COMPANY INITIATION — Transportation ▪ Singapore

Skylink Holdings Limited

(SCG SP/XZB.SI)

A fleet growth flywheel

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- **Structural advantage through integrated lifecycle management.** Skylink's primary strength lies in its end-to-end control of the vehicle lifecycle, allowing it to optimize returns through disciplined procurement, in-house maintenance, and strategic disposal. By managing vehicles as active financial assets rather than passive rentals, the group minimizes "value leakage" and preserves asset quality to significantly enhance terminal value. This integrated approach improves capital recycling efficiency and asset turnover, driving sustainable return on equity (ROE) expansion without relying on excessive leverage.
- **Strategic retention through ecosystem integration.** Skylink creates significant customer "stickiness" by embedding itself into client workflows, bundling leasing, financing, and maintenance into a single, frictionless platform that raises switching costs for SME operators. This integrated ecosystem drives higher contract renewal rates and reduces idle fleet time, while providing Skylink with superior data visibility into asset health and credit risk. Ultimately, this information advantage creates a self-reinforcing loop where better risk assessment and deeper relationships lead to more stable earnings and a defensible market position.
- **Financial resilience through multi-layer monetization.** Skylink's model maximizes returns by extracting value from every stage of an asset's life, generating concurrent revenue from leasing, financing, servicing, and resale. This diversified income structure creates "earnings redundancy," insulating the company from market volatility and ensuring predictable cash flow even when individual segments fluctuate. As the ecosystem scales, fixed-cost absorption—such as shared infrastructure and administrative systems—drives significant operating leverage, allowing incremental utilization to disproportionately boost EBITDA. By combining these layered margins with disciplined capital recycling, Skylink accelerates asset turnover and compounds returns, supporting sustainable ROE growth without the need for aggressive borrowing.

Financials & Key Operating Statistics

YE Mar (SGD '000)	2024	2025	2026F	2027F	2028F
Revenue	15,011	26,373	33,631	52,155	78,170
PATMI	2,033	2,741	4,539	7,070	9,941
EPS (cents)	39.10	52.61	2.02	3.15	4.43
EPS growth (%)	67.8	34.6	(96.2)	55.8	40.6
DPS (Sing cents)	62.5	–	–	0.6	0.9
Div Yield (Y%)	204.9%	0.0%	0.0%	2.0%	3.1%
Net Profit Margin (%)	13.5%	10.4%	13.5%	13.6%	12.7%
Net Gearing (x)	17.9	12.8	3.6	4.4	4.7
Price P/B (x)	0.41	0.24	3.23	2.54	1.97
ROE (%)	52.0%	41.1%	21.4%	26.3%	28.6%

Source: Company data, KGI Research

Company Background. Skylink Holdings Limited is a one-stop customer-centric commercial vehicle specialist, with core businesses spanning vehicle leasing, hire-purchase financing and engineering services.

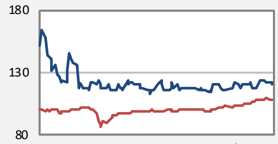
Outperform - Initiation

Price as of 24 Feb 26 (SGD)	0.30	**Performance (Absolute)**	
12M TP ($)	0.58	1 Month (%)	3.4
Previous TP ($)	-	3 Month (%)	1.7
Upside, incl div (%)	92.2	12 Month (%)	N/A

Trading data

Mkt Cap ($mn)	61
Issued Shares (mn)	202
Vol - 3M Daily avg (mn)	0.3
Val - 3M Daily avg ($mn)	0.1
Free Float (%)	29.2%

Perf. vs STI Index (Red)



Major Shareholders

PM Capital Pte. Ltd.	57.4%
Teh Wing Kwan	13.2%

Previous Recommendations

The Integrated Mobility Flywheel and EV Acceleration. Skylink's investment thesis centers on a self-reinforcing mobility flywheel where fleet expansion acts as a catalyst for high-margin credit income and internal engineering demand. By leveraging a captive audience of over 1,300 vehicles, the group internalizes maintenance costs and captures financing yields, a cycle further accelerated by Singapore's aggressive green transition.

Strategic government incentives—such as the CVES and HVZES grants—structurally improve the economics of Skylink's electric fleet pivot by providing up to $40,000 in incentives per heavy vehicle while penalizing internal combustion laggards. Supported by recent placement proceeds and a maturing national charging infrastructure, Skylink is positioned to maintain high growth momentum through 2027, converting regulatory tailwinds into a sustainable, tech-driven competitive advantage.

Valuation & Action: We initiate an **OUTPERFORM** rating and derive the TP of **S$0.58,** implying a 92% upside, from employing a DCF valuation with a WACC of 13.5% and a terminal growth rate of 2.0%. This reflects the upside potential from a projected increase in fleet size of ~22% for the FY26. Our valuation factors in the full conversion of S$5mn convertible bonds and the proposed issuance of 224,126 additional shares, which will dilute our shareholder base.

Risks: Skylink views COE fluctuations as a strategic expansion opportunity by leveraging high scrap values and accelerated repayment cycles to mitigate residual value risk. While current interest rates remain benign, the company faces potential margin compression from funding cost volatility. Furthermore, utilization and regulatory risks remain critical, as any slowdown in the construction sector or shifts in emissions policies could compress margins and disrupt the "flywheel" momentum.

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Company Background

Skylink Holdings Limited is a commercial vehicle solutions provider in Singapore. It engages in three main business segments, namely commercial vehicle leasing, credit, and engineering.

- As of December 2025, the commercial vehicle fleet size was more than 1,300.
- Active leasing contracts totaled 1,163 in 1H26. The portfolio is primarily composed of long-term agreements, with 1,050 contracts exceeding one year of service and 113 remaining under the one-year mark.
- As of September 2025, the total loan book of the credit business was c.S$66.3mn.
- As of September 2025, there were six workshops.

Figure 1: Core business overview

Segment	Core Activities	Revenue Model	Strategic Role	Competitive Implication
Leasing	Commercial vehicle rental (vans, light goods vehicles, selected heavy vehicles) Fleet ownership & management	Recurring rental income from short- to medium-term contracts	Forms the backbone of recurring cash flow and customer acquisition channel	Asset ownership enables control over utilization rates, pricing power, and residual values
Credit	Hire-purchase financing Instalment-based vehicle loans Structured SME financing	Interest income & financing margin	Enhances customer lifetime value and cross-selling from leasing base	Leverages internal vehicle knowledge for underwriting, creating niche risk-assessment advantage
Engineering	Maintenance & repair (MRO) Preventive servicing Vehicle modification & technical works	Service fees from internal fleet and third parties	Protects asset quality and ensures fleet uptime	Vertical integration reduces outsourcing cost and safeguards residual value

Source: Company, KGI Research

Figure 2: Customer Base

Source: Company

Investment thesis

Lifecycle Control Creates Structural Economic Advantage

Skylink's primary competitive strength lies in its control over the entire commercial vehicle lifecycle — from procurement and deployment to servicing, financing coordination, and eventual disposal. This integration allows the group to influence the key economic variables that determine asset-level returns: acquisition cost discipline, lease yield sustainability, maintenance efficiency, and residual value realisation. Rather than operating as a transactional lessor, Skylink manages vehicles as income-generating financial assets whose performance can be actively optimised.

Lifecycle control materially reduces value leakage. Operators that outsource servicing or rely on third-party resale channels typically sacrifice margin visibility and residual value certainty. In contrast, Skylink's in-house engineering capability preserves asset condition, which directly impacts terminal value and depreciation accuracy. Even modest improvements in residual value assumptions can significantly enhance asset IRR in fleet-heavy models, given the capital intensity of vehicle acquisition.

Furthermore, integrated lifecycle management improves capital recycling efficiency. By controlling disposal timing and secondary market execution, Skylink can rotate assets strategically, especially in favourable COE or used-vehicle market environments. Efficient recycling shortens payback periods and increases asset turnover, which in turn strengthens return on assets and supports sustainable ROE expansion without excessive leverage.

In essence, lifecycle ownership transforms Skylink's model from pure leasing into an actively managed yield platform. The durability of this advantage depends on disciplined procurement, conservative depreciation policy, and execution in resale markets — but when executed effectively, lifecycle control becomes a structural source of economic advantage.

Embedded Ecosystem Drives Customer Stickiness and Information Advantage

Skylink's integration of leasing, financing, and engineering services increases customer stickiness by embedding the company into clients' operational workflows. For SME fleet operators, vehicle uptime and financing flexibility are critical. By bundling vehicle supply, credit, and maintenance under one platform, Skylink reduces coordination friction and increases switching costs. Customers are less likely to move to fragmented competitors when multiple services are intertwined.

This integration also enhances renewal probability. When leasing, servicing, and financing are synchronised, vehicle replacement and contract extension become seamless. Higher renewal rates reduce idle fleet periods and customer acquisition costs, stabilising utilisation and smoothing earnings volatility over time.

Equally important is the informational advantage created by ecosystem depth. Because Skylink services and finances the same vehicles it leases, it has superior visibility into asset condition, usage behaviour, and payment patterns. This operational data improves underwriting discipline and risk pricing relative to standalone lenders or less integrated operators.

Over time, this combination of higher retention and better risk assessment creates a reinforcing loop: stronger customer relationships generate richer data, which improves credit performance and asset management, further strengthening returns. This embedded ecosystem dynamic forms a defensible competitive layer within a fragmented commercial vehicle market.

Multi-Layer Monetisation Enhances Resilience and ROE Expansion

Skylink's third structural pillar is its ability to monetise each vehicle across multiple interconnected revenue layers. A single asset generates recurring leasing income, embedded financing yield, servicing margin, and terminal resale proceeds. This layered monetisation structure distributes earnings across complementary drivers, reducing dependence on any one segment and strengthening overall cash flow stability.

This diversification becomes particularly valuable across economic cycles. While vehicle trading margins may fluctuate with demand conditions, leasing contracts provide predictable recurring income, and servicing demand persists as long as vehicles remain operational. Financing income further supplements returns, provided credit discipline is maintained. The interaction of these income streams creates earnings redundancy, smoothing volatility relative to single-segment competitors.

Operating leverage further strengthens the model. Leasing and workshop operations require fixed infrastructure — facilities, technicians, administrative systems — meaning incremental utilisation gains translate into disproportionately higher margins. Even small improvements in utilisation rates or cross-sell penetration can materially lift EBITDA due to fixed cost absorption. As ecosystem depth increases, revenue per vehicle rises while customer acquisition cost remains relatively stable.

Finally, disciplined capital recycling amplifies return compounding. Efficient asset disposal and reinvestment allow Skylink to maintain capital velocity without excessive balance sheet expansion. When stable yield spreads are combined with improving asset turnover and controlled leverage, the result is gradual and sustainable ROE enhancement.

Taken together, multi-layer monetisation converts operational integration into financial durability. It strengthens earnings stability, embeds operating leverage, and provides structural support for long-term return compounding within a niche commercial vehicle ecosystem.

Figure 3: Enclosed ecosystem

Source: Company

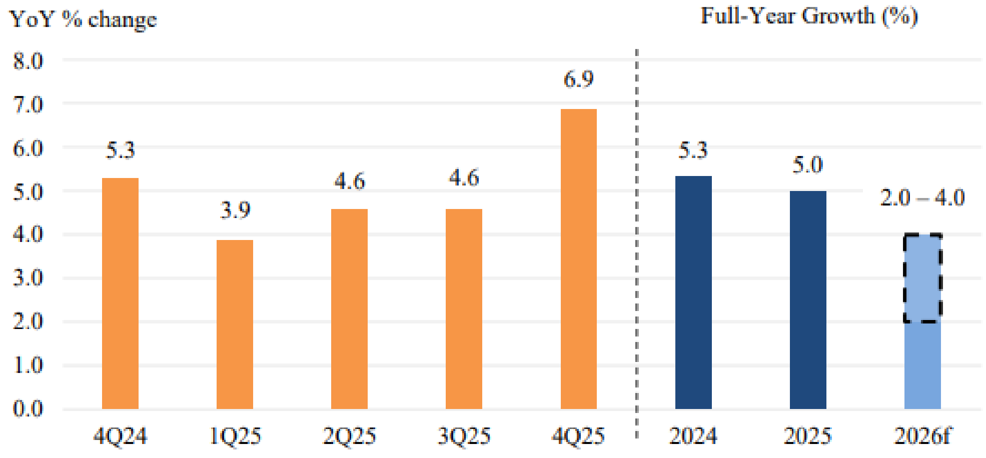
Macro and Industrial Outlook

Commercial vehicle demand in Singapore is structurally shaped by construction and infrastructure, logistics and domestic distribution, and the broader pace of enterprise formation and activity, especially small and medium size enterprises (SMEs). The near-term broad business expansion and contraction directly affect the demand for commercial vehicles and then translate to the rise and fall of the topline.

Singapore economy continues to grow

According to the Ministry of Trade and Industry (MTI), the Singapore economy expanded 5.0% in 2025, and MTI upgraded its 2026 GDP growth forecast range to 2.0%–4.0% from previous 1.0%–3.0%. MTI's release and the accompanying national accounts materials highlight that 2025 growth was supported by areas such as manufacturing, wholesale trade, and finance & insurance, while some consumer-facing activity remained softer. Sectorally, construction expanded 5.2% in 2025, which is directly relevant for commercial vehicle utilisation and workshop demand. Transportation & storage expanded 3.3% in 2025, supporting a baseline of domestic logistics activity.

Figure 4: Singapore's Real GDP Growth



Source: Ministry of Trade and Industry Singapore

More infrastructure pipelines

The Building and Construction Authority (BCA) projects total construction demand of S$47–53 billion in 2026 (nominal), broadly steady versus 2025, alongside a preliminary 2025 construction demand of S$50.5 billion. BCA explicitly ties the 2026 outlook to major project packages and expansions, including additional packages for Changi Airport Terminal 5 development, Marina Bay Sands expansion, the Tengah General and Community Hospital, and rail extensions such as the Downtown Line and Thomson–East Coast Line. For Skylink, the commercial implication is that fleet utilisation stability should be supported as long as these capex-heavy pipelines translate into ongoing on-the-ground works and subcontractor activity, even if the headline GDP growth rate moderates.

Figure 5: Construction Demand Singapore (S$bn)

Year	Construction Demand	Construction Output
2025P	50.5	41.7
2026F	47 - 53	43 - 46
2027F - 2030F	39 - 46 per year	-

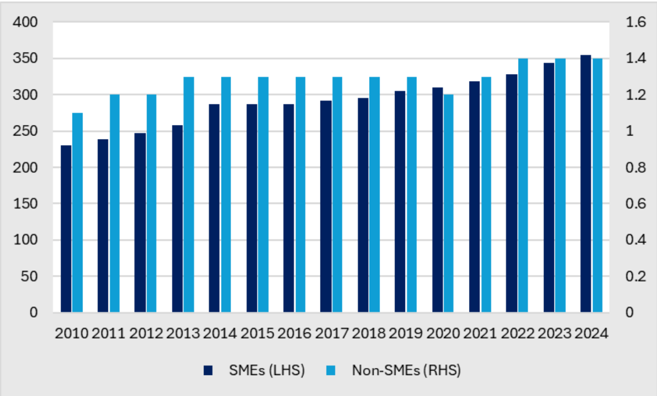
Source: Building and Construction Authority (BCA), KGI Research

More SME establishments and positive sentiment

Singapore Department of Statistics indicates that in 2024 Singapore's enterprise landscape comprised c.356,100 enterprises. SMEs (operating revenue less than S$100 million or employment less than 200 workers) accounted for c.99.6%. Singapore SMEs employed c.2.50 enterprise jobs and produced c.S$313.4b enterprise nominal value added. SingStat's business formation statistics show that total business entity formations increased to 78,146 in 2025 from 71,687 in 2024, while cessations increased to 60,445 in 2025 from 55,318 in 2024. Transportation & storage formations rose to 3,886 in 2025 from 2,798 in 2024, consistent with continued churn and entry in logistics-adjacent businesses. Construction formations increased to 3,718 in 2025 from 3,487 in 2024, consistent with an active set of small operators and subcontractors entering/reshaping the market.

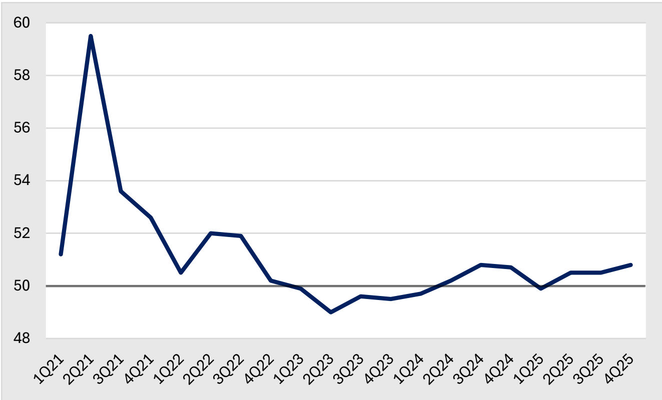
According to the OCBC SME Index, 4Q25 marked the third consecutive quarter of expansion, with particularly strong transactional growth in transport and logistics segments. However, it is expected that the near-term growth could ease as operating costs rise and competitive pressures mount, despite about half of SMEs anticipating business improvement over the next six months. This suggests that while SME demand remains structurally supportive of recurring fleet services and leasing activity.

Figure 6: Enterprise Landscape by SMEs and Non-SMEs ('000)



Source: Singapore Department of Statistics, KGI Research

Figure 7: OCBC SME Index (>50: Expansion, <50: Contraction)

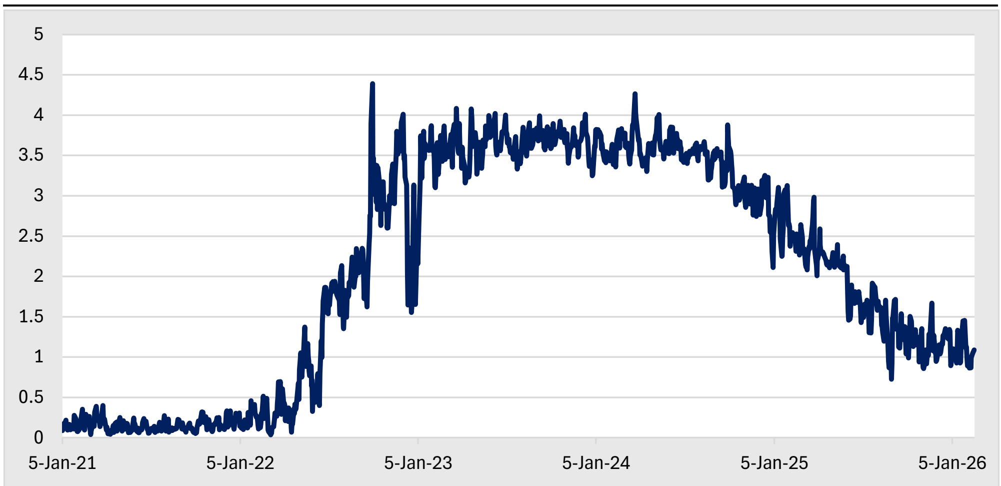


Source: OCBC, KGI Research

Lower rate environment

The macroeconomic landscape in 2026 presents a favorable pivot for Singapore's industrial and logistics sectors, characterized by the stabilization of the Singapore Overnight Rate Average (SORA) at lower levels following global monetary easing in 2025. As inflationary pressures normalize within the MAS's target range of 1.0–2.0%, the reduction in benchmark rates acts as a dual catalyst for asset-heavy firms like Skylink. Domestically, lower borrowing costs relieve the 'interest expense squeeze' on Singapore's SME ecosystem, thereby stimulating capital expenditure and demand for commercial fleet renewals. Furthermore, a lower-rate environment traditionally moderates the financing burden of Certificate of Entitlement (COE) premiums, which remains a primary cost driver in the Singaporean automotive market. The convergence of cheaper credit and steady domestic demand provides a robust tailwind for margin expansion and fleet scalability.

Figure 8: Domestic Interest Rates – SORA (%)



Source: Monetary Authority of Singapore (MAS), KGI Research

Category C premium stabilises

In LTA's COE statistics, Category C is explicitly defined as goods vehicles & buses, making it the most direct COE category for commercial fleet operators. Category C premiums trended upward through 2025. However, as of February 2026, the outlook for Category C premiums is one of relative stability with a slight downward bias. There will be up to 20,000 additional COEs through 2026/2027. For the February–April 2026 period, the LTA increased the Category C quota by approximately 3% (to 1,692 certificates), providing a much-needed supply buffer that has helped preventing price surge. A significant number of commercial vehicles are reaching their 10-year limit in 2026. Higher deregistrations naturally lead to a higher quota for the following quarters. The discontinuation of the Early Turnover Scheme (ETS) as of January 1, 2026, has leveled the playing field by requiring all owners to bid for new COEs, a shift that benefits asset owners like Skylink by simplifying the acquisition process through direct Commercial Vehicle Emissions Scheme (CVES) rebates. These significant incentives—$15,000 for light EV vans and $40,000 for heavy trucks—directly reduce body acquisition costs and effectively mitigate residual value risk for electric vehicle owners. With Category C premiums remaining stable between $65,000 and $75,000 over the past two years, this new regulatory environment provides a predictable framework for fleet expansion and capital management.

Figure 9: Category C Bidding Results

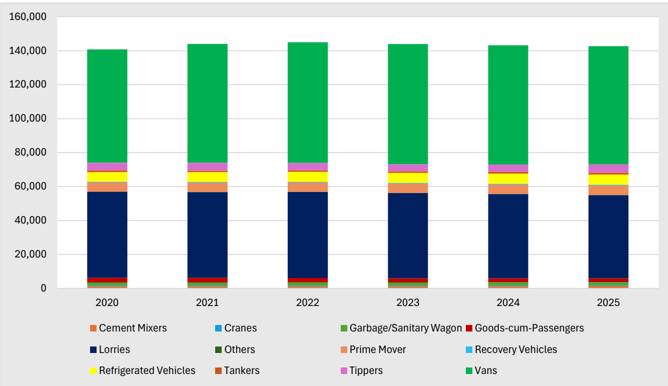
Source: Land Transport Authority (LTA), data.gov.sg

Figure 10: Impact of COE Premiums

Business Segment	High COE Premiums	Low COE Premiums
Leasing	SMEs switch from "Buy" to "Lease" to avoid huge upfront costs. High residual value for the existing fleet.	Lower barriers to entry for competitors; some customers may choose to own their vehicles instead.
Credit	Larger loan quantums per vehicle lead to higher interest income, provided credit quality remains stable.	Higher volume of loans but lower principal amounts per contract.
Engineering	Customers are more likely to refurbish and repair old vehicles rather than scrap them, increasing MRO demand.	Lower incentive for refurbishment as new vehicle replacement becomes more affordable.

Source: KGI Research

Figure 11: Goods and Other Vehicle Population by Type (2020-2025)



Source: Land Transport Authority (LTA), KGI Research

Company Outlook

Flywheel effect

The core of Skylink's investment thesis lies in its 'integrated mobility flywheel,' where each business segment acts as a catalyst for the others, driving exponential value that exceeds the sum of its parts. The cycle begins with fleet expansion, which builds a massive captive audience of over 1,300 vehicles. This scale immediately feeds the Credit segment, generating high-margin interest income from in-house hire-purchase. As the fleet grows and ages, it creates high-volume demand for the Engineering segment, which internalizes maintenance, repair, and bodywork customization costs.

Shown in Figure 12, Skylink has been aggressively scaling up its ecosystem to strengthen the flywheel effect since its IPO last September. We believe that it will maintain the high growth momentum in 2026 and 2027 driven by fleet size and loan book expansion and the ramp-up in MRO capacity. The promising outlook is well supported by the recent secured funding and the internally generated free cash flows.

Figure 12: Corporate actions to reinforce flywheel effect

Strategy	Corporation Action (2025-Current)	Remark
Asset Scaling	Added 132 units; Raised S$7M for EV expansion.	Gains economies of scale and dominance in the "Category C" market.
Vertical Integration	Acquired Chuang Li Partners; Expanded Jurong facility.	Captures the full value chain (Engineering + Customisation + MRO).
Client Diversification	Secured long-term contracts with SBS Transit & F&N.	Reduces SME concentration risk and secures recurring, high-quality cash flow.

Source: KGI Research

Tap on EV amidst government support

Singapore's supportive regulatory landscape meaningfully improves the economics of Skylink's electric fleet expansion. The extension of CVES through March 2027 preserves a S$15,000 incentive for Band A electric light commercial vehicles while raising the Band C surcharge to S$20,000—structurally penalising laggards and rewarding early movers. The HVZES further sweetens acquisition economics with a S$40,000 incentive for zero-tailpipe-emission heavy goods vehicles and buses from 2026 to 2028, while LTA's Electric Heavy Vehicle Charger Grant co-funds up to 50% of charger installation costs, underpinned by MoT's broader push toward 60,000 charging points by 2030. Skylink is well-positioned to capitalise on these tailwinds: its SGX filing confirms that placement proceeds are earmarked primarily for electric commercial vehicle fleet expansion, and we view the confluence of acquisition incentives and a maturing charging infrastructure as a structural enabler of a faster EV fleet pivot—reinforcing the flywheel effect as the company continues to scale.

Figure 13: 2026 Government Support for Commercial EV

Scheme	Vehicle Type	2026 Benefit / Status
Heavy Vehicle Zero Emissions Scheme (HVZES)	Heavy Goods Vehicles / Buses	**S$40,000 incentive** (Distributed over 3 years).
Commercial Vehicle Emissions Scheme (CVES) (Band A)	Light Commercial Vehicles	**S$15,000 rebate** (Extended to March 31, 2027).
EV Early Adoption Incentive (EEAI)	All Electric Vehicles	**45% ARF Rebate** (Capped at **S$7,500** for 2026; ceasing in 2027).
Electric Heavy Vehicle Charger Grant (EHVCG)	Private Charging Infrastructure	**50% co-funding** (Up to **S$30,000**) for high-power (>50kW) chargers.
Surcharge	Pollutive Diesel Vehicles	**S$20,000 surcharge** (Up from S$15,000) for Band C.

Source: KGI Research

Valuations

We value Skylink Holdings using a discounted cash flow (DCF) approach, which we view as appropriate given the Group's asset-heavy operating model, visible growth runway, and recurring cash flow profile underpinned by long-term lease contracts and an expanding hire-purchase book. Our DCF incorporates management's key expansion plans across fleet, credit, and engineering segments, alongside steady leasing assumptions and disciplined capital deployment, while conservatively accounting for lease renewal risk, COE volatility, and operating leverage. The model is based on a WACC of 13.5% and a terminal growth rate of 2.0%, reflecting medium-term fleet and loan book expansion, margin scalability, and a stable regulatory environment.

Based on our DCF, we derive a target price of S$0.58, implying 92.2% upside from the current share price of S$0.305. We initiate coverage with an OUTPERFORM rating, underpinned by Skylink's integrated mobility flywheel, strong revenue growth trajectory, and cash-generative structure. While near-term execution and macro risks remain, we believe these are adequately reflected in our valuation assumptions and risk-adjusted discount rate. Our valuation incorporates the full conversion of S$5mn in convertible bonds and up to 224,126 additional placement shares and the resultant dilution to the shareholder base.

Figure 14: DCF Valuation

DCF Valuation All Amounts Denominated in SGD'000 unless otherwise stated Year ended 31 Mar	*Projected* 2026	2027	2028	2029	2030
EBIT	4,104	7,723	11,626	13,369	14,706
Tax Rate	13.6%	13.6%	13.6%	13.6%	17.0%
EBIT (1-T)	3,546	6,673	10,044	11,551	12,206
(+) D&A	10,321	11,799	17,829	19,612	21,573
(-) Change in NWC	2,251	2,223	7,111	7,111	7,111
(-) Capex	(2,018)	(5,200)	(13,650)	(13,650)	(13,650)
Free Cash Flow	**14,100**	**15,495**	**21,334**	**24,624**	**27,240**
Free Cash Flow to Firm	14,100	15,495	21,334	24,624	27,240
Terminal Value					241,610
Total FCFF to be Discounted	**14,100**	**15,495**	**21,334**	**24,624**	**268,850**
PV of Free Cash Flow	**13,935**	**13,492**	**16,361**	**16,638**	**160,049**
Enterprise Value	**206,540**				
(-) Debt	(84,013)				
(+) Cash	6,996				
Equity Value	**129,523**				
Diluted Shares Outstanding ('000)	224,622				
Fair Value / Share (SGD)*	**0.577**				
Current Share Price	0.305				
Upside / (Downside)	89.1%				

** Assuming full dilution from issuance of 224,126 additional shares*

Source: KGI Research

On peer comparisons, Skylink has no directly listed peers on the SGX—its closest comparables, Goldbell Group (fleet size >5,000) and Pan Pacific Leasing Group (fleet size >3,500), are both privately held. This limits the applicability of a market-based multiples approach and reinforces our preference for DCF as the primary valuation methodology. Notwithstanding, Skylink's fleet size of over 1,300 vehicles positions it as a meaningful participant in Singapore's commercial vehicle leasing landscape, with a credible runway to close the scale gap against its larger private peers.

Key Risks

Residual value risk. The company views potential drops in Certificate of Entitlement (COE) prices as a strategic opportunity rather than a financial threat, primarily because the high paper value of its fleet—often exceeding the actual body value due to EV incentives—provides a safety net through scrap and rebate recovery. By maintaining a faster repayment cycle relative to vehicle depreciation and utilizing upfront deposits to lower loan exposure, the company ensures its capital is recovered well before the COE expires. Furthermore, low COE environments facilitate more affordable fleet expansion and lower Prevailing Quota Premium (PQP) renewal costs, while the current stability in Category C prices suggests a predictable "normalized" cost structure for long-term rental income.

Funding cost and spread compression risk. Skylink's earnings are underpinned by the spread between hire-purchase and lease yields and its cost of borrowing. While 3-month compounded SORA stands at a benign 1.15% as of January 2026, an upward rate cycle can reprice funding liabilities faster than fixed-rate books, compressing net interest margins given Singapore's open and rate-sensitive capital markets.

Fleet utilisation and lease renewal risk. Leasing constitutes approximately 77% of 1H26 revenue, making sustained utilisation and pricing discipline central to earnings delivery. Renewal risk crystallises when large contract tranches roll off or when SME customers downsize fleets. While MTI's 2026 GDP growth forecast of 2%-4% is broadly supportive, cyclicality remains, particularly if construction activity or project timelines are delayed.

Regulatory and policy risk. Changes to COE quota allocations, emissions scheme parameters, or financing compliance requirements could materially alter fleet acquisition economics at short notice. Singapore reviews COE quotas quarterly and actively manages emissions policy, with scheme end-dates subject to revision, such as the cessation of ETS for heavy commercial vehicles after 31 December 2025.

Operational and execution risk. As Skylink scales its engineering capacity, execution risks arise in workforce planning, workflow optimisation, and cost discipline. Labour and industrial rental costs in Singapore can escalate quickly, and capacity expansions may introduce transitional inefficiencies that temporarily weigh on utilisation and customer retention.

Financial Summary

FYE 31 Mar					
INCOME STATEMENT (SGD '000)	**2024**	**2025**	**2026F**	**2027F**	**2028F**
Revenues	**15,011**	**26,373**	**33,631**	**52,155**	**78,170**
Cost of sales	(9,929)	(19,584)	(23,878)	(35,987)	(53,937)
Other income	955	336	1,500	1,000	400
Administrative expenses	(2,463)	(4,144)	(5,549)	(8,345)	(12,507)
Net (allowance)/reversal for expected credit lo	(109)	226	–	–	–
Other operating expenses	(591)	(12)	(100)	(100)	(100)
Profit from operation	2,874	3,195	5,604	8,723	12,026
Finance expenses	(251)	(335)	(350)	(540)	(520)
Profit before income tax	**2,623**	**2,860**	**5,254**	**8,183**	**11,506**
Income tax expense	(590)	(119)	(715)	(1,113)	(1,565)
Profit	**2,033**	**2,741**	**4,539**	**7,070**	**9,941**
BALANCE SHEET (SGD '000)	**2024**	**2025**	**2026F**	**2027F**	**2028F**
Cash and cash equivalents	2,568	3,523	6,996	6,513	8,572
Other current assets	13,810	14,534	14,597	19,552	23,408
Total current assets	**16,378**	**18,057**	**21,593**	**26,065**	**31,980**
Property, plant and equipment	35,789	68,807	78,661	118,862	166,033
Other non-current assets	31,932	24,192	27,788	36,820	43,724
Total non-current assets	**67,721**	**92,999**	**106,449**	**155,682**	**209,756**
Total assets	**84,099**	**111,056**	**128,042**	**181,747**	**241,736**
Trade and other payables	5,930	12,553	15,046	22,677	33,988
Borrowings	22,129	28,156	26,535	39,452	54,126
Other current liabilities	785	1,028	1,028	1,028	1,028
Total current liabilities	**28,844**	**41,737**	**42,609**	**63,157**	**89,143**
Borrowings	50,337	60,924	57,479	84,927	116,111
Other non-current liabilities	1,006	1,732	6,732	6,732	1,732
Total non-current liabilities	**51,343**	**62,656**	**64,211**	**91,659**	**117,843**
Total liabilities	**80,187**	**104,393**	**106,820**	**154,816**	**206,986**
Unitholders' funds and reserves	3,912	6,663	21,222	26,931	34,751
Total liabilities and equity	**84,099**	**111,056**	**128,042**	**181,747**	**241,736**
CASH FLOW STATEMENT (SGD '000)	**2024**	**2025**	**2026F**	**2027F**	**2028F**
Profit before tax	**2,623**	**2,860**	**5,254**	**8,183**	**11,506**
Adjustments	3,941	10,059	10,671	12,339	18,349
Operating cash flows before WC changes	**6,564**	**12,919**	**15,925**	**20,522**	**29,855**
Change in working capital	881	3,340	2,251	2,223	7,111
Income tax paid	(58)	(228)	(715)	(1,113)	(1,565)
Interest paid	(14)	(24)	(350)	(540)	(520)
Cash flows from operations	**7,373**	**16,007**	**17,111**	**21,092**	**34,881**
Purchase of PPE	(2,102)	(1,970)	(2,018)	(5,200)	(13,650)
Other investing cashflow	5,749	2,924	–	–	–
Cash flows from investing	**3,647**	**954**	**(2,018)**	**(5,200)**	**(13,650)**
Repayment of hire purchase borrowings	(7,246)	(10,445)	(20,710)	(9,334)	(6,080)
Dividends paid	(3,250)	–	–	(1,362)	(2,121)
Other financing cashflow	726	(5,561)	9,089	(5,680)	(10,970)
Cash flows from financing	**(9,770)**	**(16,006)**	**(11,621)**	**(16,376)**	**(19,171)**
Net increase in cash	**1,250**	**955**	**3,473**	**(483)**	**2,060**
Beginning Cash	1,318	2,568	3,523	6,996	6,513
Ending cash	**2,568**	**3,523**	**6,996**	**6,513**	**8,572**
KEY RATIOS	**2024**	**2025**	**2026F**	**2027F**	**2028F**
DPS (SGD cents)	62.50	–	–	0.61	0.94
Dividend yield (%)	204.9	–	–	2.0	3.1
NAV per share (SGD cents)	75.2	127.9	9.4	12.0	15.5
Price/NAV (x)	0.4	0.2	3.2	2.5	2.0
Profitability					
EBITDA Margin (%)	38.3	49.3	42.9	37.4	37.7
Net Margin (%)	13.5	10.4	13.5	13.6	12.7
ROE (ex. Property FV gain) (%)	52.0	41.1	21.4	26.3	28.6
ROA (ex. Property FV gain) (%)	2.4	2.5	3.5	3.9	4.1
Financial Structure					
Interest Coverage Ratio (x)	11.5	9.5	16.0	16.2	23.1
Gearing Ratio (x)	17.9	12.8	3.6	4.4	4.7

KGI's Ratings

Rating	Definition
Outperform (OP)	We take a positive view on the stock. The stock is expected to outperform the expected total return of the KGI coverage universe in the related market over a 12-month investment horizon.
Neutral (N)	We take a neutral view on the stock. The stock is expected to perform in line with the expected total return of the KGI coverage universe in the related market over a 12-month investment horizon.
Underperform (U)	We take a negative view on the stock. The stock is expected to underperform the expected total return of the KGI coverage universe in the related market over a 12-month investment horizon
Not Rated (NR)	The stock is not rated by KGI Securities.
Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances.