

Singapore Company Guide

Del Monte Pacific

Version 3 | Bloomberg: DELM SP | Reuters: DMPL.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

30 Jun 2016

HOLD

Last Traded Price: S\$0.36 (STI : 2,792.73)
Price Target : S\$0.37 (4% upside) (Prev S\$0.39)

Potential Catalyst: Stronger than expected growth
Where we differ: Below consensus on higher expenses; pref coupons

Analyst

Andy SIM CFA +65 6682 3718 andysim@dbs.com
Alfie YEO +65 6682 3717 alfieyao@dbs.com

What's New

- **4Q16/FY16 core profits within expectations**
- **Headline profit boosted by one-offs**
- **Final DPS of 1.33 UScts declared; a surprise move noting high gearing and proposed pref shares**
- **Revised forecasts to reflect less optimistic assumptions; TP: S\$0.37, HOLD**

Price Relative



Forecasts and Valuation

FY Apr (US\$ m)	2015A	2016A	2017F	2018F
Revenue	2,187	2,268	2,394	2,513
EBITDA	91.5	234	223	244
Pre-tax Profit	(66.9)	62.7	57.6	80.3
Net Profit	(43.2)	51.5	36.8	49.0
Net Pft (Pre Ex.)	(43.2)	51.5	36.8	49.0
Net Pft Gth (Pre-ex) (%)	(34.0)	nm	(28.7)	33.3
EPS (S cts)	(4.0)	3.59	2.56	3.41
EPS Pre Ex. (S cts)	(4.0)	3.59	2.56	3.41
EPS Gth Pre Ex (%)	(29)	nm	(29)	33
Diluted EPS (S cts)	(4.0)	3.59	2.56	3.41
Net DPS (S cts)	0.0	1.80	0.0	0.0
BV Per Share (S cts)	18.5	21.1	21.8	25.3
PE (X)	nm	9.9	13.9	10.4
PE Pre Ex. (X)	nm	9.9	13.9	10.4
P/Cash Flow (X)	1.6	16.9	5.1	3.3
EV/EBITDA (X)	23.2	10.1	10.6	9.4
Net Div Yield (%)	0.0	5.1	0.0	0.0
P/Book Value (X)	1.9	1.7	1.6	1.4
Net Debt/Equity (X)	5.2	4.9	2.4	2.1
ROAE (%)	(19.4)	18.1	11.9	14.5
Earnings Rev (%)			(20)	(29)
Consensus EPS (S cts):			4.4	5.5
Other Broker Recs:		B: 3	S: 0	H: 1

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

Taking a more measured pace

Maintain HOLD; expect continued profitability but not as high as previously envisaged. We maintain our HOLD recommendation on DMPL but with a marginally lower TP of S\$0.37 as we reduce our earnings forecasts, offset by rolling valuations forward to FY17F/18F.

4Q/FY16 core results within expectations. While FY16 headline profit looks robust at US\$51.5m, this was boosted by one-off items amounting to US\$31.7m. Excluding these, core net profit was US\$19.8m, within our expectations. Following on from 3Q, its US operations (DMFI) registered a 6.7% y-o-y drop in 4Q sales due to loss of government and co-pack contract bids. This was offset partially by its Asia Pacific operations, led by Philippines (+5.7%; 11.8% in peso terms).

Pref shares issuance planned; forecasts lowered to reflect more realistic DMFI performance. The preference shares issuance is still on the cards with an issue size of up to US\$360m, with an initial tranche of up to US\$250m. We have factored a smaller US\$250m in our forecasts and estimate this will lower the group's gearing to 2.4x/ 2.1x by end FY17F/18F. We cut our forecasts by 20%/ 29% we believe our previous assumption for the ramp up and growth of DMFI could be too optimistic. We expect to see some sluggishness in margins improvements due to slower sales growth, near term rationalisation of costs as well as from initiatives such as changes into non-BPA packaging.

Valuation:

Our target price is revised slightly lower to S\$0.37, on the back of our lower earnings forecasts, offset partially as we roll over to the average of FY17F/18F (from FY16F/17F) based on 12x FY16F PE, which is at a 40% discount to consumer peers listed in the US and Philippines.

Key Risks to Our View:

Turnaround in performance. The main proposition of our recommendation is the turnaround of profit on the absence of non-recurring expenses and better operational performance. This is also contingent on sales, and in turn consumer sentiment and the broader economy.

At A Glance

Issued Capital (m shrs)	1,943
Mkt. Cap (S\$m/US\$m)	690 / 510
Major Shareholders (%)	
Nutriasia Pacific Ltd	59.4
Bluebell Group Holdings	7.4
Lee Pineapple Co Pte Ltd	5.5
Free Float (%)	27.7
3m Avg. Daily Val (US\$m)	0.28

ICB Industry : Consumer Goods / Food Producers

WHAT'S NEW**Taking a more measured pace**

Turnaround - 4Q16/ FY16 core results within expectations. DMPL reported headline net profit of US\$19.3m and US\$51.5m for 4Q16 and FY16, respectively. This was a turnaround from losses registered a year ago. The strong headline figure was boosted by several one-offs, amounting to US\$8.4m and US\$31.7m for 4Q16 and FY16. Core net profit was within our expectations, coming in at US\$10.9m and US\$19.8m for 4Q16 and FY16, respectively.

Revenue registered growth of 3.7%. Revenue grew 4% to US\$2.27bn for the full year. This came from a 4% growth of its US operations, Del Monte Foods Inc (DMFI), 6% growth from its Philippines operations and 10% growth from S&W brands. For 4Q however, DMFI posted a 7% drop in revenue to US\$395.8m arising from the impact of unsuccessful government bids earlier in the year and OEM co-pack contract bids.

FY16 headline profit propped up by one-offs. There were a number of non-recurring items which helped to boost FY16 results. These amounted to US\$31.7m (net of tax), contributed largely by retirement plan amendment (US\$39m), working capital adjustment (US\$38m), offset partially by closure of Sager Creek's North Carolina plan (US\$16.3m), SAP stabilisation (US\$13.2m), Sager Creek integration (US\$6.9m) and severance (US\$6.6m). Excluding these items, EBITDA and operating profit for FY16 would have been US\$202.1m and US\$128.6m, respectively.

DMFI margins flat, excluding inventory step-up. DMFI accounts for 78% of group sales for FY16, as sales improved 4% to US\$1.8bn. This was helped by the consolidation of Sager Creek, without which, revenue would have dipped by 3.9% due to unsuccessful government bids, lower pineapple sales and lower promotional activity in 1H. Gross margins improved to 18.1%, up from 15.9% due to lower trade spend, higher volumes and absence of inventory step-up adjustments seen in FY15. We understand that margins would have been flat if inventory step-up was excluded.

Philippines operations maintained momentum. Revenue growth from Philippines remained robust registering 11.2% growth (6.4% in USD terms), arising from growth across its major categories such as packaged fruit, beverages and culinary. S&W sales were also up by 10%, driven by performances in Asia and the Middle East.

Final DPS of 1.33 US Scts proposed; a surprise given high gearing. A 1.33 US Scts final DPS was proposed, equating to 50% payout on headline net profit. Management indicated

that this was done on the back of rewarding shareholders and signals its confidence in maintaining profitability. We were caught off-guard by this surprise move, particularly on the back of its high gearing and ongoing plans to raise funds via preference shares issuance.

Preference shares still on the cards, target up to US\$350m.

The group is still in the process of issuing perpetual preference shares to deleverage its balance sheet as per earlier announcements. The proposed issue will be up to US\$350m, with an initial tranche of US\$250m with the remaining issued within three years. As per earlier indications, the target coupon rate is between 5% to 7%. We estimate that the proposed issuance should bring the group's net gearing down to 2.4x and 2.1x in FY17F/18F, from 4.93x with the issuance of pref shares (assuming total equity) and retained earnings.

Forecasts and Valuation

Trimmed forecasts by 20%/ 29% on more realistic DMFI expectations. While FY16 core results are well within our expectations, we believe our previous assumption and forecasts for the ramp up and growth of DMFI could be too optimistic. We had previously expected stronger margin expansion on the back of higher sales growth, coupled with faster rationalisation of its operations. While there could be longer term benefits from its rationalisation programme, we expect to see some near term costs as well as from changes in its non-BPA packaging.

Assuming pref shares by mid of FY17F. We had previously assumed that the preference shares issuance would conclude from start of FY17, with an issue size of US\$360m. Based on current outlook, we are now assuming the exercise to be completed by the end of this calendar year (1HFY17), and with a smaller issue size of US\$250m (coupon rate of 6.5%).

Maintain HOLD, TP: S\$0.37. We are maintaining our HOLD recommendation with a TP of S\$0.37, based on 12x FY17F/18F PE (post pref shares coupon). While the turnaround was achieved, the quantum was lower than initially envisaged. We believe the route to achieve a similar core EPS prior to the acquisition of DMFI would take slightly longer compared to previous expectations. While the stock now trades at a seemingly undemanding PE of 13.9x FY17F PE, the uncertainties on the pace of growth could hold back a significant re-rating of the counter.

Quarterly / Interim Income Statement (US\$m)

FY Apr	4Q2015	3Q2016	4Q2016	% chg yoy	% chg qoq	Comments
Revenue	535	594	520	(2.8)	(12.5)	4Q16 impacted by DMFI (-6.5%)
Cost of Goods Sold	(428)	(472)	(409)	(4.5)	(13.3)	
Gross Profit	107	122	111	3.8	(9.1)	Weaker margins in DMFI offset by stronger margins at DMPL (ex-DMFI)
Other Oper. (Exp)/Inc	(81.3)	(97.5)	(52.7)	(35.2)	(46.0)	Lower in 4Q16 due to non-recurring write-back of working capital (US\$38m), offset partially by other items.
Operating Profit	25.5	24.5	58.3	128.3	137.6	
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	nm	nm	
Associates & JV Inc	(0.8)	(0.4)	(0.5)	40.4	(29.9)	Lower losses at FieldFresh
Net Interest (Exp)/Inc	(23.3)	(25.0)	(26.9)	(15.6)	(7.7)	
Exceptional Gain/(Loss)	0.0	0.0	0.0	nm	nm	
Pre-tax Profit	1.45	(0.8)	30.9	2,030.4	nm	Helped by one-off gains
Tax	(6.0)	(0.1)	(9.9)	64.5	18,998.1	
Minority Interest	0.42	1.47	(1.7)	(498.8)	(215.4)	
Net Profit	(4.2)	0.59	19.3	nm	3,162.4	Core profit of US\$10.9m, excluding one-offs – within expectations
Net profit bef Except.	(4.2)	0.59	19.3	nm	3,162.4	
EBITDA	40.1	24.2	57.8	44.3	139.2	
Margins (%)						
Gross Margins	20.0	20.5	21.3			
Opg Profit Margins	4.8	4.1	11.2			
Net Profit Margins	(0.8)	0.1	3.7			

Source of all data: Company, DBS Bank

Non-recurring items

Non Recurring Items			
In US\$ m	4Q FY16	FY16	Booked under
Closure of Sager Creek North Carolina plant	(16.3)	(16.3)	CGS and G&A expense
SAP stabilisation	(2.1)	(13.2)	G&A expense
Sager Creek integration	(2.9)	(6.9)	G&A and other expense
Severance	(0.3)	(6.6)	G&A expense
Litigation related to working capital adjustment	(1.3)	(1.3)	G&A expense
Retirement plan amendment in 2Q (no tax impact)	-	39.4	G&A expense
Working capital adjustment with seller	38.0	38.0	Other operating income
Total (pre tax basis)	15.1	33.1	
Total (net of tax and minority interest)	8.4	31.7	

Source: Company presentation

CRITICAL DATA POINTS TO WATCH

Earnings Drivers:

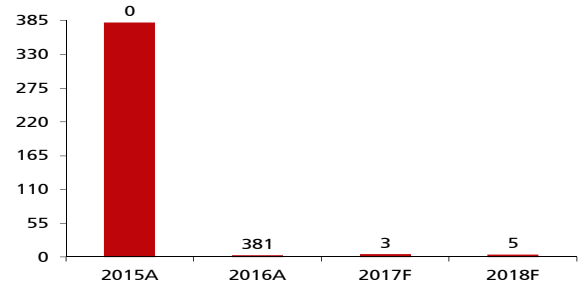
Main revenue contributor is from the US. With the acquisition of Del Monte Foods Inc. (DMFI) in 2012, DMPL's largest revenue contribution comes from the Americas, accounting for c.78% of group revenue. Since the acquisition, the group has reverted to competitive pricing levels for its products, reintroduced the well-recognised classic Del Monte label as well as partnered with complementary brands such as Tyson Foods, Walmart and Fleischmann's ® Yeast to drive topline growth. Also, recipes using the group's products are distributed for free across magazines and the internet.

Asia Pacific growth driven by Philippines, Middle East. With the Philippines economy growing at a healthy rate, we project consumption should continue on an uptrend. This will benefit the group given that it is the market leader in the processed fruits and vegetables segment. New products such as the 1L tetra juice drinks are also well received by consumers. Sales of Del Monte in the Philippines were up 12% (in peso terms) and S&W branded business sales in Asia and the Middle East grew by 8% for FY16. While Asia Pacific and the Philippines only make up 22% of revenue in FY16, the strong growth in revenue from these markets will be important for the group's organic growth.

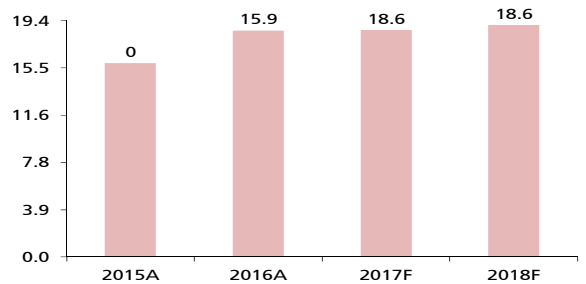
Leveraging on its US operations. In the short term, canned pineapple products from the Philippines are sold in the US market to generate topline growth. Given the group's success in this product segment in its Asian and Philippines markets, this strategy will likely generate positive results. In the medium term, the group is focused on developing the Del Monte range of products for the ethnic markets (Hispanics, Asians) in the US. The group is also planning to use its US operations as a base to penetrate into the South and Central American markets.

Synergistic benefits from acquisitions. Product teams from the different markets are able to share product knowledge, map out product innovations, and identify cross-border selling opportunities. This will help to ensure that resources are more effectively deployed across the group. Furthermore, the acquisition of Sager Creek has enabled the group to expand rapidly into foodservice and new vegetable segments. It is also reported that this acquisition will achieve significant operating synergies in terms of production and distribution in the US market.

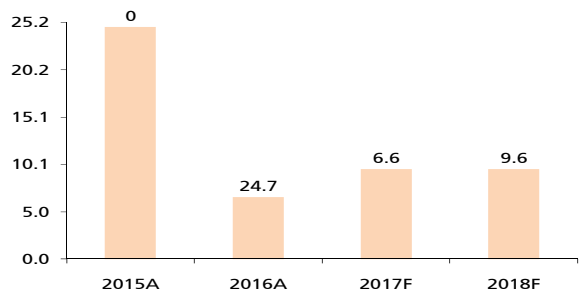
Americas rev gwth %



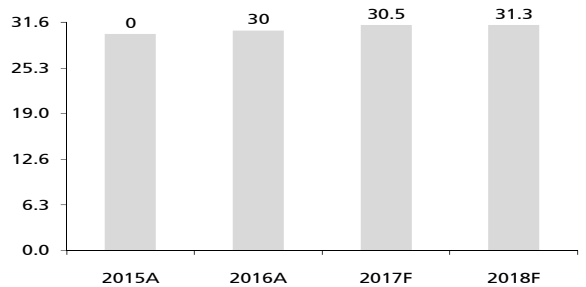
Americas GP mgn



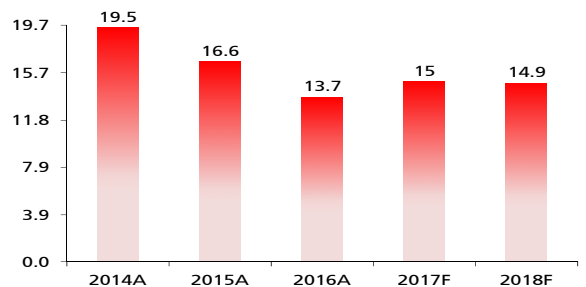
Asia Pac rev gwth %



Asia Pac GP mgn



SG&A as % of sales



Source: Company, DBS Bank

Balance Sheet:

Gearing high due to leverage for buyout. Gearing is high and currently stands at c.5x as of end-FY16, but is projected to drop to 2.4x by end FY17F based on our assumptions/projections.

Management is focused on de-leveraging its balance sheet and is looking to issue preference shares.

Capex to moderate. With the group now focused on the integration of the acquired businesses (DMFI & Sager Creek), capex will be significantly lower as no further significant acquisitions are planned, in our view.

Share Price Drivers:

Resumption of dividends. The group has a dividend policy of paying out 33% of its full-year profit. Currently, it is focused on de-leveraging its balance sheet and would want to utilise profits to reduce gearing. The resumption of dividend payout should signal its confidence in the cashflow generation ability of the overall business and hence a potential catalyst for share price.

Pace of earnings turnaround. Since the acquisition of DMFI, the group registered losses for FY14 and FY15. It registered a positive profit in FY16, as per expectations. However, we expect ongoing pace of growth, while robust from a relatively low base, will be slower than previously envisaged. An improvement in the pace would aid in driving the share price up.

Key Risks:

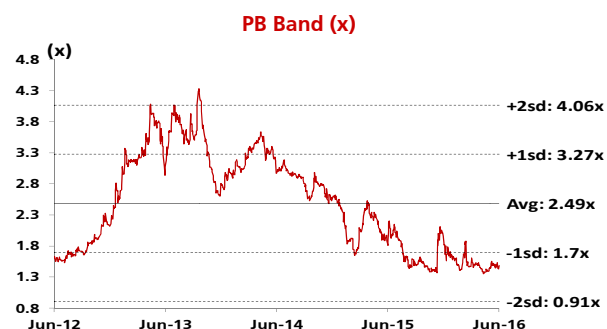
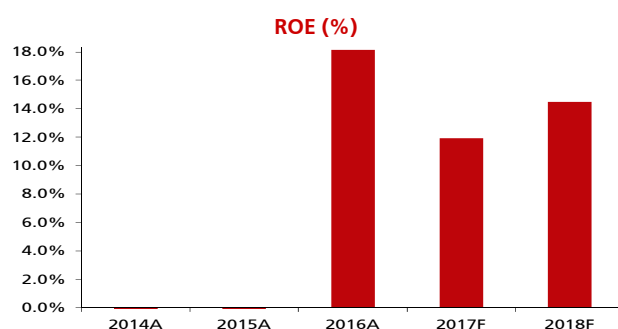
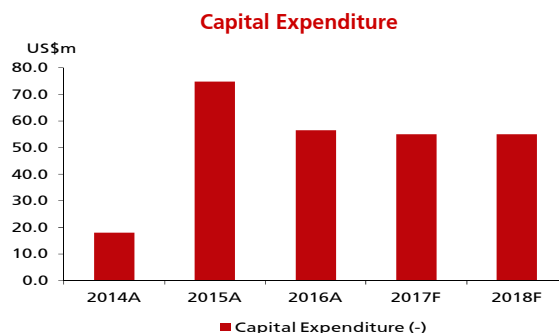
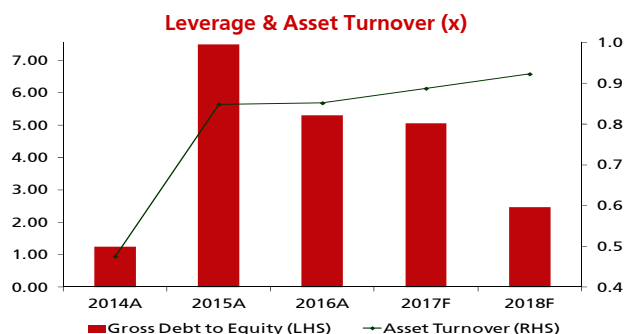
Higher interest costs. While a portion of loans has been swapped to a fixed rate, a higher interest rate environment could undermine future refinancing options.

Performance turnaround; raw material price. We expect operational performance to improve on the back of absence of one-off expenses, coupled with better efficiencies. This is contingent on sales, and in turn consumer sentiment and the broader economy.

Overhang from potential preference shares issuance. The terms and actual timing of the preference shares issuance are unknown, and will depend on market conditions.

Company Background

Del Monte Pacific Limited is a consumer F&B-focused group. It acquired the consumer food business of Del Monte Corp in the US with the deal completed in Feb 2014 and thus extending the footprint of the group to the US and South America, along with trademarks such as Del Monte, S&W, Contadina, College Inn, etc. The group now has exclusive rights to use the Del Monte trademarks for packaged products in the United States, South America, the Philippines, Indian subcontinent and Myanmar. It owns another premium brand, S&W, globally except in Australia and New Zealand



Source: Company, DBS Bank

Del Monte Pacific

Key Assumptions

FY Apr	2014A	2015A	2016A	2017F	2018F
Americas rev gwth %		381	3.05	4.60	3.79
Americas GP mgn		15.9	18.6	18.6	19.0
Asia Pac rev gwth %		24.7	6.58	9.60	9.60
Asia Pac GP mgn		30.0	30.5	31.3	31.3
SG&A as % of sales		16.6	13.7	15.0	14.9

Segmental Breakdown

FY Apr	2014A	2015A	2016A	2017F	2018F
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Revenues (US\$m)

Americas	357	1,717	1,770	1,851	1,921
Asia Pacific	349	436	464	509	558
Europe	36.8	33.7	33.8	33.8	33.8

Total	743	2,187	2,268	2,394	2,513
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Gross profit (US\$m)

Americas	32.6	273	329	344	365
Asia Pacific	88.4	131	142	159	174
Europe	(0.2)	4.44	11.5	5.67	4.91

Total	121	408	482	509	545
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Gross profit Margins (%)

Americas	9.1	15.9	18.6	18.6	19.0
Asia Pacific	25.3	30.0	30.5	31.3	31.3
Europe	(0.4)	13.2	34.1	16.8	14.5

Total	16.3	18.7	21.2	21.3	21.7
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Assuming more muted gross margin expansion in the US due to slower sales and costs.

Income Statement (US\$m)

FY Apr	2014A	2015A	2016A	2017F	2018F
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Revenue	743	2,187	2,268	2,394	2,513
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Cost of Goods Sold	(622)	(1,779)	(1,786)	(1,885)	(1,968)
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Gross Profit	121	408	482	509	545
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Other Opng (Exp)/Inc	(154)	(373)	(320)	(359)	(374)
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Operating Profit	(33.6)	35.0	162	150	170
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Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
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Associates & JV Inc	(4.6)	(2.5)	(1.7)	(1.0)	(0.7)
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Net Interest (Exp)/Inc	(22.1)	(99.5)	(97.4)	(91.3)	(89.2)
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Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0	0.0
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Pre-tax Profit	(60.2)	(66.9)	62.7	57.6	80.3
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Tax	23.1	17.9	(8.1)	(5.8)	(8.0)
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Minority Interest	4.95	5.81	(3.0)	(7.0)	(7.0)
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Preference Dividend	0.0	0.0	0.0	(8.1)	(16.3)
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Net Profit	(32.2)	(43.2)	51.5	36.8	49.0
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Net Profit before Except.	(32.2)	(43.2)	51.5	36.8	49.0
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EBITDA	(22.6)	91.5	234	223	244
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Growth

Revenue Gth (%)	51.0	194.2	3.7	5.6	5.0
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EBITDA Gth (%)	nm	nm	155.8	(4.7)	9.2
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Opg Profit Gth (%)	nm	nm	362.1	(7.3)	13.5
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Net Profit Gth (Pre-ex) (%)	nm	(34.0)	nm	(28.7)	33.3
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Margins & Ratio

Gross Margins (%)	16.3	18.7	21.2	21.3	21.7
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Opg Profit Margin (%)	(4.5)	1.6	7.1	6.3	6.8
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Net Profit Margin (%)	(4.3)	(2.0)	2.3	1.5	1.9
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ROAE (%)	(15.9)	(19.4)	18.1	11.9	14.5
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ROA (%)	(2.1)	(1.7)	1.9	1.4	1.8
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ROCE (%)	(7.5)	2.5	6.3	5.8	6.5
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Div Payout Ratio (%)	N/A	N/A	50.2	0.0	0.0
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Net Interest Cover (x)	(1.5)	0.4	1.7	1.6	1.9
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Assuming issuance of US\$250m pref shares in mid FY17F, at coupon rate of 6.5%

Source: Company, DBS Bank

Quarterly / Interim Income Statement (US\$m)

FY Apr	4Q2015	1Q2016	2Q2016	3Q2016	4Q2016
Revenue	535	473	658	594	520
Cost of Goods Sold	(428)	(379)	(505)	(472)	(409)
Gross Profit	107	93.8	154	122	111
Other Oper. (Exp)/Inc	(81.3)	(93.5)	(96.9)	(97.5)	(52.7)
Operating Profit	25.5	0.22	56.7	24.5	58.3
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	(0.8)	(0.6)	(0.3)	(0.4)	(0.5)
Net Interest (Exp)/Inc	(23.3)	(21.7)	(23.8)	(25.0)	(26.9)
Exceptional Gain/(Loss)	0.0	0.0	39.4	0.0	0.0
Pre-tax Profit	1.45	(22.0)	71.9	(0.8)	30.9
Tax	(6.0)	8.37	(13.1)	(0.1)	(9.9)
Minority Interest	0.42	1.64	(5.5)	1.47	(1.7)
Net Profit	(4.2)	(12.0)	53.3	0.59	19.3
Net profit bef Except.	(4.2)	(12.0)	13.9	0.59	19.3
EBITDA	40.1	(0.4)	56.3	24.2	57.8

Growth

Revenue Gth (%)	(16.1)	(11.6)	39.2	(9.7)	(12.5)
EBITDA Gth (%)	74.4	nm	nm	(57.1)	139.2
Opg Profit Gth (%)	9.0	(99.2)	26,127.8	(56.7)	137.6
Net Profit Gth (Pre-ex) (%)	(89.9)	(188.7)	nm	(95.8)	3,162.4

Margins

Gross Margins (%)	20.0	19.8	23.3	20.5	21.3
Opg Profit Margins (%)	4.8	0.0	8.6	4.1	11.2
Net Profit Margins (%)	(0.8)	(2.5)	8.1	0.1	3.7

Balance Sheet (US\$m)

FY Apr	2014A	2015A	2016A	2017F	2018F
Net Fixed Assets	505	578	564	554	544
Invt in Associates & JVs	21.0	22.6	22.7	21.7	21.0
Other LT Assets	862	925	914	905	896
Cash & ST Invt	28.4	35.6	47.2	27.9	79.0
Inventory	809	750	845	862	861
Debtors	216	224	211	239	251
Other Current Assets	82.5	95.2	90.0	91.0	92.0
Total Assets	2,524	2,630	2,694	2,701	2,744
ST Debt	920	446	727	447	417
Creditor	258	374	301	318	332
Other Current Liab	13.2	17.0	18.1	20.0	22.3
LT Debt	934	1,273	1,116	1,116	1,116
Other LT Liabilities	151	196	167	167	167
Shareholder's Equity	180	266	303	564	613
Minority Interests	67.3	58.6	62.0	69.0	76.0
Total Cap. & Liab.	2,524	2,630	2,694	2,701	2,744
Non-Cash Wkg. Capital	836	678	828	855	850
Net Cash/(Debt)	(1,826)	(1,683)	(1,797)	(1,536)	(1,455)
Debtors Turn (avg days)	80.5	36.8	35.0	34.3	35.6
Creditors Turn (avg days)	99.1	107.5	67.1	72.0	62.3
Inventory Turn (avg days)	108.6	273.0	165.4	170.0	172.1
Asset Turnover (x)	0.5	0.8	0.9	0.9	0.9
Current Ratio (x)	1.0	1.3	1.1	1.6	1.7
Quick Ratio (x)	0.7	0.2	0.3	0.2	0.3
Net Debt/Equity (X)	7.4	5.2	4.9	2.4	2.1
Net Debt/Equity ex MI (X)	10.1	6.3	5.9	2.7	2.4
Capex to Debt (%)	1.0	4.4	3.1	3.5	3.6
Z-Score (X)	0.4	1.1	1.3	1.6	1.7

Pref shares issuance,
leading to a lower
gearing

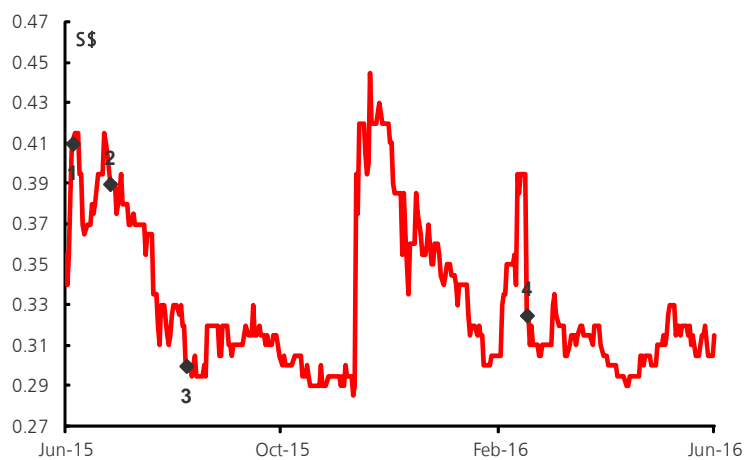
Source: Company, DBS Bank

Cash Flow Statement (US\$m)

FY Apr	2014A	2015A	2016A	2017F	2018F
Pre-Tax Profit	(60.2)	(66.9)	62.7	57.6	80.3
Dep. & Amort.	29.0	59.0	74.1	74.1	74.1
Tax Paid	(4.1)	(12.6)	0.0	(3.8)	(5.8)
Assoc. & JV Inc/(loss)	4.57	2.45	1.72	1.00	0.70
Chg in Wkg.Cap.	147	178	(168)	(29.3)	3.01
Other Operating CF	(28.0)	79.3	59.2	0.0	0.0
Net Operating CF	87.9	240	30.1	99.7	152
Capital Exp.(net)	(18.0)	(74.8)	(56.5)	(55.0)	(55.0)
Other Invt.(net)	(1,821)	(76.3)	0.0	0.0	0.0
Invt in Assoc. & JV	(2.3)	(4.3)	(2.0)	0.0	0.0
Div from Assoc & JV	0.0	0.0	0.0	0.0	0.0
Other Investing CF	0.0	0.35	0.36	0.0	0.0
Net Investing CF	(1,842)	(155)	(58.1)	(55.0)	(55.0)
Div Paid	0.0	0.0	0.0	(34.0)	(16.3)
Chg in Gross Debt	1,580	(141)	126	(280)	(30.0)
Capital Issues	0.0	155	0.0	0.0	0.0
Other Financing CF	69.0	(91.0)	(84.8)	250	0.0
Net Financing CF	1,649	(77.3)	41.6	(64.0)	(46.3)
Currency Adjustments	(0.2)	(0.1)	(2.1)	0.0	0.0
Chg in Cash	(105)	7.22	11.6	(19.3)	51.1
Opg CFPS (\$ cts)	(5.7)	5.68	13.8	8.98	10.4
Free CFPS (\$ cts)	6.72	15.3	(1.8)	3.11	6.78

Source: Company, DBS Bank

Target Price & Ratings History



S.No.	Date	Closing Price	Target Price	Rating
1:	02 Jul 15	0.41	0.50	BUY
2:	23 Jul 15	0.39	0.50	BUY
3:	04 Sep 15	0.30	0.35	HOLD
4:	14 Mar 16	0.33	0.39	HOLD

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

Source: DBS Bank

DBS Bank recommendations are based on an Absolute Total Return* Rating system, defined as follows:

STRONG BUY (>20% total return over the next 3 months, with identifiable share price catalysts within this time frame)

BUY (>15% total return over the next 12 months for small caps, >10% for large caps)

HOLD (-10% to +15% total return over the next 12 months for small caps, -10% to +10% for large caps)

FULLY VALUED (negative total return i.e. > -10% over the next 12 months)

SELL (negative total return of > -20% over the next 3 months, with identifiable catalysts within this time frame)

Share price appreciation + dividends

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DBS Bank Ltd
12 Marina Boulevard, Marina Bay Financial Centre Tower 3
Singapore 018982
Tel. 65-6878 8888
e-mail: equityresearch@dbs.com
Company Regn. No. 196800306E