

SLB Development

Date: 22 April 2019

BUY
(Maintained)

Target Price: S\$0.28
(+94.4%)

SLB SP

Price: S\$0.144 (as at 18 April 2019)



Share price	1M	3M	6M	1Y
SLB Development	2.1%	-7.1%	-18.6%	-37.4%
Catalist Index	0.3%	-6.3%	-15.5%	-34.8%

Market capitalisation	S\$131.5million
Current Price	S\$0.144
Shares outstanding	913 million
Free Float	16.8%
Major shareholder	Lian Beng Group Ltd (74.11%)
Recommendation of other brokers	N/A

Source: Company data, SGX StockFacts, SAC Advisors

The numbers for FY17 and FY18 have been adjusted to reflect the Company's adoption of the new Singapore Financial Reporting Standards International on 1 June 2018 and may not be comparable with the previous periods.

Analyst

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Key Historical Financials

FYE May (S\$ m)	FY2015A	FY2016A	FY2017A	FY2018A	FY2019F	FY2020F
Revenue	-	-	87.6	-	238.7	-
% Growth	-	-	-	-	-	-
Gross Profit	-	-	14.9	-	40.6	0.0
Gross Profit margin (%)	-	-	17.0%	-	17.0%	-
Profit before tax	29.3	68.9	19.6	1.9	37.4	30.8
Profit after tax	29.9	69.4	15.8	3.9	16.7	30.8
% Growth	-	132.4%	-77.2%	-75.3%	328.2%	83.80%
Profit after tax margin (%)	-	-	18.1%	-	7.0%	-
Basic EPS (S\$ cents)	3.27	7.60	2.35	0.55	1.83	3.37
Diluted EPS (S\$ cents)	3.27	7.60	2.35	0.55	1.83	3.37
P/E (x)	4.7	2.0	6.6	28.2	8.5	4.6
Net Debt/Equity (%)	157.8%	57.3%	129.8%	47.5%	Net cash	Net cash

Source: Company data, Bloomberg, SAC Advisors

SLB 3Q19 results review

SLB Development ("SLB or the "Company", and together with its subsidiaries, the "Group") reported **S\$7.7 million revenue for 3Q2019**, a decrease of S\$25.2 million or 76.7% as compared to the S\$32.9 million recorded in 3Q2018. Similar to 2Q2019, the decrease in revenue was mainly due to the lower revenue contribution from the industrial property development project, T-Space@Tampines, which was substantially completed by June 2018. Revenue for 3Q2019 was contributed by two development projects in T-Space@Tampines and Mactaggart Foodlink. SLB recorded a net loss attributable to owners of S\$3.5 million in 3Q2019 as compared to net profits of S\$1.9 million in 3Q2018.

SLB working towards building a balanced and diversified portfolio. While we acknowledge that the recent cooling measures announced by the government may dampen investment sentiment towards property stocks such as SLB which is heavily focused on residential projects in Singapore, but SLB also has exposure to local industrial and retail developments as well as the China market via its Gaobeidian mixed-use development project. SLB's projects are mostly developed with partners to manage investment risk.

More growth from China and undeveloped landbank. SLB has an effective equity interest of not more than 10% in the Sino-Singapore Health City project in Gaobeidian, Hebei, China. Due to Gaobeidian's proximity to Beijing, other main cities and the newly proposed special economic zone, Xiong'an New Area, we see strong demand for the properties in Gaobeidian. In the shorter term, the Group has large undeveloped landbank in Singapore to support the Company's earnings for the next 2-3 years.

Valuation. We keep our value of SLB unchanged at S\$0.28 per share as we await the full year results announcement and meeting with management. We think that SLB deserves a premium to the sector average valuation given its large landbank, first mover advantage from acquiring assets early as well as its exposure to China. In fact, its local partners are mostly trading at a premium to the sector average.

Key risk: Overhang from cooling measures.

SLB to achieve a balanced and diversified portfolio

SLB reported S\$7.7 million revenue for 3Q2019, a decrease of S\$25.2 million or 76.7% as compared to the S\$32.9 million recorded in 3Q2018. Similar to 2Q2019, the decrease in revenue was mainly due to the lower revenue contribution from the industrial property development project, T-Space@Tampines, which was substantially completed by June 2018. Revenue for 3Q2019 was contributed by two development projects in T-Space@Tampines and Mactaggart Foodlink. At the same time, share of results of joint ventures and associates reported a share of losses of S\$4.6 million for 3Q2019 as compared to the share of profit of S\$0.6 million in the corresponding period. The share of losses from associates was mainly due to the effect of borrowing costs adjustments made to Affinity@Serangoon and Riverfront Residences following the adoption of new Singapore Financial Reporting Standards International on 1 June 2018. As a result, SLB recorded a net loss attributable to owners of S\$3.5 million in 3Q2019 as compared to net profits of S\$1.9 million in 3Q2018.

Following the adoption of the new Singapore Financial Reporting Standards International (“**SFRS(I)**”) on 1 June 2018, in particular SFRS(I) 15, the Group has restated its comparative financial figures. In particular, SFRS(I) 15 deals with the timing of revenue recognition. Prior to 1 June 2018, the Group recognises revenue from industrial development properties based on the Completion of Contracts method upon the transfer of significant risk and rewards of ownership of the goods to the customer i.e. upon TOP and handing over the property units to the purchasers. With the adoption of SFRS(I) 15, revenue and cost of units sold is now recognised over time in line with the progress of construction works. As for borrowing costs relating to development properties that are ready for its intended sale (i.e. ready for launch), the new standard stated that it should be expensed when incurred instead of capitalised.

SLB working towards building a balanced and diversified portfolio.

While we acknowledge that the recent cooling measures announced by the government may dampen investment sentiment towards property stocks such as SLB which is heavily focused on residential projects in Singapore, but SLB also has exposure to local industrial and retail developments as well as the China market via its Gaobeidian mixed-use development project.

According to management, their industrial projects have resonated well with the market. In Singapore, their 51%-owned T-Space @ Tampines achieved TOP in June 2018 and has sold 93.6% as at June 30, 2018. Going forward, while they focus on execution of their pipeline development projects and pushing the sales of their ongoing projects, SLB will explore suitable opportunities into hospitality developments too.

SLB’s projects are mostly developed with partners to manage investment risk. Apart from risk management, this business model also allows SLB and its partners to tap on each other’s expertise in order to develop better projects. Together with their partners, SLB had in June and July of 2018 launched the first phase of Affinity @ Serangoon (formerly known as Serangoon Ville) and Riverfront Residences (formerly known as Rio Casa) for sale, respectively. Going forward, the Company plans to expand its presence to more countries to achieve a balanced and diversified portfolio for sustainable long-term growth.

SLB to achieve a balanced and diversified portfolio

More growth from China and undeveloped landbank. SLB has an effective equity interest of not more than 10% in the Sino-Singapore Health City project in Gaobeidian, Hebei, China. Due to Gaobeidian's proximity to Beijing, other main cities and the newly proposed special economic zone, Xiong'an New Area, we see strong demand for the properties in Gaobeidian. In the shorter term, the Group has large undeveloped landbank in Singapore to support the Company's earnings for the next 2-3 years.

Valuation. We keep our value of SLB unchanged at S\$0.28 per share as we await the full year results announcement and meeting with the management. We think that SLB deserves a premium to the sector average valuation given its large landbank, first mover advantage from acquiring assets early as well as its exposure to China. In fact, its local partners are mostly trading at a premium to the sector average. For FY2018, the Group's balance sheet remains healthy with cash and cash equivalents at S\$51.1 million, with a gearing of 0.47x, while their latest reported net asset value is S\$0.1547.

Company Background

The history of SLB can be traced back to Lian Beng Group (“**LBG**”), the controlling shareholder of SLB which was established in Singapore in 1973 as a sub-contractor for small scale civil engineering and building projects. LBG has now grown into one of Singapore’s major home-grown main contractors with integrated civil engineering and construction support service capabilities and was listed on the Main Board of SGX-ST on 15 April 1999. Over the years, LBG has established a strong track record in large scale building construction and civil engineering projects in the public and private sector, and diversified into property development, investment holding and dormitory businesses.

Leveraging on its construction business, LBG diversified into property development in Singapore in 2000 through the acquisition of 3 properties located at Derbyshire Road, Kew Drive and Balestier Road respectively. Since then, LBG has completed approximately 17 property development projects in Singapore which include residential, mixed-use, industrial and commercial projects in Singapore.

After LBG’s restructuring, the property development business of LBG is now parked under SLB where the Company will continue to develop and sell residential, mixed-use, industrial and commercial development properties mainly in Singapore. SLB is one of the property developers in Singapore with experience in different types of development property projects such as small to large scale residential developments, mixed-use developments, industrial and commercial developments. Apart from Singapore, SLB has also expanded its business to China in 2014 through a joint-venture to invest in Gaobeidian project.

Residential development - LBG (including the Group before restructuring) had undertaken condominium developments ranging from small to large scale developments.

Mixed-use development – The Group’s mixed-used property development projects tend to range between mid to high rise and mostly consist of retail and residential units. The Midtown & Midtown Residences is one of the projects developed by the Group and is a 12-storey mixed-use development comprising 107 commercial units and 160 residential units. Another property development project, KAP & KAP Residences is a 7-storey mixed-use development comprising 107 commercial units and 142 residential units.

Industrial development – The Group’s industrial projects tend to range from small to large scale projects which exceed 700,000 square feet of gross floor area. One on-going industrial project is T-Space @ Tampines which is a 9-storey strata industrial development.

Commercial development – As for commercial projects, they are mostly a mix of retail and office units. The Group’s Hexacube commercial development project is a 5-storey development with retail and office units.

Land sites and buildings are usually acquired through tenders and private treaties (including by way of en-bloc) via joint ventures (“**JVs**”).

Key Investment merits

Established track record. Having been in the industry for 17 years, SLB has a strong track record in selling their properties. As shown in the table below, the properties were typically almost fully sold before the projects were completed. To date, LBG has successfully completed approximately 17 property development projects, of which 8 were undertaken by the Group. SLB has won awards for Spottiswoode Suites (The Best Luxury Condo Architectural Design) and T-Space @ Tampines (The Best Industrial Development) in the PropertyGuru Asia Property Awards Singapore 2017. These are testaments to its strong deliverables. Since the recently spun-off SLB's management will remain intact, we believe its success story will be replicated by the new listed entity. This will also be supported by the likely recovery in the property market where demand and prices are expected to be robust given the low inventory levels and strong pent-up demand.

Past projects

Project names	Type of development	Equity Stake	Date of completion	% sold		
				FY2015	FY2016	FY2017
Spottiswoode suites	Residential	50%	Sep-2017	78.0%	78.0%	82.0%
NEWest	Mixed-use development (residential and commercial units)	10%	Oct-2017	91.0%	100.0%	-
KAP & KAP Residences	Mixed-use development (residential and commercial units)	15%	May-2017	99.0%	99.2%	99.2%
Floravista, Floraview and Floraville	Mixed-use development (residential and commercial units)	10%	Aug-2017	36.0%	56.6%	84.5%
Eco-Tech @ Sunview	Industrial	19%	Oct-2015	97.0%	100.0%	-
The Midtown and The Midtown Residences	Mixed-use development (residential and commercial units)	50%	Mar-2017	97.0%	99.6%	99.6%
Hexacube	Retail & Office	40%	Aug-2017	56.0%	60.0%	61.6%
Mandai FoodLink	Industrial	65%	Nov-2017	98.0%	98.9%	100.0%

Source: LBG's annual reports

Experienced and dedicated management team. SLB is led by Matthew Ong, Executive Director and CEO, who has more than 10 years of experience in the property and construction industry. He is supported by a team of executive officers, each whom possesses several years of experience in their respective fields. SLB's management team is small, consisting of only 6 members. This facilitates efficient and quick communication and reduces the time required to make decisions. This also allows SLB to act before its competitors, giving the Company first-mover advantage, which is crucial when attempting to secure land sites or buildings. SLB has in fact managed to acquire most of its land earlier than its competitors, resulting in lower land cost which should translate into higher margins.

Joint-venture business model lowers investment risk. SLB's projects are undertaken mostly via joint-ventures ("JVs") with other developers. This helps to reduce investment risk and enables both parties to leverage on each other's expertise in order to develop better projects. Partnerships will also help to (i) enhance SLB's access to industry information on development sites which are available for sale, private tenders or auction, thereby allowing the Company to capitalize on suitable market opportunities faster than its competitors if possible and (ii) increase the success rate of land sites bidding. We believe SLB's partnership business model is a win-win strategy for all parties to ensure that projects achieve high quality standards, which will in turn help to attract demand while spreading risk across the various partners. We believe that going forward, SLB may continue to engage in strategic partnerships and JVs and remain open to undertaking more wholly-owned projects where suitable.

Diversified into different asset classes and geographies. While the bulk of SLB's portfolio is in residential developments, it also has exposure to local industrial and retail developments as well as the property market in China through the Sino-Singapore Health City project in Gaobeidian. Having exposure in different asset classes and countries also help to manage SLB's exposure to the fluctuations in demand and/or changes in regulations for each type of development. Although retail and industrial properties in Singapore are facing pressure from an oversupply, we believe the residential segment which SLB has the biggest exposure to is bottoming out. Hence, net impact to the Company should be positive. We also believe that SLB has assessed the risk and reward before entering into industrial and commercial projects.

Strong support and expertise from controlling shareholder, LBG. As part of LBG whose principal activities include construction, SLB's key management team is familiar with construction costs and processes of property development projects. Hence, it is able to better manage and control the construction costs of property development projects and leverage on the existing features of the land site or building in redevelopment, thereby adding value. For instance, its Hexacube project was developed through partial demolition of the original building on the land site by retaining the basement and first floors. The Company also undertook retro-fitting works and created a new façade to refresh the exterior of the development project. This helped SLB to save time and cost resulting in efficiency.

Ventured into China through Gaobeidian project. SLB, together with its Singaporean partners, invested in the Gaobeidian Project to develop a mixed-use property development project in Gaobeidian, Hebei Province which comprises residential developments, commercial spaces, a China Mountain Climbing Training Centre & Outdoor Sports Center Township and a Green Health Food Safety Testing Centre Township. Gaobeidian is strategically located along the Jinggang'ao Expressway which connects Gaobeidian to Beijing and other main cities in China.

Ample landbank to last the Company for the next 3 years. The bulk of SLB's projects are still at the planning stage and are expected to be launched in 2H of 2018 (FY2019). As construction of a property takes 2-3 years, SLB should see earnings flowing in gradually in the next 2-3 years. We understand that the margins of these projects are decent given the low land and building acquisition cost. Additionally, there is potential to increase GDV as the sector may have bottomed.

Sale of launched projects progressing well. In the near term, the Company's launched projects such as Hexacube, Floravista, Floraview & Floraville and T-Space @ Tampines industrial project should help to support earnings. Floravista, Floraview and Floraville are substantially sold while Hexacube and T-Space @ Tampines are more than 60% sold.

Future plans

Acquire new development sites. While its current landbank could last the Company until 2021, it is essential to replenish land banks with suitable land parcels for future developments to ensure continuous inflow of earnings. SLB's plan is to continue sourcing for development sites that are located at vibrant and accessible areas with suitable amenities.

Launch and commence construction of ongoing projects. SLB aims to get approvals for these projects as soon as possible so that it can launch the projects and commence construction.

Venture beyond Singapore and China. Leveraging on its past experience and expertise in property development in Singapore, China and exploration into UK, Australia and Vietnam's markets through its controlling shareholder - LBG, SLB intends to expand further into overseas markets including the Asia-Pacific region, Western Europe and North America. Diversification into overseas markets will help to grow earnings and reduce dependency risk on Singapore's property market. To reduce investment risk, the Company intends to tap on its existing relationships with its JV partners and networks in these regions to expand its presence in the overseas markets.

Projects under the Group

Completed projects

Development Name	Location	Description	Effective interest held by SLB (%)	Approximate land area (sq m)
Hexacube	160 Changi Road	Commercial with retail and office units	40	1,594
Mandai Foodlink	5 Mandai Link	Industrial	65	6,891
Spottiswoode Suites	16 Spottiswoode Park Road	Residential	50	3,615
The Midtown & Midtown Residences	1187 and 1189 Upper Serangoon Road	Mixed-use development (residential and commercial units)	50	5,300
NEWest	1 and 3 West Coast Drive	Mixed-use development (residential and commercial units)	10	15,292
Floravista, Floraview and Floraville	1,3,5,7 Ang Mo Kio Street 66 and 2 Cactus Road	Mixed-use development (residential and commercial units)	10	8,241
KAP & KAP Residences	9 and 11 King Albert Park	Mixed-use development (residential and commercial units)	15	5,535
Eco-tech @ Sunview	1 Sunview Road	Industrial	19	28,173

Source: Company data, SAC Advisors

Ongoing projects

Development Name	Location	Description	Effective interest held by SLB (%)	Approximate land area (sq m)	Proposed/Expected GFA (sq m)	Status
T-Space @ Tampines	1 Tampines North Drive 1	Industrial	51	27,395	68,474	Ongoing
Khong Guan Industrial Building	20 Mactaggart Road	Industrial	100	1,962	5,279	Launched
-	50 Lorong 21 Geylang	Industrial	100	837	2,093	Planning stage
Serangoon Ville	128-134 Serangoon North Avenue 1	Residential	20	27,584	84,958	Planning stage
Rio Casa	344-350 Hougang Avenue 7	Residential	20	36,811	113,378	Planning stage
Sino-Singapore Health City	Gaobeidian, Hebei, PRC	Mixed-use development (residential and commercial units)	Not more than 10%	216,902	Determined upon receipt of the relevant approvals from the authorities	Planning stage
-	31 to 51 Lorong 24 Geylang	Residential	42	2,433	7,493	Planning stage
-	24 New Industrial Road	Industrial	51	5,792	-	In the process of acquisition

Source: Company data, SAC Advisors

Investment risk

SLB is affected by the performance of property industry in the countries in which SLB carries out its property development business. The demand for SLB's projects in the countries affects the overall performance of the Company. The demand for properties in these countries typically follows a cyclical pattern and is generally affected by local and global economic conditions, local market sentiment and expectations, government regulations, competition from other property developers, and the extent of supply of properties for sale and availability of financing. So far, signs are generally pointing to improvement in the Singapore property sector. As for China, demand for properties have been resilient.

Exposed to foreign currency risks. Due to SLB's exposure to China, the Company is exposed to the fluctuation and/or control policies of RMB and as well as other currencies should the Company ventures into other countries. The fluctuations of RMB against S\$ may affect the performance of the Company negatively. To lessen the risk of currency fluctuations, the Company employs forward contracts if the need arises. Having said that, it does not have a formal policy for hedging against foreign exchange exposure for now.

SLB may not be able to obtain all necessary licenses for development projects. Although SLB has been able to obtain the necessary approvals for the completed projects, there is no guaranty that the Company will be able to obtain licenses for its ongoing projects for which applications are currently under review.

The Company may not be able to source for new sites or complete a project. Although the Company's current landbank is sufficient to last the company until 2021, SLB is required to continue to source for new landbanks or development sites for future profit, failing of which will affect the Company's performance severely.

SLB is subject to risks associated with debt financing. Property development is a capital-intensive business and SLB finances a substantial portion of its property development projects through bank loans and credit facilities. SLB recognizes this risk and hence has been partnering with other property developers in developing projects.

Risks associated with joint ventures. While the formation of JVs with third parties would help to reduce risk, it also poses business risk such as the inability of JV partners to fulfill the obligations under the JV agreements and exposure to unknown liabilities incurred by the JV partners. Any disagreement and/or disputes with the JV partners may also cause a delay in the progress of the property development projects.

Valuation

We valued SLB at S\$0.28 per share. We believe SLB deserves a premium versus sector average of 0.8x P/BV given its large landbank and potentially stronger margin as the Company started purchasing landbank earlier than its peers which lowers their land acquisition cost. This indicates that the Company should garner higher margin as compared to its peers, especially when property prices are improving. In fact, SLB's business partners, namely Oxley Holdings Limited and Tee International Limited are trading at a premium to the sector which we believe is due to their large landbank, first mover advantage from acquiring assets early as well as their exposure to Gaobeidian, China.

RNAV breakdown	
Property development surplus (S\$ m)	133.0
Forecasted NAV - as at end-FY18 (S\$ m)	132.0
RNAV (S\$ m)	265.0
Shares outstanding (m)	913.0
RNAV per share (S\$)	0.29
RNAV discount (%)	5%
Discounted RNAV per share (S\$)	0.28

Source: SAC Advisors

Income Statement

FYE May (\$\$ m)	Fiscal Year Ended				
	FY2016	FY2017	FY2018	FY2019F	FY2020F
Revenue	-	87.6	-	238.7	-
Cost of goods sold	-	(72.7)	-	(198.1)	-
Gross Profit	-	14.9	-	40.6	-
Other income	0.0	0.9	1.1	0.1	0.2
Administrative expenses	(0.1)	(0.3)	(2.9)	(2.4)	(2.5)
Sales and marketing expenses	(1.0)	(1.9)	(3.8)	(5.3)	(3.0)
Other operating expenses	(0.0)	(0.5)	(0.4)	(0.5)	(0.5)
Depreciation and amortization	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Finance costs	(1.7)	(0.8)	(0.6)	(1.0)	(0.6)
Interest income	1.3	0.7	2.8	3.3	5.2
JV/associate income	70.4	8.2	1.4	2.6	32.0
Exceptional item	0.0	(0.9)	7.0	0.0	0.0
Profit before tax	68.9	19.6	1.9	37.4	30.8
Income tax	(0.0)	(0.4)	0.6	(6.4)	0.0
Minority Interest	0.6	(3.4)	(0.7)	(14.3)	0.0
Profit for the year (owners)	69.4	15.8	3.9	16.7	30.8

Balance Sheet

FYE May (\$\$ m)	Fiscal Year Ended				
	FY2016	FY2017	FY2018	FY2019F	FY2020F
Investment property	0.0	31.1	0.0	0.0	0.0
Investment in joint ventures and associates	107.6	39.5	17.5	0.0	0.0
Other non-current assets	0.0	0.0	0.2	11.4	43.4
Deferred tax assets	0.0	0.5	1.1	0.5	0.5
Total Non-Current Assets	107.6	71.0	18.9	12.0	43.9
Development properties	123.6	120.7	243.6	52.0	16.1
Trade receivables	2.7	10.8	20.4	24.1	14.2
Others	84.8	87.7	125.8	111.0	111.0
Cash and cash equivalents	17.4	26.3	51.1	151.6	175.6
Total current assets	228.5	245.5	440.9	338.6	316.9
Total Assets	336.1	316.5	459.8	350.6	360.8
Trade and other payables	35.2	36.7	128.3	25.8	25.2
Bank loans	0.0	10.0	82.1	20.0	10.0
Others	118.7	111.1	40.3	111.1	111.1
Total Current Liabilities	153.8	157.8	250.7	156.9	146.3
Bank loans	77.5	96.7	35.5	30.0	20.0
Others	0.0	0.0	33.8	33.8	33.8
Total Non-current Liabilities	77.5	96.7	69.3	63.8	53.8
Total Liabilities	231.3	254.5	320.0	220.7	200.1
Net Assets	104.8	62.0	139.8	129.9	160.7
Shareholder's Equity					
Share capital	32.7	33.6	146.2	146.2	146.2
Retained earnings	103.7	59.7	25.2	38.6	69.3
Others	-31.3	-31.4	-30.2	-30.2	-30.2
Total equity attributable to shareholders of the company	105.1	62.0	141.2	154.6	185.3
Non-controlling interests	-0.3	0.0	1.4	15.0	15.0
Total Equity	104.8	62.0	139.9	163.8	194.5

The numbers for FY17 and FY18 have been adjusted to reflect the Company's adoption of the new Singapore Financial Reporting Standards International on 1 June 2018 and may not be comparable with the previous periods.

Cash Flow Statement

FYE May (\$\$ m)	Fiscal Year Ended				
	FY2016	FY2017	FY2018	FY2019F	FY2020F
Profit before tax	68.9	19.6	1.9	37.4	30.8
Depreciation & amortisation	0.0	0.0	0.0	0.0	0.0
Interest income	(1.3)	(0.7)	(2.8)	(3.3)	(5.2)
Interest expense	1.7	0.8	0.6	1.0	0.6
Share of results of associates and JV	(70.4)	(8.2)	(1.4)	(2.6)	(32.0)
Change in working capital	5.9	(1.3)	(6.5)	95.9	45.3
Others	(2.0)	0.3	(10.1)	(7.4)	(0.6)
Net Cash (used in)/ from operations	2.8	10.6	(18.3)	121.1	38.9
Purchase of PPE	0.0	0.0	(0.0)	0.0	0.0
Additional investment in investment properties	0.0	(32.0)	(0.0)	1.0	0.6
Others	(6.5)	66.1	(50.4)	3.3	5.2
Net Cash (used in)/ from investing	(6.5)	34.1	(50.5)	4.3	5.8
Net change in equity	0.0	0.0	107.9	0.0	0.0
Net change in debt	7.3	27.9	9.0	(30.0)	(20.0)
Others	(1.7)	(63.7)	(43.0)	(1.0)	(0.6)
Net Cash (used in)/ from financing	5.5	(35.8)	93.6	(31.0)	(20.6)

Ratios

FYE May	Fiscal Year Ended				
	FY2015	FY2016	FY2017	FY2018	FY2019F
Profitability (%)					
Operating profit margin	-	14.2%	-	13.6%	-
Profit before tax margin	-	22.4%	-	15.7%	-
Profit after tax margin	-	18.1%	-	7.0%	-
Liquidity (x)					
Current ratio	1.5	1.6	1.6	2.2	2.2
Quick ratio	0.7	0.8	0.7	1.8	2.1
Interest coverage ratio	-	15.8	-	32.5	-
Net Debt to Equity	57.3%	129.8%	17.2%	47.5%	Net cash
Valuation (x)					
P/E	4.7	2.0	6.6	28.2	8.5
Core P/E	2.9	12.0	-	12.0	6.5
P/B	1.4	2.5	1.0	1.1	1.1
Returns					
Return on equity	98.8%	19.0%	3.6%	11.3%	17.2%
Return on asset	-	3.8%	-	8.4%	-
Dividend payout ratio	0.0%	356.9%	-	0.0%	0.0%

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