JUMBO | SGX:42R

2H26 setting the stage for FY27

BUY

Price:	**$ 0.245**
Target Price:	**$ 0.40**
Upside:	**+ 63%**

- **What to Look out for in these upcoming FY26 results.** RHTC expects flat Group Revenue growth (0% HoH, +13% YoY) as its operating outlets remain largely unchanged.

- **What has happened since our Initiation Note (BUY, TP $0.40, 31-Aug-26).** Jumbo closed its flagship East Coast outlet on 30-Sep-26 when its lease expired (NParks redevelopment; c.14% of FY25 revenue). New brand pipeline led by the Lausanjee chicken QSR JV (49%).

- **Undemanding valuation, emerging yield** - Jumbo currently trades at 14.3x FY26F PE or 45.9% premium vs peer group of Kimly (BUY, TP $0.56, 31-Aug-26), and Old Chang Kee (BUY, TP $1.61, 8-Jun-26) average of 9.8x. Reiterate our Buy recommendation on Jumbo Group with Target Price of $0.40, potential +63.3% upside.

- **Key risks.** Staff resources remain a key bottleneck in industry despite government's push.

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Mkt cap: $150.4 mil

Price: $0.245 12-Nov26

Target Price: $0.40

30-day adtv: 55,036

Singapore

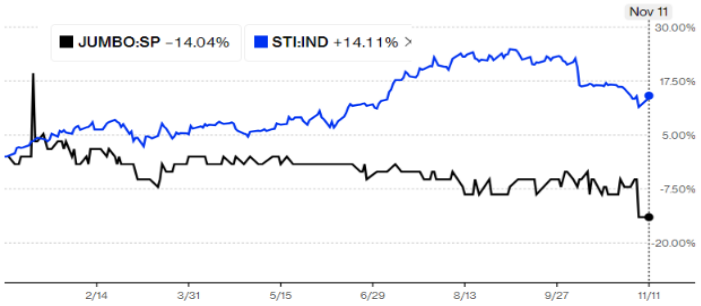
Consumer Discretionary, Consumer Services [2530]

RHTC Forecast Sept yr-end $ mil	2024	2025	2026F	2027F
Revenue	190.4	190.3	210.1	226.9
Gross Profit	125.0	124.0	138.3	148.8
Net Att Profit	13.7	8.7	10.5	12.8
EPS (S$ cts)	2.2	1.4	1.7	2.1
P/E (x)	11.1	17.5	14.3	11.7
PEG (x)			0.6	0.5
PB (x)	3.1	3.0	2.9	2.7
ROAE (%)	24.5	16.5	19.5	22.9
Div Yield (%)	4.1	5.1	5.3	6.1
FCF yield (%)	19.5	7.9	26.0	26.3
Gearing (D/E)%	24.8	14.3	9.6	6.2
D/TA %	10.5	5.1	3.0	1.7

Peer Gp Valuation	2026F P/E(X)	RHTC Recc	Target Price	% upside
Kimly	10.6	BUY	0.56	51.4%
Old Chang Kee	9.0	BUY	1.61	38.8%
Peer Gp Avg (PGA)	9.8			5.7
Jumbo %prem PGA	**45.9**	BUY	0.40	63.3%
Relative Valuation	**2026F P/E(X)**	**PEG 26F(x)**	**DY (%)**	**EV/ EBITDA**
Jumbo	14.3	0.6	5.3	2.6
STI @ 5,180	18.1	1.9	4.1	6-16.8
Jumbo %premium to STI	**-21%**	**-66%**	**29%**	**-57%[1]**

1: Discount to STI bottom or range 6x EV/EBITDA. ***Source: BBG, RHTC estimates***

JUMBO BUY Price $0.245 12-Nov-26



Ratios & Valuations

Sept-yr end $'000	FY2024	FY2025	2026F	2027F
PE(x)	11.14	17.50	14.30	11.72
PE/G			0.64	0.53
Intrinsic Value / Target Price				**0.40**
% upside				***63.3***
Mkt Cap/Sales (x)	0.79	0.79	0.72	0.66
Div Yield (%)	4.08	5.10	5.31	6.12
FCF Yield (%)	19.50	7.93	25.95	26.33
EV/EBITDA			2.59	2.41
ROE (%)	26.43	16.32	19.16	22.48
ROAE (%)	24.46	16.54	19.48	22.92
ROAA (%)	10.77	6.44	6.55	6.80

Growth & Margins (%)

Growth YoY (%)	FY2024	FY2025	2026F	2027F
Revenue	6.52	(0.08)	10.43	8.00
Gross Profit	6.83	(0.80)	11.52	7.55
EPS	(4.35)	(36.36)	22.36	22.00
FCF	(17.25)	(59.21)	229.86	1.47
Asset	(7.44)	20.86	18.09	16.89
Margins (%)				
Gross	65.7	65.2	65.8	65.6
Net	6.3	4.1	5.4	6.3
FCF	15.4	6.3	18.6	17.4

Source: Company, RHTC estimates

Income Statement ($ '000)

Sept-yr end $'000	FY2024	FY2025	2026F	2027F
Revenue	190,418	190,272	210,118	226,927
Cost of sales	(65,382)	(66,236)	(71,788)	(78,148)
Gross profit	125,036	124,036	138,330	148,779
Other income	4,153	4,963	3,726	4,285
Total Opex	(112,843)	(118,513)	(127,987)	(135,251)
Profit before tax	16,346	10,486	14,069	17,813
Income tax	(4,387)	(2,751)	(2,814)	(3,563)
tax rate (%)	*26.8*	*26.2*	*20.0*	*20.0*
Profit for the year	11,959	7,735	11,255	14,251
Non-controlling interests	(1,691)	(924)	(742)	(1,425)
Net Attributable Profit	13,650	8,659	10,513	12,826
Dividends	(9,430)	(6,017)	(7,978)	(9,206)
Retained Earnings	4,220	2,642	2,535	3,620

Top shareholders (Est Free Float 23.2%)

#	Beneficial Owner	Total shares	Est % o/s shrs
1	JBO Holdings	294,444,265	49.0
2	KMI Investments (FEO)	78,478,100	13.1
3	Tan Gee Jian	42,254,900	7.0
RHTC estimates as of 3-Sep-26			

Jumbo Per Share

Jumbo Per Share	FY2024	FY2025	2026F	2027F
EPS S$ cents	2.20	1.40	1.71	2.09
DPS S$ cts	1.00	1.25	1.30	1.50
payout (%)	45.45	89.29	75.89	71.77
Wt Avg sh o/s mil	620.5	618.5	613.7	613.7
BVPS S$ cts	8.32	8.58	8.94	9.30
FCF per shr S$ cts	4.73	1.93	6.36	6.45
Nett Cash per shr S$	5.41	4.84	9.71	14.09

Balance Sheet ($ '000)

Sept-yr end $'000	FY2024	FY2025	2026F	2027F
Cash & cash equivalents	46,383	37,541	64,801	89,997
Trade & other receivables	9,318	10,779	14,013	14,713
Investments (current)	9,215	8,372	7,116	7,828
Inventories	2,475	3,640	4,368	4,586
Total current assets	67,391	60,332	90,298	117,124
Right-of-use assets	20,049	48,615	49,101	50,083
Property, plant & equipment	28,094	31,220	31,532	33,109
Goodwill & intangibles	3,469	3,427	2,913	2,884
Total non-current assets	54,416	86,886	83,546	86,076
Total assets	**121,807**	**147,218**	**173,845**	**203,200**
Trade & other payables	26,231	25,248	30,298	33,327
Lease liabilities (current)	12,101	9,357	15,859	18,205
Bank borrowings (current)	5,211	3,264	1,711	706
Total current liabilities	51,711	45,837	**47,868**	**52,238**
Lease liabilities (non-curren	10,771	43,534	67,591	91,086
Bank borrowings (non-curre	7,587	4,311	3,530	2,824
Total non-current liabilitie	18,448	48,317	**71,121**	**93,910**
Total liabilities	70,159	94,154	118,988	146,148
Equity attributable to owr	52,312	54,521	57,056	60,676
Non-controlling interests	(664)	(1,457)	(2,199)	(3,624)
Total equity	51,648	53,064	54,857	57,052
Total Equity + Liabilities	**121,807**	**147,218**	**173,845**	**203,200**

Cash Flow ($ '000)

Sept-yr end $'000	FY2024	FY2025	2026F	2027F
Net cash from operating act	37,373	22,087	39,819	42,154
Capex (acquisition of PP&	(8,051)	(10,165)	(798)	(2,559)
Free cash flow (OCF - cap	29,322	11,922	39,020	39,595
Net cash from/(used in) inve	11,525	(8,719)	457	(3,270)
Net cash used in financing	(36,135)	(22,131)	(13,016)	(13,688)
Total CF	12,763	(8,763)	27,260	25,195
FX	(39)	(79)		
Cash at end of year	46,383	37,541	64,801	89,997

JUMBO'S 2H26F (FY26F) RESULTS PREVIEW

What to look out for in the upcoming results.

RHTC expects flat Group Revenue growth (0% HoH, +13% YoY) as its operating outlets remain largely unchanged.

S$m	1H25	2H25	1H26	2H26F	HoH	YoY
Revenue	97.3	93.0	105.1	**105.1**	0.0%	+13.0%
Gross profit	63.7	60.3	69.2	**69.2**	0.0%	+14.7%
Net att. profit	7.9	0.7	6.2	**4.3**	-30.6%	n.m.

Source: Company,; RHTC estimates. 2H = full year less 1H. Net att. profit = attributable to owners.

- **Margins and costs.** We assume a 65.8% gross margin, in line with 1H26 (2H25: 64.9%). Our implied 2H26F net profit of S$4.3m (-30% HoH) reflects heavier second-half costs: record electricity tariffs in Jul–Sep 2026 (overall tariff +17.5% QoQ), continued wage pressure (1H26 staff costs +14.2% YoY), and East Coast farewell promotions plus charity donations (50% of farewell set-menu sales; S$313,280 raised).
- **Low YoY base.** 2H25 net profit was only S$0.7m after wage, lease and marketing increases and a S$1.2m PP&E disposal loss in FY25.
- **Risk to our flat-revenue call.** In FY25, 2H revenue was 4.5% below 1H (S$93.0m vs S$97.3m). Each 1% shortfall vs our 2H26F is c.S$1.05m of revenue and c.S$0.7m of gross profit.
- **Final dividend.** Our FY26F DPS of 1.30cts implies a 0.80ct final after the 0.5ct interim; FY25 total was 1.25cts including a 0.5ct special
- **FY27 guidance.** The key disclosure will be how management plans to replace East Coast revenue, c.14% of FY25 revenue.

- **What has happened since our Initiation Note (BUY, TP S$0.40, 31-Aug-26).** Jumbo closed its flagship East Coast Seafood Centre outlet on 30-Sep-26 after 39 years, when its lease expired; landlord NParks (*source: Business Times*) is redeveloping the site under longer-term plans for East Coast Park. The outlet generated about 14% of FY25 revenue; management guided no material FY26 impact but an effect on FY27 revenue. JUMBO Seafood now has six Singapore

outlets: Riverside Point, Dempsey Hill, ION Orchard, Jewel Changi Airport, The Riverwalk and JUMBO Premium at RWS.

- **New brands.** Lausanjee (老乡鸡) chicken quick-service JV with Laoxiangji Holdings: Jumbo 49% (S$0.98m), with a possible Phase 2 at 51% if milestones are met. No outlet or opening date has been announced, and no material FY26 impact is expected.
- **PRC, asset-light.** NASBKT (Ng Ah Sio Bak Kut Teh) area-franchise JV for Shanghai and other PRC cities: Jumbo 20% (S$40k); no material FY26 impact expected.
- Both JVs were announced before our initiation (30-Jun and 27-Jul-26) and neither has yet produced revenue. JUMBOREE (opened Feb-26) already offers beer and wine taps and live music.

What else?

Positives:

- Profitable through an industry shake-out: 1,515 F&B businesses closed in Jan–May 2026 (ACRA), while Jumbo earned S$6.2m in 1H26.
- High, stable gross margin of 65.8% in 1H26 (1H25: 65.5%).
- Cash-rich: 1H26 operating cash flow of S$15.6m (1H25: S$4.9m); cash and other investments of S$44.2m vs bank borrowings of S$5.8m, i.e. net cash ex-leases of S$38.4m at 31-Mar-26.
- Demand stabilising: F&B services sales +1.0% YoY in Sep-26 (restaurants +2.6%), reversing declines of 2.3% in Jun, 1.9% in Jul and 1.8% in Aug. Mainland China, Singapore's largest source market, was +4.8% YoY in Jan–Sep 2026 *(source: STB, "Singapore visitor arrivals down in September" (15-Oct-26)*.
- Energy relief for Oct–Dec 2026: overall electricity tariff cut 10.6% QoQ.

Negatives:

- Cost inflation: 1H26 staff costs +14.2%, utilities +21.4%, lease interest +35.0% YoY; net profit -22.3% on revenue +7.9%.
- Concentration: Singapore was 88% of 1H26 revenue and has now lost its highest-profile outlet.
- Tourism soft overall: Jan–Sep 2026 visitor arrivals of 12.65m were 1.7% lower YoY, below the run-rate for STB's 17–18m target.

- Associates swung to a S$37k loss in 1H26 from a S$626k profit; energy costs may rise again, as SP Group warned after fuel prices climbed from Sep-26 on Middle East tensions.

- **Undemanding valuation, emerging yield** – At S$0.245, Jumbo trades at 14.3x FY26F PE, a 45.7% premium to the 9.8x average of its peer group, Kimly (BUY, TP $0.56, 31-Aug-26) and Old Chang Kee (BUY, TP $1.61, 8-Jun-26). We think the premium is justified by its lower PEG (0.6x), 5.3% FY26F dividend yield and net cash. Reiterate our BUY recommendation on Jumbo Group with a target price of S$0.40, potential +63.3% upside.

- **Forecast risk.** Our TP rests on FY27F revenue of S$226.9m (+8%) and EPS growth of 22%. If East Coast was generating c.S$27m a year (14% of FY25 revenue) and is not replaced, the rest of the network would need to grow c.24% in FY27 to meet our forecast. We will review FY27F after the results and management guidance; risk to FY27F and the TP is to the downside.

Key risks. Staff resources remain a key bottleneck in the industry despite the government's push for productivity and local hiring. The Local Qualifying Salary rose from S$1,600 to S$1,800 a month on 1-Jul-26, affecting foreign-worker quotas and the S Pass qualifying salary rises to S$3,600 from Jan-27. Nearly one-third of the F&B workforce is aged 60 and above.

Risks to Jumbo's assumptions: Lower than expected tourist arrivals from the PRC and an overall decrease in tourism receipts for Singapore. Other key business risks for Jumbo: (1) significant escalation in both rents and staff costs, (2) emergence of a new seafood competitor competing largely on price, (3) execution risk in replacing East Coast revenue and scaling the new JV brands, and (4) a renewed rise in electricity tariffs.

APPENDIX A-1 SWOT Analysis

Strengths	Iconic Chilli Crab / JUMBO Seafood brand equity; high, stable ~65% gross margin; conservative balance sheet (net cash ex-leases); central-kitchen model supporting quality and franchising.
Weaknesses	Earnings sensitivity to operating-cost inflation (labour, leases, marketing); modest scale and geographic concentration in Singapore; PRC exposure to weak consumer sentiment.
Opportunities	New formats (JUMBOREE food hall, JPOT revival) and brands (Lausanjee QSR JV, 49%); regional franchising; Indonesia development; digital/loyalty monetisation via JUMBO Rewards; HQ/central-kitchen consolidation productivity gains.
Threats	Competitive Singapore dining market and moderating discretionary spend; PRC macro weakness; seafood input-cost and FX volatility; execution risk on new outlets/formats; loss of East Coast flagship (c.14% of FY25 revenue) from FY27.

APPENDIX A-2 Disclosures/Disclaimers

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