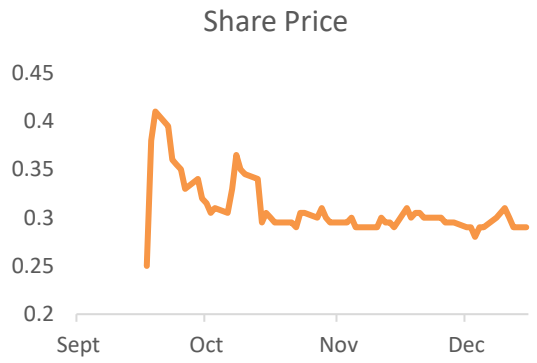
Skylink Holdings Limited

15 Dec 2025

Initiation (BUY)

BBG	SCG SP	
Market Cap	S$51.1m	
Price (15 Dec 2025)	S$0.29	
Target Price	S$0.44	
52-week range	S$0.24 - 0.445	
Shares Outstanding	176.4m	
Free Float	18.7%	
Major Shareholder	PM Capital Pte Ltd	65.9%
	Teh Wing Kwan	15.1%

Source: Company Data, Bloomberg, SAC Capital



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Geared for Growth

Skylink Holdings Limited ("Skylink" or "the Group") is a newly listed commercial vehicle leasing and engineering solutions provider, formed through the reverse takeover ("RTO") of Sincap Group in September 2025. With just 8 years of operational history under its subsidiary Skylink APAC, the Group has grown into one of Singapore's largest commercial vehicle leasing platforms. Its integrated business model spans long-term commercial vehicle leasing and fleet management ("SKVR"), vehicle credit and hire-purchase financing ("SKCR"), and engineering services including MRO, refurbishment, and bodywork solutions ("SKER"). With expanding fleet capacity, disciplined asset management, and scalable engineering infrastructure, Skylink is well-positioned for multi-year profitable growth.

We believe Skylink presents an attractive investment opportunity in Singapore's underserved commercial fleet services space, offering investors: 1) Resilient Leasing Cash Flows: Skylink delivers recurring lease income supported by high fleet utilization and disciplined asset management that sustain strong margins and cash flow visibility. 2) Scalable, Capital-Efficient Engineering Growth: Recent contract wins from SBS Transit and F&N Foods, alongside the expansion of SKER's engineering footprint to 37,700 sq ft, including the acquisition of a specialist bodywork business, position the segment as a scalable contributor to Group revenue without significant incremental overhead. 3) Integrated Vehicle Credit Financing as a Profit Accelerator: SKCR provides high margin financing linked to fleet leases, enhancing customer retention and contributing steady earnings with low credit losses under conservative provisioning. 4) Multiple Upside Catalysts on the Horizon: Skylink's growth outlook is supported by several potential catalysts, including further fleet expansion, commercial EV adoption, and new engineering or bodywork contract wins. These drivers offer meaningful optionality over the medium term.

We initiate coverage on Skylink with a BUY rating with TP of S$0.44 based on forward EPS of S$0.0398 against the average P/E of 11.1x of its peers, representing a 52.2% upside from current levels.

KEY FINANCIAL HIGHLIGHTS

Year ended Mar (S$'m)	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**
Revenue	8.3	15.0	26.4	35.8	44.4
EBITDA	3.7	6.5	13.3	19.8	24.1
Net profit	0.7	2.0	2.7	4.7*	7.0
EPS (S$ cents)	0.4	1.2	1.6	2.6	4.0
Net cash / (debt)	(33.8)	(69.9)	(85.6)	(86.8)	(106.4)
Valuation					
Gross profit margin (%)	19.9%	33.9%	25.7%	28.6%	38.9%
Net profit margin (%)	7.9%	13.5%	10.4%	13.0%	15.8%
EV/EBITDA (x)	23.2	18.6	10.3	7.0	6.5
P/E (x)	77.2	25.2	18.7	11.0	7.3
P/B (x)	18.4	13.1	7.7	5.6	3.1
ROE (%)	13.5%	29.5%	23.3%	28.7%	23.8%

**Excludes one-off expenses related to the reverse takeover transaction*

Industry Overview

Industry Overview
The commercial vehicle leasing and fleet solutions industry in Singapore and the broader Asia-Pacific region is undergoing structural growth, driven by rising demand for asset-light transportation models, regulatory compliance pressures, and accelerating fleet electrification.

Market Size and Growth
According to Mordor Intelligence, Singapore's car rental and leasing market is expected to grow steadily through 2030, supported by rising demand from fleet outsourcing, ride-hailing platforms, and adoption of electric vehicles and digital fleet management technologies.

Key Drivers

Fleet Outsourcing & Capital Efficiency
Companies are increasingly outsourcing fleet ownership to conserve capital, improve operational flexibility, and access bundled services (maintenance, financing, and telematics). This trend is particularly strong among logistics operators, last-mile delivery providers, and government-linked entities.

Regulatory and Environmental Pressure
Singapore's push for greener transport via tighter emissions standards and the early retirement of older diesel fleets supports leasing over ownership, especially as operators transition toward Euro VI and electric vehicle (EV) compliance.

Electrification of Fleets
The commercial EV leasing sub-segment is poised for growth, with Singapore's Land Transport Authority (LTA) targeting 100% cleaner energy bus and taxi fleets by 2040. While high upfront EV costs remain a barrier, leasing supports adoption by spreading capital outlay over the vehicle's contract life. Across APAC, commercial EV leasing is expected to expand steadily through 2030, driven by emissions regulations, government electrification mandates, and growing fleet operator demand for cost-effective, sustainable mobility.

Engineering and MRO Integration
Maintenance, Repair & Overhaul, bodywork, and refurbishment services are increasingly integrated into leasing propositions to control downtime, preserve asset value, and boost margins. In-house engineering capabilities are a differentiator, especially for servicing aging fleets and supporting regulatory upgrades (e.g., bodywork modifications or safety retrofits).

Business Model

Skylink Holdings operates an integrated commercial fleet services platform built around three synergistic business units: vehicle leasing ("SKVR"), vehicle credit financing ("SKCR"), and engineering services ("SKER"). This end-to-end model enables the Group to control the full vehicle lifecycle, from acquisition and financing to servicing, refurbishment, and eventual resale, allowing for margin optimisation, customer retention, and operational scalability.

1. SKVR: Skylink Vehicle Rental

SKVR is the Group's core revenue driver, focused on long-term leasing of commercial vehicles to corporate and government clients. As of 6 August 2025, Skylink manages a fleet of over 1,200 vehicles. The segment generates predictable, recurring revenue through lease contracts that typically range from 1 to 5 years. Fleet additions are a mix of brand-new and quality pre-owned units, supporting capital efficiency.

2. SKCR: Skylink Credit

SKCR complements the leasing business by offering in-house credit and hire-purchase financing solutions to customers, especially SMEs requiring tailored payment structures. This vertical enhances customer stickiness, supports cross-selling, and generates higher-margin finance income. The credit portfolio is underpinned by prudent risk management, with conservative provisioning and a low historical default rate.

3. SKER: Skylink Engineering & Refurbishment

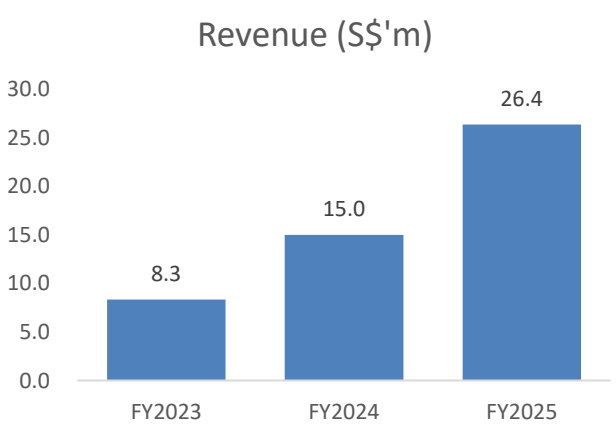
SKER provides vehicle maintenance, repair, refurbishment, and customisation services for both the Group's internal fleet and external clients. In December 2025, Skylink entered into a definitive agreement to acquire the business and assets of Chuang Li Partners Pte. Ltd., a specialist in commercial vehicle bodywork customisation. Structured through an 80% owned joint venture, the acquisition adds capabilities such as cargo body fabrication, platform structures, and chassis modifications to support regulatory compliance. The move expands SKER's total engineering footprint to 37,700 sq ft, enhancing its ability to support internal fleet operations and deliver third-party contracts, including bodywork and refurbishment work for SBS Transit and comprehensive MRO services for F&N Foods. The in-house platform strengthens turnaround time, cost control, and quality assurance, while creating a new revenue stream. The segment is expected to see margin uplift as volumes scale and contracts become recurring.

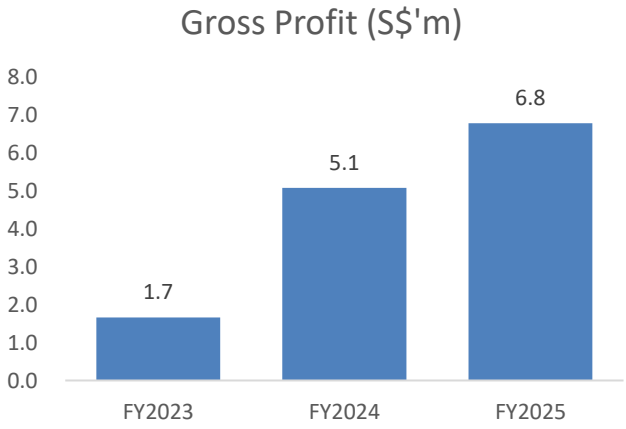
Financial Review

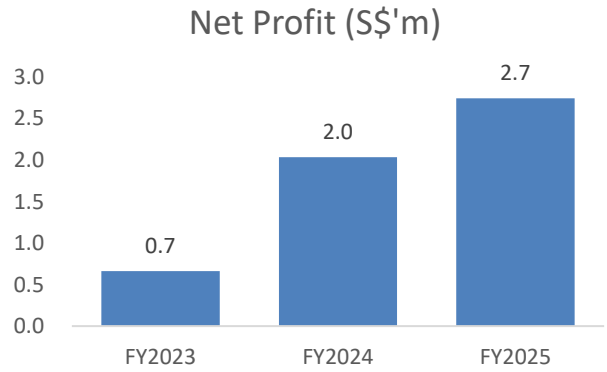
Skylink Holdings Limited delivered a solid financial performance in 1H2026, underpinned by fleet expansion and the ramp-up of engineering contributions. Revenue increased 33.8% yoy to S$16.1 million, supported by stronger lease income and maiden revenue from new engineering contracts. Gross profit rose 12.7% yoy to S$3.9 million, though gross margin declined from 28.4% to 23.9%, reflecting a shift in revenue mix and initial ramp-up costs in the engineering segment. Excluding one-off expenses related to the reverse takeover (RTO) transaction, adjusted net profit grew 32.7% yoy to S$1.8 million, highlighting the Group's core earnings strength and operational leverage.

As of 30 September 2025, Skylink held a net debt position of S$79.9 million, with a net gearing ratio of approximately 12.6x. While leverage remains elevated due to fleet investments, stable lease receivables and vehicle-backed financing structures provide strong cash flow visibility. Management continues to focus on growing engineering revenue and optimising fleet utilization to support earnings momentum.

In December 2025, Skylink signed a definitive agreement to acquire 132 additional commercial vehicles as part of its fleet renewal plan and to expand recurring lease revenue. During the same period, the engineering division secured its first third-party contracts with SBS Transit and F&N Foods, covering bus body repairs and MRO services under two year terms. These contracts reinforce the Group's integrated platform and add visibility to its engineering revenue pipeline.







Valuation

We forecast Skylink's revenue to grow to S$35.8 million in FY2026 and S$44.4 million in FY2027, supported by fleet expansion, engineering contract ramp-up, and recurring lease income. As contracts from SBS Transit and F&N Foods scale up and the full impact of the 132 vehicle fleet addition is realized, we expect steady top-line momentum and operating leverage gains.

Company Name	Ticker	Market Cap (S$'m)	Last Px (S$)	P/E: T12M
LOTTE RENTAL CO LTD	089860 KS	1019.3	28.07	9.33
FLEETPARTNERS GROUP LTD	FPR AU	541.3	2.50	8.68
ADI SARANA ARMADA TBK PT	ASSA IJ	334.4	0.09	11.37
NATIONAL UNITED RESOURCES HOLDINGS LIMITED	254 HK	56.1	0.10	NA
VIN'S HOLDINGS LTD	VINS SP	32.8	0.3	8.4
PHATRA LEASING PUB CO LTD	PL TB	30.8	0.05	NA
BATAVIA PROSPERINDO TRANS TB	BPTR IJ	24.9	0.01	17.73
TRANSKON JAYA TBK PT	TRJA IJ	19.4	0.01	NA

Average P/E	11.10

Applying a peer average P/E multiple of 11.1x to our forward EPS forecast of S$0.0398, we derive a target price of S$0.44, implying an upside of approximately 52.2% from current levels.

Investment Catalysts

Upside from Fleet Expansion and EV Leasing
Future fleet growth and the potential introduction of electric commercial vehicles could support stronger lease income and enhance Skylink's positioning for upcoming green fleet tenders, in line with Singapore's electrification roadmap.

Ramp-Up of Engineering Contracts
The maiden bodywork and MRO contracts secured from SBS Transit and F&N Foods are expected to scale progressively. Alongside these, the recent acquisition of a bodywork customisation business bolsters Skylink's engineering capabilities and revenue base. Successful execution and potential renewals could pave the way for multi-year frameworks and additional public-sector wins.

Platform Synergies and Cross-Sell Potential
Skylink's integrated leasing, financing, and engineering model allows for multiple monetisation points across each vehicle. Deeper customer penetration through bundled offerings can lift margins and extend contract duration.

Potential for Regional Expansion
Skylink's engineering and lease-financing expertise may be replicable in nearby ASEAN markets, especially where commercial fleet modernisation is underway.

Post-RTO Visibility and Institutional Access
Following its recent RTO, Skylink's transition to a publicly listed entity enhances its transparency, governance standards, and access to institutional capital. As the Group builds a consistent financial track record and engages with the investment community, it may benefit from broader investor recognition and improved market visibility.

Key Risks

Fleet Utilisation Volatility
Skylink's earnings are closely tied to fleet utilisation. A sustained drop below its historical levels due to economic slowdown, contract expirations, or idle capacity could significantly affect lease income and margin performance.

Residual Value and Disposal Risk
The business model assumes gains from vehicle disposals. A downturn in used vehicle demand, regulatory shifts (e.g., diesel phase-outs), or inaccurate depreciation assumptions could impair resale margins and lead to valuation write-downs.

Cost Inflation and Manpower Constraints
Rising labor costs, parts inflation, or workshop overheads could compress margins, particularly as engineering volumes scale. Limited pricing flexibility or lag in cost pass-through may exacerbate margin pressure.

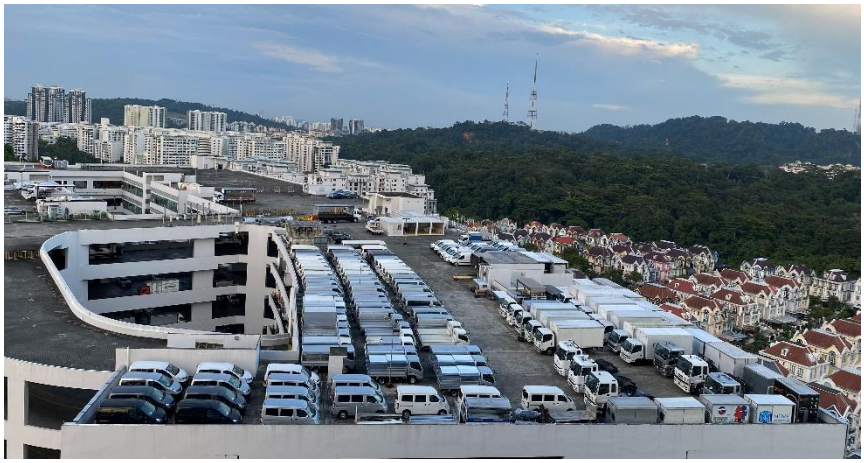
Execution Risk in Engineering Segment
SKER's growth hinges on successful contract execution. Delays, cost overruns, or failure to meet client expectations could undermine future tender competitiveness and strain customer relationships.

Listing Track Record and Liquidity
As a newly listed entity via RTO, Skylink may experience limited stock liquidity and price discovery challenges. This could lead to near-term share price volatility despite operational fundamentals.

Driving Growth with People, Performance, and Fleet Strength



Celebrating growth and new beginnings at Skylink's Singapore office.



A bird's-eye view of Skylink's expanding commercial vehicle fleet.



Skylink operations team standing strong with a ready fleet.

Source: Company

Income Statement

FYE Mar (S$'m)	FY23	FY24	FY25	FY26E	FY27E
Revenue	**8.3**	**15.0**	**26.4**	**35.8**	**44.4**
Cost of Sales	(6.7)	(9.9)	(19.6)	(25.5)	(27.1)
Gross Profit	**1.7**	**5.1**	**6.8**	**10.2**	**17.3**
Other Income	1.8	1.0	0.3	2.5	0.1
Administrative expenses	(2.2)	(2.5)	(4.1)	(7.3)	(8.8)
Net allowance for ECL	(0.2)	(0.1)	0.2	0.0	(0.1)
Other operating expenses	(0.1)	(0.6)	(0.0)	(0.0)	(0.0)
Finance costs	(0.2)	(0.3)	(0.3)	(0.3)	(0.5)
Loss on reverse acquisition	0.0	0.0	0.0	(9.9)	0.0
Reverse acquisition related listing cost	0.0	0.0	0.0	(1.5)	0.0
Profit/(Loss) before income tax	**0.7**	**2.6**	**2.9**	**(6.3)**	**8.0**
Income tax	(0.1)	(0.6)	(0.1)	(0.5)	(1.0)
Profit/(Loss) after income tax	**0.7**	**2.0**	**2.7**	**(6.8)***	**7.0**

**Reported loss includes one-off RTO-related expenses; excluding these, adjusted profit would have been approximately S$4.7m.*

Balance Sheet

FYE Mar (S$'m)	FY23	FY24	FY25	FY26E	FY27E
Cash and cash equivalents	1.3	2.6	3.5	6.6	4.2
Trade and other receivables	7.9	13.4	14.1	21.4	28.8
Other current assets	1.2	0.0	0.1	0.0	0.0
Contract Asset	0.0	0.3	0.2	0.0	0.0
Inventories	0.0	0.1	0.1	0.3	0.4
Total Current Assets	**10.5**	**16.4**	**18.1**	**28.3**	**33.4**
Trade and other receivables	16.9	31.2	22.7	29.8	53.2
Property,Plant & Equipment	14.8	35.8	68.8	74.8	72.8
Investments in Insurance contracts	0.3	0.7	0.6	0.6	0.6
Right-of-use assets	0.0	0.1	0.9	1.0	0.4
Total non-current assets	**32.0**	**67.7**	**93.0**	**106.2**	**127.1**
Total Assets	**42.4**	**84.1**	**111.1**	**134.6**	**160.5**
Trade and other payables	4.2	5.9	12.6	9.4	10.2
Lease Liability	0.0	0.1	0.4	0.6	0.4
Contract Liability	0.0	0.5	0.4	0.0	0.0
Borrowings	10.3	22.1	28.2	26.7	25.9
Income tax payable	0.0	0.2	0.2	0.4	1.2
Total Current Liabilities	**14.6**	**28.8**	**41.7**	**37.1**	**37.6**
Borrowings	24.8	50.3	60.9	66.6	84.7
Trade and other payables	0.1	0.5	0.8	15.7	15.8
Lease liability	0.0	0.0	0.6	0.4	0.1
Deferred tax liability	0.2	0.5	0.4	0.4	0.5
Convertible bond	0.0	0.0	0.0	5.0	5.0
Total Non-current Liabilities	**25.0**	**51.3**	**62.7**	**88.2**	**106.1**
Total Equity	**2.8**	**3.9**	**6.7**	**9.2**	**16.7**

Cash Flow Statement

FYE Mar (S$'m)	FY23	FY24	FY25	FY26E	FY27E
Profit before tax	0.7	2.6	2.9	(6.3)	8.0
Adjustments	1.6	3.9	10.1	24.6	16.2
Operating cash flow before working capital changes	2.4	6.6	12.9	18.3	24.2
Change in operating assets and liabilities	(1.0)	0.9	3.3	(3.0)	(12.6)
Cash generated from operations	1.4	7.4	16.3	15.3	11.6
Income tax paid	(0.0)	(0.1)	(0.2)	(0.2)	(0.1)
Income tax refund	0.0	0.0	0.0	0.0	0.0
Interest paid	(0.0)	(0.0)	(0.0)	0.0	0.0
Net cash inflow (outflow) from operating activities	**1.4**	**7.4**	**16.0**	**15.1**	**11.5**
Net cash inflow (outflow) from investing activities	**14.6**	**3.6**	**1.0**	**(1.0)**	**(1.4)**
Net cash inflow (outflow) from financing activities	**(15.9)**	**(9.8)**	**(16.0)**	**(11.0)**	**(12.4)**
Net increase (decrease) in cash in bank	**0.1**	**1.3**	**1.0**	**3.0**	**(2.3)**

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Party	Quantum of Position
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Nature of Business Relation	Date of Business Relation
Sponsor and Financial Adviser	October 2024 to September 2025
Continuing Sponsorship	Ongoing Relation
Paid Research	Ongoing Relation

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Analyst name	Quantum of Position
Nil	Nil

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