

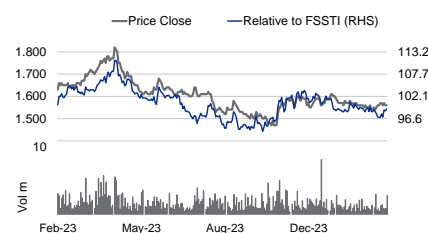
Singapore

ADD (no change)

| | | | |
|-------------------------|------------|--------|--------|
| Consensus ratings*: | Buy 4 | Hold 1 | Sell 1 |
| Current price: | S\$1.56 | | |
| Target price: | S\$1.88 ▲ | | |
| Previous target: | S\$1.82 | | |
| Up/downside: | 20.5% | | |
| CGSI / Consensus: | 9.9% | | |
| Reuters: | SHEN.SI | | |
| Bloomberg: | SSG SP | | |
| Market cap: | US\$1,746m | | |
| | S\$2,346m | | |
| Average daily turnover: | US\$1.56m | | |
| | S\$2.09m | | |
| Current shares o/s: | 1,504m | | |
| Free float: | 42.6% | | |
| *Source: Bloomberg | | | |

Key changes in this note

► Finetuned FY24-25F EPS.

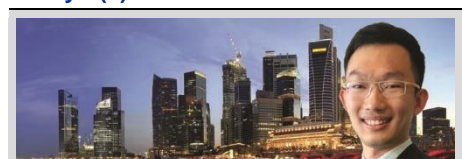


Source: Bloomberg

| | | | |
|--------------------------|-----|------|------|
| Price performance | 1M | 3M | 12M |
| Absolute (%) | 0 | -1.9 | -3.7 |
| Relative (%) | 0.1 | -4.2 | -0.4 |

| | |
|---------------------------|--------|
| Major shareholders | % held |
| SS Holdings | 29.9 |
| Lim Hock Chee | 9.2 |
| Lim Hock Leng | 9.1 |

Analyst(s)



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Sheng Siong Group

Store opening could reaccelerate in FY24F

- 4Q23 net profit of S\$34m (+1% yoy) was in line. Higher operating expenses was offset by continued GPM expansion and higher interest income.
- Store opening likely stronger in FY24F — SSG secured 2 new leases in early-2024; HDB tender pipeline is robust (10 stores in FY24F; double yoy).
- Reiterate Add. We like SSG's ability to deftly navigate business challenges and view it as a defensive play amid macro uncertainties in FY24F.

4Q23: Another set of resilient earnings

Sheng Siong Group's (SSG) 4Q23 net profit of S\$34m (+1% yoy) was in line, with FY23 net profit forming 100%/99% of our/Bloomberg consensus' forecasts. 4Q23 revenue of S\$331m (+1% yoy) was slightly below Bloomberg consensus' expectation — management attributed this to impact from: 1) more outbound travel during the holiday season, and 2) delayed festive effect, with Chinese New Year falling in Feb 2024 compared with Jan in the preceding year. 4Q23 net margin remained flattish yoy, as higher operating expenses were offset by continued GPM expansion (+1.1% pts yoy) and higher interest income.

Store opening likely to reaccelerate in FY24F

FY23 had been a slow year in terms of new store openings for SSG (+2 in Singapore), mainly due to a slower pace of tendering exercise for commercial units by the Housing Development Board (HDB). Out of the five units released for tendering in CY23, SSG secured three units, including two that were only awarded in early-2024. Its supply pipeline is robust for CY24F, with HDB having released four supermarket sites for tendering in Jan 2024, with six more slated for the remainder of the year (according to HDB). We forecast four new store openings in Singapore and one store addition in China for SSG in FY24F.

Deftly navigating business challenges

We forecast 3% EPS growth for FY24F riding on its store count expansion. FY24F revenue outlook remains strong, in our view, buoyed by consumers cutting back on non-essential spending and shifting spend towards groceries and fresh food, coupled with supportive government measures including targeted cash handouts. While competition remains keen in Singapore's supermarket industry, we think SSG's FY23 GPM expansion of +0.6% pt yoy is a testament to its ability to navigate this challenge. SSG continues to see room to improve GPM via sales mix optimisation and margin uplift in the non-fresh category. We think opex pressure could ease in FY24F as SSG has renewed its electricity contract in Oct 2023 for FY24F at lower tariffs yoy and continues to roll out more self-checkout terminals at its stores to improve labour productivity amid rising wages.

Reiterate Add

Reiterate Add as we continue to like SSG as a defensive play amid the current backdrop of elevated inflation and economic slowdown. Our TP rises to S\$1.88 as we roll over our valuation base year to FY25F, still based on 19.6x P/E (0.5 s.d. below 5-year historical mean). Re-rating catalysts: increase in HDB new store tender counts. Downside risks: weaker sales due to contracting grocery demand, and margin erosion from heightened industry competition.

Financial Summary

| | Dec-22A | Dec-23A | Dec-24F | Dec-25F | Dec-26F |
|--------------------------------|---------|---------|---------|---------|---------|
| Revenue (S\$m) | 1,339 | 1,368 | 1,431 | 1,490 | 1,537 |
| Operating EBITDA (S\$m) | 162.9 | 157.4 | 169.2 | 176.6 | 181.2 |
| Net Profit (S\$m) | 133.3 | 133.7 | 138.0 | 144.5 | 148.5 |
| Core EPS (S\$) | 0.089 | 0.089 | 0.092 | 0.096 | 0.099 |
| Core EPS Growth | 0.35% | 0.26% | 3.23% | 4.72% | 2.77% |
| FD Core P/E (x) | 17.60 | 17.55 | 17.00 | 16.23 | 15.80 |
| DPS (S\$) | 0.062 | 0.063 | 0.065 | 0.068 | 0.069 |
| Dividend Yield | 3.99% | 4.01% | 4.14% | 4.33% | 4.45% |
| EV/EBITDA (x) | 12.72 | 12.86 | 11.77 | 10.97 | 10.39 |
| P/FCFE (x) | 14.96 | 13.16 | 14.97 | 12.89 | 12.70 |
| Net Gearing | (60.5%) | (65.3%) | (66.4%) | (70.7%) | (74.3%) |
| P/BV (x) | 5.19 | 4.75 | 4.38 | 4.06 | 3.77 |
| ROE | 30.8% | 28.3% | 26.8% | 26.0% | 24.7% |
| % Change In Core EPS Estimates | | | (1.09%) | (1.37%) | |
| EPS/Consensus EPS (x) | | | 0.98 | 1.00 | |

SOURCES: CGSI RESEARCH, COMPANY REPORTS

Store opening likely to reaccelerate in FY24F

Figure 1: Results comparison

| FYE Dec (\$\$ m) | 4Q23 | 4Q22 | yoy % chg | 3Q23 | qoq % chg | FY23 | FY22 | yoy % chg | Prev FY23F | Comments |
|------------------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---|
| Revenue | 331.4 | 329.2 | 0.7 | 345.8 | (4.2) | 1,367.7 | 1,339.5 | 2.1 | 1,376.3 | FY23 was in line with our expectations (99% of our FY23F), but below streets' (98% of Bloomberg consensus forecast) |
| COGS | (231.0) | (232.9) | (0.8) | (240.9) | (4.1) | (957.2) | (946.0) | 1.2 | (962.0) | |
| Gross profit | 100.4 | 96.3 | 4.3 | 105.0 | (4.3) | 410.5 | 393.5 | 4.3 | 414.3 | |
| Gross margin (%) | 30.3% | 29.2% | | 30.3% | | 30.0% | 29.4% | | | |
| OpEx | (60.5) | (54.6) | 10.8 | (65.5) | (7.6) | (255.1) | (231.3) | 10.3 | (259.9) | |
| EBIT | 39.9 | 41.7 | (4.2) | 39.4 | 1.2 | 155.4 | 162.2 | (4.2) | 154.3 | |
| Interest expense | (0.6) | (0.6) | 2.2 | (0.9) | (34.4) | (3.5) | (2.8) | 26.7 | (4.0) | |
| Interest income | 2.9 | 1.9 | 55.7 | 2.8 | 4.1 | 11.2 | 3.7 | 205.5 | 10.9 | |
| Exceptionals | 0.0 | 0.0 | na | 0.0 | na | 0.0 | 0.0 | na | 0.0 | |
| Pretax profit | 42.3 | 43.0 | (1.6) | 41.4 | 2.2 | 163.1 | 163.1 | 0.0 | 161.2 | |
| Tax | (8.6) | (9.7) | (11.9) | (6.6) | 30.0 | (29.1) | (29.4) | (1.1) | (27.4) | |
| Tax rate (%) | 20.3% | 22.6% | | 16.0% | | 17.9% | 18.1% | | | |
| Minority interests | (0.1) | (0.1) | 54.4 | (0.0) | 195.7 | (0.3) | (0.3) | 2.1 | (0.3) | |
| Net profit | 33.6 | 33.2 | 1.2 | 34.7 | (3.3) | 133.7 | 133.3 | 0.3 | 133.5 | |
| Core net profit | 33.6 | 33.2 | 1.2 | 34.7 | (3.3) | 133.7 | 133.3 | 0.3 | 133.5 | In line, FY23 formed 100% of our and 99% of Bloomberg consensus forecast |
| EPS (Scts/share) | 2.2 | 2.2 | 1.2 | 2.3 | (3.3) | 8.9 | 8.9 | 0.3 | 8.9 | |
| Core EPS (Scts/share) | 2.2 | 2.2 | 1.2 | 2.3 | (3.3) | 8.9 | 8.9 | 0.3 | 8.9 | |

SOURCES: CGSI RESEARCH, COMPANY REPORTS

Figure 2: Quarterly results summary

| | 1Q21 | 2Q21 | 3Q21 | 4Q21 | 1Q22 | 2Q22 | 3Q22 | 4Q22 | 1Q23 | 2Q23 | 3Q23 | 4Q23 | qoq (%) | yoy (%) |
|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|----------|-----------|
| Revenue | 337.5 | 344.1 | 348.1 | 340.0 | 358.0 | 318.8 | 333.5 | 329.2 | 356.5 | 333.9 | 345.8 | 331.4 | -4.2% | 0.7% |
| Gross margin (%) | 27.6% | 28.9% | 29.0% | 29.4% | 28.7% | 30.2% | 29.4% | 29.2% | 28.8% | 30.6% | 30.3% | 30.3% | 0.0% pts | 1.1% pts |
| Operating margin (%) | 11.2% | 12.4% | 12.0% | 11.8% | 12.1% | 12.2% | 11.5% | 12.7% | 10.9% | 11.1% | 11.4% | 12.1% | 0.6% pts | -0.6% pts |
| Net profit | 30.8 | 35.1 | 34.4 | 32.5 | 35.1 | 32.3 | 32.8 | 33.2 | 33.2 | 32.1 | 34.7 | 33.6 | -3.3% | 1.2% |

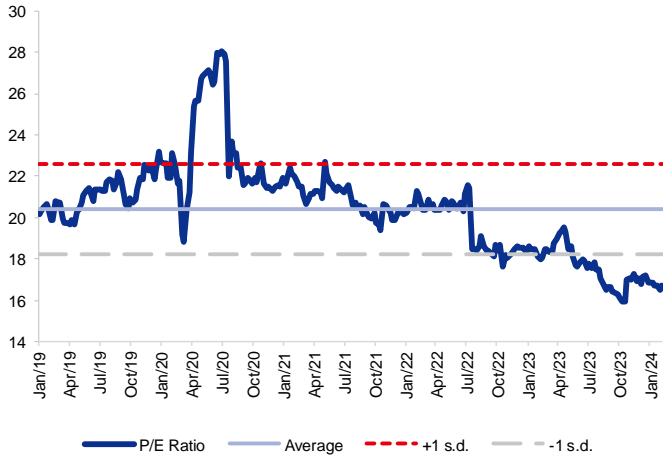
SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

Figure 3: Earnings revision

| FYE Dec (\$\$ m) | New | | Old | | % change | |
|------------------------|---------|---------|---------|---------|----------|-------|
| | FY24F | FY25F | FY24F | FY25F | FY24F | FY25F |
| Revenue | 1,430.8 | 1,490.2 | 1,437.8 | 1,504.0 | -0.5% | -0.9% |
| Gross profit | 429.8 | 448.0 | 433.1 | 453.5 | -0.8% | -1.2% |
| Net profit | 138.0 | 144.5 | 139.5 | 146.5 | -1.1% | -1.4% |
| Core net profit | 138.0 | 144.5 | 139.5 | 146.5 | -1.1% | -1.4% |
| Basic EPS (Scts/share) | 9.2 | 9.6 | 9.3 | 9.7 | -1.1% | -1.4% |

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

Figure 4: Historical P/E trend



SOURCES: CGSI RESEARCH, BLOOMBERG

Figure 5: Historical P/BV trend



SOURCES: CGSI RESEARCH, BLOOMBERG


Figure 6: Peer comparison

| Company | Bloomberg Ticker | Recom. | Price (1cl curr) | Target Price (1cl curr) | Market Cap (US\$ m) | P/E (x) CY23F | P/E (x) CY24F | 2-year EPS CAGR (%) | P/BV (x) CY23F | Recurring ROE (%) CY23F | Dividend Yield (%) CY23F |
|--|------------------|--------|------------------|-------------------------|---------------------|---------------|---------------|---------------------|----------------|-------------------------|--------------------------|
| DFI Retail Group | DFI SP | Hold | 2.16 | 2.90 | 2,924 | 17.3 | 11.4 | 115.8% | 2.93 | 17.3% | 3.6% |
| Sheng Siong Group | SSG SP | ADD | 1.56 | 1.88 | 1,746 | 17.5 | 17.0 | 3.6% | 4.75 | 27.8% | 4.0% |
| Singapore grocery retail simple average | | | | | | 17.4 | 14.2 | 59.7% | 3.8 | 22.5% | 3.8% |
| Sun Art Retail Group | 6808 HK | Hold | 1.30 | 1.10 | 1,585 | na | 221.1 | na | 0.49 | -1.1% | 1.8% |
| Yonghui Superstores | 601933 CH | Hold | 2.65 | 3.20 | 3,341 | 106.3 | 31.9 | na | 3.28 | 3.1% | 0.0% |
| Jiajiayue Group Co Ltd | 603708 CH | NR | 10.15 | na | 900 | 28.7 | 19.9 | 138.3% | 2.73 | 9.3% | 1.7% |
| Hong Kong/China grocery retail simple average | | | | | | 67.5 | 91.0 | 138.3% | 2.2 | 3.8% | 1.2% |
| 7-Eleven Malaysia Holdings | SEM MK | Hold | 2.00 | 2.10 | 466 | 26.0 | 25.6 | -1.9% | 14.27 | 62.1% | 2.3% |
| Aeon Co M Bhd | AEON MK | NR | 1.13 | na | 333 | 13.8 | 12.7 | 6.0% | 0.86 | 6.3% | 3.5% |
| Malaysia retail simple average | | | | | | 26.0 | 25.6 | -1.9% | 14.3 | 62.1% | 2.3% |
| Ace Hardware Indonesia Tbk P | ACES IJ | NR | 840 | na | 918 | 19.4 | 17.0 | 12.7% | 2.34 | 12.1% | 2.9% |
| Ramayana Lestari Sentosa Tbk | RALS IJ | NR | 498 | na | 225 | 11.2 | 10.2 | -6.7% | 0.88 | 7.8% | 7.5% |
| Mitra Adiperkasa Tbk PT | MAPI IJ | NR | 1,935 | na | 2,047 | 15.1 | 13.2 | 7.0% | 3.18 | 21.4% | 0.4% |
| Industri Jamu Dan Farmasi Sidi | SIDO IJ | NR | 610 | na | 1,176 | 19.2 | 18.0 | -4.2% | 5.45 | 27.6% | 4.8% |
| Indonesia retail simple average | | | | | | 16.2 | 14.6 | 2.2% | 3.0 | 17.2% | 3.9% |
| Puregold Price Club Inc | PGOLD PM | Add | 27.95 | 45.77 | 1,435 | 8.9 | 8.0 | 3.9% | 0.90 | 10.5% | 3.1% |
| Robinsons Retail Holdings Inc | RRHI PM | Add | 36.50 | 50.22 | 948 | 13.0 | 7.7 | 10.2% | 0.71 | 5.6% | 5.5% |
| Philippines grocery retail average | | | | | | 11.0 | 7.8 | 7.1% | 0.8 | 8.0% | 4.3% |
| CP All | CPALL TB | Add | 58.50 | 73.50 | 14,656 | 28.9 | 23.8 | 22.7% | 4.68 | 16.8% | 1.7% |
| Berli Jucker | BJC TB | Hold | 24.30 | 25.00 | 2,716 | 20.0 | 15.1 | 13.3% | 0.81 | 4.0% | 3.3% |
| Home Product Center | HMPRO TB | Add | 10.90 | 12.90 | 3,998 | 22.3 | 21.0 | 4.7% | 5.61 | 25.5% | 3.7% |
| Thai grocery retail simple average | | | | | | 23.7 | 20.0 | 13.6% | 3.7 | 15.5% | 2.9% |
| Average (simple) | | | | | | 27.0 | 28.9 | 36.5% | 4.6 | 21.5% | 3.1% |
| Average (simple) - Excluding DFI | | | | | | 27.0 | 29.3 | 27.1% | 4.8 | 22.4% | 3.1% |

DATA AS AT 28 FEB 2024

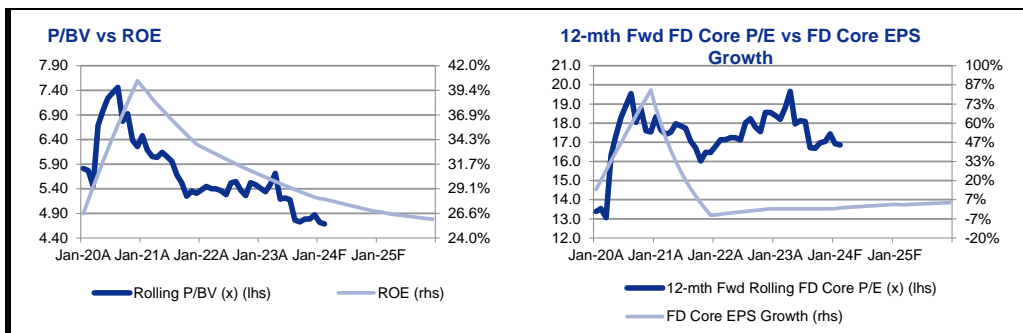
SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG

Note: Forecasts for Not Rated (NR) companies are based on Bloomberg consensus' estimates

| Refinitiv ESG Scores | | | | | | | |
|--|--|--------------------------|-----------------------------------|------------------------------|-----------------------------------|------------------------------|-----------------------------------|
|  | <table border="1"> <tr> <td style="background-color: #f4a460; color: white; text-align: center;">C- ESG Score</td> <td style="background-color: #2e8b57; color: white; text-align: center;">A+ ESG Controversies Score</td> <td style="background-color: #f4a460; color: white; text-align: center;">C- ESG Combined Score</td> <td style="background-color: #c4c460; color: white; text-align: center;">C ESG Environment Pillar Score</td> <td style="background-color: #c4c460; color: white; text-align: center;">C ESG Social Pillar Score</td> <td style="background-color: #f4a460; color: white; text-align: center;">D+ ESG Government Pillar Score</td> </tr> </table> | C- ESG Score | A+ ESG Controversies Score | C- ESG Combined Score | C ESG Environment Pillar Score | C ESG Social Pillar Score | D+ ESG Government Pillar Score |
| C- ESG Score | A+ ESG Controversies Score | C- ESG Combined Score | C ESG Environment Pillar Score | C ESG Social Pillar Score | D+ ESG Government Pillar Score | | |
| <p>ESG in a nutshell</p> <p>We see SSG’s market share gain over the past four years as a proxy indicator for its success on multiple fronts, including: 1) consumer satisfaction, 2) pricing/affordability of goods sold, and 3) quality of product offerings. We also believe SSG has good social practices in place, as seen from its high emphasis on employee wellbeing. SSG is working on further diversifying its product sourcing to ensure the resiliency of its supply chain, including working with more local partners and suppliers to promote the uptake of local produce.</p> | | | | | | | |
| <p>Keep your eye on</p> <p>SSG is now working with local partners and suppliers to promote the uptake of local produce, in line with Singapore’s “30 by 30” vision (for 30% of Singapore’s nutritional needs to be supplied locally by 2030) and to support “made in Singapore” products.</p> | <p>Implications</p> <p>The focus on food security in Singapore has sharpened following the Covid-19 pandemic, which highlighted just how connected the world has become. With global supply chains constantly at risk of disruption due to lockdown measures around the world, the need to have a diversified sourcing strategy has become ever more crucial to ensure minimal disruptions to goods flow, as well as pricing competitiveness.</p> | | | | | | |
| <p>ESG highlights</p> <p>SSG’s market share of Singapore’s supermarket/hypermarket segment grew in 2022 despite keen competition. Prior to 2022, SSG’s market share grew from about 14.0% in 2017 to 14.9% in 2018, 16.2% in 2019, and 18.0% in 2020, according to NielsenIQ.</p> | <p>Implications</p> <p>We are pleased that SSG has been able to achieve continued market share growth. We believe that market share is a good proxy indicator for its success on multiple fronts, including: 1) consumer satisfaction, 2) pricing/affordability of goods sold, and 3) quality of product offerings.</p> | | | | | | |
| <p>Trends</p> <p>SSG’s energy intensity rose to 0.261 megajoules per S\$ revenue in FY22 from 0.249 in FY21. Meanwhile, its GHG emissions intensity also rose slightly to 0.05 kg CO2e per S\$ revenue in FY22, compared with 0.04 kg CO2e per S\$ revenue in FY21. To minimise future energy usage, SSG has fitted out all its outlets with LED lights (as of end FY22), potentially reducing lighting energy consumption by up to 80% (according to the group’s FY22 sustainability report).</p> | <p>Implications</p> <p>We like that SSG is taking steps to improve its energy efficiency and reduce its carbon footprint. Further energy conservation initiatives could result in both cost savings and better investor interest, in our view.</p> | | | | | | |

SOURCES: CGSI RESEARCH, REFINITIV

BY THE NUMBERS



Profit & Loss

| (\$m) | Dec-22A | Dec-23A | Dec-24F | Dec-25F | Dec-26F |
|---|--------------|--------------|--------------|--------------|--------------|
| Total Net Revenues | 1,339 | 1,368 | 1,431 | 1,490 | 1,537 |
| Gross Profit | 393 | 411 | 430 | 448 | 463 |
| Operating EBITDA | 163 | 157 | 169 | 177 | 181 |
| Depreciation And Amortisation | (20) | (18) | (19) | (18) | (18) |
| Operating EBIT | 143 | 139 | 150 | 158 | 164 |
| Financial Income/(Expense) | 1 | 8 | 7 | 7 | 6 |
| Pretax Income/(Loss) from Assoc. | 0 | 0 | 0 | 0 | 0 |
| Non-Operating Income/(Expense) | 19 | 16 | 11 | 11 | 11 |
| Profit Before Tax (pre-EI) | 163 | 163 | 168 | 175 | 180 |
| Exceptional Items | | | | | |
| Pre-tax Profit | 163 | 163 | 168 | 175 | 180 |
| Taxation | (29) | (29) | (29) | (31) | (32) |
| Exceptional Income - post-tax | | | | | |
| Profit After Tax | 134 | 134 | 138 | 145 | 149 |
| Minority Interests | (0) | (0) | (0) | (0) | (0) |
| Preferred Dividends | 0 | 0 | 0 | 0 | 0 |
| FX Gain/(Loss) - post tax | | | | | |
| Other Adjustments - post-tax | | | | | |
| Net Profit | 133 | 134 | 138 | 144 | 148 |
| Recurring Net Profit | 133 | 134 | 138 | 144 | 148 |
| Fully Diluted Recurring Net Profit | 133 | 134 | 138 | 144 | 148 |

Cash Flow

| (\$m) | Dec-22A | Dec-23A | Dec-24F | Dec-25F | Dec-26F |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|
| EBITDA | 162.9 | 157.4 | 169.2 | 176.6 | 181.2 |
| Cash Flow from Inv. & Assoc. | | | | | |
| Change In Working Capital | (25.7) | 2.9 | (16.9) | 2.6 | 2.0 |
| (Incr)/Decr in Total Provisions | 0.0 | 0.0 | (0.4) | (0.4) | (0.4) |
| Other Non-Cash (Income)/Expense | | | | | |
| Other Operating Cashflow | 53.5 | 54.4 | 48.3 | 48.1 | 47.6 |
| Net Interest (Paid)/Received | (2.8) | (3.5) | (4.0) | (4.0) | (4.0) |
| Tax Paid | (21.2) | (34.0) | (29.3) | (30.7) | (31.6) |
| Cashflow From Operations | 166.8 | 177.1 | 166.9 | 192.1 | 194.9 |
| Capex | (8.8) | (10.2) | (10.2) | (10.2) | (10.2) |
| Disposals Of FAs/subsidiaries | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Acq. Of Subsidiaries/investments | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Investing Cashflow | 3.8 | 11.4 | 0.0 | 0.0 | 0.0 |
| Cash Flow From Investing | (5.0) | 1.2 | (10.2) | (10.2) | (10.2) |
| Debt Raised/(repaid) | (5.0) | 0.0 | 0.0 | 0.0 | 0.0 |
| Proceeds From Issue Of Shares | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Shares Repurchased | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Dividends Paid | (94.0) | (92.0) | (97.0) | (101.6) | (104.4) |
| Preferred Dividends | | | | | |
| Other Financing Cashflow | (34.5) | (37.4) | (27.2) | (27.2) | (27.2) |
| Cash Flow From Financing | (133.5) | (129.5) | (124.2) | (128.8) | (131.6) |
| Total Cash Generated | 28.4 | 48.8 | 32.5 | 53.2 | 53.1 |
| Free Cashflow To Equity | 156.8 | 178.3 | 156.7 | 182.0 | 184.8 |
| Free Cashflow To Firm | 164.6 | 181.8 | 160.7 | 186.0 | 188.8 |

SOURCES: CGSI RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd

Balance Sheet

| (\$m) | Dec-22A | Dec-23A | Dec-24F | Dec-25F | Dec-26F |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Cash And Equivalents | 275.5 | 324.4 | 357.3 | 410.8 | 464.4 |
| Total Debtors | 19.5 | 28.5 | 19.6 | 20.4 | 21.1 |
| Inventories | 101.2 | 91.8 | 82.3 | 85.7 | 88.3 |
| Total Other Current Assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Current Assets | 396.2 | 444.7 | 459.1 | 516.9 | 573.7 |
| Fixed Assets | 291.6 | 283.7 | 274.7 | 266.5 | 259.0 |
| Total Investments | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Intangible Assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Other Non-Current Assets | 97.3 | 101.8 | 101.8 | 101.8 | 101.8 |
| Total Non-current Assets | 388.9 | 385.5 | 376.5 | 368.3 | 360.8 |
| Short-term Debt | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Current Portion of Long-Term Debt | | | | | |
| Total Creditors | 197.5 | 199.9 | 164.5 | 171.3 | 176.6 |
| Other Current Liabilities | 68.3 | 64.0 | 64.0 | 64.0 | 64.0 |
| Total Current Liabilities | 265.8 | 264.0 | 228.6 | 235.4 | 240.7 |
| Total Long-term Debt | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Hybrid Debt - Debt Component | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Other Non-Current Liabilities | 62.6 | 66.9 | 66.9 | 66.9 | 66.9 |
| Total Non-current Liabilities | 62.6 | 66.9 | 66.9 | 66.9 | 66.9 |
| Total Provisions | 1.5 | 2.3 | 2.3 | 2.3 | 2.3 |
| Total Liabilities | 329.9 | 333.2 | 297.8 | 304.6 | 309.9 |
| Shareholders' Equity | 452.2 | 493.8 | 535.0 | 578.2 | 622.6 |
| Minority Interests | 2.9 | 3.2 | 2.9 | 2.6 | 2.3 |
| Total Equity | 455.2 | 497.0 | 537.9 | 580.8 | 624.9 |

Key Ratios

| | Dec-22A | Dec-23A | Dec-24F | Dec-25F | Dec-26F |
|---------------------------|---------|---------|---------|---------|---------|
| Revenue Growth | (2.21%) | 2.11% | 4.61% | 4.15% | 3.14% |
| Operating EBITDA Growth | (4.47%) | (3.41%) | 7.51% | 4.35% | 2.65% |
| Operating EBITDA Margin | 12.2% | 11.5% | 11.8% | 11.8% | 11.8% |
| Net Cash Per Share (\$) | 0.18 | 0.22 | 0.24 | 0.27 | 0.31 |
| BVPS (\$) | 0.30 | 0.33 | 0.36 | 0.38 | 0.41 |
| Gross Interest Cover | 51.64 | 39.65 | 37.53 | 39.55 | 40.89 |
| Effective Tax Rate | 18.1% | 17.9% | 17.5% | 17.5% | 17.5% |
| Net Dividend Payout Ratio | 70.2% | 70.3% | 70.3% | 70.3% | 70.3% |
| Accounts Receivables Days | 4.24 | 6.41 | 6.16 | 4.90 | 4.92 |
| Inventory Days | 38.50 | 36.79 | 31.82 | 29.41 | 29.55 |
| Accounts Payables Days | 79.07 | 75.77 | 66.64 | 58.81 | 59.10 |
| ROIC (%) | 52.5% | 47.5% | 51.5% | 52.6% | 56.8% |
| ROCE (%) | 33.4% | 31.5% | 31.0% | 30.1% | 28.7% |
| Return On Average Assets | 17.4% | 15.8% | 15.9% | 16.2% | 15.8% |

Key Drivers

| | Dec-22A | Dec-23A | Dec-24F | Dec-25F | Dec-26F |
|------------------------------------|---------|---------|---------|---------|---------|
| Acreage addition ('000 sq ft) | 25.0 | 10.0 | 20.0 | 15.0 | 10.0 |
| CGSI calculated rev psf growth (%) | -4.4% | 0.0% | 1.5% | 1.4% | 1.2% |

SOURCES: CGSI RESEARCH, COMPANY REPORTS

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| | | | | | |
|---------------------|-----------|-----------|---------|----------|------------------|
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| Description: | Excellent | Very Good | Good | N/A | N/A |

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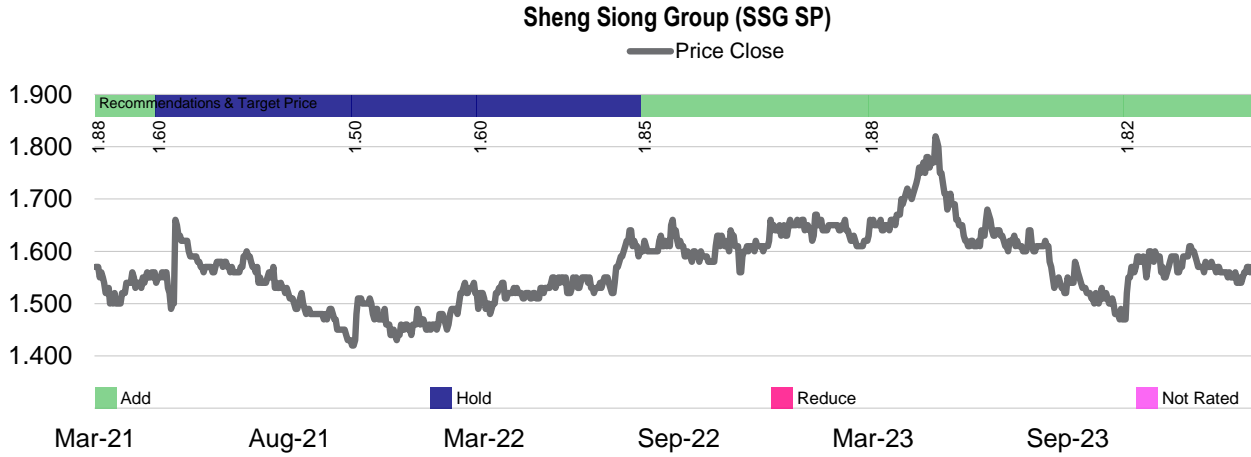
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| Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2023 | | |
|--|-------------------------|--------------------------------|
| 636 companies under coverage for quarter ended on 31 December 2023 | | |
| | Rating Distribution (%) | Investment Banking clients (%) |
| Add | 67.5% | 1.3% |
| Hold | 22.5% | 0.0% |
| Reduce | 10.1% | 0.2% |

Spitzer Chart for stock being researched (2 year data)



Recommendation Framework

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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.
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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.

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