

# Dividend Forecasting Bi-weekly Brief

28<sup>th</sup> March 2023

## APAC what to watch

### KOSPI 200/MSCI Korea: FY2022 logs 1.5% aggregate dividend growth

The last FY2022 earnings announcement for South Korea flowed in on 23<sup>rd</sup> March, concluding a rather subdued 1.5% y/y aggregate dividend growth rate at an amount of KRW36.3 tn ([see full results](#)). Most notably, energy sector grew by 149% y/y as the oil refineries **SK Innovation** (resumption) and **S-Oil** (+45% y/y) have translated their record-high performances to dividend hike. It was also noticeable that of the 8 banks in the universe, 7 have increased their dividends by an average of 19% y/y (**JB Financial Group**: +39% y/y, **Woori Financial Group**: +26% y/y) thanks to the widened loan-deposit spread that boosted their earnings. The most laggard group was financial services as the sector has suffered from overall stock market decline and fall in transaction volume, leading them to cutdown on dividend by 34% y/y (**Korea Investment Holdings**: -63% y/y, **Samsung Securities**: -55% y/y). Surprises for the year include **Korean Air Lines**' resumption that was thought to be premature, **CJ Logistics**' resumption in 23 years.

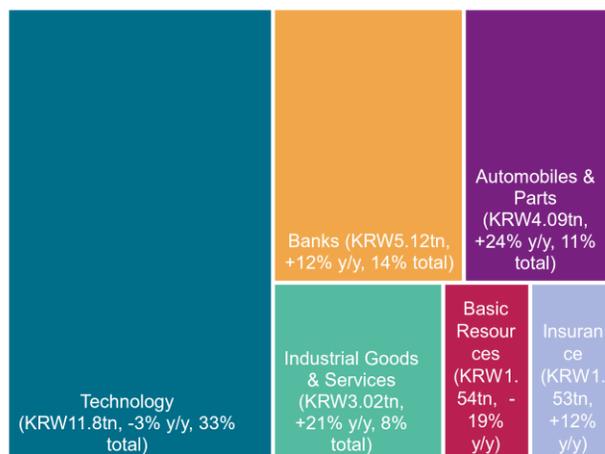
### CSI 300: Slight slump in final dividend expected for SH PD development bank, amid the headwinds from SVB failure

Upon the failure of **SVB financial**, **SPD Silicon Valley Bank** which is a 50-50 joint venture between **Shanghai Pudong development Bank** and **SVB financial** made the announcement in early March claiming that its operation was sound and balance sheet is independent from **SVB financial**. According to the latest FY2022 preliminary results, Shanghai Pudong Development disclosed a 3.46% y/y decline in net profit with EPS estimated to be CNY 1.56 per share, mainly owing to the volatile equity market. **S&P Global MI DF** expects **Shanghai Pudong development bank** to pay **CNY 0.40** per share with **medium amount confidence** upon this earning season, which translates to around 26% payout ratio and aligns with its latest practice.

### Nikkei 225: Fall in earnings consensus undermines amount confidence for basic resources dividend

Non-ferrous metal producer **Mitsui Mining & Smelting's** EPS consensus for FY ending March 2023 has plunged from JPY 574 to JPY 246 (-57%) over just a month, which will also translate to a 73% drop y/y. This was spurred by Q3 results which highlighted worse-than-expected sales volume of its mainstay copper foil products and higher energy prices. Regardless, company is persistent in keeping its DPS guidance constant at JPY 140 which is a rather rapid increase of JPY30 y/y. **S&P Global MI DF** downgrades amount confidence on this guidance to **low**, as we deem that there is a fair chance of the company passing flat DPS at JPY 110, instead of a raise.

## South Korea FY2022 Dividend Sector Breakdown



\*Remaining sectors that together constitute 25% of aggregate dividend are not represented in above chart  
Source: S&P Global Market Intelligence  
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## Notable dividend increases

Company	FY2021 DPS	FY2022 DPS	Change %
DB HiTek	450	1,300	189%
HMM	600	1,200	100%
Ecopro BM	227	450	98%
Shinsegae Int'l	300	500	67%
Hyundai Motor	5,000	7,000	40%
SK Innovation	-	5,840	Resumption
Korean Air Lines	-	750	Resumption
Hyundai Doosan Infracore	-	240	Resumption
Kangwon Land	-	350	Resumption
KakaoBank	-	80	Initiation

## Notable dividend decreases

Company	FY2021 DPS	FY2022 DPS	Change %
Hyosung TNC	50,000	10,000	-80%
Korea Investment Hld.	6,150	2,300	-63%
Samsung Securities	3,800	1,700	-55%
Samsung C&T	4,200	2,300	-45%
POSCO Holdings	17,000	12,000	-29%
Korea Gas	2,728	-	Suspension
LG Display	650	-	Suspension
Netmarble	528	-	Suspension
IS Dongseo	1,200	-	Suspension
Cuckoo Homesys	650	-	Suspension

All currencies in Korean Won (KRW)

## APAC special webinar (in Mandarin)



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