UOBKayHian

Country Daily | Singapore

Friday, 14 August 2026

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	53840.0	0.1	(0.1)	2.6	12.0
S&P 500	7799.0	0.7	1.2	3.8	13.9
FTSE 100	10772.7	(0.6)	(0.9)	2.3	8.5
AS30	9381.4	(0.2)	(0.7)	4.2	4.0
CSI 300	4664.0	(0.6)	0.3	(2.8)	0.7
FSSTI	5720.1	(0.0)	2.5	4.1	23.1
HSCEI	8426.5	(0.2)	(0.9)	4.0	(5.5)
HSI	25396.5	(0.2)	(0.5)	4.9	(0.9)
JCI	6301.8	(1.1)	(0.7)	4.3	(27.1)
KLCI	1734.7	(0.4)	(0.1)	0.9	3.2
KOSPI	6813.3	3.6	8.2	(0.6)	61.7
Nikkei 225	68308.6	1.2	3.0	0.8	35.7
SET	1614.4	0.1	0.3	(0.7)	28.2
TWSE	46021.5	1.1	3.7	2.9	58.9
BDI	2844	(3.2)	(7.0)	(3.9)	51.5
CPO (RM/mt)	4519	(0.6)	(0.3)	0.8	14.9
Brent Crude (US$/bbl)	87	(2.1)	5.6	4.5	43.1

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
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
Balance of Trade JUL	17 Aug
Non-Oil Exports MoM JUL	17 Aug
Non-Oil Exports YoY JUL	17 Aug
MAS 12-Week Bill Auction	18 Aug

Top Stories

Company Results | Hong Leong Asia (HLA SP/**BUY**/S$3.18/Target: S$4.70)

Page 3 →

- HLA's 1H26 revenue of S$3,129m and PATMI of S$92m beat our forecasts at 52% and 65% respectively, driven by double-digit growth across both business segments. HLA declared an interim dividend of S$0.03/share, backed by a strong net cash position despite an enlarged share base. Maintain BUY with a lower target price of S$4.70 due to its enlarged share base.

Company Results | Singapore Technologies Engineering (STE SP/**BUY**/S$10.36/Target: S$11.75)

Page 6 →

- STE's 1H26 net profit of S$512m (+27.1% yoy) was in line with our expectation, at 48.6% of our full-year forecast. Orderbook hit a new record-high level of S$35.7b by end-1H26, providing medium-term growth visibility. The slower 2Q26 order win was only a timing issue, as demand remained strong. STE guides for 2026 total contract wins to be at least comparable to 2025 levels, implying strong order wins of S$11b or more in 2H26. Maintain BUY; target price: S$11.75.

Company Results | Singapore Telecommunications (ST SP/**BUY**/S$4.27/Target: S$5.50)

Page 9 →

- Singtel delivered a strong 1QFY27 underlying net profit of S$831m (+21 yoy). Key drivers include robust Airtel and AIS contributions while opco EBIT rose 10% yoy thanks to positive performance from Optus, NCS and Digital Infraco. We expect Optus's ARPU uplift to positively flow through in 2QFY27. Results deemed in line with expectations. Maintain BUY with an SOTP-based target price of S$5.50.

Company Results | UltraGreen.ai (UGAI SP/**BUY**/US$1.32/Target: US$1.95)

Page 12 →

- 1H26 earnings of US$39m (+53% yoy) are in line with expectations, with volume growing across all geographies. Verdye approvals have increased from 35 to 43 countries since end-25. UltraGreen has renewed its revenue guidance in anticipation of 2H26 revenue improving hoh. UltraGreen is trading at an attractive PE of 16x 2027F vs peers of 27x. Maintain BUY with a target price of US$1.95.

Market Spotlight

Page 15 →

- US stocks were higher on Thursday, with all indices rising as the communication services, real estate and information technology sectors rose. There were more advancers than decliners on both the NYSE and NASDAQ.
- The FSSTI fell 0.70 points to 5,720.05, supported by weakness in Singtel and Seatrium, with mid-cap indices falling while small-cap indices rising with a broad market decline on a S$2.88b turnover.

What's Inside

Company Results | AEM Holdings (AEM SP/**BUY**/S$10.98/Target: S$12.99)

Page 16 →

- AEM's 1H26 earnings of S$31m (+876% yoy) is in line with our estimate, at 48% of our full-year estimate. Revenue grew 30% yoy, led by the ramp-up of fabless AI/HPC customer. 2026 revenue guidance is raised by 14% and EPS guidance was revealed. AEM remains confident in its growth trajectory. Maintain BUY and target price of S$12.99.

Company Results | Genting Singapore (GENS SP/**HOLD**/S$0.625/Target: S$0.700)

Page 19 →

- GENS' improving 1Q26 results mainly reflect higher mass gaming volume and full opening of The Laurus Hotel. Despite a slower start in 1H26, we see modest earnings improvement through 2H26, lifted by better visitations on a strong pipeline of mega entertainment events and earlier launching of non-gaming attractions. Nevertheless, elevated operating costs will likely continue to pressure profitability margin. We maintain HOLD but lower our target price to S$0.70, as we reduced our valuation yardstick to factor-in investors' sentiment de-rating.

Technical Analysis

Parkway Life Real Estate Investment Trust (PREIT SP)

Page 22 →

- Trading Buy Range: S$4.11-4.12

Hong Fok Corp (HFC SP)

Page 22 →

- Trading Buy Range: S$0.895-0.900

Hong Leong Asia (HLA SP)

1H26: Double-digit Growth Drives Better-than-expected Results

Highlights

- 1H26 revenue of S$3,129m and PATMI of S$92m beat our forecasts at 52% and 65% respectively, driven by double-digit growth across both segments.
- HLA declared an interim dividend of S$0.03/share for 1H26 (1H25: S$0.02), backed by a strong net cash position and following an enlarged share base.
- Maintain BUY with a lower target price of S$4.70, due to an enlarged share base. Our target price also implies a 48% upside.

1H26 Results

Year to 31 Dec (S$m)	1H25	1H26	yoy%
Revenue	2,829.0	3,129.3	10.6
- Powertrain solutions	2,339.9	2,732.8	16.8
- Building Materials	310.2	384.8	24.1
Gross profit	427.5	597.2	39.7
Net profit after tax	121.2	198.4	63.7
Net profit attributable to shareholders	56.0	91.9	64.2
Gross profit margin (%)	15.1	19.1	+4.0 ppt
PATMI margin (%)	2.0	2.9	+0.9 ppt

Source: HLA, UOB Kay Hian

Analysis

- **1H26 results better than expected.** 1H26 revenue grew 17.6% yoy to S$3,129m, accounting for 52% of our forecast, driven by double-digit growth across both powertrain solutions and building materials (BMU) business segments. PATMI grew 64.1% yoy to S$91.9m, beating expectations and representing 65% of our full-year forecasts. Bottom line growth was driven by higher profitability in both business segments, and further supported by contribution from the recent Yong Tai Loong (YTL) acquisition in Apr 26 that broadens HLA's Singapore building materials offering.
- **Higher interim dividend underpins strong earnings trajectory.** Hong Leong Asia (HLA) declared an interim dividend of S$0.03/share for 1H26 (1H25: S$0.02/share; +50% yoy). This is backed by stronger earnings, alongside a strong net cash position of around S$1.08b. Notably, the higher payout comes despite an enlarged share base from a placement in May 26, which raised total shares outstanding by 6.7% to 798.1m as at end-June (end-25: 748.1m). Even after this dilution, the 50% DPS increase still outpaced share count growth, underscoring management's confidence in the earnings trajectory.

Key Financials

Year to 31 Dec (S$m)	2024	2025	2026F	2027F	2028F
Net turnover	4,249	5,182	6,092	6,539	6,955
EBITDA	150	254	431	446	475
Operating profit	63	170	272	287	316
Net profit (rep./act.)	87	113	165	172	185
Net profit (adj.)	87	113	165	172	185
EPS (S$ cent)	11.7	15.1	20.7	21.6	23.1
PE (x)	27.3	21.1	15.4	14.7	13.7
P/B (x)	2.3	2.2	2.1	1.9	1.8
EV/EBITDA (x)	21.0	12.5	7.3	7.1	6.7
Dividend yield (%)	1.3	1.6	2.3	2.4	2.5
Net margin (%)	2.1	2.2	2.7	2.6	2.7
Net debt/(cash) to equity (%)	(47.1)	(77.5)	(66.3)	(62.5)	(59.6)
Interest cover (x)	4.4	11.1	16.9	18.8	20.0
ROE (%)	9.0	10.7	14.4	13.7	13.5
Consensus net profit (S$m)	-	-	151	179	213
UOBKH/Consensus (x)	-	-	1.10	0.96	0.87

Source: HLA, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	S$3.18
Target Price	S$4.70
Upside	47.8%
Previous TP	S$4.90

Stock Data

Sector	Industrials
Bloomberg ticker	HLA SP
Shares issued (m)	798.1
Market cap (S$m)	2,538.1
Market cap (US$m)	1,982.4
3-mth avg daily t'over (US$m)	4.2

Price Performance (%)

52-week high/low: S$3.88/S$1.70

1mth	3mth	6mth	1yr	YTD
20.9	(16.8)	(4.5)	81.7	32.5

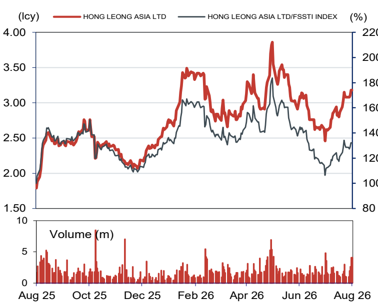
Major Shareholders (%)

Hong Leong Investment Hldgs	75.23
Kwek Leng Peck	1.39

Balance Sheet Metrics

FY26 NAV/Share (S$)	1.50
FY26 Net Debt/Share (S$)	0.99

Price Chart



Source: Bloomberg

Company Description

HLA is part of the Hong Leong Group and is involved in diesel engine production in China via its part ownership of NYSE-listed China Yuchai as well as building materials in Malaysia and Singapore.

- **Powertrain solutions segment extends its winning streak.** This segment remained the primary growth engine, with revenue rising 16.8% yoy to S$2.73b and PAT up 61.8% yoy to S$156.7m. Engine unit sales grew 10.9% yoy to 277,684 units, with truck engine sales up 20.4% yoy, well ahead of China's commercial vehicle industry growth of 5.8%. Off-road demand was also strong, with marine and genset units up 42.0% yoy and industrial units up 15.8% yoy. Margin expansion was driven by a richer mix of heavy-duty and export engines alongside scale and cost efficiencies. Management expects growth to continue, underpinned by rising demand for advanced engines from data centres and further export growth.
- **BMU steps up a gear.** BMU revenue rose 24.1% yoy to S$384.8m, with profit up 49.9% yoy to S$56.1m, a marked acceleration from the broadly flat performance seen previously. Singapore precast and ready-mix concrete demand stayed robust, lifting the precast orderbook to a record. Malaysia (Tasek) benefitted from better pricing and stronger associate contributions, offsetting higher fuel and logistics costs. The Apr 26 acquisition of YTL further strengthened the segment's architectural building products offering. Management expects healthy growth across precast, ready-mix concrete and architectural building products as orderbooks are delivered. By geography, Singapore and Malaysia BMU expect healthy demand from public and private projects, though the Middle East conflict continues to pressure fuel and logistics costs.
- **Further uplift to BMU business from recent YTL acquisition.** The S$90.7m YTL acquisition, completed in Apr 26, broadens HLA's Singapore BMU offering and was funded via the recent S$142.1m share placement, with S$40.2m already used to repay related borrowings and the remaining approximately S$50m earmarked for working capital, capex and potential overseas acquisition opportunities. Management's pro forma (assuming completion on 1 Jan 25) showed 2025 EPS rising 18.6% to S$0.1789 excluding one-offs, underscoring the deal's accretive nature. Since 1H26 only captured less than two months of contribution vs a full year in the pro forma, we expect a meaningful uplift in 2H26, with the full accretive impact flowing through from 2027.

Earnings Revision/Risk

- We raise our 2026-228 revenue and earnings forecasts by 2%/2%/2% and 18%/12/12% respectively to take into account stronger 1H26 performance, a higher margin profile mix going forward, as well as earnings accretion from the acquisition of YTL. We have also factored in S$1.8m-2.2m in interest costs given that this was funded by debt.
- **Risks.** We see key risks to the company being cyclical commercial vehicle demand and construction cost volatility, though current net cash positioning provides some downside resilience.

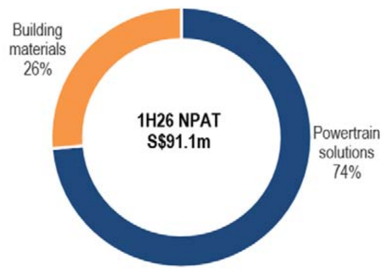
Valuation/Recommendation

- We maintain our BUY rating on HLA with a lower SOTP-based target price of S$4.70 (previously S$4.90), as we take into account the higher share base following the recent placement in May 26. We continue to expect a strong growth profile for HLA in 2H26.
- In our view, HLA's valuation multiples appear inexpensive as the company is trading at 2027F PE of 14.7x. Its ex-cash PE for 2026 is even lower at 10.6x, based on our 2026 net profit estimates, while delivering an ROE of 13.8%.

Share Price Catalyst

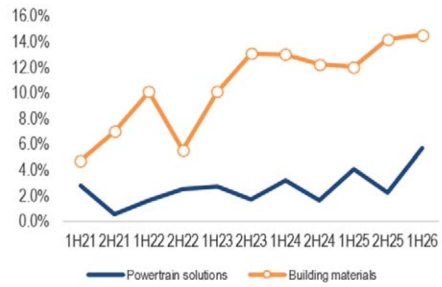
- Newsflow on the valuations of HLA's Guangxi Yuchai Marine and Genset Power as it heads towards its IPO in Hong Kong in 2026.
- Continued strong sales performance from its powertrain solutions segment.
- Sequential earnings recovery from its BMU segment in 1H26.
- Further value-unlocking initiatives at both the HLA and China Yuchai levels.

Share Of Net Profit By Business Segment



Note: NPAT attributable to shareholders
Source: HLA

PAT Margin



Source: HLA

Financial Metrics By Segment

Segment	Metric	1H26	1H25	Change (%)
Powertrain Solutions	Volume (units)	277,684	250,396	10.9%
	Revenue	S$2.73b	S$2.34b	16.8%
	Profit After Tax	S$156.7m	S$96.8m	61.8%
	PAT Margin	5.7%	4.1%	+1.6ppt
Building Materials (incl. YTL)	Revenue	S$384.8m	S$310.2m	24.1%
	Profit After Tax	S$56.1m	S$37.4m	49.9%
	PAT Margin	14.6%	12.1%	+2.5ppt

Source: HLA

SOTP Valuation

Segment	Method	S$m	S$/share
Powertrain Solutions	15x PE	1,191	1.49
Building Materials	8.4x EBITDA	1,480	1.85
BRC Asia (20% stake)	UOBKH target price*	291	0.36
Sub-total		2,962	3.71
Add: Net cash		794	0.98
Total		3,755	4.70

**UOBKH's TP for BRC Asia of S$5.30 as at 13 May 26.*
Source: UOB Kay Hian

Profit & loss

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Net turnover	5,182	6,092	6,539	6,955
EBITDA	254	431	446	475
Deprec. & amort.	84	159	159	159
EBIT	170	272	287	316
Total other non-operating income	90	90	90	90
Associate contributions	52	52	52	52
Net interest income/(expense)	(23)	(25)	(24)	(24)
Pre-tax profit	290	390	406	436
Tax	(76)	(78)	(81)	(87)
Minorities	(100)	(146)	(153)	(164)
Net profit	113	165	172	185
Net profit (adj.)	113	165	172	185

Balance Sheet

Year to 31 Dec (S$m)	2,025	2026F	2027F	2028F
Fixed assets	779	806	797	788
Other LT assets	862	918	918	918
Cash/ST investment	1,603	1,642	1,667	1,701
Other current assets	3,340	4,003	4,297	4,584
Total assets	6,583	7,369	7,679	7,992
ST debt	494	494	494	494
Other current liabilities	3,025	3,665	3,910	4,139
LT debt	264	355	355	355
Other LT liabilities	218	218	218	218
Shareholders' equity	1,091	1,198	1,310	1,430
Minority interest	1,493	1,418	1,354	1,300
Total liabilities & equity	6,583	7,347	7,640	7,936

Cash flow

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Operating	594	473	458	473
Pre-tax profit	290	390	406	436
Tax	(55)	(78)	(81)	(87)
Deprec. & amort.	159	159	159	159
Associates	(52)	0	0	0
Working capital changes	74	(23)	(49)	(58)
Non-cash items	(0)	0	0	0
Other operating cashflows	180	25	24	24
Investing	(91)	(150)	(150)	(150)
Capex (growth)	(114)	(150)	(150)	(150)
Investment	0	0	0	0
Proceeds from sale of assets	1	0	0	0
Others	22	0	0	0
Financing	(221)	(283)	(284)	(288)
Dividend payments	(37)	(58)	(60)	(65)
Proceeds from borrowings	291	0	0	0
Loan repayment	(418)	(200)	(200)	(200)
Others/interest paid	(56)	(25)	(24)	(24)
Net cash inflow (outflow)	283	39	24	34
Beginning cash & cash equivalent	1,422	1,603	1,642	1,667
Changes due to forex impact	(6)	0	0	0
Ending cash & cash equivalent	1,699	1,642	1,667	1,701

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	4.9	7.1	6.8	6.8
Pre-tax margin	5.6	6.4	6.2	6.3
Net margin	2.2	2.7	2.6	2.7
ROA	1.8	2.4	2.3	2.4
ROE	10.7	14.4	13.7	13.5
Growth				
Turnover	22.0	17.6	7.3	6.4
EBITDA	68.8	69.8	3.4	6.6
Pre-tax profit	49.1	34.6	4.2	7.3
Net profit	29.4	46.3	4.2	7.3
Net profit (adj.)	29.4	46.3	4.2	7.3
EPS	29.4	37.2	4.2	7.3
Leverage				
Debt to total capital	22.7	24.5	24.2	23.7
Debt to equity	69.4	70.8	64.8	59.3
Net debt/(cash) to equity	(77.5)	(66.3)	(62.5)	(59.6)
Interest cover (x)	11.1	16.9	18.8	20.0

Singapore Technologies Engineering (STE SP)

1H26: Results In Line; Expect Strong Contract Wins In 2H26

Highlights

- STE's 1H26 results came in in line with our expectations, with net profit of S$512m (+27.1% yoy) forming 48.6% of our full-year forecast.
- Orderbook hit a new record-high level of S$35.7b by end-1H26. The slower 2Q26 order win was only a timing issue, as demand remained strong. STE guides for 2026 total contract wins to be at least comparable to 2025 levels, implying strong order wins of S$11b or more in 2H26.
- Maintain BUY; target price remains at S$11.75, based on 27.0x 2028F PE.

1H26 Results

Year to 31 Dec (S$m)	1H26	1H25	yoy % chg	2H25	hoh % chg	2026F	1H as of 2026F	Remarks
Revenue	6,573	5,916	+11.1	6,430	+2.2	13,705	48.0%	In line
- CA	2,694	2,347	+14.8	2,639	+2.1	5,400	49.9%	In line
- USS	1,056	921	+14.7	1,105	-4.5	2,271	46.5%	Broadly in line
- DPS	2,823	2,648	+6.6	2,686	+5.1	6,034	46.8%	Broadly in line
Reported EBIT	701	563	+24.6	280	+150.3	1,415	49.6%	In line
Core EBIT	685	563	+21.6	619	+10.6	1,415	48.4%	In line
- CA	259	187	+38.6	245	+6.1	470	55.2%	Beat expectations
- USS	46	12	+299.9	20	+132.0	143	32.4%	Behind our projection
- DPS	396	364	+8.7	354	+11.7	802	49.3%	In line
Reported net profit	512	403	+27.1	60	+759.0	1,053	48.6%	In line
Core net profit	499	403	+24.0	448	+11.5	1,053	47.4%	In line
Core EBIT margin	10.4	9.5	+0.9ppt	9.6	+0.8ppt	10.3		
- CA	9.6	8.0	+1.7ppt	9.3	+0.4ppt	8.7		Above expectations
- USS	4.4	1.3	+3.1ppt	1.8	+2.6ppt	6.3		Below expectations
- DPS	14.0	13.8	+0.3ppt	13.2	+0.8ppt	13.3		Above expectations
Core net profit margin	7.6	6.8	+0.8ppt	7.0	+0.6ppt	7.7		In line

Source: STE, UOB Kay Hian

Analysis

- **1H26 results in line.** Singapore Technologies Engineering (STE) reported a 1H26 net profit of S$512m (+27.1% yoy), forming 48.6% of our full-year forecast. Excluding one-offs, core net profit rose 24.0% yoy to S$499m. EBIT grew 24.6% yoy to S$701m, forming 49.6% of our full-year forecast.

Key Financials

Year to 31 Dec (S$m)	2024	2025	2026F	2027F	2028F
Net turnover	11,276	12,346	13,705	15,111	16,673
EBITDA	1,523	1,374	1,939	2,125	2,335
Operating profit	1,006	843	1,437	1,593	1,771
Net profit (rep./act.)	702	463	1,054	1,195	1,356
Net profit (adj.)	681	851	1,041	1,195	1,356
EPS (S$ cents)	21.7	27.1	33.2	38.1	43.2
PE (x)	47.8	38.2	31.2	27.2	24.0
P/B (x)	12.1	12.5	11.1	9.3	7.8
EV/EBITDA (x)	23.3	26.2	18.5	16.9	15.4
Dividend yield (%)	1.6	2.2	1.9	2.1	2.3
Net margin (%)	6.2	3.7	7.7	7.9	8.1
Net debt/(cash) to equity (%)	161.1	120.9	100.9	72.3	46.8
ROE (%)	27.4	17.6	38.4	37.4	35.5
Consensus net profit	-	-	1,049	1,218	1,379
UOBKH/Consensus (x)	-	-	0.99	0.98	0.98

Source: STE, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	S$10.36
Target Price	S$11.75
Upside	13.4%
Previous TP	S$11.75

Stock Data

Sector	Industrials
Bloomberg ticker	STE SP
Shares issued (m)	3,119.3
Market cap (S$m)	32,316.0
Market cap (US$m)	25,239.0
3-mth avg daily t'over (US$m)	43.4

Price Performance (%)

52-week high/low				S$11.63/S$7.54
1mth	3mth	6mth	1yr	YTD
(5.0)	(3.9)	3.5	15.6	23.0

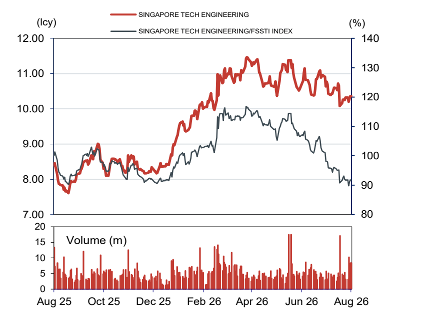
Major Shareholders (%)

Temasek Hldgs	51.0

Balance Sheet Metrics

FY26 NAV/Share (S$)	0.93
FY26 Net Debt/(Cash)/Share (Rmb)	1.30

Price Chart



Source: Bloomberg

Company Description

Singapore Technologies Engineering is a global technology, defence and engineering group with a diverse portfolio of businesses across the aerospace, smart city, defence and public security segments.

- **Segmental performance: CA beat, USS miss, DPS in line.**
  - **Commercial aerospace (CA):** 1H26 CA EBIT of S$259m (+38.6% yoy) beat our expectation, forming 55.2% of our full-year forecast. The beat was mainly from higher-than-expected EBIT margin of 9.6% in 1H26 (+1.7ppt yoy), which was driven by a more favourable product mix and productivity savings. Revenue was largely in line, rising 14.8% yoy, driven by stronger engine MRO, nacelles and spares sales.
  - **Urban solutions and satcom (USS):** 1H26 USS EBIT of S$46m (+300% yoy) came in behind our projection, forming 32.4% of our full-year forecast. 2H26 is expected to be stronger for USS, driven by better performances from both the urban solutions (URS) and satcom businesses. Management targets the satcom business to turn EBIT-positive in 4Q26 and 2027, driven by both: a) cost initiatives completed in 1H26, and b) increasing demand for its new I-Direct Intuition platform.
  - **Defence & public security (DPS):** 1H26 DPS EBIT of S$396m (+8.7% yoy) was in line with our expectation, at 49.3% of our full-year forecast. Revenue rose 6.6% yoy, driven by growth across all sub-segments. Excluding the impacts from the disposal of Leeboy, revenue would have grown 14% yoy. DPS EBIT margin came in slightly above our projection, at 14.0% (+0.3ppt yoy) in 1H26.
- **Declared 2Q26 interim dividend of 5 S cents.** This is in line with our expectation. Another 5 S cents interim dividend is planned for 3Q26.
- **Record-high orderbook backlog.** Orderbook backlog stood at S$35.7b as of end-1H26 (end-25: S$33.2b, end-1Q26: S$34.5b), providing good medium-term revenue visibility. STE secured S$2.9b worth of contract wins in 2Q26, slower than the quarterly contract wins of over S$4b in the preceding six quarters. We understand that this moderation in contract wins in 2Q26 was only due to the timing of contract awards, as the demand and fundamentals of all three segments have remained strong.
- **Orderbook to revenue conversion guidance implies yoy faster revenue growth for 2H26.** STE has guided to convert S$5.7b orderbook into revenue in 2H26, representing a 14% yoy increase from the S$5.0b guidance that was given a year ago for 2H25. The implied 2H26 revenue growth is slightly faster than the of 11.1% yoy revenue growth achieved in 1H26.
- **Outlook remains upbeat...** Management believes that STE is well on track to achieve its 2029 growth targets, and noted that the CA segment and digital businesses are likely to hit their respective revenue targets one year ahead of schedule. For 2H26, management expects the strong revenue growth momentum of DPS and CA to sustain and guides for USS to record a stronger performance hoh, driven by both the URS and satcom businesses.
- **…with stronger contract win momentum expected for 2H26.** Backed by the secular demand growth across STE's all three business segments, management remains bullish about STE's contract win momentum moving forward. Management guided that STE's 2026 total contract wins should be at least as robust as the 2025 contract win levels (S$18.7b), implying contract wins of S$11b or more for 2H26, or an average quarterly win of over S$5.5b; this is even stronger than the previous six peak quarters through 4Q24-1Q26, when quarterly contract wins ranged at S$4.2b-4.9b.

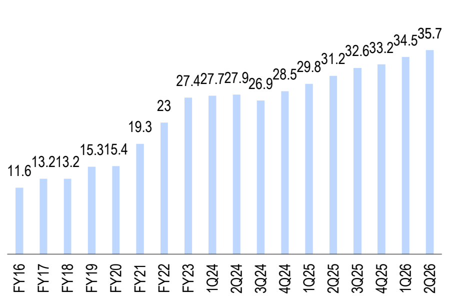
Earnings Revision/Risk

- **We maintain our 2026 net profit forecast, while trimming our 2027-28 forecasts by 2%,** as we fine-tune our effective tax rate projections for STE**.**
- **Key risks:** a) project cost overrun, and b) adverse forex translation from a weaker US dollar.

Valuation/Recommendation

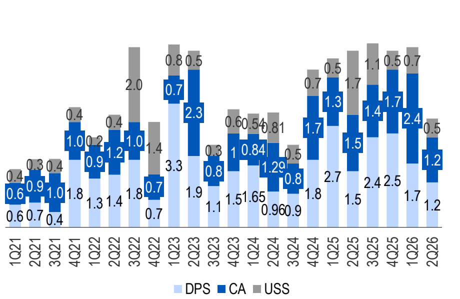
- **Maintain BUY.** Our target price remains unchanged at S$11.75, which is now based on 27.0x 2028F PE (rolled over), or 2.0SD above STE's historical mean PE of 21.0x. STE currently trades at 27.0x 2027F PE and 23.8x 2028F PE, 2.0SD/0.9SD above its historical mean.

Orderbook Backlog (S$b)



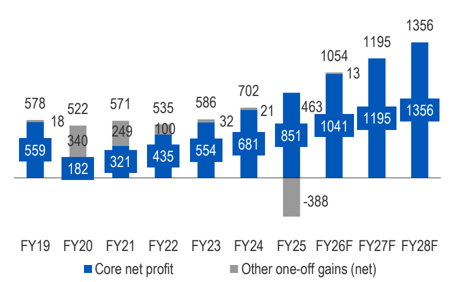
Source: STE

Order Wins By Business Segment



Source: STE

Yearly Net Profit Trend (S$m)



Source: STE, UOB Kay Hian

PE-based Valuation

		2026F	2027F	2028F
EPS		S$0.338	S$0.383	S$0.435
PE peg		----------- Target price	---------------	
+2.0SD	27.0x	S$9.13	S$10.35	S$11.75
+1.5SD	25.5x	S$8.63	S$9.78	S$11.09
+1.0SD	24.0x	S$8.12	S$9.20	S$10.44
+0.5SD	22.5x	S$7.61	S$8.63	S$9.79
Mean	21.0x	S$7.10	S$8.05	S$9.14

Source: UOB Kay Hian

Profit & loss

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Net turnover	12,346	13,705	15,111	16,673
EBITDA	1,374	1,939	2,125	2,335
Deprec. & amort.	531	501	531	564
EBIT	843	1,437	1,593	1,771
Total other non-op. income	0	0	0	0
Associate contributions	62	67	68	69
Net interest income/(expense)	(204)	(168)	(150)	(127)
Pre-tax profit	701	1,336	1,512	1,713
Tax	(205)	(248)	(282)	(320)
Minorities	(33)	(34)	(36)	(37)
Net profit	463	1,054	1,195	1,356
Net profit (adj.)	851	1,041	1,195	1,356

Balance Sheet

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Fixed assets	2,926	3,149	3,341	3,501
Other LT assets	5,012	4,919	4,826	4,733
Cash/ST investment	576	563	540	517
Other current assets	7,517	7,856	8,277	8,746
Total assets	16,032	16,487	16,985	17,497
ST debt	1,637	1,637	1,637	1,637
Other current liabilities	5,850	6,156	6,583	7,058
LT debt	3,196	2,973	2,443	1,763
Other LT liabilities	2,428	2,428	2,428	2,428
Shareholders' equity	2,574	2,911	3,477	4,157
Minority interest	348	382	418	454
Total liabilities & equity	16,032	16,487	16,985	17,497

Cash flow

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Operating	1,708	1,665	1,860	2,032
Pre-tax profit	701	1,336	1,512	1,713
Tax	(145)	(248)	(282)	(320)
Deprec. & amort.	531	501	531	564
Associates	(62)	(67)	(68)	(69)
Working capital changes	44	(33)	6	6
Non-cash items	0	0	0	0
Other operating cashflows	639	175	161	138
Investing	170	(464)	(463)	(462)
Capex	(581)	(530)	(531)	(531)
Investment	0	0	0	0
Proceeds from sale of assets	0	0	0	0
Others	751	67	68	69
Financing	(1,801)	(1,215)	(1,420)	(1,594)
Dividend payments	(530)	(717)	(629)	(675)
Proceeds from borrowings	1,910	0	0	0
Loan repayment	(2,834)	(223)	(530)	(680)
Others/interest paid	(346)	(275)	(261)	(239)
Net cash inflow (outflow)	78	(13)	(23)	(24)
Beginning cash & cash equiv.	430	576	563	540
Changes due to forex impact	69	0	0	0
Ending cash & cash equiv.	576	563	540	517

Key Metric

Year to 31 Dec	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	11.1	14.1	14.1	14.0
Pre-tax margin	5.7	9.7	10.0	10.3
Net margin	3.7	7.7	7.9	8.1
ROA	2.9	6.5	7.1	7.9
ROE	17.6	38.4	37.4	35.5
Growth (% yoy)				
Turnover	9.5	11.0	10.3	10.3
EBITDA	(9.8)	41.1	9.6	9.9
Pre-tax profit	(18.7)	90.6	13.1	13.3
Net profit	(34.1)	127.8	13.3	13.5
Net profit (adj.)	24.9	22.4	14.7	13.5
EPS	24.9	22.5	14.7	13.5
Leverage				
Debt to total capital	62.3	58.3	51.2	42.4
Debt to equity	165.4	140.0	104.8	73.7
Net debt/(cash) to equity	120.9	100.9	72.3	46.8

Singapore Telecommunications (ST SP)

1QFY27: In Line; Tracking Ahead of FY27 EBIT Guidance

Highlights

- Singtel delivered robust 1QFY27 underlying net profit of S$831m (+21 yoy), driven by higher Airtel and AIS contributions and growth in Optus, NCS and Digital Infraco. Results are in line with expectations.
- The Singapore market saw price competition, leading to a 2% yoy decline in EBIT. Optus ARPU uplift yielded positive results that will flow through into 2QFY27.
- Maintain BUY with an SOTP-based target price of S$5.50.

1QFY27 Results

Year to 31 Mar (S$m)	1QFY27	4QFY26	1QFY26	qoq%	yoy%
Group Operating Revenue:	3,558	3,689	3,392	(3.6)	4.9
Optus	1,789	1,827	1679	(2.1)	6.6
Singapore Consumer	901	891	929	1.1	(3.0)
NCS	804	868	733	(7.4)	9.7
Digital InfraCo	127	165	107	(23.0)	18.7
Group EBITDA:	1,076	927	990	16.1	8.7
Optus	557	512	487	8.8	14.4
Singapore Consumer	363	309	380	17.5	(4.5)
NCS	114	90	97	26.7	17.5
Digital InfraCo	70	79	58	(11.4)	20.7
EBITDA margin (%)	30.2	25.1	29.2	5.1ppt	1.1ppt
Regional Mobile Associates	772	743	669	3.9	15.4
Underlying Net Profit	831	672	686	23.7	21.1

Source: Singtel, UOB Kay Hian

Analysis

- **Strong 1QFY27 performance.** Singapore Telecommunications (Singtel) reported underlying net profit of S$831m (+21 yoy), in line with house and street estimates. The quarter saw: a) 10% yoy opco EBIT growth from Optus, NCS and Digital Infraco; and b) 15% yoy increase in associate earnings. Singtel Singapore EBIT fell 2% yoy, reflecting intense price competition, partly offset by lower depreciation.

Key Financials

Year to 31 Mar (S$m)	2025	2026F	2027F	2028F	2029F
Net turnover	14,146	14,260	14,625	14,988	15,382
EBITDA	3,792	3,847	4,035	4,153	4,256
Operating profit	3,880	4,390	4,565	4,796	5,049
Net profit (rep./act.)	4,017	5,606	2,980	3,135	3,304
Net profit (adj.)	2,470	2,769	2,980	3,135	3,304
EPS	14.9	16.8	18.1	19.0	20.0
PE (x)	28.6	25.5	23.6	22.5	21.3
P/B (x)	2.7	2.5	2.5	2.5	2.5
EV/EBITDA (x)	20.6	20.7	19.5	19.2	19.0
Dividend yield (%)	4.0	4.3	4.6	4.8	3.7
Net margin (%)	17.5	19.4	20.4	20.9	21.5
Net debt/(cash) to equity(%)	34.4	28.7	32.6	36.7	35.7
Interest cover (x)	11.3	12.2	12.4	12.6	12.8
ROE (%)	9.5	9.7	10.5	11.2	11.5
Consensus net profit	n.a	n.a	3,198	3,618	4,107
UOBKH/Consensus (x)	n.a	n.a	0.93	0.87	0.80

Source: Singtel, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	S$4.27
Target Price	S$5.50
Upside	28.8%

Stock Data

Sector	Communication Services
Bloomberg ticker	16,512.8
Shares issued (m)	69,685.8
Market cap (S$m)	54,420.8
Market cap (US$m)	126.7
3-mth avg daily t'over (US$m)	16,512.8

Price Performance (%)

52-week high/low S$5.27/S$3.95

1mth	3mth	6mth	1yr	YTD
(3.6)	(11.4)	(11.4)	8.9	(6.2)

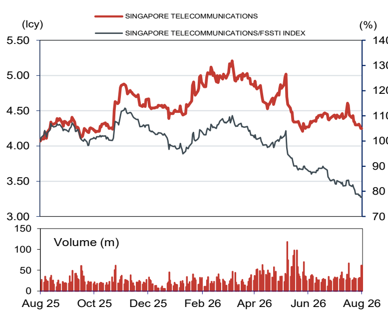
Major Shareholders (%)

Temasek Holdings	50.9
Capital Group Companies	5.4
Vanguard Group	2.0

Balance Sheet Metrics

FY27F NAV/Share (S$)	1.7
FY27F Net Debt/Share (S$)	0.6

Price Chart



Source: Bloomberg

Company Description

Singtel is a telecommunications company offering a diverse range of services, including fixed-line, mobile, data, internet, TV, and digital solutions. It also has operations in Australia, India, Indonesia, Thailand and the Philippines.

- **Optus: ARPU uplift to sustain into 2QFY27.** On a constant currency basis, 1QFY27 operating revenue fell 2% yoy on weaker device sales. That said, service revenue rose 3% yoy on the back of ARPU uplift (effective May 26). The higher service revenue, lower depreciation and overall cost discipline led to EBIT growth of 14% yoy to A$152m. Postpaid and prepaid subscribers declining by 39,000 and 14,000 qoq, respectively.
- **Singapore: Intense mobile competition.** 1QFY27 mobile service revenue fell 4% yoy given intense price competition. Increase in data and internet was offset by decline in mobile, ICT and legacy services. Overall, EBIT fell 2% on lower depreciation charges. Blended ARPU was stable qoq at S$22/month with a net add of 51,000 subscribers in the quarter.
- **NCS: Orderbook remains healthy.** NCS reported 1QFY27 revenue and EBIT growth of 10% yoy and 29% yoy respectively. This reflects robust demand for digital resilience services. Effective cost discipline has led to its 1QFY27 EBIT surging 29% yoy. During the quarter, NCS secured new orders amounting to S$860m, book-to-bill ratio of 1.1x.
- **Digital Infraco: Strong revenue uplift of 19% yoy** driven by the commissioning of Nxera's DC Tuas (in Jan 26) and capacity deployment from RE:AI's AI cloud service. EBIT rose 10% yoy after including higher depreciation charges with the commissioning of DC Tuas.
- **Regional associates: Strong performance from Airtel and AIS.** Airtel group reported a 39% yoy jump in net contribution, driven by India mobile ARPU uplift of 5%, and record subscribers net add in the quarter. AIS recorded a 33% increase in net contribution, supported by higher mobile and broadband service revenue, cost discipline and lower depreciation. Globe's net contribution fell 9% yoy. Despite healthy demand for data usage and connectivity, earnings were dragged down by elevated depreciation and finance costs. Telkomsel's net contribution rose marginally by 2% yoy as price competition was stable in the quarter. That said, we note that price competition has been intense in Jul 26.

Valuation/Recommendation

- **Maintain BUY with an SOTP-based target price of S$5.50** (discount rate: 7%, growth rate: 2.5%). We pencilled in a successful acquisition of a 25% equity stake in ST Telemedia Global Data Centres, slated to be completed by Sep 26, based on S$20m/MW enterprise value over 1GW of DC capacity in the near term.

Earnings Revision/Risk

- No revision to earnings.

Share Price Catalyst

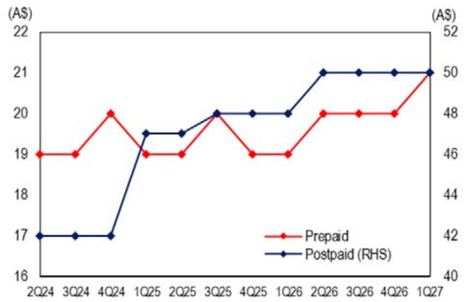
- **Key re-rating catalysts** include: a) market repair after consolidation in Singapore, b) value illumination of data centres and/or NCS; and c) stronger-than-expected Optus savings.

SOTP-based Fair Value At S$5.50/Share

	Valuation (S$m)	% of SOTP
Singapore ST	10,346	10%
Optus	15,512	15%
NCS, Digital Infraco, STT GDC	13,960	13%
Total enterprise value	39,818	37%
Net debt	10,705	10%
Total equity value of unlisted OpCos	29,113	27%
Equity Value of Associates		
GULF	1,958	2%
Airtel	50,348	50%
AIS	8,768	9%
Globe	2,228	2%
Telkomsel	14,147	14%
Total equity value of associates	77,449	76%
Total equity value of Singtel (S$m)	106,562	
Equity value/share (S$)	6.44	
Fair value/share (S$) (holding company discount of 15%)	5.50	

Source: UOB Kay Hian

Singtel Singapore



Source: Singtel, UOB Kay Hian

Regional Associates PBT Contribution

Associates (S$m)	1QFY27	yoy % chg
Telkomsel (Indonesia)	148	0.7
AIS (Thailand)	167	33.6
Intouch (Thailand)	–	–
Globe (Philippines)	65	(7.1)
Bharti Airtel (India)	392	19.9
Total	772	15.4

Source: Singtel, UOB Kay Hian

1QFY27 Performance Exceeded FY27 Outlook

Source: Singtel

Profit & Loss

Year to 31 Mar (S$m)	2026	2027F	2028F	2029F
Net turnover	14,260	14,625	14,988	15,382
EBITDA	3,847	4,035	4,153	4,256
Deprec. & amort.	2,021	2,130	2,149	2,137
EBIT	4,390	4,565	4,796	5,049
Net interest income/(expense)	2,476	(368)	(382)	(395)
Pre-tax profit	6,866	4,197	4,415	4,654
Tax	(1,249)	(1,217)	(1,280)	(1,350)
Minorities	(11)	-	-	-
Net profit	5,606	2,980	3,135	3,304
Net profit (adj.)	2,769	2,980	3,135	3,304

Balance Sheet

Year to 31 Mar (S$m)	2026	2027F	2028F	2029F
Fixed assets	11,256	11,320	11,419	11,359
Other LT assets	30,517	31,207	31,897	32,587
Cash/ST investment	3,470	2,876	2,263	2,716
Other current assets	5,454	5,584	5,715	5,858
Total assets	50,697	50,987	51,294	52,520
ST debt	1,100	1,100	1,100	1,100
Other current liabilities	7,481	7,569	7,689	7,834
LT debt	10,579	11,018	11,467	11,882
Other LT liabilities	2,820	2,820	2,820	2,820
Shareholders' equity	28,559	28,323	28,060	28,726
Minority interest	157	157	157	157
Total liabilities & equity	50,697	50,987	51,294	52,520

Cash Flow

Year to 31 Mar (S$m)	2026	2027F	2028F	2029F
Operating	4,920	5,758	5,977	6,161
Pre-tax profit	6,866	4,197	4,415	4,654
Tax	(1,249)	(1,217)	(1,280)	(1,350)
Deprec. & amort.	2,021	2,130	2,149	2,137
Associates	1,249	-	-	-
Working capital changes	255	(43)	(10)	1
Other operating cashflows	(4,222)	691	705	718
Investing	4	(3,207)	(3,261)	(3,090)
Capex (maintenance)	(2,482)	(2,194)	(2,248)	(2,077)
Proceeds from sale of assets	6	7	8	9
Others	2,486	(1,013)	(1,013)	(1,013)
Financing	(4,241)	(3,145)	(3,329)	(2,618)
Dividend payments	(3,005)	(3,216)	(3,397)	(2,639)
Issue of shares	6	7	8	9
Proceeds from borrowings	7	439	450	415
Others/interest paid	(1,249)	(375)	(390)	(404)
Net cash inflow (outflow)	683	(594)	(613)	453
Beginning cash & cash equivalent	2,766	3,470	2,876	2,263
Changes due to forex impact	6	7	8	9
Ending cash & cash equivalent	3,470	2,876	2,263	2,716

Key Metric

Year to 31 Mar (%)	2026	2027F	2028F	2029F
Profitability				
EBITDA margin	26.8	27.9	28.7	29.0
Pre-tax margin	35.9	26.1	27.7	28.8
Net margin	28.4	18.8	20.0	20.7
ROA	5.3	5.8	6.3	6.6
ROE	9.5	10.6	11.7	12.6
Growth				
Turnover	0.1	2.0	3.1	2.3
EBITDA	5.4	6.1	6.0	3.4
Pre-tax profit	195.2	(25.8)	9.5	6.3
Net profit	9.3	9.9	9.5	6.3
Net profit (adj.)	9.3	9.9	9.5	6.3
EPS	9.3	9.9	9.5	6.3
Leverage				
Debt to total capital	0.3	0.3	0.3	0.3
Debt to equity	0.5	0.5	0.5	0.5
Net debt/(cash) to equity	0.3	0.4	0.4	0.4
Interest cover	11.3	11.9	12.5	12.7

UltraGreen.ai (UGAI SP)

1H26: Robust Growth And More Positive Outlook For 2H26

Highlights

- 1H26 earnings of US$39m (+53% yoy) are in line with expectations, representing 48% of our 2026 forecast, with volume growing across all geographies.
- Verdye approvals have increased from 35 to 43 countries, while IC-Flow approvals have risen from 40 to 46 countries since end-25.
- UltraGreen has renewed its revenue guidance in anticipation of a better 2H26 revenue vs 1H26. Ultragreen is trading at an attractive PE of 16x 2027F vs peers of 27x. Maintain BUY with an unchanged target price of US$1.95.

1H26 Results

Year to 31 Dec	1H26	1H25	yoy%
Revenue (US$m)	87.2	70.1	24.0
Sales volume (no. of vials)	589,511	530,908	11.0
Gross profit (US$m)	75.5	59.6	27.0
Net profit (US$m)	39.2	25.7	53.0
Gross margins (%)	87.0	85.0	2.0ppt
Net margins (%)	45.0	36.6	8.4ppt

Source: UltraGreen, UOB Kay Hian

Analysis

- **Strong top-line growth, earnings in line.** UltraGreen.ai (UltraGreen) reported 1H26 revenue of US$87.2m (+24% yoy) and PATMI of US$39.2m (+53% yoy), forming 50% and 48% of our 2026 forecasts respectively. Growth was driven by an 11% yoy increase in Indocyanine Green (ICG) sales volume, improved pricing in the US and continued adoption across key markets. Management also guides 2026 revenue of US$175m-185m, with 2H26 revenue expected to exceed 1H26, supporting continued growth momentum.
- **Market and pipeline expansion support growth.** UltraGreen continues to broaden its footprint, with Verdye approvals increasing from 35 to 43 countries and IC-Flow approvals from 40 to 46 countries since end-25. The company has also secured Denmark's national tender through 2028. Beyond geographical expansion, PerfusionWorks is progressing towards European regulatory approval, while expansion into new indicators such as wound care should further broaden ICG adoption and support vial volume growth.

Key Financials

Year to 31 Dec (US$m)	2024	2025	2026F	2027F	2028F
Net turnover	115	138	177	205	232
EBITDA	72	89	106	120	135
Operating profit	66	83	99	112	127
Net profit (rep./act.)	56	51	83	94	106
Net profit (adj.)	56	64	83	94	106
EPS (US$ cent)	5.1	5.8	7.5	8.5	9.6
PE (x)	26.0	22.8	17.6	15.5	13.7
P/B (x)	n.a.	4.7	3.7	3.0	2.5
EV/EBITDA (x)	16.8	13.6	11.4	10.1	9.0
Dividend yield (%)	1.1	2.7	0.0	0.0	0.0
Net margin (%)	48.8	37.1	46.8	45.9	45.9
Net debt/(cash) to equity (%)	(537.2)	(55.7)	(61.6)	(65.7)	(69.1)
Interest cover (x)	n.a.	n.a.	n.a.	n.a.	n.a.
ROE (%)	n.a.	n.a.	23.5	21.4	19.7
Consensus net profit (US$m)	-	-	87	102	57
UOBKH/Consensus (x)	-	-	0.95	0.92	1.87

Source: UltraGreen.ai, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	US$1.32
Target Price	US$1.95
Upside	+47.7%

Stock Data

GICS sector	Health Care
Bloomberg ticker:	UGAI SP
Shares issued (m):	1,102.1
Market Cap (US$m):	1,454.8
Market cap (US$m):	1,454.8
3-mth avg t'over (US$m):	2.0

Price Performance (%)

52-week high/low US$1.86/US$1.15

1mth	3mth	6mth	1yr	YTD
8.2	1.5	(21.0)	n.a.	(12.6)

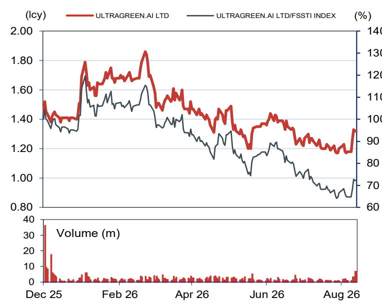
Major Shareholders (%)

Renew Group P/L	61.92
Anchor VI P/L	8.19
Verde Taano P/L	6.97

Balance Sheet Metrics

FY26 NAV/Share (US$)	0.36
FY26 Net Cash/ Share (US$)	0.22

Price Chart



Source: Bloomberg

Company Description

UltraGreen.ai Limited operates as a pharmaceutical imaging and fluorescence-guided surgery company. The Company develops vertical AI tools for surgical precision using data-driven fluorescence imaging solutions to improve patient outcomes. UltraGreen.ai serves health care sectors worldwide.

- **Sales volumes continued to display momentum.** 1H26 sales volumes rose 11% yoy to 589,511 vials, led by EMEA (+24% yoy to 196,165 vials) and a lower-base APAC (+45% yoy to 15,730 vials), while the US grew at a more modest 4% yoy to 377,616 vials. This momentum is likely to continue as global adoption of ICG in fluorescence-guided surgeries expands, with volumes expected to grow at a 3.1% CAGR through 2030.
- **Strong balance sheet supports growth and shareholder returns.** UltraGreen ended 1H26 with US$197.6m in cash and short-term liquid investments, up 12% from end-25, while remaining debt-free. The group generated US$27.9m of operating cash flow, providing flexibility to fund growth initiatives. It also declared a US$0.01/share interim dividend and repurchased around 1m shares, with management expecting to continue returning capital through semi-annual dividends and share buybacks.
- **Investing ahead of growth.** Adjusted EBITDA rose 16% yoy to US$52.5m, although margin moderated 5ppt to 60% as operating expenses increased 66% yoy to US$28.0m. The higher cost base reflects increased investment in headcount, with employees rising to 112 from 73 in 1H25, increased marketing expenditure, and higher listed company expenses. Management expects stronger operating leverage as revenue scales against the enlarged cost base.

Valuation/Recommendation

- **Maintain BUY with an unchanged PE-based target price of US$1.95**, implying 46.6% upside, pegged to 26x 2026F PE (in line with historical mean). The premium is justified by UltraGreen's market leadership, strong pricing power, and expanding global footprint.
- UltraGreen currently trades at 15.6x 2027F PE, below our target multiple of 26x.

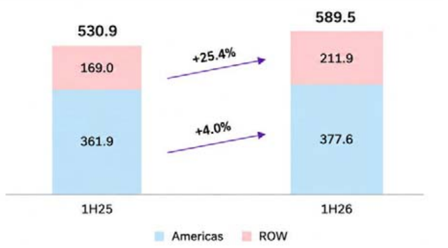
Earnings Revision/Risk

- We raise our 2026 revenue forecast to US$177m following the stronger-than-expected 1H26 top-line performance, supported by higher ICG vial volumes and improved US pricing. We keep our 2026 earnings forecast unchanged and trim 2027 PATMI to US$94m, as higher investment in headcount, marketing and listed-companies expenses offset some of the revenue upside.

Share Price Catalyst

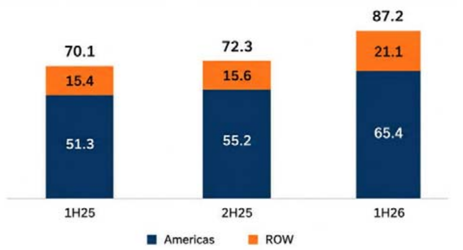
- Expansion into new countries and markets.
- Successful pipeline expansion into new products and procedures.
- Stronger operating leverage from investments made ahead of growth.

Number of vials sold ('000 units)



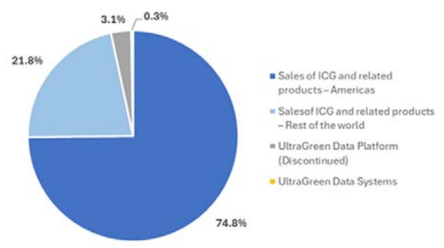
Source: UltraGreen, UOB Kay Hian

Revenue (US$m)



Source: UltraGreen, UOB Kay Hian

Revenue by business segments (2025)



Source: UltraGreen, UOB Kay Hian

Profit & loss

Year to 31 Dec (US$m)	2025	2026F	2027F	2028F
Net turnover	137.9	176.5	205.0	231.6
EBITDA	89.4	106.3	119.8	135.0
Deprec. & amort.	6.0	7.0	7.4	8.0
EBIT	83.4	99.3	112.4	127.0
Total other non-operating income	(10.0)	1.2	2.0	2.3
Associate contributions	(0.7)	(0.9)	(1.0)	(1.2)
Net interest income/(expense)	(0.1)	(0.1)	(0.1)	(0.1)
Pre-tax profit	72.6	99.5	113.2	128.0
Tax	(21.5)	(16.9)	(19.3)	(21.8)
Minorities	0.0	0.0	0.0	0.0
Net profit	51.1	82.6	94.0	106.2
Net profit (adj.)	63.8	82.6	94.0	106.2

Balance Sheet

Year to 31 Dec (US$m)	2025	2026F	2027F	2028F
Fixed assets	6.9	9.3	12.1	15.2
Other LT assets	73.7	76.1	79.7	84.2
Cash/ST investment	176.1	245.4	323.5	413.4
Other current assets	71.5	82.0	95.2	107.5
Total assets	328.2	412.9	510.5	620.3
ST debt	0.6	0.6	0.6	0.6
Other current liabilities	18.4	21.2	24.5	27.6
LT debt	2.5	2.5	2.5	2.5
Other LT liabilities	3.4	2.7	3.1	3.5
Shareholders' equity	310.6	393.2	487.2	593.5
Minority interest	0.0	0.0	0.0	0.0
Total liabilities & equity	335.6	420.3	517.9	627.7

Cash flow

Year to 31 Dec (US$m)	2025	2026F	2027F	2028F
Operating	53.3	81.2	91.9	105.5
Pre-tax profit	75.6	82.6	94.0	106.2
Tax	21.5	16.9	19.3	21.8
Deprec. & amort.	6.0	7.0	7.4	8.0
Associates	0.7	0.0	0.0	0.0
Working capital changes	(14.3)	(5.5)	(11.1)	(10.4)
Non-cash items	0.0	0.0	0.0	0.0
Other operating cashflows	(36.2)	(19.8)	(17.8)	(20.1)
Investing	13.0	(10.5)	(12.2)	(13.8)
Capex (maintenance)	0.0	0.0	0.0	0.0
Investment	(1.2)	0.0	0.0	0.0
Proceeds from sale of assets	0.0	0.0	0.0	0.0
Others	14.2	(10.5)	(12.2)	(13.8)
Financing	95.8	(1.4)	(1.6)	(1.8)
Dividend payments	(39.8)	0.0	0.0	0.0
Proceeds from borrowings	0.0	0.0	0.0	0.0
Loan repayment	(7.4)	(1.4)	(1.6)	(1.8)
Others/interest paid	143.0	0.0	0.0	0.0
Net cash inflow (outflow)	162.1	69.3	78.1	89.9
Beginning cash & cash equivalent	12.7	176.1	245.4	323.5
Changes due to forex impact	1.3	0.0	0.0	0.0
Ending cash & cash equivalent	176.1	245.4	323.5	413.4

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	64.8	60.2	58.4	58.3
Pre-tax margin	52.6	56.4	55.2	55.3
Net margin	37.1	46.8	45.9	45.9
ROA	21.7	22.3	20.4	18.8
ROE	n.a.	23.5	21.4	19.7
Growth				
Turnover	20.3	28.0	16.1	13.0
EBITDA	23.8	18.9	12.7	12.6
Pre-tax profit	8.7	37.0	13.8	13.0
Net profit	(8.6)	61.5	13.8	13.0
Net profit (adj.)	14.1	29.4	13.8	13.0
EPS	14.1	29.4	13.8	13.0
Leverage				
Debt to total capital	1.0	0.8	0.6	0.5
Debt to equity	1.0	0.8	0.6	0.5
Net debt/(cash) to equity	(55.7)	(61.6)	(65.7)	(69.1)
Interest cover (x)	n.a.	n.a.	n.a.	n.a.

Market Spotlight

Market News

US stocks were higher on Thursday, as the communication services, real estate and information technology sectors led shares higher. At the close of the NYSE, the Dow Jones rose 0.13% while the S&P 500 Index was up 0.65%, and the NASDAQ Composite Index gained 0.81%. Advancing stocks outnumbered falling420 ones on the NYSE by 1,767 to 970 and 94 ended unchanged; on the Nasdaq Stock Exchange, 2,967 advanced and 1,942 declined, while 181 ended unchanged.

During the last trading session, the FSSTI Index fell 0.70pt to 5,720.05. Among the top active stocks were Singtel (-0.9%), Seatrium (-0.5%), OCBC Bank (+1.0%), SingPost (+2.9%) and UMS (+5.1%). The FTSE ST Mid Cap Index fell 0.8%, while the FTSE ST Small Cap Index gained 0.8%. The broader market had 255 gainers and 314 losers with a total trading value of S$2.88b.

UOBKayHian

Company – Results | Singapore

Friday, 14 August 2026

AEM Holdings (AEM SP)

1H26: Earnings Met Expectation; Revenue Guidance Raised By 14%

Highlights

- 1H26 earnings of S$31m (+876% yoy) is in line with our estimate, at 48% of our full-year estimate. 1H26 revenue grew 30% yoy, led by the ramp-up of AEM's fabless AI/HPC customer, which is now its largest revenue contributor.
- 2026 revenue guidance is raised by 14% to S$630m-680m and AEM guided for EPS of 24.5-27.5 S cents per share for 2026.
- AEM remains confident in its growth trajectory. Maintain BUY with an unchanged target price of S$12.99.

1H26 Results

Year to 31 Dec (S$m)	1H26	1H25	yoy%
Revenue	247.2	190.3	30
PBT	38.2	3.9	869
PBT margin	15.5%	2.1%	13.4ppt
Net profit	30.8	3.2	876
Net profit margin	12.5%	1.7%	10.8ppt

Source: AEM, UOB Kay Hian

Analysis

- **1H26 earnings in line with our expectation.** AEM Holdings (AEM) reported 1H26 earnings of S$31m (+876% yoy), in line with our estimate at 48% of our full-year forecast. Net margin expanded 10.8ppt in 1H26 to 12.5% driven by a more favourable revenue mix driven by higher test cell solutions (TCS) contribution, better fixed-cost absorption at higher volumes, and greater operating leverage.
- **1H26 revenue grew 30% yoy,** driven by a 192% yoy increase in revenue from AEM's fabless AI/HPC customer and a higher contribution from TCS. 1H26 revenue rose 12% qoq while PBT rose 14%, supported by demand for solutions used in high-power AI and HPC device applications. Revenue from the TCS segment grew 53% yoy to S$181m in 1H26, representing 73% of group revenue. Growth was led by the deployment of AEM's test solutions for advanced AI/HPC applications, where demand is intensifying for highly parallel test solutions featuring leading thermal-control capabilities. The contract manufacturing segment continued to play a strategic role in supporting the group's growth by providing supply-chain assurance for the ramp-up of the AMPS platform.

Key Financials

Year to 31 Dec (S$m)	2024	2025	2026F	2027F	2028F
Net turnover	380	399	680	784	905
EBITDA	42	47	122	137	157
Operating profit	18	22	106	121	141
Net profit (rep./act.)	12	17	88	100	117
Net profit (adj.)	12	17	88	100	117
EPS (S$ cent)	3.8	5.5	27.5	31.3	36.6
PE (x)	290.2	198.7	40.0	35.1	30.0
P/B (x)	7.1	7.0	6.3	5.5	4.9
EV/EBITDA (x)	81.9	74.6	28.5	25.4	22.2
Dividend yield (%)	0.0	0.1	0.6	0.7	0.8
Net margin (%)	3.1	4.3	12.9	12.8	12.9
Net debt/(cash) to equity (%)	10.4	(12.4)	(7.0)	(10.7)	(14.0)
Interest cover (x)	11.9	69.7	375.8	294.0	557.0
ROE (%)	2.5	3.5	16.7	16.8	17.3
Consensus net profit (S$m)	-	-	61	95	148
UOBKH/Consensus (x)	-	-	1.45	1.05	0.79

Source: AEM, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	S$10.98
Target Price	S$12.99
Upside	18.3%

Stock Data

Sector	Semiconductor Equipment
Bloomberg ticker	AEM SP
Shares issued (m)	319.5
Market cap ({{Curr}}m)	3,508.6
Market cap (US$m)	2,740.3
3-mth avg daily t'over (US$m)	46.6

Price Performance (%)

52-week high/low				S$11.05/S$1.41
1mth	3mth	6mth	1yr	YTD
16.7	31.5	446.3	617.6	538.4

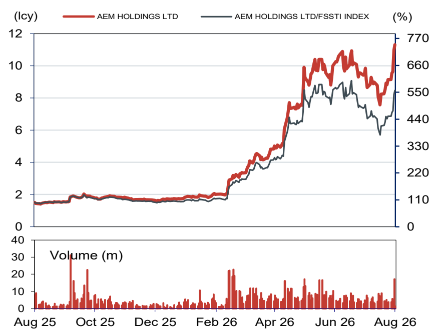
Major Shareholders (%)

Temasek Hldgs	12.4

Balance Sheet Metrics

FY26 NAV/Share (S$)	1.75
FY26 Net Cash/Share (S$)	0.12

Price Chart



Source: Bloomberg

Company Description

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

- **AEM has raised its 2026 revenue guidance to S$630m-S$680m** from S$550m-600m. The revision is supported by the production ramp-up of its fabless AI/HPC customer, the PC/foundry customer's adoption of the AMPS platform for future test requirements, and the planned shipment of the first memory final test handler in 4Q26 ahead of a ramp-up in 2027. Alongside this revenue guidance, the group is guiding for full-year EPS of 24.5-27.5 S cents. Management remains confident in AEM's growth trajectory while continuing to monitor customer demand visibility, program ramp-ups, and macroeconomic conditions.
- **AEM is encouraged by the performance of its device-specific configurables and collaterals,** which reached S$72m in 2Q26, up 12.6% from 1Q26. Under AEM's "razor-razorblade" model, a one-time sale of its test and automation equipment can generate recurring follow-on sales of device specific configurables and collaterals that must be refreshed as customers introduce devices with new test requirements. As product ramps up reach a more mature stage, AEM expects this recurring revenue stream to become an increasingly important contributor to margin resilience and earnings.
- **AEM is advancing its growth strategy across five pillars:** a) PC/foundry, b) AI/HPC, c) memory, d) OSATs, and e) contract manufacturing. With meaningful contributions from the first two pillars and AEM's long-term partnership with ASE, AEM is well positioned to drive growth for the rest of 2026 and beyond.

Valuation/Recommendation

- **Maintain BUY and target price of S$12.99.** Our PE peg multiple has been reduced to 35.5x 2028F PE, down from 40x 2028F PE after reducing our valuation multiple peg to 0.5SD above AEM's long-term historical mean, down from 1SD previously. This is to reflect the more stable earnings phase of AEM where the strong earnings recovery cycle and ramp-up of new customers have started to deliver results.

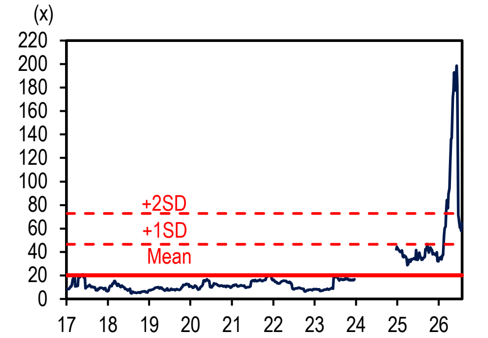
Earnings Revision/Risk

- We raise our earnings estimates for 2026/27/28 by 36%/23%/13% respectively after raising our revenue estimates by 13%/10%/9% on the higher-than-expected revenue guidance. We have also increased our 2026-28 net margin estimates by 1-2ppt to around 13% to account for better operating leverage and an improved product mix.

Share Price Catalyst

- Positive surprise in future revenue guidance and winning of more new customers.

Long-term Historical PE Band



Source: UOB Kay Hian

Revenue Breakdown

Source: UOB Kay Hian

Peer Comparison

Company	Ticker	Trading Curr	Price @ 13 Aug 26	Market Cap	PE 2026	PE 2027	P/B 2026	P/B 2027	EV/EBITDA 2026	EV/EBITDA 2027	ROE 2026	Yield 2026
		(lcy)	(lcy)	(US$m)	(x)	(x)	(x)	(%)	(%)	(%)	(x)	(x)
AEM	AEM SP	SGD	10.98	2,740	40.0	35.1	6.3	5.5	28.5	25.4	16.7	0.6
SGX-listed peers												
UMS	UMSH SP	SGD	2.95	2,058	44.9	35.5	5.9	5.5	26.9	22.6	13.3	1.7
Frencken	FRKN SP	SGD	3.41	1,147	32.3	30.0	2.8	2.7	16.6	15.4	9.1	0.9
ISDN	ISDN SP	SGD	0.72	259	18.0	16.0	1.4	1.3	8.3	7.5	7.9	1.4
Average						31.7	27.2	3.4	3.2	17.3	15.2	10.1
Others												
Teradyne	TER US	USD	402.74	62,965	45.7	35.2	16.9	13.7	34.9	27.3	42.0	0.1
Advantest	6857 JP	JPY	35940	165,055	41.6	33.6	21.4	14.9	30.2	24.1	59.6	0.3
Chroma	2360 TT	TWD	2300	30,412	51.6	35.2	22.6	17.0	44.0	27.6	50.4	1.1
Cohu	COHU US	USD	56.14	2,658	57.8	30.4	3.7	3.5	33.2	16.9	6.8	n.a.
Hirata	6258 JP	JPY	3640	737	16.7	14.3	1.4	1.3	10.2	9.1	8.5	2.1
Astronics	ATRO US	USD	87.89	4,128	31.8	27.1	12.6	8.1	24.8	21.0	n.a.	n.a.
Average					40.9	29.3	13.1	9.7	29.5	21.0	33.4	0.9

Source: Bloomberg, UOB Kay Hian

Profit & loss

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Net turnover	399.3	680.4	784.2	904.5
EBITDA	46.6	121.9	136.8	156.9
Deprec. & amort.	24.6	15.8	15.8	15.8
EBIT	22.0	106.1	121.0	141.1
Total other non-operating income	0.0	0.0	(0.0)	0.0
Associate contributions	0.0	0.0	0.0	0.0
Net interest income/(expense)	(0.7)	(0.3)	(0.5)	(0.3)
Pre-tax profit	21.3	105.8	120.5	140.8
Tax	(4.2)	(18.0)	(20.5)	(23.9)
Minorities	0.2	0.0	0.0	0.0
Net profit	17.3	87.8	100.0	116.9
Net profit (adj.)	17.3	87.8	100.0	116.9

Balance Sheet

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Fixed assets	51.3	46.3	41.2	35.2
Other LT assets	144.8	139.1	133.3	127.6
Cash/ST investment	77.3	55.3	84.0	117.2
Other current assets	348.1	465.5	536.0	617.9
Total assets	621.6	706.2	794.6	897.8
ST debt	6.8	6.8	6.8	6.8
Other current liabilities	90.3	109.0	122.4	137.9
LT debt	9.6	9.6	9.6	9.6
Other LT liabilities	15.6	15.6	15.6	15.6
Shareholders' equity	492.8	558.6	633.6	721.3
Minority interest	6.6	6.6	6.6	6.6
Total liabilities & equity	621.6	706.2	794.6	897.8

Cash flow

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Operating	133.6	20.2	76.2	87.7
Pre-tax profit	17.1	87.8	100.0	116.9
Tax	(0.9)	18.0	20.5	23.9
Deprec. & amort.	24.6	15.8	15.8	15.8
Associates	0.0	0.0	0.0	0.0
Working capital changes	88.7	(99.1)	(57.5)	(66.7)
Non-cash items	0.0	0.0	0.0	0.0
Other operating cashflows	4.0	(2.2)	(2.6)	(2.2)
Investing	(21.5)	(19.5)	(21.6)	(24.5)
Capex (growth)	0.0	(20.0)	(22.0)	(25.0)
Investment	(8.7)	0.0	0.0	0.0
Proceeds from sale of assets	0.2	0.0	0.0	0.0
Others	(13.0)	0.5	0.4	0.5
Financing	(79.7)	(22.8)	(25.8)	(30.0)
Dividend payments	0.0	(21.9)	(25.0)	(29.2)
Proceeds from borrowings	32.8	0.0	0.0	0.0
Loan repayment	(100.3)	0.0	0.0	0.0
Others/interest paid	(12.2)	(0.8)	(0.8)	(0.8)
Net cash inflow (outflow)	32.4	(22.0)	28.7	33.2
Beginning cash & cash equivalent	37.9	71.4	49.4	78.1
Changes due to forex impact	1.2	0.0	0.0	0.0
Ending cash & cash equivalent	71.4	49.4	78.1	111.3

Key Metric

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	11.7	17.9	17.4	17.3
Pre-tax margin	5.3	15.5	15.4	15.6
Net margin	4.3	12.9	12.8	12.9
ROA	2.7	13.2	13.3	13.8
ROE	3.5	16.7	16.8	17.3
Growth				
Turnover	5.0	70.4	15.3	15.3
EBITDA	9.8	161.5	12.2	14.7
Pre-tax profit	51.6	396.0	13.9	16.9
Net profit	47.3	406.2	13.9	16.9
Net profit (adj.)	47.3	406.2	13.9	16.9
EPS	46.1	397.2	13.9	16.9
Leverage				
Debt to total capital	3.2	2.8	2.5	2.2
Debt to equity	3.3	2.9	2.6	2.3
Net debt/(cash) to equity	(12.4)	(7.0)	(10.7)	(14.0)
Interest cover (x)	69.7	375.8	294.0	557.0

Genting Singapore (GENS SP)

2Q26: Gradual Recovery; Better 2H26 Outlook

Highlights

- 2Q26 results were within expectations, with earnings improving on full opening of several non-gaming amenities and improving mass gaming GGR.
- We are neutral on GENS' short- to medium-term outlook, but expect support from a commendable dividend yield (6.4%). Maintain HOLD with a lower target price of S$0.70 (from S$0.75) as we revised our valuations peg downward.

2Q26 Results

Year to 31 Dec	2Q26	qoq	yoy	1H26	yoy
(S$m)		% chg	% chg		% chg
Revenue	595.6	(2.0)	1.2	1,203.2	(0.9)
-Singapore	585.5	(3.6)	(0.5)	1,192.9	(1.7)
- Gaming	401.0	(0.6)	(0.2)	804.4	(4.2)
- Non-gaming	184.5	(9.6)	(0.9)	388.6	3.7
Core adjusted EBITDA	210.8	17.8	12.2	389.8	(8.0)
Core Net profit	92.9	33.3	(5.6)	162.6	(34.6)
Margins		+/- ppt	+/- ppt		+/- ppt
Adjusted EBITDA (%)	35.4	5.9	3.5	32.4	(2.5)

Source: GENS, UOB Kay Hian

Analysis

- **2Q26: Within expectations.** Resort World Sentosa's (RWS) 2Q26 revenue (-2% qoq, +1% yoy) and EBITDA (+18% qoq; +12% yoy) improved meaningfully yoy. Earnings were stronger yoy, mainly due to higher mass gross gaming revenue and full opening of The Laurus Hotel. 1H26 EBITDA represented 48% and 49% of our and consensus full-year forecasts respectively.
- **Gaming statistics were flattish as higher mass GGR offset by weaker yoy VIP volume.** 2Q26 gaming revenue was flattish (-0.2% yoy). This mainly reflects an improving mass GGR (+13% yoy), which was offset by much lower VIP rolling chip volume (-27% yoy) and lower win percentage of 3.19% (2Q25: 3.3%). Overall VIP GGR declined by 30% yoy. We deemed that the stronger mass gaming statistics are lifted by more hotel rooms available.
- **Declared interim DPS of 2.0 S cents.** GENS declared an interim DPS of 2.0 S cents in 2Q26 (2Q25: 2.0 S cents), implying a yield of 3.2% for 1H26. 2026F yield is about 6.4%.

Key Financials

Year to 31 Dec (S$m)	2024	2025	2026F	2027F	2028F
Net turnover	2,530.0	2,452.1	2,263.6	2,447.0	2,558.8
EBITDA	960.1	815.8	816.7	905.7	951.8
Operating profit	604.2	457.9	454.9	512.4	528.9
Net profit (rep./act.)	578.9	390.3	412.2	456.1	469.4
Net profit (adj.)	594.2	423.3	412.2	456.1	469.4
EPS	4.9	3.5	3.4	3.8	3.9
PE (x)	16.0	17.8	18.3	16.5	16.1
P/B (x)	1.2	0.9	0.9	0.9	0.9
EV/EBITDA (x)	24.4	5.8	5.8	5.2	5.0
Dividend yield (%)	5.1	6.4	6.4	6.4	6.4
Net margin (%)	22.9	15.9	18.2	18.6	18.3
Net debt/(cash) to equity(%)	(43.1)	(39.0)	(34.3)	(28.5)	(23.2)
ROE (%)	7.2	4.7	5.0	5.6	5.8
Consensus net profit	n.a	n.a	405.0	471.8	436.2
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	1.1

Source: Genting Singapore, Bloomberg, UOB Kay Hian

Analyst(s)

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HOLD (Maintained)

Share Price	S$0.625
Target Price	S$0.700
Upside	12%
Previous TP	S$0.75

Stock Data

Sector	Consumer Discretionary
Bloomberg ticker	GENS SP
Shares issued (m)	12,063.6
Market cap ({{Curr}}m)	7,539.8
Market cap (US$m)	5,889.5
3-mth avg daily t'over (US$m)	15.7

Price Performance (%)

52-week high/low S$0.81/S$0.58

1mth	3mth	6mth	1yr	YTD
0.0	0.8	(16.7)	(15.0)	(13.8)

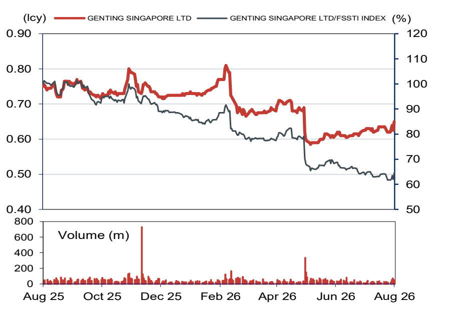
Major Shareholders (%)

Genting Bhd	52.6
Vanguard Group	2.0
Horizon Investment Programme/Singapore	1.0

Balance Sheet Metrics

FY26 NAV/Share (S$)	0.67
FY26 Net Debt/Share (S$)	(0.23)

Price Chart



Source: Bloomberg

Company Description

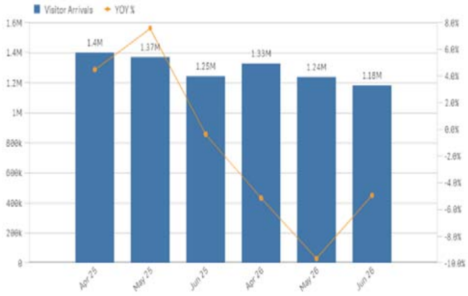
Genting Singapore is a Singapore-based regional leisure, hospitality and integrated resorts development specialist.

- **Non-gaming segment charted steady performance.** Following the completion of the Singapore Oceanarium, the Weave and opening of The Laurus hotel, non-gaming revenue was flattish (-1% yoy) despite lower visitations. In 2Q26, daily available rooms were at around 1,300 rooms (2Q25: about 1,189 rooms). Meanwhile, hotel occupancy rate was flattish yoy at about 73% (2Q25: 73%), with lower average room rate of S$487 (2Q25: S$490). Overall, visitations were stable as key attractions including Universal Studios Singapore and the Singapore Oceanarium continue to support non-gaming earnings contribution.
- **Better prospects and visitations in 2H26.** Despite Singapore's 1H26 international visitors seeing a slight decline (-1.7% yoy) which partially reflects the negative impact from the Iran war, we anticipate a gradual pick up in tourist arrivals in 2H26. We remain cautiously optimistic on: a) plenty of mega entertainment events in the pipeline (Formula 1, Singapore Grand Prix, Singapore River Festival, BTS World Tour); and b) RWS' intensified marketing efforts through digital platforms which will attract more footfall and spending. Notably, tourist expenditure on sightseeing, entertainment and gaming (SEG) segment has also increased 22.8% yoy to S$2b in 1Q26, on track for a full year 10-15% estimated growth. Overall, the Singapore Tourism Board (STB) forecasts 2026 international visitor arrivals of 17m-18m (2025: 16.9m).
- **Profitability margins remain under pressure due to elevating costs.** With the ongoing modernisation programme which includes infrastructure refresh and system enhancements, GENS' near-term margins may be compressed by higher recurring expenses. This includes higher staff count and maintenance expenses following the launch of various non-gaming attractions. Stiff competition from RWS' competitor Marina Bay Sands' (MBS) structurally more strategic city-centre location will also continue to weigh on promotional expenses. We are forecasting an EBITDA margin of 36-37% for 2026-28, which is below the historical average of 42-45%.
- **Full launch of RWS 1.5 remains as an important re-rating catalyst.** Note that RWS opened a new themed zone, Illumination's Minion Land, in Universal Studios Singapore in mid-Feb 25. The group also launched the Singapore Oceanarium which features 22 zones and over 40,000 marine animals, and the WEAVE which includes retail and dining precincts with over 40 international and local brands. The Laurus, a super luxury all-suite hotel developed with Marriott International also opened in Oct 25. For the longer term, RWS is also working on a 21,243 sqm Waterfront development which will eventually add 700 hotel rooms. These attractions will elevate the resort's vibrancy and be rolled out in phases (refer to RHS table).
- Healthy balance sheet and huge cash pile, but upside for capital management limited by sizeable RWS 2.0-related capex in 2026-28. While GENS held net cash of S$2.95b (24 S cents/share) as of end-25, we forecast only a flattish DPS of 4 S cents for 2026-28. Note that RWS 2.0 is a S$6.8b expansion which will be completed by 2030. We have pencilled in capex assumptions of S$600m-1b for GENS in 2026-28, which will

Valuation/Recommendation

- **No changes to our earnings forecast.**
- **Maintain HOLD but with a lower target price of S$0.70 (from S$0.75),** as we lowered our valuation yardstick to 7x 2026F EV/EBITDA (-1SD below mean) to reflect valuations de-rating amidst lower EBITDA margin outlook.
- **Still a commendable dividend play, despite unexciting earnings growth trajectories.** Assuming GENS largely sustains its 4 S cents dividends payout for 2026-27, backed by S$0.24 net cash/share (39% of market cap), the prospective dividend yield of 6.4% remains attractive.

Singapore's Tourist Arrival (6M26 vs 6M25)



Source: Singapore Tourism Analytics Network, UOB Kay Hian

Timeline Development For RWS 2.0 Non-Gaming Attractions

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

Source: GENS, UOB Kay Hian

Key Assumptions

Year	2025	2026F	2027F
Revenue (S$m)	2,452	2,264	2,447
EBITDA (S$m)	816	817	908
Hotel Occupancy (%)	77%	78%	80%

Source: GENS, UOB Kay Hian

Earnings Trend Of GENS And MBS

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

Source: Respective companies, UOB Kay Hian

Profit & Loss

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Net turnover	2,452	2,264	2,447	2,559
EBITDA	816	817	906	952
Deprec. & amort.	358	362	393	423
EBIT	458	455	512	529
Associate contributions	6	6	6	6
Net interest income/(expense)	81	79	79	80
Pre-tax profit	511	540	597	615
Tax	(121)	(128)	(141)	(145)
Minorities	0	0	0	0
Preferred dividends	0	0	0	0
Net profit	390	412	456	469
Net profit (adj.)	423	412	456	469

Balance Sheet

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Fixed assets	5,387	5,813	6,320	6,797
Other LT assets	298	298	298	298
Cash/ST investment	3,200	2,792	2,317	1,879
Other current assets	301	182	196	205
Total assets	9,186	9,085	9,130	9,179
ST debt	2	2	2	2
Other current liabilities	781	624	656	679
LT debt	0	0	0	0
Other LT liabilities	197	325	365	404
Shareholders' equity	8,205	8,134	8,106	8,093
Minority interest	0	0	0	0
Total liabilities & equity	9,186	9,085	9,130	9,179

Cash Flow

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Operating	790	776	908	946
Pre-tax profit	511	540	597	615
Tax	(179)	(128)	(141)	(145)
Deprec. & amort.	321	362	393	423
Associates	0	0	0	0
Working capital changes	(101)	(38)	19	14
Other operating cashflows	237	40	40	40
Investing	(676)	(700)	(900)	(900)
Capex (growth)	(579)	(700)	(900)	(900)
Investments	0	0	0	0
Proceeds from sale of assets	0	0	0	0
Others	(98)	0	0	0
Financing	(486)	(484)	(484)	(484)
Dividend payments	(483)	(484)	(484)	(484)
Issue of shares	0	0	0	0
Proceeds from borrowings	0	0	0	0
Loan repayment	(2)	0	0	0
Others/interest paid	0	0	0	0
Net cash inflow (outflow)	(372)	(408)	(476)	(437)
Beginning cash & cash equivalent	3,583	3,200	2,792	2,317
Changes due to forex impact	(11)	0	0	0
Ending cash & cash equivalent	3,200	2,792	2,317	1,879

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	33.3	36.1	37.0	37.2
Pre-tax margin	20.8	23.8	24.4	24.0
Net margin	15.9	18.2	18.6	18.4
ROA	4.3	4.6	5.1	5.2
ROE	4.9	5.2	5.7	5.9
Growth				
Turnover	(3.1)	(7.7)	8.1	4.6
EBITDA	(15.0)	0.1	10.9	5.1
Pre-tax profit	(24.2)	(0.6)	12.6	3.2
Net profit	(27.1)	(0.8)	10.6	2.9
Net profit (adj.)	(28.8)	(2.6)	10.6	3.1
EPS	(28.8)	(2.6)	10.6	3.1
Leverage				
Debt to total capital	0.0	0.0	0.0	0.0
Debt to equity	0.0	0.0	0.0	0.0
Net debt/(cash) to equity	(39.0)	(34.3)	(28.6)	(23.2)

Technical Analysis

Analyst(s)

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Parkway Life Real Estate Investment Trust (PREIT SP)

Trading buy range:	S$4.11-4.12
Last price:	S$4.13
Target price:	S$4.34
Protective stop:	S$4.05

The price has successfully defended its structural support zone, keeping the uptrend intact. The RSI stays firmly above its neutral 50-midline. This indicates sustained underlying buy-side strength and signals a high probability of a bullish rebound toward higher resistance levels.

The potential upside target is S$4.34. Stop-loss could be placed at S$4.05.

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

Our institutional research has a fundamental BUY and target price of S$5.45.

Hong Fok Corp (HFC SP)

Trading buy range:	S$0.895-0.900
Last price:	S$0.900
Target price:	S$0.985
Protective stop:	S$0.885

The price continues to hold firmly above its resistance-turned-support zone, preserving its bullish market structure. While the RSI remains slightly below its neutral 50-midline, it has begun curling upward. As long as the price maintains its footing above this floor, the technical setup points to a continuation of the upward trajectory toward higher overhead targets.

The potential upside target is S$0.985. Stop-loss could be placed at S$0.885.

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