UOBKayHian

Country Daily | Singapore

Friday, 18 September 2026

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	51778.0	0.6	(0.5)	(3.1)	7.7
S&P 500	7637.8	1.1	0.6	(1.4)	11.6
FTSE 100	10816.1	1.2	2.0	0.9	8.9
AS30	8910.9	0.4	(1.1)	(3.9)	(1.2)
CSI 300	4460.2	(0.4)	(1.9)	(5.6)	(3.7)
FSSTI	5660.5	0.4	(0.5)	(0.7)	21.8
HSCEI	8175.4	(0.4)	(1.2)	(3.3)	(8.3)
HSI	24604.3	(0.4)	(1.4)	(3.3)	(4.0)
JCI	6462.4	0.4	(1.9)	0.2	(25.3)
KLCI	1674.7	(0.3)	(2.3)	(3.4)	(0.3)
KOSPI	6715.4	(0.0)	(4.5)	(2.2)	59.4
Nikkei 225	64136.3	0.3	(1.7)	(4.9)	27.4
SET	1583.3	1.3	(2.0)	(2.4)	25.7
TWSE	46288.0	1.0	(1.4)	2.2	59.8
BDI	3336	0.3	(5.3)	15.9	77.7
CPO (RM/mt)	4642	0.7	(0.9)	2.6	18.0
Brent Crude (US$/bbl)	105	(1.0)	(2.6)	15.4	72.3

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
17th Asian Gems Conference 2026 (Virtual)	Singapore	22 Sep	23 Sep
Post-results NDR with Sunny Optical (2382 HK)	Taipei	22 Sep	23 Sep
New Economy Conference at The Ritz Carlton Hotel	Malaysia	07 Oct	07 Oct
NDR with Food Empire Holdings Ltd (FEH SP)	Malaysia	08 Oct	08 Oct

Corporate and Macro Calendar

Economic Indicator/Event	Date
Unemployment Rate Final Q2	21 Sep
MAS 12-Week Bill Auction	22 Sep
MAS 4-Week Bill Auction	22 Sep
Core Inflation Rate YoY AUG	23 Sep

Top Stories

Initiate Coverage | EGP Energy Corporation (EGX SP/**BUY**/S$0.73/Target: S$0.92)

Page 2 →

- EGP is Singapore's leading independent T&D EPC specialist, with over 90 projects, a 30-year track record and a S$296.2m orderbook, equivalent to 7.5x 2025 revenue. We expect the backlog and customer capex to drive an 18% earnings CAGR over 2025-28. Initiate coverage with BUY and a S$0.92 target price, based on 13.8x 2027F PE, with re-rating upside from contract wins and M&S growth.

Market Spotlight

Page 5 →

- US stocks were higher on Thursday. All three major indexes rose as information technology, consumer discretionary and utilities sectors gained. There were more advancers than decliners on both the NYSE and the Nasdaq.
- The FSSTI rose 25.11 points to 5,660.52, supported by strength in DBS, Seatrium and Genting Singapore. Mid-cap indices rose while small-cap indices fell, with a broad market advance on S$1.65b turnover.

Technical Analysis

Monthly Technical Regional Indices Watch – STI Outlook

Page 6 →

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.

EGP Energy Corporation (EGX SP)

Singapore's T&D EPC Champion With Strong Orderbook Visibility

Highlights

- EGP is Singapore's leading independent T&D EPC specialist with over 90 completed projects, 7.5x orderbook visibility (S$296.2m) and a 30-year track record backed by seasoned leadership and a strong regulatory moat.
- We expect its robust orderbook to drive a three-year earnings CAGR of 18% over 2025-28, supported by its key customer's capex.
- Initiate coverage with BUY and a target price of S$0.92, pegged to 13.8x 2027F PE, in line with the Southeast Asia EPCC peer average, with re-rating potential from strong contract wins and M&S growth.

Analysis

- **Market leadership with strong regulatory moat.** EGP Energy Corporation (EGP) commands 37.5% of Singapore's switchgear market and holds one of only 16 BCA SY04 L6 Unlimited certifications, the highest qualification tier required by its key utility customer. We infer this customer to be Singapore's national grid operator and sole addressable customer for transmission & distribution (T&D) engineering, procurement and construction (EPC) services. EGP's 30-year relationship with the customer and zero reportable incidents across over 90 projects reinforce regulatory trust and customer stickiness. The L6 qualification held by EGP also requires over 15 years to attain, creating a significant barrier to entry.
- **Robust earnings visibility from S$296.2m orderbook.** The contracted backlog represents 7.6x 2025 revenue and contracts up to 2031 provide EGP multi-year revenue visibility. Importantly, the key utility customer's capex is legislatively mandated, eliminating cyclical demand risk. In our view, multi-year fixed-price contracts reduce execution risk, while project overruns of under 1% demonstrate operational excellence. Given EGP's robust orderbook, we project a three-year earnings CAGR of 18% (2025-28).
- **Superior unit economics and asset-light model.** EGP's 20.3% 2026 EBITDA margin is above the engineering, procurement, construction, and commissioning (EPCC) peer average of 15.2%, while capex is minimal at 2% of revenue. Its non-manufacturing asset-light model involves sourcing multi-OEM equipment, thus avoiding capex and working capital drag. Maintenance & servicing (M&S) contracts are recurring and generate robust 50% gross margins. We forecast margin accretion as this business segment expands.

Key Financials

Year to 31 Dec (S$m)	2024	2025	2026F	2027F	2028F
Net turnover	38	39	61	93	98
EBITDA	9	12	12	19	21
Operating profit	9	12	12	18	20
Net profit (rep./act.)	9	10	10	15	17
Net profit (adj.)	9	10	13	15	17
EPS (S$ cent)	5.2	4.6	5.8	6.7	7.5
PE (x)	14.2	16.0	12.6	11.0	9.8
P/B (x)	7.5	7.2	2.5	2.2	1.9
EV/EBITDA (x)	9.1	7.3	6.9	4.5	4.0
Dividend yield (%)	0.0	0.0	2.4	3.6	4.1
Net margin (%)	22.4	26.4	16.2	16.2	17.2
Net debt/(cash) to equity (%)	(125.6)	(152.3)	(117.7)	(114.3)	(110.9)
Interest cover (x)	n.a.	n.a.	n.a.	n.a.	n.a.
ROE (%)	69.3	53.5	23.0	22.0	21.9
Consensus net profit (S$m)	-	-	-	-	-
UOBKH/Consensus (x)	-	-	-	-	-

Source: EGP, Bloomberg, UOB Kay Hian

Analyst(s)

Tang Kai Jie
kaijietang@uobkh.com
+65 6590 6624

John Cheong
johncheong@uobkh.com
+65 6590 6623

BUY

Share Price	S$0.73
Target Price	S$0.92
Upside	25.8%

Stock Data

Sector	Industrials
Bloomberg ticker	EGX SP
Shares issued (m)	225.5
Market cap ({{Curr}}m)	164.6
Market cap (US$m)	129.3
3-mth avg daily t'over (US$m)	0.5

Price Performance (%)

52-week high/low				S$0.865/S$0.545
1mth	3mth	6mth	1yr	YTD
(3.9)	n.a.	n.a.	n.a.	n.a.

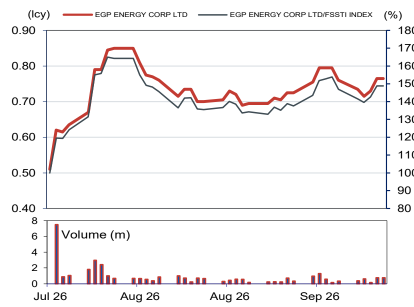
Major Shareholders (%)

Frankie Fan	39.4
Ng Tian Soo	26.5
Ho Teck Hong	7.5

Balance Sheet Metrics

FY26 NAV/Share (S$)	0.29
FY26 Net Cash/ Share (S$)	0.34

Price Chart



Source: Bloomberg

Company Description

EGP Energy Corporation provides electrical infrastructure solutions, including engineering, procurement, and construction management services for transmission and distribution projects. The company serves customers worldwide.

- **Riding a structural capex cycle.** Singapore's power transmission and distribution systems (PTDS) market grew from S$585m in 2022 to S$2.24b in 2025 and is projected to reach S$2.79b by 2030. Supported by long-term grid investment and renewable integration, EGP is well positioned to capture demand as one of few independent contractors qualified for extra-high voltage (EHV) projects.
- **Benefitting from data centre and AI buildout.** Singapore's data centre expansion is driving greater power and grid infrastructure requirements, particularly as new projects face stricter green-energy standards. EGP's substation integration capabilities and established utility relationship position it to capture incremental demand from grid upgrades and data centre-related infrastructure.
- **Strong balance sheet provides optionality.** EGP had S$24.5m net cash at end-Jun 26, with no bank borrowings. This cash position is also expected to rise materially following the IPO to around S$62m. The strong balance sheet provides flexibility to fund expansion, supports potential dividends and reduces the need for near-term equity funding. While no formal dividend policy has been set, the company has indicated a potential payout ratio of up to 40% for 2026-27
- **Malaysia JV marks first step in regional expansion.** Malaysia and Indonesia present compelling long-term growth opportunities for EGP as it extends its Singapore track record regionally. Malaysia has become the group's first overseas market, following its 60:40 JV with UUE Holdings' subsidiary Kum Fatt Engineering to pursue EHV and high voltage (HV) power grid infrastructure projects of up to 500kV. Successful execution in Malaysia could provide a blueprint for further regional expansion while Indonesia remains a longer-term opportunity given its sizeable PTDS investment pipeline.

Valuation/Recommendation

- **Initiate coverage with a BUY recommendation and a target price of S$0.92,** implying 25.8% upside. Our target price is pegged to 13.8x 2027F PE, in line with the Southeast Asia EPCC contractor peer average, while also taking into account stronger earnings visibility heading into 2027, backed by EGP's strong current orderbook of S$296.2m.
- **Earnings growth.** We forecast an adjusted earnings CAGR of 18% over 2025-28, supported by EGP's robust orderbook, leading PTDS market position and Singapore's structural grid capex cycle. Its superior 20.3% 2026 EBITDA margin vs the 15.2% peer average, orderbook visibility to 2031 and S$62m post-IPO net cash position provide further support for sustained growth and potential valuation re-rating.

Share Price Catalyst

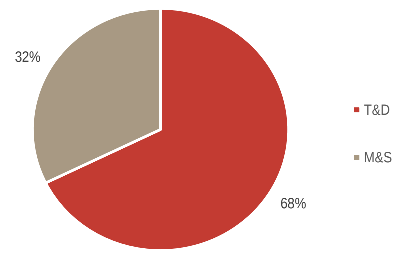
- a) Customer concentration ratio improving via ex-key utility customer contract wins; b) successful overseas project execution; and c) the M&S segment scaling to a greater share of earnings, leading to margin expansion.

Segmental Breakdown (2025-28)

(S$'m)	2025	2026F	2027F	2028F
Revenue				
Transmission & Distribution	21.0	42.0	72.0	75.0
Maintenance & Servicing	17.9	19.0	19.8	22.0
Gross Profit				
Transmission & Distribution	3.6	7.1	13.0	13.9
gross margin (%)	*17.2*	*17.0*	*18.0*	*18.5*
Maintenance & Servicing	10.8	11.4	10.9	12.3
gross margin (%)	*60.0*	*60.0*	*55.0*	*56.0*

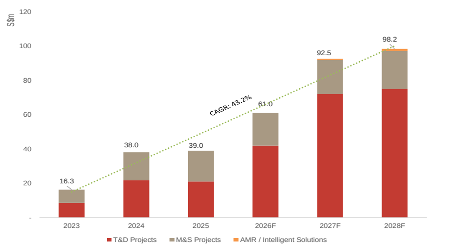
Source: EGP, UOB Kay Hian

Revenue Mix (1H26)



Source: EGP, UOB Kay Hian

Revenue By Business Segment



Source: EGP, UOB Kay Hian (2026-28 forecasts)

Peer Comparison

Company	Ticker	Trading Curr (lcy)	Price @ 16 Sep 26 (lcy)	Market Cap (US$m)	PE 2026 (x)	PE 2027 (x)	P/B 2026 (x)	P/B 2027 (x)	EV/EBITDA 2026 (x)	EV/EBITDA 2027 (%)	ROE 2026 (%)	Yield 2026 (%)	EBITDA Margin 2026 (%)	EBITDA Margin 2027 (%)
Kalpataru Projects	KPIL IN	INR	1388.6	2,471	18.8	15.2	2.7	2.3	9.4	8.0	15.1	0.8	8.6	8.9
KEC Int'l	KECI IN	INR	400.25	1,110	15.2	10.7	1.6	1.4	8.7	7.0	10.8	1.3	6.8	7.5
Techno Electric & Engrg	TECHNOE IN	INR	971.85	1,178	20.1	16.8	2.4	2.2	15.5	12.1	12.5	0.9	14.5	15.3
Transrail Lighting	TRANSRAI IN	INR	406.95	569	11.6	9.2	2.0	1.7	6.3	5.2	18.2	n.a.	10.8	11.2
MN Hldgs	MNHLDG MK	MYR	3.54	589	24.7	19.9	6.1	5.9	15.5	11.2	31.9	0.0	15.5	14.3
Cheeding Hldgs	CHEEDING MK	MYR	0.585	114	11.9	10.8	n.a.	n.a.	6.9	6.0	23.4	2.1	35.1	31.2
Pestec Int'l	PESTEC MK	MYR	0.055	34	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Demco	DEMCO TB	THB	3.68	83	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Average					17.1	13.8	3.0	2.7	10.4	8.2	18.6	1.0	15.2	14.7
EGP Energy	EGX SP	SGD	0.73	129	12.6	11.0	2.5	2.2	8.5	6.6	23.8	2.4	20.3	20.3

Source: Bloomberg, UOB Kay Hian

Profit & Loss

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Net turnover	39.0	61.0	92.5	98.2
EBITDA	11.7	12.2	18.6	21.1
Deprec. & amort.	0.2	0.3	0.5	0.7
EBIT	11.6	11.9	18.2	20.4
Total other non-operating income	0.9	0.0	0.0	0.0
Associate contributions	0.0	0.0	0.0	0.0
Net interest income/(expense)	0.1	0.1	0.1	0.1
Pre-tax profit	12.5	12.0	18.3	20.6
Tax	(2.2)	(2.1)	(3.3)	(3.7)
Minorities	0.0	0.0	0.0	0.0
Net profit	10.3	9.9	15.0	16.9
Net profit (adj.)	10.3	13.1	15.0	16.9

Balance Sheet

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Fixed assets	0.1	0.7	2.3	4.3
Other LT assets	2.2	2.1	2.0	1.8
Cash/ST investment	35.1	78.0	86.0	94.7
Other current assets	6.1	7.4	9.0	10.9
Total assets	43.6	88.2	99.3	111.8
ST debt	0.1	0.1	0.1	0.1
Other current liabilities	20.4	21.9	24.0	26.3
LT debt	0.1	0.1	0.1	0.1
Other LT liabilities	0.0	0.0	0.0	0.0
Shareholders' equity	22.9	66.1	75.1	85.2
Minority interest	0.0	0.0	0.0	0.0
Total liabilities & equity	43.6	88.2	99.3	111.8

Cash Flow

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Operating	17.5	10.3	15.9	17.8
Pre-tax profit	12.5	12.0	18.3	20.6
Tax	(2.0)	(2.1)	(3.3)	(3.7)
Deprec. & amort.	0.2	0.3	0.5	0.7
Associates	0.0	0.0	0.0	0.0
Working capital changes	7.8	(0.4)	(0.4)	(0.6)
Non-cash items	(0.8)	0.6	0.9	1.0
Other operating cashflows	(0.1)	(0.1)	(0.1)	(0.1)
Investing	0.1	(0.6)	(1.6)	(2.2)
Capex (maintenance)	0.0	0.0	0.0	0.0
Investment	0.0	0.0	0.0	0.0
Proceeds from sale of assets	0.0	0.0	0.0	0.0
Others	0.0	(0.6)	(1.6)	(2.2)
Financing	(2.7)	33.1	(6.2)	(6.9)
Dividend payments	(2.5)	(4.0)	(6.0)	(6.7)
Proceeds from borrowings	0.0	0.0	0.0	0.0
Loan repayment	(0.1)	(0.2)	(0.2)	(0.2)
Others/interest paid	(0.0)	37.2	(0.0)	(0.0)
Net cash inflow (outflow)	14.9	42.8	8.1	8.7
Beginning cash & cash equivalent	20.3	35.1	78.0	86.0
Changes due to forex impact	0.0	0.0	0.0	0.0
Ending cash & cash equivalent	35.1	78.0	86.0	94.7

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	32.6	20.3	20.3	21.7
Pre-tax margin	32.1	19.7	19.8	21.0
Net margin	26.4	16.2	16.2	17.2
ROA	26.2	15.0	16.0	16.0
ROE	52.7	22.2	21.3	21.1
Growth				
Turnover	2.6	56.5	51.6	6.2
EBITDA	22.8	(2.4)	52.0	13.3
Pre-tax profit	21.8	(4.1)	52.5	12.4
Net profit	20.9	(4.1)	51.9	12.4
Net profit (adj.)	20.9	27.0	14.7	12.4
EPS	(11.3)	(4.1)	51.9	12.4
Leverage				
Debt to total capital	0.9	0.3	0.3	0.3
Debt to equity	1.0	0.3	0.3	0.3
Net debt/(cash) to equity	(152.3)	(117.7)	(114.3)	(110.9)
Interest cover (x)	n.a.	n.a.	n.a.	n.a.

Market News

US stocks were higher on Thursday, as information technology, consumer discretionary and utilities sectors led shares higher. At the close of the NYSE, the Dow Jones rose 0.61% while the S&P 500 index was up 1.14%, and the NASDAQ Composite index gained 1.69%. Advancing stocks outnumbered falling ones on the NYSE by 1,797 to 968 and 74 ended unchanged; on the Nasdaq Stock Exchange, 3,312 advanced and 1,582 declined, while 195 ended unchanged.

During the last trading session, the FSSTI index rose 25.11pt to 5,660.52. Among the top active stocks were DBS (+0.2%), Seatrium (+1.0%), Genting Singapore (+0.8%), SingPost (-1.6%) and UMS (+5.1%). The FTSE ST Mid Cap index rose 0.5%, while the FTSE ST Small Cap Index fell 0.04%. The broader market had 276 gainers and 232 losers with a total trading value of S$1.65b.

Technical Analysis

Analyst(s)

Wong Shueh Ting CFTe
shuehting@uobkh.com
+65 6590 6616

FTSE Straits Times Index (STI IND)
Index could be toppish

Source: Bloomberg

Tradable ETF(s) in Singapore:
Singapore STI ETF by Nikko AM (G3B), Straits Times Index ETF by SPDR (ES3)

Last close: 5,660.52

Outlook:

The STI is exhibiting a structural rejection following the printing of a potential bearish harami pattern, establishing the recent swing peak as a tentative overhead supply ceiling. The inside-bar character of the weekly candlestick reflects severe momentum deceleration and buy-side exhaustion following an extended upside expansion. The RSI is curving downward from the overbought territory. A confirmed weekly close below the 5,800 structural pivot will validate the harami top, opening up path-of-least-resistance dynamics for a sustained downward move towards the lower support targets in the coming week.

Strategy:

Investors should distribute if price closes below 5,800 and use 5,320 as support.

Support: 5,480 / 5,320

Resistance: 5,720 / 5,830