

BUY

TP: IDR 19,170

▲ 81.7%

PT M Cash Integrasi Tbk

MCAS IJ

Leaning more towards high-margin products

We raised our EV/Sales multiple valuation to IDR19,170/share on higher FY22E revenue estimates. Profit wise, we expect margins to improve due to more favorable product-mix. The group has also formed new partnerships and established a factory in order to expand its IoT/SaaS and Electric Vehicles (EVs) segments, respectively. MCAS is currently trading attractively at a substantial ~69% discount to its listed peers (FY22E EV/Sales of 0.7x vs peers of 2.1x), with ~51% EPS CAGR from FY20-24E. Reiterate BUY.

- Upping our estimates on network expansion:** We raised our revenue estimates by 5%/4%/9% to IDR15,119bn/IDR17,553bn/IDR19,981bn in FY22E/23E/24E, respectively, largely due to higher number of distribution points (digital product aggregator members). We expect MCAS's network to expand by 14.5% CAGR to 358,380 locations from FY20-24E, with avg. sales/dist. points bottoming at ~IDR47m in FY22E (new members outpace revenue) and recovering to ~IDR56m in FY24E.
- Margins to improve given more favorable product mix:** We lowered our PATMI margin assumptions to 0.3%/0.4%/0.7% (prior: 0.8%/1.3%/1.5%) in FY22E/23E/24E, respectively, to account for recent surge in sales of low-margin staple digital products (GPM of ~1-2%) and higher marketing expenses. Nevertheless, we expect margins to improve given a gradual shift towards higher-margin products, such as Content Production (GPM of 40-90%), IoT/SaaS (~55%), Electric Vehicles/EVs and Batteries (30-60%), and the extension of Trade Marketing offerings which includes eCommerce platform for "physical goods" (10-20%) and Delivery Services (3-5%). We estimate sales of these high-margin products to grow by a CAGR of ~220% from FY20-24E.
- Nurturing WABA, DigiResto and EVs:** The group has delivered new initiatives: 1) partnering with the MOH to launch Covid-19 contact tracing system via WABA chatbot, 2) collaborating with LinkAja (an e-wallet & payment app with 75m users) to promote its DigiResto, 3) setting up a factory to anticipate a surge in demand for its EVs. We believe these highlight MCAS's superior business model as a digital infrastructure company and we expect more partnerships over the next 6-12mo.
- Reiterate BUY with higher TP of IDR19,170/share:** Based on our new FY22E sales estimate and EV/Sales multiple of 1.1x, we derive a higher TP of IDR19,170/share. MCAS is trading at a ~69% discount to its peers (FY22E EV/Sales of 0.7x vs peers of 2.1x), with ~51% EPS CAGR from FY20-24E. We like MCAS for its profit-oriented approaches, exposures to low-to-mid end markets, diversified tech offerings as a platform, and in-house platform development capabilities. Reiterate BUY.

Consolidated Financial highlights

Y/E 31 Dec (IDR'bn)	FY20A	FY21E	FY22E	FY23E	FY24E
Revenue	11,334	13,164	15,119	17,553	19,981
Revenue Growth	2%	16%	15%	16%	14%
Attributable Net Profit	26	67*	43	73	134
Outstanding shares (bn)	0.87	0.87	0.87	0.87	0.87
EPS (IDR)	30	77	50	84	155
EPS growth (%)	-30%	161%	-35%	69%	83%
Attributable NPM (%)	0.2%	0.5%	0.3%	0.4%	0.7%
ROE (%)	5.4%	12.6%	7.5%	11.3%	17.2%
EV/Sales (x)	0.9	0.7	0.7	0.6	0.5

Source: Company, SCCM Research; *Include investment gain of IDR83bn in FY21E



5 January 2022

REPORT AUTHORS

Ilvin Cornelis

+65 6671 8112

ilvin.cornelis@sccmasia.com

PRICE CLOSE (4 January 2022)

IDR 10,550

MARKET CAP

IDR 9.16 tn

USD 638 m

SHARES O/S

867.9 m

FREE FLOAT

30.1%

3M AVG DAILY VOLUME/VALUE

0.74m / IDR8.74bn

52 WK HIGH

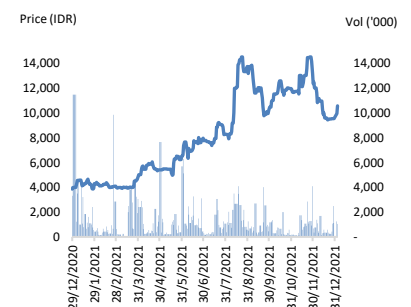
15,000

52 WK LOW

3,800

Target Price

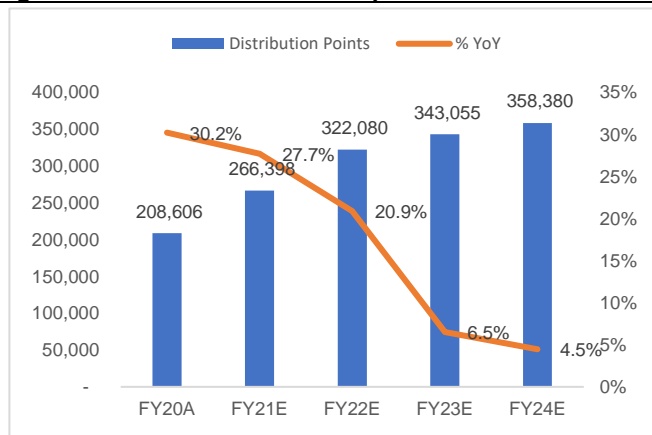
IDR 19,170



Revising revenue and margin estimates

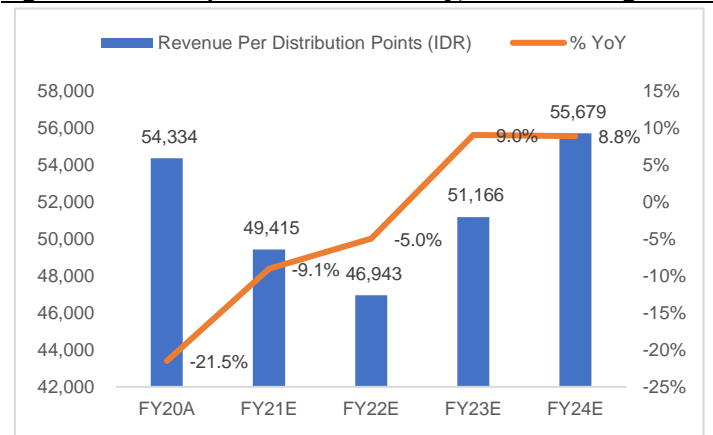
- Higher revenue estimates on expanding distribution network:** We raised our revenue estimates by 5%/4%/9% to IDR15,119bn/IDR17,553bn/IDR19,981bn in FY22E/23E/24E, respectively, largely due to higher number of distribution points (digital product aggregator members). We expect MCAS's network to expand by 14.5% CAGR to 358,380 locations from FY20-24E, with avg. sales/dist. points bottoming at ~IDR47m in FY22E (new members grow faster than revenue) and bouncing back to ~IDR56m in FY24E.

Fig 1 - Distribution network to expand further



Source: Company, SCCM Research

Fig 2 - Sales/dist. points decline initially, then bouncing back



Source: Company, SCCM Research

- Segment-wise, only the Digital Product Aggregators (contributing 66% of sales in FY20) see upward revisions, as we expect higher number of new members joining the network.
- Meanwhile, we lowered our FY22-24E revenue estimates for the other segments, as we expect: 1) lower additions of new Kiosks & Digital Agents for the Digital Product segment, 2) lesser deployments of screens (especially Managed Services screens) for the Digital Cloud Advertising, and 3) smaller number of EV units sold for the Clean Energy Product.

Fig 3 - Old vs New segmental forecasts

Old vs New Forecasts (IDR'b)	Old Forecasts				New Forecasts				Difference (%)			
	FY21E	FY22E	FY23E	FY24E	FY21E	FY22E	FY23E	FY24E	FY21E	FY22E	FY23E	FY24E
Revenue	12,620	14,397	16,860	18,289	13,164	15,119	17,553	19,981	4%	5%	4%	9%
Digital products	4,407	5,395	6,874	7,539	3,927	4,623	5,818	6,015	-11%	-14%	-15%	-20%
Digital product aggregator	8,052	8,663	9,230	9,827	9,050	10,241	11,305	13,390	12%	18%	22%	36%
Digital cloud advertising	116	270	399	472	144	186	268	309	24%	-31%	-33%	-35%
IoT/SaaS	38	56	83	101	38	56	83	101	0%	0%	0%	0%
Clean energy product & services	7	14	274	350	6	14	80	167	-19%	-2%	-71%	-52%
Gross Profit	231	501	816	988	216	349	587	892	-7%	-30%	-28%	-10%
Digital products	86	211	292	324	71	116	174	196	-17%	-45%	-40%	-40%
Digital product aggregator	56	87	102	118	65	100	196	395	15%	15%	93%	235%
Digital cloud advertising	64	166	283	369	56	98	137	159	-12%	-41%	-52%	-57%
IoT/SaaS	24	36	53	64	22	31	44	52	-8%	-13%	-18%	-18%
Clean energy product & services	1	2	86	113	1	4	36	91	13%	61%	-58%	-19%

Source: SCCM Research

- **Margins to improve given more favorable product mix:** We lowered our PATMI margin assumptions to 0.3%/0.4%/0.7% (prior: 0.8%/1.3%/1.5%) in FY22E/23E/24E, respectively, to account for recent surge in sales of low-margin staple digital products (GPM of ~1-2%) and higher marketing and promotion expenditures.
- Nevertheless, we still expect margins to improve given a gradual shift towards higher-margin products, such as Content Production (GPM of 40-90%), IoT/SaaS (~55%), Electric Vehicles/EVs and Batteries (30-60%), and the extension of Trade Marketing offerings which includes eCommerce platform for “physical goods/FMCGs” (10-20%), along with Delivery Services (3-5%).
- We estimate that the combined sales of these high-margin products could grow by a CAGR of ~220% from FY20-24E.

Fig 4 - Old vs New forecasts

Old vs New Forecasts (IDR'b)	Old Forecasts				New Forecasts				Difference (%)			
	FY21E	FY22E	FY23E	FY24E	FY21E	FY22E	FY23E	FY24E	FY21E	FY22E	FY23E	FY24E
Revenue	12,620	14,397	16,860	18,289	13,164	15,119	17,553	19,981	4%	5%	4%	9%
Gross Profit	231	501	816	988	216	349	587	892	-7%	-30%	-28%	-10%
Gross Profit Margin	1.8%	3.5%	4.8%	5.4%	1.6%	2.3%	3.3%	4.5%				
EBITDA	124	379	674	834	116	241	383	653	-6%	-36%	-43%	-22%
EBITDA Margin	1.0%	2.6%	4.0%	4.6%	0.9%	1.6%	2.2%	3.3%				
Operating Profit	89	330	607	749	83	189	313	567	-7%	-43%	-49%	-24%
Operating Profit Margin	0.7%	2.3%	3.6%	4.1%	0.6%	1.2%	1.8%	2.8%				
Net Profit	67	255	480	602	140	144	244	448	108%	-43%	-49%	-26%
Net Profit Margin	0.5%	1.8%	2.8%	3.3%	1.1%	1.0%	1.4%	2.2%				
PATMI	30	115	216	271	67	43	73	134	122%	-62%	-66%	-50%
PATMI Margin	0.2%	0.8%	1.3%	1.5%	0.5%	0.3%	0.4%	0.7%				

Source: SCCM Research

The Group continues to deliver new initiatives over past 6mo

User interface and sales platform

- **Developing Covid-19 contact tracing system:** After the successful execution of the Covid-19 vaccination chatbot, the Group further strengthens its partnership with the MOH through the implementation of Covid-19 contact tracing system (known as PeduliLindungi) using WABA chatbot. The system allows individuals to check-in and check-out from different establishments across Indonesia to improve tracing and contain the spread of Covid-19. We think these projects will add favorably to its execution track records, which can be vital in securing future profitable partnerships in large-scale projects.
- **Promoting DigiResto to LinkAja’s users and expanding presence into more cities:** The Group has collaborated with an e-wallet & payment app “LinkAja” to promote its DigiResto platform to the 75m users of LinkAja. Prior to this, DigiResto has also collaborated with BMRI to launch a special food order called “goceng” for individuals who are doing self-isolation. DigiResto platform has extended its operations into 10 new cities (e.g., Surabaya, Malang, Denpasar, Jogja, Solo, etc.) from just having operations in The Greater Jakarta (Jabodetabek) and Bandung, previously.

Clean energy product and services (I.e., Electric Vehicles/EVs)

- **Setting-up an EV factory to anticipate a surge in demand:** In Nov21, Volta (a JV company of the Group and SiCepat) launched a new EV factory in Semarang to anticipate a surge in demand for its EVs and made a debut with its mass market EV (Volta 401) at E-Vehicles Expo. Moreover, Its EV products are now available via eCommerce platform Blibli. Prior to this, the Group had already secured sale contracts from Perusahaan Listrik Negara (a state-owned electricity company) for 77 electric three-wheelers.
- **+ve on its EVs due to affordability:** We are +ve on the prospect of its EVs in Indonesia market given:
 - 1) Cheaper cost of its EVs relative to most brands and combustion engine scooters,
 - 2) Cheaper cost of charging its EVs in comparison to fueling combustion engines,
 - 3) Wider availability of EV charging stations going forward (EV battery swap stations in Jakarta are expected to exceed the gas stations by end of 2022).

Distribution network

- **E-Wholesale solutions for SMEs, wholesalers, and agents:** Its subsidiary DMMX recently launched an E-Wholesale solutions for SMEs (including SRCs), wholesalers and agents. The new platform differentiates itself by offering: 1) direct access to principals, 2) direct selling to consumers via eCommerce, 3) export features, and 4) private label "SIAP". Mgmt. guided for a revenue of IDR1.8tn in FY22E, >80% pa growth from FY23-25E with 6-7% gross margins.
- **Partnering with Telkomsel to distribute physical vouchers:** The Group has collaborated with Telekomunikasi Selular (Telkomsel) to distribute physical Telkomsel vouchers with graphic design and art characters managed by its subsidiary BLDX.
- **Investing in NAMA Beauty brand to monetize Trade Marketing network:** DMMX has accumulated a 20% stake in D2C cosmetic brand "NAMA Beauty" founded by a widely known celebrity Luna Maya. DMMX will advertise the cosmetics on its advertising screens and distribute the cosmetics through the Trade Marketing Network. It hopes to convert these loyal cosmetic users into active customers of the Group's network. DMMX plans to commercialize this plan by end of 2022, once the low-to-mid end products are launched.

Value-added services

- **Deploying Cloud Advertising Solutions at McDonald's:** Its subsidiary DMMX has formed partnership with McDonald's to complete installation of 800 advertising screens by end of 2022. This shows DMMX's commitment to expand its offerings to the F&B industry.
- **Partnering with Bumilangit in film projects:** The Group has formed strategic partnership with Bumilangit Entertainment in the Bumilangit Cinematic Universe (BCU) film projects – "Si Buta Dari Gua Hantu" and "Godam & Tira".
- **Launching blockchain digital arts:** The Group has launched its first blockchain digital arts (also known as Non-Fungible Token/NFT), which features the legendary Indonesian comic characters Gundala and Sri Asih.

Logistics

- **TFAS collaborating with Pos Indonesia:** Its subsidiary TFAS has collaborated with Pos Indonesia (a state-owned postal company with 24,000 postal agent network) to provide a variety of services, including parcel delivery, warehouse management, customer services and many others.

BUY

TP: IDR 19,170

▲ 81.7%

PT M Cash Integrasi Tbk

MCAS IJ

Company Update

Indonesia

IT Infrastructures

- **Planning to partner with more retailers to expand drop-off points:** The Group plans to partner with more retailers (e.g., MNC Travel and OYO) to expand its parcel drop-off points. It also plans to collaborate with 3PL Logistics providers to improve interconnectivity between drop-off points.
- **Launching a container concept express store:** LDN is teaming up with SiCepat to introduce a container concept express store called "Fastpoint". The first store is already launched in Jakarta. These stores are meant to be the drop-off points for SiCepat, and to sell products and services. The advantage of Fastpoint is that it is mobile and can be placed anywhere.
- **SiCepat Ekspres buys EVs from TFAS's subsidiary:** In Dec21, SiCepat bought 10,000 units of EVs from TFAS Energi Indonesia (a subsidiary of TFAS), to deliver parcels.

Reiterate BUY; Higher TP of IDR19,170/share

- At TP of IDR19,170/share or 1.1x FY22E EV/Sales, we price MCAS at c.69% discount to its peers (ex-outliers).
- MCAS currently offers FY20-24E EPS CAGR of ~51%. Just like many tech companies, investments in other enterprises appear to be recurring events for MCAS (There were investment loss of IDR18.1bn in FY20 and investment gain of IDR82.6bn in FY21E), and hence we refer to unadjusted EPS.
- We continue to like MCAS for its profit-oriented approaches, exposures to low-to-mid end markets, broad tech offerings, in-house platform development capabilities and net cash position. Reiterate BUY.

Fig 5 - Peer Comparison Table

Company Name	FYE	Mkt Cap	Ent Value	Current	EV/Sales		EV/EBITDA		
					FY+1E	FY+2E	Current	FY+1E	FY+2E
M CASH INTEGRASI	12/2020	638	682	0.9	0.7	0.7	75.6	84.4	40.8
Median				8.7	5.0	4.0	32.5	17.4	13.6
Median (ex-outliers)				4.0	2.6	2.1	29.4	16.9	13.0
Yeahka Ltd	12/2020	1,522	1,239	9.1	2.6	1.8	27.5	15.3	13.6
Lakala Payment Co Ltd	12/2020	3,718	2,739	4.0	2.6	2.1	15.6	11.3	9.4
Kginicis Co Ltd	12/2020	440	612	1.0	0.7	0.7	6.5	5.8	5.1
NHN KCP Corp	12/2020	983	777	2.1	1.2	1.0	32.5	18.4	13.9
GMO Payment Gateway Inc	09/2021	9,612	9,012	24.2	20.8	17.0	68.5	57.0	46.5
Median (Asian Peers)				4.0	2.6	1.8	27.5	15.3	13.6
Pageseguro Digital Ltd	12/2020	9,415	9,028	13.9	5.0	4.0	42.2	17.4	12.2
Shift4 Payments Inc	12/2020	4,950	5,535	8.3	10.6	7.7	192.5	31.2	22.1
Afterpay Ltd	06/2021	17,948	18,079	36.9	16.3	10.6	1,364.0	228.7	83.1
Network International Holdings PLC	12/2020	2,310	2,352	8.7	6.8	5.4	29.4	16.9	13.0
Median (Western Peers)				11.3	8.7	6.6	117.4	24.3	17.6

Source: SCCM Research, Bloomberg

BUY

TP: IDR 19,170

▲ 81.7%

PT M Cash Integrasi Tbk

MCAS IJ

Company Update

Indonesia

IT Infrastructures

Appendix: Financial Statements**Fig 6 - Consolidated P&L**

Y/E 31 Dec (IDR bn)	FY20A	FY21E	FY22E	FY23E	FY24E
Total Gross Revenue	11,334	13,164	15,119	17,553	19,981
<i>Gross Revenue Growth</i>	2.2%	16.1%	14.9%	16.1%	13.8%
COGS	(11,112)	(12,948)	(14,770)	(16,966)	(19,088)
Gross Profit	223	216	349	587	892
<i>Gross Margin</i>	2.0%	1.6%	2.3%	3.3%	4.5%
Other Operating Expenses	(93)	(99)	(108)	(204)	(240)
EBITDA	130	116	241	383	653
<i>EBITDA Margin</i>	1.1%	0.9%	1.6%	2.2%	3.3%
Depreciation Expense	(14)	(34)	(52)	(70)	(85)
EBIT	116	83	189	313	567
<i>EBIT Margin</i>	1.0%	0.6%	1.2%	1.8%	2.8%
Interest Income	18	8	9	11	16
Interest Expense	(19)	(19)	(16)	(13)	(12)
Other Income/(Expenses)	(19)	85	3	3	3
EBT	95	157	185	313	575
Tax	(23)	(17)	(41)	(69)	(126)
Net Income	72	140	144	244	448
Minority Interests	47	73	101	171	314
PATMI	26	67	43	73	134
<i>PATMI Margin</i>	0.2%	0.5%	0.3%	0.4%	0.7%
Shares Outstanding in Billions	0.868	0.868	0.868	0.868	0.868
EPS (IDR)	30	77	50	84	155
<i>EPS Growth</i>	-72.2%	160.8%	-35.3%	69.4%	83.5%

Source: Company, SCCM Research; **Note:** There were investment loss of IDR18.1bn in FY20 and investment gain of IDR82.6bn in FY21E

BUY

TP: IDR 19,170

▲ 81.7%

PT M Cash Integrasi Tbk

MCAS IJ

Company Update

Indonesia

IT Infrastructures

Fig 7 - Consolidated Balance Sheet

Y/E 31 Dec (IDR bn)	FY20A	FY21E	FY22E	FY23E	FY24E
Cash	315	269	328	465	843
Short Term Investments	34	233	233	233	233
Trade & Other Receivables	256	311	377	493	760
Inventories	475	476	548	619	689
Other Current Assets	323	362	351	400	448
Current Assets	1,404	1,651	1,838	2,209	2,973
Net Fixed Assets	295	320	384	406	409
Net Intangible Assets	25	28	33	41	48
Other Non-Current Assets	112	114	117	119	122
Total Assets	1,835	2,113	2,372	2,775	3,552
Trade & Other Payables	184	390	525	702	1,038
OD & ST Debt	85	122	127	119	110
Other ST Liabilities	139	41	46	51	56
Lt Debt	86	51	22	6	2
Other LT Liabilities	9	9	9	9	9
Total Liabilities	503	613	728	888	1,216
Shareholder's Capital	87	87	87	87	87
APIC	313	313	313	313	313
Retained Earnings	365	432	475	548	683
Other Reserves	(287)	(301)	(301)	(301)	(301)
Minority Interest	854	968	1,069	1,240	1,554
Total Equity	1,332	1,499	1,643	1,888	2,336
Total Liabilities and Equity	1,835	2,113	2,372	2,775	3,552

Source: SCCM Research

BUY

TP: IDR 19,170

▲ 81.7%

PT M Cash Integrasi Tbk

MCAS IJ

Company Update

Indonesia

IT Infrastructures

Fig 8 - Cashflow Statement

Y/E 31 Dec (IDR bn)	FY20A	FY21E	FY22E	FY23E	FY24E
Profit before income tax	95	157	185	313	575
Cash generated from operations	40	261	210	340	618
Cashflow from Operations	16	233	163	269	496
Purchase of PPE	-57	-35	-114	-91	-87
Other investing activities	-80	-126	-8	-9	-9
Cashflow from Investments	-138	-160	-122	-100	-96
Proceeds from bank loans	555	-22	-24	-22	-13
Other financing activities	-604	-96	41	-10	-10
Cashflow from Financing	-48	-118	17	-32	-23
Net increase/(decrease) in cash and cash eq.	-201	-46	59	137	378
Cash and cash eq., beginning	516	315	269	328	465
Cash and cash eq., end	315	269	328	465	843

Source: SCCM Research

BUY

TP: IDR 19,170

▲ 81.7%

PT M Cash Integrasi Tbk

MCAS IJ

Company Update

Indonesia

IT Infrastructures

Fig 9 - Key financial ratios

Growth Ratios	FY20A	FY21E	FY22E	FY23E	FY24E
Revenue Growth (%)	2%	16%	15%	16%	14%
EBIT Growth (%)	-20%	-28%	128%	66%	82%
EBT Growth (%)	-49%	64%	18%	69%	83%
PATMI Growth (%)	-72%	161%	-35%	69%	83%
Profitability Ratios					
Gross Margin (%)	2%	2%	2%	3%	4%
EBITDA Margin (%)	1%	1%	2%	2%	3%
Operating Margin (%)	1%	1%	1%	2%	3%
EBT Margin (%)	1%	1%	1%	2%	3%
Core Net Income Margin (%)	0%	1%	0%	0%	1%
Tax Rate (%)	24%	22%	22%	22%	22%
Balance Sheet Ratios					
ROE (%)	5%	13%	8%	11%	17%
ROA (%)	4%	7%	6%	9%	13%
Net Gearing (%)	-3%	-2%	-9%	-18%	-32%
Net Debt/(Cash) (IDR bn)	-45	-34	-148	-337	-744
Working Capital (As % Of Revenue)	9%	8%	8%	8%	9%
Cash Conversion Cycle	18	22	20	8	7
Inventory Days	16	13	14	13	13
Receivable Days	8	20	19	10	14
Payable Days	-6	-11	-13	-15	-20
Cashflow Ratios					
Net Cash From Operations (IDR bn)	16.0	232.8	163.1	269.3	496.4
Net Capex (IDR bn)	(57.4)	(34.7)	(114.1)	(91.0)	(86.9)
Free Cashflow (IDR bn)	(41.4)	198.1	49.0	178.3	409.5
FCF Per Share (IDR)	-48	228	56	205	472
FCF Yield (%)	0%	2%	1%	2%	4%

Source: SCCM Research

RESEARCH DISCLAIMER

Important Disclosures

This report was prepared, approved, published and distributed by SooChow CSSD Capital Markets (Asia) Pte. Ltd. (Company Registration number: 201726618K) ("SCCM") which is a company located outside of the United States.

Subject to any applicable laws and regulations at any given time, SCCM, its affiliates or companies or individuals connected with SCCM (together, "Connected Companies") may make investment decisions that are inconsistent with the recommendations or views expressed in this report and may have long or short positions in, may from time to time purchase or sell (as principal or agent) or have a material interest in any of the securities mentioned or related securities or may have or have had a business or financial relationship with, or may provide or have provided investment banking, capital markets and/or other services to, the entities referred to herein, their advisors and/or any other connected parties. As a result, recipients of this report should be aware that Connected Companies may have a conflict of interest that could affect the objectivity of this report.

See "Special Disclosures" for certain additional disclosure statements, if applicable.

This report is only for distribution to investment professionals and institutional investors.

Analyst Certification

Each of the analysts identified in this report certifies, with respect to the companies or securities that the individual analyses, that (1) the views expressed in this report reflect his or her personal views about all of the subject companies and securities and (2) no part of his or her compensation was, is or will be directly or indirectly dependent on the specific recommendations or views expressed in this report.

Analysts and strategists are paid in part by reference to the profitability of SCCM.

Stock Ratings are defined as follows

Recommendation Interpretation

Recommendation	Expected absolute returns (%) over 12 months
Buy	More than 15%
Hold	Between 15% and -5%
Sell	Less than -5%

Expected absolute returns are based on the share price at market close unless otherwise stated. Stock recommendations are based on absolute upside (downside) and have a 12-month horizon. Our target price represents the fair value of the stock based upon the analyst's discretion. We note that future price fluctuations could lead to a temporary mismatch between upside/downside for a stock and our recommendation.

Research Conflict Management Policy

SCCM research has been published in accordance with our conflict management policy, which is available upon request.

Disclaimers

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject SCCM to any registration or licensing requirement within such jurisdiction(s). This report is strictly confidential and is being furnished to you solely for your information. All material presented in this report, unless specifically indicated otherwise, is under copyright to SCCM. None of the material, its content, or any copy of such material or content, may be altered in any way, transmitted, copied or reproduced (in whole or in part) or redistributed in any form to any other party, without the prior express written permission of SCCM. All trademarks, service marks and logos used in this report are trademarks or service marks or registered trademarks or service marks of SCCM or its affiliates, unless specifically mentioned otherwise.

The information, tools and material presented in this report are provided to you for information purposes only and are not to be used or considered as an offer or the solicitation of an offer to sell or to buy or subscribe for securities or other financial instruments. SCCM has not taken any steps to ensure that the securities referred to in this report are suitable for any particular investor. SCCM will not treat recipients as its customers by virtue of their receiving the report. The investments or services contained or referred to in this report may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investments or investment services. In addition, nothing in this report constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise constitutes a personal recommendation to you.

Information and opinions presented in this report were obtained or derived from sources that SCCM believes to be reliable, but SCCM makes no representations or warranty, express or implied, as to their accuracy or completeness or correctness. SCCM accepts no liability for loss arising from the use of the material presented in this report, except that this exclusion of liability does not apply to the extent that liability arises under specific statutes or regulations applicable to SCCM. This report is not to be relied upon in substitution for the exercise of independent judgment. SCCM may have issued, and may in the future issue, a trading call regarding this security. Trading calls are short term trading opportunities based on market events and catalysts, while stock ratings reflect investment recommendations based on expected absolute return over a 12-month period as defined in the disclosure section. Because trading calls and stock ratings reflect different assumptions and analytical methods, trading calls may differ directionally from the stock rating.

Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgment of its original date of publication by SCCM and are subject to change without notice. The price, value of and income from any of the securities or financial instruments mentioned in this report can fall as well as rise. The value of securities and financial instruments is subject to exchange rate fluctuation that may have a positive or adverse effect on the price or income of such securities or financial instruments. Investors in securities such as ADRs, the values of which are influenced by currency volatility, effectively assume this risk.

This report is distributed in Singapore by SCCM which is a holder of a capital markets services licence and an exempt financial adviser in Singapore and (ii) solely to persons who qualify as "institutional investors" or "accredited investors" as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"). Pursuant to regulations 33, 34, 35 and 36 of the Financial Advisers Regulations (the "FAR"), sections 25, 27 and 36 of the Financial Advisers Act, Chapter 110 of Singapore shall not apply to SCCM when providing any financial advisory service to an accredited investor, or "overseas investor" (as defined in regulation 36 of the FAR). Persons in Singapore should contact SCCM in respect of any matters arising from, or in connection with, this publication/communication. If you wish to enter into a transaction, please contact the relevant Connected Company in your home jurisdiction unless governing law provides otherwise. If jurisdictions where the Connected Companies are not registered or licensed to trade in securities, transactions will only be effected in accordance with applicable securities legislation which may vary from one jurisdiction to another and may require that the trade be made in accordance with applicable exemptions from registration or licensing requirements.

SCCM and the Connected Companies may do or seek to do business with companies covered in our research report. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of research produced by SCCM. Investors should consider our research as only a single factor in making their investment decision.

Any reference to a third party research material or any other report contained in this report represents the respective research organization's or publisher's estimates and views and does not represent the views of SCCM; and SCCM, its officers, employees do not accept any liability or responsibility whatsoever with respect to its accuracy or correctness. This report may provide the addresses of, or contain hyperlinks to websites. Except to the extent to which the report refers to material on SCCM's own website, SCCM takes no responsibility whatsoever for the contents therein. Such addresses or hyperlinks (including addresses or hyperlinks to SCCM's own website material) is provided solely for your convenience and information and the content of the linked site does not in any way form part of this report. Accessing such website or following such link through this report or SCCM's website shall be at your own risk.

For U.S. persons only

This research report is a product of SCCM, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is not intended for distribution by SCCM into the U.S.

Special Disclosures (if applicable)

Not Applicable