# Gamuda Berhad

(5398 | GAM MK) Main | Construction

SHARIAH Compliant | ESG 3 Stars | FTSE4Good

Corporate Update

## 4QCY25 Results Review
## Domestic Construction Scales Up

**Maintain BUY.** We are maintaining our **BUY** recommendation on Gamuda with an unchanged sum-of-the-parts (SOTP) derived **TP** of **RM6.35**. Gamuda remains our top pick for the construction sector, sitting on an all-time high order book of RM35.8b and a geographically diversified portfolio for both construction and property. It is also rapidly expanding its footprint in the utilities space, leveraging its expertise in construction and its financial strength to undertake asset ownership in a bid to rebuild its recurring income stream, something the group enjoyed before exiting the toll concession business in 2022.

**Within expectations.** Gamuda recorded a core net profit of RM332.2m (+22.3%yoy) in 4QFY25, in a quarter led by the ramping up of the higher margin domestic construction jobs. For the cumulative 12-month period of FY25, core earnings grew +9.8% to RM996.5m, which is within estimates, exceeding our projections and the street's by only 0.3% and 2.3% respectively.

**Record high top and bottom lines for construction.** FY25 construction revenue surged +18.3% to RM12.55b, led mainly by a 2.5x growth in domestic projects to RM4.05b, from its ongoing data centre projects, and the reclamation of the Penang Silicon Island. PBT for the year jumped +29.2% to RM805.7m, leading to stronger margins of 6.4% as compared to 5.9% in FY24. We expect the momentum to carry on in FY26, as domestic projects continue to ramp up, such as the Penang LRT and the Upper Padas Hydro Dam which are still in early stages, and the recently awarded projects namely the shell and core works for two hyperscale data centres in Eco Business Park V (RM2.14b) and the Northern Coastal Highway in Sarawak, of which Gamuda's 65% share is RM734.5m. Meanwhile in Australia, the group's maiden project – the Western Tunnelling Package for Sydney Metro West – is expected to be completed soon, currently at a 92% progress stage.

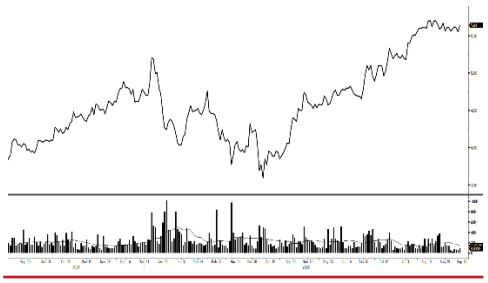
**Order book to hit RM50b by FY26.** With an outstanding order book of RM38.4b, Gamuda continued to mark another milestone for the fourth consecutive year in terms of record-high order book. The shift has now gravitated towards Malaysia projects, with 49.5% (RM19.0b) of the order book. Australia projects now make up 20.1% (RM7.7b) while Taiwan projects comprise 25.0% (RM9.6b). The remaining 5.5% (RM2.1b) are from projects in Singapore. Management is confident in securing another RM10b of new jobs before the end of CY25, which will comfortably lift its outstanding order book level up to RM40b-RM45b and potentially up to RM50b by FY26. Tender pipeline remains strong, with RM30b of tenders in Australia (both Gamuda Australia and DT Infrastructure), RM10b in Malaysia and RM10b in Taiwan and Singapore. As per our previous report, we have tracked close to AUD20b of projects that consortiums involving Gamuda have been shortlisted for. Contract awards are expected between 4QCY25 to CY27.

Maintain **BUY**

Unchanged Target Price **RM6.35**

| RETURN STATISTICS | |
|---|---|
| Price @ 19th Sept 2025 (RM) | 5.52 |
| Expected share price return (%) | +15.0 |
| Expected dividend yield (%) | +1.8 |
| Expected total return (%) | +16.8 |

**SHARE PRICE CHART**



| Price performance (%) | Absolute | Relative |
|---|---|---|
| 1 month | -3.2 | -3.2 |
| 3months | 15.2 | 10.0 |
| 12 months | 34.1 | 40.1 |

**INVESTMENT STATISTICS**

| FYE Jul | 2024A | 2025A | 2026F |
|---|---|---|---|
| Revenue | 13,345 | 15,970 | 19,404 |
| Operating Profit | 945 | 1,337 | 1,843 |
| Profit Before Tax | 1,097 | 1,304 | 1,820 |
| Core PATAMI | 907 | 997 | 1,470 |
| Core EPS | 15.0 | 17.0 | 25.0 |
| DPS | 8 | 10 | 10 |
| Dividend Yield | 1.4% | 1.8% | 1.8% |

| KEY STATISTICS | |
|---|---|
| FBM KLCI | 1,598.23 |
| Issue shares (m) | 5790.50 |
| Estimated free float (%) | 86.47 |
| Market Capitalisation (RM'm) | 32,301.21 |
| 52-wk price range | RM3.48 - RM5.8 |
| 3-mth average daily volume (m) | 18.23 |
| 3-mth average daily value (RM'm) | 96.31 |
| **Top Shareholders (%)** | |
| Employees Provident Fund | 17.74 |
| Amanah Saham Nasional | 4.12 |
| Generasi Setia M Sdn Bhd | 4.01 |

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**Property division missed sales target.** Gamuda Land, the property arm of the group, underperformed in FY25 due to the timing of project approvals in Hanoi. Revenue from the division declined -8.9% to RM3.81b, with modest growth in PBT by +5.0% to RM498.1m. It missed its FY25 property sales target of RM5.0b, achieving only RM4.1b on the back of softer demand in Malaysia, with some buyers adopting a wait-and-see approach. Management however, remained optimistic in FY26 with a higher sales target of RM5.5b, underpinned by continued momentum from Vietnam quick turnaround projects (QTPs) and new mid–upper range launches in Malaysia of over RM2b in GDV. Management is also in the midst of closing up to five deals in Vietnam with a GDV of RM5b to RM6b.

**Chencharu development to be launched by Nov-26.** Recall that a consortium led by Gamuda, together with partners Evia MCS Pte Ltd and H108 Pte Ltd, was recently shortlisted by Singapore's Housing & Development Board (HDB) as the highest bidder for the 29,450.3sq m Chencharu Close land in Yishun. Their bidding price of SGD1.01b (RM3.33b) was the highest, coming in at +19.8% higher than the runner up. Justifying the price tag, management said it was rare to have a development with a direct bus interchange and a five-minute sheltered walkway to the MRT and with a school directly in front of it. Recent winning bidders for other mixed-use integrated development lands also saw large bid gaps from 21% to 23%. The Chencharu Close land will be part of Gamuda's QTP strategy, to be redeveloped into a mixed commercial and residential project with an estimated GDV of RM6.0b. It is expected to be launched by Nov-26.

**Earnings estimates and TP.** We are making no changes to our projections as earnings are in line, and we maintain our sum-of-the-parts (SOTP) derived **TP** of **RM6.35**.

## Sum-of-the-Parts Valuation

| Segments | Stake | Methodology | Valuation (RM'm) |
|---|---|---|---|
| **Construction** | 100% | 25x FY26F PER | 29,030.41 |
| **Property** | 50%-100% | 30% discount to RNAV | 7,890.81 |
| **Investment properties** | 100% | Fair value | 948.78 |
| **Concessions:** | | | |
| **Gamuda Water** | 80% | DCF | 466.12 |
| **Ulu Padas Hydro Dam** | 45% | DCF | 658.05 |
| **Northern Perak Water Supply Scheme** | 50% | DCF | 704.68 |
| **Net cash/debt** | | FY26F | (2,176.10) |
| **Total Sum of the Parts** | | | 37,522.74 |
| **Diluted number of shares ('m)** | | | 5,909.02 |
| **Target price (RM)** | | | **6.35** |

*Source: MBSBR*

## Gamuda Bhd: 4QFY25 Results Summary

| All in RM'm unless stated otherwise | Quarterly Results | | | | | Cumulative | | |
|---|---|---|---|---|---|---|---|---|
| **Income Statement** | **4QFY25** | **3QFY25** | **4QFY24** | **QoQ** | **YoY** | **12MFY25** | **12MFY24** | **YoY** |
| Revenue | 4,842.4 | 3,089.6 | 4,721.2 | **56.7%** | **2.6%** | 15,970.2 | 13,346.7 | **19.7%** |
| Profit from operations | 501.3 | 261.1 | 463.4 | **92.0%** | **8.2%** | 1,337.2 | 945.2 | **41%** |
| Finance costs | (27.2) | (44.8) | (79.2) | **39.4%** | **65.7%** | (178.7) | (173.4) | **-3%** |
| Share of profit of associated companies | 4.9 | 0.5 | (0.3) | **951.5%** | **1747.3%** | 14.4 | 10.5 | **37%** |
| Share of profit of joint ventures | 13.9 | 64.1 | (34.8) | **-78.2%** | **140.1%** | 130.9 | 315.1 | **-58%** |
| Profit before tax | 493.0 | 280.8 | 349.1 | **75.6%** | **41.2%** | 1,303.8 | 1,097.4 | **19%** |
| Tax expense | (152.2) | (23.4) | (67.4) | **-551.6%** | **-125.9%** | (256.6) | (155.1) | **-66%** |
| Profit after tax | 340.8 | 257.5 | 281.8 | **32.4%** | **21.0%** | 1,047.1 | 942.6 | **11%** |
| Minority interest | 8.7 | 10.6 | 9.3 | **-18.4%** | **-6.5%** | 43.9 | 30.2 | **45.5%** |
| Reported net profit | 332.1 | 246.8 | 272.5 | **34.6%** | **21.9%** | 1,003.2 | 912.1 | **10.0%** |
| Core net profit | 332.2 | 246.8 | 271.6 | **34.6%** | **22.3%** | 996.5 | 907.3 | **9.8%** |

*Source: Company, MBSBR*

## FINANCIAL SUMMARY

| Profit or Loss (RM'm) | 2022A | 2023A | 2024A | 2025A | 2026F |
|---|---|---|---|---|---|
| Revenue | 5,089.5 | 8,233.6 | 13,346.7 | 15,970.2 | 19,403.5 |
| EBIT | 685.3 | 922.8 | 1,147.3 | 1,337.2 | 1,843.3 |
| PBT | 1,008.2 | 1,067.6 | 1,097.4 | -178.7 | 1,820.3 |
| Taxation | -168.9 | -230.9 | -155.1 | 1,303.8 | -400.5 |
| PAT | 806.2 | 860.1 | 912.1 | -256.6 | 1,469.8 |
| Core PATAMI | 805.8 | 860.8 | 907.3 | 1,047.1 | 1,469.8 |
| EPS (sen) | 0.14 | 0.15 | 0.15 | 0.17 | 0.25 |
| PER (x) | 34.1 | 31.9 | 30.3 | 27.6 | 18.7 |
| DPS (sen) | 6 | 25 | 8 | 10 | 10 |
| Dividend yield (%) | 1.1 | 4.5 | 1.4 | 1.8 | 1.8 |

| Cash Flow (RM'm) | 2022A | 2023A | 2024A | 2025A | 2026F |
|---|---|---|---|---|---|
| PBT | 1,008.2 | 1,067.6 | 1,097.1 | 1,303.8 | 1,568.3 |
| Depreciation | 240.9 | 386.3 | 361.3 | 351.3 | 353.8 |
| Change in NWC | 519.2 | 646.9 | (852.6) | 1,357.5 | 1,126.7 |
| **Operating cash flow** | **444.2** | **(588.9)** | **(2,113.4)** | **(1,264.8)** | **(1,493.1)** |
| Capital expenditure | (523.0) | (2,296.8) | (1,677.3) | (944.6) | (200.0) |
| **Investing cash flow** | **498.7** | **837.3** | **(929.1)** | **(1,254.9)** | **250.0** |
| Debt raised/(repaid) | (239.6) | 2,053.6 | 545.9 | 1,880.0 | (272.1) |
| Dividends paid | **(319.6)** | **694.4** | (74.1) | (153.8) | (153.8) |
| **Financing cash flow** | **623.3** | **942.8** | **577.2** | **1,837.7** | **(425.9)** |
| **Net cash flow** | **1,301.3** | **1,908.4** | **2,597.4** | **3,260.3** | **(1,669.0)** |
| **Beginning cash flow** | **1,984.7** | **2,830.6** | **2,830.6** | **2,597.4** | **4,480.8** |
| **Ending cash flow** | **1,008.2** | **1,067.6** | **2,597.4** | **3,260.3** | **2,811.8** |

| Growth (%) | 2022A | 2023A | 2024A | 2025A | 2026F |
|---|---|---|---|---|---|
| Revenue growth | 44.7 | 61.8 | 62.1 | 19.7 | 21.5 |
| PBT growth | 28.2 | 5.9 | 2.8 | 18.8 | 39.6 |
| PATAMI growth | 37.0 | 6.7 | 6.0 | 14.8 | 40.4 |
| Core PATAMI growth | 38.1 | 6.8 | 5.4 | 9.8 | 47.5 |

| Profitability Ratios (%) | 2022A | 2023A | 2024A | 2025A | 2026F |
|---|---|---|---|---|---|
| EBIT margin | 13.5 | 11.2 | 9.1 | 8.4 | 7.5 |
| PBT margin | 19.8 | 13.0 | 8.2 | 8.2 | 9.4 |
| PATAMI margin | 15.8 | 10.4 | 6.8 | 6.6 | 7.6 |
| Core PATAMI margin | 15.8 | 10.5 | 6.8 | 6.2 | 7.6 |
| ROA | 4.4 | 3.6 | 3.4 | 3.2 | 4.6 |
| ROE | 7.9 | 7.9 | 7.9 | 8.2 | 9.4 |

| Balance Sheet (RM'm) | 2022A | 2023A | 2024A | 2025A | 2026F |
|---|---|---|---|---|---|
| PPE | 1,095.5 | 1,701.7 | 1,620.3 | 1,561.3 | 1,608.1 |
| ROU assets | 3,507.9 | 3,769.1 | 3,830.0 | 4,334.7 | 4,334.7 |
| **Non-current assets** | **7,119.3** | **8,674.3** | **9,766.1** | **11,313.7** | **11,360.5** |
| Trade receivables | 2,478.1 | 2,904.5 | 2,700.3 | 3,351.8 | 3,020.1 |
| Cash & bank balances | 2,794.3 | 3,169.5 | 3,118.6 | 3,991.6 | 5,132.8 |
| **Current assets** | **11,068.2** | **15,227.5** | **16,891.7** | **19,809.2** | **20,618.7** |
| Long-term debt | 3,244.7 | 5,514.0 | 4,939.5 | 6,694.8 | 5,383.3 |
| **Non-current liabilities** | **3,677.0** | **5,985.4** | **1,242.0** | **2,493.4** | **1,601.8** |
| Short-term debt | 1,535.3 | 1,409.7 | 7,894.8 | **10,705.0** | **8,501.8** |
| Trade payables | 2,677.1 | 3,810.6 | 6,564.6 | 7,636.8 | 7,254.9 |
| **Current liabilities** | **5,887.2** | **6,958.6** | **7,240.9** | **8,264.4** | **7,882.5** |
| Share capital | 3,723.2 | 4,078.1 | 4,508.2 | 5,159.8 | 5,159.8 |
| Reserves | 6,177.6 | 6,744.3 | 6,856.9 | 6,840.5 | 8,264.2 |
| **Equity** | **10,249.9** | **10,957.8** | **11,522.1** | **12,153.6** | **15,595.0** |

| Liquidity Ratios (x) | 2022A | 2023A | 2024A | 2025F | 2026F |
|---|---|---|---|---|---|
| Current ratio | 3.01 | 2.54 | 2.33 | 2.40 | 2.62 |

*Source: Bloomberg, MBSBR*

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**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