19 August 2026

Beansprout

CSE Global

(SGX: 544)

Margin pressures expected to ease in 2H26

- **1H2026 revenue rose 27.4% YoY, but net profit fell as costs ramped up.** Revenue climbed to S$561.5m (1H2025: S$440.9m), driven by the Electrification business in the Americas. Gross margin fell 4.1 percentage points (pp) to 23.8% on business mix and project cost adjustments. Reported net profit (after non-recurring items) fell 19.3% YoY to S$13.2m.
- **Electrification drove growth, but margins softened.** Revenue surged 63.5% year-on-year to S$283.0 million, while adjusted EBITDA margin fell 2.6 percentage points to 9.0% due to a lower-margin data-centre mix, LNG project cost adjustments and Champion ramp-up costs.
- **Communications held up, while Automation remained weak.** Communications revenue was up 8.9% to S$139.4 million and EBITDA margin broadly stable at 8.3%. Automation revenue was flat at S$139.1 million, while adjusted EBITDA fell 41.6% to S$4.5 million due mainly to S$5.3 million of water and wastewater wind-down costs.
- **Cash flow improved, while leverage edged higher.** Operating cash flow turned positive at S$15.9 million, from a S$27.4 million outflow a year ago, while net debt rose to S$170.6 million as CSE continued investing in its Americas expansion and inventories.
- **Order book remained healthy despite easing from year-end.** Order intake rose 28.3% year-on-year to S$470.2 million, while the order book stood at S$620.4 million, up 8.1% year-on-year but down 12.6% from end-FY2025 after large AWS and LNG wins boosted the year-end base.
- **Margin pressures should ease into 2H2026.** Management expects most of the 1H2026 project clean-up and start-up costs to be largely behind the group, while Champion utilisation and hyperscaler activity continue to ramp up. This should support better earnings conversion into 2027, even if FY2026 margin improvement remains gradual.
- **Interim dividend fell in line with earnings.** CSE declared an interim dividend of 0.91 Singapore cent per share, down from 1.14 cents a year ago, broadly consistent with management's ~50% payout policy.
- **Maintain BUY with higher target price of S$1.71.** We raise our target price from S$1.45 to S$1.71, implying 34.6% upside from S$1.27, as most of the 1H2026 margin drag appears largely one-off. Looking ahead, higher Champion utilisation and further hyperscaler orders should support stronger Electrification revenue and better margin conversion into 2027. At our target price, CSE would trade at 27.5x 2026 P/E with an implied dividend yield of 1.4%.
- **Key Risks**. Key risks include project execution and delivery delays, lumpiness and timing of contracts, working capital volatility inherent in project businesses, customer concentration risk as hyperscaler exposure rises, margin pressure from competitive bidding or mix, and regulatory or permitting constraints that could delay data centre and infrastructure project timelines.

Ticker	544
Rating	Buy
Price Target*	S$1.71 (from S$1.45)
Price (18 Aug)	S$1.27
Upside/Downside:	+34.6%

*Target price is for 12 months

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Figure 1: CSE Global 1H26 results summary

(S$' million)	1H 2026	1H 2025	Change (% YoY)
Revenue	561.5	440.9	27.4%
Electrification	283.0	173.1	63.5%
Communications	139.4	128.0	8.9%
Automation	139.1	139.7	-0.5%
Adjusted EBITDA	41.4	38.9	6.5%
Adjusted EBITDA margin	7.4%	8.8%	-1.4pp
Net profit	13.2	16.3	-19.3%
Order intake	470.2	366.7	28.2%
Order book	620.4	573.8	8.1%
Interim dividend (S$)	0.0091	0.0114	-20.2%

Source: Company data, Beansprout Research

Figure 2: CSE Global balance sheet summary

(S$' million)	As of 30 Jun 2026	As of 31 Dec 2025
Total Debt	225.3	209.2
Total Liabilities	493.5	482.0
Total Assets	787.4	757.5
Net Debt / (Cash)	170.6	163.0
Net Debt to Equity	0.58x	0.59x

Source: Company data, Beansprout Research

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Strong revenue growth led by Electrification

1H26 financial results overview

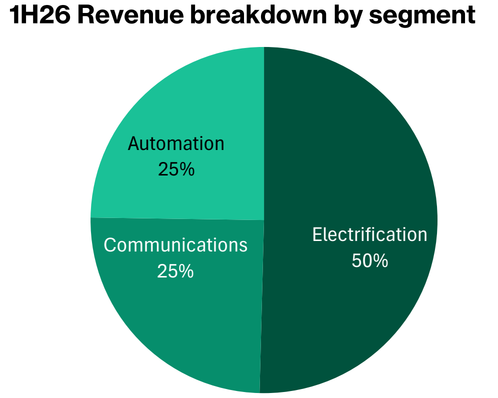
Revenue growth remained strong

CSE Global delivered strong revenue growth in 1H2026, led by its Electrification segment.

Group revenue rose 27.4% year-on-year to S$561.5 million, mainly driven by higher data centre project revenue in the Americas.

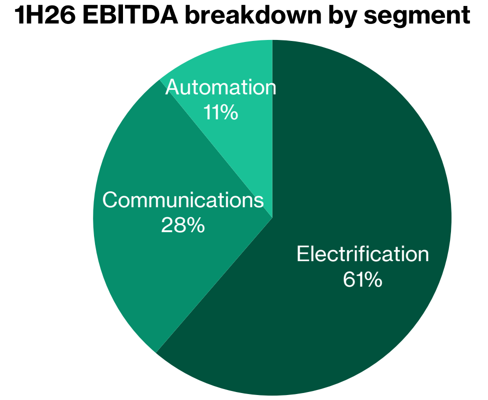
On a constant-currency basis, revenue would have increased 29.9% to S$572.7 million.

Figure 3: 1H26 revenue breakdown by segment



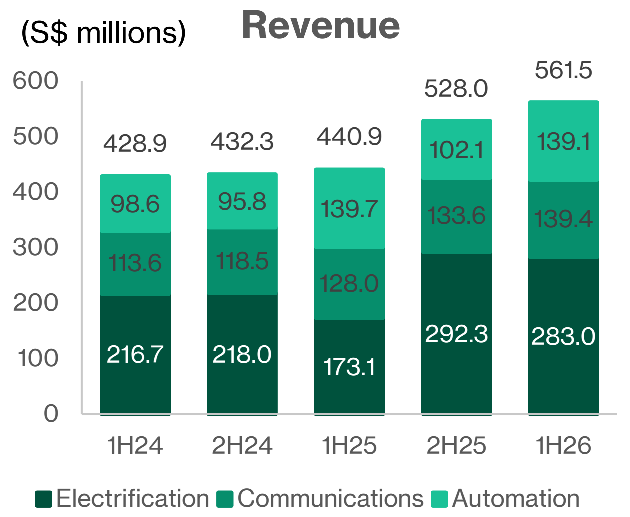
Source: Company Data.

Figure 4: 1H26 EBITDA breakdown by segment



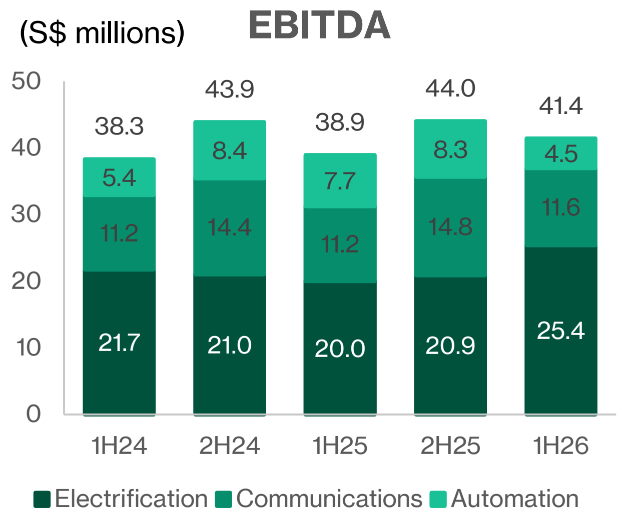
Source: Company Data.

Figure 5: Revenue trend



Source: Company Data.

Figure 6: EBITDA trend



Source: Company Data.

Electrification became the largest revenue contributor

CSE's revenue mix continued to shift towards Electrification, which contributed 50.4% of group revenue in 1H2026, up from 39.3% a year earlier.

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Within Electrification, data centre-related work accounted for about 45% to 48% of segment revenue and order intake, with LNG and utilities making up most of the remainder.

Strong revenue growth did not translate into earnings

Gross profit rose 8.8% year-on-year to S$133.7 million, but gross margin fell 4.1 percentage points to 23.8%.

The margin decline reflected a higher mix of lower-margin data centre work, S$6.7 million of lower margins from large greenfield Electrification projects, mainly LNG contracts in the Americas, and S$5.3 million of costs from winding down water and wastewater projects.

Champion ramp-up added to operating costs

Operating expenses rose 7.9% to S$109.4 million, partly due to higher personnel and facility costs. This included about S$1.1 million of unabsorbed labour costs during the ramp-up of the new Champion manufacturing facility and S$2.0 million of additional headcount to support growth.

CSE also incurred a S$1.3 million one-off withholding tax relating to a legacy overseas payroll matter, while expected credit losses swung by S$1.0 million from a write-back in 1H2025 to a provision in 1H2026.

Net profit declined despite higher revenue

As a result, operating profit rose just 1.3% to S$24.8 million.

Higher interest expense from increased borrowings and the absence of a S$2.0 million exchange gain recorded a year earlier also weighed on earnings, with adjusted net profit falling 12.4% to S$13.9 million and reported net profit declining 19.3% to S$13.2 million.

Order intake remained healthy

Order intake increased 28.3% year-on-year to S$470.2 million, while the order book stood at S$620.4 million as at 30 June 2026, 8.1% higher than a year earlier. The order book was down 12.6% from end-FY2025, but management attributed this to unusually large AWS and LNG contract wins booked in late 2025.

AWS demand continued to support growth

CSE has secured most of the AWS-related work required for 2026 delivery and is working towards the next batch of orders for 2027.

AWS-related order flows continued at around US$25 million per month.

Management also clarified that the apparent sequential decline in Electrification revenue in 2Q2026 largely reflected the reclassification of the loss-making Field Services division to Automation.

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On a like-for-like basis, underlying Electrification revenue grew about 18% quarter-on-quarter.

Overall, CSE's 1H2026 results point to healthy demand momentum, particularly from data centres and Electrification projects.

Electrification remained the key growth engine in 1H2026

Electrification revenue surged 63.5% year-on-year to S$283.0 million in 1H2026, driven mainly by higher data centre project revenue in the Americas.

Adjusted EBITDA rose 27.0% to S$25.4 million, although margin fell 2.6 percentage points to 9.0% as project mix and ramp-up costs weighed on profitability.

Order momentum stayed strong

Electrification order intake more than doubled to S$230.9 million, supported by continued data centre demand and major US LNG contract wins.

The segment's order book rose 42.7% to S$389.6 million, accounting for 62.8% of the group's total order book.

Champion is ramping up

The 241,000 sq ft Champion facility dedicated to Amazon Web Services commenced full operations in June 2026 and is currently running three of four assembly lines, or about 75% capacity.

The main constraint is a shortage of copper material from AWS's supply chain rather than CSE's own capacity.

AWS remains a major growth driver

AWS-related orders are currently running at about US$25 million per month, with the broader committed programme worth around US$1.5 billion over five years.

CSE has largely secured what it needs for 2026 delivery and is targeting full Champion utilisation, with potential for a second shift, once the copper shortage eases.

A second hyperscaler could provide further upside

CSE is also working to qualify another hyperscaler customer, although management said new relationships typically require two to three quarters of consistent quality and delivery before orders are committed.

The group remains focused on Tier 1 hyperscalers and selected Tier 2 players with stronger credit profiles.

New data centre orders continue to emerge

After the reporting period, CSE secured a US$49.8 million Cheyenne Power Hub contract in the US to provide power distribution centres and electrical and control systems for infrastructure supporting an adjacent data centre.

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The contract will be executed between 2026 and 2027 and is not included in the 30 June 2026 order book.

More capacity could be added

Management is evaluating another 100,000 to 200,000 sq ft of dedicated capacity over the next 12 months to support potential hyperscaler demand.

Skilled labour availability is becoming tighter, prompting CSE to explore greater automation and workflow redesign as it scales.

Figure 7: 1H26 Electrification business snapshot

S$ million	1H2026	1H2025	YoY %
Revenue	283.0	173.1	63.5%
Adjusted EBITDA*	25.4	20.0	27.0%
*Adjusted EBITDA margin**	*9.0%*	*11.6%*	*-2.6p.p*
EBITDA	25.4	25.5	-0.6%
EBITDA margin	*9.0%*	*14.7%*	*-5.7p.p*
Order intake	230.9	108.1	113.6%
Order book	389.6	272.9	42.7%

** 1H2025 Adjusted EBITDA excluded net gain on disposal of asset held-for-sale of S$5.5m*

Note: The Group transferred the Field Services division to the Automation segment as part of an internal reorganisation in 1H2026. Accordingly, the segment information for comparative period has been re-presented to reflect the revised segment composition. This change has no impact on the Group's consolidated financial performance.

Source: Company Data

Communications delivered steady growth

Communications revenue rose 8.9% year-on-year to S$139.4 million in 1H2026, driven mainly by stronger contributions from Australia and New Zealand.

Adjusted EBITDA increased 2.9% to S$11.6 million, although margin slipped slightly to 8.3% due to higher personnel costs from a new distribution business in Australia.

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Order momentum improved

Order intake rose 14.5% to S$155.8 million, while the order book increased 16.8% to S$124.5 million, supported by stronger demand across Australia and New Zealand.

US footprint expanded through M&A

After the reporting period, CSE completed the US$8.0 million acquisition of SEI Wireless Solutions, strengthening its presence in Florida.

Management indicated that SEI generates about US$8 million of annualised revenue and US$1.7 million of EBITDA, implying an EBITDA margin of around 20%.

Bolt-on expansion remains the strategy

CSE also acquired a small UK rural broadband business during the half, while divesting part of its Logic Wireless business in New Zealand.

Management does not expect further acquisitions to be imminent over the next six months, but continues to evaluate opportunities to expand its US Communications footprint.

Overall, Communications remains a steadier growth segment, supported by recurring demand, momentum in Australia and New Zealand, and selective bolt-on acquisitions.

Figure 8: 1H26 Communications business snapshot

S$ million	1H2026	1H2025	YoY %
Revenue	139.4	128.0	8.9%
Adjusted EBITDA*	11.6	11.2	2.9%
*Adjusted EBITDA margin**	*8.3%*	*8.8%*	*-0.5p.p*
EBITDA	11.8	11.2	4.9%
EBITDA margin	*8.5%*	*8.8%*	*-0.3p.p*
Order intake	155.8	136.1	14.5%
Order book	124.5	106.6	16.8%

** 1H2026 Adjusted EBITDA excluded gain on disposal of a business S$0.2m*

Source: Company Data

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Automation remained the weak spot

Automation revenue was broadly stable at S$139.1 million in 1H2026, but adjusted EBITDA fell 41.6% year-on-year to S$4.5 million.

This was mainly due to S$5.3 million of costs from winding down water and wastewater projects in the Americas, alongside underutilised field services resources.

Most of the clean-up is now complete

Management said most of the restructuring and project clean-up has been completed, with only a small number of non-material projects expected to run into the rest of 2026 and potentially 1H2027.

It does not expect further material clean-up costs in 2H2026.

Order intake fell as CSE became more selective

Automation order intake declined 31.8% to S$83.5 million, while the order book fell 45.2% to S$106.4 million.

This reflected fewer greenfield wins in the Americas and a deliberate decision to avoid lower-return projects.

Profitability is now the priority

CSE plans to improve returns by consolidating its US facilities, reducing rental costs and growing infrastructure-related work.

It is also exploring opportunities in cybersecurity and AI-driven technology solutions, although Automation remains largely exposed to the US oil and gas market.

Figure 9: 1H26 Automation business snapshot

S$ million	1H2026	1H2025	YoY %
Revenue	139.1	139.7	-0.5%
Adjusted EBITDA*	4.5	7.7	-41.6%
*Adjusted EBITDA margin**	*3.2%*	*5.5%*	*-2.3p.p*
EBITDA	3.5	2.7	31.3%
EBITDA margin	*2.5%*	*1.9%*	*0.6p.p*
Order intake	83.5	122.5	-31.8%
Order book	106.4	194.2	-45.2%

** 1H2026 Adjusted EBITDA excluded one-off irrecoverable tax of S$1.3m offset by gain on disposal of a 21% equity interest in a subsidiary S$0.3m*
** 1H2025 Adjusted EBITDA excluded S$5.0m write-off of plant and equipment and technical know-how relating to the water treatment prototypes*

Source: Company Data

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Cash flow turned positive; leverage remains manageable

CSE Global's working capital position improved meaningfully in 1H2026.

Net contract assets fell to S$141.8 million, from S$157.1 million at end-FY2025, as the group converted project milestones into billings.

Inventories rose to S$97.1 million, from S$92.8 million, while trade receivables increased to S$186.1 million, from S$165.8 million.

This reflects the higher working capital needed to support the Electrification build-out and AWS-related material requirements.

The improvement in contract asset conversion helped cash flow turn positive.

CSE generated net operating cash inflow of S$15.9 million in 1H2026, a sharp turnaround from an operating cash outflow of S$27.4 million in 1H2025.

Capital expenditure rose to S$8.0 million, net of disposal proceeds, mainly for plant and machinery.

Cash and bank balances increased to S$54.8 million, from S$46.2 million at end-FY2025.

Borrowings also rose as the group continued to fund growth.

Gross borrowings increased to S$225.3 million, from S$209.2 million, mainly to support Electrification expansion and working capital needs.

Net debt rose modestly to S$170.6 million, from S$163.0 million.

Net debt to EBITDA stood at 2.0 times, broadly stable compared with 1.95 times at end-FY2025.

The cash conversion cycle also improved slightly to 85 days, from 87 days.

Overall, cash flow improved in 1H2026, while leverage remains manageable for now.

The key watch point is whether CSE can continue converting project milestones into billings as Electrification revenue scales.

Lower interim dividend, in line with payout policy

CSE Global declared an interim one-tier tax-exempt dividend of 0.91 Singapore cents per share for 1H2026.

This is lower than the 1.14 cents per share paid in 1H2025.

The dividend will be paid on 30 September 2026, with books closing on 21 August 2026.

The lower interim dividend reflects the decline in 1H2026 net profit.

Management said the dividend quantum remains calibrated to its policy of paying out about 50% of net profit.

In other words, the cut does not signal a change in dividend policy.

It reflects weaker first-half earnings, while preserving flexibility as CSE continues to fund its Electrification build-out and working capital needs.

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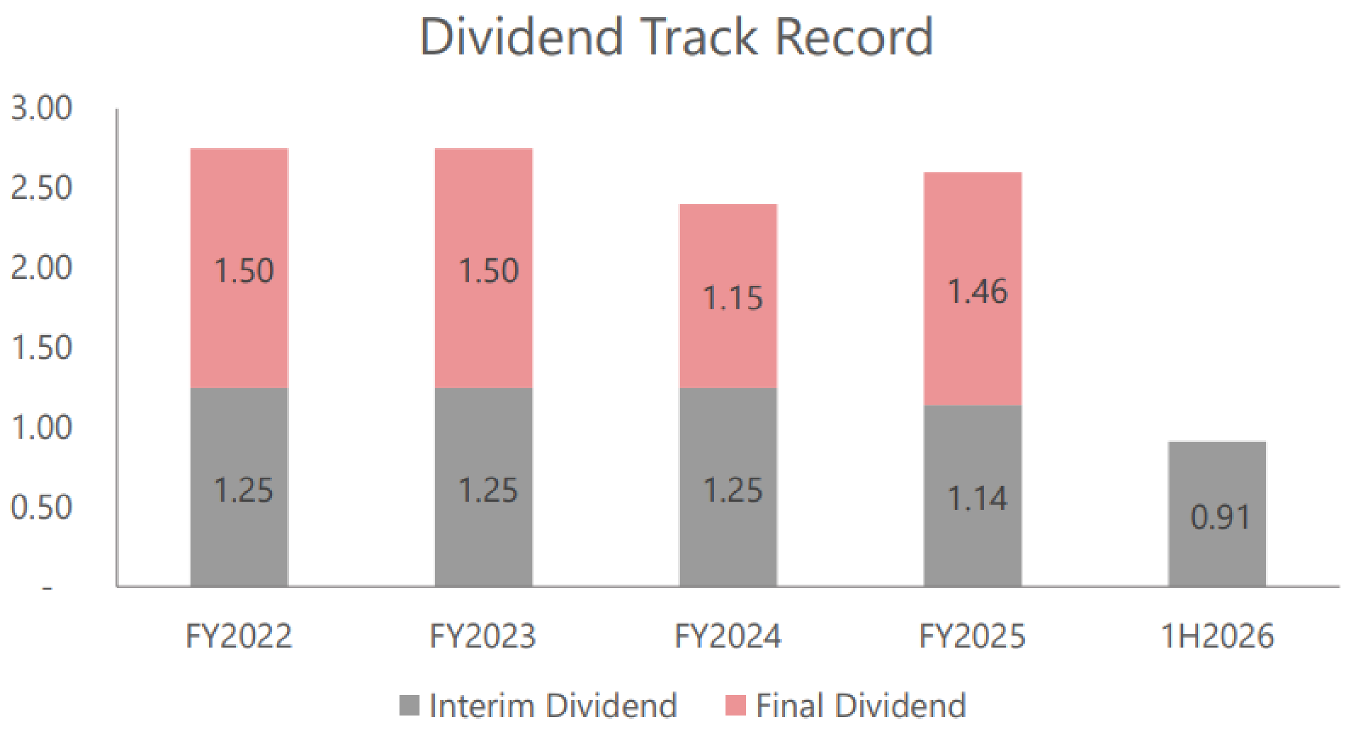
Figure 10: Dividend track record



Source: Company data

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Growth outlook: healthy order book, but earnings growth expected to moderate

Healthy order book supports 2H2026 visibility

CSE Global enters 2H2026 with a healthy order book of S$620.4 million, giving the group good revenue visibility for the rest of the year.

Flow business also made up a larger share of revenue, with recurring brownfield and small greenfield work rising 41.5% year-on-year to S$446.2 million and accounting for 79% of 1H2026 revenue.

Most 1H2026 margin pain points have been recognised

Management sounded more constructive on the margin pressures seen in 1H2026.

Most of the key pain points appear to have been recognised in the first half.

These include S$5.3 million of water and wastewater wind-down losses, S$2.4 million of Champion start-up costs, and S$6.7 million of cost adjustments from large greenfield LNG projects.

Management does not expect these items to recur to the same extent in 2H2026, although a small number of affected projects may continue into 1H2027.

AWS procurement could dilute gross margin

CSE expects to take on direct sourcing of certain materials on behalf of AWS.

Management estimated that this could dilute group gross margin by about 2 percentage points, due to the low-margin, pass-through nature of the procurement.

We would treat this as a mix effect linked to the scale-up of the AWS relationship, rather than a deterioration in underlying project profitability.

Order wins remain supportive

On 14 August 2026, CSE announced a US$49.8 million contract in the US for the Cheyenne Power Hub project.

The contract covers the design and manufacture of power distribution centres and the integration of electrical and control systems.

These power distribution centres will support power infrastructure for an adjacent data centre.

The contract will be executed progressively between 2026 and 2027, and is not expected to have a material impact on FY2026 NTA or EPS.

This win is incremental to CSE's existing order book as at 30 June 2026.

Further AWS orders remain a key catalyst

Separately, CSE has largely secured its disclosed AWS orders for 2026 delivery.

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We continue to watch for a further AWS order tranche for 2027 delivery, potentially around November or December 2026, as the current AWS order book runs down.

Management indicated that current committed order flows for 2026 delivery are not meaningfully constrained by the copper bottleneck.

However, a materially larger order would likely require the bottleneck to be resolved first.

Earnings growth likely to moderate

Despite the healthy backlog, management expects FY2026 earnings growth to be more moderate than initially anticipated.

Full-year net margin is expected to improve only modestly from FY2025 as Champion ramps up, legacy projects are worked through and CSE continues to invest for growth.

Data centres and critical infrastructure remain key growth drivers

CSE remains focused on Electrification and Communications, supported by demand from data centres, power infrastructure and critical communications.

Management said it has not seen US hyperscaler customers scaling back their 2027–2029 build plans despite concerns around community opposition and resource constraints.

Strategic review remains ongoing

Management also indicated that its strategic review remains in progress, with possible outcomes including further investment in data centres and critical communications and potentially additional growth capital.

CSE has financing options available and retains the flexibility to raise capital if required.

Overall, demand visibility remains healthy, but the key question is whether CSE can translate strong revenue growth into better margins as Champion scales, AWS orders expand and loss-making legacy projects are progressively worked through.

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Maintain BUY with higher target price of S$1.71

We maintain our BUY rating on CSE Global and raise our target price to S$1.71, from S$1.45. This implies potential upside of 34.6% from the current price of S$1.27.

We believe the bulk of the margin pressure seen in 1H2026 is now behind the group.

The S$5.3 million of water and wastewater wind-down losses, S$2.4 million of Champion start-up costs, and S$6.7 million of greenfield LNG cost adjustments were largely one-off in nature.

Management does not expect these items to recur at the same scale in 2H2026.

Looking ahead, the key earnings driver is the ramp-up of the Champion facility.

The facility is currently running at about 75% capacity, constrained mainly by AWS's copper supply bottleneck rather than CSE's own capacity.

As this bottleneck eases, utilisation should move closer to full capacity into 2027.

This should support higher Electrification revenue and better margins, given Champion's largely fixed cost base.

We also see scope for further order momentum from hyperscalers.

Management indicated that the next AWS order tranche for 2027 delivery could be at least US$300 million, potentially around November or December 2026.

CSE is also continuing to work on qualifying additional Tier 1 and Tier 2 hyperscaler customers.

We raise our target price to S$1.71 to reflect the improving earnings trajectory as CSE moves past its 1H2026 cost drag and enters a period of higher utilisation.

Figure 11: Valuation comparison

Company Name	Ticker	Market Value (USD millions)	Revenue growth (%)	EPS growth (%)	Trailing P/E (x)	P/E NTM (x)	P/BV (x)	ROE (%)	Net debt/ equity (x)
CSE Global	544-SG	707.0	12.5	34.9	23.8	19.9	3.2	13.6	0.8
EMCOR Group	EME-US	37,061.1	16.6	31.0	26.1	23.9	9.1	40.4	-0.2
Quanta Services	PWR-US	102,448.5	20.3	12.2	78.0	36.7	10.6	15.2	0.7
MYR Group	MYRG-US	5,117.4	8.8	311.9	31.2	24.2	6.8	24.7	-0.1
Comfort Systems USA	FIX-US	61,502.4	29.5	97.6	43.0	31.3	19.1	55.3	-0.2
MasTec	MTZ-US	23,202.5	16.2	145.7	46.0	25.5	6.6	15.4	0.7
Primoris Services	PRIM-US	4,377.6	19.0	50.9	32.0	19.8	2.7	8.9	0.2
Average					38.3x	24.9x	7.7x	23.3%	0.3x
Median					31.6x	24.1x	6.7x	15.3%	0.2x

Source: Factset (for all other companies), Beansprout Research (for CSE Global), Data as of 14 August 2026

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CSE Global on Beansprout's Opportunity Pot framework

CSE Global passes all three of our Opportunity Pot checks based on FY2025 numbers, although 1H2026 results show some near-term margin pressure worth watching.

Revenue and earnings momentum were strong in FY2025. Revenue grew 12.5% year-on-year to S$968.9 million, while diluted EPS grew at a faster 34.5% to 5.26 cents.

This was supported by the scaling of CSE's Electrification and Communications businesses, allowing EPS growth to comfortably outpace revenue growth.

Return on equity also remains healthy. FY 2025 ROE stood at about 15.6%, well above our 8% threshold.

This reflects CSE's historically asset-light systems-integration model, although capital intensity is rising as it expands dedicated Electrification capacity in the Americas.

The balance sheet also passes our screen. Net debt to equity stood at about 0.59 times as at 31 December 2025, within our sub-1.0 times threshold, despite higher borrowings to fund the group's manufacturing expansion.

However, 1H2026 results show some margin compression to monitor.

Revenue rose 27.4% year-on-year, but EPS fell 21.2% to 1.82 cents. This was due to a lower-margin data centre project mix, pass-through material procurement for AWS, S$6.7 million of cost adjustments on large greenfield LNG projects, and S$5.3 million of water and wastewater wind-down costs.

Management expects most of these pressures to ease in 2H2026, as Champion ramp-up costs reduce and remaining project wind-downs are completed.

Overall, CSE Global's FY2025 track record supports a pass on all three Opportunity Pot checks.

The key watch point is whether EPS growth recovers in 2H2026 as one-off cost items fade and Champion utilisation improves.

Key risks

Project execution and cost-overrun risk

As a contractor and systems integrator, CSE is exposed to execution risk on complex projects, including potential scope changes, implementation delays, and cost overruns. Management has noted that inaccurate scoping, over-commitments, or inadequate resource allocation and scheduling can lead to overruns, delays and losses, and highlights the need for robust project risk management and monitoring processes.

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Working-capital volatility and cash conversion risk

CSE's cash flow profile can be volatile due to project milestone timing, billing schedules and working-capital requirements.

Customer concentration and programme dependency

CSE's electrification and communications capabilities are increasingly aligned with large, multi-site customer programmes (including data-centre related demand highlighted in company materials). While these programmes can be sizable, they can also raise concentration risk (pricing, renewal timing, and project phasing), particularly if a small number of customers account for a material share of the order book or revenue in a given period.

Order book / order intake lumpiness and visibility limitations

Order intake can be lumpy and subject to timing effects.

Order-book transparency is typically provided at a segmental level and that granular project-level disclosures are usually limited, which can constrain external visibility on project mix and margin profile.

Capacity constraints and footprint expansion risk

Physical constraints (e.g., land/space) can be a gating factor for scaling prefabrication capacity for e-houses/substations. Execution risk includes the timing and cost of scaling capacity and the ability to staff and ramp operations to match demand.

Acquisition and integration risk

CSE has used acquisitions to expand capabilities and geographic reach. Integration risk includes achieving expected synergies, aligning operating processes, and avoiding margin dilution.

FX exposure and translation risk

Given CSE's geographic revenue skew to the Americas and Asia Pacific, results can be influenced by currency movements.

Balance sheet and funding risk (including lease and borrowing obligations)

While leverage remained moderate, the risk is that sustained working-capital outflows or execution setbacks could pressure liquidity and funding flexibility.

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Financial summary

Y/E Dec (S$ millions)	FY23	FY24	FY25	FY26E	FY27E
Income Statement					
Revenue	725	861	969	1,246	1,423
Cost of sales	-525	-620	-707	-947	-1,067
Gross profit	200	241	262	299	356
Selling and distribution expenses	-143	-169	-195	-259	-292
R&D expenses	-9	-11	-11	-14	-16
EBIT	38	54	54	71	81
EBITDA	64	82	83	98	114
Net finance income/expenses	-10	-8	-9	-15	-15
Share of results of associates & jvs, net of income tax	-0	-0	-0	-0	-0
Profit before tax	30	36	46	56	66
Tax	-7	-9	-8	-11	-13
Minority interests	-0	0	0	0	0
Profit attributable to owners	**23**	**26**	**37**	**45**	**53**
Balance Sheet					
Assets					
PPE	70	54	67	111	135
Others	127	139	186	174	159
Total non-current assets	**197**	**193**	**253**	**285**	**293**
Cash & cash equivalents	39	57	46	34	40
Trade & other receivables	153	167	166	213	243
Others	209	215	293	308	325
Total current assets	**401**	**440**	**505**	**555**	**609**
Total assets	**598**	**633**	**758**	**840**	**902**
Liabilities					
ST borrowings	96	109	205	205	205
Trade & other payables	127	119	176	236	266
Others	112	105	45	32	32
Total current liabilities	**335**	**333**	**426**	**473**	**503**
LT borrowings	20	21	4	4	4
Others	28	23	52	16	12
Total non-current liabilities	**47**	**44**	**56**	**20**	**16**
Total liabilities	**382**	**377**	**482**	**493**	**520**
Equity					
Share Capital	132	166	175	175	175
Reserves	114	122	144	172	207
Others	-30	-33	-44	0	0
Total Owner's Equity	**216**	**256**	**275**	**347**	**382**
Minority interests	-0	0	0	0	0
Total Equity	**216**	**256**	**276**	**347**	**383**
Total Liabilities and Equity	**598**	**633**	**758**	**840**	**902**

Y/E Dec (S$ millions)	FY22	FY23	FY24	FY25	FY26E	FY27E
Cash Flow						
Operating Cash Flow						
Pretax profit	4	23	28	32	34	40
Adjustments	22	36	37	37	43	49
Working capital changes	-21	6	-25	-130	-14	-17
Cash flow from operations	**0**	**56**	**33**	**-67**	**62**	**71**
Investing Cash Flow						
CAPEX	-16	-19	-21	-29	-52	-44
Others	-30	-6	-12	28	0	0
Cash flow from investments	**-46**	**-24**	**-33**	**-0**	**-52**	**-44**
Financing Cash Flow						
Dividends paid	-14	-17	-8	-8	-17	-17
Others	39	0	27	65	-6	-4
Cash flow from financing	**25**	**-17**	**19**	**57**	**-23**	**-21**
Net change in cash	-21	15	19	-10	-12	7
Beginning cash	**46**	**24**	**38**	**57**	**46**	**34**
Ending cash	**34**	**39**	**57**	**46**	**34**	**40**
Per share data (S$ cents)						
Book value per unit	39.8	35.2	37.9	38.3	48.2	53.1
Distribution per unit	2.8	2.8	2.4	2.6	2.4	2.4
Earnings per unit	0.9	3.7	3.9	5.2	6.2	7.3
Valuation						
P/E (x)	138.7	33.8	31.8	23.8	19.9	16.9
P/B (x)	3.1	3.5	3.3	3.2	2.6	2.3
EV/EBITDA (x)	22.0	13.2	11.1	12.6	10.9	9.3
Dividend yield (%)	2.2	2.2	1.9	2.1	1.9	1.9
Ratios						
ROE (%)	2.2	10.4	10.3	13.6	12.9	13.8
ROA (%)	1.0	3.8	4.2	4.9	5.3	5.8
Net Gearing (x)	0.34	0.35	0.28	0.59	0.51	0.44
Margins (%)						
EBIT margin	2.4	5.3	6.3	5.6	5.7	5.7
Net margin	0.9	3.1	3.1	3.9	3.6	3.7
Share Price	1.24	1.24	1.24	1.24	1.24	1.24
No of shares ('000)	534	615	675	720	720	720
Market cap ('000)	662	762	836	893	893	893
Enterprise Value ('000)	734	838	909	1,056	1,068	1,062
EBITDA	33	64	82	83	98	114

Source: Company data, Beansprout research.

PLEASE SEE ANALYST CERTIFICATION(S) AND IMPORTANT DISCLOSURES BEGINNING IN APPENDIX.

Disclosure Appendix

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