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CREDITSIGHTS APAC OUTLOOK CONFERENCE

Rates, (Election) Results and Resilience

October 1st, 2024

South and Southeast Asian Corporates: Buoyant in a Sea of Uncertainties

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11:05 a.m. – 11:35 a.m.



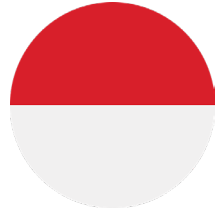
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Macroeconomic Overview: Fundamentally Sound, Thailand Laggard



India

- Sturdy GDP growth
- Strong consumer spending
- Inflation could rebound but stay contained



Indonesia

- Steady GDP growth
- IDR to stabilize or strengthen
- Fiscal discipline to be monitored



Philippines

- Below consensus growth but upbeat 2025
- Domestic demand to bottom-out
- ~200 bp of rate cuts by end-2025



Malaysia

- Strong growth prospects
- Subdued inflation
- Longer wait for rate cuts



Thailand

- Growth to lag regional peers
- Delayed rate cuts
- Watchful of political instability

S&SEA Corporate Fundamentals: Improving Outlook For Most

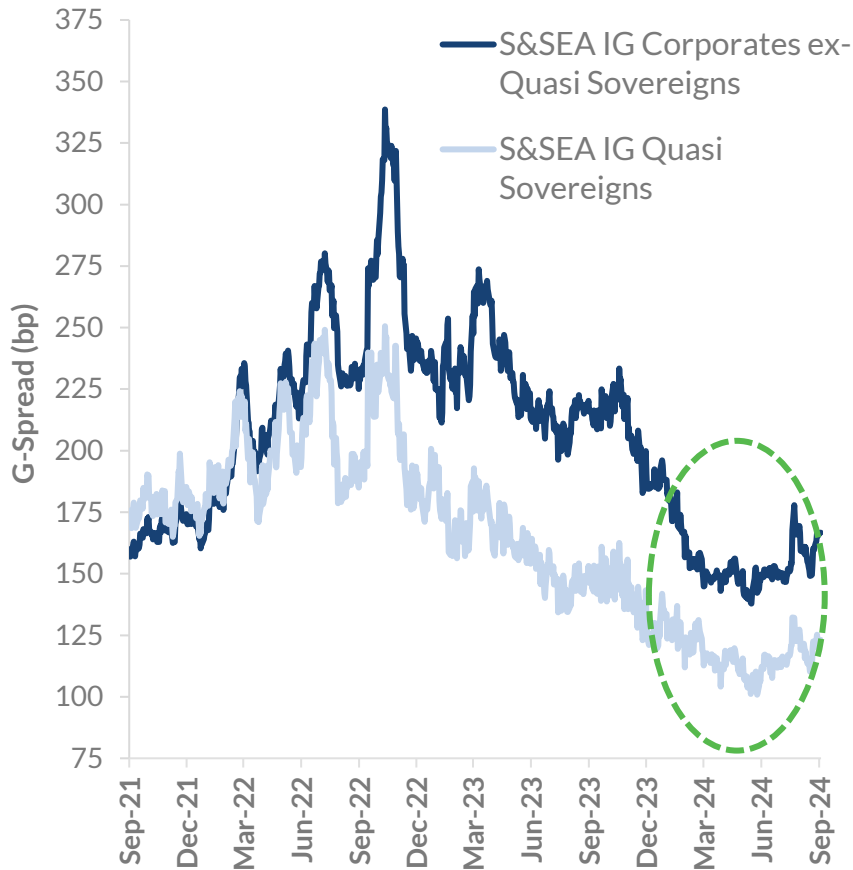
Credit Outlook

Drivers

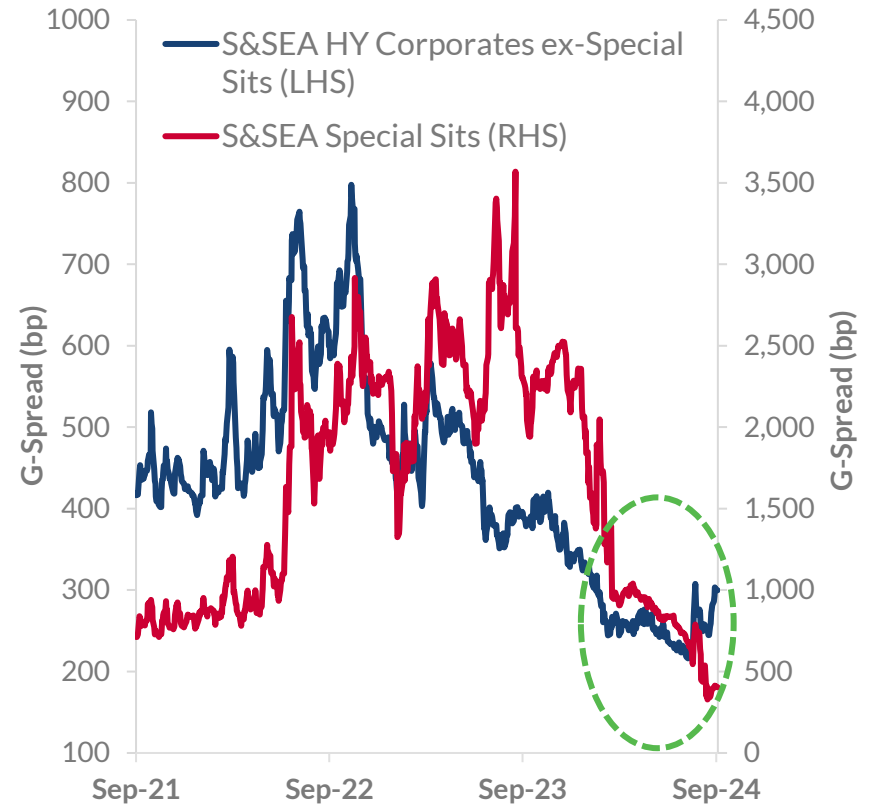
Overall	Improving	Resilient credit fundamentals and growth prospects
Consumer Foods	Improving	Good volume growth, lower input costs
Metals & Mining	Improving	Healthy metal prices, capacity additions, cost rationalisation
Oil & Gas (Upstream)	Deteriorating	Brent crude price weakness from demand concerns
Oil & Gas (Downstream)	Improving	Brent crude input cost weakness
Power & Utilities (ex-renewables)	Stable	Persisting low thermal coal costs, resilient demand
Steelmaking	Improving	Weak steel prices negated by declining coking coal and iron ore costs, domestic demand and capacity additions
Renewables	Deteriorating	Aggressive debt-funded capex, negative FCFs, governance risk
Telecom	Improving	Tariff hikes, steady subscriber growth, tapering capex
Transportation (Airports + Seaports)	Improving	Tariff hikes, modest volume growth, and M&A contribution
Special Sits	Improving	Improved funding access, successful refinancings

S&SEA Valuations: Very Tight Spreads

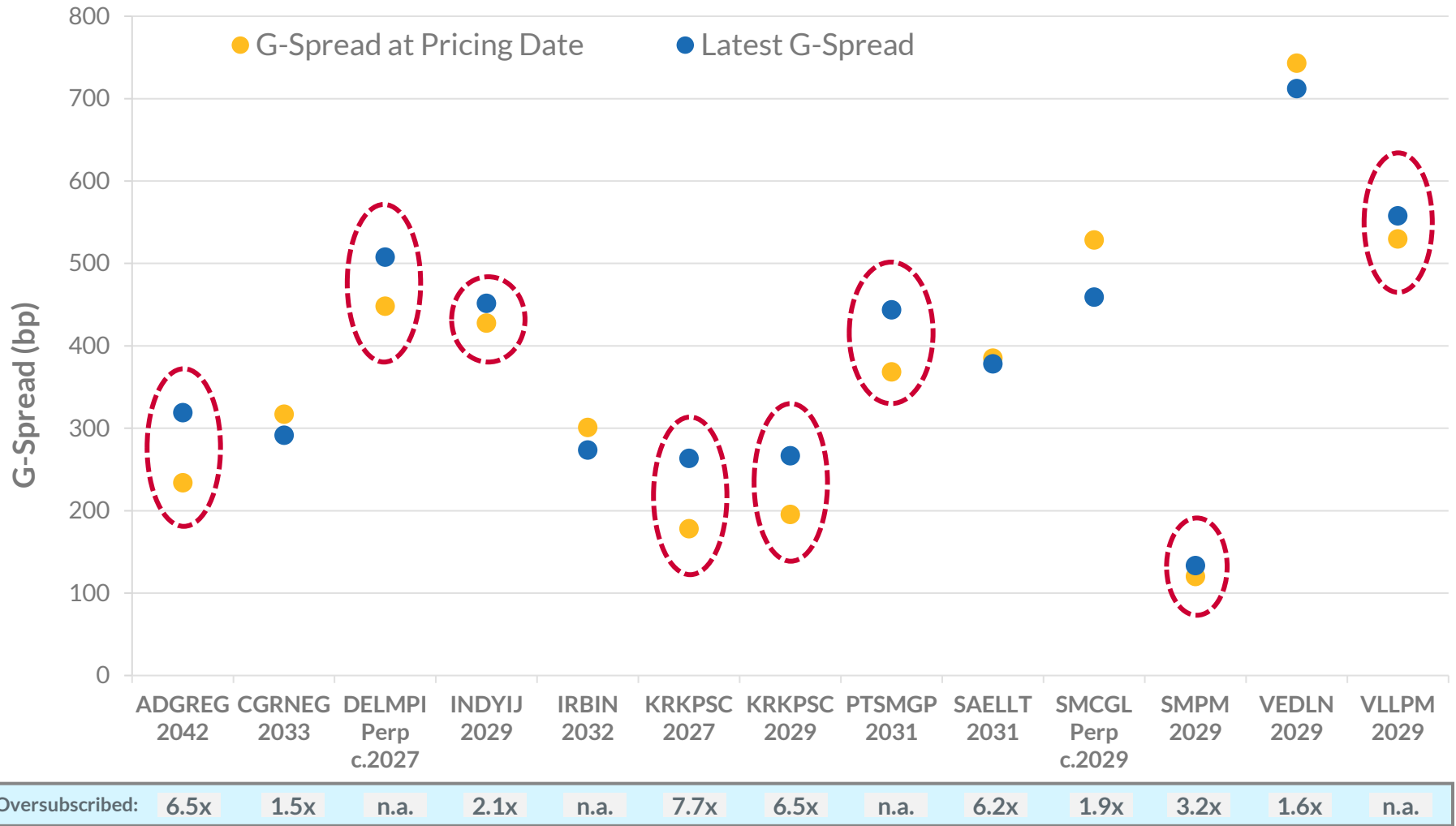
IG Valuations Remain Tight



HY Valuations Tightened Materially



2024 SSEA New Issues: Most Credits Performed Poorly



4Q24/2025 New Issue Candidates

India

Adani Energy Solutions (AESL)

Adani Green Energy (AGEL)

Greenko

JSW Steel

Vedanta

Indonesia

Japfa Comfeed

Medco Energi

Mineral Industri Indonesia (MIND ID)

Pertamina

Pertamina Geothermal

Perusahaan Listrik Negara (PLN)

Tower Bersama

Philippines

Jollibee

San Miguel Corp (SMC)

SMC Global Power (SMC GP)

- For Capex
- For Debt Refinancing
- For Capex OR Debt Refinancing

Companies with 2025 \$ bond maturities but we think are unlikely to refi in \$ bond market:

BPCL, Bharti, ICTSI, Indika Energy, Petronas and Reliance Industries

Indonesia Issuer Meetings: 6 Key Themes

1

Steady consumer foods outlook on volume growth, lower costs

2

Weak green energy transition pace due to reliance on cheaper coal

3

Continued strong government support for SOEs



Indonesia Issuer Meetings: 6 Key Themes (cont'd)

4 Mining regulatory risk in focus



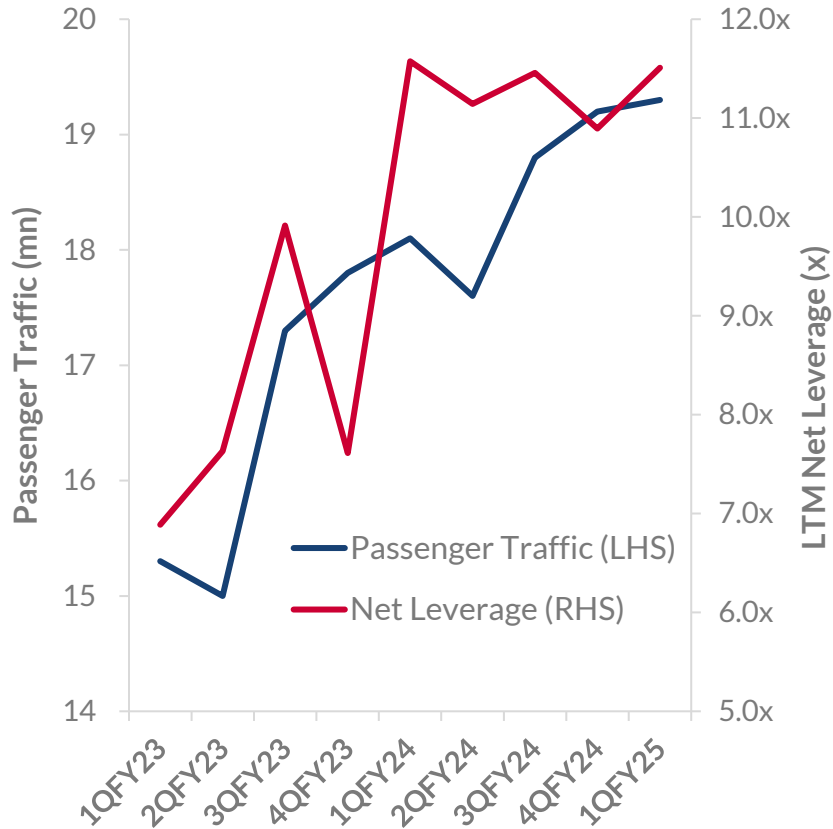
5 Capital city relocation progressing slowly



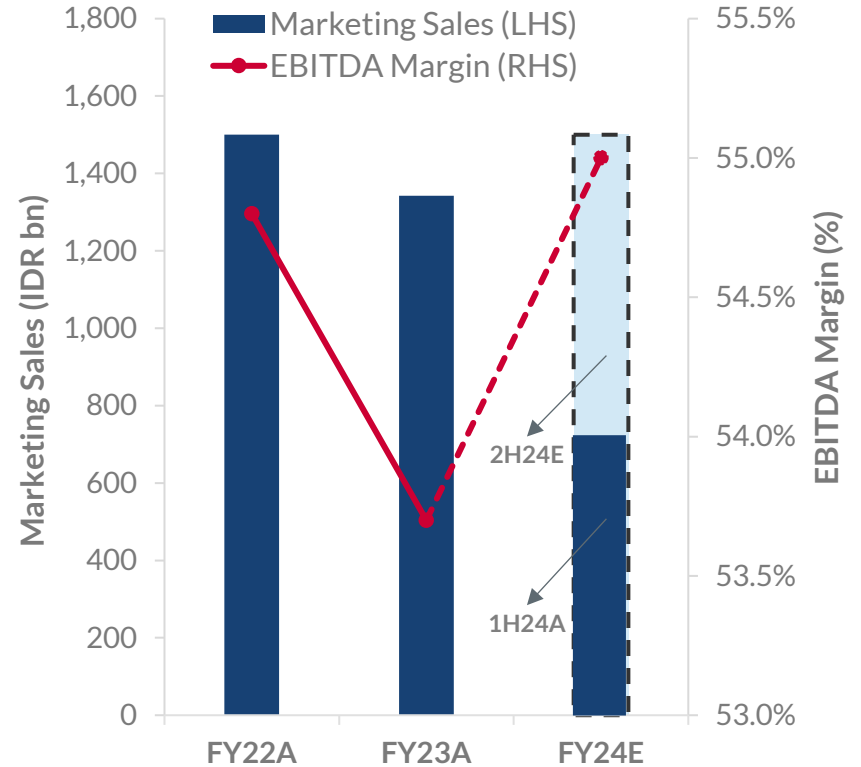
6 \$ Bond supply from SOEs to Pick Up

S&SEA Select High Yield: Improving Outlooks

Delhi Airport:
Leverage Poor But Set to Improve

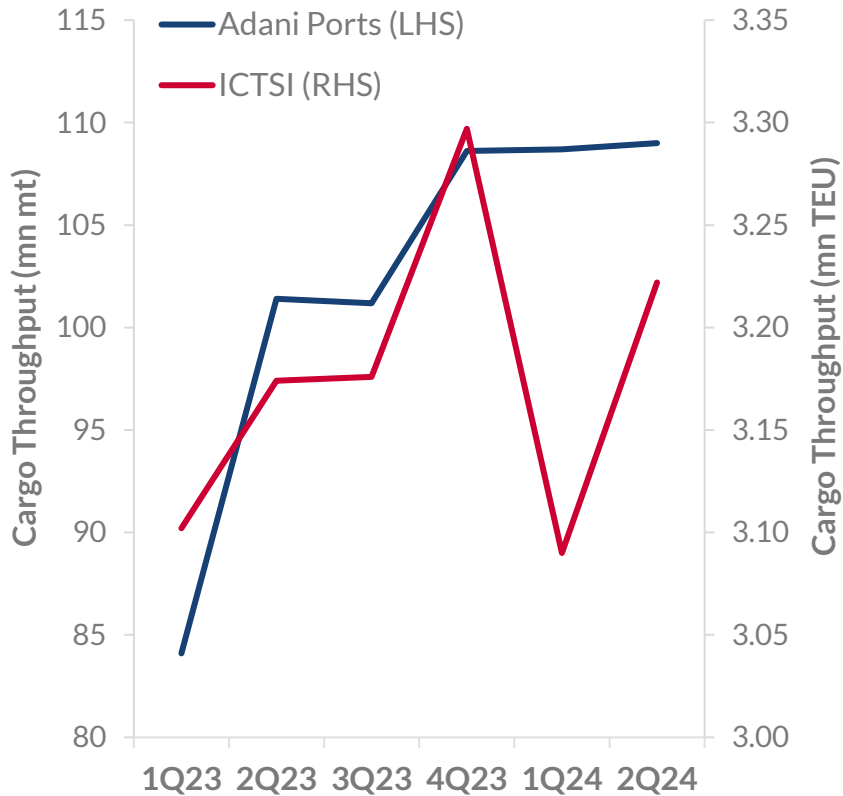


Pakuwon Jati:
Steady Growth, Stable Margins

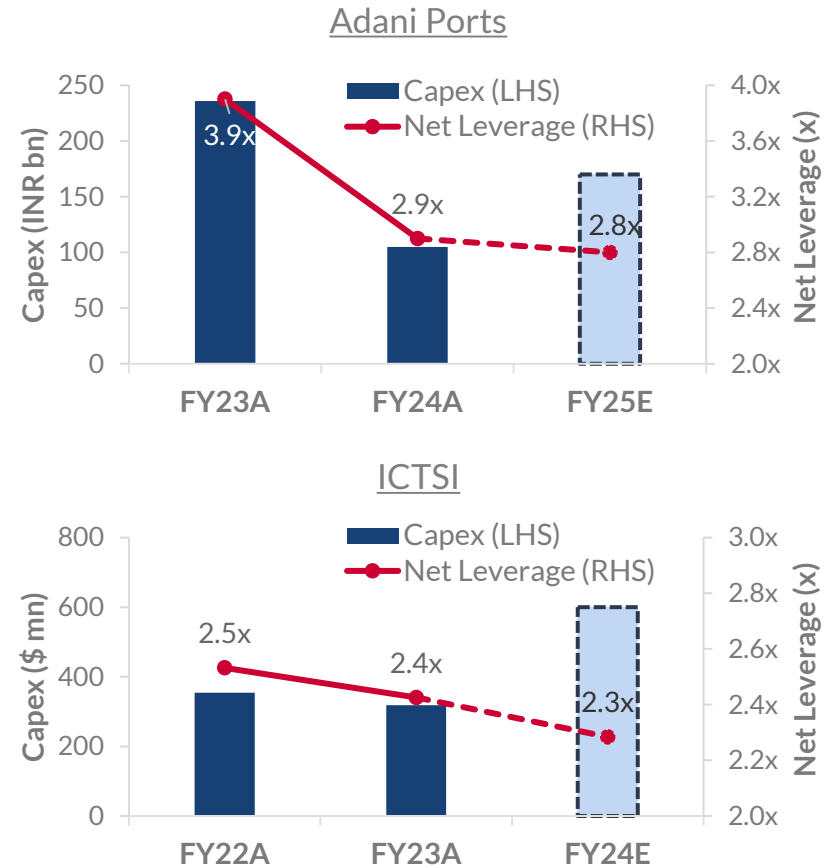


S&SEA Ports: Resilient Amid Geopolitical Tensions

Resilient Cargo Throughput Growth

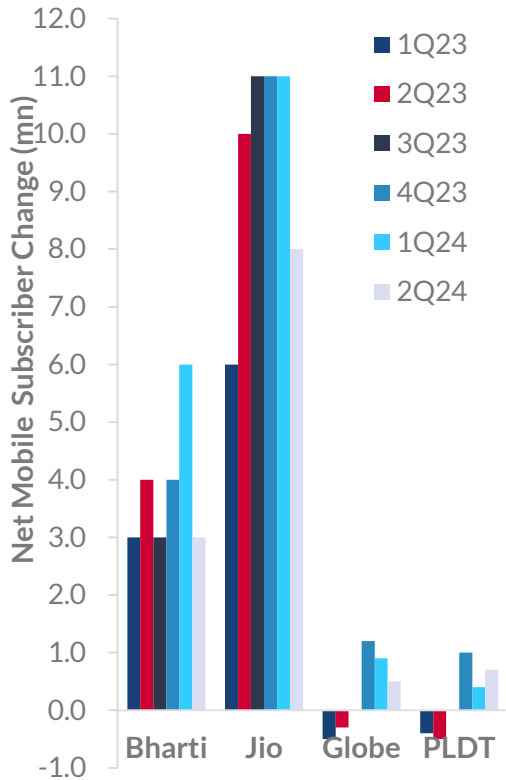


Stable Leverage Despite Higher Capex

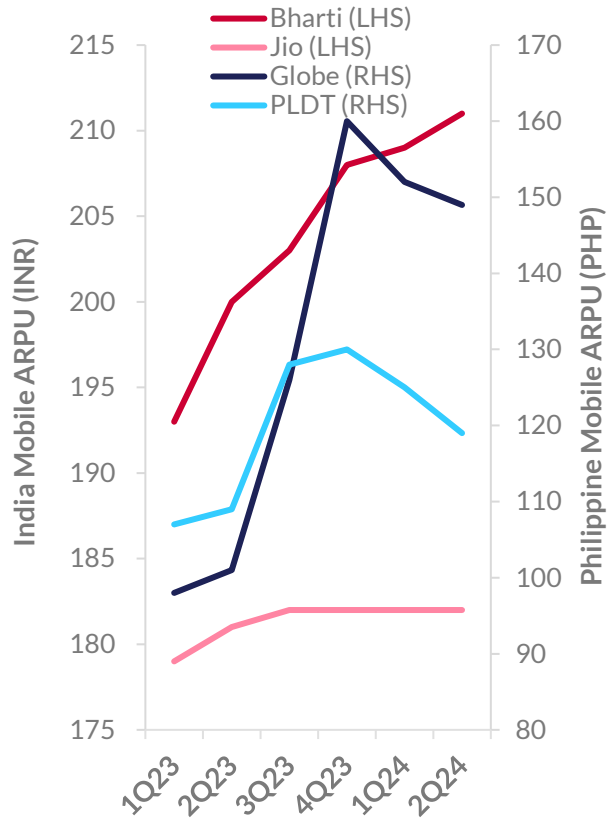


S&SEA Telecom: Powering On

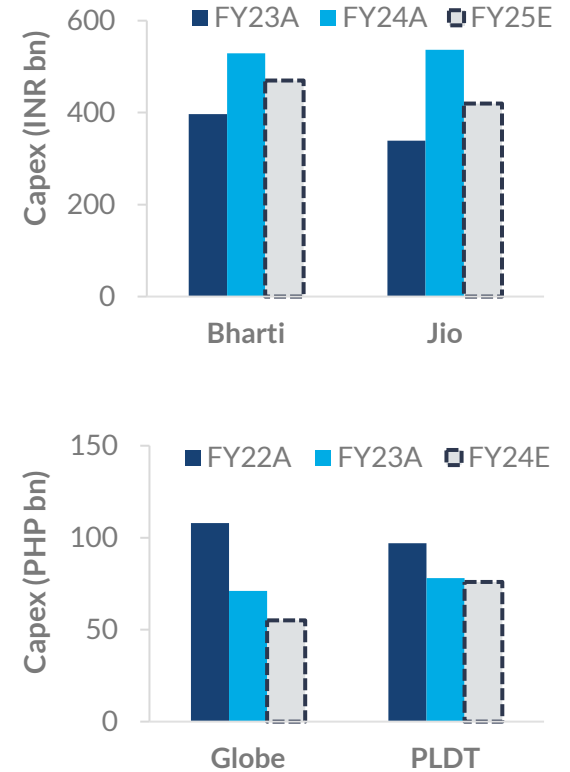
Steady Net Sub Additions



Mixed ARPU Growth

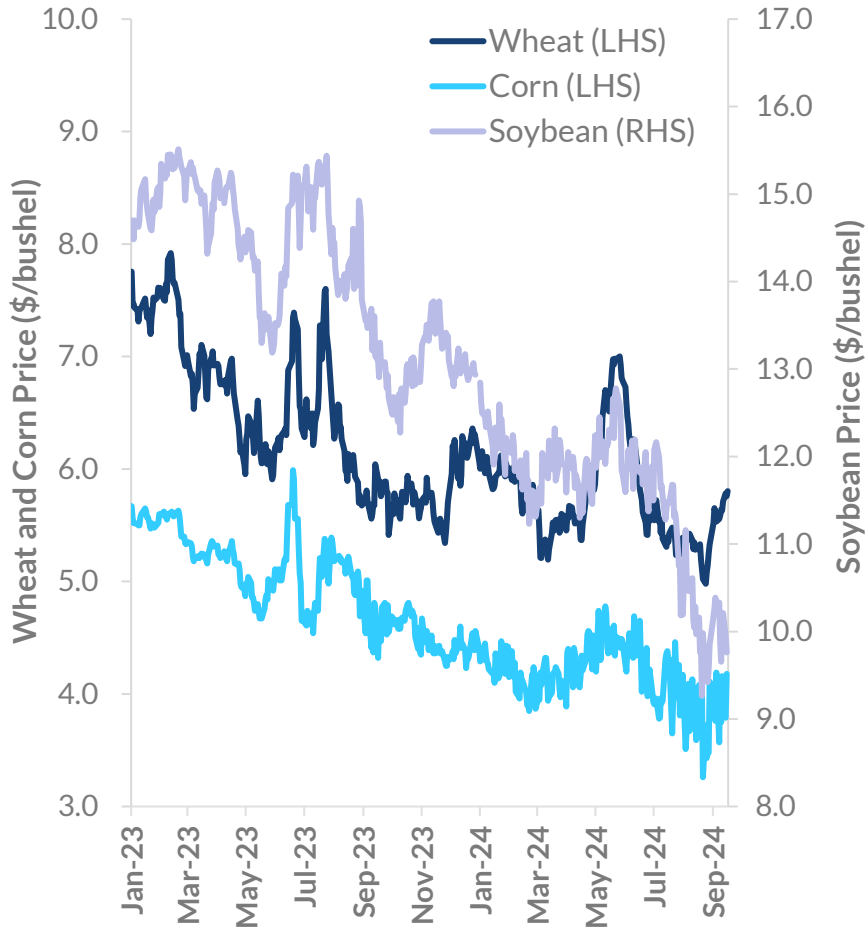


Peaked 5G Capex

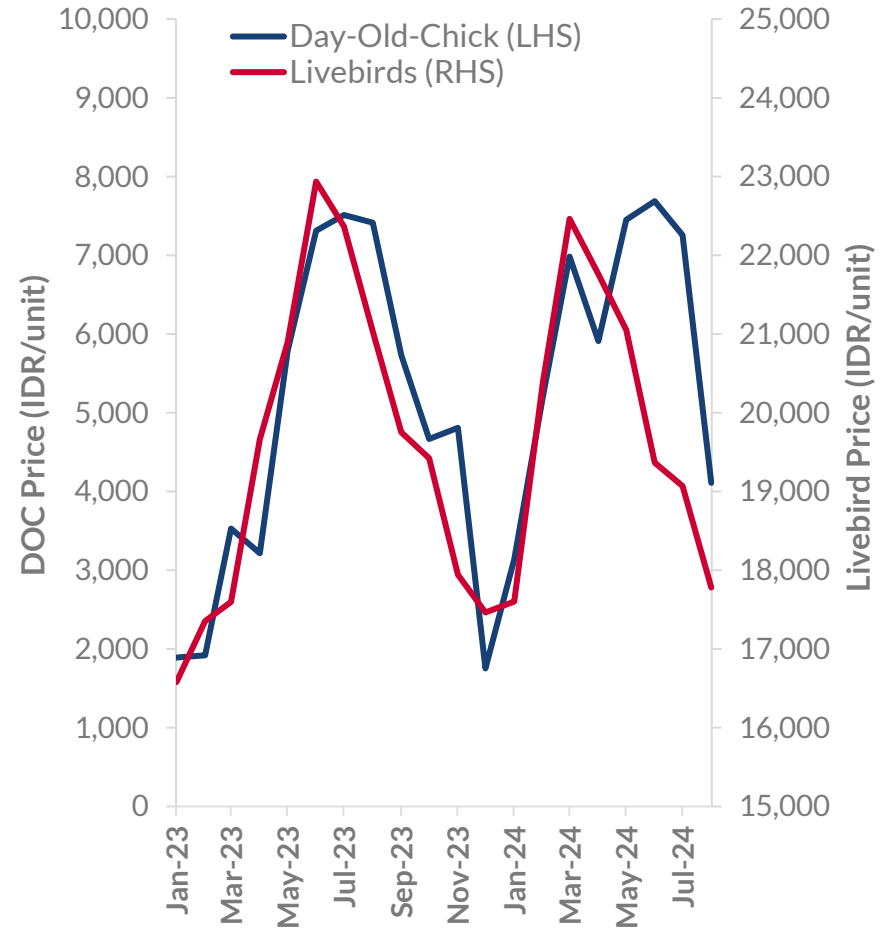


S&SEA Consumer Foods: Sturdy Margins

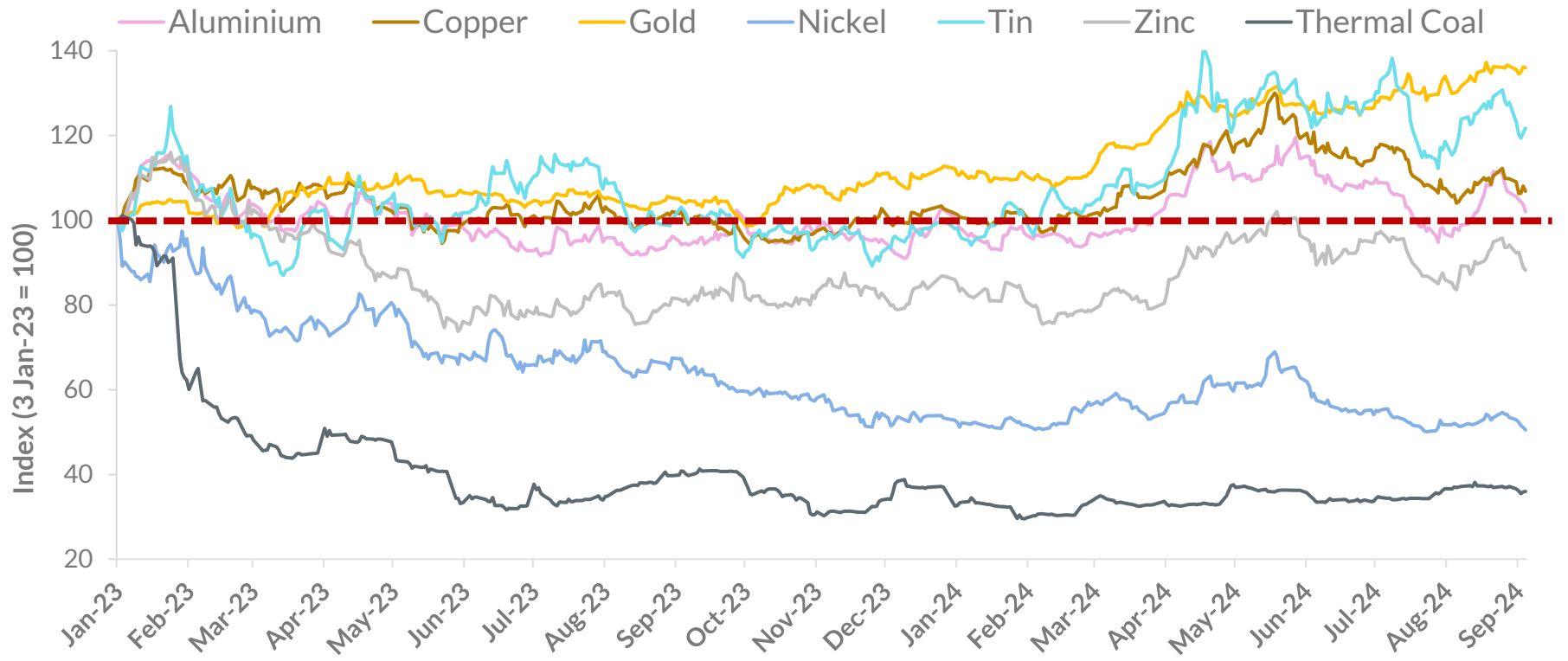
Margins supported by lower raw material costs



Poultry prices remain volatile

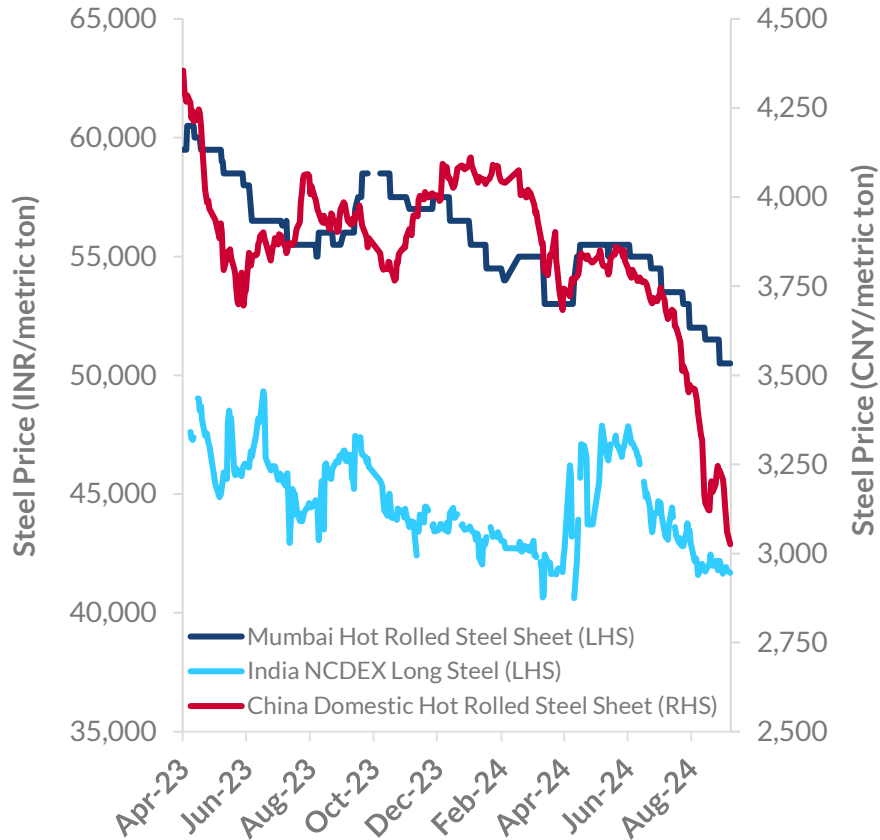


S&SEA Metals & Mining: A Good Year For Most

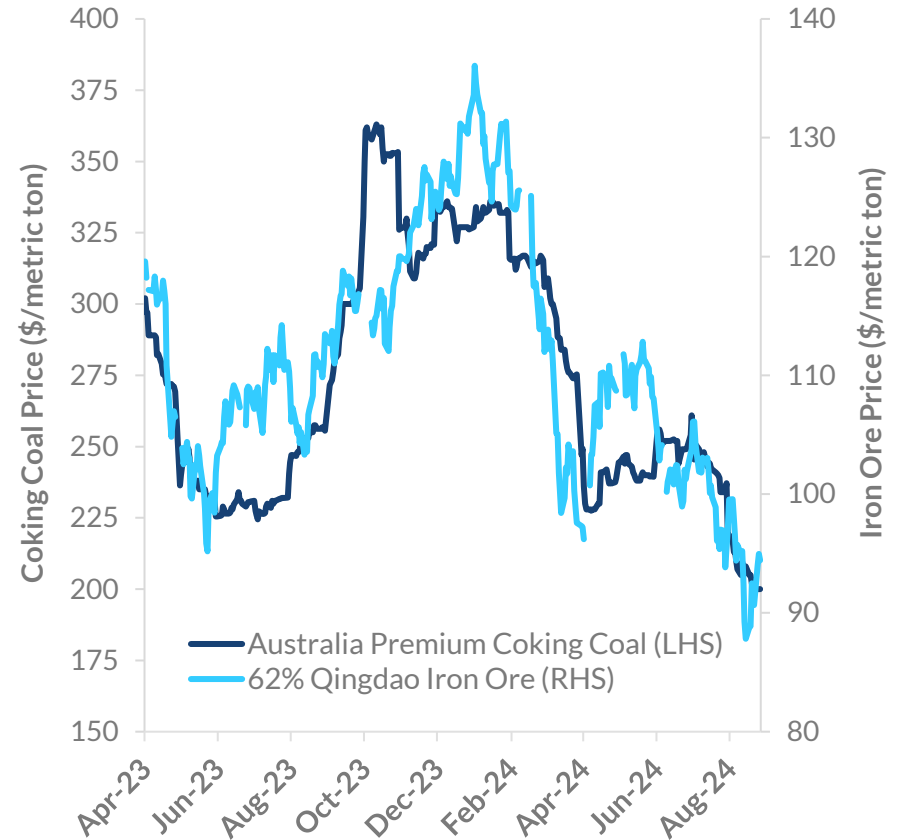


India Steel: Brighter Prospects

Steel Prices Could Remain Soft

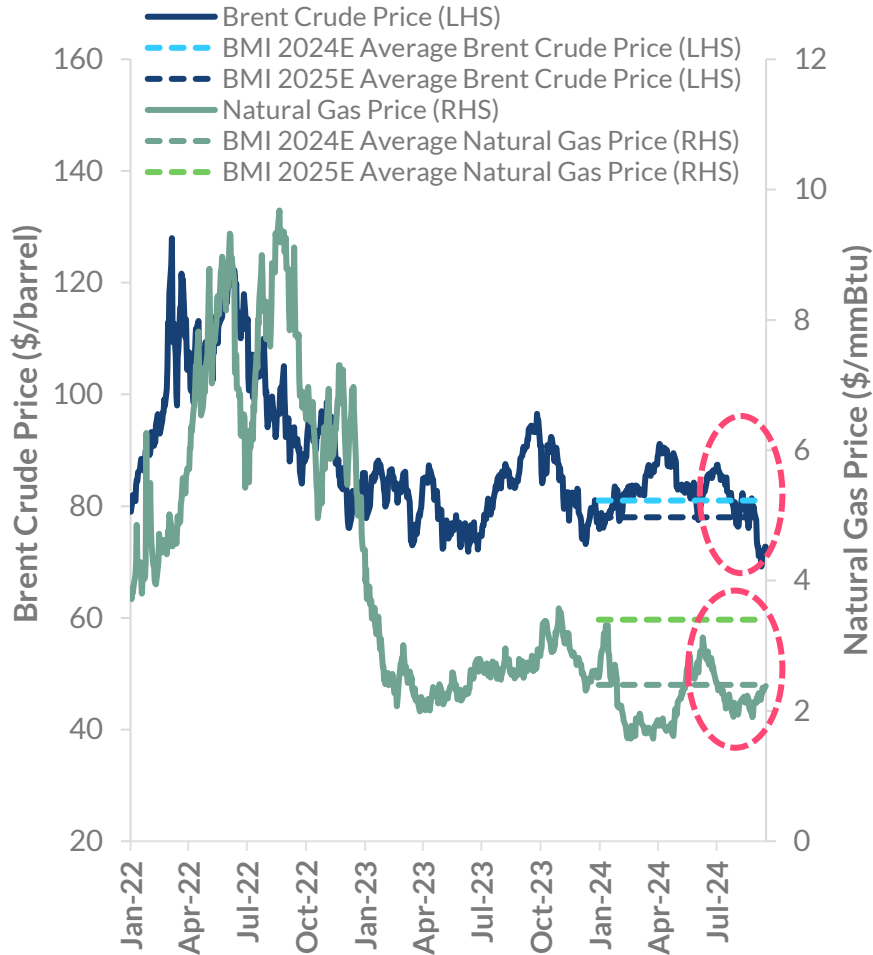


Mitigated by Weak Coking Coal and Iron Ore Prices

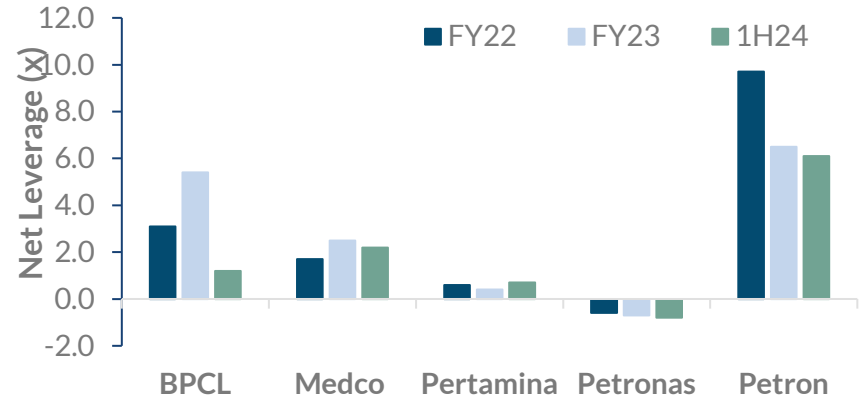


S&SEA Oil & Gas: Pressurized Upstream Margins, Blessing for Downstream

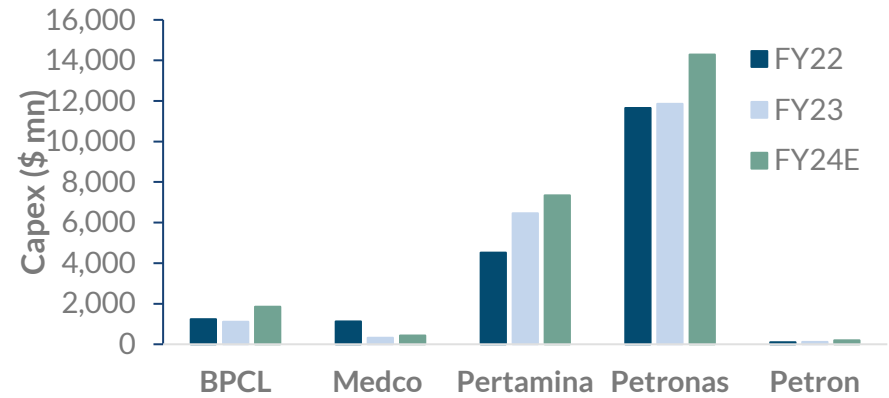
Lower Brent crude prices to weigh on upstream margins



Net leverage broadly improved

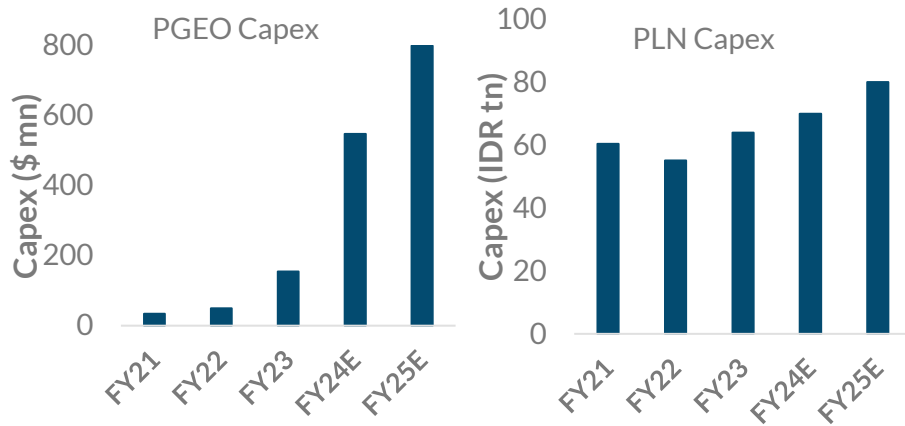


Rising capex plans across the O&G corporates

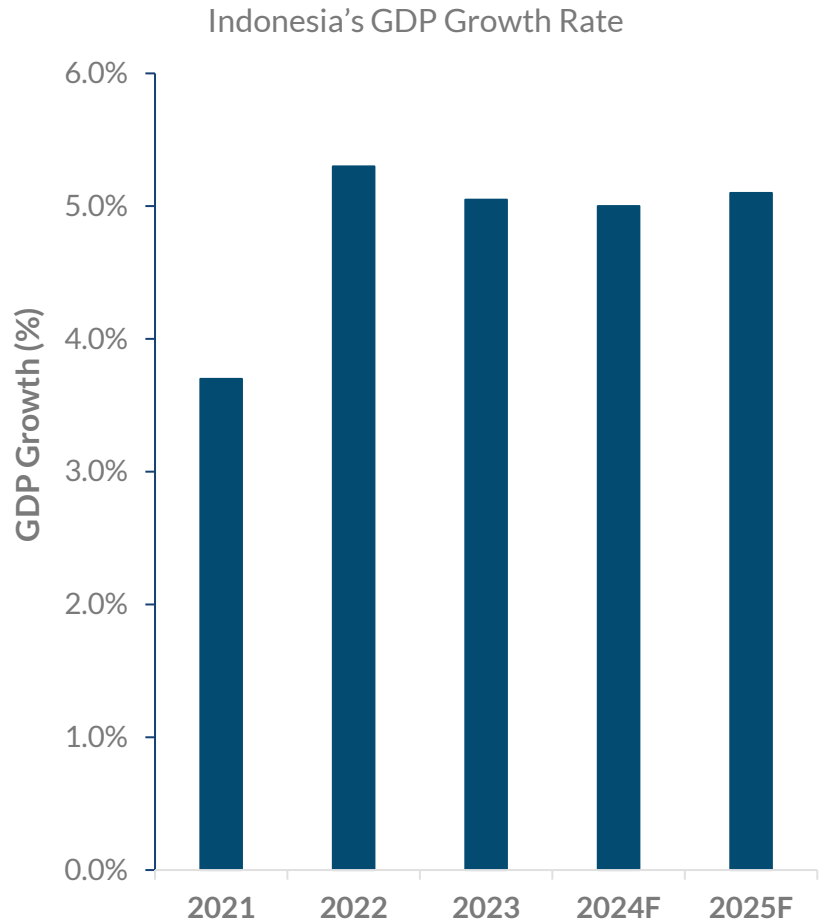


S&SEA Power & Utilities: Capex to stay elevated

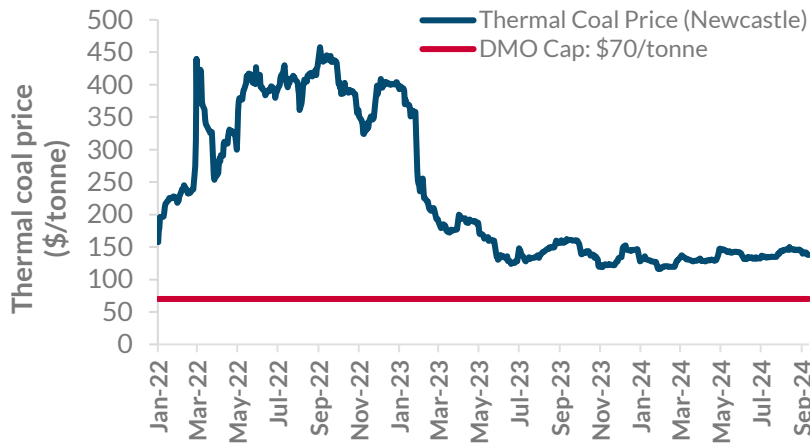
Capex of power producers to stay elevated



Stable GDP growth expectations in Indonesia to support power consumption

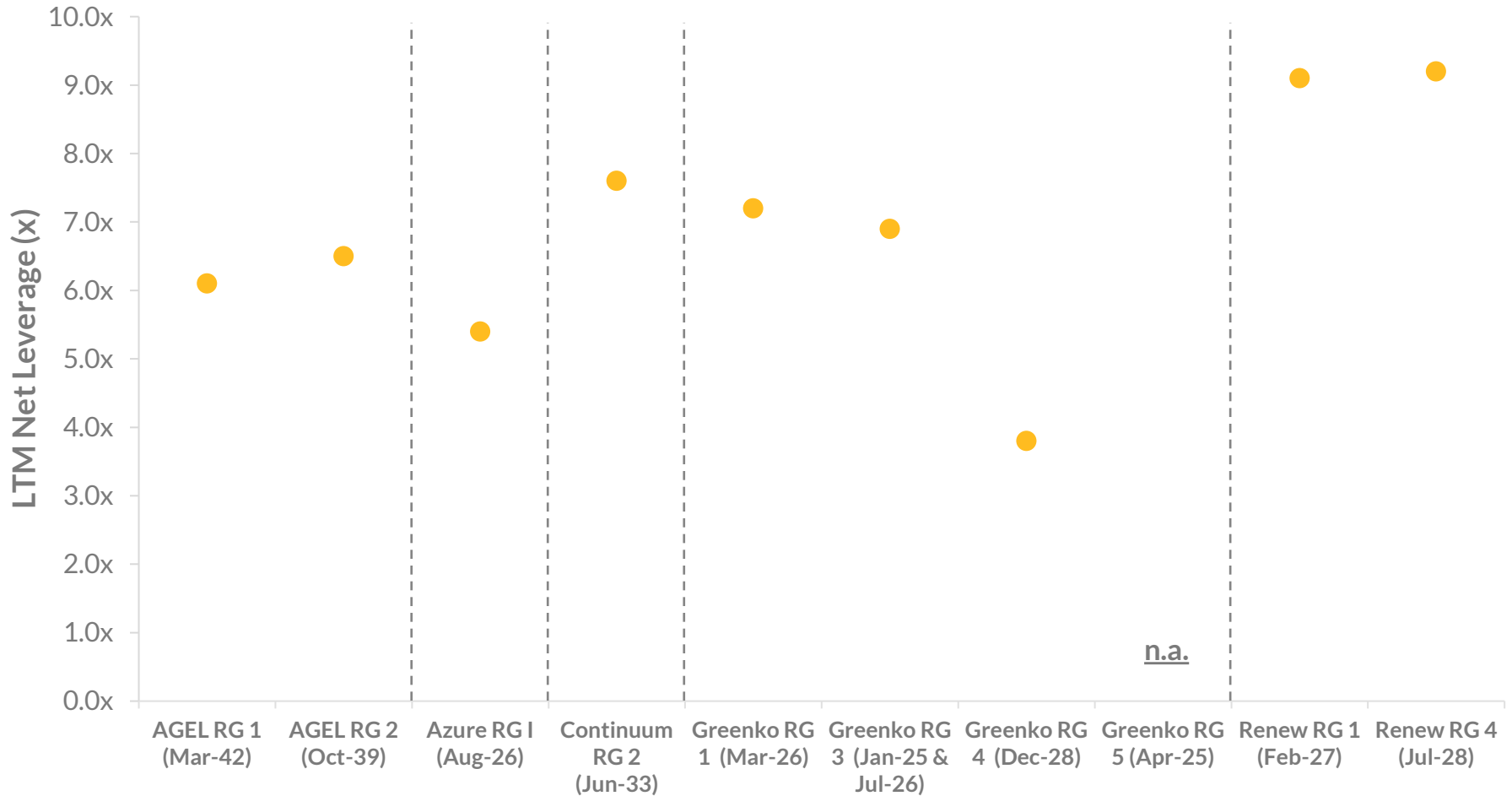


Thermal coal purchase costs per DMO remains low



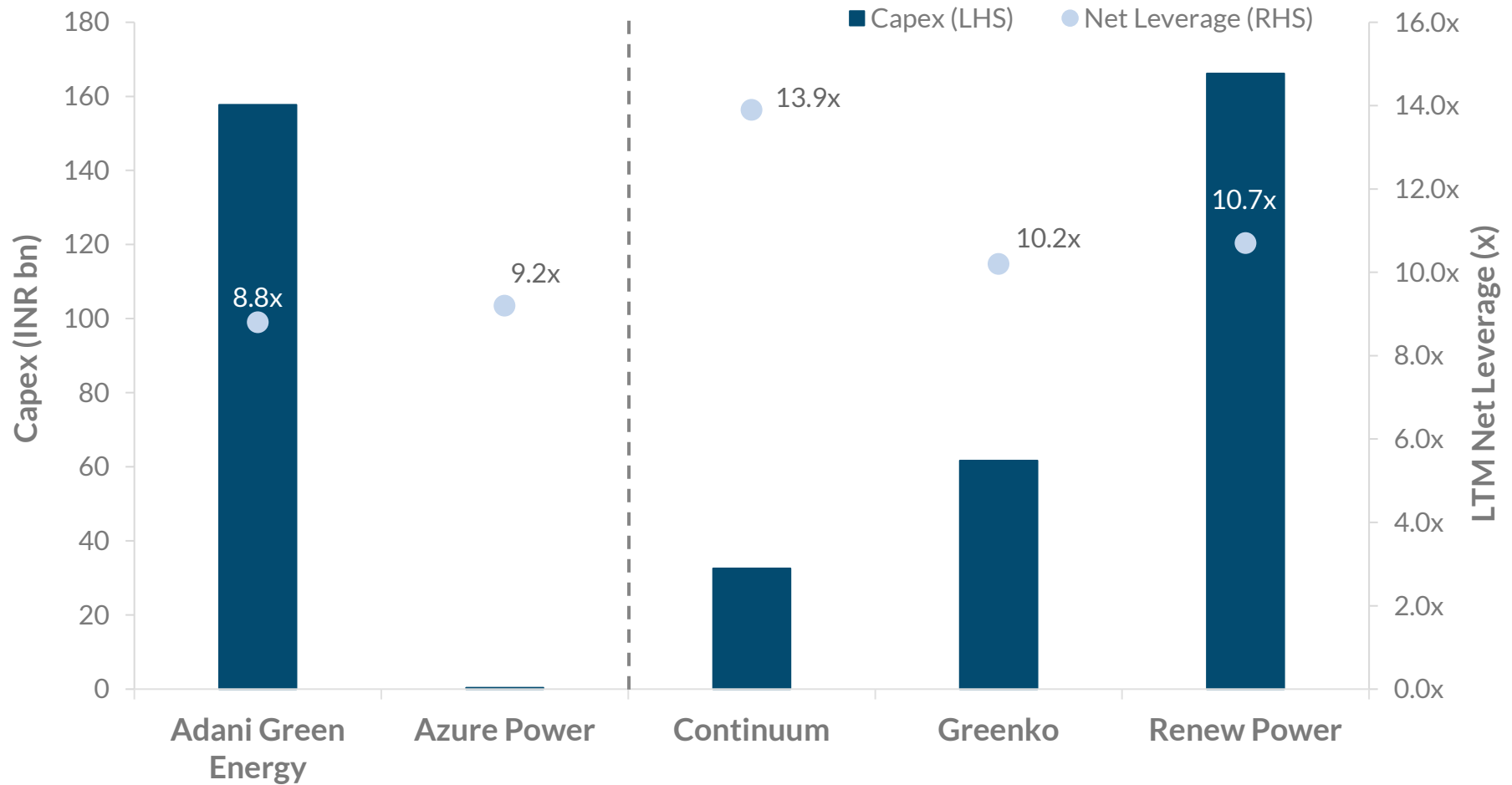
Indian Renewables: Elevated RG Net Leverage for Most

Restricted Group Net Leverage



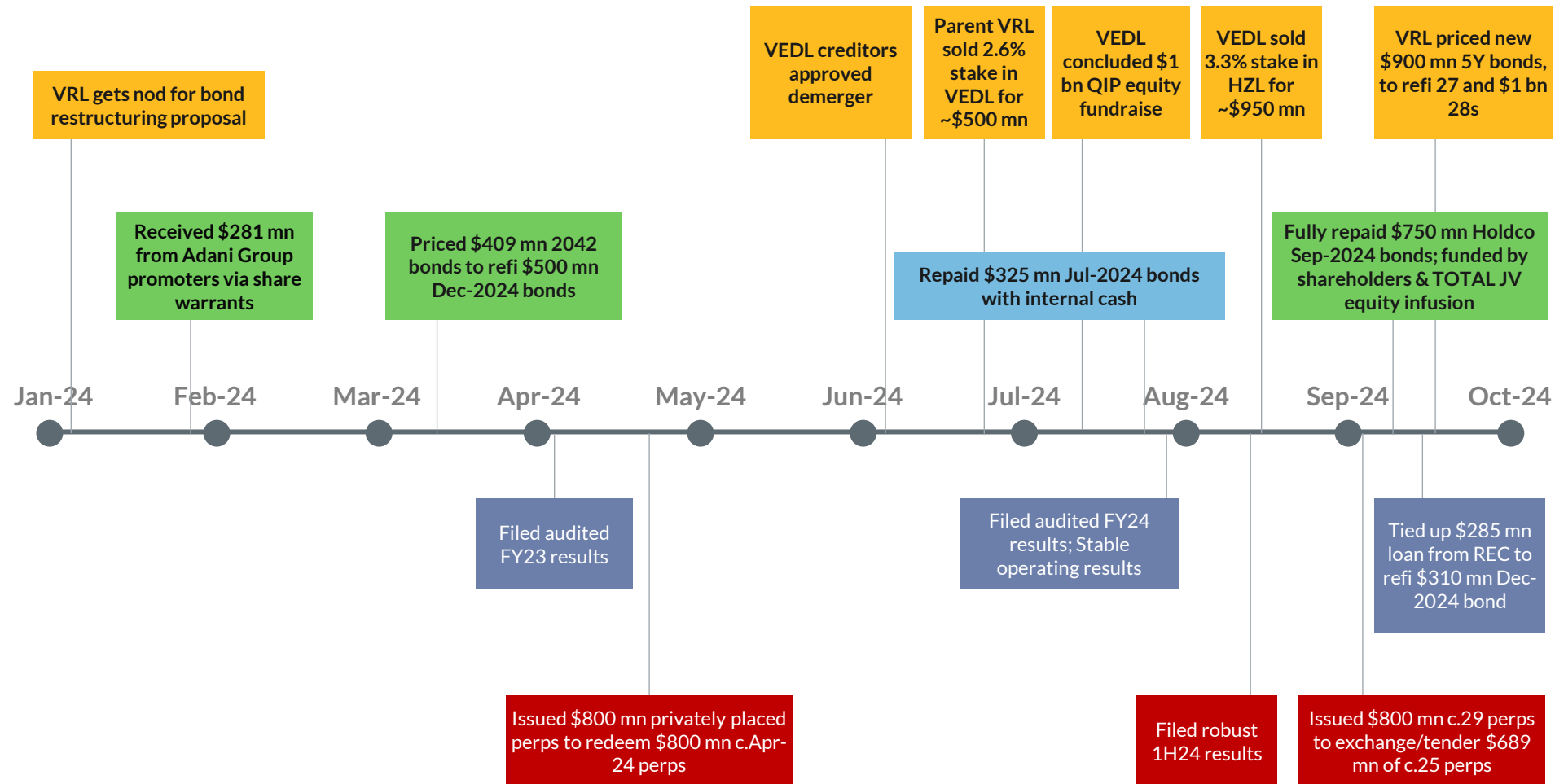
Indian Renewables: Capex & Leverage Ails Parent/Holdco

Consolidated Group Capex and Net Leverage



Special Situations: The Storm Has Passed

■ Vedanta
 ■ Adani Ports
 ■ Adani Green
 ■ Azure Power
 ■ SMC Global Power



PICKS

Adani Ports & SEZ 2029-2032 bonds only
(Market perform)

Delhi Airport 2029 bond only
(Market perform)

Indofood 2031 bond only
(Market perform)

MIND ID, especially 2028 and 2030 bonds
(Outperform)

PLN 2048-2049 bonds only
(Underperform)

Reliance Industries 2032 bond only
(Market perform)

SMC Global Power
(Outperform)

Vedanta two 13.875% 2028 bonds
(Market perform)

PANS

Adani Green Energy
(Underperform)

Bharat Petroleum Corp Ltd (BPCL)
(Underperform)

Freeport Indonesia 2027 bond only
(Market perform)

Greenko 2026-2028 bonds
(Underperform)

Pertamina Geothermal
(Underperform)

PLDT 2050 bond only
(Market perform)

PLN ex-2048 and 2049 bonds
(Underperform)

Reliance Industries 2045, and 2062 bonds only (Market perform)

ReNew Power, especially Mar-2027 and 2028 bonds (Underperform)

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