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# Cityneon's target price raised to \$1.20 by DBS with 'buy' call

**By:** Gwyneth Yeo  
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SINGAPORE (June 29): DBS Group Research is maintaining its "buy" recommendation for Cityneon Holdings, with a higher target price of \$1.20 from \$1.05 previously.

DBS analyst Ling Lee Keng notes that the group has a forecast earnings growth

of more than 300% from FY2015 to FY2018, and is “attractive to investors seeking growth and unique ideas in the entertainment industry.”

Cityneon creates interactive exhibitions for The Avengers and Transformers. It currently has two permanent sets in Las Vegas and another two travelling sets. In June, Cityneon's wholly-owned subsidiary Victory Hill Exhibitions announced that it will have two additional locations, namely Australia and Singapore, to host and operate the Avenger S.T.A.T.I.O.N.

As Cityneon's earnings are directly correlated with the number of exhibits it has, Ling notes that the group will require more sets to meet demand.

“We now expect a total of seven sets by the end of 2017, up from six previously, and maintain our assumption of eight sets by the end of 2018,” says Ling. With the expected increase in sets, DBS has raised Cityneon's FY2017 earnings forecast by 14% to \$19.3 million and its FY2018 earnings forecast by 10% to \$24 million.

Besides operating a lower execution risk model by finding partners to undertake operating risk, Ling also added that the group could secure the rights to a third intellectual property. “There is a huge pool of franchises that meet the management's criteria of box office takings of more than US\$1 billion and with sequels in the pipeline,” says Ling. “Some attractive options include Star Wars, Jurassic Park, Batman and Spiderman.”

Cityneon's shares were trading at 89.5 cents at 3.02pm.

CITYNEON HOLDINGS

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