

# Singapore Company Guide

# Del Monte Pacific

Version 4 | Bloomberg: DELM SP | Reuters: DMPL.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

7 Dec 2016

## HOLD

Last Traded Price ( 6 Dec 2016): S\$0.36 (STI : 2,949.12)

Price Target 12-mth: S\$0.37 (4% upside)

**Potential Catalyst:** Stronger turnaround in operational performance

**Where we differ:** Below consensus on higher expenses; preference sharecoupons

### Analyst

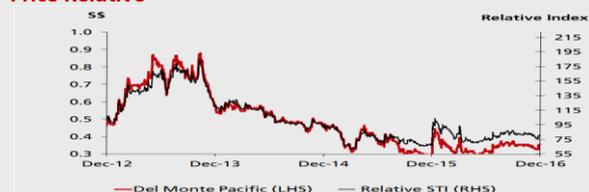
Andy SIM CFA +65 6682 3718 andysim@dbs.com

Alfie YEO +65 6682 3717 alfieyeo@dbs.com

## What's New

- **2Q17 core profits within expectations**
- **Lower US sales offset by strong Asia Pacific performance**
- **Preference shares planned for 1QCY2017**
- **Maintain HOLD, TP: S\$0.37**

### Price Relative



### Forecasts and Valuation

FY Apr (US\$ m)	2015A	2016A	2017F	2018F
Revenue	2,187	2,268	2,394	2,513
EBITDA	91.5	234	223	244
Pre-tax Profit	(66.9)	62.7	57.6	80.3
Net Profit	(43.2)	51.5	36.8	49.0
Net Pft (Pre Ex.)	(43.2)	51.5	36.8	49.0
Net Pft Gth (Pre-ex) (%)	(34.0)	nm	(28.7)	33.3
EPS (S cts)	(4.2)	3.77	2.69	3.58
EPS Pre Ex. (S cts)	(4.2)	3.77	2.69	3.58
EPS Gth Pre Ex (%)	(29)	nm	(29)	33
Diluted EPS (S cts)	(4.2)	3.77	2.69	3.58
Net DPS (S cts)	0.0	1.89	0.0	0.0
BV Per Share (S cts)	19.4	22.1	22.9	26.5
PE (X)	nm	9.4	13.2	9.9
PE Pre Ex. (X)	nm	9.4	13.2	9.9
P/Cash Flow (X)	1.5	16.1	4.9	3.2
EV/EBITDA (X)	23.0	10.0	10.5	9.3
Net Div Yield (%)	0.0	5.3	0.0	0.0
P/Book Value (X)	1.8	1.6	1.6	1.3
Net Debt/Equity (X)	5.2	4.9	2.4	2.1
ROAE (%)	(19.4)	18.1	11.9	14.5

**Earnings Rev (%):** - -  
**Consensus EPS (S cts):** 3.69 4.40  
**Other Broker Recs:** B: 2 S: 0 H: 1

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

## Tracking within expectations

**Maintain HOLD, improvement in US operations and deleveraging are key catalysts.** We maintain our HOLD

recommendation on DMPL with an unchanged TP of S\$0.37. While its Asia Pacific operations are posting strong growth, we believe firmer performance from its US operations (DMFI) and the fruition of its deleveraging plans are keys to the re-rating of the counter.

**2Q17 results within expectations.** 2Q17 revenue was US\$636m (-4.6% y-o-y) while core recurring net profit ended at US\$20m (+33% y-o-y). Revenue decline was dragged by DMFI (its US operations) sales which dropped by 9.3% y-o-y to US\$492m, offset partially by Asia Pacific sales which grew 21% y-o-y to US\$141m. Gross margin improved 0.7ppt to 23.1%, while core EBIT was US\$54m (+3% y-o-y) stripping out a one-off gain from 2Q16 (US\$33.4m, due to write-back of retirement plan benefits).

**Preference shares planned for launch in early 2017.** DMPL's planned issuance of an initial US\$250m tranche of perpetual preference shares has been deferred from end-2016 to beginning 2017. It is now awaiting approval from the Philippine Stock Exchange. It hopes to launch the preference shares in early CY17 subject to market conditions. We have factored US\$250m (coupon rate of 6.5%) in our forecasts and estimate this to lower the group's gearing to 2.4x/2.1x by end-FY17F/18F.

### Valuation:

Our target price is maintained at S\$0.37 based on 12x FY17F/18F PE (post preference share coupon). This is at a 40% discount to consumer peers listed in the US and Philippines, given its higher gearing and uncertainty on the pace of its growth, particularly for its US operations.

### Key Risks to Our View:

**Turnaround in performance.** The main proposition of our recommendation is the turnaround of profit in the absence of non-recurring expenses and better operational performance. This is also contingent on sales, and in turn consumer sentiment and the broader economy.

### At A Glance

Issued Capital (m shrs)	1,943
Mkt. Cap (S\$m/US\$m)	690 / 486
Major Shareholders (%)	
Nutriasia Pacific Ltd	59.4
Bluebell Group Holdings	7.4
Free Float (%)	23.4
3m Avg. Daily Val (US\$m)	0.14

**ICB Industry :** Consumer Goods / Food Producers

**WHAT'S NEW****Tracking within expectations**

**2Q17 results in line.** 2Q17 revenue was US\$636m (-4.6% y-o-y) while core recurring net profit was US\$20m (+33% y-o-y). Revenue decline was dragged by DMFI (its US operations) sales which dropped by 9.3% y-o-y to US\$492m, offset by Asia Pacific sales which grew 21% y-o-y to US\$141m.

Gross margin improved 0.7ppt to 23.1%, while core EBIT was US\$54m (+3% y-o-y) stripping out a one-off gain from 2Q16 of US\$33.4m arising largely from write-back of retirement plan benefits. Including those, headline EBIT fell 37% y-o-y. Core recurring EBIT margins increased from 7.9% to 8.5%, aided by DMFI's operating margins. Asia Pacific's margins ticked up marginally.

**US sales declined marginally, but core recurring margins improved.** The sales decline arose from slower inventory build-up by retailers and weakness in canned fruit and packaged vegetable segments. While gross margin for DMFI declined by 0.2ppt to 20.1% on sales mix, recurring operating margins improved from 7.9% to 8.5%.

The reported headline fall in DMFI's operating margins included a one-time gain of US\$33.4m of retirement benefits in 2Q16. Stripping this out, operating profit would have declined by a mere 4.4% y-o-y due to lower sales.

**Asia Pacific operations continue to grow.** Asia Pacific sales reached US\$251m (+16.5% y-o-y), driven by Packaged Fruit and Others, which grew 32.8% and 48.3% y-o-y respectively. Expanded penetration and increased consumption also in the foodservice channel helped to support revenue growth. There were product launches and re-introduction for Culinary and ketchup products in the Philippines, along with strong sales of S&W brands in fresh and packaged segments, canned fruit, foodservice in Asia and Middle East.

**Gross margins improvement in Asia Pacific.** Gross margins improved to 23.1% in 2Q17, from 22.4% a year ago. On the back of that, operating margins ticked up slightly by 10bps to 12.6%, from 12.5% in 2Q16.

Productivity improvements have led to better operating expenses including the production and plantation functions.

Philippines market continued to show a strong performance, with sales growing by 12% y-o-y (in PHP terms, or +10% in USD terms). We estimate that sales in Philippines account for about 16% of group sales in 1H17. In addition, growth in the Asia Pacific was helped by the improved sales of S&W brands (packaged and fresh fruits), particularly in China and Middle East.

**Preference shares planned for launch in early 2017.** DMPL's planned issuance of an initial US\$250m tranche of perpetual preference shares has been deferred from end-2016 to beginning 2017. The Philippines SEC has recently approved its rules for PSE's dollar-denominated securities. It is now awaiting approval from the Philippine Stock Exchange. It hopes to launch the preference shares in early CY17 subject to market conditions. The planned preference share issuance has been accounted for in our forecasts. We have assumed a coupon rate of 6.5%.

**Forecasts and Valuation**

**1H17 results tracking within forecasts.** While 1H17 profits account for 31% of our full-year forecasts (post preference share coupon), we expect a further improvement in 2H17. Note that 1Q is usually the slowest season, with losses registered. We are maintaining our estimates for now.

**Maintain HOLD, TP: S\$0.37.** We are maintain our HOLD recommendation with an unchanged TP of S\$0.37, based on 12x FY17F/18F PE (post preference share coupon). While DMPL (ex-DMFI) operations are posting strong results, the pace of improvement at DMFI (US operations) will probably need some time given its competitive and matured market. We believe the route to achieve a similar core EPS prior to the acquisition of DMFI would likely take place only in FY18F. While the stock now trades at a seemingly undemanding PE of 13.9x FY17F PE, the uncertainties on the pace of growth, coupled with the outcome of the preference shares to deleverage the group, could hold back a significant re-rating of the counter.

**Quarterly / Interim Income Statement (US\$m)**

FY Apr	2Q2016	1Q2017	2Q2017	% chg yoy	% chg qoq	Comments
Revenue	667	466	636	(4.6)	36.7	Lower sales from US, offset partially by growth in Asia Pacific
Cost of Goods Sold	(517)	(372)	(489)	(5.4)	31.6	
<b>Gross Profit</b>	<b>149</b>	<b>93.6</b>	<b>147</b>	<b>(1.6)</b>	<b>57.0</b>	
Other Oper. (Exp)/Inc	(63.3)	(86.8)	(92.7)	46.4	6.8	2Q16 includes US\$33.4m one-off gains, of which US\$39.4m came from retirement plan amendment. 2Q17 includes a US\$1.5m charge due to closure of plant and severance package.
<b>Operating Profit</b>	<b>86.1</b>	<b>6.76</b>	<b>54.2</b>	<b>(37.0)</b>	<b>702.3</b>	Excluding the one-off items, operating profit up by 6%
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	nm	nm	
Associates & JV Inc	(0.3)	(0.4)	(0.4)	(28.3)	(16.2)	
Net Interest (Exp)/Inc	(23.8)	(26.6)	(25.1)	(5.3)	5.9	
Exceptional Gain/(Loss)	0.0	0.0	0.0	nm	nm	
<b>Pre-tax Profit</b>	<b>61.9</b>	<b>(20.2)</b>	<b>28.7</b>	<b>(53.6)</b>	<b>nm</b>	
Tax	(9.3)	9.41	(7.7)	(17.3)	(181.6)	
Minority Interest	(4.9)	2.10	(0.9)	82.1	(141.7)	
<b>Net Profit</b>	<b>47.8</b>	<b>(8.7)</b>	<b>20.2</b>	<b>(57.8)</b>	<b>nm</b>	Recurring profit up by 33%
Net profit bef Except.	47.8	(8.7)	20.2	(57.8)	nm	
Net profit (excluding one-offs)	15.9	(8.7)	20.2	33.0	nm	
EBITDA	85.7	6.40	67.7	(21.0)	958.4	
<b>Margins (%)</b>						
Gross Margins	22.4	20.1	23.1			
Opg Profit Margins	12.9	1.5	8.5			
Net Profit Margins	7.2	(1.9)	3.2			

Source of all data: Company, DBS Bank

**One-off items in 2Q16 vs 2Q17**

In US\$ m	2Q FY16	2Q FY17	Booked under
Closure of North Carolina plant	-	1.2	CGS
ERP implementation at DMFI	2.0	-	G&A expense
Sager Creek integration	1.3	-	G&A expense
Severance	2.7	0.3	G&A expense
Retirement plan amendment	(39.4)	-	G&A expense
<b>Total (pre-tax basis)</b>	<b>(33.4)</b>	<b>1.5</b>	
<b>Total (net of tax and minority interest)</b>	<b>(31.9)</b>	<b>0.9</b>	

Source: Company presentation

**CRITICAL DATA POINTS TO WATCH**

**Earnings Drivers:**

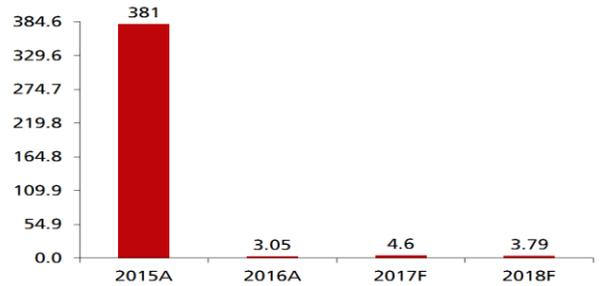
**Main revenue contributor is from the US.** With the acquisition of Del Monte Foods Inc. (DMFI) in 2012, DMPL's largest revenue contribution comes from the Americas, accounting for c.78% of group revenue. Since the acquisition, the group has reverted to competitive pricing levels for its products, reintroduced the well-recognised classic Del Monte label as well as partnered with complementary brands such as Tyson Foods, Walmart and Fleischmann's ® Yeast to drive top-line growth. Also, recipes using the group's products are distributed for free across magazines and the internet.

**Asia Pacific growth driven by Philippines, Middle East.** With the Philippines economy growing at a healthy rate, we project consumption to continue on an uptrend. This will benefit the group given that it is the market leader in the processed fruits and vegetables segment. New products such as the 1L tetra juice drinks are also well received by consumers. Sales of Del Monte in the Philippines were up 12% (in peso terms) and S&W brands' business sales in Asia and the Middle East grew by 8% in FY16. While Asia Pacific and the Philippines contribute only 22% of revenue in FY16, the strong growth in revenue from these markets will be important for the group's organic growth.

**Leveraging on its US operations.** In the short term, canned pineapple products from the Philippines are sold in the US market to generate top-line growth. Given the group's success in this product segment in its Asian and Philippine markets, this strategy will likely generate positive results. In the medium term, the group is focused on developing the Del Monte range of products for the ethnic markets (Hispanics, Asians) in the US. The group is also planning to use its US operations as a base to penetrate into the South and Central American markets.

**Synergistic benefits from acquisitions.** Product teams from the different markets are able to share product knowledge, map out product innovations, and identify cross-border selling opportunities. This will help to ensure that resources are more effectively deployed across the group. Furthermore, the acquisition of Sager Creek has enabled the group to expand rapidly into foodservice and new vegetable segments. It is also reported that this acquisition will achieve significant operating synergies in terms of production and distribution in the US market.

**Americas rev gwth %**



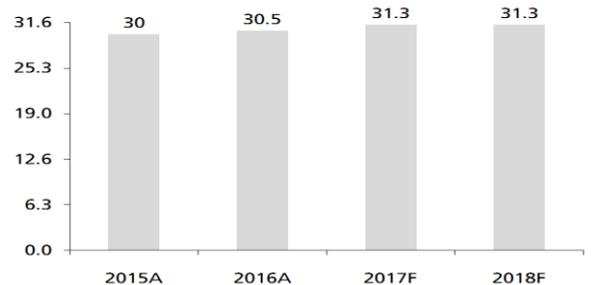
**Americas GP mgn**



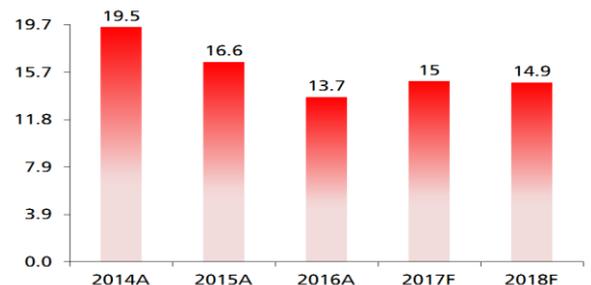
**Asia Pac rev gwth %**



**Asia Pac GP mgn**



**SG&A as % of sales**



Source: Company, DBS Bank

**Balance Sheet:**

**High gearing due to leverage for buyout.** Gearing is high and stood at c.5x as of end-FY16, but is projected to drop to 2.4x by end-FY17F based on our assumptions/projections. Management is focused on de-leveraging its balance sheet and is looking to issue preference shares.

**Capex to moderate.** With the group now focused on the integration of the acquired businesses (DMFI & Sager Creek), capex should be significantly lower as no further significant acquisitions are planned.

**Share Price Drivers:**

**Pace of earnings turnaround.** Since the acquisition of DMFI, the group registered losses for FY14 and FY15. It registered a profit in FY16, as per expectations. However, we expect ongoing pace of growth, while robust from a relatively low base, will be slower than previously envisaged. An improvement in the pace would aid in driving the share price up.

**Key Risks:**

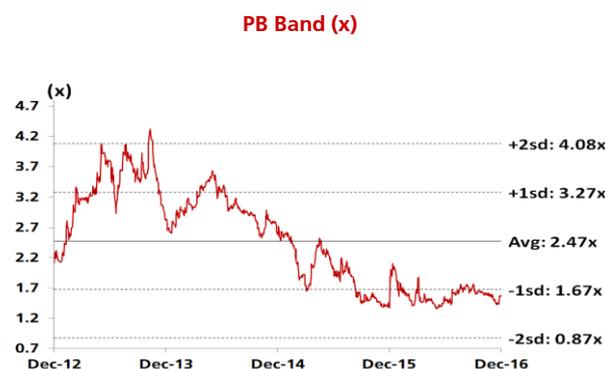
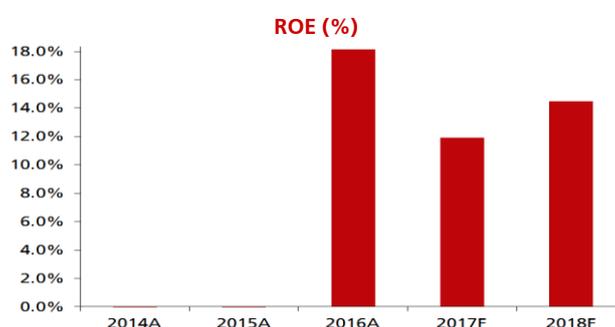
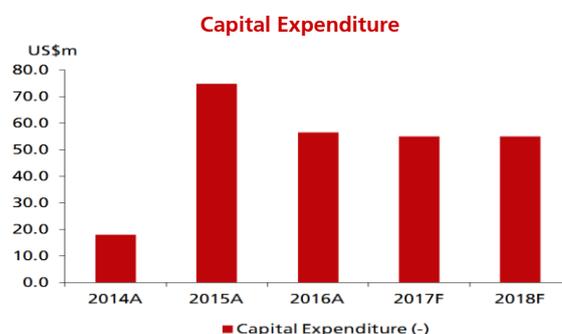
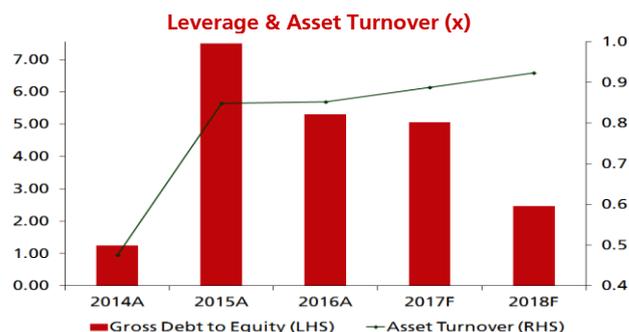
**Higher interest costs.** While a portion of loans has been swapped to a fixed rate, a higher interest rate environment could undermine future refinancing options.

**Performance turnaround; raw material price.** We expect operational performance to improve in the absence of one-off expenses, coupled with better efficiencies. This is contingent on sales, and in turn consumer sentiment and the broader economy.

**Overhang from potential preference share issuance.** The terms and actual timing of the preference share issuance and fruition are uncertain, and will depend on market conditions.

**Company Background**

Del Monte Pacific Limited is a consumer F&B-focused group. It acquired the consumer food business of Del Monte Corp in the US and completed the deal in February 2014 and thus extending the footprint of the group to the US and South America, along with trademarks such as Del Monte, S&W, Contadina, College Inn, etc. The group now has exclusive rights to use the Del Monte trademarks for packaged products in the United States, South America, the Philippines, Indian subcontinent and Myanmar. It owns another premium brand, S&W, globally except in Australia and New Zealand.



Source: Company, DBS Bank

## Del Monte Pacific

## Key Assumptions

FY Apr	2015A	2016A	2017F	2018F
Americas rev gwth %	381	3.05	4.60	3.79
Americas GP mgn	15.9	18.6	18.6	19.0
Asia Pac rev gwth %	24.7	6.58	9.60	9.60
Asia Pac GP mgn	30.0	30.5	31.3	31.3
SG&A as % of sales	16.6	13.7	15.0	14.9

## Segmental Breakdown

FY Apr	2014A	2015A	2016A	2017F	2018F
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## Revenues (US\$m)

Americas	357	1,717	1,770	1,851	1,921
Asia Pacific	349	436	464	509	558
Europe	36.8	33.7	33.8	33.8	33.8

<b>Total</b>	<b>743</b>	<b>2,187</b>	<b>2,268</b>	<b>2,394</b>	<b>2,513</b>
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## Gross profit (US\$m)

Americas	32.6	273	329	344	365
Asia Pacific	88.4	131	142	159	174
Europe	(0.2)	4.44	11.5	5.67	4.91

<b>Total</b>	<b>121</b>	<b>408</b>	<b>482</b>	<b>509</b>	<b>545</b>
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## Gross profit Margins (%)

Americas	9.1	15.9	18.6	18.6	19.0
Asia Pacific	25.3	30.0	30.5	31.3	31.3
Europe	(0.4)	13.2	34.1	16.8	14.5

<b>Total</b>	<b>16.3</b>	<b>18.7</b>	<b>21.2</b>	<b>21.3</b>	<b>21.7</b>
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## Income Statement (US\$m)

FY Apr	2014A	2015A	2016A	2017F	2018F
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Revenue	743	2,187	2,268	2,394	2,513
Cost of Goods Sold	(622)	(1,779)	(1,786)	(1,885)	(1,968)
<b>Gross Profit</b>	<b>121</b>	<b>408</b>	<b>482</b>	<b>509</b>	<b>545</b>
Other Opng (Exp)/Inc	(154)	(373)	(320)	(359)	(374)
<b>Operating Profit</b>	<b>(33.6)</b>	<b>35.0</b>	<b>162</b>	<b>150</b>	<b>170</b>
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	(4.6)	(2.5)	(1.7)	(1.0)	(0.7)
Net Interest (Exp)/Inc	(22.1)	(99.5)	(97.4)	(91.3)	(89.2)
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0	0.0
<b>Pre-tax Profit</b>	<b>(60.2)</b>	<b>(66.9)</b>	<b>62.7</b>	<b>57.6</b>	<b>80.3</b>
Tax	23.1	17.9	(8.1)	(5.8)	(8.0)
Minority Interest	4.95	5.81	(3.0)	(7.0)	(7.0)
Preference Dividend	0.0	0.0	0.0	(8.1)	(16.3)
<b>Net Profit</b>	<b>(32.2)</b>	<b>(43.2)</b>	<b>51.5</b>	<b>36.8</b>	<b>49.0</b>
Net Profit before Except.	(32.2)	(43.2)	51.5	36.8	49.0
EBITDA	(22.6)	91.5	234	223	244

## Growth

Revenue Gth (%)	51.0	194.2	3.7	5.6	5.0
EBITDA Gth (%)	nm	nm	155.8	(4.7)	9.2
Opg Profit Gth (%)	nm	nm	362.1	(7.3)	13.5
Net Profit Gth (Pre-ex) (%)	nm	(34.0)	nm	(28.7)	33.3

## Margins &amp; Ratio

Gross Margins (%)	16.3	18.7	21.2	21.3	21.7
Opg Profit Margin (%)	(4.5)	1.6	7.1	6.3	6.8
Net Profit Margin (%)	(4.3)	(2.0)	2.3	1.5	1.9
ROAE (%)	(15.9)	(19.4)	18.1	11.9	14.5
ROA (%)	(2.1)	(1.7)	1.9	1.4	1.8
ROCE (%)	(7.5)	2.5	6.3	5.8	6.5
Div Payout Ratio (%)	N/A	N/A	50.2	0.0	0.0
Net Interest Cover (x)	(1.5)	0.4	1.7	1.6	1.9

Source: Company, DBS Bank

**Quarterly / Interim Income Statement (US\$m)**

FY Apr	2Q2016	3Q2016	4Q2016	1Q2017	2Q2017
Revenue	667	594	520	466	636
Cost of Goods Sold	(517)	(472)	(409)	(372)	(489)
<b>Gross Profit</b>	<b>149</b>	<b>122</b>	<b>111</b>	<b>93.6</b>	<b>147</b>
Other Oper. (Exp)/Inc	(63.3)	(97.5)	(52.7)	(86.8)	(92.7)
<b>Operating Profit</b>	<b>86.1</b>	<b>24.5</b>	<b>58.3</b>	<b>6.76</b>	<b>54.2</b>
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	(0.3)	(0.4)	(0.5)	(0.4)	(0.4)
Net Interest (Exp)/Inc	(23.8)	(25.0)	(26.9)	(26.6)	(25.1)
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0	0.0
<b>Pre-tax Profit</b>	<b>61.9</b>	<b>(0.8)</b>	<b>30.9</b>	<b>(20.2)</b>	<b>28.7</b>
Tax	(9.3)	(0.1)	(9.9)	9.41	(7.7)
Minority Interest	(4.9)	1.47	(1.7)	2.10	(0.9)
<b>Net Profit</b>	<b>47.8</b>	<b>0.59</b>	<b>19.3</b>	<b>(8.7)</b>	<b>20.2</b>
Net profit bef Except.	47.8	0.59	19.3	(8.7)	20.2
EBITDA	85.7	24.2	57.8	6.40	67.7

**Growth**

Revenue Gth (%)	39.3	(10.9)	(12.5)	(10.5)	36.7
EBITDA Gth (%)	4,057.2	(71.8)	139.2	(88.9)	958.4
Opg Profit Gth (%)	3,159.3	(71.5)	137.6	(88.4)	702.3
Net Profit Gth (Pre-ex) (%)	nm	(98.8)	3,162.4	nm	nm

**Margins**

Gross Margins (%)	22.4	20.5	21.3	20.1	23.1
Opg Profit Margins (%)	12.9	4.1	11.2	1.5	8.5
Net Profit Margins (%)	7.2	0.1	3.7	(1.9)	3.2

**Balance Sheet (US\$m)**

FY Apr	2014A	2015A	2016A	2017F	2018F
Net Fixed Assets	505	578	564	554	544
Invt in Associates & JVs	21.0	22.6	22.7	21.7	21.0
Other LT Assets	862	925	914	905	896
Cash & ST Invt	28.4	35.6	47.2	27.9	79.0
Inventory	809	750	845	862	861
Debtors	216	224	211	239	251
Other Current Assets	82.5	95.2	90.0	91.0	92.0
<b>Total Assets</b>	<b>2,524</b>	<b>2,630</b>	<b>2,694</b>	<b>2,701</b>	<b>2,744</b>
ST Debt	920	446	727	447	417
Creditor	258	374	301	318	332
Other Current Liab	13.2	17.0	18.1	20.0	22.3
LT Debt	934	1,273	1,116	1,116	1,116
Other LT Liabilities	151	196	167	167	167
Shareholder's Equity	180	266	303	564	613
Minority Interests	67.3	58.6	62.0	69.0	76.0
<b>Total Cap. &amp; Liab.</b>	<b>2,524</b>	<b>2,630</b>	<b>2,694</b>	<b>2,701</b>	<b>2,744</b>
Non-Cash Wkg. Capital	836	678	828	855	850
Net Cash/(Debt)	(1,826)	(1,683)	(1,797)	(1,536)	(1,455)
Debtors Turn (avg days)	80.5	36.8	35.0	34.3	35.6
Creditors Turn (avg days)	99.1	107.5	67.1	72.0	62.3
Inventory Turn (avg days)	108.6	273.0	165.4	170.0	172.1
Asset Turnover (x)	0.5	0.8	0.9	0.9	0.9
Current Ratio (x)	1.0	1.3	1.1	1.6	1.7
Quick Ratio (x)	0.7	0.2	0.3	0.2	0.3
Net Debt/Equity (X)	7.4	5.2	4.9	2.4	2.1
Net Debt/Equity ex MI (X)	10.1	6.3	5.9	2.7	2.4
Capex to Debt (%)	1.0	4.4	3.1	3.5	3.6
Z-Score (X)	0.4	1.1	1.3	1.5	1.6

Source: Company, DBS Bank

## Cash Flow Statement (US\$m)

FY Apr	2014A	2015A	2016A	2017F	2018F
Pre-Tax Profit	(60.2)	(66.9)	62.7	57.6	80.3
Dep. & Amort.	29.0	59.0	74.1	74.1	74.1
Tax Paid	(4.1)	(12.6)	0.0	(3.8)	(5.8)
Assoc. & JV Inc/(loss)	4.57	2.45	1.72	1.00	0.70
Chg in Wkg.Cap.	147	178	(168)	(29.3)	3.01
Other Operating CF	(28.0)	79.3	59.2	0.0	0.0
<b>Net Operating CF</b>	<b>87.9</b>	<b>240</b>	<b>30.1</b>	<b>99.7</b>	<b>152</b>
Capital Exp.(net)	(18.0)	(74.8)	(56.5)	(55.0)	(55.0)
Other Invt.(net)	(1,821)	(76.3)	0.0	0.0	0.0
Invt in Assoc. & JV	(2.3)	(4.3)	(2.0)	0.0	0.0
Div from Assoc & JV	0.0	0.0	0.0	0.0	0.0
Other Investing CF	0.0	0.35	0.36	0.0	0.0
<b>Net Investing CF</b>	<b>(1,842)</b>	<b>(155)</b>	<b>(58.1)</b>	<b>(55.0)</b>	<b>(55.0)</b>
Div Paid	0.0	0.0	0.0	(34.0)	(16.3)
Chg in Gross Debt	1,580	(141)	126	(280)	(30.0)
Capital Issues	0.0	155	0.0	0.0	0.0
Other Financing CF	69.0	(91.0)	(84.8)	250	0.0
<b>Net Financing CF</b>	<b>1,649</b>	<b>(77.3)</b>	<b>41.6</b>	<b>(64.0)</b>	<b>(46.3)</b>
Currency Adjustments	(0.2)	(0.1)	(2.1)	0.0	0.0
Chg in Cash	(105)	7.22	11.6	(19.3)	51.1
Opg CFPS (\$ cts)	(5.9)	5.96	14.5	9.43	10.9
Free CFPS (\$ cts)	7.05	16.0	(1.9)	3.26	7.11

Source: Company, DBS Bank

## Target Price &amp; Ratings 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:	14 Mar 16	0.33	0.39	HOLD
2:	30 Jun 16	0.34	0.37	HOLD
3:	09 Sep 16	0.36	0.37	HOLD

Source: DBS Bank

Analyst: Andy SIM CFA

Alfie YEO

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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 catalysts within this time frame)

*Share price appreciation + dividends*

Completed Date: 7 Dec 2016 08:13:49 (SGT)

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**DBS Bank Ltd**  
12 Marina Boulevard, Marina Bay Financial Centre Tower 3  
Singapore 018982  
Tel. 65-6878 8888  
e-mail: equityresearch@dbs.com  
Company Regn. No. 196800306E