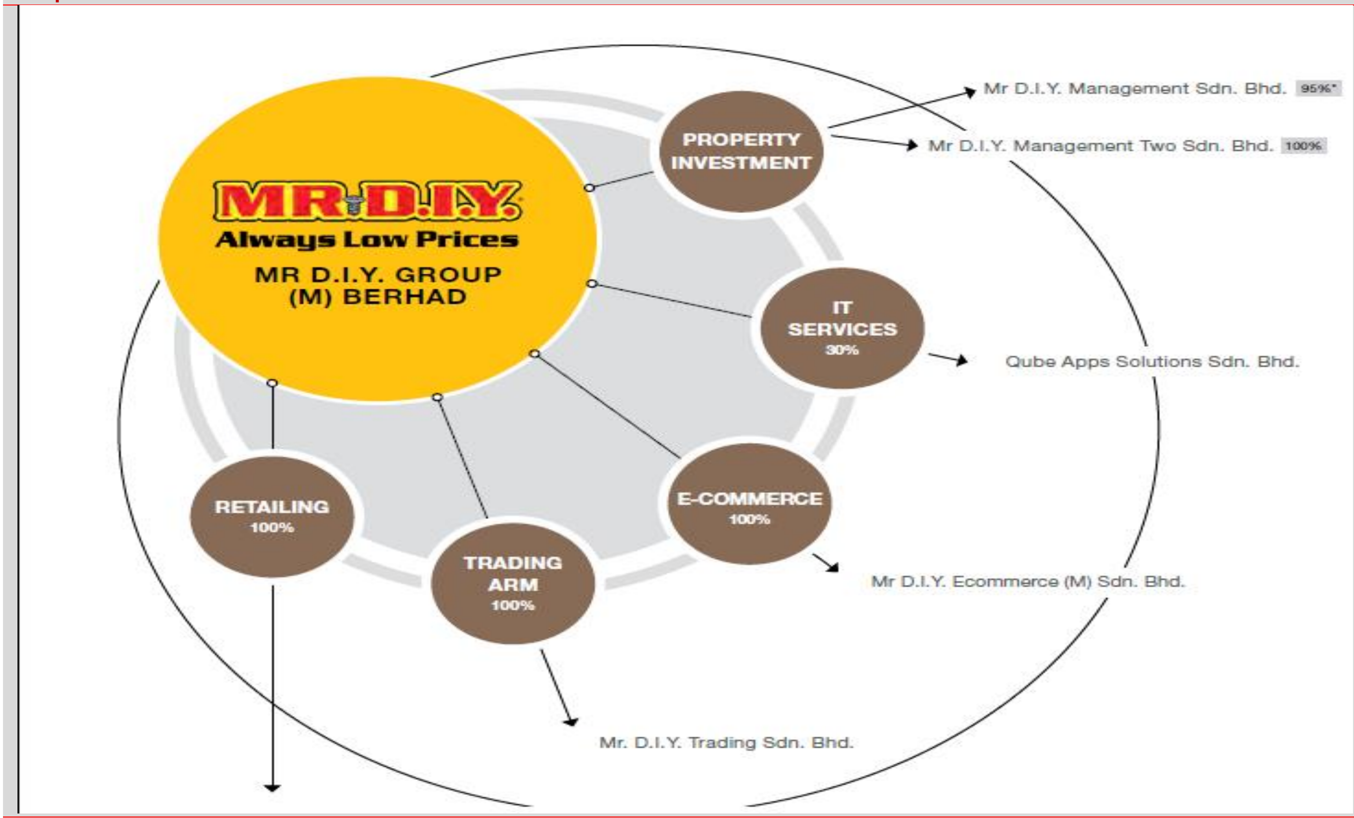
Foreign currency risk. As source material are significantly imported, the Group are exposed to foreign currency fluctuations particularly the Ringgit against the Renminbi. In the past, there has been no significant margin pressure to the Group as Ringgit were favourable against the Renminbi. As such historically the Group does not enter hedging transactions to reduce its exposure to currency risk. With the Ringgit looking less favourable presently, we understand that freight costs are slowly eating into margins and the Group might be forced to pass these rising costs to its customers.

MCO. The prolonged travel/business restrictions will impact retail footfalls and hence transaction volumes. Although Mr DIY remained open its non-essential segments are cordoned in the FMCO.

Company background and business overview

The Company was incorporated under the Companies Act, 1965 on 12 October 2010 as a limited under the name of MR D.I.Y. Sdn Bhd. On 1 June 2016, it was renamed MR D.I.Y. Group (M) Bhd. It became a public company on 4 June 2019 and assumed the name of MR D.I.Y. Group (M) Berhad. The principal activity of the company is investment holding whilst its subsidiaries are principally involved in the retail of home improvement products and mass merchandise in Malaysia and Brunei. As at end of March 2021 it has 783 stores in Malaysia and 5 stores in Brunei. Its operations are only located in Malaysia and Brunei. It received the *"Brand Leadership in Retail- Home Improvement 2018 - 2019* from Brand Laureate followed by the World Branding Awards in 2018 and 2019 for "Winner in Retail - Home Improvement Category (National Tier)"

Corporate Structure

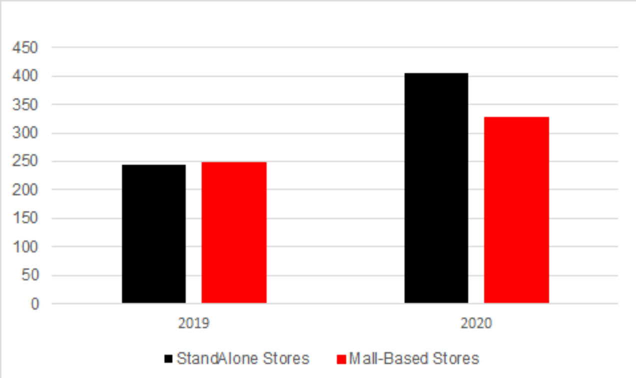


Source: Company

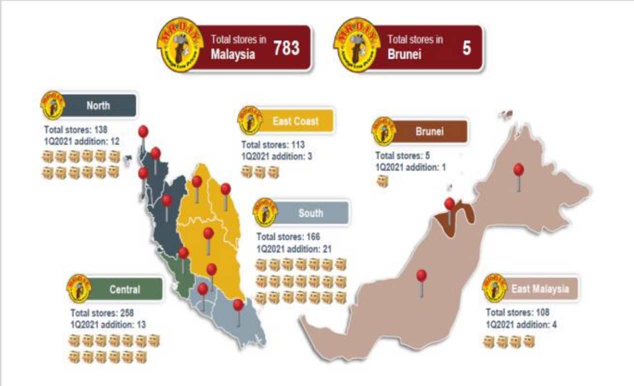
Typically, MR D.I.Y. stores are located in convenient locations that are accessible to customers such as alongside roads, in shopping malls, business and shopping districts. Stores typically operate seven days a week to maximize convenience for customers. MR D.I.Y. offers a wide range of attractive but price-to-quality value propositions; hence, carrying an extensive variety of products. Most of the products consist of hardware, household and furnishing, electrical, stationery and equipment products. It is flexible to change its products offering in tune to festivities or as in recent case, the pandemic. It introduced Covid-19 essentials which now makes up 2% of its sales. Stores are operated on a two formats; (i) retail mall-based stores – typically located on higher floors of shopping malls or within/adjacent to premises of supermarkets and hypermarkets - and (ii) stand-alone shop-front stores – typically at street level.

A typical MR D.I.Y. store size is 10,000 sq ft or 18,000 SKU on average. Stores are leased with a typical lease of 12 to 15 years in tranches of 3 years. Stores in malls are still popular but stores located in a rural area are gaining more traction than urban ones.

Stores: Type of Stores



Stores: Location as of March 2021



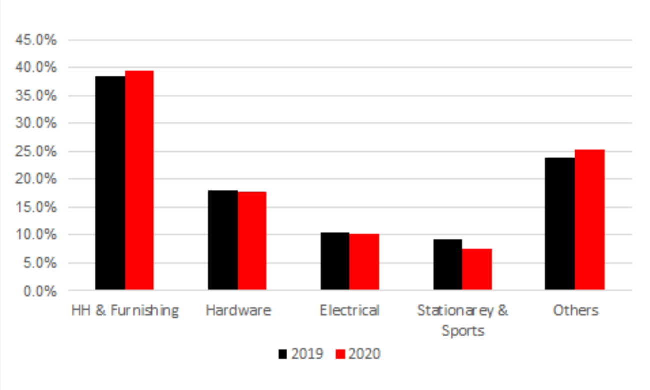
Source: Company

MR DIY. is committed to ensuring the continued relevance and quality of its products. All proposed new products are evaluated based on market trends, product quality, price, and manufacturers' feedback on their best-selling products. In addition, the Group conducts quarterly product reviews, assessing product sales volumes, inventory turnover and sales margins to ascertain each product's optimal shelf space. The Group sells third-party branded products including reputable brands such as Phillips, Dunlop, Faber-Castell, WD-40 and Energizer, but also works with global manufacturers to create white label products that carry the 'MR D.I.Y.' or 'MR D.I.Y. Premium' brands. While most of the products sold at the Group's stores are predominantly third-party, MR D.I.Y.'s white label products offer customers a higher price-to-quality value proposition compared to third-party branded products. This has been well-received by customers, reflected in the sales growth of white label products from 15.3% in 2019 to 17.2% in 2020. Third-party branded products made up the respective balances. Going forward, the Group will continue to evaluate the introduction of more such white label products.

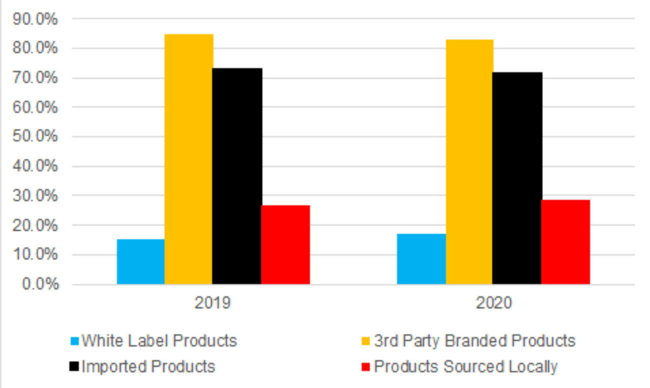
The Group's procurement primarily consists of product inventory for its own stores, mainly sourced from end-suppliers, manufacturers and distributors in Malaysia and other countries. Imported products decreased from 73.2% in 2019 to 71.6% in 2020, while products sourced locally increased from 26.8% in 2019 to 28.4% in 2020. Imported products will continue to be an important aspect of the Group's merchandising strategy. Products are sourced from end-suppliers comprising manufactures and distributors from China (73%) and Malaysia 26%. The remainder are from Thailand and Indonesia or c.800 suppliers in total. Its largest end-supplier accounts for <5% of total purchases. To optimise per unit logistics, MR DIY. typically consolidate import purchases from end-suppliers in China into full container loads before shipping.

There were moderate shifts in the merchandising sales mix in the year under review, mainly due to the impact of the pandemic. As an example, there was an increase in demand for household and furnishing items during the prolonged movement restriction period. The Group introduced F&B products at 89 MR DIY stores in December 2019, to positive response from customers. This was expanded to 349 stores by the end of 2020, including the 14 MR DOLLAR stores that opened in 2020.

Product Offering: Types



Product Offering: Brands and Source



Source: Company

MR DIY's operations are supported by centrally inventory and distribution systems, which help to ensure that stores are sufficiently stocked to meet customers' demands. The Group operates a distribution centre consisting of a cluster of 13 closely located facilities totalling over 700,000 sq ft situated in Balakong, Seri Kembangan, and Port Klang, from which all products are distributed to stores across Peninsular Malaysia via a fleet of 113 trucks, and to stores across East Malaysia and Brunei through third party freight service providers. Third party freight services are also used to distribute products to certain stores in Peninsular that are inaccessible to the Group's trucks. The distribution centre typically operates 24/7, 6-day/week to achieve a 3-day turnaround.

In March 2021, MR D.I.Y. launched a 65,000 sq ft robotic warehouse in Seri Kembangan, equipped with 23 programable robots which are able to fulfil online purchases faster than a manual system. This is expected to increase operational efficiency by 200%. E-commerce will be an increasingly important platform for the Group going forward, which is leveraging on technology to unlock greater benefits from this channel, as it aligns to the Fourth Industrial Revolution ("IR 4.0").

MR D.I.Y. Robotic Wharehouse

Source: Company

Management Profile

MR DIY. founder-led key senior management has grown the business since its first store opened in 2005 by successfully implementing sound business model, store roll-out strategy and developing relationships with manufacturers, distributors, trading houses and third-party service providers. He key senior management team has an average of 14 years of relevant retail experience. Among the key senior management are:

Tan Yu Yeh. Executive Vice Chairman since 2020. A Universiti of Malaya graduate, he began his career with Inter-Pacific Securities and since 2005 has supported the Group as a director, shareholder and adviser. Founder of the Business, he opened the first Mr DIY store in 2005 at Jalan Tuanku Abdul Rahman.

Ong Chu Jin is the Chief Executive Officer of the Group and was appointed in 2019. A member of both the Institute of Chartered Accountants in England & Wales and the Malaysian Institute of Accountants, he also holds an MBA from the Judge Business school from the University of Cambridge. He started as an auditor with Kingston Smith, London before moving to KPMG Malaysia. He held various senior positions in the CIMB Group, one of which was Senior Managing Director, and prior to moving to MR D.I.Y. was Managing Director of Creador Sdn Bhd and its representative for its other retail sector portfolio companies.

Lim Chen Wee is the Senior Vice-President, Finance and joined the Group in 2017 as the Financial Controller. She holds a Bachelor of Accountancy from Universiti Putra Malaysia and is a member of Malaysian Institute of Public Accountants and Malaysian Institute of Accountants. Prior to joining MR D.I.Y., she was Senior Manager at TMF Administrative Services, Financial Manager at Time Zone Sdn Bhd and also a Associate Director with BDO Consulting Sdn Bhd.

Tan Yew Hock is the Director and Head, Business Development and has over 13 years of experience in business development. He has a LCCI Certificate in business statistics and management accounting. Working his way up, he joined MR D.I.Y. in 2006 and was subsequently appointed as director in some of MR D.I.Y. subsidiaries and is a crucial member of MR D.I.Y.'s set-up team for its stores.

Tan Yew Teik is the Director and Head, Logistics and has 15 years of experience in retail business. He is instrumental in developing MR D.I.Y.'s distribution management and responsible for overseeing its entire supply chain. He has a Bachelors Degree in Public Management from Universiti Utara Malaysia and joined MR D.I.Y. in 2013.

Income Statement

FY Dec (RM m)	2019A	2020A	2021E	2022E	2023E
Revenue	**2,276**	**2,559**	**3,260**	**4,486**	**5,199**
EBITDA	639	697	869	1,263	1,442
Operating Profit	501	525	652	998	1,133
Depreciation &Amortz	(139)	(173)	(217)	(265)	(309)
Interest Inc/(Exp)	(65)	(69)	(41)	(41)	(41)
Profit Before Tax	**438**	**458**	**613**	**959**	**1,094**
Taxation	(120)	(121)	(161)	(253)	(288)
Net Profit	318	337	451	707	806
Core PATAMI	**318**	**337**	**451**	**707**	**806**

Balance Sheet

FY Mar (RM m)	2019A	2020A	2021A	2022E	2023E
Fixed Assets	354	436	369	254	74
Intangible Assets	694	884	884	884	884
Other Fixed Assets	17	23	23	23	23
Inventories	497	690	795	1,094	1,313
Receivables	122	128	169	232	266
Other Current Assets	0	0	0	0	0
Cash	141	91	316	557	1,029
Total Assets	**1,824**	**2,253**	**2,557**	**3,045**	**3,589**
Payables	82	120	135	185	224
ST Borrowings	12	243	243	243	243
Other ST Liability	129	161	161	161	161
LT Borrowings	612	21	21	21	21
Other LT Liability	649	832	832	832	832
Net Assets	**340**	**877**	**1,166**	**1,604**	**2,109**
Shareholders' Equity	340	877	1,166	1,604	2,109
Minority Interests	0	0	0	0	0
Total Equity	**340**	**877**	**1,166**	**1,604**	**2,109**

Cashflow Statement

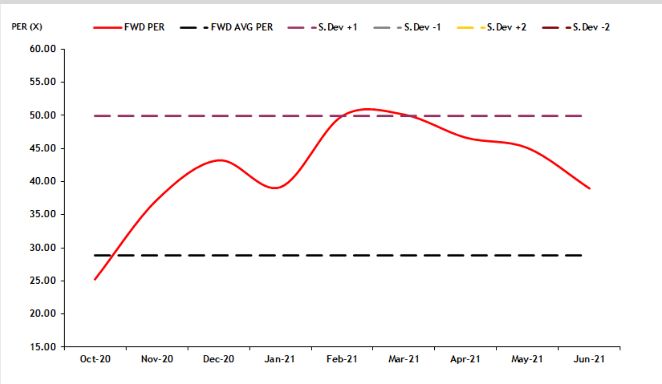
FY Mar (RM m)	2019A	2020A	2021A	2022E	2023E
Operating CF	403	385	576	698	941
Investing CF	(218)	(118)	(148)	(148)	(126)
Financing CF	(111)	(328)	(203)	(310)	(342)
Change In Cash	75	(61)	225	240	473
Free CF	286	263	426	548	812

Financial Data & Ratios

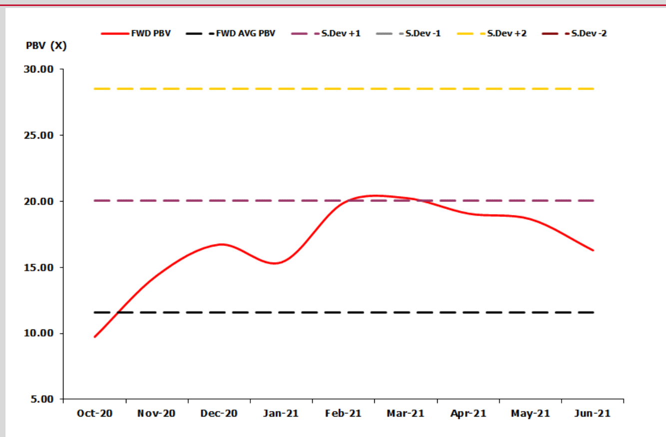
FY Mar	2019A	2020A	2021A	2022E	2023E
Growth					
Turnover	28%	12%	27%	38%	16%
EBITDA	0%	9%	25%	45%	14%
Operating Profit	0%	5%	24%	53%	13%
PBT	0%	5%	34%	57%	14%
Core Net Profit	0%	6%	34%	57%	14%
Profitability					
EBITDA Margin	28%	27%	27%	28%	28%
Operating Margin	22%	21%	20%	22%	22%
PBT Margin	19%	18%	19%	21%	21%
Core Net Margin	14%	13%	14%	16%	16%
Effective Tax Rate	-27%	-26%	-26%	-26%	-26%
ROA	17%	17%	19%	25%	24%
ROE	93%	55%	44%	51%	43%
DuPont Analysis					
Net Margin (%)	14%	13%	14%	16%	16%
Assets Turnover (x)	1.2	1.1	1.3	1.5	1.4
Leverage Factor (x)	5.4	2.6	2.2	1.9	1.7
ROE (%)	93%	54%	44%	51%	43%
Leverage					
Debt/Asset (x)	0.3	0.1	0.1	0.1	0.1
Debt/Equity (x)	1.8	0.3	0.2	0.2	0.1
Net (Cash)/Debt	483	173	(53)	(293)	(766)
Net Debt/Equity (x)	1.4	0.2	(0.0)	(0.2)	(0.4)
Valuations					
Core EPS (sen)	31,696	5.2	7.2	11.2	12.8
NDPS (sen)	-	0.8	2.9	4.6	5.1
BV/sh (RM)	340.5	0.1	0.2	0.3	0.3
PER (x)	0.0	64.8	48.4	31.0	27.2
Div. Yield (%)	0.0%	0.2%	0.8%	1.3%	1.5%
PBV (x)	0.0	24.9	18.7	13.7	10.4
EV/EBITDA (x)	(0.8)	27.9	30.2	30.7	33.1

Source: Kenanga Research

Fwd Core PER Band



Fwd PBV Band



Source: Bloomberg, Kenanga Research

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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