

# Singapore Company Guide

## Riverstone Holdings

Version 11 | Bloomberg: RSTON SP | Reuters: RVHL.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

8 Aug 2018

### BUY

Last Traded Price ( 7 Aug 2018): S\$1.10 (STI : 3,340.00)

Price Target 12-mth: S\$1.25 (14% upside) (Prev S\$1.27)

#### Analyst

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### What's New

- Riverstone delivered 2Q18 earnings of RM33.6m (+23.8% y-o-y) but disappoints slightly on margins
- Cleanroom capacity to grow by 33% to c.2bn gloves p.a. as new facilities kick in progressively from 3Q18
- Riverstone can outperform peers amid industry headwinds as it ramps up on cleanroom glove capacity
- Maintain BUY; TP adjusted to S\$1.25 after lowering gross margin assumptions

#### Price Relative



#### Forecasts and Valuation

FY Dec (RMm)	2016A	2017A	2018F	2019F
Revenue	655	817	934	1,055
EBITDA	169	186	217	255
Pre-tax Profit	139	151	165	194
Net Profit	120	129	143	168
Net Pft (Pre Ex.)	120	129	143	168
Net Pft Gth (Pre-ex) (%)	(4.9)	7.4	10.6	17.6
EPS (S cts)	5.43	5.84	6.46	7.59
EPS Pre Ex. (S cts)	5.43	5.84	6.46	7.59
EPS Gth Pre Ex (%)	(5)	7	11	18
Diluted EPS (S cts)	5.43	5.84	6.46	7.59
Net DPS (S cts)	2.18	2.35	2.60	3.05
BV Per Share (S cts)	25.0	28.6	32.5	37.0
PE (X)	20.2	18.8	17.0	14.5
PE Pre Ex. (X)	20.2	18.8	17.0	14.5
P/Cash Flow (X)	20.5	16.7	19.3	12.0
EV/EBITDA (X)	13.8	12.6	10.8	9.0
Net Div Yield (%)	2.0	2.1	2.4	2.8
P/Book Value (X)	4.4	3.8	3.4	3.0
Net Debt/Equity (X)	CASH	CASH	CASH	CASH
ROAE (%)	23.2	21.8	21.1	21.8

Earnings Rev (%): (7) (3)  
 Consensus EPS (S cts): 6.70 7.71  
 Other Broker Recs: B: 3 S: 0 H: 0

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

### Still in growth mode

**Maintain BUY; TP revised to S\$1.25 on lower gross margin assumptions.** A global market leader in niche Class 10 and Class 100 cleanroom gloves, Riverstone's edge in the high-tech cleanroom segment sets it apart from the bigger boys. Given intense competition in the healthcare space, we see value in Riverstone's growing cleanroom business – which allows the group to command consistently higher margins vs peers (16% vs peers' c.10-15% in FY17). New cleanroom facilities are set to kick in from 3Q18 – which would grow cleanroom capacity by c.33% to at least 2bn gloves p.a.

Riverstone's 2Q18 profit grew 23.8% y-o-y to RM33.6m but disappointed slightly on the margin front, mainly due to the higher foreign worker levy and natural gas price hike. We have lowered our gross margin assumptions accordingly, resulting in a 7%/3% earnings cut for FY18F/19F respectively. Maintain BUY as we believe that Riverstone can outperform peers as it ramps up on its incoming cleanroom glove capacities.

**Where we differ:** Given currently attractive valuations, hard-to-replicate cleanroom expertise and robust end-demand, we see Riverstone as an attractive acquisition target for manufacturers with ambitions to break into the lucrative cleanroom business.

**Potential catalysts:** Further capacity expansion, sustained increase in cleanroom glove mix (and thus margins), and inorganic growth.

**Capacity expansion and improving mix to underpin long-term growth.** Riverstone plans to grow its glove production capacity to 10.4bn pieces p.a. by end-2019. Backed by robust demand and expectations of a higher cleanroom mix, we project earnings to grow at a c.16% CAGR from RM129m in FY17 to RM168m by FY19F.

#### Valuation:

**Maintain BUY with lower TP of S\$1.25, based on 16x FY19F PE.** Underpinned by double-digit capacity growth and higher-quality earnings growth supported by more stable cleanroom margins, we believe that Riverstone deserves to at least trade at its historical average valuation of 16x FY19F PE, which represents a c.45% discount to larger peers' 29x.

#### Key Risks to Our View:

**Global economic slowdown.** While margins for cleanroom gloves tend to be resilient, demand for these gloves could be threatened in the event of a slowdown in the global economy.

#### At A Glance

Issued Capital (m shrs)	741
Mkt. Cap (S\$m/US\$m)	815 / 596
Major Shareholders (%)	
Ringlet Investment Limited	50.8
Wai Keong Lee	10.9
Free Float (%)	33.5
3m Avg. Daily Val (US\$m)	0.19

ICB Industry : Health Care / Health Care Equipment & Services

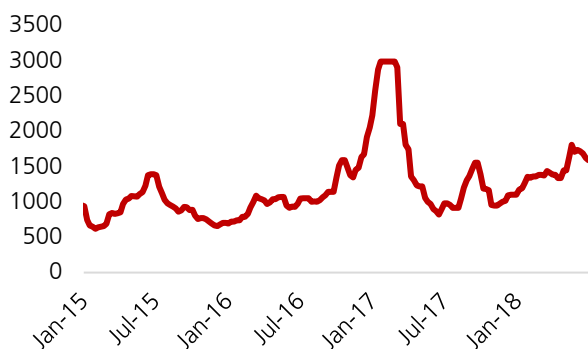
## WHAT'S NEW

## Still growing

## What's New

**2Q18 profits up 23.9% y-o-y but disappoints slightly on the margin front.** Despite steady sales (+0.5% y-o-y) in 2Q18, Riverstone delivered strong bottom-line growth of 23.9% y-o-y and 7.9% q-o-q to RM33.6m. Apart from the higher sales volume (vs 2Q17), lower raw material costs and favourable forex impact were key factors.

## Butadiene Prices (US\$ / metric tonne)



Source: Bloomberg Finance L.P., DBS Bank

To recap, the group generates a surplus in USD as it typically receives over 85% of its revenues in USD but reports in MYR - majority of the group's expenses are in MYR as well. DBS Research estimates that the USD/MYR will appreciate to 4.20 by end-CY18F, vs 4.03 as at end-2Q18, which bodes well for export plays such as Riverstone.

Overall, 1H18 net profit of RM64.6m formed 42% of our FY18F forecasts and was slightly below vs historical 1H contributions of 45%. While gross margins have increased to 22.5% (2Q18) from 20.5% (2Q17), they were relatively flat on a sequential basis - which disappointed slightly, mainly due to the revised foreign worker levy and natural gas price hike in Malaysia which came into force in January.

**Persistent industry headwinds, but incoming cleanroom capacities to drive growth.** Similar to previous quarters, we continue to expect industry headwinds - fluctuations in USD/MYR, volatile raw material prices and operating costs - to remain a bane for the glove industry at large. All else equal, underpinned by a c.33% increase in cleanroom capacity to at least 2bn gloves p.a. by end-2Q18 (with production likely to commence from 3Q onwards), Riverstone is set to see stronger growth ahead.

Full-year contribution from these incoming cleanroom capacities will likely only come in from FY19F as the group ramps up on production progressively, and help boost margins.

**Malaysian glove industry a beneficiary of US-China trade war?**

In April 2018, the Malaysian Rubber Glove Manufacturers Association (MARGMA) - which represents c.90% of Malaysian glove manufacturers, predicted that rubber glove exports would achieve at least 10% growth to RM18bn for 2018.

We believe that export figures could surprise on the upside if US tariffs on Chinese glove exports were to materialise - mainly on substitution effects as the cost differential between Chinese (predominantly Vinyl gloves) and Malaysian (predominantly natural rubber and nitrile gloves) gloves narrow.

## Valuation and Recommendation

**Maintain BUY; TP lowered to S\$1.25 on more conservative gross margin assumptions.** After imputing a higher cost structure arising from the revised foreign worker levy and natural gas price hike, we have lowered our gross margin assumptions by 0.6-1.4ppts p.a. - resulting in a 7%/3% cut to FY18F/19F earnings respectively. TP lowered slightly to S\$1.25, based on 16x FY19F PE (valuation multiple unchanged).

Notwithstanding industry headwinds, larger peers are currently trading above +1.5SD on average - Riverstone's strengths remain underappreciated as it continues to trade below its historical forward PE valuations. Underpinned by capacity growth at c.17% CAGR (vs larger peers' average of c.15%) over FY17-19F and higher quality earnings growth supported by more resilient margins from the cleanroom segment, we believe that Riverstone deserves to at least trade at its historical average valuation of 16x FY19F PE. Better-than-expected execution on these incoming capacities could spark a further re-rating to 18x FY19F PE (+1SD), in line with peers.

Given currently attractive valuations, hard-to-replicate cleanroom expertise and robust end-demand, Riverstone could also be an attractive acquisition target for bigger boys with ambitions to break into the lucrative cleanroom business.

**Quarterly / Interim Income Statement (RMm)**

FY Dec	2Q2017	1Q2018	2Q2018	% chg yoy	% chg qoq
Revenue	213	210	214	0.5	2.1
Cost of Goods Sold	(170)	(163)	(166)	(2.1)	1.8
<b>Gross Profit</b>	<b>43.7</b>	<b>46.9</b>	<b>48.3</b>	<b>10.6</b>	<b>3.0</b>
Other Oper. (Exp)/Inc	(11.7)	(10.9)	(8.8)	(24.8)	(19.6)
<b>Operating Profit</b>	<b>32.0</b>	<b>35.9</b>	<b>39.5</b>	<b>23.5</b>	<b>9.9</b>
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	-	-
Associates & JV Inc	0.0	0.0	0.0	-	-
Net Interest (Exp)/Inc	(0.3)	(0.3)	(0.2)	16.3	2.8
Exceptional Gain/(Loss)	0.0	0.0	0.0	-	-
<b>Pre-tax Profit</b>	<b>31.7</b>	<b>35.7</b>	<b>39.3</b>	<b>23.9</b>	<b>10.0</b>
Tax	(4.6)	(4.6)	(5.7)	23.8	23.7
Minority Interest	0.0	0.0	0.0	-	-
<b>Net Profit</b>	<b>27.1</b>	<b>31.1</b>	<b>33.6</b>	<b>23.9</b>	<b>7.9</b>
Net profit bef Except.	27.1	31.1	33.6	23.9	7.9
EBITDA	40.3	46.0	49.7	23.2	8.1
<b>Margins (%)</b>					
Gross Margins	20.5	22.3	22.5		
Opg Profit Margins	15.0	17.1	18.4		
Net Profit Margins	12.7	14.8	15.7		

Source of all data: Company, DBS Bank

### CRITICAL DATA POINTS TO WATCH

**Growth in global demand for healthcare gloves, at least in near-to-medium term.** MARGMA estimates that demand for healthcare gloves is likely to grow at 8-12% p.a. between 2014 and 2020.

As a relatively new entrant in the healthcare glove industry and with ambitions to grow revenue from this segment quickly to drive its earnings, we project a ramp-up in Riverstone's healthcare glove production at a 17.5% CAGR over FY17-19F.

#### Long-term trends also indicate favourable demand prospects.

According to MARGMA, the global demand ratio of natural rubber and synthetic (nitrile) rubber gloves shifted from 74:26 in 2009 to 53:47 in 2014. On the back of rising awareness of latex allergies in emerging economies and the synthetic variety's low cost, we expect the ratio to shift away from natural rubber gloves in the long run.

Riverstone could be a beneficiary of the long-run substitution of rubber gloves and PVC gloves (especially for the cleanroom segment) by nitrile gloves as it is principally engaged in the production of the latter.

**Capacity expansion to underpin growth.** To capitalise on the favourable demand growth outlook in both the short and long term, Riverstone guided that it now expects to expand its manufacturing capacity to a minimum of 7.6bn gloves by end-2017, 9bn gloves by end-2018 and 10.4bn gloves by end-2019, as compared to 8.2bn gloves by end-2018 previously.

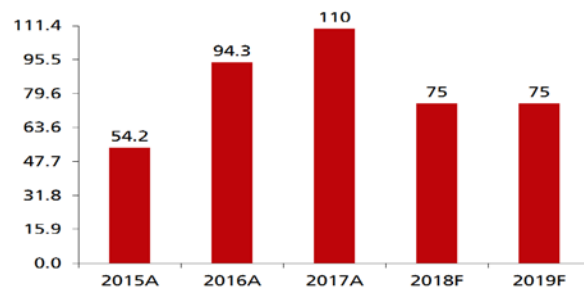
We expect new production capacities to propel top-line growth at a CAGR of 13.6% between FY17 and FY19F, as they gradually come on stream.

**Higher proportion of cleanroom gloves.** As Riverstone's glove production lines can be used interchangeably for both healthcare and higher-margin cleanroom glove production, priority is typically given to cleanroom glove orders.

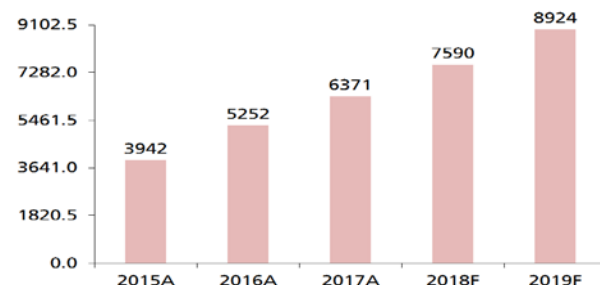
With demand in the niche cleanroom segment mainly stemming from the semiconductor and mobile tablet sectors, we see Riverstone as an indirect beneficiary of the current semiconductor upcycle. Given the current competitive landscape within the healthcare glove space, a higher sustained proportion of cleanroom glove production could help Riverstone better defend margins vs peers (which are predominantly focused on the production of healthcare gloves).

**Greater efficiency from higher automation and larger scale should help to maintain margins.** Despite competition and pressure on ASPs, we expect automation efforts and Riverstone's growing economies of scale to help shore up and sustain operating margins above 19%, to support stable growth in net profit ahead.

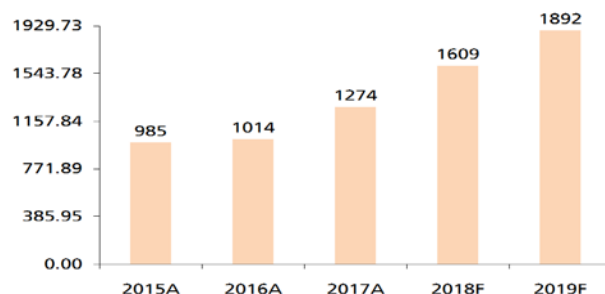
Capital Expenditure (RM\$m)



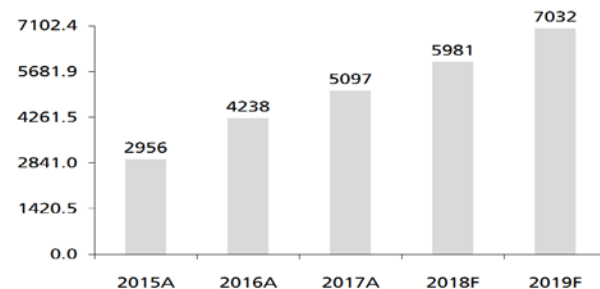
Production Capacity (m gloves)



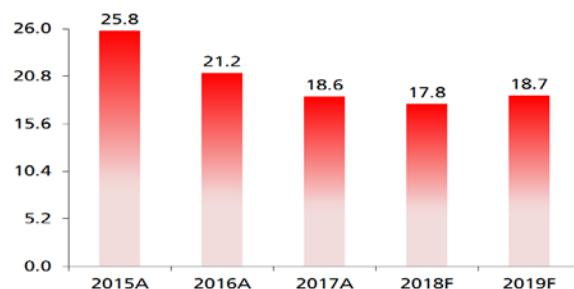
Cleanroom Gloves (m gloves)



Healthcare Gloves (m gloves)



Operating Margins (%)



Source: Company, DBS Bank

### Balance Sheet:

**Healthy balance sheet.** In 1Q17, the company took on debt for the first time in five years to fund its upcoming expansion plans. Despite this, we note that Riverstone remained in a net cash position of RM70.5m as at end-2Q18.

**Forecast net fixed asset growth at a CAGR of 10% between 2015 and 2019.** As capacity is expected to double in 2019 from 2015 levels, we project the group's net fixed assets to jump by nearly 50% from RM286m in 2015 to RM419m in 2018.

### Share Price Drivers:

**Opportunities for inorganic growth.** Due to the stringent requirements for the establishment of cleanroom facilities, Riverstone does not rule out the possibility of acquiring quality cleanroom glove manufacturing companies in the future.

**Cultivation of new markets for cleanroom products.** As cleanroom products are manufactured in controlled environments and are subject to stringent requirements, they are able to deliver much higher margins relative to healthcare gloves. The ability to cultivate new markets for cleanroom products, similar to what Riverstone recently achieved with its diversification into the consumer electronics sector, should help to boost earnings.

**An acceleration of capacity expansion plans** beyond the current guidance of 10.4bn gloves by end-2019 could drive a further re-rating of share price.

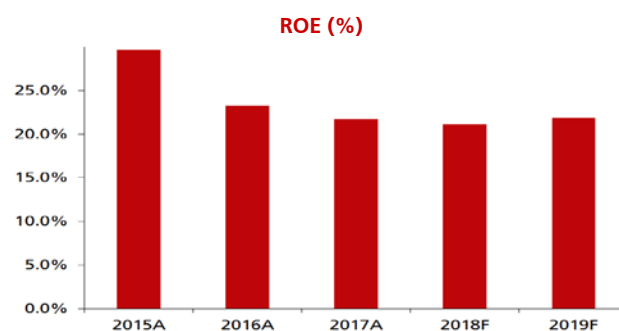
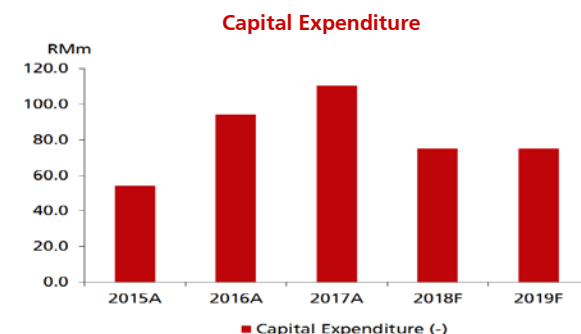
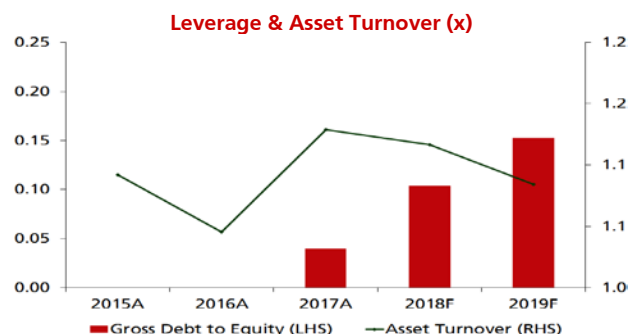
### Key Risks:

**Global economic slowdown could impact cleanroom sales.** A slowdown in the general economy could lead to declines in discretionary spending and manufacturing activity in the HDD industry. Although Riverstone has been gradually reducing its exposure to HDDs, down from historical highs of up to 70%, they still make up almost 40% of the company's cleanroom portfolio today.

**Intensifying competition could erode profitability.** We believe that oversupply over the next few years is unlikely given the more balanced demand-supply outlook for healthcare gloves among Malaysian peers compared to a year ago. However, rising competition from budding glove manufacturing regions such as Thailand and China could threaten Riverstone's market share and pricing power later on if it fails to advance on the technological front.

### Company Background

Riverstone Holdings (RSTON SP) is a natural rubber and nitrile (synthetic rubber) glove manufacturer specialising in cleanroom and healthcare gloves. It is also engaged in the manufacture and distribution of other ancillary products such as finger cots, packaging bags and face masks.



Source: Company, DBS Bank

## Key Assumptions

FY Dec	2015A	2016A	2017A	2018F	2019F
Capital Expenditure	54.2	94.3	110	75.0	75.0
Production Capacity (m)	3,942	5,252	6,371	7,590	8,924
Cleanroom Gloves (m)	985	1,014	1,274	1,609	1,892
Healthcare Gloves (m)	2,956	4,238	5,097	5,981	7,032
Operating Margins (%)	25.8	21.2	18.6	17.8	18.7

## Income Statement (RMm)

FY Dec	2015A	2016A	2017A	2018F	2019F
Revenue	560	655	817	934	1,055
Cost of Goods Sold	(385)	(482)	(620)	(715)	(802)
<b>Gross Profit</b>	<b>175</b>	<b>173</b>	<b>198</b>	<b>220</b>	<b>253</b>
Other Opng (Exp)/Inc	(30.5)	(34.3)	(45.9)	(52.8)	(56.2)
<b>Operating Profit</b>	<b>144</b>	<b>139</b>	<b>152</b>	<b>167</b>	<b>197</b>
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	0.0	0.0	0.0	0.0	0.0
Net Interest (Exp)/Inc	0.0	0.0	(1.0)	(1.8)	(3.0)
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0	0.0
<b>Pre-tax Profit</b>	<b>144</b>	<b>139</b>	<b>151</b>	<b>165</b>	<b>194</b>
Tax	(17.8)	(18.5)	(21.5)	(22.0)	(25.8)
Minority Interest	0.0	0.0	0.0	0.0	0.0
Preference Dividend	0.0	0.0	0.0	0.0	0.0
<b>Net Profit</b>	<b>127</b>	<b>120</b>	<b>129</b>	<b>143</b>	<b>168</b>
Net Profit before Except.	127	120	129	143	168
EBITDA	169	169	186	217	255
<b>Growth</b>					
Revenue Gth (%)	40.3	16.9	24.8	14.3	12.9
EBITDA Gth (%)	68.4	(0.3)	10.5	16.5	17.2
Opg Profit Gth (%)	78.0	(3.8)	9.4	9.8	18.1
Net Profit Gth (Pre-ex) (%)	78.4	(4.9)	7.4	10.6	17.6
<b>Margins &amp; Ratio</b>					
Gross Margins (%)	31.2	26.4	24.2	23.5	24.0
Opg Profit Margin (%)	25.8	21.2	18.6	17.8	18.7
Net Profit Margin (%)	22.6	18.4	15.8	15.3	15.9
ROAE (%)	29.7	23.2	21.8	21.1	21.8
ROA (%)	24.7	19.2	17.9	17.1	17.3
ROCE (%)	28.8	22.7	20.7	19.1	18.7
Div Payout Ratio (%)	37.8	40.0	40.2	40.2	40.2
Net Interest Cover (x)	NM	NM	148.4	92.6	65.7

Source: Company, DBS Bank

**Quarterly / Interim Income Statement (RMm)**

FY Dec	2Q2017	3Q2017	4Q2017	1Q2018	2Q2018
Revenue	213	188	211	210	214
Cost of Goods Sold	(170)	(137)	(159)	(163)	(166)
<b>Gross Profit</b>	<b>43.7</b>	<b>50.8</b>	<b>51.5</b>	<b>46.9</b>	<b>48.3</b>
Other Oper. (Exp)/Inc	(11.7)	(10.9)	(11.0)	(10.9)	(8.8)
<b>Operating Profit</b>	<b>32.0</b>	<b>40.0</b>	<b>40.5</b>	<b>35.9</b>	<b>39.5</b>
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	0.0	0.0	0.0	0.0	0.0
Net Interest (Exp)/Inc	(0.3)	(0.3)	(0.3)	(0.3)	(0.2)
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0	0.0
<b>Pre-tax Profit</b>	<b>31.7</b>	<b>39.7</b>	<b>40.3</b>	<b>35.7</b>	<b>39.3</b>
Tax	(4.6)	(5.3)	(6.0)	(4.6)	(5.7)
Minority Interest	0.0	0.0	0.0	0.0	0.0
<b>Net Profit</b>	<b>27.1</b>	<b>34.3</b>	<b>34.2</b>	<b>31.1</b>	<b>33.6</b>
Net profit bef Except.	27.1	34.3	34.2	31.1	33.6
EBITDA	40.3	48.5	49.9	46.0	49.7

**Growth**

Revenue Gth (%)	3.7	(11.9)	12.2	(0.4)	2.1
EBITDA Gth (%)	(15.3)	20.4	2.9	(8.0)	8.1
Opg Profit Gth (%)	(18.8)	25.0	1.4	(11.3)	9.9
Net Profit Gth (Pre-ex) (%)	(19.5)	26.8	(0.3)	(9.2)	7.9

**Margins**

Gross Margins (%)	20.5	27.1	24.4	22.3	22.5
Opg Profit Margins (%)	15.0	21.3	19.2	17.1	18.4
Net Profit Margins (%)	12.7	18.3	16.2	14.8	15.7

**Balance Sheet (RMm)**

FY Dec	2015A	2016A	2017A	2018F	2019F
Net Fixed Assets	277	337	420	444	462
Invts in Associates & JVs	0.0	0.0	0.0	0.0	0.0
Other LT Assets	9.61	8.62	9.74	9.74	9.74
Cash & ST Invts	129	103	114	158	268
Inventory	61.2	67.0	71.1	72.8	81.5
Debtors	103	140	145	187	211
Other Current Assets	6.06	11.9	20.9	20.9	20.9
<b>Total Assets</b>	<b>585</b>	<b>668</b>	<b>781</b>	<b>893</b>	<b>1,053</b>
ST Debt	0.0	0.0	6.00	6.00	6.00
Creditor	84.4	90.5	102	78.3	87.6
Other Current Liab	7.65	9.92	8.45	8.45	8.45
LT Debt	0.0	0.0	19.0	69.0	119
Other LT Liabilities	11.7	12.7	11.2	11.2	11.2
Shareholder's Equity	482	555	634	720	820
Minority Interests	0.0	0.0	0.01	0.01	0.01
<b>Total Cap. &amp; Liab.</b>	<b>585</b>	<b>668</b>	<b>781</b>	<b>893</b>	<b>1,053</b>
Non-Cash Wkg. Capital	78.2	119	127	194	217
Net Cash/(Debt)	129	103	89.3	83.0	143
Debtors Turn (avg days)	61.8	67.8	63.7	64.8	68.8
Creditors Turn (avg days)	68.3	70.7	60.0	49.4	40.7
Inventory Turn (avg days)	52.3	51.8	43.1	39.5	37.9
Asset Turnover (x)	1.1	1.0	1.1	1.1	1.1
Current Ratio (x)	3.2	3.2	3.0	4.7	5.7
Quick Ratio (x)	2.5	2.4	2.2	3.7	4.7
Net Debt/Equity (X)	CASH	CASH	CASH	CASH	CASH
Net Debt/Equity ex MI (X)	CASH	CASH	CASH	CASH	CASH
Capex to Debt (%)	N/A	N/A	441.1	100.0	60.0
Z-Score (X)	15.9	14.8	12.1	12.1	10.9

Source: Company, DBS Bank



## Cash Flow Statement (RMm)

FY Dec	2015A	2016A	2017A	2018F	2019F
Pre-Tax Profit	144	139	151	165	194
Dep. & Amort.	24.8	29.9	34.5	50.4	57.7
Tax Paid	(18.5)	(22.6)	(21.3)	(22.0)	(25.8)
Assoc. & JV Inc/(loss)	0.0	0.0	0.0	0.0	0.0
Chg in Wkg.Cap.	(26.3)	(31.8)	(11.6)	(67.2)	(23.4)
Other Operating CF	(2.3)	4.65	(6.8)	0.0	0.0
<b>Net Operating CF</b>	<b>122</b>	<b>119</b>	<b>146</b>	<b>126</b>	<b>202</b>
Capital Exp.(net)	(54.2)	(94.3)	(110)	(75.0)	(75.0)
Other Invt.(net)	0.0	(2.3)	0.0	0.0	0.0
Invt in Assoc. & JV	0.0	0.0	0.0	0.0	0.0
Div from Assoc & JV	0.0	0.0	0.0	0.0	0.0
Other Investing CF	0.0	0.0	0.0	0.0	0.0
<b>Net Investing CF</b>	<b>(54.2)</b>	<b>(96.6)</b>	<b>(110)</b>	<b>(75.0)</b>	<b>(75.0)</b>
Div Paid	(25.8)	(48.5)	(48.1)	(57.5)	(67.6)
Chg in Gross Debt	0.0	0.0	25.0	50.0	50.0
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>(25.8)</b>	<b>(48.5)</b>	<b>(23.1)</b>	<b>(7.5)</b>	<b>(17.6)</b>
Currency Adjustments	7.07	0.65	(1.3)	0.0	0.0
Chg in Cash	49.2	(25.5)	11.1	43.8	110
Opg CFPS (\$ cts)	6.70	6.81	7.10	8.73	10.2
Free CFPS (\$ cts)	3.07	1.12	1.60	2.31	5.75

Source: Company, DBS Bank

## Target Price &amp; Ratings History



S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	07 Aug 17	1.06	1.09	HOLD
2:	08 Nov 17	1.07	1.09	HOLD
3:	26 Feb 18	1.04	1.27	BUY
4:	09 May 18	0.96	1.27	BUY

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

Source: DBS Bank

Analyst: Carmen Tay



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: 8 Aug 2018 08:26:13 (SGT)

Dissemination Date: 8 Aug 2018 08:47:10 (SGT)

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

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