

# Singapore Company Update

## ST Engineering

Bloomberg: STE SP | Reuters: STEG.SI

Refer to important disclosures at the end of this report.

DBS Group Research . Equity

19 Nov 2021

### BUY

Last Traded Price (18 Nov 2021): S\$3.98 (STI : 3,237.02)  
Price Target 12-mth: S\$4.60 (16% upside)

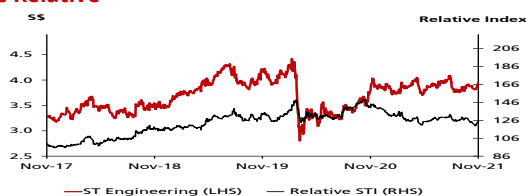
#### Analyst

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#### What's New

- Five-year outlook unveiled – STE plans to reach S\$11bn in revenues by FY26, implies a 7% CAGR over FY20-26
- Smart city-related revenues expected to be as big a contributor as commercial aerospace by FY26
- Organic growth trends look much more exciting than in the recent past, STE no longer just a yield play
- Maintain BUY with slightly higher TP of S\$4.60

#### Price Relative



#### Forecasts and Valuation

FY Dec (\$m)	2020A	2021F	2022F	2023F
Revenue	7,158	7,444	9,192	9,805
EBITDA	957	1,066	1,174	1,367
Pre-tax Profit	534	648	708	836
Net Profit	522	553	559	673
Net Pft (Pre Ex.)	522	553	559	673
Net Pft Gth (Pre-ex) (%)	(11.9)	6.1	0.9	20.4
EPS (S cts)	16.7	17.7	17.9	21.6
EPS Pre Ex. (S cts)	16.7	17.7	17.9	21.6
EPS Gth Pre Ex (%)	(12)	6	1	20
Diluted EPS (S cts)	16.7	17.7	17.9	21.6
Net DPS (S cts)	15.0	15.0	15.0	15.0
BV Per Share (S cts)	73.4	76.1	79.0	85.6
PE (X)	23.8	22.5	22.2	18.5
PE Pre Ex. (X)	23.8	22.5	22.2	18.5
P/Cash Flow (X)	8.1	14.0	16.2	12.4
EV/EBITDA (X)	14.7	13.0	14.9	12.6
Net Div Yield (%)	3.8	3.8	3.8	3.8
P/Book Value (X)	5.4	5.2	5.0	4.7
Net Debt/Equity (X)	0.5	0.4	1.7	1.5
ROAE (%)	23.1	23.7	23.1	26.2
Earnings Rev (%)		0	2	0
Consensus EPS (S cts):		18.2	19.2	21.2
Other Broker Recs:		B: 9	S: 3	H: 0

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

### Making All The Smart Moves

#### Investment Thesis:

**Upswing in Growth trajectory.** In the near term (FY21-23), we expect solid 10% CAGR in net profit, driven by inorganic growth (TransCore) and recovery in commercial aerospace segment. However, the big story is that instead of revenue stagnation (between FY12-FY18), growth momentum will continue, build on the solid foundation established since 2018. With continued investments in R&D and strategic acquisitions, STE remains well on top of crucial global needs of digitalisation, urbanisation, sustainability and security, which will drive robust organic growth across segments of at least 4-5% even further out in this decade to 2026. Key to this will be 1) the strong ramp-up in Passenger to Freighter (P2F) conversions, 2) continued traction in the smart city space – smart mobility, smart environment and smart security, 3) expansion in digital businesses including cloud, AI analytics, and cybersecurity and 4) international defence contract wins, among others.

**Record order backlog underpins earnings visibility.** The order backlog for STE reached a new record level of S\$18.2bn as at end-9M21, as new order wins surpass expectations.

**Inorganic growth can provide further impetus.** STE can leverage its strong balance sheet to ensure more debt-funded acquisitions. Despite the expected increase in gearing, we envisage limited impact on funding costs.

#### Valuation:

Our TP is revised up slightly to S\$4.60 as we roll over to FY22 valuations. The TP is based on a blended valuation framework (P/E, dividend yield, and DCF). Stock offers decent yield of 3.8% and potential to ride on stronger growth going forward.

#### Where we differ:

We are more conservative on FY22 earnings compared to consensus (likely related to pace of aerospace recovery), but we are more bullish on the recovery thereafter.

#### Key Risks to Our View:

Slower than-expected demand recovery in international air travel could pose downside risk to earnings and valuations.

#### At A Glance

Issued Capital (m shrs)	3,115
Mkt. Cap (S\$m/US\$m)	12,399 / 9,146
Major Shareholders (%)	
Temasek Holdings Pte Ltd (%)	49.9
Capital Group Cos Inc/The	5.0
Free Float (%)	45.1
3m Avg. Daily Val (US\$m)	13.8
GIC Industry : Industrials / Capital Goods	



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## WHAT'S NEW

### Investor Day Outlook

STE showcases a more comprehensive strategic outlook for the next five years, compared to the previous investors' day in 2018. To recap, in 2018, STE had announced its intentions to focus on growing its smart city business and pursue opportunities in the international defence business, apart from strengthening the core businesses. Goals included doubling of smart city-related revenues by 2022. However, owing largely to the impact of COVID-19 in FY20/21, STE has been unable to meet the targets set for 2022 on most fronts, barring the diversification of revenue growth to international markets. These targets should be met in the next one to two years. Looking forward to the next five years to 2026, the targets set by STE management in its most recent strategy update this week are more robust, in our view, and provide a more holistic picture of the underlying drivers and focus areas for the group in the medium to long term. Some of the key overall highlights are as below:

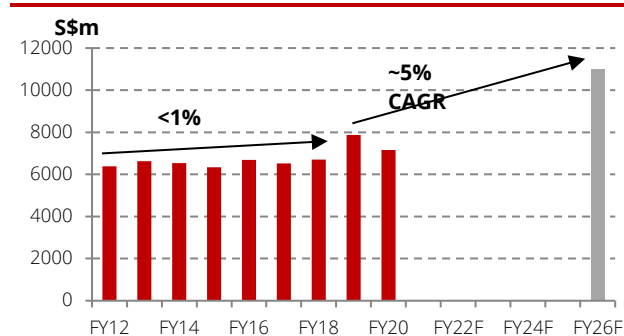
#### Key 2026 targets for ST Engineering

- Annual revenue to grow at 2-3x GDP growth rate (compared to base year of FY20) to surpass S\$11.0bn in FY26
- Revenue target of S\$11.0bn includes the integration of TransCore (by 1QFY22), but has not factored in new M&A
- STE expects net profits (base year = FY20) to grow in tandem with revenue
- Of this >S\$11.0bn revenue target for the group, the commercial aerospace segment is expected to achieve more than S\$3.5bn in revenue, while smart city revenue is anticipated to more than double to c.S\$3.5bn
- Cloud, AI Analytics, and Cybersecurity revenues to more than triple to exceed S\$500m by FY26
- Sustainability-linked businesses to cut across all business lines and such revenues should grow to more than S\$3bn by FY26
- 4-5% of revenue (at least S\$300m) will be invested in R&D initiatives annually, which is crucial to the business' growth plans as demonstrated by the success of the Airbus P2F programme
- Organic capex plans of around S\$1.6bn over next five years
- Long-term ROE target is consistent with pre-crisis levels of above 20%

#### These targets stack up materially better against the past

The revenue target of S\$11bn by FY26 represents a 7% CAGR in revenue compared to FY20 levels, and a lower 5% CAGR if we compare to pre-crisis (FY19) levels. STE had recorded a revenue of S\$7.2bn in FY20, down 9% from FY19 (pre-COVID) levels and hence growth rates in the near term will be off a lower-than-usual base, and hence higher. Given the upcoming completion of acquisition of Transcore in FY22 and the ongoing recovery in the commercial aerospace segment, we are expecting revenue growth rate to be front-loaded in the next five-year period, with growth in the initial period (FY21-23) in the 10-11% range, while towards the latter part (FY23-26), revenue growth moderates down to around the 4%+ CAGR range, given management's revenue targets for FY26. Compared to the revenue stagnation seen earlier in FY12-18 period (0.7% CAGR), before the acquisitions of MRAS and Newtec, **this trajectory represents materially better organic growth prospects for STE in the coming few years**, even after the initial growth spurt driven by TransCore acquisition and post-COVID aviation recovery.

#### ST Engineering revenue growth prospects vs. history



Source: Company, DBS Bank

**Earnings prospects look rosy.** In terms of earnings, if we were to take a 7% CAGR between FY20-26, similar to the revenue CAGR, this would imply net profit of c.S\$780m by FY26, compared to our existing forecast of the group reaching S\$670m net profit range by FY23; hence, we believe STE could be able to achieve at least S\$750m in net profit by FY26 (at a 4% CAGR from our forecasts) if not S\$780m, which is credible enough by itself. Add to that the possibility of inorganic growth, given that STE can afford to leverage balance sheet further, and prospects look increasingly rosy.

## ST Engineering

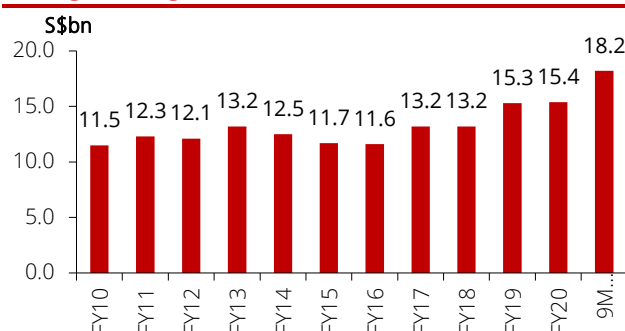
Four key macro trends underlie STE's future growth prospects. STE management has identified the following global trends as key supporting pillars for STE's growth:

- 1) Digitalisation – continuous technology upgrades
- 2) Sustainability – awareness creating opportunities
- 3) Urbanisation – creation of smart infrastructure
- 4) Security – protecting from unconventional threats

Based on these trends, STE has identified the key strategic focus areas of smart cities, commercial aerospace, digital business – cloud, AI and cyber, international defence, and sustainability-linked revenues as growth drivers of the future. Plans for each of these strategic areas are outlined in more details in the table below.

**Contract flows have been very good YTD in 2021.** The orderbook continues to breach record levels quarter after quarter, and at S\$18.2bn as of end-3Q21, it is much higher than pre-pandemic levels. This is driven by contract wins across all business segments. The group announced S\$1.8bn of contract wins in both 2Q21 and 3Q21, at-par with pre-COVID19 run rates. 9M21 order wins stand close to S\$5.2bn and the orderbook increased to an all-time high of S\$18.2bn at end-Sep-21, up from S\$15.7bn as of end-Mar-21 and S\$15.3bn as of end-FY20. STE has announced contracts worth a total of S\$5.2bn YTD in FY21, which is a significantly higher run rate than the FY20 trends, despite the slow recovery in the commercial aerospace sector.

### ST Engineering orderbook trends



Source: Company, DBS Bank

**This should provide investors the confidence to view STE as a growth + yield stock.** In the near term, we are forecasting higher-than-usual growth in revenue and earnings, but even organic growth beyond that should be better than the historical track record. STE should be able to pursue further inorganic growth as well, given that funding costs should not be materially affected even if credit ratings are downgraded a notch or two from the current AAA rating. Thus, STE is well on its way to be positioned as more of a growth story than just a defensive yield stock. Maintain BUY with TP of S\$4.60.

### Company Background

ST Engineering (STE) is an integrated engineering group in the aerospace, smart city, defence, and public security sectors. The company has over the years diversified its businesses and geographies.

### Strategic focus areas and future plans

<b>Commercial Aerospace</b>	<ul style="list-style-type: none"> <li>• Expect MRO market to hit US\$115bn by 2030, up from US\$82bn in 2019, for an implied CAGR of 3.1% during the period.</li> <li>• This is primarily supported by a fleet CAGR of 3.1% between 2019 and 2040 (based on Boeing's latest commercial market outlook).</li> <li>• The freighter fleet is expected to grow at 2.6% during the same period, with P2F conversions accounting for 50% of new deliveries.</li> <li>• STE currently has 16 MRO facilities across the globe, and it is opening new facilities in Guangzhou and San Antonio and expanding its Pensacola facility to cater to a growing P2F orderbook and capture the ongoing recovery in aviation.</li> <li>• STE has built up a strong Airbus A320 and A330 P2F product, with more than 140 aircraft on order currently, and existing P2F lines are full for the next few years.</li> <li>• STE's move into component OEM space Nacelle production at MRAS projected to normalise in tandem with Airbus's production levels.</li> <li>• The AUM of the leasing portfolio was at US\$1bn in 2020 and is expected to double to US\$2bn by 2026.</li> <li>• Targeting to triple P2F capacity to &gt;60 per year by 2023 (30 in 2021, 55 in 2022), increase the number of P2F production sites to 6 from the existing 3.</li> <li>• Continued focus on robotics and drone technology to enhance productivity.</li> </ul>
<b>Smart Cities</b>	<ul style="list-style-type: none"> <li>• Three focus areas – Smart Mobility, Smart Environment, and Smart Security.</li> <li>• Relevant Smart City market size forecast of US\$500bn by 2026, up from US\$340bn in 2021, implying industry growth rate of &gt;8%.</li> <li>• Track record of over 700 projects in more than 130 cities.</li> <li>• Emphasis on three key trends of urbanisation, digitalisation, and sustainability.</li> <li>• STE continued to make solid progress, despite delays and supply chain disruption induced by COVID-19, including making forays into new markets like Australia to provide platform screen doors and smart street lighting projects in Kaohsiung and Rio de Janeiro.</li> <li>• Recent acquisition of TransCore cements STE's position in the smart mobility market. TransCore's key area of expertise is electronic tolling systems, whereas STE's core competency lies in intelligent transportation systems. Hence TransCore is highly complementary to STE's portfolio. Additionally, TransCore will also enable the cross-selling of smart mobility solutions across different geographies.</li> <li>• One of the key pillars in smart cities is sustainability – congestion and traffic management systems, effective rail and bus solutions, coupled with smart utilities and the transition to an electric fleet can enable cities to improve energy efficiency and reduce carbon emissions.</li> <li>• Satcom portfolio poised to see recovery in tandem with the turnaround in the cruise and aviation segments. Significant increase in satellite capacity (GEO/MEO/LEO) will enable the proliferation of satcoms.</li> <li>• Satellite has remained standalone technology for years, but now, satellite interoperability with terrestrial cloud and 5G networks will enable service providers to determine how to best serve customers (whether it is through one network or a combination of multiple networks).</li> </ul>
<b>Digital Businesses</b>	<ul style="list-style-type: none"> <li>• Cloud, AI Analytics, and Cyber business expected to triple revenues to &gt;\$500m by 2026 compared to 2020.</li> <li>• Plans to expand cloud business into commercial enterprises like health and education.</li> <li>• Expand capabilities in cognitive capacity and resource optimisation via AI-ML and Data Analytics.</li> <li>• Expand cybersecurity product suite to capture opportunities from IT &amp; OT cybersecurity convergence.</li> <li>• Deepen cybersecurity capabilities - threat hunting, digital forensic, and incident response.</li> </ul>

## ST Engineering

<p><b>International Defence</b></p>	<ul style="list-style-type: none"> <li>Defence revenue formed 70% of the defence &amp; public security division in FY20.</li> <li>STE has identified a niche addressable market of over US\$5.0bn over the next five years, with international opportunities largely centred in the US and EMEA regions, based on the assessment of which markets are open to foreign companies, and whether they are aligned with STE's strengths.</li> <li>There tends to be a long gestation period for defence projects – the entire process can take a few years, from bidding for projects to project hand-off.</li> <li>However, customers tend to be quite sticky, and contract sizes tend to be fairly significant, especially with the after-sales component.</li> <li>STE's strategy is to find strong local partners in the geographies they have identified. STE will provide the IP, the technical know-how and high value components, while partners can handle local production and assembly.</li> </ul>
<p><b>Sustainability</b></p>	<ul style="list-style-type: none"> <li>Sustainability is integrated into STE's strategy planning and operations and helping customers meet sustainability goals cutting across all business divisions will open up more opportunities – from recycling aircraft via P2F conversion to saving energy in smart mobility and smart lighting projects to hybrid and electric vehicles in defence and infrastructure.</li> <li>New opportunities will include projects to help customers solve urban and city issues, reduce GHG emissions, and tap into the circular economy.</li> <li>Apart from helping customers lower their carbon footprint, STE also has an ambitious goal of reducing its own greenhouse gas emissions by 30% in 2030 compared to 2020 on an absolute basis.</li> <li>This is fairly ambitious considering that carbon intensity will have to be reduced at a significant rate, given STE's expansion trajectory.</li> <li>Management has also indicated that STE has plans to eventually transit to net-zero carbon emissions and will share more on the roadmap after further planning.</li> </ul>

Source: Company

### Valuation table (Blended valuation summary)

Method	Basis (FY22)	Parameter	Value (\$m)	Remarks
P/E	558.7	25.0	13,967	+2 S.D. valuations given record orderbook level
Div Yield	15.0	3.6	13,010	Based on STI dividend yield
DCF		WACC 6.0%	15,795	
Average			14,257	
No of shares			3,115	
Value per share			4.60	

Source: DBS Bank estimates

### Historical PE and PB band



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



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

## ST Engineering

### Income Statement (\$m)

FY Dec	2019A	2020A	2021F	2022F	2023F
Revenue	7,868	7,158	7,444	9,192	9,805
Cost of Goods Sold	(6,233)	(5,631)	(5,865)	(7,418)	(7,795)
<b>Gross Profit</b>	<b>1,635</b>	<b>1,527</b>	<b>1,578</b>	<b>1,774</b>	<b>2,010</b>
Other Opng (Exp)/Inc	(930)	(980)	(927)	(1,027)	(1,092)
<b>Operating Profit</b>	<b>706</b>	<b>548</b>	<b>651</b>	<b>747</b>	<b>918</b>
Other Non Opng (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	39.0	30.4	30.4	36.5	38.3
Net Interest (Exp)/Inc	(35.3)	(43.8)	(33.8)	(75.4)	(120)
Exceptional Gain/(Loss)	(14.2)	0.0	0.0	0.0	0.0
<b>Pre-tax Profit</b>	<b>695</b>	<b>534</b>	<b>648</b>	<b>708</b>	<b>836</b>
Tax	(103)	(8.8)	(88.9)	(135)	(146)
Minority Interest	(14.7)	(3.8)	(5.6)	(14.3)	(17.3)
Preference Dividend	0.0	0.0	0.0	0.0	0.0
<b>Net Profit</b>	<b>578</b>	<b>522</b>	<b>553</b>	<b>559</b>	<b>673</b>
Net Profit before Except.	592	522	553	559	673
EBITDA	1,113	957	1,066	1,174	1,367
<b>Growth</b>					
Revenue Gth (%)	17.5	(9.0)	4.0	23.5	6.7
EBITDA Gth (%)	20.4	(14.0)	11.4	10.1	16.4
Opg Profit Gth (%)	11.8	(22.4)	18.9	14.7	22.8
Net Profit Gth (Pre-ex) (%)	12.4	(11.9)	6.1	0.9	20.4
<b>Margins &amp; Ratio</b>					
Gross Margins (%)	20.8	21.3	21.2	19.3	20.5
Opg Profit Margin (%)	9.0	7.7	8.8	8.1	9.4
Net Profit Margin (%)	7.3	7.3	7.4	6.1	6.9
ROAE (%)	25.9	23.1	23.7	23.1	26.2
ROA (%)	6.8	5.5	5.8	4.7	4.7
ROCE (%)	12.2	8.9	9.1	7.6	7.6
Div Payout Ratio (%)	81.0	89.8	84.6	83.8	69.6
Net Interest Cover (x)	20.0	12.5	19.2	9.9	7.6

Source: Company, DBS Bank

## ST Engineering

### Interim Income Statement (\$m)

FY Dec	1H2019	2H2019	1H2020	2H2020	1H2021
Revenue	3,511	4,357	3,572	3,586	3,651
Cost of Goods Sold	(2,781)	(3,452)	(2,835)	(2,796)	(2,906)
<b>Gross Profit</b>	<b>730</b>	<b>905</b>	<b>737</b>	<b>791</b>	<b>744</b>
Other Oper. (Exp)/Inc	(413)	(515)	(437)	(543)	(401)
<b>Operating Profit</b>	<b>317</b>	<b>390</b>	<b>300</b>	<b>248</b>	<b>344</b>
Other Non Op (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	21.6	17.3	13.8	16.6	11.6
Net Interest (Exp)/Inc	(9.3)	(27.4)	(27.7)	(16.2)	(15.3)
Exceptional Gain/(Loss)	0.0	(14.2)	0.0	0.0	0.0
<b>Pre-tax Profit</b>	<b>330</b>	<b>366</b>	<b>286</b>	<b>248</b>	<b>340</b>
Tax	(54.3)	(48.3)	(31.1)	22.3	(46.2)
Minority Interest	(6.1)	(8.6)	2.09	(5.9)	2.54
<b>Net Profit</b>	<b>269</b>	<b>309</b>	<b>257</b>	<b>264</b>	<b>296</b>
Net profit bef Except.	269	323	257	264	296
EBITDA	511	604	510	447	542

### Growth

Revenue Gth (%)	3.3	24.1	(18.0)	0.4	1.8
EBITDA Gth (%)	12.0	18.3	(15.5)	(12.4)	21.4
Opp Profit Gth (%)	3.6	22.9	(23.0)	(17.6)	38.8
Net Profit Gth (%)	4.0	14.6	(16.6)	2.7	12.0

### Margins

Gross Margins (%)	20.8	20.8	20.6	22.0	20.4
Opp Profit Margins (%)	9.0	8.9	8.4	6.9	9.4
Net Profit Margins (%)	7.7	7.1	7.2	7.4	8.1

### Balance Sheet (\$m)

FY Dec	2019A	2020A	2021F	2022F	2023F
Net Fixed Assets	1,805	1,757	1,622	5,152	5,041
Invts in Associates & JVs	453	469	469	476	484
Other LT Assets	2,624	2,747	2,747	2,747	2,747
Cash & ST Invts	454	731	829	836	1,104
Inventory	2,558	2,422	2,519	3,111	3,318
Debtors	1,246	1,048	1,090	1,346	1,435
Other Current Assets	381	388	388	388	388
<b>Total Assets</b>	<b>9,521</b>	<b>9,561</b>	<b>9,664</b>	<b>14,055</b>	<b>14,517</b>
ST Debt	1,869	496	396	396	396
Creditor	2,013	1,668	1,734	2,141	2,284
Other Current Liab	1,565	1,732	1,778	2,056	2,154
LT Debt	469	1,551	1,551	5,151	5,151
Other LT Liabilities	1,115	1,540	1,540	1,540	1,540
Shareholder's Equity	2,222	2,293	2,378	2,468	2,672
Minority Interests	269	282	288	302	319
<b>Total Cap. &amp; Liab.</b>	<b>9,521</b>	<b>9,561</b>	<b>9,664</b>	<b>14,055</b>	<b>14,517</b>
Non-Cash Wkg. Capital	608	458	485	646	703
Net Cash/(Debt)	(1,884)	(1,316)	(1,118)	(4,711)	(4,443)
Debtors Turn (avg days)	55.3	58.5	52.4	48.3	51.8
Creditors Turn (avg days)	119.6	127.9	113.3	100.6	109.4
Inventory Turn (avg days)	149.7	173.1	164.5	146.2	158.9
Asset Turnover (x)	0.9	0.8	0.8	0.8	0.7
Current Ratio (x)	0.9	1.2	1.2	1.2	1.3
Quick Ratio (x)	0.3	0.5	0.5	0.5	0.5
Net Debt/Equity (X)	0.8	0.5	0.4	1.7	1.5
Net Debt/Equity ex MI (X)	0.8	0.6	0.5	1.9	1.7
Capex to Debt (%)	57.3	9.8	12.8	70.7	5.4
Z-Score (X)	2.1	2.3	2.4	2.4	2.4

Source: Company, DBS Bank

## ST Engineering

### Cash Flow Statement (\$m)

FY Dec	2019A	2020A	2021F	2022F	2023F
Pre-Tax Profit	695	534	648	708	836
Dep. & Amort.	368	379	385	391	411
Tax Paid	(103)	(78.0)	(88.9)	(135)	(146)
Assoc. & JV Inc/(loss)	(39.0)	(30.4)	(30.4)	(36.5)	(38.3)
Chg in Wkg.Cap.	(439)	598	(26.3)	(162)	(56.6)
Other Operating CF	107	131	0.0	0.0	0.0
<b>Net Operating CF</b>	<b>590</b>	<b>1,533</b>	<b>887</b>	<b>766</b>	<b>1,006</b>
Capital Exp.(net)	(1,340)	(200)	(250)	(3,920)	(300)
Other Invs.(net)	0.0	(7.3)	0.0	0.0	0.0
Invs in Assoc. & JV	(28.8)	(4.9)	(5.0)	(5.0)	(5.0)
Div from Assoc & JV	47.8	13.3	35.0	35.0	35.0
Other Investing CF	48.3	(96.0)	0.0	0.0	0.0
<b>Net Investing CF</b>	<b>(1,273)</b>	<b>(295)</b>	<b>(220)</b>	<b>(3,890)</b>	<b>(270)</b>
Div Paid	(468)	(468)	(468)	(468)	(468)
Chg in Gross Debt	1,401	(399)	(100.0)	3,600	0.0
Capital Issues	0.0	0.0	0.0	0.0	0.0
Other Financing CF	(213)	(91.6)	0.0	0.0	0.0
<b>Net Financing CF</b>	<b>720</b>	<b>(959)</b>	<b>(568)</b>	<b>3,132</b>	<b>(468)</b>
Currency Adjustments	0.32	(1.5)	0.0	0.0	0.0
Chg in Cash	37.5	277	98.5	7.27	268
Opg CFPS (S cts)	33.0	30.0	29.2	29.7	34.0
Free CFPS (S cts)	(24.0)	42.7	20.4	(101)	22.6

Source: Company, DBS Bank

### Target Price & Ratings History



S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	19 Nov 20	3.91	4.20	BUY
2:	22 Feb 21	3.82	4.20	BUY
3:	16 Aug 21	4.03	4.36	BUY
4:	04 Oct 21	3.88	4.55	BUY

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

Source: DBS Bank

Analyst: Suvro SARKAR

Jason SUM, CFA



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: 19 Nov 2021 06:58:03 (SGT)

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

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