STRATEGY – SINGAPORE

Alpha Picks: Strong Beat; Add STM But Remove CENT, MPM And FEHT From Our Portfolio

Our Alpha Picks portfolio had a solid month in August, rising 0.8% mom on an equal-weighted basis, beating the STI by 1.2ppt. The outperformance was driven by CENT, MINT and FEHT, while MPM, VMS and CVL underperformed. Our Alpha Picks portfolio has now outperformed the STI in seven out of the past eight months. For Sep 24, we add STM while removing CENT, MPM and FEHT.

WHAT'S NEW

- **Market review**. Aug 24 suffered from a weak start as the yen carry trade unravelled and weak US economic data spooked investors. However, global markets recovered in the latter half of the month as dovish comments from the US fed coupled with cooling US inflation data raised expectations for upcoming interest rates cuts in Sep 24. As a result, the STI ended slightly lower (-0.4% mom) for Aug 24.
- **Solid beat.** Our Alpha Picks portfolio posted a stable performance for Aug 24, rising 0.8% and 1.9% mom on an equal-weighted and market-cap weighted basis respectively, outperforming the STI by 1.2ppt and 2.3ppt. This marks the seventh time out of eight months that our Alpha Picks portfolio has outperformed the STI.
- **Outperformance from REITS and property-linked picks.** For Aug 24, our top performers were Centurion (+14.2% mom), Mapletree Industrial Trust (+7.1% mom) and Far East Hospitality Trust (+5.5% mom). Centurion surged higher on the back of its strong 1H24 results while Mapletree Industrial Trust and Far East Hospitality Trust benefitted from stronger investor interest in REITS. Our underperformers were MarcoPolo Marine (-15.5% mom) and Venture Corp (-5.6% mom) which were dragged by lower-than-expected earnings while Civmec (-3.6% mom) suffered from profit taking after a strong Jul 24.

ACTION

- **Streamlining our portfolio.** For Sep 24, we rejig our Alpha Picks portfolio with the addition of STM as we believe that its share price has troughed, coupled with a solid outlook for new order wins. We also take profit on CENT and FEHT on the back of their strong performances in Aug 24 while removing MPM due to the lack of near-term catalysts.

ANALYSTS' ALPHA* PICKS

Analyst	Company	Rec	Performance#	Catalyst
Adrian Loh	Sembcorp Ind	BUY	66.2	Announcement of renewables acquisitions.
Adrian Loh	Seatrium	BUY	n.a.	Solid outlook for new order wins.
Llelleythan Tan	Singapore Post	BUY	-1.1	Strong earnings recovery.
Jack Goh	Genting Singapore	BUY	-7.3	Main beneficiary of international tourism recovery.
Chong Lee Len	SingTel	BUY	30.7	Potential value-unlocking divestments.
John Cheong	Civmec	BUY	16.8	Higher-than-expected contract wins and margins.
John Cheong	CSE Global	BUY	11.6	Higher earnings from record-high orderbook.
John Cheong	Frencken Group	BUY	25.0	Better-than-expected sequential earnings.
John Cheong	Venture Corp	BUY	6.8	Earnings recovery and higher-than-expected dividends.
Jonathan Koh	OCBC	BUY	18.5	Attractive dividend yield; less susceptible to NIM compression.
Jonathan Koh	Mapletree Ind	BUY	16.6	Growth from data centre at a reasonable price.
Jonathan Koh	Lendlease Global Commercial REIT	BUY	5.4	Recovery of 313@Somerset.

** Denotes a timeframe of 1-3 months and not UOB Kay Hian's usual 12-month investment horizon for stock recommendation*
 # Share price change since stock was selected as Alpha Pick
Source: UOB Kay Hian

KEY RECOMMENDATIONS

Company	Rec*	------- Price (S$) ------- 2 Sep	Target	Up/(down) to TP (%)
Civmec	BUY	0.94	1.32	40.4
CSE Global	BUY	0.48	0.60	25.0
Frencken	BUY	1.30	1.74	33.8
Genting SP	BUY	0.82	1.18	43.9
Lendlease REIT	BUY	0.59	0.73	23.7
MapletreeInd	BUY	2.46	2.78	13.0
O C B C	BUY	14.66	18.5	26.2
Seatrium	BUY	1.55	2.31	49.0
Sembcorp Ind	BUY	4.89	7.47	52.8
SingPost	BUY	0.435	0.61	40.2
SingTel	BUY	3.11	3.58	15.1
Venture Corp	BUY	13.90	16.17	16.3

** Rating may differ from UOB Kay Hian's fundamental view*
Source: UOB Kay Hian

CHANGE IN SHARE PRICE

Company	Rec	Aug-24 (%)	To date (%)
Centurion	BUY	14.2	34.9
Civmec	BUY	(3.6)	16.8
CSE Global *	BUY	3.7	11.6
Far East HTrust *	BUY	5.5	4.1
Frencken	BUY	(1.5)	25.0
Genting SP *	BUY	(2.9)	(7.3)
Lendlease REIT *	BUY	1.3	5.4
MapletreeInd *	BUY	7.1	16.6
MarcoPolo Marine	BUY	(15.5)	(5.7)
O C B C *	BUY	0.9	18.5
Sembcorp Ind *	BUY	4.6	66.2
SingPost *	BUY	(1.0)	(1.1)
SingTel *	BUY	4.2	30.7
Venture Corp *	BUY	(5.6)	6.8
FSSTI		(0.4)	
UOBKH Portfolio		0.8	

** Adjusted for DPS for the monthly performance*
Source: UOB Kay Hian

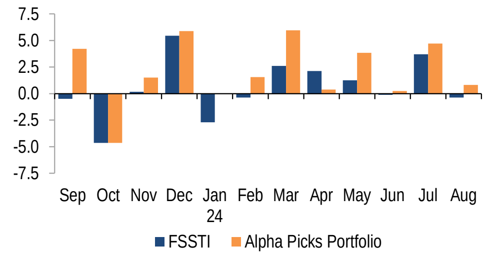
PORTFOLIO RETURNS (%)

	2023	1Q24	2Q24	Jul-24	Aug-24
FSSTI return	-0.3	-0.5	3.4	3.7	-0.4
Alpha Picks Return					
- Price-weighted	-8.2	8.9	8.7	3.9	-0.3
- Market cap-weighted	2.0	4.0	14.1	5.6	1.9
- Equal-weighted	8.7	13.7	7.5	4.7	0.8

Assumptions for the 3 methodologies:
1) *Price-weighted: Assuming same number of shares for each stock; a higher share price will have a higher weighting.*
2) *Market cap-weighted: Weighting based on the market cap at inception date; higher market cap = higher weighting.*
3) *Equal-weighted: Assuming same investment amount for each stock; every stock will have the same weighting.*

Source: UOB Kay Hian

PORTFOLIO RETURNS IN THE PAST 12 MONTHS
(WE OUTPERFORMED FSSTI 11 OUT OF 12 MONTHS)



Source: Bloomberg, UOB Kay Hian

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Sembcorp Industries – BUY (Adrian Loh)

- **Better-than-expected 1H24 results despite maintenance shutdown.** Although revenue was negatively impacted in 1H24 due to gas and related services in Singapore and the United Kingdom, Sembcorp Industries (SCI) reported better-than-expected net profit of S$540m (+2% yoy) despite a maintenance shutdown at its Singapore cogeneration plant. Its 1H24 net profit comprised 54% of our full-year forecast. The company disclosed that operating efficiencies led to a shorter-than-expected shutdown that resulted in around S$10m in cost savings against budget.
- **Resilience in Singapore conventional energy portfolio.** SCI's gas and related services registered a net profit of S$339m (-22% yoy) on the back of planned maintenance. The yoy profit decline was partly mitigated by the company taking advantage of periods of lower pool prices in the electricity market during 1H24.
- **We believe that SCI's outlook for 2H24 and onwards remains bright** given the completion of the maintenance in Singapore in 1H24, another 2GW in renewables capacity to be completed in the back end of 2H24, and earnings growth in 1H25 from the Gelex acquisition in Vietnam that was completed in May/Jun 24.
- **Maintain BUY with a target price of S$7.47,** based on a target PE multiple of 12.8x. The target PE multiple is 1.5SD above the company's 2018-24 average PE of 8.2x (excluding 2020 when the company reported impairment-related losses).

SHARE PRICE CATALYSTS

- **Events:** a) Value-accretive acquisitions in the green energy space, and b) potential to increase targets for its gross renewables capacity.
- **Timeline:** 6+ months.

Seatrium – BUY (Adrian Loh)

- **Seatrium (STM) reported a 39% yoy increase in 1H24 revenue** to over S$4b, and more importantly, NPAT and underlying NPAT (which excludes one-off items) of S$36m and S$115m respectively – these were marked improvements over the losses seen in 1H23. In addition, underlying EBITDA rose nearly 10-fold yoy to S$390m, driven by higher revenue, margin improvement and lower costs.
- **Solid outlook for new order wins.** With BP having declared the final investment decision (FID) on the Kaskida project in the Gulf of Mexico, STM stated that it is currently carrying out advanced engineering work on the project and hopes to convert the LOI to a firm contract worth around US$300m-400m soon. Management also stated that TenneT could potentially award more contracts in the medium term (the prior contract was worth EUR2b).
- **A successful 1H24 for new orders.** STM ended 1H24 with a net orderbook of S$26.1b after winning S$13.4b of new orders during the half year. These include Shell's Sparta FPU, four FPSOs including Petrobras' P84 and P85, and a third 2GW High Voltage Direct Current (HVDC) offshore converter platform for TenneT.
- **Repairs & upgrades segment performed well.** During 1H24, STM completed repairs and upgrades for 133 vessels including 28 LNG carriers, four cruise vessels and two FPSO upgrades.
- **Maintain BUY with a target price of S$2.31** using a target P/B multiple of 1.15x which is pegged to the company's five-year average and applied to its 2025 book value of S$2.01.

SHARE PRICE CATALYSTS

- Events: a) New orders for oil & gas production assets and renewables infrastructure, and b) removal of overhang from the MAS/CAD investigations.
- **Timeline:** 6-12 months.

Singapore Post – BUY (Llelleythan Tan)

- **Improved earnings outlook for the postal segment.** The Singapore business returned to profitability in FY24, driven by the postal adjustment in 2HFY24 and new domestic e-commerce customer wins. The Singapore delivery business also recorded a profit in 1QFY25 as e-commerce volumes rose yoy. Coupled with expected consolidation and rationalisation of the postal office network, we expect the DPP segment to post stronger earnings for 1HFY25.
- **Increased contributions from down under.** With the expected full consolidation of Border Express, we expect the Border Express acquisition to significantly boost segmental annual operating profit by S$35m-40m in FY25. For 1QFY25, Border Express delivered a strong performance with revenue (+5.3% yoy) and operating profit (+24.4% yoy) growing yoy, driven by customer wins and tight cost management.
- **Maintain BUY with a SOTP-based target price of S$0.61**. Based on our valuation, we value the property and P&P segments at S$844m and S$245m respectively. Given that Singapore Post's (SPOST) current market cap is around S$990m, we think that the market is severely undervaluing the logistics segment. At our target price, SPOST trades at 19x FY25F PE, slightly above -1SD to its long-term mean.

SHARE PRICE CATALYSTS

- **Events:** a) Better-than-expected earnings recovery, b) divestment of non-core businesses, and c) earnings-accretive acquisitions.
- **Timeline:** 6 months.

Genting Singapore – BUY (Jack Goh)

- **2H24 prospects remain bright with multiple catalysts.** Genting Singapore's (GENS) upbeat prospects include: a) accelerated recovery of foreign visits and flight frequencies, b) major entertainment events in 2H24 such as the Formula 1 Grand Prix, c) sustained trend of higher average spending in Resort World Sentosa (RWS), d) earnings accretion from Hotel Ora (launched in May 23) which will lift key inventories by about 30% yoy, and e) RWS' intensified digital marketing efforts leading to higher footfall and spending.
- **RWS' premiumisation to bear fruit over mid- to long-term horizon.** We retain our view that RWS' ongoing revamp will allow it to capitalise on the thus-far sustained higher spending per capita at the integrated resort, with the premiumisation being led by its non-gaming segment. Spending per capita has also risen markedly since Singapore emerged from the COVID-19-related lockdowns, with spending at the theme park and average hotel room rate rising 20% and >50% respectively from pre-pandemic levels.
- **Healthy balance sheet and huge cash pile.** With the pandemic-related disruptions largely over, we believe that management now has more flexibility to better utilise its sizeable capital which includes net cash of S$3.7b (30 S cents/share) as of end-1H24. After dropping its decade-long pursuit of clinching a pricey Japan IR concession last year, we also do not rule out GENS pursuing potential brownfield and greenfield opportunities in the region.
- **Maintain BUY with target price of S$1.18,** which implies 8.5x 2025 EV/EBITDA (-0.5SD below mean).

SHARE PRICE CATALYSTS

- **Events:** a) Stronger recovery in Chinese tourists' patronage following higher flight frequency, b) better capital management following the recent withdrawal of its Japan IR pursuit, and c) commendable 2024 yield of 4.5%.
- **Timeline:** 3-6 months.

Singapore Telecommunications - BUY (Chong Lee Len & Llelleythan Tan)

- **Driving ROIC.** Singapore Telecommunications **(**Singtel) expects to lift return on invested capital (ROIC) from 9.3% in FY24 to low double digits by FY26. This is based on: a) market repair and cost management in its core businesses, b) capitalising on growth trends, and c) reallocating and recycling capital to unlock shareholder value.

- **Potential regional DC monetisation exercise.** Singtel continues to expand its regional data centre (DC) footprint and we expect an eventual monetisation exercise. To recap, Singtel sold a 20% equity stake in Nxera to KKR, with a growth plan to expand into a regional DC portfolio of at least 250MW. Already developing three new AI-ready DCs in the region, Nxera also partnered with Telekom Malaysia to develop data centres in Malaysia with an AI-ready DC campus in Johor. Nxera's total pipeline capacity is set to increase from its current existing operational capacity of 62MW in Singapore to more than 250MW in the region in the next three years.

- **Unlocking shareholder value.** As of end-4QFY24, the group had about S$6b of capital recycling which we reckon would likely come from paring down its stakes in its regional associates and non-core fixed assets. We estimate that Singtel currently has S$2b-3b of excess cash after accounting for current growth initiatives which may lead to larger value realisation dividends (VRD) towards the higher end of the group's 3.0-6.0 S cents VRD policy. The group also released its outlook for FY25, driven by its new strategic plan growth, Singtel28, which is aimed at unlocking and creating shareholder value by lifting the group's core business performance with smart capital management.

- **Maintain BUY with a DCF-based target price of S$3.58** (discount rate: 7%, growth rate: 2.5%). In our view, Singtel remains an attractive play against elevated market volatility, backed by favourable tailwinds and a decent 5% dividend yield for FY25.

SHARE PRICE CATALYSTS

- **Events:** a) Successful monetisation of 5G, b) monetisation of data centres and/or NCS, and c) market repair in Singapore and Australia.

- **Timeline:** 6-12 months.

Civmec – BUY (John Cheong & Heidi Mo)

- **Tendering activities across Civmec's operations are at historically high levels,** with current priced opportunities approaching A$10b as Civmec works closely with a range of clients on approved expansion, sustaining and maintenance opportunities as well as on a budgetary level for projects under feasibility studies. As a result of these engagements, Civmec sees significant opportunity for both orderbook replenishment and growth in the medium and longer term. Civmec still sees a strong pipeline of tendering opportunities in all the sectors it operates in (resources, energy and infrastructure, marine and defence). Orderbook stands at A$821m, with Civmec continuing to expand both its service offerings and client base. This secures most of its revenue for the next 12 months, with a portion extending up to 2029.

- **Revenue growth from new contracts and extensions.** Civmec has renewed or signed new term and maintenance contracts with several clients including: a) providing engineering, procurement and construction services for WesCEF in support of its brownfield projects; b) supplying steel and pipe modules for Chevron's Gorgon Carbon Capture and Storage (CCS) system; c) installing structural, mechanical, piping and E&I components with Pilbara Minerals on the P1000 expansion project; and d) an "umbrella" services agreement to provide construction services for the delivery of sustaining capital projects for Rio Tinto facilities across multiple sites.

- **Maintain BUY with a target price of S$1.32,** pegged to an unchanged 11x FY25F PE (based on 0.5SD below its long-term historical mean), after rolling over our valuation base year to FY25 from FY24. We think Civmec's current valuation of 8x FY25F PE is attractive, given its strong orderbook and positive outlook backed by historically high tendering activities. The stock is trading at a deep >100% discount to its Australian peers, which are trading at an average of 17x FY25F PE.

SHARE PRICE CATALYSTS

- **Events:** a) Earnings surprise due to higher-than-expected contract wins and margin, b) better-than-expected dividend, and c) takeover offer by strategic shareholder(s) given the high barriers of entry for the defence sector.
- **Timeline:** 3-6 months.

CSE Global – BUY (John Cheong & Heidi Mo)

- **Robust order pipeline.** CSE Global (CSE) continues to enjoy strong order wins, with order intake of S$391m in 1H24. While flat yoy, this signals a healthy pipeline for the coming quarters. Orderbook reached S$692m (+33% yoy), with the infrastructure segment making up the majority of the orderbook at 72%. CSE continues to embark on its growth strategy through capitalising on emerging trends like electrification and decarbonisation, while pursuing acquisitions in the critical communications space in the Americas region. Moving forward, CSE will also continue to focus on data centre and automation projects to seize emerging market prospects.
- **First post-placement acquisition to contribute in 2H24.** On 1 Aug 24, CSE announced the acquisition of a California-based advanced communication solutions provider, RFC Wireless, for US$11.5m (~S$15.4m). This strategic acquisition is earnings-accretive at 5x PE, and we view this as a positive for CSE to strengthen its critical communications network in the Americas region. This is expected to be fully funded from the S$24m in proceeds raised earlier in March this year, and we expect more acquisitions in the pipeline, supported by its strong operating cash flow (+36% yoy) of S$15m in 1H24 (vs S$11m in 1H23).
- **CSE continues to see stable financial performances in the infrastructure and mining & minerals sectors,** supported by a steady stream of projects arising from requirements in digitalisation, communications and enhancements in physical and cyber security globally, and from data centres and water utilities in the Americas and Asia Pacific region. CSE will expand its engineering capabilities and technology solutions to pursue new market opportunities and diversify into new markets brought about by the emerging trends towards urbanisation, electrification and decarbonisation.
- **Maintain BUY.** Our target price of S$0.60 is pegged to 13x 2024F PE (based on 1SD above mean) and implies a 2024 dividend yield of 6% as we expect CSE to maintain a full-year dividend of 2.75 S cents/share for 2024.

SHARE PRICE CATALYSTS

- **Events:** a) Large infrastructure project wins, and b) accretive acquisitions.
- **Timeline:** 3-6 months.

Frencken - BUY (John Cheong)

- **Frencken's outlook appears more bullish with the expectation of better revenue in 2H24 vs 1H24,** mainly driven by the semicon segment while the other segments are expected to be stable. Its outlooks for its key business segments for 1H24 vs 2H23 are as follows: a) semiconductor: higher revenue, b) medical: stable revenue, c) analytical life sciences: stable revenue, d) industrial automation: decreasing revenue, and e) automotive: stable revenue. In addition, Frencken encountered delays in 2Q24 shipments for some sizeable ASML orders which will be recognised in 3Q24. Margins are expected to increase due to higher utilisation. Also, Frencken still has ample capacity to take on more orders.

- **Long-term growth supported by diversified segments and new programmes**. Backed by its diverse exposure to multiple market segments in the high technology industry and the strength of its balance sheet, Frencken is confident of weathering the current headwinds and will continue to focus on investments in programmes. Frencken has continued strong new product introduction (NPI) and first article (FA) engagement with key customers under the oneMechatronics programme, which is a site-transferring programme that spans the semiconductor, analytical/life sciences, medical and aerospace sectors and across operating sites.
- **Maintain BUY with a target price of S$1.74,** pegged to 17.0x 2024F PE, based on 2SD above mean PE. The +2SD in our PE multiple peg is to capture: a) the recovery of semiconductor cycle, which is exhibiting multiple positive indications, and b) an improvement in earnings quality where the automobile segment could see more contributions from several new customers in the electric vehicle space.

SHARE PRICE CATALYSTS

- **Events:** a) Higher-than-expected factory utilisation, and b) better cost management.
- **Timeline:** 3-6 months.

Venture Corp - BUY (John Cheong)

- **Expect better revenue on a hoh basis in 2H24 vs 1H24. Venture Corp (**VMS) maintains its expectation that its revenue will be stronger in 2H24 compared to 1H24. For 1H24, VMS delivered on its target of sequential revenue growth from 1Q24 to 2Q24. To recap, VMS was still coming off the high base quarter in 1Q23 where it recorded earnings of S$74m, before normalising in 2Q-4Q23 with earnings of S$63m-67m.
- **VMS remains proactive in pursuing multiple initiatives to further improve its performance in 2H24.** These include the onboarding of new customers, new product introduction (NPI) activities and supporting customers with geopolitical risk mitigation strategies. VMS continues to invest in expanding its capabilities in targeted technology domains, broadening the group's value creation pathways for quality growth.
- **Healthy balance sheet and consistent dividends.** As of 2Q24, VMS had net cash of S$1,191m (accounting for around 30% of its current market cap) and led the pack of US-listed peers which were mostly in net debt positions. Also, VMS continues to issue the same or higher dividends than that in preceding years.
- **Maintain BUY with a target price of S$16.17,** pegged to 0.5SD above its long-term mean PE of 17x 2025F earnings to capture the potential earnings recovery in 2025 and upcycle beyond that. We have rolled over our valuation base year from 2024 to 2025. Currently, VMS is trading at 14.5x 2025F PE (10x ex-cash 2025 PE) and offers a decent dividend yield of 5.2%.

SHARE PRICE CATALYSTS

- **Events:** a) Positive earnings surprise, b) winning more customers, and c) higher-than-expected dividends and share buybacks.
- **Timeline:** 3-6 months.

Oversea-Chinese Banking Corp - BUY (Jonathan Koh)

- **Committed to new dividend policy.** Management intends to maintain dividend payout ratio at 50% going forward. OCBC provides an attractive dividend yield of 6.1% for 2025.
- **Strategic initiatives to deliver incremental S$3b revenue.** Management aims to deliver incremental revenue of S$3b cumulatively over 2023-25, driven by four growth pillars: a) Asian wealth, b) trade and investment flows, c) new economy, and d) sustainable financing.

- **Management aims to deliver ROE of 12-13%** with additional contribution of 1ppt from the incremental revenue of S$3b. OCBC has achieved its targets for its strategic initiatives for 2023.
- **Most well-capitalised bank in Singapore.** CET-1 CAR was 15.5% as of 2Q24, the highest among Singapore banks. OCBC has the potential to deploy surplus capital to generate inorganic growth.
- **Maintain BUY.** Our target price of S$18.50 is based on 1.38x 2025F P/B, derived from the Gordon Growth Model (ROE: 12.4%, COE: 9.0%, growth: 0.0%).

SHARE PRICE CATALYSTS

- **Events:** a) Resiliency from high CET-1 CAR of 15.5%, and b) attractive 2025 dividend yield of 6.1% from commitment to new dividend payout ratio of 50%.
- **Timeline:** 6-12 months.

Lendlease Global Commercial REIT – BUY (Jonathan Koh)

- **Downtown mall 313@Somerset outperforming.** LREIT achieved strong positive rental reversion of 15.7% (313@Somerset: 20%, Jem: high single-digit) in 4QFY24.
- **Further enhancement to 313@Somerset.** We expect the recent successes of concerts by Coldplay, Ed Sheeran, Taylor Swift and Bruno Mars to have injected more urgency to redevelop the Grange Road Car Park. We understand that Live Nation, LREIT's sole tenant for the multi-functional event space, has received tender bids from various consultants and will be selecting the winning proposal in conjunction with various stakeholders, including the Urban Redevelopment Authority (URA) and Singapore Tourism Board (STB). We expect construction to commence in 2QFY25 and to take 12-18 months.
- **Option to deleverage through divestment.** LREIT has the option of divesting the office block at Jem if it decides to redeem perpetual securities of S$400m.
- **Maintain BUY.** Our target price of S$0.73 is based on DDM (cost of equity: 7.25%, terminal growth: 2.2%).

SHARE PRICE CATALYSTS

- **Events:** a) Recovery of downtown mall 313@Somerset, b) redevelopment of Grange Road Car Park, and c) expansion in Singapore tapping on sponsor pipeline.
- **Timeline:** 6-12 months.

Mapletree Industrial Trust – BUY (Jonathan Koh)

- **MINT has secured an established healthcare operator** as a replacement tenant for its data centre at Brentwood, Tennessee. The new lease has a long duration of 30 years and provides rental escalation of 2% per year. Occupancy for its data centre portfolio improved 1.5ppt qoq to 89.2% in 1QFY25.
- **MINT intends to acquire more data centres** in Asia Pacific and Europe to increase geographical diversification. It provides growth from data centres at a reasonable price with FY25 distribution yield of 5.9%.
- **Maintain BUY. Our target price of S$2.78 is** based on DDM (cost of equity: 7.0%, terminal growth: 2.2%).

SHARE PRICE CATALYSTS

- **Events:** a) Organic growth from data centres located in Singapore, North America and Japan; and b) acquisition of data centres in Asia Pacific and Europe.
- **Timeline:** 6-12 months.

VALUATION

Company	Ticker	Rec*	Price 2 Sep 24 (S$)	Target Price (S$)	Upside To TP (%)	Last Year End	PE 2023A (x)	PE 2024E (x)	PE 2025E (x)	Yield 2024E (%)	ROE 2024E (%)	Market Cap. (S$m)	Price/ NAV ps (x)
Civmec	CVL SP	BUY	0.94	1.32	40.4	6/23	9.0	8.5	8.0	4.7	14.2	477.1	1.2
CSE Global	CSE SP	BUY	0.48	0.60	25.0	12/23	13.1	10.8	9.8	5.7	12.8	332.6	1.3
Frencken	FRKN SP	BUY	1.30	1.74	33.8	12/23	17.1	12.7	11.6	2.4	10.4	555.2	1.4
Genting SP	GENS SP	BUY	0.82	1.18	43.9	12/23	16.2	14.0	13.7	4.9	8.5	9,899.5	1.2
Lendlease REIT	LREIT SP	BUY	0.59	0.73	23.7	6/24	22.6	20.2	28.0	6.6	3.1	1,402.2	0.8
MapletreeInd	MINT SP	BUY	2.46	2.78	13.0	3/24	18.5	18.4	18.4	5.5	7.2	6,975.0	1.4
O C B C	OCBC SP	BUY	14.66	18.5	26.2	12/23	9.5	8.8	9.1	6.0	13.4	65,908.0	1.2
Seatrium	STM SP	BUY	1.55	2.31	49.0	12/23	n.a.	36.5	15.9	0.0	2.2	5,271.3	0.8
Sembcorp Ind	SCI SP	BUY	4.89	7.47	52.8	12/23	9.3	9.0	8.6	2.7	20.0	8,717.0	1.7
SingPost	SPOST SP	BUY	0.435	0.61	40.2	3/24	14.5	13.8	12.1	3.0	5.0	978.8	0.9
SingTel	ST SP	BUY	3.11	3.58	15.1	3/24	64.5	19.8	18.5	5.3	10.2	51,356.4	2.1
Venture Corp	VMS SP	BUY	13.90	16.17	16.3	12/23	15.0	15.2	14.6	5.4	9.3	4,030.0	1.4

** Fundamental rating and not related to the relatively shorter term Alpha Picks recommendation*
Source: UOB Kay Hian

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