UOBKayHian

Country Daily | Singapore

Friday, 13 November 2026



Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	52297.1	(0.4)	1.5	0.9	8.8
S&P 500	7592.4	(0.4)	3.2	(2.8)	10.9
FTSE 100	10863.1	0.3	0.7	1.9	9.4
AS30	9274.2	(0.2)	0.7	4.0	2.8
CSI 300	4043.9	(0.8)	(1.7)	(5.4)	(12.7)
FSSTI	5282.7	(0.1)	0.3	(2.7)	13.7
HSCEI	8056.8	(1.4)	(3.7)	(1.4)	(9.6)
HSI	24008.6	(1.3)	(3.2)	(1.1)	(6.3)
JCI	5250.9	2.7	4.4	(11.4)	(39.3)
KLCI	1586.0	(0.6)	(1.9)	(2.3)	(5.6)
KOSPI	5342.7	(0.6)	(0.8)	(11.5)	26.8
Nikkei 225	60819.4	(0.7)	(0.4)	(10.3)	20.8
SET	1499.1	(0.2)	0.1	(4.6)	19.0
TWSE	43091.9	(2.6)	3.6	(10.9)	48.8
BDI	3020	2.1	10.2	5.9	60.9
CPO (RM/mt)	4122	3.4	(4.0)	(7.8)	4.8
Brent Crude (US$/bbl)	96	3.4	(2.4)	(10.0)	57.7

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Analyst Marketing by Johnny Yum on GC AI Sector	Taipei	17 Nov	18 Nov
Corporate Roadshow with NTT DC REIT (NTTDCR SP)	Bangkok	23 Nov	23 Nov
Corporate Roadshow with NTT DC REIT (NTTDCR SP)	Kuala Lumpur	25 Nov	25 Nov
Virtual Analyst Presentation by Jonathan Koh on S-REITs Results Wrap	Singapore	25 Nov	25 Nov
Regional 1H2027 Strategy Conference	Malaysia	02 Dec	02 Dec

Corporate and Macro Calendar

Economic Indicator/Event	Date
Balance of Trade OCT	17 Nov
Non-Oil Exports MoM OCT	17 Nov
Non-Oil Exports YoY OCT	17 Nov
MAS 12-Week Bill Auction	17 Nov

Top Stories

Company Results | Food Empire Holdings (FEH SP/**BUY**/S$1.79/Target: S$3.00)

Page 3 →

- FEH's 9M26 revenue reached a record US$477m (+12% yoy), ahead of expectations. We expect 2H26 net margin and earnings to be better hoh as FEH is deliberately prioritising profitability over chasing sales. Maintain BUY with a target price of S$3.00. FEH trades at an attractive 11.4x 2027F PE, a 46% discount to peers' 21x. Its 6.7% yield is also attractive.

Company Results | Genting Singapore (GENS SP/**HOLD**/S$0.61/Target: S$0.65)

Page 6 →

- GENS' weaker 3Q26 results mainly reflects lower VIP volume and win rates. Meanwhile, the gradual launch of non-gaming attractions, such as the Singapore Oceanarium, The Weave and The Laurus hotel, continues to support the non-gaming segment's earnings momentum. While the ongoing modernisation programme may temporarily reduce available hotel rooms and lift operating expenses, we remain neutral on GENS's near-term outlook. Nevertheless, its prospective dividend yield of 6.6% is attractive. Maintain HOLD with a lower target price of S$0.65.

Company Results | SATS (SATS SP/**BUY**/S$4.17/Target: S$5.00)

Page 9 →

- SATS delivered steady headline earnings in 1HFY27, supported by one-off tax items. After excluding all one-offs, core earnings declined 9.9% yoy in 2QFY27. This is not a concern to us, as the 2QFY27 margin weakness reflected transitory cost pressures that have been well flagged by management. Management's tone is incrementally more positive, with cost pressures likely past their peak and margins poised to recover. Maintain BUY with an unchanged S$5.00 target price, underpinned by strong fundamentals and favourable medium-term prospects.

Company Results | Singapore Airlines (SIA SP/**SELL**/S$7.25/Target: S$6.65)

Page 12 →

- SIA's 2QFY27 net profit of S$210m missed our guided range of S$230m-370m, due to weaker-than-expected passenger yields; excluding one-off accounting gains from Air India, the miss would have been larger. Although jet fuel prices have eased from recent peaks, elevated costs are likely to continue weighing on 3Q and 2HFY27 earnings, which we forecast to decline 33% and 29% yoy respectively. At 1.40x FY27F P/B (1.6SD above mean), we deem valuation as demanding. Maintain SELL; target price: S$6.65.

Disclaimer: In Traders' Corner, technical analysis is carried out purely based on charting patterns, price movements and trends, and is thus independent of the fundamental research views of our analysts. As a result, and from time to time, we may make a technical recommendation that is opposite to our fundamental BUY/HOLD/SELL rating.

Market Spotlight

Page 15 →

- US stocks were lower on Thursday. All indices fell as materials, industrials and financials sectors slid. There were more decliners than advancers on both NYSE and NASDAQ.
- The FSSTI fell 6.96 points to 5,282.70, on the back of weakness in UMS and OCBC Bank. Both mid- and small-cap indices fell with a broad market decline on S$1.71b turnover.

What's Inside

Company Results | AEM Holdings (AEM SP/**BUY**/S$6.80/Target: S$9.08) Page 16 →

- 3Q26 adjusted net profit reached S$42.6m (+1530% yoy/111% qoq), ahead of our estimate. 3Q26 adjusted earnings surged 111% qoq to S$34.8m, driven by AMPS shipments. 2026 EPS guidance rose by around 20% to 30-33 S cents, while revenue guidance was raised by around 4%. AEM remains confident in its growth trajectory. Maintain BUY with a 30% lower target price of S$9.08.

Company Results | ComfortDelGro Corp (CD SP/**HOLD**/S$1.29/Target: S$1.41) Page 19 →

- ComfortDelGro's 9M26 revenue rose 4.9% yoy, while PATMI fell 20.0%, representing 77.7% and 78.6% of full-year forecasts respectively, in line with expectations. Public transport earnings remained resilient, supported by overseas contracts, while taxi/PHV profitability weakened amid competition. Inspection and testing benefitted from ERP 2.0 installations, although contributions may taper off. Maintain HOLD with S$1.41 target price, pegged to 17x 2026F PE.

Company Results | NTT DC REIT (NTTDCR SP/**BUY**/US$0.93/Target: US$1.29) Page 22 →

- Occupancy by IT load rose to 97.5%, supported by expansion demand from existing tenants at key assets CA1, CA2 and CA3. NTTDCR also achieved positive rental reversions of 11.7% in 1HFY27. Maintain BUY and target price at US$1.29 due to favourable supply-demand dynamics, ongoing tenant expansion, and potential acquisitions from its sponsor pipeline. NTTDCR provides an attractive FY27 DPU yield of 9.2%.

Company Update | Centurion Corp. (CENT SP/**BUY**/S$1.21/Target: S$2.05) Page 25 →

- CENT reported a 34.5% yoy rise in 9M26 revenue to S$280.1m, buoyed by higher bed capacity in Singapore, positive rental reversions in Singapore and Australia as well as contributions from new acquisitions in Malaysia and Australia. Looking ahead, portfolio capacity is expected to expand by 27% to around 108,263 beds by 2028, largely coming from Singapore, Malaysia and Australia. This will likely underpin the group's strong and visible earnings and value creation pipeline. Maintain BUY with a target price of S$2.05.

Technical Analysis

Parkway Life Real Estate Investment Trust (PREIT SP) Page 28 →

- Trading Buy Range: S$4.02-4.03

UMS Holdings (UMSH SP) Page 28 →

- Trading Sell Range: S$1.82-1.83

Food Empire Holdings (FEH SP)

3Q26: Healthy Growth; Expect Better Margins And Earnings hoh For 2H26

Highlights

- FEH's 9M26 revenue reached a record US$477m (+12% yoy), while 3Q26 revenue rose 6% yoy to US$161m. 9M26 revenue formed 79% of our full-year forecast, ahead of expectations.
- We expect 2H26 net margin and earnings to be better hoh. While 3Q26 revenue growth moderated to 6%, FEH is deliberately prioritising profitability over chasing sales, particularly in Vietnam. This will translate to higher margins.
- Maintain BUY with target price of S$3.00. FEH trades at an attractive 11.4x 2027F PE, a 46% discount to peers' 21x. Its 6.7% yield is also attractive.

9M26/3Q26 Revenue By Key Market

Year to 30 Sep (US$m)	9M26	9M25	yoy%	3Q26	3Q25	yoy%
Total revenue	476.5	426.7	11.7	161.4	152.6	5.8
- Russia	155.5	134.0	16.0	52.3	51.2	2.1
- Southeast Asia (SEA)	117.8	114.5	2.9	38.5	37.0	4.1
- Central Asia	94.8	75.6	25.4	34.3	30.4	12.8
- South Asia	58.1	54.5	6.6	19.5	17.5	11.4
- Europe	35.9	35.3	1.7	10.9	11.5	(5.2)
- Others	14.4	12.8	12.5	5.9	5.0	18.0

Source: FEH, UOB Kay Hian

Analysis

- **Top-line reaches another all-time high.** Food Empire Holdings' (FEH) 9M26 revenue rose 11.7% yoy to a record US$476.5m, forming 79% of our full-year forecast and slightly ahead of expectations. 3Q26 revenue increased 5.8% yoy to US$161.4m, marking the third consecutive quarter of yoy growth. FEH remains on track for its sixth straight year of record revenue.
- **Broad-based growth led by Central Asia and Russia.** Central Asia delivered the strongest 9M26 growth of 25.4% yoy to US$94.8m, driven by higher volumes in Uzbekistan, Turkmenistan and Georgia, stronger Kazakhstan demand and Tenge appreciation. Russia grew 16.0% yoy to US$155.5m and remained FEH's largest market. South Asia/SEA/Europe/Others grew 6.6%/2.9%/1.7%/12.5% yoy respectively.
- **Expect better profitability hoh for 2H26 as management prioritises margins.** Given higher emphasis on margins for 2H26, we expect better earnings of around 7% hoh for 2H26. 3Q26 revenue growth eased to 5.8% yoy amid geopolitical uncertainty, logistics constraints and currency volatility. Central Asia faced Middle East-related supply-chain disruption and higher production and distribution costs, while Europe revenue fell 5.2% yoy. FEH responded by placing greater emphasis on margins while continuing to invest for growth.

Key Financials

Year to 31 Dec (US$m)	2024	2025	2026F	2027F	2028F
Net turnover	476	577	606	643	680
EBITDA	72	103	103	112	119
Operating profit	63	93	91	100	107
Net profit (rep./act.)	53	36	73	81	86
Net profit (adj.)	50	69	73	81	86
EPS (US$ cent)	9.4	12.5	11.0	12.2	13.1
PE (x)	14.8	11.1	12.6	11.4	10.7
P/B (x)	2.5	2.1	2.4	2.3	2.1
EV/EBITDA (x)	10.5	7.4	7.4	6.8	6.4
Dividend yield (%)	4.5	6.7	6.7	6.7	6.7
Net margin (%)	11.0	6.2	12.1	12.6	12.7
Net debt/(cash) to equity (%)	(31.1)	(36.8)	(39.7)	(41.6)	(44.3)
Interest cover (x)	273.8	22.1	24.5	27.9	30.3
ROE (%)	17.8	10.9	19.3	20.2	20.6
Consensus net profit (US$m)	-	-	74	82	97
UOBKH/Consensus (x)	-	-	0.99	0.98	0.89

Source: FEH, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	S$1.79
Target Price	S$3.00
Upside	67.6%
Previous TP	S$3.49

Stock Data

Sector	Consumer Staples
Bloomberg ticker	FEH SP
Shares issued (m)	655.9
Market cap (S$m)	1,174.0
Market cap (US$m)	913.8
3-mth avg daily t'over (US$m)	2.5

Price Performance (%)

52-week high/low				S$2.858/S$1.75
1mth	3mth	6mth	1yr	YTD
(5.3)	(28.7)	(29.6)	(8.6)	(10.5)

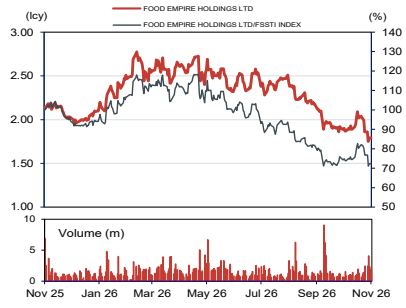
Major Shareholders (%)

Anthoni Salim	24.08
Tan Wang Cheow	21.11
Sudeep Nair	12.91

Balance Sheet Metrics

FY26 NAV/Share (US$)	0.59
FY26 Net Debt/Share (US$)	0.23

Price Chart



Source: Bloomberg

Company Description

Food Empire Holdings manufactures and markets instant beverage products, frozen convenience food, confectioneries and snacks. The company exports its products to markets such as Russia, Eastern Europe, Central Asia, the Middle East and Indochina.

- **Capacity additions support the next phase of growth.** The new Khorgos coffee-mix facility in Kazakhstan, which started production in 1H26, should improve operating efficiency and mitigate logistics pressures as utilisation rises. The India spray-dried coffee expansion remains on track for end-27 and will raise capacity by 60%, while the new Vietnam freeze-dried facility targeted for 2028 will lift capacity by 120%.
- **Russia remains resilient.** 9M26 Russia revenue rose 16.0% yoy to US$155.5m despite higher market volatility in 3Q26. FEH's more than 30-year market presence, local manufacturing since 2006, established distribution infrastructure and continued brand investment underpin the resilience of its largest market.
- **Profitability takes priority in Vietnam.** SEA revenue grew 2.9% yoy to US$117.8m in 9M26. After two years of heavy brand investment, CaféPHỐ is now among Vietnam's leading brands, particularly in iced coffee. FEH expects near-term SEA revenue growth to be more measured as it balances sales growth with margins.
- **Well positioned to navigate changing conditions and pursue sustainable growth.** FEH's established brands, strong market positions and broad-based presence across markets and products underpin the resilience of its business. FEH remains committed to actively balance growth with margins in an extremely volatile environment, to maximise shareholder value. FEH's healthy balance sheet provides flexibility to keep investing in the business, in its brands and in capacity expansion. FEH continues to watch input costs and geopolitical developments closely, but it is confident in the long-term fundamentals and the outlook for 2026 and beyond.

Valuation/Recommendation

- **Maintain BUY** with a 14% lower target price of S$3.00, pegged to 19.5x 2027F PE or 1SD above the long-term average. We have rolled over our valuation base year and reduced the PE multiple peg from 25.5x (+2SD above mean) to reflect the general industry derating. FEH trades at only 11.4x 2027F PE, a 46% discount to the peer average of 21x. It also offers an attractive yield of 6.7% for 2026.

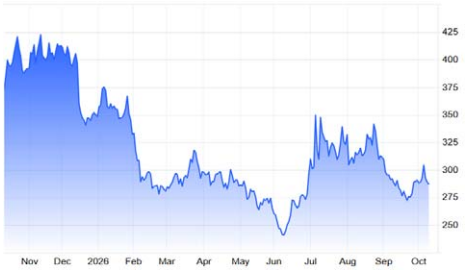
Earnings Revision/Risk

- No changes to our earnings forecasts.

Share Price Catalyst

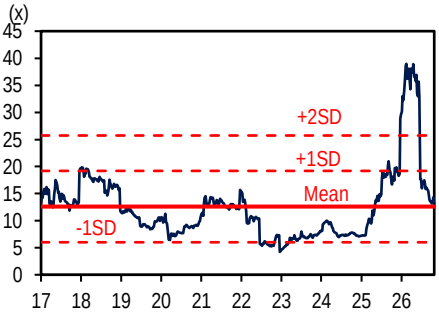
- a) Better-than-expected earnings, and b) higher-than-expected dividends.

Coffee Price Trend (1Y)



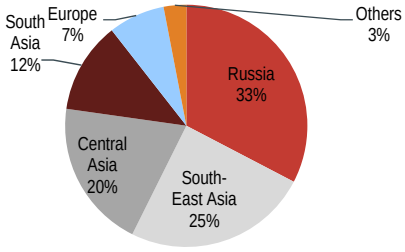
Source: Trading Economics, UOB Kay Hian

Long-term Historical PE Band



Source: Bloomberg, UOB Kay Hian

9M26 Revenue By Geography



Source: FEH, UOB Kay Hian

Capacity Expansion Pipeline

Facility	Location	Timeline	Capacity Increase
Spray-dried coffee (Phase 2)	India	2027	+60%
Freeze-dried coffee facility	Vietnam	2028	+120%

Source: FEH

Peer Comparison

		Price @	Market	PE		P/B		ROE	Yield
Company	Ticker	12 Nov 26	Cap	2026	2027	2026	2027	2026	2026
		(lcy)	(US$m)	(x)	(x)	(x)	(x)	(%)	(%)
Regional									
Ccl Products	CCLP IN	995.2	1,413	26.3	21.3	4.8	4.1	19.5	0.6
Dydo Group	2590 JP	3110	645	18.6	19.3	1.4	1.4	8.4	1.0
Mayora Indah	MYOR IJ	1470	1,802	9.9	9.0	1.6	1.5	17.0	4.1
Nestle (Malaysia)	NESZ MK	94.94	5,458	32.3	31.7	38.0	36.6	117.6	3.1
Carabao	CBG TB	55.75	1,650	19.6	17.2	3.6	3.3	19.6	3.1
Fevertree Drinks	FEVR LN	961.5	1,398	34.8	25.4	5.8	5.4	15.7	1.9
Ito En	2593 JP	3359	1,793	29.7	25.3	1.8	1.5	7.6	1.5
Vita Coco Co	COCO US	65.31	3,727	31.5	29.9	9.0	6.8	32.5	n.a.
Vitasoy	345 HK	6.105	787	22.6	19.1	2.1	2.0	9.9	2.9
Uni-President	220 HK	8.485	4,672	14.3	13.7	2.3	2.3	16.0	7.0
Average				23.6	21.0	7.0	6.4	26.7	3.4
Food Empire	FEH SP	1.79	914	12.6	11.4	2.4	2.2	19.3	6.7

Source: Bloomberg, UOB Kay Hian

Profit & loss

Year to 31 Dec (US$m)	2025	2026F	2027F	2028F
Net turnover	576.9	606.1	642.6	679.7
EBITDA	102.9	102.9	112.0	118.6
Deprec. & amort.	9.5	12.0	11.6	11.3
EBIT	93.4	91.0	100.4	107.3
Total other non-operating income	(30.7)	2.7	2.7	2.7
Associate contributions	1.7	0.6	0.6	0.6
Net interest income/(expense)	(4.6)	(4.2)	(4.0)	(3.9)
Pre-tax profit	59.7	90.0	99.6	106.6
Tax	(23.7)	(17.0)	(18.8)	(20.2)
Minorities	0.0	0.0	0.0	0.0
Net profit	36.0	73.0	80.8	86.5
Net profit (adj.)	68.6	73.0	80.8	86.5

Balance Sheet

Year to 31 Dec (US$m)	2025	2026F	2027F	2028F
Fixed assets	130.8	126.8	123.2	119.9
Other LT assets	48.7	48.7	48.7	48.7
Cash/ST investment	181.5	206.0	226.6	253.5
Other current assets	205.3	216.6	228.2	240.1
Total assets	566.3	598.1	626.7	662.1
ST debt	24.3	24.3	24.3	24.3
Other current liabilities	95.4	100.2	104.8	109.5
LT debt	21.7	26.9	32.2	37.5
Other LT liabilities	54.6	54.6	54.6	54.6
Shareholders' equity	368.0	389.8	408.5	433.0
Minority interest	2.3	2.2	2.2	2.2
Total liabilities & equity	566.3	598.1	626.7	661.1

Cash Flow

Year to 31 Dec (US$m)	2025	2026F	2027F	2028F
Operating	87.1	82.8	89.5	94.7
Pre-tax profit	59.7	90.0	99.6	106.6
Tax	(23.7)	(17.0)	(18.8)	(20.2)
Deprec. & amort.	9.5	12.0	11.6	11.3
Associates	1.7	0.6	0.6	0.6
Working capital changes	(0.8)	(6.5)	(7.1)	(7.2)
Non-cash items	0.0	0.0	0.0	0.0
Other operating cashflows	40.7	3.8	3.6	3.5
Investing	(21.6)	(5.3)	(5.3)	(5.3)
Capex (growth)	(22.2)	(8.0)	(8.0)	(8.0)
Investment	0.0	0.0	0.0	0.0
Proceeds from sale of assets	0.0	0.0	0.0	0.0
Others	0.6	2.7	2.7	2.7
Financing	(17.4)	(52.2)	(62.8)	(62.7)
Dividend payments	(45.1)	(51.2)	(62.0)	(62.0)
Proceeds from borrowings	144.6	144.6	144.6	144.6
Loan repayment	(138.8)	(138.8)	(138.8)	(138.8)
Others/interest paid	21.9	(6.8)	(6.6)	(6.5)
Net cash inflow (outflow)	48.0	25.3	21.4	26.7
Beginning cash & cash equivalent	130.9	181.5	206.0	226.6
Changes due to forex impact	2.7	(0.8)	(0.8)	0.2
Ending cash & cash equivalent	181.5	206.0	226.6	253.5

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	17.8	17.0	17.4	17.5
Pre-tax margin	10.3	14.9	15.5	15.7
Net margin	6.2	12.1	12.6	12.7
ROA	7.0	12.5	13.2	13.4
ROE	10.9	19.3	20.2	20.6
Growth				
Turnover	21.1	5.1	6.0	5.8
EBITDA	42.3	0.1	8.8	5.9
Pre-tax profit	(8.5)	50.9	10.6	7.0
Net profit	(31.5)	103.0	10.6	7.0
Net profit (adj.)	38.0	6.5	10.6	7.0
EPS	32.8	(12.0)	10.6	7.0
Leverage				
Debt to total capital	11.0	11.6	12.1	12.4
Debt to equity	12.5	13.1	13.8	14.3
Net debt/(cash) to equity	(36.8)	(39.7)	(41.6)	(44.3)
Interest cover (x)	22.1	24.5	27.9	30.3

Genting Singapore (GENS SP)

3Q26: Dragged By Weaker Gaming Operations

Highlights

- **3Q26 results came in below expectations,** with earnings declining steeply due to lower gaming statistics and higher operating expenses.
- **We remain neutral on GENS' short- to medium-term outlook,** but expect support from a commendable dividend yield (6.6%). Maintain HOLD with a lower target price of S$0.65 (from S$0.70) as we reduce our 2026-27 EBITDA forecasts.

3Q26 Results

Year to 31 Dec (S$m)	3Q26	qoq % chg	yoy % chg	9M26	yoy % chg
Revenue	566.1	(5.0)	(12.9)	1,769.3	(5.1)
-Singapore	565.9	(3.3)	(12.9)	1,758.9	(5.6)
- Gaming	315.0	(21.4)	(21.7)	1,119.4	(9.9)
- Non-gaming	250.9	36.0	1.5	639.5	2.8
Core adjusted EBITDA	161.8	(23.3)	(27.4)	551.5	(14.7)
Core Net profit	58.8	(36.7)	(48.0)	221.4	(38.8)
Margins		+/- ppt	+/- ppt		+/- ppt
Adjusted EBITDA (%)	28.6	-6.8	-5.7	31.2	(3.5)

Source: Genting Singapore, UOB Kay Hian

Analysis

- **3Q26: Below expectations.** Resort World Sentosa's (RWS) 3Q26 revenue (-5% qoq, -13% yoy) and EBITDA (-23% qoq; -27% yoy) declined meaningfully yoy. Earnings were weaker yoy, mainly due to softer VIP volume and a lower win rate. 9M26 EBITDA represented only 68% of our and consensus full-year forecasts respectively.
- **Gaming statistics dropped on weaker volume and VIP luck factor.** 3Q26 gaming revenue declined significantly (-22% yoy). This mainly reflects a weaker VIP rolling chip volume (-32% yoy) and win percentage of 2.74% (3Q25: 3.1%), which have dragged down VIP's gross gaming revenue (GGR) by 40% yoy. Meanwhile, mass GGR is estimated to have also fallen modestly by 5% yoy as overall RWS footfall was impacted by a lower number of hotel rooms available due to the ongoing renovation and modernisation efforts.

Key Financials

Year to 31 Dec (S$m)	2024	2025	2026F	2027F	2028F
Net turnover	2,530.0	2,452.0	2,269.6	2,408.5	2,517.3
EBITDA	960.1	815.8	755.8	814.4	856.5
Operating profit	604.2	457.9	394.1	421.1	433.6
Net profit (rep./act.)	578.9	390.4	365.8	386.4	396.7
Net profit (adj.)	594.2	423.3	365.8	386.4	396.7
EPS	4.9	3.5	3.0	3.2	3.3
PE (x)	12.7	17.4	20.1	19.0	18.6
P/B (x)	0.9	0.9	0.9	0.9	0.9
EV/EBITDA (x)	24.4	29.2	32.1	30.5	29.6
Dividend yield (%)	6.4	6.6	6.6	6.6	6.6
Net margin (%)	22.9	15.9	16.1	16.0	15.8
Net debt/(cash) to equity(%)	(43.1)	(39.0)	(34.2)	(27.7)	(21.6)
ROE (%)	7.2	4.9	4.6	4.9	5.0
Consensus net profit	n.a	n.a	373.7	429.2	422.6
UOBKH/Consensus (x)	n.a	n.a	1.0	0.9	0.9

Source: Genting Singapore PLC, Bloomberg, UOB Kay Hian

Analyst(s)

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HOLD (Maintained)

Share Price	S$0.61
Target Price	S$0.65
Upside	6.56%
Previous TP	S$0.70

Stock Data

Sector	Consumer Discretionary
Bloomberg ticker	GENS SP
Shares issued (m)	12,063.6
Market cap (S$m)	7,358.8
Market cap (US$m)	5,728.0
3-mth avg daily t'over (US$m)	14.0

Price Performance (%)

52-week high/low				S$0.8/S$0.6
1mth	3mth	6mth	1yr	YTD
0.0	(4.7)	(11.6)	(23.3)	(15.9)

Balance Sheet Metrics

FY26 NAV/Share (S$)	0.7
FY26 Net Debt/Share (S$)	(0.2)

Price Chart



Source: Bloomberg

Company Description

Genting Singapore is a Singapore-based regional leisure, hospitality and integrated resorts development specialist.

- **Non-gaming segment charted steady performance.** Following the completion of the Singapore Oceanarium and The Weave as well as the opening of The Laurus hotel, non-gaming revenue was flattish (+2% yoy) despite lower visitations. In 3Q26, daily available rooms were lower at around 1,070 rooms (3Q25: about 1,189 rooms) due to the renovation of about 230 rooms in Hotel Michael Sentosa. Hotel occupancy rate was lower yoy at about 90% (3Q25: 92%), but offset by a higher average room rate of S$518 (3Q25: S$484). Overall, visitations were stable as key attractions including Universal Studios Singapore and the Singapore Oceanarium continue to support non-gaming earnings contribution.
- **Growth trajectory may be impacted by ongoing modernisation programme and lower number of available hotel rooms.** While Singapore Tourism Board (STB) forecasts 2026 international visitor arrivals of 17m-18m (2025: 16.9m), we opine that GENS' visitations during 4Q26-2027 may be negatively impacted by temporary closure of key hotel amenities for retrofitting. Note that the scheduled refreshment of RWS' hotel assets such as the Michael Sentosa and Crockfords Sentosa will reduce GENS' available rooms to 950-1,000 rooms (from 1,300 rooms), which may temporarily result in a reduction of overall gaming volume and non-gaming revenue.
- **Profitability margins remain under pressure due to rising costs.** The ongoing modernisation programme includes infrastructure refresh and system enhancements, and may compress GENS' near-term margins due to higher recurring expenses. This includes higher staff count and maintenance expenses following the launch of various non-gaming attractions. Stiff competition from RWS' competitor Marina Bay Sands' (MBS) structurally more strategic city-centre location will also continue to weigh on promotional expenses. We are forecasting an EBITDA margin of 36-37% for 2026-28, which is below the historical average of 42-45%.
- **Full launch of RWS 1.5 remains as an important re-rating catalyst.** Note that RWS opened a new themed zone - Illumination's Minion Land - in Universal Studios Singapore in mid-Feb 25. The group also launched the Singapore Oceanarium which features 22 zones and over 40,000 marine animals, and The WEAVE which includes retail and dining precincts with over 40 international and local brands. The Laurus, a super luxury all-suite hotel developed with Marriott International was also opened in Oct 25. For the longer term, RWS is also working on a 21,243 sqm waterfront development which will eventually add 700 hotel rooms. These attractions will elevate the resort's vibrancy and be rolled out in phases (refer to RHS table).
- **Healthy balance sheet and huge cash pile, but upside for capital management limited by sizeable RWS 2.0-related capex in 2026-28.** While GENS held net cash of S$2.95b (24 S cents/share) as of end-25, we forecast only a flattish DPS of 4 S cents for 2026-28. Note that RWS 2.0 is a S$6.8b expansion which will be completed by 2030. We have pencilled in capex assumptions of S$600m-1b for GENS in 2026-28, which will result in a meaningful drawdown of GENS' cash pile.

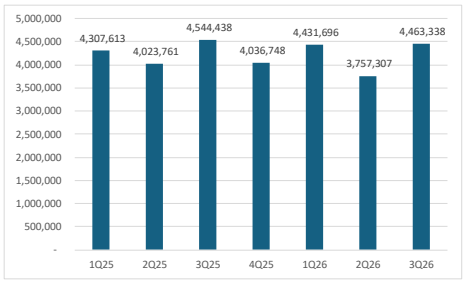
Valuation/Recommendation

- **Maintain HOLD with a lower target price of S$0.65 (from S$0.70)** as we cut earnings. Our target price implies 7x 2027F EV/EBITDA (-1SD below mean).
- **Still a commendable dividend play, despite unexciting earnings growth trajectories.** Assuming GENS largely sustains its 4 S cents dividends payout for 2026-27, backed by S$0.24 net cash/share (39% of market cap), the prospective dividend yield of 6.6% remains attractive.

Earnings Revision/Risk

- **We recalibrated our 2026-27 EBITDA forecasts downwards by 7% and 10%** respectively to account for 3Q26's exceptionally poor VIP luck factor and overall weaker-than-expected gaming volume.

Singapore's Tourist Arrival



Source: Singapore Tourism Analytics Network, UOB Kay Hian

Timeline Development For RWS 2.0 Non-Gaming Attractions

Attraction	Timeline
Van Gogh: The Immersive Experience in new theatre	Mar-Oct 2023
Hotel Ora (Renovated Festive Hotel)	May 2023
Gourmet Park at The Bull Ring	June 2024
Enhancement of convention centre	End 2024
Minion park (replace Madagascar zone)	Feb 2025
Singapore Oceanarium	July 2025
The Laurus luxury hotel	Oct 2025
Waterfront development	2030

Source: GENS, UOB Kay Hian

Key Assumptions

Year	2025	2026F	2027F
Revenue (S$m)	2,452	2,270	2,409
EBITDA (S$m)	816	756	814
Hotel Occupancy (%)	77%	78%	80%

Source: GENS, UOB Kay Hian

Earnings Trend Of GENS And MBS

Genting Singapore (GENS)					
(S$m)	2Q25	3Q25	4Q25	1Q26	2Q26
Revenue	588.3	649.8	587.8	607.6	595.5
EBITDA	187.9	222.7	169.4	179.0	210.8
Gaming Revenue	401.9	402.3	361.9	403.4	401.0
Marina Bay Sands (MBS)					
(S$m)	1Q25	2Q25	3Q25	4Q25	2Q26
Revenue	1,570.4	1,846.9	1,838.5	2,070.9	1,598.5
EBITDA	816.9	1,021.9	951.3	1,043.2	849.1
Gaming Revenue	1,157.2	1,421.1	1,378.9	1,553.2	1,201.4

Source: Respective companies, UOB Kay Hian

Profit & Loss

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Net turnover	2,452	2,270	2,409	2,517
EBITDA	816	756	814	857
Deprec. & amort.	358	362	393	423
EBIT	458	394	421	434
Associate contributions	6	6	6	6
Net interest income/(expense)	81	79	79	80
Pre-tax profit	511	479	506	520
Tax	(121)	(113)	(120)	(123)
Minorities	0	0	0	0
Preferred dividends	0	0	0	0
Net profit	390	366	386	397
Net profit (adj.)	423	366	386	397

Balance Sheet

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Fixed assets	5,387	5,813	6,320	6,797
Other LT assets	298	298	298	298
Cash/ST investment	3,200	2,766	2,219	1,709
Other current assets	301	185	196	204
Total assets	9,186	9,062	9,032	9,008
ST debt	2	2	2	2
Other current liabilities	781	647	675	698
LT debt	0	0	0	0
Other LT liabilities	197	325	365	404
Shareholders' equity	8,205	8,087	7,990	7,904
Minority interest	0	0	0	0
Total liabilities & equity	9,186	9,062	9,032	9,008

Cash Flow

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Operating	790	749	837	874
Pre-tax profit	511	479	506	520
Tax	(179)	(113)	(120)	(123)
Deprec. & amort.	321	362	393	423
Associates	0	0	0	0
Working capital changes	(101)	(18)	17	15
Other operating cashflows	237	40	40	40
Investing	(676)	(700)	(900)	(900)
Capex (growth)	(579)	(700)	(900)	(900)
Investments	0	0	0	0
Proceeds from sale of assets	0	0	0	0
Others	(98)	0	0	0
Financing	(486)	(484)	(484)	(484)
Dividend payments	(483)	(484)	(484)	(484)
Issue of shares	0	0	0	0
Proceeds from borrowings	0	0	0	0
Loan repayment	(2)	0	0	0
Others/interest paid	0	0	0	0
Net cash inflow (outflow)	(372)	(434)	(547)	(510)
Beginning cash & cash equivalent	3,583	3,200	2,766	2,219
Changes due to forex impact	(11)	0	0	0
Ending cash & cash equivalent	3,200	2,766	2,219	1,709

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	33.3	33.3	33.8	34.0
Pre-tax margin	20.8	21.1	21.0	20.6
Net margin	15.9	16.1	16.0	15.8
ROA	4.3	4.1	4.3	4.5
ROE	4.9	4.6	4.9	5.0
Growth				
Turnover	(3.1)	(7.4)	6.1	4.5
EBITDA	(15.0)	(7.3)	7.7	5.2
Pre-tax profit	(24.2)	(13.9)	6.9	3.0
Net profit	(27.1)	(12.0)	5.6	2.7
Net profit (adj.)	(28.8)	(13.6)	5.6	2.9
EPS	(3.1)	(7.4)	6.1	4.5
Leverage				
Debt to total capital	0.0	0.0	0.0	0.0
Debt to equity	0.0	0.0	0.0	0.0
Net debt/(cash) to equity	(39.0)	(34.2)	(27.7)	(21.6)

SATS (SATS SP)

1HFY27: Steady Headline Earnings Supported By Tax Items; Cost Pressures Peak, Margins Poised To Recover

Highlights

- SATS recorded steady headline earnings in 1HFY27, supported by one-off tax items. Excluding all one-offs, core earnings dropped 9.9% yoy in 2QFY27.
- The weaker 2QFY27 core earnings should not be a concern, as the 2QFY27 margin weakness, caused by transitory cost pressures, has been well guided.
- Management is incrementally more positive, noting that cost pressures are likely to have peaked and margins should be on a recovery trend.
- Maintain BUY with an unchanged target price of S$5.00. We like SATS for its strong business fundamentals and upbeat medium-term growth trajectory.

1HFY27/1QFY27 Results

Year to 31 Mar (S$m)	1H FY27	1H FY26	yoy % chg	2Q FY27	2Q FY26	yoy % chg	1Q FY27	qoq % chg	Prev. FY27F	1H as % of FY27F
Revenue	3,389	3,079	+10.1	1,713	1,572	+8.9	1,676	+2.2	6,867	49.4%
Food solutions	723	685	+5.5	377	357	+5.6	346	+8.8	1,431	50.5%
Aviation food	481	472	+1.8	245	239	+2.6	236	+4.0	962	50.0%
Non-aviation food	242	212	+13.8	131	118	+11.7	110	+19.1	469	51.5%
Gateway services	2,666	2,393	+11.4	1,337	1,215	+10.0	1,329	+0.5	5,435	49.0%
Cargo	1,794	1,592	+12.7	900	811	+11.0	893	+0.8	3,601	49.8%
Ground handling	872	802	+8.8	436	404	+8.0	436	-	1,833	47.6%
EBIT	279	283	-1.2	145	157	-7.6	134	+8.7	561	49.8%
- Food solutions	75	67	+12.3	39	38	+2.1	36	+8.6		
- Gateway services	231	234	-1.2	117	132	-11.1	114	+3.3		
JV/asso contrib.	53	61	-13.2	26	28	-6.5	27	-3.7	108	48.6%
Reported net profit	156	150	+4.3	81	79	+2.8	75	+8.0	315	49.6%
Core net profit	161	160	+1.0	80	89	-9.9	81	-1.8	321	50.2%

Source: SATS, UOB Kay Hian

Analysis

- **Steady headline performance supported by tax items.** SATS' headline net profit rose 4.3% yoy to S$156m in 1HFY27, helped by a 22% yoy, or S$15.4m, decline in tax expense. This reflected the reversal of prior-year tax overprovisions in 1HFY27, compared with top-up provisions for prior years in 1HFY26. Adjusting for all one-off items, including these tax provision adjustments, we estimate that SATS' core earnings rose 1.0% yoy in 1HFY27 (supported by a strong 1QFY27 core performance), but dropped 9.9% yoy in 2QFY27.

Key Financials

Year to 31 Mar (S$m)	2025	2026	2027F	2028F	2029F
Net turnover	5,821	6,346	6,965	7,497	7,974
EBITDA	1,036	1,146	1,179	1,320	1,411
Operating profit	476	543	550	654	706
Net profit (rep./act.)	244	285	303	384	428
Net profit (adj.)	260	309	308	384	428
EPS (S$ cents)	17.3	20.4	20.3	25.3	28.3
PE (x)	24.1	20.4	20.5	16.5	14.8
P/B (x)	2.4	2.2	2.1	1.9	1.8
EV/EBITDA (x)	11.0	10.0	9.8	8.6	8.1
Dividend yield (%)	1.2	1.7	2.0	2.5	2.8
Net margin (%)	4.2	4.5	4.3	5.1	5.4
Net debt/(cash) to equity (%)	66.6	55.3	47.5	36.3	26.2
ROE (%)	9.8	10.7	10.6	12.5	12.8
Consensus net profit	-	-	317	376	423
UOBKH/Consensus (x)	-	-	0.97	1.02	1.01

Source: SATS, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	S$4.17
Target Price	S$5.00
Upside	19.9%

Stock Data

Sector	Industrials
Bloomberg ticker	SATS SP
Shares issued (m)	1,484.0
Market cap (S$m)	6,188.2
Market cap (US$m)	4,816.8
3-mth avg daily t'over (US$m)	19.8

Price Performance (%)

52-week high/low				S$4.96/S$3.17
1mth	3mth	6mth	1yr	YTD
11.8	(11.5)	27.1	18.5	9.4

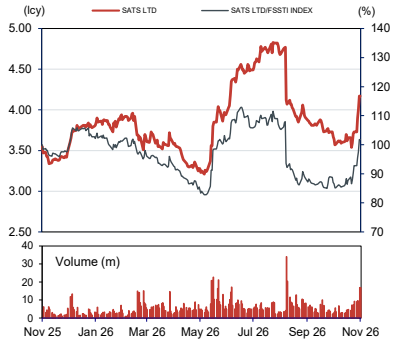
Major Shareholders (%)

Temasek Hldgs	40.33

Balance Sheet Metrics

FY27 NAV/Share (S$)	2.00
FY27 Net Debt/(Cash)/Share (S$)	1.02

Price Chart



Source: Bloomberg

Company Description

A global leader in aviation gateway services and Asia's leading food solutions provider.

- **2QFY27 margin pressure well flagged; yoy dip but qoq improvement.** Operating margin declined 1.5ppt yoy to 8.5% in 2QFY27, reflecting temporary cost pressures that management had previously flagged. Encouragingly, margin improved 0.5ppt qoq, reinforcing our view that cost pressures have likely peaked and margins are beginning to recover.
- **Business fundamentals remain strong.** Despite temporary margin pressures, SATS delivered healthy volume growth across all business lines, driving a 9.0% yoy increase in revenue in 2QFY27.
- Within the gateway services division, cargo volume grew a solid 8.0% yoy, outperforming the IATA industry benchmark for the 12th consecutive quarter. Notably, EMEA cargo volume still edged up 0.1% yoy despite the full-quarter impact of the EU's new charges on e-commerce parcels, supported by stronger general cargo and AI-related shipments. The only soft spot was APAC flight-handling volume, which was affected by reduced airline schedules amid elevated fuel prices. However, this was more than offset by strong growth in EMEA and the Americas.
- Food solutions also recorded robust meal-volume growth of 7.8% yoy, with aviation and non-aviation meals increasing 8.3% and 7.1%, respectively.
- **Interim dividend of 2 S cents remained unchanged yoy for 1HFY27.**
- **Management turns incrementally more positive on the outlook.** For cargo, despite near-term volatility arising from changes to the EU's de minimis rules, SATS expects volumes over the next 12 months to benefit from new contract wins and network expansion. Additional capacity in Europe and AI-enabled planning tools should support further growth.
- Aviation food demand remains affected by disruptions in the Middle East, although new contract wins should help mitigate the impact. Non-aviation food is expected to maintain its positive momentum as kitchen utilisation increases. Input costs will likely remain elevated in the near term, but their impact on margins should moderate progressively as contractual repricing takes effect.
- Management reiterated that the near-term cost pressures are transitory, while also confirming our view that cost pressures are likely to have peaked in 2QFY27. Barring further disruptions, margins should be on a recovery trajectory.
- Overall, **management expects a solid performance in the seasonally stronger 3QFY27**, with margins moving closer towards prior-year levels. with margins moving closer to prior-year levels despite some additional gestation costs associated with the start-up of its central kitchen in Thailand.

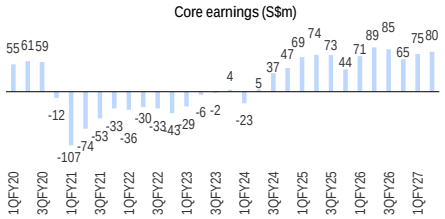
Earnings Revision/Risk

- **We trim our FY27 earnings estimate by 4%** as we finetune our cost projections for 2HFY27. Our FY28-29 earnings estimates remain intact.
- **Key risks:** a) slower-than-expected margin recovery; b) execution risks of expansion in new markets; and c) expansion-related gestation costs.

Valuation/Recommendation

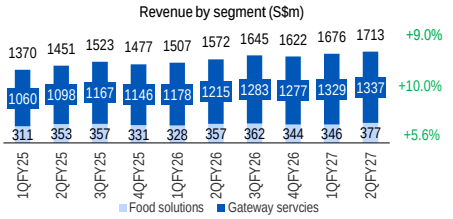
- **Maintain BUY on SATS, with an unchanged target price of S$5.00.** Our target price remains based on 19.7x FY28 PE, pegged to SATS' historical mean PE. We continue to like SATS for its upbeat medium-term growth trajectory and recommend investors to focus on SATS' strong business fundamentals and look beyond temporary margin pressures.

Quarterly Earnings Trend



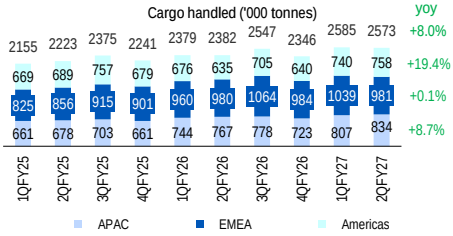
Source: SATS

Quarterly Revenue Trend



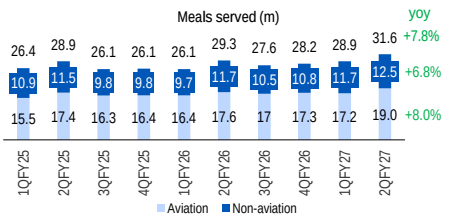
Source: SATS

Quarterly Cargo Volume Handled



Source: SATS

Quarterly Meal Volume Produced



Source: SATS

PE-based Valuation

		FY27F	FY28F	FY29F
EPS		S$0.200	S$0.253	S$0.283
PE peg		---------- Target Price ----------		
+1.0SD	22.3x	S$4.47	S$5.66	S$6.31
+0.5SD	21.0x	S$4.21	S$5.33	S$5.94
mean	19.7x	S$3.95	S$5.00	S$5.57
-0.5SD	18.4x	S$3.69	S$4.67	S$5.20
-1.0SD	17.1x	S$3.42	S$4.34	S$4.84

Source: UOB Kay Hian

Profit & loss

Year to 31 Mar (S$m)	2026	2027F	2028F	2029F
Net turnover	6,346	6,965	7,497	7,974
EBITDA	1,146	1,179	1,320	1,411
Deprec. & amort.	603	630	666	706
EBIT	543	550	654	706
Total other non-op. income	(13)	0	0	0
Associate contributions	115	105	110	113
Net interest income/(expense)	(228)	(224)	(207)	(193)
Pre-tax profit	416	432	557	625
Tax	(111)	(107)	(151)	(173)
Minorities	(20)	(22)	(23)	(25)
Net profit	285	303	384	428
Net profit (adj.)	309	308	384	428

Balance Sheet

Year to 31 Mar (S$m)	2026	2027F	2028F	2029F
Fixed assets	2,633	2,769	2,819	2,877
Other LT assets	4,371	4,339	4,309	4,279
Cash/ST investment	753	674	680	699
Other current assets	1,317	1,342	1,368	1,394
Total assets	9,074	9,125	9,176	9,250
ST debt	553	553	553	553
Other current liabilities	1,589	1,619	1,649	1,679
LT debt	3,583	3,383	3,133	2,883
Other LT liabilities	412	412	412	412
Shareholders' equity	2,750	2,950	3,198	3,466
Minority interest	186	208	232	257
Total liabilities & equity	9,074	9,125	9,176	9,250

Cash flow

Year to 31 Mar (S$m)	2026	2027F	2028F	2029F
Operating	1,030	843	956	1,040
Pre-tax profit	416	432	557	625
Tax	(83)	(107)	(151)	(173)
Deprec. & amort.	603	630	666	706
Associates	(115)	(105)	(110)	(113)
Working capital changes	25	4	4	4
Non-cash items	71	0	0	0
Other operating cashflows	112	(11)	(10)	(10)
Investing	(231)	(269)	(216)	(263)
Capex	(345)	(350)	(300)	(348)
Investment	(10)	0	0	0
Proceeds from sale of assets	11	0	0	0
Others	114	81	84	85
Financing	(741)	(652)	(734)	(759)
Dividend payments	(82)	(103)	(135)	(160)
Proceeds from borrowings	1,236	0	0	0
Loan repayment	(1,376)	(200)	(250)	(250)
Others/interest paid	(519)	(349)	(349)	(349)
Net cash inflow (outflow)	59	(78)	6	19
Beginning cash & cash equiv.	694	753	674	680
Changes due to forex impact	(1)	0	0	0
Ending cash & cash equiv.	753	674	680	699

Key Metric

Year to 31 Mar	2026	2027F	2028F	2029F
Profitability				
EBITDA margin	18.1	16.9	17.6	17.7
Pre-tax margin	6.6	6.2	7.4	7.8
Net margin	4.5	4.3	5.1	5.4
ROA	3.2	3.3	4.2	4.6
ROE	10.7	10.6	12.5	12.8
Growth (% yoy)				
Turnover	9.0	9.8	7.6	6.4
EBITDA	10.6	2.9	11.9	6.9
Pre-tax profit	15.7	3.7	29.1	12.2
Net profit	17.0	6.1	26.7	11.5
Net profit (adj.)	18.9	(0.5)	24.7	11.5
EPS	18.2	(0.5)	24.7	11.5
Leverage				
Debt to total capital	44.7	40.8	36.0	31.0
Debt to equity	80.9	68.9	56.1	45.0
Net debt/(cash) to equity	55.3	47.5	36.3	26.2

Singapore Airlines (SIA SP)

1HFY27: Results Miss Our Expectations; Expect 2HFY27 To Remain Weighed Down By Elevated Jet Fuel Prices

Highlights

- SIA's 2QFY27 earnings of S$210m missed our guided range of US$230m-370m, driven by weaker-than-expected pax yields. 2QFY27 would have been a bigger miss if we exclude Air India's one-off accounting gains.
- Despite having pulled back from recent peaks, elevated jet fuel prices are likely to still weigh on SIA's 3Q/2HFY27 performance, leading to our forecasted 33%/29% yoy drop in SIA's 3Q/2HFY27 earnings respectively.
- SIA's current valuation (at 1.40x FY27F P/B, or 1.6SD above historical mean) appears to have priced in an imminent resolution to the Middle East unrest, although significant uncertainties remain.
- Maintain SELL; target price raised to S$6.65 (based on 1.29x FY27F P/B).

1HFY27 Results

Year to 31 Mar (S$m)	1H FY27	1H FY26	*yoy % chg*	2Q FY27	2Q FY26	*yoy % chg*	1Q FY27	*qoq % chg*	Prev. FY27F	1H as % of FY27F
Revenue	11,297	9,675	*+16.8*	5,583	4,885	*+14.3*	5,714	*-2.3*	24,490	46%
Pax flown revenue	9,095	7,786	*+16.8*	4,513	3,924	*+15.0*	4,582	*-1.5*	19,829	46%
Cargo & mail revenue	1,394	1,071	*+30.2*	686	541	*+26.9*	708	*-3.1*	2,870	49%
Engineering & others	808	818	*-1.2*	445	420	*+6.0*	424	*+4.9*	1,791	45%
Non-fuel opex	6,754	6,325	*+6.8*	3,398	3,201	*+6.2*	3,356	*+1.3*	13,779	49%
Fuel cost	3,974	2,547	*+56.0*	1,721	1,285	*+33.9*	2,253	*-23.6*	8,753	45%
Operating profit	569	803	*-29.1*	464	398	*+16.4*	106	*+339.5*	1,958	29%
JV/associates contribution	-295	-356	*n.m.*						-676	44%
Net Profit (reported)	134	239	***-43.9***	210	52	***+300.2***	-76	***nm***	834	16%

Source: SIA, UOB Kay Hian

Analysis

- **2QFY27 results missed our expectations…** Singapore Airlines' (SIA) 1HFY27 reported net profit dropped 44% yoy to S$134m. Despite having improved yoy and qoq from 1QFY27's and 2QFY26's very low bases, 2QFY26 net profit of S$210m was below our guided range of S$230m-370m.
- **…due to lower-than-projected pax yields.** Pax yields rose 12.2% yoy, below our projected 17.0% increase, as fuel cost pass-through to customers came in lower than our expectations. Cargo yields rose 22.3% yoy, broadly in line with our forecast, while non-fuel opex/ATK increased 3.7% yoy, also in line. Consequently, 2QFY27 operating profit of S$464m (+16.4% yoy) was below our projected range of S$565m-745m.

Key Financials

Year to 31 Mar (S$m)	2025	2026	2027F	2028F	2029F
Net turnover	19,540	20,522	23,737	23,388	23,340
EBITDA	4,090	4,916	4,463	4,309	4,524
Operating profit	1,709	2,375	1,762	1,583	1,629
Net profit (rep./act.)	2,778	1,184	804	961	1,171
Net profit (adj.)	1,575	1,076	796	961	1,171
EPS (S$ cents)	50.6	34.9	25.3	30.5	37.2
PE (x)	14.3	20.8	28.7	23.8	19.5
P/B (x)	1.4	1.3	1.4	1.4	1.4
EV/EBITDA (x)	5.9	4.9	5.4	5.6	5.3
Dividend yield (%)	5.5	5.1	4.8	4.7	3.6
Net margin (%)	14.2	5.8	3.4	4.1	5.0
Net debt/(cash) to equity (%)	(7.0)	(14.7)	(1.3)	11.9	23.9
ROE (%)	17.4	7.2	4.8	5.9	7.3
Consensus net profit	-	-	765	1,314	1,478
UOBKH/Consensus (x)	-	-	1.04	0.73	0.79

Source: SIA, Bloomberg, UOB Kay Hian

Analyst(s)

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SELL (Maintained)	
Share Price	S$7.25
Target Price	S$6.65
Upside	-8.3%
Previous TP	S$6.16

Stock Data

Sector	Industrials
Bloomberg ticker	SIA SP
Shares issued (m)	3,153.2
Market cap (S$m)	20,860.5
Market cap (US$m)	17,794.4
3-mth avg daily t'over (US$m)	27.4

Price Performance (%)

52-week high/low				S$7.92/S$6.21
1mth	3mth	6mth	1yr	YTD
10.5	2.3	15.1	8.5	13.3

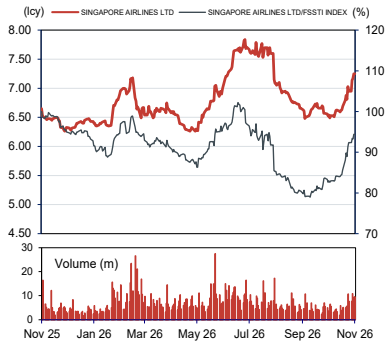
Major Shareholders (%)

Temasek Hldgs	50.6

Balance Sheet Metrics

FY27 NAV/Share (S$)	5.17
FY27 Net Debt/(Cash)/Share (Rmb)	(0.06)

Price Chart



Source: Bloomberg

Company Description

Singapore's flagship carrier, flying to more than 130 destinations in over 30 countries before the pandemic. Frequently ranked as Best Airline by magazines and ranking agencies.

- **Share of loss from Air India narrowed yoy, but primarily driven by one-off accounting gains.** Air India appeared less of a drag in 2QFY27 and 1HFY27, with its 2QFY27 net loss contribution to SIA standing at about S$190m by our estimate, representing an yoy improvement of S$110m, and compared with our projected S$250m loss contribution. However, management shared that the yoy improvement in Air India's reported figure in 2QFY26 was primarily driven by some one-time accounting gain (the size of which was not disclosed by SIA); recall that there were similar accounting gains in 1QFY27 which boosted Air India's performance. Without such accounting gains, SIA's 2Q/1H26 results would have been a bigger miss.
- **1HFY27 interim dividend reduced to 7 S cents.** The 1HFY27 interim dividend comprises a 2 S cents ordinary dividend and a 5 S cents special dividend (from SIA's existing capital return plan); this compares with an 8 S cents dividend for 1HFY26 (5 S cents ordinary dividend and 2 S cents special dividend).
- **SIA's balance sheet remains healthy** with about S$2.6b net cash as of end-1HFY27, largely unchanged from end-FY26.
- **Management's outlook guidance.** Passenger demand remains healthy, supported by seasonal travel, while cargo demand remains firm due to semiconductor and cloud-computing shipments and the shift from sea to air freight amid maritime disruptions. However, geopolitical uncertainty, supply-chain risks and elevated jet fuel prices continue to pressure costs, and fare and cargo-rate increases have not fully offset the impact.
- **Update on Air India.** During the briefing, SIA noted that Air India has made tangible progress in its multi-year transformation and shared that the new Air India CEO who came on board in Sep 26 has identified clear priorities with initiatives to improve revenue generation and cost management. As for the reported equity injection request from Air India, there remains no update.
- **Elevated jet fuel prices likely to still weigh on 2HFY27 earnings.** Even though jet fuel prices have pulled back by about 15% from the recent peak following the outcome of the US mid-term elections, it remains high, hovering near US$170/bbl. Assuming jet price prices stay at this level for the rest of 2026, we estimate that SIA's unhedged average fuel cost in the upcoming 3QFY27 would be still about 20% higher qoq, and about 90% higher yoy. Despite some cost pass-throughs and favourable fuel hedges, we reckon that SIA's 3Q/2HFY27 earnings are likely to remain weighed down by fuel cost pressures, recording a 33%/29% yoy decline from 3Q/2HFY26's high bases.

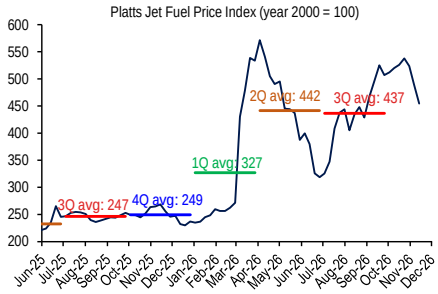
Earnings Revision/Risk

- **We cut our FY27 earnings forecast for SIA by 4%,** reflecting the 2QFY27 results miss, while keeping our FY28-29 estimates intact.
- **Key risks** include: a) continued Middle East unrest sustaining fuel prices at elevated levels, b) weaker global macroeconomy dampening air travel and air cargo demand, and c) prolonged Air India drag.

Valuation/Recommendation

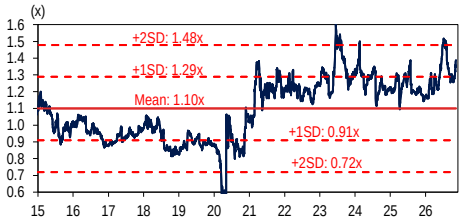
- **Maintain SELL; target price raised to S$6.65.** Our updated target price is now pegged to 1.29x FY27F P/B, +1.0SD above SIA's historical mean P/B of 1.10x, vs our previous 1.19x P/B peg or +0.5SD above mean, as we acknowledge the increased likelihood that the US and Iran could be exploring a path to end the war. Having said that, we believe the recent pullback in fuel prices has been reflected by SIA's recent share price strength, and reckon that SIA's current valuation (at 1.40x FY27F P/B, or 1.6SD above mean) does not offer an attractive enough risk-reward, as there remain uncertainties related to the Middle East situation. Key upside risks to our call include further positive development in the Middle East truce talks.

Jet Fuel Prices



Source: S&P Global Platts

Historical P/B Band



Source: Bloomberg

P/B-based Valuation

		FY26	FY27F	FY28F
Adjusted BVPS		S$5.47	S$5.17	S$5.12
P/B peg		---------- Target price ---------		
+2.0SD	1.48x	S$8.08	S$7.63	S$7.55
+1.5SD	1.38x	S$7.56	S$7.14	S$7.07
+1.0SD	1.29x	S$7.04	S$6.65	S$6.58
+0.5SD	1.19x	S$6.52	S$6.16	S$6.09
Mean	1.10x	S$6.00	S$5.67	S$5.61

Source: UOB Kay Hian

Profit & Loss

Year to 31 Mar (S$m)	2026	2027F	2028F	2029F
Net turnover	20,522	23,737	23,388	23,340
EBITDA	4,916	4,463	4,309	4,524
Deprec. & amort.	2,541	2,701	2,726	2,896
EBIT	2,375	1,762	1,583	1,629
Total other non-op. income	81	5	(0)	0
Associate contributions	(792)	(572)	(198)	20
Net interest income/(expense)	(45)	(36)	(104)	(154)
Pre-tax profit	1,618	1,158	1,280	1,494
Tax	(395)	(308)	(266)	(265)
Minorities	(39)	(47)	(53)	(58)
Net profit	1,184	804	961	1,171
Net profit (adj.)	1,076	796	961	1,171

Balance Sheet

Year to 31 Mar (S$m)	2026	2027F	2028F	2029F
Fixed assets	26,902	28,366	30,821	33,222
Other LT assets	3,070	2,498	2,300	2,320
Cash/ST investment	8,510	6,307	4,568	2,947
Other current assets	4,932	3,327	3,073	2,798
Total assets	43,413	40,498	40,762	41,286
ST debt	1,957	1,957	1,957	1,957
Other current liabilities	11,934	10,765	11,174	11,630
LT debt	5,710	5,044	5,044	5,044
Other LT liabilities	6,126	5,996	5,996	5,996
Shareholders' equity	17,262	16,292	16,119	16,156
Minority interest	424	445	473	505
Total liabilities & equity	43,413	40,498	40,762	41,286

Cash Flow

Year to 31 Mar (S$m)	2026	2027F	2028F	2029F
Operating	5,103	2,991	4,250	4,590
Pre-tax profit	1,618	1,158	1,280	1,494
Tax	(11)	(308)	(266)	(265)
Deprec. & amort.	2,541	2,701	2,726	2,896
Associates	(865)	(590)	(234)	(47)
Working capital changes	(97)	(1,168)	208	331
Non-cash items	295	5	0	0
Other operating cashflows	1,622	1,194	537	182
Investing	(2,424)	(2,568)	(4,026)	(4,231)
Capex	(2,749)	(3,676)	(4,676)	(4,776)
Investment	(39)	0	0	0
Proceeds from sale of assets	4	0	0	0
Others	360	1,108	650	545
Financing	(2,879)	(2,626)	(1,964)	(1,979)
Dividend payments	(1,162)	(1,134)	(1,134)	(1,134)
Proceeds from borrowings	(840)	(667)	0	0
Loan repayment	0	0	0	0
Others/interest paid	(877)	(825)	(829)	(845)
Net cash inflow (outflow)	(200)	(2,202)	(1,740)	(1,620)
Beginning cash & cash equiv.	8,257	7,931	5,729	3,989
Changes due to forex impact	(126)	0	0	0
Ending cash & cash equiv.	7,931	5,729	3,989	2,369

Key Metric

Year to 31 Mar	2026	2027F	2028F	2029F
Profitability				
EBITDA margin	24.0	18.8	18.4	19.4
Pre-tax margin	7.9	4.9	5.5	6.4
Net margin	5.8	3.4	4.1	5.0
ROA	2.7	1.9	2.4	2.9
ROE	7.2	4.8	5.9	7.3
Growth (% yoy)				
Turnover	5.0	15.7	(1.5)	(0.2)
EBITDA	20.2	(9.2)	(3.5)	5.0
Pre-tax profit	(45.4)	(28.4)	10.5	16.7
Net profit	(57.4)	(32.1)	19.6	21.8
Net profit (adj.)	(31.6)	(26.0)	20.7	21.8
EPS	(31.0)	(27.6)	20.7	21.8
Leverage				
Debt to total capital	30.2	29.5	29.7	29.6
Debt to equity	43.3	41.8	42.2	42.0
Net debt/(cash) to equity	(14.7)	(1.3)	11.9	23.9

Market News

US stocks were lower on Thursday, as materials, industrials and financials sectors led shares lower. At the close of the NYSE, the Dow Jones fell 0.36% while the S&P 500 index was down 0.35% and the NASDAQ Composite index slid 0.39%. Falling stocks outnumbered advancing ones on the NYSE by 2,155 to 597 and 49 ended unchanged; on the Nasdaq Stock Exchange, 3,676 declined and 1,259 advanced, while 156 ended unchanged.

During the last trading session, the FSSTI index fell 6.96pt to 5,282.70. Among the top active stocks were OCBC Bank (-0.5%), DBS (+0.04%), UMS (-4.8%), SIA (+1.1%) and Singtel (+0.2%). The FTSE ST Mid Cap index fell 0.5%, while the FTSE ST Small Cap Index slid 1.5%. The broader market had 224 gainers and 338 losers with a total trading value of S$1.71b.

AEM Holdings (AEM SP)

3Q26: Earnings Above Expectation; Raises Guidance For 2026

Highlights

- 9M26 revenue rose 57% yoy to S$452m, while adjusted net profit reached S$65.6m (+1530% yoy/111% qoq), representing 66% and 75% of our full-year forecasts respectively.
- 3Q26 adjusted earnings surged 111% qoq to S$34.8m, driven by AMPS shipments. 2026 EPS guidance rose by around 20% to 30-33 S cents, while revenue guidance was raised by around 4% to S$680m-705m.
- AEM remains confident in its growth trajectory, supported by an AMPS backlog of more than S$450m and several new project pipelines. Maintain BUY with a 30% lower target price of S$9.08.

9M26/3Q26 Results

Year to 31 Dec (S$m)	9M26	9M25	yoy%	3Q26	3Q25	yoy%	2Q26	qoq%
Revenue	452.1	287.5	57	204.9	97.3	111	130.3	57
PBT	82.2	6.2	1,225	44.0	2.3	1,847	20.4	116
PBT margin	18.2%	2.2%	16.0ppt	21.5%	2.3%	19.2ppt	15.6%	5.9ppt
Net profit	73.4	4.0	1,724	42.6	0.9	4,810	16.4	159
Adjusted net profit*	65.6	4.0	1,530	34.8	0.9	3,910	16.4	111
Net profit margin	16.2%	1.4%	14.8ppt	20.8%	0.9%	19.9ppt	12.6%	8.2ppt

** Adjusted net profit excludes the S$7.8m non-recurring tax credit recognised in 3Q26*

Source: AEM, UOB Kay Hian

- **9M26 earnings in line with our expectation.** AEM reported 3Q26 revenue of S$204.9m (+110.7% yoy, +57.2% qoq), while net profit surged to S$42.6m (+158.9% qoq). For 9M26, revenue rose 57.2% yoy to S$452.1m, while net profit reached S$73.4m, or S$65.6m after excluding a non-recurring tax credit of S$7.8m. 9M26 revenue and adjusted net profit represented 66% and 75% of our full-year forecasts respectively. Adjusted net margin expanded 13.1ppt yoy to 14.5%, driven by higher volumes, a more favourable revenue mix and better operating leverage.
- **3Q26 revenue more than doubled yoy, driven by strong demand from key customers.** Revenue rose 110.7% yoy and 57.2% qoq to S$204.9m, supported by increased AMPS shipments to AEM's fabless AI/HPC and PC/Foundry customers. Test Cell Solutions (TCS) revenue surged 71.9% qoq to S$159.6m, representing 77.9% of group revenue. Both major customers remain supply-constrained amid strong AI-driven server CPU demand.

Key Financials

Year to 31 Dec (S$m)	2024	2025	2026F	2027F	2028F
Net turnover	380	399	704	767	836
EBITDA	42	47	149	160	175
Operating profit	18	22	134	144	159
Net profit (rep./act.)	12	17	111	116	127
Net profit (adj.)	12	17	111	116	127
EPS (S$ cent)	3.8	5.5	34.6	36.3	39.8
PE (x)	179.7	123.0	19.6	18.7	17.1
P/B (x)	4.4	4.3	3.8	3.3	2.9
EV/EBITDA (x)	50.0	45.6	14.2	13.2	12.2
Dividend yield (%)	0.0	0.2	1.3	1.3	1.5
Net margin (%)	3.1	4.3	15.7	15.1	15.2
Net debt/(cash) to equity (%)	10.4	(12.4)	(9.2)	(17.7)	(24.7)
Interest cover (x)	11.9	69.7	460.6	427.6	n.a.
ROE (%)	2.5	3.5	20.7	18.7	17.9
Consensus net profit (S$m)	-	-	83	131	174
UOBKH/Consensus (x)	-	-	1.34	0.89	0.73

Source: AEM, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	S$6.80
Target Price	S$9.08
Upside	33.5%
Previous TP	S$12.99

Stock Data

Sector	Semiconductor Equipment
Bloomberg ticker	AEM SP
Shares issued (m)	319.0
Market cap (S$m)	2,169.5
Market cap (US$m)	1,688.7
3-mth avg daily t'over (US$m)	35.7

Price Performance (%)

52-week high/low				S$11.54/S$1.58
1mth	3mth	6mth	1yr	YTD
(37.0)	(29.4)	(9.8)	277.8	295.3

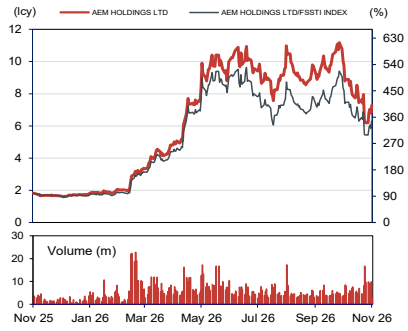
Major Shareholders (%)

Temasek Hldgs	12.4

Balance Sheet Metrics

FY26 NAV/Share (S$)	1.80
FY26 Net Cash/Share (S$)	0.17

Price Chart



Source: Bloomberg

Company Description

AEM prides itself on being a global leader in test innovation and provides comprehensive test solutions for the semiconductor and electronics industries, spanning test handlers, testers, consumables and data analytics.

- **2026 EPS guidance raised by around 20%.** AEM raised its 2026 revenue guidance to S$680m-705m from S$630m-680m, implying 4Q26 revenue of S$228m-253m (+11–23% qoq). 2026 EPS guidance was also raised to 30-33 S cents from 24.5-27.5 S cents, excluding the non-recurring tax credit. The upgrades reflect stronger order visibility and profitability, supported by continued customer demand. AEM's AMPS backlog increased to over S$450m from over S$400m in August, with deliveries expected over the next 2.5 quarters, providing revenue visibility into 1H27.
- **Configurables growth driven by new equipment deployments.** Revenue from configurables and collaterals rose 61% qoq to S$116.2m, accounting for 73% of TCS revenue, driven by increased AMPS system deployments. Under AEM's razor-and-razorblade model, installed platforms generate follow-on revenue through device-specific upgrades as test requirements evolve. Management noted that new deployments and upgrades are underway, although future refresh rates remain dependent on customer requirements.
- **Progressing across its five growth pillars.** AMPS shipments to the PC/Foundry and fabless AI/HPC customers continue to ramp up, while AEM is developing OSAT partnerships to capture hyperscaler custom-chip opportunities. Xact remains in customer qualification, with completion now projected by 1H27, behind the previous target. Inventories and receivables rose 23% and 29% qoq respectively ahead of scheduled shipments, while cash declined to S$69m after dividends and share buybacks.

Valuation/Recommendation

- **Maintain BUY with a 30% lower target price of S$9.08.** Our target price is based on 25x 2027F PE, pegged to 0.5SD above AEM's long-term forward mean. This is down from 35x (+1SD) previously to reflect a general sector semiconductor industry derating.

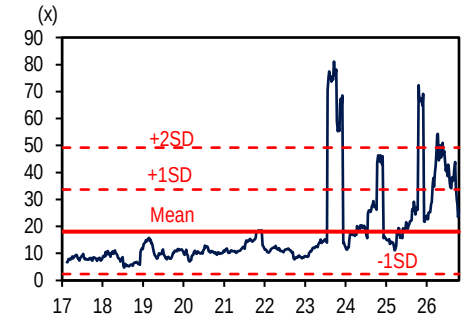
Earnings Revision/Risk

- We raise our 2026/27/28 earnings estimates by 26%/16%/9% to account for better operating leverage, which translate to 2-3ppt net margin expansion to 15-16%.
- Key risks include delays in customer programme ramps, slower conversion of the AMPS backlog, weaker-than-expected product mix, further working-capital build and delays in Xact qualification.

Share Price Catalyst

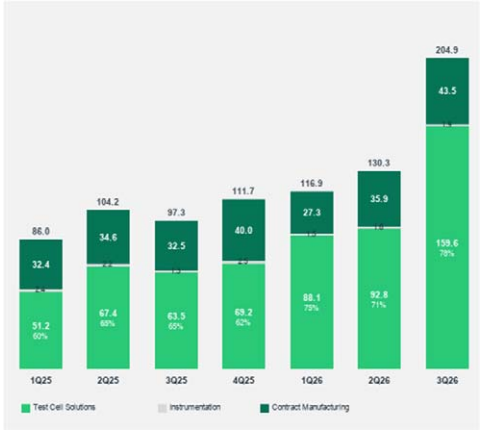
- Positive surprise in future revenue guidance, further AMPS backlog growth and winning of more new customers.

Long-term Forward PE Band



Source: UOB Kay Hian

Revenue Breakdown



Source: UOB Kay Hian

Peer Comparison

		Trading	Price @	Market	PE		P/B		EV/EBITDA		ROE	Yield
Company	Ticker	Curr	12 Nov 26	Cap	2026	2027	2026	2027	2026	2027	2026	2026
		(lcy)	(lcy)	(US$m)	(x)	(x)	(x)	(%)	(%)	(%)	(x)	(x)
AEM	AEM SP	SGD	6.8	1,689	19.6	18.7	3.8	3.3	14.2	13.2	20.7	1.3
SGX-listed peers												
UMS	UMSH SP	SGD	1.8	1,319	22.0	18.2	2.8	2.6	14.3	12.0	15.0	2.8
Frencken	FRKN SP	SGD	1.84	678	17.4	16.2	1.5	1.4	10.4	9.7	9.1	1.7
ISDN	ISDN SP	SGD	0.51	183	12.1	11.3	0.9	0.9	5.5	5.0	9.3	2.2
Average						17.2	15.2	1.8	1.6	10.0	8.9	11.1
Others												
Teradyne	TER US	USD	265.78	41,495	28.1	21.7	11.1	8.6	22.0	16.7	42.9	0.2
Advantest	6857 JP	JPY	29985	137,465	29.3	21.5	17.0	10.9	21.3	15.5	69.7	0.5
Chroma	2360 TT	TWD	1420	18,328	30.3	20.6	13.8	10.4	24.8	15.6	52.0	1.7
Cohu	COHU US	USD	45.975	2,177	43.2	19.7	5.9	4.9	25.9	11.0	7.3	n.a.
Hirata	6258 JP	JPY	3235	654	12.7	11.0	1.2	1.1	7.8	7.1	9.6	2.4
Astronics	ATRO US	USD	60.33	2,838	22.0	18.7	9.5	6.6	15.5	13.1	44.9	n.a.
Average					27.6	18.9	9.8	7.1	19.5	13.2	37.7	1.2

Source: Bloomberg, UOB Kay Hian

Profit & loss

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Net turnover	399.3	703.8	767.2	836.4
EBITDA	46.6	149.4	160.3	174.7
Deprec. & amort.	24.6	15.8	15.8	15.8
EBIT	22.0	133.6	144.5	158.9
Total other non-operating income	0.0	0.0	0.0	(0.0)
Associate contributions	0.0	0.0	0.0	0.0
Net interest income/(expense)	(0.7)	(0.3)	(0.4)	0.0
Pre-tax profit	21.3	133.3	144.1	158.9
Tax	(4.2)	(22.7)	(28.1)	(31.8)
Minorities	0.2	0.0	0.0	0.0
Net profit	17.3	110.6	116.0	127.2
Net profit (adj.)	17.3	110.6	116.0	127.2

Balance Sheet

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Fixed assets	51.3	46.3	41.2	35.2
Other LT assets	144.8	139.1	133.3	127.6
Cash/ST investment	77.3	69.4	133.4	203.6
Other current assets	348.1	466.9	508.5	553.9
Total assets	621.6	721.7	816.4	920.3
ST debt	6.8	6.8	6.8	6.8
Other current liabilities	90.3	107.4	115.1	123.6
LT debt	9.6	9.6	9.6	9.6
Other LT liabilities	15.6	15.6	15.6	15.6
Shareholders' equity	492.8	575.7	662.7	758.1
Minority interest	6.6	6.6	6.6	6.6
Total liabilities & equity	621.6	721.7	816.4	920.3

Cash flow

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Operating	133.6	40.1	123.3	132.0
Pre-tax profit	17.1	110.6	116.0	127.2
Tax	(0.9)	22.7	28.1	31.8
Deprec. & amort.	24.6	15.8	15.8	15.8
Associates	0.0	0.0	0.0	0.0
Working capital changes	88.7	(102.1)	(34.3)	(37.4)
Non-cash items	0.0	0.0	0.0	0.0
Other operating cashflows	4.0	(6.9)	(2.3)	(5.4)
Investing	(21.5)	(19.5)	(29.6)	(29.1)
Capex (growth)	0.0	(20.0)	(30.0)	(30.0)
Investment	(8.7)	0.0	0.0	0.0
Proceeds from sale of assets	0.2	0.0	0.0	0.0
Others	(13.0)	0.5	0.4	0.9
Financing	(79.7)	(28.5)	(29.8)	(32.6)
Dividend payments	0.0	(27.7)	(29.0)	(31.8)
Proceeds from borrowings	32.8	0.0	0.0	0.0
Loan repayment	(100.3)	0.0	0.0	0.0
Others/interest paid	(12.2)	(0.8)	(0.8)	(0.8)
Net cash inflow (outflow)	32.4	(7.9)	63.9	70.2
Beginning cash & cash equivalent	37.9	71.4	63.5	127.5
Changes due to forex impact	1.2	0.0	0.0	0.0
Ending cash & cash equivalent	71.4	63.5	127.5	197.7

Key Metric

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	11.7	21.2	20.9	20.9
Pre-tax margin	5.3	18.9	18.8	19.0
Net margin	4.3	15.7	15.1	15.2
ROA	2.7	16.5	15.1	14.6
ROE	3.5	20.7	18.7	17.9
Growth				
Turnover	5.0	76.2	9.0	9.0
EBITDA	9.8	220.6	7.3	9.0
Pre-tax profit	51.6	524.9	8.1	10.3
Net profit	47.3	537.9	4.9	9.6
Net profit (adj.)	47.3	537.9	4.9	9.6
EPS	46.1	526.4	4.9	9.6
Leverage				
Debt to total capital	3.2	2.7	2.4	2.1
Debt to equity	3.3	2.8	2.5	2.2
Net debt/(cash) to equity	(12.4)	(9.2)	(17.7)	(24.7)
Interest cover (x)	69.7	460.6	427.6	n.a.

ComfortDelGro Corporation (CD SP)

9M26: Maintain HOLD On Challenging Taxi/P2P Segment

Highlights

- 9M26 revenue (+4.9% yoy) and PATMI (-20.0% yoy) are in line with expectations, forming 77.7% and 78.6% of our full-year forecasts respectively.
- The earnings weakness was mainly driven by continued B2C competition in the taxi/PHV segment, but partially offset by resilient public transport earnings.
- Maintain HOLD with an unchanged target price of S$1.41 as we see limited near-term catalysts.

1H26 Results

Year to 31 Dec(S$m)	9M26	yoy% chg	3Q26	yoy % chg	qoq % chg
Revenue	3937.8	4.9	1376.2	3.3	3.2
Operating profit	235.2	(16.9)	92.6	(16.2)	21.7
PATMI	141.1	(20.0)	56.0	(20.6)	25.8
Core operating margin (%)	6.0	(1.5ppt)	6.7	(1.6ppt)	1.0ppt
PATMI margin (%)	3.6	(1.1ppt)	4.1	(1.2ppt)	0.8ppt

	Revenue			Operating Profit		
Year to 31 Dec (S$m)	3Q26	yoy % chg	qoq % chg	3Q26	yoy % chg	qoq % chg
Public Transport	899.5	3.9	(1.1)	52.0	(12.8)	23.8
Taxi & Private Hire Vehicles	244.6	(5.4)	4.4	18.4	(39.8)	0
Other Private Transport	166.4	17.5	32.1	8.8	23.9	282.6
Inspection & Testing Services	36.1	(12.2)	(1.1)	13.1	8.3	10.1
Other Segments	29.6	16.1	8.8	0.3	(72.7)	(80.0)

Source: CD, UOB Kay Hian

- **Revenue in line with expectations; earnings remain under pressure.** ComfortDelGro Corporation (CD) reported 3Q26 revenue of S$1.38b (+4.0% yoy), while operating profit declined 16.3% yoy to S$92.6m. 9M26 revenue rose 4.9% yoy to S$3.94b, while PATMI fell 20.0% yoy to S$141.1m, representing 77.7% and 78.6% of our full-year forecasts respectively. The decline in profitability was mainly driven by continued weakness in the taxi/PHV segment.
- **Public transport remains the key earnings driver.** 9M26 revenue grew 7.7% yoy to S$2.62b, accounting for 66.6% of group revenue, while core OP rose 18.4% yoy to S$131.7m, with operating margin improving 0.4ppt to 5.0%. Growth was supported by improved margins on renewed London bus contracts, new Victoria contracts in Australia, and contractual indexation. Singapore operations were affected by the Tampines Bus Package handover in Jul 26, but partially offset by a fuel provision writeback. Long-term contracts and overseas expansion continue to support earnings visibility.

Key Financials

Year to 31 Dec (S$m)	2024	2025	2026F	2027F	2028F
Net turnover	4,477	5,059	5,069	5,163	5,333
EBITDA	691	773	694	697	703
Operating profit	323	373	292	296	313
Net profit (rep./act.)	211	230	180	180	191
Net profit (adj.)	205	215	180	180	191
EPS (S$ cent)	9.5	9.9	8.3	8.3	8.8
PE (x)	13.6	13.0	15.6	15.5	14.7
P/B (x)	1.1	1.1	1.1	1.1	1.1
EV/EBITDA (x)	5.7	5.1	5.6	5.6	5.6
Dividend yield (%)	6.0	6.6	5.6	5.9	6.2
Net margin (%)	4.7	4.6	3.5	3.5	3.6
Net debt/(cash) to equity (%)	7.3	27.1	28.6	26.4	24.7
Interest cover (x)	17.8	14.6	17.0	15.8	14.9
ROE (%)	8.1	8.9	6.9	6.9	7.2
Consensus net profit (S$m)	-	-	185	197	207
UOBKH/Consensus (x)	-	-	0.97	0.91	0.92

Source: CD, Bloomberg, UOB Kay Hian

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HOLD (Maintained)

Share Price	S$1.29
Target Price	S$1.41
Upside	+9.3%

Stock Data

GICS sector	Industrials
Bloomberg ticker:	CD SP
Shares issued (m):	2,165.8
Market Cap (S$m):	2,793.9
Market cap (US$m):	2,174.8
3-mth avg t'over (US$m):	7.0

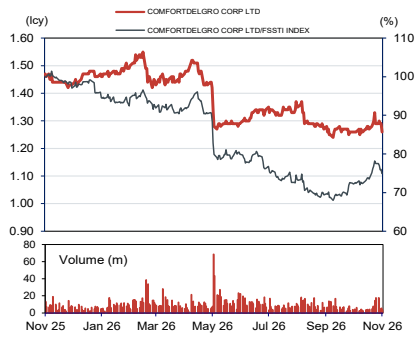
Price Performance (%)

52-week high/low				S$1.56/S$1.24
1mth	3mth	6mth	1yr	YTD
2.4	(5.8)	(10.4)	(12.8)	(12.8)

Balance Sheet Metrics

FY26 NAV/Share (S$)	1.21
FY26 Net Cash/ Share (S$)	0.35

Price Chart



Source: Bloomberg

Company Description

ComfortDelGro Corporation provides land transportation services. The company offers bus, taxi, rail, car rental and leasing, automotive engineering services, inspection and testing services, driving centre, insurance broking services, and outdoor advertising.

- **Taxi/PHV weakness continues to weigh on group profitability.** 9M26 revenue fell 7.7% yoy to S$718.5m, while core OP declined 44.9% yoy to S$54.6m, with operating margin contracting from 12.7% to 7.6%. Weakness was driven by B2C competition, a shrinking Singapore taxi fleet, and network contraction in Australia amid cautious consumer spending. UK premium B2B demand was also affected by the Middle East conflict. Recovery is likely to remain gradual as CD shifts towards premium and enterprise mobility.
- **Overseas contract wins support medium-term growth.** CD has secured a 12-year Copenhagen Metro contract that will commence in Sep 27, while its seven-year NSW TrainLink regional coach contracts began operations in Jul 26. The Jurong Region Line is expected to commence full operations in 2028. CD is pursuing further UK bus and international rail tenders, with over S$17b in potential public transport opportunities over 2026-28, offering earnings upside despite execution risks.
- **Point-to-point transformation gathers pace.** CD continues shifting towards premium and enterprise mobility, expanding Addison Lee's network from 39 to 45 destinations across 10 countries. In Singapore, the group has committed over S$10m to expand its PHV fleet and has strengthened its Gojek partnership through Zig's taxi network. Autonomous mobility is also progressing, with Zig Driverless completing 10,000 public rides in Punggol. CD targets 10% of its global P2P fleet transitioning to autonomous vehicles by 2030, although meaningful earnings contributions may take time.
- **Inspection & testing continues to support earnings, but sustainability remains a concern.** 9M26 revenue remained broadly flat yoy at S$109.3m, while core OP grew 20.0% yoy to S$37.2m, with operating margin expanding 5.7ppt to 34.0%. Strong profitability was supported by the ongoing ERP 2.0 On-Board Unit (OBU) installations. However, earnings contributions could moderate as installation volumes eventually taper off.

Valuation/Recommendation

- **Maintain HOLD with an unchanged target price of S$1.41, implying 9.3% upside.** Our target price remains pegged to 17x 2026F PE, in line with CD's 10-year historical average PE. While public transport earnings remain resilient, continued weakness in the taxi/PHV segment and uncertainty over the sustainability of inspection and testing earnings limit near-term upside.

Earnings Revision/Risk

- We make no changes to our revenue and earnings forecasts.

Share Price Catalyst

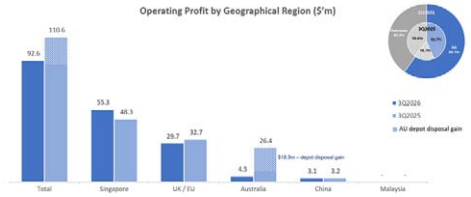
- Tangible P2P sequential recovery.
- Evidence of UK airport transfer volumes recovering on geopolitical de-escalation.

Revenue by Geographical Region



Source: CD, UOB Kay Hian

Operating Profit by Geographical Region



Source: CD, UOB Kay Hian

Profit & loss

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Net turnover	5,058.6	5,068.7	5,163.2	5,333.0
EBITDA	772.6	694.1	697.5	703.0
Deprec. & amort.	399.6	402.5	401.3	389.5
EBIT	373.0	291.6	296.2	313.5
Total other non-operating income	20.4	13.4	10.4	11.4
Associate contributions	0.8	1.4	2.0	2.6
Net interest income/(expense)	(52.8)	(40.9)	(44.0)	(47.2)
Pre-tax profit	341.4	265.6	264.6	280.3
Tax	(69.5)	(53.1)	(52.9)	(56.1)
Minorities	(41.6)	(32.9)	(31.7)	(33.6)
Net profit	230.3	179.5	179.9	190.6
Net profit (adj.)	214.7	179.5	179.9	190.6

Balance Sheet

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Fixed assets	2,339.3	2,237.8	2,186.5	2,147.0
Other LT assets	1,914.8	1,915.2	1,915.6	1,916.0
Cash/ST investment	868.4	824.2	876.3	918.5
Other current assets	1,016.4	1,126.9	1,146.3	1,180.6
Total assets	6,138.9	6,104.1	6,124.7	6,162.1
ST debt	387.4	387.4	387.4	387.4
Other current liabilities	1,149.7	1,103.1	1,120.2	1,149.2
LT debt	1,184.8	1,184.8	1,184.8	1,184.8
Other LT liabilities	436.3	436.3	436.3	436.3
Shareholders' equity	2,595.5	2,617.9	2,633.0	2,651.3
Minority interest	385.2	374.6	362.9	353.0
Total liabilities & equity	6,138.9	6,104.1	6,124.7	6,162.1

Cash flow

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Operating	451.3	485.4	644.3	644.1
Pre-tax profit	341.4	265.6	264.6	280.3
Tax	(83.8)	(53.1)	(52.9)	(56.1)
Deprec. & amort.	399.6	402.5	401.3	389.5
Associates	0.0	0.0	0.0	0.0
Working capital changes	(153.1)	(468.2)	(499.8)	(415.4)
Non-cash items	75.2	27.5	33.6	35.8
Other operating cashflows	(128.0)	311.1	497.5	410.0
Investing	(502.5)	(288.0)	(340.0)	(339.0)
Capex (growth)	(565.4)	(301.0)	(350.0)	(350.0)
Investment	(74.2)	0.0	0.0	0.0
Proceeds from sale of assets	55.1	0.0	0.0	0.0
Others	82.0	13.0	10.0	11.0
Financing	26.2	(241.5)	(252.3)	(263.0)
Dividend payments	(220.2)	(200.6)	(208.2)	(215.8)
Proceeds from borrowings	3,747.2	0.0	0.0	0.0
Loan repayment	(3,269.7)	0.0	0.0	0.0
Others/interest paid	(231.1)	(40.9)	(44.0)	(47.2)
Net cash inflow (outflow)	(25.0)	(44.2)	52.1	42.2
Beginning cash & cash equivalent	892.4	868.4	824.2	876.3
Changes due to forex impact	1.0	0.0	0.0	0.0
Ending cash & cash equivalent	868.4	824.2	876.3	918.5

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	15.3	13.7	13.5	13.2
Pre-tax margin	6.7	5.2	5.1	5.3
Net margin	4.6	3.5	3.5	3.6
ROA	3.9	2.9	2.9	3.1
ROE	8.9	6.9	6.9	7.2
Growth				
Turnover	13.0	0.2	1.9	3.3
EBITDA	11.8	(10.2)	0.5	0.8
Pre-tax profit	7.5	(22.2)	(0.4)	6.0
Net profit	9.4	(22.0)	0.2	6.0
Net profit (adj.)	4.5	(16.4)	0.2	6.0
EPS	4.5	(16.4)	0.2	6.0
Leverage				
Debt to total capital	34.5	34.4	34.4	34.4
Debt to equity	60.6	60.1	59.7	59.3
Net debt/(cash) to equity	27.1	28.6	26.4	24.7
Interest cover (x)	14.6	17.0	15.8	14.9

NTT DC REIT (NTTDCR SP)

1HFY27: Benefitting From Expansion In Demand From Existing Tenants

Highlights

- NTTDCR delivered a strong 1HFY27 DPU of 4.32 US cents, which came in 10% above IPO forecasts. The outperformance was driven by higher tenant fit-out revenue, lower property taxes, and lower-than-expected finance costs.
- Occupancy by IT load rose to 97.5%, supported by expansion in demand from its existing tenants at key assets CA1, CA2 and CA3. NTTDCR also achieved a positive rental reversion of 11.7% in 1HFY27.
- Maintain BUY and target price at US$1.29 due to favourable supply-demand dynamics, ongoing tenant expansion, and potential acquisitions from sponsor pipeline. NTTDCR provides an attractive FY27 DPU yield of 9.2%.

1HFY27 Results

Year to 31 Mar (US$m)	1HFY27	IPO Forecast	% Variance	Remarks
Gross Revenue	119.8	117.4	+2.0	Higher tenant fit-out revenue.
Net Property Income (NPI)	55.8	53.2	+4.9	Lower real estate taxes and operating expenses.
Net Finance Costs	(10.4)	(11.0)	-5.5	Partially repaid some revolving credit facility.
Distributable Income	45.0	40.9	+10.0	
DPU (US cents)	4.32	3.93	+10.0	

Source: NTTDCR, UOB Kay Hian

Analysis

- NTT DC REIT (NTTDCR) reported 1HFY27 DPU of 4.32 US cents, which is 10% above the forecast in its IPO prospectus. The results exceeded our expectation.
- **Exceeded forecast in IPO prospectus.** Gross revenue was 2% above its IPO projection, while NPI beat projection by 4.9%, supported by higher tenant fit-out revenue and lower property taxes. Net finance costs were 5.5% below projection, helping distributable income and DPU hit 10% above projection.
- **Expansion leases support occupancy and rental growth.** Portfolio occupancy by IT load improved 1.6ppt qoq to 97.5% as of Sep 26, mainly from expansions at CA1 and CA3. Most of these leases commenced in Sep 26 and are expected to contribute a full quarter of rental revenue from 3QFY27. Including secured leases that have yet to commence, committed occupancy was slightly higher at 98.1%. Occupancy at CA1-3 rose 2.7ppt qoq to 99.6% (CA1 and CA2 hit full occupancies, while CA3 improved 2.9ppt qoq to 94.8%). Occupancy at VA2 improved 0.1ppt to 98.2%.

Key Financials

Year to 31 Mar (US$m)	2026	2027F	2028F	2029F
Net turnover	165	238	242	247
EBITDA	64	158	231	235
Operating profit	14	82	155	159
Net profit (rep./act.)	3	126	192	195
Net profit (adj.)	1	67	132	135
EPU (US$ cent)	0.1	6.4	12.5	12.7
DPU (US$ cent)	5.6	8.5	8.5	8.5
PE (x)	n.a.	14.5	7.4	7.3
P/B (x)	0.8	0.8	0.8	0.9
DPU yld (%)	6.0	9.2	9.1	9.1
Net margin (%)	1.9	53.1	79.0	78.9
Net debt/(cash) to equity (%)	39.4	42.2	45.9	49.8
Interest cover (x)	4.3	7.4	10.0	9.7
ROE (%)	n.a.	10.7	16.3	17.0
Consensus DPU (US$ cent)	-	8.0	8.1	8.3
UOBKH/Consensus (x)	-	1.06	1.04	1.03

Source: NTT DC REIT, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	US$0.93
Target Price	US$1.29
Upside	38.7%

Stock Data

Sector	Real Estate
Bloomberg ticker	NTTDCR SP
Shares issued (m)	1,041.4
Market cap (US$m)	968.5
Market cap (US$m)	968.5
3-mth avg daily t'over (US$m)	3.3

Price Performance (%)

52-week high/low				US$1.06/US$0.845
1mth	3mth	6mth	1yr	YTD
0.5	(0.5)	(7.9)	(7.9)	(8.8)

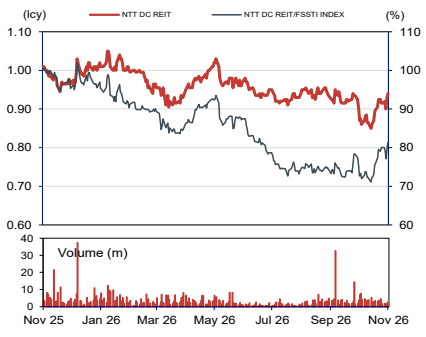
Major Shareholders (%)

NTT Ltd	25.1
GIC	9.7

Balance Sheet Metrics

FY27 NAV/Share (US$)	1.13
FY27 Net Debt/Share (US$)	0.48

Price Chart



Source: Bloomberg

Company Description

NTTDCR invests in a diversified portfolio of stabilised income-producing real estate assets located globally, which are used primarily for data centre purposes.

- **Positive rental reversions led by the SG1 renewal.** NTTDCR secured lease renewals representing a monthly base rent of US$903,000 in 1HFY27, achieving a positive rental reversion of 11.7%. The uplift was driven by the 23% reversion on the SG1 NTT Master Services Agreement renewal, which was already recorded in 1QFY27. Portfolio WALE was 4.0 years. 84.3% of leases by monthly base rent have fixed escalations averaging 3.1% annually.
- **Lower gearing and financing costs.** Aggregate leverage declined 1.1ppt qoq to 29.9% as of Sep 26, with total debt falling to US$528m from US$537m. The weighted average all-in interest rate fell 18bps qoq to 3.80%, while interest coverage was 4.6x and 68.4% of debt was fixed-rate. There are no loan maturities until FY29, with two 12-month extension options; the average term to maturity before extensions is 1.8 years. Debt headroom to 40% gearing increased to US$298m, assuming additional debt is matched by an equivalent increase in total assets.
- **NTTDCR has proposed to tie performance fee to DPU growth**, effective from FY27: a) No performance fee would be payable if DPU growth is 3% or less; b) growth above 3% but below 5% would attract a fee of 0.1% of deposited property, and c) increase to 0.2% for growth of at least 5%. It has also proposed to issue new units used to pay management fees at the higher of NAV per unit or market price, effective from 1 Oct 26. The proposed amendments incentivise focus on DPU growth and increase the alignment of interest between the REIT manager and unitholders.
- **NTTDCR was included in the FTSE EPRA Nareit Global Developed Index** with effect from 21 Sep 26. This is a significant milestone for NTTDCR. The inclusion is expected to enhance NTTDCR's visibility among global institutional investors and broaden its investor base.

Valuation/Recommendation

- **Operational data centres benefit from constrained supply.** NTTDCR's portfolio comprises six Tier III-equivalent assets across the US, Austria and Singapore, with 90.7MW of design IT load. Power availability and tighter regulation constrain new supply in key markets. In Sacramento, new regulations that place greater emphasis on energy efficiency, water management and environmental sustainability will come into force. In Northern Virginia, management has observed the withdrawal and rejection of several large early-stage data centre projects in 2027. In Singapore, robust demand and tight supply point to a continued steady growth in rents.
- **NTTDCR benefits from expansion in demand from its existing tenants.** CA3 is expected to hit full occupancy by 1QFY28 as an existing tenant ramps up gradually by 100kW per month. NTTDCR is in advanced negotiations with an existing top 10 tenant in the technology sector for SG1. If successfully closed, the planned expansion would lift occupancy at SG1 to 100% by 1QFY28.
- **Maintain BUY.** Our new target price of US$1.29 is based on DDM (cost of equity: 8.7%, terminal growth: 2.5%).

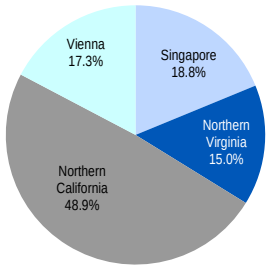
Earnings Revision/Risk

- We have kept our FY28 and FY29 DPU forecasts unchanged as they have already factored in the improvement in NPI margin.

Share Price Catalyst

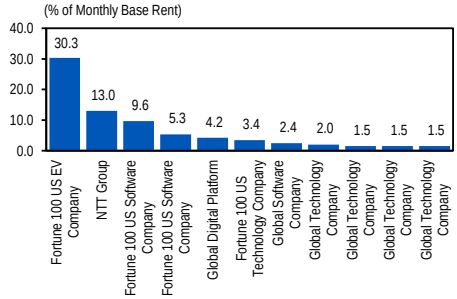
- Catalysts include: a) acquisitions of hyperscale DCs in Frankfurt, Germany from its sponsor pipeline, and b) an uptick in portfolio occupancy in 2HFY27.

Portfolio Composition By Geography



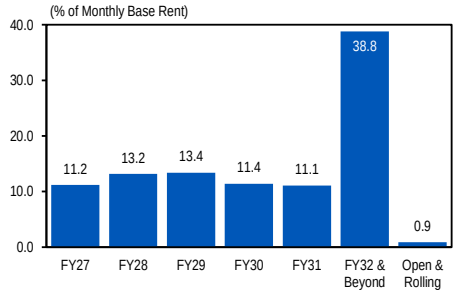
Source: NTTDCR

Top 10 Tenants By Monthly Base Rent



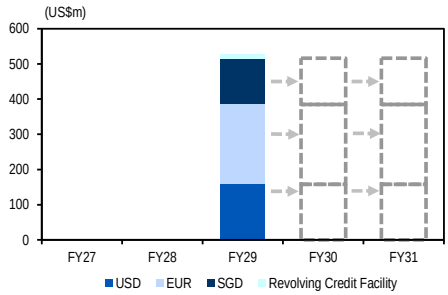
Source: NTTDCR

Lease Expiry Profile



Source: NTTDCR

Debt Maturity Profile



Source: NTTDCR

Profit & loss

Year to 31 Mar (US$m)	2026	2027F	2028F	2029F
Net turnover	164.8	238.0	242.4	246.8
EBITDA	64.1	158.2	230.6	235.0
Deprec. & amort.	50.0	76.2	76.0	76.0
EBIT	14.1	82.0	154.6	159.0
Total other non-operating income	1.7	59.3	60.0	60.0
Associate contributions	0.0	0.0	0.0	0.0
Net interest income/(expense)	(14.9)	(21.3)	(23.0)	(24.3)
Pre-tax profit	1.0	119.9	191.6	194.7
Tax	2.2	6.4	0.0	0.0
Minorities	0.0	0.0	0.0	0.0
Net profit	3.1	126.4	191.6	194.7
Net profit (adj.)	1.4	67.1	131.6	134.7

Balance Sheet

Year to 31 Mar (US$m)	2026	2027F	2028F	2029F
Fixed assets	1,667.2	1,702.6	1,706.6	1,710.6
Other LT assets	14.3	14.8	14.8	14.8
Cash/ST investment	46.0	47.9	46.6	45.4
Other current assets	46.3	47.3	48.7	49.6
Total assets	1,773.8	1,812.6	1,816.7	1,820.4
ST debt	0.0	0.0	0.0	0.0
Other current liabilities	43.9	41.4	42.6	43.3
LT debt	512.1	550.0	580.0	610.0
Other LT liabilities	35.7	32.2	32.2	32.2
Shareholders' equity	1,181.9	1,188.9	1,161.9	1,134.8
Minority interest	0.0	0.0	0.0	0.0
Total liabilities & equity	1,773.7	1,812.6	1,816.7	1,820.4

Cash Flow

Year to 31 Mar (US$m)	2026	2027F	2028F	2029F
Operating	58.7	88.9	101.0	103.2
Pre-tax profit	3.1	63.1	61.9	62.6
Tax	0.0	0.0	0.0	0.0
Deprec. & amort.	50.8	77.3	77.0	77.0
Associates	0.0	0.0	0.0	0.0
Working capital changes	(3.7)	(4.2)	(0.2)	(0.1)
Non-cash items	8.6	12.3	8.5	8.5
Other operating cashflows	(0.2)	(59.6)	(46.0)	(44.8)
Investing	(1,250.9)	(14.5)	(20.0)	(20.0)
Capex (growth)	(1,233.7)	0.0	0.0	0.0
Capex (maintenance)	(17.5)	(14.5)	(20.0)	(20.0)
Proceeds from sale of assets	0.0	0.0	0.0	0.0
Others	0.3	0.0	0.0	0.0
Financing	1,277.9	(72.5)	(82.3)	(84.4)
Distribution to unitholders	772.7	0.0	0.0	0.0
Issue of shares	0.0	(88.7)	(88.9)	(89.7)
Proceeds from borrowings	536.8	37.9	30.0	30.0
Loan repayment	(11.7)	0.0	0.0	0.0
Others/interest paid	(19.9)	(21.7)	(23.4)	(24.7)
Net cash inflow (outflow)	85.6	1.9	(1.3)	(1.2)
Beginning cash & cash equivalent	0.0	46.0	47.9	46.6
Changes due to forex impact	(0.8)	0.0	0.0	0.0
Ending cash & cash equivalent	84.8	47.9	46.6	45.4

Key Metric

Year to 31 Mar (%)	2026	2027F	2028F	2029F
Profitability				
EBITDA margin	38.9	66.5	95.1	95.2
Pre-tax margin	0.6	50.4	79.0	78.9
Net margin	1.9	53.1	79.0	78.9
ROA	n.a.	7.0	10.6	10.7
ROE	n.a.	10.7	16.3	17.0
Growth				
Turnover	n.a.	n.a.	1.9	1.8
EBITDA	n.a.	n.a.	45.8	1.9
Pre-tax profit	n.a.	n.a.	59.7	1.6
Net profit	n.a.	n.a.	51.6	1.6
Net profit (adj.)	n.a.	n.a.	96.1	2.4
EPU	n.a.	n.a.	94.5	1.6
Leverage				
Debt to total capital	30.2	31.6	33.3	35.0
Debt to equity	43.3	46.3	49.9	53.8
Net debt/(cash) to equity	39.4	42.2	45.9	49.8
Interest cover (x)	4.3	7.4	10.0	9.7

Centurion Corp. (CENT SP)

Positioning For The Next Cycle

Highlights

- **9M26 revenue accounted for 70% of our 2026 forecast, in line**. In its 9M26 business update, Centurion Corporation (CENT) reported a 34.5% yoy rise in revenue to S$280.1m, buoyed by the consolidation of Westlite Mandai, new beds at Westlite Toh Guan and Westlite Mandai, positive rental reversions in Singapore and Australia, as well as contributions from new acquisitions such as Harum Megah portfolio in Malaysia, EPIISOD Macquarie Park in Sydney and Concorde South Hedland in Western Australia.
- **We maintain our BUY rating,** with an unchanged target price of S$2.05.

3Q/9M26 Revenue Breakdown

Year to 31 Dec (S$m)	3Q26	3Q25	yoy%	9M26	9M25	yoy%
Revenue	95.2	67.5	41.0	280.1	208.3	34.5
Segment Revenue Breakdown						
PBWA	76.5	54.1	41.4	219.6	162.7	35.0
PBSA	17.0	12.6	34.9	57.6	43.5	32.4
Others	1.8	0.8	125.0	3.0	2.0	50.0
Geographic Revenue Breakdown						
Singapore	69.8	49.3	41.6	199.7	148.5	34.5
Malaysia	6.2	4.7	31.9	18.7	14.2	31.7
Australia	10.0	4.1	143.9	26.5	11.8	124.6
UK	7.6	8.2	-7.3	30.8	30.7	0.3
Other countries	1.6	1.3	23.1	4.6	3.0	53.3

Source: Centurion Corp., UOB Kay Hian

Analysis

- **Purpose-built workers accommodation (PBWA) revenue expanded 35% yoy to S$219.6m for 9M26**, despite a lower financial occupancy of 84% (9M25: 90%), lifted by higher bed capacity in Singapore amid positive reversions. Singapore PBWA take-up rate averaged 94% for 9M26 and management expects occupancy to ramp up further as committed tenancies commence in 4Q26. In Malaysia, PBWA revenue was lifted by the acquisition of the Harum Megah portfolio. Occupancy averaged 73% for 9M26 and management expects take-up to improve in 4Q26.

Key Financials

Year to 31 Dec (S$m)	2024	2025	2026F	2027F	2028F
Net turnover	254	296	401	454	490
EBITDA	157	170	269	304	317
Operating profit	153	166	265	300	313
Net profit (rep./act.)	345	115	98	125	127
Net profit (adj.)	283	115	98	125	127
EPS	33.7	13.6	11.7	14.9	15.1
PE (x)	3.6	8.9	10.4	8.1	8.0
P/B (x)	0.9	0.8	0.8	0.7	0.7
EV/EBITDA (x)	22.0	20.4	12.8	11.4	10.9
Dividend yield (%)	2.5	12.4	3.3	3.3	3.3
Net margin (%)	136.0	38.8	24.5	27.6	25.9
Net debt/(cash) to equity(%)	46.4	27.0	114.2	132.9	138.5
Interest cover (x)	4.2	4.8	5.2	3.9	3.5
ROE (%)	34.9	9.6	7.9	9.6	9.0
Consensus net profit	-	-	88	108	116
UOBKH/Consensus (x)	-	-	1.11	1.16	1.09

Source: Centurion Corp., Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)	
Share Price	S$1.21
Target Price	S$2.05
Upside	69.4%
Previous TP	S$2.05

Stock Data

Sector	Real Estate
Bloomberg ticker	CENT SP
Shares issued (m)	840.8
Market cap (S$m)	1,017.3
Market cap (US$m)	791.9
3-mth avg daily t'over (US$m)	1.0

Price Performance (%)

52-week high/low				S$1.7/S$1.2
1mth	3mth	6mth	1yr	YTD
(10.4)	(28.8)	(21.8)	(4.6)	3.2

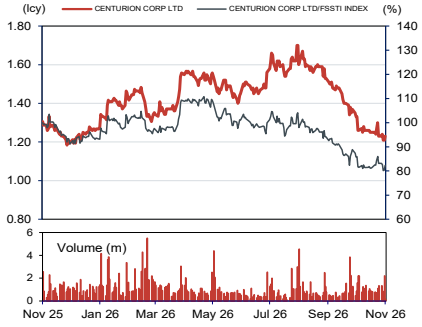
Major Shareholders (%)

Centurion Properties	50.64
David Loh	9.36

Balance Sheet Metrics

FY26 NAV/Share (S$)	1.50
FY26 Net Debt/Share (S$)	1.71

Price Chart



Source: Bloomberg

Company Description

Centurion is one of the largest providers of purpose-built workers' accommodations in Singapore and Malaysia, and has student accommodation assets in UK and Australia. .

- **CENT's PBWA portfolio growth is strong and visible**. Looking ahead, apart from winning the two PBWA development sites in Singapore, with the potential to add 12,000 beds by 3Q28, the group has announced a new asset enhancement initiative (AEI) at Westlite Woodlands (part of CAREIT's portfolio). It has obtained planning permission, subject to the fulfilment of technical and regulatory requirements, to develop two new accommodation blocks that will hold 1,428 beds. Construction of the latter is expected to commence in 1H27 and complete by 1H29.
- **Purpose-built student accommodation (PBSA) revenue rose 32% yoy to S$57.6m for 9M26**, mainly from EPIISOD Macquarie Park in Sydney. This segment's financial occupancy averaged 97% for 9M26 vs 94% in 9M25. Meanwhile, occupancy at its Hong Kong PBSA assets improved to 93% for 9M26, up from 45% a year ago. Management expects PBSA portfolio occupancy in the UK to remain high even as rental reversions moderate, meanwhile in Australia, take-up rate is likely to remain stable in 4Q26.
- **KWA is a growing segment**. CENT benefitted from a full quarter's contributions from Concorde South Hedland, acquired at end-Jun 26. According to management, the asset was operating at near-full occupancy in 3Q26. The purchase of Velocity Karratha, completed in Oct 26, is likely to boost contributions of the key worker accommodation (KWA) segment, in our view. In addition, CENT announced it had commenced construction of the 302-room Port Hedland Hotel in Nov 26. When completed in late-27, we believe this new development could tap into the demand arising from a shortage of quality worker and essential-services accommodation in the Pilbara region.
- **Net gearing ratio rose to 28% at end-3Q26,** with recent land and property acquisitions. Debt maturity stands at an average of four years and interest coverage ratio remains healthy at 5.4x. With robust portfolio bed capacity growth, which is estimated to expand by 27% to around 108,263 beds by 2028, we expect the group's net gearing to continue ticking up in the near term.

Valuation/Recommendation

- **Maintain BUY with an unchanged target price of S$2.05,** based on an average of SOTP and target PE multiple valuation of 12.5x 2027 earnings. We think CENT is well placed to ride on the tailwinds of the structurally under-supplied living sectors, with a clear expansion in bed capacity over 2026-28.

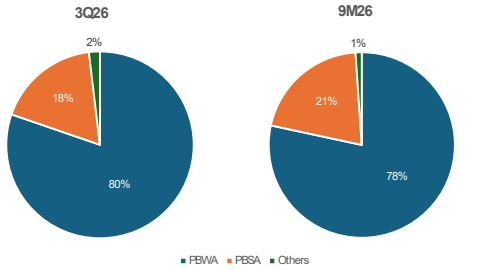
Earnings Revision/Risk

- **Management's 2H26 revenue guidance has upside risk potential, in our view**. Management maintained its 2H26 revenue guidance of S$190m, marginally up from 1H26's S$184.9m. We think there is upside risk potential to this guidance, given the completion of the acquisition of Velocity Karratha in Oct 26 and the KWA assets in Western Australia.

Share Price Catalyst

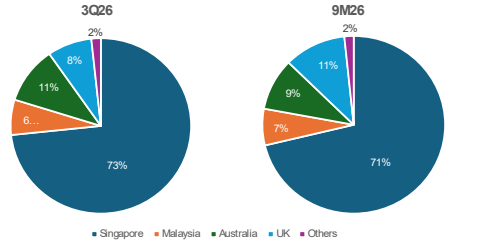
- **Catalysts**: a) Successful development cost management and ability to secure low funding cost for its development projects, b) strong capital recycling efforts, and c) capacity expansions via JVs that could result in a more asset-light and higher-return business model.

3Q26 and 9M26 revenue breakdown by segment



Source: UOB Kay Hian

3Q26 and 9M26 revenue breakdown by geography



Source: UOB Kay Hian

SOTP Breakdown

				Mkt value (S$m)	Value/share (S$)
Completed assets ex-CAREIT (as at Dec 2025 valuation)	**No of beds**				
Singapore PBWA	15,156			306.4	0.36
Malaysia PBWA	43,224			295.3	0.35
UK PBSA	181			12.3	0.01
AU PBSA	597			208.5	0.25
AU KWA	305			67.0	0.08
HWCN portfolio	514			48.3	0.06
Total				**937.8**	**1.12**
Surplus value from assets under development (incl assocs)	**No of beds**				
Singapore PBWA - Kranji, Lok Yang	12,000			120.7	0.14
Overseas portfolio	2,405			19.9	0.02
Total				**140.6**	**0.17**
REIT	**Stake**	**No of units**	**TP**	**Mkt value**	
CAREIT	38.25%	1,728.0	1.39	**918.7**	**1.09**
	Est FY27 PATMI		**Multiple**		
Fee income	19.42		10	**194.2**	**0.23**
Add other assets/liabilities (ex-CAREIT)				-107.1	-0.13
Net debt (ex-CAREIT)				-205.7	-0.24
RNAV				**1,678.5**	
RNAV/share				**2.23**	

Source: UOB Kay Hian

Profit & Loss

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Net turnover	296	401	454	490
EBITDA	170	269	304	317
Deprec. & amort.	4	4	4	4
EBIT	166	265	300	313
Associate contributions	40	0	1	1
Net interest income/(expense)	(35)	(52)	(78)	(90)
Pre-tax profit	161	181	223	225
Tax	(20)	(26)	(28)	(28)
Minorities	(27)	(58)	(70)	(70)
Preferred dividends	0	0	0	0
Net profit	115	98	125	127
Net profit (adj.)	115	98	125	127

Balance Sheet

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Fixed assets	6	6	6	6
Other LT assets	2,878	4,013	4,538	4,925
Cash/ST investment	373	65	47	57
Other current assets	34	35	38	40
Total assets	3,291	4,118	4,628	5,027
ST debt	23	23	23	23
Other current liabilities	230	200	216	247
LT debt	682	1,482	1,832	2,052
Other LT liabilities	183	154	130	110
Shareholders' equity	1,233	1,262	1,361	1,458
Minority interest	940	997	1,067	1,137
Total liabilities & equity	3,291	4,118	4,628	5,027

Cash Flow

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Operating	195	145	297	324
Pre-tax profit	142	156	195	197
Tax	(23)	(26)	(28)	(28)
Deprec. & amort.	4	4	4	4
Associates	(40)	0	(1)	(1)
Working capital changes	41	(33)	21	35
Non-cash items	71	45	106	118
Other operating cashflows	0	0	0	0
Investing	(590)	(1,141)	(533)	(394)
Capex (growth)	(4)	(10)	(10)	(10)
Capex (maintenance)	(698)	(1,123)	(513)	(385)
Investments	111	(8)	(11)	1
Proceeds from sale of assets	0	0	0	0
Others	0	0	0	0
Financing	725	688	218	80
Dividend payments	(37)	(34)	(34)	(34)
Issue of shares	0	0	0	0
Proceeds from borrowings	443	850	400	300
Loan repayment	(378)	(79)	(74)	(100)
Others/interest paid	697	(49)	(74)	(86)
Net cash inflow (outflow)	330	(308)	(18)	9
Beginning cash & cash equivalent	87	371	63	45
Changes due to forex impact	1	0	0	0
Ending cash & cash equivalent	417	63	45	54

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	57.3	67.2	66.9	64.7
Pre-tax margin	54.5	45.3	49.2	45.9
Net margin	38.8	24.4	27.6	25.9
ROA	4.7	3.4	4.0	3.8
ROE	12.1	10.2	12.4	12.0
Growth				
Turnover	106.9	180.1	217.4	242.6
EBITDA	107.7	229.4	272.0	288.0
Pre-tax profit	137.4	167.2	228.6	231.5
Net profit	117.8	86.0	138.2	140.5
Net profit (adj.)	(59.5)	(14.6)	28.1	1.0
EPS	117.8	86.0	138.2	140.5
Leverage				
Debt to total capital	32.5	66.6	76.4	80.0
Debt to equity	57.2	119.3	136.4	142.4
Net debt/(cash) to equity	27.0	114.2	132.9	138.5
Interest cover	4.8	5.2	3.9	3.5

Technical Analysis

Analyst(s)

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Parkway Life Real Estate Investment Trust (PREIT SP)

Trading buy range:	S$4.02-4.03
Last price:	S$4.03
Target price:	S$4.30
Protective stop:	S$3.94

Price successfully defended its position above its previous low support zone. The RSI maintains a constructive posture while hovering around the 50 neutral baseline. As long as price remains defended above the previous low support zone, a mean-reversion rebound wave targeting the prior swing peak resistance boundary can be expected.

The potential upside target is S$4.30. Stop-loss could be placed at S$3.94.

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$5.02.



UMS Holdings (UMSH SP)

Trading sell range:	S$1.82-1.83
Last price:	S$1.80
Target price:	S$1.54
Protective stop:	S$1.97

Price was rejected at its support-turned-resistance with a bearish engulfing candlestick pattern. The RSI is deeply entrenched in the oversold zone with strong downward velocity. As long as price remains strictly capped below the converted resistance, we expect another impulsive downward wave targeting the prior swing low support boundary.

The potential downside target is S$1.54. Stop-loss could be placed at S$1.97.

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$3.27.

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