

Singapore Company Guide

CSE Global

Version 3 | Bloomberg: CSE SP | Reuters: CSES.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

12 Mar 2020

DBS is supported by the Research Talent Development Grant Scheme which aims to groom research talent to expand research coverage of small-mid cap SGX listed companies

BUY

Last Traded Price (11 Mar 2020): S\$0.465 (STI : 2,783.72)

Price Target 12-mth: S\$0.65 (39% upside) (Prev S\$0.70)

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What's New

- Plunge in oil price to slightly impact Oil & Gas business
- Earnings for FY2020F/21F revised down 7%/6%
- Attractive dividend yield of 5.9%
- Maintain BUY with a lower TP of S\$0.65

Price Relative



Forecasts and Valuation

FY Dec (S\$m)	2018A	2019A	2020F	2021F
Revenue	373	452	562	606
EBITDA	37.7	47.1	52.0	57.6
Pre-tax Profit	27.9	29.8	34.4	38.1
Net Profit	21.9	24.1	27.3	30.3
Net Pft (Pre Ex.)	23.4	26.0	27.3	30.3
Net Pft Gth (Pre-ex) (%)	56.3	11.2	5.2	10.7
EPS (S cts)	4.30	4.74	5.38	5.96
EPS Pre Ex. (S cts)	4.59	5.11	5.38	5.96
EPS Gth Pre Ex (%)	59	11	5	11
Diluted EPS (S cts)	4.30	4.74	5.38	5.96
Net DPS (S cts)	2.78	2.75	2.75	2.75
BV Per Share (S cts)	33.6	34.7	37.3	40.5
PE (X)	10.8	9.8	8.6	7.8
PE Pre Ex. (X)	10.1	9.1	8.6	7.8
P/Cash Flow (X)	5.0	20.0	6.4	5.9
EV/EBITDA (X)	5.3	6.1	5.3	4.6
Net Div Yield (%)	6.0	5.9	5.9	5.9
P/Book Value (X)	1.4	1.3	1.2	1.1
Net Debt/Equity (X)	CASH	0.3	0.2	0.1
ROAE (%)	12.7	13.8	14.9	15.3
Earnings Rev (%)			(7)	(6)
Consensus EPS (S cts)			5.60	6.10
Other Broker Recs:		B: 5	S: 0	H: 0

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

Slightly disrupted flow

Oil price plunge to only slightly impact Oil & Gas business; cut growth assumption for FY20F to zero vs 10% previously.

Despite the recent plunge in oil prices due to demand (COVID-19) and supply (OPEC+ breakdown) factors, we expect minimal impact on CSE's Oil & Gas (O&G) business as c.90% of its O&G revenue is recurring in nature. CSE's existing installed customer base automatically renew their contracts which expire every 1-2 years. These renewals are based on the longer-term outlook on oil price and are not affected by short-term volatility. The balance of c.10% is from the large contracts from O&G and Infrastructure divisions that were already secured.

We have revised down our assumed growth for its O&G recurring business segment to 0%, from 10% previously. O&G EBIT margin in FY2020F is lowered to 5.9% from 6.1%. We are maintaining our assumption of no new large order wins in FY2020F and FY2021F. As a result, FY2020F/21F earnings were cut by 7%/6%. Maintain BUY with a lower TP of S\$0.65, with catalysts possibly coming from large infrastructure project wins.

Where we differ: We are more optimistic on the outlook for CSE, on the back of its strong order book organic growth as well as through acquisitions.

Potential catalysts: 1) Large contract wins, 2) Recovery in oil price.

Valuation:

Maintain BUY with a lower TP of S\$0.65 (previously S\$0.70). A lower TP of S\$0.65 is derived from its 5-year average forward PE of 12x FY2020F earnings.

Key Risks to Our View:

Persisting low oil prices, global macroeconomic slowdown, lack of new order wins.

At A Glance

Issued Capital (m shrs)	508
Mkt. Cap (S\$m/US\$m)	236 / 169
Major Shareholders (%)	
Serba Dinamik International	25.2
FMR LLC	10.0
Edeboston Investment Partners	4.9
Free Float (%)	59.9
3m Avg. Daily Val (US\$m)	0.67
GIC Industry : Information Technology / Software & Services	



Live more, Bank less

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WHAT'S NEW

Only slightly disrupted

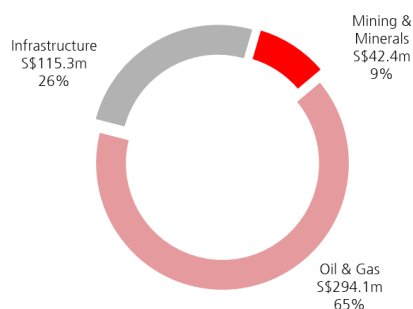
What happened? – Oil prices plunged

Oil prices plunged on OPEC+ fall out. Amidst the fear of weakening demand for oil due to the COVID-19 outbreak and an inconclusive OPEC+ meeting in early February, WTI declined c.29% from its peak of US\$63/bbl to US\$45/bbl on 28 February 2020. This was further aggravated by a breakdown in the most recent OPEC+ meeting late last week. Saudi Arabia has slashed its pricing of its crude exports for April, after OPEC and Russia failed to agree to a production cut. WTI fell c.30% at one point on 9 March 2020 to below US\$30/bbl.

CSE has exposure to Oil & Gas (O&G) but not much impact as c.90% is recurring revenue. CSE's O&G business segment contributed to 65% of its FY2019 revenue and 58% of its EBIT. Although majority of the Group's earnings is exposed to the oil & gas industry in the US, there should not be any large impact on our FY2020F's projections as recurring revenue accounts for c.90% of our FY2020F forecast.

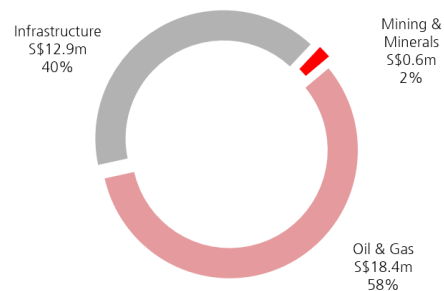
Out of the c.90% recurring revenue, Oil & Gas accounts for about 60-70%. The balance is from the Infrastructure division, including the rental of radio from its radio communication business.

Oil & Gas contributes c.65% of the Group's revenue



Source: Company, DBS Bank

Oil & Gas contributes c.58% of the Group's EBIT



Source: Company, DBS Bank

Understanding CSE's O&G business

CSE's O&G business can be separated into two classifications: 1) "Flow" business, and 2) Large contracts. Its flow business is mainly the provision of maintenance and services to its existing installed customer base while large contracts are new project wins.

Comparison between Flow Business and Large Contracts

	Flow Business	Large Contracts
Description	Maintenance, service provision, and small greenfield projects	Large greenfield projects with at least \$20m in contract value
Recurrence	Tends to be recurring	Lumpy
What is it affected by?	Medium- to longer-term outlook on oil price	Current as well as medium- to longer-term outlook on oil price

Source: Company, DBS Bank

O&G flow business contracts automatically renewed every 1-2 years. CSE's O&G business is mainly involved in the provision of maintenance and services for the process control systems used to monitor factors like temperature, pressure and quality control. And maintenance is ongoing despite the fall in oil prices. These contracts have a contract period of 1-2

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years and are automatically renewed. The renewal could be months later after their fiscal year has started and when work has already commenced.

CSE's O&G flow business is resilient against short-term volatility in oil prices. As O&G projects have high startup costs and CSE's contracts are typically over 1-2 years, existing projects are often based on the assessment of the medium- to longer-term outlook on oil price. Short-term shocks to oil prices will not have an impact on its flow business.

Oil price volatility to affect large contract wins. Its large contract wins are new startup projects where CSE has yet to install its equipment and provide its services. As these projects have high startup costs and commitment value, volatility in oil price can have an impact on the availability of large contracts. Oil majors may cut back on their capex on the back of the low oil prices.

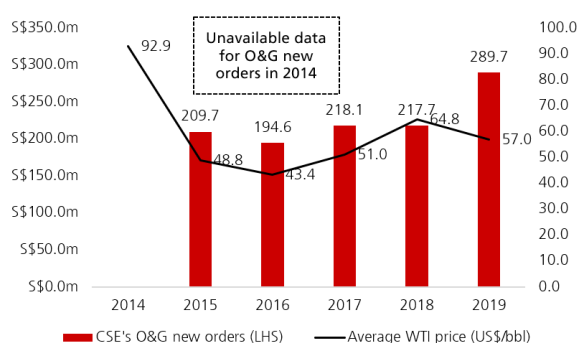
Drawing comfort from 2014-2016 oil crash experience. As of the current situation, we believe that the short-term volatility in oil price should not have a large impact on CSE's O&G business based on the nature of its business (automatic renewals and high startup costs for its customers).

To provide a point of reference, in 2014-2016, when the WTI plunged from over US\$100/bbl to below US\$30/bbl, CSE's new order intake for its O&G flow business declined 7.2% y-o-y in FY2016. However, we believe that the present situation is comparatively more optimistic for two reasons:

1. WTI prices declined more drastically then (-c.70%) as compared to now (c.50%), and
2. The average breakeven price for oil producers in the US has fallen from c.US\$60/bbl to c.US\$40/bbl.

Furthermore, back in 2016, flow business accounted for less than 50% of total revenue but now, it accounts for c.90%. This should provide an even bigger buffer.

O&G flow business remained resilient in 2016



Source: Bloomberg Finance L.P., Company, DBS Bank

Small revisions to projections; maintain BUY with a lower TP of S\$0.65

Maintain assumption of no new large order wins for O&G; cut growth and EBIT margins for O&G business. We have not factored in any large order wins for the O&G segment in our current forecasts for FY2020F to FY2022F. For the O&G flow business, we are cutting our previous projection of a 10% organic growth y-o-y in its new order book to 0%. In addition, we have also slightly reduced O&G EBIT margins from 6.1% to 5.9%. Both revisions were made to reflect a more conservative approach amidst the environment and were drawn from references in 2014-2016.

Infrastructure and Mining & Minerals (M&M) business unaffected. Its Infrastructure business is predominantly located in Singapore (government projects) and Australia, and its M&M business is in Australia. The COVID-19 has not escalated in these two countries and there should not be any impact on its two other business segments.

Maintain BUY with a slightly lower TP of S\$0.65. The overall impact of our revision is a 7.3% downward adjustment in earnings. We are maintaining our BUY call with a lower TP of S\$0.65, which is pegged to 12.0x FY2020F earnings.

Large contracts in its Infrastructure business to be the near-term catalysts. While we are not expecting any upside or downside surprises from its O&G business segment, its Infrastructure business could spring a surprise through large contract wins. With the COVID-19 slowing down business activities, the Singapore government has indicated that it will deploy a S\$6.4bn package in its Singapore Budget 2020 to support the economy. Within this package, S\$1.0bn will be set aside over the next three years to build up the government's cyber and data security capabilities. As such, this could translate into potentially large government project wins for CSE.

Bear-case scenario analysis indicates 29.0% upside to current price. While we believe our projections are conservative and reflect the current environment, we have also conducted a scenario analysis and our bear-case scenario indicates a TP of S\$0.60.

Upside from current price	50.5%	39.8%	29.0%
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Source: Company, DBS Bank

Scenario Analysis on the Impact of Oil Price for FY2020F

Assumptions	Previous	Current	Bear Case
New order growth for O&G flow business	10.0%	0.0%	-10.0%
Volta's base new orders in FY2020F	S\$90m	S\$80m	S\$70m
O&G FY2020F EBIT margins	6.1%	5.9%	5.7%
Results			
FY2020F net profit	S\$29.5m	S\$27.3m	S\$25.3m
Revision to FY2020F net profit	0.0%	-7.3%	-14.3%
Target Price based on 12x forward PE	S\$0.70	S\$0.65	S\$0.60

CRITICAL DATA POINTS TO WATCH

Critical Factors

US oil majors' and independent players' capex. The total capex from the US oil majors and independent players is expected to increase slightly by 3.5% y-o-y in FY2020F. The steady and gradual increase stems from the projected increase in demand for energy and OPEC's efforts to balance the demand and supply of oil. This translates into a renewal of its small contracts and possibly a few large contract wins. We are expecting a significant increase in Oil & Gas revenue (42.3% y-o-y) in FY2020F due to 1) the full-year contribution from Volta, 2) revenue from its two large contracts awarded in 2019, and 3) growth in its small projects.

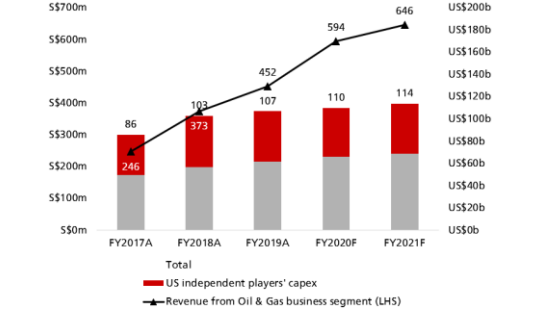
OPEC and global oil demand and supply. Oil prices have been trading sideways, but above their 2016 lows, largely attributable to OPEC's efforts to balance the global oil demand and supply. However, with the recent coronavirus outbreak weakening global demand for oil and OPEC+'s breakdown in talks, oil prices have plunged by more than 50% from the peak of US\$63/bbl earlier this year. We believe that there is either minimal or no impact on CSE as its projects are dependent on the longer-term outlook of oil prices.

Breakeven price for oil producers in the US. The average breakeven price for US shale oil producers in the Permian Basin and Eagle Ford declined to c.US\$42/bbl in January 2020. The continued decline in the breakeven price is a result of an increase in productivity and efficiency as they produce more oil (Wright's Law). Lower breakeven price translates into higher profitability and thus production. The US Department of Energy (DOE) forecasts that US oil production would increase from 12.9mbpd in November 2019 to 14.1mbpd in December 2020. We believe that this will be beneficial to CSE given its focus on the oil & gas industry in the US.

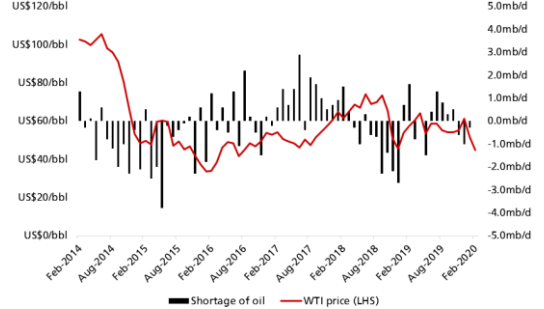
Singapore's Smart Nation Initiative. Singapore's Smart Nation Initiative will drive spending for process control systems and security systems for the collection, monitoring, and management of data. With the government's focus on a digital economy, we believe we could see CSE clinching more order wins in its infrastructure segment.

Australia's infrastructure projects. There is a growing demand to relieve the congestion in certain cities of Australia due to population growth. More than A\$123bn worth of construction works have commenced since 2015, with a committed forward pipeline of more than A\$200bn. We are positive on CSE's infrastructure business in Australia and believe that it will be another stable pillar of support to its earnings.

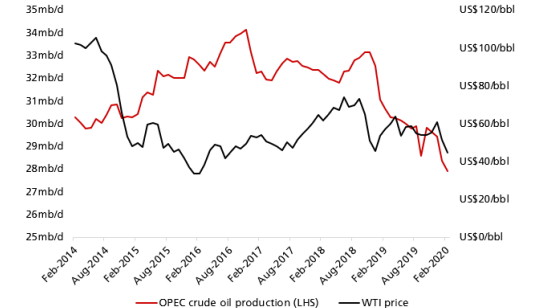
Steady increase in the capex of oil players in the US



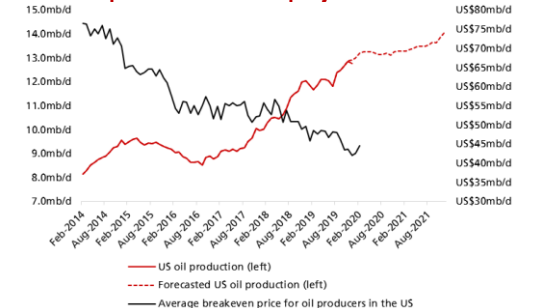
Demand and supply imbalance cause oil prices to plunge



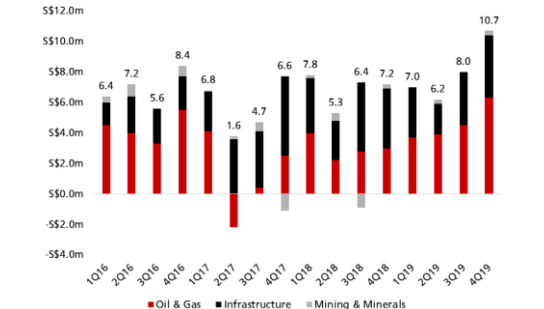
OPEC's accommodation to support oil prices



US oil production is still projected to increase



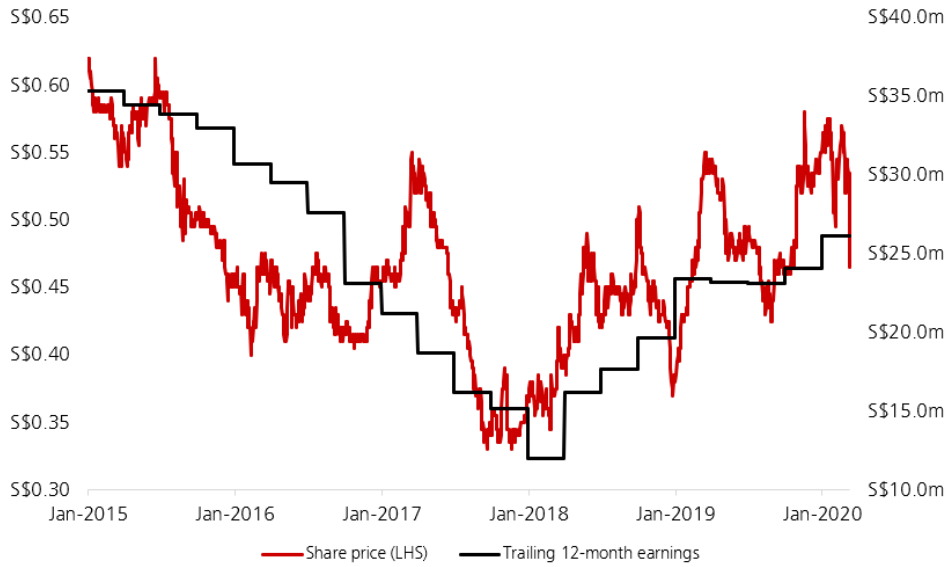
Infrastructure business is a stable contributor to CSE's EBIT



Source: US Energy Information Administration (EIA), US Department of Energy (DOE), Bloomberg Finance L.P., Company, DBS Bank

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

Trailing 12-month earnings drives share price



Source: Company, DBS Bank

Remarks

- In the last five years, CSE's share price has been driven by its trailing 12-month earnings.
- We are expecting earnings to trend upwards with the Group's strategic focus and its recent acquisitions.

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Balance Sheet:

From net cash to net debt with recent acquisition. CSE mainly relies on short-term loans to fund its operations. The unsecured short-term loans are denominated in SGD, USD, and AUD, which are the currencies of countries where the group has operations in. Due to its recent acquisition of Volta in September 2019, CSE's borrowings increased from S\$36.1m in FY2018 to S\$103.1m in FY2019, turning into net debt.

Increasing return on equity (ROE). CSE's ROE has been on an increasing trend as it net profit rises on the back of higher revenue and the cessation of its less profitable or loss-making projects in EMEA.

Share Price Drivers:

Announcement of large contract wins. c.90% of CSE's revenue is generally recurring in nature and forms a stable base. Its large contracts are lumpy in nature and have typically been more than S\$40m (more than c.10% of revenue), which can materially impact revenue and earnings.

Longer-term outlook on oil price. CSE's oil & gas projects are largely dependent on the longer-term outlook on oil prices. Higher, sustained levels of oil prices would translate into more profitability for its oil & gas customers and thus, projects for CSE.

Trailing 12-month (TTM) earnings. CSE's share price has historically led its trailing 12-month earnings. Its share price would increase if markets are expecting an uptick in earnings. We are positive on a continued increase in its earnings which we believe will lead to an increase in share price.

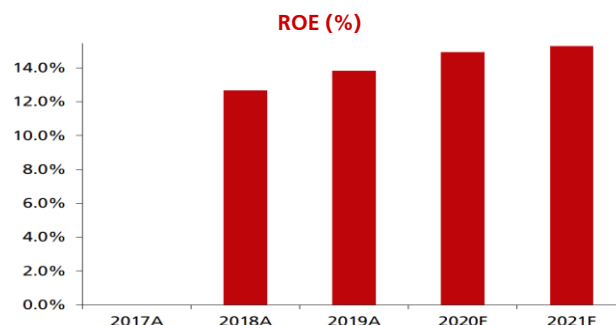
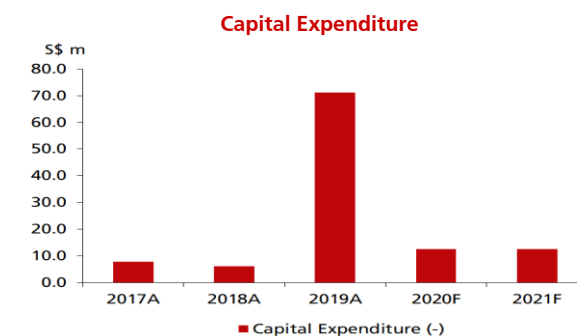
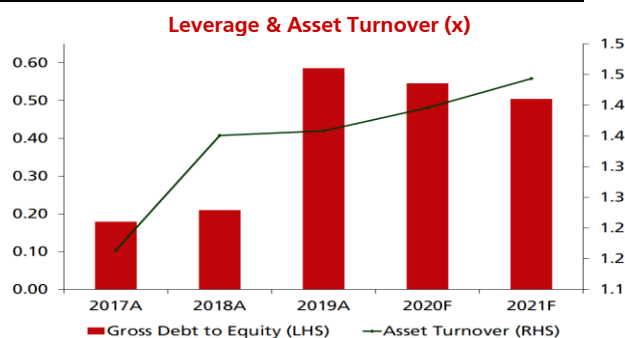
Key Risks:

Global macroeconomic slowdown weighing on oil prices. Major geopolitical events (US-China Trade War, Brexit, Japan-Korea Trade Feud, and the Hong Kong Protests) have dragged on longer than anticipated.

Protraction of the COVID-19 outbreak. The spread of the COVID-19 has resulted in oil prices declining by more than 20% from the peak in January 2020. While the short-term impact is unlikely to affect CSE's more stable flow revenue (95% of revenue), a protraction of the outbreak weighing on oil prices could lead to a decline in flow revenue.

Company Background

CSE Global Limited (CSE) is a system integrator providing automation and telecom solutions to its customers in the oil & gas, mineral & mining and environmental sectors. The company has a presence across the Americas, Australia, Asia, Europe, the Middle East and Africa.



Source: Company, DBS Bank

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Segmental Breakdown

FY Dec	2017A	2018A	2019A	2020F	2021F
Revenues (\$\$m)					
Oil & Gas	246	248	294	395	428
Infrastructure	90.5	110	115	116	123
Mining & Minerals	25.7	15.7	42.4	51.2	54.2
Total	362	373	452	562	606
EBIT (\$\$m)					
Oil & Gas	4.75	13.8	18.4	23.3	26.1
Infrastructure	15.1	14.6	12.9	12.8	13.6
Mining & Minerals	(0.2)	0.09	0.60	1.03	1.09
Total	19.6	28.5	31.9	37.1	40.8
EBIT Margins (%)					
Oil & Gas	1.9	5.6	6.3	5.9	6.1
Infrastructure	16.7	13.2	11.2	11.0	11.0
Mining & Minerals	(0.9)	0.6	1.4	2.0	2.0
Total	5.4	7.6	7.1	6.6	6.7

Income Statement (\$\$m)

FY Dec	2017A	2018A	2019A	2020F	2021F
Revenue	362	373	452	562	606
Cost of Goods Sold	(268)	(270)	(328)	(404)	(435)
Gross Profit	94.1	104	124	158	171
Other Opng (Exp)/Inc	(74.5)	(75.2)	(91.9)	(121)	(130)
Operating Profit	19.6	28.5	31.8	37.1	40.8
Other Non Opg (Exp)/Inc	3.35	1.45	1.72	0.35	0.35
Associates & JV Inc	0.0	0.0	0.0	0.0	0.0
Net Interest (Exp)/Inc	(0.3)	(0.6)	(1.8)	(3.0)	(3.0)
Exceptional Gain/(Loss)	(60.1)	(1.5)	(1.9)	0.0	0.0
Pre-tax Profit	(37.4)	27.9	29.8	34.4	38.1
Tax	(9.5)	(6.7)	(6.1)	(7.6)	(8.4)
Minority Interest	1.75	0.66	0.40	0.46	0.51
Preference Dividend	0.0	0.0	0.0	0.0	0.0
Net Profit	(45.1)	21.9	24.1	27.3	30.3
Net Profit before Except.	14.9	23.4	26.0	27.3	30.3
EBITDA	30.3	37.7	47.1	52.0	57.6
Growth					
Revenue Gth (%)	14.0	3.1	21.0	24.4	7.8
EBITDA Gth (%)	(14.0)	24.5	24.9	10.4	10.8
Opg Profit Gth (%)	(28.8)	45.0	11.8	16.6	10.0
Net Profit Gth (Pre-ex) (%)	(31.4)	56.3	11.2	5.2	10.7
Margins & Ratio					
Gross Margins (%)	26.0	27.7	27.4	28.1	28.2
Opg Profit Margin (%)	5.4	7.6	7.0	6.6	6.7
Net Profit Margin (%)	(12.5)	5.9	5.3	4.9	5.0
ROAE (%)	(21.2)	12.7	13.8	14.9	15.3
ROA (%)	(14.5)	7.9	7.2	6.8	7.2
ROCE (%)	5.9	10.9	9.6	8.1	8.7
Div Payout Ratio (%)	N/A	64.7	58.1	51.1	46.2
Net Interest Cover (x)	61.5	51.1	17.3	12.4	13.6

Source: Company, DBS Bank

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Quarterly / Interim Income Statement (\$5m)

FY Dec	4Q2018	1Q2019	2Q2019	3Q2019	4Q2019
Revenue	99.3	85.4	99.9	111	157
Cost of Goods Sold	(69.4)	(61.7)	(72.1)	(82.6)	(113)
Gross Profit	29.9	23.7	27.8	28.9	44.0
Other Oper. (Exp)/Inc	(21.0)	(16.6)	(21.6)	(20.9)	(33.3)
Operating Profit	8.96	7.04	6.19	8.00	10.7
Other Non Opg (Exp)/Inc	(0.1)	1.27	(0.1)	(0.1)	0.75
Associates & JV Inc	0.0	0.0	0.0	0.0	0.0
Net Interest (Exp)/Inc	(0.1)	(0.3)	(0.3)	(0.5)	(0.8)
Exceptional Gain/(Loss)	(1.7)	(1.3)	0.10	(0.2)	(0.7)
Pre-tax Profit	7.12	6.71	5.92	7.22	9.91
Tax	(2.2)	(1.2)	(1.6)	(1.5)	(1.8)
Minority Interest	0.19	0.17	0.21	0.01	0.01
Net Profit	5.06	5.73	4.49	5.73	8.11
Net profit bef Except.	6.75	7.00	4.39	5.92	8.85
EBITDA	10.9	10.9	8.82	10.8	14.4

Growth

Revenue Gth (%)	8.6	(14.0)	17.0	11.6	40.5
EBITDA Gth (%)	29.3	0.4	(19.2)	22.3	33.1
Opg Profit Gth (%)	39.4	(21.5)	(12.1)	29.3	33.8
Net Profit Gth (Pre-ex) (%)	36.6	3.6	(37.2)	34.8	49.5

Margins

Gross Margins (%)	30.2	27.7	27.8	25.9	28.1
Opg Profit Margins (%)	9.0	8.2	6.2	7.2	6.8
Net Profit Margins (%)	5.1	6.7	4.5	5.1	5.2

Balance Sheet (\$5m)

FY Dec	2017A	2018A	2019A	2020F	2021F
Net Fixed Assets	28.0	28.2	72.1	73.3	72.6
Invt in Associates & JVs	0.0	0.11	0.10	0.10	0.10
Other LT Assets	31.8	30.3	62.7	59.4	56.1
Cash & ST Invt	46.9	74.1	50.7	61.2	74.5
Inventory	14.6	16.5	21.7	23.5	25.3
Debtors	96.3	81.8	128	131	141
Other Current Assets	66.3	38.1	61.2	61.2	61.2
Total Assets	284	269	396	409	430
ST Debt	31.4	36.1	69.4	69.4	69.4
Creditor	55.4	44.5	71.5	71.5	76.9
Other Current Liab	18.0	15.3	32.0	32.0	32.0
LT Debt	0.0	0.0	33.7	33.7	33.7
Other LT Liabilities	3.37	0.83	13.5	13.5	13.5
Shareholder's Equity	174	171	176	190	206
Minority Interests	1.80	1.10	(0.1)	(0.6)	(1.1)
Total Cap. & Liab.	284	269	396	409	430
Non-Cash Wkg. Capital	104	76.6	107	112	118
Net Cash/(Debt)	15.5	37.9	(52.5)	(42.0)	(28.7)
Debtors Turn (avg days)	93.1	87.0	84.7	83.9	81.7
Creditors Turn (avg days)	64.7	69.6	67.3	67.0	64.7
Inventory Turn (avg days)	20.5	21.7	22.1	21.2	21.3
Asset Turnover (x)	1.2	1.4	1.4	1.4	1.4
Current Ratio (x)	2.1	2.2	1.5	1.6	1.7
Quick Ratio (x)	1.4	1.6	1.0	1.1	1.2
Net Debt/Equity (X)	CASH	CASH	0.3	0.2	0.1
Net Debt/Equity ex MI (X)	CASH	CASH	0.3	0.2	0.1
Capex to Debt (%)	24.7	16.9	69.0	12.1	12.1
Z-Score (X)	3.5	4.4	3.2	3.5	3.6

Source: Company, DBS Bank

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Cash Flow Statement (\$m)

FY Dec	2017A	2018A	2019A	2020F	2021F
Pre-Tax Profit	(37.4)	27.9	29.8	34.4	38.1
Dep. & Amort.	7.34	7.85	13.6	14.6	16.5
Tax Paid	(4.5)	(8.5)	(4.7)	(7.6)	(8.4)
Assoc. & JV Inc/(loss)	0.0	0.0	0.0	0.0	0.0
Chg in Wkg.Cap.	(32.9)	19.7	(26.6)	(4.4)	(6.5)
Other Operating CF	44.4	0.58	(0.3)	0.0	0.0
Net Operating CF	(23.0)	47.5	11.8	37.0	39.7
Capital Exp.(net)	(7.8)	(6.1)	(71.2)	(12.5)	(12.5)
Other Invts.(net)	5.99	0.0	0.0	0.0	0.0
Invts in Assoc. & JV	0.0	0.0	0.0	0.0	0.0
Div from Assoc & JV	0.0	0.0	0.0	0.0	0.0
Other Investing CF	(8.7)	(1.3)	(14.1)	0.0	0.0
Net Investing CF	(10.5)	(7.5)	(85.3)	(12.5)	(12.5)
Div Paid	(14.2)	(14.2)	(14.0)	(14.0)	(14.0)
Chg in Gross Debt	10.4	4.71	67.0	0.0	0.0
Capital Issues	0.0	(3.3)	(2.1)	0.0	0.0
Other Financing CF	0.0	0.0	0.0	0.0	0.0
Net Financing CF	(3.8)	(12.8)	50.9	(14.0)	(14.0)
Currency Adjustments	(6.6)	(0.1)	(0.9)	0.0	0.0
Chg in Cash	(43.9)	27.1	(23.4)	10.5	13.3
Opg CFPS (S cts)	1.90	5.46	7.57	8.16	9.10
Free CFPS (S cts)	(6.0)	8.13	(11.7)	4.82	5.36

Source: Company, DBS Bank

Target Price & Ratings History



S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	06 Sep 19	0.47	0.65	BUY
2:	08 Nov 19	0.52	0.69	BUY
3:	28 Feb 20	0.52	0.70	BUY

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

Source: DBS Bank

Analyst: Lee Keng LING

Singapore Research Team

DBS Bank recommendations are based on an 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 share price catalysts within this time frame)

**Share price appreciation + dividends*

Completed Date: 12 Mar 2020 08:00:23 (SGT)

Dissemination Date: 13 Mar 2020 08:35:11 (SGT)

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

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