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KEY HIGHLIGHTS

Update

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Expansion in Japan supported by asset cycling in Singapore.

TRADERS' CORNER Page 8

DBS Group Holdings (DBS SP): Trading BUY

Raffles Medical Group (RFMD SP): Trading BUY

KEY INDICES

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	33407.6	0.9	(0.3)	(3.4)	0.8
S&P 500	4308.5	1.2	0.5	(3.3)	12.2
FTSE 100	7494.6	0.6	(1.5)	0.2	0.6
AS30	7143.0	0.4	(1.5)	(2.9)	(1.1)
CSI 300	3689.5	(0.3)	0.5	(2.7)	(4.7)
FSSTI	3174.4	0.6	(1.3)	(1.0)	(2.4)
HSCEI	5974.3	1.5	(0.3)	(5.4)	(10.9)
HSI	17486.0	1.6	0.7	(3.9)	(11.6)
JCI	6888.5	0.2	(0.7)	(0.5)	0.6
KLCI	1416.9	0.1	(0.5)	(2.6)	(5.3)
KOSPI	2408.7	0.2	(3.5)	(5.5)	7.7
Nikkei 225	30994.7	(0.3)	(2.7)	(4.9)	18.8
SET	1438.5	(1.0)	(2.2)	(7.0)	(13.8)
TWSE	16520.6	0.4	1.0	(0.3)	16.9
BDI	1929	5.6	13.4	62.6	27.3
CPO (RM/mt)	3622	(1.0)	(1.3)	(5.8)	(10.5)
Brent Crude (US\$/bbl)	87	3.2	(3.8)	(3.8)	1.6

Source: Bloomberg

TOP TRADING TURNOVER

Company	Price (S\$)	Chg (%)	5-day ADT (\$m)
DBS Group Holdings	33.79	1.6	103.1
United Overseas Bank	28.26	0.4	61.3
Oversea-Chinese Banking Corp	12.85	0.8	57.4
Singapore Telecommunications	2.38	0.4	44.3
Seatrium	0.12	(1.6)	42.7

TOP GAINERS

Company	Price (S\$)	Chg (%)	5-day ADT (\$m)
Singapore Airlines	6.55	2.8	35.2
Venture Corp	12.33	2.3	15.8
Hutchison Port Holdings Trust	0.24	2.2	0.0
Hongkong Land Holdings	3.47	2.1	7.5
Olam Group	1.03	2.0	1.3

TOP LOSERS

Company	Price (S\$)	Chg (%)	5-day ADT (\$m)
Mapletree Logistics Trust	1.55	(3.7)	35.7
Sri Trang Agro-Industry	0.55	(3.5)	0.0
DFI Retail Group Holdings	2.46	(3.1)	1.4
Digital Core REIT Management	0.51	(2.9)	1.2
CapitaLand Ascott Trust	0.90	(2.7)	10.9

*ADT: Average daily turnover

KEY ASSUMPTIONS

GDP (% yoy)	2022	2023F	2024F
US	2.1	2.0	1.0
Euro Zone	3.5	0.5	0.8
Japan	1.0	1.5	1.0
Singapore	3.6	0.7	3.0
Malaysia	8.7	4.0	4.6
Thailand	2.6	3.1	3.5
Indonesia	5.4	5.1	5.2
Hong Kong	-3.5	4.6	3.0
China	3.0	5.0	4.6
CPO (RM/mt)	5,088	4,000	4,200
Brent (Average) (US\$/bbl)	99.0	81.0	84.0

Source: Bloomberg, UOB ETR, UOB Kay Hian

COMPANY UPDATE

Keppel REIT (KREIT SP)

Stability From Singapore And Recovery From Sydney

On a same-store-basis, KREIT improved portfolio occupancy by 1.5ppt yoy to 97.0% in 2Q23 by backfilling vacant space ahead of new supply hitting in 4Q23. P/NAV at 0.62x is almost at the low of 0.61x on 23 Mar 20 during the onset of the COVID-19 pandemic. Thus, potential downside from Keppel Corp shareholders selling KREIT units they received in specie could be limited. KREIT provides 2024 distribution yield of 6.9% (CIC: 6.2%, Suntec: 6.6%). Maintain BUY. Target price: of S\$1.06.

WHAT'S NEW

- Well-positioned in Singapore with vacant spaces backfilled.** Keppel REIT (KREIT) maintained high portfolio occupancy of 94.9% in 2Q23 (improved 0.7ppt qoq and 1.5ppt yoy to 97.0% if we exclude newly-completed Blue & William in Sydney). In Singapore, KREIT has backfilled vacant spaces ahead of new supply from completion of IOI Central Boulevard Towers in 4Q23. Ocean Financial Centre (OFC) (+8.2ppt yoy) and One Raffles Quay (ORQ) were fully occupied at 100% in 2Q23. Committed occupancy improved +0.9ppt yoy to 98.3% for Marina Bay Financial Centre (MBFC) and +2.9ppt yoy to 98.2% for Keppel Bay Tower.
- Maintaining positive rental reversion in 2H23.** KREIT achieved positive rental reversion of 8.1% in 1H23. Average signing rent for Singapore office leases has increased from S\$11.54psf pm in 2022 to S\$12.35psf pm in 1H23. Management guided positive rental reversion at mid- to high-single-digits for its Singapore office portfolio in 2023 despite a high average expiring rent at S\$11.55psf/month for 2H23.
- Sydneysider returning to work in offices.** Several large corporations, including banks, have instructed employees to return and work from their offices. Commuter traffic at train stations within the CBD, such as Circular Quay, Town Hall and Wynyard, already hit 70% of pre-pandemic levels in May 23, the highest since the COVID-19 pandemic started in Feb 20. According to CBRE, rental growth for Sydney was 8.1% yoy in 2Q23, outpacing Melbourne at 1.3% yoy. Vacancy rate for Sydney was more stable at 11.5% (+0.2ppt qoq) compared to 15.0% for Melbourne (+0.9ppt qoq).
- Rising occupancies for Sydney properties.** 8 Chifley Square in Sydney has signed a new government tenant for 100,000sf, which improved occupancy by 5.4ppt to 87.4% in 2Q23. KREIT is also in advanced negotiations with a co-working operator to backfill vacant space at 8 Chifley Square, which has the potential to lift occupancy above 90%.

KEY FINANCIALS

Year to 31 Dec (S\$m)	2021	2022	2023F	2024F	2025F
Net turnover	217	219	236	243	246
EBITDA	110	112	127	133	135
Operating profit	110	112	127	133	135
Net profit (rep./act.)	232	405	137	138	139
Net profit (adj.)	149	137	137	138	139
EPU (S\$ cent)	4.0	3.7	3.6	3.6	3.6
DPU (S\$ cent)	5.8	5.9	5.8	5.7	5.7
PE (x)	20.5	22.5	23.0	23.1	23.2
P/B (x)	0.6	0.6	0.6	0.6	0.7
DPU Yld (%)	7.0	7.1	7.0	6.9	6.9
Net margin (%)	107.0	184.9	57.9	56.8	56.6
Net debt/(cash) to equity (%)	49.1	49.2	52.8	55.1	57.6
Interest cover (x)	3.1	3.5	2.6	2.0	2.0
ROE (%)	4.6	7.7	2.5	2.6	2.7
Consensus DPU (S\$ cent)	n.a.	n.a.	5.9	5.9	6.0
UOBKH/Consensus (x)	-	-	0.98	0.97	0.95

Source: Keppel REIT, Bloomberg, UOB KayHian

BUY
(Maintained)

Share Price	S\$0.83
Target Price	S\$1.06
Upside	+27.7%
(Previous TP)	S\$1.08

COMPANY DESCRIPTION

Keppel REIT invests in quality income-producing commercial real estate in Asia Pacific. Its portfolio with AUM of S\$9.1b comprises predominantly of premium grade A office buildings located in prime business and financial districts in Singapore, Australia (Sydney, Melbourne and Perth), South Korea (Seoul) and Japan (Tokyo).

STOCK DATA

GICS sector	Real Estate
Bloomberg ticker:	KREIT SP
Shares issued (m):	3,769.7
Market cap (S\$m):	3,128.9
Market cap (US\$m):	2,289.7
3-mth avg daily t'over (US\$m):	4.7

Price Performance (%)

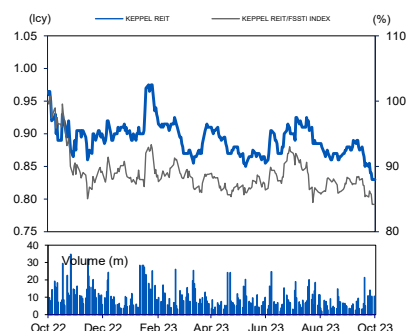
52-week high/low S\$0.975/S\$0.83

1mth	3mth	6mth	1yr	YTD
(5.1)	(8.8)	(8.8)	(15.3)	(8.8)

Major Shareholders

	%
Keppel REIT Investment	39.2
FY23 NAV/Share (S\$)	1.32
FY23 Net Debt/Share (S\$)	0.74

PRICE CHART



Source: Bloomberg

ANALYST(S)

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- Blue & William started contributing in Apr 23.** Blue & William, a freehold Grade A office building with NLA of 152,128sf in close proximity to North Sydney Train Station, achieved practical completion on 3 Apr 23. It has secured its second tenant from the banking sector and committed occupancy has improved to 37.7%. KREIT is in talks with a few prospective tenants for the remaining office space. The developer Lendlease has provided rental guarantee on unlet space for three years from the date of practical completion, which ensures the property is able to provide NPI yield of 4.5%.
- Prudent capital management.** Aggregate leverage increased 0.5ppt qoq to 39.2% as of Jun 23. All-in interest rate was stable at 2.84% in 2Q23. It has hedged 76% of borrowings to a fixed rate. S\$800m or 22% of its total borrowings are due for refinancing in 2024. We conservatively estimate that average cost of debt would increase by 0.65ppt to 3.5% in 2024.

STOCK IMPACT

- Stability from Singapore and recovery from Sydney.** KREIT is well-positioned as it has backfilled vacant office spaces ahead of competition from new supply from IOI Central Boulevard Towers. Its properties in Sydney, 8 Chifley Square, Pinnacle Office Park and Blue & William benefit from companies tightening on hybrid work arrangements.
- Overhang from distribution in specie.** Keppel Corp has announced a proposed special dividend in specie of 352.4m units in KREIT representing 9.4% of KREIT's total issued and paid-up units. Keppel Corp shareholders will receive one KREIT unit for every five Keppel Corp shares. Keppel Corp's stake in KREIT will drop from 46.5% to 37.1% post the distribution in specie. The proposed distribution in specie has to be approved by Keppel Corp's shareholders during the EGM on 18 Oct 23. Thereafter, KREIT units will be credited to Keppel Corp shareholders' accounts on 7 Nov 23.
- P/NAV near historical low.** KREIT is trading at P/NAV of 0.62x (38% discount to NAV per unit of S\$1.34), which is almost touching the low of 0.61x on 23 Mar 20 at the onset of the COVID-19 pandemic. The potential downside from Keppel Corp shareholders selling the KREIT units they received in specie could be limited due to KREIT's current depressed valuation. Fundamentally, Keppel Corp's distribution in specie of KREIT units has no impact of KREIT's DPU.
- Rewarding unitholders with capital distributions.** Management set aside S\$100m from accumulated capital gains to be distributed over the next five years to mark KREIT's 20th anniversary in 2026. Distributions would be made semi-annually from 2H22 to 1H27 (S\$10m every six months).

EARNINGS REVISION

- We maintain our existing 2023 DPU forecast.

VALUATION/RECOMMENDATION

- Maintain BUY.** Our target price of S\$1.06 is based on DDM (cost of equity: 6.75%, terminal growth: 1.5%).

SHARE PRICE CATALYST

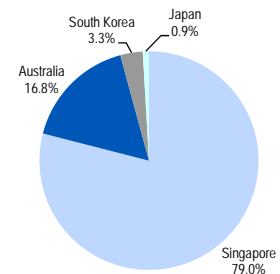
- Resilient rents and capital values for office properties in Singapore.
- Contribution from Blue & William in Sydney kicking in from Apr 23.

KEY OPERATING METRICS - KREIT

	2Q22	3Q22	4Q22	1Q23	2Q23	yoy	qoq
DPU (S cents)	2.97	n.a.	2.95	n.a.	2.90	-2.4%	-1.7%
Occupancy	95.5%	96.8%	96.3%	96.3%	94.9%	-0.6ppt	-1.4ppt
Aggregate Leverage	37.9%	38.4%	38.4%	38.7%	39.2%	1.3ppt	0.5ppt
Average Cost of Debt	1.93%	2.13%	2.29%	2.86%	2.84%	0.91ppt	-0.02ppt
% of Borrowings on Fixed Rates	73.0%	72.0%	76.0%	75.0%	76.0%	3ppt	1ppt
WALE by NLA (years)	6.0	6.1	6.0	5.8	5.7	-0.3yrs	-0.1yrs
Weighted Average Debt Maturity (years)	3.1	2.8	2.7	3.0	2.9	-0.2yrs	-0.1yrs
Rental Reversions	7.5%	9.7%	19.3%	9.3%	8.1%	0.6%	-1.2%
Tenant Retention Rate	89.0%	82.0%	78.0%	98.0%	66.9%	-22.1ppt	-31.1ppt

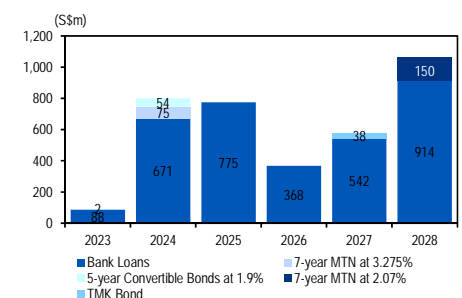
Source: KREIT

AUM BY COUNTRY (JUN 23)



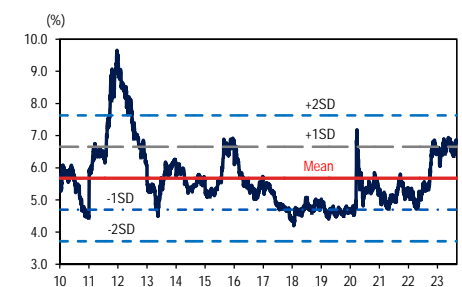
Source: KREIT

DEBT MATURITY PROFILE (JUN 23)



Source: KREIT

DISTRIBUTION YIELD - KREIT



Source: KREIT

P/NAV - KREIT



Source: KREIT

PROFIT & LOSS

Year to 31 Dec (\$m)	2022	2023F	2024F	2025F
Net turnover	219.3	236.2	242.9	245.9
EBITDA	112.5	127.4	132.9	135.4
Deprec. & amort.	0.0	0.0	0.0	0.0
EBIT	112.5	127.4	132.9	135.4
Total other non-operating income	1.7	0.0	0.0	0.0
Associate contributions	100.7	92.1	94.1	96.1
Net interest income/(expense)	(32.5)	(49.1)	(66.0)	(69.0)
Pre-tax profit	450.4	170.4	161.1	162.5
Tax	(2.0)	(9.9)	(9.3)	(9.4)
Minorities	(33.6)	(14.4)	(4.4)	(4.4)
Preferred dividends	(9.5)	(9.5)	(9.5)	(9.5)
Net profit	405.4	136.7	137.9	139.2
Net profit (adj.)	137.3	136.7	137.9	139.2

CASH FLOW

Year to 31 Dec (\$m)	2022	2023F	2024F	2025F
Operating	162.2	130.5	160.3	163.1
Pre-tax profit	182.4	170.4	161.1	162.5
Deprec. & amort.	0.0	0.0	0.0	0.0
Associates	(100.7)	(92.1)	(94.1)	(96.1)
Working capital changes	10.4	(3.5)	0.3	0.5
Other operating cashflows	70.2	55.6	93.1	96.2
Investing	(46.4)	26.2	84.1	86.1
Capex (growth)	(155.3)	(55.9)	0.0	0.0
Capex (maintenance)	(10.6)	(10.0)	(10.0)	(10.0)
Proceeds from sale of assets	0.0	0.0	0.0	0.0
Others	119.5	92.1	94.1	96.1
Financing	(111.4)	(166.0)	(236.2)	(250.7)
Distribution to unitholders	(217.0)	(218.7)	(220.2)	(221.7)
Issue of shares	0.0	0.0	0.0	0.0
Proceeds from borrowings	186.6	141.8	90.0	80.0
Others/interest paid	(81.0)	(89.1)	(106.0)	(109.0)
Net cash inflow (outflow)	4.4	(9.3)	8.3	(1.5)
Beginning cash & cash equivalent	189.3	186.4	177.1	185.4
Changes due to forex impact	(7.3)	0.0	0.0	0.0
Ending cash & cash equivalent	186.4	177.1	185.4	183.9

BALANCE SHEET

Year to 31 Dec (\$m)	2022	2023F	2024F	2025F
Fixed assets	4,917.2	4,973.2	4,973.2	4,973.2
Other LT assets	3,720.1	3,720.1	3,720.1	3,720.1
Cash/ST investment	186.4	177.1	185.4	183.9
Other current assets	57.7	63.7	64.0	64.3
Total assets	8,881.4	8,934.1	8,942.6	8,941.5
ST debt	643.7	643.7	643.7	643.7
Other current liabilities	70.6	67.3	67.9	68.7
LT debt	2,208.2	2,350.0	2,440.0	2,520.0
Other LT liabilities	93.6	89.8	90.1	90.5
Shareholders' equity	5,420.9	5,338.9	5,256.6	5,174.2
Minority interest	444.4	444.4	444.4	444.4
Total liabilities & equity	8,881.4	8,934.1	8,942.6	8,941.5

KEY METRICS

Year to 31 Dec (%)	2022	2023F	2024F	2025F
Profitability				
EBITDA margin	51.3	53.9	54.7	55.1
Pre-tax margin	205.4	72.2	66.3	66.1
Net margin	184.9	57.9	56.8	56.6
ROA	4.7	1.5	1.5	1.6
ROE	7.7	2.5	2.6	2.7
Growth				
Turnover	1.2	7.7	2.8	1.2
EBITDA	2.0	13.3	4.3	1.8
Pre-tax profit	61.5	(62.2)	(5.5)	0.9
Net profit	74.9	(66.3)	0.9	0.9
Net profit (adj.)	(7.6)	(0.4)	0.9	0.9
EPU	(8.8)	(2.1)	(0.6)	(0.6)
Leverage				
Debt to total capital	32.7	34.1	35.1	36.0
Debt to equity	52.6	56.1	58.7	61.1
Net debt/(cash) to equity	49.2	52.8	55.1	57.6
Interest cover (x)	3.5	2.6	2.0	2.0

COMPANY UPDATE

Mapletree Industrial Trust (MINT SP)

Expansion In Japan Supported By Asset Cycling In Singapore

MINT has successfully expanded to Japan's data centre market. It plans to recycle assets in Singapore through divestment of business park and light industrial buildings to finance the enlargement of scale in Japan. MINT is close to securing a replacement tenant for its data centre at Brentwood, Tennessee when AT&T's lease expires in Nov 23. MINT provides FY24 distribution yield of 6.1% (DCREIT: 7.3% and KDCREIT: 4.9%). Maintain BUY. Target price: S\$2.76.

WHAT'S NEW

- **Strategic diversification to Japan's data centre market.** Mapletree Industrial Trust (MINT) is acquiring an effective interest of 98.5% in a newly-built data centre in Osaka, Japan for ¥52.0b (S\$507.9m). The multi-storey data centre is in close proximity to the prime central business district in downtown Osaka. Japan will account for 5.5% of its portfolio valuation after the acquisition. The data centre provides NPI yield of 4%. The acquisition is estimated to be accretive to pro forma FY23 DPU by 2.1% and is expected to be completed in 3Q23.
- The fully-fitted data centre is fully leased to an established data centre operator with a weighted average lease to expiry (WALE) of 20 years. MINT's portfolio WALE weighted by gross rental income is expected to increase from 3.9 years to 4.5 years. The property has NLA of 136,900sf and a 70-year land lease commencing from 1 Oct 20.
- **On the lookout for acquisition of data centres.** Data centres in Japan provide positive yield spread with cap rates of 3-4%. MINT has the right of first refusal from the sponsor Mapletree Investments to acquire the remaining 50% stake in their second data centre, JV Mapletree Rosewood Data Centre Trust (MRODCT), which owns 13 data centres in the US. It is also keen to acquire high-tech, R&D and life science properties.
- **Asset recycling.** MINT is exploring the feasibility of recycling assets in Singapore to finance its expansion for data centres in Japan:
 - Three business park properties at International Business Park (The Strategy and The Synergy) and Changi Business Park (The Signature). Valuation for the three business park properties is S\$543m in aggregate as of Mar 23.
 - Three light industrial buildings valued at S\$53m in aggregate as of Mar 23.

KEY FINANCIALS

Year to 31 Mar (S\$m)	2022	2023	2024F	2025F	2026F
Net turnover	610	685	707	734	748
EBITDA	409	451	464	483	493
Operating profit	409	451	464	483	493
Net profit (rep./act.)	433	282	374	393	406
Net profit (adj.)	416	388	374	393	406
EPU (S\$ cent)	16.1	14.6	13.6	14.3	14.7
DPU (S\$ cent)	13.8	13.6	13.4	14.2	14.6
PE (x)	13.6	15.0	16.2	15.4	14.9
P/B (x)	1.2	1.1	1.2	1.2	1.2
DPU Yld (%)	6.3	6.2	6.1	6.5	6.7
Net margin (%)	71.0	41.1	52.8	53.6	54.3
Net debt/(cash) to equity (%)	45.6	47.6	47.4	47.2	47.1
Interest cover (x)	5.8	4.6	4.6	4.7	4.8
ROE (%)	9.4	5.3	6.9	7.3	7.5
Consensus DPU (S\$ cent)	n.a.	n.a.	13.3	13.8	14.1
UOBKH/Consensus (x)	-	-	1.01	1.03	1.04

Source: Mapletree Industrial Trust, Bloomberg, UOB Kay Hian

BUY

(Maintained)

Share Price	S\$2.19
Target Price	S\$2.76
Upside	+26.0%
(Previous TP)	S\$2.74

COMPANY DESCRIPTION

MINT invests in a diversified portfolio of income-producing real estate used primarily for industrial purposes in Singapore and income-producing real estate used primarily as data centres worldwide beyond Singapore.

STOCK DATA

GICS sector	Real Estate
Bloomberg ticker:	MINT SP
Shares issued (m):	2,832.9
Market cap (S\$m):	6,204.0
Market cap (US\$m):	4,540.1
3-mth avg daily t'over (US\$m):	7.1

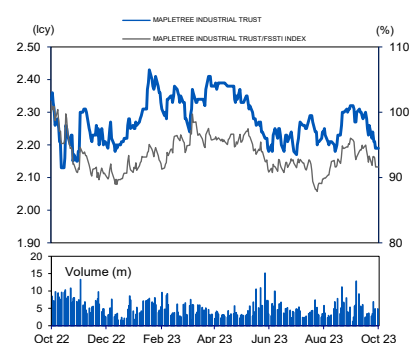
Price Performance (%)

52-week high/low	S\$2.43/S\$2.13			
1mth	3mth	6mth	1yr	YTD
(5.2)	(0.5)	(8.0)	(9.1)	(1.4)

Major Shareholders

Temasek Hldgs	27.3
FY24 NAV/Share (S\$)	1.84
FY24 Net Debt/Share (S\$)	0.92

PRICE CHART



Source: Bloomberg

ANALYST(S)

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BUSINESS PARK BUILDINGS

PROPERTY	LOCATION	REMAINING TERM OF LEASE (YEARS)	NLA (SF)	VALUATION (\$M)	KEY TENANTS	FY23 GROSS REVENUE (\$M)	AVERAGE OCCUPANCY RATE (%)
The Signature	Changi Business Park	45	343,433	141.7	Huawei International	13.6	83.3
The Strategy	International Business Park	45	571,981	279.7	Dell Global and Becton Dickinson	24.2	91.5
The Synergy	International Business Park	45	282,392	121.9	Lapcorp Development (Asia)	10.0	80.2
Total			1,197,806	543.3		47.8	86.5

Source: MINT

LIGHT INDUSTRIAL BUILDINGS

PROPERTY	REMAINING TERM OF LEASE (YEARS)	NLA (SF)	VALUATION (\$M)	FY23 GROSS REVENUE (\$M)	AVERAGE OCCUPANCY RATE (%)
2A Changi North Street 2	38	65,478	10.9	0.7	86.9
26 Woodlands Loop	32	149,096	25.3	2.6	99.8
45 Ubi Road 1	30	123,339	17.0	2.5	100.0
Total		337,913	53.2	5.8	96.3

Source: MINT

- **Backfilling data centre at Brentwood, Tennessee.** AT&T currently occupies three data centres located at Pewaukee, Brentwood and San Diego. The three data centres have NLA of 1.0m sf, representing 14% of total NLA for MINT's US data centre portfolio (excluding its second data centre JV with sponsor Mapletree Investments). MINT is in advanced negotiations with a potential replacement tenant for its data centre at Brentwood, Tennessee with NLA of 347,515sf (expiry: Nov 23). The new tenant intends to sign a long-term lease for the entire data centre with rental escalation.

DATA CENTRES LEASED BY AT&T

PROPERTY	CITY	STATE	NLA (SF)	VALUATION (US\$M)	FY23 GROSS REVENUE (US\$M)	LEASE EXPIRY
N15W24250 Riverwood Drive	Pewaukee	Wisconsin	142,952	50.6	5.3	Sep 23
402 Franklin Road	Brentwood	Tennessee	347,515	112.0	11.8	Nov 23
7337 Trade Street	San Diego	California	499,402	188.0	16.6	Dec 24
Total			989,869	361.7	33.6	

Source: MINT

- **Optimising cost of borrowings with debt in Japanese yen.** Aggregate leverage increased 0.8ppt qoq to 38.2%. MINT issued two series of notes, ¥6.5b of 1.686% fixed rate notes due 2035 (tenure: 12 years) and ¥10.0b of 1.85% fixed rate notes due 2038 (tenure: 15 years), to fund the acquisition of a data centre in Osaka, Japan (equity: 40%, debt: 60%). Average all-in funding cost was unchanged at 3.5% in 1QFY24. Management expects the funding in Japanese yen to cut all-in funding cost by 20-30bp.

STOCK IMPACT

- **Increasing geographical diversification while adding depth to data centres.** We like MINT's ongoing expansion to acquire data centres in Japan coupled with asset recycling in Singapore, which brings MINT closer to being a pure play on data centres. Tapping on funding in JPY will also reduce its cost of debt.

EARNINGS REVISION/RISK

- We maintain our existing DPU forecast.

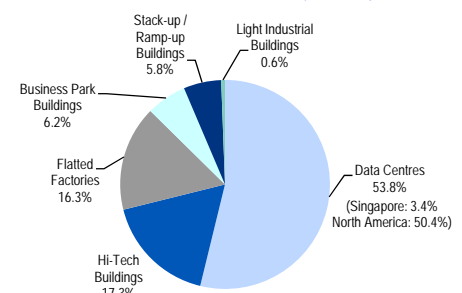
VALUATION/RECOMMENDATION

- **Maintain BUY.** Our target price of S\$2.76 is based on DDM (cost of equity: 7.25%, terminal growth: 2.2%).

SHARE PRICE CATALYST

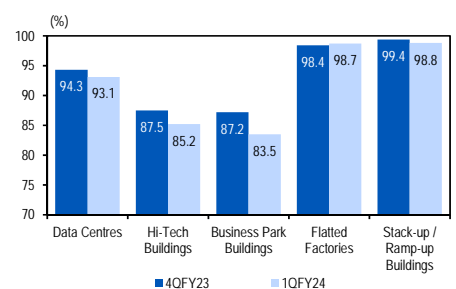
- Growth from data centres located in Singapore and North America.
- Acquisition of the remaining 50% stake in portfolio of 13 data centres (second JV) from sponsor Mapletree Investments.

PORTFOLIO VALUATION BY AUM (JUN 23)



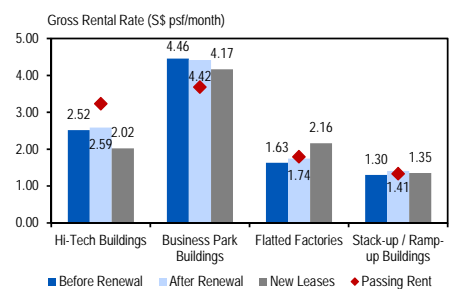
Source: MINT

SEGMENTAL OCCUPANCY RATES



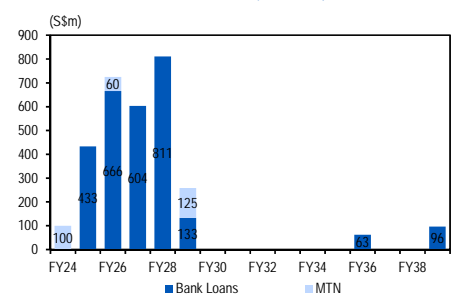
Source: MINT

RENTAL REVISIONS (SINGAPORE)



Source: MINT

DEBT MATURITY PROFILE (JUN 23)



Source: MINT

PROFIT & LOSS

Year to 31 Mar (\$m)	2023	2024F	2025F	2026F
Net turnover	684.9	707.3	733.7	748.0
EBITDA	450.6	464.0	482.9	493.2
Deprec. & amort.	0.0	0.0	0.0	0.0
EBIT	450.6	464.0	482.9	493.2
Associate contributions	67.9	33.1	35.7	38.4
Net interest income/(expense)	(96.9)	(101.5)	(102.9)	(102.9)
Pre-tax profit	315.1	395.6	415.7	428.6
Tax	(23.9)	(12.6)	(12.8)	(12.8)
Minorities	0.0	0.0	0.0	0.0
Preferred dividends	(9.5)	(9.5)	(9.5)	(9.5)
Net profit	281.7	373.6	393.5	406.4
Net profit (adj.)	388.2	373.6	393.5	406.4

CASH FLOW

Year to 31 Mar (\$m)	2023	2024F	2025F	2026F
Operating	448.1	450.0	475.6	483.6
Pre-tax profit	397.6	383.0	402.9	415.8
Associates	(67.9)	(33.1)	(35.7)	(38.4)
Working capital changes	16.1	(2.0)	4.8	2.6
Non-cash items	1.0	0.6	0.6	0.6
Other operating cashflows	101.2	101.5	102.9	102.9
Investing	(100.6)	(10.0)	(10.0)	(10.0)
Capex (growth)	(155.0)	(10.0)	(10.0)	(10.0)
Proceeds from sale of assets	26.1	0.0	0.0	0.0
Others	28.3	0.0	0.0	0.0
Financing	(350.5)	(432.3)	(456.5)	(467.8)
Distribution to unitholders	(225.1)	(370.7)	(390.7)	(403.6)
Issue of shares	0.0	0.0	0.0	0.0
Proceeds from borrowings	0.0	0.0	0.0	0.0
Loan repayment	(24.4)	0.0	0.0	0.0
Others/interest paid	(101.0)	(61.6)	(65.9)	(64.2)
Net cash inflow (outflow)	(3.0)	7.7	9.0	5.8
Beginning cash & cash equivalent	149.6	146.6	154.3	163.4
Changes due to forex impact	(0.0)	0.0	0.0	0.0
Ending cash & cash equivalent	146.6	154.3	163.4	169.2

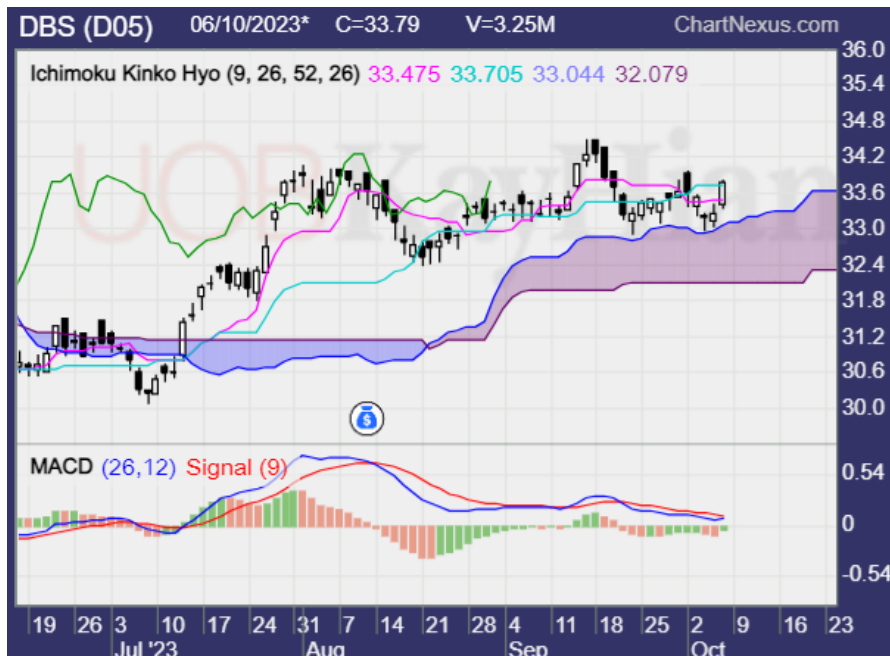
BALANCE SHEET

Year to 31 Mar (\$m)	2023	2024F	2025F	2026F
Fixed assets	7,658.7	7,658.7	7,658.7	7,658.7
Other LT assets	709.1	709.9	710.7	711.5
Cash/ST investment	146.6	154.3	163.4	169.2
Other current assets	32.4	40.3	41.6	42.3
Total assets	8,546.8	8,563.3	8,574.4	8,581.7
ST debt	0.2	0.2	0.2	0.2
Other current liabilities	338.0	343.9	350.1	353.4
LT debt	2,705.0	2,705.0	2,705.0	2,705.0
Other LT liabilities	127.7	135.4	137.5	138.7
Shareholders' equity	5,375.9	5,378.8	5,381.6	5,384.4
Minority interest	0.0	0.0	0.0	0.0
Total liabilities & equity	8,546.8	8,563.3	8,574.4	8,581.7

KEY METRICS

Year to 31 Mar (%)	2023	2024F	2025F	2026F
Profitability				
EBITDA margin	65.8	65.6	65.8	65.9
Pre-tax margin	46.0	55.9	56.7	57.3
Net margin	41.1	52.8	53.6	54.3
ROA	3.3	4.4	4.6	4.7
ROE	5.3	6.9	7.3	7.5
Growth				
Turnover	12.3	3.3	3.7	2.0
EBITDA	10.3	3.0	4.1	2.1
Pre-tax profit	(33.2)	25.6	5.1	3.1
Net profit	(35.0)	32.6	5.3	3.3
Net profit (adj.)	(6.6)	(3.8)	5.3	3.3
EPU	(9.4)	(7.1)	5.2	3.2
Leverage				
Debt to total capital	33.5	33.5	33.5	33.4
Debt to equity	50.3	50.3	50.3	50.2
Net debt/(cash) to equity	47.6	47.4	47.2	47.1
Interest cover (x)	4.6	4.6	4.7	4.8

TRADERS' CORNER



DBS Group Holdings (DBS SP)

Trading buy range: S\$33.65-33.70
 Last price: S\$33.79
 Target price: S\$36.20
 Protective stop: S\$32.85

Price managed to stay above the cloud, keeping the uptrend intact. The thick cloud is acting as a strong support. The MACD is bullish and a bullish crossover is likely. These could increase chances of the stock price rebounding to move higher.

The potential upside target is S\$36.20. Stop-loss could be placed at S\$32.85.

Approximate timeframe on average: 1-2 weeks (initiate this trade idea if the stock hits the entry price range within three trading days)

Our institutional research has a fundamental BUY and target price of S\$44.35.



Raffles Medical Group (RFMD SP)

Trading buy range: S\$1.24-1.25
 Last price: S\$1.25
 Target price: S\$1.38
 Protective stop: S\$1.20

Price rebounded from its previous low support zone. It moved and closed above the middle Bollinger band, aka the 20-day moving average. The RSI is rising above its neutral level. These could increase chances of the stock price moving higher.

The potential upside target is S\$1.38. Stop-loss could be placed at S\$1.20.

Approximate timeframe on average: 1-2 weeks (initiate this trade idea if the stock hits the entry price range within three trading days)

Our institutional research has a fundamental BUY and target price of S\$1.70.

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