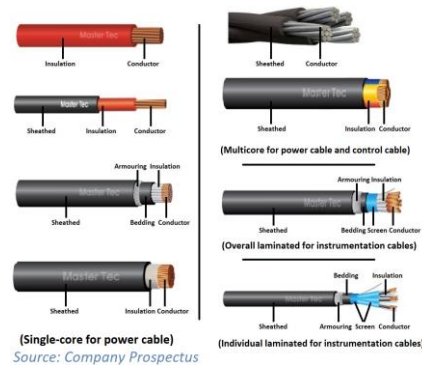


## All-Round Cable and Wire Solutions

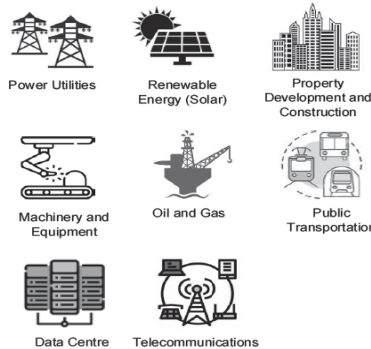
### Master Tec Group Berhad

Through its subsidiary, Master Tec Group Berhad. ("MTG") is principally involved in the manufacturing and distribution of power cables, control and instrumentation cables, and other related products, and the trading of power cables, fibre optic cables, and other related products.

#### Product Segments



#### Main Industry Served



#### Investment Highlight

- Sustainable industry growth – Tenaga Nasional Berhad ("TNB") as main client, followed by solar renewable energy ("RE"), data centre, telecommunications, property and construction.
- MTG benefits from government commitment to increase RE capacity to 70% in 2050 – coupled with 1,000 Megawatt ("MW") of large-scale solar projects under Malaysia Renewable Energy Roadmap ("MyRER").
- Ongoing demand from TNB and the oil and gas industry project forecast double-digit future revenue.

#### Main Competitive Advantages

- Wide range industry served secure long-term sustainable demand for low voltage ("LV") wires and cables.
- Established manufacturer – proven track record for LV power cable.
- Effective production and management for top-quality copper-cored and aluminium-cored LV products.

#### Major Customers

For financial period ended ("FPE") 2023, 60.75% revenue came from major customers, while 39.25% was contributed by 157 customers – 47.15% of total customers were recurring ones.

Major Customer (FPE2023)	RM'000	% of Group Revenue
TNB Group	49,652	35.97
Pen Power Sdn Bhd	16,212	11.74
SEB Group	10,290	7.45
Oon Brothers Electrical Trading Co S/	4,406	3.19
Incomtec Consolidated Sdn Bhd	3,313	2.40
<b>Total</b>	<b>83,873</b>	<b>60.75</b>

Source: Company Prospectus

#### Competitors Financial Comparison

Latest FYE financial comparisons of peers to the MTG Group based on industry and minimum revenue of RM100 million ("mn").

Company	PAT (%)
MTG Group	5.40
Peers	PAT (%)
Southern Cable Group Berhad	1.70
Central Cables Berhad	5.90
Hi-Essence Cable Sdn Bhd	4.30
Olympic Cable Company Sdn Bhd	2.90
Power Cables Malaysia Sdn Bhd	4.30
Sindutch Cable Manufacturer Sdn Bhd	-7.00
Tai Sin Electric Cables (Malaysia) Sdn Bhd	2.80
Tonn Cable Sdn Bhd	1.60

Source: Company Prospectus

ACE Market (Industrial Products & Services)

IPO Price: RM0.39

# Master Tec

#### IPO TIMELINE

Opening Date	28 Dec 2023
Closing Date	18 Jan 2024
Listing Date	29 Jan 2024

IPO Details	Shares(mn)	
Offer for Sale	127.50	
Public Issue	158.14	
Enlarged share	1,020.00	
Utilisation of IPO Proceeds	RM(mn)	(%)
Capital expenditure	41.17	66.77
General working capital	16.29	26.42
Estimated listing expenses	4.20	6.81
<b>Total</b>	<b>61.66</b>	<b>100.00</b>

Major Shareholders	Shares(mn)	(%)
MTPC Sdn Bhd	561.00	55.00
Dato' Lau Kim San	173.40	17.00

#### Key Financial Summary

FYE Dec (RMmn)	2020	2021	2022	2023 FPE
Revenue	162.31	275.88	362.69	138.04
Gross Profit	6.61	13.65	35.13	23.84
Pre-tax Profit	6.23	7.22	26.18	18.45
Core Net Profit	5.26	5.53	19.56	13.63
Core EPS (Sen)	0.52	0.54	1.92	1.34
P/E (x)	75.66	71.90	20.34	29.18

Source: Company Prospectus, Eco Asia Research Estimates

EPS and P/E from 2020A to 2023FPE (pre-IPO) are on pro-forma basis for comparative purposes only.

#### IPO Shares Allocation

Allocation	Shares(mn)	%
<b>Public Issue</b>		
Malaysian Public via balloting process:		
• Public investors	25.50	2.50
• Bumiputera public investors	25.50	2.50
Eligible Parties	2.14	0.21
Placement to selected investors	105.00	10.29
Subtotal	158.14	15.50

#### Offer for sale:

Bumiputera investors approved by MITI	127.50	12.50
Subtotal	127.50	12.50

<b>Total</b>	<b>285.64</b>	<b>28.00</b>
<b>Total enlarged share capital upon listing</b>	<b>1,020.00</b>	

Source: Company Prospectus

## DEFINITION OF RATINGS

Eco Asia Investment Advice uses the following rating system:

### STOCK RECOMMENDATION

**BUY** Total return (price appreciation plus dividend yield) is expected to exceed 10% in the next 12 months.

**TRADING BUY** Share price may exceed 15% over the next 3 months, however longer-term outlook remains uncertain.

**HOLD** Share price may fall within the range of +/- 10% over the next 12 months

**TAKE PROFIT** Target price has been attained. Fundamentals remain intact. Look to accumulate at lower levels.

**TRADING SELL** Share price may fall by more than 15% in the next 3 months.

**SELL** Share price may fall by more than 10% over the next 12 months.

**NOT RATED** Stock is not within regular research coverage.

### SECTOR RECOMMENDATION

**OVERWEIGHT** The Industry as defined by the analyst's coverage universe, is expected to outperform the relevant primary market index over the next 12 months

**NEUTRAL** The Industry as defined by the analyst's coverage universe, is expected to perform in line with the relevant primary market index over the next 12 months

**UNDERWEIGHT** The Industry as defined by the analyst's coverage universe, is expected to underperform the relevant primary market index over the next 12 months

### 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.

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