

# Singapore Company Update

# Yangzijiang Shipbuilding

Bloomberg: YZJSGD SP | Reuters: YAZG.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

4 Dec 2020

## BUY

Last Traded Price (3 Dec 2020): S\$0.910 (STI : 2,822.34)

Price Target 12-mth: S\$1.40 (54% upside)

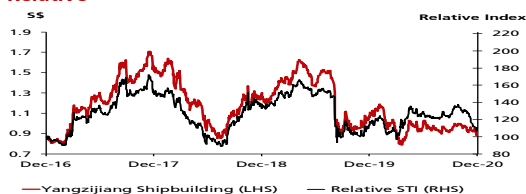
### Analyst

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### What's New

- Underperformance of 5-39% due to MSCI deletion in end November set to reverse
- Valuation gap should narrow to -1SD or implied share price of S\$1.20 (+32% upside) in tandem with peers' recent re-rating
- Order momentum to accelerate with shipping recovery
- Conviction BUY; stock also offers 4.4% dividend yield

### Price Relative



### Forecasts and Valuation

FY Dec (RMBm)	2019A	2020F	2021F	2022F
Revenue	23,597	19,333	18,733	20,171
EBITDA	4,602	3,943	3,674	4,083
Pre-tax Profit	4,186	3,594	3,698	3,950
Net Profit	3,105	2,632	2,802	2,910
Net Pft (Pre Ex.)	3,105	2,632	2,554	2,910
Net Pft Gth (Pre-ex) (%)	1.1	(15.2)	(2.9)	13.9
EPS (S cts)	16.0	13.7	14.6	15.1
EPS Pre Ex. (S cts)	16.0	13.7	13.3	15.1
EPS Gth Pre Ex (%)	1	(14)	(3)	14
Diluted EPS (S cts)	16.0	13.7	14.6	15.1
Net DPS (S cts)	4.54	4.04	4.54	4.54
BV Per Share (S cts)	162	171	182	192
PE (X)	5.7	6.6	6.2	6.0
PE Pre Ex. (X)	5.7	6.6	6.8	6.0
P/Cash Flow (X)	3.8	5.9	6.6	6.0
EV/EBITDA (X)	0.5	0.0	nm	nm
Net Div Yield (%)	5.0	4.4	5.0	5.0
P/Book Value (X)	0.6	0.5	0.5	0.5
Net Debt/Equity (X)	CASH	CASH	CASH	CASH
ROAE (%)	10.3	8.2	8.3	8.1
<b>Earnings Rev (%):</b>		0	0	N/A
<b>Consensus EPS (S cts):</b>		13.8	14.1	14.0
<b>Other Broker Recs:</b>		B: 6	S: 2	H: 1

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



### Brain Box

(Our NEW Pilot Research Platform) is available to Institutional Investors on Demand. Please contact your DBSV Institutional Sales contact for a demonstration.

## Overhang removed, value emerging

### Investment Thesis:

Recent underperformance due to MSCI rebalancing offers a golden opportunity - trading at below cash of S\$1.15/share and unjustifiably low 0.5x price/book value (P/BV) (2SD [standard deviation] below mean) despite superior financials of 8% return on equity (ROE) and sustainable dividend per share (DPS) of >4 Scts (~4.4% dividend yield).

Distinctive economic moat as the largest and most cost-efficient private shipbuilder in China; well-positioned to ride on shipping recovery. Yangzijiang Shipbuilding (Yangzijiang) has demonstrated earnings resilience during downturns, bolstered by a strong balance sheet with steady investment income.

Key catalysts include sizeable contract flows and progress in the liquefied natural gas (LNG) carrier market.

### Valuation:

Our target price (TP) of S\$1.40 is based on sum-of-parts (SOP), pegged to 8x FY20F price-to-earnings (PE) on shipbuilding earnings, and 0.7x P/BV for both investments and bulk carrier/tanker fleet. This translates into 0.8x P/BV (0.5 SD below its 5-year mean of 0.9x).

### Where we differ:

Market has over-penalised Yangzijiang for its **debt investments**, not realising that most investments are backed by collateral of 1.5-2.5x.

### Key Risks to Our View:

Revenue is denominated mainly in **US Dollar (USD)**. If the net exposure at ~50% is unhedged, every 1% USD depreciation could lead to a 1.5% decline in earnings. Every 1% rise in **steel cost**, which accounts for about 20% of cost of goods sold (COGS) could result in a 0.8% drop in earnings.

### At A Glance

Issued Capital (m shrs)	3,877
Mkt. Cap (S\$m/US\$m)	3,528 / 2,643
Major Shareholders (%)	
Yangzi International	22.0
Lido Point Investments Ltd	10.2
Blackrock	5.1
Free Float (%)	62.8
3m Avg. Daily Val (US\$m)	19.5

**GIC Industry** : Industrials / Capital Goods



Live more, Bank less

## Yangzijiang Shipbuilding

### WHAT'S NEW

#### Undervalued! Tide is turning!

##### MSCI overhang removed

Yangzijiang has underperformed its regional peers by 5-39% since early November; dragged by selling pressure from MSCI rebalancing. Yangzijiang has been left out in the recent equity rally and rotational interests into cyclicals to position for economic recovery following positive news on vaccine progress. Instead, its share price fell 1%, underperforming the Straits Times Index (STI) by 17% and regional shipyards by up to 39%. We believe this is due largely to overhang and selling pressure resulting from the MSCI deletion.

##### Share price performance since 1-Nov

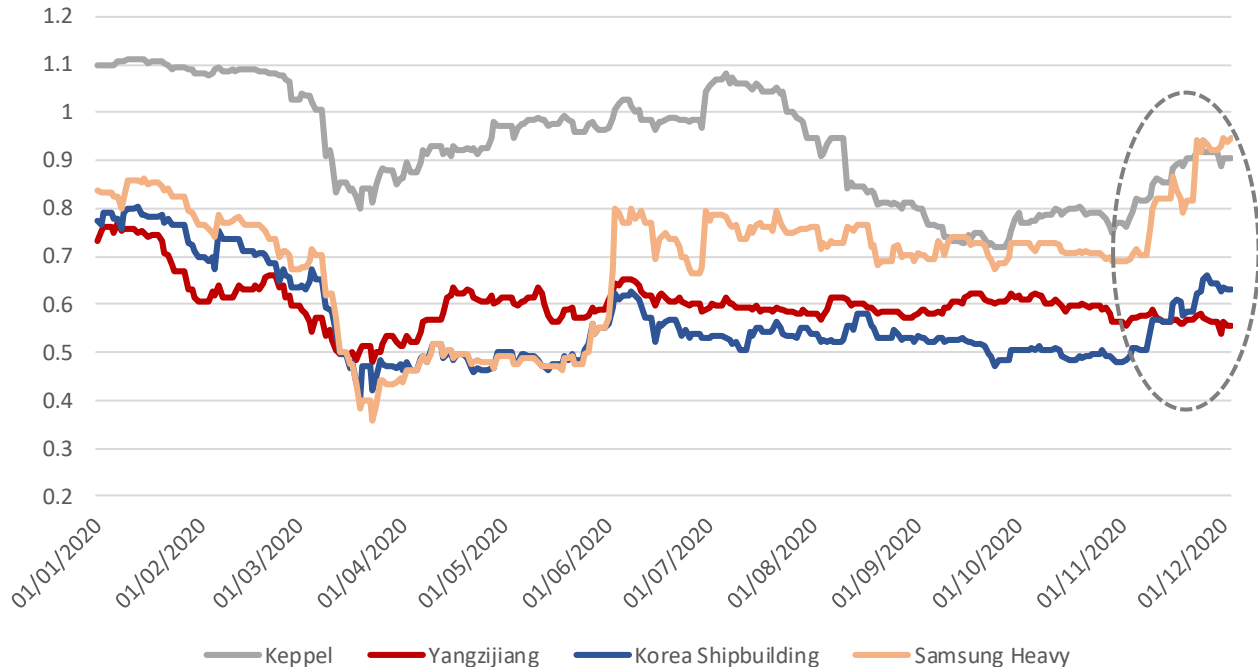
Yangzijiang	-1%
CSIC	4%
CSSC	6%
STI Index	16%
Keppel	17%
SMM	36%
Korea Shipbuilding	32%
Samsung Heavy	38%

Source: Bloomberg Finance L.P., DBS Bank

MSCI overhang has been eliminated post rebalancing on November 30. We believe that the stock's current price is at a tipping point that investors should not miss. The stock is set to bottom out with improving fundamentals.

#### Yangzijiang underperformed peers in recent cyclicals rally, which we believe is due largely to selling pressure from MSCI deletion

### P/Bv Comparison



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

## Yangzijiang Shipbuilding

Yangzijiang trades at 2SD below mean vs its Singapore and Chinese peers' 0.5-1SD below mean and Korean peers' 0.5-1.5SD above mean. In our view, Yangzijiang is undervalued and probably mispriced, trading at merely 0.5x P/Bv which is 2SD below its 5-year mean, a steep discount to its peers despite a much stronger balance sheet, profitability and dividend yield.

Valuation gap poised to narrow; 1SD below mean or S\$1.20 (+32% upside) should better reflect current fundamentals. While Chinese state-owned enterprise (SOE) yards demand valuation premium and Korean peers are buoyed by Qatar's massive LNG orders and revived interests in containership orders, the gap should narrow to 1SD below mean or 0.7x P/Bv to reflect improved fundamentals for shipbuilding in tandem with recent re-rating for industry peers.

### P/BV comparison against regional peers

P/Bv	Yangzijiang	Keppel	CSIC	CSSC	Korea Shipbuilding	Samsung Heavy
Current	0.5x	0.9x	1.2x	1.8x	0.6x	0.9x
Mean	0.9x	1.1x	2.0x	2.1x	0.5x	0.6x
SD	0.2x	0.2x	0.9x	0.8x	0.2x	0.2x
Current Valuation	-2SD	-1SD	-1SD	-0.5SD	+0.5SD	+1.5SD

Source: Bloomberg Finance L.P., DBS Bank

### Peer comparisons; Yangzijiang trading at unjustifiably steep discount to its peers despite superior financials

Company	Last Px (LC)	Market cap (US\$m)	P/E FY20F	FY21F	P/B Current	ROE (%) FY20F	FY21F	Net D/E Current	Div Yld (%) Current
<b>Singapore</b>									
Keppel Corp	5.15	7,010	122.6	12.8	0.9	-1.9%	4.7%	0.8	2.9%
Sembcorp Marine *	0.163	1,533	nm	nm	0.5	-9.6%	-2.6%	0.6	nm
Yangzijiang	0.91	2,638	6.6	6.5	0.5	8.3%	8.2%	CASH	4.4%
<b>China</b>									
China Shipbuilding Industry (CSIC)	4.33	15,080	90.2	78.7	1.2	1.3%	1.4%	CASH	nm
Shanghai Zhenhua Heavy	3.16	2,082	nm	nm	1.2	nm	nm	2.0	1.6%
China CSSC	18.82	12,856	nm	nm	1.8	nm	nm	CASH	nm
<b>Korea</b>									
Korea Shipbuilding & Offshore	103,500	6,713	51.4	33.7	0.6	1.1%	1.7%	0.1	nm
Samsung Heavy Industries	6,960	4,018	NM	nm	0.9	-19.1%	-3.4%	0.6	nm
Daewoo Shipbuilding	27,450	2,699	10.2	18.3	0.7	7.2%	3.6%	0.1	nm
		<b>Average</b>	47.7	17.8	0.9	-2.3%	2.1%	0.7	
		<b>Median:</b>	30.8	15.6	0.8	-0.4%	2.7%	0.6	

\* based on consensus

Closing price as of 3 Dec 2020

Source: Bloomberg Finance L.P., DBS Bank



## Yangzijiang Shipbuilding

### Buoyant shipping markets bode well for newbuild orders

#### Rising shipping rates bode well for newbuild orders.

Historically, Yangzijiang’s share price has tracked shipping market, a leading indicator for ship orders. However, the correlation has broken down the past 6-months as its share price has remained muted despite shipping rates trending up since mid-2020.

#### Order momentum could be stronger than expected in 2021...

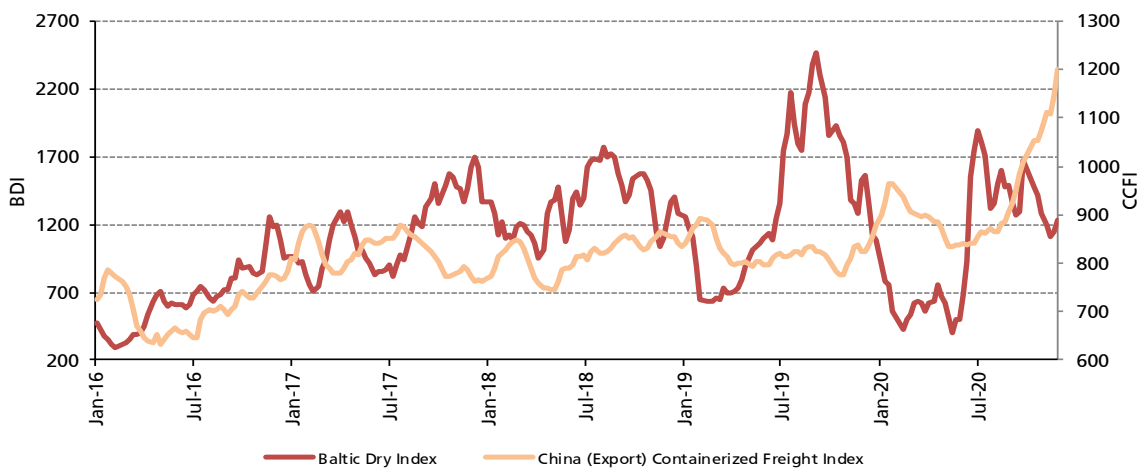
China (Export) Containerized Freight Index (CCFI) climbed to ~1,200 points, a level not seen since March 2015. The Baltic Dry Index (BDI) also tripled to ~1,200 points from its lows in May-2020. These should incentivise ship owners to press ahead with newbuild orders for containerships and bulk carriers which have been held back due to the implementation of International Maritime Organisation 2020 (IMO 2020) ruling and COVID-19 pandemic this year. Against

this backdrop, ordering activities could offer upside surprise going into 2021.

... and catalyse re-rating. Recall that in 2017, Yangzijiang’s share price doubled in 6-months in response to robust order flow from ~US\$800m in 2016 to >US\$2bn in 2017. In our view, its remarkable year-to-date (YTD) wins of US\$1.26bn, higher than US\$830m in 2019, despite COVID-19 challenges have not been fairly reflected in its share price performance.

Besides options worth over US\$1.4bn, Yangzijiang has also reportedly signed LOI with MSC for ultra-large containership sized 23k TEU worth up to US\$888m, that could be translated into firm orders in the coming months.

### Both container and dry bulk shipping rates have rebounded above pre-COVID levels – positive for newbuild orders



US\$ m	FY16	FY17	FY18	FY19	YTD2020
Order wins	823	2,100	1,460	830	1,260

Source: Bloomberg Finance L.P., DBS Bank

## Yangzijiang Shipbuilding

### Remarkable YTD wins of US\$1.26bn during COVID-19; options worth US\$1.5bn could potentially be exercised

Date announced	Type of vessel	No. of units	Job scope	Value, Est* (US\$ m)
Feb-20	Bulk carriers	2	40k DWT bulk carriers	50
Feb-20	Bulk carriers	2	82k DWT bulk carriers	54
Mar-20	Containership	2	14k TEU containerships	230
Mar-20	Bulk carriers	1	82k DWT bulk carriers	26
May-20	Containership	4	1k TEU containership	54
Jun-20	Bulk carriers	2	LNG-tank carriers	63
Jun-20	Bulk carriers	2	56k DWT bulk carriers	39
Aug-20	Bulk carriers	2	82k DWT bulk carriers	52
Aug-20	Containership	6	1.8k TEU containerships	126
Nov-20	Bulk carriers	2	82k DWT bulk carriers	52
Nov-20	Bulk carriers	2	40k DWT bulk carriers	46
Nov-20	Bulk carriers	1	38.5k DWT bulk carriers	21
Nov-20	Chemical tankers	1	9.15k DWT dual fuel chemical tankers	20
Nov-20	Containership	5	3.5k TEU containerships	198
Nov-20	Containership	4	2.4k TEU containerships	112
Nov-20	Containership	1	2.7k TEU containerships	32
Nov-20	Containership	2	1.8k TEU containerships	42
Nov-20	Bulk carriers	2	59k DWT bulk carriers	40
<b>Total FY20 YTD order wins</b>				<b>1,258</b>
<b>Options</b>				
Mar-20	Containership	8	14k TEU containerships	920
Jun-20	LNG tank carriers	8	LNG-tank carriers	251
Aug-20	Containership	4	1.8k TEU containerships	84
Nov-20	Containership	5	3.5k TEU containerships	198
				<b>1,453</b>

\*DBS estimation of individual contract value

Source: Company, DBS Bank

### Management's vote of confidence

**Share buyback since September 2020.** Its management launched a share buyback exercise in September, accumulating 48.2m shares or approximately 1.23% of its outstanding shares. This nearly doubles the 0.6-0.7% shares acquired in 2018 and 2019.

In 2019, Yangzijiang activated the share buyback mandate following a price plunge on concerns over the company's Chairman providing assistance in investigations on a former government official. Similarly, in 2018 the company also bought back shares as its share price dipped to ~90 scts. In both years, its share prices bottomed out a few months after the share buybacks.

We take comfort from the management's confidence in its operations.

**CEO bought 4% stake in company in March 2020.** Chief Executive Officer (CEO) Ren Letian's acquired ~4% of Yangzijiang from initial public offering (IPO) investor Hengyuan Asset Investment (Hengyuan). Hengyuan's 11% was issued during the IPO in 2007 in exchange for its minority interest in New Yard. The investor has pared down its stake over the years for reinvestment.

### Company Background

Yangzijiang is one of the largest, most efficient and profitable shipbuilders in China. It has moved up the value chain to produce mega containerships and very large bulk carriers, as well as LNG vessels.

## SOTP-based valuation

Components	% stake	FY20 PATMI (\$ m)	Est. market value (\$ m)	Value per share (\$)	Basis	Remark
Shipbuilding	100%	272	2,173	0.55	8x FY20 PE	10-year mean (8x)
Shipping & related	100%	17	319	0.08	0.7x P/Bv	0.7x Book value of the 23 vessels; half has been marked down by 50%.
Investment	100%	237	1,947	0.50	0.7x P/Bv	SG banks' trough valuation peg of 0.7x
		526	4,439	1.13		
Add: Net Cash			1,033	0.26		
Target price (\$)				1.40		

Source: DBS Bank

## Historical PE and PB bands



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



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

**Key Assumptions**

FY Dec	2018A	2019A	2020F	2021F	2022F
Order wins (US\$ m)	1,460	830	1,500	2,500	2,500
Steel cost (RMB/t)	4,314	4,530	4,666	4,899	5,144
RMB / USD	6.60	6.80	6.80	6.80	6.80

**Segmental Breakdown**

FY Dec	2018A	2019A	2020F	2021F	2022E
<b>Revenues (RMBm)</b>					
Shipbuilding	14,023	13,019	11,122	10,427	11,611
Investment	1,612	1,890	1,611	1,406	1,345
Others	7,603	8,687	6,600	6,900	7,215
<b>Total</b>	<b>23,238</b>	<b>23,597</b>	<b>19,333</b>	<b>18,733</b>	<b>20,171</b>
<b>Gross profit (RMBm)</b>					
Shipbuilding	2,471	1,939	1,348	1,232	1,705
Investment	1,534	1,798	1,531	1,335	1,278
Others	106	591	690	695	699
<b>Total</b>	<b>4,112</b>	<b>4,329</b>	<b>3,569</b>	<b>3,262</b>	<b>3,682</b>
<b>Gross profit Margins (%)</b>					
Shipbuilding	17.6	14.9	12.1	11.8	14.7
Investment	95.2	95.1	95.0	95.0	95.0
Others	1.4	6.8	10.5	10.1	9.7
<b>Total</b>	<b>17.7</b>	<b>18.3</b>	<b>18.5</b>	<b>17.4</b>	<b>18.3</b>

**Income Statement (RMBm)**

FY Dec	2018A	2019A	2020F	2021F	2022F
Revenue	23,238	23,597	19,333	18,733	20,171
Cost of Goods Sold	(19,127)	(19,269)	(15,764)	(15,471)	(16,489)
<b>Gross Profit</b>	<b>4,112</b>	<b>4,329</b>	<b>3,569</b>	<b>3,262</b>	<b>3,682</b>
Other Opng (Exp)/Inc	(167)	(321)	(180)	(142)	(165)
<b>Operating Profit</b>	<b>3,944</b>	<b>4,007</b>	<b>3,389</b>	<b>3,120</b>	<b>3,517</b>
Other Non Opng (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	(85.8)	117	100	120	150
Net Interest (Exp)/Inc	51.7	62.1	105	210	283
Exceptional Gain/(Loss)	0.0	0.0	0.0	248	0.0
<b>Pre-tax Profit</b>	<b>3,910</b>	<b>4,186</b>	<b>3,594</b>	<b>3,698</b>	<b>3,950</b>
Tax	(830)	(890)	(791)	(725)	(869)
Minority Interest	(9.8)	(191)	(171)	(171)	(171)
Preference Dividend	0.0	0.0	0.0	0.0	0.0
<b>Net Profit</b>	<b>3,070</b>	<b>3,105</b>	<b>2,632</b>	<b>2,802</b>	<b>2,910</b>
Net Profit before Except.	3,070	3,105	2,632	2,554	2,910
EBITDA	4,391	4,602	3,943	3,674	4,083
<b>Growth</b>					
Revenue Gth (%)	21.0	1.5	(18.1)	(3.1)	7.7
EBITDA Gth (%)	20.1	4.8	(14.3)	(6.8)	11.1
Opg Profit Gth (%)	25.9	1.6	(15.4)	(7.9)	12.7
Net Profit Gth (Pre-ex) (%)	16.2	1.1	(15.2)	(2.9)	13.9
<b>Margins &amp; Ratio</b>					
Gross Margins (%)	17.7	18.3	18.5	17.4	18.3
Opg Profit Margin (%)	17.0	17.0	17.5	16.7	17.4
Net Profit Margin (%)	13.2	13.2	13.6	15.0	14.4
ROAE (%)	11.2	10.3	8.2	8.3	8.1
ROA (%)	7.0	6.8	5.6	5.8	5.7
ROCE (%)	9.2	8.6	6.7	6.1	6.3
Div Payout Ratio (%)	31.8	28.1	29.5	31.2	30.0
Net Interest Cover (x)	NM	NM	NM	NM	NM

Source: Company, DBS Bank

**Quarterly Income Statement (RMBm)**

FY Dec	3Q2019	4Q2019	1Q2020	2Q2020	3Q2020
Revenue	5,424	4,849	3,497	4,768	3,583
Cost of Goods Sold	(4,364)	(3,946)	(2,783)	(3,498)	(2,319)
<b>Gross Profit</b>	<b>1,060</b>	<b>904</b>	<b>714</b>	<b>1,270</b>	<b>1,264</b>
Other Oper. (Exp)/Inc	(194)	(4.8)	(209)	(228)	(525)
<b>Operating Profit</b>	<b>866</b>	<b>899</b>	<b>505</b>	<b>1,042</b>	<b>740</b>
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	(23.2)	89.9	6.38	42.9	24.4
Net Interest (Exp)/Inc	29.9	(15.0)	74.6	24.9	50.5
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0	0.0
<b>Pre-tax Profit</b>	<b>873</b>	<b>974</b>	<b>586</b>	<b>1,110</b>	<b>815</b>
Tax	(153)	(214)	(172)	(317)	(202)
Minority Interest	(17.6)	(117)	(10.3)	(18.7)	(27.8)
<b>Net Profit</b>	<b>702</b>	<b>642</b>	<b>404</b>	<b>774</b>	<b>585</b>
Net Profit bef Except.	702	642	404	774	585
EBITDA	987	1,035	638	1,223	907

**Growth**

Revenue Gth (%)	(22.9)	(10.6)	(27.9)	36.4	(24.9)
EBITDA Gth (%)	(29.1)	4.8	(38.3)	91.7	(25.8)
Opg Profit Gth (%)	(32.0)	3.8	(43.8)	106.2	(29.0)
Net Profit Gth (Pre-ex) (%)	(25.0)	(8.5)	(37.1)	91.6	(24.4)

**Margins**

Gross Margins (%)	19.5	18.6	20.4	26.6	35.3
Opg Profit Margins (%)	16.0	18.5	14.4	21.8	20.6
Net Profit Margins (%)	12.9	13.2	11.5	16.2	16.3

FY Dec	2018A	2019A	2020F	2021F	2022F
Net Fixed Assets	5,163	5,678	5,424	5,190	4,975
Invts in Associates & JVs	1,454	1,533	1,633	1,753	1,903
Other LT Assets	7,144	7,293	6,861	6,666	6,481
Cash & ST Invts	18,824	21,552	23,717	25,454	27,365
Inventory	2,606	1,598	2,109	2,043	2,200
Debtors	5,051	4,680	4,296	4,163	4,483
Other Current Assets	4,669	3,422	3,764	4,141	4,555
<b>Total Assets</b>	<b>44,911</b>	<b>45,756</b>	<b>47,804</b>	<b>49,410</b>	<b>51,961</b>
ST Debt	1,149	2,782	2,504	2,254	2,028
Creditor	4,195	3,514	4,296	3,903	4,202
Other Current Liab	5,688	3,894	3,395	3,329	3,474
LT Debt	2,895	2,251	2,363	2,481	2,605
Other LT Liabilities	1,166	1,260	1,260	1,260	1,260
Shareholder's Equity	29,102	31,096	32,854	34,881	36,918
Minority Interests	717	959	1,130	1,302	1,473
<b>Total Cap. &amp; Liab.</b>	<b>44,911</b>	<b>45,756</b>	<b>47,804</b>	<b>49,410</b>	<b>51,961</b>
Non-Cash Wkg. Capital	2,443	2,292	2,478	3,115	3,561
Net Cash/(Debt)	14,780	16,519	18,850	20,719	22,731
Debtors Turn (avg days)	81.2	75.3	84.7	82.4	78.2
Creditors Turn (avg days)	98.7	74.9	93.1	99.5	92.0
Inventory Turn (avg days)	51.4	40.8	44.2	50.4	48.2
Asset Turnover (x)	0.5	0.5	0.4	0.4	0.4
Current Ratio (x)	2.8	3.1	3.3	3.8	4.0
Quick Ratio (x)	2.2	2.6	2.7	3.1	3.3
Net Debt/Equity (X)	CASH	CASH	CASH	CASH	CASH
Net Debt/Equity ex MI (X)	CASH	CASH	CASH	CASH	CASH
Capex to Debt (%)	8.3	10.5	4.1	4.2	4.3
Z-Score (X)	2.8	2.9	2.8	2.9	2.9

Source: Company, DBS Bank

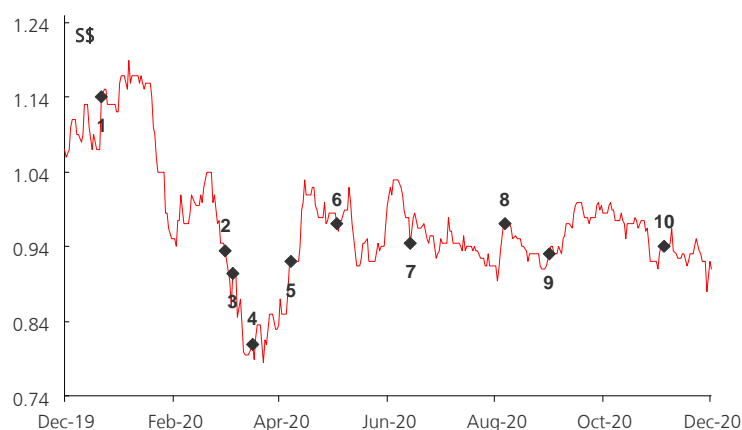


## Cash Flow Statement (RMBm)

FY Dec	2018A	2019A	2020F	2021F	2022F
Pre-Tax Profit	3,910	4,186	3,594	3,698	3,950
Dep. & Amort.	532	477	454	434	415
Tax Paid	(637)	(781)	(1,289)	(791)	(725)
Assoc. & JV Inc/(loss)	85.8	(117)	(100.0)	(120)	(150)
Chg in Wkg.Cap.	(2,445)	985	313	(571)	(591)
Other Operating CF	(139)	(142)	0.0	0.0	0.0
<b>Net Operating CF</b>	<b>1,307</b>	<b>4,609</b>	<b>2,972</b>	<b>2,651</b>	<b>2,900</b>
Capital Exp.(net)	(337)	(530)	(200)	(200)	(200)
Other Invt.(net)	0.0	0.0	0.0	0.0	0.0
Invt in Assoc. & JV	(187)	(149)	0.0	0.0	0.0
Div from Assoc & JV	184	139	0.0	0.0	0.0
Other Investing CF	1,248	(172)	1,568	705	670
<b>Net Investing CF</b>	<b>908</b>	<b>(712)</b>	<b>1,368</b>	<b>505</b>	<b>470</b>
Div Paid	(870)	(990)	(873)	(776)	(873)
Chg in Gross Debt	(782)	811	(166)	(132)	(101)
Capital Issues	0.0	0.0	0.0	0.0	0.0
Other Financing CF	(165)	(128)	0.0	0.0	0.0
<b>Net Financing CF</b>	<b>(1,816)</b>	<b>(307)</b>	<b>(1,039)</b>	<b>(908)</b>	<b>(974)</b>
Currency Adjustments	0.0	0.0	0.0	0.0	0.0
Chg in Cash	399	3,589	3,301	2,248	2,396
Opg CFPS (S cts)	19.3	18.7	13.8	16.8	18.2
Free CFPS (S cts)	5.00	21.0	14.4	12.8	14.1

Source: Company, DBS Bank

## Target Price &amp; Ratings History



S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	23 Dec 19	1.14	1.68	BUY
2:	02 Mar 20	0.94	1.50	BUY
3:	06 Mar 20	0.91	1.50	BUY
4:	17 Mar 20	0.81	1.50	BUY
5:	08 Apr 20	0.92	1.50	BUY
6:	04 May 20	0.97	1.40	BUY
7:	15 Jun 20	0.95	1.40	BUY
8:	07 Aug 20	0.97	1.40	BUY
9:	01 Sep 20	0.93	1.40	BUY
10:	05 Nov 20	0.94	1.40	BUY

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

Source: DBS Bank

Analyst: Pei Hwa HO

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: 4 Dec 2020 08:34:49 (SGT)

Dissemination Date: 4 Dec 2020 09:04:43 (SGT)

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

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