# 3QCY21 Results Review

## Fat Tails

| FBMKLCI | 1,496.93 |
|---|---|
| Target | 1,533.00 ↓ |

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It was a "mixed" conclusion to the 3QCY21 reporting season that ended yesterday. Of the 132 stocks covered, earnings of 35 (27%) were above, 48 (36%) were within and 49 (37%) were below, our expectations. 37% disappointed versus just 28% the previous quarter. But, those that exceeded expectation was also greater. At 27% beats versus 23% previously, it managed to do so only because the plantation sector turned in an overwhelming number of beats. 10 out of the 11 planters that reported better results than our and the street's expectations accounted for nearly a third of all outperformers. The strong earnings upgrades in the planters as well as CIMB and RHBBANK were the main reasons compelling us to raise our FY21E FBMKLCI EPS estimates by 2% to 108.6 sen. And, following clearer guidance on the Prosperity Tax, a less aggressive than previously assumed application led to FY22E EPS being cut by just 5% (versus 9%) to 102.2 sen. As a result of EPS adjustments, EPS growth for FY21 is 44% and for FY22, -6%. Post the EPS adjustments, we reduce our year-end FBMKLCI target from 1,601 to 1,533 based on a forward FY22 PER of 15x which represents 0.5 SD below the 10-year mean of 15.5x**. Our Top Picks are: DIALOG (OP; TP: RM3.50), F&N (OP; TP: RM32.45), GENTING (OP; TP: RM6.38), GHLSYS (OP; TP: RM2.30), KGB (OP; TP: RM2.50), MAYBANK (OP; TP: RM10.55), RHBBANK (OP; TP: RM6.50), TM (OP; TP: RM7.00), UZMA (OP; TP: RM0.67), and YINSON (OP; TP: RM7.35).**


**The tone of 3QCY21 results season is mixed to negative:** Compared to 2QCY21, the latest quarter saw higher percentage of those reporting results below our expectations but also of those that came in above. The same trend is also seen when compared against consensus estimates (see appendix 1). We note that the positive surprises and upgrades were heavily skewed by overwhelming beats in the Plantation sector which contributed nearly a third of the total of outperformers – disproportionately high considering that planters make up just 8% of total number of stocks under coverage. Against this, there were three large cap sectors that disappointed, being O&G, Gaming and Consumer sectors.

**FY22E EPS growth disrupted by Prosperity Tax:** In our latest 4QCY21 quarterly Investment Strategy report dated 30th September – "Shifting Grounds" – we projected FY21/FY22 EPS for the FBMKLCI at 106.1/108.1 sen. Post results and numerous managements' guidance, we revise these to 108.6/102.2 sen (vs. current estimated consensus EPS of 105.7/105.8 sen). FY21E EPS was raised 2% mainly on account of overwhelming earnings surprises by the planters and EPS upgrades of 17% each in CIMB and RHBBANK that managed to offset less combined cuts in GENM, GENTING and PETDAG. For FY22, EPS was cut 5% mainly on account of one-off Prosperity Tax which for most, will impact next year save for TM which has guided that it is pre-emptively setting aside provisions in 4QFY21. As a result of these adjustments, EPS growth for FY21/FY22 are expected to come in at 44%/-6%.

**End 2021/2022 FBMKLCI targets are set at 1,533/1,680:** Among the 28 of the 30 FBMKLCI components that we cover, 13 came within, 8 above, and 7 below, expectations. On our current year-end target of 1,533 points, the implied one-year forward PE on the just adjusted FY22E EPS is 15x which is close to 0.5SD below the 10-year mean of 15.5x which we believe is fair to apply for a fragile early-stage recovery. In deriving our end-2022 target, we apply the same forward PER on FY23E EPS of 112.0 sen, giving a target of 1,680.

**Banks - results were mixed, NEUTRAL:** This sector came in mixed where 5 reported results within, 4 came above (CIMB, RHBBANK, AFFIN and ABMB), and only one disappointed (MBSB), expectations. In the 3QCY21, credit costs have generally trended down sequentially and YoY. The 4QCY21 should at least see credit cost continuing to fall YoY if not also sequentially, given elevated pre-emptive provisionings in the 2H of last year. As expected, modification loss impacting 3QCY21 have been modest (as reflected in limited squeeze in NIMs) given that they are offered on opt-in terms unlike last year's blanket basis. The general guidance appears to be for NIMs to stay flat while the current year's pedestrian loans growth of 3-4% may only pick up more strongly in 2H 2022. For the four banks that announced better-than-expected results namely, AFFIN, RHB Bank and CIMB, the GGM-derived PBV target prices were raised on higher RoE assumptions and for ABMB, on higher dividend payout. FY21E earnings were raised for them to capture better YTD performances (strong NOIIs, impressive cost containment as reflected in lower CIR) and in certain cases trimmed forward impairment assumptions.

**Plantations – well above expectations, NEUTRAL:** Plantations stood out as all 11 stocks outperformed our and street's expectations except for PPB that came within. While we had expected the planters to report strong September quarterly earnings, the extent to which they exceeded expectations was surprising. We were mostly right on FFB output levels but missed on surprisingly high realized ASPs. Hence, CPO ASP was raised 11% from RM3,700 to RM4,100 for CY21, resulting in the sector's earnings being raised by 8%. For CY22, we maintain ASP at RM3,200 per tonne but trimmed earnings just slightly by 1% on account of higher fertiliser and labour cost. The sector call remains NEUTRAL as we see limited upside to CPO price from current levels. Our top pick within the sector is integrated planter KLK (OP; TP: RM23.60) which is currently attractively priced at 2SD below 5-year mean PER. For trading-oriented investors, the preferred pick to capture the existing upside to high CPO price would be pure upstream Malaysian-based planter HSPLANT (OP; TP: RM2.30) with minimal forward hedging. The adjustments to target prices have been mixed; with a few downgrades as we roll over valuation base to FY22E earnings for which lower earnings are expected. Target prices were trimmed for PPB and SIMEPLT while raised for KLK, FGV, TAANN and UMCCA on higher than previously assumed realized ASP.

**Gaming – disappointed for the second straight quarter, stay OVERWEIGHT:** In the gaming space, all four counters turned in losses that were worse-than-expected in the 3QCY21. For the second straight quarter, this sector suffered the deepest cuts in estimates as GENM's estimated FY21 core net loss was widened by 11% to RM1.15b while GENTING's FY21 net profit of RM351m is now projected to end in a loss of RM23m and for FY22, EPS was cut by 22%. However, the OP calls on GENM and GENTING were maintained out of conviction that their FY22E earnings will recover sharply, and at current prices, both are trading at steep discounts of 12% and 23% to their respective SoPs. GENTING disappointed on sluggish and uneven earnings recovery at GENS and worse-than-expected losses at subsidiary GENM's Resorts World Genting, being a victim of prolonged lockdown and ban on interstate travel in the 3Q. Better performances at the UK and North America (with lower losses at Empire Resorts) units provided little relief. As for NFOs, the disappointment for both BJTOTO and MAGNUM stemmed from slower than expected recovery in ticket sales after reopening. That said, a full recovery towards pre-pandemic level is now expected in 2HFY22. At current levels, the sector offers deep value recovery plays in GENTING, GENM and BJTOTO offering dividend yields of between 3% to 6%.

**Oil & Gas – another disappointment, OVERWEIGHT:** Overall results were below expectations with 2 above and 9 below among a total of 12 covered O&G stocks. PChem was the only large cap that exceeded our expectations, the other was small-cap ARMADA. PCHEM surprised on stronger-than-expected margin spreads due to higher average product prices, its FY21E and FY22E EPS were raised 11% and 2%, respectively. The large cap disappointments were MISC and PETDAG for which FY21E EPS was cut 10% but FY22's maintained. For PETDAG, worse-than-expected impact from the national lockdown on sales volume was largely to blame. Positively though, margin spread improved on normalization of oil prices. For the second straight quarter weak spot rates for petroleum shipping weighed on MISC's 3QFY21 but offset to a certain extent by better LNG shipping amidst higher earnings days from new deliveries and construction gains from Mero-3 FPSO. Overall, the sector is still trading at a deep discount, with the KLENG index still trading at 2SD below its mean valuations on 2022E. 2022

should likely be a year of a sector-wide recovery, on the back of activity levels resumption amidst the reopening of borders. We are also not overly worried of the recent weakness in oil prices, as we believe that current levels should be more than healthy enough to drive a recovery in activity levels, with our average Brent crude oil assumption of USD65/barrel in 2022 maintained. Top picks include **DIALOG (OP, TP: RM 3.50)** and **YINSON (OP, TP: RM7.35)**.

**Consumer – a victim of curtailed demand and high input costs crimping margins, NEUTRAL:** This sector had a poor earnings season where not only did 6 of 11 stocks underperformed our expectations, they underperformed consensus' as well. Generally, largely to blame was the under-estimation of the scale of input costs hikes (raw material, cost of goods, freight charges and forex rates among others) and in some cases, the severity of the impact the lockdowns had on demand. Other consumer-related sectors namely Brewery (where both HEIM and CARLSBG came below) and Media advertising (3 of 4 names were below) also disappointed. Our sector top pick F&N came in within expectation while the other OP call DLADY managed to exceed expectation. DLADY's operations were only minimally disrupted despite lockdowns given it is an 'essential goods producer', while it was able to grow sales and margins by leveraging on its brand and rising penetration of milk consumption.

**Technology – Within expectation: robust momentum to maintain beyond 2021, OVERWEIGHT:** This sector delivered earnings that were generally within expectations with 6 of 10 reported results coming in within estimates and 4 below. Of note is that the two largest cap OP calls – INARI and MPI – met high expectations with earnings on track to achieve record breaking quarters. For INARI, it rode on strong demand for high margin 5G RF components on early ramp-up of the 2021 US smartphone program slated for an early launch and for MPI, its 4QFY21 and 1QFY22 were record back-to-back quarters thanks to robust demand for chips from data centres and the automotive industries. For both, operating margins were not only stronger YoY but QoQ as well. Remarkable was that despite the MCO 3.0-mandated labour constraints of 60%, almost all of the tech manufacturers demonstrated good workforce deployment as they reported higher sequential revenue and profits. With domestic lockdowns easing and demand for semiconductor chips and OSAT services remaining robust, the tech sector's strong earnings momentum is expected to continue well into 2022.

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## Appendix 1

**Kenanga's 3QCY21 Results Expectations against Consensus**

| % of Results Measured Against Expectations of | 3QCY21 | | | 2QCY21 | | |
|---|---|---|---|---|---|---|
| Kenanga Research | Above | Within | Below | Above | Within | Below |
| | 27% | 36% | 37% | 23% | 49% | 28% |
| | Did not disappoint | | Disappointed | Did not disappoint | | Did not disappoint |
| | 63% | | 37% | 72% | | 28% |
| Consensus | Above | Within | Below | Above | Within | Below |
| | 26% | 32% | 42% | 22% | 42% | 36% |
| | Did not disappoint | | Disappointed | Did not disappoint | | Did not disappoint |
| | 58% | | 42% | 64% | | 36% |

| 3QCY21 Period / Categories | Kenanga Research | | | Consensus | | |
|---|---|---|---|---|---|---|
| | Report Count | % | | Report Count | % | |
| Above | 35 | 27% | 63% | 33 | 26% | 58% |
| Within | 48 | 36% | | 40 | 32% | |
| Below | 49 | 37% | 37% | 53 | 42% | 42% |
| Sub-total | **132** | **100%** | **100%** | **126** | **100%** | **100%** |
| N.A | - | | | 6* | | |
| Total | **132** | | | **132** | | |
| Verdict | **Mixed** | | | **Mixed** | | |

| 2QCY21 Period / Categories | Kenanga Research | | | Consensus | | |
|---|---|---|---|---|---|---|
| | Report Count | % | | Report Count | % | |
| Above | 31 | 23% | 72% | 28 | 22% | 64% |
| Within | 65 | 49% | | 53 | 42% | |
| Below | 37 | 28% | 28% | 45 | 36% | 36% |
| Sub-total | **133** | **100%** | **100%** | **126** | **100%** | **100%** |
| N.A | - | | | 7** | | |
| Total | **133** | | | **133** | | |
| Verdict | **Mixed** | | | **Mixed** | | |

**6 of 132 covered stocks have no consensus estimates*
***7 of 133 covered stocks have no consensus estimates*

*Source: Bloomberg, Kenanga Research*

## Appendix 2

**Recent Reported Results vs. Our Expectations and Market Consensus (1 of 4)**

| CAT | TICKER | No. | Company | Period under review | Cumulative Revenue (RM'm) | | | Cumulative NP (RM'm) | | | Against estimates | | Earnings revision quantum (%) | | Dividends against KNK estimates | Target Price (RM) | | Call | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | FY20/21 | FY21/22 | YoY % Chg | FY20/21 | FY21/22 | YoY % Chg | KNK | Mkt | FY21/22 | FY22/23 | | | | | |
| | | | AUTOMOTIVE | | 29,388.0 | 29,303.6 | -0.3% | 121.7 | -132.5 | -208.9% | Below | Below | -32.1% | -10.8% | | | | | |
| 5248 | BAUTO MK Eq | 1 | BERMAZ AUTO BHD | 1Q22 | 448.9 | 320.8 | -28.5% | 9.2 | 10.3 | 12.0% | Within | Within | 0.0% | 0.0% | Within | 1.65 | ↑ | MP | ↔ |
| 1619 | DRB MK Equity | 2 | DRB-HICOM BHD | 3Q21 | 8,305.0 | 8,254.0 | -0.6% | -255.0 | -362.0 | 42.0% | Below | Below | -100.0% | -43.0% | Within | 1.80 | ↓ | MP | ↓ |
| 5983 | MBM MK Equit | 3 | MBM RESOURCES BHD | 3Q21 | 1,233.1 | 969.7 | -21.4% | 87.4 | 58.4 | -33.2% | Below | Below | -16.0% | 0.0% | Within | 3.50 | ↔ | OP | ↔ |
| 4197 | SIME MK Equit | 4 | SIME DARBY BHD | 1Q22 | 10,877.0 | 10,673.0 | -1.9% | 272.0 | 236.0 | -13.2% | Below | Below | -21.0% | -22.0% | Within | 2.40 | ↓ | OP | ↔ |
| 4405 | TCM MK Equity | 5 | TAN CHONG MOTOR HOLDINGS BHD | 3Q21 | 2,211.7 | 1,670.4 | -24.5% | -71.6 | -47.6 | -33.5% | Within | Within | 0.0% | 0.0% | Within | 1.00 | ↔ | UP | ↔ |
| 4588 | UMWH MK Eq | 6 | UMW HOLDINGS BHD | 3Q21 | 6,312.3 | 7,415.7 | 17.5% | 79.7 | -27.6 | -134.6% | Below | Below | -55.5% | 0.0% | Within | 3.20 | ↔ | MP | ↔ |
| | | | BANKS & NON-BANK FINANCIALS | | 57,264.2 | 63,410.0 | 10.7% | 14,723.3 | 20,420.9 | 38.7% | Mix | Mix | 3.9% | 3.7% | | | | | |
| 5139 | ACSM MK Equ | 7 | AEON CREDIT SERVICE BHD | 2Q22 | 499.5 | 547.0 | 9.5% | 73.0 | 233.5 | 115.2% | Within | Above | 0.0% | 0.0% | Above | 14.00 | ↔ | OP | ↔ |
| 5185 | ABANK MK Eq | 8 | AFFIN HOLDINGS BHD | 3Q21 | 1,644.1 | 1,669.0 | 1.5% | 239.7 | 320.1 | 33.5% | Above | Above | 29.0% | 17.0% | Within | 1.55 | ↑ | MP | ↑ |
| 2488 | ABMB MK Equ | 9 | ALLIANCE BANK MALAYSIA BHD | 2Q22 | 896.1 | 935.9 | 4.4% | 208.3 | 318.8 | 53.0% | Above | Above | 15.1% | 17.6% | Above | 2.65 | ↑ | MP | ↔ |
| 1015 | AMM MK Equit | 10 | AMMB HOLDINGS BHD | 2Q22 | 2,226.0 | 2,327.0 | 4.5% | 602.0 | 708.0 | 17.6% | Within | Within | 0.2% | -0.4% | Within | 3.15 | ↓ | MP | ↔ |
| 5258 | BIMB MK Equit | 11 | BIMB HOLDINGS BHD | 3Q21 | 1,603.0 | 1,624.0 | 1.3% | 388.0 | 455.0 | 17.3% | Within | N.A. | -0.4% | 1.6% | Within | 3.20 | ↓ | OP | ↔ |
| 1818 | BURSA MK Eq | 12 | BURSA MALAYSIA BHD | 3Q21 | 554.0 | 590.0 | 6.5% | 272.9 | 290.3 | 6.4% | Above | Above | 3.0% | -7.0% | Within | 7.60 | ↓ | MP | ↓ |
| 1023 | CIMB MK Equit | 13 | CIMB GROUP HOLDINGS BHD | 3Q21 | 12,322.0 | 15,023.0 | 21.9% | 979.0 | 3,838.0 | 292.0% | Above | Above | 16.9% | 10.3% | Within | 5.25 | ↑ | MP | ↔ |
| 5301 | CTOS MK Equi | 14 | CTOS DIGITAL BHD | 3Q21 | 98.8 | 114.4 | 15.8% | 31.5 | 46.6 | 47.9% | Above | Above | 9.0% | 13.0% | Within | 2.00 | ↑ | MP | ↓ |
| 5819 | HLBK MK Equi | 15 | HONG LEONG BANK BHD | 1Q22 | 1,349.0 | 1,380.0 | 2.3% | 729.0 | 858.0 | 17.7% | Within | Within | 0.6% | -0.6% | Within | 18.20 | ↓ | MP | ↔ |
| 8621 | LPI MK Equity | 16 | LPI CAPITAL BHD | 3Q21 | 1,199.2 | 1,288.7 | 7.5% | 241.6 | 271.6 | 12.4% | Within | Within | 0.0% | 0.0% | Within | 14.20 | ↔ | MP | ↔ |
| 1155 | MAY MK Equity | 17 | MALAYAN BANKING BHD | 3Q21 | 18,451.0 | 19,149.0 | 3.8% | 4,944.0 | 6,039.0 | 22.1% | Within | Within | -0.2% | 0.2% | Within | 10.55 | ↓ | OP | ↔ |
| 1171 | MBS MK Equit | 18 | MALAYSIA BUILDING SOCIETY BHD | 3Q21 | 838.3 | 1,099.0 | 31.1% | 172.5 | 362.3 | 110.0% | Below | Below | -24.4% | -8.0% | Within | 0.540 | ↓ | UP | ↓ |
| 1295 | PBK MK Equity | 19 | PUBLIC BANK BHD | 3Q21 | 8,283.0 | 9,492.0 | 14.6% | 3,724.0 | 4,278.0 | 14.9% | Within | Within | 0.0% | -3.7% | Within | 3.85 | ↓ | MP | ↔ |
| 1066 | RHBBANK MK | 20 | RHB BANK BHD | 3Q21 | 5,118.0 | 5,870.0 | 14.7% | 1,858.0 | 2,146.0 | 15.5% | Above | Above | 16.7% | 15.6% | Within | 6.50 | ↑ | OP | ↔ |
| 6139 | STMB MK Equ | 21 | SYARIKAT TAKAFUL MALAYSIA KELUARG | 3Q21 | 2,182.2 | 2,301.0 | 5.4% | 258.8 | 255.7 | -1.6% | Below | Below | -7.0% | 0.0% | Within | 5.85 | ↔ | OP | ↔ |
| | | | BUILDING MATERIALS | | 6,882.7 | 9,417.3 | 36.8% | 233.8 | 1,006.8 | 330.6% | Within | Mix | -3.4% | 1.2% | | | | | |
| 6556 | AJR MK Equity | 22 | ANN JOO RESOURCES BHD | 3Q21 | 1,351.8 | 1,656.5 | 22.5% | -71.3 | 226.4 | n.m. | Within | Within | 0.0% | 0.0% | Within | 1.70 | ↓ | MP | ↔ |
| 8869 | PMAH MK Equ | 23 | PRESS METAL BHD | 3Q21 | 5,422.6 | 7,628.4 | 40.7% | 305.0 | 753.4 | 147.0% | Below | Below | -10.30% | 3.50% | Within | 6.96 | ↑ | OP | ↔ |
| 7133 | UULI MK Equit | 24 | UNITED U-LI CORPORATION BHD | 3Q21 | 108.3 | 132.4 | 22.3% | 0.1 | 27.0 | n.m. | Within | n.a. | 0.0% | 0.0% | Within | 1.85 | ↔ | OP | ↔ |
| | | | CONSTRUCTION | | 10,361.1 | 10,499.0 | 1.3% | 669.0 | 729.8 | 9.1% | Mix | Mix | 2.6% | 0.3% | | | | | |
| 5398 | GAM MK Equit | 25 | GAMUDA BHD | 4Q21 | 3,683.0 | 3,517.2 | -4.0% | 519.8 | 588.3 | 13.2% | Above | Above | 0.0% | NEW | Within | 2.80 | ↓ | MP | ↔ |
| 6238 | HSL MK Equity | 26 | HOCK SENG LEE BHD | 3Q21 | 356.6 | 453.2 | 27.1% | 22.4 | 28.4 | 26.8% | Above | Above | 19.0% | 0.0% | Within | 0.950 | ↔ | MP | ↔ |
| 3336 | IJM MK Equity | 27 | IJM CORP BHD | 2Q22 | 2,309.0 | 2,180.0 | -5.6% | 58.0 | 16.0 | -72.4% | Within | Below | -4.0% | 2.0% | Within | 1.90 | ↓ | OP | ↔ |
| 7161 | KPG MK Equity | 28 | KERJAYA PROSPEK GROUP BHD | 3Q21 | 562.1 | 681.2 | 21.2% | 62.2 | 66.6 | 7.1% | Within | Within | 0.0% | 0.0% | Within | 1.50 | ↔ | OP | ↔ |
| 5171 | KICB MK Equit | 29 | KIMLUN CORP BHD | 3Q21 | 551.1 | 531.8 | -3.5% | 3.2 | 3.3 | 3.1% | Below | Below | -47.0% | 0.0% | Within | 1.25 | ↑ | OP | ↔ |
| 5703 | MUHI MK Equi | 30 | MUHIBBAH ENGINEERING (M) BHD | 3Q21 | 832.4 | 701.5 | -15.7% | -50.7 | -21.5 | -57.6% | Within | Below | 0.0% | 0.0% | Within | 1.25 | ↔ | OP | ↔ |
| 5263 | SCGB MK Equ | 31 | SUNWAY CONSTRUCTION GROUP BHD | 3Q21 | 925.4 | 1,102.5 | 19.1% | 44.9 | 52.8 | 17.6% | Above | Above | 50.0% | 0.0% | Within | 1.52 | ↔ | MP | ↔ |
| 9679 | WCTHG MK Ec | 32 | WCT HOLDINGS BHD | 3Q21 | 1,161.5 | 1,331.6 | 14.6% | 9.2 | -4.1 | -144.6% | Below | Below | | | Within | 0.620 | ↓ | MP | ↔ |

*Source: Bursa Malaysia, Bloomberg, Kenanga Research*

**Recent Reported Results vs. Our Expectations and Market Consensus (2 of 4)**

| CAT | TICKER | No. | Company | Period under review | Cumulative Revenue (RM'm) | | | Cumulative NP (RM'm) | | | Against estimates | | Earnings revision quantum (%) | | Dividends against KNK estimates | Target Price (RM) | | Call | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | FY20/21 | FY21/22 | YoY % Chg | FY20/21 | FY21/22 | YoY % Chg | KNK | Mkt | FY21/22 | FY22/23 | | | | | |
| | | | **CONSUMER** | | **19,448.0** | **20,382.2** | **4.8%** | **1,355.9** | **1,337.3** | **-1.4%** | **Below** | **Below** | **-69.0%** | **-4.5%** | | | | | |
| 5250 | SEM MK Equity | 33 | 7-ELEVEN MALAYSIA HOLDINGS BHD | 3Q21 | 1,946.1 | 2,014.0 | 3.5% | 29.8 | 26.0 | -12.8% | Below | Below | -24.50% | 0 | Within | 1.60 | ↔ | MP | ↔ |
| 8599 | AEON MK Equi | 34 | AEON CO (M) BHD | 3Q21 | 3,134.6 | 2,638.3 | -15.8% | 14.3 | 14.3 | 0.0% | Below | Below | -30.5% | -1.0% | Within | 1.60 | ↓ | OP | ↔ |
| 8351 | AMW MK Equit | 35 | AMWAY (MALAYSIA) HLDGS BHD | 3Q21 | 837.4 | 1,093.5 | 30.6% | 42.6 | 35.9 | -15.7% | Below | Below | -10.7% | 4.7% | Within | 6.05 | ↓ | OP | ↔ |
| 3026 | DLM MK Equity | 36 | DUTCH LADY MILK INDS BHD | 3Q21 | 811.3 | 833.3 | 2.7% | 53.0 | 64.5 | 21.7% | Above | Below | 0.0% | 0.0% | Within | 40.20 | ↔ | OP | ↔ |
| 3689 | FNH MK Equity | 37 | FRASER & NEAVE HOLDINGS BHD | 4Q21 | 3,988.5 | 4,130.9 | 3.6% | 410.4 | 395.5 | -3.6% | Within | Within | 0.0% | 0.0% | Within | 32.45 | ↔ | OP | ↔ |
| 5275 | MNHB MK Equ | 38 | MYNEWS HOLDINGS BHD | 3Q21 | 374.2 | 296.5 | -20.8% | -4.1 | -34.2 | 734.1% | Below | Above | -653.0% | -9.0% | Within | 0.900 | ↓ | MP | ↔ |
| 5296 | MRDIY MK Equ | 39 | MR D.I.Y GROUP (M) BERHAD | 3Q21 | 1,791.0 | 2,398.0 | 33.9% | 228.8 | 297.3 | 29.9% | Within | Within | 0.0% | 0.0% | Above | 4.10 | ↔ | OP | ↔ |
| 4707 | NESZ MK Equi | 40 | NESTLE (M) BHD | 3Q21 | 4,042.2 | 4,267.3 | 5.6% | 420.2 | 459.2 | 9.3% | Within | Within | 2.7% | -9.6% | Within | 138.90 | ↓ | MP | ↔ |
| 7052 | PAD MK Equity | 41 | PADINI HOLDINGS BHD | 1Q22 | 310.7 | 81.4 | -73.8% | 20.7 | -16.9 | -181.6% | Within | Below | 0.0% | 0.0% | Within | 3.20 | ↔ | OP | ↑ |
| 7237 | PWRT MK Equ | 42 | POWER ROOT BHD | 2Q22 | 163.6 | 155.5 | -5.0% | 19.2 | 7.6 | -60.4% | Below | Below | -32.0% | -30.0% | Below | 1.35 | ↑ | MP | ↑ |
| 7084 | QLG MK Equity | 43 | QL RESOURCES BHD | 2Q22 | 2,048.2 | 2,473.5 | 20.8% | 121.0 | 88.1 | -27.2% | Below | Below | -11.3% | -4.1% | Within | 6.00 | ↔ | OP | ↑ |
| | | | **GAMING** | | **14,495.4** | **12,533.5** | **-13.5%** | **-1,047.3** | **-1,530.5** | **46.1%** | **Below** | **Below** | **-23.3%** | **-11.2%** | | | | | |
| 1562 | BST MK Equity | 44 | BERJAYA SPORTS TOTO BHD | 1Q22 | 1,345.9 | 797.6 | -40.7% | 67.9 | -17.7 | -126.1% | Below | Below | -10.9% | -11.5% | Below | 2.23 | ↓ | OP | ↔ |
| 3182 | GENT MK Equi | 45 | GENTING BHD | 3Q21 | 8,516.0 | 8,691.9 | 2.1% | 98.2 | -466.1 | -574.6% | Below | Below | 0 | -20.0% | Below | 6.38 | ↓ | OP | ↔ |
| 4715 | GENM MK Equ | 46 | GENTING MALAYSIA BHD | 3Q21 | 3,487.7 | 2,267.5 | -35.0% | -1,275.6 | -1,026.4 | -19.5% | Below | Below | -10.5% | 0.4% | Below | 3.41 | ↓ | OP | ↔ |
| 3859 | MAG MK Equit | 47 | MAGNUM BHD | 3Q21 | 1,145.8 | 776.5 | -32.2% | 62.2 | -20.3 | -132.6% | Below | Below | -71.9% | -13.7% | Within | 1.96 | ↓ | MP | ↔ |
| | | | **HEALTHCARE** | | **13,506.2** | **18,702.0** | **38.5%** | **462.6** | **1,273.3** | **175.2%** | **Above** | **Above** | **28.0%** | **14.7%** | | | | | |
| 5225 | IHH MK Equity | 48 | IHH HEALTHCARE BHD | 3Q21 | 9,638.6 | 12,661.0 | 31.4% | 343.6 | 1,154.0 | 235.9% | Above | Above | 14.0% | 6.0% | Within | 6.65 | ↔ | MP | ↓ |
| 5878 | KPJ MK Equity | 49 | KPJ HEALTHCARE BHD | 3Q21 | 1,775.1 | 1,937.7 | 9.2% | 85.2 | 32.6 | -61.7% | Below | Below | -19.0% | -13.0% | Within | 1.01 | ↓ | MP | ↔ |
| 7081 | PHRM MK Equ | 50 | PHARMANIAGA BHD | 3Q21 | 2,092.5 | 4,103.3 | 96.1% | 33.8 | 86.7 | 156.5% | Above | Above | 89.0% | 51.0% | Within | 0.850 | ↑ | MP | ↑ |
| | | | **MEDIA** | | **3,260.7** | **3,307.0** | **1.4%** | **128.3** | **249.4** | **94.4%** | **Below** | **Mix** | **-44.8%** | **-19.3%** | | | | | |
| 8399 | ASTRO MK Equ | 51 | ASTRO MALAYSIA HOLDINGS BHD | 2Q22 | 2,144.0 | 2,122.0 | -1.0% | 227.0 | 248.0 | 9.3% | Below | Below | -14.0% | -4.0% | Below | 1.22 | ↑ | OP | ↑ |
| 5090 | MCIL MK Equit | 52 | MEDIA CHINESE INTERNATIONAL | 2Q22 | 227.7 | 245.1 | 7.6% | -20.3 | -2.1 | -89.7% | Below | Above | -153.0% | -65.0% | Within | 0.175 | ↓ | MP | ↔ |
| 4502 | MPR MK Equit | 53 | MEDIA PRIMA BHD | 3Q21 | 743.5 | 804.3 | 8.2% | -25.9 | 26.3 | -201.5% | Below | Below | -12.0% | -8.0% | Within | 0.560 | ↓ | OP | ↔ |
| 8084 | STAR MK Equit | 54 | STAR MEDIA GROUP BHD | 2Q21 | 145.5 | 135.6 | -6.8% | -52.5 | -22.8 | -56.6% | Above | Within | 0.0% | 0.0% | Within | 0.285 | ↑ | UP | ↔ |
| | | | **OIL & GAS** | | **41,197.9** | **48,138.1** | **16.8%** | **3,840.8** | **5,975.6** | **55.6%** | **Below** | **Below** | **-148.3%** | **-67.1%** | | | | | |
| 5210 | BAB MK Equity | 55 | BUMI ARMADA BHD | 3Q21 | 1,723.9 | 1,724.0 | 0.0% | 302.5 | 533.3 | 76.3% | Above | Above | 25.9% | 8.0% | Within | 0.570 | ↑ | OP | ↔ |
| 5141 | DEHB MK Equi | 56 | DAYANG ENTERPRISE BHD | 3Q21 | 573.2 | 467.6 | -18.4% | 46.9 | -14.0 | -129.9% | Below | Below | -98.1% | -40.6% | Above | 1.00 | ↓ | MP | ↓ |
| 7277 | DLG MK Equity | 57 | DIALOG GROUP BHD | 1Q22 | 331.7 | 505.5 | 52.4% | 146.6 | 128.8 | -12.1% | Within | Within | 0.0% | 0.0% | Within | 3.50 | ↔ | OP | ↔ |
| 3816 | MISC MK Equi | 58 | MISC BHD | 3Q21 | 6,759.6 | 7,586.5 | 12.2% | 1,679.4 | 1,441.2 | -14.2% | Below | Below | -10.2% | -9.8% | Within | 8.05 | ↓ | OP | ↔ |
| 5183 | PCHEM MK Eq | 59 | PETRONAS CHEMICALS GROUP BHD | 3Q21 | 10,526.0 | 16,049.0 | 52.5% | 1,112.0 | 5,138.0 | 362.1% | Above | Above | 11.6% | 2.2% | Above | 8.75 | ↑ | MP | ↔ |
| 5681 | PETD MK Equi | 60 | PETRONAS DAGANGAN BHD | 3Q21 | 14,316.0 | 15,448.0 | 7.9% | 223.8 | 384.6 | 71.8% | Below | Below | -10.2% | 0.0% | Within | 18.90 | ↔ | MP | ↔ |
| 5218 | SAPE MK Equi | 61 | SAPURA ENERGY BHD | 2Q22 | 2,575.9 | 2,217.7 | -13.9% | 3.3 | -1,631.5 | -49539.4% | Below | Below | -1184.8% | -293.8% | Within | 0.070 | ↓ | UP | ↓ |
| 5279 | SDH MK Equity | 62 | SERBA DINAMIK HOLDINGS BHD | 1Q22 | 1,481.9 | 799.3 | -46.1% | 148.0 | -42.1 | -128.4% | Below | Below | -67.9% | -62.4% | Within | CEASE | | CEASE | |
| 7250 | UZMA MK Equ | 63 | UZMA BHD | 1Q22 | 99.6 | 101.4 | 1.8% | 6.6 | 4.0 | -39.4% | Below | Below | -18.1% | -28.0% | Within | 0.670 | ↓ | OP | ↔ |
| 5243 | VEB MK Equity | 64 | VELESTO ENERGY BHD | 3Q21 | 447.9 | 219.0 | -51.1% | 5.5 | -178.9 | -3352.7% | Below | Below | -119.8% | -354.8% | Within | 0.100 | ↓ | UP | ↔ |
| 5142 | WSC MK Equit | 65 | WAH SEONG CORP BHD | 3Q21 | 1,023.2 | 974.1 | -4.8% | -68.8 | -21.8 | -68.3% | Below | Below | -300.0% | -20.8% | Within | 0.630 | ↓ | UP | ↓ |
| 7293 | YNS MK Equity | 66 | YINSON HOLDINGS BHD | 2Q22 | 1,339.0 | 2,046.0 | 52.8% | 235.0 | 234.0 | -0.4% | Below | Within | -7.5% | -4.8% | Within | 7.35 | ↑ | OP | ↔ |

*Source: Bursa Malaysia, Bloomberg, Kenanga Research*

**Recent Reported Results vs. Our Expectations and Market Consensus (3 of 4)**

| CAT | TICKER | No. | Company | Period under review | Cumulative Revenue (RM'm) | | | Cumulative NP (RM'm) | | | Against estimates | | Earnings revision quantum (%) | | Dividends against KNK estimates | Target Price (RM) | | Call | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | FY20/21 | FY21/22 | YoY % Chg | FY20/21 | FY21/22 | YoY % Chg | KNK | Mkt | FY21/22 | FY22/23 | | | | | |
| | | | PACKAGING MANUFACTURERS | | 4,516.5 | 4,860.3 | 7.6% | 485.4 | 534.3 | 10.1% | Mix | Mix | -21.2% | -9.8% | | | | | |
| 5100 | BPP MK Equity | 67 | BP PLASTICS HOLDINGS BHD | 3Q21 | 231.7 | 322.3 | 39.1% | 22.4 | 34.5 | 54.0% | Within | N.A. | 2.0% | 6.0% | Above | 3.34 | ↑ | OP | ↔ |
| 7247 | SCGM MK Equ | 68 | SCGM BHD | 1Q21 | 57.2 | 69.3 | 21.2% | 9.4 | 8.2 | -12.8% | Within | N.A. | 3.0% | 2% | Within | 2.97 | ↓ | OP | ↔ |
| 4731 | SCI MK Equity | 69 | SCIENTEX BHD | 4Q21 | 3,518.6 | 3,656.0 | 3.9% | 407.5 | 443.8 | 8.9% | Above | above | 4.0% | 0 | Above | 4.42 | ↑ | MP | ↔ |
| 7248 | SLPR MK Equi | 70 | SLP RESOURCES BHD | 3Q21 | 106.0 | 123.7 | 16.7% | 12.3 | 13.6 | 10.6% | Below | N.A. | -10.0% | 0 | Within | 1.18 | ↓ | OP | ↔ |
| 7034 | TGI MK Equity | 71 | THONG GUAN INDUSTRIES BHD | 3Q21 | 717.8 | 886.3 | 23.5% | 56.9 | 70.3 | 23.6% | Within | N.A. | 3% | 0 | Within | 3.68 | ↓ | OP | ↔ |
| 7285 | TOMY MK Equ | 72 | TOMYPAK HOLDINGS BHD | 3Q21 | 116.9 | 125.0 | 6.9% | -0.7 | -1.6 | 128.6% | Below | below | -106% | -51.0% | Within | 0.49 | ↓ | MP | ↔ |
| | | | PLANTATION | | 44,061.9 | 58,890.9 | 33.7% | 2,672.3 | 6,061.8 | 126.8% | Above | Above | 29.9% | 3.8% | | | | | |
| 5222 | FGV MK Equity | 73 | FELDA GLOBAL VENTURES HOLDINGS B | 3Q21 | 9,371.8 | 13,391.0 | 42.9% | 38.1 | 289.4 | 659.6% | Above | Above | 61% | 9% | Within | 1.55 | ↑ | MP | ↔ |
| 2291 | GENP MK Equ | 74 | GENTING PLANTATIONS BHD | 3Q21 | 1,758.9 | 2,059.5 | 17.1% | 153.8 | 285.3 | 85.5% | Above | Above | 10% | 0% | Within | 8.40 | ↔ | OP | ↔ |
| 5138 | HAPL MK Equi | 75 | HAP SENG PLANTATIONS BHD | 3Q21 | 314.3 | 476.0 | 51.4% | 38.9 | 125.3 | 222.1% | Above | Above | 26.0% | -2% | Within | 2.30 | ↔ | OP | ↔ |
| 2216 | IJMP MK Equit | 76 | IJM PLANTATIONS BHD | 2Q22 | 417.4 | 571.5 | 36.9% | 24.3 | 149.6 | 515.6% | Above | Above | 62.0% | 17% | Within | N.A. | | Not Rated | ↓ |
| 1961 | IOI MK Equity | 77 | IOI CORPORATION BHD | 1Q22 | 2,477.2 | 3,632.4 | 46.6% | 251.5 | 453.8 | 80.4% | Above | Above | 8.0% | 4% | Within | 4.05 | ↔ | MP | ↔ |
| 2445 | KLK MK Equity | 78 | KUALA LUMPUR KEPONG BHD | 4Q21 | 15,596.0 | 19,916.0 | 27.7% | 750.0 | 1,679.0 | 123.9% | Above | Above | 14.0% | NEW | Within | 26.50 | ↑ | OP | ↔ |
| 4065 | PEP MK Equity | 79 | PPB GROUP BHD | 3Q21 | 3,057.9 | 3,441.2 | 12.5% | 899.8 | 1,024.1 | 13.8% | Within | Within | 0.0% | -2% | Within | 18.90 | ↓ | MP | ↔ |
| 4197 | SDPL MK Equi | 80 | SIME DARBY PLANTATION BHD | 3Q21 | 9,442.0 | 13,145.0 | 39.2% | 411.0 | 1,736.0 | 322.4% | Above | Above | 10.0% | -12% | Within | 4.10 | ↓ | MP | ↓ |
| 5012 | TAH MK Equity | 81 | TA ANN HOLDINGS BHD | 3Q21 | 854.7 | 1,282.8 | 50.1% | 64.8 | 170.5 | 163.1% | Above | Above | 46.0% | 12.0% | Above | 3.25 | ↑ | MP | ↔ |
| 9059 | TSH MK Equity | 82 | TSH RESOURCES BHD | 3Q21 | 684.9 | 860.6 | 25.7% | 38.9 | 130.4 | 235.2% | Above | Above | 36.0% | 0% | Within | 1.17 | ↔ | MP | ↔ |
| 2593 | UMR MK Equit | 83 | UNITED MALACCA BHD | 1Q22 | 86.8 | 114.9 | 32.4% | 1.2 | 18.4 | 1433.3% | Above | Above | 56.0% | 12% | Within | 5.25 | ↑ | MP | ↔ |
| | | | PROPERTY | | 11,172.6 | 12,001.7 | 7.4% | 599.4 | 675.4 | 12.7% | Mix | Below | -1.9% | -6.4% | | | | | |
| 8206 | ECW MK Equit | 84 | ECO WORLD DEVELOPMENT GROUP BH | 3Q21 | 1,361.2 | 1,376.7 | 1.1% | 137.1 | 139.9 | 2.0% | Within | Below | 0.0% | 0% | Above | 0.850 | ↔ | MP | ↓ |
| 5249 | IOIPG MK Equ | 85 | IOI PROPERTIES GROUP BHD | 1Q22 | 659.7 | 431.8 | -34.5% | 174.2 | 123.7 | -29.0% | Within | Within | 0.0% | 0% | Below | 1.32 | ↔ | OP | ↑ |
| 8583 | MSGB MK Equ | 86 | MAH SING GROUP BHD | 3Q21 | 1,058.0 | 1,216.6 | 15.0% | 37.4 | 93.0 | 148.7% | Below | Below | -22.0% | -32.0% | Within | 0.750 | ↓ | MP | ↔ |
| 1651 | MRC MK Equit | 87 | MALAYSIAN RESOURCES CORP BHD | 2Q21 | 890.6 | 590.3 | -33.7% | -0.5 | -59.4 | -11780.0% | Below | Below | n.a. | -43.0% | Within | 0.345 | ↓ | MP | ↔ |
| 5288 | SDPR MK Equi | 88 | SIME DARBY PROPERTY BHD | 3Q21 | 1,357.6 | 1,480.6 | 9.1% | 31.2 | 67.8 | 117.3% | Within | Below | 0.0% | 0.0% | Within | 0.735 | ↑ | MP | ↔ |
| 8664 | SPSB MK Equi | 89 | SP SETIA BHD | 3Q21 | 2,114.5 | 2,730.1 | 29.1% | -44.7 | 38.1 | n.a. | Below | Below | -33.0% | 0.0% | Within | 1.19 | ↔ | UP | ↓ |
| 5211 | SWB MK Equit | 90 | SUNWAY BHD | 3Q21 | 2,555.3 | 3,049.7 | 19.3% | 115.1 | 202.3 | 75.8% | Above | Within | 42% | 17% | Within | 2.05 | ↑ | OP | ↑ |
| 5148 | UEMS MK Equ | 91 | UEM SUNRISE BHD | 3Q21 | 525.2 | 714.9 | 36.1% | -92.7 | -53.6 | -42.2% | Below | Below | n.a. | 0.0% | Within | 0.400 | ↔ | OP | ↑ |
| 5200 | UOAD MK Equ | 92 | UOA DEVELOPMENT BHD | 3Q21 | 650.5 | 411.0 | -36.8% | 242.3 | 123.6 | -49.0% | Within | Below | 0.0% | 0.0% | Within | 1.76 | ↔ | MP | ↓ |
| | | | REITS | | 2,226.9 | 2,034.8 | -8.6% | 939.2 | 861.5 | -8.3% | Within | Within | 4.4% | 0.0% | | | | | |
| 5106 | AXRB MK Equi | 93 | AXIS REAL ESTATE INVESTMENT | 3Q21 | 172.5 | 182.4 | 5.7% | 93.2 | 100.4 | 7.7% | Within | Within | 0.0% | 0.0% | Within | 2.15 | ↔ | OP | ↔ |
| 5180 | CMMT MK Equ | 94 | CAPITAMALLS MALAYSIA TRUST | 3Q21 | 194.5 | 158.0 | -18.8% | 44.0 | 21.3 | -51.6% | Within | Within | 0.0% | 0.0% | Within | 0.580 | ↔ | MP | ↔ |
| 1597 | IGBREIT MK E | 95 | IGB REIT | 3Q21 | 317.7 | 280.2 | -11.8% | 164.7 | 126.6 | -23.1% | Within | Within | 0.0% | 0.0% | Within | 1.70 | ↔ | MP | ↔ |
| 5235 | KLCCSS MK E | 96 | KLCC STAPLED GROUP | 3Q21 | 934.0 | 823.0 | -11.9% | 471.0 | 440.0 | -6.6% | Above | Within | 8.0% | 0.0% | Within | 7.35 | ↔ | OP | ↔ |
| 5177 | MQREIT MK E | 97 | SENTRAL REIT | 3Q21 | 123.9 | 120.0 | -3.1% | 60.3 | 65.5 | 8.6% | Within | Above | 0.0% | 0.0% | Within | 0.935 | ↔ | OP | ↔ |
| 5212 | PREIT MK Equ | 98 | PAVILION REIT | 3Q21 | 376.9 | 364.3 | -3.3% | 76.6 | 71.7 | -6.4% | Above | Within | 18.0% | 0.0% | Within | 1.30 | ↔ | MP | ↔ |
| 5176 | SREIT MK Equ | 99 | SUNWAY REAL ESTATE INVESTMENT | 5QFPE21 | 107.4 | 106.9 | -0.5% | 29.4 | 36.0 | 22.6% | Above | Below | 5.0% | 0.0% | Within | 1.35 | ↔ | MP | ↔ |
| | | | RUBBER GLOVES | | 13,202.5 | 29,505.7 | 123.5% | 6,260.2 | 11,983.8 | 91.4% | Mix | Mix | -8.0% | -5.3% | | | | | |
| 5168 | HART MK Equi | 100 | HARTALEGA HOLDINGS BHD | 2Q22 | 2,266.1 | 5,914.2 | 161.0% | 3,173.5 | 764.7 | -75.9% | Within | Within | -4.00% | 0.0% | Below | 8.70 | ↓ | OP | ↔ |
| 5168 | HART MK Equi | 100 | HARTALEGA HOLDINGS BHD | 2Q22 | 2,266.1 | 5,914.2 | 161.0% | 3,173.5 | 764.7 | -75.9% | Within | Within | -4.00% | 0.0% | Below | 8.70 | ↓ | OP | ↔ |
| 7153 | KRI MK Equity | 101 | KOSSAN RUBBER INDUSTRIES BHD | 3Q21 | 2,346.5 | 5,732.9 | 144.3% | 544.6 | 2,709.8 | 397.6% | Below | Below | -8.0% | 0.0% | Within | 2.45 | ↓ | MP | ↓ |
| 7106 | SUCB MK Equ | 102 | SUPERMAX CORP BHD | 1Q22 | 1,352.5 | 1,455.7 | 7.6% | 789.5 | 638.5 | -19.1% | Above | Above | 12.0% | 0.0% | Within | 1.95 | ↓ | MP | ↓ |
| 7113 | TOPG MK Equ | 103 | TOP GLOVE CORP BHD | 4Q21 | 7,237.4 | 16,402.9 | 126.6% | 1,752.6 | 7,870.8 | 349.1% | Below | Below | -32.0% | -21.0% | Below | 3.60 | ↓ | OP | ↔ |

*Source: Bursa Malaysia, Bloomberg, Kenanga Research*

**Recent Reported Results vs. Our Expectations and Market Consensus (4 of 4)**

| CAT | TICKER | No. | Company | Period under review | Cumulative Revenue (RM'm) | | | Cumulative NP (RM'm) | | | Against estimates | | Earnings revision quantum (%) | | Dividends against KNK estimates | Target Price (RM) | | Call | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | FY20/21 | FY21/22 | YoY % Chg | FY20/21 | FY21/22 | YoY % Chg | KNK | Mkt | FY21/22 | FY22/23 | | | | | |
| | | | SIN | | 4,211.2 | 4,292.9 | 1.9% | 393.5 | 492.5 | 25.2% | Below | Below | -8.7% | -0.3% | | | | | |
| 4162 | ROTH MK Equi | 104 | BRITISH AMERICAN TOBACCO BHD | 3Q21 | 1,655.3 | 1,775.4 | 7.3% | 169.1 | 213.4 | 26.2% | Above | Above | 10.7% | 7.40% | Above | 16.70 | ↑ | OP | ↔ |
| 2836 | CAB MK Equity | 105 | CARLSBERG BREWERY MALAYSIA BHD | 3Q21 | 1,312.5 | 1,230.5 | -6.2% | 124.4 | 129.3 | 3.9% | Below | Below | -23.0% | -6.0% | Within | 23.10 | ↔ | MP | ↔ |
| 3255 | HEIM MK Equit | 106 | HEINEKEN MALAYSIA BHD | 3Q21 | 1,243.4 | 1,287.0 | 3.5% | 100.0 | 148.8 | 49.8% | Below | Below | -13.8% | -2.4% | Within | 23.60 | ↓ | MP | ↔ |
| | | | TELECOMMUNICATION | | 37,410.4 | 39,229.5 | 4.9% | 3,324.5 | 3,706.4 | 11.5% | Within | Within | -1.8% | -1.0% | | | | | |
| 6888 | AXIATA MK Eq | 107 | AXIATA GROUP BHD | 3Q21 | 17,941.0 | 18,997.0 | 5.9% | 546.0 | 914.0 | 67.4% | Above | Above | 21.0% | 12.0% | Within | 4.20 | ↓ | MP | ↓ |
| 6947 | DIGI MK Equity | 108 | DIGI.COM BHD | 3Q21 | 4,591.0 | 4,753.0 | 3.5% | 878.0 | 852.0 | -3.0% | Within | Within | 1.0% | 1.0% | Within | 3.80 | ↓ | UP | ↓ |
| 6012 | MAXIS MK Equ | 109 | MAXIS BHD | 3Q21 | 6,705.0 | 6,755.0 | 0.7% | 1,084.0 | 1,035.0 | -4.5% | Within | Within | 0.0% | -10.0% | Within | 4.00 | ↓ | UP | ↓ |
| 0172 | OCK MK Equity | 110 | OCK GROUP BHD | 3Q21 | 334.4 | 348.5 | 4.2% | 19.5 | 14.4 | -26.2% | Below | Below | -26.0% | -13.0% | Within | 0.500 | ↓ | MP | ↓ |
| 4863 | T MK Equity | 111 | TELEKOM MALAYSIA BHD | 3Q21 | 7,839.0 | 8,376.0 | 6.9% | 797.0 | 891.0 | 11.8% | Within | Within | -5.0% | 5.0% | Within | 7.00 | ↔ | OP | ↔ |
| | | | TECHNOLOGY | | 4,384.6 | 5,428.1 | 23.8% | 340.3 | 567.7 | 66.8% | Within | Within | -2.3% | -0.3% | | | | | |
| 7204 | DOGT MK Equi | 112 | D&O GREEN TECHNOLOGIES BHD | 3Q21 | 366.2 | 588.9 | 60.8% | 19.3 | 71.9 | 272.5% | Below | Below | -9.90% | 3.9% | Within | 6.60 | ↑ | OP | ↔ |
| 0021 | GHLS MK Equi | 113 | GHL SYSTEMS BHD | 3Q21 | 247.0 | 264.9 | 7.2% | 21.7 | 19.5 | -10.1% | Below | Below | -17.0% | 0.0% | Within | 2.30 | ↔ | OP | ↑ |
| 0166 | INRI MK Equity | 114 | INARI AMERTRON BHD | 1Q22 | 347.6 | 431.1 | 24.0% | 70.7 | 105.6 | 49.4% | Within | Within | 0.0% | 0.0% | Within | 4.80 | ↔ | OP | ↔ |
| 0127 | JHMC MK Equi | 115 | JHM CONSOLIDATION BHD | 3Q21 | 174.7 | 201.8 | 15.5% | 13.4 | 13.4 | 0.0% | Below | Below | -6.0% | -7.0% | Within | 1.80 | ↓ | MP | ↔ |
| 0151 | KGRB MK Equi | 116 | KELINGTON GROUP BHD | 3Q21 | 260.3 | 337.6 | 29.7% | 12.0 | 20.9 | 74.2% | Within | Within | 0.0% | 0.0% | Within | 2.50 | ↑ | OP | ↔ |
| 9334 | KESM MK Equi | 117 | KESM INDUSTRIES BHD | 1Q22 | 61.1 | 68.6 | 12.3% | 1.2 | 2.9 | 141.7% | Within | Within | 0.0% | 0.0% | Within | 11.40 | ↔ | MP | ↔ |
| 0083 | MPI MK Equity | 118 | MALAYSIAN PACIFIC INDUSTRIES BHD | 1Q22 | 440.6 | 584.5 | 32.7% | 55.3 | 81.7 | 47.7% | Within | Within | 0.0% | 0.0% | Within | 56.20 | ↔ | OP | ↔ |
| 7095 | PIE MK Equity | 119 | P.I.E. INDUSTRIAL BHD | 3Q21 | 439.5 | 739.3 | 68.2% | 10.7 | 38.9 | 263.6% | Within | Within | 0.0% | 0.0% | Within | 4.30 | ↑ | OP | ↔ |
| 7155 | SKP MK Equity | 120 | SKP RESOURCES BHD | 2Q22 | 1,124.9 | 1,068.9 | -5.0% | 54.1 | 72.6 | 34.2% | Within | Within | 0.0% | 0.0% | Within | 2.60 | ↔ | OP | ↔ |
| 5005 | UNI MK Equity | 121 | UNISEM (M) BHD | 3Q21 | 922.9 | 1,142.5 | 23.8% | 81.9 | 140.3 | 71.3% | Below | Below | 10.0% | 0.0% | Within | 4.90 | ↓ | OP | ↔ |
| | | | TRANSPORT & LOGISTICS | | 7,548.7 | 5,375.6 | -28.8% | -2,646.0 | -2,491.9 | -5.8% | Within | Within | -2.1% | 1.9% | | | | | |
| 5099 | AAGB MK Equi | 122 | AIRASIA GROUP BHD | 3Q21 | 2,640.9 | 964.8 | -63.5% | -2,658.7 | -2,234.5 | -16.0% | Below | Below | -17.0% | 0.0% | Within | 0.700 | ↔ | UP | ↔ |
| 5014 | MAHB MK Equ | 123 | MALAYSIA AIRPORT HOLDINGS BHD | 3Q21 | 1,602.7 | 1,121.7 | -30.0% | -431.2 | -629.7 | 46.0% | Within | Within | 0.0% | 0.0% | Within | 7.00 | ↔ | MP | ↓ |
| 0186 | PERAK MK Eq | 124 | PERAK TRANSIT BHD | 3Q21 | 84.1 | 105.6 | 25.6% | 28.6 | 40.5 | 41.6% | Within | Within | 3.0% | 6.0% | Above | 0.850 | ↓ | OP | ↔ |
| 4634 | POSM MK Equ | 125 | POS MALAYSIA BHD | 3Q21 | 1,787.6 | 1,665.4 | -6.8% | -75.7 | -212.5 | 180.7% | Within | Within | 0.0% | 0.0% | Within | 0.720 | ↓ | MP | ↔ |
| 5246 | WPRTS MK Eq | 126 | WESTPORTS HOLDINGS BHD | 3Q21 | 1,433.4 | 1,518.1 | 5.9% | 491.0 | 544.3 | 10.9% | Above | Above | 3.3% | 3.3% | Within | 4.20 | ↔ | MP | ↔ |
| | | | UTILITIES | | 50,237.6 | 53,197.9 | 5.9% | 4,877.5 | 5,977.5 | 22.6% | Within | Within | -0.7% | -3.7% | | | | | |
| 5209 | GMB MK Equit | 127 | GAS MALAYSIA BHD | 3Q21 | 4,867.9 | 3,911.1 | -19.7% | 146.9 | 180.0 | 22.5% | Above | Above | 8.1% | -5.3% | Within | 3.00 | ↔ | OP | ↔ |
| 5264 | MLK MK Equity | 128 | MALAKOFF CORPORATION BHD | 3Q21 | 4,763.0 | 4,519.4 | -5.1% | 211.9 | 245.3 | 15.8% | Within | Within | 0.0% | -7.9% | Within | 1.01 | ↓ | OP | ↔ |
| 5219 | PEST MK Equit | 129 | PESTECH INTERNATIONAL BHD | 1Q22 | 248.8 | 207.8 | -16.5% | 17.4 | 11.6 | -33.3% | Within | Within | 0.0% | 0.0% | Within | 1.39 | ↔ | OP | ↔ |
| 6033 | PTG MK EQUIT | 130 | PETRONAS GAS BHD | 3Q21 | 4,203.4 | 4,151.7 | -1.2% | 1,558.8 | 1,582.8 | 1.5% | Within | Within | 0.0% | -6.3% | Within | 17.02 | ↓ | MP | ↓ |
| 5347 | TNB MK Equity | 131 | TENAGA NASIONAL BHD | 3Q21 | 33,651.7 | 36,894.4 | 9.6% | 2,828.2 | 3,892.0 | 37.6% | Within | Within | 0.0% | -2.9% | Within | 11.41 | ↓ | OP | ↔ |
| 6742 | YTLP MK Equit | 132 | YTL POWER INTERNATIONAL BHD | 1Q22 | 2,502.8 | 3,513.5 | 40.4% | 114.3 | 65.8 | -42.4% | Below | Below | -12.40% | 0.0% | Within | 0.89 | ↑ | OP | ↑ |
| | | | Total/Average | | 374,777.3 | 430,510.1 | 14.9% | 37,734.4 | 57,699.1 | 52.9% | Mix | Mix | -14.9% | -5.7% | | | | | |

*Source: Bursa Malaysia, Bloomberg, Kenanga Research*

## Appendix 3

### Sector commentaries

| Sector | Brief Results Review | Forward Expectation / Outlook | Stock Call |
|---|---|---|---|
| **Automotive** | **Lockdown-induced worse-than-expected sector results.** For 3QCY21 reporting season, almost all players came in below expectation (DRBHCOM, MBMR, SIME, UMW), with only BAUTO and TCHONG coming in within expectation as we had already factored in sufficient cut during our earlier report.<br><br>Overall, all Automotive players' results plunged downwards due to FMCO lockdown from 1st June 2021 to mid-August 2021, with gradual recovery based on progress of vaccinations. | **Stronger sales with full capacity operation in 4QCY21.** Looking forward to 4QCY21, we expect most of the auto players to chart a stronger drive with the full re-opening of the Automotive sector, boosted by significant amount of back-logged booking, up to 6 months for certain models.<br><br>**Maintain NEUTRAL with 2021 TIV target at 505k units (-5%), and a stronger recovery next year with 2022 TIV target of 600k units (+30%).** With the re-opening of economic activities, and further driven by the 100% sales tax exemption on CKD passenger vehicles and 50% on CBU including SUV and MPV for another six months until 30th June 2022, we expect buoyant recovery in car sales especially with the growing number of back-logged bookings for popular models as well as the usual year-end promotional sales campaign. | **OP:**<br>MBMR (OP ↔; TP: RM3.50↔)<br>SIME (OP ↔; TP: RM2.40↓)<br><br>**MP:**<br>BAUTO (MP ↔; TP: RM1.65↑)<br>DRBHCOM (MP ↓; TP:RM1.80↓)<br>UMW (MP↔; TP: RM3.20 ↔)<br><br>**UP:**<br>TCHONG (UP ↔; TP: RM1.00↔) |
| **Aviation** | The recently reported 3QFY21 results saw Malaysia Airport continued to post losses, but narrowing sequentially. | **Maintain NEUTRAL.** The availability and application of vaccines has renewed optimism for air travel to return to normal sooner than expected, and we expect air travel to improve at a gradual pace starting from end-2021. The yet to be signed Operating Agreement (OA) could be an impetus as a re-rating catalyst for MAHB. For the sector, we prefer Malaysia Airport Holdings Berhad (MAHB), being a monopolistic airport operator in the country. | **OP:**<br>AIRPORTS (OP ↔; TP: RM7.00 ↔ ) |
| **Banking** | **Solid quarter.** 3QCY21 reporting season was positive, only registering one disappointment in MBSB as they booked wider-than-expected modification losses. There were 4 outperformers, being; ABMB, AFFIN, CIMB, and RHBBANK. The main cause for missed estimates was due to our overly conservative NOII and credit cost assumptions, indicating that the recovery on financing assets and funds performance turned | **Maintain NEUTRAL for now.** Overall, it seems that the banks are able to ride through the pandemic thanks to prudent asset management and capitalising on high net worth clients to drive non-financing income. That said, near-term FY22 may see some challenges should the new Covid-19 variant cause further economic disruptions and reimposition of movement controls, which could throw loans growth ambitions | **OP:**<br>BIMB (OP ↔; TP: RM3.20 ↓)<br>MAYBANK (OP ↔; TP: RM10.55 ↔)<br>RHBBANK (OP ↔; TP: RM6.50 ↑)<br><br>**MP:**<br>ABMB (MP ↔; TP: RM2.65 ↑)<br>AFFIN (MP ↑; TP: RM1.65 ↑)<br>AMBANK (MP ↔; TP: RM3.15 ↔) |

| Sector | Brief Results Review | Forward Expectation / Outlook | Stock Call |
|---|---|---|---|
| | around more quickly in spite of the current economic climate.<br><br>Broadly, the banks are expecting to see some further headwinds as the PEMULIH scheme is ending and URUS applications start to kick in. That said, TRA proportions have been skewed by a high T20 mix and the eligilbility for URUS is limited to the B50 group, which seem to make up less than a quarter of the banks' TRA books. | off-course. This aside, BNM is expected to award its digital banking licenses in 1QCY22 which may stir further deposits competition and erode NIMs more quickly. At the same time, the street expects OPR to see a hike in the 2H period, which could also suppress margins.<br><br>We continue to prefer strong yielders with sizeable capital backings; such as **MAYBANK and RHBBANK.** | CIMB (MP ↔; TP: RM5.25 ↑)<br>HLBANK (MP ↔; TP: RM18.20 ↔)<br>PBBANK (MP ↔; TP: RM3.85 ↑)<br><br>**UP:**<br>MBSB (UP ↓; TP: RM0.540 ↓) |
| **Banking – Non-banking Financial Institutions** | **Mixed bag of results.** The insurers suffered as movement restrictions continued to weigh on premiums. BURSA's results were above expectations due to higher-than-expected Average Daily Trading Value (ADV). Meanwhile, AEONCR's results were within expectations but generous dividends surprised us. | **Recovery quarter in 4QCY21 for most players.** As the economy reopening gains traction, AEONCR will benefit from higher transaction and financing volume, evidenced by its growth in 1HFY22 total transaction & financing volume (+22% HoH) during the group's Mar-May quarter. Among the insurers, we prefer TAKAFUL for its: (i) market leader status in Islamic insurance, (ii) strong ROE of >20%, and (iii) dividend yield of 5.4%. Premiums for TAKAFUL should trend higher in 4QFY21, while LPI should experience seasonally weaker premiums.<br><br>Meanwhile, BURSA's earnings in 4QFY21 will reflect lacklustre ADV (QTD4QFY21: -5% QoQ). With the uplifting of BNM's CCRIS suspension, CTOS' growth outlook remains intact. Its 4QFY21 should see some impact from the CCRIS suspension and extra costs (3rd party review), but thereafter, a swift recovery is expected. Any new digital solutions launched to tap into new sectors could be an added catalyst. | **OP** :<br>AEONCR (OP ↔; TP: RM14.00 ↔)<br>TAKAFUL (OP ↔; TP: RM5.85 ↔)<br><br>**MP** :<br>BURSA (MP ↓; TP: RM7.60 ↓)<br>CTOS (MP ↓; RM2.00 ↑)<br>LPI (MP ↔; TP: RM14.20 ↔) |
| **Building Materials** | PMETAL reported another record quarter in 3QFY21 with core profit rising 15% QoQ to RM285.4m on soaring aluminium prices. But, the results missed forecast on higher-than-expected operating costs as logistic and raw material costs spiked. As such, we cut FY21E earnings by 10% to reflect the 3QFY21 results while FY22E earnings is upgraded by 4% on higher aluminium price assumption of USD2,400/MT from | **Reiterate Overweight.** While raw material costs remain elevated, with aluminium price staying high which was at QTD of USD2,789/MT on average in 4QFY21, we believe 4QFY21 could be another record quarter yet again. YTD, aluminium spot price remains solidly at above USD2,600/MT level, well above our FY21-22 assumptions of USD2,100-2,400/MT. As such, we believe our estimates are not overly optimistic. | **OP** :<br>PMETAL (OP ↔; TP: RM6.96 ↑)<br>ULICORP (OP ↔; TP: RM1.85 ↔)<br><br>**MP** :<br>ANNJOO (MP ↔; TP: RM1.70 ↔) |

| Sector | Brief Results Review | Forward Expectation / Outlook | Stock Call |
|---|---|---|---|
| | USD2,100/MT previously.<br><br>Meanwhile, Ulicorp and Annjoo were both inline | Ulicorp's market leading position in the cable support systems (CSS) space is further consolidated under the prolonged pandemic which has eliminated weak and smaller competitors. We expect earnings to remain strong on stable margins as they command better pricing power in the space.<br><br>As for Annjoo, with China steel prices seeing sharp drop amidst the property debt crisis, we expect Annjoo's earnings to come off in the quarters ahead. They have been a beneficiary of the surging steel prices which had helped expanded their margins. | |
| **Construction** | **A mixed quarter with 3 above (Gamuda, Suncon, HSL) , 2 below (WCT, Kimlun) , and 3 within (IJM, Kerjaya Muhibah), expectations.** Gamuda and Suncon were above mainly due to higher-than-expected margins from cost savings recognition for completed/nearly completed projects. Hsl was above on higher-than-expected revenue recognised despite being under FMCO.<br><br>Meanwhile, the 2 that came below (Kimlun, WCT) were on account of losses incurred from the FMCO which spanned from June till mid-August. Revenue recognition during the quarter was insufficient to cover the companies' recurring fixed costs. | **Maintain Neutral.** Expect 4Q earnings to rebound QoQ as operational restrictions have been lifted. However, the sector is still faced with headwinds such as elevated raw material prices, labour shortage, and deterioration of outstanding order-book to carry into CY22 given the lack of replenishment during this pandemic. Hence, profitability of contractors for CY22 may not rebound to pre-pandemic days (CY18/CY19). Meanwhile the government's weaker fiscal position post-pandemic would mean: (i) slower roll-out of projects, (ii) smaller quantum contracts/ phased-out contracts, and (iii) a higher reliance on PFI funding from contractors. Hence, replenishment prospect for CY22 would also be weaker compared to pre-pandemic days. | **OP** :<br>KERJAYA (OP ↔; TP: RM1.50 ↔)<br>KIMLUN (OP ↔; TP: RM1.25 ↔)<br>MUHIBAH (OP ↔; TP: RM1.25 ↔)<br>IJM (OP ↔; TP: RM1.90 ↓)<br><br>**MP**:<br>SUNCON (MP ↔; TP: RM1.52 ↔)<br>HSL (MP ↔; TP: RM0.95 ↔)<br>GAMUDA (MP ↓; TP: RM2.80 ↓)<br>WCT (MP ↔ ; TP: RM0.620 ↓) |
| **Consumer** | A mixed bag of results with a slight bias towards underperformance given the FMCO which extended into mid-August. Only F&N, MRDIY, NESTLE and PADINI's results came in within given (i) robust demand in the first 5 months of the year and (ii) expectations of improvements due the reopening of the economy & the usual pent-up end of the year demand. The only exception was DLADY which came in above expectation as it was able to operate at full capacity being in essential services.<br><br>On a positive note, topline remained | We are cautiously optimistic for the sector given the re-opening of the economy. The only caveat is a resurgence in the pandemic that necessitates further closure and restrictive economy. Raw materials costs are still elevated but mitigated on successful hedging activities. However, further upside on costs might be prevalent given the downside pressure on the supply chain coming from a recovering global economy. Remain **NEUTRAL** on the sector. We have an OP | **OP:**<br>AEON (OP ↔; TP: RM1.60 ↓<br>AMWAY (OP ↔; TP: RM6.05 ↓ )<br>BAT (OP ↔; TP: RM16.70 ↑ )<br>DLADY (OP ↔; TP: RM40.20 ↔)<br>F&N (OP ↔; TP: RM32.45 ↓ )<br>MRDIY (OP ↑ ; TP: RM4.10 ↔)<br>PADINI (OP ↑ ; TP: |

| Sector | Brief Results Review | Forward Expectation / Outlook | Stock Call |
|---|---|---|---|
| | robust and stable for most players with the exception of F&N, PADINI and AEON which slumped YoY and QoQ as volatile restrictions crimped demand. PADINI declined due to its non-essential goods while AEON's decline came from downside pressure of its non-essential goods and property management services. 7-11 was saved by its Pharma segment where its healthiness and wellness products remained in demand.<br><br>Earnings, as a whole saw improvement QoQ, due to the foresight in hedging and prudent management while AEON, DLADY, F&N, PADINI saw decline due to a combination of fixed operating costs, higher brand of investments and restructuring costs. | call for most the stocks in our consumer universe predominantly due to the sharp weakness in their share prices in recent weeks due to the heightened fears of supply chain disruption and resurgent pandemic. | RM3.20 ↔)<br>QL (OP ↑; TP: RM6.00 ↔)<br><br>**MP :**<br>MYNEWS (MP ↔; TP: RM.90 ↓)<br>NESTLE (MP ↔; TP: RM138.90 ↓)<br>PWROOT (MP ↔; TP: RM1.35 ↑)<br>SEM (MP: ↔; TP: RM1.60 ↔)<br>CARLSBG (MP: ↔; TP: RM23.10 ↔)<br>HEIM (MP: ↔; TP: RM23.60 ↓) |
| **Gaming** | Another disappointing quarter again. In a quarter already highly expected to be loss-making owing to the MCO 3.0 induced closures, 3QCY21 losses for all gaming stocks nevertheless still came wider-than-expected. GENTING's 3QFY21 core loss ballooned to RM355.2m from RM1.8m in 2QFY21 which was largely due to weaker-than-expected GENM's RWG and GENS' RWS earnings. While RWG operations were hit by MCO 3.0 lockdown which saw its LBITDA widening by 75% to RM164.8m, the UK unit reported adjusted EBITDA which jumped to RM102.1m from RM14.3m as land-based casinos reopened from mid-April while the North America unit also reported a 10% growth in EBITDA. In all, we increased GENM's FY21 net loss forecast to RM1.15b from RM1.04b previously but apply a mere 0.4% cut in FY22 net profit estimate. As such, we are now expecting GENTING to post a net loss of RM23.0m as opposed to net profit forecast of RM351.2m previously. We also cut FY22E earnings by 20%. GENM's TP is reduced to RM3.41 from RM3.47 while GENTING's TP is also cut to RM6.38 from RM6.47. For NFOs, while the losses were already highly anticipated given the MCO 3.0 lockdown-led closure, recovery in ticket sales | With the reopening (after MCO 3.0 lockdown) in mid-Sep for NFOs and end-Sep for RWG, upcoming 4QCY21 results are expected to turn around and this is especially so for the casino operator heading into the busy year-end holiday season. In addition, the outdoor theme park Genting Skyworlds slated to open before the year-end should help to improve non-gaming revenue while the UK and USA units have shown encouraging numbers. Meanwhile, GENS should see better outlook as borders are slowly reopening. All these will eventually benefit GENTING. On the other hand, while ticket sales recovery may be slow currently, we expect it to pick up swiftly to 80%-85% of pre-COVID level in 1H 2022 and a full recovery is expected in 2H 2022. In all, this sector remains as a good proxy for recovery play with NFO players offering attractive yields of >5%. We keep our OVERWEIGHT rating for the sector. | **OP :**<br>BJTOTO (OP ↔; TP: RM2.23 ↓)<br>GENM (OP ↔; TP: RM3.41 ↓)<br>GENTING (↔; TP: RM6.38 ↓)<br><br>**MP :**<br>MAGNUM (MP ↔; TP: RM1.96 ↓) |

| Sector | Brief Results Review | Forward Expectation / Outlook | Stock Call |
|---|---|---|---|
| | post re-opening has been slow, initially booking 50%-60% of pre-COVID level to 70%-75% currently against 80%-85% prior to the lockdown. As such, BJTOTO reported 1QFY22 net loss of RM17.7m with ticket sales per draw plunging 42% to RM10.1m while TP is reduced to RM2.23 from RM2.42 while MAGNUM registered net loss of RM29.9m with ticket sales per draw plummeting 29% to RM9.0m and TP is trimmed to RM1.96 from RM2.04. | | |
| **Healthcare** | The just concluded 3QCY21 results season saw IHH and Pharmaniaga coming in above expectations. IHH's earnings came in above due to better-than-expected performance in Acibadem. We highlight that India and Acibadem continued to post strong commendable bottom-line performances in 3QFY21 which saw a sharp decrease of COVID-19-related revenue in India, which outstripped the higher revenues from COVID-19-related services rendered in other markets. COVID-19-related services contributed about between 6-29% in 3QFY21 (2QFY21: 12-31%) revenues from the Group's operations in its home market. Pharmaniaga came in above due to better-than-expected volume sales. However, KPJ was lower due to lower-than-expected number of patients and higher-than-expected effective tax rate. | **Neutral.** We like IHH for its strong management, well diversified earnings base across several markets providing resilience as key markets are at different phases of the COVID-19 pandemic and turnaround to profitability for India and Acibadem. Although patient volume is impacted by the resurgence of COVID-19 cases across the globe and by the various movement restrictions implemented, the Group's diversified earnings base across 10 markets provides it more resilience as key markets are at different phases of the COVID-19 pandemic. Revenue intensities rose across the board and inpatient admission continues to see positive recovery across its key operating markets. We highlight that foreign patient revenues at the Group's hospitals in Turkey have exceeded pre-COVID-19 levels since 4QFY20 after Turkey reopened its borders on June 2020. In India, the group will continue to drive cost savings and ramp up productivity and increase bed occupancy ratio currently averaging at 60%. However, KPJ remains a Market Perform due to its lack of re-rating catalyst and the new hospitals under gestation period could continue to be a drag to earnings. | **MP** :<br>IHH (MP ↔; TP: RM6.65 ↔)<br>KPJ (MP ↔; TP: RM1.01 ↓)<br>PHARMA (MP ↑; TP: RM0.85 ↑) |

| Sector | Brief Results Review | Forward Expectation / Outlook | Stock Call |
|---|---|---|---|
| **Media** | **Results were mainly below expectations** with only STAR performing above our expectation after adjusting for the one-off reversal of compensation income of RM50.5m which was awarded in FY20 from the legal case with JAKS. MEDIA and MEDIAC came in below due to an over-estimation of advertising sales whereas ASTRO's negative deviation was caused by higher content costs in 2QFY22 as a result of the airing of EURO and Tokyo Olympick sporting events. | **Maintain OVERWEIGHT.** As adex moves in line with the economy, the nationwide lockdown in 3QCY21 affected the media players' adex which resulted in lower QoQ advertising revenue for the players. However, we expect 4QCY21 to see renewed optimism encouraging advertisers to increase adex due to the re-opening of the economy and thus positively impact the media players moving forward, making this sector a strong contender for recovery play. | **OP** :<br>MEDIA (OP↔; TP: RM0.560↓)<br>ASTRO (OP↔; TP: RM1.22↑)<br><br>**MP** :<br>MEDIAC (MP↔; TP: RM0.175↓)<br><br>**UP :**<br>STAR (UP↔; TP: RM0.285↑) |
| **MREITs** | **3QFY21 was mostly within, with four stocks meeting our expectations (AXREIT, CMMT, IGBREIT, and SENTRAL), and 3 above (KLCC, PAVREIT and SUNREIT)** on lower-than-expected rental rebates. All in, sector topline and earnings were still down by 8.6% and 8.3%, respectively, as CY2021 has been a more challenging year for the sector with more MCOs disrupting business operations. Due to the variability of the rental rebates across malls each quarter, we revised FY21E earnings upwards for KLCC, PAVREIT and SUNREIT, while FY22E earnings remain unchanged for all MREITs under coverage. All in, no changes to call and TP as valuations are based on FY22. | **4QFY21 to be the best quarter for the year.** The uplifting of most MCO restrictions since August 2021 has renewed our confidence for the sector for the coming quarter, with mall traffic gradually picking up to 80% of pre-Covid levels and the expectation of revenge buying and holiday season shopping all packed into the last quarter. We remain fairly cautious though on potential threats from new Covid variants which if proved to be resistant to existing vaccines may put the sector on the back burner again for another quarter or more. Our preferred picks remains AXREIT due to its earnings stability and being in the industrial segment which has fared well throughout the pandemic.<br><br>**Maintain OVERWEIGHT** on expectations of earnings improvements in 4QCY21 while our valuations are mainly pegged to a stable outlook on FY22E CNP which should remain intact for now, barring any unforeseen circumstances. We are comfortable with our 10-year MGS target of 3.6% which errs on the conservative side, and have pegged MREIT's TP at between +0.5SD to +1SD due to the volatility of the Covid-19 situation in the near term. Even so, we believe the sector warrants an OW primed on a comeback story with the | **OP :**<br>AXREIT (OP↔ ; TP: RM2.15 ↔<br>KLCC (OP ↔; TP: RM7.35 ↔)<br>SENTRAL (OP ↔; TP: RM0.935 ↔)<br><br>**MP :**<br>CMMT (MP ↔; TP: RM0.580 ↔)<br>SUNREIT (MP ↔; TP: RM1.35 ↔)<br>PAVREIT (MP ↔; TP: RM1.30 ↔)<br>IGBREIT (OP ↔; TP: RM1.70↔) |

| Sector | Brief Results Review | Forward Expectation / Outlook | Stock Call |
|---|---|---|---|
| | | gradual reopening of the economy. | |
| **Oil & Gas** | A largely disappointing results season – all but three names (i.e. ARMADA, DIALOG, PCHEM) have reported disappointing results.<br><br>Overall, oil and gas players continued to suffer from project delays and slower work flows amidst the prolonged movement restrictions during the quarter.<br><br>Of the positive outliers, ARMADA saw another set of positive results on the back of higher Armada Kraken FPSO uptime, while PCHEM continued to benefit from the increase of product prices. | On the back of strong oil prices, Petronas group had recorded one of its best quarters in recent years with a core PATAMI of RM12b in 3QFY21. However, the encouraging numbers from Petronas did not translate well to corporate earnings, with a huge mass of the sector still underperforming in terms of earnings delivery.<br><br>Instead of Petronas' strong earnings, the disappointing corporate earnings were more of a reflection of Petronas' slow capex spending thus far. Despite previously guiding increased capex of RM40-45b per year for the next five years (as compared to 2020 capex of RM33b), Petronas had only incurred a YTD capex of RM20b – a 9% reduction YoY and approximately only half of its initial guidance. Petronas had attributed the slow capex to prolonged project delays amidst continued movement restrictions. That said, with borders gradually reopening, we are anticipating a strong recovery in activity levels going into 2022.<br><br>We maintain **OVERWEIGHT** on the sector. Ultimately, as activity levels are expected to see a recovery in 2022, coupled with the sector still trading at a steep discount, selective opportunities could still be present Additionally, we are not overly worried on the recent weakness in crude oil prices as we believe current levels should still be sufficiently healthy to sustain a recovery in activities. **Top picks include DIALOG and YINSON, with UZMA as top trading pick**. | **OP**<br>ARMADA (TP: RM0.57)<br>DIALOG (TP: RM3.50)<br>MISC (TP: RM8.05)<br>UZMA (TP: RM0.67)<br>YINSON (TP: RM7.35)<br><br>**MP**<br>DAYANG (TP: RM1.00)<br>PCHEM (TP: 8.75)<br>PETDAG (TP: RM18.90)<br><br>**UP**<br>SAPNRG (TP: RM0.07)<br>VELESTO (TP: RM0.10)<br>WASEONG (TP: RM0.63) |

| Sector | Brief Results Review | Forward Expectation / Outlook | Stock Call |
|---|---|---|---|
| **Plantation** | Another excellent quarter for planters due to higher CPO prices where out of 11 plantation companies under our coverage, 10 exceeded our forecasts (2QCY21: 8), while none missed our forecasts (2QCY21: 1). For consensus - similarly there were no misses (2QCY21: 1), while 10 exceeded (2QCY21: 8) expectations. The only name that came within was PPB as CPO prive sensitvity of its associate Wilmar is weaker.<br><br>YoY, the planters reported a median earnings improvement of 143% for 3QCY21 on higher average CPO realised price (+54%; median), while FFB output declined (-2%; median). QoQ, planters registered median earnings improvement (+26%) due to higher CPO price (+7%) and FFB output (+3%)<br><br>This round, we adjusted FY21-22E earnings by a mean of 30-4%. | Generally, we expect sequential 4QCY21 earnings improvement as higher CPO price (QTD 4QCY21 MPOB: +17% QoQ) overshadows seasonal production decline. Looking ahead into 2022, production costs should increase in line with higher fertiliser prices. However, recovery in FFB output from better yield and labour improvement should keep overall costs manageable. The first batch of 32k foreign worker intake allowed by the government should fly in by 1QCY22.<br><br>With KLPLN Index lacklustre performance despite CPO price above RM5,000, it is obvious that the sector continues to be plagued by unresolved/mounting ESG concerns. **Stay NEUTRAL on the plantation sector with a CY21-22 CPO price forecast of RM4,100-3,200/MT.**<br><br>We prefer integrated players like KLK for its overall defensive margin against CPO price variability. | **OP :**<br>GENP (OP ↔; TP: RM8.40 ↔)<br>HSPLANT (OP ↔; TP: RM2.30 ↔)<br>KLK (OP ↔; TP: RM26.50 ↑)<br><br>**MP :**<br>FGV (MP ↔; TP: RM1.55 ↑)<br>IOICORP (MP ↔; TP: RM4.05 ↔)<br>PPB (MP ↔; TP: RM18.90 ↓)<br>SIMEPLT (MP ↓; TP: RM4.10 ↓)<br>TAANN (MP ↔; TP: RM3.25 ↑)<br>TSH (MP ↔; TP: RM1.17 ↔)<br>UMCCA (MP ↔; TP: RM5.25 ↑)<br><br>**Not Rated (Cease Coverage)**<br>IJMPLNT (TP: N.A.) |
| **Plastic & Packaging** | **A mixed bag.** TGUAN and BPPLAS came within our expectations, but SLP and TOMYPAK came below. Scientex and SCGM both last reported in September 2021, and will have their next result in December 2021. TGUAN and BPPLAS continued to deliver commendable results thanks to higher sales volume despite the 60% workforce restriction. SLP and TOMYPAK's earnings came below expectations mainly adversely affected by the limited workforce capacity, higher production costs and production disruption. SCGM's 1QFY22 results came within expectation driven by higher sales volume. Scientex's 4QFY21 results came above expectation due to stronger-than-expected revenue from its property segment which cushioned the lower sales volume in the plastic segment. | **Outlook.** Since July, resin prices had appreciated c.20-24% due to strong consumer demand and logistic disruption. We expect resin prices to stay elevated until 1QCY22 as new resins capacity are expected to flow into the market in 2022. We gathered from management that they are able to increase ASPs in tandem with surge in resin prices through cost-plus mechanisms. With restriction lifted, all players have resumed to 100% workforce capacity and continue to ramp up utilization to cater to resilient demand. We believe that plastic players will continue to sustain resilient earnings in the sequential quarters.<br><br>We maintain **NEUTRAL** on the plastic packaging sector, on fluctuation in resin prices and global containers shortage with elevated freight costs. | **OP :**<br>TGUAN (OP ↔ ; TP: RM3.68 ↑)<br>SCGM (OP ↔; TP: RM2.97 ↓)<br>SLP (OP ↔ ; TP: RM1.18 ↑)<br>BPPLAS (OP ↔ ; TP: RM3.34↑)<br><br>**MP :**<br>SCIENTEX (MP ↔ ; TP: RM4.42 ↓)<br>TOMYPAK (UP ↓; TP:0.485 ↓) |

| Sector | Brief Results Review | Forward Expectation / Outlook | Stock Call |
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| **Ports & Logistics** | **Anchoring on global supply chain recovery.** WPRTS's results (which came within) anchored mainly on transhipment and gateway volume which are still sustainable, in tandem with gradual economy re-opening despite delay in shipping line arrival time schedule and pandemic-induced supply chain disruption. POSM' (coming in within) Postal segment remained a drag to the group, cushioned by courier and logistics business which returned to the black, better sales (higher cargo tonnage handled), and cost management in aviation segment. PTRANS (coming within) continued to deliver resilient earnings amidst extended lockdowns, buoyed by its IPTT segment. All in, all 3 companies under our coverage benefitted from the gradual re-opening of economy. | **Maintain NEUTRAL on the sector given the lack of near-term catalysts**. For WPRTS, we expect it to recover gradually starting from 2H20 21 on the back of Covid-19 vaccinations, normalization of domestic and global economic activities, and pent-up demand effect. On the other hand, POSM's losses continued to be dragged by its Postal segment but on the bright side, cushioned by: (i) stronger revenue in Logistics segment which returned to profitability, and (ii) recovery in aviation division's with increased contribution from e-commerce warehousing & cargo and ground handling businesses with better cost management. While for PTRANS, we err on the side of caution on A&P revenues, but expecting better contribution from its two logistics tenants taking up 30~40% of Terminal Meru Raya and 10% of Kampar Putra Sentral in the long run. . | **OP :**<br>PTRANS (OP ↔; TP: RM0.85↓)<br>**MP :**<br>POS (MP ↔; TP: RM0.720↔)<br>WPRTS (MP ↔, RM4.30↑) |
| **Property Developers** | **Out of 9 developers, 4 were below (MRCB, UEMS, MAHSING, SPSETIA), 1 above (SUNWAY) and the remaining 4 were within**. MRCB, UEMS and SPSETIA came below on wider-than-expected losses from the FMCO given low revenue generation but elevated recurring fixed costs. MAHSING was below because of the weaker-than-expected contributions from its maiden glove segment. SUNWAY was above from its stronger-than-expected contributions from healthcare, construction and property segment.<br><br>**Property sales fared much better.** In terms of sales, 3 came above (Sunway, SPSETIA and SIMEPROP), 1 below (UOADEV) while the rest were within. Sunway came in strong mainly from their Singapore developments which have garnered extremely strong sales amidst a property asset boom (their Property Price Index is at an all-time high). Meanwhile SIMEPROP and SPSETIA were | **Maintain NEUTRAL** as the sector is still plagued with affordability, policy and oversupply issues. Despite the low valuations (in PBV terms), the sector still lacks sustainable earnings visibility and growth to justify a re-rating in valuations. While sales numbers reported by developers have generally been good YTD, we believe the real test would be in FY22 without the housing ownership campaign (HOC) discounts. The high unsold units in circulation and declining HPI are indicators that developers will find it increasingly challenging to drive sales while maintaining margins. | **OP** :<br>UEMS (OP ↑; TP: RM0.40 ↔)<br>IOIPG (OP ↑, TP: RM1.32 ↔)<br>SUNWAY (OP ↑; TP: RM2.05 ↑)<br><br>**MP** :<br>ECOWLD (MP ↓; TP: RM0.850 ↔)<br>SIMEPROP (MP ↔ ; TP: RM0.735 ↔)<br>MAHSING (MP ↔; TP: RM0.75 ↓)<br>MRCB (MP ↔; TP: RM0.345 ↓)<br>UOADEV (MP ↓; TP: RM1.76 ↔)<br><br>**UP** :<br>SPSETIA (UP ↓; TP: RM1.19 ↔) |

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| | above on strong anticipated demand in 4QCY21 from last-minute buying to reap the HOC benefits before it ends on 31st Dec 2021. UOADEV came below on deferred launches worth RM1.05b initially slated for 4Q. | | |
| **Rubber Gloves** | The recently concluded 3QCY21 results season for glove makers under our coverage saw a mixed bag of results. Supermax came in above, Harta inline and Kossan came in below. Supermax came in above expectations due to higher-than-expected volume sales. Kossan's results came in below due to lower-than-expected volume sales. | **Maintain OVERWEIGHT.** Players expect demand to start surging in Jan 2022 with uptick in demand evident from Oct 2021 and sees utilisation rate back up to 70-80% compared to 60-70% currently. Since ASPs are no longer lofty, expectations of disappointments in subsequent quarters are expected to be capped. Due to over-ordering over the past 15 months since the pandemic started, the market is currently undergoing a phase of inventory adjustment. We expect the past months of acceleration in ASP normalization to see a slow decline or a pause considering that cost is highly elevated. We are unable to quantify as to how low ASP will fall to; however, glove manufacturers are of the view that ASP is unlikely to go below pre-COVID pricing considering that the cost structure has risen amongst others including social compliance costs and the high nitrile feedstock cost compared to pre-COVID era. Post COVID-19 and/or lower ASP, inventory restocking cycle is expected to spur demand coupled with increased usage arising from new users and higher hygiene awareness. | **OP :**<br>TOPGLOV (OP ↔ ; TP: RM3.60↔)<br>HARTA (OP↔; TP: RM8.70↔)<br><br>**MP** :<br>KOSSAN (MP↔; TP: RM2.45↔)<br>SUPERMX (MP↔; TP: RM1.95↔) |
| **Technology** | Out of 10 stocks under coverage, 60% came in line and 40% below expectations. The recently concluded 3QCY21 results season for technology players were mostly within expectation with key names recording QoQ growth such as Inari, MPI, KGB, PIE and SKP despite limited workforce during the FMCO period. MPI remained the only stock under our coverage with an unbreakable positive QoQ streak with the recent one marking its sixth. We maintain earnings forecasts for all those stocks that came in | • We remain positive on the technology sector as the iPhone 13 has continued to see healthy shipment. 3QCY21 volume grew 19% YoY thanks to: (i) cheaper pricing in China, (ii) lack of competition this year, and (iii) free storage upgrade compared to the iPhone 12 last year.<br><br>• Laptop sales for 3QCY21 inched 1% YoY as demand for laptops and devices are still healthy. While the quantum of increase slowed; one must note that the next phase of | **OP :**<br>KGB (OP ↔, TP: RM2.50 ↔)<br>INARI (OP ↔, TP: RM4.80 ↔)<br>MPI (OP ↔, TP: RM56.20 ↔)<br>D&O (OP ↔, TP: RM6.60 ↑)<br>UNISEM (OP ↔, TP: RM4.90 ↔)<br>PIE (OP ↔, TP: RM4.30 ↑)<br>SKP (OP ↔, TP: RM2.60 ↔)<br>GHL (OP ↔, TP: RM2.30 ↔) |

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| | line. For those that came in below expectation (D&O, JHM, GHL, and Unisem), we tweak FY21E earnings lower but maintain earnings forecast for FY22 (for GHL and Unisem). We raised FY22E forecast for D&O on backlog spill over but reduced JHM's FY22E earnings on delayed timeline for new products. We remain OVERWEIGHT on the tech sector | expansion is in data centres which needs to expand in order to facilitate higher data bandwidth demand by consumers. This will only increase as the adoption of 5G takes off. MPI continues to benefit from having its power packaging in both laptop and data centres.<br><br>• On the automotive side, China and Europe cars sales have shown declines YoY for the past few months. However, this is not due to waning demand but instead caused by chip shortage. To mitigate this, wafer fabs are expanding capacity and automotive IDMs are booking wafers up to 2 years in advance; hence despite D&O's recent quarter disappointment (due to plant shutdown), we retain our OUTPERFORM call as orders are intact and lined up till 2QCY22. | **MP** :<br>KESM (MP ↔, TP: RM11.40 ↔)<br>JHM (MP ↔, TP: RM1.80 ↓) |
| **Telecommunications** | Mostly within. Of the 5 telcos, only Axiata came above expectations due to lower-than-expected D&A expense. DIGI, MAXIS and TM came within. The Big 3 MNOs seem to be regaining some prepaid and postpaid market shares from the other smaller MNOs/MVNOs. There had been lower device sales across the board in the quarter, which we suspect could be due to lower sales via physical channels. Fixed broadband continued to outperform mobile, with continued strong QoQ growth. As a result of Maxis' strong fixed broadband growth, TM's wholesale segment also did well. | Maintain NEUTRAL. We recently learned that under the 5G single wholesale network (SWN), the telcos could face reduced product differentiation due to a lack of control over their own network. Furthermore, the uncertainty and lack of clarity around pricing and product/service catalogues have left many telcos in the dark, as they withhold their R&D investments on 5G use cases, in fear of the inability to commercialize any innovative products/services. While we think the SWN model will result in lower 5G prices for retail consumers, we are of the view that the telcos are worse off under the SWN model compared to the traditional model.<br><br>Thus, we have turned bearish on DIGI and MAXIS, as well as Celcom, thus downgrading Axiata from an OP to MP. Our OP thesis on TM remains in tact, and we continue to favor TM as it has the least to lose from the SWN downside risks, and its unifi mobile unit could benefit from a more level playing field. We remain cautious on OCK as the volatile Burmese Kyat could continue to | **OP :**<br>TM (OP ↔ ; TP: RM7.00 ↔)<br><br>**MP :**<br>AXIATA (MP ↓ ; TP: RM4.20 ↓)<br>OCK (MP ↓ ; TP: RM0.50 ↓)<br><br>**UP :**<br>MAXIS (UP ↓ ; TP: RM4.00 ↓)<br>DIGI (UP ↓; TP: RM3.80 ↓) |

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| | | adversely impact its margins. Furthermore, greater depreciation from more solar and tower assets, as well as potentially lower-margin projects could continue to weigh on their margins in the near-term.<br><br>Despite the dim outlook, Axiata's regional telcos and TM's strong fixed, wholesale and enterprise segments continue to provide cushion for the sector. We maintain our NEUTRAL view. | |
| **Utility** | Results were a mixed bag with one each for above and below expectation while the reminder of four are in line. GASMSIA again reported another above-expectation results in 3QFY21 thanks to the similar reason of higher-than-expected margin spread. This is inspite of sales volume falling 11% on MCO 3.0 lockdown but quarterly adjusted revenue cap sustained its earnings. Post results, we upgraded FY21E earnings by 8% to reflect higher margin spread but cut FY22E earnings by 5% for the one-off prosperity tax. Meanwhile, YTLPOWR's 1QFY22 core profit of RM65.8m missed forecasts on CSR costs as well as higher-than-expected taxation. This led us to cut FY22E earnings by 12% to adjust for this results but keep FY23E earnings unchanged. While TENAGA's 3QFY21 results were well expected, we trimmed FY22E earnings by 3% to account for the prosperity tax which led to a lower TP of RM11.41 from RM11.80. However, we cut PETGAS to MP from OP following recent positive price movement with a lower TP of RM17.02 from RM17.06 as FY22E earnings is reduced by 6% to account for the prosperity tax. Similarly, MALAKOF's 3QFY21 also matched expectation but we slashed FY22E earnings by 8% on the prosperity tax adjustment that led to a lower TP of RM1.01 from RM1.06. Lastly, PESTECH reported a weaker 1QFY22 results on seasonality which was | With COVID-19 treated as endemic, new drastic lockdowns are unlikely. Thus, we do not expect further COVID-19 impact on TENAGA in FY22. As such, we remain optimistic on TENAGA given the earnings resiliency of its regulated business. Meanwhile, PETGAS and GASMSIA have shown earnings resiliency during this pandemic period owing to the IBR framework and we see little earnings risk for the next two years on RP1 base tariffs. Elsewhere, for the two IPPs, MALAKOF is seeing earnings stability improving with the acquisition of Alam Flora and increased stake in Shuaibah while a better earnings outlook for YTLPOWR is anticipated given the recovery of PowerSeraya which we believe is sustainable given the improved business operating environment for the industry in Singapore. Its other wildcard - YES is expected to see improving results from better economies of scale from higher subscriber base. Lastly, while next quarter 2QFY22 is likely to be another seasonality weak quarter, PESTECH's FY22 is expected to be a stronger year on key projects that are advancing to tail-end stage which fetch higher margins. We maintain our OVERWEIGHT rating on the sector for now. | **OP :**<br>GASMSIA (OP ↔; TP: RM3.00 ↔)<br>MALAKOF (OP↔; TP: RM1.01 ↓)<br>PESTECH (OP ↔; TP: RM1.39 ↔)<br>TENAGA (OP ↔; TP: RM11.41 ↓)<br>YTLPOWR (OP ↔; TP: RM0.89 ↔)<br><br>**MP :**<br>PETGAS (MP ↓; TP: RM17.02 ↓) |

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| | well anticipated. Thus, we keep our estimate and TP: RM1.39 unchanged. | | |

*Source: 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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