



Q & M Dental Group

(QNM SP/QMDT.SI)

Short-term boost from Covid-19 testing

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- Q & M Dental Group (Q&M) has remained resilient with its dental and medical services through Covid-19. It continues to be the bread and butter of the Group, as its network of clinics dominate the private dental healthcare space.
- New venture into medical technology firm Acumen Diagnostics Pte Ltd to provide a strong but short-term boost to earnings within the next two years. Given the continued need for Covid-19 testing regardless of the availability of vaccines, we are confident on the outlook of Acumen Diagnostics in the short-term.
- We initiate on Q&M with OUTPERFORM, and a 12-month target price (TP) of S\$0.54. Q&M continues to generate stable and resilient earnings, and we foresee no material changes in or threats to its market share in the private dental space in the medium term.

Financials & Key Operating Statistics					
YE Dec (\$ m)	2018	2019	2020F	2021F	2022F
Revenue	119,998	127,995	110,566	141,061	138,443
PATMI	14,085	18,181	18,211	24,903	25,701
EPS (cents)	1.79	2.31	2.32	3.17	3.27
EPS growth (%)	(39.8%)	29.1%	0.2%	36.7%	3.2%
P/E (x)	25.9	20.1	20.1	14.7	14.2
DPS (Sing cents)	0.8	2.8	1.2	1.6	1.6
Div Yield (Y%)	1.8%	6.1%	2.5%	3.4%	3.5%
Net Profit Margin (%)	11.7%	14.2%	16.5%	17.7%	18.6%
Net Gearing (%)	-	40.7%	37.3%	34.1%	31.4%
Price P/B (x)	3.30	3.00	2.79	2.55	2.34
ROE (%)	12.1%	14.4%	13.3%	16.6%	15.8%

Source: Company data, KGI Research

Q&M currently owns the largest network of private dental outlets in Singapore with over 80 clinics island-wide, and the Group is still aiming for further expansion in Singapore and Asia. Its dental and medical clinics remain the core segment of its business, contributing to more than 90% of its FY2019 revenue. Through Covid-19, although business at its clinics were somewhat affected during the circuit breaker period of April-June 2020, demand has quickly bounced back. As a result, its dental and healthcare services remains its core strength and will continue to lend a greater level of stability to the business.

Despite the stability of its core business, management has continuously dedicated itself to expanding into other healthcare segments such as medical technology, AI and even specialized education to provide additional value to its shareholders. After the disposal of its stake in Aidite for a sizeable profit, the Group ventured into artificial intelligence (AI) medical technology in partnership with International Medical University (IMU) Malaysia – in an effort to champion AI-based diagnostics and treatment. In 2019, the Group also launched the Q&M College of Dentistry – Singapore's first private dentistry institution. Scholarships are also offered on

Outperform - Initiation			
Price as of 25 Nov 20 (SGD)	0.47	Performance (Absolute)	
12M TP (\$)	0.54	1 Month (%)	-1.1
Previous TP (\$)	-	3 Month (%)	0.9
Upside, incl div (%)	18.4	12 Month (%)	0.2
Trading data		Perf. vs STI Index (Red)	
Mkt Cap (\$mn)	366		
Issued Shares (mn)	787		
Vol - 3M Daily avg (mn)	0.2		
Val - 3M Daily avg (\$mn)	0.1		
Free Float (%)	33.3%		
Major Shareholders		Previous Recommendations	
Dr Ng Chin Siau	56.11%		
Heritas Capital Mgt	8.1%		

a selective basis to students with outstanding academic performance. Course modules include patient management & ethics in dentistry; orthodontics; implant dentistry; endodontics, prosthodontics/restorative dentistry; CAD CAM & digital dentistry; periodontics, oral & maxillofacial surgery and laser dentistry.

Earlier in April 2020, Q&M made a timely venture into medical technology, together with Acumen Holdings. Acumen Diagnostics Pte Ltd (Acumen Diagnostics) has been mainly involved in the manufacture, sale, and distribution of diagnostic test kits for Covid-19, in Singapore and internationally. We expect the business to contribute positively, and significantly, to Q&M in the short-term as combatting the virus still remains an immediate and foremost priority for many countries globally. We do not expect the implementation of vaccines to impact significantly on the rate of testing, as Covid-19 testing will still be needed to ensure the efficacy of vaccines, and even to confirm the absence of any virus transmission within the community.

Valuation & Action: We initiate with OUTPERFORM on Q&M with a 12-month TP of S\$0.54, using a conservative 17.0x P/E as compared to its healthcare services peers. While 2020 earnings may be temporarily impacted by the pandemic, its acquisition of Acumen Diagnostics and expansion into medical technology (Covid-19 test kits) will provide a short term boost to FY21F and FY22F earnings. Our TP represents a total upside of 18.4%, inclusive of FY21's dividend yield.

Risks: Litigation risks, laboratory errors in relation to Acumen Diagnostics or non-approval of new technology and/or vaccines that may affect the viability of the business overall.

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Investment Thesis

Growth mode on with multiple initiatives in the last few years. In November 2018, the group launched Q&M Dental AI Pte Ltd (QMDAI), in partnership with International Medical University (IMU) Malaysia. QMDAI is primarily focused on the development of dental healthcare software for use in diagnosis and treatment planning – i.e., artificial intelligence (AI)-based diagnostics and treatment. Clinical data from Q&M, the partners’ collective expertise and the latest research in dentistry, together form the basis for the AI platform – which will be used to assist Q&M’s dentists to more quickly and accurately identify and suggest the most suitable treatment for a patient’s underlying condition. However, while there have been trials in some of Q&M’s Malaysian dental clinics, there has been no clear indication or estimation of when the technology will be able to be introduced across all Q&M dental clinics.

In October 2019, Q&M also officially launched the Q&M College of Dentistry – Singapore’s first private dentistry institution. The college offers a two-year graduate diploma course that will equip general-practitioner (GP) dentists with various advanced skill sets in order to capitalise on technological improvements in the industry, including surgical skills. This venture is expected to provide Q&M clinics with a pipeline of “Super GPs”, as graduates are required to serve for a minimum period of 2 years, supporting Q&M’s growth plans to continuously expand its footprint not only in Singapore, but across Asia. Classes, trainings and examinations will take place within Q&M’s Dental & Medical Centre in City Square Mall.

Figure 1: Q&M College of Dentistry, launched in October 2019



Source: <https://www.qandm.edu.sg/>

Most recently, in April 2020 at the height of the Covid-19 pandemic and circuit breaker in Singapore, Q&M entered into a joint venture (JV) with Acumen Holdings, for a 51% stake in JV company Acumen Diagnostics Pte. Ltd (Acumen Diagnostics), for a consideration of S\$3.0 million. Acumen Diagnostics will be mainly involved in the manufacture, sale, and distribution of diagnostic test kits for viruses such as Covid-19, in Singapore and overseas.

They have since also set up a polymerase chain reaction (PCR)-based laboratory in Singapore to analyse test results of its proprietary SARS CoV-2 RT-PCR test kit, Acu-Corona® 2.0, which has received Singapore Health Sciences Authority’s (HSA) Provisional Authorisation for clinical use in March 2020. The Acu-Corona® series of SARS CoV 2 RT-PCR tests are already being used in several other countries including Malaysia and Indonesia.

In July 2020, Acumen Diagnostics and ARL also entered into an exclusive distribution agreement with Azion Healthcare Sdn Bhd (Azion), the exclusive buyer and distributor of Acu-Corona® 3.0 COVID-19 RT-PCR test kits in Mexico for an initial period of 6 months. The agreement can be automatically renewed in 6-month blocks provided that Azion purchases, subject to all necessary validation and approval of the test kits by all relevant Mexican authorities, 5 million tests within 3 months of the date of obtaining regulatory approvals.

Additionally, Acumen Diagnostics has plans to conduct clinical trials, as well as manufacture, sell and distribute vaccines, for viruses such as Covid-19. All in all, we think that Acumen Diagnostics has the potential to provide substantial revenue growth for Q&M up to FY23F, as Covid-19 testing remains essential to the gradual reopening of economies and countries globally. However, we do note that more than 140 COVID-19 tests that have received provisional authorisation from Health Sciences Authority (HSA) as of 4th November 2020.

Clinics continue to be the bread and butter of the Group. Dental and medical clinics expected to remain a key and core business for Q&M through its various ventures. Since 2010, it has almost tripled its dental clinics in Singapore alone (2010: 40 clinics; 2019: 119 clinics), while expanding into providing other medical services such as vaccinations and health screenings through various M&A activities over the years. Not only have the consolidation of activities resulted in a widened scope of services, it also enables Q&M to increase their footprint further across Singapore in particular.

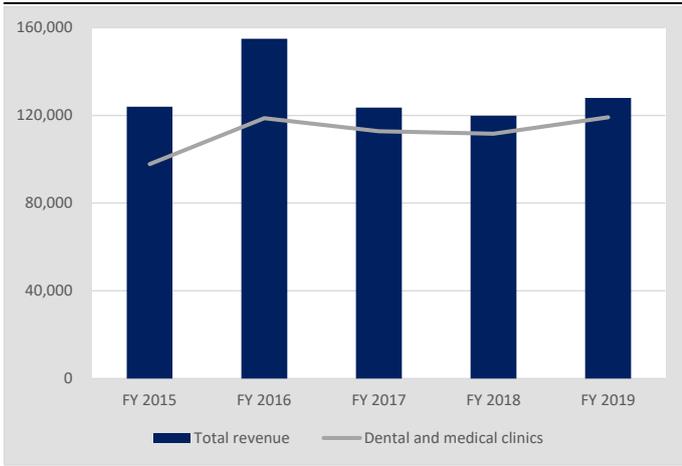
Figure 2: Q&M’s subsidiary clinics, as at 31 December 2019



Source: Q&M Annual Report 2019, KGI Research

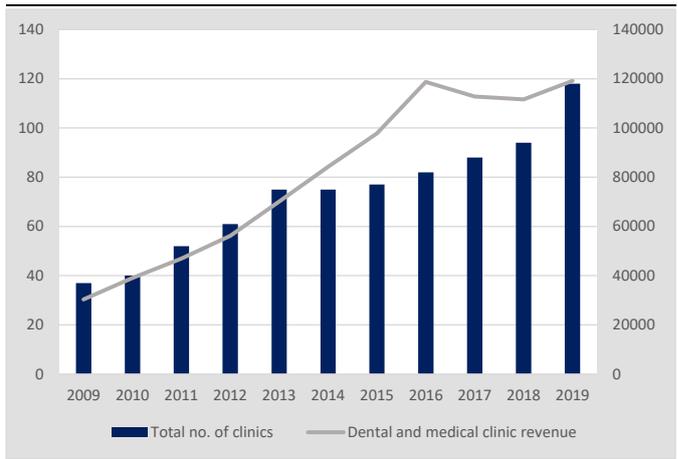
Revenue has also seen a similar growth trend, almost tripling from S\$39mn to S\$119mn from 2010 to 2019. As of FY2019, its dental and medical clinics accounted for more than 93% of total revenue. While we expect its new business venture into Covid-19 testing and vaccinations to begin contributing significantly between FY2021 and FY2023, we believe that its clinics will provide much needed stability for Q&M’s revenue in the long term.

Figure 3: Contribution of dental and medical clinics' revenue to Q&M's total revenue (S\$'000)



Source: Q&M, KGI Research

Figure 4: Total number of clinics and corresponding revenue earned



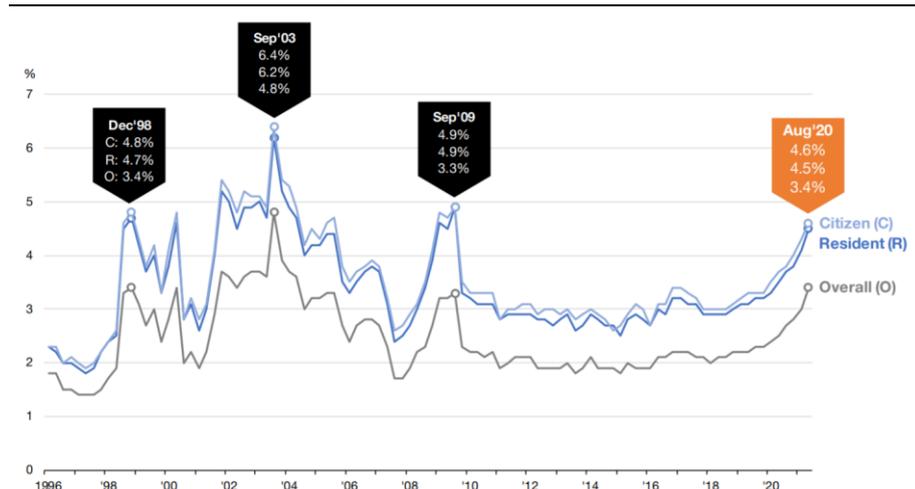
Source: Q&M, KGI Research

Note: Proper segmentation of its dental and medical clinic revenue only took effect in 2014.

However, we note that in a survey¹ released by the Singapore Dental Association (SDA) in September 2019, almost 90% of respondents were concerned about the cost of dental care in Singapore. Of these, one third of them said they would try to seek alternative routes of receiving dental care e.g. heading to Johor Bahru or Bangkok for treatment if there is further increases in the cost of dental treatment. In the short term though, we see potential benefits from travel curbs and restrictions, as Singapore residents have little option but to opt for local healthcare providers unless they choose to delay procedures. Given the uncertainty of when travel restrictions will be listed, we think the latter scenario is unlikely.

Notably, while unemployment rate has spiked in recent months, it has still remained below previous downturns as of August 2020, and thus concerns regarding costs of treatment, while mounting, may not have an apparent impact on Q&M.

Figure 5: Unemployment rates in Singapore (Seasonally Adjusted), as of August 2020



Source: Labour Force Survey, Manpower Research & Statistics Department, MOM

¹ "Public Survey reveals the public has confidence in Dentists practising in Singapore", Singapore Dental Association (11 September 2019)

Valuation & Peer Comparisons

Our valuations have taken into account a short-term boost from Covid-19 testing kits in the next 1.5 years. However, we have not considered any further new technology or vaccines that may be released by Acumen Diagnostics, and its corresponding impact on Q&M's revenues.

We assigned 17x 2021F P/E, pegged to its medical services (clinics and specialists) peer averages, using Singapore Medical Group, Alliance Healthcare and Singapore O&G as its main benchmarks.

Q&M increased its dividend payout in 2019 due to a one-time gain from the disposal of Aidite, however, we have not forecasted for any future special dividends by the company. We maintained an average of 50% dividend payout ratio, bringing the total upside (incl. div) to 18.4% based on a 53.9 Singapore cents target price.

Figure 6: Q&M Valuation

Valuations (S\$)	Remarks
P/E multiple	17.0x Average of peers in healthcare services
2021F EPS	\$0.032
P/E Valuation	\$0.539
Upside	15.9%
Dividend yield	2.5%
Total upside (inc div)	18.4%

Source: KGI Research

Figure 7: Peer Comparison

BB ticker	Company Name	Last Price (local \$)	Currency Adj. Market Cap (US\$ m)	Dividend Yield (%)		Net Gearing (%)	P/E (x)		(YTD) Price Performance	(1YR) Price Performance	(1YR) Total Returns (%)
				FY19	FY20F		12M	Forward			
QNM SP	Q & M DENTAL GROUP SINGAPORE	SGD 0.48	282	6.1	2.5	49.9	20.1	20.1	0.0	-2.0	3.4
Healthcare Services											
TKMED SP	TALKMED GROUP LTD	SGD 0.44	433	4.5	2.3	3.7	18.8	22.0	-1.6	-1.0	-1.4
SMG SP	SINGAPORE MEDICAL GROUP LTD	SGD 0.26	94	2.7	1.2	16.1	12.2	12.0	-1.3	1.1	1.8
IHC SP	OUE LIPPO HEALTHCARE LTD	SGD 0.03	113	0.0	-	48.2	12.0	13.0	-4.4	-4.4	-3.3
ISEC SP	ISEC HEALTHCARE LTD	SGD 0.33	127	2.3	-	6.3	31.7	14.0	-1.0	1.0	-1.5
CLGL SP	CORDLIFE GROUP LTD	SGD 0.38	72	0.0	-	3.0	12.6	15.0	-1.3	1.4	-1.2
AHG SP	ALLIANCE HEALTHCARE GROUP LT	SGD 0.19	29	2.0	-	23.1	16.8	16.0	3.3	3.3	4.8
SOG SP	SINGAPORE O&G LTD	SGD 0.23	80	2.1	346.7	7.8	16.0	17.0	-2.0	-2.1	-0.8
HMED SP	HEALTHWAY MEDICAL CORP LTD	SGD 0.03	115	0.0	-	9.7	-	18.0	3.8	3.0	3.8
Consumables											
TOPG SP	TOP GLOVE CORP BHD	SGD 2.26	13,576	0.5	8.0	6.3	31.2	6.5	NM	NM	NM
TIAN SP	TIANJIN ZHONG XIN PHARM CO-S	SGD 0.87	1,572	5.1	-	0.5	6.7	6.6	2.4	2.4	8.5
HPAR SP	HAW PAR CORP LTD	SGD 10.31	1,703	2.3	-	0.3	14.2	-	-1.4	-2.3	-1.8
RSTON SP	RIVERSTONE HOLDINGS LTD	SGD 1.39	2,310	2.4	3.8	1.4	30.6	11.0	NM	NM	NM
UGHG SP	UG HEALTHCARE CORP LTD	SGD 0.69	317	0.6	2.5	31.5	30.5	4.2	NM	NM	NM
MED SP	MEDTECS INTERNATIONAL CORP	SGD 0.92	378	0.0	-	39.5	9.5	-	NM	NM	NM
IXBIO SP	IX BIOPHARMA LTD	SGD 0.25	128	0.0	-	23.1	-	245.0	8.9	26.9	25.6
TTGL SP	TRENDLINES GROUP LTD/THE	SGD 0.09	55	0.0	-	4.9	-	-	-3.1	4.5	5.7

Source: Bloomberg, KGI Research

Risks

We note that there are no immediate or major risks to Q&M's growth nor the stability of its core businesses in the near term. However, there are still inherent risks that should be taken into account should Q&M be a part of a longer-term investment strategy.

Litigation risk. Healthcare providers are more likely to be exposed to malpractice litigation risks as compared to any other professional industry, due to the complexity of care and services provided to patients. The subjectivity of opinions as a result of professional skill and experience also complicates diagnoses. Any potential litigation(s) may lead to negative publicity and affect its business adversely.

Laboratory errors in relation to Acumen's Covid-19 testing kits. Any mistakes or lapses especially in relation to Covid-19 testing may result in adverse disciplinary or punitive actions by the Singapore Government and may result in complete write-off of the Covid-19 business segment.

Company Overview

History and background

About. Q & M Dental Group (Q&M) is a leading private dental healthcare group in Asia. The Group owns the largest network of private dental outlets in Singapore and aims to expand its operations geographically and vertically through the value chain in Malaysia, the People’s Republic of China and within ASEAN. Established in 1996, Q & M has built a brand that is synonymous with accessible and quality dental healthcare.

Footprint. The Group operates 114 dental outlets, 5 medical clinics and 3 dental supplies and equipment distribution companies across Singapore, Malaysia and the PRC. Underpinned by more than 230 experienced dentists (more than 45 of whom are dental specialists) and close to 400 supporting staff, the Group has an outreach of more than 600,000 patients in Singapore. With an extensive network of outlets spanning various locations in Singapore, the Group continues to make private dental healthcare easily accessible as it continues to expand its operations through organic growth across the island. Additionally, outside of Singapore, the Group also continues to grow its presence in Malaysia organically.

Business verticals. In addition to providing general and specialised dental and medical care, the Group has also expanded into postgraduate education with the establishment of the Q & M College of Dentistry in 2019. It offers Singapore’s first private postgraduate diploma programme in clinical dentistry. The Group has also made inroads into the development of advanced technology in healthcare with the establishment of: EM2AI Pte. Ltd. (EM2AI), formerly known as Q & M Dental AI Pte. Ltd., in 2018; and Acumen Diagnostics Pte. Ltd (Acumen Diagnostics).

Since its inception, EM2AI has been focused on developing AI-engine powered solutions in diagnosis and treatment planning, while Acumen Diagnostics has been mainly involved in the manufacture, sale, distribution, and analysis of diagnostic test kits for viruses such as Covid-19, in Singapore and overseas. Additionally, it has plans to conduct clinical trials, as well as manufacture, sell and distribute vaccines for viruses such as Covid-19 in future.

Figure 8: Q&M’s regional footprint, as at 31 December 2019



Source: Q&M Annual Report 2019, KGI Research

Management

We note that two of the three independent directors have been with the board for more than the limit of 9 years as per SGX listing rules that will be enforced starting 2022, with the third reaching her 9th year in 2022.

Figure 9: Board of Directors

<p>Mr Narayanan Sreenivasan @ N Sreenivasan Independent Non-Executive Chairman</p> 	<p>Mr Narayanan Sreenivasan @ N Sreenivasan is the Managing Director of K & L Gates Straits Law LLC and has 34 years of experience in government and private legal practice. He is also an Independent Director of FSL Trust Management Pte. Ltd.</p> <p>He graduated with a LLB (Hons) from the National University of Singapore in July 1985. He is an Advocate and Solicitor of the Supreme Court of the Republic of Singapore and is also a Fellow of the Singapore Institute of Arbitrators and a Fellow of the Chartered Institute of Arbitrators. Mr Sreenivasan has an active litigation practice and was appointed as Senior Counsel in January 2013. He is a director of the Law Society Pro Bono Services and the Singapore Business Federation Foundation.</p> <p>Mr Sreenivasan has previously been the Honorary Secretary of the Singapore Indian Development Association and a Council Member and Treasurer of the Law Society.</p> <p style="text-align: center;">Date of First Appointment as Director: 14 October 2009</p>
<p>Dr Ng Chin Siau Non-Independent Executive Director Group Chief Executive Officer</p> 	<p>Dr Ng Chin Siau is the Group's founder and Group Chief Executive Officer, and is responsible for the corporate direction of the Group. He leads the Group in all aspects of its business strategies, policy planning and business development in Singapore, Malaysia and the PRC.</p> <p>In June 1992, he graduated from the National University of Singapore with a Bachelor of Dental Surgery. Dr Ng also obtained a Certificate of Implantology from the University of Frankfurt in December 2003. From May 1992 to October 1994, he was a Dental Officer with the Ministry of Health. Subsequently in November 1994, he left to join a private dental clinic at Bukit Batok as an Associate Dental Surgeon until October 1996. In November 1996, he founded the Group and has charted its growth since then.</p> <p>In December 2010, Dr Ng was conferred the "Ernst & Young Entrepreneur of The Year 2010 Award (Healthcare Services)". In 2015, Dr Ng was also named the "Best CEO of the Year for Companies with \$300 million to \$1 billion Market Capitalisation" at the Singapore Corporate Awards.</p> <p style="text-align: center;">Date of First Appointment as Director: 7 January 2008</p>
<p>Dr Ang Ee Peng Raymond Non-Independent Executive Director Chief Operating Officer</p> 	<p>Dr Ang Ee Peng Raymond is the Group's Chief Operating Officer. Dr Ang's responsibilities include the Group's human resource function, information technology, procurement, marketing, ISO implementation and complaints handling.</p> <p>Dr Ang is a practicing dentist in the Group's dental clinics at Bukit Gombak and Bukit Panjang. Dr Ang joined the Group in April 2004. From July 1996 to March 2004, Dr Ang was with the dental group practice, First Impressions Dental Surgery Pte Ltd. He graduated from the National University of Singapore with a Bachelor of Dental Surgery in July 1994. He has been a Fellow of the Academy of Dentistry International since September 2009 and Fellow of the International College of Dentist since November 2010.</p> <p>Dr Ang is also an Advisor to the Singapore Dental Association Ethics Committee. In 2012 Dr Ang was presented with the prestigious "Singapore Dental Association Meritorious Award" for his contributions to the dental profession in Singapore.</p> <p style="text-align: center;">Date of First Appointment as Director: 13 June 2008</p>

<p style="text-align: center;">Prof Toh Chooi Gait Independent Non-Executive Director</p> 	<p>Professor Toh Chooi Gait is the Pro Vice Chancellor (Engagement & Industrial Partnership) in International Medical University, Malaysia. She is the Chairman of the Examination Committee of the Malaysian Dental Council that is responsible for the development and implementation of the Professional Qualifying Examination for registration of Dental Practitioners. She has also served in various leading positions in the International Association for Dental Research and South East Asia Association for Dental Education. Professor Toh has over 35 years of experience in dentistry and has co-authored books and published more than 60 articles on dentistry in various professional journals. She regularly conducts dental workshops and training for dentists in Malaysia and abroad.</p> <p>She has a Bachelor of Dental Surgery with Honors from the University of Singapore, Master of Science in Conservative Dentistry from University of London, Diploma in Restorative Dentistry from Royal College of Surgeons of Edinburgh, and is a Fellow in Dental Surgery with the Royal College of Physicians and Surgeons of Glasgow. She has also been conferred Honorary Fellowships by Academy of Dentistry International, International College of Dentists and Royal College of Surgeons of Edinburgh. She serves as an examiner for the Royal College of Surgeons of Edinburgh for the MFDS Part 2 Examination and the Diploma in Implant Dentistry Examination.</p> <p style="text-align: center;">Date of First Appointment as Director: 25 June 2013</p>
<p style="text-align: center;">Mr Ng Weng Sui Harry Independent Non-Executive Director</p> 	<p>Mr Ng Weng Sui Harry is currently the executive director of HLM (International) Corporate Services Pte Ltd, a company that provides business consultancy and corporate services. Prior to this position, he was the chief financial officer with a number of companies listed on the SGX-ST. He has more than thirty years of experience in finance, accounting and audit. He sits on the boards of a few listed companies in SGX-ST as the independent director and chairman of the audit committees.</p> <p>Mr Ng is a Fellow Member of the Institute of Singapore Chartered Accountants and a Fellow of the Association of Chartered Certified Accountants (UK). He obtained a Master of Business Administration (General Business Administration) from The University of Hull, UK.</p> <p style="text-align: center;">Date of First Appointment as Director: 14 October 2009</p>
<p style="text-align: center;">Mr Chik Wai Chiew (Zhi Weichao) Non-Independent Non-Executive Director</p> 	<p>Mr Chik Wai Chiew is the Chief Executive Officer and the Executive Director of Heritas Capital Management Pte. Ltd., a Singapore based private equity and venture capital investment firm that makes investments in healthcare, technology and education sectors across Asia Pacific. He has over 20 years of experience in global investment management and strategic business development, having been active in leading various companies on transformational growth strategies, fund raising and mergers & acquisitions.</p> <p>Mr Chik was awarded the Glaxo-EDB scholarship and holds a BA in Economics from Cambridge University, UK and an MA from Yale University, USA. He has also completed EMBA (conducted in Mandarin) from Cheung Kong Graduate School of Business, the PRC.</p> <p style="text-align: center;">Date of First Appointment as Director: 14 August 2017</p>

Source: Q&M Annual Report 2019, KGI Research

Financials

FYE 31 December					
INCOME STATEMENT (\$\$ mn)	2018	2019	2020F	2021F	2022F
Revenues	119,998	127,995	110,566	141,061	138,443
Cost of Goods	(14,235)	(15,746)	(13,268)	(16,927)	(16,613)
Employee benefits expense	(70,580)	(77,142)	(64,128)	(80,405)	(77,528)
Depn & amort. expense	(3,306)	(3,281)	(3,206)	(3,668)	(3,600)
Depn of right of use assets	–	(11,716)	(8,845)	(11,285)	(11,075)
Rental expense	(12,866)	(172)	–	–	–
Other expenses	(7,464)	(8,081)	(7,187)	(9,169)	(8,999)
Finance costs	(2,635)	(4,143)	(3,317)	(4,232)	(4,153)
Other gains/(losses)	1,321	8,245	5,528	7,053	6,922
Share of profit from associates	4,612	4,163	3,870	4,937	4,846
Profit before income tax	14,845	20,122	20,012	27,366	28,242
Income tax expense	(760)	(1,941)	(1,801)	(2,463)	(2,542)
Profit	14,085	18,181	18,211	24,903	25,701
BALANCE SHEET (\$\$ mn)	2,018	2,019	2,020	2,021	2,022
Cash and cash equivalents	24,924	27,253	50,612	59,119	69,970
Other current assets	26,220	97,761	25,966	32,187	31,653
Total current assets	51,144	125,014	76,578	91,306	101,623
Property, plant and equipment	20,417	26,117	30,139	32,437	34,578
Intangible assets	53,329	53,497	53,497	53,497	53,497
Other non-current assets	89,262	101,146	101,146	101,146	101,146
Total non-current assets	163,008	180,760	184,782	187,080	189,221
Total assets	214,152	305,774	261,360	278,386	290,844
Trade and other payables	14,018	27,080	16,585	21,159	20,766
Finance Liabilities	–	10,211	10,211	10,211	10,211
Other current liabilities	553	33,600	33,600	33,600	33,600
Total current liabilities	14,571	70,891	60,396	64,970	64,577
Lease liabilities	–	39,946	39,946	39,946	39,946
Other non-current liabilities	87,895	71,807	26,518	26,518	26,518
Total non-current liabilities	87,895	111,753	66,464	66,464	66,464
Total liabilities	102,466	182,644	126,860	131,434	131,041
Unitholders' funds and reserves	111,686	123,130	134,501	146,952	159,802
Total liabilities and equity	214,152	305,774	261,360	278,386	290,844
CASH FLOW STATEMENT (\$\$ mn)	2,018	2,019	2,020	2,021	2,022
Profit before tax	14,845	20,122	20,012	27,366	28,242
Adjustments	1,252	3,548	11,499	4,606	8,036
Operating cash flows before WC changes	16,097	23,670	31,511	31,972	36,278
Change in working capital	(2,564)	5,012	(34,215)	1,647	(141)
Income tax paid	(444)	(728)	(1,801)	(2,463)	(2,542)
Cash flows from operations	13,089	27,954	(4,505)	31,156	33,595
Capital expenditure	(2,747)	(6,852)	(7,229)	(5,966)	(5,740)
Acquisition of subsidiaries	(173)	(2,500)	–	–	–
Others	(2,071)	69	47,515	–	–
Cash flows from investing	(4,991)	(9,283)	40,286	(5,966)	(5,740)
Lease payments	–	–	–	–	–
Dividends paid	(10,468)	(6,442)	(9,106)	(12,451)	(12,850)
Interest paid	(2,635)	(2,846)	(3,317)	(4,232)	(4,153)
Other financing cashflow	(7,111)	(7,054)	–	–	–
Cash flows from financing	(20,214)	(16,342)	(12,423)	(16,683)	(17,004)
FX Effects, Others	–	–	–	–	–
Net increase in cash	(12,116)	2,329	23,359	8,507	10,851
Beginning Cash	37,040	24,924	27,253	50,612	59,119
Ending cash	24,924	27,253	50,612	59,119	69,970
KEY RATIOS	2018	2019	2020F	2021F	2022F
EPS (SGD cents)	1.79	2.31	2.32	3.17	3.27
DPS (SGD cents)	0.82	2.82	1.16	1.58	1.64
Dividend yield (%)	1.8%	6.1%	2.5%	3.4%	3.5%
NAV per share (SGD cents)	14.1	15.5	16.7	18.3	19.9
Price/NAV (x)	3.3	3.0	2.8	2.5	2.3
Profitability					
EBITDA Margin (%)	13.5%	27.4%	28.5%	29.5%	30.5%
Net Margin (%)	11.7%	14.2%	16.5%	17.7%	18.6%
ROE (%)	12.1%	14.4%	13.3%	16.6%	15.8%
ROA (%)	6.5%	7.0%	6.4%	9.2%	9.0%
Financial Structure					
Interest Coverage Ratio (x)	3.9	3.9	4.9	5.3	5.6
Gearing Ratio (%)	–	40.7%	37.3%	34.1%	31.4%

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