

Soilbuild Construction Group Ltd

Stellar PATMI growth with huge order book

SINGAPORE | CONSTRUCTION | 1H25 RESULTS

- Soilbuild's 1H25 revenue/PATMI were at 58%/86% of our FY25e forecasts, exceeding our expectations. PATMI was driven by the completion of several key projects, notably DB Schenker logistics facility worth more than S\$100mn. The large projects enabled Soilbuild to efficiently deploy resources and increase its net margins by 5.6ppt YoY.
- The pipeline of private industrial projects remains strong. The industry trailing-12-month (T12M) contracts awarded in June 2025 increased 60% YoY for private industrial projects, including semiconductor facilities, industrial warehouses, and logistics hubs. Soilbuild is actively tendering for private industrial projects and public projects for its precast segment. With its expertise and track record in winning tenders for low-carbon and/or high-specification industrial building projects, we believe Soilbuild can continue to secure high-value contracts in 2H25e.
- We upgrade to BUY from ACCUMULATE with a higher TP of S\$2.68 (prev. S\$0.97). We raised our FY25e revenue/PATMI by 13%/66% due to visibility of its strong order book maintained at S\$1.19bn (1H24: S\$1.18bn). We raised our FY25e net margins forecast by 3.4 ppt to 10.4%, in line with 1H25 net margins. We believe Soilbuild can maintain its higher operating margins due to operational efficiencies in working on its existing high-value projects. We raised our valuations multiple to 5.9x FY26e PE (prev. 3.6x FY26e PE), in line with Soilbuild's historical PE from FY22 to FY24 of ~5.9x.

Results at a glance

S\$ mn	1H25	1H24	YoY	Comments
Revenue	272.8	153.9	77.3%	
- Construction	212.7	120.8	76.1%	Driven by completion of key projects
- Precast	59.4	33.5	77.2%	Higher volume
Gross Profit	43.6	14.8	193.5%	
OPEX	7.7	5.2	49.3%	Increased employee compensation
PATMI	28.3	7.4	282.9%	Driven by completion of key projects
Net Margin	10.4%	4.8%	5.6ppt	Higher operational efficiency
Order book	1,190	1,183	0.6%	
DPS - Interim (cents)	2.0	1.0	100%	

Source: Company, PSR

The Positives

+ Construction and precast segments experience rapid revenue and margin growth. Construction segment's 76% YoY revenue increase in 1H25 was driven by several high-value project completions, including 1) DB Schenker logistics facility worth >S\$100mn, 2) Toa Payoh HDB project worth S\$140mn, 3) Soitec manufacturing facility. Construction/precast segment's operating margins increased 5 ppt YoY to 11%/11% in 1H25, due to higher operating efficiencies from high-value projects. We believe the high operating margins can be maintained for 2H25e because of several high-value projects remaining, including PSA supply chain hub worth S\$648mn, 10-storey industrial development at Lok Yang Way and five-storey transportation hub in Ubi.

+ Stronger balance sheet from PATMI growth. Soilbuild generated S\$47.1mn of net cash from its operating activities in 1H25. As a result, free cash flow increased 1.6x YoY to S\$45.3mn in June 2025. Net debt also decreased by 92% HoH to S\$3.4mn as of June 2025 (Dec 2024 net debt: S\$45mn)

The Negatives

- Nil.

15 August 2025

BUY (Upgraded)

CLOSING PRICE	SGD	1.86
FORECAST DIV	SGD	0.06
TARGET PRICE	SGD	2.68
TOTAL RETURN		47.5%

COMPANY DATA

Bloomberg CODE:	SOIL SP Equity
O/S SHARES (MN):	167
MARKET CAP (SGD mn / USD mn):	275 / 215
52 - WK HI/LO (SGD):	1.7 / 0.71
3M Average Daily T/O (mn):	0.13

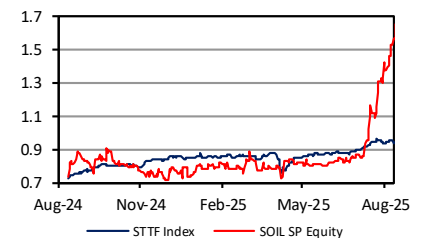
MAJOR SHAREHOLDERS

Lim Chap Huat	78.0%
Lim Han Ren	4.0%

TOTAL RETURN (%)

	1MTH	3MTH	YTD
SOILBUILD	63.5	95.0	111.7
STTF Index	4.1	10.3	15.5

PRICE VS. STTF Index



Source: Bloomberg, PSR

KEY FINANCIALS

Y/E Dec, SGD (mn)	FY23	FY24	FY25e	FY26e
Revenue	247.4	391.8	528.9	634.7
EBITDA	17.9	41.2	72.2	89.5
Net Profit	7.3	26.6	54.8	71.1
EPS (SGD cents)	5.5	17.0	35.0	45.4
P/E (X)	33.7	10.9	5.3	4.1
Dividend Yield	0.5%	1.6%	3.4%	4.4%
ROE	16%	32%	43%	38%
ROA	3%	8%	13%	14%

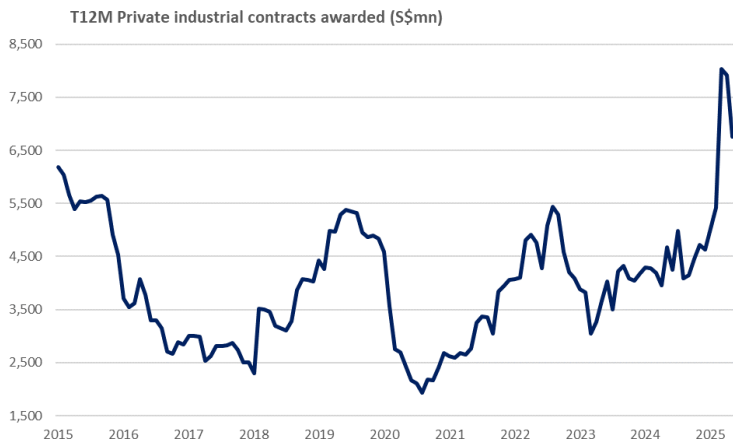
Source: Company, PSR

VALUATION METHOD

5.9x PE Multiple FY26e

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Figure 1: T12M private industrial contracts awarded increased 60% YoY in June 2025



Source: CEIC, PSR

Upgrade to BUY with higher TP of S\$2.68 (prev. S\$0.97)

We raised our FY25e revenue/PATMI by 13%/66% due to visibility from strong order book maintained at S\$1.19bn. We raised our FY25e net margins forecast by 3.4 ppt to 10.4%, in line with 1H25 net margins, as we believe Soilbuild can maintain its higher operating margins due to operational efficiencies in working on its existing high-value projects. We raised our valuations multiple to 5.9x FY26e PE (prev. 3.6x FY26e PE), in line with Soilbuild's historical PE from FY22 to FY24 of ~5.9x.

Financials

Income Statement

Y/E Dec, SGD'000	FY22	FY23	FY24	FY25e	FY26e
Revenue	248,409	247,390	391,806	528,938	634,726
Gross profit	(21,291)	22,130	46,545	81,985	101,556
EBITDA	(18,958)	17,859	41,228	72,233	89,467
Depreciation & amortisation	(11,032)	(10,017)	(13,641)	(13,503)	(13,291)
Profit (loss) from operations	(29,990)	7,842	27,587	58,731	76,176
Joint Venture results	(1)	(3)	2	2	2
Profit before tax	(29,991)	7,839	27,589	58,733	76,178
17% tax rate	(5,098)	(1,333)	(4,690)	(9,985)	(12,950)
Unrecogn. tax losses	(24)	1,911	4,339	4,339	4,339
Unrecogn. deferred tax asset	3,908	816	5	6	7
Other adjustments	(497)	(1,917)	(664)	1,704	3,500
Income taxes (expense)	(1,711)	(523)	(1,010)	(3,935)	(5,104)
PATMI	(31,702)	7,316	26,579	54,798	71,074

Per share data (SGD)

Y/E Dec	FY22	FY23	FY24	FY25e	FY26e
EPS	-0.04	0.06	0.17	0.35	0.45
DPS	0.00	0.01	0.03	0.06	0.08
BVPS	0.2	0.3	0.5	0.8	1.2

Cash Flow

Y/E Dec, SGD'000	FY22	FY23	FY24	FY25e	FY26e
CFO					
Net Income	(31,702)	7,316	26,579	54,798	71,074
Adjustments	15,168	16,404	22,655	18,781	18,146
WC changes	15,950	(20,635)	(13,204)	47,591	7,405
Taxes	(387)	-	(150)	(150)	(350)
Cashflow from ops	(971)	3,085	35,880	121,020	96,275
CFI					
CAPEX, net	(6,151)	(8,382)	(8,049)	(14,810)	(19,042)
Others	130	1,533	22	422	(78)
Cashflow from investments	(6,021)	(6,849)	(8,027)	(14,388)	(19,120)
CFF					
Loans, net of repayments	3,915	(1,490)	(16,346)	(13,130)	(8,504)
Dividends	-	-	(3,127)	(9,864)	(12,793)
Others	(3,048)	8,000	8,614	(9,257)	(4,160)
Cashflow from financing	867	6,510	(10,859)	(32,251)	(25,458)
Net change in cash	(6,125)	2,746	16,994	74,381	51,698
CCE, end	11,093	14,202	30,605	104,986	156,684

Source: Company, Phillip Securities Research (Singapore) Estimates

Balance Sheet

Y/E Dec, SGD'000	FY22	FY23	FY24	FY25e	FY26e
ASSETS					
Cash and cash equivalents	11,093	14,202	30,605	104,986	156,684
Accounts receivable	84,792	89,109	153,567	158,681	190,418
Inventories	3,778	9,894	11,803	14,810	19,042
Others	6,201	3,300	4,600	6,347	6,982
Total current assets	105,864	116,505	200,575	284,825	373,125
PPE	123,878	121,981	119,297	120,627	126,400
Accounts receivable	15,504	12,441	12,011	15,868	18,407
Other	1,160	1,621	1,160	1,460	1,760
Total non-current assets	140,542	136,043	132,468	137,955	146,567
Total Assets	246,406	252,548	333,043	422,780	519,692
LIABILITIES					
Accounts payable	115,920	107,556	163,078	220,038	264,046
Borrowings	35,456	17,256	11,107	11,107	11,107
Others	3,573	3,787	3,544	2,744	3,544
Total current liabilities	154,949	128,599	177,729	233,889	278,697
Accounts payable	10,298	4,897	8,050	10,579	12,695
Long-term debt	63,609	73,899	64,545	51,415	42,910
Others	179	-	-	-	-
Total non-current liabilities	74,086	78,796	72,595	61,993	55,605
Total Liabilities	229,035	207,395	250,324	295,883	334,302
Equity					
Share capital	71,553	92,631	105,954	105,954	105,954
Shareholder Equity	17,371	45,153	82,719	126,897	185,390

Valuation Ratios

Y/E Dec	FY22	FY23	FY24	FY25e	FY26e
P/E (X)	-4.9	33.7	10.9	5.3	4.1
P/B (X)	9.0	5.5	3.5	2.3	1.6
EV/EBITDA (X)	-12.9	18.1	8.1	3.4	2.1

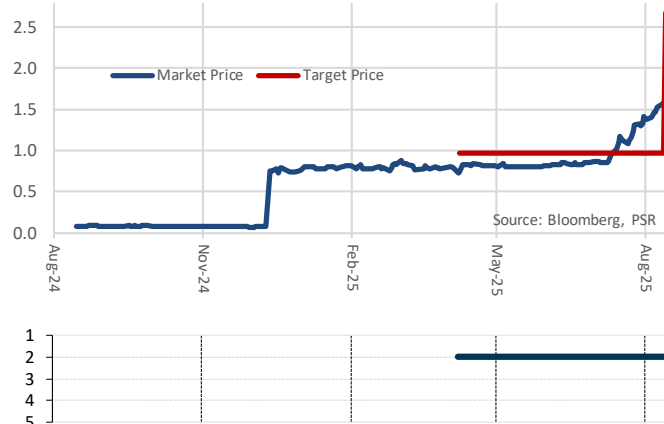
Growth & Margins

Growth					
Revenue	-3.8%	-0.4%	58.4%	35.0%	20.0%
EBITDA	-323.5%	-194.2%	130.9%	75.2%	23.9%
EBIT	819.4%	-126.1%	251.8%	112.9%	29.7%
Net profit	1106.8%	-123.1%	263.3%	106.2%	29.7%
Margins					
Gross margin	-8.6%	8.9%	11.9%	15.5%	16.0%
EBITDA margin	-7.6%	7.2%	10.5%	13.7%	14.1%
EBIT margin	-12.1%	3.2%	7.0%	11.1%	12.0%
Net profit margin	-12.8%	3.0%	6.8%	10.4%	11.2%

Key Ratios

ROE	-182.5%	16.2%	32.1%	43.2%	38.3%
ROA	-12.9%	2.9%	8.0%	13.0%	13.7%
Net Gearing	35.7%	30.5%	13.5%	CASH	CASH

Ratings History



PSR Rating System

Total Returns	Recommendation	Rating
> +20%	Buy	1
+5% to +20%	Accumulate	2
-5% to +5%	Neutral	3
-5% to -20%	Reduce	4
< -20%	Sell	5

Remarks

We do not base our recommendations entirely on the above quantitative return bands. We consider qualitative factors like (but not limited to) a stock's risk reward profile, market sentiment, recent rate of share price appreciation, presence or absence of stock price catalysts, and speculative undertones surrounding the stock, before making our final recommendation

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