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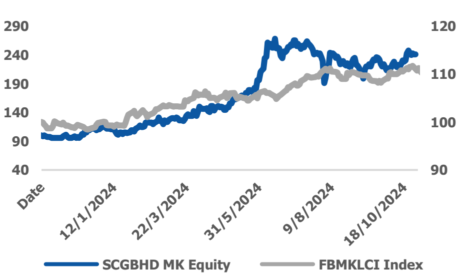
Recommendation:	**BUY**
Current Price:	**RM 0.91**
Previous Target Price:	**N/A**
Target Price:	**RM 1.08**
Upside/Downside:	**18.7%**

Stock information	
Board	MAIN
Sector	Industrial
Bursa / Bloomberg Code	0225 / SCGBHD MK
Syariah Compliant	Yes
FTSE4Good Index	Yes
FTSE ESG Rating	☆☆★★
Bloomberg ESG Rating	N/A
Shares issued (m)	880.4
Market Cap (RM' m)	801.2
52-Week Price Range (RM)	0.355-1.07
Beta (x)	0.9
Free float (%)	44.7
3M Average Volume (m)	5.0
3M Average Value (RM' m)	4.3

Top 3 Shareholders	**(%)**
Sino Shield Sdn Bhd	33.3
Semangat Handal Sdn Bhd	12.7
Pertubuhan Keselamatan Sosial	4.3

Share Price Performance



	1M	**3M**	**12M**
Absolute (%)	11.0	10.3	142.7
Relative (%)	11.1	7.4	117.3

Southern Cable Group Berhad

Connecting & Powering into HV market

Summary

- **>30 years track record in manufacturing cables and wires, with notable clienteles include TM, TNB, Petronas, SESB and SEB.**
- **Growth prospects are promising, driven by gradual ramp up in capacity catering towards 1) expansion into HV cables, which are essentially used for national grid upgrades and solar farms, 2) fulfilling demands from KTMB, buoyed by upcoming national infrastructure development and 3) ongoing efforts to gain market share in the US (aiming to double shipments to 100 containers/month from the current 50). As of 2QFY24, the Group holds an order book of RM923.1m, representing a cover ratio of 0.9x against FY23 revenue of RM1.1bn.**
- **We initiate coverage on SCG with a BUY recommendation and TP of RM1.08 based on 18.0x PER pegged to FY25 fully diluted EPS of 6.0 sen.**

Company Background

- Southern Cable Group Berhad (SCG) was founded in 1993 and the Group of companies was incorporated in Malaysia on 4 Apr 2019. SCG is renowned as a manufacturer of cables and wires used in power distribution, communications, and control and instrumentation applications, with a strong track record established over three decades of experience in the industry.

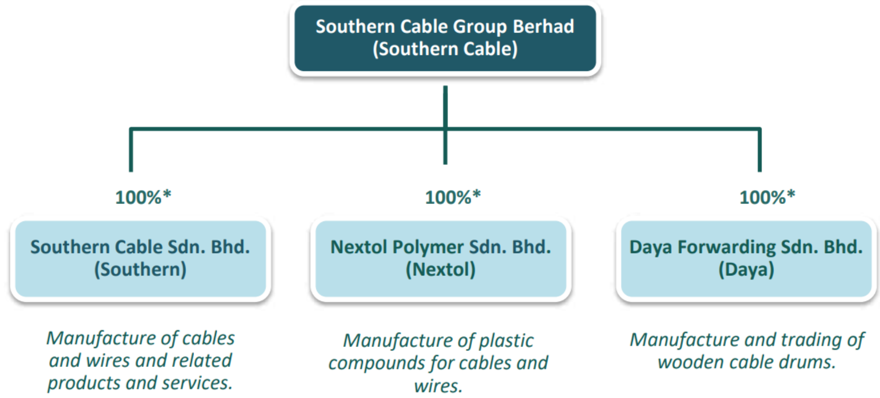
- SCG is a registered supplier of cables and wires, serving major clients such as Tenaga (TNB), Telekom (TM), Sabah Electricity (SESB), Sarawak Energy (SEB), and Petronas, for over a decade. The Group is also TÜV SÜD certified for solar photovoltaic power cables and UL standard certified for supplying two types of aluminum building cables and wires to one of the largest distributors in the US.

- One of SCG's key strategies for maintaining quality and achieving better cost control is its in-house supporting activities. As of 2QFY24, the Group boasts a total annual production capacity of 45,480km of cables, 20,400 tonnes of aluminum, and 18,000 tonnes of copper rods. Additional key activities include in-house manufacturing of plastic compounds used as insulation and protective layers for cables and wires, as well as the production and trading of wooden cable drums utilised for the packaging and storage of the Group's manufactured products.

- About 80% of SCG's sales is derived from purchase orders, with most orders usually completed within a three-month timeframe. The remaining 20% is generated from long-term contracts from utility companies, typically lasting up to a year. In terms of gross profit breakdown, c.90% is contributed by power supply, c.5% by control systems, and c.1% by instrumentation and communication, with the remainder coming from other sources in 1HFY24.

Corporate Structure

Figure 1: Corporate Structure



Source: SCG

- **Management and shareholdings.** SCG is led by Managing Director Mr. Tung Eng Hai, who is responsible for the overall strategic direction of the Group. With over four decades of experience in the cable and wires industry, Mr. Tung has been with the Group since October 2003. He is supported by Mr. Ooi In Keong, Group General Manager, and Ms. Song Swee Kim, Group Financial Controller, both of whom have more than 15 years of experience within the Group.

Business Overview

- **Business Model.** SCG is essentially a manufacturing company that mainly manufactures and distributes power cables and wires. The Group is engaged in the manufacturing and distribution of a broad range of low voltage (LV), medium voltage (MV), and high voltage (HV) power cables and wires, as well as communication, control, and instrumentation cables and wires, along with related products, serving both domestic and international customers.

Table 1: Business activities

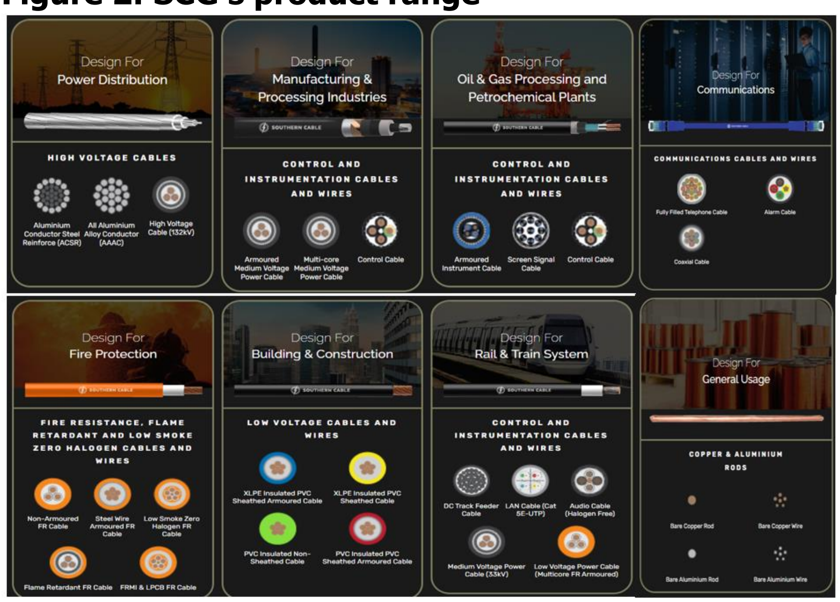
Business activities	Description
Manufacture and distribution	Manufacture cables and wires for voltages ranging from 300V to 132kV, primarily supplying utilities, transportation, renewable energy (RE) sectors, petrochemical plants, building and construction, and factories.
Trading of related products and services	Includes the trading of cables and wires, aluminium rods, plastic compounds, wooden cable drums, and the supply of electrical devices and accessories, such as rectifier systems for the telecommunications sector.

Source: SCG, Apex Securities

- SCG is principally involved in 4 business segments: 1) Power cables and wires, 2) Communication cables and wires, 3) Control and instrumentation cables and wires, and 4) others. For power cables and wires, SCG primarily manufactures LV and MV which widely used in power distribution across buildings, infrastructure, and M&E systems. In 2019, SCG expanded its capabilities to include HV 132kV power cables. SCG also offers a complementary range of communication, control, instrumentation, and fire protection cables.

- Currently, c.90% of revenue derived from cables and wires, of which ~60%/20%/5% from LV/MV/HV types, and the remainder from trading and other service activities. We expect their ratio to shift gradually towards MV and HV cables, driven by increased demand for grid upgrades under TNB's NETR plan.

Figure 2: SCG's product range



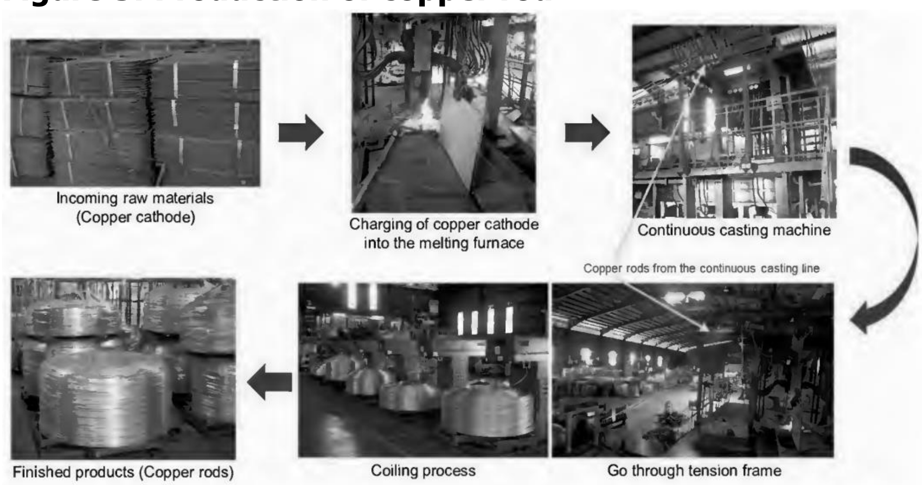
Source: SCG

- SCG operates cable and wire plant in Kuala Ketil, Kedah, along with a plastic compounding plant in Sungai Petani, Kedah. All activities excluding plastic compounding, are based at its main headquarters in Kuala Ketil. As of 1HFY24, SCG had an annual production capacity of 45,480 km, with a utilisation rate of 82%.

- One of SCG's key sustainability development is the in-house production of copper and aluminum rods. This setup is supported by two electric furnaces and one gas-fired furnace, with an annual capacity of 18k tonnes of copper rods and 20.4k tonnes of aluminum rods, respectively. Additional supporting measures include plastic compounding and wooden cable drum manufacturing, which enable the Group to achieve better cost control and quality assurance.

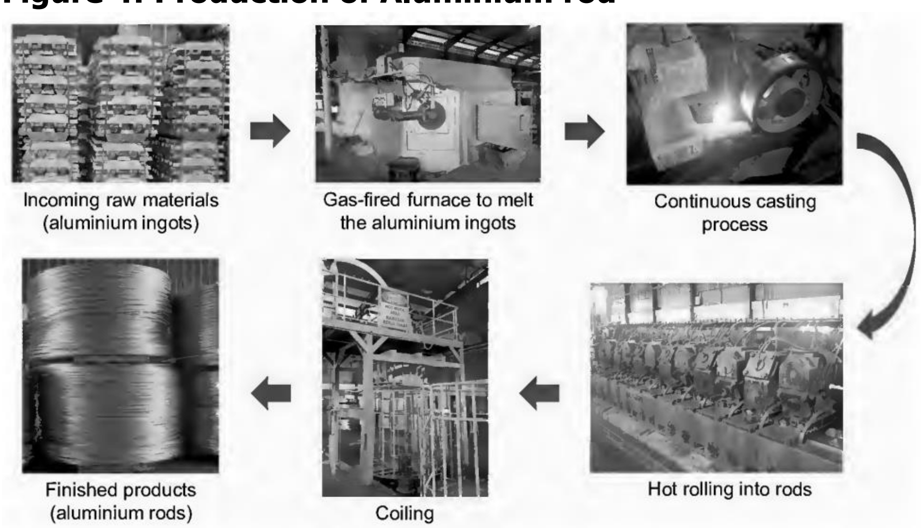
- The key raw materials include copper and aluminum cathodes, as shown in the figure below. Aluminum cathode is primarily sourced from Press Metal (NR), while other materials are sourced from spot markets. To hedge against commodity price fluctuations, >50% of the value is hedge through long-term contracts.

Figure 3: Production of copper rod



Source: SCG

Figure 4: Production of Aluminium rod



Source: SCG

- SCG is a registered supplier of cables and wires for renowned clients in town, including TNB, TM, SESB, SEB and Petronas. The Group has established strong business relationship for at least up to one decade and is regarded as one of the handful vendors approved by TNB in the cable segment. Some key notable projects undertaken include RAPID development in Pengerang, Johor, MRT Sungai Buloh–Kajang Line (MRT1), and the MRT2 Putrajaya Line. SCG is also one of the preferred suppliers to KTMB for all railway-related cables.

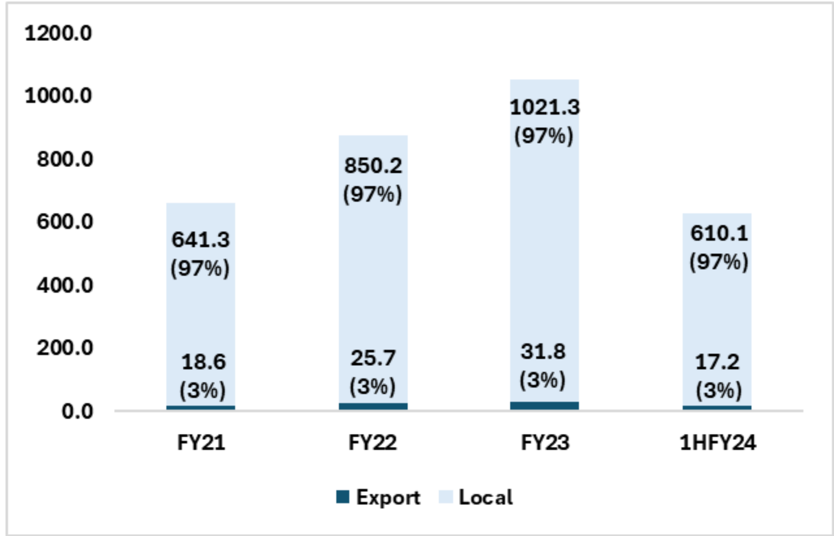
Figure 5: Key Clientele

Source: SCG

- SCG is capable of supplying all cables used in Solar PV systems, including those used for connectivity between substations. SCG is one of the few local manufacturers TÜV SÜD certified for solar photovoltaic cables. Previously, most EPCC contractors imported cables, but there has been a shift towards local sourcing. We believe this change is driven by 1) government incentives favoring localised cables and 2) competitive pricing. We've noticed that EPCCs have begun sourcing HV 132v cables from SCG, which are essential for connecting 50MW solar farms to substations. With the nation's RE goal of achieving a 70% RE capacity mix by 2050, this should provide long-term earnings growth prospects for the Group in terms of cables offering.

- To reduce geographical concentration risk, SCG has expanded into overseas markets, with the US on average contributing for c.50% of its total export value. SCG holds UL standard certification for two types of aluminum building cables in the US and is awaiting approval for two additional types, namely Style R and Style U Service Entrance Cables, from Underwriters Laboratories (UL) solutions. As of 2QFY24, the US market contributed RM14.0m in terms of revenue, and targets RM50m by end-2024 (4.1% of expected total revenue of RM1.2bn). The Group also aims to increase shipments from 50 containers/month to 100 containers/month within two years. Projected growth will be driven by (i) expansion of product offerings, including plans to venture into rubber cables and the MV sector and (ii) strengthening ties with its sole customer, one of the leading distributors in the US.

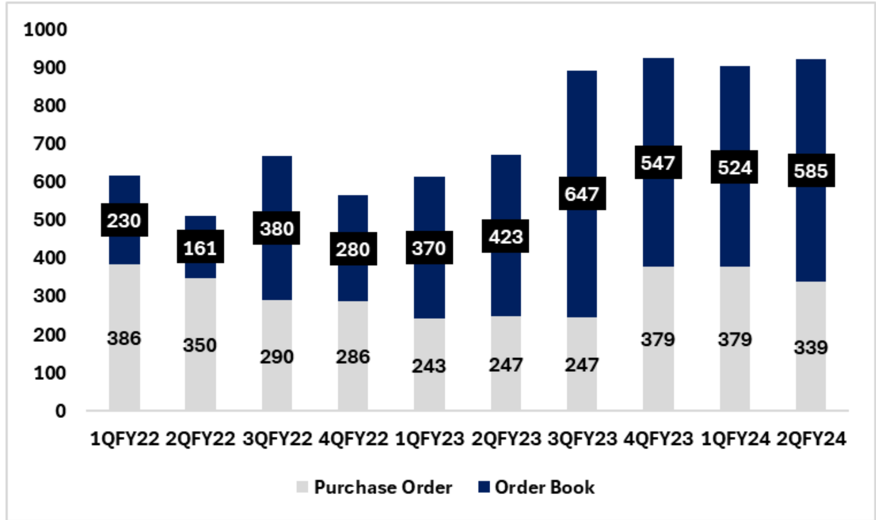
Figure 6: Revenue by export and local value



Source: SCG, Apex Securities

- SCG has consistently maintained an replenished orderbook of at least RM750m over the past 12 quarters. Close to 60% is attributed to supply contracts with TNB and TM, (usually covering a one-year or more), while the remainder is driven by purchase orders, majority from EPCC contractors (~3-6months orders). As of 2QFY24, SCG holds a total order book of RM923.1m, comprising RM584.6m (63%) from ongoing contracts and RM338.6m (37%) from purchase orders. We expect this to be recognised within a year, representing a cover ratio of 0.9x against the Group's FY23 revenue of RM1.1bn.

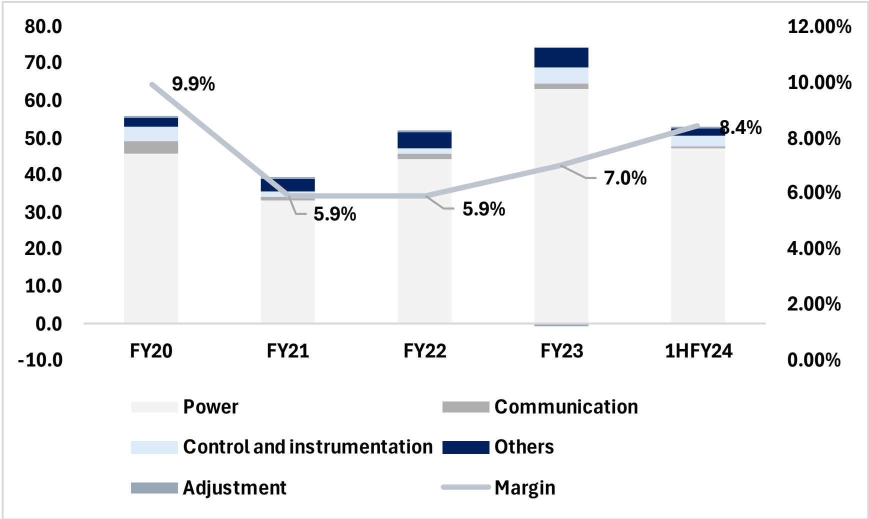
Figure 7: SCG's orders in hand



Source: SCG, Apex Securities

- In 1HFY24, in terms of gross profit breakdown, Power Cables segment accounted for c.90% of gross profit, followed by Control and Instrumentation Appliances segment at 5%, Communication Cables segment at 1%, and the remainder from Others segment.

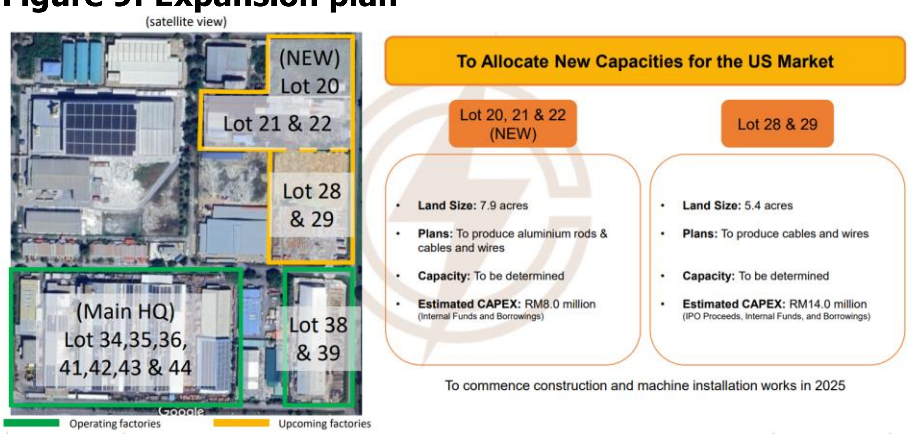
Figure 8: Gross profit breakdown



Source: SCG, Apex Securities

- Expansion of new plant (Lot 38) is on-going which will ramp up annual capacity to 46,980km by end-2024 (from 45,480km). Looking into 2025, the Group will allocate RM8.0m in CAPEX (to be funded by internal funds and borrowings) for Lot 20, 21 & 22 that sits on 7.9-ac of land to produce aluminum rods and cables and wires. At the same time, Lot 28 & 29 sitting on 5.4-ac of land will house production of cables and wires with an estimated CAPEX of RM14.0m (to be funded by balance IPO proceeds, internal funds and borrowings). We are sanguine over the continuous capacity expansion cater for US market growth, given that current total production is already operating near an optimum level at c.82%.

Figure 9: Expansion plan



Source: SCG

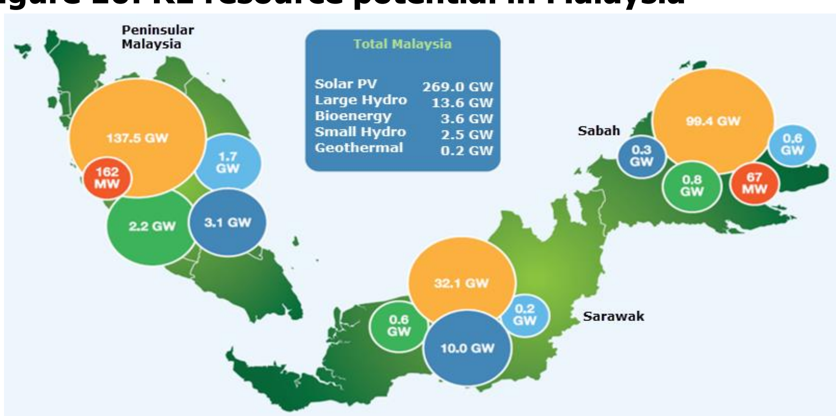
Industry Overview

- **National Energy Transition Roadmap (NETR).** On 23 Aug 23, the Malaysian government launched the National Energy Transition Roadmap (NETR) to drive its net-zero ambitions. As part of this initiative, RM420bn will be invested in grid infrastructure to achieve 70% RE capacity by 2050. Referring to a market research report from the Institution of Engineering & Technology, c.35% of transmission costs will go towards cable laying. Based on back-of-the-envelope calculations, this translates to an addressable market of around RM80bn. With only four key players providing HV cables and wires in the market, including SCG, presents around RM730m in annual project opportunities for each player, ensuring a strong long-term pipeline of revenue stream for SCG.

- Another key aspect highlighted in the NETR is Malaysia's vast solar PV potential, with 269GW out of a total 290GW of RE resources. Malaysia's strategic location near the equator, with its dense solar radiation, leads to high energy output per square meter. Our analysis shows that to meet the 70% RE target by 2050, starting in 2025, annual RE installations need to more than double to 2.2GW per year until 2050. Solar power, which is expected to account for 58% of the capacity mix, will be a crucial component in achieving this target.

- As a TÜV SÜD-certified solar PV cable provider for solar EPCC contractors, SCG is well-positioned to benefit from this long-term supply demand. SCG also supplies HV cables for solar farms with capacities of up to 50MW. With more solar farms expected to be developed to support national ambitions, SCG is likely to see long-term growth in its HV cable demand.

Figure 10: RE resource potential in Malaysia



Source: SEDA

- **More national infrastructure works are underway.** Based on Budget 2025, the federal DE allocation to the transport sub-sector has increased to 20.4% for 2025 compared to 2024's revised estimate of 18.9%. Within this, transport DE grew 8% yoy to RM17.6bn. Notable projects under this allocation include: (i) Construction of two bridges in Sarawak; Ng Belawai Road to Song-Kapit Road (ii) Additional two lanes for the North-South Expressway. Ongoing efforts will also continue, including the Pan Borneo Highway in Sabah (Project 1A reached 77.41% completion), and the Sabah-Sarawak Ring Road (80% complete across 21.7 km).

- Looking ahead, we believe more mega-infrastructure projects are in the pipeline including (i) MRT3 circle line (51km), (ii) HSR (350km), Penang LRT (28km), Johor's

LRT (4km), Johor's ART (50km), and Internal rail link within JB (30km). This will position SCG in a sweet spot to undertake the supply of necessary cabling for these new infrastructure initiatives, keeping the Group busy in the coming years.

Investment Highlights

- **Proxy to national upgrading of HV underground cables.** In response to the growing electricity demand from data centers (DCs), TNB plans to upgrade existing cable size from 800sq.mm² to 1600sq.mm² conductors to boost power capacity. This aligns with the national NETR, which plans to invest RM120bn of the total RM420bn for new transmission development. To benefit from this initiative, SCG is awaiting UL certification for its 1,600sq.mm² HV Milliken cable, with approvals expected by 3QCY25. As one of the handful vendors to TNB, we estimate SCG will be able to tap into an addressable market of RM730m/pa over the next 25 years, putting it in a sweet spot to uplift Group's margin in FY26F (core net profit margin projected at 6.4% vs 2.8% in FY23) as HV cables generally command better margins.

- **Geographical expansion particularly to US market.** To mitigate concentration risk from Malaysian clients, SCG aims to beef up exports to contribute c.30% of total revenue in the long run. In 1HFY24, exports only made up 3% of total revenue, reaching RM17.2m, with the US market contributing about 50% of this amount. SCG is targeting RM50m in terms of revenue from the US by the end of FY24 and plans to double shipments from 50 to 100 containers/month within two years. Future growth will be driven by (i) expansion of product offerings, with two new aluminum cables awaiting UL solutions approval, (ii) capitalisation of geopolitical tensions between the US and China, and (iii) investment of ~RM30m in new facilities over 13.3ac to boost aluminum capacity by 20-30%, with construction slated to begin by CY25.

- **Riding the solar energy wave.** To achieve the nation's ambitious goal of a 70% RE capacity mix by 2050, back-of-the-envelope calculations indicate that Malaysia needs to increase RE capacity by an average of 2.2GW/pa until 2050. We see SCG is well-positioned to benefit the initiative as 1) one of local producer of TÜV SÜD-certified solar PV cables 2) capability to supply the full range of cables used in solar PV systems 3) increasing demand for 132kV HV underground cables, which are essential for 50MW solar farms. With the upcoming 800MW CGPP and 2GW LSS5 projects, SCG should stay busy over the next three to four years with sustainable orders from solar-related projects.

- **Capitallising on data-center growth.** Beyond national development, SCG is also gaining traction in the private sector, particularly from DC projects. DC orders are characterised by their fast-paced nature, with delivery requirements usually under two months. As YTD, SCG has secured RM100m in PO for building cables for DC-related. Channel checks indicate that, on average constructing a 1MW data center, c.10~25% of the project cost will be allocated to cable systems, highlighting the important role played by cables in these projects. Separately, According to TNB's latest filing, 26 electricity supply agreements have been signed, totaling c.4GW of power demand. Of these, 2 projects (0.63MW) are under construction, while 8 projects (1.7MW) have just been signed, signaling a potential order pipeline for SCG in cable supply.

- **Riding onto nation infrastructure growth.** SCG has a strong track record in supplying cables for railway projects, serving as one of the preferred brand providers for KTMB and a supplier for the MRT1 Kajang Line and MRT2 Putrajaya Line. This proven track record helped SCG secured an RM18m contract for the Kelantan section of the ECRL project. Moving forward, we expect additional cable demand from railway projects, with a combined length exceeding 500km; (i) MRT3 circle line (51km), (ii) HSR (350km), Penang LRT (28km), Johor's LRT (4km), Johor's ART (50km), and Internal rail link within JB (30km). We believe these projects will position SCG favorably, potentially keeping the Group busy in coming years.

- **Strong order replenishment prospects.** SCG holds an order book of RM923.1m, with a cover ratio of 0.9x against FY23 revenue of RM1.1bn, ensuring earnings visibility over the next 12 months. c.60% derived from TNB's 1+1 contract for underground cables and conductors. In of 1HFY24, the power segment remains SCG's main contributor, generating around 90% of gross profit. We reckon margins are expected to gradually improve, driven by national grid upgrades requiring HV cables and a shift towards 132kV infrastructure by solar contractors, which fetches better margin. With strong track record, SCG is positioned to capture >25% of TNB's contracts (from past 20%), offering solid growth prospects.

Financial Highlights

- In 1HFY24, SCG reported a 141.3% yoy increase in core net profit, reaching RM33.5m. This significant improvement was mainly driven by: 1) robust demand from data centers, which typically require quick turnaround times. 2) more favorable product mix, and 3) lower plastic compound prices. SCG remains in a healthy financial position, with a net gearing ratio of 0.3x, cash equivalents of RM103.8m, and an average cost of debt around 4.2%.

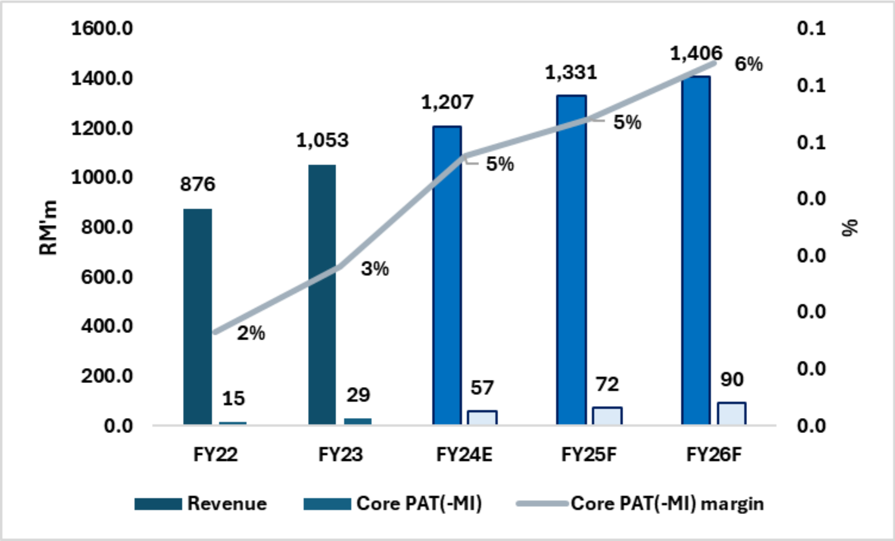
- **FY24F:** Moving forward, we project SCG's core earnings to grow by 95.2% yoy to RM57.5m, mainly driven by: 1) stronger demand for HV and MV power cables and wires through the rollout of LSS5 and CGPP projects, 2) higher demand from data centers with fast-paced orders, 3) increased shipments to the U.S. market, which typically yield better margins than local operations, 4) consistent earnings recognition from other services, including BESS and rectifier services, and 5) additional growth in others type of cables and wires.

- **FY25F:** We project SCG's core earnings to grow by 25.3% yoy to RM72.0m, mainly driven by: 1) apply higher replenishment rate to the long-term contracts, 2) expect capacity scales up significantly mainly cater for US market, 3) sustained purchase orderbook replenishment from fast-track data center and solar cables, 4) increasing demand for HV from grid upgrades and solar farms, 5) increasing demand from infrastructure projects, particularly the MRT3 and Sarawak development initiatives and 6) sustained growth in other segments.

- **FY26F:** We project SCG's core earnings to grow by 24.8% yoy to RM89.9m, mainly driven by 1) long-term contracts and data center-related continue to anchor the growth, 2) expect increasing demand for HV arising rollout of solar farm under NETR and replacement in grid trend 3) exponential growth in the export market, gradually increasing revenue contribution to nearly 10% and 4) and continued growth in other segments, generally commanding better margins.

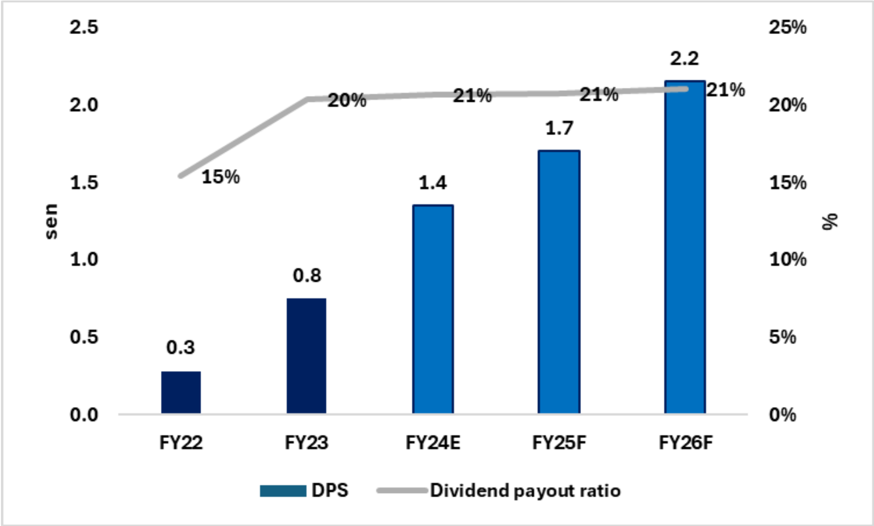
- SCG aims to distribute >15% of PATMI as dividends. In the past four years, SCG has consistently rewarded shareholders with dividends, averaging a payout ratio of c.17%. Moving forward, we forecast ~21% payout ratio over FY24–26F, which translates to forward yield of c.2%.

Figure 11: Revenue, earnings and margin from FY22 to FY26F



Source: SCG, Apex Securities

Figure 12: Dividend payout ratio trend



Source: SCG, Apex Securities

Valuation & Recommendation

- We initiate coverage on Southern Cable Group Berhad with a **BUY** recommendation and a target price of RM1.08, based on 18.0x FY25's fully diluted EPS of 6.0 sen. The assigned P/E multiple represents a premium of +1.0 standard deviations above its two-year historical mean P/E.

- We believe the premium is reasonable, justified by: i) SCG being one of the few approved vendors of TNB, having secured 20% market share on average, ii) SCG owning four Continuous Catenary Vulcanisation (CCV)* Lines, whereas other players on average only have two, iii) their venture into the 132kV HV market, currently undergoing a trial run and expected to be operational by FY25, and iv) SCG being one of the few vendors for U.S. distributors, benefiting from geopolitical tensions and trade diversion.

  **Continuous Catenary Vulcanisation (CCV) Lines (specialised production lines used for vulcanising the insulation and jacketing materials of power cables to achieve necessary insulation strength and durability)*

Peers Comparison

- SCG's closest listed peers in the cable and wires business are Sarawak Cable Bhd and Master Tec Group Bhd. Note that Master Tec only operates in LV but plans to venture into the MV segment while Sarawak Cable is currently loss-making.

Company	Market Group	FYE	Price (RM)	Market Cap (RM 'm)	P/E (x) FY23	FY24E	FY25F	Gross DY (%)	Revenue RM 'm	Net Income RM 'm
Southern Cable Group Bhd	**MAIN**	**Dec**	**0.91**	**801.2**	**24.7**	**13.9**	**11.1**	**0.82**	**1207.7**	**47.5**
Master Tec Group Bhd	ACE	Dec	1.19	1213.8	43.6	19.8	14.9	0.33	285.4	23.5
Sarawak Cable Bhd	MAIN	May	0.12	47.9	N/A	2.4	2.0	N/A	377.2	-355.9
Avg ex-Southern Cable Group Bhd					**21.9**	**7.5**	**5.7**	**0.6**	**623.4**	**-95.0**

Master Tec & Sarawak Cable forecasts based on Bloomberg consensus expectations
Source: Bloomberg, Apex Securities

Key Risks

- **Highly dependent on the power industry**. With c.90% of SCG revenue derived from the power sector, any slowdown in CAPEX rollout will significantly impact the Group's order replenishment and purchase orders.

- **Fluctuations in plastic resin prices.** Apart from copper and aluminum prices, SCG is unable to pass through any price increases in plastic resin in long-term contracts. Any unfavorable changes in the key raw material costs, which make up around 20% of COGS, could affect profitability.

- **Highly dependent on the key customers**. With c.30% revenue is derived from long-term contracts, while the remainder comes from purchase orders, of which we believe ~50% is from few notable contractors in town. Any adverse relationship could significantly impact earnings. However, SCG has diversified by expanding its product offerings in the US, aiming for a 30% contribution over the long run.

Financial Highlights

Income Statement

FYE Dec (RM m)	FY22	FY23	FY24E	FY25F	FY26F
Revenue	**875.9**	**1053.1**	**1207.0**	**1330.6**	**1406.1**
Gross Profit	**51.7**	**73.9**	**106.9**	**125.9**	**149.1**
EBITDA	**36.2**	**56.9**	**97.5**	**118.7**	**143.7**
Depreciation & Amortisation	-8.2	-9.2	-14.9	-17.8	-20.1
EBIT	**28.0**	**47.7**	**82.6**	**101.0**	**123.6**
Net Finance Income/ (Cost)	-8.1	-8.7	-7.3	-6.6	-5.8
Associates & JV	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	**19.9**	**39.0**	**75.3**	**94.4**	**117.8**
Tax	-5.3	-9.6	-17.8	-22.4	-27.9
Profit After Tax	**14.5**	**29.4**	**57.5**	**72.0**	**89.9**
Minority Interest	0.0	0.0	0.0	0.0	0.0
Net Profit	**14.5**	**29.4**	**57.5**	**72.0**	**89.9**
Exceptionals	0.0	0.0	0.0	0.0	0.0
Core Net Profit	**14.5**	**29.4**	**57.5**	**72.0**	**89.9**

Key Ratios

FYE Dec (RM m)	FY22	FY23	FY24E	FY25F	FY26F
P/E (x)	50.1	24.7	13.9	11.1	8.9
EBITDA margin	4.1%	5.4%	8.1%	8.9%	10.2%
EBIT margin	3.2%	4.5%	6.8%	7.6%	8.8%
PBT margin	2.3%	3.7%	6.2%	7.1%	8.4%
PAT margin	1.7%	2.8%	4.8%	5.4%	6.4%
NP margin	1.7%	2.8%	4.8%	5.4%	6.4%
Core NP margin	1.7%	2.8%	4.8%	5.4%	6.4%
Dividend yield	0.3%	0.8%	1.5%	1.8%	2.3%
ROE	5.1%	9.3%	15.9%	17.2%	18.3%
ROA	2.5%	4.9%	8.7%	10.1%	11.6%
Net gearing	68.0%	31.7%	25.4%	24.3%	22.9%

Valuations	**FY25F**
Core EPS (RM)	0.06
P/E multiple (x)	18.0
Fair Value (RM)	**1.08**

Source: Company, Apex Securities

Balance Sheet

FYE Dec (RM m)	FY22	FY23	FY24E	FY25F	FY26F
Cash	21.9	96.0	91.9	68.8	43.9
Receivables	224.7	264.9	317.9	381.5	457.8
Inventories	223.3	144.1	145.5	147.0	148.5
Other current assets	7.9	1.0	1.0	1.0	1.0
Total Current Assets	**477.7**	**506.0**	**556.4**	**598.3**	**651.1**
PPE	52.0	54.6	61.9	76.3	88.2
Other non-current assets	40.9	44.9	42.7	40.5	38.5
Total Non-current assets	**92.9**	**99.6**	**104.6**	**116.9**	**126.8**
Short-term Debt	211.6	186.1	174.5	161.8	148.5
Payables	56.0	82.8	104.5	114.4	119.4
Other Current Liabilities	1.2	4.3	4.3	4.3	4.3
Total Current Liabilities	**268.8**	**273.1**	**283.2**	**280.5**	**272.2**
Long-term Debt	6.2	9.6	9.2	8.5	7.8
Other non-current liabilities	7.8	7.8	7.8	7.8	7.8
Total Non-current Liabilities	**13.9**	**17.4**	**16.9**	**16.3**	**15.6**
Shareholder's equity	287.8	315.0	360.8	418.3	490.1
Minority interest	0.0	0.0	0.0	0.0	0.0
Total Equity	**287.8**	**315.0**	**360.8**	**418.3**	**490.1**

Cash Flow

FYE Dec (RM m)	FY22	FY23	FY24E	FY25F	FY26F
Pre-tax profit	**19.9**	**39.0**	**75.3**	**94.4**	**117.8**
Depreciation	-8.2	-9.2	-14.9	-17.8	-20.1
Changes in working capital	-73.3	65.0	-32.7	-55.1	-72.8
Others	20.4	28.2	20.5	21.0	19.5
Operating cash flow	**-41.3**	**123.0**	**48.2**	**42.6**	**44.4**
Net capex	-12.4	-7.8	-20.0	-30.0	-30.0
Others	5.0	-1.0	0.0	0.0	0.0
Investing cash flow	**-7.4**	**-8.8**	**-20.0**	**-30.0**	**-30.0**
Dividends paid	-1.7	-2.2	-11.7	-14.5	-18.0
Others	42.0	-37.8	-20.5	-21.1	-21.3
Financing cash flow	**40.4**	**-40.1**	**-32.2**	**-35.7**	**-39.3**
Net cash flow	**-8.4**	**74.1**	**-4.1**	**-23.1**	**-24.9**
Forex	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash	30.2	21.8	96.0	91.9	68.8
Ending cash	**21.8**	**96.0**	**91.9**	**68.8**	**43.9**

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

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