

Singapore Company Guide

Del Monte Pacific

Version 6 | Bloomberg: DELM SP | Reuters: DMPL.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

3 Jul 2017

HOLD

Last Traded Price (30 Jun 2017): S\$0.325 (STI : 3,226.48)

Price Target 12-mth: S\$0.32 (-2% downside) (Prev S\$0.36)

Analyst

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What's New

- **4Q17 core results within expectations, though headline profit impacted by one-offs (US\$14.3m)**
- **Gearing reduced to 2.9x post US\$200m pref shares issuance**
- **Still in investment mode, cut FY18/19F earnings by 38%/43%**
- **Maintain HOLD, TP reduced to S\$0.32**

Price Relative



Forecasts and Valuation

FY Apr (US\$ m)	2016A	2017A	2018F	2019F
Revenue	2,268	2,253	2,252	2,308
EBITDA	246	200	212	227
Pre-tax Profit	66.6	20.4	39.3	49.5
Net Profit	55.5	24.4	25.8	32.2
Net Pft (Pre Ex.)	55.5	24.4	25.8	32.2
Net Pft Gth (Pre-ex) (%)	nm	(56.1)	6.1	24.6
EPS (S cts)	3.93	1.73	1.83	2.28
EPS Pre Ex. (S cts)	3.93	1.73	1.83	2.28
EPS Gth Pre Ex (%)	(197)	(56)	6	25
Diluted EPS (S cts)	3.93	1.73	1.83	2.28
Net DPS (S cts)	1.83	0.84	0.0	0.0
BV Per Share (S cts)	22.3	36.6	37.6	39.9
PE (X)	8.3	18.8	17.8	14.3
PE Pre Ex. (X)	8.3	18.8	17.8	14.3
P/Cash Flow (X)	15.2	3.9	3.6	4.1
EV/EBITDA (X)	9.4	11.0	10.1	9.3
Net Div Yield (%)	5.6	2.6	0.0	0.0
P/Book Value (X)	1.5	0.9	0.9	0.8
Net Debt/Equity (X)	4.8	2.9	2.8	2.5
ROAE (%)	18.9	5.9	4.9	5.9
Earnings Rev (%):		-	(38)	(43)
Consensus EPS (S cts):			2.8	3.4
Other Broker Recs:		B: 0	S: 0	H: 3

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

Still needs more time for cultivation

Maintain HOLD, more time needed for cultivation. We maintain our HOLD recommendation on Del Monte Pacific (DMPL) with a revised TP of S\$0.32. Given the headwinds facing Del Monte Foods Inc. (DMFI) and the planned higher investments behind innovation and current core operations, we believe it could take longer than earlier anticipated for DMFI to show substantial contributions. As a result, we have cut our revenue and gross profit projections, particularly for its US operations (DMFI), coupled with higher opex. We have cut our FY18/19F earnings by 38%/ 43%, and accordingly reduced our TP.

Del Monte 4Q17 core profit in line. Del Monte's 4Q17 core profit was within our expectations even though it reported a headline profit of US\$2.9m (-87.4% y-o-y). The slump in headline net profit arose largely from: (i) one-off US\$6m severance and other expenses; (ii) write-off of deferred tax assets US\$11.5m; (iii) one-off gain of US\$15m last year in 4Q16. Else, revenue and gross profit came within our expectations. A first and final dividend of 0.61 US cts (FY16: 1.33 US cts) was proposed, equating to a payout ratio of c.50% of net profits.

JVs formed with Fresh Del Monte Produce, but impact limited.

The group recently announced that it has entered into several JVs with Fresh Del Monte Produce (FDMP) to expand its refrigerated offerings across all distribution and sales channels, and to develop a new retail food and beverage concept. We believe this is a step in the right direction but financial impact seems limited for now, except for potential savings in litigation costs.

Valuation:

Our target price is revised down to S\$0.32 based on 15x FY18F/19F PE (post preference share coupon). This is at a c.20% 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.

At A Glance

Issued Capital (m shrs)	1,943
Mkt. Cap (S\$m/US\$m)	632 / 459
Major Shareholders (%)	
Nutriasia Pacific Ltd	59.4
Golden Sunflower	7.6
Lee Pineapple	5.5
Free Float (%)	27.5
3m Avg. Daily Val (US\$m)	0.06

ICB Industry : Consumer Goods / Food Producers

WHAT'S NEW**Still needs time for cultivation**

4Q17 core profit in line. DMPL's 4Q17 core profit was within our expectations even though it reported an **87.4% plunge in headline profit to US\$2.9m**. The slump in headline net profit arose largely from: (i) one-off US\$6m severance and other expenses; (ii) write-off of deferred tax assets US\$11.5m; and (iii) one-off gain of US\$15m recognised last year in 4Q16. Else, revenue and gross profit were within our expectations.

4Q17 revenue was up by 3.9% y-o-y to US\$524.6m, helped by higher revenue in the US and S&W Asia sales. Philippines saw a 4% y-o-y decline in revenue (in local currency terms), which management attributed to trade loading in prior quarters. On a full year basis, Philippines recorded revenue growth of 6% (in peso terms). In 4Q17, the group posted a gross profit growth of 10.7% y-o-y to US\$127.1m.

On full year basis, DMPL (ex-DMFI) performed well, negated by DMFI (US subsidiary). On a full year basis, DMPL (excluding Del Monte Foods Inc [DMFI], its US operations) performed well with net profit of US\$58.9m, driven by higher sales (+9.2% y-o-y) and margins. On the other hand, performance from DMFI (US ops) was lackluster with revenue down by 4.6% y-o-y to US\$1.7bn due to loss of contracts from USDA and unfavourable pricing in non-retail channels. DMFI's earnings was further exacerbated by higher interest expenses due to the conversion of loans to fixed rate, from floating, coupled with higher debt to fund working capital. As a result, DMFI posted a larger loss of US\$21.4m, up from a loss of US\$6.1m in FY16.

Dividend of 0.61 US cts proposed. A first and final dividend of 0.61 US cts was proposed, equating to a payout ratio of c.50% of net profit. This compares against 1.33 US cts declared for FY16 (c.50% payout).

Preference shares of US\$200m issued. Earlier in the year, the group had concluded its preference shares issuance amounting to US\$200m at a coupon of 6.625%. The proceeds were used to partly refinance its US\$350m BDO Unibank loan. This reduced the group's leverage to 2.9x. It has a balance of US\$150m issuance within 3 years.

Announced JVs with Fresh Del Monte Produce. A day prior to its full year results announcement, the group announced on 28 June 2017 that it has entered into several JVs with Fresh Del Monte Produce (FDMP) to expand its refrigerated offerings across all distribution and sales channels, and to develop a new retail food and beverage concept. The initiative will focus on the US market, and subsequent expansion into other territories in which the companies' businesses complement each other. In addition, the full and final settlement of all active litigation between Del Monte Pacific Limited including its subsidiary,

DMFI, and Fresh Del Monte Produce Inc has also helped to facilitate the formation of the JVs.

In our view, as shared in a short note on the same day, ([Del Monte Pacific: JVs signed with Fresh Del Monte Produce](#)), we shared that this is a step in the right direction but financial impact limited. One positive near term financial benefit is in terms of costs savings from litigation between the two parties, which we believe could amount to a couple of million dollars for DMPL.

Forecasts and valuation**Outlook: Much work to do; in investment mode.**

Management indicated that it expects the group to remain profitable in FY18, but cited that it will continue to invest in brands, innovation and digital strategy. Thus, its operating expenses could still remain elevated. While the group has made headways in reversing its losses since the leveraged acquisition of the US operations, bottomline growth may still be lackluster, in our view.

Still needs more time for cultivation, cut forecasts by 38%/43%. Looking ahead, we believe the group should remain profitable, but the pace of growth is likely to be lower than our earlier expectations. Given the headwinds facing DMFI and the planned higher investments behind innovation and current core operations, we believe it could take longer for DMFI to show substantial contributions. As a result, we tuned down our revenue and gross profit projections, particularly for its US operations (DMFI), coupled with higher opex. Our forecasts are reduced by 38%/ 43% for FY18F/ 19F.

TP trimmed to S\$0.32, maintain HOLD. As a result of our cut in forecasts, our TP is lowered to S\$0.32 (from S\$0.36 previously), based on 15x FY18F/19F PE (post pref shares coupon). We have raised our valuation peg to 15x, from 12x previously, given the lower gearing post its pref shares offering. We still believe a 20% discount (from 40% previously) to regional and US peers is warranted given its relatively high gearing, and higher investments cum time period for a more tangible results from DMFI.

Quarterly / Interim Income Statement (US\$m)

FY Apr	4Q2016	3Q2017	4Q2017	% chg yoy	% chg qoq
Revenue	525	604	545	3.9	(9.7)
Cost of Goods Sold	(410)	(479)	(418)	2.0	(12.6)
Gross Profit	115	125	127	10.7	1.3
Other Oper. (Exp)/Inc	(52.1)	(97.0)	(90.7)	74.2	(6.5)
Operating Profit	62.7	28.4	36.3	(42.1)	27.8
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	-	-
Associates & JV Inc	(0.5)	(0.5)	(0.7)	(47.8)	49.8
Net Interest (Exp)/Inc	(26.9)	(28.4)	(25.2)	6.3	11.1
Exceptional Gain/(Loss)	0.0	0.0	0.0	-	-
Pre-tax Profit	35.4	(0.4)	10.5	(70.4)	nm
Tax	(10.5)	7.06	(9.0)	(14.0)	nm
Minority Interest	(1.7)	1.75	1.50	nm	(14.4)
Net Profit	23.2	8.46	2.91	(87.4)	(65.6)
Net profit bef Except.	23.2	8.46	2.91	(87.4)	(65.6)
EBITDA	180	44.2	154	(14.0)	249.0
Margins (%)					
Gross Margins	21.9	20.8	23.3		
Opg Profit Margins	12.0	4.7	6.7		
Net Profit Margins	4.4	1.4	0.5		

Source of all data: Company, DBS Bank

Del Monte Pacific 4Q17 results – One-off Expenses/ (Income)

In US\$m	4Q FY16	4Q FY17	Booked under
Closure of North Carolina plant	16.3	0.1	CGS
ERP implementation at DMFI	2.1	-	G&A expense
Sager Creek integration	2.9	-	G&A expense
Severance	1.5	2.0	G&A expense
Others (includes professional fees)	-	4.0	G&A expense
Working capital adjustment with previous owner of DMFI	(38.0)	-	Other operating income
Total expense/(income) (pre-tax basis)	(15.2)	6.0	
Write-off of Deferred Tax Asset at DMFI* (gross and net basis)	-	11.5	Tax expense
Total (net of tax and minority interest)	(8.4)	14.3	

*due to continued pre-tax losses, however, there is no cash impact

Source: Company

CRITICAL DATA POINTS TO WATCH

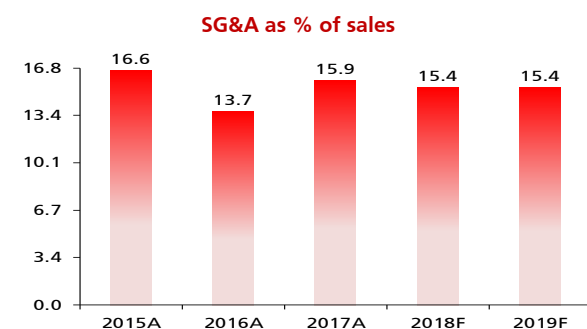
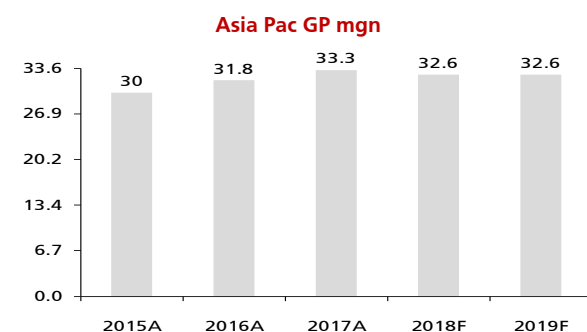
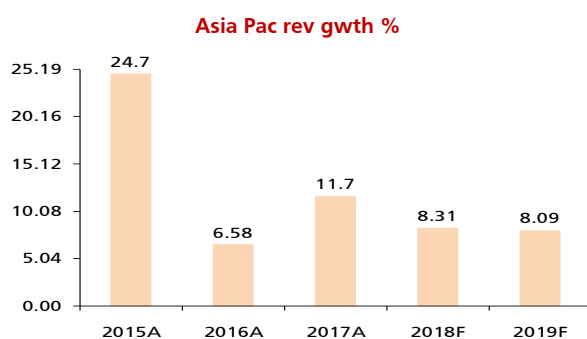
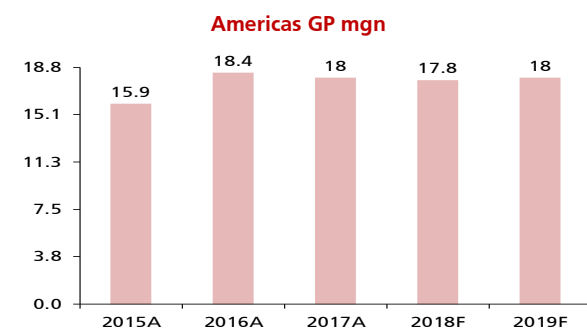
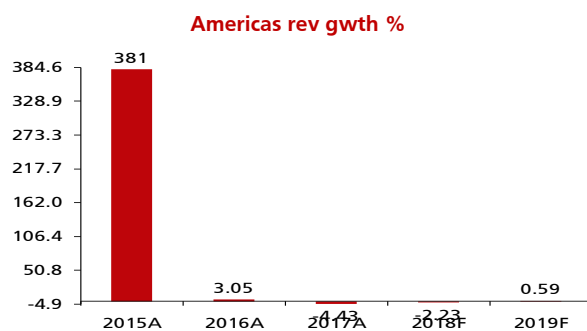
Critical Factors

Main revenue contributor is from the US; more tangible results will help share price performance. With the acquisition of Del Monte Foods Inc. (DMFI) in 2013, DMPL's largest revenue contribution comes from the Americas, accounting for c.75% of group revenue (FY17). 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 6.2% (in peso terms) and S&W brands' business sales in Asia and the Middle East grew by double digits in FY17. While Asia Pacific and the Philippines contributed only 25% of revenue in FY17, 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 continues on developing the Del Monte range of products for the ethnic markets (Hispanics, Asians) in the US.

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.



Source: Company, DBS Bank

Balance Sheet:

High gearing due to leverage for buyout. Gearing stood at c.5x as of end-FY16, but dropped to 2.9x as at end FY17 after the US\$200m preference shares issuance. The coupon rate for the pref shares stands at 6.625%, and the group has an option to raise a further US\$150m within the next 3 years.

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 posted a profit in FY16 and FY17, 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.

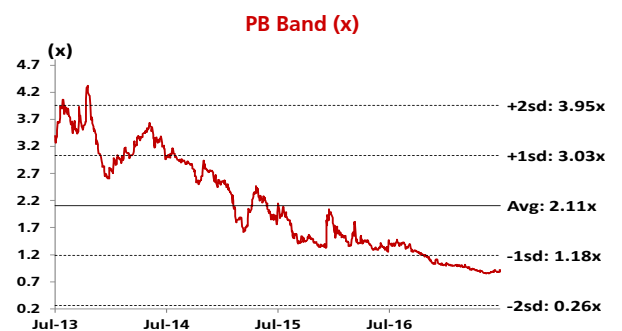
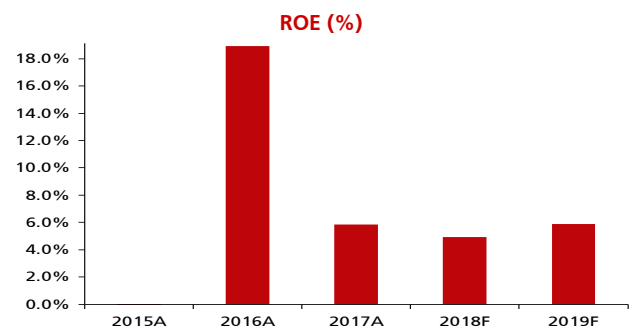
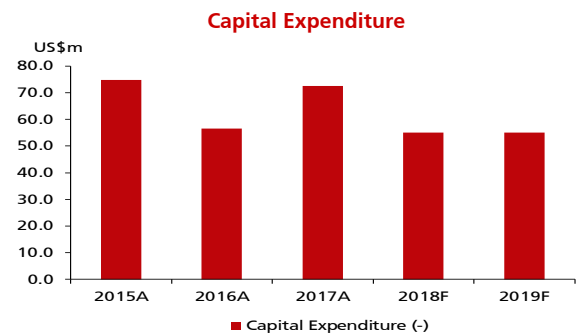
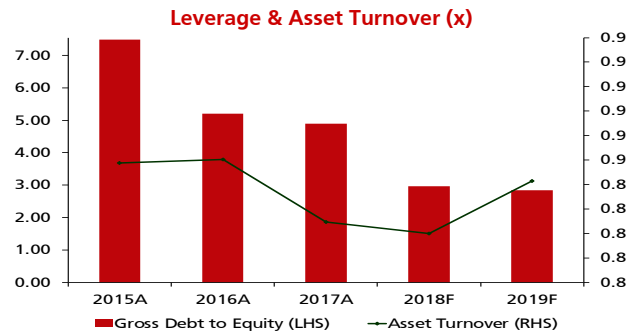
Key Risks:

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. In addition, fluctuations in raw material price will also have an impact on its gross margins.

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	2017A	2018F	2019F
Americas rev gwth %	381	3.05	(4.4)	(2.2)	0.59
Americas GP mgn	15.9	18.4	18.0	17.8	18.0
Asia Pac rev gwth %	24.7	6.58	11.7	8.31	8.10
Asia Pac GP mgn	30.0	31.8	33.3	32.6	32.6
SG&A as % of sales	16.6	13.7	15.9	15.4	15.4

US revenue expected to be lackluster.

Segmental Breakdown

FY Apr	2015A	2016A	2017A	2018F	2019F
Revenues (US\$m)					
Americas	1,717	1,770	1,691	1,654	1,663
Asia Pacific	436	464	518	561	607
Europe	33.7	33.8	43.0	37.3	37.3
Total	2,187	2,268	2,253	2,252	2,308
Gross profit (US\$m)					
Americas	273	326	304	295	299
Asia Pacific	131	148	172	183	198
Europe	4.44	11.5	18.1	7.13	8.60
Total	408	486	495	485	506
Gross profit Margins (%)					
Americas	15.9	18.4	18.0	17.8	18.0
Asia Pacific	30.0	31.8	33.3	32.6	32.6
Europe	13.2	34.1	42.1	19.1	23.0
Total	18.7	21.4	22.0	21.5	21.9

Income Statement (US\$m)

FY Apr	2015A	2016A	2017A	2018F	2019F
Revenue	2,187	2,268	2,253	2,252	2,308
Cost of Goods Sold	(1,779)	(1,782)	(1,758)	(1,767)	(1,802)
Gross Profit	408	486	495	485	506
Other Opng (Exp)/Inc	(373)	(320)	(367)	(347)	(355)
Operating Profit	35.0	166	128	138	150
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	(2.5)	(1.7)	(1.9)	(1.5)	(1.5)
Net Interest (Exp)/Inc	(99.5)	(97.4)	(105)	(97.4)	(99.3)
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	(66.9)	66.6	20.4	39.3	49.5
Tax	17.9	(8.1)	(0.6)	(1.2)	(1.5)
Minority Interest	5.81	(3.0)	4.48	1.00	(2.5)
Preference Dividend	0.0	0.0	0.0	(13.3)	(13.3)
Net Profit	(43.2)	55.5	24.4	25.8	32.2
Net Profit before Except.	(43.2)	55.5	24.4	25.8	32.2
EBITDA	91.5	246	200	212	227
Growth					
Revenue Gth (%)	194.2	3.7	(0.7)	0.0	2.5
EBITDA Gth (%)	nm	169.1	(18.7)	5.9	6.8
Opg Profit Gth (%)	(204.1)	373.4	(23.0)	8.3	8.8
Net Profit Gth (Pre-ex) (%)	(34.0)	nm	(56.1)	6.1	24.6
Margins & Ratio					
Gross Margins (%)	18.7	21.4	22.0	21.5	21.9
Opg Profit Margin (%)	1.6	7.3	5.7	6.1	6.5
Net Profit Margin (%)	(2.0)	2.4	1.1	1.1	1.4
ROAE (%)	(19.1)	18.9	5.9	4.9	5.9
ROA (%)	(1.7)	2.1	0.9	0.9	1.2
ROCE (%)	2.5	6.5	5.4	5.6	6.0
Div Payout Ratio (%)	N/A	46.6	48.7	0.0	0.0
Net Interest Cover (x)	0.4	1.7	1.2	1.4	1.5

Source: Company, DBS Bank

Quarterly / Interim Income Statement (US\$m)

FY Apr	4Q2016	1Q2017	2Q2017	3Q2017	4Q2017
Revenue	525	466	636	604	545
Cost of Goods Sold	(410)	(372)	(489)	(479)	(418)
Gross Profit	115	93.6	147	125	127
Other Oper. (Exp)/Inc	(52.1)	(86.8)	(92.7)	(97.0)	(90.7)
Operating Profit	62.7	6.76	54.2	28.4	36.3
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	(0.5)	(0.4)	(0.4)	(0.5)	(0.7)
Net Interest (Exp)/Inc	(26.9)	(26.6)	(25.1)	(28.4)	(25.2)
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	35.4	(20.2)	28.7	(0.4)	10.5
Tax	(10.5)	9.41	(7.7)	7.06	(9.0)
Minority Interest	(1.7)	2.10	(0.9)	1.75	1.50
Net Profit	23.2	(8.7)	20.2	8.46	2.91
Net profit bef Except.	23.2	(8.7)	20.2	8.46	2.91
EBITDA	180	6.40	67.7	44.2	154

Growth

Revenue Gth (%)	(12.9)	(11.3)	36.7	(5.1)	(9.7)
EBITDA Gth (%)	430.3	(96.4)	958.4	(34.6)	249.0
Opg Profit Gth (%)	323.7	(89.2)	702.3	(47.5)	27.8
Net Profit Gth (Pre-ex) (%)	(583.4)	(137.6)	(331.2)	(58.1)	(65.6)

Margins

Gross Margins (%)	21.9	20.1	23.1	20.8	23.3
Opg Profit Margins (%)	12.0	1.5	8.5	4.7	6.7
Net Profit Margins (%)	4.4	(1.9)	3.2	1.4	0.5

Balance Sheet (US\$m)

FY Apr	2015A	2016A	2017A	2018F	2019F
Net Fixed Assets	679	661	657	646	633
Invts in Associates & JVs	22.6	22.8	25.8	24.3	22.8
Other LT Assets	876	877	868	859	849
Cash & ST Invts	35.6	47.2	37.6	56.5	69.2
Inventory	750	845	917	890	907
Debtors	184	176	164	173	178
Other Current Assets	81.4	77.3	87.4	88.4	89.4
Total Assets	2,628	2,706	2,757	2,737	2,748
ST Debt	446	727	450	420	390
Creditor	339	281	300	297	302
Other Current Liab	44.4	37.5	23.4	23.3	23.7
LT Debt	1,273	1,116	1,264	1,264	1,264
Other LT Liabilities	196	167	142	142	142
Shareholder's Equity	272	315	517	531	563
Minority Interests	58.6	62.0	61.5	60.5	63.0
Total Cap. & Liab.	2,628	2,706	2,757	2,737	2,748
Non-Cash Wkg. Capital	632	780	846	832	848
Net Cash/(Debt)	(1,683)	(1,797)	(1,676)	(1,628)	(1,585)
Debtors Turn (avg days)	33.4	29.0	27.5	27.4	27.7
Creditors Turn (avg days)	107.5	63.3	66.6	62.9	64.3
Inventory Turn (avg days)	273.0	165.4	171.2	191.0	195.0
Asset Turnover (x)	0.8	0.9	0.8	0.8	0.8
Current Ratio (x)	1.3	1.1	1.6	1.6	1.7
Quick Ratio (x)	0.2	0.3	0.2	0.3	0.3
Net Debt/Equity (X)	5.1	4.8	2.9	2.8	2.5
Net Debt/Equity ex MI (X)	6.2	5.7	3.2	3.1	2.8
Capex to Debt (%)	4.4	3.1	4.2	3.3	3.3
Z-Score (X)	1.1	1.3	1.3	1.5	1.6

Source: Company, DBS Bank

Cash Flow Statement (US\$m)

FY Apr	2015A	2016A	2017A	2018F	2019F
Pre-Tax Profit	(66.9)	66.6	20.4	39.3	49.5
Dep. & Amort.	59.0	82.3	73.3	75.5	77.8
Tax Paid	(12.6)	0.0	(3.8)	(1.2)	(1.2)
Assoc. & JV Inc/(loss)	2.45	1.72	1.91	1.50	1.50
Chg in Wkg.Cap.	178	(168)	(150)	13.9	(16.6)
Other Operating CF	79.3	47.1	176	0.0	0.0
Net Operating CF	240	30.1	118	129	111
Capital Exp.(net)	(74.8)	(56.5)	(72.6)	(55.0)	(55.0)
Other Invts.(net)	(76.3)	0.0	0.0	0.0	0.0
Invts in Assoc. & JV	(4.2)	(1.9)	(3.6)	0.0	0.0
Div from Assoc & JV	0.0	0.0	0.0	0.0	0.0
Other Investing CF	0.35	0.36	0.48	0.0	0.0
Net Investing CF	(155)	(58.1)	(75.7)	(55.0)	(55.0)
Div Paid	0.0	0.0	(25.8)	(25.1)	(13.3)
Chg in Gross Debt	(141)	126	(125)	(30.0)	(30.0)
Capital Issues	155	0.0	200	0.0	0.0
Other Financing CF	(91.0)	(84.8)	(108)	0.0	0.0
Net Financing CF	(77.3)	41.6	(58.8)	(55.1)	(43.3)
Currency Adjustments	(0.1)	(2.1)	7.15	0.0	0.0
Chg in Cash	7.22	11.6	(9.6)	18.9	12.8
Opg CFPS (S cts)	5.77	14.0	19.0	8.15	9.03
Free CFPS (S cts)	15.5	(1.9)	3.20	5.24	3.97

Source: Company, DBS Bank

Target Price & Ratings History



S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	09 Sep 16	0.36	0.37	HOLD
2:	07 Dec 16	0.34	0.37	HOLD
3:	13 Mar 17	0.35	0.36	HOLD
4:	28 Jun 17	0.34	0.36	HOLD

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

Source: DBS Bank

Analyst: Andy SIM CFA

Alfie YEO

DBS Bank 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 catalysts within this time frame)

Share price appreciation + dividends

Completed Date: 3 Jul 2017 09:23:37 (SGT)

Dissemination Date: 3 Jul 2017 09:53:03 (SGT)

Sources for all charts and tables are DBS Bank unless otherwise specified.

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