

Q&M Dental Group (QNM SP)

A transition year

HOLD

[Prior:BUY]

Share Price SGD 0.37
 12m Price Target SGD 0.40 (+8%)
 Previous Price Target SGD 0.78

2Q22 below market expectations; D/G to HOLD

To recap, QNM's 2Q22 net profit of SGD3.4m (48% QoQ; -60% YoY) was disappointing due to the sharply lower-than-expected contribution from PCR tests. While 2Q revenue fell 13% YoY to SGD44.1m, earnings suffered more due to negative operating leverage amid current inflationary pressures. To conserve cash, the group did not declare an interim DPS. We cut our FY22-24E EPS by over 40% on complete removal of testing revenues and slower core dental business growth. Downgrade to HOLD with a lower TP of SGD0.40 as we roll forward our valuation to 20x FY23E P/E.

Outlet expansion to drive core dental business

Management will now focus on its dental operations (SG/MY: +17/+7 new outlets in the last 12 months) and has initiated a strategy of intensive organic growth going forward. At the same time, the Group will continue to look for opportunities to further expand its core healthcare business through the opening of more dental clinics in the region. Even as the Group seeks to further grow its network, we are cognisant of the increased staff costs in this tight labour market, as well as the gestation period of about one year for new outlets to break-even.

TechMed could be next growth engine

Meanwhile, Q&M is looking to develop and optimise its digital Artificial Intelligence (AI) guided clinical decision support system to provide the most effective and suitable treatment plans for patients. While this could potentially be the next blockbuster, catering to rising demand for primary and high-value specialist dental healthcare services, we think continued investments could weigh on its bottomline in the near-term.

Looks to roll out pipeline of new tests

To offset the rapid decline in Covid tests volumes/prices, the Group's 51%-owned subsidiary, Acumen Diagnostics, aims to progressively roll out its pipeline of new PCR tests. These include tests for sepsis, identification of bacteria pathogens and their associated antimicrobial resistance in hospitalised pneumonia, as well as colorectal cancer screening and pharmacogenomics. But given the lack of visibility on commercialisation, we do not assume any contributions from these new ventures.

FYE Dec (SGD m)	FY20A	FY21A	FY22E	FY23E	FY24E
Revenue	138	206	182	184	185
EBITDA	38	64	43	43	44
Core net profit	20	26	18	19	20
Core EPS (cts)	2.5	2.8	1.9	2.0	2.1
Core EPS growth (%)	9.3	12.1	(32.7)	6.0	5.1
Net DPS (cts)	3.4	4.0	1.0	1.1	1.2
Core P/E (x)	15.7	21.6	19.6	18.5	17.6
P/BV (x)	2.5	6.1	3.6	3.9	4.3
Net dividend yield (%)	8.7	6.6	2.7	3.0	3.2
ROAE (%)	16.2	28.3	18.8	20.2	23.4
ROAA (%)	6.8	9.6	6.7	7.3	7.9
EV/EBITDA (x)	9.1	9.6	8.9	8.8	8.8
Net gearing (%) (incl perps)	23.1	28.8	24.5	27.7	32.5
Consensus net profit	-	-	22	26	28
MKE vs. Consensus (%)	-	-	(17.6)	(25.1)	(27.7)

Eric Ong
 ericong@maybank.com
 (65) 6231 5924

Company Description

Q&M Dental is one of the leading integrated dental healthcare groups in Asia, which owns the largest network of private dental outlets in Singapore

Statistics

52w high/low (SGD)	0.65/0.37
3m avg turnover (USDm)	0.2
Free float (%)	34.2
Issued shares (m)	805
Market capitalisation	SGD297.8M USD210M

Major shareholders:

Quan Min Holdings Pte Ltd.	50.2%
Heritas Capital Management Pte Ltd.	6.7%
Q & M Dental Group (Singapore) Ltd.	2.2%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(5)	(19)	(35)
Relative to index (%)	(5)	(23)	(39)

Source: FactSet

Link to sector note:

[Singapore Healthcare - Rebooting medical tourism | POSITIVE](#)

ESG@MAYBANK IBG
 Tear Sheet Insert

MAYBANK IBG
 OPPORTUNITY+

Value Proposition

- Fills the gap between cheap-but-slow public dental services and premium services.
- Group model enables dentists to concentrate on core duties and leverage the firm’s strong branding to attract patients.
- Healthy balance sheet with low gearing provides ample headroom for more organic expansion and accretive M&As.
- Covid-19 testing presents a new growth engine as the Singapore Government plans to raise its daily testing capacity by tapping private sector healthcare players.

No. of dentists per 10,000 people

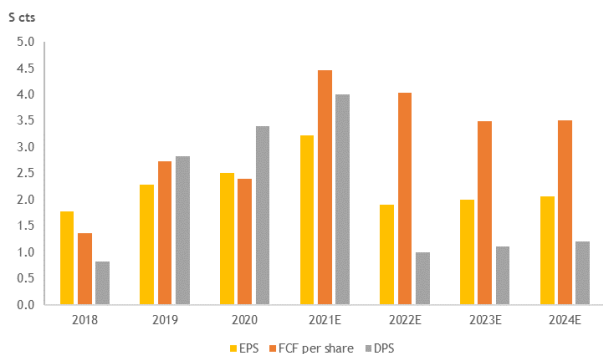


Source: Company, Maybank IBG Research

Financial Metrics

- We expect sustainable revenue growth due to sale of Covid-19 test kits & testing, and contribution from new outlets.
- However, higher capex is expected as the Group progressively expands more dental clinics in Singapore and Malaysia over the next few years.
- Free cash flow is likely to stay positive given its robust cash generating business model.

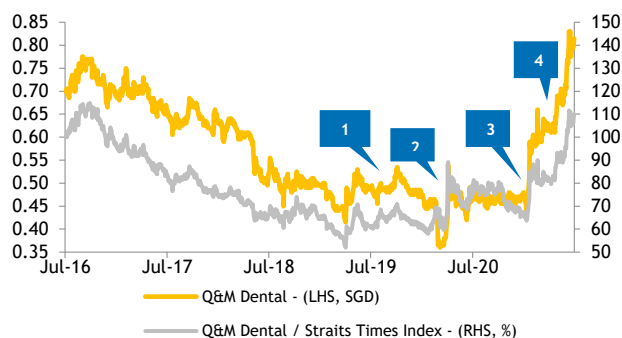
EPS, FCF per share and DPS



Source: Company, Maybank IBG Research

Price Drivers

Historical share price trend



Source: Company, Maybank IBG Research

1. Proposed disposal of 36% stake in Aidite for SGD49m, giving rise to an estimated one-off gain of SGD19m. Net proceeds will be used for working capital and business expansion purposes.
2. Appoints Azion Healthcare as the exclusive distributor for cu-Corona® 3.0 in Mexico.
3. Its 51% subsidiary, Acumen was granted a healthcare institution licence from MOH to conduct SARS-CoV-2 PCR testing services for COVID-19.
4. FY20 net profit rose 10% YoY due to higher revenue from existing and new dental outlets. Declared special DPS of 2.5 cents.

Swing Factors

Upside

- Better-than-expected sale of Covid-19 test kits and laboratory testing.
- Ability to add more dental clinics at strategic locations to entrench its dominant market position.
- Potential accretive M&A to accelerate growth given the group’s conservative balance sheet.

Downside

- Unable to attract new dentists or longer-than-expected gestation loss at new outlets.
- Lower patient volumes due to imposition of stricter measures amid another Covid-19 resurgence.
- Market share loss in its key markets due to keen competitive pressures from other players.



ericong@maybank.com

Risk Rating & Score ¹	NOT RATED
Score Momentum ²	na
Last Updated	na
Controversy Score ³	na

Business Model & Industry Issues

- As a dental services provider, its first priority was the safety of all patients and employees amid the current COVID-19 pandemic and it had implemented tighter access and strict infection control protocols.
- In managing its supply chain, the Group ensures that its suppliers are continually assessed by management in accordance with the guiding principles established in its procurement policies.
- On the clinical front, it is working towards gradually obtaining “Eco-Shop” certifications at its clinics over the next few years. This is aimed at guiding and encouraging retailers to fit out their shops in an environmentally-sustainable manner, as well as to adopt eco-friendly habits and implement green practices in their daily operations.

Material E issues

- Q&M handles different types of clinical waste on a daily basis and it is important that its waste management process is conducted under a safe and sustainable manner.
- Licensed waste disposal vendors are engaged to collect and dispose sharps and biohazardous waste to ensure adherence to requirements stated in the Private Hospital and Medical Clinics Act by the Ministry of Health.
- The Group has yet to implement tracking mechanism to measure the quantity of waste disposed. However, the vendors it engaged have a proper system in place to collate data on the amount of waste collected to analyse.
- It will ensure all the defective ionising radiation irradiating apparatus such as x-ray machines are properly returned to the equipment vendor/distributor for proper disposal.
- There were no reported non-compliances with regulations relating to disposal of hazardous and non-hazardous waste.

Material S issues

- As at 31 Dec 2021, the group has a total of 713 employees under its Singapore and Malaysia operations. Of which, 77 are temporary employees and they are treated in accordance with salary practices in the region it operates in as part of the fair working environment practice.
- To ensure sustainability of its pool of dentists, the Group has launched its first private dentistry institution in Singapore, Q&M College of Dentistry which offers post-graduate diploma studies in clinical dentistry and Q&M Dental Group Scholarship Scheme in Oct ‘19.
- All dentists must meet the mandatory requirements under the Dental Registration Act and the Medical Registration Act respectively. They are also required to fulfil certain number of hours of Continuing Professional Education in order to proceed with their practicing certificates renewal.
- In FY21, there were 3 minor and non-fatal workplace accidents where clinic assistants suffered cuts and/or pricks by needles.

Key G metrics and issues

- Board consists six directors, of whom two are executive directors, one is a non-executive, non-independent chairman, and three are independent (50%). There is one female director.
- The nominating, audit and remuneration committees are chaired by independent directors.
- Founder and CEO Dr. Ng Chin Siau’s deemed stake in company is approximately 54.46%.
- Two independent directors have served more than nine years from date of appointments. This will be taken into consideration when evaluating its board renewal.
- Diversified background of independent directors from legal and accounting with strong industry knowledge.
- Key management/ directors’ compensation accounted for c.2%/1% of total employee compensation in 2021.
- Auditor is RSM Chio Lim LLP, which were appointed in 2016.
- It has a zero tolerance approach towards corrupt and dishonest practices or acts of bribery to obtain an unfair advantage and its employees are expected to report any concerns or unethical behaviour.
- All complaints or information would be forwarded to the Chairman of AC or CFO. There was no reported incident pertaining to whistle blowing during FY21.
- In Sep ‘20, the Group had discovered a case relating to the misappropriation of company’s funds which involved two employees from its clinics in Johor. A police report has been lodged immediately following the discovery of the incident and the investigation is still ongoing.
- In Jan ‘21, Q&M reached a full settlement for RM3.5m against Madam Chong Lee Lee and her husband, Dr Hong An Liang on claim that the duo transferred company funds into their personal accounts. They also had set up a competing outfit behind Q&M Johor clinics, using its resources without permission.

¹**Risk Rating & Score** - derived by Sustainalytics and assesses the company’s exposure to unmanaged ESG risks. Scores range between 0 - 50 in order of increasing severity with low/high scores & ratings representing negligible/significant risk to the company’s enterprise value, respectively, from ESG-driven financial impacts. ²**Score Momentum** - indicates changes to the company’s score since the last update - a **negative** integer indicates a company’s improving risk score; a **positive** integer indicates a deterioration. ³**Controversy Score** - reported periodically by Sustainalytics in the event of material ESG-related incident(s), with the impact severity scores of these events ranging from Category 0-5 (0 - no reports; 1 - negligible risks; ...; 5 - poses serious risks & indicative of potential structural deficiencies at the company).

Quantitative parameters (Score: 32)						
	Particulars	Unit	2019	2020	2021	RFMD SP (2021)
E	Scope 1 GHG emissions	m tCO2e	N/A	N/A	N/A	N/A
	Scope 2 GHG emissions	m tCO2e	N/A	N/A	N/A	N/A
	Total	m tCO2e	N/A	N/A	N/A	N/A
	Scope 3 GHG emissions	m tCO2e	N/A	N/A	N/A	N/A
	Total	m tCO2e	N/A	N/A	N/A	N/A
	GHG intensity (Scope 1 and 2)	tCO2e/t	N/A	N/A	N/A	N/A
	Energy intensity Ratio	KWh/m ²	192.7	190.3	161.1	N/A
	Share of renewable energy use in operations	%	N/A	N/A	N/A	N/A
	Wastewater discharge (chemical O ₂ demand)	tonnes	N/A	N/A	N/A	N/A
	Hazardous waste 3R rate	%	N/A	N/A	N/A	N/A
	Air emissions intensity	ton/kT	N/A	N/A	N/A	N/A
	NPE (New Plastic Economy) investments	SGD m	N/A	N/A	N/A	N/A
Cases of environmental non-compliance	number	0	0	0	0	
S	% of women in workforce	%	79%	78%	84%	N/A
	% of women in management roles	%	40%	29%	33%	45%
	Lost time injury frequency (LTIF) rate	number	0.0	0.0	0.0	0.0
	Lives impacted by CSR outreach ('000)	number	N/A	N/A	N/A	30
G	CEO/ED salary as % of reported net profit	%	9.5%	3.6%	10.7%	2.4%
	Board salary as % of reported net profit	%	10.6%	6.8%	13.4%	3.6%
	Independent directors on the Board	%	50%	37.5%	37.5%	64%
	Female directors on the Board	%	16.7%	12.5%	12.5%	18%

Qualitative Parameters (Score: 68)	
a) is there an ESG policy in place and whether there is a standalone ESG committee or is it part of a risk committee?	<i>Yes. Led by the CEO and COO, the committee oversees the implementation of the group's overall sustainability strategy.</i>
b) is the senior management salary linked to fulfilling ESG targets?	<i>No</i>
c) Does the company follow the task force of climate related disclosures (TCFD) framework for ESG reporting?	<i>Yes</i>
e) Does the company have a mechanism to capture Scope 3 emissions - which parameters are captured?	<i>No</i>
f) What are the 2-3 key carbon mitigation/water/waste management strategies adopted by the company?	<i>1) Installation of thimbles in taps; 2) All new clinics were installed with refrigerated areas to store clinical waste prior to disposal; and 3) engaged licensed waste disposal suppliers to collect and dispose sharps & biohazardous waste.</i>
g) Does carbon offset form part of the net zero/carbon neutrality target of the company?	<i>Yes</i>

Target (Score: 72)		
Particulars	Target	Achieved
Reduce electricity consumption per clinic	N/A	N/A
Maximise water efficiency per clinic	N/A	N/A
Minimise clinical waste per clinic	N/A	N/A
Maintain zero-reported data privacy incidents	0	100%
Increase average training hours for staff	2.0	2.9
Impact		
NA		
Overall score: 51		
As per our ESG matrix, Q&M Dental (QNM SP) has an overall score of 51.		

ESG score	Weights	Scores	Final Score
Quantitative	50%	32	16
Qualitative	25%	68	17
Target	25%	72	18
Total			51

As per our ESG assessment, Q&M has an established framework, internal policies, and tangible mid/long-term targets but needs to make headway in improving its quantitative "E" metrics YoY. Its overall ESG score is 51, which makes its ESG rating above average in our view (average ESG rating = 50; refer to Appendix I for our ESG Assessment Scoring).

FYE 31 Dec	FY20A	FY21A	FY22E	FY23E	FY24E
Key Metrics					
P/E (reported) (x)	15.2	17.4	19.6	18.5	17.6
Core P/E (x)	15.7	21.6	19.6	18.5	17.6
P/BV (x)	2.5	6.1	3.6	3.9	4.3
P/NTA (x)	4.5	13.3	8.9	11.3	16.1
Net dividend yield (%)	8.7	6.6	2.7	3.0	3.2
FCF yield (%)	6.1	7.4	10.9	9.4	9.5
EV/EBITDA (x)	9.1	9.6	8.9	8.8	8.8
EV/EBIT (x)	13.1	12.2	14.4	14.4	14.4
INCOME STATEMENT (SGD m)					
Revenue	137.6	205.6	182.4	183.8	185.5
EBITDA	37.5	63.7	43.2	43.4	43.6
Depreciation	(11.5)	(13.6)	(16.6)	(16.8)	(17.0)
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	26.0	50.1	26.6	26.6	26.6
Net interest income / (exp)	(3.8)	(3.0)	(3.1)	(3.2)	(3.2)
Associates & JV	0.2	(0.5)	(1.5)	(1.0)	(0.5)
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	22.4	46.7	22.0	22.5	22.9
Income tax	(2.5)	(7.3)	(2.9)	(2.7)	(2.5)
Minorities	(0.1)	(8.9)	(0.9)	(0.4)	(0.1)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	19.7	30.5	18.2	19.3	20.3
Core net profit	19.7	26.5	18.2	19.3	20.3
BALANCE SHEET (SGD m)					
Cash & Short Term Investments	48.8	47.6	52.8	52.0	50.3
Accounts receivable	18.2	27.8	25.5	25.7	26.0
Inventory	16.1	15.9	13.7	13.8	13.9
Reinsurance assets	0.0	0.0	0.0	0.0	1.0
Property, Plant & Equip (net)	78.4	84.3	76.2	68.4	60.4
Intangible assets	55.6	60.2	60.2	60.2	60.2
Investment in Associates & JVs	43.7	27.0	27.0	27.0	27.0
Other assets	13.0	13.3	13.3	13.3	14.3
Total assets	273.8	276.2	268.8	260.4	253.1
ST interest bearing debt	1.9	1.9	1.9	1.9	1.9
Accounts payable	16.5	26.2	21.6	21.8	22.0
Insurance contract liabilities	0.0	0.0	0.0	0.0	1.0
LT interest bearing debt	75.5	75.5	75.5	75.5	75.5
Other liabilities	56.0	69.0	69.0	69.0	69.0
Total Liabilities	149.9	172.9	168.3	168.5	169.7
Shareholders Equity	121.1	94.4	99.5	91.5	82.3
Minority Interest	2.8	8.9	0.9	0.4	0.1
Total shareholder equity	123.9	103.2	100.5	91.9	82.4
Perpetual securities	0.0	0.0	0.0	0.0	1.0
Total liabilities and equity	273.8	276.2	268.8	260.4	253.1
CASH FLOW (SGD m)					
Pretax profit	22.4	46.7	22.0	22.5	22.9
Depreciation & amortisation	11.5	13.6	16.6	16.8	17.0
Adj net interest (income)/exp	3.8	3.0	3.1	3.2	3.2
Change in working capital	(11.1)	(5.6)	4.8	0.0	(0.0)
Cash taxes paid	(1.2)	(3.1)	(1.2)	(1.2)	(1.2)
Other operating cash flow	0.4	(3.7)	2.0	1.5	1.0
Cash flow from operations	25.8	50.8	47.4	42.8	43.0
Capex	(7.0)	(8.6)	(8.5)	(9.0)	(9.0)
Free cash flow	18.8	42.2	38.9	33.8	34.0
Dividends paid	(22.2)	(48.8)	(9.7)	(10.6)	(11.6)
Equity raised / (purchased)	0.0	(3.1)	0.0	0.0	0.0
Perpetual securities	0.0	0.0	0.0	0.0	1.0
Change in Debt	(9.4)	8.6	(10.0)	(10.0)	(10.0)
Perpetual securities distribution	0.0	0.0	0.0	0.0	1.0
Other invest/financing cash flow	34.3	(17.1)	(14.0)	(14.0)	(11.0)
Effect of exch rate changes	0.0	0.0	0.0	0.0	1.0
Net cash flow	21.5	(18.1)	5.2	(0.9)	4.4

FYE 31 Dec	FY20A	FY21A	FY22E	FY23E	FY24E
Key Ratios					
Growth ratios (%)					
Revenue growth	7.5	49.4	(11.3)	0.8	0.9
EBITDA growth	7.0	69.8	(32.2)	0.4	0.5
EBIT growth	27.8	92.9	(46.9)	(0.1)	0.1
Pretax growth	11.2	108.5	(52.8)	1.9	2.1
Reported net profit growth	9.5	54.7	(40.2)	6.0	5.1
Core net profit growth	9.5	34.4	(31.1)	6.0	5.1
Profitability ratios (%)					
EBITDA margin	27.3	31.0	23.7	23.6	23.5
EBIT margin	18.9	24.4	14.6	14.5	14.4
Pretax profit margin	16.3	22.7	12.1	12.2	12.4
Payout ratio	135.9	123.9	53.0	55.0	57.1
DuPont analysis					
Net profit margin (%)	14.3	14.8	10.0	10.5	11.0
Revenue/Assets (x)	0.5	0.7	0.7	0.7	0.7
Assets/Equity (x)	2.3	2.9	2.7	2.8	3.1
ROAE (%)	16.2	28.3	18.8	20.2	23.4
ROAA (%)	6.8	9.6	6.7	7.3	7.9
Liquidity & Efficiency					
Cash conversion cycle	8.2	(3.4)	(23.9)	(16.1)	(16.0)
Days receivable outstanding	138.0	40.3	52.7	50.2	50.2
Days inventory outstanding	146.5	129.5	123.6	113.8	113.6
Days payables outstanding	276.3	173.2	200.2	180.1	179.8
Dividend cover (x)	0.7	0.8	1.9	1.8	1.8
Current ratio (x)	2.9	2.1	2.4	2.3	2.3
Leverage & Expense Analysis					
Asset/Liability (x)	1.8	1.6	1.6	1.5	1.5
Net gearing (%) (incl perps)	23.1	28.8	24.5	27.7	32.5
Net gearing (%) (excl. perps)	23.1	28.8	24.5	27.7	32.9
Net interest cover (x)	6.9	16.7	8.6	8.4	8.3
Debt/EBITDA (x)	2.1	1.2	1.8	1.8	1.8
Capex/revenue (%)	5.1	4.2	4.7	4.9	4.9
Net debt/ (net cash)	28.6	29.8	24.6	25.4	27.1

Source: Company; Maybank IBG Research

Research Offices

ECONOMICS

Suhaimi ILIAS
Chief Economist
Malaysia | Philippines | Global
(603) 2297 8682
suhaimi_ilias@maybank-ib.com

CHUA Hak Bin
Regional Thematic Macroeconomist
(65) 6231 5830
chuahb@maybank.com

LEE Ju Ye
Singapore | Thailand | Indonesia
(65) 6231 5844
leejuy@maybank.com

Dr Zamros DZULKAFI
(603) 2082 6818
zamros.d@maybank-ib.com

Fatin Nabila MOHD ZAINI
(603) 2297 8685
fatinnabila.mohdzaini@maybank-ib.com

Brian LEE Shun Rong
(65) 6231 5846
brian.lee1@maybank.com

Luong Thu Huong
(65) 6231 8467
hana.thuluong@maybank.com

FX

Saktiandi SUPAAT
Head of FX Research
(65) 6320 1379
saktiandi@maybank.com.sg

TAN Yanxi
(65) 6320 1378
tanyx@maybank.com.sg

Fiona LIM
(65) 6320 1374
fionalim@maybank.com.sg

STRATEGY

Anand PATHMAKANTHAN
ASEAN
(603) 2297 8783
anand.pathmakanthan@maybank-ib.com

FIXED INCOME

Winson PHOON, FCA
Head of Fixed Income
(65) 6340 1079
winsonphoon@maybank.com

SE THO Mun Yi, CFA
(603) 2074 7606
munyi.st@maybank-ib.com

PORTFOLIO STRATEGY

CHAN Han Chin
(603) 2297 8888
hanchin.chan@maybank-ib.com

ONG Seng Yeow
(65) 6231 5839
ongsengyeow@maybank.com

MIBG SUSTAINABILITY RESEARCH

Jigar SHAH
Head of Sustainability Research
(91) 22 4223 2632
jigars@maybank.com

Neerav DALAL
(91) 22 4223 2606
neerav@maybank.com

REGIONAL EQUITIES

Anand PATHMAKANTHAN
Head of Regional Equity Research
(603) 2297 8783
anand.pathmakanthan@maybank-ib.com

WONG Chew Hann, CA
Head of ASEAN Equity Research
(603) 2297 8686
wchewh@maybank-ib.com

MALAYSIA

Anand PATHMAKANTHAN Head of Research
(603) 2297 8783
anand.pathmakanthan@maybank-ib.com
• Strategy

WONG Chew Hann, CA
(603) 2297 8686
wchewh@maybank-ib.com
• Non-Bank Financials (stock exchange)
• Construction & Infrastructure

Desmond CH'NG, BFP, FCA
(603) 2297 8680
desmond.chng@maybank-ib.com
• Banking & Finance

LIAW Thong Jung
(603) 2297 8688 tjliaw@maybank-ib.com
• Oil & Gas Services- Regional
• Automotive

ONG Chee Ting, CA
(603) 2297 8678 ct.ong@maybank-ib.com
• Plantations - Regional

YIN Shao Yang, CPA
(603) 2297 8916 samuel.y@maybank-ib.com
• Gaming - Regional
• Media • Aviation • Non-Bank Financials

TAN Chi Wei, CFA
(603) 2297 8690 chiwei.t@maybank-ib.com
• Power • Telcos

WONG Wei Sum, CFA
(603) 2297 8679 weisum@maybank-ib.com
• Property • Glove

Jade TAM
(603) 2297 8687 jade.tam@maybank-ib.com
• Consumer Staples & Discretionary

Nur Farah SYIFAA
(603) 2297 8675
nurfarahsyifaa.mohamadfuad@maybank-ib.com
• Renewable Energy • REITs

Arvind JAYARATNAM
(603) 2297 8692
arvind.jayaratnam@maybank.com
• Petrochemicals • Technology

Shafiq KADIR, CFA
(603) 2297 8691
msshafiqk.abkadir@maybank-ib.com
• Healthcare • Software

LOH Yan Jin
(603) 2297 8687
lohyanjin.loh@maybank-ib.com
• Ports • Shipping

Eugene HOO Yee Hui
(603) 2082 6819
eugene.hoo@maybank.com

TEE Sze Chiah Head of Retail Research
(603) 2082 6858 szechiah.t@maybank-ib.com
• Retail Research

Nik Ihsan RAJA ABDULLAH, MSTA, CFTe
(603) 2297 8694
nikmohdihsan.ra@maybank-ib.com
• Chartist

Amirah AZMI
(603) 2082 8769 amirah.azmi@maybank-ib.com
• Retail Research

SINGAPORE

Thilan WICKRAMASINGHE Head of Research
(65) 6231 5840 thilanw@maybank.com
• Banking & Finance - Regional
• Consumer

CHUA Su Tye
(65) 6231 5842 chuasutye@maybank.com
• REITs - Regional

Eric ONG
(65) 6231 5924 ericong@maybank.com
• Healthcare • Transport • SMIDs

Kelvin TAN
(65) 6231 5837 kelvintan1@maybank.com
• Telcos • Industrials

LI Jialin
(65) 6231 5845 jialin.li@maybank.com
• REITs

PHILIPPINES

Jacqui de JESUS Head of Research
(63) 2 8849 8840
jacqui.dejesus@maybank.com
• Strategy • Conglomerates

Rachelleen RODRIGUEZ, CFA
(63) 2 8849 8843
rachelleen.rodriquez@maybank.com
• Banking & Finance • Transport • Telcos

Daphne SZE
(63) 2 8849 8847
daphne.sze@maybank.com
• Consumer

Miguel SEVIDAL
(63) 2 8849 8844
miguel.sevidal@maybank.com
• REITs • Property • Gaming

Fiorenzo de JESUS
(63) 2 8849 8846
fiorenzo.dejesus@maybank.com
• Utilities

THAILAND

Jesada TECHAHUSDIN, CFA
(66) 2658 6300 ext 1395
jesada.t@maybank.com
• Banking & Finance

Vanida GEISLER, CPA
(66) 2658 6300 ext 1394
Vanida.G@maybank.com
• Property • REITs

Yuwanee PROMMAPORN
(66) 2658 6300 ext 1393
Yuwanee.P@maybank.com
• Services • Healthcare

Wasu MATTANAPOTCHANART
(66) 2658 6300 ext 1392
wasu.m@maybank.com
• Telcos

Surachai PRAMUALCHAROENKIT
(66) 2658 5000 ext 1470
Surachai.p@maybank.com
• Auto • Conmat • Contractor • Steel

Suttatip PEERASUB
(66) 2658 5000 ext 1430
suttatip.p@maybank.com
• Food & Beverage • Commerce

Jaroonpan WATTANAWONG
(66) 2658 5000 ext 1404
jaroonpan.w@maybank.com
• Transportation • Small cap

INDONESIA

Jeffrosenberg CHENLIM Head of Research
(62) 21 8066 8680
Jeffrosenberg.lim@maybank.com
• Strategy

Willy GOUTAMA
(62) 21 8066 8500
willy.goutama@maybank.com
• Consumer

Richard SUHERMAN
(62) 21 8066 8691
richard.suherman@maybank.com
• Metals & Mining

Etta Rusdiana PUTRA
(62) 21 8066 8683
etta.putra@maybank.com
• Telcos

Satriawan, CTA
(62) 21 8066 8682
satriawan@maybank.com
• Chartist

VIETNAM

Quan Trong Thanh Head of Research
(84 28) 44 555 888 ext 8184
thanh.quan@maybank.com
• Strategy • Banks

Hoang Huy, CFA
(84 28) 44 555 888 ext 8181
hoanghuy@maybank.com
• Strategy • Technology

Le Nguyen Nhat Chuyen
(84 28) 44 555 888 ext 8082
chuyen.le@maybank.com
• Oil & Gas • Logistics

Nguyen Thi Sony Tra Mi
(84 28) 44 555 888 ext 8084
trami.nguyen@maybank.com
• Consumer Discretionary

Tyler Manh Dung Nguyen
(84 28) 44 555 888 ext 8085
manhdung.nguyen@maybank.com
• Utilities • Property

Tran Thi Thanh Nhan
(84 28) 44 555 888 ext 8088
nhan.tran@maybank.com
• Consumer Staples

Nguyen Le Tuan Loi
(84 28) 44 555 888 ext 8088
loi.nguyen@maybank.com
• Industrials

Nguyen Thi Ngan Tuyen
Head of Retail Research
(84 28) 44 555 888 ext 8081
tuyen.nguyen@maybank.com
• Retail Research

Nguyen Thanh Lam
(84 28) 44 555 888 ext 8086
thanhlam.nguyen@maybank.com
• Chartist

APPENDIX I: TERMS FOR PROVISION OF REPORT, DISCLAIMERS AND DISCLOSURES

DISCLAIMERS

This research report is prepared for general circulation and for information purposes only and under no circumstances should it be considered or intended as an offer to sell or a solicitation of an offer to buy the securities referred to herein. Investors should note that values of such securities, if any, may fluctuate and that each security's price or value may rise or fall. Opinions or recommendations contained herein are in form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from the relevant jurisdiction's stock exchange in the equity analysis. Accordingly, investors' returns may be less than the original sum invested. Past performance is not necessarily a guide to future performance. This report is not intended to provide personal investment advice and does not take into account the specific investment objectives, the financial situation and the particular needs of persons who may receive or read this report. Investors should therefore seek financial, legal and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

The information contained herein has been obtained from sources believed to be reliable but such sources have not been independently verified by Maybank Investment Bank Berhad, its subsidiary and affiliates (collectively, "Maybank IBG") and consequently no representation is made as to the accuracy or completeness of this report by Maybank IBG and it should not be relied upon as such. Accordingly, Maybank IBG and its officers, directors, associates, connected parties and/or employees (collectively, "Representatives") shall not be liable for any direct, indirect or consequential losses or damages that may arise from the use or reliance of this report. Any information, opinions or recommendations contained herein are subject to change at any time, without prior notice.

This report may contain forward looking statements which are often but not always identified by the use of words such as "anticipate", "believe", "estimate", "intend", "plan", "expect", "forecast", "predict" and "project" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. Such forward looking statements are based on assumptions made and information currently available to us and are subject to certain risks and uncertainties that could cause the actual results to differ materially from those expressed in any forward looking statements. Readers are cautioned not to place undue relevance on these forward-looking statements. Maybank IBG expressly disclaims any obligation to update or revise any such forward looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

Maybank IBG and its officers, directors and employees, including persons involved in the preparation or issuance of this report, may, to the extent permitted by law, from time to time participate or invest in financing transactions with the issuer(s) of the securities mentioned in this report, perform services for or solicit business from such issuers, and/or have a position or holding, or other material interest, or effect transactions, in such securities or options thereon, or other investments related thereto. In addition, it may make markets in the securities mentioned in the material presented in this report. One or more directors, officers and/or employees of Maybank IBG may be a director of the issuers of the securities mentioned in this report to the extent permitted by law.

This report is prepared for the use of Maybank IBG's clients and may not be reproduced, altered in any way, transmitted to, copied or distributed to any other party in whole or in part in any form or manner without the prior express written consent of Maybank IBG and Maybank IBG and its Representatives accepts no liability whatsoever for the actions of third parties in this respect.

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. This report is for distribution only under such circumstances as may be permitted by applicable law. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Without prejudice to the foregoing, the reader is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

Malaysia

Opinions or recommendations contained herein are in the form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from Bursa Malaysia Securities Berhad in the equity analysis.

Singapore

This report has been produced as of the date hereof and the information herein may be subject to change. Maybank Research Pte. Ltd. ("MRPL") in Singapore has no obligation to update such information for any recipient. For distribution in Singapore, recipients of this report are to contact MRPL in Singapore in respect of any matters arising from, or in connection with, this report. If the recipient of this report is not an accredited investor, expert investor or institutional investor (as defined under Section 4A of the Singapore Securities and Futures Act), MRPL shall be legally liable for the contents of this report, with such liability being limited to the extent (if any) as permitted by law.

Thailand

Except as specifically permitted, no part of this presentation may be reproduced or distributed in any manner without the prior written permission of Maybank Securities (Thailand) Public Company Limited. Maybank Securities (Thailand) Public Company Limited ("MST") accepts no liability whatsoever for the actions of third parties in this respect.

Due to different characteristics, objectives and strategies of institutional and retail investors, the research products of MST Institutional and Retail Research departments may differ in either recommendation or target price, or both. MST reserves the rights to disseminate MST Retail Research reports to institutional investors who have requested to receive it. If you are an authorised recipient, you hereby tacitly acknowledge that the research reports from MST Retail Research are first produced in Thai and there is a time lag in the release of the translated English version.

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey may be changed after that date. MST does not confirm nor certify the accuracy of such survey result.

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, MST does not confirm, verify, or certify the accuracy and completeness of the assessment result.

US

This third-party research report is distributed in the United States ("US") to Major US Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended) only by Maybank Securities USA Inc ("MSUS"), a broker-dealer registered in the US (registered under Section 15 of the Securities Exchange Act of 1934, as amended). All responsibility for the distribution of this report by MSUS in the US shall be borne by MSUS. This report is not directed at you if Maybank IBG is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that MSUS is permitted to provide research material concerning investments to you under relevant legislation and regulations. All U.S. persons receiving and/or accessing this report and wishing to effect transactions in any security mentioned within must do so with: Maybank Securities USA Inc. 400 Park Avenue, 11th Floor, New York, New York 10022, 1-(212) 688-8886 and not with, the issuer of this report.

UK

This document is being distributed by Maybank Securities (London) Ltd (“MSUK”) which is authorized and regulated, by the Financial Conduct Authority and is for Informational Purposes only. This document is not intended for distribution to anyone defined as a Retail Client under the Financial Services and Markets Act 2000 within the UK. Any inclusion of a third party link is for the recipients convenience only, and that the firm does not take any responsibility for its comments or accuracy, and that access to such links is at the individuals own risk. Nothing in this report should be considered as constituting legal, accounting or tax advice, and that for accurate guidance recipients should consult with their own independent tax advisers.

DISCLOSURES

Legal Entities Disclosures

Malaysia: This report is issued and distributed in Malaysia by Maybank Investment Bank Berhad (15938- H) which is a Participating Organization of Bursa Malaysia Berhad and a holder of Capital Markets and Services License issued by the Securities Commission in Malaysia. **Singapore:** This report is distributed in Singapore by MRPL (Co. Reg No 198700034E) which is regulated by the Monetary Authority of Singapore. **Indonesia:** PT Maybank Sekuritas Indonesia (“PTMSI”) (Reg. No. KEP-251/PM/1992) is a member of the Indonesia Stock Exchange and is regulated by the Financial Services Authority (Indonesia). **Thailand:** MST (Reg. No.0107545000314) is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission. **Philippines:** Maybank Securities Inc (Reg. No.01-2004-00019) is a member of the Philippines Stock Exchange and is regulated by the Securities and Exchange Commission. **Vietnam:** Maybank Securities Limited (License Number: 117/GP-UBCK) is licensed under the State Securities Commission of Vietnam. **Hong Kong:** MIB Securities (Hong Kong) Limited (Central Entity No AAD284) is regulated by the Securities and Futures Commission. **India:** MIB Securities India Private Limited (“MIBSI”) is a participant of the National Stock Exchange of India Limited and the Bombay Stock Exchange and is regulated by Securities and Exchange Board of India (“SEBI”) (Reg. No. INZ000010538). MIBSI is also registered with SEBI as Category 1 Merchant Banker (Reg. No. INM 000011708) and as Research Analyst (Reg No: INH000000057) **US:** Maybank Securities USA Inc is a member of/and is authorized and regulated by the FINRA - Broker ID 27861. **UK:** Maybank Securities (London) Ltd (Reg No 2377538) is authorized and regulated by the Financial Conduct Authority.

Disclosure of Interest

Malaysia: Maybank IBG and its Representatives may from time to time have positions or be materially interested in the securities referred to herein and may further act as market maker or may have assumed an underwriting commitment or deal with such securities and may also perform or seek to perform investment banking services, advisory and other services for or relating to those companies.

Singapore: As of 23 September 2022, Maybank Research Pte. Ltd. and the covering analyst do not have any interest in any companies recommended in this research report.

Thailand: MST may have a business relationship with or may possibly be an issuer of derivative warrants on the securities /companies mentioned in the research report. Therefore, Investors should exercise their own judgment before making any investment decisions. MST, its associates, directors, connected parties and/or employees may from time to time have interests and/or underwriting commitments in the securities mentioned in this report.

Hong Kong: As of 23 September 2022, MIB Securities (Hong Kong) Limited and the authoring analyst do not have any interest in any companies recommended in this research report.

India: As of 23 September 2022, and at the end of the month immediately preceding the date of publication of the research report, MIBSI, authoring analyst or their associate / relative does not hold any financial interest or any actual or beneficial ownership in any shares or having any conflict of interest in the subject companies except as otherwise disclosed in the research report.

In the past twelve months MIBSI and authoring analyst or their associate did not receive any compensation or other benefits from the subject companies or third party in connection with the research report on any account what so ever except as otherwise disclosed in the research report.

Maybank IBG may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment and may receive compensation for the services provided from the companies covered in this report.

OTHERS

Analyst Certification of Independence

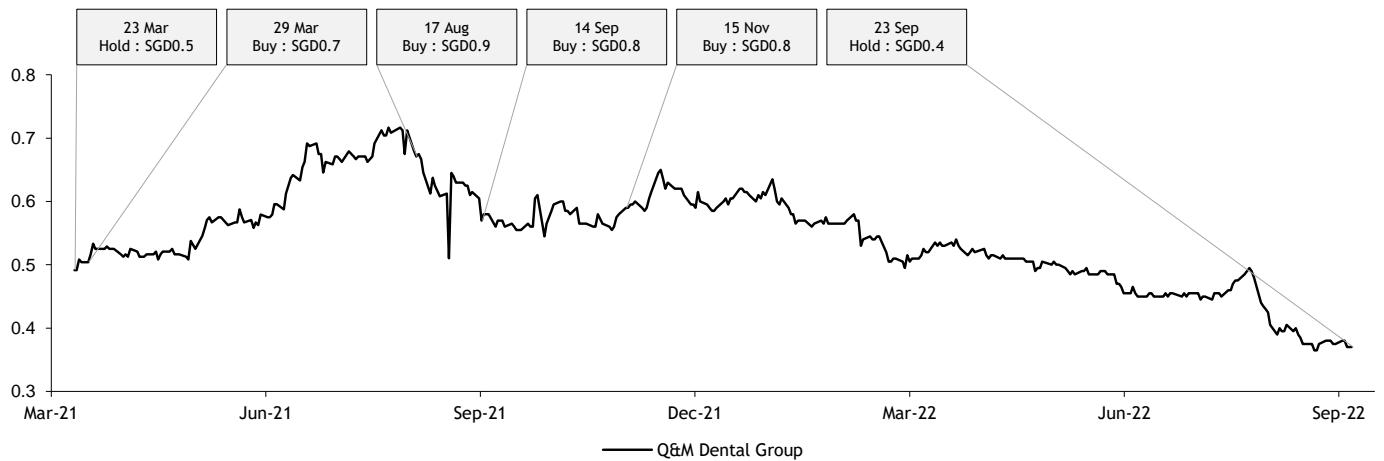
The views expressed in this research report accurately reflect the analyst’s personal views about any and all of the subject securities or issuers; and no part of the research analyst’s compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

Reminder

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct its own analysis of the product and consult with its own professional advisers as to the risks involved in making such a purchase.

No part of this material may be copied, photocopied or duplicated in any form by any means or redistributed without the prior consent of Maybank IBG.

Historical recommendations and target price: Q&M Dental Group (QNM SP)



Definition of Ratings

Maybank IBG Research uses the following rating system

- BUY** Return is expected to be above 10% in the next 12 months (including dividends)
HOLD Return is expected to be between 0% to 10% in the next 12 months (including dividends)
SELL Return is expected to be below 0% in the next 12 months (including dividends)

Applicability of Ratings

The respective analyst maintains a coverage universe of stocks, the list of which may be adjusted according to needs. Investment ratings are only applicable to the stocks which form part of the coverage universe. Reports on companies which are not part of the coverage do not carry investment ratings as we do not actively follow developments in these companies.

 **Malaysia**

Maybank Investment Bank Berhad
(A Participating Organisation of
Bursa Malaysia Securities Berhad)
33rd Floor, Menara Maybank,
100 Jalan Tun Perak,
50050 Kuala Lumpur
Tel: (603) 2059 1888;
Fax: (603) 2078 4194

Stockbroking Business:
Level 8, Tower C, Dataran Maybank,
No.1, Jalan Maarof
59000 Kuala Lumpur
Tel: (603) 2297 8888
Fax: (603) 2282 5136

 **Philippines**

Maybank Securities Inc
17/F, Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines 1200

Tel: (63) 2 8849 8888
Fax: (63) 2 8848 5738

 **Sales Trading**

Kevin Foy
Regional Head Sales Trading
kevinfoy@maybank.com
Tel: (65) 6636-3620
US Toll Free: 1-866-406-7447

Indonesia

Helen Widjaja
helen.widjaja@maybank.com
(62) 21 2557 1188

New York

James Lynch
jlynch@maybank-keusa.com
Tel: (212) 688 8886

Philippines

Keith Roy
keith_roy@maybank.com
Tel: (63) 2 848-5288

 **Singapore**

Maybank Securities Pte Ltd
Maybank Research Pte Ltd
50 North Canal Road
Singapore 059304

Tel: (65) 6336 9090

 **Hong Kong**

MIB Securities (Hong Kong) Limited
28/F, Lee Garden Three,
1 Sunning Road, Causeway Bay,
Hong Kong

Tel: (852) 2268 0800
Fax: (852) 2877 0104

 **Thailand**

Maybank Securities (Thailand) PCL
999/9 The Offices at Central World,
20th - 21st Floor,
Rama 1 Road Pathumwan,
Bangkok 10330, Thailand

Tel: (66) 2 658 6817 (sales)
Tel: (66) 2 658 6801 (research)

 **London**

Maybank Securities (London) Ltd
PNB House
77 Queen Victoria Street
London EC4V 4AY, UK

Tel: (44) 20 7332 0221
Fax: (44) 20 7332 0302

 **Indonesia**

PT Maybank Sekuritas Indonesia
Sentral Senayan III, 22nd Floor
Jl. Asia Afrika No. 8
Gelora Bung Karno, Senayan
Jakarta 10270, Indonesia

Tel: (62) 21 2557 1188
Fax: (62) 21 2557 1189

 **Vietnam**

Maybank Securities Limited
Floor 10, Pearl 5 Tower,
5 Le Quy Don Street,
Vo Thi Sau Ward, District 3
Ho Chi Minh City, Vietnam

Tel : (84) 28 44 555 888
Fax : (84) 28 38 271 030

 **New York**

Maybank Securities USA Inc
400 Park Avenue, 11th Floor
New York, New York 10022,
U.S.A.

Tel: (212) 688 8886
Fax: (212) 688 3500

 **India**

MIB Securities India Pte Ltd
1101, 11th floor, A Wing, Kanakia
Wall Street, Chakala, Andheri -
Kurla Road, Andheri East,
Mumbai City - 400 093, India

Tel: (91) 22 6623 2600
Fax: (91) 22 6623 2604

www.maybank.com/investment-banking
www.maybank-keresearch.com