

**Team Coverage**

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<b>Recommendation:</b>	<b>Subscribe</b>
Current Price:	RM0.27
Previous Target Price:	-
Target Price:	RM0.34
Capital Upside/Downside:	25.9%
Dividend Yield (%):	0.4%
Total Upside/Downside:	26.3%

**Company Brief**

Principally engaged in the supply and distribution of pipes, fittings, and flanges as well as steel products

**Stock information**

Board	ACE
Sector	Industrial
Bursa / Bloomberg Code	0346/SALIRAN MK
Syariah Compliant	No
Shares issued (m)	382.9
Market Cap (RM' m)	103.4
Free float (%)	31.0

<b>Top 3 Shareholders</b>	(%)
Maju Alliance	69.0

<b>IPO Timetable</b>	Date
Opening of IPO application	19/2/2025
Closing of IPO application	28/2/2025
Ballotting of IPO application	4/3/2025
Allotment of IPO shares	11/3/2025
Listing of IPO on Bursa Malaysia	13/3/2025

# Saliran Group Berhad

## Essential Piping Connectivity

### Executive Summary

- SALIRAN** operates from its warehouses and manufacturing facilities in Puchong, Selangor and commands a 4.4% market share in Malaysia's pipes, fittings, flanges, and steel products industry, based on revenue of RM243.2m recorded in FY23.
- Expansion of storage capacity through the acquisition of Puchong Premise 3 supports business growth, alongside plans to establish a sales office in Indonesia within 42 months post-listing.
- We recommend subscribe to **SALIRAN's** IPO with a target price of RM0.34 (26.3% total potential upside from IPO price) based on P/E multiple of 8.0x pegged to FY26F core EPS of 4.2 sen.

### Key Investment Highlights

**Established player in the pipes, fittings, and steel products industry.** Over the years, SALIRAN has built a strong presence in Malaysia's pipes, fittings, flanges, and steel products market, commanding a 4.4% market share in FY23 based on revenue of RM243.2m. The Group serves diverse industries, with key revenue contributions from oil and gas (86.2%), building materials (3.9%), and palm oil refining (3.3%).

**Expansion of storage capacity and regional footprint.** To support business growth, SALIRAN expanded its storage capacity in 2024 by 224.9%, bringing annual storage capacity of 391,104 sqf through the acquisition of Puchong Premise 3, enhancing inventory management and operational efficiency. Additionally, the Group plans to establish a sales office in Indonesia within 42 months post-listing, tapping into the country's growing demand for pipes, fittings, and flanges.

**Strong industry growth drivers.** The pipes, fittings, flanges, and steel products industry is poised for expansion, driven by the growth of Malaysia's oil and gas sector (3Y historical CAGR +1.5%), increased demand in building materials and palm oil refining, and rising foreign direct investments. Also, higher capital expenditures and industrial growth will further boost demand for steel products and piping solutions.

**Valuation & Recommendation.** We recommend **subscribe** to SALIRAN's IPO with a target price of **RM0.34** (26.3% potential upside from the IPO price) by pegging its FY26F core EPS of 4.2 sen to PE multiple of 8.0x. The assigned P/E is in line with selected peers that are in the supply and distribution of pipes, fittings, flanges, and steel products industry listed on Bursa Malaysia.

### Earnings Summary

FYE Dec (RM m)	FY22	FY23	FY24F	FY25F	FY26F
Revenue	138.6	243.2	326.7	345.6	365.2
EBITDA	13.3	20.8	27.1	28.9	30.7
Pre-tax profit	9.0	14.1	19.5	21.3	23.1
Net profit	6.0	9.9	13.7	14.9	16.2
Core net profit	6.0	9.9	13.7	14.9	16.2
Core EPS (sen)	1.6	2.6	3.6	3.9	4.2
P/E (x)	17.4	10.4	7.6	6.9	6.4
P/B (x)	5.1	3.4	1.6	1.3	1.1
EV/EBITDA (x)	3.3	2.2	2.5	2.8	3.2
Dividend Yield (%)	0.5%	0.0%	0.0%	0.4%	0.4%
Net Gearing (%)	293.7%	190.4%	52.4%	27.0%	6.0%

Source: Company, Apex Securities

## Company Background

Saliran Group Berhad (SALIRAN) was incorporated on 7 August 2020 as Saliran Group Sdn. Bhd., a private limited company. On 19 June 2024, it was converted into a public limited company and assumed its present name of Saliran Group Berhad.

The Group's roots trace back to 14 March 2011, when Saliran Industrial Supplies engages in trading pipes, fittings, flanges, and related parts and accessories in Malaysia. Over time, the Group expanded its offerings and established a presence in the oil and gas, construction, and manufacturing industries. The Group has since evolved into one of the leading supplier and manufacturer of steel piping solutions, catering to both domestic and international markets.

SALIRAN operates five subsidiaries—Saliran Industrial Supplies, Saliran Flanges & Fittings, Saliran Precision Engineering, Saliran Industries, and JS Tech Marketing, each specialising in different aspects of the piping, fittings, and steel products supply chain. The Group's business activities can be divided into two segments, namely the supply and distribution segment and the manufacturing segment.

The supply and distribution segment involves a wide variety of pipes, fittings, flanges, and steel products that comprise third-party brands products and products labelled under their jointly-owned brand. SALIRAN's manufacturing segment, on the other hand, focuses on producing customised fittings and flanges, complementing the Group's main business segment. The Group does not manufacture fittings and flanges that are carried under the supply and distribution business.

The Group's principal place of business is located in Puchong, Selangor, where its offices, warehouses, and manufacturing facilities are strategically positioned to serve its growing customer base. As of FY23, SALIRAN commands a 4.4% market share in Malaysia's pipes, fittings, and flanges industry, based on a total revenue of RM243.2m.

With a strong track record, diverse product offerings, and expansion plans, SALIRAN is well-positioned for future growth, particularly in the oil and gas industry that continues to demand high-quality steel piping solutions.

## IPO Utilisation

Details of Utilisation	Estimated time frame for utilisation	RM' m	(%)
Establishment of a sales office in Indonesia	Within 42 months	1.2	5.5%
Purchase of machinery and delivery trucks	Within 24 months	1.4	6.6%
Repayment of bank borrowings	Within 24 months	7.0	32.2%
General working capital	Within 12 months	8.4	38.5%
Estimated listing expenses	Within 1 month	3.7	17.0%
<b>Total</b>		<b>21.7</b>	<b>100.0%</b>

Source: Saliran Group, prospectus

## Business Overview

<b>Principal activities</b>	Supply and distribution of pipes, fittings and flanges as well as steel products	Manufacturing of fittings and flanges
<b>Subsidiaries involved</b>	<ul style="list-style-type: none"> <li>• Saliran Industrial Supplies</li> <li>• Saliran Flanges &amp; Fittings</li> <li>• Saliran Industries</li> <li>• JS Tech Marketing</li> </ul>	Saliran Precision Engineering
<b>Products</b>	<ul style="list-style-type: none"> <li>• Pipes</li> <li>• Fittings</li> <li>• Flanges</li> <li>• Other related parts and accessories</li> <li>• Steel products</li> </ul>	Fittings and flanges
<b>Brands</b>	<ul style="list-style-type: none"> <li>• Third-party brands products</li> <li>• Jointly-owned brand - "THF"</li> </ul>	
<b>Customer industries</b>	<ul style="list-style-type: none"> <li>• Oil and gas</li> <li>• Other industries including building materials, palm oil refining and manufacturing</li> </ul>	
<b>Geographical markets</b>	<ul style="list-style-type: none"> <li>• Malaysia</li> <li>• Indonesia</li> <li>• Singapore</li> <li>• Other countries including China, South Korea and Vietnam</li> </ul>	

Source: Saliran Group, prospectus

SALIRAN is principally involved in two core businesses namely the (i) supply and distribution of pipes, fittings, flanges, and steel products, as well as (ii) manufacturing of customised fittings and flanges. The Group operates from its warehouses and manufacturing facilities in Puchong, Selangor, strategically positioned to support efficient inventory management, production, and distribution. With a strong focus on the oil and gas, construction, and manufacturing sectors, SALIRAN has established itself as a reliable supplier in Malaysia's piping and steel solutions market. The Group serves customers across various industries, with a strong presence in the oil and gas, building materials, and palm oil refining sector, which accounted for 86.2%, 3.9%, and 3.3% of FY23 total revenue respectively.

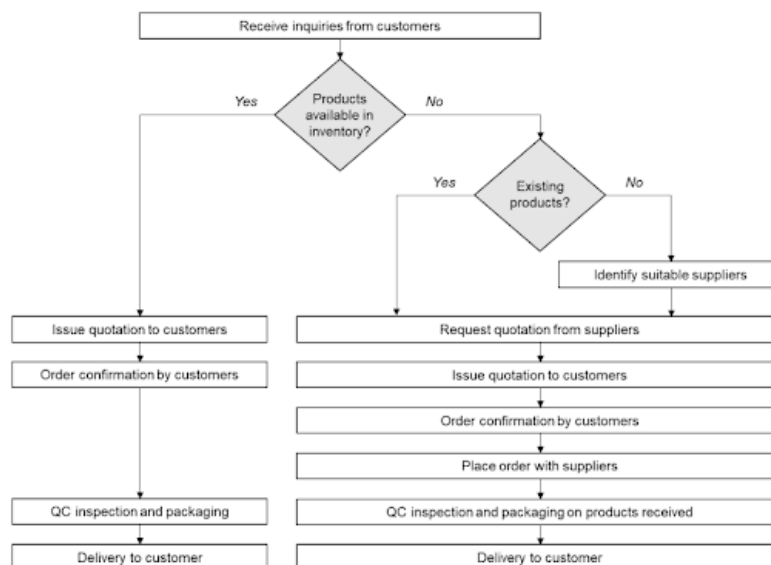
SALIRAN caters to both domestic and international markets, with key regions including Indonesia, Singapore, and other countries across Asia. In FY23, 83.5% of revenue derived from local customers while 16.5% were international, with the top two markets being Indonesia and Singapore at 15.5% and 0.8% respectively.

In FY23, the supply and distribution segment contributed RM239.5m, accounting for 98.5% of total revenue, while the manufacturing segment generated RM3.7m or 1.5% of total revenue. Over the past three years, the supply and distribution business has consistently been the Group's primary revenue driver, making up 96.9-98.5% of total revenue. This highlights the Group's strong foothold in the distribution market while also underscoring the complementary role of its manufacturing operations.

SALIRAN offers an extensive range of products, comprising 16,537 SKUs, out of which 16,027 SKUs are from third-party brands and 510 SKUs are under their jointly-owned brand, "THF". These products comply with internationally recognised standards such as API, PED, ASME, and ASTM, ensuring that they meet industry requirements for use in critical sectors such as oil and gas, construction, and industrial applications.

The Group supplies and distributes pipes, fittings, and flanges, which are primarily made from stainless steel and carbon steel and come in a multitude of material grades and dimensions. These products comprise third-party brands and products labelled under their jointly-owned brand, "THF". The operational process of SALIRAN's supply and distribution business begins with receiving customers' inquiries. Upon checking inventory, available stock is inspected and delivered within one to seven days. If unavailable, SALIRAN sources from suppliers, assesses demand for new products, and conducts QC inspections, bringing a lead time of two to 60 days.

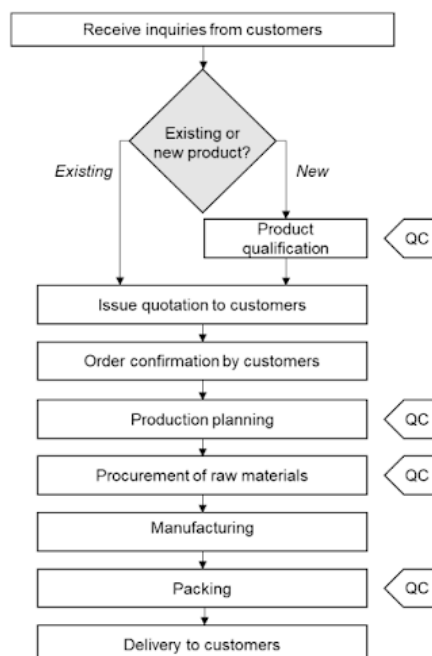
## Process Flow for the Supply and Distribution Business



Source: Saliran Group, prospectus

Meanwhile, SALIRAN's manufacturing segment specialises in the production of customised fittings and flanges, catering to the specific needs of its customers. The Group provides cutting, turning, milling, drilling, threading and laser marking services, allowing for high-precision engineering solutions. Upon receiving customer inquiries, quotations are issued based on specifications for repeat orders. New products undergo qualification before issuing quotations, procuring raw materials, and mass producing. Orders are delivered via in-house or third-party logistics providers, with a typical lead time of 30 days.

## Process Flow for the Manufacturing Business



Source: Saliran Group, prospectus

Moving forward, SALIRAN is focusing onto expanding its market reach and enhancing productivity through several strategic initiatives. The recent acquisition of Puchong Premise 3 will ramp up storage capacity, allowing for more efficient operations. Prior to moving to Puchong Premise 3,

which has an annual storage capacity of 391,104 sqf, SALIRAN utilised Puchong Premise 1 and Puchong Premise 2, which only have combined annual storage capacity of 120,384 sqf.

Additionally, to further expand its regional presence, the Group plans to establish a sales office in Indonesia, capitalising on the country's growing demand for pipes, fittings and flanges, which saw a three-year CAGR of 23.0% between 2021 and 2023. The expansion, with an estimated cost of RM1.2m, which will be fully financed by 5.5% of IPO proceeds, is expected to be completed within 42-months post-listing.

With its strong industry presence, diversified product offerings, and ambitious expansion plans, SALIRAN is well-positioned to capture growth opportunities in the steel piping solutions market while continuing to serve the evolving needs of its customers.

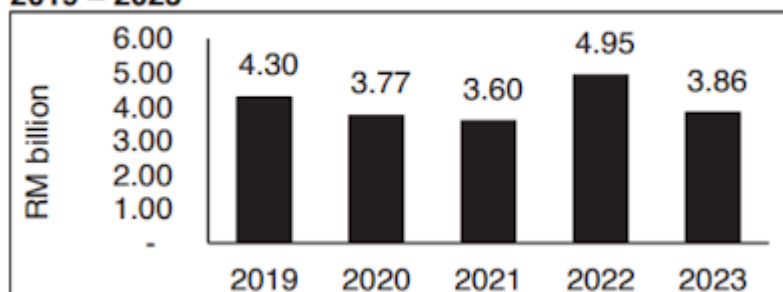
## Industry Overview

Pipes, fittings, and flanges as well as steel products are used in various construction projects, such as process plants, manufacturing facilities, residential housings, and commercial buildings. They come in various shapes and sizes depending on their applications.

The pipes, fittings, and flanges industry in Malaysia can be depicted by the aggregate of manufacturing sales value and import value with the deduction of export value. The consumption of pipes, fittings, and flanges in Malaysia declined 12.3% yoy from RM4.3bn in 2019 to RM3.8bn in 2020 due to slowdowns in construction projects amidst the Covid-19 pandemic. Despite the further decrease of 4.5% yoy in 2021, consumption recovered 37.5% yoy in 2022 to exceed pre-pandemic level at RM5.0bn. In 2023, consumption of pipes, fittings, and flanges normalised to RM3.9bn after experiencing fluctuations due to the pandemic.

## Consumption of Pipes, Fittings, and Flanges (Malaysia), 2019 - 2023

**Consumption of pipes, fittings and flanges (Malaysia), 2019 – 2023<sup>1</sup>**

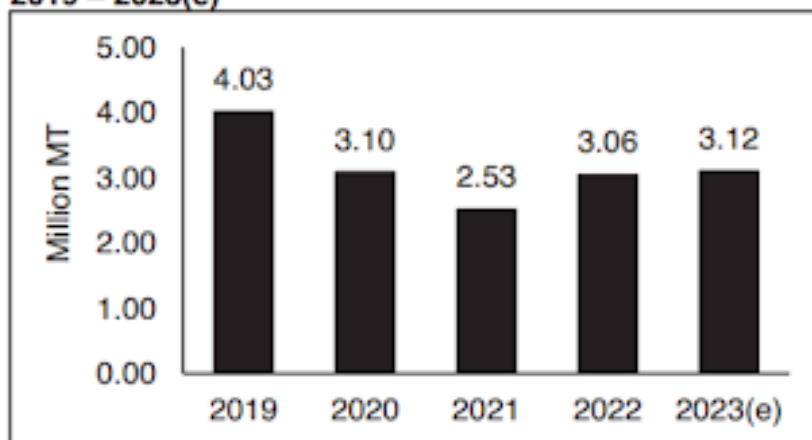


Source: Department of Statistics Malaysia (DOSM), Smith Zander

The structural steel market in Malaysia followed the same pattern with consumption declining 23.1% yoy in 2020 and subsequently decreasing 18.4% yoy in 2021. As business activities recovered following the subsidence of the Covid-19 pandemic, consumption of structural steel products recovered by 21.0% yoy in 2022, and finally growing by 2.0% yoy to 3.1m MT in 2023.

## Consumption of Structural Steel Products (Malaysia), 2019 - 2023

### Consumption of structural steel products (Malaysia), 2019 – 2023(e)



Notes:

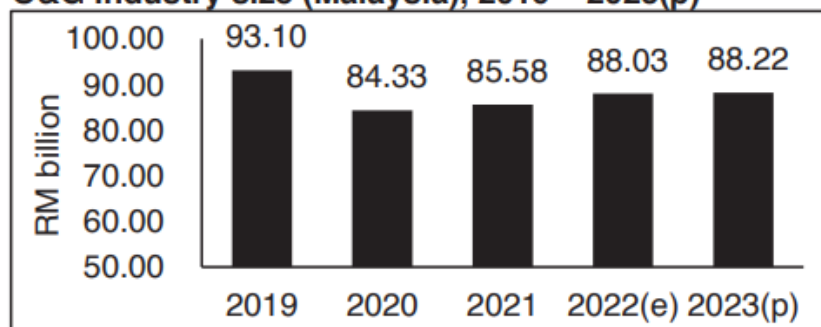
- \* (e) – Estimate.
- \* The consumption of structural steel products is presented in volume (i.e. MT) due to the unavailability of data in value (i.e. RM).

Source: South East Asia Iron and Steel Institute (SEAISI), Smith Zander

Despite the fluctuations in the consumption of pipes, fittings and flanges in Malaysia, manufacturing sales value that industry recorded yoy growth, save for a decline in 2020 due to the movement restrictions imposed by the Government. The market grew at a four-year CAGR of 2.9% from RM2.6bn in 2019 to RM3.0bn in 2023.

### Manufacturing Sales Value of Pipes, Fittings, and Flanges (Malaysia), 2019 - 2023

#### O&G industry size (Malaysia), 2019 – 2023(p)



Notes:

- \* (e) – Estimate.
- \* (p) – Preliminary.

Source: DOSM, Smith Zander

The economy of Indonesia is mainly driven by the manufacturing sector, the largest contributor to the country's GDP, which has contributed an average of 20.6% to the country's GDP between 2019 to 2023. On the other hand, the construction sector of Indonesia, the fourth largest contributor to the country's GDP, has contributed an average of 9.8% of the GDP of Indonesia over the same period. These sectors recorded a four-year CAGR of 2.5% and 1.6% respectively. The significant contribution and growth of the manufacturing and construction sectors in Indonesia signify demand for pipes, fittings, and flanges as well as steel products, as these products are utilised to support manufacturing and construction activities.

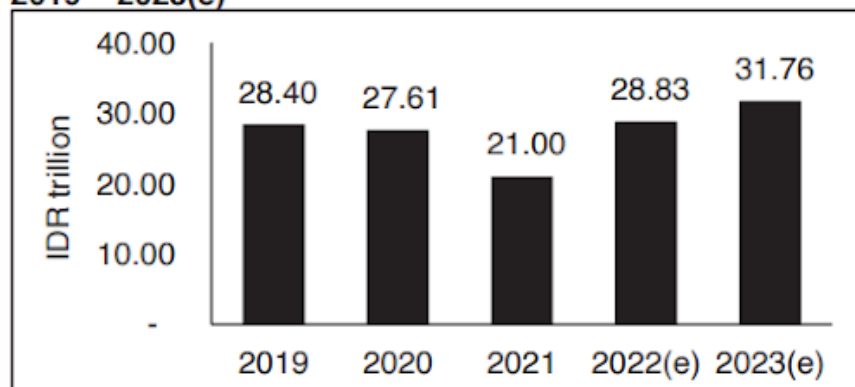
The consumption of pipes, fittings, and flanges in Indonesia recorded a yoy decline of 2.8% from IDR28.4t (RM8.3bn) in 2019 to IDR27.6 (RM8.0bn) in 2020, and further by 23.9% to IDR21.0t (RM6.09bn) in 2021, due to the fall in demand during the Covid-19 pandemic. From 2021 to 2023,



consumption recovered and recorded a two-year CAGR of 23.0% from IDR21.0t (RM6.1bn) to an estimated IDR31.8t (RM9.5bn) as business activities gradually resumed to pre-Covid-19 levels.

## Consumption of Pipes, Fittings, and Flanges (Indonesia), 2019 - 2023

**Consumption of pipes, fittings and flanges (Indonesia), 2019 – 2023(e)<sup>8</sup>**



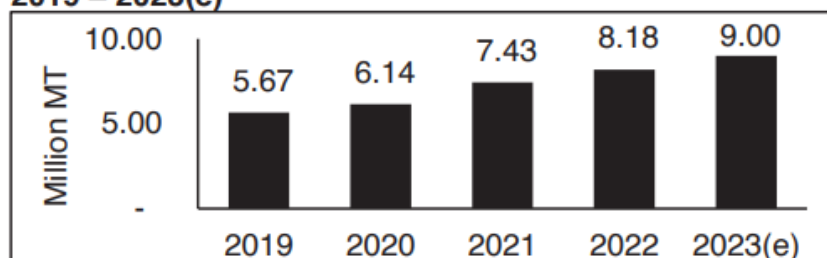
Note: (e) – Estimate.

Source: BPS-Statistics Indonesia, Smith Zander

Contrarily, the consumption of structural steel products in Indonesia recorded a four-year CAGR of 12.2% from 5.7m MT in 2019 to an estimated 9.0m MT in 2023. Growth in consumption of structural steel products in Indonesia persisted over the 5-year period, despite a decline in the Indonesian economy in 2020.

## Consumption of Structural Steel Products (Indonesia), 2019 - 2023

**Consumption of structural steel products (Indonesia), 2019 – 2023(e)**



Notes:

- \* (e) – Estimate.
- \* The consumption of structural steel products is presented in volume (i.e. MT) due to the unavailability of data in value (i.e. IDR)

Source: SEAISI, Smith Zander

One of the key growth drivers of the pipes, fittings, flanges, and steel products industry in Malaysia is the expansion of the oil and gas industry, which relies heavily on these components for production and transportation processes. As growth in oil and gas industry continues to be driven by increasing global oil and natural gas demand and infrastructure investments, the need for high-quality piping and steel solutions is expected to rise. In Malaysia, the sector benefits from sustained capital expenditures by key industry players, ensuring continued demand for pipes, fittings, flanges, and steel products.

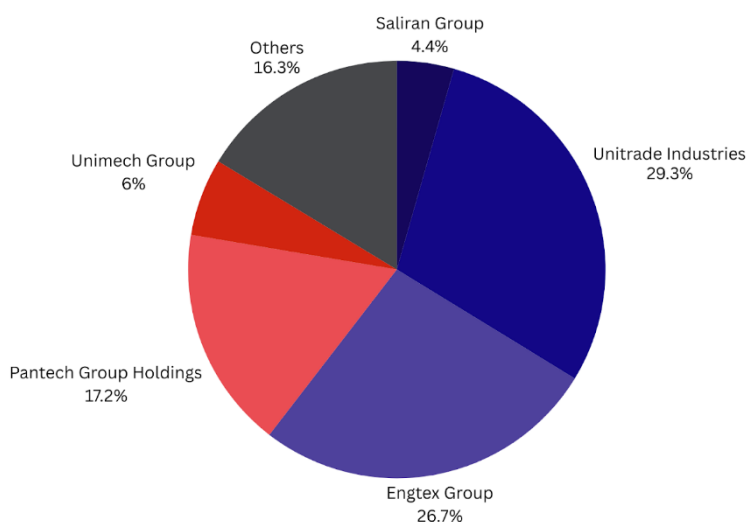
Additionally, the growth of other end user industries, particularly building materials and palm oil refining, further contributes to the expansion of the pipes, fittings, flanges, and steel products

market. The building materials sector, which supplies essential components for construction, renovation, and refurbishment, has experienced steady growth driven by optimistic national economic performance. Similarly, the palm oil refining industry continues to expand as Malaysia remains one of the world's largest palm oil producers.

Furthermore, rising foreign direct investments play a significant role in driving the growth of the national economy in various aspects, including industries such as oil and gas, building materials, palm oil refining, amongst others, thereby leading to greater consumption of steel and piping solutions.

Based on revenue of RM243.2m in FY23, SALIRAN commands a market share of 4.4% within the pipes, fittings, flanges, and/or steel products in Malaysia in 2023.

### Estimated Market Share of Selected Market Players within the Pipes, Fittings, Flanges, and/or Steel Products Market in Malaysia, 2023



Source: Apex Securities, Saliran Group, various company websites, Companies Commission of Malaysia, Smith Zander

Moving forward, the pipes, fittings, flanges, and steel products industry in Malaysia is set to be driven by oil and gas expansion, rising demand in building materials and palm oil refining, and increasing foreign direct investment. Higher capital expenditures and industrial growth will further boost demand for steel products and piping solutions.

### Financial Highlights

SALIRAN's core net profit demonstrated an impressive track record in FY21-23, registering RM9.9m in FY23 (2Y CAGR +30.7%). The said improvement was largely driven by the growth in the supply and distribution segment, which contributed over 98% of total revenue in FY23. Despite rising operational costs, SALIRAN's profitability has remained strong, with profit after tax increasing from RM4.6m in FY21 to RM10.1m in FY23. However, the PAT margin narrowed slightly from 6.5% in FY21 to 4.2% in FY23 due to higher cost of sales and administrative expenses.

Moving forward, we are projecting the core net profit to demonstrate further improvement, rising 37.7% yoy to RM13.7m in FY24F, on the back of additions of a new storage facility, Puchong Premise 3. We have factored in an average revenue/sqf of RM835.30. This is lower than RM2019.87 of revenue/sqf recorded in FY23, given that Puchong Premise 3 may require some time to be optimally utilised.

Going into FY25F, we expect SALIRAN's top and bottom line to record RM345.6m (+5.8% yoy) and RM14.9m (+9.3% yoy) respectively, supported by (i) expansion of the oil and gas industry, (ii) growth of other end user industries, particularly building materials and palm oil refining, and (iii)



rising foreign direct investments. Similarly, we expect the Group's revenue and core net profit to record RM365.2m (+5.7% yoy) and RM16.2m (+8.1% yoy) respectively in FY26F.

While SALIRAN does not adopt a formal dividend policy, we note that the Group was at net operating cash flow over the years. We reckon that the rolling out of aggressive expansion plans would be their key focus over the next 42 months.

## Peers Comparison

Company	Market Group	FYE	Price (RM)	Market Cap (RM 'm)	P/E (x)		Dividend Yield (%)	Revenue (RM' m)	Core Net Profit (RM' m)
					FY23	FY24F			
Saliran Group Bhd	ACE	Dec	0.27	103.4	10.4	7.6	0.4%	243.2	13.7
Pantech Group Holdings Bhd	MAIN	Feb	0.86	735.3	5.3	7.3	0.1%	946.6	105.5
Unimech Group Bhd	MAIN	Dec	1.48	223.1	8.8	8.8	0.03%	330.6	29.6
<b>Average ex- Saliran Group Bhd</b>					<b>7.0</b>	<b>8.1</b>	<b>0.05%</b>	<b>638.6</b>	<b>67.6</b>

Source: Company, Apex Securities

## Valuation & Recommendation

We recommend **subscribe** to SALIRAN's IPO with a target price of **RM0.34** (26.3% total potential upside from the IPO price) based on P/E multiple of 8.0x pegged to FY26F core EPS of 4.2 sen. The assigned P/E is in line with selected peers that are in the supply and distribution of pipes, fittings, flanges, and steel products industry listed on Bursa Malaysia.

## Investment Risk

High dependence on the oil and gas industry.

Exposure to fluctuations in steel prices.

International trade can result in regulatory, political, and foreign exchange risks.

# IPO Note

Tuesday, 25 Feb, 2025

## Financial Highlights

### Income Statement

FYE Dec (RM m)	FY22	FY23	FY24F	FY25F	FY26F
Revenue	138.6	243.2	326.7	345.6	365.2
Gross Profit	26.1	41.1	53.9	57.0	60.3
EBITDA	13.3	20.8	27.1	28.9	30.7
Depreciation & Amortisation	-1.6	-1.8	-1.7	-1.8	-2.0
EBIT	11.7	18.9	25.5	27.0	28.7
Net Finance Income/ (Cost)	-2.6	-4.8	-6.0	-5.7	-5.6
Associates & JV	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	9.0	14.1	19.5	21.3	23.1
Tax	-2.8	-3.9	-5.9	-6.4	-6.9
Profit After Tax	6.3	10.1	13.7	14.9	16.2
Minority Interest	-0.3	-0.2	0.0	0.0	0.0
Net Profit	6.0	9.9	13.7	14.9	16.2
Exceptionals	0.0	0.0	0.0	0.0	0.0
Core Net Profit	6.0	9.9	13.7	14.9	16.2

### Key Ratios

FYE Dec	FY22	FY23	FY24F	FY25F	FY26F
EPS (sen)	16	2.6	3.6	3.9	4.2
P/E (x)	17.4	10.4	7.6	6.9	6.4
P/B (x)	5.1	3.4	1.6	1.3	1.1
EV/EBITDA (x)	3.3	2.2	2.5	2.8	3.2
DPS (sen)	0.1	0.0	0.0	0.1	0.1
Dividend Yield (%)	0.5%	0.0%	0.0%	0.4%	0.4%
EBITDA margin (%)	9.6%	8.5%	8.3%	8.4%	8.4%
EBIT margin (%)	8.4%	7.8%	7.8%	7.8%	7.9%
PBT margin (%)	6.5%	5.8%	6.0%	6.2%	6.3%
PAT margin (%)	4.5%	4.2%	4.2%	4.3%	4.4%
NP margin (%)	4.3%	4.1%	4.2%	4.3%	4.4%
CNP margin (%)	4.3%	4.1%	4.2%	4.3%	4.4%
ROE (%)	29.3%	32.8%	20.8%	18.6%	16.8%
ROA (%)	5.5%	6.7%	7.4%	7.5%	7.4%
Gearing (%)	327.6%	281.4%	124.4%	97.4%	82.8%
Net gearing (%)	293.7%	190.4%	52.4%	27.0%	6.0%

### Valuations

	FY26F
Core EPS (RM)	0.042
P/E multiple (x)	8.0
Fair Value (RM)	0.34

Source: Company, Apex Securities

### Balance Sheet

FYE Dec (RM m)	FY22	FY23	FY24F	FY25F	FY26F
Cash	6.9	27.5	47.2	56.5	73.7
Receivables	44.5	66.0	80.6	85.2	90.1
Inventories	11.9	12.5	12.4	10.6	7.0
Other current assets	4.7	0.7	3.3	3.5	3.7
Total Current Assets	68.0	106.7	143.4	155.8	174.4
Fixed Assets	9.0	9.5	10.6	11.7	12.7
Intangibles	0.0	0.0	0.0	0.0	0.0
Other non-current assets	30.6	31.7	31.7	31.7	31.7
Total Non-Current Assets	39.6	41.2	42.3	43.3	44.3
Short-term debt	33.7	52.2	53.0	53.8	54.9
Payables	15.6	23.0	26.2	27.8	29.6
Other current liabilities	4.9	9.5	12.3	13.0	13.7
Total Current Liabilities	54.2	84.7	91.5	94.6	98.2
Long-term debt	32.9	32.8	28.6	24.3	24.5
Other non-current liabilities	0.2	0.0	0.0	0.0	0.0
Total Non-Current Liabilities	33.1	32.9	28.6	24.3	24.6
Shareholder's equity	20.1	30.2	65.6	80.2	95.9
Minority interest	0.2	0.0	0.0	0.0	0.0
Total Equity	20.3	30.2	65.6	80.2	95.9

### Cash Flow

FYE Dec (RM m)	FY22	FY23	FY24F	FY25F	FY26F
Pre-tax profit	9.0	14.1	19.5	21.3	23.1
Depreciation & amortisation	1.6	1.8	1.7	1.8	2.0
Changes in working capital	-15.0	-10.4	-11.1	-0.7	1.1
Others	-0.1	0.4	1.7	1.1	0.6
Operating cash flow	-4.5	5.9	11.7	23.6	26.8
Net capex	-4.0	-1.2	-1.5	-1.7	-1.8
Others	-11.2	-1.1	-4.2	0.0	0.0
Investing cash flow	-15.3	-2.3	-5.7	-1.7	-1.8
Dividends paid	-0.4	0.0	0.0	-0.4	-0.4
Others	19.7	14.0	27.9	-12.2	-7.4
Financing cash flow	19.3	14.0	27.9	-12.6	-7.8
Net cash flow	-0.5	17.6	33.9	9.2	17.2
Forex	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash	-3.8	-4.3	13.3	47.2	56.5
Ending cash	-4.3	13.3	47.2	56.5	73.7

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## Recommendation Framework:

**SUBSCRIBE:** Total returns\* are expected to exceed 10% within the next 12 months.

**NOT SUBSCRIBE:** Total returns\* are expected to be below -10% within the next 12 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.

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## ESG Rating Framework:

★★★★★ : Appraised with 3% premium to fundamental fair value

★★★★ : Appraised with 1% premium to fundamental fair value

★★★ : Appraised with 0% premium/discount to fundamental fair value

★★ : Appraised with -1% discount to fundamental fair value

★ : Appraised with -5% discount to fundamental fair value

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As of **Tuesday, 25 Feb, 2025**, the analyst(s) whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report:

(a) nil.

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