

Singapore Company Update

ComfortDelGro

Bloomberg: CD SP | Reuters: CMDG.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

2 Mar 2022

BUY

Last Traded Price (1 Mar 2022): S\$1.43 (STI : 3,278.63)
Price Target 12-mth: S\$1.95 (36% upside) (Prev S\$2.06)

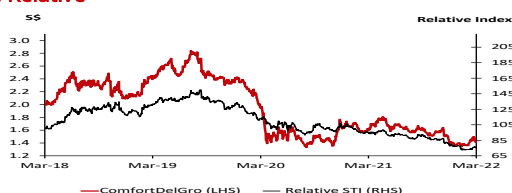
Analyst

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What's New

- FY21 PATMI jumps 114.0% y-o-y to S\$130.1m
- Reopening-led recovery expected as key markets relax restrictions
- Fears of high energy cost valid, but could be mitigated to a large extent
- Maintain BUY with a lower TP of S\$1.95

Price Relative



Forecasts and Valuation

FY Dec (S\$m)	2020A	2021A	2022F	2023F
Revenue	3,229	3,538	3,737	3,839
EBITDA	588	612	663	748
Pre-tax Profit	117	205	258	315
Net Profit	61.8	130	164	200
Net Pft (Pre Ex.)	61.8	130	164	200
Net Pft Gth (Pre-ex) (%)	(76.7)	110.5	25.7	22.2
EPS (S cts)	2.85	6.00	7.54	9.20
EPS Pre Ex. (S cts)	2.85	6.00	7.54	9.20
EPS Gth Pre Ex (%)	(77)	110	26	22
Diluted EPS (S cts)	2.85	5.99	7.52	9.18
Net DPS (S cts)	1.43	4.20	5.00	6.00
BV Per Share (S cts)	120	125	128	132
PE (X)	50.1	23.8	19.0	15.5
PE Pre Ex. (X)	50.1	23.8	19.0	15.5
P/Cash Flow (X)	6.4	4.7	4.6	4.5
EV/EBITDA (X)	5.7	4.8	3.9	3.1
Net Div Yield (%)	1.0	2.9	3.5	4.2
P/Book Value (X)	1.2	1.1	1.1	1.1
Net Debt/Equity (X)	CASH	CASH	CASH	CASH
ROAE (%)	2.4	4.9	6.0	7.1
Earnings Rev (%):			(21)	(17)
Consensus EPS (S cts):			10.0	11.0
Other Broker Recs:		B: 9	S: 0	H: 2

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

Emerging sustainability play

Investment Thesis

Major reopening beneficiary as mobility gradually trends towards normalisation. We are forecasting CDG's FY22F net profit to rise c.26% y-o-y as CDG's key segments see increased ridership and demand. The Group's key markets (The UK, Singapore, and Australia) are moving towards treating COVID-19 as endemic, underpinned by vaccines and COVID-19 pills. Indeed, mobility trends in Singapore have already begun to normalise, and early indications point to a wider reopening once the Omicron wave subsides.

Ride hailing public listings could signal less intense competition.

With Grab set to list via a SPAC in the US and GoTo possibly looking to IPO soon, CDG's private-hire competitors may be subject to increased scrutiny, which could reduce aggressive promotions and competition.

Evolving into a sustainability play. CDG has embarked on multiple initiatives to green its business segments. The Group has invested in green projects that include the provision of EV charging infrastructure and a greening of its bus and taxi fleet which could potentially pave the way for inclusion in ESG indices.

Valuation:

Maintain BUY with lower SOTP-based TP of S\$1.95. Our TP is based on our target prices for SBS Transit and VICOM, and 6.5x FY22F EV/EBITDA for CDG's remaining businesses (including CDG Australia).

Where we differ:

Consensus earnings for FY22F vary widely. We expect sequential quarterly improvements in FY22F, led by recovery and pick-up of transit mobility.

Key Risks to Our View:

High COVID-19 hospitalisations and deaths leading to reinstatement of pandemic restrictions, intense competition from ride hailing competitors leading to further contraction in taxi fleet, loss of bus contracts, and changes in regulations affecting operations.

At A Glance

Issued Capital (m shrs)	2,167
Mkt. Cap (S\$m/US\$m)	3,099 / 2,282
Major Shareholders (%)	
Ameriprise Financial Inc	6.8
Blackrock Inc	5.0
Free Float (%)	88.2
3m Avg. Daily Val (US\$m)	12.7

GIC Industry : Industrials / Transportation



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WHAT'S NEW

Emerging sustainability play

FY21 revenue in line but PATMI missed on slower-than-expected Taxi and Public Transport Services recovery

- FY21 revenue rose 9.1% y-o-y to S\$3.54bn, forming 99% of our estimates
- However, PATMI missed both ours and consensus estimates, rising by a lower-than-expected 114.0% y-o-y
- Final dividend of 2.1 Scts proposed, bringing total dividend to 4.2 Scts in FY21 (FY20: 1.43 Scts)
- A key contributor to the miss was the drop off in government reliefs, which halved in FY21 to S\$84.6m and decreased S\$12.2m q-o-q in 4Q21
- FY21 Public Transportation Services operating profit was S\$13m lower than forecast as the Group recognised a S\$17.1m one-off loss on disposal of buses
- Taxi recovery was slower than anticipated due to lower COVID-19 reliefs and a one-off impairment for business in Australia

Key Financial Metrics

S\$m	2H21	2H20	y-o-y
Revenue	1,795.8	1,708.9	5.1%
Operating Profit	75.4	115.9	-34.9%
PATMI	39.1	67.4	-42.0%
COVID-19 Government Relief	27.4	87.0	-68.5%
Operating Profit before Relief	48.0	28.9	66.1%
Segment Operating Profit			
Public Transportation Services	48.2	70.0	-31.1%
Taxi	0.6	4.0	-85.0%
Auto Engineering Services	5.1	10.4	-51.0%
Inspection & Testing Services	15.4	17.2	-10.5%
Driving Centre	4.8	9.8	-51.0%
Car Rental & Leasing	1.3	1.7	-23.5%
Bus Station	0.0	4.2	-100.0%

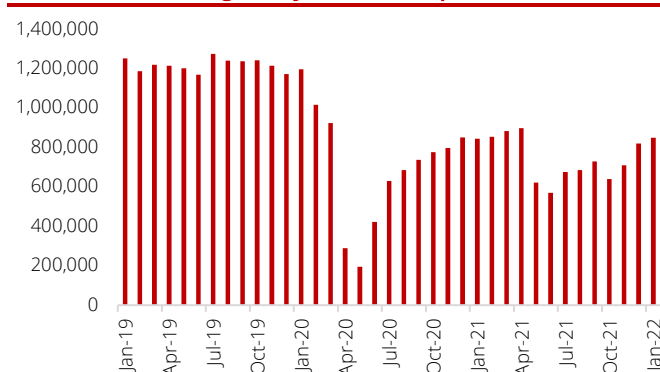
Source: Company, DBS Bank

Public Transportation Services

Continued reopening in Singapore, Australia, and the UK to buoy segment recovery. We see Public Transportation Services recovering further in FY22F as mobility in Singapore, Australia, and the UK rises in tandem with the relaxation of pandemic restrictions. Indeed, we have forecasted for average daily rail ridership in Singapore to recover c.20% in FY22F to c.895,000 (FY21: c.745,000) and

for segment revenue to grow 4.3% y-o-y. While we believe the segment has a high operating leverage (which would mean every dollar of revenue beyond a threshold directly flows to the bottom line), we note that the segment was a key beneficiary of COVID-19 relief, receiving S\$71.3m in total for FY21. As such, we are expecting only a 3.6% y-o-y growth in segment operating profit to S\$135.4m in FY22F.

SBS Transit's average daily rail ridership trend



Source: Company, DBS Bank

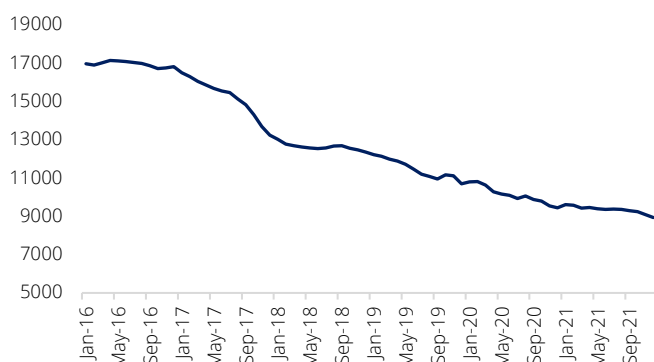
Rising energy costs a concern but fuel indexation could mitigate impact. Oil prices have surged in recent weeks, worsened by the conflict taking place in Ukraine. We think CDG will undoubtedly see rising energy and fuel costs in FY22, but expect the impact from fuel costs to be lower than expected. Specifically, the fuel indexation terms built into CDG's bus contracts protects the Group against higher fuel costs. CDG is thus only likely to bear higher energy costs from its smaller businesses such as rail.

Taxi

Fare hike and tapering rental discounts to boost Taxi segment in FY22. The last two months of 2021 saw the number of taxis rented out by CDG decline at an accelerated pace. Nonetheless, we think the recent taxi fare hikes and a further reopening of Singapore could help revive taxi rental demand as driver earnings recover. We have projected for CDG's FY22F taxi fleet to stabilise at 8,900 cars, down from an annual average of 9,300 cars in FY21. In contrast, operating profit for the segment has been forecasted to jump 179.4% y-o-y to S\$51.7m on the back of lower taxi rental discounts.

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CDG's Singapore taxi fleet showed signs of accelerated decline in the last two months of 2021



Source: LTA, DBS Bank

ComfortDelGro is likely to remain in the STI Index in upcoming review. As of 21 February 2022, the Group ranked 42nd by market capitalisation on the Singapore Exchange which ordinarily would mean a removal from the STI Index. However, the lack of liquidity in higher ranking stocks (Singapore Land Group and Great Eastern) is likely to move CDG to 40th place and enable the Group to retain its position in the index. SPH is also set to be delisted which could further improve CDG's ranking in the coming months.

Maintain BUY with a slightly lower SOTP-based TP of S\$1.95.

We lower FY22F/23F earnings by 21%/17% as we revise our margin assumptions to account for lower COVID-19 relief and higher energy costs. While an IPO of the Australian business is still on the cards, we do not expect it to take place soon, given contractual uncertainties in its bus business. Positively, ComfortDelGro is progressively emerging as an ESG play which could pave the way for inclusion in ESG focused indices. The Group has invested in multiple green projects that include the provision of EV charging infrastructure, a greening of its bus and taxi fleet, and the recently announced hydrogen mobility partnership with Viva Energy.

Company Background

ComfortDelGro Corporation Limited (CDG) is a land transport service company. Its business includes bus, taxi, rail, car rental and leasing, automotive engineering services, testing services, etc. Besides being a market leader for buses and taxis in Singapore, its business spans other geographies such as the UK, Australia, China, Vietnam, and Malaysia.

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SOTP Valuation

Entity	CDG's Interest (\$m)	Interest (%)	Equity Valuation (\$m)	Enterprise Valuation (\$m)	Net Cash (Debt)* (\$m)	FY22F EBITDA (\$m)	Remarks
CDG Australia	667.3	100	667.3	842.3	-175.0**	129.6**	based on EV/EBITDA of 6.5x
SBS Transit	761.2	74%	1,022.7	874.8	147.8	168.4	based on analyst TP
VICOM	506.8	67%	755.3	680.9	74.4	38.2	based on analyst TP
Rest of CDG	2,283.8		2,283.8	2,093.9	530.9	322.1	based on EV/EBITDA of 6.5x
Total Mkt Cap	4,219.0						
Share Price (\$)	\$1.95						

*based on end-2021 balance sheet

**based on AUDSGD of 1.01

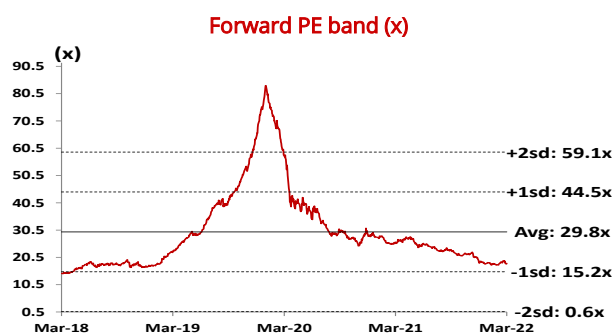
Source: Company, DBS Bank

Interim Income Statement (\$m)

FY Dec	2H2020	1H2021	2H2021	% chg y-o-y	% chg h-o-h
Revenue	1,695	1,743	1,796	6.0	3.1
Other Oper. (Exp)/Inc	(1,578)	(1,608)	(1,720)	9.1	7.0
Operating Profit	117	135	75	(35.7)	(44.0)
Other Non Opg (Exp)/Inc	(5)	3	(3)	36.0	(200.0)
Associates & JV Inc	0	0	0	-	-
Net Interest (Exp)/Inc	2	(6)	1	(65.2)	nm
Exceptional Gain/(Loss)	0	0	0	-	-
Pre-tax Profit	115	132	73	(36.3)	(44.7)
Tax	(23)	(24)	(21)	(10.0)	(15.2)
Minority Interest	(23)	(17)	(13)	42.9	(19.9)
Net Profit	68	91	39	(42.8)	(57.0)
Net profit bef Except.	68	91	39	(42.8)	(57.0)
EBITDA	112	344	268	138.6	(22.0)
Margins (%)					
Opg Profit Margins	6.9	7.7	4.2		
Net Profit Margins	4.0	5.2	2.2		

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

Public Transport Services

\$'m	1Q 2021	2Q 2021	3Q 2021	4Q 2021	2021	2020 ¹
Revenue	665.6	708.6	710.6	737.4	2,822.2	2,582.6
Operating Costs	(621.4)	(670.8)	(678.9)	(704.1)	(2,675.2)	(2,452.7)
Operating Profit excl. non-recurring items ("OPE")	44.2	37.8	31.7	33.3	147.0	129.9
Net Gain/(Loss) on Disposal	0.1	0.4	0.3	(17.1)	(16.3)	(1.3)
Impairment	-	-	-	-	-	(4.5)
Operating Profit ("OP")	44.3	38.2	32.0	16.2	130.7	124.1
OP before Government relief	17.0	17.6	15.5	9.3	59.4	(3.3)
COVID-19 Government relief	27.3	20.6	16.5	6.9	71.3	127.4
OP after Government relief	44.3	38.2	32.0	16.2	130.7	124.1
OPE excl. Government relief	16.9	17.2	15.2	26.4	75.7	2.5

Taxis

\$'m	1Q 2021	2Q 2021	3Q 2021	4Q 2021	2021	2020 ¹
Revenue	119.7	106.2	97.3	102.9	426.1	403.2
Operating Costs	(100.6)	(108.2)	(103.3)	(90.8)	(402.9)	(421.2)
Operating Profit excl. non-recurring items ("OPE")	19.1	(2.0)	(6.0)	12.1	23.2	(18.0)
Net Gain/(Loss) on Disposal	(0.5)	1.3	0.1	(0.1)	0.8	(10.6)
Impairment	-	-	-	(5.5)	(5.5)	(35.8)
Operating Profit ("OP")	18.6	(0.7)	(5.9)	6.5	18.5	(64.4)
OP before Government relief	14.0	(2.1)	(8.0)	6.1	10.0	(88.0)
COVID-19 Government relief	4.6	1.4	2.1	0.4	8.5	23.6
OP after Government relief	18.6	(0.7)	(5.9)	6.5	18.5	(64.4)
OPE excl. Government relief	14.5	(3.4)	(8.1)	11.7	14.7	(41.6)

Automotive Engineering Services

\$'m	1Q 2021	2Q 2021	3Q 2021	4Q 2021	2021	2020 ¹
Revenue	42.0	43.5	44.2	44.7	174.4	163.4
Operating Costs	(39.0)	(40.9)	(41.6)	(42.1)	(163.6)	(145.3)
Operating Profit excl. non-recurring items ("OPE")	3.0	2.6	2.6	2.6	10.8	18.1
Net Gain/(Loss) on Disposal	-	-	-	(0.1)	(0.1)	-
Impairment	-	-	-	-	-	-
Operating Profit ("OP")	3.0	2.6	2.6	2.5	10.7	18.1
OP before Government relief	2.6	2.2	2.5	2.4	9.7	13.7
COVID-19 Government relief	0.4	0.4	0.1	0.1	1.0	4.4
OP after Government relief	3.0	2.6	2.6	2.5	10.7	18.1
OPE excl. Government relief	2.6	2.2	2.5	2.5	9.8	13.7

Inspection & Testing Services

\$'m	1Q 2021	2Q 2021	3Q 2021	4Q 2021	2021	2020 ¹
Revenue	24.1	25.0	26.3	25.5	100.9	86.8
Operating Costs	(16.5)	(17.4)	(18.9)	(17.5)	(70.3)	(58.2)
Operating Profit excl. non-recurring items ("OPE")	7.6	7.6	7.4	8.0	30.6	28.6
Net Gain/(Loss) on Disposal	-	-	-	-	-	-
Impairment	-	-	-	-	-	(2.0)
Operating Profit ("OP")	7.6	7.6	7.4	8.0	30.6	26.6
OP before Government relief	7.0	6.9	7.0	8.0	28.9	18.9
COVID-19 Government relief	0.6	0.7	0.4	-	1.7	7.7
OP after Government relief	7.6	7.6	7.4	8.0	30.6	26.6
OPE excl. Government relief	7.0	6.9	7.0	8.0	28.9	20.9

Driving Centre

\$'m	1Q 2021	2Q 2021	3Q 2021	4Q 2021	2021	2020 ¹
Revenue	13.9	12.7	11.5	14.2	52.3	41.3
Operating Costs	(8.2)	(8.3)	(8.3)	(9.1)	(33.9)	(27.9)
Operating Profit excl. non-recurring items ("OPE")	5.7	4.4	3.2	5.1	18.4	13.4
Net Gain/(Loss) on Disposal	-	-	-	-	-	-
Impairment	-	-	-	(3.5)	(3.5)	(4.8)
Operating Profit ("OP")	5.7	4.4	3.2	1.6	14.9	8.6
OP before Government relief	5.3	3.9	2.7	1.4	13.3	3.9
COVID-19 Government relief	0.4	0.5	0.5	0.2	1.6	4.7
OP after Government relief	5.7	4.4	3.2	1.6	14.9	8.6
OPE excl. Government relief	5.3	3.9	2.7	4.9	16.8	8.7

Car Rental & Leasing

\$'m	1Q 2021	2Q 2021	3Q 2021	4Q 2021	2021	2020 ¹
Revenue	6.4	6.6	6.5	6.4	25.9	27.0
Operating Costs	(5.7)	(6.0)	(5.9)	(6.2)	(23.8)	(24.0)
Operating Profit excl. non-recurring items ("OPE")	0.7	0.6	0.6	0.2	2.1	3.0
Net Gain/(Loss) on Disposal	0.1	0.3	0.3	0.2	0.9	0.7
Impairment	-	-	-	-	-	(1.2)
Operating Profit ("OP")	0.8	0.9	0.9	0.4	3.0	2.5
OP before Government relief	0.7	0.7	0.7	0.4	2.5	1.8
COVID-19 Government relief	0.1	0.2	0.2	-	0.5	0.7
OP after Government relief	0.8	0.9	0.9	0.4	3.0	2.5
OPE excl. Government relief	0.6	0.4	0.4	0.2	1.6	2.3

Bus Station

\$'m	1Q 2021	2Q 2021	3Q 2021	4Q 2021	2021	2020 ¹
Revenue	3.8	2.8	2.8	2.7	12.1	15.7
Operating Costs	(2.5)	(2.5)	(2.7)	(2.8)	(10.5)	(9.5)
Operating Profit excl. non-recurring items ("OPE")	1.3	0.3	0.1	(0.1)	1.6	6.2
Net Gain/(Loss) on Disposal	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Operating Profit ("OP")	1.3	0.3	0.1	(0.1)	1.6	6.2
OP before Government relief	1.3	0.3	0.1	(0.1)	1.6	5.4
COVID-19 Government relief	-	-	-	-	-	0.8
OP after Government relief	1.3	0.3	0.1	(0.1)	1.6	6.2
OPE excl. Government relief	1.3	0.3	0.1	(0.1)	1.6	5.4

Source: Company

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Key Assumptions

FY Dec	2019A	2020A	2021A	2022F	2023F
SGP avg taxi fleet (#)	11,471	10,122	9,300	8,900	8,900
Chg in staff strength (%)	5.17	(3.2)	(1.0)	1.50	0.50

Segmental Breakdown

FY Dec	2019A	2020A	2021A	2022F	2023F
Revenues (\$m)					
Public Transport Svc	2,879	2,568	2,822	2,942	3,012
Taxi	665	403	426	470	491
Automotive Engn	159	89.4	102	127	134
Vehicle Inspection	101	84.2	98.5	106	108
Others	97.7	83.9	90.2	92.5	94.9
Total	3,901	3,229	3,538	3,737	3,839
EBIT (\$m)					
Public Transport Svc	224	126	131	135	160
Taxi	104	(64.4)	18.5	51.7	73.6
Automotive Engn	27.8	18.1	10.7	15.9	20.0
Vehicle Inspection	30.6	26.6	30.6	32.3	32.9
Others	28.9	17.3	19.5	19.4	23.0
Total	416	123	210	255	309
EBIT Margins (%)					
Public Transport Svc	7.8	4.9	4.6	4.6	5.3
Taxi	15.7	(16.0)	4.3	11.0	15.0
Automotive Engn	17.5	20.2	10.5	12.5	15.0
Vehicle Inspection	30.3	31.6	31.1	30.5	30.5
Others	29.6	20.6	21.6	21.0	24.3
Total	10.7	3.8	5.9	6.8	8.1

Income Statement (\$m)

FY Dec	2019A	2020A	2021A	2022F	2023F
Revenue	3,901	3,229	3,538	3,737	3,839
Other Opng (Exp)/Inc	(3,485)	(3,106)	(3,328)	(3,483)	(3,530)
Operating Profit	416	123	210	255	309
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	0.0	0.0	0.0	5.00	5.00
Net Interest (Exp)/Inc	(9.2)	(5.9)	(5.1)	(1.7)	1.04
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	407	117	205	258	315
Tax	(88.4)	(24.5)	(44.9)	(56.8)	(69.3)
Minority Interest	(53.1)	(30.9)	(29.9)	(37.6)	(45.9)
Preference Dividend	0.0	0.0	0.0	0.0	0.0
Net Profit	265	61.8	130	164	200
Net Profit before Except.	265	61.8	130	164	200
EBITDA	869	588	612	663	748
Growth					
Revenue Gth (%)	2.5	(17.2)	9.6	5.6	2.7
EBITDA Gth (%)	4.3	(32.3)	4.0	8.5	12.8
Opg Profit Gth (%)	(5.2)	(70.4)	70.6	21.3	21.4
Net Profit Gth (Pre-ex) (%)	(12.6)	(76.7)	110.5	25.7	22.2
Margins & Ratio					
Opg Profit Margin (%)	10.7	3.8	5.9	6.8	8.1
Net Profit Margin (%)	6.8	1.9	3.7	4.4	5.2
ROAE (%)	10.2	2.4	4.9	6.0	7.1
ROA (%)	5.0	1.2	2.5	3.2	3.8
ROCE (%)	7.5	2.2	3.9	4.9	5.8
Div Payout Ratio (%)	80.0	50.1	70.0	66.4	65.2
Net Interest Cover (x)	45.2	20.9	41.2	146.8	NM

Source: Company, DBS Bank

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Interim Income Statement (\$m)

FY Dec	2H2019	1H2020	2H2020	1H2021	2H2021
Revenue	1,978	1,534	1,695	1,743	1,796
Other Oper. (Exp)/Inc	(1,784)	(1,528)	(1,578)	(1,608)	(1,720)
Operating Profit	193	5.80	117	135	75.4
Other Non Opg (Exp)/Inc	(5.8)	5.00	(5.0)	3.20	(3.2)
Associates & JV Inc	0.0	0.0	0.0	0.0	0.0
Net Interest (Exp)/Inc	1.70	(8.2)	2.30	(5.9)	0.80
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	189	2.60	115	132	73.0
Tax	(44.5)	(1.6)	(22.9)	(24.3)	(20.6)
Minority Interest	(26.0)	(7.6)	(23.3)	(16.6)	(13.3)
Net Profit	119	(6.6)	68.4	91.0	39.1
Net profit bef Except.	119	(6.6)	68.4	91.0	39.1
EBITDA	428	223	112	344	268

Growth

Revenue Gth (%)	2.6	(22.4)	10.5	2.8	3.1
EBITDA Gth (%)	(2.8)	(48.0)	(49.6)	206.0	(22.0)
Opg Profit Gth (%)	(13.0)	(97.0)	1,922.4	14.7	(44.0)
Net Profit Gth (%)	(18.8)	nm	nm	33.0	(57.0)

Margins

Opg Profit Margins (%)	19.6	0.4	6.9	7.7	4.2
Net Profit Margins (%)	12.0	(0.4)	4.0	5.2	2.2

Balance Sheet (\$m)

FY Dec	2019A	2020A	2021A	2022F	2023F
Net Fixed Assets	2,880	2,620	2,431	2,227	1,993
Invts in Associates & JVs	0.70	0.70	0.80	5.80	10.8
Other LT Assets	1,180	1,217	935	937	939
Cash & ST Invts	594	743	919	1,306	1,689
Inventory	151	128	117	131	135
Debtors	319	533	537	498	512
Other Current Assets	256	67.3	15.4	15.4	15.4
Total Assets	5,379	5,309	4,955	5,121	5,294
ST Debt	227	141	23.9	100	100
Creditor	670	675	776	831	853
Other Current Liab	219	228	191	183	196
LT Debt	407	427	317	250	250
Other LT Liabilities	847	809	512	512	512
Shareholder's Equity	2,595	2,607	2,707	2,779	2,870
Minority Interests	414	422	430	467	513
Total Cap. & Liab.	5,379	5,309	4,955	5,121	5,294
Non-Cash Wkg. Capital	(164)	(174)	(297)	(369)	(387)
Net Cash/(Debt)	(40.0)	175	578	956	1,339
Debtors Turn (avg days)	27.8	48.2	55.2	50.5	48.0
Creditors Turn (avg days)	81.9	93.0	90.5	95.2	99.2
Inventory Turn (avg days)	17.4	19.3	15.3	14.7	15.7
Asset Turnover (x)	0.7	0.6	0.7	0.7	0.7
Current Ratio (x)	1.2	1.4	1.6	1.8	2.0
Quick Ratio (x)	0.8	1.2	1.5	1.6	1.9
Net Debt/Equity (X)	0.0	CASH	CASH	CASH	CASH
Net Debt/Equity ex MI (X)	0.0	CASH	CASH	CASH	CASH
Capex to Debt (%)	54.6	18.7	57.0	57.1	57.1
Z-Score (X)	2.4	2.4	2.7	2.8	2.8

Source: Company, DBS Bank

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Cash Flow Statement (\$m)

FY Dec	2019A	2020A	2021A	2022F	2023F
Pre-Tax Profit	407	117	205	258	315
Dep. & Amort.	453	465	402	404	434
Tax Paid	(89.5)	(82.7)	(64.7)	(64.4)	(56.8)
Assoc. & JV Inc/(loss)	0.0	0.0	0.0	(5.0)	(5.0)
Chg in Wkg.Cap.	(147)	(28.3)	75.0	79.3	5.46
Other Operating CF	(13.4)	12.6	44.1	0.0	0.0
Net Operating CF	610	484	661	671	693
Capital Exp.(net)	(347)	(106)	(194)	(200)	(200)
Other Invs.(net)	(28.3)	(13.5)	(2.2)	(15.0)	(15.0)
Invs 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	8.20	9.90	(7.3)	13.0	13.0
Net Investing CF	(367)	(110)	(204)	(202)	(202)
Div Paid	(231)	(115)	(76.5)	(91.1)	(109)
Chg in Gross Debt	31.3	(117)	(144)	9.00	0.0
Capital Issues	1.30	1.10	0.0	0.0	0.0
Other Financing CF	(31.6)	(11.1)	(66.8)	0.0	0.0
Net Financing CF	(230)	(241)	(287)	(82.1)	(109)
Currency Adjustments	(5.5)	15.8	6.40	0.0	0.0
Chg in Cash	8.10	149	176	387	382
Opg CFPS (S cts)	34.9	23.6	27.0	27.3	31.6
Free CFPS (S cts)	12.2	17.4	21.5	21.7	22.7

Source: Company, DBS Bank

Target Price & Ratings History



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

S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	16 Aug 21	1.67	1.94	BUY
2:	08 Nov 21	1.64	2.06	BUY
3:	12 Nov 21	1.51	2.06	BUY

Source: DBS Bank

Analyst: Woon Bing Yong

Paul YONG, 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

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