

# Singapore Company Update

## Riverstone Holdings

Bloomberg: RSTON SP | Reuters: RVHL.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

24 Feb 2022

### BUY

Last Traded Price (23 Feb 2022): S\$0.825 (STI : 3,393.00)  
Price Target 12-mth: S\$0.97 (17% upside) (Prev S\$1.20)

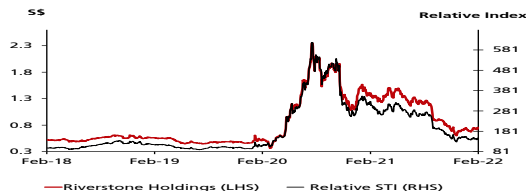
#### Analyst

Lee Keng LING +65 6682 3703 leekeng@dbs.com

#### What's New

- FY21 results broadly in line; net profit surged 119% y-o-y on higher volume and ASP
- Bumper dividend of 38 sen declared; dividend payout ratio of 50%, similar to FY20
- Demand for healthcare gloves improving but pricing pressures still persist; strong demand and stable ASP for cleanroom gloves
- Maintain BUY with lower TP of S\$0.97 to reflect lower ASP assumption and delay in expansion plans

#### Price Relative



#### Forecasts and Valuation

FY Dec (RMm)	2020A	2021A	2022F	2023F
Revenue	1,830	3,082	1,592	1,738
EBITDA	894	1,915	657	702
Pre-tax Profit	841	1,859	578	615
Net Profit	647	1,418	387	473
Net Pft (Pre Ex.)	647	1,418	387	473
Net Pft Gth (Pre-ex) (%)	396.3	119.1	(72.7)	22.3
EPS (S cts)	14.0	30.7	8.38	10.3
EPS Pre Ex. (S cts)	14.0	30.7	8.38	10.3
EPS Gth Pre Ex (%)	396	119	(73)	22
Diluted EPS (S cts)	14.0	30.7	8.38	10.3
Net DPS (S cts)	7.07	15.4	3.35	4.10
BV Per Share (S cts)	29.4	50.5	55.5	61.7
PE (X)	5.9	2.7	9.8	8.0
PE Pre Ex. (X)	5.9	2.7	9.8	8.0
P/Cash Flow (X)	5.4	2.4	6.8	7.0
EV/EBITDA (X)	3.5	1.2	2.9	2.3
Net Div Yield (%)	8.6	18.7	4.1	5.0
P/Book Value (X)	2.8	1.6	1.5	1.3
Net Debt/Equity (X)	CASH	CASH	CASH	CASH
ROAE (%)	60.3	76.8	15.8	17.5
Earnings Rev (%)			(31)	(16)
Consensus EPS (S cts):			8.9	8.6
Other Broker Recs:		B: 2	S: 0	H: 3

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

### Growing contribution from stable cleanroom segment

#### Investment Thesis:

**ASP for HC nearing bottom; CR stable.** The average selling price (ASP) for healthcare (HC) gloves eased further from about US\$37-38 per 1,000 pieces in 4Q21 to about US\$25-30 in 1Q22. Average ASP is expected to stabilise at around the US\$25 level. We have lowered our ASP projection for FY22F to US\$24 per 1,000 pieces from US\$32. For FY23F, we are projecting a slightly lower ASP of US\$22 as more capacity comes online. For the cleanroom (CR) segment, prices are expected to remain firm, at slightly above the US\$100 level. Going forward, we expect a higher earnings contribution from the CR segment, which is expected to provide earnings resiliency and sustainable growth for the group.

**Demand for CR strong; HC improving but supply is also increasing.** Demand for CR remains strong, on the back of the keen demand from the technology, pharmaceutical and manufacturing industries such as for lenses, batteries, and semiconductors. Demand for HC has improved from 4Q21 as distributors resume their stock replenishment, as ASP is beginning to stabilise.

#### Valuation:

**Maintain BUY with a lower TP of S\$0.97.** On the back of the earnings cut, our TP is reduced to S\$0.97 (previously S\$1.20). This is pegged to a 10x PE, which is close to its four-year average PE, on blended FY22F and FY23F earnings to reflect a more normalised environment. Maintain BUY.

#### Where we differ:

We remain positive that Riverstone would be able to increase its market share for CR gloves, taking it from new and existing players, given its dominant position in the industry.

#### Key Risks to Our View:

A steeper-than-expected reduction in the ASP and/or oversupply of gloves.

#### At A Glance

Issued Capital (m shrs)	1,482
Mkt. Cap (S\$m/US\$m)	1,223 / 909
Major Shareholders (%)	
Ringlet Investment Ltd	50.8
Lee Wai Keong	8.8
Free Float (%)	40.4
3m Avg. Daily Val (US\$m)	4.0
GIC Industry : Health Care / Health Care Equipment & Services	



Watchlist the stock on Insights Direct to receive prompt updates



Live more, Bank less

## Riverstone Holdings

### WHAT'S NEW

#### FY21 broadly in line; bumper dividend declared

**FY21 results broadly in line.** FY21 revenue surged by 68.5% y-o-y to RM3.08bn due to a higher sales volume and ASPs for both healthcare and cleanroom gloves, as demand climbed for these products. Gross profit margin improved to 61.9% from 49.1% in FY20. Overall, net profit saw a 119% y-o-y jump to RM1,417.9m.

**Bumper dividend of 38 sen declared.** The group has declared a final DPS of 28 sen and a special interim DPS of 10 sen. Including the interim DPS of 10 sen declared earlier, this brings the total DPS to 48 sen for FY21 (22 sen in FY20), or a dividend payout ratio of 50%, similar to FY20. The special DPS will be paid on 6 April 2022 (record date: 15 March 2022) and the final DPS on 19 May 2022 (record date: 5 May 2022).

**Demand for healthcare gloves is improving but pricing pressure still persists.** The current demand for HC gloves has improved from 4Q21. Riverstone's utilisation rate has improved to c.85% from c.70% and 75% in 3Q21 and 4Q21, respectively. According to the Malaysian Rubber Glove Manufacturers Association (MARGMA), the demand for gloves in 2022 and 2023 will be 10% to 15% higher than the pre-COVID-19 level, due to the global spread of the Omicron variant.

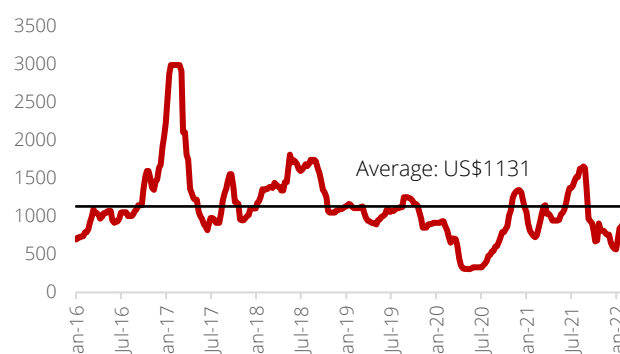
**Lowering HC ASP projection.** ASP, however, is still trending lower, easing from about US\$37-38 per 1,000 pieces in 4Q21 to about US\$25-30 in 1Q22. We have lowered our ASP projection for FY22F to US\$24 per 1,000 pieces from US\$32.

**Strong demand and stable ASP for cleanroom gloves.** Demand for CR remains strong. The ASP is expected to remain firm, at slightly above the US\$100 level. Going forward, the CR segment is expected to provide earnings resiliency and sustainable growth for the group.

**Rising raw material prices to affect margins.** The price of butadiene, which accounts for the bulk of the raw materials costs for nitrile gloves, has surged c.80% to cross the US\$1,000/ metric tonne level, from c.US\$600 as at end of 2021, on the back of the rising oil prices. Though high, it is still relatively lower than the average of US\$1,131 over the last few years and significantly below the previous peak, where prices closed at US\$3,000.

On the back of the lower ASP for HC gloves and higher raw material costs, the gross profit margin for HC has been reduced to c.20% in 1Q22, from c.25% in 4Q21. Margins for CR are still relatively stable at about 55%.

#### Butadiene Prices (US\$/metric tonne)



Source: Bloomberg Finance L.P., DBS Bank

**Delay in additional capacity of 1.5bn by a year to end-2022.** The group faced temporary delays in its Phase 7 expansion plans as a result of the disruption to construction and other related works caused by the MCO in Malaysia. Hence, the additional 1.5 billion pieces of new production capacity will only come online by the end of 2022 instead of by end of 2021. The group is preparing for its Phase 8 expansion plans, which are slated to add up to 1.5 billion pieces of gloves to bring the total annual production capacity to c.13.5 billion by FY2022/23.

**Significant exposure to the cleanroom space is a key differentiating factor among peers** and would provide earnings resiliency for sustainable growth in the longer term. With the significant drop in the ASP for HC but the stable CR price, Riverstone stands out among its peers as the market leader in the high-end cleanroom space. CR gloves currently account for c.20% in terms of production volume in FY21 and about 25% out of the total revenue and earnings.

Going forward, we expect the CR segment to contribute about 60% to total earnings. Pre-COVID, this segment accounted for c.70% of total earnings. The CR segment is expected to provide earnings resiliency for sustainable growth. Riverstone is also planning to convert more HC production lines to CR.

**Reduced earnings by 31%/16%; maintain BUY with a lower TP of S\$0.97.** We cut our FY22F/FY23F earnings forecast by 31%/16% to reflect the lower ASP assumption for HC gloves and the delay in capacity expansion plans. On the back of the earnings cut, our TP is reduced to S\$0.97 (previously S\$1.20). This is pegged to a 10x PE, which is close to its four-year average PE, on blended FY22F and FY23F earnings to reflect a more normalised environment.

## Riverstone Holdings

### Company Background

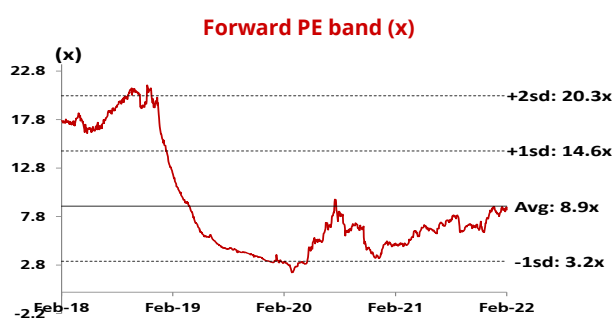
Riverstone Holdings (Riverstone) is a natural rubber and nitrile (synthetic rubber) glove manufacturer specialising in CR and HC gloves. It is also engaged in the manufacturing and distribution of other ancillary products such as finger cots, packaging bags, and facemasks.

### Interim Income Statement (RMm)

FY Dec	2H2020	1H2021	2H2021	% chg y-o-y	% chg h-o-h
Revenue	1,203	2,019	1,063	(11.7)	(47.4)
Cost of Goods Sold	(503)	(624)	(551)	9.5	(11.7)
<b>Gross Profit</b>	<b>700</b>	<b>1,395</b>	<b>512</b>	<b>(26.9)</b>	<b>(63.3)</b>
Other Oper. (Exp)/Inc	(34)	(36)	(12)	(63.2)	(65.4)
<b>Operating Profit</b>	<b>666</b>	<b>1,359</b>	<b>499</b>	<b>(25.1)</b>	<b>(63.3)</b>
Other Non Opg (Exp)/Inc	0	0	0	-	-
Associates & JV Inc	0	0	0	-	-
Net Interest (Exp)/Inc	0	0	0	-	-
Exceptional Gain/(Loss)	0	0	0	-	-
<b>Pre-tax Profit</b>	<b>666</b>	<b>1,359</b>	<b>499</b>	<b>(25.1)</b>	<b>(63.3)</b>
Tax	(156)	(319)	(122)	(22.0)	(61.7)
Minority Interest	0	0	0	-	-
<b>Net Profit</b>	<b>510</b>	<b>1,041</b>	<b>377</b>	<b>(26.0)</b>	<b>(63.8)</b>
Net profit bef Except.	510	1,041	377	(26.0)	(63.8)
EBITDA	693	1,387	527	(23.9)	(62.0)
<b>Margins (%)</b>					
Gross Margins	58.2	69.1	48.1		
Opg Profit Margins	55.4	67.3	47.0		
Net Profit Margins	42.4	51.5	35.5		

Source of all data: Company, DBS Bank

### Historical PE and PB band



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



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

## Riverstone Holdings

### Key Assumptions

FY Dec	2019A	2020A	2021A	2022F	2023F
Capital Expenditure (RM\$m)	76.7	99.2	156	100	100
Production Capacity (m gloves)	8,280	9,215	8,840	9,360	10,710
Cleanroom Gloves (m gloves)	1,242	1,382	1,768	1,966	2,356
Healthcare Gloves (m gloves)	7,038	7,833	7,072	7,394	8,354
Operating Margins (%)	16.0	46.0	60.3	36.3	35.4

### Segmental Breakdown

FY Dec	2019A	2020A	2021A	2022F	2023F
<b>Revenues (RMm)</b>					
Nitrile Gloves	935	1,729	2,878	1,505	1,642
Natural Latex Gloves	28.7	53.1	88.3	46.2	50.4
Other Non-Gloves	25.7	47.6	116	41.4	45.2
<b>Total</b>	<b>989</b>	<b>1,830</b>	<b>3,082</b>	<b>1,592</b>	<b>1,738</b>

### Income Statement (RMm)

FY Dec	2019A	2020A	2021A	2022F	2023F
Revenue	989	1,830	3,082	1,592	1,738
Cost of Goods Sold	(790)	(932)	(1,176)	(1,003)	(1,112)
<b>Gross Profit</b>	<b>199</b>	<b>898</b>	<b>1,907</b>	<b>589</b>	<b>626</b>
Other Opng (Exp)/Inc	(40.8)	(55.9)	(48.1)	(11.3)	(10.6)
<b>Operating Profit</b>	<b>158</b>	<b>842</b>	<b>1,859</b>	<b>578</b>	<b>615</b>
Other Non Opng (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	0.0	0.0	0.0	0.0	0.0
Net Interest (Exp)/Inc	(0.7)	(0.4)	(0.2)	(0.2)	(0.2)
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0	0.0
<b>Pre-tax Profit</b>	<b>157</b>	<b>841</b>	<b>1,859</b>	<b>578</b>	<b>615</b>
Tax	(27.0)	(194)	(441)	(191)	(141)
Minority Interest	0.0	0.0	0.0	0.0	0.0
Preference Dividend	0.0	0.0	0.0	0.0	0.0
<b>Net Profit</b>	<b>130</b>	<b>647</b>	<b>1,418</b>	<b>387</b>	<b>473</b>
Net Profit before Except.	130	647	1,418	387	473
EBITDA	206	894	1,915	657	702
<b>Growth</b>					
Revenue Gth (%)	7.4	85.0	68.5	(48.3)	9.1
EBITDA Gth (%)	6.6	334.0	114.1	(65.7)	6.8
Opg Profit Gth (%)	4.0	432.4	120.8	(68.9)	6.4
Net Profit Gth (Pre-ex) (%)	0.6	396.3	119.1	(72.7)	22.3
<b>Margins &amp; Ratio</b>					
Gross Margins (%)	20.1	49.1	61.9	37.0	36.0
Opg Profit Margin (%)	16.0	46.0	60.3	36.3	35.4
Net Profit Margin (%)	13.2	35.4	46.0	24.3	27.2
ROAE (%)	17.4	60.3	76.8	15.8	17.5
ROA (%)	14.4	49.4	64.6	14.0	15.9
ROCE (%)	16.7	58.2	74.5	15.4	17.1
Div Payout Ratio (%)	42.1	50.5	50.3	40.0	40.0
Net Interest Cover (x)	235.6	2,371.0	12,391.6	3,852.0	4,100.2

Source: Company, DBS Bank

## Riverstone Holdings

### Interim Income Statement (RMm)

FY Dec	2H2019	1H2020	2H2020	1H2021	2H2021
Revenue	509	627	1,203	2,019	1,063
Cost of Goods Sold	(405)	(429)	(503)	(624)	(551)
<b>Gross Profit</b>	<b>104</b>	<b>198</b>	<b>700</b>	<b>1,395</b>	<b>512</b>
Other Oper. (Exp)/Inc	(20.4)	(22.3)	(33.6)	(35.7)	(12.4)
<b>Operating Profit</b>	<b>83.5</b>	<b>175</b>	<b>666</b>	<b>1,359</b>	<b>499</b>
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	0.0	0.0	0.0	0.0	0.0
Net Interest (Exp)/Inc	(0.3)	(0.2)	(0.1)	(0.1)	(0.1)
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0	0.0
<b>Pre-tax Profit</b>	<b>83.3</b>	<b>175</b>	<b>666</b>	<b>1,359</b>	<b>499</b>
Tax	(15.6)	(37.7)	(156)	(319)	(122)
Minority Interest	0.0	0.0	0.0	0.0	0.0
<b>Net Profit</b>	<b>67.7</b>	<b>138</b>	<b>510</b>	<b>1,041</b>	<b>377</b>
Net profit bef Except.	67.7	138	510	1,041	377
EBITDA	108	201	693	1,387	527

### Growth

Revenue Gth (%)	5.9	23.2	92.0	67.8	(47.4)
EBITDA Gth (%)	10.3	86.0	244.9	100.1	(62.0)
Opg Profit Gth (%)	12.1	110.0	279.8	104.0	(63.3)
Net Profit Gth (%)	7.9	103.2	270.6	104.2	(63.8)

### Margins

Gross Margins (%)	20.4	31.6	58.2	69.1	48.1
Opg Profit Margins (%)	16.4	28.0	55.4	67.3	47.0
Net Profit Margins (%)	13.3	21.9	42.4	51.5	35.5

### Balance Sheet (RMm)

FY Dec	2019A	2020A	2021A	2022F	2023F
Net Fixed Assets	511	587	691	712	725
Invts in Associates & JVs	0.0	0.0	0.0	0.0	0.0
Other LT Assets	30.7	0.57	0.82	0.82	0.82
Cash & ST Invts	130	649	1,613	1,921	2,180
Inventory	97.3	122	153	41.2	45.7
Debtors	155	320	232	143	156
Other Current Assets	8.91	9.25	9.64	9.64	9.64
<b>Total Assets</b>	<b>933</b>	<b>1,688</b>	<b>2,700</b>	<b>2,827</b>	<b>3,116</b>
ST Debt	6.00	6.52	7.77	7.77	7.77
Creditor	113	166	153	47.8	53.1
Other Current Liab	7.24	109	151	151	151
LT Debt	7.00	1.54	0.0	0.0	0.0
Other LT Liabilities	10.1	46.2	55.1	55.1	55.1
Shareholder's Equity	789	1,358	2,332	2,565	2,849
Minority Interests	0.01	0.01	0.01	0.01	0.01
<b>Total Cap. &amp; Liab.</b>	<b>933</b>	<b>1,688</b>	<b>2,700</b>	<b>2,827</b>	<b>3,116</b>
Non-Cash Wkg. Capital	141	176	90.4	(5.9)	6.41
Net Cash/(Debt)	117	641	1,605	1,913	2,172
Debtors Turn (avg days)	57.7	47.3	32.7	42.9	31.3
Creditors Turn (avg days)	58.7	57.9	52.0	39.7	18.0
Inventory Turn (avg days)	44.5	45.5	44.8	38.4	15.5
Asset Turnover (x)	1.1	1.4	1.4	0.6	0.6
Current Ratio (x)	3.1	3.9	6.4	10.2	11.3
Quick Ratio (x)	2.3	3.4	5.9	10.0	11.0
Net Debt/Equity (X)	CASH	CASH	CASH	CASH	CASH
Net Debt/Equity ex MI (X)	CASH	CASH	CASH	CASH	CASH
Capex to Debt (%)	590.2	1,231.2	2,007.9	1,287.8	1,287.8
Z-Score (X)	34.9	38.7	36.6	36.6	36.6

Source: Company, DBS Bank

## Riverstone Holdings

### Cash Flow Statement (RMm)

FY Dec	2019A	2020A	2021A	2022F	2023F
Pre-Tax Profit	157	841	1,859	578	615
Dep. & Amort.	48.0	52.6	55.8	79.6	86.9
Tax Paid	(26.7)	(62.1)	(441)	(191)	(141)
Assoc. & JV Inc/(loss)	0.0	0.0	0.0	0.0	0.0
Chg in Wkg. Cap.	(10.2)	(127)	28.1	96.3	(12.3)
Other Operating CF	(0.6)	(2.1)	68.0	0.0	0.0
<b>Net Operating CF</b>	<b>168</b>	<b>703</b>	<b>1,570</b>	<b>563</b>	<b>548</b>
Capital Exp. (net)	(76.7)	(99.2)	(156)	(100.0)	(100.0)
Other Invt. (net)	0.0	0.0	0.0	0.0	0.0
Invt. in Assoc. & JV	0.0	0.0	0.0	0.0	0.0
Div from Assoc & JV	0.0	0.0	0.0	0.0	0.0
Other Investing CF	0.0	0.0	0.0	0.0	0.0
<b>Net Investing CF</b>	<b>(76.7)</b>	<b>(99.2)</b>	<b>(156)</b>	<b>(100.0)</b>	<b>(100.0)</b>
Div Paid	(51.9)	(73.0)	(445)	(155)	(189)
Chg in Gross Debt	(7.0)	(6.5)	(6.5)	0.0	0.0
Capital Issues	0.0	0.0	0.0	0.0	0.0
Other Financing CF	0.0	0.0	0.0	0.0	0.0
<b>Net Financing CF</b>	<b>(58.9)</b>	<b>(79.5)</b>	<b>(451)</b>	<b>(155)</b>	<b>(189)</b>
Currency Adjustments	1.16	(5.5)	1.27	0.0	0.0
Chg in Cash	33.4	519	964	308	259
Opg CFPS (S cts)	3.86	18.0	33.4	10.1	12.1
Free CFPS (S cts)	1.97	13.1	30.6	10.0	9.70

Source: Company, DBS Bank

### Target Price & Ratings History



S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	01 Mar 21	1.36	1.85	BUY
2:	11 May 21	1.32	1.86	BUY
3:	10 Aug 21	1.27	1.77	BUY
4:	04 Oct 21	0.88	1.28	BUY
5:	10 Nov 21	0.79	1.20	BUY

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

Source: DBS Bank

Analyst: Lee Keng LING

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: 24 Feb 2022 06:32:25 (SGT)

Dissemination Date: 24 Feb 2022 07:23:09 (SGT)

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

#### GENERAL DISCLOSURE/DISCLAIMER

**This report is prepared by DBS Bank Ltd.** This report is solely intended for the clients of DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBS Bank Ltd.

The research set out in this report is based on information obtained from sources believed to be reliable, but we (which collectively refers to DBS Bank Ltd, its respective connected and associated corporations, affiliates and their respective directors, officers, employees and agents (collectively, the "DBS Group") have not conducted due diligence on any of the companies, verified any information or sources or taken into account any other factors which we may consider to be relevant or appropriate in preparing the research. Accordingly, we do not make any representation or warranty as to the accuracy, completeness or correctness of the research set out in this report. Opinions expressed are subject to change without notice. This research is prepared for general circulation. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees, who should obtain separate independent legal or financial advice. The DBS Group accepts no liability whatsoever for any direct, indirect and/or consequential loss (including any claims for loss of profit) arising from any use of and/or reliance upon this document and/or further communication given in relation to this document. This document is not to be construed as an offer or a solicitation of an offer to buy or sell any securities. The DBS Group, along with its affiliates and/or persons associated with any of them may from time to time have interests in the securities mentioned in this document. The DBS Group, may have positions in, and may effect transactions in securities mentioned herein and may also perform or seek to perform broking, investment banking and other banking services for these companies.

Any valuations, opinions, estimates, forecasts, ratings or risk assessments herein constitutes a judgment as of the date of this report, and there can be no assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments. The information in this document is subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed, it may not contain all material information concerning the company (or companies) referred to in this report and the DBS Group is under no obligation to update the information in this report.

This publication has not been reviewed or authorized by any regulatory authority in Singapore, Hong Kong or elsewhere. There is no planned schedule or frequency for updating research publication relating to any issuer.

The valuations, opinions, estimates, forecasts, ratings or risk assessments described in this report were based upon a number of estimates and assumptions and are inherently subject to significant uncertainties and contingencies. It can be expected that one or more of the estimates on which the valuations, opinions, estimates, forecasts, ratings or risk assessments were based will not materialize or will vary significantly from actual results. Therefore, the inclusion of the valuations, opinions, estimates, forecasts, ratings or risk assessments described herein IS NOT TO BE RELIED UPON as a representation and/or warranty by the DBS Group (and/or any persons associated with the aforesaid entities), that:

- (a) such valuations, opinions, estimates, forecasts, ratings or risk assessments or their underlying assumptions will be achieved, and
- (b) there is any assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments stated therein.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Any assumptions made in this report that refers to commodities, are for the purposes of making forecasts for the company (or companies) mentioned herein. They are not to be construed as recommendations to trade in the physical commodity or in the futures contract relating to the commodity referred to in this report.

DBSVUSA, a US-registered broker-dealer, does not have its own investment banking or research department, has not participated in any public offering of securities as a manager or co-manager or in any other investment banking transaction in the past twelve months and does not engage in market-making.

#### ANALYST CERTIFICATION

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible for the content of this research report, in part or in whole, certifies that he or his associate<sup>1</sup> does not serve as an officer of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant) and the research analyst(s) primarily responsible for the content of this research report or his associate does not have financial interests<sup>2</sup> in relation to an issuer or a new listing applicant that the analyst reviews. DBS Group has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the DBS Group and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of DBS Group's compensation to any specific investment banking function of the DBS Group.

#### COMPANY-SPECIFIC / REGULATORY DISCLOSURES

1. DBS Bank Ltd, DBS HK, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS") or their subsidiaries and/or other affiliates do not have a proprietary position in the securities recommended in this report as of 31 Jan 2022.

#### Compensation for investment banking services:

2. DBSVUSA does not have its own investment banking or research department, nor has it participated in any public offering of securities as a manager or co-manager or in any other investment banking transaction in the past twelve months. Any US persons wishing to obtain further information, including any clarification on disclosures in this disclaimer, or to effect a transaction in any security discussed in this document should contact DBSVUSA exclusively.

#### Disclosure of previous investment recommendation produced:

3. DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS"), their subsidiaries and/or other affiliates may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed on page 1 of this report to view previous investment recommendations published by DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS"), their subsidiaries and/or other affiliates in the preceding 12 months.

---


<sup>1</sup> An associate is defined as (i) the spouse, or any minor child (natural or adopted) or minor step-child, of the analyst; (ii) the trustee of a trust of which the analyst, his spouse, minor child (natural or adopted) or minor step-child, is a beneficiary or discretionary object; or (iii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

<sup>2</sup> Financial interest is defined as interests that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.



## Riverstone Holdings

### RESTRICTIONS ON DISTRIBUTION

<b>General</b>	This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.
<b>Australia</b>	<p>This report is being distributed in Australia by DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS") or DBSV HK. DBS Bank Ltd holds Australian Financial Services Licence no. 475946.</p> <p>DBS Bank Ltd, DBSVS and DBSV HK are exempted from the requirement to hold an Australian Financial Services Licence under the Corporation Act 2001 ("CA") in respect of financial services provided to the recipients. Both DBS and DBSVS are regulated by the Monetary Authority of Singapore under the laws of Singapore, and DBSV HK is regulated by the Hong Kong Securities and Futures Commission under the laws of Hong Kong, which differ from Australian laws.</p> <p>Distribution of this report is intended only for "wholesale investors" within the meaning of the CA.</p>
<b>Hong Kong</b>	<p>This report has been prepared by a person(s) who is not licensed by the Hong Kong Securities and Futures Commission to carry on the regulated activity of advising on securities in Hong Kong pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). This report is being distributed in Hong Kong and is attributable to DBS Bank (Hong Kong) Limited ("DBS HK"), a registered institution registered with the Hong Kong Securities and Futures Commission to carry on the regulated activity of advising on securities pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). DBS Bank Ltd., Hong Kong Branch is a limited liability company incorporated in Singapore.</p> <p>For any query regarding the materials herein, please contact Carol Wu (Reg No. AH8283) at dbsvhk@dbs.com</p>
<b>Indonesia</b>	This report is being distributed in Indonesia by PT DBS Vickers Sekuritas Indonesia.
<b>Malaysia</b>	<p>This report is distributed in Malaysia by AllianceDBS Research Sdn Bhd ("ADBSR"). Recipients of this report, received from ADBSR are to contact the undersigned at 603-2604 3333 in respect of any matters arising from or in connection with this report. In addition to the General Disclosure/Disclaimer found at the preceding page, recipients of this report are advised that ADBSR (the preparer of this report), its holding company Alliance Investment Bank Berhad, their respective connected and associated corporations, affiliates, their directors, officers, employees, agents and parties related or associated with any of them may have positions in, and may effect transactions in the securities mentioned herein and may also perform or seek to perform broking, investment banking/corporate advisory and other services for the subject companies. They may also have received compensation and/or seek to obtain compensation for broking, investment banking/corporate advisory and other services from the subject companies.</p> <p style="text-align: right;">   Wong Ming Tek, Executive Director, ADBSR </p>
<b>Singapore</b>	This report is distributed in Singapore by DBS Bank Ltd (Company Regn. No. 196800306E) or DBSVS (Company Regn No. 198600294G), both of which are Exempt Financial Advisers as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. DBS Bank Ltd and/or DBSVS, may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, DBS Bank Ltd accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact DBS Bank Ltd at 6878 8888 for matters arising from, or in connection with the report.

<b>Thailand</b>	<p>This report is being distributed in Thailand by DBS Vickers Securities (Thailand) Co Ltd.</p> <p>For any query regarding the materials herein, please contact [Chanpen Sirithanarattanaku] at [research@th.dbs.com]</p>
<b>United Kingdom</b>	<p>This report is produced by DBS Bank Ltd which is regulated by the Monetary Authority of Singapore.</p> <p>This report is disseminated in the United Kingdom by DBS Vickers Securities (UK) Ltd, ("DBSVUK"). DBSVUK is authorised and regulated by the Financial Conduct Authority in the United Kingdom.</p> <p>In respect of the United Kingdom, this report is solely intended for the clients of DBSVUK, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBSVUK. This communication is directed at persons having professional experience in matters relating to investments. Any investment activity following from this communication will only be engaged in with such persons. Persons who do not have professional experience in matters relating to investments should not rely on this communication.</p>
<b>Dubai International Financial Centre / United Arab Emirates</b>	<p>This communication is provided to you as a Professional Client or Market Counterparty as defined in the DFSA Rulebook Conduct of Business Module (the "COB Module"), and should not be relied upon or acted on by any person which does not meet the criteria to be classified as a Professional Client or Market Counterparty under the DFSA rules.</p> <p>This communication is from the branch of DBS Bank Ltd operating in the Dubai International Financial Centre (the "DIFC") under the trading name "DBS Bank Ltd. (DIFC Branch)" ("DBS DIFC"), registered with the DIFC Registrar of Companies under number 156 and having its registered office at units 608 - 610, 6th Floor, Gate Precinct Building 5, PO Box 506538, DIFC, Dubai, United Arab Emirates.</p> <p>DBS DIFC is regulated by the Dubai Financial Services Authority (the "DFSA") with a DFSA reference number F000164. For more information on DBS DIFC and its affiliates, please see <a href="http://www.dbs.com/ae/our-network/default.page">http://www.dbs.com/ae/our-network/default.page</a>.</p> <p>Where this communication contains a research report, this research report is prepared by the entity referred to therein, which may be DBS Bank Ltd or a third party, and is provided to you by DBS DIFC. The research report has not been reviewed or authorised by the DFSA. Such research report is distributed on the express understanding that, whilst the information contained within is believed to be reliable, the information has not been independently verified by DBS DIFC.</p> <p>Unless otherwise indicated, this communication does not constitute an "Offer of Securities to the Public" as defined under Article 12 of the Markets Law (DIFC Law No.1 of 2012) or an "Offer of a Unit of a Fund" as defined under Article 19(2) of the Collective Investment Law (DIFC Law No.2 of 2010).</p> <p>The DFSA has no responsibility for reviewing or verifying this communication or any associated documents in connection with this investment and it is not subject to any form of regulation or approval by the DFSA. Accordingly, the DFSA has not approved this communication or any other associated documents in connection with this investment nor taken any steps to verify the information set out in this communication or any associated documents, and has no responsibility for them. The DFSA has not assessed the suitability of any investments to which the communication relates and, in respect of any Islamic investments (or other investments identified to be Shari'a compliant), neither we nor the DFSA has determined whether they are Shari'a compliant in any way.</p> <p>Any investments which this communication relates to may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on any investments. If you do not understand the contents of this document you should consult an authorised financial adviser.</p>

## Riverstone Holdings

<b>United States</b>	This report was prepared by DBS Bank Ltd. DBSVUSA did not participate in its preparation. The research analyst(s) named on this report are not registered as research analysts with FINRA and are not associated persons of DBSVUSA. The research analyst(s) are not subject to FINRA Rule 2241 restrictions on analyst compensation, communications with a subject company, public appearances and trading securities held by a research analyst. This report is being distributed in the United States by DBSVUSA, which accepts responsibility for its contents. This report may only be distributed to Major U.S. Institutional Investors (as defined in SEC Rule 15a-6) and to such other institutional investors and qualified persons as DBSVUSA may authorize. Any U.S. person receiving this report who wishes to effect transactions in any securities referred to herein should contact DBSVUSA directly and not its affiliate.
<b>Other jurisdictions</b>	In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

### DBS Regional Research Offices

#### HONG KONG

##### DBS (Hong Kong) Ltd

Contact: Carol Wu  
13th Floor One Island East,  
18 Westlands Road,  
Quarry Bay, Hong Kong  
Tel: 852 3668 4181  
Fax: 852 2521 1812  
e-mail: dbsvhk@dbs.com

#### MALAYSIA

##### AllianceDBS Research Sdn Bhd

Contact: Wong Ming Tek  
19th Floor, Menara Multi-Purpose,  
Capital Square,  
8 Jalan Munshi Abdullah 50100  
Kuala Lumpur, Malaysia.  
Tel.: 603 2604 3333  
Fax: 603 2604 3921  
e-mail: general@alliancedbs.com  
Co. Regn No. 198401015984 (128540-U)

#### SINGAPORE

##### DBS Bank Ltd

Contact: Janice Chua  
12 Marina Boulevard,  
Marina Bay Financial Centre Tower 3  
Singapore 018982  
Tel: 65 6878 8888  
e-mail: groupresearch@dbs.com  
Company Regn. No. 196800306E

#### INDONESIA

##### PT DBS Vickers Sekuritas (Indonesia)

Contact: Maynard Priajaya Arif  
DBS Bank Tower  
Ciputra World 1, 32/F  
Jl. Prof. Dr. Satrio Kav. 3-5  
Jakarta 12940, Indonesia  
Tel: 62 21 3003 4900  
Fax: 6221 3003 4943  
e-mail: indonesia@research@dbs.com

#### THAILAND

##### DBS Vickers Securities (Thailand) Co Ltd

Contact: Chanpen Sirithanarattanukul  
989 Siam Piwat Tower Building,  
9th, 14th-15th Floor  
Rama 1 Road, Pathumwan,  
Bangkok Thailand 10330  
Tel. 66 2 857 7831  
Fax: 66 2 658 1269  
e-mail: research@th.dbs.com  
Company Regn. No 0105539127012  
Securities and Exchange Commission, Thailand