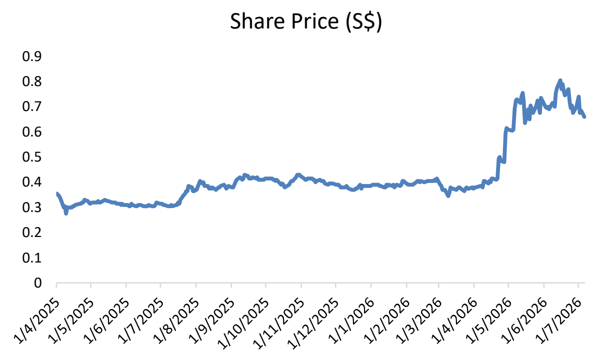
ISDN Holdings

20 July 2026

Initiation (Buy)

BBG	ISDN SP	
Market Cap	S$285.6m	
Price (20 July 2026)	S$0.63	
Target Price	S$0.97	
52-week range	S$0.30-0.82	
Shares Outstanding	450.3m	
Free Float	59.8 %	
Major Shareholder	Teo Cher Koon NTCP SPV VI	32.23% 8.58%

Source: Company Data, Bloomberg, SAC Capital



Source: Company Data, Bloomberg, SAC Capital

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A Hydro Boost

ISDN Holdings ("ISDN" or "The Group") is an industrial automation company that offers a full range of advanced automation solutions and services. These solutions and services range from precision components and engineering services to full machine and cloud solutions. Its components and systems power semiconductor factories, advanced medical devices, clean energy plants, electric vehicles and more across Asia. ISDN was founded in 1987 and was listed on the SGX Mainboard in 2005, and subsequently on the Main Board of The Stock Exchange of Hong Kong Limited. ISDN Holdings operates within two industries; Industrial Automation and Sustainable Energy, across 60 geographies.

Renewable Energy to Boost Bottom Line ISDN Holdings set up its new business focus on clean energy in 2017, looking to capitalize on tailwinds from Indonesia's energy transition agenda. The Group has since constructed and began the operation of its commercialized mini-hydropower plants. These mini-hydropower plants have catalyzed ISDN's growth, with its Renewable Energy segment producing a stunning 164% YoY growth in revenue to S$58.9 million in FY2025. This was attributed to the recognition of construction income of S$49.3m, as two additional mini-hydropower plants are under construction and primed to begin operations in FY2027. We forecast FY27 Group net profit at S$38.4 million to reflect the increased generation capacity of ISDN's 5 mini-hydropower plants.

Riding the AI Wave ISDN is a beneficiary of the rapid global growth in Artificial Intelligence (AI), Data Centre, Semi-conductors and Energy Storage industries as it supplies a broad range of components and solutions to these sectors. This acts as a key growth driver for the Group's Industrial Automation segment which makes up approximately 88% of FY25 net profit. This is expected to ease to 70% in FY27 as hydropower contributions take off. The Industrial Automation segment delivered revenue of S$107.0 million in 1Q26, up 23.4% YoY. This improvement was largely driven by ISDN deepening its presence in Asia's fast-growing advanced manufacturing economies.

Financial Highlights ISDN Holdings delivered mixed results in FY25. Revenue in FY2025 was up 18.2% YoY at S$440.2 million, driven by an 8.9% increase in sales and a 164.0% increase in revenue from its renewable energy segment. However, net profit decreased by 2.7% due to the significantly smaller margins from the construction of the new mini-hydropower plants. With construction scheduled to be completed in FY26 and higher-margin operations to begin, we expect Group net profit for FY27 to grow significantly at 35.4% YoY to S$38.4 million.

Key Financial Highlights

FY ended 31 Dec (S$m)	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**
Revenue	341.8	372.4	440.2	478.6	526.3
EBIT	23.3	25.1	26.3	47.5	63.4
Attributable net profit	5.0	8.5	6.8	17.5	23.7
EPS (S$ cents)	1.12	1.91	1.50	3.85	5.23
Dividend per share (S$ cents)	0.28	0.47	0.53	0.96	1.31
Net cash / (debt)	(15.7)	(13.6)	(8.5)	(28.8)	(35.9)
Valuation					
Gross profit margin (%)	26.7	25.5	23.9	27.9	30.1
Net profit margin (%)	3.3	3.7	3.1	5.9	7.3
EV/EBITDA (x)	10.4	9.4	8.8	5.7	4.6
P/E (x)	56.3	33.0	42.0	16.3	12.1
P/B (x)	1.2	1.1	1.1	1.1	1.0
Dividend yield (%)	0.4	0.7	0.8	1.5	2.1
Net debt/equity (x)	0.1	0.1	0.0	0.1	0.1

Risks: ISDN Holdings is highly dependent on factories in industries such as semiconductors, robotics, automotive and industrial machinery. Its reliance on these volatile industries makes its revenue stream vulnerable to cuts in expenditure in the overall tech industry. ISDN also faces currency risk as it operates across many Asian countries, where exchange-rate movements can induce volatility in reported earnings.

Recommendation: Our valuation is based on ISDN Holding's blended 2-year EPS of S$0.0454 to reflect ISDN's new phase of accelerated growth, applied to the mean forward PER of 30.6x from its industrial automation and renewable energy generation peers. We initiate coverage on ISDN Holdings with a target price of S$0.97**,** representing a 54% upside from current levels.

Company Background

ISDN Holdings Limited is a Singapore-based engineering solutions and industrial automation company that was founded in 1986 and is listed on the Singapore Exchange (SGX) Mainboard. Over more than three decades, the Group has built a strong presence across Asia, providing motion control, industrial computing, automation, and engineering solutions to customers in industries such as semiconductor manufacturing, medical technology, aerospace, electronics, and advanced manufacturing. Today, ISDN serves over 10,000 customers through 55 sales offices spanning key Asian growth markets.

The company's core business focuses on helping manufacturers improve productivity and operational efficiency through Industry 4.0 technologies. ISDN offers a comprehensive range of services, including system conceptualization, design, development, integration, installation, testing, and after-sales technical support. Its expertise in motion control systems, industrial computing, robotics, automation software, and smart manufacturing solutions enables customers to accelerate digital transformation and enhance production capabilities. ISDN has a 39-year track record supporting advanced industries including semiconductors, aerospace, medical devices, and intelligent manufacturing. Through strategic partnerships with leading global technology providers, ISDN delivers advanced engineering solutions tailored to the needs of diverse industries across Asia.

In recent years, ISDN has expanded beyond its traditional automation business into renewable energy, advanced agriculture, and other specialized engineering sectors as part of its long-term growth strategy. The Group has invested in clean energy projects, including hydropower developments in Southeast Asia, while continuing to promote sustainable industrial development through innovative technologies. Guided by its vision of powering Asia's industrial future, ISDN aims to create long-term value for customers, shareholders, employees, and communities by combining technological innovation, regional scale, and sustainable business practices.

Source: Company

Business Segment

ISDN Holding's operations are organized across two core business segments: **(i) Industrial Automation**; and **(ii) Renewable Energy.** The Industrial Automation business benefits from long-term trends such as Industry 4.0 adoption, artificial intelligence, smart manufacturing, and rising automation demand across Asia, allowing the Group to expand alongside its customers. Meanwhile, its Renewable Energy segment generates stable cash flows through operational hydropower assets while providing additional growth opportunities through new project development. Together, these complementary segments position ISDN to capture Asia's industrial transformation while diversifying its revenue streams and reducing dependence on any single market or industry.

(i) Industrial Automation

Industrial Automation Solutions is ISDN Holdings' core business segment, accounting for most of the Group's revenue. The segment provides a comprehensive range of automation technologies and engineering solutions, covering motion control systems, industrial computing, software platforms, precision manufacturing, and complete system integration. ISDN supports customers throughout the entire automation value chain, from design, engineering and prototyping to installation, testing, commissioning, and after-sales support. Its solutions serve a broad range of industries including semiconductor manufacturing, electronics, aerospace, medical technology, data centers, logistics, renewable energy, and advanced manufacturing. The segment is built around four key pillars: Motion Control, Precision Manufacturing, Software, and System Solutions. Through these capabilities, ISDN offers products such as servo systems, linear motors, positioning stages, industrial software, smart factory solutions, industrial computing systems, and AI-enabled automation technologies. Leveraging a regional network of more than 75 locations across Asia, ISDN helps customers improve productivity, operational efficiency, and digitalization as they adopt Industry 4.0 technologies. In FY2025, revenue from the Industrial Automation segment increased by 8.9% year-on-year to S$381.3 million, reflecting continued demand for automation solutions in both China and Southeast Asia.

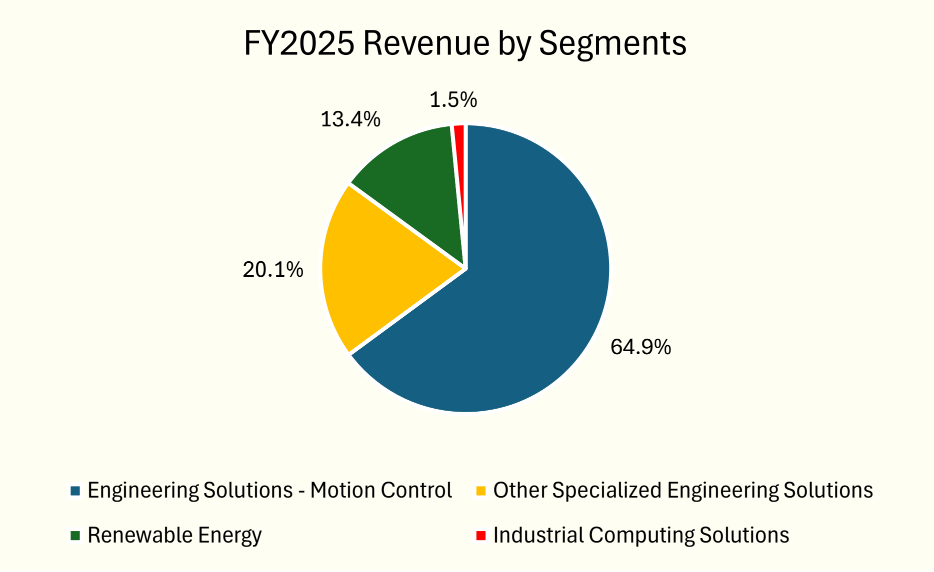
Source: Company

Business Segment (cont'd)

(ii) Renewable Energy

ISDN's Renewable Energy segment focuses on developing and operating renewable energy assets while providing engineering and technology solutions that support Asia's transition towards a low-carbon economy. The Group's renewable energy portfolio is centered on mini-hydropower projects in Indonesia, complemented by capabilities in solar energy, energy storage, smart grids, advanced agriculture, and building energy management systems. This segment supports ISDN's long-term objective of creating recurring income streams while contributing to sustainable industrial development. As of FY2025, ISDN operates three mini-hydropower plants with a combined installed capacity of 24.6 MW and is constructing two additional hydropower facilities expected to increase total capacity to 44.6 MW upon completion. The Group further strengthened its renewable energy capabilities through the acquisition of a majority stake in PT Funda Konstruksi Engineering, enabling it to participate in the full hydropower value chain, including engineering, procurement, construction, operations, and maintenance services.

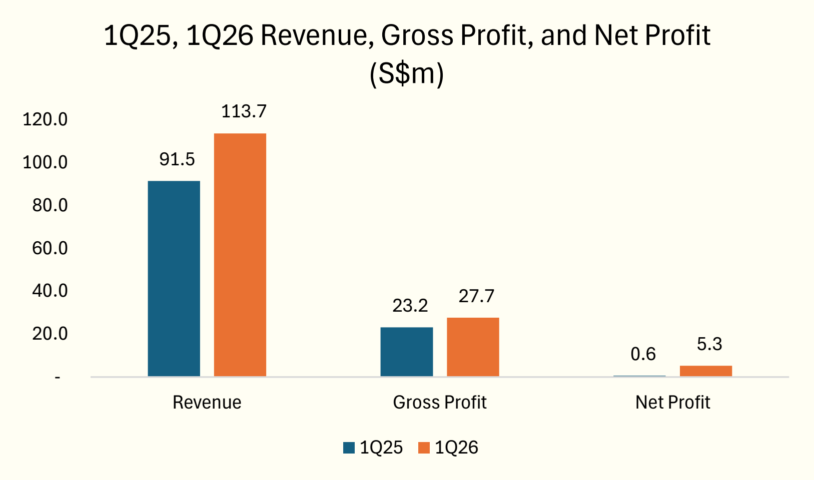
In FY2025, the Renewable Energy segment generated revenue of S$58.9 million, supported by both recurring tariff income from operating plants and construction revenue from ongoing hydropower developments. Stripping away the exceptional gains from construction income, ISDN has seen recurrent revenue generated from the operating and financing of its 3 operational mini-hydropower plants. The 3 currently operating plants have a combined capacity of 24.6 Mega Watts (MW) and have delivered S$10.3 million and S$9.5 million in revenue in FY24 and FY25, respectively at a constant margin of 91.5%. Upon completion of the 2 new plants under construction, the total capacity of the mini-hydropower plants will increase 81% to 44.6MW. The segment forms an important pillar of ISDN's strategy to enhance earnings resilience through long-term, sustainable and recurring cash flows.



Source: Company Data, SAC Capital

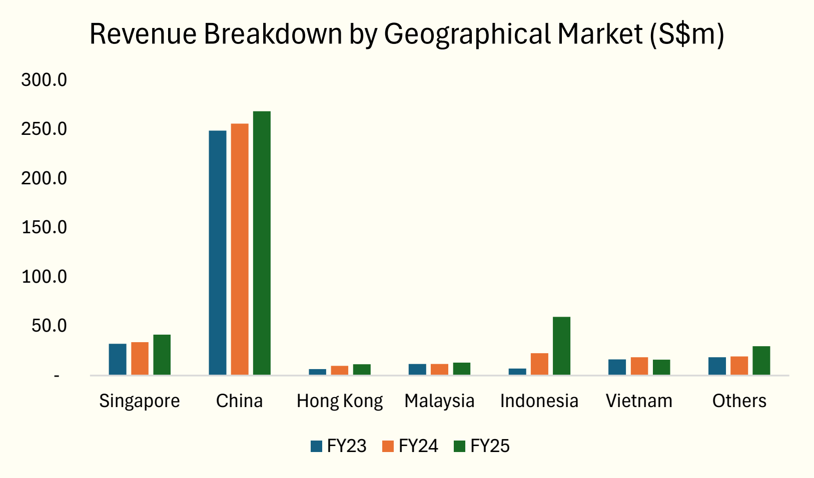
Financials

ISDN Holdings demonstrated robust growth in FY25, mainly driven by a 164% increase in revenue from the Group's renewable energy segment. Total revenue grew 18.2% to S$440.2 million, while gross margins dropped to 23.9% from 25.5% due to the ongoing construction of the 2 mini-hydropower plants which typically has a gross margin of 7%. As a result, net profit decreased by 2.7% YoY to S$13.6 million. FY25 Revenue from the Group's industrial automation segment reflected steady growth, improving 8.9% YoY to S$381.3 million, compared to a 4.5% increase in FY2024. In the Group's latest 1Q26 announcement, net profit in 1Q26 surged, coming in at S$5.3 million on a total revenue of S$113.7 million, an impressive 767% YoY improvement. The surge in net profit was largely due to revenue growth across ISDN's business segments, supported by growth momentum from higher-end solutions as well as improved operating leverage.



Source: Company Data, SAC Capital

Revenue from each of ISDN's geographical segment has seen steady growth from FY23 to FY25, reflecting the Group's commitment to securing a foothold in Asia. China remained the Group's largest market in FY25, contributing 61.1% of total revenue. Meanwhile, revenue from ISDN's operations in Indonesia accounted for 13.5% of total revenue and recorded a significant increase during the year. This growth was driven by the Group's ability to capitalize on the Indonesian government's investments in renewable energy infrastructure, through the development of its mini-hydropower projects in the country.



Source: Company Data, SAC Capital

Industry Overview

Industrial Automation

The industrial automation industry has been growing exponentially, as manufacturing firms look to streamline production and reduce production costs by automating processes. Over the past decade, The Straits Times reported that the number of industrial robots on China's factory floors has increased more than six times to 1.7 million, as companies grappled with rising wages and a shortage of workers willing to staff production lines. The Straits Times also cited the International Federation of Robotics' figures for 2023, reporting that China now has the world's third-highest density of robots in its manufacturing industry, trailing South Korea and Singapore in first and second place, respectively. With the growing prevalence of automation in production lines, demand for solutions such as advanced motion control is rapidly increasing. At the same time, governments across the region are prioritizing Industry 4.0 initiatives, digitalization, and advanced manufacturing capabilities to attract investment and strengthen their positions within global supply chains.

Motion control and precision manufacturing technologies are at the heart of the industrial automation transformation, enabling advanced production processes across industries such as semiconductors, electronics, automotive, medical devices, and industrial machinery. Singapore exemplifies this shift, with six manufacturing facilities recognized by the World Economic Forum's Global Lighthouse Network for successfully deploying technologies such as artificial intelligence, advanced robotics, digital twins, and automation at scale to improve productivity, resilience, and supply-chain performance. Manufacturing remains a strategic pillar of Singapore's economy, and under its Manufacturing 2030 strategy, the government aims to increase manufacturing value-added by 50% between 2020 and 2030 through investments in research and development, digitalization, advanced manufacturing, and Industry 4.0 adoption.

Across Southeast Asia, the semiconductor industry has emerged as a major driver of demand for automation and precision manufacturing solutions. Countries including Singapore, Malaysia, and Vietnam are expanding semiconductor capabilities through investments in wafer fabrication, advanced packaging, assembly and testing facilities, research and development, and supporting supply-chain infrastructure. Malaysia is pursuing initiatives to move higher up the semiconductor value chain by strengthening talent development, integrated circuit design capabilities, advanced packaging, and high-value manufacturing activities. Meanwhile, growing demand for artificial intelligence, electric vehicles, data centers, and advanced electronics is accelerating the need for highly automated production environments that rely on robotics, machine vision, servo systems, and precision motion control technologies. As a result, the industrial automation sector is expected to remain a key beneficiary of the region's continued push towards advanced manufacturing, technological upgrading, and supply-chain resilience.

Growth Drivers

(i) Rising Adoption of Industrial Automation and AI
ISDN's core industrial automation business is supported by the growing adoption of Industry 4.0 technologies, artificial intelligence (AI), robotics, and smart manufacturing solutions across Asia. Manufacturers are increasingly automating production processes to improve efficiency, address labor shortages, and enhance product quality, driving demand for motion control systems, industrial software, and integrated automation solutions. These trends provide a favorable long-term growth environment for ISDN's automation business.

(ii) Expansion of Asia's Manufacturing Base
The continued growth and diversification of manufacturing activities across China and Southeast Asia serve as another key growth driver. As companies expand production capacity and relocate supply chains within the region, demand for automation equipment, engineering solutions, and system integration services is expected to increase. ISDN's extensive regional presence, established customer relationships, and broad technology portfolio position the Group to benefit from increasing industrial investment and manufacturing expansion.

(iv) Indonesia’s Energy Transition Agenda
Indonesia’s government launched its Electricity Supply Business Plan (RUPTL) in 2025, providing a supportive backdrop to ISDN’s Renewable Energy business arm. ISDN aims to capitalize on Indonesia’s aim of adding 11.7 Giga Watts (GW) of capacity from hydropower generation. The Group entered several service concession arrangements through its 67.1% interest in Aenergy subgroup with Indonesian government authorities and agencies to build and operate mini-hydropower plants with concession periods of 25 years from the commercial operating date. Supported by rising regional electricity demand and favorable renewable energy policies, the expansion of the hydropower portfolio is expected to strengthen earnings visibility while improving the Group's long-term income resilience.

Source: Company

Source: Company

Risks

(i) Foreign Exchange Risks

ISDN is exposed to foreign exchange risk through its geographically diversified operations and, more notably, through its renewable energy investments in Indonesia. The company owns and operates mini-hydropower assets in various parts within Indonesia and has disclosed that unrealized foreign exchange losses arose from the revaluation of long-term receivables and payables associated with its Indonesian renewable energy business. ISDN reported that non-cash foreign exchange losses of S$4.5 million in FY2025 and S$3.2 million in 1H2025 were primarily attributable to fluctuations between the Singapore dollar, U.S. dollar, and Indonesian rupiah, while the company has also acknowledged investor concerns regarding rupiah exposure over the concession lives of its hydropower projects. Should the Indonesian rupiah depreciate materially against the Singapore dollar or U.S. dollar, ISDN could face further translation losses, lower reported earnings, and potential volatility in the valuation of its long-term assets and cash flows. While many of these losses may be accounting-related rather than operational, the impact is nevertheless material given that the FY2025 foreign exchange loss represented a significant proportion of the group's reported net profit, demonstrating that currency movements can meaningfully distort earnings.

(ii) Regulatory and Policy Risk

ISDN's business is closely tied to industrial automation, manufacturing, and renewable energy sectors across multiple Asian jurisdictions, exposing it to changing regulatory and policy environments. Its renewable energy operations in Indonesia depend on licenses, permits, concession agreements, power purchase arrangements, and ongoing compliance with local regulations. The Group previously disclosed that its hydropower projects required commissioning and permitting before entering commercial operation, while recent investments to expand hydropower capabilities in Indonesia further deepen its exposure to local regulatory requirements. A scenario involving delays in permit approvals, changes to renewable energy tariffs, revisions to foreign ownership rules, or stricter environmental requirements could delay project completion, increase costs, or reduce expected returns. Such developments would have a direct impact on ISDN's renewable energy earnings and capital returns. Although the automation business itself is relatively diversified across markets, the growing strategic importance of the renewable energy segment means that regulatory risks in Indonesia are becoming increasingly material, particularly as additional hydropower projects come online and contribute a larger share of recurring profits.

Risks

(iii) Competitive Risks
ISDN operates in the highly competitive industrial automation industry, competing against global leaders such as Siemens, ABB, Schneider Electric, Mitsubishi Electric, and numerous regional automation providers. The company itself has stated that it positions itself as a complementary regional player rather than attempting to compete head-on with global automation majors, while pursuing growth opportunities arising from the migration of manufacturing supply chains into Southeast Asia. However, competition could intensify if larger automation companies increase investments in Southeast Asia, engage in more aggressive pricing strategies, or bundle hardware, software, and services more effectively. ISDN could face pressure on margins, market share, and customer retention, particularly in high-growth segments such as semiconductor manufacturing, industrial robotics, AI-driven automation, and precision manufacturing. While ISDN's broad regional presence, local engineering expertise, and relationships with more than 10,000 customers provide some competitive advantages, sustained competitive pressure could limit revenue growth and profitability over time. Given that industrial automation remains the company's core business and primary earnings contributor, competitive risk should be considered highly material to its long-term valuation.

(iv) Macroeconomic Risks
ISDN's performance is ultimately linked to capital expenditure spending by manufacturers across China and Southeast Asia. Its automation solutions are sold into cyclical industries such as semiconductors, electronics, industrial robotics, machine tools, automotive, and precision manufacturing, all of which are sensitive to broader economic conditions and business confidence. The company has repeatedly highlighted that demand is being supported by trends such as AI, semiconductors, Industry 4.0, and supply-chain localization, but these same industries are also prone to investment cycles and periods of sharp demand correction. In a scenario where global economic growth slows, semiconductor demand weakens, or manufacturers defer capital expenditure projects, customers may delay automation investments, leading to lower order intake, weaker sales conversion, and reduced utilization across ISDN's operations. While the company's diversification across industries and geographies provides some resilience, a broad-based manufacturing downturn would likely affect both revenue growth and operating leverage. Given ISDN's exposure to cyclical end-markets and its dependence on industrial investment activity, macroeconomic risk remains one of the most material risks to its core automation business.

Valuation

ISDN enters FY2026 with an exciting growth prospect in its renewable energy business, following the strengthening of its capabilities through the acquisition of a 51% interest in PT Funda Konstruki Engineering. The acquisition complements ISDN's existing renewable energy operations, enabling the Group to capitalize on Indonesia's shift towards renewable energy. Looking forward, we expect the Group's renewable energy segment to deliver recurring, long-term contributions to ISDN's bottom line. Simultaneously, the Group's industrial automation segment is poised to ride the rapidly accelerating AI wave by leveraging its full-suite of solutions and strategic partnerships.

We forecast FY2026 gross profit to be S$133.3m, representing a gross margin of 27.9%, driven by the Group's growth across its motion control and precision manufacturing services, boosted by opportunistic ventures into renewable energy. As a result, Group net profit is forecasted at S$28.3m for FY2026, reflecting the Group's ability to translate top-line growth into institutional grade earnings.

FY2027 revenue is forecasted to be S$526.3m, reflecting the beginning of operations for the two new mini-hydropower plants, which have a historical gross margin of 91.5%. As a result, the Group's gross margin improved to 27.7%, consequently giving a gross profit of S$158.5m. This reflects a 19% YoY growth in gross profit. Therefore, we forecast FY27 Group net profit up 35.5% YoY to S$38.4m.

Applying a peer-average forward PER of 30.6x to our 2-year blended forward EPS forecast of S$0.0454, we initiate coverage with a **BUY** recommendation at a target price of S$0.97**,** implying an upside of 54% from currently levels. Our target price has taken into consideration a 30% discount to account for ISDN's relatively smaller market capitalization.

Company Name	Ticker	Market Cap (S$m)	Last Traded Price (S$)	T12M P/E	1-yr Fwd P/E
ISDN HOLDINGS LTD	**ISDN SP**	**285.6**	**0.63**	**42.0**	**16.3**
OMRON CORP	6645 JP	9,350.0	45.33	32.8	27.4
YASKAWA ELECTRIC CORP	6506 JP	11,649.0	43.68	42.2	28.7
AEM HOLDINGS LTD	AEM SP	3,147.5	9.85	182.7	46.2
GLOBAL POWER SYNERGY PCL	GPSC TB	5,314.9	1.88	19.7	24.2
B GRIMM POWER PCL	BGRIM TB	1,895.3	0.73	28.3	26.1
SIMPLE MEAN (EXCL. ISDN)	**-**	**6,271.3**	**-**	**61.2**	**30.6**

Source: Company Data, Bloomberg, SAC Capital

Board of Directors and Management Profile

Board of Directors

Name	Designation	Background
Heng Su-Ling Mae	Independent Non-Executive Director and Chairlady	Ms. Heng Su-Ling Mae has over 16 years of experience with Ernst & Young Singapore and has held numerous independent directorships in SGX-listed companies. She specializes in accounting, audit, financial reporting, and corporate governance. She holds a Bachelor of Accountancy from Nanyang Technological University. She is also a Fellow of the Institute of Singapore Chartered Accountants (ISCA).
Teo Cher Koon	Managing Director and President	Mr. Teo Cher Koon joined Servo Dynamics in 1987 and played a key role in growing ISDN from a local servo motor supplier into a leading industrial automation group across Asia. As Managing Director and President, he oversees the Group's strategy, operations, procurement, and technical development. He holds a Bachelor of Engineering (Mechanical) from the National University of Singapore. He brings more than 30 years of experience in motion control and industrial computing.
Toh Hsiang-Wen Keith	Non-Executive Director	Mr. Keith Toh is a Partner and Director at Novo Tellus Capital Partners, with significant experience in technology and industrial investments. Prior to this, he was a Principal at Francisco Partners and held engineering research roles at Stanford University and Singapore's Ministry of Defence. He holds a Bachelor of Science in Electrical Engineering from Stanford University. His expertise spans industrial automation, semiconductors, software, and advanced manufacturing.
Kong Deyang	Executive Director	Mr. Kong Deyang joined the Group's China operations in 1995 and has been responsible for driving and managing ISDN's business expansion in China. He oversees both strategic development and day-to-day operations of the Group's China subsidiaries. He holds a Degree in Optical Engineering from Beijing Technical University. He was awarded the "Young and Middle-aged State-ranking Experts with Outstanding Contribution" award by the China State Council.
Sho Kian Hin	Independent Non-Executive Director	Mr. Sho Kian Hin has more than 20 years of experience in finance, regulatory compliance, fundraising, mergers and acquisitions, and corporate restructuring. He previously served as Executive Director and Chief Financial Officer of China Farm Equipment and earlier worked at Ernst & Young. He is a Fellow of the Association of Chartered Certified Accountants (FCCA). He currently serves as an independent director on several SGX-listed companies.
Lim Teck Chai, Danny	Independent Non-Executive Director	Mr. Lim Teck Chai, Danny has more than 26 years of experience in the legal industry and is currently an equity partner in Rajah & Tann Singapore LLP. He has a wide range of experiences in acquisitions, investments, takeovers, initial public offerings and restructurings. Mr. Lim has a Bachelor of Law (Honours) degree from the National University of Singapore and a Master of Science (Applied Finance) degree from the Nanyang Technological University. He is also a member of the Law Society of Singapore.

Key Management

Name	Designation	Background
Lau Choon Guan	Group Vice President – Sales (Motion Control)	Mr. Lau joined ISDN in 1991 as a Sales Engineer and progressed through various sales and marketing leadership roles before being appointed Vice President in 2005. He holds a Technician Diploma in Electrical Engineering from Singapore Polytechnic. He also served as a committee member of the Smart Automation Technology Industry Group under the Singapore Manufacturing Federation.
Wong Kwek Whye Peter	Vice President	Mr. Wong joined Servo Dynamics in 1996 as an Application Manager and has over 20 years of experience in sales, marketing, product development, technical support, and training within the motion control industry. He holds a Master of Technology (Software Engineering) from the National University of Singapore. He is also actively involved in developing technical capabilities within the Group.
Tay Geok Kee	Group Chief Technology Officer	Mr. Tay joined ISDN in 2019 as General Manager of ISDN Software Business and was promoted to Group Chief Technology Officer in 2022. Prior to ISDN, he spent nearly a decade as Technical Director at AVEVA Software Singapore and previously held technical leadership roles at Wonderware Singapore. He holds a Master of Science in Electrical Engineering from the National University of Singapore.
Ho Ting Wai Christine	Group Chief Financial Officer	Ms. Ho joined ISDN in 2016 and oversees the Group's accounting, finance, compliance, taxation, internal controls, and reporting functions. Before joining ISDN, she held finance leadership positions in listed and private companies and previously worked at KPMG Singapore, where she specialised in auditing and corporate finance. She holds a First-Class Honours Degree in Accounting from the University of Essex, United Kingdom.

Sustainability

Sustainability remains an integral part of ISDN's long-term growth strategy, embedded across the key Environmental, Social and Governance (ESG) pillars.

Environment (E)

ISDN Holdings has actively demonstrated its commitment to protecting the environment. The Group does so by supporting green energy initiatives through investments in sustainable energy solutions, such as the commissioning and commercial operation of mini-hydropower plants in Indonesia. The Group also monitors and transparently reports data on energy consumption, including the usage of fossil fuels and electricity. Furthermore, the Group is implementing policies to promote sustainable water and wastewater management practices in operations, while monitoring progress using clearly defined metrics and objectives to assess the effectiveness of policy execution. ISDN Holdings is also committed to minimizing negative environmental impacts by facilitating the development of industrial products through cost-saving processes. In FY2025, the Group abided by relevant environmental laws and regulations in operating regions, such as the Environmental Protection Law of the People's Republic of China, Law of the People's Republic of China on Prevention and Control of Water Pollution, and the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes. Additionally, the Group complied with relevant environmental laws concerning air and GHG emissions, discharges into water and land, generation of hazardous and non-hazardous wastes. The Group aims to achieve carbon neutrality by 2060, implementing various initiatives targeted at mitigating its environmental footprint.

The Group acknowledges that materials procured through its supply chain can significantly impact its sustainability performance and the ecosystem. Hence, the Group defines environmentally preferrable products as those produced by suppliers focusing on energy optimization, strict adherence to relevant environmental standards, and minimal adverse environmental impacts.

Sustainability (cont'd)

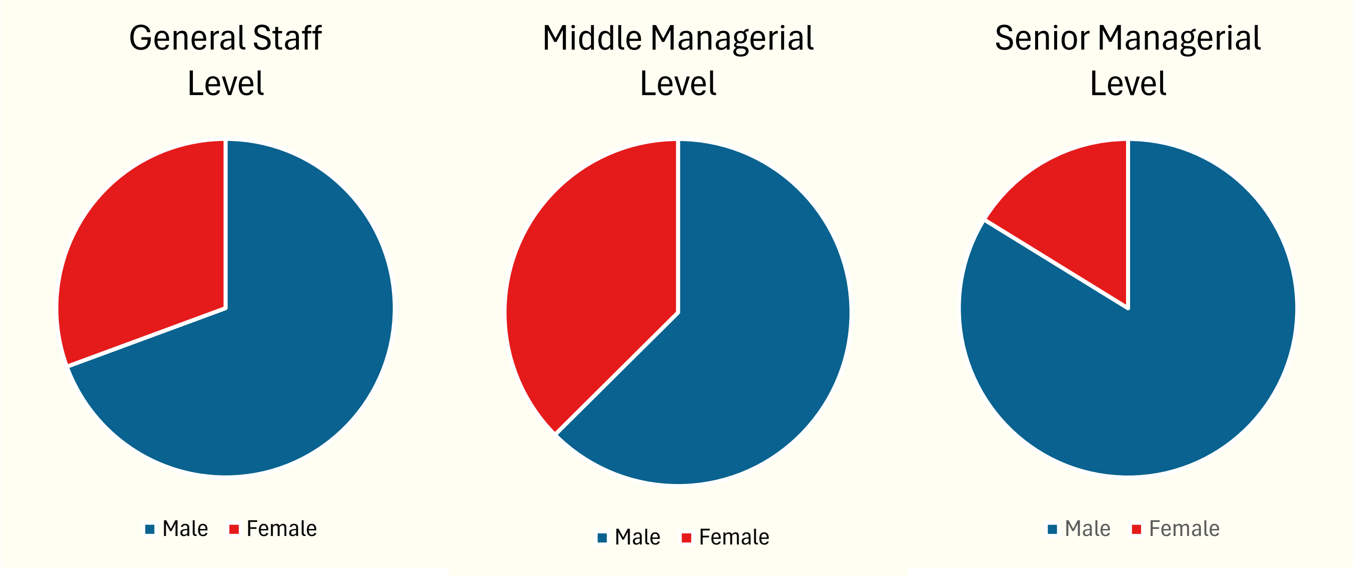
Social (S)

In FY2025, the Group employed a total of 1,366 employees and continued to place high value on workforce diversity, employing individuals from various age groups and ethnic backgrounds. The Group also strives to enhance employee retention and strengthen diversity across its workforce. In FY2025, the male-to-female ratio stood at 69:31, compared to 68:32 in FY2024.

To foster an inclusive and equitable workplace, the Group upholds internal policies that provide equal opportunities for all employees across key areas, including recruitment, training and development, career advancement, remuneration, and benefits. The Group adopts a fair and equitable remuneration approach, with compensation determined based on objective factors such as educational qualifications, industry experience, and interpersonal skills.

The Group remained committed to complying with all applicable labour regulations. With respect to its Singapore operations, the Group complied with the Employment Act (Chapter 91) of Singapore (EA), the Central Provident Fund Act, and the Employment of Foreign Manpower Act (Chapter 91A) of Singapore (EFMA) throughout FY2025

Gender Breakdown by Position



Source: Company Data. SAC Capital

Sustainability (cont’d)

Governance (G)

The Group has aligned itself with several segments of the Global Reporting Initiative (GRI) Framework. The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Group. The Group also adheres to the relevant laws and regulations on anti-corruption and bribery in its areas of operations, including the Prevention of Corruption Act (Singapore) and the Prevention of Bribery Ordinance (Chapter 201 of The Laws of Hong Kong). ISDN Holdings is dedicated to maintaining the highest standards of corporate governance, prioritizing integrity and accountability to ensure all business activities are conducted with transparency and honesty.

Confidential whistleblowing channels have been instituted by the Group to enable the reporting of concerns regarding bribery, extortion, fraud, money laundering, conflict of interest, criminal offences, illegal or injustice practices, health or safety endangerment and concealment behavior. Whistleblowers can submit reports without fear of reprisal or victimization as strict confidentiality safeguards are in place. The whistleblowing policy offers multiple reporting channels, including direct dialogue with superiors, email to any of the Group’s Managing Directors, President, or the Chairman of the Audit Committee, and a postal option who are concerned about reporting through email or direct communication.

SAC CAPITAL

Income Statement

FYE Dec (S$m)	2023	2024	2025	2026E	2027E
Revenue	**341.8**	**372.4**	**440.2**	**478.6**	**526.3**
Cost of sales	(250.6)	(277.5)	(335.0)	**(345.3)**	**(367.8)**
Gross profit	**91.1**	**94.9**	**105.2**	**133.3**	**158.5**
Other operating income	4.8	4.2	3.8	**4.1**	**3.8**
Distribution costs	(26.3)	(29.8)	(32.8)	**(35.6)**	**(39.2)**
Administrative expenses	(40.4)	(41.8)	(41.8)	**(45.4)**	**(50.0)**
Net impairment losses on financial assets	(1.6)	(0.1)	(0.1)	**-**	**-**
Other operating expenses	(3.7)	(1.8)	(7.7)	**(8.4)**	**(9.2)**
Finance costs	(4.4)	(5.5)	(5.3)	**(5.6)**	**(6.7)**
Share of loss of associates, net	(0.7)	(0.6)	(0.3)	**(0.5)**	**(0.5)**
Profit before income tax	**18.9**	**19.7**	**21.1**	**41.8**	**56.7**
Income tax	(7.7)	(5.7)	(7.5)	**(13.5)**	**(18.3)**
Profit for the year	**11.2**	**14.0**	**13.6**	**28.3**	**38.4**
Profit for the year attributable to:					
Equity holders of the Company	**5.0**	**8.5**	**6.8**	**17.5**	**23.7**
Non-controlling interests	6.2	5.4	6.8	10.9	14.7

Balance Sheet

FYE Dec (S$m)	2023	2024	2025	2026E	2027E
ASSETS					
Non-current Assets					
Property, plant and equipment	63.2	65.8	66.0	64.6	63.4
Investment properties	0.4	0.4	0.4	0.3	0.3
Land use rights	1.0	1.0	1.8	1.8	1.8
Goodwill	12.2	12.9	15.7	15.7	15.7
Associates	5.3	6.7	6.4	6.6	6.7
Service concession receivables	70.5	81.7	123.9	150.1	181.6
Other financial assets	0.9	0.6	-	-	-
Deferred tax assets	0.3	0.4	0.4	0.4	0.4
Total non-current assets	**153.8**	**169.4**	**214.6**	**239.5**	**270.0**
Current Assets					
Inventories	73.0	67.4	65.6	63.6	59.2
Trade and other receivables and contract assets	110.6	119.5	108.4	130.0	143.0
Service concession receivables	3.0	3.0	3.0	3.0	3.0
Cash and bank balances	60.0	56.5	68.1	62.5	69.9
Total current assets	**246.7**	**246.4**	**245.1**	**259.0**	**275.1**
Total Assets	**400.4**	**415.8**	**459.8**	**498.6**	**545.1**
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	84.8	85.5	86.8	86.8	86.8
Reserves	113.9	121.3	123.1	136.2	154.0
Non-controlling interests	42.0	40.5	43.6	48.4	54.5
Total Equity	**240.7**	**247.2**	**253.5**	**271.4**	**295.3**
Non-current Liabilities					
Bank borrowings	56.0	48.9	44.0	51.3	58.6
Lease liabilities	5.0	5.9	5.4	3.6	1.7
Deferred tax liabilities	0.6	0.6	0.5	0.5	0.5
Total non-current liabilities	**61.6**	**55.4**	**50.0**	**55.4**	**60.9**
Current Liabilities					
Bank borrowings	19.7	21.2	32.6	39.9	47.2
Lease liabilities	1.4	1.9	2.0	1.2	0.4
Trade and other payables	64.6	74.7	103.3	106.4	113.4
Contract liabilities	10.8	13.8	16.6	19.9	21.9
Current tax liabilities	1.7	1.6	1.8	4.2	5.9
Total current liabilities	**98.1**	**113.2**	**156.3**	**171.7**	**188.9**
Total Liabilities	**159.8**	**168.6**	**206.3**	**227.2**	**249.8**
Total Equity and Liabilities	**400.4**	**415.8**	**459.8**	**498.6**	**545.1**

Cash Flow Statement

FYE Dec (S$m)	2023	2024	2025	2026E	2027E
Cash Flows from Operating Activities					
Profit before income tax	**18.9**	**19.7**	**21.1**	**41.8**	**56.7**
Adjustments for:					
Allowance for impairment of trade and other receivables	1.7	0.1	0.3	0.3	0.3
Allowance for inventories obsolescence	0.9	1.5	2.4	2.3	2.2
Amortisation of land use rights	0.0	0.0	0.0	0.0	0.0
Depreciation of investment properties	0.0	0.0	0.0	0.0	0.0
Depreciation of property, plant and equipment	5.6	6.5	7.2	7.3	7.1
Gain on termination of leases	-	(0.0)	(0.0)	-	-
Interest expense	4.4	5.5	5.3	5.6	6.7
Interest income	(0.3)	(0.3)	(0.2)	(0.3)	(0.3)
Inventories written off	0.0	0.0	0.0	0.0	0.0
Loss/(Gain) on disposal of property, plant and equipment, net	(0.0)	(0.2)	0.0	-	-
Loss on deemed disposal of interest in an associate	-	0.0	-	-	-
Property, plant and equipment written off	0.0	0.0	0.0	-	-
Reversal of over provision of share-based payment	-	-	-	-	-
Share of loss of associates, net	0.7	0.6	0.3	0.4	0.4
Trade and other receivables written off	0.2	0.0	-	-	-
Write back of allowance for impairment loss on trade and other receivables	(0.2)	(0.1)	(0.1)	-	-
Write back of allowance for inventories obsolescence	(0.1)	-	(0.1)	-	-
Foreign currency loss/(gain) on translation of foreign operations	1.4	(1.1)	4.5	-	-
Operating cash flow before working capital changes	32.3	32.3	40.7	57.6	73.2
Changes in working capital:					
Inventories	7.4	4.3	(0.5)	(2.0)	(4.4)
Trade and other receivables	(14.4)	(4.2)	16.5	(21.6)	(13.0)
Trade and other payables	(39.6)	8.0	17.8	3.2	6.9
Cash generated from operating activities before service concession arrangements	(13.8)	40.3	74.4	37.1	62.8
Change in receivables from service concession arrangements	3.5	(11.2)	(42.3)	(21.0)	(23.0)
Cash generated from operations after service concession arrangements	(10.3)	29.1	32.1	16.1	39.8
Interest paid	(4.2)	(5.2)	(4.4)	(5.6)	(6.7)
Interest received	0.3	0.3	0.2	0.3	0.3
Income tax paid	(10.0)	(5.9)	(7.4)	(11.1)	(16.6)
Net cash generated from operating activities	**(24.1)**	**18.4**	**20.6**	**(0.3)**	**16.8**
Cash Flows from Investing Activities					
Acquisition of land use rights	-	-	(0.9)	-	-
Dividend from associates	0.3	0.0	0.1	0.1	0.1
Net cash outflow on acquisition of subsidiaries	-	(0.4)	(1.2)	-	-
Proceeds from disposal of property, plant and equipment	0.0	0.9	0.2	-	-
Purchase of property, plant and equipment	(4.4)	(7.5)	(5.8)	(5.9)	(5.9)
Net cash used in investing activities	**(4.0)**	**(6.9)**	**(7.6)**	**(5.8)**	**(5.8)**
Cash Flows from Financing Activities					
Decrease in fixed deposit pledged and restricted bank deposit	1.6	0.4	0.4	0.4	0.4
Dividends to equity holders of the Company	(1.7)	(0.5)	(0.7)	(4.4)	(5.9)
Dividends to NCI	(6.4)	(5.7)	(4.4)	(7.1)	(9.6)
Interest expense on lease liabilities	(0.2)	(0.3)	(0.3)	(0.2)	(0.2)
Investment in associates	-	(2.2)	(0.0)	(0.7)	(0.7)
Proceeds from bank borrowings	57.1	9.3	28.4	31.6	31.6
Proceeds from NCI	-	2.7	0.3	1.0	1.0
(Repayment)/Proceeds from trust receipts and other borrowings, net	(2.8)	1.5	(0.4)	(0.6)	(0.6)
Repayments of bank borrowings	(12.5)	(16.7)	(21.9)	(17.0)	(17.0)
Repayments of lease liabilities, net	(2.3)	(2.6)	(3.0)	(2.6)	(2.6)
Net cash used in financing activities	**32.8**	**(14.0)**	**(1.6)**	**0.4**	**(3.6)**
Net increase/(decrease) in the cash and cash equivalents	**4.7**	**(2.6)**	**11.3**	**(5.7)**	**7.5**
Cash and cash equivalents at the beginning of the year	**54.1**	**59.3**	**56.1**	**68.1**	**62.5**
Effect of currency translation on the cash and cash equivalents	0.5	(0.5)	0.7	-	-
Cash and cash equivalents at the end of the year	**59.3**	**56.1**	**68.1**	**62.5**	**69.9**

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