

Singapore Exchange Ltd (SGX SP) Platform play

Resilient platform poised to deliver amidst volatility

SGX's 1H21 PAT came ahead of Street/MKE expectations supported by contributions from recent acquisitions and stronger cash equities volumes. Derivatives saw limited disruption from the departure of key contracts pointing to the resilience of its multi-asset platform. Higher contract pricing, strong equity market velocity and new product launches should continue to support earnings momentum and keep dividend visibility high, in our view. We raise our TP to SGD11.48 from SGD10.77. Maintain BUY.

Acquisitions delivering

The integration of BidFX and Scientific Beta contributed 6% of revenues in 1H21. Strengthening demand for fixed income listings together with new product launches - especially in the ESG space - should continue to drive growth going forward, we believe. Management claims they are willing to leverage SGX's balance sheet (current debt-to-equity 9.6%) for further accretive acquisitions. This should be a positive catalyst, given their track record so far.

Tailwind from cash equities, derivatives

Derivative volumes increased 4% YoY despite the exit of key MSCI contracts. The newly introduced FTSE contracts seem to be gaining traction. SGX's ability to retain liquidity here is a strong indicator of the successful execution of its multi-asset platform. While derivative fees fell 5% YoY on the back of introductory pricing for the new FTSE contracts, we expect this to normalise in 2H21. Separately, cash equity ADV increased 19% YoY and velocity rose to 49% (c. 34%). Clearing fees increased 2.5% YoY driven by a larger retail mix, we believe. Liquidity support by central banks and the COVID-19 recovery theme could continue to support this momentum, in our view. We have raised our FY21 ADV forecasts to SGD1.3bn (from SGD1.0bn).

Raise TP to SGD11.48. Maintain BUY

Our changes to equity and derivative volumes and fee expectations have raised FY21-23E PAT by 1-7%. We refresh our blended multi-stage DCF (WACC 7.2%, 1% terminal growth) and peer PE (upgraded to 29x target) price to SGD11.48. At this target price, SGX should trade at 25x FY21 PE. In past growth cycles, it has traded up to 26-27x PE. Maintain BUY.

FYE Jun (SGD m)	FY19A	FY20A	FY21E	FY22E	FY23E
Revenue	910	1,053	1,106	1,127	1,197
EBITDA	524	656	603	629	654
Core net profit	391	472	484	495	514
Core FDEPS (cts)	36.4	43.9	45.0	46.0	47.8
Core FDEPS growth(%)	7.7	20.5	2.5	2.3	3.9
Net DPS (cts)	30.0	30.5	32.1	33.3	34.6
Core FD P/E (x)	21.7	19.0	22.4	21.9	21.1
P/BV (x)	7.8	7.2	8.3	7.5	6.8
Net dividend yield (%)	3.8	3.7	3.2	3.3	3.4
ROAE (%)	35.8	40.4	38.0	36.1	34.0
ROAA (%)	18.4	19.6	17.4	16.5	15.7
EV/EBITDA (x)	15.3	13.0	17.1	16.2	15.4
Net gearing (%) (incl perps)	net cash				
Consensus net profit	-	-	449	455	483
MKE vs. Consensus (%)	-	-	7.7	8.6	6.3

Thilan Wickramasinghe thilanw@maybank-ke.com.sg (65) 6231 5840

BUY

Share Price SGD 10.09

12m Price Target SGD 11.48 (+14%)

Previous Price Target SGD 10.77

Company Description

Singapore Exchange Ltd. is operates Singapore's securities trading venue

Statistics

52w high/low (SGD)	10.39/8.00
3m avg turnover (USDm)	24.5
Free float (%)	74.2
Issued shares (m)	1,072
Market capitalisation	SGD10.8B
	USD8.1B

Major shareholders:

Temasek Holdings Pte Ltd. (Investment Co	23.3%
BlackRock Fund Advisors	2.1%
The Vanguard Group, Inc.	2.1%

Price Performance



	-1M	-3M	-12M
Absolute (%)	10	12	15
Relative to index (%)	4	(5)	25

-SGX / Straits Times Index - (RHS, %)

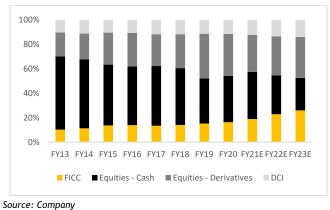
Source: FactSet

Maybank Kim Eng

Value Proposition

- SGX operates Singapore's only securities exchange and a regional derivatives exchange. It also provides support services and trading infrastructure.
- While its beginnings are rooted as a cash-equities exchange, the group is diversifying away to become a multi-asset, risk management trading venue.
- It has built deep liquidity pools and sizable market share in key risk management derivative products, which gives it a competitive advantage over regional exchanges.
- SGX's traditional cash-equities business is ex-growth and losing market share to regional exchanges - particularly North Asia. But this segment enjoys high operating leverage, which provides better dividend visibility

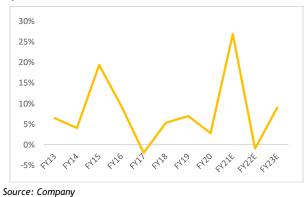
SGX's revenue mix shifting towards derivatives



Financial Metrics

- Equity derivative volume increased at 5% CAGR in the past 5 years. We expect the pace to increase to 11% CAGR FY21-23E, supported by higher regional risk management demand.
- Cash-equity market velocity reached 37% amid COVID-19 liquidity in FY20. We expect this to increase to 40% given central bank driven liquidity and COVID-19 recovery
- Although opex was contained at +3% YoY in FY20, we expect this to accelerate by 26% YoY in FY21E as tech spending and staff costs normalise

Opex set to accelerate in FY21E



Price Drivers



Source: Company, Maybank Kim Eng

- SGX announces proposals for dual-class listings and broader single stock futures introduction
- 2. Rising concerns over the potential loss of India derivative contract licensing due to on-shoring
- 3. Rising commodity prices particularly iron ore driving expectations of higher FICC income
- Strong delivery of 1Q20 PAT underpinned by rising derivative income
- 5. Loss of MSCI licensing partnership to HKEX

Swing Factors

Upside

- A sooner-than-expected COVID-19 macro recovery may drive higher market volumes and liquidity.
- Value-accretive M&A that may complement existing business segments.
- New licensing agreements for derivative products or unique in-house index products can drive volume upside

Downside

- Disruption to SGX technology infrastructure leading to halts in trading can have a material impact on earnings as well as market confidence.
- Cancellation or losses of derivative licensing agreements can have a material volume and fee impact.
- Advent of disruptive FinTechs and off-exchange trading solutions

thilanw@maybank-ke.com.sg





1H21 Results Review

Fig 1: 1H21 Results Review

	1H21	1H20	YoY (%)	2H20	HoH (%)	Comments
FICC	99	85	17	87	15	Consolidation of BidFX and strong commodity futures volumes
						Stronger cash equities velocity, tempered by lower fees for
Equities	351	341	3	418	(16)	introductory derivative contracts
Data, Connectivity and						
Indices	71	52	35	69	2	Integration of Scientific Beta
Total Operating Revenue	521	478	9	574	(9)	
Staff Costs	(110)	(100)	10	(115)	(5)	Increased headcount from integrating BidFX and Scientific Beta
Technology	(34)	(33)	4	(36)	(6)	System maintenance
5 ,	` ,	` ,		` ,	` '	Reset of royalties with MSCI. This is largely passed through to
Processing & Royalties	(30)	(25)	22	(29)	5	clients
Others	(25)	(23)	7	(36)	(31)	
Operating Expenses	(199)	(181)	10	(216)	(8)	
EBITDA	322	298	8	358	(10)	
EBIT	273	254	7	312	(13)	
Non-operating					,	
gains/losses	16	6	141	(0)	>100	Gains for revaluing the initial SGX investment
PBT	288	261	10	312	(8)	
Taxes	(48)	(46)	3	(53)	(10)	
PAT attributable to	` ,	, ,		` ,	, ,	
shareholders	240	213	12	258	(7)	54% of Street, 53% of MKE full year FY21 expectations

Source: Company data, Maybank Kim Eng

Key Assumption Changes

Fig 2: Key Assumption Changes

		FY21E			FY22E		I	FY23E	
	Old	New	% Change	Old	New	% Change	Old	New	% Change
FICC	196	210	7%	236	258	9 %	280	311	11%
Equities	672	760	13%	707	719	2%	729	720	-1%
Data, Connectivity and Indices	137	137	0%	151	151	0%	166	166	0%
Total Operating Revenue	1,004	1,106	10%	1,094	1,127	3%	1,174	1,197	2%
Staff Costs	(224)	(243)	9%	(248)	(264)	6%	(271)	(287)	6%
Technology	(72)	(76)	5%	(78)	(82)	5%	(86)	(88)	2%
Processing & Royalties	(73)	(121)	67%	(98)	(86)	-12%	(112)	(99)	-11%
Others	(61)	(64)	4%	(64)	(67)	4%	(67)	(70)	4%
Operating Expenses	(430)	(504)	17%	(489)	(499)	2%	(536)	(544)	1%
EBITDA	574	603	5%	605	629	4%	638	654	2%
EBIT	541	570	5%	571	591	4%	603	613	2%
Non-operating gains/losses	6	14	139%	8	7	-6%	9	8	-7%
PBT	547	585	7%	578	598	3%	612	621	1%
Taxes	(95)	(101)	7 %	(100)	(104)	3%	(106)	(108)	1%
PAT attributable to shareholders	452	483	7%	478	494	3%	506	513	1%

Source: Maybank Kim Eng

January 24, 2021

Valuation

Multi-stage DCF. WACC of 7.2%, 1% Terminal

Fig 3: Multi-stage DCF

	FY21E	FY22E	FY23E	FY24E	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E	Term
Profit before Tax	585	598	622	630	667	560	591	619	649	662	695	722	750	772	795	
PBT growth YoY (%)	2%	2%	4%	1%	6%	-16%	6%	5%	5%	2%	5%	4%	4%	3%	3%	
Operating Cashflow	518	542	566	571	609	643	680	712	746	761	798	830	862	888	914	
Changes to working																
capital	3	1	3	2	4	4	4	4	4	4	4	4	4	4	4	
Capex	(58)	(55)	(55)	(55)	(40)	(40)	(40)	(40)	(40)	(20)	(20)	(20)	(20)	(20)	(20)	
Free cash flow to firm	463	488	514	519	573	607	644	676	710	745	782	814	846	872	898	14,372
Mid-cycle growth	-20%	5%	5%	1%	10%	6%	6%	5%	5%	5%	5%	4%	4%	3%	3%	1%
PV	463	455	447	421	433	428	423	414	405	397	389	377	365	351	337	5,032
Enterprise value Net debt (excluding	11,137															
cash in clearning funds)	(382)															
Fair value Weighted avg. shares	11,520															
outstanding Fair value per share	1,070															
(SGD)	10.76															

Source: Maybank Kim Eng

Peer valuation

Fig 4: Peer valuation

Stock	Ticker	Price	12-mnth PE
		(LCY)	(x)
ASX	ASX AU	71.61	29.4
TMX	X CN	125.09	21.2
Deutsche Boerse	DB1 GY	132.40	20.7
HKEX	388 HK	510.50	57.2
Bursa Malaysia	BURSA MK	8.73	19.6
Euronext	ENX FP	90.80	18.9
LSE	LSE LN	90.84	43.3
Nasdaq	NDAQ US	141.40	23.5
CME	CME US	186.20	27.7
Japan Exchange	8697 JT	2,672	29.9
Average			29.1
Peer Target PE	29.1		
EPS 2021E	0.45		
Target Price	13.16		

Source: Factset, Maybank Kim Eng

Blended Target Price

Fig 5: Blended TP

Blended Target Price	SGD	Weighting
Mulit-stage DCF (WACC 8.0%, 1% terminal)	10.76	70%
Peer basket driven TP (29x PE target)	13.16	30%
Blended TP	11.48	
Upside/Downside (%)	14%	
PE at TP (2021E)	25.4	
PB at TP (2021E)	9.4	

Source: Maybank Kim Eng



Key Assumptions

Fig 6: Key Assumptions

	FY18	FY19	FY20	FY21E	FY22E	FY23E
FICC						
Fixed income						
Revenue from Bond Listing	5%	-11%	2%	48%	25%	25%
Corporate Actions & Other Revenues	0%	-3%	0%	-2%	8%	8%
Currencies & Commodities (Derivatives)						
Trading & clearing	8%	7 %	27%	30%	23%	20%
Treasury and Other	24%	62%	22%	2%	23%	20%
Contract Volumes YoY (%)	24%	32%	24%	25%	22%	19%
Equities						
Equities (Cash)						
Listing						
Total listing	18	16	13	20	20	20
Total delistings	25	24	39	29	31	31
Total revenue from listing YoY (%)	5%	-11%	-4%	4%	-4%	-4%
Corporate Actions & others revenue YoY (%)	0%	-1%	-6%	1%	-4%	-4%
Trading & clearing						
Average daily value ADV (SGDm)	1,256	1,042	1,318	1,340	1,140	1,009
Average market velocity (ADV/Avg. Mkt Cap)	31%	26%	37%	40%	32%	28%
Settlement & depository management YoY (%)	-14%	-14%	30%	6%	-25%	-13%
Treasury & other revenue YoY (%)	4%	-6%	2%	1%	1%	1%
Equities (Derivatives)						
Trading and clearning revenues						
Equity Derivative Volumes YoY (%)	19%	19%	-3%	12%	9%	11%
Average fee per contract - YoY (%)	-10%	10%	6%	0%	0%	0%
Treasury, license & other YoY (%)						
Data, Connectivity & Indices						
Market data & indices YoY (%)	6%	2%	38%	20%	15%	15%
Connectivity YoY (%)	5%	6%	5%	5%	5%	5%
Operating Expense Assumptions						
Staff Costs	8%	9%	12%	13%	9%	9%
Technology YoY (%)	1%	3%	-13%	10%	8%	7%
Processing & royalties (% of derivatives)	20%	16%	17%	32%	20%	20%
Tax (%)	17%	17%	17%	17%	17%	17%
Total debt to equity	0%	0%	24%	31%	35%	38%
Payout ratio (%)	88%	82%	69%	71%	72 %	72%

Source: Company data, Maybank Kim Eng

FYE 30 Jun	FY19A	FY20A	FY21E	FY22E	FY23E
Key Metrics					
P/E (reported) (x)	20.2	19.8	22.3	21.8	21.0
Core P/E (x)	21.7	18.9	22.3	21.8	21.0
Core FD P/E (x)	21.7	19.0	22.4	21.9	21.1
P/BV (x)	7.8	7.2	8.3	7.5	6.8
P/NTA (x)	4.3	4.0	4.4	4.0	3.6
Net dividend yield (%)	3.8	3.7	3.2	3.3	3.4
FCF yield (%)	4.4	6.5	4.3	4.5	4.8
EV/EBITDA (x)	15.3	13.0	17.1	16.2	15.4
EV/EBIT (x)	17.4	15.1	18.1	17.3	16.5
INCOME STATEMENT (SGD m)					
Revenue	909.8	1,052.7	1,106.5	1,127.4	1,197.3
Gross profit	909.8	1,052.7	1,106.5	1,127.4	1,197.3
EBITDA	523.5	655.7	602.9	628.7	653.8
Depreciation	0.0	0.0	0.0	0.0	0.0
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	461.0	565.8	570.2	590.9	612.5
Net interest income /(exp)	13.5	7.5	17.3	9.8	11.4
Associates & JV	(1.5)	(2.3)	(2.3)	(2.3)	(2.3)
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	473.0	570.9	585.1	598.4	621.6
Income tax	(81.9)	(99.0)	(101.4)	(103.7)	(107.7)
Minorities	0.0	(0.2)	(0.2)	(0.2)	(0.2)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	391.1	471.8	483.5	494.5	513.7
Core net profit	391.1	471.8	483.5	494.5	513.7
BALANCE SHEET (SGD m)					
Cash & Short Term Investments	445.5	686.4	873.7	1,096.0	1,329.4
Accounts receivable	885.5	758.3	797.0	812.1	862.4
Inventory	0.0	0.0	0.0	0.0	0.0
Reinsurance assets	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	243.0	219.0	189.0	206.2	220.0
Intangible assets	142.9	437.5	437.5	437.5	437.5
Investment in Associates & JVs	79.1	72.0	72.0	72.0	72.0
Other assets	336.4	506.3	506.3	506.3	506.3
Total assets	2,132.3	2,679.5	2,875.5	3,130.0	3,427.6
ST interest bearing debt	0.0	304.1	404.1	504.1	604.1
Accounts payable	911.5	808.7	850.0	866.0	919.7
Insurance contract liabilities	0.0	0.0	0.0	0.0	0.0
LT interest bearing debt	0.0	0.0	0.0	0.0	0.0
Other liabilities	130.0	317.0	317.0	317.0	317.0
Total Liabilities	1,041.4	1,430.2	1,571.5	1,687.6	1,841.3
Shareholders Equity	1,090.8	1,244.8	1,299.6	1,438.0	1,581.8
Minority Interest	0.0	4.4	4.4	4.4	4.4
Total shareholder equity	1,090.8	1,249.3	1,304.0	1,442.5	1,586.3
Total liabilities and equity	2,132.3	2,679.5	2,875.5	3,130.0	3,427.6
CASH FLOW (SGD m)					
Pretax profit	473.0	570.9	585.1	598.4	621.6
Depreciation & amortisation	62.5	89.9	32.7	37.8	41.2
Adj net interest (income)/exp	0.0	0.0	0.0	0.0	0.0
Change in working capital	(37.8)	24.3	2.6	1.0	3.3
Cash taxes paid	0.0	0.0	0.0	0.0	0.0
Other operating cash flow	(76.1)	(72.5)	(99.5)	(94.2)	(97.2)
Cash flow from operations	421.6	612.7	520.9	543.0	569.0
Capex	(47.3)	(34.6)	(58.0)	(55.0)	(55.0)
Free cash flow	374.3	578.0	462.9	488.0	514.0
Dividends paid	(401.4)	(321.2)	(343.3)	(356.0)	(369.8)
Equity raised / (purchased)	0.0	0.0	0.0	0.0	0.0
Change in Debt	0.0	304.1	100.0	100.0	100.0
Other invest/financing cash flow	(76.9)	(320.0)	(32.3)	(9.7)	(10.7)
Effect of exch rate changes	0.0	0.0	0.0	0.0	0.0
	(104.1)	240.9	187.3	222.3	233.4



FYE 30 Jun	FY19A	FY20A	FY21E	FY22E	FY23E
Key Ratios					
Growth ratios (%)					
Revenue growth	7.7	15.7	5.1	1.9	6.2
EBITDA growth	8.3	25.2	(8.0)	4.3	4.0
EBIT growth	8.5	22.7	0.8	3.6	3.7
Pretax growth	8.1	20.7	2.5	2.3	3.9
Reported net profit growth	7.7	20.6	2.5	2.3	3.9
Core net profit growth	7.7	20.6	2.5	2.3	3.9
Profitability ratios (%)					
EBITDA margin	57.5	62.3	54.5	55.8	54.6
EBIT margin	50.7	53.7	51.5	52.4	51.2
Pretax profit margin	52.0	54.2	52.9	53.1	51.9
Payout ratio	82.1	69.2	71.0	72.0	72.0
DuPont analysis					
Net profit margin (%)	43.0	44.8	43.7	43.9	42.9
Revenue/Assets (x)	0.4	0.4	0.4	0.4	0.3
Assets/Equity (x)	2.0	2.2	2.2	2.2	2.2
ROAE (%)	35.8	40.4	38.0	36.1	34.0
ROAA (%)	18.4	19.6	17.4	16.5	15.7
Liquidity & Efficiency					
Cash conversion cycle	nm	nm	nm	nm	nm
Days receivable outstanding	338.8	281.1	253.0	256.9	251.8
Days inventory outstanding	nm	nm	nm	nm	nm
Days payables outstanding	nm	nm	nm	nm	nm
Dividend cover (x)	1.2	1.4	1.4	1.4	1.4
Current ratio (x)	1.6	1.4	1.4	1.4	1.5
Leverage & Expense Analysis					
Asset/Liability (x)	2.0	1.9	1.8	1.9	1.9
Net gearing (%) (incl perps)	net cash				
Net gearing (%) (excl. perps)	net cash				
Net interest cover (x)	na	na	na	na	na
Debt/EBITDA (x)	0.0	0.5	0.7	0.8	0.9
Capex/revenue (%)	5.2	3.3	5.2	4.9	4.6
Net debt/ (net cash)	(445.5)	(382.4)	(469.6)	(591.9)	(725.3)

Source: Company; Maybank



Research Offices

ECONOMICS

Suhaimi ILIAS Chief Economist Malaysia | Philippines | Global (603) 2297 8682 suhaimi_ilias@maybank-ib.com

CHUA Hak Bin

Regional Thematic Macroeconomist (65) 6231 5830 chuahb@maybank-ke.com.sg

LEE Ju Ye

Singapore | Thailand | Indonesia (65) 6231 5844 leejuye@maybank-ke.com.sg

Linda LIU

Singapore | Vietnam | Cambodia | Myanmar | Laos (65) 6231 5847 lindaliu@maybank-ke.com.sg

Dr Zamros DZULKAFLI (603) 2082 6818

zamros.d@maybank-ib.com

Ramesh LANKANATHAN (603) 2297 8685 ramesh@maybank-ib.com

William POH (603) 2297 8683 william.poh@maybank-ib.com

FΧ

Saktiandi SUPAAT Head of FX Research (65) 6320 1379 saktiandi@maybank.com.sg

Christopher WONG (65) 6320 1347 wongkl@maybank.com.sg

TAN Yanxi (65) 6320 1378

tanyx@maybank.com.sg

(65) 6320 1374 fionalim@maybank.com.sg

STRATEGY

Anand PATHMAKANTHAN

(603) 2297 8783 anand.pathmakanthan@maybank-ib.com

FIXED INCOME

Winson PHOON, ACA (65) 6812 8807 winsonphoon@maybank-ke.com.sg

SE THO Mun Yi munyi.st@maybank-ib.com

REGIONAL EQUITIES

Anand PATHMAKANTHAN Head of Regional Equity Research (603) 2297 8783

anand.pathmakanthan@maybank-ib.com

WONG Chew Hann, CA Head of ASEAN Equity Research (603) 2297 8686 wchewh@maybank-ib.com

ONG Seng Yeow

Research, Technology & Innovation (65) 6231 5839 ongsengyeow@maybank-ke.com.sg

MALAYSIA

Anand PATHMAKANTHAN Head of Research (603) 2297 8783 anand.pathmakanthan@maybank-ib.com

 Strategy Desmond CH'NG, BFP, FCA (603) 2297 8680

desmond.chng@maybank-ib.com
Banking & Finance

LIAW Thong Jung (603) 2297 8688 tjliaw@maybank-ib.com • Oil & Gas Services- Regional • Automotive

ONG Chee Ting, CA (603) 2297 8678 ct.ong@maybank-ib.com • Plantations - Regional

YIN Shao Yang, CPA (603) 2297 8916 samuel.y@maybank-ib.com • Gaming - Regional • Media • Aviation

TAN Chi Wei, CFA (603) 2297 8690 chiwei.t@maybank-ib.com • Power • Telcos

WONG Wei Sum, CFA (603) 2297 8679 weisum@maybank-ib.com

Property

LEE Yen Ling (603) 2297 8691 lee.yl@maybank-ib.com • Glove • Ports • Shipping • Healthcare

Petrochemicals

Kevin WONG (603) 2082 6824 kevin.wong@maybank-ib.com • REITs • Technology

Jade TAM (603) 2297 8687 jade.tam@maybank-ib.com Consumer Staples & Discretionary

Fahmi F∆RID

(603) 2297 8676 fahmi.farid@maybank-ib.com Software

TEE Sze Chiah Head of Retail Research (603) 2082 6858 szechiah.t@maybank-ib.com

Nik Ihsan RAJA ABDULLAH, MSTA, CFTe

(603) 2297 8694 nikmohdihsan.ra@maybank-ib.com

Chartist

(603) 2082 8769 amirah.azmi@maybank-ib.com Retail Research

SINGAPORE

Thilan WICKRAMASINGHE Head of Research (65) 6231 5840 thilanw@maybank-ke.com.sg • Banking & Finance - Regional

• Consumer

CHUA Su Tye (65) 6231 5842 chuasutye@maybank-ke.com.sg

• REITs - Regional

LAI Gene Lih, CFA (65) 6231 5832 laigenelih@maybank-ke.com.sg • Technology • Healthcare

Kareen CHAN (65) 6231 5926 kareenchan@maybank-ke.com.sg

Transport • Telcos

TAN Chin Poh Head of Retail Research (65) 6231 5928 chinpoh@maybank-ke.com.sg

Eric ONG

(65) 6231 5924 ericong@maybank-ke.com.sg
• Retail Research

Matthew SHIM

(65) 6231 5929 matthewshim@maybank-ke.com.sg

· Retail Research

INDIA

Jigar SHAH Head of Research (91) 22 4223 2632 jigars@maybank.com • Strategy • Oil & Gas • Automobile • Cement

Neerav DALAL (91) 22 4223 2606 neerav@maybank.com • Software Technology • Telcos

(91) 22 4223 2607

kshitiz@maybank.com
Banks

Vikram RAMALINGAM (91) 22 4223 2607

vikram@maybank.com
• Automobile • Media

INDONESIA

Isnaputra ISKANDAR Head of Research (62) 21 8066 8680 isnaputra.iskandar@maybank-ke.co.id

Strategy • Metals & Mining • Cement
 Autos • Consumer • Utility

Rahmi MARINA

(62) 21 8066 8689

rahmi.marina@maybank-ke.co.id

Banking & Finance

Aurellia SETIABUDI

(62) 21 8066 8691 aurellia.setiabudi@maybank-ke.co.id

· Property

Willy GOUTAMA (62) 21 8066 8500

willy.goutama@maybank-ke.co.id

PHILIPPINES

Jacqui De JESUS Head of Research (63) 2 8849 8844

jacquiannekelly.dejesus@maybank-atrke.com
• Strategy • Conglomerates

Romel LIBO-ON

(63) 2 8849 8844 romel_libo-on@maybank-atrke.com · Property

Fredrick De GUZMAN (63) 2 8849 8847 fredrickdaniel.deguzman@maybank.com

Bernadine B BAUTISTA (63) 2 8849 8847

bernadine.bautista@maybank.com
• Utilities

Rachelleen RODRIGUEZ (63) 2 8849 8843 rachelleen.rodriguez@maybank.com • Banking & Finance

THAILAND

Maria LAPIZ Head of Institutional Research Dir (66) 2257 0250 | (66) 2658 6300 ext 1399 Maria.L@maybank-ke.co.th

• Strategy • Consumer • Materials • Services

Jesada TECHAHUSDIN, CFA (66) 2658 6300 ext 1395

jesada.t@maybank-ke.co.th • Banking & Finance

Kaushal LADHA, CFA

(66) 2658 6300 ext 1392 Kaushal.l@maybank-ke.co.th • Oil & Gas - Regional

 Petrochemicals - Regional Utilities

Vanida GEISLER, CPA (66) 2658 6300 ext 1394 Vanida.G@maybank-ke.co.th

Yuwanee PROMMAPORN (66) 2658 6300 ext 1393 Yuwanee.P @maybank-ke.co.th • Services • Healthcare

Ekachai TARAPORNTIP Head of Retail Research

(66) 2658 5000 ext 1530 Ekachai.t@maybank-ke.co.th

Surachai PRAMUALCHAROENKIT (66) 2658 5000 ext 1470 Surachai.p@maybank-ke.co.th • Auto • Conmat • Contractor • Steel

Suttatip PEERASUB (66) 2658 5000 ext 1430 suttatip.p@maybank-ke.co.th

• Food & Beverage • Commerce

Jaroonpan WATTANAWONG (66) 2658 5000 ext 1404

jaroonpan.w@maybank-ke.co.th
• Transportation • Small cap Thanatphat SUKSRICHAVALIT

(66) 2658 5000 ext 1401 thanaphat.s@maybank-ke.co.th • Media • Electronics

Wiiit ARAYAPISIT

(66) 2658 5000 ext 1450 wijit.a@maybank-ke.co.th Strategist

Theerasate PROMPONG

(66) 2658 5000 ext 1400 theerasate.p@maybank-ke.co.th

· Equity Portfolio Strategist

Apiwat TAVESIRIVATE (66) 2658 5000 ext 1310

apiwat.t@maybank-ke.co.th
• Chartist and TFEX

VIETNAM

Quan Trong Thanh (84 28) 44 555 888 ext 8184

thanh.quan@maybank-kimeng.com.vn

Banks

Hoang Huy, CFA (84 28) 44 555 888 ext 8181 hoanghuy@maybank-kimeng.com.vn

 Strategy Le Nguyen Nhat Chuyen (84 28) 44 555 888 ext 8082

chuyen.le@maybank-kimeng.com.vn • Oil & Gas

Nguyen Thi Sony Tra Mi (84 28) 44 555 888 ext 8084 mi.nguyen@maybank-kimeng.com.vn
• Consumer

Tyler Manh Dung Nguyen (84 28) 44 555 888 ext 8180 dung.nguyen@maybank-kimeng.com.vn

Nguyen Thi Ngan Tuyen Head of Retail Research (84 28) 44 555 888 ext 8081 tuyen.nguyen@maybank-kimeng.com.vn • Food & Beverage • Oil & Gas • Banking

Nguyen Thanh Lam (84 28) 44 555 888 ext 8086

thanhlam.nguyen@maybank-kimeng.com.vn
• Technical Analysis

· Utilities · Property



APPENDIX I: TERMS FOR PROVISION OF REPORT, DISCLAIMERS AND DISCLOSURES

DISCLAIMERS

This research report is prepared for general circulation and for information purposes only and under no circumstances should it be considered or intended as an offer to sell or a solicitation of an offer to buy the securities referred to herein. Investors should note that values of such securities, if any, may fluctuate and that each security's price or value may rise or fall. Opinions or recommendations contained herein are in form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from the relevant jurisdiction's stock exchange in the equity analysis. Accordingly, investors' returns may be less than the original sum invested. Past performance is not necessarily a guide to future performance. This report is not intended to provide personal investment advice and does not take into account the specific investment objectives, the financial situation and the particular needs of persons who may receive or read this report. Investors should therefore seek financial, legal and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

The information contained herein has been obtained from sources believed to be reliable but such sources have not been independently verified by Maybank Investment Bank Berhad, its subsidiary and affiliates (collectively, "MKE") and consequently no representation is made as to the accuracy or completeness of this report by MKE and it should not be reliad upon as such. Accordingly, MKE and its officers, directors, associates, connected parties and/or employees (collectively, "Representatives") shall not be liable for any direct, indirect or consequential losses or damages that may arise from the use or reliance of this report. Any information, opinions or recommendations contained herein are subject to change at any time, without prior notice.

This report may contain forward looking statements which are often but not always identified by the use of words such as "anticipate", "believe", "estimate", "intend", "plan", "expect", "forecast", "predict" and "project" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. Such forward looking statements are based on assumptions made and information currently available to us and are subject to certain risks and uncertainties that could cause the actual results to differ materially from those expressed in any forward looking statements. Readers are cautioned not to place undue relevance on these forward-looking statements. MKE expressly disclaims any obligation to update or revise any such forward looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

MKE and its officers, directors and employees, including persons involved in the preparation or issuance of this report, may, to the extent permitted by law, from time to time participate or invest in financing transactions with the issuer(s) of the securities mentioned in this report, perform services for or solicit business from such issuers, and/or have a position or holding, or other material interest, or effect transactions, in such securities or options thereon, or other investments related thereto. In addition, it may make markets in the securities mentioned in the material presented in this report. One or more directors, officers and/or employees of MKE may be a director of the issuers of the securities mentioned in this report to the extent permitted by law.

This report is prepared for the use of MKE's clients and may not be reproduced, altered in any way, transmitted to, copied or distributed to any other party in whole or in part in any form or manner without the prior express written consent of MKE and MKE and its Representatives accepts no liability whatsoever for the actions of third parties in this respect.

This report is not directed to or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for distribution only under such circumstances as may be permitted by applicable law. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Without prejudice to the foregoing, the reader is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

Malaysia

Opinions or recommendations contained herein are in the form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from Bursa Malaysia Securities Berhad in the equity analysis.

Singapore

This report has been produced as of the date hereof and the information herein may be subject to change. Maybank Kim Eng Research Pte. Ltd. ("Maybank KERPL") in Singapore has no obligation to update such information for any recipient. For distribution in Singapore, recipients of this report are to contact Maybank KERPL in Singapore in respect of any matters arising from, or in connection with, this report. If the recipient of this report is not an accredited investor, expert investor or institutional investor (as defined under Section 4A of the Singapore Securities and Futures Act), Maybank KERPL shall be legally liable for the contents of this report, with such liability being limited to the extent (if any) as permitted by law.

Thailand

Except as specifically permitted, no part of this presentation may be reproduced or distributed in any manner without the prior written permission of Maybank Kim Eng Securities (Thailand) Public Company Limited. ("MBKET") accepts no liability whatsoever for the actions of third parties in this respect.

Due to different characteristics, objectives and strategies of institutional and retail investors, the research products of MBKET Institutional and Retail Research departments may differ in either recommendation or target price, or both. MBKET reserves the rights to disseminate MBKET Retail Research reports to institutional investors who have requested to receive it. If you are an authorised recipient, you hereby tacitly acknowledge that the research reports from MBKET Retail Research are first produced in Thai and there is a time lag in the release of the translated English version.

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey may be changed after that date. MBKET does not confirm nor certify the accuracy of such survey result.

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, MBKET does not confirm, verify, or certify the accuracy and completeness of the assessment result.

US

This third-party research report is distributed in the United States ("US") to Major US Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended) only by Maybank Kim Eng Securities USA Inc ("Maybank KESUSA"), a broker-dealer registered in the US (registered under Section 15 of the Securities Exchange Act of 1934, as amended). All responsibility for the distribution of this report by Maybank KESUSA in the US shall be borne by Maybank KESUSA. This report is not directed at you if MKE is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that Maybank KESUSA is permitted to provide research material concerning investments to you under relevant legislation and regulations. All U.S. persons receiving and/or accessing this report and wishing to effect transactions in any security mentioned within must do so with: Maybank Kim Eng Securities USA Inc. 400 Park Avenue, 11th Floor, New York, New York 10022, 1-(212) 688-8886 and not with, the issuer of this report.



UK

This document is being distributed by Maybank Kim Eng Securities (London) Ltd ("Maybank KESL") which is authorized and regulated, by the Financial Conduct Authority and is for Informational Purposes only. This document is not intended for distribution to anyone defined as a Retail Client under the Financial Services and Markets Act 2000 within the UK. Any inclusion of a third party link is for the recipients convenience only, and that the firm does not take any responsibility for its comments or accuracy, and that access to such links is at the individuals own risk. Nothing in this report should be considered as constituting legal, accounting or tax advice, and that for accurate guidance recipients should consult with their own independent tax advisers.

DISCLOSURES

Legal Entities Disclosures

Malaysia: This report is issued and distributed in Malaysia by Maybank Investment Bank Berhad (15938- H) which is a Participating Organization of Bursa Malaysia Berhad and a holder of Capital Markets and Services License issued by the Securities Commission in Malaysia. Singapore: This report is distributed in Singapore by Maybank KERPL (Co. Reg No 198700034E) which is regulated by the Monetary Authority of Singapore. Indonesia: PT Maybank Kim Eng Securities ("PTMKES") (Reg. No. KEP-251/PM/1992) is a member of the Indonesia Stock Exchange and is regulated by the Financial Services Authority (Indonesia). Thailand: MBKET (Reg. No.0107545000314) is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission. Philippines: Maybank ATRKES (Reg. No.01-2004-00019) is a member of the Philippines Stock Exchange and is regulated by the Securities and Exchange Commission. Vietnam: Maybank Kim Eng Securities Limited (License Number: 117/GP-UBCK) is licensed under the State Securities Commission of Vietnam. Hong Kong: KESHK (Central Entity No AAD284) is regulated by the Securities and Futures Commission. India: Kim Eng Securities India Private Limited ("KESI") is a participant of the National Stock Exchange of India Limited and the Bombay Stock Exchange and is regulated by Securities and Exchange Board of India ("SEBI") (Reg. No. INZ000010538). KESI is also registered with SEBI as Category 1 Merchant Banker (Reg. No. INM 000011708) and as Research Analyst (Reg No: INH000000057) US: Maybank KESUSA is a member of/ and is authorized and regulated by the Financial Conduct Authority.

Disclosure of Interest

Malaysia: MKE and its Representatives may from time to time have positions or be materially interested in the securities referred to herein and may further act as market maker or may have assumed an underwriting commitment or deal with such securities and may also perform or seek to perform investment banking services, advisory and other services for or relating to those companies.

Singapore: As of 24 January 2021, Maybank KERPL and the covering analyst do not have any interest in any companies recommended in this research report.

Thailand: MBKET may have a business relationship with or may possibly be an issuer of derivative warrants on the securities /companies mentioned in the research report. Therefore, Investors should exercise their own judgment before making any investment decisions. MBKET, its associates, directors, connected parties and/or employees may from time to time have interests and/or underwriting commitments in the securities mentioned in this report.

Hong Kong: As of 24 January 2021, KESHK and the authoring analyst do not have any interest in any companies recommended in this research report.

India: As of 24 January 2021, and at the end of the month immediately preceding the date of publication of the research report, KESI, authoring analyst or their associate / relative does not hold any financial interest or any actual or beneficial ownership in any shares or having any conflict of interest in the subject companies except as otherwise disclosed in the research report.

In the past twelve months KESI and authoring analyst or their associate did not receive any compensation or other benefits from the subject companies or third party in connection with the research report on any account what so ever except as otherwise disclosed in the research report.

MKE may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment and may receive compensation for the services provided from the companies covered in this report.

OTHERS

Analyst Certification of Independence

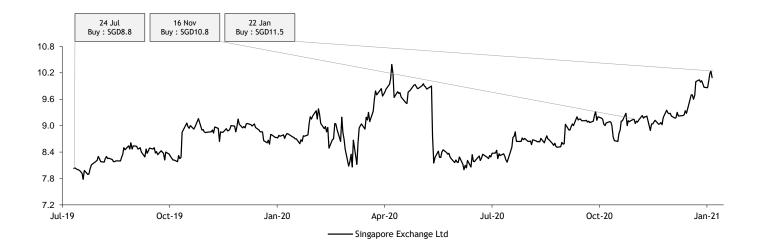
The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

Reminder

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct its own analysis of the product and consult with its own professional advisers as to the risks involved in making such a purchase.

No part of this material may be copied, photocopied or duplicated in any form by any means or redistributed without the prior consent of MKE.

Historical recommendations and target price: Singapore Exchange Ltd (SGX SP)



Definition of Ratings

Maybank Kim Eng Research uses the following rating system

BUY
Return is expected to be above 10% in the next 12 months (including dividends)

HOLD
Return is expected to be between 0% to 10% in the next 12 months (including dividends)

SELL
Return is expected to be below 0% in the next 12 months (including dividends)

Applicability of Ratings

The respective analyst maintains a coverage universe of stocks, the list of which may be adjusted according to needs. Investment ratings are only applicable to the stocks which form part of the coverage universe. Reports on companies which are not part of the coverage do not carry investment ratings as we do not actively follow developments in these companies.



Malaysia

Maybank Investment Bank Berhad (A Participating Organisation of Bursa Malaysia Securities Berhad) 33rd Floor, Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur Tel: (603) 2059 1888;

Fax: (603) 2078 4194

Stockbroking Business: Level 8, Tower C, Dataran Maybank, No.1, Jalan Maarof 59000 Kuala Lumpur Tel: (603) 2297 8888 Fax: (603) 2282 5136

Philippines

Maybank ATR Kim Eng Securities Inc. 17/F, Tower One & Exchange Plaza Ayala Triangle, Ayala Avenue Makati City, Philippines 1200

Tel: (63) 2 8849 8888 Fax: (63) 2 8848 5738

South Asia Sales Trading

Kevin Foy Regional Head Sales Trading kevinfoy@maybank-ke.com.sg Tel: (65) 6636-3620 US Toll Free: 1-866-406-7447

Indonesia

Iwan Atmadjaja iatmadjaja2@bloomberg.net (62) 21 8066 8555

New York James Lynch jlynch@maybank-keusa.com Tel: (212) 688 8886

Philippines Keith Roy

keith_roy@maybank-atrke.com

Tel: (63) 2 848-5288

Singapore

Maybank Kim Eng Securities Pte Ltd Maybank Kim Eng Research Pte Ltd 50 North Canal Road Singapore 059304

Tel: (65) 6336 9090

Hong Kong

Kim Eng Securities (HK) Ltd 28/F, Lee Garden Three, 1 Sunning Road, Causeway Bay, Hong Kong

Tel: (852) 2268 0800 Fax: (852) 2877 0104

Thailand

Maybank Kim Eng Securities (Thailand) Public Company Limited 999/9 The Offices at Central World, 20th - 21st Floor, Rama 1 Road Pathumwan, Bangkok 10330, Thailand

Tel: (66) 2 658 6817 (sales) Tel: (66) 2 658 6801 (research)

North Asia Sales Trading

Andrew Lee andrewlee@kimeng.com.hk Tel: (852) 2268 0283 US Toll Free: 1 877 837 7635

London $Greg\ Smith$ gsmith@maybank-ke.co.uk Tel: (44) 207-332-0221

India Sanjay Makhija sanjaymakhija@maybank-ke.co.in Tel: (91)-22-6623-2629

London

Maybank Kim Eng Securities (London) Ltd PNB House 77 Queen Victoria Street London EC4V 4AY, UK

Tel: (44) 20 7332 0221 Fax: (44) 20 7332 0302

Indonesia

PT Maybank Kim Eng Securities Sentral Senayan III, 22nd Floor Jl. Asia Afrika No. 8 Gelora Bung Karno, Senayan Jakarta 10270, Indonesia

Tel: (62) 21 2557 1188 Fax: (62) 21 2557 1189

Vietnam

Maybank Kim Eng Securities Limited 4A-15+16 Floor Vincom Center Dong Khoi, 72 Le Thanh Ton St. District 1 Ho Chi Minh City, Vietnam

Tel: (84) 844 555 888 Fax: (84) 8 38 271 030

New York

Maybank Kim Eng Securities USA 400 Park Avenue, 11th Floor New York, New York 10022, U.S.A.

Tel: (212) 688 8886 Fax: (212) 688 3500

India

Kim Eng Securities India Pvt Ltd 1101, 11th floor, A Wing, Kanakia Wall Street, Chakala, Andheri Kurla Road, Andheri East, Mumbai City - 400 093, India

Tel: (91) 22 6623 2600 Fax: (91) 22 6623 2604

Saudi Arabia

In association with Anfaal Capital Ground Floor, KANOO Building No.1 - Al-Faisaliyah, Madina Road, P.O.Box 126575 Jeddah 21352 Kingdom of Saudi Arabia

Tel: (966) 920023423

www.maybank-ke.com | www.maybank-keresearch.com