UOBKayHian

Country Daily | Singapore

Wednesday, 19 August 2026

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	53343.4	(0.2)	(0.8)	2.3	11.0
S&P 500	7691.8	(0.7)	(0.5)	3.1	12.4
FTSE 100	10728.0	0.1	(1.1)	1.2	8.0
AS30	9274.2	(0.1)	(1.8)	3.3	2.8
CSI 300	4725.8	(0.3)	1.3	4.3	2.1
FSSTI	5701.4	(1.2)	(0.9)	3.5	22.7
HSCEI	8453.2	0.2	(0.9)	3.9	(5.2)
HSI	25471.2	0.1	(0.7)	3.7	(0.6)
JCI	6449.8	0.7	1.3	4.4	(25.4)
KLCI	1733.4	0.4	0.1	0.1	3.2
KOSPI	6869.8	(1.5)	9.1	0.7	63.0
Nikkei 225	67460.7	(2.5)	0.7	5.2	34.0
SET	1621.6	(0.3)	(0.2)	(1.1)	28.7
TWSE	45308.7	(1.2)	0.4	6.2	56.4
BDI	2815	(2.2)	(7.6)	2.3	50.0
CPO (RM/mt)	4527	0.0	(0.1)	0.7	15.1
Brent Crude (US$/bbl)	91	0.2	2.4	3.3	49.6

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
Core Inflation Rate YoY JUL	24 Aug
Inflation Rate MoM JUL	24 Aug
Inflation Rate YoY JUL	24 Aug
MAS 12-Week Bill Auction	25 Aug

Top Stories

Company Results | BRC Asia (BRC SP/**BUY**/S$4.32/Target: S$5.30)

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- BRC reported 9MFY26 revenue of S$1,360m (+21% yoy) and PATMI of S$79m (+26% yoy), representing 77%/76% of our forecasts respectively. BRC's S$1.69b orderbook as of end-Jun 26 remains robust despite accelerated project deliveries in 1HFY26, providing earnings visibility. Maintain BUY with an unchanged target price of S$5.30, pegged to a lower 13x FY27F PE on a renewed PE band.

Market Spotlight

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- US stocks were lower on Tuesday, with all indices falling as the information technology, industrials and materials sectors slid. There were more decliners than advancers on both the NYSE and NASDAQ.
- The FSSTI fell 67.06pt to 5,701.40, supported by weakness in Singtel, DBS and OCBC Bank, with mid-cap indices remaining unchanged and small-cap indices falling with a broad market decline on S$2.00b turnover.

Technical Analysis

Top Glove Corp (TOPG SP)

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- Trading Buy Range: S$0.205-0.210

Oiltek International (OTEK SP)

Page 6 →

- Trading Sell Range: S$1.47-1.48

BRC Asia (BRC SP)

9MFY26: Business Momentum Remains Strong

Highlights

- BRC reported 9MFY26 revenue of S$1,360m (+21% yoy) and PATMI of S$79m (+26% yoy), making up 77% and 76% of our forecasts, respectively.
- BRC's orderbook remains robust at S$1.69b, despite accelerated project deliveries in 1HFY26, and provides earnings visibility over five years.
- Maintain BUY with an unchanged target price of S$5.30.

9MFY26/3QFY26 Results

Year to 30 Sep (S$m)	9MFY26	yoy % chg	3QFY26	qoq % chg	yoy % chg
Revenue	1359.6	20.9	428.6	-11.9	4.8
Gross profit	142.1	26.6	48.8	4.8	8.8
Gross Margin (%)	10.4	+0.5ppt	11.4	+1.8ppt	+0.4ppt
PATMI	79.3	25.5	27.3	10.4	27.3
PATMI margin (%)	5.8	+0.2ppt	6.4	+1.3ppt	+1.1ppt

Source: BRC, UOB Kay Hian

Analysis

- **9M26 results slightly ahead of expectations.** BRC Asia (BRC) reported 9MFY26 revenue of S$1,359.6m (+21% yoy) and PATMI of S$79.3m (+26% yoy), representing 77% and 76% of our FY26 forecasts, respectively. Top-line growth continues to be largely attributed to higher tonnage delivered, supported by strong project offtakes coming from Changi T5. Gross profit outpaced revenue growth, growing 27% yoy to S$142m, while gross margin grew to 10.4% (+0.6 ppt yoy), largely due to a more favourable mix of margin profile. Net margin increased to 5.8% (+0.2 ppt yoy).
- **3Q26 top-line weaker due to stronger project offtakes in 1HFY26, but still displayed growth yoy.** 3Q26 revenue of S$429m fell 12% qoq. This was due to accelerated project deliveries in 1HFY26, as early steel reinforcement contracts for Changi Airport Terminal 5 kick off. On a yoy basis, 3Q26 revenue showed growth, growing 5% yoy. BRC also saw a higher mix of value-added prefabricated products in 3Q26 as project execution continues to progress, with gross profits rising 5% qoq and 9% yoy, alongside a higher gross margin of 11.4% (1Q26: 10.5%; 2Q26: 9.6%).
- **BRC's orderbook remains robust at S$1.69b at the end of 9MFY26 (1HFY26: S$1.76b),** despite accelerated project deliveries in 1HFY26. Orderbook continues to be supported by major projects including Changi Airport Terminal 5 substructure. The orderbook runs over five years, with most of the work to be completed within the first three, enhancing earnings visibility.

Key Financials

Year to 30 Sep (S$m)	2024	2025	2026F	2027F	2028F
Net turnover	1,481	1,553	1,756	1,827	1,900
EBITDA	108	116	130	138	142
Operating profit	101	110	126	134	140
Net profit (rep./act.)	94	94	105	112	116
Net profit (adj.)	77	94	105	112	116
EPS (S$ cent)	27.9	34.2	37.9	40.5	42.0
PE (x)	15.5	12.6	11.4	10.7	10.3
P/B (x)	2.5	2.3	2.1	2.0	1.8
EV/EBITDA (x)	11.4	10.5	9.4	8.9	8.6
Dividend yield (%)	4.6	4.6	5.1	5.3	5.3
Net margin (%)	6.3	6.1	6.0	6.1	6.1
Net debt/(cash) to equity (%)	11.4	2.4	3.8	(2.8)	(8.5)
Interest cover (x)	9.5	15.7	15.6	15.9	15.7
ROE (%)	20.7	19.1	19.5	19.2	18.3
Consensus net profit (S$m)	-	-	105	112	116
UOBKH/Consensus (x)	-	-	1.00	1.00	1.00

Source: BRC, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	S$4.32
Target Price	S$5.30
Upside	+22.7%

Stock Data

Sector	Industrials
Bloomberg ticker	BRC SP
Shares issued (m)	274.4
Market cap (S$m)	1,185.2
Market cap (US$m)	927.4
3-mth avg daily t'over (US$m)	0.2

Price Performance (%)

52-week high/low: S$4.83 /S$3.48

1mth	3mth	6mth	1yr	YTD
3.1	(8.3)	(3.1)	20.7	3.1

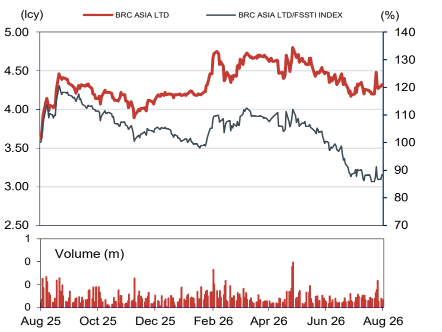
Major Shareholders (%)

Esteel Enterprise P/L	61.2
Hong Leong Asia	20.0

Balance Sheet Metrics

FY26 NAV/Share (S$)	2.02
FY26 Net Cash/ Share (S$)	0.08

Price Chart



Source: Bloomberg

Company Description

BRC Asia designs, manufactures, and markets steel mesh under the BRC brand name. The company's products include non-standard and customised mesh, a wide range of prefabricated products including beam and column cages and complete prefabricated beams.

- **Improving balance sheet position with net cash position.** BRC ended 9MFY26 with a net cash position of S$60.4m (1HFY26: S$52.1m), excluding lease liabilities. Operating cash flow also grew yoy to S$100.8m in 9MFY26, compared with S$82.7m in 1HFY26 and an operating cash outflow of S$35.0m a year ago, reinforcing its cash position. Given the strong balance sheet position and cash generating position, we continue to expect an attractive dividend yield of 5.1% in FY26.
- **Continuing upside from the construction upcycle.** BRC is expected to continue benefitting from Singapore's ongoing construction upcycle. BCA projects total construction demand to stay steady at S$47b-53b in 2026, following 2025 construction demand of S$50.5b. This is supported by the award of additional packages across several projects. Over the medium term, demand is projected to average S$39b-46b per year from 2027 to 2030, which should translate into sustained demand for steel reinforcement bars, benefitting BRC. BRC currently holds a 55-60% share of Singapore's steel market, positioning it to benefit from rising construction activity.
- **Strong construction pipeline supports steel demand and orderbook replenishment.** Singapore's construction sector continues to expand, with 1Q25 output up 16% yoy and steel rebar demand reaching 589,000 tonnes. Ongoing infrastructure and housing developments, including Changi T5, Tuas Mega Port and the Cross Island Line, alongside upcoming projects such as the Marina Bay Sands Integrated Resort expansion, should sustain steel demand and provide BRC with opportunities to replenish its orderbook as existing projects are delivered. As Singapore's dominant steel player, BRC is well positioned to benefit from the sustained construction upcycle. However, we foresee potential headwinds from steel rebar pricing, which has declined by around 7% since May 26. While this may exert pricing pressure, we believe BRC's market leadership and scale should provide some resilience through stronger pricing and volume management.

Valuation/Recommendation

- **We maintain our BUY recommendation with an unchanged PE-based target price of S$5.30.** We also roll over our valuation base of FY27, and peg our target price to a lower 13x FY27F PE multiple (14x FY26F PE previously), based on +1 SD from historical mean. Peers also re-rated slightly lower to 11x FY27PE. The higher multiple continues to reflect BRC's strong positioning as the dominant player in Singapore's steel market and its status as a prime proxy for the ongoing construction upcycle.
- A positive 9MFY26 result continues to highlight BRC's resilient business and strong market leadership. We believe BRC's solid net cash position and resilient operating cash flow, alongside a robust S$1.69b orderbook that enhances earnings visibility over the next few years, positions the group well to sustain margin stability, alongside an attractive FY26 dividend yield of around 5.1%.

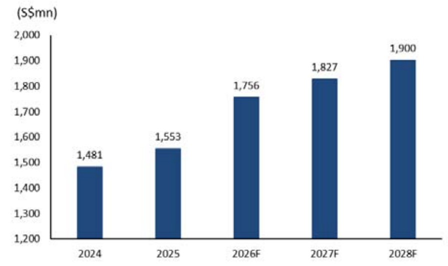
Earnings Revision/Risk

- No changes to our earnings forecasts.

Share Price Catalyst

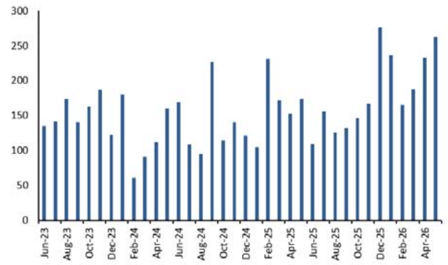
- Faster-than-expected project offtake and construction execution.
- More projects awarded amid a strong pipeline of projects available.
- Further easing of construction manpower constraints.

Revenue Trend



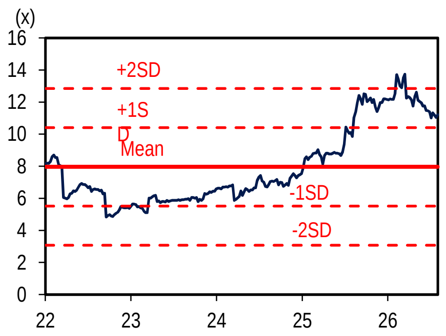
Source: BRC, UOB Kay Hian

Market Demand For Steel Rebars



Source: Singapore Statistics, Bloomberg UOB Kay Hian

Historical PE Band



Source: BRC, Bloomberg UOB Kay Hian

Profit & loss

Year to 30 Sep (S$m)	2025	2026F	2027F	2028F
Net turnover	1,553.1	1,755.6	1,826.5	1,900.3
EBITDA	116.3	130.3	137.9	142.3
Deprec. & amort.	5.8	4.7	3.6	2.5
EBIT	110.5	125.6	134.3	139.8
Total other non-operating income	9.0	8.0	8.0	8.0
Associate contributions	0.4	0.0	0.0	0.0
Net interest income/(expense)	(7.4)	(8.4)	(8.7)	(9.0)
Pre-tax profit	112.6	125.3	133.7	138.7
Tax	(18.5)	(20.7)	(22.0)	(22.8)
Minorities	0.2	0.0	0.0	0.0
Net profit	94.3	104.6	111.7	115.9
Net profit (adj.)	94.3	104.6	111.7	115.9

Balance Sheet

Year to 30 Sep (S$m)	2025	2026F	2027F	2028F
Fixed assets	127.2	118.4	111.0	104.9
Other LT assets	33.2	33.2	33.2	33.2
Cash/ST investment	203.1	134.1	132.4	131.3
Other current assets	573.3	631.9	637.0	660.6
Total assets	936.9	917.7	913.7	930.1
ST debt	202.0	142.0	102.0	62.0
Other current liabilities	178.9	175.8	163.7	167.6
LT debt	13.3	13.3	13.3	13.3
Other LT liabilities	13.2	13.2	13.2	13.2
Shareholders' equity	514.7	558.5	606.7	659.1
Minority interest	14.7	14.7	14.7	14.7
Total liabilities & equity	936.9	917.7	913.7	930.1

Cash flow

Year to 30 Sep (S$m)	2025	2026F	2027F	2028F
Operating	123.2	67.8	118.5	119.7
Pre-tax profit	112.6	125.3	133.7	138.7
Tax	(17.5)	(20.7)	(22.0)	(22.8)
Deprec. & amort.	18.9	16.5	15.4	14.4
Associates	(0.4)	0.0	0.0	0.0
Working capital changes	10.9	(61.7)	(17.3)	(19.6)
Non-cash items	(6.0)	0.0	0.0	0.0
Other operating cashflows	4.8	8.4	8.7	9.0
Investing	(18.1)	(7.7)	(8.0)	(8.3)
Capex (growth)	(6.8)	(7.7)	(8.0)	(8.3)
Investment	0.0	0.0	0.0	0.0
Proceeds from sale of assets	0.1	0.0	0.0	0.0
Others	(11.4)	0.0	0.0	0.0
Financing	(93.4)	(129.1)	(112.2)	(112.5)
Dividend payments	(54.9)	(60.7)	(63.5)	(63.5)
Proceeds from borrowings	0.0	0.0	0.0	0.0
Loan repayment	(1.0)	(60.0)	(40.0)	(40.0)
Others/interest paid	(37.5)	(8.4)	(8.7)	(9.0)
Net cash inflow (outflow)	11.7	(69.0)	(1.7)	(1.1)
Beginning cash & cash equivalent	191.4	203.1	134.1	132.4
Changes due to forex impact	0.0	0.0	0.0	0.0
Ending cash & cash equivalent	203.1	134.1	132.4	131.3

Key Metric

Year to 30 Sep (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	7.5	7.4	7.6	7.5
Pre-tax margin	7.3	7.1	7.3	7.3
Net margin	6.1	6.0	6.1	6.1
ROA	10.2	11.3	12.2	12.6
ROE	19.1	19.5	19.2	18.3
Growth				
Turnover	4.8	13.0	4.0	4.0
EBITDA	8.1	12.1	5.9	3.1
Pre-tax profit	1.3	11.2	6.7	3.8
Net profit	0.8	10.9	6.8	3.8
Net profit (adj.)	22.4	10.9	6.8	3.8
EPS	22.4	10.9	6.8	3.8
Leverage				
Debt to total capital	28.9	21.3	15.7	10.1
Debt to equity	41.8	27.8	19.0	11.4
Net debt/(cash) to equity	2.4	3.8	(2.8)	(8.5)
Interest cover (x)	15.7	15.6	15.9	15.7

Market News

US stocks were lower on Tuesday, as the information technology, industrials and materials sectors led shares lower. At the close of the NYSE, the Dow Jones fell 0.22% while the S&P 500 index was down 0.69%, and the NASDAQ Composite index slid 1.33%. Falling stocks outnumbered advancing ones on the NYSE by 1,789 to 955 and 92 ended unchanged; on the Nasdaq Stock Exchange, 3,069 declined and 1,827 advanced, while 186 ended unchanged.

During the last trading session, the FSSTI fell 67.06pt to 5,701.40. Among the top active stocks were Singtel (-0.5%), DBS (-1.5%), OCBC Bank (-1.9%), ISDN (+7.7%) and UMS (-1.7%). The FTSE ST Mid Cap Index remained unchanged, while the FTSE ST Small Cap Index fell 1.1%. The broader market had 250 gainers and 341 losers with a total trading value of S$2.00b.

Technical Analysis

Analyst(s)

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Top Glove Corp (TOPG SP)

Trading buy range:	S$0.205-0.210
Last price:	S$0.210
Target price:	S$0.260
Protective stop:	S$0.195

Price maintained its footing above the resistance-turned-support zone. The RSI has pushed above its neutral 50-midline in positive territory. As long as this key support shelf holds intact, the overall structure points toward a rebound and continuation move towards higher resistance targets.

The potential upside target is S$0.26. Stop-loss could be placed at S$0.195.

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

Oiltek International (OTEK SP)

Trading sell range:	S$1.47-1.48
Last price:	S$1.47
Target price:	S$1.16
Protective stop:	S$1.60

Price encountered strong overhead supply and was capped at its support-turned-resistance zone. The RSI is suppressed below its neutral 50-midline and continues to slope downward. This indicates a continuation move lower towards the next primary support zone.

The potential downside target is S$1.16. Stop-loss could be placed at S$1.60.

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

Our institutional research has a fundamental BUY and target price of S$2.78.