Brand Finance®

Malaysia 100 2019

The annual report on the most valuable Malaysian brands

October 2019

About Brand Finance.

Brand Finance is the world's leading independent brand valuation and strategy consultancy.

Brand Finance was set up in 1996 with the aim of 'bridging the gap between marketing and finance'. For more than 20 years, we have helped companies and organisations of all types to connect their brands to the bottom line.

We pride ourselves on four key strengths:

+ Independence
+ Technical Credibility
+ Transparency
+ Expertise

We put thousands of the world's biggest brands to the test every year, evaluating which are the strongest and most valuable.

Brand Finance helped craft the internationally recognised standard on Brand Valuation – ISO 10668, and the recently approved standard on Brand Evaluation – ISO 20671.

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Foreword.

Samir Dixit
Managing Director,
Brand Finance Asia Pacific

What is the purpose of a strong brand: to attract customers, to build loyalty, to motivate staff? All true, but for a commercial brand at least, the first answer must always to be "to make money".

Huge investments are made in the design, launch and ongoing promotion of brands. Given their huge potential financial value, this makes sense. Unfortunately, most organisations fail to go beyond that, missing huge opportunities to effectively make use of what are often their most important assets. Monitoring of brand performance should be the next step, but is often sporadic. Where it does take place, it frequently lacks financial regour and is heavily reliant on qualitative measures, poorly understood by non-marketers.

As a result, marketing teams struggle to communicate the value of their work and boards then underestiimate the signifance of their brands to the business. Sceptical finance teams, unconvinced by what they eprceive as marketing mumbo jumbo, may fail to agree necessary investments. What marketing spen there is, can end up poorly directed as marketers are left to operate with insufficient financial guidance or accountability. the end result can be a slow but steady downward spiral of poor communication, wasted resources and a negative impact on the bottom line.

Brand Finance bridges the gap between marketing and finance. Our teams have experience across a wide range of disciplines from market research and visual identity to tax and accounting. We understand the improptance of design, advertising, and marketing but we also believe that the ultimate and overriding purpose of brands is to make money. That is why we connect brands to the bottom line.

By valuing brands, we provide a mutually intelligible language for marketing and finance teams. Marketers then have the ability to communicate the significance of wht they do and boards can use the information to chart a course that maximises profits. Without knowing the precise, financial value of an asset, how can you know if you are maximising your returns? If you are intending to license a brand, how can you know you are getting a fair price? If you are intending to sell, how do you know what the right time is? How do you decide which brands to discontinue, whether to rebrand and how to arrange your brand architecture? Brand Finance has conducted thousands of brands and branded business valuations to help answer those questions.

Brand Finance's researh revealed the comeplling link between strong brands and stock market performance. It was found that investing in highly-branded companies would lead to a return almost double that of the average for the S&P 500 as a whole.

Acknowledging and managing a company's intangibe assets taps into the hidden value that lies within it. The following report is a first step to understanding more about brands, how to value them and how to use that information to benefit the business.

The team and I look forward to continuing the conversation with you.

Brand Finance Malaysia 100 (USD m).

Rank 2019	Rank 2018	Brand	2019 Brand Value (USD m)	2018 Brand Value (USD m)	2019 Brand Rating	2018 Brand Rating	Brand Value / Enterprise Value (%)
1	1	PETRONAS	13,318	11,501	AAA	AAA-	24%
2	2	Maybank	4,209	3,160	AAA	AAA-	18%
3	3	Genting	3,048	3,141	AA-	AA+	26%
4	4	Sime Darby (Conglomerate)	2,808	2,468	A+	AA+	16%
5	6	Tenaga Nasional	2,490	1,624	AAA-	AA	9%
6	7	Public Bank	2,192	1,482	AAA	AA	9%
7	5	CIMB	2,076	1,952	AAA-	AA+	16%
8	10	Digi	1,546	1,228	AAA	AAA-	18%
9	8	Maxis	1,406	1,462	AA+	AA+	12%
10	13	AirAsia	1,364	1,011	AAA-	AA+	34%
11	🔒	TM	1,230	🔒	AA+	🔒	30%
12	🔒	YTL	1,172	🔒	AA-	🔒	10%
13	🔒	IOI (Conglomerate)	846	🔒	A+	🔒	8%
14	🔒	RHB Bank	659	🔒	AA-	🔒	19%
15	🔒	Berjaya	817	🔒	AA-	🔒	42%
16	🔒	Celcom	1,217	🔒	AAA	🔒	26%
17	🔒	Astro Malaysia	883	🔒	AA+	🔒	29%
18	🔒	Axiata	888	🔒	AA-	🔒	4%
19	🔒	Hong Leong Financial	581	🔒	AA-	🔒	14%
20	🔒	AmBank	405	🔒	AA-	🔒	19%
21	🔒	Sunway	410	🔒	AA-	🔒	18%
22	🔒	MISC	458	🔒	AA-	🔒	6%
23	🔒	KLK	464	🔒	A	🔒	7%
24	🔒	Berjaya Land	428	🔒	A	🔒	32%
25	🔒	U Mobile	430	🔒	AA-	🔒	30%
26	🔒	S P Setia	342	🔒	AA	🔒	9%
27	🔒	Malaysia Airlines	249	🔒	AA	🔒	-
28	🔒	Felda Global Ventures	505	🔒	AA-	🔒	17%
29	🔒	Bank Islam	254	🔒	AA-	🔒	24%
30	🔒	Padini	268	🔒	AA	🔒	76%
31	🔒	Gamuda	370	🔒	AA	🔒	10%
32	🔒	Batu Kawan	307	🔒	A+	🔒	7%
33	🔒	IJM	367	🔒	AA	🔒	9%
34	🔒	Hap Seng	315	🔒	AA-	🔒	5%
35	🔒	Dutch Lady Milk	292	🔒	AAA-	🔒	33%
36	🔒	Proton	217	🔒	AA-	🔒	18%
37	🔒	Kuala Lumpur International Airport	-	🔒	-	🔒	7%
38	🔒	Parkson	309	🔒	AA	🔒	61%
39	🔒	Sapura Energy	210	🔒	A	🔒	6%
40	🔒	Top Glove	194	🔒	AA	🔒	7%
41	🔒	Malakoff Corp	213	🔒	AA-	🔒	6%
42	🔒	Affin Bank	188	🔒	AA	🔒	21%
43	🔒	Magnum	273	🔒	AA-	🔒	33%
44	🔒	Parkway Pantai	-	🔒	-	🔒	3%
45	🔒	Eco World	276	🔒	AA	🔒	14%
46	🔒	Boustead	175	🔒	A-	🔒	6%
47	🔒	KPJ Healthcare	210	🔒	AA-	🔒	14%
48	🔒	Kossan Rubber Industries	166	🔒	A-	🔒	14%
49	🔒	Time dotCom	173	🔒	AA	🔒	20%
50	🔒	Umw	158	🔒	A	🔒	8%

Brand Finance Malaysia 100 (USD m).

Rank 2019	Rank 2018		Brand	2019 Brand Value (USD m)	2018 Brand Value (USD m)	2019 Brand Rating	2018 Brand Rating	Brand Value / Enterprise Value (%)
51			Tropicana		219		AA	28%
52			Takaful Malaysia		130		AA	30%
53			Alliance Financial		140		A+	9%
54			Pos Malaysia		136		AA	24%
55			UOA Development		168		AA-	14%
56			MBSB		154		AA-	9%
57			DRB-Hicom		122		A+	6%
58			QL Resources		173		AA	5%
59			Gas Malaysia		102		AA-	14%
60			Westports		113		A+	4%
61			UEM Sunrise		155		A+	6%
62			OSK Holdings		113		A	13%
63			FFM Group		-		-	2%
64			V.S. Industry		85		A	14%
65			Mah Sing		165		A	16%
66			Bank Muamalat		76		A	-
67			Matrix Concepts		103		A+	29%
68			IGB		172		AA	7%
69			Ta Enterprise		101		A-	33%
70			Press Metal		103		A-	2%
71			Yes		100		A+	21%
72			Lpi Capital		66		A+	5%
73			Cagamas		78		BBB	-
74			Cahya Mata Sarawak		85		AA-	9%
75			Dialog Group		49		A-	1%

Rank 2019	Rank 2018		Brand	2019 Brand Value (USD m)	2018 Brand Value (USD m)	2019 Brand Rating	2018 Brand Rating	Brand Value / Enterprise Value (%)
76			Malayan Flour Mills		63		A+	18%
77			Bursa Malaysia		59		AA+	6%
78			UEM Edgenta		105		BBB	11%
79			Kulim Malaysia		55		AA-	-
80			Golden Screen Cinemas		-		-	7%
81			IHH		389		AA-	0%
82			Eastern & Oriental		77		A+	7%
83			Takaful Ikhlas		44		A+	52%
84			P1		29		AA	38%
85			Bonia		56		A+	55%
86			Wah Seong		31		A	11%
87			Star Publications		58		AA-	62%
88			Malaysian Reinsurance		38		A-	35%
89			Bumi Armada		38		A	1%
90			Tan Chong Motor		31		A	6%
91			Jaya Tiasa		51		AA-	8%
92			Msm Malaysia		27		AA-	3%
93			Tune Insurance		23		A+	24%
94			Guan Chong		37		A-	5%
95			Southern Steel		17		A	6%
96			PPB Group		18		AA-	0%
97			Hiap Teck Venture		13		A-	6%
98			Mmc		22		AA-	0%
99			KNM		13		BBB	4%
100			Mulpha		14		A	2%

Brand Valuation Methodology.

Brand Finance calculates the values of the brands in its league tables using the Royalty Relief approach – a brand valuation method compliant with the industry standards set in ISO 10668.

This involves estimating the likely future revenues that are attributable to a brand by calculating a royalty rate that would be charged for its use, to arrive at a 'brand value' understood as a net economic benefit that a licensor would achieve by licensing the brand in the open market.

The steps in this process are as follows:

1. Calculate brand strength using a balanced scorecard of metrics assessing Marketing Investment, Stakeholder Equity, and Business Performance. Brand strength is expressed as a Brand Strength Index (BSI) score on a scale of 0 to 100.
2. Determine royalty range for each industry, reflecting the importance of brand to purchasing decisions. In luxury, the maximum percentage is high, in extractive industry, where goods are often commoditised, it is lower. This is done by reviewing comparable licensing agreements sourced from Brand Finance's extensive database.
3. Calculate royalty rate. The BSI score is applied to the royalty range to arrive at a royalty rate. For example, if the royalty range in a sector is 0-5% and a brand has a BSI score of 80 out of 100, then an appropriate royalty rate for the use of this brand in the given sector will be 4%.
4. Determine brand-specific revenues by estimating a proportion of parent company revenues attributable to a brand.
5. Determine forecast revenues using a function of historic revenues, equity analyst forecasts, and economic growth rates.
6. Apply the royalty rate to the forecast revenues to derive brand revenues.
7. Brand revenues are discounted post-tax to a net present value which equals the brand value.

Brand Strength Index (BSI)

Brand strength expressed as a BSI score out of 100.

Brand Royalty Rate

BSI score applied to an appropriate sector royalty range.

Brand Revenues

Royalty rate applied to forecast revenues to derive brand value.

Brand Value

Post-tax brand revenues discounted to a net present value (NPV) which equals the brand value.

Disclaimer

Brand Finance has produced this study with an independent and unbiased analysis. The values derived and opinions produced in this study are based only on publicly available information and certain assumptions that Brand Finance used where such data was deficient or unclear. Brand Finance accepts no responsibility and will not be liable in the event that the publicly available information relied upon is subsequently found to be inaccurate. The opinions and financial analysis expressed in the report are not to be construed as providing investment or business advice. Brand Finance does not intend the report to be relied upon for any reason and excludes all liability to any body, government or organisation.

Request Your Brand Value Report.

A Brand Value Report provides a complete breakdown of the assumptions, data sources, and calculations used to arrive at your brand's value.

Each report includes expert recommendations for growing brand value to drive business performance and offers a cost-effective way to gaining a better understanding of your position against competitors.

What is a Brand Value Report?

Brand Valuation Summary

+ Internal understanding of brand
+ Brand value tracking
+ Competitor benchmarking
+ Historical brand value

Brand Strength Index

+ Brand strength tracking
+ Brand strength analysis
+ Management KPIs
+ Competitor benchmarking

Royalty Rates

+ Transfer pricing
+ Licensing/franchising negotiation
+ International licensing
+ Competitor benchmarking

Cost of Capital

+ Independent view of cost of capital for internal valuations and project appraisal exercises

Customer Research

+ Utilities
+ Insurance
+ Banks
+ Telecoms
+ Airlines
+ Tech
+ Auto
+ Hotels
+ Beers
+ Oil & Gas

For more information regarding our Brand Value Reports, please contact:

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What are the benefits of a Brand Value Report?

Insight

Strategy

Benchmarking

Education

Communication

Understanding

Communications Services.

How we can help communicate your brand's performance in brand value rankings

Brand Accolade – create a digital endorsement stamp for use in marketing materials, communications, annual reports, social media and website. Advertising use subject to terms and conditions.

2019 Brand Finance® Awards

TOP 100 MALAYSIAN BRAND

2019 Brand Finance® Awards

MOST VALUABLE MALAYSIAN BRAND

2019 Brand Finance® Awards

STRONGEST MALAYSIAN BRAND

Video Endorsement – record video with Brand Finance CEO or Director speaking about the performance of your brand, for use in both internal and external communications.

Bespoke Events – organise an award ceremony or celebratory event, coordinate event opportunities and spearhead communications to make the most of them.

Digital Infographics – design infographics visualising your brand's performance for use across social media platforms.

Trophies & Certificates – provide a trophy and/or hand-written certificate personally signed by Brand Finance CEO to recognise your brand's performance.

Sponsored Content – publish contributed articles, advertorials, and interviews with your brand leader in the relevant Brand Finance report offered to the press.

Media Support – provide editorial support in reviewing or copywriting your press release, pitching your content to top journalists, and monitoring media coverage.

Brand Evaluation Services.

How are brands perceived in my category?

Brand Finance tracks brand fame and perceptions across over 30 markets in 10 consumer categories. Clear, insightful signals of brand performance, with data mining options for those who want to dig deeper – all at an accessible price.

What if I need more depth or coverage of a more specialised sector?

Our bespoke brand scorecards help with market planning and can be designed to track multiple brands over time, against competitors, between market segments and against budgets. Our 30-country database of brand KPIs enables us to benchmark performance appropriately.

Do I have the right brand architecture or strategy in place?

Research is conducted in addition to strategic analysis to provide a robust understanding of the current positioning. The effectiveness of alternative architectures is tested through drivers analysis, to determine which option(s) will stimulate the most favourable customer behaviour and financial results.

How can I improve return on marketing investment?

Using sophisticated analytics, we have a proven track record of developing comprehensive brand scorecard and brand investment frameworks to improve return on marketing investment.

What about the social dimension? Does my brand get talked about?

Social interactions have a proven commercial impact on brands. We measure actual brand conversation and advocacy, both real-world word of mouth and online buzz and sentiment, by combining traditional survey measures with best-in-class social listening.

Brand Finance®

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