

# Singapore Company Guide

## Mermaid Maritime

Version 11 | Bloomberg: MMT SP | Reuters: MMPC.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

17 May 2018

### HOLD

Last Traded Price ( 16 May 2018): S\$0.143 (STI : 3,533.05)

Price Target 12-mth: S\$0.13 (-9% downside) (Prev S\$0.14)

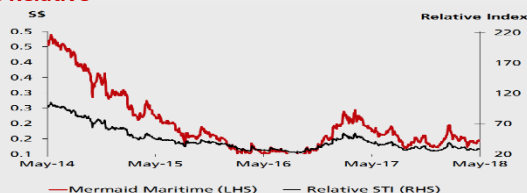
#### Analyst

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### What's New

- 1Q18 net loss of US\$6m was larger than expected
- Overall fleet utilisation down to 25% as two key vessels were drydocked for scheduled surveys
- Orderbook up c.17% q-o-q to US\$173m
- Buyer found for the MTR-1 and MTR-2 tender rigs

#### Price Relative



#### Forecasts and Valuation

FY Dec (US\$m)	2016A	2017A	2018F	2019F
Revenue	185	145	111	135
EBITDA	40.5	27.2	16.2	31.2
Pre-tax Profit	14.4	4.26	(8.3)	6.86
Net Profit	17.1	4.22	(7.7)	5.49
Net Pft (Pre Ex.)	17.1	3.13	(7.7)	5.49
Net Pft Gth (Pre-ex) (%)	243.2	(81.7)	nm	nm
EPS (S cts)	1.62	0.40	(0.7)	0.52
EPS Pre Ex. (S cts)	1.62	0.30	(0.7)	0.52
EPS Gth Pre Ex (%)	243	(82)	nm	nm
Diluted EPS (S cts)	1.62	0.40	(0.7)	0.52
Net DPS (S cts)	0.0	0.0	0.0	0.0
BV Per Share (S cts)	32.1	32.5	31.8	32.3
PE (X)	8.8	35.6	nm	27.4
PE Pre Ex. (X)	8.8	48.0	nm	27.4
P/Cash Flow (X)	3.1	13.3	10.0	14.2
EV/EBITDA (X)	3.7	5.9	10.2	5.2
Net Div Yield (%)	0.0	0.0	0.0	0.0
P/Book Value (X)	0.4	0.4	0.4	0.4
Net Debt/Equity (X)	CASH	0.0	0.0	0.0
ROAE (%)	5.2	1.2	(2.3)	1.6
Earnings Rev (%):			(631)	0
Consensus EPS (S cts):			0.2	0.3
Other Broker Recs:		B: 0	S: 0	H: 2

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

### No reason to get excited

**Maintain HOLD on absence of near-term catalysts.** Although we did expect a weak quarter on drydocking of two key vessels, net losses in 1Q18 were larger than expected, as other working vessels also saw softer workloads. 2Q18 should continue to present some weakness as the Asiana vessel is still in drydock through most of May. Meanwhile, though the orderbook is up q-o-q, we note that 2Q/3Q tend to be slow quarters in terms of order wins. On the plus side, Mermaid has a healthy balance sheet and thus does not warrant to trade at distressed valuations as seen in other O&M stocks. Overall, we think Mermaid's risk-reward trade-off is neutral at this point: the lacklustre near-term outlook and lack of near-term catalysts are offset by undemanding valuation (~0.45x P/BV) and lack of balance sheet stress. Thus, we maintain our HOLD call on the stock, but adjusting for higher-than-expected losses and lower book value, as well as movements in the SGD/USD, our TP is lowered to S\$0.13 (from S\$0.14 previously).

**Where we differ:** We note that Mermaid has impaired an above-average proportion of book value of its vessel fleet (c.30%), so P/BV ratios are more conservative.

**Potential catalyst:** Contract awards on its key vessels could help Mermaid's shares re-rate upwards.

#### Valuation:

We base our valuation of Mermaid's core subsea business (excluding stacked vessels) on a P/BV peg of 0.6x and ascribe zero value to associate Asia Offshore Drilling, giving us a TP of S\$0.13.

#### Key Risks to Our View:

Poor returns on the PTGC investment could adversely impact sentiment. A lack of replenishment of the orderbook or deferment/cancellation of jobs also bodes poorly for the company.

#### At A Glance

Issued Capital (m shrs)	1,413
Mkt. Cap (S\$m/US\$m)	202 / 150
Major Shareholders (%)	
Thoresen Thai Agencies PCL	58.2
Mahagitsiri Chalermchai	10.7
Mahagitsiri Prayudh	8.4
Free Float (%)	22.7
3m Avg. Daily Val (US\$m)	0.79

ICB Industry : Oil & Gas / Oil Equipment; Services & Dist

## WHAT'S NEW

### Utilisation down on drydocking of key vessels

**Weak quarter was expected but magnitude of losses larger than our projection.** Mermaid recorded a net loss for 1Q18 of c.US\$6m on low in utilisation rates as 2 out of 4 of its key vessels (Endurer and Commander) were drydocked for their scheduled maintenance/surveys, which was expected, but other vessels in service had experienced lower utilisation. The magnitude of losses was larger than we had forecasted. Overall vessel utilisation was down to 25% (vs. 36% in 1Q17) while the 4 major vessels (Commander, Asiana, Endurer, Sapphire) saw utilisation of 39% (vs. 48% in 1Q17).

**Orderbook up q-o-q to US\$173m.** Orderbook inched up slightly q-o-q from US\$148m as of 4Q17 to US\$173m as of 1Q18, as Mermaid secured an extension for one of its vessels working on a long-term contract in the Middle East. Of its orderbook, 81% is for work in the Middle East, with about half to be recognized in 2018 and the remainder in 2019. However, we note that 2Q/3Q tend to be weak quarters in terms of orders wins for Mermaid historically, so we would be cautious in extrapolating the orderbook trend in 1Q18 to 2Q/3Q18.

**Buyer found for old tender rigs.** Mermaid has found a buyer for two old tender rigs, MTR-1 and MTR-2, which it has been trying to sell for some time now. The price was not disclosed, but the sale will save Mermaid c.US\$700k per annum in stacking costs from 2Q18 onwards when the rigs are expected to be delivered to the buyer.

**AOD refinancing plan moves forward.** Mermaid had provided an update on its associate Asia Offshore Drilling's (AOD) debt refinancing situation on 4 April 2018. Seadrill is a majority shareholder in AOD while Mermaid owns c.33.8%. Mermaid and Seadrill have entered into a Transaction Support Agreement where AOD will become a party to the Seadrill

restructuring package, as proposed earlier by Seadrill. This lifts an overhang on Mermaid's stock as previously the company had said it was intending to pursue refinancing outside of Seadrill's restructuring plan, but had not shown much progress on that front, leading to worries over the eventual outcome of the refinancing. To recap, AOD has c.US\$210m in bank debt outstanding, of which c.US\$180m balloon was due in April, with AOD's cash balance insufficient to fund this.

### Key terms of AOD's restructuring plan:

- AOD Credit Facility maturity to be extended by 5 years on average
- No loan amortisation payment obligations until 31 December 2019
- 3.5 year covenant holiday
- More flexible financial covenants, including deferring financial covenant testing until 2021 (with the exception of the minimum liquidity covenant)

Additionally, Mermaid and Seadrill have agreed to a put and call option on Mermaid's shares in AOD:

- Put option – exercisable by Mermaid between 1 Oct 2019 and 30 Sep 2020. Valuation based on independent rig brokers and financial expert assessment and subject to a ceiling of US\$125m
- Call option – exercisable by Seadrill between 1 Oct 2020 and 31 Mar 2021 (just after Mermaid's put expiry date). Subject to a floor price of US\$75m

## Quarterly / Interim Income Statement (US\$m)

FY Dec	1Q2017	4Q2017	1Q2018	% chg yoy	% chg qoq
Revenue	36.5	33.5	18.0	(50.8)	(46.2)
Cost of Goods Sold	(32.2)	(26.6)	(22.3)	(30.5)	(16.0)
<b>Gross Profit</b>	<b>4.39</b>	<b>6.86</b>	<b>(4.3)</b>	<b>nm</b>	<b>nm</b>
Other Oper. (Exp)/Inc	(5.3)	(5.0)	(4.0)	(24.5)	(19.0)
<b>Operating Profit</b>	<b>(1.0)</b>	<b>1.88</b>	<b>(8.4)</b>	<b>774.0</b>	<b>(545.9)</b>
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	-	-
Associates & JV Inc	1.19	1.16	1.30	9.3	11.7
Net Interest (Exp)/Inc	(0.7)	(0.7)	(0.8)	(8.3)	(14.4)
Exceptional Gain/(Loss)	1.30	(0.2)	1.80	38.8	nm
<b>Pre-tax Profit</b>	<b>0.80</b>	<b>2.14</b>	<b>(6.1)</b>	<b>nm</b>	<b>nm</b>
Tax	(0.1)	(0.2)	0.12	mm	nm
Minority Interest	0.0	0.0	0.0	-	-
<b>Net Profit</b>	<b>0.74</b>	<b>1.90</b>	<b>(6.0)</b>	<b>nm</b>	<b>(413.7)</b>
Net profit bef Except.	(0.6)	2.12	(7.8)	(1,281.9)	nm
EBITDA	6.01	6.01	(2.9)	nm	nm
<b>Margins (%)</b>					
Gross Margins	12.0	20.5	(24.1)		
Opg Profit Margins	(2.6)	5.6	(46.6)		
Net Profit Margins	2.0	5.7	(33.2)		

Source of all data: Company, DBS Bank

## CRITICAL DATA POINTS TO WATCH

## Critical Factors

**Subsea fleet utilisation is critical.** With orderbook levels declining, Mermaid had negotiated a penalty-free return in 2016 for its three long-term chartered-in vessels post completion of their jobs (one has been re-chartered – so there is some flexibility to this arrangement). The smaller vessels on its owned fleet are idle, dragging down overall fleet utilisation. Mermaid's four major vessels – Commander, Endurer, Asiana and Sapphire – had maintained utilisation levels of around 72% in FY16, but we think that declined to around 56% in FY17 (based on the average of 1Q-4Q reported numbers), and even lower in 1Q18 but that is due to drydocking of two vessels.

**Debt restructuring of associate Asia Offshore Drilling (AOD) created an overhang, but is resolved for now.** To recap, Seadrill, the majority partner in AOD, is currently under Chapter 11 bankruptcy protection in the US, and has proposed a restructuring plan which includes AOD. Mermaid has agreed to AOD's participation in the restructuring, with key terms for AOD including: 5-year maturity extension on average; no loan amortisation payments until 31 December 2019; 3.5 year covenant holiday; and more flexible covenants. Mermaid and Seadrill have also agreed to a put and call option on Mermaid's shares in AOD, with a put exercisable by Mermaid between 1 Oct 2019 and 30 Sep 2020 (subject to a ceiling of US\$125m) and a call option exercisable by Seadrill between 1 Oct 2020 and 31 Mar 2021 (Subject to a floor price of US\$75m).

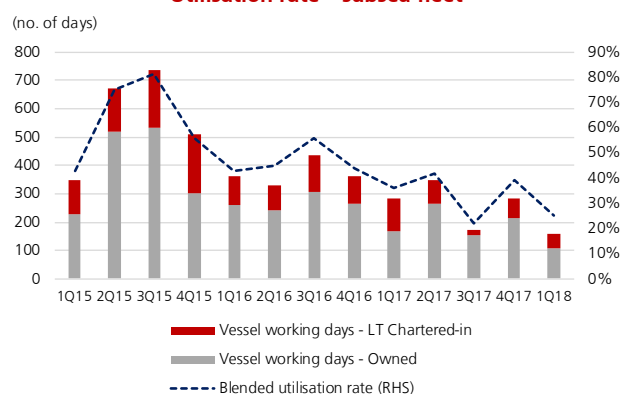
**Orderbook replenishment is key.** We note that Mermaid's orderbook tends to be replenished in 4Q every year, before the seasonal upswing in 2Q/3Q. Substantial contracts secured in 1H18 would be a boon but does not seem likely based on historical precedent.

**Drilling segment contribution has reduced after rate revisions as part of contract extensions.** As day rates on Mermaid's three associate-owned rigs had been negotiated lower to ~US\$100,000/day over the course of FY16, profitability has declined, with profits from associates standing at about US\$1.1-1.3m per quarter.

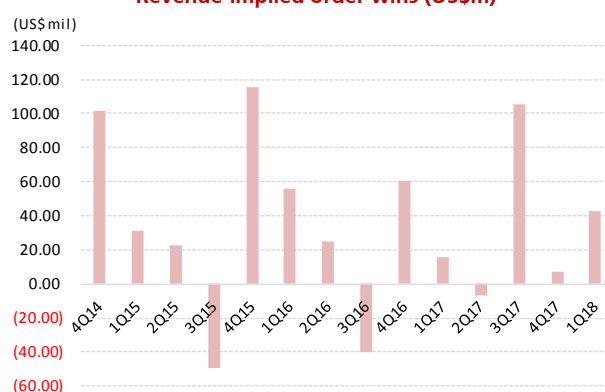
**New cable-laying business has lost its sheen.** Mermaid established a new cable-laying business in the Middle East in late 2014 and seemed to have conquered the learning curve in FY15, when the business generated a positive contribution margin. However, securing additional projects was a challenge in FY16, and this trend has spilled into FY17 and FY18.

**Older tender rigs have seen a dearth of potential buyers.** Mermaid has a long track record in the niche tender rig business in Southeast Asia but its older rigs are more than 30 years old and are currently being marketed for sale. While cold stacking of the two older rigs has reduced operating expenses to c.US\$300,000/quarter, a successful sale of these old assets would be incrementally positive, as it would help alleviate some of this cash outflow, and monetise the asset's remaining value.

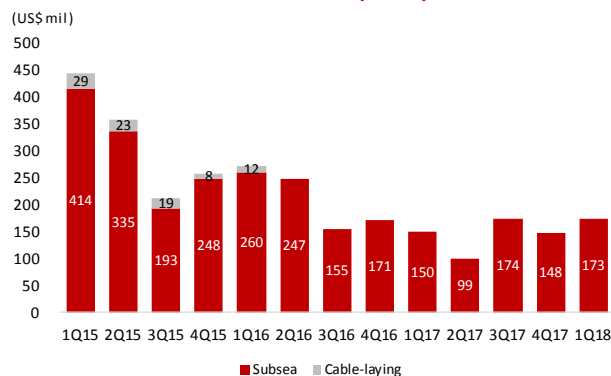
Utilisation rate – subsea fleet



Revenue-implied order wins (US\$m)



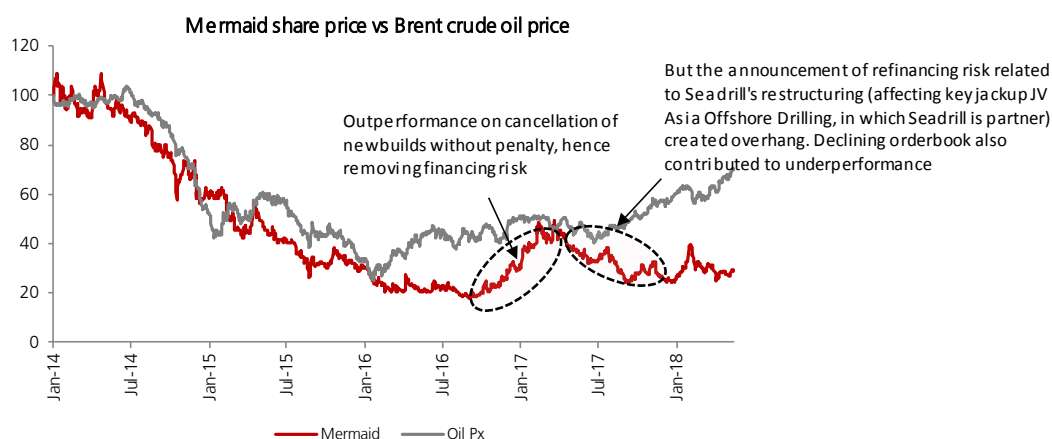
Net orderbook (US\$m)



Source: Company, DBS Bank

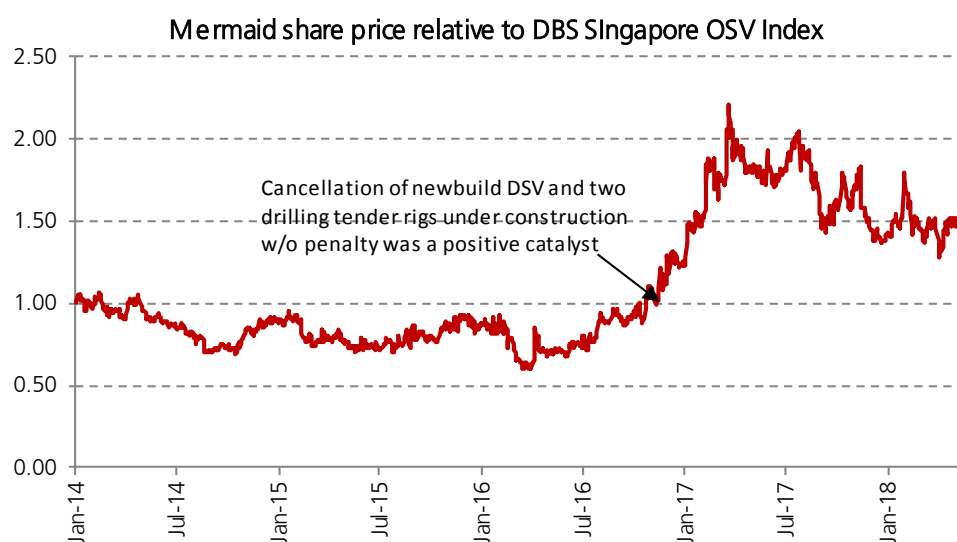
### Appendix 1: A look at Mermaid's listed history – what drives its share price?

Share price has been highly correlated to crude oil prices, but recently more tied to key announcements relating to orderbook and refinancing



Source: Bloomberg Finance L.P., DBS Bank

### Mermaid's share price relative to DBS Singapore OSV Index



Source: Bloomberg Finance L.P., DBS Bank

## Mermaid Maritime

### Balance Sheet:

**Balance sheet stress removed with cancellation of newbuild orders.** Mermaid went into net cash position at end-FY16 and remains that way, with no bonds or capex outstanding, which distinguishes it from peers; the deal to cancel the orders for two tender rigs and one DSV in December 2016 helped alleviate the imminent capex overhang. Further, Mermaid has a US\$500m multi-currency debt issuance programme in place, but this may eventually go unutilised given the current market environment unless some M&A opportunities arise.

### Share Price Drivers:

**Higher oil major spending on higher oil prices.** The rebound in oil prices needs to result in decisions by oil majors to increase spending meaningfully again; we are already seeing an increase in the offshore working rig count, but substantial increases in spending may be dependent on further inventory drawdowns and the extent of OPEC/non-OPEC cuts, which are key drivers of the oil price.

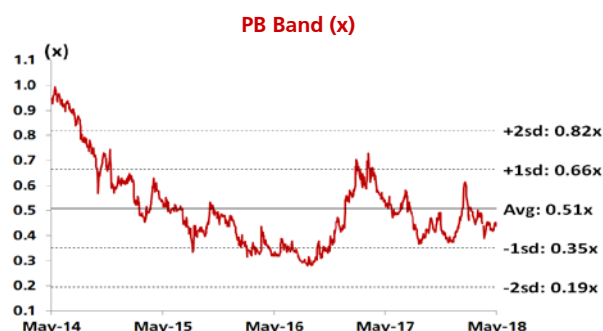
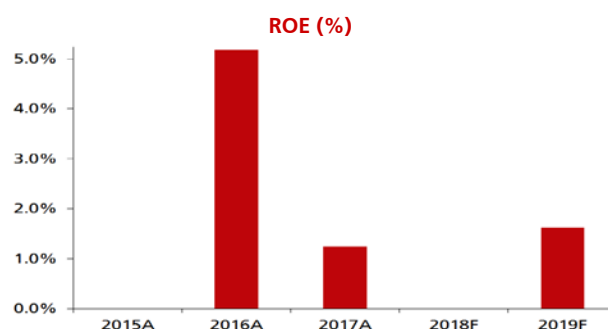
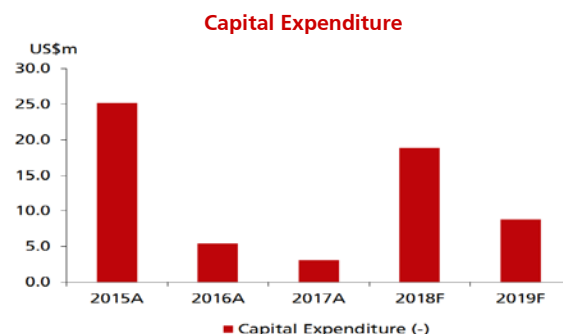
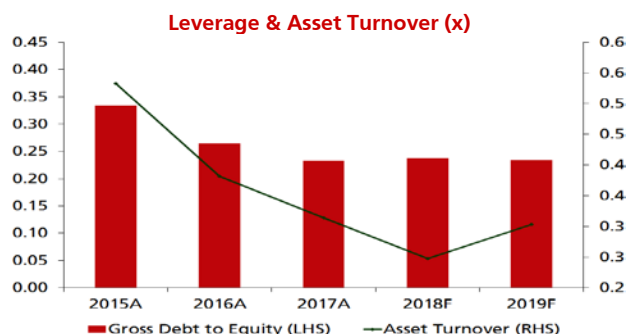
**Privatisation cannot be ruled out.** With O&G service sector valuations still depressed, share price upside could stem from possible privatisation by parent Thoresen Thai and its associated promoter group (the Mahagitsiri family), which hold at least a 77% stake in Mermaid. Thoresen Thai has a gross cash balance of about US\$197m and net gearing is quite low as well. Thus, we believe there is enough financial muscle to buy out Mermaid's remaining free float at current prices.

### Key Risks:

**Subsea engineering operations are sensitive to delays in the award of offshore projects.** The short-term nature of shallow-water subsea projects makes Mermaid's subsea engineering revenue sensitive to delays in the award of projects, which oil majors have recently tended towards.

### Company Background

Mermaid Maritime PCL (Mermaid) is a provider of drilling and subsea engineering services for the offshore oil & gas industry, serving a diverse client base globally.



Source: Company, DBS Bank

**Income Statement (US\$m)**

FY Dec	2015A	2016A	2017A	2018F	2019F
Revenue	337	185	145	111	135
Cost of Goods Sold	(304)	(152)	(122)	(102)	(110)
<b>Gross Profit</b>	<b>33.1</b>	<b>33.0</b>	<b>23.1</b>	<b>8.92</b>	<b>24.9</b>
Other Opng (Exp)/Inc	(47.0)	(27.1)	(21.7)	(18.6)	(19.3)
<b>Operating Profit</b>	<b>(14.0)</b>	<b>5.89</b>	<b>1.35</b>	<b>(9.7)</b>	<b>5.56</b>
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	20.5	11.5	4.65	4.61	4.38
Net Interest (Exp)/Inc	(3.2)	(3.0)	(2.8)	(3.2)	(3.1)
Exceptional Gain/(Loss)	(234)	0.0	1.08	0.0	0.0
<b>Pre-tax Profit</b>	<b>(231)</b>	<b>14.4</b>	<b>4.26</b>	<b>(8.3)</b>	<b>6.86</b>
Tax	(0.5)	2.83	(0.1)	0.59	(1.4)
Minority Interest	2.23	(0.1)	0.01	0.0	0.0
Preference Dividend	0.0	0.0	0.0	0.0	0.0
<b>Net Profit</b>	<b>(229)</b>	<b>17.1</b>	<b>4.22</b>	<b>(7.7)</b>	<b>5.49</b>
Net Profit before Except.	4.99	17.1	3.13	(7.7)	5.49
EBITDA	41.2	40.5	27.2	16.2	31.2
<b>Growth</b>					
Revenue Gth (%)	(18.3)	(45.0)	(21.9)	(23.5)	22.0
EBITDA Gth (%)	(59.9)	(1.6)	(32.9)	(40.4)	92.5
Opg Profit Gth (%)	(156.3)	(142.2)	(77.2)	(817.4)	(157.6)
Net Profit Gth (Pre-ex) (%)	(90.2)	243.2	(81.7)	nm	nm
<b>Margins &amp; Ratio</b>					
Gross Margins (%)	9.8	17.8	15.9	8.1	18.4
Opg Profit Margin (%)	(4.1)	3.2	0.9	(8.7)	4.1
Net Profit Margin (%)	(68.1)	9.2	2.9	(7.0)	4.1
ROAE (%)	(51.7)	5.2	1.2	(2.3)	1.6
ROA (%)	(36.3)	3.5	0.9	(1.7)	1.2
ROCE (%)	(2.5)	1.4	0.3	(2.3)	1.1
Div Payout Ratio (%)	N/A	0.0	0.0	N/A	0.0
Net Interest Cover (x)	(4.3)	2.0	0.5	(3.0)	1.8

Due to lowering of day rate on AOD rigs

Source: Company, DBS Bank

## Quarterly / Interim Income Statement (US\$m)

FY Dec	1Q2017	2Q2017	3Q2017	4Q2017	1Q2018
Revenue	36.5	44.5	30.2	33.5	18.0
Cost of Goods Sold	(32.2)	(35.3)	(27.5)	(26.6)	(22.3)
<b>Gross Profit</b>	<b>4.39</b>	<b>9.12</b>	<b>2.70</b>	<b>6.86</b>	<b>(4.3)</b>
Other Oper. (Exp)/Inc	(5.3)	(6.0)	(5.4)	(5.0)	(4.0)
<b>Operating Profit</b>	<b>(1.0)</b>	<b>3.10</b>	<b>(2.7)</b>	<b>1.88</b>	<b>(8.4)</b>
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	1.19	1.18	1.12	1.16	1.30
Net Interest (Exp)/Inc	(0.7)	(0.7)	(0.7)	(0.7)	(0.8)
Exceptional Gain/(Loss)	1.30	0.0	0.0	(0.2)	1.80
<b>Pre-tax Profit</b>	<b>0.80</b>	<b>3.56</b>	<b>(2.2)</b>	<b>2.14</b>	<b>(6.1)</b>
Tax	(0.1)	0.06	0.17	(0.2)	0.12
Minority Interest	0.0	0.00	0.04	0.0	0.0
<b>Net Profit</b>	<b>0.74</b>	<b>3.62</b>	<b>(2.0)</b>	<b>1.90</b>	<b>(6.0)</b>
Net profit bef Except.	(0.6)	3.62	(2.0)	2.12	(7.8)
EBITDA	6.01	9.60	3.71	6.01	(2.9)

## Growth

Revenue Gth (%)	(17.2)	21.7	(32.1)	10.8	(46.2)
EBITDA Gth (%)	96.5	59.7	(61.3)	62.0	nm
Opg Profit Gth (%)	(60.1)	(423.7)	(186.3)	(170.1)	(545.9)
Net Profit Gth (Pre-ex) (%)	(191.1)	(743.8)	(156.3)	(203.8)	(467.0)

## Margins

Gross Margins (%)	12.0	20.5	8.9	20.5	(24.1)
Opg Profit Margins (%)	(2.6)	7.0	(8.9)	5.6	(46.6)
Net Profit Margins (%)	2.0	8.1	(6.7)	5.7	(33.2)

## Balance Sheet (US\$m)

FY Dec	2015A	2016A	2017A	2018F	2019F
Net Fixed Assets	214	198	183	180	168
Invt in Associates & JVs	74.8	86.3	91.0	95.6	100.0
Other LT Assets	11.7	13.5	35.5	35.5	35.4
Cash & ST Invt	57.4	89.8	68.7	64.9	66.7
Inventory	2.52	1.88	1.93	1.93	1.93
Debtors	115	65.3	62.1	55.3	67.5
Other Current Assets	24.3	17.2	9.04	9.04	9.04
<b>Total Assets</b>	<b>500</b>	<b>472</b>	<b>451</b>	<b>443</b>	<b>449</b>
ST Debt	107	9.90	11.9	11.9	11.9
Creditor	12.1	5.76	4.79	4.03	4.45
Other Current Liab	53.5	35.9	22.2	22.2	22.2
LT Debt	0.0	79.6	67.7	67.7	67.7
Other LT Liabilities	5.84	2.69	2.34	2.34	2.34
Shareholder's Equity	322	339	343	335	340
Minority Interests	(0.5)	(0.4)	(0.4)	(0.4)	(0.4)
<b>Total Cap. &amp; Liab.</b>	<b>500</b>	<b>472</b>	<b>451</b>	<b>443</b>	<b>449</b>
Non-Cash Wkg. Capital	76.1	42.7	46.2	40.1	51.9
Net Cash/(Debt)	(50.0)	0.25	(11.0)	(14.8)	(13.0)
Debtors Turn (avg days)	122.3	177.4	160.7	193.7	166.1
Creditors Turn (avg days)	27.9	25.2	19.2	20.0	17.4
Inventory Turn (avg days)	5.5	6.2	6.9	8.7	7.9
Asset Turnover (x)	0.5	0.4	0.3	0.2	0.3
Current Ratio (x)	1.2	3.4	3.6	3.4	3.8
Quick Ratio (x)	1.0	3.0	3.4	3.2	3.5
Net Debt/Equity (X)	0.2	CASH	0.0	0.0	0.0
Net Debt/Equity ex MI (X)	0.2	CASH	0.0	0.0	0.0
Capex to Debt (%)	23.4	6.0	3.9	23.6	11.0
Z-Score (X)	5.7	6.2	6.4	6.4	6.4

Source: Company, DBS Bank



### Cash Flow Statement (US\$m)

FY Dec	2015A	2016A	2017A	2018F	2019F
Pre-Tax Profit	(231)	14.4	4.26	(8.3)	6.86
Dep. & Amort.	34.7	23.1	21.2	21.2	21.2
Tax Paid	(6.6)	(3.7)	(1.4)	0.59	(1.4)
Assoc. & JV Inc/(loss)	(20.5)	(11.5)	(4.7)	(4.6)	(4.4)
Chg in Wkg.Cap.	(18.0)	19.1	(9.7)	6.04	(11.7)
Other Operating CF	247	7.68	1.66	0.0	0.0
<b>Net Operating CF</b>	<b>6.31</b>	<b>49.0</b>	<b>11.3</b>	<b>15.0</b>	<b>10.6</b>
Capital Exp.(net)	(25.1)	(5.4)	(3.1)	(18.8)	(8.8)
Other Invt.(net)	0.0	0.0	0.0	0.0	0.0
Invt in Assoc. & JV	0.0	0.0	0.0	0.0	0.0
Div from Assoc & JV	6.75	6.75	0.0	0.0	0.0
Other Investing CF	(1.3)	(27.6)	11.5	0.0	0.0
<b>Net Investing CF</b>	<b>(19.6)</b>	<b>(26.2)</b>	<b>8.44</b>	<b>(18.8)</b>	<b>(8.8)</b>
Div Paid	(12.3)	0.0	0.0	0.0	0.0
Chg in Gross Debt	(5.4)	(18.0)	(13.5)	0.0	0.0
Capital Issues	0.0	0.0	0.0	0.0	0.0
Other Financing CF	0.0	0.0	0.0	0.0	0.0
<b>Net Financing CF</b>	<b>(17.7)</b>	<b>(18.0)</b>	<b>(13.5)</b>	<b>0.0</b>	<b>0.0</b>
Currency Adjustments	(1.0)	(0.4)	0.62	0.0	0.0
Chg in Cash	(32.0)	4.41	6.88	(3.8)	1.80
Opg CFPS (\$ cts)	2.30	2.84	1.99	0.85	2.12
Free CFPS (\$ cts)	(1.8)	4.14	0.78	(0.4)	0.17

Source: Company, DBS Bank

### Target Price & Ratings History



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

S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	17 May 17	0.18	0.20	HOLD
2:	17 Aug 17	0.14	0.14	HOLD
3:	16 Nov 17	0.14	0.14	HOLD
4:	23 Jan 18	0.16	0.14	HOLD
5:	12 Mar 18	0.15	0.14	HOLD

Source: DBS Bank

Analyst: Suvro Sarkar  
Glenn NG

DBS Bank recommendations are based on Absolute Total Return\* Rating system, defined as follows:

**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: 17 May 2018 09:54:11 (SGT)

Dissemination Date: 17 May 2018 09:56:40 (SGT)

Sources for all charts and tables are DBS Bank unless otherwise specified.

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