

Sinarmas Land Limited

The Landbanking Giant

SINGAPORE | REAL ESTATE | UPDATE (CHANGE OF ANALYST)

25 April 2016

Highlights

- The unveiling of 10 economic reform packages by the Indonesian Government in 2015 in a bid to boost foreign direct investments (FDI)
- Majority of revenue continues to be derived in Indonesia; Bumi Serpong Damai (BSD) City and Kota Deltamas
- 51.4% own subsidiary, Bumi Serpong Dermai Tbk (BSDE.JK, Rp1,945) achieved 90% of sales target in FY15; shortfall was due to project delays
- 44.5% own subsidiary, Puradelta Lestari (DMAS.JK, Rp204) saw weaker sales in FY15 amid uncertainties in the global economic environment accompanied by the overall weak land sales in Indonesia
- Completed the acquisition of Alphabeta Building in London and started contribution in 3Q15

Figure 1: FY15 Results

(SGD mn)	FY15	FY14	y-y (%)	Comments
Revenue	957	829	15%	Higher land sales and handovers of shophouses and residential units in BSD City
Gross Profit	657	598	10%	3.6 pts gross margin compression amid higher infrastructure costs for certain industrial land plots
EBIT	431	393	10%	
Profit before tax	399	475	-16%	In absence of contributions from exceptional items in FY14
PATMI	143	241	-41%	Higher NCI

Source: Company Data

How do we view this?

- A strong pipeline of new property launches amounting to c. Rp6tr backed by a healthy demand for Indonesia residential properties would likely propel the absorption of these newly launched properties
- We expect development sales from BSDE to remain as the primary driver of revenue for the group moving forward, and view that a targeted marketing sales in the region of Rp6.8tr in FY16 is achievable
- Plentiful amount of land bank (7,000 hectares) remaining; puts Sinarmas Land (SML) in a good stead to ride on the recovery in the Indonesia economy
- While industrial land sales were considerably muted in 2015, however, the adamant stance of developer on refusing to cut prices is a vote of confidence on the land value
- Low supply but strong demand for office space in Central London likely to benefit valuations for both of its office properties in London
- We note that the group has entered into a net debt position of S\$482m as at end Dec-15 amid rapid expansions outside of BSD City and Kota Deltamas

Investment Actions

We remain positive about the company's prospects going forward amid its strong fundamentals, and view that SML will be the beneficiary of a recovery in the Indonesia economy. We favour SML's buoyant sales performance, deep development pipeline and a history of positive operating cash flows are avenues, which the group can leverage to strengthen its balance sheet. Along with a change of analyst, we maintain our **BUY** rating with a reduction in TP to **\$0.79** (S\$0.96 previously) based on our SOTP RNAV estimates, taking into account of the higher amount of debt taken on its balance sheet to drive business expansions.

BUY (Maintained)

CLOSING PRICE	SGD 0.51
FORECAST DIV	SGD 0.019
TARGET PRICE	SGD 0.79
TOTAL RETURN	59.9%

COMPANY DATA

O/S SHARES (MN) :	4,256
MARKET CAP (USD mn / SGD mn) :	1540 / 2085
52 - WK HI/LO (SGD) :	0.78 / 0.37
3M Average Daily T/O (mn) :	127

MAJOR SHAREHOLDERS (%)

FLAMBO INTERNATIONAL LTD	70.3%
DIMENSIONAL FUND ADVISORS LP	0.3%
VANGUARD GROUP INCORPORATED	0.1%

PRICE PERFORMANCE (%)

	1M TH	3M TH	1Y R
COMPANY	2.0	25.0	(33.3)
STI RETURN	2.28	14.59	(13.04)

PRICE VS. STI



Source: Bloomberg, PSR

KEY FINANCIALS

SGD MN	FY 14	FY 15	FY 16e	FY 17e
Revenue	829	958	1,050	1,122
EBITDA	413	462	427	389
NPAT (adj.)	241	144	169	150
EPS (adj.)	0.08	0.03	0.04	0.04
PER, x (adj.)	5.9	13.9	11.8	13.3
P/BV, x	0.4	0.6	0.6	0.5
DPS (SGD cents)	0.50	0.19	0.25	0.22
Div Yield, %	11%	0.4%	0.5%	0.5%
ROE, %	15%	8%	9%	8%

Source: Company Data, PSR est.

Valuation Method

SOTP

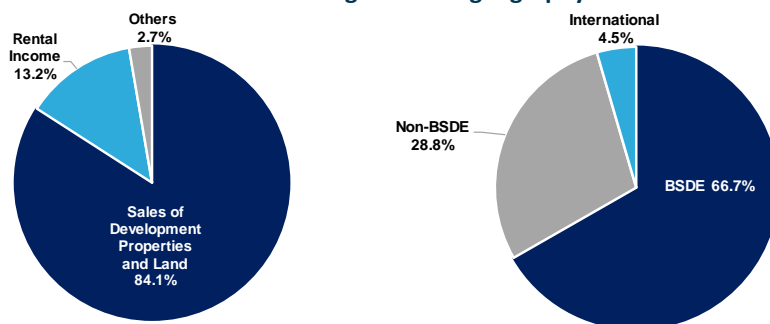
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Indonesia Property Segment

Majority of revenue continues to be derived in Indonesia; BSD City and Kota Deltamas.

The township projects, Bumi Serpong Damai (BSD) City and Kota Deltamas, continues to be the primary driver of revenue for SML where these projects have contributed 70% to the group's revenue. Including the sale of development projects outside BSD City and Kota Deltamas, forms 91% of the group's revenue in Indonesia.

Figure 2: Revenue breakdown based on segment and geography



Source: Company Data & Phillip Securities Research (Singapore)

Bumi Serpong Damai Tbk (BSDE)

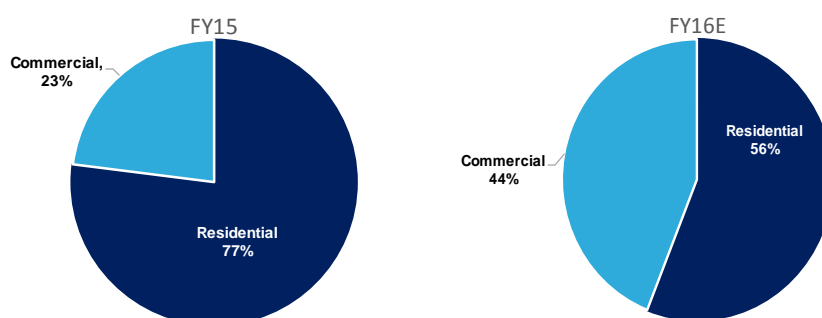
BSDE achieved 90% of sales target in FY15. Bumi Serpong Damai Tbk (BSDE.JK, Rp1,945, 51.4% owned by SML) which develops BSD City recorded 90% of its marketing sales target, amounting to Rp6.8tr. The shortfall in sales target was mainly attributed to delays in the launch of three projects, however, marketing sales in FY15 were still higher by 3.8% as compared to FY14 (Rp6.5tr).

Residential properties demand remains strong; especially landed properties. Pre-sales for residential properties accelerated 39% YoY to Rp4.4tr. Out of the total marketing sales (for both residential and commercial) recorded in FY15, 64% of this amount was generated through the sales of landed properties (residential and commercial) which depicts the consumers' preference for such properties as compared to high rise establishments.

Marketing sales target of Rp6.8tr in FY16; realistic amid a host of new launches and economic reforms. BSDE is targeting for Rp6.8tr of marketing sales in FY16. Out of which, the commercial segment is expected to contribute Rp3.1tr of sales (96% higher compared to FY15) amid the launch of new projects. We opine that marketing sales for BSDE's commercial segment is achievable amid the launch delays in FY15 leading to bottlenecks in sales, as well as accommodative economic reforms by the Indonesian government which are likely to boost the demand for real estate going forward.

BSDE expects the remaining the contribution of Rp3.8tr to be booked from the residential segment, where the largest proportion (30%) is expected to be contributed from BSD City, Serpong.

Figure 3: Marketing sales for properties in FY15 and FY16E



Source: Company Data & PSR (Singapore)

Puradelta Lestari Tbk (DMAS)

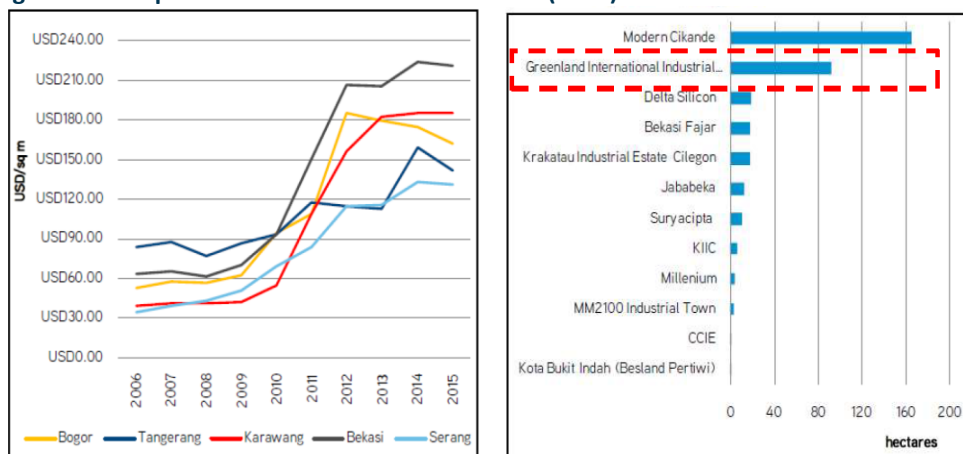
Weaker marketing sales in FY15 amid uncertainties in the global economic environment.

Puradelta Lestari Tbk (DMAS.JK, Rp205, 44.5% owned by SML) booked in Rp1.7tr in marketing sales via a combined sale of 90.5 hectares of land area. According to an industry report published by Collier International, the total land sales for industrial usage in 2015 for Indonesia were ~350 hectares and were 79% lower compared to 2014. The lacklustre sales were due to the uncertainties in the global economic environment but was not unexpected, considering that developers did not cut prices in order to meet their sales targets.

Economic stimulus packages aimed at boosting FDIs, industrial investments. The Indonesian Government has unveiled several economic stimulus packages, including a three-hour licensing policy which greatly improves the efficiency of obtaining permits to kick start developments, and a new minimum wage policy that is expected to increase cost visibility for businesses, which forms part of the nation's move to encourage foreign direct investments (FDI). Consequently, the industrial sector is expected to benefit and likewise, a boost to the inflow of industrial investments.

Price premium on Bekasi and Karawang industrial land prices over other regions due to limited supply of land in these regions. The new land supply that is usable as industrial purposes is generally scarce, especially in Bekasi. Coupled with the increasing number of companies that are beginning to operate in the Eastern region of Greater Jakarta as well as the growing middle income population, leading to not only a growth in demand for these land plots but also commercially viable in the recent years.

Figure 4: Land prices and transacted sales volume (2015) in Indonesia



Source: Company Data, PSR (Singapore)

#SML has a 50% ownership stake in Greenland International Industrial City via its subsidiary, DMAS.

Land sales likely to remain thin in the short term. While the Indonesian government is attempting to set the stage right to boost FDIs through the series of economic reforms and stimulus packages, however, this will require time before they take effect. As such, we acknowledge that industrial land sales are likely to remain weak through 2016 despite the scarcity in industrial supply. At the same time, we are also encouraged to see developers taking on an adamant stance by not massively cutting land prices.

Batam

Announcement of the development of Nuvasa Bay. SML announced its plans to develop a luxury integrated residential and mixed-use development. The 228-hectare beach-front development is located on the North region of Batam.

Targeted at upper middle class Singapore and Indonesia residents. A notable amenity in the development includes an 18-hole international golf course along a 1.2km long beachfront. The close proximity of Batam as well as its unique offering where the group claims that this is the island's first luxury development offers an attractive proposition to upper middle class Singapore and Indonesia citizens who are seeking for premium

vacations while still being near to home.

Development will incur a minimum of Rp4tr of investments. SML is expected to invest a minimum of Rp.4tr (approximately S\$400mn) to develop Nuvasa Bay in three phases over a period of 15 years. The first phase will consist of 2,500 residential and condominium units and an Adventure Park where the group plans to market and conduct pre-sales by 4Q16.

Plentiful amount of land bank remaining. As at 31 Dec-15, SML has more than 7,000 hectares of land bank remaining where 1,700 hectares of land are residing in the four large-scale township developments of the group. The rich amount of land bank allows the group to capitalise on development opportunities, and unlock the value of these land especially those that were acquired long ago, dating as far as back as the early 80s.

UK Property Segment

Completed the acquisition of Alphabeta Building in 3Q15. SML completed the acquisition of Alphabeta (AB) Building for £259.3mn (approximately S\$558.5mn). The nine-storey building has a net leasable area (NLA) of 247,670 square feet, and is currently registering full occupancies with a weighted average lease expiry of 13 years. The tenant mix of the building comprises mainly tenants from the media and technology industries. The building is located in the intersection of Silicon Roundabout, Shoreditch, while residing in “Zone 1” in Central London, and is approximately 200 metres from the train station.

AB Building also boosted segment’s gross margin due to higher rental. On top of replacing rental contribution from New Brook Buildings which was divested in Dec-14, the higher rental contribution from AB Building has lifted segment’s gross profit by 34.1% to S\$12.2mn in FY15. Management mentioned that there could be a potential increase in NLA in the future which we estimate that a 5% expansion to existing NLA is realistic, bolstering rental revenue.

Low supply of offices in Central London likely to benefit valuations. With the low supply and vacancy rates of prime offices across Central London, coupled with the almost muted construction activities of offices across London, office properties may see further cap rate compressions. However, compressions are unlikely to be extensive considering that cap rates across Central London is already at its 10-year low. All in all, the valuations of AB Building and Warwick House (100% occupancy rate- single tenancy) are likely benefit from this trend moving forward.

Other Noteworthy Developments in FY15

Shares repurchase mandate almost fully expanded and renewed in recent AGM; more repurchases anticipated. In 2015, c.290m shares were bought back out of the maximum of 304.2m of shares that can be bought back under its mandate. The total number of shares bought back to date represented c.7% of the total outstanding number of shares. While the share repurchase mandate has been renewed, however, the number of shares SML can repurchase is capped at 10%.

Listing of DMAS on the Indonesia Stock Exchange (IDX). DMAS was listed on the IDX in May-15, where it is primarily involved in the development of Kota Deltamas, one of the four township developments which SML is engaged in. Including BSDE, DUTI and DMAS (S\$3.8bn, S\$1.2bn, S\$1bn), the combined market capitalisation of these three entities are S\$6bn as at their closing prices of 21 Apr-16.

Valuation

Indonesia Assets

Along with a change of analyst, we continue to adopt a sum-of-the-parts (SOTP) valuation method to value SML's underlying properties. Most of its asset value is tied in its land banks via its subsidiary, BSDE, which owns one of the largest areas of land banks in Indonesia. In addition, the group also owns other pieces of land banks and parcels, via its other subsidiary, DMAS. All in all, SML has as much as 7,000 hectares of land bank remaining. We remain positive on the group's proven execution track record in property development, and the superior margins that can be unlocked due to the age of these land banks (some of which dating as far back as 1982).

We have applied a 35% discount to our RNAV calculation for its land banks to take into account of the potential risks stamping from the transitional economic landscape in Indonesia but deem this as a conservative estimate. For its other Indonesian assets which include offices, commercial and hotel properties as well as golf assets, we have applied a discount between 15 – 35% to our RNAV calculations.

Others

Outside of Indonesia, the group owns assets across London, Malaysia and Singapore. For the two offices in London, we have applied a blended cap rate of 4.25% to compute their values but expect further cap rate compressions but unlikely to be substantial despite the undersupply of office space in Central London.

In Malaysia, we have applied a 25% discount to our RNAV estimates where poorer occupancy rates and revenue contribution from these assets are amongst reasons for the discount (Palm Resort Golf and Le Grandeur Hotel), however, recognise redevelopment potential of these assets which could provide opportunities to unlock value.

The group owns a 21% stake in Orchard Towers, amounting to c. 8,300 square metres of NLA in the property. As the group has been seeking for the sale of the property, we have applied a 10% discount to our RNAV to an estimated price of \$2,274 psf.

Figure 5: SML SOTP Valuation

	Properties	Valuation(\$'m)	Discount to RNAV (%)
Indonesia	BSDE	1,682	35%
	Land (excluding those in BSDE)	406	35%
	Office	176	15%
	Commercial	21	15%
	Hotel	14	20%
	Others	95	35%
Others	London	608	5%
	Malaysia	207	25%
	Singapore	180	10%
Total RNAV		3,387	
Add: Cash		1,043	
Add: Associates & JV		320	
Less: Debt		-1,394	
		3,356	
Outstanding shares (m)		4,256	
RNAV per share		\$0.79	
Discount to RNAV		0%	
Target Price		\$0.79	

Source: PSR (Singapore) Estimates

Figure 6: Peer Comparison Table

Name	Mkt Cap (SGD)	Last Px (SGD)	1 Yr Price Change (%)	1 Yr Rev Change (%)	Debt/Assets LF	ROE	ROA	P/E	P/B	Dividend Yield
SINARMAS LAND LTD	2149.2	0.51	-33.8	15.5	25.5	8.3	2.8	10.7	1.2	1.0
Peers' average					28.2	16.9	5.6	24.6	3.6	0.9
WASKITA KARYA PERSERO TBK PT	3199.5	0.24	27.6	37.6	25.6	16.9	4.9	26.0	3.3	0.7
PAKUWON JATI TBK PT	2591.4	0.05	0.1	19.4	26.1	18.9	7.1	20.0	3.5	0.9
SUMMARECON AGUNG TBK PT	2417.6	0.17	-13.8	-2.3	33.0	15.0	4.9	27.6	3.9	1.2

Source: Bloomberg

Appendix

Figure 7: Listed Subsidiaries of SML

Name	Ticker	Market Cap (\$b)	Ownership	Description
PT Bumi Serpong Damai Tbk	BSDE	3.8	51.4%	Real estate developer of a wide range of properties including housing infrastructure, commercial, industrial estates and public facilities
PT Duta Pertiwi Tbk	DUTI	1.2	45.5%	Developer of residential and commercial properties with a focus on office and retail
PT Puradelta Lestari Tbk	DMAS	1	44.5%	Principal business is the development of Kota Deltamas

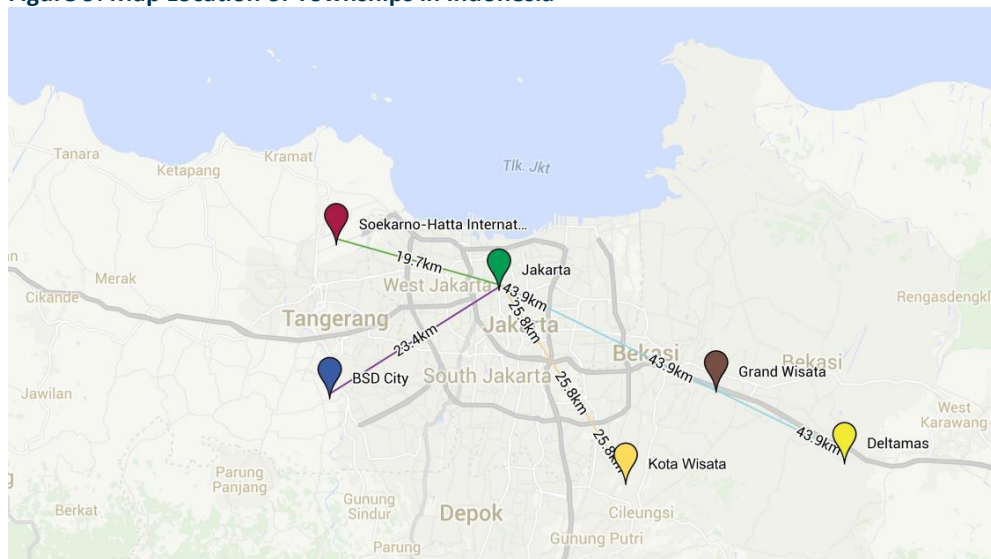
Source: Company Data & Bloomberg

Figure 8: Indonesia Townships

Name	Area (ha)	Location	Description
BSD City	5,950	Tangerang	Development started in 1989, currently in Phase 2, with Phase 3 expected to commence in 2020 and completed by 2035
Kota Deltamas	3,049	Cikarang, Bekasi	Industrial-focus development with direct access via KM37 and 50km from Tanjung Priok (Jakarta's main international port)
Grand Wisata	1,100	Bekasi	Development commenced in 2005; equipped with modern infrastructure and facilities where development began in 2005
Kota Wisata	475	Cibubur, Bekasi	Development consisting mainly of housing projects and is 6km from Cibubur tollgate

Source: Company Data

Figure 9: Map Location of Townships in Indonesia



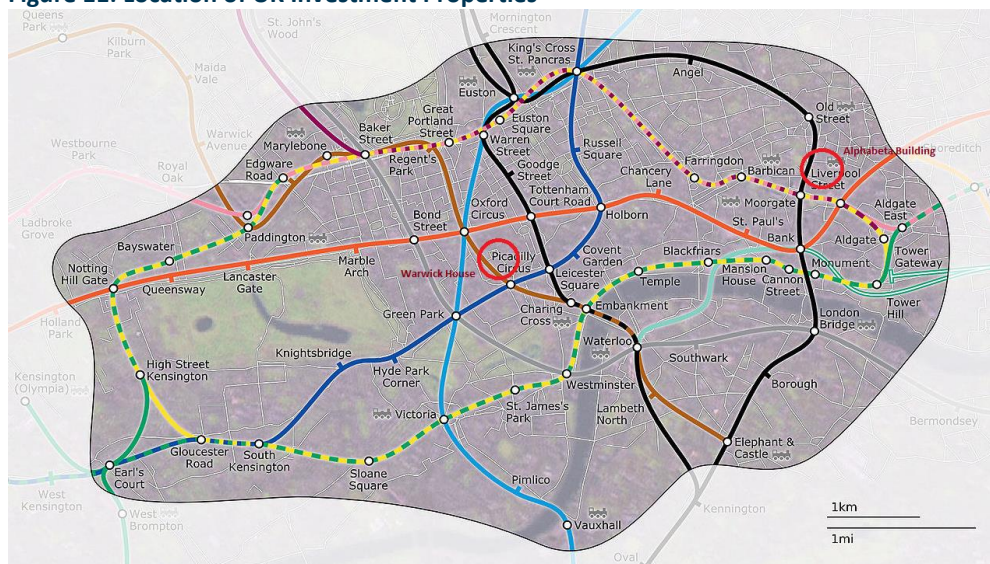
Source: Google Maps & Company Data

Figure 10: Indonesia Property Launches in 2016

Name	Land Area (ha)	Estimated GDV (Rp.)	Location	Description
Aerium	1.8	2t	Taman Permata Buana, West Jakarta	2 condo towers and several townhouses; delayed in 2015
Tanjung Barat Apartments	5.4	2.7t	Tanjung Barat, South Jakarta	Mixed used development consisting of retail, office, serviced apartments, hotel and residential properties; delayed in 2015
Sevilla Park	0.9	1.1t	BSD City, Phase 1	Residential property that is next to prestigious school; targeted launch in Feb-16
Vanya Park	34sqm	249b	BSD City, Phase 2	Dormitory housing that is located in close proximity to amenities such as the ICE convention centre, IPEKA Christian School and Courts Megastore

Source: Company Data

Figure 11: Location of UK Investment Properties



Source: Greater London Authority, Google Maps & Company Data

- AlphaBeta Building is located in Shoreditch and directly North of City of London, in between the Moorgate and Old Street train stations.
- Warwick House is located in SOHO London and is 300m away from the Piccadilly Circus train station.

Indonesia Economic Reform Policies

Figure 12: Summary of Economic Stimulus Packages

Package	Announcement Date	Main Points
1st	9 September, 2015	<ul style="list-style-type: none"> • Boost industrial competitiveness through deregulation • Curtail red tape • Enhance law enforcement & business certainty
2nd	30 September, 2015	<ul style="list-style-type: none"> • Interest rate tax cuts for exporters • Speed up investment licensing for investment in industrial estates • Relaxation import taxes on capital goods in industrial estates & aviation
3rd	7 October, 2015	<ul style="list-style-type: none"> • Cut energy tariffs for labour-intensive industries
4th	15 October, 2015	<ul style="list-style-type: none"> • Fixed formula to determine increases in labor wages • Soft micro loans for >30 small & medium, export-oriented, labor-intensive businesses
5th	22 October, 2015	<ul style="list-style-type: none"> • Tax incentive for asset revaluation • Scrap double taxation on real estate investment trusts • Deregulation in Islamic banking
6th	5 November, 2015	<ul style="list-style-type: none"> • Tax incentives for investment in special economic zones
7th	4 December, 2015	<ul style="list-style-type: none"> • Waive income tax for workers in the nation's labour-intensive industries • Free leasehold certificates for street vendors operating in 34 state-owned designated areas
8th	21 December, 2015	<ul style="list-style-type: none"> • Scrap income tax for 21 categories of airplane spare parts • Incentives for the development of oil refineries by the private sector • One-map policy to harmonize the utilisation of land
9th	27 January, 2016	<ul style="list-style-type: none"> • Single billing system for port services conducted by SOEs • Integrate National Single Window system with 'inaportnet' system • Mandatory use of Indonesian rupiah for payments related to transportation activities • Remove price difference between private commercial and state postal services
10th	11 February, 2016	<ul style="list-style-type: none"> • Deregulation and revising Indonesia's Negative Investment List • Open 29 new sectors to foreign investors

Source: Indonesia Investments

Economic stimulus packages aimed at boosting growth in Indonesia through higher FDIs.

The first nine stimulus packages were aimed at removing red tapes and obstacles which will boost the efficiency of obtaining permits to kick start developments, boosting investments in the country. The final package seeks to overhaul the "Negative Investment List" by adding 29 sectors that were previously inaccessible to foreign investors. This will result in a total of 35 sectors which permits 100% foreign ownership following the implementation of 10th economic stimulus package. Examples of these new sectors include crumb rubber industry, warehousing, tourism, e-commerce businesses with a marketplace value >Rp.100m, hazardous waste management and raw medicine materials. At the same,

4 new industrial sectors (out of a total of 20), namely natural coral, souvenirs and accessories sectors have either been restricted or closed for FDI. Post-implementation, this should result in an improved investment climate and subsequently attract FDIs into the country.

Significant amount of government spending channelled into infrastructure projects. The Indonesian government has unveiled 30 infrastructure projects, amounting to Rp.851t (approximately \$89b) over the next two years with a focus on public transport and power infrastructure. Among the projects include the construction of Indonesia's first mass rapid transit and light rail transit network in Jakarta, major toll road projects, as well as the development of Kalimantan's and Sulawesi's first railway networks. Other projects relate to the construction of power plants to boost the nation's power capacity, and expanding Jakarta's current garbage and sewerage management system.

Financials

Income Statement

Y/E Dec, SGD mn	FY13	FY14	FY15	FY16e	FY17e
Revenue	962	829	958	1,050	1,122
EBITDA	497	413	462	427	389
Depreciation & Amortisation	(17)	(21)	(30)	(35)	(38)
EBIT	479	392	432	392	351
Net Finance (Expense)/Inc	8	(15)	(38)	(11)	(8)
Other items	44	(4)	(9)	3	2
Associates & JVs	(42)	12	14	26	18
Exceptional Items	12	89	0	0	0
Profit Before Tax	501	475	400	410	363
Taxation	(59)	(47)	(69)	(71)	(63)
Profit After Tax	442	428	330	339	300
Non-Controlling Interest	(213)	(188)	(187)	(169)	(150)
Net Income, reported	229	241	144	169	150
Net Income, adj.	229	241	144	169	150

Per share data (SGD)

	FY13	FY14	FY15	FY16e	FY17e
EPS, reported	0.08	0.08	0.03	0.04	0.04
EPS, adj.	0.08	0.08	0.03	0.04	0.04
DPS (SGD Cents)	0.50	0.50	0.19	0.25	0.22
BVPS	0.76	1.05	0.78	0.83	0.89

Cash Flows

Y/E Dec, SGD mn	FY13	FY14	FY15	FY16e	FY17e
CFO					
Profit before tax	501	475	400	410	363
Adjustments	15	(103)	42	(14)	(10)
WC changes	(151)	27	(159)	196	136
Cash generated from ops	365	420	313	626	528
Taxes paid, others	(51)	(77)	(113)	(77)	(60)
Cashflow from ops	315	343	200	549	468
CFI					
CAPEX, net	(9)	(32)	(23)	(21)	(25)
Others	(517)	(626)	(853)	(309)	(354)
Cashflow from investments	(527)	(658)	(876)	(331)	(379)
CFF					
Share issuance	0	0	0	0	0
Loans, net of repayments	223	54	397	0	0
Dividends	(12)	(15)	(15)	(8)	(10)
Others	95	(82)	331	245	(88)
Cashflow from financing	306	(44)	712	237	(99)
Net change in cash	94	(359)	36	456	(10)
Effects of exchange rates	(136)	81	3	0	0
CCE, end	618	555	589	1,043	1,036

Source: Company, PSR (Singapore) Estimates

*Forward multiples and yields are based on current market price; historical multiples and yields are based on historical market price.

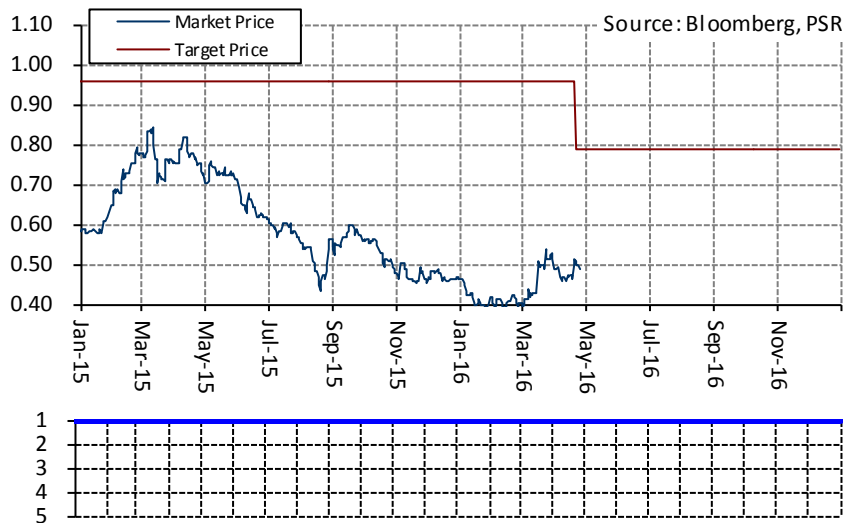
Balance Sheet

Y/E Dec, SGD mn	FY13	FY14	FY15	FY16e	FY17e
ASSETS					
Investment properties	535	497	1,073	1,192	1,306
Properties under dev for sale	859	1,739	1,591	1,787	1,964
Associates & JVs	592	223	221	226	223
Others	273	303	310	337	368
Total non-current assets	2,260	2,762	3,194	3,542	3,862
Current restricted cash	0	0	0	0	0
Accounts Receivables	12	14	16	17	17
Cash balance	688	875	908	1,043	1,036
Others	600	1,095	1,401	1,349	1,405
Total current assets	1,300	1,983	2,324	2,408	2,459
Total Assets	3,559	4,745	5,518	5,950	6,321
LIABILITIES					
Short term loans	136	157	218	1	100
Current trade payables	19	24	38	50	58
Bond payables	0	33	0	48	191
Others	380	616	576	780	926
Total current liabilities	535	830	832	879	1,276
Long term loans	194	239	565	781	683
Long term bond payables	309	310	608	560	417
Others	202	173	183	185	174
Total non-current liabilities	705	722	1,356	1,526	1,274
EQUITY					
Non-controlling interest	837	1,479	1,582	1,649	1,755
Common Shareholder Equity	1,483	1,715	1,749	1,896	2,017

Valuation Ratios

Y/E Dec, SGD mn	FY13	FY14	FY15	FY16e	FY17e
P/E (X), adj.	6.2	5.9	13.9	11.8	13.3
P/B (X)	0.6	0.4	0.6	0.6	0.5
EV/EBITDA (X)	6.5	7.8	7.0	7.5	8.3
Dividend Yield (%)	1.1%	1.1%	0.4%	0.5%	0.5%
Growth & Margins (%)					
Growth					
Revenue	58.5%	-13.9%	15.6%	9.7%	6.8%
EBITDA	143.1%	-16.8%	11.8%	-7.7%	-8.7%
EBIT	156.9%	-18.1%	10.1%	-9.3%	-10.4%
Net Income, adj.	159.5%	4.9%	-40.2%	17.7%	-11.4%
Margins					
EBITDA margin	51.6%	49.9%	48.3%	40.6%	34.7%
EBIT margin	49.8%	47.4%	45.1%	37.3%	31.3%
Net Profit Margin	45.9%	51.7%	34.5%	32.3%	26.8%
Key Ratios					
ROE (%)	15.4%	15.0%	8.3%	9.3%	7.7%
ROA (%)	6.6%	5.8%	2.8%	3.0%	2.4%
Net Debt/(Cash)	(358)	(478)	482	299	163
Net Gearing (X)	Net Cash	Net Cash	0.14	0.08	0.04

Ratings History



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

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