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2 September 2021

## Malaysia Property

Reuters AMEE.KL  
Bloomberg AME MK

Priced on 2 September 2021  
KLSE Comp @ 1,582.2

12M hi/lo RM2.79/1.85

12M price target RM3.00  
±% potential +14%

Shares in issue 427.1m  
Free float (est.) 29.3%

Market cap US\$270m

3M ADV US\$0.6m

Foreign s'holding 4.0%

Major shareholders  
Lim Yook Kim 20.0%  
Lee Chai 19.7%

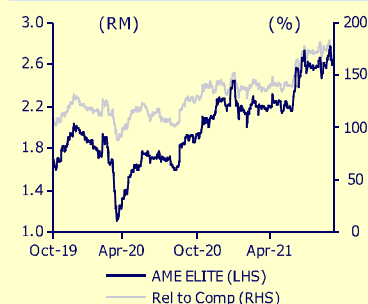
### Blended ESG Score (%)\*

Overall	79.7
Country average	70.8
GEM sector average	67.5

\*Click to visit company page on clsa.com for details

### Stock performance (%)

	1M	3M	12M
Absolute	0.4	2.3	43.7
Relative	(5.3)	3.4	39.7
Abs (US\$)	2.0	1.6	43.3



Source: Bloomberg

## Positivity intact

### 2HFY22 to see improved activity as Malaysia achieves herd immunity

AME's 1QFY22 earnings were within expectations, as we already priced in stronger earnings, property sales and order book replenishment in 2HFY22 given the lockdown impact in 2QFY22. Nonetheless, the company is still receiving enquiries on its industrial units despite the lockdown. AME is well positioned as a reopening and FDI proxy. We retain BUY with an unchanged RM3.00 target price.

### 1QFY22 earnings in-line; we pencil in a stronger 2HFY22

AME's 1QFY22 core earnings of RM7.2m (+36% YoY, -68% QoQ) were within our expectations (as we had already priced in a weak 1HFY22), but below consensus. 1QFY22 saw a margin squeeze from short-term leases of equipment needed for construction works. 96% of its workforce has completed its first dose of vaccination with most project sites recommencing (though the supply chain is still hindered).

### Property sales and order book replenishment on track to meet full-year target

Property sales of RM64.8m formed 32% of its full-year target, while unbilled sales stood at RM110m, a cover ratio of 0.6x over FY21 property revenue. Construction and Engineering contract win stood at RM43.5m (full-year target of RM150m-RM200m) with an outstanding tender book of c.RM1bn and a historical success rate of 15-20%. Both the targets are maintained despite the recent lockdown as the company is still receiving enquiries towards its industrial products.

### Outlook intact; we expect 3-year earnings Cagr of 20%

We expect stronger progressive billings alongside more sales and contract wins to be locked in looking into 2HFY22, given the lockdown impact during 2Q22. On the workers' dormitory expansion, the third dormitory is slated to complete by Apr-22 (to be fully taken up shortly after completion) and the company is now planning for the fourth and fifth dormitories given strong demand. AME will be unlocking value from its property investments via a Shariah-compliant Reit listing slated for 1H22.

### Reiterate BUY with an unchanged target price of RM3.00

We reiterate BUY with an unchanged SOTP-derived RM3.00 target price. We are positive on its growth trajectory post-FY22, with stronger contract wins. Catalysts for the stock include it being a proxy reopening play facilitating additional foreign demand as well as a potentially higher-than-expected Reit listing valuation (our valuation implies a yield of c.5%) which should command a scarcity premium given its Shariah status.

### Financials

Year to 31 March	20A	21A	22CL	23CL	24CL
Revenue (RMm)	380	461	258	487	518
Net profit (RMm)	51	46	38	75	80
EPS (sen)	11.9	10.8	9.0	17.5	18.8
CL/consensus (2) (EPS%)	-	-	-	-	-
EPS growth (% YoY)	-	(8.8)	(16.8)	94.1	7.8
PE (x)	22.2	24.3	29.2	15.1	14.0
Dividend yield (%)	1.1	1.5	1.1	1.9	2.3
FCF yield (%)	(4.5)	8.2	11.2	5.9	6.9
PB (x)	1.8	1.7	1.6	1.5	1.4
ROE (%)	9.7	7.1	5.6	10.3	10.3
Net debt/equity (%)	13.7	(3.3)	(5.0)	2.2	7.6

Source: www.clsa.com

## Financials at a glance

Year to 31 March	2020A	2021A	2022CL	(% YoY)	2023CL	2024CL
<b>Profit &amp; Loss (RMm)</b>						
Revenue	380	461	258	(44)	487	518
Cogs (ex-D&A)	(260)	(351)	(182)		(348)	(369)
<b>Gross Profit (ex-D&amp;A)</b>	<b>120</b>	<b>109</b>	<b>76</b>	<b>(30.6)</b>	<b>139</b>	<b>149</b>
SG&A and other expenses	(20)	(21)	(13)		(25)	(26)
<b>Op Ebitda</b>	<b>100</b>	<b>88</b>	<b>63</b>	<b>(28.8)</b>	<b>114</b>	<b>123</b>
Depreciation/amortisation	(7)	(7)	(8)		(7)	(7)
<b>Op Ebit</b>	<b>93</b>	<b>82</b>	<b>55</b>	<b>(32.3)</b>	<b>107</b>	<b>116</b>
Net interest inc/(exp)	(10)	(5)	(4)		(5)	(6)
Other non-Op items	(8)	(4)	4		4	4
<b>Profit before tax</b>	<b>75</b>	<b>72</b>	<b>54</b>	<b>(24.9)</b>	<b>106</b>	<b>114</b>
Taxation	(20)	(22)	(13)		(25)	(27)
<b>Profit after tax</b>	<b>55</b>	<b>51</b>	<b>41</b>	<b>(18.4)</b>	<b>80</b>	<b>87</b>
Minority interest	(5)	(4)	(3)		(6)	(6)
<b>Net profit</b>	<b>51</b>	<b>46</b>	<b>38</b>	<b>(16.8)</b>	<b>75</b>	<b>80</b>
<b>Adjusted profit</b>	<b>61</b>	<b>51</b>	<b>38</b>	<b>(25.1)</b>	<b>75</b>	<b>80</b>
<b>Cashflow (RMm)</b>						
<b>Operating profit</b>	<b>93</b>	<b>82</b>	<b>55</b>	<b>(32.3)</b>	<b>107</b>	<b>116</b>
Depreciation/amortisation	7	7	8	13.4	7	7
Working capital changes	(109)	41	81	98.3	(18)	(12)
Other items	(31)	1	(17)		(30)	(33)
<b>Net operating cashflow</b>	<b>(40)</b>	<b>130</b>	<b>126</b>	<b>(2.9)</b>	<b>66</b>	<b>77</b>
Capital expenditure	(11)	(38)	0		0	0
<b>Free cashflow</b>	<b>(51)</b>	<b>92</b>	<b>126</b>	<b>36.8</b>	<b>66</b>	<b>77</b>
M&A/Others	(33)	38	(100)		(100)	(100)
<b>Net investing cashflow</b>	<b>(44)</b>	<b>1</b>	<b>(100)</b>		<b>(100)</b>	<b>(100)</b>
Increase in loans	67	(36)	-		-	-
Dividends	(13)	(17)	(13)		(21)	(26)
Net equity raised/other	124	5	0		0	0
<b>Net financing cashflow</b>	<b>179</b>	<b>(48)</b>	<b>(13)</b>		<b>(21)</b>	<b>(26)</b>
Incr/(decr) in net cash	95	83	13	(83.7)	(55)	(48)
Exch rate movements	19	(3)	0		0	0
<b>Balance sheet (RMm)</b>						
Cash & equivalents	192	271	285	5	230	182
Accounts receivable	86	94	53	(43.8)	100	107
Other current assets	366	320	208	(34.9)	295	312
Fixed assets	101	132	124	(5.8)	117	110
Investments	365	344	447	30.1	551	654
Intangible assets	0	0	0		0	0
Other non-current assets	44	31	31	0	31	31
<b>Total assets</b>	<b>1,154</b>	<b>1,192</b>	<b>1,148</b>	<b>(3.7)</b>	<b>1,323</b>	<b>1,395</b>
Short-term debt	22	21	25	15.3	25	25
Accounts payable	145	147	75	(49.1)	191	202
Other current liabs	31	60	60	0	60	60
Long-term debt/CBs	261	226	223	(1.5)	223	223
Provisions/other LT liabs	27	25	25	0	25	25
Shareholder funds	634	675	700	3.8	753	808
Minorities/other equity	34	38	41	7.7	46	52
<b>Total liabs &amp; equity</b>	<b>1,154</b>	<b>1,192</b>	<b>1,148</b>	<b>(3.7)</b>	<b>1,323</b>	<b>1,395</b>
<b>Ratio analysis</b>						
Revenue growth (% YoY)	-	21.1	(44.0)		88.7	6.5
Ebitda margin (%)	26.3	19.2	24.4		23.4	23.7
Ebit margin (%)	24.6	17.7	21.4		21.9	22.4
Net profit growth (%)	-	(8.8)	(16.8)		94.1	7.8
Op cashflow growth (% YoY)	-	nm	(2.9)		(47.4)	16.7
Capex/sales (%)	2.9	8.2	0.0		0.0	0.0
Net debt/equity (%)	13.7	(3.3)	(5.0)		2.2	7.6
Net debt/Ebitda (x)	0.9	-	-		0.2	0.5
ROE (%)	9.7	7.1	5.6		10.3	10.3
ROIC (%)	19.9	14.4	12.9		28.4	30.0

Source: www.clsa.com

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Figure 1

<b>Financial results summary</b>					
RMm	1QFY22	1QFY21	YoY	4QFY21	QoQ
Revenue	76.8	54.7	40.2%	163.3	(53.0%)
Operational cost	(63.2)	(47.0)	34.4%	(128.1)	(50.7%)
EBITDA	13.6	7.7	75.9%	35.2	(61.5%)
Depreciation and amortisation	(1.6)	(1.7)	(2.2%)	(1.9)	(13.0%)
EBIT	11.9	6.0	97.7%	33.3	(64.2%)
Finance cost	(1.1)	(1.4)	(21.4%)	(1.1)	(3.4%)
Operating profit	10.9	4.7	132.6%	32.2	(66.3%)
Share of JVs and associates	0.2	2.0	(91.3%)	0.5	(66.0%)
PBT	11.0	6.6	66.6%	32.7	(66.3%)
Tax expenses	(3.4)	(0.6)	466.4%	(9.1)	(62.6%)
PAT	7.6	6.0	26.7%	23.6	(67.7%)
MI	0.4	0.7	(41.1%)	0.9	(53.0%)
PATAMI	7.2	5.3	35.5%	22.8	(68.3%)
EBITDA Margin	17.7%	14.1%	3.6%	21.6%	(3.9%)
EBIT Margin	15.5%	11.0%	4.5%	20.4%	(4.9%)
PBT Margin	14.4%	12.1%	2.3%	20.0%	(5.7%)
PATAMI Margin	9.4%	9.7%	(0.3%)	13.9%	(4.5%)

Source: CLSA, Company

Figure 2

<b>SOTP-derived target price</b>		
Segment	Value	Valuation based on
Construction and Engineering	357	11x PE
Property Investment and Management	550	Targeted yield of 5%
Property Development	373	RNAV
	1,280	
Share base (m)	427	
Target price	3.00	

Source: CLSA, Company

## Valuation details

We value it using the SOTP method to reflect the various operations within the business. The most sizeable portion stems for its Property Investment division which is valued based on a targeted listing yield of c.5% which should see further upside upon its listing in 1H2022. Meanwhile, the Property Development segment is valued based on a RNAV valuation, while the Construction segment is valued based on a 11x PE multiple.

## Investment risks

A prolonged pandemic and delay in economic recovery would pose risks to the company's outlook as the construction and M&E orderbooks have yet to see significant replenishments. Furthermore, international border closures would make it more difficult for international clients to lock in contracts to purchase its industrial properties. Nonetheless, we expect a more normalised outlook looking in the next financial year.

Figure 3

Peer/customer matrix											
	Ticker	Result (FY0)	Country	Mkt cap (US\$bn)	3M ADT (US\$m)	PE (x)	PB (x)	Div yld (%)	ROE (%)	Net debt/equity (%)	EPS growth (% YoY)
						FY1	FY1	FY1	FY1	FY1	FY1
<b>Peers</b>											
AME ELITE	AME MK	Mar-21	Malaysia	0.3	0.6	29.1	1.6	1.1	5.6	(5.0)	(16.8)
Eco World	ECW MK	Oct-20	Malaysia	0.5	0.5	10.6	0.6	4.2	4.2	59.7	46.7
IOI Properties	IOIPG MK	Jun-21	Malaysia	1.7	0.2	10.5	0.3	2.4	3.4	51.0	0.0
Mah Sing	MSGB MK	Dec-20	Malaysia	0.5	0.9	33.4	0.6	2.4	3.4	(11.8)	-
Sime Darby Property	SDPR MK	Dec-20	Malaysia	1.0	0.2	31.4	0.5	1.7	1.5	25.2	6.4
SP Setia	SPSB MK	Dec-20	Malaysia	1.1	0.9	41.1	0.3	0.0	0.9	69.6	776.5
Sunway	SWB MK	Dec-20	Malaysia	2.1	1.3	49.4	1.1	0.6	2.0	44.4	(55.5)
UEM Sunrise	UEMS MK	Dec-20	Malaysia	0.5	0.2	(375.0)	0.3	0.5	0.1	36.0	-
<b>Average</b>						<b>29.3</b>	<b>0.7</b>	<b>1.6</b>	<b>2.6</b>	<b>33.6</b>	<b>126.2</b>
<b>Median</b>						<b>31.4</b>	<b>0.5</b>	<b>1.4</b>	<b>2.7</b>	<b>40.2</b>	<b>3.2</b>

Based on latest reported numbers from IBES for non-covered stocks and from CLSA analyst models for covered stocks. Source: CLSA, IBES

## Detailed financials

### Profit & Loss (RMm)

Year to 31 March	2020A	2021A	2022CL	2023CL	2024CL
Revenue	380	461	258	487	518
Cogs (ex-D&A)	(260)	(351)	(182)	(348)	(369)
<b>Gross Profit (ex-D&amp;A)</b>	<b>120</b>	<b>109</b>	<b>76</b>	<b>139</b>	<b>149</b>
Research & development costs	-	-	-	-	-
Selling & marketing expenses	(5)	(4)	(2)	(3)	(4)
Other SG&A	(31)	(26)	(18)	(35)	(37)
Other Op Expenses ex-D&A	15	9	7	14	14
<b>Op Ebitda</b>	<b>100</b>	<b>88</b>	<b>63</b>	<b>114</b>	<b>123</b>
Depreciation/amortisation	(7)	(7)	(8)	(7)	(7)
<b>Op Ebit</b>	<b>93</b>	<b>82</b>	<b>55</b>	<b>107</b>	<b>116</b>
Interest income	4	4	6	5	4
Interest expense	(14)	(10)	(10)	(10)	(10)
<b>Net interest inc/(exp)</b>	<b>(10)</b>	<b>(5)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>
Associates/investments	5	4	4	4	4
Forex/other income	-	-	-	-	-
Asset sales/other cash items	-	-	-	-	-
Provisions/other non-cash items	-	-	-	-	-
Asset revaluation/Exceptional items	(13)	(7)	-	-	-
<b>Profit before tax</b>	<b>75</b>	<b>72</b>	<b>54</b>	<b>106</b>	<b>114</b>
Taxation	(20)	(22)	(13)	(25)	(27)
<b>Profit after tax</b>	<b>55</b>	<b>51</b>	<b>41</b>	<b>80</b>	<b>87</b>
Preference dividends	-	-	-	-	-
<b>Profit for period</b>	<b>55</b>	<b>51</b>	<b>41</b>	<b>80</b>	<b>87</b>
Minority interest	(5)	(4)	(3)	(6)	(6)
<b>Net profit</b>	<b>51</b>	<b>46</b>	<b>38</b>	<b>75</b>	<b>80</b>
Extraordinaries/others	0	0	0	0	0
<b>Profit available to ordinary shares</b>	<b>51</b>	<b>46</b>	<b>38</b>	<b>75</b>	<b>80</b>
Dividends	0	(17)	(13)	(21)	(26)
<b>Retained profit</b>	<b>51</b>	<b>29</b>	<b>26</b>	<b>53</b>	<b>55</b>
<b>Adjusted profit</b>	<b>61</b>	<b>51</b>	<b>38</b>	<b>75</b>	<b>80</b>
EPS (sen)	11.9	10.8	9.0	17.5	18.8
Adj EPS [pre excep] (sen)	14.2	12.0	9.0	17.5	18.8
Core EPS (sen)	11.9	10.8	9.0	17.5	18.8
DPS (sen)	3.0	4.0	3.0	5.0	6.0

### Profit & loss ratios

Year to 31 March	2020A	2021A	2022CL	2023CL	2024CL
<b>Growth (%)</b>					
Revenue growth (% YoY)	-	21.1	(44.0)	88.7	6.5
Ebitda growth (% YoY)	-	(11.6)	(28.8)	81.3	7.8
Ebit growth (% YoY)	-	(12.7)	(32.3)	93.4	8.7
Net profit growth (%)	-	(8.8)	(16.8)	94.1	7.8
EPS growth (% YoY)	nm	(8.8)	(16.8)	94.1	7.8
Adj EPS growth (% YoY)	nm	(15.3)	(25.1)	94.1	7.8
DPS growth (% YoY)	-	33.5	(25.1)	66.7	20.0
Core EPS growth (% YoY)	nm	(8.8)	(16.8)	94.1	7.8
<b>Margins (%)</b>					
Gross margin (%)	31.6	23.7	29.4	28.5	28.8
Ebitda margin (%)	26.3	19.2	24.4	23.4	23.7
Ebit margin (%)	24.6	17.7	21.4	21.9	22.4
Net profit margin (%)	13.3	10.0	14.9	15.3	15.5
Core profit margin	13.3	10.0	14.9	15.3	15.5
Op cashflow margin	(10.5)	28.2	49.0	13.6	14.9
<b>Returns (%)</b>					
ROE (%)	9.7	7.1	5.6	10.3	10.3
ROA (%)	5.9	4.9	3.6	6.6	6.5
ROIC (%)	19.9	14.4	12.9	28.4	30.0
ROCE (%)	12.3	11.3	7.9	14.0	13.3
<b>Other key ratios (%)</b>					
Effective tax rate (%)	26.6	30.0	24.0	24.0	24.0
Ebitda/net int exp (x)	10.0	16.4	14.5	24.0	21.2
Exceptional or extraord. inc/PBT (%)	-	-	-	-	-
Dividend payout (%)	25.3	37.0	33.3	28.6	31.8

Source: www.clsa.com

## Balance sheet (RMm)

Year to 31 March	2020A	2021A	2022CL	2023CL	2024CL
Cash & equivalents	192	271	285	230	182
Accounts receivable	86	94	53	100	107
Inventories	366	320	208	295	312
Other current assets	-	-	-	-	-
<b>Current assets</b>	<b>644</b>	<b>686</b>	<b>546</b>	<b>625</b>	<b>600</b>
Fixed assets	101	132	124	117	110
Investments	365	344	447	551	654
Goodwill	0	0	0	0	0
Other intangible assets	0	0	0	0	0
Other non-current assets	44	31	31	31	31
<b>Total assets</b>	<b>1,154</b>	<b>1,192</b>	<b>1,148</b>	<b>1,323</b>	<b>1,395</b>
Short term loans/OD	22	21	25	25	25
Accounts payable	145	147	75	191	202
Accrued expenses	-	-	-	-	-
Taxes payable	0	0	0	0	0
Other current liabs	31	60	60	60	60
<b>Current liabilities</b>	<b>199</b>	<b>228</b>	<b>159</b>	<b>275</b>	<b>287</b>
Long-term debt/leases/other	261	226	223	223	223
Convertible bonds	-	-	-	-	-
Provisions/other LT liabs	27	25	25	25	25
<b>Total liabilities</b>	<b>486</b>	<b>480</b>	<b>407</b>	<b>523</b>	<b>535</b>
Share capital	620	620	620	620	620
Retained earnings	14	54	80	133	188
Reserves/others	0	0	-	0	0
<b>Shareholder funds</b>	<b>634</b>	<b>675</b>	<b>700</b>	<b>753</b>	<b>808</b>
Minorities/other equity	34	38	41	46	52
<b>Total equity</b>	<b>668</b>	<b>712</b>	<b>741</b>	<b>800</b>	<b>861</b>
<b>Total liabs &amp; equity</b>	<b>1,154</b>	<b>1,192</b>	<b>1,148</b>	<b>1,323</b>	<b>1,395</b>
Total debt	283	248	248	248	248
Net debt	91	(24)	(37)	18	66
Adjusted EV	883	793	679	636	587
BVPS (sen)	148.4	157.9	163.9	176.4	189.2

## Balance sheet ratios

Year to 31 March	2020A	2021A	2022CL	2023CL	2024CL
<b>Key ratios</b>					
Current ratio (x)	3.2	3.0	3.4	2.3	2.1
Growth in total assets (% YoY)	-	3.3	(3.7)	15.2	5.5
Growth in capital employed (% YoY)	-	(9.3)	2.2	16.2	13.3
Net debt to operating cashflow (x)	(2.3)	-	-	0.3	0.8
Gross debt to operating cashflow (x)	(7.1)	1.9	2.0	3.7	3.2
Gross debt to Ebitda (x)	2.8	2.8	3.9	2.2	2.0
Net debt/Ebitda (x)	0.9	-	-	0.2	0.5
<b>Gearing</b>					
Net debt/equity (%)	13.7	(3.3)	(5.0)	2.2	7.6
Gross debt/equity (%)	42.4	34.8	33.4	31.0	28.8
Interest cover (x)	7.0	8.7	6.1	11.3	12.1
Debt cover (x)	(0.1)	0.5	0.5	0.3	0.3
Net cash per share (sen)	(21.4)	5.6	8.7	(4.1)	(15.4)
<b>Working capital analysis</b>					
Inventory days	514.4	356.6	529.3	263.8	299.9
Debtor days	82.8	71.5	104.2	57.4	72.7
Creditor days	203.0	151.6	222.4	139.3	194.2
Working capital/Sales (%)	72.7	45.0	49.1	29.6	30.2
<b>Capital employed analysis</b>					
Sales/Capital employed (%)	50.1	66.9	36.7	59.6	56.0
EV/Capital employed (%)	116.4	115.2	96.6	77.9	63.4
Working capital/Capital employed (%)	36.4	30.1	18.0	17.6	16.9
Fixed capital/Capital employed (%)	13.3	19.1	17.6	14.3	11.9
<b>Other ratios (%)</b>					
PB (x)	1.8	1.7	1.6	1.5	1.4
EV/Ebitda (x)	8.8	9.0	10.8	5.6	4.8
EV/OCF (x)	(22.0)	6.1	5.4	9.6	7.6
EV/FCF (x)	(17.3)	8.6	5.4	9.6	7.6
EV/Sales (x)	2.3	1.7	2.6	1.3	1.1
Capex/depreciation (%)	166.4	558.8	0.0	0.0	0.0

Source: www.clsa.com

## Cashflow (RMm)

Year to 31 March	2020A	2021A	2022CL	2023CL	2024CL
Operating profit	93	82	55	107	116
Operating adjustments	(5)	(2)	(1)	(1)	(2)
Depreciation/amortisation	7	7	8	7	7
Working capital changes	(109)	41	81	(18)	(12)
Interest paid / other financial expenses	-	-	-	-	-
Tax paid	(20)	(22)	(13)	(25)	(27)
Other non-cash operating items	(6)	25	(4)	(4)	(4)
<b>Net operating cashflow</b>	<b>(40)</b>	<b>130</b>	<b>126</b>	<b>66</b>	<b>77</b>
Capital expenditure	(11)	(38)	0	0	0
<b>Free cashflow</b>	<b>(51)</b>	<b>92</b>	<b>126</b>	<b>66</b>	<b>77</b>
Acq/inv/disposals	-	-	-	-	-
Int, invt & associate div	(33)	38	(100)	(100)	(100)
<b>Net investing cashflow</b>	<b>(44)</b>	<b>1</b>	<b>(100)</b>	<b>(100)</b>	<b>(100)</b>
Increase in loans	67	(36)	-	-	-
Dividends	(13)	(17)	(13)	(21)	(26)
Net equity raised/others	124	5	0	0	0
<b>Net financing cashflow</b>	<b>179</b>	<b>(48)</b>	<b>(13)</b>	<b>(21)</b>	<b>(26)</b>
Incr/(decr) in net cash	95	83	13	(55)	(48)
Exch rate movements	19	(3)	0	0	0
<b>Opening cash</b>	<b>78</b>	<b>192</b>	<b>271</b>	<b>285</b>	<b>230</b>
<b>Closing cash</b>	<b>192</b>	<b>271</b>	<b>285</b>	<b>230</b>	<b>182</b>
OCF PS (sen)	(9.4)	30.5	29.6	15.5	18.1
FCF PS (sen)	(11.9)	21.6	29.6	15.5	18.1

## Cashflow ratio analysis

Year to 31 March	2020A	2021A	2022CL	2023CL	2024CL
<b>Growth (%)</b>					
Op cashflow growth (% YoY)	-	nm	(2.9)	(47.4)	16.7
FCF growth (% YoY)	-	-	36.8	(47.4)	16.7
Capex growth (%)	-	247.9	(100.0)	-	-
<b>Other key ratios (%)</b>					
Capex/sales (%)	2.9	8.2	0.0	0.0	0.0
Capex/op cashflow (%)	(27.1)	29.0	0.0	0.0	0.0
Operating cashflow payout ratio (%)	-	13.1	10.1	32.2	33.1
Cashflow payout ratio (%)	-	13.1	10.1	32.2	33.1
Free cashflow payout ratio (%)	-	18.5	10.1	32.2	33.1

## DuPont analysis

Year to 31 March	2020A	2021A	2022CL	2023CL	2024CL
Ebit margin (%)	24.6	17.7	21.4	21.9	22.4
Asset turnover (x)	0.3	0.4	0.2	0.4	0.4
Interest burden (x)	0.8	0.9	1.0	1.0	1.0
Tax burden (x)	0.7	0.7	0.8	0.8	0.8
Return on assets (%)	5.9	4.9	3.6	6.6	6.5
Leverage (x)	1.7	1.7	1.6	1.6	1.6
ROE (%)	9.7	7.1	5.6	10.3	10.3

## EVA® analysis

Year to 31 March	2020A	2021A	2022CL	2023CL	2024CL
Ebit adj for tax	69	57	42	81	88
Average invested capital	421	395	325	286	294
ROIC (%)	19.9	14.4	12.9	28.4	30.0
Cost of equity (%)	8.5	8.5	8.5	8.5	8.5
Cost of debt (adj for tax)	2.2	2.1	2.3	2.3	2.3
Weighted average cost of capital (%)	7.1	7.0	7.1	7.1	7.1
EVA/IC (%)	12.9	7.4	5.8	21.3	22.9
EVA (RMm)	44	29	19	61	67

Source: www.clsa.com



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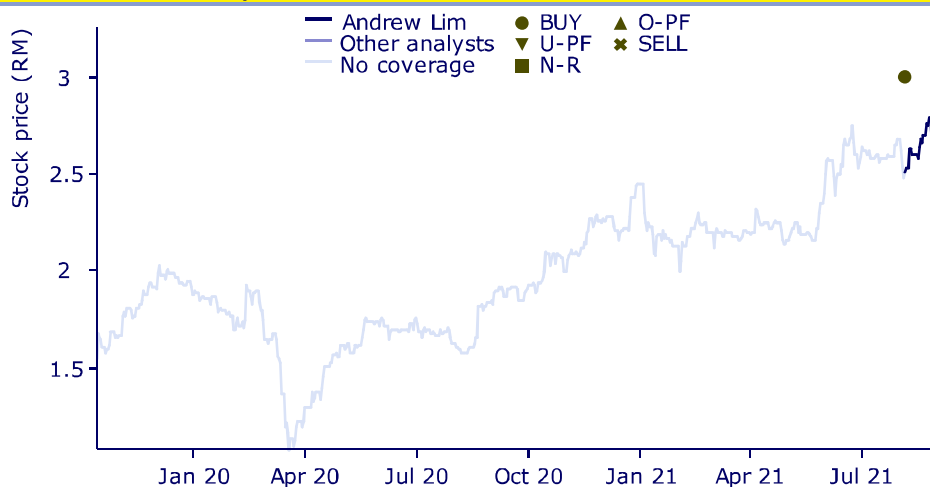
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**Recommendation history of Ame Elite Consortium Bhd AME MK**



Date	Rec	Target	Date	Rec	Target
05 Aug 2021	BUY	3.00			

Source: CLSA

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