

Singapore

**ADD** (no change)

Consensus ratings\*: Buy 6 Hold 1 Sell 0

|                         |            |
|-------------------------|------------|
| Current price:          | S\$0.85    |
| Target price:           | S\$0.956   |
| Previous target:        | S\$0.956   |
| Up/downside:            | 12.5%      |
| CGS-CIMB / Consensus:   | -6.7%      |
| Reuters:                | LEND.SI    |
| Bloomberg:              | LREIT SP   |
| Market cap:             | US\$753.1m |
|                         | S\$1,013m  |
| Average daily turnover: | US\$1.64m  |
|                         | S\$2.23m   |
| Current shares o/s:     | 1,181m     |
| Free float:             | 74.6%      |

\*Source: Bloomberg

Key changes in this note

➤ No change.




Source: Bloomberg

| Price performance | 1M    | 3M   | 12M  |
|-------------------|-------|------|------|
| Absolute (%)      | -5.6  | -4   | 10.4 |
| Relative (%)      | -10.3 | -7.5 | -4.3 |

Major shareholders

|                          | % held |
|--------------------------|--------|
| Lendlease SREIT PTY LTD  | 24.2   |
| Temasek Holdings Pte Ltd | 4.9    |
| BlackRock Inc            | 4.9    |

Analyst(s)



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# Lendlease Global Commercial REIT

## Improving outlook

- 1HFY6/22 DPU of 2.40 Scts (+2.6% yoy) was in line with our expectations.
- Rental reversion continues to be encouraging at a high positive single digit.
- Improving Covid-19 situation bodes well for 313's performance. Maintain Add.

### Stronger DPU boosted by income contributions from Jem

LREIT's 1HFY6/22 DPU of 2.40 Scts (+2.6% yoy) was in-line, at 50.6% of our full-year forecast. While 1HFY22 revenue and NPI fell 5.8% and 2.5% yoy respectively to S\$39.2m and S\$29.6m, distributable income rose 3.8% yoy to S\$28.6m due to associate profit contributions of S\$7.4m, generated from its 31.8% stake in Jem. 1HFY22 revenue and NPI of 313 and Sky Complex declined on a yoy basis. 313's 1HFY22 revenue dropped 7.8% yoy due to lower rental reversion from the leases renewed at 313 previously, while the weaker revenue from Sky Complex (-1.6% yoy) was due to the weaker euro against S\$.

### 313 delivered positive rental reversion and high occupancy

Portfolio achieved a record high occupancy rate of 99.9% in 2QFY22, up from 99.8% in 1QFY22. 313's occupancy rate improved from 98.9% to 99.7%, while Sky Complex continued to be fully occupied by anchor tenant, Sky Italia. 2021 tenant sales continued to outperform footfall, improving 7.8% yoy and recovered to 80% of pre-Covid 19 levels. Portfolio rental reversion in 1HFY22 achieve an encouraging high positive rental reversion vs. the negative rental reversion recorded in FY21. We understand that the fashion trade category reported weaker rental reversion vs. F&B. LREIT did not offer any rental rebates in 2QFY22. We expect LREIT to deliver positive rental reversion in FY22F as it has a small 7% of leases by gross rental income remaining to be renewed for the rest of FY22F. Should the Covid-19 situation continue to improve, we expect LREIT to deliver an equally favourable rental reversion in FY23F.

### More inorganic potential

The Grange Road carpark redevelopment is progressing well and LREIT is finalising the space requirement with its tenant, Live Nation. LREIT will be deploying c.660 sq ft of bonus GFA to prime units at the ground floor of 313 which will help to boost 313's income. It has a remaining 10,200 sf of untapped GFA which it aims to deploy post Covid-19 to maximise returns. The REIT will be focusing in upping its stake in Jem from the current 31.8% for now, but it also does not rule out an overseas expansion, especially in Milan where it has an asset. It remains confident that it can eventually acquire the remaining stake it does not currently own in Jem. Its healthy gearing of 33.5% will help to support acquisition plans. Interest rate hikes are less of a concern for LREIT as it has hedged >90% of its borrowings.

### Reiterate Add with an unchanged DDM-based TP of S\$0.956

LREIT's FY22-23F DPU growth will be underpinned by annual rental escalations in c.60% of the mall's NLA, the long lease structure of Sky Complex, the redevelopment of Grange Road carpark, and acquisitions of additional stakes in Jem. Re-rating catalysts/downside

| Financial Summary             | Jun-20A | Jun-21A | Jun-22F | Jun-23F | Jun-24F |
|-------------------------------|---------|---------|---------|---------|---------|
| Gross Property Revenue (S\$m) | 55.54   | 78.65   | 83.77   | 92.68   | 94.17   |
| Net Property Income (S\$m)    | 40.29   | 56.92   | 63.13   | 69.15   | 70.35   |
| Net Profit (S\$m)             | (8.62)  | 6.01    | 51.04   | 58.43   | 59.77   |
| Distributable Profit (S\$m)   | 35.67   | 55.12   | 57.09   | 65.02   | 66.44   |
| DPS (S\$)                     | 0.030   | 0.047   | 0.047   | 0.053   | 0.054   |
| Dividend Yield                | 3.58%   | 5.49%   | 5.58%   | 6.28%   | 6.34%   |
| Asset Leverage                | 34.0%   | 31.2%   | 33.0%   | 33.3%   | 33.5%   |
| BVPS (S\$)                    | 0.85    | 0.81    | 0.82    | 0.80    | 0.79    |
| P/BV (x)                      | 1.00    | 1.05    | 1.04    | 1.06    | 1.08    |
| Recurring ROE                 |         | 3.92%   | 5.26%   | 5.97%   | 6.14%   |
| CGS-CIMB/Consensus DPS (x)    |         |         | 0.97    | 1.01    | 1.00    |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 1: Results Comparison**

| FYE Aug (\$\$m)  | 1HFY22      | 1HFY21      | yoy %<br>chg | 2H21F        | hoh %<br>chg | Prev<br>FY22F | Comments  |
|--|-------------|-------------|--------------|--------------|--------------|---------------|---|
| <b>Revenue</b>   | <b>39.2</b> | <b>41.6</b> | <b>(5.8)</b> | <b>37.0</b>  | <b>5.8</b>   | 83.8          | The decline in revenue was due to weaker rental reversion at 313 and weaker Euro against S\$. |
| Property operating expenses                              | (9.5)       | (11.2)      | (14.9)       | (10.5)       | (9.2)        | (22.2)        |   |
| <b>Net property income</b>                               | <b>29.6</b> | <b>30.4</b> | <b>(2.5)</b> | <b>26.5</b>  | <b>11.8</b>  | 61.6          |   |
| <i>NPI margin (%)</i>                                    | 76%         | 73%         |              | 72%          |              | 74%           |   |
| Manager's management fees                                | (0.7)       | (0.4)       | 70.1         | (0.4)        | 70.5         | (7.5)         |   |
| Trust expenses   | (0.1)       | (0.1)       | 16.5         | (0.1)        | 13.2         | (1.7)         |   |
| Interest expense   | (5.7)       | (5.1)       | 12.5         | (5.0)        | 14.1         | (12.3)        |   |
| Interest & invt inc                                      | 0.1         | 0.0         | 125.0        | 0.0          | 718.2        | 0.8           |   |
| Others   | 12.0        | (19.6)      | na           | 2.7          | na           | (0.8)         |   |
| Total return before exceptional items<br>and revaluation | 35.3        | 5.3         | na           | 23.7         | 48.9         | 51.0          |   |
| Exceptionals & revaln                                    | 2.8         | (0.9)       | na           | (29.5)       | na           | -             |   |
| <b>Total return before tax</b>                           | <b>38.1</b> | <b>4.5</b>  | <b>754.4</b> | <b>(5.8)</b> | <b>757.1</b> | 51.0          |   |
| Tax  | -           | -           | -            | -            | -            | -             |   |
| Tax rate (%)   | 0.0%        | 0.0%        |              | 0.0%         |              | 0.0%          |   |
| Minority interests                                       | -           | -           | -            | -            | -            | -             |   |
| Total return after tax                                   | 38.1        | 4.5         | 754.4        | (5.8)        | 757.1        | 51.0          |   |
| Distr profit*  | 28.6        | 27.5        | 3.8          | 27.6         | 3.7          | 57.1          |   |
| Core net profit  | 35.3        | 5.3         | na           | 23.7         | 48.9         | 51.0          |   |
| <b>DPU (cts)</b>   | <b>2.40</b> | <b>2.34</b> | <b>2.6</b>   | <b>2.34</b>  | <b>2.6</b>   | 4.7           | In line. 1HFY22 DPU formed 50.6% of our full year forecasts.                                  |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



## ESG in a nutshell

In the 2021 Global Real Estate Sustainability Benchmark rankings (GRESB), LREIT scored >95 out of 100, above the peer average of 84 and the GRESB average of 73. As a result, LREIT received a 5-star rating and clinched the regional Sector Leader status (ranked first) for both Asia Retail (Overall) and Asia Retail (Listed) categories and was ranked second in the Global Retail (Listed) category for the second consecutive year since its listing in Oct 19. It also scored an “A” for public disclosure.

LREIT’s properties in Singapore, namely 313@somerset and Jem, achieved the Building and Construction Authority’s (BCA) Green Mark Platinum certifications in FY21. In 3Q21, LREIT raised its stake in Jem shopping mall to 31.8%. We believe this increases its exposure to the suburban retail segment which could lead to diversification and income resiliency.

|   |   |
|---|---|
| <p><b>Keep your eye on</b></p> <p>LREIT raised its stake in Jem shopping mall to 31.8% in 3Q21.</p>   | <p><b>Implications</b></p> <p>In our view, this adds new income streams, providing diversification and enhancing its cash flow resiliency.</p>  |
| <p><b>ESG highlights</b></p> <p>LREIT’s 313@somerset achieved the top spot and clinched the regional Sector Leader status for both Asia Retail (Overall) and Asia Retail (Listed) categories of the GRESB rankings. 313@somerset was ranked second in the Global Retail (Listed) category in 2020 which is recognised as the global ESG benchmark for real estate investments.</p> <p>313@somerset achieved the Building and Construction Authority’s (BCA) Green Mark Platinum certification and was awarded a Distinction in the National Environment Agency (NEA) 3R Awards for Shopping Malls in FY20.</p>  | <p><b>Implications</b></p> <p>In our view, these accolades underscore LREIT’s commitment towards ESG causes, and with increasing demand for sustainable assets, we believe this would further raise the overall attractiveness of its 313@somerset asset.</p> |
| <p><b>Trends</b></p> <p>While more resources (water, energy, waste and GHG emissions) were used in FY21 due to the gradual lifting of restrictions in 313’s operations, capacity limits and tenancies after FY20’s circuit breaker, LREIT exceeded its targets vs. the baseline year of 2016 in all resources. Overall tenant and shopper satisfaction also improved yoy. Board diversity remained unchanged in FY21 vs. FY20. In FY22, LREIT aims to (i) achieve a 20% reduction in energy and GHG emissions, (ii) attain a 22% reduction in water use, (iii) achieve an 11% recycling rate in waste, (iv) conduct asset-level climate-related risk assessments and adopt TCFD recommendations, (v) maintain top leadership in the GRESB rankings, and (vi) create shared value and social license to operate.</p> | <p><b>Implications</b></p> <p>The continuous efforts to improve ESG should have a positive impact on LREIT’s operations and financials in the longer term, in our view.</p>   |

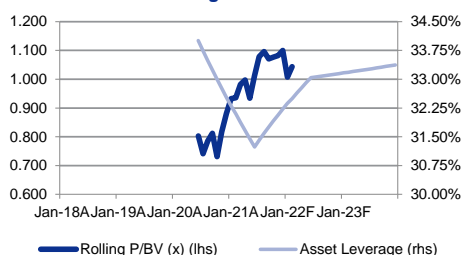
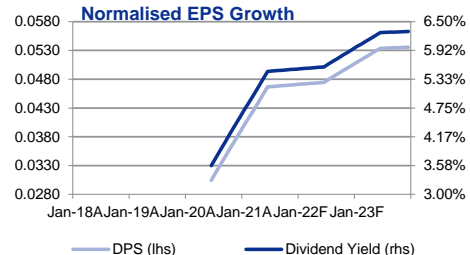
SOURCES: CGS-CIMB RESEARCH, REFINITIV

**Figure 2: Sector comparison**

| SREIT                                 | Bloomberg Ticker | Rec. | Price (LC)      | Target                 | Mkt Cap (US \$m) | Last reported asset leverage | Last stated NAV | Price / Stated NAV | FY21F Yield | FY22F Yield | FY23F Yield |
|---------------------------------------|------------------|------|-----------------|------------------------|------------------|------------------------------|-----------------|--------------------|-------------|-------------|-------------|
|                                       |                  |      | as at 03 Feb 22 | Price (LC) (DDM-based) |                  |                              |                 |                    |             |             |             |
| <b>Hospitality</b>                    |                  |      |                 |                        |                  |                              |                 |                    |             |             |             |
| Ascott Residence Trust                | ART SP           | Add  | 1.04            | 1.22                   | \$2,534          | 37.1%                        | 1.19            | 0.87               | 4.1%        | 4.7%        | 6.2%        |
| CDL Hospitality Trust                 | CDREIT SP        | Add  | 1.20            | 1.32                   | \$1,099          | 39.1%                        | 1.29            | 0.93               | 3.4%        | 4.1%        | 5.6%        |
| Far East Hospitality Trust            | FEHT SP          | Add  | 0.57            | 0.75                   | \$831            | 41.6%                        | 0.79            | 0.71               | 4.4%        | 4.5%        | 5.8%        |
| Frasers Hospitality Trust             | FHT SP           | NR   | 0.45            | NA                     | \$658            | 37.7%                        | 0.65            | 0.68               | 4.6%        | 5.0%        | 5.1%        |
| <b>Simple Average</b>                 |                  |      |                 |                        |                  | <b>38.9%</b>                 |                 | <b>0.80</b>        | <b>4.1%</b> | <b>4.6%</b> | <b>5.7%</b> |
| <b>Industrial</b>                     |                  |      |                 |                        |                  |                              |                 |                    |             |             |             |
| AIMS AMP                              | AAREIT SP        | NR   | 1.40            | NA                     | \$756            | 33.6%                        | 1.34            | 1.04               | 6.4%        | 6.7%        | 6.9%        |
| Ascendas REIT                         | AREIT SP         | Add  | 2.79            | 3.31                   | \$8,709          | 37.6%                        | 2.25            | 1.24               | 5.5%        | 6.0%        | 6.3%        |
| ARA LOGOS Logistics Trust             | ALLT SP          | Add  | 0.84            | 0.98                   | \$902            | 39.5%                        | 0.67            | 1.25               | 6.1%        | 6.1%        | 6.2%        |
| ESR-REIT                              | EREIT SP         | Add  | 0.44            | 0.50                   | \$1,319          | 40.0%                        | 0.40            | 1.11               | 6.8%        | 7.1%        | 7.2%        |
| Frasers Logistics & Commercial Trust  | FLT SP           | Add  | 1.40            | 1.62                   | \$3,837          | 33.7%                        | 1.24            | 1.13               | 5.5%        | 5.9%        | 6.0%        |
| Keppel DC REIT                        | KDCREIT SP       | Add  | 2.17            | 2.70                   | \$2,768          | 34.6%                        | 1.34            | 1.62               | 4.6%        | 4.9%        | 4.9%        |
| Mapletree Industrial Trust            | MINT SP          | Add  | 2.52            | 3.16                   | \$4,985          | 39.9%                        | 1.80            | 1.40               | 5.0%        | 5.3%        | 5.7%        |
| Mapletree Logistics Trust             | MLT SP           | Add  | 1.72            | 2.10                   | \$5,975          | 34.7%                        | 1.37            | 1.26               | 4.8%        | 5.0%        | 5.0%        |
| Sabana Shariah                        | SSREIT SP        | NR   | 0.44            | NA                     | \$346            | 33.4%                        | 0.51            | 0.86               | na          | na          | na          |
| <b>Simple Average</b>                 |                  |      |                 |                        |                  | <b>36.3%</b>                 |                 | <b>1.30</b>        | <b>5.6%</b> | <b>5.9%</b> | <b>6.0%</b> |
| <b>Office</b>                         |                  |      |                 |                        |                  |                              |                 |                    |             |             |             |
| Keppel REIT                           | KREIT SP         | Add  | 1.11            | 1.29                   | \$3,050          | 38.4%                        | 1.29            | 0.86               | 5.2%        | 5.2%        | 5.4%        |
| OUE Commercial REIT                   | OUECT SP         | Hold | 0.42            | 0.45                   | \$1,700          | 38.0%                        | 0.58            | 0.72               | 6.9%        | 6.7%        | 6.7%        |
| Suntec REIT                           | SUN SP           | Add  | 1.56            | 1.79                   | \$3,326          | 43.7%                        | 2.11            | 0.74               | 5.4%        | 6.0%        | 6.1%        |
| <b>Simple Average</b>                 |                  |      |                 |                        |                  | <b>40.0%</b>                 |                 | <b>0.77</b>        | <b>5.8%</b> | <b>5.9%</b> | <b>6.0%</b> |
| <b>Retail</b>                         |                  |      |                 |                        |                  |                              |                 |                    |             |             |             |
| CapitaLand Integrated Commercial      | CICT SP          | Add  | 2.07            | 2.57                   | \$10,172         | 37.2%                        | 2.06            | 1.00               | 5.0%        | 5.3%        | 5.4%        |
| Frasers Centrepoint Trust             | FCT SP           | Add  | 2.30            | 2.73                   | \$2,909          | 34.5%                        | 2.30            | 1.00               | 5.2%        | 5.5%        | 5.6%        |
| Lendlease Global Commercial REIT      | LREIT SP         | Add  | 0.85            | 0.96                   | \$753            | 33.5%                        | 0.81            | 1.05               | 5.5%        | 5.6%        | 6.3%        |
| Mapletree Commercial Trust            | MCT SP           | Add  | 1.82            | 2.18                   | \$4,496          | 34.2%                        | 1.72            | 1.06               | 5.2%        | 5.2%        | 5.4%        |
| SPH REIT                              | SPHREIT SP       | Add  | 0.96            | 1.03                   | \$2,000          | 30.3%                        | 0.91            | 1.05               | 5.6%        | 5.5%        | 5.5%        |
| Starhill Global REIT                  | SGREIT SP        | Add  | 0.61            | 0.71                   | \$1,004          | 36.1%                        | 0.80            | 0.76               | 6.5%        | 6.9%        | 7.2%        |
| <b>Simple Average</b>                 |                  |      |                 |                        |                  | <b>34.3%</b>                 |                 | <b>0.99</b>        | <b>5.5%</b> | <b>5.7%</b> | <b>5.9%</b> |
| <b>Overseas-centric</b>               |                  |      |                 |                        |                  |                              |                 |                    |             |             |             |
| CapitaLand China Trust                | CLCT SP          | NR   | 1.18            | NA                     | \$1,467          | 34.7%                        | 1.55            | 0.76               | 7.4%        | 8.2%        | 8.6%        |
| Elite Commercial REIT                 | ELITE SP         | Add  | 0.66            | 0.77                   | \$425            | 42.1%                        | 0.63            | 1.05               | 8.3%        | 7.7%        | 8.3%        |
| Mapletree North Asia Commercial Trust | MAGIC SP         | Add  | 1.09            | 1.13                   | \$2,859          | 42.1%                        | 1.27            | 0.86               | 5.6%        | 6.3%        | 7.3%        |
| Manulife US REIT                      | MUST SP          | Add  | 0.64            | 0.92                   | \$1,123          | 42.0%                        | 0.71            | 0.90               | 8.6%        | 9.0%        | 9.6%        |
| Sasseur REIT                          | SASSR SP         | Add  | 0.82            | 1.03                   | \$742            | 27.2%                        | 0.94            | 0.87               | 8.1%        | 8.7%        | 9.1%        |
| <b>Simple Average</b>                 |                  |      |                 |                        |                  | <b>38.4%</b>                 |                 | <b>0.89</b>        | <b>0.08</b> | <b>0.08</b> | <b>0.09</b> |
| <b>Healthcare</b>                     |                  |      |                 |                        |                  |                              |                 |                    |             |             |             |
| Parkway Life REIT                     | PREIT SP         | Add  | 4.77            | 5.05                   | \$2,146          | 37.0%                        | 1.95            | 2.45               | 3.0%        | 3.1%        | 3.1%        |
| <b>Simple Average</b>                 |                  |      |                 |                        |                  | <b>36.0%</b>                 |                 | <b>2.45</b>        | <b>3.0%</b> | <b>3.1%</b> | <b>3.1%</b> |
| <b>Simple average for SIN</b>         |                  |      |                 |                        |                  | <b>37.0%</b>                 |                 | <b>1.04</b>        | <b>5.7%</b> | <b>5.9%</b> | <b>6.3%</b> |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## BY THE NUMBERS

**P/BV vs Asset Leverage**

**12-mth Fwd FD Normalised P/E vs FD Normalised EPS Growth**


### Profit & Loss

| (\$m)                         | Jun-20A       | Jun-21A      | Jun-22F      | Jun-23F      | Jun-24F      |
|-------------------------------|---------------|--------------|--------------|--------------|--------------|
| Rental Revenues               | 55.54         | 78.65        | 83.77        | 92.68        | 94.17        |
| Other Revenues                |               |              |              |              |              |
| <b>Gross Property Revenue</b> | <b>55.54</b>  | <b>78.65</b> | <b>83.77</b> | <b>92.68</b> | <b>94.17</b> |
| Total Property Expenses       | (15.25)       | (21.73)      | (20.64)      | (23.53)      | (23.83)      |
| <b>Net Property Income</b>    | <b>40.29</b>  | <b>56.92</b> | <b>63.13</b> | <b>69.15</b> | <b>70.35</b> |
| General And Admin. Expenses   |               |              |              |              |              |
| Management Fees               | (5.45)        | (5.93)       | (8.28)       | (8.59)       | (8.66)       |
| Trustee's Fees                | (0.15)        | (0.21)       | (0.22)       | (0.22)       | (0.22)       |
| Other Operating Expenses      | (12.23)       | (2.56)       | (1.46)       | (1.46)       | (1.46)       |
| <b>EBITDA</b>                 | <b>22.47</b>  | <b>48.22</b> | <b>53.17</b> | <b>58.88</b> | <b>60.01</b> |
| Depreciation And Amortisation |               |              |              |              |              |
| <b>EBIT</b>                   | <b>22.47</b>  | <b>48.22</b> | <b>53.17</b> | <b>58.88</b> | <b>60.01</b> |
| Net Interest Income           | (6.71)        | (9.99)       | (11.53)      | (12.80)      | (12.89)      |
| Associates' Profit            |               |              |              |              |              |
| Other Income/(Expenses)       |               | 0.00         | 9.41         | 12.36        | 12.65        |
| Exceptional Items             | (24.38)       | (32.23)      | 0.00         | 0.00         | 0.00         |
| <b>Pre-tax Profit</b>         | <b>(8.62)</b> | <b>6.01</b>  | <b>51.04</b> | <b>58.43</b> | <b>59.77</b> |
| Taxation                      | 0.00          | 0.00         | 0.00         | 0.00         | 0.00         |
| Minority Interests            |               |              |              |              |              |
| Preferred Dividends           |               |              |              |              |              |
| <b>Net Profit</b>             | <b>(8.62)</b> | <b>6.01</b>  | <b>51.04</b> | <b>58.43</b> | <b>59.77</b> |
| <b>Distributable Profit</b>   | <b>35.67</b>  | <b>55.12</b> | <b>57.09</b> | <b>65.02</b> | <b>66.44</b> |

### Cash Flow

| (\$m)                           | Jun-20A        | Jun-21A     | Jun-22F      | Jun-23F     | Jun-24F     |
|---------------------------------|----------------|-------------|--------------|-------------|-------------|
| <b>Pre-tax Profit</b>           | <b>(9)</b>     | <b>6</b>    | <b>51</b>    | <b>58</b>   | <b>60</b>   |
| Depreciation And Non-cash Adj.  | 7              | 10          | 12           | 13          | 13          |
| Change In Working Capital       | (3)            | 10          | (2)          | (2)         | 0           |
| Tax Paid                        | 0              | 0           | 0            | 0           | 0           |
| Others                          | 42             | 41          | (0)          | (3)         | (3)         |
| <b>Cashflow From Operations</b> | <b>36</b>      | <b>67</b>   | <b>60</b>    | <b>67</b>   | <b>70</b>   |
| Capex                           | 0              | (1)         | (2)          | (2)         | (2)         |
| Net Investments And Sale Of FA  | (1,452)        | 0           | 0            | 0           | 0           |
| Other Investing Cashflow        | 0              | (46)        | (337)        | 13          | 13          |
| <b>Cash Flow From Investing</b> | <b>(1,451)</b> | <b>(47)</b> | <b>(339)</b> | <b>11</b>   | <b>12</b>   |
| Debt Raised/(repaid)            | 534            | (2)         | 142          | 5           | 5           |
| Equity Raised/(Repaid)          | 1,028          | 0           | 0            | 0           | 0           |
| Dividends Paid                  | (15)           | (48)        | (57)         | (65)        | (66)        |
| Cash Interest And Others        | (49)           | 196         | (21)         | (22)        | (22)        |
| <b>Cash Flow From Financing</b> | <b>1,498</b>   | <b>146</b>  | <b>64</b>    | <b>(82)</b> | <b>(84)</b> |
| Total Cash Generated            | 83             | 165         | (214)        | (4)         | (2)         |
| Free Cashflow To Firm           | (1,414)        | 19          | (278)        | 79          | 82          |
| Free Cashflow To Equity         | (883)          | 13          | (148)        | 70          | 74          |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

**Balance Sheet**

| (S\$m)                           | Jun-20A    | Jun-21A      | Jun-22F      | Jun-23F      | Jun-24F      |
|----------------------------------|------------|--------------|--------------|--------------|--------------|
| Total Investments                | 1,443      | 1,420        | 1,456        | 1,458        | 1,460        |
| Intangible Assets                | 0          | 0            | 0            | 0            | 0            |
| Other Long-term Assets           | 14         | 58           | 544          | 547          | 547          |
| Total Non-current Assets         | 1,457      | 1,478        | 2,000        | 2,004        | 2,007        |
| Total Cash And Equivalents       | 84         | 249          | 26           | 22           | 20           |
| Inventories                      | 0          | 0            | 0            | 0            | 0            |
| Trade Debtors                    | 11         | 7            | 16           | 18           | 18           |
| Other Current Assets             | 5          | 3            | 5            | 5            | 5            |
| <b>Total Current Assets</b>      | <b>99</b>  | <b>259</b>   | <b>47</b>    | <b>44</b>    | <b>43</b>    |
| Trade Creditors                  | 22         | 27           | 32           | 33           | 34           |
| Short-term Debt                  |            |              |              |              |              |
| Other Current Liabilities        | 0          | 0            | 0            | 0            | 0            |
| <b>Total Current Liabilities</b> | <b>22</b>  | <b>28</b>    | <b>32</b>    | <b>33</b>    | <b>34</b>    |
| Long-term Borrowings             | 529        | 543          | 676          | 681          | 686          |
| Other Long-term Liabilities      | 12         | 8            | 16           | 16           | 16           |
| Total Non-current Liabilities    | 541        | 550          | 692          | 698          | 703          |
| Shareholders' Equity             | 992        | 958          | 982          | 977          | 971          |
| Minority Interests               |            |              | 141          | 141          | 141          |
| Preferred Shareholders Funds     |            | 199          | 200          | 200          | 200          |
| <b>Total Equity</b>              | <b>992</b> | <b>1,157</b> | <b>1,323</b> | <b>1,318</b> | <b>1,312</b> |

**Key Ratios**

|                               | Jun-20A | Jun-21A | Jun-22F | Jun-23F | Jun-24F |
|-------------------------------|---------|---------|---------|---------|---------|
| Gross Property Revenue Growth | N/A     | 41.6%   | 6.5%    | 10.6%   | 1.6%    |
| NPI Growth                    | N/A     | 41.3%   | 10.9%   | 9.5%    | 1.7%    |
| Net Property Income Margin    | 72.5%   | 72.4%   | 75.4%   | 74.6%   | 74.7%   |
| DPS Growth                    | N/A     | 53.3%   | 1.7%    | 12.5%   | 0.9%    |
| Gross Interest Cover          | 3.10    | 4.80    | 4.31    | 4.32    | 4.37    |
| Effective Tax Rate            | 0%      | 0%      | 0%      | 0%      | 0%      |
| Net Dividend Payout Ratio     | NA      | 918%    | 112%    | 111%    | 111%    |
| Current Ratio                 | 4.47    | 9.38    | 1.45    | 1.33    | 1.26    |
| Quick Ratio                   | 4.47    | 9.38    | 1.45    | 1.33    | 1.26    |
| Cash Ratio                    | 3.78    | 9.03    | 0.81    | 0.66    | 0.59    |
| Return On Average Assets      | N/A     | 0.36%   | 2.70%   | 2.85%   | 2.92%   |

**Key Drivers**

|                                     | Jun-20A | Jun-21A | Jun-22F | Jun-23F | Jun-24F |
|-------------------------------------|---------|---------|---------|---------|---------|
| Singapore passing rent (S\$/sf/mth) | N/A     | 16.4    | 16.5    | 16.8    | 17.0    |
| Italy passing rent (S\$/sf/mth)     | N/A     | 1.3     | 1.3     | 1.3     | 1.3     |

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#### **Corporate Governance Report:**

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|                     |           |           |         |          |                  |
|---------------------|-----------|-----------|---------|----------|------------------|
| <b>Score Range:</b> | 90 - 100  | 80 – 89   | 70 - 79 | Below 70 | No Survey Result |
| <b>Description:</b> | Excellent | Very Good | Good    | N/A      | N/A              |

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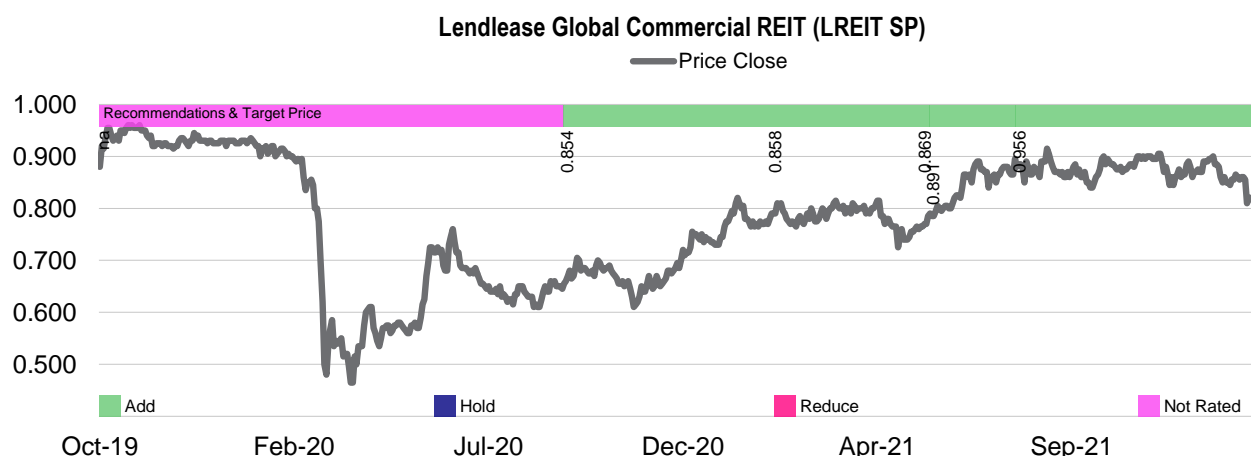
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| Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2021 |                         |                                |
|--|-------------------------|--------------------------------|
| 619 companies under coverage for quarter ended on 31 December 2021                                 |                         |                                |
|  | Rating Distribution (%) | Investment Banking clients (%) |
| Add  | 71.1%                   | 1.5%                           |
| Hold   | 21.8%                   | 0.0%                           |
| Reduce   | 7.1%                    | 0.0%                           |

Spitzer Chart for stock being researched ( 2 year data )



**Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2021, Anti-Corruption 2021**

**ADVANC** – Excellent, Certified, **AMATA** – Excellent, Certified, **ANAN** – Excellent, n/a, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Excellent, n/a, **AWC** – Excellent, Declared, **AU** – Good, n/a, **BAM** – Very Good, Certified, **BAY** – Excellent, Certified, **BBL** – Excellent, Certified, **BCH** – Very Good, Certified, **BCP** - Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Excellent, n/a, **BEAUTY** – Good, n/a, **BEM** – Excellent, n/a, **BH** - Good, n/a, **BJC** – Very Good, n/a, **BLA** – Very Good, Certified, **BTS** - Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – n/a, n/a, **CENDEL** – Excellent, Certified, **CHAYO** – Very Good, n/a, **CHG** – Very Good, n/a, **CK** – Excellent, n/a, **COM7** – Excellent, Certified, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** - Excellent, Certified, **CPNREIT** – n/a, n/a, **CRC** – Excellent, Declared, **DELTA** - Excellent, Certified, **DDD** – Excellent, n/a, **DIF** – n/a, n/a, **DOHOME** – Very Good, Declared, **DREIT** – n/a, n/a, **DTAC** – Excellent, Certified, **ECL** – Excellent, Certified, **EGCO** - Excellent, Certified, **EPG** – Excellent, Certified, **ERW** – Very Good, Certified, **GFPT** - Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Excellent, n/a, **HANA** - Excellent, Certified, **HMPRO** - Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Certified, **III** – Excellent, Declared, **INTUCH** – Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** - Excellent, Certified, **JASIF** – n/a, n/a, **JKN** – n/a, Certified, **JMT** – Very Good, n/a, **KBANK** - Excellent, Certified, **KCE** - Excellent, Certified, **KEX** – Very Good, Declared, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** - Excellent, Certified, **KTC** – Excellent, Certified, **LH** - Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MAKRO** – Excellent, Certified, **MC** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** - Excellent, Certified, **MTC** – Excellent, Certified, **NETBAY** – Very Good, n/a, **NRF** – Very Good, Declared, **OR** – Excellent, n/a, **ORI** – Excellent, Certified, **OSP** – Excellent, n/a, **PLANB** – Excellent, Certified, **PRINC** – Very Good, Certified, **PR9** – Excellent, Declared, **PSH** – Excellent, Certified, **PTT** - Excellent, Certified, **PTTEP** - Excellent, n/a, **PTTGC** - Excellent, Certified, **QH** – Excellent, Certified, **RAM** – n/a, n/a, **RBF** – Very Good, n/a, **RS** – Excellent, Declared, **RSP** – Good, n/a, **S** – Excellent, n/a, **SAK** – Very Good, Declared, **SAPPE** – Very Good, Certified, **SAWAD** – Very Good, n/a, **SCB** - Excellent, Certified, **SCC** – Excellent, Certified, **SCGP** – Excellent, Declared, **SECURE** – n/a, n/a, **SHR** – Excellent, n/a, **SIRI** – Excellent, Certified, **SPA** – Very Good, n/a, **SPALI** - Excellent, Certified, **SPRC** – Excellent, Certified, **SSP** - Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIDLOR** – n/a, Certified, **TISCO** - Excellent, Certified, **TKN** – Very Good, n/a, **TOP** - Excellent, Certified, **TRUE** – Excellent, Certified, **TTB** - Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Certified, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – n/a, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

- CG Score 2021 from Thai Institute of Directors Association (IOD)

- Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of August 5, 2021) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.

| Recommendation Framework   |  |
|--|--|
| <b>Stock Ratings</b>   | Definition:  |
| Add  | The stock's total return is expected to exceed 10% over the next 12 months.  |
| Hold   | The stock's total return is expected to be between 0% and positive 10% over the next 12 months.                              |
| Reduce   | The stock's total return is expected to fall below 0% or more over the next 12 months.                                       |
| <i>The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.</i> |  |
| <b>Sector Ratings</b>  | Definition:  |
| Overweight   | An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.    |
| Neutral  | A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.         |
| Underweight  | An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.   |
| <b>Country Ratings</b>   | Definition:  |
| Overweight   | An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark. |
| Neutral  | A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.           |
| Underweight  | An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark. |

