INITIATION | Construction & Engineering ▪ SINGAPORE

Attika Group Ltd

(ATTIKA SP / 53W.SI)

Scaling into data centres and public-sector infrastructure

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Investment Highlights

- **High-specification mix shift should improve earnings quality.** Attika is moving beyond conventional office fit-out into data centres, clean rooms, public infrastructure and larger commercial packages. FY26E revenue is forecasted to rebound 46.3% YoY to S$54.9m, supported by c.S$76m of order book Feb'26.
- **Data centre work adds a higher-barrier growth vertical.** The c.S$20.8m data-centre fit-out award gives Attika a more relevant reference base in mission-critical interiors and MEP-linked packages. We estimate data-centre revenue rises to S$20.8m in FY26E, with project margins above standard fit-out work.
- **BCA L6 grading and in-house capability support tender access.** The L6 interior decoration workhead removes public-sector tender value limits, while Attika's in-house carpentry, metal fabrication and MEP execution improve control over quality, scheduling and cost leakage. This underpins our assumption that gross margin can hold around 20-21% despite larger project scale.
- **Order-book conversion is the near-term re-rating trigger.** We forecast EBIT to rise 61.1% YoY to S$7.3m in FY26E and net profit to reach c.S$5.2m, as recent commercial office, data centre, clean-room, NLB and LTA awards convert progressively through FY26-27E.

Valuation & Action.

We initiate coverage on Attika Group with an **OUTPERFORM** rating and a 12-month target price of **S$0.312**, derived from a DCF-based fair value. Our DCF assumes an enterprise value of S$91.4m and equity value of S$84.2m, implying **89.2% upside** from the current share price of S$0.165. Peer multiples are used as a secondary check given Attika's short-listing history, micro-cap liquidity and project-based revenue recognition.

Risks.

Key downside risks include (i) execution delays or rework on larger commercial, data centre and clean-room projects; (ii) margin compression from tender competition, labour inflation, subcontractor pricing or fixed-price procurement risk; (iii) slower order replenishment after the FY26-27E pipeline converts; and (iv) small-cap liquidity, customer/project concentration and working-capital drag from receivables, contract assets and retention balances.

OUTPERFORM	
Last close (S$)	0.165
12M Target Price (S$)	0.312
Previous TP (S$)	-
Upside / (Downside) (%)	89.2%
TRADING DATA	
Market Cap (S$mn)	44.51
Issued Shares (mn)	269.75
3M Avg Daily Vol (mn)	0.17
3M Avg Daily Val (S$mn)	0.03
Free Float (%)	26.3
MAJOR SHAREHOLDERS (%)	
Tan Buan Joo	73.7%

Financials & Key Operating Statistics

YE Dec (S$'mn)	2024	2025	2026F	2027F	2028F
Revenue	55.5	37.5	54.9	60.8	64.2
Net Profit	2.8	3.4	5.2	5.8	6.2
EPS (adj. S$ cents)	1.04	1.25	1.93	2.15	2.28
*EPS growth (%)	23.7%	19.3%	54.6%	11.5%	6.3%
DPS (S$ cents)	0.56	0.56	0.67	0.75	0.80
Div Yield (%)	2.2%	2.8%	4.1%	4.6%	4.8%
Net Profit Margin (%)	5.1%	8.9%	9.5%	9.5%	9.6%
P/E (x)	19.2x	16.1x	10.4x	9.3x	8.8x
P/B (x)	5.2x	4.3x	3.4x	2.7x	2.3x

Source: Company data, KGI Research estimates
**EPS growth based on unrounded EPS*

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Company Background

Attika Group Ltd is a Singapore based commercial interior decoration and Mechanical, Electrical and Plumbing (MEP) engineering contractor. The company was listed on the Catalist Board of the SGX-ST in November 2024 and operates through an integrated delivery model covering interior fit-out projects, design, fabrication, installation, project management, as well as post-completion servicing and maintenance services. Its core market is commercial interior fit-out, but the revenue mix is increasingly shifting towards higher specification work in data centres, clean rooms, public infrastructure and institutional facilities.

The business is best understood as an execution and project management platform with specialised trade capabilities rather than a pure design house. Attika combines interior decoration capability with MEP engineering, supported by in-house carpentry and metal fabrication resources. This matters for investors because larger and more technical fit-out contracts tend to be awarded on track record, quality scoring, delivery certainty and safety capability, rather than price alone. The company's BCA Grade L6 registration for Interior Decoration and Finishing Works also allows it to tender for public sector interior decoration projects without tendering or project value limits, creating a broader addressable opportunity set than lower graded contractors.

Business model and delivery scope

Attika's revenue is project based. The company typically recognises revenue as projects progress, with cash conversion dependent on certification, progress claims, retention balances and collection timing. Project duration can range from a few months for smaller office or lab works to more than 12 months for large commercial buildings and technically complex data centre fitouts. This creates quarterly lumpiness but also makes orderbook quality and project mix the key leading indicators for forward revenue and margin direction.

Figure 1: Attika's addressable market

Business line	Customer value proposition	Our View
Commercial office fit out	Single contractor accountability for programme, finish quality and site coordination.	Historically the largest revenue pool. Large office projects can create step changes in revenue but also increase concentration risk.
Data centre fit out	Delivery reliability in high specification environments where disruption costs are high and quality scoring matters.	Higher entry barriers and stronger reference value. A successful track record can improve tender access and support a better mix.
Clean room and technical facilities	Compliance driven execution and the ability to handle stricter technical documentation.	Small today, but strategically useful as it expands Attika beyond generic office renovation.
Public sector and infrastructure	BCA credentials, compliance discipline and repeatable upgrading capability.	Provides a recurring tender pool and reduces reliance on private commercial cycles.

Source: Company, KGI Research

Operating footprint and competitive position

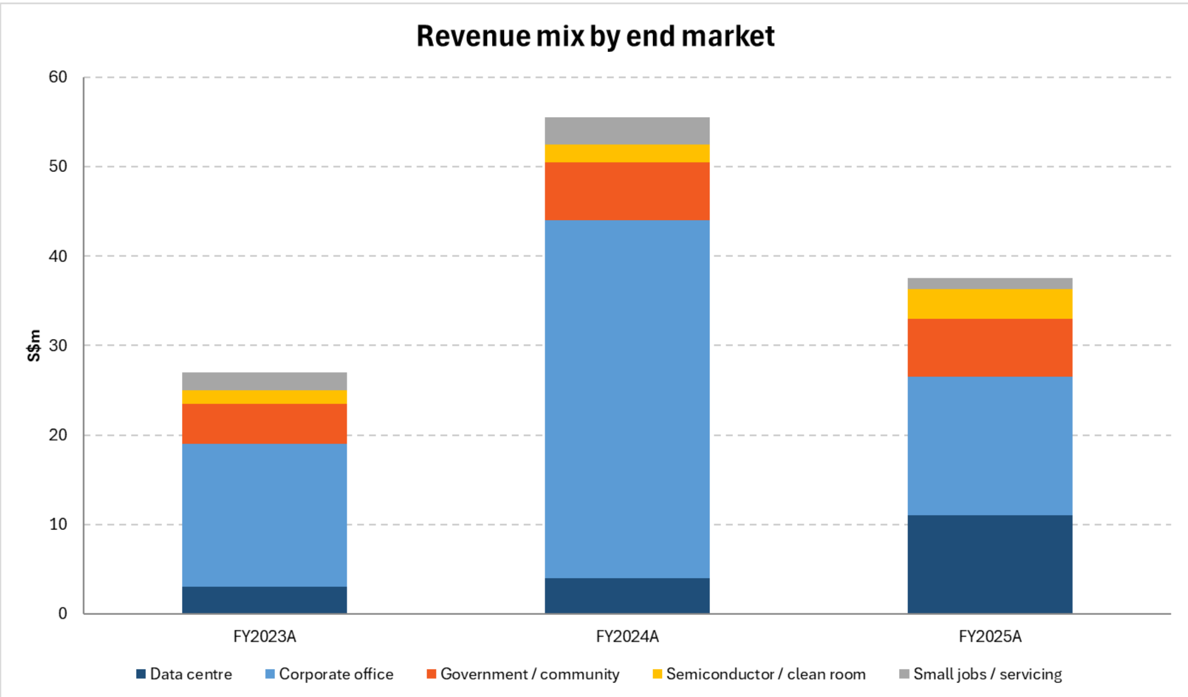
The company's competitive position is anchored on three practical attributes: regulatory credentials, in-house trade capability and relevant project references. The L6 interior decoration grading is important because it removes the public sector tender value ceiling for that workhead. The in-house fabrication model gives Attika more control over cost, quality and response time, especially when project timelines change. The data centre and clean room references are increasingly important because technical fit-out customers tend to prioritise proven execution in similar environments.

The business remains exposed to the usual constraints of the fit-out contracting industry. Labour availability, subcontractor coordination, tender pricing discipline, receivable collection and project variation claims can all affect margins and working capital. Attika's strategy is therefore not to become the largest contractor by volume, but to move up the complexity curve where technical capability and delivery reliability can matter more than lowest price. That strategy is visible in the recent orderbook, where the mix has broadened from general commercial offices into data centres, clean rooms, public infrastructure and institutional facilities.

Revenue mix has moved from office led to broader high specification exposure

Attika's historical revenue base was still dominated by corporate office fit-out, particularly in FY2024 when a significant corporate office project created a high comparison base. FY2025 revenue moderated to S$37.5m from S$55.5m, but gross margin improved to 20.5% from 15.1% and net profit increased 19.3%, reflecting better cost management and a more favourable project mix. For initiation purposes, the relevant point is not simply that FY2025 revenue fell. The more useful read through is that the company entered FY2026 with a materially broader disclosed pipeline than it had at the time of listing.

Figure 2: Revenue mix by end market (KGI estimates*)



Source: Company, KGI Research
**Attika does not provide segmental revenue disclosure. Segment breakdown shown above reflects KGI's internal proxy estimates based on disclosed project references, order book commentary and model assumptions, and should not be read as company-reported data.*

Current project pipeline by contract

The current disclosed pipeline is easier to read when grouped by contract package. The largest identifiable contract is the S$36m commercial office project announced in January 2026, covering 20 floors and approximately 371,350 square feet, with completion expected by June 2027. The second major pillar is the November 2025 data centre award, estimated at c.S$20.8m because the company disclosed that the data centre contract represented close to 80% of the S$26m package. The February 2026 LTA wins add public infrastructure exposure, with both projects expected to complete by 2027.

Figure 3: Attika's Project Pipeline

Contract	Disclosed value	End market	Timing	KGI's Modeling Anchor
Data centre fit out	c.S$20.8m estimate	Data centre	Completion expected by 2026	Largest component of the S$26m November 2025 package. Strategically important because it validates Attika's ability to participate in high specification mission critical environments.
Clean room	Not disclosed	Clean room	Completion scheduled by 31 January 2026	Small in value but useful as a reference in controlled environment and advanced manufacturing related works.
NLB term contract	Not disclosed	Public sector	Initial 36 months with two 12 month extension options	Expected one to two library upgrading projects annually, providing repeat workflow and public sector reference value.
20 floor commercial office project	c.S$36.0m	Commercial office	Completion expected by June 2027	Largest clearly identified contract. Supports FY2026 to FY2027 revenue visibility and demonstrates ability to handle large scale projects.
Smaller office fit out	c.S$2.0m	Commercial office	Completion expected by April 2026	Near term contribution, but less relevant to strategic repositioning.
LTA bus interchange fit out	c.S$5.5m	Public infrastructure	Completion expected by 2027	Adds public infrastructure exposure and diversifies orderbook away from private commercial clients.
LTA commercial office building fit out	c.S$6.5m	Public infrastructure / office	Completion expected by 2027	Strengthens public sector related revenue visibility and broadens client base.

Source: Company, KGI Research

We believe the FY2026 and FY2027 pipeline should not be read as a clean one-year revenue number. Several contracts will be recognised progressively, some smaller projects may already be completed, and term contracts such as NLB depend on actual task orders. A more useful interpretation is that Attika has moved from an FY2025 revenue base of S$37.5m into a disclosed award base of c.S$76m across the next two years.

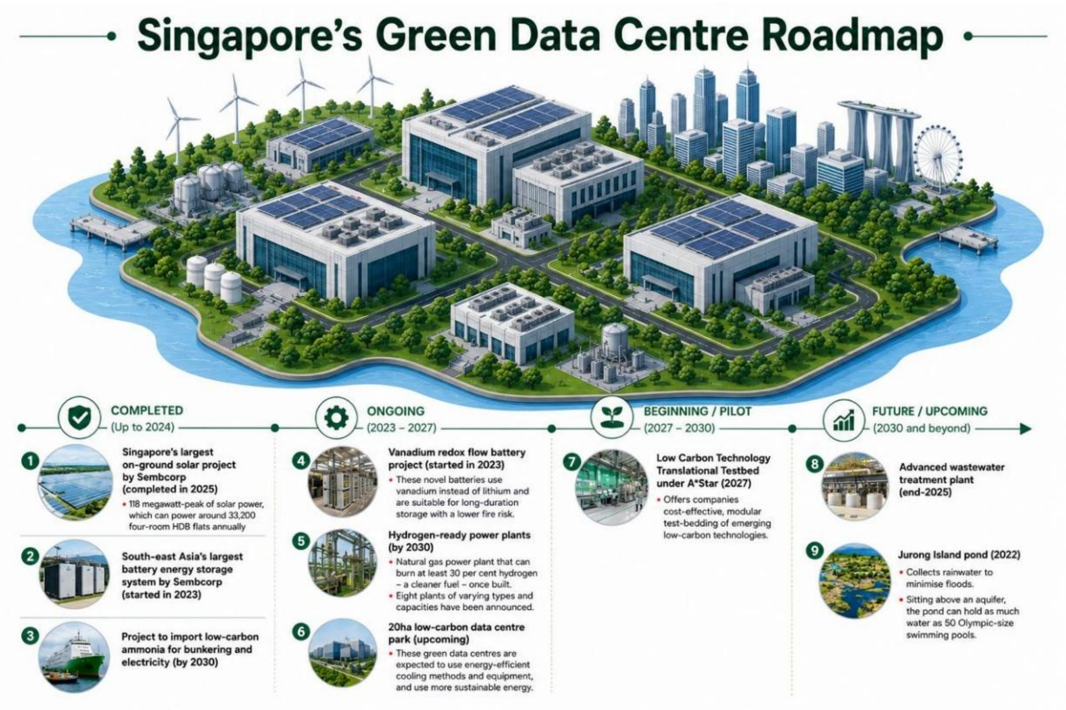
For investors, the quality of the current orderbook matters more than the headline size alone. The data centre and clean room awards provide reference value in higher barrier to entry verticals. The LTA and NLB work support public sector credibility. The S$36m commercial office project provides scale and near-term revenue but also brings concentration and working capital risk. We view that Attika will be able to convert this pipeline without margin slippage or receivable drag.

Investment Thesis

Data centre and high-specification fit-out work should change the quality of growth

Attika's most important incremental growth vector is its pivot into data centre and other higher-specification fit-out work. With the recent interior fit-out services for a data centre contract valued at c.S$20.8m, we estimate gross margin above 20%, compared with a more typical 15% to 20% range for standard fit-out work. This is material because data centre work is less commoditised than conventional office renovation: customers and consultants assess technical compliance, documentation, safety record, and prior project experience rather than lowest tender price alone. Singapore's Green Data Centre Roadmap also supports at least 300MW of additional near-term data centre capacity, with emphasis on energy efficiency and sustainable deployments, which should sustain demand for contractors with credible MEP execution capability. The financial impact is a sharper FY26E revenue step-up, with data centre revenue estimated to rise to S$20.8m in FY26E, before normalising to a mid-single-digit growth path as the base expands.

Figure 4: Singapore's Green Data Centre Roadmap



Source: JTC Corporation, EDB, Straits Times Graphics

BCA L6 grading and in-house execution capability improve tender access and margin control

Attika’s BCA L6 grading is central to the investment case because it allows the company to bid for public sector projects of unlimited value. This matters in a fragmented contractor market where many smaller competitors remain capped by tender size or lack the documentation record required for larger public and institutional work. The company also controls selected workstreams through in-house carpentry and metal fabrication, while using trade partners for a meaningful share of project delivery. Attika’s ~65% trade partner and ~35% in-house mix give Attika more control over quality, scheduling and cost leakage than an asset-light brokered model. This supports our assumption that gross margin can remain around 20% through FY26E to FY31E, even as revenue scales, rather than reverting materially lower under aggressive tendering.

Order book conversion and balance sheet discipline provide the path to re-rating

The valuation case rests on conversion rather than concept value. Attika’s visible pipeline includes a large-scale commercial office project, data centre work, public sector mandates such as the National Library Board term contract, and niche clean-room or laboratory-related work. These projects are typically 6 to 12 months in duration for smaller work packages, while larger commercial and data centre projects can support revenue visibility over a longer period. Our model forecasts revenue increasing from S$37.5m in FY25A to S$54.9m in FY26E and S$60.3m in FY27E, with net profit rising from c.S$3.3m in FY25A to c.S$5.2m in FY26E. The company’s balance sheet also provides some downside protection, with cash of c.S$6.8m and dividend payout discipline of ~20%. In our view, delivery against the FY26E order book is the most direct route for the stock to move from micro-cap discount territory toward a higher-quality specialist contractor multiple.

Valuation & Peer Comparison

Attika screens as a small-cap specialist fit-out and MEP contractor with stronger reported profitability than most Singapore-listed construction peers, but with lower trading liquidity and a shorter public-market track record. Our base-case valuation is DCF-led, as near-term earnings are unusually influenced by project timing and orderbook conversion. The DCF derives an equity value of S$84.2m and a fair value of **S$0.312** per share, implying **89.2%** upside from S$0.165. Peer multiples are used as a check rather than the primary target-price anchor.

Peer comparison

We benchmark Attika against Singapore-listed contractors and specialist fit-out/property-services names with comparable exposure to building works, infrastructure, interiors, MEP or project-based revenue recognition. Ley Choon, KSH, Lum Chang and Huationg provide reference points for civil engineering, construction and infrastructure cyclicality. Lincotrade is the closest listed peer by business model because it is also exposed to interior fit-out and project execution risk. The peer set is imperfect, but it provides a practical listed-market reference for valuation, margin, balance sheet risk and liquidity.

Lincotrade is the most relevant operating peer given its fit-out orientation and similar project-based revenue model. The larger civil contractors are less direct comparables because their economics are more dependent on public infrastructure tendering, heavy equipment utilisation, and balance sheet capacity. Attika deserves neither a broad contractor discount nor a full premium-specialist multiple at this stage; the correct positioning is a selective premium to the peer average on margin quality and net-profit conversion, offset by a discount for liquidity, short listing history and customer/project concentration.

Figure 5: Regional peer comparison

Ticker	Company	Last Price	Mkt Cap (S$m)	Div Yield (%)	Net Gearing (%)	P/E Current	P/E Fwd	EV/EBITDA Fwd 1Y	Rev Growth (%)	Gross Margin (%)	Net Margin (%)
ATTIKA SP	**ATTIKA GROUP LTD**	**SGD 0.165**	**44.5**	**3.3**	**62.3**	**13.4**	**N/A**	**N/A**	**-32.4**	**20.5**	**8.9**
LEY SP	LEY CHOON GROUP HOLDINGS LTD	SGD 0.091	137.0	3.3	1.7	13.7	N/A	N/A	10.3	17.2	6.9
KSHH SP	KSH HOLDINGS LTD	SGD 0.32	182.3	3.9	-11.8	26.9	9.4	6.2	-17.4	19.8	4.6
LCH SP	LUM CHANG HOLDINGS LTD	SGD 0.5	187.3	8.0	-23.5	9.7	N/A	N/A	-7.5	11.5	3.4
HUAGL SP	HUATIONG GLOBAL LTD	SGD 0.68	128.5	2.2	-28.4	6.3	6.2	2.1	32.0	16.5	6.4
LINASC SP	LINCOTRADE & ASSOCIATES HOLD	SGD 0.31	56.3	5.0	65.9	9.0	0.1	N/A	8.5	12.5	3.5
	Peer Average		**138.3**	**4.5**	**0.8**	**13.1**	**5.2**	**4.2**	**5.2**	**15.5**	**4.9**

Source: Bloomberg consensus, KGI Research

Attika's FY25 gross margin of 20.5% is above the 15.5% peer average, while its 8.9% net margin is also above the peer average of 4.9%. This supports a premium to traditional construction names on operating quality. However, the current P/E of 13.4x is well aligned with the 13.5x peer average on trailing earnings, and the market cap of S$44.5m is materially below the peer average of S$138.3m. The valuation argument therefore rests less on a simple multiple re-rating and more on whether the FY26-30E FCF path is credible.

Attika's FY25 revenue decline of 32.4% reflects the project-completion cycle rather than a structural loss of market position. This makes single-year revenue growth an unreliable quality signal. The company compares favourably on margin, but less favourably on net gearing in the peer table because the reported gearing metric is affected by lease liabilities and project working capital. We place greater weight on cash generation and ending cash balance than on headline gearing. Liquidity remains the main relative weakness: the stock is smaller, less covered and likely harder for institutions to build or exit in size than larger peers.

Valuation framework

We use DCF as the primary valuation method because Attika's near-term earnings are highly sensitive to the timing of large project milestones, and because conventional one-year multiples can misstate value when revenue recognition is uneven. The DCF captures the company's orderbook conversion, normalised margin, working-capital absorption and terminal cash generation. Peer P/E and EV/EBITDA are used as secondary checks because the comparable universe contains different business models, balance sheet profiles and liquidity characteristics.

Our DCF generates an enterprise value of S$91.4m. After deducting S$14.0m of debt and adding S$6.8m of cash, we derive equity value of S$84.1m. Dividing by 269.8m diluted shares gives a fair value of **S$0.312** per share. Against the current share price of S$0.165, this implies **89.2%** upside. We would describe the target as cash-flow backed rather than multiple-led: the terminal value contributes the majority of DCF value, but the implied FY26E P/E at the target price remains within a reasonable range for a higher-margin small-cap specialist contractor.

Figure 6: Regional peer comparison

DCF VALUATION *All Amounts Stated in 000' SGD unless stated otherwise*	*Projected*				
Year Ended 31' Dec	**FY26**	**FY27**	**FY28**	**FY29**	**FY30**
EBIT	6,873	7,576	7,981	8,355	8,667
Tax rate	20.0%	20.0%	20.0%	20.0%	20.0%
EBIT (1-T)	**5,498**	**6,061**	**6,385**	**6,684**	**6,933**
(+) D&A	472	454	437	420	404
(-) Change in NWC	(2,360)	(307)	(181)	(167)	(140)
(-) Capex	-	-	-	-	-
Free Cash Flow	**3,611**	**6,207**	**6,641**	**6,937**	**7,197**
Terminal Value					104,876
Total FCFF to be Discounted	**3,611**	**6,207**	**6,641**	**6,937**	**112,074**
PV of Free Cash Flow	**3,313**	**5,225**	**5,128**	**4,914**	**72,840**
Enterprise Value	**91,420**				
(-) Debt	14,043				
(+) Cash	6,819				
Equity Value	**84,196**				
Diluted Shares Outstanding ('000)	269,753				
Fair Value / Share (S$)	**0.312**				
Current Share Price (S$)	0.165				
Upside / (Downside)	**89.2%**				

Source: Bloomberg consensus, KGI Research

Attika has limited trading history as a listed company, so a long-run historical multiple comparison is not meaningful. On trailing FY25 earnings, the stock trades at 13.4x P/E versus the peer average of 13.5x. Attika trades at approximately 8.6x our FY26E EPS estimate, while our S$0.312 fair value implies approximately 15.2x FY26E EPS. That level is above the broad peer average but below the highest-quality peer reference and is justified only if Attika delivers on FY26-27 orderbook conversion and sustains a higher margin profile.

Industry Outlook

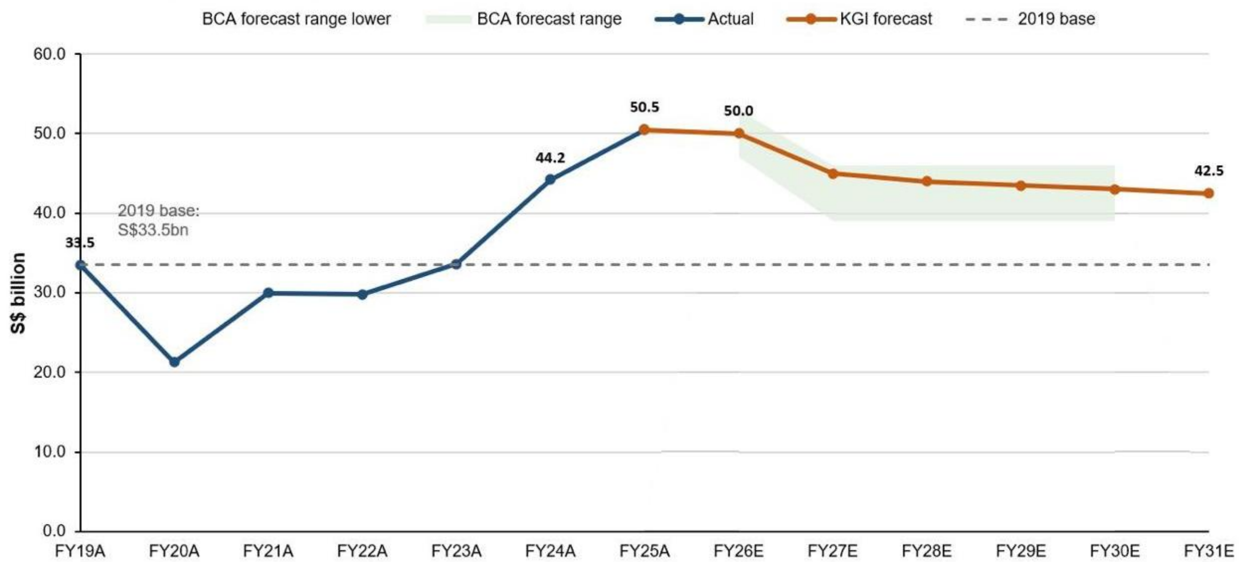
Singapore's construction market is entering FY2026 from a high nominal contract-award base. For Attika, the relevant opportunity is not the entire construction market, but the subset of projects that require interior decoration, MEP coordination, specialist fit-out execution and project management. The market structure remains fragmented at the subcontractor level, but the investable opportunity is increasingly shaped by qualification, safety record, references and the ability to deliver larger packages without compromising cash conversion.

Construction demand provides a resilient floor, but the cycle is past peak levels

BCA data shows that Singapore construction demand has recovered sharply from the COVID trough and reached S$50.5bn in 2025, compared with S$33.5bn in 2019. BCA expects demand of S$47-53bn in 2026 and S$39-46bn per year over 2027-2030, supported by large public-sector and institutional projects including Changi Terminal 5, HDB Build-To-Order supply, NUH redevelopment, junior college projects and the new SUSS City Campus. Our base case assumes demand normalises after the 2025/2026 peak, but remains structurally above the 2019 base, with annual demand of c.S$42-45bn over FY2027-31E.

The justification for this assumption is threefold. First, the forecast sits within BCA's published 2027-2030 medium-term range of S$39-46bn, with KGI using the middle to upper-middle of the range rather than a bull-case extension. Second, the post-2026 pipeline is not solely cyclical commercial demand; it is anchored by multi-year public infrastructure, healthcare, education and housing projects that typically sustain tender activity even when private-sector demand moderates. Third, nominal construction demand is likely to remain above the 2019 base due to structurally higher labour, compliance, materials and productivity investment costs, as well as a larger contribution from technically complex assets such as transport nodes, healthcare facilities, institutional buildings and data-centre-related infrastructure. The 2031E estimate is an extrapolation that assumes the BCA medium-term range extends into a mid-cycle run rate rather than reverting to the 2019 level.

Figure 7: Singapore's construction demand pool



Source: BCA, KGI Research

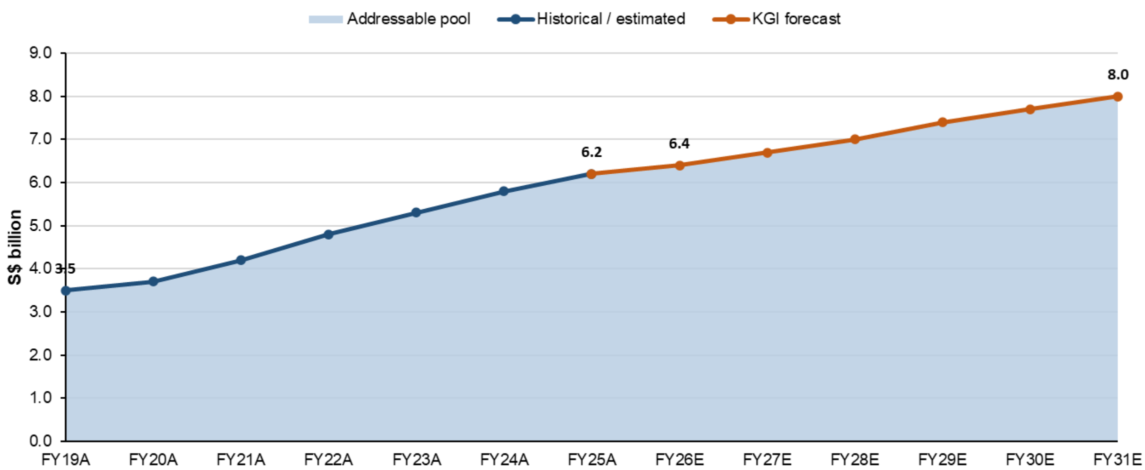
The implication for Attika is revenue visibility rather than broad pricing power. A high construction-demand backdrop supports tender flow, but fragmented contractor competition means margin upside depends on project selection and mix. Attika's strategy of targeting larger, higher-complexity work is therefore consistent with the direction of the market, but execution discipline remains important because working-capital absorption can rise quickly when project sizes increase.

Data centre investment is the strongest specialised vertical, but access is quality-gated

Data centre construction is the clearest specialised vertical within Singapore's built-environment market. The growth is driven by cloud adoption, AI workloads, financial-services resilience, enterprise digitalisation and Singapore's role as a regional connectivity hub. The market is also constrained by land, power and sustainability requirements. This creates a less commoditised opportunity set: projects are attractive for contractors with relevant references, but access is controlled by consultants, main contractors and end clients that place greater weight on safety, documentation, coordination discipline and evidence of delivery in mission-critical environments.

We estimate Singapore data centre construction demand increased from c.S$3.5bn in 2019 to c.S$6.2bn in 2025 and could reach c.S$8.0bn by 2031. The forecast is consistent with continued cloud and AI demand, but assumes measured growth rather than unconstrained capacity additions, given Singapore's power and sustainability limits. IMDA's Green Data Centre Roadmap targets at least 300MW of additional near-term data centre capacity, with further capacity dependent on green energy deployment, while the proposed Jurong Island low-carbon data centre park provides a longer-run capacity option.

Figure 8: Singapore data centre construction demand



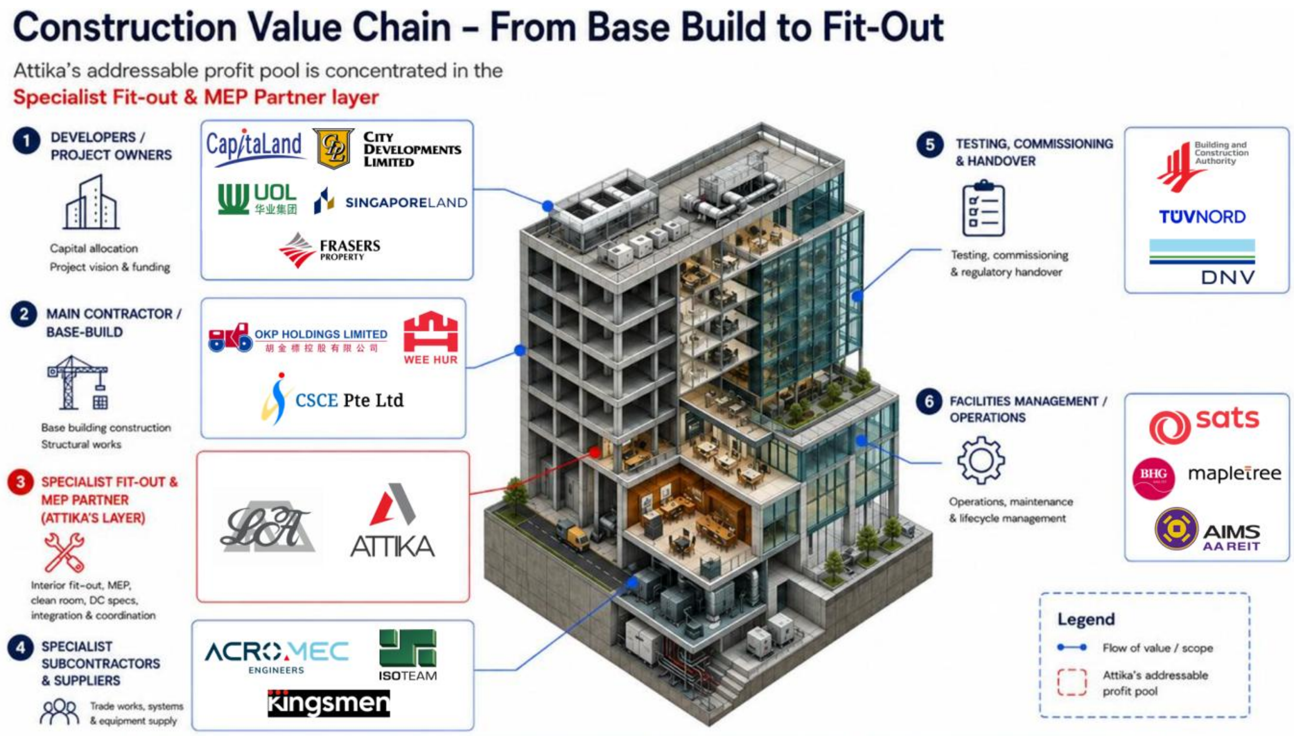
Source: Research and Markets, KGI Research

The margin relevance is critical. Data-centre interior and MEP-linked packages typically carry more stringent requirements around access control, sequencing, materials, fire safety, coordination with live systems, documentation and quality assurance. Attika's November 2025 data-centre award, representing close to 80% of a S$26m project package, gives the Group a more relevant reference base for future tenders. The opportunity remains quality-gated: a small contractor cannot access this work by underpricing alone, while an established main contractor usually requires trade partners that can absorb scope changes and still deliver to programme.

Where Attika sits in the high-specification construction value chain

Attika is positioned below the developer and main-contractor layer, but above labour-only subcontractors. Its addressable profit pool is concentrated in the specialist fit-out and MEP partner layer, where the customer value proposition is not simply labour supply but the ability to integrate design interpretation, authority submissions support, in-house fabrication, site coordination, project management and after-sales rectification. This positioning matters because the project owner often buys certainty of delivery rather than the lowest headline quotation.

Figure 9: Construction Value Chain



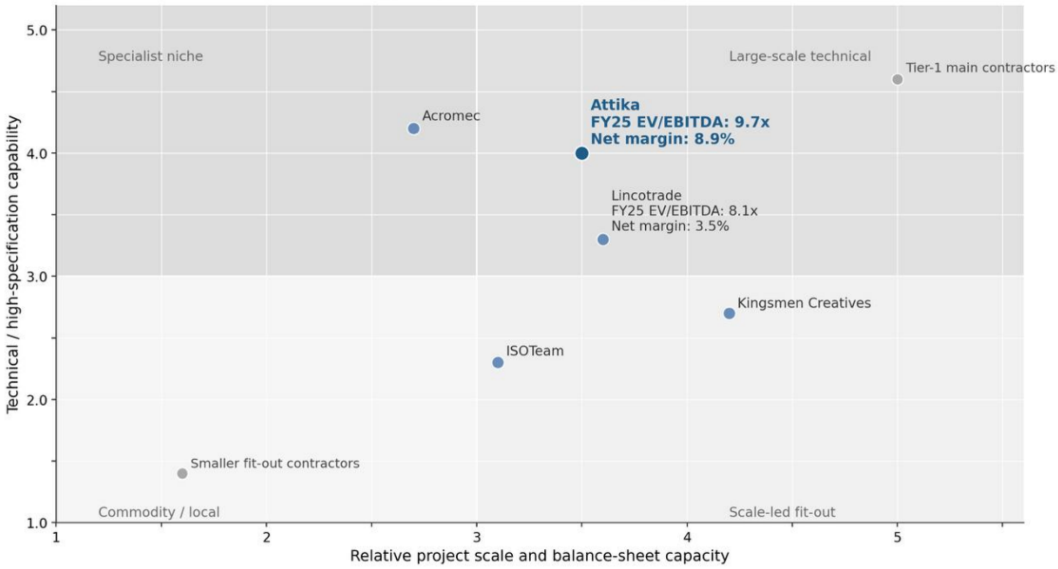
Source: KGI Research

Market structure: fragmented contractor base, with qualification creating practical barriers

Singapore's interior fit-out and specialist contracting market is fragmented at the supplier level, but not all contractors compete for the same jobs. For standard office renovations and smaller servicing contracts, price competition is high and switching costs are low. For larger commercial, public-sector, clean-room and data-centre work, effective competition narrows because the client or main contractor screens for BCA workhead grading, safety record, quality systems, manpower depth, balance-sheet capacity and relevant project references.

Attika's closest listed comparator is Lincotrade, given its fit-out and alteration-and-addition exposure. Kingsmen Creatives has a stronger brand in experiential interiors and thematic fit-out, but its end-market mix is less directly comparable to Attika's MEP-led commercial and public-sector positioning. Acromec is more specialised in controlled environments and laboratories, making it relevant for technical capability benchmarking, although its project mix and scale differ. ISOTeam is a useful reference for public-sector refurbishment and maintenance exposure, but its core operating profile is broader and less focused on high-specification interior fit-out. Tier-1 main contractors sit above these companies in project scale, but they can also be customers or channel partners rather than direct competitors for specialist work packages.

Figure 10: Value positioning map of selected Singapore contractors



Source: KGI Research

Pricing mechanism and customer behaviour

Customer behaviour differs materially by end-market. Corporate office projects are often competitive, design-sensitive and timeline-driven. Public-sector projects typically require clearer documentation, tighter compliance and structured tender scoring. Data-centre and clean-room projects place greater emphasis on relevant project references, coordination discipline and quality assurance. In higher-specification work, the lowest tender is not always the preferred tender because the cost of project delay, rework or failed handover can exceed the savings from selecting a lower-priced subcontractor.

The industry structure supports stable to modestly improving margins for contractors that can migrate mix, but it does not support broad-based margin expansion for the sector. Labour availability, subcontractor pricing, safety requirements and working-capital timing remain constraints. Attika's margin trajectory should therefore be assessed through its project mix, tender discipline and cash conversion rather than headline construction demand alone.

The industry backdrop supports Attika's strategic direction, but the investment case is mix-led rather than cycle-led. Headline construction demand provides a resilient tender pipeline, while data centres, clean rooms, healthcare and public infrastructure provide higher-specification opportunities with better entry barriers. Attika's BCA L6 interior decoration grading allows it to tender for public-sector interior-decoration projects without value limits, while its in-house fabrication and MEP coordination capability can improve delivery certainty and reduce dependence on external subcontractors.

Company Outlook

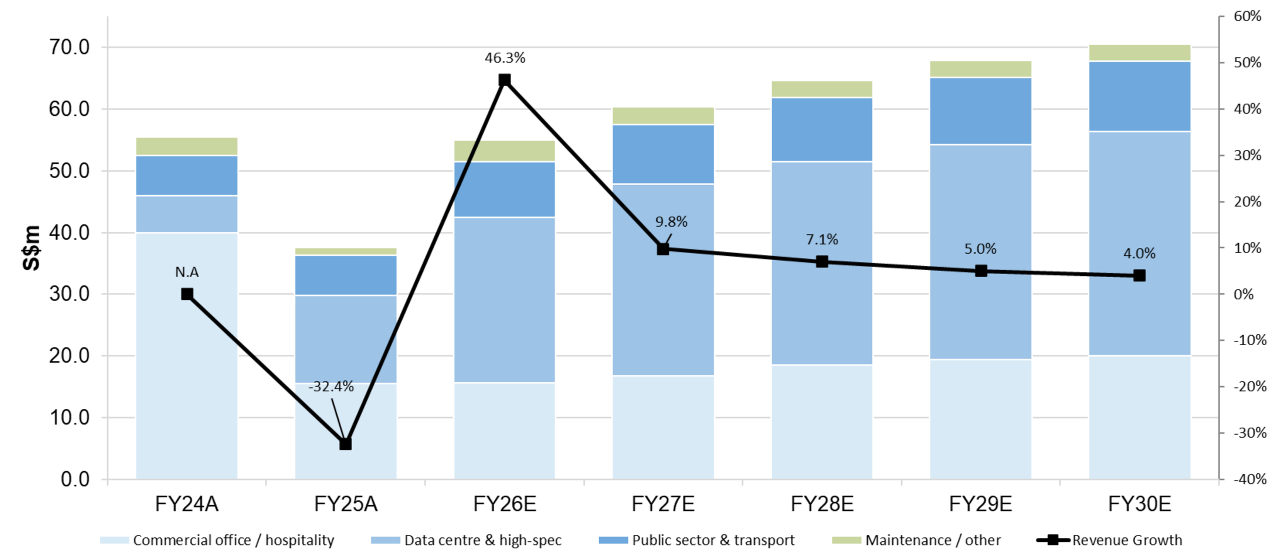
We forecast Attika revenue to rebound from S$37.5m in FY2025 to S$54.9m in FY2026E and S$60.8m in FY2027E, mainly from conversion of the S$26m high-specification package announced in November 2025, the S$38m commercial fit-out awards announced in January 2026, and the S$12m LTA contracts announced in February 2026. The forecast is not a simple extrapolation of FY2025, which was depressed by the high base effect from the major FY2024 corporate office project. It is instead anchored on identified contract wins, expected execution schedules and replenishment assumptions for public sector, transport, data centre and commercial office work.

Our base case assumes FY2026E is the first year in which the post-listing order book meaningfully converts into revenue. Gross margin should improve from the FY2025 level of 20.5% to 21.0% in FY2026E as specialist data centre and clean-room work carry higher project-level margin than commercial and public infrastructure projects. The margin remains above the FY2024 trough of 15.1%, reflecting better cost discipline, a higher proportion of technical work, and the benefit of in-house carpentry, metal fabrication and MEP execution.

Revenue forecast

Commercial office and hospitality work remains a large contributor in FY2026E/FY2027E, supported by the S$36m 20-storey commercial office fit-out scheduled for completion by June 2027 and a S$2m smaller office fit-out due in April 2026. Data centre and high-specification work should account for a larger profit pool than its revenue share implies, as the late-2025 contract package included a data centre fit-out contract representing close to 80% of the S$26m combined value. Public sector and transport revenue is supported by the NLB term contract and the two LTA contracts worth approximately S$12m, with completion forecasted to be by 2027.

Figure 11: Revenue forecast by segment (S$m) (KGI estimates*)



Source: Company, KGI Research

**Attika does not provide segmental revenue disclosure. Segment breakdown shown above reflects KGI's internal proxy estimates based on disclosed project references, order book commentary and model assumptions, and should not be read as company-reported data.*

Earnings outlook and revision path

We forecast FY2026E EBIT to increase by 61.1% to S$7.3m, driven by 46.3% revenue growth, gross margin expansion from 20.5% to 21.0%, and operating leverage as administrative expenses decline to 9.0% of revenue. This is partially offset by higher absolute staff and execution costs required to support a larger project pipeline.

The revenue bridge is primarily order-book led. Revenue rises by S$17.4m from FY2025 to FY2026E, with the largest incremental contribution from data centre revenue.

The gross profit bridge is more favourable than the prior years because the revised segment mix embeds a higher contribution from specialist verticals. Gross profit increases by S$3.8m to S$11.5m in FY2026E, as revenue growth is supplemented by a 0.5ppt gross-margin expansion. We do not extrapolate further margin expansion beyond FY2026E; our model normalises gross margin to 20.0% from FY2027E onward.

The EPS bridge should be interpreted on a comparable share base. FY2026E net profit increases by S$1.8m to S$5.2m. However, EPS of 1.93 Singapore cents is calculated on a 269.8m share base, compared with 136.0m shares in FY2025. On a post-bonus adjusted basis, FY2026E EPS growth is broadly in line with net profit growth.

Free cash flow improves from S$3.3m in FY2025A to S$3.6m in FY2026E. This is below the growth in EBIT because project ramp-up consumes working capital through receivables and contract assets. Cash conversion improves from FY2027E as the model assumes steadier billing and collection patterns.

Figure 12: Financial highlights (All amounts stated in S$m unless stated otherwise)

	FY24A	FY25A	FY26E	FY27E	FY28E	FY29E	FY30E
Revenue	55.5	37.5	54.9	60.3	64.6	67.8	70.5
Revenue growth	nm	-32.4%	46.3%	9.8%	7.1%	5.0%	4.0%
Gross margin	15.1%	20.5%	21.0%	21.0%	21.0%	21.0%	21.0%
EBITDA	4.5	5.0	7.3	8.0	8.5	8.8	9.1
EBIT	4.2	4.5	6.9	7.5	8.0	8.4	8.7
EBIT margin	7.5%	12.0%	12.5%	12.5%	12.4%	12.4%	12.4%
Net profit	2.8	3.4	5.2	5.7	6.2	6.5	6.8
EPS, post-bonus adj.(Scts)	1.04	1.25	1.93	2.13	2.30	2.42	2.53
FCF	8.6	1.9	3.6	6.2	6.6	7.0	7.2
Net debt/(cash)	(1.9)	(7.2)	(5.7)	(1.8)	2.4	6.9	11.6

Source: Company, KGI Research

Key Risks

Our positive stance on Attika is not without material downside risk. The investment case is built on a step-up in order book conversion, continued discipline in project selection, and the assumption that recent high-specification wins in data centres, clean rooms, public infrastructure and large commercial fit-out can be executed without margin leakage. The key bear case is that the FY2026-27 earnings reset proves more cyclical than structural: revenue recognition may be strong, but gross margin, working capital and execution risk could absorb a large share of the operating upside.

We view project execution, margin delivery and liquidity as the most important risks to the rating and target price. Attika remains a small-cap contractor with relatively concentrated project exposure, short operating history as a listed company, and limited trading liquidity. While the group has a net cash balance and BCA L6 registration that improves tender access, these do not remove the basic cyclicality and lumpiness of the construction and interior fit-out business.

Market risks

The near-term revenue path is supported by disclosed project wins, including the S$26m high-specification package announced in November 2025, the S$38m commercial office awards announced in January 2026, and the S$12m LTA-related contracts announced with FY2025 results. These contracts provide better revenue visibility through FY2027, but they also create a higher base for replenishment. The risk is that Attika converts the current order book well but fails to replace it with comparable quality and scale. In our base case, revenue rises from S$37.5m in FY2025 to S$54.9m in FY2026 and S$60.3m in FY2027 before normalising. If annual order intake falls short by S$10m to S$15m versus our assumptions, FY2027-28F revenue could be 10-20% below our base case, with EBIT downside amplified by weaker utilisation of project management, design and in-house trade resources.

Pricing risks

Interior fit-out and MEP contracts are typically tendered, and price remains an important award criterion even in high-specification projects. Attika's entry into data centres and clean rooms should improve project quality, but it does not eliminate competitive pricing pressure. In public-sector and large commercial tenders, the lowest compliant bid can still influence market pricing, particularly when competitors accept thinner margins to secure backlog. A 100bp reduction in gross margin on our FY2026 revenue forecast would reduce gross profit by c.S$0.55m, equivalent to c.8% of FY2026E EBIT before tax effects. A broader repricing of tender margins would have a larger valuation impact because the DCF is sensitive to terminal EBIT margin and cash conversion assumptions.

Execution risks

Attika's recent contract wins support scale, but also increase execution complexity. The S$36m commercial office award spans 20 floors and c.371,350 sq ft, while the data centre contract and clean-room project require compliance with more stringent technical, operational and quality specifications. This creates a better growth runway, but also raises the consequence of execution errors. Delays, rework, manpower bottlenecks, design revisions, access constraints or subcontractor failure could reduce margin and slow revenue recognition.

Commodity, labour and subcontractor cost risks

Material and labour cost inflation can erode project profitability if not adequately priced into tenders or passed through through variation orders. Relevant inputs include carpentry materials, metal works, electrical components, MEP equipment, subcontractor labour and logistics. The risk is most acute in fixed-price contracts or projects with long completion windows, where procurement costs may change after tender award.

Financial Summary

INCOME STATEMENT (S$'mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	55.5	37.5	54.9	60.8	64.2
Cost of sales	(47.1)	(29.8)	(43.4)	(48.0)	(50.8)
Gross profit	**8.4**	**7.7**	**11.5**	**12.8**	**13.5**
Impairment Loss	(0.5)	-	-	-	-
Administrative expenses	(5.0)	(3.7)	(4.9)	(5.5)	(5.8)
EBITDA	**4.5**	**5.0**	**7.3**	**8.0**	**8.4**
Depreciation & amortisation	(0.3)	(0.5)	(0.5)	(0.5)	(0.4)
Operating profit (EBIT)	**4.2**	**4.5**	**6.9**	**7.6**	**8.0**
Net finance income / (cost)	(0.6)	(0.4)	(0.4)	(0.4)	(0.3)
Other gains / (losses)	1.4	0.6	0.3	0.3	0.3
Profit before tax	**3.6**	**4.2**	**6.5**	**7.2**	**7.7**
Tax expense	(0.7)	(0.8)	(1.3)	(1.4)	(1.5)
Minority interests	-	-	-	-	-
Net profit (PATMI)	**2.8**	**3.4**	**5.2**	**5.8**	**6.2**
EPS (adj. S$ cents)	1.04	1.25	1.93	2.15	2.28
DPS (adj. S$ cents)	0.37	0.56	0.67	0.75	0.80

CASH FLOW STATEMENT (S$'mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before tax	3.6	4.2	6.5	7.2	7.7
Depreciation & amortisation	0.3	0.5	0.5	0.5	0.4
Working capital changes	5.0	(0.9)	(2.4)	(0.3)	(0.2)
Tax paid	(0.5)	(0.8)	(1.3)	(1.4)	(1.5)
Other operating items	1.0	0.4	0.4	0.4	0.3
Operating cash flow	**9.4**	**3.4**	**3.7**	**6.3**	**6.7**
Capex	(0.1)	(0.1)	-	-	-
Payment on Properties	-	(1.3)	-	-	-
Other investing items	(0.8)	(0.1)	-	-	-
Investing cash flow	**(0.8)**	**(1.4)**	**-**	**-**	**-**
Net debt drawdown / (repayment)	(5.2)	(2.7)	(1.5)	(1.5)	(1.5)
Dividends paid	(1.0)	(1.0)	(1.8)	(2.0)	(2.2)
Equity issuance / (buyback)	4.4	-	-	-	-
Other financing items	(0.6)	(0.4)	(0.4)	(0.4)	(0.3)
Financing cash flow	**(2.5)**	**(4.1)**	**(3.7)**	**(3.9)**	**(4.0)**
Net change in cash	**6.1**	**(2.2)**	**(0.0)**	**2.4**	**2.8**
Beginning cash	**2.9**	**9.0**	**6.8**	**6.8**	**9.2**
Ending cash	**9.0**	**6.8**	**6.8**	**9.2**	**12.0**

BALANCE SHEET (S$'mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash and cash equivalents	9.2	6.8	6.8	9.2	12.0
Trade and other receivables	8.9	10.0	9.0	10.0	10.6
Contract assets	3.5	7.6	7.5	8.3	8.8
Tax recoverable	0.2	0.2	0.2	0.2	0.2
Current assets	**21.8**	**24.6**	**23.6**	**27.7**	**31.5**
Property, plant & equipment	5.9	5.8	5.7	5.5	5.3
Investment properties	1.5	8.4	8.4	8.3	8.3
Other non-current assets	5.7	5.6	5.3	5.1	4.8
Non-current assets	**13.2**	**19.8**	**19.3**	**18.9**	**18.5**
Total assets	**35.0**	**44.4**	**42.9**	**46.6**	**50.0**
Trade payables	8.3	11.3	9.5	10.5	11.1
Short-term borrowings	1.9	0.6	0.6	0.6	0.6
Other current liabilities	4.8	5.8	4.3	4.7	5.0
Current liabilities	**14.9**	**17.7**	**14.3**	**15.8**	**16.7**
Long-term borrowings	9.3	13.5	12.0	10.5	9.0
Other non-current liabilities	0.5	0.5	0.5	0.5	0.5
Non-current liabilities	**9.8**	**14.0**	**12.5**	**11.0**	**9.5**
Total liabilities	**24.7**	**31.8**	**26.9**	**26.8**	**26.2**
Shareholders' equity	10.3	12.7	16.0	19.8	23.8
Minority interests	-	-	-	-	-
Total equity	**10.3**	**12.7**	**16.0**	**19.8**	**23.8**

KEY RATIOS & VALUATION	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue growth (%)	105.9%	(32.4%)	46.3%	10.7%	5.7%
Gross margin (%)	15.1%	20.5%	21.0%	21.0%	21.0%
EBITDA margin (%)	8.1%	13.4%	13.4%	13.2%	13.1%
Net profit margin (%)	5.1%	8.9%	9.5%	9.5%	9.6%
ROE (%)	27.3%	26.5%	32.4%	29.3%	25.9%
ROA (%)	8.0%	7.6%	12.1%	12.4%	12.3%
Net debt / equity (x)	0.2x	0.6x	0.4x	0.1x	(0.1x)
Net debt / EBITDA (x)	0.4x	1.4x	0.8x	0.2x	(0.3x)
Dividend payout (%)	35.5%	29.8%	35.0%	35.0%	35.0%
P/E (x)	15.8x	13.2x	8.6x	7.7x	7.2x
EV/EBITDA (x)	14.0x	12.1x	8.3x	7.9x	7.8x
P/NAV (x)	2.7x	2.0x	1.9x	1.8x	1.6x
Dividend yield (%)	2.2%	3.4%	4.1%	4.6%	4.8%

Source: Company, KGI Research estimates

KGI's Ratings

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Neutral (N)	We take a neutral view on the stock. The stock is expected to perform in line with the expected total return of the KGI coverage universe in the related market over a 12-month investment horizon.
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Not Rated (NR)	The stock is not rated by KGI Securities.
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