

Dividend Forecasting Bi-weekly Brief

14th Feb 2023

APAC what to watch

CSI 300: Flat dividends expected for the leading lithium player despite the stunning prelim results

Raw material suppliers to electric vehicle industry in Mainland China continue to ride on the strong downstream demand. In the FY2022 preliminary results released by **Jiangxi Ganfeng Lithium**, its profit is likely to more than double from CNY 3.73 per share in FY21 to CNY 8.93-10.92 per share in FY2022. The company cited the high price for lithium salt and robust demand for lithium batteries as the main contributing factors. As for the dividend prospect however, the company has been maintaining CNY 0.3 per share in the past 4 years, primarily due to the increasing capital expenditure (increased from CNY 663mn in FY2019 to CNY 1,389mn in FY2020). Capex is expected to stand at CNY 2.3 bn. Considering the factors, **S&P Global MI DF expects the company to maintain the amount at CNY 0.3 per share for the upcoming FY2022 final dividend.**

MSCI India: A Sharp dividend cut expected for Indus Towers in light of doubtful debt from key client

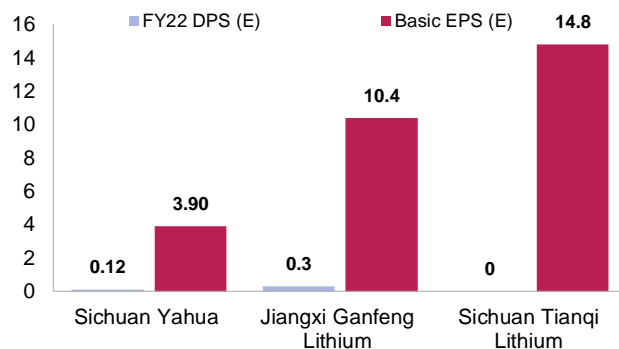
Tower and related infrastructure sharing services provider **Indus Tower** announced EBITDA decline by 41.9% y/y to INR 63 bn for 3Q2022, major reason being provision for doubtful debts of INR 52bn after a key customer, believed to be Vodafone Idea, indicating challenges in complying with the higher payment plan in future until their fund raising materializes. The company has been a performance linked dividend payer historically and as the current year performance appears uncertain due to possibility of further additions to the provisions, **S&P Global MI DF projects 72% y/y decline in aggregate dividend to INR 3.1 per share with low confidence rank.**

KOSPI 200: Financial Services Commission of Korea's new initiatives to affect the dividend scene

FSC of Korea announced a series of initiatives to improve the attractiveness of Korean equity market in the new year:

- 1) tightening of disclosure requirement on the purpose of share buybacks** to encourage treasury share cancellation ([English](#)). Only 13% of treasury share acquisition disclosures filed in FY2022 was specified with share cancellation purpose and treasury shares have long been regarded as a mean for founder families to retain their controls over parent and subsidiaries. We see a chance for companies carrying sizable treasury shares to expedite the overdue cancellation, reducing the proportion of cash dividend in total shareholder return.
- 2) Discussion is ongoing to shift ex-date to after dividend announcement date**, better informing investors about upcoming dividend amount before expiry date. Ex-date of final dividends currently fixed as the second last business day of each fiscal year could be pushed to following year's early April ([English](#)).
- 3) KOSPI-listed companies with (a) assets > KRW 10 trillion or (b) assets > 2 trillion and foreign investor ownership > 30% will be required to make English disclosures FY2024 onwards** ([English](#)).

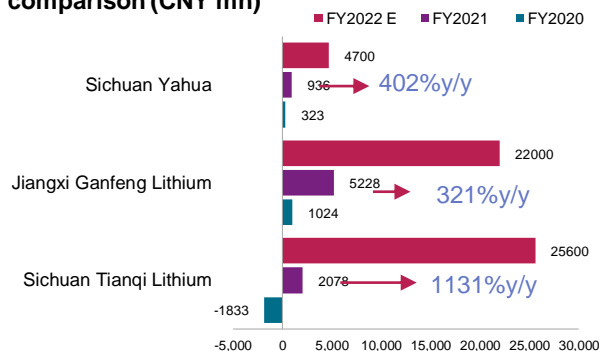
China leading lithium participants net profit comparison (CNY)



Data compiled Feb.13th, 2023.
Source: S&P Global Market Intelligence.
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* For Tianqi, we do not expect the company to resume dividend in short term despite the strong growth over the past two years. We expect the company continues to focus on capital management and invest for future growth, rather than paying dividend to shareholders.

China leading lithium participants net profit comparison (CNY mn)



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APAC special reports



MSCI Taiwan Dividend - a thorny rose

For dividends to paid in 2023, total payouts of MSCI Taiwan Index are expected to hit USD 53.1 bn, represents a slight 9.6% y/y drop. Key sectors such as semiconductors and financials are estimated to experience on average 13.5% y/y cut.

[Read Report](#)



7 Key Forecasts for Global Dividend Payments

Global dividend payments grew an impressive 12% in 2022. Amidst a challenging macroeconomic environment, S&P Global MI DF expects global dividend growth to remain challenged and for aggregate payments to remain flat in 2023.

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Any questions?

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