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THE ASSEMBLY PLACE HOLDINGS LTD

Initiation of Coverage | 20 January 2026		**Rating:**	**BUY**
Analyst : Jaimes Chao		**IPO Price:**	**S$0.230**
+65 6011 1700 | research@tickrs.com.sg		**Target Price:**	**S$0.340**

The Assembly Place – Scaling Community Living with an Asset-Light Engine

High-growth, asset-light community living operator with strong ROE and net cash balance sheet, entering the market at an undemanding valuation supported by structural demand tailwinds and proven operational execution.

Stock Information:

Company name:	The Assembly Place Holdings Ltd
Reference price (Invitation Price):	S$0.23
Target price (12M):	S$0.34
Rating:	**BUY**
Upside vs. Invitation Price:	+47.8%

Company Snapshot:

Market capitalisation:	S$88.1 million
Shares outstanding:	383,000,000
Free float (at IPO):	19.9%
Sector:	Community Living / Accommodation & Property Services
Exchange:	SGX Catalist
Expected listing date:	23 January 2026

Disclaimer: This Pre-IPO Initiation of Coverage is based on the company's Final Offer Document (dated 15 January 2026), Product Highlights Sheet, and January 2026 corporate presentation. All financial data are drawn from those sources, covering FY2022–FY2024 and 1H2025. The Invitation Price of S$0.23 is used as the reference price throughout this report in the absence of secondary-market quotations.

Investment Thesis

The Assembly Place Holdings Ltd ("TAP") offers investors early-stage exposure to a structurally expanding accommodation segment, combining visible growth with late-stage financial quality. At listing, the Group demonstrates exceptional capital efficiency, a net cash balance sheet and strong operating cash generation, yet comes to market at a valuation that does not fully capture these attributes.

TAP is Singapore's largest and most diversified Community Living operator, managing approximately 3,422 keys across 100 properties as at December 2025, implying about 34% market share by keys. Its six-brand portfolio spans residential co-living, serviced apartments, student housing, healthcare professionals' accommodation, inter-generational living and supervised homestay, allowing the platform to aggregate resilient demand pools, optimise pricing across segments and smooth earnings through economic cycles.

We initiate coverage with a **BUY** rating and a 12-month target price of **S$0.34**, implying **47.8% upside** to the Invitation Price of S$0.23. Our valuation is anchored on a **14.8× FY2025E core P/E** on estimated core EPS of ~2.3 cents, reflecting the Group's growth visibility, asset-light structure and superior return profile, while incorporating a conservative adjustment for current scale and related-party lease exposure.

Key takeaway: TAP is priced as a small operator at listing, but already operates like a platform. Execution, not reinvention, is the path to re-rating.

Key Metrics

Trading & Capitalisation

- IPO / Last Close: S$0.23 per share
- Target Price: S$0.34
- Upside: +47.8%
- Shares Outstanding: 383.0m (post-IPO)
- Market Cap: S$88.1m
- Free Float: 19.9%
- Listing: SGX Catalist, 23 Jan 2026

Valuation

- FY2025E P/E (at IPO): ~10.0×
- FY2024 P/E (post-IPO): ~14.2×
- P/B (post-IPO): ~2.8×
- Dividend Yield (FY2025E): 0%*
  **no formal dividend policy has been adopted, reflecting management's preference to reinvest cash into high-return growth rather than near-term distributions.*

Profitability

- FY2024 ROE: 44.6%
- FY2024 Gross Margin: 83%
- FY2024 Net Margin: 33%
- FY2024 Operating CF: S$12.7m (~3.9¢ per share pre-IPO)

Balance Sheet (30 Jun 2025, excl. leases)

- Net Cash: S$1.51m
- Net gearing: Net cash
- NAV/Share (post-IPO): 8.17¢
- IPO NAV Premium: 2.8×

Financial Trend (S$ m, except per-share):

	FY2022	FY2023	FY2024	FY2025E
Revenue	6.90	14.30	18.90	~25.0
EBITDA	~3.5	~8.1	~13.0	~17.0
PATMI	0.30	-0.90	6.20	8.80
EPS (¢)	0.09	-0.23	1.62	2.30
DPS (¢)	0.00	0.00	0.00	0.00

Valuation: Partial Normalisation from a Depressed Entry Multiple

At the Invitation Price, TAP is valued at approximately **9.2–10.5× FY2025E core P/E**, based on estimated core EPS of ~2.2–2.5 cents. This represents an undemanding valuation for a platform with secured near-term growth, high ROE and strong cash conversion.

Our target multiple of **14.8×** reflects partial normalisation as the Group executes its secured pipeline, builds operating history as a listed company and the market reframes TAP as a scaled Community Living platform rather than a niche operator. We deliberately stop short of full parity with larger listed sector comparators; instead, we underwrite a measured re-rating as TAP de-risks execution and gradually reduces related-party dependence.

Importantly, our valuation is anchored on **forward core earnings**, excluding non-cash fair-value movements under SFRS(I) 16, and is therefore aligned with the underlying cash-generating capacity of the business. As execution milestones are met and the business matures, we see scope for further valuation normalisation beyond our base-case target.

Business Model: Asset-Light Platform Across Multiple Segments

TAP monetises flexible-duration housing demand between traditional residential leases and hotels. The Group's six-brand architecture spans:

- Residential co-living
- Hotels & serviced apartments
- Student accommodation
- Foreign healthcare professionals' accommodation
- Inter-generational living
- Supervised homestay

By serving multiple tenant segments across its platform, TAP reduces concentration risk inherent in single-vertical models and delivers structurally more stable cash flows through cycles. Unlike asset-heavy peers, TAP operates a **pure asset-light model**, with 100% of keys under master leases or management contracts, enabling faster scaling, high ROE and strong cash generation in the growth phase.

Structural Demand Drivers

Demand for community living in Singapore is structural rather than cyclical, supported by:

- **Rising expatriate and student mobility** – steady inflows of foreign professionals and international students fuel demand for flexible accommodation.
- **Housing affordability pressure** – elevated property prices and rents push younger tenants toward co-living as a cost-efficient alternative.
- **Ageing population and healthcare hiring** – the need to build an 82,000-strong healthcare workforce by 2030, with ~6,000 hires annually (including an estimated 2,000 foreign nurses), supports demand for staff accommodation.
- **Regulatory moat** – URA's 3-month minimum stay rule restricts short-term rentals, creating high barriers to entry and protecting the extended-stay/co-living niche.

These tailwinds underpin sustained portfolio occupancy above 90% since FY2022 and support long-term earnings visibility. Knight Frank estimates Singapore's residential co-living segment could reach around **S$9.7bn addressable market value by 2030**, underlining the runway for growth.

Execution Track Record and ROE Engine

TAP has delivered execution alongside rapid growth. Revenue rose from S$6.9m in FY2022 to S$18.9m in FY2024 (66% CAGR), while PATMI increased from S$0.34m to S$6.22m, lifting reported ROE to 44.6% in FY2024. This uplift illustrates the platform's operating leverage and disciplined cost management.

The ROE engine is structural:

- Low capital employed via asset-light model
- Lean operations enabled by proprietary CRM and mobile platform
- In-house design and project teams compress ramp-up timelines and reduce leakage

TAP has achieved this while maintaining a small net cash position by mid-2025 and minimal external debt, highlighting prudent balance sheet management.

Growth Visibility and Technology Backbone

Secured and sequenced growth:

- **610 keys** already secured for 2026–2027 across Singapore and Malaysia
- First overseas project in Bangsar, Kuala Lumpur (66 keys, 2026)
- Management target: **>10,000 keys by 2030**, implying c.25–28% CAGR in portfolio size

Near-term growth is backed by identified and contracted projects rather than aspirational targets. Execution of this pipeline is the primary driver of the next leg of expansion and de-risks the growth outlook.

Technology as operating backbone:

TAP's proprietary CRM and mobile platform manage occupancy, billing, maintenance and member engagement in real time. This digital control layer allows the portfolio to scale without proportional increases in headcount (employee-to-key ratio of ~1:81), preserving margins and service quality while enhancing tenant experience.

Financial Quality and Cash Generation

Core revenue is highly recurring – community-driven stays accounted for >90% of FY2024 revenue. The business generates robust cash flows: operating cash flow was S$12.7m in FY2024 (~3.9¢ per share, pre-IPO), more than 2× FY2024 net profit, indicating excellent earnings quality.

Non-cash fair-value adjustments under SFRS(I) 16 introduce volatility into reported earnings, but do not impact underlying cash flow. Our valuation therefore focuses on core earnings and operating cash flow, neutralising fair-value noise. TAP's ability to convert accounting profit into cash is a key differentiator supporting self-funded growth.

Competitive Positioning and Peer Context

TAP is a **pure asset-light operator** delivering mid-40% ROE through rapid scaling, low capital intensity and disciplined reinvestment. Its diversified portfolio across multiple demographics and accommodation types reduces earnings volatility and concentration risk relative to single-segment or asset-heavy competitors.

On a forward core earnings basis, TAP lists at a **meaningful discount** to peers despite comparable growth visibility:

Company	Ticker	FY25E P/E	P/B	Yield	Business Focus
TAP (IPO)	—	~10×	2.8×	0.00%	Asset-light multi-segment Community Living
Coliwoo	W8W	~12.4x	~2.2×	3.60%	Pure-play co-living
Centurion	OU8	~13–14× (fwd)	~1.2×	~2.6%	Worker dorms, student housing
LHN	41O	~10–11× (fwd)	1.5×	~3.0–4.0%	Diversified real estate
Ascott Trust	HMN	~16×	0.8×	>6%	Hospitality REIT
Far East H. Trust	Q5T	~16–18×	0.6–0.7×	>7%	Hospitality REIT

We believe TAP's discount is driven mainly by its earlier stage of development and Catalist listing profile, not weaker fundamentals. As execution milestones are delivered and the company gains seasoning as a listed entity, this gap should narrow.

According to the industry consultant, TAP is ***Singapore's largest community living operator****, with* ***approximately 34% market share by keys within the overall community living sector*** *(3,422 keys across 100 properties as at September 2025). Coliwoo, by contrast, is described as a* ***leading co-living***

***operator**, with **around 19.5–20% market share of the residential co-living sub-segment by rooms**, operating about 2,933 rooms across 25 properties. While TAP leads the overall community-living market by keys and Coliwoo leads within the narrower residential co-living room segment, these positions are **complementary**, with both operators jointly deepening awareness and acceptance of professionally managed shared accommodation in Singapore. Taken together, TAP's leading share of the broader community-living market and Coliwoo's strong position in the residential co-living sub-segment illustrate how the two operators anchor institutional supply across **adjacent but not identical** slices of the alternative accommodation space*.

Catalysts and Key Risks

Catalysts (12–18 months):

- **Successful listing and stable aftermarket trading** – validates investor appetite and anchors valuation.
- **1H2026 results** – first full reporting cycle as a listed company; strong YoY growth in revenue and core earnings would reinforce model credibility.
- **Delivery of 300+ new keys by end-2026** – demonstrates that growth is contractual, not aspirational.
- **Dividend policy clarity (FY2026–FY2027)** – transition from pure growth to growth-and-income, broadening the investor base.
- **Reduction in related-party lease concentration** – diversification of landlord base should ease governance concerns and support multiple expansion.

Key Risks:

- **Related-party lease concentration:** A significant portion of the portfolio is sourced from related parties, creating governance and concentration risk. We reflect this via a valuation discount and will monitor diversification progress closely.
- **Lease renewal and rent escalation risk:** Inherent to a fully asset-light model; mitigated by portfolio diversification, medium-term leases and management's demonstrated ability to secure replacement assets.
- **Fair-value accounting volatility:** SFRS(I) 16 can distort reported earnings, potentially impacting sentiment around headline results despite stable cash flow.
- **Catalist liquidity constraints:** As a small-cap Catalist listing, TAP may initially experience lower liquidity and higher price volatility until the company scales and free float expands.

Investment Conclusion

TAP provides exposure to a structurally expanding accommodation segment via a high-ROE, asset-light platform entering the public market at an undemanding valuation on a forward core earnings basis. The business combines visible growth, strong cash generation and disciplined capital deployment, underpinned by a secured development pipeline and diversified demand drivers.

At the Invitation Price, TAP is priced as a small operator despite operating like a scalable platform. As execution milestones are delivered and the market reframes the business accordingly, we expect earnings growth and multiple normalisation to drive share price performance.

We initiate coverage with a **BUY** recommendation and a **12-month target price of S$0.34**, representing **47.8% upside** from the Invitation Price, viewing TAP as an emerging leader in a nascent sector and a compelling growth-at-reasonable-price opportunity within the Singapore small-cap universe.

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