PhillipCapital

PropertyGuru Group Ltd.

Dominant property platform

BULL AND BEAR StocksBnB.com

UNITED STATES | INTERNET | INITIATION

26 September 2022

- Dominant market presence in Singapore/Vietnam/Malaysia. Around 41% of revenue is from current agent subscription fees with a 82% renewal rate.
- Pricing power and increasing customer spend through premium products are drivers for the expected revenue CAGR of 37% over the next two years.
- Initiate coverage with a BUY recommendation and DCF-based target price (WACC 10.1%, g 3.0%) of US$5.73.

Company Background

PropertyGuru Group Ltd. (PGRU) operates a digital real estate marketplace focusing mainly on Southeast Asian markets (Singapore, Vietnam, Malaysia, Thailand, Indonesia) serving property seekers, real estate agents, property developers, and banks & valuers. Its core business segments are Marketplaces, which is a property listing portal (97% of FY21 revenue), and Fintech and Data Services, which offers mortgage broking products, market intelligence and workflow automation platform (3% of FY21 revenue).

Investment Highlights

1. **Dominant presence in property marketplace.** PGRU is the leading online property marketplace platform in Southeast Asia, with >64,000 monthly agent customers, ~40 million monthly property seekers, and >3.5 million property listings on its platform – dominating the region with 76%/96%/75% market share in Singapore/Malaysia/Vietnam respectively. Revenue grew at a 4-YR CAGR of 22% from S$45mn in FY17 to S$101mn in FY21, and this is expected to grow at a 2-YR CAGR of 37% through FY23e because of increased premium product adoption by agent customers. We view the company's dominance in the market will pose as a significant challenge for new entrants attempting to compete for market share due to the network effects resulting from high penetration of agents and home seekers on its platform.
2. **Strong pricing power with increasing renewal rate.** PGRU is able to command premium prices on its products compared to other competitors, with its standard subscription tier costing 43% more than its biggest competitor, while still achieving ~82% renewal rate from agents in 1H22. This will allow the company to grow its revenue by incrementally increasing its prices in the future, especially when agents are likely to face high cost of switching due to home seekers being accustomed to using PGRU's platform. PGRU is also focusing on increasing operating leverage, reducing variable costs by minimizing headcount increase, to achieve higher margins moving forward.
3. **Business resilient through property cycles.** PGRU's revenue is shielded from market downturns due to their annual subscription model, with agents likely to increase spendings on discretionary products, such as exposure booster, during weak property market periods as they try to boost their listings visibility. Revenue from agent discretionary products made up 53% of total agents revenue in 1H22, up from 45% in 1H21, with total revenue from agents increasing 45% YoY even as private residential sale volumes in Singapore were down 27%. We view the resilient performance as a signal that external factors have little impact on PGRU's ability to generate stable earnings moving forward.

We Initiate coverage with a BUY rating and a target price of US$5.73 based on DCF valuation, with a WACC of 10.1% and terminal growth of 3%.

BUY (Initiation)

CLOSING PRICE	USD 4.23
FORECAST DIV	USD 0.00
TARGET PRICE	USD 5.73
TOTAL RETURN	35.4%

COMPANY DATA

Bloomberg CODE:	PGRU US
O/S SHARES (MN) :	161
MARKET CAP (SGD mn / USD mn) :	974 / 682
52 - WK HI/LO (USD) :	10.12 / 4.23
3M Average Daily T/O (mn) :	0.03

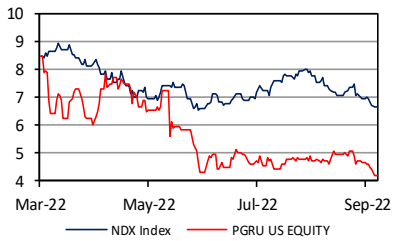
MAJOR SHAREHOLDERS

TPG GP A LLC	30.1%
Kohlberg Kravis Roberts & Co LP	26.7%

PRICE PERFORMANCE (%)

	1MTH	3MTH	1YR
PROPERTYGURU	(10.9)	(12.7)	(57.3)
NASDAQ	(12.1)	(3.1)	(25.6)

PRICE VS. NASDAQ



Source: Bloomberg, PSR

KEY FINANCIALS

Y/E Sep, SGD (mn)	FY20	FY21	FY22e	FY23e
Revenue	82.1	100.7	145.0	188.5
EBITDA	(21.8)	(50.5)	(103.0)	39.4
Net Profit	(14.4)	(187.4)	(99.3)	23.2
EPS (SGD)	(13.3)	(78.8)	(0.6)	0.1
P/E (X)	NM	NM	NM	30.1
ROE	54%	-48%	-14%	3%
ROA	-5%	-37%	-12%	3%

Source: Company, PSR

VALUATION METHOD

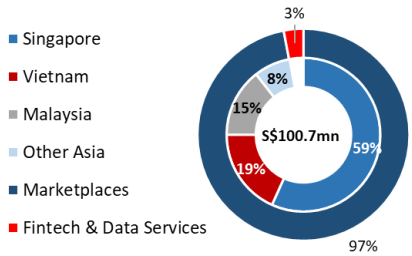
Discounted Cash-Flow, WACC 10.1%, g 3.0%

Maximilian Koeswoyo (+65 6212 1852)
Research Analyst
maximilian@phillip.com.sg

REVENUE

PGRU posted S$101mn in revenue for FY21 – increasing 23% YoY, with 97% of its total revenue coming from its Marketplaces segment and 3% from its Fintech & Data Services segment (Figure 1).

Figure 1: PGRU revenue breakdown by segment for FY21



Source: Company, PSR

Marketplaces: Marketplaces is PGRU's main business segment where it operates an online property classified listing portal. The platform allows property buyers/tenants to look for and real estate agents/developers to list available properties and new developments. PGRU earns revenue by: 1) charging property agents tiered annual subscription fees in Singapore, Malaysia, Thailand, and Indonesia; 2) per listing fees in Vietnam; 3) additional fees for optional features and add-ons across all markets; 4) charging developers digital advertising fees; and 5) software-as-a-service (SaaS) sales for process automation solution.

The main metrics used to track performance in this segment are Average Revenue per Agent (ARPA) and Average Revenue per Listing (ARPL). ARPA is applicable for agent revenues across all markets, except Vietnam, while ARPL is applicable for agent revenues specifically only for Vietnam.

Revenue from this segment was S$97.9mn for FY21, increasing 21% YoY. Singapore was the biggest contributor to the segment, making up 57% of the Marketplaces revenue, followed by Vietnam making up 19% (Figure 1). Singapore ARPA has increased 29% YoY in 2Q22 driven by increase in premium product adoption and subscription price in 4Q21 while Vietnam's 2Q22 ARPL also grew 7% YoY as a result of increase in number of listings and penetration of premium services.

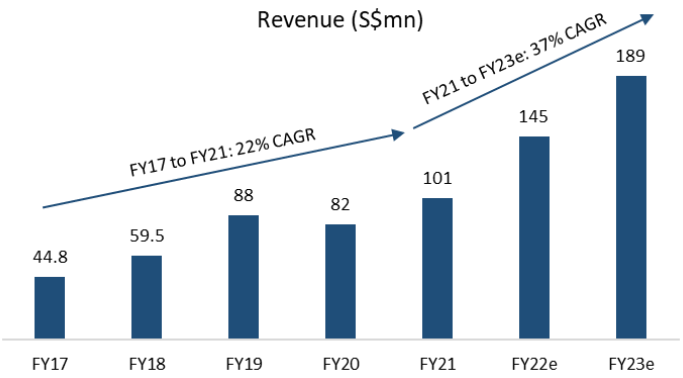
Fintech & Data Services: Launched in FY20, PGRU's Fintech segment provides mortgage brokering services, which currently is available only in Singapore, by matching home buyers with suitable mortgages that are advertised by banks. The company has referral arrangements with major banks in Singapore and it earns revenue by: 1) charging financial institutions commissions on mortgage fulfillment; and 2) digital advertising fees.

Aside from mortgage brokering, PGRU also has data & software business (Data Services) where it provides B2B clients (including property valuers, banks, developers, agencies, auditors and consultancies) access to its proprietary information on the real eastate market and workflow automation solutions. Revenue is earned by charging clients subscription fees for platform usage.

Mortgage brokering business performance is measured by the amount of take rate, while the data services business is measure by the average price charged per consumer. Both Fintech and Data Services segments combined for a revenue of S$2.9mn in FY21, growing 179% YoY.

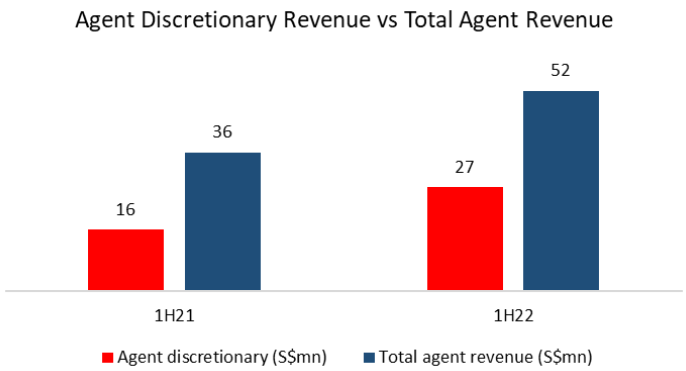
Revenue Growth: We forecast total revenue for FY22e to hit S$145mn, which would represent a 44% YoY growth, mainly driven by PGRU's dominant presence that would enable it to continue capture demand, especially from new property agents entering the industry, and its strong pricing power coupled with high subscription renewal rate. Growth is also driven by agents' increased adoption of premium subscription tiers and spending on discretionary products.

Figure 2: Strong revenue growth moving forward



Source: Company, PSR

Figure 3: Agent discretionary contributing more to agent revenue



Source: Company, PSR

RULE OF 40

The "Rule of 40" was first introduced as a benchmark to measure the balance between growth and profitability of SaaS companies, taking into account both revenue growth, as well as profitability (Revenue Growth + EBITDA Margins), with the addition of both metrics needing to exceed the 40% threshold. We have modified this slightly by averaging revenue growth over a 3-year period compared with just a single period growth rate. Adding together PGRU's 3-year average revenue growth of 19% and its 1H22 adjusted EBITDA margin of 38%, the total of 57% is more than our required threshold of 40% (Figure 4).

Figure 4: Rule of 40 calculation

Rule of 40

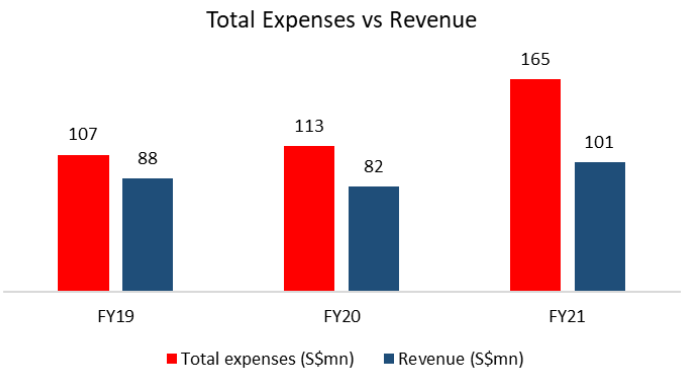
3 Year Average Revenue Growth	+	Adj. EBITDA = Margin	Total
19%		38%	57%

Source: Company, PSR

EXPENSES

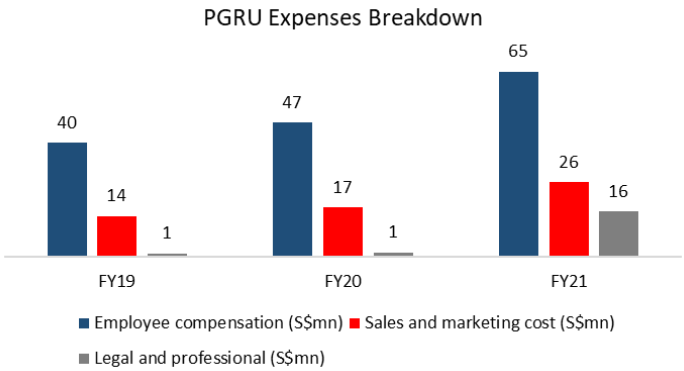
The bulk of PGRU's expenses comes from employees expenses labeled as "Employee Compensation", which includes wages & salaries and share & option expense. In FY21, the company recorded Employee Compensation expense of S$65mn, around 65% of revenue, which grew 38% YoY due to headcount increase in its sales team. However, we expect this expense to remain stable. PGRU is not expected to have a significant headcount increase in the next few years. Sales and marketing cost makes up the second largest portion of the total expenses, grew 52% YoY to S$26mn, around 26% of revenue in FY21. In FY21, legal and professional expenses also grew to a total of S$16mn from just S$1mn in FY20, mainly for IPO purposes.

Figure 5: Total expenses grew 46% YoY in FY21, faster than revenue growth of 23%



Source: Company, PSR

Figure 6: Employee compensation, sales and marketing cost, legal and professional expenses increased in FY21



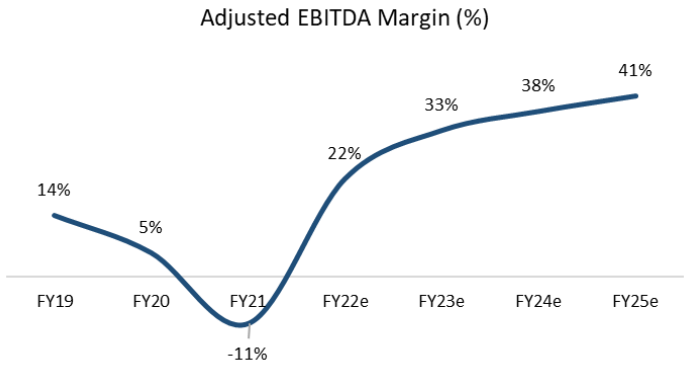
Source: Company, PSR

MARGINS

PGRU's adjusted EBITDA margins have generally been positive, except for FY21 where it was recorded at -11%. The negative adjusted EBITDA margins were mainly due to the company's initiative to increase sales team headcount, which significantly elevated the employee compensation expense, as well as the increased sales and marketing costs. We expect adjusted EBITDA margins to return to positive range in FY22e as these costs are likely to remain flat with slight growth moving forward (Figure 7).

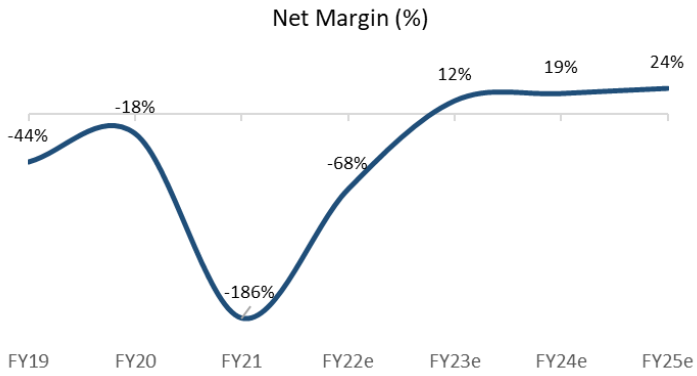
Net margins remained negative for FY21, dropping to -186% which was mainly attributed to S$125mn fair value loss on conversion option. We forecast net margins to improve while remaining in the negative zone for FY22e at -68% as PGRU incurred IPO listing expense of S$120mn during 1Q22, and reach positive range at 12% in FY23e due to PGRU's emphasis on minimizing variable costs to increase operating leverage (Figure 8).

Figure 7: Aside for FY21, PGRU's Adj. EBITDA remained positive



Source: Company, PSR

Figure 8: PGRU's net margins expected to be positive soon



Source: Company, PSR

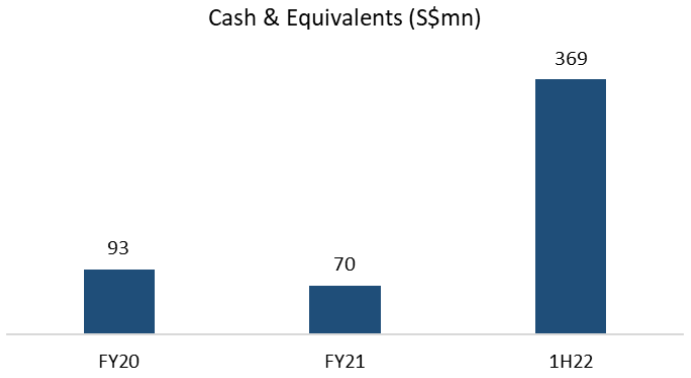
BALANCE SHEET

Assets: Cash and cash equivalents decreased by 25% YoY to S$70.2mn in FY21 due to purchase of intangble assets and repayment of convertible notes. This amount subsequently grew to S$368mn in 1H22 reflecting the inflow of capital from the company's IPO on NYSE in March 2022 (Figure 9).

Intangible assets made up 79% of total assets in FY21 as it grew 185% YoY to S$401mn (Figure 10). This increase was largely due to the company's goodwill recognition from its subsidiary acquisition, which PGRU claims is based on the subsidiary's future revenue growth rate. The company recorded a total assets of S$509mn in FY21.

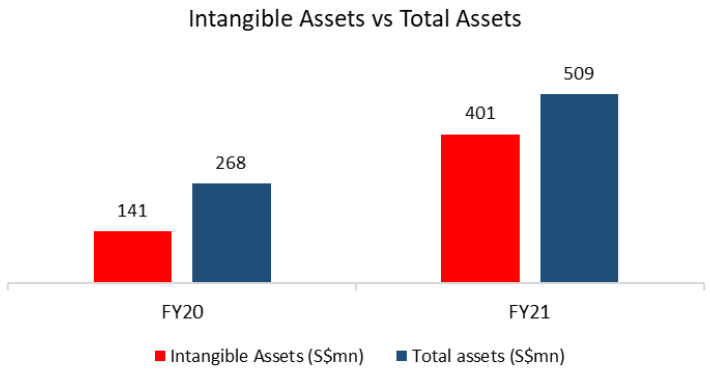
Liabilities: Majority of PGRU's FY21 total liabilities come from 2 items: Trade and Other Payables, and Deferred Revenue. Trade and other payables increased about 42% YoY to S$33mn in FY21, and this was mainly due to the increase in accrued employee expenses and operating expenses. Deferred revenue increased by 37% YoY to S$47mn in FY21, and was mainly due to elevated amounts of cash generated from customers paying for their annual subscriptions – recognized as subscription packages elapse. Total liabilities decreased by 59% YoY to S$122mn in FY21 as a result of the full conversion of preferred shares to ordinary shares (Figure 11).

Figure 9: PGRU cash position in 1H22 reflects capital inflow from IPO



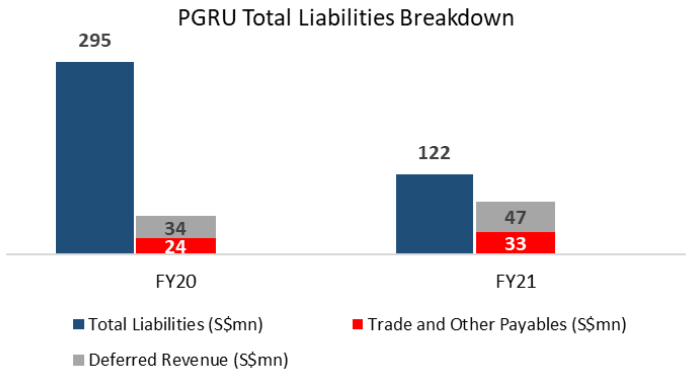
Source: Company, PSR

Figure 10: PGRU's intangible assets make up majority of total assets



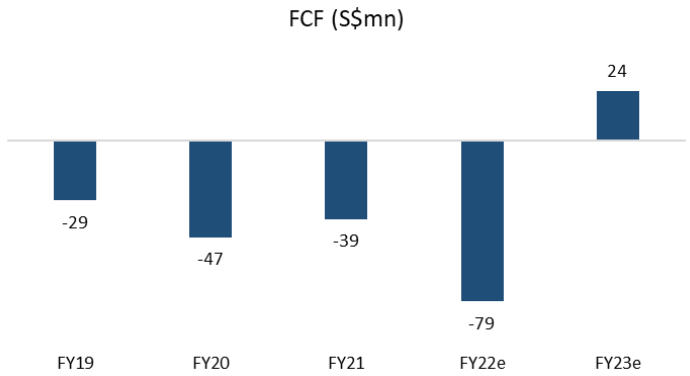
Source: Company, PSR

Figure 11: Total liabilities decreased in FY21 due to preference shares conversion



Source: Company, PSR

Figure 12: FCF expected to remain negative in FY22e, expected to turn positive in FY23e



Source: Company, PSR

CASH-FLOW

Free Cash Flow (FCF) in FY21 was -US$39mn mainly attributed to expenses arising from sales team expansion. PGRU had funded its growth and acquisitions through several funding rounds, the latest took place in FY20, before its IPO in March 2022. The company incurred CAPEX of S$21mn/S$22mn/S$11mn in FY19/FY20/FY21, mainly for subsidiary acquisitions and contingent consideration payments. We expect FCF to turn positive in FY23e as the PGRU reduces variable costs and increase operating leverage to achieve higher margins.

BUSINESS MODEL

Marketplaces: Marketplaces is PGRU's main business segment where it operates an online property classified listing portal. The platform allows property buyers/tenants to look for and real estate agents/developers to list available properties and new developments.

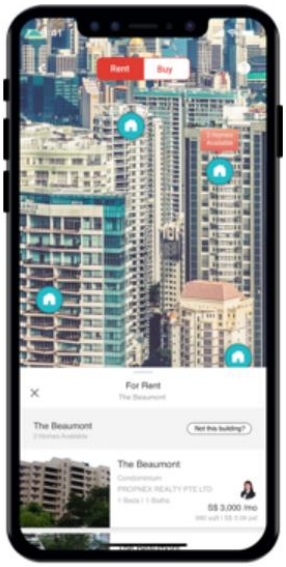
Home buyers/tenants can use either PGRU's free smartphone application or website to browse properties that are available for sale or rent posted by real estate agents. The platform allows users to list their search criterias, such as property type, size, price range, and location, to ensure that the results shown match their needs. Each listing is accompanied by pictures of the property, details and specifications, as well as the contact details of the listing agent. The platform also allows users to input their contact details to communicate further with the agent if they want to make a further inquiry on a particular listing. In 2019, PGRU launched PropertyGuru Lens, its augmented reality visual search tool, that enables users to discover surrounding properties by using their phones' cameras (Figure 13). Users can point their smartphone camera towards the bullding-of-interest and tap on the generated results should there be any available listings. PropertyGuru Lens is currently available only for the Singapore market.

PGRU's platform allows property agents to post listings under their charge. The platform allows agents to extend their reach beyond that of their respective agencies, monitor performance of each listing, access to market data, and connect with interested potential clients. The company offers 4 subscriptions tiers in all markets (except Vietnam) with varying benefits. In Vietnam, PGRU runs a "pay as you go" model where agents only make payment whenever they post a new listing. Add-on products, such as agent exposure booster, are also available for purchase across all markets.

The Marketplaces segment also provides avenue for property developers to market their new launches. The company sells digital advertising services, such as marketing banners on PGRU's website (Figure 15), as well as sales process automation platform. PropertyGuru FastKey, which was acquired in 2014, allows developers to have prominent placement on PGRU's website to promote their new launches to property agents. The platform also allows developers to showcase their units using immersive, 3D renders of their projects that buyers can access online through its StoryTeller feature. FastKey provides developers with solutions for sales performance tracking and leads, unit bookings, as well as deal closures management in a single platform to ease the entire sales process.

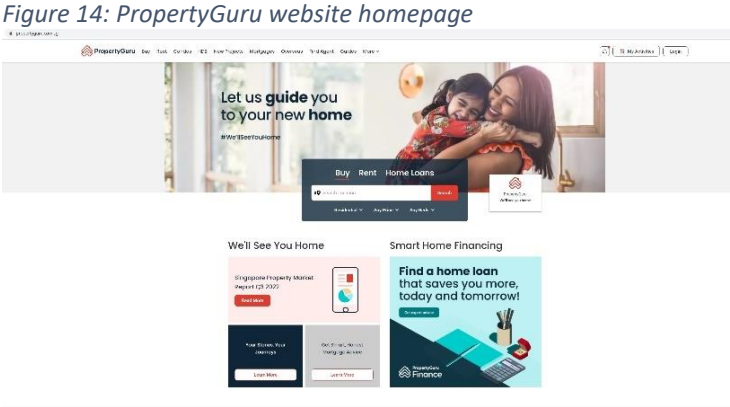
For this segment, PGRU earns revenue by: 1) charging property agents/agencies tiered annual subscription fees in Singapore, Malaysia, Thailand, and Indonesia; 2) per listing fees in Vietnam; 3) additional fees for optional features and add-ons across all markets; 4) charging developers digital advertising fees; and 5) software-as-a-service (SaaS) sales for process automation solution.

Figure 13: PropertyGuru Lens feature



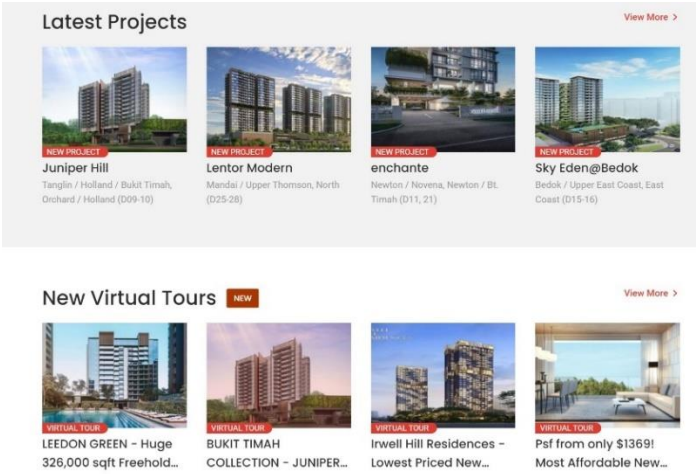
Source: Company, PSR

Figure 14: PropertyGuru website homepage



Source: Company, PSR

Figure 15: PGRU's website displays new project launches and virtual tours



Source: Company, PSR

Fintech & Data Services: Launched in 2020, PGRU's Fintech segment – PropertyGuru Finance – provides mortgage brokering services, which currently is available only in Singapore, by matching home buyers with suitable mortgages that are advertised by banks. The company offers advisory services to clients who are looking for mortgage loans, ranging from one-to-one consultations to providing guidance on in-principal approval (IPA) and home loan applications. PGRU also enables clients to compare mortgage packages offered by partner banks. Smartrefi is PGRU's Fintech technology that aims to help clients find new mortgage packages for home refinancing. The company screens daily mortgage rates and compare them against clients' current mortgages and alert them should opportunities for loan costs saving are found. PGRU does not charge its clients for using these services. Instead, this segment earns revenue by charging the banks referral fees when clients have accepted their loans.

Data Services segment mainly targets B2B clients including valuers, banks, developers, agencies, auditors and consultancies. This segment offers clients access to PGRU's proprietary market intelligence platform and automated valuations management solutions. The data business earns revenue by charging clients fees for using these platforms.

INDUSTRY

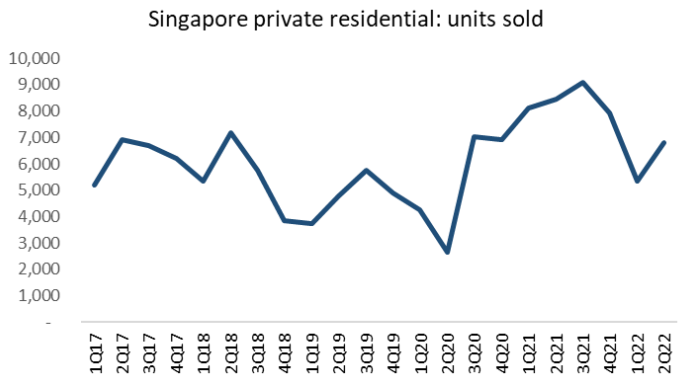
Property/Residential Real Estate: PGRU leads the property technology (proptech) market in Southeast Asia. Its core operating markets of Singapore, Vietnam, Malaysia, Thailand, and Indonesia have a population total of about 482 million people (making up approximately 71% of the region's population), and an estimated combined GDP of around US$2.6tn, offering a significant market-size opportunity to support the demand growth for PGRU's services. Except for Singapore, the property markets in the rest of Southeast Asia are still in the late stages of a downcycle as a result of the Covid-19 pandemic, with 2022 expected to be an inflection point as prices bottom out and stabilize.

Property market in Singapore, PGRU's key market, has long been seen as a safe haven and this sentiment has allowed the country's properties to remain resilient through the pandemic with price rising over the past 2 years and demand continuing to outpace supply backlog in 1H22. Private residential prices are projected to increase around 5-7% for the whole of 2022. However, total sales volume has decreased by 27% YoY in 1H22 mainly due to low inventory levels and the introduction of cooling measures in 4Q21 (Figure 16). We view that a prolonged low supply level may negatively affect PGRU's business model as agents will be less incentivized to subscribe to its services.

Vietnam's property market was adversely affected by the Covid-19 pandemic with few projects being approved and supply became scarce despite lowered demand during the period. During 1H20, residential real estate market was almost paralyzed by social distancing, projects were halted, and real estate exchange was temporarily closed. However, activity in Vietnamese residential property has picked up due to foreign buyers returning as border reopens and more new projects are being launched. Apartment supply in Ho Chi Minch City (HCMC) experienced significant growth during 1H22, up 246.8% QoQ with concentration in the mid-end and high-end segments. Price level in the primary market also increased by 8.4% QoQ and 23.5% YoY driven by new projects with higher selling prices. In Hanoi, however, supply remained limited due to legal procedures and capital raising capabilities. Similar to HCMC, prices in Hanoi apartment market are also rising because of supply-demand gap. On a broader perspective, the country's expanding middle class population is making houses more affordable. Extensive development of major cities is also attracting the population movement from smaller to larger cities, causing rapid urbanization that will likely propel demand. We view that the continued strong property demand in Vietnam to be beneficial for PGRU and has the potential to drive growth in the long term.

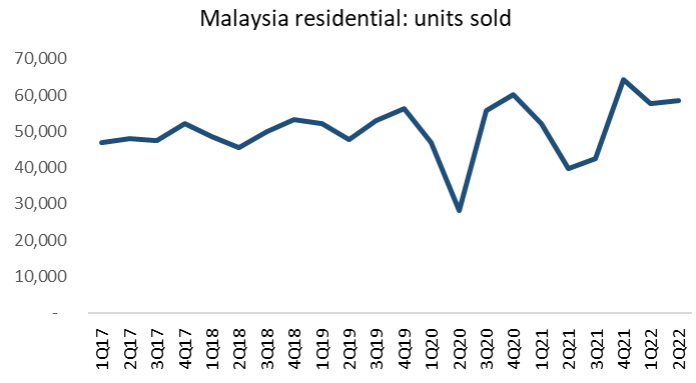
In Malaysia, residential property transaction volume increased by 26.3% YoY in 1H22 indicating a positive trend and the return to pre-pandemic levels (Figure 17). However, the market is facing an oversupply problem despite the total number of overhang units decreasing by 7.5% in 1H22 compared to 2H21. The government has urged developers and authorities to refer to the national overhang data before planning new developments to ensure that they do not further contribute to the overhang stock. We view such market condition to be favorable for PGRU as agents look for avenues to post their listings, which would provide PGRU the opportunity to capture the demand and potentially increase the adoption of premium subscription packages as agents need to post more listings concurrently.

Figure 16: Singapore 1H22 private residential sales declined due to limited supply



Source: CEIC, PSR

Figure 17: Malaysia residential transaction volume has shown positive trend in 1H22, returning to pre-pandemic levels



Source: CEIC, PSR

RISKS

1. **Limited penetration in Thailand and Indonesian markets.** PGRU has been operating in both countries since 2011. However, both markets only make up 8% of FY21 revenue combined. Specifically with Indonesia representing approximately 40% of Southeast Asia's total population and the largest market opportunity in the region, we view the market's marginal revenue contribution to be somewhat concerning as it signals PGRU's limited capability to capture and grow market share.

2. **Reliance on emerging markets currencies.** The company earns revenue in the local currency of the respective markets it operates in. Aside from Singapore, PGRU operates in emerging markets whose currencies may be prone to foreign exchange fluctuations. Coupled with its product prices differing in each markets, the profitability and other financial results of PGRU may be subjected to the movements of currency exchange rate as it reports its performance in Singapore Dollar (SGD). We view that a strong dollar environment could pose a negative impact on PGRU due to the weakened translation of emerging markets currencies.

VALUATION

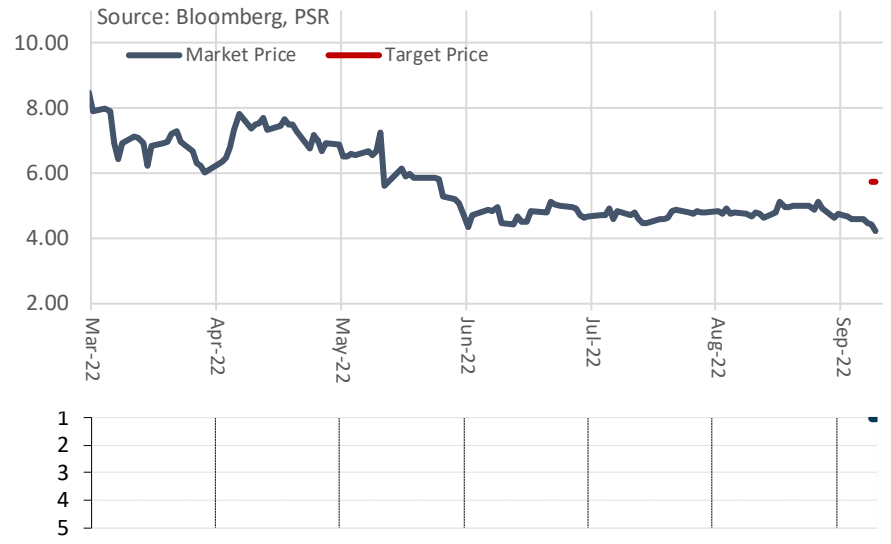
We initiate coverage on PropertyGuru Group Ltd. with a BUY rating and a price target of US$5.73**.** Our valuation is based on DCF, using a 10.1% WACC and 3.0% terminal growth rate.

Figure 18: Our DCF value is US$5.73

	S$ mn	% of total
NPV FY22-25F	59.9	6.4%
PV Terminal value	874	93.6%
Enterprise value	934	
Net debt	(408.7)	
Equity value	1,342.5	
No of shares (mn)	165	
DCF value per share (S$)	8.1	
DCF value per share (US$)	5.73	

Source: PSR

Ratings History



PSR Rating System

Total Returns	Recommendation	Rating
> +20%	Buy	1
+5% to +20%	Accumulate	2
-5% to +5%	Neutral	3
-5% to -20%	Reduce	4
< -20%	Sell	5

Remarks

We do not base our recommendations entirely on the above quantitative return bands. We consider qualitative factors like (but not limited to) a stock's risk reward profile, market sentiment, recent rate of share price appreciation, presence or absence of stock price catalysts, and speculative undertones surrounding the stock, before making our final recommendation

Financials

Income Statement

Y/E Dec, SGD mn	FY19	FY20	FY21	FY22e	FY23e
Revenue	**88.4**	**82.1**	**100.7**	**145.0**	**188.5**
Gross profit	75	70	86	123	160
EBITDA	**(10.5)**	**(21.8)**	**(50.5)**	**(103.0)**	**39.4**
Depreciation & amortisation	(7.7)	(9.6)	(14.0)	(21.1)	(20.0)
EBIT	**(18.2)**	**(31.3)**	**(64.5)**	**(124.1)**	**19.5**
Other gains/(losses)	(16.5)	17.5	(123.2)	24.4	8.5
Profit before tax	(34.7)	(13.8)	(187.7)	(99.7)	28.0
Taxation	(3.8)	(0.6)	0.3	0.3	(4.8)
PATMI	**(38.5)**	**(14.4)**	**(187.4)**	**(99.3)**	**23.2**

Per share data (SGD)

Y/E Dec	FY19	FY20	FY21	FY22e	FY23e
EPS	(25.2)	(13.3)	(78.8)	(0.6)	0.1
BVPS		(14.7)	162.9	4.2	4.5

Cash Flow

Y/E Dec, SGD mn	FY19	FY20	FY21	FY22e	FY23e
CFO					
Profit after tax	**(38.5)**	**(14.4)**	**(187.4)**	**(99.3)**	**23.2**
Adjustments	46.7	21.1	164.3	115.1	34.7
WC changes	6.0	(2.6)	22.3	24.5	(9.3)
Cashflow from ops	**13.9**	**2.7**	**(2.5)**	**40.8**	**49.0**
CFI					
CAPEX, net	(21.1)	(22.5)	(10.8)	(0.7)	(0.9)
Others	-	0.05	0.01	-	-
Cashflow from investments	**(21.1)**	**(22.4)**	**(10.8)**	**(0.7)**	**(0.9)**
CFF					
Loans, net of repayments	-	5.0	10.6	-	(16.9)
Lease repayments	(2.1)	(3.8)	(4.1)	-	-
Proceeds from preference shares	-	86.4	-	-	-
Proceeds from ordinary shares	1.7	2.1	0.1	0.7	-
Repayment of convertible notes	(31.2)	-	(11.3)	-	-
Proceeds from Reogranisation	-	-	-	142.1	-
Proceeds from PIPE	-	-	-	178.7	-
Transaction cost of PIPE	-	-	-	(7.7)	-
Cashflow from financing	**(37.6)**	**88.4**	**(9.9)**	**315.3**	**(17.9)**
Net change in cash	(44.7)	68.7	(23.1)	355.3	30.2
CCE, end	**24.7**	**93.4**	**70.2**	**425.6**	**455.7**

Source: Company, Phillip Securities Research (Singapore) Estimates

Balance Sheet

Y/E Dec, SGD mn	FY20	FY21	FY22e	FY23e
ASSETS				
Trade and other receivables	14.1	17.7	23.8	31.0
Cash & cash equivalents	93.4	70.2	425.6	455.7
Total current assets	**107.5**	**87.9**	**449.4**	**486.7**
Intangible assets	140.7	401.2	381.1	362.0
Others	20.0	20.3	20.5	21.1
Total non-current assets	**160.7**	**421.5**	**401.6**	**383.1**
Total assets	**268.2**	**509.4**	**851.0**	**869.8**
LIABILTIES				
Accounts payable	23.6	32.9	51.6	32.4
Preference shares	199.5	-	-	-
Deferred revenue	34.5	47.3	59.6	77.5
Total current liabilities	**279.1**	**89.4**	**120.4**	**118.9**
Long-term borrowings	-	16.7	16.7	-
Long-term lease liabilities	13.6	12.5	12.5	12.5
Others	2.0	3.5	3.7	3.4
Total non-current liabilities	**15.6**	**32.7**	**32.9**	**15.9**
Total liabilities	**294.7**	**122.2**	**153.3**	**134.8**
Equity				
Share capital	36.6	684.3	1,082.6	1,082.6
Shareholder equity	**(26.5)**	**387.2**	**697.7**	**735.1**

Growth & Margins

Y/E Dec	FY20	FY21	FY22e	FY23e
Growth				
Revenue	-7.2%	22.7%	44.0%	30.0%
EBITDA	-108%	-132%	-104%	138%
EBIT	-72%	-106%	-92%	116%
Net Income	63%	-1201%	47%	123%
Margins				
Gross margin	85.0%	85.0%	85.0%	85.0%
EBITDA margin	-26.5%	-50.1%	-71.0%	20.9%
EBIT margin	-38.2%	-64.1%	-85.6%	10.3%
Net margin	-17.6%	-186.1%	-68.5%	12.3%
Key Ratios				
ROE	54.3%	-48.4%	-14.2%	3.2%
ROA	-5.4%	-36.8%	-11.7%	2.7%
Net Gearing	CASH	CASH	CASH	CASH
Net Debt/EBITDA (X)	CASH	CASH	CASH	CASH

Valuation Ratios

Y/E Dec	FY20	FY21	FY22e	FY23e
P/E (X)	NM	NM	NM	30.1
P/B (X)	NM	NM	1.0	0.9
EV/EBITDA (X)	NM	NM	NM	13.6

Contact Information (Research Team)

Head of Research
Paul Chew – paulchewkl@phillip.com.sg

Research Admin
Qystina Azli - qystina@phillip.com.sg

Construction | Industrial | Conglomerates
Terence Chua – terencechuatl@phillip.com.sg

Property | REITs
Darren Chan – darrenchanrx@phillip.com.sg

Banking & Finance
Glenn Thum – glennthumjc@phillip.com.sg

Credit Analyst
Shawn Sng – shawnsngkh@phillip.com.sg

US Technology Analyst (Internet)
Jonathan Woo – jonathanwookj@phillip.com.sg

US Technology Analyst (Software/Services)
Ambrish Shah – amshah@phillipcapital.in

US Technology Analyst (Hardware)
Maximilian Koeswoyo – maximilian@phillip.com.sg

Technical Analyst
Zane Aw – zaneawyx@phillip.com.sg

Contact Information (Regional Member Companies)

SINGAPORE
Phillip Securities Pte Ltd
Raffles City Tower
250, North Bridge Road #06-00
Singapore 179101
Tel +65 6533 6001
Fax +65 6535 6631
Website: www.poems.com.sg

MALAYSIA
Phillip Capital Management Sdn Bhd
B-3-6 Block B Level 3 Megan Avenue II,
No. 12, Jalan Yap Kwan Seng, 50450
Kuala Lumpur
Tel +603 2162 8841
Fax +603 2166 5099
Website: www.poems.com.my

HONG KONG
Phillip Securities (HK) Ltd
11/F United Centre 95 Queensway
Hong Kong
Tel +852 2277 6600
Fax +852 2868 5307
Websites: www.phillip.com.hk

JAPAN
Phillip Securities Japan, Ltd.
4-2 Nihonbashi Kabuto-cho Chuo-ku,
Tokyo 103-0026
Tel +81-3 3666 2101
Fax +81-3 3666 6090
Website: www.phillip.co.jp

INDONESIA
PT Phillip Securities Indonesia
ANZ Tower Level 23B,
Jl Jend Sudirman Kav 33A
Jakarta 10220 – Indonesia
Tel +62-21 5790 0800
Fax +62-21 5790 0809
Website: www.phillip.co.id

CHINA
Phillip Financial Advisory (Shanghai) Co Ltd
No 550 Yan An East Road,
Ocean Tower Unit 2318,
Postal code 200001
Tel +86-21 5169 9200
Fax +86-21 6351 2940
Website: www.phillip.com.cn

THAILAND
Phillip Securities (Thailand) Public Co. Ltd
15th Floor, Vorawat Building,
849 Silom Road, Silom, Bangrak,
Bangkok 10500 Thailand
Tel +66-2 6351700 / 22680999
Fax +66-2 22680921
Website www.phillip.co.th

FRANCE
King & Shaxson Capital Limited
3rd Floor, 35 Rue de la Bienfaisance 75008
Paris France
Tel +33-1 45633100
Fax +33-1 45636017
Website: www.kingandshaxson.com

UNITED KINGDOM
King & Shaxson Capital Limited
6th Floor, Candlewick House,
120 Cannon Street,
London, EC4N 6AS
Tel +44-20 7426 5950
Fax +44-20 7626 1757
Website: www.kingandshaxson.com

UNITED STATES
Phillip Capital Inc
141 W Jackson Blvd Ste 3050
The Chicago Board of Trade Building
Chicago, IL 60604 USA
Tel +1-312 356 9000
Fax +1-312 356 9005
Website: www.phillipusa.com

AUSTRALIA
Phillip Capital Limited
Level 10, 330 Collins Street
Melbourne, Victoria 3000, Australia
Tel +61-03 8633 9803
Fax +61-03 8633 9899
Website: www.phillipcapital.com.au

CAMBODIA
Phillip Bank Plc
Ground Floor of B-Office Centre,#61-64,
Norodom Blvd Corner Street 306,Sangkat
Boeung Keng Kang 1, Khan Chamkamorn,
Phnom Penh, Cambodia
Tel: 855 (0) 7796 6151/855 (0) 1620 0769
Website: www.phillipbank.com.kh

INDIA
PhillipCapital (India) Private Limited
No.1, 18th Floor, Urmi Estate
95, Ganpatrao Kadam Marg
Lower Parel West, Mumbai 400-013
Maharashtra, India
Tel: +91-22-2300 2999 / Fax: +91-22-2300 2969
Website: www.phillipcapital.in

TURKEY
PhillipCapital Menkul Degerler
Dr. Cemil Bengü Cad. Hak Is Merkezi
No. 2 Kat. 6A Caglayan
34403 Istanbul, Turkey
Tel: 0212 296 84 84
Fax: 0212 233 69 29
Website: www.phillipcapital.com.tr

DUBAI
Phillip Futures DMCC
Member of the Dubai Gold and
Commodities Exchange (DGCX)
Unit No 601, Plot No 58, White Crown Bldg,
Sheikh Zayed Road, P.O.Box 212291
Dubai-UAE
Tel: +971-4-3325052 / Fax: + 971-4-3328895

Important Information

This report is prepared and/or distributed by Phillip Securities Research Pte Ltd ("Phillip Securities Research"), which is a holder of a financial adviser's license under the Financial Advisers Act, Chapter 110 in Singapore.

By receiving or reading this report, you agree to be bound by the terms and limitations set out below. Any failure to comply with these terms and limitations may constitute a violation of law. This report has been provided to you for personal use only and shall not be reproduced, distributed or published by you in whole or in part, for any purpose. If you have received this report by mistake, please delete or destroy it, and notify the sender immediately.

The information and any analysis, forecasts, projections, expectations and opinions (collectively, the "Research") contained in this report has been obtained from public sources which Phillip Securities Research believes to be reliable. However, Phillip Securities Research does not make any representation or warranty, express or implied that such information or Research is accurate, complete or appropriate or should be relied upon as such. Any such information or Research contained in this report is subject to change, and Phillip Securities Research shall not have any responsibility to maintain or update the information or Research made available or to supply any corrections, updates or releases in connection therewith.

Any opinions, forecasts, assumptions, estimates, valuations and prices contained in this report are as of the date indicated and are subject to change at any time without prior notice. Past performance of any product referred to in this report is not indicative of future results.

This report does not constitute, and should not be used as a substitute for, tax, legal or investment advice. This report should not be relied upon exclusively or as authoritative, without further being subject to the recipient's own independent verification and exercise of judgment. The fact that this report has been made available constitutes neither a recommendation to enter into a particular transaction, nor a representation that any product described in this report is suitable or appropriate for the recipient. Recipients should be aware that many of the products, which may be described in this report involve significant risks and may not be suitable for all investors, and that any decision to enter into transactions involving such products should not be made, unless all such risks are understood and an independent determination has been made that such transactions would be appropriate. Any discussion of the risks contained herein with respect to any product should not be considered to be a disclosure of all risks or a complete discussion of such risks.

Nothing in this report shall be construed to be an offer or solicitation for the purchase or sale of any product. Any decision to purchase any product mentioned in this report should take into account existing public information, including any registered prospectus in respect of such product.

Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may provide an array of financial services to a large number of corporations in Singapore and worldwide, including but not limited to commercial / investment banking activities (including sponsorship, financial advisory or underwriting activities), brokerage or securities trading activities. Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may have participated in or invested in transactions with the issuer(s) of the securities mentioned in this report, and may have performed services for or solicited business from such issuers. Additionally, Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may have provided advice or investment services to such companies and investments or related investments, as may be mentioned in this report.

Phillip Securities Research or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report may, from time to time maintain a long or short position in securities referred to herein, or in related futures or options, purchase or sell, make a market in, or engage in any other transaction involving such securities, and earn brokerage or other compensation in respect of the foregoing. Investments will be denominated in various currencies including US dollars and Euro and thus will be subject to any fluctuation in exchange rates between US dollars and Euro or foreign currencies and the currency of your own jurisdiction. Such fluctuations may have an adverse effect on the value, price or income return of the investment.

To the extent permitted by law, Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may at any time engage in any of the above activities as set out above or otherwise hold an interest, whether material or not, in respect of companies and investments or related investments, which may be mentioned in this report. Accordingly, information may be available to Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, which is not reflected in this report, and Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may, to the extent permitted by law, have acted upon or used the information prior to or immediately following its publication. Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited its officers, directors, employees or persons involved in the issuance of this report, may have issued other material that is inconsistent with, or reach different conclusions from, the contents of this report.

The information, tools and material presented herein are not directed, intended for distribution to or use by, any person or entity in any jurisdiction or country where such distribution, publication, availability or use would be contrary to the applicable law or regulation or which would subject Phillip Securities Research to any registration or licensing or other requirement, or penalty for contravention of such requirements within such jurisdiction.

This report is intended for general circulation only and does not take into account the specific investment objectives, financial situation or particular needs of any particular person. The products mentioned in this report may not be suitable for all investors and a person receiving or reading this report should seek advice from a professional and financial adviser regarding the legal, business, financial, tax and other aspects including the suitability of such products, taking into account the specific investment objectives, financial situation or particular needs of that person, before making a commitment to invest in any of such products.

This report is not intended for distribution, publication to or use by any person in any jurisdiction outside of Singapore or any other jurisdiction as Phillip Securities Research may determine in its absolute discretion.

IMPORTANT DISCLOSURES FOR INCLUDED RESEARCH ANALYSES OR REPORTS OF FOREIGN RESEARCH HOUSES

Where the report contains research analyses or reports from a foreign research house, please note:

(i) recipients of the analyses or reports are to contact Phillip Securities Research (and not the relevant foreign research house) in Singapore at 250 North Bridge Road, #06-00 Raffles City Tower, Singapore 179101, telephone number +65 6533 6001, in respect of any matters arising from, or in connection with, the analyses or reports; and

(ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Singapore who is not an accredited investor, expert investor or institutional investor, Phillip Securities Research accepts legal responsibility for the contents of the analyses or reports.