

Company Results

SGX
Keppel DC REIT
First REIT
CapitaLand Mall Trust

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Singapore Exchange Ltd

Thank You Volatility

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23 April 2018

Singapore Exchange Ltd

(BUY (Maintained), TP: S\$9.20, Last: S\$8.89)

Results at a glance

(SGD mn)	3Q18	3Q17	YoY	2Q18	QoQ	Comments
Securities	61.7	55.3	12%	51.8	19%	SDAV rose 17% YoY to S\$1.45bn but average equity clearing fee came off 2% to 2.87bps in 3Q18.
Derivatives	90.5	75.2	20%	83.3	9%	Derivatives volumes surged 34% YoY, but offset against 11% decline in contract fees to S\$1.07.
Others	70.0	72.2	-3%	69.9	0%	As expected, post trade services revenue declined 11% YoY.
Total Revenue	222.2	202.7	10%	205.0	8%	
Opex	(104.4)	(99.7)	5%	(102.1)	2%	Operating expenses was contained to capture operating leverage.
Net Income	100.5	83.1	21%	88.4	14%	
DPS	5.0	5.0	0%	5.0	0%	

Source: Company, PSR

Positives

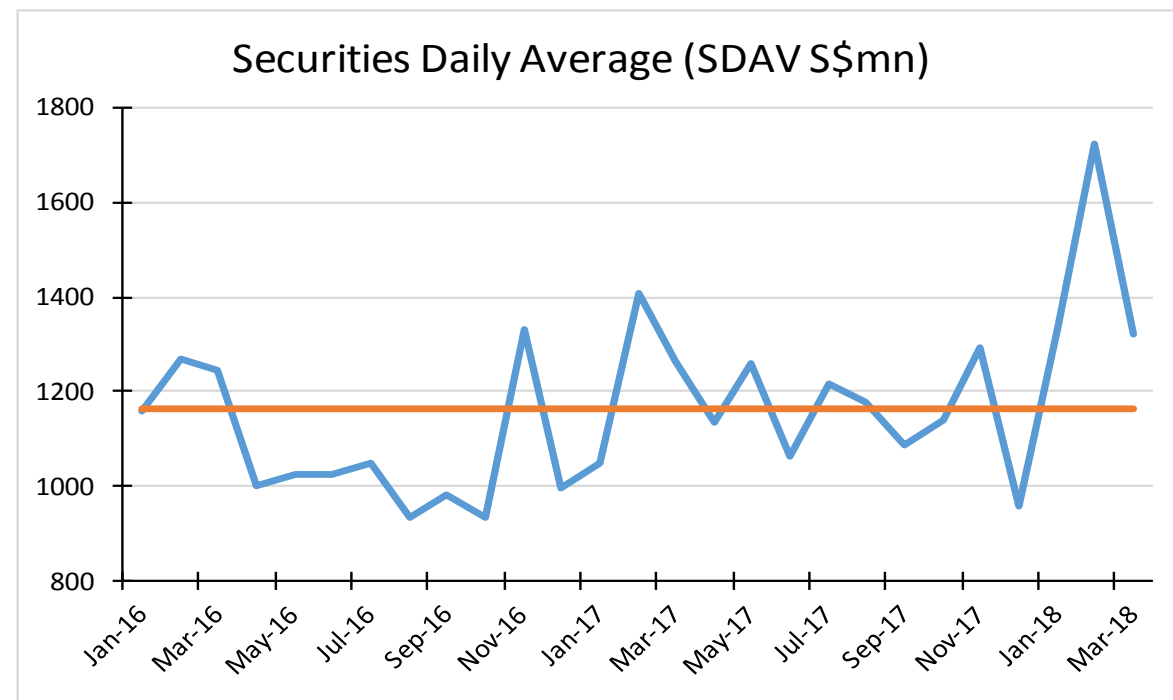
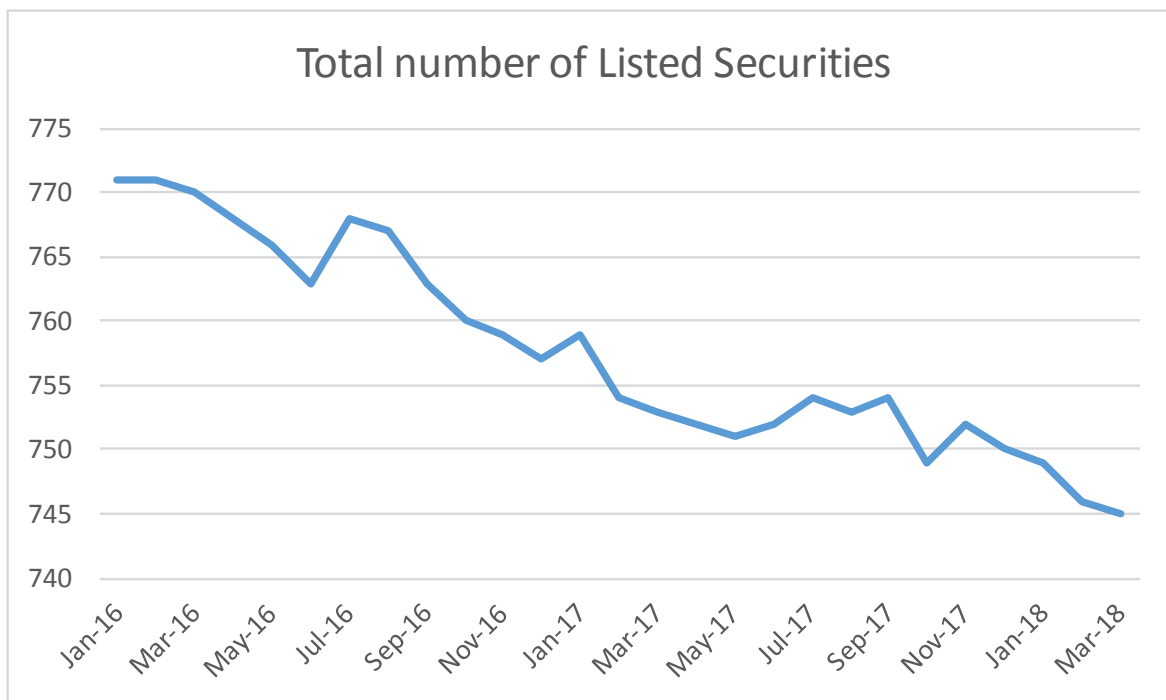
- Growth driver was derivatives: A50/Nikkei/FX Futures
- Operating leverage intact: S\$12mn of \$17mn flowed to PATMI
- Higher listings expected: 5 more in 4QFY18e.

Negatives

- No resolution to Nifty50 product: almost 12% of derivatives volume; unclear how product will be seamless or priced off publicly available reference price.

Maintain BUY: Return of volatility, continuous stream of new products and operating leverage will be supportive of earnings growth. Valuations are attractive in view of the 35% ROEs, 4% dividend yield and momentum in earnings.

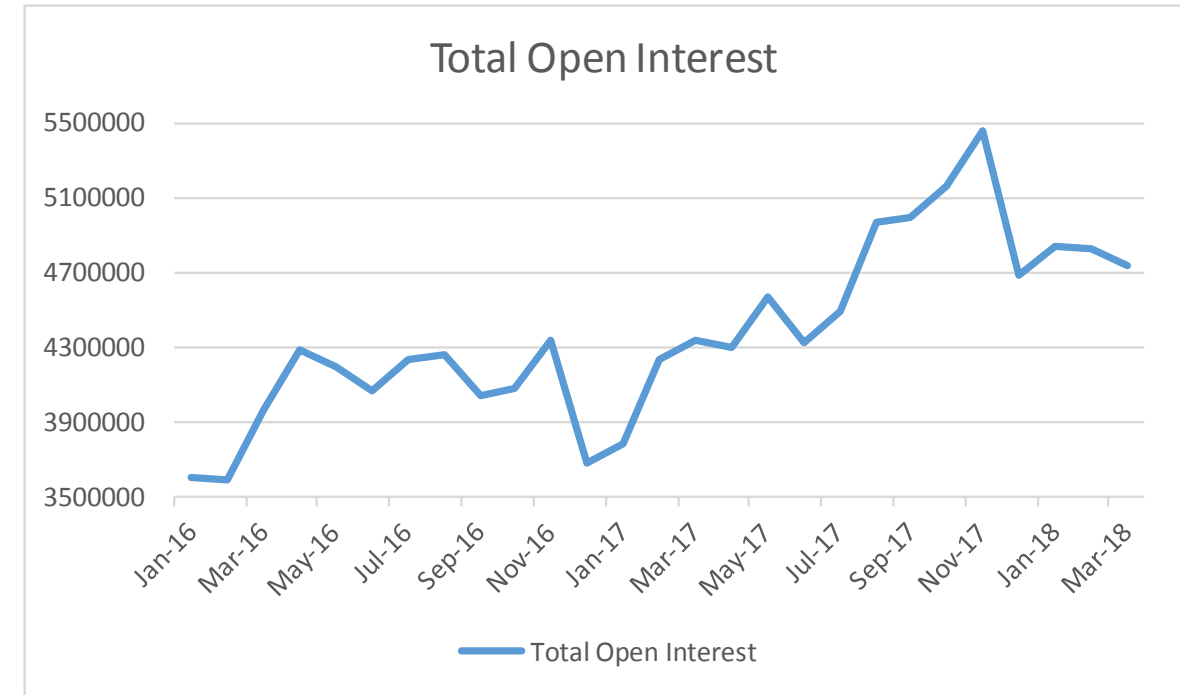
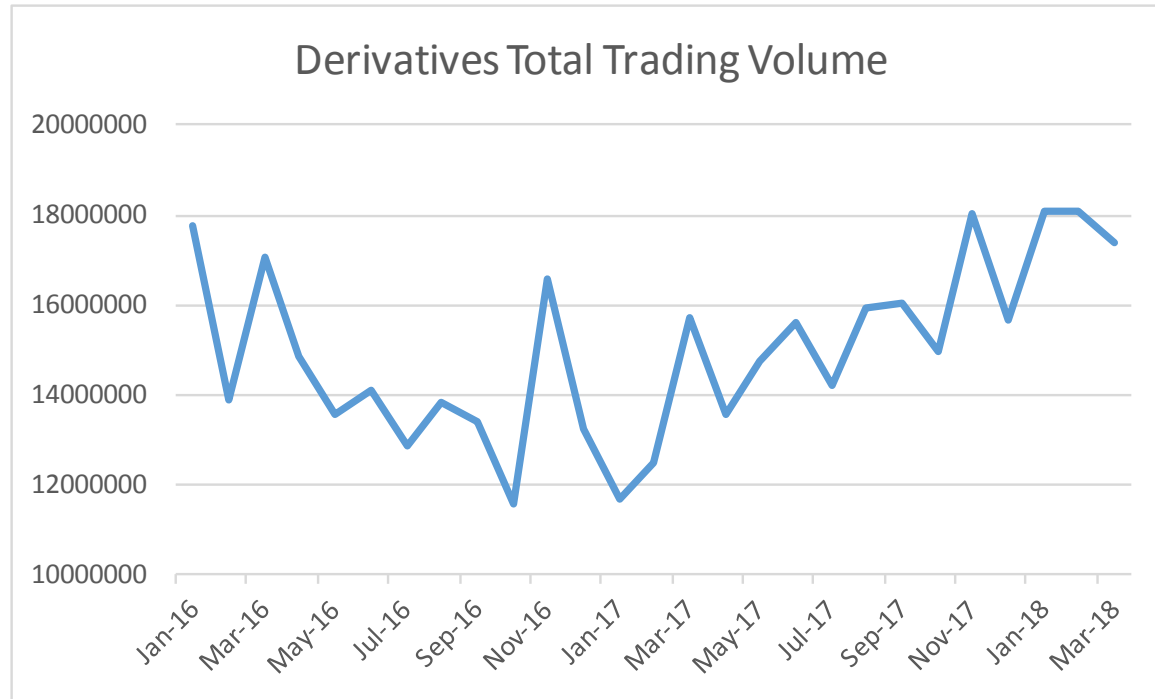
Singapore Exchange Ltd – Securities Business



Number of listings will recover in 2018

SDAV above the average S\$1,163mn and our forecast

Singapore Exchange Ltd – Derivatives Business



Healthy uptrend in volumes

Open interest up 17% YoY should help sustain volume

Keppel DC REIT

Stable portfolio to start the year

Richard Leow

Phillip Securities Research Pte Ltd

23 April 2018

Keppel DC REIT

(Neutral, TP: \$1.47, DPU: 7.86 cents (5.5%) , Last: \$1.43)



Results at a glance

(SGD mn)	1Q18	1Q17	YoY	Comments
Gross revenue	38.0	32.2	17.9%	Full quarter income from KDC DUB 2 (acquired in Sep 2017) and KDC SGP 3 (acquired in Jan 2017)
Net property income	34.1	28.8	18.2%	16% higher property-related expenses
Distributable income	20.9	21.8	-4.1%	One-off capital distribution of \$1.7mn in 1Q17
DPU (cents)	1.80	1.89	-4.8%	Excluding one-off capital distribution of 0.15 cents in 1Q17, DPU would have been 3.4% higher YoY

Source: Company, PSR

Portfolio WALE remains long at 9.6 years, QoQ increase from 9.1 years

- Effect of acquisition of maincubes Data Centre on March 30 (15-year triple-net master lease)
- Higher gearing from 32.1% to 37.4% due to loans drawn down for 90% balance payment

Marginally higher QoQ portfolio occupancy from 92.6% to 93.7%

- Mainly due to maincubes Data Centre. Also from KDC DUB 1 and KDC DUB 2.
- Occupancy drag at Basis Bay Data Centre (63.1%) and KDC DUB 1 (57.2%)

Effectively no more debt maturing in 2018: Short term loans as at 1Q18 have been refinanced

Outlook: stable

- Only 1.8% and 1.9% of NLA for renewal in 2018 and 2019, respectively
- Manager is working towards achieving the \$2bn AUM target in 2018

Rich valuation at 1.44 times FY18e P/NAV multiple

First REIT

Kicking off FY18 on a clear path

Tara Wong

Phillip Securities Research Pte Ltd

23 April 2018

First REIT

(Neutral, TP: \$1.31, Last: \$1.37)

Results at a glance

(SGD mn)	1QFY18	1QFY17	YoY (%)	Comments
Gross Revenue	28,713	27,151	5.8%	Contribution from two newly acquired properties in FY18.
Net property income	28,423	26,867	5.8%	Higher expenses due to new acquisitions and progress payment for development of new Siloam Hospitals Surabaya in 3Q 2017.
Distributable income	16,893	16,593	1.8%	
DPU (Cents)	2.15	2.14	0.5%	

Inorganic growth from recent acquisitions and future organic growth visibility from uptick in CPI

- YoY revenue growth from full quarter contribution from Siloam Hospitals Buton & Lippo Plaza Buton and Siloam Hospitals Yogyakarta acquired on 10 Oct 2017 and 22 Dec 2017, respectively
- Locked-in future organic growth for FY19, owing to increase in Singapore CPI

Secured financing facilities to refinance 1Q18 current debt

- S\$400mn in syndicated secured financing facilities secured on 16 Jan 2018, which will be used to partially refinance outstanding bank loans as well as for investment and working capital purposes.

Receivables creeping up and potential further aging

- Total receivables grew 10% QoQ to S\$58.4mn in 1Q18, equivalent to 53% of FY17 revenue.
- Lippo Karawaci (LPKR), FIRT's Sponsor and the master lessee of FIRT's Indonesia properties, had been issued a credit downgrade by Fitch in Feb 2018 on the back of a significantly reduced cash flow access.

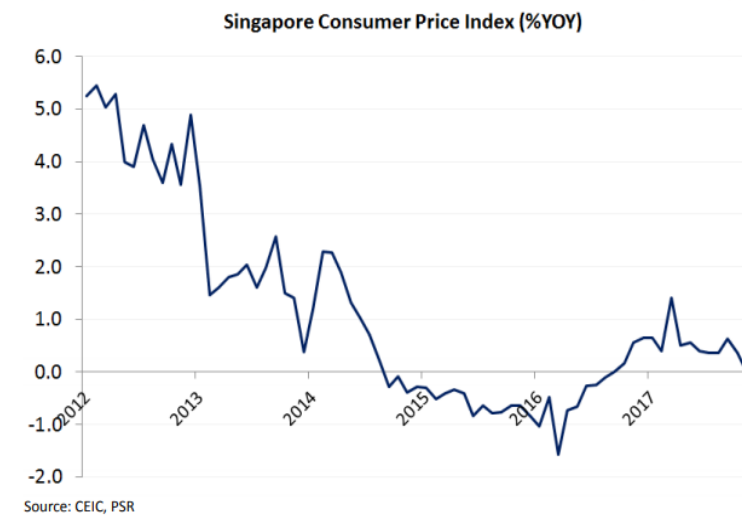
First REIT

(Neutral, TP: \$1.31, Last: \$1.37)

Figures 1 and 2: FIRT valuations vs historical



Figure 3: Singapore's CPI recovered to 1% in 2017 following negative CPI the preceding year



Outlook

- Uptick in Singapore CPI for 2017 (figure 3) automatically locks in higher recurring revenue for FY19
- Current gearing of 33.5% affords a debt headroom of c.S\$101m (assuming 40% threshold) to pursue inorganic growth
- New tax regulations on building leases in Indonesia not expected to have any material impact for FIRT

Maintain NEUTRAL with adjusted TP of S\$1.31 (prev S\$1.32)

- FIRT currently trading at upper range of its post-GFC valuations (figures 1 and 2)
- Slightly lower TP due to different set of assumptions following change of analyst
- Potential catalysts: Improvement of the Sponsor's creditworthiness
- Downside risks: A similar tax regulation change that would affect FIRT

CapitaLand Mall Trust

Sale of Sembawang Shopping Centre at 2x FY17 valuation

Tan Dehong

Phillip Securities Research Pte Ltd

23 April 2018

Results at a glance

(SGD mn)/Dec Yr End	1Q18	1Q17	YoY (%)	Comments
Gross Revenue	175.2	172.0	1.8	Higher occupancy for IMM, Clarke Quay, The Atrium@Orchard and Plaza Singapura
Net property income	125.7	120.1	4.7	Drop in operating expenses due to lower marketing and utilities expenses
Distributable income	99.0	97.0	2.1	Lower contributions for Associates and JVs
DPU (Cents)	2.78	2.73	1.8	

Source: Company, PSR

- Higher occupancy and lower operating expenses propped up DPU amidst still challenging operating environment in terms of tenant sales.
- Sale of Sembawang Shopping Centre to Lian Beng at 1.97x FY17 valuation a positive surprise.
- No more debt expiries in FY18.
- Overall tenant sales still sluggish, down 0.2% YoY.
- Outlook: Stable financing costs, Cash top up for FY18e/FY19e to make up for loss of rental income (SSC). No recovery in tenant sales as yet for meaningful pickup in reversions.

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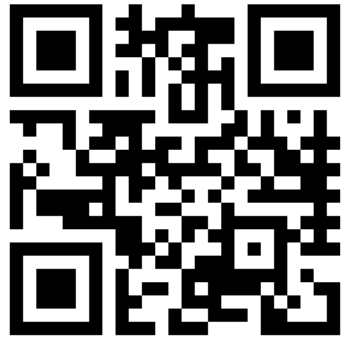
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