

INTRODUCTION

Three Different Recovery Stories

Why DFI, SATS and CDL should not be judged in exactly the same way

	DFI	SATS	CDL
Core idea	SIMPLIFY	SCALE	RESHAPE
What changed	Disposed weaker / non-core businesses; cleaner portfolio	WFS created a much larger global aviation platform	Asset recycling + development + portfolio review
Where the story is now	Major restructuring largely done; now needs to prove sustainable returns	Operational logic increasingly validated; economic returns still being proven	Operating recovery underway, but transformation still incomplete

Key Takeaway

These are different stages of recovery, not the same turnaround repeated three times.

Source: Company announcements, The Dividend Uncle's analysis. Not to scale. For informational purposes only, not financial advice.

Three Companies. Four Questions. Different Stages of the Recovery Journey.

Each row assesses a different part of the recovery thesis; this is not an overall investment rating.

	DFI	SATS	CDL
1. Transformation Progress How far has the transformation actually progressed?			
2. Recovery Evidence Are the numbers showing a genuine improvement?			
3. Financial Resilience Is the financial position strong enough?			
4. Next-Leg Setup Has the pullback created a better setup?			
What stands out			

1. TRANSFORMATION PROGRESS

How Far Has the Transformation Actually Progressed?

Corporate actions can change a company quickly, but value creation may take longer to prove.

	DFI	SATS	CDL
Current reading	Major portfolio restructuring largely completed	Global platform established; economics still being proven	Strategic direction still being reshaped
What supports this	Disposed weaker / non-core businesses; much cleaner portfolio	WFS created a much larger global aviation services platform; integration has progressed	Asset recycling + development + portfolio review; 28 Sep strategic review outcome pending
Scorecard Assessment	Very Good	Good	Fair

Key Takeaway

DFI is furthest along, SATS has built the platform, while CDL is still defining what the next phase should look like.

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2. RECOVERY EVIDENCE

Are the Numbers Showing a Genuine Improvement?

Positive evidence matters, but the quality and durability of the recovery are not identical.

	DFI	SATS	CDL
Key data points	1H26 underlying profit: +44% LFL sales: +3% ROCE: 9% → 12% FY26 guidance raised	FY26 free cash flow: S\$215.8m 1Q FY27 revenue: +11.3% EBITDA margin: 18.2% → 17.3% 1Q FY27 free cash flow: –S\$22.6m	1H26 PATMI: S\$302m Hotel RevPAR: +4.9% Strong development profit recognition
Important caveat	Next phase needs sustainable growth, not just cost efficiencies	Growth is clear, but margins and cash conversion are still being tested	Hotel recovery partly non-like-for-like; development earnings are lumpy
Scorecard Assessment	Very Good	Good	Good

Key Takeaway

All three companies show real recovery evidence, but DFI’s improvement currently looks the cleanest and most durable.

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3. FINANCIAL RESILIENCE

Is the Financial Position Strong Enough?

Available liquidity helps, but leverage, cash generation and balance-sheet quality still matter.

	DFI	SATS	CDL
Headline marker	Net debt: US\$22m	Net debt / EBITDA: 2.7x	Net gearing: 75% Interest cover: 3.1x
Cash / funding support	1H26 operating cash flow after lease payments: US\$178m 1H26 free cash flow: US\$85m	1Q FY27 free cash flow: –S\$22.6m Borrowings: S\$2.394b Lease liabilities: S\$1.803b	Cash + undrawn committed facilities: S\$4.9b Fixed-rate debt: 45%
Main unresolved question	Can management preserve returns discipline as financial flexibility improves?	Can stronger margins and cash generation drive steady deleveraging?	Can capital recycling and improved operations meaningfully reduce leverage?
Scorecard Assessment	Very Good	Good	Fair

Key Takeaway

DFI is strongest financially, SATS still has to prove the financial case, while CDL’s liquidity is helpful but does not remove the leverage issue.

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4. WHAT HAS TO HAPPEN NEXT?

What Has to Happen Next?

A lower share price only matters relative to the expectations, risks and evidence required from here.

	DFI	SATS	CDL
Valuation / expectation reset	Share price has pulled back; investors now focus more on sustainable growth after restructuring	Sharp correction after nearing S\$5; expectations appear to have moderated	Trades at a substantial discount to reported RNAV; expectations hinge partly on the strategic review
What the market needs to see	Continued organic sales growth Sustained margin improvement Further gains in ROCE	Stabilisation and expansion of EBITDA margins Stronger cash conversion Ongoing deleveraging and higher ROIC	Clear capital-allocation framework Evidence of value unlocking from asset recycling Lower gearing over time
Key catalyst or proof point	Execution without another major restructuring exercise	Improved margins and free cash flow in upcoming quarters	28 September 2026 strategic-review outcome
Current setup	Good	Fair to Good	Fair*

Key Takeaway

A lower price only matters if the risks have improved and the path to value creation is clearer.

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5. RECOVERY SCORECARD

Three Companies. Four Questions. Different Stages of the Recovery Journey.

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	DFI	SATS	CDL
1. Transformation Progress How far has the transformation actually progressed?	Very Good	Good	Fair
2. Recovery Evidence Are the numbers showing a genuine improvement?	Very Good	Good	Good
3. Financial Resilience Is the financial position strong enough?	Very Good	Good	Fair
4. Next-Leg Setup Has the pullback created a better setup?	Good	Fair to Good	Fair*
What stands out	Cleanest restructuring story	Expectations reset	Biggest unresolved question

Key Takeaway | Same question. Different answers. A lower share price only matters if the path to value is clearer.

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6. THE DIVIDEND UNCLE'S TAKE

What Do These Three Pullbacks Mean?

Three different journeys. Three different next steps.

	DFI	SATS	CDL
Key takeaway on the pullback	Cleanest restructuring story Major portfolio surgery largely done	Expectations reset WFS has validated the operating logic	Biggest unresolved question Operations are recovering
Now prove:	• Sustainable organic growth • Higher margins and ROCE • Disciplined capital allocation	• Margin recovery and expansion • Stronger cash conversion • Higher ROIC and continued deleveraging	• Value unlocking from asset recycling • Clear capital-allocation framework • Lower gearing over time • Clear strategic-review outcome + credible execution roadmap Long term: do not get ahead of the strategic review. Short term: with the boardroom struggles appearing to move into the background, the strategic review could provide a near-term catalyst for sentiment.

Key Takeaway

A pullback does not tell you whether a turnaround has failed — or whether value has emerged.
It depends on the business, the evidence and what happens next.

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