

THE GLOBAL LOCAL TIC • THE COMPLIANCE CATALYST

Defensive Growth in Uncertain Times

DECARBONOMICS

Shaping a sustainable future



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PAST PERFORMANCE

This presentation includes information regarding the past performances of the Company and the Group. Investors should be aware that past performance is not indicative of future performance.

• Presenters



Dr Louis Ooi
CEO



Allen Cheong CFA
**Head of Sustainability &
Capital Markets**

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Business Overview



DECARBONOMICS

Shaping a sustainable future



• Introduction

- LMS Compliance Ltd is the **only SGX-listed** provider of testing, inspection, certification and assurance services (**TICA**), helping businesses meet regulatory, quality, safety and sustainability requirements.
- With operations across **Southeast Asia**, LMS serves customers from a wide range of industries through laboratory testing, management system certification, product certification, inspection and sustainability-related services.
- Our business benefits from recurring compliance needs, increasingly stringent regulations and growing corporate focus on quality, safety and environmental performance.
- LMS continues to expand its **regional presence** and service capabilities, including carbon measurement, verification and other sustainability solutions. Through organic growth, strategic partnerships and acquisitions, the Group aims to strengthen its position as a **trusted regional compliance and assurance platform**.

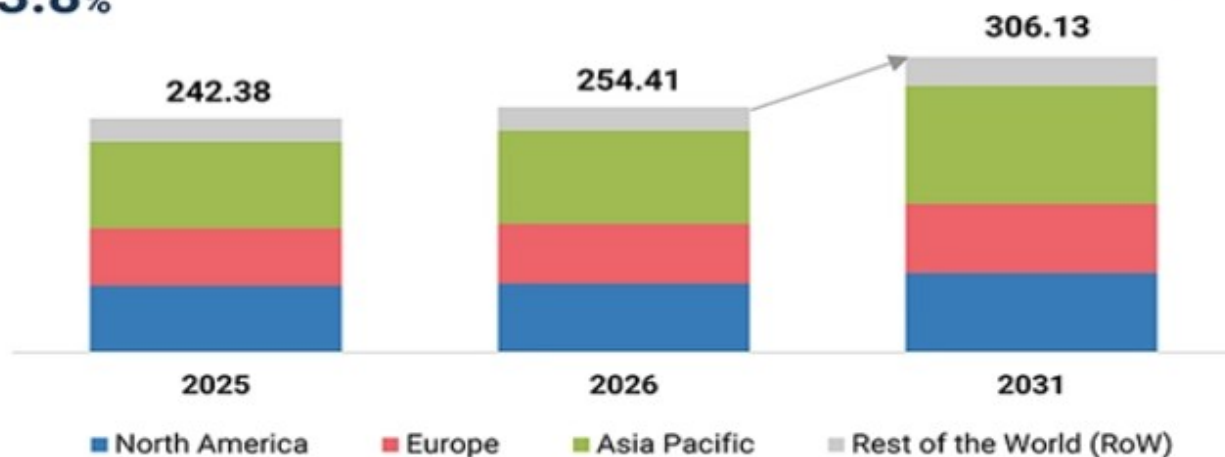
• TIC market

TIC market to grow **3.8% CAGR** from 2026 to 2031 to US\$306 B, with **Asia Pacific** the fastest growing region

TESTING, INSPECTION, AND CERTIFICATION (TIC) MARKET: SIZE & SHARE

CAGR (2026–2031)
3.8%

MARKET SIZE
USD BN



MARKET SNAPSHOT

Market Size in 2025 (Value)	USD 242.38 BN
Market Forecast in 2031 (Value)	USD 306.13 BN
CAGR	3.8%
Years Considered	2022–2031
Base Year	2025
Forecast Period	2026–2031
Unit Considered	Value (USD BN)
Fastest-growing Region	Asia Pacific

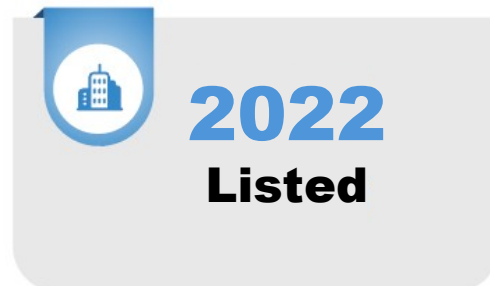
Source: Secondary Research, Interviews with Experts, MarketsandMarkets Analysis

Corporate Profile

LMS Compliance (SGX: LMS) is an established TICA group with **more than 20 years of operational experience**. With over 80% of the Group's revenue coming from its testing and assessment segment attributable to repeat customers, LMS enjoys **high earnings visibility**.

Company Operating At Regional Scale

**Science-based
company**



• Company Milestone

Listing in
Singapore on 1
Dec 2022



Product Portfolio



LMS Compliance Ltd.

TESTING & ASSESSMENT

ISO/IEC 17025 accredited laboratories provide laboratory testing and assessment services to assist customers in achieving compliance with industry standards and ensure consumer product safety



CERTIFICATION

ISO17021 accredited certification body provides audit and management system certification services such as ISO9001-2015, ISO22000-2018 and MS1480-2019



HACCP, GMP, ISO22000,
ISO9000, ISO45001

REGULATORY CONSULTATION

Trading and distribution of chemicals, testing equipment, laboratory consumable items, and other products



CONFORMITY ASSESSMENT TECHNOLOGY

Marketing and distribution of the Group's online cloud-based applications, which are developed in-house

Ukinz Uizenz
Usinz Uhorz
Ubayz

ASSURANCE, VALIDATION & VERIFICATION

Partnering with legal experts and enlisting the help of chartered accountants, ESG (Sustainability) reporting service will be made available to the global market subject to the GRI, SASB, TCFD, and SGX 27 Core Metrics



STANDARDS
MALAYSIA

Industries and Footprint

Our clients span across a multitude of sectors in 10 countries:

- 1 Food (Novel)
- 2 Feed
- 3 Fertiliser
- 4 Pharmaceutical
- 5 Medical devices
- 6 Healthcare
- 7 Industrial
- 8 Greentech



 SINGAPORE

 MALAYSIA

 CHINA

 DUBAI

 JAPAN

 INDONESIA

 THAILAND

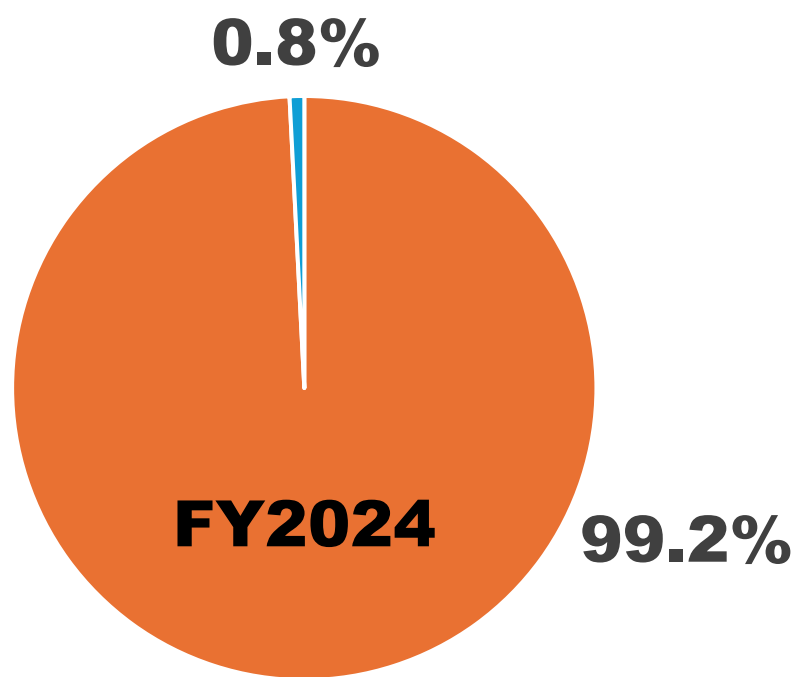
 AUSTRALIA

 CAMBODIA

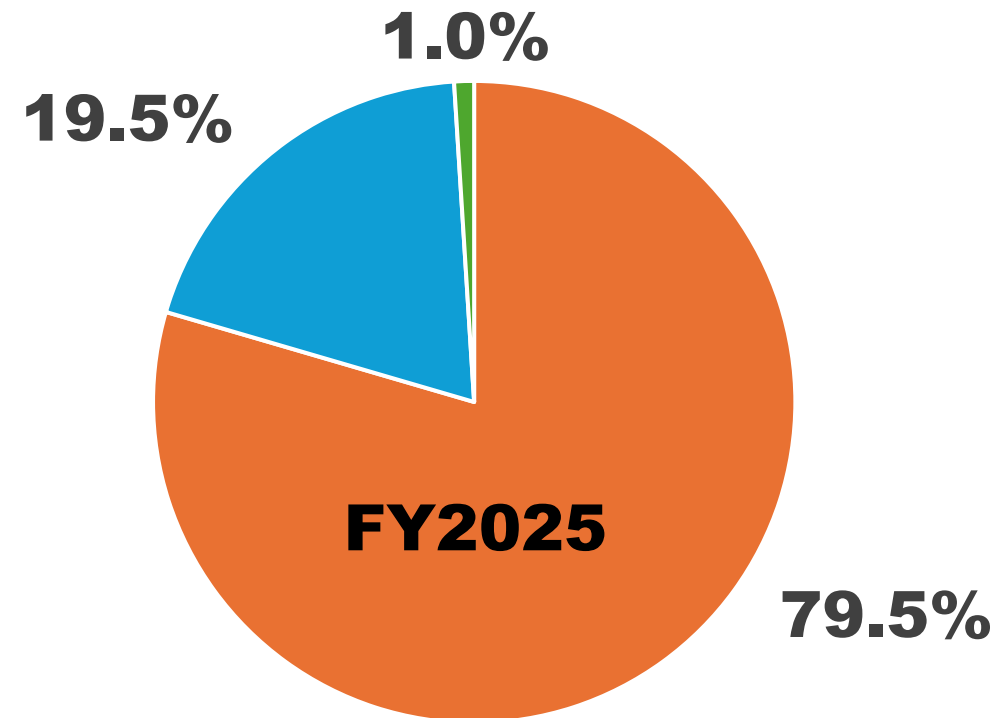
Our services allow businesses, their customers, regulators, and other stakeholders to assess the quality and safety of products or materials, validate whether the manufacturing process is achieving its intended outcomes, and check for compliance with the applicable standards and regulations.

Geographical revenue mix

Significant contribution to China market in FY2025 due to M&A access to China's novel food certification market



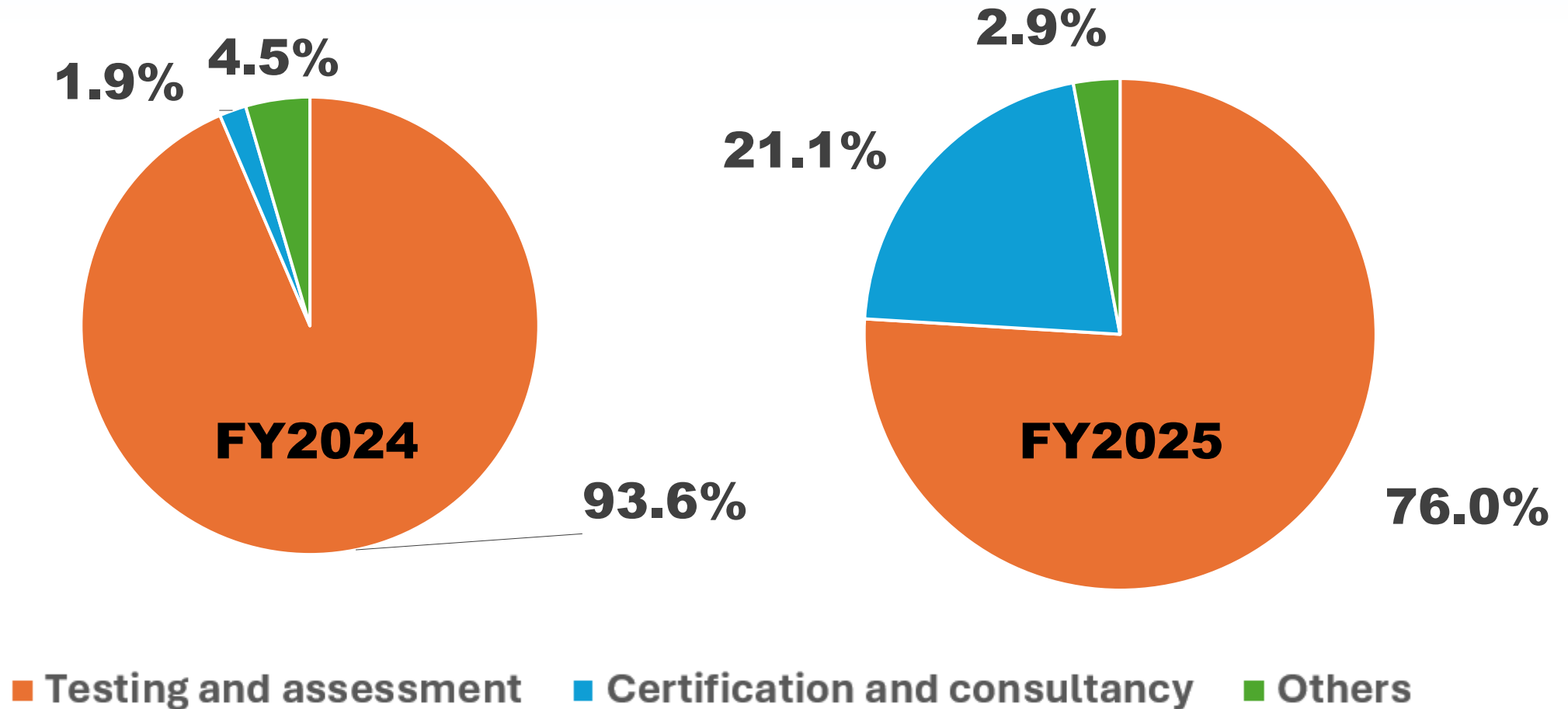
■ Malaysia ■ Others



■ Malaysia ■ China ■ Others

Revenue mix by business

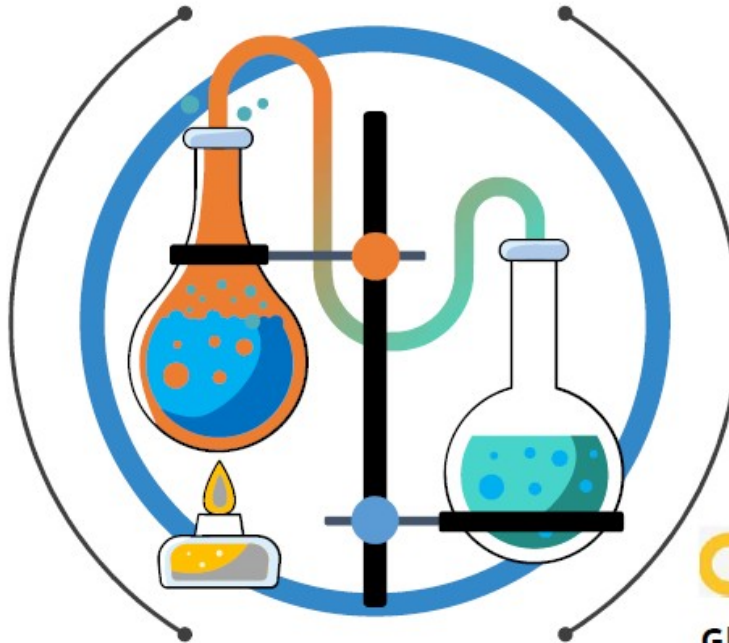
Significant increase in Certification business in FY2025 due to M&A access to China's novel food certification market



• Compliance as a Service (CaaS)

akinz

Digital **laboratory information management system** to streamline and digitalise laboratory operations



izenz

Document Management System: Cloud-based one-stop automated workflow ISO certification platform that enhances the efficiency of certification process for businesses

isinz

Global real-time surveillance and access to data (such as safety and hygiene information about products or premises) through QR code.

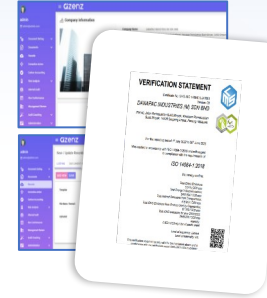
Our Decarbonisation Journey

GREEN100

2023: Launched ESG assurance services focusing on sustainability reporting and carbon accounting, licensed by AA1000AS 000-460 standard



2024: Launched 3-in-1 aizenz carbon accounting workshops and onboarding more 50 clients in Singapore and Malaysia.

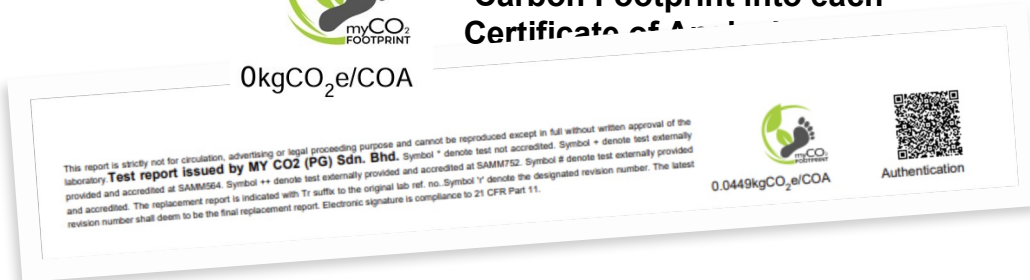


2025: Obtained Duo Accreditation from SAC and Standard Malaysia as an accredited Verification and Validation Body (VVB)



0kgCO₂e/COA

2023: Introduced Product Carbon Footprint into each Certificate of Assurance



2024: Adoption of ISSB framework for FY2024 Sustainability Report, addressed Sustainability and Climate-related risks and opportunities (IFRS S1 and S2)



Won 2 AMMI's ESG Awards in ESG Innovation and Governance.

Carbon Calculation Software on SBF NetZeroHub

NetZeroHub.SG

Home ▾

Plan ▾

Learn ▾

Connect ▾

+

🔍

Allen Cheong ▾

Upgrade

Carbon Calculator Software

"You cannot manage what you do not measure," said legendary management consultant Peter Drucker.

Regulators, investors, financial institutions, customers, employees and other stakeholders are requiring organisations to measure their greenhouse gas emissions as part of climate-related disclosures. By developing a better understanding of your operations and value chains, you will be able to identify your organisation's emission hotspots, make informed sustainability decisions based on actionable data, and work more effectively towards reducing emissions.

Carbon calculators are digital tools which can help your organisation measure your greenhouse gas (GHG) emissions. By inputting data about your operations and value chain, these calculators can automatically estimate

The following digital solution providers have partnered with SEFR and are committed to making SEFR data available on their platforms so that their Singapore-based users benefit from using Singapore-specific emission factors for the consistency of their emissions measurements.

Use the filter options on the left to search for a calculator which best fits your needs.



All

Show All

I am a...

SME | Large Enterprise

I am interested in coverage for...

Scope 1 and 2 only | Scope 1, 2, and 3

I am looking for a calculator that costs...

Free | Below \$10,000 Per Annum | Above \$10,000 Per Annum | Free Calculator

I am interested in the following services...

Target Setting Services | Others | Carbon Calculator | Consulting Services | Decarbonisation Strategy | Peer Benchmarking | Sustainability Reporting Services

Search... 🔍

ASUENE

☐ Add to Compare

Asuene

Asuene APAC Pte. Ltd.

Asuene is a leading cloud-based SaaS platform specializing in carbon reporting for over 6,000 companies. Based in Japan and backed by investors like SMBC and Sony, Asuene combines AI-OCR technology with expert consultancy to streamline sustainability efforts across enterprises and SMEs.



aizenz

☐ Add to Compare

aizenz

LMS Compliance Ltd

Designed for Measurement. Built for Verification - Aizenz carbon accounting stands out by delivering audit-ready measurement, transparent reporting, and built-in verification workflows that align with leading GHG standards. By digitising data capture, automating calculations across Scopes 1-3 (activity and spend-based), and enabling traceable evidence management, Aizenz accelerates credible emissions disclosures more efficiently and reliably than many basic carbon calculators.



carbon compaz

☐ Add to Compare

Carbon Compaz

DLABS PTE. LTD.

Carbon Compaz is a SaaS platform that helps built environment businesses monitor, analyze, and reduce carbon emissions. It can integrate with BMS for automated reporting, offers real-time tracking, and provides data insights to support sustainability goals and improve operational efficiency.

Accredited by SAC



BY Enterprise
Singapore

ACCREDITATION SCHEME FOR
VALIDATION AND VERIFICATION BODIES

Number : VB-2025-07
Date of Issue : 28 April 2025
Date of Expiry : 27 April 2029

Certificate of Accreditation

This certifies that

SG CO2 PTE. LTD.
380 Jalan Besar
#07-10 ARC 380
Singapore 209000

is accredited by the Singapore Accreditation Council to

ISO/IEC 17029:2019, ISO 14065:2020, ISO 14066:2023, ISO 14064-3:2019

for the specific scope as detailed in the attached schedule.

On behalf of the Singapore Accreditation Council
Amos Leong
Chairman

This Certificate is awarded subject to the organisation's compliance with the stated criteria and terms and conditions laid down by the Singapore Accreditation Council.

This Certificate may not be reproduced except with the written permission of the Chairman.

This is a computer-generated document. No signature is required.

This Certificate is granted pursuant to Regulation 7(2) of the Enterprise Singapore Board (Conformity Assessment) Regulations 2018.

Scan to verify details

ACCREDITATION SCHEME FOR
VALIDATION & VERIFICATION BODY

Schedule

SG CO2 Pte. Ltd.
380 Jalan Besar
#07-10 ARC 380
Singapore 209000

Certificate No. : VB-2025-07
Issue No. : 3
Date : 25 May 2026
Expiry of Certificate : 27 April 2029
Page : 1 of 2

The accreditation covers the following scopes:

Verification at the Organisation Level

Sectors	Main Accreditation Criteria	Verification Criteria
- Agriculture, Forestry and Other Land Use (AFOLU) - Aluminium Production - Chemical Production - General - General Manufacturing (physical or chemical transformation of materials or substances into new products) - Metals Production - Mining and Mineral Production - Oil and Gas Exploration, Extraction, Production and Refining, and pipeline distribution, including Petrochemicals - Power Generation and Electric Power Transactions - Pulp, Paper and Print - Transport - Waste handling and disposal	ISO/IEC 17029:2019 ISO 14065:2020 ISO 14066:2023 ISO 14064-3:2019	ISO 14064-1:2018

Schedule

Certificate No. : VB-2025-07 Issue No. : 3
Date : 25 May 2026 Page : 2 of 2

Verification of Carbon Footprint of Product

Sector	Main Accreditation Criteria	Verification Criteria
Verification of Carbon Footprint of Product	ISO/IEC 17029:2019 ISO 14065:2020 ISO 14066:2023 ISO 14064-3:2019	ISO 14067:2018

Foreign location from which key activities are performed: Nil

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Financial Highlights

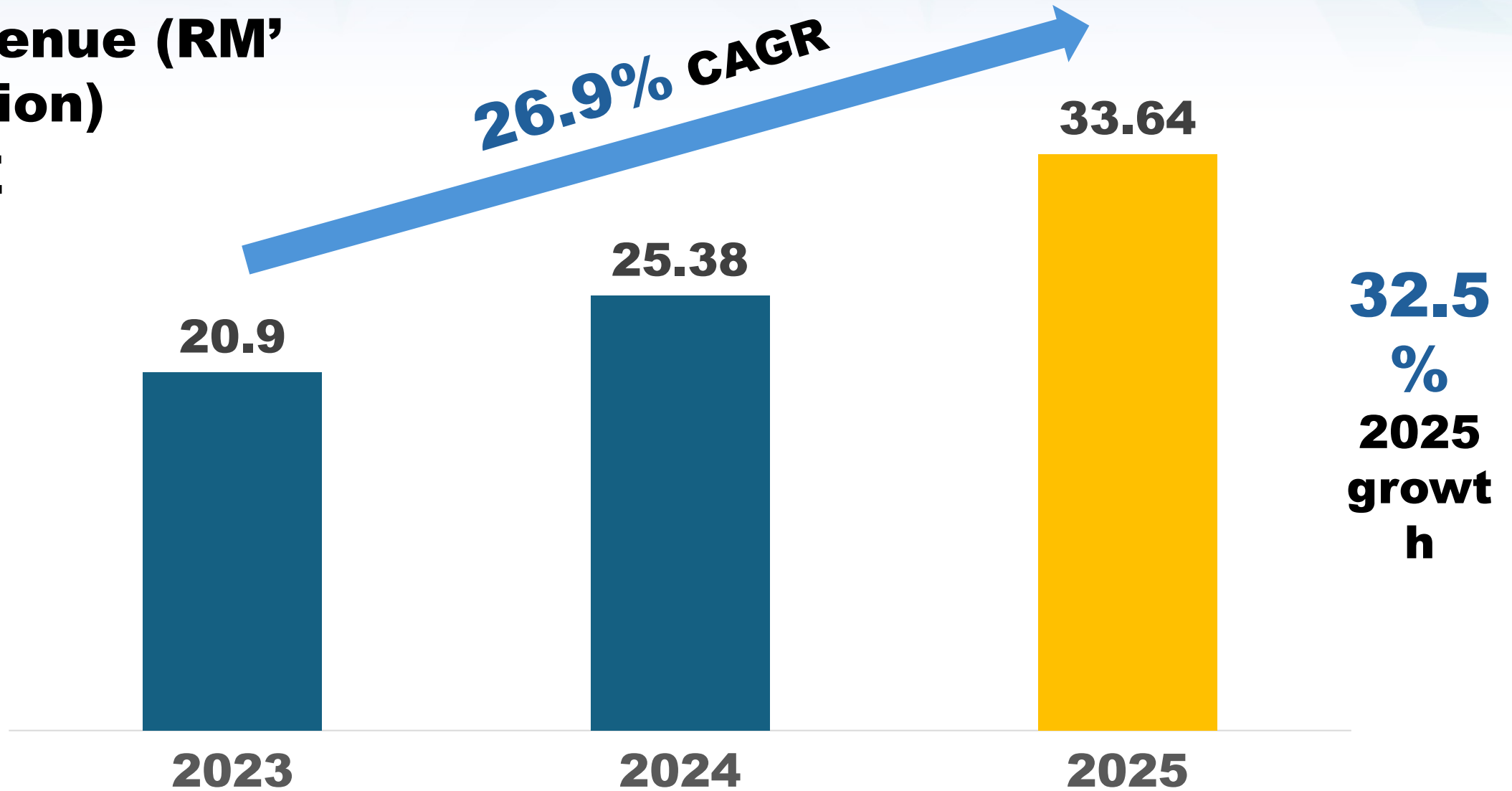
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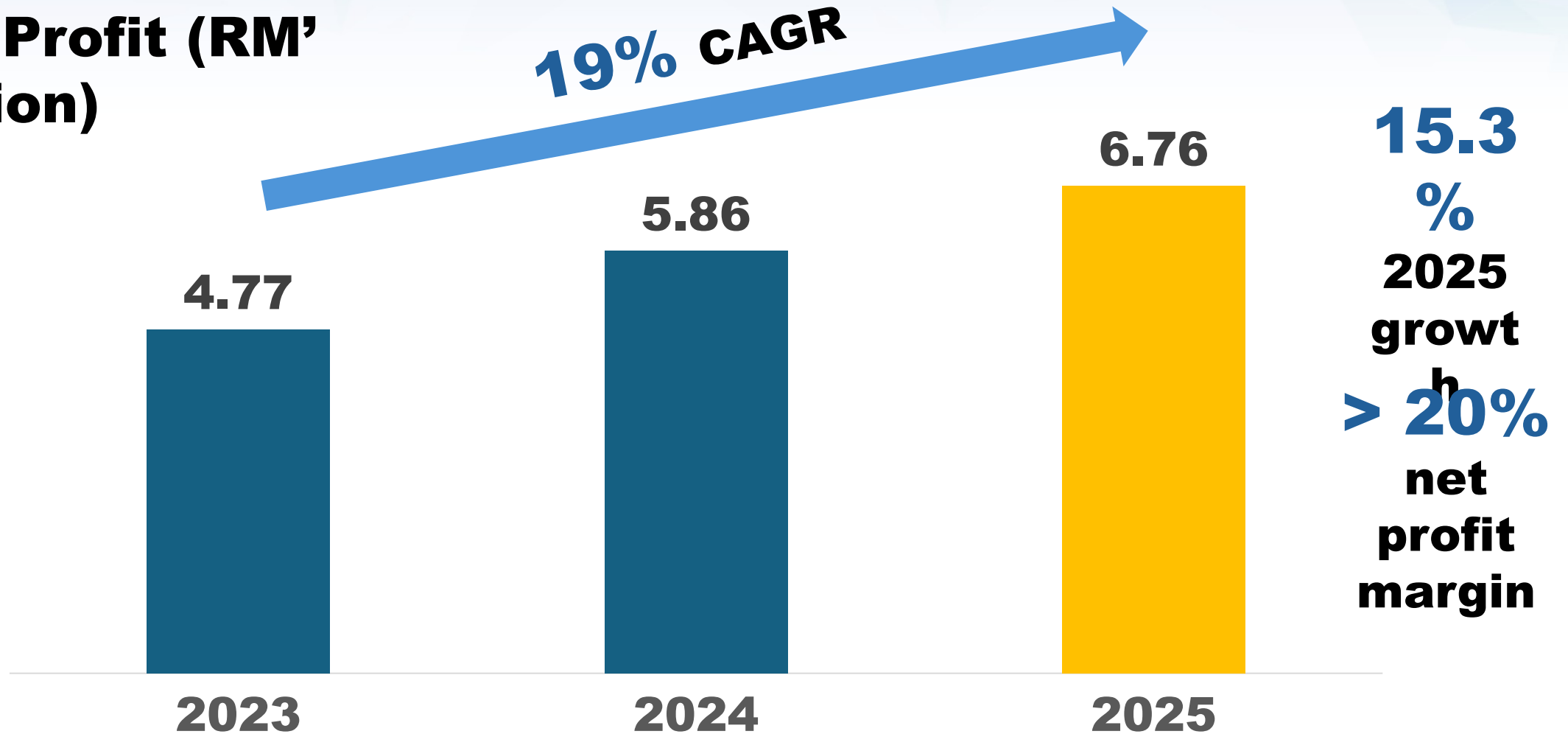
• Strong financial performance

**Revenue (RM'
million)
Dec
FYE**



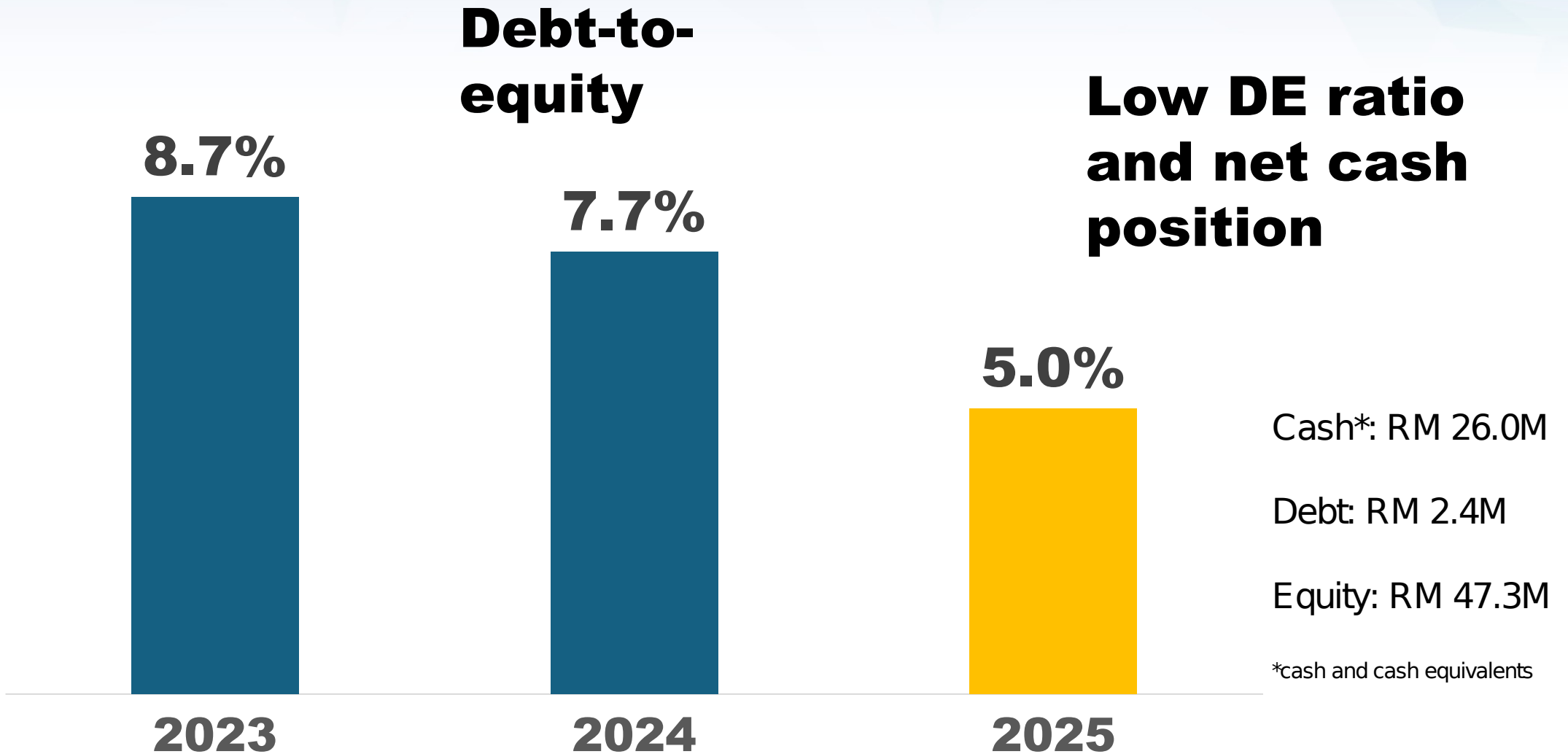
• Strong financial position

**Net Profit (RM'
million)
Dec
FYE**



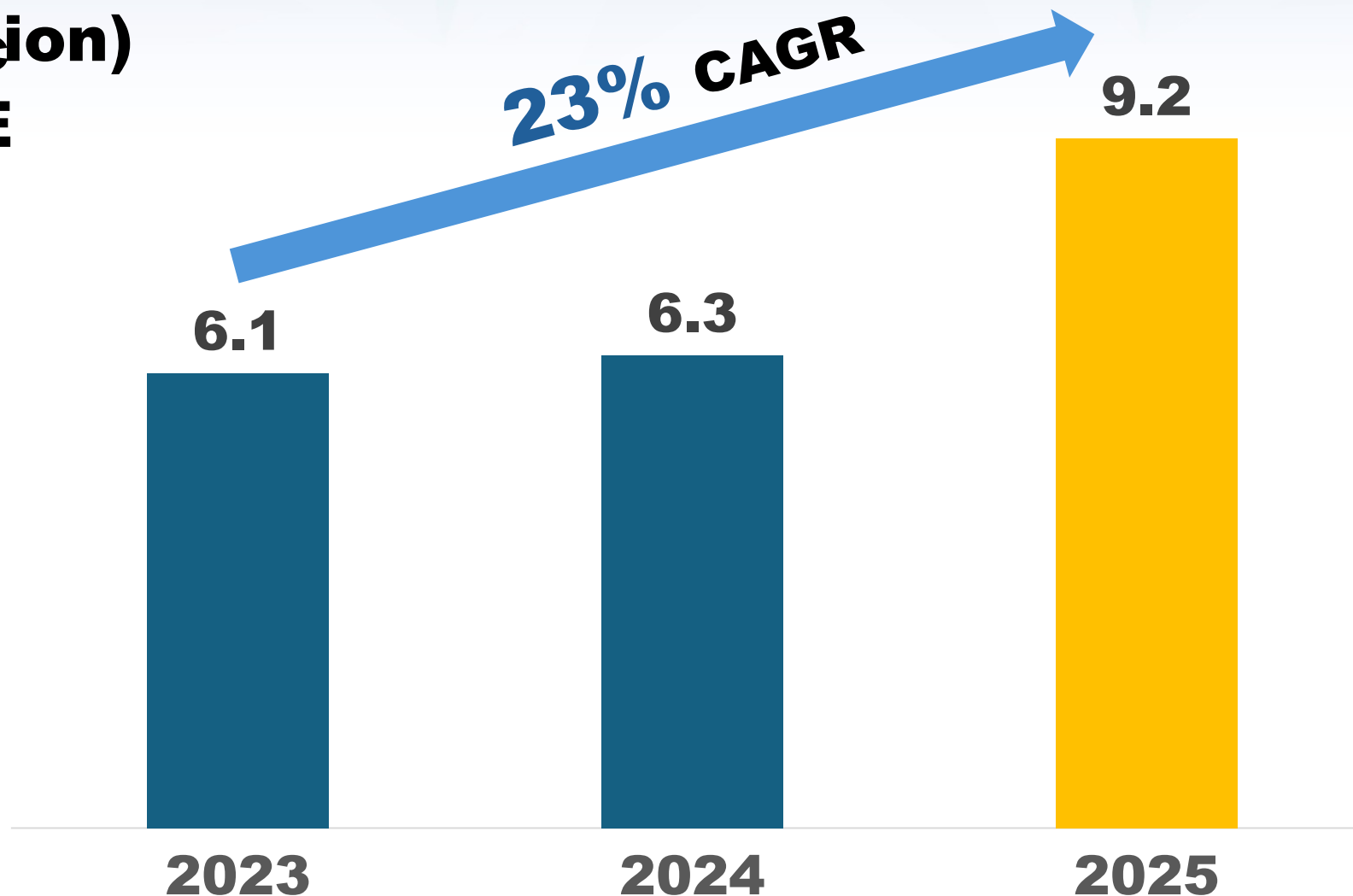
FY2023 and FY2024 net profit adjusted for forex differences

• Minimal debt



• Positive operating cashflow

Operating CF (RM'
million)
Dec
FYE



**Cash
generativ
e
business**

**80%
repeated
customer
s**

1H FY2026 results

Announced on 5 August 2026

In RM million (except for per share items)	1H FY2026	1H FY2025	y-o-y % change
Revenue	18.19	12.95	40.5%
Profit before income tax	5.15	4.06	26.8%
Profit before income tax margin	28.3%	31.4%	
Net profit	3.43	2.77	23.9%
Net profit margin	18.9%	21.4%	
Basic & diluted earnings per share (Cents)	2.26	2.17	4.1%

Higher
revenue from
certification
business in
China

12.6%
annualised
ROE

1H FY2026 Performance

*"Our performance in the first half of 2026 reflects the **resilience** and adaptability of LMS Compliance. The **steady** revenue growth and a **sustained** profit margin despite challenging market conditions underscore the strength of our diversified service offerings. The Group will continue to pursue business growth by expanding its **regional footprint**, enhancing its **service offerings** and strengthening **customer relationships** across its key markets."*

Dr. Louis Ooi, CEO

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Growth Outlook

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Regulation-Led Growth: Building a Regional ESG Assurance Platform



Positioned for the Next Phase of Growth

Growth Catalysts

- ✓ Increasing regulatory requirements
- ✓ Rising emphasis on quality, safety and compliance
- ✓ Sustainability and ESG reporting requirements
- ✓ Growing demand for independent verification and assurance
- ✓ Expansion into new high-growth sectors
- ✓ Digitalisation and AI-enabled compliance solutions

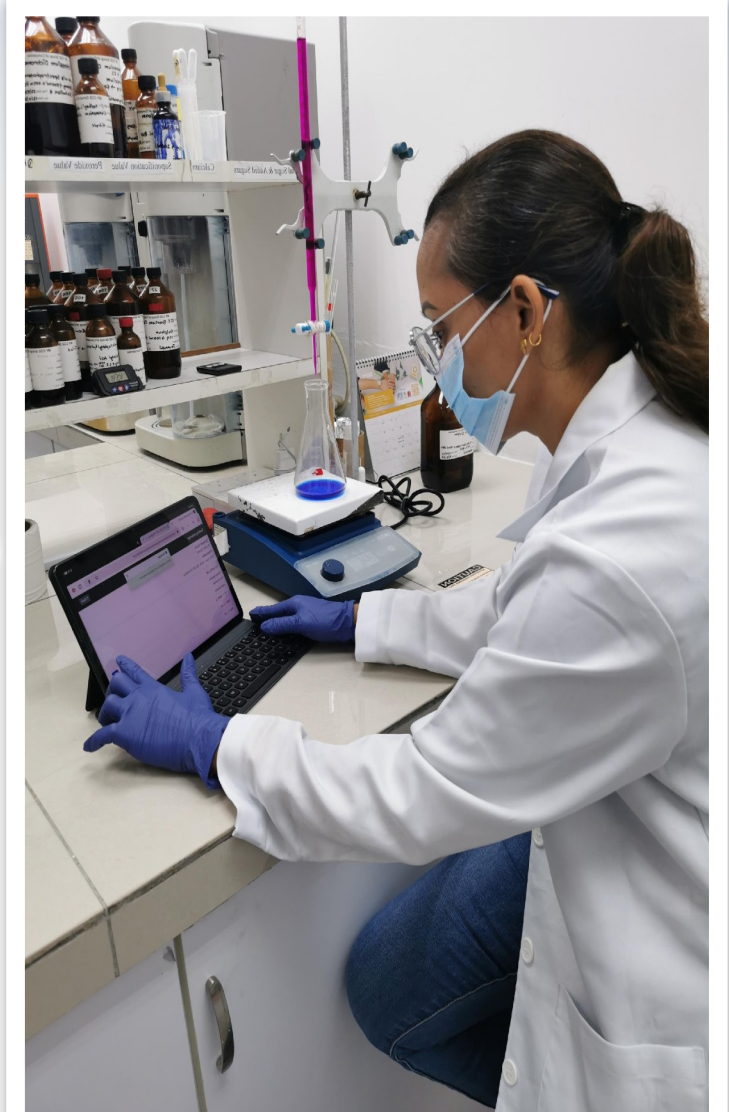
Digitalisation using SaaS platforms



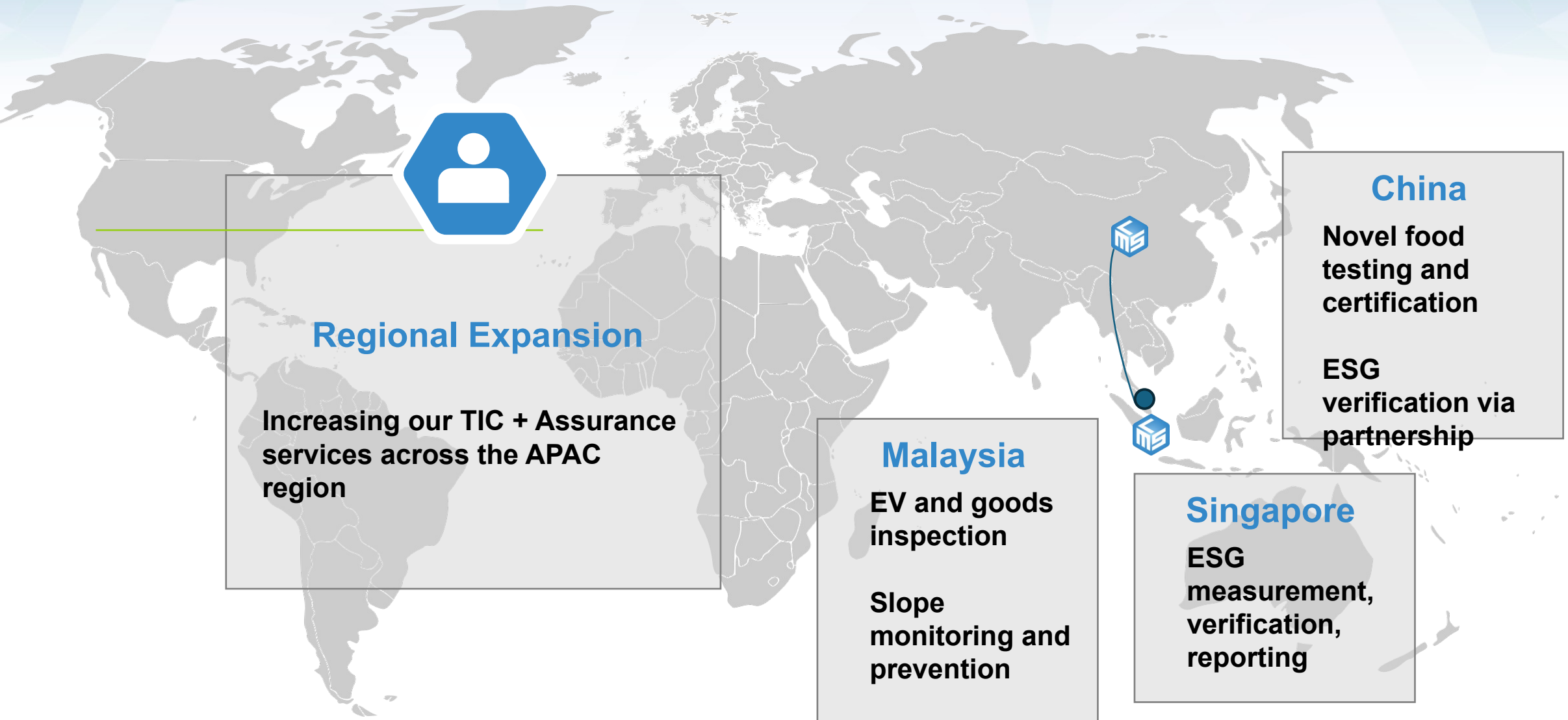
Digitalisation and Digital Transformation

Focuses on accuracy, agility, simplicity, security and sustainability.

äkinz
 äizenz
 äsinz
 ähorz



Expanding to New Markets and High-Growth Sectors



Geographic Expansion: Unlocking the Chinese Market

Malaysia (The Stable Core)

RM12.56m Revenue
(Stable y-o-y)

Foundation of testing and
assessment operations.

China (The Breakout Growth Vector)

Revenue explosion from
RM0.15m (1H25) to
RM5.44m (1H26)

Driven by ACC Shanghai
integration and new ESG
mandates.

The geographic shift reduces single-market dependency while capturing high-margin compliance demand in Asia's largest manufacturing hub.

Strategic Catalyst: The Shanghai-Shenzhen-Singapore ESG Platform



Why it Matters

Capturing industrial clients needing to navigate strict global frameworks (CBAM, CORSIA, EU Battery Reg).

Extending Carbon Moat

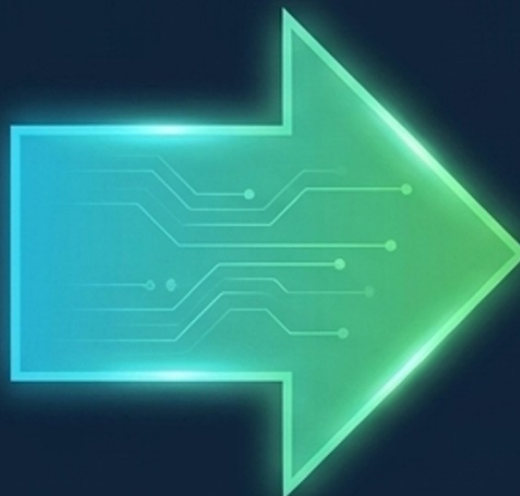
Capability Expansion

Existing Capability



Entity-Level Verification (ISO 14064-1:2018)

Validation and Verification Body (VVB) for organizational greenhouse gas inventories.



New May 2026 Capability



Product-Level Verification (ISO 14067:2018)

Accredited by Singapore Accreditation Council (SAC) for Carbon Footprint of Products.

Strategic M&As

Continue to explore strategic M&As where opportunities arise



Prismatic

- Acquired 30% equity interest in Prismatic Technologies Sdn Bhd for cash consideration of RM541,800 in May 2024.
- Successfully completed Proof of Concept in advanced **Slope Monitoring and Prevention technology** in 2025



**Anchor
Tech:**

- Completed the acquisition of a 75% stake in Anchor Technology Holdings Co., Limited in July 2025 for appx. RM 19.3M.
- **Strategic entry into China's food certification market**
- Expanded our capabilities in the fast-growing novel food sector, encompassing certification, registration, and R&D for new products, and consulting on quality, safety, and regulatory compliance.

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Investor Information



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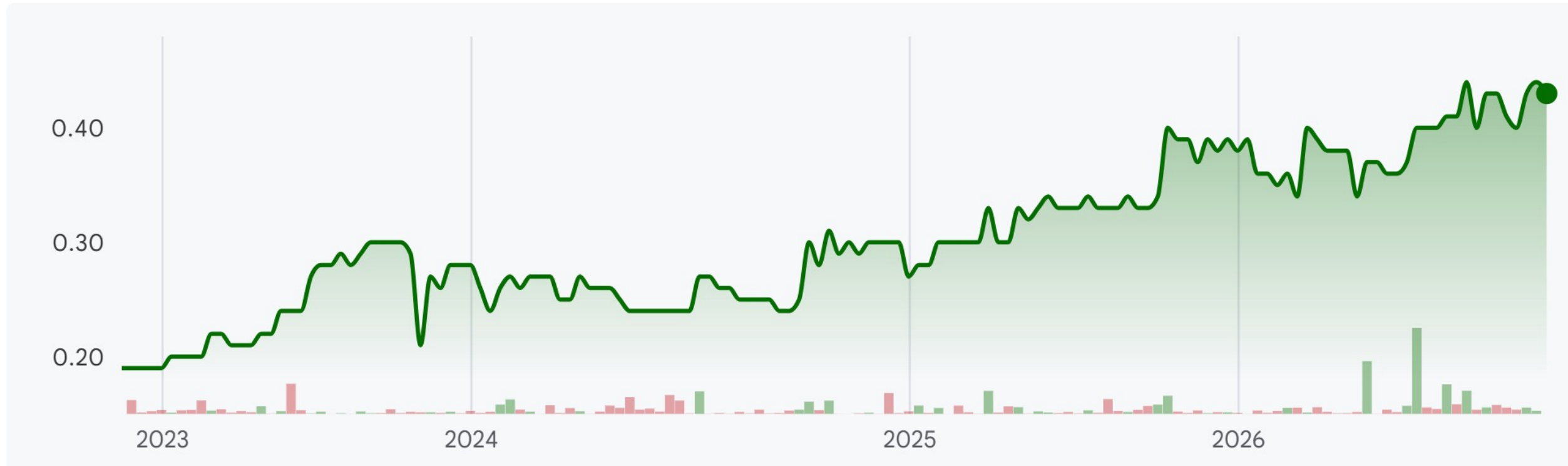
• Share price performance since IPO

• IPO Mkt Cap: S\$22.73m | IPO price: S\$0.26 | IPO size: S\$3.64m | IPO Date: 1 Dec 2022

\$0.43 ↑ +126.32% (+0.2400) 5Y

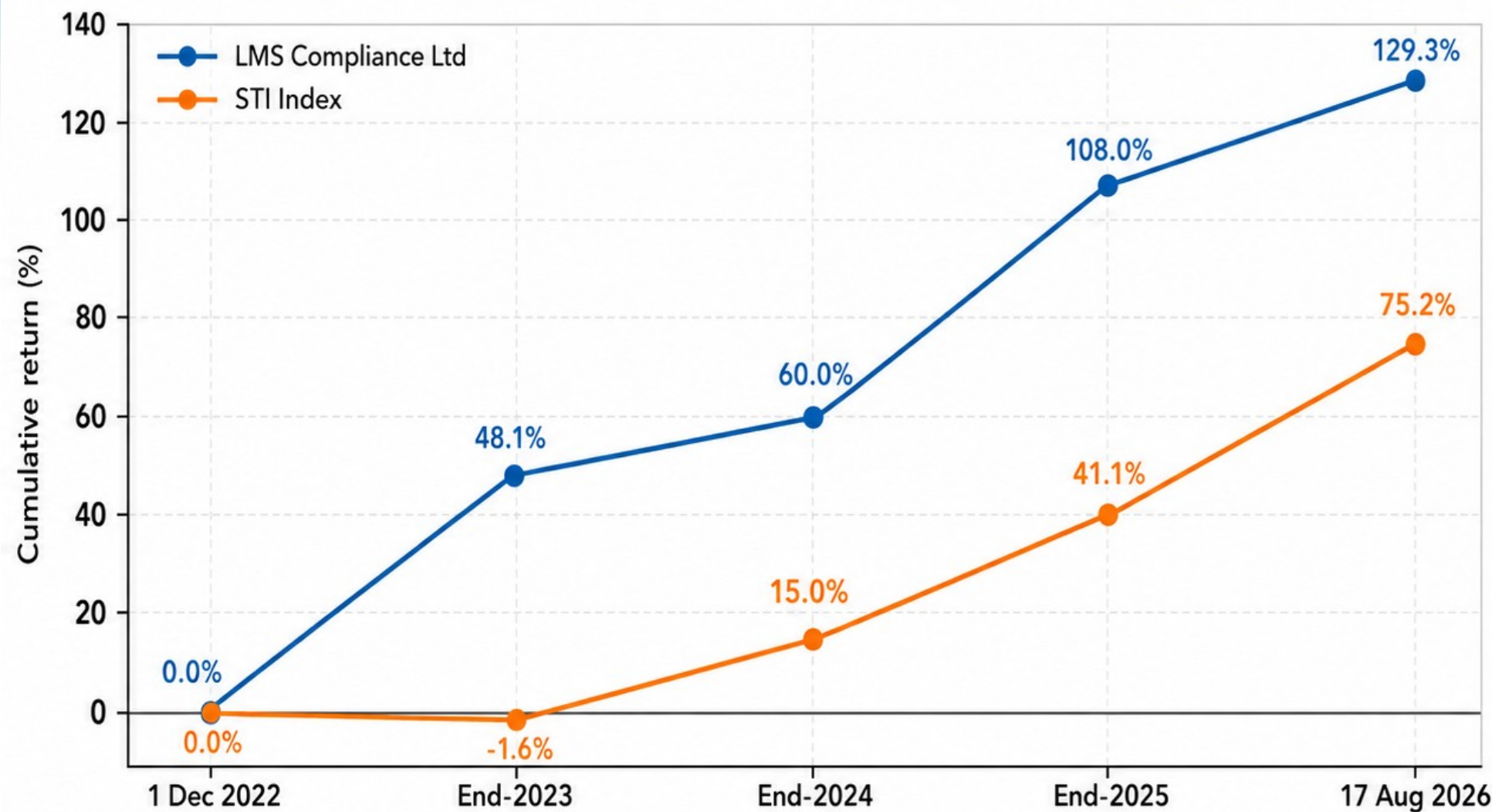
17 Aug

Market Cap more than **doubled** to S\$59m (at 14 Jul 26) since IPO.



Cumulative Return Comparison: LMS Compliance Ltd vs STI Index

From 1 Dec 2022 to 17 Aug 2026



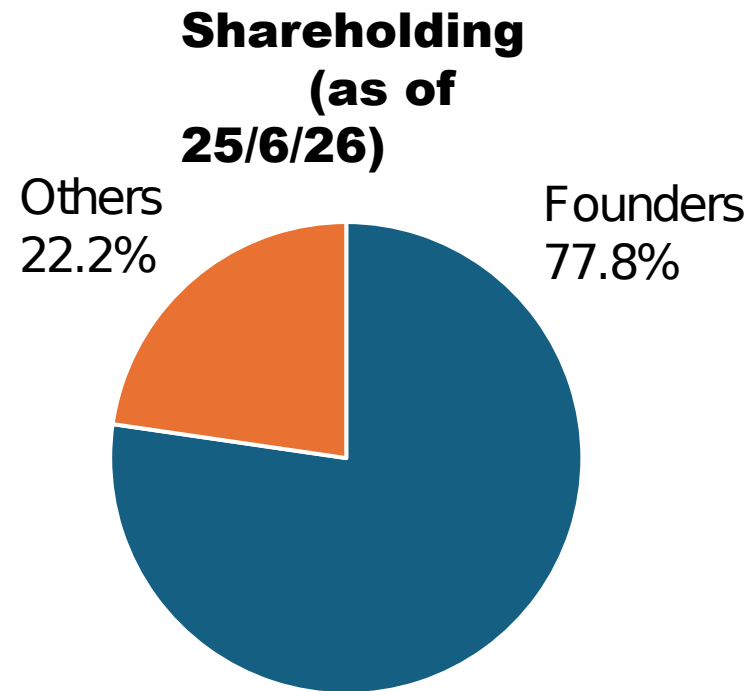
LMS Compliance Ltd:
+129.3%

STI Index:
+75.2%

Outperformance:
+54.1
percentage points

Price return comparison. LMS is adjusted for two 1-for-5 bonus issues. Dividends are excluded for comparability with the STI price index.
Starting values: LMS S\$0.27 and STI 3,292.73 on 1 Dec 2022. Ending values: LMS S\$0.43 and STI 5,768.46 on 17 Aug 2026.

• Shareholder key data



3-yr Average Dividend Payout $\approx$ **71%**

Dividend Yield = **2.33%**

Total Shareholder Return = **33.1% (FY25) | 34.9% (FY24) ***

Average Daily Trading Volume $\approx$ **23k shares**

ADTV % of Free Float $\approx$ **0.08%**

(similar to liquidity threshold for iEdge Singapore Next 50 index component stocks)

* includes cash dividends and one-for-five bonus issues in both years.

Research coverage

Issuer: uSMART

Report initiation date:
30 Jan 2026

Report update:
17 July 2026

Issuer: RHT Capital

Report initiation date:
4 May 2026

Report update:
6 August 2026

uSMART Research Institute
30 January 2026

Rating: BUY
(Initiation Coverage)

Current Price (SGD)	0.35 (29 Jan)
Target Price (SGD)	0.44
Potential Upside (Downside)	26%

LMS Compliance Ltd
(LMS.SI / LMS.SP)

Executive Summary
From Laboratory Testing to ESG Assurance
Platform: Regulation-Led Growth Drives Re-rating

LMS Compliance Ltd is a Singapore-listed Testing, Inspection, Certification and Assurance (TICA) provider with core operations in Malaysia and an expanding footprint across Singapore and China. The Group combines ISO-accredited laboratory testing with certification, ESG assurance and proprietary digital compliance platforms, positioning itself along the region's tightening regulatory and sustainability agenda.

FY2024 marked an inflection in growth, with revenue rising 21.4% YoY to RM25.38m, supported by resilient testing demand and early ESG traction. Margins normalized during the year—EBITDA margin eased to 36.0%—reflecting expansion costs and talent investment rather than demand weakness. Importantly, cash generation remained strong (RM6.4m operating cash flow), and 1H FY2025 results indicate post-investment stabilization.

The balance sheet remains a key differentiator. LMS enters its next phase with a net cash position of RM9.8m, providing flexibility to fund growth without dilution. The July 2025 completion of the 75% acquisition of Anchor Technology establishes entry into China's food certification market, while phased ESG and climate disclosure mandates in Malaysia and Singapore structurally tilt demand for assurance, carbon accounting and compliance workflows.

Despite superior margins and net cash, LMS is still largely viewed as a traditional laboratory testing business. At ~29x trailing P/E, the market underappreciates the earnings optionality from certification, ESG assurance and digital platforms. Successful integration and margin recovery could support valuation re-rating.

Investment View: Buy. Upside is driven by regulation-led growth and earnings normalization, with downsides supported by recurring compliance demand, strong cash generation and balance sheet strength.

Company Profile
LMS Compliance Ltd. provides analytical testing services. The Company offers laboratory testing and certification services for food, feed, fertilizer, pharmaceutical, and medical devices. LMS Compliance serves customers in Asia.

Company Website
<https://lmscompliance.com/investor.html>

Financial Summary
(RM million)

Metric	2023A	2024A	2025E
Revenue	20.9	25.4	29.30
EBITDA	9.57	9.13	10.7
EPS (RM cents)	5.22	4.96	5.50
P/E	22x	24x	26x

Source: Bloomberg Finance L.P., Company Data, uSMART Research Estimates

Analyst: Eng Thiam Choon
Email: research@usmart.sg

uSMART Research Institute
17 July 2026

Earnings Update

LMS Compliance Ltd.
(SGX: LMS / LMSC.SI / LMS SP Equity)

Downgrade to OUTPERFORM

Target Price (SGD)	0.495
Current Price (SGD)	0.425
Potential Price Return	+16.5%
Previous TP (SGD)	0.44
Previous TP Date	30 Jan 2026

ACC broadens the earnings base; FY2025 beats lifts TP, but valuation caps upside.

LMS Compliance is a Singapore-listed testing, certification and assurance provider with three accredited laboratories in Malaysia and an expanding regional footprint through Singapore and China. FY2025 added ACC's novel food regulatory consulting platform and established MY CO2 Inspection for food goods inspection.

As at 15 July 2026

Key Call:
Downgrade to **OUTPERFORM**, TP raised to **S\$0.495** from **S\$0.44**. We raise our target price to S\$0.495 from S\$0.44 after FY2025 revenue and EBITDA exceeded our initiation forecasts, but downgrade LMS to **OUTPERFORM** following the share price increase from S\$0.35 at initiation to S\$0.425. The revised TP implies 16.5% upside, below the house BUY threshold. FY2025 validated the operating thesis: laboratory testing remained resilient, ACC established certification and consultancy as a material second revenue pillar, and cash conversion strengthened. However, ACC's 20% NCI and acquisition-related amortisation limit the flow-through from consolidated operating growth to shareholder earnings.

Info & Statistics

Industry	Specialty Business Services
52-week Range, S\$	0.285 - 0.450
3M Avg. Turnover, S\$	41,103
Free Float	19.4m (14.13%)
Market Cap, S\$ m	55.33

Financial Metric Summary

	FY2024	FY2025	FY27E
RM m, unless stated	33.54	41.08	44.90
Revenue	11.77	14.58	15.42
Adjusted PATM	6.72	8.38	9.01
EPS, RM cents	4.89	8.82	6.32

Source: LMS FY2025 Annual Report published on 30 Jan 2026, uSMART Research estimates as at 15 July 2026.

Share Price Performance

12M, Relaxed to 100

Source: Bloomberg data extracted on 15 Jul 2026, represented by uSMART Research

Analyst: Eng Thiam Choon
Email: research@usmart.sg

Results & Forecast Revision Snapshot

	FY2024E	FY2025E	Variance	FY2025E	Revision Verdict
Revenue	29.50	33.64	+14.0%	41.08	Operating beat; full-year ACC lifts base
EBITDA	11.05	11.77	+6.5%	14.58	Above range; margin remains disciplined
EPS, RM cents	5.50	4.89	-11.1%	5.82	NCI and amortisation dilute flow-through
EPS, S cents	N.A.	1.00	N.A.	1.00	Supported by cash generation

Source: LMS FY2025 Annual Report published on 30 Jan 2026, uSMART initiation report dated 30 Jan 2026, uSMART Research estimates as at 15 Jul 2026.

The securities market involves risks. You may make profits, but you could also face losses. Please stay aware of these risks and think carefully before trading. Invest wisely and with caution.

Equity Research Report
Page 1 of 13

Company - Equity Research
Initiation of Coverage
4 May 2026

BUY
\$0.37
+84%
Target
\$0.68

LMS COMPLIANCE | SGX: LMS
Lucrative Asset Protection – S\$100mil Mkt Cap

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Mkt cap: \$50.8 mil | \$0.37 3May26 | Intrinsic Value: \$0.68
10 day adv: 0.08m Singapore

Industries, Commercial & Professional Services [2020]

Testing, Inspection and Certification services

RHTC Forecast	12/24	12/25	12/26F	12/27F
Revenue	25.38	33.64	58.45	62.92
EBIT	7.74	9.54	25.78	24.69
Net Income	5.21	6.48	17.06	18.32
EPS (S cents)	1.25	1.52	4.05	4.35
P/E (x)	29.5	24.3	9.1	8.5
PEG (x)			0.06	1.5
Rule 40 (%)	35.8	55.4	112.0	42.6
ROAE (%)	16.1	16.6	34.9	28.1
Div Yield (%)	2.27	2.70	2.94	3.52
FCF yield (%)	2.89	4.92	14.3	14.1
Gearing ¹	2.5	1.5	2.0	2.9
(D/T)				
Intrinsic Value			\$50.68	
% upside			84	

Global TIC

	PE	PEG	EV/EBITDA
Industry Valuation	2026F	2606F	BETA ^{1,2}
LMS	9.1	0.06 ¹	na
STI	15.5	1.55	1.0

Global TIC

	PE	PEG	EV/EBITDA
SGS	21.7	2.1	0.59
Bureau Veritas	17.6	1.6	0.75
Intertek	15.9	2.1	0.81
Avg ex LMS	18.4	1.9	10.0
LMS discount	50.2%	94.2%	93%

Source: 1. RHTC est YTD calculated beta to STI; 2. BBO; 3. Note that Fig 3-1 & Fig 5-10 PEG of 0.11x are based on Average growth of LMS FY26F (+166%) & FY27F (+7.4%) EPS growth.

Rising macro risks due to Iran conflict is beneficial for Asset protection services. Rising petrol prices driving demand for EVs, shortage of global fertilizers & spillover demand for alternative proteins, higher input F&B costs & search for cheaper substitutes will drive tighter regulatory oversight. Initiate BUY with target price of S\$0.68 or potential +84% upside

Company | Equity Research
Results Update
6 August 2026

LMS COMPLIANCE | SGX: LMS
1H26 In-line, Execution on Track

BUY
Current Price: \$ 0.425
Target Price: \$ 0.680
Upside: + 60.0%

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Mkt Cap: \$558.3 mil
[S\$0.425 6-Aug-26]
Intrinsic Value: \$50.68
10 day ADITV: 0.08 mil
Singapore

Industries, Commercial & Professional Services [2020]

While traditional core laboratory testing and assessment saw slight moderation of RM50.30 mil, -2.5% yoy, the surge in high-value certification services and ESG/decarbonisation solutions more than offset the decline and means LMS has now grown a substantial second business pillar since FY25. Profitability expanded by a very solid 23.9% to RM53.43 mil, though net margins faced slight compression but were still a very healthy 18.9%. They should rebound to the mid-20% as LMS scales up the high-value certification side of the business.

After digesting the FY26 results, we are confident that RHTC's investment thesis for LMS of a doubling in revenue driven by LMS's high-value testing and certification and ESG/tech expansion in Asia, particularly China. Our intrinsic valuation of \$0.68 still stands (60% upside from 6 August's share price of \$0.425 which is already up a market beating 14% since our initiation report on LMS on 4 May 2026).

RHTC Forecast RM\$ mil

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FCF yield (%)	2.89	4.92	14.3	14.1
Gearing ¹ (D/T)	2.50	1.50	2.00	2.90
Intrinsic Value			\$50.68	
% upside			62%	

Global TIC

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LMS	9.1	0.06 ¹	na
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Important disclosures: see Appendix – Disclaimer
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Target Price: ~~S\$0.44~~ → S\$0.495 + 15%

Target Price: S\$0.68 (maintained) + 58%

Key Highlights



- **Defensive, high-moat business model**

- built on regulatory accreditations, technical expertise, recurring compliance demand and long-standing customer relationships—capabilities that take time, credibility and investment for new entrants to replicate.
- benefits from increasingly stringent regulations and growing corporate focus on quality, safety and environmental performance



- **Proven operating track record with high earning visibility**

- 20+ years TIC expertise with 1,100+ accredited tests, 3000+ active clients
- 80%+ recurring revenue from repeat customers (no revenue concentration risk)



- **High growth, cash generative business**

- FY25 revenue +32.5%, 1HFY26 revenue +40.5%,
- FY2025 PAT +15.4%, 1HFY26 PAT +23.9%
- recurring operating cashflow, low debt, with M&As supplementing organic growth

THE GLOBAL LOCAL TIC • THE COMPLIANCE CATALYST

Q&A

DECARBONOMICS
Shaping a sustainable future

