

Malaysia Company Guide

Gamuda

Version 11 | Bloomberg: GAM MK | Reuters: GAMU.KL

Refer to important disclosures at the end of this report

DBS Group Research . Equity

6 Mar 2018

BUY

Last Traded Price (5 Mar 2018): RM5.10 (KLCI : 1,842.62)

Price Target 12-mth: RM6.70 (31% upside) (Prev RM6.70)

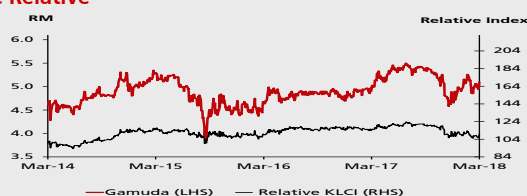
Analyst

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What's New

- MRT 3 win more valuable than ECRL with higher margins and value
- Gamuda will beat the upper-end of its combined two-year new order win forecast with MRT 3 win
- Introducing best case, base case and worst case scenarios
- BUY, SOP-derived TP of RM6.70

Price Relative



Forecasts and Valuation

FY Jul (RM m)	2016A	2017A	2018F	2019F
Revenue	2,122	3,211	6,447	8,585
EBITDA	470	613	844	995
Pre-tax Profit	781	826	1,043	1,198
Net Profit	626	602	780	904
Net Pft (Pre Ex.)	626	701	780	904
Net Pft Gth (Pre-ex) (%)	(8.2)	11.9	11.4	15.9
EPS (sen)	22.3	21.5	27.8	32.2
EPS Pre Ex. (sen)	22.3	25.0	27.8	32.2
EPS Gth Pre Ex (%)	(21)	12	11	16
Diluted EPS (sen)	22.3	21.5	27.8	32.2
Net DPS (sen)	8.88	8.88	8.88	8.88
BV Per Share (sen)	245	266	284	306
PE (X)	22.9	23.8	18.3	15.8
PE Pre Ex. (X)	22.9	20.4	18.3	15.8
P/Cash Flow (X)	136.2	nm	54.6	42.1
EV/EBITDA (X)	38.3	30.8	22.5	19.2
Net Div Yield (%)	1.7	1.7	1.7	1.7
P/Book Value (X)	2.1	1.9	1.8	1.7
Net Debt/Equity (X)	0.5	0.5	0.5	0.5
ROAE (%)	9.5	8.4	10.1	10.9
Earnings Rev (%):		0	0	0
Consensus EPS (sen):		N/A	31.1	36.4
Other Broker Recs:		B: 20	S: 1	H: 3

Source of all data on this page: Company, AllianceDBS, Bloomberg Finance L.P

MRT 3 contract will beat order guidance

Best proxy to transportation infrastructure. Gamuda remains our top large-cap pick in the sector, as it is the best proxy to a slew of upcoming transportation-related projects. Its strong reputation for the MRT Line 1 and 2 and appointment as Project Delivery Partner (PDP) for the Penang Transport Master Plan (PTMP) has given it leverage for other large-multiplier projects.

Where we differ: There has been a series of cuts in TP following the news of the MRT 3 being awarded on a turnkey basis. Our TP is at the higher end of the consensus range, reflecting our view that Gamuda remains the go-to rail transportation proxy in Malaysia with its track record and experience. We have factored in an incremental RM8bn worth of new wins in our SOP valuation, at the top end of its guidance of RM6-8bn p.a. for the next two years. Our EPS is on a fully diluted basis, assuming the full conversion of its warrants.

Potential catalyst: Key contract wins and earnings delivery are the most important critical factors for Gamuda. In our view, a MRT 3 win will see it exceed the upper end of its combined new wins forecast for two years. This would provide upside to our 3-year earnings CAGR of 13% for FY16-FY19F. Gamuda's property presales guidance for FY18F is RM3.5bn (RM1.86bn local and RM1.64bn overseas) which is 50% higher than its last guidance.

Valuation:

We maintain our BUY rating with a new SOP-derived TP of RM6.70. We have accounted for the dilution of warrants and corresponding increase in cash raised from full conversion while also assuming some new wins outside of MRT 2.

Key Risks to Our View:

Higher foreign participation. The award of larger scale projects to foreign contractors may impact the margins of even large scale contractors like Gamuda. We believe Gamuda's untarnished experience and project management expertise together with its depreciated tunnel boring machines will still enable it to participate in all large-scale rail-based projects.

At A Glance

Issued Capital (m shrs)	2,457
Mkt. Cap (RMm/US\$m)	12,531 / 3,208
Major Shareholders (%)	
EPF	9.8
KWAP	6.8
Free Float (%)	78.8
3m Avg. Daily Val (US\$m)	5.0

ICB Industry : Industrials / Construction & Materials

WHAT'S NEW

Banking on MRT 3 win

MRT 3 more valuable than ECRL. A win will ensure that Gamuda will exceed the upper end of its combined new order guidance for two years.

Two PDPs for High Speed Rail (HSR)? If this model materialises, Gamuda-MRCB's main competitor would be IJM-Suncon-Jalanan-Maltimur.

BUY, SOP-derived TP of RM6.70: Still our large cap pick. Our TP factors in RM8bn worth of new wins.

We had a company visit to Gamuda recently to get an update on the status of some of the potential contract awards.

Banking on MRT 3. Gamuda together with its JV partners MMC and George Kent are bidding for the main contractor role for MRT 3. This is in spite of its earlier stance of wanting only a subcontracting role given the turnkey structure of the contract. Gamuda's change in strategy for this contract is also on the back of lukewarm interest from foreigners where the Chinese put in one bid. The other three bidders are Sapura-TIEC Consortium, Pacific-Mudajaya-JEC Consortium, and China Communications Construction Company Ltd-China Communications Construction Company (M) Sdn Bhd JV (CCCC).

MRT Corp had initially expected an award to take place by end-March 2018 but given that the tender closed two weeks later than originally planned in mid-January 2018, an award could happen as early as mid-April 2018. We reiterate that Gamuda and its partners have financing in place of up to RM50bn from local and foreign financial institutions, and would not take any balance sheet risk.

We understand the partners of the JV would have met the stringer technical requirements of the project but not at the JV level. Some of the stringent technical requirements include during the past 10 years, the bidder must have completed civil works of either two urban metro projects of at least RM5bn or one project of at least RM10bn on a turnkey or design-and-build basis, two urban tunnelling projects, system works, and also operate driverless metro systems.

MRT 3 – A win will trump Gamuda's forecast of new orders.

The indicative contract value of MRT 3 is RM45bn which is not far from our earlier assumption of RM42bn (RM1.15bn per km for underground works similar to MRT Line 2). Assuming 25% of the RM45bn is for systems work which is George Kent's forte, the balance 75% or RM33.8bn will be shared equally between MMC and Gamuda. This works out to be RM16.9bn of mostly high margin works for Gamuda and would beat the higher end of its RM6-8bn per annum

order guidance for the next two years or RM12-16bn in total. Recall, the contract values for MRT Line 1 and Line 2 tunnelling works were RM8.2bn and RM15.47bn respectively or RM4.1bn and RM7.8bn for Gamuda's portion.

We think the MMC Gamuda-George Kent JV stands a good chance given MMC-Gamuda won the MRT line 1 and 2 tunnelling works without having to exercise the Swiss Challenge or pricing advantage for local contractors.

Pricing is main issue for ECRL. We understand the costing for the East Coast Rail Link (ECRL) subcontracting packages have been very challenging. All other milestones have been met and pricing appears to be the only key determining factor for a contract award. Gamuda is unlikely to compromise on margins and risk potential losses just to win this contract. We think this is a prudent move provided it wins MRT 3.

Two PDPs for HSR? Three parties are in the running for the PDP role for HSR – Gamuda-MRCB, YTL-SIPP and IJM-Sunway Construction-Jalanan Rejang, Maltimur Resources. The tender closed on 14 February 2018 and an award should happen by mid-2018.

We understand the government is mulling splitting the PDP role into two portions – Johor and non-Johor. The obvious winner for the Johor portion would be YTL-SIPP leaving the two other parties to contend for the non-Johor portion.

We think Gamuda is a strong contender for this, given its prior experience for the MRT 1 and 2 but do not discount the contract going the other way should it win MRT 3. The PDP will also be required to assist with interface management, land acquisition processes, and stakeholder engagement activities.

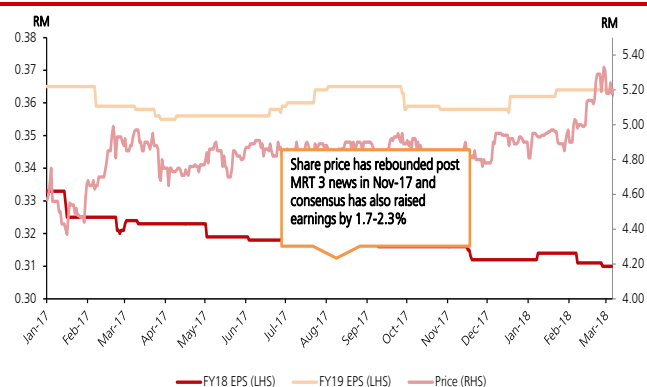
Assuming a total contract value of RM35bn and dual PDP roles (Johor and Non-Johor) shared equally, this would translate into RM17.5bn for Gamuda-MRCB (RM8.8bn per contractor). In the event that Gamuda does not win the PDP role, it can and will likely participate for the civil engineering portions with tunnelling elements.

What is in the price and what is not? For the month of November 2017 which is the time news of MRT 3 being awarded via turnkey broke out, Gamuda's share price corrected by c.14% to a low of RM4.60. Since then its share price has gained some ground while consensus has even raised FY18F and FY19F earnings by 2.3% and 1.7% respectively.

In December 2017, Gamuda officially toned down its new order wins assumptions for the next two calendar years to RM6-8bn per annum from RM10bn per annum post the news of MRT 3 being awarded via turnkey. But we think it is unlikely that consensus would have factored in the full RM10bn amount in early 2017.

In our view, expectations are now stronger that Gamuda will win the MRT 3 contract. We think this will far outweigh potential non-participation for ECRL and even the PDP role for HSR. At current price, we think the market has not yet factored in a MRT 3 or a HSR win but there are some expectations of Gamuda still winning ECRL.

Gamuda's consensus EPS trend vs. share price



Source: Bloomberg Finance L.P. AllianceDBS, DBS Vickers

Our SOP-derived TP is RM6.70 and assumes RM8bn worth of new wins apart from MRT 2. Stripping this out, our TP falls to RM5.33/share.

If we assume Gamuda participates in all three contracts (ECRL, HSR and MRT 3), our best case or blue skies TP could rise to RM9.08/share. This assumes its share of JV in the contracts on the back of more conservative margins of 5-8%. To recap, for MRT 3 and HSR, we have assumed a contract value of RM16.9bn and RM8.8bn respectively while for ECRL we factored in RM7bn. We think this blue skies scenario is unlikely to pan out.

A more likely scenario with a MRT 3 win would see our TP rise further to RM7.90.

Gamuda's SOP Sensitivity

	Add/Less (RM/share)	SOP-derived TP (RM/share)
Base case - assuming RM8bn new wins		6.70
Worst case - assuming no new wins	1.37	5.33
Best case		
i) RM7bn ECRL contract	0.81	
ii) PDP for HSR contract	0.37	
iii) Main contractor for MRT 3 contract	2.57	
Subtotal	3.75	
Best case - assuming three wins		9.08
Likely case - assuming MRT 3 win		7.90

Source: AllianceDBS, DBS Vickers

CRITICAL DATA POINTS TO WATCH

Key critical factors. Our findings reveal that significant contract wins coupled with earnings growth are the main key share price drivers. The stock also tends to outperform during the general election period. There is a partial negative correlation between its share price and steel prices as it bears the risks of fluctuations in raw material prices for MRT tunneling works. We understand Gamuda sources almost all of its steel requirements locally for the MRT project and hence it is not impacted by the recent changes in regulations for imported steel. It only imports steel where it is not available locally such as steel used in railway tracks.

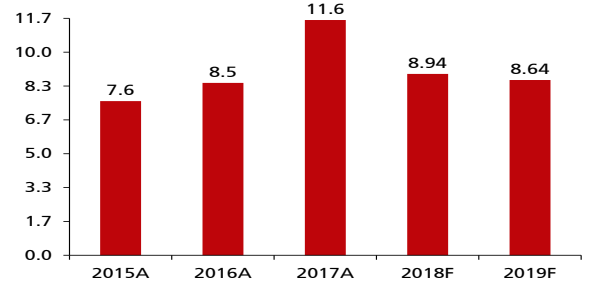
Expectation of large-scale wins. Gamuda has an orderbook of RM7.3bn now excluding the PDP portion for the MRT Line 2 where it derives a project management fee of 6%. This comprises two projects – MRT Line 2 tunneling and the Pan Borneo Highway Sarawak. While its orderbook is at its peak now, it is guiding for RM6-8bn new orders for the next two years. It is in the running for MRT 3 and also the PDP portion for HSR together with its JV partners. This together with expectations of the start of the next earnings upcycle from FY17F (Y/E July) onwards driven by the MRT Line 2 and potentially MRT Line 3 could be the much needed catalyst for the next leg of share price performance.

Banking on MRT 3 win. Gamuda together with MMC and George Kent have put in a bid for MRT 3. The indicative contract value of MRT 3 is RM45bn which is not far from our earlier assumption of RM42bn (RM1.15bn for underground works similar to MRT Line 2). Assuming 25% of the RM45bn is for systems work which is George Kent’s forte, the balance 75% or RM33.8bn will be shared equally between MMC and Gamuda. This works out to be RM16.9bn of high margin works for Gamuda and would beat the higher end of its RM6-8bn per annum guidance for the next two years. Recall, the contract values for MRT Line 1 and Line 2 tunnelling works were RM8.2bn and RM15.47bn respectively or RM4.1bn and RM7.8bn for Gamuda’s portion.

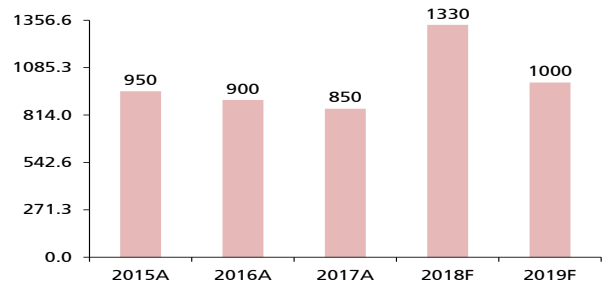
Property sales buoyed by overseas contracts. FY17 property presales came in at RM2.4bn (RM1.03bn local and RM1.35bn overseas). This was driven by maiden sales for Gamuda Gardens as well as better Vietnam and Horizon Hills sales. Gamuda’s property presales guidance for FY18F is RM3.5bn (RM1.86bn local and RM1.64bn overseas). It is particularly optimistic about its new project Gamuda Gardens where the maiden launch was fully sold. It is projecting RM480m new sales from this project in FY18F vs RM100m achieved in FY17. For its overseas projects, it also expects the sales momentum for its Vietnam and Singapore project to be strong.

Sale of Splash. The sale of water concessionaire Splash remains the biggest overhang for Gamuda. In our view, this will only be resolved post the upcoming general elections.

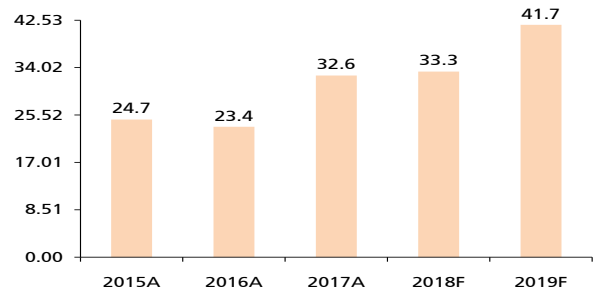
Construction margins



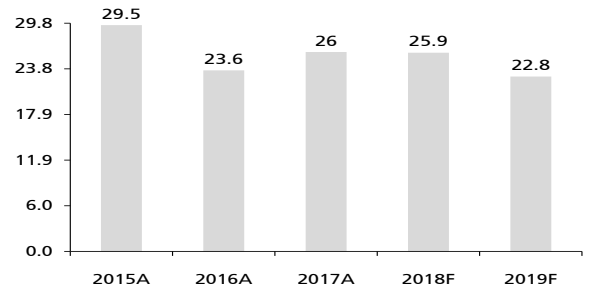
Property launches Malaysia



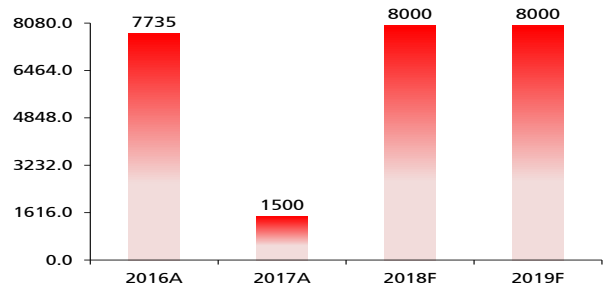
Construction profit contribution



Property profit contribution



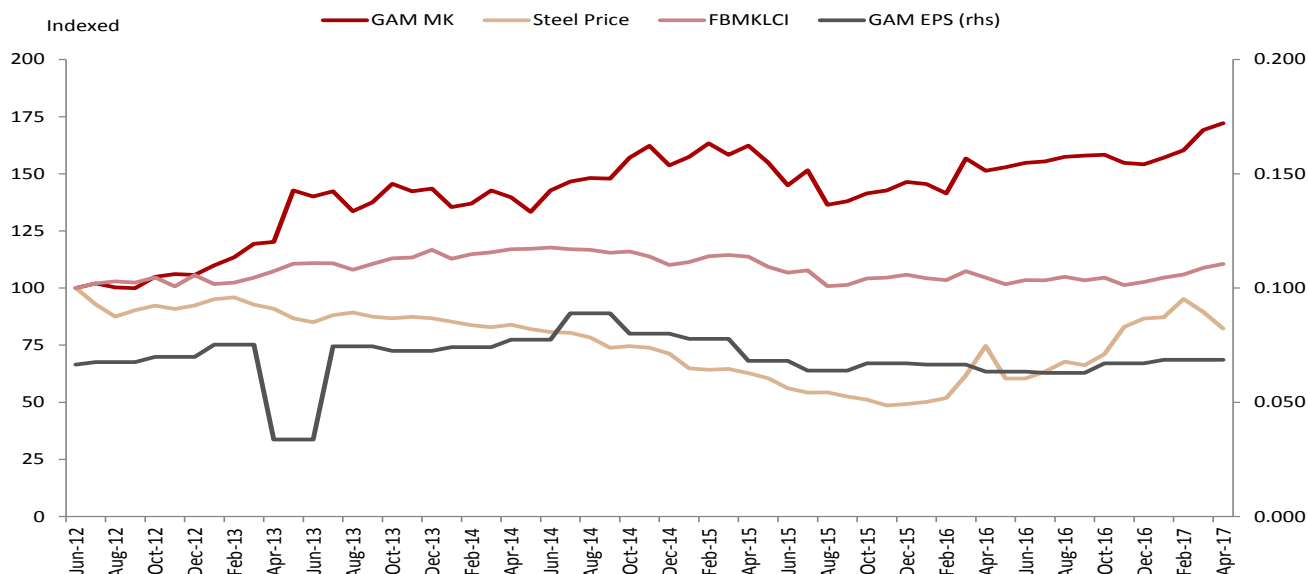
New order wins



Source: Company, AllianceDBS

Appendix 1: A look at Company's listed history – what drives its share price?

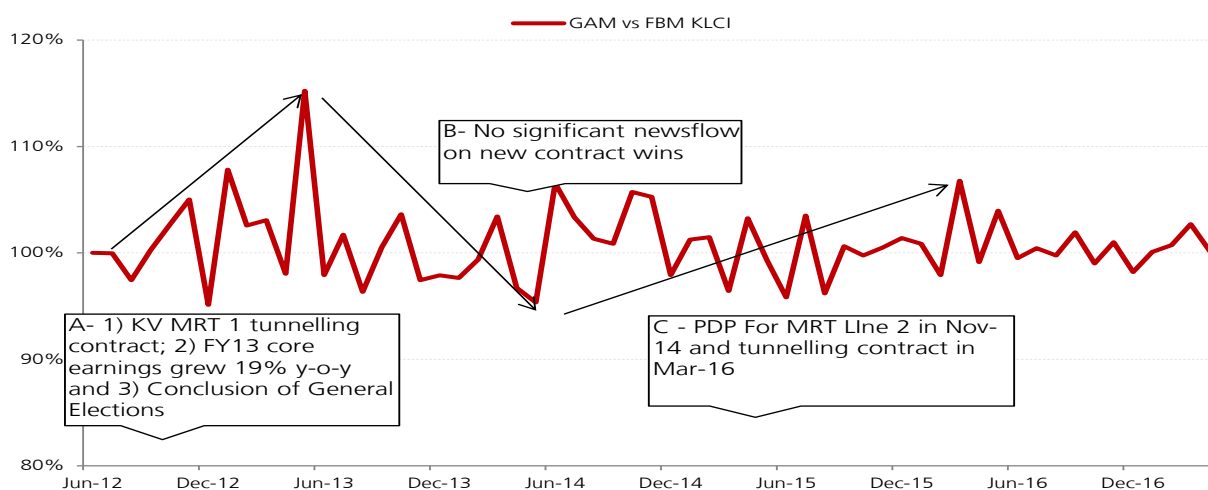
Gamuda's share price performance vs KLCI, Steel price and EPS



Source: Company, AllianceDBS, DBSVI

The key share price driver for Gamuda appears to be new contract wins and to some extent earnings growth. For the period until June-16, there was some negative correlation with steel prices, likely because raw material requirements for the KV MRT Line tunnelling contract was borne by the contractor.

Gamuda's share price performance vs contract wins



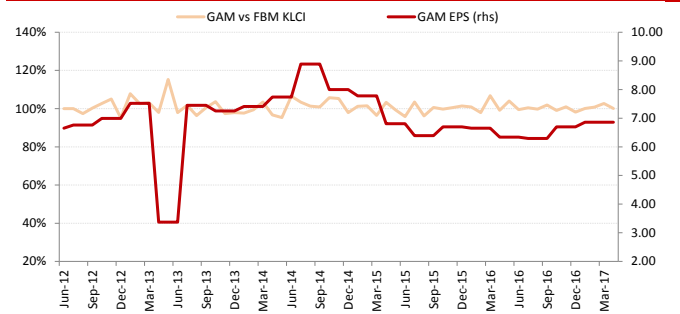
Source: Company, AllianceDBS, DBSVI

Gamuda’s share price showed the most significant outperformance during the period June 2012 to July 2013 (Period A). This was due to a combination of positive newsflow from the announcement of the MRT Line 1 tunneling contract worth RM8.28bn in April 2012 coupled with the expectations of strong earnings growth in FY13. FY13 core net earnings grew by c.19% y-o-y stripping out the one-off arbitration charge. This also coincided with the conclusion of the 13th General Elections.

From July 2013 onwards (Period B), Gamuda’s share price was on a general downtrend until June 2014 given the lack of significant newsflow post the award of MRT Line 1. From June 2014 to March 2016 (Period C), we think the outperformance was led by a combination of the award of the PDP role for MRT Line 1 in November 2014, PDP for the Penang Transport Master Plan (PTMP) as well as the tunneling package for MRT Line 2 worth RM15.47bn in March 2016.

Major contract wins for Gamuda since 2012 were as follows :-
 April 2012 – Announcement on KV MRT Line 1 tunneling contract worth RM8.28bn.
 Nov 2014- Appointment as PDP for MRT Line 2.
 August 2015 – Appointment as PDP for Penang Transport Master Plan.
 March 2016 – Awarded tunneling contract for KV MRT Line 2 worth RM15.47bn.

Gamuda’s share price performance vs Quarterly EPS



Source: Company, AllianceDBS, DBSVI

Gamuda’s share price performance does not share any meaningful correlation with quarterly EPS delivery. We think this is because it manages investors’ expectations fairly well. Even in 3Q13 when it reported a one-off provision for tribunal awards of RM113m, the share price did not de-rate significantly. Stripping this out, 9M13 net profit would have increased 14%.

Balance Sheet:

Manageable net gearing. Net gearing remained manageable at 0.5x as at 31 October 2017. Land bank purchases over the past few years include its maiden project in Toa Payoh, Singapore for S\$345.9m (Gamuda has a 50% share), a small parcel of freehold land in Melbourne for AUD40m, an 18-acre land in Kota Kinabalu for RM100m, and a 257-acre parcel located just 2km from Kota Kemuning for RM392m.

Further land banking still possible. Gamuda is still seeking to land bank further in choice locations despite the softening property market. But it will be more selective now given its aggressive land banking over the past year or so. Also, the sale of Splash will help bring down gearing levels.

Share Price Drivers:

Proxy to transportation-related projects. Besides having a strong reputation, it also has ample capacity and the technical know-how to bid for large upcoming transport-related projects. Thus far, MRT Line 1 was a success while MRT Line 2 is progressing well. Gamuda has also expressed interest in bidding for the ECRL, MRT Line 3, MRT projects in Singapore and Pan Borneo Highway Sabah. It is making a concerted effort to beef up its orderbook and to diversify its project risk.

Resolution for Splash. A successful resolution for Splash would remove the overhang on the stock. Investors could now potentially look forward to special dividends to compensate for the earnings void.

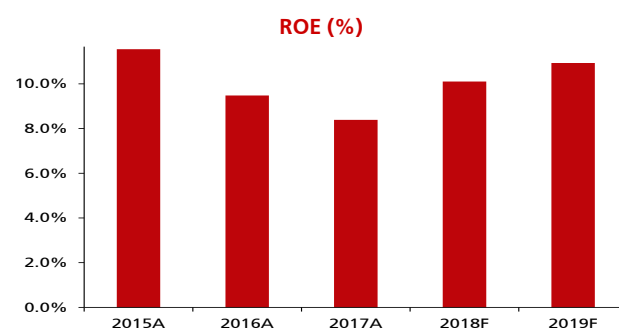
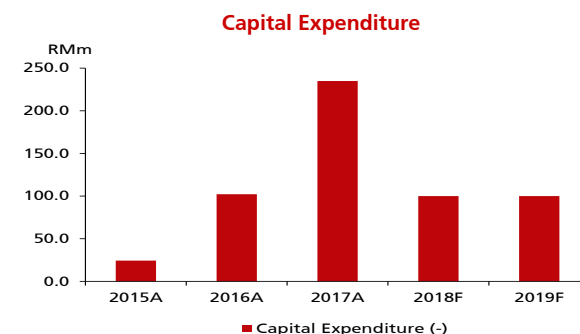
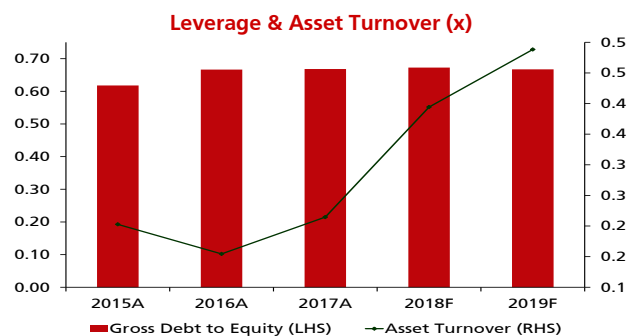
Key Risks:

Macroeconomic factors. Generally, an economic slowdown could adversely affect the group because this could defer or halt some projects, especially infrastructure projects. This could result in slower order book replenishment.

Slowdown in property market. The various tightening policies for the Malaysian property sector could reduce the demand for property (i.e. residential and commercial) in the near future.

Company Background

Gamuda's core businesses focus on three segments which are engineering & construction, infrastructure concessions, and property development.



Source: Company, AllianceDBS

Gamuda

Key Assumptions

FY Jul	2015A	2016A	2017A	2018F	2019F
Construction margins	7.60	8.50	11.6	8.94	8.64
Property launches Malaysia	950	900	850	1,330	1,000
Construction profit	24.7	23.4	32.6	33.3	41.7
Property profit contribution	29.5	23.6	26.0	25.9	22.8
New order wins		7,735	1,500	8,000	8,000

Segmental Breakdown

FY Jul	2015A	2016A	2017A	2018F	2019F
Revenues (RMm)					
Construction	1,158	905	1,234	4,380	6,414
Property development	842	758	1,486	790	815
Infrastructure	401	459	491	501	511
Others	0.0	0.0	0.0	775	845
Total	2,400	2,122	3,211	6,447	8,585
Pretax profit (RMm)					
Construction	242	212	269	392	554
Property development	289	214	215	204	193
Infrastructure	450	481	342	481	471
Overseas property	0.0	0.0	0.0	101	110
Net interest income	(124)	(126)	(104)	(135)	(131)
Total	858	781	722	1,043	1,198
Pretax Margins (%)					
Construction	20.9	23.4	21.8	8.9	8.6
Property development	34.4	28.2	14.5	25.8	23.7
Total	35.7	36.8	22.5	16.2	14.0

Income Statement (RMm)

FY Jul	2015A	2016A	2017A	2018F	2019F
Revenue	2,400	2,122	3,211	6,447	8,585
Cost of Goods Sold	(1,820)	(1,685)	(2,629)	(5,499)	(7,396)
Gross Profit	580	437	582	948	1,189
Other Opng (Exp)/Inc	(10.4)	10.9	3.72	(141)	(235)
Operating Profit	570	448	586	806	954
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	375	413	248	371	375
Net Interest (Exp)/Inc	(86.6)	(79.7)	(7.8)	(135)	(131)
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	858	781	826	1,043	1,198
Tax	(133)	(112)	(170)	(209)	(240)
Minority Interest	(43.3)	(42.6)	(54.1)	(54.1)	(54.1)
Preference Dividend	0.0	0.0	0.0	0.0	0.0
Net Profit	682	626	602	780	904
Net Profit before Except.	682	626	701	780	904
EBITDA	590	470	613	844	995
Growth					
Revenue Gth (%)	7.6	(11.6)	51.3	100.7	33.2
EBITDA Gth (%)	22.7	(20.4)	30.5	37.7	17.9
Opg Profit Gth (%)	23.9	(21.4)	30.7	37.7	18.3
Net Profit Gth (Pre-ex) (%)	(5.2)	(8.2)	11.9	11.4	15.9
Margins & Ratio					
Gross Margins (%)	24.2	20.6	18.1	14.7	13.9
Opg Profit Margin (%)	23.7	21.1	18.2	12.5	11.1
Net Profit Margin (%)	28.4	29.5	18.7	12.1	10.5
ROAE (%)	11.6	9.5	8.4	10.1	10.9
ROA (%)	5.8	4.6	4.0	4.8	5.1
ROCE (%)	4.6	3.2	3.5	4.5	5.0
Div Payout Ratio (%)	31.3	39.8	41.4	31.9	27.6
Net Interest Cover (x)	6.6	5.6	75.5	6.0	7.3

Source: Company, AllianceDBS

Quarterly / Interim Income Statement (RMm)

FY Jul	1Q2017	2Q2017	3Q2017	4Q2017	1Q2018
Revenue	505	854	839	1,013	772
Cost of Goods Sold	(406)	(738)	(691)	(846)	(619)
Gross Profit	98.7	116	149	167	153
Other Oper. (Exp)/Inc	35.0	52.7	21.8	42.7	30.5
Operating Profit	134	168	170	210	183
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	98.5	79.5	82.2	(12.1)	102
Net Interest (Exp)/Inc	(26.5)	(29.1)	(31.3)	(17.5)	(25.9)
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	206	219	221	180	259
Tax	(30.6)	(39.4)	(42.8)	(56.9)	(41.6)
Minority Interest	(12.9)	(12.9)	(7.5)	(20.8)	(14.8)
Net Profit	162	166	171	103	203
Net profit bef Except.	162	166	171	103	203
EBITDA	232	248	253	198	285

Growth

Revenue Gth (%)	(17.8)	69.1	(1.7)	20.7	(23.8)
EBITDA Gth (%)	(6.0)	6.7	2.0	(21.6)	44.1
Opg Profit Gth (%)	(20.8)	25.9	1.3	23.3	(12.8)
Net Profit Gth (Pre-ex) (%)	6.6	2.5	2.8	(39.9)	97.6

Margins

Gross Margins (%)	19.5	13.5	17.7	16.5	19.8
Opg Profit Margins (%)	26.5	19.7	20.3	20.7	23.7
Net Profit Margins (%)	32.1	19.5	20.4	10.1	26.3

Balance Sheet (RMm)

FY Jul	2015A	2016A	2017A	2018F	2019F
Net Fixed Assets	312	420	619	681	740
Invt in Associates & JVs	2,621	2,881	2,914	3,286	3,661
Other LT Assets	5,163	5,529	5,804	5,804	5,804
Cash & ST Invt	1,438	1,473	1,042	1,356	1,764
Inventory	186	117	228	262	302
Debtors	1,377	1,441	2,476	2,848	3,275
Other Current Assets	2,230	2,297	2,689	2,689	2,689
Total Assets	13,326	14,158	15,772	16,926	18,235
ST Debt	777	640	629	1,029	1,429
Creditor	1,355	1,046	1,402	1,612	1,854
Other Current Liab	327	413	536	536	536
LT Debt	3,358	4,169	4,615	4,615	4,615
Other LT Liabilities	815	676	746	746	746
Shareholder's Equity	6,337	6,878	7,476	7,965	8,578
Minority Interests	356	336	369	423	477
Total Cap. & Liab.	13,326	14,158	15,772	16,926	18,235
Non-Cash Wkg. Capital	2,110	2,395	3,456	3,651	3,876
Net Cash/(Debt)	(2,698)	(3,335)	(4,201)	(4,287)	(4,279)
Debtors Turn (avg days)	235.2	242.3	222.6	150.7	130.2
Creditors Turn (avg days)	226.8	263.5	171.7	100.7	86.0
Inventory Turn (avg days)	48.7	33.2	24.2	16.4	14.0
Asset Turnover (x)	0.2	0.2	0.2	0.4	0.5
Current Ratio (x)	2.1	2.5	2.5	2.3	2.1
Quick Ratio (x)	1.1	1.4	1.4	1.3	1.3
Net Debt/Equity (X)	0.4	0.5	0.5	0.5	0.5
Net Debt/Equity ex MI (X)	0.4	0.5	0.6	0.5	0.5
Capex to Debt (%)	0.6	2.1	4.5	1.8	1.7
Z-Score (X)	2.0	2.1	2.0	2.1	2.2

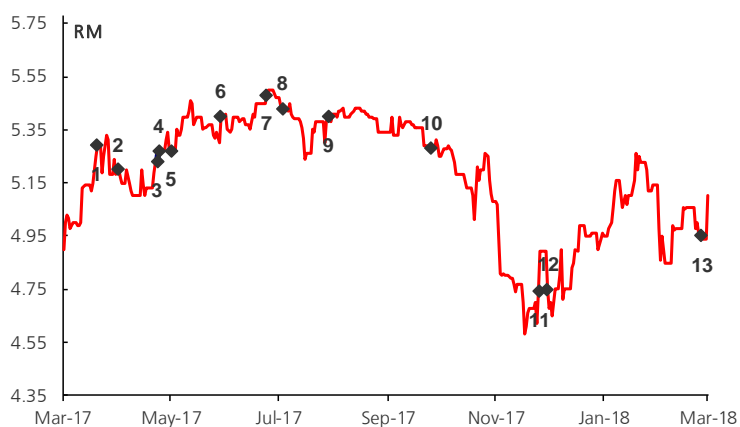
Source: Company, AllianceDBS

Cash Flow Statement (RMm)

FY Jul	2015A	2016A	2017A	2018F	2019F
Pre-Tax Profit	858	781	826	1,043	1,198
Dep. & Amort.	20.2	21.6	27.2	37.6	40.9
Tax Paid	(882)	(124)	(104)	(209)	(240)
Assoc. & JV Inc/(loss)	(375)	(413)	(248)	(371)	(375)
Chg in Wkg.Cap.	164	(228)	(1,128)	(195)	(225)
Other Operating CF	818	67.3	94.0	(43.0)	(59.8)
Net Operating CF	604	105	(533)	262	340
Capital Exp.(net)	(24.3)	(102)	(235)	(100.0)	(100.0)
Other Invts.(net)	0.0	0.0	0.0	0.0	0.0
Invts in Assoc. & JV	0.0	0.0	0.0	0.0	0.0
Div from Assoc & JV	83.5	189	239	0.0	0.0
Other Investing CF	(1,473)	(743)	(24.2)	43.0	59.8
Net Investing CF	(1,413)	(656)	(20.2)	(57.0)	(40.2)
Div Paid	(285)	(289)	(292)	(291)	(291)
Chg in Gross Debt	1,561	650	480	400	400
Capital Issues	219	27.3	123	0.0	0.0
Other Financing CF	(167)	198	(188)	0.0	0.0
Net Financing CF	1,328	586	122	109	109
Currency Adjustments	0.0	0.0	0.0	0.0	0.0
Chg in Cash	518	35.2	(431)	314	408
Opg CFPS (sen)	18.3	11.9	21.2	16.3	20.1
Free CFPS (sen)	24.1	0.10	(27.4)	5.78	8.55

Source: Company, AllianceDBS

Target Price & Ratings History



S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	24 Mar 17	5.29	6.30	BUY
2:	05 Apr 17	5.20	6.30	BUY
3:	27 Apr 17	5.23	6.30	BUY
4:	28 Apr 17	5.27	6.30	BUY
5:	05 May 17	5.27	6.30	BUY
6:	02 Jun 17	5.40	6.30	BUY
7:	28 Jun 17	5.48	6.70	BUY
8:	07 Jul 17	5.43	6.70	BUY
9:	02 Aug 17	5.40	6.70	BUY
10:	29 Sep 17	5.28	6.70	BUY
11:	29 Nov 17	4.74	6.70	BUY
12:	04 Dec 17	4.75	6.70	BUY
13:	01 Mar 18	4.95	6.70	BUY

Note: Share price and Target price are adjusted for corporate actions.

Source: AllianceDBS

Analyst: Tjen San CHONG

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STRONG BUY (>20% total return over the next 3 months, with identifiable share price catalysts within this time frame)

BUY (>15% total return over the next 12 months for small caps, >10% for large caps)

HOLD (-10% to +15% total return over the next 12 months for small caps, -10% to +10% for large caps)

FULLY VALUED (negative total return i.e. > -10% over the next 12 months)

SELL (negative total return of > -20% over the next 3 months, with identifiable catalysts within this time frame)

Share price appreciation + dividends

Completed Date: 6 Mar 2018 15:11:26 (MYT)

Dissemination Date: 6 Mar 2018 15:14:17 (MYT)

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