APEX SECURITIES BERHAD

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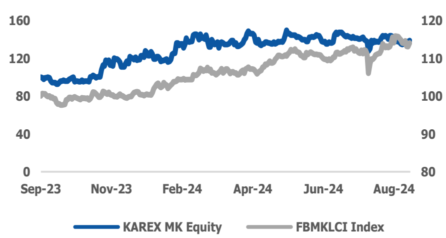
Recommendation:	**BUY**
Current Price:	**RM 0.83**
Previous Target Price:	**N/A**
Target Price:	**RM 1.10**
Upside/Downside:	**32.5%**

Stock information	
Board	MAIN
Sector	Consumer
Bursa / Bloomberg Code	5247 / KAREX MK
Syariah Compliant	Yes
FTSE4Good Index	Yes
FTSE ESG Rating	★★★★
Bloomberg ESG Rating	N/A
Shares issued (m)	1,053.5
Market Cap (RM' m)	874.4
52-Week Price Range (RM)	0.905-0.555
Beta (x)	1.2
Free float (%)	25.3
3M Average Volume (m)	0.8
3M Average Value (RM' m)	0.7

Top 3 Shareholders	**(%)**
Karex One Ltd	17.5
Bnp Paribas	16.9
Maryen Holdings Limited	11.5

Share Price Performance



	1M	**3M**	**12M**
Absolute (%)	-1.8	2.5	38.3
Relative (%)	-3.1	-2.0	20.6

Karex Berhad

A Pleasure and Safety Investment

Summary

- **One of the world's largest condom manufacturer, commanding c.20% global market share in 2023 with production capability of c.5.5bn pieces that is supported by strong in-house Research and Development (R&D) capabilities tailored to various demand and specifications.**
- **Revenue is forecasted to expand 1.1% yoy and 9.5% yoy to RM513.5m and RM562.2m in FY25F and FY26F respectively, driven by (i) strategic growth initiatives through focusing onto high-margin products within commercial and Original Brand Manufacturing (OBM) divisions, (ii) rising global population, (iii) increasing healthcare awareness and (iv) venture into new synthetic condom market which is expected to be more cost competitive thereby could bolster margins.**
- **Karex is derived based on FY26F core EPS of 4.2 sen pegged to PE of 26.0x, leading to a FV of RM1.10 (+32.5% potential upside from current price)**

Company Background

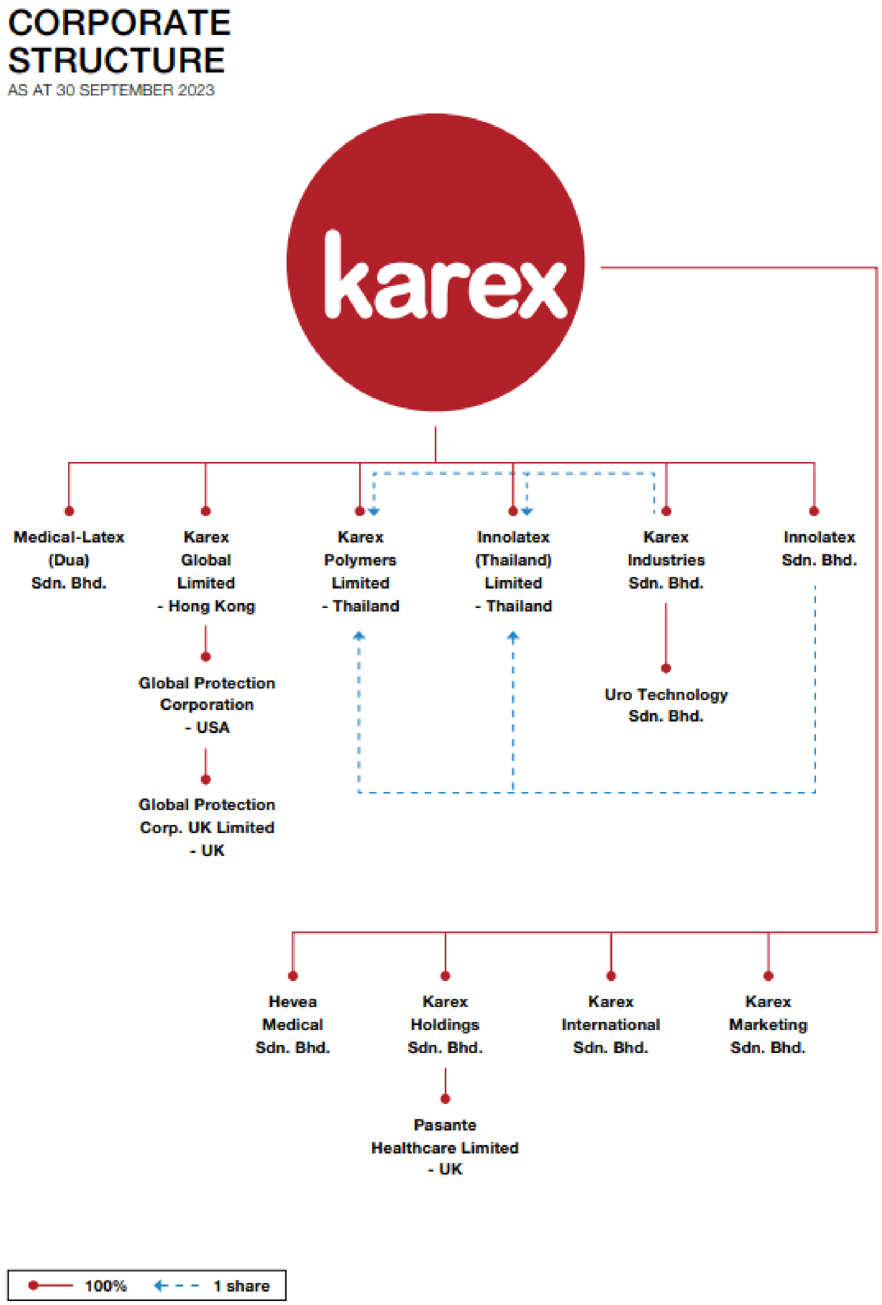
- Karex Berhad (Karex) is the world's largest condom maker. Founded as a small family business in Johor, Malaysia in 1988, Karex overcame numerous challenges including stringent market regulations, stiff competition from established multinational companies, and financial constraints during the Asian Financial Crisis.

- Through strategic planning and expansion, Karex has evolved into one of the world's largest condom and lubricant manufacturer, with facilities in the United States, United Kingdom, Malaysia, and Thailand. Listed on Bursa Malaysia in 2013, Karex now serves clients in over 130 countries, including governments, NGOs, and retailers. Karex continues to grow through international acquisitions and aims to maintain its leading position in the global sexual health industry.

- In 2016, the Group has achieved c.5bn annual manufacturing capacity and Karex Holdings Sdn Bhd (KHSB), a wholly-owned subsidiary of Karex Bhd acquired Pasante, a major independent condom manufacturer in the UK, for £6.0m (RM35.8m). The acquisition boosted Karex's portfolio, which includes brands like Carex, INNO, ONE®, ESP, and the newly acquired TheyFit®.

- Today, Karex is known as an OEM manufacturer of not just condoms and personal lubricants, but also of Foley balloon catheters (a type of urinary catheter), probe covers (for ultrasounds), and customised nitrile gloves.

Corporate Structure



Source: Karex

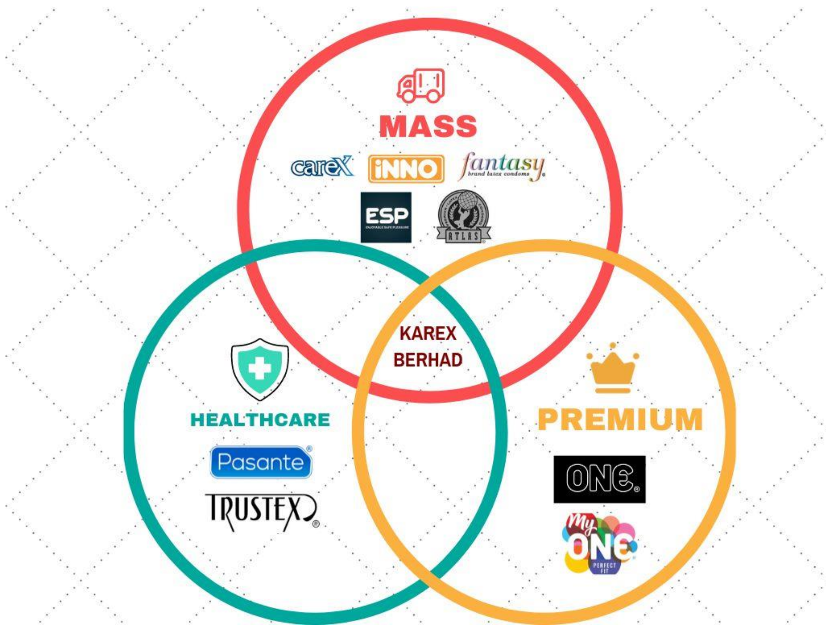
Business Overview

- Karex's primary business focuses on sexual wellness products and related ventures. The Group operates through three product divisions: (i) Sexual Wellness, (ii) Medical Products, and (iii) Others. The Sexual Wellness division is the largest contributor, representing 91% of overall sales from FY19 to present. Following this, the Medical division accounts for 7% of total revenue during the same period, while the remaining 2% are from the others. Going forward, certain glove production lines may be shifted to synthetic condoms, as the demand for gloves is expected to undergo an extended normalisation period.

- The commercial segment for condoms and lubricants remains the main sales channel, with the Group recognised globally for its competitive quality, cost, features, and design. Karex is well-regarded for its proven manufacturing track record, which enhances its appeal to sexual health brands. This segment is projected to grow further as ongoing research and development projects lead to more product differentiation.

- In the Own Branded Manufacturing (OBM) segment, Karex successfully employed a multi-brand strategy. The ONE® Condoms brand expanded into several Asia markets, and healthcare brands like Pasante and Trustex also saw strong sales volume. Future growth is expected to be driven by the increasing use of e-commerce platforms.

<u>Sexual Wellness, Condom</u>



Source: Karex, Apex Securities

Source: Karex, One

Source: Karex, Pasente

- Condoms are generally divided into two main categories: (i) natural condoms and (ii) synthetic condoms.

- Natural condoms are manufactured from non-synthetic materials, including latex or lambskin. Latex, which comes from natural rubber, is the most commonly used material. It is effective, durable, and relatively inexpensive, able to stretch up to 800% before tearing. However, latex condoms can be damaged by oil-based lubricants and may cause allergic reactions in certain population. Lambskin condoms, made from lamb intestines, effectively prevent pregnancy but do not offer protection against sexually transmitted infections (STIs) because they are porous.

- Synthetic condoms, in contrast, are made from man-made materials such as polyurethane (PU), polyisoprene (PI), and nitrile. Polyurethane is a non-allergenic plastic that is compatible with all types of lubricants and is thinner than latex, providing better heat transfer. However, it is less stretchy, which can lead to a higher risk of breakage or slippage. Polyisoprene is a suitable option for those with latex allergies; it is made from synthetic rubber and offers a similar fit and stretch to latex without the allergens. While polyisoprene condoms are thicker than polyurethane ones, they are often preferred for their softer feel, less rubbery texture, and lower cost compared to polyurethane condoms.

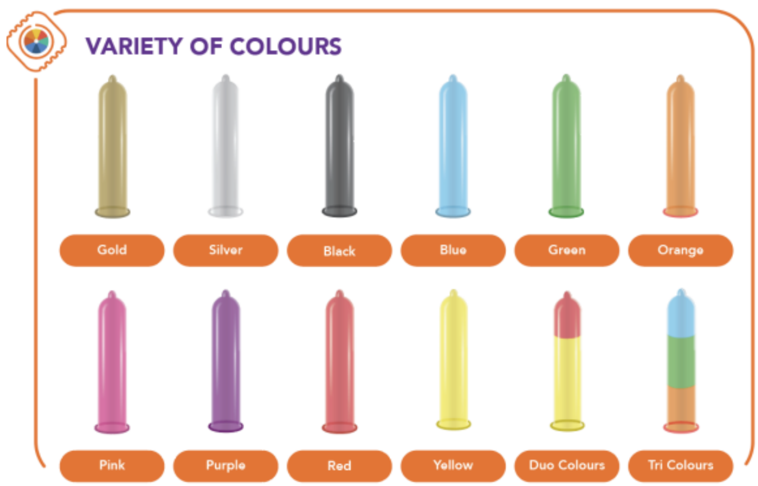
- Karex produces latex condoms from premium natural rubber latex. Each condom undergoes electronic testing to ensure maximum protection and safety, surpassing stringent international standards such as ISO 4074 and WHO specifications. The Group's R&D team, comprise industry experts, designs each condom variant to maximise user pleasure. Karex offers a wide range of condom types and is able to customise products to meet specific customer requirements.

- The Group runs three factories in Malaysia and one in Hat Yai, Thailand, producing condoms for its own brands and over 200 OEM clients, including Durex and Lifestyles. Its portfolio features 13 brands such as "Carex," "ONE," "Trustex," and "Pasante." Karex customises its brands for different markets: ONE for premium, Pasante for the UK, and Carex for affordable options in the Middle East. In the U.S., popular condom brands include Trojan, ONE, Durex, and SKYN.

Variety of sizes

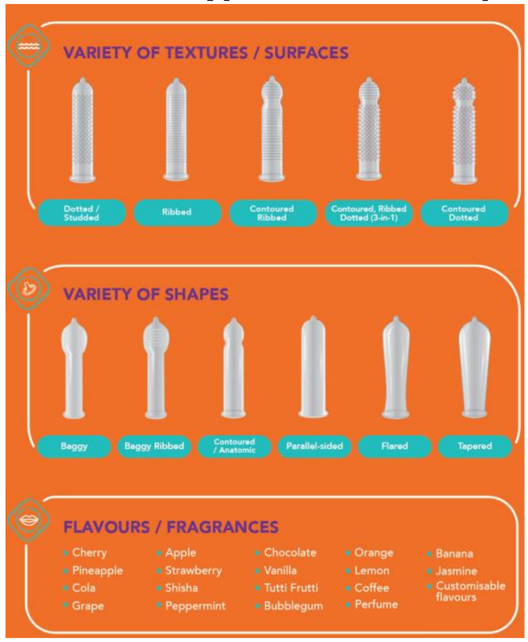
Source: Karex

Range of condom colours



Source: Karex

Various types and specifications of condoms



Source: Karex

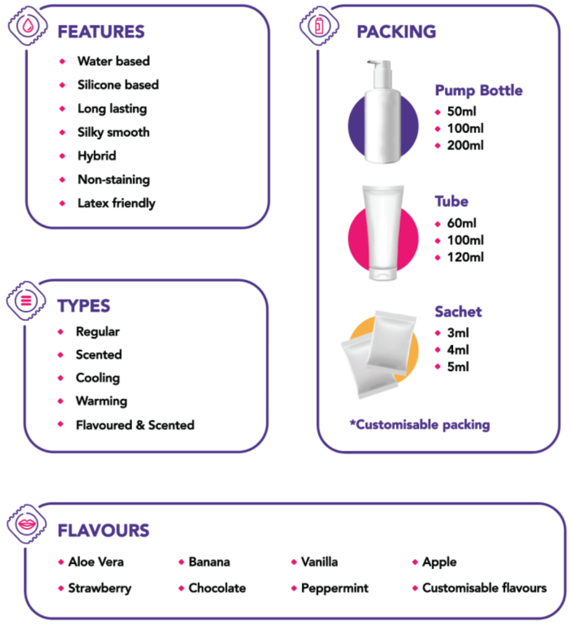
Personal Lubricants

Different types of Personal Lubricants for Carex's brand

Source: Karex

Different types of Personal Lubricants for One's brand

Oasis Silk® Hybrid Personal Lubricant | Move® Silicone Personal Lubricant 3.38oz | Oasis® Personal Water-Based Lubricant 3.38oz



Source: Karex

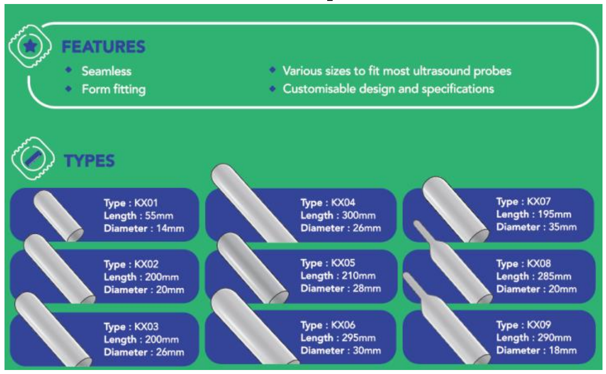
- There are three common personal lubricants sold in the market: (i) water-based, (ii) silicone-based, and (iii) oil-based. Water-based lubricants are popular for their versatility and compatibility with condoms but may require frequent reapplication as they dry out quickly. Silicone-based lubricants last longer, remain slick, and are non-irritating, reducing the need for reapplication. Oil-based lubricants are less preferred because they can weaken latex condoms, cause irritation, and may lead to infections by trapping bacteria.

- Karex has performed strongly in the personal lubricant market, especially in the US market, where it offers water-based and silicone-based products. Personal lubricants contributed around c.11% to Karex's FY23 revenue, with growth driven by new FDA regulations classifying them as medical devices. Karex is leveraging its strong market presence and aiming to boost its lubricant segment to match the revenue of its condom business in the future.

- Additionally, Karex produces other items such as probe covers and Foley balloon catheters, which fall under the medical segment, as well as gloves. The probe covers are crafted from premium materials to provide a soft touch and ease of use, designed to offer optimal flexibility and safety during intracavity ultrasound exams. The Foley balloon catheters, made from medical-grade latex, are intended for transurethral bladder drainage and are frequently used for patients undergoing anesthesia or sedation for surgery or other medical treatments.

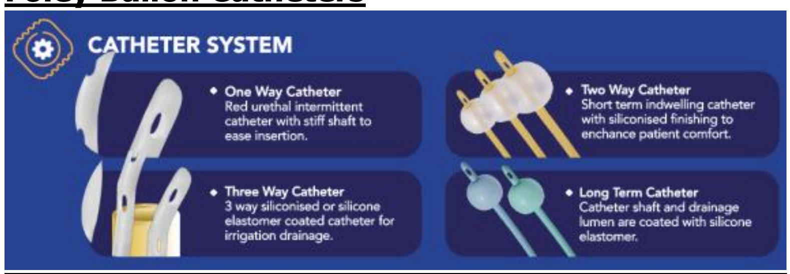
- However, this segment contributes only a small portion of the group's total revenue, accounting for about c.6-7% from FY19 to current. We foresee this segment will maintain its current level and will not expand significantly in the near future as growth is expected to focus onto the bread-and-butter business. Additionally, many Indian and Chinese purchasers of catheters and probe covers are returning to domestic manufacturers to shield themselves from volatile freight rates and exchange rates, as local products appear to be more price competitive

Differences in probe covers offered by Karex



Source: Karex

Foley Ballon Catheters



Source: Karex

Karex's production facilities and sales & distribution offices

Source: Karex, Apex Securities

- Karex operates a total of four factories, with current manufacturing facilities capable of producing 5.5bn pieces annually. Their largest plant is located in Hat Yai, Thailand, which has a production capacity of 2.5bn pieces/year. Key reasons for establishment of their largest plant in Thailand include: (i) a five-year tax exemption from Thailand's Board of Investment for new capital projects, with an additional three years of a 50% reduced tax rate, (ii) lower labour costs compared to Malaysia (minimum wage of RM1,200/month vs RM1,500/month), (iii) a lease of 7 ac industrial land from the government at a reasonable price, eliminating the need for land purchase, and (iv) Hat Yai's strategic location near Port Songkhla in Thailand and Kuala Kedah Port in Malaysia.

- Notably, most of the plant lines in Hat Yai are currently benefiting from a c.50% reduced tax rate, while certain lines, such as the new synthetic condom line and some recently added lines, are enjoying a five-year tax exemption.

Industry Overview

- Global AIDS pandemic, once marked by over 2.5m new HIV cases and more than 2.0m deaths annually, has seen significant progress thanks to effective treatments and increased access to contraception. According to UNAIDS, new infections dropped to 1.3m in 2022, the lowest in decades, with a notable decrease among young people due to targeted interventions. However, funding for HIV prevention has decreased to 2013 levels, highlighting a need for increased and more efficient funding.

- Condoms remain crucial for preventing HIV, other sexually transmitted infections, and unintended pregnancies. Despite their importance and low cost, recent reductions in condom program funding and sexual health education have led to concerns about future generations' knowledge and access. UNAIDS' 2020 review affirmed that condom promotion remains effective in shaping positive attitudes and norms. To address declining condom use, there is a need to revitalise sexual health education.

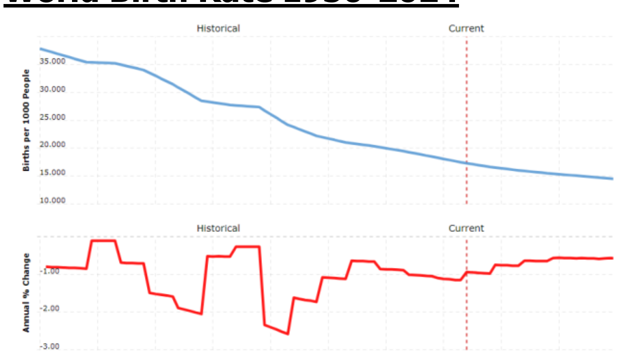
Summary of the global HIV epidemic, 2023

	People living with HIV	People acquiring HIV	People dying from HIV-related causes
Total	39.9 million [36.1–44.6 million]	1.3 million [1.0–1.7 million]	630 000 [500 000–820 000]
Adults (15+ years)	38.6 million [34.9–43.1 million]	1.2 million [950 000–1.5 million]	560 000 [430 000–730 000]
Women (15+ years)	20.5 million [18.5–22.9 million]	520 000 [400 000–690 000]	240 000 [180 000–320 000]
Men (15+ years)	18.1 million [16.2–20.3 million]	660 000 [540 000–840 000]	320 000 [250 000–420 000]
Children (<15 years)	1.4 million [1.1–1.7 million]	120 000 [83 000–170 000]	76 000 [53 000–110 000]

Source: World Health Organization, Apex Securities

- According to World Health Organization (WHO), at end of-2023, approximately 39.9m people globally were living with HIV, comprising 1.4m children and 38.6m adults. New HIV infections totaled 1.3m for the year, showing a c.39% reduction since 2010. The incidence rate dropped from 0.32 to 0.17 per 1,000 uninfected people. Despite a significant decrease in HIV-related deaths of 630,000 in 2023—down 51% from 2010—HIV remains a major health issue with 42.3m deaths since the epidemic began.

World Birth Rate 1950-2024



Source: Macrotrends, Apex Securities

- The global condom market, valued at USD 5.30bn in 2023 is projected to grow to at a six-year CAGR of 7.8% to USD13.35bn from 2024 to 2030. Projected growth is expected to be fueled by rising awareness of condoms for controlling birth rates and preventing STIs, along with increased government initiatives and sex education promoting condom usage. Free distribution of condoms and new product innovations, such as flavored or varied types, are also contributing to market expansion. Overall, these factors are expected to significantly boost the condom market during the forecast period.

- Global condom market is also closely tied to the rising birth rate. In 2023, an estimated 140m children were born, with over half of these births occurring in just ten countries, including India, China, and Nigeria. With global population expected to reach 9.7bn by 2050, governments are actively promoting contraceptive use to manage birth rates and population growth. This heightened focus on contraception to control birth rates contributes to increased demand for condoms.

- As of September 8, 2024, the global population stands at 8.17bn, according to recent market statistics from United Nations. Birth rate for the world in 2024 is 17.29 births per 1,000 population, which represents a decline of approximately -0.94% from 2023, when it was 17.46 births per 1,000 population. The decline is primarily attributed to the significant decrease in the global total fertility rate, which has fallen from 5.3 in 1963 to 2.3 in 2024. Despite that, outlook for the condom industry remains positive.

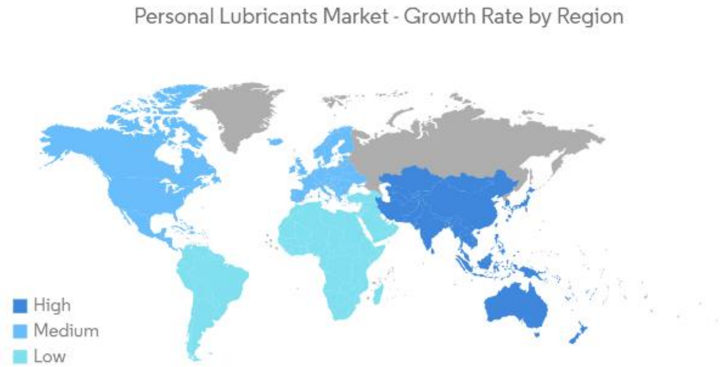
Summary of Condom Market

Source: Delveinsight, Apex Securities

- Nevertheless, personal lubricants market, valued at USD1.31bn in 2024, is projected to grow at a five-year CAGR of 6.8% to USD1.82bn by 2029. While the market was impacted by COVID-19 pandemic, which disrupted manufacturing and reduced demand, post-pandemic recovery, increased awareness of sexual health, and rising geriatric populations are expected to drive market growth in coming years. The prevalence of vaginal dryness and erectile dysfunction, particularly among the aging population, further supports the demand for personal lubricants.

- Water-based lubricants are anticipated to hold the largest market share due to their compatibility with condoms and lower cost. North America is expected to lead the market, driven by high rates of erectile dysfunction, increased awareness, and product innovations. Despite challenges such as lack of awareness in elderly patients and high product costs in emerging economies, the market is projected to expand significantly.

Personal Lubricants Market – Growth Rate by Region



Source: Mordor Intelligence, Apex Securities

Investment Highlights

- **Obtained FDA and CE approval to market its new synthetic condoms.** Karex has successfully obtained FDA approval on August 24, 2024 and CE certification in Europe in early July for its new synthetic condom. These approvals enable Karex to enter new markets and establish new distribution channels for their synthetic products, and simplify the regulatory process in other regions. With the product meeting both FDA and CE standards, this achievement is expected to accelerate approval and acceptance in additional international markets, thereby enhancing Karex's global presence, reach and market opportunities. Additionally, Karex is in the process of launching the Original Design Manufacturer (ODM) synthetic condom after obtaining these certifications.

- **Rising health awareness.** According to the World Health Organisation, mpox spreads through close contact with an infected person, including skin-to-skin and mouth-to-mouth or mouth-to-skin contact (such as kissing). It is more common among those with multiple sexual partners. To prevent its spread, individuals should use condoms during sex and avoid new partners. Consistent condom use is a highly effective method for prevention of sexually transmitted infections, including HIV and STDs, as well as unplanned pregnancies. Condoms are affordable, safe, and widely available, and remain essential for preventing viruses like STD, HIV, and mpox.

- **Solid earnings growth prospect.** Despite intense competition and pandemic challenges, Karex has shifted focus onto high-margin products within its commercial and Original Brand Manufacturing (OBM) divisions, boosting profitability with gross profit margins of 20%-25% in FY23 and to over 50% over longer term, compared to 7%-10% in the tender market. In FY24, Karex saw increased gross and operating profit margins despite a slight revenue decline. Karex has also partnered with a major OEM client to launch synthetic condoms in Europe in November 2024, followed by North America. Additionally, global regulatory changes concerning personal lubricants, which address safety concerns, well positioned Karex in the market.

- **Favourable synthetic condom industry outlook.** Synthetic condoms, such as polyurethane (PU) and polyisoprene (PI) varieties, are emerging as a significant innovation in the condom market, replacing the over-century-old rubber technology. These condoms, priced between 3x to 4x compared to natural rubber condoms at

USD0.12-0.20/pcs, offer advanced features and are set to be introduced by Karex under a new OEM segment. Karex's upcoming synthetic condoms will use a proprietary material is expected to be cost-competitive with natural latex, potentially offering a more affordable alternative in the future. Despite the higher initial costs and regulatory hurdles associated with synthetic condoms, they are projected to as a major growth area for Karex, with anticipated benefits including higher margins and increased market presence. The new product's launch, potentially under a prominent brand, aims to enhance credibility and market acceptance.

- **Home-built machinery to cater for various design requirements.** As the largest condom producer globally, with an annual output of 5.5bn pieces, Karex holds approximately c.20% of the global market share. Karex's strong in-house Research and Development (R&D) capabilities encompassing product development, machine re-engineering, packaging innovation, and cost efficiencies from large-scale production will drive ongoing innovation and operational efficiency. Consequently, Karex can adapt its designs or scale up machinery in its plant to accommodate different specifications or increased demand.

Financial Highlights

- Karex has recorded a five-year CAGR of 6.1% in revenue and 81.4% in core net profit from FY19 to FY24. After two consecutive years of losses (FY21-FY22) that was impacted by the Covid-19 pandemic, Karex has returned to profitability in FY23 with RM9.8m in core net profit. Despite registering core net profit of RM32.5m (+230.4% yoy), revenue fell 4.6% yoy to RM507.8m in FY24. Global markets are moving away from traditional government and NGO condom procurement, focusing instead on urgent issues like conflicts and diseases such as mpox. Nevertheless, condom use remains essential due to the lack of natural substitutes.

- Moving forward, we anticipate revenue to hit RM513.5m (+1.1% yoy) for FY25F and RM562.2m (+9.5% yoy) for FY26F, driven by growth in the personal lubricant’s sales and Karex's new venture to new synthetic condom market which is expected to contribute c.1% to total revenue in FY25F and FY26F. Meanwhile, our core net profit forecasts for FY25F and FY26F stand at RM37.3m (+14.9% yoy) and RM44.3m (+18.7% yoy), respectively, on the back of margin expansion from offering higher margin products such as synthetic condoms as well as better product mix. Notably, we expect higher proportion of sales from personal lubricants as well as latex condoms in the commercial segment and OBM segment (compared with via tender segment), which typically command better gross margins and hence better product mix moving forward.

FYE Jun (RM m)	FY22	FY23	FY24	FY25F	FY26F
Revenue	421.6	532.1	507.8	513.5	562.2
EBITDA	20.6	49.2	64.5	85.7	96.0
Pre-tax Profit	-6.5	15.1	31.0	47.9	56.8
Profit After Tax	-6.2	10.5	23.4	37.3	44.3
Net Profit	-6.2	10.5	23.4	37.3	44.3
Core Net Profit	-4.1	9.8	32.5	37.3	44.3
Core EPS (sen)	-0.4	0.9	3.1	3.5	4.2
Core P/E (x)	N/A	87.8	26.6	23.1	19.5
Dividend Yield (%)	0.0%	0.6%	1.9%	1.7%	2.1%
ROE(%)	-0.9%	2.1%	6.8%	7.6%	8.5%
Gearing (%)	17.9%	21.5%	14.4%	20.0%	17.2%

Source: Karex, Apex Securities

Valuation & Recommendation

- We initiate coverage on Karex with a **BUY** recommendation with a target price of RM1.10, based on 26.0x PE multiple pegged to FY26F EPS of 4.2 sen. The assigned PE multiple represents a 25% premium over the two-year average forward PE of Karex, which we believe is justified due to the promising industry and Group's growth prospects as well as Karex's dominant position in the sexual wellness industry, holding c.20.0% market share in the global condom industry.

- We are optimistic on Karex's earnings growth prospects, given the prudent management practices evident in its financial performance that is able to navigate through various challenges and market fluctuations, eventually emerging as the world's largest condom maker. Karex has managed to deliver solid results, indicating a strong foundation and effective management strategies. Moreover, Karex is actively exploring new technology and initiating innovation of its own brand condom, further bolstering our confidence in its growth potential.

- Risk to our call include: Decline in global government spending on birth control, (ii) slow uptake of new synthetic rubber condoms, (iii) less favorable product mix, and (iv) challenges in raising prices to maintain profit margins.

Financial Highlights

Income Statement

FYE Jun (RM m)	FY22	FY23	FY24	FY25F	FY26F
Revenue	**421.6**	**532.1**	**507.8**	**513.5**	**562.2**
Gross Profit	**92.6**	**135.9**	**171.3**	**174.6**	**194.0**
EBITDA	**20.6**	**49.2**	**64.5**	**85.7**	**96.0**
Depreciation & Amortisation	-23.4	-26.8	-25.0	-29.2	-31.3
EBIT	**-2.9**	**22.4**	**39.5**	**56.5**	**64.7**
Net Finance Income/ (Cost)	-3.6	-7.3	-8.5	-8.6	-7.8
Associates & JV	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	**-6.5**	**15.1**	**31.0**	**47.9**	**56.8**
Tax	0.3	-4.7	-7.6	-10.5	-12.5
Profit After Tax	**-6.2**	**10.5**	**23.4**	**37.3**	**44.3**
Minority Interest	0.0	0.0	0.0	0.0	0.0
Net Profit	**-6.2**	**10.5**	**23.4**	**37.3**	**44.3**
Exceptionals	-2.0	0.6	-9.1	0.0	0.0
Core Net Profit	**-4.1**	**9.8**	**32.5**	**37.3**	**44.3**

Key Ratios

FYE Jun	FY22	FY23	FY24	FY25F	FY26F
P/E (x)	N/A	87.8	26.6	23.1	19.5
EBITDA margin (%)	4.9%	9.3%	12.7%	16.7%	17.1%
EBIT margin (%)	-0.7%	4.2%	7.8%	11.0%	11.5%
PBT margin (%)	-1.5%	2.8%	6.1%	9.3%	10.1%
PAT margin (%)	-1.5%	2.0%	4.6%	7.3%	7.9%
NP margin (%)	-1.5%	2.0%	4.6%	7.3%	7.9%
Core NP margin (%)	-1.5%	2.0%	4.6%	7.3%	7.9%
ROE (%)	-0.9%	2.1%	6.8%	7.6%	8.5%
ROA (%)	-0.6%	1.4%	4.6%	5.2%	6.0%
Net gearing (%)	17.9%	21.8%	20.5%	12.6%	10.0%

Key Assumptions

FYE Jun	FY22	FY23	FY24	FY25F	FY26F
Production (lines)	60.0	60.0	60.0	67.0	73.0
Utilisation rate (%)	80.0%	90.0%	90.0%	90.0%	91.0%
Production (m pcs)	5500.0	5500.0	5500.0	5500.0	5775.0
Blended ASP (RM/pcs)	0.08	0.09	0.08	0.07	0.08

Valuations	FY26F
Core EPS (RM)	0.042
P/E multiple (x)	26.0
Fair Value (RM)	**1.10**

Source: Company, Apex Securities

Balance Sheet

FYE Jun (RM m)	FY22	FY23	FY24	FY25F	FY26F
Cash	21.9	31.8	39.0	66.7	69.8
Receivables	118.2	128.1	124.0	129.3	141.8
Inventories	152.4	157.7	154.0	143.1	159.6
Other current assets	3.8	2.7	2.7	2.6	2.8
Total Current Assets	**296.3**	**320.3**	**319.7**	**341.7**	**374.0**
Fixed Assets	267.3	271.0	258.7	255.1	252.3
Intangibles	97.2	98.8	100.2	100.2	100.2
Other non-current assets	29.9	31.6	27.2	24.8	21.5
Total Non-current assets	**394.4**	**401.4**	**386.2**	**380.0**	**374.0**
Short-term Debt	50.9	82.4	80.2	78.2	73.8
Payables	94.6	71.7	67.2	67.8	73.7
Other Current Liabilities	15.4	17.7	12.9	13.6	14.7
Total Current Liabilities	**161.0**	**171.8**	**160.3**	**159.5**	**162.2**
Long-term Debt	52.9	53.3	57.8	52.1	49.2
Other non-current liabilities	18.9	20.0	4.8	4.8	4.8
Total Non-current Liabiliti	**71.9**	**73.3**	**62.6**	**56.9**	**53.9**
Shareholder's equity	457.8	476.6	482.9	505.3	531.9
Minority interest	0.0	0.0	0.0	0.0	0.0
Equity	**457.8**	**476.6**	**482.9**	**505.3**	**531.9**

Cash Flow

FYE Jun (RM m)	FY22	FY23	FY24	FY25F	FY26F
Pre-tax profit	**-6.5**	**15.1**	**31.0**	**47.9**	**56.8**
Depreciation & amortisation	23.4	26.8	25.0	29.2	31.3
Changes in working capital	-23.2	-46.9	4.3	6.9	-22.2
Others	6.8	11.9	11.2	-1.9	-4.7
Operating cash flow	**0.6**	**7.0**	**71.6**	**82.1**	**61.3**
Net capex	-35.6	-18.7	-23.9	-23.1	-25.3
Others	0.8	0.8	1.4	0.4	0.4
Investing cash flow	**-34.8**	**-17.9**	**-22.6**	**-22.8**	**-24.9**
Dividends paid	0.0	0.0	-15.8	-14.9	-17.7
Others	1.7	17.6	-21.9	-16.7	-15.5
Financing cash flow	**1.7**	**17.6**	**-37.7**	**-31.6**	**-33.2**
Net cash flow	**-32.5**	**6.7**	**11.4**	**27.7**	**3.1**
Forex	0.1	0.5	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash	52.7	20.4	27.6	39.0	66.7
Ending cash	**20.4**	**27.6**	**39.0**	**66.7**	**69.8**

APEX SECURITIES BERHAD – CONTACT LIST

APEX SECURITIES BHD

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RESEARCH RECOMMENDATION FRAMEWORK

STOCK RECOMMENDATIONS
BUY: Total returns* are expected to exceed 10% within the next 12 months.
HOLD: Total returns* are expected to be within +10% to – 10% within the next 12 months.
SELL: Total returns* are expected to be below -10% within the next 12 months.
TRADING BUY: Total returns* are expected to exceed 10% within the next 3 months.
TRADING SELL: Total returns* are expected to be below -10% within the next 3 months.
*Capital gain + dividend yield

SECTOR RECOMMENDATIONS
OVERWEIGHT: The industry defined by the analyst is expected to exceed 10% within the next 12 months.
NEUTRAL: The industry defined by the analyst is expected to be within +10% to – 10% within the next 12 months.
UNDERWEIGHT: The industry defined by the analyst, is expected to be below -10% within the next 12 months.

DISCLAIMER