

# Yangzijiang Shipbuilding

Bloomberg: YZJSGD SP | Reuters: YAZG.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

1 Mar 2022

## BUY

Last Traded Price (28 Feb 2022): S\$1.38 (STI : 3,242.24)  
Price Target 12-mth: S\$2.15 (56% upside) (Prev S\$1.95)

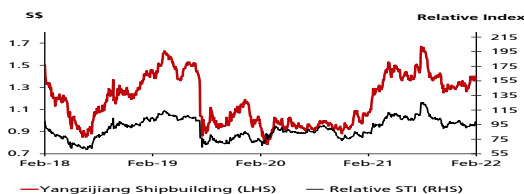
### Analyst

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### What's New

- FY21 beat expectations on forex gains and good operational performance; declared 5 Scts final dividend, or 3.6% yield
- Shipbuilding gross margins to expand from low of ~11% in 2H21
- Investment spin-off progressing well; SGX approval on listing possible by mid-Mar
- Reiterate BUY; TP lifted to S\$2.15

### Price Relative



### Forecasts and Valuation

FY Dec (RMBm)	2020A	2021A	2022F	2023F
Revenue	14,841	16,768	21,490	22,551
EBITDA	3,584	5,079	5,172	5,548
Pre-tax Profit	3,290	4,882	4,908	5,345
Net Profit	2,516	3,699	3,779	4,116
Net Pft (Pre Ex.)	2,516	3,699	3,779	4,116
Net Pft Gth (Pre-ex) (%)	(19.0)	47.0	2.2	8.9
EPS (S cts)	14.0	20.2	20.6	22.5
EPS Pre Ex. (S cts)	14.0	20.2	20.6	22.5
EPS Gth Pre Ex (%)	(17)	44	2	9
Diluted EPS (S cts)	14.0	20.2	20.6	22.5
Net DPS (S cts)	4.82	5.36	5.89	6.43
BV Per Share (S cts)	180	196	211	228
PE (X)	9.9	6.8	6.7	6.1
PE Pre Ex. (X)	9.9	6.8	6.7	6.1
P/Cash Flow (X)	nm	4.1	7.1	6.2
EV/EBITDA (X)	2.3	0.3	0.0	nm
Net Div Yield (%)	3.5	3.9	4.3	4.7
P/Book Value (X)	0.8	0.7	0.7	0.6
Net Debt/Equity (X)	CASH	CASH	CASH	CASH
ROAE (%)	7.9	10.8	10.1	10.2
Earnings Rev (%):			-	-
Consensus EPS (S cts):			20.7	24.1
Other Broker Recs:		B: 8	S: 0	H: 2

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

## Investment spin-off on track

### Investment Thesis:

A prime proxy to shipbuilding and shipping upcycles. After record-high order wins of US\$7.4bn in FY21 (48% higher than US\$5bn in the last boom in 2007), Yangzijiang's yards are full through 2024. While order momentum should slow down, it is expected to stay at an elevated level of ~US\$2.5bn per annum. Earnings are set to grow at a two-year CAGR of 13%, backed by a US\$8.5bn record orderbook with gross margin improvement set towards 20% (from 11% in 2H21).

Catalysts driving share price closer to our TP include: i) optimism on the macro economy and shipping market; ii) sequential earnings growth, underpinned by revenue and margin expansion; iii) a potential increase in the dividend payout; and iv) an improving ESG score – comprising a potential spin-off of the investment arm and gaining traction in the dual fuel and LNG carrier markets.

### Valuation:

Our TP has been lifted to S\$2.15 after rolling over valuation to FY2022, based on a sum-of-the-parts valuation (SOP), pegged to an 8x PE on shipbuilding earnings, 0.7x P/BV for investments, and 1.0x P/BV for its marked-down bulk carrier/tanker fleets. This translates to a 1.09x P/BV (0.5SD above its five-year mean of 0.9x).

The stock is unwarrantedly undervalued, trading at a 0.7x P/BV and 7x PE against a 10% ROE and two-year core EPS CAGR of 13%.

### Where we differ:

Market has over-penalised Yangzijiang for its debt investments, most of which are backed by collateral of 1.5-2.5x.

### Key Risks to Our View:

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

### At A Glance

Issued Capital (m shrs)	3,913
Mkt. Cap (S\$m/US\$m)	5,401 / 3,991
Major Shareholders (%)	
Yangzi International	21.8
T Rowe Price	7.2
Blackrock Inc	5.0
Free Float (%)	66.0
3m Avg. Daily Val (US\$m)	12.4
GIC Industry : Industrials / Capital Goods	



Watchlist the stock on Insights Direct to receive prompt updates



## Yangzijiang Shipbuilding

### WHAT'S NEW

#### FY21 results beat expectations

#### RESULTS PREVIEW

**2H21 headline profit above expectations, lifted largely by forex gains from hedging.** Yangzijiang's net profit rose 26% h-o-h and 54% y-o-y to Rmb2.1bn in 2H21. This brings the full-year net profit to Rmb3.7bn, **beating the street's expectations** of Rmb3.1bn.

Beside higher shipbuilding revenue and shipping profit, the outperformance was aided by fair value gains of Rmb625m on hedging contracts (net gain of Rmb516m) arising out of USD depreciation during the period.

The group also registered higher interest, dividend, and subsidy income as well as a reversal of expected contract losses (Rmb205m), which was offset by fair value losses on financial assets valued at Rmb464m.

**Shipbuilding gross margin is at ~11% in 2H21**, having contracted marginally from 13.5% in 1H21, as the group continues to execute old projects at lower pricing and is impacted by the high steel prices and weaker USD (which is offset by fair value gains from hedging contracts below the gross profit line).

On a positive note, revenue crept up to Rmb8.4bn in 2H, from the Rmb4.5-5bn level previously. Shipbuilding margins are expected to bottom out from 2H22, as operating leverage improves with an increase in yard activities and the commencement of higher priced new orders secured since end-2020.

**Record high annual wins of US\$7.4bn.** This is ~48% higher than the previous peak of US\$5bn in 2007.

**Revenue coverage raised to 3.1 years.** Yangzijiang's orderbook has increased from US\$3.09bn as of end-2020 to ~US\$8.5bn as of end-2021, surpassing its peak of ~US\$7bn in 2007/2008. Based on Yangzijiang's maximum revenue run rate of c.US\$2.8bn a year, the current orderbook implies a ~3.1-year revenue coverage, which is at the upper end of its ideal range of 2-3x.

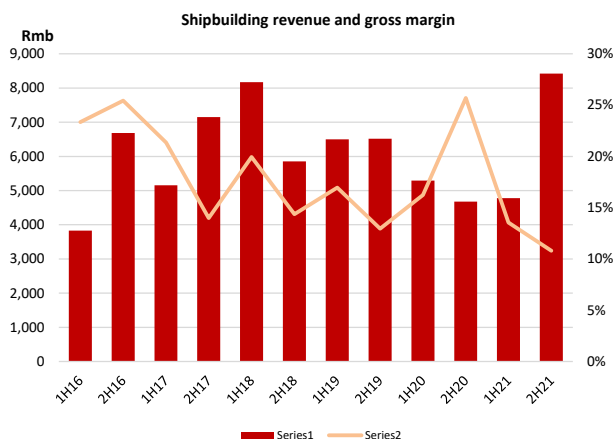
As it is already filling up delivery slots for 2025, Yangzijiang is more selective on orders ahead, given the relatively full order backlog and potential to negotiate for higher newbuild prices.

**Steel cost and forex are manageable.** Steel plate prices in China rose from ~Rmb4,000/t in Nov 20 to Rmb4,500 by end-2020 and 10% a quarter through 3Q21 to the ~Rmb5,500-6,000/t level, before moderating to the Rmb5,000/t level. Management believes that we have seen the peak of steel prices in this cycle last year and that it is stabilising at the current level.

Yangzijiang has also entered forward contracts to hedge 40%-50% of its USD exposure at Rmb6.7-6.9/USD to manage the effects of forex volatility.

#### Steel price moderated to Rmb5,000/t levels

#### Shipbuilding margin to bottom out from 2022



Source: Company, DBS Bank



Source: Bloomberg Finance L.P.

## Yangzijiang Shipbuilding

### Forex: Weakening USD; half of exposure is hedged at 6.7-6.8



Source: Bloomberg Finance L.P.

**Shipping fleet capturing the upturn.** Yangzijiang will likely maintain its current shipping fleet of 26 vessels, comprising predominantly mid-sized bulk carriers and chemical tankers, given the optimistic shipping outlook. Shipping gross profit doubled to ~Rmb400m or c.10% of group profit. Divestment gains could be expected if Yangzijiang opts to dispose of the vessels, as they currently carry a low book value of Rmb2.18bn (or c.US\$13m/vessel), significantly below its market value.

**Building greener vessels.** The signing of the first dual-fuel containership order last year is a testament to Yangzijiang's R&D capability, marking a remarkable breakthrough in the dual-fuel containership market that has been dominated by Korean yards. These vessels are expected to fetch higher margins as well.

**Declared final dividend of 5 Scts,** implying a 27% payout ratio. This translates to a 3.6% yield. Assuming status quo, we expect a higher dividend of 5.5-6 Scts ahead, on the back of an earnings increase. However, if its investment spin-off takes place as planned in 2H22, Yangzijiang shall continue to reward shareholders with steady dividends from excess cash, after considering its working capital requirements. We believe a combined DPS of both Shipbuilding and Financial holdings would be greater than the current payout, as the estimated FCF from shipbuilding operations alone could afford the current 5-6 Scts DPS.

## Yangzijiang Shipbuilding

### INVESTMENT SPIN-OFF

**Investment listing timeline: SGX approval by mid-Mar and completion by early 3Q.** After receiving pre-clearance from Singapore Exchange Securities Trading Limited (“SGX”) to spin off its investment arm (“the Spin-off Group”) for listing on the Mainboard of SGX on 24 Jan 2022, Yangzijiang has proceeded to apply for listing by way of introduction on 11 February 2022. Assuming three to four weeks in lead time, approval could be obtained by mid-Mar and hopefully completion by the time interim results are released.

**Dividend-in-specie to shareholders; medium-term valuation above book.** Upon successful listing, the group will present dividend-in-specie shares of investment listing to existing shareholders on a one-to-one basis. Management aims to deliver value to shareholders with an investment listing valuation above book over the medium term.

The investment spin-off, **Yangzijiang Financial Holding (Yangzi Financial)**, will be led by a separate board of directors to achieve strong governance, transparency, and independence.

**Broaden investment scope and region.** Yangzi Financial will expand into the fund and wealth management business and also expand its geographical footprint in the

Greater China and Southeast Asia regions, in particular, Singapore.

It will broaden its investment asset classes into equity, fixed income/mezzanine, and other securities, assets, and funds with sector focus on ESG, new economy, healthcare, real estate, etc.

**Remitting 25% funds to Singapore for wealth management.** Yangzijiang plans to transfer Rmb20bn to Yangzi Financial and to gear up after three years or so. For a start, approx. 25% of AUM will be remitted to Singapore for its wealth management business, while 75% of the funds are to be gradually converted from the current debt investment. Eventually, 40% of AUM is targeted to be allocated for investment outside of China by 2023.

**Strategic pre-IPO investors.** Yangzijiang could bring in some strategic pre-IPO investors in Singapore, who will strengthen its investment team (~20 professionals) here. To further align interests, Yangzijiang might consider to issue Yangzijiang’s treasury shares to the partners, as an alternative to a new share issuance at Yangzi Financial.

### Yangzi Financial – Overview of growth strategies



Source: Company

## Yangzijiang Shipbuilding

### Company Background

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

### Interim Income Statement (RMBm)

FY Dec	2H2020	1H2021	2H2021	% chg y-o-y	% chg h-o-h
Revenue	6,576	6,600	10,168	54.6	54.1
Cost of Goods Sold	(4,338)	(4,914)	(8,224)	89.6	67.4
<b>Gross Profit</b>	<b>2,238</b>	<b>1,686</b>	<b>1,944</b>	<b>(13.1)</b>	<b>15.3</b>
Other Oper. (Exp)/Inc	(896)	405	212	(123.6)	(47.7)
<b>Operating Profit</b>	<b>1,342</b>	<b>2,091</b>	<b>2,156</b>	<b>60.6</b>	<b>3.1</b>
Other Non Opg (Exp)/Inc	0	0	0	-	-
Associates & JV Inc	162	68	293	81.0	329.2
Net Interest (Exp)/Inc	90	92	181	101.4	96.5
Exceptional Gain/(Loss)	0	0	0	-	-
<b>Pre-tax Profit</b>	<b>1,594</b>	<b>2,252</b>	<b>2,630</b>	<b>65.0</b>	<b>16.8</b>
Tax	(183)	(568)	(586)	220.7	3.1
Minority Interest	(73)	(44)	16	nm	(135.7)
<b>Net Profit</b>	<b>1,339</b>	<b>1,639</b>	<b>2,060</b>	-	-
Net profit bef Except.	1,339	1,639	2,060	53.9	25.7
EBITDA	1,723	2,423	2,657	54.2	9.6
<b>Margins (%)</b>					
Gross Margins	34.0	25.5	19.1		
Opg Profit Margins	20.4	31.7	21.2		
Net Profit Margins	20.4	24.8	20.3		

Source of all data: Company, DBS Bank

### SOTP-based Valuation

Components	FY22 PATMI (\$ m)	Est. market value (\$ m)	Value per share (\$)	Basis	Remark
Shipbuilding	465	3,723	0.95	8x FY22 PE	0.5SD above five-year mean (8x)
Shipping & related Investment	20	436	0.11	1.0x P/Bv	1.0x book value of the 26 vessels, of which half has been marked down by 50%
	285	2,887	0.74	0.7x P/Bv	SG banks' trough valuation peg of 0.7-0.8x
	771	7,046	1.80		
Add: Net Cash	1,406	0.36			
<b>Target price (\$)</b>		<b>2.15</b>			

Source: Company, DBS Bank

## Yangzijiang Shipbuilding

### Peer comparison

Company	Last Px (LC)	Market cap (US\$m)	P/E FY21F	P/E FY22F	P/B Current	ROE (%) FY21F	ROE (%) FY22F	Net D/E Current	Div Yld (%) Current
<b>Singapore</b>									
Keppel Corp	5.96	7,951	12.3	11.6	0.9	7.2%	7.6%	0.7	3.2%
Sembcorp Marine	0.085	1,970	nm	nm	0.8	nm	nm	0.8	na
Yangzijiang	1.4	4,045	8.5	6.8	0.8	9.4%	10.6%	CASH	3.2%
<b>China</b>									
China Shipbuilding Industry Co (CSIC)	4.08	14,727	nm	nm	1.1	nm	nm	CASH	na
Shanghai Zhenhua Heavy Industries	3.55	2,386	nm	nm	1.3	nm	nm	2.2	na
China CSSC	21.2	15,009	179.7	83.8	2.0	1.2%	nm	CASH	0.2%
<b>Korea</b>									
Korea Shipbuilding & Offshore	87,400	5,153	30.4	13.0	0.6	1.9%	4.1%	0.1	na
Samsung Heavy Industries	5,750	4,216	nm	195.6	1.2	nm	nm	0.9	na
Daewoo Shipbuilding	25,800	2,306	na	na	1.1	-44.1%	-7.2%	0.4	na
<b>Average:</b>			57.7	62.2	1.1	-5.1%	2.3%	0.8	
<b>Median:</b>			21.4	13.0	1.0	1.2%	2.6%	0.8	

Source: Bloomberg Finance L.P., DBS Bank

### Historical PE and PB band



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



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

## Yangzijiang Shipbuilding

### Key Assumptions

FY Dec	2019A	2020A	2021A	2022F	2023F
Order wins (US\$ m)	830	1,770	7,410	3,000	2,500
Steel cost (RMB/t)	4,530	4,349	5,871	5,695	5,410
RMB / USD	6.80	6.60	6.60	6.70	6.80

### Segmental Breakdown

FY Dec	2019A	2020A	2021A	2022F	2023F
<b>Revenues (RMBm)</b>					
Shipbuilding	13,019	9,970	13,198	17,056	18,235
Investment	2,099	2,043	1,742	1,900	1,900
Others	8,479	2,828	1,828	2,535	2,416
<b>Total</b>	<b>23,597</b>	<b>14,841</b>	<b>16,768</b>	<b>21,490</b>	<b>22,551</b>
<b>Gross profit (RMBm)</b>					
Shipbuilding	1,946	2,061	1,557	2,682	3,311
Investment	1,994	1,941	1,655	1,805	1,805
Others	389	221	419	925	726
<b>Total</b>	<b>4,329</b>	<b>4,222</b>	<b>3,630</b>	<b>5,412</b>	<b>5,842</b>
<b>Gross profit Margins</b>					
Shipbuilding	14.9	20.7	11.8	15.7	18.2
Investment	95.0	95.0	95.0	95.0	95.0
Others	4.6	7.8	22.9	36.5	30.0
<b>Total</b>	<b>18.3</b>	<b>28.4</b>	<b>21.7</b>	<b>25.2</b>	<b>25.9</b>

### Income Statement (RMBm)

FY Dec	2019A	2020A	2021A	2022F	2023F
Revenue	23,597	14,841	16,768	21,490	22,551
Cost of Goods Sold	(19,269)	(10,619)	(13,138)	(16,079)	(16,709)
<b>Gross Profit</b>	<b>4,329</b>	<b>4,222</b>	<b>3,630</b>	<b>5,412</b>	<b>5,842</b>
Other Opng (Exp)/Inc	(321)	(1,333)	616	(752)	(789)
<b>Operating Profit</b>	<b>4,007</b>	<b>2,889</b>	<b>4,247</b>	<b>4,660</b>	<b>5,053</b>
Other Non Opng (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	117	211	362	100	100
Net Interest (Exp)/Inc	62.1	190	273	149	192
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0	0.0
<b>Pre-tax Profit</b>	<b>4,186</b>	<b>3,290</b>	<b>4,882</b>	<b>4,908</b>	<b>5,345</b>
Tax	(890)	(672)	(1,155)	(1,129)	(1,229)
Minority Interest	(191)	(102)	(28.5)	0.0	0.0
Preference Dividend	0.0	0.0	0.0	0.0	0.0
<b>Net Profit</b>	<b>3,105</b>	<b>2,516</b>	<b>3,699</b>	<b>3,779</b>	<b>4,116</b>
Net Profit before Except.	3,105	2,516	3,699	3,779	4,116
EBITDA	4,602	3,584	5,079	5,172	5,548
<b>Growth</b>					
Revenue Gth (%)	1.5	(37.1)	13.0	28.2	4.9
EBITDA Gth (%)	4.8	(22.1)	41.7	1.8	7.3
Opg Profit Gth (%)	1.6	(27.9)	47.0	9.7	8.4
Net Profit Gth (Pre-ex) (%)	1.1	(19.0)	47.0	2.2	8.9
<b>Margins &amp; Ratio</b>					
Gross Margins (%)	18.3	28.4	21.7	25.2	25.9
Opg Profit Margin (%)	17.0	19.5	25.3	21.7	22.4
Net Profit Margin (%)	13.2	17.0	22.1	17.6	18.3
ROAE (%)	10.3	7.9	10.8	10.1	10.2
ROA (%)	6.8	5.6	7.7	7.0	7.2
ROCE (%)	8.6	5.9	8.0	8.2	8.4
Div Payout Ratio (%)	28.4	34.4	26.5	28.5	28.6
Net Interest Cover (x)	NM	NM	NM	NM	NM

Source: Company, DBS Bank

## Yangzijiang Shipbuilding

### Interim Income Statement (RMBm)

FY Dec	2H2019	1H2020	2H2020	1H2021	2H2021
Revenue	10,273	8,265	6,576	6,600	10,168
Cost of Goods Sold	(8,310)	(6,281)	(4,338)	(4,914)	(8,224)
<b>Gross Profit</b>	<b>1,964</b>	<b>1,984</b>	<b>2,238</b>	<b>1,686</b>	<b>1,944</b>
Other Oper. (Exp)/Inc	(198)	(437)	(896)	405	212
<b>Operating Profit</b>	<b>1,765</b>	<b>1,547</b>	<b>1,342</b>	<b>2,091</b>	<b>2,156</b>
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	66.8	49.3	162	68.3	293
Net Interest (Exp)/Inc	14.9	99.5	90.0	92.2	181
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0	0.0
<b>Pre-tax Profit</b>	<b>1,847</b>	<b>1,696</b>	<b>1,594</b>	<b>2,252</b>	<b>2,630</b>
Tax	(367)	(489)	(183)	(568)	(586)
Minority Interest	(135)	(29.0)	(72.6)	(44.2)	15.8
<b>Net Profit</b>	<b>1,345</b>	<b>1,178</b>	<b>1,339</b>	<b>1,639</b>	<b>2,060</b>
Net profit bef Except.	1,345	1,178	1,339	1,639	2,060
EBITDA	2,022	1,861	1,723	2,423	2,657

### Growth

Revenue Gth (%)	(22.9)	(19.5)	(20.4)	0.4	54.1
EBITDA Gth (%)	(21.6)	(8.0)	(7.4)	40.6	9.6
Opg Profit Gth (%)	(21.3)	(12.4)	(13.2)	55.8	3.1
Net Profit Gth (%)	(23.6)	(12.4)	13.7	22.4	25.7

### Margins

Gross Margins (%)	19.1	24.0	34.0	25.5	19.1
Opg Profit Margins (%)	17.2	18.7	20.4	31.7	21.2
Net Profit Margins (%)	13.1	14.2	20.4	24.8	20.3

### Balance Sheet (RMBm)

FY Dec	2019A	2020A	2021A	2022F	2023F
Net Fixed Assets	5,678	5,226	5,152	4,940	4,744
Invts in Associates & JVs	1,533	1,544	1,628	1,728	1,828
Other LT Assets	7,293	7,687	6,280	6,422	6,422
Cash & ST Invts	21,552	21,926	28,599	30,696	33,371
Inventory	1,598	1,678	1,640	2,714	2,847
Debtors	4,680	3,633	4,121	4,776	4,100
Other Current Assets	3,422	3,216	4,193	4,591	5,029
<b>Total Assets</b>	<b>45,756</b>	<b>44,911</b>	<b>51,612</b>	<b>55,866</b>	<b>58,341</b>
ST Debt	2,782	2,121	2,504	2,253	2,028
Creditor	3,514	2,699	2,804	4,298	3,759
Other Current Liab	3,894	3,144	6,491	6,604	6,705
LT Debt	2,251	2,124	1,953	2,050	2,153
Other LT Liabilities	1,260	1,448	1,799	1,799	1,799
Shareholder's Equity	31,096	32,342	35,923	38,722	41,759
Minority Interests	959	1,034	138	138	138
<b>Total Cap. &amp; Liab.</b>	<b>45,756</b>	<b>44,911</b>	<b>51,612</b>	<b>55,866</b>	<b>58,341</b>
Non-Cash Wkg. Capital	2,292	2,685	659	1,178	1,513
Net Cash/(Debt)	16,519	17,682	24,143	26,392	29,190
Debtors Turn (avg days)	75.3	102.2	84.4	75.6	71.8
Creditors Turn (avg days)	74.9	111.9	79.3	82.7	90.1
Inventory Turn (avg days)	40.8	59.0	47.8	50.7	62.2
Asset Turnover (x)	0.5	0.3	0.3	0.4	0.4
Current Ratio (x)	3.1	3.8	3.3	3.3	3.6
Quick Ratio (x)	2.6	3.2	2.8	2.7	3.0
Net Debt/Equity (X)	CASH	CASH	CASH	CASH	CASH
Net Debt/Equity ex MI (X)	CASH	CASH	CASH	CASH	CASH
Capex to Debt (%)	10.5	5.2	6.3	4.6	4.8
Z-Score (X)	2.9	2.8	2.9	2.9	2.9

Source: Company, DBS Bank



## Yangzijiang Shipbuilding

### Cash Flow Statement (RMBm)

FY Dec	2019A	2020A	2021A	2022F	2023F
Pre-Tax Profit	4,186	3,290	4,882	4,908	5,345
Dep. & Amort.	477	483	471	412	396
Tax Paid	(781)	(863)	(698)	(1,015)	(1,129)
Assoc. & JV Inc/(loss)	(117)	(211)	(362)	(100.0)	(100.0)
Chg in Wkg. Cap.	985	(2,962)	2,737	(633)	(436)
Other Operating CF	(142)	(348)	(888)	0.0	0.0
<b>Net Operating CF</b>	<b>4,609</b>	<b>(612)</b>	<b>6,143</b>	<b>3,573</b>	<b>4,076</b>
Capital Exp. (net)	(530)	(219)	(283)	(200)	(200)
Other Invt. (net)	0.0	0.0	0.0	0.0	0.0
Invt. in Assoc. & JV	(149)	10.4	204	0.0	0.0
Div from Assoc & JV	139	70.5	0.0	0.0	0.0
Other Investing CF	(172)	(897)	394	(1,034)	0.0
<b>Net Investing CF</b>	<b>(712)</b>	<b>(1,035)</b>	<b>315</b>	<b>(1,234)</b>	<b>(200)</b>
Div Paid	(990)	(896)	(843)	(981)	(1,079)
Chg in Gross Debt	811	(696)	286	(153)	(123)
Capital Issues	0.0	0.0	0.0	0.0	0.0
Other Financing CF	(128)	(311)	(172)	0.0	0.0
<b>Net Financing CF</b>	<b>(307)</b>	<b>(1,903)</b>	<b>(728)</b>	<b>(1,134)</b>	<b>(1,202)</b>
Currency Adjustments	0.0	0.0	0.0	0.0	0.0
Chg in Cash	3,589	(3,550)	5,730	1,205	2,674
Opg CFPS (S cts)	19.6	13.1	18.6	23.0	24.6
Free CFPS (S cts)	22.1	(4.6)	32.0	18.4	21.2

Source: Company, DBS Bank

### Target Price & Ratings History



S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	01 Mar 21	1.08	1.50	BUY
2:	03 May 21	1.47	1.80	BUY
3:	06 Aug 21	1.50	1.95	BUY
4:	05 Nov 21	1.29	1.95	BUY

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

Source: DBS Bank

Analyst: Pei Hwa HO

DBS Bank recommendations are based on an Absolute Total Return\* Rating system, defined as follows:

**STRONG BUY** (>20% total return over the next 3 months, with identifiable share price catalysts within this time frame)

**BUY** (>15% total return over the next 12 months for small caps, >10% for large caps)

**HOLD** (-10% to +15% total return over the next 12 months for small caps, -10% to +10% for large caps)

**FULLY VALUED** (negative total return, i.e., > -10% over the next 12 months)

**SELL** (negative total return of > -20% over the next 3 months, with identifiable share price catalysts within this time frame)

\*Share price appreciation + dividends

Completed Date: 1 Mar 2022 08:21:26 (SGT)

Dissemination Date: 1 Mar 2022 08:25:28 (SGT)

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

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## **Yangzijiang Shipbuilding**

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## Yangzijiang Shipbuilding

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