

Singapore Company Update

City Developments

Bloomberg: CIT SP | Reuters: CTDM.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

29 Feb 2024

BUY

Last Traded Price (28 Feb 2024): S\$5.78 (STI: 3,138.93)

Price Target 12-mth: S\$10.50 (82% upside)

Analysts

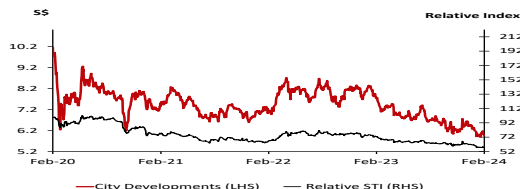
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What's New

- FY23 Core profits almost quadrupled y-o-y to S\$189m; in line
- Key positives: i) Strong contribution from property development; ii) recovery in other segments; offset by higher interest costs
- Data to watch: i) Potential asset recycling; ii) share buyback
- Maintain BUY; TP S\$10.50. 12 Scts FY23 dividend declared

Price Relative



Forecasts and Valuation

| FY Dec (S\$m) | 2022A | 2023A | 2024F | 2025F |
|--------------------------|---------|-------|-------|-------|
| Revenue | 3,293 | 4,941 | 4,792 | 5,347 |
| EBITDA | 637 | 1,006 | 1,177 | 1,278 |
| Pre-tax Profit | 1,857 | 473 | 465 | 508 |
| Net Profit | 1,272 | 305 | 331 | 361 |
| Net Pft (Pre Ex.) | (417) | 196 | 331 | 361 |
| Net Pft Gth (Pre-ex) (%) | (377.8) | nm | 69.3 | 8.9 |
| EPS (S cts) | 140 | 33.6 | 36.5 | 39.8 |
| EPS Pre Ex. (S cts) | (46.0) | 21.6 | 36.5 | 39.8 |
| EPS Gth Pre Ex (%) | (378) | nm | 69 | 9 |
| Diluted EPS (S cts) | 134 | 32.0 | 34.8 | 37.9 |
| Net DPS (S cts) | 28.0 | 12.0 | 12.0 | 12.0 |
| BV Per Share (S cts) | 980 | 979 | 1,003 | 1,031 |
| PE (X) | 4.1 | 17.2 | 15.8 | 14.5 |
| PE Pre Ex. (X) | nm | 26.8 | 15.8 | 14.5 |
| P/Cash Flow (X) | nm | 5.5 | 1.9 | 4.8 |
| EV/EBITDA (X) | 20.8 | 15.7 | 11.5 | 10.2 |
| Net Div Yield (%) | 4.8 | 2.1 | 2.1 | 2.1 |
| P/Book Value (X) | 0.6 | 0.6 | 0.6 | 0.6 |
| Net Debt/Equity (X) | 0.8 | 1.1 | 0.8 | 0.8 |
| ROAE (%) | 15.0 | 3.4 | 3.7 | 3.9 |
| Earnings Rev (%): | | | (14) | - |
| Consensus EPS (S cts): | | | 41.0 | 47.0 |
| Other Broker Recs: | | B: 7 | S: 4 | H: 3 |

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

Reactivate asset recycling mode

Investment Thesis:

Realising hidden value. City Developments Limited (City Dev) is a pioneer in Singapore's property sector, investing across all asset classes. With recent successful asset divestments having generated handsome gains, we believe further unlocking of its deep, hidden value of "legacy assets" via asset recycling or redevelopment presents a significant potential upside for NAV, which has yet to be priced in.

Riding on hospitality tailwinds. City Dev will continue to ride on Singapore's strong hospitality tailwinds as it continues to push past pre-COVID levels, the world now having put COVID behind. We believe that the hospitality segment will continue to grow (albeit with some moderation in growth rates) as Singapore continues to benefit from international concerts and MICE events.

Trading at "distressed valuations". City Dev is trading at an attractive valuation at 0.6x P/NAV (book value at cost), below the low seen during the global financial crisis (GFC). We believe City Dev is a good long term buy due to its plans of proactive efforts to unlock more values, a measure the market has yet to appreciate, in our view. Moreover, potential activation of share buyback will limit any downside risks.

Maintain BUY; TP of S\$10.50. Our TP of S\$10.50 is based on a 35% discount-to-RNAV which implies a 1x P/NAV, slightly above -0.5SD of its historical range. Our TP upsides are mainly from a potential re-rating from the realization of its RNNAV with the completion of development assets and potential asset recycling.

Key Risks

Slower-than-expected economic recovery and rising unemployment. A longer drag in the economic recovery post COVID-19 will raise earnings risks.

Property measures impacting the Singapore residential market.

Additional property measures that impact Singapore's residential market more than expected may see prices and demand soften, thus impacting unsold stocks.

At A Glance

| | |
|--|---------------|
| Issued Capital (m shrs) | 907 |
| Mkt. Cap (S\$m/US\$m) | 5,242 / 3,900 |
| Major Shareholders (%) | |
| Hong Leong Investment Holdings pte Ltd | 18.6 |
| Davos Investment Holding Pvt Ltd | 16.4 |
| Hong Realty Pvt Ltd | 7.2 |
| Free Float (%) | 52.6 |
| 3m Avg. Daily Val (US\$m) | 10.8 |

GIC Industry : Real Estate / Real Estate Management & Development



Watchlist the stock on Insights Direct to receive prompt updates

City Developments

WHAT'S NEW

Reactivate asset recycling mode

FY23 Core profits almost quadrupled y-o-y following completion of Piermont Grand EC; other segments improved but were offset by higher financing costs; 12 Scts FY23 dividend declared

- After delivering record-high FY22 results – mainly from divestment gains – City Developments (City Dev)'s FY23 headline PATMI fell 75% y-o-y to S\$317m (in line with our estimates) largely due to the absence of substantial divestment gains coupled with higher interest cost (+73% y-o-y; +S\$207m).
- Excluding divestment gains and impairment losses, FY23 PATMI almost quadrupled y-o-y to S\$189m (vs. S\$47m in FY22). EBITDA and PBT saw 53% and 90% y-o-y growths.
- Property Development contributed more than 90% of the group's PBT and saw the largest increase (+110% y-o-y to S\$340m) mainly from the completion of Piermont Grand EC in 1H23 (S\$121m in PBT), sale of land at Shirokane in Jul '23 (S\$155m in PBT) and higher contributions from Amber Park, Irwell Hill Residences, and Hong Leong Tech Park Shenzhen.
- PBT contribution from the other segments were largely impacted by higher interest costs.
- The hospitality segment delivered strong growth in revenue, EBITDA, and PBT (ex-divestment gains) of 9% y-o-y, +62% y-o-y, and +77% y-o-y, respectively.
- Gearing (on fair value of properties) increased to 61% (vs. 57% in 1H23 and 51% in FY22).
- Debt ratio ((D+P) / A) increased marginally to 0.5x (vs. 0.4x in FY22). Debt-to-EBITDA fell to 12.8x vs. 17.7x in FY22.
- EBIT ICR ratio improved y-o-y to 1.3x from 0.8x in FY22, following improvement in operating income from hospitality and investment properties, coupled with higher recognition from property development.
- Average cost of debt almost doubled to 4.3% from 2.4% in FY22 (4.1% in 1H23). Management expects borrowing costs to peak at this level and hopefully moderate marginally by year-end with the potential interest rates cut.
- City Dev declared a final dividend of 8 Scts, same y-o-y. FY23 dividend was 12 Scts vs. 28 Scts dividend in FY22 when City Dev shared its huge divestment gains with shareholders.
- Over the past few years, City Dev has successfully built two key portfolios i) UK office with AUM of c. S\$2b; and ii) global living sector portfolio with a GDV of S\$2.6b, with 4.8k units of private rented sector (PRS) and 2.4k beds of purpose-built student accommodation (PBSA). When market conditions are conducive, City Dev has plans to list a UK commercial REIT with options to inject its global living sector into a private fund or recycled into its sister REIT, CDLHT.
- On Singapore residential, City Dev's first launch of the year, Lumina Grand EC achieved a 55% sales take-up. Most of its existing projects are more than 50% sold.
- City Dev has a launch pipeline of 1.8k units, with two projects targeted to be launched in 2H24 and the remaining project to be launched in 1H25. Union Square Residences (Central mall and Central Square redevelopment) is slated to be the next launch in 2H24, with 366 units.
- The Newport Residences project will be held back depending on market conditions. The project does not have an ABSD deadline.
- Management will continue to landbank and has keen eyes on the Jurong Lake District development.
- Management remains optimistic on hospitality segment as Singapore continues to benefit from the slew of concerts and MICE events. In addition, Chinese travellers have yet to return in a major way.
- On share buyback, management is ready to execute its share buyback programme but has held back waiting for a better entry point.

Maintain BUY; TP of S\$10.50. We maintain our BUY rating and TP of S\$10.50. FY24F-FY25F estimates were trimmed by 14% to 16% to factor in slightly higher interest costs.

We believe City Dev remains a good buy for the longer term given that the stock is still trading at a historical low level of 0.6x P/NAV (book value at cost) which does not reflect the hidden value of City Dev's books. Aside from its stellar residential sales track record, City Dev continues to carry prime located assets at costs in its books, which could see substantial divestment gains as it goes into asset recycling mode, a rerating catalyst in our view. In addition, successful divestments could potentially drive higher dividends should City Dev share capital gains with shareholders, as per in the past.

Company Background

City Developments Limited (City Dev) is one of the pioneers in Singapore's property sector. It is a property and hotel conglomerate involved in real estate development and investment, hotel ownership and management, and facility management.

Outlook / Our View

S\$1b divestments targeted in FY24; next launch – United Square Residences in 2H24; ready to execute share buyback if needed.

- After deploying S\$2.4b in acquisitions / investments in FY23, management plans to switch to asset recycling mode, targeting S\$1b of divestments in FY24, partly to further optimize its portfolio and keep gearing at comfortable levels.
- As per past track record, management will review sharing divestment gains with shareholders, if financial conditions permit.

City Developments

Summary of results

| Summary of results | 2H2023 | 2H2022 | % y-o-y | 1H2023 | % h-o-h | FY2023 | FY2022 | % y-o-y |
|--------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Revenue | 2,237.4 | 1,820.9 | 23% | 2,703.7 | -17% | 4,941.1 | 3,293.4 | 50% |
| Adjusted EBITDA | 656.0 | 571.0 | 15% | 459.7 | 43% | 1,115.7 | 2,326.0 | -52% |
| PBT | 293.1 | 278.8 | 5% | 179.5 | 63% | 472.6 | 1,856.8 | -75% |
| PATMI | 250.8 | 165.8 | 51% | 66.5 | 277% | 317.3 | 1,285.3 | -75% |

Ex divestment gains and impairment losses

| | | | | | | | | |
|-----------------|-------|--------|-------|-------|------|---------|-------|------|
| Adjusted EBITDA | 522.4 | 331.6 | 58% | 477.6 | 9% | 1,000.0 | 655.0 | 53% |
| PBT | 135.7 | 32.4 | 319% | 217.3 | -38% | 353.0 | 186.0 | 90% |
| PATMI | 84.3 | (63.3) | -233% | 104.3 | -19% | 188.6 | 47.0 | 301% |

PBT by segments

| | | | | | | | | |
|-----------------------|--------------|-------------|-------------|--------------|-------------|--------------|--------------|------------|
| Property Development | 145.0 | 57.0 | 154% | 195.0 | -26% | 340.0 | 161.0 | 111% |
| Hotel Operations | 62.0 | 17.0 | 265% | (7.0) | -986% | 55.0 | 32.0 | 72% |
| Investment Properties | (37.0) | (29.8) | 24% | 10.0 | -470% | (27.0) | (20.0) | 35% |
| Others | (34.0) | (11.8) | 188% | 19.0 | -279% | (15.0) | 13.0 | -215% |
| Total PBT | 136.0 | 32.4 | 320% | 217.0 | -37% | 353.0 | 186.0 | 90% |

Capital Management

| | | | | | |
|-----------------|--------|-------|---------|-------|---------|
| Gearing (%) | 103.0% | 84.0% | 19 ppt | 94.0% | 9 ppt |
| ICR | 2.8 | 9.8 | (7.0) | 2.8 | - |
| Av cost of debt | 4.3% | 2.4% | 1.9 ppt | 4.1% | 0.2 ppt |

Operational Updates

Singapore

| | | | | | | | | |
|-------------------------------|-------|-------|----------|-------|----------|-----|-------|------|
| Residential sales (units) | 222 | 775 | -71% | 508 | -56% | 730 | 1,487 | -51% |
| Office occupancy (%) | 97.1% | 95.2% | 1.9 ppt | 95.3% | 1.8 ppt | | | |
| Office lease expiries in FY24 | 24.7% | 26.7% | -2 ppt | 29.8% | -5.1 ppt | | | |
| Office lease expiries in FY25 | 28.7% | 25.1% | 3.6 ppt | 29.6% | -0.9 ppt | | | |
| Retail occupancy (%) | 97.6% | 96.1% | 1.5 ppt | 97.8% | -0.2 ppt | | | |
| Retail lease expiries in FY24 | 31.5% | 40.4% | -8.9 ppt | 38.0% | -6.5 ppt | | | |
| Retail lease expiries in FY25 | 25.7% | 24.5% | 1.2 ppt | 27.4% | -1.7 ppt | | | |

Hospitality

| | | | | | | | | |
|----------------------|-------|-------|---------|-------|---------|-------|-------|---------|
| - Occupancy (%) | 76.3% | 70.7% | 5.6 ppt | 69.9% | 6.4 ppt | 73.1% | 64.4% | 8.7 ppt |
| - Av Room Rate (S\$) | 243.1 | 233.5 | 4% | 216.8 | 12% | 230.7 | 214.1 | 8% |
| - RevPAR (S\$) | 185.6 | 165.1 | 12% | 151.5 | 23% | 168.7 | 137.9 | 22% |

Source: Company, DBS Bank Ltd

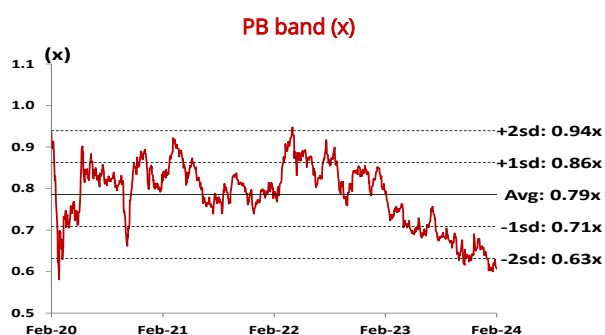
City Developments

Interim Income Statement (\$m)

| FY Dec | 2H2022 | 1H2023 | 2H2023 | % chg y-o-y | % chg h-o-h |
|-------------------------|------------|------------|------------|--------------|--------------|
| Revenue | 1,821 | 2,704 | 2,237 | 22.9 | (17.2) |
| Cost of Goods Sold | (1,157) | (1,917) | (1,375) | 18.8 | (28.3) |
| Gross Profit | 663 | 787 | 862 | 29.9 | 9.6 |
| Other Oper. (Exp)/Inc | (194) | (206) | (153) | (21.3) | (25.7) |
| Operating Profit | 160 | 288 | 421 | 163.2 | 46.3 |
| Other Non Opg (Exp)/Inc | (14) | 26 | (31) | (124.7) | nm |
| Associates & JV Inc | 77 | 40 | 7 | (90.4) | (81.6) |
| Net Interest (Exp)/Inc | (141) | (174) | (215) | (53.3) | (24.1) |
| Exceptional Gain/(Loss) | 196 | (1) | 111 | (43.3) | nm |
| Pre-tax Profit | 279 | 180 | 293 | 5.1 | 63.2 |
| Tax | (110) | (62) | (62) | (43.7) | (0.3) |
| Minority Interest | (3) | (51) | 20 | nm | nm |
| Net Profit | 93 | 30 | 178 | 91.1 | 489.6 |
| Net profit bef Except. | (102) | 31 | 67 | nm | 114.2 |
| EBITDA | 362 | 487 | 519 | 43.2 | 6.4 |
| Margins (%) | | | | | |
| Gross Margins | 36.4 | 29.1 | 38.5 | | |
| Opg Profit Margins | 8.8 | 10.6 | 18.8 | | |
| Net Profit Margins | 5.1 | 1.1 | 8.0 | | |

Source of all data: Company, DBS Bank Ltd

Historical PB band



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

City Developments

Segmental Breakdown

| FY Dec | 2021A | 2022A | 2023A | 2024F | 2025F |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|
| Revenues (\$m) | | | | | |
| Property devt | 1,254 | 1,382 | 2,793 | 2,218 | 2,641 |
| Rental income | 873 | 341 | 449 | 389 | 462 |
| Hotel operations | 341 | 1,381 | 1,499 | 1,984 | 2,043 |
| Others | 157 | 189 | 201 | 201 | 201 |
| Others | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 2,626 | 3,293 | 4,941 | 4,792 | 5,347 |
| Pre-tax Profit (\$m) | | | | | |
| Property devt | 251 | 223 | 261 | 390 | 470 |
| Rental income | 5.37 | (42.5) | (13.0) | 104 | 129 |
| Hotel operations | (6.1) | 90.7 | 186 | 293 | 302 |
| Others | 102 | 150 | 35.9 | (323) | (393) |
| Total | 353 | 421 | 470 | 465 | 508 |
| Pre-tax Profit Margins | | | | | |
| Property devt | 20.0 | 16.2 | 9.3 | 17.6 | 17.8 |
| Rental income | 0.6 | (12.4) | (2.9) | 26.8 | 27.9 |
| Hotel operations | (1.8) | 6.6 | 12.4 | 14.8 | 14.8 |
| Others | 65.2 | 79.1 | 17.9 | (160.9) | (195.9) |
| Total | 13.4 | 12.8 | 9.5 | 9.7 | 9.5 |

Income Statement (\$m)

| FY Dec | 2021A | 2022A | 2023A | 2024F | 2025F |
|-----------------------------|-------------|--------------|--------------|--------------|--------------|
| Revenue | 2,626 | 3,293 | 4,941 | 4,792 | 5,347 |
| Cost of Goods Sold | (1,648) | (2,046) | (3,293) | (2,718) | (2,969) |
| Gross Profit | 978 | 1,247 | 1,649 | 2,074 | 2,377 |
| Other Opg (Exp)/Inc | (822) | (976) | (939) | (1,197) | (1,389) |
| Operating Profit | 156 | 271 | 709 | 877 | 988 |
| Other Non Opg (Exp)/Inc | (25.1) | (80.7) | (4.5) | 0.0 | 0.0 |
| Associates & JV Inc | 107 | 170 | 47.7 | 46.4 | 36.0 |
| Net Interest (Exp)/Inc | (183) | (193) | (389) | (458) | (516) |
| Exceptional Gain/(Loss) | 159 | 1,690 | 109 | 0.0 | 0.0 |
| Pre-tax Profit | 215 | 1,857 | 473 | 465 | 508 |
| Tax | (87.9) | (543) | (124) | (83.7) | (94.5) |
| Minority Interest | (42.2) | (28.9) | (31.5) | (38.1) | (41.4) |
| Preference Dividend | (12.9) | (12.9) | (12.3) | (11.6) | (11.6) |
| Net Profit | 71.8 | 1,272 | 305 | 331 | 361 |
| Net Profit before Except. | (87.3) | (417) | 196 | 331 | 361 |
| EBITDA | 523 | 637 | 1,006 | 1,177 | 1,278 |
| Growth | | | | | |
| Revenue Gth (%) | 24.5 | 25.4 | 50.0 | (3.0) | 11.6 |
| EBITDA Gth (%) | nm | 21.7 | 58.1 | 17.0 | 8.6 |
| Opg Profit Gth (%) | 250.7 | 73.7 | 161.9 | 23.6 | 12.7 |
| Net Profit Gth (Pre-ex) (%) | 91.6 | (377.8) | nm | 69.3 | 8.9 |
| Margins & Ratio | | | | | |
| Gross Margins (%) | 37.2 | 37.9 | 33.4 | 43.3 | 44.5 |
| Opg Profit Margin (%) | 5.9 | 8.2 | 14.4 | 18.3 | 18.5 |
| Net Profit Margin (%) | 2.7 | 38.6 | 6.2 | 6.9 | 6.7 |
| ROAE (%) | 0.9 | 15.0 | 3.4 | 3.7 | 3.9 |
| ROA (%) | 0.3 | 5.4 | 1.3 | 1.4 | 1.5 |
| ROCE (%) | 0.4 | 0.9 | 2.4 | 3.2 | 3.5 |
| Div Payout Ratio (%) | 151.6 | 20.0 | 35.7 | 32.8 | 30.2 |
| Net Interest Cover (x) | 0.9 | 1.4 | 1.8 | 1.9 | 1.9 |

Source: Company, DBS Bank Ltd

City Developments

Interim Income Statement (\$m)

| FY Dec | 2H2021 | 1H2022 | 2H2022 | 1H2023 | 2H2023 |
|-------------------------|------------|--------------|-------------|-------------|------------|
| Revenue | 1,434 | 1,473 | 1,821 | 2,704 | 2,237 |
| Cost of Goods Sold | (873) | (889) | (1,157) | (1,917) | (1,375) |
| Gross Profit | 561 | 583 | 663 | 787 | 862 |
| Other Oper. (Exp)/Inc | (173) | (188) | (194) | (206) | (153) |
| Operating Profit | 136 | 118 | 160 | 288 | 421 |
| Other Non Opg (Exp)/Inc | (8.7) | 22.6 | (13.8) | 26.5 | (30.9) |
| Associates & JV Inc | 55.8 | 92.7 | 77.5 | 40.2 | 7.42 |
| Net Interest (Exp)/Inc | (74.6) | (61.4) | (141) | (174) | (215) |
| Exceptional Gain/(Loss) | 110 | 1,413 | 196 | (1.2) | 111 |
| Pre-tax Profit | 218 | 1,585 | 279 | 180 | 293 |
| Tax | (59.5) | (433) | (110) | (62.0) | (61.8) |
| Minority Interest | (28.8) | (25.8) | (3.1) | (51.1) | 19.6 |
| Net Profit | 130 | 1,018 | 93.3 | 30.2 | 178 |
| Net profit bef Except. | 19.9 | (396) | (102) | 31.4 | 67.3 |
| EBITDA | 324 | 371 | 362 | 487 | 519 |
| Growth | | | | | |
| Revenue Gth (%) | 20.3 | 2.7 | 23.7 | 48.5 | (17.2) |
| EBITDA Gth (%) | 152.8 | 14.6 | (2.4) | 34.6 | 6.4 |
| Opg Profit Gth (%) | 77.7 | (13.2) | 35.9 | 79.9 | 46.3 |
| Net Profit Gth (%) | (504.4) | 684.3 | (90.8) | (67.6) | 489.6 |
| Margins | | | | | |
| Gross Margins (%) | 39.1 | 39.6 | 36.4 | 29.1 | 38.5 |
| Opg Profit Margins (%) | 9.5 | 8.0 | 8.8 | 10.6 | 18.8 |
| Net Profit Margins (%) | 9.0 | 69.1 | 5.1 | 1.1 | 8.0 |

Balance Sheet (\$m)

| FY Dec | 2021A | 2022A | 2023A | 2024F | 2025F |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|
| Net Fixed Assets | 5,362 | 4,061 | 4,213 | 4,359 | 4,505 |
| Invts in Associates & JVs | 1,854 | 2,347 | 2,475 | 2,540 | 2,594 |
| Other LT Assets | 5,908 | 5,994 | 7,450 | 7,450 | 7,450 |
| Cash | 2,101 | 2,363 | 2,400 | 4,666 | 5,223 |
| ST Investment | 26.9 | 7.10 | 5.77 | 5.77 | 5.77 |
| Inventory | 477 | 532 | 961 | 15.6 | 17.1 |
| Debtors | 1,914 | 1,626 | 1,810 | 1,084 | 1,210 |
| Net Intangibles Assets | 1.88 | 1.71 | 1.61 | 1.61 | 1.61 |
| Other Current Assets | 6,239 | 6,052 | 4,919 | 4,431 | 3,992 |
| Total Assets | 23,882 | 22,981 | 24,234 | 24,552 | 24,997 |
| ST Debt | 5,207 | 2,354 | 3,935 | 3,935 | 3,935 |
| Creditor | 1,470 | 1,466 | 1,324 | 1,523 | 1,664 |
| Other Current Liab | 1,221 | 1,097 | 448 | 306 | 317 |
| LT Debt | 6,198 | 7,315 | 8,362 | 8,362 | 8,362 |
| Other LT Liabilities | 465 | 1,183 | 626 | 626 | 626 |
| Shareholder's Equity | 8,401 | 9,216 | 9,180 | 9,403 | 9,655 |
| Minority Interests | 918 | 348 | 359 | 397 | 438 |
| Total Cap. & Liab. | 23,880 | 22,981 | 24,234 | 24,552 | 24,997 |
| Non-Cash Wkg. Capital | 5,940 | 5,646 | 5,918 | 3,702 | 3,238 |
| Net Cash/(Debt) | (9,277) | (7,298) | (9,890) | (7,624) | (7,067) |
| Debtors Turn (avg days) | 249.9 | 196.2 | 126.9 | 110.2 | 78.3 |
| Creditors Turn (avg days) | 377.3 | 302.7 | 167.6 | 210.8 | 214.2 |
| Inventory Turn (avg days) | 65.3 | 104.1 | 89.7 | 72.4 | 2.2 |
| Asset Turnover (x) | 0.1 | 0.1 | 0.2 | 0.2 | 0.2 |
| Current Ratio (x) | 1.4 | 2.2 | 1.8 | 1.8 | 1.8 |
| Quick Ratio (x) | 0.5 | 0.8 | 0.7 | 1.0 | 1.1 |
| Net Debt/Equity (X) | 1.1 | 0.8 | 1.1 | 0.8 | 0.8 |
| Net Debt/Equity ex MI (X) | 1.1 | 0.8 | 1.1 | 0.8 | 0.7 |
| Capex to Debt (%) | 0.7 | (7.5) | 6.3 | 3.3 | 3.3 |

Source: Company, DBS Bank Ltd

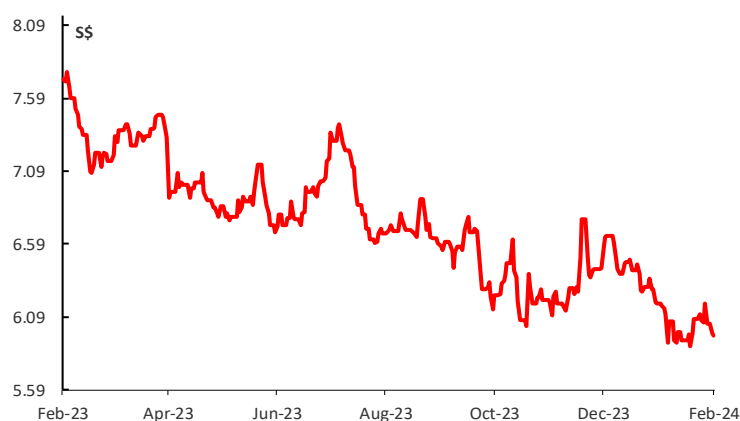
City Developments

Cash Flow Statement (S\$m)

| FY Dec | 2021A | 2022A | 2023A | 2024F | 2025F |
|-------------------------|----------------|--------------|----------------|--------------|--------------|
| Pre-Tax Profit | 140 | 1,314 | 349 | 465 | 508 |
| Dep. & Amort. | 278 | 276 | 254 | 254 | 254 |
| Tax Paid | (100.0) | (338) | (226) | (226) | (83.7) |
| Assoc. & JV Inc/(loss) | (107) | (170) | (47.7) | (46.4) | (36.0) |
| Chg in Wkg.Cap. | 814 | (177) | 242 | 2,358 | 453 |
| Other Operating CF | 111 | (1,032) | 379 | 0.0 | 0.0 |
| Net Operating CF | 1,134 | (126) | 950 | 2,805 | 1,096 |
| Capital Exp.(net) | (77.9) | 723 | (776) | (400) | (400) |
| Other Invt.(net) | (684) | (116) | (851) | 0.0 | 0.0 |
| Invt. in Assoc. & JV | (143) | (124) | (355) | (100.0) | (100.0) |
| Div from Assoc & JV | 20.7 | 95.5 | 81.5 | 81.5 | 81.5 |
| Other Investing CF | 20.9 | 201 | 40.5 | 0.0 | 0.0 |
| Net Investing CF | (863) | 780 | (1,860) | (418) | (418) |
| Div Paid | (174) | (222) | (206) | (120) | (120) |
| Chg in Gross Debt | (931) | 82.2 | 1,611 | 0.0 | 0.0 |
| Capital Issues | 0.0 | 0.0 | (25.8) | 0.0 | 0.0 |
| Other Financing CF | (173) | (150) | (653) | 0.0 | 0.0 |
| Net Financing CF | (1,277) | (290) | 726 | (120) | (120) |
| Currency Adjustments | (19.6) | (102) | 221 | 0.0 | 0.0 |
| Chg in Cash | (1,026) | 263 | 37.2 | 2,266 | 557 |
| Opg CFPS (S cts) | 35.3 | 5.65 | 78.1 | 49.2 | 70.9 |
| Free CFPS (S cts) | 116 | 65.9 | 19.2 | 265 | 76.7 |

Source: Company, DBS Bank Ltd

Target Price & Ratings 12-mth History



| S.No. | Date of Report | Closing Price | 12-mth Target Rating Price |
|-------|----------------|---------------|----------------------------|
|-------|----------------|---------------|----------------------------|

NIL

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

Source: DBS Bank Ltd

Analyst: Rachel TAN

Derek TAN

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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: 29 Feb 2024 08:25:17 (SGT)

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