UOBKayHian

# Country Daily | Singapore

Monday, 28 September 2026

## Key Indices

| | Prev Close | 1D % | 1W % | 1M % | YTD % |
|---|---|---|---|---|---|
| DJIA | 51828.6 | 0.9 | 0.3 | (3.2) | 7.8 |
| S&P 500 | 7743.4 | 0.5 | 1.2 | 0.4 | 13.1 |
| FTSE 100 | 10695.3 | 0.1 | 0.3 | (1.2) | 7.7 |
| AS30 | 8845.6 | (0.6) | (0.9) | (4.8) | (1.9) |
| CSI 300 | 4439.2 | (1.7) | (0.5) | (3.7) | (4.1) |
| FSSTI | 5711.1 | 0.5 | 1.0 | 0.2 | 22.9 |
| HSCEI | 8165.8 | (1.2) | (0.7) | (3.8) | (8.4) |
| HSI | 24510.1 | (1.0) | (1.0) | (4.2) | (4.4) |
| JCI | 6241.9 | (0.9) | (3.1) | (4.2) | (27.8) |
| KLCI | 1671.6 | (0.0) | 0.4 | (3.1) | (0.5) |
| KOSPI | 7080.9 | 0.9 | 5.4 | 4.3 | 68.0 |
| Nikkei 225 | 66364.2 | 1.3 | 4.5 | (0.1) | 31.8 |
| SET | 1607.6 | 0.3 | 1.5 | 1.2 | 27.6 |
| TWSE | 48024.6 | (0.3) | 3.8 | 3.7 | 65.8 |
| BDI | 3426 | (1.4) | 1.7 | 7.5 | 82.5 |
| CPO (RM/mt) | 4574 | 0.1 | (1.1) | (1.6) | 16.3 |
| Brent Crude (US$/bbl) | 106 | 1.9 | 5.9 | 19.0 | 74.7 |

*Source: Bloomberg*

## Corporate Events

| | Venue | Begin | Close |
|---|---|---|---|
| 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 |
| Small & Mid-Caps Corporate Day | Singapore | 21 Oct | 21 Oct |

## Corporate and Macro Calendar

| Economic Indicator/Event | Date |
|---|---|
| Industrial Production MoM AUG | 25 Sep |
| Industrial Production YoY AUG | 25 Sep |
| 15-Year Bond Auction | 28 Sep |
| Export Prices YoY AUG | 29 Sep |

## Top Stories

**Company Results |** Reclaims Global (RGL SP/**BUY**/S$0.20/Target: S$0.27)

Page 2 →

- Reclaims' 1HFY27 revenue of S$33.3m and net profit of S$3.8m formed 62% and 56% of our FY27 forecasts respectively, driven by stronger demand across all segments. Reclaims' S$25m orderbook, largely comprising earthworks projects, provides earnings visibility through 1HFY28. Maintain BUY with an unchanged target price of S$0.27. Reclaims currently trades at 8.8x 2027F PE, a 15% discount to peers.

**Asian Gems Corporate Highlights |** UI Boustead REIT (UIBREIT SP/**BUY**/S$0.835/Target: S$1.16)

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- Management is confident of meeting FY27 IPO DPU forecast of 6.8 S cents due to a ramp-up in occupancy, lease renewals and stronger contributions from JVs. ALICE@Mediapolis and 351 Braddell Road could provide a rental uplift in 2HFY27. Maintain BUY. Target price: S$1.16.

## Market Spotlight

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- US stocks were higher on Friday. All indices rose as the information technology, industrials and financials sectors gained. There were more advancers than decliners on both the NYSE and Nasdaq.
- The FSSTI fell 26.54pt to 5,683.37, on the back of weakness in OCBC, DBS and Singtel, with both mid-and small-cap indices falling with a broad market decline on S$1.81b turnover.

## Technical Analysis

**Singapore Post (SPOST SP)**

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- Trading Buy Range: S$0.305-0.310

**Frasers Centrepoint Trust (FCT SP)**

Page 9 →

- Trading Sell Range: S$2.07-2.08

*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.*

# Reclaims Global (RGL SP)

## 1HFY27: Healthy Results; Margins Remain Resilient

### Highlights

- 1HFY27 revenue of S$33.3m and earnings of S$3.8m formed 62% and 56% of our forecasts respectively, driven by stronger demand across all segments.
- Its orderbook of S$25m, which comprises mostly earthworks projects, provides earnings visibility through 1H28.
- Maintain BUY with an unchanged target price of S$0.27. Reclaims currently trade at 8.8x 2027F PE, representing a 15% discount vs peers.

### 1HFY27 Results

| Year to 31 Jan (S$m) | 1H27 | 1H26 | yoy (%) | 2H26 | hoh (%) |
|---|---|---|---|---|---|
| Total revenue | 33.3 | 21.8 | 52.9 | 24.8 | 34.5 |
| Gross profit | 12.5 | 10.4 | 20.9 | 12.1 | 3.4 |
| Gross margin (%) | 37.6 | 47.6 | (10.0) ppt | 49.0 | (11.4) ppt |
| Net profit | 3.8 | 2.5 | 53.1 | 4.4 | (13.1) |
| Net profit margin (%) | 11.4 | 11.4 | 0 ppt | 17.6 | (6.2) ppt |

*Source: Reclaims, UOB Kay Hian*

### Analysis

- **1HFY27 results ahead of expectations; margins remained stable yoy.** Reclaims Global (Reclaims) reported 1HFY27 revenue of S$33.3m (+53% yoy), stronger-than-expected and representing 62% of our FY27 forecast. This was largely driven by stronger market demand across all business segments. Net profit of S$3.8m (+53.1% yoy) is also ahead of expectations, accounting for 55.7% of our FY27 forecast, underpinned by revenue growth.. Gross margin declined 10ppt yoy to 37.6% (1HFY26:47.6%) largely due to higher diesel prices, while net profit margin remained stable yoy at 11.4%, demonstrating improved operational efficiencies despite the incremental costs arising from higher diesel prices and two property acquisitions. On a hoh basis, revenue grew 34.5% on stronger project demand, but both gross and net margin fell 11.4ppt and 6.2ppt respectively largely due to higher diesel costs.
- **By segment, excavation services grew 47% yoy to S$24.1m,** logistics and leasing services grew 52% yoy to S$7.2m, while recycling more than doubled yoy to S$1.7m. Growth in its key business - excavation services - is expected to remain strong, supported by its current orderbook of around S$25m, consisting of largely earthworks projects and some demolition projects. This also provides earnings visibility through to 1H28.
- **Interim dividend declared.** Reclaim declared an interim dividend of 0.25 S cents per share, equivalent to a 20% payout ratio (FY26: 54%). Management reiterated that they are prioritising the maintenance of a sustainable payout while preserving cash amid the current volatile operating environment. The interim dividend also comes after an enlarged share base following the 1:1 bonus issue in Mar 26. This is also supported by a cash balance of S$12.2m.

### Key Financials

| Year to 31 Jan (S$m) | 2025 | 2026 | 2027F | 2028F | 2029F |
|---|---|---|---|---|---|
| Net turnover | 44.4 | 46.5 | 52.6 | 55.6 | 58.7 |
| EBITDA | 8.4 | 9.7 | 9.5 | 10.8 | 11.4 |
| Operating profit | 6.3 | 7.9 | 8.0 | 9.3 | 9.8 |
| Net profit (rep./act.) | 5.6 | 6.8 | 6.8 | 7.8 | 8.2 |
| Net profit (adj.) | 5.6 | 6.8 | 6.8 | 7.8 | 8.2 |
| EPS (S$ cent) | 1.9 | 2.3 | 2.3 | 2.6 | 2.7 |
| PE (x) | 10.7 | 8.7 | 8.8 | 7.6 | 7.3 |
| P/B (x) | 1.8 | 1.3 | 1.2 | 1.0 | 1.0 |
| EV/EBITDA (x) | 2.9 | 2.5 | 2.5 | 2.2 | 2.1 |
| Dividend yield (%) | 6.0 | 7.5 | 3.8 | 4.5 | 5.0 |
| Net margin (%) | 12.5 | 14.7 | 12.9 | 14.0 | 14.0 |
| Net debt/(cash) to equity (%) | (41.4) | (59.2) | (67.6) | (68.2) | (70.6) |
| Interest cover (x) | n.a. | n.a. | n.a. | n.a. | n.a. |
| ROE (%) | 17.5 | 16.9 | 13.8 | 14.3 | 13.7 |
| Consensus net profit (S$m) | - | - | 7.0 | 7.7 | 8.5 |
| UOBKH/Consensus (x) | - | - | 1.0 | 1.0 | 1.0 |

*Source: Reclaims, Bloomberg, UOB Kay Hian*

**Analyst(s)**

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### BUY (Maintained)

| | |
|---|---|
| Share Price | S$0.20 |
| Target Price | S$0.27 |
| Upside | +35.0% |

### Stock Data

| | |
|---|---|
| Sector | Industrials |
| Bloomberg ticker | RGL SP |
| Shares issued (m) | 294.4 |
| Market cap (S$m) | 58.9 |
| Market cap (US$m) | 46.1 |
| 3-mth avg daily t'over (US$m) | 0.1 |

### Price Performance (%)

52-week high/low: S$0.258 /S$0.190

| 1mth | 3mth | 6mth | 1yr | YTD |
|---|---|---|---|---|
| (4.8) | 0.5 | (11.1) | (14.9) | 3.6 |

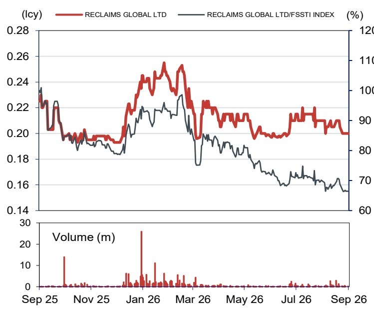
### Major Shareholders (%)

| | |
|---|---|
| Leh Chan Chew | 30.8 |
| Huat Tan Kok | 30.8 |

### Balance Sheet Metrics

| | |
|---|---|
| FY26 NAV/Share (S$) | 0.17 |
| FY26 Net Cash/ Share (S$) | 0.12 |

### Price Chart




*Source: Bloomberg*

### Company Description

Reclaims Global provides waste management services. The Company offer recycling facilities, demolition works, disposal of construction, earth moving, and mass excavation, as well as focuses on machinery such as tipper, truck, dump trucks, and other equipment. Reclaims Global serves customers in Singapore.

- **Cost pass-through from higher diesel prices.** Amid rising diesel prices, Reclaim has been able to partially pass on the higher costs to its customers given the flexibility of short-term projects. Management indicated that 40-60% of these increases are being passed on to customers. Price-adjustment mechanisms and surcharges are also incorporated into contracts to mitigate the impact on long-term projects.
- **Strategic assets strengthen long-term earnings profile.** Reclaims' two property acquisitions in 1HFY27 should enhance recurring earnings and operating efficiency. The freehold Serangoon Road property already generates around S$70,000 in monthly rental income, with further upside as improvement works progress. Tagore Industrial Avenue is being redeveloped into a 160-bed worker dormitory, with completion targeted by end-FY28. Management is expecting around S$100,000 in monthly cost savings once the dormitory is operational.
- **Disciplined project selection and resilient 2HFY27 outlook.** We remain constructive on the 2HFY27 outlook, supported by continued business momentum. Reclaims remains selective in its project selection, targeting 10-13% net margins and prioritising earnings quality. However, sustained high oil prices could pressure full-year margins. Management also plans to optimise existing properties rather than aggressively expanding the portfolio, while remaining open to opportunistic acquisitions or disposals.
- **Strong industry pipeline provides medium-term tender opportunities.** Singapore's construction outlook remains supportive, with BCA forecasting S$47b-53b in demand in 2026 and S$39b-46b annually during 2027-30. Major infrastructure and redevelopment projects, alongside longer-term plans for the western island, Jurong Island links, Long Island and Sentosa-Brani, should provide tender opportunities for Reclaims through its established relationships with main contractors.

## Earnings Revision/Risk

- We increase our FY27 revenue forecast by 3.2% following the stronger-than-expected 1HFY27 results. We keep our earnings forecasts unchanged, staying conservative to take into account a prolonged elevated diesel price environment which might potentially impact Reclaims's costs for 2HFY27.

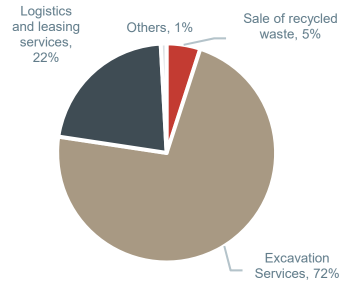
## Valuation/Recommendation

- **Maintain BUY and an unchanged target price of S$0.27**, implying a 35.0% upside. Our target is pegged to an unchanged 12.0x FY27F PE (+0.5SD above mean historical PE).
- **Attractive valuation.** We believe Reclaims' current valuation of 8.8x FY27F PE is undervalued, given its high ROE of around 17%, supported by strong construction industry tailwinds and its healthy orderbook.

## Share Price Catalyst

- Higher-than-expected margins on better operating leverage and economies of scales.
- More sizeable contract wins and orderbook replenishment from public institutional projects, housing developments, and major infrastructure initiatives.
- Growing recurring income contributions from its property portfolio.

### Revenue By Business Segment (1HFY27)




*Source: Reclaims, UOB Kay Hian*

### Historical PE Band


*Source: Reclaims, Bloomberg UOB Kay Hian*

## Profit & loss

| Year to 31 Jan (S$m) | 2026 | 2027F | 2028F | 2029F |
|---|---|---|---|---|
| Net turnover | 46.5 | 52.6 | 55.6 | 58.7 |
| EBITDA | 9.7 | 9.5 | 10.8 | 11.4 |
| Deprec. & amort. | 1.8 | 1.5 | 1.5 | 1.6 |
| EBIT | 7.9 | 8.0 | 9.3 | 9.8 |
| 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) | 0.1 | 0.1 | 0.1 | 0.1 |
| Pre-tax profit | 7.9 | 8.1 | 9.4 | 9.9 |
| Tax | (1.1) | (1.3) | (1.6) | (1.7) |
| Minorities | 0.0 | 0.0 | 0.0 | 0.0 |
| Net profit | 6.8 | 6.8 | 7.8 | 8.2 |
| Net profit (adj.) | 6.8 | 6.8 | 7.8 | 8.2 |

## Balance Sheet

| Year to 31 Jan (S$m) | 2026 | 2027F | 2028F | 2029F |
|---|---|---|---|---|
| Fixed assets | 8.1 | 8.5 | 9.1 | 9.2 |
| Other LT assets | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash/ST investment | 27.9 | 35.0 | 39.0 | 44.3 |
| Other current assets | 19.2 | 18.5 | 19.1 | 19.8 |
| Total assets | 55.3 | 62.0 | 67.2 | 73.3 |
| ST debt | 0.0 | 0.0 | 0.0 | 0.0 |
| Other current liabilities | 7.4 | 9.4 | 9.1 | 9.5 |
| LT debt | 0.0 | 0.0 | 0.0 | 0.0 |
| Other LT liabilities | 0.7 | 0.8 | 1.0 | 1.1 |
| Shareholders' equity | 47.2 | 51.7 | 57.2 | 62.7 |
| Minority interest | 0.0 | 0.0 | 0.0 | 0.0 |
| Total liabilities & equity | 55.3 | 62.0 | 67.2 | 73.3 |

## Cash flow

| Year to 31 Jan (S$m) | 2026 | 2027F | 2028F | 2029F |
|---|---|---|---|---|
| Operating | 3.1 | 10.8 | 8.1 | 9.2 |
| Pre-tax profit | 7.9 | 8.1 | 9.4 | 9.9 |
| Tax | (1.2) | (1.2) | (1.4) | (1.6) |
| Deprec. & amort. | 1.8 | 1.5 | 1.5 | 1.6 |
| Associates | 0.0 | 0.0 | 0.0 | 0.0 |
| Working capital changes | (5.1) | 2.8 | (1.0) | (0.2) |
| Non-cash items | (0.2) | (0.3) | (0.3) | (0.4) |
| Other operating cashflows | (0.1) | (0.1) | (0.1) | (0.1) |
| Investing | 4.3 | (1.5) | (1.7) | (1.3) |
| Capex (maintenance) | 0.0 | 0.0 | 0.0 | 0.0 |
| Investment | 0.0 | 0.0 | 0.0 | 0.0 |
| Proceeds from sale of assets | 6.6 | 1.3 | 1.5 | 1.9 |
| Others | (2.3) | (2.8) | (3.3) | (3.2) |
| Financing | (0.9) | (2.3) | (2.4) | (2.7) |
| Dividend payments | (0.9) | (2.3) | (2.4) | (2.7) |
| Proceeds from borrowings | 0.0 | 0.0 | 0.0 | 0.0 |
| Loan repayment | 0.0 | 0.0 | 0.0 | 0.0 |
| Others/interest paid | 0.0 | 0.0 | 0.0 | 0.0 |
| Net cash inflow (outflow) | 6.5 | 7.0 | 4.0 | 5.3 |
| Beginning cash & cash equivalent | 14.0 | 27.9 | 35.0 | 39.0 |
| Changes due to forex impact | 0.0 | 0.0 | 0.0 | 0.0 |
| Ending cash & cash equivalent | 20.4 | 35.0 | 39.0 | 44.3 |

## Key Metric

| Year to 31 Jan (%) | 2026 | 2027F | 2028F | 2029F |
|---|---|---|---|---|
| Profitability | | | | |
| EBITDA margin | 20.7 | 18.0 | 19.5 | 19.5 |
| Pre-tax margin | 17.1 | 15.3 | 16.9 | 16.8 |
| Net margin | 14.7 | 12.9 | 14.0 | 14.0 |
| ROA | 14.3 | 11.6 | 12.1 | 11.7 |
| ROE | 16.9 | 13.8 | 14.3 | 13.7 |
| | | | | |
| Growth | | | | |
| Turnover | 4.8 | 13.0 | 5.6 | 5.6 |
| EBITDA | 15.2 | (1.9) | 14.4 | 5.6 |
| Pre-tax profit | 23.2 | 1.5 | 16.1 | 5.4 |
| Net profit | 23.0 | (0.6) | 14.7 | 5.0 |
| Net profit (adj.) | 23.0 | (0.6) | 14.7 | 5.0 |
| EPS | 23.0 | (0.6) | 14.7 | 5.0 |
| | | | | |
| 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 | (59.2) | (67.6) | (68.2) | (70.6) |
| Interest cover (x) | n.a. | n.a. | n.a. | n.a. |

# UI Boustead REIT (UIBREIT SP)

## On Track To Meet Forecast; Expect Higher Reversions In 2HFY27

### Highlights

- Management is confident of meeting FY27 IPO DPU forecast of 6.82 S cents due to a ramp-up in occupancy, lease renewals and stronger contributions from JVs, which offset the initial earnings shortfall in 1QFY27.
- Leases representing 11.2% of gross rental income are due for renewal over the rest of FY27, with 78% under advanced negotiations. ALICE@Mediapolis and 351 Braddell Road could provide a rental uplift in 2HFY27.
- Maintain BUY. Target price: S$1.16.

### Analysis

- UI Boustead REIT (UIBREIT) is differentiated by:
  a) The sponsor, UIB Holdings, has a **proven track record in developing industrial properties**, particularly in Singapore and Japan. It has developed 20 of its 21 Singapore properties. 17 of the 20 properties are built-to-suit facilities developed on JTC land or JTC's direct land allocations, which serve as tenants' strategic infrastructure.
  b) UIBREIT has a **long portfolio WALE of 5.4 years** (top 10 tenants: 7.8 years), which provides income stability. Its second largest tenant, a leading global aerospace corporation, has committed to two leases for 23 years and one lease for 16 years.
- **Management is confident of meeting FY27 IPO DPU forecast** of 6.8 S cents due to a ramp-up in occupancy, lease renewals and stronger contributions from JVs, which offset the initial earnings shortfalls in 1QFY27.
- **Positive leasing momentum in Singapore.** Occupancy for the Singapore portfolio had improved 0.7ppt to 97.0% as of Jun 26. UIBREIT secured a new lease with a globally recognised fast-food chain for its Singapore headquarters at 27 Tai Seng Street. It clocked positive rental reversion of 2.6% in 1QFY27. UIBREIT has commenced a S$2.6m AEI at 84 Boon Keng Road to reposition the property from single-tenant use (previously occupied by AUMOVIO) to multi-tenant use. 40% of its NLA is already pre-committed ahead of the targeted completion by end-26. It has secured higher rents at mid-to-high S$3psf/month, compared with the previous low of S$2psf/month.
- **Positive rental reversion in Singapore.** UIBREIT registered positive rental reversion of 3.4% for business space in Singapore in 1QFY27. Leases representing 11.2% of gross rental income are due for renewal over the rest of FY27, with 78% already under advanced negotiations. Ongoing discussions for business park property ALICE @ Mediapolis and hi-spec building 351 Braddell Road could drive a rental uplift in 2HFY27.

### Key Financials

| Year to 31 Mar (S$m) | 2027F | 2028F | 2029F |
|---|---|---|---|
| Net turnover | 133 | 132 | 135 |
| EBITDA | 85 | 94 | 96 |
| Operating profit | 85 | 94 | 96 |
| Net profit (rep./act.) | 77 | 85 | 90 |
| Net profit (adj.) | 77 | 85 | 90 |
| EPU (S$ cent) | 5.6 | 6.2 | 6.5 |
| DPU (S$ cent) | 7.0 | 6.9 | 7.2 |
| PE (x) | 14.9 | 13.5 | 12.9 |
| P/B (x) | 1.0 | 1.0 | 1.0 |
| DPU yld (%) | 8.4 | 8.3 | 8.6 |
| Net margin (%) | 57.6 | 64.3 | 66.6 |
| Net debt/(cash) to equity (%) | 56.5 | 59.9 | 61.7 |
| Interest cover (x) | 5.5 | 5.8 | 5.7 |
| ROE (%) | n.a. | 7.4 | 7.9 |
| Consensus DPU (S$ cent) | 2.9 | 6.9 | 7.0 |
| UOBKH/Consensus (x) | 2.43 | 1.00 | 1.03 |

**12.65-month period from 12 Mar 26 to 31 Mar 27*
*Source: UI Boustead REIT, Bloomberg, UOB Kay Hian*

**Analyst(s)**
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### BUY (Maintained)

| | |
|---|---|
| Share Price | S$0.835 |
| Target Price | S$1.16 |
| Upside | 38.9% |

### Stock Data

| | |
|---|---|
| Sector | Real Estate |
| Bloomberg ticker | UIBREIT SP |
| Shares issued (m) | 1,367.6 |
| Market cap (S$m) | 1,141.9 |
| Market cap (US$m) | 893.9 |
| 3-mth avg daily t'over (US$m) | 4.1 |

### Price Performance (%)

52-week high/low: S$0.855/S$0.76

| 1mth | 3mth | 6mth | 1yr | YTD |
|---|---|---|---|---|
| 3.7 | 3.1 | 3.1 | n.a. | n.a. |

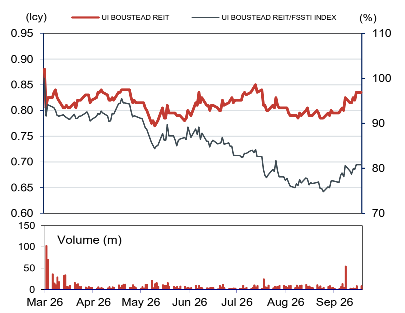
### Major Shareholders (%)

| | |
|---|---|
| BP - Real Estate Investments | 19.0 |
| Amova Asset Mgmt | 6.1 |

### Balance Sheet Metrics

| | |
|---|---|
| FY27 NAV/Share (S$) | 0.84 |
| FY27 Net Debt/Share (S$) | 0.48 |

### Price Chart




*Source: Bloomberg*

### Company Description

UIBREIT invests in business space, hi-specs industrial, logistics and general industrial assets with an initial focus on Singapore and Japan.

- **Japan portfolio saw a strong turnaround.** Committed occupancy rose from 76.7% to 100.0% as of Jun 26, supported by new leases from logistics, e-commerce and insurance tenants. A major Japanese insurance corporation commenced a new 57,000sf lease at Toyo MK Fuso Building in Tokyo in Feb 26. A global e-commerce player occupying 125,000sf has commenced its lease at UIB Konan Phase 2 in Greater Osaka in Jun 26. Both Toyo MK Fuso Building and UIB Konan Phase 2 have reached full occupancy. The long WALE of 7.5 years in Japan provides income visibility.
- **Partnering sponsor in development project in Singapore.** UIBREIT is developing a built-to-suit integrated aerospace facility with NLA of 252,113sf and development value of S$104m at Seletar Aerospace Park. It holds a 51% stake in the co-development, while Boustead Singapore owns the remaining 49%. The facility will be fully leased to a leading global aerospace corporation on a triple net basis for 22.5 years with built-in rental escalations at 2-3%.
- **Cementing its lead in aerospace & avionics.** The development project provides an attractive yield on a cost of 8.6%. UIBREIT's exposure to the high-value automobile, aerospace and avionics sectors is expected to expand from 19.3% to 22.1% of rental income. The long-term lease lengthens portfolio WALE from 5.8 years to 6.4 years. Construction has commenced in 2H26. The new facility should be operational in 2Q28, and is expected to start contributing to financial performance in FY29. UIBREIT has the option to purchase the remaining 49% stake from its sponsor.
- **Potential to expand 26 Changi North Rise.** Safran is the sole tenant for two of UIBREIT's properties, namely 26 Changi North Rise and 11 Seletar Aerospace Link. UIBREIT could explore the potential expansion of 26 Changi North Rise, which has untapped plot ratio, due to the increase in Safran's defence business activities. The contemplated AEI could increase the overall GFA from 65,000sf to 117,000sf, about 1.8 times the original size.
- **Index inclusion a potential catalyst.** UIBREIT was included in the FTSE Global Equity Index Series Asia Pacific Ex Japan Ex China Small Cap Index on 21 Sep 26 and iEdge S-REIT Index and iEdge S-REIT Leaders Index on 28 Sep 26. It could be included in the FTSE EPRA NAREIT Developed Index, whereby eligibility requires audited results, which could be fulfilled when it publishes its first annual report in Jul 27. UIBREIT is highly liquid with three-month average daily turnover at US$4.1m.

## Valuation/Recommendation

- **Maintain BUY.** UIBREIT provides an attractive DPU yield of 8.4% for FY27 and 8.3% for FY28 (CLAR: 6.6%, AAREIT: 7.1%). Our target price of S$1.16 is based on DDM (cost of equity: 7.25%, terminal growth: 1.2%).

## Earnings Revision/Risk

- We maintain our existing DPU forecast.

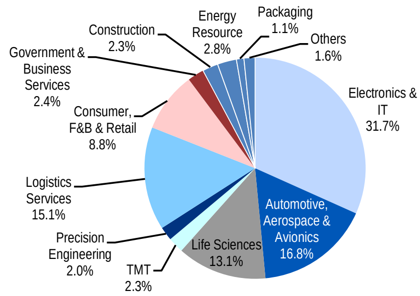
## Share Price Catalyst

- Resilient growth across the business parks, hi-tech buildings, life sciences, logistics and data centre segments; and contributions from development projects, redevelopment projects and AEIs.

### Developing Built-to-Suit Facility At Seletar Aerospace Park

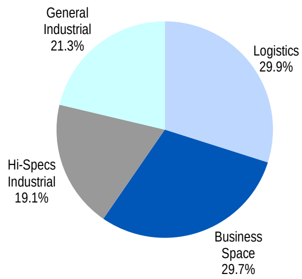

*Source: UIBREIT*

### Tenant Mix By Gross Rental Income



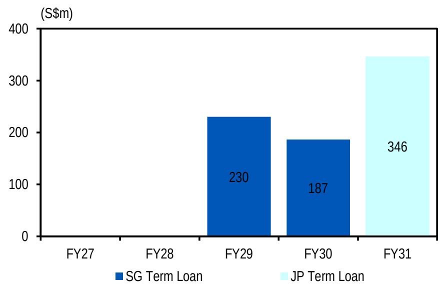

*Source: UIBREIT*

### Portfolio Valuation By Asset Type




*Source: UIBREIT*

### Debt Maturity Profile




*Source: UIBREIT*

## Profit & loss

| Year to 31 Mar (S$m) | 2027F | 2028F | 2029F |
|---|---|---|---|
| Net turnover | 133.3 | 132.4 | 135.0 |
| EBITDA | 84.8 | 93.9 | 95.9 |
| Deprec. & amort. | 0.0 | 0.0 | 0.0 |
| EBIT | 84.8 | 93.9 | 95.9 |
| Total other non-operating income | 0.0 | 0.0 | 0.0 |
| Associate contributions | 9.0 | 9.0 | 12.6 |
| Net interest income/(expense) | (15.5) | (16.1) | (16.8) |
| Pre-tax profit | 78.3 | 86.9 | 91.8 |
| Tax | (1.6) | (1.7) | (1.8) |
| Minorities | 0.0 | 0.0 | 0.0 |
| Perpetual Securities | 76.7 | 85.1 | 89.9 |
| Net profit | 76.7 | 85.1 | 89.9 |
| Net profit (adj.) | 133.3 | 132.4 | 135.0 |

## Balance Sheet

| Year to 31 Mar (S$m) | 2027F | 2028F | 2029F |
|---|---|---|---|
| Fixed assets | 1,703.5 | 1,726.4 | 1,731.4 |
| Other LT assets | 98.0 | 98.0 | 98.0 |
| Cash/ST investment | 36.0 | 36.7 | 36.9 |
| Other current assets | 49.7 | 50.1 | 50.2 |
| Total assets | 1,887.1 | 1,911.2 | 1,916.6 |
| ST debt | 0.0 | 0.0 | 0.0 |
| Other current liabilities | 18.3 | 19.0 | 19.4 |
| LT debt | 690.0 | 723.0 | 738.0 |
| Other LT liabilities | 22.1 | 22.6 | 22.8 |
| Shareholders' equity | 1,156.8 | 1,146.6 | 1,136.4 |
| Minority interest | 0.0 | 0.0 | 0.0 |
| Total liabilities & equity | 1,887.1 | 1,911.2 | 1,916.6 |

## Cash Flow

| Year to 31 Mar (S$m) | 2027F | 2028F | 2029F |
|---|---|---|---|
| Operating | 31.2 | 104.7 | 109.7 |
| Pre-tax profit | 78.3 | 86.9 | 91.8 |
| Tax | 0.0 | 0.0 | 0.0 |
| Deprec. & amort. | (2.5) | (2.2) | (2.2) |
| Associates | 0.0 | 0.0 | 0.0 |
| Working capital changes | (21.9) | 0.8 | 0.4 |
| Non-cash items | 8.2 | 7.9 | 7.9 |
| Other operating cashflows | (30.9) | 11.3 | 11.8 |
| Investing | (1,772.5) | (22.9) | (5.0) |
| Capex (growth) | (1,662.2) | 0.0 | 0.0 |
| Capex (maintenance) | (5.0) | (5.0) | (5.0) |
| Proceeds from sale of assets | (105.3) | (17.9) | 0.0 |
| Others | 0.0 | 0.0 | 0.0 |
| Financing | 0.0 | 0.0 | 0.0 |
| Distribution to unitholders | 1,777.2 | (81.0) | (104.5) |
| Issue of shares | 1,202.0 | 0.0 | 0.0 |
| Proceeds from borrowings | (96.5) | (95.3) | (100.1) |
| Loan repayment | 690.0 | 33.0 | 15.0 |
| Others/interest paid | 0.0 | 0.0 | 0.0 |
| Net cash inflow (outflow) | (18.2) | (18.7) | (19.4) |
| Beginning cash & cash equivalent | 36.0 | 0.8 | 0.2 |
| Changes due to forex impact | 0.0 | 36.0 | 36.7 |
| Ending cash & cash equivalent | 0.0 | 0.0 | 0.0 |

## Key Metric

| Year to 31 Mar (%) | 2027F | 2028F | 2029F |
|---|---|---|---|
| Profitability | | | |
| EBITDA margin | 63.6 | 70.9 | 71.1 |
| Pre-tax margin | 58.7 | 65.6 | 68.0 |
| Net margin | 57.6 | 64.3 | 66.6 |
| ROA | n.a. | 4.5 | 4.7 |
| ROE | n.a. | 7.4 | 7.9 |
| | | | |
| Growth | | | |
| Turnover | n.a. | (83.4) | 1.9 |
| EBITDA | n.a. | (81.5) | 2.1 |
| Pre-tax profit | n.a. | (81.5) | 5.7 |
| Net profit | n.a. | (81.5) | 5.7 |
| Net profit (adj.) | n.a. | (81.5) | 5.7 |
| EPU | n.a. | (81.6) | 5.0 |
| | | | |
| Leverage | | | |
| Debt to total capital | 37.4 | 38.7 | 39.4 |
| Debt to equity | 59.6 | 63.1 | 64.9 |
| Net debt/(cash) to equity | 56.5 | 59.9 | 61.7 |
| Interest cover (x) | 5.5 | 5.8 | 5.7 |

## Market News

US stocks were higher on Friday, as the information technology, industrials and financials sectors led shares higher. At the close of the NYSE, the Dow Jones rose 0.93% while the S&P 500 index gained 0.51% and the NASDAQ Composite index rose 0.48%. Advancing stocks outnumbered falling ones on the NYSE by 1,526 to 1,212 and 93 ended unchanged; on the Nasdaq Stock Exchange, 2,539 advanced and 2,359 declined, while 96 ended unchanged.

During the last trading session, the FSSTI rose 27.75pt to 5,711.12. Among the top active stocks were Singtel (-0.7%), DBS (-0.3%), OCBC Bank (-0.2%), UMS (+2.6%) and SIA (+0.3%). The FTSE ST Mid Cap Index fell 0.2%, while the FTSE ST Small Cap Index declined 0.5%. The broader market had 232 gainers and 275 losers with a total trading value of S$1.65b.

# Technical Analysis

Analyst(s)

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## Singapore Post (SPOST SP)

| | |
|---|---|
| Trading buy range: | S$0.305-0.310 |
| Last price: | S$0.315 |
| Target price: | S$0.355 |
| Protective stop: | S$0.295 |

**Price successfully defended its primary demand floor at the previous low support zone, establishing a valid reaction low. The RSI is rising out of oversold territory, signalling an initial momentum recovery. As long as price maintains above this support, we see a continued upward expansion towards higher resistance targets.**

The potential upside target is S$0.355. Stop-loss could be placed at S$0.295.

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$0.66.


## Frasers Centrepoint Trust (FCT SP)

| | |
|---|---|
| Trading sell range: | S$2.07-2.08 |
| Last price: | S$2.05 |
| Target price: | S$1.92 |
| Protective stop: | S$2.14 |

**Price executed a retest and rejection at its support-turned-resistance zone. The RSI is established in deep bearish territory and is driving lower below its oversold threshold, signalling intense downside acceleration. As long as counter-trend rallies remain strictly capped below this resistance, we see continued downward expansion towards lower support targets.**

The potential downside target is S$1.92. Stop-loss could be placed at S$2.14.

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$2.99.

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