Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	52208.1	1.2	1.0	(0.2)	8.6
S&P 500	7437.6	1.7	0.4	(0.8)	8.6
FTSE 100	10897.3	(0.1)	2.4	3.8	9.7
AS30	9122.7	(0.8)	1.2	1.5	1.2
CSI 300	4549.7	(1.1)	(3.8)	(8.6)	(1.7)
FSSTI	5673.6	(0.7)	1.6	9.7	22.1
HSCEI	8644.7	0.2	3.5	14.4	(3.0)
HSI	25858.9	0.2	2.6	13.0	0.9
JCI	6186.4	1.6	(2.0)	9.6	(28.5)
KLCI	1720.4	0.3	0.3	3.4	2.4
KOSPI	5593.6	(1.2)	(21.2)	(34.0)	32.7
Nikkei 225	61867.4	0.7	(6.9)	(11.7)	22.9
SET	1598.1	(1.6)	(3.3)	0.4	26.9
TWSE	39933.3	(0.3)	(11.0)	(13.4)	37.9
BDI	2632	(1.2)	(3.4)	5.2	40.2
CPO (RM/mt)	4515	0.4	0.4	0.4	14.8
Brent Crude (US$/bbl)	89	(1.9)	(11.6)	22.1	46.3

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Hybrid Post-result Group Luncheon with Plover Bay Technologies Ltd (1523 HK)	Hong Kong	31 Jul	31 Jul
Virtual Meeting with i-Tail Corporation Public Company Limited (ITC TB)	Thailand	05 Aug	05 Aug
Virtual Meeting with UOB-Kay Hian Holdings Ltd (UOBK SP)	Singapore	11 Aug	11 Aug
Hybrid Meeting with UltraGreen.ai Ltd (UGAI SP)	Singapore	13 Aug	13 Aug
Analyst Marketing by Julia Pan on Greater China Internet Sector	Singapore	07 Sep	08 Sep

Corporate and Macro Calendar

Economic Indicator/Event	Date
Bank Lending JUN	31 Jul
Business Confidence Q2	31 Jul
Unemployment Rate Prel Q2	31 Jul
SIPMM Manufacturing PMI JUL	3 Aug

Please click on the page number to move to the relevant pages

Top Stories

Company Results | Keppel (KEP SP/**BUY**/S$11.48/Target: S$13.26) Page 3

Keppel's 1H26 core earnings of S$401m (+16.6% yoy) were broadly in line with expectations, at 42% of our full-year forecast. We forecast stronger 2H26 core earnings for Keppel, at S$545m (+22.2% yoy), driven by the full half-year contribution from the KSC power plant. Fundamentals remain positive, as Keppel continues to divest its non-core assets, while scaling its fund management business towards its 2030 goals. Maintain BUY with a slightly higher target price of S$13.26.

Company Results | Mapletree Pan Asia Commercial Trust (MPACT SP/**BUY**/S$1.36/Target: S$1.75) Page 6

Festival Walk recorded the second consecutive quarter of healthy tenant sales growth at 4% yoy with sustained spending on luxury goods. Strong demand within central Tokyo has spilled over to the Makuhari sub-market. MPACT has initiated discussions with several potential new tenants. Maintain BUY with a target price of S$1.75 due to resiliency from Singapore and an attractive FY27 DPU yield of 5.9%.

Company Results | Sheng Siong Group (SSG SP/**BUY**/S$3.34/Target: S$3.71) Page 9

SSG reported 1H26 revenue of S$855m and earnings of S$80m, meeting our 2026 forecasts at 50.7% and 51.3% respectively. SSG also opened four new stores in 1H26, with three more expected in 3Q26. This comes above the company's annual target of 3-5 new stores. Maintain BUY with a higher target price of S$3.71 on a higher 32x 2027F PE.

Market Spotlight

Page 12

- US stocks were higher on Thursday, with all indices rising as the information technology, consumer discretionary and industrials sectors rose. There were more advancers than decliners on both the NYSE and NASDAQ.

- The FSSTI fell 39.61pt to 5,673.58, due to weaknesses in Singtel, Seatrium and DBS, with both mid- and small-cap indices falling with a broad market decline on S$2.31b turnover.

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.*

Technical Analysis

DFI Retail Group Holdings | DFI SP Page 13

Trading buy range: US$3.68-3.69

Delfi | DELFI SP Page 13

Trading buy range: S$0.880-0.885

Keppel (KEP SP)

1H26: Core Earnings In Line, Rising 16.6% yoy; Expect A Strong 2H26 Underpinned By KSC Contribution

Highlights

- Keppel's 1H26 core earnings of S$401m (+16.6% yoy) were broadly in line with our expectations, at 42% of our full-year forecast.
- We expect stronger 2H26 core earnings for Keppel, at S$545m (+22.2% yoy), driven by the full half-year contribution from the KSC power plant.
- Fundamentals remain positive, as Keppel continues to divest its non-core assets, while scaling its fund management business towards its 2030 goals.
- Maintain BUY; our updated target price of S$13.26 values Keppel at 18.9x 2027F core earnings, adjusted for assets for divestments and net debt.

1H26 Results

Year to 31 Dec (S$m)	1H26	1H25	*yoy chg %*	Remarks
Revenue	3,807	3,057	*+24.6*	
Operating profit	174	617	*-71.8*	
Associate/JV contribution	208	67	*+210.7*	
Headline PATMI	155	378	***-59.0***	Strong New Keppel earnings masked by non-core losses
Core PATMI of new Keppel (a)	401	344	***+16.6***	Strong core performance of New Keppel
By income type:				
- Asset management	72	71	*+1.4*	FUM rose to S$93b as of end-1H26
- Operating	395	343	*+15.2*	Stronger infra and connectivity profits
- Corp activities	-66	-70	*-5.7*	
By segment:				
- Infrastructure	387	349	*+10.9*	Higher FM fee income and integrated power earnings
- Real estate	36	41	*-12.2*	Lower FM fee income and profit from SSTEC
- Connectivity	44	24	*+83.3*	Higher FM fee income, KDC REIT contribution, DC project management and networks O&M income
- Corp activities	-66	-70	*-5.7*	
Valuation & divestment (b)	129	80	*+61.3*	Non-recurring gains/(losses) for new Keppel
PATMI of new Keppel (a)+(b)	530	424	***+25.0***	
Non-core portfolio for divest. (c)	-375	-46	*+715.2*	Incl. rig impairments and operation/valuation losses
Headline PATMI (a)+(b)+(c)	155	378	***-59.0***	

Source: Keppel, UOB Kay Hian

Analysis

- **Core earnings broadly in line, rising 16.6% yoy.** Keppel reported 1H26 net profit of S$155m (1H25: S$378m). Excluding its non-core portfolio for divestment, which were impacted by rig impairments and other operating and valuation losses, net profit of New Keppel rose 25.0% to S$530m in 1H26. Taking out non-recurring gains/(losses) from revaluation/divestments, New Keppel's core earnings rose 16.6% yoy to S$401m (1H25: S$344m).

Key Financials

Year to 31 Dec (S$m)	2024	2025	2026F	2027F	2028F
Net turnover	5,784	5,983	8,240	8,751	8,936
EBITDA	1,231	1,293	1,044	1,201	1,117
Operating profit	1,146	1,123	614	710	617
Net profit (rep./act.)	940	789	470	837	900
Net profit (adj.)	638	790	946	1,033	1,066
EPS (S$ cent)	35.1	43.2	52.1	56.8	58.7
PE (x)	32.7	26.6	22.1	20.2	19.6
P/B (x)	1.9	2.0	2.0	2.0	2.0
EV/EBITDA (x)	24.7	23.5	29.1	25.3	27.2
Dividend yield (%)	3.0	3.9	4.2	4.2	4.2
Net margin (%)	16.3	13.2	5.7	9.6	10.1
Net debt/(cash) to equity (%)	84.0	80.5	84.9	87.1	88.4
ROE (%)	3.8	4.3	3.7	4.3	4.0
Consensus net profit (S$m)	8.6	7.2	4.4	7.8	8.4
UOBKH/Consensus (x)	-	-	997	1,117	1,252

Source: Keppel, Bloomberg, UOB Kay Hian

BUY (Maintained)

Share Price	S$11.48
Target Price	S$13.26
Upside	15.5%
Previous TP	S$13.23

Analyst(s)
Roy Chen, CFA
roychen@uobkh.com
+65 6590 6627

Stock Data

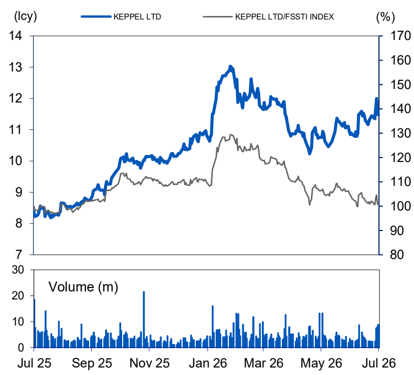
GICS sector	Healthcare
Bloomberg ticker	KEP SP
Shares issued (m)	1,800.6
Market cap (S$m)	20,671.0
Market cap (US$m)	16,026.5
3-mth avg daily t'over (US$m)	34.6

Price Performance (%)

52-week high/low				S$13.11/S$8.00
1mth	3mth	6mth	1yr	YTD
4.9	5.6	6.1	41.8	12.1

Major Shareholders	%
Temasek Hldgs	21.0
BlackRock	5.4

Price Chart



Source: Bloomberg

Company Description

Keppel is an asset manager and operator with four core businesses: Infrastructure, real estate, connectivity and asset management. It divested its offshore & marine arm to Seatrium in 2023.

- **Strong Infrastructure and Connectivity segment performance, slightly offset by weaker real estate segment performance:**
  - **Infrastructure:** Core earnings rose 10.9% yoy to S$387m, driven by higher fund management (FM) income, as well as earnings from infrastructure operation platforms. Integrated power business EBITDA grew 9% yoy to S$356m, driven by one-month contribution from Keppel Sakra Cogen Plant (KSC, operations started on 29 May 26), which has more than offset softer spark spreads and costs impacts from the Middle East conflicts. Decarbonisation & Sustainable Solutions (DSS) recorded S$70m EBITDA, marginally higher yoy.
  - **Real estate:** Core earnings dropped 12.2% yoy to S$36m, due to: a) lower fee income from Aermont Fund V as it reaches end of investment period, and b) yoy lower share of profit from Sino-Singapore Tianjin Eco City (SSTEC).
  - **Connectivity:** Core earnings rose 83.3% yoy, driven by: a) higher fee income from KDC REIT and KDC Fund III, b) higher contribution from sponsor stakes in KDCREIT, and c) better operating performance of the technology solutions business and data centre project management and network operation & maintenance (O&M) businesses.
- **Update on M1.** Following the fall-through of the M1 deal, M1's financials have been reconsolidated with Keppel's, but under the non-core portfolio for divestment segment, as management would continue to explore divestment opportunities. In the meantime, management has come up with a three-year plan to structurally reset M1's cost base, targeting a S$70m pa run-rate cost savings by 2028. An interim goal of S$10m cost savings has been set for 2026, with S$4m having been achieved YTD.
- **Monetising up to 10 rigs through KOF.** The rig monetisation programme announced by Keppel on 27 Jul 26 is structurally positive, in our view. Based on the plan, Keppel will divest six operational rigs to Keppel Offshore Fund (KOF), a private fund co-invested by Keppel and Apollo, in 2026, for S$1.2b. On top of that, Keppel will progressively complete and may divest another four rigs to KOF in 2027-28. We see the transaction as a key step in Keppel's value unlocking. It provides a clearer pathway for Keppel to monetise its legacy rigs, validates Keppel's fund-management model, and demonstrates its ability to attract institutional capital. The deal allows Keppel to reduce non-core asset exposure, reduce gearing and earn a fee income from KOF.
- **S$100b interim target achieved, eyeing S$200b FUM by 2030.** The rig monetisation programme, together with other infrastructure, real estate and connectivity fund raised in Jul 26 have allowed Keppel's FUM has reached S$106b by end-Jul 26, exceeding the S$100b target set for end-26. Management remains confident to achieve its S$200b FUM target by end-30, backed by favourable long-term secular trends, Keppel's proven fundraising/investment capabilities and deep operational expertise as an integrated asset manager and operator.

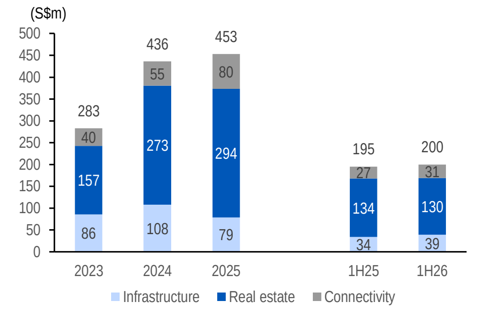
Earnings Revision/Risk

- We keep our 2026 core earnings forecast, while raising 2027-28 core earnings forecast by 4-5%, as we finetune our estimates for KSC's contribution.

Valuation/Recommendation

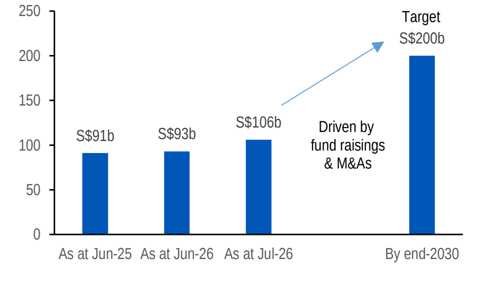
- **Maintain BUY with a slightly higher target price of S$13.26.** Our updated target price is based on 18.9x 2027F core earnings of New Keppel (10% discount to global asset managers/operators' average of 21.0x), adding the book value of its non-core portfolio for divestment (S$13.7b), and netting off Keppel's net debt position (S$9.3b). Keppel offers a 4.2% yield in 2026-28, by our estimate.

Asset Management Fees



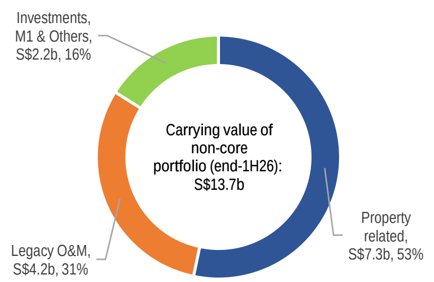
Source: Keppel

Fund Under Management



Source: Keppel

Non-Core Portfolio For Divestment As At End-1H26



Source: Bloomberg

Keppel Valuation

	S$m	S$
New Keppel @ 18.9x core earnings	19,523	10.84
Carrying value of non-core assets	13,700	7.60
Sub-total	33,223	18.44
Less: net debt	-9,325	-5.18
Equity value	23,898	13.26

Source: UOB Kay Hian

Profit & Loss

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Net turnover	5,983	8,240	8,751	8,936
EBITDA	1,293	1,044	1,201	1,117
Deprec. & amort.	170	430	490	500
EBIT	1,123	614	710	617
Total other non-operating income	(199)	32	32	32
Associate contributions	458	390	654	796
Net interest income/(expense)	(303)	(282)	(282)	(282)
Pre-tax profit	1,078	754	1,115	1,163
Tax	(306)	(306)	(300)	(284)
Minorities	16	22	22	22
Net profit	789	470	837	900
Net profit (adj.)	790	946	1,033	1,066

Balance Sheet

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Fixed assets	8,549	8,628	8,719	8,812
Other LT assets	10,776	10,815	10,880	10,960
Cash/ST investment	2,309	1,991	1,787	1,631
Other current assets	5,453	5,453	5,453	5,453
Total assets	27,088	26,887	26,840	26,856
ST debt	1,919	1,919	1,919	1,919
Other current liabilities	3,860	3,860	3,860	3,860
LT debt	9,517	9,517	9,517	9,517
Other LT liabilities	606	606	606	606
Shareholders' equity	10,864	10,686	10,660	10,698
Minority interest	322	300	278	256
Total liabilities & equity	27,088	26,887	26,840	26,856

Cash Flow

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Operating	662	456	618	551
Pre-tax profit	1,317	766	1,127	1,174
Tax	(306)	(306)	(300)	(284)
Deprec. & amort.	244	430	490	500
Associates	(458)	(390)	(654)	(796)
Working capital changes	282	0	0	0
Non-cash items	0	0	0	0
Other operating cashflows	(419)	(44)	(44)	(44)
Investing	(286)	(79)	88	204
Capex	(514)	(474)	(545)	(556)
Investments	(1,058)	0	0	0
Proceeds from sale of assets	874	0	0	0
Others	412	395	633	760
Financing	(326)	(695)	(910)	(911)
Dividend payments	(617)	(649)	(863)	(863)
Proceeds from borrowings	302	0	0	0
Loan repayment	0	0	0	0
Others/interest paid	(11)	(47)	(47)	(48)
Net cash inflow (outflow)	49	(319)	(204)	(156)
Beginning cash & cash equivalent	2,291	2,317	1,998	1,794
Changes due to forex impact	(23)	0	0	0
Ending cash & cash equivalent	2,317	1,998	1,794	1,638

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	21.6	12.7	13.7	12.5
Pre-tax margin	18.0	9.2	12.7	13.0
Net margin	13.2	5.7	9.6	10.1
ROA	2.9	1.7	3.1	3.4
ROE	7.2	4.4	7.8	8.4
Growth				
Turnover	3.4	37.7	6.2	2.1
EBITDA	5.0	(19.3)	15.0	(6.9)
Pre-tax profit	(9.1)	(30.0)	47.9	4.3
Net profit	(16.1)	(40.4)	78.1	7.6
Net profit (adj.)	23.8	19.8	9.2	3.2
EPS	23.0	20.5	9.2	3.2
Leverage				
Debt to total capital	50.6	51.0	51.1	51.1
Debt to equity	105.3	107.0	107.3	106.9
Net debt/(cash) to equity	80.5	84.9	87.1	88.4

Mapletree Pan Asia Commercial Trust (MPACT SP)

1QFY27: Green Shoots In Hong Kong And Japan

BUY (Maintained)	
Share Price	S$1.36
Target Price	S$1.75
Upside	+28.7%

Analyst(s)
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Highlights

- NPI from VivoCity grew 8.9% yoy in 1QFY27, supported by a positive rental reversion of 13.5% and high occupancy of 99.7%. Several leases for new IT tenants are progressively commencing at MBC in 2QFY27 and 3QFY27.
- Festival Walk recorded the second consecutive quarter of healthy tenant sales growth at 4% yoy with sustained spending on luxury goods. Strong demand within central Tokyo has spilled over to the Makuhari sub-market. MPACT has initiated discussions with several potential new tenants.
- Maintain BUY with a target price of S$1.75 due to resiliency from Singapore and an attractive FY27 DPU yield of 5.9%.

Analysis

1QFY27 Results

Year to 31 Mar (S$m)	1QFY27	yoy % Chg	Remarks
Gross Revenue	206.5	-5.6	Divestment of two Japan properties (completion: Aug 25) and Festival
Net Property Income (NPI)	154.8	-6.8	Walk Tower (completion: Feb 26). JPY depreciated 9.8% yoy against SGD.
Finance Expenses	(40.9)	-18.4	Lower interest rates and debt repayment using divestment proceeds.
Distributable Income	104.2	-2.4	
DPU (S cents)	1.96	-2.5	

Source: MPACT, UOB Kay Hian

- Mapletree Pan Asia Commercial Trust (MPACT) reported DPU of 1.96 S cents for 1QFY27 (-2.5% yoy), which is in line with our expectation.
- **Singapore: VivoCity leading the charge.** VivoCity delivered an NPI growth of 8.9% yoy and a positive rental reversion of 13.5% in 1QFY27, supported by contribution from the completed Basement 2 AEI. Tenant sales and shopper traffic increased 4.9% and 5.0% yoy, respectively, while committed occupancy remained near full at 99.7%. Management expects VivoCity to remain a key earnings driver given its dominant market position and ability to introduce new concepts and experiential retail offerings.
- **MBC secured several IT tenants.** Occupancy at Mapletree Business City (MBC) eased 2.1ppt qoq to 94.3% due to transitional leasing downtime, although management highlighted that several leases for new IT tenants are progressively commencing in 2QFY27 and 3QFY27. A sizeable committed lease for 100,000sf is scheduled to commence in Nov 26. Singapore NPI grew 1.0% yoy, driven primarily by VivoCity. Singapore now contributes 68% of portfolio NPI, reinforcing its role as MPACT's core earnings anchor.

Key Financials

Year to 31 Mar (S$m)	2025	2026	2027F	2028F	2029F
Net turnover	909	867	806	819	830
EBITDA	634	606	567	576	584
Operating profit	633	606	567	576	584
Net profit (rep./act.)	578	255	369	376	382
Net profit (adj.)	421	425	369	376	382
EPU (S$ cent)	8.0	8.1	7.0	7.1	7.2
DPU (S$ cent)	8.0	8.0	8.0	8.1	8.2
PE (x)	17.0	16.9	19.5	19.2	19.0
P/B (x)	0.8	0.8	0.8	0.8	0.8
DPU yld (%)	5.9	5.9	5.9	5.9	6.0
Net margin (%)	63.6	29.4	45.7	45.9	46.0
Net debt/(cash) to equity (%)	60.6	57.5	58.8	60.1	61.4
Interest cover (x)	2.9	3.3	3.3	3.3	3.3
ROE (%)	6.1	2.7	3.9	4.0	4.1
Consensus DPU (S$ cent)	-	-	8.1	8.2	8.2
UOBKH/Consensus (x)	-	-	0.98	0.99	1.00

Source: Mapletree Pan Asia Commercial Trust, Bloomberg, UOB Kay Hian

Stock Data

GICS Sector	Real Estate
Bloomberg ticker	MPACT SP
Shares issued (m)	5,281.2
Market cap (S$m)	6,865.5
Market cap (US$m)	5,374.2
3-mth avg daily t'over (US$m)	11.1

Price Performance (%)

52-week high/low S$1.50/S$1.22

1mth	3mth	6mth	1yr	YTD
5.4	5.7	(6.6)	4.2	(7.2)

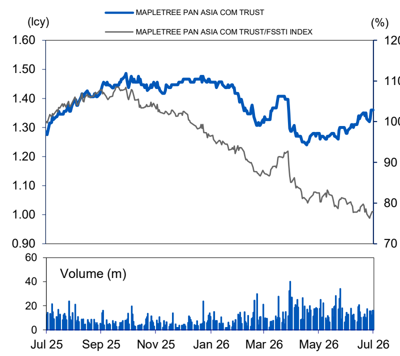
Major Shareholders | %

Temasek Hldgs	56.9

Balance Sheet Metrics

FY26 NAV/Share (S$)	1.71
FY26 Net Debt/Share (S$)	1.03

Price Chart



Source: Bloomberg

Company Description

MPACT invests in income-producing real estate used for office and/or retail purposes in key gateway markets of Asia. It debuted on SGX Main Board on 27 Apr 11 and completed the merger with Mapletree North Asia Commercial Trust on 21 Jul 22.

- **Festival Walk maintained high occupancy of 98.5%.** It recorded tenant sales growth of 4% yoy in 1QFY27, the second consecutive quarter of sustained spending on higher-value luxury goods. MPACT completed the reconfiguration of 18,800sf of space across three floors into a curated mix of F&B, lifestyle, beauty and health concepts. The enhancement was operational since Jul 26 and generated ROI of close to 50%.
- **China: Occupancy remains under pressure.** Sandhill Plaza at Zhangjiang Science City in Shanghai is still troubled by oversupply. Thus, MPACT has to prioritise occupancy preservation over rental growth. China properties recorded a negative rental reversion of 29.2% in 1QFY27 due to softer leasing demand. Occupancy eased slightly by 1.5ppt qoq to 82.4%.
- **Japan: Green shoot for potential recovery.** Occupancy fell 19.1ppt qoq to 56.0% following the expiry of an anchor tenant at Fujitsu Makuhari Building. Management highlighted that performance outside the Makuhari sub-market is relatively stable. Tenants are finding rents within central Tokyo expensive and have started to look at alternatives outside central Tokyo, including the Makuhari sub-market. MPACT has received enquiries and has initiated discussions with several potential tenants.
- **Disciplined capital management.** MPACT redeemed S$250m of 3.5% perpetual securities and issued S$200m of fixed-rate green notes due 2033 at 2.53% in Jun 26, lowering its average cost of debt by 22bp qoq to 2.94%. Interest coverage ratio has also improved to 3.3x. Aggregate leverage rose 1.2ppt qoq to 37.7% as of Jun 26, while 77.4% of debt remains fixed or hedged. Management guided cost of debt at low-3% for FY27.

Valuation/Recommendation

- **Pan-Asian play anchored in Singapore.** MPACT benefits from resiliency of its Singapore properties. VivoCity benefits from the recent pick-up in tourist arrivals and MICE events, and the expansion at Resorts World Sentosa. MBC should see progressive commencement of new leases.
- **Circle Line Stage 6 opened for passenger service** on 12 Jul 26. The 4km extension adds three new stations and transforms the Circle Line into a fully orbital MRT line. It connects Marina Bay to HarbourFront, thus bringing tourists staying at downtown hotels to VivoCity and Sentosa. It provides direct travel options, bypassing crowded city-centre interchanges, such as City Hall and Raffles Place. Circle Line Stage 6 would have a positive impact on shopper traffic and tenant sales at VivoCity.
- **Green shoot in Hong Kong.** Residential rents in Hong Kong have been rising, supported by an inflow of skilled migrants under the talent admission scheme, growing numbers of overseas students and expatriate relocations. The resultant higher home prices support consumer spending through the "wealth effect". As residential property values rise, consumers feel wealthier and more confident, which translate to higher discretionary spending. A sustained recovery in home prices provides a tailwind for the retail sector.
- **Maintain BUY.** Our target price of S$1.75 is based on DDM (cost of equity: 6.5%, terminal growth: 2.0%).

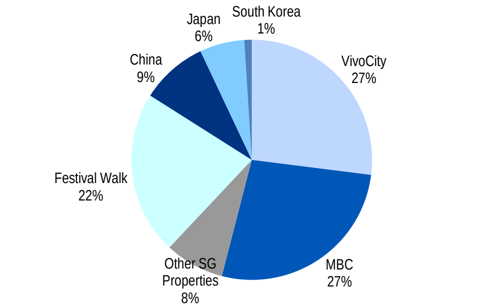
Earnings Revision/Risk

- We maintain our existing DPU forecasts.

Share Price Catalyst

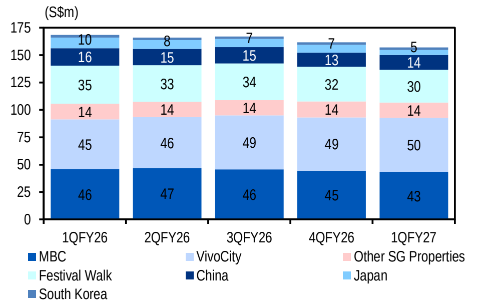
- Resilient growth from VivoCity and MBC in Singapore.
- MPACT's four Singapore properties located in the HarbourFront area accounted for 61% of its portfolio valuation. It benefits from the rejuvenation of Greater Southern Waterfront and Sentosa Island.

Portfolio Value By Country



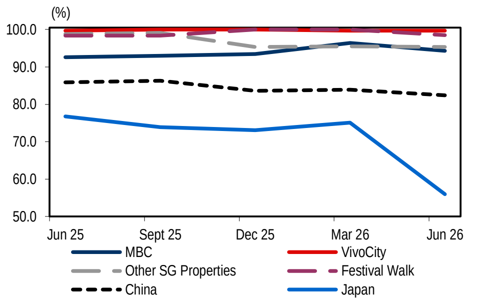
Source: MPACT

NPI By Country



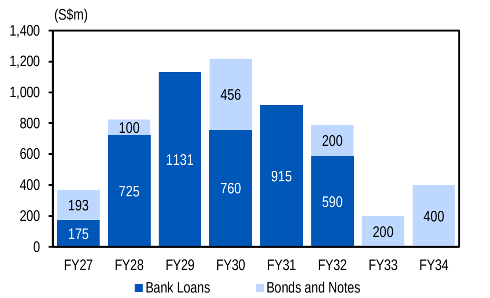
Source: MPACT

Portfolio Occupancy



Source: MPACT

DEBT Maturity Profile



Source: MPACT

Profit & Loss

Year to 31 Mar (S$m)	2026	2027F	2028F	2029F
Net turnover	867.3	806.2	818.9	830.3
EBITDA	606.3	566.9	575.9	584.2
Deprec. & amort.	0.7	0.0	0.0	0.0
EBIT	605.6	566.9	575.9	584.2
Total other non-operating income	(170.3)	0.0	0.0	0.0
Associate contributions	0.0	0.0	0.0	0.0
Net interest income/(expense)	(185.2)	(172.3)	(173.6)	(176.7)
Pre-tax profit	250.1	394.5	402.2	407.5
Tax	4.7	(26.0)	(26.0)	(26.0)
Minorities	0.0	0.0	0.0	0.0
Perpetual Securities	0.0	0.0	0.0	0.0
Net profit	254.8	368.5	376.2	381.5
Net profit (adj.)	425.1	368.5	376.2	381.5

Balance Sheet

Year to 31 Mar (S$m)	2026	2027F	2028F	2029F
Fixed assets	14,992.1	15,022.1	15,052.1	15,082.1
Other LT assets	146.8	135.7	135.7	135.7
Cash/ST investment	164.2	145.8	161.5	166.4
Other current assets	121.8	121.5	121.8	122.1
Total assets	15,424.9	15,425.1	15,471.2	15,506.3
ST debt	507.9	507.9	507.9	507.9
Other current liabilities	226.2	216.3	219.1	221.5
LT debt	5,048.8	5,120.0	5,220.0	5,310.0
Other LT liabilities	249.1	246.2	248.0	249.4
Shareholders' equity	9,381.6	9,323.5	9,264.9	9,206.2
Minority interest	11.2	11.2	11.2	11.2
Total liabilities & equity	15,424.9	15,425.1	15,471.2	15,506.3

Cash Flow

Year to 31 Mar (S$m)	2026	2027F	2028F	2029F
Operating	586.0	535.4	550.1	557.8
Pre-tax profit	261.3	362.9	370.6	375.9
Tax	0.0	0.0	0.0	0.0
Deprec. & amort.	0.7	0.0	0.0	0.0
Associates	(10.6)	0.0	0.0	0.0
Working capital changes	(16.9)	(9.7)	2.5	2.1
Non-cash items	0.0	0.0	0.0	0.0
Other operating cashflows	351.6	182.1	177.0	179.7
Investing	305.1	(30.0)	(30.0)	(30.0)
Capex (growth)	(87.6)	(30.0)	(30.0)	(30.0)
Capex (maintenance)	0.0	0.0	0.0	0.0
Proceeds from sale of assets	0.0	0.0	0.0	0.0
Others	392.7	0.0	0.0	0.0
Financing	(891.8)	(523.8)	(504.4)	(522.9)
Distribution to unitholders	(422.9)	(421.1)	(429.2)	(434.7)
Issue of shares	0.0	0.0	0.0	0.0
Proceeds from borrowings	(274.7)	71.2	100.0	90.0
Loan repayment	0.0	0.0	0.0	0.0
Others/interest paid	(194.3)	(173.9)	(175.2)	(178.3)
Net cash inflow (outflow)	(0.7)	(18.5)	15.7	4.9
Beginning cash & cash equivalent	171.4	164.2	145.8	161.5
Changes due to forex impact	0.0	0.0	0.0	0.0
Ending cash & cash equivalent	170.7	145.8	161.5	166.4

Key Metrics

Year to 31 Mar (S$m)	2026	2027F	2028F	2029F
Profitability				
EBITDA margin	69.9	70.3	70.3	70.4
Pre-tax margin	28.8	48.9	49.1	49.1
Net margin	29.4	45.7	45.9	46.0
ROA	1.6	2.4	2.4	2.5
ROE	2.7	3.9	4.0	4.1
Growth				
Turnover	(4.6)	(7.0)	1.6	1.4
EBITDA	(4.4)	(6.5)	1.6	1.4
Pre-tax profit	(56.3)	57.8	2.0	1.3
Net profit	(55.9)	44.6	2.1	1.4
Net profit (adj.)	1.0	(13.3)	2.1	1.4
EPU	0.7	(13.5)	1.8	1.1
Leverage				
Debt to total capital	37.2	37.6	38.2	38.7
Debt to equity	59.2	60.4	61.8	63.2
Net debt/(cash) to equity	57.5	58.8	60.1	61.4
Interest cover (x)	3.3	3.3	3.3	3.3

Sheng Siong Group (SSG SP)

1H26: Strong Expansion Pipeline Supports Top-line Growth

Highlights

- SSG reported 1H26 revenue of S$855m and earnings of S$81m, meeting our 2026F forecasts at 50.7% and 51.3% respectively.
- SSG opened four new stores in 1H26, with three more expected in 3Q26. This comes above the company's annual target of 3-5 new stores.
- Maintain BUY with a 9% higher target price of S$3.71, pegged to 32x 2027F PE or +3SD above its long-term historical mean.

1H26 Results

Year to 31 Dec (S$m)	1H26	1H25	yoy%
Revenue	855.4	764.7	11.9
Gross profit	272.4	235.6	15.6
Gross profit margin (%)	31.8	30.8	1ppt
Net profit	81.0	72.3	11.9
Net profit margin (%)	9.5	9.5	-

Source: SSG

Analysis

- **1H26 results in line with expectations.** Sheng Siong Group's (SSG) 1H26 revenue of S$855.4m (+11.9% yoy) and earnings of S$81.0m (+11.9% yoy) are largely in line with expectations, forming 50.7%/51.3% of our full-year forecasts respectively. The strong performance is driven by contributions from 16 new stores, alongside 3.3% same-store sales growth. Gross profit margin grew to 31.8% in 1H26 (1H25: 30.8%), supported by improving sales mix and gradual price increase. Net profit margin came in at 9.5% in 1H26, stable yoy.
- **Healthy expansion pipeline supports long-term growth.** SSG expects to open three new stores in 3Q26 (Hougang, Rivervale Crescent and Woodlands), further strengthening its presence across Singapore. This brings the total confirmed number of new stores in 2026 to seven, above the management target of opening three to five new stores annually. Expansion visibility also remains healthy, with one HDB tender awaiting results and two additional HDB sites expected to be released over the next six to 12 months.
- **SSG declared an interim dividend of 3.75 S cents in 1H26** (+17% yoy; 1H25: 3.20 S cents), representing a payout ratio of 70%, in line with historical levels. This is supported by a robust net cash position of S$4.02m with zero borrowings as at end-1H26, and implies a 2026F yield of around 2.3%.

Key Financials

Year to 31 Dec (S$m)	2024	2025	2026F	2027F	2028F
Net turnover	1,429	1,570	1,703	1,761	1,819
EBITDA	177	193	216	225	232
Operating profit	160	176	197	206	212
Net profit (rep./act.)	138	149	167	174	180
Net profit (adj.)	138	149	167	174	180
EPS (S$ cent)	9.1	9.9	11.1	11.6	12.0
PE (x)	36.5	33.6	30.2	28.8	27.9
P/B (x)	9.4	8.5	7.9	7.3	6.7
EV/EBITDA (x)	25.6	23.5	21.0	20.2	19.6
Dividend yield (%)	1.9	2.1	2.3	2.4	2.5
Net margin (%)	9.6	9.5	9.8	9.9	9.9
Net debt/(cash) to equity (%)	(66.1)	(74.1)	(75.8)	(77.9)	(79.9)
Interest cover (x)	n.a.	n.a.	n.a.	n.a.	n.a.
ROE (%)	26.7	26.6	27.2	26.2	25.1
Consensus net profit (S$m)	-	-	165	176	181
UOBKH/Consensus (x)	-	-	1.01	0.99	0.99

Source: Sheng Siong, Bloomberg, UOB Kay Hian

BUY (Maintained)	
Share Price	S$3.34
Target Price	S$3.71
Upside	+11.1%
Previous TP	S$3.40

Analyst(s)
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Stock Data

GICS Sector	Consumer Staples
Bloomberg ticker	SSG SP
Shares issued (m)	1,503.5
Market cap (S$m)	5,021.8
Market cap (US$m)	3,893.2
3-mth avg daily t'over (US$m)	7.7

Price Performance (%)

52-week high/low S$3.40/S$2.02

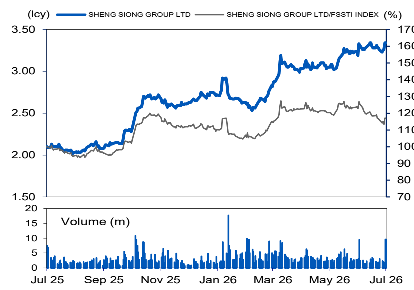
1mth	3mth	6mth	1yr	YTD
3.4	10.2	22.8	56.8	27.0

Major Shareholders	%
Sheng Siong Hldgs	29.9
Lim Hock Eng	8.0
Lim Hock Leng	6.6

Balance Sheet Metrics

FY26 NAV/Share (S$)	0.42
FY26 Net Cash/ Share (S$)	0.32

Price Chart



Source: Bloomberg

Company Description

Sheng Siong Group is a retailer in Singapore. The company operates a groceries chain across Singapore. Sheng Siong's stores provide fresh and chilled produce, seafood, meat and vegetables, processed, packaged and preserved food products as well as general merchandise such as toiletries and essential household items.

Stock Impact

- **Resilient same-store sales reinforce underlying demand.** Revenue growth was driven by contributions from the 16 new stores (12 in 2025 and four in 1H26). Notably, same-store sales (SSS) increased 3.3% yoy, reflecting resilient consumer demand despite a competitive operating environment. SSG continued to outperform the national retail sales benchmark which saw moderate growth of 5.9% yoy in Apr and +1.1% yoy in May 26 (see graph on right-hand side), reinforcing its strong positioning.
- **Long-term runway remains intact.** While two stores (Serangoon North Avenue and Thomson Imperial Court) may close in 2026 due to lease expiries, the impact is expected to be mitigated by new store openings. More importantly, the S$520m Sungei Kadut Distribution Centre (DC) project is progressing and will support at least 120 supermarkets, providing SSG with a meaningful long-term growth runway beyond current levels. The DC is expected to be completed by 2029 and is expected to bring more operational efficiencies to SSG in the longer term. SSG's strong net cash position also support its expansion strategy.
- **Managing cost pressures.** Administrative expenses rose 14% yoy to S$33.40, driven by a S$3m increase in staff costs from increased headcount, variable bonuses and Progressive Wage Model wage adjustments, as well as higher depreciation from new store leases. Despite these cost pressures, the group maintained a stable NPM of 9.5% through cost discipline and operating leverage.
- **Expanding ecommerce initiatives.** SSG commenced its partnership with Foodpanda in Jun 26 to strengthen its online retail presence, broaden its customer reach, and enhance shopping convenience. While e-commerce currently contributes only a small share of revenue, the partnership provides an additional channel to capture incremental demand and support long-term sales growth.

Revenue Growth: SSG vs National Benchmark

Source: Sheng Siong Group, Singapore Department of Statistics

Historical PE Chart

Source: Bloomberg, UOB Kay Hian

Valuation/Recommendation

- **Maintain BUY with a 9% higher PE-based target price of S$3.71 (S$3.40 previously),** pegged to 32x 2027F PE (+3SD above its historical mean), up from 31x previously, on a renewed PE band. The higher PE also reflects a stronger earnings visibility, sustained market share gains and improving margin profile.
- We expect momentum in 2H26 top-line growth due to more new store openings, alongside upcoming festivities and CDC vouchers expiration. We also expect stronger gross margins supported by a better sales mix.

Earnings Revision/Risk

- **We raise our 2026-28F earnings forecasts by 6% respectively,** driven by higher gross margin assumptions on better sales mix and house brand penetration, alongside stronger topline growth from more new store openings.

Share Price Catalyst

- Higher-than-expected new store openings and same-store sales growth.
- Margin expansion from sales mix and supply chain efficiencies via new distribution centre.
- Higher dividend payout or special dividend.

Profit & Loss

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Net turnover	1,570.0	1,703.5	1,760.6	1,818.6
EBITDA	193.0	216.4	225.2	231.6
Deprec. & amort.	17.2	18.9	19.1	19.2
EBIT	175.8	197.5	206.2	212.4
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)	3.8	4.4	4.9	5.4
Pre-tax profit	179.6	201.8	211.1	217.8
Tax	(30.4)	(35.3)	(36.9)	(38.1)
Minorities	0.3	0.0	0.0	0.0
Net profit	149.5	166.5	174.1	179.7
Net profit (adj.)	149.5	166.5	174.1	179.7

Balance Sheet

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Fixed assets	307.9	309.9	311.7	313.4
Other LT assets	206.1	206.1	206.1	206.1
Cash/ST investment	435.5	483.4	537.7	594.7
Other current assets	122.2	142.7	147.5	152.4
Total assets	1,071.7	1,142.1	1,203.0	1,266.5
ST debt	0.0	0.0	0.0	0.0
Other current liabilities	343.3	363.7	372.3	382.0
LT debt	0.0	0.0	0.0	0.0
Other LT liabilities	137.3	137.3	137.3	137.3
Shareholders' equity	588.0	638.0	690.2	744.1
Minority interest	3.1	3.1	3.1	3.1
Total liabilities & equity	1,071.7	1,142.1	1,203.0	1,266.5

Cash Flow

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Operating	236.6	217.5	230.9	238.3
Pre-tax profit	179.6	201.8	211.1	217.8
Tax	(31.4)	(35.3)	(36.9)	(38.1)
Deprec. & amort.	17.2	18.9	19.1	19.2
Associates	0.0	0.0	0.0	0.0
Working capital changes	30.6	(0.1)	3.9	4.8
Non-cash items	(0.0)	0.0	0.0	0.0
Other operating cashflows	40.7	32.2	33.9	34.6
Investing	(12.3)	(11.4)	(10.9)	(10.4)
Capex (growth)	(20.9)	(20.9)	(20.9)	(20.9)
Investment	0.0	0.0	0.0	0.0
Proceeds from sale of assets	0.1	0.0	0.0	0.0
Others	8.4	9.5	10.0	10.5
Financing	(142.1)	(158.3)	(165.7)	(170.9)
Dividend payments	(96.2)	(116.6)	(121.9)	(125.8)
Proceeds from borrowings	0.0	0.0	0.0	0.0
Loan repayment	0.0	0.0	0.0	0.0
Others/interest paid	(45.9)	(41.7)	(43.9)	(45.1)
Net cash inflow (outflow)	82.2	47.9	54.3	57.0
Beginning cash & cash equivalent	353.4	435.5	483.4	537.7
Changes due to forex impact	(0.1)	0.0	0.0	0.0
Ending cash & cash equivalent	435.5	483.4	537.7	594.7

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	12.3	12.7	12.8	12.7
Pre-tax margin	11.4	11.8	12.0	12.0
Net margin	9.5	9.8	9.9	9.9
ROA	14.9	15.0	14.9	14.6
ROE	26.6	27.2	26.2	25.1
Growth				
Turnover	9.9	8.5	3.4	3.3
EBITDA	8.9	12.1	4.1	2.8
Pre-tax profit	6.9	12.4	4.6	3.2
Net profit	8.7	11.4	4.6	3.2
Net profit (adj.)	8.7	11.4	4.6	3.2
EPS	8.7	11.4	4.6	3.2
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	(74.1)	(75.8)	(77.9)	(79.9)
Interest cover (x)	n.a.	n.a.	n.a.	n.a.

MARKET SPOTLIGHT

Market News

US stocks were higher on Thursday, as the information technology, consumer discretionary and industrials sectors led shares higher. At the close of the NYSE, the Dow Jones rose 1.19% while the S&P 500 index was up 1.67%, and the NASDAQ Composite index gained 2.78%. Advancing stocks outnumbered falling ones on the NYSE by 1,565 to 1,202 and 73 ended unchanged; on the Nasdaq Stock Exchange, 3,100 advanced and 1,794 declined, while 171 ended unchanged.

During the last trading session, the FSSTI fell 39.61pt to 5,673.58. Among the top active stocks were Singtel (-0.7%), Seatrium (-1.9%), DBS (-0.2%), SIA (+1.1%) and UMS (-0.9%). The FTSE ST Mid Cap Index fell 0.2%, while the FTSE ST Small Cap Index slid 0.6%. The broader market had 272 gainers and 328 losers with a total trading value of S$2.31b.

DFI Retail Group Holdings (DFI SP)

Trading buy range: US$3.68-3.69
Last price: US$3.74
Target price: US$4.22
Protective stop: US$3.50

Price has staged a firm rebound off its previous low support zone. The RSI is climbing above its neutral 50-midline to confirm a shift towards positive directional momentum. This could project further upward progression towards overhead resistance targets as long as the support boundary remains defended.

The potential upside target is US$4.22. Stop-loss could be placed at US$3.50.

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 US$5.30.

Delfi (DELFI SP)

Trading buy range: S$0.880-0.885
Last price: S$0.910
Target price: S$0.990
Protective stop: S$0.845

A successful defence and rebound off the primary low support zone has stabilised local market structure. The RSI's upward trajectory towards 50 indicates an improving demand profile and reduced near-term breakdown risk. This favours upward progression towards the next resistance zone provided the established support boundary acts as the defining risk line.

The potential upside target is S$0.99. Stop-loss could be placed at S$0.845.

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

Our institutional research has a fundamental BUY and target price of S$1.68.

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