

## Singapore

**ADD** (no change)

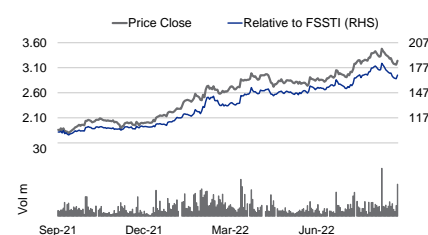
Consensus ratings\*: Buy 10 Hold 0 Sell 0

Current price:	S\$3.24
Target price:	S\$4.78
Previous target:	S\$4.78
Up/downside:	47.4%
CGS-CIMB / Consensus:	19.3%
Reuters:	SCIL.SI
Bloomberg:	SCI SP
Market cap:	US\$4,086m
	S\$5,781m
Average daily turnover:	US\$9.54m
	S\$13.30m
Current shares o/s:	1,788m
Free float:	50.0%

\*Source: Bloomberg

**Key changes in this note**

➤ No change



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	0	12.5	77
Relative (%)	0	7	69.9

**Major shareholders**

	% held
Temasek Holdings	49.5

**Analyst(s)**

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# Sembcorp Industries

## Limited impact from UK capped tariff

- The UK government rolled out an Energy Bill Relief Scheme to provide a discount on wholesale gas and electricity prices for non-domestic companies.
- Impact on SCI could be limited as we estimate UK's net profit to be 7-8% of group's profit, shared among Wilton assets, UKPR and battery storage.
- We see SCI as a value pick as it trades at 7.8x FY23F P/E vs. regional utilities peers' 14x FY23F P/E. SCI is one of our SG top picks. Maintain Add.

### UK government to halve wholesale gas and electricity prices

On 21 Sep, the UK government rolled out a £150bn Energy Bill Relief Scheme to provide a discount on wholesale gas and electricity prices for non-domestic customers. This package will last through the winter season, from 1 Oct 22 to 31 Mar 23, after which further help will be extended to companies in vulnerable industries. Wholesale prices for electricity will be capped at c.£211/MWh for electricity and £75/MWh for gas. We understand that the final unit cost and mechanism is still pending government's confirmation.

### What is there in the UK?

As of 1H22, SCI's UK's conventional power assets comprised c.126MW gas fired plants (Wilton Power Station), and 35MW of biomass power. It also has 684MW of flexible generation assets (UKPR) with 70MWh of energy storage. Prior to Covid (FY17-19), the UK contributed about S\$21m of profits p.a. In FY20, it generated S\$7m of net profit affected by lower flexible power and reduced triad income. For FY21, we estimate UK net profit to be about S\$30m-40m or 7-8% of group's profit, on the back of strong merchant market.

### Cap is still representing an 83% yoy increase, UKPR not affected

We note that the cap on electricity prices of £211/MWh in Oct 22 still represents a 21% YTD increase and 83% yoy increase from Oct 21 (Fig 1). This is in tandem with the increase in natural gas prices which have increased 30% YTD and 22% yoy. We think margin erosion may not be significant for SCI's UK conventional energy power. In addition, we believe the tariff cap will not affect UKPR given its flexible generation nature. 553MW of UKPR's capacity is contracted capacity market scheme as well as Short-term Operating Reserve (STOR) contracts for the provision of reserve energy with Low Carbon Contracts Company of National Grid ESO with a tenure of 2010-2034.

### Energy storage, a key driver for the UK

SCI UK is also building a 360MW battery storage system at Wilton International on Teesside, of which 150MW of two-hour duration battery has been contracted over a 15-year period (starting 2023). All in, SCI UK targets a total of 420MWh of battery capacity, one of the UK's largest battery portfolios, allowing SCI to provide rapid response time.

### Value renewable play in ASEAN, TP based on 12x CY23 P/E

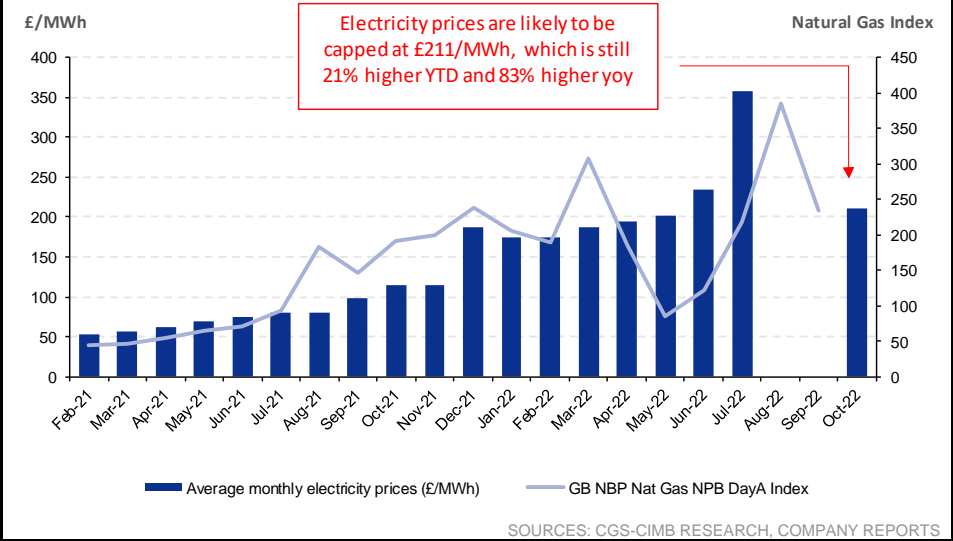
Our TP of S\$4.78 is a 10% discount to regional utilities peers' of 14x CY23F P/E. Catalysts: stronger-than-expected renewable and/or conventional energy profits. Risks: prolonged unplanned shutdowns, unfavourable regulatory changes.

**Financial Summary**

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (S\$m)	5,447	7,795	8,869	8,110	8,130
Operating EBITDA (S\$m)	1,017	1,071	1,590	1,380	1,377
Net Profit (S\$m)	157.0	279.0	795.6	716.5	725.8
Core EPS (S\$)	0.09	0.16	0.45	0.40	0.41
Core EPS Growth	(48%)	78%	185%	(10%)	1%
FD Core P/E (x)	36.85	20.73	7.27	8.07	7.97
DPS (S\$)	0.04	0.05	0.13	0.12	0.12
Dividend Yield	1.23%	1.54%	4.13%	3.72%	3.76%
EV/EBITDA (x)	10.84	9.69	6.72	6.87	7.14
P/FCFE (x)	NA	13.14	NA	5.81	NA
Net Gearing	193%	154%	142%	103%	100%
P/BV (x)	1.73	1.53	1.28	1.11	0.97
ROE	3.1%	7.9%	19.2%	14.7%	13.0%
CGS-CIMB/Consensus EPS (x)			0.97	1.11	1.12

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 1: The cap on electricity prices of £211/MWh in Oct 22 still represents a 21% YTD increase, in tandem with the 30% YTD increase in natural gas prices in Sep 22**



**Figure 2: SCI UK conventional and renewable energy capacity**

	Renewable Energy		Conventional Energy	
	Energy Storage (MWh)	Gas (MW)	Coal & Diesel (MW)	Energy from Waste (MW)
Wilton Power Station		126		
Sembcorp Biomass Power Station				35
Wilton Energy from waste Plant				48
Wilton Battery	300			
Flexible Generation Assets (UKPR)	120	624	60	
<b>Total</b>	<b>420</b>	<b>750</b>	<b>60</b>	<b>83</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 3: SCI's group profit vs. UK net profit since FY16**

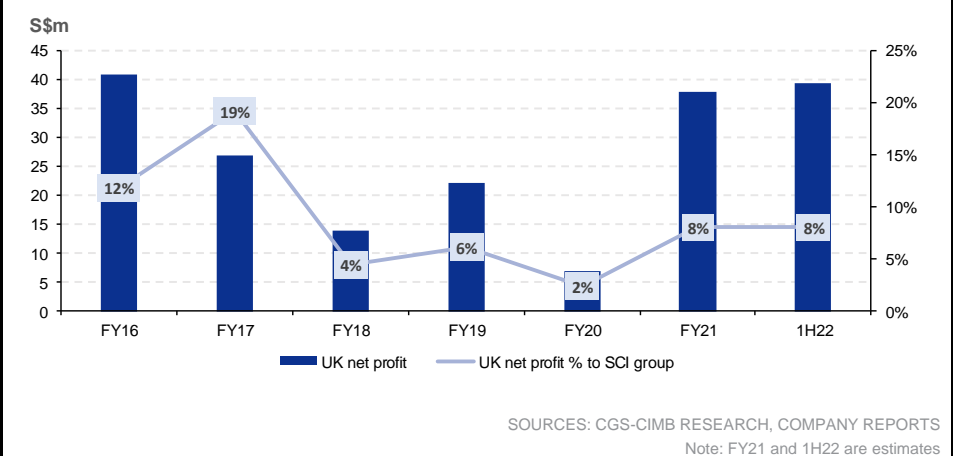



Figure 4: Peers Comparison

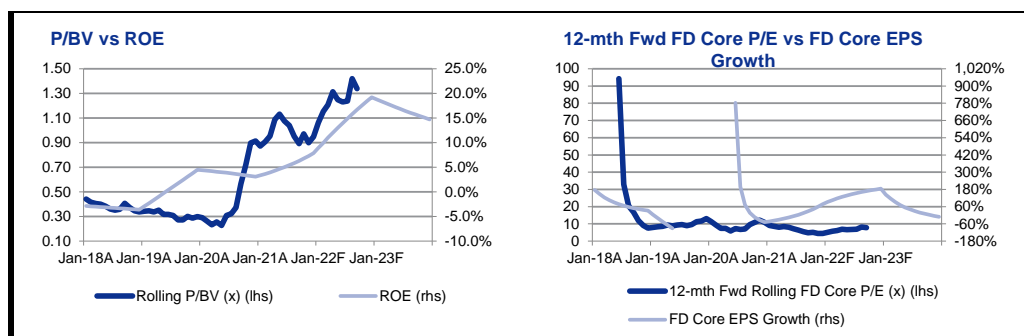
Company	Bbg Ticker	Recom.	Price		Market Cap (US\$ m)	P/E (x)			3-year EPS CAGR (%)	EV/EBITDA (x)			Recurring ROE (%)	Dividend Yield (%)
			(lcl curr)	(lcl curr)		CY21A	CY22F	CY23F		CY21A	CY22F	CY23F		
Perusahaan Gas Negara	PGAS J	Add	1,835	2,300	2,961	9.6	10.1	9.5	na	7.2	5.9	5.6	11.2%	2.9%
NTPC Ltd	NTPC IN	NR	168.6	NA	20,382	10.6	9.8	8.5	12.3%	10.2	8.6	7.7	13.0%	4.4%
Power Grid Corp of India Ltd	PWGR IN	NR	227.1	NA	19,738	12.4	9.1	10.7	7.8%	7.9	7.7	7.5	19.2%	6.1%
Tata Power Co Ltd/The	TPWR IN	NR	231.2	NA	9,207	72.9	59.8	23.7	37.7%	17.8	14.6	13.1	10.9%	0.8%
GAIL India Ltd	GAIL IN	NR	89.00	NA	7,295	9.8	4.8	6.0	12.7%	4.8	5.7	5.4	15.6%	7.7%
Petronet LNG Ltd	PLNG IN	NR	207.9	NA	3,888	10.6	9.1	8.0	10.4%	5.7	5.7	5.2	24.4%	5.4%
Adani Green Energy Ltd	ADANIGR IN	NR	2,363	NA	46,677	1374.5	692.3	219.8	123.0%	na	na	45.2	15.6%	na
<b>Simple Average (India)</b>						<b>248.5</b>	<b>130.8</b>	<b>46.1</b>	<b>34.0%</b>	<b>9.3</b>	<b>8.5</b>	<b>14.0</b>	<b>16.4%</b>	<b>4.9%</b>
Cypark Resources Bhd	CYP MK	Hold	0.43	0.39	55	3.5	3.8	3.5	-4.7%	15.0	12.8	9.8	6.4%	0.0%
Gas Malaysia Berhad	GMB MK	Add	3.43	3.56	964	17.5	12.4	15.6	7.7%	10.9	8.1	10.1	31.0%	7.3%
Malakoff Corporation	MLK MK	Add	0.67	0.98	717	9.6	11.5	10.1	4.5%	5.6	5.3	5.7	5.3%	7.4%
Petronas Gas	PTG MK	Hold	16.72	16.70	7,243	16.3	19.1	17.1	-1.6%	9.0	9.3	9.0	13.1%	4.3%
Taliworks Corporation	TWK MK	Add	0.94	1.07	413	24.0	27.8	26.8	5.7%	18.5	14.2	14.4	7.4%	7.1%
Tenaga Nasional	TNB MK	Add	8.78	13.30	11,059	10.4	10.7	9.9	6.6%	5.1	4.6	4.4	8.2%	5.2%
YTL Power International	YTLP MK	Add	0.72	1.03	1,277	18.5	15.4	13.1	21.3%	8.6	8.3	9.5	2.7%	6.5%
<b>Simple Average (Malaysia)</b>						<b>14.3</b>	<b>14.4</b>	<b>13.7</b>	<b>5.6%</b>	<b>10.4</b>	<b>8.9</b>	<b>9.0</b>	<b>10.6%</b>	<b>5.4%</b>
Sermsang Power Corporation	SSP TB	Add	10.80	15.60	362	12.3	9.2	9.5	11.3%	10.4	8.9	9.5	20.2%	3.0%
B Grimm Power PCL	BGRIM TB	NR	34.00	NA	2,373	47.2	55.1	30.8	9.8%	15.4	16.1	12.6	4.4%	0.8%
Banpu Power PCL	BPP TB	NR	15.10	NA	1,232	14.7	9.6	8.8	12.1%	17.2	17.3	16.1	12.2%	5.1%
BCPG PCL	BCPG TB	NR	10.10	NA	783	13.2	14.1	20.4	-18.7%	6.0	4.8	5.2	9.3%	3.4%
Energy Absolute PCL	EA TB	NR	89.00	NA	8,890	54.3	39.9	36.7	20.2%	37.7	29.4	26.1	22.5%	0.6%
Global Power Synergy PCL	GPSC TB	NR	68.00	NA	5,134	24.1	44.8	25.2	0.5%	16.0	18.8	14.6	3.8%	1.6%
Gulf Energy Development PCL	GULF TB	NR	53.00	NA	16,652	81.4	49.3	39.0	51.6%	47.5	37.2	29.9	12.2%	1.0%
Ratch Group PCL	RATCH TB	NR	42.00	NA	2,446	8.3	10.0	9.4	2.8%	15.4	13.7	10.8	9.9%	5.4%
TPI Polene Power PCL	TPIPP TB	NR	3.62	NA	814	7.3	na	na	na	8.1	na	na	14.8%	na
Super Energy Corp PCL	SUPER TB	NR	0.74	NA	542	na	na	na	na	na	na	na	na	na
<b>Simple Average (Thailand)</b>						<b>29.2</b>	<b>29.0</b>	<b>22.5</b>	<b>11.2%</b>	<b>19.3</b>	<b>18.3</b>	<b>15.6</b>	<b>12.0%</b>	<b>2.6%</b>
Beijing Jingneng Clean Energy	579 HK	NR	1.65	NA	1,733	4.8	4.4	3.8	11.3%	6.9	6.2	5.4	9.4%	5.7%
China Datang Corp Renewable P.	1798 HK	NR	2.00	NA	1,853	9.2	7.3	6.0	32.4%	8.9	8.1	7.2	11.3%	2.5%
China Longyuan Power Group Cc	916 HK	NR	11.14	NA	18,362	12.1	11.6	9.5	21.2%	11.6	10.7	9.0	10.8%	1.6%
China Gas Holdings Ltd	384 HK	NR	10.82	NA	7,499	5.3	8.0	6.4	-4.7%	7.8	7.9	7.5	12.6%	4.9%
China Resources Gas Group Ltd	1193 HK	NR	27.25	NA	8,033	9.7	9.8	9.0	9.5%	6.4	6.4	5.8	14.8%	4.5%
China Resources Power Holdings	836 HK	NR	14.14	NA	8,665	28.0	7.2	5.6	16.6%	10.5	6.9	5.8	10.1%	5.5%
CGN Power Co Ltd	1816 HK	NR	1.78	NA	17,571	7.9	7.5	7.1	6.0%	10.9	10.6	10.1	10.3%	6.0%
Huaneng Power International In	902 HK	NR	3.86	NA	15,174	na	20.5	7.2	38.3%	59.7	11.0	8.4	2.2%	1.9%
<b>Simple Average (China)</b>						<b>11.0</b>	<b>9.6</b>	<b>6.8</b>	<b>16.3%</b>	<b>15.3</b>	<b>8.5</b>	<b>7.4</b>	<b>10.2%</b>	<b>4.1%</b>
ACEN Corp	ACEN PM	NR	6.37	NA	4,332	35.4	37.9	25.1	-1.6%	36.1	33.8	17.3	6.1%	1.1%
Aboitiz Power Corporation	AP PM	Add	30.75	36.93	3,868	10.7	11.6	10.8	14.4%	8.7	7.8	7.0	12.7%	4.7%
Manila Electric Co	MER PM	NR	300.6	NA	5,807	14.4	13.0	13.6	15.2%	8.5	8.6	8.1	23.6%	5.0%
<b>Simple Average (Philippines)</b>						<b>20.2</b>	<b>20.8</b>	<b>16.5</b>	<b>9.3%</b>	<b>17.8</b>	<b>16.8</b>	<b>10.8</b>	<b>14.1%</b>	<b>3.6%</b>
Orsted AS	ORSTED DC	NR	711.6	NA	39,505	29.3	20.6	32.6	-15.3%	14.8	11.9	14.4	22.4%	1.9%
NextEra Energy Inc	NEE US	NR	83.97	NA	164,983	32.9	29.2	27.0	27.9%	34.6	19.8	17.0	12.9%	2.0%
Brookfield Renewable Partners	BEP US	NR	37.27	NA	17,429	na	na	na	na	31.5	29.0	26.7	0.2%	3.4%
Azure Power Global Ltd	AZRE US	NR	6.34	NA	385	na	10.5	5.8	na	10.2	7.7	6.8	6.0%	na
<b>Simple Average (US and Europe)</b>						<b>31.1</b>	<b>20.1</b>	<b>21.8</b>	<b>6.3%</b>	<b>22.8</b>	<b>17.1</b>	<b>16.2</b>	<b>10.4%</b>	<b>2.4%</b>
<b>Average (ex US and Europe)</b>						<b>19.8</b>	<b>17.9</b>	<b>13.9</b>	<b>13.6%</b>	<b>14.4</b>	<b>11.7</b>	<b>10.0</b>	<b>12.1%</b>	<b>4.1%</b>
<b>Average (all)</b>						<b>20.5</b>	<b>18.1</b>	<b>14.6</b>	<b>13.2%</b>	<b>15.3</b>	<b>12.3</b>	<b>10.7</b>	<b>12.0%</b>	<b>3.9%</b>
<b>Sembcorp Industries</b>	<b>SCI SP</b>	<b>Add</b>	<b>3.24</b>	<b>4.78</b>	<b>4,086</b>	<b>20.7</b>	<b>7.3</b>	<b>8.1</b>	<b>64.9%</b>	<b>9.4</b>	<b>6.6</b>	<b>6.8</b>	<b>19.6%</b>	<b>4.1%</b>

SOURCES: CGS-CIMB, COMPANY REPORTS, BLOOMBERG

<b>ESG in a nutshell</b> <a href="#">DBL-Click to DEL Table</a>		 <b>Refinitiv ESG Scores</b>					
		B-	B+	B-	C+	C+	A
		ESG Score	ESG Controversies Score	ESG Combined Score	ESG Environment Pillar Score	ESG Social Pillar Score	ESG Government Pillar Score
<p>With the completion of its divestment of Sembcorp Marine in 2020 and the clear communication (during its investor day in May) of its intention to grow the profit contribution from its sustainable solutions portfolio, our assessment is that SCI's overall ESG strategy will likely continue to improve. SCI achieved an A grade in the MSCI ESG Rating as of end-2020 and a B for climate change score in 2021, based on the guided recommendations by CDP (formerly known as Carbon Disclosure Project). We think the gradual increase in its gross installed renewable energy to 10GW, from 2.6GW currently (comprising wind, solar and energy storage), over the next five years, as well as the potential reduction/exit from the coal power plant business, could be the key catalyst to boost SCI's ESG ranking</p>							
<b>Keep your eye on</b>  As of FY21 conventional energy accounted for more than 50% in its overall installed capacity, which could continue to put a cap on SCI's environmental score across various ESG-related rating agencies due to CO2 equivalent emissions. The changes of CEO and CFO in the past five years are also a point to note in terms of strategic direction as management departure forms part of the evaluation of the "workforce" element in the social category of ESG investment.	<b>Implications</b>  The current CEO is more intent on increasing SCI's renewable energy mix, in our view. If this is executed well, it should work in SCI's favour.						
<b>ESG highlights</b>  SCI targets to grow the profit contribution from its sustainable solutions from 40% in 2021 to 70% by 2025F. Its plans to cut its greenhouse gas emissions (GHG) by 9% over the same period through reduced exposure to fossil fuels. SCI plans to cut its GHG emissions by 90% to 2.7mtCO <sub>2</sub> e by 2030F, from the current 26.5mtCO <sub>2</sub> e. SCI in its latest investor day in May 2021 said the group will not make any further investments in coal energy. In Sep 2021, it successfully launched a sustainability linked-bond (SLB), raising S\$675m with IFC which involved pledging its performance to tailor-made ESG targets.	<b>Implications</b>  Successful decarbonisation efforts over the next 3-5 years could lead to premium valuations ascribed to SCI as it is the only pure renewable energy proxy in Singapore.						
<b>Trends</b>  SCI has made tremendous progress in climate change score with CDP over the last five years, with a marked improvement from C- in 2017 to B in 2020, a rating it has maintained in 2021, in line with peers such as Keppel Corp (B) and Global Power Synergy Thailand (B).	<b>Implications</b>  We expect SCI to be a high ESG-ranked company with the proper execution of its ESG strategy. We see potential upside to its valuation, towards the level of its European peers, beyond the next five years. The signposts you will KIV with regard to this issue.						

SOURCES: CGS-CIMB RESEARCH, REFINITIV

## BY THE NUMBERS



### Profit & Loss

(\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>Total Net Revenues</b>	<b>5,447</b>	<b>7,795</b>	<b>8,869</b>	<b>8,110</b>	<b>8,130</b>
<b>Gross Profit</b>	<b>1,362</b>	<b>1,559</b>	<b>1,734</b>	<b>1,631</b>	<b>1,644</b>
<b>Operating EBITDA</b>	<b>1,017</b>	<b>1,071</b>	<b>1,590</b>	<b>1,380</b>	<b>1,377</b>
Depreciation And Amortisation	(575)	(457)	(480)	(485)	(494)
<b>Operating EBIT</b>	<b>442</b>	<b>614</b>	<b>1,110</b>	<b>895</b>	<b>883</b>
Financial Income/(Expense)	(464)	(397)	(415)	(263)	(275)
Pretax Income/(Loss) from Assoc.	233	206	262	297	332
Non-Operating Income/(Expense)	0	0	0	0	0
<b>Profit Before Tax (pre-EI)</b>	<b>211</b>	<b>423</b>	<b>957</b>	<b>930</b>	<b>940</b>
Exceptional Items			0	0	0
<b>Pre-tax Profit</b>	<b>211</b>	<b>423</b>	<b>957</b>	<b>930</b>	<b>940</b>
Taxation	(32)	(123)	(157)	(143)	(145)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>179</b>	<b>300</b>	<b>801</b>	<b>787</b>	<b>795</b>
Minority Interests	(22)	(21)	(5)	(70)	(69)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>157</b>	<b>279</b>	<b>796</b>	<b>716</b>	<b>726</b>
Recurring Net Profit	157	279	796	716	726
<b>Fully Diluted Recurring Net Profit</b>	<b>157</b>	<b>279</b>	<b>796</b>	<b>716</b>	<b>726</b>

### Cash Flow

(\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>EBITDA</b>	<b>1,017</b>	<b>1,071</b>	<b>1,590</b>	<b>1,380</b>	<b>1,377</b>
Cash Flow from Inv. & Assoc.	(233)	(206)	(262)	(297)	(332)
Change In Working Capital	1,188	1,206	(746)	2,064	(1,058)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	(1,378)	(816)	(160)	(1,425)	172
Net Interest (Paid)/Received	(447)	(300)	(415)	(263)	(275)
Tax Paid	(103)	(36)	(181)	(157)	(143)
<b>Cashflow From Operations</b>	<b>44</b>	<b>919</b>	<b>(174)</b>	<b>1,303</b>	<b>(259)</b>
Capex	(318)	(282)	(327)	(337)	(347)
Disposals Of FAs/subsidiaries	204	311	0	0	0
Acq. Of Subsidiaries/investments	(176)	(293)	0	0	0
Other Investing Cashflow	(1,059)	134	0	0	0
<b>Cash Flow From Investing</b>	<b>(1,349)</b>	<b>(130)</b>	<b>(327)</b>	<b>(337)</b>	<b>(347)</b>
Debt Raised/(repaid)	890	(349)	29	29	29
Proceeds From Issue Of Shares	599	0	0	0	0
Shares Repurchased	(15)	0	0	0	0
Dividends Paid	(62)	(124)	(54)	0	0
Preferred Dividends					
Other Financing Cashflow	(842)	(52)	0	0	0
<b>Cash Flow From Financing</b>	<b>570</b>	<b>(525)</b>	<b>(25)</b>	<b>29</b>	<b>29</b>
Total Cash Generated	(735)	264	(525)	995	(576)
<b>Free Cashflow To Equity</b>	<b>(415)</b>	<b>440</b>	<b>(472)</b>	<b>995</b>	<b>(576)</b>
<b>Free Cashflow To Firm</b>	<b>(790)</b>	<b>1,119</b>	<b>(52)</b>	<b>1,266</b>	<b>(285)</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

### Balance Sheet

(S\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Cash And Equivalents	1,032	1,344	819	1,814	1,238
Total Debtors	1,571	1,986	2,388	1,612	2,398
Inventories	196	222	700	1,135	1,569
Total Other Current Assets	205	381	381	381	381
<b>Total Current Assets</b>	<b>3,004</b>	<b>3,933</b>	<b>4,288</b>	<b>4,941</b>	<b>5,586</b>
Fixed Assets	7,204	7,094	6,941	6,793	6,646
Total Investments	1,723	1,738	2,000	2,297	2,629
Intangible Assets	348	390	390	390	390
Total Other Non-Current Assets	1,283	1,240	1,240	1,240	1,240
<b>Total Non-current Assets</b>	<b>10,558</b>	<b>10,462</b>	<b>10,571</b>	<b>10,720</b>	<b>10,904</b>
Short-term Debt	593	754	754	754	754
Current Portion of Long-Term Debt					
Total Creditors	1,159	1,708	1,420	1,420	1,423
Other Current Liabilities	375	443	419	405	407
<b>Total Current Liabilities</b>	<b>2,127</b>	<b>2,905</b>	<b>2,592</b>	<b>2,580</b>	<b>2,584</b>
Total Long-term Debt	7,135	6,637	6,666	6,695	6,724
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	824	935	935	935	935
<b>Total Non-current Liabilities</b>	<b>7,959</b>	<b>7,572</b>	<b>7,601</b>	<b>7,630</b>	<b>7,659</b>
Total Provisions	0	0	0	0	0
<b>Total Liabilities</b>	<b>10,086</b>	<b>10,477</b>	<b>10,194</b>	<b>10,210</b>	<b>10,243</b>
Shareholders' Equity	3,339	3,767	4,509	5,225	5,951
Minority Interests	137	151	156	226	296
<b>Total Equity</b>	<b>3,476</b>	<b>3,918</b>	<b>4,665</b>	<b>5,452</b>	<b>6,247</b>

### Key Ratios

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	(19.1%)	43.1%	13.8%	(8.6%)	0.3%
Operating EBITDA Growth	(23.7%)	5.3%	48.5%	(13.2%)	(0.2%)
Operating EBITDA Margin	18.7%	13.7%	17.9%	17.0%	16.9%
Net Cash Per Share (S\$)	(3.75)	(3.39)	(3.70)	(3.16)	(3.50)
BVPS (S\$)	1.87	2.11	2.53	2.93	3.33
Gross Interest Cover	0.89	1.45	2.48	2.99	2.76
Effective Tax Rate	15.2%	29.1%	16.4%	15.4%	15.4%
Net Dividend Payout Ratio	45.5%	32.0%	30.0%	30.0%	30.0%
Accounts Receivables Days	121.6	83.3	90.0	90.0	90.2
Inventory Days	26.07	12.23	23.59	51.69	76.28
Accounts Payables Days	179.3	83.9	80.0	80.0	80.2
ROIC (%)	2.3%	4.7%	10.1%	7.4%	7.7%
ROCE (%)	3.19%	5.69%	9.78%	7.46%	6.97%
Return On Average Assets	3.11%	4.16%	7.84%	6.61%	6.39%

### Key Drivers

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue growth (%)	-19.1%	43.1%	13.8%	-8.6%	0.3%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



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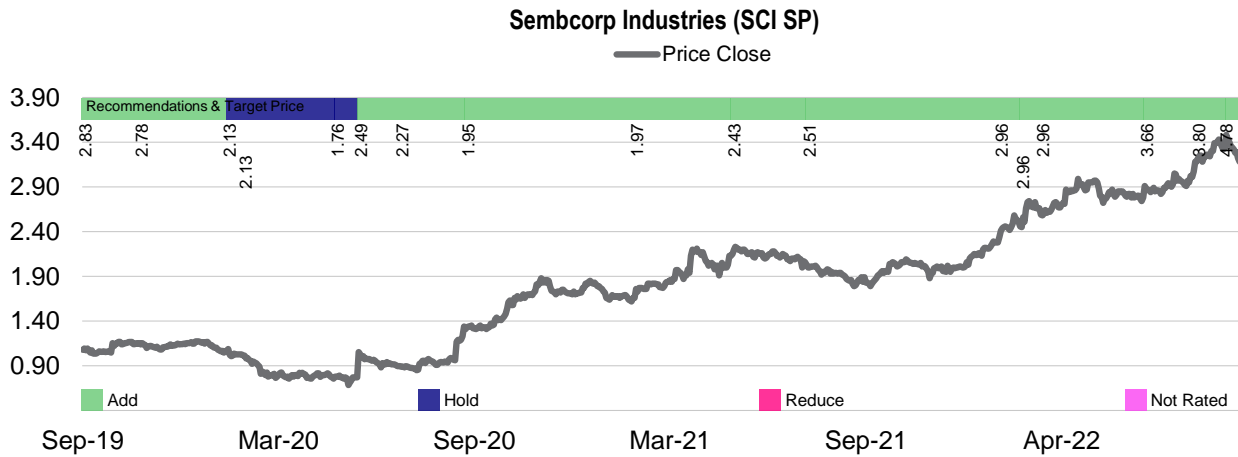
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Distribution of stock ratings and investment banking clients for quarter ended on 30 June 2022		
643 companies under coverage for quarter ended on 30 June 2022		
	Rating Distribution (%)	Investment Banking clients (%)
Add	68.4%	0.8%
Hold	24.6%	0.0%
Reduce	7.0%	0.2%

Spitzer Chart for stock being researched ( 2 year data )



**Recommendation Framework**

**Stock Ratings**

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

**Sector Ratings**

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

**Country Ratings**

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.