

## CONSUMER DEFENSIVE EQUITY RESEARCH

## YEO HIAP SENG LTD

SGX: Y03

Bloomberg: YHS:SP

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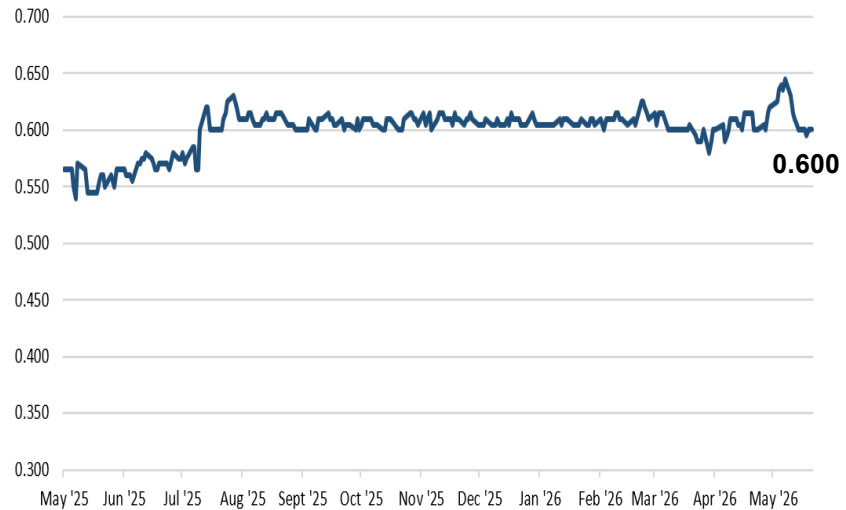
Country: Singapore

Industry: Consumer Defensive

22 May 2026

**RECOMMENDATION: BUY**Current price: **S\$0.600**Target price: **S\$0.757**Issued shares: **627.2 million (3 March 2026)**Market capitalisation: **S\$373.1 million**52-week range: **S\$0.550 – S\$0.645**

## PRICE PERFORMANCE



## COMPANY DESCRIPTION

Yeo Hiap Seng Ltd ("Yeo's") is a Singapore-based food & beverage company that was founded in 1900. The company's main business involves the manufacturing & distribution of food & beverage products. In addition to being a household name in the Asian market, Yeo's has an international presence that extends to the Asia-Pacific, Europe, North America, and Oceanic regions. Beyond its core operations, it also acts as an investment holding company. Yeo's is a listed subsidiary of Far East Organisation ("FEO"), a real estate company.

## SUMMARY

For the twelve months ended 31 December 2025 (FY2025), Yeo's revenue fell by 11.0% to S\$292.4 million in FY2025 from S\$328.6 million in FY2024. The decline was primarily driven by intense price competition in Malaysia, the cessation of its manufacturing collaboration with Oatly in Singapore, and weaker consumer spending in Cambodia. In addition, the China market continued to face declining demand amid competitive pressures. Net profit rose by 207.4% to S\$21.1 million in FY2025 from S\$6.9 million in FY2024, driven primarily by fair value gains on investment properties. Basic and diluted Earnings Per Share ("EPS") rose by 205.3% to 3.38 cents in FY2025 from 1.11 cents in FY2024. In FY2025, Yeo's declared a Dividend Per Share ("DPS") of 2.00 cents for FY2025.

## RECOMMENDATION

Profits are expected to moderate in FY2026 and FY2027 due to the absence of the S\$40.9 million fair value gain on investment properties recorded in FY2025. In addition, the ongoing Middle East conflict is likely to exert pressure on gross profit margins amid rising raw material costs. However, Yeo's has taken proactive steps to mitigate these cost pressures by securing approximately 90% of its aluminium can requirements for the full year, as well as around 75% of key materials, including sugar, oil, and PET resin. As a result, earnings are expected to remain resilient despite the challenging operating environment.

Based on the peer average P/E multiple of 23.58x and Trailing Twelve Months ("TTM") diluted EPS of 3.38 cents, we estimate a target price of S\$0.797. Based on the peer average P/B multiple of 1.88x and Net Asset Value ("NAV") per share of S\$0.9061, we estimate a target price of S\$1.700. Based on the peer average yield of 3.80% and current dividend yield of 3.33%, we estimate a target price of S\$0.527. By averaging the estimated target prices, we derive an overall target price of S\$1.008. The overall target price of S\$1.008 represents an upside potential of 68.0% from the current share price of S\$0.600. However, we view this target price as less likely to be realised, as it exceeds the Group's NAV per share of S\$0.9061. Instead, we consider the possibility of a privatisation of Yeo's by FEO.

Based on the premiums seen in recent privatisation deals among SGX-listed companies, such an offer could imply a potential premium of 26.1%, which would value Yeo's shares at approximately S\$0.757 (S\$0.600 × 126.1%). Accordingly, we adopt S\$0.757 as our final target price.

This upside is further supported by catalysts such as the easing of geopolitical tensions, better-than-expected economic growth, and potential increases in the fair value of investment properties, and the development and sale of these investment properties. Accordingly, given management's proactive measures to mitigate input cost volatility and the Group's underlying business fundamentals, we upgrade our recommendation on Yeo's to Buy despite prevailing macroeconomic headwinds. However, there are risks to our target price, including foreign exchange exposure, prolonged geopolitical tensions and a weaker-than-expected economic slowdown.

KEY FINANCIALS	Revenue	Earnings <sup>(1)</sup>	EPS <sup>(2)</sup>	P/E	DPS	Dividend Yield	NAV per share	P/B
Year ended 31 December	(S\$ million)	(S\$ million)	(cents)	(x)	(cents)	(%)	(cents)	(x)
2024 Actual	328.6	6.9	1.1	61.26	2.0	2.94%	96.5	0.70
2025 Actual	292.4	21.1	3.4	16.57	2.0	3.57%	90.6	0.62
<b>2026 Projection</b>	304.1	6.4	1.0	58.82	2.0	3.33%	-	-
<b>2027 Projection</b>	322.1	9.4	1.5	39.74	2.0	3.33%	-	-

Figures have been rounded. FY2026 & FY2027 P/E, P/B and dividend yield are based on the current share price of S\$0.600. FY2024 & FY2025 PE, PB and dividend yield are based on the share price after the release of their financial results (FY2025: S\$0.620, FY2024: S\$0.580).

<sup>(1)</sup> Profit after tax attributable to owners of the Company.

<sup>(2)</sup> Earnings Per Share (basic & diluted).

Source: Yeo's, FPA

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## INDUSTRY OUTLOOK

### (I) GLOBAL BEVERAGES MARKET

According to SIS International Research<sup>1</sup> (“SIS”), the global beverages market is experiencing transformative growth driven by premiumisation, evolving consumer preferences, and emerging markets. SIS noted that premiumisation, in particular, reflects a shift toward delivering differentiated experiences that justify higher price points, with premium products typically generating 2–3x the profit margins of standard offerings.

From a consumer perspective, taste remains the dominant purchase driver, influencing 72% of decisions and creating a high barrier to entry for products that fail to deliver superior flavour profiles. Hydration ranks second at 56%, underscoring the functional role of beverages in daily consumption. In contrast, health and nutritional attributes, despite significant media attention, account for only 21% of purchase decisions, while functional benefits such as energy and cognitive enhancement influence 16%.

Given this hierarchy, companies should prioritise taste and flavour across all consumer touchpoints, positioning health and nutritional benefits as secondary value propositions discovered through packaging, brand storytelling, or word-of-mouth. Notably, poorly integrated functional ingredients may compromise taste, undermining the primary driver of consumer choice.

While the overall data highlights taste (72%), hydration (56%), health (21%), and functional attributes (16%) as key drivers, these preferences vary meaningfully across demographics, consumption occasions, and product categories.

Overall, while the global beverage market continues to expand, taste remains the key determinant of success. Companies that invest in product quality, formulation, and taste optimisation are likely to capture disproportionate market share over time.

Looking ahead, SIS projects the global beverage market to grow at a compound annual growth rate (“CAGR”) of 5.92% from 2025 to 2030, with the functional beverage segment expected to outperform, expanding at a CAGR of 8.17% over the same period.

### (II) GLOBAL ECONOMY

According to the International Monetary Fund (“IMF”), after withstanding higher trade barriers and elevated uncertainty in 2025, global activity now faces a significant test following the outbreak of war in the Middle East. Assuming the conflict remains limited in duration and scope, global growth is projected to slow to 3.1% in 2026 and 3.2% in 2027.

Downside risks dominate the outlook. A longer or broader conflict, worsening geopolitical fragmentation, a reassessment of expectations surrounding artificial intelligence-driven productivity, or renewed trade tensions could significantly weaken growth and destabilise financial markets. Elevated public debt and declining institutional credibility further heighten vulnerabilities. At the same time, economic activity could improve if productivity gains from artificial intelligence materialise more rapidly or if trade tensions ease on a sustained basis.

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<sup>1</sup> SIS International Research is a global market research and strategy consulting firm with over 40+ years of industry experience.

**(III) SINGAPORE ECONOMY**

On 5 May 2026, the Singapore Department of Statistics (“Singstat”) released the Retail Sales Index (“RSI”) for March 2026. Total retail sales rose by 4.8% year-on-year (“y-o-y”) in March 2026, moderating from 8.3% y-o-y growth in February 2026, as shown in **Exhibit 1**.

Notably, retail sales for the food & alcohol segment fell by 6.0% y-o-y in March 2026, reversing from the 12.7% y-o-y growth in February 2026. We adopt the food & alcohol segment as a proxy for beverage sales.

**Exhibit 1: RSI (Y-o-Y Growth, March 2025 – March 2026)**

Source: Singstat, FPA

Straits Times noted that retail sales growth moderated in March following the Chinese New Year–driven surge in February and is expected to soften further in the months ahead amid fallout from the Middle East conflict. Rising energy prices and supply disruptions are likely to exert upward pressure on inflation, weighing on affordability, although government support measures should help mitigate the impact.

DBS<sup>1</sup> similarly highlighted that first-quarter performance reflects resilient consumer activity, supported by a healthy labour market and tourism recovery, despite the moderation in March. However, the bank cautioned that the outlook remains uncertain given elevated global risks, with inflationary pressures and softer labour conditions likely to dampen consumer spending. Nonetheless, additional government support, such as front-loaded Community Development Council (“CDC”) vouchers and enhanced cost-of-living payments, should provide some offset to weaker sentiment.

Looking ahead, UOB<sup>2</sup> forecasts Singapore’s full-year 2026 GDP growth forecast at 2.5%, down from 3.6% previously.

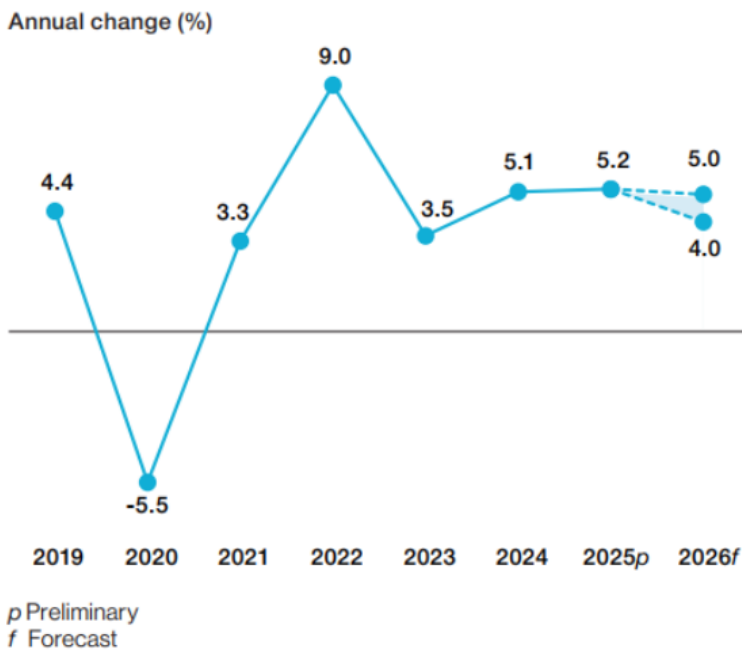
<sup>1</sup> DBS is a Singaporean multinational bank.

<sup>2</sup> UOB is a Singaporean multinational bank.

#### (IV) MALAYSIA & BRUNEI ECONOMY

The Central Bank of Malaysia projects the Malaysian economy to grow between 4% and 5% in 2026, with growth expected to remain resilient, as shown in **Exhibit 2**. Domestic demand is likely to remain the primary driver, supported by steady private sector spending. Labour market conditions are expected to remain firm, underpinned by continued employment growth and a declining unemployment rate. Income growth, supported by steady economic expansion and civil servant salary adjustments, is expected to sustain private consumption. Moreover, fiscal support in the form of cash assistance and measures announced in Budget 2026 is expected to further lift consumption, particularly among lower-income households.

##### **Exhibit 2: Malaysia's Real GDP Growth**



Source: Department of Statistics Malaysia, Bank Negara Malaysia

For Brunei, the Centre for Strategic and Policy Studies<sup>1</sup> (“CSPS”) expects economic growth to remain moderate, supported primarily by downstream oil and gas activities, such as refining, as well as growth in the services sector, although it remains sensitive to oil and LNG prices. Following growth of 4.2% in 2024 and a subdued growth of 0.7% in 2025, CSPS projects growth of 1.3% in 2026.

<sup>1</sup> CSPS is a think tank for policy research and advice on national development in Brunei Darussalam.

## (V) CHINA ECONOMY

The ASEAN+3 Macroeconomic Research Office<sup>1</sup> (“AMRO”) projects China’s growth to moderate to 4.6% in 2026, from 5.0% in 2025. Risks remain tilted to the downside, as a delayed recovery in the real estate sector, rising financial strains among some local governments, and vulnerabilities in smaller banks could weigh on confidence. Externally, an escalation in geopolitical tensions and deepening geoeconomic fragmentation may pose additional challenges to trade and investment. On the upside, a faster resolution of the property sector overhang and local government financing issues could provide a stronger-than-expected boost to economic activity relative to the baseline forecast.

## (VI) ASEAN ECONOMY

The Asian Development Bank (“ADB”) forecasts ASEAN growth at 4.6% in both 2026 and 2027. Similarly, AMRO forecasts growth in the ASEAN region to expand by 4.6% in 2026 and 4.8% in 2027.

In 2026, tariff effects are expected to materialise and dampen external demand, while domestic demand is also anticipated to remain soft in several economies, notably Thailand and the Philippines. These headwinds are expected to be partly offset by firm domestic demand elsewhere in ASEAN, supported by robust investment and resilient private consumption.

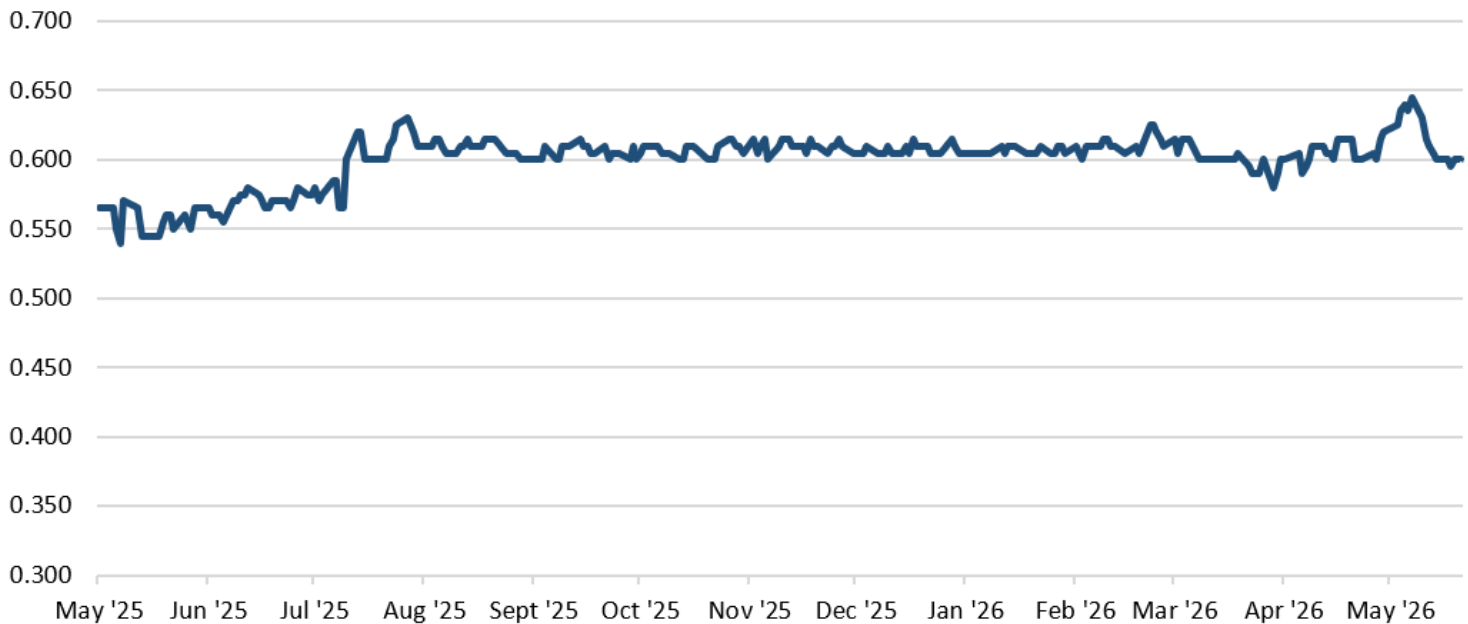
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<sup>1</sup> AMRO is an international organisation responsible for regional macroeconomic surveillance, monitoring, assessing, and reporting economic and financial conditions and outlook of member countries in the ASEAN+3 region, which comprises the ASEAN member states as well as China, Japan, and South Korea.

## RECENT SHARE PRICE DEVELOPMENTS

Over the past year, Yeo Hiap Seng Ltd's ("Yeo's") share price rose by 7.1% to S\$0.600 on 22 May 2026 from S\$0.560 on 22 May 2025 as shown in **Exhibit 3**.

### Exhibit 3: Share Price Performance (Last Year)



Source: Yahoo Finance, FPA

On 20 June 2025, Yeo's paid a dividend of S\$0.02 per ordinary share for FY2024 ended 31 December 2024. The company also announced that 2,757,486 new shares were allotted and issued at an issue price of S\$0.55 under its scrip dividend scheme. Share price rose by 1.75% to S\$0.580 on 27 June 2025 from S\$0.570 on 20 June 2025.

On 21 July 2025, MAS announced the appointment of the first batch of asset managers under the S\$5 billion Equity Market Development Programme ("EQDP"). MAS plans to place an initial amount of S\$1.1 billion for management with these managers to improve the liquidity in the bourse. Share price rose by 5.0% to S\$0.630 on 28 July 2025 from S\$0.600 on 21 July 2025.

On 4 August 2025, Yeo's announced its intention to dispose its 25% stake in Langfang Yili for a net cash consideration of S\$2.86 million, resulting in a gain on disposal of S\$2.39 million. Share price fell by 0.82% to S\$0.605 on 11 August 2025 from S\$0.610 on 4 August 2025.

On 7 August 2025, Yeo's released its H1 FY2025 results. Revenue fell by 10.1% to S\$148.6 million in H1 FY2025 from S\$165.3 million in H1 FY2024. Net profit fell by 50.9% to S\$1.6 million in H1 FY2025 from S\$3.2 million in H1 FY2024. Share price rose by 0.82% to S\$0.615 on 14 August 2025 from S\$0.610 on 7 August 2025.

On 25 February 2026, Yeo's released its full-year FY2025 results. Revenue fell by 11.0% to S\$292.4 million in FY2025 from S\$328.6 million in FY2024. Net profit rose by 207.4% to S\$21.1 million in FY2025 from S\$6.9 million in FY2024. Yeo's also announced that the disposal of its stake in Langfang Yili has been completed. Share price fell by 0.8% to S\$0.615 on 4 March 2026 from S\$0.620 on 25 February 2026.

On 31 March 2026, Yeo's announced that 25 employees at its Senoko facility would be laid off following the consolidation of can manufacturing operations to Malaysia. This move enables the Group's Johor and Selangor facilities to optimise capacity utilisation, while the Senoko facility will continue to serve as the Group's headquarters, cross-border logistics hub, and a smaller-scale manufacturing centre. Share price remain unchanged at S\$0.590 on 7 April 2026 compared to S\$0.590 on 31 March 2026.

On 29 April 2026, Yeo's shareholders approved a final dividend of S\$0.02 per ordinary share for FY2025 ended 31 December 2025. Share price rose by 4.1% to S\$0.640 on 6 May 2026 from S\$0.615 on 29 April 2026.

On 12 May 2026, Yeo's announced that the issue price for its scrip dividend scheme would be S\$0.63. Share price fell by 3.3% to S\$0.595 on 19 May 2026 from S\$0.615 on 12 May 2026.

## FINANCIAL ANALYSIS

In this section, we will provide a review of Yeo's financial performance for the full year ended 31 December 2025 (FY2025).

### (I) FINANCIAL REVIEW

#### Revenue:

Revenue fell by 11.0% to S\$292.4 million in FY2025 from S\$328.6 million in FY2024, as shown in **Exhibit 4**, reflecting a challenging macro-operating environment.

In Malaysia, Yeo's faced intense price competition, the impact of which extended beyond the festive period. In Singapore, operations were undergoing a phase of recalibration following the exit of its manufacturing collaboration with Oatly. Consumer spending in Cambodia was significantly weaker than expected, while the China market continued to decline amid strong price competition from local players.

On the currency front, although the Malaysian ringgit strengthened against the Singapore dollar, Yeo's faced a significantly weaker Indonesian rupiah, which materially eroded the profitability of its Indonesian operations.

In response, Yeo's management took steps to recalibrate its product portfolio, strengthen execution discipline, and accelerate product innovation. For instance, the company expanded its portfolio in Cambodia and intensified its focus on the school channel through strengthened collaboration with Cambodia's Ministry of Education, Youth and Sports. These efforts have resulted in a meaningful recovery in sales momentum in Cambodia since the second half of 2025.

#### Exhibit 4: Revenue (FY2024 vs FY2025)

S\$'000	Actual		FY2024 vs FY2025	
	FY2024 (ended 31 Dec)	FY2025 (ended 31 Dec)	Absolute Change	Change (%)
Singapore	72,902	57,149	(15,753)	(21.61%)
Malaysia and Brunei	162,256	158,673	(3,583)	(2.21%)
Greater China	20,137	15,025	(5,112)	(25.39%)
Other ASEAN countries	50,962	35,087	(15,875)	(31.15%)
Rest of the world	22,313	26,437	4,124	18.48%
<b>Total</b>	<b>328,570</b>	<b>292,371</b>	<b>(36,199)</b>	<b>(11.02%)</b>

Source: Yeo's, FPA

Revenue contribution from the different geographical segments is shown in **Exhibit 5**.

**Exhibit 5: Revenue Breakdown by Geographical Segments (FY2024 vs FY2025)**

S\$'000	FY2024		FY2025	
	Revenue	Contribution (%)	Revenue	Contribution (%)
Singapore	72,902	22.19%	57,149	19.55%
Malaysia and Brunei	162,256	49.38%	158,673	54.27%
Greater China	20,137	6.13%	15,025	5.14%
Other ASEAN countries	50,962	15.51%	35,087	12.00%
Rest of the world	22,313	6.79%	26,437	9.04%
<b>Total</b>	<b>328,570</b>	<b>100.00%</b>	<b>292,371</b>	<b>100.00%</b>

Source: Yeo's, FPA

Yeo's revenue from FY2021 to FY2025 is summarised in **Exhibit 6**.

**Exhibit 6: Revenue (FY2021 – FY2025)**

S\$'000	Actual				
	FY2021	FY2022	FY2023	FY2024	FY2025
Revenue	337,903	358,076	332,742	328,570	292,371
Growth		5.97%	(7.08%)	(1.25%)	(11.02%)

Source: Yeo's, FPA

**Gross profit:**

Gross profit fell by 15.5% to S\$92.1 million in FY2025 from S\$109.0 million in FY2024, with gross profit margin contracting to 31.5% from 33.2%, as shown in **Exhibit 7**.

Despite volatile commodity prices, Yeo's achieved overall savings in raw and packaging materials. However, lower production volumes and unabsorbed fixed costs, following the unexpected shutdown of its Shah Alam plant due to a gas outage in April 2025 and the exit of Oatly manufacturing in Singapore, led to an overall decline in gross margin.

Yeo's also addressed questions from shareholders at its Annual General Meeting ("AGM") on 29 April 2026. Management indicated that the company has successfully secured approximately 90% of its aluminium can requirements for 2026, ensuring cost stability and uninterrupted supply.

Similarly, the company has taken proactive measures to secure around 75% of its key materials for 2026, including sugar, oil, and polyethylene terephthalate ("PET") resin.

**Exhibit 7: Gross Profit (FY2024 vs FY2025)**

S\$'000	Actual		FY2024 vs FY2025	
	FY2024 (ended 31 Dec)	FY2025 (ended 31 Dec)	Absolute Change	Change (%)
Revenue	328,570	292,371	(36,199)	(11.02%)
Cost of sales	(219,570)	(200,226)	19,344	(8.81%)
<b>Gross profit</b>	<b>109,000</b>	<b>92,145</b>	<b>(16,855)</b>	<b>(15.46%)</b>
<i>Gross profit margin</i>	<i>33.17%</i>	<i>31.52%</i>	-	-

Source: Yeo's, FPA

Yeo's gross profit from FY2021 to FY2025 is summarised in **Exhibit 8**.

**Exhibit 8: Gross Profit (FY2021 – FY2025)**

S\$'000	Actual				
	FY2021	FY2022	FY2023	FY2024	FY2025
Revenue	337,903	358,076	332,742	328,570	292,371
Cost of sales	(237,544)	(250,671)	(224,741)	(219,570)	(200,226)
<b>Gross profit</b>	<b>100,359</b>	<b>107,405</b>	<b>108,001</b>	<b>109,000</b>	<b>92,145</b>
<i>Gross profit margin</i>	<i>29.70%</i>	<i>30.00%</i>	<i>32.46%</i>	<i>33.17%</i>	<i>31.52%</i>

Source: Yeo's, FPA

**Other income:**

Other income fell by 18.8% to S\$15.3 million in FY2025 from S\$18.8 million in FY2024, as shown in **Exhibit 9**, primarily due to lower interest income.

**Exhibit 9: Other Income (FY2024 vs FY2025)**

S\$'000	Actual		FY2024 vs FY2025	
	FY2024 (ended 31 Dec)	FY2025 (ended 31 Dec)	Absolute Change	Change (%)
Other income				
Interest income from bank and other financial assets	9,952	5,802	(4,150)	(41.70%)
Accretion of interest on non-current other receivables	-	763	763	n.m.
Rental income	8,008	7,007	(1,001)	(12.50%)
Dividend income	853	1,706	853	100.00%
<b>Total</b>	<b>18,813</b>	<b>15,278</b>	<b>(3,535)</b>	<b>(18.79%)</b>

Source: Yeo's, FPA

Yeo's other income from FY2021 to FY2025 is summarised in **Exhibit 10**.

**Exhibit 10: Other Income (FY2021 – FY2025)**

S\$'000	Actual				
	FY2021	FY2022	FY2023	FY2024	FY2025
Other income	8,410	12,841	19,212	18,813	15,278

Source: Yeo's, FPA

**Other gains and losses:**

Other gains rose by 194.8% to S\$45.6 million in FY2025 from S\$15.5 million in FY2024, as shown in **Exhibit 11**. This increase was primarily driven by a S\$40.9 million fair value gain on investment properties.

The fair value gain was mainly attributable to the successful 50-year land lease extension for Yeo's Guangzhou property until 2075, which resulted in a gain of S\$34.7 million. In addition, the Group recorded a gain on the disposal of an associated company of S\$2.6 million the associated company, which may be attributable to the disposal of its 25% stake in Langfang Yili (as referenced in page 7), as well as a net gain of S\$1.8 million from the disposal of property, plant and equipment ("PP&E").

These were partially offset by the absence of S\$15.0 million in compensation from Oatly recognised in FY2024 for order obligations and early contract termination.

Other losses fell by 51.9% to S\$4.4 million in FY2025 from S\$9.2 million in FY2024, as shown in **Exhibit 11**. Other losses mainly comprised an impairment loss on PP&E of S\$2.6 million and exchange losses of S\$1.4 million. The decline was primarily due to the absence of an impairment loss on investment in an associated company, as well as an absence of losses on disposal and write-off of PP&E recorded in FY2024.

**Exhibit 11: Other Gains & Other Losses (FY2024 vs FY2025)**

S\$'000	Actual		FY2024 vs FY2025	
	FY2024 (ended 31 Dec)	FY2025 (ended 31 Dec)	Absolute Change	Change (%)
<b>Other gains</b>				
Fair value gain on investment properties, net	-	40,862	40,862	n.m.
Compensation from a customer for order obligation	4,920	-	(4,920)	(100.00%)
Compensation from a customer for early contract exit	10,065	-	(10,065)	(100.00%)
Gain on disposal of property, plant and equipment, net	-	1,822	1,822	n.m.
Gain on disposal of investment in an associated company	-	2,556	2,556	n.m.
Other miscellaneous income	478	345	(133)	(27.82%)
<b>Total other gains</b>	<b>15,463</b>	<b>45,585</b>	<b>30,122</b>	<b>194.80%</b>
<b>Other losses</b>				
Fair value loss on financial assets designated as FVPL at initial recognition	(1,095)	(87)	1,008	(92.05%)
Fair value loss on investment properties, net	(467)	-	467	(100.00%)
Impairment loss on property, plant and equipment	(2,197)	(2,646)	(449)	20.44%
Impairment loss on intangible assets	(627)	-	627	(100.00%)
Loss on disposal and write-off of property, plant and equipment, net	(1,294)	-	1,294	(100.00%)
Loss on disposal of financial assets designated as FVPL at initial recognition, net	-	(269)	(269)	n.m.
Currency translation loss, net	(1,068)	(1,445)	(377)	35.30%
Impairment loss on investment in an associated company	(2,496)	-	2,496	(100.00%)
<b>Total other losses</b>	<b>(9,244)</b>	<b>(4,447)</b>	<b>4,797</b>	<b>(51.89%)</b>

Source: Yeo's, FPA

Yeo's other gains and other losses from FY2021 to FY2025 is summarised in **Exhibit 12**.

**Exhibit 12: Other Gains & Other Losses (FY2021 – FY2025)**

S\$'000	Actual				
	FY2021	FY2022	FY2023	FY2024	FY2025
Other gains and losses					
Other gains	5,818	2,823	8,061	15,463	45,585
Other losses	(1,993)	(658)	(2,918)	(9,244)	(4,447)

Source: Yeo's, FPA

**Expenses:**

Marketing and distribution expenses fell by 3.6% to S\$79.4 million in FY2025 from S\$82.3 million in FY2024, as shown in **Exhibit 13**.

Administrative expenses rose by 2.3% to S\$37.6 million in FY2025 from S\$36.7 million in FY2024.

Finance expenses fell by 31.0% to S\$525,000 in FY2025 from S\$761,000 in FY2024.

**Exhibit 13: Expenses (FY2024 vs FY2025)**

S\$'000	Actual		FY2024 vs FY2025	
	FY2024 (ended 31 Dec)	FY2025 (ended 31 Dec)	Absolute Change	Change (%)
Expenses				
Marketing and distribution	(82,319)	(79,359)	2,960	(3.60%)
Administrative	(36,733)	(37,565)	(832)	2.26%
Finance	(761)	(525)	236	(31.01%)

Source: Yeo's, FPA

Yeo's marketing and distribution, administrative, and finance expenses from FY2021 to FY2025 are summarised in **Exhibit 14**.

**Exhibit 14: Expenses (FY2021 – FY2025)**

S\$'000	Actual				
	FY2021	FY2022	FY2023	FY2024	FY2025
Expenses					
Marketing and distribution	(80,726)	(80,201)	(81,231)	(82,319)	(79,359)
Administrative	(32,520)	(35,550)	(38,331)	(36,733)	(37,565)
Finance	(503)	(589)	(766)	(761)	(525)

Source: Yeo's, FPA

**Share of profit/(loss) of associated companies and a joint venture**

Share of profit of associated companies and a joint venture rose to S\$41,000 in FY2025, reversing from a loss of S\$692,000 in FY2024, as shown in **Exhibit 15**.

**Exhibit 15: Share of Profit/Loss of Associated Companies and a Joint Venture (FY2024 vs FY2025)**

S\$'000	Actual		FY2024 vs FY2025	
	FY2024 (ended 31 Dec)	FY2025 (ended 31 Dec)	Absolute Change	Change (%)
Share of profit/(loss) of associated companies and a joint venture	(692)	41	733	(105.92%)

Source: Yeo's, FPA

Share of profit/loss of associated companies and a joint venture from FY2021 to FY2025 is summarised in **Exhibit 16**.

**Exhibit 16: Share of Profit/Loss of Associated Companies and a Joint Venture (FY2021 – FY2025)**

S\$'000	Actual				
	FY2021	FY2022	FY2023	FY2024	FY2025
Share of profit/(loss) of associated companies and a joint venture	425	203	338	(692)	41

Source: Yeo's, FPA

**Profit before tax:**

Profit before tax rose by 130.3% to S\$31.2 million in FY2025 from S\$13.5 million in FY2024, as shown in **Exhibit 17**.

**Exhibit 17: Profit before Tax (FY2024 vs FY2025)**

S\$'000	Actual		FY2024 vs FY2025	
	FY2024 (ended 31 Dec)	FY2025 (ended 31 Dec)	Absolute Change	Change (%)
Gross profit	109,000	92,145	(16,855)	(15.46%)
Other income	18,813	15,278	(3,535)	(18.79%)
Other gains and losses				
Other gains	15,463	45,585	30,122	194.80%
Other losses	(9,244)	(4,447)	4,797	(51.89%)
Expenses				
Marketing and distribution	(82,319)	(79,359)	2,960	(3.60%)
Administrative	(36,733)	(37,565)	(832)	2.26%
Finance	(761)	(525)	236	(31.01%)
Share of profit/(loss) of associated companies and a joint venture	(692)	41	733	(105.92%)
<b>Profit before tax</b>	<b>13,527</b>	<b>31,153</b>	<b>17,626</b>	<b>130.30%</b>

Source: Yeo's, FPA

Profit before tax from FY2021 to FY2025 is summarised in **Exhibit 18**.

**Exhibit 18: Profit before Tax (FY2021 – FY2025)**

S\$'000	Actual				
	FY2021	FY2022	FY2023	FY2024	FY2025
Gross profit	100,359	107,405	108,001	109,000	92,145
Other income	8,410	12,841	19,212	18,813	15,278
Other gains and losses					
Other gains	5,818	2,823	8,061	15,463	45,585
Other losses	(1,993)	(658)	(2,918)	(9,244)	(4,447)
Expenses					
Marketing and distribution	(80,726)	(80,201)	(81,231)	(82,319)	(79,359)
Administrative	(32,520)	(35,550)	(38,331)	(36,733)	(37,565)
Finance	(503)	(589)	(766)	(761)	(525)
Share of profit/(loss) of associated companies and a joint venture	425	203	338	(692)	41
<b>Profit before tax</b>	<b>(730)</b>	<b>6,274</b>	<b>12,366</b>	<b>13,527</b>	<b>31,153</b>

Source: Yeo's, FPA

**Profit after tax:**

Profit after tax rose by 207.4% to S\$21.1 million in FY2025 from S\$6.9 million in FY2024 as shown in **Exhibit 19**.

**Exhibit 19: Profit after Tax (FY2024 vs FY2025)**

S\$'000	Actual		FY2024 vs FY2025	
	FY2024 (ended 31 Dec)	FY2025 (ended 31 Dec)	Absolute Change	Change (%)
Profit before tax	13,527	31,153	17,626	130.30%
Income tax expense	(6,647)	(10,006)	(3,359)	50.53%
<b>Profit after tax</b>	<b>6,880</b>	<b>21,147</b>	<b>14,267</b>	<b>207.37%</b>
<i>Calculated tax rate</i>	<i>(49.14%)</i>	<i>(32.12%)</i>	-	-

Source: Yeo's, FPA

Profit after tax from FY2021 to FY2025 is summarised in **Exhibit 20**.

**Exhibit 20: Profit after Tax (FY2021 – FY2025)**

S\$'000	Actual				
	FY2021	FY2022	FY2023	FY2024	FY2025
Profit before tax	(730)	6,274	12,366	13,527	31,153
Income tax expense	(2,183)	(3,886)	(5,659)	(6,647)	(10,006)
<b>Profit after tax</b>	<b>(2,913)</b>	<b>2,388</b>	<b>6,707</b>	<b>6,880</b>	<b>21,147</b>

Source: Yeo's, FPA

**Earnings per share (“EPS”):**

Basic & diluted EPS rose by 205.3% to 3.38 cents in FY2025 from 1.11 cents in FY2024 as shown in **Exhibit 21**.

**Exhibit 21: EPS (FY2024 vs FY2025)**

S\$'000	Actual		FY2024 vs FY2025	
	FY2024 (ended 31 Dec)	FY2025 (ended 31 Dec)	Absolute Change	Change (%)
Profit after tax	6,880	21,147	14,267	207.37%
Weighted average number of ordinary shares for EPS ('000)	621,697	625,898	n.m.	n.m.
<b>Basic &amp; diluted EPS (cents)</b>	<b>1.11</b>	<b>3.38</b>	<b>2.27</b>	<b>205.31%</b>

Source: Yeo's, FPA

**Dividend per share (“DPS”):**

For FY2025, Yeo's declared a dividend of 2.0 cents per share.

Yeo's dividend schedule is shown in **Exhibit 22**.

**Exhibit 22: DPS Schedule (FY2021 – FY2025)**

S\$ cents	Actual				
	FY2021	FY2022	FY2023	FY2024	FY2025
DPS	2.00	2.00	2.00	2.00	2.00

Source: Yeo's, FPA

According to Yeo's 2025 Annual Report, the company does not have a fixed dividend policy. Instead, they consider a number of factors, including current forecast earnings, internal capital requirements, growth opportunities, and its debt-to-equity position before deciding how much to distribute to shareholders.

A summary of Yeo's payout ratio between FY2021 and FY2025 is shown in **Exhibit 23**.

**Exhibit 23: Payout Ratio (FY2021 – FY2025)**

S\$ cents	Actual				
	FY2021	FY2022	FY2023	FY2024	FY2025
Basic & diluted EPS	(0.50)	0.40	1.10	1.11	3.38
DPS	2.00	2.00	2.00	2.00	2.00
<i>Payout ratio</i>	<i>n.m.</i>	<i>500.00%</i>	<i>181.82%</i>	<i>180.18%</i>	<i>59.19%</i>

Note: Payout ratio = DPS/EPS

Source: Yeo's, FPA

Yeo's financial performance for FY2024 and FY2025 are summarised in **Exhibit 24**.

**Exhibit 24: Financial Performance (FY2024 vs FY2025)**

S\$'000	Actual		FY2024 vs FY2025	
	FY2024 (ended 31 Dec)	FY2025 (ended 31 Dec)	Absolute Change	Change (%)
Revenue	328,570	292,371	(36,199)	(11.02%)
Cost of sales	(219,570)	(200,226)	19,344	(8.81%)
<b>Gross profit</b>	<b>109,000</b>	<b>92,145</b>	<b>(16,855)</b>	<b>(15.46%)</b>
Other income	18,813	15,278	(3,535)	(18.79%)
Other gains and losses				
Other gains	15,463	45,585	30,122	194.80%
Other losses	(9,244)	(4,447)	4,797	(51.89%)
Expenses				
Marketing and distribution	(82,319)	(79,359)	2,960	(3.60%)
Administrative	(36,733)	(37,565)	(832)	2.26%
Finance	(761)	(525)	236	(31.01%)
Share of profit/(loss) of associated companies and a joint venture	(692)	41	733	n.m.
<b>Profit before tax</b>	<b>13,527</b>	<b>31,153</b>	<b>17,626</b>	<b>130.30%</b>
Income tax expense	(6,647)	(10,006)	(3,359)	50.53%
<b>Profit after tax</b>	<b>6,880</b>	<b>21,147</b>	<b>14,267</b>	<b>207.37%</b>
<b>Weighted average number of ordinary shares ('000)</b>	<b>621,697</b>	<b>625,898</b>	-	-
<b>Basic &amp; diluted EPS (cents)</b>	<b>1.11</b>	<b>3.38</b>	<b>2.27</b>	<b>205.31%</b>
<b>DPS (cents)</b>	<b>2.00</b>	<b>2.00</b>	-	<b>0.00%</b>

Source: Yeo's, FPA

**(II) CAPITAL MANAGEMENT**

Yeo's total assets fell by 4.0% to S\$683.6 million in FY2025 from S\$712.4 million in FY2024. Current assets fell by S\$21.6 million to S\$328.7 million, down from S\$350.3 million. The decline was mainly driven by a S\$10.2 million reduction in cash at bank (including fixed deposits), largely due to a S\$14.6 million payment for the China land lease extension. Inventories fell by S\$7.3 million due to early shipments to meet festive demand, while S\$17.9 million of assets held for sale were realised following the completion of the Oatly transaction in 2025. There was also a S\$14.0 million increase in current trade and other receivables as the S\$9.8 million instalment amounts due from Oatly in 2026 have been reclassified from non-current to current. However, these were offset by payments made by Oatly during the year and \$2.6 million increase in trade receivables due to the early shipments to meet festive demands.

Non-current assets fell by S\$7.2 million to S\$354.9 million in FY2025 from S\$362.1 million in FY2024. This decrease was primarily due to a S\$43.3 million reduction in other financial assets designated at FVOCI, mainly reflecting a fair value loss on the investment in Vitasoy, as well as a S\$9.5 million decrease in trade and other receivables following the reclassification of a S\$9.8 million instalment receivable from Oatly (due in 2026) from non-current to current. These declines were partially offset by a S\$57.8 million increase in investment properties, driven by a S\$40.9 million fair value gain and a S\$14.6 million payment for the China land lease extension. In addition, PP&E decreased by S\$12.4 million, mainly due to depreciation charges during the year.

Total liabilities rose by 4.8% to S\$115.4 million in FY2025 from S\$110.1 million in FY2024, mainly due to an increase in deferred tax liabilities of S\$7.9 million related to the fair value gain on investment properties.

Total equity fell by 5.7% to S\$568.3 million in FY2025 from S\$602.3 million in FY2024.

A summary of Yeo's balance sheet is shown in **Exhibit 25**.

**Exhibit 25: Summary of Yeo's Balance Sheet (FY2024 vs FY2025)**

S\$'000	Actual		FY2024 vs FY2025	
	FY2024 (ended 31 Dec)	FY2025 (ended 31 Dec)	Absolute Change	Change (%)
Total assets	712,409	683,635	(28,774)	(4.04%)
Total liabilities	110,091	115,370	5,279	4.80%
Total equity / net assets	602,318	568,265	(34,053)	(5.65%)
Equity attributable to shareholders of the company	602,318	568,265	(34,053)	(5.65%)
NAV per share (S\$ cents)	96.46	90.61	(5.85)	(6.06%)

Source: Yeo's, FPA

## FINANCIAL PROJECTIONS

In this section, we will be providing our projections for Yeo's revenue, earnings and dividend distribution for FY2026 & FY2027.

### (I) REVENUE PROJECTION

Yeo's noted in its H2 FY2025 results that the Group remains focused on strengthening its fundamentals in 2026. One of its key strategic priorities is to introduce smaller pack sizes to address affordability for lower-income consumers, while scaling premium, higher-margin products to capture growth in the middle-income segment.

In addition, the Group aims to expand external partnerships to accelerate product development targeting both domestic and international markets, particularly in the United States and Europe.

In line with these strategic initiatives, we project Yeo's revenue for FY2026 by disaggregating revenue by geographical segment based on the company's financial statements, namely Singapore, Malaysia & Brunei, Greater China, Other ASEAN countries, and the Rest of the World.

Each segment was then projected individually, and the respective forecasts were aggregated to derive the Group's total revenue projection for FY2026.

For Singapore, we project revenue growth of 2.5%, in line with UOB's GDP forecast (as referenced on page 4). For the Malaysia & Brunei segment, we assume growth of 4.5%, representing the midpoint of the Central Bank of Malaysia's forecast range of 4% to 5% (as referenced on page 5). For Greater China, we apply a growth rate of 4.6%, in line with AMRO's forecast (as referenced on page 6). Similarly, we project Other ASEAN countries to grow by 4.6%, consistent with the ADB's forecast (as referenced on page 6). Finally, we assume growth of 3.1% for the Rest of the World segment, in line with the IMF's global growth forecast (as referenced on page 3).

Our revenue projections for FY2026 are summarised in **Exhibit 26**.

#### **Exhibit 26: Projected Revenue for FY2026**

S\$'000	Actual	Forecast
	FY2025	FY2026
Singapore	57,149	58,578
<i>Growth</i>		2.50%
Malaysia and Brunei	158,673	165,813
<i>Growth</i>		4.50%
Greater China	15,025	15,716
<i>Growth</i>		4.60%
Other ASEAN countries	35,087	36,701
<i>Growth</i>		4.60%
Rest of the world	26,437	27,257
<i>Growth</i>		3.10%
<b>Total Revenue</b>	<b>292,371</b>	<b>304,065</b>
<b><i>Growth</i></b>		<b>4.00%</b>

Source: Yeo's, FPA

For FY2027, we project revenue growth to accelerate to 5.92%, in line with SIS' forecast for the global beverages market.

Accordingly, we project revenue to increase to S\$304.1 million in FY2026 and S\$322.1 million in FY2027.

Our revenue projections are summarised in **Exhibit 27**.

**Exhibit 27: Projected Revenue for FY2026 & FY2027**

S\$'000	Actual	Forecast	
	FY2025	FY2026	FY2027
Revenue	292,371	304,065	322,065
<i>Growth</i>		4.00%	5.92%

Source: Yeo's, FPA

**(II) EARNINGS PROJECTION****Gross profit:**

Yeo's also noted in its H2 FY2025 statements that the Group aims to maintain rigorous productivity and cost management to support business reinvestment. In addition, the Group intends to reconfigure its supply chain to improve operational efficiency and enhance gross margins.

Complementing these initiatives, the company has taken proactive steps to hedge against volatility in commodity prices by securing supply for aluminium cans and other key materials, such as sugar and oil (as referenced on page 10).

In line with these measures, we expect gross profit margins to remain stable, with no margin compression in FY2026 despite higher input costs arising from the Middle East conflict. Accordingly, we forecast gross profit margin to remain at 31.5% in FY2026, before expanding to 33.2% in FY2027, returning to FY2024 levels.

Gross profit is therefore projected to reach S\$95.8 million in FY2026 and S\$106.8 million in FY2027.

Our gross profit projections are summarised in **Exhibit 28**.

**Exhibit 28: Projected Gross Profit for FY2026 & FY2027**

S\$'000	Actual			Forecast	
	FY2023	FY2024	FY2025	FY2026	FY2027
Revenue	332,742	328,570	292,371	304,065	322,065
Cost of sales	(224,741)	(219,570)	(200,226)	(208,234)	(215,223)
<b>Gross profit</b>	<b>108,001</b>	<b>109,000</b>	<b>92,145</b>	<b>95,830</b>	<b>106,842</b>
<i>Gross profit margin</i>	<i>32.46%</i>	<i>33.17%</i>	<i>31.52%</i>	<i>31.52%</i>	<i>33.17%</i>

Source: Yeo's, FPA

**Other income:**

On 29 April 2026, the Federal Reserve (“Fed”) decided to maintain the target rate for the Federal Funds Rate (“Fed Funds Rate”) at 3.50%–3.75%.

J.P. Morgan<sup>1</sup> Global Research expects the Fed to hold rates steady for the remainder of 2026, with the next move likely being a 25-basis point rate hike in the third quarter of 2027, which would bring the federal funds rate to 3.75%–4.00%. We adopt J.P. Morgan’s interest rate forecast in our assumptions.

A summary of the projected Fed Funds Rate is presented in **Exhibit 29**. We also assume that the projected rate hike in 2027 will take place in July 2027, within the third quarter.

**Exhibit 29: Estimated Fed Funds Rate**

	Lower bound	Upper bound	Average Rate		Lower bound	Upper bound	Average Rate		Lower bound	Upper bound	Average Rate
Jan 2025	4.25%	4.50%	4.38%	Jan 2026	3.50%	3.75%	3.63%	Jan 2027	3.50%	3.75%	3.63%
Feb 2025	4.25%	4.50%	4.38%	Feb 2026	3.50%	3.75%	3.63%	Feb 2027	3.50%	3.75%	3.63%
Mar 2025	4.25%	4.50%	4.38%	Mar 2026	3.50%	3.75%	3.63%	Mar 2027	3.50%	3.75%	3.63%
Apr 2025	4.25%	4.50%	4.38%	Apr 2026	3.50%	3.75%	3.63%	Apr 2027	3.50%	3.75%	3.63%
May 2025	4.25%	4.50%	4.38%	May 2026	3.50%	3.75%	3.63%	May 2027	3.50%	3.75%	3.63%
Jun 2025	4.25%	4.50%	4.38%	Jun 2026	3.50%	3.75%	3.63%	Jun 2027	3.50%	3.75%	3.63%
Jul 2025	4.25%	4.50%	4.38%	Jul 2026	3.50%	3.75%	3.63%	Jul 2027	3.75%	4.00%	3.88%
Aug 2025	4.25%	4.50%	4.38%	Aug 2026	3.50%	3.75%	3.63%	Aug 2027	3.75%	4.00%	3.88%
Sept 2025	4.00%	4.25%	4.13%	Sept 2026	3.50%	3.75%	3.63%	Sept 2027	3.75%	4.00%	3.88%
Oct 2025	3.75%	4.00%	3.88%	Oct 2026	3.50%	3.75%	3.63%	Oct 2027	3.75%	4.00%	3.88%
Nov 2025	3.75%	4.00%	3.88%	Nov 2026	3.50%	3.75%	3.63%	Nov 2027	3.75%	4.00%	3.88%
Dec 2025	3.50%	3.75%	3.63%	Dec 2026	3.50%	3.75%	3.63%	Dec 2027	3.75%	4.00%	3.88%
2025	-	-	4.21%	2026	-	-	3.63%	2027	-	-	3.75%

Source: Federal Reserve Bank of St. Louis, FPA estimates

We then calculated the proportion of decline in the Fed Funds Rate, as shown in **Exhibit 30**.

**Exhibit 30: Forecasted Average Fed Funds Rate for FY2026 & FY2027**

	FY2025	FY2026	FY2027
Average Fed Funds Rate	4.21%	3.63%	3.75%
Proportion of (decline)/increase	-	(13.86%)	3.45%

Source: US Federal Reserve, FPA

<sup>1</sup> J.P. Morgan is a global investment bank.

Interest income is a component of other income. Accordingly, in projecting other income, we first estimate interest income.

For FY2026 and FY2027, we assume that cash and cash equivalents, as well as other financial assets, remain at FY2025 levels. We further assume that the effective interest rate on cash balances will move in line with changes in the Fed Funds Rate, as shown in **Exhibit 30**.

Based on these assumptions, we project interest income of S\$5.0 million in FY2026 and S\$5.2 million in FY2027, as summarised in **Exhibit 31**.

**Exhibit 31: Projected Interest Income for FY2026 and FY2027**

S\$'000	Actual	Forecast	
	FY2025	FY2026	FY2027
Cash and cash equivalents	45,274	45,274	45,274
Other financial assets	145,561	145,561	145,561
Cash at bank	190,835	190,835	190,835
<b>Interest income</b>	<b>5,802</b>	<b>4,998</b>	<b>5,170</b>
<i>Effective interest rate</i>	3.04%	2.62%	2.71%
<i>Proportion of decline</i>		(13.86%)	3.45%

Source: Yeo's, FPA

Alongside the projected interest income for FY2026 and FY2027, we assume no accretion of interest on non-current other receivables. We also assume that rental income and dividend income remain at FY2025 levels for both FY2026 and FY2027.

Accordingly, we project other income to be S\$13.7 million in FY2026 and S\$13.9 million in FY2027, as shown in **Exhibit 32**.

**Exhibit 32: Projected Other Income for FY2026 and FY2027**

S\$'000	Actual	Forecast	
	FY2025	FY2026	FY2027
Other income			
Interest income from bank and other financial assets	5,802	4,998	5,170
Accretion of interest on non-current other receivables	763	-	-
Rental income	7,007	7,007	7,007
Dividend income	1,706	1,706	1,706
<b>Total</b>	<b>15,278</b>	<b>13,711</b>	<b>13,883</b>

Source: Yeo's, FPA

**Other gains and losses**

We project other gains of S\$14.9 million in both FY2026 and FY2027. This is primarily driven by a fair value gain on investment properties of S\$14.5 million, based on the average over the past three years.

In addition, we assume no reversal of impairment losses on PP&E, and no gains from customer compensation, disposal of PP&E, or disposal of investments in associated companies. Miscellaneous income is projected at S\$0.4 million for both FY2026 and FY2027, based on the average over the past three years.

For other losses, we project S\$0.8 million in both FY2026 and FY2027, driven mainly by currency translation losses, based on the average over the past three years. We assume no fair value losses on financial assets and investment properties, and no impairment losses on PP&E, intangible assets, or investments in associated companies. We also assume no losses from disposal and write-off of PP&E, disposal of financial assets, or liquidation of subsidiaries.

Our projections are summarised in **Exhibit 33**.

**Exhibit 33: Projected Other Gains & Other Losses for FY2026 and FY2027**

S\$'000	Actual			Forecast	
	FY2023	FY2024	FY2025	FY2026	FY2027
<b>Other gains</b>					
Fair value gain on investment properties, net	2,717	-	40,862	14,526	14,526
Reversal of impairment losses on property, plant and equipment	192	-	-	-	-
Compensation from a customer for order obligation	4,754	4,920	-	-	-
Compensation from a customer for early contract exit	-	10,065	-	-	-
Gain on disposal of property, plant and equipment, net	-	-	1,822	-	-
Gain on disposal of investment in an associated company	-	-	2,556	-	-
Other miscellaneous income	398	478	345	407	407
<b>Total other gains</b>	<b>8,061</b>	<b>15,463</b>	<b>45,585</b>	<b>14,933</b>	<b>14,933</b>
<b>Other losses</b>					
Fair value loss on financial assets designated as FVPL at initial recognition	(1,658)	(1,095)	(87)	-	-
Fair value loss on investment properties, net	-	(467)	-	-	-
Impairment loss on property, plant and equipment	-	(2,197)	(2,646)	-	-
Impairment loss on intangible assets	-	(627)	-	-	-
Loss on disposal and write-off of property, plant and equipment, net	(1,258)	(1,294)	-	-	-
Loss on disposal of financial assets designated as FVPL at initial recognition, net	-	-	(269)	-	-
Currency translation loss, net	(1)	(1,068)	(1,445)	(838)	(838)
Loss on liquidation of a subsidiary	(1)	-	-	-	-
Impairment loss on investment in an associated company	-	(2,496)	-	-	-
<b>Total other losses</b>	<b>(2,918)</b>	<b>(9,244)</b>	<b>(4,447)</b>	<b>(838)</b>	<b>(838)</b>

Source: Yeo's, FPA

**Expenses:**

We assume marketing and distribution expenses as a percentage of revenue for FY2026 and FY2027 will be 25.54%, the average from FY2023 to FY2025. Accordingly, we project marketing and distribution expenses to be S\$77.6 million in FY2026 and S\$82.2 million in FY2027.

We assume administrative expenses as a percentage of revenue for FY2026 and FY2027 will be 11.85%, the average from FY2023 to FY2025. Accordingly, we project administrative expenses to be S\$36.0 million in FY2026 and S\$38.2 million in FY2027.

We project finance expenses to remain stable at FY2025 levels of S\$0.5 million in FY2026 and FY2027.

Our projections for expenses are summarised in **Exhibit 34**.

**Exhibit 34: Projected Expenses for FY2026 and FY2027**

S\$'000	Actual			Forecast	
	FY2023	FY2024	FY2025	FY2026	FY2027
Expenses					
Marketing and distribution	(81,231)	(82,319)	(79,359)	(77,648)	(82,244)
<i>% of revenue</i>	<i>(24.41%)</i>	<i>(25.05%)</i>	<i>(27.14%)</i>	<i>(25.54%)</i>	<i>(25.54%)</i>
Administrative	(38,331)	(36,733)	(37,565)	(36,029)	(38,162)
<i>% of revenue</i>	<i>(11.52%)</i>	<i>(11.18%)</i>	<i>(12.85%)</i>	<i>(11.85%)</i>	<i>(11.85%)</i>
Finance	(766)	(761)	(525)	(525)	(525)

Source: Yeo's, FPA

**Profit before tax:**

We also assume that the share of profit from associated companies and a joint venture will be zero in FY2026 and FY2027.

Accordingly, profit before tax is projected to be S\$9.4 million in FY2026 and S\$13.9 million in FY2027, as shown in **Exhibit 35**.

**Exhibit 35: Projected Profit before Tax**

S\$'000	Actual			Forecast	
	FY2023	FY2024	FY2025	FY2026	FY2027
Gross profit	108,001	109,000	92,145	95,830	106,842
Other income	19,212	18,813	15,278	13,711	13,883
Other gains and losses					
Other gains	8,061	15,463	45,585	14,933	14,933
Other losses	(2,918)	(9,244)	(4,447)	(838)	(838)
Expenses					
Marketing and distribution	(81,231)	(82,319)	(79,359)	(77,648)	(82,244)
Administrative	(38,331)	(36,733)	(37,565)	(36,029)	(38,162)
Finance	(766)	(761)	(525)	(525)	(525)
Share of profit/(loss) of associated companies and a joint venture	338	(692)	41	-	-
<b>Profit before tax</b>	<b>12,366</b>	<b>13,527</b>	<b>31,153</b>	<b>9,435</b>	<b>13,889</b>

Source: Yeo's, FPA

**Profit after tax:**

To project profit after tax for FY2026 and FY2027, we first estimate Yeo's income tax expense, which requires determining the Group's taxable income. Importantly, the share of results from associates is excluded from taxable income, as these profits have already been taxed at the associate level before being recognised by the Group. Accordingly, we deduct the share of results from associates when calculating taxable income.

We then assume the effective tax rate for FY2026 and FY2027 remains at 32.16%, in line with FY2025 levels. Based on this, tax expense is projected at S\$3.0 million in FY2026 and S\$4.5 million in FY2027, as shown in **Exhibit 36**.

**Exhibit 36: Projected Tax Expense for FY2026 and FY2027**

S\$'000	Actual			Forecast	
	FY2023	FY2024	FY2025	FY2026	FY2027
Profit before tax	12,366	13,527	31,153	9,435	13,889
Less: share of profit/(loss) of associated companies and a joint venture	338	(692)	41	-	-
Taxable income	12,028	14,219	31,112	9,435	13,889
<b>Income tax expense</b>	<b>(5,659)</b>	<b>(6,647)</b>	<b>(10,006)</b>	<b>(3,034)</b>	<b>(4,467)</b>
<i>Effective tax rate</i>	<i>(47.05%)</i>	<i>(46.75%)</i>	<i>(32.16%)</i>	<i>(32.16%)</i>	<i>(32.16%)</i>

Source: Yeo's, FPA

**EPS:**

We assume that the weighted average number of ordinary shares for both basic and diluted EPS will remain at FY2025 levels for FY2026 and FY2027. Accordingly, we project basic and diluted EPS to be 1.02 cents in FY2026 and 1.51 cents in FY2027, as shown in **Exhibit 37**.

**Exhibit 37: Projected EPS for FY2026 and FY2027**

S\$'000	Actual			Forecast	
	FY2023	FY2024	FY2025	FY2026	FY2027
Profit after tax	6,707	6,880	21,147	6,400	9,422
Weighted average number of ordinary shares for EPS ('000)	609,509	621,697	625,898	625,898	625,898
<b>Basic &amp; diluted EPS (cents)</b>	<b>1.10</b>	<b>1.11</b>	<b>3.38</b>	<b>1.02</b>	<b>1.51</b>

Source: Yeo's, FPA

**DPS:**

We project DPS to remain at FY2025 levels of 2.0 cents for FY2026 and FY2027, as shown in **Exhibit 38**.

**Exhibit 38: Projected DPS for FY2026 and FY2027**

S\$'000	Actual			Forecast	
	FY2023	FY2024	FY2025	FY2026	FY2027
DPS	2.00	2.00	2.00	2.00	2.00

Source: Yeo's, FPA

Our projections are summarised in **Exhibit 39**.

**Exhibit 39: Projected Financial Performance for FY2026 and FY2027**

S\$'000	Actual			Forecast	
	FY2023	FY2024	FY2025	FY2026	FY2027
Revenue	332,742	328,570	292,371	304,065	322,065
Cost of sales	(224,741)	(219,570)	(200,226)	(208,234)	(215,223)
<b>Gross profit</b>	<b>108,001</b>	<b>109,000</b>	<b>92,145</b>	<b>95,830</b>	<b>106,842</b>
Other income	19,212	18,813	15,278	13,711	13,883
Other gains and losses					
Other gains	8,061	15,463	45,585	14,933	14,933
Other losses	(2,918)	(9,244)	(4,447)	(838)	(838)
Expenses					
Marketing and distribution	(81,231)	(82,319)	(79,359)	(77,648)	(82,244)
Administrative	(38,331)	(36,733)	(37,565)	(36,029)	(38,162)
Finance	(766)	(761)	(525)	(525)	(525)
Share of profit/(loss) of associated companies and a joint venture	338	(692)	41	-	-
<b>Profit before tax</b>	<b>12,366</b>	<b>13,527</b>	<b>31,153</b>	<b>9,435</b>	<b>13,889</b>
Income tax expense	(5,659)	(6,647)	(10,006)	(3,034)	(4,467)
<b>Profit after tax</b>	<b>6,707</b>	<b>6,880</b>	<b>21,147</b>	<b>6,400</b>	<b>9,422</b>
<b>Weighted average number of ordinary shares ('000)</b>	<b>609,509</b>	<b>621,697</b>	<b>625,898</b>	<b>625,898</b>	<b>625,898</b>
<b>Basic &amp; diluted EPS (cents)</b>	<b>1.10</b>	<b>1.11</b>	<b>3.38</b>	<b>1.02</b>	<b>1.51</b>
<b>DPS (cents)</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>

Source: Yeo's, FPA

## VALUATION ANALYSIS

### (I) PEER COMPARISON ANALYSIS

We performed a peer comparison analysis to review how Yeo's is faring against industry peers in terms of current valuation metrics. We selected peer companies that are like Yeo's in terms of industry and business operations. Then, we compared Yeo's against its peers in terms of P/E multiple, P/B multiple and dividend yield.

Below we list the selected peers to compare with Yeo's (along with a brief description of each company) as follows:

#### i. Fraser and Neave, Limited ("F&N"; SGX: F99)

F&N is a Southeast Asian consumer group with expertise in the Food & Beverage ("F&B") and publishing & printing industries. The group has an array of renowned brands that enjoy strong market leadership, and is present in 12 countries across Asia Pacific and the Americas.

#### ii. Food Empire Holdings Limited ("Food Empire"; SGX: F03)

Food Empire is a multinational F&B manufacturing and distribution group. Its primary business is instant coffee beverages that are retailed under its flagship and award-winning MacCoffee and CaféPHÓ brands. Anchored by strong, market-leading brands and an extensive distribution network, Food Empire's reach extends to more than 60 countries across North Asia, Eastern Europe, Southeast Asia, South Asia, Central Asia, Middle East, and North America.

#### iii. Vitasoy International Holdings Limited ("Vitasoy"; HKEX: 0345)

Vitasoy is an international manufacturer and distributor of plant-based food and beverages. It employs more than 7,000 people across Hong Kong, Mainland China, Australia, Singapore, the Philippines, and the United States. Its two major brands are VITASOY, which markets nutritious soy and other plant-based beverages as well as tofu, and VITA, a brand focused on tea and other ready-to-drink products. Yeo's has a 5.3% stake in Vitasoy.

#### iv. QAF Limited ("QAF"; SGX: Q01)

QAF is a multi-industry food company with core businesses in bakery, distribution, and warehousing. The group has an extensive operations and distribution network across the Asia-Pacific region, including Singapore, Malaysia, the Philippines, Australia, Myanmar, Cambodia, Hong Kong, Taiwan, Macau, Brunei, Indonesia, Vietnam, Laos, and Bangladesh.

**Exhibit 40: Peer Comparison Analysis**

Company	Currency	Stock Symbol	Price (S\$) as at 18 May '26	Market Cap (S\$ million)	Diluted EPS (cents) <sup>(1)</sup>	P/E	DPS (cents) <sup>(2)</sup>	Dividend Yield (%)	NAV per share (S\$) <sup>(3)</sup>	P/B
Yeo Hiap Seng	SGD	Y03	0.600	373.14	3.38	17.76	2.00	3.33%	0.91	0.66
<b>Peer companies:</b>										
Fraser and Neave	SGD	F99	1.420	2,081.99	10.10	14.06	5.50	3.87%	1.92	0.74
Food Empire <sup>(4)</sup>	SGD	F03	3.010	1,681.21	7.88	38.21	12.00	3.99%	0.86	3.50
Vitasoy <sup>(5)</sup>	SGD	0345	0.999	1,016.99	3.62	27.57	2.32	2.32%	0.47	2.14
QAF	SGD	Q01	1.000	575.27	6.90	14.49	5.00	5.00%	0.89	1.13
<b>Peer average:</b>			-	-	-	<b>23.58</b>	-	<b>3.80%</b>	-	<b>1.88</b>

(1) & (2) Trailing Twelve-Months ("TTM"). (3) Most recent financial statement. (4) Converted from USD to SGD using USD/SGD exchange rate of 1.279 on 22 May 2026 from Oanda. (5) Converted from HKD to SGD using HKD/SGD exchange rate of 0.163 on 22 May 2026 from Oanda.

Source: SGX Stock Screener, respective companies, FPA

**(a) P/E multiple**

Based on the results in **Exhibit 40**, Yeo's is currently trading at a P/E multiple of 17.76x which is lower than the peer average P/E multiple of 23.58x. This suggests that Yeo's is undervalued at the current share price. Adopting a relative valuation approach, we estimate a target price of S\$0.797 if Yeo's is to trade at the peer average P/E of 23.58x.

$$\begin{aligned}
 \text{Estimated target price (P/E multiple)} &= \text{Peer average P/E} \times \text{TTM diluted EPS} \\
 &= 23.58 \times \text{S\$}0.0338 \\
 &= \text{S\$}0.797
 \end{aligned}$$

The estimated target price of S\$0.797 represents an upside potential of 32.8% from the current share price of S\$0.600.

**(b) P/B multiple**

Based on the results in **Exhibit 40**, Yeo's is currently trading at a P/B multiple of 0.66x which is lower than the peer average P/B multiple of 1.88x. This suggests that Yeo's is undervalued at the current share price. Adopting a relative valuation approach, we estimate a target price of S\$1.700 if Yeo's is to trade at the peer average P/B of 1.88x.

$$\begin{aligned}
 \text{Estimated target price (P/B multiple)} &= \text{Peer average P/B} \times \text{NAV per share} \\
 &= 1.88 \times \text{S\$}0.9061 \\
 &\approx \text{S\$}1.700
 \end{aligned}$$

The estimated target price of S\$1.700 represents an upside potential of 183.3% from the current share price of S\$0.600.

**(c) Dividend yield**

Based on the results in **Exhibit 40**, Yeo's current dividend yield of 3.33% is less attractive than the peer average yield of 3.80%. This suggests that Yeo's is overvalued at the current share price. Adopting a relative valuation approach, we estimate a target price of S\$0.527 if Yeo's is to trade at the peer average yield of 3.80%.

$$\begin{aligned}
 \text{Estimated target price (Dividend yield)} &= \frac{\text{Current yield}}{\text{Peer average yield}} \times \text{Current share price} \\
 &= \frac{3.33\%}{3.80\%} \times \text{S\$0.600} \\
 &\approx \text{S\$0.527}
 \end{aligned}$$

The estimated target price of S\$0.527 represents a downside potential of 12.2% from the current share price of S\$0.600.

**(d) Target price**

From our analysis, Yeo's seems to be undervalued in terms of its P/E and P/B multiple but overvalued in terms of its dividend yield. By averaging our target prices based on P/E multiple, P/B multiple and dividend yield, we derive an overall target price of S\$1.008 as follows:

$$\begin{aligned}
 \text{Target price} &= \frac{1}{3} \times [\text{Estimated target price (P/E multiple)} + \text{Estimated target price (P/B multiple)} + \\
 &\quad \text{Estimated target price (Dividend yield)}] \\
 &= \frac{1}{3} \times [\text{S\$0.797} + \text{S\$1.700} + \text{S\$0.527}] \\
 &\approx \text{S\$1.008}
 \end{aligned}$$

The overall target price of S\$1.008 represents an upside potential of 68.0% from the current share price of S\$0.600.

**(II) PRIVATISATION OFFER**

We note that:

- Far East Organisation (“FEO”) and its related parties, owns 75.94% of Yeo’s as at 3 March 2026.
- Yeo’s is currently trading at a P/B multiple of 0.66x, representing a discount of approximately 33% to its NAV
- Yeo’s cash at bank totalled S\$190.8 million as at 31 December 2025

Accordingly, we consider the possibility of a privatisation by FEO.

To estimate the potential privatisation cost for Yeo’s, we review the recent privatisation offers for SGX-listed companies as shown in **Exhibit 41**. We note that the average price premium of the selected privatisation offers was 26.1%.

FEO holds 75.94% total interest in Yeo’s. Thus, they would need to acquire the remaining 24.06% total interest to privatise Yeo’s. At the market capitalisation of S\$373.1 million as at 22 May 2026, this equates to S\$89.8 million (S\$373.1 million × 24.06%).

Based on the average price premium of the selected privatisation offers, we also estimate that any privatisation offer may need to have a price premium of 26.1% from the current share price of S\$0.600 to have a chance to be successful. Thus, FEO may need to offer a minimum offer price of S\$0.757 (at full privatisation cost of S\$113.2 million). Given that Yeo’s cash at bank exceeds the estimated privatisation cost (S\$190.8 million > S\$113.2 million), the likelihood of privatisation offer appears reasonably high.

**Exhibit 41: Privatisation Offers for SGX-listed Companies**

Target	Code	Acquirer	Currency	Last undisturbed price		Offer price per share	Price premium
				Date	Price		
Avarga Limited	X5N	TKO Pte. Ltd.	SGD	12 Mar '26	2.35	2.7	14.9%
Low Keng Huat	F1E	Consistent Record Pte. Ltd.	SGD	28 Nov '25	0.615	0.78	26.8%
Mandarin Oriental International Ltd	M04	Jardine Strategic Limited	USD	29 Sept '25	2.20	3.35	52.3%
Olive Tree Estates	1H2	Advansory Investment Pte Ltd	SGD	29 Sept '25	0.112	0.12	7.1%
AF Global Limited	L38	AFG Investment Pte. Ltd	SGD	29 Sept '25	0.089	0.11	23.6%
Spindex Industries Ltd	564	Skyline II Pte Ltd	SGD	31 Jul '25	1.12	1.43	27.7%
Alpina Holdings Ltd	ZXY	K&T Investment Pte Ltd	SGD	03 Jun '25	0.25	0.37	48.0%
Grand Venture Technology	JLB	Aalberts Advanced Mechatronics B.V.	SGD	30 May '25	0.840	0.940	11.9%
Ossia International	O08	Goh Ching Wah, Goh Ching Huat, and Goh Ching Lai	SGD	13 May '25	0.113	0.160	41.6%
Fraser Hospitality Trust	ACV	Fraser's Property Hospitality Trust Holdings Pte. Ltd.	SGD	13 May '25	0.665	0.710	6.8%
<b>Average</b>							<b>26.1%</b>

Note: “Last undisturbed price” based on last available share price before takeover announcement.

Source: respective companies, SGX Stock Screener, FPA

In addition, Yeo's holds several investment properties in China and Malaysia, as shown in **Exhibit 42**. FEO could potentially privatise Yeo's and monetise these assets, thereby unlocking value and gaining greater flexibility to execute asset disposals within a private structure.

This is supported by FEO's track record of asset monetisation. For instance, FEO previously divested four single-storey warehouse properties in Tuas for approximately S\$322 million. The assets, located at 10, 20, 30 and 40 Tuas South Street 1 and spanning 1.17 million square feet, were noted to have significant redevelopment potential and were sold to a consortium led by HPC Realty.

A similar strategy could be applied to Yeo's, given its portfolio of investment properties, allowing FEO to realise underlying asset gains.

#### **Exhibit 42: Yeo's Investment Properties**

<u>Location</u>	<u>Description and existing use</u>	<u>Approximate land area (in sq. metres)</u>	<u>Tenure</u>
<b>The People's Republic of China</b>			
286 & 288 Chigangxi Road; Haizhu District, Guangzhou Guangdong Province <sup>(1)</sup>	Office and warehouse	30,873	Leasehold expiring in year 2075 (2024: year 2043)
242 Chigangxi Road; No. 1 Guitiandongyue Forth Lane; and Unit 702, No. 186 Dunhe Road, Haizhu District, Guangzhou Guangdong Province	Apartments	1,812	Leasehold expiring in years 2065 to 2068
<b>Malaysia</b>			
Leong Sin Nam Farm, Jalan Ampang Tambun, Tambun, Ipoh, Perak, Malaysia <sup>(2)</sup>	Farming land	1,048,062	16 lots freehold. 6 lots and 1 lot leasehold expiring in year 2085 (2024: year 2045) and 2885 respectively
40 1/4 Milepost, Jalan Air Itam – Johor Bahru, Simpang Renggam, Johor, Malaysia	Farming land	420,183	Freehold
Lot No. 30, Jalan Upper Lanang, Sibu, Sarawak, Malaysia <sup>(2)</sup>	Office and warehouse	6,107	Leasehold expiring in year 2124 (2024: year 2039)
Lot 4183, Jalan Kuching, Taman Tunku Industrial Area, Miri, Sarawak, Malaysia	Office and warehouse	8,858	Leasehold expiring in year 2054
Lot 71, Sedco Industrial Estate, Phase 2, Jalan Kolombong, Kota Kinabalu, Sabah, Malaysia	Office and warehouse	5,235	Leasehold expiring in year 2034
No. 986 Jalan Perusahaan and No. 988-990, Solok Perusahaan Tig a, Kawasan MIEL Prai Industrial Estate Prai, Pulau Pinang, Malaysia	Office and warehouse	7,980	Leasehold expiring in year 2071

Source: Yeo's

## POTENTIAL CATALYSTS

### (I) EASING OF GEOPOLITICAL TENSIONS

The ongoing Middle East conflict has led to a sharp increase in oil prices, with Brent crude rising to US\$105 per barrel on 22 May 2026, compared to US\$62 per barrel prior to the onset of the conflict on 28 February 2026. Elevated oil prices have driven higher fuel costs, with spillover effects on commodity prices and other input materials.

An easing of geopolitical tensions could result in moderating oil prices, which would lower transportation and raw material costs for Yeo's. This, in turn, could support gross margin expansion and reduce operating expenses, thereby boosting earnings and providing potential upside to the share price.

### (II) BETTER-THAN-EXPECTED ECONOMIC GROWTH

On 18 May 2026, S&P Global<sup>1</sup> released its Global Economic Outlook: May 2026, noting a “higher-for-longer” inflation environment alongside weaker global growth expectations. S&P Global revised its 2026 global real GDP growth forecast to 2.2%, down from 2.9% in February, reflecting the impact of geopolitical tensions and prolonged supply disruptions.

However, if global economic growth improves beyond expectations, this could support stronger consumer confidence and spending. An acceleration in consumption would likely drive higher demand for Yeo's F&B products, translating into stronger revenue growth and earnings upside.

### (III) INCREASE IN FAIR VALUE OF INVESTMENT PROPERTIES

In FY2025, Yeo's net profit increased to S\$21.1 million despite an 11.0% decline in revenue. This was primarily driven by the successful 50-year lease extension of two parcels of land in Guangzhou, China, which resulted in a fair value gain of S\$25.5 million after tax and land premium.

According to the FY2025 Annual Report, Yeo's owns several investment properties across China and Malaysia and engages independent valuers to assess the fair value of these properties at the end of each financial year. As such, any increase in property valuations would be recognised as fair value gains, which could bolster earnings.

An upward revaluation of the Group's investment properties would therefore supporting earnings growth and offering potential upside to the share price.

### (IV) DEVELOPMENT & SALE OF INVESTMENT PROPERTIES

According to Yeo's 2025 Annual Report, the Group holds several investment properties in China and Malaysia. Yeo's could monetise these properties through disposals or redevelopment to unlock value. Any disposal gains would typically be recognised in profit or loss, thereby boosting reported earnings.

<sup>1</sup> S&P Global is an American financial analytics and data company.

## INVESTMENT RECOMMENDATION

Profits are expected to moderate in FY2026 and FY2027 due to the absence of the S\$40.9 million fair value gain on investment properties recorded in FY2025. In addition, the ongoing Middle East conflict is likely to exert pressure on gross profit margins amid rising raw material costs.

However, Yeo's has taken proactive steps to mitigate these cost pressures by securing approximately 90% of its aluminium can requirements for the full year, as well as around 75% of key materials, including sugar, oil, and PET resin. As a result, earnings are expected to remain resilient despite the challenging operating environment.

Based on the peer average P/E multiple of 23.58x and TTM diluted EPS of 3.38 cents, we estimate a target price of S\$0.797. Based on the peer average P/B multiple of 1.88x and NAV per share of S\$0.9061, we estimate a target price of S\$1.700. Based on the peer average yield of 3.80% and current dividend yield of 3.33%, we estimate a target price of S\$0.527. By averaging the estimated target prices, we derive an overall target price of S\$1.008 as follows:

$$\begin{aligned}
 \text{Target price} &= \frac{1}{3} \times [\text{Estimated target price (P/E multiple)} + \text{Estimated target price (P/B multiple)} + \\
 &\quad \text{Estimated target price (Dividend yield)}] \\
 &= \frac{1}{3} \times [\text{S\$0.797} + \text{S\$1.700} + \text{S\$0.527}] \\
 &\approx \text{S\$1.008}
 \end{aligned}$$

The overall target price of S\$1.008 represents an upside potential of 68.0% from the current share price of S\$0.600. However, we view this target price as less likely to be realised, as it exceeds the Group's NAV per share of S\$0.9061. Instead, we consider the possibility of a privatisation of Yeo's by FEO.

Based on the premiums seen in recent privatisation deals among SGX-listed companies, such an offer could imply a potential premium of 26.1%, which would value Yeo's shares at approximately S\$0.757 (S\$0.600 × 126.1%). Accordingly, we adopt S\$0.757 as our final target price.

This upside is further supported by catalysts such as the easing of geopolitical tensions, better-than-expected economic growth, potential increases in the fair value of investment properties, and the development and sale of these investment properties. Accordingly, given management's proactive measures to mitigate input cost volatility and the Group's underlying business fundamentals, we upgrade our recommendation on Yeo's to Buy despite prevailing macroeconomic headwinds.

However, there are risks to the target price which we discuss on the next page.

## RISKS TO TARGET PRICE

### (I) FOREIGN EXCHANGE RISKS

In Yeo's 2025 Annual Report, the Group highlighted that the depreciation of the Indonesian rupiah against the Singapore dollar eroded the profitability of its Indonesian operations. In contrast, the strengthening of the Malaysian ringgit against the Singapore dollar provided some support to earnings.

Given Yeo's geographically diversified operations, the Group is exposed to foreign exchange risk when translating overseas earnings into Singapore dollars. A depreciation of local currencies relative to the Singapore dollar would result in lower reported revenue and earnings.

If key operating currencies, such as the Malaysian Ringgit or Chinese yuan, weaken against the Singapore dollar, this could lead to downside risk to revenue and profitability, thereby impacting earnings.

### (II) PROLONGED GEOPOLITICAL TENSIONS

On 30 March 2026, The Business Times reported that food manufacturers are already facing pressure from rising energy, logistics, and raw material costs due to the ongoing conflict in the Middle East. The conflict has disrupted petrochemical supply chains, particularly the supply of naphtha, a key input for plastic production used in food packaging. As a result, packaging suppliers have raised prices, citing low inventory levels and difficulties in sourcing materials.

Although Yeo's has taken steps to hedge against higher input costs, a prolonged escalation of geopolitical tensions could sustain elevated packaging and raw material prices. Over time, this would likely increase the Group's cost of sales and compress gross margins.

In response, the Group may need to pass on higher costs through price increases. However, this could adversely impact demand, leading to potential downside risks to revenue and earnings.

### (III) WEAKER-THAN-EXPECTED ECONOMIC SLOWDOWN

Globally, economists expect economic growth to moderate amid ongoing geopolitical tensions in the Middle East and their impact on oil prices. However, a sharper-than-expected slowdown in global economic activity could significantly dampen consumer sentiment and lead to more cautious spending behaviour.

A pullback in consumption would reduce demand for Yeo's food and beverage products, particularly in its key markets. This could result in weaker revenue growth and adversely affect earnings.

In addition, slower economic activity could intensify price competition within the beverage industry, further pressuring volumes and profitability. As a result, a deeper-than-expected slowdown in global growth would pose downside risk to Yeo's earnings.

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