

## Singapore

**ADD** (no change)

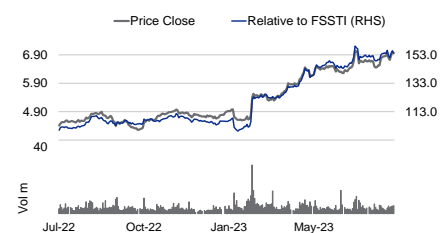
Consensus ratings\*: Buy 7 Hold 3 Sell 1

Current price:	S\$6.96
Target price:	S\$8.70
Previous target:	S\$8.70
Up/downside:	25.0%
CGS-CIMB / Consensus:	13.7%
Reuters:	KPLM.SI
Bloomberg:	KEP SP
Market cap:	US\$9,245m S\$12,265m
Average daily turnover:	US\$18.67m S\$25.02m
Current shares o/s:	1,820m
Free float:	60.0%

\*Source: Bloomberg

### Key changes in this note

➤ No change.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	3.6	13.5	60.2
Relative (%)	-0.5	11.8	56.1

### Major shareholders

	% held
Temasek Holdings	21.3

# Keppel Corporation

## 55<sup>th</sup> anniversary surprise dividend in specie

- We were positively surprised by the 55th anniversary DIS of S\$0.184 K-REIT shares per KEP share. Including interim DPS of S\$0.15, 1H23 yield at 4.8%.
- KEP's 1H23 net profit of S\$445m is broadly in line with our S\$474m forecast, forming 45% of our FY23F. We expect a stronger 2H23F on more deals.
- We give credit to the infrastructure segment as net profit rose 109% yoy to S\$291m, lifted by strong integrated power and recurring income.
- Key catalysts: accelerated capital recycling activities to fund DPS or future growth. Reiterate Add and SOP-based TP of S\$8.70.

### Total dividend: S\$0.334

KEP's 1H23 net profit of S\$445m was broadly in line with our S\$474m forecast, forming 45% of our FY23F. The key surprise was the special Dividend In Specie (DIS) of c.352.4m units in KREIT (Add, TP: S\$1.14) held by KEP, or c.9.4% of the total issued and paid-up units in KREIT to KEP's shareholders, based on 1 KREIT unit for every 5 KEP shares held. This works out to be S\$0.183 per KEP shares. Post the DIS, KEP's stake in KREIT will be reduced to c.37.1%. This is subject to shareholders' approval at an EGM (date to be announced). In addition, KEP said it will pay a cash interim DPS of S\$0.15.

### Infrastructure base of recurring income

Infrastructure's 1H23 net profit grew by 109% yoy to S\$291m, thanks to stronger margins and net profit of S\$245m (1H22: S\$34m) from integrated power operations in Singapore. Power contracts are locked in for 1-2 years from 2023 which could sustain the recurring income base, in our view. Infrastructure also has a backlog of S\$4.1bn in long-term contracts, comprising S\$2.1bn of Energy as a Service (EaaS) and S\$2bn of operations and maintenance contracts. Profit contribution from EaaS was not disclosed but the contracts momentum has been strong with YTD wins of S\$1.2bn in Singapore, Vietnam, and Thailand. We believe earnings could be more material from FY24F onwards.

### More deals ahead

KEP has monetised c.S\$420m of assets YTD (similar period in 2022: S\$710m, 2022 total: c.S\$1.5bn). We expect asset monetisation to pick up in 2H23F, including data centres such as Almere Data Centre 2 in Netherlands and Genting Lane (KDC SGP 7). We understand the first two buildings of KDC SGP 7 (GFA of c.185.5k sq ft) have been fully committed with tenants gradually moved into the first, while the second building is still under construction. KEP is pursuing c.S\$13bn of deals which could be converted to funds under management (FUM) in 2H23F as asset prices may become more attractive, increasing illiquidity. 1H23 FUM stood at S\$53.2bn – Real Estate (62%), Infrastructure (22%) and Connectivity (16%). It maintains an FUM target of S\$100bn by 2026F.

### Reiterate Add and TP of S\$8.70 as the group sharpens focus

We think KEP is advancing to become a global alternative real asset manager. Downside risks: weak macro that weakens fund performance and slows the pace of capital recycling.

### Analyst(s)



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### Financial Summary

	Dec-21A	Dec-22A	Dec-23F	Dec-24F	Dec-25F
Revenue (S\$m)	8,625	9,419	7,111	7,516	7,986
Operating EBITDA (S\$m)	1,304	888	1,075	1,143	846
Net Profit (S\$m)	1,023	927	4,165	1,107	1,182
Core EPS (S\$)	0.56	0.52	0.56	0.62	0.66
Core EPS Growth		(8.4%)	8.0%	11.8%	6.8%
FD Core P/E (x)	12.37	13.50	12.51	11.18	10.47
DPS (S\$)	0.28	0.33	0.36	0.37	0.40
Dividend Yield	4.02%	4.74%	5.12%	5.36%	5.73%
EV/EBITDA (x)	16.01	24.64	18.42	17.87	24.45
P/FCFE (x)	2,817	NA	4	28	15
Net Gearing	63.0%	75.9%	57.9%	60.8%	60.9%
P/BV (x)	1.05	1.07	1.04	1.00	0.96
ROE	8.98%	7.84%	8.42%	9.10%	9.37%
CGS-CIMB/Consensus EPS (x)			1.40	1.20	1.19

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## Real estate still cautious in China, investing mode >

KEP's home sales in China fell by 55% qoq to 370 units on the back of slower economic growth. KEP's 1H23 real estate net profit, which includes share of profits from K-REIT (Add, TP: S\$1.14), was down 29% yoy to S\$186m, hit by higher net interest expenses and higher opex for new initiatives, offset by S\$21m of capital recycling gains and land sale profits from Tianjin Eco City of S\$14m. We believe some of the initiatives include sustainable urban renewal (SUR) investments, incorporating smart and sustainable features into retrofitted buildings using technology.

**Figure 1: KEP's residential sales (units) by country**

Home sale	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	qoq	yoy
China	700	850	730	500	220	260	290	310	830	370	-55%	42%
Singapore	390	50	20	10	4	6	10	10	20	20	0%	233%
Vietnam/others	160	170	10	750	20	20	30	-	-	-	n.m.	n.m.
Indonesia	(10)	170	50	30	6	44	200	30	20	40	100%	-9%
India	120	50	-	120	290	140	150	150	800	70	-91%	-50%
<b>Total</b>	<b>1,360</b>	<b>1,290</b>	<b>810</b>	<b>1,410</b>	<b>540</b>	<b>470</b>	<b>680</b>	<b>500</b>	<b>1,670</b>	<b>500</b>	<b>-70%</b>	<b>6%</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## Connectivity stable, we hope for more asset monetisation >

Connectivity's 1H23 net profit, which includes M1 and share of profits from KDC REIT (Add, TP: S\$2.53), remained stable yoy at S\$37m. We believe asset recycling is key for this division. Our SOP values M1 at 13.5x FY24F P/E or c.S\$1bn. Recall that KEP took M1 private in 2019 at a trailing P/E of 14.3x.

**Figure 2: Horizontal segment breakdown**

(\$m)	Asset management income	Operating income	Valuation items	EPC/Development	Capital Recycling	Net profit
<b>Infrastructure:</b>						
1HFY23	4.0	303.0	(2.0)	(14.0)	0.0	291.0
1HFY22	19.0	107.0	(1.0)	14.0	0.0	139.0
yoy (%)	-79%	183%	100%	-200%	n.a.	109%
<b>Real Estate:</b>						
1HFY23	20.0	(28.0)	31.0	142.0	21.0	186.0
1HFY22	13.0	31.0	108.0	110.0	0.0	262.0
yoy (%)	54%	-190%	-71%	29%	n.a.	-29%
<b>Connectivity</b>						
1HFY23	6.0	35.0	(7.0)	0.0	3.0	37.0
1HFY22	6.0	34.0	(10.0)	0.0	3.0	33.0
yoy (%)	0%	3%	-30%	n.a.	n.a.	12%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Additional downside risks to our Add rating include regulatory risks, such as property measures and a pricing cap on power prices which could hurt the company's revenues.

**Figure 3: Segment financial metrics**

	1HFY23	1HFY22	yoy (%)
<b>Infrastructure:</b>			
Revenue	2,488	2,144	16%
Operating profit/(loss)	319	84	282%
EBITDA	372	150	148%
Profit/(loss) before tax	348	155	125%
Net profit/(loss)	291	139	109%
<b>Real Estate:</b>			
Revenue	531	577	-8%
Operating profit/(loss)	199	187	6%
EBITDA	321	365	-12%
Profit/(loss) before tax	250	331	-24%
Net profit/(loss)	186	262	-29%
<b>Connectivity :</b>			
Revenue	695	635	9%
Operating profit/(loss)	37	30	24%
EBITDA	123	125	-2%
Profit/(loss) before tax	56	52	7%
Net profit/(loss)	37	33	13%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 4: Results comparison**

FYE Dec (S\$ m)	1HFY23	1HFY22	yoy %	Prev.**	Comments
	Cum	Cum	chg	FY23F	
Revenue	3,715.6	3,355.7	10.7	7,111.0	Broadly in line at 52% of our and 54% of Bloomberg consensus FY23F
Operating costs	(3,043.4)	(2,899.1)	5.0	(6,036.0)	In line
EBITDA	672.2	456.7	47.2	1,075.0	Above
<i>EBITDA margin (%)</i>	<i>18.1</i>	<i>13.6</i>	<i>32.9</i>	<i>15.1</i>	
Depn & amort.	(100.5)	(101.8)	(1.3)	(447.7)	Above
EBIT	571.7	354.8	61.1	627.3	Above
Interest expense	(147.9)	(78.1)	89.3	(186.0)	
Interest & invt inc	56.8	70.9	(19.9)	268.1	
Associates' contrib	121.9	203.1	(40.0)	555.4	Broadly in line
Exceptionals	-	-	<i>n.m</i>	3,175.0	
Pretax profit	602.5	550.8	9.4	4,439.9	
					In line
Tax	(139.6)	(110.0)	26.9	(281.6)	
Tax rate (%)	23.2	20.0	16.0	6.3	
Minority interests	(17.9)	(6.6)	171.2	6.2	
Net profit	444.9	434.1	2.5	4,164.5	
EPS (cts)	24.9	24.3	2.5	47.6	
Core profit	444.9	434.1	2.5	989.5	Broadly in line at 45% of our and 48% of Bloomberg consensus FY23F
Core EPS (cts)	24.9	24.3	2.5	47.3	

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

**Figure 5: SOP valuation**


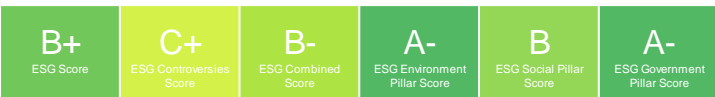
SOP				Basis	S\$m	Value per share (\$)
<b>Real Estate</b>						
Keppel Land Investment properties				Market value (FY22)	4,139	2.27
Development properties				Book value (FY22)	2,309	1.27
Tianjin Eco City				Book value (FY22)	619	0.34
<b>Listed REITS</b>						
	Stake	Units		Share price/ TP		
Keppel REIT	38%	3,764.5		1.14	1,614	0.89
Keppel DC REIT	20%	1,718.7		2.53	870	0.48
Keppel Infrastructure Trust	18%	4,991.8		0.51	458	0.25
Keppel Pacific Oak US REIT *	7%	1,044.5		0.34	33	0.02
<b>Infrastructure</b>						
Infrastructure net profit (ex KIT)		535.8		12.0	6,429	3.53
<b>Connectivity</b>						
M1 FY24F profits		77.0		13.5	1,039	0.57
KTT			Book value (FY22)		214	0.12
<b>Fund management and others</b>						
Value of fund management business		90.0		15.0	1,350	0.74
Non-core assets				Book value (FY22)	300	0.16
Vendor note receivable			Carrying value (FY22) + 5% redemption fee		4,463	2.45
Private funds			Carrying value (1H23)		1,042	0.57
Net debt					(9,038)	(4.97)
<b>Total</b>					<b>15,840</b>	<b>8.70</b>
No. of shares					1,820	
* exchange rate: US\$/S\$: 1.33						

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Figure 6: Peers Comparison

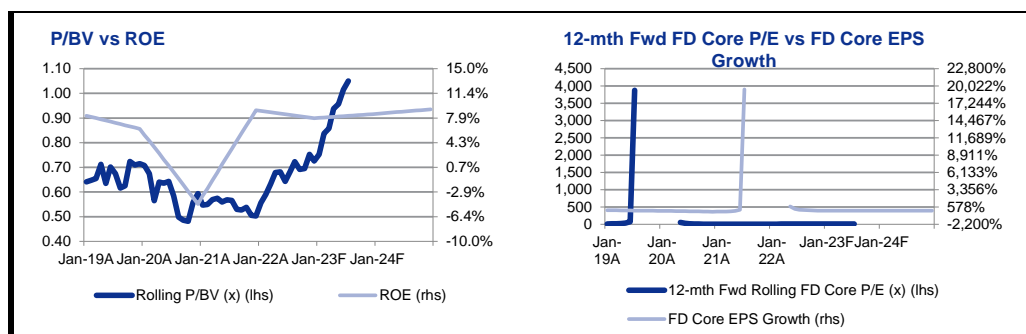
Company	Bbg Ticker	Recom.	Price (lcl curr)	Target Price (lcl curr)	Market Cap (US\$ m)	P/E (x)			2-year EPS CAGR (%)	P/BV (x)		Recurring ROE (%)	Dividend Yield (%)
						CY23F	CY24F	CY25F		CY23F	CY24F		
Keppel Corporation	KEP SP	Add	6.96	8.70	9,245	12.5	11.2	10.5	11.8%	1.04	1.00	8.4%	5.1%
Capitaland Investment	CLI SP	Add	3.43	4.50	13,243	18.1	16.4	15.2	48.8%	1.08	1.03	6.1%	3.5%
<b>Integrated global asset management - big cap simple average</b>						<b>15.3</b>	<b>13.8</b>	<b>12.8</b>	<b>30.3%</b>	<b>1.06</b>	<b>1.01</b>	<b>7.2%</b>	<b>4.3%</b>
Seatrium Ltd	STM SP	Add	0.15	0.19	7,510	na	39.7	14.3	na	1.18	1.15	-2.7%	0.0%
<b>Singapore offshore - big cap simple average</b>						<b>na</b>	<b>39.7</b>	<b>14.3</b>	<b>na</b>	<b>1.18</b>	<b>1.15</b>	<b>-2.7%</b>	<b>0.0%</b>
COSCO SHIPPING International S	COS SP	NR	0.16	na	262	na	na	na	na	na	na	na	na
China CSSC Holdings Ltd	600150 CH	NR	28.82	na	18,132	44.2	17.7	14.1	537.6%	2.63	2.32	5.9%	0.2%
China Shipbuilding Industry Co	601989 CH	NR	4.65	na	14,916	na	na	na	na	na	na	na	na
CSSC Offshore and Marine Engin	600685 CH	NR	29.32	na	4,212	56.4	49.7	na	10.1%	na	na	na	na
Yangzijiang Shipbuilding	YZJSGD SP	Add	1.50	1.66	4,467	9.7	8.7	8.8	16.8%	1.62	1.45	17.7%	3.6%
<b>Chinese Shipbuilder simple average</b>						<b>36.7</b>	<b>25.4</b>	<b>11.4</b>	<b>188.2%</b>	<b>2.13</b>	<b>1.88</b>	<b>11.8%</b>	<b>1.9%</b>
Korea Shipbuilding & Offshore	009540 KS	Add	118,500	119,000	6,565	31.8	11.0	6.9	na	0.83	0.75	2.7%	0.0%
Hyundai Mipo Dockyard	010620 KS	Hold	83,800	72,000	2,620	111.0	19.0	13.9	na	1.55	1.43	1.4%	0.0%
Samsung Heavy Industries	010140 KS	Add	8,200	10,900	5,648	108.9	28.4	19.4	na	1.97	1.84	1.8%	0.0%
Hanwha Ocean	042660 KS	Hold	42,150	26,000	7,155	na	26.5	14.8	na	3.28	2.92	-1.4%	0.0%
Sejin Heavy Industries Co Ltd	075580 KS	NR	6,180	na	266	15.6	17.4	13.9	29.3%	1.93	1.81	13.2%	2.4%
<b>Korean Shipbuilder simple average</b>						<b>66.8</b>	<b>20.5</b>	<b>13.8</b>	<b>29.3%</b>	<b>1.91</b>	<b>1.75</b>	<b>3.5%</b>	<b>0.5%</b>
Mitsui E&S Co Ltd	7003 JP	NR	482.0	na	309	2.7	2.6	na	68.0%	0.42	0.39	14.9%	0.2%
<b>Japan Shipbuilder simple average</b>						<b>2.9</b>	<b>2.6</b>	<b>na</b>	<b>68.0%</b>	<b>0.42</b>	<b>0.39</b>	<b>14.9%</b>	<b>0.2%</b>
Brookfield Corp	BN US	NR	30.04	na	49,220	14.2	11.3	6.8	47.9%	1.07	1.01	9.3%	0.9%
<b>US Shipbuilder simple average</b>						<b>14.2</b>	<b>11.3</b>	<b>6.8</b>	<b>47.9%</b>	<b>1.07</b>	<b>1.01</b>	<b>9.3%</b>	<b>0.9%</b>
CSE Global	CSE SP	Hold	0.46	0.45	213	16.3	12.4	10.7	64.6%	1.34	1.30	8.2%	6.0%
SATS Ltd	SATS SP	Hold	2.76	2.60	3,101	72.6	24.6	17.4	na	1.91	1.90	2.5%	0.5%
Sembcorp Industries	SCI SP	Add	5.53	6.20	7,445	11.9	12.4	12.8	4.9%	2.18	1.94	19.6%	2.3%
ST Engineering	STE SP	Add	3.72	4.00	8,741	20.3	16.6	14.2	24.5%	4.70	4.34	23.5%	4.3%
SIA Engineering	SIE SP	Hold	2.44	2.46	2,067	26.6	21.7	19.5	39.3%	1.60	1.57	6.1%	3.3%
<b>Industrial/conglomerate / airport services simple average</b>						<b>29.5</b>	<b>17.5</b>	<b>14.9</b>	<b>33.3%</b>	<b>2.35</b>	<b>2.21</b>	<b>12.0%</b>	<b>3.3%</b>

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG  
Estimates for Not rated companies are based on Bloomberg consensus estimates  
DATA AS AT 27 July 2023

 <div style="float: right;"> <b>Refinitiv ESG Scores</b>   </div>	
<p><b>ESG in a nutshell</b> DBL-Click to DEL Table</p> <p>Keppel Corporation (KEP) has maintained an AAA MSCI ESG rating since 2020 and is among the top 8% of global industrial conglomerates in the MSCI All Country World Index. It scored B+ for its Refinitiv ESG combined score in 2021 and ranked 8 among the 95 corporates covered by Refinitiv in Singapore. As part of Keppel's Vision 2030, sustainability is a core strategy for its growth, with four groups of business focus — Energy &amp; Environment, Urban Development, Connectivity, and Asset Management. It is also apparent that the group has applied the lens of sustainability to its strategic review, asset recycling plans and divestments of logistics, and offshore &amp; marine businesses in recent years. In Oct 2022, KEP was awarded the Winner of the Singapore Corporate Governance Award 2022 (Big Cap) at the Securities Investors Association (Singapore) (SIAS) Investors' Choice Awards.</p>	
<p><b>Keep your eye on</b></p> <p>Since KEP settled its fines with crime prevention authorities in the US, Brazil, and Singapore at end-2017, KEP's ESG Controversies score has gradually improved from D+ in 2016 to A- in 2020 and has remained since.</p>	<p><b>Implications</b></p> <p>The corruption investigation was a key share price overhang for KEP, in addition to weak oil prices in 2015-17. KEP has dealt with the issue firmly. In 2019, KEP O&amp;M became one of the first companies in Singapore to achieve global certification for the ISO 37001 Anti-Bribery Management System, reflecting KEP's zero tolerance for corruption. We think it takes time to restore investors' full confidence in the group. With the completion of divestment of its offshore &amp; marine business, the group's investment into new areas of growth, building on the sustainability trend, could eventually rebuild its corporate governance standards.</p>
<p><b>ESG highlights</b></p> <p>KEP has made significant strides towards its 2030 business strategy, in line with current macro ESG trends. A key goal of KEP's Energy &amp; Environment strategy would be to halve its Scope 1 &amp; 2 emissions – a decisive call to halt production of oil rigs. The divestment of KOM and sale of stranded rigs are hallmark indicators that KEP is on the right track to its target of a 7GW renewable energy portfolio by 2030. Since 2020, it has announced renewables projects with a total capacity of 1.1GW. It is developing a 500MW greenfield solar farm in Australia (started in 2022). Internally, KEP has also set targets to achieve a 10% reduction in waste intensity and 20% reduction in water consumption intensity by 2030 from 2019 levels.</p>	<p><b>Implications</b></p> <p>KEP's asset-light strategy has played a critical role in reducing the company's carbon footprint via divestment of non-core businesses. We expect its exit from the offshore &amp; marine business to improve the appetite for KEP among investors with high "E" expectations. We have not factored in the capex for and earnings contribution from its renewable energy assets in our forecasts or valuation.</p>
<p><b>Trends</b></p> <p>KEP's MSCI ESG rating improved from AA in 2018 and 2019 to AAA in 2020; the score has been retained since. Its Refinitiv ESG combined score also improved from C in 2017 to B+ in 2020 and remained since.</p>	<p><b>Implications</b></p> <p>KEP possesses a bevy of accolades – apart from its prestigious ESG scorings, KEP is ranked as one of the World's Best Employers of 2022 by Forbes, possesses 11 Workplace Safety and Health (WSH) awards and is also a member of the Dow Jones Sustainability Indices (DJSI). Following its successful exit from the offshore &amp; marine business, we expect to see further re-rating in KEP's overall ESG scores, with more details provided once KEP's sustainability report is published in May 2023..</p>

SOURCES: CGS-CIMB RESEARCH, REFINITIV

## BY THE NUMBERS



### Profit & Loss

(\$m)	Dec-21A	Dec-22A	Dec-23F	Dec-24F	Dec-25F
<b>Total Net Revenues</b>	<b>8,625</b>	<b>9,419</b>	<b>7,111</b>	<b>7,516</b>	<b>7,986</b>
<b>Gross Profit</b>	<b>906</b>	<b>894</b>	<b>747</b>	<b>789</b>	<b>839</b>
<b>Operating EBITDA</b>	<b>1,304</b>	<b>888</b>	<b>1,075</b>	<b>1,143</b>	<b>846</b>
Depreciation And Amortisation	(406)	(207)	(448)	(433)	(39)
<b>Operating EBIT</b>	<b>898</b>	<b>681</b>	<b>627</b>	<b>710</b>	<b>807</b>
Financial Income/(Expense)	(141)	(55)	33	88	83
Pretax Income/(Loss) from Assoc.	467	536	555	571	582
Non-Operating Income/(Expense)	111	49	49	51	54
<b>Profit Before Tax (pre-EI)</b>	<b>1,335</b>	<b>1,211</b>	<b>1,265</b>	<b>1,420</b>	<b>1,525</b>
Exceptional Items	0	0		0	0
<b>Pre-tax Profit</b>	<b>1,335</b>	<b>1,211</b>	<b>1,265</b>	<b>1,420</b>	<b>1,525</b>
Taxation	(325)	(278)	(282)	(321)	(353)
Exceptional Income - post-tax			3,175		
<b>Profit After Tax</b>	<b>1,010</b>	<b>933</b>	<b>4,158</b>	<b>1,099</b>	<b>1,173</b>
Minority Interests	13	(6)	6	8	9
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>1,023</b>	<b>927</b>	<b>4,165</b>	<b>1,107</b>	<b>1,182</b>
Recurring Net Profit	1,023	927	990	1,107	1,182
<b>Fully Diluted Recurring Net Profit</b>	<b>1,023</b>	<b>927</b>	<b>990</b>	<b>1,107</b>	<b>1,182</b>

### Cash Flow

(\$m)	Dec-21A	Dec-22A	Dec-23F	Dec-24F	Dec-25F
<b>EBITDA</b>	<b>1,304</b>	<b>888</b>	<b>1,075</b>	<b>1,143</b>	<b>846</b>
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(187)	426	1,955	(671)	47
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	(608)	(100)	0	0	0
Other Operating Cashflow	0	(86)	49	51	54
Net Interest (Paid)/Received	(157)	(178)	33	88	83
Tax Paid	(260)	(388)	(282)	(321)	(353)
<b>Cashflow From Operations</b>	<b>93</b>	<b>562</b>	<b>2,831</b>	<b>291</b>	<b>678</b>
Capex	(538)	(696)	(255)	(255)	(255)
Disposals Of FAs/subsidiaries	1,146	403	0	0	0
Acq. Of Subsidiaries/investments	(28)	(34)	0	0	0
Other Investing Cashflow					
<b>Cash Flow From Investing</b>	<b>580</b>	<b>(327)</b>	<b>(255)</b>	<b>(255)</b>	<b>(255)</b>
Debt Raised/(repaid)	(668)	(419)	400	400	400
Proceeds From Issue Of Shares	398	0	0	0	0
Shares Repurchased					
Dividends Paid	(346)	(643)	(633)	(664)	(709)
Preferred Dividends					
Other Financing Cashflow					
<b>Cash Flow From Financing</b>	<b>(615)</b>	<b>(1,062)</b>	<b>(233)</b>	<b>(264)</b>	<b>(309)</b>
Total Cash Generated	57	(828)	2,343	(228)	114
<b>Free Cashflow To Equity</b>	<b>4</b>	<b>(185)</b>	<b>2,976</b>	<b>436</b>	<b>823</b>
<b>Free Cashflow To Firm</b>	<b>923</b>	<b>520</b>	<b>2,762</b>	<b>227</b>	<b>619</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

### Balance Sheet

(\$m)	Dec-21A	Dec-22A	Dec-23F	Dec-24F	Dec-25F
Total Cash And Equivalents	3,617	1,142	3,485	3,257	3,371
Total Debtors	2,169	1,228	2,133	2,255	2,396
Inventories	7,774	2,301	2,133	3,006	3,195
Total Other Current Assets	1,287	10,209	10,209	10,209	10,209
<b>Total Current Assets</b>	<b>14,846</b>	<b>14,880</b>	<b>17,961</b>	<b>18,728</b>	<b>19,171</b>
Fixed Assets	2,044	977	784	605	820
Total Investments	0	0	0	0	0
Intangible Assets	1,589	1,533	1,533	1,533	1,533
Total Other Non-Current Assets	13,844	13,545	14,100	14,671	15,253
<b>Total Non-current Assets</b>	<b>17,477</b>	<b>16,055</b>	<b>16,417</b>	<b>16,810</b>	<b>17,606</b>
Short-term Debt	4,659	3,578	3,578	3,578	3,578
Current Portion of Long-Term Debt					
Total Creditors	5,099	2,786	4,267	4,510	4,792
Other Current Liabilities	2,200	4,996	6,209	6,290	6,384
<b>Total Current Liabilities</b>	<b>11,958</b>	<b>11,360</b>	<b>14,053</b>	<b>14,377</b>	<b>14,753</b>
Total Long-term Debt	6,796	6,603	7,003	7,403	7,803
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	1,127	1,058	1,058	1,058	1,058
<b>Total Non-current Liabilities</b>	<b>7,923</b>	<b>7,662</b>	<b>8,062</b>	<b>8,462</b>	<b>8,862</b>
Total Provisions	0	0	0	0	0
<b>Total Liabilities</b>	<b>19,882</b>	<b>19,022</b>	<b>22,115</b>	<b>22,839</b>	<b>23,615</b>
Shareholders' Equity	12,057	11,580	11,936	12,379	12,851
Minority Interests	385	334	327	320	311
<b>Total Equity</b>	<b>12,441</b>	<b>11,913</b>	<b>12,263</b>	<b>12,698</b>	<b>13,162</b>

### Key Ratios

	Dec-21A	Dec-22A	Dec-23F	Dec-24F	Dec-25F
Revenue Growth	31.2%	9.2%	(24.5%)	5.7%	6.3%
Operating EBITDA Growth	209%	(32%)	21%	6%	(26%)
Operating EBITDA Margin	15.1%	9.4%	15.1%	15.2%	10.6%
Net Cash Per Share (\$\$)	(4.31)	(5.08)	(3.99)	(4.34)	(4.50)
BVPS (\$\$)	6.63	6.51	6.71	6.96	7.23
Gross Interest Cover	3.58	4.66	3.37	3.72	4.11
Effective Tax Rate	24.3%	23.0%	22.3%	22.6%	23.1%
Net Dividend Payout Ratio	49.8%	63.3%	64.0%	60.0%	60.0%
Accounts Receivables Days	99.4	65.8	86.3	106.8	106.3
Inventory Days	363.9	215.7	127.2	139.8	158.3
Accounts Payables Days	229.4	168.8	202.2	238.8	237.5
ROIC (%)	4.09%	3.18%	2.85%	3.48%	3.76%
ROCE (%)	4.75%	3.57%	3.99%	4.47%	4.73%
Return On Average Assets	3.57%	3.12%	2.91%	2.89%	3.01%

### Key Drivers

	Dec-21A	Dec-22A	Dec-23F	Dec-24F	Dec-25F
Revenue growth (%)	31.2%	9.2%	-24.5%	5.7%	6.3%
EBIT margin (%)	0.1%	7.3%	5.9%	8.8%	9.4%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



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<b>Description:</b>	Excellent	Very Good	Good	N/A	N/A

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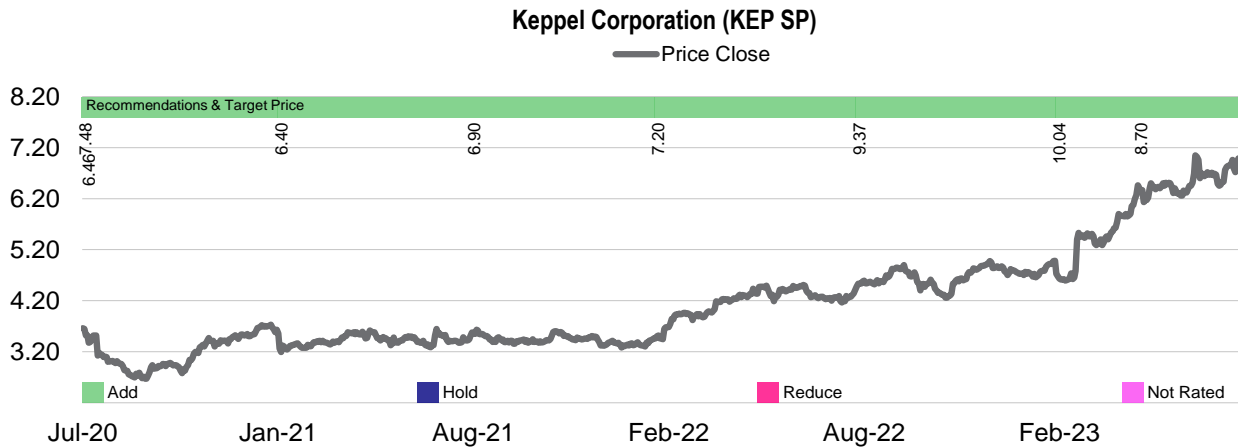
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Distribution of stock ratings and investment banking clients for quarter ended on 30 June 2023		
632 companies under coverage for quarter ended on 30 June 2023		
	Rating Distribution (%)	Investment Banking clients (%)
Add	65.3%	0.9%
Hold	25.8%	0.3%
Reduce	8.9%	0.0%

Spitzer Chart for stock being researched ( 2 year data )



**Recommendation Framework**

**Stock Ratings**

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

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

**Country Ratings**

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