Corporate Update

# Gamuda Berhad

(5398 | GAM MK) Main | Construction

3 Stars | SHARIAH Compliant | FTSE4Good

## Maintain **BUY**

Unchanged Target Price **RM5.42**

# Landbank Expansion in Kuala Langat

**Maintain BUY.** Gamuda's latest land banking exercise in the southern Klang Valley is expected to further strengthen the group's Gamuda Cove township development while improving connectivity to the Dengkil and Rimbayu towns. Gamuda Cove has been a major contributor of the group's property sales in Malaysia, making up about a third of new sales over the past three years. Gamuda remains our favourite for the construction sector sitting on an all-time high order book of RM37.0b and a geographically diversified property portfolio. We reiterate our BUY recommendation with a **TP** of **RM5.42**, derived by pegging the group's FY26F EPS of 25.8 sen to a PER of 21x, based on +2SD above its long-term mean.

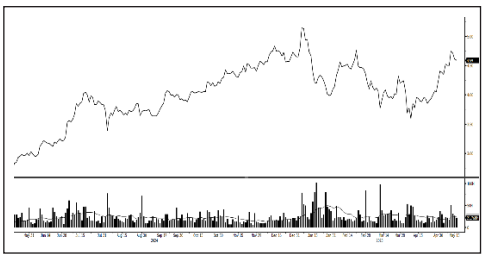
**Buys 3 plots of leasehold land.** Gamuda announced that its wholly-owned subsidiary Gamuda Land (T12) Sdn Bhd had entered into three sales and purchase agreements (SPAs) on Friday to acquire three parcels of leasehold land measuring 336 acres at Mukim Tanjong Duabelas, Kuala Langat, Selangor for RM248.7m. This translates to RM17psf, higher than the market price back in 2014 at RM12psf. With a GDV of RM2.2b, the land cost to GDV ratio is attractive at 11.3%. They have a remaining leasehold title of 74 years. The lands are located the south of Gamuda Cove, adjoining Paya Indah Discovery Wetlands on its western boundary.

**Use of land.** Gamuda intends to use the three plots of land as an extension for mixed development, including landed residential and commercial components, with a project duration of 11 years. This will be an extension of the group's existing Gamuda Cove township. The acquisition, which will be fully funded by internally generated funds, is expected to be completed by 2QCY26. As at Jan-25, Gamuda Cove has an unsold area of 510 acres and a remaining GDV of RM18.71b. The new parcels of land are accessible via Jalan Dengkil-Banting and the ELITE Highway, which enhances the connectivity of Gamuda Cove to major urban centres.

**Our view.** We are positive on this latest land banking exercise, which is expected to unlock further potential for the Gamuda Cove township and improving its connectivity. This is in line with the group's balanced approach for its property division in terms of township development and quick turnaround project (QTP) strategy. During the quarterly results briefing in Mar-25, management had indicated property deals with GDVs of potentially up to RM8b in Vietnam and RM4b in Malaysia in the pipeline.

| RETURN STATISTICS | |
|---|---|
| Price @ 16th May 2025 (RM) | 4.59 |
| Expected share price return (%) | +18.1 |
| Expected dividend yield (%) | +2.2 |
| Expected total return (%) | +20.3 |

**SHARE PRICE CHART**



| Price performance (%) | Absolute | Relative |
|---|---|---|
| 1 month | 16.2 | 10.9 |
| 3 months | 9.3 | 4.0 |
| 12 months | 64.5 | 69.2 |

**INVESTMENT STATISTICS**

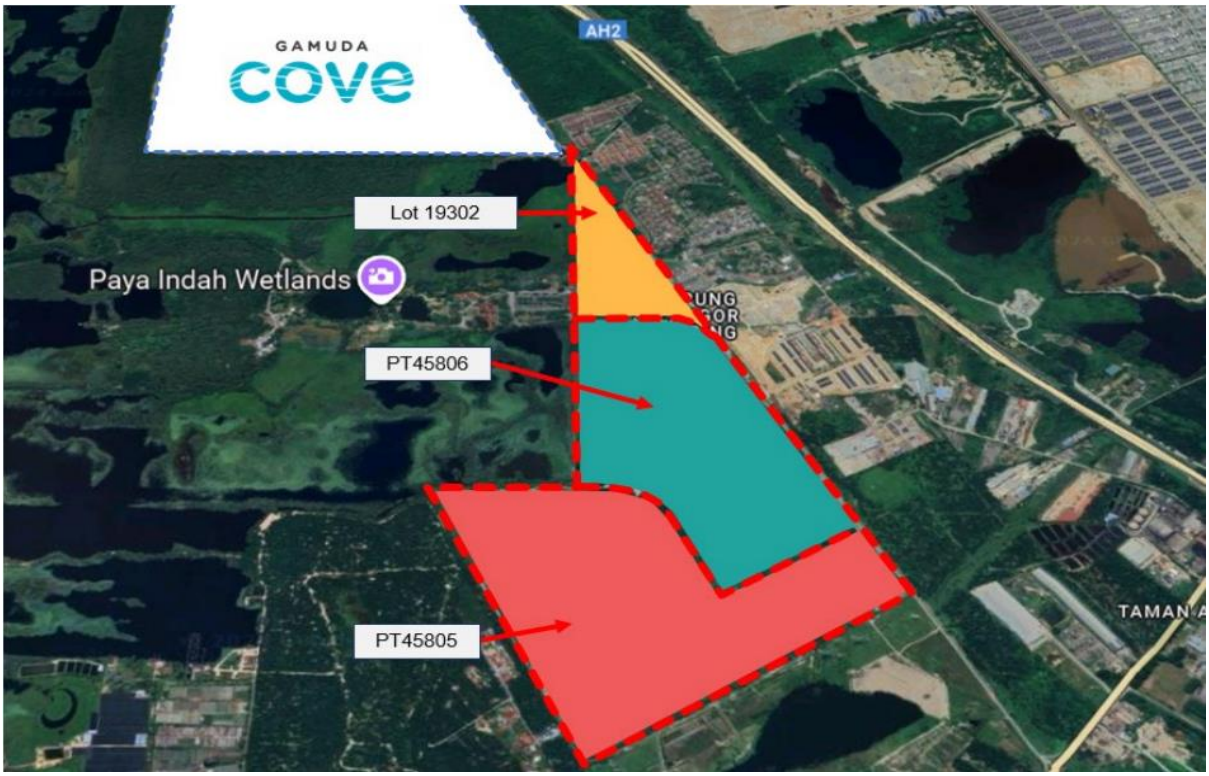
| FYE Mar | 2024A | 2025F | 2026F |
|---|---|---|---|
| Revenue | 13,345 | 16,873 | 19,404 |
| Operating Profit | 945 | 1,552 | 1,843 |
| Profit Before Tax | 1,097 | 1,496 | 1,820 |
| Core PATAMI | 907 | 1,182 | 1,470 |
| Core EPS | 32.8 | 20.8 | 25.8 |
| DPS | 16 | 10 | 10 |
| Dividend Yield | 1.9% | 2.2% | 2.2% |

| KEY STATISTICS | |
|---|---|
| FBM KLCI | 1,571.75 |
| Issued shares (m) | 5550.61 |
| Estimated free float (%) | 86.28 |
| Market Capitalisation (RM'm) | 26,472.51 |
| 52-wk price range | RM2.79 - RM5.38 |
| 3-mth average daily volume (m) | 25.11 |
| 3-mth average daily value (RM'm) | 104.04 |
| **Top Shareholders (%)** | |
| Employees Provident Fund | 12.87 |
| Amanah Saham Nasional Bhd | 4.15 |
| Generasi Setia M Sdn Bhd | 4.03 |

**Analyst**

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Figure 1: Site location of the three new plots of land




*Source: Gamuda*

## FINANCIAL SUMMARY

| Profit or Loss (RM'm) | 2022A | 2023A | 2024A | 2025F | 2026F |
|---|---|---|---|---|---|
| Revenue | 5,089.5 | 8,233.6 | 13,346.7 | 16,872.6 | 19,403.5 |
| EBIT | 685.3 | 922.8 | 1,147.3 | 1,400.4 | 1,843.3 |
| PBT | 1,008.2 | 1,067.6 | 1,097.4 | 1,495.7 | 1,820.3 |
| Taxation | -168.9 | -230.9 | -155.1 | -344.0 | -400.5 |
| PAT | 806.2 | 860.1 | 912.1 | 1,181.7 | 1,469.8 |
| Core PATAMI | 805.8 | 860.8 | 907.3 | 1,181.7 | 1,469.8 |
| EPS (sen) | 14.2 | 15.1 | 32.8 | 20.8 | 25.8 |
| PER (x) | 30.2 | 28.2 | 22.4 | 19.5 | 15.5 |
| DPS (sen) | 6 | 25 | 8 | 10 | 10 |
| Dividend yield (%) | 1.4 | 5.7 | 1.9 | 2.2 | 2.2 |

| Cash Flow (RM'm) | 2022A | 2023A | 2024A | 2025F | 2026F |
|---|---|---|---|---|---|
| PBT | 1,008.2 | 1,067.6 | 1,097.4 | 1,495.7 | 1,820.3 |
| Depreciation | 240.9 | 386.3 | 295.0 | 312.5 | 405.1 |
| Change in NWC | 519.2 | 646.9 | 1,052.8 | 1,033.1 | 1,126.7 |
| **Operating cash flow** | **444.2** | **(588.9)** | **(274.3)** | **(276.5)** | **(90.3)** |
| Capital expenditure | (523.0) | (2,296.8) | (200.0) | (200.0) | (200.0) |
| **Investing cash flow** | **498.7** | **837.3** | **250.0** | **250.0** | **250.0** |
| Debt raised/(repaid) | (239.6) | 2,053.6 | (259.1) | (272.1) | (272.1) |
| Dividends paid | **(319.6)** | **694.4** | **(565.1)** | **(578.1)** | (306.0) |
| **Financing cash flow** | **623.3** | **942.8** | **(589.4)** | **(604.6)** | **(578.1)** |
| **Net cash flow** | **1,301.3** | **1,908.4** | **2,830.6** | **4,479.8** | **(418.4)** |
| **Beginning cash flow** | **1,984.7** | **2,830.6** | **2,241.2** | **3,875.2** | **4,480.8** |
| **Ending cash flow** | **1,008.2** | **1,067.6** | **1,563.4** | **1,589.2** | **4,062.4** |

| Growth (%) | 2022A | 2023A | 2024E | 2025F | 2026F |
|---|---|---|---|---|---|
| Revenue growth | 44.7 | 61.8 | 63.9 | 5.0 | 3.0 |
| PBT growth | 28.2 | 5.9 | 26.4 | 9.0 | 6.5 |
| PATAMI growth | 37.0 | 6.7 | 26.2 | 8.9 | 6.4 |
| Core PATAMI growth | 38.1 | 6.8 | 26.1 | 8.9 | 6.4 |

| Balance Sheet (RM'm) | 2022A | 2023A | 2024A | 2025F | 2026F |
|---|---|---|---|---|---|
| PPE | 1,095.5 | 1,701.7 | 1,613.9 | 1,662.3 | 1,712.1 |
| ROU assets | 3,507.9 | 3,769.1 | 3,830.2 | 3,833.2 | 3,834.2 |
| **Non-current assets** | **7,119.3** | **8,674.3** | **9,743.4** | **9,794.8** | **9,794.8** |
| Trade receivables | 2,478.1 | 2,904.5 | 3,281.2 | 6,236.1 | 5,132.8 |
| Cash & bank balances | 2,794.3 | 3,169.5 | 2,698.9 | 3,019.1 | 3,020.1 |
| **Current assets** | **11,068.2** | **15,227.5** | **16,777.8** | **19,784.1** | **18,681.7** |
| Long-term debt | 3,244.7 | 5,514.0 | 6,803.3 | 4,015.9 | 3,815.1 |
| **Non-current liabilities** | **3,677.0** | **5,985.4** | **7,467.6** | **4,680.2** | **4,479.4** |
| Short-term debt | 1,535.3 | 1,409.7 | 1,003.3 | 1,381.1 | 1,381.1 |
| Trade payables | 2,677.1 | 3,810.6 | 4,806.3 | 6,377.9 | 5,383.3 |
| **Current liabilities** | **5,887.2** | **6,958.6** | **7,532.1** | **9,481.4** | **8,486.8** |
| Share capital | 3,723.2 | 4,078.1 | 4,529.9 | 4,223.0 | 4,223.0 |
| Reserves | 6,177.6 | 6,744.3 | 6,835.4 | 7,570.0 | 8,264.2 |
| **Equity** | **10,249.9** | **10,957.8** | **11,521.5** | **15,417.3** | **15,510.3** |

| Profitability Ratios (%) | 2022A | 2023A | 2024A | 2025F | 2026F |
|---|---|---|---|---|---|
| EBIT margin | 13.5% | 11.2% | 7.1% | 9.2% | 9.3% |
| PBT margin | 19.8% | 13.0% | 8.2% | 9.8% | 9.9% |
| PATAMI margin | 15.8% | 10.4% | 6.8% | 7.7% | 7.6% |
| Core PATAMI margin | 15.8% | 10.5% | 6.8% | 7.7% | 7.6% |
| ROA | 4.4 | 3.6 | 4.1 | 4.0 | 4.4 |
| ROE | 7.9 | 7.9 | 9.4 | 7.7 | 8.1 |

| Liquidity Ratios (x) | 2022A | 2023A | 2024A | 2025F | 2026F |
|---|---|---|---|---|---|
| Current ratio | 3.01 | 2.54 | 2.25 | 4.23 | 4.17 |

*Source: Bloomberg, MIDFR*

**MIDF RESEARCH is part of MIDF Amanah Investment Bank Berhad**

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### MIDF AMANAH INVESTMENT BANK: GUIDE TO RECOMMENDATIONS

**STOCK RECOMMENDATIONS**

| | |
|---|---|
| BUY | Total return is expected to be >10% over the next 12 months. |
| TRADING BUY | The stock price is expected to rise by >10% within 3 months after a Trading Buy rating has been assigned due to positive news flow. |
| NEUTRAL | Total return is expected to be between -10% and +10% over the next 12 months. |
| SELL | Total return is expected to be <-10% over the next 12 months. |
| TRADING SELL | The stock price is expected to fall by >10% within 3 months after a Trading Sell rating has been assigned due to negative news flow. |

**SECTOR RECOMMENDATIONS**

| | |
|---|---|
| POSITIVE | The sector is expected to outperform the overall market over the next 12 months. |
| NEUTRAL | The sector is to perform in line with the overall market over the next 12 months. |
| NEGATIVE | The sector is expected to underperform the overall market over the next 12 months. |

**ESG RECOMMENDATIONS*** - source Bursa Malaysia and FTSE Russell

| | |
|---|---|
| ☆☆☆☆ | Top 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell |
| ☆☆☆ | Top 26-50% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell |
| ☆☆ | Top 51%- 75% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell |
| ☆ | Bottom 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell |

* ESG Ratings of PLCs in FBM EMAS that have been assessed by FTSE Russell in accordance with FTSE Russell ESG Ratings Methodology