Cnergenz Berhad (0246)

Strategic Shift Toward IP-Led Growth

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BUY

Target Price: RM0.55 (+15%)

Current Share Price: RM 0.48

Valuation

Our target price is based on:

FY26F PE of 23x, which is -0.5 std dev to its peer average of 26x, justified by its smaller market capitilisation and early entry into the manufacturing division

Initiation Report | **Growth** | **Investment Horizon : 12 months**

We initiate coverage on Cnergenz Berhad (Cnergenz) with a BUY recommendation and a target price of RM0.55. Cnergenz is an electronics manufacturing solutions provider, specializing in surface mount technology (SMT) for the electronics and semiconductor industries. We believe Cnergenz's capability to provide end-to-end equipment offerings is strengthened by the acquisition of ITW Electronics Assembly Equipment (ITWEAE)'s distribution rights. While we anticipate a softer FY25F due to economic uncertainty affecting sales growth, we expect a rebound in group revenue growth of 64% in FY26F and improved profitability. This rebound will be driven by (i) a resumption in capex spending for production line relocation or expansion, (ii) a new income stream from the new subsidiary, Xlent, and (iii) revenue contribution from ITWEAE, through a strengthening foothold in the Thailand market.

Riding the wave of supply chain realignment

The global semiconductor equipment market is poised for a strong rebound, with sales projected to grow 10% YoY to USD138.1b in 2026. This growth is amplified by supply chain shift, as the "China+1" strategy drives manufacturing relocations to Southeast Asia. Cnergenz is perfectly positioned to capitalize on this trend due to its strong presence in key ASEAN markets like Thailand and Vietnam. The company's outstanding orderbook stood at RM30mn as of Aug 2025 and is expected to be largely recognized as revenue in FY25F. Looking ahead, we expect the orderbook across all segments will swell to RM150-180mn in a year. Consequently, we project a revenue growth of 27% to 64% for Cnergenz in FY26F-FY27F, supported by recovery in capex spending and ongoing supply chain diversification into Southeast Asia.

Pivoting to an IP-driven manufacturer

Completed in June 2024, the RM2.8mn acquisition of Xlent fundamentally shifted Cnergenz's business model. The company has transitioned from a solution provider to a manufacturer possessing its own proprietary intellectual property. Their new AI-focused test station offers a major competitive edge, being twice as fast and requiring fewer units per production line. This innovation allows Cnergenz to penetrate the ODM market for the first time and opens a secondary market selling to the suppliers of relocating production line or opening up new region due to trade diversion. This creates a new and high-margin manufacturing revenue stream for the group. Consequently, we expect additional revenue of RM20-30mn to the group in FY26F with gross margin to improve to 18% (up from 16–17% in previous years) as this better performance is recognized by the group.

Strategic expansion into the Thai Market

Cnergenz has secured the exclusive distribution rights for ITWEAE equipment, which is able to provide complete end-to-end production line to customers. The primary goal is to deepen its footprint in the Thailand market, which is experiencing strong growth from its AI-driven data centers, automotive sector, and manufacturing relocations. Cnergenz set up a local subsidiary in Thailand to support after-sales service. This new business is expected to contribute RM40-50mn in revenue by FY26F which is 30% of the group revenue, as proven track record before acquisition.

Investment Thesis

Benefiting from Investment Cycle Recovery

The global semiconductor equipment market is on the brink of a significant expansion, with SEMI forecasting 10% year-over-year growth to reach $138.1 billion in 2026. This surge is largely driven by the back-end equipment segment, which is crucial for chip assembly and testing, as demand intensifies due to increasingly complex device architectures and robust performance requirements from the AI industry. Although industry-wide capital expenditure (capex) has been subdued recently due to tariff uncertainties and a natural pause after the pandemic-driven boom, a strong rebound is expected. We anticipate that once these uncertainties are resolved, multinational customers will release pent-up budgets starting in the 4Q2025, with further capex allocated in 2026 for new product launches and production relocations requiring new machinery and upgrades on Surface-Mount Technology (SMT) lines for advanced packaging. Not only that, we see significant trade diversion benefiting Southeast Asia, as customers actively pursue a China+1 strategy to mitigate risk and high tariff. This trend is accelerated by the increasing economic integration within ASEAN, making the region a more predictable and attractive manufacturing hub. Consequently, customers are either relocating their existing production or adding new production line across the region, and Cnergenz is experiencing current trend with more orders being secured recently. Cnergenz is exceptionally well-positioned to capitalize on this movement, given its strong customer base in key ASEAN manufacturing hubs like Thailand, Vietnam, and the Philippines. The company's current outstanding order book of RM30mn as of August 2025. We projected to approximately RM180mn order book in a year as these relocations and expansion take hold. Based on this anticipated influx of orders and a conservative revenue recognition estimate of 70%, we forecast a revenue growth of 27%-64% for Cnergenz in FY26F-FY27F, directly supported by the recovery in capex and the strategic diversification of supply chains into Southeast Asia.

Pivoting to an IP-Driven Manufacturer

Cnergenz's 51% acquisition of Xlent marks a pivotal evolution, transforming the company from a systems integrator into a product developer driven by its own intellectual property (IP). This strategic partnership has already produced a co-designed, AI-focused inline in-circuit test station, for which they own the IP. This machine verifies the integrity of components on a printed circuit board (PCB) by measuring electrical parameters, with the customer providing the specific test fixture. The product's primary competitive advantage lies in its innovative multi-cavity design, which doubles the testing throughput, making it 2x faster than existing models. This superior efficiency slashes the number of required units per SMT line by 50% (from 10 down to 5), offering customers significant savings on capital expenditure and factory floor space. This breakthrough provides Cnergenz with direct entry into the lucrative Original Design Manufacturer (ODM) market, and it has already secured an initial purchase order for 15 units, which will likely serve as a combination of first sales and demonstration sets for prospective clients. Given its proprietary design and clear efficiency edge, we expect this product to command high gross margins, likely in the double-digit range. While this marks a structural shift for Cnergenz, we are not factoring in any major revenue contribution at this time due to the uncertain timeline for mass production. We expect potential revenue of RM20-30mn if Cnergenz successfully penetrate into the first stage for mass production in FY26F. This move into manufacturing is also perfectly timed to capitalize on the ongoing trade diversion and China+1 strategy. This trend also creates a new customer base for Xlent, as suppliers seek non-China-based OEM and ODM machine alternatives. This opens up a valuable, high-margin manufacturing revenue stream for the group, fundamentally enhancing its business model and profitability profile.

Strategic Expansion into the Thai Market

In a strategic move to enhance its market position, Cnergenz recently acquired the distribution rights of ITW Electronics Assembly Equipment (ITWEAE), a division of Illinois Tool Works Inc. This synergistic acquisition, completed in June 2025 for RM5.6mn, adds a suite of world-leading brands of products—including solder paste printers, fluid dispensing systems, and thermal processing ovens and others to Cnergenz's offerings in Thailand. The core rationale behind this move is to provide Electronics Manufacturing Services (EMS) customers with a holistic, end-to-end production line solution, elevating Cnergenz from a distributor to an integrated partner.

This new capability is primarily aimed at deepening the company's footprint in the crucial Thailand market, which already constitutes 24% of its total revenue. Thailand's robust electronics and electrical (E&E) industry is poised for significant growth, driven by its traditional strength in the automotive sector and the booming demand for data center power systems fueled by the global AI expansion. Furthermore, the ongoing trade diversion continues to attract manufacturing relocations into the country, providing a sustained tailwind for the industry. To support this expansion, Cnergenz established a local subsidiary in Thailand in June 2025 to provide dedicated after-sales support and maintenance, ensuring a strong local presence, while sales orders will be centralized through its Malaysian entity. Given ITW EAE's strong track record of financial performance even during industry downcycles, we are confident in its potential. We forecast that this new business will contribute RM40-50m to group revenue by FY2026, aligning with the anticipated recovery in the EMS sector.

Company Overview

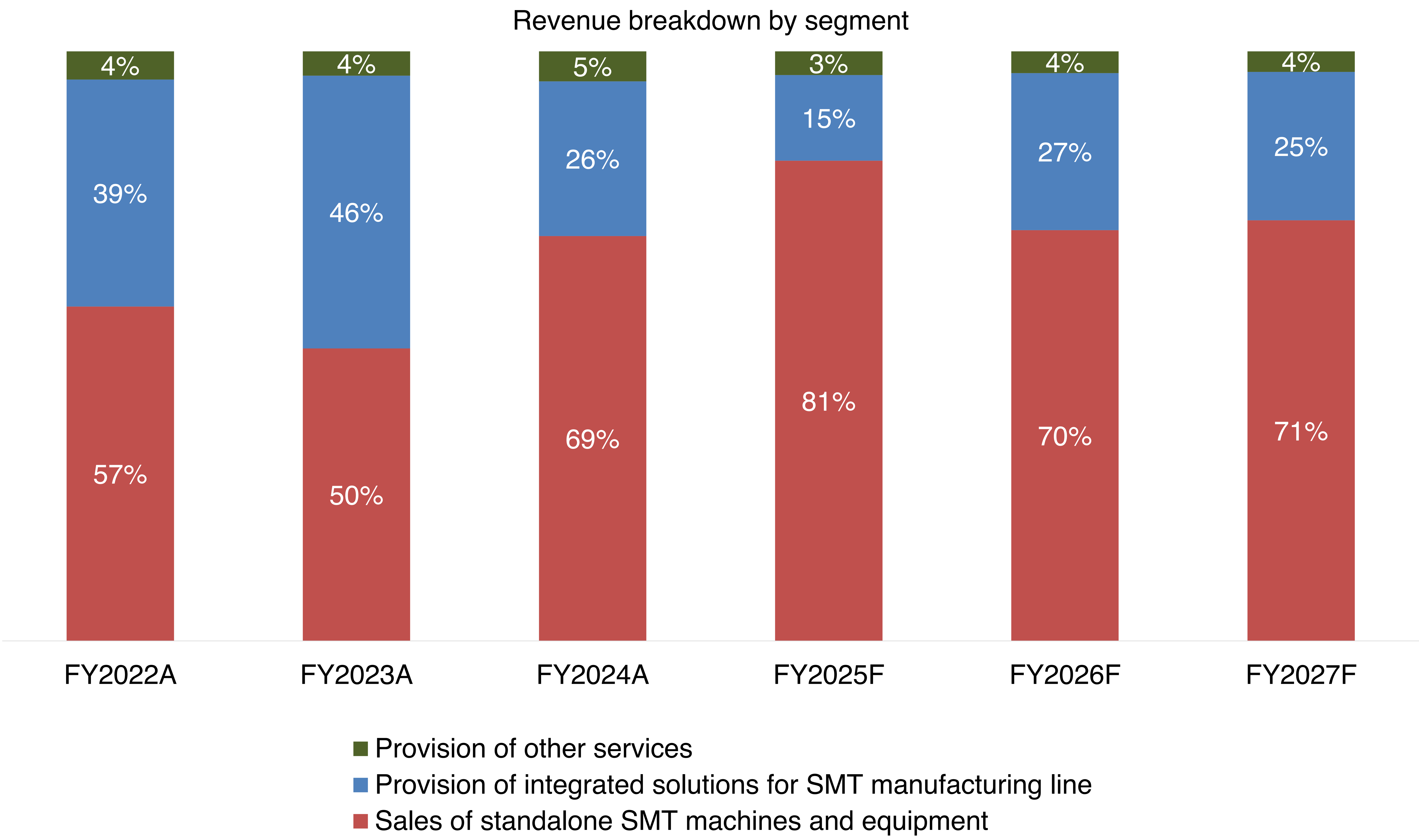
Cnergenz Berhad is a Malaysia-based investment holding company that has established itself as a key provider of electronics manufacturing solutions (EMS) in the Asia-Pacific region. Founded in 2004 and listed on Bursa Malaysia's Main Market. The Group operates primarily through its wholly-owned subsidiary, SiP Technology Sdn Bhd, which specializes in surface mount technology (SMT) systems, a critical process in assembling semiconductors and electronic devices.

The company's business principal revolves around designing, developing, and integrating customized production line solutions for multinational electronics and semiconductor manufacturers. Its offerings cover a wide spectrum, including the supply of advanced machinery and equipment, line integration services, and factory automation solutions that improve efficiency and scalability in electronics production. Beyond equipment sales, Cnergenz also provides spare parts, consumables, technical support, training, repair, and maintenance services, ensuring a holistic approach to client needs.

With a footprint across Malaysia, Thailand, Vietnam, and other key ASEAN markets, Cnergenz leverages its deep technical expertise and long-standing partnerships with leading equipment principals to serve global brands in consumer electronics, automotive, industrial, and telecommunications sectors. Its business model emphasizes tailored, cost-efficient, and future-ready manufacturing solutions, aligning with the industry's growing demand for precision, automation, and high-mix, low-volume production capabilities.

Over the years, Cnergenz has built a reputation for being more than just a supplier, positioning itself as a strategic partner in smart manufacturing. By focusing on innovation, customer-centric solutions, and long-term relationships, the company plays a pivotal role in enabling its clients to enhance productivity, manage costs, and adapt to the fast-evolving global electronics landscape.

Business Segment



Source: Annual Report , Tradeview Research

Management Team

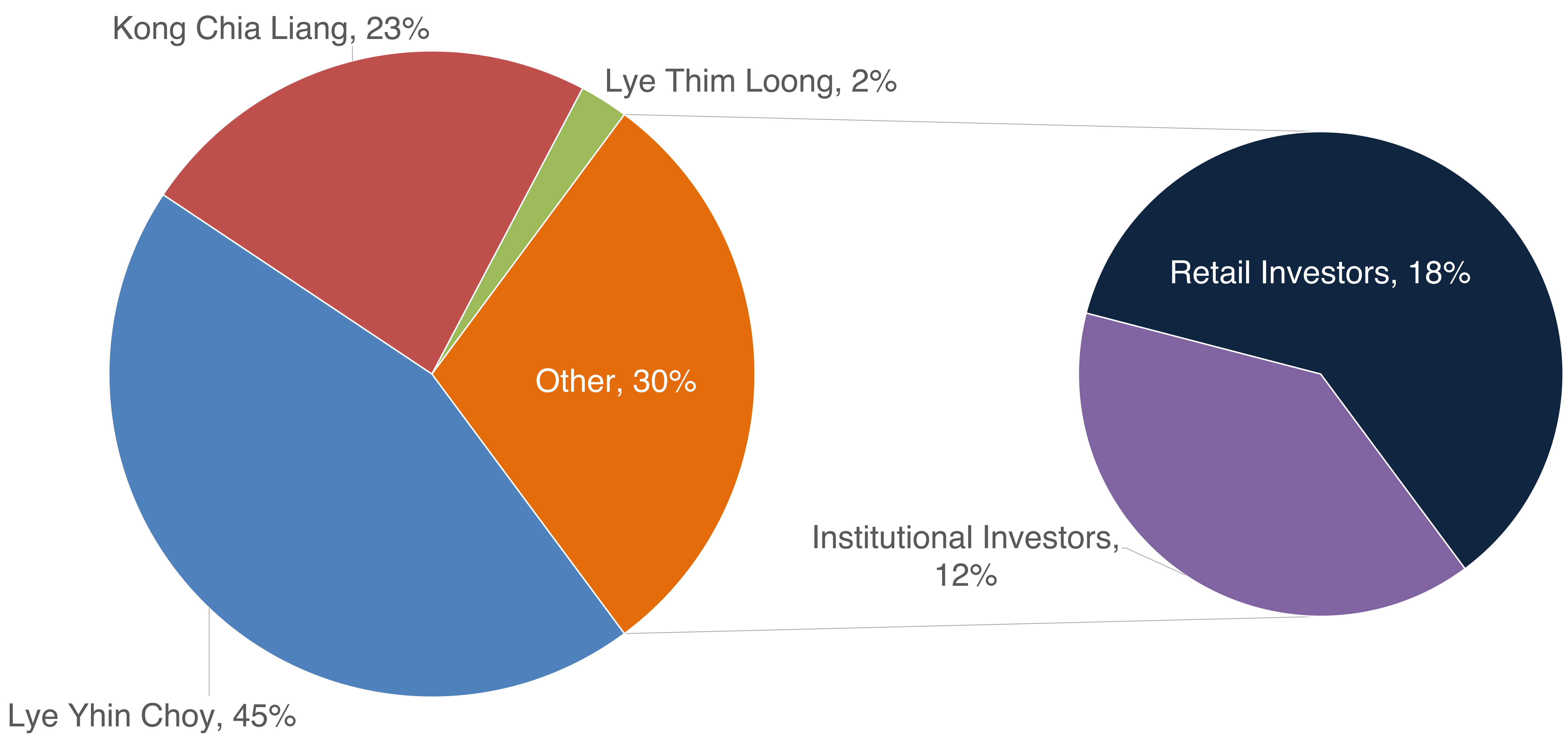
1. Kong Chia Liang, aged 56, is a co-founder and substantial shareholder of Cnergenz, appointed as COO/Executive Director in August 2021. He leads the Group's sales division, overseeing local sales activities and maintaining customer relationships. With over 27 years of experience in SMT manufacturing solutions, his career spans roles in CJF Electronics, Hardware Specialty, and SiP Technology, where he was Sales Director before assuming his current role.

2. Lye Yhin Choy, aged 53, is the co-founder and CEO of Cnergenz, responsible for overall strategy, corporate direction, and pursuing international business opportunities. He has over 27 years of experience in SMT solutions, starting as a Sales Engineer before founding SiP Technology in 2004 to consolidate his ventures in electronics manufacturing. He is the brother of Lye Thim Loong, and together they contribute to both the strategic and corporate leadership of the Group.

3. Lye Thim Loong, aged 61, was appointed CCO/Executive Director in February 2022, overseeing corporate affairs and investor relations. He brings extensive experience in banking, asset management, and capital markets, having served in senior roles at Southern Bank, Allied Bank, Avenue Asset Management, and Hong Leong Asset Management. He is the elder brother of CEO Lye Yhin Choy, providing financial and strategic oversight that complements his brother's operational and business development leadership.

4. Goh Mu Xuan, aged 37, was appointed CFO of Cnergenz in August 2021, after joining SiP Technology as Financial Controller. A Fellow of ACCA and a member of the Malaysian Institute of Accountants, he previously served as CFO of United Oil Palm Industries and began his career at BDO Malaysia. He is responsible for the Group's finance, accounting, tax, and administrative functions, bringing strong auditing and financial management expertise

Shareholding Structure



Source: Annual report

Industry outlook

Capex Rising: Mapping the Global Semi Upcycle to New SMT Capacity in ASEAN & India

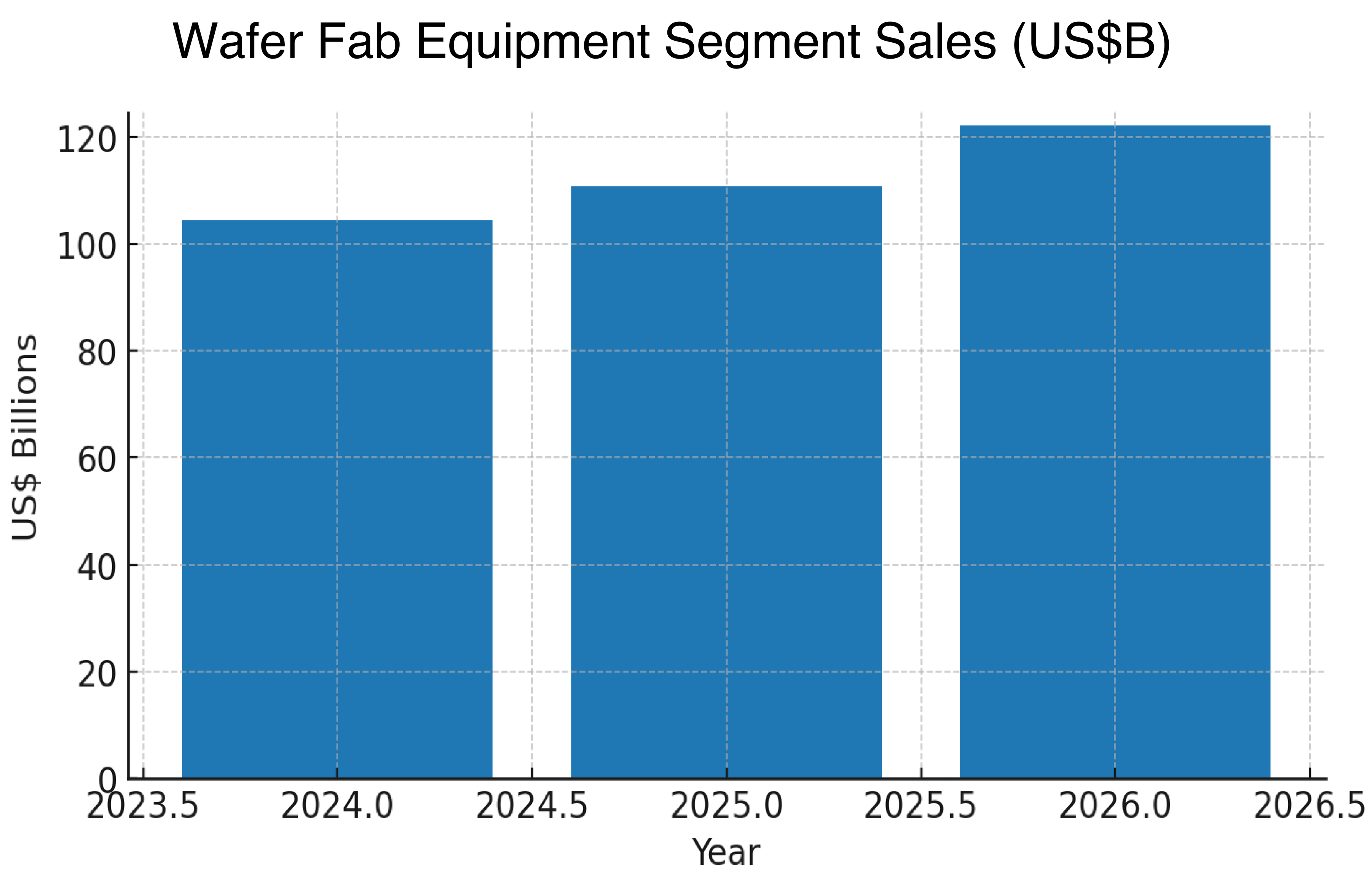
The semiconductor cycle has shifted from recovery to expansion. The Semiconductor Industry Association (SIA) reports that global chip sales reached US$627.6bn in 2024, up 19.1% year on year, and momentum has carried into 2025 with double-digit monthly growth (for example, May 2025 sales were +27% YoY). These prints align with the latest WSTS upgrade, which now forecasts US$728bn for 2025 (+15.4%) and US$800bn for 2026 (+9.9%), reflecting broad strength led by logic and memory tied to AI and data-center demand. IDC's independent view is directionally consistent, calling for ~15% market growth in 2025.

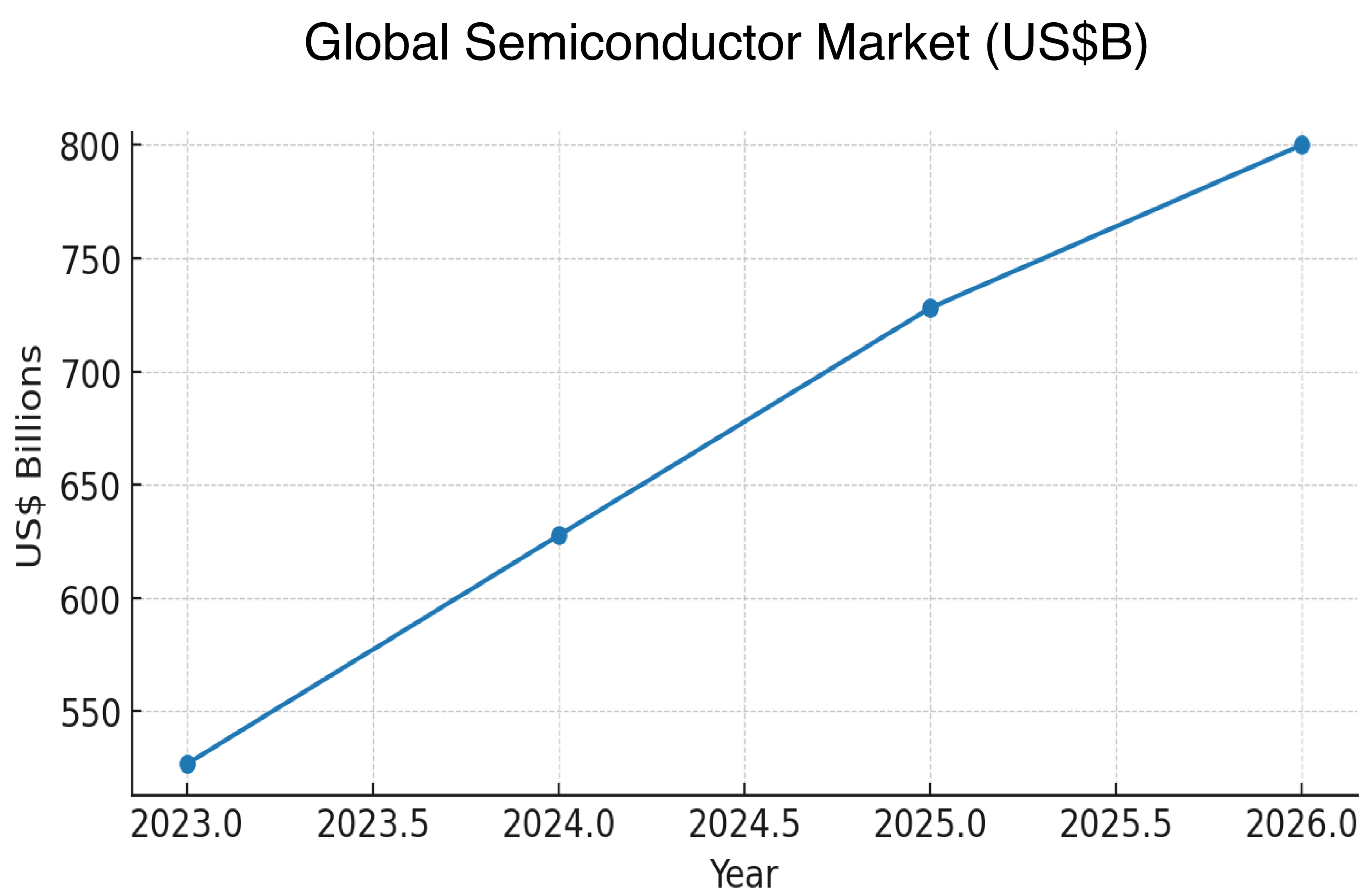
Capex is following revenue up. SEMI's mid-year equipment outlook projects total semiconductor manufacturing equipment sales to a record US$124n in 2025 (+7.4% YoY), while its World Fab Forecast points to sustained equipment spending of ~US$125.5bn in 2026, following a record US$125.5bn in 2025, with foundry and memory as the largest investment buckets. The pattern signals a multi-year build-out rather than a short-lived inventory cycle.

Importantly, the back-end is rebounding alongside front-end. SEMI expects test equipment to climb +23.2% in 2025 to US$9.3bn, and assembly/packaging to rise +7.7% to US$5.4bn, extending the recovery that began in 2024. This strengthens the pull-through for inline inspection, testers, and advanced packaging flows that complement new front-end and board-level capacity.

Trade diversification is reshaping where capacity goes. SEMI's 200 mm tracker shows Southeast Asia leading global installed-capacity growth at +33% from 2023–2026 (ex-EPI), ahead of China (+22%), the Americas (+14%), and Europe & Mideast (+11%). This evidences the ongoing shift of assembly/test and selected mature-node front-end into Malaysia, Vietnam, and Thailand, while India emerges as a parallel localization hub under policy support—together creating a wider manufacturing base across Asia beyond legacy centers.

For electronics production on the ground, the practical implication is more—and newer—SMT lines and deeper automation. With AI servers, HBM-centric memory subsystems, automotive/EV electronics, and industrial controls scaling, buyers are specifying complete line builds (high-throughput screen printers; fast chip shooters plus flexible placement for 0402/0201 and fine-pitch; 3D SPI/AOI and inline AXI for BGA/CSP; nitrogen reflow with tight thermal windows), together with MES/MOM, unit-level traceability, smart storage, and AMR/AGV material handling. The combination of stronger revenue (SIA/WSTS), sustained equipment budgets (SEMI), and geographic re-anchoring implies that procurement is shifting from incremental upgrades to expansionary replication across India, Malaysia, Vietnam, and Thailand—a set-up that supports multi-year demand for complete SMT lines, testers, and factory software.





Source: WSTS, SEMI, SIA

Valuation

Recommending BUY with a TP of RM0.55, based on 23x FY26F PE, which is -0.5 standard deviation to peer's historical average PE of 30x, given its smaller market capitalization and early entry into the manufacturing division. While Cnergenz has no direct listed peers, we benchmark its valuation against QES Group Berhad. QES is a suitable proxy because it shares a similar business structure and ROE, reflecting the strategic direction Cnergenz is taking as it expands into manufacturing. We anticipate this strategic shift into manufacturing will be a key driver for improving the company's profit margins into the double-digit range.

We like Cnergenz for: (i) strong earnings rebound following sector bottoming, (ii) strategic market penetration and trade diversion tailwinds, and (iii) fundamental shift to high-margin manufacturing with proprietary IP.

Peer Comparison

Name	Last price (RM)	Market Cap (RM'mn)	FYE	Earnings Growth 1-yr Fwd	Earnings Growth 2-yr Fwd	PE (x) Hist.	PE (x) 1-yr Fwd	PE (x) 2-yr Fwd	Div. Yield 1-yr Fwd	ROE Hist.
CREST GROUP BHD	0.275	242.4	12/2025	N.A.	N.A.	8.5	N.A.	N.A.	N.A.	13.4
QES GROUP BHD	0.485	412.5	12/2025	-12.9	30.9	30.0	26.1	24.8	1.0	7.6
Simple Avg				**-12.9**	**30.9**	**19.2**	**26.1**	**24.8**	**0.5**	**10.5**
CNERGENZ BHD	0.48	239.0	12/2025	-64.9	144.1	20.9	55.3	19.9	1.7	7.1

As at 7 November 2025

SWOT Analysis

Strengths
- Strong regional presence
- Customer-centric solutions
- Established track record & expertise

Weakness
- Revenue volatility
- High dependence on key markets
- Limited global reach

Opportunities
- Trade diversion tailwinds
- Smart factory and automation growth
- Capacity expansion
- ASEAN electronics growth

Threat
- Cyclical semiconductor industry
- Dependence on supplier agreements
- Competitive pressure
- Geopolitical & economic risks

Investment Risk

1. Cyclical semiconductor & electronics industry. Cnergenz's revenue is highly dependent on capex cycles of electronics and semiconductor manufacturers. During global slowdowns, clients tend to defer or reduce investments in new production lines, which directly impacts order flows.

2. High revenue concentration in ASEAN. The group's sales are heavily concentrated in Malaysia, Thailand, and Vietnam, making it vulnerable to regional economic or political disruptions. While ASEAN is benefiting from trade diversion, overreliance on a few markets limits diversification and increases exposure to localised downturns.

3. Dependence on technology partners. Cnergenz distributes and integrates equipment from global SMT and automation principals. Any termination or non-renewal of distributorship agreements could reduce its product range, weaken its competitive positioning, and disrupt revenue streams.

Financial Overview

Financial review

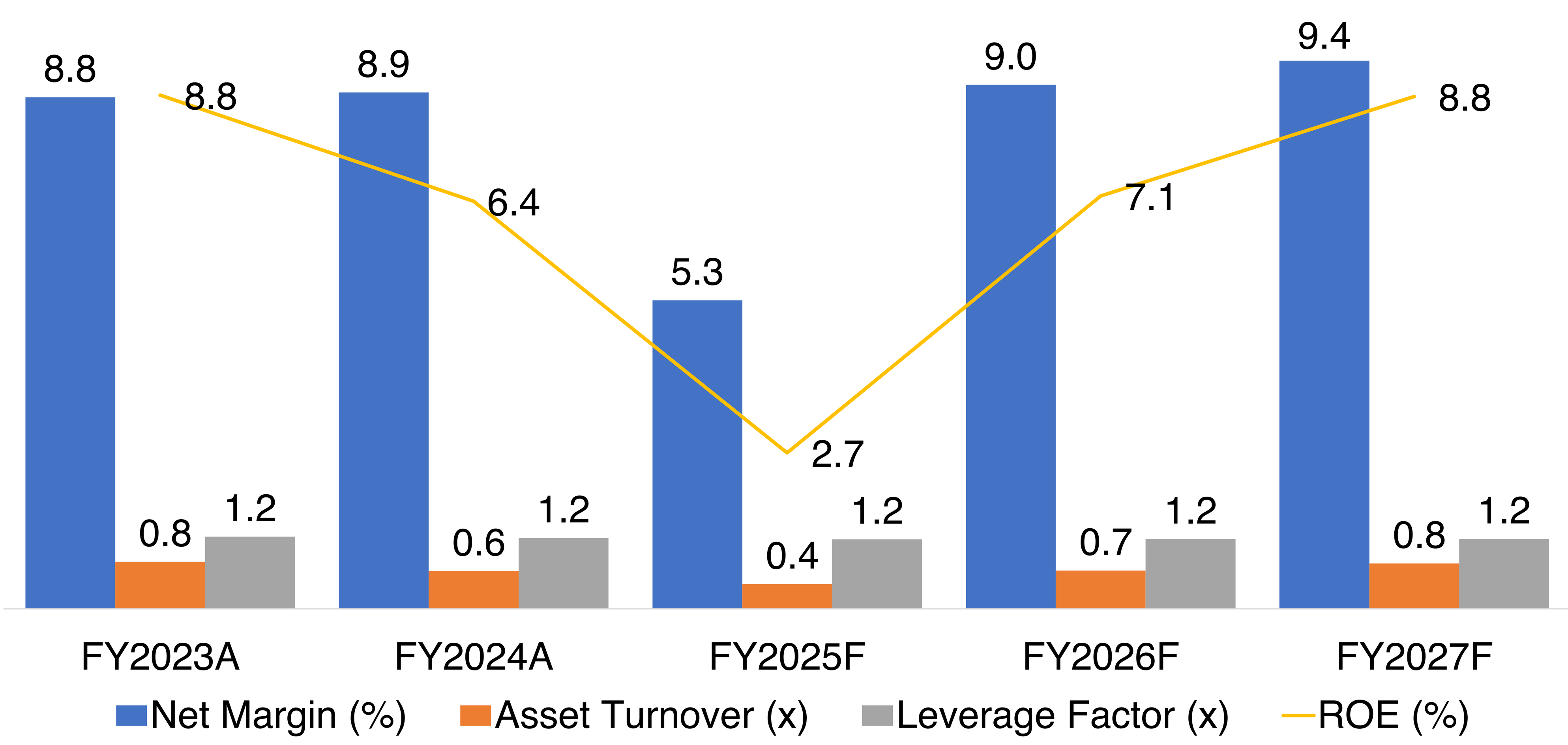
In FY24, Cnergenz experienced a 20% decline in revenue. This drop was primarily due to soft demand for integrated solutions for SMT manufacturing lines (-55% YoY) across its key markets such as Malaysia, Thailand, and Vietnam. We attribute this decline to the broader soft outlook in the semiconductor and E&E (Electrical & Electronics) industries, driven by overcapacity built during the pandemic and weaker consumer electronics demand. Core earnings also fell, which was consistent with the softer revenue and higher administrative costs.

Financial forecast

Moving forward, we project Cnergenz's core earnings to reach RM4.3mn in FY25F and then surge to RM12mn in FY26F. We anticipate that FY25F earnings will remain subdued, as customer caution regarding capex spending persists due to tariff uncertainties in the 1H25 and ongoing geopolitical tension. Despite this near-term weakness, we project a strong recovery in FY26F fueled by (i) the commencement of new budget capex spending, (ii) trade diversion, which will spur customer relocation or expansion of production lines once reciprocal tariffs are finalized, and (iii) the introduction of a new income stream from the Xlent manufacturing division.

FYE 31 Dec (RM'mn)	FY2023A	FY2024A	FY2025F	FY2026F	FY2027F
Revenue (RMm)	161.7	128.8	81.4	133.3	169.2
EBITDA (RMm)	16.6	11.2	0.6	10.3	14.4
Pretax profit (RMm)	19.7	15.4	6.1	17.0	22.5
Net profit (RMm)	14.2	12.3	4.6	12.9	17.1
EPS (sen)	2.9	2.5	0.9	2.6	3.4
PER (x)	16.8	19.5	51.5	18.5	14.0
Core net profit (RMm)	14.2	11.4	4.3	12.0	15.9
Core EPS (sen)	2.9	2.3	0.9	2.4	3.2
Core EPS growth (%)	(34.5)	(19.6)	(62.2)	177.9	32.8
Core PER (x)	16.8	20.9	55.3	19.9	15.0
Net DPS (sen)	0.8	0.8	0.3	0.8	0.8
Dividend Yield (%)	1.7	1.7	0.6	1.7	1.7
ROE (%)	8.8	6.4	2.7	7.1	8.8
P/BV (x)	1.5	1.5	1.5	1.4	1.3

DuPont Analysis



We project healthy ROE from FY25F to FY27F, reflecting improving profitability. The dip in FY25F is mainly due to lower profit arising from the weak consumer demand.

Key Assumptions

Revenue growth	FY2025F	FY2026F	FY2027F
Provision of integrated solutions for SMT manufacturing line	-65%	200%	20%
Sales of standalone SMT machines and equipment	-25%	40%	30%
Provision of other services	-50%	50%	20%

Sensitivity Analysis

Case 1 : Changes in revenue growth against earnings margin to derive FY26F earnings

Revenue base as RM81.4mn in FY25F

Profit margin of FY26F is 9.0%

Profit margin (%)/ Revenue growth (%)	8.6	8.8	9.0	9.2	9.4	9.6
19	8.3	8.5	8.7	8.9	9.1	9.3
34	9.4	9.6	9.8	10.0	10.2	10.4
49	10.4	10.7	10.9	11.1	11.4	11.6
64	11.5	11.7	12.0	12.3	12.5	12.8
79	12.5	12.8	13.1	13.4	13.7	14.0
94	13.6	13.9	14.2	14.5	14.8	15.1

Case 2 : Changes in net profit against PE to derive target price

Net profit of FY26F is RM12mn

PE (x)/ Net profit (RMmn)	21	22	23	24	25	26
6.0	0.25	0.27	0.28	0.29	0.30	0.31
8.0	0.34	0.35	0.37	0.39	0.40	0.42
10.0	0.42	0.44	0.46	0.48	0.50	0.52
12.0	0.51	0.53	0.55	0.58	0.60	0.63
14.0	0.59	0.62	0.65	0.67	0.70	0.73
16.0	0.67	0.71	0.74	0.77	0.80	0.84

Financial Exhibits

Income Statement

FYE 31 Dec (RM'mn)	FY2023A	FY2024A	FY2025F	FY2026F	FY2027F
Revenue	161.7	128.8	81.4	133.3	169.2
Operating expenses	(145.1)	(117.6)	(80.8)	(123.0)	(154.8)
EBITDA	**16.6**	**11.2**	**0.6**	**10.3**	**14.4**
Depreciation	(2.6)	(3.1)	(2.9)	(3.0)	(3.0)
EBIT	**14.0**	**8.1**	**(2.3)**	**7.3**	**11.4**
Net int income/(expense)	4.8	5.3	5.5	5.6	6.1
Exceptional gains / (losses)	0.0	0.0	0.0	0.0	0.0
Associates' contribution	1.0	2.0	3.0	4.0	5.0
Pretax profit	**19.7**	**15.4**	**6.1**	**17.0**	**22.5**
Tax	(5.5)	(3.1)	(1.5)	(4.1)	(5.4)
Minority interest	0.0	0.9	0.3	0.9	1.2
Net profit	**14.2**	**12.3**	**4.6**	**12.9**	**17.1**
Core net profit	**14.2**	**11.4**	**4.3**	**12.0**	**15.9**

Balance Sheet Statement

FYE 31 Dec (RM'mn)	FY2023A	FY2024A	FY2025F	FY2026F	FY2027F
Fixed assets	21.5	18.4	21.6	21.7	21.9
Other long term assets	3.3	7.0	3.1	3.1	3.1
Total non-current assets	**24.8**	**25.5**	**24.7**	**24.9**	**25.0**
Cash and equivalents	121.6	113.1	121.2	126.9	137.8
Inventories	18.3	18.2	24.1	25.1	26.4
Receivables	33.0	40.3	22.3	25.6	27.8
Other current assets	1.9	1.6	-	-	-
Total current assets	**174.9**	**173.1**	**167.6**	**177.5**	**192.0**
Payables	35.7	30.7	24.1	25.1	26.4
Short term borrowings	0.0	0.1	0.1	0.1	0.1
Other current liabilities	1.0	1.9	4.9	5.1	5.2
Total current liabilities	**36.6**	**32.7**	**29.0**	**30.2**	**31.8**
Long term borrowings	1.5	1.1	1.1	1.1	1.1
Other long term liabilities	0.5	0.4	-	-	-
Total long term liab.	**2.0**	**1.6**	**1.1**	**1.1**	**1.1**
Shareholders' Funds	**161.0**	**163.2**	**161.1**	**169.1**	**181.0**
Minority Interest	**0.0**	**0.7**	**1.0**	**1.9**	**3.1**

Cash Flow Statement

FYE 31 Dec (RM'mn)	FY2023A	FY2024A	FY2025F	FY2026F	FY2027F
Pretax Profit	19.7	15.4	6.1	17.0	22.5
Depreciation & amortisation	2.5	2.9	2.8	2.8	2.8
Working capital changes	6.8	(11.0)	5.4	(3.2)	(2.3)
Cash tax paid	(6.0)	(4.1)	(1.5)	(4.1)	(5.4)
Others	(3.9)	(5.8)	0.2	0.2	0.2
C/F from operation	**19.2**	**(2.6)**	**13.0**	**12.6**	**17.9**
Capex	(5.3)	(0.5)	(2.0)	(3.0)	(3.0)
Others	4.2	6.2	0.0	0.0	0.0
C/F from investing	**(1.1)**	**5.6**	**(2.0)**	**(3.0)**	**(3.0)**
Debt raised/(repaid)	(0.4)	(0.9)	0.0	0.0	0.0
Dividends paid	(4.0)	(8.0)	(1.5)	(4.0)	(4.0)
Others	(0.1)	(0.5)	0.0	0.0	0.0
C/F from financing	**(4.5)**	**(9.3)**	**(1.5)**	**(4.0)**	**(4.0)**
Net change in cash flow	**13.6**	**(6.3)**	**9.5**	**5.6**	**10.9**
Free Cash Flow	**13.9**	**(3.2)**	**11.0**	**9.6**	**14.9**

ESG	Category	Score	Materiality	Weighted Score
Environment	Regulatory Compliance & Operational Exposure	8	15%	1.2
	Greenhouse Gas Emission & Air Quality	5	5%	0.25
	Energy & Water Consumption	6	5%	0.3
	Waste Management	5	10%	0.5
	Biodiversity Conservation	5	10%	0.5
Social	Human Resources	6	6%	0.36
	Employee Health & Safety	5	8%	0.4
	Community Involvement	6	7%	0.42
	Customer Responsibility	6	2%	0.12
	Innovation	5	2%	0.1
Governance	Corporate Governance	6	10%	0.6
	ESG Policy & Disclosure	5	5%	0.25
	Business Ethics	5	5%	0.25
	Risk Management	6	8%	0.48
	Supply Chain	6	2%	0.12
Total			**100%**	**5.9**

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Equity:

BUY: Total stock return expected to exceed +15% over 12-month period

HOLD: Total stock return to be between -15% and +15% over a 12-month period

SELL: Total stock return expected to below -15% over a 12-month period

TRADING BUY: Total stock return expected to exceed +10% over 6-month period

TRADING SELL: Total stock return expected to below -10% over a 6-month period