Singapore

Singapore Strategy

Focused strategy

- We adopt a more risk-off strategy in the near-term with increasing concerns over recession fears and uncertainties over the impact of higher trade tariffs.
- We are more bullish on REITS but stay OW on Capital Goods, Consumer, Construction, Gaming, Technology, Gloves, Internet and Commodities.
- Our CYF MSCI target now stands at 411.7pts (up slightly from 409.3pts previously), based on 15x CY25F earnings.
- Top 10 Singapore picks: UOL (new), KDCREIT (new), iFAST, CLAR, KEP, YZJSGD, PAN, FEH, MPM and Q&M.

Time to switch into REITS

Although the bear market does not seem to be upon us yet (generally visible core EPS growth of 5-6% for CY25F-CY26), the noises of flip-flopping and higher trade tariffs can change conditions quickly. In the next 3-6 months, we believe market trend could mimic the downcycle during Trump 1.0 in 2018 (Fig 23) where investors adopt a more risk-off strategy, preferring names with certainty in earnings - SREITS. Amidst peaking fund costs and positive rental reversions from organic growth, we anticipate SREITs to resume DPU growth of 1% in 2025F. As interest rates start to pivot, lower cost of capital should also increase SREITs' ability to tap into accretive acquisition opportunities.

Shareholders return in focus

We believe Singapore continues to be prized for its dividend yield angle. Our MSCI SG dividend yield is set to grow from 4.1% in FY24 to 4.6% in FY25F. Of our stock coverage, 53-60% will see dividend yield growth in FY25-26F (Fig 20-21). Outside of banks, there have been efforts among the Singapore companies to return higher capital to investors via higher DPS, payout ratio or new dividend guidance. These include **STE, SCI, YZJSGD, CLI, UOL** and **DFI.**

Sector allocation relatively unchanged, other than telcos

Key sector OWs are Capital Goods, Consumer, Construction, Gaming, Technology, Gloves, Internet and Commodities. We are Neutral on Banks, Healthcare, Transport and Telco (due to our recent downgrade in Starhub).

Top 10 Singapore picks

We refine our conviction picks encompassing both big and small caps. We remove our previous picks that have either been well played over the past six months, namely, SCI, ST, STE, STM and UOB. We also removed SATS given the impact of trade war uncertainty on global cargo volumes. Given the launch of the S$5bn MAS Equity Market Development Fund and more focus on non-index stocks, we believe small cap names will continue to be in vogue. Our top picks now are UOL (new), KDCREIT (new), iFAST, CLAR, KEP, YZJSGD, PAN, FEH, MPM and Q&M. We remove CSE and SPOST for limited near-term catalysts. HLA and PROP have been well played.

4Q24 results snap shot: Finance, Capital Goods, Tech beat; Property and REITs below

The 4QFY24 earnings positive-to-negative surprise ratio was 1 (17 above, 31 in-line, 17 below). Capital Goods, Finance and Tech, in general were outperformers for this earnings season. Capital Goods came in either in-line or above, on the back of strong order books and margin expansion. Finance-adjacent counters (**SGX**, **IFAST**, & **YZJSGD**) outperformed, though Banks were mixed with **UOB** above, **DBS** in-line and **OCBC** under. Tech manufacturing was mostly positive, with only one miss (**AZTECH**), while Internet-focused counters like **SE**, **GRAB** and **KDCREIT** surprised on the upside. Property and REITs accounted for the majority of earnings misses; developers (**CLI**, **CIT**, **UOL**) all missed expectations, while for REITs the delineation was clear, with selected office and retail REITs disappointing; while diversified, industrial, and hospitality REITs were in-line.

Highlighted Companies

Keppel DC REIT
ADD, TP S$2.48, S$2.15 close

KDCREIT had high portfolio occupancy of 97.2% at end-2024. It enjoyed strong 39% rental reversion in FY24 and we anticipate further rental uplifts in FY25F. KDCREIT is trading at 4.8% FY25F dividend yield.

UOL Group
ADD, TP S$8.20, S$5.78 close

UOL Group has a high recurring income base, supported by rentals, hotel operations and investment holdings. It has good office exposure through Singapore Land Group (SLG SP, NR). UOL is now trading at a 58% discount to RNAV.

MSCI / Local indices valuations

MSCI / Local indices valuations

Name	Bbg Code	P/E (x) 2025F	P/E (x) 2026F	EPS gth (%) 2025F	EPS gth (%) 2026F	P/BV (x) 2025F	P/BV (x) 2026F	Div Yld (%) 2025F	Div Yld (%) 2026F	ROE (%) 2025F	ROE (%) 2025F
MSCI Malaysia	MXMY Index	13.07	12.28	7.45	6.44	1.27	1.21	4.44	4.69	9.78	9.91
MSCI Indonesia	MXID Index	11.28	10.35	4.75	9.01	0.22	0.19	5.52	6.17	1.77	1.61
MSCI Singapore	SIMSCI Index	13.61	12.71	8.08	7.07	1.70	1.61	4.61	4.64	12.23	12.51
MSCI Thailand	MXTH Index	14.15	13.08	12.63	8.14	1.53	1.44	3.93	4.26	10.72	10.88
MSCI Philippine	MXPH Index	10.75	9.72	11.23	10.59	1.65	1.48	3.07	3.34	15.38	15.40
MSCI AC ASEAN	MXSO Index	13.10	12.16	3.00	7.71	1.59	1.50	4.52	4.70	11.96	12.19
Malaysia	FBMKLCI Index	13.43	12.63	2.40	6.35	1.33	1.27	4.42	4.67	9.85	10.00
Indonesia	JCI Index	10.77	9.80	41.40	9.96	0.33	0.26	5.56	6.06	2.91	2.42
Singapore	STI Index	11.69	11.13	2.94	4.98	1.26	1.21	5.67	5.73	10.74	10.86
Thailand	SET Index	12.49	11.47	(1.52)	8.92	1.14	1.08	4.29	4.65	9.14	9.40
Philippines	PCOMP Index	10.02	9.07	13.45	10.49	1.39	1.26	3.15	3.40	13.57	13.48
FTSE ASEAN	ASEANAS Inde	10.96	10.01	(8.82)	9.53	1.15	1.08	5.09	5.36	10.37	10.67

Top pick table

Bbg Ticker	Price (lc)	TP (lc)	Tot Ret * (%)	Mkt Cap (US$ m)	Dvd (%) CY25F
Alpha picks (Large-cap)					
CLAR SP	2.59	3.10	25.5%	8,537	5.9%
iFAST SP	7.64	9.50	25.2%	1,717	0.9%
KDCREIT SP	2.15	2.48	20.0%	3,633	4.6%
KEP SP	6.63	9.28	44.9%	8,970	5.0%
UOL SP	5.78	8.20	44.9%	3,658	3.1%
YZJSGD SP	2.33	3.62	59.3%	6,895	3.9%
Alpha picks (Small-cap)					
FEH SP	1.20	1.71	49.1%	473	6.6%
MPM SP	0.05	0.08	65.5%	138	2.2%
PAN SP	0.62	0.75	26.1%	325	5.2%
QNM SP	0.29	0.43	50.9%	206	2.7%

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Figure 1: Singapore coverage universe

Prices as at BBG code	12/3/2025 Company name	Closing Price	Target price	% up / (down)	Recom.	Free Float (%)	Market Cap (US$m)	Month end	Price/ BVPS (X) CY25F	CY26F	CY27F	ROAE (recurring) % CY25F	CY26F	CY27F	P/E (Recurrent FD) (X) CY25F	CY26F	CY27F	3-Yr forward	Net Gearing FY25F	FY26F	Net Div Yield % CY25F	CY26F
	Aviation																					
CAO SP	China Aviation Oil	0.84	1.20	43%	Add	29%	541	Dec 23	0.52x	0.49x	na	8.2%	8.2%	na	6.5x	6.2x	na	na.	-47%	-47%	6.2%	6.5%
SIE SP	SIA Engineering	2.34	2.65	13%	Add	22%	1,959	Mar 24	1.46x	1.41x	na	8.6%	9.2%	na	17.2x	15.7x	na	na.	-36%	-33%	4.2%	4.6%
SIA SP	Singapore Airlines	6.65	6.00	-10%	Hold	40%	14,811	Mar 24	1.25x	1.23x	na	8.0%	6.5%	na	15.5x	19.0x	na	na.	28%	43%	4.0%	2.9%
	Chemical																					
CSSC SP	China Sunsine Chemical H	0.48	0.47	-2%	Add	35%	343	Dec 23	0.56x	0.53x	na	9.2%	9.1%	na	6.3x	6.0x	na	na.	-52%	-55%	5.1%	5.1%
	Commodities																					
OTEK SP	Oiltek International Ltd	1.20	1.43	19%	Add	16%	129	Dec 23	5.46x	4.51x	3.82x	35.2%	31.9%	27.4%	17.2x	15.5x	15.1x	8.3%	-171%	-161%	2.3%	2.6%
WIL SP	Wilmar International	3.25	3.47	7%	Add	35%	15,198	Dec 24	0.75x	0.72x	0.70x	6.8%	7.1%	7.0%	11.1x	10.4x	10.2x	8.7%	94%	95%	5.2%	5.2%
	Conglomerates																					
BOCS SP	Boustead Singapore Ltd	1.03	1.40	36%	Add	59%	379	Mar 23	0.91x	na	na	10.0%	na	na	9.3x	na	na	na.	-39%	-35%	3.9%	na
KEP SP	Keppel Ltd	6.63	9.28	40%	Add	79%	8,970	Dec 24	1.06x	1.03x	1.00x	7.7%	8.2%	8.6%	14.0x	12.8x	11.8x	6.7%	78%	73%	5.0%	5.4%
SCI SP	Sembcorp Industries	6.05	7.32	21%	Add	50%	8,067	Dec 23	1.75x	1.55x	na	18.3%	16.3%	na	10.3x	10.1x	na	na.	88%	67%	2.4%	2.5%
STE SP	ST Engineering	6.03	5.60	-7%	Add	49%	14,060	Dec 24	6.39x	5.72x	5.10x	28.6%	28.0%	26.7%	23.4x	21.5x	20.2x	9.8%	161%	133%	2.8%	2.8%
	Construction and Materials																					
BRC SP	BRC Asia Ltd	3.01	2.70	-10%	Add	28%	619	Sep 23	1.64x	1.57x	na	16.2%	15.6%	na	10.4x	10.3x	na	na.	5%	-2%	7.0%	7.0%
PAN SP	Pan-United Corp Ltd	0.62	0.75	21%	Add	26%	325	Dec 24	1.51x	1.40x	1.30x	16.0%	15.3%	14.5%	9.8x	9.5x	9.3x	3.3%	-30%	-34%	5.2%	5.3%
	Consumer Discretionary																					
DFI SP	DFI Retail Group	2.28	2.71	19%	Add	22%	3,086	Dec 24	5.35x	4.41x	3.70x	45.6%	43.5%	39.6%	11.7x	11.1x	10.2x	14.6%	-7%	-16%	5.0%	5.5%
SSG SP	Sheng Siong Group	1.64	1.90	16%	Add	43%	1,847	Dec 24	4.27x	3.96x	3.69x	25.8%	24.7%	23.7%	17.2x	16.6x	16.1x	3.6%	-65%	-69%	4.1%	4.2%
	Consumer Staples																					
DELFI SP	Delfi Ltd	0.76	0.88	16%	Add	47%	348	Dec 24	1.24x	1.17x	1.10x	11.3%	12.5%	12.8%	11.3x	9.7x	8.9x	5.0%	-4%	-5%	4.4%	5.2%
FEH SP	Food Empire Holdings Ltd	1.20	1.71	43%	Add	40%	473	Dec 24	1.50x	1.38x	1.26x	17.7%	17.7%	17.5%	8.8x	8.1x	7.5x	8.2%	-18%	-21%	6.6%	6.6%
JAP SP	Japfa Ltd	0.62	0.62	1%	Hold	19%	874	Dec 23	0.88x	0.80x	na	13.7%	13.1%	na	6.8x	6.4x	na	na.	46%	35%	3.2%	3.2%
JUMBO SP	Jumbo Group Limited	0.27	0.36	36%	Add	29%	119	Sep 23	2.27x	na	na	23.4%	na	na	10.3x	na	na	na.	-40%	-47%	4.5%	na
KMLY SP	Kimly Group	0.31	0.34	10%	Hold	48%	289	Sep 23	1.94x	na	na	17.9%	na	na	11.2x	na	na	na.	-46%	-49%	6.8%	na
THBEV SP	Thai Beverage	0.51	0.58	14%	Add	29%	9,600	Sep 24	1.99x	1.83x	na	17.6%	18.3%	na	11.7x	10.4x	na	na.	73%	64%	5.0%	5.0%
	Financial Services																					
CBA SP	Credit Bureau Asia Ltd	1.20	1.30	8%	Add	25%	207	Dec 24	5.21x	5.08x	4.95x	23.9%	25.3%	26.7%	22.0x	20.3x	18.8x	9.4%	-89%	-97%	4.1%	4.4%
DBS SP	DBS Group	44.46	47.70	7%	Hold	71%	94,734	Dec 24	1.83x	1.78x	1.75x	16.7%	16.3%	16.1%	11.2x	11.1x	11.0x	0.3%	N.A>	N.A>	6.9%	7.4%
IFAST SP	iFAST Corporation Ltd	7.64	9.50	24%	Add	46%	1,717	Dec 24	5.47x	4.42x	3.61x	30.8%	25.6%	23.7%	20.3x	19.1x	16.8x	26.5%	99%	41%	0.9%	0.9%
OCBC SP	OCBC	16.59	19.50	18%	Add	80%	55,872	Dec 24	1.26x	1.19x	1.12x	13.5%	13.3%	13.0%	9.6x	9.2x	8.9x	3.6%	N.A>	N.A>	6.3%	6.5%
SGX SP	Singapore Exchange	12.77	13.20	3%	Hold	72%	10,239	Jun 24	6.25x	5.73x	na	29.0%	27.4%	na	22.6x	21.8x	na	na.	-23%	-26%	2.9%	3.0%
UOB SP	United Overseas Bank	37.09	43.00	16%	Add	86%	46,440	Dec 24	1.19x	1.11x	1.04x	13.1%	13.4%	13.5%	9.3x	8.6x	8.0x	7.7%	N.A>	N.A>	6.7%	5.8%
YZJFH SP	Yangzijiang Financial Holdi	0.67	0.66	-1%	Add	64%	1,747	Dec 24	0.56x	0.54x	0.52x	6.4%	7.0%	7.2%	8.9x	7.8x	7.3x	2.5%	-42%	-44%	4.5%	5.1%
	HealthCare																					
HYP SP	Hyphens Pharma Internatic	0.29	0.35	23%	Add	24%	66	Dec 24	1.14x	1.04x	0.96x	15.0%	14.3%	13.7%	7.9x	7.6x	7.3x	3.5%	-36%	-39%	5.3%	5.3%
QNM SP	Q&M Dental Group	0.29	0.43	48%	Add	31%	206	Dec 24	2.35x	2.13x	1.92x	16.4%	16.3%	17.2%	15.0x	13.7x	11.7x	10.6%	32%	24%	2.7%	2.9%
RFMD SP	Raffles Medical Group	0.98	1.20	23%	Add	41%	1,355	Dec 24	1.64x	1.54x	1.48x	6.8%	7.0%	7.3%	25.2x	23.0x	20.7x	10.5%	-24%	-29%	2.2%	2.3%

SOURCES: CGSI RESEARCH ESTIMATES, BLOOMBERG, COMPANY REPORTS / DATA AS AT 12 Mar 2025

Figure 2: Singapore coverage universe - cont'd

Prices as at BBG code	12/3/2025 Company name	Closing Price	Target price	% up / (down)	Recom.	Free Float (%)	Market Cap (US$m)	Month end	Price/ BVPS (X) CY25F	Price/ BVPS (X) CY26F	Price/ BVPS (X) CY27F	ROAE (recurring) % CY25F	ROAE (recurring) % CY26F	ROAE (recurring) % CY27F	P/E (Recurrent FD) (X) CY25F	P/E (Recurrent FD) (X) CY26F	P/E (Recurrent FD) (X) CY27F	3-Yr forward	Net Gearing FY25F	Net Gearing FY26F	Net Div Yield % CY25F	Net Div Yield % CY26F
	Industrial Goods and Services																					
CYD US	China Yuchai International	21.83	13.20	-40%	Add	43%	892	Dec 23	0.61x	0.59x	na	4.1%	4.3%	na	14.9x	13.8x	na	na.	-22%	-22%	1.8%	1.8%
HLA SP	Hong Leong Asia	1.06	1.20	13%	Add	24%	594	Dec 23	0.76x	0.71x	na	8.5%	8.3%	na	9.2x	8.8x	na	na.	-24%	-25%	2.7%	2.8%
RSTON SP	Riverstone Holdings	0.96	1.10	15%	Add	33%	1,066	Dec 24	2.79x	2.83x	2.83x	19.0%	19.9%	21.1%	15.2x	14.1x	13.4x	3.9%	-49%	-48%	7.5%	7.5%
	Land Transport																					
CD SP	ComfortDelGro	1.41	1.80	28%	Add	98%	2,288	Dec 24	1.14x	1.12x	1.10x	9.2%	9.4%	9.6%	12.6x	12.0x	11.6x	7.7%	7%	7%	6.4%	6.7%
	Oil Equipment and Services																					
CSE SP	CSE Global	0.46	0.70	54%	Add	71%	239	Dec 24	1.12x	1.06x	1.00x	14.4%	14.5%	14.4%	8.0x	7.5x	7.1x	5.4%	19%	10%	5.6%	5.9%
MPM SP	Marco Polo Marine	0.05	0.08	63%	Add	51%	138	Sep 24	0.85x	0.74x	na	13.3%	14.9%	na	6.8x	5.3x	na	na.	-23%	-26%	2.2%	2.3%
MMT SP	Mermaid Maritime	0.11	0.16	40%	Add	29%	121	Dec 23	0.62x	0.56x	na	8.2%	10.5%	na	7.9x	5.6x	na	na.	42%	35%	0.0%	0.0%
PACRA SP	Pacific Radiance	0.05	0.07	52%	Add	32%	50	Dec 24	0.59x	0.55x	0.51x	6.2%	7.6%	8.0%	10.2x	7.8x	6.9x	26.4%	-20%	-27%	1.1%	1.3%
STM SP	Seatrium Ltd	2.07	2.80	35%	Add	65%	5,248	Dec 24	1.07x	1.01x	0.94x	4.7%	7.0%	8.4%	23.1x	15x	11.6x	43.0%	8%	-2%	1.0%	1.4%
YZJSGD SP	Yangzijiang Shipbuilding	2.33	3.62	55%	Add	61%	6,895	Dec 23	1.71x	1.49x	na	22.2%	20.1%	na	8.3x	7.9x	na	na.	-75%	-77%	3.9%	4.1%
	Property																					
APAC SP	APAC Realty Ltd	0.42	0.45	7%	Add	26%	113	Dec 23	0.89x	0.85x	na	7.1%	8.4%	na	12.8x	10.3x	na	na.	-24%	-32%	6.0%	7.4%
CLI SP	Capitaland Investment	2.58	4.30	67%	Add	48%	9,641	Dec 24	0.90x	0.85x	0.80x	5.9%	5.9%	5.9%	15.7x	14.7x	14.0x	24.9%	42%	44%	4.7%	4.7%
CENT SP	Centurion Corporation Ltd	1.04	1.00	-4%	Add	30%	655	Dec 23	0.85x	0.79x	na	10.2%	9.8%	na	8.6x	8.4x	na	na.	53%	47%	3.5%	3.6%
CIT SP	City Developments	4.94	8.97	82%	Add	60%	3,306	Dec 24	0.47x	0.45x	0.44x	2.6%	2.7%	3.0%	18.5x	16.7x	14.7x	62.5%	103%	97%	2.4%	2.4%
FPL SP	Frasers Property Limited	0.80	1.41	77%	Add	13%	2,353	Sep 24	0.31x	0.30x	na	2.0%	1.9%	na	15.9x	15.9x	na	na.	81%	80%	5.6%	5.6%
HKL SP	Hongkong Land Holdings L	4.37	4.82	10%	Hold	47%	9,643	Dec 24	0.32x	0.31x	0.31x	2.2%	2.2%	2.2%	14.6x	14.3x	14.0x	18.9%	14%	12%	5.5%	5.7%
PROP SP	Propnex Ltd	1.11	1.25	13%	Add	17%	615	Dec 24	6.37x	6.19x	5.98x	49.8%	48.9%	48.9%	13.1x	12.8x	12.4x	17.3%	-92%	-92%	7.3%	7.4%
UOL SP	UOL Group	5.78	8.20	42%	Add	54%	3,658	Dec 24	0.42x	0.41x	0.40x	2.9%	3.2%	3.3%	14.5x	13.1x	12.2x	11.8%	18%	17%	3.1%	3.1%
	REITS																					
CLAR SP	CapitaLand Ascendas REI	2.59	3.10	20%	Add	80%	8,537	Dec 24	1.10x	1.10x	1.10x	6.5%	6.7%	6.9%	17.0x	16.5x	16.1x	-1.6%	63%	63%	5.9%	6.1%
CLAS SP	CapitaLand Ascott Trust	0.88	1.13	28%	Add	60%	2,512	Dec 24	0.78x	0.79x	0.81x	3.5%	3.7%	4.3%	21.9x	21.1x	18.4x	9.8%	60%	63%	6.9%	7.2%
CICT SP	CapitaLand Integrated Cor	2.08	2.45	18%	Add	74%	11,396	Dec 24	0.96x	0.97x	0.97x	5.0%	5.3%	5.6%	19.3x	18.1x	17.2x	3.1%	56%	57%	5.3%	5.7%
CDREIT SP	CDL Hospitality Trust	0.82	1.07	31%	Add	64%	769	Dec 24	0.53x	0.56x	0.56x	2.7%	3.5%	3.5%	19.9x	16.8x	16.2x	57.5%	69%	71%	7.2%	7.8%
ELITE SP	Elite UK REIT	0.30	0.35	17%	Add	59%	228	Dec 24	0.74x	0.75x	0.76x	5.9%	6.4%	6.4%	12.5x	11.7x	11.8x	-2.5%	74%	78%	9.8%	9.8%
EREIT SP	ESR-REIT	0.24	0.36	50%	Add	82%	1,447	Dec 24	0.85x	0.84x	0.85x	8.0%	8.4%	8.6%	10.7x	10.0x	9.8x	na.	81%	80%	9.1%	9.4%
FEHT SP	Far East Hospitality Trust	0.56	0.75	35%	Add	45%	838	Dec 24	0.62x	0.62x	0.62x	3.7%	4.0%	4.0%	16.6x	15.4x	15.5x	6.7%	41%	42%	7.3%	7.1%
FCT SP	Frasers Centrepoint Trust	2.21	2.68	21%	Add	59%	3,010	Sep 24	0.97x	0.97x	na	5.1%	5.2%	na	19.0x	18.8x	na	na.	48%	50%	5.5%	5.6%
FLT SP	Frasers Logistics & Comm	0.89	1.35	53%	Add	70%	2,494	Sep 24	0.79x	0.80x	na	4.7%	4.9%	na	16.7x	16.1x	na	na.	54%	54%	7.6%	7.7%
KDCREIT SI	Keppel DC REIT	2.15	2.48	15%	Add	76%	3,633	Dec 24	1.28x	1.26x	1.26x	5.8%	5.9%	6.1%	23.2x	21.5x	20.7x	-12.2%	42%	41%	4.6%	4.8%
KREIT SP	Keppel REIT	0.83	1.09	32%	Add	54%	2,392	Dec 24	0.66x	0.67x	0.68x	3.8%	4.0%	4.3%	17.1x	16.5x	15.8x	9.5%	45%	45%	7.0%	7.1%
LREIT SP	Lendlease Global Commer	0.50	0.69	38%	Add	71%	907	Jun 24	0.69x	0.71x	na	3.5%	3.9%	na	19.3x	18.1x	na	na.	70%	72%	7.9%	8.0%
MUST SP	Manulife US REIT	0.07	0.13	94%	Add	94%	119	Dec 24	0.28x	0.29x	0.31x	3.8%	6.0%	8.6%	7.5x	4.7x	3.5x	na.	134%	150%	0.0%	41.1%
MPACT SP	Mapletree Pan Asia Comm	1.23	1.53	24%	Add	45%	4,853	Mar 23	0.71x	0.71x	na	6.1%	6.3%	na	11.5x	11.3x	na	na.	61%	61%	6.7%	6.9%
MINT SP	Mapletree Industrial Trust	2.06	2.82	37%	Add	73%	4,395	Mar 24	1.17x	1.17x	na	8.1%	8.3%	na	14.3x	14.0x	na	na.	58%	59%	6.8%	7.0%

SOURCES: CGSI RESEARCH ESTIMATES, BLOOMBERG, COMPANY REPORTS / DATA AS AT 12 Mar 2025

Figure 3: Singapore coverage universe - cont'd

Prices as at / BBG code	12/3/2025 / Company name	Closing Price	Target price	% up / (down)	Recom.	Free Float (%)	Market Cap (US$m)	Month end	Price/ BVPS (X) CY25F	CY26F	CY27F	ROAE (recurring) % CY25F	CY26F	CY27F	P/E (Recurrent FD) (X) CY25F	CY26F	CY27F	3-Yr forward	Net Gearing FY25F	FY26F	Net Div Yield % CY25F	CY26F
	REITS - cont'd																					
MLT SP	Mapletree Logistics Trust	1.29	1.73	34%	Add	71%	4,896	Mar 24	0.96x	0.97x	na	4.7%	4.7%	na	20.2x	20.5x	na	na.	71%	72%	5.9%	5.9%
OUEREIT SP	OUE REIT	0.28	0.32	14%	Hold	64%	1,154	Dec 23	0.48x	0.48x	0.48x	2.3%	2.5%	2.8%	20.7x	19.0x	17.5x	4.3%	47%	47%	6.9%	7.3%
PREIT SP	Parkway Life REIT	4.04	4.91	22%	Add	64%	1,974	Dec 24	1.57x	1.37x	1.36x	6.9%	6.3%	6.1%	23.4x	23.2x	22.4x	4.1%	50%	46%	3.8%	4.2%
SASSR SP	Sasseur REIT	0.69	0.85	23%	Add	42%	646	Dec 24	0.82x	0.82x	0.83x	7.5%	7.7%	8.0%	11.0x	10.7x	10.3x	7.6%	24%	24%	8.9%	9.2%
PGNREIT SP	Paragon REIT	0.97	0.98	2%	Hold	39%	2,052	Dec 24	1.02x	1.03x	1.03x	5.5%	5.8%	6.0%	19x	17.7x	17.2x	1.5%	53%	53%	5.2%	5.5%
SGREIT SP	Starhill Global REIT	0.50	0.60	21%	Add	65%	850	Jun 24	0.65x	0.66x	na	4.8%	4.9%	na	13.5x	13.3x	na	na.	58%	59%	7.3%	7.4%
SERT SP	Stoneweg European REIT	1.38	1.92	39%	Add	94%	844	Dec 23	0.65x	0.66x	na	6.1%	5.6%	na	10.7x	11.7x	na	na.	74%	77%	9.8%	9.0%
SUN SP	Suntec REIT	1.14	1.33	17%	Hold	92%	2,505	Dec 24	0.61x	0.61x	0.61x	3.2%	3.5%	3.7%	19.1x	17.7x	16.6x	5.9%	51%	50%	5.6%	6.0%
	Services																					
GKEC SP	GKE Corp Ltd	0.08	0.08	-2%	Hold	61%	47	May 23	0.60x	na	na	7.6%	na	na	8.2x	na	na	na.	15%	4%	2.4%	na
HRNET SP	HRnetGroup Limited	0.70	0.70	0%	Hold	20%	514	Dec 23	1.74x	1.67x	na	12.2%	12.7%	na	14.4x	13.4x	na	na.	-70%	-71%	5.7%	5.7%
SPOST SP	Singapore Post Ltd	0.55	0.74	35%	Add	62%	927	Mar 24	0.86x	0.84x	na	5.2%	5.9%	na	16.9x	14.4x	na	na.	17%	12%	2.3%	2.8%
	Technology																					
AEM SP	AEM Holdings Ltd	1.31	1.27	-3%	Reduce	78%	307	Dec 23	0.80x	0.75x	na	8.4%	8.9%	na	9.9x	8.7x	na	na.	-8%	-12%	2.5%	2.9%
AZTECH SP	Aztech Global Ltd	0.76	0.67	-12%	Hold	30%	439	Dec 24	1.78x	1.78x	1.77x	15.8%	18.7%	19.1%	11.1x	9.5x	9.3x	-3.6%	-70%	-67%	10.5%	10.5%
FRKN SP	Frencken Group Ltd	1.07	1.40	31%	Add	75%	342	Dec 24	0.98x	0.92x	0.86x	9.3%	9.3%	9.4%	10.8x	10.2x	9.5x	8.8%	-39%	-42%	2.8%	2.9%
ISDN SP	ISDN Holdings Ltd	0.37	0.40	10%	Add	54%	123	Dec 24	0.76x	0.72x	0.68x	5.8%	6.5%	7.2%	13.3x	11.3x	9.7x	25.3%	-11%	-15%	1.9%	2.2%
NANO SP	Nanofilm Technologies Int'	0.66	0.63	-5%	Reduce	45%	322	Dec 24	1.07x	1.01x	0.96x	5.3%	6.7%	7.1%	20.6x	15.4x	13.9x	58.3%	-15%	-20%	1.2%	1.6%
VMS SP	Venture Corporation	12.44	14.95	20%	Add	93%	2,689	Dec 24	1.22x	1.19x	1.16x	9.3%	9.7%	10.0%	13.3x	12.4x	11.8x	7.6%	-46%	-46%	6.0%	6.0%
GRAB US	Grab Holdings	4.22	5.20	23%	Add	77%	16,994	Dec 24	2.52x	2.41x	2.28x	5.8%	7.8%	8.5%	44.0x	31.3x	27.3x	37.9%	-45%	-50%	0.0%	0.0%
SE US	SEA Ltd	129.6	155.0	20%	Add	73%	74,187	Dec 24	7.40x	5.85x	4.72x	16.6%	19.3%	18.4%	50.7x	34.6x	29.0x	81.1%	-100%	-102%	0.0%	0.0%
	Telecommunications																					
NETLINK SP	Netlink NBN Trust	0.86	0.95	10%	Add	75%	2,510	Mar 24	1.44x	1.50x	na	4.5%	4.9%	na	31.4x	29.9x	na	na.	27%	28%	6.3%	6.5%
ST SP	SingTel	3.30	3.75	14%	Add	48%	40,790	Mar 24	2.13x	2.13x	na	11.0%	12.2%	na	19.4x	17.5x	na	na.	15%	16%	5.6%	6.2%
STH SP	StarHub	1.17	1.30	11%	Hold	33%	1,507	Dec 24	3.16x	3.00x	2.84x	24.2%	25.8%	26.3%	13.4x	12.0x	11.1x	9.8%	106%	96%	6.0%	6.7%
	Transport Infrastructure																					
SATS SP	SATS Ltd	3.02	4.35	44%	Add	60%	3,361	Mar 24	1.64x	1.50x	na	10.3%	11.1%	na	16.6x	14.2x	na	na.	69%	53%	1.2%	1.4%
	Travel and Leisure																					
GENS SP	Genting Singapore	0.73	1.05	45%	Add	47%	6,562	Dec 24	1.04x	1.02x	1.01x	7.2%	8.1%	8.0%	14.5x	12.7x	12.6x	4.5%	-40%	-36%	5.5%	5.5%
SIMSCI		**386.2**																				

Note: Calendarized data unless otherwise stated

SOURCES: CGSI RESEARCH ESTIMATES, BLOOMBERG, COMPANY REPORTS / DATA AS AT 12 Mar 2025

Results review - The hits and misses

The earnings positive-to-negative surprise ratio was 1 (17 above, 17 below, and 31 in-line). Industrials, Finance and Tech, were outperformers for this earnings season. Capital goods performed fairly well; with **CSE**, **PACRA** and **YZJSGD** surprising on a combination of strong margins and cost control. **ELITE** (lower finance costs) and **KDCREIT** (positive rental reversion) were the only positive surprises in the Property & REITs space. Banks were mixed, with all banks reporting increasing NII qoq, but declining qoq non-II. **OCBC** was dragged by non-banking-operations and **GE**. All three local banks have announced plans to return capital to shareholders via share buybacks (**DBS** - S$3bn, **OCBC** - S$1bn, **UOB** – S$2bn and special dividends payouts over the next 2-3 years. Non-bank financial institutions also surprised on the upside: 1) **IFAST** - with stable qoq growth across all operating geographies but boosted by lower ePension opex; 2) **SGX** - stronger equities and derivatives volume; and 3) **YZJFH** - Strong cash management, impairment reversals and tax rebates. Internet companies; **GRAB** and **SE** continued to beat expectations for the second consecutive quarter on stronger GMV numbers. Tech manufacturing was mixed; two of the positive surprises were: **ISDN** - above on growth in all segments, while performance from the advance materials segment boosted **NANO**.

Developers and REITs accounted for approximately 58% of the negative surprises for the 4QFY24 earnings season; the three positive surprises were overseas or specialised REITs - **HKL** (booking of Shanghai sales), **ELITE** (lower financing costs), and **KDCREIT** (rental reversion). There was no overarching cause for developers' underperformance: **CLI** (below expectations despite reduction in impairments), **CIT** (lower property development income) and **UOL** (high base). High interest rates continue to be a yoke for REITs: affecting **KREIT**, **LREIT**, and **MCT**. Other negative REIT surprises came from **EREIT** (income gap from divestment), **MUST** (portfolio devaluation), and **SASSR** (forex). The remainder of negative surprises were broadly spread across sectors - **OTEK** (lower renewable sales), **SSG** (higher SG&A), **CBA** (staff opex), **RFMD** (impairments), **AZTECH** (lower demand), and **STH** (lower margin).

Capital management

We notice that an increasing number of companies are embarking on enhancing shareholder returns and capital management; returning capital via declaration of special dividends, higher payout or stock buybacks. To date, **DBS**, **UOB**, **OCBC**, **VMS**, **RFMD**, **SATS**, **PANU**, **SIE**, **EREIT**, and **HRNET** have ongoing share buyback programmes. **CLI** has revised its dividend policy to a minimum 50% payout of cash PATMI (up from 30%) (higher payout policy). We believe companies are also comfortable with their capital positions in order to undertake returning capital to investors. **STE** also upped its DPS in the recent 4QFY24 results announcement, bringing FY24 DPS to 17 Scts (16 Scts since FY22); we believe that this could portend an increase in the payout ratio, though the company has said that more information will be revealed during its upcoming investor day later this month. **UOL** had a dividend payout of close to 50% in FY24 while **DFI** started to provide dividend policy of 60% in FY24. **SCI** and **YZJSGD** increased their dividend payout to 40% and 39% (from 23% and 34%), respectively, on the back of stronger earnings and capital position.

Figure 4: Highlights of positive surprises and negative surprises for 4Q24

Above expectations

Sector	Company name	Remarks
Capital Goods	CSE Global	Strong operating margin
Capital Goods	Pacific Radiance	Opex management & associate contributions
Capital Goods	Yangzijiang Shipbuilding	Gross margin expansion
Finance	iFAST Corporation	Opex down
Finance	Singapore Exchange	Higher equities and derivatives volume
Finance	United Overseas Bank	Lower taxes
Finance	Yangzijiang Financial Holdings	Strong cash mgt, impairment reversals, and tax rebates
Gaming	Genting Singapore	Core net profit above; lower depreciation
Healthcare	Q&M Dental Group	Cost control
Manufacturing	ISDN Holdings	Recovery in all sectors
Manufacturing	Nanofilm Technologies	Contributions from Adv. Materials business unit
Others	Food Empire Holdings	In-line with consensus. SE Asia growth.
Others	Grab	EBITDA slightly above, Revenue in-line
Others	SEA Ltd	Shopee - From GMV and margin growth
Property	Hongkong Land Holdings	Booking of Shanghai sales
REITs (Office)	Elite Commercial REIT	Lower finance cost
REITs (Specialised)	Keppel DC REIT	Strong rental reversion

Below expectations

Sector	Company name	Remarks
Commodities	Oiltek International	*Lower renewables sales*
Consumer	Sheng Siong Group	*Slight miss. Higher SG&A offset gross margin expansion*
Finance	Credit Bureau Asia Ltd	*Opex from staff incentives and business cost*
Finance	OCBC	*4Q24 rev in-line; highter opex*
Healthcare	Raffles Medical Group	*Impairments; Revenue in-line*
Manufacturing	Aztech Global Ltd	*Revenue miss on demand volatility, but net profit in-line.*
Property	CapitaLand Investment	*Lower revaluation losses and impairments, but still under*
Property	City Developments	*Lower prop dev income, offset by higher investment prop and hotel*
Property	Propnex	*Lower project marketing revenue*
Property	UOL Group	*High base*
REITs (Industrial)	ESR-REIT	*Income gap from divestments*
REITs (Office)	Keppel REIT	*Higher interest expense*
REITs (Office)	Manulife US REIT	*Portfolio devaluation*
REITs (Retail)	Lendlease Global Commercia	*Higher interest expense & lack of supplementary rent*
REITs (Retail)	Mapletree Pan AsiaCommerc	*Lower overseas contribution & interest expense*
REITs (Retail)	Sasseur REIT	*Weaker FX and lower vatriable income*
Telco	Starhub	*Lower EBITDA margin*

In line

Sector	Company name
Capital Goods	Keppel Corporation
Capital Goods	Marco Polo Marine
Capital Goods	Seatrium
Capital Goods	SIA Engineering
Capital Goods	ST Engineering
Commodities	Wilmar International
Consumer	Dairy Farm Int'l
Consumer	Delfi Ltd
Consumer	Japfa Ltd
Consumer	Thai Beverage
Consumer	Thai Beverage
Finance	DBS Group
Manufacturing	Frencken Group
Manufacturing	Venture Corporation
Others	Hyphens Pharma International
Others	Pan-United Corp
Others	Riverstone Holdings
REITs (Diversified)	OUE REIT
REITs (Diversified)	Suntec REIT
REITs (Healthcare)	Parkway Life REIT
REITs (Hospitality)	CapitaLand Ascott Trust
REITs (Hospitality)	CDL Hospitality Trust
REITs (Hospitality)	Far East Hospitality Trust
REITs (Industrial)	CapitaLand Ascendas REIT
REITs (Industrial)	Mapletree Industrial Trust
REITs (Industrial)	Mapletree Logistics Trust
REITs (Retail)	CapitaLand Integrated Comm
Telco	SingTel
Transport	ComfortDelGro
Transport	SATS
Transport	Singapore Airlines

SOURCES: CGSI RESEARCH, COMPANY REPORTS

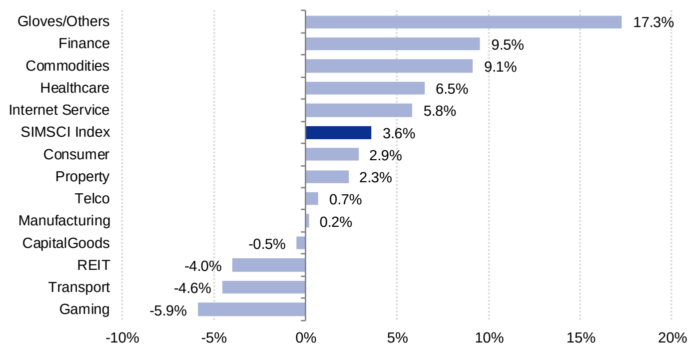
Figure 5: Sector ratings

Overweight
- Capital Goods
- Commodities
- Construction
- Gaming
- Gloves
- Internet
- REITS
- Technology

Neutral
- Banks
- Consumer
- Healthcare
- Property
- Telco
- Transport

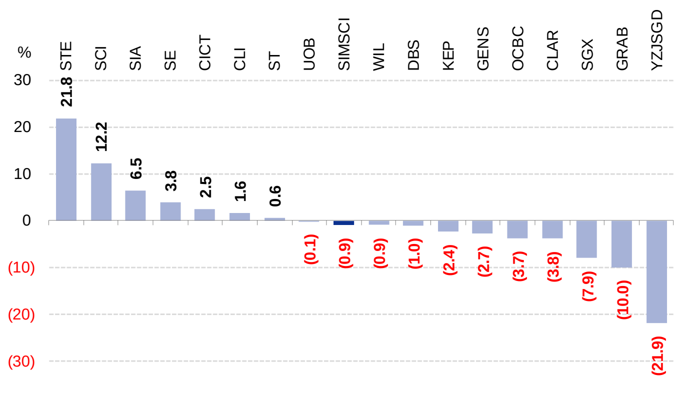
SOURCES: CGSI RESEARCH, COMPANY REPORTS

Figure 6: Sector YTD average price performance (%)



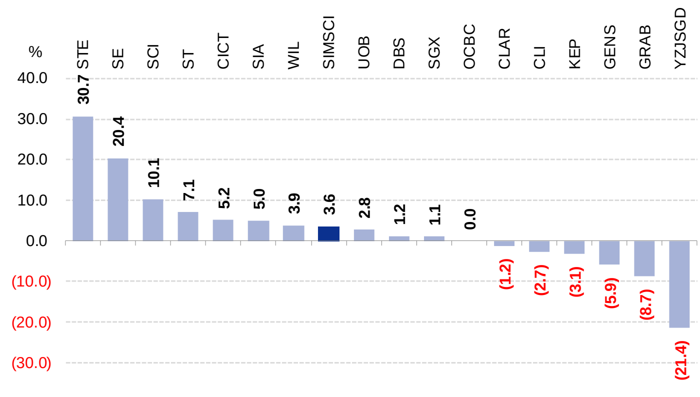
SOURCE: BLOOMBERG (YTD share price at 11-Mar-25)

Figure 7: MOM share price performance % (MSCI SIN member)



SOURCE: BLOOMBERG (share price at 11-Mar-25)

Figure 8: YTD share price performance % (MSCI SIN member)



SOURCE: BLOOMBERG (share price at 11-Mar-25)

Figure 9: Earnings forecast changes, by sector

Sector	Core Net Profit (S$m) (4Q24)			Core Net Profit (S$m) (3Q24)			Earnings Change qoq		YOY Growth %	
	CY24	CY25F	CY26F	CY24	CY25F	CY26F	CY25F	CY26F	CY25F	CY26F
Financials	26,216	26,744	27,781	26,549	26,345	26,715	1.5%	4.0%	2.0% ▲	3.9% ▲
Property	1,754	2,546	2,692	2,189	3,057	3,179	-16.7%	-15.3%	45.1% ▲	5.8% ▲
REITS	4,936	5,150	5,419	4,971	5,128	5,422	0.4%	-0.1%	4.3% ▲	5.2% ▲
Telcos	2,700	3,066	3,393	2,692	3,084	3,421	-0.6%	-0.8%	13.6% ▲	10.7% ▲
Transport	2,178	1,786	1,611	2,183	1,805	1,639	-1.0%	-1.8%	-18.0% ▼	-9.8% ▼
Capital Goods	4,219	4,507	4,939	4,221	4,558	4,995	-1.1%	-1.1%	6.8% ▲	9.6% ▲
Commodities	1,604	1,855	1,974	1,536	1,831	1,948	1.3%	1.3%	15.7% ▲	6.4% ▲
Gaming	610	604	688	527	567	676	6.6%	1.7%	-0.9% ▼	13.8% ▲
Consumer	1,813	1,938	2,074	1,792	1,936	1,995	0.1%	3.9%	6.9% ▲	7.0% ▲
Tech/Manufacturing	437	511	561	436	552	600	-7.5%	-6.4%	16.9% ▲	10.0% ▲
Healthcare	93	100	107	96	107	115	-6.3%	-6.6%	7.7% ▲	7.0% ▲
Internet Service	923	2,576	3,807	814	2,373	3,494	8.5%	9.0%	179.0% ▲	47.8% ▲
Gloves/Others	697	733	714	685	731	712	0.3%	0.3%	5.2% ▲	-2.6% ▼
Total	**48,179**	**52,115**	**55,760**	**48,693**	**52,073**	**54,911**	**0.1%**	**1.5%**	**8.2% ▲**	**7.0% ▲**

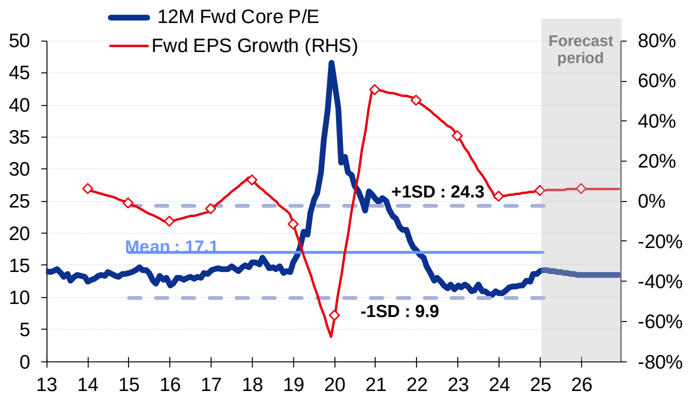
SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

Figure 10: MSCI Sin valuations

MSCI Sin Summary	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025F	2026F	2027F
Core P/E (x)	11.6x	12.9x	16.5x	13.1x	15.1x	40.6x	27.2x	15.3x	11.2x	14.3x	14.0x	13.2x	10.6x
FD Core P/E (x)	11.5x	12.9x	16.5x	13.1x	15.0x	39.8x	26.9x	15.1x	11.2x	14.4x	14.1x	13.2x	10.6x
12-mth Fwd Core P/E (x)	13.0x	13.6x	14.8x	13.9x	46.6x	26.0x	17.9x	11.3x	10.9x	13.6x	13.2x	12.3x	-
Core EPS growth (%)	-0.1%	-10.5%	-5.4%	11.8%	-6.4%	-67.5%	56.0%	51.7%	35.2%	2.0%	5.2%	6.4%	4.0%
Core Net Profit Growth (%)	-3.0%	-9.8%	8.3%	14.2%	5.1%	-50.5%	76.5%	46.6%	39.5%	4.4%	9.0%	6.8%	4.2%
P/BV (x)	1.2x	1.1x	1.4x	1.2x	1.3x	1.6x	1.6x	1.3x	1.3x	1.7x	1.7x	1.6x	1.5x
Dividend yield (%)	4.6%	4.3%	4.4%	4.9%	4.3%	2.3%	2.6%	4.4%	4.9%	4.1%	4.6%	4.7%	4.8%
EV/EBITDA (x)	10.0x	10.7x	12.1x	11.6x	14.8x	43.6x	36.9x	16.8x	11.2x	13.9x	13.4x	11.8x	12.5x
P/FCF (x, equity)	28.8x	28.5x	45.1x	52.1x	43.1x	(160x)	73.3x	(161x)	55.3x	75.6x	35.0x	29.0x	26.3x
P/FCF (x, firm)	nm	48.2x	22.6x	116.5x	(55.6x)	(93x)	(71x)	(221x)	21.8x	27.5x	24.2x	21.0x	20.3x
Net gearing (ex-banks) (%)	26.9%	30.4%	29.6%	36.1%	53.7%	54.5%	27.2%	37.9%	38.3%	28.7%	26.2%	21.9%	17.9%
ROE (%, recurring)	10.1%	8.8%	8.7%	9.2%	9.2%	4.1%	6.3%	8.7%	12.0%	12.1%	12.4%	12.5%	12.1%
SIMSCI level	322.7	320.2	387.7	342.9	372.2	324.4	338.6	289.4	285.5	373.3	385.3	385.3	385.3
CGSI/consensus (x)											1.00	0.98	0.98

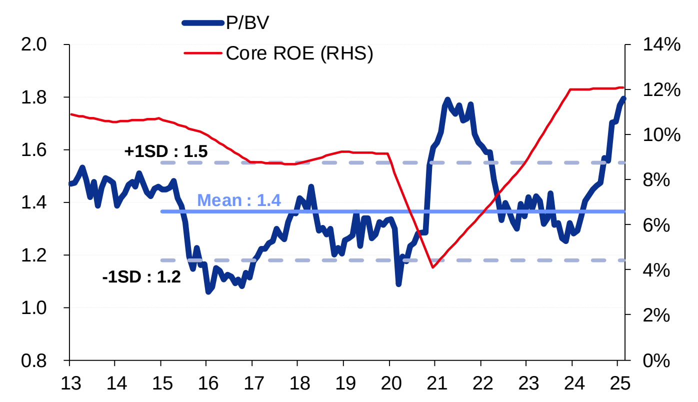
SOURCE: CGSI RESEARCH

Figure 11: MSCI Sin's 12M forward core P/E (x) vs. Fwd EPS growth



SOURCE: CGSI RESEARCH

Figure 12: MSCI Sin's P/BV (x) trading band vs. ROE



SOURCE: CGSI RESEARCH

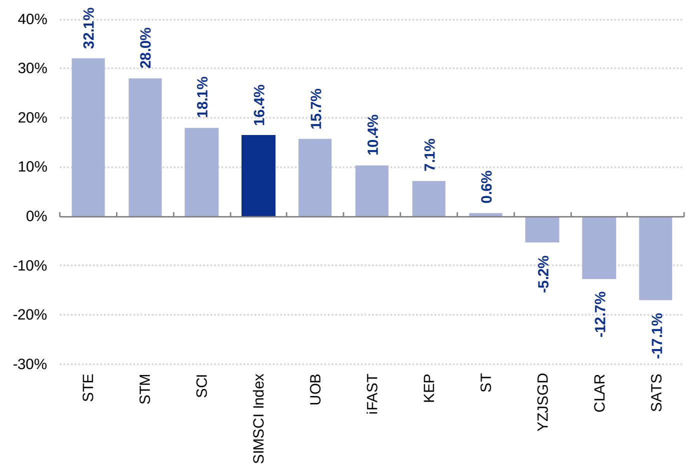
Figure 13: Alpha picks for 2025F

Company	Bloomberg Ticker	Rec	Price (local curr)	Target Price (lc)	Total Return * (%)	Market Cap (US$ m)	Core P/E (x) CY25F	Core P/E (x) CY26F	3-yr EPS CAGR (%)	P/BV (x) CY25F	P/BV (x) CY26F	Recurring ROE (%) CY25F	Recurring ROE (%) CY26F	Dividend Yield (%) CY25F	Dividend Yield (%) CY26F
Alpha picks (Large-cap)															
CapitaLand Ascendas REI	CLAR SP	Add	2.59	3.10	25.5%	8,537	17.0	16.5	-2.0%	1.10	1.10	6.5%	6.7%	5.9%	6.1%
iFAST Corporation Ltd	iFAST SP	Add	7.64	9.50	25.2%	1,717	20.1	19.1	26.2%	5.47	4.42	30.4%	25.6%	0.9%	0.9%
Keppel DC REIT	KDCREIT SP	Add	2.15	2.48	20.0%	3,633	23.2	21.5	-15.8%	1.28	1.26	5.8%	5.9%	4.6%	4.8%
Keppel Ltd	KEP SP	Add	6.63	9.28	44.9%	8,970	14.0	12.8	6.7%	1.06	1.03	7.6%	8.2%	5.0%	5.4%
UOL Group	UOL SP	Add	5.78	8.20	44.9%	3,658	14.5	13.1	11.6%	0.42	0.41	2.9%	3.2%	3.1%	3.1%
Yangzijiang Shipbuilding	YZJSGD SP	Add	2.33	3.62	59.3%	6,895	8.3	7.9	na	1.71	1.49	22.2%	20.1%	3.9%	4.1%
Average							**13.5**	**12.7**	**-10.0%**	**1.03**	**1.00**	**7.8%**	**8.0%**	**4.5%**	**4.8%**
Alpha picks (Small-cap)															
Food Empire Holdings Ltd	FEH SP	Add	1.20	1.71	49.1%	473	8.8	8.1	8.2%	1.50	1.38	17.7%	17.7%	6.6%	6.6%
Marco Polo Marine	MPM SP	Add	0.05	0.08	65.5%	138	6.8	5.3	na	0.85	0.74	13.5%	14.9%	2.2%	2.3%
Pan-United Corp Ltd	PAN SP	Add	0.62	0.75	26.1%	325	9.8	9.5	3.3%	1.51	1.40	15.8%	15.3%	5.2%	5.3%
Q&M Dental Group	QNM SP	Add	0.29	0.43	50.9%	206	15.0	13.7	10.8%	2.35	2.13	16.2%	16.3%	2.7%	2.9%
Average							**9.4**	**8.5**	**0.7%**	**1.46**	**1.33**	**16.1%**	**16.3%**	**5.0%**	**5.1%**

note: * includes dividend yield CY25F

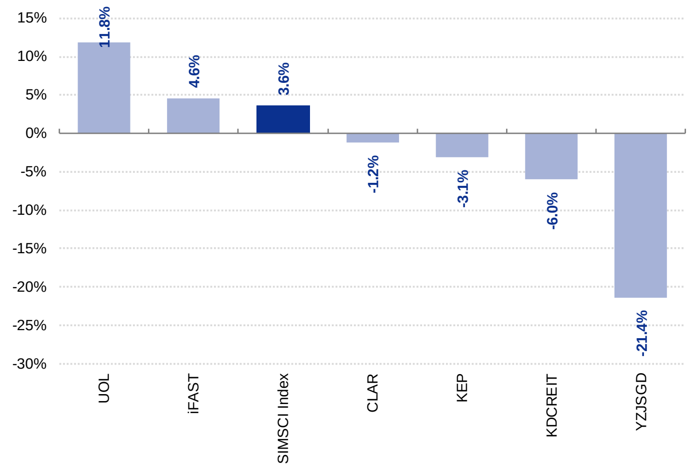
SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

Figure 14: Six-month share price performance of our previous big-cap conviction picks



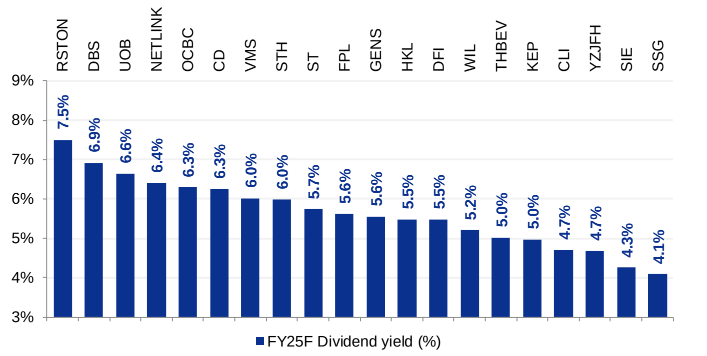
SOURCE: BLOOMBERG (YTD share price at 11-Mar-25)

Figure 15: YTD share price performance of our current big-cap conviction picks



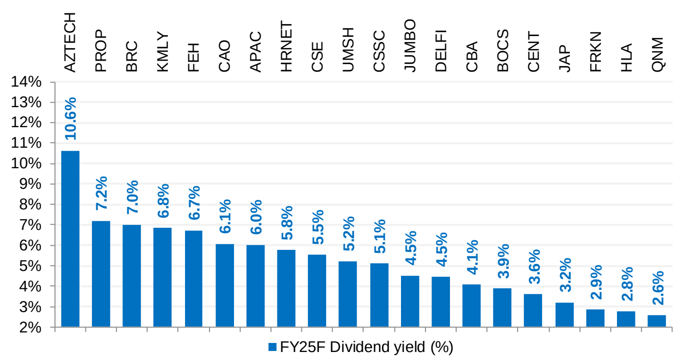
SOURCE: BLOOMBERG (YTD share price at 11-Mar-25)

Figure 16: FY25F Top 20 dividend yield stocks (%) (Mkt Cap >US$1bn, excl. REITs)



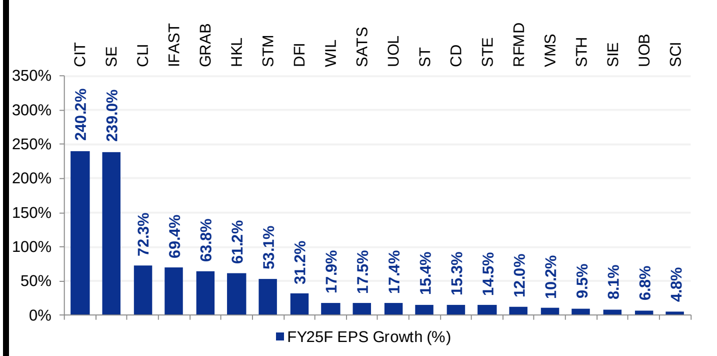
SOURCES: CGSI RESEARCH, COMPANY REPORTS (as at 11-Mar-25)

Figure 17: FY25F Top 20 dividend yield stocks (%) (Mkt Cap <US$1bn, excl. REITs)



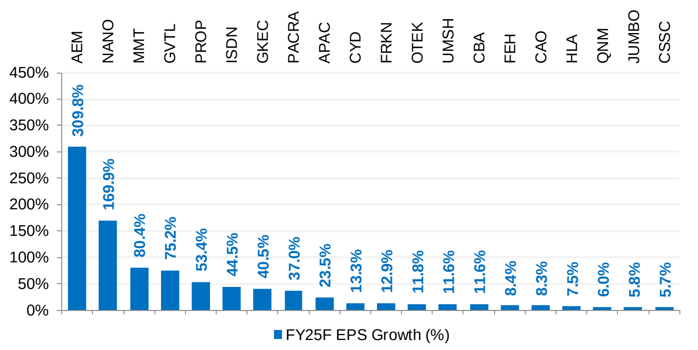
SOURCES: CGSI RESEARCH, COMPANY REPORTS (as at 11-Mar-25)

Figure 18: FY25F Top 20 EPS Growth stocks (%) (Mkt Cap >US$1bn, excl. REITs)



SOURCES: CGSI RESEARCH, COMPANY REPORTS (as at 11-Mar-25)

Figure 19: FY25F Top 20 EPS Growth stocks (%) (Mkt Cap <US$1bn, excl. REITs)



SOURCES: CGSI RESEARCH, COMPANY REPORTS (as at 11-Mar-25)

Figure 20: Stocks with dividend growth (FY25F)

	Market Cap (US$ m)	Dividend per share 2024	Dividend per share 2025	Dividend Growth FY2025
AEM SP	308.0	0.0000	0.0331	>100%
SATS SP	3,370.4	0.0150	0.0300	100%
GVTL SP	206.4	0.0061	0.0107	75%
SPOST SP	929.5	0.0074	0.0106	43%
DBS SP	94,989.8	2.2200	3.0600	38%
STM SP	5,262.6	0.0150	0.0200	33%
UOB SP	46,565.2	1.9000	2.4800	31%
APAC SP	113.3	0.0203	0.0250	24%
CBA SP	207.7	0.0400	0.0490	23%
NANO SP	323.0	0.0066	0.0080	21%
CENT SP	656.8	0.0300	0.0362	21%
CIT SP	3,314.9	0.1000	0.1200	20%
CD SP	2,294.0	0.0777	0.0900	16%
IFAST SP	1,721.5	0.0590	0.0680	15%
STH SP	1,511.5	0.0620	0.0700	13%
FRKN SP	343.2	0.0261	0.0294	13%
SIE SP	1,964.6	0.0800	0.0900	13%
ST SP	40,900.1	0.1500	0.1670	11%
MPM SP	138.1	0.0010	0.0011	10%
CDREIT SP	770.6	0.0532	0.0586	10%
DFI SP	3,086.3	0.1050	0.1150	10%
HLA SP	595.6	0.0267	0.0287	8%
PAN SP	325.4	0.0300	0.0320	7%
CSE SP	239.7	0.0240	0.0255	6%
SGX SP	10,266.8	0.3400	0.3600	6%
KDCREIT SP	3,642.3	0.0945	0.0993	5%
BRC SP	620.2	0.2000	0.2100	5%
THBEV SP	9,626.4	0.6200	0.6500	5%
SCI SP	8,089.0	0.1408	0.1475	5%
SSG SP	1,852.0	0.0640	0.0670	5%
HKL SP	9,642.9	0.2300	0.2400	4%
OCBC SP	56,023.4	1.0100	1.0500	4%
PROP SP	616.9	0.0775	0.0805	4%
MINT SP	4,407.2	0.1343	0.1394	4%
SUN SP	2,512.2	0.0619	0.0640	3%
PREIT SP	1,979.6	0.1492	0.1542	3%
CLAS SP	2,519.2	0.0610	0.0628	3%
KREIT SP	2,398.4	0.0560	0.0576	3%
LREIT SP	909.8	0.0384	0.0395	3%
ELITE SP	228.0	0.0287	0.0294	3%
EREIT SP	1,450.6	0.0212	0.0217	3%
CICT SP	11,426.6	0.1088	0.1112	2%
CAO SP	542.7	0.0383	0.0390	2%
SASSR SP	648.2	0.0605	0.0616	2%
NETLINK SP	2,517.2	0.0530	0.0538	2%
CLAR SP	8,560.4	0.1521	0.1541	1%
OTEK SP	128.9	0.0920	0.0927	1%
FCT SP	3,018.1	0.1200	0.1209	1%

SOURCES: CGSI RESEARCH, COMPANY REPORTS

Figure 21: Stocks with dividend growth (FY26F)

	Market Cap (US$ m)	Dividend per share 2025	Dividend per share 2026	Dividend Growth FY2026
STM SP	5,262.6	0.0200	0.0300	50%
NANO SP	323.0	0.0080	0.0107	33%
SATS SP	3,370.4	0.0300	0.0400	33%
SPOST SP	929.5	0.0106	0.0136	28%
APAC SP	113.3	0.0250	0.0310	24%
PACRA SP	50.4	0.0004	0.0004	20%
ISDN SP	123.0	0.0069	0.0081	18%
DELFI SP	348.9	0.0253	0.0295	17%
AEM SP	308.0	0.0331	0.0377	14%
ST SP	40,900.1	0.1670	0.1893	13%
YZJFH SP	1,751.5	0.0302	0.0342	13%
STH SP	1,511.5	0.0700	0.0783	12%
SIE SP	1,964.6	0.0900	0.1000	11%
OTEK SP	128.9	0.0927	0.1029	11%
GVTL SP	206.4	0.0107	0.0118	10%
QNM SP	206.7	0.0077	0.0085	10%
PREIT SP	1,979.6	0.1542	0.1686	9%
KEP SP	8,993.9	0.3300	0.3600	9%
CLAS SP	2,519.2	0.0628	0.0684	9%
DFI SP	3,086.3	0.1150	0.1250	9%
CBA SP	207.7	0.0490	0.0531	8%
CDREIT SP	770.6	0.0586	0.0634	8%
DBS SP	94,989.8	3.0600	3.3000	8%
SUN SP	2,512.2	0.0640	0.0684	7%
FRKN SP	343.2	0.0294	0.0312	6%
CSE SP	239.7	0.0255	0.0270	6%
CICT SP	11,426.6	0.1112	0.1177	6%
SGX SP	10,266.8	0.3600	0.3800	6%
CAO SP	542.7	0.0390	0.0410	5%
OUEREIT SP	1,156.7	0.0194	0.0204	5%
RFMD SP	1,358.4	0.0210	0.0220	5%
PGNREIT SP	2,057.7	0.0503	0.0527	5%
HLA SP	595.6	0.0287	0.0301	5%
YZJSGD SP	6,913.7	0.4901	0.5124	5%
CD SP	2,294.0	0.0900	0.0940	4%
HKL SP	9,642.9	0.2400	0.2500	4%
EREIT SP	1,450.6	0.0217	0.0226	4%
KDCREIT SP	3,642.3	0.0993	0.1030	4%
SASSR SP	648.2	0.0616	0.0636	3%
PAN SP	325.4	0.0320	0.0330	3%
SSG SP	1,852.0	0.0670	0.0690	3%
CLAR SP	8,560.4	0.1541	0.1586	3%
OCBC SP	56,023.4	1.0500	1.0800	3%
FLT SP	2,500.8	0.0669	0.0688	3%
CENT SP	656.8	0.0362	0.0372	3%
MPACT SP	4,866.4	0.0811	0.0833	3%
FCT SP	3,018.1	0.1209	0.1237	2%
KREIT SP	2,398.4	0.0576	0.0588	2%
SCI SP	8,089.0	0.1475	0.1503	2%
PROP SP	616.9	0.0805	0.0820	2%
NETLINK SP	2,517.2	0.0538	0.0548	2%
MINT SP	4,407.2	0.1394	0.1416	2%
SGREIT SP	852.1	0.0361	0.0366	1%
LREIT SP	909.8	0.0395	0.0397	1%

SOURCES: CGSI RESEARCH, COMPANY REPORTS

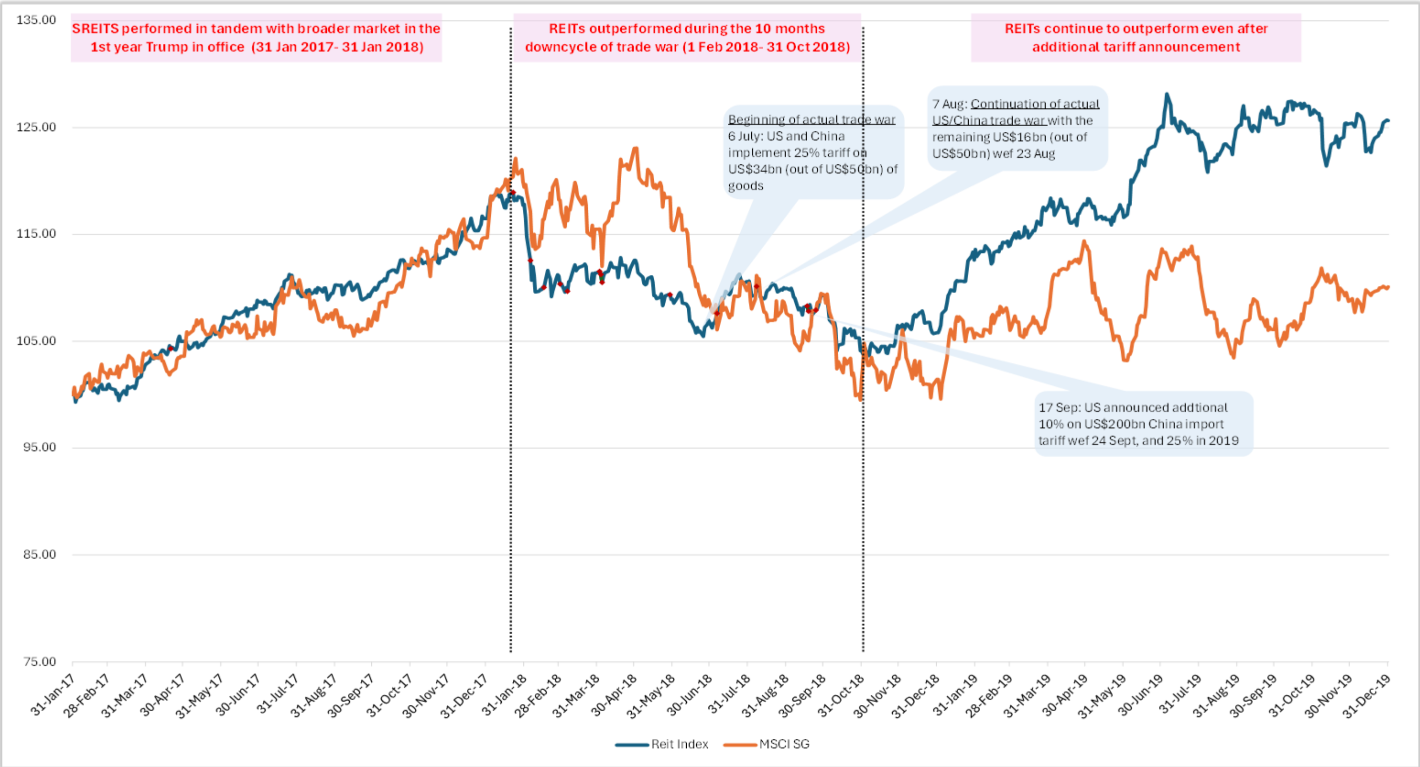
Technical perspective

The MSCI Singapore Index corrected by 5% over the span of four trading days and saw a slight rebound to 383.00 pts on Tuesday 11 Mar 25 as expected (see our strategy report published on 28 Feb 2025). However, the rebound is weaker than we expected and hence, we believe there may be a possible leg down further to test the 378.00 pts support line. Should it break this support line, we could see an extended correction towards the major support region at 376.00-362.00 pts, which is the target level of the supposed double-top formation. Despite seeing near-term weakness, we maintain our long-term bullish sentiment for the index and our end-2025 target remains at 415.00 pts.

Figure 22: Correction in, but long-term uptrend remains

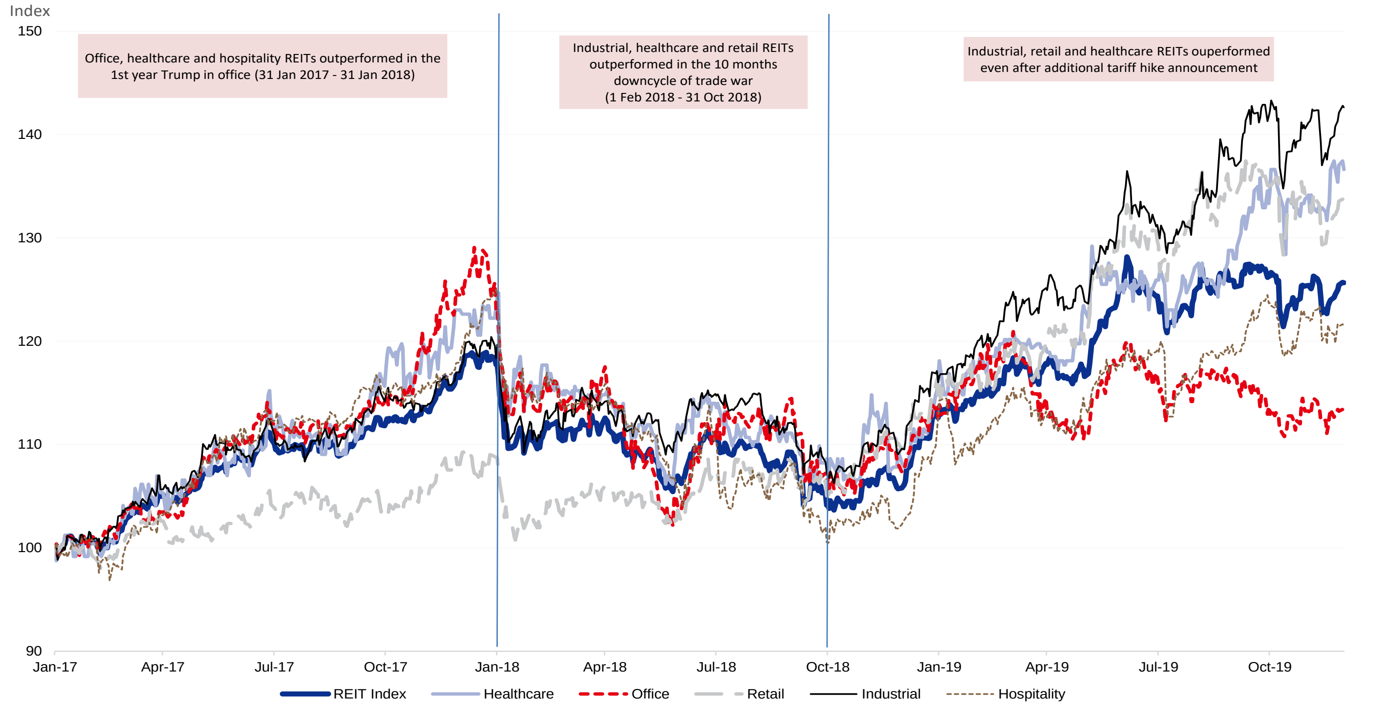
SOURCES: CGSI RESEARCH, COMPANY REPORTS

Figure 23: REIT sector performance during the Trump 1.0 period



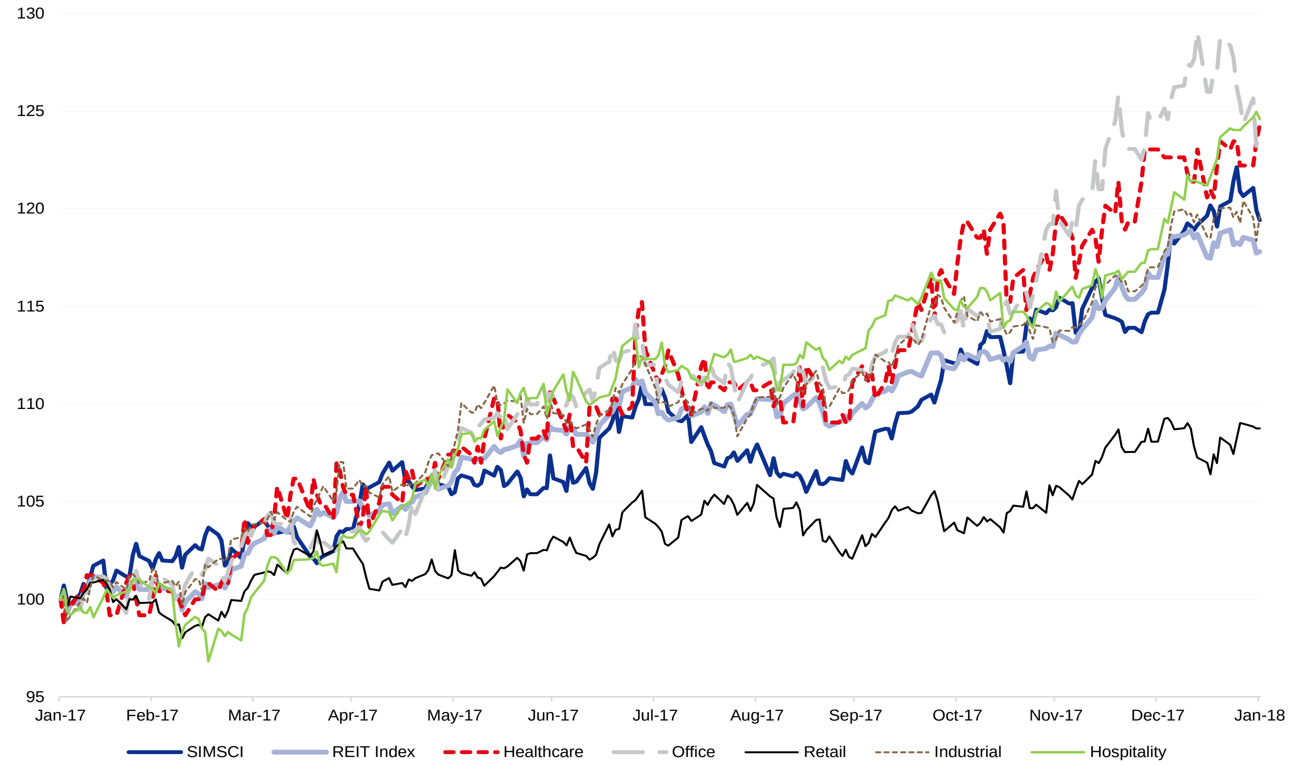
SOURCES: CGSI RESEARCH, COMPANY REPORTS, BLOOMBERG

Figure 24: REIT sub-sector performance during the Trump 1.0 period



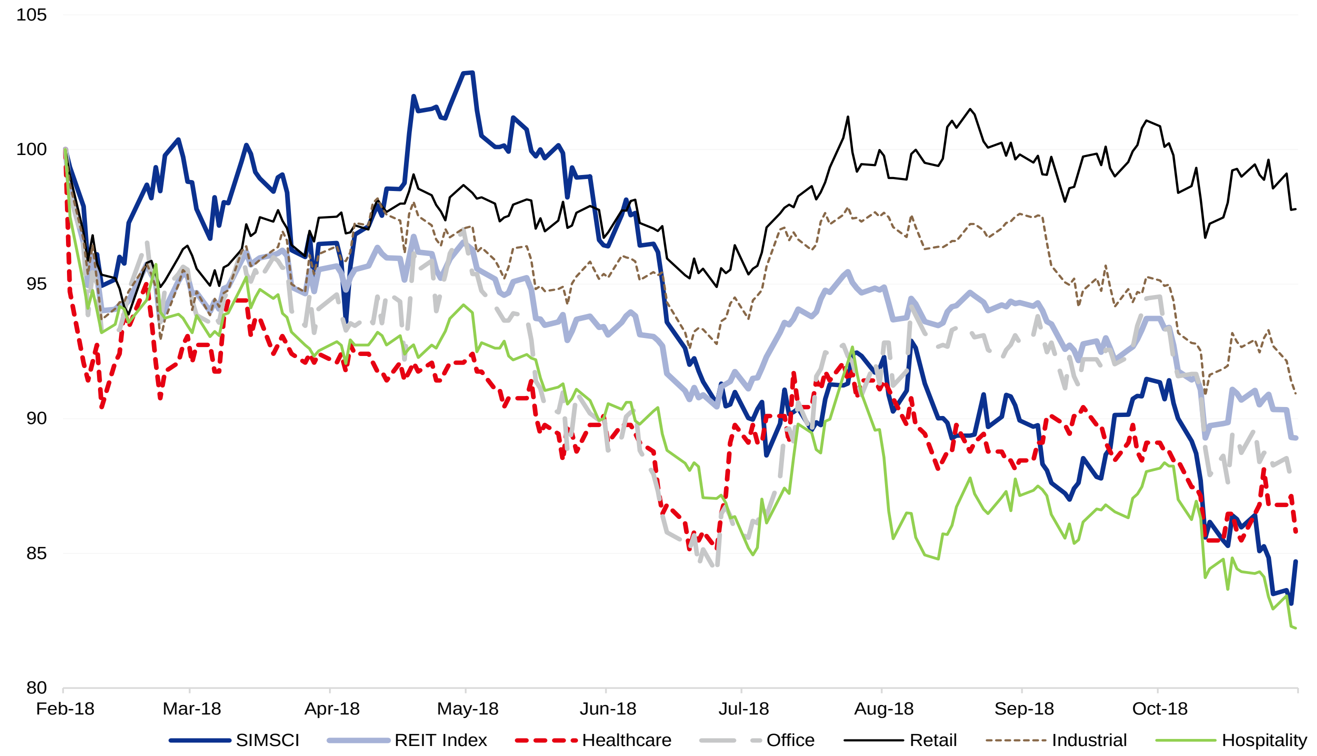
SOURCES: CGSI RESEARCH, COMPANY REPORTS, BLOOMBERG

Figure 25: REIT sub-sector performance during the first year of Trump in office (31 Jan 2017-31 Jan 2018)



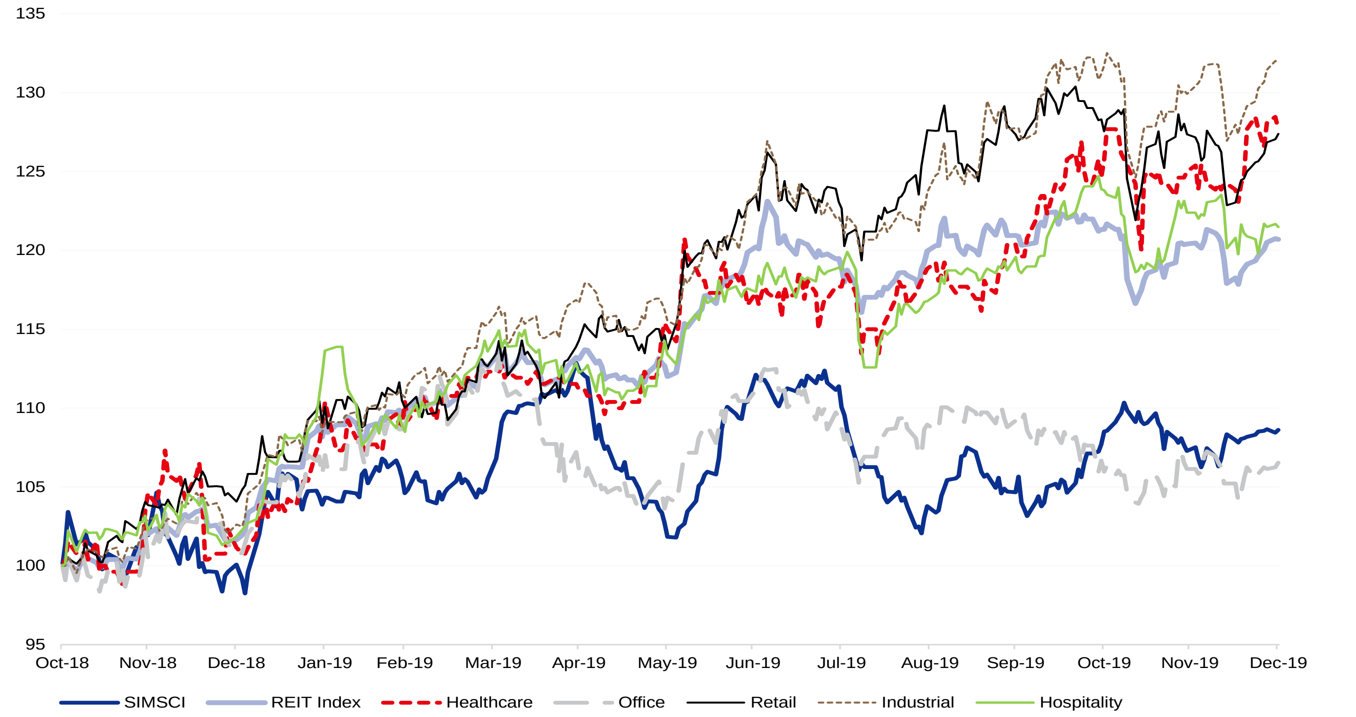
SOURCES: CGSI RESEARCH, COMPANY REPORTS, BLOOMBERG

Figure 26: REIT sub-sector performance during the 10-month downcycle of trade war



SOURCES: CGSI RESEARCH, COMPANY REPORTS, BLOOMBERG

Figure 27: REIT sub-sector performance during 31 Oct 2018- 31 Dec 2019, post the additional tariff hike period



SOURCES: CGSI RESEARCH, COMPANY REPORTS, BLOOMBERG

CapitaLand Ascendas REIT

Rejuvenating portfolio

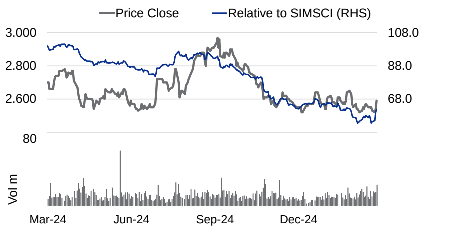
- CLAR maintained high portfolio occupancy of 92.8% as at end-FY24, amid positive rental reversion of 11.6% for the year.
- It is set to optimise asset returns through redevelopment opportunities.
- Maintain Add rating, with an unchanged TP of S$3.10

Singapore

ADD *(no change)*

Consensus ratings*:	Buy 16 Hold 0 Sell 0
Current price:	S$2.59
Target price:	S$3.10
Previous target:	S$3.10
Up/downside:	19.5%
CGSI / Consensus:	-1.2%
Reuters:	CAPD.SI
Bloomberg:	CLAR SP
Market cap:	US$8,537m
	S$11,397m
Average daily turnover:	US$19.72m
	S$26.63m
Current shares o/s	4,400m
Free float:	80.3%

**Source: Bloomberg*



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-1.5	1.2	-4.4
Relative (%)	0.6	-0.5	-39.6

Major shareholders	% held
Capitaland	19.2
Blackrock	6.0
State Street Corp	4.4

Maintaining high portfolio occupancy in Singapore

- CapitaLand Ascendas REIT's (CLAR) portfolio occupancy rose 0.7% pt to 92.8% as at end-FY24; overall rental reversions averaged +11.6% in FY24. Singapore occupancy rose to 92.5% as at end-FY24 due to higher take-up at its business space and logistics properties. Singapore portfolio achieved +11% rental reversion in FY24; management guided for mid-single-digit Singapore rental reversions in FY25F. The Singapore logistics sector continued to show the strongest reversions (+31.4%), while industrial and data centre segments posted 4.6-10.9% increases on new/renewal leases.

Value creation through redevelopment and AEI opportunities

- In its FY24 briefing, management indicated that it is looking at more redevelopment opportunities in Singapore to create value within its portfolio, as well as expand its logistics warehouse presence in the US. CLAR announced a new redevelopment opportunity at Logis Hub@Clementi in Singapore, bringing total redevelopment/asset enhancement initiative (AEI) works in Singapore to c.S$707m. These AEI activities are scheduled to be completed progressively from 1Q25F to 1Q28F. Logis Hub@Clementi, an existing cargo lift warehouse, will be redeveloped into a seven-storey ramp-up logistics property, with power provision for cold storage and contiguous floor plates, with a potential gross floor area of 32,315 sq m, a 122% increase from its current floor space. We believe additional contributions from these projects should underpin CLAR's income growth visibility in the medium term.

Deepening US logistics presence with two acquisitions in 4Q24

- Australia portfolio occupancy improved to 92.5% at end-FY24. The Australia portfolio enjoyed +12.9% rent reversion in FY24, underpinned by a +48.4% rent reversion within its logistics portfolio. It has 22.7% of leases expiring in FY25F. Take-up in the US increased qoq to 88.9% in 4Q24, with a higher take-up at its logistics properties in Kansas City and reversions averaging +20.9% in FY24. CLAR has 9.6% of leases in its US portfolio due to be renewed in FY25F, mainly in the business and life sciences space segments. CLAR acquired two logistics assets in the US in 4Q24, totalling S$248.2m. According to management, these properties are expected to achieve a yield on cost of 7.2-7.4% and should contribute positively to income.

Reiterate Add rating

- We maintain our Add rating and DDM-based TP of S$3.10 for CLAR as we like its diversified and resilient portfolio and healthy balance sheet. Potential re-rating catalysts include completion of ongoing AEI/ redevelopment projects, which should boost contributions when completed (between 1Q25F and 1Q26F), as well as faster-than-expected global recovery and accretive new acquisitions. Downside risks include a protracted economic downturn that could adversely impact its ability to price rents for positive reversions.

Financial Summary	Dec-23A	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Gross Property Revenue (S$m)	1,480	1,523	1,533	1,548	1,589
Net Property Income (S$m)	1,023	1,050	1,069	1,088	1,112
Net Profit (S$m)	137.3	790.0	670.0	691.0	711.4
Distributable Profit (S$m)	654.4	558.8	678.4	699.2	719.7
Core EPS (S$)	0.16	0.17	0.15	0.16	0.16
Core EPS Growth	8.3%	6.6%	(10.0%)	3.0%	2.8%
FD Core P/E (x)	16.32	15.31	17.02	16.53	16.07
DPS (S$)	0.15	0.15	0.15	0.16	0.16
Dividend Yield	5.85%	5.87%	5.95%	6.12%	6.29%
Asset Leverage	35.7%	35.7%	35.8%	35.9%	36.1%
BVPS (S$)	2.33	2.34	2.35	2.35	2.35
P/BV (x)	1.11	1.11	1.10	1.10	1.10
Recurring ROE	6.66%	7.25%	6.48%	6.67%	6.86%
DPS/Consensus DPS (x)			1.01	1.00	0.99

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

Analyst(s)

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BY THE NUMBERS

Profit & Loss

(S$m)	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Rental Revenues	1,523	1,533	1,548	1,589
Other Revenues	0	0	0	0
Gross Property Revenue	**1,523**	**1,533**	**1,548**	**1,589**
Total Property Expenses	-473	-464	-460	-477
Net Property Income	**1,050**	**1,069**	**1,088**	**1,112**
General And Admin. Expenses	0	0	0	0
Management Fees	-86	-87	-86	-86
Trustee's Fees	-12	-14	-14	-14
Other Operating Expenses	0	0	0	0
EBITDA	**951**	**968**	**989**	**1,012**
Depreciation And Amortisation	0	0	0	0
EBIT	**951**	**968**	**989**	**1,012**
Net Interest Income	-271	-270	-268	-270
Associates' Profit	0	0	0	0
Other Income/(Expenses)	45	0	0	0
Exceptional Items	46	0	0	0
Pre-tax Profit	**772**	**698**	**720**	**742**
Taxation	18	-28	-29	-30
Minority Interests	0	0	0	0
Preferred Dividends	0	0	0	0
Net Profit	**790**	**670**	**691**	**711**
Distributable Profit	**559**	**678**	**699**	**720**

Balance Sheet

(S$m)	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Total Investments	16,758	16,955	17,005	17,055
Intangible Assets	0	0	0	0
Other Long-term Assets	1,160	1,160	1,160	1,160
Total Non-current Assets	17,919	18,115	18,165	18,215
Total Cash And Equivalents	168	71	80	89
Inventories	0	0	0	0
Trade Debtors	122	122	122	122
Other Current Assets	61	61	61	61
Total Current Assets	**350**	**254**	**263**	**272**
Trade Creditors	412	412	412	412
Short-term Debt	980	980	980	980
Other Current Liabilities	128	128	128	128
Total Current Liabilities	**1,521**	**1,521**	**1,521**	**1,521**
Long-term Borrowings	5,544	5,594	5,644	5,694
Other Long-term Liabilities	896	896	896	896
Total Non-current Liabilities	6,440	6,490	6,540	6,590
Shareholders' Equity	10,309	10,359	10,368	10,377
Minority Interests	0	0	0	0
Preferred Shareholders Funds				
Total Equity	**10,309**	**10,359**	**10,368**	**10,377**

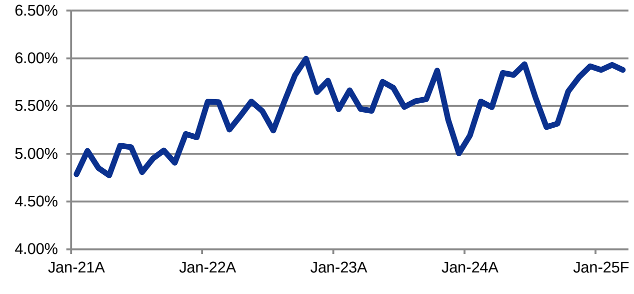
Cash Flow

(S$m)	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Pre-tax Profit	**772.1**	**698.5**	**720.3**	**741.7**
Depreciation And Non-cash Adj.	225.4	269.6	268.3	270.3
Change In Working Capital	(33.1)	0.0	0.0	0.0
Tax Paid	(12.9)	(28.5)	(29.3)	(30.3)
Others	(3.9)	17.4	17.2	17.3
Cashflow From Operations	**947.7**	**957.0**	**976.5**	**999.0**
Capex	(215.0)	(50.0)	(50.0)	(50.0)
Net Investments And Sale Of FA	175.1	(146.7)	0.0	0.0
Other Investing Cashflow	(21.8)	0.0	0.0	0.0
Cash Flow From Investing	**(61.6)**	**(196.7)**	**(50.0)**	**(50.0)**
Debt Raised/(repaid)	0.7	50.0	50.0	50.0
Equity Raised/(Repaid)	0.0	0.0	0.0	0.0
Dividends Paid	(657.8)	(678.4)	(699.2)	(719.7)
Cash Interest And Others	(287.8)	(269.6)	(268.3)	(270.3)
Cash Flow From Financing	**(944.9)**	**(898.0)**	**(917.5)**	**(940.0)**
Total Cash Generated	(58.8)	(137.7)	9.0	9.0
Free Cashflow To Firm	886.0	760.3	926.5	949.0
Free Cashflow To Equity	644.6	540.7	708.2	728.7

Key Ratios

	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Gross Property Revenue Growth	2.92%	0.64%	1.02%	2.64%
NPI Growth	2.62%	1.78%	1.82%	2.20%
Net Property Income Margin	68.9%	69.7%	70.3%	70.0%
DPS Growth	0.30%	1.33%	2.93%	2.80%
Gross Interest Cover	3.51	3.59	3.68	3.74
Effective Tax Rate	0.00%	4.07%	4.07%	4.09%
Net Dividend Payout Ratio	71%	101%	101%	101%
Current Ratio	0.23	0.17	0.17	0.18
Quick Ratio	0.23	0.17	0.17	0.18
Cash Ratio	0.11	0.05	0.05	0.06
Return On Average Assets	4.32%	3.66%	3.76%	3.85%

Rolling Dividend Yield - CapitaLand Ascendas REIT



Key Drivers

	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Occupancy (%)	0.0%	0.0%	0.0%	0.0%
AUM (S$m)	17,027.2	17,223.9	17,273.9	17,323.9

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

iFAST Corporation Ltd

There is still growth to come

- Improving investment sentiment has sustained iFAST's AUA growth.
- We expect rising contributions from ePension, fuelling its c.69% yoy earnings growth in FY25F. ORSO and Macau are additional growth levers.
- Reiterate Add rating, with an unchanged TP of S$9.50.

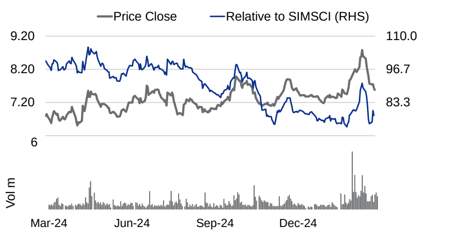
Singapore

ADD *(no change)*

Consensus ratings*:	Buy 3	Hold 1	Sell 0

Current price:	S$7.64
Target price:	S$9.50
Previous target:	S$9.50
Up/downside:	24.3%
CGSI / Consensus:	-1.4%
Reuters:	IFAS.SI
Bloomberg:	IFAST SP
Market cap:	US$1,717m
	S$2,292m
Average daily turnover:	US$4.48m
	S$6.02m
Current shares o/s	294.9m
Free float:	45.6%

**Source: Bloomberg*



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-0.1	0.5	12.0
Relative (%)	2.0	-1.2	-23.2

Major shareholders	% held
Lim Chung Chun	15.2
SPH Invest Ltd	15.1
Lim Wee Kian	5.0

Improving investor sentiment fuels AUA growth

- We sense improving sentiment and interest among investors on iFAST Corporation, as platform earnings progress steadily amid rising contributions from its ePension project in HK. While the interest rate outlook remains volatile, its AUA balances have continued to increase, rising S$3.3bn over FY24 to total c.S$25bn (+38% yoy) as at end-2024.

ePension as a key growth lever

- iFAST's FY24 HK earnings was ahead of management's guidance. We attribute it to a smoother-than-anticipated onboarding of ePension trustees and, as a result, stronger operating margins. Meanwhile, iFAST now projects occupational retirement scheme (ORSO) contributions to commence by end-2Q25F (vs. 1Q25F previously) to allow more time for system testing. Management had also announced that there are preparations for a collaboration with a partner to commence its pension business in Macau. To recap, total ORSO AUA in HK came to an estimated HK$293bn (c.S$51bn) in Dec 24. The AUA from trustees onboarded from the ORSO and Macau pension projects would be counted towards iFAST's total AUA — we expect upside earnings potential from these in FY26-27F. Management had not made any changes to its HK earnings targets, given the potential build-up costs ahead.

iFAST is aiming for iGB profitability in FY25F

- iFAST Global Bank (iGB) broke even in 4Q24. The stronger performance was due to rising NII as deposits crossed S$1bn in 4Q24 (4Q23: S$359m). iFAST aims to be profitable in FY25F.
- Management maintains a conservative stance in terms of future growth plans for iGB and does not envisage starting up a commercial lending business in the foreseeable future. It aims for its banking segment to be a complementary service to its wealth platform business and will likely continue placing its customer deposits with the Bank of England to make a spread. Over the longer term, iFAST targets a NIM of c.1.25-1.5% for iGB.

Reiterate Add rating, with DCF-based TP unchanged at S$9.50

- We reiterate Add as we await progressive earnings growth, stemming from a scheduled ramp-up in ePension earnings over FY25F. Our DCF-based TP is unchanged at S$9.50. Swifter onboarding of ePension trustees and sizeable ORSO contract wins are a re-rating catalyst. Delayed implementation of its ePension project and start-up issues of its ORSO endeavor is a downside risk.

Financial Summary	Dec-23A	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Revenue (S$m)	256.5	383.0	493.7	523.5	565.4
Operating EBITDA (S$m)	60.6	112.4	162.7	171.4	192.3
Net Profit (S$m)	28.3	66.6	110.6	116.7	132.7
Core EPS (S$)	0.10	0.22	0.38	0.40	0.46
Core EPS Growth	211%	134%	69%	5%	14%
FD Core P/E (x)	79.40	33.97	20.34	19.09	16.78
DPS (S$)	0.048	0.059	0.068	0.068	0.068
Dividend Yield	0.63%	0.77%	0.89%	0.89%	0.89%
EV/EBITDA (x)	37.84	23.83	16.13	14.18	12.57
P/FCFE (x)	10.6	14.2	83.4	11.3	124.2
Net Gearing	13%	129%	99%	41%	32%
P/BV (x)	9.01	7.18	5.47	4.42	3.61
ROE	12.0%	23.5%	30.6%	25.6%	23.7%
EPS/Consensus EPS (x)			1.08	1.00	0.98

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

Analyst(s)

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BY THE NUMBERS

Profit & Loss

(S$m)	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Total Net Revenues	**383.0**	**493.7**	**523.5**	**565.4**
Gross Profit	**248.4**	**330.8**	**361.2**	**401.4**
Operating EBITDA	**112.4**	**162.7**	**171.4**	**192.3**
Depreciation And Amortisation	(27.8)	(30.7)	(32.0)	(33.3)
Operating EBIT	**84.6**	**132.0**	**139.4**	**159.0**
Financial Income/(Expense)	(1.4)	1.5	1.5	1.5
Pretax Income/(Loss) from Assoc.	(0.0)	0.2	0.2	0.2
Non-Operating Income/(Expense)	0.0	0.0	0.0	0.0
Profit Before Tax (pre-EI)	**83.2**	**133.7**	**141.1**	**160.7**
Exceptional Items	0.0	0.0	0.0	0.0
Pre-tax Profit	**83.2**	**133.7**	**141.1**	**160.7**
Taxation	(17.2)	(24.1)	(25.4)	(28.9)
Exceptional Income - post-tax				
Profit After Tax	**66.0**	**109.6**	**115.7**	**131.7**
Minority Interests	0.7	1.0	1.0	1.0
Preferred Dividends				
FX Gain/(Loss) - post tax				
Other Adjustments - post-tax	0.0	0.0	0.0	0.0
Preference Dividends (Australia)				
Net Profit	**66.6**	**110.6**	**116.7**	**132.7**
Recurring Net Profit	66.6	110.6	116.7	132.7
Fully Diluted Recurring Net Profit	**66.6**	**110.6**	**116.7**	**132.7**
Normalised Net Profit	66.0	109.6	115.7	131.7
Fully Diluted Normalised Profit	**66.6**	**110.6**	**116.7**	**132.7**

Balance Sheet

(S$m)	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Total Cash And Equivalents	622.8	639.3	826.3	833.8
Total Debtors	0.0	0.0	0.0	0.0
Inventories				
Total Other Current Assets	808.4	865.7	788.7	882.8
Total Current Assets	**1,431.3**	**1,505.0**	**1,615.0**	**1,716.6**
Fixed Assets	135.0	139.3	133.9	127.2
Total Investments	0.4	0.6	0.8	1.0
Intangible Assets	0.0	0.0	0.0	0.0
Total Other Non-Current Assets	136.7	136.7	136.7	136.7
Total Non-current Assets	**272.1**	**276.6**	**271.4**	**264.9**
Short-term Debt	1,030.2	1,038.7	1,033.7	1,028.7
Current Portion of Long-Term Debt				
Total Creditors	120.2	105.3	119.4	107.6
Other Current Liabilities	110.6	105.6	105.6	105.6
Total Current Liabilities	**1,261.0**	**1,249.5**	**1,258.6**	**1,241.8**
Total Long-term Debt				
Hybrid Debt - Debt Component				
Total Other Non-Current Liabilities	127.4	127.4	127.4	127.4
Total Non-current Liabilities	**127.4**	**127.4**	**127.4**	**127.4**
Total Provisions	0.0	0.0	0.0	0.0
Total Liabilities	**1,388.4**	**1,376.9**	**1,386.0**	**1,369.2**
Shareholders' Equity	316.8	407.5	504.3	617.1
Minority Interests	(1.8)	(2.8)	(3.8)	(4.8)
Total Equity	**315.0**	**404.7**	**500.5**	**612.3**

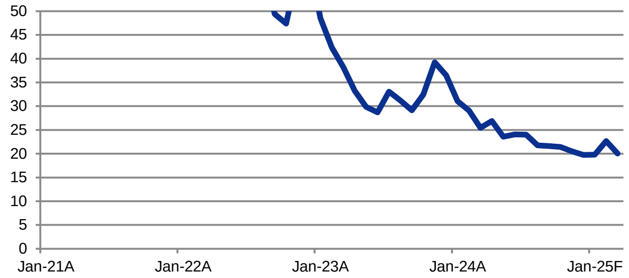
Cash Flow

(S$m)	Dec-24A	Dec-25F	Dec-26F	Dec-27F
EBITDA	112.4	162.7	171.4	192.3
Cash Flow from Invt. & Assoc.				
Change In Working Capital	(91.8)	(72.2)	91.0	(105.9)
(Incr)/Decr in Total Provisions				
Other Non-Cash (Income)/Expense				
Other Operating Cashflow	653.8	98.9	99.1	98.6
Net Interest (Paid)/Received	(1.4)	(97.4)	(97.6)	(97.1)
Tax Paid	(4.6)	(24.1)	(25.4)	(28.9)
Cashflow From Operations	**668.3**	**68.0**	**238.5**	**58.9**
Capex	(25.6)	(20.5)	(20.5)	(20.5)
Disposals Of FAs/subsidiaries				
Acq. Of Subsidiaries/investments				
Other Investing Cashflow	(465.4)	(20.5)	(20.5)	(20.5)
Cash Flow From Investing	**(491.0)**	**(41.0)**	**(41.0)**	**(41.0)**
Debt Raised/(repaid)	(17.9)	0.0	0.0	0.0
Proceeds From Issue Of Shares	(2.4)	0.0	0.0	0.0
Shares Repurchased				
Dividends Paid	(17.0)	(19.9)	(19.9)	(19.9)
Preferred Dividends				
Other Financing Cashflow	88.5	(11.1)	(11.1)	(11.1)
Cash Flow From Financing	**51.3**	**(31.0)**	**(31.0)**	**(31.0)**
Total Cash Generated	228.6	(4.0)	166.5	(13.1)
Free Cashflow To Equity	**159.4**	**27.0**	**197.5**	**17.9**
Free Cashflow To Firm	**178.8**	**130.4**	**301.1**	**121.1**

Key Ratios

	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Revenue Growth	49.3%	28.9%	6.1%	8.0%
Operating EBITDA Growth	85.4%	44.8%	5.3%	12.2%
Operating EBITDA Margin	29.3%	33.0%	32.7%	34.0%
Net Cash Per Share (S$)	-1.37	-1.37	-0.71	-0.67
BVPS (S$)	1.06	1.40	1.73	2.12
Gross Interest Cover	59.54	29.33	30.97	35.33
Effective Tax Rate	20.7%	18.0%	18.0%	18.0%
Net Dividend Payout Ratio	26.4%	18.0%	17.1%	15.0%
Accounts Receivables Days	-	-	-	-
Inventory Days	-	-	-	-
Accounts Payables Days	253.3	252.6	252.6	252.6
ROIC (%)	27.4%	15.5%	15.0%	19.1%
ROCE (%)	8.5%	9.9%	9.8%	10.4%
Return On Average Assets	5.31%	6.21%	6.23%	6.73%

12-mth Fwd FD P/E (x) - iFAST Corporation Ltd



Key Drivers

	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Gross profit margin (%)	64.9%	67.0%	69.0%	71.0%
Net profit margin (%)	17.2%	22.2%	22.1%	23.3%
AUA growth (yoy %)	37.9%	15.9%	16.0%	16.1%
Dividend payout ratio (%)	26.3%	17.9%	17.0%	14.9%

SOURCES: CGSI RESEARCH, COMPANY REPORTS

Keppel DC REIT

Positioned for growth

- FY25F DPU outlook underpinned by contribution from new acquisitions and positive rental reversions.
- Robust balance sheet enables KDCREIT to tap inorganic opportunities, particularly in the hyperscale segment, to strengthen portfolio resilience.
- Maintain Add rating on robust DPU growth outlook, with a TP of S$2.48.

We project robust growth outlook for FY25F

- We expect Keppel DC REIT's (KDCREIT) FY25F distributable income to grow by 27.4% yoy, supported by the recent acquisitions of SGP7 and SGP8 data centres (DCs) in Singapore, as well as organic income expansion at existing properties. KDCREIT also plans to create value through portfolio management. In Jan 2025, it announced the divestment of Basis Bay DC in Malaysia, followed by the announcement of sale of Kelsterbach DC in Germany in Feb 2025 for €50m.

Strong rental reversion trend to continue

- Portfolio occupancy stood at 97.2% as at end-Dec 2024. KDCREIT enjoyed strong portfolio rental reversion of c.39% for FY24 (>30% for 4Q24). Management has guided that Singapore's rental reversion outlook remains robust in FY25F. An estimated 15.4% of leases are due for renewal in FY25F, of which the bulk 13.7% are co-location leases, which are expected to benefit from strong demand and favourable demand/supply dynamics, particularly in Singapore, in our view. Hence, KDCREIT's robust rental reversion momentum will likely extend into FY25F, in our view.

Robust balance sheet enables it to tap inorganic growth prospects

- KDCREIT's gearing fell to 31.5% at end-Dec 2024 following its equity fund-raising exercise to purchase SGP7 and SGP8 DC; as such, we think the REIT remains well positioned to continue seeking inorganic growth. Management has indicated that it will continue to concentrate on hyperscale DC market, to strengthen the resilience of the portfolio. Some markets on its radar include Japan, South Korea and the developed markets in Europe. KDCREIT's average cost of debt slipped to 3.1% in 4Q24, and management guided that it expects funding cost to remain in the low 3% range for FY25F. Interest coverage ratio improved qoq to 5.3x at end-FY24.

Reiterate Add rating

- We like KDCREIT for its visible DPU growth prospects and maintain our DDM-based TP of S$2.48. Potential re-rating catalysts for the stock over the next 12 months could come from greater exposure to the robust Singapore DC market, potential earnings upside from greater tax transparency on the earnings for new DCs SGP7 and SGP8, as well as the possibility of adding another 1.5 floors of data centre hall space at SGP8 as well as collection of arrears from Bluesea, and higher-than-forecast rental reversions. Downside risks: lower-than-forecast portfolio occupancy, affecting its topline, and potential devaluation of its China portfolio, raising its gearing ratio.

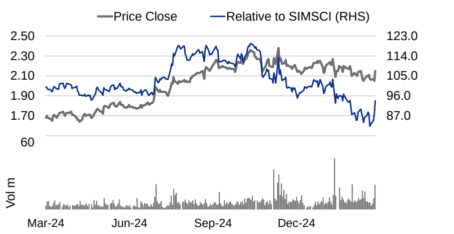
Singapore

ADD *(no change)*

Consensus ratings*:	Buy 9	Hold 5	Sell 0

Current price:	S$2.15
Target price:	S$2.48
Previous target:	S$2.48
Up/downside:	15.3%
CGSI / Consensus:	1.9%
Reuters:	KEPE.SI
Bloomberg:	KDCREIT SP
Market cap:	US$3,633m
	S$4,849m
Average daily turnover:	US$12.57m
	S$16.96m
Current shares o/s	2,209m
Free float:	76.5%

**Source: Bloomberg*



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-2.3	-2.3	26.5
Relative (%)	-0.2	-4.0	-8.7

Major shareholders	% held
Keppel Corp Ltd	21.3
Cohen & Steers	5.0
Matthews International Capital	4.9

Analyst(s)

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Financial Summary	Dec-23A	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Gross Property Revenue (S$m)	281.2	310.3	367.9	389.7	402.4
Net Property Income (S$m)	245.0	260.3	324.8	344.2	355.9
Net Profit (S$m)	126.8	300.7	205.5	221.6	230.5
Distributable Profit (S$m)	167.7	172.7	220.1	228.6	237.4
Core EPS (S$)	0.07	0.17	0.09	0.10	0.10
Core EPS Growth	(47%)	132%	(46%)	8%	4%
FD Core P/E (x)	29.16	14.05	23.15	21.52	20.73
DPS (S$)	0.09	0.09	0.10	0.10	0.11
Dividend Yield	4.36%	4.40%	4.62%	4.79%	4.97%
Asset Leverage	37.0%	30.9%	29.9%	29.6%	29.3%
BVPS (S$)	1.34	1.53	1.68	1.70	1.71
P/BV (x)	1.60	1.41	1.28	1.26	1.26
Recurring ROE	5.4%	10.6%	5.8%	5.9%	6.1%
DPS/Consensus DPS (x)			0.98	0.94	0.95

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

BY THE NUMBERS

Profit & Loss

(S$m)	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Rental Revenues	305.7	367.9	389.7	402.4
Other Revenues	4.6	0.0	0.0	0.0
Gross Property Revenue	**310.3**	**367.9**	**389.7**	**402.4**
Total Property Expenses	(50.0)	(43.1)	(45.5)	(46.4)
Net Property Income	**260.3**	**324.8**	**344.2**	**355.9**
General And Admin. Expenses				
Management Fees	(27.8)	(35.6)	(38.9)	(40.0)
Trustee's Fees	(0.6)	(0.8)	(0.8)	(0.8)
Other Operating Expenses	145.0	(9.7)	(10.3)	(10.7)
EBITDA	**376.9**	**278.7**	**294.2**	**304.4**
Depreciation And Amortisation	0.0	0.0	0.0	0.0
EBIT	**376.9**	**278.7**	**294.2**	**304.4**
Net Interest Income	(36.1)	(39.3)	(40.7)	(41.0)
Associates' Profit				
Other Income/(Expenses)	0.0	4.2	0.0	0.0
Exceptional Items				
Pre-tax Profit	**340.8**	**243.6**	**253.4**	**263.5**
Taxation	(26.8)	(24.4)	(17.7)	(18.4)
Minority Interests	(13.3)	(13.7)	(14.1)	(14.5)
Preferred Dividends				
Net Profit	**300.7**	**205.5**	**221.6**	**230.5**
Distributable Profit	**172.7**	**220.1**	**228.6**	**237.4**

Balance Sheet

(S$m)	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Total Investments	4,904	5,289	5,325	5,360
Intangible Assets	17	17	17	17
Other Long-term Assets	175	175	175	175
Total Non-current Assets	5,096	5,481	5,516	5,552
Total Cash And Equivalents	317	122	148	163
Inventories				
Trade Debtors	106	121	128	132
Other Current Assets	25	8	8	8
Total Current Assets	**448**	**251**	**284**	**303**
Trade Creditors	287	107	114	119
Short-term Debt	87	87	87	87
Other Current Liabilities	12	12	12	12
Total Current Liabilities	**387**	**206**	**214**	**218**
Long-term Borrowings	1,628	1,628	1,628	1,628
Other Long-term Liabilities	101	101	101	101
Total Non-current Liabilities	1,730	1,730	1,730	1,730
Shareholders' Equity	3,372	3,727	3,775	3,810
Minority Interests	55	69	83	97
Preferred Shareholders Funds				
Total Equity	**3,427**	**3,796**	**3,857**	**3,907**

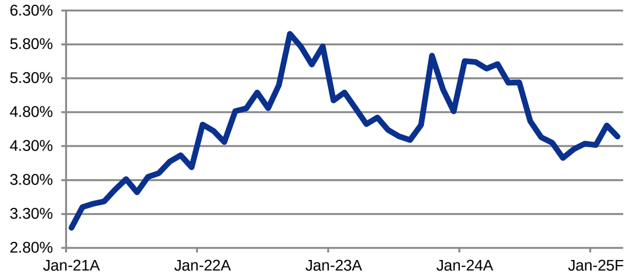
Cash Flow

(S$m)	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Pre-tax Profit	**340.8**	**243.6**	**253.4**	**263.5**
Depreciation And Non-cash Adj.	36.1	39.3	40.7	41.0
Change In Working Capital	(11.9)	(195.1)	0.2	0.7
Tax Paid	(23.2)	(24.4)	(17.7)	(18.4)
Others	(145.3)	15.1	7.6	7.7
Cashflow From Operations	**196.5**	**78.5**	**284.3**	**294.3**
Capex	(35.4)	(35.4)	(35.4)	(35.4)
Net Investments And Sale Of FA	(1,119.9)	(350.0)	0.0	0.0
Other Investing Cashflow	0.0	0.0	0.0	0.0
Cash Flow From Investing	**(1,155.3)**	**(385.4)**	**(35.4)**	**(35.4)**
Debt Raised/(repaid)	216.1	376.9	46.5	34.5
Equity Raised/(Repaid)	1,001.3	0.0	0.0	0.0
Dividends Paid	(153.0)	(220.1)	(228.6)	(237.4)
Cash Interest And Others	(44.3)	(24.8)	(27.6)	(28.1)
Cash Flow From Financing	**1,020.1**	**132.1**	**(209.7)**	**(231.0)**
Total Cash Generated	61.4	(174.9)	39.2	27.9
Free Cashflow To Firm	(943.4)	(292.4)	262.0	271.8
Free Cashflow To Equity	(777.8)	45.2	267.8	265.3

Key Ratios

	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Gross Property Revenue Growth	10.3%	18.6%	5.9%	3.2%
NPI Growth	6.3%	24.8%	6.0%	3.4%
Net Property Income Margin	83.9%	88.3%	88.3%	88.5%
DPS Growth	0.72%	5.05%	3.78%	3.67%
Gross Interest Cover	7.32	5.18	5.47	5.66
Effective Tax Rate	7.9%	10.0%	7.0%	7.0%
Net Dividend Payout Ratio	57%	107%	103%	103%
Current Ratio	1.16	1.22	1.33	1.39
Quick Ratio	1.16	1.22	1.33	1.39
Cash Ratio	0.82	0.59	0.69	0.75
Return On Average Assets	6.30%	3.65%	3.84%	3.96%

Rolling Dividend Yield - Keppel DC REIT



Key Drivers

	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Occupancy rate (%)	98.1%	97.6%	97.9%	97.9%
Rental rate (S$ psf)	7.6	9.8	10.3	10.7

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

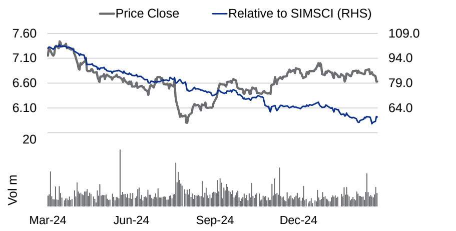
Singapore

ADD *(no change)*

Consensus ratings*:	Buy 9	Hold 1	Sell 2

Current price:	S$6.63
Target price:	S$9.28
Previous target:	S$9.28
Up/downside:	40.0%
CGSI / Consensus:	13.0%
ADR: KPELY US US$9.92	TP: US$13.89
Reuters:	KPLM.SI
Bloomberg:	KEP SP
Market cap:	US$8,970m
	S$11,974m
Average daily turnover:	US$13.99m
	S$18.89m
Current shares o/s	1,787m
Free float:	78.8%

Source: Bloomberg



Source: Bloomberg

Price performance	*1M*	*3M*	*12M*
Absolute (%)	-2.4	-3.9	-6.8
Relative (%)	-0.3	-5.6	-42.0

Major shareholders	% held
Temasek Holdings	20.6
BlackRock	5.2
Vanguard Group	3.0

Keppel Ltd

Large monetisation opportunities ahead

- We expect sizeable asset monetisation to be a near-term catalyst, as the pace of monetisation needs to accelerate ahead to hit KEP's 2026F target.
- Bifrost commencement in 2H25F is a key driver for our Connectivity net profit growth assumptions of 10%/14% yoy in FY25F/26F.
- Reiterate Add, at an unchanged SOP-based TP of S$9.28.

Asset monetisation should gain traction ahead

- With Keppel (KEP) having already cumulatively divested c.S$7bn worth of assets since 2020 (S$1.4bn p.a. on average), we think the pace of monetisation has to accelerate in 2025-26F for the group to hit its target of S$10bn-12bn by end-2026F. This indicates S$1.5bn-2.6bn worth of capital recycling p.a. for FY25-26F, in our view.
- We think the sale of digital network operator M1 could be possible in the coming quarters, considering: 1) intensifying competition within the Singapore mobile and broadband space, and 2) KEP's shift towards an increasingly asset-light business model. We believe KEP could sell the entire M1 consumer business and keep the Enterprise business; this could yield c.S$660m-780m by our estimates, based on 6-7x FY24 EV/EBITDA.
- Divestment of some rigs in asset co could also be expedited given KEP's transition to full ownership in Nov 2024. We believe the divestible rigs (which includes two semi-submersibles) could amount to a market value of c.US$800m, in our view.
- Sizeable asset monetisation could provide upside to our FY25-27F DPS estimates of S$0.33-S$0.38, which have not factored in any potential special dividends.

Bifrost set to boost Connectivity profits from 2H25F onwards

- With the Bifrost Cable System set to be ready for service in 2H25F, KEP will start recognising profits from indefeasible rights of use (IRU) for two of the five fibre pairs. KEP is also actively marketing the remaining three fibre pairs.
- We estimate total contributions from Bifrost, which includes operations & maintenance fees (O&M) and disposal gains, at S$22m/S$86m/S$83m for FY25F/26F/27F.
- With this, we expect Connectivity net profit to grow 10%/14% yoy in FY25F/26F.

Reiterate Add at an SOP-based TP of S$9.28

- Reiterate Add. We like KEP as its transition towards an asset-light global asset manager should drive continued ROE improvement in the coming years, which could accord potential for multiples to re-rate ahead (now trading at 1.1x CY25F P/BV, 20-year historical average).
- Our FY24-27F core EPS CAGR of c.7% is underpinned by: 1) double-digit Connectivity growth (helped by Bifrost contribution), 2) stable Infrastructure margins, 3) funds under management (FUM) growth driving asset management profits, and 4) rebounding Real Estate performance off a low base.
- Re-rating catalysts: sizeable asset monetisation, special DPS. Downside risks: slow pace of asset monetisation, unexpected global recession.

Financial Summary	Dec-23A	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Revenue (S$m)	6,966	6,601	6,886	7,102	7,383
Operating EBITDA (S$m)	1,297	1,423	1,511	1,618	1,695
Net Profit (S$m)	885	832	864	944	1,020
Core EPS (S$)	0.50	0.46	0.47	0.52	0.56
Core EPS Growth	4.98%	(7.81%)	3.88%	9.26%	8.01%
FD Core P/E (x)	13.35	14.38	13.97	12.79	11.84
DPS (S$)	0.34	0.34	0.33	0.36	0.38
Dividend Yield	5.13%	5.13%	4.98%	5.43%	5.73%
EV/EBITDA (x)	11.75	10.42	9.61	8.82	8.32
P/FCFE (x)	24.04	7.27	13.18	13.03	14.08
Net Gearing	88.0%	84.0%	78.3%	73.0%	68.8%
P/BV (x)	1.11	1.08	1.06	1.03	1.00
ROE	7.94%	7.61%	7.66%	8.17%	8.59%
EPS/Consensus EPS (x)			0.92	0.95	0.92

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

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BY THE NUMBERS

Profit & Loss

(S$m)	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Total Net Revenues	**6,601**	**6,886**	**7,102**	**7,383**
Gross Profit	**1,865**	**1,614**	**1,664**	**1,730**
Operating EBITDA	**1,423**	**1,511**	**1,618**	**1,695**
Depreciation And Amortisation	-208	-222	-226	-232
Operating EBIT	**1,215**	**1,289**	**1,392**	**1,463**
Financial Income/(Expense)	-327	-329	-332	-336
Pretax Income/(Loss) from Assoc.	162	154	164	169
Non-Operating Income/(Expense)	61	62	62	63
Profit Before Tax (pre-EI)	**1,110**	**1,177**	**1,287**	**1,359**
Exceptional Items	0	0	0	0
Pre-tax Profit	**1,110**	**1,177**	**1,287**	**1,359**
Taxation	-244	-272	-297	-313
Exceptional Income - post-tax				
Profit After Tax	**866**	**904**	**990**	**1,046**
Minority Interests	-34	-40	-46	-26
Preferred Dividends				
FX Gain/(Loss) - post tax				
Other Adjustments - post-tax				
Preference Dividends (Australia)				
Net Profit	**832**	**864**	**944**	**1,020**
Recurring Net Profit	832	864	944	1,020
Fully Diluted Recurring Net Profit	**832**	**864**	**944**	**1,020**
Normalised Net Profit	866	904	990	1,046
Fully Diluted Normalised Profit	**832**	**864**	**944**	**1,020**

Balance Sheet

(S$m)	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Total Cash And Equivalents	2,302	2,617	2,887	3,053
Total Debtors	1,625	1,490	1,557	1,618
Inventories	2,273	2,708	2,830	2,942
Total Other Current Assets	420	420	420	420
Total Current Assets	**6,619**	**7,235**	**7,694**	**8,033**
Fixed Assets	4,236	4,425	4,622	4,828
Total Investments	14,191	14,298	14,424	14,356
Intangible Assets	1,502	1,435	1,367	1,298
Total Other Non-Current Assets	1,111	1,111	1,111	1,111
Total Non-current Assets	**21,039**	**21,268**	**21,523**	**21,592**
Short-term Debt	1,389	1,389	1,389	1,389
Current Portion of Long-Term Debt				
Total Creditors	2,730	3,250	3,724	3,872
Other Current Liabilities	652	774	780	787
Total Current Liabilities	**4,771**	**5,413**	**5,893**	**6,047**
Total Long-term Debt	10,509	10,409	10,309	10,209
Hybrid Debt - Debt Component				
Total Other Non-Current Liabilities	953	953	953	953
Total Non-current Liabilities	**11,462**	**11,362**	**11,262**	**11,162**
Total Provisions	0	0	0	0
Total Liabilities	**16,233**	**16,775**	**17,154**	**17,209**
Shareholders' Equity	11,156	11,419	11,708	12,035
Minority Interests	270	310	356	382
Total Equity	**11,426**	**11,729**	**12,063**	**12,417**

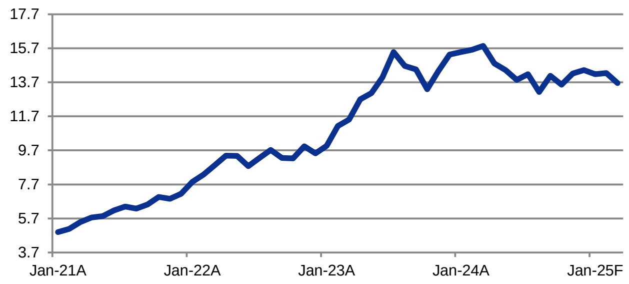
Cash Flow

(S$m)	Dec-24A	Dec-25F	Dec-26F	Dec-27F
EBITDA	1,423	1,511	1,618	1,695
Cash Flow from Invt. & Assoc.				
Change In Working Capital	-267	341	291	-19
(Incr)/Decr in Total Provisions				
Other Non-Cash (Income)/Expense				
Other Operating Cashflow	-312	0	0	0
Net Interest (Paid)/Received	-328	-329	-332	-336
Tax Paid	-316	-272	-297	-313
Cashflow From Operations	**200**	**1,251**	**1,281**	**1,027**
Capex	-611	-510	-554	-369
Disposals Of FAs/subsidiaries	129	0	0	0
Acq. Of Subsidiaries/investments	801	0	0	0
Other Investing Cashflow	382	275	300	300
Cash Flow From Investing	**701**	**-235**	**-254**	**-69**
Debt Raised/(repaid)	743	-100	-100	-100
Proceeds From Issue Of Shares	0	0	0	0
Shares Repurchased	0	0	0	0
Dividends Paid	-608	-601	-656	-692
Preferred Dividends				
Other Financing Cashflow	2	0	0	0
Cash Flow From Financing	**137**	**-701**	**-756**	**-792**
Total Cash Generated	1,038	315	271	165
Free Cashflow To Equity	**1,644**	**916**	**927**	**857**
Free Cashflow To Firm	**1,311**	**1,430**	**1,446**	**1,382**

Key Ratios

	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Revenue Growth	(5.24%)	4.31%	3.13%	3.96%
Operating EBITDA Growth	9.7%	6.2%	7.1%	4.7%
Operating EBITDA Margin	21.6%	21.9%	22.8%	23.0%
Net Cash Per Share (S$)	-5.27	-5.04	-4.84	-4.69
BVPS (S$)	6.12	6.27	6.43	6.61
Gross Interest Cover	2.97	3.12	3.32	3.44
Effective Tax Rate	22.0%	23.1%	23.1%	23.1%
Net Dividend Payout Ratio	73.1%	69.5%	69.4%	67.9%
Accounts Receivables Days	92.00	82.56	78.30	78.48
Inventory Days	185.0	172.4	185.9	186.4
Accounts Payables Days	205.4	207.0	234.1	245.2
ROIC (%)	10.7%	12.7%	14.2%	15.2%
ROCE (%)	5.99%	6.13%	6.52%	6.76%
Return On Average Assets	4.12%	4.12%	4.32%	4.43%

12-mth Fwd FD P/E (x) - Keppel Ltd



Key Drivers

	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Revenue growth (%)	-5.2%	4.3%	3.1%	4.0%
EBIT margin (%)	18.4%	18.7%	19.6%	19.8%

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

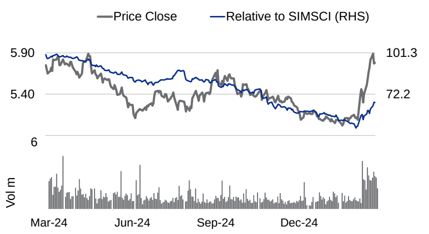
Singapore

ADD *(no change)*

Consensus ratings*:	Buy 6	Hold 1	Sell 1

Current price:	S$5.78
Target price:	S$8.20
Previous target:	S$8.20
Up/downside:	41.8%
CGSI / Consensus:	8.0%
Reuters:	UTOS.SI
Bloomberg:	UOL SP
Market cap:	US$3,658m
	S$4,883m
Average daily turnover:	US$4.70m
	S$6.33m
Current shares o/s	844.9m
Free float:	54.0%

**Source: Bloomberg*



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	13.1	9.5	1.0
Relative (%)	15.2	7.8	-34.2

Major shareholders	% held
Wee related vehicles (incl Haw Par)	31.2
United Overseas Bank	9.8
Schroders	5.0

Analyst(s)

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UOL Group

Solid execution

- UOL's residential development segment is underpinned by robust sell-through rates and visible launch pipeline
- Robust rental and hospitality income could bolster recurring earnings base.
- We like UOL's strong execution track record and robust balance sheet. Reiterate Add with a TP of S$8.20.

Strong residential development income visibility

- In FY24, UOL Group generated 42.7%/23.7% of its gross revenue/EBIT from property development activities, with progressive recognition from Watten House (88% sold), MEYER BLUE (62% sold) and Pinetree Hill (81% sold). It launched the 1,193-unit Parktown Residence in Feb 2025 and generated an 87% take-up rate during the first weekend of launch. For the rest of FY25F, UOL plans to market 2 projects — UPPERHOUSE at Orchard Boulevard (in 1H25F) and Holland Drive site (in 3Q25F). UOL also replenished its residential development pipeline with the exercise of option to purchase the Thomson View enbloc parcel in Nov 2024. This should continue to bolster its development income visibility in FY25F, in our view.

High recurrent income base, accounting for 50.5% of FY24 EBIT

- UOL generated 50.5% of FY24 EBIT from recurring rental income. Its commercial property portfolio saw higher take-up, with the office properties enjoying a 2.2%-pt increase in occupancy to 94% at end-FY24, while the retail property segment reported a 0.2%-pt increase in occupancy to 99.6%. Rental revenue also expanded on the back of positive reversions of 8.4% for office properties and 15.6% for retail assets. In FY25F, UOL's recurring rental base should be bolstered by a full-year contribution from 388 George St in Australia, in our view.

Contributions from AEIs should be felt from FY26F onwards

- Meanwhile, the asset enhancement initiative (AEI) at Singapore Land Tower is scheduled to be completed in 1H25F, according to management. The exercise includes façade replacement, lobby and toilets upgrade and M&E upgrades, as well as installing a variety of communal spaces, such as tenant amenities, co-working spaces, and end-of-trip facilities. The building was 90% pre-leased as at end-FY24. Within its hospitality segment, UOL's FY24 hotel portfolio performance improved, with higher occupancy and room rates across its hotels in Singapore and Oceania, due to the reopening of Pan Pacific Orchard in Jun 2023 and better performance at Pan Pacific Perth and ParkRoyal Melbourne Airport, which underwent renovations in 2023.

Reiterate Add rating

- We like UOL for its diversified business model, with a high proportion of recurring income, and robust balance sheet, with a net debt-to-equity ratio of 0.23x at end-FY24, which provides financial flexibility for growth opportunities. UOL announced a final DPS of 18 Scts for FY24, representing a 48% payout ratio from operating PATMI, and we believe this level of DPS is likely sustainable given its high recurrent income base. Our TP stays at S$8.20 (a 40% discount to RNAV). Re-rating catalysts: more value unlocking of its investment properties and hotels as well as faster sell-through of its residential projects. Downside risks: cost over-runs from AEIs, and rising residential construction cost that would erode its development margins.

Financial Summary	Dec-23A	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Total Net Revenues (S$m)	2,682	2,795	2,550	2,553	2,626
Operating EBITDA (S$m)	681.9	784.7	807.9	804.5	687.3
Net Profit (S$m)	707.7	358.2	336.7	374.2	400.5
Core EPS (S$)	0.33	0.34	0.40	0.44	0.47
Core EPS Growth	(19.7%)	3.3%	17.4%	11.1%	7.0%
FD Core P/E (x)	17.60	17.03	14.51	13.05	12.19
DPS (S$)	0.20	0.18	0.18	0.18	0.18
Dividend Yield	3.46%	3.11%	3.11%	3.11%	3.11%
EV/EBITDA (x)	19.16	16.95	15.92	15.87	18.64
P/FCFE (x)	5.35	6.55	8.82	8.77	11.13
Net Gearing	21.7%	21.7%	18.2%	16.8%	16.1%
P/BV (x)	0.44	0.42	0.42	0.41	0.40
ROE	2.56%	2.54%	2.90%	3.16%	3.32%
EPS/Consensus EPS (x)			0.96	0.91	0.86

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

BY THE NUMBERS

Profit & Loss

(S$m)	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Total Net Revenues	**2,795**	**2,550**	**2,553**	**2,626**
Gross Profit	**785**	**808**	**805**	**687**
Operating EBITDA	**785**	**808**	**805**	**687**
Depreciation And Amortisation	-132	-137	-136	0
Operating EBIT	**653**	**671**	**668**	**687**
Financial Income/(Expense)	-115	-119	-121	-123
Pretax Income/(Loss) from Assoc.	-4	50	110	130
Non-Operating Income/(Expense)	0	0	0	0
Profit Before Tax (pre-EI)	**534**	**602**	**658**	**694**
Exceptional Items	84	0	0	0
Pre-tax Profit	**618**	**602**	**658**	**694**
Taxation	**-95**	**-93**	**-101**	**-107**
Exceptional Income - post-tax				
Profit After Tax	**523**	**510**	**557**	**588**
Minority Interests	-165	-173	-182	-187
Pref. & Special Div	0	0	0	0
FX Gain/(Loss) - post tax				
Other Adjustments - post-tax				
Preference Dividends (Australia)				
Net Profit	**358**	**337**	**374**	**400**
Recurring Net Profit	287	337	374	400
Fully Diluted Recurring Net Profit	**287**	**337**	**374**	**400**
Normalised Net Profit	439	510	557	588
Fully Diluted Normalised Profit	**274**	**337**	**374**	**400**

Balance Sheet

(S$m)	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Total Cash And Equivalents	1,510	1,793	2,077	2,240
Properties Under Development				
Total Debtors	669	610	611	628
Inventories	4	3	3	3
Total Other Current Assets	2,772	2,797	2,822	2,847
Total Current Assets	**4,954**	**5,203**	**5,512**	**5,718**
Fixed Assets	2,998	2,979	2,960	3,076
Total Investments	**14,851**	**14,799**	**14,918**	**15,094**
Intangible Assets	0	0	0	0
Total Other Non-Current Assets	34	31	31	32
Total Non-current Assets	**17,883**	**17,809**	**17,909**	**18,202**
Short-term Debt	382	388	395	404
Current Portion of Long-Term Debt				
Total Creditors	609	555	556	572
Other Current Liabilities	224	204	205	210
Total Current Liabilities	**1,214**	**1,148**	**1,156**	**1,186**
Total Long-term Debt	4,682	4,444	4,528	4,623
Hybrid Debt - Debt Component				
Total Other Non-Current Liabilities	540	758	759	780
Total Non-current Liabilities	**5,222**	**5,202**	**5,287**	**5,403**
Total Provisions	0	0	0	0
Total Liabilities	**6,436**	**6,350**	**6,443**	**6,589**
Shareholders' Equity	**11,535**	**11,719**	**11,942**	**12,190**
Minority Interests	4,865	4,943	5,036	5,141
Total Equity	**16,400**	**16,662**	**16,978**	**17,331**

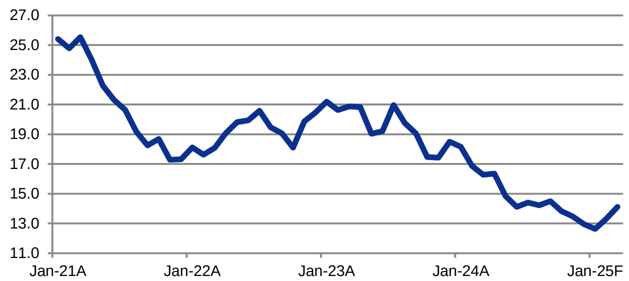
Cash Flow

(S$m)	Dec-24A	Dec-25F	Dec-26F	Dec-27F
EBITDA	785	808	805	687
Cash Flow from Invt. & Assoc.				
Change In Working Capital	147	-39	-25	-21
Straight Line Adjustment				
(Incr)/Decr in Total Provisions				
Other Non-Cash (Income)/Expense	137	206	147	-7
Other Operating Cashflow	-147	-87	-26	130
Net Interest (Paid)/Received	-115	-119	-121	-123
Tax Paid	-84	-97	-106	-112
Cashflow From Operations	**724**	**672**	**674**	**555**
Capex	-352	-118	-117	-116
Disposals Of FAs/subsidiaries				
Disposals of Investment Properties				
Acq. Of Subsidiaries/investments				
Other Investing Cashflow	123	0	0	0
Cash Flow From Investing	**-229**	**-118**	**-117**	**-116**
Debt Raised/(repaid)	250	0	0	0
Proceeds From Issue Of Shares	0	0	0	0
Shares Repurchased				
Dividends Paid	-169	-152	-152	-152
Preferred Dividends				
Other Financing Cashflow	-429	-119	-121	-123
Cash Flow From Financing	**-347**	**-271**	**-273**	**-275**
Total Cash Generated	147	283	284	163
Free Cashflow To Firm	**609**	**673**	**678**	**562**
Free Cashflow To Equity	**745**	**554**	**557**	**439**

Key Ratios

	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Revenue Growth	4.2%	(8.8%)	0.1%	2.8%
Operating EBITDA Growth	15.1%	3.0%	(0.4%)	(14.6%)
Operating EBITDA Margin	28.1%	31.7%	31.5%	26.2%
Net Cash Per Share (S$)	-4.21	-3.60	-3.37	-3.30
BVPS (S$)	13.65	13.87	14.13	14.43
Gross Interest Cover	5.70	5.64	5.53	5.58
Effective Tax Rate	15.4%	15.4%	15.4%	15.4%
Net Dividend Payout Ratio	55.5%	45.2%	40.6%	38.0%
Accounts Receivables Days	78.09	91.51	87.27	86.12
Inventory Days	0.65	0.71	0.68	0.62
Accounts Payables Days	116.9	121.9	116.0	106.2
ROIC (%)	9.9%	10.1%	10.0%	10.3%
ROCE (%)	3.10%	3.12%	3.08%	3.11%
Return On Average Assets	2.38%	2.66%	2.84%	2.92%

12-mth Fwd FD P/E (x) - UOL Group



Key Drivers

	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Property development revenue (S$m)	922.6	988.2	928.3	978.5
Property investment revenue (S$m)	517.8	526.7	537.4	540.9
Hotel ownership and operations (S$m)	780.9	818.0	858.5	873.0
Management services and others (S$m)	206.0	217.3	229.1	233.2

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

CGS International

Company Brief

Offshore & Marine | Singapore | March 13, 2025

HIGH CONVICTION

D+ LSEG ESG Combined Score

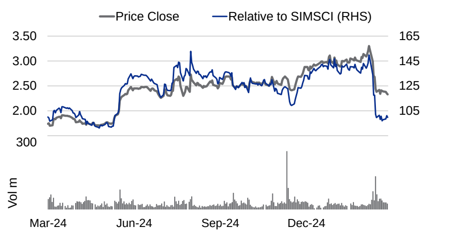
Singapore

ADD *(no change)*

Consensus ratings*:	Buy 9	Hold 1	Sell 0

Current price:	S$2.33
Target price:	S$3.62
Previous target:	S$3.62
Up/downside:	55.4%
CGSI / Consensus:	7.8%
Reuters:	YAZG.SI
Bloomberg:	YZJSGD SP
Market cap:	US$6,895m
	S$9,205m
Average daily turnover:	US$50.63m
	S$68.35m
Current shares o/s	3,951m
Free float:	61.0%

**Source: Bloomberg*



Source: Bloomberg

Price performance	*1M*	*3M*	*12M*
Absolute (%)	-24.4	-17.1	29.4
Relative (%)	-22.3	-18.8	-5.8

Major shareholders	% held
Yangzi International Holdings Ltd	21.5

Yangzijiang Shipbuilding

Attractive valuations and yield

- We keep YZJSB among Singapore top picks as we believe the stock is undervalued at the current level of 6.4x CY26F P/E.
- Its dividend yield of c.5-6% is also attractive, in our view, backed by earnings growth and a strong balance sheet.
- The financial strength of liners and high deposit collections on order wins should limit the risk of any cancellations, in our view.

Favourable FX and steel prices continue to lift margins

- Yangzijiang Shipbuilding (YZJSB) delivered a net profit of RMB3.58bn (+51% yoy) in 2H24, driven by improved gross margins across the board. Continued favourable FX environment and falling steel prices drove up the shipbuilding segment's GM to 29.7% in 2H24 (vs. 1H24's 25.9%). The shipping segment saw higher charter rates and a larger fleet, which lifted GM to 46% in 2H24 (vs. 1H24's 40.5%).
- We expect FY25F gross margin to rise to 29.2% (FY24: 28.7%). YTD 2025 steel prices are still 15%/7% below 2023/24 averages, while US$/Rmb FX rate is broadly stable.

We see limited risk of order cancellations

- We think YZJSB's order flow peaked with a record-breaking 2024 (US$14.6bn order wins), even though this was not unexpected, while a US$6bn target for FY25F remains commendable if achieved, in our view. Despite the slowdown in new order enquiries, management remains confident of its FY25F target, as existing orders have already filled yard capacity until 2027F. YZJSB's capacity constraints naturally limit further upside to order wins beyond this level, but its order backlog of US$24.4bn ensures stable revenue growth through at least 2027F.
- Market concerns over potential declining orders have put pressure on the stock, yet earnings should remain resilient over the next three years, in our view. Even in a scenario where global trade weakens by 2026F, order cancellations will likely be minimal unless shipping companies face prolonged financial distress. YZJSB's ability to secure deposits of 20-30% of contract values reduces cancellation risk, in our view.

Maintain TP of S$3.65; recent share price is buying opportunity

- The stock is trading at 6.4x CY26F P/E, significantly below Korean shipbuilders' c.15x, despite YZJSB's superior ROE of 22% and stronger operational track record.
- We reiterate Add and keep YZJSB as one of Singapore top picks. Our TP is now based on 10x CY26F P/E (from 12x previously to factor in uncertainties in the implementation of the US Trade Representative's proposal to levy port fees on China-built ships). We think 10x is justifiable given its 3-year FY24-27F earnings (net profit CAGR of 10%, backed by order book execution and sustainable margins. We lift our FY25-26F EPS forecasts by 17-28% to account for higher shipbuilding margins and order recognition. Key catalysts: stronger-than-expected orders and margins. Downside risks: surge in steel costs, order cancellations, and finalisation of punitive measures by the US government against the Chinese shipbuilding industry.

Financial Summary	**Dec-23A**	**Dec-24A**	**Dec-25F**	**Dec-26F**	**Dec-27F**
Revenue (Rmbm)	24,112	26,542	29,034	33,538	36,411
Operating EBITDA (Rmbm)	5,217	8,000	9,050	10,503	11,304
Net Profit (Rmbm)	4,102	6,634	7,060	8,082	8,620
Core EPS (Rmb)	1.04	1.68	1.79	2.05	2.18
Core EPS Growth	56.6%	61.7%	6.4%	14.5%	6.7%
FD Core P/E (x)	12.18	7.53	7.07	6.18	5.79
DPS (Rmb)	0.34	0.62	0.67	0.76	0.81
Dividend Yield	2.72%	4.94%	5.30%	5.99%	6.39%
EV/EBITDA (x)	7.50	3.58	1.99	1.09	0.46
P/FCFE (x)	7.44	3.84	3.90	5.61	5.67
Net Gearing	(52%)	(81%)	(102%)	(104%)	(104%)
P/BV (x)	2.39	1.90	1.63	1.40	1.21
ROE	21.3%	28.1%	24.8%	24.3%	22.4%
% Change In Core EPS Estimates			16.7%	27.8%	
EPS/Consensus EPS (x)			0.95	0.95	0.86

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

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BY THE NUMBERS

Profit & Loss

(Rmbm)	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Total Net Revenues	**26,542**	**29,034**	**33,538**	**36,411**
Gross Profit	**7,608**	**8,479**	**9,954**	**10,912**
Operating EBITDA	**8,000**	**9,050**	**10,503**	**11,304**
Depreciation And Amortisation	-433	-610	-704	-765
Operating EBIT	**7,567**	**8,440**	**9,799**	**10,540**
Financial Income/(Expense)	616	543	477	417
Pretax Income/(Loss) from Assoc.	0	0	0	0
Non-Operating Income/(Expense)	0	0	0	0
Profit Before Tax (pre-EI)	**8,183**	**8,983**	**10,276**	**10,957**
Exceptional Items				
Pre-tax Profit	**8,183**	**8,983**	**10,276**	**10,957**
Taxation	-1,549	-1,886	-2,158	-2,301
Exceptional Income - post-tax				
Profit After Tax	**6,634**	**7,096**	**8,118**	**8,656**
Minority Interests	-1	-36	-36	-36
Preferred Dividends				
FX Gain/(Loss) - post tax				
Other Adjustments - post-tax				
Preference Dividends (Australia)				
Net Profit	**6,634**	**7,060**	**8,082**	**8,620**
Recurring Net Profit	6,634	7,060	8,082	8,620
Fully Diluted Recurring Net Profit	**6,634**	**7,060**	**8,082**	**8,620**
Normalised Net Profit	6,634	7,096	8,118	8,656
Fully Diluted Normalised Profit	**6,634**	**7,060**	**8,082**	**8,620**

Balance Sheet

(Rmbm)	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Total Cash And Equivalents	28,120	38,268	44,188	49,804
Total Debtors	6,270	1,478	1,708	1,854
Inventories	1,876	2,037	2,337	2,527
Total Other Current Assets	5,879	6,428	7,419	8,052
Total Current Assets	**42,145**	**48,211**	**55,653**	**62,237**
Fixed Assets	7,863	8,283	8,607	8,872
Total Investments	969	1,556	2,172	2,819
Intangible Assets	21	21	21	21
Total Other Non-Current Assets	3,557	3,557	3,557	3,557
Total Non-current Assets	**12,411**	**13,417**	**14,358**	**15,270**
Short-term Debt	4,500	4,500	4,500	4,500
Current Portion of Long-Term Debt				
Total Creditors	4,320	4,690	5,381	5,818
Other Current Liabilities	16,065	18,318	20,882	22,474
Total Current Liabilities	**24,884**	**27,508**	**30,763**	**32,792**
Total Long-term Debt	2,300	2,300	2,300	2,300
Hybrid Debt - Debt Component				
Total Other Non-Current Liabilities	995	995	995	995
Total Non-current Liabilities	**3,295**	**3,295**	**3,295**	**3,295**
Total Provisions	0	0	0	0
Total Liabilities	**28,179**	**30,803**	**34,058**	**36,086**
Shareholders' Equity	26,278	30,691	35,782	41,213
Minority Interests	99	135	171	207
Total Equity	**26,377**	**30,826**	**35,953**	**41,420**

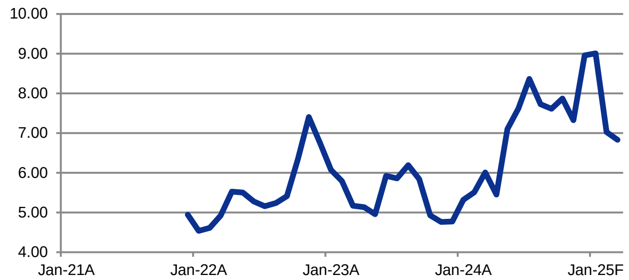
Cash Flow

(Rmbm)	Dec-24A	Dec-25F	Dec-26F	Dec-27F
EBITDA	8,000	9,050	10,503	11,304
Cash Flow from Invt. & Assoc.				
Change In Working Capital	-1,862	5,001	161	101
(Incr)/Decr in Total Provisions				
Other Non-Cash (Income)/Expense				
Other Operating Cashflow	7,362	103	685	170
Net Interest (Paid)/Received	616	543	477	417
Tax Paid	-1,156	-872	-1,886	-2,158
Cashflow From Operations	**12,961**	**13,825**	**9,940**	**9,834**
Capex	-1,056	-1,029	-1,029	-1,029
Disposals Of FAs/subsidiaries	4	0	0	0
Acq. Of Subsidiaries/investments	0	0	0	0
Other Investing Cashflow	-116	0	0	0
Cash Flow From Investing	**-1,169**	**-1,029**	**-1,029**	**-1,029**
Debt Raised/(repaid)	1,205	0	0	0
Proceeds From Issue Of Shares	0	0	0	0
Shares Repurchased	0	0	0	0
Dividends Paid	-1,346	-2,648	-2,990	-3,189
Preferred Dividends				
Other Financing Cashflow	-93	0	0	0
Cash Flow From Financing	**-233**	**-2,648**	**-2,990**	**-3,189**
Total Cash Generated	11,559	10,148	5,921	5,616
Free Cashflow To Equity	**12,998**	**12,796**	**8,911**	**8,805**
Free Cashflow To Firm	**11,911**	**12,914**	**9,030**	**8,924**

Key Ratios

	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Revenue Growth	10.1%	9.4%	15.5%	8.6%
Operating EBITDA Growth	53.3%	13.1%	16.1%	7.6%
Operating EBITDA Margin	30.1%	31.2%	31.3%	31.0%
Net Cash Per Share (Rmb)	5.40	7.97	9.46	10.89
BVPS (Rmb)	6.65	7.77	9.06	10.43
Gross Interest Cover	63.71	71.06	82.50	88.74
Effective Tax Rate	18.9%	21.0%	21.0%	21.0%
Net Dividend Payout Ratio	37.2%	37.5%	37.0%	37.0%
Accounts Receivables Days	75.44	48.71	17.34	17.85
Inventory Days	27.02	34.75	33.85	34.82
Accounts Payables Days	77.24	79.99	77.93	80.15
ROIC (%)	63%	138%	(676%)	(335%)
ROCE (%)	27.7%	25.7%	25.9%	24.3%
Return On Average Assets	12.8%	11.4%	11.7%	11.3%

12-mth Fwd FD P/E (x) - Yangzijiang Shipbuilding



Key Drivers

	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Order win (US$m)	14,600.0	6,257.1	6,100.7	6,100.7

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

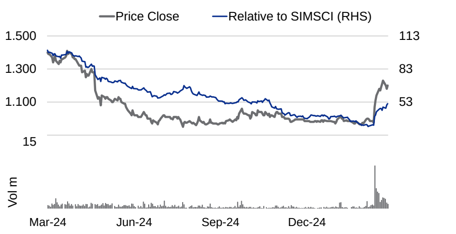
Singapore

ADD *(no change)*

Consensus ratings*:	Buy 5	Hold 0	Sell 0

Current price:	S$1.20
Target price:	S$1.71
Previous target:	S$1.71
Up/downside:	42.5%
CGSI / Consensus:	25.1%
Reuters:	FEMP.SI
Bloomberg:	FEH SP
Market cap:	US$473.3m
	S$631.9m
Average daily turnover:	US$0.61m
	S$0.82m
Current shares o/s	533.8m
Free float:	39.8%

Source: Bloomberg



Source: Bloomberg

Price performance	*1M*	*3M*	*12M*
Absolute (%)	24.4	20.6	-14.3
Relative (%)	26.5	18.9	-49.5

Major shareholders	% held
Universal Integrated Corp	24.9
Tan Guek Ming	12.9
Nair Sudeep	12.4

Food Empire Holdings Ltd

Growth plans in place

- FEH's expansion plans to drive earnings growth over FY25-27F are in place, in our view.
- We think the Ikhlas partnership can potentially improve FEH's valuation.
- Reiterate Add and TP of S$1.71 on FY25-27F earnings growth prospects.

A clear growth plan

- In Malaysia, where FEH's non-dairy creamer production facility capacity was doubled in 2Q24, management said (in its FY24 results commentary) that it aims to achieve full utilisation over FY25-28F. FEH will also complete the expansion of its snack manufacturing facility by 1Q25F, with production expected to start by 2Q25F. This increase its potato chip production capacity by 50%.
- In Kazakhstan, FEH plans to have its new 3-in-1 coffee mix production facility ready by end-FY25F. This plant is intended to meet demand from Eastern European markets.
- In Vietnam, FEH targets to have a new freeze-dried soluble coffee plant ready by end-FY28F. Expected capex, including working capital, is approximately US$80m.
- In the branded business, FEH said it plans to grow its Vietnam business further, with spending to strengthen its brand presence and develop brand loyalty in a bid to boost revenue. The company also plans to introduce new products there.

Two-pronged approach with strategic partner

- FEH had in Aug 2024 issued a US$40m 5-year redeemable exchangeable note (5.5% annual interest) to Ikhlas Capital that was injected into a SPV wholly owned by FEH.
- FEH said this strategic partnership will allow it to tap into Ikhlas Capital's network for business opportunities as well as proposals that can improve its valuation. As Ikhlas Capital is an ASEAN-focused private equity fund manager with investors that include family offices of F&B conglomerates, this also ties in with FEH's pivot to the ASEAN region.
- Revenue dependency on Russia, which could the reduce the pool of potential investors, have fallen from 65% in FY2000 to 30% in FY2024, FEH said.

Reiterate Add

- We value FEH at 11.2x P/E multiple, 1.0 s.d. above its 5-year mean (2019-23) on our FY26F EPS forecast, leading to a TP of S$1.71.
- Reiterate Add for: a) the growth potential of FEH's operations in Vietnam to become a new major revenue contributor; and b) potential food ingredients business growth and potential dividend yield of 7.5%, which is also attractive, in our view.
- Key re-rating catalysts: a) improving operating margins on stabilising market demand, b) sustained market share in its key market, Russia, and c) a resolution to end the Russia-Ukraine conflict.
- Key downside risks: 1) an escalation in the Russia-Ukraine conflict affecting its Russian operations, and 2) further depreciation of the Russian ruble against US$, leading to lower revenue in US$ terms.

Financial Summary	Dec-23A	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Revenue (US$m)	425.7	476.3	504.2	533.8	565.4
Operating EBITDA (US$m)	81.75	74.96	81.13	89.28	97.95
Net Profit (US$m)	56.51	52.53	53.87	58.52	62.92
Core EPS (US$)	0.11	0.09	0.10	0.11	0.12
Core EPS Growth	21.2%	(11.4%)	8.4%	8.6%	7.5%
FD Core P/E (x)	8.43	9.52	8.78	8.08	7.52
DPS (US$)	0.075	0.060	0.060	0.060	0.060
Dividend Yield	8.30%	6.64%	6.64%	6.64%	6.64%
EV/EBITDA (x)	4.56	5.59	5.05	4.42	3.83
P/FCFE (x)	12.65	70.55	11.65	10.14	9.01
Net Gearing	(30.6%)	(16.2%)	(17.9%)	(20.9%)	(24.7%)
P/BV (x)	1.60	1.61	1.50	1.38	1.26
ROE	19.7%	16.9%	17.7%	17.7%	17.5%
% Change In Core EPS Estimates			0%	0%	
EPS/Consensus EPS (x)			0.90	0.88	1.00

SOURCES: CGSI RESEARCH, COMPANY REPORTS

Analyst(s)

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BY THE NUMBERS

Profit & Loss

(US$m)	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Total Net Revenues	**476.3**	**504.2**	**533.8**	**565.4**
Gross Profit	**156.1**	**164.3**	**174.5**	**185.3**
Operating EBITDA	**75.0**	**81.1**	**89.3**	**97.9**
Depreciation And Amortisation	(11.7)	(13.0)	(14.3)	(15.7)
Operating EBIT	**63.3**	**68.1**	**74.9**	**82.3**
Financial Income/(Expense)	(0.3)	(1.4)	(1.4)	(1.7)
Pretax Income/(Loss) from Assoc.	(0.5)	0.0	0.0	(0.5)
Non-Operating Income/(Expense)	(0.2)	1.0	0.0	(1.0)
Profit Before Tax (pre-EI)	**62.4**	**67.8**	**73.6**	**79.1**
Exceptional Items	2.8			
Pre-tax Profit	**65.2**	**67.8**	**73.6**	**79.1**
Taxation	(12.3)	(13.6)	(14.7)	(15.8)
Exceptional Income - post-tax				
Profit After Tax	**52.9**	**54.2**	**58.9**	**63.3**
Minority Interests	(0.3)	(0.3)	(0.3)	(0.3)
Preferred Dividends				
FX Gain/(Loss) - post tax				
Other Adjustments - post-tax				
Preference Dividends (Australia)				
Net Profit	**52.5**	**53.9**	**58.5**	**62.9**
Recurring Net Profit	49.7	53.9	58.5	62.9
Fully Diluted Recurring Net Profit	**49.7**	**53.9**	**58.5**	**62.9**
Normalised Net Profit	50.0	54.2	58.9	63.3
Fully Diluted Normalised Profit	**49.7**	**53.9**	**58.5**	**62.9**

Balance Sheet

(US$m)	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Total Cash And Equivalents	130.9	140.0	155.3	176.3
Total Debtors	54.0	56.9	60.0	63.2
Inventories	110.8	117.8	124.7	132.1
Total Other Current Assets	10.1	10.1	10.1	10.1
Total Current Assets	**305.7**	**324.8**	**350.0**	**381.7**
Fixed Assets	131.3	138.3	144.0	148.3
Total Investments	8.5	8.5	8.5	8.0
Intangible Assets	10.2	10.2	10.2	10.2
Total Other Non-Current Assets	4.4	4.4	4.4	4.4
Total Non-current Assets	**154.4**	**161.4**	**167.0**	**170.9**
Short-term Debt	30.3	30.3	30.3	30.3
Current Portion of Long-Term Debt				
Total Creditors	62.1	65.4	68.8	72.5
Other Current Liabilities	7.0	7.0	7.0	7.0
Total Current Liabilities	**99.3**	**102.6**	**106.1**	**109.8**
Total Long-term Debt	52.6	52.6	52.6	52.6
Hybrid Debt - Debt Component				
Total Other Non-Current Liabilities	0.0	0.0	0.0	0.0
Total Non-current Liabilities	**52.6**	**52.6**	**52.6**	**52.6**
Total Provisions	12.1	12.1	12.1	12.1
Total Liabilities	**164.0**	**167.2**	**170.7**	**174.4**
Shareholders' Equity	293.8	316.3	343.4	374.9
Minority Interests	2.3	2.6	3.0	3.3
Total Equity	**296.1**	**318.9**	**346.3**	**378.2**

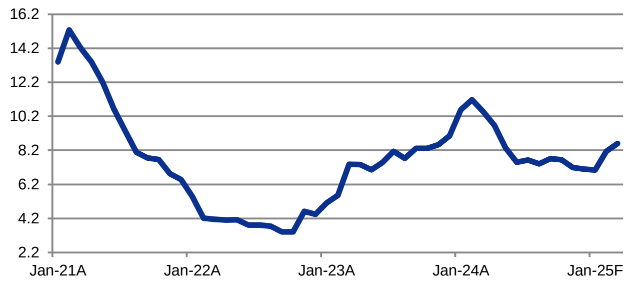
Cash Flow

(US$m)	Dec-24A	Dec-25F	Dec-26F	Dec-27F
EBITDA	74.96	81.13	89.28	97.95
Cash Flow from Invt. & Assoc.	0.50	0.00	0.00	0.50
Change In Working Capital	-38.30	-6.54	-6.96	-7.42
(Incr)/Decr in Total Provisions				
Other Non-Cash (Income)/Expense				
Other Operating Cashflow	0.40	0.90	0.42	-1.04
Net Interest (Paid)/Received	-0.26	-1.36	-1.36	-1.70
Tax Paid	-11.78	-13.55	-14.71	-15.81
Cashflow From Operations	**25.52**	**60.58**	**66.66**	**72.48**
Capex	-24.43	-20.00	-20.00	-20.00
Disposals Of FAs/subsidiaries	0.25	0.00	0.00	0.00
Acq. Of Subsidiaries/investments				
Other Investing Cashflow	4.39	0.00	0.00	0.00
Cash Flow From Investing	**-19.79**	**-20.00**	**-20.00**	**-20.00**
Debt Raised/(repaid)	0.97	0.00	0.00	0.00
Proceeds From Issue Of Shares	3.13	0.00	0.00	0.00
Shares Repurchased	-6.20	0.00	0.00	0.00
Dividends Paid	-39.16	-31.41	-31.41	-31.41
Preferred Dividends				
Other Financing Cashflow	35.52	0.00	0.00	0.00
Cash Flow From Financing	**-5.74**	**-31.41**	**-31.41**	**-31.41**
Total Cash Generated	0.00	9.17	15.25	21.06
Free Cashflow To Equity	**6.70**	**40.58**	**46.66**	**52.48**
Free Cashflow To Firm	**9.97**	**46.28**	**52.36**	**58.18**

Key Ratios

	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Revenue Growth	11.9%	5.8%	5.9%	5.9%
Operating EBITDA Growth	(8.3%)	8.2%	10.0%	9.7%
Operating EBITDA Margin	15.7%	16.1%	16.7%	17.3%
Net Cash Per Share (US$)	0.09	0.11	0.14	0.18
BVPS (US$)	0.56	0.60	0.65	0.71
Gross Interest Cover	14.93	11.95	13.15	14.43
Effective Tax Rate	18.9%	20.0%	20.0%	20.0%
Net Dividend Payout Ratio	63.2%	58.3%	53.7%	49.9%
Accounts Receivables Days	33.69	36.91	36.90	36.90
Inventory Days	107.1	122.7	123.2	123.3
Accounts Payables Days	60.30	61.64	61.72	61.79
ROIC (%)	31.7%	27.1%	28.2%	29.7%
ROCE (%)	18.3%	18.0%	18.5%	18.9%
Return On Average Assets	11.7%	11.7%	12.0%	12.1%

12-mth Fwd FD P/E (x) - Food Empire Holdings Ltd



Key Drivers

	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Revenue growth	(1.1)	5.0	5.0	5.0

SOURCES: CGSI RESEARCH, COMPANY REPORTS

Marco Polo Marine

Scaling up its fleet and yard

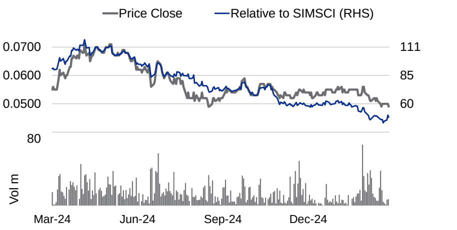
- We applaud MPM's consistent margin growth,+25% pts over FY20-24, mainly from improved charter rates and utilisation, which held firm in 1QFY9/25.
- MPM's three new offshore support vessels and new drydock 4 should begin operations in 2HFY25F, with a gradual ramp-up into FY26F.
- We add MPM to our country top picks given its strong net profit potential (+21% CAGR over FY24-27F) from its expanded fleet and yard capacity.

Singapore

ADD *(no change)*

Consensus ratings*:	Buy 4 Hold 0 Sell 0
Current price:	S$0.049
Target price:	S$0.08
Previous target:	S$0.08
Up/downside:	63.3%
CGSI / Consensus:	6.0%
Reuters:	MAPM.SI
Bloomberg:	MPM SP
Market cap:	US$137.8m
	S$183.9m
Average daily turnover:	US$0.43m
	S$0.58m
Current shares o/s	3,754m
Free float:	51.3%

**Source: Bloomberg*



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-12.5	-9.3	-12.5
Relative (%)	-10.4	-11.0	-47.7

Major shareholders	% held
Lee Family	22.6
Apricot Capital Pte Ltd	16.5
Penguin International Limited	8.1

Underlying performance trending well

- Since FY20, Marco Polo Marine (MPM) has consistently grown its gross margin from 14.3% to 39.3% in FY24, primarily on the back of higher vessel charter rates and fleet utilisation.
- Although its revenue declined 11% yoy in 1QFY9/25, we think investor focus should be on its underlying performance, which is trending well, in our view. Its vessel charter rates and fleet utilisation (71%) remained broadly firm in 1QFY25 against a strong base yoy; yard utilisation also expanded 4% pts yoy to 83% on the back of increased repair jobs.

Fleet expansion on track; 2nd CSOV a key re-rating catalyst

- We expect MPM's two new crew transfer vessels (CTVs) and one commissioning, service, and operations vessel (CSOV) to begin operations in 2HFY25F, with a gradual ramp up in earnings contribution into FY26F. The CSOV will work for 1) a minimum annual utilisation period under a 3-year contract with Vestas (VWS DC, NR, CP: DKK106.9), and 2) short-term contracts with Siemens Gamesa (Unlisted) during the gaps to opportunistically capture higher spot dayrates.
- If MPM successfully signs a contract for a 2nd CSOV, then it may start building the vessel towards late 2025F, with potential contribution from late 2027F, in our view.

Seeing signs of recovery in shipyard volumes

- MPM saw an increase in ship repair volumes in 1QFY25 compared to the previous year, which drove its yard utilisation and GM uplift.
- We think MPM's shipyard revenues could grow 10-26% in FY25F-27F from 1) deployment of its CSOV, which was using up capacity at one of its drydocks, and 2) increased yard capacity from new drydock 4 from 2H25F.

Added to our SG country top picks

- MPM currently trades at 5.4x CY26F P/E (below 1s.d. of its historical 12M forward P/E average over 2020-24), which we think is unjustified given its consistent earnings growth and fleet expansion.
- We reiterate our Add call, and add MPM as one of our country top picks as we expect a strong net profit CAGR of 21% over FY24-27F vs. 13.7% over FY21-24.
- Our TP remains unchanged at S$0.08, based on 9x CY26F P/E (c.1 s.d. above its 12M forward P/E average over 2020-24). Key re-rating catalysts: contract win for 2nd CSOV, higher-than-expected fleet utilisation and fleet expansion. Downside risks: lower-than-expected yard utilisation, and delays in offshore wind projects affecting vessel demand.

Financial Summary	Sep-23A	Sep-24A	Sep-25F	Sep-26F	Sep-27F
Revenue (S$m)	127.1	123.5	135.9	170.0	180.5
Operating EBITDA (S$m)	43.30	42.70	43.96	54.73	61.93
Net Profit (S$m)	22.58	21.70	25.06	33.44	38.68
Core EPS (S$)	0.006	0.007	0.007	0.009	0.010
Core EPS Growth	60.9%	4.5%	1.8%	33.5%	15.6%
FD Core P/E (x)	7.65	7.40	7.34	5.50	4.76
DPS (S$)	0.001	0.001	0.001	0.001	0.001
Dividend Yield	2.04%	2.04%	2.24%	2.24%	2.45%
EV/EBITDA (x)	3.13	3.85	3.40	2.52	2.23
P/FCFE (x)	41.14	14.71	19.49	24.67	NA
Net Gearing	(33.1%)	(17.8%)	(23.1%)	(25.7%)	(23.5%)
P/BV (x)	1.08	0.99	0.88	0.77	0.67
ROE	15.1%	14.0%	12.7%	14.9%	15.0%
EPS/Consensus EPS (x)			0.95	1.27	1.29

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

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BY THE NUMBERS

Profit & Loss

(S$m)	Sep-24A	Sep-25F	Sep-26F	Sep-27F
Total Net Revenues	**123.5**	**135.9**	**170.0**	**180.5**
Gross Profit	**48.5**	**53.7**	**68.0**	**74.0**
Operating EBITDA	**42.7**	**44.0**	**54.7**	**61.9**
Depreciation And Amortisation	(12.4)	(13.2)	(13.6)	(15.1)
Operating EBIT	**30.3**	**30.8**	**41.2**	**46.8**
Financial Income/(Expense)	(1.6)	(2.4)	(1.4)	(1.1)
Pretax Income/(Loss) from Assoc.	0.2	0.2	0.2	0.2
Non-Operating Income/(Expense)	0.0	0.0	0.0	0.0
Profit Before Tax (pre-EI)	**28.8**	**28.5**	**40.0**	**45.9**
Exceptional Items	(3.1)	0.0	0.0	0.0
Pre-tax Profit	**25.7**	**28.5**	**40.0**	**45.9**
Taxation	(1.8)	(1.7)	(3.2)	(3.7)
Exceptional Income - post-tax				
Profit After Tax	**23.9**	**26.8**	**36.8**	**42.3**
Minority Interests	(2.2)	(1.8)	(3.3)	(3.6)
Preferred Dividends				
FX Gain/(Loss) - post tax				
Other Adjustments - post-tax				
Preference Dividends (Australia)				
Net Profit	**21.7**	**25.1**	**33.4**	**38.7**
Recurring Net Profit	24.6	25.1	33.4	38.7
Fully Diluted Recurring Net Profit	**24.6**	**25.1**	**33.4**	**38.7**
Normalised Net Profit	27.0	26.8	36.8	42.3
Fully Diluted Normalised Profit	**24.8**	**25.1**	**33.4**	**38.7**

Balance Sheet

(S$m)	Sep-24A	Sep-25F	Sep-26F	Sep-27F
Total Cash And Equivalents	68.8	77.5	83.8	78.2
Total Debtors	39.2	41.5	45.1	44.8
Inventories	3.7	3.4	4.2	4.4
Total Other Current Assets	0.0	0.0	0.0	0.0
Total Current Assets	**111.6**	**122.3**	**133.0**	**127.4**
Fixed Assets	148.1	158.1	176.0	211.9
Total Investments	0.0	0.0	0.0	0.0
Intangible Assets	6.9	4.8	3.4	2.4
Total Other Non-Current Assets	7.8	7.8	7.8	7.8
Total Non-current Assets	**162.8**	**170.7**	**187.2**	**222.1**
Short-term Debt	25.1	0.0	0.0	0.0
Current Portion of Long-Term Debt				
Total Creditors	27.0	27.5	30.6	30.5
Other Current Liabilities	4.8	4.3	3.9	3.6
Total Current Liabilities	**56.9**	**31.8**	**34.5**	**34.2**
Total Long-term Debt	7.9	25.1	16.7	7.6
Hybrid Debt - Debt Component				
Total Other Non-Current Liabilities	8.2	8.8	7.7	6.9
Total Non-current Liabilities	**16.1**	**33.9**	**24.4**	**14.5**
Total Provisions	0.3	0.3	0.3	0.3
Total Liabilities	**73.3**	**66.1**	**59.2**	**49.0**
Shareholders' Equity	185.0	209.1	239.8	275.6
Minority Interests	16.1	17.9	21.2	24.8
Total Equity	**201.1**	**227.0**	**261.0**	**300.4**

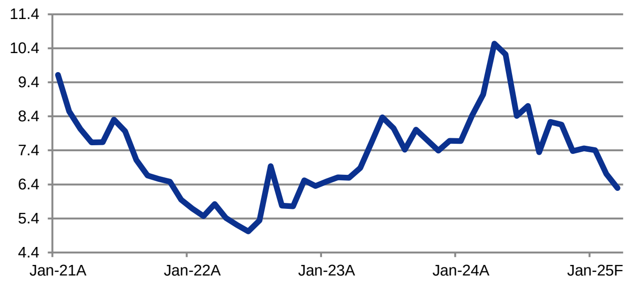
Cash Flow

(S$m)	Sep-24A	Sep-25F	Sep-26F	Sep-27F
EBITDA	42.70	43.96	54.73	61.93
Cash Flow from Invt. & Assoc.				
Change In Working Capital	2.94	-1.48	-1.35	0.01
(Incr)/Decr in Total Provisions				
Other Non-Cash (Income)/Expense	-3.13	0.00	0.00	0.00
Other Operating Cashflow	-1.69	2.20	-1.35	-1.66
Net Interest (Paid)/Received	-1.63	-2.43	-1.38	-1.07
Tax Paid	-1.51	-1.71	-3.20	-3.68
Cashflow From Operations	**37.68**	**40.54**	**47.46**	**55.53**
Capex	-50.75	-21.10	-30.00	-50.00
Disposals Of FAs/subsidiaries	3.15	0.00	0.00	0.00
Acq. Of Subsidiaries/investments	0.00	0.00	0.00	0.00
Other Investing Cashflow	-8.42	0.00	0.00	0.00
Cash Flow From Investing	**-56.02**	**-21.10**	**-30.00**	**-50.00**
Debt Raised/(repaid)	30.73	-10.00	-10.00	-10.00
Proceeds From Issue Of Shares	0.00	0.00	0.00	0.00
Shares Repurchased	0.00	0.00	0.00	0.00
Dividends Paid	-3.75	-3.75	-4.13	-4.13
Preferred Dividends				
Other Financing Cashflow	-1.75	3.00	3.00	3.00
Cash Flow From Financing	**25.22**	**-10.75**	**-11.13**	**-11.13**
Total Cash Generated	6.88	8.68	6.33	-5.60
Free Cashflow To Equity	**12.38**	**9.44**	**7.46**	**-4.47**
Free Cashflow To Firm	**-16.71**	**21.87**	**18.84**	**6.60**

Key Ratios

	Sep-24A	Sep-25F	Sep-26F	Sep-27F
Revenue Growth	(2.8%)	10.0%	25.1%	6.2%
Operating EBITDA Growth	(1.4%)	3.0%	24.5%	13.1%
Operating EBITDA Margin	34.6%	32.3%	32.2%	34.3%
Net Cash Per Share (S$)	0.010	0.014	0.018	0.019
BVPS (S$)	0.049	0.056	0.064	0.073
Gross Interest Cover	18.6	12.7	29.8	43.9
Effective Tax Rate	7.0%	6.0%	8.0%	8.0%
Net Dividend Payout Ratio	15.1%	16.5%	12.3%	11.6%
Accounts Receivables Days	64.24	57.56	53.99	58.25
Inventory Days	29.36	15.64	13.55	14.68
Accounts Payables Days	74.12	71.57	67.73	73.41
ROIC (%)	21.5%	16.6%	20.6%	21.3%
ROCE (%)	14.4%	12.6%	15.5%	16.0%
Return On Average Assets	11.3%	10.3%	12.4%	12.9%

12-mth Fwd FD P/E (x) - Marco Polo Marine



Key Drivers

	Sep-24A	Sep-25F	Sep-26F	Sep-27F
Fleet utilisation (%)	68.5%	69.1%	71.6%	71.7%
Yard utilisation (%)	91.0%	70.0%	80.0%	80.0%

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

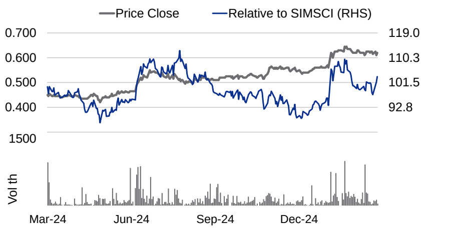
Singapore

ADD *(no change)*

Consensus ratings*:	Buy 3	Hold 0	Sell 0

Current price:	S$0.62
Target price:	S$0.75
Previous target:	S$0.75
Up/downside:	21.0%
CGSI / Consensus:	-2.6%
Reuters:	PANU.SI
Bloomberg:	PAN SP
Market cap:	US$324.5m
	S$433.2m
Average daily turnover:	US$0.07m
	S$0.10m
Current shares o/s	695.8m
Free float:	26.1%

**Source: Bloomberg*



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-0.8	12.7	36.3
Relative (%)	1.3	11.0	1.1

Major shareholders	% held
Ng family	60.0
Dimensional Fund Advisors	0.4
Lee Cheong Seng	0.4

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Pan-United Corp Ltd

Backed by a healthy public sector backlog

- BCA's 2025F projections point towards a healthy construction outlook ahead, with RMC growth likely driven by large infrastructure and industrial projects.
- We see PanU as a key beneficiary and expect elevated margins (operating leverage, favourable mix) and steady volume growth for 2025F.
- Reiterate Add at an unchanged TP of S$0.75. We view current valuation of 4x FY26F EV/EBITDA (~1 s.d. below 10-year mean) as undemanding.

Expecting a healthy outlook for RMC demand ahead

- For 2025F, the Building and Construction Authority (BCA) expects 1) construction output to increase by c.5% yoy in view of a healthy project backlog, and 2) construction contracts awarded to increase by c.13% yoy on the back of strong demand from the infrastructure and industrial sectors.
- On the ready-mix concrete (RMC) front, BCA expects demand growth to range from -3% to +8% yoy in 2025F.
- Key projects that we believe are relevant to PanU include Changi Airport Terminal 5, Tuas Port and various rail projects (e.g. Thomson-East Coast Line Extension, Cross Island Line, Downtown Line Extension).
- Beyond 2025F, BCA sees medium-term construction demand (2026F-29F) remaining robust.

Backed by elevated margins and steady volume growth

- We view PanU as a key beneficiary of healthy construction demand ahead given 1) its dominant market share in Singapore of c.40% (as shared by PanU in its 2H24 analyst briefing), and 2) sizeable exposure to public infrastructure projects. We believe such projects tend to require larger proportions of specialised-grade concrete, which have higher average selling prices (ASPs) and margins.
- Margins have performed well over the past two years, with FY24 EBITDA margin of 9.3% at its highest level since FY15. We believe the group's margins will remain elevated in FY25F, backed by 1) improved operating leverage from healthy RMC volumes, and 2) favourable project mix from higher proportion of infrastructure projects.

Reiterate Add; valuation undemanding at 4x 2026F EV/EBITDA

- Reiterate Add and TP of S$0.75 (still based on 5.5x FY26F EV/EBITDA, average valuation during Singapore's previous construction upcycle) given the group's strong positioning to capture construction tailwinds ahead.
- Over time, we believe PanU's ESG angle could garner further investor interest given that approximately half of the group's sales volumes are low-carbon concrete. Adoption of green concrete in the coming years could accelerate as developers push towards achieving Singapore's 2030F green targets.
- Re-rating catalysts: strong industry RMC volume growth, higher-than-expected margin growth. Downside risks: counterparty credit risks, slow project offtake volumes negatively affecting RMC sales and margins.

Financial Summary	Dec-23A	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Revenue (S$m)	774.1	812.3	862.1	897.1	923.2
Operating EBITDA (S$m)	68.68	76.51	81.00	83.67	85.01
Net Profit (S$m)	35.62	40.86	44.05	45.68	46.52
Core EPS (S$)	0.051	0.060	0.063	0.065	0.067
Core EPS Growth	30.0%	17.8%	4.6%	3.7%	1.8%
FD Core P/E (x)	12.14	10.26	9.83	9.48	9.31
DPS (S$)	0.023	0.030	0.032	0.033	0.033
Dividend Yield	3.71%	4.84%	5.16%	5.32%	5.32%
EV/EBITDA (x)	5.66	4.48	4.26	3.90	3.53
P/FCFE (x)	20.23	6.49	21.63	10.29	8.80
Net Gearing	(18.1%)	(33.8%)	(30.3%)	(34.0%)	(39.2%)
P/BV (x)	1.86	1.63	1.51	1.40	1.30
ROE	16.1%	16.9%	16.0%	15.3%	14.5%
EPS/Consensus EPS (x)			0.99	0.86	0.79

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

BY THE NUMBERS

Profit & Loss

(S$m)	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Total Net Revenues	**812.3**	**862.1**	**897.1**	**923.2**
Gross Profit	**175.8**	**186.1**	**193.4**	**198.1**
Operating EBITDA	**76.5**	**81.0**	**83.7**	**85.0**
Depreciation And Amortisation	(24.2)	(25.0)	(25.8)	(26.3)
Operating EBIT	**52.3**	**56.0**	**57.9**	**58.8**
Financial Income/(Expense)	(3.4)	(3.1)	(2.8)	(2.5)
Pretax Income/(Loss) from Assoc.	2.5	2.5	2.5	2.5
Non-Operating Income/(Expense)	0.0	0.0	0.0	0.0
Profit Before Tax (pre-EI)	**51.3**	**55.4**	**57.6**	**58.8**
Exceptional Items				
Pre-tax Profit	**51.3**	**55.4**	**57.6**	**58.8**
Taxation	(10.2)	(11.0)	(11.4)	(11.6)
Exceptional Income - post-tax				
Profit After Tax	**41.2**	**44.5**	**46.2**	**47.1**
Minority Interests	(0.3)	(0.4)	(0.5)	(0.6)
Preferred Dividends				
FX Gain/(Loss) - post tax				
Other Adjustments - post-tax				
Preference Dividends (Australia)				
Net Profit	**40.9**	**44.1**	**45.7**	**46.5**
Recurring Net Profit	42.1	44.1	45.7	46.5
Fully Diluted Recurring Net Profit	**42.1**	**44.1**	**45.7**	**46.5**
Normalised Net Profit	41.2	44.5	46.2	47.1
Fully Diluted Normalised Profit	**40.9**	**44.1**	**45.7**	**46.5**

Balance Sheet

(S$m)	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Total Cash And Equivalents	107.0	104.2	122.7	148.4
Total Debtors	169.3	181.9	189.3	194.8
Inventories	25.5	26.9	28.0	28.8
Total Other Current Assets	12.4	12.4	12.4	12.4
Total Current Assets	**314.2**	**325.3**	**352.4**	**384.4**
Fixed Assets	172.3	185.0	187.0	183.4
Total Investments	4.0	4.5	5.0	5.5
Intangible Assets	6.9	6.2	5.5	4.8
Total Other Non-Current Assets	2.4	2.4	2.4	2.4
Total Non-current Assets	**185.5**	**198.0**	**199.7**	**196.0**
Short-term Debt	13.4	13.4	13.4	13.4
Current Portion of Long-Term Debt				
Total Creditors	146.1	148.2	154.2	158.9
Other Current Liabilities	21.5	21.5	21.5	21.5
Total Current Liabilities	**180.9**	**183.0**	**189.0**	**193.7**
Total Long-term Debt	2.0	2.0	2.0	2.0
Hybrid Debt - Debt Component				
Total Other Non-Current Liabilities	45.9	45.9	45.9	45.9
Total Non-current Liabilities	**47.9**	**47.9**	**47.9**	**47.9**
Total Provisions	0.0	0.0	0.0	0.0
Total Liabilities	**228.8**	**230.9**	**236.9**	**241.6**
Shareholders' Equity	265.3	287.0	309.6	333.1
Minority Interests	5.6	5.5	5.5	5.6
Total Equity	**270.9**	**292.5**	**315.2**	**338.7**

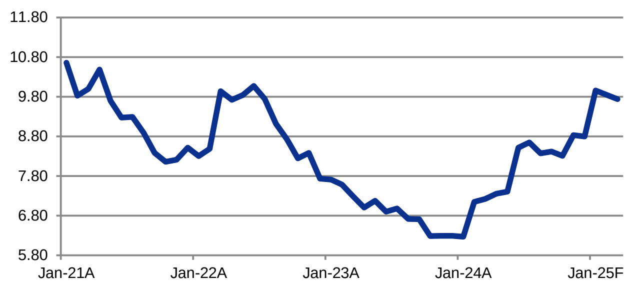
Cash Flow

(S$m)	Dec-24A	Dec-25F	Dec-26F	Dec-27F
EBITDA	76.51	81.00	83.67	85.01
Cash Flow from Invt. & Assoc.	-2.46	-2.50	-2.50	-2.50
Change In Working Capital	18.41	-11.91	-2.41	-1.67
(Incr)/Decr in Total Provisions				
Other Non-Cash (Income)/Expense				
Other Operating Cashflow	8.01	2.50	2.50	2.50
Net Interest (Paid)/Received	-3.45	-3.10	-2.80	-2.50
Tax Paid	-9.04	-10.97	-11.40	-11.63
Cashflow From Operations	**87.98**	**55.01**	**67.06**	**69.21**
Capex	-16.26	-35.00	-25.00	-20.00
Disposals Of FAs/subsidiaries				
Acq. Of Subsidiaries/investments				
Other Investing Cashflow	1.52	0.00	0.00	0.00
Cash Flow From Investing	**-14.73**	**-35.00**	**-25.00**	**-20.00**
Debt Raised/(repaid)	-6.69	0.00	0.00	0.00
Proceeds From Issue Of Shares	0.00	0.00	0.00	0.00
Shares Repurchased				
Dividends Paid	-17.44	-22.35	-23.05	-23.05
Preferred Dividends				
Other Financing Cashflow	-7.37	-0.50	-0.50	-0.50
Cash Flow From Financing	**-31.50**	**-22.85**	**-23.55**	**-23.55**
Total Cash Generated	41.75	-2.83	18.51	25.66
Free Cashflow To Equity	**66.57**	**20.01**	**42.06**	**49.21**
Free Cashflow To Firm	**76.70**	**23.11**	**44.86**	**51.71**

Key Ratios

	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Revenue Growth	4.9%	6.1%	4.1%	2.9%
Operating EBITDA Growth	11.4%	5.9%	3.3%	1.6%
Operating EBITDA Margin	9.42%	9.40%	9.33%	9.21%
Net Cash Per Share (S$)	0.13	0.13	0.15	0.19
BVPS (S$)	0.38	0.41	0.44	0.48
Gross Interest Cover	15.18	18.07	20.67	23.50
Effective Tax Rate	19.8%	19.8%	19.8%	19.8%
Net Dividend Payout Ratio	51.3%	50.7%	50.4%	49.5%
Accounts Receivables Days	79.43	74.34	75.50	75.91
Inventory Days	12.75	14.12	14.21	14.29
Accounts Payables Days	80.61	79.45	78.42	78.82
ROIC (%)	18.2%	20.3%	18.9%	18.9%
ROCE (%)	19.2%	18.9%	18.1%	17.2%
Return On Average Assets	9.22%	9.18%	9.01%	8.68%

12-mth Fwd FD P/E (x) - Pan-United Corp Ltd



Key Drivers

	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Concrete and Cement EBITDA margin (%)	9.0%	9.0%	9.0%	8.9%
Trading and Shipping EBITDA margin (%)	23.0%	25.0%	25.0%	25.0%

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

Company Brief

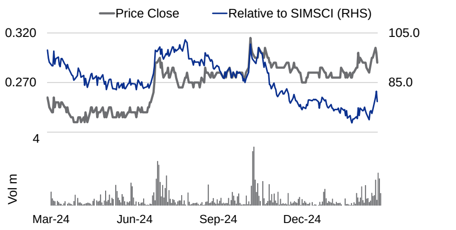
Health Care Providers & Svs | Singapore | March 13, 2025

Singapore

ADD *(no change)*

Consensus ratings*:	Buy 2 Hold 1 Sell 0
Current price:	S$0.29
Target price:	S$0.43
Previous target:	S$0.43
Up/downside:	48.3%
CGSI / Consensus:	17.3%
Reuters:	QMDT.SI
Bloomberg:	QNM SP
Market cap:	US$206.1m
	S$275.2m
Average daily turnover:	US$0.07m
	S$0.10m
Current shares o/s	939.4m
Free float:	31.3%

**Source: Bloomberg*



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	5.5	1.8	23.4
Relative (%)	7.6	0.1	-11.8

Major shareholders	% held
Quan Min Group	59.0
Heritas Helios Investments	8.1
Ng Chin Siau	1.5

Q&M Dental Group

Expansion plans to catalyse growth

- After pausing its expansion plans in FY23-24, we expect QNM to kickstart an extensive expansion initiative in FY25F across SG, MY and potentially, CN.
- Reiterate Add with TP of S$0.43 based on 20x FY26F P/E. The current valuation is attractive at 15x 12m-fwd P/E, 1 s.d. below 5-year mean.

Likely to embark on extensive expansion plan

- In Singapore (SG), where its dental footprint has remained largely stable in FY24 (+1 dental clinic to 106 outlets in FY24), we expect growth to come from M&A, given the country's already high penetration of dental clinics.
- In Malaysia (MY), QNM has identified Johor Bahru as a beneficiary of the Johor-Singapore Special Economic Zone. QNM's revenue contribution from MY rose 27.8% yoy in FY24 despite a decline in outlet count from 44 to 38; we believe a focus on growing its MY footprint will support even faster growth as more Singaporeans seek dental treatments across the border in Johor Bahru given its affordability.
- In FY20-22, QNM increased its dental outlets by 29 in SG and 19 in MY, mostly through organic expansion. We believe QNM can potentially surpass our estimated 20 outlet openings across SG and MY in FY25F, especially if it takes the form of bolt-on clinic acquisitions.

Improving associates' contributions

- We note that QNM's contribution from associates had turned around from a loss of S$0.2m in 1H23 to a profit of S$0.3m in 2H24. This is after classification of EM2AI, QNM's dental artificial intelligence (AI) unit, which was loss-making as of 1H24, as an associate after QNM sold a 51% stake to a collective which comprises of a key group of management from QNM in 1Q24. As of 2H24, key associates include EM2AI, as well as Aoxin Q & M (Aoxin SP, not rated, CP: S$0.042) which has dental operations across northern China in Liaoning.
- In Jan 25, EM2AI received medical device licences in Thailand, Philippines, Vietnam and Indonesia. At the same time, EM2AI entered into a memorandum of understanding with an established provider of dental solutions in the region to serve a network of c.1,000 dental clinics, indicating a step up in its commercialisation, which should support growing contributions from its associates.
- Separately, Aoxin reported a core net profit of Rmb12.5m (excluding impairments) for FY24, a turnaround from a core net loss of Rmb1.5m in FY23, indicating improvements in its underlying dental business in China (CN).

Keeping a close watch on impact of expansion plans

- TP unchanged at S$0.43; pegged at 20x FY26F/P/E, 0.5x below its 6-year mean.
- Re-rating catalysts: continued improvements in hoh profitability, as well as potential M&A which could have significant contributions to its future profits.
- Downside risks: unfruitful expansion and poor integration of acquired clinics resulting in downward pressure on margins.

Financial Summary	Dec-23A	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Revenue (S$m)	182.7	180.7	204.3	224.6	246.3
Operating EBITDA (S$m)	24.42	24.64	30.96	34.07	38.41
Net Profit (S$m)	11.52	14.64	18.29	20.05	23.45
Core EPS (S$)	0.014	0.018	0.019	0.021	0.025
Core EPS Growth	(18.2%)	26.8%	6.0%	9.6%	16.9%
FD Core P/E (x)	20.18	15.86	15.02	13.70	11.72
DPS (S$)	0.007	0.011	0.008	0.008	0.010
Dividend Yield	2.38%	3.79%	2.66%	2.92%	3.41%
EV/EBITDA (x)	12.10	11.85	9.30	8.25	7.09
P/FCFE (x)	13.03	9.82	17.34	14.22	12.36
Net Gearing	42.2%	38.0%	31.8%	24.4%	16.9%
P/BV (x)	2.75	2.59	2.35	2.13	1.92
ROE	13.8%	16.8%	16.4%	16.3%	17.2%
EPS/Consensus EPS (x)			1.14	1.24	0.99

SOURCES: CGSI RESEARCH, COMPANY REPORTS

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BY THE NUMBERS

Profit & Loss

(S$m)	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Total Net Revenues	**180.7**	**204.3**	**224.6**	**246.3**
Gross Profit	**54.4**	**59.6**	**65.5**	**71.9**
Operating EBITDA	**24.6**	**31.0**	**34.1**	**38.4**
Depreciation And Amortisation	(5.0)	(5.4)	(6.2)	(6.5)
Operating EBIT	**19.6**	**25.6**	**27.9**	**31.9**
Financial Income/(Expense)	(5.4)	(5.1)	(5.3)	(5.3)
Pretax Income/(Loss) from Assoc.	0.5	1.0	1.0	1.0
Non-Operating Income/(Expense)	0.0	0.0	0.0	0.0
Profit Before Tax (pre-EI)	**14.8**	**21.5**	**23.6**	**27.6**
Exceptional Items				
Pre-tax Profit	**14.8**	**21.5**	**23.6**	**27.6**
Taxation	(1.7)	(3.2)	(3.5)	(4.1)
Exceptional Income - post-tax				
Profit After Tax	**13.1**	**18.3**	**20.0**	**23.4**
Minority Interests	1.6	0.0	0.0	0.0
Preferred Dividends				
FX Gain/(Loss) - post tax				
Other Adjustments - post-tax				
Preference Dividends (Australia)				
Net Profit	**14.6**	**18.3**	**20.0**	**23.4**
Recurring Net Profit	17.3	18.3	20.0	23.4
Fully Diluted Recurring Net Profit	**17.3**	**18.3**	**20.0**	**23.4**
Normalised Net Profit	13.1	18.3	20.0	23.4
Fully Diluted Normalised Profit	**14.6**	**18.3**	**20.0**	**23.4**

Balance Sheet

(S$m)	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Total Cash And Equivalents	34.3	37.5	43.4	50.9
Total Debtors	36.0	33.6	36.9	40.5
Inventories	10.6	11.6	12.7	13.9
Total Other Current Assets	3.2	3.2	3.2	3.2
Total Current Assets	**84.1**	**85.8**	**96.2**	**108.4**
Fixed Assets	37.1	46.1	48.6	51.4
Total Investments	26.2	27.2	28.2	29.2
Intangible Assets	52.8	52.8	52.8	52.8
Total Other Non-Current Assets	47.7	47.7	47.7	47.7
Total Non-current Assets	**163.7**	**173.7**	**177.2**	**181.1**
Short-term Debt	1.9	1.9	1.9	1.9
Current Portion of Long-Term Debt				
Total Creditors	18.6	19.4	21.3	23.3
Other Current Liabilities	11.3	11.3	11.3	11.3
Total Current Liabilities	**31.8**	**32.6**	**34.5**	**36.5**
Total Long-term Debt	73.6	73.6	73.6	73.6
Hybrid Debt - Debt Component				
Total Other Non-Current Liabilities	33.9	33.9	33.9	33.9
Total Non-current Liabilities	**107.5**	**107.5**	**107.5**	**107.5**
Total Provisions	0.0	0.0	0.0	0.0
Total Liabilities	**139.3**	**140.1**	**141.9**	**143.9**
Shareholders' Equity	106.2	117.1	129.2	143.2
Minority Interests	2.3	2.3	2.3	2.3
Total Equity	**108.5**	**119.5**	**131.5**	**145.6**

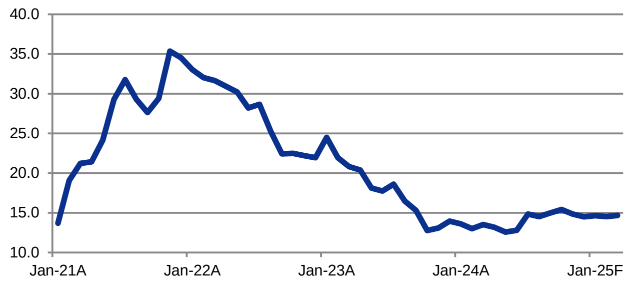
Cash Flow

(S$m)	Dec-24A	Dec-25F	Dec-26F	Dec-27F
EBITDA	24.64	30.96	34.07	38.41
Cash Flow from Invt. & Assoc.	-0.51	-0.99	-0.99	-0.99
Change In Working Capital	-0.55	2.18	-2.57	-2.77
(Incr)/Decr in Total Provisions	0.00	0.00	0.00	0.00
Other Non-Cash (Income)/Expense				
Other Operating Cashflow	24.48	6.06	6.26	6.26
Net Interest (Paid)/Received	-5.37	-5.07	-5.27	-5.27
Tax Paid	-2.60	-3.23	-3.54	-4.14
Cashflow From Operations	**40.10**	**29.91**	**27.95**	**31.51**
Capex	-7.95	-14.36	-8.74	-9.39
Disposals Of FAs/subsidiaries	-0.43	0.00	0.00	0.00
Acq. Of Subsidiaries/investments	-0.95	0.00	0.00	0.00
Other Investing Cashflow	3.03	0.30	0.10	0.10
Cash Flow From Investing	**-6.31**	**-14.06**	**-8.64**	**-9.29**
Debt Raised/(repaid)	-5.91	0.00	0.00	0.00
Proceeds From Issue Of Shares	0.13	0.00	0.00	0.00
Shares Repurchased				
Dividends Paid				
Preferred Dividends				
Other Financing Cashflow	-27.67	-12.69	-13.39	-14.75
Cash Flow From Financing	**-33.44**	**-12.69**	**-13.39**	**-14.75**
Total Cash Generated	0.35	3.16	5.92	7.47
Free Cashflow To Equity	**27.89**	**15.85**	**19.32**	**22.22**
Free Cashflow To Firm	**39.16**	**21.22**	**24.69**	**27.59**

Key Ratios

	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Revenue Growth	(1.1%)	13.1%	9.9%	9.7%
Operating EBITDA Growth	0.9%	25.6%	10.0%	12.8%
Operating EBITDA Margin	13.6%	15.1%	15.2%	15.6%
Net Cash Per Share (S$)	(0.043)	(0.040)	(0.034)	(0.026)
BVPS (S$)	0.11	0.12	0.14	0.15
Gross Interest Cover	3.65	4.77	5.19	5.93
Effective Tax Rate	11.4%	15.0%	15.0%	15.0%
Net Dividend Payout Ratio	60.4%	40.0%	40.0%	40.0%
Accounts Receivables Days	68.02	62.13	57.30	57.36
Inventory Days	32.45	27.95	27.87	27.84
Accounts Payables Days	54.82	47.94	46.69	46.63
ROIC (%)	11.6%	16.3%	17.0%	18.8%
ROCE (%)	10.8%	13.7%	13.9%	14.9%
Return On Average Assets	7.3%	9.2%	9.5%	10.2%

12-mth Fwd FD P/E (x) - Q&M Dental Group



Key Drivers

	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Singapore - dental clinics	106.0	115.0	125.0	135.0
Malaysia - dental clinics	38.0	49.0	49.0	49.0

SOURCES: CGSI RESEARCH, COMPANY REPORTS

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

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Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2024 598 companies under coverage for quarter ended on 31 December 2024		
	Rating Distribution (%)	Investment Banking clients (%)
Add	67.4%	0.8%
Hold	22.2%	0.8%
Reduce	10.4%	0.3%

Recommendation Framework

Stock Ratings	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.
Reduce	The stock's total return is expected to fall below 0% or more over the next 12 months.

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.

Sector Ratings	Definition:
Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings	Definition:
Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

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