UOBKayHian

Country Daily | Singapore

Thursday, 13 August 2026

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	53791.9	(0.3)	(0.5)	2.2	11.9
S&P 500	7728.2	(0.3)	(0.1)	2.0	12.9
FTSE 100	10844.2	(0.2)	(0.3)	3.3	9.2
AS30	9443.7	0.2	1.4	4.9	4.7
CSI 300	4663.8	(0.8)	1.4	(2.4)	0.7
FSSTI	5754.2	1.0	2.5	5.2	23.8
HSCEI	8528.1	(1.1)	(0.5)	6.1	(4.3)
HSI	25652.8	(1.1)	(0.8)	6.1	0.1
JCI	6267.9	(1.5)	(0.8)	5.8	(27.5)
KLCI	1731.5	(0.2)	(0.1)	2.4	3.1
KOSPI	6345.5	0.7	(0.2)	(15.1)	50.6
Nikkei 225	66970.2	2.1	5.0	(2.3)	33.0
SET	1612.6	(0.7)	(0.3)	(0.9)	28.0
TWSE	45120.7	0.4	4.1	(0.5)	55.8
BDI	3046	(1.2)	3.7	3.5	62.3
CPO (RM/mt)	4530	0.4	0.6	1.1	15.2
Brent Crude (US$/bbl)	89	1.4	12.0	17.0	46.1

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Hybrid Meeting with UltraGreen.ai Ltd (UGAI SP)	Singapore	13 Aug	13 Aug
Virtual Meeting on Indonesia Economic Outlook by Mr. Enrico Tanuwidjaja	Indonesia	19 Aug	19 Aug
Analyst Marketing by Julia Pan on Greater China Internet Sector	Singapore	07 Sep	08 Sep
Analyst Marketing by Julia Pan on Greater China Internet Sector	Malaysia	09 Sep	11 Sep

Corporate and Macro Calendar

Economic Indicator/Event	Date
6-Month T-Bill Auction	13 Aug
Balance of Trade JUL	17 Aug
Non-Oil Exports MoM JUL	17 Aug
Non-Oil Exports YoY JUL	17 Aug

Top Stories

Company Results | CapitaLand Integrated Commercial Trust (CICT SP/**BUY**/S$2.49/Target: S$3.06) Page 3 →

- Rental reversion for the office portfolio was +6.5% in 1H26 and is expected to stay positive as its average rent of S$11.03psf/month is below prevailing Core CBD Grade A rent at S$12.50psf/month. CICT benefits from various earnings drivers, including a full-year contribution from an additional 55% stake in CapitaSpring, income ramp-up from Gallileo, and a contribution from Paragon commencing Jul 26. Maintain BUY. Target price: S$3.06.

Company Results | Food Empire Holdings (FEH SP/**BUY**/S$2.51/Target: S$3.49) Page 6 →

- FEH delivered another record 1H26 revenue of US$315.1m (+15% yoy) and net profit of US$35.3m (+12% yoy), in line with expectations. Growth was broad-based across key markets from higher volumes. There is a positive surprise from a 60% yoy increase in interim dividend. We maintain our BUY rating with an unchanged target price of S$3.49, pegged to 25x 2026F PE.

Company Results | Riverstone Holdings (RSTON SP/**BUY**/S$0.85/Target: S$1.21) Page 9 →

- Riverstone reported a strong set of earnings for 2Q26 that was 40% above our expectations, where earnings of RM66m grew 45% yoy and 60% qoq. We expect the cleanroom segment to continue benefitting from AI-driven demand from the data centre and memory storage sectors. Maintain BUY with a 9% higher target price of S$1.21, pegged to 24x 2027F PE. Riverstone currently trades at around a 30% discount to peers.

Company Results | Wilmar International (WIL SP/**HOLD**/S$3.94/Target: S$3.50) Page 12 →

- Wilmar's 1H26 results came in within expectations, with core net profit rising 10% yoy, driven by sustained volume growth in food products and improved margins in the feed & industrial segment. We expect Wilmar's earnings to remain supported by resilient consumer products business, rising feed demand in China and stronger CPO prices heading into peak production cycle. Maintain HOLD with a target price of $S3.50.

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 mixed on Wednesday, with Dow Jones falling while S&P 500 and Nasdaq falling as the real estate, information technology and utilities sectors rose. There were more advancers than decliners on both the NYSE and NASDAQ.
- The FSSTI rose 55.74 points to 5,754.17, supported by strength in Singtel, UMS and DBS, with both mid- and small-cap indices rising with a broad market advance on a S$3.55b turnover.

Technical Analysis

Monthly Technical Regional Indices Watch – Indices Outlook

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CapitaLand Integrated Commercial Trust (CICT SP)

1H26: Benefitting From Multiple Earnings Drivers

Highlights

- Rental reversion for the office portfolio was +6.5% in 1H26 and is expected to stay positive as its average rent of S$11.03psf/month is below prevailing Core CBD Grade A rent at S$12.50psf/month.
- CICT benefits from various earnings drivers, including full-year contribution from additional 55% stake in CapitaSpring, income ramp-up from Gallileo, and contribution from Paragon commencing Jul 26.
- CICT is undertaking AEIs for Tampines Mall (3Q26), Capital Tower (3Q26-4Q27) and Plaza Singapura (3Q26-4Q28) with a phased approach to minimise operational and income disruptions.
- Maintain BUY. Target price: S$3.06.

1H26 Results

Year to 31 Dec (S$m)	1H26	yoy % Chg	Remarks
Gross Revenue	846.8	+7.5	
Net Property Income (NPI)	630.5	+8.7	Divestment of Bukit Panjang Plaza.
- Retail	210.6	-3.7	Paragon starts contributing in Jul 26.
- Office	241.0	+31.3	Consolidation of CapitaSpring.
- Integrated Development	178.9	+0.2	
Distribution from JVs	16.7	-19.5	CapitaSpring no longer accounted as a JV.
Finance Costs	(153.4)	-3.3	Cost of debt eased 0.5ppt yoy to 2.9% in 1H26.
Distributable Income	470.9	+13.1	
DPU (S cents)	6.02	+7.1	

Source: CICT, UOB Kay Hian

Analysis

- CapitaLand Integrated Commercial Trust (CICT) reported 1H26 DPU of 6.02 S cents (+7.1% yoy), which is in line with our expectation. The healthy DPU growth was driven by accretive acquisitions and positive leasing momentum.
- **Retail: High occupancy supported earnings resilience.** Portfolio retail occupancy remained robust at 97.7%, supported by strong tenant demand. Retail rental reversion was +4.0% in 1H26, with suburban malls outperforming downtown assets at +5.1% vs +3.2%. Tenant retention was healthy at 83.9%. Tenant sales psf increased 1.6% yoy, driven by seasonal promotions and new store openings, particularly in the fashion & accessories and jewellery & watches categories.

Key Financials

Year to 31 Dec (S$m)	2024	2025	2026F	2027F	2028F
Net turnover	1,586	1,619	1,692	1,831	1,860
EBITDA	1,039	1,073	1,120	1,216	1,236
Operating profit	1,039	1,073	1,120	1,216	1,236
Net profit (rep./act.)	934	937	1,162	1,010	1,032
Net profit (adj.)	748	869	923	1,010	1,032
EPU (S$ cent)	10.7	11.8	11.7	12.7	12.9
DPU (S$ cent)	10.9	11.6	11.7	12.6	12.9
PE (x)	23.3	21.1	21.3	19.6	19.3
P/B (x)	1.2	1.2	1.1	1.2	1.2
DPU yld (%)	4.4	4.7	4.7	5.1	5.2
Net margin (%)	58.9	57.9	68.7	55.1	55.5
Net debt/(cash) to equity (%)	56.6	60.4	56.0	55.9	56.0
Interest cover (x)	3.2	3.6	4.3	4.5	4.5
ROE (%)	6.3	5.9	6.9	5.8	6.0
Consensus DPU (S$ cent)	-	-	12.0	12.5	13.0
UOBKH/Consensus (x)	-	-	0.98	1.01	0.99

Source: CapitaLand Integrated Commercial Trust, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	S$2.49
Target Price	S$3.06
Upside	22.1%
Previous TP	S$3.06

Stock Data

Sector	Real Estate
Bloomberg ticker	CICT SP
Shares issued (m)	7,954.5
Market cap (S$m)	19,806.7
Market cap (US$m)	15,472.7
3-mth avg daily t'over (US$m)	53.5

Price Performance (%)

52-week high/low: S$2.57/S$2.17

1mth	3mth	6mth	1yr	YTD
2.0	9.2	0.8	13.2	4.2

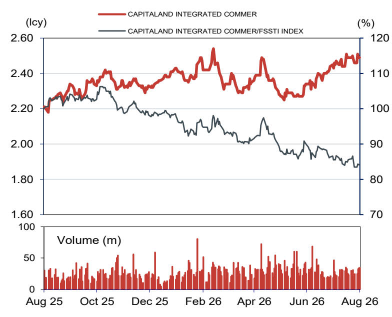
Major Shareholders (%)

Temasek Hldgs	20.0

Balance Sheet Metrics

FY26 NAV/Share (S$)	2.17
FY26 Net Debt/Share (S$)	1.22

Price Chart



Source: Bloomberg

Company Description

CICT is the first and largest S-REIT listed on the SGX. It was established as CapitaLand Mall Trust (CMT) in Jul 02 and was renamed CICT in Nov 20 following the merger with CapitaLand Commercial Trust (CCT).

- **Office: Benefitting from consolidation of CapitaSpring and lease commencement at Gallileo.** CICT achieved positive office rental reversion of 6.5% in 1H26. Leasing demand remained healthy across the banking, insurance, legal and telecommunications sectors, with notable leases signed including PGIM (Singapore) and Simpson Spence Young at CapitaSpring and Cambiaso Risso Asia at Six Battery Road. Average rent for the Singapore office portfolio increased 2% yoy to S$11.03psf/month. CICT is expected to maintain positive rental reversions as a large proportion of upcoming expiries remain below prevailing market rents (Core CBD Grade A rents at S$12.50psf/month in 2Q26). Office occupancy improved 0.7ppt qoq to 94.4%. CICT has consolidated the remaining 55% stake in CapitaSpring since Aug 25. It also benefitted from the progressive handover of Gallileo to anchor tenant European Central Bank.
- **Competitive advantage in capital management.** CICT maintained a strong balance sheet with aggregate leverage of 37.4%, average cost of debt stable at 2.9%, and interest coverage ratio improving to 3.9x. About 78% of borrowings are fixed-rate. Debt maturity remains well staggered with an average term to maturity of 4.1 years. CICT also retains strong investment-grade credit ratings of A3 from Moody's and A- from S&P. Management expects financing costs to remain stable, aided by proactive refinancing and diversified funding sources.
- **Growth catalysts from Paragon and AEIs.** Key earnings drivers include full contribution from CapitaSpring, income ramp-up from Gallileo, and contribution from Paragon commencing Jul 26. CICT continues to recycle capital into higher-yielding assets, evidenced by the sale of Asia Square Tower 2 and the acquisition of Paragon. CICT is executing multiple AEIs across Tampines Mall, Lot One, Capital Tower, Plaza Singapura and The Atrium@Orchard, which are expected to support DPU growth.
- **CICT will undertake AEIs with a phased approach** to minimise operational and income disruptions. Enhancements for Tampines Mall are progressing well, with 96% of the AEI space committed or under advanced negotiations. The AEI is expected to complete in 3Q26.
- **AEI for Capital Tower.** CICT plans to build a two-storey multi-tenanted pavilion with 7,750sf of higher-yielding F&B space at Level 1. Level 9 would be reconfigured into a workplace mental wellness centre focused on working adults and their families. Capex is estimated at S$25m. Construction is scheduled to commence in 3Q26 and completion slated for 4Q27.
- **CICT is undertaking an AEI for Plaza Singapura and The Atrium@ Orchard,** with an estimated capex of S$160m and a targeted ROI of 6-7%, progressing from 3Q26 to 4Q28. The redevelopment is aligned with the Urban Redevelopment Authority's plans to rejuvenate Orchard Road and expand Istana Park. The project will transform the existing cinema space with experiential entertainment and thematic dinning concepts. The arrival area at Level 1 facing Orchard Road will be refreshed. Sky bridges at Level 3 and 5 will be transformed into floating gardens. Basement connection to Dhoby Ghaut MRT station would be enhanced to improve circulation.

Valuation/Recommendation

- **Maintain BUY.** Our target price of S$3.06 is based on the dividend discount model (cost of equity: 6.25%, terminal growth: 2.2%).

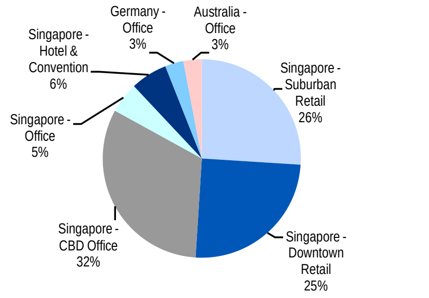
Earnings Revision/Risk

- We maintain our existing DPU forecast.

Share Price Catalyst

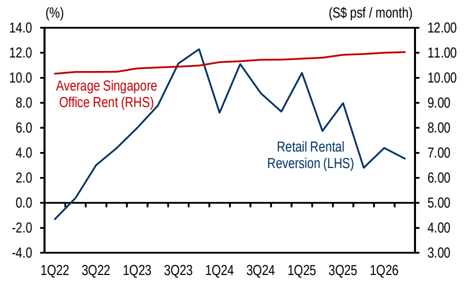
- Steady recovery in tenant sales at CICT's downtown malls, driven by a recovery in tourist arrivals and work-from-office momentum.
- Asset enhancement and redevelopment of existing properties.

Gross Revenue By Asset Type (1H26)



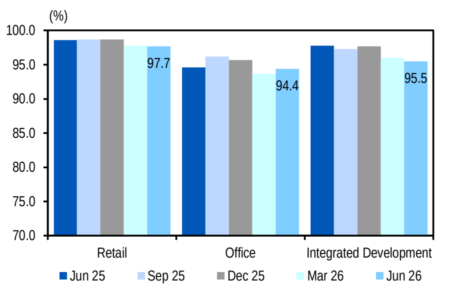
Source: CICT

Rental Reversion For Retail And Average Singapore Office Rent



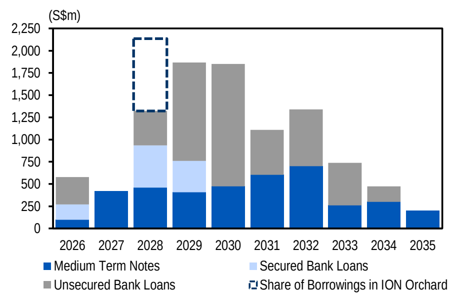
Source: CICT

Portfolio Occupancy



Source: CICT

Debt Maturity Profile



Source: CICT

Profit & loss

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Net turnover	1,619.2	1,692.1	1,831.2	1,860.3
EBITDA	1,072.5	1,119.8	1,216.3	1,236.4
Deprec. & amort.	0.0	0.0	0.0	0.0
EBIT	1,072.5	1,119.8	1,216.3	1,236.4
Total other non-operating income	68.1	238.9	(0.1)	0.0
Associate contributions	116.8	82.3	85.2	88.1
Net interest income/(expense)	(298.8)	(260.9)	(272.2)	(272.5)
Pre-tax profit	958.6	1,180.1	1,029.2	1,052.0
Tax	(7.2)	(14.1)	(15.4)	(15.8)
Minorities	(14.1)	(4.0)	(4.0)	(4.0)
Perpetual Securities	0.0	0.0	0.0	0.0
Net profit	937.3	1,162.0	1,009.8	1,032.2
Net profit (adj.)	869.1	923.1	1,009.8	1,032.2

Balance Sheet

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Fixed assets	25,606.6	26,895.6	26,925.6	26,955.6
Other LT assets	1,180.9	1,180.9	1,180.9	1,180.9
Cash/ST investment	149.5	250.8	286.6	278.7
Other current assets	486.1	70.3	76.1	77.2
Total assets	27,423.1	28,397.6	28,469.2	28,492.4
ST debt	654.6	654.6	654.6	654.6
Other current liabilities	494.6	539.9	583.8	592.9
LT debt	9,334.9	9,280.0	9,290.0	9,300.0
Other LT liabilities	448.7	441.6	458.8	462.4
Shareholders' equity	16,292.1	17,283.2	17,283.7	17,284.3
Minority interest	198.3	198.3	198.3	198.3
Total liabilities & equity	27,423.1	28,397.6	28,469.2	28,492.4

Cash Flow

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Operating	1,097.0	1,570.0	1,293.3	1,272.3
Pre-tax profit	890.5	941.2	1,029.2	1,052.0
Tax	0.0	0.0	0.0	0.0
Deprec. & amort.	0.0	0.0	0.0	0.0
Associates	(116.8)	(82.3)	(85.2)	(88.1)
Working capital changes	(46.9)	65.9	28.6	6.0
Non-cash items	0.0	0.0	0.0	0.0
Other operating cashflows	370.2	645.2	320.7	302.4
Investing	(653.8)	(966.0)	30.0	30.0
Capex (growth)	(462.1)	(3,900.0)	0.0	0.0
Capex (maintenance)	(285.0)	(30.0)	(30.0)	(30.0)
Proceeds from sale of assets	0.0	2,904.0	0.0	0.0
Others	93.3	60.0	60.0	60.0
Financing	(450.0)	(502.6)	(1,287.5)	(1,310.3)
Distribution to unitholders	(750.1)	(920.9)	(1,009.2)	(1,031.7)
Issue of shares	600.0	750.0	0.0	0.0
Proceeds from borrowings	31.5	(54.9)	10.0	10.0
Loan repayment	0.0	0.0	0.0	0.0
Others/interest paid	(331.4)	(276.8)	(288.3)	(288.6)
Net cash inflow (outflow)	(6.8)	101.4	35.8	(8.0)
Beginning cash & cash equivalent	156.4	149.5	250.8	286.6
Changes due to forex impact	0.0	0.0	0.0	0.0
Ending cash & cash equivalent	149.6	250.9	286.6	278.6

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	66.2	66.2	66.4	66.5
Pre-tax margin	59.2	69.7	56.2	56.6
Net margin	57.9	68.7	55.1	55.5
ROA	3.5	4.2	3.6	3.6
ROE	5.9	6.9	5.8	6.0
Growth				
Turnover	2.1	4.5	8.2	1.6
EBITDA	3.2	4.4	8.6	1.7
Pre-tax profit	2.5	23.1	(12.8)	2.2
Net profit	0.4	24.0	(13.1)	2.2
Net profit (adj.)	16.2	6.2	9.4	2.2
EPU	10.3	(0.8)	8.5	1.6
Leverage				
Debt to total capital	37.7	36.2	36.3	36.3
Debt to equity	61.3	57.5	57.5	57.6
Net debt/(cash) to equity	60.4	56.0	55.9	56.0
Interest cover (x)	3.6	4.3	4.5	4.5

Food Empire Holdings (FEH SP)

1H26: Solid Growth In Key Markets; Surprise Dividend Hike Of 60% yoy

Highlights

- FEH delivered another record 1H26 revenue of US$315.1m (+15% yoy), while net profit grew to US$35.3m (+12% yoy). Results are in line.
- FEH delivered growth across all key markets, led by Central Asia (+33.9%) and Russia (+24.6%), driven by higher volumes across FEH's key markets.
- There was a positive surprise from a 60% yoy increase in interim dividend after adjusting for bonus issue. Maintain BUY with an unchanged target price of S$3.49.

1H26 Results

Year to 31 Dec (S$m)	1H26	1H25	yoy%
Total revenue	315.1	274.1	15.0
- Russia	103.2	82.8	24.6
- Southeast Asia (SEA)	79.3	77.5	2.4
- Central Asia	60.5	45.3	33.6
- South Asia	38.6	37.0	4.4
- Europe	25.0	23.7	5.5
- Others	8.5	7.8	8.4
Net profit	35.3	31.5[1]	12.2
Net profit margin (%)	11.2	11.5	(0.3) ppt

[1]Excludes a one-off, non-cash, fair value loss on redeemable exchangeable notes ("REN") of US$32,592,000 recorded in 1H25

Source: FEH, UOB Kay Hian

Analysis

- **Top-line reaches all-time high.** Food Empire Holdings' (FEH) 1H26 revenue of US$315.1m (+15.0% yoy) formed 52% of our full-year forecasts, ahead of our expectations. This represents another record half-year performance, following five consecutive years of record revenue from 2021-25. Net profit also grew 12.2% to US$35.3m, in tandem with the strong top-line growth, and remains in line with our forecasts at 49%.
- **Growth across all markets.** Russia surged 24.6% yoy, aided by increased sales volume and a 12.3% ruble appreciation; Southeast Asia grew 2.4%, anchored by Vietnam; Central Asia delivered the strongest growth of 33.9% yoy, fuelled by solid sales volume expansion; South Asia also recorded revenue growth of 4.4% yoy, driven by stronger demand in 1H26; Europe grew by 5.5% yoy largely due to higher sales volumes and price gains in its Ukraine market. This broad-based growth across all of FEH's key markets continues to underpin FEH's branding and presence in the markets it operates in.

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)	20.8	15.6	17.8	16.1	15.0
P/B (x)	3.5	2.9	3.3	3.2	3.0
EV/EBITDA (x)	15.8	11.1	11.1	10.2	9.6
Dividend yield (%)	3.2	4.8	4.8	4.8	4.8
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)	-	-	72	81	90
UOBKH/Consensus (x)	-	-	1.02	0.99	0.96

Source: BKM, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	S$2.51
Target Price	S$3.49
Upside	39.0%

Stock Data

Sector	Consumer Staples
Bloomberg ticker	FEH SP
Shares issued (m)	661.6
Market cap (S$m)	1,660.5
Market cap (US$m)	1,297.2
3-mth avg daily t'over (US$m)	2.7

Price Performance (%)

52-week high/low				S$2.86/S$1.80
1mth	3mth	6mth	1yr	YTD
(0.8)	(1.3)	0.1	25.5	25.5

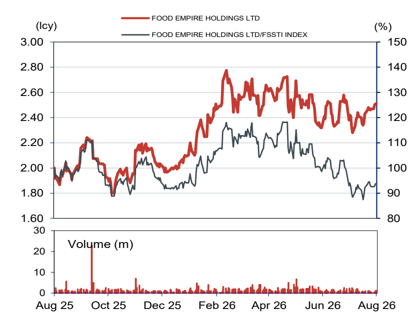
Major Shareholders (%)

Anthoni Salim	24.1
Tan Wang Cheow	21.1
Sudeep Nair	13.1

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.

- **Stronger interim dividend declared.** FEH declared an interim dividend of 4.0 S cents in 1H26 (1H25: 3.0 S cents). Taking into account the recent 1-for-5 bonus issue, this represents a growth of around 60% yoy. This is supported by a healthy balance sheet position with a cash position of US$151.3m as at end-June. The higher interim dividend also comes after FEH paid a record dividend in 2025. This represents a payout of around 57%, and implies a 2026 yield of around 4.8%.
- **New Kazakhstan facility to support Central Asia growth.** The group's new coffee-mix manufacturing facility in Khorgos, Kazakhstan, commenced operations earlier this year and is expected to contribute positively from 2H26. Strategically located to serve the Central Asian market, the facility strengthens the group's regional manufacturing footprint. The Malaysia snack factory expansion, completed in 1H26 and increasing snack output by 50%, should also support FEH's 2H26 results.
- **Strong expansion pipeline to support growth.** The group is progressing with two key capacity additions: a) a spray-dried soluble coffee expansion in India by end-27 (+60% capacity), and b) a new freeze-dried facility in Vietnam by 2028. These will bring FEH's network to 10 facilities, supporting branded volume growth and B2B sales. With India plants already at full utilisation, the expansion is demand-backed, while the US$80m Vietnam facility will be FEH's largest-ever investment and establish it as a regional freeze-dried coffee supplier.
- **Margin tailwinds from retreating coffee prices.** Robusta coffee, FEH's primary input, peaked at US$5,821/tonne in Feb 25, nearly tripling from 2022 levels. The cycle has since turned with Robusta now trading at US$3,780/tonne (-35% from peak). Global coffee production is forecast to hit a record 178.8m bags in 2025/26, supported by recovering supply from Vietnam. We expect lower coffee costs to support margins across FEH's coffee portfolio, while providing some cushion against input-cost pressures across its broader food and beverage businesses.

Valuation/Recommendation

- Maintain BUY with an unchanged PE-based target price of S$3.49, pegged to 25x 2026F PE or 2.5SD above the long-term average. The stock trades at only 18x 2026F PE, a 25% discount to the peer average of 24x.

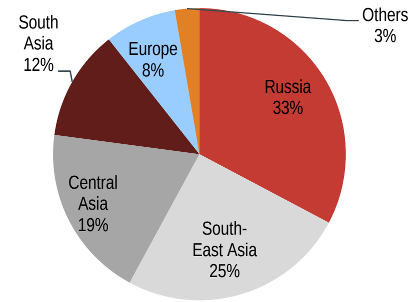
Earnings Revision/Risk

- No changes to our earnings forecasts.

Share Price Catalyst

- a) Earnings-accretive acquisitions, b) better-than-expected earnings, and c) higher-than-expected dividends.

1H26 Revenue By Geography



Source: FEH, UOB Kay Hian

Capacity Expansion Pipeline

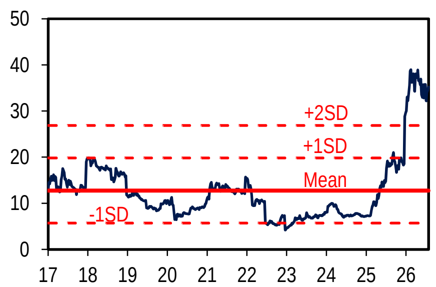
Facility	Location	Timeline	Capacity Impact
Spray-dried coffee (Phase 2)	India	2027	+60% India capacity
Freeze-dried coffee facility	Vietnam	2028	New entrant

Source: UOB Kay Hian

Coffee Price Trend (1Y)

Source: Trading Economics

Long-term Historical PE Band



Source: Bloomberg, UOB Kay Hian

Peer Comparison

Company	Ticker	Price @ 12 Aug 26 (lcy)	Market Cap (US$m)	PE 2026 (x)	PE 2027 (x)	P/B 2026 (x)	P/B 2027 (x)	ROE 2026 (%)	Yield 2026 (%)
Regional									
Ccl Products	CCLP IN	1123.8	1,573	29.6	23.7	5.4	4.6	19.8	0.5
Dydo Group	2590 JP	2945	613	17.6	18.3	1.4	1.3	8.4	1.0
Mayora Indah	MYOR IJ	1665	2,084	11.1	9.7	1.8	1.7	17.3	3.5
Nestle (Malaysia)	NESZ MK	102.9	5,906	38.3	35.7	43.2	42.0	105.7	2.5
Carabao	CBG TB	51.25	1,549	18.7	17.0	3.3	3.0	18.5	2.6
Fevertree Drinks	FEVR LN	856.5	1,295	30.6	22.6	5.0	4.7	15.6	2.2
Ito En	2593 JP	2984	1,596	28.5	23.6	1.6	1.5	7.2	1.7
Vita Coco Co	COCO US	64.46	3,700	32.8	29.1	8.2	6.3	32.7	n.a.
Vitasoy	345 HK	6.4	830	23.7	20.0	2.2	2.1	9.9	2.8
Uni-President	220 HK	7.755	4,269	13.2	12.3	2.1	2.1	16.1	7.7
Average				23.6	20.6	7.3	6.7	25.7	3.5
Food Empire	FEH SP	2.51	1,297	17.7	16.0	3.3	3.1	19.3	4.0

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

Riverstone Holdings (RSTON SP)

2Q26: Strong Earnings Beat; Expect Continued Strength

Highlights

- Riverstone reported a strong set of earnings for 2Q26 that was 40% above our expectations, where earnings of RM66m grew 45% yoy and 60% qoq.
- We expect the cleanroom segment to continue benefitting from AI-driven demand from the data centre and memory storage sectors.
- Maintain BUY with a 9% higher target price of S$1.21, pegged to 24x 2027F PE. Riverstone currently trades at around 30% discount to peers.

2Q26 Results

Year to 31 Dec (RMm)	2Q26	2Q25	yoy%	1Q25	qoq%
Revenue	266.7	244.8	8.9	252.3	24.5
Gross profit	96.0	65.7	46.1	82.2	54.8
Gross profit margin (%)	36.0	26.8	9.2ppt	32.6	7.0ppt
PATMI	65.8	45.4	45.0	56.4	60.2
PATMI margin (%)	24.7	18.5	6.1ppt	22.4	5.5ppt

Source: Riverstone Holdings, UOB Kay Hian

Analysis

- **2Q26 earnings significantly ahead of expectations.** Riverstone Holdings (Riverstone) reported a strong 2Q26, with PATMI of RM65.8m (+45.0% yoy, +60.2% qoq) coming in around 40% above our expectation. Revenue rose 8.9% yoy and 24.5% qoq to RM266.7m, driven by stronger cleanroom demand, while improved healthcare pricing supported margin recovery. This brought 1H26 revenue to RM480.9m (-3.2% yoy) and PATMI to RM106.9m (+5.0% yoy), representing 49% and 59% of our previous 2026 forecasts respectively.
- **Cleanroom: AI-related demand drove sequential recovery.** 2Q26 revenue rose to RM266.7m (+24.5% qoq), driven by stronger cleanroom glove demand. Management highlighted continued demand from AI-related data centre and memory-storage applications, reinforcing cleanroom's position as Riverstone's key earnings driver. The group is also renewing ageing production lines and shifting away from low margin generic output towards higher-value cleanroom and customised healthcare products, which should support product mix and margins over time.

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	1,073	995	997	1,082	1,147
EBITDA	424	336	345	359	373
Operating profit	359	264	277	293	308
Net profit (rep./act.)	287	208	218	230	242
Net profit (adj.)	287	208	218	230	242
EPS (sen)	19.3	14.0	14.7	15.5	16.3
PE (x)	13.5	18.7	17.8	16.9	16.0
P/B (x)	2.5	2.6	2.7	2.8	2.8
EV/EBITDA (x)	8.1	10.2	9.9	9.5	9.2
Dividend yield (%)	9.2	6.5	6.7	7.1	7.5
Net margin (%)	26.7	20.9	21.9	21.3	21.1
Net debt/(cash) to equity (%)	(45.3)	(42.7)	(41.3)	(39.2)	(37.3)
Interest cover (x)	n.a.	n.a.	n.a.	n.a.	n.a.
ROE (%)	17.6	13.6	14.9	16.2	17.4
Consensus net profit (RMm)	-	-	195	231	254
UOBKH/Consensus (x)	-	-	1.12	1.00	0.96

Source: Riverstone Holdings, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	S$0.85
Target Price	S$1.21
Upside	+42.4%
Previous TP	S$1.10

Stock Data

Sector	Health Care
Bloomberg ticker	RSTON SP
Shares issued (m)	1,482.2
Market cap (S$m)	1,259.8
Market cap (US$m)	984.2
3-mth avg daily t'over (US$m)	2.0

Price Performance (%)

52-week high/low S$0.985/S$0.665

1mth	3mth	6mth	1yr	YTD
(0.6)	(8.1)	11.8	24.1	(2.3)

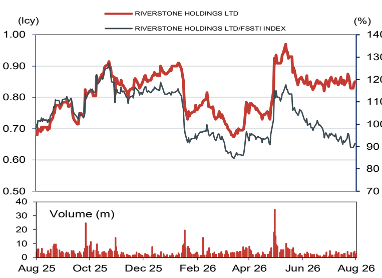
Major Shareholders (%)

Wong Teek Son	51.44
Lee Wai Keong	8.82

Balance Sheet Metrics

FY26 NAV/Share (RM)	0.95
FY26 Net Debt/Share (RM)	0.40

Price Chart



Source: Bloomberg

Company Description

Riverstone Holdings produces, sells and distributes cleanroom products for use in highly controlled and critical environments. Products include nitrite and natural rubber gloves, cleanroom packaging materials and finger cots, as well as face masks, face pouches, hoods, caps, jumpsuits and swabs.

- **Cash position remained robust; 5 sen interim dividend declared.** Riverstone ended 1H26 with RM576.0m in cash and cash equivalents, down from RM630.4m at end-25 mainly due to dividend payments. The group still generated RM102.4m in operating cash flow during 1H26, while capex remained modest at RM12.0m. An interim dividend of 5.0 sen per share was declared, translating to a 69.3% payout ratio.

Valuation/Recommendation

- **Maintain BUY with a 9% higher PE-based target price of S$1.21,** pegged to 24x 2027F PE (+0.5SD to historical mean). The premium is justified by Riverstone's cleanroom moat, net cash balance sheet and consistent dividend track record of above 100% payout ratio.
- Riverstone currently trades at 16x 2027F PE or close to 30% discount to Malaysian glove peers average of 22x. In addition, it also offers a dividend yield of above 6% for 2026 and 2027.

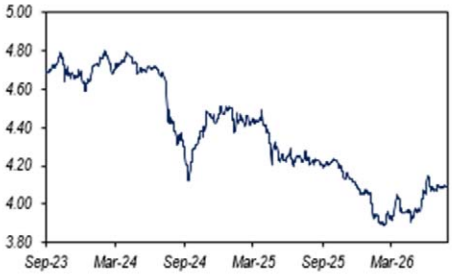
Earnings Revision/Risk

- We raised our 2026/27/28 earnings estimates by 20%/15%/10% respectively after raising our revenue estimates by 2%/2%/1% and gross margin estimates by 4.3ppt/3.3ppt/2.3ppt to 31.7%/31.3%/31.4% to factor in the higher ASP and margin surprise in the 1H26 results.

Share Price Catalyst

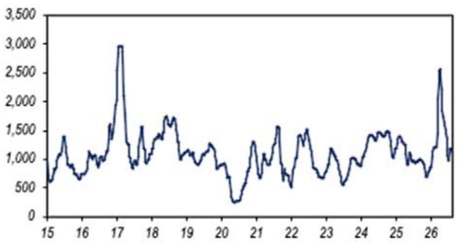
- Ringgit depreciation against the US dollar, which would provide immediate margin expansion.
- Stronger-than-expected demand for cleanroom and healthcare gloves.
- Faster ASP stabilisation in healthcare gloves.
- Margin rebound from lower raw material costs.

USD/MYR Falls As MYR Strengthens



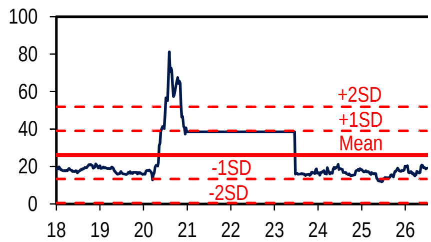
Source: UOB Kay Hian

Historical Butadiene Prices



Source: UOB Kay Hian

Historical PE Band



Source: UOB Kay Hian

Profit & loss

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Net turnover	995.3	996.7	1,082.0	1,147.2
EBITDA	336.0	344.7	359.0	372.9
Deprec. & amort.	71.5	67.3	65.8	64.5
EBIT	264.5	277.4	293.2	308.4
Total other non-operating income	0.0	0.0	0.0	0.0
Pre-tax profit	264.5	277.4	293.2	308.4
Tax	(56.7)	(59.5)	(62.9)	(66.1)
Minorities	0.0	0.0	0.0	0.0
Net profit	207.8	217.9	230.4	242.3
Net profit (adj.)	207.8	217.9	230.4	242.3

Balance Sheet

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Fixed assets	750.6	733.3	717.5	703.0
Other LT assets	0.7	0.7	0.7	0.7
Cash/ST investment	630.4	594.8	553.1	513.5
Other current assets	258.0	259.6	281.5	297.7
Total assets	1,639.6	1,588.4	1,552.8	1,514.9
ST debt	0.0	0.0	0.0	0.0
Other current liabilities	96.3	94.3	102.1	107.6
LT debt	0.0	0.0	0.0	0.0
Other LT liabilities	67.6	52.9	40.6	31.4
Shareholders' equity	1,475.7	1,441.2	1,410.0	1,375.9
Minority interest	0.0	0.0	0.0	0.0
Total liabilities & equity	1,639.6	1,588.4	1,552.8	1,514.9

Cash flow

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Operating	304.5	267.9	270.9	287.8
Pre-tax profit	264.5	277.4	293.2	308.4
Tax	(56.7)	(59.5)	(62.9)	(66.1)
Deprec. & amort.	71.5	67.3	65.8	64.5
Associates	0.0	0.0	0.0	0.0
Working capital changes	30.6	(3.6)	(14.1)	(10.8)
Non-cash items	(1.7)	0.0	0.0	0.0
Other operating cashflows	(3.7)	(13.8)	(11.3)	(8.3)
Investing	(81.2)	(50.0)	(50.0)	(50.0)
Capex (growth)	(83.8)	(50.0)	(50.0)	(50.0)
Proceeds from sale of assets	2.6	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0
Financing	(296.9)	(253.4)	(262.5)	(277.4)
Dividend payments	(296.4)	(252.4)	(261.5)	(276.4)
Proceeds from borrowings	0.0	0.0	0.0	0.0
Loan repayment	(0.5)	(1.0)	(1.0)	(1.0)
Others/interest paid	0.0	0.0	0.0	0.0
Net cash inflow (outflow)	(73.6)	(35.5)	(41.7)	(39.7)
Beginning cash & cash equivalent	715.1	630.4	594.8	553.1
Changes due to forex impact	(11.1)	0.0	0.0	0.0
Ending cash & cash equivalent	630.4	594.8	553.1	513.5

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	33.8	34.6	33.2	32.5
Pre-tax margin	26.6	27.8	27.1	26.9
Net margin	20.9	21.9	21.3	21.1
ROA	12.2	13.5	14.7	15.8
ROE	13.6	14.9	16.2	17.4
Growth				
Turnover	(7.2)	0.1	8.6	6.0
EBITDA	(20.7)	2.6	4.2	3.9
Pre-tax profit	(26.3)	4.9	5.7	5.2
Net profit	(27.6)	4.9	5.7	5.2
Net profit (adj.)	(27.6)	4.9	5.7	5.2
EPS	(27.6)	4.9	5.7	5.2
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	(42.7)	(41.3)	(39.2)	(37.3)
Interest cover (x)	n.a.	n.a.	n.a.	n.a.

UOBKayHian

Company – Results | Singapore

Thursday, 13 August 2026

Wilmar International (WIL SP)

1H26: Results In Line: Sustained Volume Growth Across Major Segments

Highlights

- Wilmar's 1H26 results came in within expectations, with core net profit rising 10% yoy, driven by sustained volume growth in food products and improved margins in the feed & industrial segment.
- While management maintained a cautious outlook, we expect Wilmar to deliver stronger earnings in 2H26 driven by its soybean crushing and palm oil businesses.
- Maintain HOLD with a target price of S$3.50.

1H26 Results

Year to 31 Dec (US$m)	2Q26	qoq%	yoy%	1H26	hoh%	yoy%
Revenue	18,806	(4.8)	12.7	38,560	2.8	17.2
PBT	726	118.7	131.4	1,058	(8.2)	12.8
Food Products				305	19.9	56.1
Feed and Industrial Products				591	23.3	54.9
Plantations & Sugar Milling				138	(10.9)	(31.8)
Net Profit	343	29.3	36.8	609	(25.4)	2.4
Core Net Profit	378	43.0	57.0	642	(7.5)	10.0
Margin						
PBT	3.9	129.7	105.3	2.74	(10.6)	(3.8)
Food Products				1.57	2.6	15.4
Feed and Industrial Products				2.85	34.4	136.7
Plantations & Sugar Milling				8.56	10.5	(35.2)
Core Net Profit	2.0	50.2	39.3	1.66	(10.0)	(6.2)

Source: Wilmar International, UOB Kay Hian

Analysis

- **Results in line.** Wilmar International (Wilmar) reported 1H26 core net profit of US$642m (-7.5% hoh, +10% yoy), deemed in line with expectations at 43%/41% of our and consensus forecasts whereby 2H tends to be the stronger half of the year for the group. For 2Q26, core net profit rose 57% yoy to US$378m on the back of higher revenue of US$18,806m (+12.7% yoy) driven by the food products segment and improved refining margin in the tropical oil business.
- Wilmar raised its interim dividend from S$0.04 to S$0.05 per share, on track to meet our 2026 DPS forecast of S$0.15.

Key Financials

Year to 31 Dec (US$ m)	2024	2025	2026F	2027F	2028F
Net turnover	67,379.1	70,415.7	84,993.7	90,866.8	97,439.4
EBITDA	3,128.0	3,479.4	4,018.4	4,304.7	4,353.6
Operating profit	1,830.4	2,091.9	2,650.3	2,900.6	2,913.9
Net profit (rep./act.)	1,068.3	1,277.6	1,502.3	1,716.0	1,814.1
Net profit (adj.)	1,068.3	1,277.6	1,502.3	1,716.0	1,814.1
EPS	16.8	20.1	23.7	27.0	28.6
PE (x)	21.4	17.9	15.2	13.4	12.6
P/B (x)	1.2	1.0	1.0	1.0	1.0
EV/EBITDA (x)	15.1	14.4	12.4	11.1	10.9
Dividend yield (%)	4.0	3.5	3.8	4.0	4.0
Net margin (%)	1.6	1.8	1.8	1.9	1.9
Net debt/(cash) to equity(%)	106.9	107.3	102.7	92.0	86.9
Interest cover (x)	3.9	4.6	4.6	5.1	5.8
ROE (%)	6.0	6.8	7.8	8.8	9.2
Consensus net profit	n.a	n.a	1,558	1,726	1,756
UOBKH/Consensus (x)	n.a	n.a	0.96	0.99	1.03

Source: Wilmar International, Bloomberg, UOB Kay Hian

Analyst(s)

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(603) 2147 1915

HOLD (Maintained)

Share Price	S$3.94
Target Price	S$3.50
Upside	-11.1%

Stock Data

Sector	Consumer Staples
Bloomberg ticker	WIL SP
Shares issued (m)	6243.0
Market cap (S$m)	24,597.4
Market cap (US$m)	19223.1
3-mth avg daily t'over (US$m)	20.9

Price Performance (%)

52-week high/low				S$2.78/S$4.02
1mth	3mth	6mth	1yr	YTD
1.8	7.3	9.7	32.6	29.2

Major Shareholders (%)

Archer-Daniels-Midland Company	22.49
Kuok Brother Sdn Bhd	18.95

Balance Sheet Metrics

FY26 NAV/Share (S$)	3.5
FY26 Net Debt/Share (S$)	3.6

Price Chart

Source: Bloomberg

Company Description

Business activities include plantation, palm oil mill, refinery, fractionation, biodiesel and kernel crushing plants.

- The group's PBT rose 12.8% yoy to 1,058m in 1H26, mainly driven by stronger performance across food products and feed & industrial segments, which offset weaker earnings from plantation & sugar businesses.
- **Food products:** Sales volume rose 19% yoy to 19.4m tonnes mainly due to the consolidation of AWL's results. Excluding the impact of AWL's consolidation, overall volume and revenue would have increased by 2% to 16.6m MT and by 8% to US$15.54b respectively.
- **Feed & industrial products:** Sales volume increased 2% yoy to 32.3m tonnes in 1H26, mainly driven by the oilseed and grains business (+6% yoy) supported by rising feed demand in China. PBT surged 55% to US$591m mainly driven by the recovery of refining margin and sales volumes within the tropical oils segment.
- **Plantation and sugar milling:** PBT declined to US$137m (-32% yoy) in 1H26 despite higher revenue, impacted by weaker sugar prices. For the oil palm plantation business, revenue was up by 3% on higher palm oil prices despite a 6% drop in fresh fruit bunch (FFB) production.
- **YKA results snapshot.** Yihai Kerry Arowana (YKA) delivered a positive performance with net profit rising 6.6% yoy Rmb1.48b in tandem with a revenue growth of 6.2% yoy, contributing around 30% of Wilmar's 1H26 net profit.
- **Outlook.** Management maintained a cautious tone on the group's prospects due to continuing geopolitical developments, which have seen higher operating costs and risk of sluggish demand particularly from low-to-middle income markets while expecting satisfactory results for the year. Overall, we expect Wilmar to deliver stronger earnings in 2H26 driven by resilient consumer products business, rising feed demand in China supporting soybean crushing activities, higher palm plantation earnings during the peak production cycle as well as gradual reversal of mark-to-market losses on commodity hedging recognised in 1Q26.

Valuation/Recommendation

- **Maintain BUY with an unchanged target price of S$3.50.** Our valuation is based on 2026 EPS and uses SOTP valuation by pegging PEs of 17x, 11x and 11x for the food products, feeds & industrial products and plantations & sugar mills segments respectively.

Earnings Revision/Risk

- None.

Share Price Catalyst

- **Greater recovery in China.** As YKA is still the largest profit contributor to Wilmar, a surprise recovery would be positive to earnings and market sentiment towards Wilmar.
- Recovery in refining margin of tropical oil business.

YKA Results Snapshot

(RMBm)	1H26	1H25	Yoy % chg
Revenue	122,851	115,682	6.2
Net Profit	1,480	1,389	6.6

Source: UOB Kay Hian

SOTP Valuation

	PE (x)	S$/share
Food Products	17	1.28
Feed & Industrial Products	11	1.44
Plantation & Sugar Milling	11	0.47
Associates & JV	8	0.31
Total		3.50

Source: UOB Kay Hian

Profit & Loss

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Net turnover	70,416	84,994	90,867	97,439
EBITDA	3,479	4,018	4,305	4,354
Deprec. & amort.	1,388	1,368	1,404	1,440
EBIT	2,092	2,650	2,901	2,914
Total other non-operating income	288	0	0	0
Associate contributions	339	367	396	428
Net interest income/(expense)	(763)	(869)	(843)	(747)
Pre-tax profit	1,957	2,148	2,454	2,594
Tax	(533)	(533)	(609)	(643)
Minorities	(146)	(113)	(129)	(137)
Net profit	1,278	1,502	1,716	1,814
Net profit (adj.)	1,278	1,502	1,716	1,814

Balance Sheet

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Fixed assets	16,329	16,742	17,174	17,570
Other LT assets	13,232	12,818	12,145	11,839
Cash/ST investment	7,345	8,024	10,089	10,915
Other current assets	28,736	27,672	27,052	27,415
Total assets	65,642	65,255	66,459	67,739
ST debt	23,440	23,440	23,440	23,440
Other current liabilities	8,689	7,968	8,262	8,591
LT debt	7,359	7,559	7,759	7,959
Other LT liabilities	1,094	606	606	606
Shareholders' equity	21,865	22,374	22,955	23,569
Minority interest	3,196	3,309	3,438	3,574
Total liabilities & equity	65,642	65,255	66,459	67,739

Cash Flow

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Operating	3,031	4,197	3,587	2,379
Pre-tax profit	2,090	2,148	2,454	2,594
Tax	(533)	(533)	(609)	(643)
Deprec. & amort.	1,388	1,368	1,404	1,440
Associates	(339)	(367)	(396)	(428)
Working capital changes	587	2,180	1,334	16
Other operating cashflows	(162)	(600)	(600)	(600)
Investing	(595)	(1,195)	(1,195)	(1,195)
Capex (maintenance)	(1,246)	(1,846)	(1,846)	(1,846)
Investments	30	30	30	30
Proceeds from sale of assets	129	129	129	129
Others	492	492	492	492
Financing	(63)	(259)	(327)	(358)
Dividend payments	(427)	(473)	(541)	(571)
Issue of shares	13	13	13	13
Loan repayment	350	200	200	200
Others/interest paid	1	1	1	1
Net cash inflow (outflow)	2,372	2,742	2,065	826
Beginning cash & cash equivalent	3,043	5,282	8,024	10,089
Ending cash & cash equivalent	5,415	8,024	10,089	10,915

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	4.9	4.7	4.7	4.5
Pre-tax margin	2.8	2.5	2.7	2.7
Net margin	1.8	1.8	1.9	1.9
ROA	2.4	2.8	3.2	3.3
ROE	6.8	7.8	8.8	9.2
Growth				
Turnover	4.5	(12.8)	108.5	123.6
EBITDA	11.2	(7.7)	104.1	106.4
Pre-tax profit	19.0	(17.2)	56.0	65.0
Net profit	19.6	24.9	42.6	50.8
Net profit (adj.)	19.6	17.6	14.2	5.7
EPS	19.6	24.4	42.0	50.2
Leverage				
Debt to total capital	122.9	120.7	118.2	115.7
Debt to equity	140.9	138.6	135.9	133.2
Net debt/(cash) to equity	107.3	102.7	92.0	86.9
Interest cover	4.6	4.6	5.1	5.8

Market Spotlight

Market News

US stocks were mixed on Wednesday, as the real estate, information technology and utilities sectors led shares higher. At the close of the NYSE, the Dow Jones fell 0.04% while the S&P 500 Index was up 0.26%, and the NASDAQ Composite Index gained 0.54%. Advancing stocks outnumbered falling420 ones on the NYSE by 1,492 to 1,234 and 93 ended unchanged; on the Nasdaq Stock Exchange, 2,813 advanced and 2,033 declined, while 185 ended unchanged.

During the last trading session, the FSSTI Index rose 55.74pt to 5,754.17. Among the top active stocks were Singtel (+0.2%), Seatrium (-0.9%), DBS (+0.9%), SIA (-5.9%) and UMS (+4.6%). The FTSE ST Mid Cap Index rose 0.3%, while the FTSE ST Small Cap Index gained 1.7%. The broader market had 327 gainers and 281 losers with a total trading value of S$3.55b.

Technical Analysis

Analyst(s)

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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: 5,720.76

Outlook:

The FSSTI Index continues to trade comfortably above the Ichimoku Cloud, preserving its primary uptrend and bullish structure. However, price action is currently printing a potential inverted hammer candlestick, signalling a possible short-term tactical top. While underlying momentum parameters remain constructive – evidenced by an ascending MACD in positive territory – a confirmed close below the inverted hammer's real body would validate the reversal, triggering a mean-reversion pullback toward the base line support zone around 4,980.

Strategy:

Investors could accumulate quality stocks if price pullback to the base line support at 4980 and use this level to minimise risk.

Support: 5,240 / 5,155

Resistance: 5,500 / 5,590