

# Singapore Company Update

## The Hour Glass Limited

Bloomberg: HG SP | Reuters: HRGS.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

30 May 2022

This company is covered under the Research Talent Development Grant Scheme which aims to groom research talent to expand research coverage of small-mid cap SGX listed companies.

**HOLD** (Downgrade from BUY)

Last Traded Price (27 May 2022): S\$2.37 (STI : 3,230.55)

Price Target 12-mth: S\$2.54 (7% upside) (Prev S\$2.62)

### Analyst

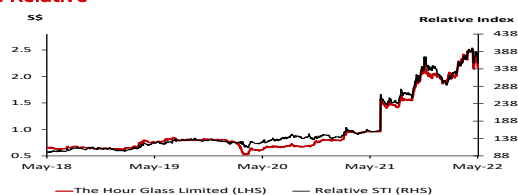
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### What's New

- FY22A Record breaking year as expected, revenue aligned with expectations whilst net profit exceeded our estimates by c.30%
- (+) Gross and net margins a surprise at 32.7% and 15.0% (vs. 29.2% and 11.0% in FY21A)
- (-) Uncertain macroeconomic outlook as the key headwind to discretionary spending in FY23F
- Downgrade to HOLD with TP of S\$2.54 using Forward PE of 13.5x, down from 14.5x

### Price Relative



### Forecasts and Valuation

FY Mar (\$m)	2021A	2022A	2023F	2024F
Revenue	743	1,033	951	1,107
EBITDA	159	255	226	277
Pre-tax Profit	110	205	171	217
Net Profit	82.5	155	129	164
Net Pft (Pre Ex.)	92.7	163	129	164
Net Pft Gth (Pre-ex) (%)	22.0	75.6	(20.6)	27.1
EPS (S cts)	11.7	22.3	18.8	24.0
EPS Pre Ex. (S cts)	13.2	23.5	18.8	24.0
EPS Gth Pre Ex (%)	22	79	(20)	27
Diluted EPS (S cts)	11.7	22.3	18.8	24.0
Net DPS (S cts)	6.00	8.00	8.00	8.00
BV Per Share (S cts)	96.6	109	120	136
PE (X)	20.2	10.6	12.6	9.9
PE Pre Ex. (X)	18.0	10.1	12.6	9.9
P/Cash Flow (X)	9.6	7.4	9.0	8.5
EV/EBITDA (X)	9.7	5.7	6.0	4.6
Net Div Yield (%)	2.5	3.4	3.4	3.4
P/Book Value (X)	2.5	2.2	2.0	1.7
Net Debt/Equity (X)	CASH	CASH	CASH	CASH
ROAE (%)	12.1	20.6	15.7	17.6
Earnings Rev (%):			13	36
Consensus EPS (S cts):			14.5	15.5
Other Broker Recs:		B: 2	S: 0	H: 0

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

### Only Time Will Tell

#### Investment Thesis:

**Downgrade to HOLD with TP of S\$2.54.** The group witnessed a record year in FY22A, driven by a V-shaped recovery in the luxury goods industry as we have expected. FY22A gross and net margins came at a surprise at 32.7% and 15.0% (vs 29.2% and 11.0% in FY21A) respectively. Since our [initiation report](#), Hour Glass's share price has risen by c. 16%. We reiterate our view of a moderation in revenue in FY23F, on the back of continued macroeconomic uncertainties. For FY23F, we adjusted our gross and net margins estimates to c.30% and c.13.5% (versus initial estimates of 29% and 12%), albeit lower than FY22A's margins, thereby raising our FY23F earnings by 13%. We downgrade to HOLD as we peg our valuation to a forward PE of 13.5x (versus our initial ratio of 14.5x) in lieu of the uncertain macroeconomic outlook.

**Macroeconomic uncertainties as headwinds.** Historically, we observed that Hour Glass's revenue typically witness moderations in growth during periods of economic uncertainties (e.g., Asian/Global Financial Crisis). In our view, we are anticipating similar levels of moderation in revenue growth in FY23F. We believe ongoing recession and inflation fears could pose as headwinds to consumer sentiment.

**Key beneficiary of Asia's growing wealthy.** Whilst we anticipate a moderation in FY23F, we believe the longer term outlook remains healthy. Asia is estimated to see the fastest growth in the number of HNWIs with a four-year CAGR of 6.4% by FY25F, according to Statista and Credit Suisse estimates. We observe a positive correlation of 0.67 between the number of high-net-worth individuals (HNWIs) in Asia and the group's sales; that Asia's wealthy is growing should bode well for luxury goods players, over the long term.

#### Valuation:

**Downgrade to HOLD with TP of S\$2.54**, using a forward PE ratio of 13.5x (versus previous ratio of 14.5x)

#### Where we differ:

Our HOLD call is contrary to market consensus

#### Key Risks to Our View:

Sharp recovery in consumer sentiment, privatisation story

#### At A Glance

Issued Capital (m shrs)	683
Mkt. Cap (S\$m/US\$m)	1,619 / 1,182
Major Shareholders (%)	
TYC Investment Pte Ltd	50.3
Tay Yun Chwan	9.6
FMR LLC	7.5
Free Float (%)	22.0
3m Avg. Daily Val (US\$m)	1.1

GIC Industry : Consumer Discretionary / Retailing



Watchlist the stock on Insights Direct to receive prompt updates



## The Hour Glass Limited

### WHAT'S NEW

#### Only Time Will Tell

##### Key Financials

FYE March (\$m)	1H21	2H21	1H22	2H22	HoH %	YoY %	FY2021	FY2022	YoY %
Revenue	289.82	453.11	472.41	561.00	19%	24%	742.93	1,033.40	39%
EBIT	31.77	73.49	68.03	122.08	79%	66%	105.26	190.11	81%
Net Profit	29.72	52.75	62.55	92.14	47%	75%	82.47	154.70	88%
EPS (SGD cents)	4.22	7.49	8.95	13.44	50%	79%	11.71	22.39	91%
Gross Margins (%)	26.2	31.2	29.3	35.5	n.a.	n.a.	29.2	32.7	n.a.
EBIT Margins (%)	11.0	16.2	14.4	21.8	n.a.	n.a.	14.2	18.4	n.a.
Net Profit Margins (%)	10.3	11.6	13.2	16.4	n.a.	n.a.	11.1	15.0	n.a.

Source: Company, DBS Bank

#### Financials

**FY22A revenue in line.** FY22A revenue reached a record c.\$1bn (up 39% y-o-y), on the back of robust demand, notably from Malaysia and Australia. The group's FY22A revenue growth was aligned with our expectations.

**Positive earnings surprise, which exceeded our estimates by c.30%.** FY22A net profit reached S\$155m (up 88% y-o-y), which exceeded our initial estimates of c.\$120m by 29%. The positive surprise in FY22A net profit was driven by (i) higher gross margins of 32.7% in FY22A (vs. 29.2% in FY21A) – contributed by robust demand – and (ii) lower operating expenses of 14.3% of revenue (down from 15.1% in FY21A). FY22A net margins were at 15.0%, up from 11.1% in FY21A.

**Growth in DPS aligned with estimates.** Given the group's robust financials, FY22A DPS increased to 8 SGD cents, up from 6 SGD cents in FY21A. Going forward, we anticipate the group will maintain its DPS at 8 SGD cents, which translates into a steady FY23F dividend payout ratio of 42% and a steady implied dividend yield of 3.4%.

**Strong balance sheet.** The group's balance sheet remained strong with a net cash position, with cash and bank balances at S\$323.4m.

#### Our views

**(-) Continued macroeconomic uncertainties a potential drag to revenue.** We reiterate our view in our [initiation report](#), where we estimate a moderation in FY23F revenue in lieu of the ongoing macroeconomic uncertainties i.e., Ukraine-Russia conflict, impending interest rate hikes and more. Since 1997, we have observed that during periods of economic uncertainties, Hour Glass's revenue are typically impacted negatively (see right).

In our view, we believe continued macroeconomic uncertainties, as well as recession/inflation fears could impact consumer confidence and subsequently lead to a slowdown in luxury goods spending in FY23F.

**(-) Resumption of travel-related spending.** In recent years, global luxury goods brands (including Hour Glass) has benefited from the surge in luxury goods spending within domestic markets, given the spillover spending from travel-related spending, according to Bain & Company. In our view, the resumption of travel-related spending could reduce spending amongst locals on luxury goods.

**(+) GST hikes and border reopening could lend some support.** Though, potential frontloading of consumer spending ahead of the incoming GST hikes in Singapore (effective 1 Jan 2023/24) and the return of tourists with the reopening of travel borders could lend some support to sales. Though, we note that Chinese tourists make up c. 20% of Hour Glass' sales; Given China's current strict zero-COVID19 stance, we anticipate the return of Chinese tourists to only materialise over the medium to longer term.

#### Macro events impact on Hour Glass' sales

Macro Events	FY	Sales	YoY Increase
			(Decrease) %
			Net Profit
Asian Financial Crisis	FY98	(5)	(93)
	FY99	(38)	(1,145)
Dot.com Bubble	FY01	(6)	19
	FY02	(2)	(30)
Global Financial Crisis	FY09	(10)	(58)
COVID19 Pandemic	FY21	(1)	8
<b>Average</b>		<b>(10)</b>	<b>(216)</b>
<b>Median</b>		<b>(6)</b>	<b>(44)</b>

Source: Company, DBS Bank; See more on page 5

## The Hour Glass Limited

(-) We anticipate a slowdown in revenue and earnings in FY23F, a moderation from the record breaking year of FY22A. We have assumed a -8% slowdown in revenue in FY23F. Separately, we have adjusted our gross and net margins estimates to 30% and 13.5% (versus our initial estimates of 29% and 12%), which is a moderation from the record high margins that were witnessed in FY22A, albeit higher than our initial estimates. Gross and net margins of c. 30% and c. 13.5% were also aligned with Hour Glass's average margins over the recent three years.

With these assumptions, our FY23F earnings forecasts are raised by 13%, predominantly driven by the change in our margin estimates. Though, relative to FY22A earnings, our revenue and earnings (pre ex.) estimate

were down by 8% and 20% respectively, illustrating our view of a moderation in financials in FY23F.

**We downgrade to HOLD with TP of S\$2.54.** We downgrade to HOLD as we peg our valuation to a forward PE of 13.5x (versus initial 14.5x) in lieu of ongoing macroeconomic uncertainties. We note that a forward PE ratio of 13.5x is aligned with c. 15% discount to Hour Glass's global peers (see below).

### Company Background

The Hour Glass Limited ("Hour Glass" or the "group") is mainly involved in sales and distribution of specialty and luxury watches. To date, the group has 49 retail boutiques.

### Peer comparison

Company	Last Price (\$)	Market Cap (\$m)	Price-to-Earnings (x)			Price-to-Book (x)			Dividend Yield (%)		EPS Growth (%)	
			CY22F	CY23F	TTM	CY22F	CY23F	TTM	CY22F	CY23F	TTM	5 Yr CAGR
<b>Asia Watch Retailers</b>												
Hour Glass Ltd/The	2.37	1,610	16.3x	15.3x	10.6x	2.0x	1.9x	2.2x	2.6	2.7	90.8	35.8
Cortina Holdings	4.30	712	-	-	10.3x	-	-	2.3x	-	-	73.7	36.7
Sincere Watch Hong Kong Ltd	0.01	45	-	-	-	-	-	0.4x	-	-	-48.5	-44.6
Oriental Watch Holdings	0.70	341	-	-	6.0x	-	-	1.2x	-	-	145.4	39.2
Emperor Watch & Jewellery	0.02	161	-	-	4.6x	-	-	0.2x	-	-	504.0	125.3
Hengdeli Holdings Ltd	0.05	235	-	-	47.4x	-	-	0.4x	-	-	-	-
<b>Global Watch Retailers</b>												
Watches of Switzerland Group	1,641	3,931	23.0x	18.1x	30.9x	4.7x	0.1x	7.4x	0.0	0.0	-	-
<b>Global Watch Brands</b>												
Cie Financiere Richemont SA	148.51	85,272	18.5x	17.3x	27.6x	2.7x	2.5x	2.9x	2.5	2.7	59.0	10.6
Swatch Group AG/The	63.29	17,201	2.5x	2.3x	-	0.9x	0.9x	-	3.2	3.6	-	-
<b>Global Luxury Brands</b>												
LVMH	872.30	440,299	22.0x	19.8x	24.8x	5.4x	4.6x	6.3x	1.9	2.1	156.2	44.8
Hermes International	1,605	169,464	42.1x	37.5x	46.7x	10.1x	8.4x	12.3x	0.8	0.9	76.1	25.1
Kering SA	718.83	89,633	15.4x	13.9x	19.3x	3.9x	3.4x	4.5x	2.9	3.2	47.0	1.4
Burberry Group PLC	2,890	11,465	15.4x	14.5x	17.0x	4.0x	3.5x	4.2x	3.1	3.4	5.6	51.3
Tapestry Inc	47.05	11,846	9.9x	8.4x	10.1x	2.7x	2.1x	3.4x	3.2	3.3	-	-
<b>Average (ex Hour Glass)</b>			<b>18.6x</b>	<b>16.5x</b>	<b>22.3x</b>	<b>4.3x</b>	<b>3.2x</b>	<b>3.8x</b>	<b>2.2</b>	<b>2.4</b>	<b>113.2</b>	<b>32.2</b>
<b>Median (ex Hour Glass)</b>			<b>17.0x</b>	<b>15.9x</b>	<b>19.3x</b>	<b>4.0x</b>	<b>2.9x</b>	<b>3.2x</b>	<b>2.7</b>	<b>3.0</b>	<b>73.7</b>	<b>36.7</b>

Source: Bloomberg Finance L.P., DBS Bank estimates; Date of last update: 27 May 2022

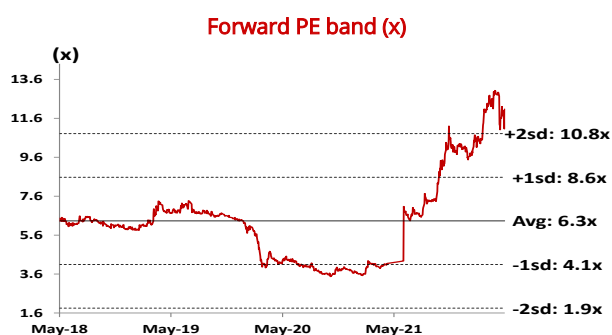
## The Hour Glass Limited

### Interim Income Statement (S\$m)

FY Mar	2H2021	1H2022	2H2022	% chg yoy	% chg hoh
Revenue	453	472	561	23.8	18.8
Cost of Goods Sold	(312)	(334)	(362)	16.0	8.3
<b>Gross Profit</b>	<b>141</b>	<b>138</b>	<b>199</b>	<b>40.9</b>	<b>44.0</b>
Other Oper. (Exp)/Inc	(68)	(70)	(77)	13.7	9.7
<b>Operating Profit</b>	<b>73</b>	<b>68</b>	<b>122</b>	<b>66.1</b>	<b>79.5</b>
Other Non Opg (Exp)/Inc	4	5	5	55.6	13.8
Associates & JV Inc	6	7	9	50.9	38.0
Net Interest (Exp)/Inc	(1)	(2)	(2)	(34.0)	(21.2)
Exceptional Gain/(Loss)	(10)	0	(8)	15.4	(4,732.6)
<b>Pre-tax Profit</b>	<b>72</b>	<b>78</b>	<b>126</b>	<b>76.0</b>	<b>62.1</b>
Tax	(18)	(14)	(33)	87.2	127.8
Minority Interest	(1)	(1)	(1)	9.5	36.3
<b>Net Profit</b>	<b>53</b>	<b>63</b>	<b>92</b>	<b>74.7</b>	<b>47.3</b>
Net profit bef Except.	62	62	100	60.6	60.9
EBITDA	102	99	137	34.2	38.1
<b>Margins (%)</b>					
Gross Margins	31.2	29.3	35.5		
Opg Profit Margins	16.2	14.4	21.8		
Net Profit Margins	11.6	13.2	16.4		

Source of all data: Company, DBS Bank

### Historical PE and PB band (four year)



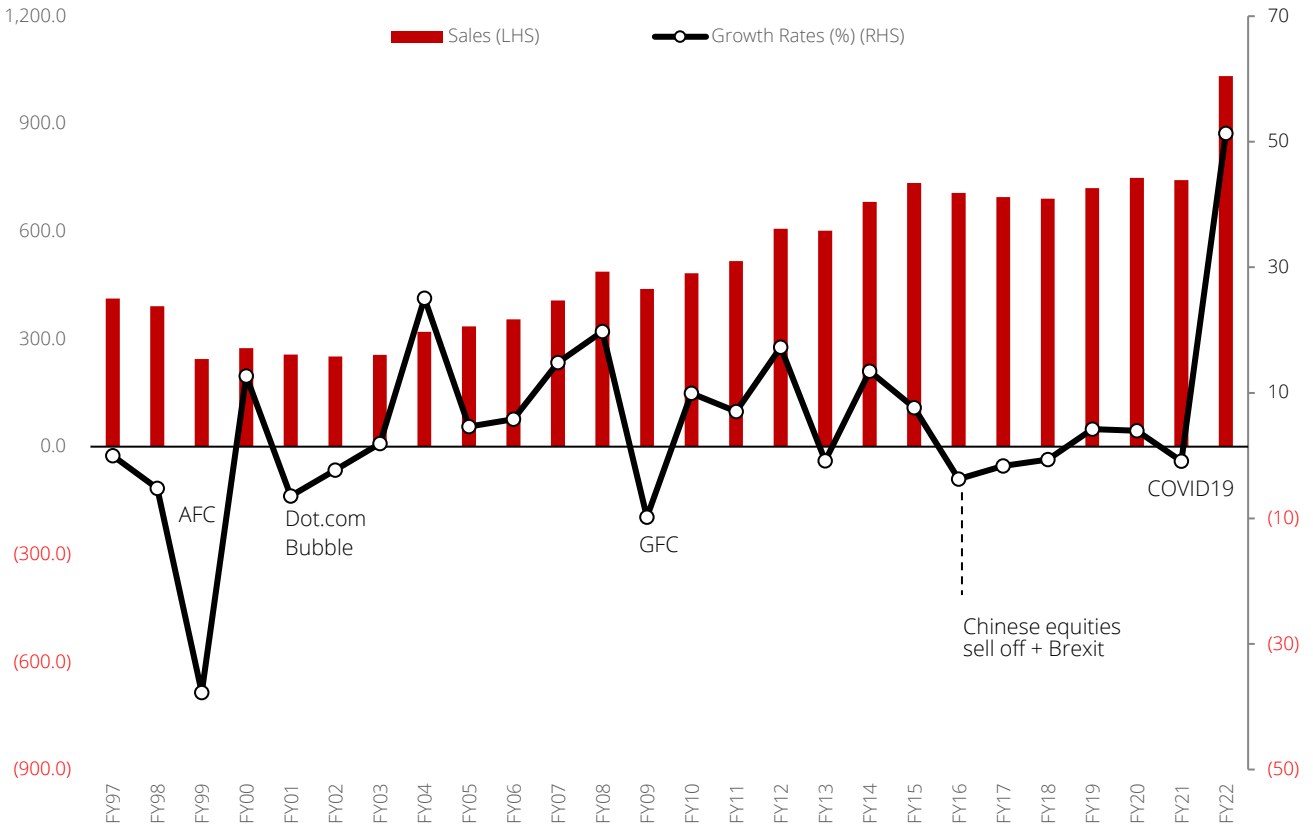
Source: Bloomberg Finance L.P., DBS Bank estimates



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

The Hour Glass Limited

Macro financial events versus Hour Glass Sales (since 1997)



Source: Company, DBS Bank

## The Hour Glass Limited

### Key Assumptions

FY Mar	2020A	2021A	2022A	2023F	2024F
Total Number of Stores	48.0	53.0	49.0	49.0	52.0
Overall Average Revenue Per Store (\$m)	15.6	14.0	21.1	19.4	21.3
Gross Margins %	28.8	29.3	32.7	29.8	31.8
Operating Margins %	11.5	14.2	18.4	15.5	17.5

Closure of 4 boutiques in Vietnam in FY22

Assume additional expansion of 3 boutiques by FY24F

### Segmental Breakdown

FY Mar	2020A	2021A	2022A	2023F	2024F
<b>Revenues (\$m)</b>					
Southeast Asia & Oceania	647	647	921	847	993
Northeast Asia	102	96.1	112	103	114
Elimination	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>749</b>	<b>743</b>	<b>1,033</b>	<b>951</b>	<b>1,107</b>
<b>Operating profit (\$m)</b>					
Southeast Asia & Oceania	113	133	208	191	224
Northeast Asia	14.9	13.3	19.5	17.9	19.7
Elimination	(41.8)	(40.8)	(37.4)	(61.9)	(50.3)
<b>Total</b>	<b>85.9</b>	<b>105</b>	<b>190</b>	<b>147</b>	<b>194</b>
<b>Operating profit Margins (%)</b>					
Southeast Asia & Oceania	17.4	20.5	22.6	22.6	22.6
Northeast Asia	14.6	13.8	17.3	17.3	17.3
Elimination	N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>11.5</b>	<b>14.2</b>	<b>18.4</b>	<b>15.5</b>	<b>17.5</b>

## The Hour Glass Limited

### Income Statement (\$m)

FY Mar	2020A	2021A	2022A	2023F	2024F
Revenue	749	743	1,033	951	1,107
Cost of Goods Sold	(534)	(526)	(696)	(668)	(755)
<b>Gross Profit</b>	<b>216</b>	<b>217</b>	<b>338</b>	<b>283</b>	<b>352</b>
Other Opng (Exp)/Inc	(130)	(112)	(148)	(136)	(158)
<b>Operating Profit</b>	<b>85.9</b>	<b>105</b>	<b>190</b>	<b>147</b>	<b>194</b>
Other Non Opg (Exp)/Inc	4.24	8.24	10.3	11.4	11.4
Associates & JV Inc	6.49	9.39	15.7	15.7	15.7
Net Interest (Exp)/Inc	(1.7)	(2.8)	(3.5)	(3.7)	(3.6)
Exceptional Gain/(Loss)	0.10	(10.2)	(8.1)	0.0	0.0
<b>Pre-tax Profit</b>	<b>95.1</b>	<b>110</b>	<b>205</b>	<b>171</b>	<b>217</b>
Tax	(17.7)	(25.4)	(47.5)	(39.7)	(50.4)
Minority Interest	(1.3)	(2.1)	(2.3)	(1.9)	(2.5)
Preference Dividend	0.0	0.0	0.0	0.0	0.0
<b>Net Profit</b>	<b>76.1</b>	<b>82.5</b>	<b>155</b>	<b>129</b>	<b>164</b>
Net Profit before Except.	76.0	92.7	163	129	164
EBITDA	130	159	255	226	277
<b>Growth</b>					
Revenue Gth (%)	4.0	(0.9)	39.1	(8.0)	16.4
EBITDA Gth (%)	35.1	21.8	60.8	(11.6)	22.8
Opg Profit Gth (%)	9.3	22.5	80.6	(22.5)	31.4
Net Profit Gth (Pre-ex) (%)	6.7	22.0	75.6	(20.6)	27.1
<b>Margins &amp; Ratio</b>					
Gross Margins (%)	28.8	29.2	32.7	29.8	31.8
Opg Profit Margin (%)	11.5	14.2	18.4	15.5	17.5
Net Profit Margin (%)	10.1	11.1	15.0	13.6	14.8
ROAE (%)	12.5	12.1	20.6	15.7	17.6
ROA (%)	8.9	8.5	14.2	11.0	12.6
ROCE (%)	9.7	10.3	16.6	12.1	14.0
Div Payout Ratio (%)	37.1	51.2	35.8	42.5	33.4
Net Interest Cover (x)	52.0	37.8	54.6	40.3	53.8

Record-high gross margins since 2000

Source: Company, DBS Bank

## The Hour Glass Limited

### Interim Income Statement (S\$m)

FY Mar	2H2020	1H2021	2H2021	1H2022	2H2022
Revenue	368	290	453	472	561
Cost of Goods Sold	(254)	(214)	(312)	(334)	(362)
<b>Gross Profit</b>	<b>114</b>	<b>75.8</b>	<b>141</b>	<b>138</b>	<b>199</b>
Other Oper. (Exp)/Inc	(67.5)	(44.1)	(68.0)	(70.4)	(77.3)
<b>Operating Profit</b>	<b>46.4</b>	<b>31.8</b>	<b>73.5</b>	<b>68.0</b>	<b>122</b>
Other Non Opg (Exp)/Inc	1.57	4.72	3.52	4.82	5.48
Associates & JV Inc	2.93	3.37	6.02	6.58	9.08
Net Interest (Exp)/Inc	(0.3)	(1.4)	(1.4)	(1.6)	(1.9)
Exceptional Gain/(Loss)	(0.1)	(0.5)	(9.8)	0.18	(8.3)
<b>Pre-tax Profit</b>	<b>50.5</b>	<b>38.0</b>	<b>71.9</b>	<b>78.0</b>	<b>126</b>
Tax	(8.7)	(7.7)	(17.6)	(14.5)	(33.0)
Minority Interest	(0.8)	(0.6)	(1.5)	(1.0)	(1.3)
<b>Net Profit</b>	<b>41.1</b>	<b>29.7</b>	<b>52.8</b>	<b>62.6</b>	<b>92.1</b>
Net profit bef Except.	41.2	30.2	62.5	62.4	100
EBITDA	67.9	57.0	102	98.9	137

2H revenue is historically higher due to seasonal demand

### Growth

Revenue Gth (%)	(3.3)	(21.3)	56.3	4.3	18.8
EBITDA Gth (%)	8.6	(16.0)	78.6	(2.8)	38.1
Opg Profit Gth (%)	17.2	(31.5)	131.3	(7.4)	79.5
Net Profit Gth (%)	17.4	(27.6)	77.5	18.6	47.3

### Margins

Gross Margins (%)	30.9	26.2	31.2	29.3	35.5
Opg Profit Margins (%)	12.6	11.0	16.2	14.4	21.8
Net Profit Margins (%)	11.2	10.3	11.6	13.2	16.4

Source: Company, DBS Bank



## The Hour Glass Limited

### Balance Sheet (\$m)

FY Mar	2020A	2021A	2022A	2023F	2024F
Net Fixed Assets	96.7	146	144	155	164
Invt in Associates & JVs	40.3	46.4	54.6	70.2	85.9
Other LT Assets	228	255	297	277	252
Cash & ST Invt	183	248	323	404	498
Inventory	286	259	254	246	278
Debtors	20.3	15.6	19.6	16.2	18.9
Other Current Assets	1.30	1.10	0.90	0.90	0.90
<b>Total Assets</b>	<b>857</b>	<b>971</b>	<b>1,093</b>	<b>1,169</b>	<b>1,298</b>
ST Debt	64.5	105	111	111	111
Creditor	49.3	60.4	74.5	64.7	73.1
Other Current Liab	37.5	39.1	56.7	68.5	79.3
LT Debt	0.0	0.0	6.70	6.70	6.70
Other LT Liabilities	82.6	71.0	76.9	76.9	76.9
Shareholder's Equity	608	680	752	824	931
Minority Interests	15.0	15.4	15.9	17.9	20.3
<b>Total Cap. &amp; Liab.</b>	<b>857</b>	<b>971</b>	<b>1,093</b>	<b>1,169</b>	<b>1,298</b>
Non-Cash Wkg. Capital	221	176	144	130	146
Net Cash/(Debt)	119	143	206	287	380
Debtors Turn (avg days)	9.9	7.7	6.9	6.2	6.2
Creditors Turn (avg days)	36.0	45.0	41.4	38.3	38.2
Inventory Turn (avg days)	209.2	193.1	141.3	145.9	145.6
Asset Turnover (x)	0.9	0.8	0.9	0.8	0.9
Current Ratio (x)	3.2	2.6	2.5	2.7	3.0
Quick Ratio (x)	1.3	1.3	1.4	1.7	2.0
Net Debt/Equity (X)	CASH	CASH	CASH	CASH	CASH
Net Debt/Equity ex MI (X)	CASH	CASH	CASH	CASH	CASH
Capex to Debt (%)	24.5	11.8	10.5	18.7	18.7

Growing net cash position

Source: Company, DBS Bank

## The Hour Glass Limited

### Cash Flow Statement (\$m)

FY Mar	2020A	2021A	2022A	2023F	2024F
Pre-Tax Profit	95.1	110	205	171	217
Dep. & Amort.	33.8	35.9	39.3	51.3	56.6
Tax Paid	(20.6)	(19.6)	(29.8)	(27.8)	(39.7)
Assoc. & JV Inc/(loss)	(6.5)	(9.4)	(15.7)	(15.7)	(15.7)
Chg in Wkg.Cap.	(0.9)	43.5	15.1	1.50	(26.4)
Other Operating CF	9.26	14.1	8.04	0.0	0.0
<b>Net Operating CF</b>	<b>110</b>	<b>174</b>	<b>221</b>	<b>180</b>	<b>192</b>
Capital Exp.(net)	(15.8)	(12.4)	(12.3)	(22.0)	(22.0)
Other Invts.(net)	(83.0)	(72.8)	(36.5)	0.0	0.0
Invts in Assoc. & JV	(18.9)	0.0	0.0	0.0	0.0
Div from Assoc & JV	0.82	2.27	4.16	0.0	0.0
Other Investing CF	(0.5)	(0.2)	0.0	0.0	0.0
<b>Net Investing CF</b>	<b>(117)</b>	<b>(83.1)</b>	<b>(44.7)</b>	<b>(22.0)</b>	<b>(22.0)</b>
Div Paid	(21.4)	(28.9)	(43.4)	(57.2)	(56.7)
Chg in Gross Debt	54.4	30.1	6.70	0.0	0.0
Capital Issues	0.0	0.0	0.0	0.0	0.0
Other Financing CF	(25.6)	(25.5)	(61.4)	(20.0)	(20.0)
<b>Net Financing CF</b>	<b>7.42</b>	<b>(24.2)</b>	<b>(98.1)</b>	<b>(77.2)</b>	<b>(76.7)</b>
Currency Adjustments	1.84	(2.4)	(2.9)	0.0	0.0
Chg in Cash	2.16	64.7	75.8	80.9	93.3
Opg CFPS (S cts)	15.8	18.6	29.8	26.0	31.9
Free CFPS (S cts)	13.4	23.0	30.2	23.1	24.8

Source: Company, DBS Bank

### Target Price & Ratings History



S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	15 Mar 22	2.05	2.62	BUY

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

Source: DBS Bank

Analyst: Paul YONG, CFA

Singapore Research Team

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: 30 May 2022 06:55:19 (SGT)  
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