

Singapore Company Update

Singtel

Bloomberg: ST SP | Reuters: STEL.SI

Refer to important disclosures at the end of this report

DBS Group Research. Equity

26 Jan 2024

BUY

Last Traded Price (25 Jan 2024): S\$2.40 (STI : 3,147.64)

Price Target 12-mth: S\$3.39 (41% upside)

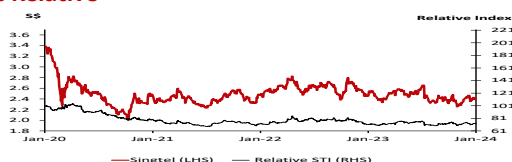
Analyst

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What's New

- Singtel's return on invested capital (ROIC) to exceed its weighted cost of capital (WACC) in FY24F after a gap of 4 years; Indosat rallied last year after ROIC exceeded WACC
- We expect a 10% y-o-y core operating profit (EBIT) growth in 2H24F led by an absence of Trustwave losses and cost-cuts at Optus; core EBIT has a 84% correlation with the share price
- BUY with TP of S\$3.39 for >40% upside potential and 5.5% yield; potential catalysts would be ROIC exceeding WACC, higher dividends and divestments

Price Relative



Forecasts and Valuation

FY Mar (S\$m)	2023A	2024F	2025F	2026F
Revenue	14,624	14,368	14,547	15,062
EBITDA	5,973	6,270	6,600	6,961
Pre-tax Profit	3,212	3,446	3,751	3,972
Net Profit	2,225	2,370	2,580	2,732
Net Pft (Pre Ex.)	2,053	2,370	2,580	2,732
Net Pft Gth (Pre-ex) (%)	6.7	15.4	8.9	5.9
EPS (S cts)	13.4	14.2	15.5	16.4
EPS Pre Ex. (S cts)	12.3	14.2	15.5	16.4
EPS Gth Pre Ex (%)	6	15	9	6
Diluted EPS (S cts)	13.4	14.2	15.5	16.4
Net DPS (S cts)	14.9	12.1	13.9	14.8
BV Per Share (S cts)	156	158	160	161
PE (X)	18.0	16.9	15.5	14.6
PE Pre Ex. (X)	19.5	16.9	15.5	14.6
P/Cash Flow (X)	12.4	11.1	9.6	9.5
EV/EBITDA (X)	8.2	7.8	7.2	6.8
Net Div Yield (%)	6.2	5.0	5.8	6.2
P/Book Value (X)	1.5	1.5	1.5	1.5
Net Debt/Equity (X)	0.4	0.3	0.3	0.3
ROAE (%)	8.2	9.1	9.7	10.2
Earnings Rev (%):		-	-	-
Consensus EPS (S cts):		14.6	16.5	18.7
Other Broker Recs:		B: 15	S: 0	H: 2

Source of all data on this page: Company, DBS Bank Ltd, Bloomberg Finance L.P., consensus EPS is sourced from Reuters

Two reasons to expect a rally, finally

Investment Thesis:

Benefits from geographical diversification. Singtel is the No.1 integrated player in Singapore and owns the No.2 mobile player in Australia. Singtel holds significant stakes in its telecom associates in India, Indonesia, Philippines, and Thailand, which contribute over 67% of the group's operating profit in FY23.

Holding company (HoldCo) discount has expanded to a record 51% (last 5-year average of 33%) as the share price has not kept pace with the associates' market value. The HoldCo discount has expanded from less than 15% in FY18 to 51% as the share does not reflect the rise in the market value of its associates especially Bharti. This can be explained by Singtel's ROIC falling below its WACC since FY20 due to a sharp decline in core operating profit (which excludes associates) over the last five years. We expect the HoldCo discount to narrow to 20%, (i) with a recovery in core operating profit led by annual cost-savings of S\$200m over FY23F-26F and growth in its NCS and data-center business. (ii) a divestment target of S\$6bn (>36Scts per share) over FY23-26F including associates. This should uplift the ROIC and support a 90% payout ratio over the next 3-years,

Potential catalyst: ROIC exceeding WACC with 2HFY24F results, divestments, and higher dividends. We project its ROIC to reach 7.2% in FY24F, exceeding a WACC of 7.0%. Singtel could also benefit from potential divestments and higher payout ratio of 90% in 2H24F vs 77% payout ratio in 1H24.

Maintain BUY with an unchanged TP of S\$3.39. Our fair value for the company's core business in Singapore & Australia is at S\$0.84 (prev S\$0.89) per share at 5x FY24F EV/EBITDA as we adjust the net debt position. Regional associates after 20% HoldCo discount (prev 15%) are worth S\$2.56 per share (prev S\$2.50) mainly due to a sharp rise in the market value of Bharti.

Key Risks

Further decline in Aussie dollar or irrational competition in Australia could risk recovery. There can be an adverse impact from Optus due to any irrational competition coupled with a further decline in the Aussie dollar. Our base case assumes a gradual recovery in Optus's operating profit.

At A Glance

Issued Capital (m shrs)	16,504
Mkt. Cap (S\$m/US\$m)	39,611 / 29,567
Major Shareholders (%)	
Temasek Holdings Pte	52.0
Free Float (%)	48.0
3m Avg. Daily Val (US\$m)	41.9

GIC Industry: Communication Services / Telecommunication



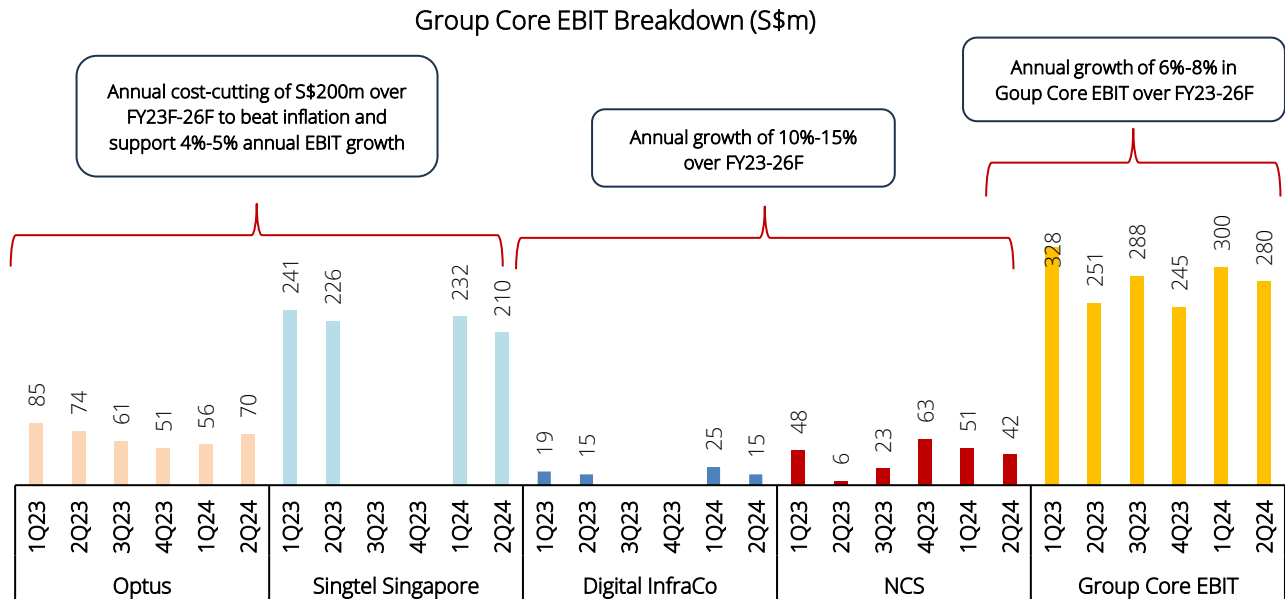
Watchlist the stock on Insights Direct to receive prompt updates

Singtel

WHAT'S NEW

ROIC and segmental expectations for FY24F and beyond

Singtel's core operating profit (EBIT), which excludes associates' contributions, is likely to see 6%-8% annual growth over FY23-26F

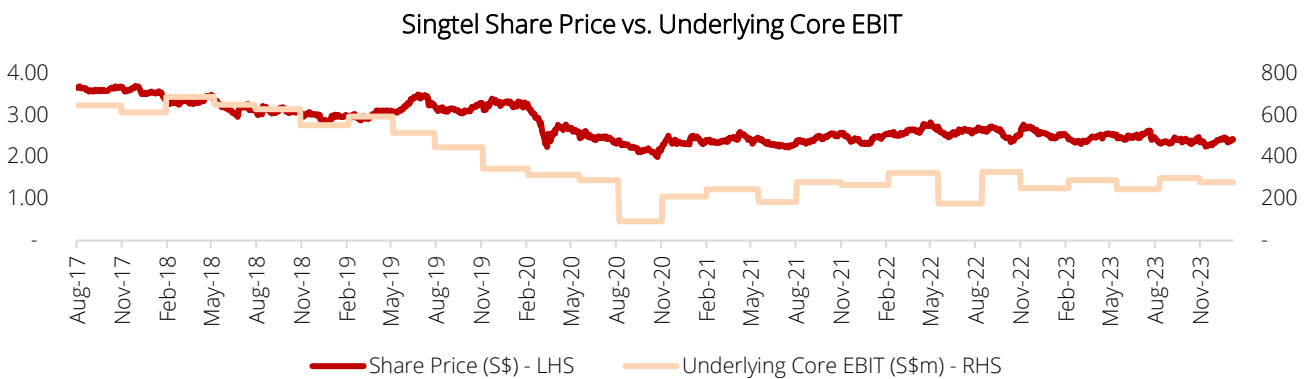


*Singtel began to provide Singtel Singapore and Digital InfraCo data since 1Q24
Source: DBS Bank

Singtel is implementing a two-pronged approach to boost operating profits and ROIC. ROIC is generally difficult to improve unless there is a cut in opex and capex. The aggressive cost-cutting

of \$200m each year over FY23-26F is one key driver. Potentially, double-digit growth in operating profit at NCS & the data centre business (20% of group core EBIT in 1H24) is another key driver.

Singtel's core operating profit (which excludes associates) has a high correlation of 84% with its share price



Source: DBS Bank, Reuters

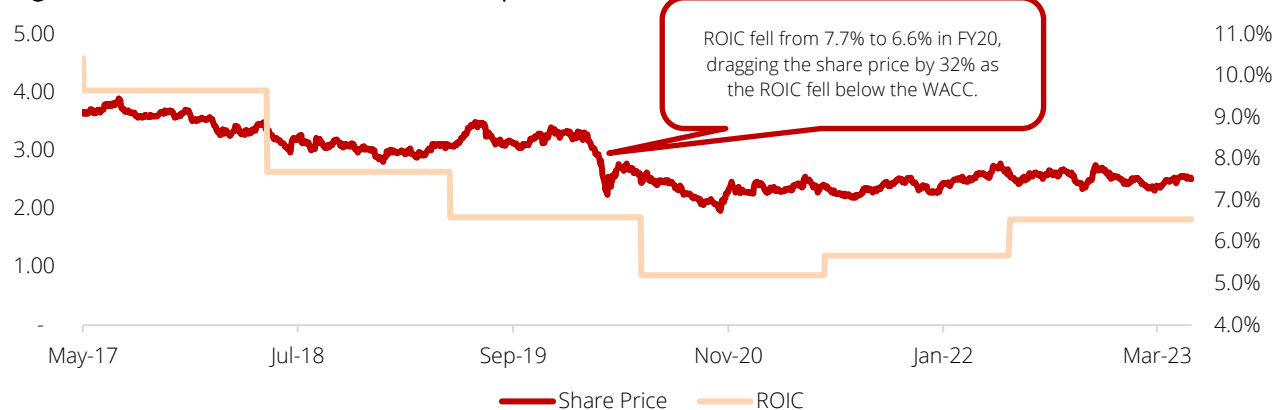
NCS, Optus, and the absence of Trustwave losses to be key growth driver on an annual basis in 2H24F

EBIT (\$m)	1H23	2H23	1H24	2H24F	h-o-h%	y-o-y%
Optus	159	112	126	126	0%	13%
Singtel Singapore	467	-	442	430	-3%	
Digital InfraCo	34	-	40	45	13%	
NCS	54	86	93	98	5%	14%
Trustwave	(67)	(67)	(56)	0	-100%	-100%
Corporate	(90)	(99)	(86)	(100)	16%	1%
Intercompany eliminations	23	(10)	21	(15)	-171%	50%
	-	-	-			
Group core EBIT	579	533	580	584	1%	10%

Source: Company, DBS Bank

We project Singtel would record group core EBIT of S\$584m in 2H24F, up 10% y-o-y, flattish h-o-h, due to the following reasons:

- Optus is to benefit from tariff hikes and backend-loaded cost-savings, which would potentially offset the network outage impact.** On 8 November 2023, Optus faced a nationwide outage that would have some adverse impact on its revenue in 2H24F. Although, the impact won't be big and is likely to be short-lived, as per our channel checks. Electricity costs in Australia rose by 46% in 1H24, which impacted Optus's EBIT in 1H24, leading to aggressive tariff hikes by Optus in mid-2023. Backend-loaded cost-savings at Optus after it right-sized its enterprise business unit should help it achieve sequentially stable EBIT in 2HFY24F, in our estimates. Out of the S\$200m cost-savings targeted by the group for FY24F, we expect S\$120-130m to be realised in 2H24F, largely at Optus.
- NCS growth to continue, with most of the contract re-pricing done and wage inflation on a decline.** Singtel's NCS EBIT declined by 35% in FY23, despite a 16% rise in revenue due to higher wage inflation. However, NCS has been faring well from 1H24 onwards, with 1H24 EBIT rising by 72% y-o-y on 9% revenue growth. NCS contributed 16% to the group's core EBIT in 1H24. Ongoing cost-savings at NCS should support double-digit growth, in our view.
- Trustwave losses to be absent from 3Q24F onwards.** Trustwave recorded an EBIT loss of S\$27m in 2Q24 and S\$56m in 1H24. As at 2Q24, Trustwave was classified as a "subsidiary held for sale", and thus will not contribute any losses to group EBIT from 3Q24F onwards. Following the completion of Trustwave's divestment, the estimated yearly loss contribution of S\$120-130m will also not exist from FY25F onwards.

Singtel's share price has a positive correlation of 87% with its Return on Invested Capital since FY18-FY23 (6-years)
Singtel Share Price vs Return on Invested Capital


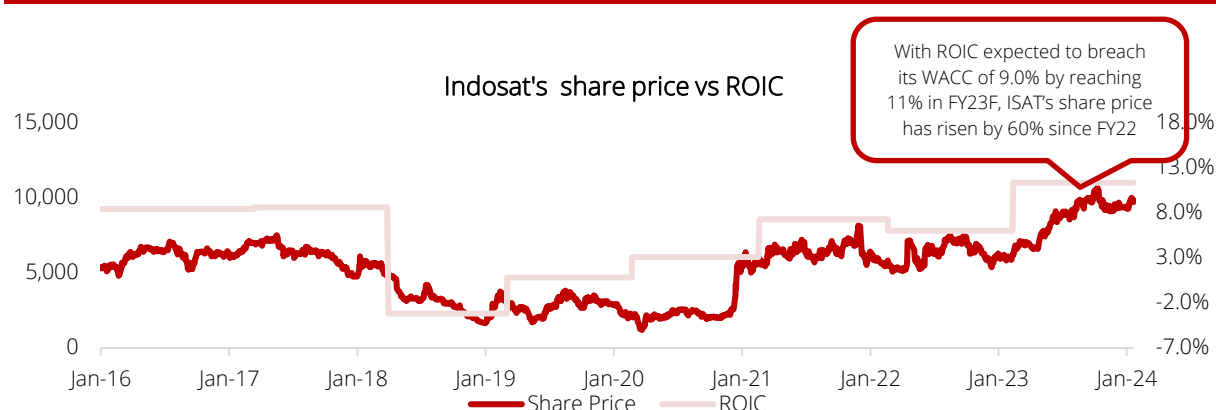
Source: Company, Reuters, DBS Bank

Singtel

ROIC is a critical factor for the share price especially when ROIC falls below or rises above WACC. Singtel's share price has demonstrated a positive correlation of 87% with its ROIC over FY18-FY23 (6-years), implying when the ROIC rises, the share price inches up. Our ROIC calculations also include the Optus' goodwill on Singtel's balance sheet compared to Singtel's ROIC calculations which exclude the Optus' goodwill. Based on the chart above, the ROIC falling from 7.7% in FY19 to 6.6% in FY20, below Singtel's

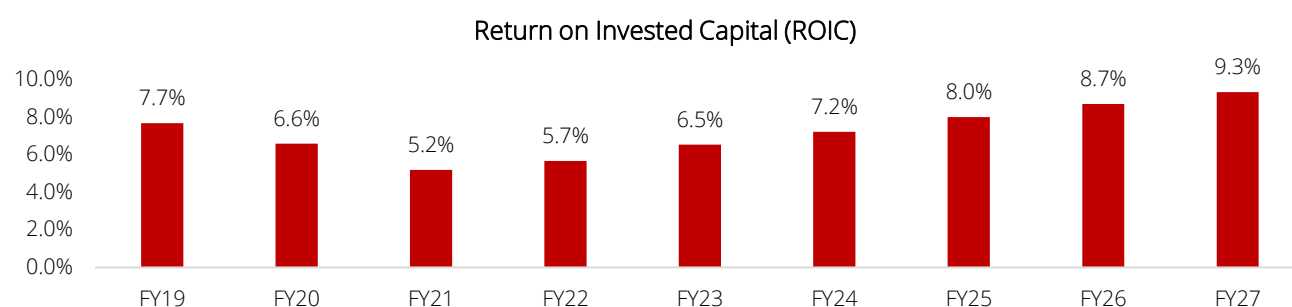
estimated WACC, led to a decline of 32% in Singtel's share price. Similarly, when ROIC fell to 5.2% in FY21, the share price fell by 10% to S\$2.21 during early May 2021 to early July 2021. Weaknesses in its core business coupled with reduced contribution from associates were the reason. ROIC falling below the WACC lead to sharp correction in the stock price. The WACC of a company often acts as a breaking point for the ROIC resulting in a significant movement of the stock price.

ROIC had a meaningful impact to Indosat's share price when ROIC rose above WACC in FY23



Source: Company, Reuters, DBS Bank

Singtel's ROIC over the last 5 years and our projections till FY26F



Source: Company, DBS Bank

We project Singtel's ROIC would breach its WACC in FY24F, after a 4-year gap

ROIC calculation	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27
Invested capital	39,961	39,986	38,616	37,847	35,239	35,298	34,126	33,912	33,715
Average capital	39,804	39,974	39,301	38,231	36,543	35,268	34,712	34,019	33,813
EBIT + associate contribution	4,006	3,705	2,945	3,181	3,399	3,694	3,966	4,281	4,567
Tax rate*	23%	29%	32%	33%	32%	31%	31%	31%	31%
EBIT + associate contribution (net of taxes)	3,073	2,636	2,009	2,145	2,305	2,549	2,737	2,954	3,151
ROIC	7.7%	6.6%	5.2%	5.7%	6.5%	7.2%	8.0%	8.7%	9.3%

*Tax rate considered here is from underlying earnings before tax

Source: Company, DBS Bank

Singtel

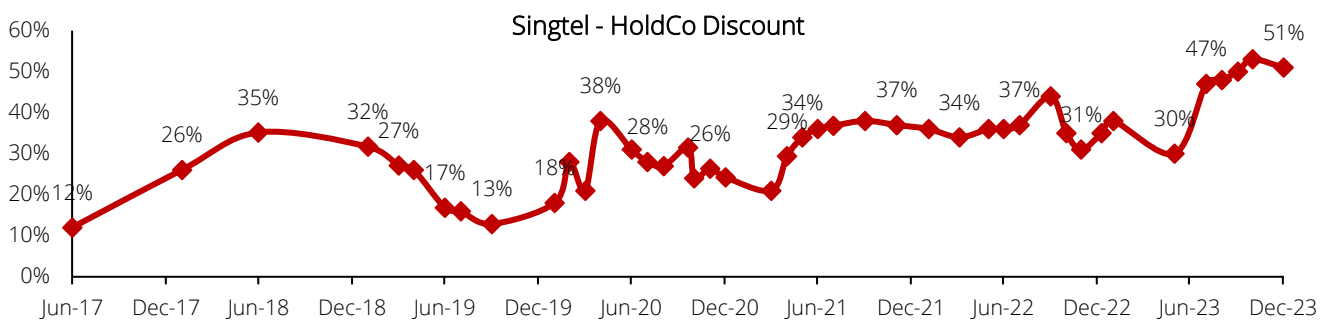
Singtel is doubling down on its IT services arm, NCS, as a key driver of future growth. Management sees the company's focus on digitalisation projects and overseas expansion as key to achieving its ambitious revenue target of S\$5bn by FY26, up from S\$2.7bn in FY23. NCS's international footprint has been steadily expanding, with overseas revenue now accounting for 15% of the total, a significant jump from 5% in FY19. Similarly, the enterprise segment has grown from contributing 25% of revenue in FY19 to 33% in FY23, highlighting the increasing demand for NCS's digital solutions. While rising wage costs in FY23 posed a challenge, management remains confident in NCS's ability to deliver EBITDA growth with declining wage inflation. However, for the remainder of FY24F, revenue growth is likely to be partially offset by some margin compression in the enterprise segment due to the continued high wages.

Singtel is aiming to grow its data centre business, planning to more than double its capacity within the next three years. This expansion will see Singtel's current capacity of 60MW soar to 155MW, solidifying its position as a major player in the region's booming data centre market. However, Singtel's expansion extends beyond Singapore. Through strategic partnerships with AIS/Gulf in Thailand and Telkom in Indonesia, the company plans to add a further 37MW, respectively, bringing the combined total capacity to 155MW within three years. The company is also exploring opportunities in Vietnam and Malaysia through targeted partnerships. Singtel's data centre strategy is built on long-term customer contracts, typically lasting 10 years. This creates

inherent customer "stickiness", ensuring a steady stream of recurring revenue. To capitalize on this growth, Singtel has incorporated annual contractual price escalation and uplift mechanisms into its contracts, guaranteeing sustainable revenue growth. Also, most utility costs are passed through to customers, effectively protecting Singtel's margins and ensuring profitability. This two-pronged approach – locking in long-term contracts and ensuring revenue growth through pricing mechanisms – positions Singtel for strong sustained growth in the years to come.

Merger between Telstra being called off is likely to benefit Optus. In early 2022, Telstra and TPG proposed a network-sharing agreement in regional Australia. However, the Australian Competition and Consumer Commission (ACCC) rejected the initial application in December 2022 on concerns about reduced competition and potential price increases for consumers. Telstra and TPG appealed the decision to the Australian Competition Tribunal, but the Tribunal upheld the ACCC's decision in June 2023. If the deal went through, TPG's 4G coverage of Australia would have increased from 96% to about 98.8%. Meanwhile, Telstra could have benefitted from TPG's 4G and 5G spectrums. Optus, the main competitor to both Telstra and TPG, saw it as a massive competition concern, leading to higher prices, lower investment, less consumer choice, and less infrastructure resilience. Telstra wanted access to TPG's spectrum for network capacity, which is not possible now. It makes sense for Optus and TPG to share their networks to improve 4G & 5G coverage, in our view.

HoldCo discount for Singtel has expanded over the last 5 years (last 5-year average is 33%)



Source: Company, Oanda, Reuters, DBS Bank

Singtel

SOTP of Singtel and its associates

Value of the core business in Singapore & Australia is S\$0.84 (prev: S\$0.89) per share

	FY24F EBITDA (S\$m)	EV/EBITDA	Ownership	Value (S\$m)	Per Share (S\$)	Previous
Singapore business excluding Data Centre*	1,746	5.0	100%	8,729	0.52	0.52
Optus telco	1,937	5.0	100%	9,687	0.58	0.58
Data centre**			80%	4,396	0.26	0.26
Enterprise Value of Core Business				22,812	1.37	1.37
Net Debt				(8,920)	(0.54)	(0.48)
Minority interest				34	0.00	0.00
Equity value of the core business				13,926	0.84	0.89

*Excludes data centre EBITDA of S\$172m, which is expected to grow by 40% y-o-y in FY24F

**Based on KKR deal on S\$1.1bn for 20% stake

Source: Company, DBS Bank

Regional associates are worth S\$2.50 (prev: S\$2.34) per share based on their market values (only Telkomsel is valued at a fair price)

	Share Price	Exchange Rates	Stake	Value (S\$m)	Per share (S\$)	Previous
Bharti Airtel	1,123.75	61.98	29.2%	29,764	1.79	1.48
AIS	216.00	26.53	23.3%	5,642	0.34	0.35
InTouch	71.75	26.53	25.0%	2,167	0.13	0.13
Globe	1,750.00	41.97	46.7%	2,809	0.17	0.18
SingPost	0.44	1.00	21.8%	216	0.01	0.01
NetLink NBN Trust	0.86	1.00	24.8%	826	0.05	0.05

Regional Associates	FY23F (March YE) PER	Exchange Rates	Stake	Value (S\$m)	Per share (S\$)	Previous
Telkomsel	15	11,659	30%	11,831	0.71	0.74

	Value (S\$m)	Per share (S\$)	Previous
Total	53,255	3.20	2.94
Hold co discount (20%)	(10,651)	(0.64)	(0.44)
Associate Valuation	42,604	2.56	2.50
Core business valuation		0.84	0.89
Associate valuation		2.56	2.50
SINGTEL VALUATION		3.39	3.39

Source: Companies, Reuters, Oanda, DBS Bank

Singtel

Company Background

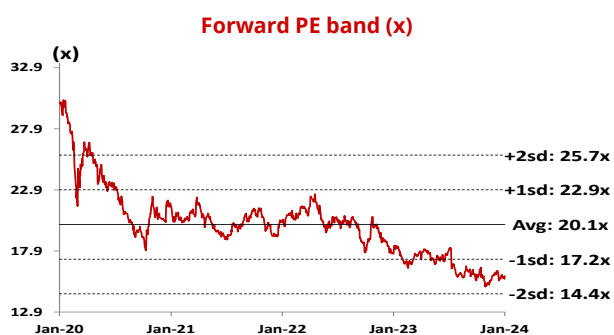
Singtel is the largest telecom operator in Singapore and its Australian subsidiary Optus is the second-largest operator in Australia. Singtel also has substantial stakes in various telcos in the region – Telkomsel in Indonesia, Bharti Airtel (Bharti) in India, AIS in Thailand, and Globe in the Philippines.

Interim Income Statement (\$m)

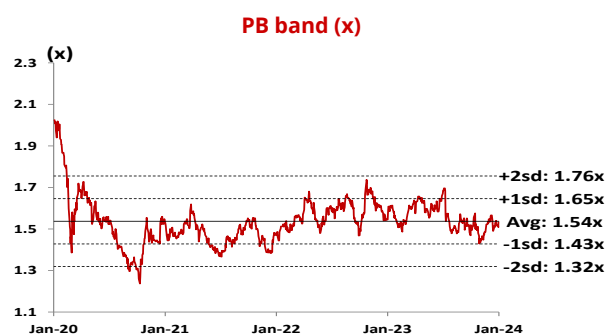
FY Mar	1H2023	2H2023	1H2024	% chg yoy	% chg hoh
Revenue	7,259	7,366	7,028	(3.2)	(4.6)
Cost of Goods Sold	(5,456)	(5,678)	(5,368)	(1.6)	(5.5)
Gross Profit	1,803	1,688	1,660	(7.9)	(1.7)
Other Oper. (Exp)/Inc	(1,225)	(1,155)	(1,080)	(11.8)	(6.5)
Operating Profit	578	533	580	0.3	8.8
Other Non Opg (Exp)/Inc	0	0	0	-	-
Associates & JV Inc	1,157	1,130	1,195	3.2	5.7
Net Interest (Exp)/Inc	(196)	(163)	(128)	34.7	21.5
Exceptional Gain/(Loss)	165	7	1,015	515.2	nm
Pre-tax Profit	1,704	1,507	2,662	56.2	76.6
Tax	(530)	(449)	(521)	(1.7)	16.1
Minority Interest	(5)	(4)	(4)	12.0	22.2
Net Profit	1,169	1,055	2,136	82.7	102.5
Net profit bef Except.	1,004	1,048	1,121	11.7	7.0
EBITDA	1,735	1,663	1,775	2.3	6.7
Margins (%)					
Gross Margins	24.8	22.9	23.6		
Opg Profit Margins	8.0	7.2	8.3		
Net Profit Margins	16.1	14.3	30.4		

Source of all data: Company, DBS Bank Ltd

Historical PE and PB band



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



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

Key Assumptions

FY Mar	2022A	2023A	2024F	2025F	2026F
Singapore Revenue (\$m)	7,524	7,056	6,927	6,822	6,952
Singapore EBITDA Margin	22.7	24.4	26.6	27.7	27.7
Optus Revenue (A\$m)	7,836	8,053	8,456	8,878	9,322
Optus EBITDA Margin (%)	26.4	25.9	25.5	25.6	25.7
Associate pre-tax earnings	2,136	2,287	2,530	2,732	2,951

Income Statement (\$m)

FY Mar	2022A	2023A	2024F	2025F	2026F
Revenue	15,339	14,624	14,368	14,547	15,062
Cost of Goods Sold	(11,725)	(11,134)	(10,823)	(10,875)	(11,248)
Gross Profit	3,614	3,490	3,545	3,672	3,815
Other Opng (Exp)/Inc	(2,570)	(2,379)	(2,380)	(2,438)	(2,485)
Operating Profit	1,045	1,112	1,164	1,234	1,330
Other Non Opng (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	2,136	2,287	2,530	2,732	2,951
Net Interest (Exp)/Inc	(312)	(359)	(248)	(215)	(309)
Exceptional Gain/(Loss)	25.0	172	0.0	0.0	0.0
Pre-tax Profit	2,894	3,212	3,446	3,751	3,972
Tax	(934)	(978)	(1,068)	(1,163)	(1,231)
Minority Interest	(11.0)	(8.4)	(8.4)	(8.4)	(8.4)
Preference Dividend	0.0	0.0	0.0	0.0	0.0
Net Profit	1,949	2,225	2,370	2,580	2,732
Net Profit before Except.	1,924	2,053	2,370	2,580	2,732
EBITDA	5,903	5,973	6,270	6,600	6,961
Growth					
Revenue Gth (%)	(1.9)	(4.7)	(1.8)	1.2	3.5
EBITDA Gth (%)	4.8	1.2	5.0	5.3	5.5
Opg Profit Gth (%)	(8.9)	6.4	4.7	6.0	7.8
Net Profit Gth (Pre-ex) (%)	11.0	6.7	15.4	8.9	5.9
Margins & Ratio					
Gross Margins (%)	23.6	23.9	24.7	25.2	25.3
Opg Profit Margin (%)	6.8	7.6	8.1	8.5	8.8
Net Profit Margin (%)	12.7	15.2	16.5	17.7	18.1
ROAE (%)	7.1	8.2	9.1	9.7	10.2
ROA (%)	4.0	4.7	5.1	5.6	5.8
ROCE (%)	1.7	1.9	2.0	2.2	2.3
Div Payout Ratio (%)	79.0	111.2	85.0	90.0	90.0
Net Interest Cover (x)	3.3	3.1	4.7	5.7	4.3

Source: Company, DBS Bank Ltd

Interim Income Statement (\$\$m)

FY Mar	1H2022	2H2022	1H2023	2H2023	1H2024
Revenue	7,653	7,687	7,259	7,366	7,028
Cost of Goods Sold	(5,810)	(5,915)	(5,456)	(5,678)	(5,368)
Gross Profit	1,843	1,772	1,803	1,688	1,660
Other Oper. (Exp)/Inc	(1,270)	(1,299)	(1,225)	(1,155)	(1,080)
Operating Profit	573	473	578	533	580
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	1,047	1,090	1,157	1,130	1,195
Net Interest (Exp)/Inc	(135)	(178)	(196)	(163)	(128)
Exceptional Gain/(Loss)	(29.0)	54.0	165	7.00	1,015
Pre-tax Profit	1,456	1,439	1,704	1,507	2,662
Tax	(496)	(438)	(530)	(449)	(521)
Minority Interest	(6.0)	(5.4)	(5.0)	(3.6)	(4.4)
Net Profit	954	995	1,169	1,055	2,136
Net profit bef Except.	983	941	1,004	1,048	1,121
EBITDA	1,620	1,563	1,735	1,663	1,775

Growth

Revenue Gth (%)	(6.9)	0.4	(5.6)	1.5	(4.6)
EBITDA Gth (%)	10.7	(3.5)	11.0	(4.1)	6.7
Opg Profit Gth (%)	4.0	(17.5)	22.2	(7.8)	8.8
Net Profit Gth (%)	996.6	4.3	17.5	(9.8)	102.5

Margins

Gross Margins (%)	24.1	23.1	24.8	22.9	23.6
Opg Profit Margins (%)	7.5	6.2	8.0	7.2	8.3
Net Profit Margins (%)	12.5	12.9	16.1	14.3	30.4

Balance Sheet (\$\$m)

FY Mar	2022A	2023A	2024F	2025F	2026F
Net Fixed Assets	14,250	13,385	13,656	13,869	14,161
Invt in Associates & JVs	13,040	11,788	11,555	10,552	10,384
Other LT Assets	13,711	12,774	12,479	12,183	11,888
Cash & ST Invt	2,130	1,668	1,673	3,111	3,607
Inventory	270	346	330	334	346
Debtors	5,245	5,013	4,841	4,901	5,075
Other Current Assets	485	1,556	1,556	1,556	1,556
Total Assets	49,131	46,530	46,090	46,507	47,017
ST Debt	1,614	983	983	983	983
Creditor	5,596	5,310	4,469	4,525	4,685
Other Current Liab	1,845	2,006	2,343	2,438	2,506
LT Debt	10,254	9,910	9,610	9,610	9,610
Other LT Liabilities	1,713	2,307	2,307	2,307	2,307
Shareholder's Equity	28,125	26,005	26,360	26,618	26,892
Minority Interests	(16.0)	9.00	17.4	25.8	34.2
Total Cap. & Liab.	49,131	46,530	46,090	46,507	47,017
Non-Cash Wkg. Capital	(1,441)	(401)	(85.1)	(171)	(214)
Net Cash/(Debt)	(9,738)	(9,225)	(8,920)	(7,482)	(6,986)
Debtors Turn (avg days)	127.2	128.0	125.2	122.2	120.9
Creditors Turn (avg days)	234.6	232.5	216.4	199.1	196.2
Inventory Turn (avg days)	11.0	13.1	15.0	14.7	14.5
Asset Turnover (x)	0.3	0.3	0.3	0.3	0.3
Current Ratio (x)	0.9	1.0	1.1	1.2	1.3
Quick Ratio (x)	0.8	0.8	0.8	1.0	1.1
Net Debt/Equity (X)	0.3	0.4	0.3	0.3	0.3
Net Debt/Equity ex MI (X)	0.3	0.4	0.3	0.3	0.3
Capex to Debt (%)	20.8	20.9	24.1	24.1	25.3

Source: Company, DBS Bank Ltd

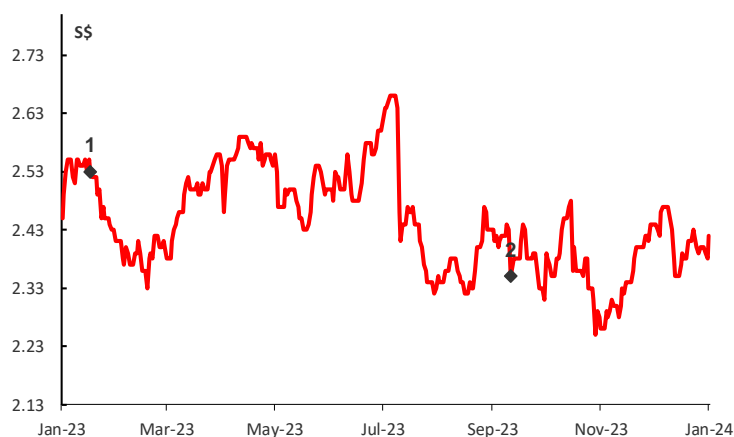
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Cash Flow Statement (S\$m)

FY Mar	2022A	2023A	2024F	2025F	2026F
Pre-Tax Profit	2,894	3,212	3,446	3,751	3,972
Dep. & Amort.	2,722	2,574	2,576	2,633	2,680
Tax Paid	(352)	(346)	(731)	(1,068)	(1,163)
Assoc. & JV Inc/(loss)	(2,136)	(2,287)	(1,391)	(1,503)	(1,623)
Chg in Wkg.Cap.	270	(70.0)	(653)	(8.8)	(25.2)
Other Operating CF	278	146	357	371	381
Net Operating CF	3,676	3,229	3,604	4,175	4,222
Capital Exp.(net)	(2,472)	(2,278)	(2,552)	(2,550)	(2,676)
Other Invt.(net)	127	(47.0)	0.0	0.0	0.0
Invt in Assoc. & JV	(234)	(1,186)	0.0	800	0.0
Div from Assoc & JV	1,622	1,547	1,624	1,706	1,791
Other Investing CF	1,934	1,209	0.0	0.0	0.0
Net Investing CF	977	(755)	(927)	(44.6)	(886)
Div Paid	(1,139)	(1,552)	(2,014)	(2,322)	(2,459)
Chg in Gross Debt	(2,710)	(641)	(300)	0.0	0.0
Capital Issues	(1.0)	0.0	0.0	0.0	0.0
Other Financing CF	586	(761)	(357)	(371)	(381)
Net Financing CF	(3,264)	(2,954)	(2,671)	(2,693)	(2,841)
Currency Adjustments	0.0	0.0	0.0	0.0	0.0
Chg in Cash	1,389	(480)	5.10	1,438	496
Opg CFPS (S cts)	20.6	19.8	25.6	25.1	25.5
Free CFPS (S cts)	7.27	5.71	6.31	9.75	9.28

Source: Company, DBS Bank Ltd

Target Price & Ratings 12-mth History



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

S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	09 Feb 23	2.53	3.18	BUY
2:	04 Oct 23	2.35	3.39	BUY

Source: DBS Bank Ltd

Analyst: Sachin MITTAL

DBS Bank Ltd 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: 26 Jan 2024 06:56:06 (SGT)

Dissemination Date: 26 Jan 2024 07:14:47 (SGT)

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