

# Singapore Company Guide

## Dairy Farm

Version 15 | Bloomberg: DFI SP | Reuters: DAIR.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

29 Apr 2020

### BUY

Last Traded Price ( 28 Apr 2020): US\$4.75 (STI : 2,562.95)

Price Target 12-mth: US\$5.10 (7% upside) (Prev US\$5.59)

#### Analyst

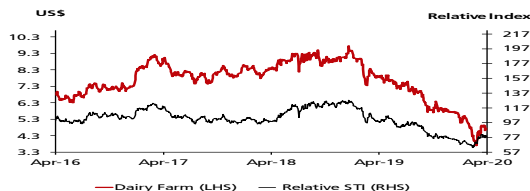
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### What's New

- Weak performance for Health & Beauty and Convenience Stores anticipated for 1Q20
- FY20-21F earnings lowered by 18-19% to reflect the weakness in those segments
- Transformation on track for South East Asian Supermarkets despite near term headwinds
- Valuation attractive at -0.5 SD of historical mean, >4% dividend yield; maintain BUY on a lower TP of US\$5.10

#### Price Relative



#### Forecasts and Valuation

FY Dec (US\$ m)	2018A	2019A	2020F	2021F
Revenue	11,749	11,192	10,488	11,056
EBITDA	843	739	691	744
Pre-tax Profit	452	392	362	407
Net Profit	358	326	300	338
Net Pft (Pre Ex.)	358	327	300	338
Net Pft Gth (Pre-ex) (%)	(24.7)	(8.8)	(8.0)	12.4
EPS (US cts.)	26.5	24.1	22.2	25.0
EPS Pre Ex. (US cts.)	26.5	24.1	22.2	25.0
EPS Gth Pre Ex (%)	(25)	(9)	(8)	12
Diluted EPS (US cts.)	26.5	24.1	22.2	24.9
Net DPS (US cts.)	21.0	21.0	21.0	21.0
BV Per Share (US cts.)	83.3	89.4	90.6	94.6
PE (X)	17.9	19.7	21.4	19.0
PE Pre Ex. (X)	17.9	19.7	21.4	19.0
P/Cash Flow (X)	4.4	5.0	5.3	4.0
EV/EBITDA (X)	8.5	9.9	10.6	9.5
Net Div Yield (%)	4.4	4.4	4.4	4.4
P/Book Value (X)	5.7	5.3	5.2	5.0
Net Debt/Equity (X)	0.6	0.7	0.7	0.5
ROAE (%)	25.4	27.9	24.7	27.0
Earnings Rev (%):			(19)	(18)
Consensus EPS (US cts.):			23.9	27.7
Other Broker Recs:		B: 2	S: 1	H: 4

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

### Transformation intact

**Maintain BUY, TP lowered to US\$5.10.** We maintain our Buy rating on Dairy Farm (DFI) for attractive valuations in view of its ongoing transformation. Despite cutting FY20-21F earnings by 18-19% to reflect the weaker Health & Beauty and Convenience Store segments, valuations (21.4x/19.0x FY20/21F PE) remain attractive at around -0.5 SD of historical mean, 4.4% dividend yield, and below peer average of 24x forward PE. The current share price values DFI's core business at under 10x FY20F PE. More importantly, the ongoing transformation for South East Asia supermarkets remains intact. This is key to the longer-term re-rating of the stock. Risk of a dividend cut is low as we do not think parent company Jardine will reduce its dividend receipts from DFI. Maintain BUY for 12% upside including dividends.

**Where we differ:** We believe DFI's multi-year transformation will eventually take shape and ultimately re-rate the stock.

**Potential catalyst:** Sustained and stronger earnings recovery led by effective and successful implementation of its multi-year transformation plan.

#### Valuation:

**TP based on SOTP valuation.** Our target price of US\$5.10 is derived from sum-of-parts valuation methodology. We value DFI's core business at US\$3.03 based on DCF, its 20% and 18% stakes in Yonghui and RRHI based on market values of US\$2.42 and US\$0.26 respectively, and net debt at US\$0.61 per share.

#### Key Risks to Our View:

**Significant earnings decline.** While valuations are attractive at near -0.5SD, a significant earnings decline led by other segments and drop in valuation of Yonghui and RRHI would pose downside risks to our earnings forecast and TP.

#### At A Glance

Issued Capital (m shrs)	1,353
Mkt. Cap (US\$m)	6,425
Major Shareholders (%)	
Jardine Matheson Holdings Ltd	77.6
Commonwealth Bank of Australia	5.5
Free Float (%)	16.9
3m Avg. Daily Val (US\$m)	6.8
<b>GIC Industry :</b> Consumer Staples / Food & Staples Retailing	



Live more, Bank less

## WHAT'S NEW

### Weak 1Q20 update

#### Strong supermarket sales offset by weak Health & Beauty and Convenience Store segments, IKEA positive in 1Q20

**1Q20 to be dragged by weaker segments:** Dairy Farm issued a business update for 1Q20 that points to overall performance affected by deterioration of North Asia Health & Beauty, Maxim's and the Convenience store segments. We believe 1Q20 earnings would be lower y-o-y.

**Poor performance from Health & Beauty and Convenience Store segments.** Health & Beauty and Convenience Store performance in North Asia has been particularly weak due to consumers staying home. The lack of tourists travelling to Hong Kong has affected North Asia's Health & Beauty segment, while the convenience store segment was hit by lower footfall across China, Hong Kong, and Singapore.

**IKEA was more positive.** Sales and margins of the IKEA Home Furnishing segment were higher, lifted by new stores which were absent last year and e-commerce growth, and lower costs especially startup costs recorded last year.

**Strong Supermarket/Hypermarket performance in South East Asia.** The Supermarket/Hypermarket segment saw strong Same Store Sales Growth (SSSG) largely due to people staying home. Transformation plans are ongoing and performances of its South East Asian stores continue to improve.

#### Cut FY20-21F earnings by 18-19% to reflect 1Q20 weakness

**Net reduction of sales and profit projection led by revenue cuts to Convenience stores and Health & Beauty Segments.** In response to the update, we are lowering our earnings estimates to reflect a weaker outlook for both the Health & Beauty and Convenience store businesses as sales momentum is expected to be slower than previously anticipated. We now assume that sales in the Convenience Stores and Health & Beauty segments will each fall by close to 30% y-o-y. Operating profit for both segments in aggregate is projected to fall by 12% to US\$419m. We expect overall margins to remain stable as we factor in better margins for Home Furnishing and Supermarket/Hypermarkets business, offset by lower contribution from the higher margin Health & Beauty segment. For IKEA stores, there would be absence of start-up losses going forward and hence we are reflecting better margins for the Home Furnishing segment.

#### Valuations attractive despite earnings cut, reiterate BUY

**Valuations attractive even after earnings cut.** DFI remains a multi-bagger re-rating play on its transformation strategy. Earnings may be derailed by the COVID-19 outbreak in the current quarter, but positives in the transformation process continue to come through in key areas such as South East Asia supermarkets showing improving operational efficiency. Having factored in the weak outlook as highlighted in its 1Q20 update, the stock trades at 21.4x/19.0x FY20/21F PE or -0.5 SD of its long-term average forward PE and is way below peer average of 24x, and offers 4.4% dividend. In view of the multi-year transformation plan coming through eventually, we maintain our positive stance on the stock.

#### Forward PE valuations still attractive at -0.5 SD of historical mean



Source: DBS Bank

**Maintain BUY, SOTP-based TP lowered to US\$5.10.** Our SOTP based TP for DFI is now lower at US\$5.10 following the earnings cut. Core business based on DCF is valued at US\$3.03, its 20% stake in Yonghui is valued at US\$2.42 based on our TP for Yonghui, its 18% stake in RRHI is US\$0.26 based on market value, and net debt is US\$0.61. We continue to hold the view that there is minimal risk of dividend cut as we believe parent company Jardine would prefer to maintain the DPS payout. The stock currently offers a dividend yield of 4.4%. Maintain BUY for close to 12% upside including dividends.

## DFI trades below peer average of 24x forward PE

Company	Market Cap (\$m)	Px Last	PE (Act)	PE (Yr 1)	PE (Yr 2)	P/BV (x)	P/Sales (x)	ROE (%)	Operating Margin (%)	Net Margin (%)	Dividend Yield (%)
DairyFarm Intl	9,106	4.75	19.7x	21.4x	19.0x	5.2x	0.6x	25%	4.0%	2.9%	4.4%
<b>South East Asia Peers</b>											
CP ALL	26,960	68.75	27.0x	26.7x	23.7x	6.4x	1.1x	24%	6.0%	4.0%	1.9%
Berli Jucker	7,215	41.25	22.1x	27.1x	21.7x	1.4x	1.0x	5%	8.0%	3.8%	1.6%
Siam Makro	7,808	37.25	28.6x	27.2x	26.2x	8.8x	0.9x	41%	3.9%	3.0%	2.6%
Puregold	3,791	47.00	18.5x	16.2x	14.6x	1.9x	0.7x	12%	6.4%	4.6%	1.0%
Matahari Putra	74	107.00	17.0x	7.2x	6.7x	0.4x	0.1x	5%	1.4%	0.7%	0.0%
Sumber Alfaria	3,234	845.00	75.9x	26.8x	25.0x	5.2x	0.5x	na	2.5%	1.5%	0.7%
PSC	2,729	129.00	67.5x	na	na	12.1x	2.0x	na	6.1%	3.0%	0.4%
Sheng Siong	2,195	1.46	29.0x	23.1x	22.0x	6.4x	1.8x	29%	8.5%	7.9%	3.0%
Hero Supermarket	347	900.00	nm	na	na	1.0x	0.3x	-27%	-9.7%	-9.6%	na
7 Eleven	501	1.34	25.6x	na	na	13.6x	0.6x	61%	3.6%	2.4%	3.4%
Bison Cons	182	0.82	20.9x	39.1x	18.5x	2.0x	1.1x	5%	3.5%	2.8%	1.2%
<b>Regional average</b>			<b>29.9x</b>	<b>23.9x</b>	<b>19.7x</b>	<b>5.4x</b>	<b>0.9x</b>	<b>17%</b>	<b>3.7%</b>	<b>2.2%</b>	<b>1.6%</b>
<b>Ex-Indonesia average</b>			<b>31.2x</b>	<b>23.6x</b>	<b>21.2x</b>	<b>7.2x</b>	<b>1.2x</b>	<b>29%</b>	<b>6.1%</b>	<b>4.1%</b>	<b>2.0%</b>

Source: DBS Bank

## CRITICAL DATA POINTS TO WATCH

### Critical Factors

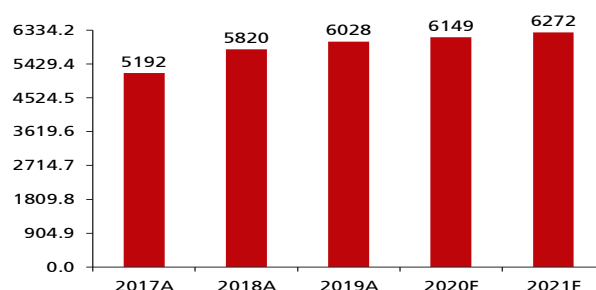
**Building an integrated high-performing business.** Following the appointment of new CEO Ian McLeod in 2H17, DFI's management strategy includes building up its management capability, growth in China, maintaining a strong position in Hong Kong, revitalising its Southeast Asia operations, and driving digital innovation. The new CEO has already closed several underperforming and loss-making Supermarket and Hypermarket stores, mainly in Malaysia, Singapore and Indonesia, where he believes performances will not improve. He has appointed CEOs for 7-Eleven and Mannings to drive growth in China. He will also invest to strengthen its brands in Hong Kong. Plans to revitalise its Southeast Asia business include a multi-year transformation plan post strategic review and management recruitment. Back-end IT development will continue.

**Expect store performance to strengthen eventually.** We expect store performance to improve especially in Southeast Asia, as the new CEO implements plans which include product range expansion, space management, pricing strategy, consolidated sourcing, etc. However, we recognise that these strategies will take time to implement and reap benefits and are hence neutral on this development for now. Plans are now being put into action following a strategic review. Longer term, we believe the Supermarket/Hypermarket segment's profitability and growth will improve, through an expanded product range, pricing, procurement, space management, etc. For now, we believe high operating costs and lower contribution from Yonghui at associate/JV income level will be a drag on earnings in the near term.

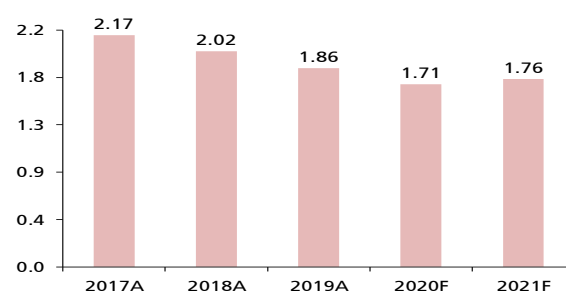
**More efficient store and back-end operations.** We see DFI strengthening its back-end operations regionally for the long term, with much of the focus geared towards improving operating efficiencies especially at both store and back-end levels. The areas include e-commerce, IT infrastructure, supply chain, and food and product safety. Growth will be supported by efficiencies in back-end supply chain, presentation, pricing, variety, food and service quality, store presentation, customer retention, etc. However, we envisage the multi-year transformation plan to take time to bear fruit. For now, lower margins, down to the cost of new key management personnel appointed across various roles, and Southeast Asia's weak food profitability will be felt in the immediate term. We await results of this transformation plan to kick in.

**Synergies with Yonghui.** We expect more synergies from increased collaboration in the sharing of knowledge in procurement and management of food supplies post Ben Keswick's appointment to the Yonghui board as Chairman.

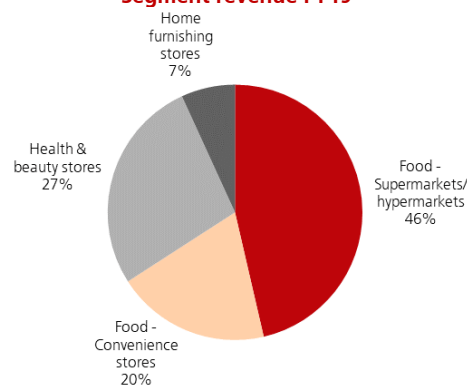
Number of outlets



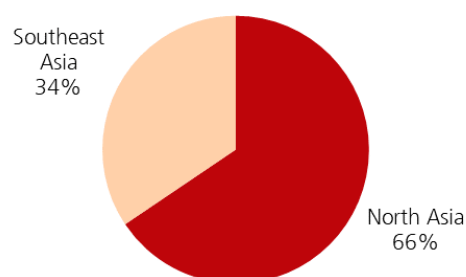
Sales per store blended



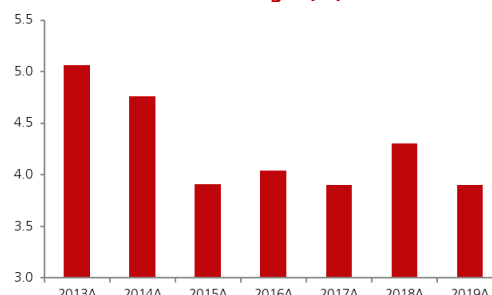
Segment revenue FY19



Geographical segment FY19



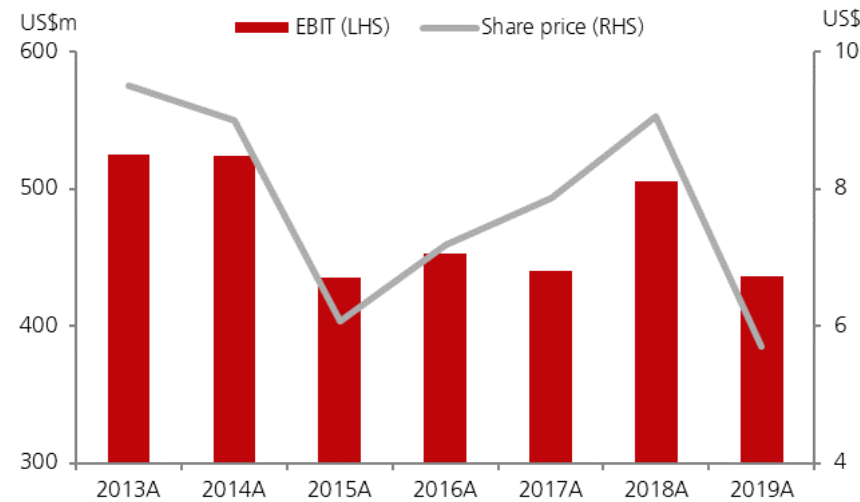
EBIT margin (%)



Source: Company, DBS Bank

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

Correlation between share price and absolute operating profit (EBIT) is strong at 0.8x



Source: DBS Bank

## Dairy Farm

### Balance Sheet:

**Higher net debt.** DFI's net debt-to-equity was at c.0.68x with net debt at US\$821m as at end-December 2019, on the back of continued investment in the Philippines. The net debt initially resulted from the purchase of Yonghui in FY16 before full acquisition of Rose Pharmacy in FY18 led to a higher net debt. DFI has generated strong operational cash flows of US\$1.3bn a year on average over the past five years, which we believe is strong enough to support the current debt level.

### Share Price Drivers:

**Earnings turnaround.** We believe any share price upside will be driven by earnings recovery over the longer term. Upside risk on the stock is based on DFI's ability to turn in more efficient operations to drive earnings growth. Key indicators are higher contribution by Yonghui and margin expansion at its core business through better cost management and margin enhancement initiatives (i.e. distribution centres). IT and back-end enhancement initiatives should also support a better cost structure in terms of centralised procurement, logistics and other operations, etc.

### Key Risks:

**Profitability susceptible to rental and labour costs.** As a retailer, labour and rental costs are key operating cost components. Significant changes in these components will affect earnings growth. Higher rental and labour costs were seen in Hong Kong, Singapore and Indonesia in FY15-16 and FY18, which resulted in lower margins and dampened earnings.

**Competitive pressure.** Grocery retail customers can be price sensitive and may switch to retailers offering more promotions. This can be a risk to market share, sales and earnings growth. In times of weaker consumer sentiment, customers may trade down from high-end supermarkets to the mass-market segment. DFI has plans to strengthen its marketing to the mass-market segment and to specifically target local consumers.

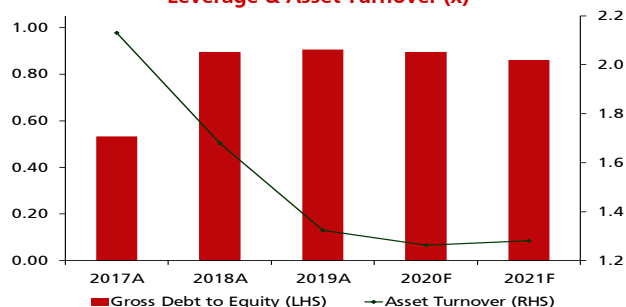
### Environment, Social, Governance:

DFI's corporate social responsibilities include waste reduction, supporting a sustainable environment, and community work. It is focused on reduction and recycling single-use packaging, with IKEA phasing out single-use plastics by 2020 and Maxim reducing food and plastic straw usage. The company's community work includes interacting and volunteering at social organisations.

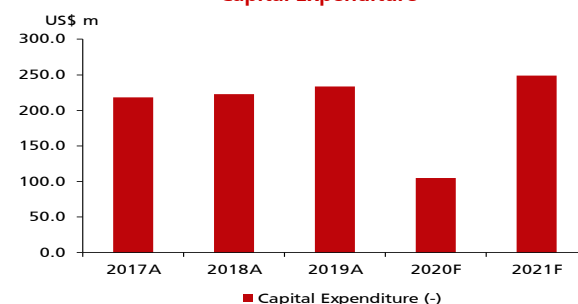
### Company Background

Dairy Farm (DFI) is a Pan Asian retailer, operating over 6,400 supermarkets, hypermarkets, health and beauty stores, convenience stores, home furnishing stores and restaurants under well-known brand names in Hong Kong, Taiwan, China, Macau, Singapore, the Philippines, Cambodia, Brunei, Malaysia, Indonesia and Vietnam.

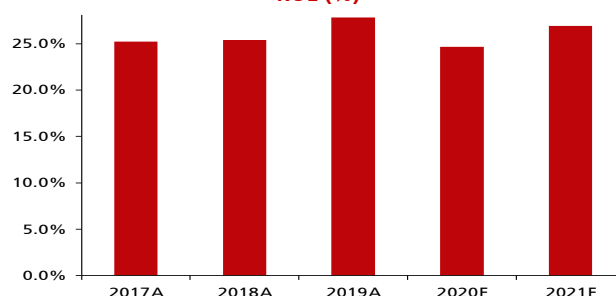
### Leverage & Asset Turnover (x)



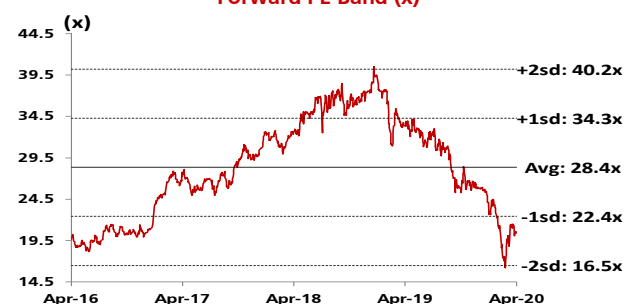
### Capital Expenditure



### ROE (%)



### Forward PE Band (x)



### PB Band (x)



Source: Company, DBS Bank

## Dairy Farm

## Key Assumptions

FY Dec	2017A	2018A	2019A	2020F	2021F
Number of outlets	5,192	5,820	6,028	6,149	6,272
Sales per store blended	2.17	2.02	1.86	1.71	1.76

## Segmental Breakdown

FY Dec	2017A	2018A	2019A	2020F	2021F
<b>Revenues (US\$m)</b>					
Food	8,038	7,992	7,376	7,490	7,856
Health & beauty stores	2,597	3,036	3,051	2,178	2,355
Home furnishing stores	653	721	766	820	845
<b>Total</b>	<b>11,289</b>	<b>11,749</b>	<b>11,192</b>	<b>10,488</b>	<b>11,056</b>
<b>Operating profit (US\$m)</b>					
Food	220	110	145	187	210
Health & beauty stores	210	330	296	196	212
Home furnishing stores	68.0	68.4	42.7	65.6	67.6
Support office/others	(57.7)	(3.2)	(46.8)	(29.5)	(36.3)
<b>Total</b>	<b>440</b>	<b>506</b>	<b>437</b>	<b>419</b>	<b>453</b>
<b>Operating profit Margins</b>					
Food	2.7	1.4	2.0	2.5	2.7
Health & beauty stores	8.1	10.9	9.7	9.0	9.0
Home furnishing stores	10.4	9.5	5.6	8.0	8.0
Support office/others	N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>3.9</b>	<b>4.3</b>	<b>3.9</b>	<b>4.0</b>	<b>4.1</b>

## Income Statement (US\$m)

FY Dec	2017A	2018A	2019A	2020F	2021F
Revenue	11,289	11,749	11,192	10,488	11,056
Cost of Goods Sold	(7,856)	(8,101)	(7,659)	(7,132)	(7,463)
<b>Gross Profit</b>	<b>3,433</b>	<b>3,649</b>	<b>3,534</b>	<b>3,356</b>	<b>3,593</b>
Other Opng (Exp)/Inc	(2,992)	(3,143)	(3,097)	(2,937)	(3,140)
<b>Operating Profit</b>	<b>440</b>	<b>506</b>	<b>437</b>	<b>419</b>	<b>453</b>
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	144	113	115	94.2	106
Net Interest (Exp)/Inc	(26.3)	(167)	(158)	(152)	(152)
Exceptional Gain/(Loss)	(72.3)	0.0	(1.0)	0.0	0.0
<b>Pre-tax Profit</b>	<b>486</b>	<b>452</b>	<b>392</b>	<b>362</b>	<b>407</b>
Tax	(92.9)	(93.8)	(69.5)	(64.1)	(72.1)
Minority Interest	10.6	0.20	2.80	2.58	2.90
Preference Dividend	0.0	0.0	0.0	0.0	0.0
<b>Net Profit</b>	<b>404</b>	<b>358</b>	<b>326</b>	<b>300</b>	<b>338</b>
Net Profit before Except.	476	358	327	300	338
EBITDA	805	843	739	691	744
<b>Growth</b>					
Revenue Gth (%)	0.8	4.1	(4.7)	(6.3)	5.4
EBITDA Gth (%)	2.8	4.7	(12.4)	(6.5)	7.8
Opg Profit Gth (%)	(2.7)	14.9	(13.7)	(3.9)	8.1
Net Profit Gth (Pre-ex) (%)	2.8	(24.7)	(8.8)	(8.0)	12.4
<b>Margins &amp; Ratio</b>					
Gross Margins (%)	30.4	31.1	31.6	32.0	32.5
Opg Profit Margin (%)	3.9	4.3	3.9	4.0	4.1
Net Profit Margin (%)	3.6	3.0	2.9	2.9	3.1
ROAE (%)	25.3	25.4	27.9	24.7	27.0
ROA (%)	7.6	5.1	3.9	3.6	3.9
ROCE (%)	12.7	9.9	6.9	6.7	7.2
Div Payout Ratio (%)	70.4	79.3	87.2	94.6	84.1
Net Interest Cover (x)	16.7	3.0	2.8	2.8	3.0

Source: Company, DBS Bank

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

FY Dec	2H2017	1H2018	2H2018	1H2019	2H2019
Revenue	5.783	5.929	5.821	5.761	5.432
Cost of Goods Sold	(4.007)	(4.126)	(3.974)	(3.989)	(3.670)
<b>Gross Profit</b>	<b>1.777</b>	<b>1.803</b>	<b>1.846</b>	<b>1.772</b>	<b>1.762</b>
Other Oper. (Exp)/Inc	(1.537)	(1.555)	(1.588)	(1.538)	(1.560)
<b>Operating Profit</b>	<b>240</b>	<b>247</b>	<b>258</b>	<b>234</b>	<b>202</b>
Other Non Opd (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	82.9	52.6	60.2	73.8	41.1
Net Interest (Exp)/Inc	(13.9)	(85.8)	(80.8)	(84.3)	(73.9)
Exceptional Gain/(Loss)	(72.3)	9.10	(9.1)	(0.5)	0.0
<b>Pre-tax Profit</b>	<b>237</b>	<b>223</b>	<b>229</b>	<b>223</b>	<b>169</b>
Tax	(52.9)	(49.5)	(44.3)	(43.7)	(25.8)
Minority Interest	8.20	3.90	(3.7)	(1.7)	4.50
<b>Net Profit</b>	<b>192</b>	<b>178</b>	<b>181</b>	<b>178</b>	<b>148</b>
Net profit bef Except.	264	169	190	179	148
EBITDA	323	300	319	308	243

## Growth

Revenue Gth (%)	5.1	2.5	(1.8)	(1.0)	(5.7)
EBITDA Gth (%)	23.6	(7.2)	6.2	(3.2)	(21.1)
Opd Profit Gth (%)	20.0	3.0	4.4	(9.3)	(13.8)
Net Profit Gth (%)	(9.1)	(7.5)	1.7	(1.4)	(16.9)

## Margins

Gross Margins (%)	30.7	30.4	31.7	30.8	32.4
Opd Profit Margins (%)	4.2	4.2	4.4	4.1	3.7
Net Profit Margins (%)	3.3	3.0	3.1	3.1	2.7

## Balance Sheet (US\$m)

FY Dec	2017A	2018A	2019A	2020F	2021F
Net Fixed Assets	1,184	757	820	775	865
Invt in Associates & JVs	1,601	2,031	2,102	2,196	2,302
Other LT Assets	1,011	4,175	3,943	3,944	3,949
Cash & ST Invt	332	296	301	275	482
Inventory	950	913	896	782	1,043
Debtors	351	326	281	244	348
Other Current Assets	38.3	35.2	26.1	26.1	26.1
<b>Total Assets</b>	<b>5,467</b>	<b>8,533</b>	<b>8,370</b>	<b>8,242</b>	<b>9,016</b>
ST Debt	413	1,026	938	938	938
Creditor	2,470	2,364	2,315	2,052	2,658
Other Current Liab	130	905	911	1,033	1,150
LT Debt	522	14.5	184	184	184
Other LT Liabilities	177	3,062	2,782	2,782	2,782
Shareholder's Equity	1,690	1,126	1,209	1,226	1,279
Minority Interests	65.7	35.5	30.3	27.7	24.8
<b>Total Cap. &amp; Liab.</b>	<b>5,467</b>	<b>8,533</b>	<b>8,370</b>	<b>8,242</b>	<b>9,016</b>
Non-Cash Wkg. Capital	(1,261)	(1,995)	(2,023)	(2,033)	(2,390)
Net Cash/(Debt)	(602)	(744)	(821)	(847)	(640)
Debtors Turn (avg days)	10.4	10.5	9.9	9.1	9.8
Creditors Turn (avg days)	114.7	112.0	114.3	114.6	118.1
Inventory Turn (avg days)	46.2	43.2	44.2	44.0	45.7
Asset Turnover (x)	2.1	1.7	1.3	1.3	1.3
Current Ratio (x)	0.6	0.4	0.4	0.3	0.4
Quick Ratio (x)	0.2	0.1	0.1	0.1	0.2
Net Debt/Equity (X)	0.3	0.6	0.7	0.7	0.5
Net Debt/Equity ex MI (X)	0.4	0.7	0.7	0.7	0.5
Capex to Debt (%)	23.4	21.4	20.8	9.4	22.2
Z-Score (X)	2.1	2.1	2.0	2.1	2.1

Source: Company, DBS Bank



## Dairy Farm

## Cash Flow Statement (US\$m)

FY Dec	2017A	2018A	2019A	2020F	2021F
Pre-Tax Profit	486	452	392	362	407
Dep. & Amort.	221	1,101	1,002	992	1,000
Tax Paid	(84.3)	(96.0)	(25.1)	(64.1)	(72.1)
Assoc. & JV Inc/(loss)	(144)	(113)	(115)	(94.2)	(106)
Chg in Wkg.Cap.	140	(20.5)	(76.7)	(112)	241
Other Operating CF	53.5	134	110	122	116
<b>Net Operating CF</b>	<b>671</b>	<b>1,458</b>	<b>1,288</b>	<b>1,206</b>	<b>1,587</b>
Capital Exp.(net)	(218)	(223)	(233)	(105)	(249)
Other Invt.(net)	0.0	0.0	0.0	0.0	0.0
Invt in Assoc. & JV	(5.8)	(223)	(3.8)	0.0	0.0
Div from Assoc & JV	0.0	0.0	0.0	0.0	0.0
Other Investing CF	(56.4)	(55.2)	(45.9)	(45.9)	(50.0)
<b>Net Investing CF</b>	<b>(281)</b>	<b>(501)</b>	<b>(283)</b>	<b>(151)</b>	<b>(299)</b>
Div Paid	(284)	(284)	(284)	(284)	(284)
Chg in Gross Debt	(40.9)	102	73.4	0.0	0.0
Capital Issues	0.0	0.0	0.0	0.0	0.0
Other Financing CF	(63.0)	(818)	(797)	(797)	(797)
<b>Net Financing CF</b>	<b>(388)</b>	<b>(1,001)</b>	<b>(1,008)</b>	<b>(1,081)</b>	<b>(1,081)</b>
Currency Adjustments	9.10	(6.5)	6.30	0.0	0.0
Chg in Cash	11.9	(50.0)	3.80	(26.0)	207
Opg CFPS (US cts.)	39.3	109	101	97.4	99.5
Free CFPS (US cts.)	33.5	91.3	78.0	81.4	98.9

Source: Company, DBS Bank

## Target Price &amp; Ratings History



S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	02 Aug 19	7.60	7.99	HOLD
2:	06 Mar 20	4.64	5.20	HOLD
3:	25 Mar 20	4.07	4.70	BUY
4:	15 Apr 20	4.88	5.59	BUY

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

Source: DBS Bank

Analyst: Alfie YEO

Andy SIM, CFA

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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: 29 Apr 2020 12:17:07 (SGT)

Dissemination Date: 29 Apr 2020 12:21:28 (SGT)

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