

# ComfortDelGro Corp Ltd

## Major drag overseas



StocksBnB.com

### SINGAPORE | TRANSPORT SERVICES | 3Q22 UPDATE

17 November 2022

#### BUY (Maintained)

LAST CLOSE PRICE	SGD 1.30
FORECAST DIV	SGD 0.057
TARGET PRICE	SGD 1.75
<b>TOTAL RETURN</b>	<b>39.0%</b>

#### COMPANY DATA

BLOOMBERG CODE:	CD SP
O/S SHARES (MN):	2,166
MARKET CAP (SGD mn):	2,708
52 - WK HI/LO (SGD):	1.53 / 1.21
3M Average Daily T/O (mn):	10.0

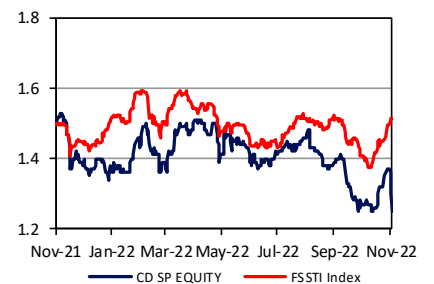
#### MAJOR SHAREHOLDERS

Ameriprise Financial Inc	6.8%
BlackRock Inc	5.0%

#### PRICE PERFORMANCE (%)

	1MTH	3MTH	YTD
COMPANY	2.4	-8.9	-3.0
STI RETURN	8.1	1.1	8.9

#### PRICE VS. STI



Source: Bloomberg, PSR

#### KEY FINANCIALS

Y/E Dec	FY 20	FY 21	FY 22e	FY 23e
Revenue (\$\$ mn)	3,243	3,538	3,813	3,868
PATMI, adj (\$\$ mn)	119.9	153.8	176.9	223.6
EPS, adj. (cents)	5.6	7.1	8.2	10.3
P/E, adj. (x)	23.3	18.3	15.9	12.6
BVPS (cents)	142	145	153	156
P/B (x)	0.9	0.9	0.8	0.8
DPS (cents)	1.4	4.2	5.7	7.2
Div. Yield (%)	1.1	3.2	4.4	5.6

Source: Bloomberg, PSR

#### VALUATION METHOD

DCF (WACC: 9.2%; Terminal g: 1.0%)

Paul Chew (+65 6212 1851)

Head Of Research

paulchewkl@phillip.com.sg

- 3Q22 earnings were below expectations. YTD22 revenue and PATMI were 74%/50% respectively of our FY22e forecast. UK and Australia earnings disappointed due to lags in repricing higher bus fuel and wages. A performance worse than the pandemic.
- Operating profit in Singapore recovered significantly from S\$1.8mn to S\$46.7mn. Recovery is from the surge in rail ridership and lower taxi rental rebates plus maiden booking commissions.
- We cut our FY22e PATMI by 24% to S\$207.3mn. The recovery in Singapore from the surge in rail ridership and lower taxi rebates will continue in 4Q22. However, the time lag to pass through higher labour and fuel costs in Australia and UK will place pressure on operating margins. We lowered our DCF target price from S\$1.80 to S\$1.75.

#### Results at a glance

(SGD mn)	3Q22	3Q21	YoY	Comments
Revenue	969.5	880.3	10.1%	
- Public transport	772.5	710.6	8.7%	
- Taxi	112.3	97.3	15.4%	
EBIT	58.8	40.3	45.9%	Excl. relief & gain on disposal., up 171% YoY to S\$53.6mn.
- Public transport	26.9	32.0	-15.9%	Excl. relief & gain on disposal., up 48% YoY to S\$22.5mn.
- Taxi	16.0	(5.9)	n.m.	Excl. relief & gain on disposal., from loss S\$8.1mn to S\$15.5mn profit.
Gain on disposal	(0.2)	0.7	n.m.	
PATMI	34.3	25.8	32.9%	
PATMI - normalised	34.5	25.1	37.5%	Excludes government relief S\$29.1mn (3Q21: S\$5.3mn).

Source: Company, PSR #Note – Only selected financials are provided in the 3Q22 update.

#### The Positives

**+ Surge in Singapore profitability.** 3Q22 operating profit in Singapore (excluding disposals/grants) recovered strongly to S\$46.7mn, from \$1.8mn a year ago. The turnaround was driven by a recovery in rail traffic plus lower taxi rebates. Daily ridership for SBS Transit is up 52% YoY in 3Q22. Rebound in taxi earnings is from lower rebates of 15% (3Q21: 25%) plus booking commissions of 4%.

**+ Healthy free cash flows.** FCF in 3Q22 improved from S\$95.2mn to S\$193.7mn. Net CAPEX for the year was moderately higher at S\$150.7mn (YTD21: S\$136.1mn). CAPEX will not return to pre-pandemic S\$400mn-500mn levels as the conversion of the fleet to hybrid and EV is almost complete. Furthermore, higher COEs negatively impact the return profile of vehicle investments.

#### The Negative

**- Multiple bumps overseas.** The combined operating profit of overseas operations (Australia, China, UK) collapsed 63% YoY to S\$6.7mn. The worse performer was the UK with a S\$6.5mn loss (3Q21: S\$0.9mn profit). UK bus operations to pass on the higher fuel and labour cost. In the UK, the pass-through of higher cost occurs on the anniversary of each bus route. The wage cost has sharply risen due to a shortage of bus drivers. To manage the shortage, higher priced agency bus drivers were deployed and more overtime billings were made. In China, rebates continued in undisclosed millions but lower than the \$10mn in 2Q22.

**Outlook**

We expect the rebound in Singapore rail and taxi operations to rebound into 4Q22. An additional boost for taxi revenue will come from an increase in booking commission from 4% to 5%, effective October 2022. Although taxi rental rebates are expected to maintain at 15%, booking commission effective rental cover is 1.5x (i.e. 5% commission is equivalent to 7.5% recovery in taxi rentals).

FY23 rail operations will enjoy an uplift from the fare adjustment of 13.5%. Part of the increase will stem from the higher passenger fares of 2.9% (effective 26Dec22), with the balance a government subsidy instead of fare increases. The headwind for Singapore earnings will be the lower bus contracting fees from 5 packages, as announced a year ago.

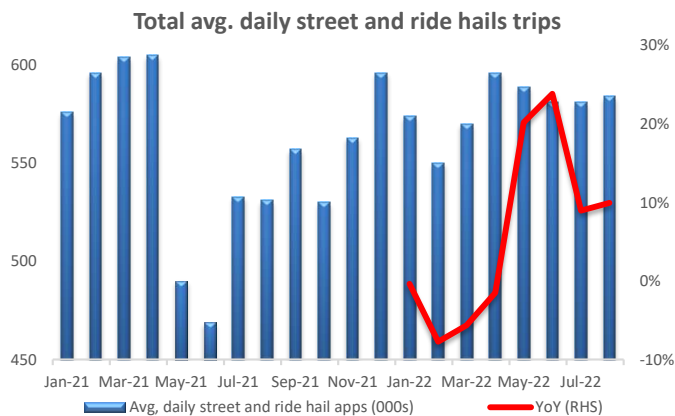
The margin pressure on overseas bus operations will persist until cost recovery is implemented. The anniversary dates for cost recovery were not disclosed but we expect an improvement in margins from overseas operations to gradually improve over the next three quarters.

The dividend policy is maintained at 70-80% and any higher will depend on cash-flow needs.

**Maintain BUY with a lower TP of S\$1.75 (prev. S\$1.80)**

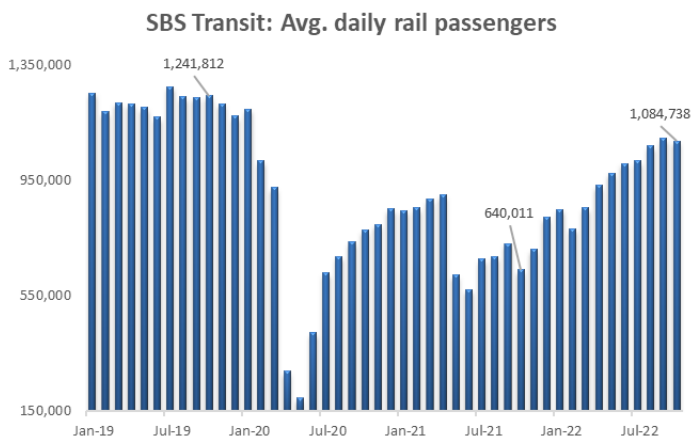
ComfortDelgro pays a 4% dividend yield, net cash balance sheet of S\$643mn and its share price is still around 50% below pre-pandemic levels.

**Figure 1: Taxi ridership volumes trending at 10% YoY in Jul22/Aug22**



Source: CEIC, PSR

**Figure 2: SBS rail ridership is up 69% YoY in Oct22 and 15% below pre-pandemic**



Source: CEIC, PSR

## Financials

### Income Statement

SGD mn, Y/E Dec	FY 19	FY 20	FY 21	FY 22e	FY 23e
Revenue	3,901.1	3,242.6	3,538.3	3,812.9	3,868.5
EBITDA	841.5	553.7	611.6	645.0	721.3
Depreciation & Amortisation	(425.7)	(432.0)	(401.6)	(383.5)	(392.2)
EBIT	415.8	121.7	210.0	261.5	329.1
Net Finance (Expense)/Inc	(9.2)	(5.9)	(5.1)	3.7	4.7
Profit Before Tax	406.6	115.8	204.9	303.1	333.8
Taxation	(88.4)	(24.5)	(44.9)	(54.9)	(60.1)
Profit After Tax	318.2	91.3	160.0	248.3	273.7
Non-controlling interest	53.1	30.9	29.9	40.9	50.1
PATMI, reported	265.1	60.4	130.1	207.3	223.6
PATMI, adj.	287.8	119.9	153.8	176.9	223.6

### Per share data (cents)

	FY 19	FY 20	FY 21	FY 22e	FY 23e
EPS, reported	12.2	2.8	6.0	9.6	10.3
EPS, adj.	13.3	5.6	7.1	8.2	10.3
DPS	9.8	1.4	4.2	5.7	7.2
BVPS	140	142	145	153	156

### Cash Flow

SGD mn, Y/E Dec	FY 19	FY 20	FY 21	FY 22e	FY 23e
<b>CFO</b>					
PBT	406.6	115.8	204.9	303.1	333.8
Adjustments	-	-	-	-	-
WC changes	(146.8)	(28.5)	75.0	(112.7)	7.4
Cash generated from ops	704.8	632.2	732.2	608.1	728.8
Others	(94.9)	(87.9)	(71.3)	(54.9)	(60.1)
Cashflow from ops	609.9	544.3	660.9	553.3	668.7
<b>CFI</b>					
CAPEX, net	(346.5)	(106.1)	(194.3)	(252.6)	(303.1)
Divd from associates & JVs	1.0	0.4	0.1	-	-
Others	(21.1)	(4.0)	(9.6)	9.6	10.5
Cashflow from investments	(366.6)	(109.7)	(203.8)	(243.0)	(292.6)
<b>CFF</b>					
Share issuance, net	1.3	1.1	2.3	-	-
Loans, net of repayments	31.3	(116.6)	(143.9)	(100.0)	-
Dividends	(274.3)	(144.4)	(107.4)	(107.3)	(201.0)
Others	12.0	(41.9)	(38.2)	(5.9)	(5.9)
Cashflow from financing	(229.7)	(301.8)	(287.2)	(213.1)	(206.9)
Effects of exchange rates	(5.5)	15.8	6.4	-	-
Net increase (decrease) in CCE	8.1	148.6	176.3	97.1	169.2
CCE, end	594.2	742.8	919.1	1,016.2	1,185.5

Source: Company, Phillip Securities Research (Singapore) Estimates

### Balance Sheet

SGD mn, Y/E Dec	FY 19	FY 20	FY 21	FY 22e	FY 23e
<b>ASSETS</b>					
Cash	594.2	742.8	919.1	1,016.2	1,185.5
Accounts Receivables	318.7	291.8	295.3	291.7	297.2
Inventories	150.7	127.9	116.9	137.1	134.6
Prepayments	255.5	241.6	241.6	260.7	252.5
Others	-	20.1	15.4	15.4	15.4
<b>Total current assets</b>	<b>1,319.1</b>	<b>1,424.2</b>	<b>1,588.3</b>	<b>1,721.1</b>	<b>1,885.2</b>
PPE	2,879.7	2,604.1	2,430.5	2,299.6	2,210.5
Intangibles	848.7	870.0	866.9	866.9	866.9
Receivables	284.3	6.7	10.7	10.7	10.7
Others	47.2	53.6	58.6	58.6	58.6
<b>Total non-current assets</b>	<b>4,059.9</b>	<b>3,534.4</b>	<b>3,366.7</b>	<b>3,235.8</b>	<b>3,146.7</b>
<b>Total Assets</b>	<b>5,379.0</b>	<b>4,958.6</b>	<b>4,955.0</b>	<b>4,956.9</b>	<b>5,031.9</b>
<b>LIABILITIES</b>					
Short term loans	198.8	110.3	23.9	23.9	23.9
Accounts Payables	670.3	675.0	775.6	698.6	700.9
Others	246.7	227.2	190.6	190.6	190.6
<b>Total current liabilities</b>	<b>1,115.8</b>	<b>1,012.5</b>	<b>990.1</b>	<b>913.1</b>	<b>915.4</b>
Long term loans	331.3	353.4	317.1	217.1	217.1
Others	922.9	524.0	511.5	511.5	511.5
Total non-current liabilities	1,254.2	877.4	828.6	728.6	728.6
<b>Total Liabilities</b>	<b>2,370.0</b>	<b>1,889.9</b>	<b>1,818.7</b>	<b>1,641.7</b>	<b>1,644.0</b>
<b>EQUITY</b>					
Non-controlling interest	414.0	422.0	429.8	470.7	520.8
<b>Shareholder Equity</b>	<b>2,595.0</b>	<b>2,646.7</b>	<b>2,706.5</b>	<b>2,776.2</b>	<b>2,829.4</b>

### Valuation Ratios

	FY 19	FY 20	FY 21	FY 22e	FY 23e
P/E (x), a dj.	9.8	23.3	18.3	15.9	12.6
P/B (x)	0.9	0.9	0.9	0.8	0.8
Dividend Yield	7.5%	1.1%	3.2%	4.4%	5.6%

### Growth & Margins

	FY 19	FY 20	FY 21	FY 22e	FY 23e
<b>Growth</b>					
Revenue	2.5%	-16.9%	9.1%	7.8%	1.5%
EBITDA	1.1%	-34.2%	10.5%	5.5%	11.8%
EBIT	-5.2%	-70.7%	72.6%	24.5%	25.8%
Net Income, a dj.	-5.1%	-58.3%	28.3%	15.0%	26.4%
<b>Margins</b>					
EBITDA margin	21.6%	17.1%	17.3%	16.9%	18.6%
EBIT margin	10.7%	3.8%	5.9%	6.9%	8.5%
PBT margin	10.4%	3.6%	5.8%	7.9%	8.6%
Net Profit Margin	7.4%	3.7%	4.3%	4.6%	5.8%

### Key Ratios

	FY 19	FY 20	FY 21	FY 22e	FY 23e
ROE	11.1%	4.6%	5.7%	6.5%	8.0%
ROA	5.5%	2.3%	3.1%	3.6%	4.5%
Dividend Payout	73.7%	25.6%	59.2%	70.0%	70.0%
Net Debt or (Net Cash)	-64	-279	-578	-775	-944
Net Gearing (x)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash



**PSR Rating System**

Total Returns	Recommendation	Rating
> +20%	Buy	1
+5% to +20%	Accumulate	2
-5% to +5%	Neutral	3
-5% to -20%	Reduce	4
< -20%	Sell	5

**Remarks**  
 We do not base our recommendations entirely on the above quantitative return bands. We consider qualitative factors like (but not limited to) a stock's risk reward profile, market sentiment, recent rate of share price appreciation, presence or absence of stock price catalysts, and speculative undertones surrounding the stock, before making our final recommendation

## Contact Information (Singapore Research Team)

## Head of Research

Paul Chew – [paulchewkl@phillip.com.sg](mailto:paulchewkl@phillip.com.sg)

## Research Admin

Qystina Azli - [gystina@phillip.com.sg](mailto:gystina@phillip.com.sg)

## Construction | Industrial | Conglomerates

Terence Chua – [terencechuatl@phillip.com.sg](mailto:terencechuatl@phillip.com.sg)

## Property | REITs

Darren Chan – [darrenchanrx@phillip.com.sg](mailto:darrenchanrx@phillip.com.sg)

## Banking &amp; Finance

Glenn Thum – [glennthumjc@phillip.com.sg](mailto:glennthumjc@phillip.com.sg)

## Credit Analyst

Shawn Sng – [shawnsngkh@phillip.com.sg](mailto:shawnsngkh@phillip.com.sg)

## US Tech Analyst (Digital Media &amp; Entertainment)

Jonathan Woo – [jonathanwooki@phillip.com.sg](mailto:jonathanwooki@phillip.com.sg)

## US Tech Analyst (Software &amp; Services)

Ambrish Shah – [amshah@phillipcapital.in](mailto:amshah@phillipcapital.in)

## US Tech Analyst (Hardware &amp; Marketplaces)

Maximilian Koeswoyo – [maximilian@phillip.com.sg](mailto:maximilian@phillip.com.sg)

## Technical Analyst

Zane Aw – [zaneawyx@phillip.com.sg](mailto:zaneawyx@phillip.com.sg)

## Contact Information (Regional Member Companies)

## SINGAPORE

## Phillip Securities Pte Ltd

Raffles City Tower  
250, North Bridge Road #06-00  
Singapore 179101  
Tel +65 6533 6001  
Fax +65 6535 6631  
Website: [www.poems.com.sg](http://www.poems.com.sg)

## MALAYSIA

## Phillip Capital Management Sdn Bhd

B-3-6 Block B Level 3 Megan Avenue II,  
No. 12, Jalan Yap Kwan Seng, 50450  
Kuala Lumpur  
Tel +603 2162 8841  
Fax +603 2166 5099  
Website: [www.poems.com.my](http://www.poems.com.my)

## HONG KONG

## Phillip Securities (HK) Ltd

11/F United Centre 95 Queensway  
Hong Kong  
Tel +852 2277 6600  
Fax +852 2868 5307  
Websites: [www.phillip.com.hk](http://www.phillip.com.hk)

## JAPAN

## Phillip Securities Japan, Ltd.

4-2 Nihonbashi Kabuto-cho Chuo-ku,  
Tokyo 103-0026  
Tel +81-3 3666 2101  
Fax +81-3 3666 6090  
Website: [www.phillip.co.jp](http://www.phillip.co.jp)

## INDONESIA

## PT Phillip Securities Indonesia

ANZ Tower Level 23B,  
Jl Jend Sudirman Kav 33A  
Jakarta 10220 – Indonesia  
Tel +62-21 5790 0800  
Fax +62-21 5790 0809  
Website: [www.phillip.co.id](http://www.phillip.co.id)

## CHINA

## Phillip Financial Advisory (Shanghai) Co Ltd

No 550 Yan An East Road,  
Ocean Tower Unit 2318,  
Postal code 200001  
Tel +86-21 5169 9200  
Fax +86-21 6351 2940  
Website: [www.phillip.com.cn](http://www.phillip.com.cn)

## THAILAND

## Phillip Securities (Thailand) Public Co. Ltd

15th Floor, Vorawat Building,  
849 Silom Road, Silom, Bangkok,  
Bangkok 10500 Thailand  
Tel +66-2 6351700 / 22680999  
Fax +66-2 22680921  
Website: [www.phillip.co.th](http://www.phillip.co.th)

## FRANCE

## King &amp; Shaxson Capital Limited

3rd Floor, 35 Rue de la Bienfaisance 75008  
Paris France  
Tel +33-1 45633100  
Fax +33-1 45636017  
Website: [www.kingandshaxson.com](http://www.kingandshaxson.com)

## UNITED KINGDOM

## King &amp; Shaxson Capital Limited

6th Floor, Candlewick House,  
120 Cannon Street,  
London, EC4N 6AS  
Tel +44-20 7426 5950  
Fax +44-20 7626 1757  
Website: [www.kingandshaxson.com](http://www.kingandshaxson.com)

## UNITED STATES

## Phillip Capital Inc

141 W Jackson Blvd Ste 3050  
The Chicago Board of Trade Building  
Chicago, IL 60604 USA  
Tel +1-312 356 9000  
Fax +1-312 356 9005  
Website: [www.phillipusa.com](http://www.phillipusa.com)

## AUSTRALIA

## Phillip Capital Limited

Level 10, 330 Collins Street  
Melbourne, Victoria 3000, Australia  
Tel +61-03 8633 9803  
Fax +61-03 8633 9899  
Website: [www.phillipcapital.com.au](http://www.phillipcapital.com.au)

## CAMBODIA

## Phillip Bank Plc

Ground Floor of B-Office Centre, #61-64,  
Norodom Blvd Corner Street 306, Sangkat  
Boeung Keng Kang 1, Khan Chamkamorn,  
Phnom Penh, Cambodia  
Tel: 855 (0) 7796 6151/855 (0) 1620 0769  
Website: [www.phillipbank.com.kh](http://www.phillipbank.com.kh)

## INDIA

## PhillipCapital (India) Private Limited

No.1, 18th Floor, Urmi Estate  
95, Ganpatrao Kadam Marg  
Lower Parel West, Mumbai 400-013  
Maharashtra, India  
Tel: +91-22-2300 2999 / Fax: +91-22-2300 2969  
Website: [www.phillipcapital.in](http://www.phillipcapital.in)

## TURKEY

## PhillipCapital Menkul Degerler

Dr. Cemil Bengü Cad. Hak Is Merkezi  
No. 2 Kat. 6A Caglayan  
34403 Istanbul, Turkey  
Tel: 0212 296 84 84  
Fax: 0212 233 69 29  
Website: [www.phillipcapital.com.tr](http://www.phillipcapital.com.tr)

## DUBAI

## Phillip Futures DMCC

Member of the Dubai Gold and  
Commodities Exchange (DGX)  
Unit No 601, Plot No 58, White Crown Bldg,  
Sheikh Zayed Road, P.O.Box 212291  
Dubai-UAE  
Tel: +971-4-3325052 / Fax: + 971-4-3328895

### Important Information

This report is prepared and/or distributed by Phillip Securities Research Pte Ltd ("Phillip Securities Research"), which is a holder of a financial adviser's license under the Financial Advisers Act, Chapter 110 in Singapore.

By receiving or reading this report, you agree to be bound by the terms and limitations set out below. Any failure to comply with these terms and limitations may constitute a violation of law. This report has been provided to you for personal use only and shall not be reproduced, distributed or published by you in whole or in part, for any purpose. If you have received this report by mistake, please delete or destroy it, and notify the sender immediately.

The information and any analysis, forecasts, projections, expectations and opinions (collectively, the "Research") contained in this report has been obtained from public sources which Phillip Securities Research believes to be reliable. However, Phillip Securities Research does not make any representation or warranty, express or implied that such information or Research is accurate, complete or appropriate or should be relied upon as such. Any such information or Research contained in this report is subject to change, and Phillip Securities Research shall not have any responsibility to maintain or update the information or Research made available or to supply any corrections, updates or releases in connection therewith.

Any opinions, forecasts, assumptions, estimates, valuations and prices contained in this report are as of the date indicated and are subject to change at any time without prior notice. Past performance of any product referred to in this report is not indicative of future results.

This report does not constitute, and should not be used as a substitute for, tax, legal or investment advice. This report should not be relied upon exclusively or as authoritative, without further being subject to the recipient's own independent verification and exercise of judgment. The fact that this report has been made available constitutes neither a recommendation to enter into a particular transaction, nor a representation that any product described in this report is suitable or appropriate for the recipient. Recipients should be aware that many of the products, which may be described in this report involve significant risks and may not be suitable for all investors, and that any decision to enter into transactions involving such products should not be made, unless all such risks are understood and an independent determination has been made that such transactions would be appropriate. Any discussion of the risks contained herein with respect to any product should not be considered to be a disclosure of all risks or a complete discussion of such risks.

Nothing in this report shall be construed to be an offer or solicitation for the purchase or sale of any product. Any decision to purchase any product mentioned in this report should take into account existing public information, including any registered prospectus in respect of such product.

Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may provide an array of financial services to a large number of corporations in Singapore and worldwide, including but not limited to commercial/ investment banking activities (including sponsorship, financial advisory or underwriting activities), brokerage or securities trading activities. Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may have participated in or invested in transactions with the issuer(s) of the securities mentioned in this report, and may have performed services for or solicited business from such issuers. Additionally, Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may have provided advice or investment services to such companies and investments or related investments, as may be mentioned in this report.

Phillip Securities Research or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report may, from time to time maintain a long or short position in securities referred to herein, or in related futures or options, purchase or sell, make a market in, or engage in any other transaction involving such securities, and earn brokerage or other compensation in respect of the foregoing. Investments will be denominated in various currencies including US dollars and Euro and thus will be subject to any fluctuation in exchange rates between US dollars and Euro or foreign currencies and the currency of your own jurisdiction. Such fluctuations may have an adverse effect on the value, price or income return of the investment.

To the extent permitted by law, Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may at any time engage in any of the above activities as set out above or otherwise hold an interest, whether material or not, in respect of companies and investments or related investments, which may be mentioned in this report. Accordingly, information may be available to Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, which is not reflected in this report, and Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may, to the extent permitted by law, have acted upon or used the information prior to or immediately following its publication. Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may have issued other material that is inconsistent with, or reach different conclusions from, the contents of this report.

The information, tools and material presented herein are not directed, intended for distribution to or use by, any person or entity in any jurisdiction or country where such distribution, publication, availability or use would be contrary to the applicable law or regulation or which would subject Phillip Securities Research to any registration or licensing or other requirement, or penalty for contravention of such requirements within such jurisdiction.

This report is intended for general circulation only and does not take into account the specific investment objectives, financial situation or particular needs of any particular person. The products mentioned in this report may not be suitable for all investors and a person receiving or reading this report should seek advice from a professional and financial adviser regarding the legal, business, financial, tax and other aspects including the suitability of such products, taking into account the specific investment objectives, financial situation or particular needs of that person, before making a commitment to invest in any of such products.

This report is not intended for distribution, publication to or use by any person in any jurisdiction outside of Singapore or any other jurisdiction as Phillip Securities Research may determine in its absolute discretion.

### IMPORTANT DISCLOSURES FOR INCLUDED RESEARCH ANALYSES OR REPORTS OF FOREIGN RESEARCH HOUSES

Where the report contains research analyses or reports from a foreign research house, please note:

- (i) recipients of the analyses or reports are to contact Phillip Securities Research (and not the relevant foreign research house) in Singapore at 250 North Bridge Road, #06-00 Raffles City Tower, Singapore 179101, telephone number +65 6533 6001, in respect of any matters arising from, or in connection with, the analyses or reports; and
- (ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Singapore who is not an accredited investor, expert investor or institutional investor, Phillip Securities Research accepts legal responsibility for the contents of the analyses or reports.