

Singapore Company Guide

Singtel

Version 14 | Bloomberg: ST SP | Reuters: STEL.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

22 Nov 2019

BUY (Upgrade from HOLD)

Last Traded Price (21 Nov 2019): S\$3.26 (STI : 3,192.21)

Price Target 12-mth: S\$3.60 (10% upside) (Prev S\$3.12)

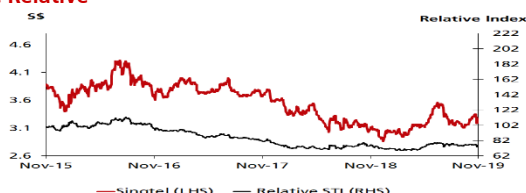
Analyst

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What's New

- Earlier-than-expected tariff hikes in India from December 2019 onwards turn us positive on Singtel
- Tariffs could be raised 10-20% in India over the next 12 months; we have modelled a 10% tariff hike benefitting Singtel's earnings by ~3%
- Upgrade to BUY with a revised TP of S\$3.60 as we raise our fair value for Bharti and AIS

Price Relative



Forecasts and Valuation

FY Mar (S\$m)	2019A	2020F	2021F	2022F
Revenue	17,372	17,613	18,078	18,643
EBITDA	6,255	6,340	7,084	7,422
Pre-tax Profit	3,746	2,004	3,969	4,165
Net Profit	3,095	1,226	3,041	3,148
Net Pft (Pre Ex.)	3,026	2,665	3,041	3,148
Net Pft Gth (Pre-ex) (%)	(15.8)	(11.9)	14.1	3.5
EPS (S cts)	19.0	7.51	18.6	19.3
EPS Pre Ex. (S cts)	18.5	16.3	18.6	19.3
EPS Gth Pre Ex (%)	(16)	(12)	14	4
Diluted EPS (S cts)	18.9	7.51	18.6	19.3
Net DPS (S cts)	17.5	17.5	16.8	17.4
BV Per Share (S cts)	183	173	175	177
PE (X)	17.2	43.4	17.5	16.9
PE Pre Ex. (X)	17.6	20.0	17.5	16.9
P/Cash Flow (X)	13.9	12.7	13.9	14.6
EV/EBITDA (X)	10.1	10.4	9.3	9.0
Net Div Yield (%)	5.4	5.4	5.1	5.3
P/Book Value (X)	1.8	1.9	1.9	1.8
Net Debt/Equity (X)	0.3	0.5	0.5	0.5
ROAE (%)	10.4	4.2	10.7	11.0
Earnings Rev (%)			2	-
Consensus EPS (S cts)		17.9	19.1	20.3
Other Broker Recs:		B: 12	S: 0	H: 8

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

Mobile tariffs in India to rise sharply

Earlier-than-expected tariff hikes in India turn us positive on Singtel. The stock has declined ~8% since our downgrade on 8 July 2019. On the back of proposed tariff hikes in India from Dec 2019 onwards, we are confident of a sharp rise in regional associates' profit contribution in FY21F which has been the most critical factor in Singtel's share price performance historically. Despite weakness in Singapore and Australia, we raise Singtel's FY21F underlying profit by 2% due to a healthier Bharti. Singtel offers annual earnings growth of 8% over FY20F-22F, coupled with over 5% yield. Upgrade to BUY with a revised TP of S\$3.60.

Where we differ: Post 2QFY20 results, the street has cut FY20F/21F earnings by 7% each, in line with our projections now. The cuts are largely on the back of weakness in Australia and Singapore, which we had flagged in our report on 17 October 2019. We do not see further earnings cuts as average revenue per user (ARPU) in India has ample room to rise after having declined 30% in total over the last three years.

Potential catalysts: Rise in associate contributions and monetisation of digital business. Potential rise in associate profit contributions and divestment of loss-making digital businesses over the next 12-month are key catalysts.

Valuation:

Upgrade to BUY with a higher TP of S\$3.60. We update our sum-of-the-parts (SOTP) valuation with fair value of (i) Bharti raised to Rs500 (Rs340 earlier), (ii) Advance Info System (AIS) to Bt266 (Bt222 earlier) and (iii) reduce holding company (HoldCo) discount to 10% from 15% previously to factor in a benign cycle of associates' growth. Regional associates comprise 68% of our SOTP valuation (vs 64% earlier)

Key Risks to Our View:

Bear-case valuation of S\$3.05. It assumes regulatory risks in emerging markets leading to 20% drop in associates' valuation and core EBITDA decline of 8% in FY21F (vs. 2% decline)

At A Glance

Issued Capital (m shrs)	16,329
Mkt. Cap (S\$m/US\$m)	53,233 / 39,056
Major Shareholders (%)	
Temasek Holdings Pte Ltd	52.5
Free Float (%)	48.5
3m Avg. Daily Val (US\$m)	47.9

GIC Industry : Communication Services / Telecommunication Services

Bloomberg ESG disclosure score (2018)[^] 51.9
 - Environmental / Social / Governance 43.9 / 57.8 / 62.5

[^ refer to back page for more information](#)



Live more, Bank less

Singtel

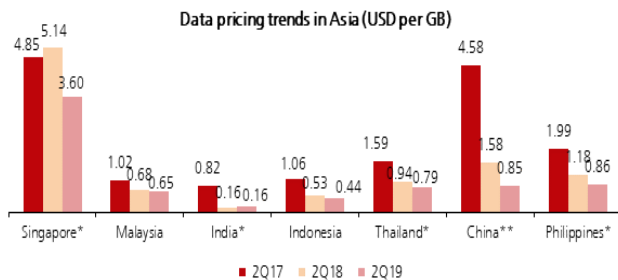
WHAT'S NEW

Bharti and tariff hike in India

Reliance Jio effected 10-14% tariff hike on 10 October after it became the No.1 player in revenue market share in 1QFY20. Tariffs have been declining in India since September 2016 when Reliance Jio entered the market, leading to sector consolidation. Jio became the No.1 player with ~32% revenue market share (RMS) in June 2019, followed by Bharti at ~30% and Vodafone-Idea Limited (VIL) at ~28%. Jio raised tariffs effectively from 10 October when it started charging users INR0.06 per minute for outgoing calls to other networks. This translates into 10-14% effective price hikes across its various price plans.

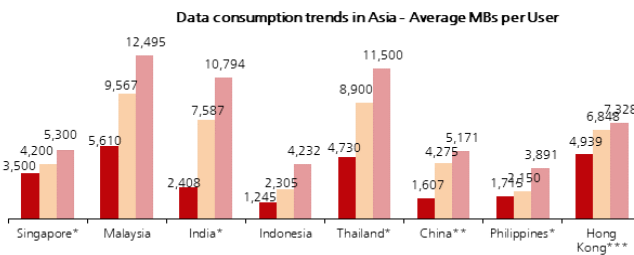
On 18 November 2019, Vodafone-Idea Limited (VIL) and Bharti announced plans to raise tariffs from December 2019 onwards to sustain their businesses after a huge regulatory levy of almost US\$6bn each on VIL and Bharti. Reliance Jio followed up by announcing plans to increase tariffs in the next few weeks without specifying the timeline. None of the players have dropped any hints on the magnitude of tariff hike.

Indian data-pricing is less than 50% of pricing in Indonesia



All figures are in USD. Denotes the cost per GB
 *Singtel for Singapore, Bharti Airtel for India, AIS for Thailand, Globe Telecom for Philippines ** - 1H data for China

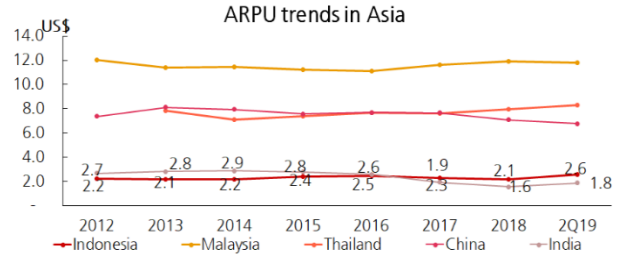
Monthly data-usage per user is one of the highest in India



*Singtel for Singapore, Bharti Airtel for India, AIS for Thailand, Globe Telecom for Philippines. ** - 1H data for China. *** - Data consumption per capita for Hong Kong

Source: Company, DBS Bank

Indian mobile ARPU is 30% lower than Indonesia



Source: Company, DBS Bank

Bharti's street projections are likely to be raised depending on the magnitude of the tariff hike

INR Mn	FY18	FY19	FY20	FY21	FY22
Revenue	836,879	807,802	847,937	917,492	1,013,704
y-o-y	-12%	-3%	5%	8%	10%
EBITDA	300,791	261,101	323,071	379,996	433,304
y-o-y	-15%	-13%	24%	18%	14%
Net income	18,921	-25,193	-36,414	1,047	32,657
	-62%	-233%			3019%

Source: Thomson Reuters

A 10% mobile tariff hike at Bharti may contribute an additional 3% earnings to Singtel. The street has modelled a 8% revenue growth for Bharti in FY21F. India Mobile contributes ~ 50% of Bharti's total revenue with expected revenue growth rate of ~20% mainly from 15-16% subscriber growth (those churning out from Vodafone) and ~5% ARPU rise. However, if tariffs were to be raised 10%, we estimate that mobile revenue could rise by another 5%, keeping in mind elasticity of demand. Assuming 80% of additional revenue flow to EBITDA, Bharti's EBITDA could rise by INR16.3bn or 4% while net profit could increase by INR12.2bn. Assuming 35% of additional net profit accrues to Singtel, it may contribute an additional S\$82m or 3% to Singtel's earnings. We think a 10-20% tariff hike is quite possible in India, given ~30% discount of Indonesia's ARPU despite much higher data-usage in India. Our Indian partner Emkay Global expects ~21% revision in mobile tariffs over the next 12-15 months.

Singtel

Mobile ARPU has declined 30% in India over the last 3 years, implying big room for revision

Sum-of-the-parts valuation of Singtel	Per share (\$S)
Equity value of the core business	1.15
Regional telco investments	2.46
Share value	3.61

Sources: Companies, DBS Bank

Details of sum-of-the-parts valuation for Singtel

	EV/EBITDA	Exchange	Ownership	Per Share (\$S)
Singapore	6.0	1.00	100%	0.75
Optus	6.0	1.00	100%	0.92
Digital Business				0.14
Debt				(0.67)
MI				0.00
Equity value of the core business				1.15
Regional telco investments	Share price	Exchange rate	Stake	Per Share (\$S)
Airtel	500.00	52.50	35%	1.03
AIS	266.00	22.05	23%	0.50
InTouch	64.00	22.05	21%	0.12
Globe*	1900.00	37.54	47%	0.19
Singpost	0.95	1.00	22%	0.03
	FY19F (March YE) PER	Exchange rate	Stake	
Telkomsel	16	10350.00	35%	0.87
Total				
Holding company discount (15%)				-0.27
Net investment holdings				2.46

Source: DBS Bank

We have (i) raised fair value of Bharti to Rs500 (based on the revised fair value of Bharti by our Indian partner Emkay Global) from Rs340 earlier, (ii) increased AIS' value by 20% as we updated our fair value to Bt266 from Bt222 earlier, (iii) reduced holding company discount to 10% from 15% to reflect upside potential of regional associates.

Regional associates are worth S\$2.46 versus S\$1.99 earlier. Bharti and Telkomsel comprise 26% and 22% of our SOTP valuation of Singtel. Overall, regional associates comprise 68% of our SOTP valuation with the core business in Singapore and Australia comprising just 32% now.

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CRITICAL DATA POINTS TO WATCH

Critical Factors:

Critical Factors

Bharti's is set to lead associates' sharp growth in FY21F. Telkomsel is set to see a low single-digit growth over FY20F despite aggressive competition in ex-Java. AIS is likely to continue to record low- to mid-single-digit growth in contributions supported by amicable market conditions. Globe's operations are unlikely to come under heavy threat from the new entrants over FY20/21F. For Bharti, we expect losses to narrow in FY20F vs FY19 with potential refinancing of debt through the rights issue and Bharti's ongoing "War on Waste" programme. FY21F is likely to be a turning point for Bharti as we expect 10-20% tariff revision in India over the next 12 months. Associate profits should see a rebound towards the end of FY20F and accelerate in FY21F.

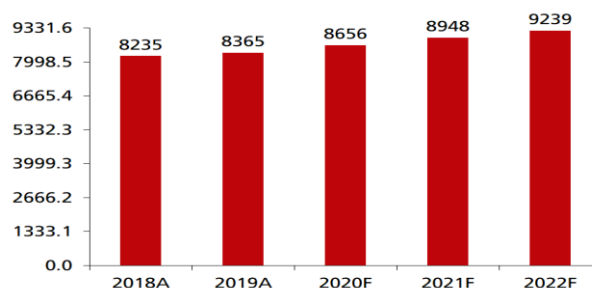
Associates' pre-tax profit contribution to see sharp growth in FY21F from Bharti's turnaround

Telkomsel	1,372	1,128	1,195	1,265	1,329
Bharti Airtel	216	-511	-474	245	510
AIS	347	343	357	365	384
InTouch	103	96	99	104	110
Globe	266	368	376	383	391
NetLink	82	52	53	54	55
Others including SingPost	68	60	51	52	54
Total	2,454	1,536	1,656	2,469	2,831
Growth	-17%	-37%	8%	49%	15%

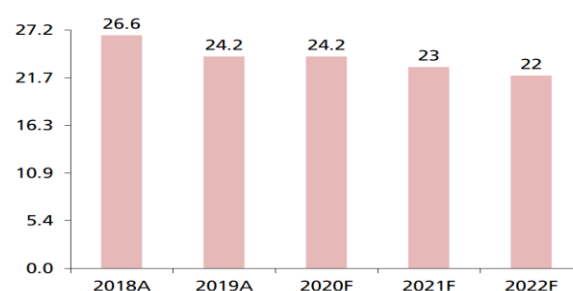
Source: DBS Bank

We project a 2% decline in core EBITDA in FY21F. We expect Singtel to record a ~2.1% y-o-y decline in core EBITDA, largely due to weakness of Group Enterprise which is seeing margin erosion as new ICT businesses command lower margins than legacy businesses. Stabilisation in the enterprise segment is also dependent on timing of government contracts in Singapore, which has been slow to come in the recent past. Ongoing depreciation of the AUD against SGD remains another key concern as the outlook for the Australian economy continues to weaken.

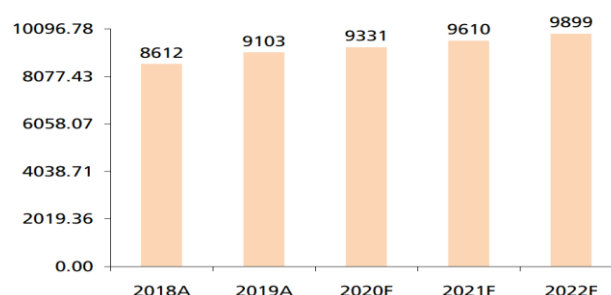
Singapore Revenue (\$m)



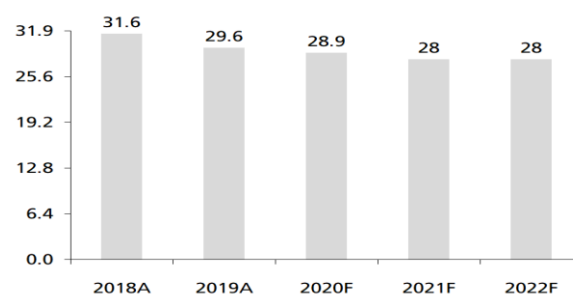
Singapore EBITDA Margin (%)



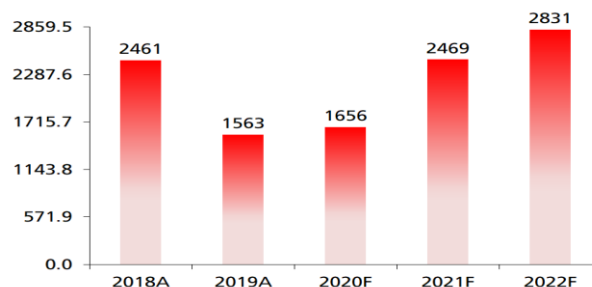
Optus Revenue (A\$m)



Optus EBITDA Margin (%)



Associate pre-tax earnings (\$m)



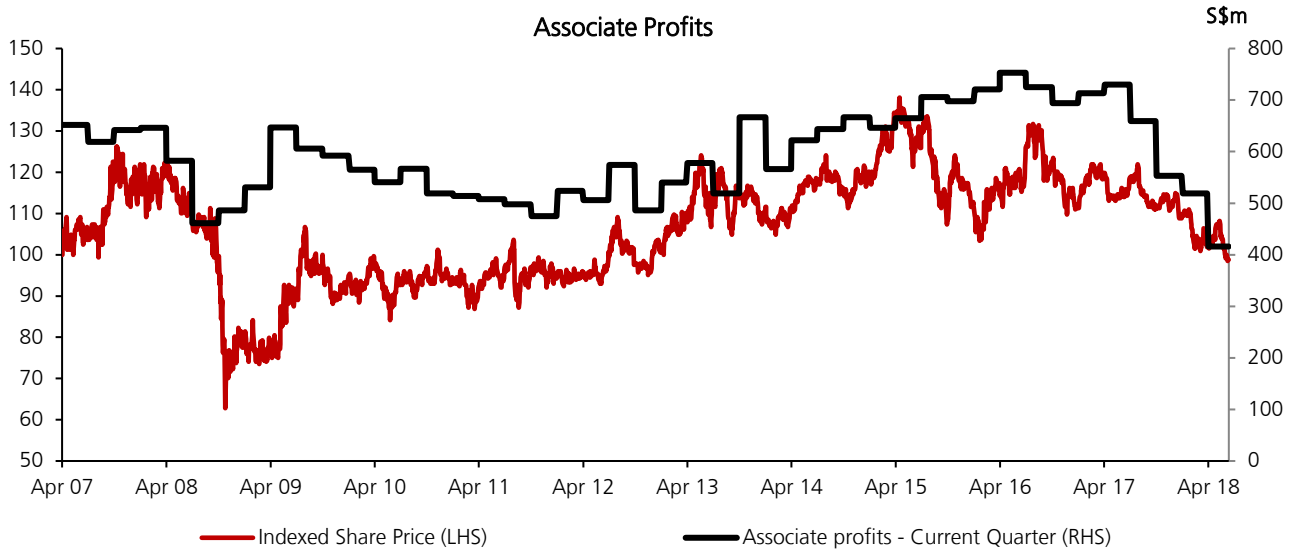
Source: Company, DBS Bank

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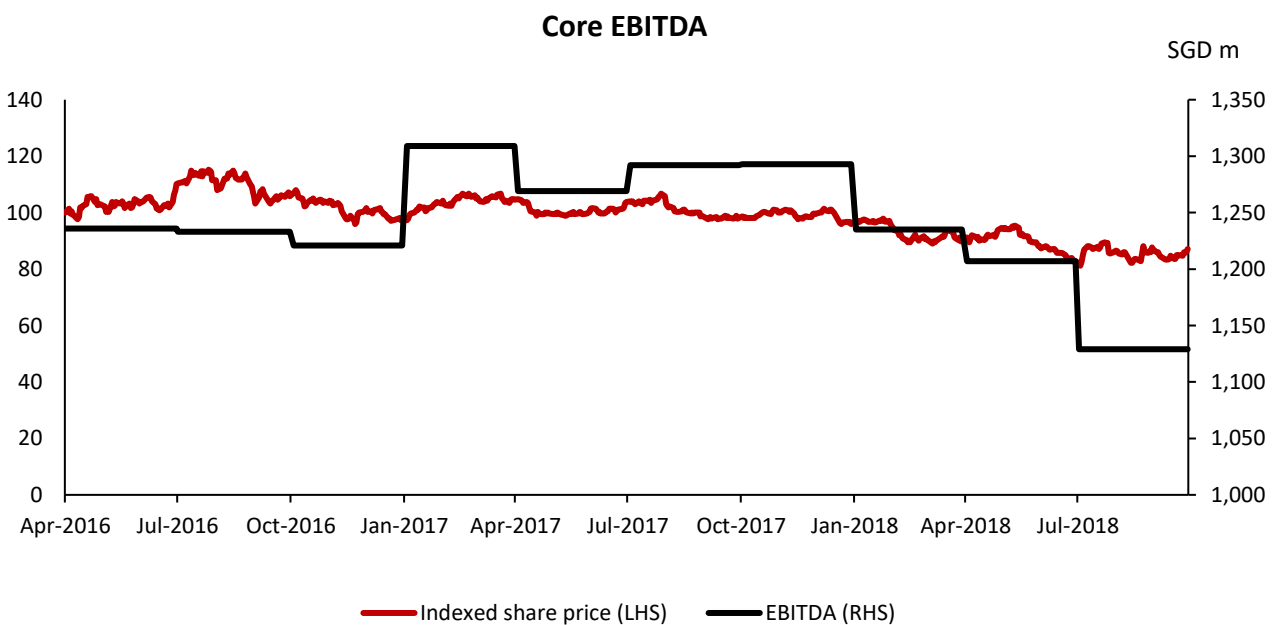
Appendix 1: A look at Company's listed history – what drives its share price?

Associate profits is the most critical factor followed by EBITDA. In the critical factor analysis, which we conducted for the past ~10 years, Singtel's share price seems to follow its current quarter associate profits. Singtel's share price had a positive correlation of 0.62 with its associate profits. Core EBITDA has also become an important metric to watch out for over the recent past, exhibiting a positive correlation of 0.6 with share price over the past 10 quarters.

Share price vs. current quarter associate profits



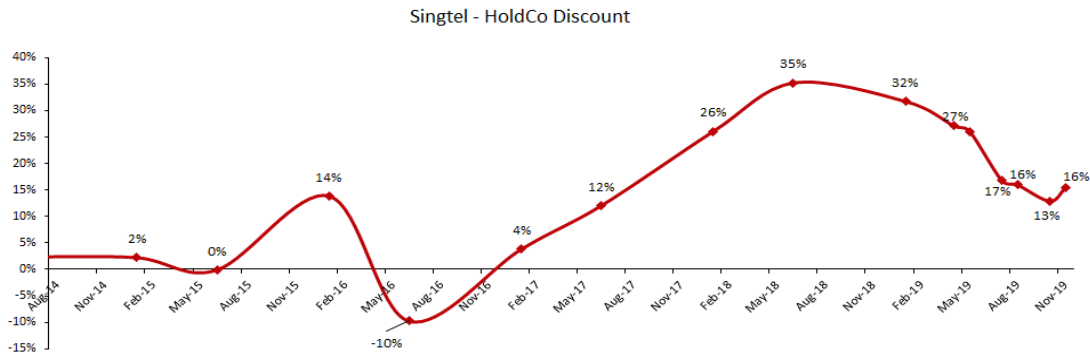
Share price vs. current quarter EBITDA



Source: DBS Bank, Company

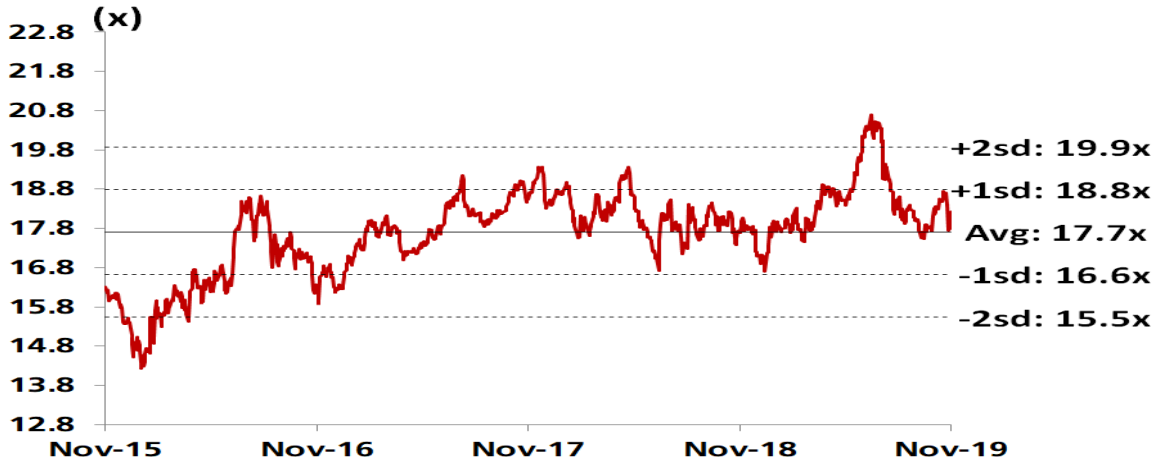
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Singtel's HoldCo discount is slightly above the historical average of 14%



Source: DBS Bank

Singtel's 12-month forward PE is near its historical average of 17.7x



Source: DBS Bank

Singtel

Balance Sheet:

Balance sheet would need to be managed carefully. Singtel's 1Q20 net debt-to-FY20F projected EBITDA adjusted for guided cash dividends from associates of S\$1.2bn stood at 2.02x, slightly above the 2x required by credit rating agencies. We believe that Singtel would need to manage its balance sheet carefully given that 5G capex would likely kick in by FY21F. A potential exit from Digital businesses over the next 2-3 years could further buttress cash flows.

Share Price Drivers:

Potential recovery in Associate contributions. Signs of lower losses from Bharti, due to improving tariffs and market conditions in India, would put an end to Bharti's troubles.

Potential exit from Digital businesses. Singtel is open to exit opportunities over the next three years for the digital businesses via a sale to a strategic investor or public listing.

Key Risks:

Bear-case valuation of S\$3.05. This assumes (i) 20% drop in valuation of core businesses in Singapore and Australia; (ii) 20% drop in Bharti's valuation and 10% drop in the valuation of regional associates including Telkomsel; and (iii) HoldCo discount of 15% vs. 10% under our base case.

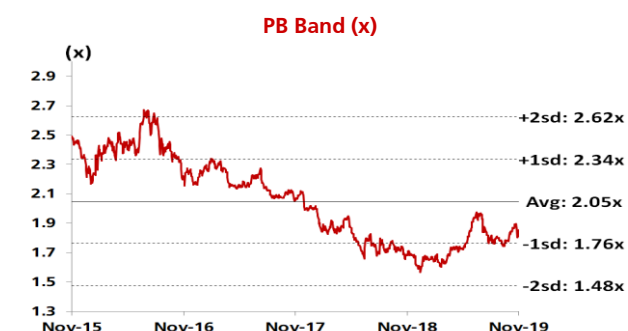
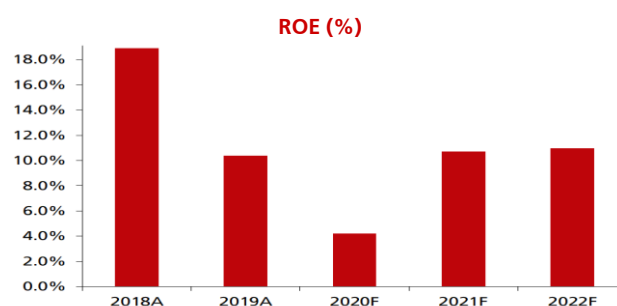
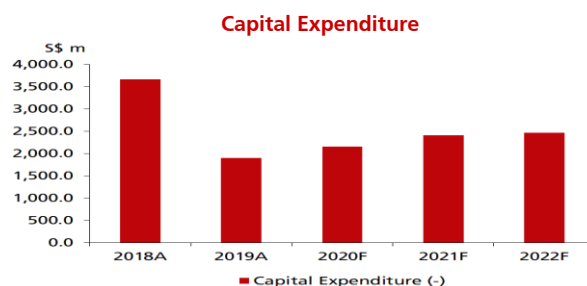
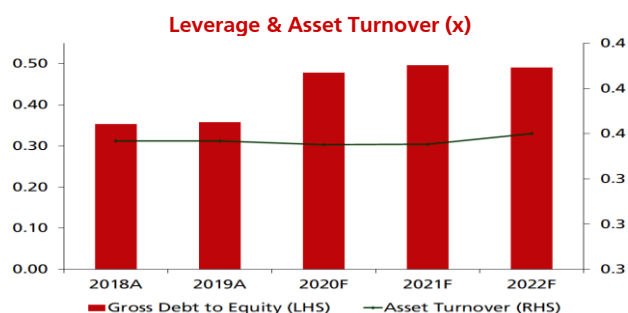
Bull-case valuation is S\$3.80. This assumes (i) 10% higher valuation of core business; and (ii) improved valuation of Digital Life Segment. We have also assumed a 10% rise in Bharti's fair value and 10% improvement to Telkomsel's valuation.

Environment, Social, Governance:

Singtel rewards management on various ESG KPIs. For example, the target is to reduce carbon emission intensity (kWh/TB) by 30% by 2020 and 50% by 2030, using 2015 as a baseline. At least 80% of waste generated within its operations is disposed via reuse, recycling or incineration with energy recovered. The company also set a community investment target of S\$100m to support vulnerable persons through various enabling and inclusion initiatives during 2016-2020.

Company Background

Singtel is the largest telecom operator in Singapore and its Australian subsidiary Optus is the second largest operator in Australia. Singtel also has substantial stakes in telcos in the region – Telkomsel in Indonesia, Bharti Airtel (Bharti) in India, AIS in Thailand and Globe in the Philippines.



Source: Company, DBS Bank

Singtel

Key Assumptions

FY Mar	2018A	2019A	2020F	2021F	2022F
Singapore Revenue (\$m)	8,235	8,365	8,656	8,948	9,239
Singapore EBITDA Margin	26.6	24.2	24.2	23.0	22.0
Optus Revenue (A\$m)	8,612	9,103	9,331	9,610	9,899
Optus EBITDA Margin (%)	31.6	29.7	28.9	28.0	28.0
Associate pre-tax earnings	2,461	1,563	1,656	2,469	2,831

Income Statement (\$m)

FY Mar	2018A	2019A	2020F	2021F	2022F
Revenue	17,268	17,372	17,613	18,078	18,643
Cost of Goods Sold	(12,476)	(12,905)	(13,154)	(13,688)	(14,277)
Gross Profit	4,792	4,467	4,459	4,390	4,366
Other Opng (Exp)/Inc	(1,991)	(1,998)	(2,407)	(2,421)	(2,557)
Operating Profit	2,801	2,470	2,052	1,968	1,809
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	2,461	1,563	1,656	2,469	2,831
Net Interest (Exp)/Inc	(345)	(355)	(265)	(469)	(474)
Exceptional Gain/(Loss)	1,880	68.2	(1,439)	0.0	0.0
Pre-tax Profit	6,797	3,746	2,004	3,969	4,165
Tax	(1,344)	(675)	(802)	(953)	(1,041)
Minority Interest	21.0	23.4	24.4	24.4	24.4
Preference Dividend	0.0	0.0	0.0	0.0	0.0
Net Profit	5,474	3,095	1,226	3,041	3,148
Net Profit before Except.	3,594	3,026	2,665	3,041	3,148
EBITDA	7,512	6,255	6,340	7,084	7,422
Growth					
Revenue Gth (%)	3.3	0.6	1.4	2.6	3.1
EBITDA Gth (%)	(5.6)	(16.7)	1.4	11.7	4.8
Opg Profit Gth (%)	1.5	(11.8)	(16.9)	(4.1)	(8.1)
Net Profit Gth (Pre-ex) (%)	(7.5)	(15.8)	(11.9)	14.1	3.5
Margins & Ratio					
Gross Margins (%)	27.8	25.7	25.3	24.3	23.4
Opg Profit Margin (%)	16.2	14.2	11.6	10.9	9.7
Net Profit Margin (%)	31.7	17.8	7.0	16.8	16.9
ROAE (%)	18.9	10.4	4.2	10.7	11.0
ROA (%)	11.3	6.4	2.5	6.0	6.1
ROCE (%)	5.3	4.8	2.9	3.4	3.1
Div Payout Ratio (%)	61.1	92.3	232.9	90.0	90.0
Net Interest Cover (x)	8.1	7.0	7.7	4.2	3.8

Core businesses in Singapore and Australia may remain weak due to margin erosion across Group Enterprise

FY20F should benefit from lower losses from Bharti while FY21F should benefit from Bharti's earnings turnaround

Source: Company, DBS Bank

Singtel

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

FY Mar	2Q2019	3Q2019	4Q2019	1Q2020	2Q2020
Revenue	4,270	4,626	4,342	4,113	4,152
Cost of Goods Sold	(3,191)	(3,483)	(3,238)	(2,978)	(3,040)
Gross Profit	1,079	1,143	1,104	1,135	1,112
Other Oper. (Exp)/Inc	(504)	(507)	(498)	(595)	(591)
Operating Profit	575	636	606	540	521
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	330	371	419	359	442
Net Interest (Exp)/Inc	(94.0)	(98.0)	(93.0)	(51.0)	18.0
Exceptional Gain/(Loss)	(48.0)	143	76.0	(34.0)	(1,495)
Pre-tax Profit	763	1,052	1,008	814	(424)
Tax	(102)	(235)	(241)	(279)	(250)
Minority Interest	6.00	6.00	6.00	6.00	6.00
Net Profit	667	823	773	541	(668)
Net profit bef Except.	715	680	697	575	737
EBITDA	905	1,007	1,025	899	963

Provision made by Bharti

Growth

Revenue Gth (%)	3.3	8.3	(6.1)	(5.3)	0.9
EBITDA Gth (%)	(15.3)	11.3	1.8	(12.3)	7.1
Opg Profit Gth (%)	(11.9)	10.6	(4.7)	(10.9)	(3.5)
Net Profit Gth (Pre-ex) (%)	(2.6)	(4.9)	2.5	(17.5)	28.2

Margins

Gross Margins (%)	25.3	24.7	25.4	27.6	26.8
Opg Profit Margins (%)	13.5	13.7	14.0	13.1	12.5
Net Profit Margins (%)	15.6	17.8	17.8	13.2	(16.1)

Balance Sheet (\$\$m)

FY Mar	2018A	2019A	2020F	2021F	2022F
Net Fixed Assets	11,454	11,050	12,845	12,910	12,894
Invts in Associates & JVs	14,756	14,918	14,656	15,658	16,949
Other LT Assets	15,515	15,868	15,535	15,231	14,927
Cash & ST Invts	525	513	734	1,031	411
Inventory	397	418	405	416	429
Debtors	5,818	5,993	5,934	6,091	6,281
Other Current Assets	22.0	155	155	155	155
Total Assets	48,487	48,915	50,264	51,491	52,046
ST Debt	1,824	1,880	1,880	1,880	1,880
Creditor	5,371	5,817	5,478	5,623	5,799
Other Current Liab	1,235	1,097	1,644	1,795	1,883
LT Debt	8,668	8,784	11,579	12,231	12,231
Other LT Liabilities	1,709	1,527	1,527	1,527	1,527
Shareholder's Equity	29,706	29,838	28,208	28,512	28,827
Minority Interests	(26.0)	(28.1)	(52.5)	(76.9)	(101)
Total Cap. & Liab.	48,487	48,915	50,264	51,491	52,046
Non-Cash Wkg. Capital	(369)	(349)	(628)	(756)	(817)
Net Cash/(Debt)	(9,967)	(10,151)	(12,725)	(13,080)	(13,700)
Debtors Turn (avg days)	113.5	124.1	123.6	121.4	121.1
Creditors Turn (avg days)	183.7	191.1	195.9	183.5	181.3
Inventory Turn (avg days)	13.4	13.9	14.3	13.6	13.4
Asset Turnover (x)	0.4	0.4	0.4	0.4	0.4
Current Ratio (x)	0.8	0.8	0.8	0.8	0.8
Quick Ratio (x)	0.8	0.7	0.7	0.8	0.7
Net Debt/Equity (X)	0.3	0.3	0.5	0.5	0.5
Net Debt/Equity ex MI (X)	0.3	0.3	0.5	0.5	0.5
Capex to Debt (%)	35.0	17.8	16.0	17.1	17.5
Z-Score (X)	3.1	3.0	2.7	2.7	2.7

Source: Company, DBS Bank

Singtel

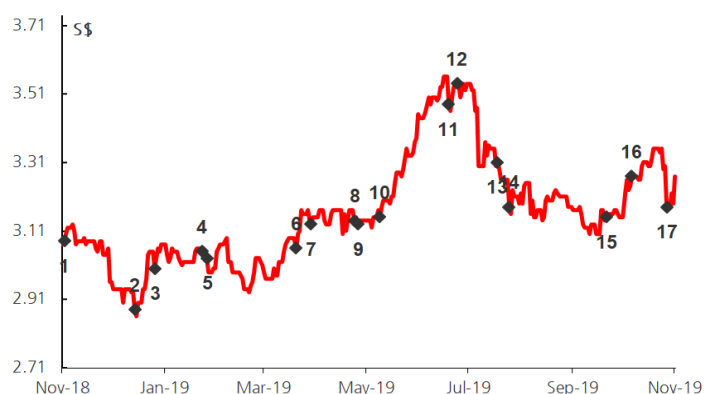
Cash Flow Statement (\$m)

FY Mar	2018A	2019A	2020F	2021F	2022F
Pre-Tax Profit	6,797	3,746	2,004	3,969	4,165
Dep. & Amort.	2,250	2,222	2,632	2,646	2,782
Tax Paid	(608)	(680)	(255)	(802)	(953)
Assoc. & JV Inc/(loss)	(2,461)	(1,563)	(1,656)	(2,469)	(2,831)
Chg in Wkg.Cap.	(178)	(126)	(268)	(22.7)	(27.6)
Other Operating CF	(1,493)	219	1,722	496	508
Net Operating CF	4,308	3,819	4,179	3,817	3,644
Capital Exp.(net)	(3,667)	(1,897)	(2,148)	(2,407)	(2,463)
Other Invt.(net)	18.1	(422)	0.0	0.0	0.0
Invt in Assoc. & JV	606	6.00	(735)	0.0	0.0
Div from Assoc & JV	1,648	1,549	1,215	1,467	1,540
Other Investing CF	1,093	(15.4)	0.0	0.0	0.0
Net Investing CF	(303)	(780)	(1,668)	(940)	(922)
Div Paid	(2,862)	(2,862)	(2,856)	(2,737)	(2,834)
Chg in Gross Debt	(312)	222	850	652	0.0
Capital Issues	0.0	0.0	0.0	0.0	0.0
Other Financing CF	(835)	(416)	(283)	(496)	(508)
Net Financing CF	(4,009)	(3,056)	(2,289)	(2,581)	(3,342)
Currency Adjustments	(4.2)	4.20	0.0	0.0	0.0
Chg in Cash	(8.8)	(12.2)	221	297	(620)
Opg CFPS (S cts)	27.5	24.2	27.2	23.5	22.5
Free CFPS (S cts)	3.92	11.8	12.4	8.64	7.24

We have assumed that Singtel may switch to 90% payout ratio in FY21F versus 17.5-Sct commitment in FY20F

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:	21 Nov 18	3.08	3.59	BUY
2:	02 Jan 19	2.88	3.59	BUY
3:	14 Jan 19	3.00	3.59	BUY
4:	11 Feb 19	3.05	3.50	BUY
5:	14 Feb 19	3.03	3.50	BUY
6:	08 Apr 19	3.06	3.55	BUY
7:	17 Apr 19	3.13	3.55	BUY
8:	13 May 19	3.14	3.55	BUY
9:	15 May 19	3.13	3.55	BUY
10:	28 May 19	3.15	3.55	BUY
11:	08 Jul 19	3.48	3.60	HOLD
12:	13 Jul 19	3.54	3.60	HOLD
13:	06 Aug 19	3.31	3.40	HOLD
14:	13 Aug 19	3.18	3.25	HOLD
15:	10 Oct 19	3.15	3.12	HOLD
16:	25 Oct 19	3.27	3.12	HOLD
17:	15 Nov 19	3.18	3.12	HOLD

Source: DBS Bank

Analyst: Sachin MITTAL

^ Bloomberg ESG Disclosure Scores rate companies annually based on their disclosure of quantitative and policy-related ESG data. It is based on a scoring scale of 0-100, and calculated using a subset of more than 100 raw data points it collects on ESG. It is designed to measure the robustness of companies' disclosure of ESG information in their reporting/the public domain. Based on Bloomberg disclosures, as of 25 Jan 2019, the global ESG disclosure average score is 24.92 and 22.14, 28.26, 49.97 for Environmental, Social and Governance, respectively.

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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 share price catalysts within this time frame)

*Share price appreciation + dividends

Completed Date: 22 Nov 2019 08:31:22 (SGT)

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