



Dividend Forecasting Bi-weekly Brief

22 Nov 2022

APAC what to watch

MSCI India: Dividend cuts expected to come for cement companies

Local cement manufacturers were hit hard by the hiking expense in 1H22, led by soaring domestic pet coke prices along with freight prices, which burdened their cost control. Meanwhile, they could not easily pass on the high costs to customers due to dragging demand weakened by monsoon and festive seasonality, which ultimately affected their profitability. Internally, to gain further market share, these companies were also proposing higher CAPEX which however weight pressure on margin in the near term. Therefore, we are projecting 3% and 9% yoy dividend drop for **Ultratech Cement** and **Ambuja Cement**, and 39% and 76% yoy cut for **Shree Cement** and **ACC Limited**.

HSCI: Contrary dividend trend compared to Healthcare index price surge

Hang Seng Healthcare index price jumped from 2705 in Oct to 3666 recently, indicating a 355% increase within a month as Mainland China gradually loose pandemic-related policy. At dividend front, not all looks as rosy as the index price. **Cansinobio** is expected to suspend dividend due to the much less demand for COVID-19 vaccine, price adjustment for vaccine products and increased inventory provision.

Shanghai Fosun Pharmaceutical and **Grand Pharmaceutical Group** are expected to cut the dividends, as both companies are suffering fair value loss on the financial assets being hold.

Thai SET 50: A sharp dividend cut expected for GPSC.BK due to higher energy prices

Global Power Synergy (GPSC.BK) reported lackluster results for the third quarter of this year. Because of significantly higher natural gas and coal prices, which resulted in reduced profit margins when selling electricity to industrial customers, net profit fell by 82% y/y. As a result, we project the Thailand-based power company to pay a decreased final dividend of THB 0.24 per share, **a 71% y/y decline in the aggregate dividend for FY22** given that the earnings are projected to fall by 63%. The expected annual payout ratio is 58%, which is consistent with the level held during the previous two years.

Dividend cuts to come for cement companies

Ambuja Cements

ISIN: INE079A01024

FY22* final dividend ex-date: 23-Jun-23

FY22 final dividend per share: INR 5.75



ACC

ISIN: INE012A01025

FY22* final dividend ex-date: 16-Jun-23

FY22 final dividend per share: INR 14



UltraTech Cement

ISIN: INE481G01011

FY23 final dividend ex-date: 02-Aug-23

FY23 final dividend per share: INR 37



Shree Cement

ISIN: INE070A01015

FY23 2nd interim dividend ex-date: 10-Feb-23

FY23 2nd interim dividend per share: INR 25



*The company has changed its financial year from 1st Jan - 31st Dec to 1st Apr - 31st Mar every year along with extension of current financial year from 1st Jan 2022 to 31st Mar 2023 for a period of 15 months.

**Data as of date of 21-Nov-22

***Forecast Confidence Rank: High Medium Low

APAC special reports



LG Household & Health: a brutal dividend cut looming

The company's large exposure to Mainland China, which used to be the robust growth driver in past decades, has now become a trap with the prolonged COVID-control situation. We expect an earnings plunge-led dividend cut.

[Read more](#)

Largan Precision: surge in dividends amid glowing sales momentum

Collecting Q3 conference call information and combining consensus, we expect final dividend to be TWD 45 for FY22 with medium confidence rank.

[Read more](#)

Any questions?

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