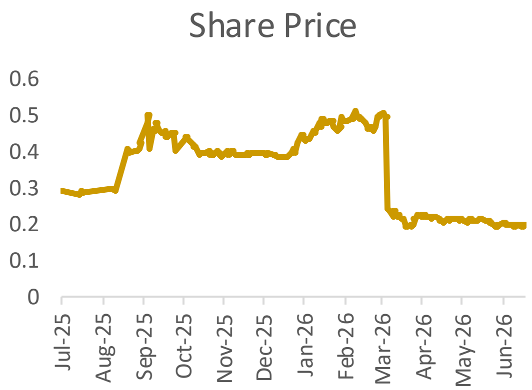
Reclaims Global Limited

9th Jul 2026

BUY (Maintained)

BBG	RGL SP
Market Cap	S$59.8 m
Price (9th Jul 2026)	S$0.198
Target Price	S$0.22
52-week range	S$0.196 – 0.510
Shares Outstanding	302.0 million
Free Float	38.7 %
Major Shareholder	Chan Chew Leh 30.01% Tan Kok Huat 30.01%

Source: Company Data, Bloomberg, SAC Capital



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From Momentum to Earnings Delivery

Revenue visibility improves meaningfully. Reclaims' wholly owned subsidiary, Reclaims Enterprise, was recently awarded two earthworks contracts with an aggregate value of approximately S$9.55m. Together with contract wins announced since November 2025, these projects expand the Group's order pipeline and improve revenue visibility across FY2027–FY2028. We forecast revenue growth of 17.3% in FY2027 and 4.4% in FY2028, supported by progressive project execution.

Margin resilience supports earnings conversion. Gross margin improved from 44.3% in FY2025 to 48.3% in FY2026, driven by stronger project execution and a more favourable project mix. Reported FY2026 net margin was 14.7%, including a divestment gain; excluding this item, underlying net margin was 12.1%. We expect margins to expand further to 13.2% in FY2027 and 14.6% in FY2028, supported by 17.3% FY2027E revenue growth, improved fixed-cost absorption and operating leverage from higher project volumes.

Bonus issue improves accessibility. The 1-for-1 bonus issue which is completed on 25th March 2026 will enhance trading liquidity and gradually broaden the investor base.

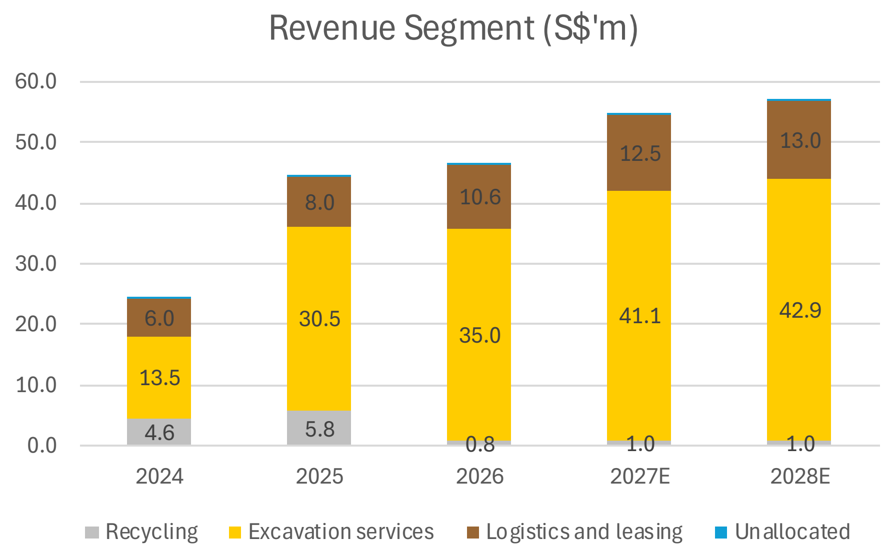
Risks. Trade receivables increased to S$12.4m in FY2026, and receivables days rose to 97 days from 67 days in FY2025. Management attributed this partly to slower repayments and the timing of Chinese New Year; nevertheless, slower collection can constrain operating cash flow as revenue grows.

Recommendations. We maintain a BUY rating with a Target Price of S$0.22, representing a 11.1% upside from current price. The target price is derived by applying a 25% discount to the peer-average P/E to reflect Reclaim's smaller scale and lower trading liquidity.

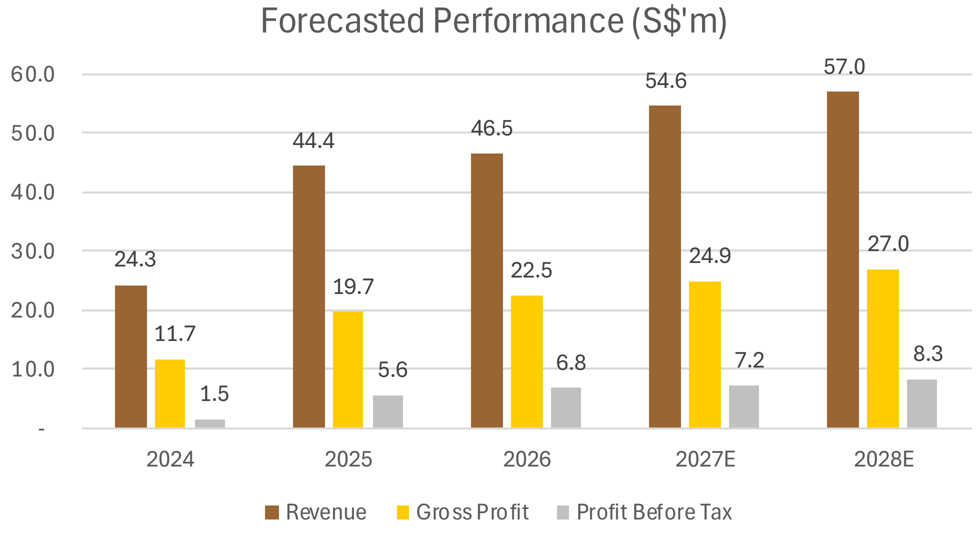
KEY FINANCIAL HIGHLIGHTS

Year ended Jan (S$'m)	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Revenue	24.3	44.4	46.5	54.6	57.0
EBIT	1.5	6.5	7.9	9.2	10.5
Net profit	1.5	5.6	6.8	7.2	8.3
Adjusted EPS (S$ cents)*	0.6	2.1	2.5	2.4	2.7
Adjusted Dividend per share (S$ cents)*	0.6	0.6	#	0.7	0.8
Net cash / (debt)	10.2	14.0	27.9	-29.1	-25.2
Valuation					
Gross profit margin (%)	48.2%	44.3%	48.3%	45.6%	47.4%
Net profit margin (%)	6.2%	12.5%	14.7%	13.2%	14.6%
EV/EBITDA (x)	13.8	5.4	3.3	8.2	6.9
P/E (x)	34.3	9.3	7.9	8.3	7.2
P/B (x)	1.7	1.5	1.1	1.1	1.0
Dividend yield (%)	3.0%	3.0%	1.8%	3.5%	4.0%
Net Debt/ Equity (x)	Net Cash	Net Cash	Net Cash	0.6	0.4

** Historical EPS and DPS have been adjusted for placement of shares in October 2025 and the 1-for-1 bonus issue completed in March 2026. #For FY2026, interim dividend is S$0.5 cents per share, final tax-exempt one-tire dividend is S$0.5 cents per share, special tax-exempt one-tire dividend is S$0.5 cents per share.*



Revenue Segment (S$'m)
60.0
50.0
40.0
30.0
20.0
10.0
0.0
6.0
13.5
4.6
8.0
30.5
5.8
10.6
35.0
0.8
12.5
41.1
1.0
13.0
42.9
1.0
2024
2025
2026
2027E
2028E
Recycling
Excavation services
Logistics and leasing
Unallocated



Forecasted Performance (S$'m)
60.0
50.0
40.0
30.0
20.0
10.0
-
24.3
11.7
1.5
44.4
19.7
5.6
46.5
22.5
6.8
54.6
24.9
7.2
57.0
27.0
8.3
2024
2025
2026
2027E
2028E
Revenue
Gross Profit
Profit Before Tax

Income Statement

FYE Jan ($Sm)	2024	2025	2026	2027E	2028E
Revenue	24.3	44.4	46.5	54.6	57.0
Cost of materials, services and consumables	(12.6)	(24.7)	(24.1)	(29.7)	(30.0)
Gross Profit	11.7	19.7	22.5	24.9	27.0
Interest income	0.2	0.1	0.1	0.1	0.1
Other income and gains	0.5	0.2	1.2	0.9	1.2
Rental Income	-	-	-	0.7	0.8
Finance costs	(0.0)	(0.0)	-	(0.9)	(0.9)
Depreciation expense	(1.8)	(1.8)	(1.6)	(1.5)	(1.8)
Depreciation of right-of-use-assets	(0.3)	(0.3)	(0.1)	-	-
Employee benefits expense	(5.8)	(7.4)	(8.8)	(9.7)	(10.5)
Other expenses	(2.8)	(3.8)	(4.3)	(5.3)	(5.4)
Other losses	(0.3)	(0.4)	(1.0)	(0.8)	(1.0)
Profit before tax from operations	1.5	6.5	7.9	8.4	9.6
Income tax (expense)/benefit	0.0	(0.9)	(1.1)	(1.2)	(1.3)
Profit from operations, net of tax	1.5	5.6	6.8	7.2	8.3

Balance Sheet

FYE Jan ($Sm)	2024	2025	2026	2027E	2028E
ASSETS					
Non-current assets					
Property, plant and equipment	9.8	10.2	8.1	9.4	10.6
Right-of-use assets	3.0	2.7	-	-	-
Investment property	-	-	-	59.3	59.3
Investment in financial assets at FVTPL	-	-	-	-	-
Investment in a subsidiary	-	-	-	-	-
Total non-current assets	12.8	12.9	8.1	68.7	69.9
Current assets					
Inventories	0.0	0.0	0.0	0.0	0.0
Trade and other receivables	7.8	8.2	12.4	14.1	15.0
Other assets	3.6	5.3	6.8	7.5	8.1
Asset held for sale	-	-	-	-	-
Cash and cash equivalents	10.5	14.0	27.9	14.3	18.2
Total current assets	22.0	27.5	47.1	35.9	41.3
Total assets	34.8	40.4	55.3	104.7	111.2
EQUITY AND LIABILITIES					
Equity					
Share capital	19.4	19.4	26.9	26.9	26.9
Retained earnings	10.4	14.4	20.3	25.4	31.3
Other reserves	-	-	-	-	-
Total equity	29.8	33.8	47.2	52.3	58.2
Non-current liabilities					
Deferred tax liabilities	0.6	0.7	0.7	0.7	0.7
Loans and borrowings	-	-	-	43.4	43.4
Lease liabilities, non-current	-	-	-	-	-
Total non-current liabilities	0.6	0.7	0.7	44.1	44.1
Current liabilities					
Income tax payable	0.2	1.0	0.9	0.9	1.1
Loans and borrowings	0.3	-	-	-	-
Lease liabilities, current	0.2	-	-	-	-
Trade and other payables	3.7	5.0	6.5	7.3	7.8
Total current liabilities	4.4	5.9	7.4	8.3	8.9
Total liabilities	5.0	6.7	8.1	52.4	53.0
Total equity and liabilities	34.8	40.4	55.3	104.7	111.2

Cash Flow Statement

FYE Jan ($Sm)	2024	2025	2026	2027E	2028E
Cash flows from operating activities					
Profit before tax	1.5	6.5	7.9	8.4	9.6
Adjustments for:					
Interest income	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)
Interest expense	0.0	0.0	-	0.9	0.9
Impairment loss on property, plant and equipment	-	-	-	-	-
Allowance for trade receivables, net	0.2	0.4	1.0	1.4	1.2
Losses on fair value changes of investment at FVTPL	0.2	-	-	-	-
Depreciation of property, plant and equipment	1.8	1.8	1.6	1.5	1.8
Depreciation of right-of-use-assets	0.3	0.3	0.1	-	-
Reversal of provision of doubtful debts	-	-	-	-	-
Gain on disposal of property, plant and equipment	(0.1)	(0.1)	(1.2)	-	-
Net effect of exchange rate changes in consolidating subsidiary	(0.0)	-	-	-	-
Operating cash flows before changes in working capital	3.6	8.7	9.5	12.0	13.4
Inventories	0.0	0.0	-	(0.0)	(0.0)
Trade and other receivables	0.2	(0.8)	(5.2)	(3.1)	(2.0)
Other assets	0.3	(1.7)	(1.5)	(0.8)	(0.6)
Trade and other payables	0.5	1.3	1.5	0.8	0.5
Total	1.0	(1.2)	5.1	(3.0)	(2.1)
Net cash flows from operations	4.7	7.5	4.3	9.1	11.2
Income taxes refunded/(paid)	(0.4)	0.0	(1.2)	(1.1)	(1.2)
Net cash flows from operating activities	4.2	7.5	3.1	8.0	10.1
Cash flows used in investing activities					
Purchase of property, plant and equipment (Notes 14 and 21A)	(1.4)	(2.3)	(2.4)	(2.8)	(2.9)
Proceeds from disposal of property, plant and equipment	0.4	0.3	6.6	-	-
Purchase of Investment Property	-	-	-	(59.3)	-
Investment in financial assets at FVTPL	-	-	-	-	-
Interest income received	0.2	0.1	0.1	0.1	0.1
Net cash flows used in investing activities	(0.8)	(1.9)	4.3	(62.0)	(2.9)
Cash flows used in financing activities					
Dividends paid	(1.3)	(1.6)	(0.9)	(2.1)	(2.4)
Placement of shares			7.5	-	-
Interest expense paid	(0.0)	(0.0)	-	(0.9)	(0.9)
Proceeds from bank borrowings	-	-	-	43.4	-
Repayment of borrowings	(0.9)	(0.3)	-	-	-
Lease liabilities – principal portion paid	(0.6)	(0.2)	-	-	-
Proceeds from issuance of shares	-	-	-	-	-
Net cash flows used in financing activities	(2.7)	(2.1)	6.6	40.4	(3.3)
Net increase in cash and cash equivalents	0.6	3.5	13.9	(13.6)	3.9
Cash and cash equivalents, beginning balance	9.9	10.5	14.0	27.9	14.3
Cash and cash equivalents, ending balance	10.5	14.0	27.9	14.3	18.2

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Party	Quantum of Position
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Nature of Business Relation	Date of Business Relation
Placement	October 2025
Continuing Sponsorship	Ongoing Relation

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