OTHER HIGHLIGHTS

Skylink Hldgs (S$0.265, up 1 cent) announced a strong performance of its inaugural results for the full year ended 31 March 2026 ("FY2026"), following its successful reverse takeover ("RTO") of Sincap Group Limited on 15 September 2025. Revenue growth of 34.1% to S$35.36 million in FY2026 underscores the strong momentum and scalability of its business model: Revenue growth in FY2026 was driven mainly by contributions from the Group's Commercial Vehicle Leasing and Engineering businesses.

The Commercial Vehicle Leasing segment remained as the Group's core revenue contributor with revenue increasing 37.8% or S$7.14 million from S$18.91 million for the financial year ended 31 March 2025 ("FY2025") to S$26.05 million in FY2026 due mainly to increased fleet size of commercial vehicles for leasing, including the ability to secure longer-term contracts with a minimum lease commitment period of 1 year and above. As at 31 March 2026, about 91.06% of its commercial vehicle rental contracts are 1 year or longer (2025: 85.75%), providing a stable, recurring revenue stream.

Under the Group's leasing arrangements, lessees are responsible for operating expenses relating to the use of the commercial vehicles, including fuel costs. With strong execution of the electric vehicles ("EV") conversion strategy, the Group has gained significant traction in enabling the green mobility transition for its customers across several essential sectors, including logistics, e-commerce, F&B distribution, and environmental services, under its expanding commercial EV lease offerings.

Under its Engineering segment, revenue increased by 54.3% or S$2.01 million from S$3.70 million in FY2025 to S$5.71 million in FY2026 as the Group completed a higher volume of MRO and body customisation works, supported by the maiden engineering service contracts from SBS Transit Ltd. and F&N Foods, as well as the continued expansion of its capabilities and facilities in this segment.

Revenue from the Credit segment dipped marginally by 4.5% or S$0.17 million from S$3.77 million in FY2025 to S$3.60 million in FY2026, mainly due to higher hirer settlements and recognition of lower interest income towards the end of the hire purchase term under the Rule of 78, as interest income is front-loaded during the initial hire purchase period.

The Group continues to manage a healthy loan book size of S$66.24 million as at 31 March 2026, with more new loans originated during 2H2026 that would generate higher yields as compared to those legacy loans, which have since been progressively paid off. In addition, funding costs have remained largely stable, reflecting lenders' confidence in the Group's strong credit track record.

Corresponding to increased revenue in FY2026, gross profit increased by 45.9% to S$9.91 million with an improved gross profit margin of 28.0%, despite increased depreciation on the back of higher COE prices: As a result of increased business activities and depreciation, which also increased on the back of higher COE prices, the Group's cost of sales increased by 30.0% or S$5.87 million from S$19.58 million in FY2025 to S$25.45 million in FY2026.

Generated operating cash flows of S$11.97 million in FY2026 with improved liquidity position as at 31 March 2026: The Group benefits from a synergistic ecosystem that provides customers with comprehensive, one-stop commercial mobility solutions. Each business segment is inherently cash generative, which support the Group's financial leverage while generating returns on income-producing assets in a self-compounding business cycle.

Positive outlook ahead with enhanced revenue visibility and clear growth roadmap: Given the structural roles of the Group's core businesses within the Singapore economy, the Group's 3 core business activities have remained resilient despite heightened geopolitical risks. This is further supported by its strategically aligned and integrated business model within its synergistic ecosystem, as reiterated. Furthermore, the Group maintains a highly diversified customer base, primarily small and medium-sized enterprises ("SMEs"), with no material reliance on any single customer, thereby significantly mitigating business concentration risk.

To generate higher recurring revenue, improve cost synergies, and enhance asset utilisation under this ecosystem, the Group aims to strengthen its integrated commercial vehicle platform and implement its growth initiatives in a self-compounding business cycle, both by way of growing asset base and increasing business volume

Skylink's market cap stands at S$55.2mln and currently trades at 12.5x forward PE, with a dividend yield of 2.1%. Consensus target price stands at S$0.36, representing 35.8% upside from current share price. Skylink's business segments operates in an ecosystem which supports scalable fleet expansion, operational synergies and defensive exposure to essential transport infrastructure demand. Owning one of the largest commercial vehicle leasing fleets in Singapore, Skylink is thus well-positioned to benefit from Singapore's ongoing construction upcycle and resilient logistics sector demand. We call a BUY recommendation on Skylink.

FSSTI STOCK SELECTION

HIGHEST CONSENSUS FORWARD DIV YIELD (%)

1 GENTING SINGAPORE	6.61
2 MAPLETREE PAN ASIA COMM TRUST	6.25
3 MAPLETREE LOGISTICS TRUST	6.15
4 MAPLETREE INDUSTRIAL TRUST	6.05
5 CAPITALAND ASCENDAS REIT	6.03

LOWEST TRAILING P/B (X)

1 HONGKONG LAND	0.56
2 JARDINE MATHESON	0.72
3 MAPLETREE PAN ASIA COMM TRUST	0.74
4 UOL GROUP	0.75
5 CITY DEVELOPMENTS	0.80

LOWEST CONSENSUS FORWARD P/E (X)

1 YANGZIJIANG SHIPBUILDING	8.26
2 THAI BEVERAGE	10.60
3 UOB BANK	11.21
4 SEMBCORP INDUSTRIES	11.26
5 WILMAR INTERNATIONAL	11.56

LOWEST TRAILING EV/EBITDA (X)

1 GENTING SINGAPORE	5.01
2 YANGZIJIANG SHIPBUILDING	6.02
3 DFI RETAIL GROUP	6.62
4 SEATRIUM	9.30
5 THAI BEVERAGE	10.23

Source: Bloomberg Estimates (FSSTI Universe)