Telekom Malaysia

To Build Data Centres with Singtel

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TM has entered into a 51:49 JV with Nxera, a unit of SingTel, to build greenfield data centres (DC) in Malaysia. For a start, the JV will develop a 64MW DC in Johor, to be operational by 2026. We are positive as Nxera's customers in Singapore could potentially be long-term capacity offtakers for this JV. We maintain our forecasts, TP of RM7.53 and OUTPERFORM call.

Aiming to be leading Malaysian DC player. TM has formed a 51;49 JV with Nxera, a unit of Singtel, to build greenfield DCs in Malaysia. The JV will acquire a piece of land measuring 169k sq m for RM178.2m (RM98 psf) to build a 4-storey sustainable, artificial intelligence (AI) ready, Tier 3 cloud-enabled DC campus inIskandar Puteri, Johor, to be operational in 2026. Its initial capacity of 64MWmay be progressively scaled up to 200MW in several phases.

The campus will be hyper-connected and equipped with high power density and advanced technologies (eg. liquid cooling and large computing capabilities). Hence, it is able to support heavy AI workloads and cater to the needs of cloud hyperscalers, multinationals, enterprises, as well as providers of AI applications, GPU-as-a-Service, and over-the-topservices, etc.

The JV partners will provide equity funding totalling RM1.15b over 5 years. Based on TM's 51% stake, it will inject c. RM588m into the JV company, funded by its internal monies. Assuming TM provides the cash outlay upfront, its current net debt/EBITDA will increase marginally to 0.3x (from 0.2x).

Partnership of giants. To recap, Singtel Group serves over 770m mobile customers in 21 countries, including Singapore, Australia (via Singtel Optus), India, Indonesia, Philippines, Thailand and Africa. It is listed on the Singapore stock exchange with market cap of SGD41b. Meanwhile, NXera is SingTel's 80%-owned data center unit, and is also a 20% associate of Kohlberg Kravis Roberts & Co. The latter is a global investment firm with assets under management in excess of USD553b. Nxera's current portfolio comprises: (i) two operational DCs in Singapore with cumulative capacity of 62MW, and (ii) three under-construction DCs at Singapore (58MW), Indonesia, and Thailand.

Significant ramp up in DC capacity. We are positive as we had earlier highlighted that it is timely for TM is to expand its DC portfolio. This is to leverage on TM Global's extensive network of digital infrastructure assets, including 32 submarine cable systems covering 340k km with over 80 Tbps capacity. To recap, TM One's current portfolio comprises seven Tier-3 DCs in Malaysia and one in Hong Kong. This translates to total capacity of 46MW, where the key centers include: (i) Klang Valley Core Data Centre (20MW) in Cyberjaya, and (ii) Iskandar Puteri Core Data Centre (20MW) in Johor.As such, following the completion of TM-Nxera'sDC, the group's DC capacity will surge by 70% to 78MW.

Long term capacity offtake likely assured. As part of Nxera's regional network, we do not discount the possibility that TM-Nxera's DC will host Singtel's NVIDIA-powered AI Cloud in future. In addition, given its strategic location, Nxera believes that this JV is well positioned to capture spill-over demand from its customers in Singapore. On the back of this, we are comfortably assured of long-term capacity offtake for this JV's facility. Furthermore, we believe it has a competitive edge (vis-à-vis its competitors in Johor) given that it will be served by TM and Singtel's extensive subsea cable networks, translating to superior low latency connectivity.

OUTPERFORM

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Price: Target Price:

RM7.53

Share	Price Performance	
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5.10	y ment with	
4.60		
my	my mary seargoup, Our young Decry new ry to son y war ry backy	184.54 JUN.54
KLCI		1,606.13
YTD k	KLCI chg	10.4%
YTD s	stock price chg	22.7%

Stock information	
Shariah Compliant	Yes
Bloomberg Ticker	T MK Equity
Market Cap (RM m)	26,134.8
Share Outstanding	3,837.7
52-week range (H)	6.94
52-week range (L)	4.77
3-mth avg. daily vol.	7,517,697
Free Float	38%
Beta	0.9

wajor Shareholders	
KhazanahNasionalBhd	19.7%
Employees Provident Fund	17.6%
AmanahSahamNasional	12.6%

Summary Earnings Table

Stock Informatio

FYE Dec (RMm)	2023A	2024F	2025F
Revenue	12,256	10,761	11,029
EBITDA	4,931	4,121	4,246
EBIT	2,135	2,184	2,151
PBT	1,809	2,011	2,040
Net Profit	1,900	1,722	1,748
Core PATAMI	1,985	1,722	1,748
Consensus NP	-	1,609	1,616
Earnings Revision	-	-	-
Core EPS (sen)	52.5	45.6	46.2
Core EPS Growth (%)	58.5	-13.2	1.5
DPS (sen)	25.0	23.5	27.5
BVPS (RM)	2.4	2.6	2.8
PER (x)	11.9	13.7	13.5
PBV (x)	2.6	2.4	2.2
Net Gearing (x)	0.2	0.2	0.1
Div. Yield (%)	4.0	3.8	4.4

Piggyback on Nxera's expansion. Additionally, we also believe there is minimal risk of development delays and cost overruns given Nxera's proven track record. The latter is currently constructing a 58MW DC in Tuas, Singapore, that will be based on Singtel's fourth generation design. Moving forward, we believe that TM is able to leverage on its partnership with Nxera for further domestic expansion. This is underpinned by Nxera's aggressive expansion plans, where its total pipeline capacity is set to increase to more than 200MW regionally in the next three years. This implies expansion of more than 4-fold from its current operational capacity of 62MW.

Expect double-digit project IRR. For TM-Nxera's DC, we estimate project IRR of 12.4%, project payback period of circa 8 years and net project NPV of 9 sen/share (for TM's 51% stake). This is underpinned by the following key assumptions:- (i) capex per MW: USD7m, (ii) 90% leased out capacity based on co-location model, (iii) 80% debt financing over 10 years, (iv) lease rate at 20% discount to Singapore market rates, (v) lease tenure: 8-years (fixed) + 5 years (3 extensions each), (vi) 10% step-down in rental rates during each 5-year contract extension period, (vii) 18 month construction period, and (ix) asset useful life: 20 years.

Forecasts. Maintained pending more details from an analyst briefing on 20 Jun and shareholders' approval at an EGM.

Valuations. We alsokeep our TP of RM7.53 based on 7.0x FY25F EV/EBITDA. There is no adjustment to our TP based on ESG given a 3-star rating as appraised by us (see Page 4).

Investment case. We like TM on account of: (i) it being leveraged towards secular data growth on the back of current trends such as digital transformation, proliferation of internet of things (IoT), cloud-based applications powered by generative AI, etc, (ii) it benefitting from JENDELA phase 2 projects via roll-out and monetization opportunities, (iii) earnings accretion from new DC business, and (iv) higher demand for data transmission via its network of digital infrastructure that includes submarine cables and landings as well as fiber optics backhaul. Maintain **OUTPERFORM.**

Risks to our call include: (i) cost drag from Unifi Mobile due to lack of scale, (ii) pricing pressures at the retail segment arising from policy-led directives, and (iii) irrational competition in the retail fiber broadband space.

Revenue	Income Statement					Financial Data & Ratios								
EBITDA 4,386 4,960 4,931 4,121 4,246 Revenue 6.4% 5.1% 1.1% 1.2% 2.56 Depreciation 2,635 2,263 3,2796 1.937 2,095 EBITDA 10.4% 13.1% 0.69% 16.4% 3.0% 1.66 16.	FYE Dec (RM m)	2021	2022	2023	2024F	2025F	FYE Dec	2021	2022	2023	2024F	2025		
Depreciation -2,635 -2,863 -2,796 -1,937 -2,095 EBITDA 1.04% 13.1% -0.6% -16.4% 3.0% -16.1% -1.05%	Revenue	11,529	12,118	12,256	10,761	11,029	Growth							
EBIT 1,751 2,097 2,135 2,184 2,155 EBIT 3.8% 19.8% 1.8% 2.3% 1.6% 1.5% 1	EBITDA	4,386	4,960	4,931	4,121	4,246	Revenue	6.4%	5.1%	1.1%	-12.2%	2.5%		
Net Interest Inc/(Exp)	Depreciation	-2,635	-2,863	-2,796	-1,937	-2,095	EBITDA	10.4%	13.1%	-0.6%	-16.4%	3.0%		
Net Interest Inc/(Exp)	EBIT	1,751	2,097	2,135	2,184	2,151	EBIT	3.8%	19.8%	1.8%	2.3%	-1.6%		
Associates 12 111 13 13 13 15 Core PATAMI -6.0% 25.2% 58.5% 1.32% 1.55 Exceptionals 1.05 -109 9.85 0 0 Profitability Taxation -369 542 77 -302 -306 EBITDA Margin 38.0% 40.9% 40.2% 38.3% 38.5% Minority Interest 17 -1 15 13 13 EBIT Margin 15.2% 17.3% 17.4% 20.3% 38.5% PATAMI 895 1,143 1,900 1,722 1,748 PBT Margin 10.8% 13.9% 14.8% 18.7% 18.5% 18.5% 19.5% PATAMI 1,001 1,252 1,985 1,722 1,748 PBT Margin 10.8% 38.2% 10.3% 16.2% 16.0% 18.5% 15.0% 18.5	Net Interest Inc/(Exp)	-411	-312	-255	-187		PBT	-2.5%	35.3%	7.2%	11.2%	1.5%		
Profit Before Tax	` '	12	11	13	13	15	Core PATAMI	-6.0%	25.2%	58.5%	-13.2%	1.5%		
Taxastion -369 -542 77 -302 -306 EBITDA Margin 38.0% 40.9% 40.2% 38.3% 38.5% Minority Interest 17 -1 15 13 13 EBIT Margin 15.2% 17.4% 20.3% 19.5% PATAMI 895 1,143 1,000 1,722 1,748 PBT Margin 15.2% 13.3% 18.5% 18.7% 18.5% 18.7% 18.5% 18.7% 18.5% 18.7% 18.5% 18.7% 18.5% 18.7% 18.5% 18.7% 18.5% 18.7% 18.5% 18.7% 18.5%	Exceptionals	-105	-109	-85	0	0								
Minority Interest 17	Profit Before Tax	1,247	1,687	1,809	2,011	2,040	Profitability							
PATAMI	Taxation	-369	-542	77	-302	-306	EBITDA Margin	38.0%	40.9%	40.2%	38.3%	38.5%		
Core PATAMI	Minority Interest	17	-1	15	13	13	EBIT Margin	15.2%	17.3%	17.4%	20.3%	19.5%		
Fifective Tax Rate 29.6% 32.2% 4.2% 15.0%	PATAMI	895	1,143	1,900	1,722	1,748	PBT Margin	10.8%	13.9%	14.8%	18.7%	18.5%		
ROA 3.9% 4.9% 8.3% 7.5% 7.4% 7.5% 7	Core PATAMI	1,001	1,252	1,985	1,722	1,748	Core Net Margin	8.7%	10.3%	16.2%	16.0%	15.8%		
FYE Dec (RM m) 2021 2022 2023 2024F 2025F ROE 13.3% 15.8% 21.7% 17.2% 16.3% 15.8% 21.7% 17.2% 16.3% 15.8% 21.7% 17.2% 16.3% 15.8% 21.7% 17.2% 16.3% 15.8% 21.7% 17.2% 16.3% 15.8% 21.7% 17.2% 16.3% 15.8% 21.7% 17.2% 16.3% 15.8% 21.7% 17.2% 16.3% 15.8% 21.7% 17.2% 16.3% 15.8% 21.7% 17.2% 16.3% 15.8% 21.7% 17.2% 16.3% 15.8% 21.7% 17.2% 16.3% 15.8% 21.7% 15.8% 17.2% 15.2%							Effective Tax Rate	29.6%	32.2%	-4.2%	15.0%	15.0%		
Fixed Assets 13,356 13,547 13,026 13,112 13,114 Intangible Assets 665 746 903 903 903 903 903 DuPont Analysis Other Fixed Assets 2,636 2,439 2,491 2,505 2,519 Net Margin 8,7% 10,3% 16,2% 16,0% 15,8% Inventiories 177 305 205 295 332 Assets Turnover (x) 0.5 0.5 0.5 0.5 0.5 0.5 Receivables 2,051 2,312 2,275 2,152 2,266 Leverage Factor (x) 3.0 2.9 2,5 2.3 2.3 Cash 2,734 2,579 2,955 3,001 3,240 Total Assets 22,831 23,131 22,936 23,048 23,515 Leverage	Balance Sheet						ROA	3.9%	4.9%	8.3%	7.5%	7.4%		
Intangible Assets	FYE Dec (RM m)	2021	2022	2023	2024F	2025F	ROE	13.3%	15.8%	21.7%	17.2%	16.3%		
Other Fixed Assets 2,636 2,439 2,491 2,505 2,519 Net Margin 8.7% 10.3% 16.2% 16.0% 15.8% Inventories 177 305 205 295 332 Assets Turnover (x) 0.5 0.6 0.6 0.0 0.2 0.2 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 <td>Fixed Assets</td> <td>13,356</td> <td>13,547</td> <td>13,026</td> <td>13,112</td> <td>13,174</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	Fixed Assets	13,356	13,547	13,026	13,112	13,174								
Inventories	Intangible Assets	665	746	903	903	903	DuPont Analysis							
Inventories	Other Fixed Assets	2,636	2,439	2,491	2,505	2,519	Net Margin	8.7%	10.3%	16.2%	16.0%	15.8%		
Receivables	Inventories	177	305	205	295		Assets Turnover (x)		0.5	0.5	0.5	0.5		
Other Current Assets	Receivables	2.051	2.312	2.275	2.152	2.266		3.0	2.9	2.5	2.3	2.5		
Cash 2,734 2,579 2,955 3,001 3,240 Total Assets 22,831 23,131 22,936 23,048 23,515	Other Current Assets	·	·	•	·			13.3%	15.8%	21.7%	17.2%	16.3%		
Total Assets	Cash	•	•	•	•	·								
Payables 3,634 3,718 3,033 2,525 2,496 Debt/Asset (x) 0.3 0.2 0.2 0.2 0.2 0.5		•		•	•		Leverage							
Payables 3,634 3,718 3,033 2,525 2,496 Debt/Equity (x) 0.8 0.7 0.5 0.5 0.0 ST Borrowings 382 310 1,226 1,175 1,123 Net Debt (RM m) 2,986 2,690 1,808 1,562 1,12 Other ST Liability 1,418 1,430 1,615 1,615 1,615 1,615 Net Debt/Equity (x) 0.4 0.3 0.2		,	,	,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	-,-		0.3	0.2	0.2	0.2	0.2		
ST Borrowings 382 310 1,226 1,175 1,123 Net Debt (RM m) 2,986 2,690 1,808 1,562 1,12 Other ST Liability 1,418 1,430 1,615 1,615 1,615 1,615 Net Debt/Equity (x) 0.4 0.3 0.2 0.2 0.2 0.2 LT Borrowings 5,338 4,960 3,537 3,388 3,240 Valuations 0.2	Payables	3,634	3,718	3,033	2,525	2,496	` '	0.8	0.7	0.5	0.5	0.4		
LT Borrowings 5,338 4,960 3,537 3,388 3,240 Other LT Liability 4,731 4,625 4,202 4,202 4,202 Valuations Net Assets 7,328 8,089 9,323 10,144 10,839 Core EPS (sen) 26.5 33.1 52.5 45.6 46. DPS (sen) 13.0 16.5 25.0 23.5 27. Shareholders' Equity 7,503 7,937 9,163 9,997 10,706 BV/share (RM) 2.0 2.1 2.4 2.6 2. Minority Interests -175 153 160 146 133 Core PER (x) 25.7 20.5 13.0 14.9 14. Total Equity 7,328 8,089 9,323 10,144 10,839 Div. Yield (%) 1.9 2.4 3.7 3.5 4. PBV (x) 3.4 3.2 2.8 2.6 2. EV/EBITDA (x) 5.4 4.7 5.3 6.7 6. PYE Dec (RM m) 2021 2022 2023 2024F 2025F Operating CF 2,976 3,266 3,686 3,344 3,760 Investing CF -2,320 -1,335 -1,644 -2,023 -2,157 Financing CF -2,946 -1,466 -1,688 -1,275 -1,364 Change In Cash -2,291 465 354 46 239	ST Borrowings	382	310	1,226	1,175			2,986	2,690	1,808	1,562	1,123		
Other LT Liability 4,731 4,625 4,202 4,202 Valuations Net Assets 7,328 8,089 9,323 10,144 10,839 Core EPS (sen) 26.5 33.1 52.5 45.6 46. Shareholders' Equity 7,503 7,937 9,163 9,997 10,706 BV/share (RM) 2.0 2.1 2.4 2.6 2. Minority Interests -175 153 160 146 133 Core PER (x) 25.7 20.5 13.0 14.9 14. Total Equity 7,328 8,089 9,323 10,144 10,839 Div. Yield (%) 1.9 2.4 3.7 3.5 4. PBV (x) 3.4 3.2 2.8 2.6 2. Cashflow Statement FYE Dec (RM m) 2021 2022 2023 2024F 2025F Operating CF 2,976 3,266 3,686 3,344 3,760 Investing CF -2,946 -1,466 -1,688 -1,275	Other ST Liability	1,418	1,430	1,615	1,615	1,615	Net Debt/Equity (x)	0.4	0.3	0.2	0.2	0.1		
Net Assets 7,328 8,089 9,323 10,144 10,839 Core EPS (sen) 26.5 33.1 52.5 45.6 46. DPS (sen) 13.0 16.5 25.0 23.5 27. Shareholders' Equity 7,503 7,937 9,163 9,997 10,706 BV/share (RM) 2.0 2.1 2.4 2.6 2.5 Minority Interests -175 153 160 146 133 Core PER (x) 25.7 20.5 13.0 14.9 14. Total Equity 7,328 8,089 9,323 10,144 10,839 Div. Yield (%) 1.9 2.4 3.7 3.5 4. PBV (x) 3.4 3.2 2.8 2.6 2. 2. EV/EBITDA (x) 5.4 4.7 5.3 6.7 6. FYE Dec (RM m) 2021 2022 2023 2024F 2025F Operating CF 2,976 3,266 3,686 3,344 3,760 Investing	LT Borrowings	5,338	4,960	3,537	3,388	3,240								
DPS (sen) 13.0 16.5 25.0 23.5 27. Shareholders' Equity 7,503 7,937 9,163 9,997 10,706 BV/share (RM) 2.0 2.1 2.4 2.6 2. Minority Interests -175 153 160 146 133 Core PER (x) 25.7 20.5 13.0 14.9 14. Total Equity 7,328 8,089 9,323 10,144 10,839 Div. Yield (%) 1.9 2.4 3.7 3.5 4. PBV (x) 3.4 3.2 2.8 2.6 2. EV/EBITDA (x) 5.4 4.7 5.3 6.7 6. Cashflow Statement FYE Dec (RM m) 2021 2022 2023 2024F 2025F Operating CF 2,976 3,266 3,686 3,344 3,760 Investing CF -2,320 -1,335 -1,644 -2,023 -2,157 Financing CF -2,946 -1,466 -1,688 -1,275 -1,364 Change In Cash -2,291 465 354 46 239	Other LT Liability	4,731	4,625	4,202	4,202	4,202	Valuations							
Shareholders' Equity 7,503 7,937 9,163 9,997 10,706 BV/share (RM) 2.0 2.1 2.4 2.6 2. Minority Interests -175 153 160 146 133 Core PER (x) 25.7 20.5 13.0 14.9 14. Total Equity 7,328 8,089 9,323 10,144 10,839 Div. Yield (%) 1.9 2.4 3.7 3.5 4. PBV (x) 3.4 3.2 2.8 2.6 2. EV/EBITDA (x) 5.4 4.7 5.3 6.7 6. EV/EBITDA (x) 5.4 4.7 5.3 6.7 6. Investing CF 2,976 3,266 3,686 3,344 3,760 Investing CF -2,320 -1,335 -1,644 -2,023 -2,157 Financing CF -2,946 -1,466 -1,688 -1,275 -1,364 Change In Cash -2,291 465 354 46 239	Net Assets	7,328	8,089	9,323	10,144	10,839	Core EPS (sen)	26.5	33.1	52.5	45.6	46.2		
Minority Interests -175 153 160 146 133 Core PER (x) 25.7 20.5 13.0 14.9 14.7 Total Equity 7,328 8,089 9,323 10,144 10,839 Div. Yield (%) 1.9 2.4 3.7 3.5 4.9 PBV (x) 3.4 3.2 2.8 2.6 2.5 EV/EBITDA (x) 5.4 4.7 5.3 6.7 6.5 PYE Dec (RM m) 2021 2022 2023 2024F 2025F Operating CF 2,976 3,266 3,686 3,344 3,760 Investing CF -2,320 -1,335 -1,644 -2,023 -2,157 Financing CF -2,946 -1,466 -1,688 -1,275 -1,364 Change In Cash -2,291 465 354 46 239							DPS (sen)	13.0	16.5	25.0	23.5	27.5		
Total Equity 7,328 8,089 9,323 10,144 10,839 Div. Yield (%) 1.9 2.4 3.7 3.5 4. PBV (x) 3.4 3.2 2.8 2.6 2. EV/EBITDA (x) 5.4 4.7 5.3 6.7 6. EV/EBITDA	Shareholders' Equity	7,503	7,937	9,163	9,997	10,706	BV/share (RM)	2.0	2.1	2.4	2.6	2.8		
PBV (x) 3.4 3.2 2.8 2.6 2. Cashflow Statement FYE Dec (RM m) 2021 2022 2023 2024F 2025F Operating CF 2,976 3,266 3,686 3,344 3,760 Investing CF -2,320 -1,335 -1,644 -2,023 -2,157 Financing CF -2,946 -1,466 -1,688 -1,275 -1,364 Change In Cash -2,291 465 354 46 239	Minority Interests	-175	153	160	146	133	Core PER (x)	25.7	20.5	13.0	14.9	14.7		
Cashflow Statement EV/EBITDA (x) 5.4 4.7 5.3 6.7 6.8 FYE Dec (RM m) 2021 2022 2023 2024F 2025F Operating CF 2,976 3,266 3,686 3,344 3,760 Investing CF -2,320 -1,335 -1,644 -2,023 -2,157 Financing CF -2,946 -1,466 -1,688 -1,275 -1,364 Change In Cash -2,291 465 354 46 239	Total Equity	7,328	8,089	9,323	10,144	10,839	Div. Yield (%)	1.9	2.4	3.7	3.5	4.0		
FYE Dec (RM m) 2021 2022 2023 2024F 2025F Operating CF 2,976 3,266 3,686 3,344 3,760 Investing CF -2,320 -1,335 -1,644 -2,023 -2,157 Financing CF -2,946 -1,466 -1,688 -1,275 -1,364 Change In Cash -2,291 465 354 46 239							PBV (x)	3.4	3.2	2.8	2.6	2.4		
Operating CF 2,976 3,266 3,686 3,344 3,760 Investing CF -2,320 -1,335 -1,644 -2,023 -2,157 Financing CF -2,946 -1,466 -1,688 -1,275 -1,364 Change In Cash -2,291 465 354 46 239	Cashflow Statement						EV/EBITDA (x)	5.4	4.7	5.3	6.7	6.4		
Investing CF -2,320 -1,335 -1,644 -2,023 -2,157 Financing CF -2,946 -1,466 -1,688 -1,275 -1,364 Change In Cash -2,291 465 354 46 239	FYE Dec (RM m)	2021	2022	2023	2024F	2025F								
Financing CF -2,946 -1,466 -1,688 -1,275 -1,364 Change In Cash -2,291 465 354 46 239	Operating CF	2,976	3,266	3,686	3,344	3,760								
Financing CF -2,946 -1,466 -1,688 -1,275 -1,364 Change In Cash -2,291 465 354 46 239	Investing CF	-2,320	-1,335	-1,644	-2,023	-2,157								
Change In Cash -2,291 465 354 46 239	Financing CF		-1,466	-1,688	-1,275	-1,364								
	<u> </u>		465	354	46									
	Free CF		602	1,493	1,321	1,603								

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		Last	Target		Market Cap	Shariah	Current	Core EF	Core EPS (sen) Core EPS Growth) - Core ings	PBV (x)	ROE	Net. Div. (sen)	Net Div
Name	Rating	Price (RM)	Price (RM)	Upside	(RMm)			1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.
<u>Telecommunication</u>																	
AXIATA GROUP BHD	OP	2.75	3.00	9.1%	25,250.3	Υ	12/2024	7.1	7.2	19.6%	1.7%	38.9	38.3	1.4	3.0%	10.0	3.6%
CELCOMDIGI BHD	OP	3.72	5.97	60.5%	43,641.2	Υ	12/2024	17.2	18.8	6.4%	9.0%	21.6	19.8	2.6	11.4%	14.0	3.8%
MAXIS BHD	OP	3.64	5.30	45.6%	28,508.8	Υ	12/2024	16.7	17.9	6.2%	7.2%	21.8	20.4	5.0	22.7%	20.0	5.5%
OCK GROUP BHD	OP	0.595	0.860	44.5%	634.8	Υ	12/2024	4.8	5.2	21.4%	8.1%	12.3	11.4	0.9	7.7%	1.5	2.5%
TELEKOM MALAYSIA BHD	OP	6.81	7.22	6.0%	26,134.8	Υ	12/2024	45.6	46.2	-13.2%	1.5%	14.9	14.7	2.6	18.0%	23.5	3.5%
SECTOR AGGREGATE					124,169.8					0.9%	5.5%	21.6	20.5	2.5	12.6%		3.8%

Stock ESG Ratings:

	Criterion		ا	Rating	3	
	Earnings Sustainability & Quality	*	*	*	*	
AL	Community Investment	*	*	*		
GENERAL	Workers Safety & Wellbeing	*	*	*		
Z	Corporate Governance	*	*	*		
Q	Anti-Corruption Policy	*	*	*		
	Emissions Management	*	*	*		
	Cybersecurity & Data Privacy	*	*	*		
<u>ပ</u>	Network Quality & Coverage	*	*	*	*	
SPECIFIC	Digitalisation & Innovation	*	*	*		
й	Supply Chain Management	*	*	*		
S	Talent Management	*	*	*		
	Customer Satisfaction	*	*	*		
	OVERALL	*	*	*		

denotes half-star

+ 10% discount to TP

+ + 5% discount to TP

TP unchanged

+ 5% premium to TP

+ 10% premium to TP

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***

return for stocks under our coverage.

UNDERWEIGHT

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

***Sector recommendations are defined based on market capitalisation weighted average expected total

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