Asia Credit Research

OCBC Bank

Oxley Holdings Ltd: New Credit Review

Tuesday, February 21, 2017

Recommendations Summary

Issuer Profile:	Bond Recommendation:	
Neutral	OHLSP 5.15 '20	**Neutral**
	OHLSP 5 '19	**Overweight**
Fundamental Analysis Considerations • Solid results and pre-sales • Deleveraging trend • Cashflow visibility	Technical Analysis Considerations • Retail bond • Good yield for short-dated paper • Recent price rally	

S&P: Not rated

Moody's: Not rated

Fitch: Not rated

Ticker: **OHLSP**

Key credit considerations

- **Solid results:** For the quarter ending 31 Dec 2016 ("2QFY2017"), revenue surged 241% y/y to SGD605.7mn with profits increasing 104% y/y to SGD160.3mn, due mainly to the completion of Oxley Tower and handover of plots at Royal Wharf in the UK. The strong profitability expanded net assets of OHL to SGD1.1bn, which pushed down net gearing to 1.8x (1QFY2017: 2.1x). While the company's track record is short as Oxley Holdings Ltd ("OHL") was only listed in Oct 2010, the performance thus far has been impressive, with net assets before minority interest growing nearly 6 times from SGD131.5mn in end FY2011 to SGD908.4mn in 2QFY2017.

- **Strong revenue and cashflow visibility ahead**: With strong pre-sales, OHL's unbilled contract value stands at SGD2.6bn in 2QFY2017. Out of the total, SGD1.05bn is due to projects which will complete within the next 4 quarters, with SGD800mn attributable to the Royal Wharf project. OHL also holds a 20% stake in Galliard Group Ltd, which has an unbilled contract value of over GBP1bn.

- **Commitment to reduce gearing with decent access to liquidity**: Although net gearing is elevated at 1.8x, this is a tremendous improvement since FY2014 when net gearing hovered around 4.0x. Strong profitability boosted the equity base while net cash inflows contained the net debt position. OHL looks to reduce net gearing further to 1.0x, and we think this is possible with the cashflows ahead from unbilled contracts. OHL is also transforming into an asset-light developer as it acquires land without upfront cash cost through forming joint ventures with landowners. We think liquidity remains healthy due to its strong FCF generation, proven access to tap the retail bond market (twice with a total issuance of SGD450mn) while holding SGD462mn of cash on the balance sheet.

- **A nimble developer, though better FX hedging is desired:** Despite beginning as a developer in Singapore, OHL has refocused most of its resources to overseas developments and avoid the down cycle in the Singapore property market. However, OHL has not hedged its FX exposure with SGD25mn translational FX losses incurred in 4QFY2016.

- **Technical factors looking favourable**: With the recent run-up in the bond market, we think that investors may continue to seek for short-dated high yield papers. Despite c.6 points in price rally, we see value in OHLSP '19s offering 5.7% yield, with significant room to trade tighter if OHL's credit profile continues to improve. Management has mentioned about engaging Moody's and we think a credit rating may improve OHL's cost of funding. While OHL is on a deleveraging trend, we anticipate low supply risk in the near-term.

Treasury Advisory

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Tel: 6349-1888 / 1881

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I) Company Background

Listed on the Catalist Board of SGX-ST on 29 Oct 2010 and subsequently transferred to the Mainboard on 21 Feb 2013, Oxley Holdings Ltd ("OHL") is a property developer. Beginning with a portfolio of development projects in Singapore, post 2013, OHL has expanded its development portfolio to overseas projects in the UK, Malaysia, Ireland, China, Cambodia, Myanmar and Indonesia. Meanwhile, OHL is building a pipeline of investment and hospitality properties.

Figure 1: Singapore development portfolio

Project	Type	GFA (sqm)	% Stake	% sold	TOP Year
Launched and completed projects					
Parc Somme	Mixed	1,629	100%	100%	2012
Suites@Katong	Mixed	2,797	51%	100%	2012
Loft@Rangoon	Mixed	1,453	100%	100%	2013
Loft@Stevens	Residential	1,889	60%	100%	2013
Arcsphere	Industrial	2,529	100%	100%	2013
Oxley Bizhub 2	Industrial	30,942	55%	99%	2013
Oxley Bizhub	Industrial	87,126	100%	99%	2013
The Commerze@Irving	Industrial	11,730	55%	100%	2013
Loft@Holland	Residential	1,580	68%	100%	2014
Viva Vista	Mixed	9,013	100%	100%	2014
Vibes@Kovan	Mixed	2,157	100%	100%	2014
Vibes@East Coast	Mixed	7,125	66%	100%	2014
Robinson Square	Commercial	4,755	100%	100%	2014
RV Point	Mixed	2,038	100%	100%	2015
Suites@Braddell	Residential	1,552	100%	100%	2015
Eco-Tech@Sunview	Industrial	70,432	51%	100%	2015
The Promenade@Pelikat	Mixed	19,471	90%	100%	2015
Devonshire Residences	Residential	3,835	52%	100%	2015
Vibes@Upper Serangoon	Residential	3,052	100%	100%	2016
Presto@Upper Serangoon	Residential	1,820	100%	100%	2016
Midtown Residences / The Midtown	Mixed	16,853	50%	99%	2016
NEWest	Mixed	25,149	55%	100%	2016
Oxley Edge	Mixed	3,226	100%	100%	2016
KAP Residences / KAP	Mixed	17,161	55%	99%	2016
Oxley Tower	Commercial	16,839	100%	100%	2016
Launched but not yet completed projects					
The Flow	Commercial	6,527	100%	66%	2017E
The Rise@Oxley Residences	Residential	10,712	100%	73%	2017E
Floraville / Floraview / Floravista	Mixed	12,434	55%	63%	2017E
T-Space	Industrial	84,315	49%	32%	2019E
Projects yet to be launched					
Joo Chiat	Mixed	897	100%	To launch	2016

Source: Company

Substantially all the revenue since OHL's listing was contributed by the property projects in Singapore. However, the pipeline in Singapore is thinning as OHL has not been aggressively topping up its land bank. Since 2013, OHL has been shifting its focus to overseas projects via its wholly-owned subsidiary Oxley International Holdings Pte Ltd.

Figure 2: Overseas development portfolio

Project	Type	GFA (sqm)	% Stake	% sold	Completion
Malaysia					
Oxley Towers KLCC	Mixed	175,980	100%	To launch	-
Section 16	Mixed	20,234[1]	100%	To launch	-
Medini	Mixed	17,280[1]	100%	To launch	-
Pepper Hill	Residential	119,876[1]	70%	To launch	-
Robson	Residential	7,710[1]	50%	To launch	-
Beverly	Residential	61,588[1]	50%	To launch	-
UK					
Royal Wharf	Township	363,000	100%		
- Phase 1A				99%	3Q16-3Q17E
- Phase 1B				93%	3Q16-3Q17E
- Phase 2				91%	2018E
- Phase 3				70%	2019E
Ireland					
Dublin Landings	Mixed	100,000	100%	-	2019E
China					
Xin Gang Guo Ji Cheng	Residential	242,540	10%		
- Phase 1				35%	TBC
- Other Phases				To launch	TBC
Gaobeidian	Mixed	1,234,006	27.5%	To launch	TBC
Cambodia					
The Bridge	Mixed	150,399	50%		2018E
- Residential units	Residential			96%	
- SOHO units	SOHO			74%	
- Retail units	Retail			65%	
The Peak	Mixed	208,750	79%		2020E
- Phase 1	Residential			51%	
- Phase 2	Residential			11%	
- Phase 2	Office			8%	
- Hotel	Hotel			To launch	
- Retail	Retail			To launch	
The Garage	Mixed	8,921[1]	79%	To launch	TBC
Mekong Riverside	Residential	37,689[1]	79%	To launch	TBC
Indonesia					
Oxley Convention City	Mixed	189,116	50%	45%	TBC
Myanmar					
Min Residences	Project mgmt	12,889[1]	100%	-	TBC

Source: Company

OHL has a number of development projects in the pipeline. Royal Wharf will likely be the biggest contributor to 2017's results with strong pre-sales. At Dublin Landings, OHL will be leasing 7,700 sqm of space to the National Treasury Management Agency. In 2018, The Bridge in Cambodia which has sold well may contribute to results. Upcoming launches in 2017 include Oxley Towers KLCC, Section 16, Beverly, The Garage, Mekong Riverside and Min Residences.

[1] Land Area

Figure 3: Investment properties / Hospitality portfolio

Property / Hotel	Type	GFA (sqm)	% Stake	Commencement
Singapore				
Novotel Singapore / Ibis Singapore	Hospitality	29,564	100%	2017E
Space @ Tampines	Warehouse	65,893	70%	2015
Cambodia				
Shangri-La Hotel	Hospitality	N.A.[2]	79%	2020E
Malaysia				
Jumeirah Kuala Lumpur Hotel	Hospitality	N.A.[3]	100%	TBC
SO Sofitel Kuala Lumpur Hotel	Hospitality	N.A.[3]	100%	TBC
Japan				
SOHO Akasaka	Residential	651	100%	2015

Source: Company

Currently, the only investment properties are Space @ Tampines and SOHO Akasaka. The investment portfolio will expand when Novotel Singapore / Ibis Singapore commence operations, which is expected in 2017. Meanwhile, OHL is planning another two hotels in Malaysia.

Other investments

Galliard Group Ltd ("Galliard"): OHL purchased a 20% stake in Galliard for GBP50mn (SGD105.5mn) in 24 Jul 2015. Galliard is a leading UK property developer and the second largest developer in London by unit construction. Galliard has over 7,000 residential units and hotel suites in its portfolio, with 650,000 sqf of commercial floor space in London and Southern England. The unbilled contract value is more than GBP1bn as at 31 Oct 2016. The investment in Galliard allows OHL to tap its expertise in construction, property development and network in the UK. In FY2016, Galliard contributed SGD24.9mn in profits to OHL.

Pindan Group Pty Ltd ("Pindan"): On 6 Dec 2016, OHL announced an AUD32mn acquisition of a 40% stake in Pindan. Pindan is an Australia integrated property group with over AUD500mn in revenue and AUD1bn of work on hand. Headquartered in Western Australia, Pindan has expanded into New South Wales and Queensland. Pindan is one of the top 20 largest commercial construction companies in Australia, and the acquisition is expected to facilitate OHL's expansion into the Australian market.

Recent developments

International Healthway Corp Ltd ("IHC"): On 10 Feb 2017, OHL entered into a non-binding term sheet to provide IHC up to SGD50mn in convertible loans while the interest accrues at 6% p.a if the loan is not converted. This is because OHL finds value in IHC's healthcare facilities and services in China, Malaysia, Japan and Australia, and hopes to include medical property in its development portfolio. However, OHL will no longer proceed with the grant of the loan facility as OUE Ltd has made a mandatory unconditional cash offer for IHC.

II) Ownership and Management

Figure 4: Major shareholders as at 15/02/17

Investor	Shares	Stake
Chiat Kwong Ching	1,259,832,610	43.06%
See Ching Low	845,337,191	28.90%
Wee Sien Tee	355,983,464	12.17%

Source: Bloomberg, Company

[2] Will be part of the 208,750 sqm GFA development project at The Peak.
[3] Will be part of the 175,979 sqm GFA development project at Oxley Towers KLCC.

Mr Ching Chiat Kwong is the Executive Chairman and CEO of OHL. Mr Ching has nearly 20 years of experience in the property industry. Mr Ching is responsible for the formulation of corporate strategies and the future direction of OHL. Prior to OHL, Mr Ching has developed 13 residential property projects in Singapore. Mr Ching is also a Non-Executive Director of Artivision Technologies Ltd and NewSat Ltd. Mr Ching graduated with a Bachelor of Arts degree and a Bachelor of Social Sciences (Hons) degree from the National University of Singapore in 1989 and 1990 respectively. Mr Ching is also known as the 'Shoebox King' in Singapore.

Mr Low See Ching is the deputy CEO and Executive Director of OHL. Mr Low's responsibilities include supporting the CEO and business development. Between 2005 and 2009, Mr Low invested in and developed 5 property development projects in Singapore. Mr Low is also a Non-Executive Director of Hafary Holdings Ltd, where he held the position of CEO before relinquishing the role in Dec 2013. Mr Low graduated with a Bachelor of Accountancy degree from the National Technology University in 1999.

Mr Tee Wee Sien appears to be a passive shareholder, who joined Mr Ching and Mr Low in developing properties in mid-2009.

III) Company Overview & Analysis

- **Solid 2QFY2017 results with a good track record since IPO:** OHL reported its 2QFY2017 results for the quarter ending 31 December 2016. Revenue surged 241% y/y to SGD605.7mn due to the completion of Oxley Tower, handover of certain plots at Royal Wharf (which has seen strong sales) and recognition of revenue from Singapore residential projects. As a result, profits increased 104% y/y to SGD160.3mn, expanding the net assets of OHL to SGD1.1bn. Coupled with a strong operating cash inflow of SGD273.6mn, net gearing fell to 1.8x (1QFY2017: 2.1x). Notable pre-sales in 2QFY2017 include units at The Flow, Floraville / Floraview, The Rise@Oxley – Residences and Phase 3 of Royal Wharf. While OHL was only listed in Oct 2010, we find its performance thus far impressive as net assets before minority interest grew nearly 6 times from SGD131.5mn in end FY2011 to SGD908.4mn in 2QFY2017, though this was contributed somewhat from an equity rights issue which raised SGD45.4mn in FY2013 (268,020,000 rights shares were issued at SGD0.17 per share).

- **Revenue and cashflow visibility with Royal Wharf to contribute significantly:** Without including the amounts due to associate companies, the unbilled contract value[4] stands at SGD2.6bn in 2HFY2017 (Singapore: SGD0.5bn, Overseas: SGD2.1bn), with 3.0bn unrecognised revenues from the sold units. Royal Wharf is expected to contribute significantly, with an unbilled contract value of SGD1.54bn as at 30 Sep 2016 while we expect SGD800mn to be billed by 3QCY2017 (or 1QFY2018), based on the estimated completion date of Phase 1A and Phase 1B of Royal Wharf. Royal Wharf is a 363,000 sqm waterfront township development by River Thames. We understand from management that buyers typically pay 20% as a downpayment and the remainder upon handing over the keys. Post-Brexit, we are not overly worried about contract cancellation as London residential prices continue to hold firm. Management targets SGD1.5bn presales in 2017, which is an increase from the SGD1.1bn presales made in 2016.

- **Nimbly rechanneling resources to overseas projects:** Since 2013, OHL has been reducing its pipeline of projects in Singapore while channelling resources to overseas projects which deliver higher margins. OHL is no longer winning land bids in Singapore as land prices have not reduced in proportion with selling prices while OHL sees risks in the Singapore market. OHL has abandoned its plans to spin off Oxley International Holdings Pte Ltd, as this would force the Singapore-focused entity to target Singapore when resources could be better deployed overseas. In addition to the overseas markets that OHL is already in, we expect an

[4] For projects that are sold but not billed. This amount does not include the deposits paid by customers. However, this is subject to cancellation of contracts and excludes projects for which contract value had been fully accounted.

entry into Australia after investing into Pindan. Going forward, OHL signalled that its key markets in SE Asia would be Vietnam, Cambodia and Malaysia.

- **Building a portfolio of investment and hospitality properties:** Thus far, rental income is derived mainly from Space @ Tampines (an industrial building), which was awarded to OHL in a tender in Sep 2012. In Apr 2015, OHL master leased the 2nd-3rd floors of the three-storey block and 2nd-7th floors of the seven-storey block to LHN Space Resources Pte Ltd for 7 years. The occupancy was 94% as of Sep 2016. Meanwhile, Soho Akasaka (an apartment block in Tokyo) was 95.78% leased out. In 2017, 2 hotels (Ibis Singapore and Novotel Singapore) will join the investment portfolio when they commence operations. We expect more properties to join the pipeline with plans to develop Jumeirah Kuala Lumpur Hotel, So Sofitel Kuala Lumpur Hotel and Shangri-La Hotel, Phnom Penh.

- **Planning to go asset-light:** According to OHL, the latest land purchase for development was in 2014. Moving forward, it aims to transform into an asset-light developer by acquiring land (without upfront cash payment) from landowners to form joint venture partnership where landowners contribute their land and OHL contributes its development expertise. This reduces the upfront cash cost by OHL while aligning the timing of the development expense better with the cash collection. For example, for its projects in Dublin, the government contributed the land and received 20% stake in the development in return while the local partner in Cambodia received 50% stake for The Bridge and 21% stake in The Peak for contributing the land. JV partnerships were also formed in Indonesia (Oxley Convention City), Myanmar (Min Residences) and Penang and Selangor. Moving forward, OHL has signalled intentions to develop a fund platform to reduce the cash requirements from OHL while diversifying its funding source. OHL also intends to target projects with a short construction / sale cycle which will shorten the payback period.

- **Strategic investments into Galliard and Pindan to access the UK and AU market:** OHL acquired a 20% interest in Galliard to leverage its property development expertise and network in England. Post-Brexit, OHL continues to believe in the London property market and may retain part of the cash proceeds from Royal Wharf for reinvestment into the UK market. OHL is positive on Galliard as an associate with the unbilled contract value at GBP1bn as at 31 Oct 2016. With the acquisition of a 40% stake in Pindan, OHL expects to leverage off Pindan's local expertise and delivery record to access Australia's property market. We understand from management that it has not entered the Australia property market earlier as it took time to select a local partner with demonstrated capabilities. In addition, OHL found that the default risks are typically lower for Pindan as its buyers are typically local buyers (compared to foreign buyers which may be more difficult to seek recourse against).

IV) Financial Analysis

- **A deleveraging story:** Previously bloated with debt as net debt/equity hovered around 4.0x in FY2014, net gearing has since improved tremendously with strong profitability increasing the equity base while strong cashflows since FY2016 contained the net debt position. OHL management guides for a 1.0x net gearing target, and we think this is achievable when OHL books its pre-sales revenues (and hence profit). We understand that OHL has engaged Moody's and looks to publish its credit rating when its financial position improves further. As a display of commitment to pay down debt, dividend was reduced to SGD0.5 cts a share[5] (from SGD0.75 cts a share) to manage the cashflow for bond repayment. We also note that Oxley has held on to SGD462mn in cash, which will help manage the looming maturities.

- **Strong cashflow generation:** In the next few quarters, we expect OHL to recognize significant profits in 3QFY2017 from The Flow (73% sold) while the Royal Wharf may contribute significantly to 3Q-4QFY2017 results. Over the next 12 months, the cumulative

[5] 2.1% trailing 12 month dividend yield based on SGD0.55 cts share price

unbilled contract value stands at SGD1.05bn. We expect a significant proportion of the cash proceeds from the unbilled contracts to fund the near-term debt maturities of SGD929mn. Despite the elevated debt profile currently, we are not concerned as EBITDA/Total Interest is manageable at 3.7x as of 1HFY2017 due to strong earnings.

- **Diversified portfolio partly mitigates FX mismatch on the balance sheet:** With an increasing portfolio of overseas projects, OHL faces FX mismatch as we believe that majority of the debt remains denominated in SGD. For example, OHL mentioned that only a small portion of the construction cost for Royal Wharf is funded by loans taken in the UK while the majority is equity-funded from the OHL group level. We believe that most of the SGD25mn translational FX losses incurred in 4QFY2016 (Apr-Jun 2016) was due to Brexit. Nevertheless, the FX exposure is mitigated by diversification in various countries.

- **Decent access to liquidity:** OHL successfully tapped the Singapore retail bond market via two issuances – SGD300mn in Oct 2015 and SGD150mn in May 2016. With the most recent redemption of SGD150mn in Dec 2016, we think investors have gained confidence in OHL's credit – we note more than 6 points rally in the '19s and '20s since December 2016. Meanwhile, the SGD462mn cash on the balance sheet remains ample for working capital needs while we expect very significant cash inflows in the coming quarters as several projects come to completion.

V) Technical Considerations

Positives

- Bonds accessible by retail
- Change of shareholding event when Mr Ching and Mr Low and their respective immediate family members cease to own at least 35% of OHL
- Good yield for short-dated papers
- Limited new SGD issuances

Negatives

- Lack of credit rating
- Relatively short track record
- Strong price rally

Relative Value

Issue	Maturity	Ask Price	Ask YTW	Bond Rating	Net debt/equity
OHLSP 5 '19	05/11/2019	98.3	5.69	NR/NR/NR	1.77x
OHLSP 5.15 '20	18/05/2020	101.13	4.77	NR/NR/NR	1.77x
ASPSP 5.3 '20	01/04/2020	97.1	6.34	NR/NR/NR	3.34x
ASPSP 5.25 '20	28/8/2020	97	6.21	NR/NR/NR	3.34x
PREHSP 4.9 '19	18/03/2019	102.35	3.71	NR/NR/NR	0.66x
PREHSP 4.55 '20	29/04/2020	99.31	4.78	NR/NR/NR	0.66x
GUOLSP 4.2 '20	05/02/2020	102.45	3.32	NR/NR/NR	0.96x

*Indicative spreads based on offer prices from Bloomberg on 20/02/17

We think that ASPSP is the closest comparable in the SGD bond universe, as both OHLSP and ASPSP sport highly geared balance sheets, have significant exposures to overseas projects and have made good pre-sales for their key projects (OHLSP: Royal Wharf, ASPSP: Australia 108 and Avant). Nevertheless, we prefer OHLSP '19s over both ASPSP '20s in spite trading 52bps-65bps lower as we consider the significant difference between the gearing profiles. We are comfortable with OHLSP's near-term liquidity with its cash on hand and expected receipt of cash from key projects which will be completed this year. On the other hand, ASPSP depends on refinancing for its SGD503.9mn debt maturing over the near term while its key projects would only begin to deliver from 2018. We prefer OHLSP ‘19s over OHLSP ‘20s with 92bps higher yield for a shorter maturity.

Acknowledging the significant disparity between the credit profiles between OHL (Net gearing: 1.77x) and PREHSP (Net gearing: 0.66x), we think this is sufficiently compensated by OHLSP ’19s offering 198bps over PREHSP’19s. However, we prefer PREHSP ‘20s with its stronger credit profile over OHLSP ‘20s as both trade at a similar yield.

We also compare to GUOLSP ‘20s with a net gearing of 0.96x as we note that OHL has a target net gearing of 1.0x. While GUOLSP is not a close comparable, we think the trading yield of GUOLSP ‘20s (under 4%) may provide a range where OHLSP ‘20s could trade at, if its credit profile improves substantially.

VI) Conclusion & Recommendation

OHL has demonstrated a good track record since its listing in 2010 with solid profitability and strong sales execution. In particular, we like the deleveraging trend with management still looking to lower the net gearing further to 1x. Looking ahead, we find strong cashflow visibility, especially from the completion of the first phases of Royal Wharf which we estimate will bring in SGD800mn of cashflows. **We initiate coverage on OHL with a Neutral Issuer Profile.**

Due to the strong run-up in the bond market with limited new SGD issuances, we think investors may continue to seek demand for short-dated high yield papers. Despite c.6 points rally since the trough, we still think OHLSP ‘19s look interesting offering 5.7% yield with the price at 98.3 (clean price) trading lower than par. In the near-term, we do not anticipate supply risks as OHL continues to deleverage. If the credit profile continues to improve, we see significant room for the paper to trade tighter. **As such, we initiate OHLSP ‘19s with an Overweight Recommendation. We are Neutral on OHLSP ‘20s** as OHLSP ‘19s provide more value trading 92bps wider for a shorter maturity.

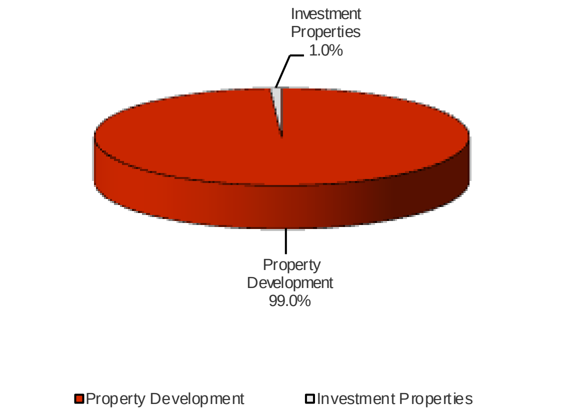
Oxley Holdings Limited

Table 1: Summary Financials

Year Ended 30th Jun	FY2015	FY2016	1H2017
Income Statement (SGD'mn)			
Revenue	701.8	981.4	732.2
EBITDA	174.2	252.0	223.7
EBIT	173.7	251.5	223.5
Gross interest expense	72.5	131.9	61.1
Profit Before Tax	172.5	363.4	180.0
Net profit	78.7	206.0	129.7
Balance Sheet (SGD'mn)			
Cash and bank deposits	344.0	551.3	462.4
Total assets	4,143.7	4,732.5	4,457.2
Gross debt	2,406.0	2,633.4	2,376.6
Net debt	2,062.1	2,082.2	1,914.2
Shareholders' equity	790.4	965.2	1,082.4
Total capitalization	3,196.4	3,598.6	3,459.0
Net capitalization	2,852.4	3,047.4	2,996.6
Cash Flow (SGD'mn)			
Funds from operations (FFO)	79.2	206.5	130.0
* CFO	-10.1	328.6	419.6
Capex	19.6	33.0	65.1
Acquisitions	46.7	136.8	33.6
Disposals	0.0	29.1	3.2
Dividend	6.9	80.3	22.0
Free Cash Flow (FCF)	-29.7	295.6	354.5
* FCF Adjusted	-83.3	107.5	302.1
Key Ratios			
EBITDA margin (%)	24.8	25.7	30.6
Net margin (%)	11.2	21.0	17.7
Gross debt to EBITDA (x)	13.8	10.4	5.3
Net debt to EBITDA (x)	11.8	8.3	4.3
Gross Debt to Equity (x)	3.04	2.73	2.20
Net Debt to Equity (x)	2.61	2.16	1.77
Gross debt/total capitalisation (%)	75.3	73.2	68.7
Net debt/net capitalisation (%)	72.3	68.3	63.9
Cash/current borrowings (x)	0.4	0.4	0.5
EBITDA/Total Interest (x)	2.4	1.9	3.7

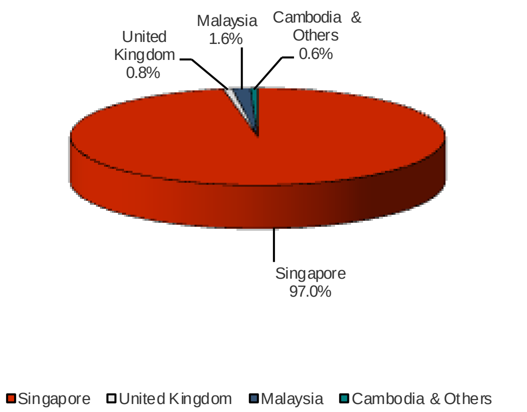
Source: Company, OCBC estimates

Figure 1: Revenue breakdown by Segment - FY2016



Source: Company

Figure 2: Asset breakdown by Geography - FY2016



Source: Company, OCBC estimates

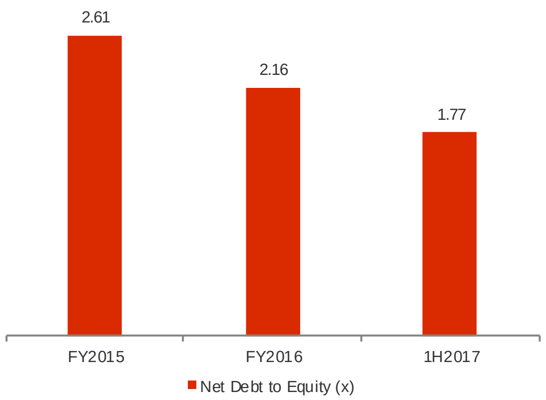
**FCF Adjusted = FCF - Acquisitions - Dividends + Disposals | *CFO after deducting interest expense*

Figure 3: Debt Maturity Profile

Amounts in (SGD'mn)	As at 31/12/2016	% of debt
Amount repayable in one year or less, or on demand		
Secured	658.5	27.7%
Unsecured	270.2	11.4%
	928.8	**39.1%**
Amount repayable after a year		
Secured	1005.0	42.3%
Unsecured	442.8	18.6%
	1447.8	**60.9%**
Total	**2376.6**	**100.0%**

Source: Company

Figure 4: Net Debt to Equity (x)



Source: Company, OCBC estimates