KGI

UPDATE | CONSUMER CYCLICALS ▪ SINGAPORE

KIN GLOBAL LIMITED

(KIN SP / KIN.SI)

Reality check after the D&B reset

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Investment Highlights

- **D&B failed the first proof point.** 1H26 revenue fell 82.0% to S$7.09m as D&B revenue collapsed 93.1% to S$2.41m. This is the first public reporting-cycle evidence against the initiation assumption that D&B could sustain FY25's contract-led scale.
- **Forecast visibility reset.** We cut FY26E–FY28E revenue by 66.5%, 53.5% and 32.2%, entirely through D&B, while retaining the EDM sales path. FY28E EBITDA and net income fall 39.5% and 40.1% respectively.
- **Both earnings and the multiple de-rates.** The S$0.14 target blends 8x FY28E EV/EBITDA, EV/operating income and P/E, versus 10x/10x/9x previously. The target reduction reflects lower earnings visibility and thin liquidity.
- **Optionality prevents an Underperform.** EDM grew 6.1%, the events-tourism backdrop remains supportive, founders bought shares after the results, and the 31 August UTR award adds multi-year EDM visibility. None of these yet demonstrates D&B recovery.

Valuation & Action.

We downgrade Kin to **NEUTRAL** from OUTPERFORM and cut our target price to **S$0.14** from S$0.28. The target implies 26.3% downside from S$0.19 The re-rating catalyst ultimately depends on successful tendering of D&B contracts, visible revenue conversion and improved cash generation.

Risks.

Downside risks are prolonged tender delays or losses, further D&B volatility, weak cash conversion, capital deployment before earnings recover and limited trading liquidity. Upside risks are material, disclosed D&B awards, faster EDM monetisation and stronger-than-assumed project margins.

NEUTRAL	
Last close (S$)	0.19
12M Target Price (S$)	0.14
Previous TP (S$)	0.28
Upside / (Downside) (%)	-26.3%
TRADING DATA	
Market Cap (S$mn)	37.05
Issued Shares (mn)	195.00
3M Avg Daily Vol (mn)	0.09
3M Avg Daily Val (S$mn)	0.02
Free Float (%)	28.92
MAJOR SHAREHOLDERS (%)	
Wah Ko Chee	33.7%
Hon Chai Cheng	17.4%
Tan Adrian	10.0%
Tan Clement	10.0%

Financials & Key Operating Statistics

YE Dec (S$'000)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	19,590	60,146	20,589	30,279	44,126
Net Income	1,618	3,999	21	2,107	3,629
EPS (S$ cents)	0.83	2.05	0.01	1.08	1.86
EPS growth (%)	92.2%	977.0%	(99.5%)	10021.7%	72.2%
DPS (S$ cents)	0.21	1.28	0.00	0.27	0.46
Div Yield (%)	1.1%	6.7%	0.0%	1.4%	2.4%
Net Profit Margin (%)	8.3%	6.6%	0.1%	7.0%	8.2%
P/E (x)	22.9x	9.3x	1779.7x	17.6x	10.2x
P/B (x)	6.6x	5.1x	5.1x	4.2x	3.2x

Source: Company data, KGI Research

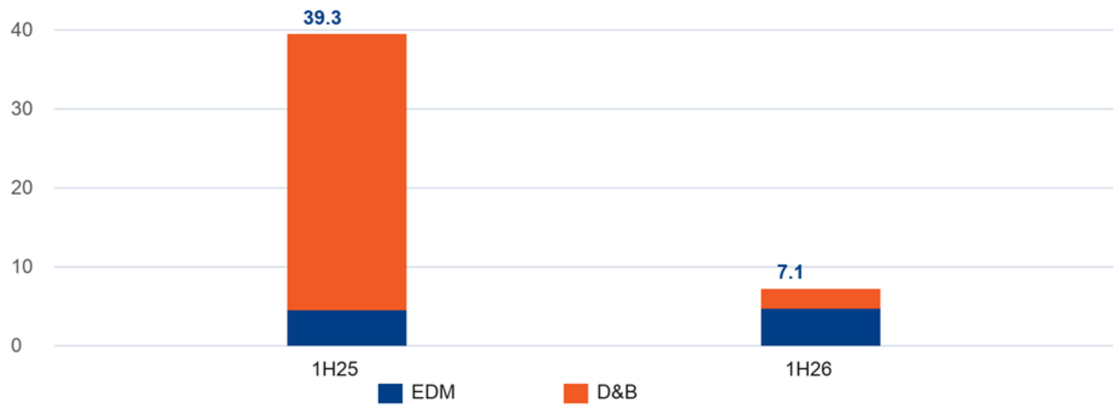
Business Updates

D&B collapse overwhelmed a resilient EDM base

Kin reported 1H26 revenue of S$7.09m, down 82.0% year on year, gross profit of S$2.40m, down 61.2%, and a reported PATMI loss of S$0.99m versus a S$2.84m profit. Adjusted PATMI was only S$0.21m after adding back S$1.20m of IPO expenses. The magnitude of the revenue miss is the central read-through for the investment case.

The segment split is decisive. EDM revenue rose 6.1% to S$4.68m and generated a 36.4% gross margin, confirming that Kin's established events franchise remains operationally sound. D&B revenue fell 93.1% to S$2.41m from S$34.90m. D&B therefore delivered only 4.9% of our former S$48.90m FY26 forecast in the first half, even though the company states the business is not materially seasonal.

Figure 1: 1H segment revenue (S$m)



Source: Kin Global 1H26 results announcement, KGI Research

Management attributes the decline to delays in project awards and commencements and refers to an active pipeline. We view that explanation as plausible but unverified: the results contain no signed D&B backlog, award values, start dates, delayed-versus-lost tender analysis or revenue-recognition schedule. Until those data are disclosed, KGI’s assumption is that the FY25 D&B spike is not yet repeatable.

Post-results evidence improves EDM visibility, not D&B

On 31 August, Kin announced a two-year Unleash The Roar! (UTR) event-management contract from 1 October 2026, with a three-year extension option. It is an EDM award, its value is undisclosed, and Kin says it will not materially affect FY26 NTA or EPS. It is constructive evidence of contract continuity, but it does not repair the D&B forecast gap.

Initiation Thesis Revisited

The framework was right; the evidence moved

Our April initiation combined a durable EDM franchise with the expectation that D&B could become a larger-ticket, longer-duration growth engine. We also said a newly listed company had to prove D&B scale through a public reporting cycle, and we identified lumpy tenders, limited long-term customer contracts and working-capital intensity as key risks. The downgrade is therefore the materialisation of the original downside case, not a reversal of analytical framework.

Figure 2: KGI's modelling framework

KGI's initiation thesis	1H26 evidence	New verdict	KGI's valuation adjustments
EDM leadership and repeat delivery	Revenue +6.1%; 36.4% GPM; UTR award adds a two-year base period	Intact	Supports downside optionality
D&B as the main growth engine	Revenue -93.1%; no quantified D&B award or backlog	Failed first proof point	Earnings forecasts cut sharply
Strategic expansion funded by IPO	S$7.38m net proceeds unused; investments remain early	Unproven	No premium for optionality
Public-market proof and liquidity	One weak half; founder control 71.08%; thin trading	Higher risk	Target multiples reduced to 6x

Source: KGI Research

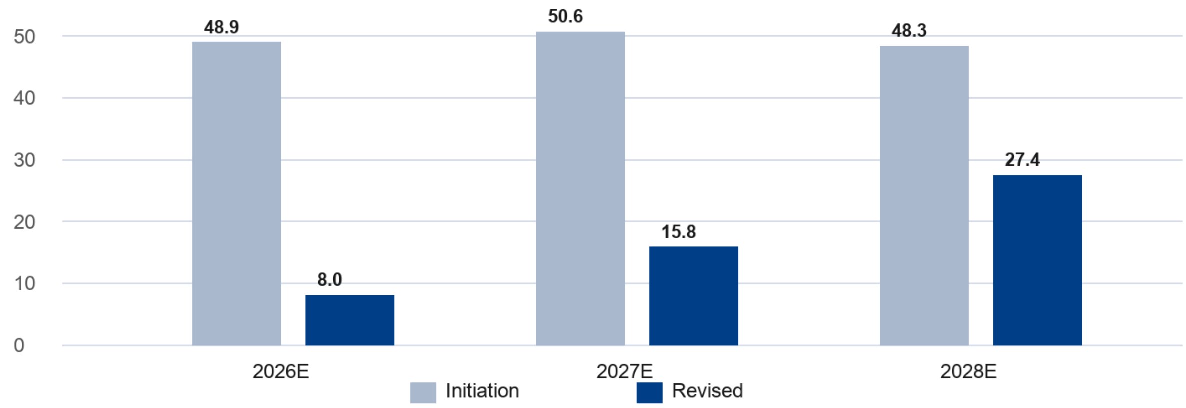
The evidence does not say that Kin cannot win D&B work, but public record does not yet support underwriting the scale and recurrence embedded in our initiation model. A high gross margin on S$2.41m of D&B revenue is also not proof of scalable segment economics. We therefore move the D&B assumption from demonstrated momentum to contingent recovery.

This distinction explains why the target-price reduction is larger than the FY28 earnings cut. The 20% reduction to normalized FY28 profit captures a lower revenue trajectory. The multiple reduction captures a separate deterioration in confidence: fewer repeatable earnings, weaker contract visibility, greater cash-flow variability and fragile price discovery in a tightly held stock.

D&B Reality Check

D&B was the dominant earnings lever in the initiation, it represented S$48.90m, or 79% of FY26 forecast revenue. The revised model cuts FY26E D&B revenue to S$7.96m, FY27E to S$15.76m and FY28E to S$27.43m. The FY26E cut is 83.7%, and even FY28E remains 43.3% below our prior forecast. EDM estimates are unchanged, so every dollar of the group revenue reduction is attributable to D&B.

Figure 3: D&B forecast reset (S$m)



KGI's monitoring lists	What Kin disclosed	KGI's modelling treatment
Signed D&B backlog	No value or schedule	Do not count pipeline as secured sales
Award timing	Delays cited; no disclosure of delayed/lost split	Assume conversion risk remains
Revenue recognition	No project timetable	Use gradual recovery, not FY25 recurrence
Cash conversion	Contract assets S$4.21m; OCF -S$1.70m	Require collections with growth

Source: KGI Research

The revised path still assumes D&B more than triples between FY26E and FY28E. That is a recovery case, not a liquidation case, and it already credits a favourable industry backdrop. The burden of proof is now contract-specific: a named or quantitatively disclosed award, a commencement schedule and evidence that recognised revenue converts to cash.

The 31 August UTR tender win does not change this conclusion because Kin identifies it as EDM and says its FY26 financial impact is not material. It does, however, demonstrate that the company can still win an open public tender, which modestly reduces the risk of a broader franchise impairment.

Industry optionality and founder alignment still have value

A Neutral rather than Underperform stance reflects the difference between company-specific execution risk and an industry in structural decline. Singapore's Tourism 2040 plan targets S$47bn–S$50bn of tourism receipts by 2040, the Government has established a S$165m Major Sports Event Fund, and the Greater Sentosa Master Plan sets out a long-duration destination upgrade. These initiatives expand the addressable pool of events and experiential work, although none guarantees revenue for Kin.

Kin also retains a credible core franchise. EDM grew through the 1H downturn, its gross margin increased to 36.4%, and the UTR contract gives a confirmed two-year base period with a potential three-year extension. The July PPA Asia 500 event further shows execution and IP-building ambition, but Kin has not disclosed the event fee, sponsorship cash, revenue-sharing economics or net contribution. We treat PPA as strategic proof, not secured recurring earnings.

Figure 4: Kin Global press releases since initiation

Headline	What it supports	What it does not prove
EDM revenue +6.1%	Core delivery franchise is intact	D&B conversion or group growth
UTR two-year base award	Better EDM project visibility	Material FY26 earnings or D&B backlog
PPA Asia 500 delivered	IP/event execution capability	Recurring event economics
Tourism and sports funding	Addressable-market runway	Kin-specific market share capture
Founder buying	Alignment and confidence signal	Contract recovery or fair value

Source: Company Data, KGI Research

The positive evidence is therefore sufficient to preserve option value, but not sufficient to defend the old premium. At S$0.19, the share price is already near the value implied by an 11x blend on our revised FY28 estimates. Investors are being asked to pay in advance for a recovery that public D&B evidence has not yet validated.

Valuation

We value Kin on the same three-leg framework used at initiation but cut each target multiple to 8x. FY28E EBITDA of S$4.12m and operating income of S$3.94m are valued at 8x and discounted three years at a 10% WACC. FY28E net income of S$3.63m is valued at 6x as an undiscounted P/E cross-check. Equal weighting yields c.S$0.14 per share.

Valuation summary

The reset has two distinct components. Lower normalized FY28 earnings reduce the initiation value by c. S$0.07 cents per share; multiple compression contributes a further c. S$0.07. The latter reflects lower contract visibility, project concentration, earnings and cash-flow volatility, limited recurring economics and thin trading liquidity. Applying the old multiples to the revised earnings would still produce about S$0.17 per share, which we no longer view as supportable.

The bridge conservatively retains the supplied FY25 net cash of S$3.52m and minority interest of S$0.33m. Substituting 30 June reported net cash of S$7.62m and NCI of S$0.19m would lift the blend to about S$0.16, but we do not capitalise that uplift while IPO cash is earmarked, operating cash flow is negative and capital deployment remains uncertain.

Figure 5: KGI's multiples valuation

S$'000 unless stated	EV/EBITDA	EV/OI	P/E
FY28E earnings base	4,124.0	3,941.2	3,629.4
Target multiple	8.0x	8.0x	8.0x
Target EV / equity value	24,743.9	23,647.2	21,776.4
PV of EV @ 10%	18,590.5	17,766.5	N.A.
+ Net cash (FY25)	3,523.0	3,523.0	N.A.
- Minorities	(331.0)	(331.0)	N.A.
Equity value	27,979.3	26,880.7	29,035.2
Value / share	**S$0.14**	**S$0.14**	**S$0.15**
Weight	**33%**	**33%**	**33%**

Source: KGI Research

Forecast Reset

We cut FY26E–FY28E revenue to S$20.59m, S$30.28m and S$44.13m. EDM estimates are unchanged at S$12.63m, S$14.52m and S$16.70m, while D&B falls to S$7.96m, S$15.76m and S$27.43m. The model therefore preserves the core franchise and a gradual D&B recovery but removes the assumption that FY25's large-project cadence repeats immediately.

Figure 6: KGI's forecast revision

S$'000	2023A	2024A	2025A	2026E	2027E	2028E
Revenue	**20,624**	**19,590**	**60,146**	**20,589**	**30,279**	**44,126**
EDM revenue	20,624	13,061	10,979	12,625	14,519	16,697
D&B revenue	-	6,529	49,767	7,964	15,760	27,429
Gross profit	3,965	5,018	10,281	5,235	6,562	8,515
Operating income	1,015	1,511	4,699	1,042	2,212	3,941
EBITDA	1,380	1,903	4,955	1,382	2,539	4,124
Net income	842	1,618	3,999	21	2,107	3,629

Source: KGI Research

FY26E remains the least reliable point in the curve. The forecast requires 2H revenue of S$13.50m, up 90.5% half on half, including D&B revenue of S$5.55m, up 130.2%. FY26E net income is now only S$0.02m, effectively breakeven on a reported basis after the 1H IPO expense. It implies S$1.02m of reported PATMI in 2H but is not comparable with management's adjusted 1H PATMI because the full-year estimate includes the listing charge. We anchor valuation on FY28 and make 2H conversion the key monitoring test.

The revised margins also deserve caution. FY26E–FY28E gross margins of 25.4%, 21.7% and 19.3% benefit from EDM mix, but EBITDA margins fall to 6.7%, 8.4% and 9.3% and net margins to 0.1%, 7.0% and 8.2%. This now captures overhead deleverage and a slower recovery in project scale rather than assuming that strong segment gross margins flow directly into group profit. The earnings path remains dependent on a normalized public reporting cycle.

Insider Buying & Liquidity

Constructive alignment, but modest incremental commitment

Kin announced that all four co-founders bought 190,200 shares between 19 June and 21 August for approximately S$33,674 at a S$0.177 volume-weighted average price. Subsequent filings show further purchases by Ko Chee Wah, Vincent Chai and Adrian Tan through 28 August, including purchases at S$0.19. The activity is a genuine confidence signal because it followed the weak results and used personal funds.

Figure 7: Kin press release on founder purchase

≥325k	~S$57.7k	71.08%	0.167%
itemised shares bought	itemised consideration	combined founder ownership	shares bought / issued

Buyer / period	Itemised shares	Consideration	Latest direct interest
Four founders, 19 Jun–21 Aug	190,200	~S$33,674	Aggregate release
Ko, 25–28 Aug	59,800	S$10,816	33.65%
Vincent, 25–28 Aug	65,000	S$11,535	17.44%
Adrian, 26 Aug	10,000	S$1,699	10.00%
Clement, latest 21 Aug filing	19,000	S$3,348	10.00%

Source: Company data

The signal should not be over-read. The itemised purchases equal only 0.167% of issued shares and the founders already controlled about 71% of Kin. Their combined ownership has risen by only about 17 basis points since listing. Insider buying supports alignment and helps explain why we retain optionality, but it is not evidence of D&B contracts, fair value or near-term earnings recovery.

Concentrated ownership also leaves a limited non-founder share base and contributes to thin trading. A low-volume stock can move materially on small orders, making the observed S$0.19 price a less precise estimate of clearing value and raising exit-risk for institutional investors. The same liquidity discount that tempers confidence in mechanical downside also prevents us from assigning the premium valuation used at initiation.

KGI's Re-rating Framework

The path back to Outperform is observable

Our Neutral stance is designed to change with evidence. The first rerating step is not a larger addressable-market estimate; it is contract disclosure. A D&B award with value, commencement date and recognition schedule would reduce forecast risk. The second step is delivery: sequential segment revenue with stable gross margin. The third is cash conversion: collections and operating cash flow that confirm accounting profit is monetised.

Figure 8: KGI's monitoring lists

Evidence	Current public evidence	What would unlock a re-rate	Valuation effect
D&B awards	No quantified post-listing D&B award	Signed value + start/recognition schedule	Higher forecast confidence
Revenue recovery	1H D&B S$2.41m	Sequential delivery toward revised path	Lower earnings-risk discount
Cash conversion	OCF -S$1.70m; assets/receivables high	Positive OCF and collection ratio improvement	Lower quality discount
Recurring EDM/IP	UTR term known; fees undisclosed	Contract/event economics and renewal evidence	Higher recurrence multiple
Liquidity	Founder control 71.08%; thin turnover	Sustained free-float turnover	Lower liquidity discount

Source: KGI Research

Financial Summary

INCOME STATEMENT (S$'000)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	19,590	60,146	20,589	30,279	44,126
Cost of sales	(14,572)	(49,865)	(15,354)	(23,717)	(35,610)
Gross profit	**5,018**	**10,281**	**5,235**	**6,562**	**8,515**
Administrative and distribution expenses	(3,343)	(5,362)	(4,118)	(4,239)	(4,413)
Other expenses	(164)	(220)	(75)	(111)	(161)
EBITDA	**1,903**	**4,955**	**1,382**	**2,539**	**4,124**
Depreciation & amortisation	392	256	340	327	183
Operating profit (EBIT)	**2,295**	**5,210**	**1,722**	**2,866**	**4,307**
Net finance income / (cost)	(27)	(132)	(6)	(7)	(3)
Other gains / (losses)	(516)	(429)	(1,692)	(464)	(179)
Profit before tax	**1,752**	**4,649**	**24**	**2,394**	**4,124**
Tax expense	(134)	(650)	(3)	(287)	(495)
Minority interests	-	-	-	-	-
Net profit (PATMI)	**1,618**	**3,999**	**21**	**2,107**	**3,629**
EPS (S$ cents)	0.83	2.05	0.01	1.08	1.86
DPS (S$ cents)	0.21	1.28	0.00	0.27	0.46

CASH FLOW STATEMENT (S$'000)	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before tax	1,752	4,649	24	2,394	4,124
Depreciation & amortisation	392	256	340	327	183
Working capital changes	(2,686)	(153)	1,819	(627)	(909)
Tax paid	(389)	(176)	(688)	(31)	(308)
Other operating items	187	(176)	(688)	(31)	(308)
Operating cash flow	**(744)**	**5,325**	**4,834**	**2,152**	**2,064**
Capex	(71)	(115)	(199,435)	(185,406)	(181,965)
Proceeds from disposal of investments in financial assets	501	1,657	-	-	-
Other investing items	69	135	199,424	185,394	181,957
Investing cash flow	**499**	**1,677**	**(11)**	**(12)**	**(7)**
Net debt drawdown / (repayment)	1,308	(1,700)	-	-	-
Dividends paid	(400)	(2,500)	(5)	(521)	(897)
Equity issuance / (buyback)	-	-	-	-	-
Other financing items	(204)	(127)	(18)	(18)	(18)
Financing cash flow	**704**	**(4,327)**	**(23)**	**(539)**	**(915)**
Net change in cash	**70**	**2,008**	**1,430**	**1,482**	**2,133**
Beginning cash	**1,445**	**1,624**	**3,523**	**4,953**	**6,435**
Ending cash	**1,515**	**3,632**	**4,953**	**6,435**	**8,567**

BALANCE SHEET (S$'000)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash and cash equivalents	1,624	3,523	4,953	6,435	8,567
Trade and other receivables	3,926	4,074	2,109	3,102	4,520
Contract assets	5,783	4,235	3,341	4,914	7,161
Current assets	**11,333**	**11,832**	**10,403**	**14,450**	**20,248**
Property, plant & equipment	309	246	208	122	60
Investment in financial assets	2,381	853	853	853	853
Other non-current assets	264	484	242	61	-
Non-current assets	**2,954**	**1,583**	**1,303**	**1,036**	**913**
Total assets	**14,287**	**13,415**	**11,706**	**15,486**	**21,161**
Trade payables	5,915	4,598	3,558	5,496	8,253
Short-term borrowings	1,680	-	-	-	-
Other current liabilities	972	892	207	463	649
Current liabilities	**8,567**	**5,490**	**3,765**	**5,959**	**8,902**
Non-current lease liabilities	65	286	286	286	286
Deferred tax liabilitities	43	29	29	29	29
Non-current liabilities	**108**	**315**	**315**	**315**	**315**
Total liabilities	**8,675**	**5,805**	**4,080**	**6,274**	**9,217**
Shareholders' equity	5,598	7,279	7,295	8,881	11,613
Minority interests	14	331	331	331	331
Total equity	**5,612**	**7,610**	**7,626**	**9,212**	**11,944**

KEY RATIOS & VALUATION	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue growth (%)	(5.0%)	207.0%	(65.8%)	47.1%	45.7%
Gross margin (%)	25.6%	17.1%	25.4%	21.7%	19.3%
EBITDA margin (%)	9.7%	8.2%	6.7%	8.4%	9.3%
Net profit margin (%)	8.3%	6.6%	0.1%	7.0%	8.2%
ROE (%)	28.9%	54.9%	0.3%	23.7%	31.3%
ROA (%)	11.3%	29.8%	0.2%	13.6%	17.2%
Net debt / equity (x)	N.M.	N.M.	N.M.	N.M.	N.M.
Net debt / EBITDA (x)	N.M.	N.M.	N.M.	N.M.	N.M.
Dividend payout (%)	24.7%	62.5%	24.7%	24.7%	24.7%
P/E (x)	22.9x	9.3x	1779.7x	17.6x	10.2x
EV/EBITDA (x)	19.5x	7.5x	26.8x	14.6x	9.0x
P/NAV (x)	6.6x	5.1x	5.1x	4.2x	3.2x
Dividend yield (%)	1.1%	6.7%	0.0%	1.4%	2.4%

Source: Company, KGI Research estimates

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