

Lincotrade & Associates Holdings Limited

02 March 2026

BUY (Maintained)

BBG	LINASC SP	
Market Cap (S\$m)	59.2	
Price (S\$) (02 Mar 2026)	0.325	
Target Price (S\$)	0.387	
52-week range (S\$)	0.061 - 0.345	
Shares Outstanding (m)	182.0	
Free Float	14.4%	
Major Shareholder	Soh Loong Chow Jackie	25.0%
	Tan Jit Meng	22.0%
	Wee Henry	21.9%
	Tan Chee Khoon	16.8%

Source: Company data, Bloomberg, SAC Capital



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Analyst

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From Execution to Acceleration

Lincotrade delivered a stellar financial performance in 1HFY26. The Group's 1HFY26 net profit surged 400.6% YoY to S\$3.9 million, exceeding FY25 full year net profit of S\$2.6 million. 1HFY26 revenue increased 58.2% YoY to S\$53.3 million, while gross profit jumped 94.0% to S\$8.0 million, underscoring effective project execution and improved cost efficiency. The Group's overall gross margin expanded sharply from 12.5% in FY25 to 15.0% in 1HFY26.

Expected Impressive Dividend Yield for FY26. The proposed interim dividend of 0.88 SG cents per share represents a payout ratio of about 41.5% of 1HFY26 net profit attributable to shareholders. This interim distribution already exceeds the total dividend of 0.66 SG cents per share paid out for the full year of FY25. Furthermore, the Board of Directors has committed to a dividend payout ratio of at least 40% of the Group's consolidated net profit attributable to shareholders for FY26, which is effectively doubling its stated policy of distributing at least 20%. We forecast the dividend yield for FY26E to be 5.1%.

Lincotrade's order book hit record high of S\$117.2 million as of 31 December 2025, providing about two years of revenue visibility. For the 6-month period, from July to December 2025, the Group secured a new data centre project for a contract sum of S\$29.1 million, which is targeted to be complete during 2026. With a strategic focus in recent years on securing commercial projects which generally yield higher margins for the Group, revenue contribution from this segment continues to increase in 1HFY26. This strong project pipeline underpins confidence in forward revenue growth.

Expansion into Malaysia's commercial projects and property development venture. Its subsidiary, Lincotrade & Associates (Malaysia) Sdn. Bhd., is steadily expanding its order book with a strategic focus on commercial interior fitting-out projects. Concurrently, the Group is diversifying its revenue streams, marked by the January 2025 acquisition of a 30% equity interest in Linc Venture Land Sdn. Bhd. This associate company has successfully secured a residential development site in Kuala Lumpur. We anticipate this venture will provide a robust mid-to-long-term earnings catalyst, with the project scheduled to launch in the first half of 2026 and construction targeted for completion by 2029.

Successful obtainment of Temporary Occupation Permit (TOP) for the Group's new Tuas Facility. A key catalyst within this facility is the 204-bed ancillary workers' dormitory, which will centralise the workforce and eliminate reliance on third-party accommodation, thereby significantly reducing recurring manpower costs and enhancing overall efficiency. Furthermore, any unutilised bed capacity presents an opportunity to generate a supplementary recurring income stream. Coupled with the installation of solar panels to curtail long-term energy expenditures, these strategic cost-saving and sustainability initiatives are anticipated to drive a meaningful margin uptick.

KEY FINANCIAL HIGHLIGHTS

Year ended Jun (S\$m)	FY23	FY24	FY25	FY26E	FY27E
Revenue	69.9	67.9	73.6	113.4	119.2
EBIT	(7.5)	3.4	3.6	9.6	11.7
Net profit	(8.7)	2.3	2.6	7.5	9.2
EPS (S\$ cents)	(5.2)	1.3	1.5	4.2	5.1
Dividend per share (S\$ cents)	0.0	0.7	0.7	1.7	2.0
Net cash / (debt)	(0.4)	(5.8)	(8.3)	(4.2)	0.8
Valuation					
Gross profit margin (%)	10.4%	11.6%	12.5%	14.7%	14.7%
Net profit margin (%)	-12.5%	3.3%	3.6%	6.6%	7.7%
EV / EBITDA (x)	(8.6)	15.2	14.1	5.9	4.5
P/E (x)	(6.2)	24.4	21.8	7.7	6.4
P/B (x)	6.4	5.4	4.5	3.1	2.4
Dividend yield (%)	0.0%	2.2%	2.0%	5.1%	6.2%
ROE (%)	-99.7%	21.8%	21.1%	39.5%	37.5%

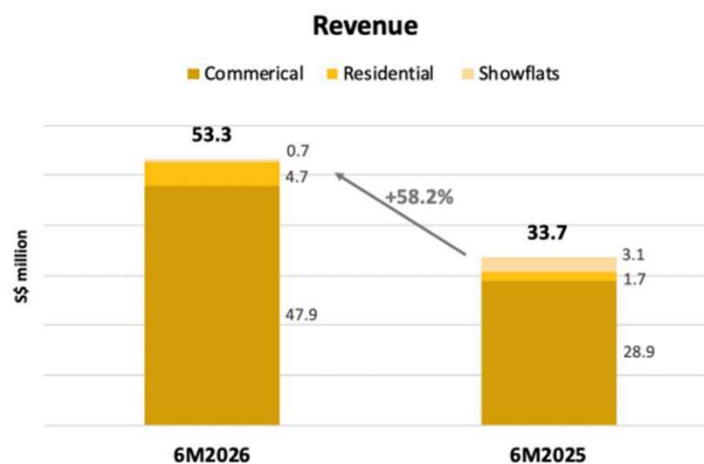
Lincotrade & Associates Holdings Limited

Robust construction demand. The interior fitting-out and renovation sector closely tracks the broader construction and property development cycle. According to the Building and Construction Authority (BCA), total construction demand in 2026 is forecast to range between S\$47 billion and S\$53 billion, positioning the sector on a high plateau following the exceptional performance in 2025. More importantly for Lincotrade, commercial construction is set to be one of the most significant growth drivers in 2026, with demand expected to surge to between S\$6.1 billion and S\$6.7 billion from just S\$2.2 billion in 2025. Lincotrade is well-positioned to tap into the sector's growth, with demand for fitting-out works staying resilient.

Sustainability. The Group's established environmental management system underscores its commitment to long-term sustainability and operational efficiency. By actively reducing on-site energy consumption and construction waste, alongside the strategic procurement of eco-friendly materials such as reconstructed laminates and veneers, the Group effectively mitigates its environmental footprint. Notably, the Singapore Green Label awarded by the Singapore Environmental Council for its sustainably sourced wooden panel doors serves as a strong validation of its ESG credentials. We view these initiatives not only as responsible corporate practices but also as a potential competitive advantage in securing projects that increasingly prioritise green building standards.

Key risks ahead include rising construction costs, stricter foreign worker policies, and increased operating expenses driven by inflation.

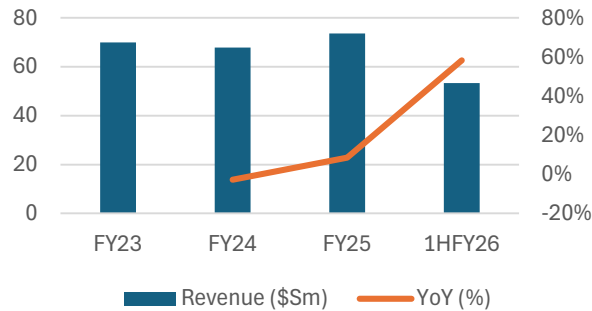
Given Lincotrade's strong earnings momentum and margin expansion, we have lifted our FY26 and FY27 net profit forecast by 24% and 7% to S\$7.5 million and S\$9.2 million respectively. We maintain our BUY recommendation and raise our target price to S\$0.387 from \$0.301, derived from applying the average peer forward PER of 9.1x to Lincotrade's forward EPS. This represents an upside of 19% from current levels.



Source: Company

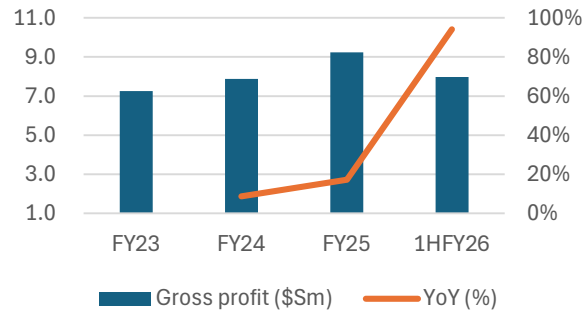
Financials

Revenue



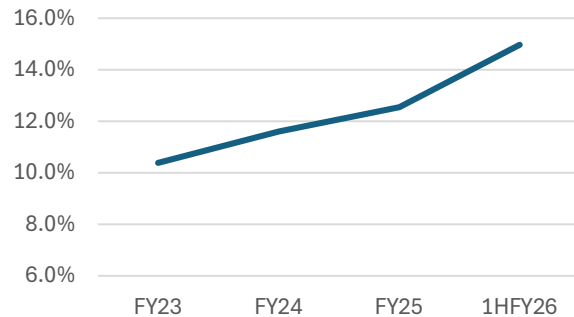
Source: Company data, Bloomberg, SAC Capital

Gross Profit



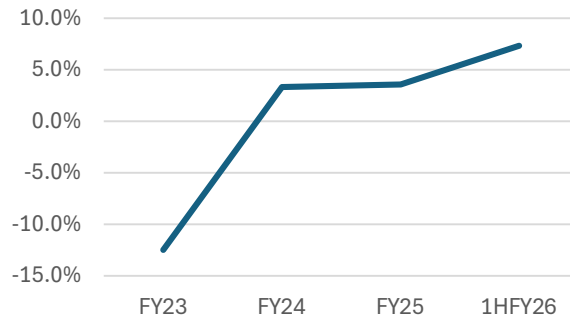
Source: Company data, Bloomberg, SAC Capital

Gross profit margin



Source: Company data, Bloomberg, SAC Capital

Net profit margin



Source: Company data, Bloomberg, SAC Capital

Peer Comparison

Company Name	Ticker	Market Cap (\$m)	Last Traded Price (\$)	T12M P/E	1-yr Fwd PE
LINCOTRADE & ASSOCIATES HOLDINGS LTD	LINASC SP	59.2	0.325	14.3	7.7
LUM CHANG CREATIONS LTD	LUCC SP	252.0	0.80	17.4	12.3
KINGSMEN CREATIVES LTD	KMEN SP	110.4	0.55	8.1	N/A
ATTIKA GROUP LTD	ATTIKA SP	57.1	0.42	17.0	N/A
DEZIGN FORMAT GROUP LTD	DFG SP	39.4	0.197	N/A	6.0

Source: Company data, Bloomberg, SAC Capital

Lincotrade & Associates Holdings Limited

Commercial Projects



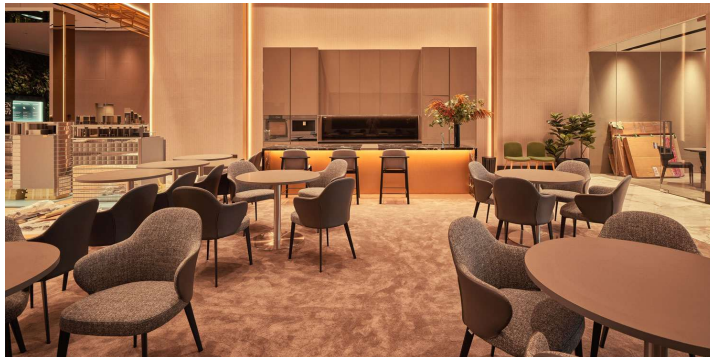
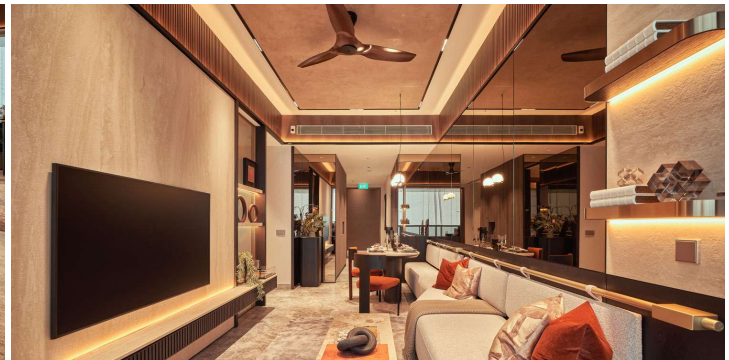
Residential Projects



Source: Company

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Marina View Showflat



Source: Company

Income Statement

FYE Jun (\$Sm)	FY23	FY24	FY25	FY26E	FY27E
Revenue	69.9	67.9	73.6	113.4	119.2
Cost of sales	(62.6)	(60.0)	(64.4)	(96.7)	(101.7)
Gross profit	7.3	7.9	9.2	16.7	17.5
Interest income	0.1	0.2	0.1	0.2	0.2
Other income and gains	0.4	0.2	0.1	0.3	0.7
Administrative expenses	(3.1)	(3.3)	(3.7)	(4.0)	(4.1)
Finance costs	(0.1)	(0.1)	(0.3)	(0.3)	(0.3)
Other expenses	(1.5)	(2.0)	(2.4)	(3.7)	(3.9)
Other losses	(11.0)	-	(0.1)	(0.1)	-
Share of loss from equity-accounted associate	-	-	(0.0)	-	1.0
Profit before tax	(8.0)	2.8	3.0	9.0	11.0
Income tax expense	(0.8)	(0.6)	(0.4)	(1.5)	(1.8)
Profit, net of tax	(8.7)	2.3	2.6	7.5	9.2

Balance Sheet

FYE Jun (\$Sm)	FY23	FY24	FY25	FY26E	FY27E
ASSETS					
Non-current assets					
Property, plant and equipment	1.4	10.9	10.8	12.3	13.7
Right-of-use assets	0.1	0.0	-	-	-
Trade and other receivables, non-current	3.0	4.6	5.0	7.8	8.2
Investment in associate	-	-	1.3	1.3	1.3
Total non-current assets	4.4	15.5	17.1	21.4	23.1
Current assets					
Inventories	-	0.2	0.6	0.9	1.0
Contract assets	5.3	2.4	7.4	7.6	7.7
Other non-financial assets	1.4	0.9	1.9	1.9	1.9
Trade and other receivables, current	11.2	9.3	12.4	19.0	20.0
Cash and cash equivalents	12.7	11.5	12.6	16.6	21.6
Total current assets	30.6	24.3	34.9	46.1	52.2
Total assets	35.1	39.8	52.0	67.4	75.3
EQUITY					
Equity attributable to owners of the Company					
Share capital	13.1	13.1	13.1	15.2	15.2
Accumulated losses	(4.3)	(2.6)	(0.6)	3.9	9.4
Foreign currency reserves	-	(0.0)	(0.0)	-	-
Equity attributable to owners of the Company	8.8	10.4	12.4	19.0	24.6
Non-controlling interests	-	0.1	0.2	-	-
Total equity	8.8	10.5	12.6	19.0	24.6
LIABILITIES					
Non-current liabilities					
Lease liabilities	0.2	0.1	0.0	0.1	0.1
Other financial liabilities, non-current	1.6	7.0	6.2	6.2	6.2
Deferred tax liabilities	-	0.0	0.0	0.0	0.0
Total non-current liabilities	1.7	7.1	6.3	6.4	6.4
Current liabilities					
Income tax provision	0.7	0.7	0.6	0.8	0.8
Trade and other payables	11.7	11.1	17.8	26.5	28.9
Contract liabilities	0.5	-	-	-	-
Lease liabilities, current	0.1	0.1	0.0	0.0	0.0
Other financial liabilities, current	11.6	10.3	14.6	14.6	14.6
Total current liabilities	24.6	22.2	33.1	42.0	44.3
Total liabilities	26.3	29.3	39.4	48.4	50.7
Total equity and liabilities	35.1	39.8	52.0	67.4	75.3

Cash Flow Statement

FYE Jun (\$Sm)	FY23	FY24	FY25	FY26	FY27
Cash flows from operating activities					
Profit / (Loss) before tax	(8.0)	2.8	3.0	9.0	11.0
Adjustments for:					
Plant and equipment written off	-	-	0.1	-	-
Deemed reverse acquisition expenses	9.6	-	-	-	-
Depreciation of property, plant and equipment	0.6	0.8	1.1	1.1	1.3
Depreciation of right-of-use assets	0.1	0.1	0.0	-	-
Gain on disposal of plant and equipment	(0.0)	(0.0)	(0.0)	-	-
Interest income	(0.1)	(0.2)	(0.1)	(0.2)	(0.2)
Interest expense	0.5	0.7	0.8	0.8	0.9
Placement expenses	-	-	-	0.1	-
Share-based payments – sponsor	0.1	-	-	-	-
Share-based payments – arranger	1.1	-	-	-	-
Share of (profit)/loss from equity-accounted associate	-	-	0.0	-	(1.0)
Foreign exchange adjustment differences	-	(0.0)	-	-	-
Operating cash flows before changes in working capital	3.9	4.3	4.9	10.8	12.0
Inventories	-	(0.2)	(0.5)	(0.3)	(0.0)
Contract assets	6.9	3.0	(5.0)	(0.2)	(0.1)
Trade and other receivables	(7.2)	0.3	(3.5)	(9.7)	(1.1)
Other non-financial assets	(0.7)	0.5	(1.0)	-	-
Contract liabilities	(0.3)	(0.5)	-	-	-
Trade and other payables	2.8	(0.6)	6.7	8.6	2.4
Net cash flows from operations	5.4	6.7	1.7	9.2	13.1
Interest paid	(0.4)	(0.6)	(0.5)	(0.6)	(0.7)
Income taxes paid	(0.3)	(0.6)	(0.5)	(0.9)	(0.9)
Net cash flows from operating activities	4.7	5.5	0.8	7.7	11.5
Cash flows from investing activities					
Purchase of property, plant and equipment	(0.4)	(10.3)	(1.1)	(2.6)	(2.6)
Proceeds from disposal of plant and equipment	0.0	0.0	0.0	-	-
Interest received	0.1	0.2	0.1	0.2	0.2
Investment in associate	-	-	(1.3)	-	-
Net cash flows used in investing activities	(0.3)	(10.1)	(2.3)	(2.4)	(2.4)
Cash flows from financing activities					
Net proceeds from issuance of new shares	1.2	-	-	2.1	-
Capital contribution by non-controlling interests	-	0.1	0.0	-	-
Net cash inflows from reverse acquisition	0.3	-	-	-	-
Increase in new bank loans and borrowings	-	7.7	0.6	1.3	1.5
Repayments of bank loans and borrowings	(1.5)	(1.6)	(2.2)	(2.8)	(3.5)
Increase/(decrease) of bills payable	3.1	(1.1)	5.1	1.5	2.0
Cash restricted in use	(2.7)	(0.2)	(0.5)	4.4	-
Lease liabilities – principal portion and interest paid	(0.1)	(0.1)	(0.1)	-	-
Net movements in amounts due to a shareholder and former parent company	0.3	(0.8)	-	-	-
Net movements in amounts due to directors and former shareholders of the subsidiary	(1.1)	-	-	-	-
Dividends paid	-	(0.7)	(0.6)	(3.0)	(3.7)
Interest paid	(0.1)	(0.1)	(0.3)	(0.3)	(0.3)
Net cash flows from financing activities	(0.6)	3.2	2.1	3.2	(4.0)
Net increase/(decrease) in cash and cash equivalents	3.8	(1.4)	0.5	8.4	5.0
Cash and cash equivalents at beginning of financial period	5.3	9.1	7.7	8.2	16.6
Cash and cash equivalents at end of financial period	9.1	7.7	8.2	16.6	21.6

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Party	Quantum of position
Nil	Nil

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Nature of Business Relation	Date of Business Relation
Placement	November 2025
Continuous Sponsorship	Ongoing Relation
Paid Research	Ongoing Relation

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