

Singapore Company Guide

Frasers Property Ltd

Version 16 | Bloomberg: FPL SP | Reuters: FRPL.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

10 Apr 2019

BUY

Last Traded Price (9 Apr 2019): S\$1.84 (STI : 3,325.60)

Price Target 12-mth: S\$2.30 (25% upside) (Prev S\$1.98)

Analyst

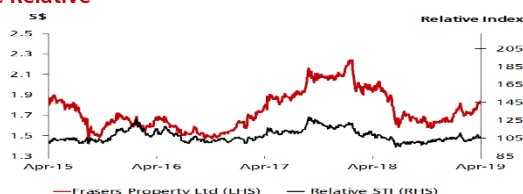
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What's New

- Propelling Frasers to second largest in Singapore retail with the acquisition of PGIM Fund
- Potential Singapore pipeline to bulk up FCT that could command higher premium to NAV
- Strategic benefit outweighs financial benefit; gearing remains below 1x
- Potential upside from management fees in the medium-to-long term

Price Relative



Forecasts and Valuation

FY Sep (\$m)	2017A	2018A	2019F	2020F
Revenue	4,027	4,312	3,500	3,291
EBITDA	1,227	1,564	1,438	1,398
Pre-tax Profit	1,248	1,477	1,088	1,068
Net Profit	620	676	526	504
Net Pft (Pre Ex.)	420	425	526	504
Net Pft Gth (Pre-ex) (%)	13.9	1.2	23.9	(4.3)
EPS (S cts)	21.4	23.2	18.1	17.3
EPS Pre Ex. (S cts)	14.4	14.6	18.1	17.3
EPS Gth Pre Ex (%)	14	1	24	(4)
Diluted EPS (S cts)	14.4	14.6	18.1	17.3
Net DPS (S cts)	8.61	8.61	8.60	8.60
BV Per Share (S cts)	246	253	262	271
PE (X)	8.6	7.9	10.2	10.6
PE Pre Ex. (X)	12.7	12.6	10.2	10.6
P/Cash Flow (X)	5.7	10.9	3.5	29.9
EV/EBITDA (X)	16.7	16.0	16.9	17.8
Net Div Yield (%)	4.7	4.7	4.7	4.7
P/Book Value (X)	0.7	0.7	0.7	0.7
Net Debt/Equity (X)	0.7	0.8	0.7	0.7
ROAE (%)	9.0	9.3	7.0	6.5
Earnings Rev (%)			-	-
Consensus EPS (S cts):			15.7	14.8
Other Broker Recs:		B: 5	S: 1	H: 1

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

We've Only Just Begun

Maintain BUY; raised TP to S\$2.30 from S\$1.98. We maintain our BUY rating on Frasers Property Ltd (FPL) and raised our TP to S\$2.30 from S\$1.98, due to its limited exposure to Singapore residential property and its strong recurring income profile as a landlord in the commercial space. FPL's valuation remains attractive at 0.7x P/NAV and its dividend yield is the highest among developers at 5%.

Where we differ: Asset recycling in the works in the medium term. With the rise of its REITs share prices, we see a window of opportunity for the group to capitalise on this to grow their REITs AUM. One strategy will be to recycle mature assets (retail, hospitality, office and industrial properties) into its listed REITs to grow their AUM and at that same time, re-allocate funds towards higher return investments.

Potential catalyst: Asset monetisation, improved property sales, and improving free float and liquidity.

Propelling Frasers to second largest in Singapore retail with the acquisition of PGIM Fund. In a few surprise moves, FPL and FCT jointly acquired a controlling stake of 66.6% in PGIM Real Estate AsiaRetail Fund (PGIM Fund). We believe this is positive with the strategic benefit outweighing the financial benefit. With PGIM Fund's Singapore assets, the group will become the second largest in Singapore retail, a strong contender only to a few. The potential Singapore pipeline available for FCT not only could bulk up FCT but could see FCT demanding for a higher premium to NAV (CMT at 24% premium vs FCT at 10%).

Valuation:

We maintain our BUY rating and raised our TP to S\$2.30 to factor in the PGIM acquisition and higher valuation from its commercial and hospitality assets. Our TP is based on 35% discount to RNAV.

Key Risks to Our View:

Dependent on the outlook of the Australian real estate market and currency. The group derives an estimated 30% of PBIT from Australia, and returns could be impacted by the weakening AUD/SGD exchange rate.

At A Glance

Issued Capital (m shrs)	2,920
Mkt. Cap (S\$m/US\$m)	5,373 / 3,970
Major Shareholders (%)	
TCC Assets Ltd	58.8
Thai Beverage	28.3
Free Float (%)	
3m Avg. Daily Val (US\$m)	0.32
ICB Industry : Financials / Real Estate	



Frasers Property Ltd

WHAT'S NEW

We've Only Just Begun

FPL and FCT jointly acquired a controlling stake in PGIM Fund in a few strategic moves. In a few surprise moves, Frasers Property Ltd (FPL) and Frasers Centrepoint Trust (FCT) jointly acquired a controlling stake of 66.6% in PGIM Real Estate AsiaRetail Fund (PGIM Fund) with a total of S\$1.3bn. FPL and FCT acquired in four separate tranches from the shareholders of PGIM Fund, to which we believe the first transaction was made by FPL, which acquired an 18% stake, could have possibly triggered subsequent transactions. We refer to our previous reports on the acquisitions ([Frasers Property Ltd: A bigger pipeline for FCT?](#) and [The Greatest Showman](#))

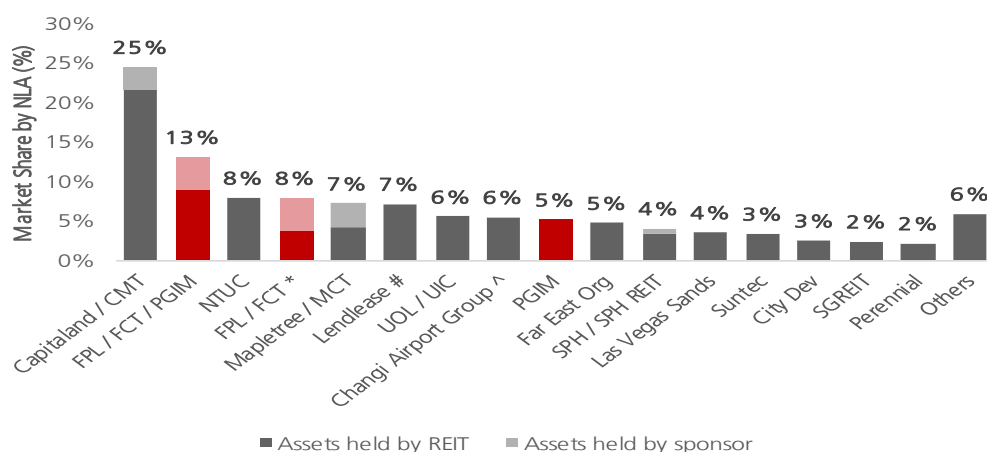
The market was taken aback by FPL's first acquisition as it was uncertain about its intentions with only an 18% stake. However, as the group has successfully accumulated to more than 50% holdings, this changes the perception and the group appears to have bigger plans which further reinforces our initial suspicion that there is a larger strategic intent.

While we had previously written on the impact for FCT ([Frasers Centrepoint Trust: Time to catch them all](#)), we now explore the key reasons what could possibly drive FPL into taking these 'actions' step-by-step to gain control of PGIM Fund.

Propelling Frasers to second largest in Singapore retail. Given the lack of transactions and the lack of investible assets in the retail space in Singapore, we believe the Frasers Group took this opportunity to own a majority stake in the largest non-listed retail mall fund in Singapore. With PGIM Fund's Singapore assets, the group will propel its position among the major retail mall owners to be the second largest retail mall owner by NLA in Singapore, behind Capitaland Group (Capitaland / CapitaLand Mall Trust (CMT)). Currently, the Group stands as the third largest after NTUC (Figure 1). The group's market share will increase from 8% to 13%.

Although its market share is still falling short of the CapitaLand Group at 25%, the complementary asset categories in the suburban retail malls further cements the Frasers Group's dominant presence in the north, east and south (Figure 2). Based on its footprints in Singapore, we believe the group will become a strong contender only to a few retail mall owners, such as the CapitaLand Group and Far East Organisation. What the group lacks in its portfolio of retail mall assets is a well-positioned suburban mall in the west.

Figure 1: The Frasers Group together with PGIM Fund will be second largest retail mall owners by NLA in Singapore



Source: DBS Bank, Company

* includes 100% of Waterway Point

includes retail at Paya Lebar Quarter

^ comprise 100% of Jewel

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Potential pipeline to bulk up FCT that could command a higher premium to NAV, closer to CMT's 24% premium to NAV. A review of FPL's assets shows that there are limited assets to be injected into FCT aside from its remaining crown jewels, Waterway Point and Northpoint City South Wing. We believe Waterway Point is ready to be injected and expect this could happen in the near future while Northpoint City could also be ready in the next 1-2 years. Now with the portfolio of assets from PGIM Fund, it gives FCT a longer runway to remain as a Singapore-centric retail REIT which could command a premium closer to CMT's. CMT's P/NAV historical average trades at 24% premium to its NAV vs FCT's P/NAV historical average at only 10% premium to its NAV. This could bring FCT to a new range of trading band.

While FCT could potentially get a first-hand pick from the portfolio of assets, this would not prevent FPL /PGIM Fund to divest to a third party should the offer price be too attractive to refuse. Potential gains from divestment bodes well for both FPL / FCT. Business Times previously reported that PGIM Real Estate has entered into a put-and-call option agreement with

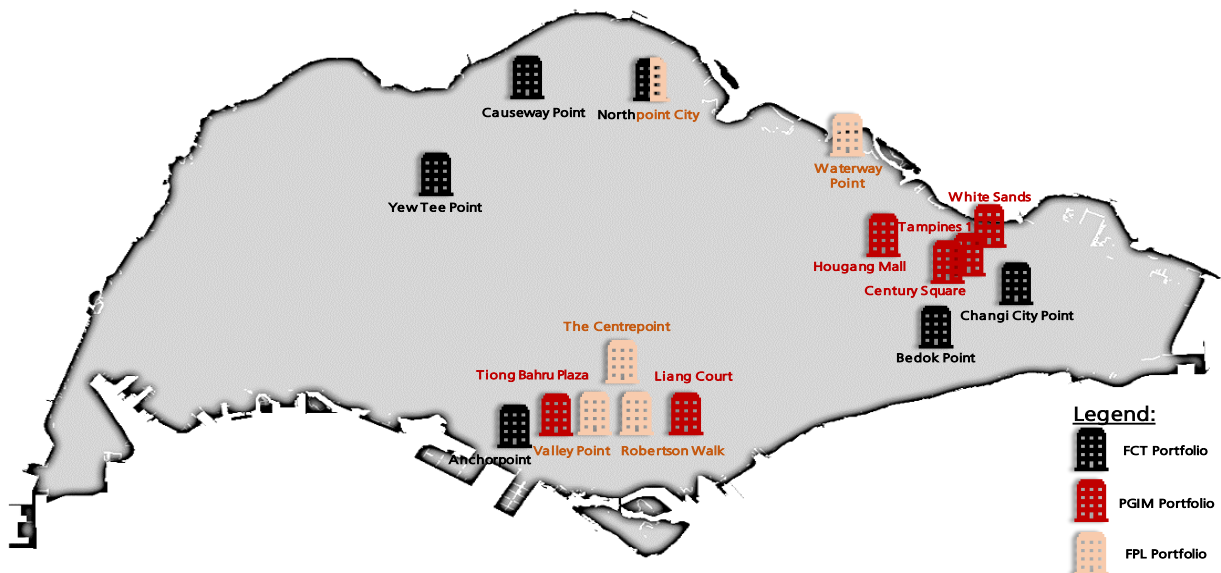
CapitaLand and City Developments regarding the sale of Liang Court for c.S\$400m. The price implies c.9% premium compared to CMT's Clarke Quay mall.

While FPL / FCT owns a majority stake in PGIM Fund which could grant them access on the fund's assets, we cautioned that without a full control may still pose some risks in gaining access to the assets. The ability to accumulate a larger stake (possibly up to 100%) in the fund will be positive for the group.

Limited financial impact; strategic benefits as a group bears more weight. Based on the limited information on the fund, we estimate that FPL's current effective stake of 55% would contribute only 7 Scts per share to its RNAV, approximately 2% of its RNAV. Based on PGIM Fund's FY18 distributable income, we estimate that it will contribute c.3% to FPL's FY18 core earnings.

While the investment may have limited immediate financial contributions, we believe the strategic benefits as mentioned above could bear more weight for FPL and the group as a whole.

Figure 2: FPL / FCT / FPL portfolio of assets dominating the North, East and South regions



Source: DBS Bank, Company

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Gearing remains below 1x despite scaling up to 100%. The announcement states that FPL intends to finance the acquisitions via internal funds and external borrowings or a combination thereof. We estimate that FPL's gearing (including REITs' debt) will remain below 1x, between the range of 0.9x to 1.0x despite factoring in potential scaling up its stake to 100%. Our estimates are based on acquisition either using all cash or a partially debt funded by FPL while we assume FCT's acquisition of its 19% stake is 40% debt-funded and 60% equity-funded (Figure 3).

Management considers gearing levels between 0.8x and 1x as a comfortable level to optimise its capital structure for its investments as a developer / landlord. Nevertheless, we believe there are opportunities for FPL to recycle its mature assets into its portfolio of REITs which could reduce its gearing levels and provide more room for further accretive investments. One such asset which we believe is 'ripe' for recycling is Waterway Point. The potential divestment of Waterway Point could not only reduce its gearing levels to

marginally below 0.9x (Figure 3), it could further augment FCT's position as the largest suburban mall in Singapore.

Potential upside from management fees but dependent its ability to vote for a change in asset manager. While the possibility of the Frasers Group managing PGIM's portfolio of assets may or may not happen, we believe this could be a potential upside should the Frasers Group becomes a more 'active' shareholder given its controlling stake. Given the group's expertise and experience in managing a full spectrum of assets, we believe it has the capabilities to be the asset manager. However, this is dependent on whether the group is able to vote for a change in asset manager with its current 66.7% controlling stake based on the fund guidelines / trust deeds which we are not privy to. If successful and based on PGIM's current AUM, we estimate that management fees could be between S\$17m and S\$34m. Albeit small, this further adds to its asset-light strategy and drive recurring income.

Figure 3: Gearing remains below 1x despite acquiring up to 100% stake in PGIM Fund

Including REITs' debt	As at 1Q19	FPL / FCT's PGIM acquisition	Incl sale of Waterway Point to FCT	Acquire 100% of PGIM	Incl sale of Waterway Point to FCT
Net debt / Equity (ex perps)	0.97	1.05	1.03	1.11	1.08
Net debt / Equity (incl perps)	0.84	0.91	0.89	0.95	0.93

Excluding REITs' debt	As at 1Q19	FPL / FCT's PGIM acquisition	Incl sale of Waterway Point to FCT	Acquire 100% of PGIM	Incl sale of Waterway Point to FCT
Net debt / Equity (ex perps)	1.19	1.33	1.28	1.42	1.37
Net debt / Equity (incl perps)	0.94	1.05	1.00	1.12	1.07

Source: DBS Bank, Company

Maintain BUY rating; raised TP to S\$2.30 from S\$1.98. We maintain our BUY rating and raised our TP to S\$2.30 from S\$1.98 previously. We raised our TP to factor in the potential contribution of the PGIM acquisition by both FPL and FCT (by pegging to our target price for FCT) and updating the valuations of its commercial and hospitality portfolio to reflect market cap rates and rents. We have yet to factor in the higher valuation from the rumoured price by interested buyers of Frasers Tower in a recent news report. Based on the rumoured price, we estimate this could add another 14 Scts to our RNAV (4% of our revised RNAV).

We remain positive on FPL due to its limited exposure to Singapore residential property amidst a subdued sentiment led by new property measures, and its strong recurring income profile as a landlord in the commercial space which was further enhanced by the recent acquisition of PGIM,

news on interested parties to acquire its newly completed Frasers Tower and the latest draft URA Masterplan 2019 that has emphasized on the redevelopment of CBD and potential higher plot ratio.

FPL's valuation remains attractive at 0.7x P/NAV and its dividend yield remains the highest among developers at 5%, making it a safe harbour in uncertain times. Key catalysts include: i) potential asset monetisation from ongoing strategies to crystallise value across its portfolio including Northpoint, Waterway Point and Frasers Tower, ii) improved property sales across its major markets, iii) positive changes in government policies, and iv) improved free float and liquidity in the market with the potential restructuring of TCC Group, and Thai Beverage group of companies.

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CRITICAL DATA POINTS TO WATCH

Critical Factors

Growing recurring revenues from its commercial and hospitality divisions. Frasers Property Limited (FPL) is one of the largest property developers in Singapore with an asset base of over S\$32bn as at end-FY18. The group aims to grow recurring revenues to 60-70% of PBIT in the medium term.

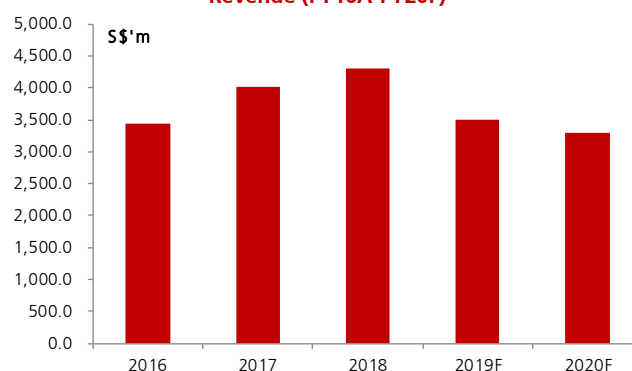
The group's commercial portfolio will see incremental income with the completion of Northpoint City (retail) and Frasers Towers (commercial) in FY18. Frasers Hospitality is also expected to expand its footprint to 30,000 managed units by 2019. In addition, the acquisition of the Malmaison Hotel du vin Group (MHDV), which has a portfolio of 29 boutique lifestyle hotels and 2,082 keys within 25 regional cities in the UK, will further deepen its presence and clientele reach. We see cross-selling opportunities and synergies between MHDV and the Frasers brand, propelling the division's performance to greater heights.

New launches across its portfolio; with some 10m sqft of development space to be realised. The group currently has some 10m sqft of development space to be progressively realised, largely in industrial properties in Australia. The group continues to replenish its land bank with recent purchases mostly in Australia (residential and industrial). Unrecognised revenues from its property division, including Frasers Property Australia total about S\$1.5bn.

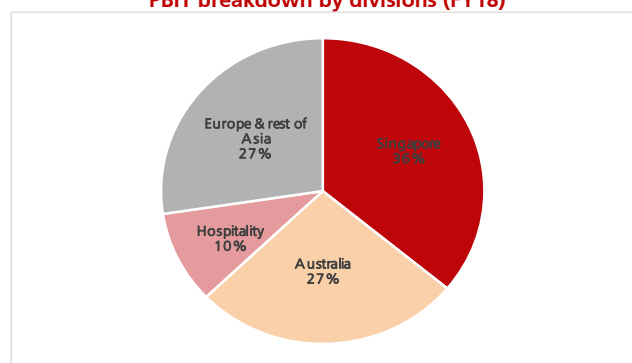
Sustainable high dividend. FPL has one of the highest ROEs among property developers (c.6-11% over FY14A-18A) and dividend yield of over 5% vs industry average ROE of close to 6% and dividend yield of c.2-3%. This is mainly due to the group's efficient operating model of quick asset turns for its residential development projects and its focus on a portfolio of recurring commercial properties (hotels, retail space and offices) which boosts returns.

Golden Land and TICON acquisitions to bear fruit in the medium term. The group owns close to a 40% stake in Golden Land Property Development PCL (GOLD) and a 90% stake in TICON. Management believes that these acquisitions offer good synergies to FPL as all three companies share similar investment philosophies with an aim to continue growing their recurring income base. GOLD and TICON also offer FPL the ability to tap into the growing real estate market in Thailand, supported by favourable market fundamentals.

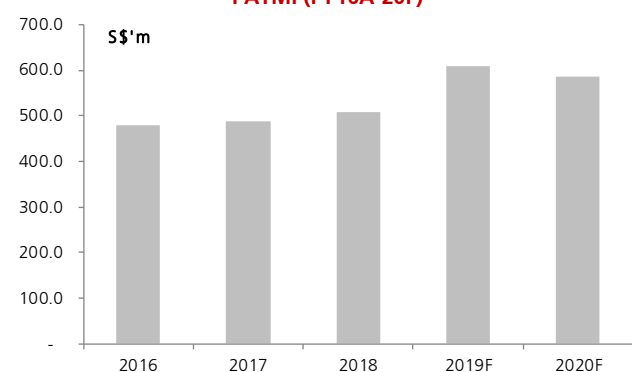
Revenue (FY16A-FY20F)



PBIT breakdown by divisions (FY18)



PATMI (FY16A-20F)



RNAV

	RNAV	S\$m
Surpluses from:		
Commercial Portfolio (Office, retail, hotels)		(391)
Stakes in REITs / Fund		692
Frasers Australand		682
Fee income: Hotel Mgmt		1,189
Fee income: REITs		567
NPV development projects		521
Total Surpluses		3,260
Add:		
Book NAV		9,400
Gross Development Value		12,660
less: Preference shares		(2,038)
less: MI		(5,228)
Add: MI Attributable to REITs		4,921
RNAV		10,315
RNAV/share (\$)		3.54
Discount		35%
TP (\$)		2.30

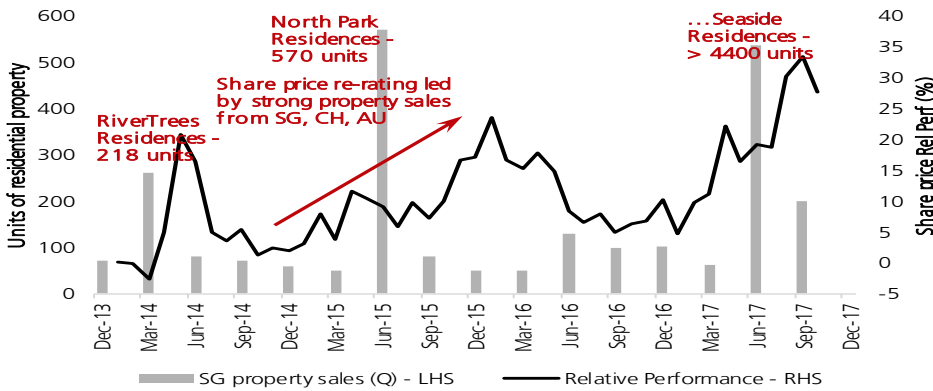
Source: Company, DBS Bank

Frasers Property Ltd

Appendix 1:

FPL's relative performance vs Singapore property sales

Remarks

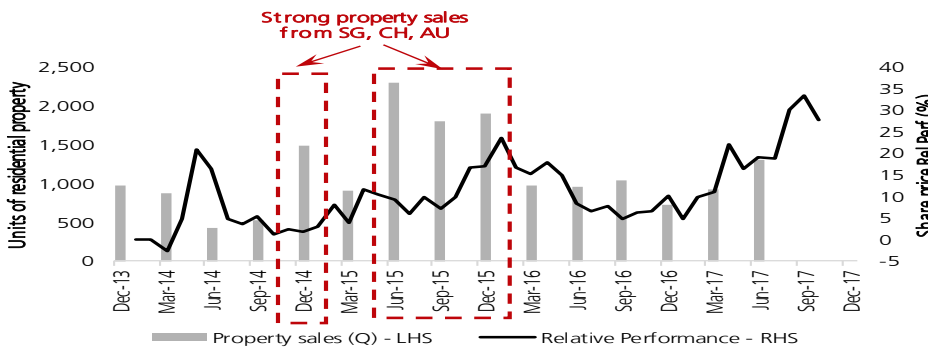


Strong property sales led to a re-rating of share price.

Source: DBS Bank, Thomson Analytics, Company

FPL's relative performance vs group property sales

Remarks

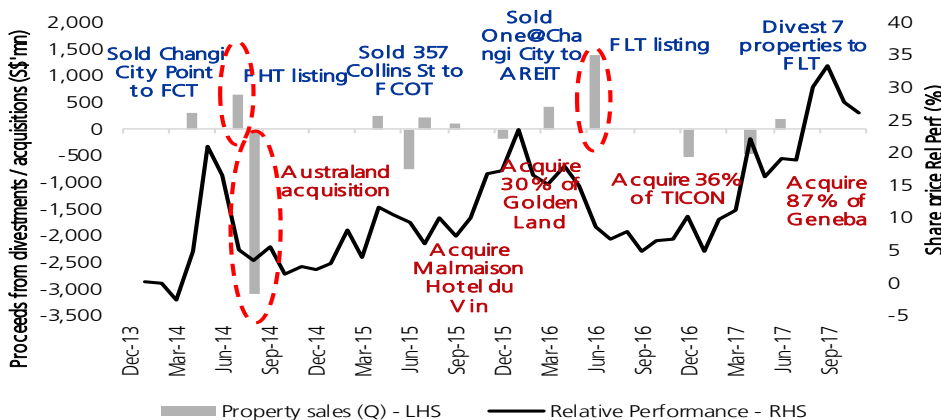


Strong group property sales (led by all major countries – Singapore, China and Australia) underpinned continued share price outperformance from September 2014 to December 2015.

Source: DBS Bank, Thomson Analytics, Company

FPL's relative performance vs asset recycling strategy (major divestments/acquisitions)

Remarks



Some correlation of share price outperformance prior to the listings of FHT and FLT. However, we did not see much share price movements from divestment of assets.

The acquisition of Australand which was perceived as expensive at the time could have led to the fall in share price in 2H14.

Source: DBS Bank, Thomson Analytics, Company, SGX

Frasers Property Ltd

Balance Sheet:

Balance sheet remains strong. Debt/equity ratio is expected to remain fairly stable at 0.7-0.9x over FY17A-20F which is within management's comfortable range. Debt maturity profile remains long at approximately three years with an average cost of debt of c.3%. Fixed rate percentage of its loans remains high at 78%.

Share Price Drivers:

Replenishing land bank key to income sustainability. The group currently has some 10m sqft of development space, mainly in Australia. It is actively looking to replenish its land bank especially in Singapore but remains selective, given additional cooling measures recently implemented. The ability to secure additional land bank at lower prices will mean upside to RNAVs, which could re-rate the stock.

Stable recurring income. FPL's recurring income portfolio should remain stable with Frasers Tower achieving over 90% commitment, Northpoint mall fully opened, and the potential asset recycling of stable investment properties into its REITs such as Waterway Point mall.

Gains from asset recycling into its listed S-REITs to boost share price. Recycling activities are perceived positively by investors as FPL is able to free up capital by selling its matured assets to its listed REITs, which will improve the group's balance sheet position and recycle capital to projects with higher returns.

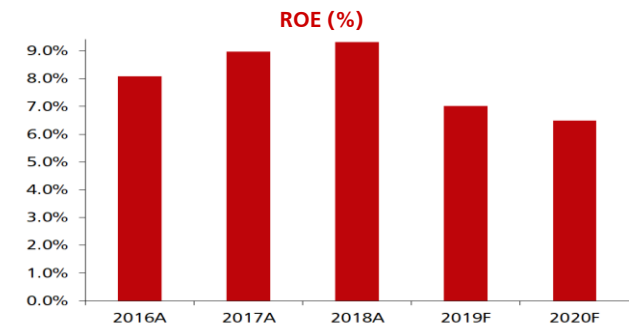
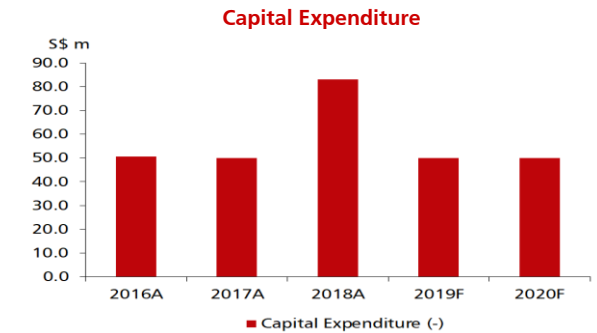
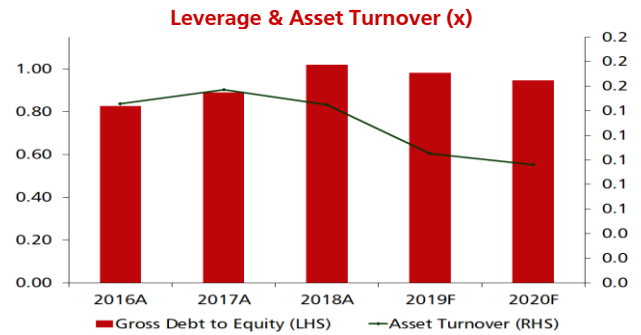
Key Risks:

Small free float. The stock has a low free float with 87.9% held by major shareholders TCC Group and Thai Beverage, thus leading to low liquidity.

Dependent on the outlook of Australia's real estate market, currency outlook. The group derives an estimated 30% of PBIT from Australia which is dependent on the real estate market there, and whose returns could be impacted by the weakening AUD/SGD exchange rate.

Company Background

Frasers Property Ltd (FPL) is one of Singapore's main real estate companies with assets exceeding S\$20bn. The group has four key core businesses focused on residential, commercial, hospitality and industrial sectors spanning 77 cities across Asia, Australasia, Europe and the Middle East.



Source: Company, DBS Bank

Income Statement (\$\$m)

FY Sep	2016A	2017A	2018A	2019F	2020F
Revenue	3,440	4,027	4,312	3,500	3,291
Cost of Goods Sold	(2,407)	(2,843)	(2,892)	(1,889)	(1,724)
Gross Profit	1,033	1,184	1,420	1,611	1,567
Other Opng (Exp)/Inc	(266)	(280)	(382)	(307)	(289)
Operating Profit	767	904	1,038	1,305	1,278
Other Non Opg (Exp)/Inc	0.0	79.1	227	0.0	0.0
Associates & JV Inc	171	185	241	74.8	61.2
Net Interest (Exp)/Inc	(142)	(121)	(280)	(291)	(271)
Exceptional Gain/(Loss)	164	201	252	0.0	0.0
Pre-tax Profit	960	1,248	1,477	1,088	1,068
Tax	(194)	(216)	(282)	(185)	(182)
Minority Interest	(169)	(343)	(436)	(294)	(300)
Preference Dividend	(64.5)	(68.7)	(82.7)	(82.7)	(82.7)
Net Profit	533	620	676	526	504
Net Profit before Except.	368	420	425	526	504
EBITDA	993	1,227	1,564	1,438	1,398
Growth					
Revenue Gth (%)	(3.4)	17.1	7.1	(18.8)	(6.0)
EBITDA Gth (%)	(13.3)	23.6	27.5	(8.1)	(2.8)
Opg Profit Gth (%)	(7.1)	17.9	14.8	25.7	(2.0)
Net Profit Gth (Pre-ex) (%)	(23.8)	13.9	1.2	23.9	(4.3)
Margins & Ratio					
Gross Margins (%)	30.0	29.4	32.9	46.0	47.6
Opg Profit Margin (%)	22.3	22.4	24.1	37.3	38.8
Net Profit Margin (%)	15.5	15.4	15.7	15.0	15.3
ROAE (%)	8.1	9.0	9.3	7.0	6.5
ROA (%)	2.3	2.4	2.3	1.6	1.5
ROCE (%)	2.8	3.2	3.0	3.5	3.4
Div Payout Ratio (%)	46.9	40.3	37.1	47.6	49.7
Net Interest Cover (x)	5.4	7.5	3.7	4.5	4.7

Source: Company, DBS Bank

Frasers Property Ltd
Quarterly / Interim Income Statement (\$\$m)

FY Sep	1Q2018	2Q2018	3Q2018	4Q2018	1Q2019
Revenue	749	842	1,361	1,360	1,083
Cost of Goods Sold	(473)	(514)	(950)	(955)	(656)
Gross Profit	276	328	412	405	427
Other Oper. (Exp)/Inc	(71.0)	(89.9)	(92.3)	(129)	(105)
Operating Profit	205	238	320	276	322
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	30.6	52.3	40.8	117	32.5
Net Interest (Exp)/Inc	(68.9)	(64.0)	(70.4)	(76.8)	(84.9)
Exceptional Gain/(Loss)	12.3	0.0	40.9	199	8.18
Pre-tax Profit	179	226	331	515	278
Tax	(35.9)	(47.8)	(69.6)	(128)	(63.9)
Minority Interest	(59.9)	(54.1)	(63.3)	(259)	(68.2)
Net Profit	82.7	124	198	127	146
Net profit bef Except.	70.4	124	157	(71.1)	137
EBITDA	263	318	390	426	383

Growth

Revenue Gth (%)	(21.3)	12.4	61.7	(0.1)	(20.3)
EBITDA Gth (%)	5.9	20.7	22.7	9.3	(10.0)
Opg Profit Gth (%)	71.6	16.2	34.5	(13.7)	16.7
Net Profit Gth (Pre-ex) (%)	(360.0)	76.4	26.6	(145.2)	(293.2)

Margins

Gross Margins (%)	36.8	38.9	30.3	29.8	39.4
Opg Profit Margins (%)	27.3	28.2	23.5	20.3	29.7
Net Profit Margins (%)	11.0	14.7	14.5	9.4	13.4

Balance Sheet (\$\$m)

FY Sep	2016A	2017A	2018A	2019F	2020F
Net Fixed Assets	1,972	2,241	2,116	2,110	2,105
Invts in Associates & JVs	793	1,432	1,193	1,267	1,329
Other LT Assets	14,467	16,864	21,836	21,983	22,130
Cash & ST Invts	2,178	2,409	2,585	3,593	3,239
Inventory	5.68	5.49	4.75	3.02	2.75
Debtors	678	479	464	500	470
Other Current Assets	4,111	3,579	4,223	4,638	5,096
Total Assets	24,204	27,009	32,421	34,094	34,370
ST Debt	1,470	1,572	2,643	2,643	2,643
Creditor	1,695	1,611	1,930	3,050	2,776
Other Current Liab	284	175	214	197	194
LT Debt	8,325	10,056	12,283	12,283	12,283
Other LT Liabilities	586	546	723	723	723
Shareholder's Equity	8,053	8,853	9,400	9,675	9,929
Minority Interests	3,791	4,196	5,228	5,523	5,823
Total Cap. & Liab.	24,204	27,009	32,421	34,094	34,370
Non-Cash Wkg. Capital	2,815	2,277	2,548	1,894	2,599
Net Cash/(Debt)	(7,617)	(9,218)	(12,341)	(11,334)	(11,687)
Debtors Turn (avg days)	80.7	52.4	39.9	50.3	53.8
Creditors Turn (avg days)	263.0	211.2	248.7	608.3	608.3
Inventory Turn (avg days)	0.9	0.7	0.6	0.6	0.6
Asset Turnover (x)	0.1	0.2	0.1	0.1	0.1
Current Ratio (x)	2.0	1.9	1.5	1.5	1.6
Quick Ratio (x)	0.8	0.9	0.6	0.7	0.7
Net Debt/Equity (X)	0.6	0.7	0.8	0.7	0.7
Net Debt/Equity ex MI (X)	0.9	1.0	1.3	1.2	1.2
Capex to Debt (%)	(0.5)	0.4	0.6	0.3	0.3
Z-Score (X)	0.0	0.0	0.9	0.9	0.9

Source: Company, DBS Bank

Frasers Property Ltd

Cash Flow Statement (\$m)

FY Sep	2016A	2017A	2018A	2019F	2020F
Pre-Tax Profit	766	1,032	1,195	1,088	1,068
Dep. & Amort.	54.5	58.5	58.7	58.7	58.7
Tax Paid	(194)	(168)	(153)	(202)	(185)
Assoc. & JV Inc/(loss)	(171)	(185)	(241)	(74.8)	(61.2)
Chg in Wkg.Cap.	344	139	(350)	670	(701)
Other Operating CF	298	68.0	(16.9)	0.0	0.0
Net Operating CF	1,097	945	493	1,540	179
Capital Exp.(net)	50.6	(50.0)	(83.0)	(50.0)	(50.0)
Other Invts.(net)	(264)	(810)	(1,909)	(150)	(150)
Invts in Assoc. & JV	(317)	(1,228)	(16.7)	0.0	0.0
Div from Assoc & JV	197	160	197	0.0	0.0
Other Investing CF	(389)	199	(198)	0.0	0.0
Net Investing CF	(722)	(1,729)	(2,010)	(200)	(200)
Div Paid	(456)	(544)	(40.3)	(250)	(250)
Chg in Gross Debt	(940)	1,575	1,659	0.0	0.0
Capital Issues	1,000	0.0	340	0.0	0.0
Other Financing CF	340	149	(399)	(82.7)	(82.7)
Net Financing CF	(56.2)	1,180	1,560	(333)	(333)
Currency Adjustments	39.1	10.5	(43.1)	0.0	0.0
Chg in Cash	358	406	(0.8)	1,007	(354)
Opg CFPS (S cts)	26.0	27.7	28.9	29.9	30.2
Free CFPS (S cts)	39.6	30.8	14.1	51.2	4.45

Source: Company, DBS Bank

Target Price & Ratings History



S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	13 Apr 18	1.97	2.35	BUY
2:	05 Jul 18	1.67	2.35	BUY
3:	06 Jul 18	1.58	1.90	BUY
4:	13 Aug 18	1.65	1.98	BUY
5:	12 Nov 18	1.63	1.98	BUY
6:	03 Jan 19	1.65	1.98	BUY
7:	17 Jan 19	1.73	1.98	BUY
8:	13 Feb 19	1.70	1.98	BUY
9:	19 Feb 19	1.73	1.98	BUY
10:	18 Mar 19	1.75	1.98	BUY
11:	21 Mar 19	1.77	1.98	BUY
12:	28 Mar 19	1.80	1.98	BUY
13:	08 Apr 19	1.82	1.98	BUY

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

Source: DBS Bank

Analyst: Rachel TAN

Derek TAN

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: 10 Apr 2019 08:20:25 (SGT)

Dissemination Date: 10 Apr 2019 09:17:52 (SGT)

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